

[Translation]



May 11, 2021

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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Announcement of Revisions to the Forecast of Consolidated Business Results and Recognition of
Impairment Charges and Valuation Gain on Marketable Securities

We hereby announce that we have revised the forecast of our consolidated business results for the fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021), which we announced on October 30, 2020, as follows:

Details

1. Revised Forecast of Consolidated Business Results for the Fiscal Year Ended March 31, 2021

(U.S. GAAP)

(Unit: Millions of Yen, unless otherwise indicated)

	Net sales	Operating income	Pre-tax net income	Net income attributable to Wacoal Holdings Corp. shareholders	Net income attributable to Wacoal Holdings Corp. shareholders per share (in Yen)
Previous Forecast (“A”)	156,000	(1,000)	300	(500)	(8.01)
Revised Forecast (“B”)	152,000	(1,100)	10,800	7,000	112.17
Variance (B - A)	(4,000)	(100)	10,500	7,500	
Variance as Percentage (%)	(2.6)	-	-	-	
(Reference) Results for the Previous Fiscal Year ended March 31, 2020	186,760	6,632	4,359	3,472	54.26

(Reason for Revisions)

We expect net sales to fall below the previous forecast due to more people staying home after another state of emergency was declared during the current consolidated fourth quarter fiscal year in response to the spreading coronavirus pandemic (the “pandemic”), as well as the impact of the lockdown measures implemented in overseas.

Despite our efforts to reduce costs at our group companies, we expect operating income to fall below the

previous forecast as a result of the recognition of impairment charges on goodwill with respect to our subsidiary Wacoal Europe Co., Ltd. and its subsidiaries (“Wacoal Europe”) in light of the impact of the pandemic.

Pre-tax net income is expected to significantly exceed the previous forecast as a result of a recognition of valuation gain on marketable securities held by the Company and its consolidated subsidiaries.

Consolidated business results for the fiscal year ended March 31, 2021 will be announced on May 14, 2021.

2. Recognition of Impairment Charges

We examined potential impairment charges in connection with our consideration of the forecast of business results of our subsidiary Wacoal Europe, in light of the impact of the pandemic. As a result of our reevaluation of fair value, we will record an impairment charge of 2,673 million yen in respect of goodwill, which is recorded as intangible assets. As we use generally accepted accounting principles in the United States, the impairment charge will be recorded as an operating expense affecting our operating income.

3. Recognition of Valuation Gain on Marketable Securities

We will record a valuation gain of 10,390 million yen on marketable securities and investments (net) held by the Company and its subsidiaries for the fiscal year ended March 31, 2021. The effect on our net income will be an increase of 7,209 million yen.

We recorded a net valuation gain of 5,725 million yen on marketable securities and investments (net) during the cumulative third quarter of the consolidated fiscal year ended March 31, 2021 (April 1, 2020 – December 31, 2020). Therefore the valuation gain on marketable securities and investments (net) during the fourth quarter of the fiscal year ended March 31, 2021 (January 1, 2021 – March 31, 2021) will be 4,665 million yen.

4. Forecast on Dividend

There has been no revision to our year-end dividend forecast for the fiscal year ended March 31, 2021. We are scheduled to distribute 20.00 yen per share as a year-end dividend in early June 2021, and the annual cash dividend per share will be 40.00 yen, including the interim dividend per share of 20.00 yen, which has been already distributed.

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