



Wacoal Group Initiatives for the Fiscal Year Ending March 31, 2025

May 25, 2024
Wacoal Holdings Corp.

The WACOAL Way

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 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

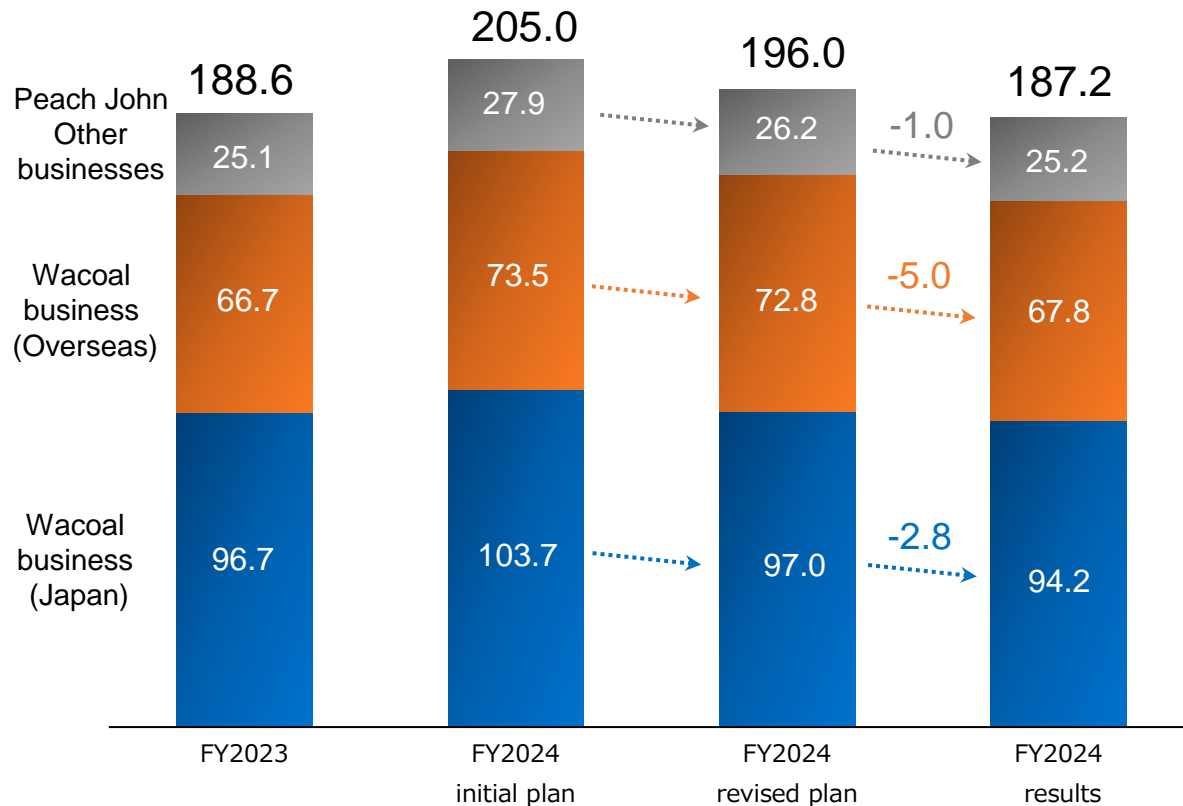
Review of FY2024

- Both sales revenue and business profit differed from the revised business performance forecast amounts announced on November 9, 2023
- In order to steadily achieve the medium-term management plan (revised), we improved budget management and performance management in the business model reform

■ Revenues (by segment)

■ Japan Business ■ Overseas Business ■ PJ·Other

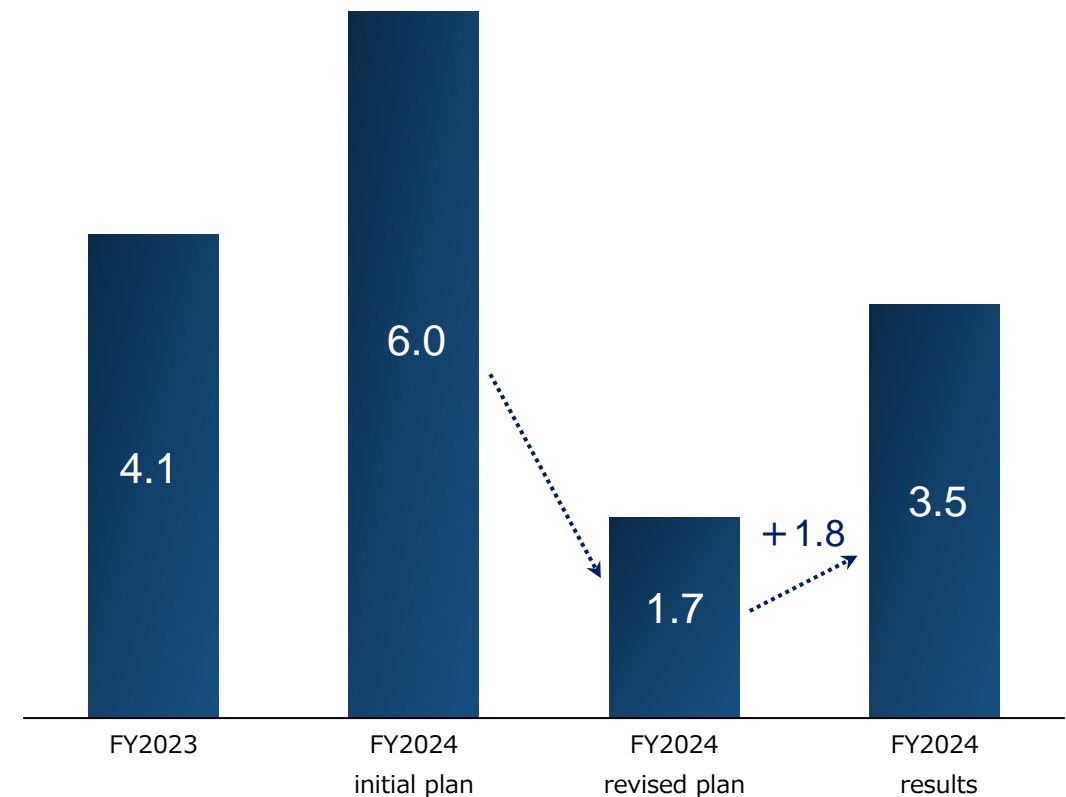
Revised plan difference -8.8 (-4%) YoY -1.4 (-1%)



■ Business profit

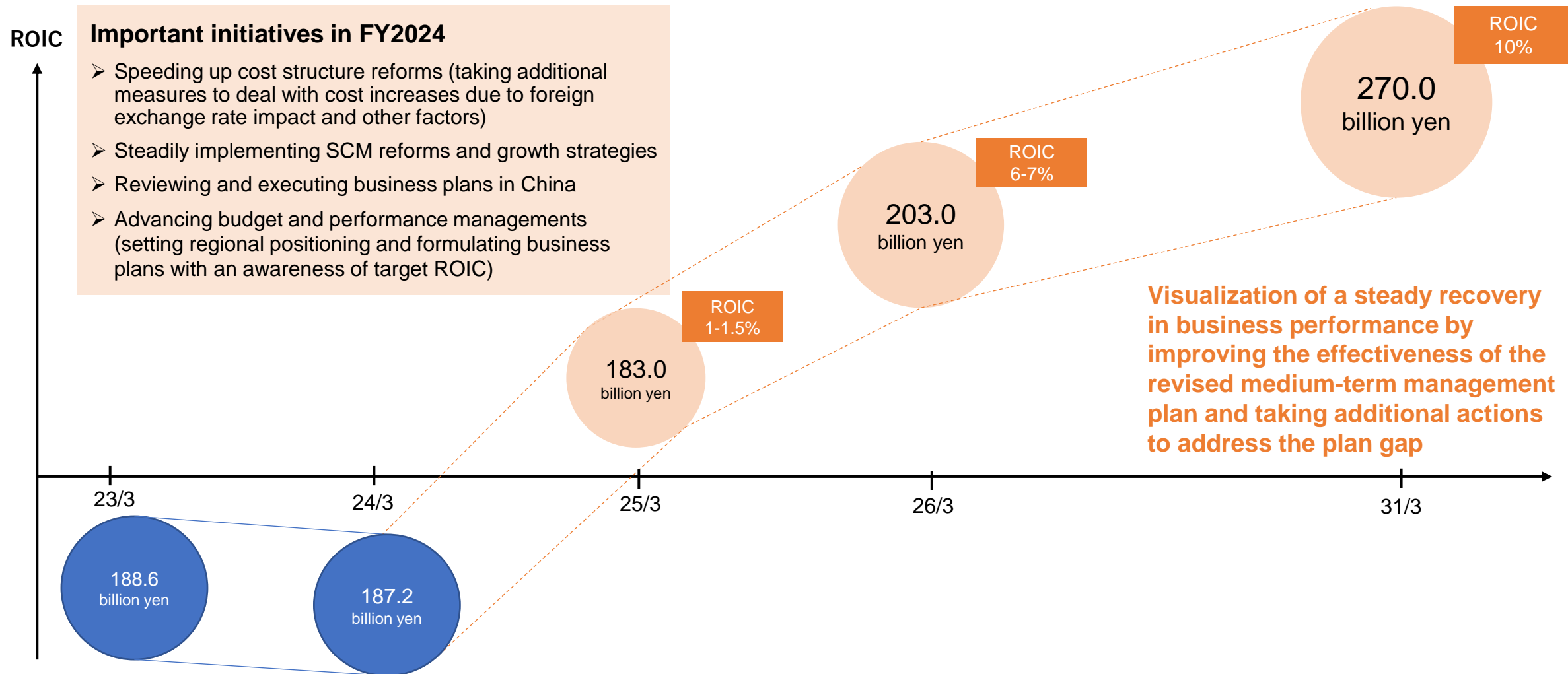
(billions of yen)

