

**NOTICE OF THE 73RD ORDINARY GENERAL MEETING  
OF SHAREHOLDERS  
TO BE HELD IN KYOTO, JAPAN ON JUNE 29, 2021**

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**DATE**

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**TUESDAY, JUNE 29, 2021 AT 10:00 A.M. (RECEPTION WILL OPEN AT 9:00 A.M.)**

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**PLACE**

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**THE HALL ON THE 10<sup>TH</sup> FLOOR OF THE HEAD OFFICE OF WACOAL HOLDINGS  
CORP., LOCATED AT 29, NAKAJIMA-CHO, KISSHOIN, MINAMI-KU, KYOTO,  
JAPAN**

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**MATTERS TO BE RESOLVED**

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|--------------------------|--|
| <b>AGENDA ITEM NO.1:</b> | <b>ELECTION OF SEVEN DIRECTORS</b>   |
| <b>AGENDA ITEM NO.2:</b> | <b>ELECTION OF TWO AUDIT &amp; SUPERVISORY BOARD<br/>MEMBERS</b>   |
| <b>AGENDA ITEM NO.3:</b> | <b>DECISION TO PAY COMPENSATION TO DIRECTORS<br/>(EXCLUDING OUTSIDE DIRECTORS) IN THE FORM OF<br/>RESTRICTED STOCK</b> |

(This is a translation from the original notice in the Japanese language dispatched to shareholders in Japan.)

**WACOAL HOLDINGS CORP.  
(CODE NUMBER: 3591)**

**KYOTO, JAPAN**

June 3, 2021

TO OUR SHAREHOLDERS

WACOAL HOLDINGS CORP.  
29, Nakajima-cho  
Kisshoin, Minami-ku  
Kyoto, Japan

Hironobu Yasuhara  
Representative Director, President and Corporate  
Officer

### **NOTICE OF THE 73RD ORDINARY GENERAL MEETING OF SHAREHOLDERS**

This is to inform you that the 73rd ordinary general meeting of shareholders of Wacoal Holdings Corp. (the “Company”) will be held as described below.

You are cordially invited to attend the meeting.

IF YOU ARE UNABLE TO ATTEND THE MEETING, WE WOULD LIKE TO REQUEST THAT YOU CAREFULLY EXAMINE THE REFERENCE MATERIALS SET FORTH BELOW AND MAIL OR CAST YOUR BALLOT ONLINE SHOWING YOUR CONSENT OR DISSENT SO THAT WE RECEIVE IT NO LATER THAN JUNE 28, 2021 (MONDAY) at 5:30 p.m.

#### **Particulars**

1. Date: Tuesday, June 29, 2021 at 10:00 a.m. (Reception will open at 9:00 a.m.)
2. Place: The hall on the 10th floor of the Head Office of Wacoal Holdings Corp., located at 29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto, Japan (on the west side of Nishi-Oji Station on the JR line)

#### 3. Purpose of Meeting:

Matters to be reported:

1. Presentation of the Business Report, Consolidated Financial Statements, and Audit Reports of the Independent Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 73rd fiscal year from April 1, 2020 through March 31, 2021
2. Presentation of the Non-Consolidated Financial Statements for the 73rd fiscal year from April 1, 2020 through March 31, 2021

Matters to be resolved:

- |                    |   |
|--------------------|---|
| Agenda Item No. 1: | Election of Seven Directors   |
| Agenda Item No. 2: | Election of Two Audit & Supervisory Board Members   |
| Agenda Item No. 3: | Decision to Pay Compensation to Directors (excluding Outside Directors) in the Form of Restricted Stock |

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1. The “Consolidated Statement of Equity,” “Notes to the Consolidated Financial Statements,” “Non-Consolidated Statement of Changes in Net Asset,” and the “Notes to the Non-Consolidated Financial Statements” are not included in this Notice as attachments, but are provided and posted on the Company’s website<sup>(\*)</sup> pursuant to the provisions of the applicable laws and regulations and Article 15 of our Articles of Incorporation.

The consolidated financial statements and the non-consolidated financial statements audited by the Audit & Supervisory Board Members and the Independent Auditor include the “Consolidated Statement of Equity,” “Notes to the Consolidated Financial Statements,” “Non-Consolidated Statement of Changes in Net Asset,” and the “Notes to the Non-Consolidated Financial Statements” that are posted on the Company’s website<sup>(\*)</sup>, in addition to the matters stated in this Notice as attachments.

2. Any amendments to the reference materials, Business Report, Non-Consolidated Financial Statements and Consolidated Financial Statements will be posted and announced on the Company’s website<sup>(\*)</sup>.
3. We will not send shareholders a notice concerning the results of resolutions at this General Meeting of Shareholders. Such results will be posted and announced on the Company’s website<sup>(\*)</sup> after the General Meeting of Shareholders.

(\*) Company’s website: [https://www.wacoalholdings.jp/ir/general\\_meeting/](https://www.wacoalholdings.jp/ir/general_meeting/).

## REFERENCE MATERIALS

### Agenda and Reference Matters

#### Agenda Item No. 1: Election of Seven Directors

The term of office of eight (8) Directors Mr. Yoshikata Tsukamoto, Mr. Hironobu Yasuhara, Mr. Masafumi Yamaguchi, Mr. Tomoyasu Ito, Mr. Akira Miyagi, Ms. Madoka Mayuzumi, Mr. Shigeru Saito, and Mr. Tsunehiko Iwai will expire at the conclusion of this Meeting. It is therefore proposed that seven (7) Directors be elected.

Candidates for Director are nominated based on the list submitted by the Executive Nomination Advisory Committee, which is chaired by the Independent Outside Director, pursuant to the “Criteria for Appointment of Officers” (please see page 19 of this Notice). Also, the candidates for the Outside Director meet the “Criteria for Appointment of Outside Officers (to ensure independence)” (please see pages 19 and 20 of this Notice).

The candidates for Director are as follows:

Candidate #	Name	Current Position held at the Company	Meeting Attendance
1	<div style="border: 1px solid #800000; padding: 2px; display: inline-block; color: #800000; font-size: 8px;">Re-election</div> Yoshikata Tsukamoto	Representative Director and Chairman	14/14 (100%)
2	<div style="border: 1px solid #800000; padding: 2px; display: inline-block; color: #800000; font-size: 8px;">Re-election</div> Hironobu Yasuhara	Representative Director, President and Corporate Officer; Member of Executive Nomination Advisory Committee	14/14 (100%)
3	<div style="border: 1px solid #800000; padding: 2px; display: inline-block; color: #800000; font-size: 8px;">Re-election</div> Tomoyasu Ito	Director and Vice President Corporate Officer; Members of Corporate Ethics and Risk Management Committee	10/10 (100%)
4	<div style="border: 1px solid #800000; padding: 2px; display: inline-block; color: #800000; font-size: 8px;">Re-election</div> Akira Miyagi	Director and Managing Corporate Officer; Members of Corporate Ethics and Risk Management Committee, Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	14/14 (100%)
5	<div style="border: 1px solid #800000; padding: 2px; display: inline-block; color: #800000; font-size: 8px;">Re-election</div> Madoka Mayuzumi	<div style="background-color: #4CAF50; color: white; padding: 2px; font-size: 8px; margin-bottom: 2px;">Independent Officer</div> <div style="background-color: #2196F3; color: white; padding: 2px; font-size: 8px;">Outside Director</div> Outside Director; Members of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	13/14 (93%)
6	<div style="border: 1px solid #800000; padding: 2px; display: inline-block; color: #800000; font-size: 8px;">Re-election</div> Shigeru Saito	<div style="background-color: #4CAF50; color: white; padding: 2px; font-size: 8px; margin-bottom: 2px;">Independent Officer</div> <div style="background-color: #2196F3; color: white; padding: 2px; font-size: 8px;">Outside Director</div> Outside Director; Members of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	14/14 (100%)
7	<div style="border: 1px solid #800000; padding: 2px; display: inline-block; color: #800000; font-size: 8px;">Re-election</div> Tsunehiko Iwai	<div style="background-color: #4CAF50; color: white; padding: 2px; font-size: 8px; margin-bottom: 2px;">Independent Officer</div> <div style="background-color: #2196F3; color: white; padding: 2px; font-size: 8px;">Outside Director</div> Outside Director; Chairs of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	14/14 (100%)

(Note) Mr. Tomoyasu Ito’s meeting attendance record reflects the meetings of Board of Directors held after his appointment as Director on June 26, 2020.

Candidate No.

1

## Yoshitaka Tsukamoto

January 29, 1948 (73 years old)

Company Shares owned by Candidate

279,368 shares

Tenure of Office

43 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

14/14 (100%)



Reelection

### Career summary, position and areas of responsibility

April 1972	Joined the Company
November 1977	Appointed Director of the Company
November 1981	Appointed Managing Director of the Company
September 1984	Appointed Representative Director and Executive Vice President of the Company
June 1987	Appointed Representative Director and President of the Company
October 2005	Appointed Representative Director, President and Corporate Officer of Wacoal Corp.
April 2011	Appointed Representative Director and Chairman of Wacoal Corp.
June 2018	Appointed Representative Director and Chairman of the Company (acting)

### Status of significant concurrent positions

Chairman of Kyoto Chamber of Commerce and Industry

### Reasons for nomination as Director

Mr. Tsukamoto has been in charge of the management of the Company as Representative Director and President since 1987 and as Representative Director and Chairman since June 2018. We believe that we can continue to utilize his extensive experience and expertise for the management of the Company, and therefore request that Mr. Tsukamoto continue to be elected as a Director.

### Conflicts of interest with the Company

There is no conflict of interest between Mr. Tsukamoto and the Company.

Candidate No.

2

## Hironobu Yasuhara

December 28, 1951 (69 years old)

Reelection

Company Shares owned by Candidate

12,400 shares

Tenure of Office

10 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

14/14 (100%)



Career summary, position and areas of responsibility

March 1975	Joined the Company
April 1997	Appointed President of Wacoal China Co., Ltd.
April 2005	Appointed Corporate Officer, General Manager of Wing-Brand Operations of the Company
June 2006	Appointed Director and Managing Corporate Officer, General Manager of Wing-Brand Operations of Wacoal Corp.
April 2010	Appointed Director and Senior Managing Corporate Officer, and General Manager of Wacoal-Brand Operations of Wacoal Corp.
April 2011	Appointed Representative Director, President and Corporate Officer of Wacoal Corp.
June 2011	Appointed Director of the Company
June 2013	Appointed Senior Managing Director of the Company
June 2016	Appointed Director and Vice President of the Company
April 2018	Appointed Representative Director and Chairman of Wacoal Corp.
June 2018	Appointed Representative Director and President of the Company
April 2020	Appointed Representative Director, President and Corporate Officer of the Company (acting)

Status of significant concurrent positions

None.

Reasons for nomination as Director

Mr. Yasuhara has extensive experience in the sales division of Wacoal Corp., our core operating entity, has served as Representative Director and President and Representative Director and Chairman of Wacoal Corp. for the period from April 2011 to March 2021, and has been in charge of the management as Representative Director and President of the Company from June 2018. We believe that he is qualified to serve as a Director of the Company, and therefore request that Mr. Yasuhara continue to be elected as a Director.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Yasuhara and the Company.

Candidate No.

3

Tomoyasu Ito

January 18, 1960 (61 years old)

Reelection

Company Shares owned by Candidate

4,100 shares

Tenure of Office

1 year (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

10/10 (100%)  
(After appointed as Director of the Company)



Career summary, position and areas of responsibility

April 1983	Joined the Company
April 2006	Appointed General Manager of Sales Planning Supervisory Division, Wacoal-Brand Operations of Wacoal Corp.
April 2007	Appointed Representative Director and President of Studio Five Corp.
April 2011	Appointed General Manager of Innerwear Merchandising Supervisory Division, Wacoal-Brand Operations of Wacoal Corp.
April 2014	Appointed Director, Corporate Officer, Head of Wacoal-Brand Operations of Wacoal Corp.
April 2015	Appointed Director, Managing Corporate Officer, Head of Wacoal-Brand Operations of Wacoal Corp.
April 2016	Appointed Director, Senior Managing Corporate Officer, Head of Wacoal-Brand Operations of Wacoal Corp.
April 2018	Appointed Representative Director, President and Corporate Officer of Wacoal Corp. (acting)
April 2020	Appointed Vice President Corporate Officer
June 2020	Appointed Director and Vice President Corporate Officer (acting)

Reasons for nomination as Director

Mr. Ito has extensive experience in the sales division of Wacoal Corp., our core operating entity, and has been in charge of the management of Wacoal Corp. as Representative Director and President since April 2018. We believe that he is qualified to serve as a Director of the Company, and therefore request that Mr. Ito be elected as a Director.

Status of significant concurrent positions

Representative Director, President and Corporate Officer of Wacoal Corp.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Ito and the Company.

Candidate No.

4

Akira Miyagi

October 18, 1960 (60 years old)

Reelection

Company Shares owned by Candidate

3,800 shares

Tenure of Office

3 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

14/14 (100%)



Career summary, position and areas of responsibility

March 1984	Joined the Company
October 2007	Appointed Manager of Business Management and Administration of Wacoal-Brand Operations of Wacoal Corp.
April 2011	Appointed Director and Deputy General Manager of Wacoal China Co., Ltd.
April 2014	Appointed General Manager of Corporate Planning of the Company
April 2017	Appointed Corporate Officer of Wacoal Corp.
June 2018	Appointed Director and General Manager of Corporate Planning of the Company
June 2019	Appointed Managing Director and General Manager of Corporate Planning of the Company
April 2020	Appointed Director and Managing Corporate Officer in charge of Group Finance of the Company (acting)

Reasons for nomination as Director

Mr. Miyagi has extensive experience and expertise in the administrative divisions (particularly in the administration division and corporate planning division) of the Company and Wacoal Corp., our core operating entity. We believe that he is qualified to serve as a Director of the Company, and therefore request that Mr. Miyagi continue to be elected as a Director.

Status of significant concurrent positions

None.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Miyagi and the Company.

Candidate No.

5

Madoka Mayuzumi

July 31, 1962 (58 years old)

Reelection

Independent  
Officer

Outside Director

Company Shares owned by Candidate

0 share

Tenure of Office

6 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

13/14 (93%)



Career summary, position and areas of responsibility

August 1996	Launched and organized monthly <i>haiku</i> magazine <i>Gekkan Hepburn</i>
January 2001	Member of “National Language Subdivision” of Council for Cultural Affairs, Ministry of Education, Culture, Sports, Science and Technology
December 2004	Member of “Council for the Promotion of Cultural Diplomacy,” Cabinet Secretariat
April 2010	“Japan Cultural Envoy” appointed by the Agency for Cultural Affairs
May 2013	Member of “Forum to Realize culture and Arts-Oriented Nation” held by Minister of Education, Culture, Sports, Science and Technology
April 2014	Member of “Cultural Policy Subdivision” of Council for Cultural Affairs, Ministry of Education, Culture, Sports, Science and Technology
April 2014	Appointed Advisor of the Company
June 2015	Appointed Outside Director of the Company (acting)

Status of significant concurrent positions

Visiting Professor at Kitazato University; Visiting Professor at Showa Women’s University, Faculty of Humanities and Culture, Department of Japanese Language and Literature; Visiting Professor at Kyoto Tachibana University, Faculty of Humanities, Department of Japanese Language and Literature; Trustee of East Japan Railway Culture Foundation

Reasons for nomination as Outside Director and Overview of Expected Roles

Although Ms. Mayuzumi has never been directly involved in company management other than serving as an outside director in the past, she plays an active role in the field of arts and culture in Japan and overseas, which we believe will contribute to diversity-respecting Company management using her extensive knowledge. She also provides valuable opinions and advice from her perspective as a consumer and a woman. We expect that she will provide advice that will contribute to enhance our corporate value and strengthen oversight over the Company. We therefore request that Ms. Mayuzumi continue to be elected as an Outside Director.

Conflicts of interest with the Company

Ms. Mayuzumi has provided lecture for *haiku* classes at Wacoal Study Hall Kyoto, which is hosted by our business company, Wacoal Corp., from January 2017 until December 2017, but not after 2018. The amount of annual compensation for such services was less than 1 million yen and there is no other conflict of interest between Ms. Mayuzumi and the Company. From April 2014 to June 2015, before Ms. Mayuzumi was appointed as an Outside Director, she provided advice related to social challenges and educational training for employees of the Company and Wacoal Corp. while serving as Advisor of the Company. The amount of compensation for such services was less than 4 million yen and there is no concern with respect to her independence.

Candidate No.

