



 WACOAL HOLDINGS CORP.

# WACOAL HOLDINGS INTEGRATED REPORT

**2024** | WACOAL HOLDINGS  
INTEGRATED REPORT 2024



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### Corporate Information (As of March 31, 2024)

Company Name	Wacoal Holdings Corp.
Head Office	29 Nakajima-cho, Kisshoin, Minami-ku, Kyoto 601-8530, Japan
Founding	June 15, 1946
Establishment	November 1, 1949
Capital	¥13,260 million
Representative Director, President and CEO	Masaaki Yajima

Line of Business  
Wacoal's mainstay business is the manufacture, wholesale, and direct sales to consumers (for some products) of intimate apparel (mainly women's foundation garments, lingerie, nightwear, and children's underwear), outerwear, sportswear, and other textile products and accessories. In addition, Wacoal operates other businesses related to food, culture, and services.

Number of Employees (Consolidated)  
17,408 (Excluding the average number of part-time employees)

### Editorial Policy

In accordance with international norms for integrated reporting, the Wacoal Group has been issuing integrated reports since fiscal 2011 as part of its communication with shareholders and other investors. This integrated report explains the Wacoal Group's value creation activities not only through financial information but also through nonfinancial information about unique, significant assets and other facets of the Group's business.

Further, the website of Wacoal Holdings Corp. includes a wide range of information about the Group. We hope that referring to this integrated report in conjunction with the website will further understanding of the Group. Going forward, we will continue pursuing an editorial policy that responds to changes in reader expectations.

### Forward-Looking Statements

Statements contained in this integrated report that are not historical facts are forward-looking statements, which reflect the Company's plans and expectations at the time of writing. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, performance, or achievements to differ materially from those anticipated in these statements.

## 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.**

At WACOAL, we value each person as an individual and believe in nurturing the body and mind so everyone can be their best. When people with different backgrounds are empowered to come together and share ideas freely, we as a society will achieve true harmony. By continuing to evolve, WACOAL leads the way to a world where kindness, inclusivity, and mutual respect are the standards, and the future is full of promise for everyone.

**Comfortable inside. Confident outside.**

## Wacoal Group's Social Mission

The Wacoal Group's social mission is to help customers achieve a style that shows who they really are, rather than one-size-fits-all beauty; and contribute to enriching all people's lives, all around the world. The Group aims to become indispensable for society by building mutual trust with all stakeholders based on this mission and its founding principles, which we have carried on for the more than 70-year history of the Company.

### 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 Value

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

## Wacoal Group History

With a strong desire to devote his life to working for society, Koichi Tsukamoto founded Wacoal based on the belief that “a peaceful society is one where women can express their beauty.” His goal was to contribute to society by helping people to express their beauty. In achieving this goal, business management based on mutual trust is essential. The Group has overcome numerous hardships over its long history based on its founder’s strong commitment to creating a company trusted by all stakeholders.



Koichi Tsukamoto, Founder

### Establishing the Research and Development Center



Anthropometry in the late 1960s

### 1964 The start of human science research

To create products that perfectly fit the body shape of Japanese women, the Company established a Product Research Department in a building that was newly opened in Asakusabashi, Tokyo, in 1964. There, the Company started full-scale research and measuring the body shapes of Japanese women based on ergonomics. In addition to establishing a brassiere size system, anthropometric data were collected, and based on that, the ideal female body shape was expressed in numerical form. The Product Research Department eventually developed into the Human Science Research Center, and in addition to collecting body shape data, the Center has expanded its areas of research to include comfort, health, and movement.

### Establishing the business



Bra pads launched on the market in 1949

### 1946 Founding

Koichi Tsukamoto, who had miraculously survived World War II's harsh battles, returned to his home in Kyoto on June 15, 1946, and started a business dealing in women's personal ornaments that very day. This is the date of Wacoal's founding.

The Company's initial trade name was Wako Shoji. In 1949, Tsukamoto's strong desire to “help Japanese women express their beauty” and an encounter with “bra pads” brought about a decisive turn in the business. Thus Wako Corp., incorporating a global perspective, was established as a manufacturer of women's western underwear.



Koichi Tsukamoto at the wall of trust

### 1962 Establishing a corporate culture based on mutual trust

In 1962, labor-management relations were a major issue. Wacoal founder, Koichi Tsukamoto, was deeply moved upon hearing a lecture given by the President of Idemitsu Kosan, Sazo Idemitsu. Tsukamoto, thinking, “If we are going to talk about respect for human beings, firstly, the president must have faith in the union.” So, he acted decisively to establish a “corporate culture of mutual trust” by entrusting employees to make their own decisions regarding matters such as arriving late and leaving early. This action revitalized the mood within the Company and served as a foundation for generating further growth.

# Wacoal Group History

## Japan sales



Sales counter at Takashimaya Kyoto Store

In 1950, Wacoal opened its first women's underwear sales counter in a department store at the Kyoto branch of Takashimaya. Seizing upon the opportunity presented by women in Japan undertaking a big shift from Japanese to western clothing, Wacoal started designing women's western underwear and manufacturing it at its own factory. During this period of high economic growth and an increasing interest in fashion and life quality demonstrated by women, the Company produced various products to meet their needs.



Wing sale counter at mass retailer

In the 1970s, mass retailers overtook department stores in clothing sales and grew into huge distribution channels. It was a turning point for the Company when mass retailers began to shift from selling large quantities of generic products to offering bargain sales on national brands. As a result of continued negotiations with major mass retailers, the national brand Wing was displayed in the lingerie sections of mass retailers on the premise that dedicated sales corners would be established and listed prices respected.



Directly managed store AMPHI

- 1950 Opening sales channels in department stores
- 1975 Developing the mass retailer channel
- 2001 Starting the directly managed store business

With the relative status of department stores and mass retailers declining and that of fashion-oriented buildings, station buildings, and shopping malls on the rise, in 2001, Wacoal opened its first SPA-style directly managed store, Subito, in Harajuku, Tokyo. Since then, the Company has opened a series of stores in various styles that are tailored to specific customer bases and store locations as it continues to take on the challenge of increasing customer footfall.

## Overseas sales

In addition to establishing Wacoal America Inc. (currently Wacoal International Corp.) in the United States in 1981 and Wacoal Hong Kong Co., Ltd. in Hong Kong in 1983, Wacoal also became the first Japanese apparel company to set up a joint venture in China. By developing a unique overseas business model rooted in local areas, the foundation for a global Wacoal was being laid.

After entering the U.S. market, the Company's performance stagnated for many years because of bloated inventory and SG&A expenses. Even so, Wacoal improved quality at its plants while maintaining listed prices and a commitment to sales through consultations with beauty advisors, and in 1995, it achieved profitability for the first time.



Building where Wacoal America's office is located



The fashion show of Wacoal Europe

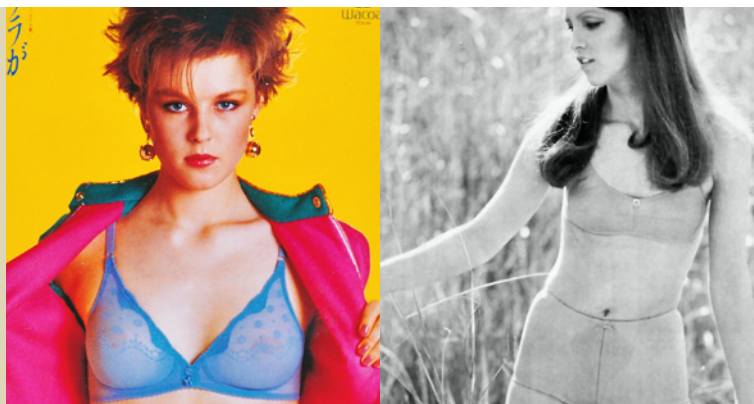
In 2012, aiming to expand the European business, Eveden Group Limited (currently Wacoal Europe Ltd.), a company with multiple brands suited to a wide range of body shapes and sizes and headquartered in the UK, was made a wholly-owned subsidiary. From that point on, Wacoal's presence in the UK and the EU grew significantly. The Company is completing post-acquisition reorganization and building a stronger revenue through such activities as reviewing the brand portfolio. Having completed a post-acquisition reorganization, the Company is building a stronger revenue base by reviewing the brand portfolio.

- 1981 Expanding overseas markets
- 1995 An earnest desire for profitability in the US
- 2012 Starting full-scale development in the European market

Progress in Value Creation



Since its foundation, the Wacoal Group has developed and evolved innerwear from the aspects of comfort, body contouring, and fashion with the goal of making people beautiful. Behind this evolution were changes in people's consciousness as expressed in trends, and technological innovations to respond to these changes. Customers' values have changed dramatically, and we are now in an era in which every one of us seeks beauty that is uniquely our own. We will continue to create new customer experiences and contribute to the enrichment and beauty of customers around the world.



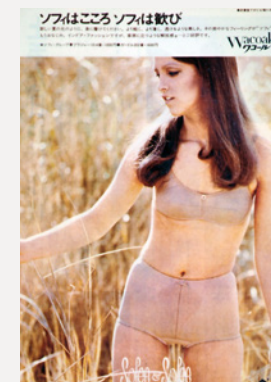
# 1960s

The Tokyo Olympics were held and amidst a period of rapid economic growth, the mini-skirt boomed. It was a time of liberation among women who desired independence. It was also a time of great change in underwear with the advent of elastic materials.



# 1970s

Street fashion became popular, see-through and nude fashions appeared, and a trend toward enjoying fashion more freely emerged. Based on research into the body and the development of new materials, soft bras that flexibly correct the body and bras that express natural roundness appeared on the market.



Sofy & Sofy



Seamless Cup Bra

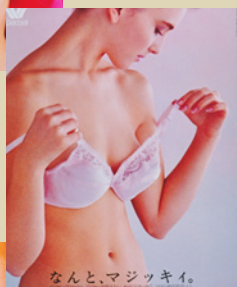
## Progress in Value Creation

# 1980s

The fitness craze led to a trend toward body-conscious fashion, which takes the lines of the body into consideration. Shaping bras are also developed to suit different lifestyles.



Shaping Bra



Sofy Magicky Bra



Shaping Panty

# 1990s

Changes in body consciousness continued into the 1990s. With women's growing desire to look more beautiful, hit products such as the Good Up Bra followed.



Good Up Bra



Magical Top Bra



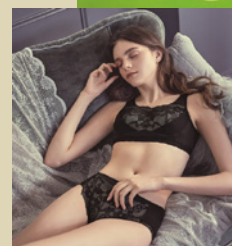
Hip Star

# 2000s

From the 2000s, the desire to live more naturally and in comfort emerges. People became aware of their own unique lifestyles and began to diversify. Bras continue to evolve, aiming for both beauty and comfort.



Comfort Bra



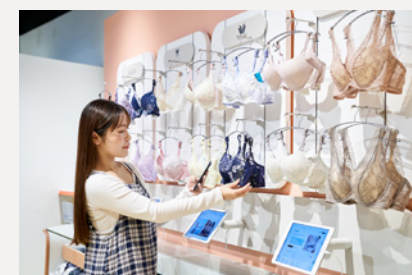
Night Up Bra



Minimizer Bra

# 2020s

As expressed in the term “body positivity,” this is an age in which each one of us seeks to realize our own unique beauty. We will continue to pioneer the realm of underwear culture and aim for further growth by providing services and value in response to the changing needs of our customers, utilizing physique measurement data and data obtained from our 3D measurement services.



3D Measurement Service “SCANBE”

# Wacoal Group's Business Model

Delivering “long-lasting and high-quality products” across every time period is the Group’s mission and the value it provides. Our system for producing high-quality products is one of Wacoal’s greatest competitive advantages and an important asset that has been established throughout its history and within its organization.





## About Our Businesses

Our core businesses include manufacturing, wholesaling, and some retailing of intimate apparel (especially women’s foundation garments, lingerie, nightwear and children’s underwear), outerwear, sportswear, and other textile products and accessories. Other businesses include food service, culture, services, and others.

As of September 30, 2024

### Wacoal Business (Domestic) Segment centered on Wacoal Corp.

Main Brands Not all brands shown



### Wacoal Business (Overseas) Segment centered on Wacoal International Corp. (U.S.), Wacoal China Co., Ltd., and Wacoal Europe Ltd. (made a subsidiary in 2013; located in U.K.)

Main Brands Not all brands shown

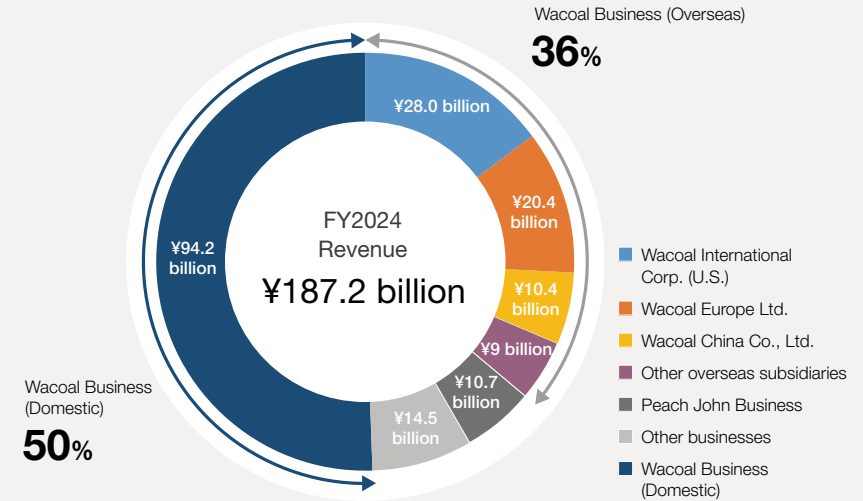


### Peach John Business Segment centered on Peach John Co., Ltd. (made a subsidiary in 2008)

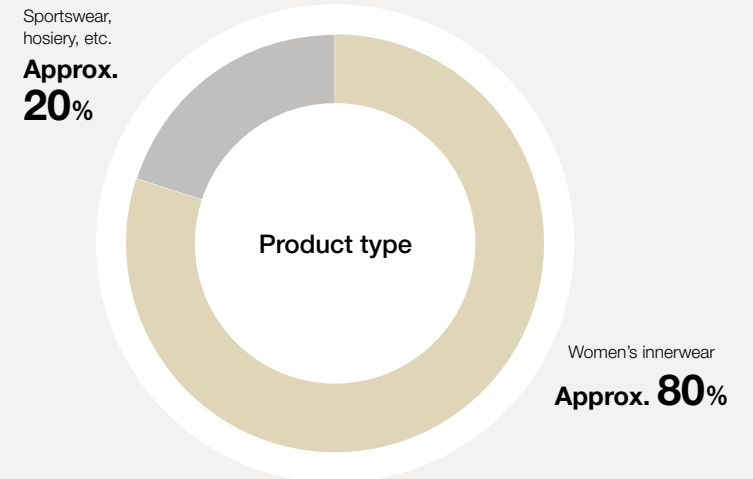
PEACH JOHN

### Other Segment centered on Lecien Corporation (made a subsidiary in 2009) and Ai Co., Ltd. (established in 2015)

### Consolidated Revenue (FY2024) IFRS

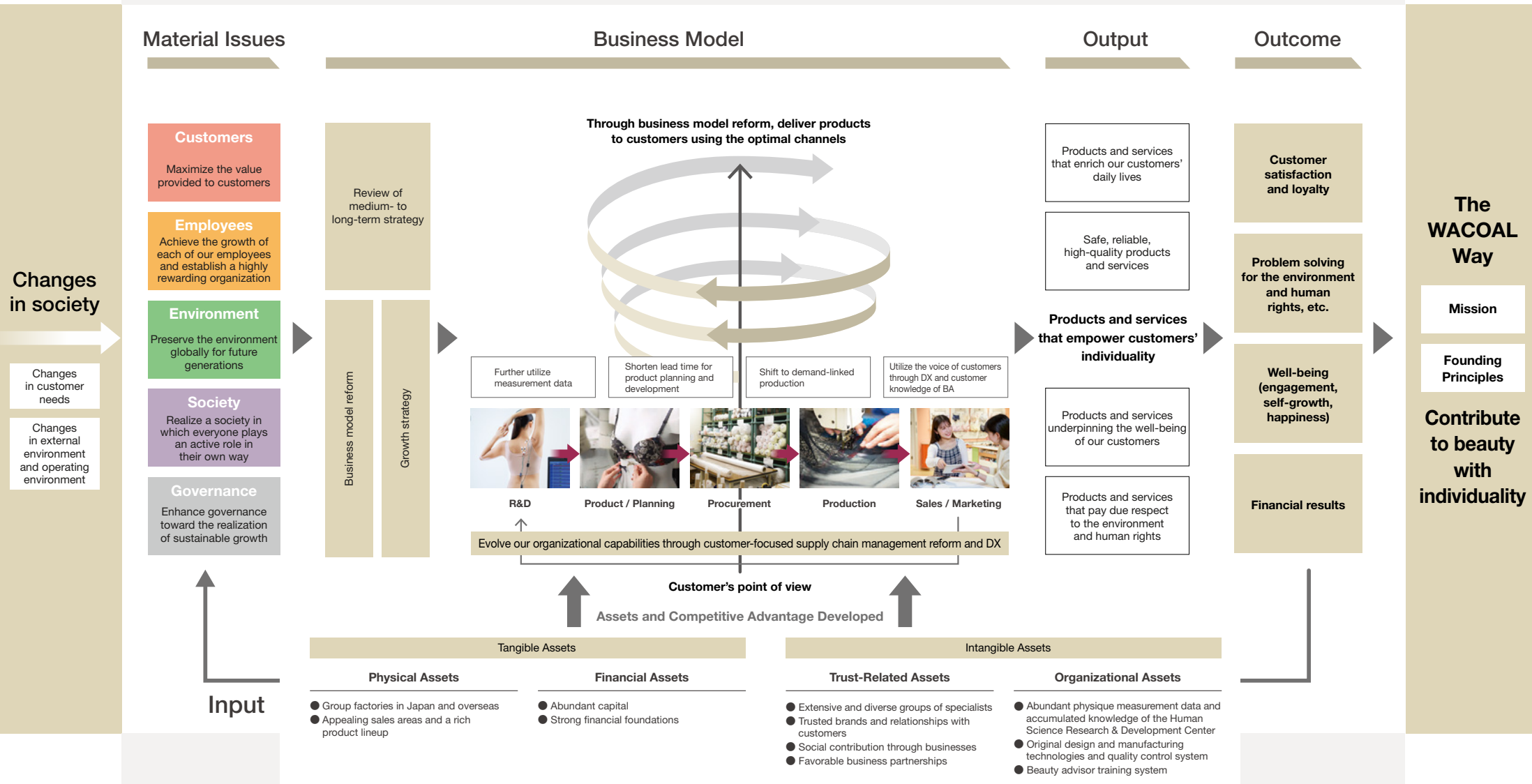


### Breakdown of Sales by Product Type (FY2024)



# Value Creation Process

The Group will maximize and optimize the various assets that it has developed—including physical, financial, trust-related, and organizational assets—and advance our medium- to long-term growth strategy to resolve material issues and enhance enterprise value even further. Through rigorous, customer-focused business model reform, execution of our growth strategy, as well as the evolution of our value creation process, we will continue bringing products and services that enrich society to the market.



## A Message from the President



**Wacoal is committed to transformation beyond innerwear to become a company that is recognized as essential to society.**

Masaaki Yajima

Representative Director, President and CEO  
Wacoal Holdings Corp.

# A Message from the President

## Where We Are Today

About a year has passed since we announced the revised medium-term management plan, and since then we have steadily implemented the basic policies we set out therein. Although some initiatives will take time to produce concrete results, we have begun to see success stories by reviewing what has been “the norm” within our company and challenging ourselves with new approaches. Meanwhile, the Group is implementing painful reforms, such as a second round of early retirements. We take seriously the concern this has caused our shareholders, employees, and other stakeholders.

I am confident that the Group’s reforms in the revised medium-term management plan are all on the right track. Nevertheless, some employees feel bewildered and unsure, and it is true that there is confusion and conflict on the frontline as we move forward with these reforms. In this situation, our officers should continue to carefully explain why reforms are necessary now and encourage action. Even if good results are not immediately obtained, if employees try without compromising, their actions will be recognized. Recently, more and more employees are proactively expressing their own opinions, and I believe that if supervisors and senior management listen to and acknowledge the challenges of each individual, it will change the mindset of employees and ultimately lead to a change in the Company’s culture.

Until now, the Group has struggled with sluggish performance and been unable to thoroughly implement reforms to address the issues. One of the reasons for this is that our KPIs were not clear. We must more clearly understand and verify what process was followed to achieve the targets we set and what results were obtained. Going forward, we will set KPIs for the process of achieving our targets and track progress and results.

The second reason was our delayed response to changing customer needs. Looking at the innerwear market in recent years, there has been a tendency to prioritize comfort (wear) over functionality (bust shape), but it is not enough to simply satisfy

one of these elements. Our failure to propose a product that combines functionality and comfort while taking advantage of Wacoal’s strengths is something we regret and will learn from in the future. In fiscal 2025, we will step up the development of products that meet customer needs, taking into consideration the feedback from customers at Wacoal stores and from our online store. Furthermore, we will use the SCANBE 3D measurement service to increase opportunities for customers to learn about the importance of measuring their size, not just to buy innerwear, but also to get them interested in their own bodies. We believe that it is important to show that there are a number of options for choosing innerwear by providing various touchpoints through Wacoal’s unique services.

## Progress of the Revised Medium-Term Management Plan

The four basic policies of the revised medium-term management plan that the Group is currently implementing are as follows.

### Basic Policy of Revised Medium-Term Management Plan

- 1 Business model reforms to improve profitability**
  - Supply chain management reform
  - Cost structure reform
  - Dealing with unprofitable businesses
- 2 Growth strategies to achieve VISION 2030**
  - Reviewing our brand strategy
  - 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 cross-shareholdings
  - Streamlining real estate holdings

The basic premise is that we are implementing drastic cost structure reform, including consolidating brands and addressing unprofitable businesses, but this reform process is being implemented to enable the Group to move forward with both efficiency and growth, and will in no way reduce the size or competitiveness of the Company. In order to deliver products and services empowering the individuality of each and every customer, we must first establish a business model that can quickly and accurately respond to changes in customer needs. We will then advance cost structure reform while enhancing our brand power, customer loyalty, and human resources, aiming to evolve and grow as “Wacoal Group of the World” as set out in Vision 2030.



