Fiscal Year Ending March 31, 2021 Second Quarter Financial Results Presentation

[U.S. Accounting Standards]

November 4, 2020
Wacoal Holdings Corp.

[Speakers]

Hironobu Yasuhara

Representative Director, President and Corporate Officer

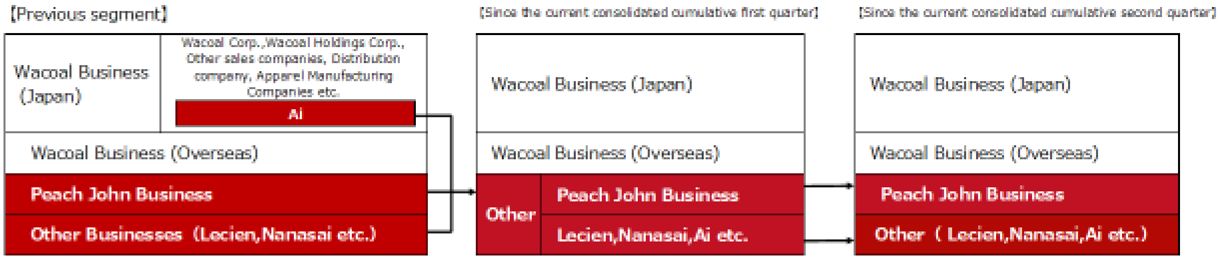
Akira Miyagi

Director and Managing Corporate Officer in charge of Group Finance

Matters Related to Business Segment Changes, etc.

Since the current consolidated cumulative first quarter, information on Ai Co., Ltd., which had previously been included in our "Wacoal Business (Domestic)" segment, and "Peach John Business" segment, has been included in our "Other" segment following review of certain management classification of performance within our group.
In addition, for the current consolidated cumulative second quarter, we have changed our "Peach John Business" to be presented as a separate operating segment, which had been included in our "Other" segment, because it satisfied the quantitative criteria during the current consolidated cumulative second quarter.

Outline of business segment changes



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Moderator: At first, we would like to announce the change in our business segments. Please refer to page two of the presentation material.

In the Q1, the "Ai" and "Peach John" business segments, which had previously been in the Wacoal Domestic Business segment, were changed to the Other segment following a partial change of the performance management classification within the Group. However, in the Q2 of the fiscal year under review, the Peach John business, which was in the Other segment, met the quantitative criteria, and therefore has been changed to the reportable segment for the recording method.

Although this segment change will cause inconvenience to investors and analysts, it will be a change in accordance with accounting standards, and we hope that this will be understood.

Now, Miyagi will explain the results of the first half of the fiscal year ending March 2021 and the full-year forecast.

Please go ahead, Mr. Miyagi.

Fiscal Year Ending March 31, 2021 First Half Business Results (April-September) and Full Business Year Outlook

Akira Miyagi

Director and Managing Corporate Officer

Wacoal Holdings Corp.

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Miyagi: Since we have taken enough distance from each other, please let me remove my mask. Thank you very much for joining us at the financial results briefing of Wacoal Holdings despite your busy schedule.

Remember, just four years ago, on November 9, the previous U.S. presidential election was on going while we were holding this kind of briefing. Although we are all concerned about the result today, we would like to have an hour or so of your time.

Executive Summary for FY2021 2Q (Jul-Sep) Note: For China only, Apr-Jun

Though the pace of recovery both in Japan and overseas remained gradual, both net sales and operating income exceeded plan

(In Japan, there is also the impact of this period being opposite the same period last year when there was last-minute demand prior to the consumption tax increase)

- **Net sales: -18% YoY (Wacoal -17%, US -2%, Europe -16%, China -14%)**
- **Operating income: ¥5.7 billion (Wacoal (Japan) ¥4 billion, Wacoal (overseas) ¥700 million, Peach John ¥800 million, Others, ¥200 million)**

Net Sales **¥44.6 billion** **vs plan+¥2.7 billion (+4%), YoY -¥9.5 billion (-18%)**

- Though our own EC platform performed well (+44%), physical stores struggled due to the impact of infectious disease and being opposite last-minute demand prior to the tax increase last year during the same period
- Overseas, EC in both the US and China experienced growth. Physical stores in Europe and the US struggled due to infectious disease and restrained buying by clients
- Operations in both Japan and overseas exceeded carefully formulated sales plans
- Peach John's EC business remained strong, and directly managed stores that reopened also performed well

Operating income **¥5.7 billion** **vs plan +¥4.5 billion, YoY -¥100 million(-2%)**

- As a result of cost cutting and utilizing governmental support measures in each country such as employment adjustment subsidies, a level on par with the same period last year was secured
- Excluding special factors such as subsidies included in the cost of sales, the sales profit ratio was 56.2% (+1.6pt)
- Due to increased profit resulting from sales and the sales profit ratio exceeding plans, as well as progress with reducing SG&A expenses, operating income significantly exceeded plans

Note: the factors behind differences with the plans will be explained on slides 14 and 15.

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First, I would like to explain the results for the Q2 and first half of the fiscal year ending March 2021 and the full-year forecast.

Please turn to page four first. This page summarizes the Q2, from July to September.

Net sales for the Q2 amounted to JPY44.6 billion. Store operations resumed following the liftings of the declaration of a state of emergency and lockdown, which led to recovery compared to Q1. However, the impact of infectious diseases remained, and the pace of recovery was slow due to the shrinking range of consumer behavior and other factors. Sales also fell 18% YoY, due in part to a reaction to the last-minute surge in demand prior to the consumption tax hike in the same period of the previous fiscal year.

Operating income was JPY5.7 billion. Although earnings declined due to falling sales, the decline of earnings was limited to 2% YoY as a result of efforts by each company to reduce expenses and use of government support measures such as employment adjustment subsidies.

Meanwhile, compared to the targets, ecommerce performed well in each country, and the improvement in the profit margin and the reduction in SG&A expenses contributed to significantly exceeding both net sales and profits. I will explain the factors behind the differences with the targets later.

FY2021 2Q (Jul – Sep): Sales and Operating Income for Business Segments and Major Subsidiaries

Note: Items for other subsidiaries and account settlement adjustments are not shown

- **Wacoal (Japan/Overseas) sales have recovered to a level exceeding 80%**
- **Peach John saw profits increase significantly due to successful sales measures**

(Millions of yen)

	2Q comment	Consolidated net sales					Operating income				
		FY2020 2Q	FY2021 2Q		Year on Year	Compared to the plan	FY2020 2Q	FY2021 2Q		Year on Year	Compared to the plan
		results	results	plan			results	results	plan		
Wholesale Business Div.	･2Q Department Stores : Recovery of about 70%	24,680	19,921	19,938	-19.3%	-0.1%	6,421	3,818	2,726	-40.5%	+40.1%
Retail and WEB Business Dept.	･2Q Directly managed store : Recovery of about 90%	6,731	6,951	6,693	+3.3%	+3.9%	710	751	365	+5.8%	+105.8%
Wacoal	･Wacoal's Own EC Site : Maintaining growth (+44%)	29,901	24,847	23,797	-16.9%	+4.4%	3,669	1,558	- 457	-57.5%	–
Wacoal Business (Japan)		31,179	25,502	23,971	-18.2%	+6.4%	4,314	3,962	1,549	-8.2%	+155.8%
Wacoal America, Inc.	･2Q Real store : Recovery of about 60%	5,180	5,107	4,984	-1.6%	+2.5%	279	- 78	- 108	–	–
Wacoal Europe Ltd.	･2Q Real store : Recovery of about 70%	3,476	2,930	2,260	-15.7%	+29.6%	330	363	- 160	+10.0%	–
Wacoal China Co., Ltd.	･2Q Real store : Recovery of about 90%	2,972	2,553	2,539	-14.1%	+0.6%	323	292	242	-9.6%	+20.7%
Wacoal Business (Overseas)	EC channels grow in each country	13,656	11,858	11,053	-13.2%	+7.3%	1,161	740	- 173	-36.3%	–
Peach John Business	Sales are strong, mainly in EC channels	2,879	3,272	2,762	+13.7%	+18.5%	138	805	109	+483.3%	+638.5%
Lecien (Japan)	･Delivery of goods to specialty stores has recovered	1,656	1,428	1,134	-13.8%	+25.9%	- 24	200	63	–	+217.5%
Nanasai	･Construction orders continue to stagnate	2,621	1,600	1,927	-39.0%	-17.0%	177	- 22	- 75	–	–
Ai	･Declining demand for resort wear during the summer	1,780	765	904	-57.0%	-15.4%	86	- 114	- 102	–	–
Other Businesses		6,423	3,972	4,163	-38.2%	-4.6%	238	241	- 213	+1.3%	–
Total		54,137	44,604	41,949	-17.6%	+6.3%	5,851	5,748	1,272	-1.8%	+351.9%

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Let's move on to the next page. This page shows the results of net sales and operating income of business segments and major subsidiaries.

While ecommerce was robust at all companies, stores sales were slow to recover. Sales of Wacoal International in the U.S. remained unchanged from the same period of the previous fiscal year due to the impact of the new consolidation of Intimates Online, which was acquired last year. However, sales of Wacoal in the U.S., which handles the Wacoal brand, marked the recovery status of 85%.

Peach John posted a double-digit increase in revenues, thanks to successful marketing activities and continued strong performance, particularly in ecommerce. Operating income also rose significantly.

(Reference 1) Monthly Sales Trends for Major Business Operations (rate of increase/decrease)

➢ **Though the trend is toward recovery from the Apr/May (China: Feb/Mar) bottom, the effects of infectious disease remain in each country, and the outlook remains uncertain**

	Monthly sales (increase / decrease rate)											
	Jan.	Feb.	Mar.	4Q (China1Q)	Apr.	May	Jun.	1Q (China2Q)	Jul.	Aug.	Sep.	2Q (China3Q)
Wholesale Business Div.	- 1%	- 3%	- 33%	- 15%	- 72%	- 49%	- 22%	- 48%	- 1%	- 23%	- 30%	- 19%
Retail and WEB Business Dept.	+5%	+3%	- 8%	+0%	- 43%	- 13%	+17%	- 13%	+6%	+3%	+1%	+3%
Wacoal	- 1%	- 2%	- 29%	- 12%	- 72%	- 50%	- 16%	- 46%	- 4%	- 20%	- 26%	- 18%
Wacoal America, Inc.	+9%	+3%	- 11%	+0%	- 68%	- 55%	- 27%	- 50%	- 9%	- 29%	- 5%	- 15%
Wacoal Europe Ltd.	- 10%	+9%	- 40%	- 15%	- 73%	- 55%	- 20%	- 50%	- 24%	- 17%	- 13%	- 19%
Wacoal China Co., Ltd.	- 3%	- 81%	- 48%	- 42%	- 37%	+11%	- 5%	- 10%	- 10%	+16%	- 7%	+0%
Peach John (Japan)	+18%	+21%	- 14%	+7%	- 19%	- 7%	+32%	+3%	+39%	+13%	- 9%	+14%
Lecien (Japan)	+2%	- 14%	- 15%	- 11%	- 36%	- 29%	- 21%	- 28%	- 12%	- 21%	- 11%	- 15%
Nanasai	- 23%	- 8%	- 19%	- 27%	- 44%	- 41%	- 38%	- 41%	- 9%	- 23%	- 57%	- 41%
Ai	- 1%	- 8%	- 35%	- 15%	- 84%	- 74%	- 51%	- 66%	- 61%	- 59%	- 38%	- 57%

★1 The figure before the transfer of internal expenses.Shows year-o n-year changes, including internal sales.
★2 The figures for Wacoal America only are disclosed. It is not the figures of sales of Wacoal International including Intimates Online Inc.(LIVELY) .
★3 Wacoal America, Inc., Wacoal Europe Ltd., and Wacoal China Co., Ltd. show year-on-year changes (rates of increase / decrease) on a local currency basis.

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Please turn to page six. Trends in monthly sales of major operating companies are presented as reference materials.

With the resumption of stores operations at each company, we go through the worst period in the Q1, but the number of people with infections continues to rise worldwide, and the forecast of the future remains highly uncertain.

(Reference 2) Monthly store-based sales trends by channel for Wacoal Corp. (Japan) (rate of increase/decrease)

- **Our own EC platform remained strong. Though physical stores recovered significantly in June, the pace of recovery slowed from July onward due to the re-emergence of infectious disease.**
- **For September, it sat opposite last-minute demand prior to the consumption tax hike in the same period the previous year.**

		Monthly store-based sales trends (increase / decrease rate)											
		Jan.	Feb.	Mar.	4Q	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q
Wholesale	Department Stores	- 6%	- 16%	- 41%	- 23%	- 87%	- 73%	- 11%	- 56%	- 20%	- 22%	- 36%	- 27%
	GMS, Supermarket (Wacoal Brand)	- 8%	- 12%	- 23%	- 16%	- 71%	- 48%	+6%	- 36%	- 23%	+12%	- 42%	- 21%
	GMS, Supermarket (Wing Brand)	- 3%	- 10%	- 20%	- 11%	- 67%	- 40%	+9%	- 32%	- 21%	- 1%	- 36%	- 21%
	Specialty Stores (Real store)	- 1%	- 1%	- 28%	- 11%	- 72%	- 61%	- 15%	- 45%	+10%	+1%	- 22%	- 4%
	Sports Chains	- 16%	- 21%	- 50%	- 28%	- 72%	- 62%	- 37%	- 56%	- 35%	- 32%	- 47%	- 38%
	Third Party EC Sites	- 6%	+3%	- 5%	- 3%	- 13%	+23%	+27%	+13%	+6%	+9%	- 5%	+3%
Retail	Directly managed store	+4%	+1%	- 12%	- 2%	- 78%	- 61%	+2%	- 44%	- 1%	- 4%	- 8%	- 4%
	Wacoal's Own EC Site	+14%	+15%	+21%	+17%	+76%	+106%	+85%	+91%	+42%	+57%	+34%	+44%
	Catalog mail-order	- 9%	- 2%	- 28%	- 13%	- 21%	+18%	+3%	- 3%	- 20%	- 48%	- 11%	- 26%
Total of monthly store-based sales		- 2%	- 7%	- 24%	- 12%	- 64%	- 44%	+3%	- 34%	- 9%	- 4%	- 26%	- 14%

Note: For store-base sales, only actual results for stores where the data can be ascertained are being disclosed

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Please turn to page seven. This page shows the monthly sales of Wacoal Corp. by channel on an over-the-counter basis over time.

