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

[U.S. Accounting Standards]

**November 4, 2020
Wacoal Holdings Corp.**

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

【Previous segment】

Wacoal Business (Japan)	Wacoal Corp., Wacoal Holdings Corp., Other sales companies, Distribution company, Apparel Manufacturing Companies etc. Ai
Wacoal Business (Overseas)	
Peach John Business	
Other Businesses (Lecien, Nanasai etc.)	

【Since the current consolidated cumulative first quarter】

Wacoal Business (Japan)	
Wacoal Business (Overseas)	
Other	Peach John Business
	Lecien, Nanasai, Ai etc.

【Since the current consolidated cumulative second quarter】

Wacoal Business (Japan)	
Wacoal Business (Overseas)	
Peach John Business	
Other (Lecien, Nanasai, Ai etc.)	

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.

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.

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%	24,689	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%	5,189	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)		13,656	11,858	11,053	-13.2%	+7.3%	1,161	740	- 173	-36.3%	-
Peach John Business		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%

(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-on-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.

(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

(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 S	- 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%

★1 The figure before the transfer of internal expenses. Shows year-on-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.

Though sales and profits declined due to the spread of infectious disease, cost cutting and increased profits from Peach John contributed positively, resulting in profitability

- Net sales: -28% (Wacoal -31%、US -17%、Europe -34%、China -30%、Peach John +6%)
- Operating income: ¥1.3 billion (Wacoal business (Japan) ¥900 million, Wacoal business (Overseas) - ¥300 million, Peach John ¥1 billion)
- The operating income plan saw a swing to the upside of ¥4.5 billion

Net sales

¥73.2 billion vs plan +¥2.7 billion (+4%), YoY -¥28.3 billion (-28%)

- Though EC maintained high growth primarily in Japan and the US, sales dropped significantly due to store closures and people refraining from going out because of the spread of infectious disease
- The Peach John business achieved high EC growth due to highly topical marketing activities that proved successful
- For both Japan and overseas, results came in above carefully formulated plans

Operating profit

¥1.3 billion vs plan +¥4.5 billion, YoY -¥8.2 billion (-87%)

- Though each company implemented cost cutting measures, they were not enough to absorb the decrease in sales profit resulting from lower sales, which in turn resulted in a significant decrease in profit
- Profitability was secured due to the contributions of cost cutting and the utilization of governmental support measures in each country such as employment adjustment subsidies
- **Due to additional cost cutting and exceeding both sales and sales profit ratio plans, results significantly exceeded the operating income plan (See slides 14-15 for details related to differences with the plans)**

Income before taxes

¥3.6 billion vs plan +¥6.1 billion, YoY -¥5.7 billion (-61%)

- A net valuation gain of ¥1.6 billion was recorded on securities and investments

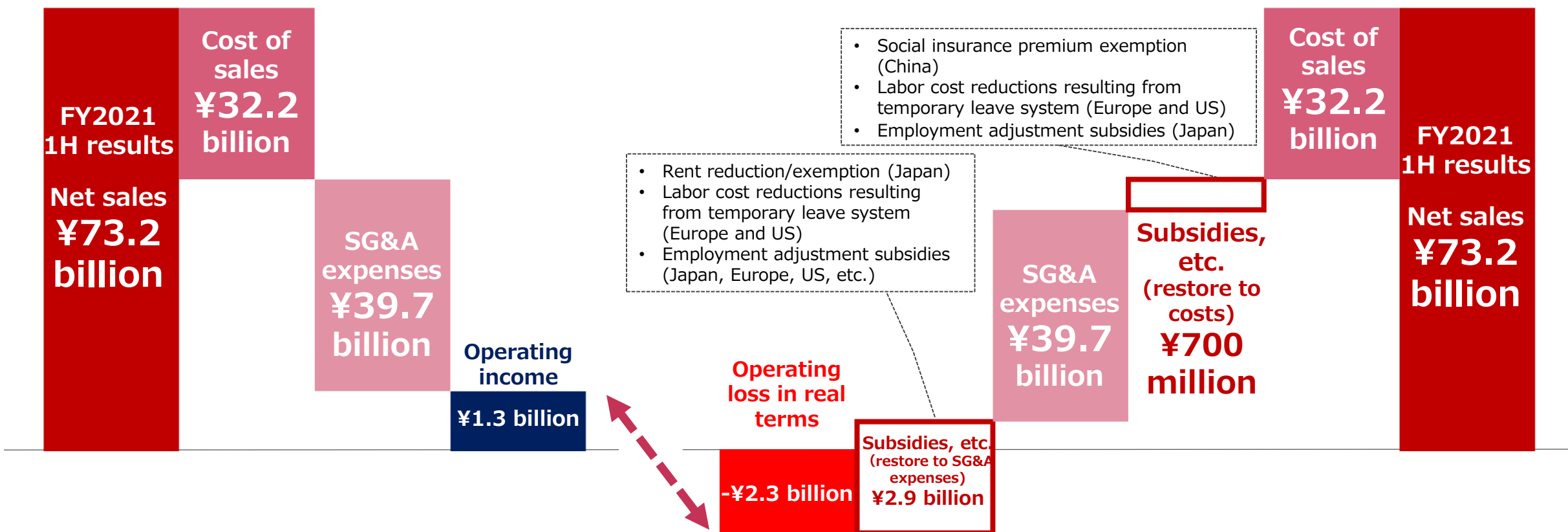
FY2021 1H: Operating loss in real terms

➤ Operating loss in real terms excluding employment adjustment subsidies, etc. was -¥2.3 billion (loss)

- The total amount of labor cost reductions from employment adjustment subsidies and the temporary leave system, etc. was approximately ¥3.6 billion

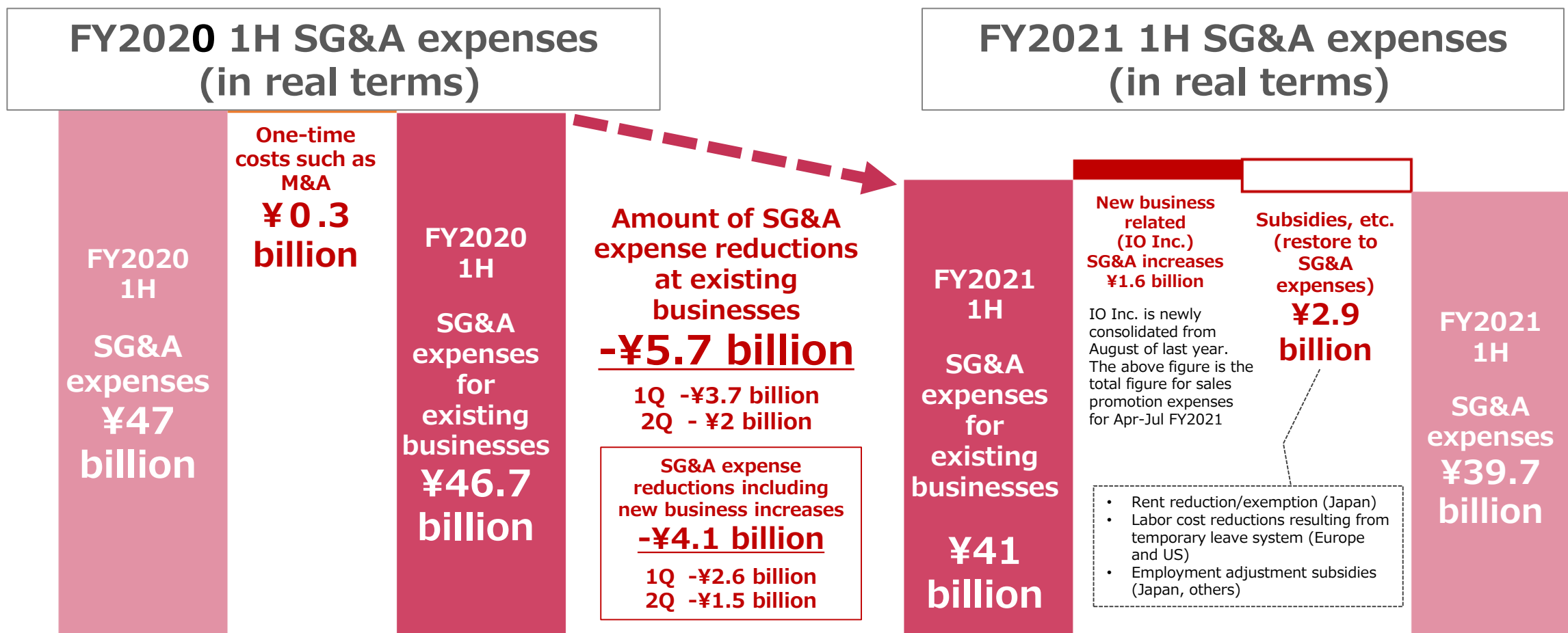
FY2021 1H results

FY2021 1H results (in real terms)



