

This is an Appendix of the medium-term management plan (revised) disclosed on November 9, 2023. It describes the initiatives of Wacoal and its major overseas subsidiaries.

# Revised Medium-Term Management Plan FY2024 to FY2026

## Appendix

November 20, 2023  
Wacoal Holdings Corp.

# Targets of the Revised Medium-Term Management Plan

Reiteration : Revised Medium-Term Management Plan FY2024 to FY2026 Document P5 (disclosed 11/9)

## Opportunities

- Diversifying the need to "be yourself"
- Increasing the need for health and comfort
- Social inculcation of sustainability awareness
- Developing markets with significant growth potential

## Risks

- Increasing procurement costs due to changes in the external environment
- Declining domestic demand due to population decline
- Lack of competitiveness due to slow innovation
- Declining corporate attractiveness and a serious shortage of staff

## Wacoal Group's strengths



Personalized body and soul database



Research/knowledge of various body types / life stages



Manufacturing technology for products that suit each customer



Organizational ability to meet individual needs and embody services

1

### Business model reforms to improve profitability

- Reviewing supply chain management
- Cost structure reform ● Dealing with unprofitable businesses

2

### Growth strategy to achieve VISION 2030

- Reviewing brand strategies ● Focusing on growth markets
- Human resource development and organizational development to enhance corporate value

3

### Introducing ROIC management

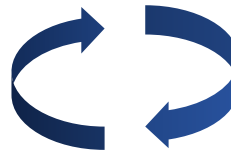
- Monitoring profitability and strategy effectiveness
- Business portfolio management

4

### Promoting asset reduction

- Reducing inventories
- Reducing strategic shareholdings
- Streamlining real estate holdings

Improving profitability and capital efficiency



Growth investments and stakeholder returns

# Wacoal Corp.'s Initiatives

# Our Goals for VISION2030

## ■ Reviews (Wacoal in the past)

- ✓ The ability to execute on the proposed plan is poor, and the improvement process based on reflection of failure is not working
- ✓ As customer needs change, conventional advertising, product planning, production systems, and business management functions are unable to respond to market changes, causing a decrease in profitability and excessive inventories
- ✓ In particular, the lead time (LT) from product planning, development, production, and delivery takes more than one year, and improvement is urgently needed

## ■ Wacoal's future value

### Empowering you to be yourself\*

Wacoal aims to grow and contribute to society by supporting “your own beauty, comfort, and health” of each customer tailored to diversifying customer needs

## ■ Medium-term management plan (revised)

After implementing cost structure reforms, we will grow again by strengthening brand power, customer loyalty, and human resources, and building a supply chain management that can respond quickly to customer needs. We will implement ROIC management to strengthen our business management functions and strengthen the PDCA process for each business

### Products and services that empower customers to be themselves

Products and services based on the results of our Company's research




Products and services that meet diverse values



# The Future Wacoal

In order to grow and contribute to society by providing products and services that meet diversifying customer needs, we will implement thorough corporate transformation through the medium-term management plan (revised)

|                                | The Past Wacoal   |   | The Future Wacoal   |
|--------------------------------|---|---|---|
| <b>Provided value</b>          | <ul style="list-style-type: none"> <li>✓ Providing value based on the results of our Company's research</li> <li>✓ Uniform marketing for all customers</li> </ul>   |   | <ul style="list-style-type: none"> <li>➤ In addition to providing value based on the results of our research, we will provide products and services that empower each customer's individuality based on the values of diverse customers</li> </ul>            |
| <b>Brand strategies</b>        | <ul style="list-style-type: none"> <li>✓ Over-reliance on our Company's strengths, the "product."</li> <li>✓ Lack of clear brand marketing strategies</li> </ul>  |   | <ul style="list-style-type: none"> <li>➤ Through the brand management thoroughly from "customer's point of view," we will cultivate attractive brands with clear value</li> <li>➤ Making the innerwear market itself attractive</li> </ul>                    |
| <b>Customer strategies</b>     | <ul style="list-style-type: none"> <li>✓ Customer directory management through in-store sales associates (BA)</li> <li>✓ Completing the integration of the customer data infrastructure and starting to use the data</li> </ul>                               |   | <ul style="list-style-type: none"> <li>➤ Increasing loyalty through the use of customer data</li> <li>➤ Building deep, broad, and long-term relationships with each and every customer through personalized customer experiences and improving LTV</li> </ul> |
| <b>Supply chain management</b> | <ul style="list-style-type: none"> <li>✓ Due to the lead time (LT) from product planning to delivery, which takes more than one year to product development, a gap between demand and production planning tends to occur</li> </ul>                           |  <p>Medium-term management plan (revised)</p> | <ul style="list-style-type: none"> <li>➤ Building demand-linked supply chain management that can flexibly respond to changes in the market and customers</li> </ul>   |
| <b>Cost structure</b>          | <ul style="list-style-type: none"> <li>✓ High cost structure</li> </ul>   |   | <ul style="list-style-type: none"> <li>➤ Achieving an optimal cost structure through rigorous selection and focus</li> </ul>  |
| <b>Decision making</b>         | <ul style="list-style-type: none"> <li>✓ Various coordination tasks hinder prompt decision-making</li> <li>✓ The responsibility for management strategy is not clear</li> <li>✓ Partial optimization (lack of progress that requires coordination)</li> </ul> |   | <ul style="list-style-type: none"> <li>➤ Accelerating decision making</li> <li>➤ Clarifying responsibilities for business profit</li> <li>➤ Increasing productivity throughout the Company by achieving overall optimization</li> </ul>                       |