Even after the resumption of stores operations, the in-house ecommerce continued to grow rapidly. On the other hand, the actual stores recovered once in June, but the pace of recovery slowed thereafter. In particular, the number of visitors to department stores and commercial facility in central Tokyo has not returned and is continuing to be sluggish.

The decrease in September was due to a last-minute surge in demand prior to the consumption tax hike in the previous year.

(Reference 3) Monthly sales trends by channel for major subsidiaries overseas (rate of increase/decrease)

- **China recovered as the number of infected people decreased. For department stores in Europe and the US (physical stores), challenging conditions continued.**

		Sales trends by major subsidiary channel (rate of increase / decrease)											
		Jan.	Feb.	Mar.	4Q (China1Q)	Apr.	May	Jun.	1Q (China2Q)	Jul.	Aug.	Sep.	2Q (China3Q)
Wacoal America, Inc.	Department Stores Real	- 2%	- 6%	- 10%	- 6%	- 93%	- 94%	- 61%	- 83%	- 33%	- 54%	- 34%	- 42%
	Department Store EC	- 3%	+30%	+3%	+9%	- 94%	- 48%	+25%	- 32%	+26%	+27%	+44%	+31%
	Third Party EC Sites	- 10%	+33%	+38%	+19%	- 33%	+69%	- 5%	+6%	+38%	+17%	+44%	+33%
	Wacoal's Own EC Site	+57%	+40%	+6%	+35%	+35%	+78%	+80%	+62%	+72%	+47%	+67%	+63%
	Total	+9%	+3%	- 11%	+0%	- 68%	- 55%	- 27%	- 50%	- 9%	- 29%	- 5%	- 15%
Wacoal Europe Ltd.	Department	- 16%	+23%	- 45%	- 14%	- 92%	- 95%	- 56%	- 83%	- 45%	- 22%	- 25%	- 30%
	Independent (Speciality !	- 7%	+0%	- 44%	- 19%	- 79%	- 53%	- 24%	- 52%	- 32%	- 26%	- 19%	- 26%
	Third Party EC Sites	- 17%	+15%	- 22%	- 9%	- 48%	- 41%	- 9%	- 32%	+4%	- 7%	+9%	+1%
	Total	- 10%	+9%	- 40%	- 15%	- 73%	- 55%	- 20%	- 50%	- 24%	- 17%	- 13%	- 19%
Wacoal China Co., Ltd.	Department	+1%	- 94%	- 66%	- 52%	- 31%	+8%	- 16%	- 14%	+1%	+17%	- 6%	+2%
	Third Party EC Sites	- 6%	+29%	+19%	+1%	- 56%	+92%	+20%	+6%	- 23%	+57%	- 2%	- 1%
	Total	- 3%	- 81%	- 48%	- 42%	- 37%	+11%	- 5%	- 10%	- 10%	+16%	- 7%	+0%

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★3 Wacoal America, Inc., Wacoal Europe Ltd., and Wacoal China Co., Ltd. show year-on-year changes (rates of increase / decrease) on a local currency basis.

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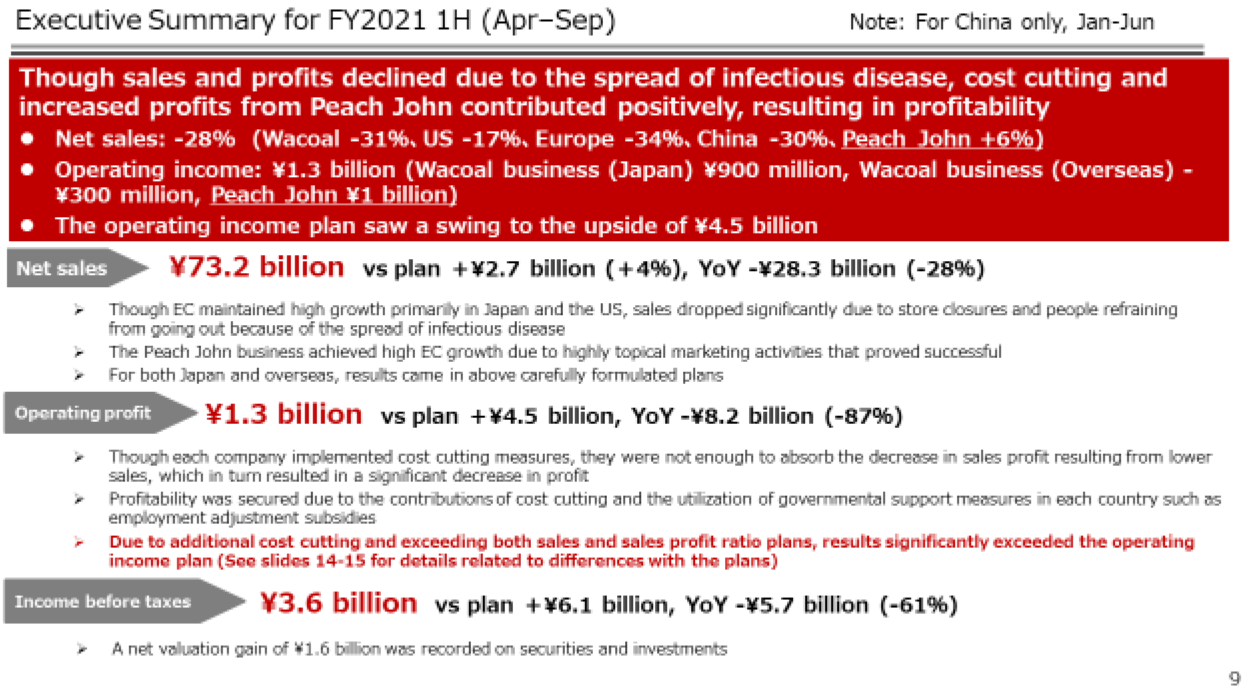
Please turn to page eight. Trends in the rate of change in net sales by channel are shown for major overseas subsidiaries.

Department stores in Europe and the United States continue to struggle as in Japan. Details of the business conditions of each operating company are described on the reference page of the material. Please look.

This is the report for the Q2 only.



Next is page nine. We will continue to explain the business conditions in the first half of the fiscal year ending March 2021.

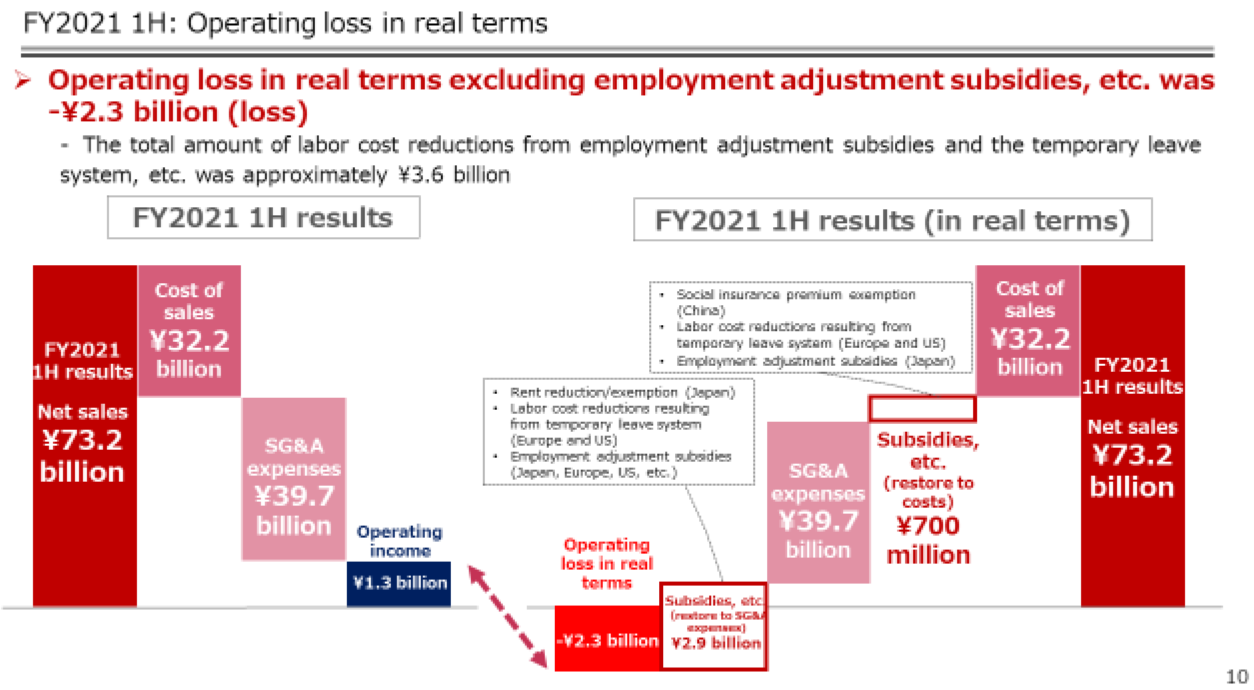
Consolidated net sales for the first half amounted to JPY73.2 billion. Revenues decreased 28% YoY due to the significant impact of the temporary suspension of operations at stores in the Q1. While the Wacoal business struggled both domestically and overseas, revenues of Peach John grew.

Operating income was a surplus of JPY1.3 billion. As a result of the decline in revenues, profits declined dramatically from the same period of the previous fiscal year. However, in addition to efforts by each company to cut costs, we were able to secure a profit as a result of the use of support measures by governments in each country, such as employment adjustment subsidies.

Quarterly net income before income taxes was JPY3.6 billion, as unrealized gains (losses) on securities and investments amounted to JPY1.6 billion.

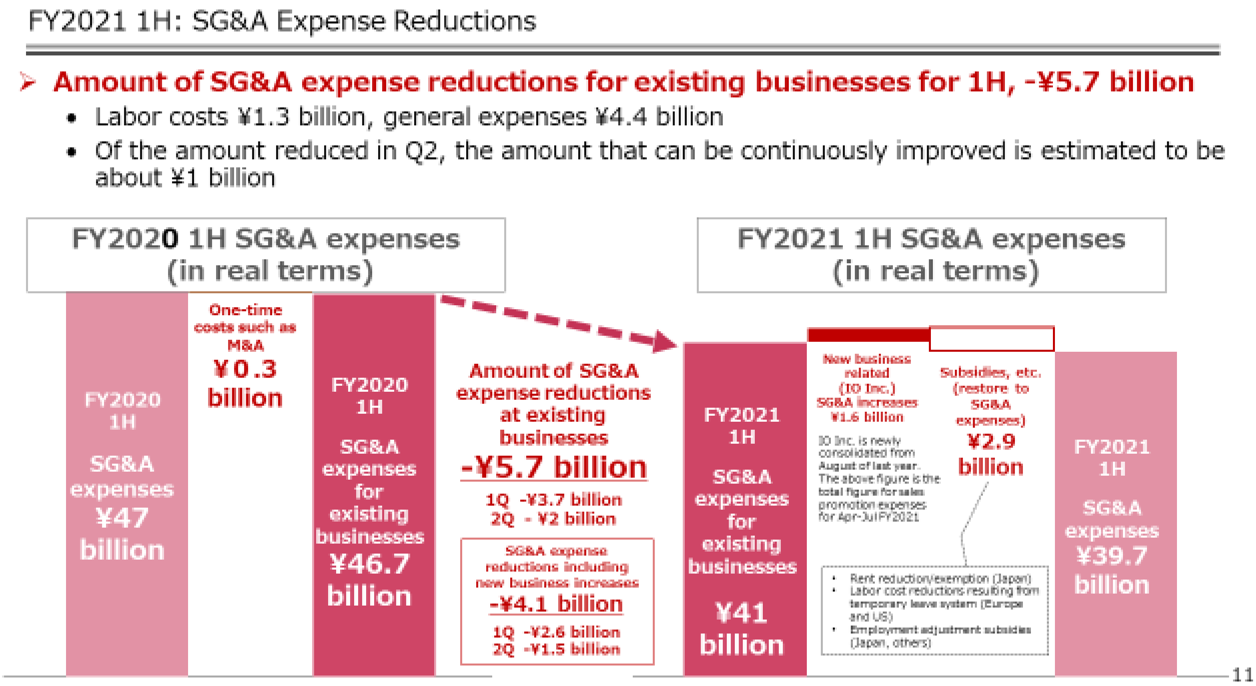
Compared to the targets of the first half, net sales exceeded by JPY2.7 billion, and operating income exceeded by JPY4.5 billion. At the time of the announcement of the targets, the company assumed that economic activity would resume and gradually recover from the lifting of the declaration of a state of emergency over the Q2 and made cautious budgets.

Although the pace of recovery in both domestic and overseas markets remained moderate, performance in the first half of the fiscal year increased in both net sales and operating income. This was the result of high growth in ecommerce, improvements in the sales profit margin from the targets, cost reductions at group companies, and other factors, as well as the incorporation of unrealized gains on securities and investment gains.