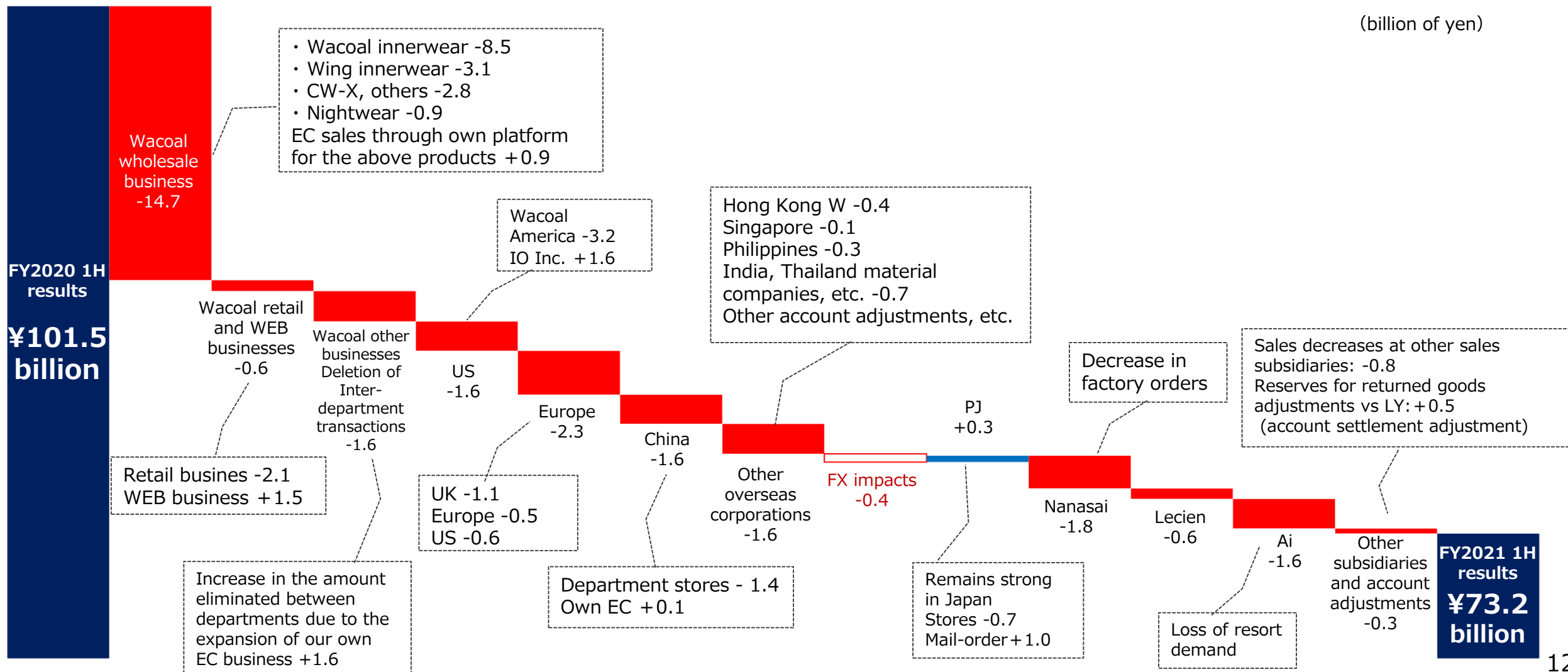
FY2021 1H: SG&A Expense Reductions

- **Amount of SG&A expense reductions for existing businesses for 1H, -¥5.7 billion**
 - Labor costs ¥1.3 billion, general expenses ¥4.4 billion
 - Of the amount reduced in Q2, the amount that can be continuously improved is estimated to be about ¥1 billion



FY2021 1H: YoY Increase/Decrease in Net Sales

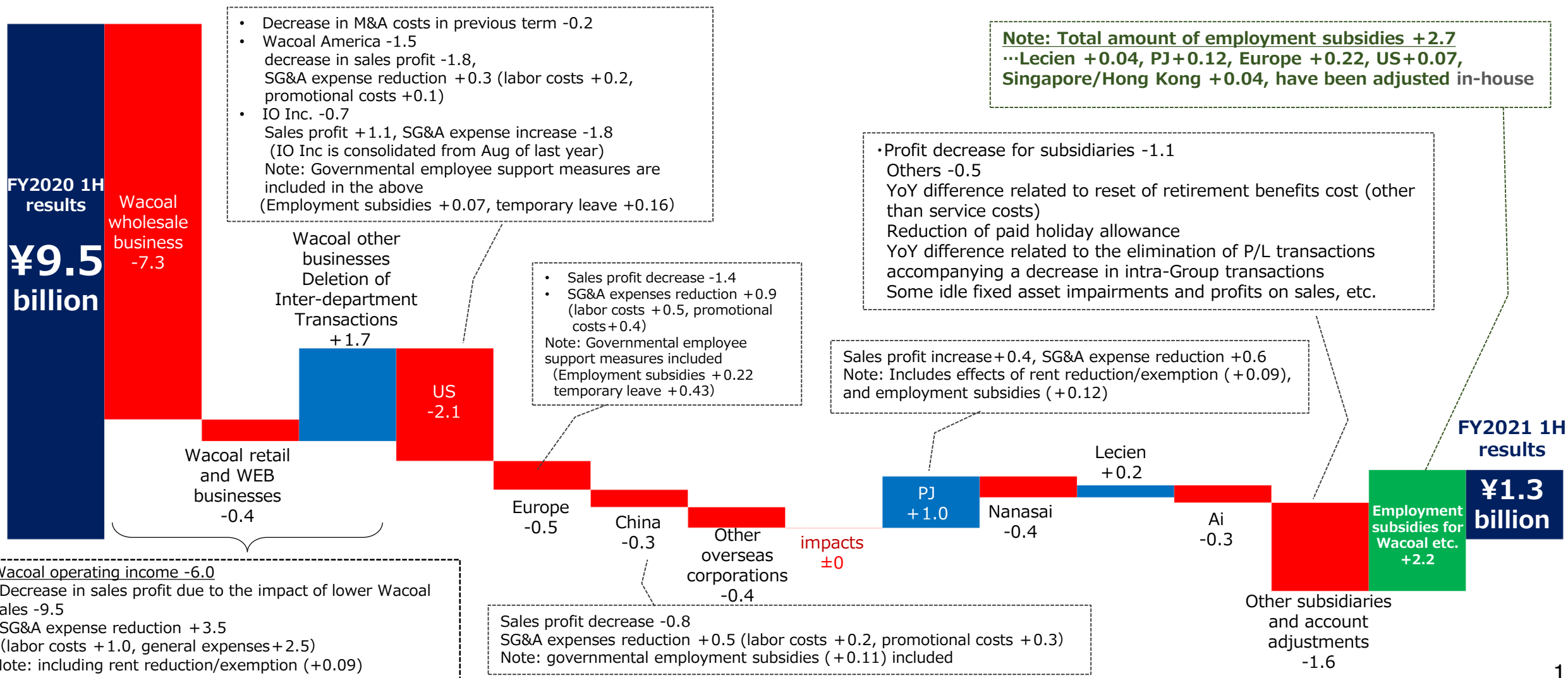
➤ **Net sales: Down ¥28.3 billion**
 (of that, the effect of currency exchange accounted for about ¥440 million)