6

Shigeru Saito

January 26, 1957 (64 years old)

Reelection

Independent  
Officer

Outside Director

Company Shares owned by Candidate

1,100 shares

Tenure of Office

4 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

14/14 (100%)



Career summary, position and areas of responsibility

November 1979	Joined TOSE CO., LTD. Appointed General Manager of Development Department
October 1985	Appointed Director of TOSE CO., LTD.
February 1987	Appointed Representative Director and President of TOSE CO., LTD.
September 2004	Appointed Representative Director and President, and CEO of TOSE CO., LTD.
December 2015	Appointed Representative Director and Chairman, and CEO of TOSE CO., LTD. (acting)
June 2017	Appointed Outside Director of the Company (acting)

Reasons for nomination as Outside Director and Overview of Expected Roles

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

Status of significant concurrent positions

Representative Director and Chairman, CEO of TOSE CO., Ltd.;  
Outside Director of SCREEN Holdings Co., Ltd.

Conflicts of interest with the Company

The amount of transactions between TOSE CO., Ltd. group and our group during the current fiscal year was less than 0.1% of consolidated sales for each group. For this reason, there is no concern regarding his independence.

Candidate No.

7

Tsunehiko Iwai

May 28, 1953 (68 years old)

Reelection

Independent  
Officer

Outside Director

Company Shares owned by Candidate

0 share

Tenure of Office

3 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

14/14 (100%)



#### Career summary, position and areas of responsibility

April 1979	Joined Shiseido Co., Ltd.
April 2002	Appointed General Manager of Product Commercialization, Planning Department, Shiseido Co., Ltd.
April 2008	Appointed Corporate Officer, General Manager of Technical Department, Shiseido Co., Ltd.
June 2014	Appointed Director, Corporate Executive Officer in charge of Research & Development, Production and Technical Affairs, Shiseido Co., Ltd.
January 2016	Appointed Representative Director, Executive Vice President Chief Technology & Innovation Officer, Shiseido Co., Ltd.
March 2018	Appointed Senior Advisor, Shiseido Co., Ltd.
June 2018	Appointed Outside Director of the Company (acting)

#### Status of significant concurrent positions

Advisor to Miyamoto Manufacturing Co. Ltd.

#### Reasons for nomination as Outside Director and Overview of Expected Roles

Mr. Iwai served as the Representative Director of a cosmetics manufacturer and distributor which operated globally. Mr. Iwai's extensive knowledge and insight as a company manager, as well as his expertise on research & development, production and technology enable him to contribute to the management of the Company. He also provides valuable opinions and advice based on his compliance knowledge and knowledge acquired at a company which "pursues beauty" like our Company. We expect that he will provide advice that will contribute to enhance our corporate value and strengthen oversight over the Company. We therefore request that Mr. Iwai continue to be elected as an Outside Director.

#### Conflicts of interest with the Company

There was no transaction between Shiseido Co., Ltd. group and our group during the current fiscal year. The Company and Shiseido Co., Ltd. cross-held shares in the past, but both had sold all such shares by March 31, 2020. In addition, Mr. Iwai resigned as Senior Advisor of Shiseido Co., Ltd. in March 2020. For this reason, there is no concern regarding his independence.

(Notes)

1. Ms. Madoka Mayuzumi, Mr. Shigeru Saito and Mr. Tsunehiko Iwai have been notified to the Tokyo Stock Exchange as our independent officers, pursuant to the rules of the Tokyo Stock Exchange. If their reelection is approved at this Meeting, we plan to continue to designate them as our independent officers.
2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 28 of Articles of Incorporation of the Company, the Company has executed an agreement with each of Ms. Madoka Mayuzumi, Mr. Shigeru Saito and Mr. Tsunehiko Iwai to limit their liabilities for damages as stipulated in Paragraph 1, Article 423 of the Companies Act. The maximum amount of liability under such agreement is the minimum liability amount as provided by law. If their reelection is approved at this Meeting, we plan to continue the limitation of liability agreement with them.
3. The Company maintains directors' and officers' liabilities insurance as stipulated in the provisions of Paragraph 1, Article 430-3 of the Companies Act with an insurance company for the benefit of our Directors and Audit & Supervisory Board Members and is planning to renew the insurance policy. The purpose of the insurance policy is to cover the insured persons for losses arising from legal fees and litigation expenses as a result of claims for damages due to the Company's indemnification obligations, shareholder derivative actions or proceedings brought by third parties. If the election of the candidates as Directors is approved, these candidates will be included in the insurance policy as insured persons. The damages less than the deductible under the insurance policy will not be covered. In addition, coverage under the insurance policy is excluded for certain conduct such as an officer's conduct for illegal personal gain, criminal act or violation of law. Insurance premiums will be borne by the Company (and none by the insured persons) including under special clauses.

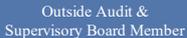
**Agenda Item No. 2: Election of Two Audit & Supervisory Board Members**

The term of office of Audit & Supervisory Board Member Mr. Mitsuhiro Hamamoto will expire, and Mr. Kiyotaka Hiroshima, whose term as an Audit & Supervisory Board Member has not expired, will resign at the conclusion of this Meeting. Accordingly, the election of two (2) Audit & Supervisory Board Members has been proposed.

The submission of this agenda item has been approved by the Audit & Supervisory Board.

Audit & Supervisory Board Member candidates are nominated pursuant to the “Criteria for Appointment of Officers” (please see page 19 of this Notice). Also, Outside Audit & Supervisory Board Member candidates meet the “Criteria for Appointment of Outside Officers (to ensure independence)” (please see pages 19 and 20 of this Notice).

The Audit & Supervisory Board Member candidates are as follows:

Candidate #	Name	Current Position held at the Company	Meeting Attendance	
			Board of Directors	Audit & Supervisor Board
1	 Katsuhiko Okamoto		—	—
2	 Mitsuhiro Hamamoto	  Outside Audit & Supervisory Board Member	14/14 (100%)	15/15 (100%)

Candidate No.

1

Katsuhiko Okamoto

Company shares owned by candidate

0 share

October 20, 1963 (57 years old)

Newly-  
appointed



Career summary and position

March 1986	Joined the Company
April 2010	Appointed Materials Control Manager of Technology/Production Division of Wacoal Corp.
May 2012	Appointed Representative Director and President of Hokuriku Wacoal Sewing Corp.
April 2014	Appointed Representative Director and President of Kyushu Wacoal Manufacturing Corp.
April 2016	Appointed General Manager of Innerwear Merchandising Supervisory Division, Wacoal-Brand Operations of Wacoal Corp.
April 2018	Appointed General Manager of Wacoal-Brand Innerwear Products Supervisory Division, Wholesale Division of Wacoal Corp.

Status of significant concurrent positions

None.

Reasons for nomination as Audit & Supervisory Board Member

Mr. Okamoto has extensive knowledge and experience in the merchandising, technology/production divisions of Wacoal Corp., our core operating entity, as well as our overseas subsidiaries. We hope that he will contribute to the improvement of the Company's audit system through his knowledge and experience and therefore request that Mr. Okamoto be elected as an Audit & Supervisory Board Member.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Okamoto and the Company.

Candidate No.

2

Mitsuhiro Hamamoto

April 18, 1970 (51 years old)

Reelection

Independent  
Officer

Outside Audit &  
Supervisory Board Member

Company Shares owned by Candidate

2,300 shares

Tenure of Office

4 years (at the conclusion of this Meeting)

Board of Directors Meeting attendance during the  
current fiscal year

14/14 (100%)

Audit & Supervisory Board Meeting attendance  
during the current fiscal year

15/15 (100%)



Career summary and position

October 2000	Registered as an attorney-at-law
October 2000	Joined Tadashi Yamada Law Office
October 2004	Joined Kikkawa Law Office
June 2017	Appointed Outside Auditor & Supervisory Member of the Company (acting)
February 2019	Managing Partner of Hamamoto Law Office (acting)

Reasons for nomination as Outside Audit & Supervisory Board Member

Although Mr. Hamamoto has never been involved in company management other than as an outside director in the past, he has been conducting the audit of the Company using his expertise and experience in the legal field as an attorney-at-law, as well as his extensive knowledge in risk management. We hope that he will contribute to the improvement of the Company's audit system through his knowledge and experience and therefore request that Mr. Hamamoto continue to be elected as an Outside Audit & Supervisory Board Member.

Status of significant concurrent positions

Managing Partner of Hamamoto Law Office;  
Outside Director of TVE Co., Ltd.;  
Outside Auditor of Osaka-Hyogo Ready-Mixed Concrete Industrial Association

Conflicts of interest with the Company

There is no conflict of interest between Mr. Hamamoto and the Company.

(Notes)

1. Mr. Katsuhiro Okamoto has served as Director and General Manager of Sales Division of Wacoal China Co., Ltd. for the period from April 2005 to March 2009.
2. Mr. Mitsuhiro Hamamoto has been notified to the Tokyo Stock Exchange as our independent officer, pursuant to the rules of the Tokyo Stock Exchange. If the reelection of Mr. Hamamoto is approved at this Meeting, we plan to continue to designate him as our independent officer.
3. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 36 of Articles of Incorporation of the Company, the Company has executed an agreement with Mr. Mitsuhiro Hamamoto to limit his liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act. The maximum amount of liability under such agreement is the minimum liability amount as provided by law. If the reelection of Mr. Hamamoto is approved at this Meeting, we plan to continue the limitation of liability agreement with him.
4. The Company maintains directors and officers liability insurance as stipulated in the provisions of Paragraph 1, Article 430-3 of the Companies Act with an insurance company for the benefit of our Directors and Audit & Supervisory Board Members and is planning to renew the insurance policy. The purpose of the insurance policy is to cover the insured persons for losses arising from legal fees and litigation expenses as a result of claims for damages due to the Company's indemnification obligations, shareholder derivative actions or proceedings brought by third parties. If the election of the candidates as Directors is approved, these candidates will be included in the insurance policy as insured persons. The damages less than the deductible under the insurance policy will not be covered. In addition, coverage under the insurance policy is excluded for certain conduct such as an officer's conduct for illegal personal gain, criminal acts or violation of laws. Insurance premiums will be borne by the Company (and none by the insured persons) including under special clauses.

**Agenda Item No. 3: Decision to Pay Compensation to Directors (excluding Outside Directors) in the Form of Restricted Stock**

The total maximum annual amount of compensation to be paid for Directors (excluding salaries as employees for Directors who concurrently serve as employees) was approved at 350 million yen at the 57th Ordinary General Meeting of Shareholders held on June 29, 2005, and as a separate category of compensation to Directors, the maximum annual amount of stock acquisition rights to be granted as stock options was approved at 70 million yen at the 60th Ordinary General Meeting of Shareholders held on June 27, 2008.

In the recent reevaluation of our compensation framework related to officers, we made the determination to allot to the Directors (excluding Outside Directors, the “Eligible Directors”) shares of common stock of the Company, subject to a certain transfer restriction period and grounds for the Company’s option to repurchase without consideration (“Restricted Stock”), as described below, instead of stock acquisition rights in the form of stock options that are currently in place, for further sharing of price fluctuation risk with our shareholders and increasing incentives to contribute to the improvement of share price and corporate value.

Accordingly, the amount of stock acquisition rights in the form of stock options to be granted as compensation described above will be abolished, and as a separate category of compensation to Directors, we would like to establish up to 70 million yen in total as the maximum annual amount for monetary compensation claims to be paid in connection with Restricted Stock paid to the Eligible Directors, after comprehensive consideration of various factors including each Eligible Director’s degree of contribution to the Company. The allotment of Restricted Stock has been determined after comprehensive consideration of various factors including each Eligible Director’s degree of contribution to the Company, and the maximum number of shares of Restricted Stock to be allotted for each fiscal year set forth in Section 2 below accounts for approximately 0.04% of the total number of issued and outstanding shares (approximately 0.4% of the total number of issued and outstanding shares, if the maximum number shares of Restricted Stock is issued over the next ten years). As the dilution rate is not significant, we believe that such allotment is reasonable.

If this agenda item is approved, we plan to amend the nonmonetary compensation portion of the compensation policy for each Director, which is described in the Business Report on page 43, in order to ensure consistency of such portion of the policy with the approved item. The overview of the details of such amendments are as follows:

- Non-monetary compensation shall mean the Restricted Stock.
- The allotment of Restricted Stock shall be determined by resolution of the Board of Directors based on the basic compensation as determined pursuant to the recommendations provided by the Executive Compensation Advisory Committee, which is composed by members, half of which are Independent Outside Directors, as well as on the closing price of the common stock of the Company on the business day immediately preceding the date of the resolution by the Board of Directors with respect to issuance or disposal of Restricted Stock, and shall be allotted in such number of shares as resolved once a year.
- The transfer restriction period shall be from the date the shares are granted until the eligible recipient retires from the position of Director, Auditor & Supervisory Board Member or executive officer of the Company, and the terms and conditions for removal of transfer restrictions shall be prescribed separately.

The Company has determined that the foregoing change is necessary and appropriate in order to establish the details of compensation for each individual in accordance with the revised policy.

The current number of Directors is eight (8) (of which three (3) are Outside Directors), which will become seven (7) (of which three (3) will be Outside Directors) if Agenda Item No. 1 is approved. The Company plans to discontinue the current allotment of the stock acquisition rights in the form of stock options to the Directors of the Company (except for those already allotted) if this agenda item is approved.

## Details

Specific Terms and Maximum Number of Shares of Restricted Stock to be granted to Directors (excluding Outside Directors) of the Company

### 1. Allotment of and Payment for Restricted Stock

Pursuant to a resolution of the Board of Directors of the Company, the Company will grant claims for monetary compensation to the Eligible Directors in connection with Restricted Stock, which will be within the maximum annual amount set forth above. Each Eligible Director will then make an in-kind contribution of such monetary compensation claims in return for allotment of Restricted Stock.

The price of Restricted Stock to be granted shall be based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors with respect to issuance or disposal of Restricted Stock (or the closing price on the transaction day prior thereto if no transaction is made on such business day), and shall be determined at the Board of Directors of the Company to be within such range that will not be considered specially advantageous to the Eligible Directors who are granted such Restricted Stock.

The compensation monetary claims described above will be provided on the conditions that the Eligible Directors have agreed to make the foregoing in-kind contributions and have executed a restricted stock allotment agreement which includes the provisions set forth in Section 3 below.

### 2. Total Number of Shares of Restricted Stock

The total number of shares of Restricted Stock to be allotted to the Eligible Directors for each fiscal year shall be up to 28,000 shares.

Notwithstanding the above, if, after the date of the resolution of this agenda item, there is a stock split (including gratuitous allotment of stock) or consolidation of common stock of the Company or a similar event requiring an adjustment in the total number of shares of the Restricted Stock to be allotted, the total number of shares of such Restricted Stock may be adjusted to a reasonable extent.

### 3. Details of Restricted Stock Allotment Agreement

In connection with the allotment of shares of Restricted Stock, the restricted stock allotment agreement to be executed between the Company and an Eligible Director who is allotted the Restricted Stock pursuant to a resolution of the Board of Directors of the Company shall include the following provisions.

#### (1) Transfer Restrictions

The Eligible Director who is allotted Restricted Stock shall not transfer, create a security interest or collateralize, gift inter vivos, or provide for bequest, or otherwise dispose of in any way to a third party (“Transfer Restrictions”) the shares of Restricted Stock allotted (the “Allotted Shares”) during the period from the date the Allotted Shares are granted until the date such Eligible Director retires from the position of Director, Auditor & Supervisory Board Member or executive officer of the Company or any of its subsidiaries as designated by the Board of Directors of the Company (the “Transfer Restriction Period”).

#### (2) Repurchase of Restricted Stock without Consideration

If the Eligible Director who is allotted the Restricted Stock retires from the position of Director, Auditor & Supervisory Board Member or executive officer of the Company or any of its subsidiaries as designated by the Board of Directors of the Company prior to the date preceding the date of the first ordinary general meeting of shareholders of the Company to be held after the Transfer Restriction Period commences, the Company shall, as a matter of course, repurchase the Allotted Shares without consideration, except where the Board of Directors of the Company finds good reason not to.

In addition, any Allotted Shares for which the Transfer Restrictions have not been removed based on any of the grounds for removal of Transfer Restrictions under (3) below when the Transfer Restriction Period has expired under (1) above, the Company shall, as a matter of course, repurchase such shares without consideration.

### (3) Removal of Transfer Restrictions

The Company shall remove the Transfer Restrictions on all Allotted Shares of the Eligible Director who is allotted the Restricted Stock upon the expiration of the Transfer Restriction Period if such Eligible Director has continuously held the position of Director, Auditor & Supervisory Board Member or executive officer of the Company or any of its subsidiaries as designated by the Board of Directors of the Company until the date of the first ordinary general meeting of shareholders of the Company to be held after the commencement of the Transfer Restriction Period.

Notwithstanding the above, if any such Eligible Director retires from the position of Director, Auditor & Supervisory Board Member or executive officer of the Company of any of its subsidiaries as designated by the Board of Directors of the Company before the date of the first general meeting of the shareholders of the Company to be held after the commencement of the Transfer Restriction Period for good reason recognized by the Board of the Directors of the Company, the number of Allotted Shares for which the Transfer Restrictions will be removed or timing of the removal of Transfer Restrictions shall be adjusted to the extent necessary and reasonable.

