

**VISION 2030
Medium-Term Management
Plan Briefing Session Material
(FY2023 to FY2025)**

3 June 2022
Wacoal Holdings Corp.

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1. The Mission We Should Fulfill in Today's Society

2. Reflecting On Our Previous Medium-term Management Plan:

On Formulating VISION 2030 and a Medium-term Management Plan

3. VISION 2030, Our Medium- to Long-term Management Strategy Framework

4. Medium-term Management Strategy (Mar. 2023 Term to Mar. 2025 Term)

5. Financial Strategy (Mar. 2023 Term to Mar. 2025 Term)

6. How We Must Change Our Ways

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First lingerie show held (1952)



During the post-WWII chaos, the women of the world lost their sparkle and their former beauty. For Japan to recover from the defeat as swiftly as possible and for the people to rekindle hopefulness in their lives, it was crucial for the women to regain vitality. (Koichi Tsukamoto, Founder)

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I'm Yasuhara, Representative Director, President, and Chief Executive Officer of Wacoal Holdings. Please refer to page three. Since its establishment in 1946, Wacoal has been operating with the goal to contribute to society by helping individuals to express their beauty. Mr. Koichi Tsukamoto, the founder of Wacoal, was a soldier in World War II. Later he described his motive for founding the company as follows.


“For Japan to recover from the defeat as swiftly as possible and for the people to rekindle hopefulness in their lives, it was crucial for the women to regain vitality.”

The global landscape has changed dramatically in the wake of the infectious disease outbreak. And still, there is growing uncertainty. In formulating our medium- to long-term management strategy, we have launched a project involving executive officers and younger employees to reexamine the future vision of the Wacoal group and the mission we should fulfill in today's society.

Values Only the Wacoal Group Can Provide in These Increasingly Uncertain Times



Contribute to the enrichment of the lives of all people around the world



Help people achieve self-realization free from external aesthetics or uniform perspective



Strive to resolve various social, environmental, and human rights issues

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Please refer to page four. Here is a description of the group mission, as derived through discussions on the project.

Our first focus is to contribute to the enrichment of the lives of all people around the world. Second, help people achieve self-realization free from external aesthetics or uniform perspective. Third, strive to resolve various social issues, environmental issues, and human rights.

We identified these topics as the social responsibility that the Wacoal Group needs to fulfill. Accordingly, we incorporated them into our revised group mission.

We have changed the framework of our management philosophy for the first time since our founding
With our founding spirit at the core, we have defined the mission we should accomplish in modern society

WACOAL empowers people with the confidence that comes from looking and feeling their best.

As a global leader, we welcome everyone into our caring community built on mutual respect, diversity, and inclusion.

Mission

Founding Principles

The WACOAL Way

<Our Promise>

We will contribute to society by helping women to express their beauty.

<Our Culture>

We, the employees and management of WACOAL, will maintain a refined corporate culture based on mutual trust and will continually strive to make the Company a global leader in the industry.

<Our Values>

Create products loved by customers
Develop new products that meet the needs of the times
Conduct business in a fair manner with a forward focus
Build a better Wacoal through better human resources
Fear not failure and boast not of success

Please refer to page five.

With the establishment of the group mission, for the first time since the company's founding, we have changed the framework of our management philosophy and positioned our promise, our culture, and our values set forth by our founder as the Founding Principles.

Going forward, we will strive to enhance our corporate value by promoting sustainability management that aims to both solve social issues and achieve sustainable growth through our businesses, based on our group mission and the founding spirit that we have inherited over our more than 70-year history, and by recognizing the increasingly complex and diverse social issues that each of our operating companies faces as future growth opportunities.

Mission Fulfill in Today's Society

WACOAL empowers people with the confidence that comes from looking and feeling their best. As a global leader, we welcome everyone into our caring community built on mutual respect, diversity, and inclusion.

At WACOAL, we value each person as an individual and believe in nurturing the body and mind so everyone can be their best.

When people with different backgrounds are empowered to come together and share ideas freely, we as a society will achieve true harmony.

By continuing to evolve, WACOAL leads the way to a world where kindness, inclusivity, and mutual respect are the standards, and the future is full of promise for everyone.



On page six, you will find the newly formulated group mission of our group. We will skip the presentation today, please check back later.

Formulating VISION 2030, our medium- to long-term management strategy framework, to create new value

Founding
Principles

Medium-Term Management
Plan Briefing Session Material
(FY2023 to FY2025)

Management Strategy
Financial Strategy

**VISION 2030, Our
Medium- to Long-
term Management
Strategy Framework**

Management Strategy
Material Issues
Guidelines for the Actions of
Officers and Employees

Mission

WACOAL empowers people with the confidence that comes from looking and feeling their best.

As a global leader, we welcome everyone into our caring community built on mutual respect, diversity, and inclusion.

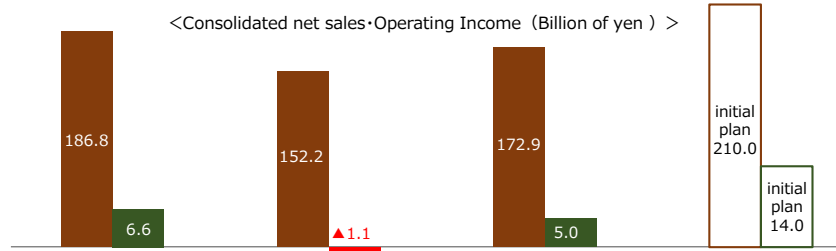
Please see page seven.

VISION 2030 is a set of goals to achieve by 2030 for us to accomplish the group mission and to ultimately evolve as a company that people and society rely on. As a milestone, the medium-term management plan we are announcing this time is what we should work on for the first three years of the plan.

This is the end of my presentation.

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Summary of Previous Medium-Term Management Plan



	FY2020	FY2021	FY2022	FY2022 initial plan
Operating income ratio	3.6%	—	2.9%	6.7%
Net income attributable to Wacoal Holdings Corp.	3.5	7.0	4.6	12.0
ROE	1.6%	3.3%	2.1%	6.0%
Cash generated (Net income※ + Depreciation cost + Reduction in strategic stockholdings)	27.8	10.8	14.4	3-year 70.0 or more
Reduction in strategic stockholdings (Book Value as of the end of FY2019)	13.6	2.6	3.5	20.0
Dividends Per Share (yen)	60	40	50	—

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※Estimated in real terms without taking into account impairment losses of intangible assets, securities, or valuation gains and losses

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I will now review VISION 2030 and our medium-term management plan.

First, let me begin with a review of the previous medium-term management plan.

Please see page nine. This page shows the results for the previous midterm period.

Strongly affected by the global spread of infectious diseases, our performance declined significantly from the fiscal year ended March 2021 onward, making it a very difficult three-year period.

Understanding the Current Situation: Reflecting On Our Previous Medium-term Management Plan

**Our lack of ability to respond in unexpected situations was revealed
We must transform our corporate structure into one that is more resilient
and can cope with intense environmental changes**

Primary Policy 1. Show Strong Growth Domestically and Internationally ▲

- Acquired IO, Inc. (LIVELY) to strengthen our e-commerce business in the US
- As regulations eased and consumer spending has recovered, Europe and the US hit record levels
- The pandemic clarified the issues that Wacoal's business structures have

Primary Policy 2. Verify Unprofitable Businesses' Future Potential and Carry Out Structural Reform ✕

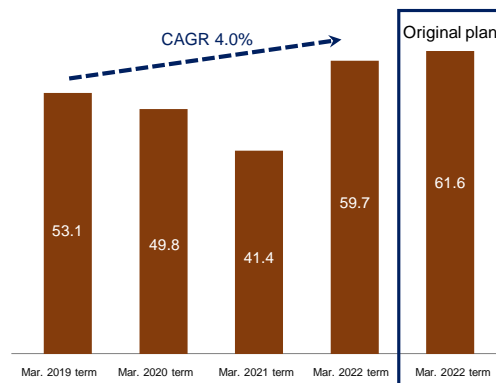
- Peach John's structural reform led to it moving back into a highly profitable position
- The business environment surrounding three of our domestic subsidiaries worsened due to the pandemic
- We started to structurally reform each company via downsizing, factory closures, etc.

Primary Policy 3. Strengthen Efforts to Create Social Value ○

- We disclosed medium- to long-term targets for reducing greenhouse gases
- For CSR procurement, we disclosed everything up to the list of factories to which our major overseas affiliates outsource

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Wacoal business (overseas) segment
<Consolidated sales / Operating profits
(Units: Billions of yen)>



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Please refer to page 10. This section contains an evaluation of the three primary management policies outlined in the previous medium-term management plan.

For the first of the primary management policies, which is to show a strong growth trajectory both domestically and internationally, our evaluation symbol is a triangle, meaning not good. The overseas business achieved record-high sales in Europe and the US. We also achieved high growth in e-commerce, which has been a focus of the company's efforts. On the other hand, for the domestic business, challenges with profit-earning structure and channel structure became apparent as sales were sluggish due to the pandemic.

The second policy, verification of the future potential of unprofitable businesses and structural reforms. Our evaluation symbol is an X, meaning bad. The effects of structural reforms have enabled Peach John to return to a highly profitable position once again. On the other hand, although measures were taken for NANASAI, Ai, and LECIEN, the performance of these companies fell sharply due to the pandemic, and these issues will be carried over to the next medium-term management plan.

The third, strengthening efforts to create social value. Our evaluation symbol is a circle, meaning good. We were able to advance our response to climate change issues by disclosing our targets for greenhouse gas reductions, and we also made progress in our CSR procurement efforts by disclosing the list of factories to which our major overseas affiliates outsource.