FY2021 1H: YoY Increase/Decrease in Operating Income

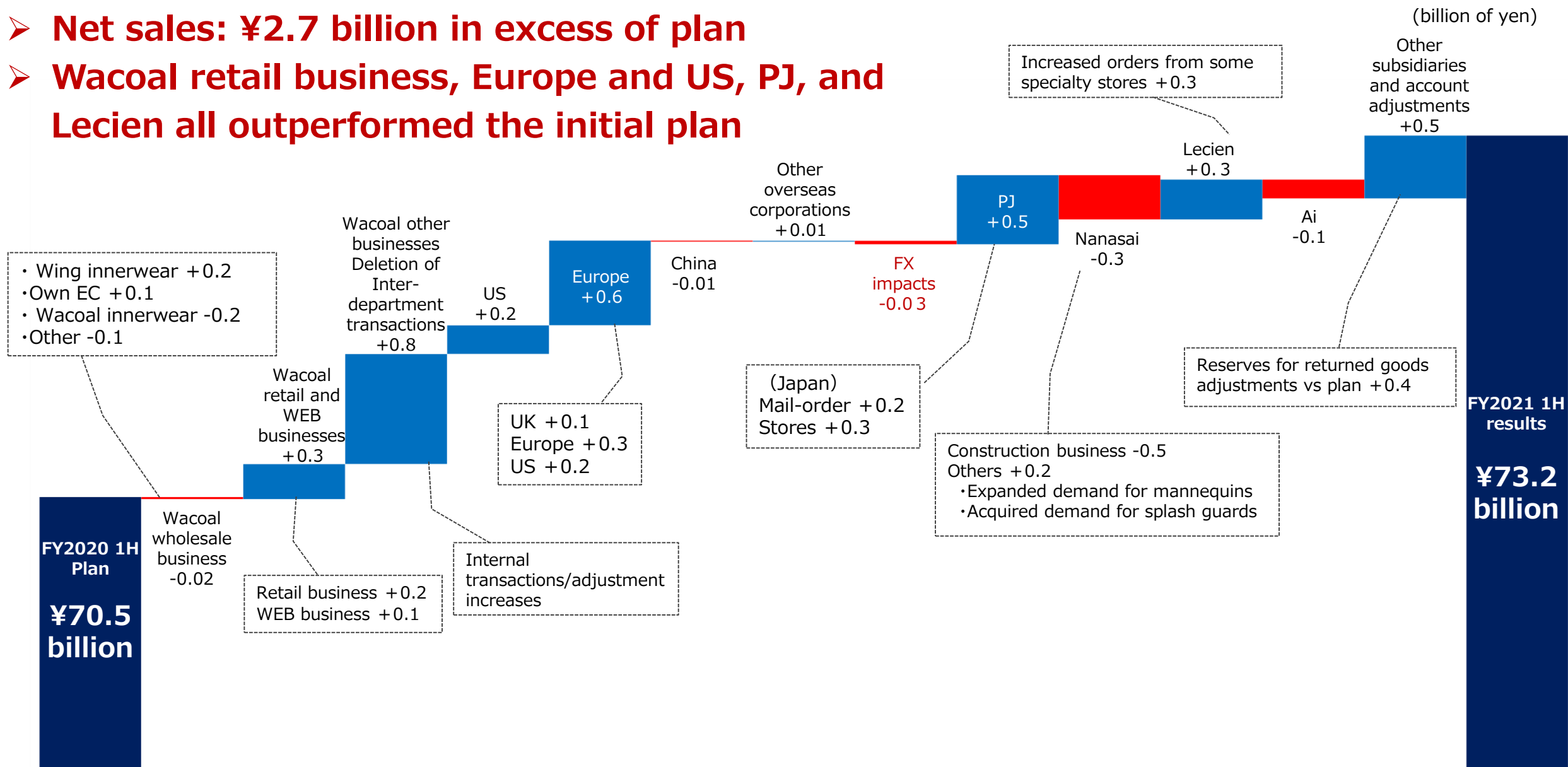
➤ Operating income: down ¥8.2 billion (in real terms excluding one-time expense, a drop of ¥12.1 billion)

(billion of yen)



FY2021 1H: Sales achievement vs plan

- **Net sales: ¥2.7 billion in excess of plan**
- **Wacoal retail business, Europe and US, PJ, and Lecien all outperformed the initial plan**

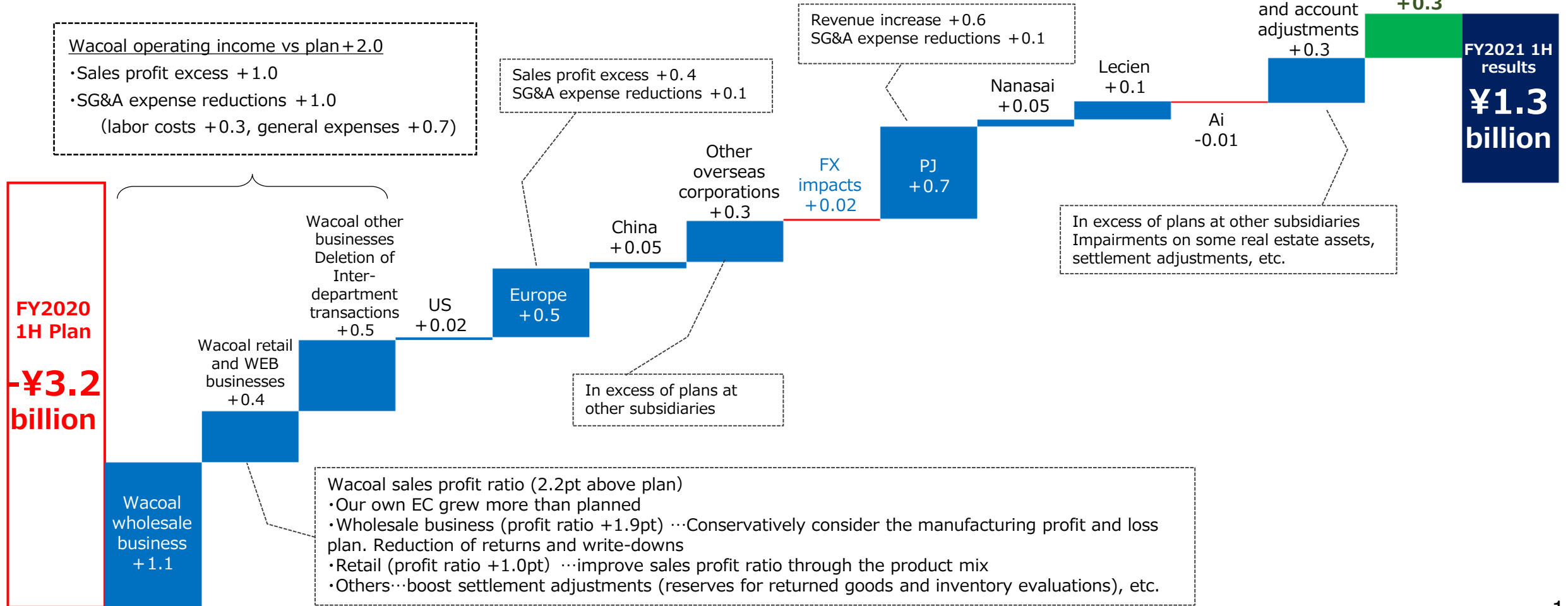


FY2021 1H: Operating income achievement vs plan

- **Operating income: ¥4.5 billion in excess of plan (Employment subsidy plan difference +¥400 million)**
- **Almost all businesses outperformed plans**

(billion of yen)

Note: Employment subsidies total vs plan +0.4
 ...PJ+0.06 was adjusted in-house



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)		FY2021 First Half results, (From April 1, 2020 to September, 2020)		FY2021 First Half target, (From April 1, 2020 to September, 2020)		Year on Year		Compared with Target	
		% Of sales		% Of sales		% Of sales	Change	% Change	Change	% 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 profit	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	—

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)		FY2021 First Half results, (From April 1, 2020 to September, 2020)		FY2021 First Half target, (From April 1, 2020 to September, 2020)		Year on Year		Compared with Target	
		ratio		ratio		ratio	Change	% Change	Change	% 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)		FY2021 First Half results, (From April 1, 2020 to September, 2020)		FY2021 First Half target, (From April 1, 2020 to September, 2020)		Year on Year		Compared with Target	
		% Of sales		% Of sales		% Of sales	Change	% Change	Change	% 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	—

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)		FY2021 First Half results, (From April 1, 2020 to September, 2020)		FY2021 First Half target, (From April 1, 2020 to September, 2020)		Year on Year	Compared with Target	comment
		ratio		ratio		ratio	% Change	% Change	
Wholesale Business 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 Business Div.	10,580	23.4	3,292	10.8	2,200	7.2	- 68.9%	+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 -As a result of the above, Wacoal (Japan) operating income fell by ¥5.4 billion, however profitability was secured
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	+47.9%	+26.5%	
Operating income (loss)	6,274	10.9	913	2.2	- 1,500	▲ 3.8	- 85.4%	-	

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)		FY2021 First Half results, (From April 1, 2020 to September, 2020)		FY2021 First Half target, (From April 1, 2020 to September, 2020)		Year on Year		Compared with Target	comment
		ratio		ratio		ratio	% Change	% Change	% Change	
Wacoal International Corp. (U.S.)	10,228	37.5	8,511	43.2	8,388	44.4	-16.8%	+1.5%		<ul style="list-style-type: none"> ■ 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, <p>-As a result of the above, Wacoal business (overseas) net sales decrease by 27.7%</p>
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. eliminations	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%		

	% Of sales		% Of sales		% Of sales		% Change		% Change		comment
Wacoal International Corp. (U.S.)	1,147	11.2	-915	-	-945	-	-	-	-	-	<ul style="list-style-type: none"> ■ 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 <p>-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</p>
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. eliminations	456	-	80	3.5	-230	-	-82.5%	-	-		
Operating income (loss)	3,023	11.1	-287	-	-1,200	-	-	-	-		

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)		FY2021 First Half results, (From April 1, 2020 to September, 2020)		FY2021 First Half target, (From April 1, 2020 to September, 2020)		Year on Year	Compared with Target	comment
		ratio		ratio		ratio	% Change	% Change		
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	+989.6%	+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)		FY2021 First Half results, (From April 1, 2020 to September, 2020)		FY2021 First Half target, (From April 1, 2020 to September, 2020)		Year on Year	Compared with Target	comment	
		ratio		ratio		ratio	% Change	% Change			
Other	Lecien	2,985	27.2	2,424	36.7	2,130	31.3	-18.8%	+13.8%	<ul style="list-style-type: none"> ■ PR brand product sales remained sluggish due to factors such as stock buying restraint implemented by clients ■ The construction business is sluggish due to the cancellation of new store openings and various events because of the spread of infectious disease ■ Other subsidiaries (temporary staffing agencies, etc.) also saw decreases 	
	Nanasai	4,594	41.9	2,835	42.9	3,162	46.5	-38.3%	-10.3%		
	Intersegment transactions, etc. eliminations	3,390	30.9	1,350	20.4	1,508	22.2	-60.2%	-10.5%		
		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	-	-	-	<ul style="list-style-type: none"> ■ Profitability was secured by reducing expenses and withdrawing from unprofitable businesses in Q4 of last fiscal year ■ Cost reductions could not absorb the impact of decreased sales, resulting in an operating loss of ¥200 million ■ In addition to utilizing governmental support measures such as employment subsidies, other subsidiaries will continue with cost cutting efforts
		Nanasai	187	4.1	-203	-	-256	-	-	-	
	Intersegment transactions, etc. eliminations	43	1.3	-290	-	-554	-	-	-		
	Operating income (loss)	102	0.9	-396	-	-850	-	-	-	-As a result of the above, other businesses recorded 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

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 profit	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 IO'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							

FY2021: About the Plan for 2H (Sales Plans for Major Businesses)

➤ 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%

➤ **Risks not reflected in the plan**

Upside risk	<ul style="list-style-type: none">➤ 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	<ul style="list-style-type: none">➤ Decrease in sales profit due to decreased sales resulting from prolonged impacts of the infectious disease problem
	Overseas	<ul style="list-style-type: none">➤ 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 business 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.

