



Hello, everyone. My name is Yajima, and I have been appointed President of Wacoal Holdings Corporation, succeeding President Yasuhara. Thank you in advance for your cooperation.

I will now explain the Wacoal Group's initiatives for the fiscal year ending March 31, 2024. As Miyagi mentioned earlier in his explanation, the previous fiscal year was a difficult one for us due to sluggish performance in Japan, China, and the United States.

In addition, a large impairment loss was recorded in the US business, resulting in the posting of a final loss for the first time since the Company's founding.

We take very seriously the concerns we have caused our shareholders and other stakeholders.

We are already working to rebuild the management of the Company, and we hope to improve the Company by promoting reforms without being bound by past ties.

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.

Founding Principles

<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 Promise>

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

<Our Values>

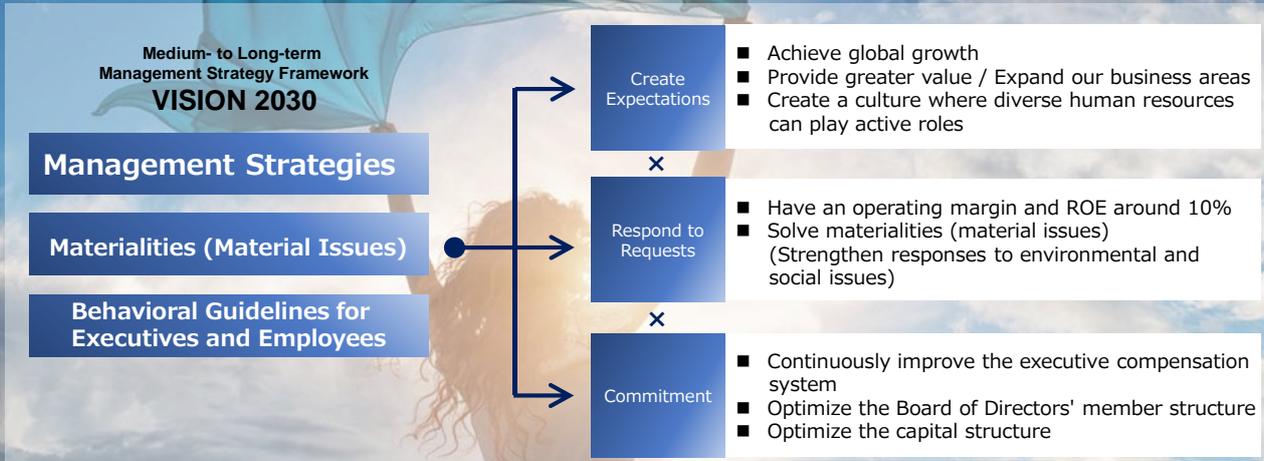
Create products loved by customers
Develop new products that meet the needs of the times
Conduct business in a fair manner with a forward focus
Build a better Wacoal through better human resources
Fear not failure and boast not of success

This page contains our management philosophy. Our mission is to provide products and services that are closest to the bodies and minds of our customers, and to achieve growth. To fulfill this mission, we are committed to reform with determination.

What We Aim For in VISION 2030

*Reiteration from June 3, 2022 Mid-term Management Plan Summary

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



Next, I would like to briefly explain our medium- to long-term management strategy frame, VISION 2030, which we announced last June. VISION 2030 sets forth the Group's commitment to achieving global growth, evolving the value it provides, and expanding its business domains, as well as its goal of achieving a 10% ROE level, in order to enhance its corporate value.

In addition, to enhance the effectiveness of our management strategy, we will work to continuously improve the executive compensation system, optimize the composition of the Board of Directors, and optimize the capital structure.

VISION 2030 Management Strategies

*Reiteration from June 3, 2022 Mid-term Management Plan Summary

Create New Value from an Innovative Perspective and Achieve Sustainable Growth

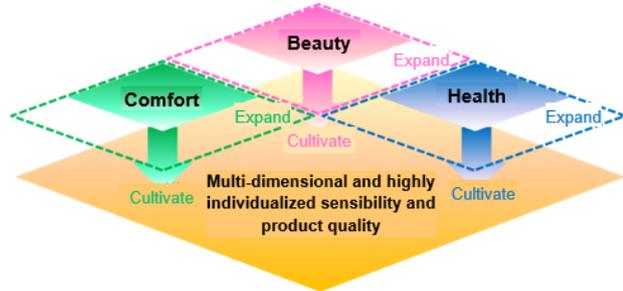
VISION 2030
Management Strategies

Business areas (Categories to strengthen moving forward)

“Beauty” “Comfort” “Health”



We will cultivate and expand the beauty, comfort, and health areas with new products and services backed by our elevated minds and quality