# Key Initiatives in the Medium-Term Management Plan (Revised)

After implementing cost structure reforms, we will strengthen brand power, customer loyalty, and human resources to return to growth

In order to become a new Wacoal that can respond quickly to changes in customers and markets, we will link our supply chain management to demand from the customer's point of view using digital technologies

## ■ Initiatives in Wacoal's medium-term management plan (revised)

|  |  |  |
|--|--|--|
| <p><b>Business model reform</b></p> <p>Optimizing cost structure through rigorous selection and focus</p> <p>Forming supply chain management that can quickly respond to changes</p>  <p><b>Executing growth strategies</b></p> <p>Strengthening brand development and customer loyalty by maximizing the value provided by leveraging our strengths and digital technologies</p> | <p><b>Supply chain management reform</b></p> | <ul style="list-style-type: none"> <li>✓ Implementing supply chain management (SCM) reform to respond swiftly to changes in customer needs and the market environment</li> <li>✓ Forming SCM linked to demand from the customer's point of view using digital technologies</li> </ul>  |
|  | <p><b>Cost structure reform</b></p>          | <ul style="list-style-type: none"> <li>✓ Implementing a radical cost structure reform in order to restore Wacoal's basic profitability</li> <li>✓ We will improve the sales profit ratio by 3 pts to 4 pts and SG&amp;A expenses by 4 pts to 5 pts by FY2026</li> </ul>  |
|  | <p><b>Customer strategies</b></p>            | <ul style="list-style-type: none"> <li>✓ Building deep, broad, and long-term relationships with each and every customer through personalized customer experiences and improving LTV. Designing every contact point with customers to make them attractive</li> <li>✓ Maximizing the value of the customer experience by leveraging customer data and improving the customer journey</li> </ul> |
|  | <p><b>Brand strategies</b></p>               | <ul style="list-style-type: none"> <li>✓ With thorough brand management from the customer's point of view, we will develop an attractive brand with clear values and deepen the connection between the brand and customers</li> <li>✓ Making the innerwear market more attractive</li> </ul>   |
|  | <p><b>Human resource strategy</b></p>        | <ul style="list-style-type: none"> <li>✓ To improve profitability as soon as possible, we will implement human resource development, organizational development, and corporate culture reform for medium-to long-term growth along with managing personnel planning</li> <li>✓ Leveraging the strengths and supporting growth of each sales associate (BA)</li> </ul>                          |

# Business Model Reform (1) Supply Chain Management Reform

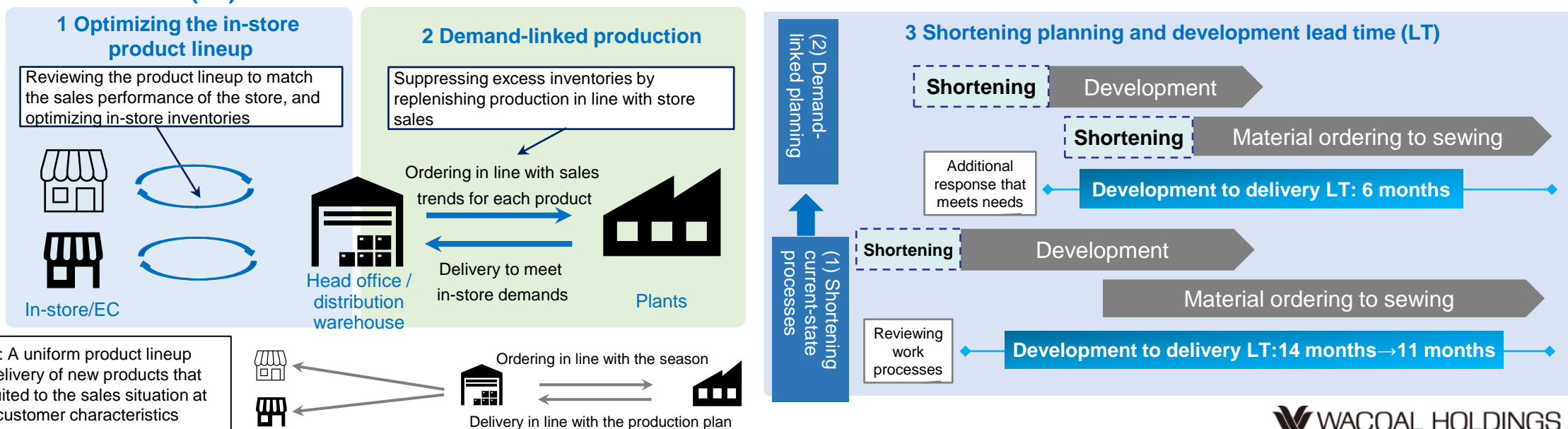
Reiteration : Revised Medium-Term Management Plan  
FY2024 to FY2026 Document P6 (disclosed 11/9)