(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		FY2021 initial plan (Announced on July 13, 2020)				FY2021 revised plan (Announced on October 30, 2020)			
			% Of sales	% Of sales	Year on Year		% Of sales	Year on Year		
					Change	% Change		Change	% 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 profit	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	–

(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★		FY2021 initial plan (Announced on July 13, 2020)				FY2021 revised plan (Announced on October 30, 2020)			
	ratio	ratio	Year on Year		ratio	Year on Year				
			Change	% Change		Change	% 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★		FY2021 initial plan (Announced on July 13, 2020)				FY2021 revised plan (Announced on October 30, 2020)			
	% Of sales	% Of sales	Year on Year		% Of sales	Year on Year				
			Change	% Change		Change	% 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.

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

[Full-year plan exchange rate]

USD	GBP	CNY
106.00yen	136.00 yen	15.40 yen

(millions of yen)

		Net Sales							Operating income (loss)							
		FY2020 results	Announced on July 13, 2020				Announced on October 30, 2020			FY2020 results	Announced on July 13, 2020			Announced on October 30, 2020		
			FY2021 initial plan				FY2021 revised plan				FY2021 initial plan			FY2021 revised plan		
			Year on Year		Year on Year		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)

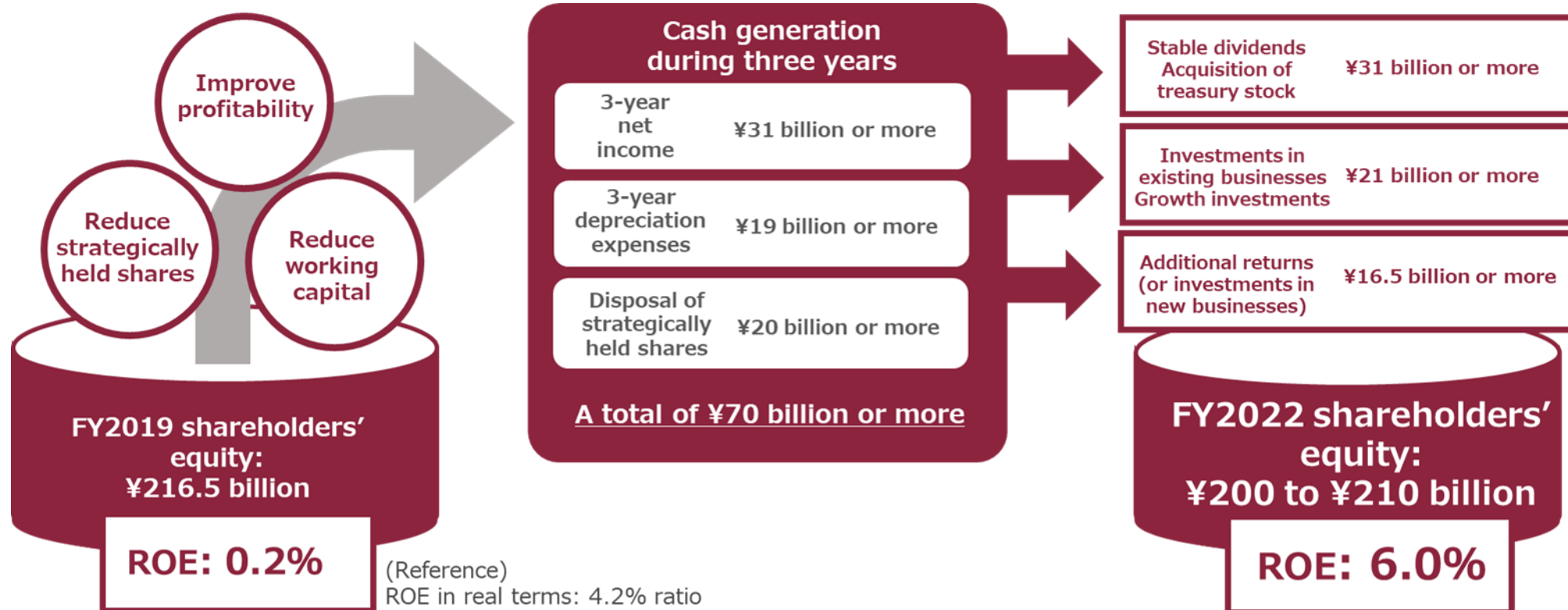
Wacoal International Corp. (U.S.)	176,508	165,336	- 11,172	- 6.3%	166,850	- 9,658	- 5.5%	3,694	- 9,000	- 12,694	-	- 9,000	- 12,694	-	(USD'000)
Wacoal Europe Ltd.	93,954	70,079	- 23,875	- 25.4%	74,619	- 19,335	- 20.6%	7,290	- 1,940	- 9,230	-	1,596	- 5,694	- 78.1%	(GBP'000)
Wacoal China Co., Ltd.	702,223	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)

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)



The dividend forecast is as per planned at the start of the year

Interim dividend: As planned, ¥20/share
Year-end dividend: Same, ¥20/share (planned)

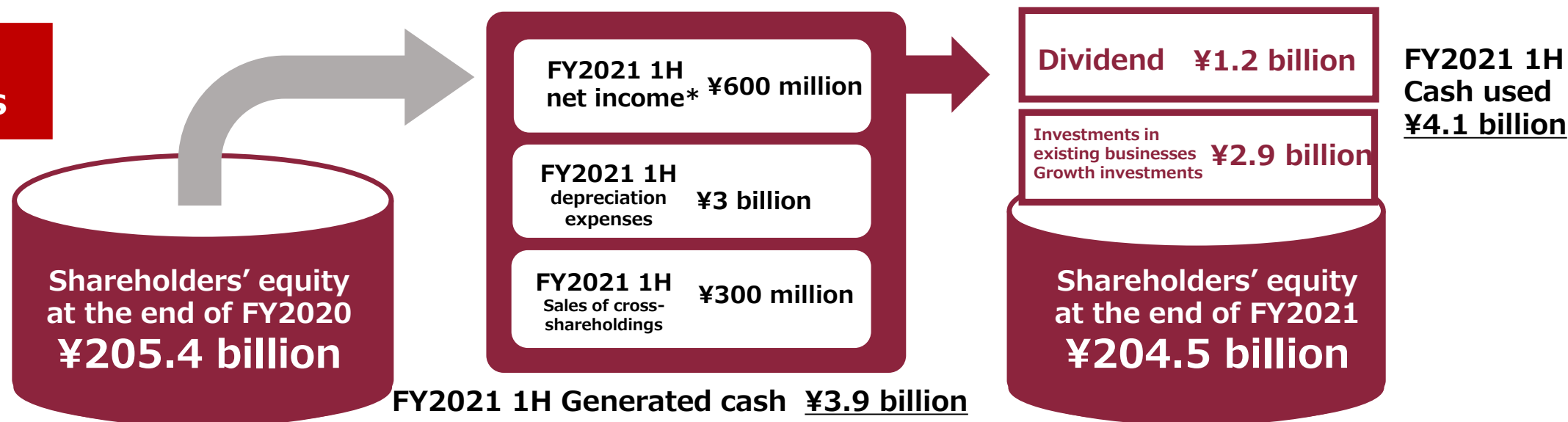
1. We will continue to focus on financial stability

- …Assuming infectious disease will re-emerge, business management will focus on “defense” for the near term
- …The entire Group will work on further “business selection and concentration”

2. Regarding the repurchase of treasury stock, determinations to restore this will be made after assessing conditions going forward

- …Resume sales of cross-shareholdings

FY2021 1H main figures



Note: Net income is calculated without considering securities and investment valuations gains/losses

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

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

		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
Used Cash	Growth investment, Capital expenditures	2.9	19.1	68.5 or more ・Dividend/Reasury stock: ¥31billion or more ・Investment in existing business t/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 (Number of shares acquired)	0	7.7	
		0	(2,797 thousand shares)	
	total	4	33	

■ Major KPI

		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
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

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

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

Hironobu Yasuhara

Representative Director, President, and Corporate Officer

Wacoal Holdings Corp.