Understanding the Current Situation: Business Issues

Domestic Business Issues	Eliminate the rigid high-cost structure and transform into a resilient company <ul style="list-style-type: none">◆ Acquire new customers via stronger marketing, develop new value to provide to customers, and create new businesses◆ Stabilize management within our domestic subsidiaries, and verify businesses' ability to continue and decide whether to let them do so or change them
Overseas Business Issues	Further increase profitability and continuous growth, centered on e-commerce <ul style="list-style-type: none">◆ Respond to a lag in the LIVELY brand's growth caused by saturation in the US e-commerce market and targeted advertising regulations◆ Actively invest in our brands for growth in potentially large markets now emerging, such as India and Germany
Production and Supply System Challenges	Renovate our global supply system to improve productivity <ul style="list-style-type: none">◆ Soften the blows from soaring raw material and shipping costs by making production and shipping operations efficient◆ Work to stabilize factory operations as COVID-19 spreads
Sustainability Issues	Promote co-creation innovation that solves social issues as opportunities for growth <ul style="list-style-type: none">◆ Strengthen responses to increasingly severe human rights and environmental issues, such as climate change◆ Strengthen our ability to respond to change by increasing the number of employees that can clearly define and act on the company's ideal state and mission

On page 11, we have included our perception of the issue.

The domestic business must eliminate the high-cost structure that was revealed by the pandemic. We also need to strengthen our ability to respond to change. In addition, we need to strengthen the marketing function to attract new customers and recover sales as quickly as possible.

In the overseas business, we need to sustain our growth through further sales growth in major countries, centered on e-commerce, as well as by developing businesses in potential, large markets. In addition, Intimates Online, hereafter referred to as IO, must further improve profitability by advancing this profitability improvement initiative.

On the supply side, it is necessary to improve the production system globally to push productivity to another level.

Stakeholders' Expectations (Mainly Institutional Investors)

Growth Strategies

Our growth strategy was difficult to visualize before, but policies for increasing our LTV and growing have been clearly set forth through CX and brand strategies, making our long-term strategy easier to understand.

Long-term Issues

Wacoal's P/B ratio has been below 1x since the 2000s. This reflects our investors judging that Wacoal was unable to adequately transform our business model into what the market demanded in order to respond to changes in the external environment.

The Next Medium-term Plan

The goals of our next medium-term plan are to improve our PL and BS and become more efficient, and as a result, hopefully improve our ROE.

Please refer to page 12. The following is a list of expectations from stakeholders, which we have received from investors through dialogue.

What investors commonly demand of the Group is an early resolution of the persistent P/B ratio of less than 1x. At the same time, we received many comments that we should clarify the value that only the Wacoal Group can provide to society and people in the coming era.

We have also received feedback that we need to make sure that corporate governance is properly effective to create new value, promote current management reforms, and steadily achieve a level of ROE that exceeds the cost of capital.

On Formulating Vision 2030 and a Medium-term Management Plan

Create Expectations

(Provide greater value / Global growth)

In these uncertain times, the Wacoal Group will clarify the economic and social value that only we can provide to society and people



Respond to Requests

(Improve ROE levels, and focus on ESGs)

We will strengthen our efforts to meet the capital market's demands for our company and improve our P/B ratio standing of below 1x as soon as possible



Commitment

(Improve effectiveness / Improve capital efficiency)

We will improve the effectiveness of our corporate governance (improve our capital efficiency, continuously improve our remuneration system, etc.) to transform our corporate structure into one that is more resilient

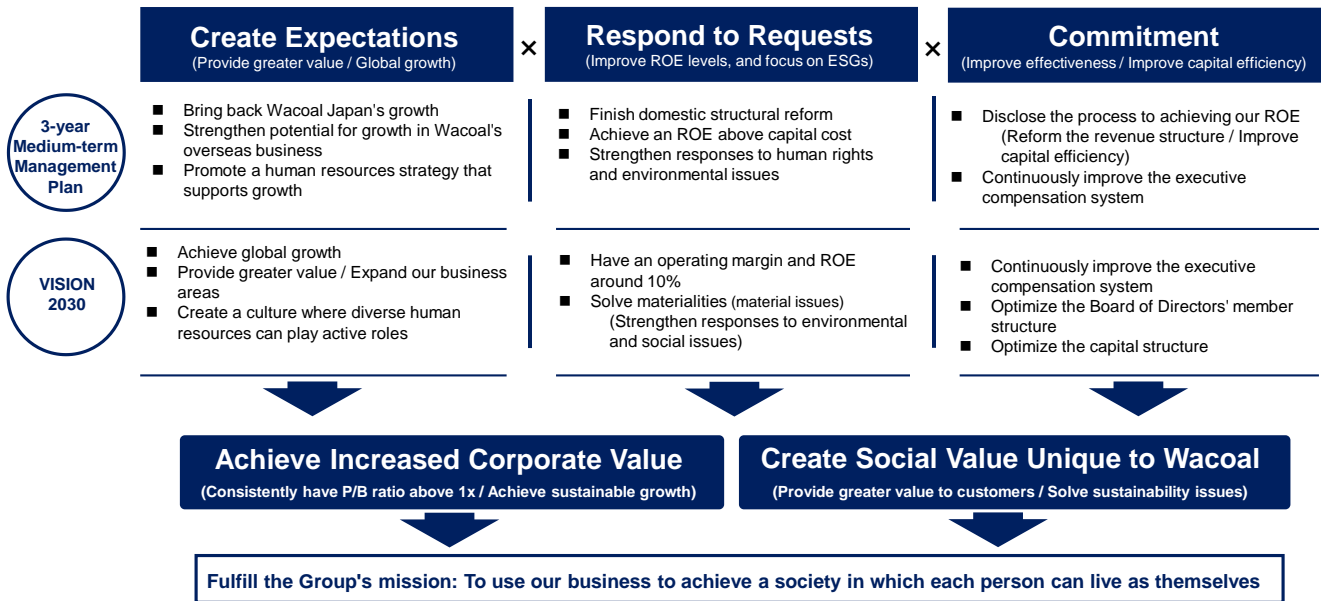
Page 13. In formulating our mid- to long-term management strategy, we have organized our action items along three axes.

The first is to create expectations for the future. In these uncertain times, we would like to clarify the value that only the Wacoal Group can provide to society and people.

The second is to respond well to requests. We will strengthen our efforts to meet the demands of the capital market for our company and hope to improve the P/B ratio below 1x as soon as possible.

The third is commitment, and I believe that we must keep our promises. We will continue to improve the effectiveness of corporate governance to transform our corporate structure to one that is more resilient to change.

VISION 2030 and Medium-term Management Plan Initiatives (Overall Picture)



Page 14 summarizes the overall picture of VISION 2030 and medium-term management plan initiatives. The items to be addressed are organized by time frame, as well as expectations, requests, and commitments.

Through our response to requests and commitment, we will create expectations for society and our customers by continuously providing social value that only our group can provide, while enhancing the trust of our stakeholders.

And through these efforts, we hope to enhance corporate value and achieve sustainable growth.

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What We Aim For in VISION 2030

Evolve and grow into the global Wacoal Group by utilizing our elevated minds and quality through beautifying and enriching each individual's body

Medium- to Long-term
Management Strategy Framework
VISION 2030

Management Strategies

Materialities (Material Issues)

Behavioral Guidelines for Executives and Employees

Create Expectations

- Achieve global growth
- Provide greater value / Expand our business areas
- Create a culture where diverse human resources can play active roles

×

Respond to Requests

- Have an operating margin and ROE around 10%
- Solve materialities (material issues)
(Strengthen responses to environmental and social issues)

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Commitment

- Continuously improve the executive compensation system
- Optimize the Board of Directors' member structure
- Optimize the capital structure

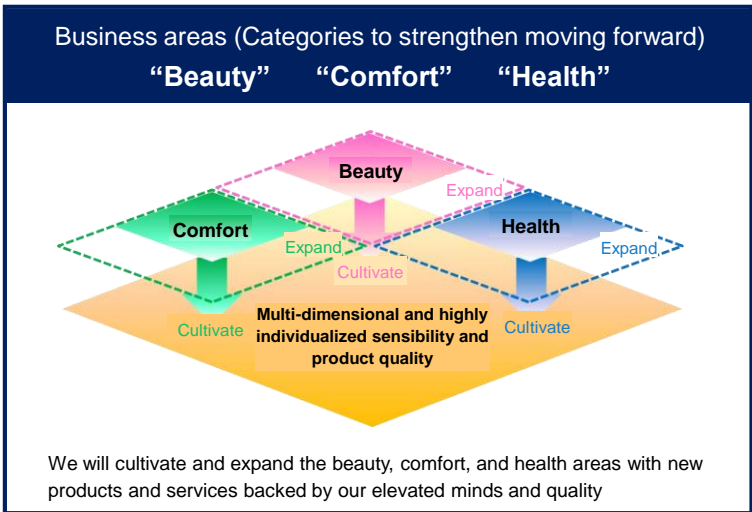
I would like to review VISION 2030.

Please refer to page 16.

In VISION 2030 we stated our mid- to long-term vision: “Evolve and grow into the global Wacoal Group by utilizing elevated mind and quality through beautification and enrichment of individual body.” The vision consists of three elements: management strategy, materiality, and behavioral guidelines for the executive and employees.

VISION 2030 Management Strategies

Create New Value from an Innovative Perspective and Achieve Sustainable Growth



Please see page 17. First, let me review the first component, management strategy. We have set forth the following four management strategies.

We will also take on the challenge of creating new value with an innovative perspective to achieve sustainable growth. The Wacoal Group will focus on the following businesses: beauty, comfort, and health. We will achieve discontinuous growth by leveraging available resources, both internally and externally.