Revised plan difference +1.8 (+106%) YoY -0.6 (-14%)



Positioning of FY2025

- In addition to accelerating cost structure reforms, additional actions are taken to address new risks, such as soaring costs associated with the impact of the sudden depreciation of the yen
- In Japan, we aim to achieve results in the second half and beyond by implementing brand and customer strategies. Overseas, we restructure our business in China



Targets of the Revised Medium-Term Management Plan

Reiteration: Revised Medium-Term Management Plan FY2024 to FY2026 (disclosed November 9, 2023)

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 mind 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

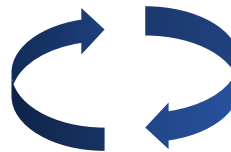
- Monitoring profitability and strategy effectiveness
- Business portfolio management

4

Promoting asset reduction

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

Improving profitability and capital efficiency




Growth investments and stakeholder returns

Progress of Revised medium-term management Plan at Wacoal Corp.

The Future Wacoal

Reiteration: Revised Medium-Term Management Plan FY2024 to FY2026 (disclosed November 9, 2023)

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
Provided value	<ul style="list-style-type: none"> ✓ Providing value based on the results of our Company's research ✓ Uniform marketing for all customers 		<ul style="list-style-type: none"> ➤ 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
Brand strategies	<ul style="list-style-type: none"> ✓ Over-reliance on our Company's strengths, the "product." ✓ Lack of clear brand marketing strategies 		<ul style="list-style-type: none"> ➤ Through the brand management thoroughly from "the customer's point of view," we will cultivate attractive brands with clear value ➤ Making the innerwear market itself attractive
Customer strategies	<ul style="list-style-type: none"> ✓ Customer directory management through in-store beauty advisor (BA) ✓ Completing the integration of the customer data infrastructure and starting to use the data 		<ul style="list-style-type: none"> ➤ Increasing loyalty through the use of customer data ➤ Building deep, broad, and long-term relationships with each and every customer through personalized customer experiences and improving LTV
Supply chain management	<ul style="list-style-type: none"> ✓ 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 	 <p>Medium-term management plan (revised)</p>	<ul style="list-style-type: none"> ➤ Building demand-linked supply chain management that can flexibly respond to changes in the market and customers
Cost structure	<ul style="list-style-type: none"> ✓ High cost structure 		<ul style="list-style-type: none"> ➤ Achieving an optimal cost structure through rigorous selection and focus
Decision making	<ul style="list-style-type: none"> ✓ Various coordination tasks hinder prompt decision-making ✓ The responsibility for management strategy is not clear ✓ Partial optimization (lack of progress that requires coordination) 		<ul style="list-style-type: none"> ➤ Accelerating decision making ➤ Clarifying responsibilities for business profit ➤ Increasing productivity throughout the Company by achieving overall optimization

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

Reiteration: Revised Medium-Term Management Plan FY2024 to FY2026 (disclosed November 9, 2023)

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>Business model reform</p> <p>Optimizing cost structure through rigorous selection and focus</p> <p>Forming supply chain management that can quickly respond to changes</p> 	<p>Supply chain management reform</p>	<ul style="list-style-type: none"> ✓ Implementing supply chain management (SCM) reform to respond quickly to changes in customer needs and the market environment ✓ Forming SCM linked to demand from the customer's point of view using digital technologies
	<p>Cost structure reform</p>	<ul style="list-style-type: none"> ✓ Implementing a radical cost structure reform in order to restore Wacoal's basic profitability ✓ We will improve the sales profit ratio by 3 pts to 4 pts and SG&A expenses by 4 pts to 5 pts by fiscal FY2026
<p>Executing growth strategies</p> <p>Strengthening brand development and customer loyalty by maximizing the value provided by leveraging our strengths and digital technologies</p>	<p>Customer strategies</p>	<ul style="list-style-type: none"> ✓ 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 ✓ Maximizing the value of the customer experience by leveraging customer data and improving the customer journey
	<p>Brand strategies</p>	<ul style="list-style-type: none"> ✓ 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 ✓ Making the innerwear market more attractive
	<p>Human resource strategy</p>	<ul style="list-style-type: none"> ✓ 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 ✓ Leveraging the strengths and supporting growth of each beauty advisor (BA)

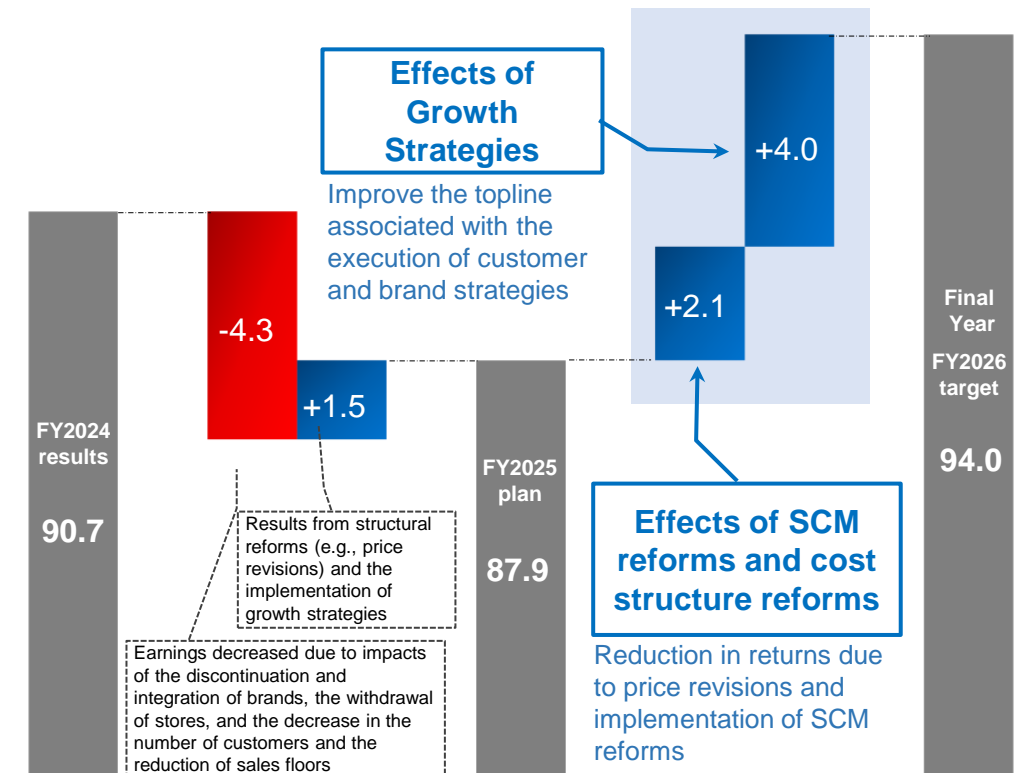
Business Plans for FY2024 and Effects of Structural Reforms and Growth Strategies Expected for FY2025

In FY2024, we expect a significant decline in profit due to a decline in earnings associated with structural reforms, a deterioration in cost rates, and temporary recording of IT expenses, etc.