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

Current Medium-term Management Plan (MTMP): Initiative Going Forward (disclosed July 31,2020)

With an eye on the next three-year plan, decisively implement “profit structure reform” during the current MTMP period

- FY 2021: (1) Ascertain future demand, and determine what to “change” and what to “discontinue”
(2) Start reforms once the direction becomes clear
- FY 2022: Complete structural reforms with a focus on the next three years (formulate measures for new medium-term plan)
⇒Complete constitutional changes and structural reform, and aim to return to sustainable growth from FY2023

Process going forward

**Current MTMP: 2nd fiscal year
(FY2021)**

**Current MTMP: final fiscal year
(FY2022)**

**New MTM
(FY2023 – FY2025)**

Decisively implement profit structure reform
(build a foundation for the next MTMP)

Start as the “reborn Wacoal”

Ascertain future demand, and determine what to “change” and what to “discontinue”

- Implement reform without hesitation once direction is clear
- Ascertain changes in consumers and markets
- Start organizational reform focusing on changes at hand

Complete structural reform aimed at realizing a highly profitable management structure

- Deal with unprofitable businesses (abolish, consolidate, etc.)
- Continue strategic investment
- Formulate next three-year plan

Start the new three-year plan with a “lean” corporate structure

- Further increase productivity
- Accumulate non-financial assets (strengthen human and intellectual assets)
- Investment for discontinuous growth

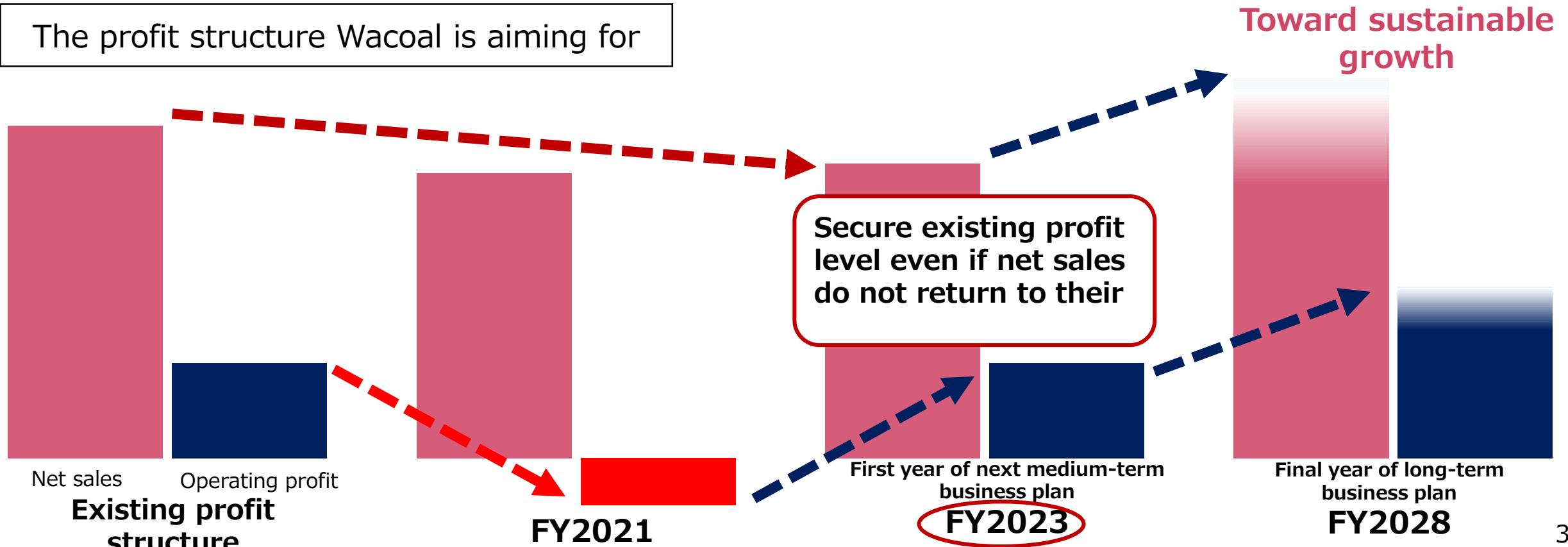
Establish highly profitable management structure

Goal of profit structure reform initiatives in the current medium-term business plan that takes into account the novel coronavirus

Realize a profit structure that will allow us to return to sustainable growth from the first year of the next medium-term business plan (FY ending March 2023)

- A profit structure that will allow us to return to sustainable growth is...
 - ⇒ A profit structure that, even if the impact of novel coronavirus is prolonged and it takes time to recover the top line, will generate enough cash flow to allow us to invest in growth in the manner that has been done to date

The profit structure Wacoal is aiming for



Specific “profit structure reform” measures

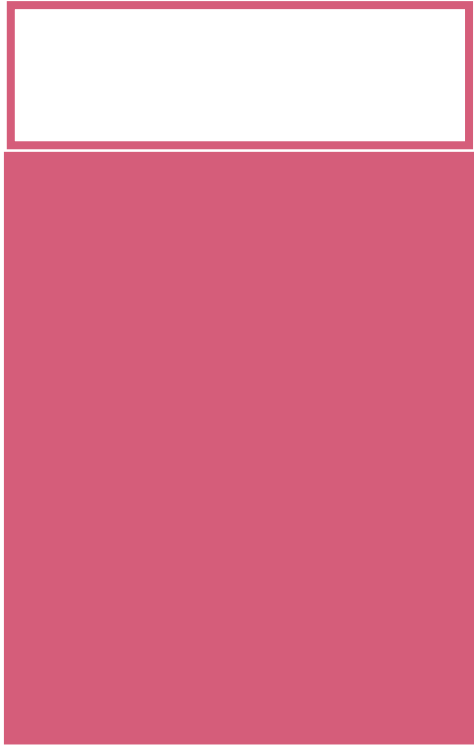
- 1) Reduce expenses, starting with personnel expenses
- 2) Dealing with and rebuilding unprofitable businesses
- 1) 3) Other measures to improve sales margins

Effects of profit structure reform (FY ending March 2023) **About ¥10 Billion**

Effects of profit structure reform

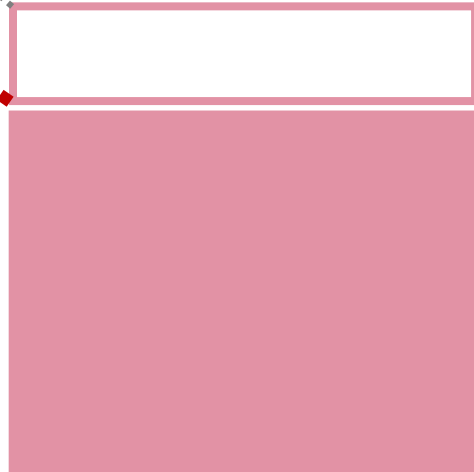
..... Effects of structural reforms

Existing net sales



Net sales

3) Other measures to improve sales margins



Sales profit

1) Reduce expenses
2) Deal with unprofitable businesses



Securing the same level of profit, even when sales decline

Operating profit

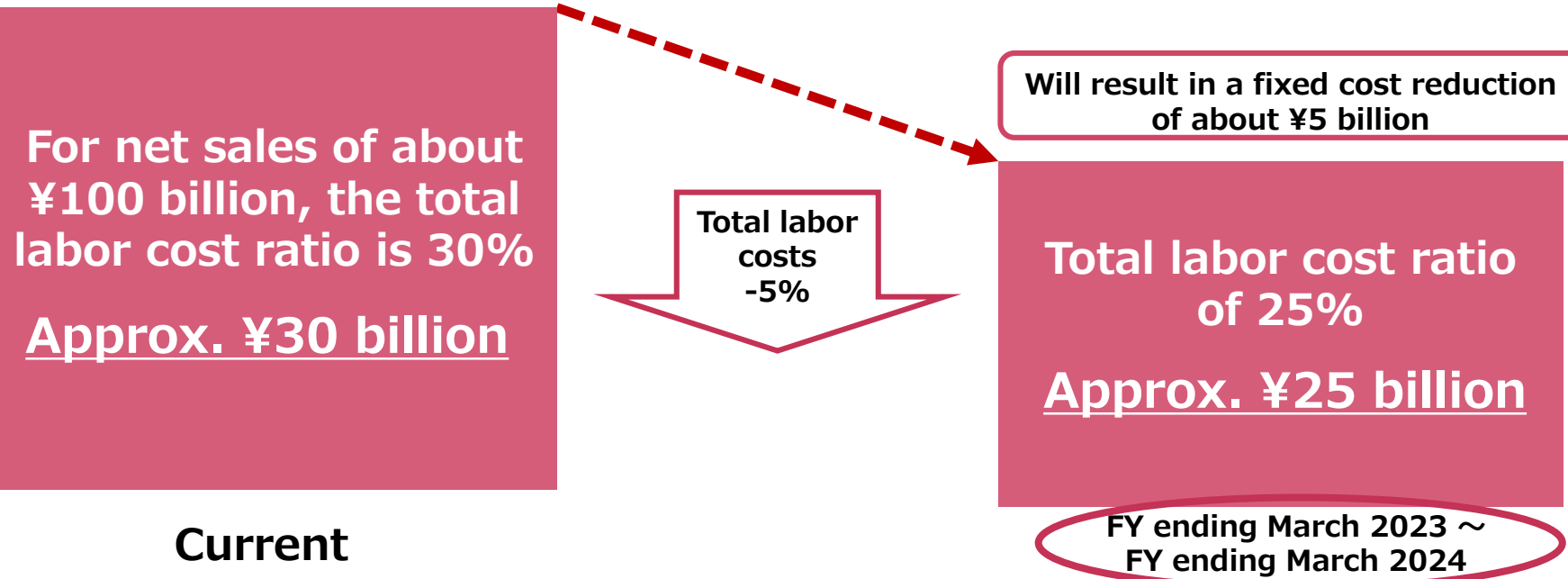
1) Reduce expenses, starting with personnel expenses