### ■ Business model reforms

To improve profitability and capital efficiency, Wacoal Corp. is implementing business model reforms (supply chain management reform and cost structure reform) and growth strategies (customer strategy, brand strategy, and human resource strategy) in anticipation of future growth.

First, we are reforming our supply chain management to be able to respond quickly to changes in customer needs and markets. We are particularly focusing on three process reforms, namely: optimizing product mix in-store, building a demand-linked production system, and shortening planning and development lead times. To achieve these, each department is working to strengthen cooperation with the aim of total optimization.

In terms of cost structure reform, we are not only focusing on advertising and labor costs, but are also making fundamental changes to production. One is a review of the sewing process. We believe that we can reduce costs by eliminating waste in processes

## A Message from the President

such as manufacturing, product testing, and inspection while maintaining the strength, functionality, and design of our products. The other is a review of our production system. We announced the consolidation and reorganization of our plants in Japan in August 2024, and have since clarified the roles of our domestic and overseas plants in light of our future demand forecasts for each market segment and our brand portfolio strategy. In Japan, we will focus on manufacturing high-end brands and other items where domestic production has advantages in terms of technical quality, delivery time, and added value, while for other products, we will increase the production ratio at overseas plants, primarily in Vietnam. We will achieve efficient operations in our production business, improve our technical capabilities and production efficiency, and further increase the competitive advantage of the Group.

### ■ Growth strategies

We believe that it is necessary to also utilize digital transformation (DX) to build deep, broad, and long-term relationships with customers. The Group has accumulated a huge quantity of information, including body data from SCANBE, research on the mind and body at the WACOAL Human Science Research & Development Center, customer feedback and purchasing information from stores and e-commerce sites, and customer service insights from beauty advisors (BAs). We aim to make the most of this data to develop more personalized products and services.

At the same time, we will also review the nature of our brands. Wacoal previously had many brands, but was unable to clearly present the benefits of each to customers. This time, by narrowing down our brands and reconfiguring our portfolio in accordance with market segments and customer needs, we will develop appealing brands with clear value propositions and accommodate diverse values.

As for our overseas business, in addition to strengthening our e-commerce business, a core strategy, we are also working to bolster our product lineup tailored to the needs of each region, and will continue to do so in the future. In each country, we will

work to execute our growth strategies for the future using more power collaboration through closer communication with our local subsidiaries.

### ■ Improving capital efficiency

The Group is promoting the introduction of ROIC management in an effort to improve capital efficiency and shift to a robust management style. In fiscal 2025, we have begun to evaluate the performance of the entire Group using ROIC, formulate plans using an ROIC tree for domestic businesses, and streamline performance management. From the next medium-term management plan (fiscal 2027 onwards), we will improve and strengthen the ROIC management system so that management emphasizes capital efficiency.

In promoting asset reduction, we will dispose of assets that do not contribute to the enhancement of corporate value. Currently, in line with the goals set out in the revised medium-term management plan, we are gradually reducing inventories, reducing cross-shareholdings, and reorganizing real estate holdings.

## Sustainability Initiatives

Environmental issues including climate change and human rights issues are becoming more serious around the world, and companies are being strongly urged to take steps toward a sustainable society. In fiscal 2025, we will strengthen our efforts in human rights and human capital, which we recognize as particularly important issues for the Group.

In October 2023, the Group conducted a human rights risk assessment utilizing the knowledge of external experts to identify potential human rights risks in our supply chains. In addition, we are preparing to begin implementing human rights due diligence and promoting respect for human rights throughout the Group under the Wacoal Group Human Rights Policy, mainly with regard to human rights related to CSR procurement. In August 2024, we began providing in-house training on the human rights of

employees and customers. We created a handbook on sales floors and customer service accessible to diverse customers and published it on our website. This handbook will be used to guide employees in summarizing policies such as sales floor environments and website development accessible to various customers, and attitudes toward customers when providing services. Wacoal employees will refer to the examples in this handbook and strive to get acquainted with each customer and respond flexibly to their individual concerns.

Furthermore, to get the Group back on a growth track, the capabilities of each employee must translate into organizational results. In addition to supporting training and learning, we will promote talented personnel and provide them with an opportunity to thrive. Wacoal Hong Kong Co., Ltd. and Philippine Wacoal Corp. have already appointed female presidents, and we hope to see more female employees in positions of responsibility across the Group, increasing the number of diverse role models within the Company. In addition, we plan to introduce a succession plan in the future. We will understand the conceptual and interpersonal skills of future director and corporate officer candidates and evaluate them as human resources who will lead the Group in the future. We will promote capable employees regardless of age or gender, and will focus on the system of backing them up as a company and management that will make them a strength of the organization.

## Governance Initiatives

Regarding the revised medium-term management plan, we are sharing the progress with the Group Strategy Committee, which is composed of internal and external directors, to ensure that efforts are not postponed or overlooked. When the committee discusses matters, members thoroughly consider whether the plan can be clearly explained to the public and stakeholders, and reach a conclusion that satisfies all parties, so there is no postponement of conclusions or pre-established harmony. Immediately after I became the President in 2023, I asked external directors to provide

## A Message from the President

their honest opinions and suggestions. This is because I believe such discourse will be the driving force behind our rebirth as a new Wacoal, free from the shackles of traditional culture. We will continue to deepen our discussions so that all resolutions passed receive the support of society or our stakeholders.

At the same time, we are proactively creating opportunities for dialogue with capital markets. Meeting with stakeholders face-to-face and hearing their honest opinions not only enables us to accurately communicate the direction the Group is aiming for and the current situation, but also allows us to learn about the market's assessment of our strengths and weaknesses.

Furthermore, from dialogue with investors who view the market from a medium- to long-term perspective and seek out growth in corporate value, we often receive hints on how to ensure the Group's future growth. We recognize this as an important opportunity for both parties to deepen their understanding and gain new insights toward the goal of enhancing corporate value.

### Wacoal Group Going Forward

Moving forward, the Group wants to be needed by customers in a wide range of areas, not just in innerwear. The Group has many management resources, including the manufacturing know-how we have accumulated since our founding, research results, and body data. When I talk to stakeholders, I realize that there are many strengths that Wacoal has not yet utilized and many resources whose value we have not even recognized. Focusing on these valuable resources and expanding the scope of their use will directly lead to the growth of the Group. The first direction of expansion is the horizontal utilization of resources within the Group. For example, wireless bras that offer greater comfort are an item that is in high demand not only in Japan but also in overseas markets. In addition, we can transfer our know-how in bra manufacturing to the development of swimwear at our subsidiary Ai Co., Ltd., and conversely, we can transfer Ai's knowledge of swimwear design and materials to bra manufacturing. By deploying

the resources that each subsidiary possesses beyond the boundaries of our business, we will increase the value we provide as a Group as a whole. Another direction for resource utilization is to expand the scope of our development. For example, we are exploring the expansion of our conditioning wear CW-X into products that are useful not only in sports, but also in injury prevention and body support. By expanding the resources gained from our technological development and research conducted both in Japan and overseas into fields other than innerwear, we aim to expand our beauty, comfort, and health business leveraging Wacoal's strengths.

The ideal future I envision is one in which Wacoal is remembered at more moments at different stages of life and in everyday situations, going beyond the so-called innerwear category. The Group's management resources have been built up through our history of caring for women's bodies and minds since our founding. Our mission is to utilize the many resources at our disposal for our customers, convert them into value that will delight our customers, and deliver it to them.

I truly hope that all stakeholders continue to support the Group.



# Revised Medium-Term Management Plan

## Overall Picture of the Revised Medium-Term Management Plan

<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>● Diversifying needs for individuality</li> <li>● Increasing demand for health and comfort</li> <li>● Social inculcation of sustainability awareness</li> <li>● Developing markets with significant growth potential</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>● Increasing procurement costs due to changes in the external environment</li> <li>● Declining domestic demand due to population decline</li> <li>● Lack of competitiveness due to slow innovation</li> <li>● Declining corporate attractiveness and a serious shortage of staff</li> </ul>
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**Wacoal Group's strengths**

 <p><b>Personalized body and mind database</b></p>	 <p><b>Research/knowledge of various body types/ life stages</b></p>	 <p><b>Manufacturing technology for products that suit each customer</b></p>	 <p><b>Organizational ability to meet individual needs and embody services</b></p>
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**1 Business model reforms to improve profitability**

- Supply chain management reform
- Cost structure reform
- Dealing with unprofitable businesses

**2 Growth strategies to achieve VISION 2030**

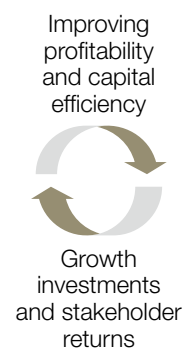
- Reviewing our brand strategy
- Focusing on growth markets
- Human resource development and organizational development to enhance corporate value

**3 Introducing ROIC management**

- Monitoring profitability and strategy effectiveness
- Business portfolio management

**4 Promoting asset reduction**

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



# Revised Medium-Term Management Plan

## Medium-Term Management Plan Initiatives

In order to improve the probability of achieving VISION 2030, first we will shift to a structure that can steadily generate cash. Through business model reforms and our growth strategy, we will strengthen our profitability and our ability to respond to customer changes while striving to improve capital efficiency.

### 01 | Business model reforms to improve profitability

#### Supply chain management reform

Strengthen responsiveness to changes in customer needs

Improve earning power



Implement supply chain management (SCM) reforms at Wacoal (Japan) to respond quickly to changes in customer needs and the market environment

Build a demand-linked SCM from the customer's point of view with the use of digital technology and optimize the cost structure through thorough selection and concentration

#### Cost structure reform

Improve earning power



Implement a radical cost structure reform with a cost reduction target of ¥7 billion to restore Wacoal (Japan)'s basic profitability

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)

#### Dealing with unprofitable businesses

Improve earning power

Examine the future ideal state of each business and determine an action plan for the continuation, sale, or withdrawal of each business

### 03 | Introducing ROIC management

Improve earning power

Improve capital efficiency



#### Introducing ROIC management to improve capital efficiency and achieve a robust corporate structure

In addition to portfolio management, ROIC management 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

### 02 | Growth strategy to achieve VISION 2030

#### Customer strategy

Strengthen responsiveness to changes in customer needs



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

#### Brand strategy

Strengthen responsiveness to changes in customer needs



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

#### Brand manager system



#### Overseas business

Strengthen responsiveness to changes in customer needs

Improve earning power



Amid an uncertain business environment, we will first work to improve our management infrastructure and execute growth strategies for the next medium-term management plan

### 04 | Promoting asset reduction

Improve capital efficiency

#### In order to improve asset and capital efficiency, 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 (Inventories, cross-shareholdings, and real estate holdings are subject to review and implementation)



## Domestic Business Strategy (A Message from Wacoal Corp. President)

**Wacoal provides products and services that inspire our customers to realize their ideal self and empower them to achieve their own unique form of beauty, comfort, and health.**

### Keisuke Kawanishi

Representative Director, President and CEO  
Wacoal Corp.



### Transforming Mindsets and Addressing Change with Confidence

About a year has passed since we announced our revised medium-term management plan. In order to transform our business structure into one that can secure high profitability, we have been implementing business model reforms and strengthening our brand power, customer loyalty, and human resources. Through extensive dialogue with employees in the form of information sessions and town hall meetings, they have gained a better understanding of the direction we are heading and what we need to do, and each is steadily taking ownership of the current situation and taking action with a sense of purpose. As of now, we have reached about sixty percent of the structural reforms laid out in our revised medium-term

management plan and about thirty percent of our growth strategy. We will continue to engage in dialogue to dispel employee concerns and doubts, and in the process further strengthen our solidarity while keeping an eye on speed in execution.

Wacoal has always had the confidence of meeting market needs by carefully crafting products that fit perfectly and valued its pride and dedication to manufacturing. Contrary to this, however, Wacoal's performance began to decline around the year 2000, and the Company was unable to identify the cause or a solution. When we pursued the issues again when formulating the revised medium-term management plan, we concluded that the cause of the slump in performance was that we were too focused on manufacturing, and unable to break away from a corporate perspective and system, resulting in a lack of a customer

perspective. In other words, to see the revised medium-term management plan through to completion, we need to shift our perspective from the Company to the customer, while changing the way we think so that all employees can act according to "overall optimization." In the fiscal 2025, we have been focusing on dialogue with section managers, who play a particularly important role, and we are seeing that, unlike the Wacoal of the past, they have clearly defined what needs to be done and are working on it in a positive manner. It is important to acknowledge these positive changes, share with everyone what has been achieved against the plan, and move forward with confidence. With the final year of the plan approaching, fiscal 2026, I intend to lead the way with strong leadership and encourage the Company to work as one to realize the revised medium-term management plan.

# Domestic Business Strategy (A Message from Wacoal Corp. President)

## Revised Medium-Term Management Plan Updating Wacoal's Direction

Wacoal needs to shift operations from the Company's to the customer's point of view to flexibly respond to changes in the market. Until now, Wacoal has required long lead times for product planning and development, making it difficult to implement promotions flexibly or adjust production. As a result of not being able to produce and deliver in line with store demand, we were caught in a vicious cycle of declining sales and profits, including lost opportunities due to stockouts, returns caused by excess in-store inventory, and an increase in the sales ratio, not to mention reduced logistics efficiency and material losses resulting from excess inventory. In the revised medium-term management plan, we aim to shorten the lead time for planning and development, and build a system that allows us to flexibly change promotions and production in response to customer needs, so that we can make only the necessary quantity of popular products and sell them out without running out of stock. This initiative will lead to a virtuous cycle, reducing lost opportunities and returns, lowering the sale ratio, and optimizing inventory levels.

## Business Model Reforms Creating a Foundation for Stronger Earnings Structure

■ **Supply chain management reform and cost structure reform**  
Supply chain management reform, which is the pillar of the business model reforms of the revised medium-term management plan, aims

to increase sales and improve inventory efficiency by supplying products in a timely manner in response to market needs and eliminating lost opportunities due to stockouts. To achieve this, it is essential to build a system of demand-linked production that plans and produces products with a short lead time and supplies them to sales floors according to demand. This fiscal year, we have modified our product categories in order to advance this demand-linked production. Previously, there were only two categories, ongoing products and new products. We have separated products that are produced continuously for five or more seasons from the ongoing product category and created a new category called "standard products." If we continue to produce a product for five seasons, it is easier to predict the materials and production process, and it becomes easier to set up a production system linked to demand. Wacoal's product lineup was previously biased toward new products, but from now on, we will focus on developing strong standard products and expanding the scope of demand-linked production.

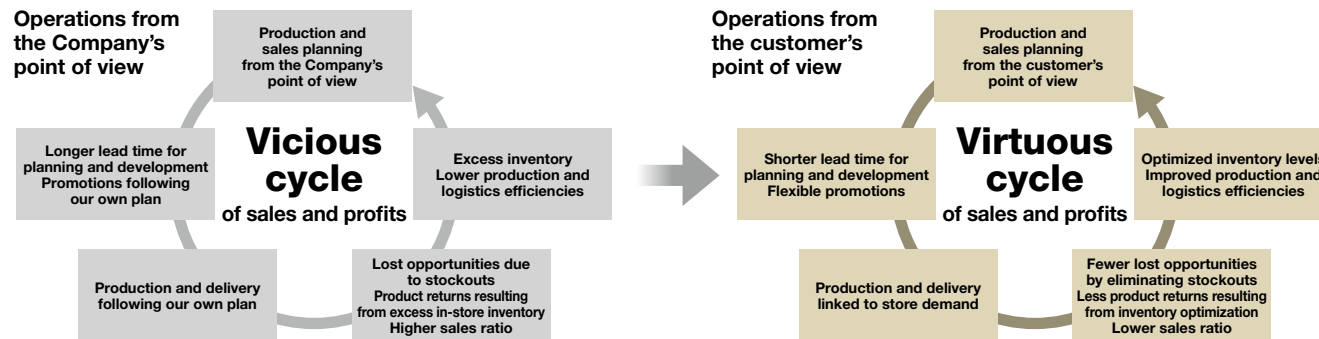
However, there are also challenges. From the plant's perspective, it has been possible to make products with high productivity by taking advantage of economies of scale, precisely because the plant has produced many products in large lots at once in a planned manner. Demand-linked production, which requires timely production in small lots, requires a completely opposite approach to increasing productivity, and there is a conflict of interest between the department that decides the production volume of products and places orders, and the department that is responsible for production. This is a challenge that arose in the

pursuit of "overall optimization" rather than "partial optimization," and that needed to be solved in order to move forward. One of the breakthroughs in this situation was the establishment of "standard products." Rather than looking at it only from the production side, this is an example of the evolution from partial optimization to overall optimization by being aware of the connection from planning and development to sales.

## Growth Strategy Creating New Value

■ **Brand strategy**  
We introduced the brand manager system in fiscal 2025 to provide products and services that are thoroughly from the customer's point of view. Under this system, we have appointed brand managers for eight brands that clearly define their target customer segments and their points of differentiation in the marketplace. These managers are clarifying the value provided by each brand. By providing consistent management from planning to sales, we are able to avoid cannibalization and partial optimization between brands and develop attractive brands with clear value propositions. In fact, in product meetings, brand managers discuss with each other and, based on the value of each brand, offer opinions and suggestions for correcting the course in a positive direction—a move never seen before. Furthermore, by clarifying the strengths of each brand, it has become easier to develop product functions, designs, and services. For example, we are now able to thoroughly explore the value we can provide by leveraging Wacoal's unique strengths, such as by considering the development of made-to-order production of highly decorative products using premium materials and a service that allows customers to order custom sizes and designs.

In terms of organization, we have integrated the product departments of our core brands, Wacoal and Wing, and are redefining the value we provide across the entire innerwear business. We will rebrand Wacoal for the fall/winter 2024 season and also revamp our communication plan. The organizational integration and brand manager system are aimed at building a system necessary to execute our growth strategy. The current situation, though, is not the final form, as we intend to continue evolving to create an optimal system.



## Domestic Business Strategy (A Message from Wacoal Corp. President)

### ■ Customer strategy

In addition to brand strategy, we are also implementing a customer strategy to further strengthen our relationships with customers. Wacoal is working to build deep, broad, and long-lasting relationships with customers while utilizing digital transformation (DX). One issue we have experienced is that there have been many cases where customers who purchased products in-store or online did not continue to purchase products afterwards. In the future, we will develop more convenient and personalized services, such as expanding our reservation and ordering services in-store and online, and proposing products tailored to age and bone structure via our app.

### Creating a Work Environment Where Employees Can Think Freely and Propose Their Ideas

Employee engagement will be of utmost importance in order to follow through on our revised medium-term management plan. As a company, we are considering how to strengthen our human capital, and we want to approach this with a quite simple attitude: to reward employees who have achieved results with fair evaluation and compensation. To achieve this, we must provide a work environment in which employees can think freely and propose their ideas. We want employees to use their imagination and proactively propose new ideas based on their own roles and authority. These opinions can motivate the department and the Company, provide value in line with customer needs, and contribute to society. Above all, I want employees to realize that these actions also lead to their own personal and professional growth.

Wacoal's reforms are understood within the Company in terms of the direction we should take and the points that need to be implemented, but we are often told by outsiders that the process of verification, improvement, and implementation is taking too long. As we approach the final year of the plan, or fiscal 2026, we intend to work together as a team of executives and employees to move the Company forward with a sense of urgency and ensure that we implement our initiatives without fail.

### Wacoal's New Value Creation

At Wacoal, we aim to improve our performance by developing products and services from the customer's point of view and gaining the support and understanding of many customers. Nevertheless, the environment we find ourselves in is extremely challenging. In addition to the decline in the number of mass retailers and department stores within which we operate stores, we must produce and sell efficiently with limited resources. In order to break through this current situation, we recognize that in addition to completing the revised medium-term management plan, it is essential that we continue to create new value truly unique to Wacoal.

### ■ Expanding Wacoal's beauty, comfort and health business

SCANBE, an evolution of our conventional 3D measurement service, represents one of the areas where we are creating new value. By providing customers with personalized measurement data, we hope to encourage them to take an interest in their own bodies and help them realize their individuality. In March 2024, in addition to conventional 3D measurements, we launched a service we call Fashion Framework Analysis, which makes it possible for customers to do a self-diagnosis of their skeletal frame using AI. In spring 2024, we held a pop-up store at a shopping center in Shinjuku, Tokyo, which was very well received, and many customers who had no previous contact with Wacoal visited the pop-up store.

In May 2024, Wacoal was selected by the Ministry of Economy, Trade and Industry as a demonstration company for PHR\* thanks to its "Solution Proposal Using 3D Body Data and PHR Data" utilizing body data accumulated since 1964 at the WACOAL Human Science Research & Development Center as well as measurement data from SCANBE. In collaboration with asken Inc., which was also selected, Wacoal plans to provide a new service that combines asken's PHR data with SCANBE at Expo 2025 Osaka, Kansai, Japan. Through this new challenge of linking SCANBE with external data, we hope that Expo 2025 Osaka, Kansai, Japan will become a new point of contact with our customers and a place to provide new interactive value.

With regard to CW-X, which offers conditioning wear, we will develop a strategy to achieve brand growth and contribute to the expansion of the "beauty, comfort, and health" business. CW-X is a clothing line developed by applying the principle of taping, and offers tights, tops, knee supports, and more. Many athletes love it because it supports the movement of muscles and joints during exercise just by wearing it. We believe that CW-X can be used not only to improve performance during exercise, but also to prevent injuries and reduce strain on the body. For this reason, we would like to consider developing products to support people who work in jobs that require physical activity, such as in the transportation and nursing care industries. Wacoal has been conducting scientific research into body shape changes and muscle movement for many years. This will enable us to continue to develop new businesses related to beauty, comfort, and health in a wide range of areas.