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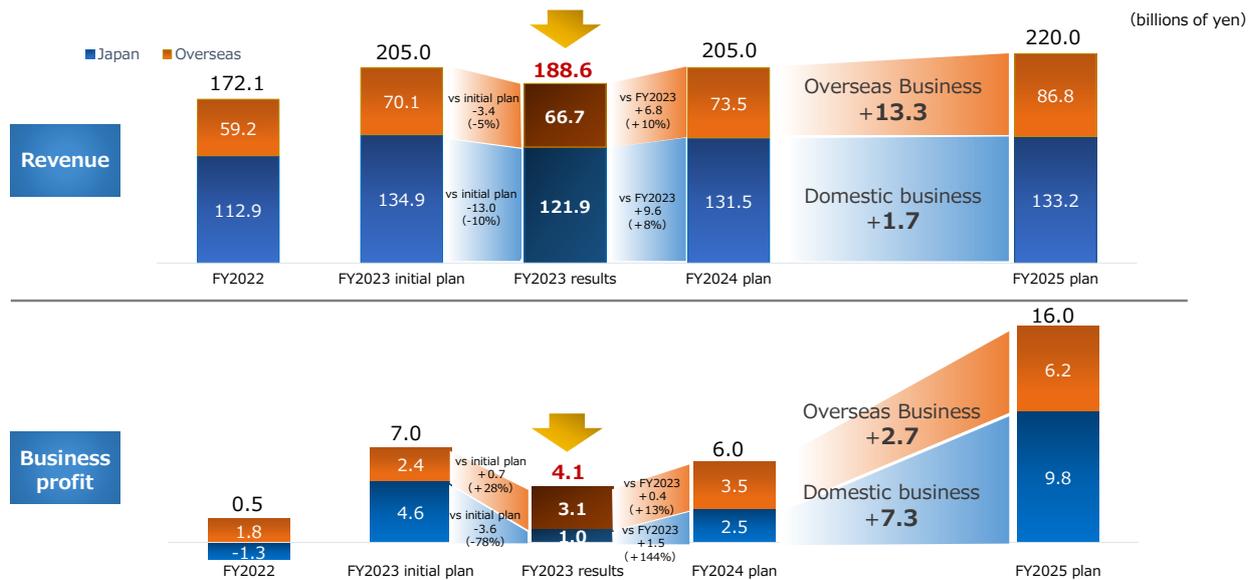
Here is a summary of the management strategy in VISION 2030.

Under VISION 2030, the Company has designated beauty, comfort, and health as its focused business domains, and has announced that it will work to improve profitability and expand its business domain in Japan, expand its overseas business and transform itself into a highly profitable structure, strengthen group management capabilities, and shift to more capital-efficient management.

We do not believe that we have made any progress in these efforts in the last fiscal year, and we intend to reflect carefully and gear up for change.

Review of the first year of the medium-term plan (FY2023-FY2025)

- The strategy's effectiveness has not improved both in Japan and overseas, and our performance is significantly lower than the initial plan. The gap with the target for the final year of the medium-term management plan is widening



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From here, we will look back on the first year of the medium-term management plan. The first is performance.

The figures indicated by the yellow arrows are the sales revenue and business profit for the fiscal year ended March 31, 2023. To the left of that is the figure that was initially posted.

The prolonged infection, sluggish growth in the number of customers visiting our stores after the deregulation of regulations, and suppliers' restraints on purchases resulted in a substantial shortfall from the initial plan.

Also, to the right is the business plan for the fiscal year ending March 31, 2024. While revenue is assumed to be JPY205 billion, the same level as the previous year's plan, business profit is assumed to be JPY6 billion, lower than the previous year's plan, taking into account the unstable business environment.

As a result, the gap between the target figures and those we are aiming for in the fiscal year ending March 31, 2025, the final year of the medium-term management plan, is widening.

Review of the first year of the medium-term plan (FY2023-FY2025)

➤ Although the management system was renewed during the fiscal year, many issues have remained in terms of strengthening profitability



P/L

- A delay in response to changing consumer needs (decreased product appeal, sluggish sales due to delayed local marketing strategies)
- Delays in cost reductions, inventory adjustments, and other actions due to overoptimistic estimates of the profit and loss plan



B/S

- A decline in inventory control functionality due to sudden fluctuations in sales and production delays in recent years
- Necessity to improve the management indicators of each business division (effective use of limited management resources)



Governance

- Where the responsibility for the management strategy lied was unclear, and the strategy's effectiveness did not improve
- Holdings' supervisory performance for company operations is also inadequate and needs improvement



Human capital

- Poor business productivity per capita (issues remain in terms of optimizing staff organization)
- Secure and develop staff capable of maximizing value to offer to our customers and improving profitability



Corporate culture

- Employee motivation decreased due to prolonged stagnation
- Lack of communication between management and site staff, between divisions, and within the workplace

This section describes the reasons why the first year of the medium-term management plan fell far short of the plan.

On the P&L side, there was a delay in responding to changing consumer needs in terms of products and sales. In addition, the profit-and-loss plan was not well forecasted, resulting in delays in cost reductions, inventory adjustments, and other actions.

On the B/S side, inventory control did not work well in response to recent rapid sales fluctuations and production delays.

In addition to weak strategic assumptions, inadequate management and supervisory functions prevented the strategies from being effective, and many issues remain to be addressed in order to strengthen profitability.