Please turn to page 10. Operating income for the first half was JPY1.3 billion. However, in the financial results for the first half of the fiscal year under review, temporary factors that boost profits related to infectious diseases, such as the employment adjustment subsidy, are included more than in normal years. In this page, we calculate operating income in real terms excluding such one-time factors.

One-time factors boosting profits in the first half of the fiscal year were approximately JPY3.6 billion, including cost of sales and SG&A expenses totaling. After deducting the effects of these factors, real operating income in the first half of the fiscal year would be a loss of JPY2.3 billion.



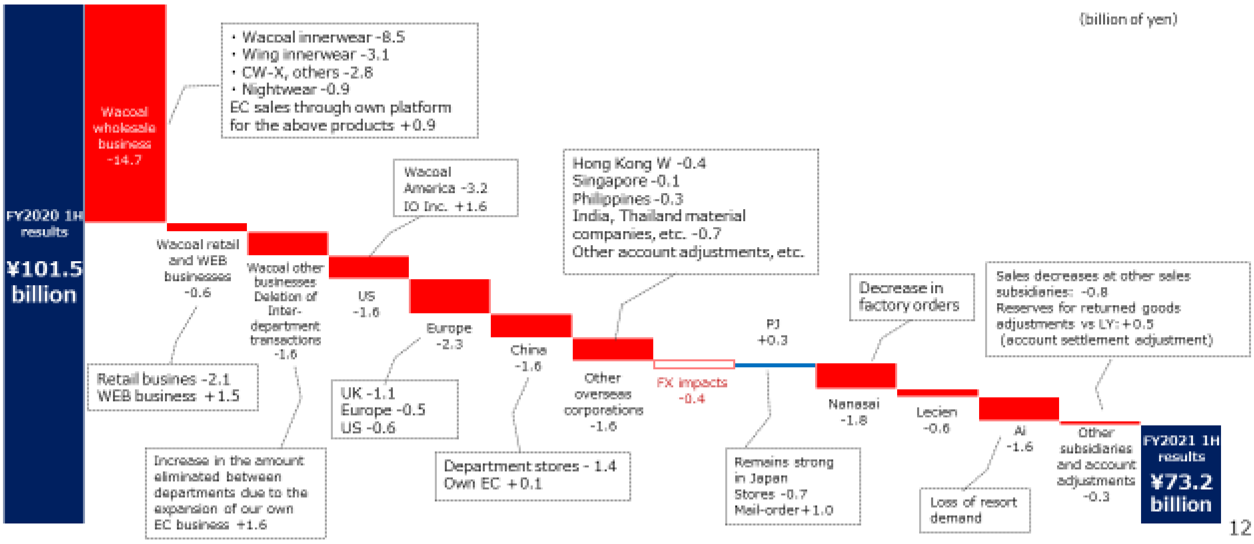
Please turn to page 11. Next, I would like to explain the progress of cost reductions in the first half of the fiscal year.

As I mentioned earlier, the results for the fiscal year under review include one-time factors that boost profits, such as subsidies, and the results for the previous fiscal year also include one-time M&A expenses. After deducting these effects, the real cost reduction amounted to JPY5.7 billion, which was more than what we explained to you at the briefing session on our financial results for the Q1.

On a quarterly basis, the amount of cost reductions in real terms was JPY3.7 billion for the Q1 and JPY2 billion for the Q2. It was a special situation in the Q1, and so, if we consider this reduction in the Q2 as a benchmark, we believe that approximately JPY1 billion, which is about half of this amount, can continue to be improved.

FY2021 1H: YoY Increase/Decrease in Net Sales

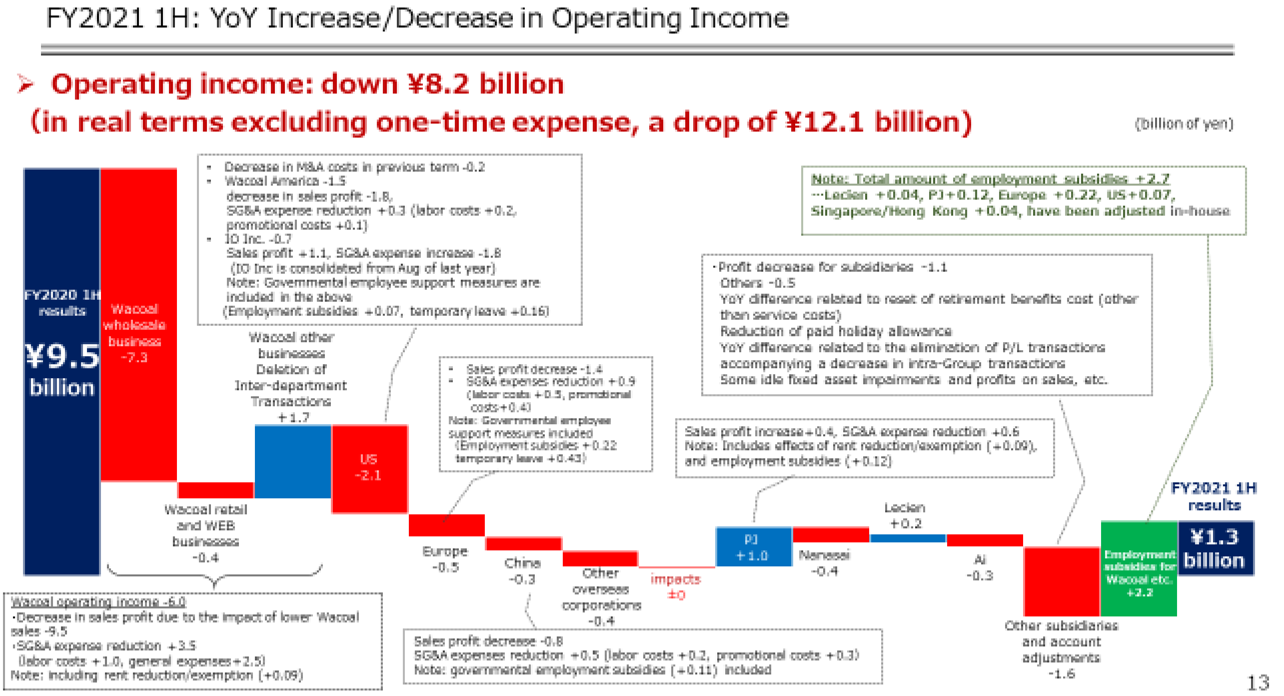
➢ **Net sales: Down ¥28.3 billion**
(of that, the effect of currency exchange accounted for about ¥440 million)



Please turn to page 12. I will explain the factors behind the change in net sales in the first half from the same period of the previous fiscal year in Waterfall.

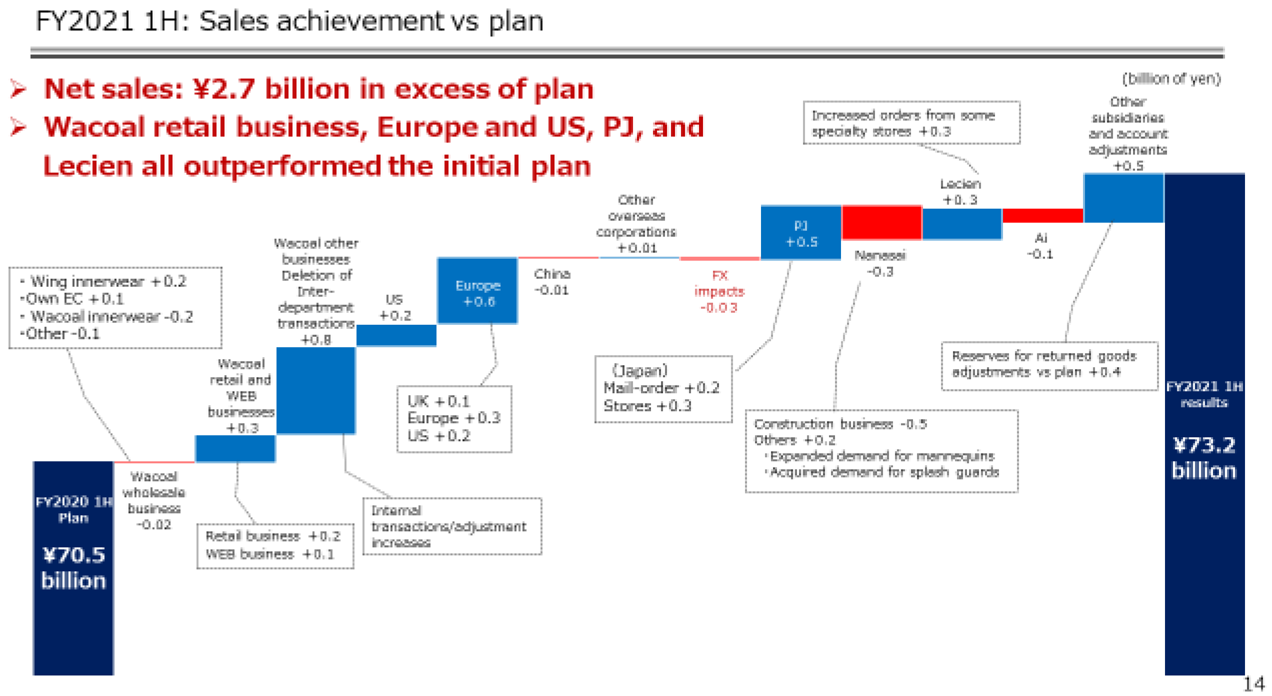
Net sales for the first half decreased by JPY28.3 billion from the same period of the previous fiscal year. As the series of red boxes indicates, all businesses except the Peach John business experienced a decline in revenue due to the significant impact of the temporary suspension of operations at stores in each country in the Q1.

Sales in the domestic wholesale business declined sharply due to factors such as the suspension of operations, continued sluggishness in the department store channel even after resumption, and the reaction to the last-minute surge in demand prior to the consumption tax hike last year.



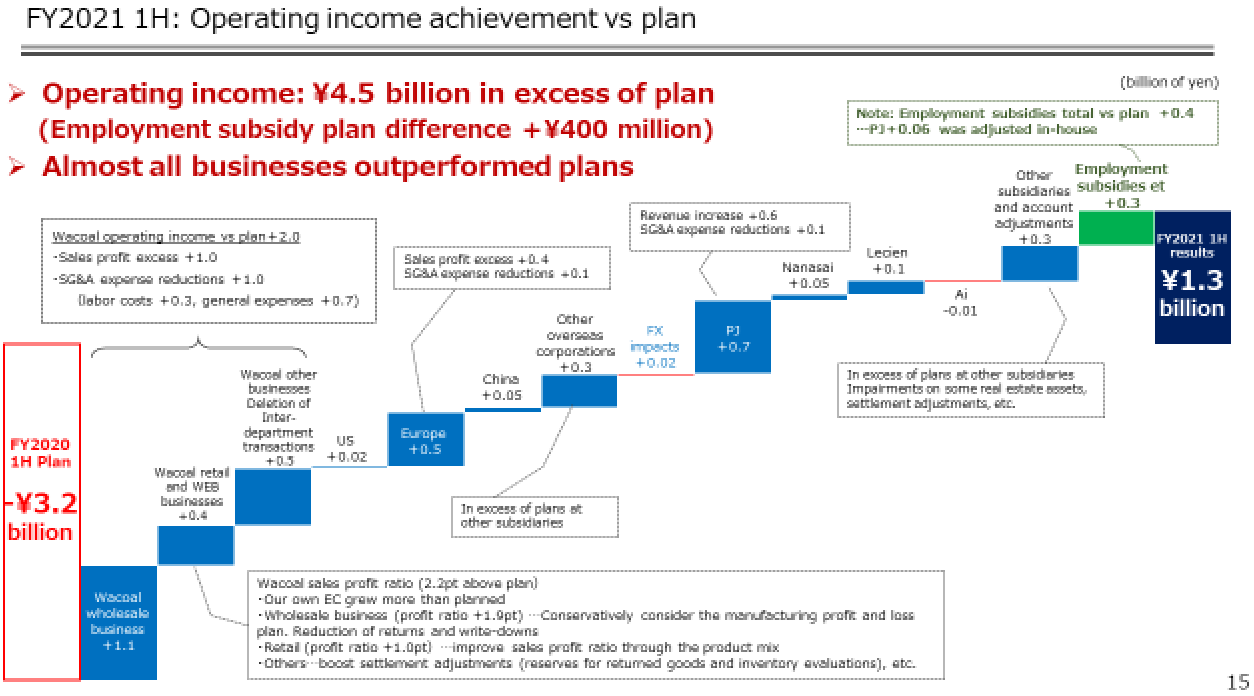
Please turn to page 13. Next, I will explain the factors behind the change in operating income in the first half from the same period of the previous fiscal year.

Operating income for the first half decreased by JPY8.2 billion from the same period of the previous fiscal year. In addition to the contribution to profits from Peach John, which performed well at both company-owned ecommerce and directly managed stores, Wacoal's reduction in SG&A expenses and the receipt of employment adjustment subsidies contributed to the increase. However, the impact of the decline in sales was significant, resulting in a substantial decline in profits.



Please turn to page 14. I will explain the factors behind the change in net sales compared to the target for the first half.

Net sales for the first half increased by JPY2.7 billion compared to the target. Although we carefully estimated the numerical targets, even after the resumption of stores operations, Ecommerce performed well, and Wacoal's directly managed stores in the US, Intimates Online, Wacoal Europe, Peach John, and other companies performed well, which resulted in the excess of the targets.



Please turn to page 15. I will explain the factors behind the change in operating income in the first half compared to the target.