**Implementing SCM reforms at Wacoal(Japan) to respond quickly to changes in customer needs and the market environment  
With the use of digital technology to build SCM linked to demand from the customer's point of view, thoroughly selecting and focusing to optimize the cost structure**

\* SCM: supply chain management

## ■ Process for establishing supply chain management linked to demand

- |          |   |   |  |
|----------|---|---|--|
| <b>1</b> | <b>Optimizing in-store product lineup</b>                 | <ul style="list-style-type: none"> <li>By reviewing the uniform product mix and delivery style of new products, we establish a model that reliably delivers top-selling products to stores (including e-commerce)</li> </ul>  | <ul style="list-style-type: none"> <li>Operational establishment within the period of the medium-term management plan</li> </ul>                               |
| <b>2</b> | <b>Demand-linked production</b>                           | <ul style="list-style-type: none"> <li>Changing the production system to match the demand situation at the store, optimizing/reducing excess inventories</li> </ul>   | <ul style="list-style-type: none"> <li>Trial from standard products and gradually become operational within the medium-term management plan period.</li> </ul> |
| <b>3</b> | <b>Shortening planning and development lead time (LT)</b> | <ul style="list-style-type: none"> <li>Shortening development and delivery LT by utilizing existing patterns and reviewing business processes such as planning and development meetings</li> <li>Accelerating the PDCA cycle and the launch of products that meet customer needs</li> </ul> | <ul style="list-style-type: none"> <li>By the FY2025, we will gradually change the business process and try to shorten additional plans</li> </ul>             |



# Reference: Progress of Supply Chain Management Reform

**A demonstration experiment was conducted at six mass retailers to optimize the in-store product mix**

- ✓ Maintaining the inventory status of high-selling products at stores and promoting product appeal
- ⇒ Sales at participating stores (self-service stores and staffed sales staff stores) have been firm compared to the overall dealers

■ Initiatives for the current fiscal year (December 2023 to March 2024)

## 1. Maximizing sales during the period

### ≡ Reducing opportunity loss

(improving satisfaction rate and inventory turnover rate)

- ✓ Based on the results of inspections, appropriate in-store inventory operations will be established for demonstration project customers,
- ✓ Starting demonstration experiments with other dealers

## 2. Building a foundation that produces continuous results

### ≡ Shortening replenishment LT

(optimizing product mix and shortening replenishment LT)

- ✓ Reviewing the product mix to focus on stores' top-selling products
- ✓ Shortening replenishment LT to stores (demonstration experiment of shortening LT production)
- ✓ Shortening product-planning LT and responding to additional production (from 25SS)

■ Initiatives for the next fiscal year (April 2024 to March 2025)

## 3. Expanding the scope of initiatives for each theme

≡ Increasing results of initiatives (improving satisfaction rate, inventory turnover rate, and sales increasing)



# Business Model Reform (2)

## Cost Structure Reform

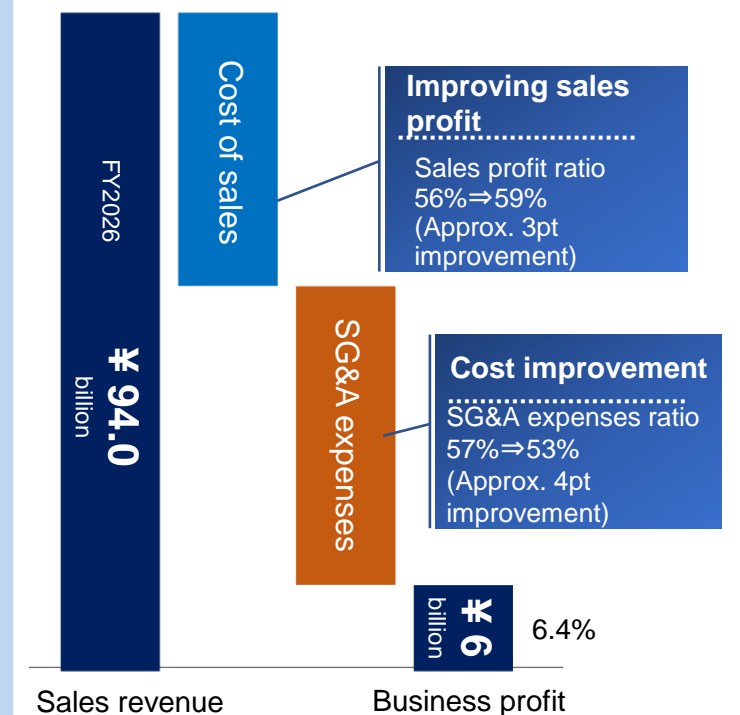
Reiteration : Revised Medium-Term Management Plan  
FY2024 to FY2026 Document P7 (disclosed 11/9)