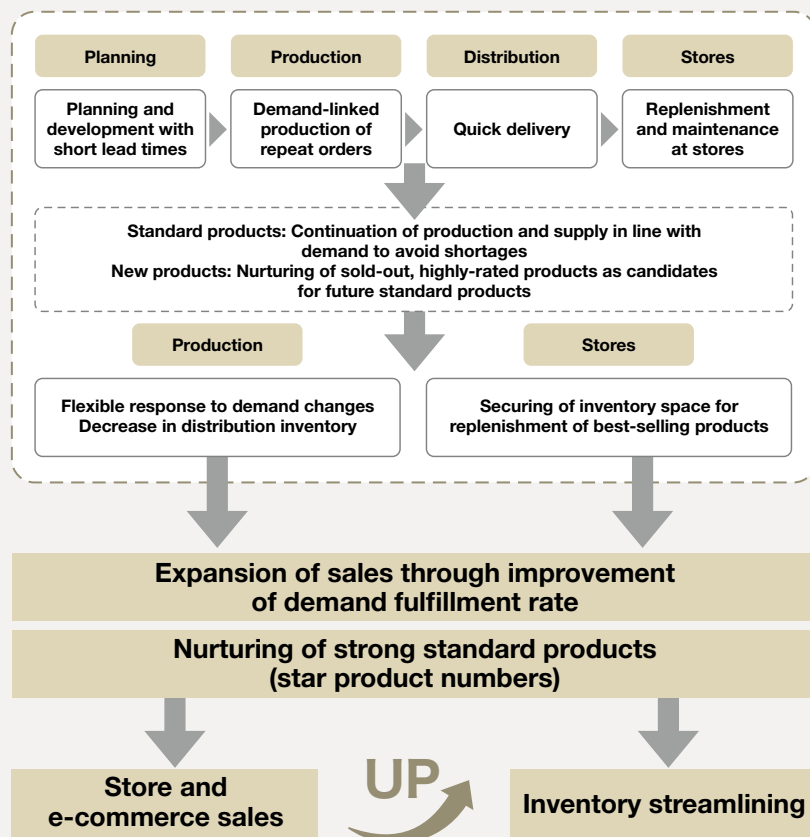
Throughout our long history, Wacoal has focused on creating shapes that make the body look beautiful, generating new value in innerwear that did not exist anywhere else, thereby stimulating customer desires. We are confident that our technology for carefully crafting products that fit each individual's body is unrivaled. We will continue to utilize this technology and develop products and services from the customer's point of view, aiming to help people empower their individuality. We will continue to create new value by providing products and services that go beyond innerwear and contribute to the individual beauty, comfort, and health of our customers.

\* PHR stands for Personal Health Record. PHR refers to information such as health checkup results, including weight, blood pressure, blood sugar, etc., as well as health and medical information such as diet, exercise, sleep, etc. obtained from wearable devices and sensor-enabled equipment.

# Revised Medium-Term Management Plan Initiatives in Japan

## Supply Chain Management Reform

Reform Wacoal Corp.'s supply chain management (SCM) in order to respond quickly to changes in customer needs and the market environment.



Through repeated field trials at stores, we are advancing initiatives to improve the demand fulfillment rate of products and optimize the product mix in every channel to build a demand-linked business model. Through this, we aim to increase our inventory turnover ratio and transform into a business operator with high management efficiency.

### Planning (Product Development and Merchandising Division)

p. 21 ▶

Shortening of new product planning schedules and shortening of development lead time through the development of proto-pattern methods

Overview of initiatives

- Shortening of planning schedules through review of the meeting process
- Shortening of development lead time through proto-patterns (standardization of popular design patterns)

### Production (Technology and Manufacturing Division)

p. 21 ▶

Establishment of production operations capable of following changes in the market

Overview of initiatives

- Shortening of production lead time through the review of material procurement/production order timing, etc.
- Control of production prioritization in line with sales/inventory fluctuations

### Stores (Sales Division)

p. 22 ▶

Establishment of operations that achieve maintenance and updating of product mix (in-store inventory) in line with the number and scale of customers in stores, with a focus on standard products

Overview of initiatives

- Resolution of shortages through improvement of the automatic ordering system utilization rate
- Optimization of in-store product sales aspects through placement of in-store display advisors

### Supervision (Business Administration Division)

p. 22 ▶

Actions as secretariat to support the smooth progress of project and team activities

Overview of initiatives

- Strengthening of cooperation among the above teams
- Progress management and efficacy measurement for projects overall

# Revised Medium-Term Management Plan Initiatives in Japan

## Supply Chain Management Reform

### | Initiatives by Teams

#### Product Development and Merchandising Division

**Develop and provide products that address clear customer needs under short lead times, and nurture star product numbers**



**Tetsuro Ito**  
Corporate Officer, Head of Wacoal and Wing Product Supervising Sub-Division, Product Development and Merchandising Division, Wacoal Corp.

#### Technology and Manufacturing Division

**Improve the in-store demand fulfillment rate for best-selling products through flexible production and supply in line with demand**



**Teruo Fukumoto**  
Corporate Officer, Head of Technology and Manufacturing Division, Wacoal Corp.

**The role of the department in SCM reform and the envisioned ultimate goal**

The Product Development and Merchandising Division bears the role of quickly responding to customer needs and changes in the market environment to create compelling products. Toward that goal, we will review our existing business processes and shorten product planning and development lead times to establish a structure under which we can continue the timely provision of products demanded by customers. Firmly adopting the customer's point of view, we intend to break away from the traditional production-centered business model to develop and nurture products that will become long-running customer favorites.

**Specific initiatives for the first year of the revised plan (fiscal 2024) and a frank evaluation of progress**

In fiscal 2024, we reviewed planning and development meetings and other business processes, and worked to shorten the lead time required for product development. For a number of products released in fiscal 2025, we launched operations with a lead time three months shorter than in the past. Expanding this operation beyond the current limited range of product numbers will require that we repeatedly undertake additional measures under the PDCA cycle. At the same time, I appreciate that we were able to thoroughly rethink our past way of doing things and generate solid results.

**Results achieved through initiatives under the plan's first year, and newly emerging issues**

It has become clear that the key to further shortening our planning and development lead time is the establishment of a mass production structure that leverages existing patterns. Our Product Supervising Sub-Division, which manages the Wacoal and Wing brands in the innerwear business, is introducing a uniquely Wacoal version of modular design, for which we are now holding discussions on the formulation of standards from a functional perspective. Incorporating these into actual business processes will take some time, but we plan to launch trial products in fiscal 2025.

**Fiscal 2025 role in achieving the targets of the revised medium-term management plan through SCM reform**

In addition to further shortening our planning and development lead time, we must establish a structure for creating products that are linked to customers' needs. In fiscal 2025, we integrated the EC and Catalog Business Sub-Division that operates e-commerce sites into the Product Development and Merchandising Division. We plan to further strengthen collaboration so that product reviews and purchase data received by sites can be promptly reflected in product development. By focusing on the creation of long-beloved standard products, we would like to contribute to success in capturing sales and reforming SCM.

The Technology and Manufacturing Division has established a demand-linked production structure and shoulders the role of delivering products that customers want, at the right time and in appropriate ways. We have pursued production efficiency enhancements and loss reduction under a unified schedule of material procurement and sewing. Toward this, we will shorten lead times through the division of material procurement and production plans in line with demand. By undertaking a transformation toward demand-linked production methods, we aim to build a supply chain geared toward speed.

In fiscal 2024, we conducted a trial of demand-linked production at the Nagasaki Factory for eight product numbers and worked to shorten production lead times from the spring and summer of 2024. By changing order timing and frequency in response to changes in product inventories, we succeeded in shortening the period spanning order to distribution and delivery from 90 to 25 days. While applicable product numbers were limited, we were able to generate results in fiscal 2025 and plan to further expand applicable product numbers and factories from the autumn and winter of 2024.

We were able to confirm that product numbers handled through demand-linked production have contributed to inventory reduction and other production efficiency improvements. Compared to our conventional production structure, however, the method will present greater burdens in ordering and factory production operations. For this reason, I expect that we will need to quantify impacts on sales and inventories and verify effects as we move forward. I believe that we also need to build a structure by which we can operate under fixed standards while making our inventory status visible.

In achieving the targets of the revised medium-term management plan, I believe that a key point will be the creation of a Wacoal version of SCM that combines our proprietary planning model and demand-linked model, all connected to business model reforms that include brand reorganization and expansion of the ratio of standard products. I want to particularly focus on the establishment of production operations that avoid shortages of standard products,\* establish a production system aligned with sales trends, and switch about half of our standard products to demand-linked production by the next fiscal year.

\* Standard products: Products for which five seasons (three years) or more have elapsed since release

# Revised Medium-Term Management Plan Initiatives in Japan

## Supply Chain Management Reform

### | Initiatives by Teams

#### Sales Division

#### Optimize product mix and inventory levels in stores to improve store revenue



**Hirofumi Inoue**  
Corporate Officer,  
Head of Sales Division, Wacoal Corp.

#### Business Administration Division

#### Undertake SCM reform as control manager to achieve flexible operations



**Kouji Fukuda**  
Corporate Officer,  
Head of Business  
Administration Division, Wacoal Corp.

**The role of the department in SCM reform and the envisioned ultimate goal**

The Sales Division is responsible for delivering the products customers want, when they want them, at Wacoal stores throughout Japan. Doing so requires that we identify best-selling products in line with the characteristics of areas and stores, then steadily deploy those products in stores. To deliver necessary products without delay, we also need to properly maintain in-store inventory. By reducing shortages and optimizing inventory, we will achieve our revenue targets and create sales areas that customers find appealing.

The Business Administration Division plays the role of a secretariat supporting the smooth progress of individual teams' activities and the project overall. To ensure the outcomes of activities and achieve project objectives, we coordinate teams, make adjustments to resolve conflicts, and construct operations that are optimized overall. Accordingly, we recognize the achievement of financial targets (sales and inventory efficiency) as our mission.

**Specific initiatives for the first year of the revised plan (fiscal 2024) and a frank evaluation of progress**

In fiscal 2024, we conducted multiple field trials at a number of mass retailers to verify the correlations among optimal product mix, sales, and in-store inventory. From this, we found that sales can be maintained under minimum necessary inventory when products are deployed in line with the scale and characteristics of stores. We further confirmed that the introduction of an automated ordering system and in-store display advisors to perform in-store maintenance contribute to sales expansion. While the trial involved a limited number of stores, we sensed a considerable improvement effect.

In fiscal 2024, we worked to shorten planning and development lead times and to construct a system for replenishing products in short supply at mass retailers, with a focus on field trials and on analyses of teams' current status. We confirmed that a certain degree of results can be expected from these activities. At the same time, we also found that parties' understanding of the purpose and envisioned goals of the project overall was not sufficiently aligned, resulting in inter-team cooperation that was lacking from a standpoint of overall optimization. To remedy the situation, accelerate efforts, and maximize outcomes, in fiscal 2025 we have been working to expand and strengthen the project structure.

**Results achieved through initiatives under the plan's first year, and newly emerging issues**

From the findings of the field trials, we confirmed that product mix optimization contributes to improved revenue. At the same time, we also saw that subsequent enforcement of in-store maintenance is essential in achieving reliable improvement. Replenishing delivered products in stores at the right time and maintaining optimal sales areas for customers require that maintenance be systematized. In fiscal 2025, we will advance business negotiations with clients to expand and introduce automated ordering systems and in-store display advisors at all mass retailers.

Conducting limited-scope field trials, we found that results could be solidly achieved as long as the required conditions were in place. From this, we recognize that our greatest achievement has been ascertaining our direction for moving forward. However, it has also become clear that negative effects, such as the deterioration of production efficiency under the aim of shortened lead times, can occur more often than expected. In response, in fiscal 2025 we will inspect project activities as a whole from the perspective of overall optimization, with both positive and negative aspects considered.

**Fiscal 2025 role in achieving the targets of the revised medium-term management plan through SCM reform**

In achieving the revised medium-term management plan, the mission of the Sales Division is raising customers' interest in Wacoal and recovering from the decrease in customer visits to stores. To do this, we must create compelling store areas where the products and services that customers want are always available. We see fiscal 2025 as a period for establishing the operations that will underlie this. In cooperation with clients and with planning, production, administration, and other departments, we will constrain losses of sales opportunities, optimize in-store inventory, and improve in-store revenue.

Acting as a management department within Wacoal (Japan), the Business Administration Division shoulders the roles of a department with operational responsibility and of the overall secretariat for business model reform, including SCM reform. Heading into the final year of the revised medium-term management plan, in fiscal 2025 we need to demonstrate the achievements of departments' efforts and solidly depict an upward vector that connects to the next fiscal year. Toward that end, we will enforce progress management for all measures and, while closely communicating with relevant departments, will provide backup for resolving issues and achieving objectives.

## Revised Medium-Term Management Plan Initiatives in Japan

### Cost Structure Reform

Cost structure reform is progressing mostly as expected, with both positive and negative factors. Additional actions will be considered and implemented since the reduction effect is expected to be limited to approximately ¥6 billion due to the impact of exchange rate fluctuations and soaring raw material prices.

(billions of yen)

Implemented items	Specific activities	Implementation timing	Revised medium-term management plan initial goal	FY2024–FY2025	FY2026	3-year effect forecast
<b>Brand selection and concentration</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>	● Aggregation of production lines will start at 24AW and be completed during FY2025	1.9	0.5	1.9	2.4
<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>	● Will be completed by FY2025	0.6	0.3	0.3	0.6
<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>	● Will be completed by FY2025	0.4	0.2	0.6	0.8
<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>	● 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
<b>Offering voluntary retirement</b>	<ul style="list-style-type: none"> <li>● Optimizing personnel in order to improve productivity</li> </ul>	● Will be completed by FY2024	0.9	0.4	0.2	0.6
<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>	● Will be completed by FY2025	1.6	0.9	1.1	2.0
<b>Reducing distribution costs, etc.</b>	<ul style="list-style-type: none"> <li>● Improving distribution business profitability</li> </ul>	● Will be completed by FY2025	0.6	0.0	0.4	0.4
<b>The impact of cost increase in FY2024 due to the impact of foreign exchange rates and sourcing costs</b>				-2.0	—	-2.0
<b>Total</b>			7.0	Approx. 1.3	Approx. 4.8	Approx. 6.1

# Revised Medium-Term Management Plan Initiatives in Japan

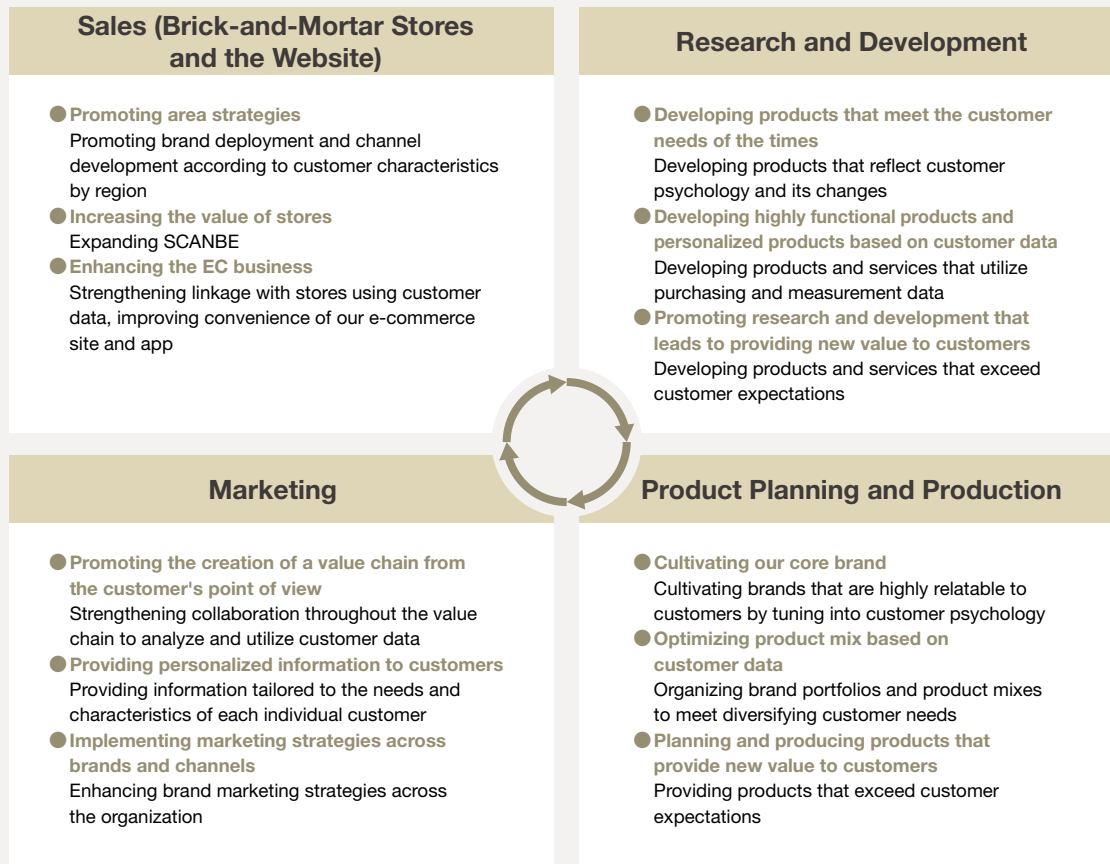
## Customer Strategy

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

### Initiatives for building a digital-based value chain from the customer's point of view

We will restructure the entire value chain from product development to sales from the customer's point of view through the use of customer data and digital technology.

We aim to improve the value of customer experience and relations with Wacoal and increase lifetime value (LTV) by acquiring new customers and converting existing customers into loyal customers.



## Pick Up

### Enhancing communication through WACOAL CARNET, our official app



An app full of information on Wacoal products and stores. In addition to information on products and stores, the app is full of tips on boosting one's looks, including advice on innerwear and information on beauty and health. The data measured by SCANBE can also be downloaded, making it easy to check all measurement data, including 3D images, anytime, anywhere!

WACOAL CARNET

### Expansion of layaway and order-in service channels and stores

A service that allows you to order a product you are interested in from the Wacoal website store and check it out at the shop of your choice before purchase. If your specified store has the product in stock, you can put it on layaway; if not, you can order it in from the Wacoal website store.





# Revised Medium-Term Management Plan Initiatives in Japan

## Brand Strategy

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

### Developing products and services to meet the diverse values of customers and empower them to be themselves.

Cultivating brands with a view to long-lasting relationships with customers and expanding lifetime value (LTV).  
Aiming to develop new products and services in the areas of beauty, comfort, and health by leveraging the knowledge cultivated at Wacoal.

#### Brand portfolio tailored to market segments

- Reviewing the brand management system
- Implementing communication reconfigured from the customer's point of view
- Promoting growth strategies in the strengthening areas  
(e.g., formulate strategies for the young, high premium, and senior class)
- Providing products that meet diverse customer needs

Market Segments to Focus On

		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	WACOAL (rebranding)				Seniors
	Better						
	Moderate	Affordable					
	Affordable	Affordable					
	Cost saving						

#### Expanding into the area of beauty, comfort, and health

- Expanding the beauty, comfort, and health business by utilizing our knowledge cultivated in the innerwear business
- Enhancing personalized services using customer data and measurement data from SCANBE
- Strengthening sports business such as CW-X

## Pick Up

### ■ Rebranding of the core brand WACOAL (autumn/winter 2024)

Reviewing brand contact points in response to changing values that emphasize individuality and diversity. Redefining “the power underwear holds” to become a brand that allows each individual to have moments to love yourself.

#### Brand Message

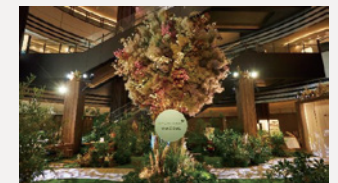
### Dear Me, Love your moment.

We provide each customer with a moment to look at yourself and love yourself so that the time spent choosing underwear at the beginning of the day can turn into a precious moment to learn about your own feelings and body.

Pop-up event embodying the new Wacoal worldview (September 2024)



WACOAL



# Revised Medium-Term Management Plan Initiatives in Japan

## Brand Strategy | The Introduction of Brand Managers

# Rebrand – Toward the further evolution of brands Restart – Taking on new challenges

On April 1, 2024, Wacoal Corp. introduced eight brand managers.

Through this action, we are building a company-wide brand management system from customers' point of view.

By nurturing beloved brands and achieving efficient marketing, our brand managers will build deep, broad, and long relationships with customers as we restore Wacoal Corp. to a growth track.

### Behind the introduction of the brand manager system

■ **What are brand managers?**

Broadly speaking, “brand manager” is not a title, but refers to a role in achieving management strategy that enhances the value of a brand from the standpoint of a manager.

■ **Objectives**

**1. Nurturing of compelling brands that provide clear value**

Through end-to-end brand management that spans product planning, sales, and profit/loss management from the customer's point of view, brand managers will nurture appealing brands that offer clear value.

**2. Realization of overall optimization**

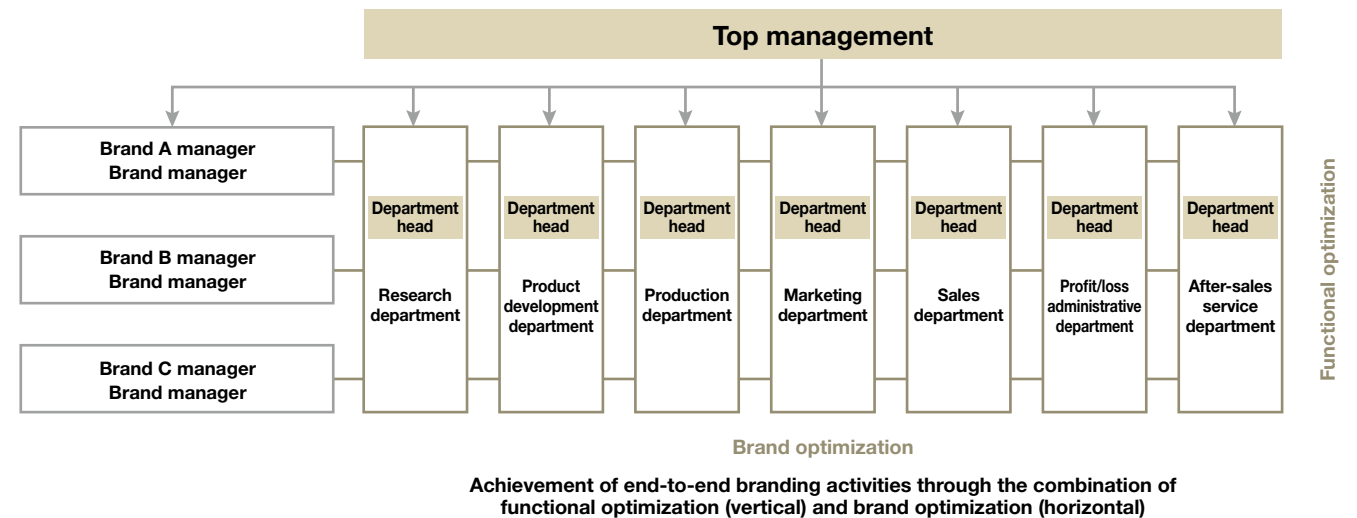
With a focus on responsibilities and authority related to brand management, brand managers will achieve overall optimization throughout the Company. We aim to eventually dissolve previous function-specific organizations and place an “end-to-end brand organization” under the Marketing Division.