Operating income exceeded the target by JPY4.5 billion due to sales and the sales profit ratio exceeding the target figures and efforts to reduce SG&A expenses.

The excess of the sales profit margin over the target was mainly due to the cautious forecast of manufacturing costs in Wacoal's wholesale business, a decrease in write-downs, or the effect of product mix in the retail business.

FY2021 1H: Financial Results Overview

[Exchange rate]	USD	GBP	CNY
	106.92yen	135.38yen	15.38 yen

(millions of yen)

	FY2020 First Half results, (From April 1, 2019 to September, 2019)	% Of sales	FY2021 First Half results, (From April 1, 2020 to September, 2020)	% Of sales	FY2021 First Half target, (From April 1, 2020 to September, 2020)	% Of sales	Year on Year Change	Year on Year % Change	Compared with Target Change	Compared with Target % Change
Consolidated net sales	101,450	–	73,155	–	70,500	–	-28,295	- 27.9%	2,655	+3.8%
Cost of Sales	44,992	44.3	32,159	44.0	33,000	46.8	-12,833	- 28.5%	-841	- 2.5%
Sales profut	56,458	55.7	40,996	56.0	37,500	53.2	-15,462	- 27.4%	3,496	+9.3%
S, G&A Expenses	46,963	46.3	39,720	54.3	40,700	57.7	-7,243	- 15.4%	-980	- 2.4%
Operating Income (loss)	9,495	9.4	1,276	4.0	-3,200	–	-8,219	- 86.6%	4,476	–
Other income (expenses)	789	–	703	–	700	–	-86	- 10.9%	3	+0.4%
A:Valuation gain (loss) on marketable securities and investments – net	-958	–	1,624	–	0	–	2,582	–	1,624	–
Income before taxes (loss)	9,326	9.2	3,603	4.9	-2,500	–	-5,723	- 61.4%	6,103	–
Net income attributable (loss) to Wacoal Holdings Corp.	6,668	6.6	1,782	2.4	-2,400	–	-4,886	- 73.3%	4,182	–
Reference figure: Income before income taxes and equity in net income of affiliated companies not taking into account A	10,284	10.1	1,979	2.7	-2,500	–	-8,305	- 80.8%	4,479	–

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Please turn to page 16. This page shows the table of the overview of the first half, which was shown on page nine.

FY2021 1H: Financial Results Summary (by segment)

[Exchange rate]	USD	GBP	CNY
	106.92yen	135.38yen	15.38 yen

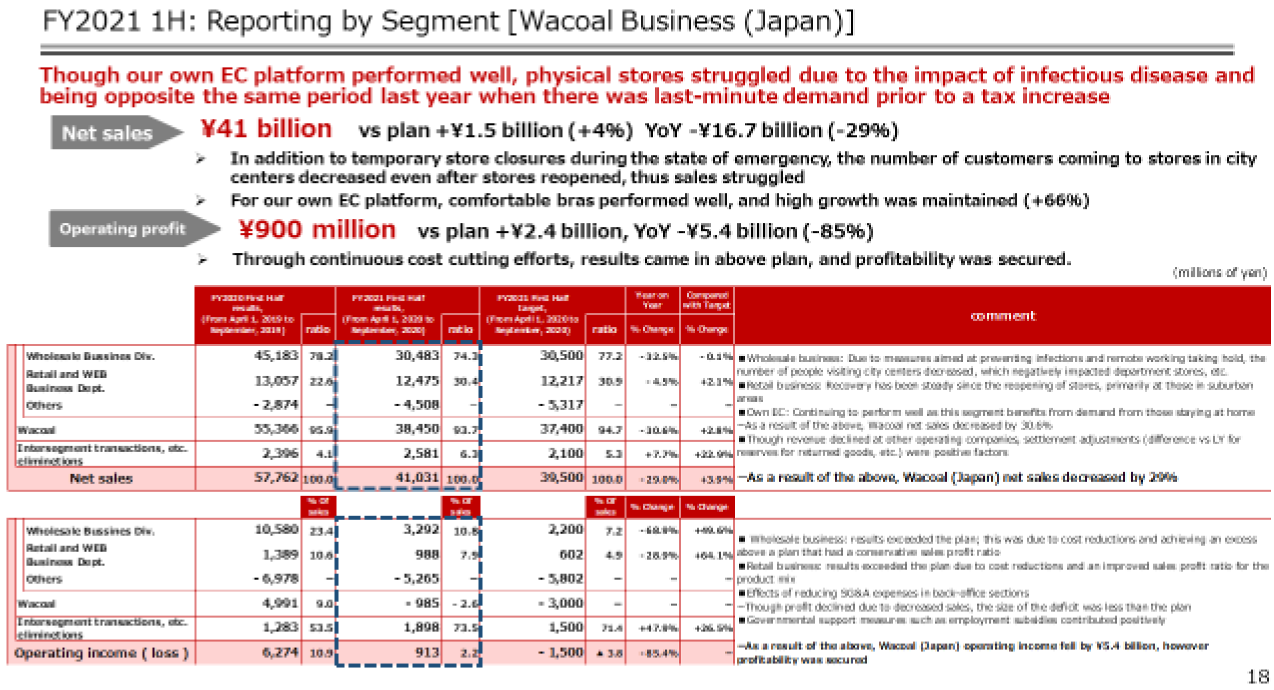
(millions of yen)

	FY2020 First Half results, (From April 1, 2019 to September, 2019)	ratio	FY2021 First Half results, (From April 1, 2020 to September, 2020)	ratio	FY2021 First Half target, (From April 1, 2020 to September, 2020)	ratio	Year on Year Change	Year on Year % Change	Compared with Target Change	Compared with Target % Change
Wacoal Business (Japan)	57,762	56.9	41,031	56.1	39,500	56.0	-16,731	- 29.0%	1,531	+3.9%
Wacoal Business (Overseas)	27,253	26.9	19,705	26.9	18,900	26.8	-7,548	- 27.7%	805	+4.3%
Peach John Business	5,466	5.4	5,810	8.0	5,300	7.5	344	+6.3%	510	+9.6%
Other Businesses	10,969	10.8	6,609	9.0	6,800	9.7	-4,360	- 39.7%	-191	- 2.8%
Consolidated net sales	101,450	100	73,155	100	70,500	100	-28,295	- 27.9%	2,655	+3.8%

	FY2020 First Half results, (From April 1, 2019 to September, 2019)	% Of sales	FY2021 First Half results, (From April 1, 2020 to September, 2020)	% Of sales	FY2021 First Half target, (From April 1, 2020 to September, 2020)	% Of sales	Year on Year Change	Year on Year % Change	Compared with Target Change	Compared with Target % Change
Wacoal Business (Japan)	6,274	10.9	913	2.2	-1,500	–	-5,361	- 85.4%	2,413	–
Wacoal Business (Overseas)	3,023	11.1	-287	–	-1,200	–	-3,310	–	913	–
Peach John Business	96	1.8	1,046	18.0	350	6.6	950	+989.6%	696	+198.9%
Other Businesses	102	0.9	-396	–	-850	–	-498	–	454	–
Operating Income (loss)	9,495	9.4	1,276	1.7	-3,200	–	-8,219	- 86.6%	4,476	–

17

For page 17, net sales and operating income by segment are shown. Beginning on the next page, we will review the first half by each segment.



FY2021 1H: Reporting by Segment [Wacoal Business (Japan)]

Though our own EC platform performed well, physical stores struggled due to the impact of infectious disease and being opposite the same period last year when there was last-minute demand prior to a tax increase

Net sales ¥41 billion vs plan +¥1.5 billion (+4%) YoY -¥16.7 billion (-29%)

- In addition to temporary store closures during the state of emergency, the number of customers coming to stores in city centers decreased even after stores reopened, thus sales struggled
- For our own EC platform, comfortable bras performed well, and high growth was maintained (+66%)

Operating profit ¥900 million vs plan +¥2.4 billion, YoY -¥5.4 billion (-85%)

- Through continuous cost cutting efforts, results came in above plan, and profitability was secured.

(millions of yen)

	FY2020 First Half results, (From April 1, 2019 to September, 2019)	ratio	FY2021 First Half results, (From April 1, 2020 to September, 2020)	ratio	FY2021 First Half target, (From April 1, 2020 to September, 2020)	ratio	Year on Year % Change	Compared with Target % Change	comment
Wholesale Bussines Div.	45,183	78.2	30,483	74.3	30,500	77.2	-32.5%	-0.1%	■Wholesale business: Due to measures aimed at preventing infections and remote working taking hold, the number of people visiting city centers decreased, which negatively impacted department stores, etc. ■Retail business: Recovery has been steady since the reopening of stores, primarily at those in suburban areas ■Own EC: Continuing to perform well as this segment benefits from demand from those staying at home →As a result of the above, Wacoal net sales decreased by 30.6% ■Though revenue declined at other operating companies, settlement adjustments (difference vs LY for reserves for returned goods, etc.) were positive factors
Retail and WEB Business Dept.	13,057	22.6	12,475	30.4	12,217	30.9	-4.5%	+2.1%	
Others	-2,874	–	-4,508	–	-5,317	–	–	–	
Wacoal	55,366	95.9	38,450	93.7	37,400	94.7	-30.6%	+2.8%	
Intersegment transactions, etc. eliminations	2,396	4.1	2,581	6.3	2,100	5.3	+7.7%	+22.9%	
Net sales	57,762	100.0	41,031	100.0	39,500	100.0	-29.0%	+3.9%	→As a result of the above, Wacoal (Japan) net sales decreased by 29%
		% of sales		% of sales		% of sales	% Change	% Change	
Wholesale Bussines Div.	10,580	23.4	3,292	10.8	2,200	7.2	-68.8%	+49.6%	■ Wholesale business: results exceeded the plan; this was due to cost reductions and achieving an excess above a plan that had a conservative sales profit ratio ■Retail business: results exceeded the plan due to cost reductions and an improved sales profit ratio for the product mix ■Effects of reducing SG&A expenses in back-office sections →Though profit declined due to decreased sales, the size of the deficit was less than the plan ■Governmental support measures such as employment subsidies contributed positively
Retail and WEB Business Dept.	1,389	10.6	988	7.9	602	4.9	-28.9%	+64.1%	
Others	-6,978	–	-5,265	–	-5,802	–	–	–	
Wacoal	4,991	9.0	-985	-2.6	-3,000	–	–	–	
Intersegment transactions, etc. eliminations	1,283	53.5	1,898	73.5	1,500	71.4	+47.8%	+26.5%	
Operating income (loss)	6,274	10.9	913	2.2	-1,500	▲3.8	-85.4%	–	→As a result of the above, Wacoal (Japan) operating income fell by ¥5.4 billion, however profitability was secured

18

In page 18, the Wacoal Business recorded domestic sales of JPY41 billion in the first half of the fiscal year. Wacoal's in-house ecommerce business increased 66% YoY.

On the other hand, stores posted a 29% YoY decline in income due to a continuing struggle following the temporary suspension of operations during the declaration of a state of emergency and a decline in the number of customers visiting stores in urban centers following the resumption of operations.

Operating income was JPY900 million. This was largely due to the impact of the decline in sales, resulting in a substantial decrease in profit, which was 86% compared to the same period of the previous fiscal year. However, in addition to progress in cost reductions, we secured profitability using employment adjustment subsidies and other means.

FY2021 1H: Reporting by Segment [Wacoal Business (Overseas)]

Though stores have reopened, there is still opacity due to the re-emergence of infectious disease in Europe and the US, etc.

Net sales **¥19.7 billion** vs plan +¥800 million (+4%), YoY -¥7.5 billion (-28%)

- Though EC remained strong, store visitors decreased, and clients curtailed product stocking, thus sales struggled (currency exchange effects were -¥400 million)

Operating loss **-¥300 million** vs plan +¥900 million, YoY -¥3.3 billion

- As a result of continuing efforts to reduce costs while also utilizing governmental support measures, the operating loss was significantly less than that of the plan

(millions of yen)

	FY2020 First Half results, (From April 1, 2019 to September, 2019)	ratio	FY2021 First Half results, (From April 1, 2020 to September, 2020)	ratio	FY2021 First Half Target, (From April 1, 2020 to September, 2020)	ratio	Year on Year % Change	Compared with Target % Change
Wacoal International Corp. (U.S.)	10,228	37.5	8,511	43.2	8,388	44.4	-16.8%	+1.5%
Wacoal Europe Ltd.	6,993	25.7	4,598	23.3	3,928	20.8	-34.2%	+17.1%
Wacoal China Co., Ltd.	6,084	22.3	4,286	21.8	4,272	22.6	-29.6%	+0.3%
Intersegment transactions, etc. diminetions	3,948	14	2,310	11.7	2,312	12	-41.5%	-0.1%
Net Sales	27,253	100.0	19,705	100.0	18,900	100.0	-27.7%	+4.3%

comment:

- Wacoal America: The ratio of sales attributable to EC exceeded 60% (our own EC was +62%)
- The new consolidation of IO Inc. contributed.
- Wacoal Europe: Each region struggled (UK -45%, Europe -28%, US 28%), our own EC business exceeded plan
- Wacoal China: On a recovery trend as the number of infected people decreases. EC remains strong (Wacoal +11%)
- Wacoal Hong Kong -400 million, Philippines -300 million, Singapore -100 million, material subsidiaries (Thailand) -600 million,

—As a result of the above, Wacoal business (overseas) net sales decrease by 27.7%

		% Of sales		% Of sales		% Of sales	% Change	% Change
Wacoal International Corp. (U.S.)	1,147	11.2	-915	–	-945	–	–	–
Wacoal Europe Ltd.	668	9.6	139	3.0	-384	–	-79.2%	–
Wacoal China Co., Ltd.	752	12.4	409	9.5	359	8.4	-45.6%	+13.9%
Intersegment transactions, etc. diminations	456	–	80	3.5	-230	–	-82.5%	–
Operating income (loss)	3,023	11.1	-287	–	-1,200	–	–	–

- US: While leveraging government support, we will continue with proactive investment aimed at IO Inc.'s growth
- Europe: In addition to cost reductions, government support will be utilized to secure profitability
- China: In addition to cost reductions, government support will be utilized to secure profitability
- Other subsidiaries exceeded plans

—As a result of the above, the Wacoal business (overseas) recorded an operating loss of 300 million, and the deficit was reduced vs the plan

19

Please turn to page 19. Sales in the Wacoal business overseas were JPY19.7 billion. Similarly with the domestic business, ecommerce performed strongly, but the actual stores continued to struggle due to the decline in customer visits and the impact of customers restricting their purchasing limits, resulting in a 28% decrease in income compared to the same period of the previous fiscal year.