VISION 2030 Management Strategies

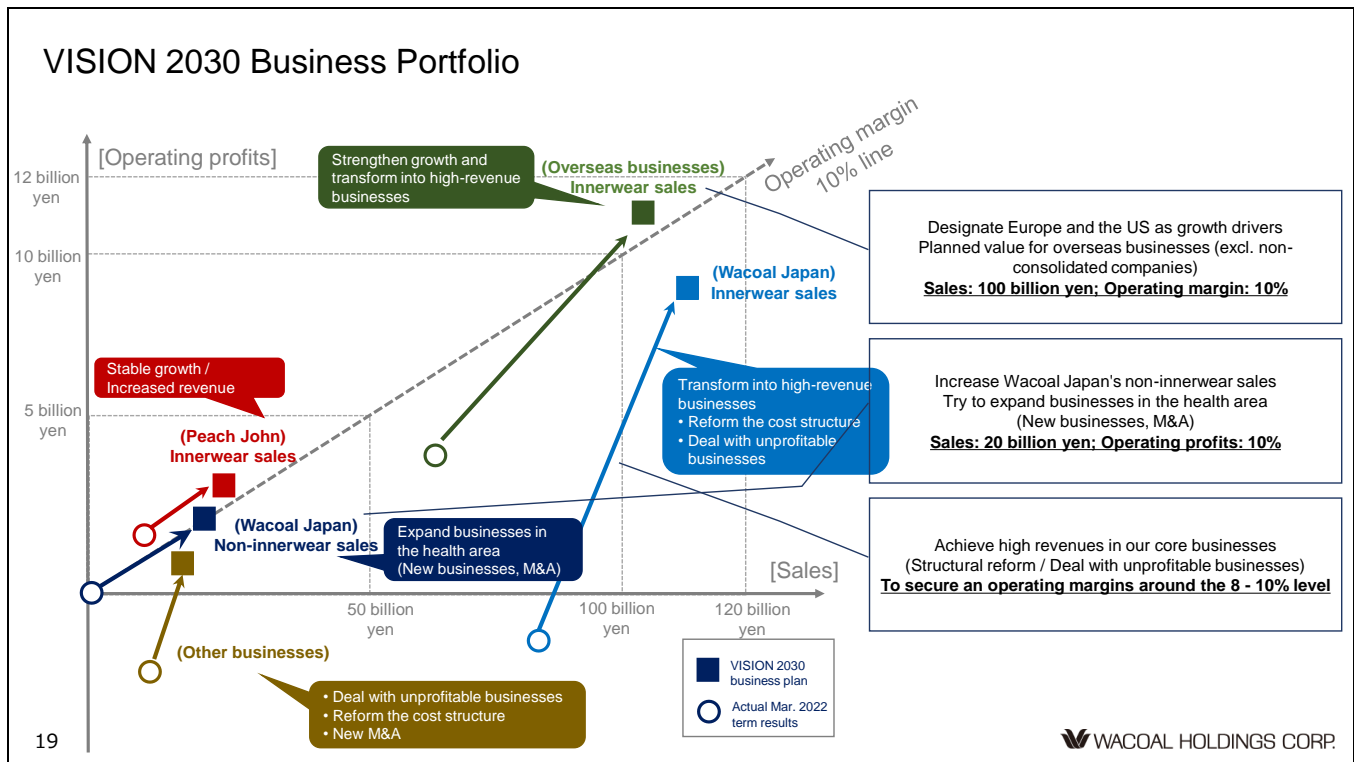


On page 18, we provide details of the four management strategies we have set forth. For the domestic business, we aim to expand sales by promoting CX strategy and creating new businesses, as well as to transform the business into a profitable one.

In the overseas business, we hope to secure a high growth rate by strengthening the development of markets with large potential for growth, such as Germany and India, in addition to growth in existing areas through enhanced digital marketing and other measures.

To strengthen the Group's management capabilities, we will build a system that can respond to severe changes in the environment by continuing to improve the efficiency of our production bases.

At the same time, we will continue to strengthen our corporate governance structure so that we can steadily promote our growth strategy and produce targeted results, and we will also strive to develop and acquire human resources capable of creating new value. In addition, we will strengthen our management base by promoting a shift to more capital-efficient management.



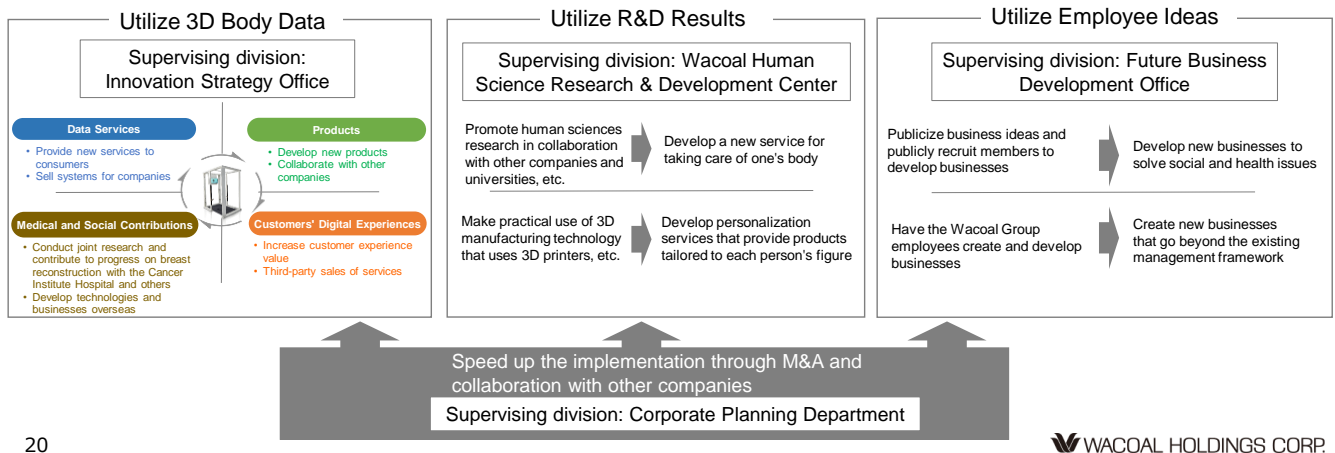
Please refer to page 19. Here is a summary of the image of the business portfolio that we aim to achieve in the final year of VISION 2030.

The mainstay innerwear business will maintain top-line growth, particularly in Europe, the US, and emerging regions while increasing profitability through cost structure reforms in Japan and improved profitability of IO. In addition, by effectively utilizing the know-how and assets of existing businesses to create new businesses, we aim to build a business portfolio that can be expected to grow sustainably.

Aim to Increase (Domestic) Non-Innerwear Businesses' Sales

Non-innerwear
businesses' sales
20 billion yen

Utilize 3D body data, R&D results, and employee ideas, and promote active M&A and collaboration with other companies;
Strive to continuously provide greater value and achieve discontinuous growth

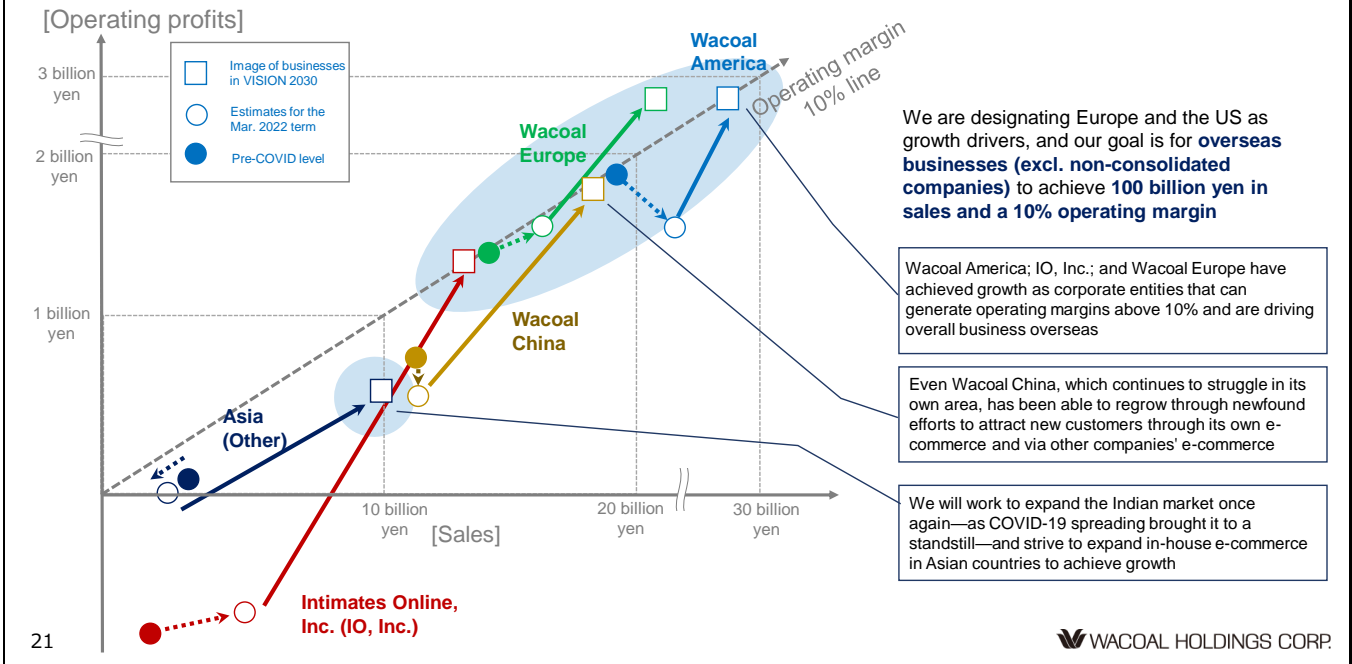


Please refer to page 20. I would like to review our domestic business.

The Group's existing assets encompass three-dimensional human body data and the accomplishments produced by Wacoal Human Science Research Center. In addition to these resources, we will explore external resources, such as collaboration or M&A opportunities with partners, to achieve continuous evolution of added value and discontinuous growth.