■ **Roles**

Acting across multiple functions, brand managers will provide end-to-end brand value to customers through the value chain processes of planning, development, manufacturing, distribution, sales, and marketing, holding responsibility for achieving sustainable revenue and growth through the maximization of brand value. As necessary, brand managers will take part in decision-making on medium- to long-term brand strategies in meetings at which decisions on individual functions may impact brands.

### Conceptual diagram of the brand manager system

Our existing function-specific job system and brand managers fall under a matrix structure. Pursuing optimization, expertise, and efficiency enhancements in each function, this function-specific system shoulders responsibility in fiscal 2025 for achieving sales and profit in businesses through the realization of structural reform and supply chain management reform.



# Revised Medium-Term Management Plan Initiatives in Japan

## Brand Strategy

| Interview with Brand Managers

Brand Manager for Wing

Mika Shima



Brand Manager for WACOAL

Ari Tsubouchi

What should we do?

What will change?

What will happen?

# The Path Ahead for WACOAL and Wing

**Following the rebranding of Wing in 2020, a rebranding for WACOAL (hereinafter “Wacoal”) was announced in the fall of 2024. Brand managers Ari Tsubouchi and Mika Shima are leading new endeavors aimed at the further evolution of the brands, based on forward-looking visions and on what has been lacking for each brand. We asked the two managers for their thoughts and aims in growing the brands. (Interview conducted at the end of July 2024)**

**What are you currently working on as brand managers?**

**Tsubouchi:** Shortly before becoming a brand manager, I was the leader of Wacoal’s rebranding project, involved in the work of reaffirming and further burnishing the brand that the Company had built up. Members of the rebranding project identified and

discussed issues surrounding the questions of what Wacoal is and what we need to rethink to achieve our vision for the brand in terms of product mix, store displays, sales promotion, profit, and more.

What I’m particularly focused on now as the brand manager is providing information to parties involved. I explain the new brand direction to individual departments and continue to hold dialogues so that all employees understand the new Wacoal and do what can be done in every department to realize our vision.

**Shima:** We carried out the rebranding of Wing in December 2020. After becoming the brand manager, I decided to redefine the value offered by the brand to make Wing even stronger. We’re now reassessing what has and hasn’t changed and what issues have arisen since the most recent rebranding, and are drawing up specific directions and measures.

**What kind of challenges do you each face, and how will those change?**

**Tsubouchi:** When we examined the image of Wacoal through customer surveys, the top responses were “high quality,” “long-established,” and “no particular thoughts.” In the past, constituent brands were placed under the Wacoal umbrella, with each brand focusing on promoting itself. As a result, each constituent brand had an image, but Wacoal, the foundation for those brands, lacks a clear image. I see this as the top issue we face. In response, we’ve moved forward under the priority of setting a brand vision for what Wacoal is, along with its core values. This thinking underlies everything we are doing in manufacturing as well as in communicating the brand.

## Brand Strategy | Interview with Brand Managers

Among the Company's core values are the striking words "a moment to look at yourself and love yourself." What meaning is embedded in those words?

**Tsubouchi:** "A moment to love yourself" may sound a bit awkward, but it holds meanings of "time and moments for accepting yourself" and "time and moments for treasuring yourself." We want our customers to sense the simple act of selecting underwear as a time for reassessing themselves in body and soul—that is, a moment for caring for themselves, for accepting themselves.

How about Wing?

**Shima:** We mainly sell Wing through mass retailer channels. We initially had questions about the ages and values of customers who shop at mass retailers, what those customers seek in underwear, and whether our sales floors would be able to meet those demands. Judging from the sales situation, we couldn't help but suspect that some sort of mismatch existed. We launch new products one after another, but customers find that the standard products they've long used are out of stock, or that there's no inventory in the right sizes. I want to fix this situation.

### The core values of the Wacoal brand

**"A moment to look at yourself and love yourself," for everyone.**

I expect that a lot of people seek out familiar underwear items at mass retailers, rather than new products.

**Shima:** As I mentioned, sales floors are currently centered on new products, and our standard products aren't sufficiently available. In size mix, too, product lineups are centered on standard sizes. Customers end up leaving, thinking there's nothing suitable for them there. This is huge loss for us. Pricing is also very important for us in carving out a separate niche from Wacoal. With so many low-priced underwear products available from e-commerce sites, we want to demonstrate Wing's innate value in being "a brand aligned with lifestyles" through a commitment to quality and affordability.

In honing your respective brands, do you two share information on your situations on a daily basis?

**Tsubouchi:** We'd been exchanging information even before the rebranding. We now share information on our situations at monthly meetings for all brand managers.

**Shima:** Being close in age to Ms. Tsubouchi, it's easy for us to talk about anything. I can quickly get an answer and advice in response to any question, which I find really helpful.

**Tsubouchi:** In future product season planning, too, we're conscious of how we can exert the respective features and strengths of Wacoal and Wing. One lesson I've learned so far is that an important part of our mission is avoiding the simultaneous release of similar products from multiple brands. While making information open without creating walls, we're tackling product development in such a way that products reflect the value and the concept of their individual brands.

What do you find rewarding and difficult in acting as brand managers?

**Shima:** I hadn't done any work related to Wings after joining the Company, so it was initially a surprise to me when I was appointed as a brand manager. However, I feel that the breadth of my experience has expanded greatly through my work in setting the direction of the brand and assessing and controlling the supply chain overall. I find it rewarding in a way that's different from my previous work. I hope to communicate even more closely with team members and really delve into the brand value.

**Tsubouchi:** Since the rebranding project stage, we've held a lot of discussions on concepts. We now have our hands full with the September rebranding launch and, honestly speaking, there really isn't enough time for the many things that have to be decided. There are a lot of things filling me with anxiety over whether we've made the right choices because the rebranding hasn't yet begun, but there are also welcome things in my briefings for other departments. I've made all kinds of requests for new ways of thinking and doing things, as well as for changes in registered categories through reworkings of expressions and brands, and I've



## Brand Strategy | Interview with Brand Managers

been really grateful for the forward-looking discussions and responses that I've received. Coming this far has been tough, but it's been rewarding as well.

### Making changes to the way that things have always been done would surely generate some opinions.

**Tsubouchi:** In some areas, such as the idea that consolidating product numbers will lead to a sales decline or that new products are necessary for sales, I ask, "Is that really so?" to gain understanding. In the Wacoal rebranding, we decided to eliminate constituent brands such as Wacoal Parfage and integrate those into the core brand, Wacoal. The disappearance of a constituent brand is a major change, and I've heard employees express anxieties, sadness, and other feelings. Responding to their comments, I explain that we have an opportunity to nurture a large foundation for what Wacoal is, and that we have to change our past method of splitting up investment across constituent brands. Wacoal already has a variety of products. New products that create innovation are important, but I think it's just as important to take care of our existing products, solidly communicating and nurturing those products. I think it's important that all employees recognize the direction of the core brand "Wacoal" under a unified image, and that we polish that brand through ongoing trial and error.

### How do you want to grow your brands from here on out?

**Shima:** I see all of our team members as the persons who will nurture Wing. The job is naturally one that I can't do alone, and I've been tackling it with some feelings of hesitation and worry. To make Wing a brand supported by a lot of customers, we need to have all employees think and walk steadily forward, step by step, while making ongoing corrections to our path. There's no known correct

answer, so I want to build a team capable of moving forward while flexibly changing how we do things on the basis of issues and reflection, and grow the brand from there.

**Tsubouchi:** Underwear plays roles in etiquette, in adapting to outerwear and seasons, and in achieving beauty and comfort. But I believe it also empowers you to learn about your own feelings and body.

Our Company has accumulated body shape data and beauty advisor knowledge over many years. These things have a value that other companies can't readily attain. I want Wacoal to be a brand that, while leveraging these strengths to the fullest, places importance on the customer's point of view in every process from product development to customer service and is able to deliver empowerment to customers. To date, Wacoal has created many products with outstanding functionality. The Wacoal rebranding marks an opportunity to communicate those products once more, without their value being lost. We intend to pursue what sort of "new self and new possibilities" every feature and product can connect to. It's important that we continue on this path over the long haul, not wrapping up after a single season or a single product release, so I want to join with all employees in considering what Wacoal is.

### I really look forward to seeing what kind of brands Wacoal and Wing will become and how customers will react.

**Shima:** For Wing, we intend to carry out analyses of the customer base and change the product lineup to match, with "innerwear as a daily necessity" on the store floor and e-commerce sites as our aim. While tackling the challenge of creating a balance of price, quality, and design that feels just right, we'll make the brand more closely aligned with customers.

**Tsubouchi:** Wacoal will move forward with the rebranding, issuing a news release in September and broadcasting a television



commercial film. I hope to attract customers' interest and bring them to the brand through promotions that we haven't yet done for Wacoal. However, I don't expect that this will take root with customers immediately after the rebranding. So, I feel that, while we continue to thoroughly communicate our essential brand value, we need every employee to consider and discuss what Wacoal is to enhance the brand's value.

# Revised Medium-Term Management Plan Initiatives Overseas

## Overseas Business Strategy

Prioritizing profit generation in each country for fiscal 2024 and fiscal 2025 assuming the uncertain situation will continue for some time. Working to improve our management base and implement our growth strategies for the next medium-term management plan.



## Revised Medium-Term Management Plan Initiatives Overseas

### Interview with the Head of the Global Operations Division



**Mitsuru Sekiguchi**

Corporate Officer,  
Head of Global  
Operations Division,  
Wacoal Holdings Corp.

#### Role of the Head of Global Operations Division

I was appointed the Head of Global Operations Division in October 2024.

Even in Japan, the market environment is challenging, while customer needs and purchasing behavior are changing on a daily basis and a global basis, and the business environment in each country remains unclear. First, we need to understand the market of each business location and correctly identify the challenges we face.

It is also important that the Global Operations Division and local subsidiaries work together to come up with solutions to these challenges, as we believe that collaboration between the two is essential to passing on Wacoal's know-how and spirit while following local business practices and addressing needs.

My primary role is to lead each country to a new stage of growth using close communication with local subsidiaries.

#### Future requirements and initiatives

I strongly feel that in order for each country to grow, it is necessary for the Global Operations Division to provide ideas and resources rather than leaving operations to the local subsidiaries.

For example, in e-commerce, where we lack knowledge and experience, we will collaborate with partners in specialized fields to build shared know-how in each country, focusing on other companies' e-commerce sites. Regarding branding, we will share success stories and analysis methods both in Japan and overseas, and establish a system to spread effective content and drive customers to stores and e-commerce sites. I intend to support growth by actively collaborating with and supporting local subsidiaries.

## Progress of Strategy and Challenges in the Overseas Business

### Wacoal International's challenges and responses (U.S.)

#### Focusing on the growth of the e-commerce business considering the current external environment and beginning cost structure reviews to improve profit margins

As department store closures and delivery adjustments continue, we will shift to a business model that emphasizes e-commerce. In addition to developing new competitive compensation product groups, we will work to strengthen our customer relationship management centered on the digital fitting service "mybraFit."

At the same time, in order to respond to rising costs, we will aim to optimize our cost structure by reviewing retail prices, promoting automation of distribution operations, and reducing procurement costs.

### Wacoal Europe's challenges and responses

#### Promoting a brand strategy that addresses the diverse values of customers and promoting growth in regions with room for growth, such as Germany and France

Wacoal's brand recognition in Europe is still low. Accordingly, we aim to grow there by expanding the brick-and-mortar sales network and shifting to a business model that emphasizes e-commerce.

In addition to cultivating existing markets, we will also strengthen sales activities in new areas, such as Germany, which offers great potential for growth. At the same time, we will continue to consider alliances with other companies and M&A opportunities in order to achieve high quality and fast-paced growth.

### Wacoal China's challenges and responses

#### Returning to growth by working on the selection and concentration of businesses while aiming to restore profits through cost structure reform

Although a recovery in economic activity was expected after the lifting of the zero-COVID policy, the current situation in China is that personal consumption has been sluggish due to a worsening business climate and the recovery in sales is still below expectations. In order to restore Wacoal's presence in the stagnant innerwear market, I believe that a review of our brand business is urgently needed.

First, in order to increase brand value in brick-and-mortar stores, we will begin reviewing the product lineup and creating sales floors that allow customers to experience Wacoal's strengths. In line with the rebranding of Wacoal in Japan, we will renew salesfloors in China and hire a new Muse (ambassador), aiming for a common rollout across Asia.

Furthermore, we will shift to a strategy that prioritizes profit improvement and will pursue selection and concentration of sales channels. Until now, we have focused on increasing sales, opening stores in channels with low profit margins and diversifying our offerings on other companies' e-commerce sites, but going forward, we will make decisions about opening and closing stores while assessing profits and losses on a store and platform basis. At the same time, we will also change our product mix, considering the characteristics and customer attributes of each channel. By strengthening our product lineup to meet the needs of our target customers, we will aim to increase purchase rates and improve inventory efficiency.



**Manabu Tochio**

Corporate Officer, Deputy Head of  
Global Operations Division,  
Wacoal Holdings Corp.  
Director and General Manager,  
Wacoal China Co., Ltd.

## Financial Strategy (A Message from the CFO)

**We will continue business model reforms aimed at greater profitability and capital efficiency, to become a sustainably growing company that adapts to changes in customer needs.**

**Akira Miyagi**

Representative Director,  
Vice President and Executive Officer and CFO  
Wacoal Holdings Corp.



### Progress under Our Revised Medium-Term Management Plan

In fiscal 2024, business profit and operating profit, with temporary expenses such as impairments excluded, improved over fiscal 2023. We achieved this through SG&A expense control and staff optimization efforts at Wacoal Corp. under our revised medium-term management plan. While I appreciate the profit improvement we have achieved through such measures, impairment and other temporary expenses resulted in a second consecutive year of losses on a consolidated basis. We offer our apologies to shareholders, employees, and all of our stakeholders

for the concern created by this. By steadily and resolutely advancing measures put forth under the revised medium-term management plan, we will strengthen our profitability and our ability to adapt to changes in customer needs. In parallel with this, we will act in line with our financial strategy to advance ROIC management and asset reduction aimed at improving our capital efficiency.

To address measures that have not yielded sufficient progress in cost structure reform and our growth strategy, we also face a need to promptly enact additional measures. While the future impacts of exchange rates, soaring raw material prices, and other external factors remain concerns, we will aim to achieve a V-shaped recovery during the final fiscal year of the revised medium-term management plan, under an unyielding commitment to making every possible effort.

cost reductions. We further foresee a total of ¥1.5 billion in reductions by reducing production costs, reducing production and material costs, and improving profit and loss of stores. Regarding the latter action, we will proceed with our originally planned withdrawals from unprofitable stores and have made the decision to further withdraw from additional stores at which we are unable to revise terms and conditions of business and do not foresee improved profitability. Our optimization of advertising and other expenses is also generally progressing according to plan. Looking at unprofitable businesses, we will consider our ideal for each and will take actions such as business withdrawal or sale or transfer to optimal owners. We have already transferred a portion of our shares of Nanasai Co., Ltd., and have begun organizing and reviewing other unprofitable businesses. We will continue to examine the progress of measures and the impacts of external factors and will study and carry out additional measures as necessary. In advancing reforms, we continued voluntary retirements for a second consecutive fiscal year. This was a difficult decision, but we view it as an important step on the path to future growth. From here on out, we will reaffirm our determination to carry out these reforms to their conclusion.

In our SCM reforms, in fiscal 2024 we launched trial projects aimed at building a new supply chain. A demand-linked production

### Business Model Reforms Aimed at Improving Profitability

We are undertaking cost structure reforms and supply chain management (SCM) reforms aimed at returning Wacoal Corp. to profitability. In cost structure reforms, by fiscal 2025 we expect to complete our consolidation of production lines through brand selection and concentration, achieving a projected ¥500 million in

#### Financial Strategy

#### Financial Policies

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

#### Dividend Policy

Our basic policy on profit distribution to shareholders is to make stable distributions based on consideration of our consolidated performance, while seeking to increase our enterprise value through active investment aimed at higher profitability and to increase net income per share.



# Financial Strategy (A Message from the CFO)

system will limit opportunity losses caused by shortages of hot-selling products and will contribute significantly to higher sales. In fiscal 2025, we will expand the scope of the trials and speedily connect outcomes to action. Moreover, it is important that we return to our origin as a leading company in the innerwear market, pursuing uniqueness and topicality in product development. To quickly adapt to customers' needs and market changes, we are working to shorten our planning and development lead time and to strengthen our brand management structure. We believe that rethinking fundamental performance for each brand and working toward differentiation will yield value unique to Wacoal and enable a great leap forward. As CFO, I am prepared to do all I can to support transformation that radically reworks manufacturing from the ground up, cooperating with relevant departments to achieve solid results.

## Acceleration of Asset Reduction Aimed at Enhancing Capital Efficiency

To boost asset and capital efficiency, our group is moving forward with asset reduction under a basic policy of selling off assets that do not contribute to enhancing corporate value. In response to our goal of reducing cross-shareholdings to less than 10% of net

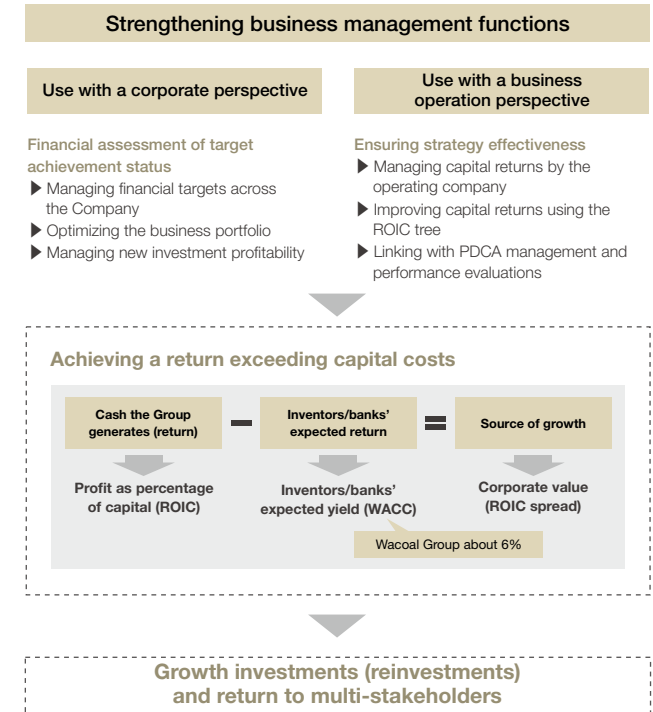
assets by fiscal 2026, we undertook steady actions in fiscal 2024 to sell about ¥17.1 billion in assets. While higher stock prices obscure effects on net asset ratio, we were able to move ahead with the selling itself at a pace exceeding original expectations.

Looking at real estate holdings, in fiscal 2025 we acted under our basic policy to sell the Asakusabashi Building in the Tokyo district and land in the Fukuoka district. We will continue to advance the effective use and reorganization of workplaces in line with working styles. Looking at inventories, at the end of fiscal 2024 we made provisions for inventory losses and reduced excess inventory levels. This included inventory resulting from the withdrawal from and consolidation of unprofitable brands.

## Initiatives Aimed at Introducing ROIC Management

As a means of achieving growth investment and stakeholder returns under the revised medium-term management plan, we made the decision to introduce ROIC management aimed at improving capital efficiency. In fiscal 2024, we conveyed the importance of this action to the presidents and corporate officers of operating companies in Japan and overseas, developed internal management processes, and worked to formulate business plans to enable a commitment to

### Purpose of Introducing ROIC Management



### Progress of Asset Reduction

Implemented items	Specific activities	Progress	Goals
<b>Reducing inventories</b>	<ul style="list-style-type: none"> <li>Reducing inventories through business model reforms (supply chain management reform and cost structure reform)</li> <li>Appropriate disposal of inventory resulting from the withdrawal and consolidation of unprofitable brands</li> </ul>	Disposal of inventories as part of structural reform during FY2024	Wacoal: Inventory turnover ratio in FY2026: 2.5 turns
<b>Reducing cross-shareholdings</b>	<ul style="list-style-type: none"> <li>Gradually selling the shareholdings that we have agreed to sell</li> </ul>	Sale of cross-shareholdings: Approx. ¥18.7 billion (as of the first half of FY2025)	During FY2024 to FY2026 we will sell approx. ¥30 billion of cross-shareholdings (Reducing less than 10% of net assets by FY2026)
<b>Streamlining real estate holdings</b>	<ul style="list-style-type: none"> <li>As for real estate that does not contribute to enhancing corporate value, we will proceed with consideration based on the basic policy of selling</li> </ul>	<ul style="list-style-type: none"> <li>Sale of real estate (Asakusabashi Building; site of the former Fukuoka Office)</li> <li>Transfer and closure of domestic manufacturing subsidiary production sites (Transfer: Fukuoka Factory; closure: Kumamoto Factory, Niigata Factory)</li> </ul>	While carefully examining the feasibility and validity, we will gradually respond (starting the phase from FY2024)

### Introducing the Process of ROIC Management to Business Departments

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

# Financial Strategy (A Message from the CFO)

improving ROIC. Our Group has long used ROE as an indicator of maximization of capital efficiency. Although we have repeatedly conveyed the importance of capital efficiency to employees, I believe that we all need to again deepen our understanding of this importance and view it as a matter of personal responsibility.

Our past management process looked primarily at profit/loss, major assets, accounts receivable-trade, and inventories at subsidiaries and businesses, with these organizations' target values not connected to consolidated ROE targets. Over the past several years, we have reduced and normalized cross-shareholdings and fixed assets, which greatly affect ROE on a consolidated basis. As a result, working capital, accounts receivable-trade, inventories, and other factors will have greater impacts on subsidiaries and businesses. In the current fiscal year, we will develop management processes specific to subsidiaries and businesses and will promptly carry out improvements to develop a management accounting system that is consistent with consolidated ROE targets.