Operating P&L was a loss of JPY300 million. In addition to declined income, we continued to invest aggressively in advertising for Intimates Online, resulting in an operating loss. On the other hand, as a result of cost reductions and the use of support measures by governments in each country, we were able to reduce the extent of the deficit compared to the target.

FY2021 1H: Reporting by Segment [PEACH JOHN Business (Other)]

PEACH JOHN: Significant improvements resulted from structural reforms in the previous FY. Operating income exceeded ¥1 billion

Net sales ¥5.8 billion vs plan +¥500 million (+10%) YoY +¥300 million (+6%)

Operating profit ¥1 billion vs plan +¥700 million (+199%) YoY ¥1.9 billion (+990%)

Others: Lecien secured profitability by withdrawing from unprofitable businesses in the previous FY. Nanasai experienced a deteriorating business environment.

Net sales ¥6.6 billion vs plan -¥200 million YoY -¥4.4 billion (-40%)

Operating loss -¥400 million vs plan +¥500 million YoY -▲¥500 million

(millions of yen)

		FY2020 First Half results (From April 1, 2019 to September, 2019)	ratio	FY2021 First Half results (From April 1, 2020 to September, 2020)	ratio	FY2021 First Half target (From April 1, 2020 to September, 2020)	ratio	Year on Year % Change	Compared with Target % Change	comment
Peach John Business	Net Sales	5,466	–	5,810	–	5,300	–	+6.3%	+9.6%	–Sales increased due to successful marketing activities. In addition to our own EC platform performing well, stores that reopened also recorded strong performance
			% of sales		% of sales		% of sales	% Change	% Change	
	Operating income	96	1.8	1,046	18.0	350	6.6	+989.4%	+198.9%	–In addition to increased revenue, employment subsidies and rent reductions/exemptions during temporary closures contributed

		FY2020 First Half results (From April 1, 2019 to September, 2019)	ratio	FY2021 First Half results (From April 1, 2020 to September, 2020)	ratio	FY2021 First Half target (From April 1, 2020 to September, 2020)	ratio	Year on Year % Change	Compared with Target % Change	comment
Other	Lecien	2,985	27.2	2,424	36.7	2,130	31.3	-18.8%	+13.8%	■PR brand product sales remained sluggish due to factors such as stock buying restraint implemented by clients
	Nanasai	4,594	41.9	2,835	42.9	3,162	46.5	-38.3%	-10.3%	■The construction business is sluggish due to the cancellation of new store openings and various events because of the spread of infectious disease
	Intersegment transactions, etc. eliminations	3,390	30.9	1,350	20.4	1,508	22.2	-60.2%	-10.5%	■Other subsidiaries (temporary staffing agencies, etc.) also saw decreases
	Net Sales	10,969	100.0	6,609	100.0	6,800	100.0	-39.7%	-2.8%	–As a result of the above, net sales at other businesses decreased
			% of sales		% of sales		% of sales	% Change	% Change	
	Lecien	-128	–	97	4.0	-40	–	–	–	■Profitability was secured by reducing expenses and withdrawing from unprofitable businesses in Q4 of last fiscal year
	Nanasai	187	4.1	-203	–	-256	–	–	–	■Cost reductions could not absorb the impact of decreased sales, resulting in an operating loss of ¥200 million
	Intersegment transactions, etc. eliminations	43	1.3	-290	–	-554	–	–	–	■In addition to utilizing governmental support measures such as employment subsidies, other subsidiaries will continue with cost cutting efforts
	Operating income (loss)	102	0.9	-396	–	-850	–	–	–	–As a result of the above, other businesses recorded an operating loss

20

Please turn to page 20. Sales in the Peach John business were JPY5.8 billion. In addition to in-house ecommerce, the actual stores after the resumption of operations remained firm, resulting in a 6% increase in revenues YoY.

Operating income was JPY1 billion. In addition to the effect of growing revenues, profitability improved significantly due to the withdrawal from unprofitable stores in the previous fiscal year and the elimination of catalogue publishing.

Sales in the Other segment amounted to JPY6.6 billion. Sales decreased by 40% YoY due to ongoing struggles affected by infectious diseases.

Operating P&L was a loss of JPY400 million. Although “Lecien” was able to secure a profit due to the withdrawal from unprofitable businesses in the previous fiscal year, other subsidiaries, such as “Nanasai,” were unable to absorb the impact of the decline in sales, resulting in an operating loss.

FY2021: Full-year (revised) Executive Summary

The full-year operating income/loss plan is revised upward to reflect outperformance achieved vs the 1H plan
Taking into consideration the uncertain market environment, such as the re-emergence of infectious disease, the 2H plan has been carefully considered from the outset

- **Net sales: Revised downward by ¥2 billion in consideration of the number of customers returning to commercial facilities in urban centers in major countries remaining weak**
- **Operating income/loss: Revised upward by ¥4 billion vs the initial plan** (Revised plan for operating loss: -¥1 billion)

Net sales **¥156 billion** **vs plan -¥2 billion (-1%), YoY -¥30.8 billion (-17%)**

- Vs initial plan: Wacoal business (Japan) -¥2.5 billion, Wacoal business (overseas) +¥500 million, PJ +¥900 million, Others -¥900 million
- 2H sales plan vs initial plan: -¥4.7 billion (-5%)

Operating loss **-¥1 billion** **vs plan +¥4 billion, YoY -¥7.6 billion**

- Vs initial plan: Wacoal business (Japan) +¥2 billion, Wacoal business (overseas) +¥900 million, PJ +¥800 million, Others +¥300 million
- Against the 1H plan ¥4.5 billion excess portion, ¥500 million will be deducted from the 2H initial plan (2H initial plan -¥1.8 billion⇒ -¥2.3 billion)

Income before income taxes **¥300 million** **vs plan +¥4 billion, YoY -¥4.1 billion**

- The effects of valuation gains/losses of marketable securities and investments have not been reflected in the plan

Net loss for the current FY **-¥500 million** **vs plan +¥3.2 billion, YoY -¥4 billion**

21

Please turn to page 21. Next, I will explain the full-year forecast.

As previously announced, we have revised our consolidated earnings forecasts. For the assumptions of revision, while the financial results for the first half exceeded the targets, considering the current situation of re-expanding infectious diseases and other factors, the second half forecast has been revised cautiously.

The forecast for consolidated net sales for the full fiscal year has been revised to JPY156 billion. Considering the weak return of customer visits to urban area stores in major economies, it is a reduction of JPY2 billion from the initial forecast.

The forecast for operating P&L is an operating loss of JPY1 billion.

There are several reasons why the first half had an operating profit and the second half have an operating loss, but one of them is that there will naturally be no factor for boosting profits, such as subsidies. In addition, it is common for sales margins to drop by 2% in the second half due to differences in the product mix between the first and second half.

Also, there are factors such as the fact that impairment of fixed assets was factored in somewhat more severely.

On the other hand, this figure is an upward revision of JPY4 billion from the initial target. The amount exceeded the target in the first half was JPY4.5 billion. In the second half of the fiscal year, we lowered our initial target by JPY500 million due to a careful review, as I mentioned earlier. Based on the revisions to operating P&L, net income before income taxes and net income and loss have been revised upward by JPY4 billion and JPY3.7 billion, respectively.

FY2021: About the Plan for 2H (Compared with Actual Figures Excluding Temporary Factors)

➢ FY 2021 2H sales plan

Initial plan: vs 2 years ago -5% (vs LY +3%) ⇒ revised to: vs 2 years ago -10% (vs LY -3%)

(millions of yen)

	FY2019 Second Half results (Actual Figures)		FY2020 Second Half results (Actual Figures)		FY2021 Second Half initial plan (Actual Figures)		FY2021 Second Half revised plan (Actual Figures)		Compared with FY2019 Second Half results		Compared with FY2020 Second Half results		Compared with FY2021 Second Half revised plan	
		% Of sales		% Of sales		% Of sales		% Of sales	Change	% Change	Change	% Change	Change	% Change
Consolidated net sales	92,386	–	85,310	–	87,500	–	82,845	–	▲9,541	▲10.3%	▲2,465	▲2.9%	▲4,655	▲5.3%
Cost of Sales	43,474	47.1	39,967	46.8	41,600	47.5	38,661	46.7	▲4,813	▲11.1%	▲1,306	▲3.3%	▲2,939	▲7.1%
Sales profut	48,912	52.9	45,343	53.2	45,900	52.5	44,184	53.3	▲4,728	▲9.7%	▲1,159	▲2.6%	▲1,716	▲3.7%
S, G&A Expenses	47,193	51.1	47,067	55.2	47,000	53.7	45,760	55.2	▲1,433	▲3.0%	▲1,307	▲2.8%	▲1,240	▲2.6%
Operating Income (loss)	1,719	1.9	▲1,724	-2.0	▲1,100	-1.3	▲1,576	-1.9	- 3,295	–	148	–	- 476	–
Temporary expenses excluded from SG & A expenses	Impairment loss of PJ 5,834		Impairment loss of PJ 191 Leciens structural reform 201 Impairment loss of material company 1,051 Return of ID's earn-out consideration -304		Risk of impairment loss on property, plant and equipment 700		Risk of impairment loss on property, plant and equipment 700							
Total	5,834		1,139		700		700							

22

Please turn to page 22. Regarding the forecasts announced this time, we have included comparisons with the initial targets, the results of the previous year, and the results of the year before previous year. Temporary factors are deducted from SG&A expenses so that actual figures can be confirmed. In the previous fiscal year, there are influences from the stagnation after the consumption tax hike and infectious diseases, and so, I will explain it in comparison with the year before the previous year.

Considering current conditions, we carefully reviewed our performance in the second half of the fiscal year. Therefore, we lowered our initial forecast for sales in the second half of the fiscal year to a 10% decline, although we had viewed sales in the second half as a decline of 5% YoY. As a result, net sales for the second half of the fiscal year are expected to be JPY82.8 billion, a downward revision of JPY4.7 billion from the initial target.

In the second half of the fiscal year, we forecast an operating loss of JPY1.6 billion in real terms. The impact of lower sales results in a decrease of JPY500 million. The profit margin is expected to remain at the same level as previous years.

Regarding cost reductions, we will strive to make further reductions in addition to the amounts listed.

➢ **State of revisions for sales plans of major business units**
Plan revisions for Wacoal (wholesale business), Wacoal International (US)

	FY2019 Second Half results, (From October 1, 2018 to March, 2019)		FY2020 Second Half results, (From October 1, 2019 to March, 2020)		FY2021 Second Half initial plan
	Compared with initial plan	Compared with revised plan	Compared with initial plan	Compared with revised plan	Compared with revised plan
Wholesale Business Div.	- 4.4%	- 10.3%	+9.9%	+3.2%	- 6.1%
Retail and WEB Business Department	+11.4%	+11.7%	+11.6%	+11.9%	+0.3%
Wacoal	- 1.4%	- 9.0%	+12.0%	+3.2%	- 7.8%
Wacoal International Corp.(U.S.)	+19.5%	+15.8%	+5.6%	+2.3%	- 3.1%
Wacoal Europe Ltd.	- 18.6%	- 17.3%	- 8.9%	- 7.4%	+1.6%
Wacoal China Co., Ltd.	- 2.2%	- 1.2%	+5.1%	+6.1%	+1.0%
Peach John	- 3.6%	+4.0%	- 3.5%	+4.1%	+7.9%

23

Please turn to page 23. The details of the revisions to the sales targets of the main subsidiaries for the second half are as described here.

The forecasts have been revised downward in the Wacoal wholesale business and Wacoal International, reflecting the uncertainty in the business environment.

For Wacoal Europe, where the spread of infections continues, the initial targets were cautious. However, we feel that uncertainty is increasing since the lockdowns in the U.K. and other events have been announced after making this forecast.

➢ Risks not reflected in the plan

Upside risk		➢ Sales recovery and increased sales profit due to an early resolution of the infectious disease problem ➢ Further control of SG&A expenses ➢ Changes to earnout considerations
Downside risk	Shared	➢ Decrease in sales profit due to decreased sales resulting from prolonged impacts of the infectious disease problem
	Overseas	➢ Possibility of impairment loss on IO Inc. and Wacoal Europe's intangible fixed assets ➢ Changes to earnout considerations

Note: It is necessary to re-evaluate impairment losses based on busines performance this fiscal year.
Furthermore, even if it is apparent, it does not lead to a decrease in cash flow, so there will be no impact on capital investment and shareholder returns.

24

Please turn to page 24. Risks not reflected in the second half targets are stated.

Naturally, the spread of infectious diseases is the biggest concern, but downside risks such as impairment of trademark rights and goodwill are the same as previous years, but they are not factored into the figures in the current forecast.