### (4) Treatment during Reorganization, etc.

If, during the Transfer Restriction Period, any agenda item related to a merger agreement in which the Company becomes the dissolving entity, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or other reorganization event is approved at the general meeting of the shareholders of the Company (or the Board of the Directors of the Company if such reorganization event does not require the approval of the general meeting of shareholders of the Company), the Transfer Restrictions on the Allotted Shares in a number reasonably determined in light of the period from the commencement of the Transfer Restriction Period to the approval date for such reorganization event shall be removed by resolution of the Board of Directors of the Company prior to the effective date of such reorganization event.

Immediately after the Transfer Restrictions are removed as described above, the Company shall, as a matter of course, repurchase without consideration the number of Allotted Shares for which the Transfer Restrictions have not been removed.

### (Reference)

At and after the conclusion of this Meeting, the Company plans to allot restricted shares similar to the Restricted Stock described above to the Directors of the subsidiaries of the Company.

- End -

## REFERENCE

### Appointment of Candidates for Directors and Audit & Supervisory Board Members

<Criteria for Appointment of Officers>

The Company establishes the following criteria for the appointment and removal of Directors and Audit & Supervisory Board Members. A candidate for Director is appointed at a Board of Directors' meeting based on the fair and stringent deliberations of the Executive Nomination Advisory Committee. A candidate for Audit & Supervisory Board Member is appointed at a Board of Directors' meeting with the approval of the Audit & Supervisory Board. The list of candidates for Director and Audit & Supervisory Board Member is then submitted to a general meeting of shareholders as an agenda item.

- Criteria for Appointment
  1. A candidate with superior character and knowledge who is mentally and physically healthy;
  2. A candidate who has a law-abiding spirit;
  3. A candidate who has comprehensive experience in business operation, company management, the legal community, administration, accounting, education or culture and art and upon re-appointment, his/her management performance and contribution to the group management during the term of office shall be considered;
  4. At least one third of the number of Directors shall be Outside Directors, and with respect to Outside Directors and Outside Audit & Supervisory Board Member (collectively, the "Outside Officers"), a candidate who is not in violation of the "Criteria for Appointment of Outside Officers (to ensure independence)" separately prescribed by the Company;
  5. With respect to Outside Officers, a candidate who is not currently holding a position as an officer of 4 or more listed companies; and
  6. A candidate whose appointment to the Board of Directors or the Audit & Supervisory Board contributes to balanced knowledge, experience and expertise and ensures diversity such as gender and internationalism.
- Criteria for Removal
  1. If an officer acts against public policy; or
  2. If an officer is neglecting its duties and deemed to be failing to fulfill its duties.

<Criteria for Appointment of Outside Officers (to ensure independence)>

The Company believes that Outside Directors and Outside Audit & Supervisory Board Members (collectively, the "Outside Officers") should maintain independence so that they do not cause any conflict of interest with general shareholders. From this perspective, the Company appoints candidates for Outside Officer who do not fall under any of the following categories:

1. Has held a position to execute business<sup>(\*)</sup> at the Company and any of its consolidated subsidiaries (collectively, "Wacoal Group") in the past;  
\*A person holding a position to execute business shall mean an executive director, executive officer and other employee who is in an equivalent position.
2. Is a major shareholder holding the shares of the Company under its own name or another name whose percentage of voting rights is equal to or higher than 5% (in case such major shareholder is a legal entity or an association such as general partnership (the "Entities"), a candidate who holds a position to execute business at such Entities);
3. A candidate who:
  - (1) is a major client of Wacoal Group or who considers Wacoal Group as a major client of the candidate (in case such candidate is an Entity, a candidate who holds a position to execute business at such Entity)<sup>(\*)</sup>;
  - (2) is a major lender of Wacoal Group (in case such lender is an Entity, a candidate who holds a position to execute business at such Entity)<sup>(\*\*)</sup>;
  - (3) holds a position to execute business as a lead manager with respect to the Company's capital markets matters;
  - (4) holds a position to execute business at any Entity in which Wacoal Group holds shares with a percentage of voting rights equal to or higher than 5%;

\*A major client shall mean a supplier or purchaser of Wacoal Group whose average amount of transactions in the last 3 years exceeded 2% of the consolidated net sales of Wacoal Group or those of the supplier or purchaser.

\*\*A major lender shall mean a financial institution or an individual who provides loans to Wacoal Group and whose average amount of outstanding loans in the last 3 years exceeded 2% of the consolidated total assets of the Company or those of such lender.

4. A certified public accountant who works at an audit firm that is the Accounting Auditor of Wacoal Group;
5. Any legal counsel, accountant, tax accountant, patent attorney, consultant or other expert who receives a large amount<sup>(\*)</sup> of money or other property from Wacoal Group (in case such candidate is an Entity, an expert who works at such Entity);  
\*A large amount shall mean that the average annual amount of compensation payable for the duties performed by the expert in the last 3 years exceeded 10,000,000 yen, whether such expert as an individual or the organization to which such expert belongs provides services to Wacoal Group.
6. Anyone who receives a large amount<sup>(\*)</sup> of donations from Wacoal Group (in case such candidate is an Entity, a candidate who holds a position to execute business at such Entity);  
\* A large amount shall mean that the average annual amount of donation in the last 3 years exceeded 10,000,000 yen;
7. A person who executes business at another company which has an outside officer from the Company;
8. A spouse or second-degree relative of a person who materially falls under any of the items under 1 through 7 above (but limited to a significant person<sup>(\*)</sup>);  
\*A significant person shall mean (i) a member or other person who is in an equivalent position in case of a certified public accountant who belongs to an audit firm or an accounting firm, a partner or other person who is in an equivalent position in case of a lawyer who belongs to a law firm, and a person who is in an equivalent position in case of another expert who belongs to an Entity, and (ii) an executive director, executive officer, corporate officer, an employee who is in a position of senior management (i.e., a general manager or higher level) in case of a person who executes business at an Entity, and an executive holding a title such as trustee, councilor and auditor, as well as any other person who is objectively and reasonably deemed to have equal significance as any of the above;
9. A candidate who used to fall under any of the items under 2 through 8 above during the past three years; and
10. A candidate who is deemed to be subject to special circumstances under which a possible conflict of interest with general shareholders of the Company may arise.

It should be noted, however, that a candidate who falls under any of the items under 2 through 9 above, but who fulfills the requirements of an outside officer under the Companies Act, may under exceptional circumstances become a candidate for an Outside Officer if the Company deems it appropriate for such candidate to be appointed as an Outside Officer and if the Company describes its reasons for making such judgement.

<Diversity of Board of Directors and Audit & Supervisory Board>  
(if Agenda Items No. 1 and No.2 are approved)

(Director)				Knowledge and Experience expected by Company <sup>(*)</sup>					
Candidate No.	Name	●Male ●Female	Independence (for outside officer only)	Company Management/ Business Operation	Finance/ Accounting	Legal/ Compliance	Internationality	Human Resource Development	Arts & Culture/ Social Perspective
1	Yoshikata Tsukamoto	●		●			●		
2	Hironobu Yasuhara	●		●			●		
3	Tomoyasu Ito	●		●			●		
4	Akira Miyagi	●		●	●	●	●	●	
5	Madoka Mayuzumi	●	●						●
6	Shigeru Saito	●	●	●			●		
7	Tsunehiko Iwai	●	●	●		●	●		

\*The above list does not cover the entire knowledge and experience of the candidates.

(Audit & Supervisory Board Member)				Knowledge and Experience expected by Company <sup>(*)</sup>					
Candidate No.	Name	●Male ●Female	Independence (for outside officer only)	Company Management/ Business Operation	Finance/ Accounting	Legal/ Compliance	Internationality	Human Resource Development	Arts & Culture/ Social Perspective
1	Katsuhiro Okamoto	●		●			●		
-	Shimichi Kitagawa	●		●	●			●	
2	Mitsuhiro Hamamoto	●	●			●			
-	Hiroshi Shirai	●	●		●				
-	Minoru Shimada	●	●	●	●		●		

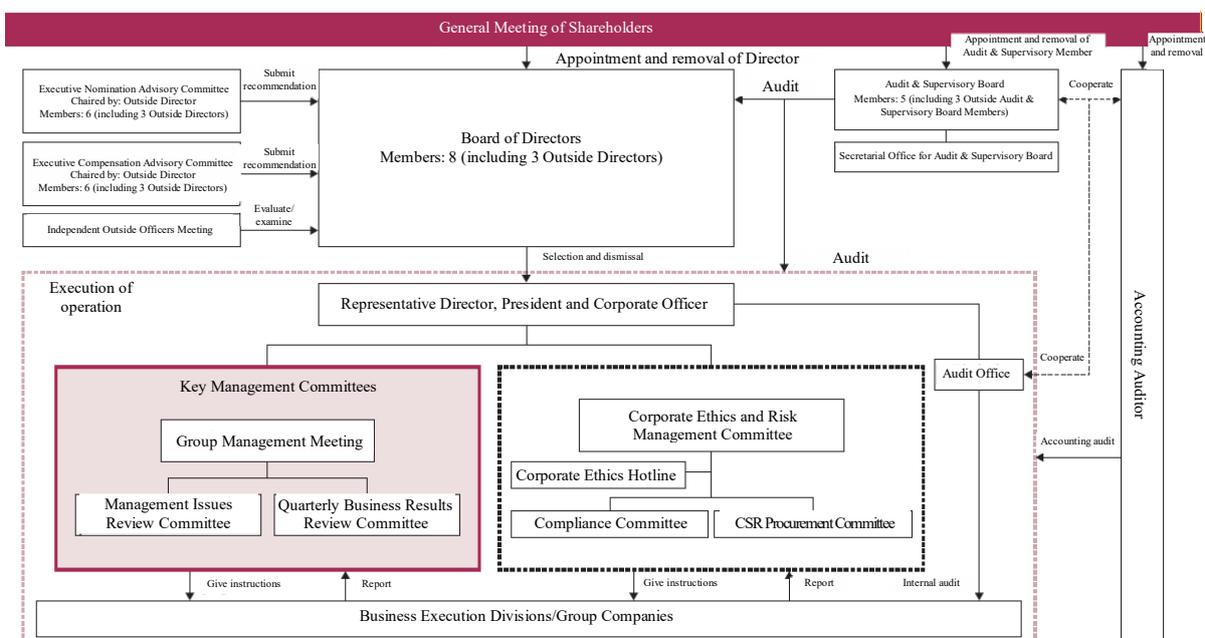
\*The above list does not cover the entire knowledge and experience of the candidates.

\*The above list includes the current Audit & Supervisory Board Members who are not candidates.

## Status of Corporate Governance System

### <Outline of Corporate Governance System>

The basic policy and purpose of our group's corporate governance is to continuously enhance our corporate value by increasing transparency and securing the fairness and independence of our corporate management from the perspective of all stakeholders including our shareholders and customers. The following bodies and systems have been established within the Company with the aim of enhancing our corporate governance, and the entire Company is also working toward this goal.



Outline	
1. Corporate Ethics and Risk Management Committee	<ul style="list-style-type: none"> <li>Composed of our internal Directors and corporate officers, and directors and corporate officers of operating entities and managers of relevant divisions, and our Representative Director, President and Corporate Officer acts as administrative manager and the Supervisor of Group Business Management as the chair</li> <li>Promotes enhancement and best practice of corporate ethics, identifies risk that may impact general management, promotes improvement and enhancement of control system</li> </ul>
2. Executive Nomination Advisory Committee	<ul style="list-style-type: none"> <li>Composed of 6 members, half of which are Outside Directors, and the Independent Outside Director acts as the chair</li> <li>Discusses and provides recommendations on appointment, removal and promotion of Directors, as an advisory body for Board of Directors</li> <li>Operated with a high degree of transparency and fairness pursuant to resolutions approved unanimously with all members in attendance</li> </ul>
3. Executive Compensation Advisory Committee	<ul style="list-style-type: none"> <li>Composed of 6 members, half of which are Outside Directors, and the Independent Outside Director acts as the chair</li> <li>Discusses and provides recommendations on evaluation and compensation of Directors, as an advisory body to Board of Directors</li> <li>Operated with a high degree of transparency and fairness by resolving matters by the unanimous approval of all members</li> </ul>
4. Independent Outside Officers Meeting	<ul style="list-style-type: none"> <li>Composed of Independent Officers such as Outside Directors and Outside Audit &amp; Supervisory Board Members as core members, and internal Directors such as Supervisor of Group Business Management and internal Audit &amp; Supervisory Board Members</li> <li>As an independent committee, discusses about evaluation and operation improvement of the Board of Directors, strengthen cooperation between Outside Directors and Outside Audit &amp; Supervisory Board Members</li> </ul>

**SUPPLEMENTARY SCHEDULES ON MATTERS TO BE REPORTED  
BUSINESS REPORT  
FOR THE PERIOD FROM APRIL 1, 2020 THROUGH MARCH 31, 2021**

**1. STATUS OF GROUP BUSINESS**

**(1) Business Developments and Results**

**(a) Summary of Operations**



The business environment surrounding our group during the current fiscal year (from April 1, 2020 to March 31, 2021) has continued to remain difficult due to stagnation of economic activities resulting from the global coronavirus pandemic (the “pandemic”). While vaccination has started in many countries and regions and we see progress toward the end of the pandemic, we must remain vigilant of the impact of the pandemic spreading further especially in Japan, and the future remains uncertain.

Under such circumstances, we have moved forward with our initiatives to create a management structure that leads to high profitability based on the following policies for regrowth, while conducting business activities by prioritizing the safety and well-being of our customers, employees and partner companies.

<b>Basic Policies:</b>	<b>To prioritize the health and well-being of our customers, employees and partner companies</b>
<b>Short-Term Policies:</b>	<b>To implement cost reduction in response to deterioration in business conditions and to secure a stable financial foundation</b>
	<ul style="list-style-type: none"> <li>• to reassess our current initiatives and spending plans in all business</li> <li>• to strengthen liquidity on hand in preparation for the prolonged impact of the pandemic</li> <li>• to adjust production to avoid having excess inventory resulting from decreased sales</li> </ul>
<b>Mid- and Long-Term Policies:</b>	<b>To conduct thorough inspection and renovation of the value chain – turning point for creating management structure that provides high profitability</b>
	<ul style="list-style-type: none"> <li>• to reassess current cost structure (promote initiatives to reduce fixed costs)</li> <li>• to accelerate initiatives on digital transformation</li> <li>• to review and rebuild customer touchpoints (in response to changes in key sales channels)</li> <li>• to develop products and services that our customers want to buy for their new lifestyle and to strengthen our capability to address new customer service and sale styles</li> </ul>

Consolidated sales for the current fiscal year were 152.20 billion yen, a decrease of 18.5% from such sales for the previous fiscal year. Revenue significantly decreased due to the impact of temporary

closings or shortened business hours of retail stores due to stay home measures, as well as a decrease in the number of customers visiting stores in the metropolitan areas, despite growth in e-commerce sales in various countries in response to higher demand from consumers staying home.

Our efforts to reduce costs at our operating companies, as well as our use of an employment adjustment subsidy and other government assistance in various countries were not enough to offset the impairment charges recorded on goodwill related to Wacoal Europe Ltd. (“Wacoal Europe”) and fixed assets at other group companies due to the impact of the pandemic, and as a result, we recorded a consolidated operating loss of 1.12 billion yen (consolidated operating income of 6.63 billion yen for the previous fiscal year).

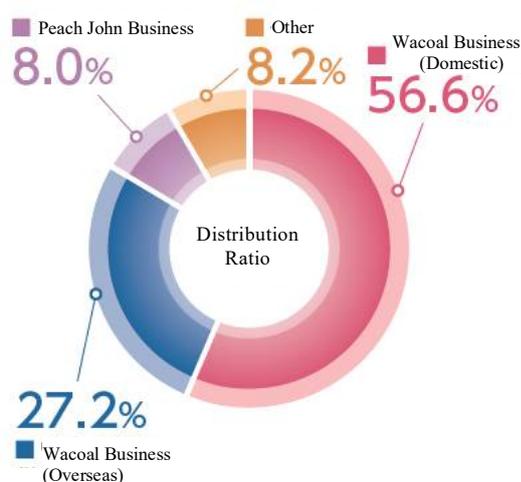
Wacoal Europe has continued to show stable growth since our acquisition in 2012 by developing high value-added products and implementing marketing activities that are tailored to the characteristics of each country where we do business or operate distribution channels. However, in light of the impact of the pandemic in the United Kingdom and Europe and the customs clearance expenses incurred in connection with Brexit, we reassessed the fair value of goodwill based on our outlook of our business, and recorded the impairment charges of 2.67 billion yen. As a result, the residual value of goodwill with respect to Wacoal Europe was 9.40 billion yen (61.7 million pound) based on the exchange rate as of the end of current fiscal year.