Achieve cost reductions through the proper allocation of personnel

⇒ Reduce the total labor cost ratio to 25% (a reduction of approx. ¥5 billion in labor costs)

- As a basic measure for reducing labor costs, do not replace people leaving the company
- Consider alternative methods should those leaving the company be less than expected, or should sales decline even further
- Based on the number of people naturally leaving the company in 1H of the FY ending March 2021, determine when to activate alternative measures and the size of the effect this will have

Target labor cost ratio for Wacoal Corp.



2) Dealing with and rebuilding unprofitable businesses

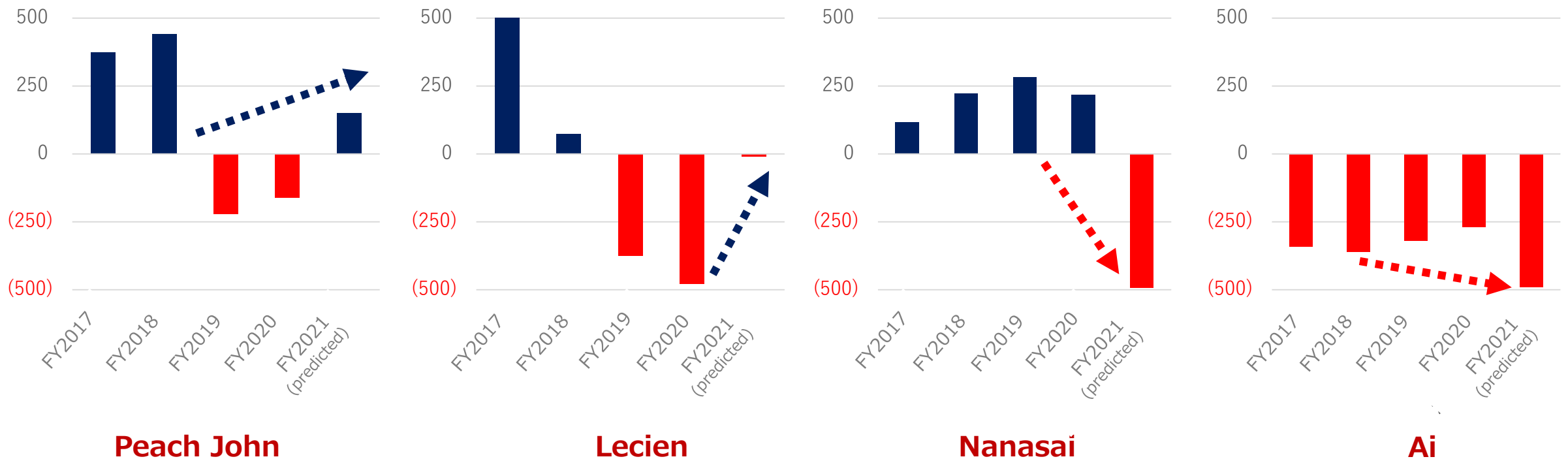
Do not carry over unprofitable businesses to the next medium-term business plan

⇒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)



3) Other measures to improve sales margins

Implement various measures starting with the following

- **Improve productivity by consolidating item codes, and reducing valuation loss as the number of item codes decreases**
- **Realize an improved profit margin due to a reduction in returns resulting from the formulation of an omnichannel strategy**
- **Improve sales margins by increasing the composition ratio for sales generated through our own EC platform**

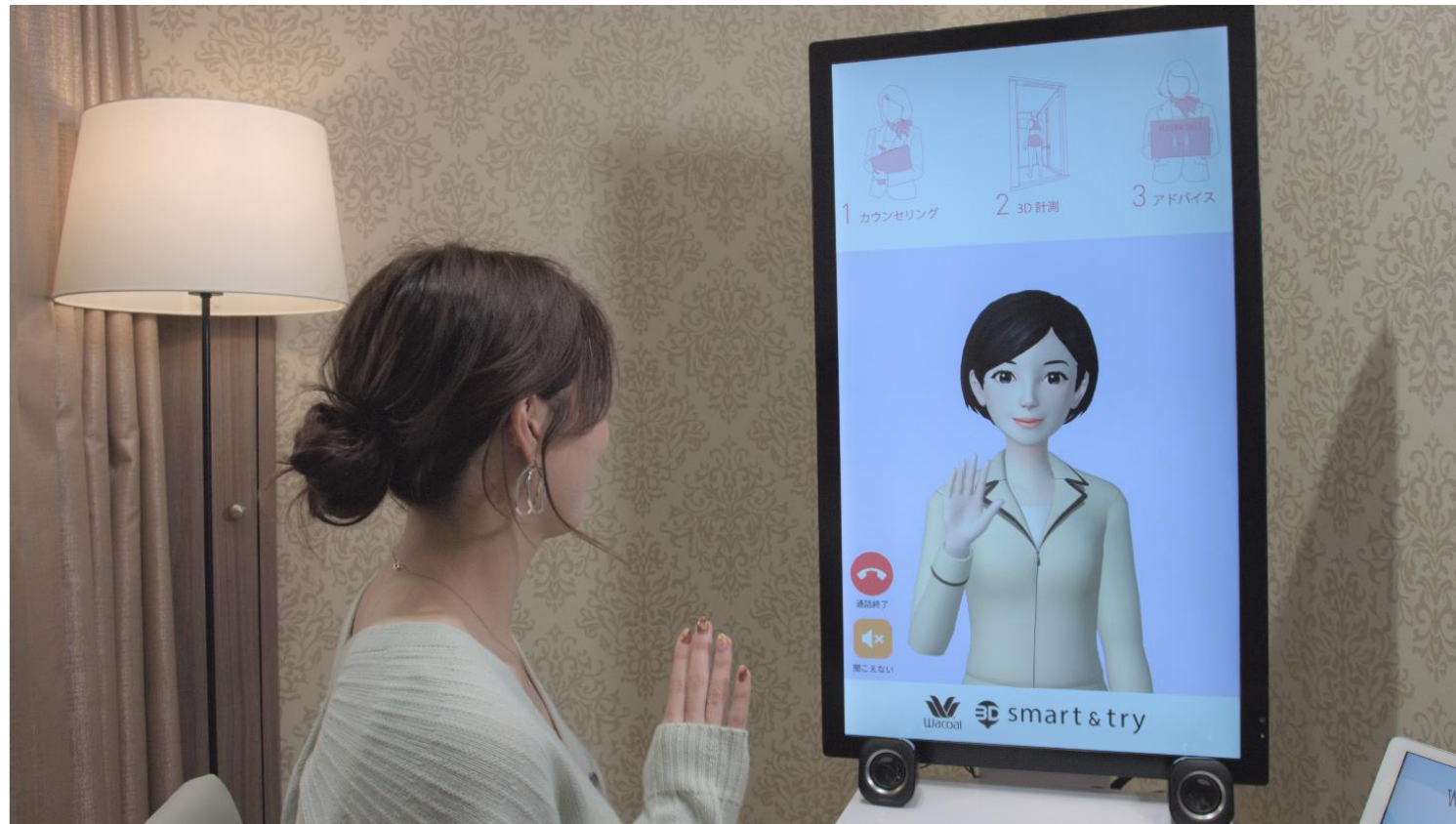


Change to a structure that can maintain and improve profit margins even if sales decline

⇒A 1% increase in sales margins =an improvement in sales profit of slightly less than ¥2 billion

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.)