In order to restore Wacoal(Japan)'s basic profitability, a radical cost structure reform will be implemented. Setting reduction target to ¥ 7bn. We plan to improve the sales profit ratio by 3 pts to 4 pts and SG&A expenses by 4 pts to 5 pts by FY2026 (compared to FY2023).

| Implemented items                                | Specific activities   | Implementation timing  | Effects                      |
|--|---|--|------------------------------|
| <b>Brand focus and selection</b>                 | <ul style="list-style-type: none"> <li>Reducing losses on returns and discounting by aggregating product numbers, etc. (Reducing production lines by approx. 40% and the number of product number by more than 10%)</li> <li>Reviewing sales price setting</li> </ul> | <ul style="list-style-type: none"> <li>Aggregating production lines will start at 24AW and be completed during FY2025</li> </ul>   | <b>¥ 1.9 billion</b>         |
| <b>Reducing production costs</b>                 | <ul style="list-style-type: none"> <li>Improving inspection process efficiency</li> <li>Reducing man-hours by aggregating product numbers, etc.</li> </ul>  | <ul style="list-style-type: none"> <li>Will be completed by FY2025</li> </ul>  | <b>¥ 0.6 billion</b>         |
| <b>Reducing production and material costs</b>    | <ul style="list-style-type: none"> <li>Reviewing the production system</li> <li>Aggregating materials and master colors</li> </ul>  | <ul style="list-style-type: none"> <li>Will be completed by FY2025</li> </ul>  | <b>¥ 0.4 billion</b>         |
| <b>Improving the profit and loss of stores</b>   | <ul style="list-style-type: none"> <li>Reviewing the terms and conditions of business with business partners</li> <li>Withdrawing stores that are in the red (up to 32 stores)</li> <li>Optimizing personnel in order to improve productivity</li> </ul>              | <ul style="list-style-type: none"> <li>Considering the withdrawal from stores that are in the red and those that are not expected to revise transaction terms during FY2024</li> </ul> | <b>¥ 0.9 billion</b>         |
| <b>Offering voluntary retirement</b>             | <ul style="list-style-type: none"> <li>Optimizing personnel in order to improve productivity</li> </ul>   | <ul style="list-style-type: none"> <li>Will be completed by FY2024</li> </ul>  | <b>¥ 0.9 billion</b>         |
| <b>Optimizing other sales promotion expenses</b> | <ul style="list-style-type: none"> <li>Optimizing expenses for IT</li> <li>Optimizing advertising/promotion costs</li> </ul>  | <ul style="list-style-type: none"> <li>Will be completed by FY2025</li> </ul>  | <b>¥ 1.6 billion</b>         |
| <b>Reducing distribution costs, etc.</b>         | <ul style="list-style-type: none"> <li>Improving distribution business profitability</li> </ul>   | <ul style="list-style-type: none"> <li>Will be completed by FY2025</li> </ul>  | <b>¥ 0.6 billion</b>         |
|  |   |  | <b>Approx. ¥ 7.0 billion</b> |

### Wacoal: Figures for the FY2026 business plan

Based on the effects of cost structure reforms and the results of growth strategies, the revenue levels of ¥ 94 billion and business profit of ¥ 6 billion(6.4%) have been set as hurdle rates in the revised medium-term management plan



# Summary of the Growth Strategies

By leveraging Wacoal's strengths and digital capabilities to continue providing products and services that empower customers' abilities to be themselves, we will develop beloved brands, build deep, broad, and long-term relationships with customers, and achieve growth as the Wacoal

**Implementing growth strategies using Wacoal's strengths and digital technologies**  
**Strengthening human capital**

**Channel measures corresponding to characteristics, potential, customer base, and market segments**

**Providing an optimal customer experience**  
**Improving LTV**

| Growth strategies              |  |
|--------------------------------|--|
| <b>Customer strategies</b>     | <ul style="list-style-type: none"> <li>✓ Building deep, broad, and long-term relationships with each and every customer through personalized customer experiences and improving LTV</li> </ul>   |
| <b>Brand strategies</b>        | <ul style="list-style-type: none"> <li>✓ With thorough brand management from the customer's point of view, we will develop an attractive brand with clear values</li> </ul>  |
| <b>Human resource strategy</b> | <ul style="list-style-type: none"> <li>✓ In parallel with personnel planning management to improve profitability as soon as possible, we will implement human resource development, organizational development, and corporate culture reform for medium-to long-term growth</li> </ul> |