Management issues to address

*Reiteration from May 12, 2023 FY2023 Financial Results Presentation

- **Improve profitability and capital efficiency, and quickly restore stagnant PBR to more than double the current level**
- **Establish an appropriate management system that can enhance corporate value**



- We recognize that it is important to improve profitability and capital efficiency, and to quickly restore stagnant PBR to more than double the current level
- By shifting to a management style that focuses on profitability and capital efficiency more than ever before and by improving our execution of strategies, each operating company and business division will increase corporate value

- It is necessary to further strengthen the supervisory function of the Board of Directors over business execution and to enhance the effectiveness of management
- In order to steadily improve profitability and capital efficiency, we will appoint an additional outside director with experience and knowledge in investment and financial/capital markets, verifying the skill set of the Board of Directors

- Due to the inadequate response to changing consumer needs and consumer behavior following the COVID-19 pandemic, the recovery of revenue was delayed
- It is necessary to regenerate growth by providing new customer experience value and creating new businesses, while continuing to reform the cost structure and improve business efficiency

In light of this current situation, the following is a summary of the management issues to be addressed by the Group. This one is similar to Miyagi's explanation given earlier. To resolve the issues at an early stage, as stated, we will make further changes to capital efficiency-oriented management, strengthen supervisory functions, and work to improve business profitability.

Summary for FY2024 Initiatives

- Led by the Board of Directors, we will promote the transformation of management to focus on capital efficiency
- By revising the medium-term management plan, we will improve the certainty of achieving the plan set forth in "VISION2030"

1 Growth strategies and structural reforms based on a highly effective medium-term management plan **Revision of the medium-term management plan**

- We will review the business strategy of the current medium-term management plan announced in the March FY2023 term and also consider and announce measures to strengthen our management foundation in order to improve profitability and capital efficiency

2 Thorough business portfolio management **Management focused on capital efficiency**

- Holdings and each operating company and business division will shift to management that focuses on profitability and capital efficiency more than ever, and improve the effectiveness of management

Significant failure to achieve the targets of the first year of the medium-term management plan (Struggles in Japan, the United States, and China)

FY2024 turning point

Increase strategy effectiveness (Strengthening of human capital)

Improve the certainty of achieving the plan for "VISION2030"

3 Replenish our skill set for investment and financial/capital markets **Strengthening of management supervisory functions**

- In order to transform management with a better awareness of capital costs, we will examine the skill sets of directors and appoint additional outside directors with knowledge of the investment and financial/capital markets

The following is a summary of the Group's efforts during the year under review to address the management issues described on the previous page. First, we will revise the medium-term management plan announced last year. In addition to reviewing the business strategy of the medium-term plan, the new management team will take the lead in studying measures to strengthen the management foundation to improve profitability and capital efficiency and will announce the revised plan by November.

The second is to promote capital efficiency-oriented management. Holdings, as well as each of its operating companies and divisions, will move to a management style that places greater emphasis on profitability and capital efficiency than in the past, thereby enhancing the effectiveness of its strategy.

The third is to strengthen supervision of management. In order to transform management with an awareness of capital efficiency, we have examined the skill sets of our directors and decided to appoint an additional outside director with knowledge of investment and financial capital markets.

We plan to use the current fiscal year as a turning point to improve the probability of achieving the plan set forth in VISION 2030 by promoting the transformation to a management emphasizing capital efficiency and increasing the effectiveness of management.

Growth strategies and structural reforms based on a highly effective medium-term management plan

1 Revision of the medium-term management plan (Disclosed mid-November 2023)

- In addition to reviewing the business strategy of the medium-term management plan, we will consider measures to strengthen our management foundation to improve profitability and capital efficiency
- The new management team is also taking the lead in analyzing and evaluating the company's capital profitability and market evaluation, as well as its policies, targets, management indicators, specific initiatives, and timelines for implementing PBR improvements. We are planning to disclose the medium-term management plan at the same time as the revision

Aim of the revision	<ul style="list-style-type: none"> ➢ Swiftly recover the Wacoal Group's performance ➢ Increase strategy effectiveness, improve profitability and capital efficiency, and achieve a PBR of 1x 				
Reform items <small>KPIs to be disclosed in November</small>	Cost structure reform	Business structure reform (Closing of unprofitable stores, etc.)	Portfolio reform (Selection and concentration of brands and businesses)	Validation of financial strategy	Governance reform (Corporate culture reform)
Measures	<ul style="list-style-type: none"> ➢ Consider incorporating ROIC as a management indicator that can be handled at the department level rather than as a KPI for management only (the details of specific initiatives, timelines for achievement and KPIs will be disclosed in mid-November) ➢ In order to transform management in order to focus on profitability and capital efficiency, and strengthen management monitoring from the same perspective, additional outside directors with knowledge of investment and financial/capital markets will be appointed (two persons will be appointed at the General Meeting in June FY2023) 				