Consolidated income before income taxes and equity in net income was 10.79 billion yen (an increase of 147.6% from such consolidated income for the previous fiscal year). This significant increase was due to the recognition of a valuation gain on marketable securities and investments (net) of 10.39 billion yen.

As a result of the above, net income attributable to Wacoal Holdings Corp. and the ratio of net income attributable to Wacoal Holdings Corp. to shareholders’ equity for the current fiscal year were 7.03 billion yen (an increase of 102.3% from such net income for the previous fiscal year) and 3.3%, respectively. The exchange rates used for the current fiscal year (previous fiscal year) were: 106.06 yen (108.74 yen) to the U.S. dollar; 138.68 yen (138.24 yen) to the Sterling pound; and 15.48 yen (15.78 yen) to the Chinese yuan.

(Under the U.S. accounting standards that we use, an employment adjustment subsidy is deducted from cost of sales and selling, general and administrative expenses. Equity securities held by the Wacoal Holdings Corp. and consolidated subsidiaries are measured at fair value, and any change from the beginning of the period are recognized as valuation loss/gain on marketable securities and investments – net under other income/expenses.)

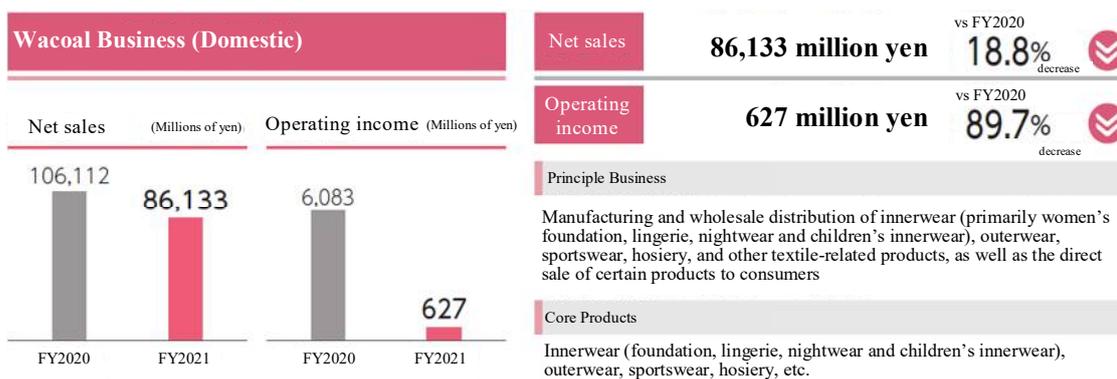
The following is a summary of operations by operating segment.



▶ Operating Segment Information

	Net sales (Millions of yen)	vs FY2020 (%)
Wacoal Business (Domestic)	86,133	81.2
Wacoal Business (Overseas)	41,355	83.0
Peach John Business	12,200	108.7
Other	12,516	63.8
<b>Total</b>	<b>152,204</b>	<b>81.5</b>

(Note) U.S. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 280 “Segment Reporting” has been applied in our Segment Information.



Sales attributable to our “Wacoal Business (Domestic)” segment were 86.13 billion yen (a decrease of 18.8% from such sales for the previous fiscal year) and operating income was 0.63 billion yen (a decrease of 89.7% from such operating income for the previous fiscal year). Despite a significant decrease in profit due to the impact of decreased revenue, we recorded an operating income as a result of our efforts to reduce costs and our use of an employment adjustment subsidy and other government assistance.

Wacoal Corp.:

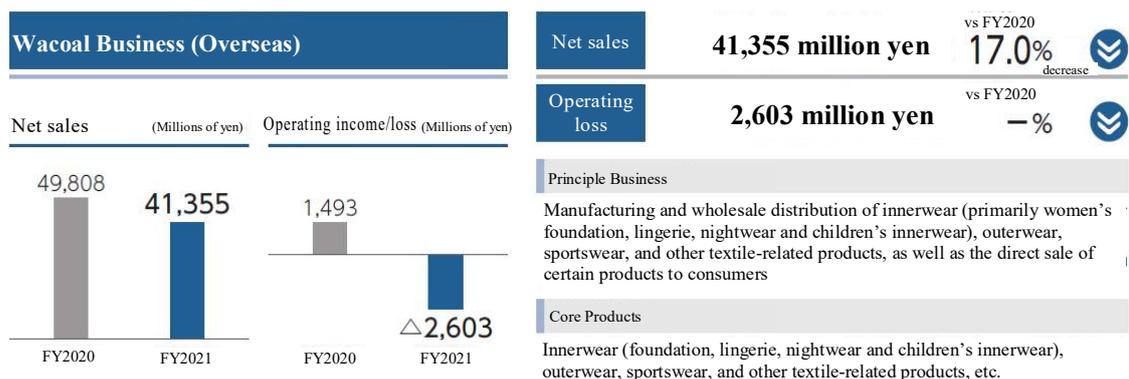
Sales from Wacoal Corp. decreased by 19.5% as compared to such sales for the previous fiscal year as a result of weak sales from physical stores over the year due to the impact of the pandemic, while our e-commerce website maintained high growth. Sales for the first half of the current fiscal year (from April to September) decreased by 30.6% as compared to such sales for the corresponding period of the previous fiscal year due to the absence of increased demand before the consumption tax increase during the previous fiscal year, in addition to the impact of temporary closings of physical stores and stay-at-home measures implemented during a state of emergency. Although sales recovered during the current consolidated third quarter, sales for the second half of the current fiscal year (from October to March) also decreased by 5.5% as compared to the corresponding period of the previous fiscal year due to consumers staying home during another state of emergency declared in the current consolidated fourth quarter.

While sales from general merchandise stores in the suburbs were strong, sales from physical stores located in the center of the metropolitan areas including outlet malls or other large-scale commercial facilities were stagnant due to a decrease in the number of customers visiting our retail stores in efforts to promote remote work, as well as changes in consumer attitudes and behavior that led to less travel and fewer crowds.

Sales from our strategically strengthened e-commerce website significantly increased since the previous fiscal year (an increase of 55.2% as compared to such sales for the previous fiscal year) as a result of additional acquisition of new customers making purchases from home, online-to-offline marketing initiatives such as redirecting our retail store-registered members to our e-commerce website, as well as the positive impact of expanded sales from existing customers whose purchase rate increased due to our marketing utilizing automation involving distribution of content tailored to each customers. Our virtual one-on-one consultation by our store personnel also significantly contributed to the acquisition of new customers in a new life style.

In efforts to improving CX (customer experience), we promoted the installation of our 3D body scanning and AI (artificial intelligence)-based customer service system and are providing such service at sixteen shops as of March 31, 2021 (addition of ten shops since the end of the previous fiscal year). We are piloting an avatar counseling system, which we are developing to introduce an online customer service by our store personnel during the current fiscal year, and are addressing issues toward commercialization.

Our efforts to reduce costs were not enough to offset the impact of the decreased revenue and as a result, we recorded an operating loss of 2.02 billion yen (operating income of 3.14 billion yen for the previous fiscal year). An employment adjustment subsidy of 2.00 billion yen is not included and reflected in such operating loss, because it is recognized as non-operating income (which has been reclassified as operating loss under the consolidated business results and segment information of Wacoal Business (Domestic) based on the U.S. accounting standards).



Sales attributable to our “Wacoal Business (Overseas)” segment on a Japanese yen basis were 41.36 billion yen (a decrease of 17.0% from such sales for the previous fiscal year) due to temporary closing of physical stores and stay-at-home efforts resulting from the spread of the pandemic, as well as the impact of the appreciation of the Japanese yen (0.72 billion yen). Sales of our Peach John brand products sold in China, which were previously recorded under this “Wacoal Business (Overseas)” segment, are now recorded under our “Peach John Business” segment starting with the current fiscal year, and the business result for the previous fiscal year has been revised retroactively (the effect following such change (and one of the factors decreasing sales) is approximately 0.51 billion yen for the current fiscal year (approximately 0.74 billion yen for the previous fiscal year)).

We recorded an operating loss of 2.60 billion yen (operating income of 1.49 billion yen for the previous fiscal year). This operating loss was due to our continued strategic marketing investments to achieve rapid growth of Intimates Online Inc. (“Intimates Online”), which we acquired during the previous fiscal year, as well as the recognition of impairment charges on goodwill with respect to Wacoal Europe, in addition to the impact of decreased revenue, despite our efforts to reduce costs and by using government assistance provided by governments across the world.

#### Wacoal International Corp. (U.S.):

Sales from Wacoal International Corp. (U.S.) on a local currency basis decreased by 5.7% (a decrease of 8.0% on a Japanese yen basis) as compared to such sales for the previous fiscal year. Although there was a positive impact of the inclusion of sales from Intimates Online on our sales for the first half of the current fiscal year, revenue decreased by 15.4% as compared to such revenue for the corresponding period of the previous fiscal year due to the weak sales from Wacoal America Inc., which distributes “Wacoal” and “b.tempt’d” brand products at physical stores (department stores), resulting from the impact of the pandemic. On the other hand, revenue for the second half of the current fiscal year increased by 5.4% as compared to such revenue for the corresponding period of the previous fiscal year as a result of strong sales from Intimates Online, which maintained a high purchase rate and average spending per customer, as well as high growth in sales achieved from our e-commerce website and third-party e-commerce websites, which offset declines in sales from physical stores. During the current consolidated fourth quarter, Intimates Online commenced transactions with Target Corporation, a major retailer in the United States, and is distributing LIVELY brand products through e-commerce channels and physical stores.

We recorded an operating loss of 8.6 million dollars on a local currency basis (0.91 billion yen on a Japanese yen basis) (operating income of 3.7 million dollars (0.40 billion yen on a Japanese yen basis) for the previous fiscal year) due to our continued strategic growth investments in our LIVELY brand distributed by Intimates Online, as well as the impact of the decreased revenue, despite our efforts to reduce costs and use of government assistance.

#### Wacoal Europe Ltd.:

Sales from Wacoal Europe on a local currency basis decreased by 24.0% (a decrease of 23.8% on a Japanese yen basis) as compared to such sales for the previous fiscal year. Sales for the first half of the current fiscal year decreased by 33.6% as compared to such sales for the corresponding period of the previous fiscal year due to the significant impact of the lockdown measures implemented in the United Kingdom and major countries in Europe. While signs of recovery were visible during the Christmas sale season, sales for the second half of the current fiscal year decreased by 12.6% as compared to such sales for the corresponding

period of the previous fiscal year due to additional lockdown measures implemented during the current consolidated fourth quarter, which impacted our business operations. Sales from our e-commerce business, which we launched in the previous fiscal year, exceeded our plan, and now accounts for 5.4% of sales from Wacoal Europe for the current fiscal year.

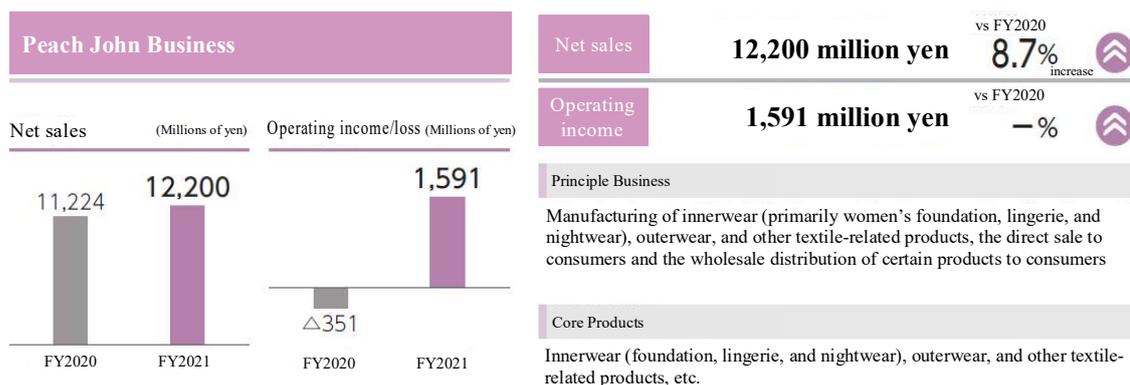
Although operating income on a local currency basis significantly decreased by 34.2% (a decrease of 33.9% on a Japanese yen basis) due to the impact of decreased revenue, we were able to record profit as a result of our efforts to reduce costs (excluding the impairment charges of 2.67 billion yen on goodwill with respect to Wacoal Europe).

Wacoal China Co., Ltd.:

Sales from Wacoal China Co., Ltd. on a local currency basis decreased by 13.7% (a decrease of 15.3% on a Japanese yen basis) as compared to such sales for the previous fiscal year.

Sales for the first half of the current fiscal year (from January to June) decreased by 25.8% as compared to such sales for the corresponding period of the previous fiscal year due to temporary closings of physical stores following the impact of the pandemic, despite strong sales from third-party e-commerce websites from aggressive distribution of our AMPHI brand products. For the second half of the current fiscal year (from July to December), while we struggled to attract orders through a large-scale promotion campaign conducted by e-commerce vendors in November, sales from physical stores (department stores) recovered due to strong sales from our “WACOAL” and “Salute” brand products, and as a result, sales increased by 2.6%.

Although operating income on a local currency basis significantly decreased by 31.2% (a decrease of 32.3% on a Japanese yen basis) due to the impact of decreased revenue, we recorded profit as a result of our efforts to reduce costs.



Sales attributable to our “Peach John Business” segment were 12.20 billion yen (an increase of 8.7% as compared to such sales for the previous fiscal year) as a result of our new product planning that met our consumer needs and development of trending content, as well as our successful marketing activities that were efficient in increasing the number of new customers and annual purchase frequency. Sales of our Peach John brand products sold in China, which were previously recorded under the “Wacoal Business (Overseas)” segment, are now recorded under this “Peach John Business” segment starting with the current fiscal year, and the business result for the previous fiscal year has been revised retroactively (the effect following such change (and one of the factors increasing sales) is approximately 0.51 billion yen for the current fiscal year (approximately 0.74 billion yen for the previous fiscal year)).

E-commerce sales through our website in Japan increased by 43.5% from such sales for the corresponding period of the previous fiscal year as a result of an increase in the number of new customers over the year, as well as the steady sales of our regular products. Sales from our retail stores, however, decreased by 11.9% due to the impact of the temporary closings of physical stores during the current consolidated first quarter, although the reduction of cost and improvement in the purchase rate of customers visiting our retail stores contributed to the strong sales after the current consolidated second quarter.

We recorded an operating income of 1.59 billion yen (operating loss of 0.35 billion yen for the previous fiscal year), a significant increase from the previous fiscal year. This profit was attributable to the positive impact of the increased revenue, the impact of improved gross profit rate from increased e-commerce sales through our website as a percentage of total sales and a lower percentage of sales subject to discounts.



Overall sales attributable to our “Other” business segment were 12.52 billion yen (a decrease of 36.2% as compared to such sales for the previous fiscal year), while we recorded an operating loss of 0.73 billion yen (operating loss of 0.59 billion yen for the previous fiscal year).

Lecien Corporation:

Sales from Lecien Corporation decreased by 19.9% as compared to such sales for the previous fiscal year due to the weak sales of our private products sold by general merchandise stores, which were impacted by our clients' expense control efforts over purchases. We recorded an operating income of 0.22 billion yen (operating loss of 0.48 billion yen for the previous fiscal year) due to our efforts to withdraw from underperforming businesses in the consolidated fourth quarter of the previous fiscal year and to reduce costs.

Nanasai Co., Ltd.:

Sales from Nanasai Co., Ltd. decreased by 39.1% as compared to such sales for the previous fiscal year due to our construction business weakened by the cancellation and postponement of new shop openings and various events following the spread of the pandemic. We recorded an operating loss of 0.36 billion yen (operating income of 0.22 billion yen for the previous fiscal year) due to a significant impact of decreased revenue, despite our efforts to reduce costs.

**(b) Financing**

We received short-term loans in the amount of 40.0 billion yen from financial institutions to be used as our group's funds for the current consolidated fiscal year.

There were no other financing activities such as capital increases or bond issuances.