| Channel measures           |   |
|----------------------------|---|
| <b>Channel portfolio</b>   | <ul style="list-style-type: none"> <li>✓ Opening a replacement store to tenants that attract many customers</li> <li>✓ Expanding self-managed sales floors</li> <li>✓ Acquiring new customers by strengthening other companies' EC</li> <li>✓ Developing a new store format that addresses customer expectations</li> </ul> |
| <b>Product structure</b>   | <ul style="list-style-type: none"> <li>✓ Product structure according to characteristics of market segments and channels</li> <li>✓ Product expansion according to stores' top selling products</li> </ul>   |
| <b>Customer experience</b> | <ul style="list-style-type: none"> <li>✓ Seamless customer experience between Wacoal's own EC and physical stores</li> <li>✓ Personalized recommendations based on customer data</li> </ul>   |

| Expected effects   |  |
|--|--|
| <ul style="list-style-type: none"> <li>✓ Gaining and keeping loyal customers</li> <li>✓ Increasing number and amount of purchases per year</li> <li>✓ Increasing return purchases and new members</li> </ul> |  |
| <ul style="list-style-type: none"> <li>✓ Expanding the customer pyramid</li> </ul>   |  |



# Growth Strategies (1) Customer Strategies

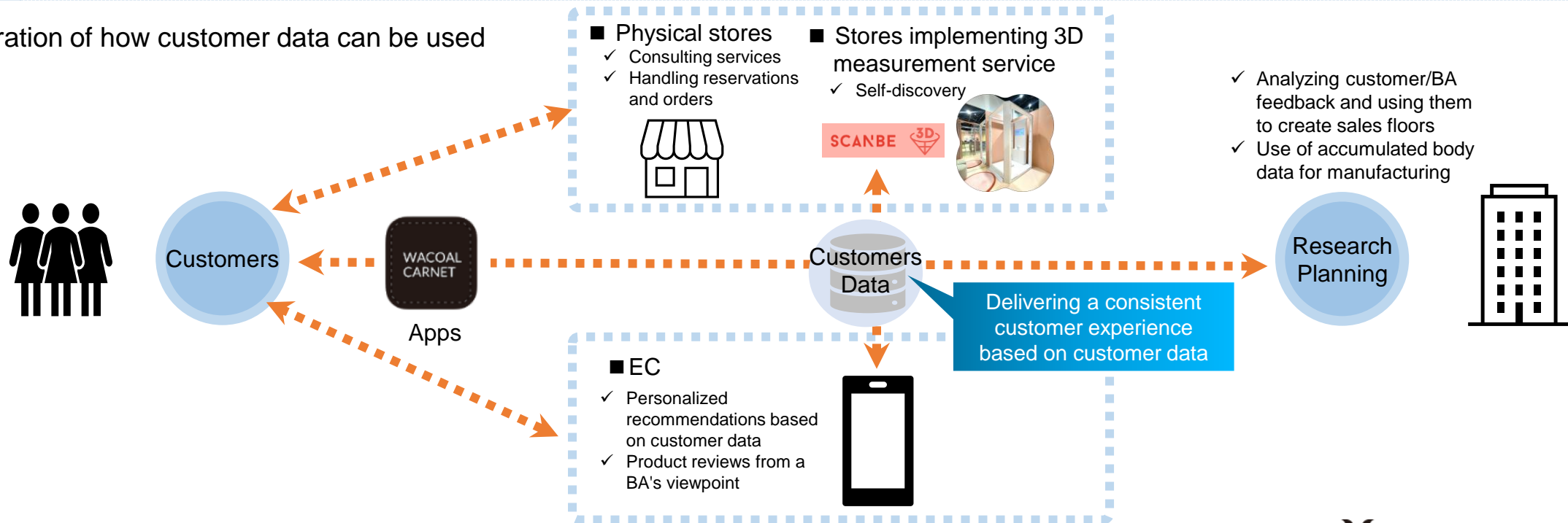
In order to build deep, broad, and long-term relationships with customers, we will thoroughly utilize digital technologies to provide the best customer experience for each person

## ■ Use of digital technologies

DX

1. Rebuilding the value chain from the customer's point of view. Fully leveraging customer data, customer feedback, and sales associate (BA) insights
2. Creating consistent and highly satisfying customer experiences in physical stores and online through 3D measurement services (SCANBE) and apps (CARNET)
3. Identifying the development path of loyal customers and continuously monitoring management metrics to maximize LTV

## ■ Illustration of how customer data can be used



With thorough brand management from the "customer's point of view," we will develop an attractive brand with clear values

- Developing products and services tailored to each segment to meet the diverse values of customers and empower them to be themselves.

