

[Translation]



May 15, 2020

To Whom It May Concern:

Company Name: WACOAL HOLDINGS CORP.  
Representative: Hironobu Yasuhara,  
Representative Director, President and  
Corporate Officer  
(Code Number: 3591)  
(Tokyo Stock Exchange, First Section)  
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(Additional Information on Business Results)  
Announcement regarding Our Group's Conditions due to the Spread of the Coronavirus Outbreak and  
Reduction of Officers' Remuneration

We hereby make an announcement regarding our group's conditions as of today (May 15, 2020) due to the spread of the coronavirus outbreak, and the resolution to reduce officers' remuneration adopted at the meeting of the Board of Directors held today, as follows:

Details

**1. Measures Taken to Protect the Safety and Health of Employees and Others**

In order to prevent the spread of the coronavirus and ensure the health and safety of our customers, business partners and employees, our group has closed offices and company-operated facilities, adopted work-from-home arrangements, temporarily suspended business, and taken other measures based on guidance provided for each country by its national and local government authorities.

Measures taken by Wacoal Corp. (partial listing) (as of May 13)

- Back office staff: As a general rule, back office staff will be working from home until the declaration of the state of emergency is lifted (excluding work from office required for business continuity)
- In-store sales staff: As a general rule, in-store sales staff will be on call at home in prefectures subject to specific government warning, and those working in stores located in other municipalities that have resumed operation will report for in-store work in order
- One business holiday per week policy will take effect (April 1 to June 30, 2020 (tentative)) for all employees

**2. Social Contribution Activities**

- (i) In response to the shortage of face masks in the markets and to provide our employees with Wacoal-made face masks, we manufactured approximately 70,000 face masks at Kyusyu Wacoal Manufacturing Corp. (Fukuoka, Kumamoto). Part of the manufactured masks were provided to local governments (1,200 face masks to Unzen City and 20,000 face masks to Kyoto City). (Due to the declaration of a state of emergency, these factories are currently closed.)

- (ii) At Thai Wacoal Public Company Limited we switched part of the underwear production line to produce face masks and manufactured approximately 200,000 face masks by April 30. These face masks were provided to the police and others in Thailand. In addition to the above, face masks were also manufactured at Vietnam Wacoal Corp.

### 3. Impact on our Business and our Operations

The operations of our group's major subsidiaries' businesses and factories as of today (May 15, 2020) are as follow:

April 2020 sales (% change as compared to April 2019) and operations of major subsidiaries:

(Note) Sales (% change as compared to corresponding month of the previous fiscal year) are preliminary and may be adjusted as part of our accounting closing process.

	April Sales (% change as compared to April 2019)	Operating Information
Wacoal Corp.	-72%	<ul style="list-style-type: none"> <li>• Sales from our e-commerce website for the month of April posted +76% change as compared to April 2019</li> <li>• As of April 30: All department stores and directly managed stores were closed (Business continued only at some general merchandise stores)</li> <li>• As of May 15: Operation resumed in some areas</li> </ul>
Peach John Co., Ltd.	-19%	<ul style="list-style-type: none"> <li>• Sales from our e-commerce website for the month of April posted +77% change as compared to April 2019</li> <li>• As of April 30: All directly managed stores were closed</li> <li>• As of May 15: Operation resumed in some areas</li> </ul>
Wacoal International Corp. (U.S.) (Including Intimates Online Inc.)	-47%	<ul style="list-style-type: none"> <li>• Sales from our e-commerce website (Wacoal America Inc.) for the month of April posted +33% change as compared to April 2019</li> <li>• As of April 30: All stores were closed</li> </ul>
Wacoal Europe Ltd.	-74%	<ul style="list-style-type: none"> <li>• Sales from third-party e-commerce websites for the month of April posted ± 0% change as compared to April 2019</li> <li>• As of April 30: All stores except some stores located in Australia were closed</li> </ul>
Wacoal China Co., Ltd.	-37%	<ul style="list-style-type: none"> <li>• Sales from third-party e-commerce websites posted change from the corresponding months of 2019 as follows: February: +29%, March: +19%, April: -56%</li> <li>• Sales from physical stores posted change from the corresponding months of 2019 as follows: February: -94%, March: -66%, April: -32%</li> <li>• All stores had shorter business hours or were closed in January and February</li> <li>• All stores resumed their operation as of April 20</li> </ul>

Operation of the group sewing factories (as of May 15, 2020 (or as planned for future information))

Japan	<ul style="list-style-type: none"> <li>With a few exceptions, operation will be suspended for two months from May to June at our factories (Hokuriku; Kyushu (3 factories); Niigata) and partner factories (2 factories) in order to make production (inventory) adjustments to fall/winter products</li> </ul>	
Overseas	China / Vietnam Indonesia / Sri Lanka	Operating normally
	Thailand	Operating normally (except some factories will suspend operation until July )
	Dominican Republic	Operation suspended until end of May

#### 4. Business Outlook and Disclosure Policy Going Forward

The coronavirus outbreak continues to have a very significant impact on our group's business activities due to measures such as suspension of operations and stay-at-home measures in efforts to prevent the spread of infection. As the measures to prevent the spread of the outbreak continue, we expect that the slowdown in consumer spending and anticipated deterioration in the employment and income environment will continue to have a negative impact on our group's management as well as sales and/or profit.