Solid business portfolio management is another key matter. When we are unable to achieve the ROIC targets of subsidiaries and businesses, then, even when these are profitable, we will strictly review their business portfolios so that we can achieve the ROIC targets of the Group as a whole. We intend to clearly emphasize this point as we thoroughly raise capital efficiency across the Group.

## Growth Strategy-Oriented Capital Policy and Shareholder Returns

Under the revised medium-term management plan, we plan to generate about ¥110 billion in cash over three years. We generated about ¥24 billion in cash in fiscal 2024, primarily through the sale of cross-shareholdings. In the current fiscal year, we intend to move forward with the sale of cross-shareholdings and the organization of assets that do not contribute to enhancement of corporate value, with the goal of generating about ¥40 billion in cash.

At present, there is no change in our cash utilization and allocation plans under the revised medium-term management plan.

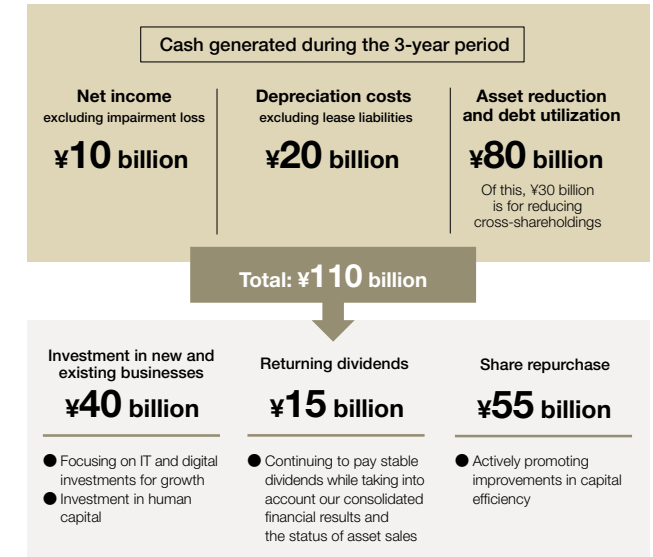
In the current fiscal year, we plan to repurchase about ¥25 billion in shares to improve capital efficiency, and will pay dividends to shareholders and make investments in new and existing businesses. In the area of growth investments, we opened a new business promotion office under the Wacoal Holdings umbrella during the current fiscal year, plan to expand our business in Europe and India, and will explore opportunities for growth investments in the Group's core "beauty, comfort, and health" business, its peripheral areas, and the area of DX.

## My Responsibilities as CFO

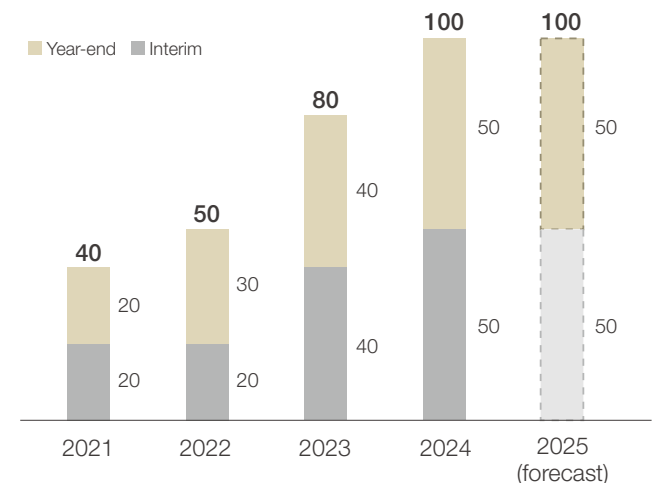
The environment surrounding companies is always changing, and what was once the norm can lead to unexpected big risks. I believe that maximizing corporate value is the core role of a CFO. Following last year's cyber incident at an overseas subsidiary, we have been working to strengthen risk management by conducting rigorous IT security surveys with the support of consulting companies. In recent years, we have also increased opportunities to take in the opinions of external directors and investors. I sense a growing importance in the role of building bridges between the Company and the outside world from an even perspective, to ensure that the Board of Directors and the Human Resources Advisory Committee are not holding discussions under logic that applies only within the Company.

In our current phase in which we have to decisively execute on the revised medium-term management plan, I believe that the most pressing leadership demands placed on me are business portfolio review from an ROIC perspective and asset reduction. It is essential that we increase profitability through business model reform and our growth strategy, while enhancing asset and capital efficiency for the sake of further business growth. Toward that end, we will solidly instill ROIC management, carry out portfolio management with an emphasis on profitability and efficiency, draw up an ideal for our businesses and assets under fair assessments, and undertake optimal actions. As a leader striving for the continuous growth of the Group, I will continue making every effort to maximize our corporate value.

## Cash Flow Allocation



## Cash Dividends per Share (yen)



# Sustainability

## Initiatives to Reinforce Human Capital

Consistent with its founding principle of mutual trust, the Wacoal Group manages employees' health and safety, trains human resources, and is receptive to diversity in human resources and values in each workplace, thereby deepening mutual trust with employees and developing workplace systems conducive to the creation of environments where the abilities of individual employees can be fully realized. We have built value chains that comprise proprietary networks, which span all stages from fundamental research, product planning, and development through to materials procurement, production, and sales. In these value chains, human resources are the Group's most important management resource. For this reason, we believe that creating an appealing corporate culture in which employees can work while "being emotionally fulfilled," "feeling fulfillment in their work," and "maintaining motivation" will lead to sustainable growth.

### Wacoal Corp.'s Human Capital Strategy

#### Basic policy

**Conduct "Human resource development and organizational development for enhancement of the corporate value" and realize a virtuous cycle between "growth of the Company" and "investments in human capital and growth of human resources." Particularly for the revised medium-term management plan, focus more on initiatives to connect individuals' strengths to organizational results, in addition to individual growth, thereby creating a path for virtuous cycle.**

### Running the organization by a select few = Individual growth x Strengthening organizational capabilities x Fostering an appealing culture

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.

#### What we look for in our employees: Autonomous and innovative human resources

Human resources who respect and can embody our management philosophy.

Human resources who can rethink existing concepts and current frameworks and innovate with enthusiasm.

Human resources who can proactively enhance their own abilities and take on the challenges of new possibilities.

Human resources who can build good teamwork and contribute to organizational goals.

Human resources who can practice healthy and sound lifestyles.

#### ● Improve profitability: Continue to implement personnel plan management

- Confirm the status of staffing by division after the implementation of the voluntary retirement program, and implement reallocation and recruitment as needed to ensure an appropriate level of staffing.
- Build the cycle of respective divisions taking the lead in setting and operating metrics to monitor reasonableness of the staffing level of office workers.

#### ● Return to growth path: Strengthen measure to connect individuals' strengths to organizational strengths

- Establish a new program that provides enhanced support to improve expertise specific to each division.
- Contribute to the activation of the organization through work style/workplace reforms. (Workplace reform to be coordinated with real estate measures for asset reduction.)
- Develop an environment which enables employees to exhibit their individuality and capabilities to contribute to the organization's results.

#### ● Strengthening of our management base: Develop an environment and foster culture to enable employees to exhibit their capabilities to the maximum extent, contribute to results and get rewarded appropriately

- Consider introducing HR system that is linked to work value and implement (to be gradually implemented until fiscal 2026).
- Conduct engagement surveys on an ongoing basis and analyze correlation with other organizational diagnostic metrics in order to improve the precision of measures.
- Develop HR-related IT infrastructure/databases which will form a basis to carrying out HR measures.

# Initiatives to Reinforce Human Capital

## Initiatives to Maximize Human Capital

### 1. Acquisition of Human Resources

The Group emphasizes a culture of daring to take on challenges, and we believe that the source of our competitiveness is our diverse human resources who breathe new life into the Company and create new value. Therefore, we are focusing on recruitment of new graduates as well as lateral hires (including recent graduates and career recruits). At Wacoal Corp., we plan to continue to use lateral hires for approximately 30% to 50% of the total number of career-track positions, including management candidates, global, digital, and DX specialists and other human resources.

### 2. Support Growth (Training, Reskilling, Career Development)

Aiming to transform into a company where individuality and strengths of each employee are fully realized, the Group provides various training programs to support the growth of each employee by providing learning opportunities and career advancement support.

#### ■ Human Resource Development

At Wacoal Corp., we believe that our development as a company is dependent upon efforts to enhance the qualifications of each employee and his/her support. Based on this belief and with the aim of fostering human resources who can put our management philosophy into practice, we support the growth of employees by developing and continuously updating training programs that support the development of employees' careers and professional skills, as well as self-development support programs to promote employees' self-study.

### 3. Strengthen Management Capabilities

At Wacoal Corp., in order to enhance management effectiveness, we believe it is extremely important to strengthen management capabilities to make accurate and fast decision-makings and contribute to organizational achievements. We will, once again, work to cultivate, develop and appoint management human resources based on the succession plan. We also recognize that it is essential to foster a healthy feedback culture from the perspective of strengthening organizational capabilities. We will promote efforts to secure and develop management human resources who can realize our vision, implement our strategies, and motivate members to link individuals' strengths to organizational results.

#### ■ Development of Management Human Resources

We plan to provide training for the senior management as part of measures to disseminate the Group's management philosophy, and for all managers to acquire basic knowledge of psychological safety and unconscious bias, which are the foundation for promoting diversity as a source of innovation and organizational development. In addition, we will set up regular opportunities for information sharing and dialogue with department heads to share human resource development policies and support methods to increase the certainty of our human capital strategy.

#### ■ Review of Evaluation System

While increasing the diversity of our human resources, we are building a more productive organization with a small number of highly skilled employees. In addition, we are constantly reviewing our fair evaluation and treatment, which forms the basis for such efforts, and are working to strengthen our organizational capabilities by fostering a culture of feedback and enhancing the level of acceptance of evaluation results. We plan to renew the evaluation mechanism and system in fiscal 2025.

### 4. Promotion of DE&I

The Group is building a sound corporate culture and a strong management structure by pursuing a system that enhances the job satisfaction of each employee, while at the same time by ensuring the quantitative and qualitative appropriateness of human resources. We aim to create a work environment that is receptive to diverse human resources and values, deepens relationships of mutual trust and that allows each employee to perform to the best of their ability. We will continue to expand the diverse career paths and work options, and will implement human resource initiatives that will allow us to take advantage of the diversity of employees in organizational decision-making for a rapidly changing market, such as by promoting an introduction of a new personnel evaluation system.

#### ■ Empowerment of Women

As many of our employees at Wacoal Corp. and customers are female, Wacoal Corp. considers the empowerment of women's involvement and activities as an important management goal in order to reflect more diverse viewpoints in its management decision-making. Therefore, Wacoal Corp. has established a workplace environment that is appropriate and in line with women's unique life stages, promotes more flexible work styles, and has instituted a system for promotion and advancement based on ability and performance, regardless of gender or age. In February 2021, Wacoal Corp. received the "Eruboshi Certification" from the Ministry of Health, Labour and Welfare of Japan, having been recognized as a company that has made effective efforts to advance women's participation.

#### ■ Promotion of Women in Managerial Position

Wacoal Corp. has formulated a general employer action plan, based on the Act on the Promotion of Women's Active Engagement in Professional Life, under which we aimed to increase the percentage of women in managerial position (section manager and higher level) to 30% or higher by fiscal 2025. As of March 1, 2024, the percentage of women in

## Initiatives to Reinforce Human Capital

managerial positions (section manager and higher level) was 32.2%, and as of May 1, 2024, it was 35.1%, achieving the target ahead of schedule, and a new general employer action plan is currently being formulated. Although the percentage of female managers exceeds 30%, the percentage of female managers at the department manager and higher level, who are involved in more important decision-making, remains low, so we will work to increase this percentage.

### 5. Achievement of Well-Being

In order to achieve “to evolve and grow as ‘Wacoal Group of the World’ by providing both physical and emotional beauty and richness to individuals through high sensitivity and premium quality” as addressed under our medium- to long-term strategy framework “VISION 2030,” it is essential to increase the satisfaction of our employees, who are key

stakeholders, and to improve the productivity of the organization as a whole. We believe that improving the job satisfaction and happiness of each employee is the driving force to achieve high productivity, and we will implement initiatives to achieve well-being to improve employee engagement.

#### ■Promotion of Diverse Working Styles

We are promoting initiatives at Wacoal Corp. that seek to raise awareness and change behavior in order to increase working productivity through a combination of proactive use of remote work tailored to each department, promotion of flexible hours, and operation of a limited work location system. While promoting organizational reforms which emphasize on performance and achievements, we are focusing on creating a corporate culture that respects each individual as a business partner by recognizing diverse opinions and values.

#### Indicators and Goals

Human capital issues based on management strategies	Initiatives to maximize human capital	Indicators and goals (KPIs)		
		Indicators	Goals	FY2024 results
Recruit, train and promote human resources who will be responsible for the company's growth	I. Acquisition of human resources II. Support growth (training, reskilling, career development)	Status of lateral hires (career-track positions)	Achieve lateral hires of 30% - 50% in total hires of career-track positions	Total number of hires: 28 Of which lateral hires: 16 persons (57%)
		Investment costs in development and training of human resources Number of participants in programs and hours invested in learning (as to working hours)	Not yet formulated (to be formulated during FY2025)	—
		Number and percentage of employee reassignment through internal recruitment and Job Challenge		
		Degree of achievement of proactive career development	Obtain 60% or higher positive responses for questions related to career achievement in engagement survey	An environment where a variety of career options and opportunities to take on challenges are provided and can be utilized: 44.2%
Improve management capabilities to connect individuals' strengths to organizational results	III. Strengthen management capabilities	Contribution of management that leads to sustainable growth	Obtain 60% or higher positive responses for questions related to potentials and future prospects in engagement survey	<ul style="list-style-type: none"> <li>Find the Company has potential: 29.4%</li> <li>Future-oriented management: 43.9%</li> <li>Future-oriented department head, general managers and managers: 51.6%</li> </ul>
		Foster a feedback culture	Obtain 60% or higher positive responses for questions related to approval and praise, fair evaluation in engagement survey	<ul style="list-style-type: none"> <li>I have been recognized and/or praised for good work by supervisors or others in the workplace during the past week: 38.8%</li> <li>Someone in the workplace has spoken to me about my progress during the past six months: 46.4%</li> <li>My capabilities and achievements are evaluated properly: 50.6%</li> </ul>
Foster an organizational culture of high engagement and psychological safety	IV. Promotion of DE&I V. Achievement of well-being	KPI achievements under Wacoal GENKI project 2025	<a href="https://www.wacoalholdings.jp/en/sustainability/resource/wellbeing/">https://www.wacoalholdings.jp/en/sustainability/resource/wellbeing/</a>	Results for FY2023 are being compiled
		Employment of people with disabilities	Statutory employment rate of 2.5% for FY2024	2.59% (as of March 2024)

# Climate Change

The Group believes that it bears a responsibility as a company to protect the global environment during the course of its global business activities. We are expanding our disclosure of environmental information while promoting initiatives to address climate change and realize a sound resource-circulating society.

## Response to Climate Change

Wacoal Group disclosure of information based on TCFD recommendations  
[https://www.wacoalholdings.jp/en/sustainability/files/wacoalholdingsTCFD\\_en.pdf](https://www.wacoalholdings.jp/en/sustainability/files/wacoalholdingsTCFD_en.pdf)

In order to move forward with measures to realize a carbon-free society and firmly ensure the reduction of greenhouse gas (GHG) emissions along the supply chain, we began calculating GHG emissions for the entire supply chain (Scope 3) of the Wacoal Business (Domestic) in 2021.

In September 2021, we expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we have been implementing disclosures in line with TCFD recommendations since 2022.

### Governance

The Group established the Sustainability Committee in 2022. In order to strengthen our response to important sustainability issues, we have established four subcommittees under the Sustainability Committee. The Subcommittee for Carbon-Neutral deliberates on activity policies, initiatives, and strategic investment projects to reduce the environmental impact and environmental risk of business activities and to promote environmental preservation activities voluntarily and actively, and monitors progress.

### Strategy

The Group conducted a scenario analysis on climate change during 2023. We examined countermeasures and identification of risks and opportunities for Wacoal Corp., which has the highest percentage of overall sales in the Group, in two hypothetical scenarios in which the global temperature increased by 2°C and 4°C. The scenario analysis showed that while a rise of 2°C had some positive impacts, such as gaining support from environmentally-conscious consumers, transition risks, such as the introduction of carbon taxes, could have a negative impact on business. In addition, it was found that a rise of 4°C may lead to physical risks, such as storms, floods, and other extreme weather, that could have a negative impact on business.

### Risk Management

With respect to risks related to sustainability issues of the Group, the Sustainability Committee and its subcommittees examine the impact on the entire supply chain, including direct operations and certain upstream and downstream operations, from a short-, medium-, and long-term perspective. The results are reported to the Board of Directors, the upper decision-making body, which ultimately identifies, evaluates, and manages risks.

### Indicators and Goals

The Group has set its own environmental goals for 2030 to promote efforts to solve increasingly serious climate change issues and realize a carbon-free society.

Environmental data  
<https://www.wacoalholdings.jp/en/sustainability/environment/activities/>

	FY2023 results	Compared to FY2020 (base year)	Target for 2030
In-house emissions (Scope 1 and 2) <sup>1</sup>	5,880 t	-9%	Neutral
Supply chain emissions (Scope 3) <sup>2</sup>	298,553 t	-11%	20% reduction
Product disposal rate	1.10%	—	0%
Rate of environment-friendly materials used <sup>3</sup>	17%	—	50%

1. Target: Domestic offices. 2. Target: Wacoal Business (domestic). 3. Target: Wacoal Corp.

## External Evaluation

CDP is an international nonprofit organization that conducts research and analyses on the initiatives of companies and organizations around the world to address climate change and other environmental issues and discloses the results of these assessments. The Group has been selected as a “B list” company in the CDP’s 2023 climate change questionnaire.



## Fiscal 2024 Initiatives and Fiscal 2025 Plan

To reduce greenhouse gas emissions at our domestic business sites, we will sequentially replace equipment with cost-effective energy-saving devices in addition to improving facility operations based on the plan established in 2024.

To reduce greenhouse gas (Scope 3) emissions in our supply chain in Japan, we have prioritized the refinement of secondary data. We are also engaging suppliers by holding briefing sessions on our own environmental policies and initiatives.

To reduce greenhouse gas emissions in our overseas operations, we have determined that our garment factories, which account for more than 80% of the total electricity consumption, are subject to boundaries and have calculated their greenhouse gas emissions. In fiscal 2025, we will conduct research on initiatives to reduce emissions while restructuring our environmental management operations.

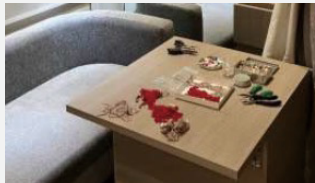
## Achieving a Resource-Circulating Society

The Wacoal Group is working to develop environmentally-friendly products and materials and to reduce the disposal of products and residual materials in order to realize a sustainable global environment.

### TOPICS Upcycling activities using residual materials

Wacoal Corp. has begun collaborating both internally and externally in an effort to reduce product and residual material waste, which is one of its environmental goals. Specifically, we use residual materials that are unavoidably generated in the manufacturing process to cooperate in planning and production for sustainable fashion classes at universities, hold workshops for customers of other companies to create scent bags, and open stalls at local events that aim to promote a resource-circulating society.

We also implemented measures to further deepen its ties with customers of the high-priced Yue brand by holding workshops for customers to make accessories from Yue’s residual material.



Yue workshop

# Human Rights

Ever since its inception as a corporate entity, the Wacoal Group has never rested in its mission to further business management rooted in mutual trust and respect for humanity. Based on the recognition that all business activities must be built on the premise of respect for human rights, we are committed to respecting human rights and continuously improving working environments throughout our supply chain.

## Human Rights Policy

The Wacoal Group Human Rights Policy  
<https://www.wacoalholdings.jp/en/sustainability/rights/>

We have established the Wacoal Group Human Rights Policy as a guideline for promoting group-wide efforts to respect human rights and fulfill corresponding responsibilities. This Policy conforms to the United Nations "Guiding Principles on Business and Human Rights."

## Human Rights Structure

The Subcommittee for Human Rights, D&I, which was established under the Sustainability Committee responsible for planning of sustainability activities and monitoring of progress, conducts education and awareness activities related to the protection of human rights and provides advice and recommendations for the implementation of human rights due diligence to ensure the Group fulfills its responsibilities to respect human rights according to its Human Rights Policy and that its operations are executed appropriately.

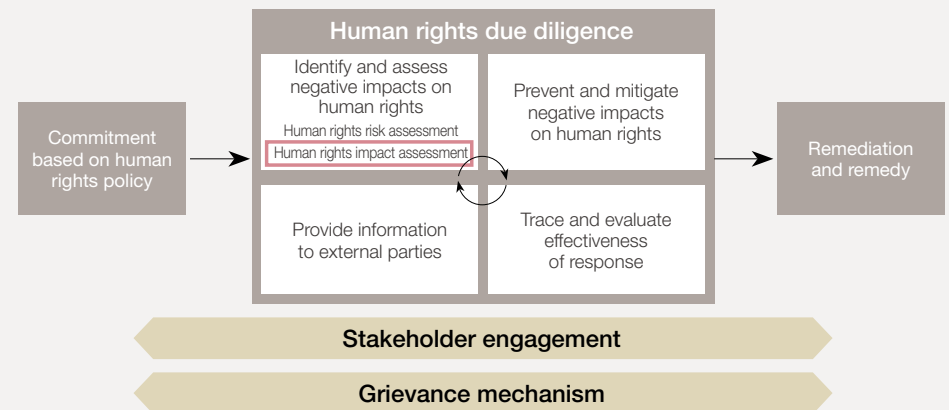
Action policy for the revised medium-term management plan	<ul style="list-style-type: none"> <li>Identify human rights risks and formulate a system for conducting human rights due diligence</li> <li>Formulate and implement policies to deal with the amended Act for Eliminating Discrimination against Persons with Disabilities and LGBTQ+ customers</li> <li>Formulate and disclose a roadmap for D&amp;I promotion</li> </ul>
Details of initiatives during fiscal 2024	<ul style="list-style-type: none"> <li>Implemented human rights risk assessments in collaboration with experts (identified human rights risks and selected important themes)</li> <li>Responded to reasonable accommodations required by the amended Act for Eliminating Discrimination against Persons with Disabilities and reviewed policies to dealing with LGBTQ+ customers</li> <li>Sorted D&amp;I issues at Wacoal Corp., visualized gaps, and determined priorities for initiatives</li> </ul>
Activity plan for fiscal 2025	<ul style="list-style-type: none"> <li>Conduct human rights impact assessments for foreign workers in collaboration with experts</li> <li>Determine and implement policies to deal with the amended Act for Eliminating Discrimination against Persons with Disabilities and LGBTQ+ customers</li> <li>Conduct training on D&amp;I promotion as a measure to enhance human capital</li> </ul>

## Identifying key human rights themes for commencing human rights due diligence

In accordance with the CSR Procurement Guidelines, the Group has a process in place to identify negative impacts and risks to human rights in product procurement and to formulate and implement appropriate countermeasures. However, we have not been able to identify human rights issues in the supply chain other than the procurement process. Therefore, in October 2023, we conducted a human rights risk assessment to identify potential human rights risks in the Wacoal Group's supply chain. Subsequently, through discussions with third-party organizations, we have identified three human rights themes that the Group should address in the future.