In addition, we have set a target of JPY20 billion for new businesses under VISION 2030. Some projects have already started, but we would like to develop them into pillars to follow the inner business by injecting external resources as needed.

VISION 2030 Overseas Business Portfolio (Reprint of Material Published on Feb. 10, 2022)



Please refer to page 21. Here is an image of the overseas business portfolio that we aim to achieve in the final year of VISION 2030.

We would like to achieve sales of JPY100 billion and an operating margin of 10% by realizing a shift to a highly profitable structure, with Europe and the US as growth drivers.

(Overseas Businesses) Key Points for Global Growth

Overseas businesses' sales

108 billion yen

(Operating margin: 10%)

We will work on pushing growth in the areas we have entered (the UK, the US, China) and spreading brand awareness in Europe, India, and other areas, and transform businesses there into high-revenue structures

1 Uplift Growing Markets

Steadily grow in Europe and the US

- ◆ Acquire new customers via stronger digital marketing
- ◆ Make existing customers loyal by utilizing data and strengthening CRM

Break new ground on markets with high sales potential

Estimated Sales in Emerging Areas

Germany: 3 billion yen
India: 7 billion yen



2 Transform into High-revenue Structures

Businesses boldly transform into e-commerce businesses

VISION 2030 E-commerce Ratio **50% or more**

Includes client e-commerce, specialized e-commerce, and in-house e-commerce sales



Convert to the Asia Headquarters System

- ◆ Restructure the sales system and expand e-commerce to suit Asia's market characteristics

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Please refer to page 22. This section describes the key points we will focus on to achieve our overseas business goals.

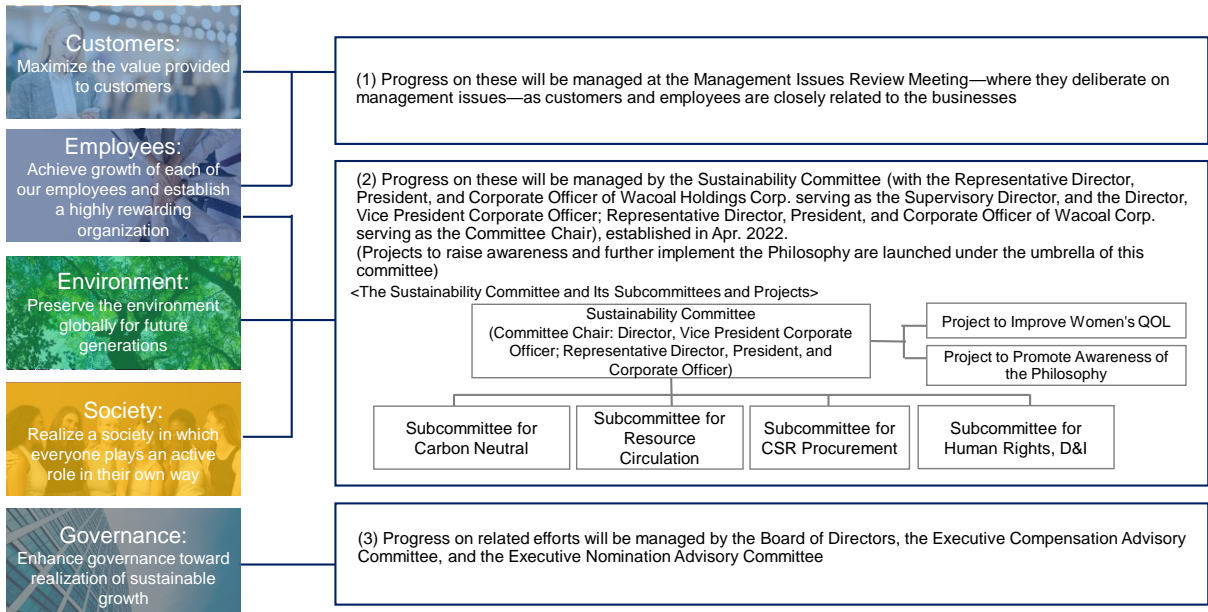
In our key markets, the US, Europe, and China, we will focus on the e-commerce business and aim for stable growth. In addition, we will achieve growth in areas with larger markets, such as Germany and India, and improve profitability by increasing the efficiency of our global management structure.

Material Issues We Aim to Solve by 2030



Please see page 23 The second component of VISION 2030, materiality, is reviewed below. In formulating VISION 2030, we filtered the challenges that the Group needs to address. We identified a total of 11 materialities covering customers, employees, environment, society, and corporate governance. I’ m skipping details today, but we plan on disclosing the progress of our materiality initiatives on our website and reviewing them at ESG meetings and other events in the future.

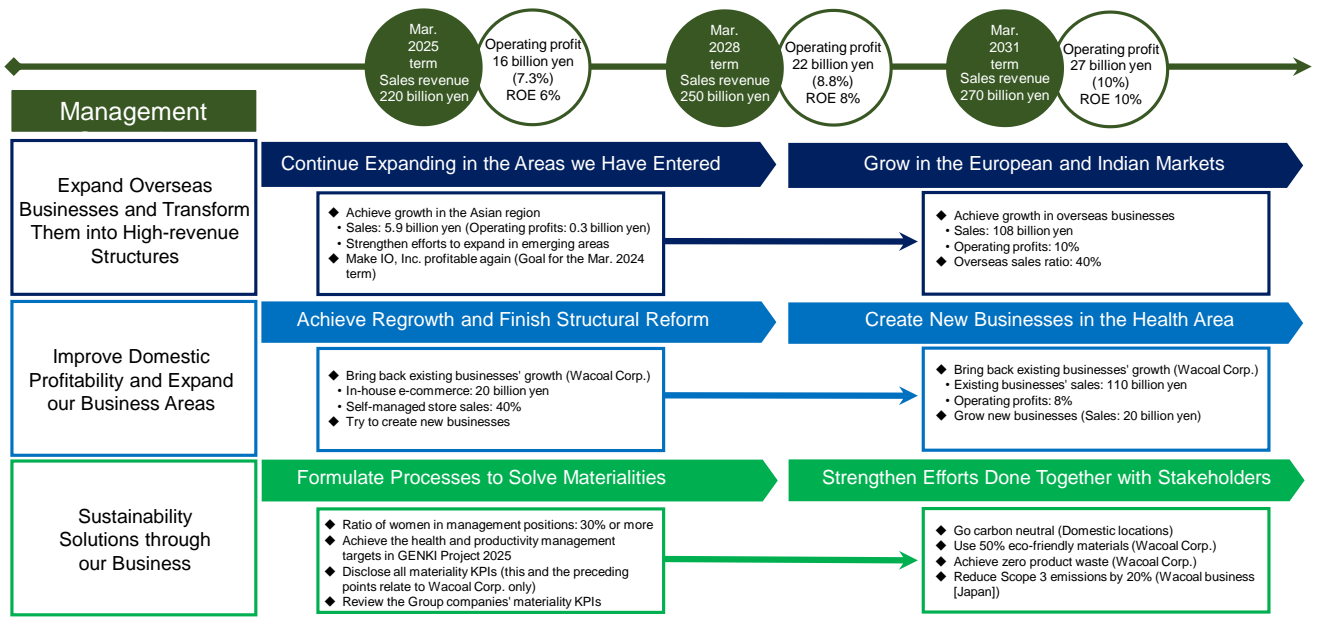
Promotion System: The Board of Directors Makes Decisions and Monitors Them



On page 24, the promotion system is clearly described.

While the Board of Directors is responsible for decision-making and overall monitoring, the management committee and its subgroups will take the lead in solving issues.

VISION 2030 Plan Roadmap



On page 25. Here is the VISION 2030 roadmap.

By steadily implementing the management strategies reviewed today and striving to resolve materiality issues, we aim to achieve sales revenue of JPY270 billion, operating profit of JPY27 billion, and ROE of 10% in the final year of the plan, the fiscal year ending March 2031.

This concludes my review of VISION 2030.

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Medium-term Management plan Management Targets 1

(billion of yen)

	FY2023 plan (First year of medium-term management plan)	FY2025 plan (Final year of midium-term management plan)
Net Sales	205.0	220.0
(% changes from FY2023)	–	+7.3%
Business Income	7.0	16.0
(vs. Net sales)	3.4%	7.3%
Operating Income	6.5	16.5
(vs. Net sales)	3.2%	7.5%
Income before income taxes and equity in net income of affiliated companies	8.0	18.0
(vs. Net sales)	3.9%	8.2%
Net income attributable to owners of parent	5.5	12.5
(vs. Net sales)	2.7%	5.7%

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I would like to review our medium-term management plan that covers the current fiscal year through the fiscal year ending March 2025.

Please see page 27. This section describes the management indicators that we aim to achieve in the medium-term management plan.

For the fiscal year ending March 2025, the final year of the project, our target sales revenue is JPY220 billion, and business profit is JPY16 billion.

By improving profitability through top-line growth and profit structure reforms, we aim to achieve an operating margin of over 7% for the group as a whole.

Medium-term Management plan Management Targets 2

(Unit : yen)

	FY2023 plan (First year of medium-term management plan)	FY2025 plan (Final year of medium-term management plan)	3-year total
EPS	97	200 or more	—
ROE	—	6.0%	—
Shareholders' equity	—	About 210 billion	—
Reduction in strategic stockholdings	—	—	(3-year) 10 billion or more
Dividends Per Share	80	—	—
Total dividends	—	—	(3-year) About 20 billion
Share buybacks (FY2023 Implementation)	10 billion	—	10 billion
Growth investments or additional returns (Share buybacks)	—	—	(3-year) 20~30 billion
Investments in existing businesses	6 billion~7 billion	6 billion~7 billion	(3-year) About 20 billion

Please turn to page 28.