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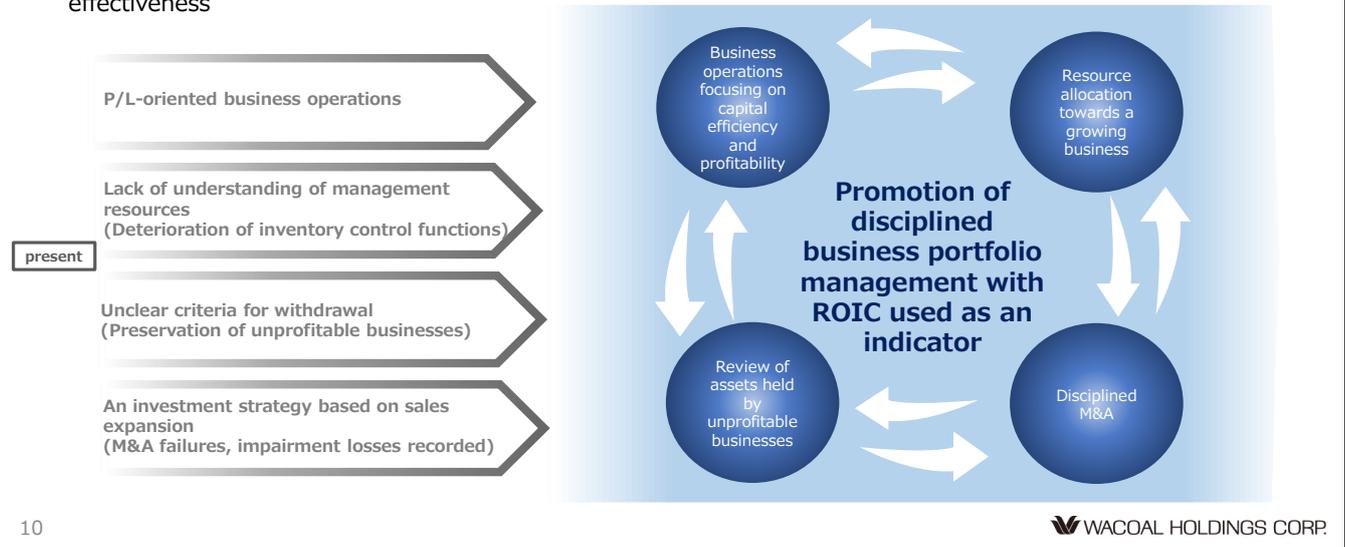
The following is a detailed explanation of each item.

First, let us explain the revising of the medium-term plan. The reason for implementing the revise is never to revise targets downward in light of the difficult business environment. We will review the business strategy of the current mid-term plan and speed up the stated reform items with the aim of quickly achieving a P/B ratio of over 1 times through the restoration of business performance and improvement of profitability and capital efficiency. In addition, as will be explained in more detail on the next page, we will simultaneously strengthen management control by introducing ROIC and enhance the supervisory function of the Board of Directors in order to improve the effectiveness of the revised medium-term management plan.

The revised Plan is scheduled to be disclosed around November 2023, and along with the specific strategies, KPIs and timeline for achievement will also be made public.

Management focused on capital efficiency (ROIC management)

- We will achieve sustainable growth and increase corporate value over the medium to long term by making Holdings and each operating company and business division shift to a management style that is more conscious of profitability and capital efficiency than ever before, and enhancing management effectiveness



In the previous page, I explained that we will strengthen our business management function based on ROIC. Here are some of the details.

The reason for the Group's low return on capital was, as stated, the P/L-oriented business operations of each operating company and business unit.

In addition, the parent company, Holdings, did not adequately make decisions on investments and withdrawals or review its business portfolio from the perspective of maximizing returns on invested capital.

In this revise, we will deeply reflect on this point and consider introducing ROIC as a KPI to improve capital efficiency.

Holdings, as well as each operating company and division, will shift to management that is more conscious of profitability and capital efficiency than in the past, and promote disciplined business portfolio management to enhance corporate value.

Strengthening of management supervisory functions

- ▶ Replenish our skill set for the investment and financial/capital markets in order to transform management with an awareness of capital costs
- ▶ Strengthen supervisory functions by increasing the number of outside directors (Clarification of the roles of supervision and execution)

Officer structuring and skill matrix exercises will be held after the Ordinary General Meeting of Shareholders scheduled for June 2023

Name	Independence (for outside officer only)	Company Management (Experience and Insight)	Legal/ Compliance	Investment/ Financial/Capital Market	Finance/ Accounting	Sustainability Diversity & Inclusion	Human Resource/ Organizational Development	Global Awareness	Digital Transformation	Marketing	Technology/ Production Quality Control
Masaaki Yajima		●						●		●	●
Akira Miyagi		●	●		●		●	●			
Shigeru Saito	●	●						●	●		
Tsunehiko Iwai	●	●	●			●				●	●
Chizuru Yamauchi	●	●				●					
Additional Appointment Hisae Sato	●			●	●	●					
Additional Appointment Koji Nitto	●	●		●	●			●			

Note: Mr. Yasuhiro Shimizu, a new director candidate, has requested to withdraw his candidacy for personal reasons, and the Board of Directors agreed to accept his request at the meeting held on May 12, 2023

Next, I will explain the strengthening of management oversight functions.

In order to shift to a management focus on capital efficiency and achieve a return on capital that exceeds the cost of capital, it is necessary to further strengthen the supervisory function of the Board of Directors over the execution of operations and increase the effectiveness of management.

In order to steadily implement improvements in profitability and capital efficiency, we have examined the skill set of the Board of Directors and decided to appoint an additional outside director with experience and knowledge of investment and financial capital markets.