In particular, a third-party organization pointed out to us that we needed to take a step beyond our usual CSR procurement activities in order to understand the human rights issues of foreign workers. Based on these results, we have decided to conduct a detailed understanding of the human rights issues of foreign workers in our supply chain (human rights impact assessment), and are currently working on the survey. If any issues are identified that need to be corrected, we plan to work together with the target factories to examine corrective and remedial measures.

- Human Rights Theme 1 **Continual understanding of human rights issues in the procurement supply chain**
- Human Rights Theme 2 **Improvement of the work environment among employees in the workplace and beauty advisors (BA)**
- Human Rights Theme 3 **Respect for the human rights and diversity of consumers**






# CSR Procurement Activities

The Wacoal Group engages in responsible procurement with its business partners around the world with the aim of fulfilling its social responsibilities throughout the entire supply chain. We are proactively working to maximize the interests of all of our partners along the supply chain to contribute to the sustainable growth of all parties.

## CSR Procurement Based on Mutual Trust and Cooperation

Established in 2017, the “Wacoal Group CSR Procurement Guidelines” declare that “in order to fulfill our social responsibilities, we must build close partnerships with all suppliers involved in our product manufacturing activities, and together with them we must comply with and respect society’s requirements with regard to not only quality, pricing, and delivery but also human rights, labor practices, the environment, and ethics.” Since 2018, we have been conducting a management cycle that continuously amends and improves the guidelines in light of careful monitoring of compliance with the guidelines. Further, Wacoal has been disclosing the basic information of contract manufacturers that endorse disclosure on our corporate website.

 List of factories entrusted with the manufacturing of products  
<https://www.wacoalholdings.jp/en/sustainability/csr/list/>

Basic Information Disclosed on Contract Manufacturers (as of March 31, 2024)

Country/region	No. of factories operated by Wacoal or contract manufacturers	Percentage of total factories worldwide
<b>Total</b>	<b>273</b>	<b>100.0%</b>
China	143	49.7%
Japan	98	34.0%
Vietnam	14	4.9%
Cambodia	5	1.7%
Thailand	5	1.7%
Indonesia	4	1.4%
The Philippines	3	1.0%
Sri Lanka	3	1.0%
Taiwan	3	1.0%
India	2	0.7%
Tunisia	2	0.7%
Other	6	2.1%

## Fiscal 2024 Initiatives and Fiscal 2025 Plan

### Fiscal 2024 Initiatives

- **Verified the status of compliance with matters specified in the “Wacoal Group CSR Procurement Guidelines” via self-assessments**

Conducted self-evaluation for contracted sewing factories that started CSR procurement activities in fiscal 2020 and fiscal 2022

- **Expanded the scope of CSR procurement activities for raw material suppliers and dyeing factories**

Conducted self-assessments of major raw material production plants and major dyeing factories for the Wacoal and Wing brands

- **Strengthened monitoring of contract manufacturer sewing factories that accept foreign technical intern trainees**

Conducted a survey specifically on foreign technical intern trainees at all factories that hire them in order to understand their actual situation and consider measures for improvement

- **Reviewed self-assessment sheets**

Reviewed self-assessment sheets, focusing on questions related to technical intern trainees, with the aim of preventing recurrence of problems

### Fiscal 2025 Plan

- **Monitor the status of compliance with matters specified in the “Wacoal Group CSR Procurement Guidelines” through self-assessments and provide feedback on analyses and assessments**

- **Strengthen monitoring of contract manufacturer sewing factories that accept foreign technical intern trainees**

Conduct human rights impact assessment for foreign technical intern trainees to further understand their actual situation

- **Prepare for on-site audits of raw material suppliers and dyeing factories**

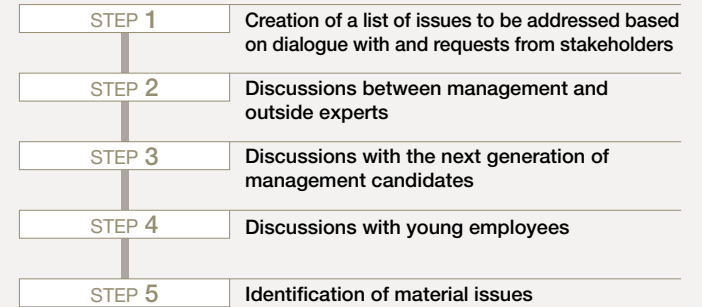
Promote monitoring through self-assessment, and consider on-site audit methods (implement audits, external audits, audit items)

# Material Issues to be Addressed by 2030

We have established 11 material issues with our customers, our employees, the environment, society, and governance as targets. These will serve as our benchmarks until 2030 for our business' growth and our work to achieve a sustainable society.




## Identification Process

In order to realize VISION 2030—the Group's medium- to long-term management strategy framework—while evolving our long cultivated strengths, such as research, planning, and sales, we conducted an analysis of material issues based on social and environmental issues to be addressed, as well as business growth. As a result, we identified five targets and 11 material issues. We arrived at this decision by gaining insight into the business challenges and social and environmental issues we expect to face by 2030, while taking into account macro trends and the requests of various stakeholders.



## Material Issues

	Material issues	Concrete efforts toward the resolution of material issues	KPIs (by 2030)	Targets			
<p>Customers</p> <p><b>Maximize the value provided to customers</b></p>	1	Enhancement of customer experience value by pursuing personalization	Increasing of customer connections and learning from them to wow other customers	Increase in the number of customers with connections to the Wacoal Group	<p>Under consideration, to reflect the revised medium-term management plan announced in November 2023. We are planning to publish them during fiscal 2025.</p>		
			Creation of products that exceed expectations and are loved	Increase in the number of people experiencing Wacoal's unique services that enhance the customer experience			
		Endeavoring to expand business areas	Tackling of challenges in new areas to support customers from every angle	Revitalization of the innerwear business by promoting the development of new products and services that utilize customer data			
	2	Endeavoring to expand business areas	Achievement of global growth to provide inspiration to customers around the world	Increase in growth and profitability in businesses other than women's innerwear		Expansion of internal resources into new fields	
				Overseas business expansion			
	3	Deepening of product quality and building of service quality	Pursuit of quality control systems and quality levels demanded by the times	Continuous monitoring of product quality and implementation of improvement activities		Maintenance and improvement of the quality of digital and over-the-counter services	
	<p>Employees</p> <p><b>Achieve the growth of each of our employees and establish a highly rewarding organization</b></p>	4	Growth into human resources who can expand their potential and have confidence, pride, and success	Growth into of human resources that proactively enhance self-proficiency and take on challenges with enthusiasm, regardless of generation or position		Enhancement of initiatives geared toward self-motivated career design and skill improvement	<p>Under consideration, to reflect the revised medium-term management plan announced in November 2023. We are planning to publish them during fiscal 2025.</p>
				Nurturing of human resources and creation of an environment in which employees can take on challenges with enthusiasm			
5		Building of an organization that can demonstrate great results through co-creation and collaboration	Fostering of an organizational culture in which people from various positions can cooperate and achieve their missions	Development of a work environment in which people from diverse backgrounds can work together	Increase in the number of employees who can act with clarity on what the Company should be and its mission		
6		Continuous improvement of employees' health and health awareness	Improvement of employees' mental and physical health	Improvement of employees' productivity and mental and physical health	Improvement of health literacy		

Environment		Material issues	Concrete efforts toward the resolution of material issues	KPIs (by 2030)	Targets
<p><b>Preserve the environment globally for future generations</b></p> 	7	Promotion of business activities that reduce environmental impact	Fostering of environmental awareness among both employees and consumers	Visualization of ecological activities in business activities	1) Zero in-house emissions (Scope 1 and 2) (domestic businesses) 2) Zero product waste (Wacoal Corp.) 3) Rate of environment-friendly materials used of 50% (Wacoal Corp.) 4) 20% reduction in supply chain emissions (Scope 3) (Wacoal Business (Domestic)) Note: For our overseas business, we plan to start by tracking our own emissions (Scope 1 and 2) and disclose our targets by fiscal 2025.
			Achievement of a decarbonized society	Realization of a decarbonized society and reduction in CO <sub>2</sub> emissions	
			Promotion of waste reduction	Reduction of product disposal rate	
			Achievement of a society of that recycles resources	Increase in rate of environment-friendly materials used	
Society		Material issues	Concrete efforts toward the resolution of material issues	KPIs (by 2030)	Targets
<p><b>Realize a society in which everyone plays an active role in their own way</b></p> 	8	Promotion of co-creation innovation to solve social issues	Contribution to the improvement of women's QOL	Promotion of breast care activities	Under consideration, to reflect the revised medium-term management plan announced in November 2023. We are planning to publish them during fiscal 2025.
				Fulfillment of needs through products and services and development of ideas that contribute to improving women's quality of life	
			Promotion of diversity and inclusion	Contribution to women's quality of life through ongoing dialogue with stakeholders	
				Promotion of in-house enlightenment activities to foster an understanding of diversity-related issues such as gender	
Promotion of respect for human rights and CSR procurement activities	Promotion of dialogue and co-creation activities with external stakeholders to foster an understanding of diversity-related issues such as gender				
	Establishment and implementation of human rights due diligence and promotion of human rights training				
Expansion of scope of CSR procurement activities					
Governance		Material issues	Concrete efforts toward the resolution of material issues	KPIs (by 2030)	Targets
<p><b>Enhance governance toward realization of sustainable growth</b></p> 	9	Implementation of highly transparent management	Maintenance and establishment of an optimal corporate governance system that will improve effectiveness	Implementation of Japan's Corporate Governance Code	Under consideration, to reflect the revised medium-term management plan announced in November 2023. We are planning to publish them during fiscal 2025.
				Demonstration of the Board of Directors' functions and promotion of diversity	
				Ongoing improvement of the system for the compensation of officers to increase corporate value	
Strengthening of the risk management system	Establishment of fair and motivating evaluation and compensation systems				
	Thorough compliance with laws and regulations and development of an organization with high ethical standards	Prevention of inappropriate behavior in corporate activities and enhancement of compliance awareness among all officers and employees			
Continuous improvement of profitability and capital efficiency	Strengthening of organizational resilience by steadily responding to business risk	Review of selection methods and response policies for major risks, promotion of information security measures for digital transformation and communication technology operations, and enhancement of the business continuity plan			
	Execution of the management strategy and clarification of roles and authority	Strengthened management of key performance indicators and verification of cost-effectiveness to improve the effectiveness of medium- to long-term strategies			
Implementation of business portfolio management to realize growth					
Establishment of an executive structure for timely and appropriate decision-making					

# Governance

## Interview with External Directors

**What the Wacoal Group needs is corporate climate reform and strategic investment in human capital that will increase engagement.**



**Chizuru Yamauchi** External Director  
(Independent)

**Hisae Sato** External Director  
(Independent)

**To break out of a long-running slump in performance, in November 2023 the Wacoal Group announced its revised medium-term management plan. In the year since, the Group has worked to enhance profitability and improve capital efficiency as it seeks to achieve VISION2030. Chizuru Yamauchi and Hisae Sato, both external directors, offered their views on the effectiveness of the revised medium-term management plan to date.**

### Issues facing the Wacoal Group and recommendations to the Board of Directors

#### Q. How do you perceive the issues currently facing the Wacoal Group?

**Yamauchi:** The employees of the Wacoal Group take pride in creating products with a commitment to quality and manufacturing technology. The Company offers a sense of assurance and reliability to consumers as well. However, I think that these have been factors leading the Company to where it is now, unable to escape the success model of its past.

**Sato:** I agree. The Wacoal Group holds a strong brand power that money cannot buy, with products that foster feelings of pride and admiration when worn. That acts as a double-edged sword, however. For the first time since its founding, the Company has turned in two consecutive fiscal years in the red. While the Company recognizes the crisis, the speed of reform can only be described as slow. A mismatch exists between the speed demanded by investors and the pace of the Company's efforts. Deliberating ways to narrow that gap is a key role of the Board of Directors. With getting performance back on track as a top-priority issue, the board will efficiently monitor the progress of the revised medium-term management plan and connect it to restoring the trust of stakeholders.

**Yamauchi:** One reason for poor performance has been insufficient investment in human capital. While it's important that investment in human capital is connected to management strategy, the issue at hand is that the Company's human resources strategy is lagging, with the result of insufficient human resources for carrying out decided strategies. In connection with this issue, my concern is that less time for undertaking future-oriented creative and innovative work will lead to a drop in employee motivation. Moreover, the Company's culture of

embracing new endeavors as a good and of working together to lead agreed-upon matters to success seems to have weakened. I've counseled a need for reform on this point as well.

**Sato:** The Company's employees are motivated and have an awareness of the issues, but I think it is difficult for them to see how to solve those. Since the announcement of the revised medium-term management plan, the Company has actively held town hall meetings for officers and employees, led by the president. But on the question of whether communication between the two sides meshes well enough, I think there is a need for training.

**Yamauchi:** Care has to be taken so that dialogues do not become a one-way street of conveying what one party wants to convey. I want dialogues to be opportunities for officers to think about the next steps to be taken, after discerning what lies behind the words of employees.

**Sato:** In current board meetings, the word "commitment" increasingly comes up, and I sense a change in awareness among officers and some other managers. However, I don't feel that this has taken root among all employees. I believe there is a need to foster awareness and create a framework by which all employees can squarely face reforms and take action as a matter of personal responsibility.

## Interview with External Directors

### What is needed for an effective revised medium-term management plan

#### Q. What should be done to accomplish reforms and make the revised medium-term management plan effective?

**Sato:** First, it's vital that the Board of Directors understand the state of progress in numerical terms, even roughly, as quickly as possible. If any gaps are found between performance and plans, analysis and assessment of the causes are important, but it's also necessary to promptly consider measures—that is, actions—for fixing those gaps. How to speed up the PDCA cycle, particularly in the last “Act” part, is important. At present, however, reports on departments' performance numbers and elaboration of their causes are the focus, and it's difficult to grasp an overall picture for achieving overall goals. It's not possible to fully take in the information needed for taking further actions in response to results.

**Yamauchi:** Due to delays in DX (digital transformation) in internal work processes, right now it's possible to extract only vertical information managed by departments individually. For the Company to consider its next actions, data should be placed into formats allowing unified management company-wide. Investment in this is essential. Active

initiatives for DX in work processes will bring great changes to values and will also contribute to overall optimization.

**Sato:** As Ms. Yamauchi notes, ROIC management, one principle in the revised medium-term management plan, can only be executed under unified management of data from all departments. The use of DX is essential in this.

**Yamauchi:** Looking at factors in the lagging reform of work processes, I have a sense that further selection and concentration of brands, model numbers, product numbers, and so on is needed. The large numbers of these may be slowing the speed of reforms. If the Company misses the timing for doing this as it sets out on a fundamental review, it won't be possible later. People's feelings as creators make this task difficult, I think, but from a customer perspective, narrowing down the number of things clearly makes choice easier.

#### Q. What things do you think should be discussed in future meetings of the Board of Directors?

**Sato:** The board needs to think about what comes next after the revised medium-term management plan has been carried out. For example, moving ahead with asset reduction and reducing cross-shareholdings will reduce the number of stable shareholders. As investors holding

diverse ideas could become shareholders, engaging in management from a long-term perspective requires that the Company somehow increase the number of long-term investors who will offer support. This is an important issue for Board of Directors meetings. ESG is also a topic of considerable interest to investors. In particular, given the number of issues like environmental response that a company cannot solve on its own, I expect there are areas in which collaboration with outside parties will be needed. The scope of ESG initiatives is broad and achievements can take a long time to materialize, so the Board of Directors should discuss how the Company should prioritize ESG measures and advance initiatives from the perspective of long-term enhancement of corporate value. This also needs to be reflected in communication with investors.

**Yamauchi:** When I became a director, I initially sensed issues in the employee engagement survey carried out every year. Results aren't being sufficiently reported to the Board of Directors and the survey itself may be turning into a formality, I thought. I've stated that I want the survey to be positioned as an investment in human capital that leads to achievements from the Company's growth strategy, and I want the analysis reported to the Board of Directors to delve into the relationship between engagement and performance. The era we're in is unlike the past era of constant economic growth; now, companies where employees feel motivation and growth are favored. Organizations face demands for that sort of management.

**Sato:** With the working population shrinking, I think we're at a stage at which top management has to take the initiative and act to prevent its human capital strategy from lagging any further.

**Yamauchi:** In human resources development, too, it's important that the Company promote company-wide literacy education and career restructuring, construct systems to support these, and solidly make itself a company that supports employee growth as a part of its corporate culture. I believe there's a need to deepen understanding of

**The people working in the field are the lead actors in carrying out the revised medium-term management plan. Investment in people is key.**

#### Profile Hisae Sato

Hisae Sato joined Hokkaido Takushoku Bank, Ltd. in 1985. After working at an asset management consulting firm and an investment advisory firm, she remained involved in asset management and was appointed global Chief Investment Officer (CIO) of Nissan Motor Co., Ltd. in 2005. In June 2023, she became an external director of Wacoal Corp. She currently serves as a trustee of International Christian University and in positions including expert council and external committee member in public pension-related bodies.

\* DE&I: Diversity, equity, and inclusion.

DE&I is the concept of D&I (diversity and inclusion) with the addition of equity. It is an approach of not only accepting diverse human resources but also providing needed support matched to individuals' attributes and situations in order to fully draw out the performance of all.

## Interview with External Directors

the DE&I\* concept inside the Company. DE&I will mean that employees can decide on their own how to build careers without the loss of growth opportunities, through the Company offering support tailored to individuals. Managers are now required to have an awareness of and to adopt four stances toward the staff under them: hold expectations, offer opportunities, provide training, and avoid making assumptions. In particular, making one-sided assumptions based on an employee being married, raising children, or some other factor can actually nip growth in the bud.

**Sato:** As the practice of DE&I leads to the enhancement of corporate value, understanding and practicing it at a company-wide level, from the management team to employees, will be vital.

### Q. I've heard that meetings for information exchange with female managers have been held.

**Yamauchi:** We held information exchange discussions three times with three female external officers and managers. They all have an awareness of issues in their work and conveyed an attitude of sparing no effort in making improvements and seeking to create a rewarding environment for junior colleagues. I have expectations for women with such capabilities and motivation to play active roles in the Company, and want to actively offer what support I can.

**Sato:** I welcome suggestions for anything we can do to provide support. Opportunities like these meetings have to be offered continuously, not made one-off. The people working in the field are the lead actors in restoring the Company's performance, and opportunities to hear their thoughts are extremely important. I feel that the information exchange meetings have been beneficial.

### Toward long-term enhancement of corporate value

### Q. What do you think the Wacoal Group needs most to increase its corporate value?

**Sato:** As I mentioned earlier, dialogue capabilities and investment in people are needed. Exchanges that are two-way, not just unilaterally conveying what one party wants to convey, should address customers

and employees, companies and investors, and stakeholders in general, not officers and employees alone. I recognize that beauty advisors (BAs) in the field are very good at engaging customers in dialogues, but even more effort is needed to achieve recovery in performance. Thinking about how to spur motivation in employees, I believe that enhancement of employee engagement and development of human resources are needed. Investing in people, not in women alone, is crucial.

**Yamauchi:** I see the issue as continuing to tackle challenges by taking advantage of the Company's strengths from two perspectives: solutions to social issues and the economic value of the Wacoal Group. Excellent things have value. The Wacoal Group has accumulated 60 years of body shape data that can be put to use in fields beyond innerwear alone. In development, the Company should continue to leverage its strengths, just as it has in the development of numerous products and services, such as Fashion Framework Analysis, which uses 3D measurement, conditioning wear, and non-fatiguing shoes. Doing so requires a culture of acceptance and support for tackling challenges, and of cooperation and collaboration among departments.

**Investment in human capital has not been sufficient, and human resource strategy is lagging.**

### Profile Chizuru Yamauchi

Chizuru Yamauchi joined Nippon Life Insurance Company in 1975. After shifting to the managerial track in 1999, she became head of the Kagayaki Promotion Office in 2009 and an executive officer and general manager of the CSR Promotion Department in 2015. In 2019, she became the Company's first female director as a managing executive officer. Her extensive knowledge covers areas including DE&I and human resources training and development. In June 2023, she became an external director of Wacoal Corp. She currently serves as an advisor to Nippon Life Insurance Company.

### Q. Products and services for women are at the core of the Company's business, yet the ratios of female officers and female managers in the general manager class are low. What are your thoughts on this?

**Yamauchi:** Japanese companies, not the Wacoal Group alone, have neglected capability development for female employees, resulting in a lack of depth in the pool of women ready to become managers and officers. This level has to be raised from the bottom up, so for women joining the Company, we need to create paths with steps that lead to posts, and need to develop human resources in a systematic manner.

**Sato:** Thinking about how we can realize such future-oriented investments, I believe that awareness and resolution on the part of top management are the only means. Looking at examples in other companies, too, strong commitment and leadership are indispensable.

**Yamauchi:** We can only do this through the dual approach of a clear indication of direction by management and practical execution to make it a reality.