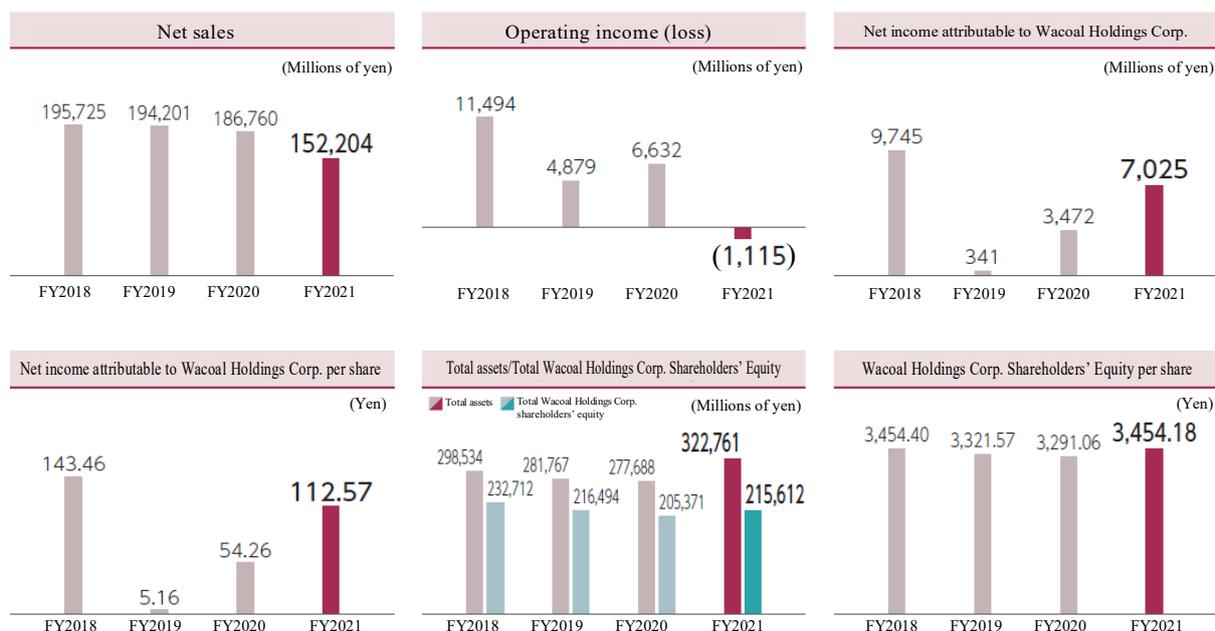
**(c) Capital Expenditures**

The total amount of capital expenditures during fiscal year 2021 was 5.60 billion yen, mainly including expenditures for expansion of our Moriyama Distribution Center, information system investments incurred by our subsidiaries, and expenditures for the maintenance and repair of real estate.

## (2) Changes in State of Assets and Profit and Loss

### (i) Changes in Results of Operations and State of Assets of the Group

	(Millions of yen, except per share amounts)			
	Fiscal year ended/as of March 31,			
	2018	2019	2020	2021
Net sales	195,725	194,201	186,760	<b>152,204</b>
Operating (loss) income	11,494	4,879	6,632	<b>(1,115)</b>
Net income attributable to Wacoal Holdings Corp.	9,745	341	3,472	<b>7,025</b>
Net income attributable to Wacoal Holdings Corp. per share (yen)	143.46	5.16	54.26	<b>112.57</b>
Total assets	298,534	281,767	277,688	<b>322,761</b>
Total Wacoal Holdings Corp. Shareholders' Equity	232,712	216,494	205,371	<b>215,612</b>
Wacoal Holdings Corp. Shareholders' Equity per share (yen)	3,454.40	3,321.57	3,291.06	<b>3,454.18</b>

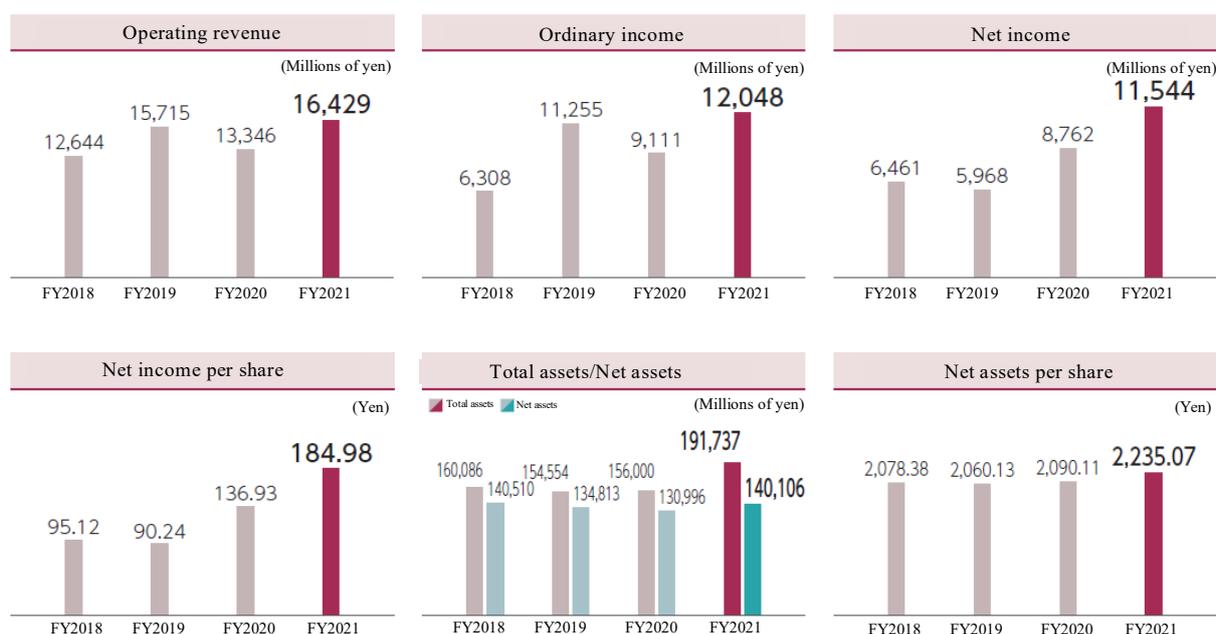


- (Notes)
- The above amounts are based on accounting principles generally accepted in the United States of America. Therefore, operating income/(loss) is shown instead of ordinary income.
  - Net income per share attributable to Wacoal Holdings Corp. is calculated based on the average number of shares issued (excluding the number of shares held as treasury stock) during each fiscal year.
  - Wacoal Holdings Corp. Shareholders' Equity per share is calculated based on the number of shares issued (excluding the number of shares held as treasury stock) as of the end of each fiscal year.
  - We have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. Accordingly, "net income attributable to Wacoal Holdings Corp. per share" and "Wacoal Holdings Corp. Shareholders' Equity per share" have been calculated assuming that such share consolidation has been conducted at the beginning of fiscal year 2018.
  - Reclassification adjustments have been made to the results for fiscal year 2018 pursuant to the new accounting guidance *Improving the Presentation of Net Periodic Pension Cost and Net*

Periodic Postretirement Benefit Cost (ASU2017-07) which has been adopted starting with fiscal year 2019.

(ii) Changes in Results of Operations and State of Assets of the Company

	(Millions of yen, except per share amounts)			
	Fiscal year ended/as of March 31,			
	2018	2019	2020	2021
Operating revenue	12,644	15,715	13,346	<b>16,429</b>
Ordinary income	6,308	11,255	9,111	<b>12,048</b>
Net income	6,461	5,968	8,762	<b>11,544</b>
Net income per share (yen)	95.12	90.24	136.93	<b>184.98</b>
Total assets	160,086	154,554	156,000	<b>191,737</b>
Net assets	140,510	134,813	130,996	<b>140,106</b>
Net assets per share (yen)	2,078.38	2,060.13	2,090.11	<b>2,235.07</b>



- (Notes)
- Net income per share is calculated based on the average number of shares issued (excluding the number of shares held as treasury stock) during each fiscal year.
  - Net assets per share is calculated based on the number of shares issued (excluding the number of shares held as treasury stock) as of the end of each fiscal year.
  - We have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. Accordingly, “net income per share” and “net assets per share” have been calculated assuming that such share consolidation has been conducted at the beginning of fiscal year 2018.
  - We have adopted the ASBJ Statement No. 28 Partial Amendments to Accounting Standard for Tax Effect Accounting (February 16, 2018) starting from fiscal year 2019. Accordingly, “Total Assets” for fiscal year 2018 show the numbers after such accounting standard has been applied retroactively thereto.

### **(3) Issues to Address**

Our group are moving forward with efforts to become “Wacoal of the World as a Group”, that is, to continue to offer pioneering products to the global markets by taking full advantage of our management resources and our group’s network, and to gain reputation for our reliability from stakeholders around the world with our group’s products and services as well as our commitments to social issues by cultivating new market opportunities for the undergarment industry.

The global coronavirus pandemic has brought significant changes to the values and consumer behavior of people. The threat of the pandemic continues to unfold, and while vaccination has started in certain countries and regions, we believe that full-scale recovery will take a long time as economic activities may continue to be restricted by infection prevention measures, in certain aspects, including on social outings.

Under such circumstances, we will move forward with our initiatives to create a management structure that leads to high profitability while conducting business activities that prioritize the safety and well-being of our customers, employees and partner companies. We will aim to build a deeper, broader and longer relationship with each customer by continuing to develop and provide products and services that consumers expect in their new lifestyles, which have significantly changed as a result of the pandemic, and by promoting our unique CX strategies, including on the merger between online and offline activities and utilization of a customer database, in efforts to improve customer experience.

In addition, as environmental problems continue to worsen, consumers’ awareness of sustainability is evolving. We plan to move forward with our ESG (Environmental, Social and Governance) management, which aims to grow by enhancing social and economic values, and to further address important issues such as governance, human rights and environmental issue. At the same time, we will promote establishment of an operating base that achieves sustainable growth through work-style reform (including teleworking), cultivation of human resources supporting business growth and creation of a corporate culture that offers job satisfaction.

Your continued support and cooperation will be greatly appreciated.

**(4) Main Offices and Factories**

(i) Main Offices and Factories of the Company

Head Office (Kyoto)

(ii) Main Offices and Factories of Subsidiaries

Wacoal Corp. (Kyoto), Peach John Co., Ltd. (Tokyo), Lecien Corp. (Kyoto), Kyushu Wacoal Manufacturing Corp. (Nagasaki), Nanasai Co., Ltd. (Kyoto), Torica Inc. (Osaka), Wacoal International Corp. (U.S.A.), Wacoal America, Inc., Wacoal Europe Ltd. (U.K.), Wacoal EMEA Ltd. (U.K.), Wacoal Europe SAS (France), Wacoal International Hong Kong Co., Ltd., Wacoal Hong Kong Co., Ltd., Wacoal Investment Co., Ltd. (Taiwan), Wacoal China Co., Ltd., A Tech Textile Co., Ltd. (Thailand)

**(5) Employees**

(i) Employees within the Group

Name of Operating Segment	Number of Employees	Decrease from the End of Previous Fiscal Year
Wacoal Business (Domestic)	7,232	54
Wacoal Business (Overseas)	10,223	866
Peach John Business	488	26
Other	1,881	214
Total	19,824	1,160

- (Notes)
1. The number of employees is the number of individuals working within our Group (excludes individuals seconded from our Group to third parties, but includes individuals seconded from third parties to our Group).
  2. The number of employees does not include the number of temporary employees (the average number of temporary employees during the period, including temporary staff and part-time workers, is 492).
  3. The number for the previous fiscal year used in the comparative information on Increase (Decrease) from the End of Previous Fiscal Year has been reclassified to reflect the change in the reporting segment.

(ii) Employees of the Company

Number of Employees	Increase (Decrease) from the End of Previous Fiscal Year	Average Age	Average Years of Service
85	(9)	47.1	21.0

(Note) The number of employees is the number of individuals working within the Company.

**(6) Principal Subsidiaries**

Name of Company	Location	Stated Capital (Millions of yen)	Shareholding Ratio	Main Business	Remarks
Wacoal Corp.	Minami-ku, Kyoto	5,000	100.0%	Manufacture and sale of garments	
Peach John Co., Ltd.	Minato-ku, Tokyo	90	100.0%	Sale of garments	
Lecien Corp.	Minami-ku, Kyoto	90	100.0%	Manufacture and sale of garments and other textile-related products	
Nanasai Co., Ltd.	Minami-ku, Kyoto	90	99.9%	Manufacture and sale of mannequins and display fixtures; interior design and construction work of stores	
		(Thousands of U.S. dollars)			
Wacoal International Corp.	NY, U.S.A.	20,000	100.0%	Investment in U.S. subsidiaries	*1
Wacoal America, Inc.	NY, U.S.A.	2,062	100.0%	Manufacture and sale of garments	*2
		(Thousands of pounds)			
Wacoal Europe Ltd.	Northamptonshire, U.K.	175	100.0%	Investment in subsidiaries	
Wacoal EMEA Ltd.	Northamptonshire, U.K.	250	100.0%	Manufacture and sale of garments	*3
		(Millions of Thai baht)			
A Tech Textile Co., Ltd.	Bangkok, Thailand	1,000	54.2%	Manufacture and sale of raw materials	*4

- (Notes) \*1. Wacoal International Corp. is a wholly owned subsidiary of our subsidiary, Wacoal Corp.  
\*2. Wacoal America Inc. is a wholly owned subsidiary of Wacoal International Corp.  
\*3. Wacoal EMEA Ltd. is a wholly owned subsidiary of our subsidiary, Wacoal Europe Ltd.  
\*4. A Tech Textile Co., Ltd. is a 54.2% owned subsidiary of our subsidiary, Wacoal Corp.

**(7) Matters concerning Specified Wholly Owned Subsidiaries**

Name of Company	Address	Total Carrying Amount	Total Assets of the Company
Wacoal Corp.	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto	(Millions of yen) 72,336	(Millions of yen) 191,737

**(8) Major Lenders (as of March 31, 2021)**

Name of Lender	Amount of Borrowings (Millions of yen)
MUFG Bank, Ltd.	20,000
The Bank of Kyoto, Ltd.	12,000
The Shiga Bank, Ltd.	8,000

## 2. STOCK INFORMATION (As of March 31, 2021)

(1) **Total Number of Shares Authorized to be Issued:** **250,000,000 shares**

(2) **Total Number of Issued and Outstanding Shares:** **65,589,042 shares**  
**(including 3,168,353 shares of treasury stock)**

(Note) The total number of issued and outstanding shares including the shares of treasury stock decreased by 3,000,000 shares from the end of previous fiscal year (March 31, 2020) following the cancellation of 3,000,000 shares of treasury stock on May 25, 2020 pursuant to the provisions of Article 178 of the Companies Act.

(3) **Total Number of Shareholders:** **17,868**

### (4) Major Shareholders (Top 10):

Name of Shareholder	Number of Shares Held by Shareholder (Thousands of shares)	Shareholding Ratio (%)
Custody Bank of Japan, Ltd. (Trust Account)	4,000	6.41
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,938	6.31
MUFG Bank, Ltd.	3,095	4.96
Meiji Yasuda Life Insurance Company	3,050	4.89
The Bank of Kyoto, Ltd.	2,352	3.77
Nippon Life Insurance Company	1,836	2.94
The Shiga Bank, Ltd.	1,775	2.84
Mitsubishi UFJ Trust and Banking Corporation	1,525	2.44
The Dai-ichi Life Insurance Company, Limited	1,366	2.19
Asahi Kasei Corporation	1,241	1.99

- (Notes)
1. The number of shares held by shareholder is rounded down to the nearest thousand.
  2. The Company is holding 3,168,353 shares of treasury stock, which are not listed in the above list of major shareholders.
  3. The shareholding ratio is calculated excluding the number of shares of treasury stock.

