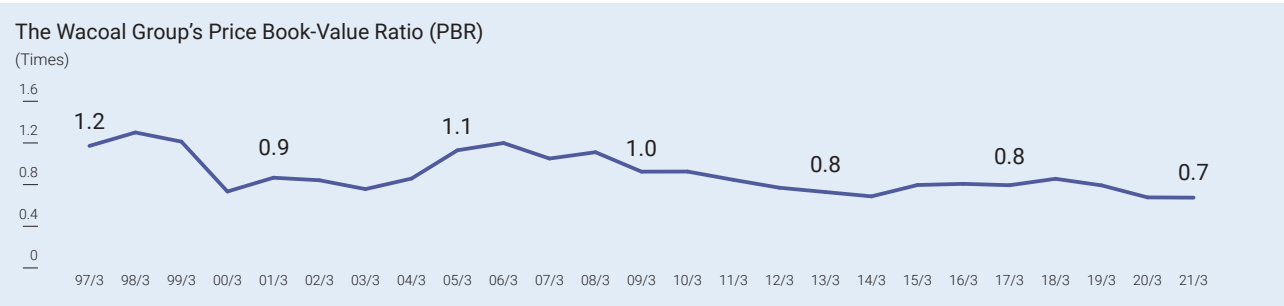


Establishing Mutual Trust through Dialogues

Engaging in constructive dialogues toward the enhancement of enterprise value is critical to establishing a strong relationship of mutual trust with all of our stakeholders. However, we have not been able to arrange sufficient opportunities for stakeholder engagement in our management activities thus far. Due in part to this and other factors, we have not been able to meet the expectations of the market and, as a result, our price book-value ratio (PBR) has remained below 1.0 times for a number of years. In reflection of this fact, we have taken a proactive approach to our engagement with all stakeholders, including shareholders and investors, by gaining their valuable input through results briefings and investor relations interviews and reflecting them in our management strategies with the aim of achieving medium- to long-term increases in corporate value and establishing a highly effective management structure.



Stakeholder Relations

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

Communication Activities for Analysts and Institutional Investors (Results)

Activity	FY2019/3	FY2020/3	FY2021/3
Individual meetings with institutional investors and analysts	101 times	98 times	126 times
Results briefings (for analysts and institutional investors)	Twice	Twice	4 times
Business briefings (for analysts and institutional investors)	Twice	Once	3 times
Factory tours (for analysts and institutional investors)	Once	Twice	—
Conferences organized by securities companies	Twice	Once	Once
Overseas road shows	Once	Twice	—
Briefings for individual investors	4 times	3 times	Once
Individual meetings with outside directors (for analysts and institutional investors)	—	—	4 times

Internal Communication Activities (Results)

Activity	FY2019/3	FY2020/3	FY2021/3
Feedback on IR activities (for directors)	Twice a year	Twice a year	Quarterly
Briefings on integrated report and discussions with the Company's president (for employees)	—	General employees	Management personnel

Message from the Corporate Communications Department

By actively engaging in dialogues and appropriately disclosing information, the Corporate Communications Department works to enhance awareness of the Company's management and policies, such as the Group's background and strengths, the people behind our business and how they (managers and employees) work together, the results achieved, and the contributions we make to customers and society. We will continue to play a pivotal role in enhancing enterprise value by incorporating the valuable input of all of our stakeholders into our management activities.



Views of Shareholders and Investors (Specific Examples)

Strengths

Profit structure reform	<ul style="list-style-type: none">• I commend the fact that the presidents of both Wacoal Holdings Corp. and Wacoal Corp. are fully in charge of the profit structure reform.• The profit structure is steadily showing signs of improvement, but the Company still has a poor reputation among investors. I would like to see the Company regain their trust by generating results.
Business model	<ul style="list-style-type: none">• I sense a strong potential for growth based on the quality of its products and the progress of its global expansion.• The right brands are in place and so are its unique production processes. 3D body scanners, sales personnel, directly managed stores, and other resources that are necessary for improving customer relations are already in place. The Company should be able to continue to grow by making effective use of its assets.
ESG	<ul style="list-style-type: none">• I believe the Company is making progress on initiatives concerning the environment, society and so I would like to see a more proactive disclosure of such efforts.