# Management Team As of June 30, 2024

## Directors



Representative Director, President and CEO (Group CEO)

### Masaaki Yajima

Mar. 1984 Joined the Company  
 Jun. 2004 Director and President of Wacoal International Hong Kong Co., Ltd.  
 Apr. 2007 Head of Sales Group, International Headquarters of Wacoal Corp.  
 Sep. 2008 Director and Deputy General Manager of Wacoal China Co., Ltd.  
 Apr. 2009 Director and General Manager of Wacoal China Co., Ltd.  
 Apr. 2011 Corporate Officer of Wacoal Corp.  
 Apr. 2015 Corporate Officer and Head of Technology and Manufacturing Div., Wacoal Corp.  
 Apr. 2016 Director, Corporate Officer and Head of Technology and Manufacturing Div., Wacoal Corp.  
 Apr. 2018 Director, Executive Corporate Officer and Head of Wholesale Div., Wacoal Corp.  
 Apr. 2021 Director, Executive Corporate Officer and Head of Global Operations Div., Wacoal Corp.  
 Apr. 2022 Director and Executive Corporate Officer, Wacoal Corp.  
 Jun. 2022 Head of Global Operations Div.  
 Apr. 2023 Director, Executive Corporate Officer and Head of Global Operations Div.  
 May 2023 Representative Director, President and CEO (Group CEO), and Head of Global Operations Div.  
 Jun. 2023 Representative Director, President and CEO (Group CEO) (present position)  
 Apr. 2024 Representative Director, President and CEO (Group CEO) (present position)



External Director (Independent)

### Tsunehiko Iwai

Apr. 1979 Joined Shiseido Co., Ltd.  
 Apr. 2002 General Manager of Product Commercialization, Planning Department, Shiseido Co., Ltd.  
 Apr. 2008 Corporate Officer, General Manager of Technical Department, Shiseido Co., Ltd.  
 Jun. 2014 Director, Corporate Executive Officer in charge of Research & Development, Production and Technical Affairs, Shiseido Co., Ltd.  
 Jan. 2016 Representative Director, Executive Vice President, Chief Technology & Innovation Officer, Shiseido Co., Ltd. Mar. 2018 Senior Advisor, Shiseido Co., Ltd.  
 Jun. 2018 Director of the Company (present position)



External Director (Independent)

### Koji Nitto

Apr. 1983 Joined OMRON Corporation  
 Jun. 2011 Executive Officer, Senior General Manager, Global Resource Management HQ, OMRON Corporation  
 Apr. 2013 Managing Executive Officer, Senior General Manager, Global Resource Management HQ, Senior General Manager, Global SCM and IT Innovation HQ, OMRON Corporation  
 Apr. 2014 Senior Managing Executive Officer, Senior General Manager, Global Strategy HQ, OMRON Corporation  
 Jun. 2014 Director, Senior Managing Executive Officer, Senior General Manager, Global Strategy HQ, OMRON Corporation  
 Apr. 2017 Director, Senior Managing Executive Officer, Chief Financial Officer (CFO), Senior General Manager, Global Strategy HQ, OMRON Corporation  
 Apr. 2023 Director, OMRON Corporation  
 Jun. 2023 Director of the Company (present position)



Representative Director, Vice President and Executive Officer and CFO

### Akira Miyagi

Mar. 1984 Joined the Company  
 Oct. 2007 Manager of Business Management and Administration of Wacoal Brand Operation Div. of Wacoal Corp.  
 Apr. 2011 Director and Deputy General Manager of Wacoal China Co., Ltd.  
 Apr. 2014 General Manager of Corporate Planning Dept.  
 Apr. 2017 Corporate Officer of Wacoal Corp.  
 Jun. 2018 Director, Head of Corporate Planning Dept.  
 Jun. 2019 Executive Director, Head of Corporate Planning Dept.  
 Apr. 2020 Director and Executive Corporate Officer in charge of Group Finance  
 Jun. 2021 Director, Executive Corporate Officer and CFO  
 Jun. 2022 Director, Vice President, Executive Officer and CFO  
 Dec. 2022 Representative Director, Vice President, Executive Officer and CFO (present position)



External Director (Independent)

### Chizuru Yamauchi

Apr. 1975 Joined Nippon Life Insurance Company  
 Mar. 2009 Head of Kagayaki Promotion Office, Nippon Life Insurance Company  
 Mar. 2014 General Manager, Service Planning Dept., Nippon Life Insurance Company  
 Mar. 2015 Executive Officer, General Manager, CSR Promotion Dept., Nippon Life Insurance Company  
 Mar. 2019 Managing Executive Officer, General Manager of Health & Productivity Management Promotion Division, Nippon Life Insurance Company  
 Jul. 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  
 Mar. 2022 Director, Nippon Life Insurance Company  
 Jun. 2023 Director of the Company (present position)



External Director (Independent)

### Tetsuro Harada

Apr. 1981 Joined Japan Maritime Self-Defense Force  
 Apr. 1990 Joined Nippon Life Insurance Company  
 May 1996 Completed master's degree University of California, Berkeley  
 Oct. 2000 Joined Dream Incubator Inc.  
 Jan. 2003 Project Manager, Dream Incubator Inc.  
 Jun. 2006 Executive Officer, Dream Incubator Inc. (in charge of Corporate Division)  
 Jun. 2018 Director, Dream Incubator Inc. (in charge of Corporate Division and ipet Insurance Co., Ltd.)  
 Jun. 2020 Representative Director, President and CEO, Dream Incubator Inc.  
 Jun. 2023 Director, Chairman of the Board, Dream Incubator Inc.  
 Jun. 2024 Director, Audit & Supervisory Committee Member and Chairman of the Board, Dream Incubator Inc. (present position)  
 Director of the Company (present position)



Director, Corporate Officer

### Keisuke Kawanishi

Apr. 1994 Joined the Company  
 May 2015 Director and Vice Chairman of WACOAL AMERICA, INC. Director and President of WACOAL INTERNATIONAL CORP.  
 Apr. 2020 Corporate Officer of Wacoal Corp.  
 May 2020 Director and Chairman of WACOAL AMERICA, INC. Director and President of WACOAL INTERNATIONAL CORP.  
 Apr. 2022 Director, Corporate Officer, Head of Marketing Div. of Wacoal Corp.  
 Apr. 2023 Representative Director, President and CEO of Wacoal Corp. (present position)  
 Jun. 2024 Director, Corporate Officer of the Company (present position)



External Director (Independent)

### Hisae Sato

Apr. 1985 Joined the Hokkaido Takushoku Bank, Limited  
 Sep. 1997 Joined Watson Wyatt K.K. (current Towers Watson Investment Services K.K.)  
 Feb. 2004 Joined AIG Global Investment Corp., Japan (current PineBridge Investments Japan Co., Ltd.) as Deputy General Manager of Institutional Business Development Division  
 Sep. 2005 Joined Nissan Motor Co., Ltd. as Shukan, Chief Investment Officer, Treasury Department  
 Apr. 2008 Member of the Investment Committee, the Government Pension Investment Fund of Japan  
 Jun. 2016 Councilor, International Christian University (present position)  
 Jun. 2017 Trustee, International Christian University  
 Jun. 2023 Director of the Company (present position)



# Management Team As of June 30, 2024

## Audit & Supervisory Board Members



Audit and Supervisory Board Member (Full Time)  
**Shinichi Kitagawa**  
 Mar. 1985 Joined the Company  
 Apr. 2008 Director and General Manager of Accounting and Administration Div. of Studio Five Corp.  
 Apr. 2009 Director and General Manager of Business Control Div. of Studio Five Corp.  
 Apr. 2013 IR/Public Relations Officer  
 Apr. 2018 General Manager of Accounting Dept.  
 Jun. 2020 Audit & Supervisory Board Member (present position)  
 Jun. 2021 Auditor of Wacoal Corp. (present position)



External Audit and Supervisory Board Member (Independent)  
**Mitsuhiro Hamamoto**  
 Oct. 2000 Admitted to the Bar  
 Oct. 2000 Joined the Law Office of Tadashi Yamada  
 Oct. 2004 Joined the Kikkawa Law Office  
 Apr. 2008 Partner at the Kikkawa Law Office  
 Jun. 2017 Audit and Supervisory Board Member of the Company (present position)  
 Feb. 2019 Managing Partner of Hamamoto Law Office (present position)



External Audit and Supervisory Board Member (Independent)  
**Motoko Tanaka**  
 Oct. 1989 Joined Tohmatsu Awoki & Sanwa (current "Deloitte Touche Tohmatsu LLC")  
 Mar. 1993 Registered as Certified Public Accountant  
 Oct. 1995 Deloitte & Touche LLP, New York  
 Jul. 2003 Partner of Deloitte Touch Tohmatsu LLC  
 Jul. 2020 Managing Partner of Tanaka CPA Office (present position)  
 Jun. 2023 Audit and Supervisory Board Member of the Company (present position)



Audit and Supervisory Board Member (Full Time)  
**Katsuhiro Okamoto**  
 Mar. 1986 Joined the Company  
 Apr. 2010 General Manager of Materials Control, Technology & Manufacturing Division of Wacoal Corp.  
 May 2012 Representative Director and President of Hokuriku Wacoal Sewing Corp.  
 Apr. 2014 Representative Director and President of Kyushu Wacoal Manufacturing Corp.  
 Apr. 2016 General Manager of Innerwear Merchandising Supervisory Division, Wacoal-Brand Operations of Wacoal Corp.  
 Apr. 2018 Corporate Officer, General Manager of Wacoal-Brand Innerwear Products Supervisory Division, Wholesale Division of Wacoal Corp.  
 Jun. 2021 Auditor of Wacoal Corp. (present position)  
 Jun. 2021 Audit and Supervisory Board Member of the Company (present position)



External Audit and Supervisory Board Member (Independent)  
**Hitoshi Suzuki**  
 Apr. 1977 Joined The Mitsubishi Bank, Ltd. (current "MUFG Bank, Ltd.")  
 May 2002 General Manager, Treasury Planning Office, The Bank of Tokyo-Mitsubishi, Ltd. (BTM) (current "MUFG Bank, Ltd.")  
 Jun. 2005 Executive Officer and General Manager, Treasury Planning Office and Treasury IT Planning Office, BTM  
 Jun. 2008 Managing Director, Chief Executive, Global Markets Unit, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) (current "MUFG Bank, Ltd.")  
 May 2011 Senior Managing Director, Chief Executive, Global Markets Unit, BTMU  
 Jun. 2012 Deputy President, BTMU  
 Jun. 2014 Corporate Auditor, BTMU  
 Jun. 2016 Director, Audit and Supervisory Committee Member, BTMU  
 Jun. 2017 Advisor, BTMU  
 Jul. 2017 Member of the Policy Board, Bank of Japan  
 Jun. 2023 Audit and Supervisory Board Member of the Company (present position)

### Skills Matrix for Directors

	Name	Male Female	Independence (for external officers only)	Expertise and experience beneficial to the Company*									
				Company management (experience and insight)	Legal and compliance	Investment and financial and capital market	Finance and accounting	Sustainability and diversity and inclusion	Human resource and organizational development	Global awareness	Digital transformation	Marketing	Technology and production quality control
Directors	Masaaki Yajima	●		●					●			●	●
	Akira Miyagi	●		●	●		●		●	●			
	Keisuke Kawanishi	●		●				●	●		●		
	Tsunehiko Iwai	●	●	●			●				●	●	
	Chizuru Yamauchi	●	●	●			●						
	Hisae Sato	●	●		●	●	●						
	Koji Nitto	●	●	●		●	●		●				
	Tetsuro Harada	●	●	●		●	●		●				

### Skills Matrix for Audit & Supervisory Board Members

	Name	Male Female	Independence (for external officers only)	Expertise and experience beneficial to the Company*									
				Company management (experience and insight)	Legal and compliance	Investment and financial and capital market	Finance and accounting	Sustainability and diversity and inclusion	Human resource and organizational development	Global awareness	Digital transformation	Marketing	Technology and production quality control
Audit & Supervisory Board Members	Shinichi Kitagawa	●		●			●						
	Katsuhiro Okamoto	●		●					●				●
	Mitsuhiro Hamamoto	●	●		●			●					
	Hitoshi Suzuki	●	●	●		●			●				
	Motoko Tanaka	●	●				●	●					

\* The above overview does not represent the entirety of directors' and Audit & Supervisory Board members' expertise and experience.

Significant concurrent positions  
[https://www.wacoalholdings.jp/en/ir/general\\_meeting/files/soukai\\_04\\_240613.pdf](https://www.wacoalholdings.jp/en/ir/general_meeting/files/soukai_04_240613.pdf)

# Corporate Governance

The basic policy and purpose of the Wacoal Group's corporate governance is to continuously enhance corporate value by increasing transparency and ensuring the fairness and independence of corporate management in order to build mutual trust in relationships with every stakeholder, including shareholders, customers, employees, business partners, and local communities.

## Corporate Governance Structure

We, as a holding company, have adopted the company with Audit & Supervisory Board system in accordance with the Companies Act for the purpose of ensuring the corporate governance of group companies, and have both the Board of Directors and the Audit & Supervisory Board monitor and audit the management and operation of the Company. In addition, we have voluntarily established the Nomination of Directors Advisory Committee and Remuneration of Directors Advisory Committee as the advisory bodies to the Board of Directors, which were chaired by external directors (independent) and the majority of which are composed of external directors (independent). We have also established the Committee for Group Strategy, in which all external directors (independent) and external Audit and Supervisory Board members (independent) fully discuss the medium- and long-term management strategies, the medium-term business strategy, the allocation of management resources and the major management issues from various perspectives.

### Summary of the Corporate Governance System and the Reasons for Its Adoption

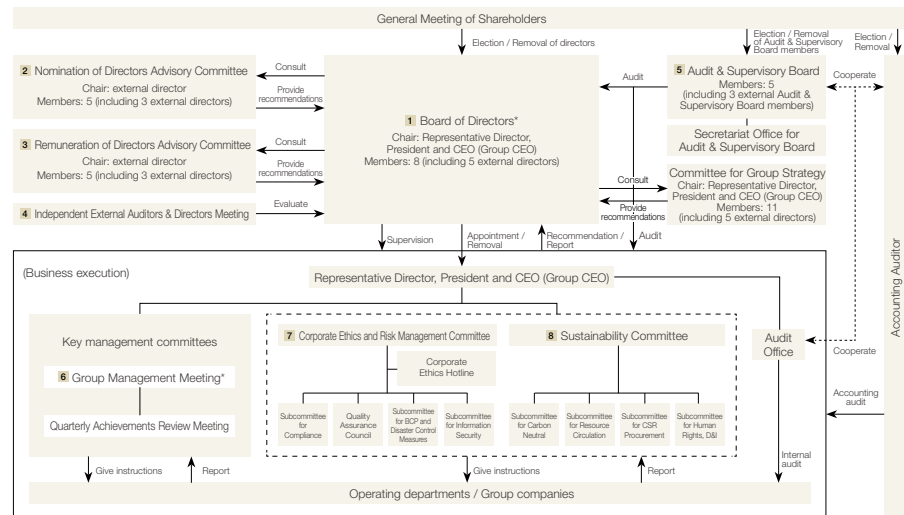
The Company has adopted a governance system based on a Board of Directors, comprising directors who are conversant with businesses and external directors with diverse professional backgrounds, and an Audit & Supervisory Board, including external Audit & Supervisory Board members. This governance system enables the holding company to effectively supervise and audit the execution of operations at Group companies and to realize and maintain high-quality business management.

The Board of Directors comprises eight directors, five of whom are external directors and two of whom are women, who carry out management decision-making and supervision from an objective perspective. They aim to reinforce supervisory functions and enhance decision-making. To clarify management responsibility, directors are appointed for one year. Thus, we have built a business management system that enables rapid responses to changes in business conditions. Comprising five Audit & Supervisory Board members, three of whom are external members, the Audit & Supervisory Board aims to strengthen their supervision and auditing of business management.

### Overview of the Corporate Governance Structure (as of June 25, 2024)

Format	Audit & Supervisory Board system
Number of directors	8
Of whom, external directors	5
Term of directors	1 year
Number of Audit & Supervisory Board members	5
Of whom, external Audit & Supervisory Board members	3
Number of independent officers	8
Participation of external directors in determination of remuneration	Yes
Organizations to assist in decision-making	Nomination of Directors Advisory Committee and Remuneration of Directors Advisory Committee
Key committees	Group Management Meeting, Management Issues Review Meeting, and Quarterly Achievements Review Meeting
Performance-based bonuses	Yes

**Corporate Governance Structure**  Corporate Governance Structure <https://www.wacoalholdings.jp/en/group/governance/system/>



\* Both internal and external Audit & Supervisory Board members attend meetings for the purpose of auditing the performance of duties by directors

### Corporate Governance Initiatives

	2005	2010	2015	2020
Topics	2005 Established a pure holding company		2013 Stopped listing ADRs on the U.S. NASDAQ market and de-registered with the SEC	2022 Changed the structure of the Group Philosophy for the first time since our founding and defined our new Mission in modern society
Representative Director and President	Yoshikata Tsukamoto		2018 Hironobu Yasuhara	2023 Masaaki Yajima
Compensation/Evaluation				2021 Introduced restricted stock compensation plan 2022 Revised the ratio of base remuneration and stock compensation 2024 Introduced performance share unit compensation plan
Number of independent external officers	2005 Increased the number of external directors by two members and the number of external Audit & Supervisory Board members by one member External directors: 2 External Audit & Supervisory Board members: 3	2010 Increased the number of external directors by one member		2023 Increased the number of external directors by two members External directors: 5 External Audit & Supervisory Board members: 3
Establishment of committees		2007 Established the Advisory Committee for the Remuneration and Nomination of Directors	2015 Established the Independent External Auditors & Directors Meeting	2018 Divided the Advisory Committee for the Remuneration and Nomination of Directors into two committees: the Nomination of Directors Advisory Committee and the Remuneration of Directors Advisory Committee 2017 Established the Corporate Ethics and Risk Management Committee by integrating the Risk Management Committee and Corporate Ethics Committee 2022 Established the Sustainability Committee

## Corporate Governance

### External Directors and External Audit & Supervisory Board Members

We have elected those persons having extensive knowledge and experience as executives and persons having insight into investment and financial capital markets, to our external directors, and each of such persons takes a role in improving the appropriateness of the decision made by the Board of Directors by giving objective and independent advice based on their long careers in each business area and extensive professional knowledge.

### Strengthening of the Functions of the Audit & Supervisory Board and Its Members

The Audit & Supervisory Board comprises two internal full-time Audit & Supervisory Board members and three external Audit & Supervisory Board members. In addition, one full-time staff member is assigned as the secretariat of the Audit & Supervisory Board to assist the Audit & Supervisory Board members in their duties as needed. The Audit & Supervisory Board makes decisions on the preparation of the audit report, selection and dismissal of full-time Audit & Supervisory Board members, audit policies, methods of investigation of businesses and financial conditions, and other matters related to the execution of duties by Audit & Supervisory Board members, in accordance with the Companies Act, and also makes decisions on matters related to the election, dismissal or non-reappointment of accounting auditors, consent to compensation, etc., of accounting auditors, consent to the appointment of Audit & Supervisory Board members, and other matters related to the resolution of the Audit & Supervisory Board.

### Reasons for Election of External Directors and External Audit & Supervisory Board Members

External directors	Reason for election	Expected field of expertise and knowledge		Attendance at Board of Directors' meetings (FY2024)
Tsunehiko Iwai	In addition to his extensive knowledge and experience as a business manager, Tsunehiko Iwai can also be expected to contribute to management using his specialist knowledge relating to research, production, and various fields of technology.	Company management, legal, compliance, sustainability, diversity and inclusion, marketing, technology, and production quality control		17/17
Chizuru Yamauchi	In addition to her extensive knowledge and experience as an executive, Chizuru Yamauchi has expertise in diversity and inclusion. We expect she will provide advice that contributes to human resource strategies, such as women's empowerment and personnel development, while further enhancing the supervisory function of our corporate management.	Company management, sustainability, diversity and inclusion		13/13
Hisae Sato	In addition to her knowledge and insight related to investment and financial capital markets, Hisae Sato has experience overseeing pension assets on a global level. We expect she will help improve the Company's corporate value and further enhance the supervisory function of the Board of Directors.	Investment/financial/capital market, finance/accounting, sustainability, diversity and inclusion		13/13
Koji Nitto	Koji Nitto has extensive experience as a manager who can incorporate finance into management strategies. We expect he will help improve the Company's corporate value and further enhance the supervisory function of the Board of Directors.	Company management, investment/financial/capital market, finance/accounting, global awareness		13/13
Tetsuro Harada	In addition to his extensive knowledge and experience as a consultant, Tetsuro Harada has experience in implementing structural reforms in a short period of time as a top executive. We expect he will help improve the Company's corporate value and further enhance the supervisory function of the Board of Directors.	Company management, investment/financial/capital market, finance/accounting, human resource/organizational development		—
External Audit & Supervisory Board members	Reason for election	Attendance at Board of Directors' meetings and Audit & Supervisory Board meetings (FY2024)		
		Board of Directors' meetings	Audit & Supervisory Board meetings	
Mitsuhiro Hamamoto	Mitsuhiro Hamamoto's experience and specialized knowledge as an attorney make him an appropriate external Audit & Supervisory Board member.	17/17	18/18	
Hitoshi Suzuki	As a manager with many years of experience in the financial industry, we expect Hitoshi Suzuki will apply his knowledge and experience to our auditing system.	13/13	13/13	
Motoko Tanaka	As a certified public accountant, we expect Motoko Tanaka will apply her specialized knowledge and experience in accounting and finance to our auditing system.	13/13	13/13	

# Corporate Governance

## Internal Control

Pursuant to the “Internal Audit Regulations,” our Audit Office, the internal audit division, which is directly under the control of the Representative Director and President, audits the legality and appropriateness of the execution of operations at the Company and our domestic and overseas subsidiaries, and evaluates the effectiveness of the internal controls. The number of staff of our internal audit department (Audit Office) was seven as of March 31, 2024. Our Audit & Supervisory Board members and internal audit department (Audit Office) have a regular meeting for reporting and confirmation once a month. The main purpose of such meeting is to report the discussions at major meetings at which our Audit & Supervisory Board members attended, and plans and achievements by our Audit Office.

## Measures to Strengthen the Effectiveness of Corporate Governance

The Company conducts an annual evaluation on the effectiveness of the Board of Directors, and strives to continuously enhance the functions and effectiveness of the Board of Directors. We work on the improvement measures for issues identified by the evaluation, and confirm the status of improvement during the evaluation of the Board of Directors in the following fiscal year, while at the same time continuing to confirm the evaluation of the current issues.