### 3. MATTERS CONCERNING STOCK ACQUISITION RIGHTS

#### (1) Stock Acquisition Rights Granted to Officers as Consideration for Execution of Duties Held as of the End of Fiscal Year Ended March 31, 2021

Name (Issuance Date)	Number of stock acquisition rights	Class and number of shares represented by stock acquisition rights	Amount to be paid upon exercise of stock acquisition rights	Exercise period	Status (held by)
1st Stock Acquisition Rights (July 30, 2008)	19	Common stock 9,500 shares	One (1) yen per share	September 2, 2008 - September 1, 2028	1 Director
2nd Stock Acquisition Rights (July 30, 2008)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2008 - September 1, 2028	1 Director (Note 2)
3rd Stock Acquisition Rights (July 30, 2009)	20	Common stock 10,000 shares	One (1) yen per share	September 2, 2009 - September 1, 2029	1 Director
4th Stock Acquisition Rights (July 30, 2009)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2009 - September 1, 2029	1 Director (Note 2)
5th Stock Acquisition Rights (July 30, 2010)	21	Common stock 10,500 shares	One (1) yen per share	September 2, 2010 - September 1, 2030	1 Director
6th Stock Acquisition Rights (July 30, 2010)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2010 - September 1, 2030	1 Director (Note 2)
7th Stock Acquisition Rights (July 29, 2011)	31	Common stock 15,500 shares	One (1) yen per share	September 2, 2011 - September 1, 2031	2 Directors
8th Stock Acquisition Rights (July 29, 2011)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2011 - September 1, 2031	1 Audit & Supervisory Board Member (Note 3)
9th Stock Acquisition Rights (July 31, 2012)	35	Common stock 17,500 shares	One (1) yen per share	September 4, 2012 - September 3, 2032	2 Directors
10th Stock Acquisition Rights (July 31, 2012)	3	Common stock 1,500 shares	One (1) yen per share	September 4, 2012 - September 3, 2032	1 Audit & Supervisory Board Member (Note 3)
11th Stock Acquisition Rights (July 31, 2013)	34	Common stock 17,000 shares	One (1) yen per share	September 3, 2013 - September 2, 2033	2 Directors

Name (Issuance Date)	Number of stock acquisition rights	Class and number of shares represented by stock acquisition rights	Amount to be paid upon exercise of stock acquisition rights	Exercise period	Status (held by)
12th Stock Acquisition Rights (July 31, 2013)	8	Common stock 4,000 shares	One (1) yen per share	September 3, 2013 - September 2, 2033	1 Director (Note 2) 1 Audit & Supervisory Board Member (Note 3)
13th Stock Acquisition Rights (July 31, 2014)	30	Common stock 15,000 shares	One (1) yen per share	September 2, 2014 - September 1, 2034	2 Directors
14th Stock Acquisition Rights (July 31, 2014)	9	Common stock 4,500 shares	One (1) yen per share	September 2, 2014 - September 1, 2034	2 Directors (Note 2) 1 Audit & Supervisory Board Member (Note 3)
15th Stock Acquisition Rights (July 31, 2015)	28	Common stock 14,000 shares	One (1) yen per share	September 2, 2015 - September 1, 2035	3 Directors
16th Stock Acquisition Rights (July 31, 2015)	3	Common stock 1,500 shares	One (1) yen per share	September 2, 2015 - September 1, 2035	1 Director (Note 2)
17th Stock Acquisition Rights (July 29, 2016)	37	Common stock 18,500 shares	One (1) yen per share	September 2, 2016 - September 1, 2036	3 Directors
18th Stock Acquisition Rights (July 29, 2016)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2016 - September 1, 2036	1 Directors (Note 2)
19th Stock Acquisition Rights (July 31, 2017)	24	Common stock 12,000 shares	One (1) yen per share	September 2, 2017 - September 1, 2037	3 Directors
20th Stock Acquisition Rights (July 31, 2017)	3	Common stock 1,500 shares	One (1) yen per share	September 2, 2017 - September 1, 2037	1 Director (Note 2)
21st Stock Acquisition Rights (July 20, 2018)	126	Common stock 12,600 shares	One (1) yen per share	August 18, 2018 - August 17, 2038	4 Directors
22nd Stock Acquisition Rights (July 20, 2018)	25	Common stock 2,500 shares	One (1) yen per share	August 18, 2018 - August 17, 2038	1 Director (Note 2)

Name (Issuance Date)	Number of stock acquisition rights	Class and number of shares represented by stock acquisition rights	Amount to be paid upon exercise of stock acquisition rights	Exercise period	Status (held by)
23rd Stock Acquisition Rights (June 27, 2019)	172	Common stock 17,200 shares	One (1) yen per share	July 23, 2019 - July 22, 2039	4 Directors
24th Stock Acquisition Rights (June 27, 2019)	33	Common stock 3,300 shares	One (1) yen per share	July 23, 2019 - July 22, 2039	1 Director (Note 2)
25th Stock Acquisition Rights (June 26, 2020)	245	Common stock 24,500 shares	One (1) yen per share	July 18, 2020 - July 17, 2040	5 Directors

- (Notes) 1. Stock acquisition rights are not held by the outside director nor outside audit & supervisory board member.
2. The stock acquisition right(s) held by the director was granted during which such director held a position as a director at our subsidiary upon issuance of the stock acquisition right(s).
  3. The stock acquisition right(s) held by the audit & supervisory board member was granted during which such audit & supervisory board member held a position as a director at our subsidiary upon issuance of the stock acquisition right(s).
  4. The number of shares subject to one stock acquisition right is 100 shares (500 shares for stock acquisition right granted before September 1, 2017).
  5. The “class and number of shares represented by stock acquisition rights” has been adjusted to reflect the share consolidation pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017.

**(2) Stock Acquisition Rights Granted to Officers of Subsidiaries as Consideration for Execution of Duties During the Fiscal Year ended March 31, 2021**

Name (Issuance Date)	Number of stock acquisition rights	Class and number of shares represented by stock acquisition rights	Amount to be paid upon exercise of stock acquisition rights	Exercise period	Status (granted to)
26th Stock Acquisition Rights (June 26, 2020)	112	Common stock 11,200 shares	One (1) yen per share	July 18, 2020 - July 17, 2040	6 Directors of Wacoal Corp.

(Note) The number of shares per one stock acquisition right is 100 shares.

**4. OFFICERS**

**(1) Directors and Audit & Supervisory Board Members (as of March 31, 2021)**

Position	Name	Responsibility and significant concurrent positions
Representative Director and Chairman	Yoshikata Tsukamoto	Chairman of Kyoto Chamber of Commerce and Industry
Representative Director, President and Corporate Officer	Hironobu Yasuhara	Representative Director and Chairman of Wacoal Corp.

Position	Name	Responsibility and significant concurrent positions
Director and Vice President Corporate Officer	Masashi Yamaguchi	Supervisor of Group Business Management; Chair of Corporate Ethics and Risk Management Committee
Director and Vice President Corporate Officer	Tomoyasu Ito	Representative Director, President and Corporate Officer of Wacoal Corp.
Director and Managing Corporate Officer	Akira Miyagi	In charge of Group Finance
Director	Madoka Mayuzumi	Visiting Professor at Kitazato University; Visiting Professor at Showa Women's University, Faculty of Humanities and Culture, Department of Japanese Language and Literature; Visiting Professor at Kyoto Tachibana University, Faculty of Humanities, Department of Japanese Language and Literature; Trustee of East Japan Railway Culture Foundation
Director	Shigeru Saito	Representative Director and Chairman, and CEO of TOSE CO., LTD.; Outside Director of SCREEN Holdings Co., Ltd.
Director	Tsunehiko Iwai	Chair of Executive Nomination Advisory Committee; Chair of Executive Compensation Advisory Committee
Standing Audit & Supervisory Board Member	Kiyotaka Hiroshima	Audit & Supervisory Board Member of Wacoal Corp.
Standing Audit & Supervisory Board Member	Shinichi Kitagawa	
Audit & Supervisory Board Member	Hiroshi Shirai	Certified Public Accountant, Managing Partner of Shirai public accounting firm; Outside audit & supervisory board member of ALTECO Inc.; Auditor of University Public Corporation Osaka
Audit & Supervisory Board Member	Mitsuhiro Hamamoto	Managing Partner of Hamamoto Law Office; Outside Director of TVE Co., Ltd.; Outside Auditor of Osaka-Hyogo Ready-Mixed Concrete Industrial Association
Audit & Supervisory Board Member	Minoru Shimada	Full-Time Advisor of SOTSU CORPORATION; Special Advisor of Fulltime System Co., Ltd.

- (Notes)
1. Directors Ms. Madoka Mayuzumi, Mr. Shigeru Saito and Mr. Tsunehiko Iwai are Outside Directors as prescribed in Item 15, Article 2 of the Companies Act.
  2. Audit & Supervisory Board Members Mr. Hiroshi Shirai, Mr. Mitsuhiro Hamamoto and Mr. Minoru Shimada are Outside Audit & Supervisory Board Members as prescribed in Item 16, Article 2 of the Companies Act.
  3. There are no conflicts of interest between the Company and the companies at which these Outside Directors and Outside Audit & Supervisory Board Members hold significant concurrent positions.
  4. Standing Audit & Supervisory Board Member Mr. Shinichi Kitagawa has accounting experience with the Accounting Department of the Company and its subsidiaries with a respectable degree of finance and accounting knowledge.
  5. Audit & Supervisory Board Member Mr. Hiroshi Shirai is qualified as a certified public accountant with a considerable degree of finance and accounting knowledge.
  6. Outside Directors Ms. Madoka Mayuzumi, Mr. Shigeru Saito and Mr. Tsunehiko Iwai and Outside Audit & Supervisory Board Members Mr. Hiroshi Shirai, Mr. Mitsuhiro Hamamoto and Mr. Minoru Shimada have been designated as our independent officers and have been notified to the Tokyo Stock Exchange.

**(2) Compensation and Other Compensation Paid to Directors and Audit & Supervisory Board Members**

- (i) Total amount of compensation and other compensation paid to officers during the current fiscal year

Category	Total amount of compensation/ other compensation (Millions of yen)	Total amount by type of compensation/ other compensation (Millions of yen)			Number of eligible recipients
		Basic compensation	Performance-based compensation	Non-monetary compensation	
Directors (of which related to Outside Directors)	291 (28)	248 (28)	- (-)	43 (-)	8 (3)
Audit & Supervisory Board Members (of which related to Outside Audit & Supervisory Board Members)	53 (21)	53 (21)	- (-)	- (-)	6 (3)
Total (of which related to Outside Officers)	345 (50)	302 (50)	- (-)	43 (-)	14 (6)

- (Notes) 1. The number of Audit & Supervisory Board Members include 1 Audit & Supervisory Board Member who resigned upon the close of the 72nd Ordinary General Meeting of Shareholders held on June 26, 2020.
2. The total amount of compensation/other compensation does not include salaries that Directors who concurrently serve as employees receive as employees.

- (ii) Matters concerning performance-based compensation

The Company uses consolidated operating income as the reference value for calculating performance-based compensation (officers' bonuses). The Company has selected consolidated operating income as the business metric to calculate performance-based bonuses because we most closely track consolidated operating income as a measure of profit from our main business. The amount of performance-based bonus is determined based on the percentage of achievement against consolidated operating income as the reference value and other business results. We have set the consolidated operating income reference value at 13.5 billion yen based on past business results, and because we recorded an operating income loss for the current fiscal year, there will be no performance-based bonuses.

- (iii) Details of non-monetary compensation

Non-monetary compensation means stock acquisition rights in the form of stock options, and the policy for determining such compensation is described under "(v) Matters concerning policy on determining details of compensation by each Director" below. The status of compensation granted as of the end of current fiscal year is described under "3. Matters concerning Stock Acquisition Rights (1) Stock Acquisition Rights Granted to Officers as Consideration for Execution of Duties Held as of the End of Fiscal Year Ended March 31, 2021". An option holder may exercise their

stock acquisition rights only until the earlier of the five-year anniversary of the day following the date on which they lose any of their position(s) as a Director, an Audit & Supervisory Board Member, or a corporate officer of the Company and Wacoal Corp., and the twenty-year anniversary of the date such stock acquisition rights were granted.

- (iv) Matters concerning resolutions of the general meeting of shareholders regarding total amount of compensation and other compensation paid to Directors and Audit & Supervisory Board Members

The total maximum annual amount of basic compensation paid was determined to be 350 million yen for Directors (excluding the amount of employee's salary for Directors who concurrently serve as employees) and 75 million yen for Audit & Supervisory Board Members, pursuant to a resolution adopted at the 57th Ordinary General Meeting of Shareholders held on June 29, 2005. The numbers of Directors and Audit & Supervisory Board Members upon the close of the meeting were seven (7) and five (5), respectively. The amount of performance-based bonus is determined according to the business results of each fiscal year by resolution of the Ordinary General Meeting of Shareholders held for the relevant year. Stock acquisition rights to be granted as stock options were approved at the 60th Ordinary General Meeting of Shareholders held on June 27, 2008 as follows: The maximum annual amount will be up to 70 million yen, as a separate category of basic compensation; the number of shares underlying the stock acquisition rights will be up to 70,000 shares (which is currently 35,000 shares as a result of a one-for-two reverse stock split conducted on October 1, 2017); the exercise period will be within twenty (20) years from the grant date and as prescribed by the Board of Directors; the amount contributed upon the exercise of each stock acquisition rights will be one (1) yen per share, which may be paid upon exercise of each stock acquisition rights, multiplied by the number of shares to be issued upon the exercise of the stock acquisition rights; and as conditions for exercising the stock acquisition rights, as a general rule, option holders may exercise their stock acquisition rights from the day following the date on which they lose their position as Director, Audit & Supervisory Board Member, or executive officer of the Company. The number of Directors upon the close of such meeting was eight (8) (of which three (3) were Outside Directors).

(v) Matters concerning policy on determining details of compensation to each Director

The Company prescribes the policy on determining details of compensation payable to each Director (this “Policy”).

Our compensation to Directors consists of basic compensation, the amount of which is fixed, a performance-based bonus that is linked to the business results for each fiscal year, and share-based stock options, which provide medium- to long-term incentives. Because Independent Outside Directors are not involved in the execution of business, they only receive basic compensation payable in a fixed amount. An overview of the policy for determining each type of compensation is described in the table below.

	Policy for determining the amount of or calculation method for compensation to each Director	Method for determining details of and timing for compensation, etc. to each Director
Basic compensation	<ul style="list-style-type: none"> <li>- to be determined by each position</li> <li>- to reflect degree of contribution to management in the previous fiscal year</li> <li>- to review the range of appropriate levels of compensation for companies in the same industry as well as for companies of a similar size and set level of compensation commensurate with the Company’s business results and size</li> </ul>	<ul style="list-style-type: none"> <li>- fixed monthly compensation</li> <li>- specific details to be determined by the Board of Directors based on the reports prepared by the Executive Compensation Advisory Committee</li> </ul>
Performance-based bonus (performance-based compensation)	<ul style="list-style-type: none"> <li>- to be determined for each fiscal year based on the percentage of achievement against a reference value composed of consolidated operating income and based on other business results, to increase the degree of linkage between bonuses and consolidated business performance</li> </ul>	<ul style="list-style-type: none"> <li>- to be paid once a year after approval at the general meeting of shareholders for the relevant fiscal year</li> <li>- to be resolved at a Board of Directors meeting and the total amount to be approved at the general meeting of shareholders based on reports prepared by the Executive Compensation Advisory Committee</li> </ul>
Share-based stock options (non-monetary compensation)	<ul style="list-style-type: none"> <li>- to be determined in consideration of the monthly amount of basic compensation and the fair value of stock, which in turn are determined pursuant to the recommendations of the Executive Compensation Advisory Committee</li> <li>- Director eligible to exercise after losing any of their position(s) as Director, Audit &amp; Supervisory Board Member or corporate officer</li> <li>- option holder to waive all stock acquisition rights that are unexercised if in violation of the terms of the agreement on allotment of stock acquisition rights or discharged from its position as Director or corporate officer</li> </ul>	<ul style="list-style-type: none"> <li>- to be allotted after election as Director at the ordinary general meeting of shareholders held once a year</li> <li>- the number of stock acquisition rights allotted to be determined at a Board of Directors meeting</li> </ul>

Basic compensation, performance-based bonus, and share-based stock options as percentages of total compensation are 71%, 18% and 11%, respectively, when the performance-based bonus is calculated using consolidated operating income as the reference value.

A half of the member of the Executive Compensation Advisory Committee are Independent Outside Directors, and the Independent Outside Director acts as the chair of the Committee. The Committee is operated with a high degree of transparency and fairness by resolving matters with the unanimous approval of all members.

The Board of Directors consulted the Executive Compensation Advisory Committee on this Policy, which was resolved at the Board of Directors Meeting held on February 24, 2021, respecting the Committee's recommendations.

We understand that the Executive Compensation Advisory Committee held discussions and deliberations, including with respect to the consistency of the draft with this Policy, upon determination of the compensation and other matters of each Director for the current fiscal year, and therefore, the Board of Directors respects the Committee's recommendations and believes in principle that the determination is consistent with this Policy.

The policy for determining the details of compensation and other matters of each Audit & Supervisory Board Member is decided by the Audit & Supervisory Board. Given that they are not involved in the execution of business, the Audit & Supervisory Board Members only receive basic compensation, a fixed monthly compensation, which is fixed in commensurate with the Company's business results and size in comparison with companies in the same industry and of a similar size. The amount of basic compensation payable to each Audit & Supervisory Board Member will be decided upon mutual discussion among the Audit & Supervisory Board Members.

(vi) Matters concerning delegation of determining details of compensation by each Director

Board of Directors of the Company determines (and does not delegate determining) the details of compensation payable to each Director.