We expect to generate business profit of 6 billion yen in FY2025 through the execution of growth strategies in accelerating both cost structure reforms and SCM reforms

Revenue Plan (Excluding the impact of change in revenue recognition)

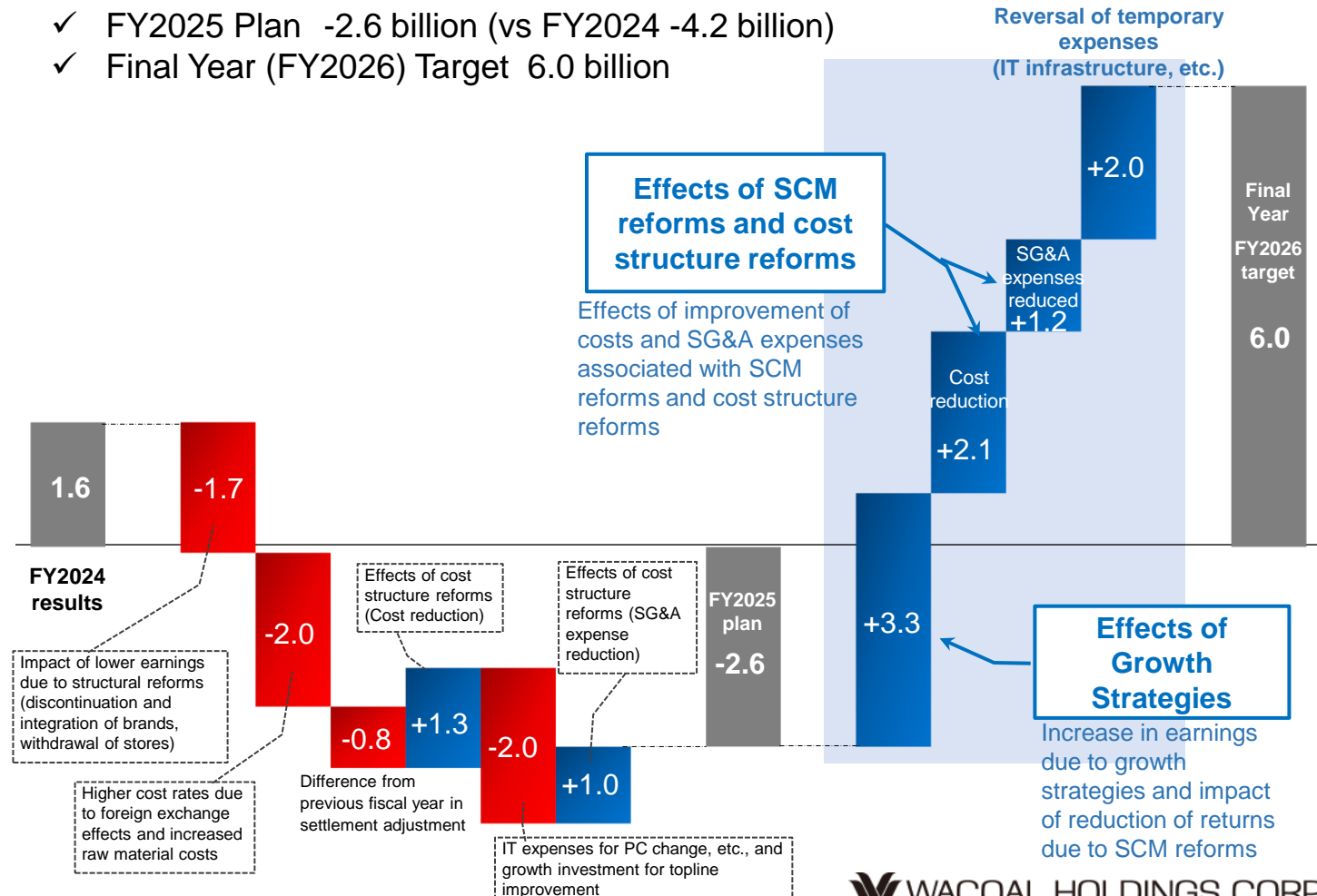
- ✓ FY2025 Plan 87.9 billion (vs FY2024 -2.8 billion)
- ✓ Final Year (FY2026) Target 94.0 billion



Business Profit Plan

(billions of yen)

- ✓ FY2025 Plan -2.6 billion (vs FY2024 -4.2 billion)
- ✓ Final Year (FY2026) Target 6.0 billion

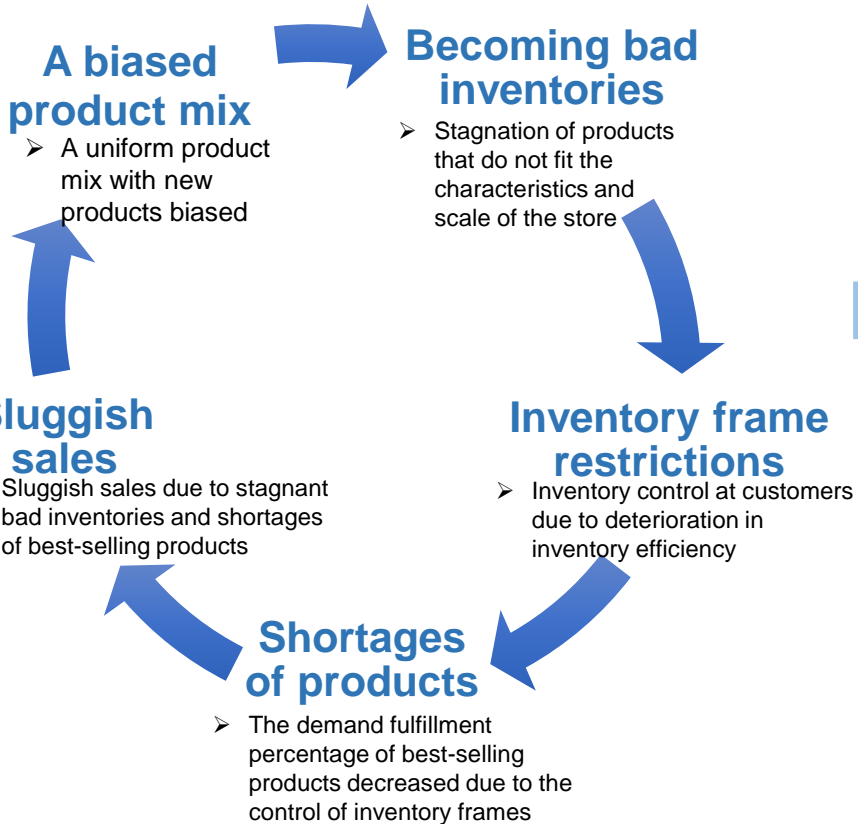


Supply Chain Management Reform (SCM Reform)

We build a lean sales operation and planning and production systems that can respond quickly to changes in customer needs and the market environment

In addition to developing and providing products that meet customer needs with short lead times, we reduce opportunity losses such as products shortages, leading to improved profitability

Current vicious circle

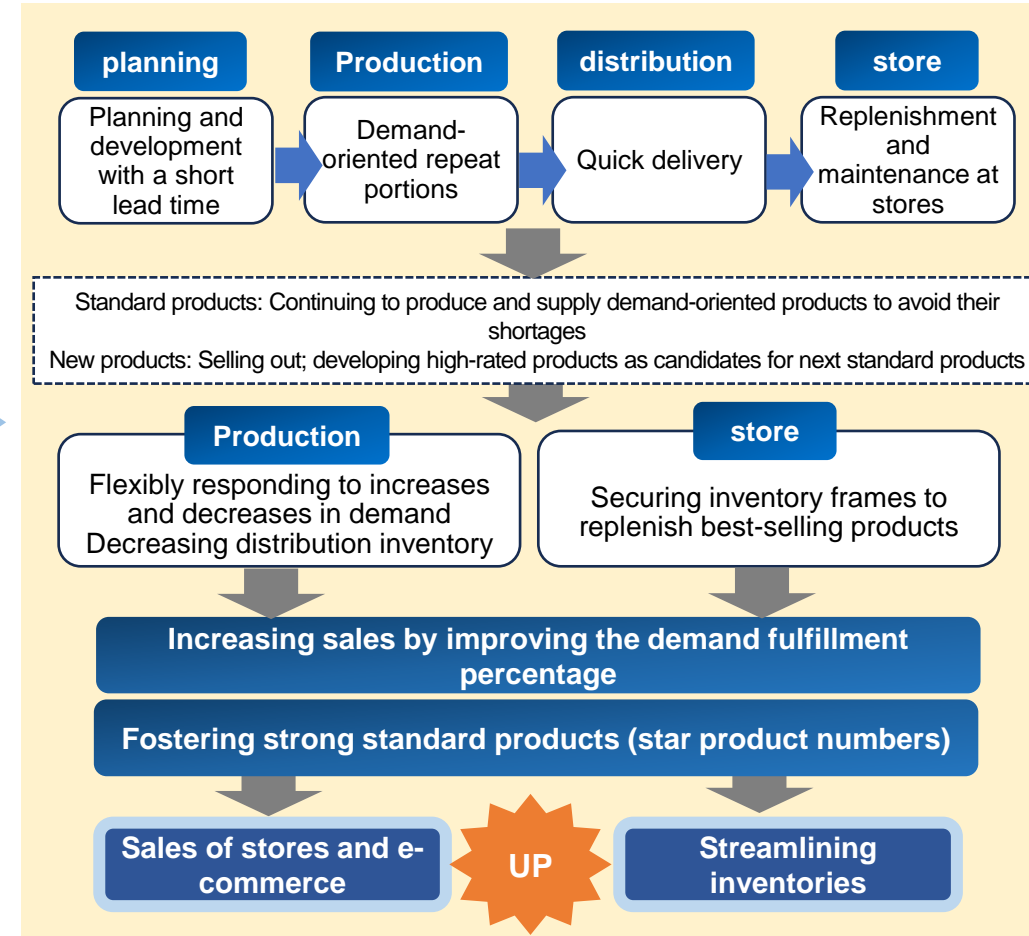


★ We continue to produce and supply salable products, and create a system to prevent shortages of products