One of the two candidates for outside director is Ms. Hisae Sato, a former chief investment officer of Nissan Motor with experience overseeing pension assets on a global level and currently serving as a member of the board of directors of International Christian University.

The other is Mr. Koji Nitto, a director of Omron Corporation. Mr. Nitto served as CFO, Global Strategy Division until March, and will retire from Omron's Board of Directors at the General Meeting of Shareholders in June.

Strengthening of management supervisory functions

➢ Achieve an increase in corporate value over the medium to long term by enhancing management effectiveness and improving profitability and capital efficiency



External Director
Shigeru Saito

He is currently the Representative Director and Chairman of a software development firm which operates globally and Outside Director of another company. His extensive knowledge and insight as a company manager enable him to contribute to the management of the Company. Ms. Saito also has expertise in the IT area and gives valuable opinions and advice regarding the digital transformation strategies of the Company. We expect that he will provide advice that will contribute to enhance our corporate value and strengthen oversight over the Company.

Date of Birth	January 26, 1957
November 1979	Joined TOSE CO., LTD General Manager of Development Department
October 1985	Director of TOSE CO., LTD.
February 1987	Representative Director and President of TOSE CO., LTD.
September 2004	Representative Director and President, and CEO of TOSE CO., LTD.
December 2015	Representative Director and Chairman, and CEO of TOSE CO., LTD. (current position)
June 2017	Outside Director of the Company (current position)



External Director
Tsunehiko Iwai

He has expertise in research, production, and technology, in addition to the knowledge and insight he has gained as a corporate executive, including serving as the representative director of a global cosmetics manufacturing and sales company. In addition, he is the chairman of our executive nomination and compensation advisory committee. We expect that he will provide advice that will contribute to the enhancement of our corporate value in the future.

Date of Birth	May 28, 1953
April 1979	Joined Shiseido Co., Ltd.
April 2002	General Manager of Product Commercialization, Planning Department, Shiseido Co., Ltd.
April 2008	Corporate Officer, General Manager of Technical Department, Shiseido Co., Ltd.
June 2014	Director, Corporate Executive Officer in charge of Research & Development, Production and Technical Affairs, Shiseido Co., Ltd.
January 2016	Representative Director, Executive Vice President Chief Technology & Innovation Officer, Shiseido Co., Ltd.
March 2018	Senior Advisor, Shiseido Co., Ltd.
June 2018	Outside Director of the Company (current position)
April 2022	Outside Director, Cross Plus Inc. (current position)



External Director
Chizuru Yamauchi

In addition to her extensive knowledge and experience as a manager, she has expertise in diversity and inclusion. We expect that she will provide advice on human resource strategies such as women's activities and human resource development, as well as advice that contributes to the enhancement of corporate value, and supervise the management of the Company.

Date of Birth	February 25, 1957
April 1975	Joined Nippon Life Insurance Company
March 2009	Head of Kagasaki Promotion Office, Nippon Life Insurance Company
March 2014	General Manager, Service Planning Dept., Nippon Life Insurance Company
March 2015	Executive Officer, General Manager, CSR Promotion Dept., Nippon Life Insurance Company
March 2019	Managing Executive Officer, General manager of Health & Productivity Management Promotion Division, Nippon Life Insurance Company
July 2019	Director and Managing Executive Officer, General manager of Health & Productivity Management Promotion Division, Olympic & Paralympic Games Promotion Dept., Public Affairs Dept., CSR Promotion Dept., Health Management Dept., Nippon Life Insurance Company
May 2021	Chair, Diversity and Inclusion Sub Committee, Labor Policy Committee, Kansai Economic Federation
March 2022	Director, Nippon Life Insurance Company
July 2022	Advisor, Nippon Life Insurance Company (current position)



Additional Appointment
External Director
Hisae Sato

She has experience as an asset management consultant at a foreign organization and human resources asset management consulting firm and as the chief investment officer of an automobile manufacturing and sales company, where he oversaw pension assets on a global level. We expect that he will utilize these experiences to enhance the corporate value of our company.

Date of Birth	October 16, 1961
April 1985	Joined the Hokkaido Takushoku Bank, Limited
September 1997	Joined Watson Wyatt K.K. (current Towers Watson Investment Services K.K.)
February 2004	Joined ATG Global Investment Corp., Japan (current PineBridge Investments Japan Co., Ltd.) as Deputy General Manager of Institutional Business Development Division
September 2005	Joined Nissan Motor Co., Ltd. as Shukan, Chief Investment Officer, Treasury Department
April 2008	Member of the Investment Committee, the Government Pension Investment Fund of Japan
June 2015	Councillor, International Christian University (current position)
June 2017	Trustee, International Christian University (current position)



Additional Appointment
External Director
Koji Nitto

He has extensive experience as CFO and General Manager of the Global Strategy Division of an electronics manufacturing and sales company that operates a global control equipment business. In particular, we believe that his knowledge and insight based on his experience leading "ROIC management" at a company with multiple business portfolios will contribute to improving our profitability and capital efficiency.