**(3) Main Activities of Outside Directors and Outside Audit & Supervisory Board Members**

Category	Name	Main Activities
Director	Madoka Mayuzumi	Ms. Mayuzumi has attended 13 of the 14 Board of Directors' meetings held during the current fiscal year and has expressed her opinions on the proposals and/or discussions based on her comprehensive knowledge and experience in the field of arts and culture. Specifically, she has made a wide range of proactive recommendations on Company's communication with our consumers, social responsibility, risk management and other matters based on her insight in the field of arts and culture, and from her perspective as a consumer and a woman. In addition to expressing opinions at the Board of Directors' meetings, she acts as a function to oversee the management team of the Company by serving as a member of the Executive Nomination Advisory Committee and the Executive Compensation Advisory Committee.
Director	Shigeru Saito	Mr. Saito has attended all 14 Board of Directors' meetings held during the current fiscal year and has expressed his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience of overall management. Specifically, he has made a wide range of proactive recommendations on business strategies, customer expansion and CX strategies of the Company based on his knowledge and insight on overall management, and expertise in the IT area. In addition to expressing opinions at the Board of Directors' meetings, he acts as a function to oversee the management team of the Company by serving as a member of the Executive Nomination Advisory Committee and the Executive Compensation Advisory Committee.
Director	Tsunehiko Iwai	Mr. Iwai has attended all 14 Board of Directors' meetings held during the current fiscal year and has expressed his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience in the field of technology and overall management. Specifically, he has made a wide range of proactive recommendations on business strategies, brand strategies, production strategies, and risk management of the Company based on his knowledge and insight on overall management, and expertise on research & development, production, technology, and compliance. In addition to expressing opinions at the Board of Directors' meetings, he acts as a function to oversee the management team of the Company by serving as a chair of the Executive Nomination Advisory Committee and the Executive Compensation Advisory Committee.
Audit & Supervisory Board Member	Hiroshi Shirai	Mr. Shirai has attended all 14 Board of Directors' meetings and all 15 Audit & Supervisory Board's meetings held during the current fiscal year and has expressed his opinions on the proposals and/or discussions primarily from his professional perspective as a certified public accountant.
Audit & Supervisory Board Member	Mitsuhiro Hamamoto	Mr. Hamamoto has attended all 14 Board of Directors' meetings and all 15 Audit & Supervisory Board's meetings held during the current fiscal year and has expressed his opinions on proposals and/or discussions primarily from his professional perspective as an attorney-at-law.

Category	Name	Main Activities
Audit & Supervisory Board Member	Minoru Shimada	Mr. Shimada has attended all 14 Board of Directors' meetings and all 15 Audit & Supervisory Board's meetings held during the current fiscal year and has express his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience of overall management.

**(4) Summary of Limitation of Liability Agreement**

Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and our Articles of Incorporation, the Company has executed an agreement with its Outside Directors and Outside Audit & Supervisory Board Members to limit their liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act.

The maximum amount of liability under such agreement is the minimum amount as provided by laws and regulations.

## 5. MATTERS CONCERNING ACCOUNTING AUDITORS

### (1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

### (2) Compensation, etc.

Amount of compensation payable to the accounting auditor for this fiscal year:	139 million yen
Total amount of money and other property benefits to be paid to the accounting auditor by the Company and its subsidiaries:	225 million yen

- (Notes) 1. The accounting audit agreement executed between the Company and its accounting auditor does not distinguish compensation for accounting under the Companies Act from that for accounting under the Financial Instruments and Exchange Act, and they cannot be reliably distinguished. Therefore, the amount given above represents the total amount of compensation for both types of accounting work.
2. Among our significant subsidiaries, Wacoal International Corp., Wacoal America, Inc., Wacoal Europe Ltd., Wacoal EMEA Ltd. and A Tech Textile Co., Ltd. are subject to audits by other auditing firms and not by our accounting auditor.

### (3) Description of Nonaudit Services

The Company pays fees to the accounting auditor as compensation for advice and/or guidance regarding accounting standards and information disclosure, which are out of the scope of the services that are set forth in Paragraph 1, Article 2 of the Certified Public Accountants Act.

### (4) Consent on Amount of Compensation, etc. Payable to Accounting Auditor

The Audit & Supervisory Board has obtained necessary documents and received explanations regarding the comparison of the estimated time under the audit plan from the previous fiscal year and the actual time used for audit performance and the trend in the amount of compensation paid for the audit performance during the past fiscal years from the relevant departments and the accounting auditor, has reviewed the details of audit planning, basis for calculating compensation and level of compensation presented by the accounting auditor for the current fiscal year, and after deliberating whether the amount of compensation for the audit performance is appropriate to maintain the independence of the accounting auditor and to carry out its accounting audit under appropriate audit system and audit plan for the assessment of risks related to the audit environment and internal control system of the business group (including the Company and its consolidated subsidiaries), the Audit & Supervisory Board has deemed the amount of compensation for the current fiscal year is appropriate. Based on the above, the Audit & Supervisory Board has given its consent, pursuant to the provisions of Paragraph 1, Article 399 of the Companies Act, on the amount of compensation payable to the accounting auditor.

### (5) Policy on Determination of Dismissal and Non-Reappointment of Accounting Auditor

If the accounting auditor comes to fall under any of the items of Paragraph 1, Article 340 of the Companies Act and its dismissal is deemed appropriate, the Audit & Supervisory Board will dismiss the accounting auditor with the consent of all Audit & Supervisory Board Members.

In addition to the above, upon the occurrence of an event which may harm the eligibility or independence of the accounting auditor, or if it is deemed difficult for the accounting auditor to perform appropriate audit procedures, the Audit & Supervisory Board will prepare and determine an agenda concerning the dismissal or non-reappointment of the accounting auditor to be submitted as a proposal at the General Meeting of Shareholders.

## 6. SYSTEM AND POLICIES OF COMPANY

### (1) System to Ensure Appropriate Business Conduct

- (i) System to ensure that execution of duties by Directors and/or employees is in compliance with laws and regulations and the Articles of Incorporation
- To ensure that all Directors and employees of the business group comprised of the Company and its subsidiaries (“the Wacoal Group”) comply with laws and regulations and the Articles of Incorporation and conduct business based on sound social norms, we have enacted “Wacoal Code of Ethics” and “Corporate Ethics and Wacoal Standards of Conduct”.
  - In order to improve our system of compliance, we have established a Corporate Ethics and Risk Management Committee, for which our Representative Director and President acts as the head in charge of the committee and the Director of Supervisor of Group Business Management acts as chairman, which will consider any compliance issues which may have a material impact on the Wacoal Group, enhance awareness and enlightenment on corporate ethics and effectively promote control of any management risks on the Wacoal Group. The Management Planning Department shall act as organizer, and shall be responsible for the corporate ethics and risk management related to the Wacoal Group.
  - We have established a system under which our legal/compliance department could be promptly notified if a Director and/or employee of the Wacoal Group becomes aware of a compliance issue which may have violated the “Wacoal Code of Ethics” or the “Corporate Ethics and Wacoal Standards of Conduct”, or of any other compliance issues. We have also established an internal alert system (corporate ethics hotline to the legal/compliance department and a law firm). After being notified and/or alerted, the legal/compliance department conducts an investigation and formulates preventive measures after discussions with the related department. If the issue is critical, the legal/compliance department will refer the matter to the Corporate Ethics and Risk Management Committee and will report the results of its deliberation to the Board of Directors and/or Audit & Supervisory Board.
  - The “Corporate Ethics and Wacoal Standards of Conduct” prescribes that Directors and employees shall firmly refuse to comply with demands of antisocial forces. In order to handle unjust demands of antisocial forces, we cooperate with outside specialized institutions, collect and/or control information related to antisocial forces and are building an internal system.
- (ii) System concerning the Storage and Management of Information related to Execution of Duties by Directors
- With the approval of the Board of Directors, we have enacted “Document Management Rules” pursuant to which we store the following documents (including electromagnetic records, hereafter the same) along with any related materials:  
\*Minutes of the general meeting of shareholders, minutes of the Board of Directors’ meetings, minutes of the Group Management Meeting, documents for which a Director is the final decision maker and any other documents prescribed in the “Document Management Rules”
  - The retention period and the place for storage of the documents prescribed in the preceding paragraph shall be subject to the “Document Management Rules”, but such retention period shall be at least ten (10) years. The Directors and Audit & Supervisory Board Members shall have access to these documents at all times.
- (iii) Rules and Other Systems concerning Risk Management of Losses
- In order to understand the management risk within the Wacoal Group in general and to improve and/or strengthen our risk management system, we have established a Corporate Ethics and Risk Management Committee, for which our Representative Director and

President acts as administrative manager and the Director of Supervisor of Group Business Management as Chairman. The Management Planning Department shall act as organizer.

- The Corporate Ethics and Risk Management Committee prescribes “Risk Management Basic Rules”, subject to the approval of the Board of Directors, which form the basis for our risk management system. The Corporate Ethics and Risk Management Committee clarifies the responsibilities by risk category pursuant to these rules, and formulates a risk management system that thoroughly and/or comprehensively controls potential risk within the Wacoal Group.
  - The Corporate Ethics and Risk Management Committee regularly reports on the operations of the Wacoal Group’s risk management system to the Board of Directors.
- (iv) System to Ensure Effective Execution of Duties by Directors
- In order to enhance appropriate decision-making by our Directors, at least one-third of all Directors will be independent Outside Directors.
  - We will formulate a medium-term management plan to be shared by the Directors and/or employees within the Wacoal Group and will direct and confirm courses of action and business targets in the medium to short-term that are consistent with such plan.
  - We will follow the business results of each Wacoal Group company on a monthly basis and report back to the Board of Directors. In addition, by holding a quarterly meeting of the “Quarterly Business Results Review Committee”, we will confirm the business results and the implementation of measures and policies, consider measures in the event targets are not achieved, and review such targets, as may be necessary.
  - We adopt a corporate officer system, under which we seek to build an appropriate and efficient management system which clearly defines the delegation of authority and responsibilities with respect to major Group companies.
- (v) System to Ensure Appropriate Business Conduct within Group Companies
- We have enacted our “Group Management Rules”, which prescribes basic policies regarding the management of Group companies and matters to be decided by our Board of Directors, as well as matters to be reported to the Company and manages our Group companies in accordance with the rules.
  - We conduct any intercompany transaction fairly in compliance with laws and regulations, accounting principles and the tax system.
  - Our audit office will conduct audits of operations within the Group companies, including audits of the establishment and/or operation of our compliance system and risk management system, and will report the results of its audits to the Board of Directors and the responsible departments and give guidance and/or advice related to the above to Group companies to ensure appropriate conduct of business.
  - Our foreign subsidiaries will comply with the laws and regulations of their respective home countries and will adopt a system that is in line with our policies to the extent reasonable.
- (vi) Matters concerning Assistants to Audit & Supervisory Board Members
- Audit & Supervisory Board Members may appoint employees of the Company as their assistants who are to assist the duties of the Audit & Supervisory Board Members.
  - Such assistants shall serve on a full-time basis. In order to ensure the effectiveness and independence of such assistants, decisions on personal affairs, including appointment, evaluation, relocation and discipline of such assistants will be subject to the consent of the Audit & Supervisory Board Members.

- (vii) Reporting System of Directors and Employees to the Audit & Supervisory Board Members and Other Systems related to the report to Audit & Supervisory Board Members
- Directors of the Wacoal Group shall promptly report to the Audit & Supervisory Board Members if they become aware of a material fact that violates the applicable laws and regulations and/or Articles of Incorporation of each company, misconduct or a fact that may cause significant damage to any company of the Wacoal Group.
  - Employees of the Wacoal Group may directly report to the Audit & Supervisory Board Members if they become aware of a material fact that violates the applicable laws and regulations and/or Articles of Incorporation of each company, misconduct or a fact that may cause significant damage to any company of the Wacoal Group. Any employee who makes such report will not be at a disadvantage for the reason of making such report.
  - Through the reporting of the following matters in addition to statutory matters to the Audit & Supervisory Board Members by Directors and employees of the Wacoal Group, we strive to have the Audit & Supervisory Board Members audit conducted effectively.

Matters referred to the Group Management Meeting

Monthly and quarterly Group management conditions

Results of audits of operations

The condition of our internal alert system

Other significant matters

- (viii) Other Systems to ensure Effective Audit by Audit & Supervisory Board Members
- The majority of the Audit & Supervisory Board Members of the Company will be independent Outside Audit & Supervisory Board Members to enhance the transparency and neutrality of audit.
  - The Audit & Supervisory Board Members may order employees who belong to the audit office to perform any tasks that are required to provide their services. In addition, the Audit & Supervisory Board Members may request the Company for reimbursement of expenses incurred for performing their duties.
  - Audit & Supervisory Board Members will attend meetings of the Board of Directors and may also attend other primary meetings of the Wacoal Group.
  - The Audit & Supervisory Board Members will regularly meet with the audit office and the Accounting Auditor to receive reports and to exchange opinions.
  - The Audit & Supervisory Board may consult legal counsel, certified public accountants, consultants or other outside advisors as it deems necessary.

**(2) Outline of Operation of our “System to ensure Appropriate Business Conduct”**

- (i) System to ensure that execution of duties by Directors and/or employees is in compliance with laws and regulations and the Company’s Articles of Incorporation
- We have a Compliance Committee which specifically establishes and operates our compliance system. The Compliance Committee holds a meeting each quarter, and discusses and reviews awareness of compliance and matters reported to us through the internal alert system.
  - Our legal/compliance department continues to provide level-specific group education and e-learning programs as part of our educational activities for our employees. We are also making step-by-step efforts to strengthen the internal alert system for our overseas Group

companies by providing compliance awareness training and carrying out compliance review by a third-party as well as by expanding our external corporate ethics hotline.

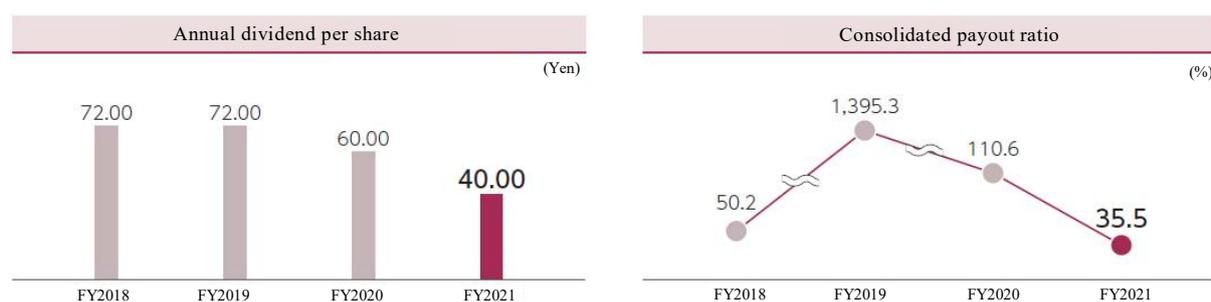
- (ii) System concerning the Storage and Management of Information related to Execution of Duties by Directors
  - Documents prescribed in the “Document Management Rules” have been properly stored in accordance with the “Document Management Rules” and the Directors and Audit & Supervisory Board Members have access to these documents on a timely basis.
- (iii) Rules and Other Systems concerning Risk Management of Losses
  - The Corporate Ethics and Risk Management Committee assesses risks, monitors the implementation of measures taken, and reports to the Board of Directors on a quarterly basis.
  - The CSR Procurement Committee was established as a subcommittee of the Corporate Ethics and Risk Management Committee. As part of our group purchase policy, we worked on an initiative that links the following functions, which we continue to expand, in order to check the outsourcees’ compliance with the “Wacoal Group CSR-based Procurement Guidelines”, which includes promotion of business transactions with business enterprises that emphasize attention to social needs with respect to human rights, labor practices, environment and ethics; monitoring of self-evaluation by outsourcees; analysis/assessment feedback; correction/improvement plans; and follow-up.
  - In response to the coronavirus pandemic, we have established the Coronavirus Pandemic Countermeasure Team, as a subcommittee of the Corporate Ethics and Risk Management Committee, in February 2020. The Coronavirus Pandemic Countermeasure Team gathered and delivered pandemic-related information within our group, formulated guidelines and policies based on the guidance issued by the government and local authorities, and made efforts to spread awareness of such policies and guidance within our group companies.
- (iv) System to ensure Effective Execution of Duties by Directors
  - We engage in highly transparent decision-making by appointing three independent Outside Directors among our eight Directors.
  - We held discussions and prepared Wacoal Group’s management policy for the fiscal year ending March 2022.
  - We hold meetings of the Quarterly Business Results Review Committee on a quarterly basis, and confirms and reviews the business results and implementation of measures.
- (v) System to ensure Appropriate Business Conduct within Group Companies
  - Matters to be decided and reported by our subsidiaries are appropriately managed in accordance with the “Group Management Rules”.
  - Our audit office develops an audit plan for each fiscal year and conducts audits on the operation and internal controls of the Company and our domestic and overseas subsidiaries.
- (vi) Matters concerning Assistants to Audit & Supervisory Board Members
  - Our audit office assists the duties of the Audit & Supervisory Board Members upon their request from time to time. Audit & Supervisory Board Members have not requested or appointed any assistant for their duties.

- (vii) Reporting System of Directors and Employees to the Audit & Supervisory Board Members and Other Systems related to the report to Audit & Supervisory Board Members
- The Audit & Supervisory Board Members attended primary meetings and received reports on matters that were discussed and on the management condition, and also received reports, from time to time, on the results of audits on the operation and matters reported through the internal alert system.
- (viii) Other Systems to ensure Effective Audits by Audit & Supervisory Board Members
- We enhance the effectiveness of audit by appointing three independent Outside Audit & Supervisory Board Members among the five Audit & Supervisory Board Members.
  - The Company reimburses any and all expenses incurred by the Audit & Supervisory Board Members for performing their duties.
  - The Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings, conduct hearings with the Directors and also visit our subsidiaries to conduct audits. In addition, the Audit & Supervisory Board Members preside at Audit & Supervisory Board Group Meetings and receive periodic reports from the Audit & Supervisory Board Members of the domestic subsidiaries.
  - The Audit & Supervisory Board Members, regularly and whenever necessary, exchange information and opinions with the Accounting Auditor and the audit office.