If important matters to be disclosed occur, I would like to disclose the impact on the group's business results as soon as possible.

(Reference) FY2021: Full-year Plan Figures

[Full-year plan exchange rate]	USD	GBP	CNY
	106.00yen	136.00 yen	15.40 yen

(millions of yen)

	FY2020 results	% Of sales	FY2021 initial plan (Announced on July 13, 2020)	% Of sales	Year on Year Change	Year on Year % Change	FY2021 revised plan (Announced on October 30, 2020)	% Of sales	Year on Year Change	Year on Year % Change
Consolidated net sales	186,760	–	158,000	–	-28,760	- 15.4%	156,000		-30,760	- 16.5%
Cost of Sales	84,959	45.5	74,600	47.2	-10,359	- 12.2%	70,820	45.4	-14,139	- 16.6%
Sales profut	101,801	54.5	83,400	52.8	-18,401	- 18.1%	85,180	54.6	-16,621	- 16.3%
SG&A Expenses	94,696	50.7	88,400	55.9	-6,296	- 6.6%	86,180	55.2	-8,516	- 9.0%
Impairment charges on goodwill and other intangible assets	473	–	0	–	-473	–	0	–	-473	–
Operating Income (loss)	6,632	3.6	-5,000	–	-11,632	–	-1,000	–	-7,632	–
Other income (expenses)	1,487	–	1,300	–	-187	- 12.6%	1,370	–	-117	- 7.9%
Valuation gain (loss) on marketable securities and investments – net	-3,760	–	0	–	3,760	–	-70	–	3,690	–
Income before taxes (loss)	4,359	2.3	-3,700	–	-8,059	–	300	0.2	-4,059	- 93.1%
Net income attributable (loss) to Wacoal Holdings Corp.	3,472	1.9	-3,700	–	-7,172	–	-500	–	-3,972	–

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Please turn to page 25. The forecast figures for the current fiscal year described so far are shown in a table. Please refer to it later.

(Reference) FY2021: Full-year Plan Figures by Segment

[Full-year plan exchange rate]	USD	GBP	CNY
	106.00yen	136.00 yen	15.40 yen

(millions of yen)

	FY2020 results★	ratio	FY2021 initial plan (Announced on July 13, 2020)	ratio	Year on Year Change	Year on Year % Change	FY2021 revised plan (Announced on October 30, 2020)	ratio	Year on Year Change	Year on Year % Change
Wacoal Business (Japan)	106,112	56.8	92,000	58.2	-14,112	- 13.3%	89,500	57.4	-16,612	- 15.7%
Wacoal Business (Overseas)	50,552	27.1	41,500	26.3	-9,052	- 17.9%	42,000	26.9	-8,552	- 16.9%
Peach John Businesses	10,480	5.6	10,140	6.4	-340	- 3.2%	11,030	7.1	550	+5.2%
Other Businesses	19,616	10.5	14,360	9.1	-5,256	- 26.8%	13,470	8.6	-6,146	- 31.3%
Net Sales	186,760	100	158,000	100	-28,760	- 15.4%	156,000	100	-30,760	- 16.5%

	FY2020 results★	% Of sales	FY2021 initial plan (Announced on July 13, 2020)	% Of sales	Year on Year Change	Year on Year % Change	FY2021 revised plan (Announced on October 30, 2020)	% Of sales	Year on Year Change	Year on Year % Change
Wacoal Business (Japan)	6,083	5.7	-2,100	–	-8,183	–	-110	–	-6,193	–
Wacoal Business (Overseas)	1,493	3.0	-1,800	–	-3,293	–	-870	–	-2,363	–
Peach John Businesses	-351	–	150	–	501	–	960	8.7	1,311	–
Other Businesses	-593	–	-1,250	–	-657	–	-980	–	-387	–
Operating income (loss)	6,632	3.6	-5,000	–	-11,632	–	-1,000	–	-7,632	–

★Due to segment changes, the actual results for FY2020 have been revised, but the number are provisional.

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Please turn to page 26. The forecasts for net sales and operating P&L by segment are shown.

(Reference) FY2021: Full-year Plan Figures for Major Subsic

[Full-year plan exchange rate]

USD	GBP	CNY
108.00yen	138.00 yen	15.40 yen

(millions of yen)

		Net Sales							Operating income (loss)							
		FY2020 results	Announced on July 13, 2020 FY2021 initial plan			Announced on October 30, 2020 FY2021 revised plan			FY2020 results	Announced on July 13, 2020 FY2021 initial plan			Announced on October 30, 2020 FY2021 revised plan			
				Year on Year			Year on Year				Year on Year			Year on Year		
				Change	% Change		Change	% Change			Change	% Change		Change	% Change	
Wacoal Business (Japan)	Wacoal	99,224	86,500	- 12,724	- 12.8%	83,732	- 15,492	- 15.6%	3,140	- 3,300	- 6,440	—	- 1,630	- 4,770	—	
Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	19,194	17,856	- 1,338	- 7.0%	17,686	- 1,508	- 7.9%	401	- 972	- 1,373	—	- 954	- 1,355	—	
	Wacoal Europe Ltd.	12,988	9,391	- 3,597	- 27.7%	10,148	- 2,840	- 21.9%	1,007	- 261	- 1,268	—	218	- 789	- 78.4%	
	Wacoal China Co., Ltd.	11,081	9,522	- 1,559	- 14.1%	9,588	- 1,493	- 13.5%	923	444	- 479	- 51.9%	555	- 368	- 39.9%	
Peach John Businesses		10,480	10,140	- 340	- 3.2%	11,030	550	+5.2%	- 351	150	501	—	960	1,311	—	
Other Businesses	Lecien	5,760	4,570	- 1,190	- 20.7%	4,880	- 880	- 15.3%	- 478	- 10	468	—	- 20	458	—	
	Nanasai	8,718	6,570	- 2,148	- 24.6%	5,700	- 3,018	- 34.6%	218	- 493	- 711	—	- 400	- 618	—	
	A i	3,597	2,240	- 1,357	- 37.7%	1,901	- 1,696	- 47.2%	- 269	- 490	- 221	—	- 586	- 317	—	
Major Overseas Subsidiaries (Local Currency Basis)																
	Wacoal International Corp. (U.S.)	176,508	165,336	- 11,172	- 6.3%	166,850	- 9,658	- 5.5%	3,694	- 9,000	- 12,694	—	- 9,000	- 12,694	—	(USD'000)
	Wacoal Europe Ltd.	93,954	70,079	- 23,875	- 25.4%	74,619	- 19,335	- 20.6%	7,290	- 1,940	- 9,230	—	1,596	- 5,694	- 78.1%	(GBP'000)
	Wacoal China Co., Ltd.	702,223	622,367	- 79,856	- 11.4%	622,567	- 79,656	- 11.3%	58,468	29,000	- 29,468	- 50.4%	36,000	- 22,468	- 38.4%	(CNY'000)

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For page 27, the full year forecast for major subsidiaries is shown.

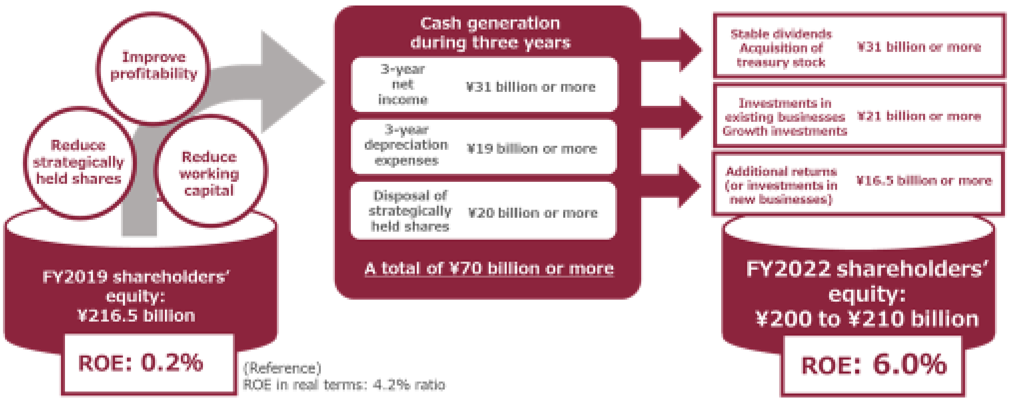
Figures in this material are based on accounting standards in each country. Operating P&L of Wacoal and others does not include employment adjustment subsidies. They are included in the non-operating items on a non-consolidated basis. I would like you to keep this point in mind.

Basic Policy for Capital Policy in the Current Medium-Term Management Plan (disclosed June 13, 2019)

Note: In the event of significant fluctuations in business performance or financial demand due to the spread of infectious disease, we will consider reviewing the policy

While prioritizing investment for future growth, we will also strive to enhance shareholder returns

- Achieve ROE of 6% that exceeds the cost of capital
- Maintain a total return ratio of 100%
- Reduce cross-shareholdings (Target: 30% reduction)



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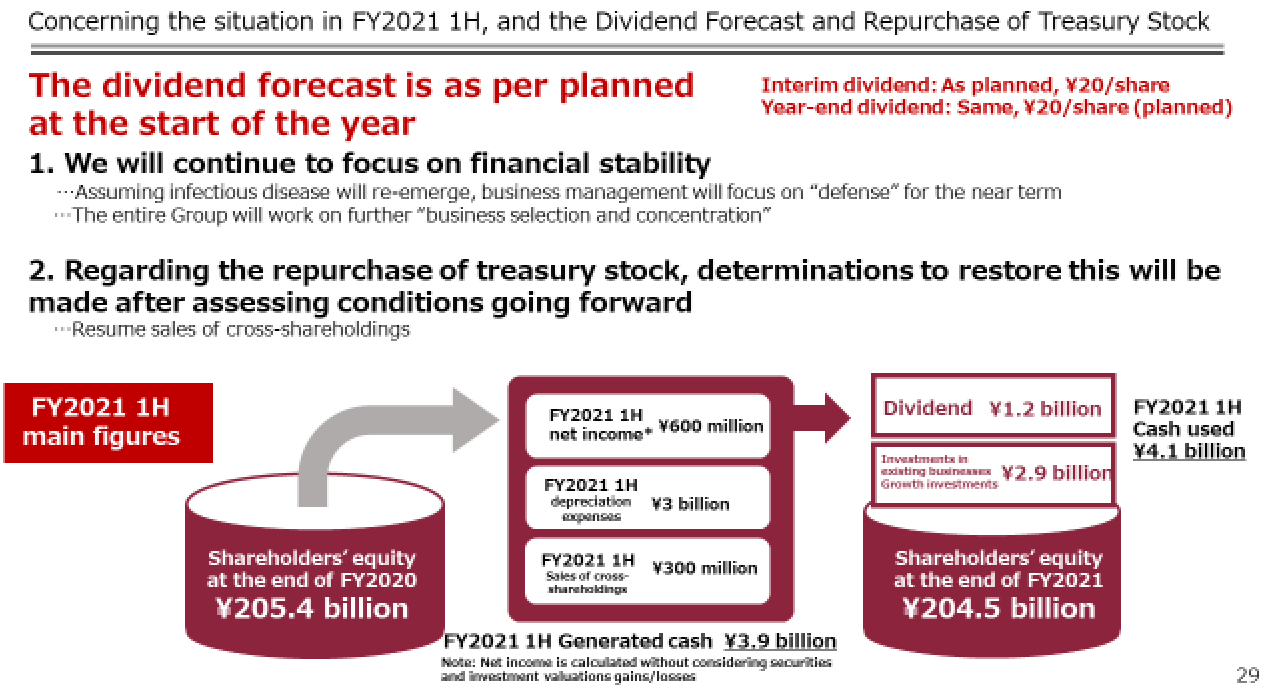
Please turn to page 28. Please let me explain our capital policy and shareholder returns.

This is the basic policy for capital policy in the current medium-term management targets announced in June 2019. We have not changed our basic policy as of today. However, if a major change occurs in business performance or demand for funds, and that such impact will continue in the next year, we may consider changing our basic policy.



Next is page 29. With regard to interim dividends, based on the current performance forecast, from the viewpoint of maintaining financial soundness and stable dividends to shareholders, we have decided to pay a dividend of JPY20 per share, a decrease of JPY20 from the previous fiscal year, in line with the most recent dividend forecast. Similarly, we plan to pay a year-end dividend of JPY20 per share. There is no change.

Regarding share repurchases, we intend to decide to resume after assessing future business conditions.

FY2021 1H: Capital Policy and Shareholder Returns

Concerning cross-shareholdings, only three issues were sold in FY2021 1H

(Billions of yen)

		FY2021 First Half results, (From April 1, 2020 to September, 2020)	Medium-Term Management Plan Period total	Medium-Term Management Plan Period (FY2020-FY2022) plan
Cash generation	Net income attributable to Wacoal Holdings Corp.★	0.6	7.1	31.0 or more
	depreciation costs	3.0	9.0	19.0 or more
	Sales of strategically-held shares	0.3	15.6	20.0 or more
	total	3.9	31.7	70.0 or more
Used Cash	Growth investment, Capital expenditures	2.9	19.1	68.5 or more ·Dividend/Treasury stock: ¥31billion or more ·Investment in existing business 1/Growth investment: ¥21billion or more ·Additional returns or investment in new business: ¥16.5billion or more
	Dividend payment	1.2	6.2	
	Purchase of treasury stock	0	7.7	
	(Number of shares acquired)	0	(2,797thousand shares)	
	total	4	33	

★Net income was calculated without consideration for valuation gain (loss) on marketable securities and investments.