Date of Birth	February 1, 1961
April 1983	Joined OMRON Corporation
June 2011	Executive Officer, Senior General Manager, Global Resource Management HQ, OMRON Corporation
April 2013	Managing Executive Officer, Senior General Manager, Global SCM and IT Innovation HQ, OMRON Corporation
April 2014	Senior Managing Executive Officer, Global Strategy HQ, OMRON Corporation
June 2014	Director, Senior Managing Executive Officer, Global Strategy HQ, OMRON Corporation
April 2017	Director, Senior Managing Executive Officer, Chief Financial Officer (CFO), Global Strategy HQ, OMRON Corporation
April 2023	Director, OMRON Corporation (current position)

This will be the structure of the outside directors scheduled after the June 28 General Meeting of Shareholders. After the shareholders' meeting, the ratio of outside directors will increase more than before, and the roles of supervision and execution will be more clearly defined. We believe that this aspect will further strengthen the supervisory function over management.

A Holdings-led Group Strategy Committee (tentative name) will be established to monitor the revision of the medium-term management plan and its effectiveness

- ✓ Some projects have already started, and we have decided to revise the medium-term management plan
- ✓ It is assumed that monitoring will also be conducted using ROIC as an indicator described above
- ✓ Outside directors will also participate in the Committee and each project as necessary
- ✓ To enhance the accuracy and effectiveness of structural reforms, we will consider the use of external consulting services

■ Promotion system
(Some projects have already started)



The following is a description of the promotion system regarding this revise. Some of the investors attending the presentation today may have doubts about the effectiveness of the Group, judging from its past performance. For this reason, a Holdings-led Group Strategy Committee has been established for the formulation of the current revise plan, with the participation of outside directors as necessary to verify the effectiveness of major measures.

We also intend to utilize outside consulting firms as needed to improve the accuracy of each measure.

Re-structuring of branding and customer strategies

Wacoal defines marketing as "all activities that create value for customers" to reconstruct a marketing system that integrates numerical values and sensibilities (from 24SS)
We appointed Mr. Sugiyama of SEN Marketing as a marketing advisor

- 1 We will articulate the customer image of our brand, the brand story, the growth path, and the necessity of being selected by customers, and build a "brand strategy" that takes into account overall optimization. We will promote a company culture that facilitates the creation of a brand that will be deeply cherished by customers well into the future.
- 2 We will restructure our customer strategy based on what kind of value we provide and to whom we provide it. Based on customer data and insight surveys, we will raise our standards of customer understanding, review management indicators to achieve "maximization of LTV," and take other highly pinpointed measures.

We will newly establish a meeting structure under the direct control of the president in order to cooperate with each division and speed up the resolution of business issues. We will hold weekly, monthly, and seasonal meetings to determine solutions to critical issues, track progress, and implement verifications, etc.



About Marketing Advisor



SEN marketing

Corporate Value Creator
Shigekazu Sugiyama

1987
Prior to joining Shiseido Company, Limited in 2009 as the head of the Market Information Office of Corporate Planning Department, he worked in the Market Information Department and Marketing Division of Lion Corporation, and worked for Coca-Cola(Japan)Company, Limited as the Executive Manager of the Management Information Department.

2012
Became an executive officer in charge of corporate culture and advertising production.

2014
In charge of the marketing space for the domestic cosmetics business.

2015
Director of Cosmetics Brand Business Division, Japan Business Headquarters.

2017
Became the CEO of Shiseido Japan.

2020
Retired from Shiseido. Established SEN Marketing Office.

Maximizing our value proposition and establishing a competitive advantage by strengthening marketing, developing brands, acquiring new customers through the use of 3D technology, and strengthening collaboration with the Human Sciences Research and Development Center, etc.

Finally, I will explain the efforts of our core domestic and overseas businesses during the period under review.

First, this will be a domestic Wacoal initiative. Wacoal's profitability is in decline due to weak sales and a cost structure with a high fixed cost ratio. To return to top-line growth and improve profitability, we will restructure our brand and customer strategies, as well as speed up cost structure reforms.

First, let me explain the restructuring of brand and customer strategies. The brand strategy will be overhauled to clarify each brand's customer image, brand story, growth path, and inevitability of being chosen by customers, as well as to include a numerical background.

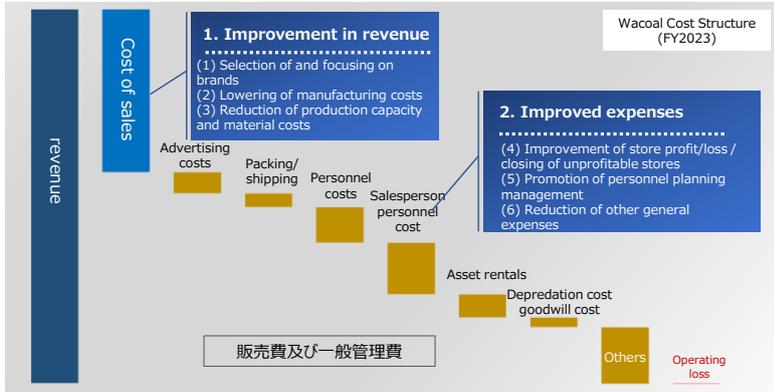
Regarding customer strategy, we are also reviewing customer management metrics to maximize LTV. By analyzing customer data and improving the resolution of customer behavior, we will implement highly accurate marketing initiatives.