Supply Chain Management Reform

Optimizing in-store product lineup
 Demand-linked production
 Shortening planning and development lead time (LT)

Virtuous Circle Aimed at through SCM Reform



Progress of Supply Chain Management Reform (SCM Reform)

Through repeated field trials at stores, we are promoting initiatives to improve demand fulfillment percentage of products and optimize product mix in each channel in order to build a demand-oriented business model. We aim to increase inventory turnover ratio and transform into a business entity with high management efficiency

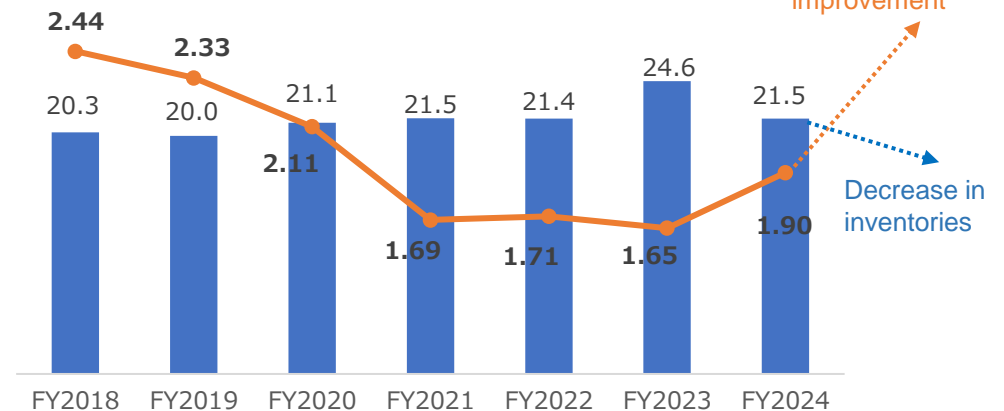
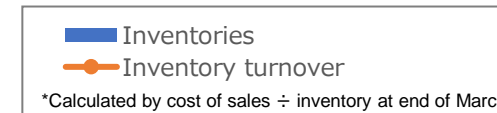
	Specific activities
FY2024 Initiatives	<p>Started to examine the effectiveness and potential of the demand-oriented business model (Established a project team to coordinate planning, production, distribution, and stores)</p> <p>[From October 2023] Field trials started at some mass retailer stores</p> <ul style="list-style-type: none"> ➢ Confirmed that the replenishment of shortages contributes to the improvement of opportunity loss in store sales ➢ Discovered that there were deficiencies in the sales system for continuously replenishing shortages <p>[From March 2024] Expanded the number of experimental stores to 70, and the effect is being verified</p>
FY2025 Plan	<p>In order to quickly establish a demand-oriented supply chain management, we verify the effectiveness of the field trials at stores and accelerate the deployment</p> <p>1. Improvement of in-store and e-commerce demand fulfillment percentage and optimization of product mix</p> <ul style="list-style-type: none"> ➢ Normalize the automatic order placement operation mainly at mass retailer stores (self-service stores) ➢ Optimize the product mix according to the sales mix of each channel while increasing the ratio of standard products <p>2. Efficient business operations to reduce inventories</p> <ul style="list-style-type: none"> ➢ Shorten planning and production lead time by utilizing existing patterns and review management processes for development meetings, etc. ➢ Optimize inventory and controlling excess inventories by changing the production method to match the demand situation at stores

■ System for promoting SCM reforms

Formed a project team with members composed of persons in charge of planning, production, distribution, and stores. Persons in charge of "planning," "production," "wholesale/sales," "directly-managed stores," "distribution," "IT," and "management" of Wacoal Corp. participated in the project.



■ Wacoal Corp.: Inventory turnover



Progress status of cost structure reforms

Reiteration: Revised Medium-Term Management Plan FY2024 to FY2026 (disclosed November 9, 2023)

The effect of cost structure reforms is expected to be only approximately six billion yen due to the impact of foreign exchange rates and soaring raw material prices.

Consideration and implementation of additional actions such as price revisions and cost reductions

(billions of yen)

Implemented items	Specific activities	Implementation timing	Revised medium-term plan Initial goal	FY2024 - FY2025	FY2026	3-year effect forecast
Brand focus and selection	<ul style="list-style-type: none"> 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%) Reviewing sales price setting 	<ul style="list-style-type: none"> Aggregating production lines will start at 24AW and be completed during FY2025 	1.9	0.5	1.9	2.4
Reducing production costs	<ul style="list-style-type: none"> Improving inspection process efficiency Reducing man-hours by aggregating product numbers, etc. 	<ul style="list-style-type: none"> Will be completed by FY2025 	0.6	0.3	0.3	0.6
Reducing production and material costs	<ul style="list-style-type: none"> Reviewing the production system Aggregating materials and master colors 	<ul style="list-style-type: none"> Will be completed by FY2025 	0.4	0.2	0.6	0.8
Improving the profit and loss of stores	<ul style="list-style-type: none"> Reviewing the terms and conditions of business with business partners Withdrawing stores that are in the red (up to 32 stores) Optimizing personnel in order to improve productivity 	<ul style="list-style-type: none"> Considering the withdrawal from stores that are in the red and those that are not expected to revise transaction terms during FY2024 	0.9	1.0	0.3	1.3
Offering voluntary retirement	<ul style="list-style-type: none"> Optimizing personnel in order to improve productivity 	<ul style="list-style-type: none"> Will be completed by FY2024 	0.9	0.4	0.2	0.6
Optimizing other sales promotion expenses	<ul style="list-style-type: none"> Optimizing expenses for IT Optimizing advertising/promotion costs 	<ul style="list-style-type: none"> Will be completed by FY2025 	1.6	0.9	1.1	2.0
Reducing distribution costs, etc.	<ul style="list-style-type: none"> Improving distribution business profitability 	<ul style="list-style-type: none"> Will be completed by FY2025 	0.6	0.0	0.4	0.4
The impact of cost increase in FY2023 due to the impact of foreign exchange rates and soaring costs				-2.0	—	-2.0
Total			Approx. 7.0	Approx. 1.3	Approx. 4.8	Approx. 6.1

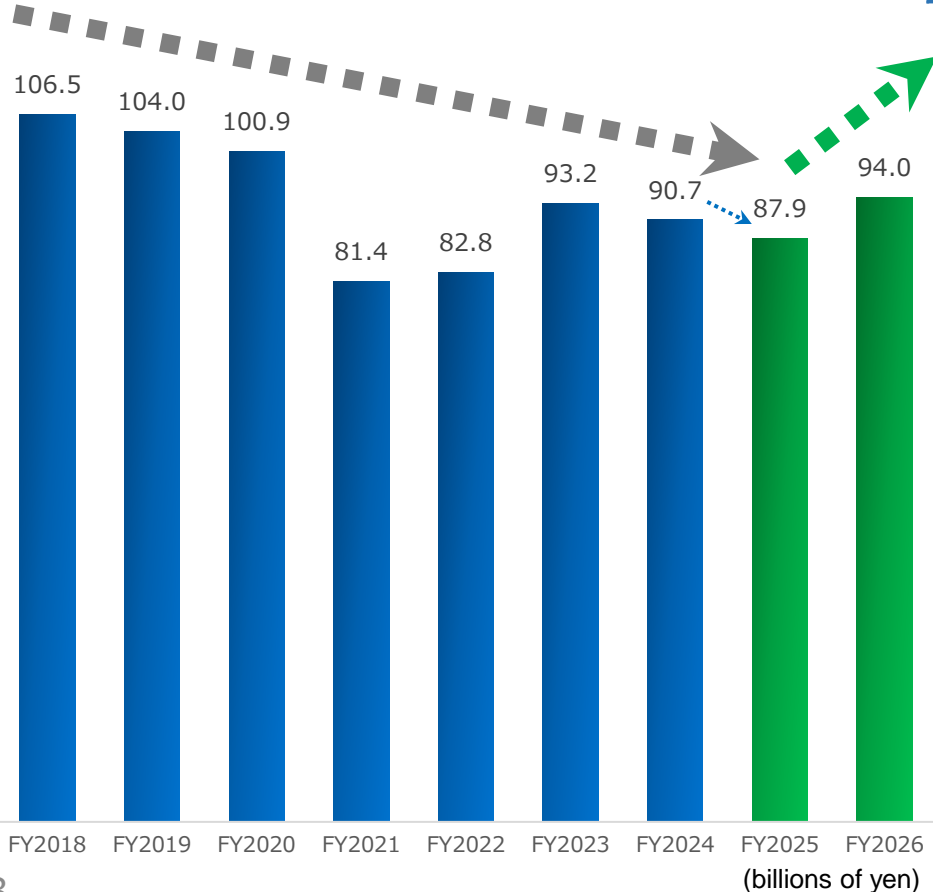
Growth Strategies (Brand Strategies and Customer Strategies)

To overcome the slump in sales, we provide products and services that empower customers by leveraging Wacoal's strengths and digital technology
We achieve topline growth through e-commerce growth by strengthening digital communication and accelerating the development of new specialty stores

■ Wacoal Corp. :

Performance transitions and FY2025 Plan

(FY2026 figures are medium-term management plan targets.)