■ Major KPI

Status of sales of strategically-held shares (Wacoal Corp.)	Sale amount	0.0	13.6	20.0
	Progress toward target	0%	68%	
	Number of strategic stocks sold completely	3	15	

(Billions of yen)

Major investments and investment amount in the FY2021 1H	
detail	amount
IT-related investment ,etc (wacoal)	1.2
Interior finish work for directly	0.2
Building renovation, etc (wacoal)	0.5
Domestic Subsidiaries	0.2
Overseas Subsidiaries	0.7
total	2.9

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Please turn to page 30. This is the level of progress toward the investment results in the first half and the sales plan of strategic shareholdings during the current medium-term management plan.

Basic Policies in light of the Medium-term Management Plan (MTMP) and Spread of COVID-19 (disclosed May 20,2020)

Face reality, ascertain future demand, and then boldly implement reform

[Basic policy]

Give top priority to the "health and safety" of customers, employees, and business partners.

(*We recognize that the balance between maintaining such services as trial fitting and consideration of health and safety is especially important.)

[Short-term policy]

Thoroughly reduce costs and ensure the stability of the Company's financial base with the deteriorating business conditions in mind

1. Carry out a bold review of the measures and expenditure plans that have been implemented so far across all business domains
2. Strengthen liquidity on hand in preparation for the prolongation of the infectious disease
3. Adjust production for avoiding excess inventory caused by a decline in sales

[Medium- to long-term policies]

Thoroughly inspect the value chain and implement reforms: A turning point toward a highly profitable management structure

1. Review the current cost structure (Promote initiatives to reduce fixed costs)
2. Accelerate our digital transformation efforts both in Japan and overseas
3. Review and reorganize touch points with customers (to respond to the changes in major channels)
4. Develop products and services that customers expect in new lifestyles, and strengthen our ability to respond to new customer needs and sales styles

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Next is page 31, the last page. This page shows the group's basic policies considering the spread of infectious diseases.

We talked about the details in May, and so, we will omit the explanation today. Based on this policy, we will continue our efforts to build a highly profitable management structure.

The initiatives of individual companies were announced at the results briefing on July 31, and we will continue to steadily proceed them.

Thank you for your attention.

Current Status of the Wacoal Group and its initiatives aimed at addressing issues

Hironobu Yasuhara

Representative Director, President, and Corporate Officer

Wacoal Holdings Corp.

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Yasuhara: Next, I would like to explain the current status of the Wacoal group and the status of initiatives to address the issues. I have heard that there are not many briefings in this way yet, but I am grateful for having this many people joining us today.

Also, as we are amid the election in the United States, I assume that it is difficult to stay calm, or you have various concerns.

In addition, GoTo travel and other events have finally begun, and people and events have begun to move. Until now, consumer spending has moved almost entirely toward goods, but [Inaudible] events or so.

It will also be of interest to see how the balance between goods and such things will be achieved through this process. However, the background to this is the declining birthrate and the declining consumer power and economic power of individuals in the face of economic conditions, and so, the strength of the market itself is a general situation in which we cannot expect much.

Also, from the end of the year to the beginning of the new year, maybe not so much felt in Kansai, but a big deal here, how the Olympics will take place will be a great interest, I think.

Review of 1H

➢ **Though the business situation is trending toward improvement, with the number of infected people increasing worldwide, uncertainty about the future is also increasing, so it is necessary to pay close attention to sales trends**

	Sales (rate of increase / decrease)											
	Jan.	Feb.	Mar.	4Q (Wacoal China, Wacoal Hong Kong 1Q)	Apr.	May	Jun.	1Q (Wacoal China, Wacoal Hong Kong 2Q)	Jul.	Aug.	Sep.	2Q (Wacoal China, Wacoal Hong Kong 3Q)
Wacoal America, Inc.	+9%	+3%	- 11%	+0%	- 68%	- 55%	- 27%	- 50%	- 9%	- 29%	- 5%	- 15%
Wacoal Europe Ltd.	- 10%	+9%	- 40%	- 15%	- 73%	- 55%	- 20%	- 50%	- 24%	- 17%	- 13%	- 19%
Wacoal China Co., Ltd.	- 3%	- 81%	- 48%	- 42%	- 37%	+11%	- 5%	- 10%	- 10%	+16%	- 7%	+0%
Wacoal Hong Kong Co., Ltd.	- 4%	- 72%	- 48%	- 37%	- 47%	- 11%	- 22%	- 26%	- 33%	- 23%	- 3%	- 21%
Wacoal Singapore Private Limited	+2%	- 42%	- 32%	- 18%	- 87%	売上ゼロ	- 56%	- 83%	+17%	+12%	- 19%	+1%
Philippine Wacoal Corp	+5%	±0	- 63%	- 22%	売上ゼロ	- 93%	- 74%	- 86%	- 62%	- 67%	- 52%	- 61%
WACOAL INDIA PRIVATE LTD	+100%	+105%	+2%	+71%	売上ゼロ	売上ゼロ	- 39%	- 86%	- 95%	- 39%	+10%	- 45%

Note: IO Inc.'s sales are not included in Wacoal America net sales

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Please turn to page 33. This page shows the sales of each country in the first half of the fiscal year.

Frankly, I get the impression from our first-half results as a waypoint amid instability. I’m grateful that we were able to achieve profitability as a result. However, at the outset of COVID-19, various predictions were made, such that it will be calmed by the beginning of the fall, but as I explained earlier, we expected it to be prolonged. In this sense, I think that the first half of this fiscal year is still only a milestone in a variety of ways.

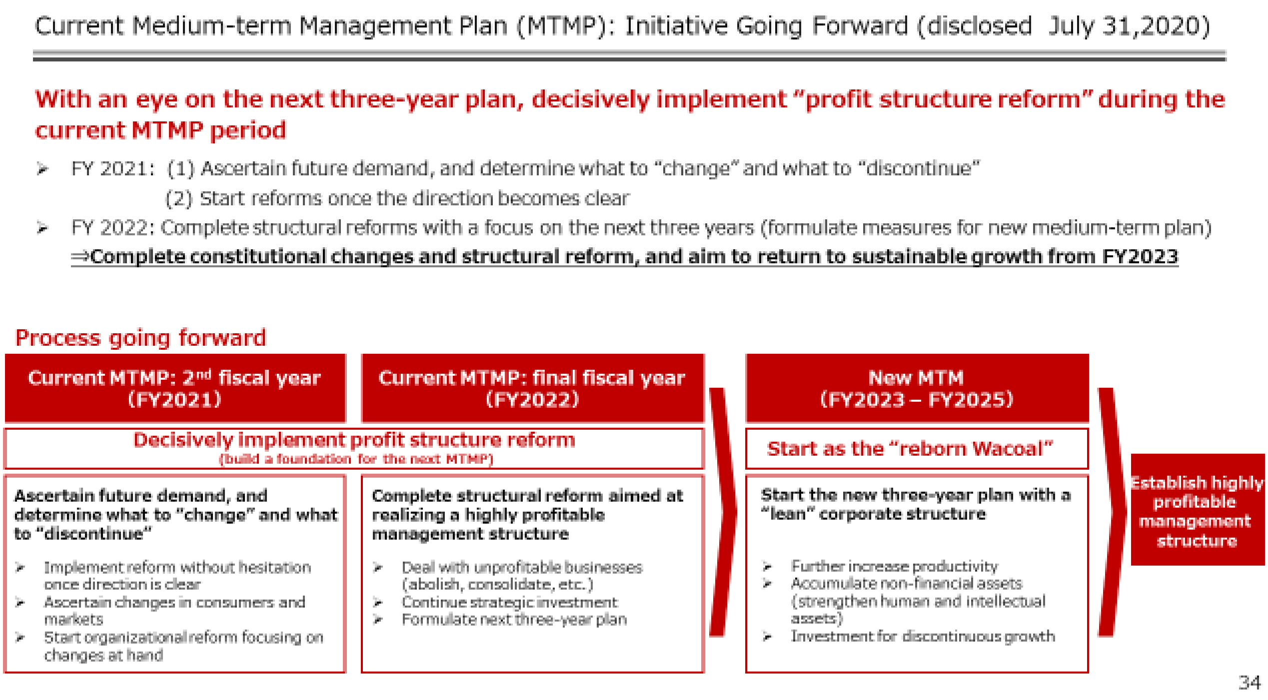
For performance of the second half of the fiscal year, as I explained earlier, infections are still expanding again worldwide, and there are many countries and regions that have more infected persons than in the past. Seeing diversification to rural area, also in Japan, the impact of this COVID-19 cannot be foreseen simply as something that will calm down, having everything recovered. We formulated the budget having these as premises.

I think you all know well about the conditions around the world as well, but France and England are locked down, and I still don't know what will happen in the US after the election ends. In Europe in particular, the Christmas season is becoming a business season with a great deal of weight in each country, and so, I wonder if there are some intentions to end this situation by that time. I think it is entering into such a period.

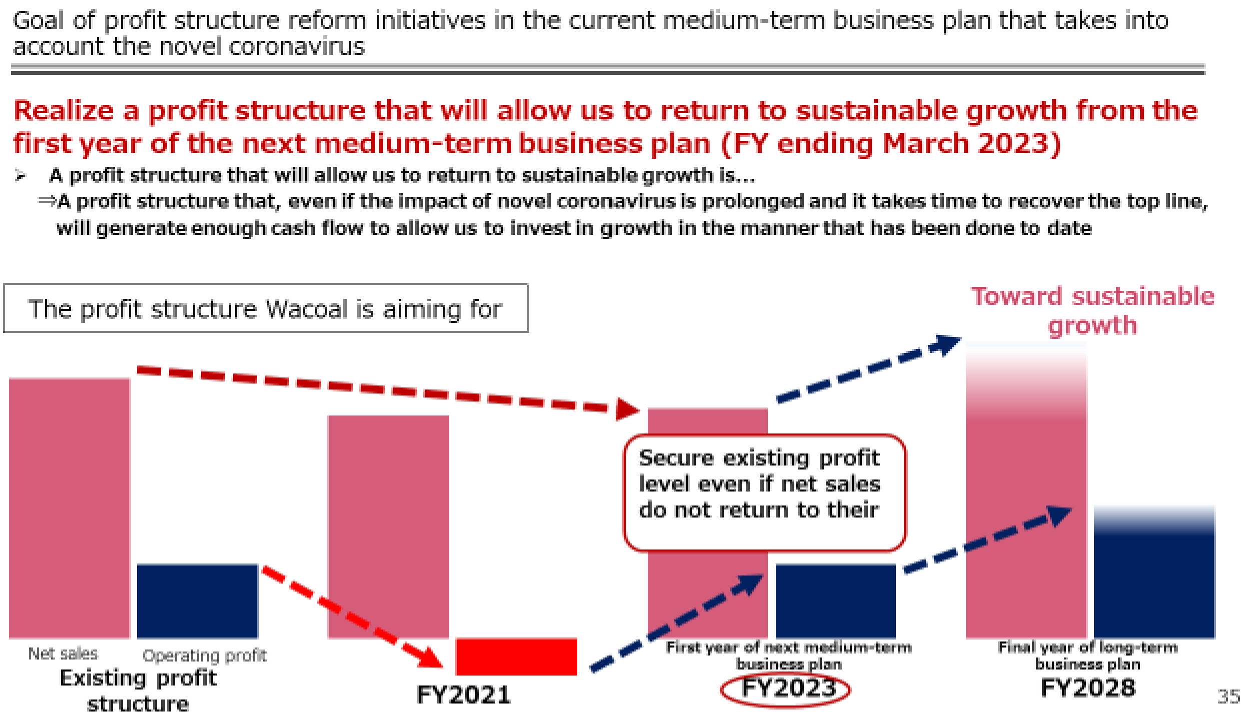
We had a television meeting with local people only in China last week, but now there are few people around Shanghai wearing masks. It seems that it is a rule to wear a mask when using subway, but some people don't wear masks even there. It means that there are no people in the street that are making masks. The preliminary sales of Double Eleven has already begun, and we, who is doing almost steady, are making good results. When illness subsides, one might think that human beings will return to their original state.

I don't know when it will be, but there may come a time when everyone wearing masks becomes a funny story.

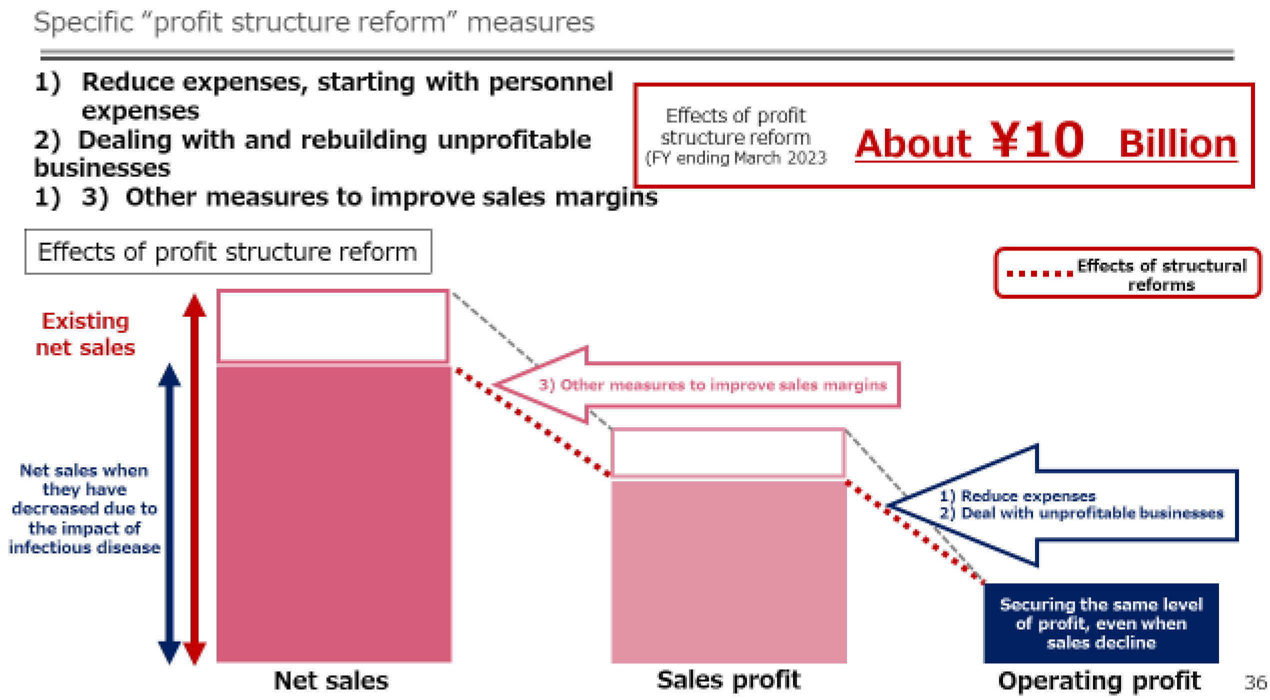
As for the traffic of people. We have already started calculating the domestic market, but we think that it is still not long before we can calculate the inbound consumption. Given these, we formulate the targets for the second half.