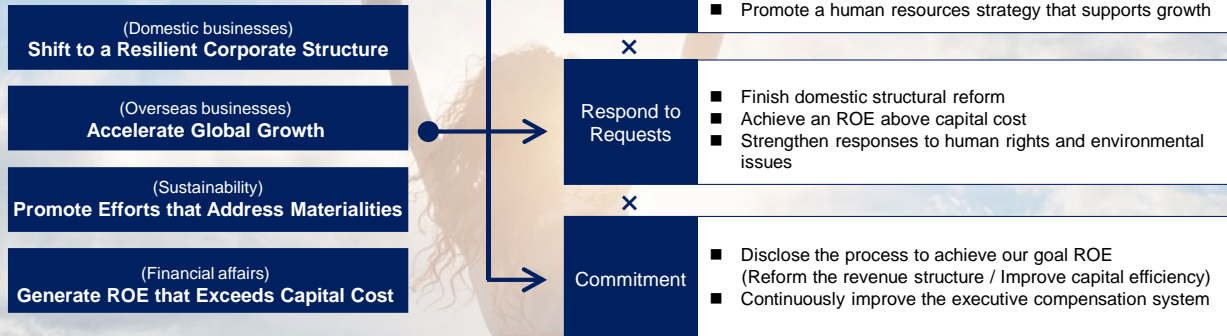
In addition to the growth of each business segment, we aim to increase EPS to over JPY200 and ROE to 6% by improving capital efficiency through the promotion of financial strategies, thereby increasing corporate value and shareholder value.

For the details of the financial strategy, Mr. Miyagi will provide comments in a moment.

What We Aim For in the Medium-term Management Plan

We are laying the foundation to make VISION 2030 a reality. As a manufacturing company that creates global brands, we will contribute to the affluent lives of many people and transform ourselves into a highly profitable company capable of sustainable growth.

From Mar. 2023 term to Mar. 2025 term
Medium-term Management Plan:
Core Strategies

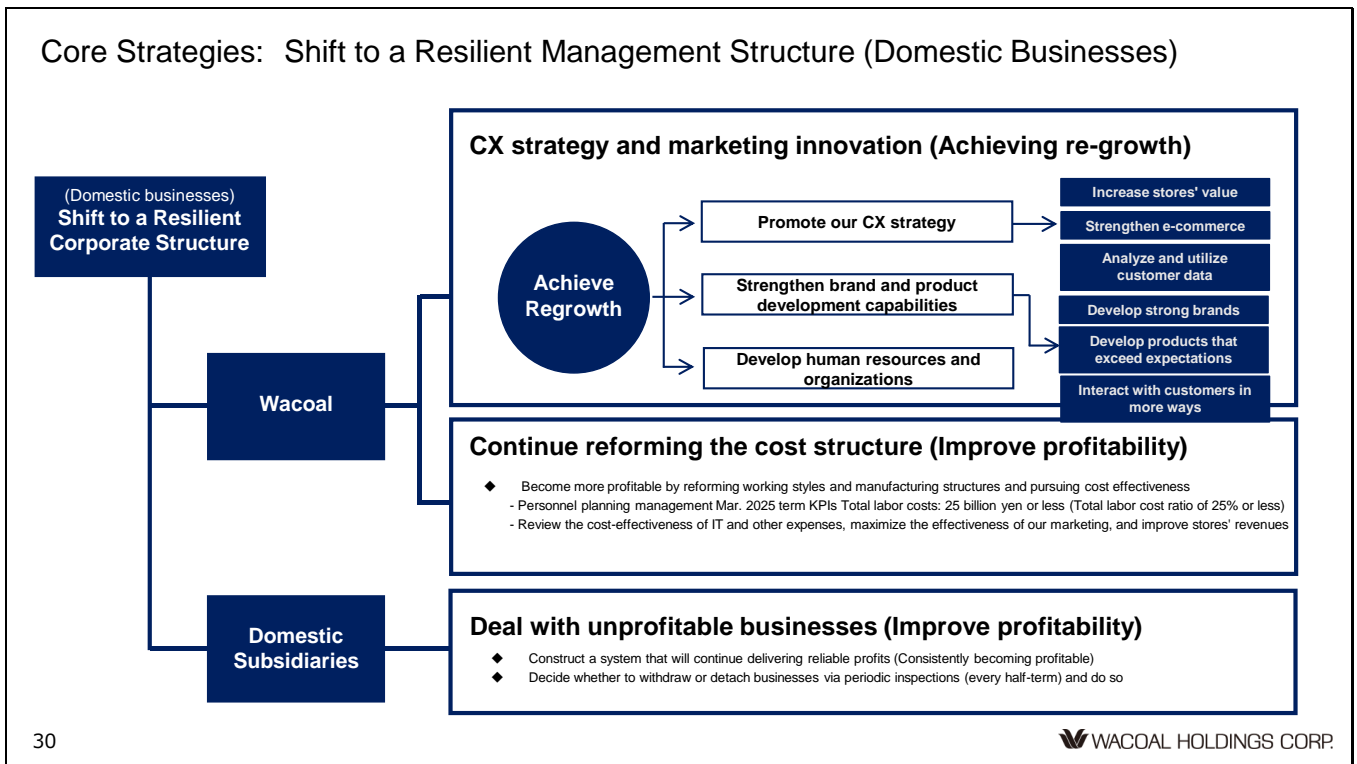


Please turn to page 29. I will review the core strategies outlined in our medium-term management plan.

We recognize that these three years is a very important period for laying the foundation for the realization of VISION 2030.

As a manufacturing company that creates global brands, we will focus on the initiatives described in the medium-term management plan to contribute to the affluent lives of many people and transform ourselves into a highly profitable company capable of sustainable growth.

Core Strategies: Shift to a Resilient Management Structure (Domestic Businesses)



Please refer to page 30.

First, for our domestic business, we will evolve into a corporation that can respond to changes by reforming the management structure to be resilient to change. First, for Wacoal, we will bring growth by strengthening brand and product development capabilities while continuing to promote the CX strategy. At the same time, we will improve profitability by steadily implementing cost structure reforms, including personnel planning management.

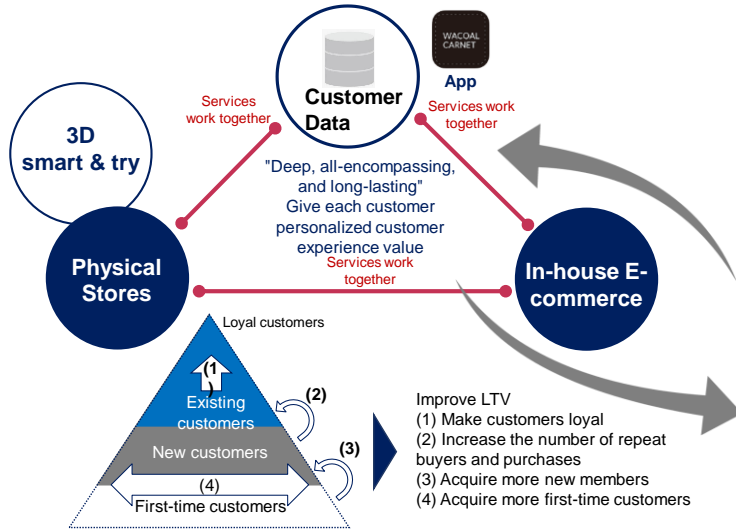
Regarding domestic subsidiaries with existing issues, we will continue to work on structural reform of unprofitable businesses; however, if periodic inspections indicate that there is no room for improvement, we will withdraw or detach them from the business at any time.

CX Strategy: Strengthen Communication with Customers with a Focus on Digital

Ratio of membership-only sales to retail store-based sales
Over 60% in the Mar. 2025 term
 (44% in the Mar. 2022 term)

We will use digital technology to connect with customers across channels and brands and expand our customer pyramid

**CX Strategy (1)
Increase Stores' Value**



**CX Strategy (2)
Strengthen E-commerce**

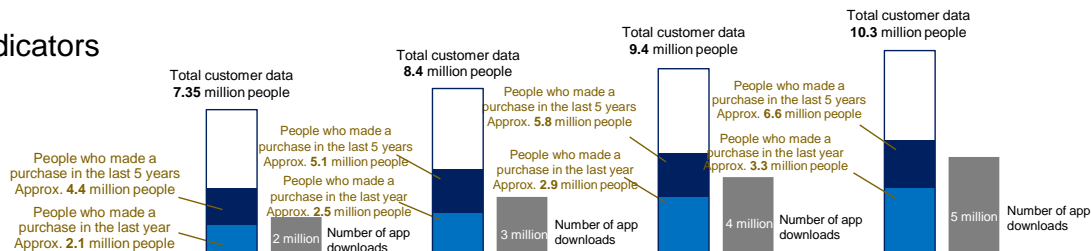
**CX Strategy (3)
Analyze and Utilize Data**

Please refer to page 31. This section describes the CX strategy that Wacoal is pursuing as a growth strategy.

The CX strategy is our unique strategy that aims to increase LTV by utilizing digital technology to connect each and every customer with our company across channels and brands. We will expand the number of new customers and nurture loyal customers by effectively utilizing customer data while promoting collaboration between online and offline operations.

We will define the ratio of membership-only sales to retail store-based sales as the most important indicator for managing the progress of our CX strategy. By raising the ratio of membership-only sales, which is currently around 44%, we will push it to 60% in the final year of the medium-term management plan. We will increase the effectiveness of the CX strategy and ultimately revamp the growth line of Wacoal.