|   |                      |  |  |  |
|---|----------------------|--|--|--|
| 1 | Innerwear            | Brand portfolio setting tailored to market segments  | <ul style="list-style-type: none"> <li>By clarifying the value we provide to customers, expand the customer base targeting young and affordable customers, and providing products that meet diverse customer needs, we will develop brands with an eye on long-term connections with customers and expand LTV</li> </ul> | Starting from the 24 AW season product                     |
|   |                      | Rebranding Wacoal                                    | <ul style="list-style-type: none"> <li>From a brand that creates "beauty" to a brand that creates encounters with a "new you and new possibilities." Rebranding our core brand, Wacoal, to improve its value</li> </ul>  | FY2028 ¥ 45 billion<br>125% compared to FY2023 (CAGR 4.6%) |
| 2 | Other than innerwear | Expanding our "beauty, comfort, and health" business | <ul style="list-style-type: none"> <li>Expanding the beauty, comfort, and health business by utilizing our knowledge cultivated in the innerwear business</li> <li>Personalized services using 3D measurement systems and data</li> <li>Strengthening sports business such as CW-X</li> </ul>                            | FY2031 ¥ 20 billion  |

■ About market segments

Analyzing the market attractiveness of each segment based on the "compound annual growth rate" x "bra market size" for FY2018 to FY2022, setting market segments and developing brand strategies in line with the strengthened segments (market attractiveness of each market segment and other information not disclosed)

|             |              | Age group        |                  |                  |                  |                  |                  |
|-------------|--------------|------------------|------------------|------------------|------------------|------------------|------------------|
|             |              | 15 to 19 yrs old | 20 to 29 yrs old | 30 to 39 yrs old | 40 to 49 yrs old | 50 to 59 yrs old | Age 60 and above |
| Price range | High premium |                  | High premium     |                  |                  |                  |                  |
|             | Premium      | Young people     | Rebranded Wacoal |                  |                  |                  | Seniors          |
|             | Better       |                  |                  |                  |                  |                  |                  |
|             | Moderate     |                  | Affordable       |                  |                  |                  |                  |
|             | Affordable   |                  | Affordable       |                  |                  |                  |                  |
|             | Cost saving  |                  | Affordable       |                  |                  |                  |                  |

# Quantitative Targets for Wacoal

## ■ Planned figures

(\* including internal sales)

|                        | Initial goal |         | Revised target | No change      |
|------------------------|--------------|---------|----------------|----------------|
|                        | FY2025       | +1 year | FY2026         | FY2031         |
| Sales                  | ¥110 billion |         | ¥94 billion    | ¥130 billion   |
| Business profit        | ¥7.5 billion |         | ¥ 6 billion    | ¥11 billion    |
| Business profit margin | 6.8%         |         | 6.4%           | More than 8.5% |

## ■ VISION2030 (goals to aim for in FY2031)

| Market segment                                       | Innerwear      |                 |  |              |                          |                        | Non-innerwear   |              |
|--|----------------|-----------------|--|--------------|--------------------------|------------------------|---|--------------|
|  | Wacoal brand   | High premium    | Affordable   | Young people | Seniors                  | Semi-order             | Personalize   | Conditioning |
| Sales targets for FY2031                             | ¥110 billion   |                 |  |              |                          |                        | ¥20 billion   |              |
| CAGR<br>(FY2023 to FY 2031)                          | + 2.7%         | + 9.8%          | + 3.8%   | + 13.0%      | + 18.9%                  | + 25.1%                | —   | + 21.5%      |
|  | EC ratio       | Physical stores | Self-managing sales of innerwear<br>(Difference between FY2023)* |              | Self-managing            | Wholesale              | * Sales at sales floors where customer data can be acquired and price control is possible (e.g., directly managed stores, in-house EC stores, department stores) in order to maximize LTV |              |
| EC ratio of innerwear<br>(Difference between FY2023) | 40%<br>(+20pt) | 60%<br>(-20pt)  |  |              | More than 60%<br>(+10pt) | 40% or less<br>(-10pt) |   |              |

# Overseas Business Initiatives

# Major Initiatives for Overseas Business

Assuming the situation will continue to be uncertain, such as emergence of geopolitical risks and decline in consumer confidence due to rapid inflation

## Our Goals for VISION2030 (no change)

In addition to achieving growth in existing areas (UK, US, and China) and expanding brand recognition in continental Europe and India, we will transform our business structure to a high-profit structure

### FY2031 Key KPIs (no change)

Sales revenue **¥108 billion**

Operating profitability **10%**

- 1. Steady growth in the U.K., the U.S., and China**
- 2. A bold business transformation to EC business**
  - ▶ EC ratio **50% and higher** Including customer EC, dedicated EC, and Wacoal EC sales
- 3. Developing markets with large potential for sales growth**
  - ▶ Emerging areas **Germany: ¥3 billion, India: ¥7 billion**
- 4. Promoting the Asian headquarters system**

## Overseas business initiatives under the medium-term management plan (revised)

Assuming that the situation will continue to be uncertain, we will prioritize profit generation in FY2024 and FY2025 in each country while working to improve our management base and implementing growth strategies for the next medium-term management plan

### Growth strategies

#### 1. Growing EC

Expanding contact points with customers and achieving EC growth by promoting digital strategies (OMO, CRM, Asia EC platform)

#### 2. Developing and providing new products that meet market trends

Expanding contact points with new customers by developing and selling new products based on market trend analyses in China and other countries in Asia

