

[Translation]



May 14, 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)  
Contact: Katsuya Hirooka,  
Corporate Officer, General Manager of  
Corporate Planning  
(Telephone: +81(075)682-1010)

Announcement of Introduction of Compensation Framework  
in the Form of Restricted Stock

We hereby announce that the Board of Directors of the Company has adopted a resolution to introduce a new compensation framework in the form of restricted stock (the “New Framework”) based on a reevaluation of our compensation framework related to officers at the Board of Directors’ Meeting held today, and has made the determination to submit an agenda item regarding the New Framework to the 73rd Ordinary General Meeting of Shareholders (the “Meeting”) to be held on June 29, 2021.

Details

1. Purpose of the New Framework and other matters

(1) The purpose of the New Framework

The New Framework is intended to be a framework that will allot to the Directors (excluding Outside Directors, the “Eligible Directors”) shares of common stock of the Company subject to a certain transfer restriction (“Restricted Stock”) for further sharing of price fluctuation risk with our shareholders and increasing incentives to contribute to the improvement of share price and corporate value.

(2) Condition for the introduction of the New Framework

As the New Framework will grant monetary compensation claims to the Eligible Directors of the Company as compensation in connection with the allotment of Restricted Stock, the adoption of the New Framework will be subject to the shareholders’ approval for the payment of such compensation at the Meeting. The total maximum annual amount of compensation to be paid for Directors (excluding salaries as employees for Directors who concurrently serve as employees) was approved at 350 million yen at the 57th Ordinary General Meeting of Shareholders held on June 29, 2005, and as a separate category of compensation to Directors, the maximum annual amount of stock acquisition rights to be granted as stock options was approved at 70 million yen at the 60th Ordinary General Meeting of Shareholders held on June 27, 2008. At the Meeting, the Company will request shareholders to approve that the amount of stock acquisition rights in the form of stock options to be granted as compensation described above will be eliminated, and that as a separate category of compensation to Directors, a maximum annual amount for monetary compensation claims of 70 million yen be established for payment in connection with Restricted Stock paid to the Eligible Directors, after comprehensive consideration of various factors including each Eligible Director’s degree of contribution to the Company.

## 2. The outline of the New Framework

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

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

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

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

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

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

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

### (3). Details of Restricted Stock Allotment Agreement

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

#### (i) Transfer Restrictions

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

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

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

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

(iii) Removal of Transfer Restrictions

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

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

(iv) Treatment during Reorganization, etc.

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

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

(Reference)

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

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