Reference

FY2021 1H: Results for Major Subsidiaries

[Exchange rate]

USD	GBP	CNY
106.92yen	135.38yen	15.38 yen

(millions of yen)

		Net Sales								Operating income (loss)							
		FY2020 First Half results, (From April 1, 2019 to September, 2019)	FY2021 First Half results, (From April 1, 2020 to September, 2020)	FY2021 First Half target, (From April 1, 2020 to September, 2020)	Year on Year		Compared with Target		FY2020 First Half results, (From April 1, 2019 to September, 2019)	FY2021 First Half results, (From April 1, 2020 to September, 2020)	FY2021 First Half target, (From April 1, 2020 to September, 2020)	Year on Year		Compared with Target			
					Change	% Change	Change	% Change				Change	% Change	Change	% Change		
Wacoal Business (Japan)	Wacoal	55,366	38,450	37,400	-16,916	- 30.6%	1,050	+2.8%	4,991	-985	-3,000	-5,976	-	2,015	-		
	Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	10,228	8,511	8,388	-1,717	- 16.8%	123	+1.5%	1,147	-915	-945	-2,062	-	30	-	
		Wacoal Europe Ltd.	6,993	4,598	3,928	-2,395	- 34.2%	670	+17.1%	668	139	-384	-529	- 79.2%	523	-	
		Wacoal China Co., Ltd.	6,084	4,286	4,272	-1,798	- 29.6%	14	+0.3%	752	409	359	-343	- 45.6%	50	+13.9%	
Peach John Businesses		5,466	5,810	5,300	344	+6.3%	510	+9.6%	96	1,046	350	950	+989.6%	696	+198.9%		
Other Businesses	Lecien	2,985	2,424	2,130	-561	- 18.8%	294	+13.8%	-128	97	-40	225	-	137	-		
	Nanasai	4,594	2,835	3,162	-1,759	- 38.3%	-327	- 10.3%	187	-203	-256	-390	-	53	-		
	A i	2,598	1,017	1,156	-1,581	- 60.9%	-139	- 12.0%	19	-303	-291	-322	-	-12	-		
Major Overseas Subsidiaries (Local Currency Basis)																	
	Wacoal International Corp. (U.S.)	94,151	79,608	77,668	-14,543	- 15.4%	1,940	+2.5%	10,550	-8,560	-8,751	-19,110	-	191	- (USD'000)		
	Wacoal Europe Ltd.	51,144	33,962	29,310	-17,182	- 33.6%	4,652	+15.9%	4,873	1,018	-2,862	-3,855	- 79.1%	3,880	- (GBP'000)		
	Wacoal China Co., Ltd.	375,527	278,693	279,234	-96,834	- 25.8%	-541	- 0.2%	46,355	26,589	23,500	-19,766	- 42.6%	3,089	+13.1% (CNY'000)		

FY2021 1H: Overview of Wacoal (1): Net Sales and Operating Income for Major Business Units

Our EC business maintained high growth. The wholesale business slumped due to struggling physical stores centered on department stores (YoY -33%)

Net sales **¥38.5 billion** vs plan +¥1.1 billion (+3%), YoY -¥16.9 billion (-31%)

- Of the -¥16.9 billion decrease in sales, -¥14.7 billion was due to the decrease in the wholesale business resulting from temporary closures and the subsequent decrease in visitors to city center stores
- Our EC business remained strong at +YoY 65%

Operating loss **-¥1 billion** vs plan +¥2 billion, YoY -¥6 billion

(Note: because these figures are from before account settlement adjustments, the amount of employment subsidies received is recorded as non-operating income)

- Due to the decrease in net sales, the sales profit amount decreased by -¥9.5 billion, and despite efforts to decrease costs (-¥3.5 billion) profits declined significantly
- Results came in above the sales plan and sales profit plan. Also, there are additional cost reduction results, which improve upon the deficit estimated in the plan.

(millions of yen)

	FY2020 First Half results, (From April 1, 2019 to September, 2019)	FY2021 First Half results, (From April 1, 2020 to September, 2020)	FY2021 First Half target, (From April 1, 2020 to September, 2020)	Year on Year		Compared with Target	
				Change	% Change	Change	% Change
Wholesale Business Div.	45,183	30,483	30,500	-14,700	- 32.5%	-17	- 0.1%
Retail and WEB Business Department	13,057	12,475	12,217	-582	- 4.5%	258	+2.1%
Others	-2,874	-4,508	-5,317	-1,634	-	809	-
Net sales total (External customers only)	55,366	38,450	37,400	-16,916	- 30.6%	1,050	+2.8%
Net sales total (Including internal sales)	56,204	39,130	38,800	-17,074	- 30.4%	330	+0.9%
Wholesale Business Div.	10,580	3,292	2,200	-7,288	- 68.9%	1,092	+49.6%
Retail and WEB Business Department	1,389	988	602	-401	- 28.9%	386	+64.1%
Others(Intersegment transactions,etc.)	-6,978	-5,265	-5,802	1,713	-	537	-
Wacoal Operating income (loss)	4,991	-985	-3,000	-5,976	-	2,015	-

FY2021 1H: Overview of Wacoal (2) Status of Wholesale Business

- Though sales have been on a recovery trend from FY2021 1Q since stores reopened for business, the improvement remained modest.
- The number of visitors to city center department stores has not increased, and the “Wacoal” brand struggled overall with innerwear and pajamas, etc.

Sales of each business in Wholesale Business Division of Wacoal Corp.

(millions of yen)

		1Q	2Q	1H	FY2021 First Half results, (From April 1, 2020 to September, 2020)	Year on Year Change	Compared with Target	
							Change	% Change
Innerwear Business	Wacoal	- 57%	- 20%	- 37%	14,163	-8,477	-173	- 1.2%
	Wing	- 44%	- 16%	- 27%	8,425	-3,072	231	+2.8%
Personal Business	Wacoal	- 33%	- 30%	- 32%	1,847	-850	-209	- 10.2%
	Wing	- 6%	+2%	- 1%	296	-3	20	+7.4%
Family wear Business	Wacoal	- 48%	- 25%	- 36%	1,063	-597	-104	- 8.9%
Good Age Business	Wacoal	- 41%	- 14%	- 28%	574	-228	15	+2.7%
Hosiery Business	Wacoal	- 62%	- 61%	- 62%	178	-290	-53	- 22.7%
Men's inner Business	Wacoal	- 33%	- 22%	- 26%	854	-305	-85	- 9.1%
Above 3 businesses total		—	—	—	1,606	-824	-123	- 7.1%
Wellness Business	CW-X, Wacoal	- 63%	- 45%	- 53%	1,192	-1,332	-32	- 2.6%
Others		—	—	—	1,891	455	373	+24.5%
Wholesale Business Div. total		- 48%	- 19%	- 33%	30,483	-14,700	-17	- 0.1%

FY2021 1H: Overview of Wacoal (3) Status (increase/decrease) of store-based sales

- Our EC business performed well, benefitting from demand from those staying at home for products such as comfort bras and bras to wear while sleeping
- 2Q was also held down vs LY as in September last year there was last-minute demand prior to the consumption tax hike

Quarterly change in sales at stores by sales channel of Wacoal Corp.

		1Q	2Q	1H
Wholesale	Department store	- 56%	- 27%	- 42%
	GMS,Supermarket (Wacoal Brand)	- 36%	- 21%	- 28%
	GMS,Supermarket (Wing Brand)	- 32%	- 21%	- 26%
	Specialty Stores	- 45%	- 4%	- 25%
	Sports Chains	- 56%	- 38%	- 47%
	Third Party EC Sites	+13%	+3%	+8%
Retail	Directly Managed Stores	- 44%	- 4%	- 23%
	Wacoal's Own EC Site	+91%	+44%	+66%
	Catalog mail-order	- 3%	- 26%	- 13%

FY2021 1H: Overview of Wacoal International Corp. (US)

Both IO Inc. and Wacoal America maintained high growth through the EC channel. On the other hand, the impact of infectious disease continues to effect physical stores (department stores)

Net sales **¥8.5 billion** vs plan +¥100 million (+2%), YoY -¥1.7 billion (-17%) (Note: YoY change in local currency -15%)

- Wacoal America: Physical store channel -62%, EC channel +27%, (Breakdown: Dept. store EC -1%, Specialty store +17%, own EC +62%)
- IO Inc: \$18.8 million (reference: same period last year \$3.2 million (Note: Not subject to consolidation for the April – July period last year))

Operating loss **-¥900 million** vs plan +¥30 million, YoY -¥2.1 billion (Note: YoY change in local currency -\$19 million)

- Wacoal America: -\$0.6 million local currency base, IO Inc.: -\$8.6 million local currency base (reference: same period last year -\$1.8 million)
- IO Inc: Aiming for early growth of the LIVELY brand, IO Inc. is making strategic growth investments

◆ Quarterly change in sales in major channels and regions (in local currency)

			1Q	2Q	1H	ratio
Channel	Store	Department store	- 83%	- 42%	- 62%	37%
		Outlet·Directly Managed Store	- 98%	- 33%	- 67%	
		Store sales total	- 83%	- 41%	- 62%	
	EC	Department store EC site	- 32%	+31%	- 1%	63%
		Third Party EC site	+6%	+33%	+17%	
		Wacoal's Own EC Site	+62%	+63%	+62%	
EC sales total		+13%	+43%	+27%		
Area	America	- 47%	- 12%	- 29%	96%	
	Canada	- 85%	- 51%	- 66%	2%	
	Other area	- 91%	- 40%	- 64%	2%	

Performance of major subsidiaries (USD'000)