CX Strategy: Indicators



	Actual results from the Mar. 2022 term	Estimates for the Mar. 2023 term	Estimates for the Mar. 2024 term	Estimates for the Mar. 2025 term
Wacoal sales (incl. internal sales)	82.8 billion yen	104.4 billion yen	108 billion yen	110 billion yen
Self-managed sales (in-store + in-house e-commerce)	34 billion yen	41 billion yen	45 billion yen	51 billion yen
Ratio to sales	41.0%	39.3%	41.7%	46.3%
Self-managed sales (in-house e-commerce only) * Mail-order catalog sales included	11 billion yen	14 billion yen	17.5 billion yen	23 billion yen
Ratio to sales	13.3%	13.4%	16.2%	20.9%
Sales to members (based on retail prices)	34.3 billion yen	44.8 billion yen	53.2 billion yen	62.3 billion yen
Wacoal members (number of registered members)	7.35 million people	8.4 million people	9.4 million people	10.3 million people
Wacoal members (who have made purchases in the last 5 years)	4.4 million people	5.1 million people	5.8 million people	6.6 million people
Number of members making purchases	2.1 million people	2.5 million people	2.9 million people	3.3 million people
Ratio to Wacoal members	28.6%	29.8%	30.9%	32.0%
Number of WACOAL CARNET (app) downloads	2 million	3 million	4 million	5 million

Please refer to page 32. This section describes the key KPI targets of the CX strategy. As reviewed on the previous page, Wacoal aims to expand sales by increasing the number of purchases and unit purchase prices by increasing the number of new members and turning existing members into loyal customers.

In addition, to expand points of contact with customers and improve the purchasing experience amid drastically changing consumer behavior, it is necessary to further increase the sales ratio of self-managed sales channels, which include directly managed retail stores, procurement-and-purchase stores, and e-commerce platforms that we develop and manage in house.

In addition, it is necessary to develop stores based on customer characteristics and optimize product placement. We will also continue our efforts to review our store format from wholesale stores to self-managed sales channels.

Core Strategies: Accelerate Global Growth (Overseas Businesses)



Please refer to page 33. Next, I will review our business strategy.

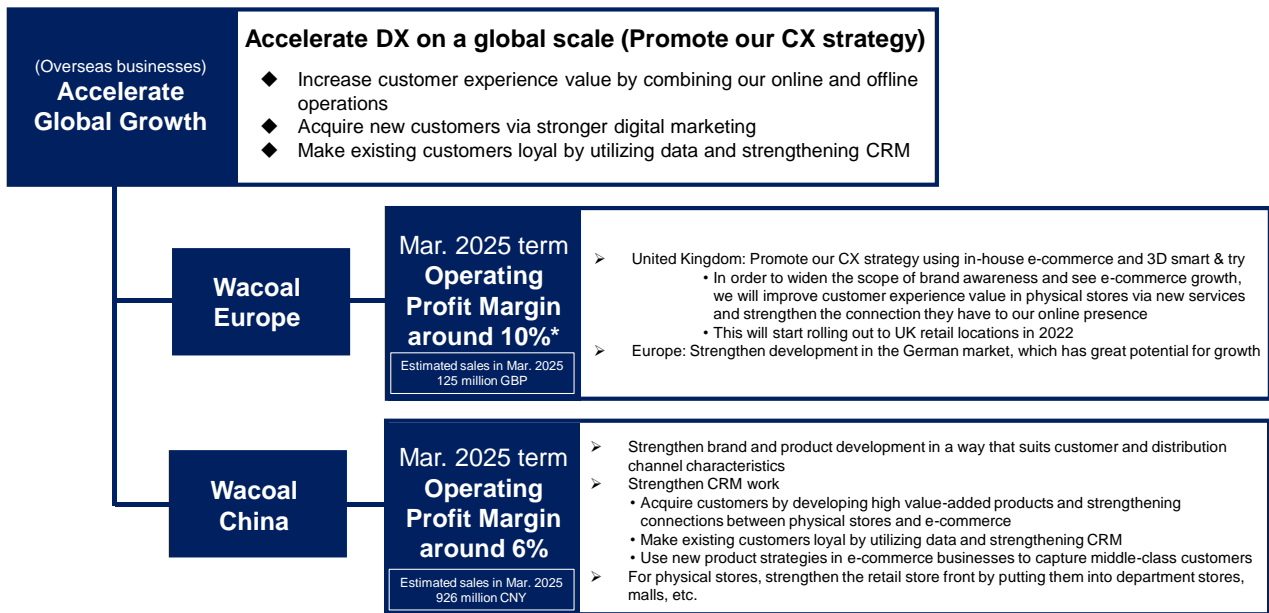
Overall, our overseas business will work to increase awareness of our brand in each country's market by developing our unique service that combines offline and online to differentiate our model from our competitors.

In addition, we aim to increase the LTV of customers in each country and region by strengthening our marketing efforts using digital technology to acquire new customers and turn existing customers into loyal customers.

As for initiatives by major subsidiaries, Wacoal America will aggressively invest in digital marketing and aim for EC-led growth. We are already making progress with initiatives. The introduction of a digital fitting app is one of them. We hope to achieve a profit margin of 8% by the final year of the medium-term management plan. We will be further improving the convenience of the website and building a logistics system to support the growth.

IO will continue to invest in marketing to enhance its brand power and expand sales by attracting new customers. In addition, we hope to achieve even profitability in the fiscal year ending March 2024, and subsequent profit growth, by promoting management efficiency through synergies or other measures with Wacoal America.

Core Strategies: Accelerate Global Growth (Overseas Businesses)



Please refer to page 34.

Wacoal Europe will promote a CX strategy by utilizing their e-commerce platform and by deploying the three-dimensional smart & try that was launched in Japan. In the European regions, people have less opportunity in measuring their body shapes, therefore we aim to expand awareness of our brand by introducing an automatic measurement service and achieve sales growth while maintaining the current high profit.

Wacoal China will acquire new customers and turn existing customers into loyal customers by continuously strengthening its ability to develop high value-added products, which is one of the Company's strengths, as well as by working to strengthen offline and online collaboration and CRM strategies.

On the e-commerce platform, we aim to acquire the middle class to recapture sales growth. We will develop new product strategies based on customer characteristics. We expect that all of these strategies come to fruition to help us recover a 6% profit margin by the final year of the medium-term management plan.

That's all from me.

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Management Targets for the Mar. 2025 Term: Executive Summary

Sales revenue 220 billion yen	Aim to bring back growth, primarily in the domestic and international Wacoal business <ul style="list-style-type: none">◆ Wacoal: Promote our CX strategy and reinforce brand and product development capabilities to successfully regrow◆ Overseas: Grow in major regions (Europe, the US, and China) centered around e-commerce businesses
Operating profit 16 billion yen	Accelerate the shift to a resilient corporate structure <ul style="list-style-type: none">◆ Continue pushing to reform the revenue structure via methods such as personnel planning management and improving other subsidiaries' profitability◆ Take into account the ideal business portfolio and businesses' futures, and decide whether to continue or change them
Net income attributable to the parent company's owner 12.5 billion yen	Aim to surpass our highest net profits of 12 billion yen <ul style="list-style-type: none">◆ Continue structurally reforming our businesses and shift to a stable, profitable structure
EPS 200 yen or more	Achieve EPS growth—in addition to profit growth—by actively returning profits to shareholders <ul style="list-style-type: none">◆ Actively return profits to shareholders to improve capital efficiency (100% or more total ratio for returns during the medium-term plan period)

I'm Miyagi, Director and Managing Executive Officer of Wacoal Holdings. I will review the financial strategy of this medium-term management plan.

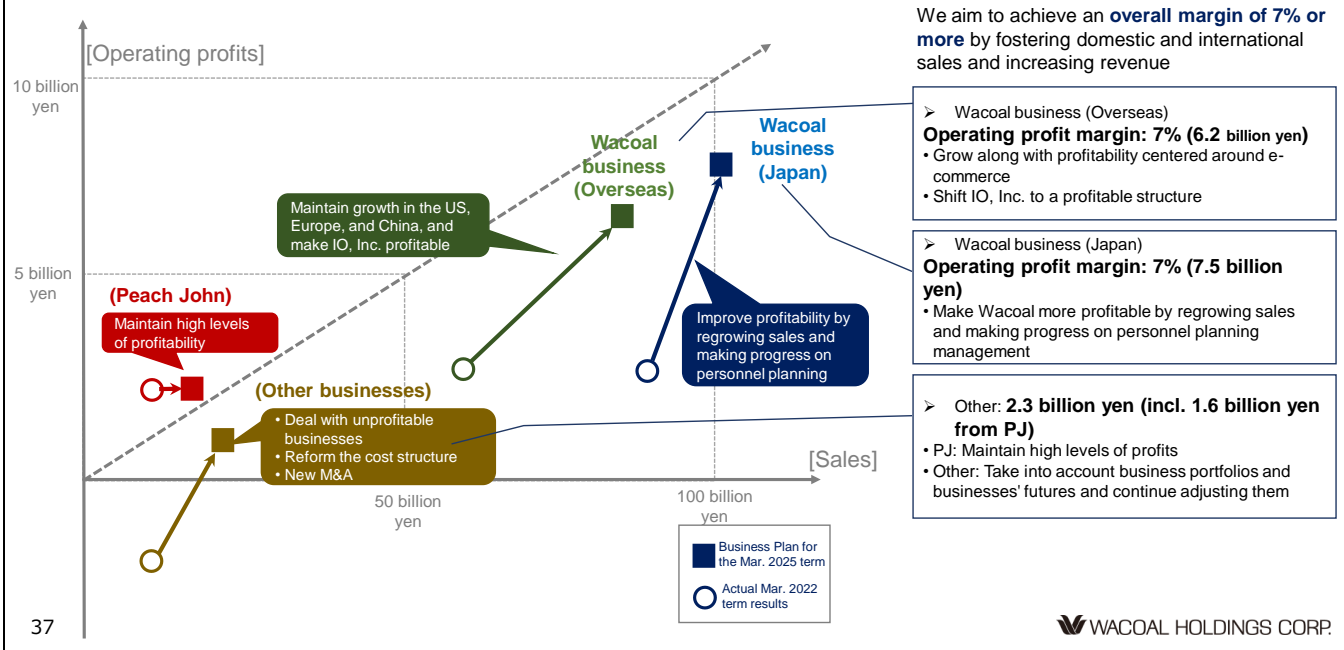
Please refer to page 36. The following is a summary of key management indicators that we aim to achieve in the final year of the medium-term management plan.