At this point, it is difficult to assess the impact of the coronavirus on our group and to reasonably make any business forecast. Accordingly, our forecast of consolidated business results for the fiscal year ending March 31, 2021 is undetermined and will be announced as soon as the details become available. Likewise, disclosure will be made as soon as possible if and when any other significant impact is expected to occur.

Our group will reassess all of our business activities, decrease costs such as advertising expenses and officers' remuneration (\*) and review the timing of new investments. These will be implemented while taking into consideration the health and safety of our group's customers, business partners and employees. In addition, we will seek to expand loan programs from financial institutions to ensure liquidity for our group companies.

In all business areas, we will conduct bold revision of our initiatives and spending plans, further accelerate our efforts to introduce digital transformation, and establish a new road map to achieve growth in business by effectively utilizing our customer database, coordinating and merging the physical stores and e-commerce channels, and strengthening our efforts on improving CX (customer experience). In addition, we will reform our business structure to generate stable profit by steadily identifying changes in consumer values and distribution and by making further progress in our efforts to be selective and concentrated in our businesses within the entire group.

#### 5. Reduction in Officers' Remuneration

The forecast of consolidated business results for the fiscal year ending March 31, 2021 is yet to be determined due to the impact of the spread of the coronavirus. As our officers accept the gravity of the severe financial conditions, we have resolved at the meeting of the Board of Directors held today (May 15, 2020) to decrease officers' remuneration payable to the Directors (excluding outside directors) of Wacoal Holdings Corp. and Wacoal Corp. and have obtained consent from all the Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members) of Wacoal Holdings Corp. and Wacoal Corp. after their discussion was held among such Audit & Supervisory Board Members. The officers' remuneration will be reduced by 30% for the Chairman and President and by 20% for other Directors and Audit & Supervisory Board Members with respect to their monthly remuneration (target period: for 6 months from May 2020 to October 2020).

#### 6. Message from Hironobu Yasuhara, Representative Director, President and Corporate Officer of

## **Wacoal Holdings Corp.**

First and foremost, our thoughts are with those who have lost their lives to the coronavirus, to those who have been afflicted with the disease, and to their family and other related persons. We also wish to express our respect and gratitude to local governments and medical practitioners around the world who are fighting to prevent the spread of infection and provide medical care.

We are mindful that as the outbreak continues to spread, each and every one of our customers, business partners, partner companies, employees, shareholders and other stakeholders as well as their families are experiencing a great sense of unease. In this time of difficulty, we hope that you prioritize “health” and “safety” over everything else. We at Wacoal will be implementing, as necessary, measures that may contribute to the prevention of the spread of the outbreak.

Currently, the company’s business operations are being seriously hindered by store closures, stay-at-home orders and other measures put in place in various countries and regions to prevent further spread of the outbreak. With some exceptions, all of our domestic sewing factories have suspended, and will continue to suspend, operation until the end of June to adjust our production. Our group’s business is expected to continue to be affected significantly, with the anticipated slowdown in consumer spending resulting from deterioration in the employment and income environment.

While we continue to face serious challenges, the company’s 70-year history shows the resilience of the Wacoal Group, as we have faced and overcome many difficulties over the years. I was stationed in China in 2003, when the severe acute respiratory syndrome (SARS) epidemic broke out in China. The impact of SARS continued for approximately four months, endangering the very survival of the company, but we overcame the challenge. While China business is one of the key pillars of our group today, I wonder if that would be the case had we given up back then. What I want to say is that even though the circumstances we are placed in today are different from then, no matter how dire they may seem, they will always be followed by better days.

The experience of this pandemic may drastically change the consumers’ value system. We too may evolve in the ways in which we interact with our customers. We will pursue our basic management policy, i.e., to develop new products that meet the needs of the times, accelerate our ongoing digital transformation, and generate new products and services, new forms of customer service, and new cooperation between stores and e-commerce, each of which is eagerly awaited by customers seeking a new lifestyle. With everyone in the Wacoal Group acting as one in creating these various “news,” we will form even stronger ties with our customers that will lead to significant growth of the group.

We believe that we will be able to overcome this adversity by having all of our group’s employees around the globe unite as one with a common understanding of the uncertainties and hopes for the future, and creating relationships of mutual trust with all stakeholders. Wacoal Group will emerge from this challenge to evolve into an even more needed and trusted company. We look forward to your continued support and assistance.

Last but not least, we hope for a speedy return to normalcy, and that we may meet with our customers around the world again in the near future.

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