### (3) Policy Regarding Determination of Distribution of Earnings

Our basic policy on profit distributions to shareholders is to make stable distributions based on consideration of our consolidated performance, while seeking to increase our enterprise value through active investments aimed at higher profitability and to increase net income per share. With respect to retained earnings, we will actively invest in expanding our customer bases for our domestic business and our overseas businesses, with the aim of improving our enterprise value.

Based on the above-described basic policy and pursuant to the provisions of our Articles of Incorporation, we have resolved at the Board of Directors' Meeting held on May 14, 2021 that the year-end dividend for the current fiscal year is 20.00 yen per share and the effective date is June 4, 2021. As a result, the annual cash dividend per share, including the interim dividend, will be 40.00 yen for the current fiscal year.



※ We have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. The amount of annual dividend per share for fiscal year 2018 has been converted to reflect such share consolidation.

※ For fiscal years after fiscal year 2019, the consolidated payout ratio were 50.7% for fiscal year 2019, 63.1% for fiscal year 2020 and 100.3% for fiscal year 2021, respectively, if calculated based on the net income attributable to Wacoal Holdings Corp. excluding non-recurring items such as the impairment charges on the intangible assets with respect to our subsidiaries and valuation loss on marketable securities.

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

ASSETS	Current Fiscal Year (as of March 31, 2021)	Reference: Previous Fiscal Year (as of March 31, 2020)
Accounts	Amount	Amount
<b>Current Assets</b>	<b>134,122</b>	<b>98,190</b>
Cash and cash equivalents	63,557	27,905
Time deposits	1,443	797
Marketable securities	253	656
Notes and accounts receivable	17,571	20,062
Allowance for doubtful receivables	(346)	(489)
Inventories	43,250	43,427
Return assets	600	868
Other current assets	7,794	4,964
<b>Property, Plant and Equipment</b>	<b>49,758</b>	<b>52,083</b>
Land	20,569	21,460
Buildings and structures	72,978	74,039
Machinery and equipment	19,356	18,782
Construction in progress	1,264	1,090
Accumulated depreciation	(64,409)	(63,288)
<b>Other Assets</b>	<b>138,881</b>	<b>127,415</b>
Operating leases right-of-use assets	12,729	13,540
Investments in affiliated companies	21,207	21,595
Investments	51,603	43,904
Goodwill	21,169	22,371
Other intangible assets	15,220	14,547
Prepaid pension expense	9,533	4,974
Deferred income taxes	1,649	1,118
Other	5,771	5,366
<b>Total Assets</b>	<b>322,761</b>	<b>277,688</b>

Amounts less than ¥1 million are rounded to the nearest million.

(Millions of yen)

LIABILITIES	Current Fiscal Year (as of March 31, 2021)	Reference: Previous Fiscal Year (as of March 31, 2020)
Accounts	Amount	Amount
<b>Current Liabilities</b>	<b>76,071</b>	<b>44,107</b>
Short-term bank loans	40,672	3,364
Trade notes payable	712	1,112
Trade accounts payable	8,734	9,588
Other payables	6,610	7,107
Accrued payroll and bonuses	6,822	6,734
Income taxes payable	1,025	4,878
Refund liabilities	2,266	2,645
Short-term operating lease liabilities	4,411	4,600
Current portion of long-term debt	35	50
Other current liabilities	4,784	4,029
<b>Long-term Liabilities</b>	<b>28,074</b>	<b>24,133</b>
Long-term debt	1,498	35
Liability for termination and retirement benefits	1,942	2,069
Deferred income taxes	12,292	7,911
Long-term operating lease liabilities	8,520	9,101
Contingent consideration	1,639	2,786
Other long-term liabilities	2,183	2,231
<b>Total Liabilities</b>	<b>104,145</b>	<b>68,240</b>
EQUITY		
<b>Common stock</b>	<b>13,260</b>	<b>13,260</b>
<b>Additional paid-in capital</b>	<b>29,120</b>	<b>29,836</b>
<b>Retained earnings</b>	<b>181,346</b>	<b>185,233</b>
<b>Accumulated other comprehensive income (loss)</b>	<b>762</b>	<b>(5,627)</b>
Foreign currency translation adjustments	1,770	(1,033)
Pension liability adjustments	(1,008)	(4,594)
<b>Treasury stock, at cost</b>	<b>(8,876)</b>	<b>(17,331)</b>
<b>Total Wacoal Holdings Corp. Shareholders' Equity</b>	<b>215,612</b>	<b>205,371</b>
<b>Noncontrolling interests</b>	<b>3,004</b>	<b>4,077</b>
<b>Total Equity</b>	<b>218,616</b>	<b>209,448</b>
<b>Total Liabilities and Equity</b>	<b>322,761</b>	<b>277,688</b>

Amounts less than ¥1 million are rounded to the nearest million.

## CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

Accounts	Current Fiscal Year (from April 1, 2020 to March 31, 2021)	Reference: Previous Fiscal Year (from April 1, 2019 to March 31, 2020)
	Amount	Amount
Net sales	152,204	186,760
Operating costs and expenses	153,319	180,128
Cost of sales	67,798	84,959
Selling, general and administrative expenses	81,700	93,927
Impairment charges on property, plant and equipment	1,136	769
Impairment charges on goodwill and other intangible assets	2,685	473
<b>Operating (loss) income</b>	<b>(1,115)</b>	<b>6,632</b>
Other income (expenses)	11,907	(2,273)
Interest income	61	177
Interest expense	(78)	(19)
Dividend income	1,126	1,506
Valuation gain (loss) marketable securities and investments – net	10,390	(3,760)
Foreign exchange gain – net	168	36
Other – net	240	(213)
<b>Income before income taxes and equity in         net income of affiliated companies</b>	<b>10,792</b>	<b>4,359</b>
Income taxes	4,081	1,453
Current	1,803	7,126
Deferred	2,278	(5,673)
<b>Income before equity in net income of         affiliated companies</b>	<b>6,711</b>	<b>2,906</b>
Equity in net income of affiliated companies	93	62
<b>Net income</b>	<b>6,804</b>	<b>2,968</b>
Net loss attributable to noncontrolling interests	221	504
<b>Net income attributable to Wacoal Holdings         Corp.</b>	<b>7,025</b>	<b>3,472</b>

Amounts less than ¥1 million are rounded to the nearest million.

**NON-CONSOLIDATED FINANCIAL STATEMENTS**

**NON-CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

ASSETS	Current Fiscal Year (as of March 31, 2021)	Reference: Previous Fiscal Year (as of March 31, 2020)
Accounts	Amount	Amount
<b>Current Assets</b>	<b>51,563</b>	<b>14,976</b>
Cash and bank deposits	45,938	11,538
Short-term loans receivable from subsidiaries and affiliated companies	7,298	5,135
Other	2,179	1,466
Allowance for doubtful receivables	(3,852)	(3,163)
<b>Fixed Assets</b>	<b>140,173</b>	<b>141,024</b>
<b>Property, Plant and Equipment</b>	<b>37,046</b>	<b>38,208</b>
Buildings	17,688	18,340
Structures	230	218
Machinery	18	19
Equipment	1,177	1,187
Land	17,581	18,342
Construction in progress	350	100
<b>Intangible Assets</b>	<b>587</b>	<b>587</b>
Leasehold rights	585	585
Other	1	1
<b>Investments and Other Assets</b>	<b>102,539</b>	<b>102,227</b>
Investments	2	2
Investments in subsidiaries and affiliated companies	101,846	101,846
Long-term loans receivable from subsidiaries and affiliated companies	315	-
Other	375	379
<b>Total Assets</b>	<b>191,737</b>	<b>156,000</b>

Amounts less than ¥1 million are rounded down to the nearest million.

(Millions of yen)

LIABILITIES	Current Fiscal Year (as of March 31, 2021)	Reference: Previous Fiscal Year (as of March 31, 2020)
Accounts	Amount	Amount
<b>Current Liabilities</b>	<b>50,367</b>	<b>23,737</b>
Trade notes payable	13	14
Short-term bank loans	40,000	-
Short-term borrowings from subsidiaries and affiliated companies	9,802	23,043
Other payables	353	470
Accrued expenses	9	10
Income taxes payable	120	110
Accrued bonuses	52	62
Accrued officers' bonuses	-	12
Other	15	12
<b>Long-term Liabilities</b>	<b>1,263</b>	<b>1,267</b>
Deferred income taxes	844	841
Other	419	426
<b>Total Liabilities</b>	<b>51,630</b>	<b>25,004</b>
NET ASSETS		
<b>Shareholders' Equity</b>	<b>139,514</b>	<b>130,428</b>
<b>Common stock</b>	<b>13,260</b>	<b>13,260</b>
<b>Additional paid-in capital</b>	<b>29,294</b>	<b>29,294</b>
Capital reserve	29,294	29,294
<b>Retained earnings</b>	<b>105,836</b>	<b>105,204</b>
Legal reserve	3,315	3,315
Other retained earnings	102,521	101,889
Reserve for deferred gain on sale of property	4,000	3,980
General reserve	90,000	90,000
Retained earnings carried forward	8,520	7,908
<b>Treasury stock, at cost</b>	<b>(8,875)</b>	<b>(17,330)</b>
<b>Stock Acquisition Rights</b>	<b>591</b>	<b>568</b>
<b>Total Net Assets</b>	<b>140,106</b>	<b>130,996</b>
<b>Total Liabilities and Net Assets</b>	<b>191,737</b>	<b>156,000</b>

Amounts less than ¥1 million are rounded down to the nearest million.

## NON-CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

Accounts	Current Fiscal Year (from April 1, 2020 to March 31, 2021)	Reference: Previous Fiscal Year (from April 1, 2019 to March 31, 2020)
	Amount	Amount
Operating revenue	16,429	13,346
Rental income	4,469	4,521
Dividend income	11,625	8,481
Other	333	342
Operating costs and expenses	1,753	1,842
Cost of rent	1,753	1,842
<b>Operating gross income</b>	<b>14,675</b>	<b>11,504</b>
Selling, general and administrative expenses	1,925	2,133
<b>Operating income</b>	<b>12,749</b>	<b>9,371</b>
Non-operating income	89	79
Interest income	25	18
Dividend income	-	0
Reversal of allowance for doubtful receivable of subsidiaries and affiliated companies	50	48
Other	13	11
Non-operating expenses	790	338
Interest expenses	51	19
Provision of allowance for doubtful receivable for subsidiaries and affiliated companies	738	314
Other	0	4
<b>Ordinary income</b>	<b>12,048</b>	<b>9,111</b>
Extraordinary income	468	-
Gain on sales of fixed assets	468	-
Extraordinary loss	637	9
Loss on sale and disposal of fixed assets	12	9
Impairment charges on fixed assets	625	-
<b>Income before income taxes</b>	<b>11,879</b>	<b>9,102</b>
Income taxes	335	340
Current	332	423
Deferred	2	(83)
<b>Net income</b>	<b>11,544</b>	<b>8,762</b>

Amounts less than ¥1 million are rounded down to the nearest million.

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

May 14, 2021

To the Board of Directors of  
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Engagement Partner,  
Certified Public Accountant:

Koichiro Tsukuda

Designated Engagement Partner,  
Certified Public Accountant:

Hiroaki Sakai

Designated Engagement Partner,  
Certified Public Accountant:

Tomomi Tsuji

### Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Wacoal Holdings Corp. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2021, and the consolidated statement of income and consolidated statement of equity for the fiscal year from April 1, 2020 to March 31, 2021, and the related notes.

In our opinion, the accompanying consolidated financial statements, prepared with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated results of its operations for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

May 14, 2021

To the Board of Directors of  
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Engagement Partner,  
Certified Public Accountant:

Koichiro Tsukuda

Designated Engagement Partner,  
Certified Public Accountant:

Hiroaki Sakai

Designated Engagement Partner,  
Certified Public Accountant:

Tomomi Tsuji

### Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Wacoal Holdings Corp. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2021, and the nonconsolidated statement of income and nonconsolidated statement of changes in net assets for the 73rd fiscal year from April 1, 2020 to March 31, 2021, and the related notes and the accompanying supplementary schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements

in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

## AUDIT REPORT

We, the Audit & Supervisory Board, have received reports on the audit procedures and results concerning the execution of duties by the Directors during the 73rd fiscal year, from April 1, 2020 to March 31, 2021, prepared by each of the Audit & Supervisory Board Members. After review of the reports, we have prepared this Audit Report as follows:

### 1. Procedures and details of the audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established policy on audits and the assignment of work responsibilities, received reports on the audits and results from each of the Audit & Supervisory Board Members, received reports regarding the execution of duties by Directors and the Accounting Auditor, and requested reports whenever necessary.
- (2) In conformity with the audit standards prescribed by the Audit & Supervisory Board and in accordance with the policy on audits and the assignment of work responsibilities, each of the Audit & Supervisory Board Members has made efforts to communicate with the Directors, internal audit department, and other employees and maintain an environment for information gathering and auditing and have conducted audits as follows:
  - (i) We attended meetings of the Board of Directors and other important meetings, received reports regarding the execution of duties by the Directors and employees, investigated the conduct of the business and the assets and properties of the Company at the head office and other principal offices, and whenever necessary, requested explanations. With respect to subsidiaries, we made efforts to communicate and exchange information with the Directors and Audit & Supervisory Board Members of the subsidiaries and, whenever necessary, requested reports on the business from such subsidiaries.
  - (ii) With respect to the resolution of the Board of Directors concerning the establishment of the system required under Paragraphs 1 and 3, Article 100 of the Enforcement Regulations of the Companies Act, as described in the business report, in order to ensure that the execution of duties by Directors is in compliance with laws and regulations and the Company's Articles of Incorporation and that the business conduct of the business group comprised of a joint stock corporation (*kabushiki kaisha*) and its subsidiaries is appropriate, as well as the system established pursuant to such resolution (internal control system), we have received reports regularly from the Directors and other employees on their establishment and operation, requested explanations whenever necessary, and expressed our opinion.
  - (iii) We have monitored and inspected whether the Accounting Auditor has maintained independence and whether the audits have been conducted appropriately, received reports from the Accounting Auditor on the execution of duties, and requested explanations whenever necessary. The Accounting Auditor has reported to us that the "system to ensure the appropriate execution of duties" (matters stipulated in each Item of Article 131 of the Ordinance on Company Accounting under the Companies Act) has been established pursuant to the "Quality Control Standard for Audits" (Business Accounting Council, October 28, 2005), and we requested explanations whenever necessary.

Based on the above, we have examined the business report and the supplementary statement, financial statements (the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in net assets, and the related notes), and the accompanying supplemental schedules, as well as the consolidated financial statements (the consolidated balance sheets, the consolidated statements of income, the consolidated statement of equity, and the related notes) for the 73rd fiscal year.

## 2. Results of the audit

### (1) Results of the audit on the business report

- (i) The business report and its supplementary statement present fairly the Company's affairs in conformity with the applicable laws and regulations of Japan and the Company's Articles of Incorporation.
- (ii) With regard to the execution of duties by the Directors, there has been no misconduct or material matters that would constitute a violation of any laws or regulations of Japan or the Company's Articles of Incorporation.
- (iii) In our opinion, the details of the resolution of the Board of Directors regarding the internal control system are fair, and we have nothing to point out with regard to the details of the business report and execution of duties by Directors concerning said internal control system.

### (2) Results of the audit of the non-consolidated financial statements and the accompanying supplementary schedules

In our opinion, the audit procedures and audit results received from Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are appropriate.

### (3) Results of the audit of the consolidated financial statements

In our opinion, the audit procedures and audit results received from Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are appropriate.

May 20, 2021

Wacoal Holdings Corp.  
Audit & Supervisory Board

Kiyotaka Hiroshima (Seal)  
Audit & Supervisory Board Member  
(Standing)

Shinichi Kitagawa (Seal)  
Audit & Supervisory Board Member  
(Standing)

Hiroshi Shirai (Seal)  
Audit & Supervisory Board Member

Mitsuhiro Hamamoto (Seal)  
Audit & Supervisory Board Member

Minoru Shimada (Seal)  
Audit & Supervisory Board Member

(Note)

Mr. Hiroshi Shirai, Mr. Mitsuhiro Hamamoto, and Mr. Minoru Shimada, Audit & Supervisory Board Members, are Outside Audit & Supervisory Board Members as stipulated by Item 16 of Article 2 and Paragraph 3 of Article 335 of the Companies Act.

-End-