Growth Strategies

1. Brand Strategies

- Foster attractive brands by strengthening brand management and develop strong standard products that meet customer needs and attractive products
- Take on the challenge of expanding our customer segments, centering on young, high-premium, and senior customers
- Strengthen the conditioning business centered on sports, and expand "beauty, comfort, and health" businesses using 3D measurement services and data

2. Customer Strategies

- Deliver optimal customer experiences by leveraging digital technology
 - Increase LTV (Lifetime Value) by utilizing data of two years after customer integration
 - Build a cycle of utilization of store assistants' knowledge obtained through customer services and customer opinions
 - Deliver a highly satisfying customer experiences through 3D measurement services and the app
- Enhance online (e-commerce)-based digital communications

3. Channel Strategies

- Continue to strengthen our own and other companies' e-commerce sales, and develop new directly-managed store business formats
- Strengthen sales at urban department stores and establish efficient operation of wholesale channels

Progress of Brand Strategies

Through thorough "customer-centric" brand management, we cultivate attractive brands with clear value propositions

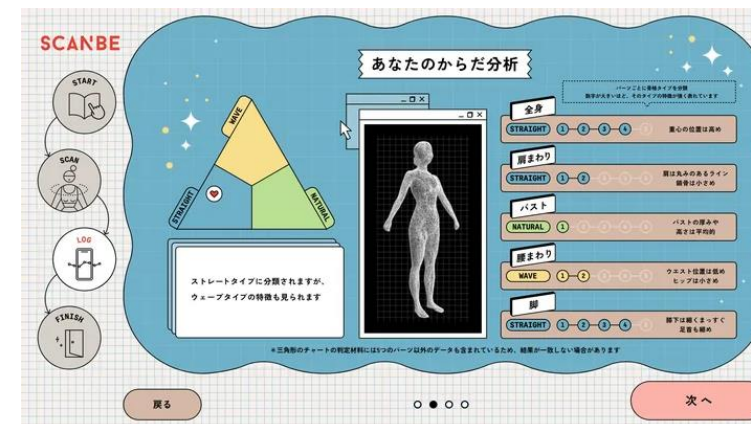
	Specific activities
FY2024 Initiatives	<p>Cultivated attractive brands, developed products that meet customer needs, and took on the challenge of expanding our customer segments, centering on young, high-premium, and senior customers</p> <ul style="list-style-type: none"> ➢ Internally communicated the marketing strategy MAP (Marketing Analysis & Proposal) derived from market analysis and consumer needs insights ➢ Established eight areas for strengthening in our growth strategy and also established a brand portfolio ➢ Reviewed the concept of the core brand "Wacoal" ➢ Strengthened high-end brands, "Salute" and "Yue" ➢ Provided new value with men's underwear <p>Expanded "beauty, comfort, and health" businesses</p> <ul style="list-style-type: none"> ➢ Rebranded to the 3D measurement services using "SCANBE" ➢ Launched new services such as "mybraFit™" and "Body type analysis"
FY2025 Plan	<p>Introduce a brand management system and start to develop a customer-centric brand and revise our communication policy</p> <ul style="list-style-type: none"> ➢ Review the brand management system (from April) ➢ Rebrand the core brand "Wacoal" (autumn/winter 2024) ➢ Implement the "Wing" summer campaign, incorporating a customer-centric revised communication policy ➢ Promote growth strategies in the strengthening areas (such as the formulation of strategies for young, high-premium, and senior customers) <p>Expand "beauty, comfort, and health" businesses</p> <ul style="list-style-type: none"> ➢ Implement new value propositions based on the knowledge of the Wacoal Human Science Research & Development Center and through the evolution of "SCANBE" for 3D measurement services, and develop strategies for achieving the growth of the "CW-X" brand

■ Rebranding of the core brand "Wacoal"



■ New service called "Watashi wo Shiru Kokkakushindan" (literally, Know Myself Bone Structure Diagnosis)

Body type analysis available for three types: Straight, Wave, and Natural



Introducing a Brand Manager

We develop customer-centric attractive brands with clear value propositions and create exciting markets for our customers

We provide products and services that empower customers' "who they are" based on the value provided by each brand

8 Brand Enhancement Points

Brands

WACOAL

Rebranding to renew brands and improve LTV

Wing

Capturing market share in the affordable segment for customers

AMPHI

Capturing market share in the affordable segment for customers

Yue

Developing and expanding the high-premium customer segment

Salute

Developing and expanding the high-premium customer segment

WACOAL SIZE ORDER

Developing and expanding personal business

WACOAL MEN

Increasing sales through new value propositions

CW-X

Utilizing human body knowledge / expanding health and sports fields

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
- Building a brand strategy in line with the strengthening segment

		Age-group					
		15~19 yrs. Old	20~29 yrs. Old	30~39 yrs. Old	40~49 yrs. Old	50~59 yrs. Old	60 yrs. Old and up
Price range	High premium	High premium					
	Premium	The young	Wacoal (Rebranding)				Senior class
	Better						
	Moderate						
	Affordable	Affordable					
	Cost saving						

Assigning brand managers (from April 2024)

- In addition to the assignment of brand managers, we appoint a director who develop business strategies for the expansion of young, high-premium, and senior customer segments to be strengthened



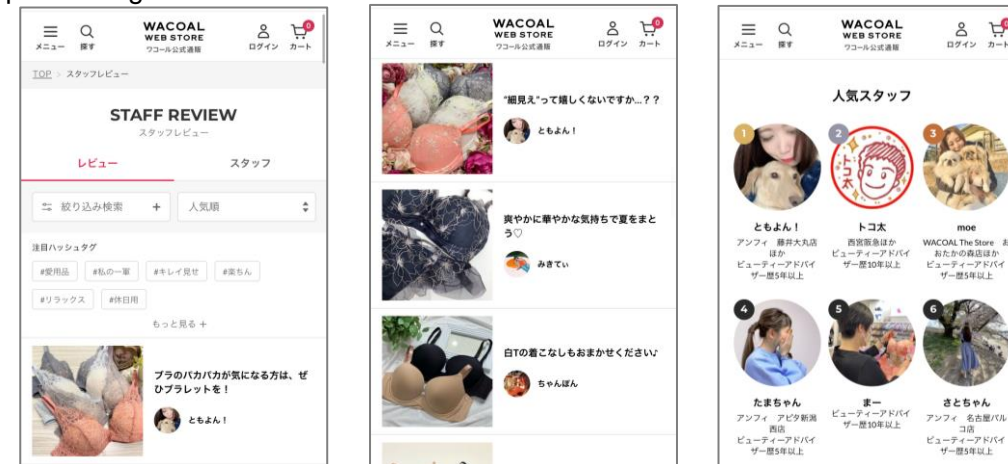
Progress of Customer Strategies

To build deep, broad, and long-lasting relationships with our customers, we utilize digital tools to provide each individual with the optimal customer experience.