In order to steadily promote a return of growth of the top-lines, develop a brand portfolio that will lead to improved profitability, and further advance marketing activities, we determined that we need help from outside, thus decided to appoint Mr. Sugiyama of SEN Marketing Office, who has a proven track record with Shiseido and Coca-Cola Japan, as a marketing advisor.

Speeding up of cost structure reform

The biggest issue with the Group management is to improve the profitability of Wacoal Corp. At the current stage, we will undertake further structural reform

- 1 The SG&A ratio is assumed to be 53.8% for the March FY2024 term. In response to variable cost increases, we proceeded by reducing personnel costs through the continuation of personnel planning management and by reducing advertising expenses, the SG&A ratio was expected to decline by 3.1 pts from the previous fiscal year, but the ratio remained high
- 2 Currently, the new management team is taking the lead in considering additional improvement measures, the implementation schedule, profit/loss impact, and a promotion system. (In order to enhance the accuracy and effectiveness of structural reforms, we are also considering the use of external consulting services.)

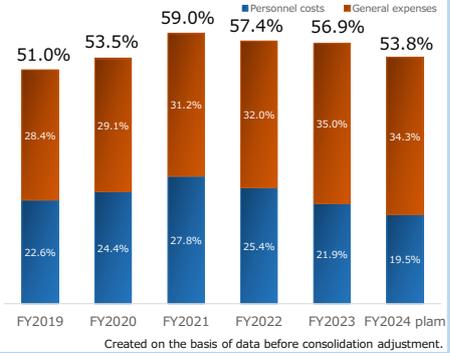


➤ The amount of sales, as well as general and administrative expenses related to sales of Wacoal Corp.

Although cost reduction and personnel planning management were promoted, the SG&A ratio remained high due to the delay in sales recovery (billions of yen)

	FY2020	FY2024 plan	Cost reductions
Personnel costs	24.7	19.4	-5.3
General expenses	29.3	28.5*	-0.8*

*excluding the impact of revenue recognition (approximately 5.7)



The next section describes the speeding up of Wacoal's cost structure reforms.

At present, we recognize that the biggest challenge for the Group is to restore Wacoal's profitability, and at this stage, with sales recovery lagging behind, we need to take another step forward in structural reform.

The new management team is currently working on additional improvement measures, implementation schedule, profit/loss impact, and promotion structure. We are also considering the use of outside consulting firms to enhance the accuracy and effectiveness of structural reforms.

This is the main policy of the medium-term management plan revision, and we will explain the policy initiatives in detail and in concrete terms at the time of the announcement of the revision.

In addition to strengthening the e-commerce business, which is our core strategy, we will strengthen our product appeal according to the characteristics of each market. On the other hand, bearing in mind the downside risk of the sales plan due to the deterioration of consumer sentiment, we will aim to secure the target profit by implementing appropriate cost control according to the sales situation. At the same time, each company will focus on decreasing inventory levels

U.S.

All figures are in local currency.

Wacoal America : Revenue plan YoY+3%、Business Profit plan \$ 11 million (YoY+5%)

- Increase our e-commerce (+10%) by promoting measures to increase average order value (AOV) and conversions
- Raise prices by about 4% for products from both Wacoal and b.tempt'd

IO Inc. : Revenue plan +30%、Business Profit plan -\$ 5 million (loss) Improved by \$7.7 million from the previous year

- Continue to improve the efficiency of sales promotion that we see currently. Implement appropriate cost controls according to sales
- Review and revise the pricing strategy across the board to change prices to those that match the product value from April 2023

China

All figures are in local currency.

Wacoal China Co., Ltd. : Revenue plan +54%、Business Profit plan 22 million yuan Improvement of 57 million yuan from the previous period

- Aim to recover sales by +7% from the March FY2020 term in terms of figures excluding the impact of settlement adjustments
- Hire a designer and a director of the e-commerce business to strengthen product appeal and the e-commerce business
- Optimize personnel organization and costs according to the sales situation after the restart

Downside risk regarding revenue planning

- Slow sales and lower profits due to a deterioration in consumer sentiment caused by rising interest rates meant to curb inflation
- Increased manufacturing costs due to continually soaring transportation expenses as well as raw material prices and rising personnel expenses
- Various country risks including political changes and conflicts
- Recording risk of impairment losses on intangible assets (residual remaining book value of the business: 16.2 billion JPY Wacoal International: 6 billion JPY, Wacoal Europe: 10.2 billion JPY)

➤ About the new designer at Wacoal China



Sachiyo Wakashiro
Wacoal China Co., Ltd. Wacoal Brand Design Director

After joining Wacoal Corp. in 1990, she worked as a pattern maker, and in 2005 became the chief designer of the "Salute" brand. After arriving at her new post with Wacoal China to work as a designer for Wacoal brands in China in 2011, she worked as a lingerie director for Wacoal Europe from November 2016, and won the "Designer of the Year 2018" award. She has been in her current position since April 2022

➤ First 3D smart & try store to be opened in the U.K.