Issues

Profit structure reform	<ul style="list-style-type: none">• I am concerned about the lack of focus being placed on profit structure reform. Unless the reform is undertaken successfully, I am worried that the Company would have to go back to square one. Speed is certainly an issue here.
Business model	<ul style="list-style-type: none">• I would like the Company to reflect its growth potential on business results and set high standards for its ROE and operating margin. At the same time, I would like to see the Company develop a highly effective organization toward reaching those goals.• More emphasis needs to be placed on sharing best practices within the Group.• I do not see a central theme behind its brands, including the process for generating profits. It is a shame that its marketing investments are inefficient because of its poor branding.
Issues regarding medium- to long-term vision and next medium-term management plan	<ul style="list-style-type: none">• The Company's current medium- to long-term vision covering the period up to fiscal 2028 does not illustrate the process toward achieving its goals. It is not only the investors who are unaware of the process but also the employees, and it is a matter that should be addressed in the next medium-term management plan.• I hope the Company does not postpone its profit structure reform or declare targets that may be viewed as being conservative in order to avoid disappointing the stock market as well.
ESG	<ul style="list-style-type: none">• I would like to see the Company transition to a structure in which the effectiveness of its governance can be viewed more objectively, such as through the appointment of outside directors who are deemed familiar with the business and management and more independent through the eyes of investors.• The fact that the inadequacy of governance is to blame for the Company's low price book-value ratio is a view shared throughout the entire stock market.

Views of All Other Stakeholders (Specific Examples)

Areas for improvement	<p>Experts on Sustainability:</p> <ul style="list-style-type: none">• The future goals the Company has set out to achieve through digital transformation have not transpired into anything other than simply an image and the numerical results it is trying to generate through the transformation of its business model are unclear.• While materiality is an important matter that certainly must be taken into account, the Company does not seem to regard it as a matter that poses significant risks to its business activities or competitive advantages.• The Company does not seem to be responding adequately to the issues along its supply chain in both Japan and overseas, particularly when it comes to human rights issues in the fashion industry.• More information needs to be communicated in regard to the impact of climate change on the Company's business (in compliance with the disclosure requirements of the TCFD), with Japan declaring its goal of realizing carbon neutrality by 2050. <p>University Students Participating in Workshops:</p> <ul style="list-style-type: none">• We were not aware of 3D smart & try services, the Wacoal Bra Recycling Initiative, or Pink Ribbon activities. The Company must put more emphasis on illustrating the merits of its initiatives aimed at realizing a sustainable society.• I would like to develop a product with that allows me to feel better about my inadequacies. How about building a framework in which the Company and consumers work together to ensure that the needs of customers are reflected accurately in its product development?
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TOPIC

The Wacoal Group has teamed up with DEAR ME, a nonprofit organization (NPO) that seeks to realize a sustainable society through the world of fashion, to launch sustainability-themed initiatives on engagements with future generations. In March 2021, university students and junior employees of this NPO announced the outcomes of workshops that were held based on such themes as the role of consumer society and companies in the future. Attended by the vice president, corporate officers, and the manager of the Personnel Division, the workshops involved lively discussions and exchanges of opinions on social and environmental issues and other matters.

Improvements Made through the Input of Stakeholders and Issues to Address Going Forward

Improvements made	<ul style="list-style-type: none">• Disclosed monthly sales data on corporate website (from January 2017)• Disclosed list of contract manufacturers on corporate website (from May 2018)• Specified reduction targets for strategic shareholdings (from June 2019)	<ul style="list-style-type: none">• Disclosed ESG Data Book on corporate website (from October 2020)• Established the Wacoal Group Tax Code of Conduct (January 2021)• Introduced a compensation framework in the form of restricted stock (June 2021)
Issues going forward	<ul style="list-style-type: none">• Disclose the benefits of profit structure reform• Discuss the details of discussions held by the Executive Compensation Advisory Committee and the Executive Nomination Advisory Committee• Disclose information on climate change in accordance with the TCFD or similar international frameworks, establish a Groupwide human rights policy, and develop and disclose information on management processes	