	Specific activities
FY2024 Initiatives	<p>Achieved a growth regression through optimal customer experiences through the use of digital technology</p> <ul style="list-style-type: none"> ➢ Set a goal to increase the number of our existing continuous consumers (2 consecutive years) based on ID-POS analysis ➢ Identified the characteristics of existing customers for continuing purchases (i.e., the trend of using both our e-commerce site and stores) ➢ Redesigned the loyalty program against the backdrop of customer behavioral characteristics ➢ Exceeded 4 million downloads for the cumulative number of downloads of our own app "WACOAL CARNET" <p>Enhanced online (e-commerce)-based digital communications</p> <ul style="list-style-type: none"> ➢ Started "Staff reviews" (reviews by store assistants) on the website store <p>Customer services evolved</p> <ul style="list-style-type: none"> ➢ Launched on-hold/backorder services at physical stores
FY2025 Plan	<p>Achieve a growth regression through optimal customer experiences through the use of digital technology</p> <ul style="list-style-type: none"> ➢ Challenges: <ol style="list-style-type: none"> (1) Increase the number of customers visiting stores and the e-commerce site, as well as the number of purchases by Wacoal members (2) Retain new registering customers (3) "Prevent existing customers from becoming dormant," "retain new customers," and "reactivate dormant customers" ➢ Countermeasures: <ol style="list-style-type: none"> (1) Review points campaign (2) Enhance "on-hold/backorder" services that enable reserving products on the website and trying them on and checking them at stores (3) Use "Staff reviews" "reviews by store assistants" (4) Improve the purchase rate through the loyalty program and the app (5) Improve the purchase rate through efficient operations of our own home page content (6) Continuously enhance digital communications

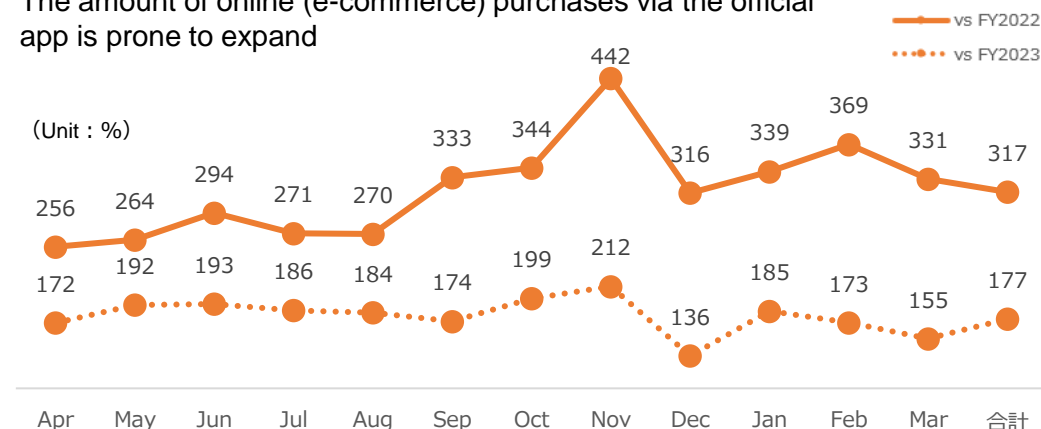
■ Website store's "Staff reviews"

Store assistants introduce reviews on the website store to support cross-channel purchasing behavior



■ Utilization of customer data (utilization of our own app)

The amount of online (e-commerce) purchases via the official app is prone to expand



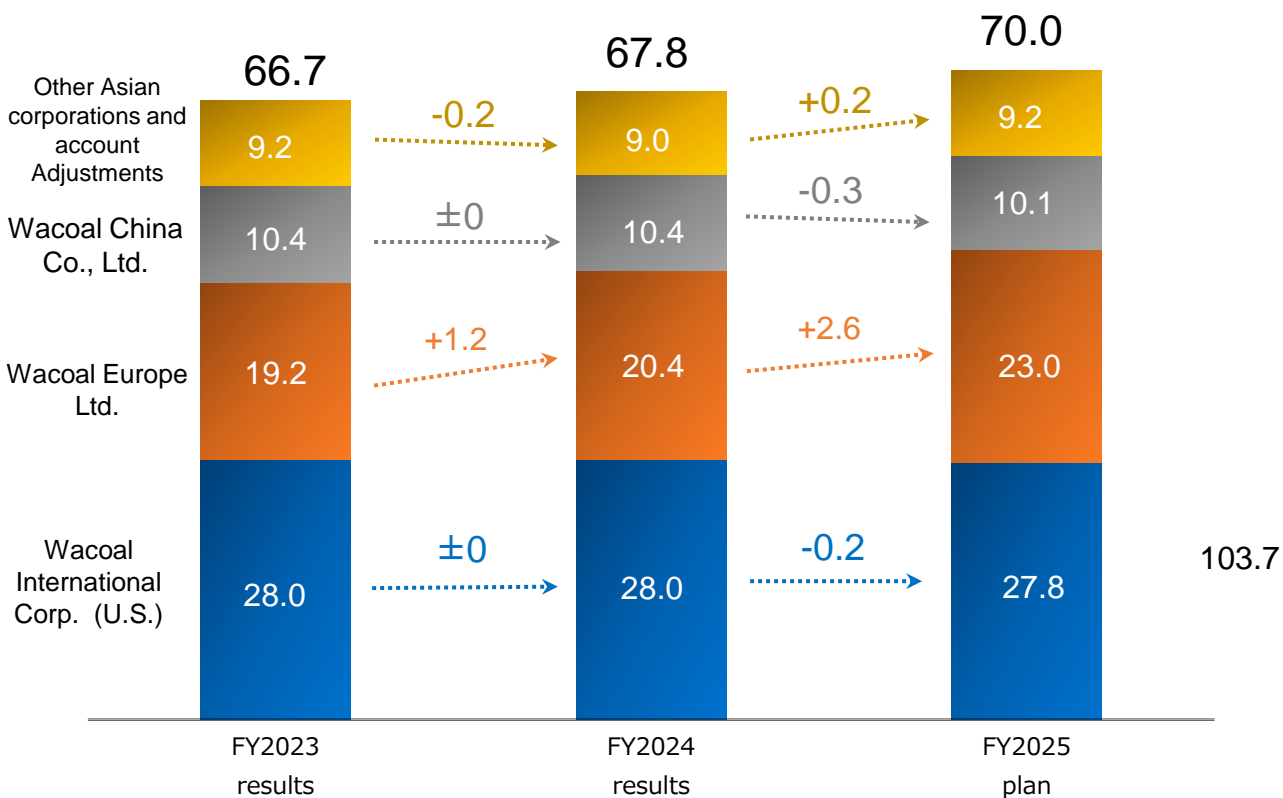
Initiatives of Medium-Term Management Plan (Revised) in Overseas Business and Revision of Wacoal China's Business Plan

Business Plan for Overseas Business

- Despite factors for lower earnings, such as the withdrawal from IO and structural reforms in China, we plan to increase earnings due to growth in Europe and the impact of foreign currency translation
- In addition to the effect of higher earnings in Europe, we plan to increase profits in the overseas business as a whole due to factors such as the withdrawal from IO and the implementation of structural reform initiatives in China

■ Revenues (Overseas segment total)

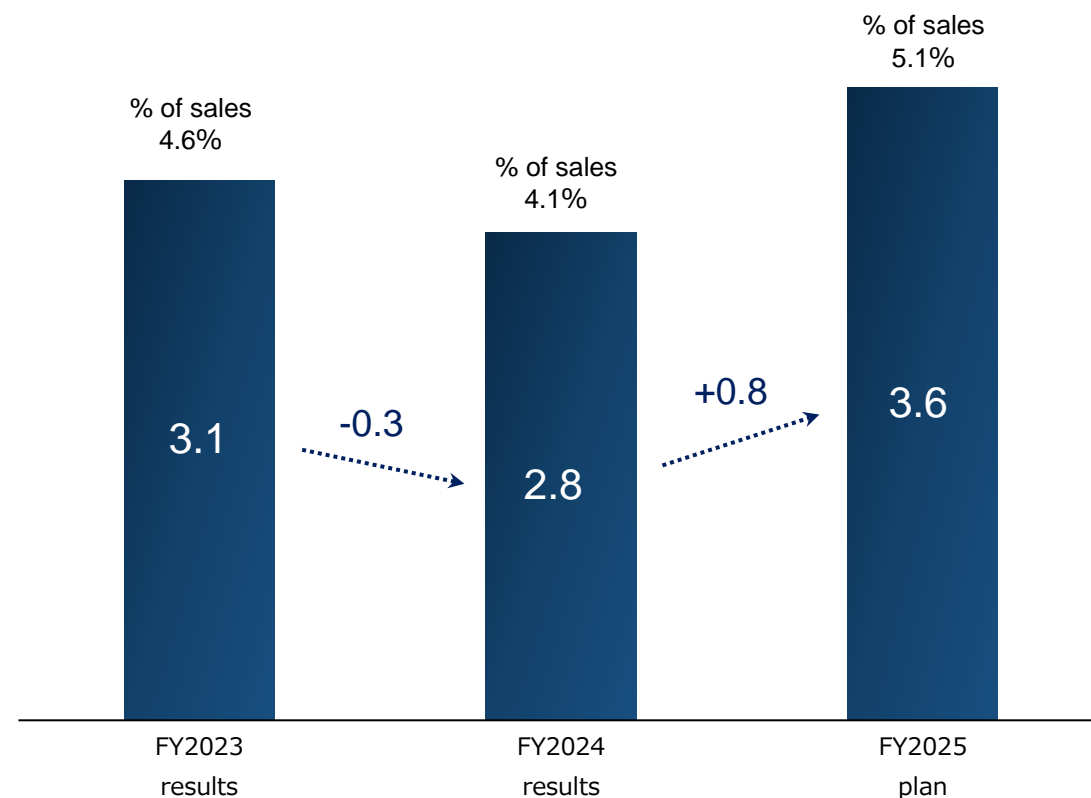
FY2025 Plan 70.0 billion (vs FY2024 +2.2 billion)