We aim to achieve sales revenue of JPY220 billion through the re-growth of domestic Wacoal and the growth of overseas Wacoal centered on EC.

In addition to sales growth, we are targeting an operating profit of JPY16 billion and net income attributable to owners of the parent of JPY12.5 billion through progress in cost structure reforms and other profitability improvement initiatives in Japan.

In addition to earnings growth, we aim to achieve EPS of JPY200 or more by improving capital efficiency through the promotion of financial strategies.

Operating Profit Plans by Segment for the Mar. 2025 Term



Please refer to page 37. The following chart shows an image of business profit by segment. By expanding sales, promoting cost structure reforms at Wacoal, and improving profitability at IO, the domestic and overseas Wacoal businesses are each aiming for a profit level of around 7%.

Peach John, which achieved a significant recovery in performance in the previous medium-term management plan, aims to secure a high profit of over 10% by continuing to offer high-profile promotions and products that meet customer needs.

For others, we aim to improve profitability, including the liquidation of unprofitable businesses, based on prospects and other factors.

As a result, the group as a whole plans to secure an operating profit margin of 7% or more in the final year of the medium-term management plan.

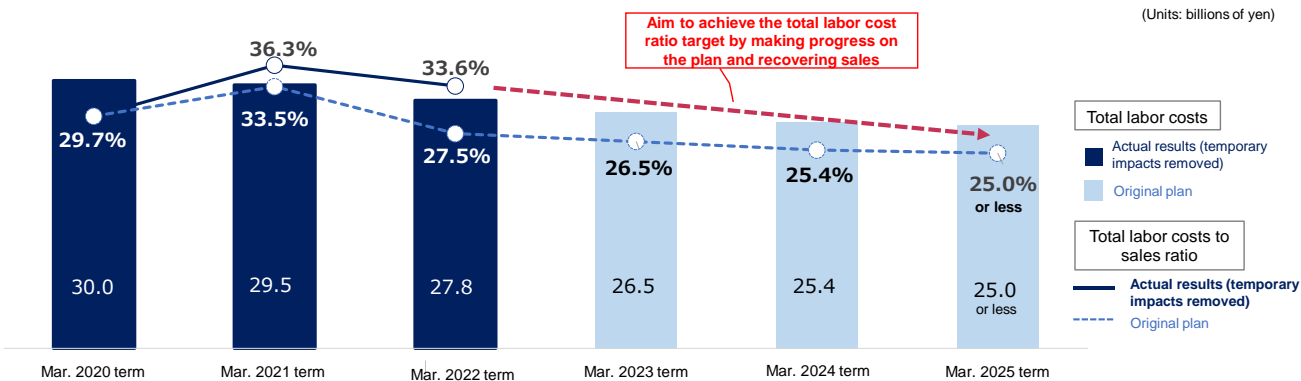
Wacoal Corp. Structural Reform: Target Values for the Mar. 2025 Term

Total labor costs for the Mar. 2025 term
25 billion yen or less
 (Total labor cost ratio of 25% or less)

Continue to push personnel planning management

- ◆ Continue with personnel planning management to achieve a high-revenue structure
- ◆ Progress up to the Mar. 2022 term: 2.2 billion/5 billion yen 3-Year Plan (up to the Mar. 2025 term): Reduce by an additional 2.8 billion yen

<Progress in Personnel Planning Management> *1. Changes in total labor costs including manufacturing labor costs
 *2. Only the effects of personnel planning (headcount reduction and optimal allocation) are reflected



Please see page 38. This chart shows the target values for personnel planning management that Wacoal is promoting as part of its cost structure reforms. This information was disclosed in the financial results for the fiscal year ended March 2022 so I will omit a detailed presentation.

The current progress of personnel plan management is lagging behind the plan on a percentage basis due to the slow recovery of sales, but on a monetary basis, it is progressing as planned. We will continue to strive to achieve our goals through a mix of optimization of total labor costs and sales recovery.

Financial Policies during the Medium-term Management Plan
(Mar. 2023 Term to Mar. 2025 Term) Period

**Primary
Management
Policies**

- Work on becoming more profitable as our highest priority, and also aim to boost our ROE by improving both asset and capital efficiency
- Prioritize investment in future growth and actively return profits to shareholders to improve our capital efficiency

Financial Indicators (KPIs)

ROE 6.0%	<ul style="list-style-type: none"> ◆ Generate ROE that exceeds capital cost ◆ Work on becoming more profitable and aim to boost our ROE by improving both asset and capital efficiency
Reduce strategic shareholdings by 10 billion yen or more	<ul style="list-style-type: none"> ◆ Continue actively reducing strategic shareholdings ◆ Aim for strategic shareholdings to make up 15% or less of our net assets in the medium to long term
Improve the 3-year cumulative total return ratio to get to 100% or more	<ul style="list-style-type: none"> ◆ Pay out stable dividends at approx. a 50% or higher payout ratio ◆ Flexibly buy back shares to improve capital efficiency
Shareholders' equity 210 billion yen	<ul style="list-style-type: none"> ◆ Continue investing in growth and improving profitability and capital efficiency in order to boost our ROE ◆ Consider utilizing interest-bearing debt from the viewpoint of improving our corporate value

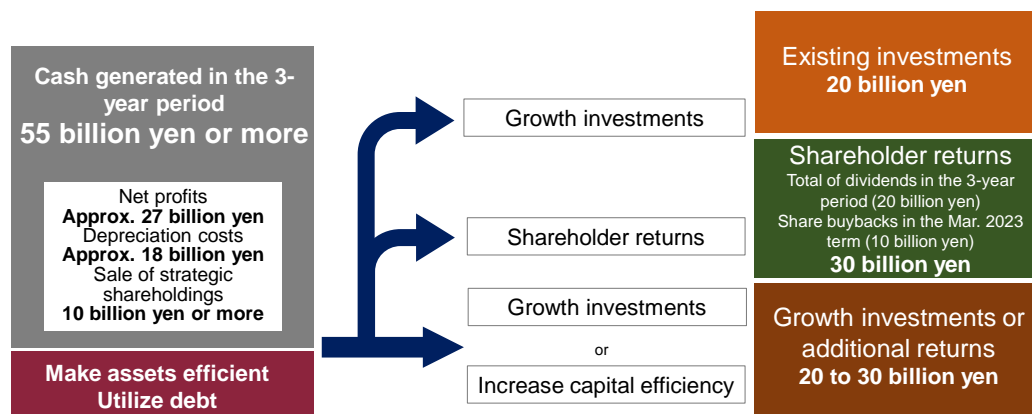
Please refer to page 39. This is the primary management policies of our financial strategy for the period covered by the medium-term management plan.

As stated above, our primary management policies are to enhance ROE by improving asset and capital efficiency while placing the highest priority on increasing profitability and to return profits to shareholders by prioritizing investment in future growth and improving capital efficiency.

KPIs will be as described. Along with improving profitability, we aim to achieve ROE that exceeds the cost of capital by promoting initiatives to improve the efficiency of the balance sheet.

Plan for Investments and Shareholder Returns (Mar. 2023 Term to Mar. 2025 Term)

Growth Investments	<ul style="list-style-type: none"> ◆ Invest in IT and digital technology in order to grow, and consider opportunities to invest in new businesses ◆ Investments in existing businesses: 20 billion yen; Investments in new businesses: 20 to 30 billion yen
Shareholder Returns	<ul style="list-style-type: none"> ◆ We plan for the total amount of dividends during this 3-year period to be 20 billion yen; the company will also buy back 10 billion yen of its shares in the Mar. 2023 term ◆ If we cannot find any appropriate growth investments, we will give additional returns to further improve our capital efficiency (20 to 30 billion yen)



Please refer to page 40. The following chart shows the cash allocation approach for this medium-term management plan period.

In addition to the cash flow generated from business activities or asset efficiency improvements, we plan to effectively utilize debt and other resources and allocate them to existing investments, growth investments, and shareholder returns.

As for growth investments, we will make IT and digital investments to promote our CX strategy. and will also consider investment opportunities in new businesses.

We plan to return more than 100% of our total return to shareholders through dividends and share buybacks. In addition to the planned total dividend of JPY20 billion for the three years, the company recently announced that it will buy back JPY10 billion of its shares during the period under review.

In addition, we plan to invest JPY20 to JPY30 billion in new business growth, but if there are no projects worthy of investment, we will consider an additional capital return to improve capital efficiency.