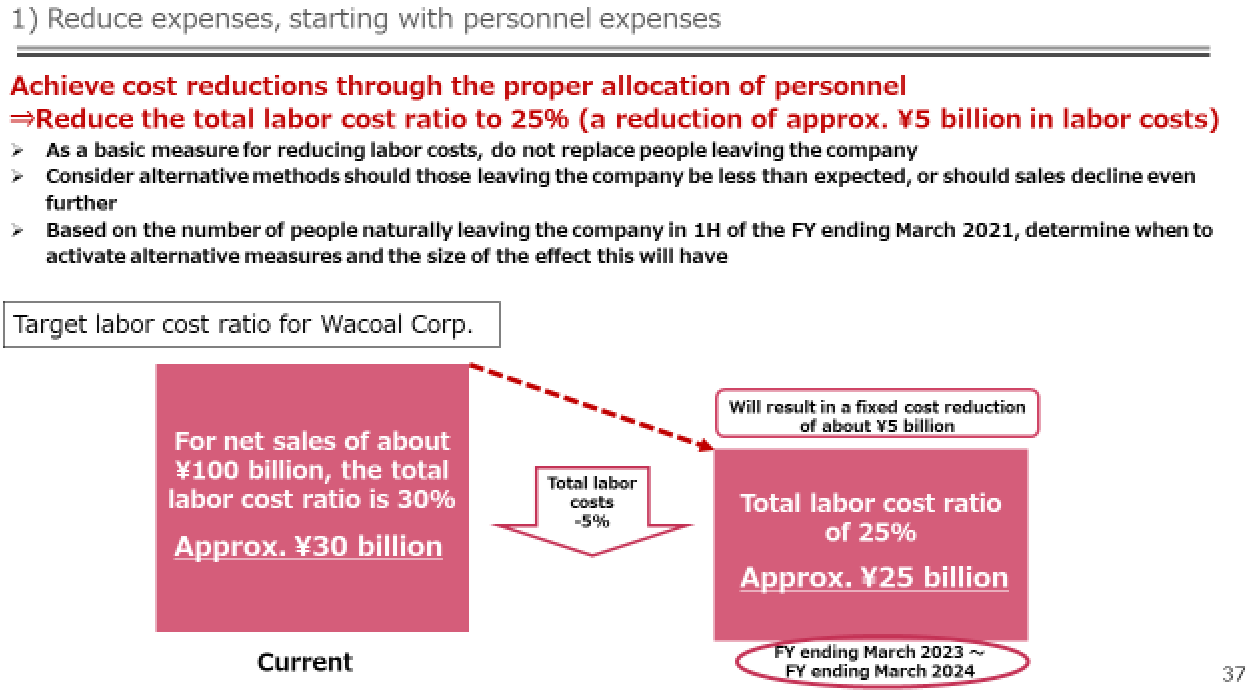
Please turn to page 34. We have explained this on many occasions in the past, but it is the second year of the current medium-term plan. In that sense, even though there is no point in saying this, but in next year, for the numerical targets we initially formulated, about the measures we planned to implement, we will do what we should do, we will discontinue what should be discontinued, we will start what should be started. These will the basis going forward. From this fiscal year to the next fiscal year, we plan to implement a variety of measures based on the assumption that we will not carry over to the next three-year period, after clarifying what to be discontinued and what to be started and sorting them out.



Please turn to page 35. As I have just said, I think that how the top line is going to be largely depend on how long the impact of COVID-19 will be prolonged. In terms of our profit structure, there are a number of points that have become our weaknesses over the years, and while restructuring these, we plan to build a system that will generate a certain level of earnings, even if there are some ups and downs of top-line. We would like to somehow achieve that in the next fiscal year.



Page 36 shows its contents. Having set a target of JPY10 billion from the current framework, including personnel expenses, discontinuance and rebuilding of unprofitable business, improvement of profit margins of others, and personnel expenses. Combining them together, we are proceeding with a target of JPY10 billion.



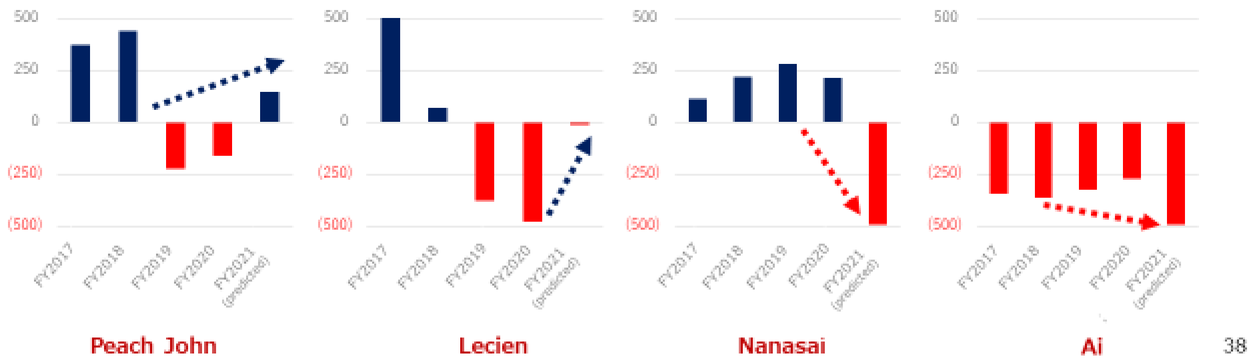
Please turn to page 37. Personnel expenses are mainly within Wacoal Corp. To date, approximately JPY30 billion has been spent for personnel expenses, and targeting reduction of JPY5 billion to approximately JPY25 billion in five years by March of the 24th fiscal year, we started a variety of measures and staff planning in this fiscal year.

2) Dealing with and rebuilding unprofitable businesses

Do not carry over unprofitable businesses to the next medium-term business plan

⇒FY ending March 2021: Identify future demand, examine roles within the company and the optimal organization
⇒FY ending March 2022: Execute withdrawals, releases, and reorganization
Profitability improving at Peach John and Lecien where restructuring is already underway

(Reference) Operating profit at major domestic subsidiaries (excluding impairment)



Please turn to page 38. Please see unprofitable businesses, especially of subsidiaries. it was not started suddenly, but it had been a task for a long time, and so, we have been sorting out.

For Peach John, in the current fiscal year, we had been implementing such measures prior to COVID-19. Taking COVID-19 as an opportunity, which is a strange way to express it, but using this as an impetus, we were able to transform into a highly profitable company in terms of profitability, given the extremely rapid growth of ecommerce business.

In terms of how we will continue to do this in the future, we also consider the reorganization of Peach John's overseas business and such as issues.

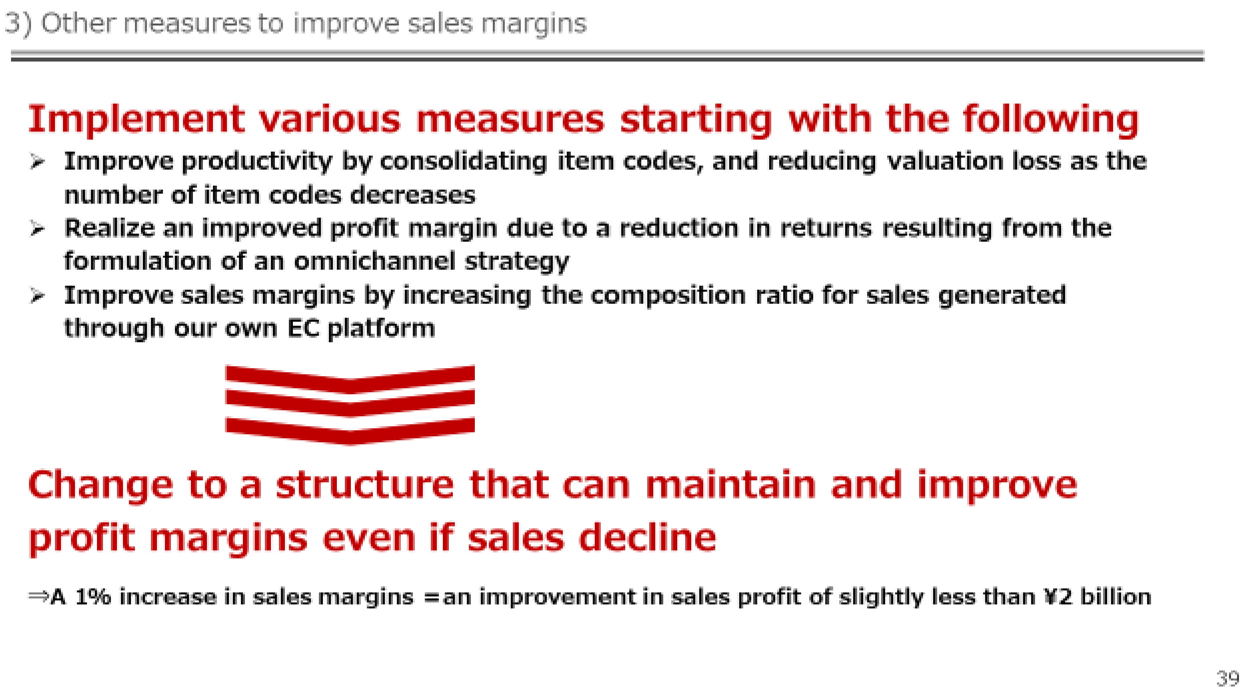
Regarding Lecien, we reduced the number of employees in the previous fiscal year through scale measures and such, and because of that, even under these circumstances, we expect to achieve profitability in the current fiscal year, reaching the break-even point.

Conversely, NANASAI, which is engaged in remodeling, refurnishing of mannequins and stores, had been performing well but is now struggling. This is also a situation where the industry is down by more than 30% and about one third of the jobs blew away, and so, not only we but also other companies have a great deal of headache. I think it will be difficult for us to recover from this situation easily from the next fiscal year onward, and so, we are working on this issue, including personnel.

Regarding Ai, our main product is swimsuits, and we had high expectations for this year. However, under these circumstances, demand for Ai has blown away almost entirely, including overseas travel, and sales in the swimsuits industry are said to be around 10% to 20%. We are currently discussing how to continue our business, including what to do as a company thinking of the future.

Therefore, I think that certain levels of results have been achieved regarding Peach John and Lecien, that took various measures ahead. Conversely, in that sense, it would be strange to say that we did not care about them, but NANASAI, which had been doing well, is becoming a major blow. As for Ai, we must determine how the market itself will be in the future.

Other than this, there are businesses within the Wacoal Group that are not subsidiaries, but are in the red in some divisions, and so, we would like to discontinue what should be discontinued by carefully examining these as well.



Please turn to page 39. Measures to increase sales profit through other measures. This includes reorganization of the brand or reorganization of the department store brand.

The group is also moving toward a reduction in the product numbers.

In addition, we believe that an increase in the ratio of in-house ecommerce will raise the total profit margin.

Alternatively, the other is the sales system. We believe that the way in which we change the sales structure of the wholesale business and keep down expenses will eventually lead to earnings.

Carry Out Self-transformation

By implementing value chain reforms from a thorough customer perspective and evolving the value creation process, we will continuously provide products and services that contribute to the realization of a prosperous society

A customer service system that uses an "avatar," Ava.Counseling Parle is a virtual counseling system developed for the purpose of allowing customers to experience innerwear selection in a more convenient and stress-free manner.
(Introduced to the 3D smart & try Tokyu Plaza Omotesando Harajuku store on Thursday, October 29.)

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Please turn to page 40. We are currently proceeding with what I have mentioned, and we believe that the best start for these reforms will be to sort out what has been done so far and review everything from scratch.

We have also received many proposals for various digital-related businesses, such as cooperation with other companies, that we would like to pursue, although they have not yet sold. We hope to establish new businesses based on these ideas, and we will prepare for the next three years.

We will continue to strive to increase corporate value by reforming our value chain from the customer's perspective and evolving our creative process.

From the perspective of a world-class underwear manufacturer, I think that we are at the most front in various points, including measures we are taking. We are proud that we are investing that much. By developing new customer connections and services that would not be possible for other companies around the world, we hope to lead this into a growth strategy.

One of them is the development of a non-contact avatar counseling, which was introduced by NHK on the other day. We launched this service for the first time in the store in Omotesando. I would like you to watch this for your reference.

Thank you very much for taking the time today.