■ Business Profit (Overseas segment total)

(billions of yen)

FY2025 Plan 3.6 billion (vs FY2024 +0.8 billion)



Major Initiatives for Overseas Business

Partial correction: Revised Medium-Term Management Plan FY2024 to FY2026 appendix (disclosed November 20, 2023)

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

★ (Additional) Review of the business plan for China

We achieve a return to a growth path through selection and concentration initiatives, while at the same time implementing cost structure reforms

* Initiatives at major subsidiaries are explained on the following pages

Major Subsidiaries' Initiatives: Europe and the U.S

Reiteration: Revised Medium-Term Management Plan FY2024 to FY2026 appendix (disclosed November 20, 2023)

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 Wacoal Europe Total ¹	Wacoal America	Wacoal Europe				Areas other than those listed on the left ⁴	
		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 ¹ 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	
Retail market size ²		¥1,804.5 billion	¥98.7 billion	¥416.8 billion	¥205.5 billion	¥351.1 billion		
EC retail market size ²		¥194.2 billion	¥5.4 billion	¥90.8 billion	¥18.9 billion	¥31.2 billion		
Wacoal Group share ³		3.0%	2.4%	3.0%	1.1%	0.3%		-
Wacoal Group share ³ 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

Review of the Business Plan for China

The impact of the economic downturn and the delay in responding to changes in consumer needs and behavior slowed the recovery of revenue. By focusing on the selection of and concentration on businesses, we return to a growth path and at the same time implement cost structure reforms.

FY2024 Status

- Although we aimed to recover to the 80% level before the COVID-19 pandemic, the recovery rate remains at 60-70%

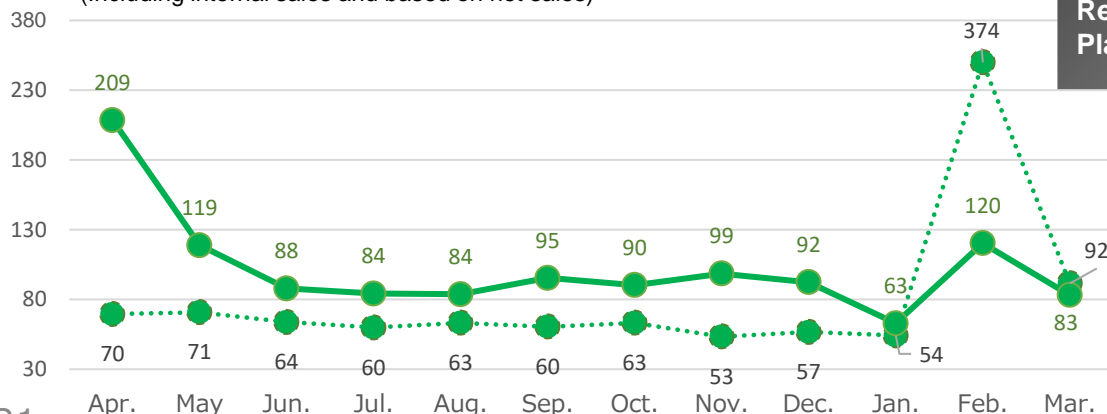
Factors: Sales and product strategies that prioritize sales

- Sluggish sales in malls, which have high rent ratios and low profit percentage
- Worsened profitability by diversified e-commerce platform development
- Inadequacy in product mix considering channel and store characteristics

Wacoal China FY2024 sales trend

— vs FY2023
 vs FY2020

Note: The graph shows the monthly figures before the adjustments in settling accounts. (Including internal sales and based on net sales)



Reviewing Plan

FY2025 Initiatives

- Prioritize recovering from the deficit and start to select and concentrate on sales channels
- Build product merchandising that is linked to sales and advertising strategies

FY2025 Plan

Revenue 10.1 billion (vs FY2023 -3%)

Operating profit 0.04 billion (Deficit in FY2023)

Sales Strategies

Select and concentrate on channels to recover sales and profits

- Focus on department stores*, which have high profit percentage based on the profit and loss of stores. * Stores are selective
- Reduce the number of new store openings in malls, which are the main factor of the deficit
- Focus on "outlets" that balance the digestion of stagnant inventories and the acquisition of sales
- Implement selection and concentration for other companies' e-commerce sales, and increase revenue by concentrating resources

Product Strategy

Build product merchandising that is linked to sales and advertising strategies, and renew the brand image

- Plan store openings/withdrawals and sales floor development in conjunction with advertising measures and product mix
- Clarify product mix for each e-commerce customer
- Create a sales floor linked to the rebranding of Wacoal Japan

Asset Reduction, ROIC Management, and Financial Strategy (Only the Policy Is Stated)

Introducing ROIC management

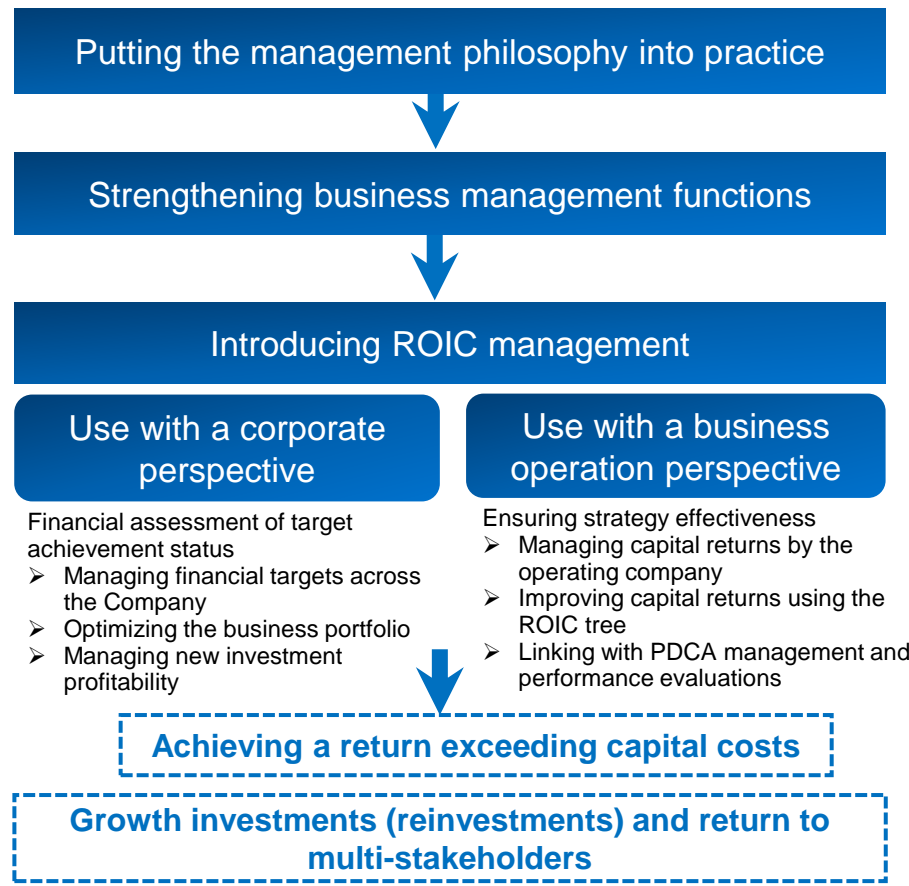
Reiteration: Revised Medium-Term Management Plan FY2024 to FY2026 (disclosed November 9, 2023)

Introducing ROIC management to improve capital efficiency and achieve a robust corporate structure
In addition to portfolio management, it is also used as a means of performance management to accurately measure results, and quantitatively link improvement activities on the ground with improvements in profitability and capital efficiency expected by investors and other stakeholders

■ Introducing the process of ROIC management to business departments

KPIs	Target Companies	Inculcation process		
		FY2024	FY2025	FY2026
FY2026 ROIC 6 to 7%	HD	<ul style="list-style-type: none"> Consider introducing ROIC Conducting simulations to grasp ROIC values 	<ul style="list-style-type: none"> Starting ROIC management 	<ul style="list-style-type: none"> Links to compensation
	Wacoal (Japan)	<ul style="list-style-type: none"> Sharing ROIC management introduction policy ROIC study meetings Incorporating into business activities (ROIC tree building) 	<ul style="list-style-type: none"> Starting ROIC management 	<ul style="list-style-type: none"> Linking to compensation Linking to compensation
	Domestic and overseas subsidiaries	<ul style="list-style-type: none"> Sharing ROIC management introduction policy 	<ul style="list-style-type: none"> ROIC study meetings Incorporating into business activities (ROIC tree building) 	<ul style="list-style-type: none"> Starting ROIC management Linking to compensation