Efforts to Improve Effectiveness

Push for Group Management Make the Group More Capable

- Establish a highly effective business management system in order to achieve our medium- to long-term plans
- Start reviewing the compensation system to make the Board of Directors more effective

1 Review the Management Structure and Clarify Who Is Responsible for Each Business

- ◆ Move the Global Division—which oversees our overseas businesses—from Wacoal Corp. to Wacoal Holdings Corp. to bolster our global management system
- ◆ Expand 3D smart & try overseas and share each company's marketing know-how

Future Business

Titles are as of the Ordinary General Meeting of Shareholders scheduled to be held on Jun. 29, 2022

CEO and other businesses in Japan	Wacoal business in Japan	Wacoal business overseas	CFO
			
Representative Director, President and Corporate Officer Hironobu Yasuhara	Director, Vice President Corporate Officer; Representative Director (President and CEO of Wacoal Corp.) Tomoyasu Ito	Director, Executive Corporate Officer, and General Manager of Global Division Masaaki Yajima	Director and Managing Corporate Officer in charge of Group Business Management Akira Miyagi

* Group corporate officers have also been appointed in order to utilize personnel, assets, know-how, networks, and more across boundaries within the group
(Corporate officers are those in charge of the Group's HR, IT advancement, R&D, technology and manufacturing, quality assurance and sustainability management, intellectual property, DX marketing strategy, and sustainability advancement)

2 Continuously Improve the Executive Compensation System

From Jun. 2021 Introduce a restricted stock compensation system

To be considered from 2022 Matters the Executive Compensation Advisory Committee will review

- ◆ Review the structure of basic compensation, performance bonuses, and stock compensation starting in Jul. 2022, starting with the ratio of basic to stock-based compensation, and then move to a structure where higher-ups receive a higher ratio of stock-based compensation
- ◆ Review the calculation method for performance bonuses

3 Ensure Diversity on the Board of Directors

- ◆ Consider our medium- to long-term strategies and ensure the Board of Directors maintain their expertise, independence, and diversity
- ◆ Continue working to ensure diversity within the company, including pushing for women to actively participate

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Please refer to page 41. Finally, I will review our efforts to improve management effectiveness.

The first is to review the management structure and clarify who is responsible for the business. As stated, we have reviewed the existing management structure and clarified who is responsible for each business.

The second is the continuous improvement of the executive compensation system. Following the introduction of the restricted stock compensation plan in the previous fiscal year, we have already reviewed the ratio of monetary compensation to stock compensation for directors and corporate auditors in the current fiscal year.

The third is to ensure diversity on the board of directors. We will strive to enhance the expertise, independence, and diversity of the Board of Directors so that it can continue to manage the company appropriately in the face of severe changes in the market environment. We will also continue to implement measures to ensure diversity within the company, including the promotion of women's activities.

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What the Wacoal Group is Currently Lacking

Members of the Sustainability Promotion Project—which operated mainly with next-generation leaders and young employees—discussed this topic
(Active from Apr. 2021 to Mar. 2022)



- Observing things from all perspectives
- Understanding people and things on deep levels, not superficially
- Finding better solutions through sound discussions with no surmising or guessing
- Being aware of global issues—such as the environment and human rights—and the planet's future
- Taking on new challenges without being afraid of the risks
- Co-creating and working hard together across organization and company boundaries
- Taking responsibility for our own roles and actions, and being more aware of compliance

That concludes the executive prepared remarks.

Finally, I will review the action guidelines for directors and employees outlined in VISION 2030. Please see page 43.

The project team that formulated the group mission and identified materialities went through a series of discussions, which led the team to ultimately realize what elements are currently lacking for Wacoal Group to accomplish the mission. The team concluded that it is imperative to stimulate all employees from the corporate management to staffers to change their mindset and action.

What is missing in our Group, as summarized by the project team, is displayed on this page.

VISION 2030: Executive and Employee Action Guidelines Formulated to Strengthen Our Ability to Adapt to Change

Guidelines for
the Actions of
Officers and
Employees

"Think about the happiness of others"

Do you consider the happiness of people around you, including the customers, suppliers, and employees coworker you work with?

"Embrace curiosity and use all five senses"

Have you noticed or discovered anything new lately?

"Consider the reason and purpose"

Do you understand the true meaning and root cause; why and what for?

"Respect diverse opinions"

Do you listen to people's opinions with humility and have constructive discussions without making assumptions?

"Make decisions for the future"

Do you act not only for immediate results, but also for a successful future?

"Give it a try first"

Do you give up out of fear of risks? Do you support people who take on challenges?

"Work together"

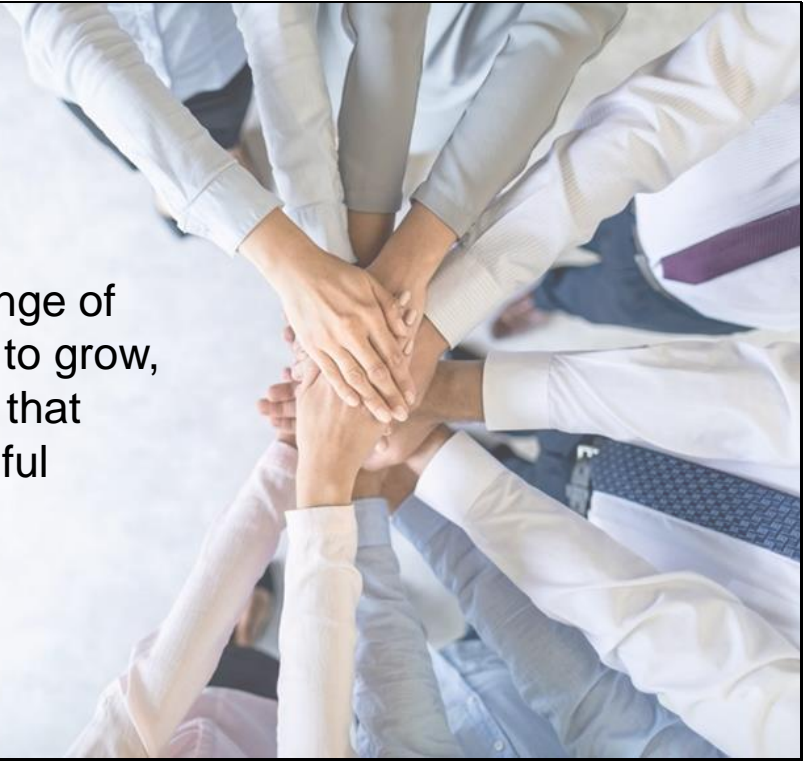
Do you strive for great success through teamwork and collaboration?

"Act with honesty and responsibility"

Do you communicate appreciation for others? Do you have blameless problem-solving approach?

Please refer to page 44. These are the eight actions outlined in VISION 2030 as action guidelines for directors and employees.

I won't go into the details today, but I will say this. We will strengthen our change-adaptability and achieve personal and corporate growth, by permeating the founding spirit and new group mission to all employees, and by having them accountable for following the action guidelines.



By taking on the challenge of change and continuing to grow, we will become a force that makes the world beautiful

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Please refer to page 45. This is the last page.

Again, to achieve VISION 2030, this medium-term management plan is a very important three-year period. By taking on the challenge of change and continuing to grow, we will evolve into a corporate entity that everyone can feel excited about.

This is the end of the presentation.

(Note) Medium-Term Management Plan Briefing Session Material
Supplementary material

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Reference 1 "VISION 2030" and FY2025 plan

[Exchange rate]

USD	GBP	CNY
120.00	155.00	19.00

(Billions of yen)

	FY2023 plan (First year of medium-term management plan)	FY2025 plan (Final year of medium-term management plan)	FY2031 plan (Final year of VISION2030)
Net Sales	205.0	220.0	270.0
Domestic Business Net sales ※Total Sales of Wacoal Business (Japan), Peach John, etc.	134.9	133.2	162.0
(vs. Net sales)	65.8%	60.5%	60.0%
Overseas Business Net sales	70.1	86.8	108.0
(vs. Net sales)	34.2%	39.5%	40.0%
(reference) Sales including equity-method affiliates	-	-	340.0
Business Income	7.0	16.0	27.0
Business Income ratio	3.4%	7.3%	10.0%
Net income attributable to owners of parent	5.5	12.5	21.0
ROE	-	6%	10%
Shareholders' equity (billion)	-	210.0	210.0

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Reference 2 FY2025 plan (Final year of midium-term management) ※repost

[Exchange rate]		
USD	GBP	CNY
120.00	155.00	19.00

(Billion of yen)

	FY2023 plan (First year of medium-term management plan)	FY2025 plan (Final year of midium-term management plan)
Net Sales	205.0	220.0
(% changes from FY2023)	—	+7.3%
Business Income	7.0	16.0
(vs. Net sales)	3.4%	7.3%
Operating Income	6.5	16.5
(vs. Net sales)	3.2%	7.5%
Income before income taxes and equity in net income of affiliated companies	8.0	18.0
(vs. Net sales)	3.9%	8.2%
Net income attributable to owners of parent	5.5	12.5
(vs. Net sales)	2.7%	5.7%

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Reference 3 FY2025 Major Subsidiaries plan

[Exchange rate]		
USD	GBP	CNY
120.00	155.00	19.00

(Million of yen)

		FY2023 plan				FY2025 plan			
		Net sales	% Change	Operating income	% Of sales	Net sales	% Change (vs FY2023)	Operating income	% Of sales
Wacoal Business (Japan)	Wacoal	102,900	—	3,000	2.9	107,500	+4.5%	7,500	7.0%
Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	30,027	—	384	1.3	38,122	+27.0%	2,377	6.2%
	Wacoal Europe Ltd.	17,302	—	1,404	8.1	19,377	+12.0%	1,652	8.5%
	Wacoal China Co., Ltd.	14,516	—	415	2.9	17,601	+21.3%	1,034	5.9%
Peach John Businesses		12,750	—	1,490	11.7	13,510	+6.0%	1,565	11.6%
Other Businesses	Lecien	3,200	—	▲ 170	—	3,580	+11.9%	200	5.6%
	Nanasai	6,423	—	0	0.0	8,315	+29.5%	280	3.4%
	A i	2,700	—	10	0	3,594	+33.1%	200	5.6%

Major Overseas Subsidiaries (Local Currency Basis)

		FY2023 plan				FY2025 plan			
		Net sales	% Change	Operating income	% Of sales	Net sales	% Change (vs FY2023)	Operating income	% Of sales
Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	250,221	—	3,199	1.3	317,687	+27.0%	19,810	6.2%
	Wacoal Europe Ltd.	111,629	—	9,058	8.1	125,012	+12.0%	10,659	8.5%
	Wacoal China Co., Ltd.	763,993	—	21,817	2.9	926,390	+21.3%	54,410	5.9%

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