We will aim to expand sales by linking our own e-commerce and 3D smart & try stores
The first 3D smart & try store will open in Bath during the March FY2024 term



I will now continue with an explanation of our overseas business initiatives. Overseas, in addition to strengthening the EC business, which is the core strength of the current medium-term business plan, we will continue our efforts to strengthen product capabilities that meet the characteristics of each market.

Efforts in the US and China businesses, which struggled in the previous fiscal year, are described in the center of the page. With respect to Intimates Online in the US, we will continue to work on improving sales promotion efficiency, which is currently showing positive effects.

In addition, from the perspective of profitability and price competitiveness, the Company is reviewing its existing uniform pricing structure and is moving toward a tiered pricing structure.

As for the China business, the situation is gradually recovering from the impact of infectious diseases in the previous fiscal year. To expand sales, we are taking steps to strengthen our ability to develop products that meet the characteristics of our customers and to improve our competitiveness in the EC market by hiring a business manager with experience and knowledge in the local EC market, in addition to assigning a designer with a strong track record not only in Japan but also in other countries.

We will implement these strategies, but there are downside risks to our sales plan in major overseas countries, including Europe, where we performed well in the previous fiscal year, due to rising prices, geopolitical risks, and financial instability.

By implementing appropriate controls in response to the sales situation, we will aim to secure targeted profits.

In April 2022, we established the Sustainability Committee and four Promotion Subcommittees to strengthen our response to important sustainability issues

- 1 The Sustainability Committee meets regularly on the same day as the Board of Directors Meeting to formulate specific measures to address sustainability issues, monitor progress status, and evaluate the status of goal achievement
- 2 In the March FY2023 term, seven meetings were held to discuss the "reduction of greenhouse gas emissions in the supply chain," "promotion of the adoption of environmentally friendly materials," "promotion of responsible procurement activities," and "promotion of respect for human rights in the supply chain"

➤ New NBF hanger* commenced use

In order to recycle plastic resources and reduce CO₂ emissions, we have developed a recyclable hanger that can be recycled from other hangers together with another group in the industry. To be launched in the mass merchandiser channel in July 2023



promotion system		objective	Initiatives for FY 2023	Initiatives for FY 2024
Sustainability Committee	Subcommittee for Carbon Neutral	Achievement of a decarbonized society (Business activities with low environmental impact)	<ul style="list-style-type: none"> - Selected partner companies for formulating scenarios (transition plans) for reducing greenhouse gas emissions at domestic business sites - Acquired energy data from all overseas business sites (offices, warehouses, factories) 	<ul style="list-style-type: none"> - Formulate investment plans such as reduction programs and energy-saving equipment for domestic business sites - Calculate greenhouse gas emissions at overseas business sites and consider reduction programs at major factories - Start collaborating with suppliers to reduce Scope 3 emissions
	Subcommittee for Resource Circulation	Achievement of a resource recycling society and promotion of waste reduction	<ul style="list-style-type: none"> - Defined environmentally friendly materials (Interim standards for environmental materials, material mixture ratios) - Established three-year targets for the usage rate of environmentally friendly materials - Established three-year targets to reduce the disposal of products and residual materials 	<ul style="list-style-type: none"> - Consider disclosing information on standards and amount used of environmentally friendly materials - Promote the development of environmentally friendly materials - Promoting individual measures to reduce the disposal of products and residual materials
	Subcommittee for CSR Procurement	Promotion of CSR procurement activities (Responsible procurement activities)	<ul style="list-style-type: none"> - Started CSR procurement activities at outsourced factories of overseas subsidiaries - Revised standards for on-site audits and supporting audits - Promoted corrective and improvement activities for issues that arose at outsourced factories 	<ul style="list-style-type: none"> - Expand the scope of CSR procurement activities (Start activities for monitoring raw materials and dye houses) - Strengthen monitoring to improve the effectiveness of CSR procurement activities
	Subcommittee for Human Rights, D&I	Promotion of D&I and respect for human rights	<ul style="list-style-type: none"> - Conducted a simple assessment of human rights issues in the supply chain - Conducted interviews with experts in preparation for the launch of Human Rights DD - Conducted interviews with experts to promote D&I 	<ul style="list-style-type: none"> - Implement human rights risk assessment (identify human rights risks and select important themes) - Strengthen measures to comply with the revised Act for Eliminating Discrimination against Persons with Disabilities - Implement human rights education

Finally, we would like to explain our ESG initiatives.

In April last year, our Group established a Sustainability Committee and four promotion subcommittees to strengthen its response to important sustainability issues. The initiatives of each business group during the period under review are described in the table at the bottom of the page.

To reiterate, we will revise our medium-term management plan with the aim of rebuilding our business performance and quickly achieving a P/B ratio in excess of 1 times through improved profitability and capital efficiency. The Board of Directors plans to take the lead in verifying and revising current business strategies to increase the accuracy and speed of reforms.

We expect to announce the revise in mid-November, which some may think is taking too long, but we will carefully implement the revise process from multiple perspectives, including consideration of the introduction of ROIC. Thank you for your understanding.

That is all from me.

We would like to thank all of our investors for their continued support. Thank you for your attention.

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