■ Purpose of introducing ROIC management



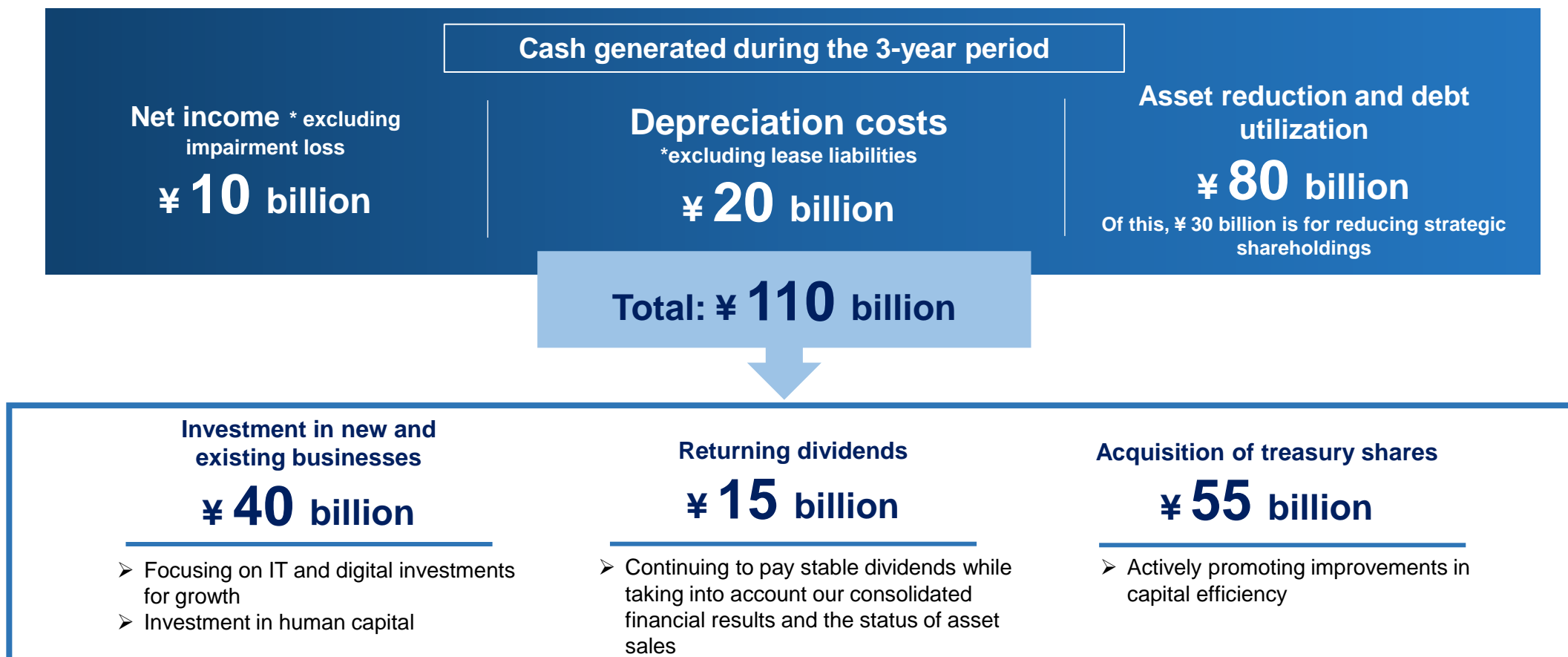
Promoting Asset Reduction

Reiteration: Revised Medium-Term Management Plan FY2024 to FY2026 (disclosed November 9, 2023)

The Company's basic policy is to sell any assets that do not contribute to raising corporate value
When selling, we will search for investment opportunities that will contribute to business growth, and determine the businesses that should be invested in from the perspective of ROIC

Implemented items	Specific activities	Goals
Reducing inventories	<ul style="list-style-type: none">● Reducing inventories through business model reforms (supply chain management reform and cost structure reform)● Appropriate disposal of inventory resulting from the withdrawal and consolidation of unprofitable brands	Wacoal: Inventory turnover ratio in FY2026: 2.5 turns
Reducing strategic shareholdings	<ul style="list-style-type: none">● Gradually selling the shareholdings that we have agreed to sell	During FY2024 to FY2026 we will sell approx. ¥ 30 billion of strategic shareholdings (Reducing less than 10% of net assets by FY2026)
Streamlining real estate holdings	<ul style="list-style-type: none">● As for real estate that does not contribute to enhancing corporate value, we will proceed with consideration based on the basic policy of selling	While carefully examining the feasibility and validity, we will gradually respond (starting the phase from FY2024)

1. Improving profitability through business model reforms and growth strategies as a top priority, we will reduce inventories and strategic shareholdings, and streamline real estate holdings to improve capital efficiency and ROE
2. While prioritizing investments for future growth, we will actively return profits to shareholders to improve capital efficiency



ESG

Initiatives to Improve Effectiveness

1. Introduction of Performance-Linked Stock Remuneration Plan

The Plan is intended to be a framework that will provide incentives to Directors (excluding External Directors, the “Eligible Directors”) to improve long-term corporate value and to further share that value with our shareholders by clarifying the linkage between the compensation for the Eligible Directors and the Company’s performance and stock value

2. Implementation of IR activities with the participation of three outside directors

Based on our basic policy of engaging in constructive dialog with shareholders, we have established opportunities for outside directors to engage in dialog with institutional investors with the aim of achieving a highly convincing dialog from an objective perspective

■ Meeting details for March 27, 2024

Participants: Institutional investors and analysts 6 companies 8 persons

Agenda: Exchange of opinions to revise the medium-term management plan and improve the effectiveness of management

Main questions (excerpts):

- In order to improve the effectiveness of revising the medium-term management plan, it is necessary to incorporate it into actions going forward. What kind of response do we feel about the internal penetration of the plan revision and the feeling of right?
- While sales have not increased and structural reforms have been repeated on a moment-to-moment basis, but have not been fundamentally resolved, how do we change the internal culture without losing motivation?



Environmental and Human Rights Initiatives

We continue to work on climate change, resource recycling, responsible procurement, and respect for human rights, which are our priority issues

Structure		Purpose	FY2024 Initiatives	FY2025 Initiatives
Sustainability Committee	Subcommittee for Carbon Neutral	Achievement of a decarbonized society (Business activities with low environmental burden)	<ul style="list-style-type: none"> - Formulated specific reduction plans for five business facilities that have a high impact on our operations in Japan to reduce CO2 emissions - Calculated CO2 emissions at overseas factories based on a survey of power coefficients at nine overseas base factories 	<ul style="list-style-type: none"> ➤ Review the basic policy on environmental activities (environmental management) ➤ Scopes 1 & 2 in Japan: Implement activities in line with the reduction roadmap ➤ Scope 3 in Japan: Conduct interviews with suppliers to obtain primary data, and promote the refinement of secondary data (understand weight, etc.) ➤ Scope 1 & 2 overseas: Study how to acquire energy data and emission coefficients. In addition, establish target plants and start research activities to formulate reduction plans
	Subcommittee for Resource Circulation	Achievement of a recycling-oriented society and promotion of waste reduction	<ul style="list-style-type: none"> - Verified the target for the use rate in FY2026 ending in March in order to increase the use rate of environmentally friendly materials - Examined disposal methods with low environmental burden - Promoted upcycling activities 	<ul style="list-style-type: none"> ➤ Continue to implement initiatives, i.e., (1) improve the use rate of environmentally friendly materials, (2) reduce product waste, and (3) reduce the disposal of residual materials at factories and suppliers, in order to achieve our target for the use rate of environmentally friendly materials
	Subcommittee for CSR Procurement	Promotion of CSR procurement activities (Responsible procurement activities)	<ul style="list-style-type: none"> - Expanded the scope of CSR procurement activities (Started activities for monitoring raw materials and dyeing factories) - Strengthened monitoring to improve the effectiveness of CSR procurement activities 	<ul style="list-style-type: none"> ➤ Promote monitoring of raw material suppliers and dyeing factories (continued) ➤ Conduct a pilot study of impact assessment to start human rights due diligence ➤ Review the promotion system for CSR procurement activities
	Subcommittee for Human Rights, D&I	Promotion of respect for human rights and DE&I	<ul style="list-style-type: none"> - Identified key risks through human rights risk assessment - Started to consider the achievement of an inclusive sales floor environment 	<ul style="list-style-type: none"> ➤ Conduct a pilot study of impact assessment to start human rights due diligence ➤ Implement initiatives to improve the workplace environment for employees in the workplace and store assistants, and to respect the human rights and diversity of consumers ➤ Implement human rights education ➤ Eliminate unconscious bias to strengthen human capital, and strengthen initiatives to penetrate DEI and management philosophy

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