### Evaluation Process

Starting from fiscal 2022, we have changed to a method of analyzing and/or evaluating the effectiveness of the Board of Directors using a third-party evaluation design (including, among other things, preparation of questionnaire survey, analysis, and comparison with other companies, identifying issues, drafting action plans). The analysis and/or evaluation based on the questionnaire survey and interviews using the third-party evaluation design is conducted every other year. During the interval year, we focus on initiatives to improve the issues identified from the questionnaire survey, while at the same time conducting evaluation through monitoring and sharing opinions at the Independent External Auditors & Directors Meeting.

The evaluation items of the questionnaire survey are as follows:

1. Roles and responsibilities of the Board
2. Composition of the Board
3. Quality of deliberations (agenda items and document contents), and
4. Constructive dialogue with stakeholders

## Evaluation Results of Effectiveness and Progress on Initiatives for Improvement (Fiscal 2024)

As for the evaluation on effectiveness for fiscal 2024, we updated the evaluation design using a third party aiming “to secure objectivity and extract issues from the viewpoint of external parties,” and set new evaluation items as follows.

- a) Confirmation of the status of improvement measures of the current fiscal year for the issues identified based on the results of the evaluation on effectiveness for fiscal 2023
- b) The way the Board of Directors should be for the improvement of the medium- and long-term corporate value, etc., including the discussion about the revision of the medium-term management plan announced in

November 2023, considering the severe management environment surrounding the Group these days

We conducted a questionnaire survey to all of the directors and Audit and Supervisory Board members. Then, with the interview with a third party and the Secretariat of the Independent External Auditors & Directors Meeting for the effectiveness of Board of Directors, we scrutinized their answers of the questionnaire and their awareness of issues and asked their opinions on the future roles and responsibilities of directors and the improvement measures to enhance the effectiveness of the Board of Directors.

Evaluation result (issues and concerns)	Progress/plan of initiatives for improvement
Arrangement of the system to make sure to report the status and results of the matters resolved and executed, such as the progress of the medium-term management plan, and work on the amendment of the plan timely and adequately if required.	Establishment of the opportunities to report quarterly the progress of each measure of the revised medium-term management plan and other important matters to be reported as a general rule.
Reinforcement of the distribution of meeting materials in advance and the improvement of the quality of discussion by clarifying the argument of the materials.	Promotion of the effort to improve the quality of discussions by setting up a unified format for meeting materials and attachment of an executive summary that specifies the intent, background, and argument for items to be placed on the agenda.
Arrangement of the system that allows us to identify risks and opportunities and take the risks adequately accommodating to the changes in the business environment.	Specifying the risks and opportunities regarding the agenda and matters to be resolved in meeting materials. Reinforcement of the system that allows us to select risks by identifying risks and selecting measures from the management perspective, and continuously monitor and manage risk-taking projects.
Development of a succession plan including the selection of candidates and nurturing process and the implementation of monitoring.	For the positions that are corporate officer or higher, we have promoted the establishment of succession plan roadmap from the medium- to long-term viewpoint defining the image of an ideal leader and candidates' appointment and development processes as well as the creation of the human resources nurturing program.

# Corporate Governance

## Executive Remuneration System

Under the Company's system for the remuneration of officers, compensation comprises basic remuneration, which is fixed; performance-based bonuses linked to business results of each fiscal year; restricted stock, which provide medium- to long-term incentives; and performance share unit, for which the Company's Board of Directors has set a certain period of time as the performance evaluation period. Given that they are not involved in the execution of duties, independent external directors and Audit & Supervisory Board members only receive fixed basic remuneration.

### Roles and Activities of Remuneration of Directors Advisory Committee

As an advisory body to the Board of Directors, the Remuneration of Directors Advisory Committee discusses and resolves matters related to officers' remuneration and system from an independent and objective perspective. A majority of the members of the Remuneration of Directors Advisory Committee, chaired by independent external director Mr. Tsunehiko Iwai, are independent external directors. The Remuneration of Directors Advisory Committee is also attended by the external Audit & Supervisory Board member(s) as an observer to ensure transparency.

August 10, 2022:	Review of the system for the compensation of officers
September 29, 2022:	Method of Calculating of executive bonus
September 29, 2023:	Consideration of the introduction of performance-based stock remuneration
October 30, 2023:	Reduction of executive remuneration

### Roles and Agenda at the Board of Directors' Meeting

Board of Directors discusses and resolves matters related to officers' remuneration based on recommendations received from the Remuneration of Directors Advisory Committee.

May 12, 2022:	Review of total transfer-restricted stock
November 9, 2023:	Reduction of executive remuneration
May 15, 2024:	Introduction of performance share unit



■ Basic remuneration ■ Performance-based bonuses  
■ Restricted stock ■ Performance share unit

### Basic Remuneration

The basic remuneration is based on the so-called single rate remuneration system, in which the same remuneration is paid for the same position. The Company annually verifies the adequacy of the level of remuneration, which has been set according to the business results and scale of the Company and is based on comparison with other companies within the same industry or of the same scale through the investigation results on remuneration prepared by an external agency.

### Performance-Based Bonuses

The total amount of the performance-based bonus is based on achievement as a percentage of the consolidated operating income recorded for each fiscal year, plus other performance factors (consolidated net sales, consolidated income before income taxes), to increase the degree of linkage between bonuses and consolidated business performance. Performance-based bonus is paid once a year after approval at the general meeting of shareholders for the relevant fiscal year.

### Restricted Stock

The restricted stock are determined in consideration of the monthly amount of basic remuneration and the fair value of stock, which in turn are determined pursuant to the recommendations of the Remuneration of Directors Advisory Committee, which is composed of members, majority of which are independent external directors and will be allotted in the number determined and resolved at a Board of Directors meeting once a year. Allotted shares will

### Remunerations Paid to Officers in FY2024

Classification	Total amount of remuneration, etc. (¥ million)	Total amount of remuneration, etc., by type (¥ million)				Number of eligible recipients
		Basic compensation	Performance-based bonuses	Stock compensation	Non-monetary remuneration	
Directors (excluding external directors)	125	91	–	33	33	3
Audit & Supervisory Board members (excluding external members)	40	40	–	–	–	2
External directors and external Audit & Supervisory Board members	64	64	–	–	–	11

(Notes)  
 1. The numbers of directors, Audit and Supervisory Board members and external officers as of the end of the current fiscal year were two, two and eight, respectively. The numbers of directors and Audit and Supervisory Board members in the table above include one director and three external officers who resigned upon the close of the 75th Ordinary General Meeting of Shareholders held on June 28, 2023.  
 2. Non-monetary remuneration, etc. to directors (excluding external directors (independent)) comprises share-based compensation in the amount of ¥33 million.

be subject to transfer restriction during the period from the date allotted shares are granted until the date such director, Audit & Supervisory Board member or corporate officer designated by the Company retires from their position. The transfer restrictions on all allotted shares will be removed upon the expiration of the transfer restriction period if such eligible grantee has continuously held the position of director, Audit & Supervisory Board member or corporate officer until the date of the first Ordinary General Meeting of Shareholders. The Company may repurchase all of the allotted shares bearing transfer restrictions as a result of a breach of restricted stock allotment agreement without consideration.

### Performance Share Unit (non-monetary remuneration)

As for the performance share unit, the Company allots to eligible directors our common stock in the number of shares in accordance with the degree of achievement to the numerical targets of business performance, etc., set by the Board of Directors during the performance evaluation period for a certain period of time determined by the Company's Board of Directors.

The Board of Directors of the Company shall determine performance evaluation indicators and coefficient that are necessary in the specific calculation of the number of performance share unit to be delivered, such as respective numerical targets to be used in allotting the shares of the performance share unit.

Allotment of the number of shares that was resolved at the Board of Directors of the Company based on the calculation method is conducted once after the completion of the performance evaluation period. The eligible director needs to have continuously held the position of director, Audit and Supervisory Board member, or corporate officer as designated by the Company's Board of Directors during the performance evaluation period and satisfy other requirements that the Board of Directors designate as necessary. The transfer restriction period shall be the period from the date on which such shares of the performance share unit are granted until the date of retirement from the positions of director, Audit and Supervisory Board member, or corporate officer as designated by the Company, with the conditions for removing the transfer restrictions to be provided separately. If an eligible director resigns from any position of director, Audit and Supervisory Board member, or corporate officer as designated by the Company, the Company shall naturally acquire the allotted shares free of charge, unless the Company's Board of Directors justifies the reason not to.

The above was confirmed by the Board of Directors of the Company based on the reports prepared by the Remuneration of Directors Advisory Committee and was resolved at the 76th Ordinary General Meeting of Shareholders held on June 25, 2024.

# Corporate Governance

## Policy on Cross-Shareholdings and Standards for Exercising Voting Rights

From the viewpoint of improving asset efficiency, the Company intends to reduce its cross-shareholdings by approximately ¥30 billion during the revised medium-term management plan period (from fiscal 2024 to fiscal 2026), and to reduce the ratio of cross-shareholdings to net assets to 10% or less.

Furthermore, the Corporate Governance Guidelines stipulate that the purpose of the Company's cross-shareholdings is to enhance enterprise value over the medium to long term by maintaining and strengthening transactional relationships; establishing, maintaining, and strengthening cooperative and transactional relationships with respect to business development; and maintaining stable financial transactions.

### Reference: Status of Cross-Shareholdings

	FY2021	FY2022	FY2023	FY2024
Number of stocks	75	65	60	50
Monetary amount (¥ billion)	50.1	46.0	43.9	47.5
As a percentage of total assets	22.9%	20.3%	20.6%	22.1% <small>(Compared to total consolidated assets)</small>

Note: Cross-shareholdings by Wacoal Corp., which holds the largest amount of investment stocks on the balance sheet (i.e., the balance sheet amount of investment stocks) among the Company and our consolidated subsidiaries, are stated.

## Compliance and Risk Management Structure

The Company's Corporate Ethics and Risk Management Committee has the Representative Director, President and CEO acting as the administrative manager, supervisor, and the Representative Director, Vice President and Executive Officer and CFO as its chairperson. The committee is tasked with developing the compliance structure, examining compliance issues that could significantly affect the Wacoal Group, ensuring all employees understand and internalize corporate ethics, and effectively promoting control of any management risks to the Wacoal Group.

### Compliance Structure

The Company has established the Wacoal Code of Ethics and the Corporate Ethics: Wacoal's Code of Conduct to ensure that directors and employees perform their duties in compliance with laws, regulations, and the articles of incorporation and sound social norms. Further, the Wacoal Code of Ethics and the Corporate Ethics: Wacoal's Code of Conduct stipulates resolute refusal of demands from antisocial forces. In addition, the Company has established an internal whistleblowing system and other systems that enable directors and employees to report on any misconduct or inappropriate behavior.

### Risk Management Structure

Subject to the approval of the Board of Directors, the Corporate Ethics and Risk Management Committee stipulates basic regulations for risk management. Pursuant to these regulations, the committee clarifies the responsibilities for each category of risk and advances the construction of a risk management system that comprehensively encompasses the Wacoal Group's overall risks. Further, given the diversification of risks related to information security and their increasing impact on business operations, a Subcommittee for Information Security was established in 2022.

### Subcommittee for Information Security

To reduce information security risks in the Group's business activities, the Subcommittee for Information Security collects information, investigates current situations, and conducts analysis in relation to information security as a whole, including cyberattacks that target customers' personal information and critical technical information. Also, the subcommittee deliberates on the formulation of the Group's action policies and specific countermeasures, the establishment and abolition of related regulations, and the implementation of strategic investments and monitors progress. The deliberated policies and activity details are regularly reported to the Board of Directors through the Corporate Ethics and Risk Management Committee.

### System for Promoting Risk Management



## Engagement (Establishing Mutual Trust Through Dialogues)

We consider constructive dialogue regarding improving corporate value important for strengthening mutual trust with all stakeholders. Therefore, in order to link medium- to long-term improvement in corporate value and the construction of a highly effective management system, we actively undertake engagement activities that target stakeholders, including shareholders and investors, and reflect their valuable opinions in our management strategy.

### Basic Policy on Dialogue with Shareholders and Other Stakeholders


 Policy for Dialogue with Shareholders / Investors  
[https://www.wacoalholdings.jp/en/sustainability/talk\\_with\\_stockholder/](https://www.wacoalholdings.jp/en/sustainability/talk_with_stockholder/)

As it is our opinion that actively holding constructive dialogue with shareholders and investors and reflecting the results of that dialogue in management leads to medium- to long-term improvements in corporate value and sustainable growth, we set policies related to these activities.

### Stakeholder Relations

At the Wacoal Group, we define corporate value as the integration of all value gained by customers, employees, shareholders, investors, and other stakeholders. Through our communication with all stakeholders, we strive to maintain solid relationships and build deep mutual trust. Moreover, the details of our investor relations and ESG (environmental, social, and governance) activities are communicated through the efforts of the Corporate Communications Department.

### Basic Policy on Information Disclosure

 Basic Policy on Information Disclosure  
<https://www.wacoalholdings.jp/en/ir/management/disclosure/>

We see timely disclosure of accurate information as the foundation of mutual trust in relationships with all stakeholders. We are also keenly aware that disclosure is essential for accurate assessments of our corporate value. We actively disclose information while complying with all related regulatory requirements.

### Fiscal 2025 IR Activities

This fiscal year, we held 10 investor meetings headed by Representative Director, President and CEO Masaaki Yajima, and small meetings on the revised medium-term management plan that Wacoal HD and Wacoal Corp. executives participated in, and will continue to hold quarterly results briefings and normal IR meetings for the remainder of the fiscal year. We also plan to hold small meetings that external directors will participate in at the end of fiscal 2025.

## Communication Activities for Analysts and Institutional Investors (Results)

Activity	FY2022	FY2023	FY2024
Individual meetings with institutional investors and analysts	131 times	128 times	136 times
Results briefings (for analysts and institutional investors)	4 times	4 times	4 times
Business briefings (for analysts and institutional investors)	3 times	Twice	Twice
Factory tours (for analysts and institutional investors)	—	—	—
Conferences organized by securities companies	Twice	Once	Once
Overseas roadshows	—	—	—
Briefings for individual investors	Once	Once	—
Individual meetings with external directors (for analysts and institutional investors)	—	10 times	—

Activity	FY2022	FY2023	FY2024
Feedback on IR activities (for directors)	Quarterly	Quarterly	Quarterly
Briefings (for employees)	Held sustainability seminars for employees (320 participants)	Held briefings on integrated report for management personnel (389 participants)	Held briefings on integrated report for employees (400 participants)

# Engagement (Establishing Mutual Trust Through Dialogues)

## Follow-up meetings regarding the revised medium-term management plan (small meetings)



**Date:** June 7 and December 3, 2024  
**Location:** Tokyo  
**Objective:** Discuss the revised medium-term management plan with the senior management team  
**Attendees:** Masaaki Yajima, Representative Director, President and CEO;  
 Akira Miyagi, Representative Director, Vice President and Executive Officer and CFO;  
 Keisuke Kawanishi, Representative Director, President and CEO of Wacoal Corp.;  
 and several other corporate officers  
**Participants:** 9 participants from 8 companies (June), 10 participants from 9 companies (December)

### Investors' opinions of the revised medium-term management plan

The domestic focus market appears to be all-encompassing. You say that you will focus on the young demographic, but does the purchasing behavior of your target consumers match that of Wacoal's target? As you analyze purchasing behavior and consider brand image and communication, to what extent do you see a winning strategy for targeting younger consumers?

I would like to know the key points of internal KPI setting and forecasting management. Please tell us what kind of system you have in place at this stage to improve the accuracy of forecasting.

As for the progress of structural reforms, I appreciate the fact that you have identified and are working on the issues. Will these prolonged structural reforms and cost reductions have an impact on employee motivation?

While I understand the measures taken to address the current challenges facing your business in China, I still have doubts as to whether they will contribute to improving corporate value even if they are able to turn a profit temporarily. What is your strategy for continued growth in the Chinese market?

I have the impression that your brands are being fragmented from country to country. Can't a brand with the power and quality of Salute, for example, be able to break out of Japan and go global as a symbol for Wacoal?

I have the impression that the materials used in your products are less appealing than other companies'. New entrants such as UNIQLO and FANCL seem to have a stronger appeal in terms of material, function, and price. Could materials become an opportunity for Wacoal to grow its appeal?

## In-house briefings and townhall meetings regarding revised medium-term management plan



**Date:** Plan to hold 15 meetings between July 2024 and March 2025  
**Location:** Kyoto and online  
**Objective:** Discuss initiatives and issues being promoted in each department with senior management team  
**Attendees:** Directors and corporate officers of Wacoal Corp.  
 Attendees depend on the day of the meeting  
**Participants:** Approx. 70 section chiefs of Wacoal Corp. (expected)  
 Including transfers from Wacoal Corp.

### Employees' opinions of revised medium-term management plan

Being able to exchange opinions with the senior management team meant a lot. It was also beneficial to gain insight into the current status of other divisions and the issues they are facing, which is normally hard to come by.

The fact that I was able to speak without hesitation or restraint made me feel strongly that Wacoal has a bright future ahead, which gave me even more motivation for my future work.

The small size of the group and the clean separation of the divisions in charge created a very comfortable environment for discussion. We were also able to hear the issues and thoughts of the section chiefs of other divisions, so we were able to exchange opinions from a wide range of perspectives, not limited to the issues in our own divisions.

I was very pleased with the atmosphere of open and frank conversation, and the advice given in response to our comments and information about current initiatives.

The opportunity to interact directly with the senior management team is very limited, and I am glad that this was a valuable platform to communicate my department's ideas.

I'm a bit mixed. Maybe it has to do with the group members I talked to, but I am not sure if we were able to have a sincere conversation in an interview-like format. Nevertheless, it was a very valuable experience to have a face-to-face dialogue with the senior management team, with whom I do not usually have much contact.



# Investor Information

(As of March 31, 2024)

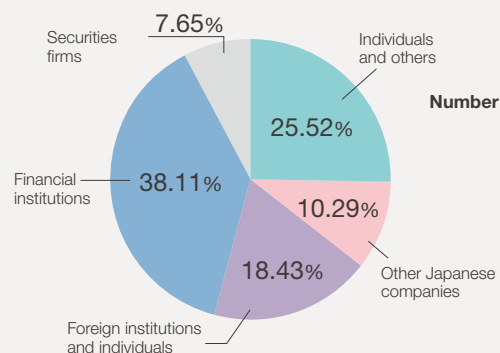
**Stock Listing** Tokyo Stock Exchange  
**Fiscal Year-end** March 31  
**Securities Code** 3591  
**Fiscal Year** From April 1 to March 31  
**Number of Shares Issued** 61,000,000  
 (Treasury Stock: 5,931,669)  
**Trading Unit** 100 shares

**Shareholder Register Agent for Common Stock** Mitsubishi UFJ Trust and Banking Corporation, 1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

**American Depository Receipts** Cusip No.: 930004304  
 Ratio (ADR:ORD): 1:5  
 Market: OTCQX  
 Symbol: WACLY

**Depository** The Bank of New York Mellon, 240 Greenwich St., New York, NY 10286, U.S.A.  
 Tel: 1-201-680-6825  
 U.S. toll free: 888-269-2377 (888-BNY-ADRS)  
<https://www.adrbnymellon.com/>

## Ownership and Distribution of Shares



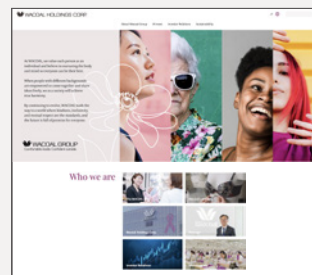
## Major Shareholders

Name	Number of shares held (Thousand shares)	Percentage of shares outstanding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,386	9.78
Meiji Yasuda Life Insurance Company	3,050	5.54
MUFG Bank, Ltd.	2,704	4.91
The Bank of Kyoto, Ltd.	2,352	4.27
Custody Bank of Japan, Ltd. (Trust Account)	2,333	4.24
Nippon Life Insurance Company	1,569	2.85
The Shiga Bank, Ltd.	1,569	2.85
Mitsubishi UFJ Trust and Banking Corporation	1,525	2.77
ML INTL EQUITY DERIVATIVES (Standing proxy: BofA Securities Japan Co., Ltd.)	1,514	2.75
JPMorgan Securities Japan Co., Ltd.	1,220	2.22

# Our Corporate Website

## Wacoal Holdings Corp.'s Website

<https://www.wacoalholdings.jp/en>



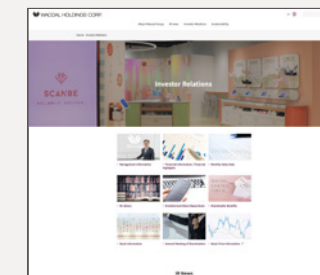
## Sustainability

<https://www.wacoalholdings.jp/en/sustainability/>



## Investor Relations

<https://www.wacoalholdings.jp/en/ir/>



### Vision

- > Message
- > The WACOAL Way
- > "VISION 2030"
- > Revised Medium-Term Management Plan
- > Corporate Governance
- > Compliance
- > DX

### Wacoal's Business

- > Strengths
- > Value Creation Process
- > Material Issues
- > Business Field

### Company Profile

- > Wacoal Holdings Corp.
- > Wacoal Corp.
- > Wacoal Group
- > Turning Point

### Sustainability Policy

- > The WACOAL Way
- > A Message from the President
- > Basic Policy, Relations with Stakeholders
- > System for Promoting Sustainability
- > Material Issues
- > Integrated Report
- > ESG DATA BOOK

### Focus Areas of Our Initiatives (ESG Issues)

- > CSR Procurement
- > Corporate Governance
- > Compliance
- > Risk Management
- > Quality and Safety
- > Human Capital
- > Environmental
- > Social Contribution
- > Human Rights
- > Engagement with Stakeholders
- > Customer Support
- > ISO 26000 Comparison Table

### Investor Relations

- > Management Information
- > Financial Information / Financial Highlights
- > Monthly Sales Data
- > IR Library
- > Dividend and Share Repurchase
- > Shareholder Benefits
- > Stock Information
- > General Meeting of Shareholders
- > Stock Price Information

### IR News

- > IR News
- > IR Schedule
- > Disclaimer
- > FAQs

For financial information and financial highlights, please visit the Company's website below.  
<https://www.wacoalholdings.jp/en/ir/finance/>