### Strengthening supply chain management

- (1) Optimizing production and material procurement processes in overseas business
- (2) Reducing manufacturing costs by reorganizing the supply system within the Group
- (3) Expanding the supply network outside the Company to strengthen the affordable market in China and Asia

### Reviewing strategies for inefficient businesses

#### Withdrawal of LIVELY brand (IO)

After considering various possibilities for future business development, we determined that it would be difficult to improve the performance of the business in the future, and decided to withdraw

\* Initiatives at major subsidiaries are explained on the following pages

# Major Subsidiaries' Initiatives: Europe and the U.S

## Wacoal Europe's initiatives

In addition to promoting brand strategies to meet the diverse values of customers, we will also form and promote growth strategies in regions with room for growth, such as Germany and France

### ➤ Accelerating the transition to an EC-focused business model

Improving the efficiency of the Dutch warehouse, strengthening EC business outside the UK (development of Wacoal own EC, collaboration with other companies' EC)

### ➤ Increase sales in continental Europe

In addition to cultivating existing areas, we will strengthen sales activities in new areas, such as Germany, where there is significant room for growth. In addition to expanding our sales network, including EC and physical stores, we will also consider alliances and M&As with other companies to achieve growth with quality and speed

### FY2026 Performance KPIs

- ✓ Sales revenue: ¥23.9 billion (CAGR: +5.6%)
- ✓ Operating profitability: ¥2.6 billion (more than 10%)
- ✓ EC ratio: 37% (FY2023: 31.7%)

## Wacoal International's (U.S) initiatives

We will review the plan based on the current external environment. While working to grow the EC business, we will begin to review our cost structure to address the decrease in profit ratio due to increased costs

### ➤ Accelerating the transition to an EC-focused business model

Achieving continuous growth in the EC business by developing new competitive compensation product groups and strengthening CRM centered on digital fitting services

### ➤ Reviewing cost structure

In order to address the pressure of rising costs, we will review retail prices, promote automation of distribution operations (automatic picking, etc.), reduce procurement costs, and begin reviewing our business model to optimize our cost structure.

### FY2026 Performance KPIs

- ✓ Sales revenue: ¥28.8 billion (CAGR: 3.9%)
- ✓ Operating profitability: ¥1.36 billion (5%)
- ✓ EC ratio: 50% (FY2023: 45.6%)

|   | Wacoal America<br>Wacoal Europe<br>Total <sup>1</sup> | Wacoal America                  | Wacoal Europe     |                   |                   |                   |              | Areas other than those<br>listed on the left <sup>4</sup> |
|---|---|---------------------------------|-------------------|-------------------|-------------------|-------------------|--------------|---|
|   |   | North America (U.S. and Canada) | Australia         | UK                | France            | Germany           |              |   |
| Sales for FY2023  | ¥44.2 billion   | ¥23.5 billion                   | ¥5.9 billion      | ¥1.2 billion      | ¥6.6 billion      | ¥1.1 billion      | ¥0.6 billion | ¥5.3 billion  |
| EC  | ¥17.5 billion   | ¥11.4 billion                   | ¥2.8 billion      | 0                 | ¥2.4 billion      | ¥0.2 billion      | ¥0.3 billion | ¥0.4 billion  |
| Physical stores   | ¥26.7 billion   | ¥12.1 billion                   | ¥3.1 billion      | ¥1.2 billion      | ¥4.2 billion      | ¥0.9 billion      | ¥0.3 billion | ¥0.9 billion  |
| Sales ratio by area <sup>1</sup> to the total sales of Wacoal America and Wacoal Europe |   | 66%                             | 3%                | 15%               | 2%                | 1%                | 12%          |   |
| Innerwear market size   |   | North America (U.S. and Canada) | Australia         | UK                | France            | Germany           | Others       |   |
| Innerwear   | Retail market size <sup>2</sup>                       | ¥1,804.5 billion                | ¥98.7 billion     | ¥416.8 billion    | ¥205.5 billion    | ¥351.1 billion    |              |   |
|   | EC retail market size <sup>2</sup>                    | ¥194.2 billion                  | ¥5.4 billion      | ¥90.8 billion     | ¥18.9 billion     | ¥31.2 billion     |              |   |
|   | Wacoal Group share <sup>3</sup>                       | 3.0%                            | 2.4%              | 3.0%              | 1.1%              | 0.3%              | -            |   |
|   | Wacoal Group share <sup>3</sup> of EC                 | 11.9%                           | -                 | 4.8%              | 2.1%              | 1.9%              |              |   |
| Population  |   | 373 million people              | 25 million people | 67 million people | 65 million people | 83 million people |              |   |

\*1 Simple sum of Wacoal America and Wacoal Europe (including internal transactions)

\*3 Wholesale sales are calculated by substituting retail amounts

\*2 Source: Euro monitor materials in 2022

\*4 Total export sales of Wacoal America and sales outside the areas indicated in Wacoal Europe