	Wacoal America, Inc.	IO
Net sales	63,179	17,835
(Year on Year)	- 32%	-
Operating profit and loss	- 29	- 8,564
(Year on Year)	-	-

Sales by brand

Brand	1Q	2Q	1H	ratio
WACOAL	- 51%	- 18%	- 35%	71%
B.tempt'd	- 50%	+9%	- 16%	7%
CW-X	+41%	+5%	+25%	1%
LIVELY	-	-	-	22%

FY2021 1H: Overview of Wacoal Europe

Though concerns about the re-emergence of infectious disease remain strong, there was a recovery from the sharp drop in 1Q

Net sales

¥4.6 billion vs plan +¥700 million (+17%), YoY -¥2.4 billion (-34%) (Note: YoY change in local currency -34%)

- UK -45% decrease, N. America - 28% decrease, Europe -28% decrease (Physical dept. stores and specialty stores struggled)
- Our own EC channel started last fiscal year exceeded plan (the sales composition ratio for 1H increased to 6%)

Operating profit

¥100 million vs plan +¥500 million, YoY -¥500 million (Note: YoY change in local currency -£4 million)

- In addition to various expense reductions, governmental support measures were utilized, and profitability was secured

◆(Europe) Quarterly change in sales in major channels and brands (in local currency)

			1Q	2Q	1H	ratio
Channel	store	Department store	- 83%	- 30%	- 55%	15%
		Specialty store	- 52%	- 26%	- 39%	48%
		Directly Managed Store	+3%	+22%	+13%	11%
	EC sites	Third party EC site/other	- 32%	+1%	- 16%	26%
Brand	Fantasie		- 63%	- 28%	- 45%	28%
	Freya		- 49%	- 9%	- 30%	26%
	Goddess		- 29%	- 8%	- 18%	7%
	Elomi		- 42%	- 11%	- 26%	26%
	Wacoal		- 44%	- 27%	- 34%	12%
	B.Tempted		- 63%	- 21%	- 40%	1%

Sales by region

Area	1Q	2Q	1H	ratio
UK	- 65%	- 25%	- 45%	30%
Europe	- 41%	- 16%	- 28%	27%
North America	- 44%	- 12%	- 28%	33%
other	- 38%	- 23%	- 30%	10%

FY2021 1H: (Jan – Jun) Overview of Wacoal China

Wacoal China recovered ahead of others from the effects of the spread of infectious disease. 2Q physical store sales are also strong compared to other regions.

Net sales

¥4.3 billion vs plan ±¥0, YoY -¥1.8 billion (-30%) (Note: YoY change in local currency -26%)

- EC sales remained strong due to strengthened cooperation with EC mall operators
- Targeting millennials, sales of the Japanese brand AMPHI, which launched last year, remained strong

Operating profit

¥400 million vs plan +¥50 million (+14%), YoY -¥300 million (-46%) (Note: YoY change in local currency -43%)

- In addition to various expense reductions, governmental support measures were utilized, and profitability was maintained

◆(China) Quarterly change in sales in major channels and brands (in local currency)

		1Q	2Q	1H	ratio
Channel	Department store	- 52%	- 14%	- 34%	68%
	Third party EC site	+1%	+6%	+4%	32%
Brand	Wacoal	- 41%	- 9%	- 25%	84%
	Salute	- 50%	+0%	- 28%	9%
	LA ROSABELLE	+0%	+0%	+0%	0%
	ANPHI	+278%	+183%	+227%	1%
	Peach John	- 47%	- 22%	- 34%	6%

FY2021 1H: Overview of other Asian Businesses

Figures include sales from Hong Kong Wacoal, Wacoal International Hong Kong, Wacoal Singapore, Philippine Wacoal, Wacoal India, (the following are factories), Dalian Wacoal, Guangdong Wacoal, Vietnam Wacoal, Myanmar Wacoal, A Tech, G Tech, and one other company, and account adjustments for Wacoal Business (overseas)

The impact of infectious disease spreading globally directly impacted operations of businesses in Asia (other than China) as well

Net sales

¥2.3 billion vs plan ±¥0, YoY -¥1.6 billion (-42%)

- Hong Kong: Struggled due to the impact of the spread of infectious disease and overlapping political instability
- Singapore, Philippines: As these businesses have yet to develop EC, sales were down significantly YoY
- Thai material companies (A Tech, G Tech) slumped due to reduced orders resulting from client's showing restraint toward stock purchases

Operating profit

¥100 million vs plan ¥300 million, YoY -¥400 million

- Although each company worked to reduce expenses, these efforts could not absorb the impact of decrease sales, and resulted in operating losses

◆(Other Asia/sales companies) Quarterly change in sales in major channels and brands (in local currency)

	FY2020				FY2021		
	1Q	2Q	3Q	4Q	1Q	2Q	1H
Wacoal Hong Kong	- 24%	+23%	- 49%	- 16%	- 37%	- 26%	- 31%
Singapore	+2%	- 13%	+8%	- 18%	- 83%	+1%	- 41%
Philippines	+15%	- 24%	+37%	- 29%	- 88%	- 59%	- 75%
India	+57%	+113%	+75%	+71%	- 86%	- 45%	- 62%

FY2021 1H: Overview of Four Domestic Subsidiaries (1) (Peach John and Ai)

Peach John: Sales and profits increased due to strong sales of mainstay products at existing stores (Japan) and through the company's own EC platform (Japan)

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 billion (+990%)

◆Peach John Sales by domestic business·Quarterly change

		1Q	2Q	1H	ratio
Japan	Mail-order	+68%	+34%	+50%	61%
	Store	▲ 54%	▲ 4%	▲ 27%	39%

◆Peach John Sales by overseas business·Quarterly change

		1Q	2Q	1H
Overseas ★	Hong Kong	▲ 53%	▲ 11%	▲ 22%
	Taiwan (stores + EC)	▲ 12%	+1%	▲ 6%
	Shanghai·Beijing etc (Directly Managed Store)	▲ 62%	▲ 46%	▲ 53%
	Shanghai·Beijing etc (Third party EC site)	▲ 44%	▲ 12%	▲ 28%
	Shanghai·Beijing etc total	▲ 50%	▲ 24%	▲ 37%

★Change rate based on local currency. The rate of increase or decrease in sales at retail stores and EC sites in each region.
(The figures for" Shanghai·Beijing etc" are from January to June.)

Ai: Demand for resort wear dropped significantly as a result of decreased summer travel due to the spread of infectious disease

Net sales **¥1 billion** vs plan -¥100 million (-12%)
YoY -¥1.6 billion (-61%) **Operating loss** **-¥300 million** vs plan -¥10 million
YoY -¥300 million

◆Ai Sales by division·Quarterly change

	1Q	2Q	1H	ratio
Resort wear (A former name of Swimwear)	- 80%	- 70%	- 73%	54%
Innerwear	- 37%	+0%	- 17%	46%

FY2021 1H: Overview of Four Domestic Subsidiaries (2) (Lecien and Nanasai)

Lecien: Despite a decrease in revenue because of sluggish sales due to client inventory controls etc., business withdrawals implemented last FY were effective and profitability was achieved

Net sales **¥2.4 billion** vs plan +¥300 million (+14%)
YoY -¥600 million (-19%)

Operating profit **¥100 million** vs plan +¥100 million
YoY +¥200 million

◆Lecien Sales by division・Quarterly change

	1Q	2Q	1H	ratio
Innerwear	- 25%	- 5%	- 15%	79%
Embroidery	+2%	+14%	+8%	10%
Lace	- 54%	- 56%	- 55%	11%

Nanasai: Construction orders decreased significantly due to clients postponing and reviewing new store openings because of the spread of infectious disease

Net sales **¥2.8 billion** Vs plan -¥300 million (-10%)
YoY -¥1.8 billion (-38%)

Operating loss **-200 million** vs plan -¥50 million
YoY -¥400 million

◆Nanasai Sales by division・Quarterly change

	1Q	2Q	1H	ratio
Rental and lease	- 43%	- 26%	- 35%	22%
Production sales	- 39%	- 10%	- 24%	20%
Construction	- 41%	- 50%	- 47%	58%

FY2021 1H: EC Ratio

(Unit: %)

		1Q			2Q			1H		
		16.4	Year on Year		7.7	Year on Year		10.8	Year on Year	
			% Change	Change		% Change	Change		% Change	Change
Wacoal (Japan)	Own EC channel only	16.4	4.6	+11.8	7.7	4.4	+3.3	10.8	4.5	+6.3
Peach John(Japan)★	Own EC channel only	63.7	39.1	+24.6	45.9	39.2	+6.7	53.8	39.2	+14.6
Wacoal America, Inc.	Total of own company and other companies' EC channels	78.4	34.4	+44.0	52.1	30.5	+21.6	61.9	32.4	+29.5
Wacoal Europe Ltd.	Other companies' EC channel only	30.6	22.5	+8.1	24.0	19.2	+4.8	26.4	20.8	+5.6
Wacoal China Co., Ltd.	Other companies' EC channel only	32.6	18.7	+13.9	30.5	26.0	+4.5	31.4	22.3	+9.1

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