# Major Subsidiaries' Initiatives: China and Other Countries in Asia

## Initiatives in China

Through a brand strategies (product functions, prices, and promotions) that achieve EC growth, we aim to return to sales and at the same time embark on a business model reform to improve profitability

### ➤ Developing products that meet customer needs

- (1) Strengthening our ability to respond to changes in customer purchasing behavior, needs, and product trends. Conducting purchase analysis in major EC marketplaces, formulating and executing brand strategies (product functions, prices, promotions), and aiming for EC growth
- (2) Developing sports and athleisure products and expansion of high-end products

### ➤ Improving management efficiency

- Reviewing our cost structure to improve profitability.
- Withdrawing poorly-performing stores and reducing inventories

### FY2026 Performance KPIs

- ✓ Sales revenue: ¥13 billion (CAGR: +12.4%)
- ✓ Operating profitability: ¥0.88 billion (6.8%)
- ✓ EC ratio: 35% (FY2023: 23.5%)

## Other countries' initiatives in Asia

Cooperate among Asian subsidiaries under the Asian headquarters system. We will implement measures that take advantage of the strengths of our own EC and other companies' EC to achieve growth

### ➤ Expanding customer contact points and improving LTV

- (1) Other companies' EC: Focusing on acquiring new customers by strategically strengthening cooperation with EC marketplaces
- (2) Wacoal own EC: We will enhance our own content, such as membership programs, and accelerate collaboration with physical stores

### ➤ Strengthening business in India

- (1) In addition to the existing premium line, new affordable products will be developed to expand the customer base (24AW)
- (2) Implementation of product planning in India and improvement of domestic procurement ratio

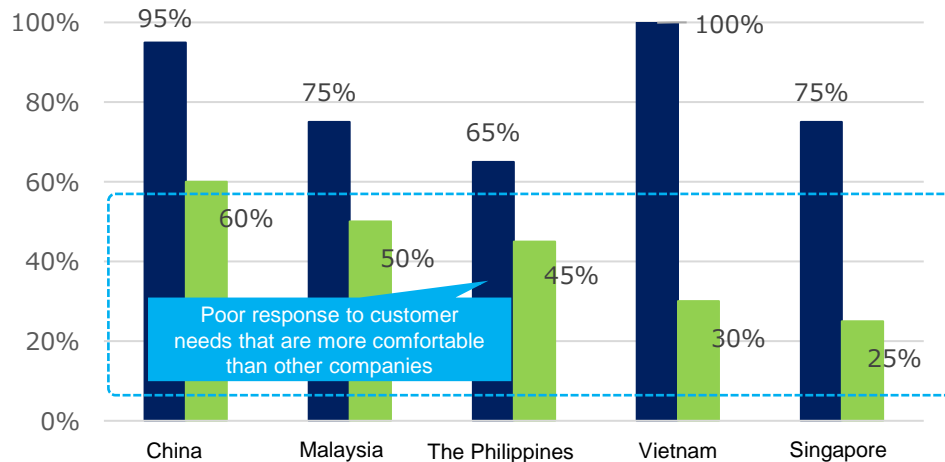
### FY2026 Performance KPIs (Wacoal India)

- ✓ Sales revenue: ¥1.3 billion (CAGR: +24.1%)
- ✓ Operating loss: -¥0.16 billion
- ✓ Domestic procurement ratio: 55% (FY2024: 15%)

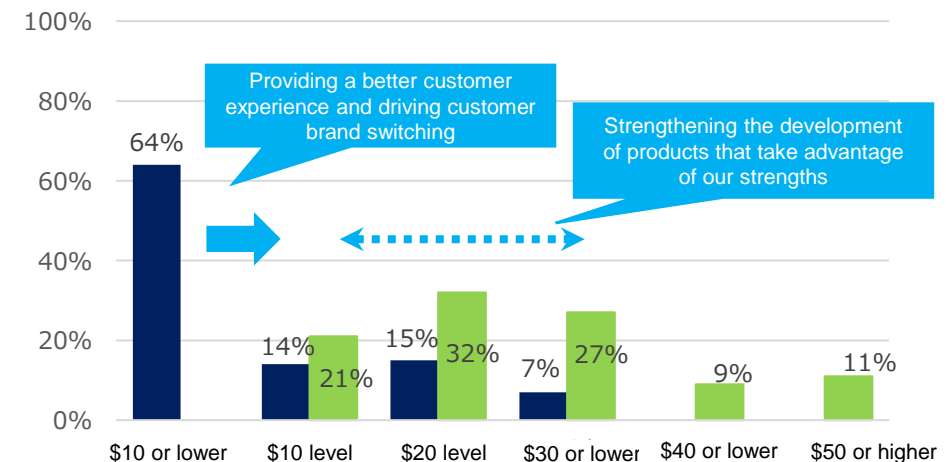
## ■ Purchase analysis in major EC marketplaces in each country

### 1. Composition ratio of non-wire bras

\* Survey period: May to June 2023  
Research method: Analyzing the characteristics of the top sales part numbers in major EC marketplaces



### 2. Composition ratio of the price range



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