

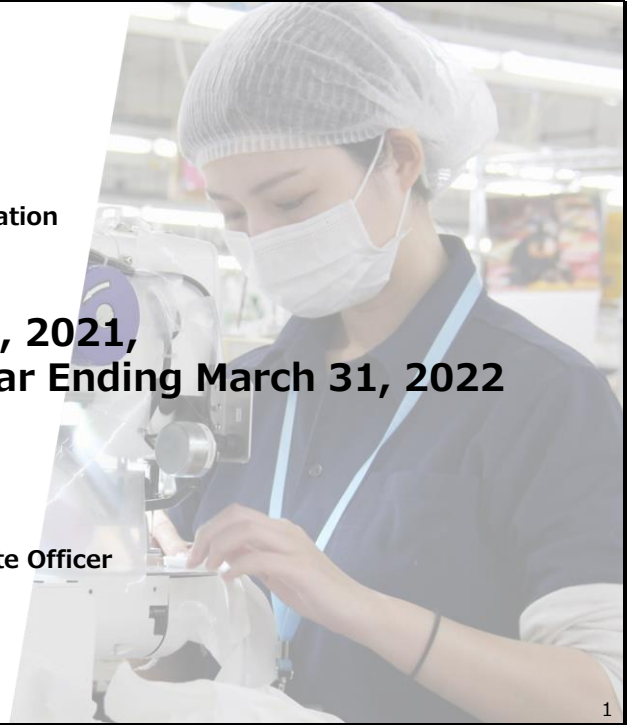
Wacoal Holdings Corp. Financial Results Presentation

**Review of
the Fiscal Year Ended March 31, 2021,
and Initiatives for the Fiscal Year Ending March 31, 2022**

Hironobu Yasuhara

Representative Director, President and Corporate Officer
Wacoal Holdings Corp.

May 20, 2021



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[Speaker]

Hironobu Yasuhara

Representative Director, President and Corporate Officer

FY2021 Review

Against a backdrop of rapid changes in distribution and customer needs stemming from the COVID-19 pandemic, the initiatives we have been focusing on for the past few years, such as strengthening EC and the CX strategy by introducing 3D measurement technology, are starting to bear fruit. Additionally, structural reforms aimed at improving the high cost structure are accelerating.

- **Ensuring the “health and safety” of customers and employees:** Providing services such as fitting while working to prevent the spread of COVID-19
- **Implementing thorough cost reductions:** Carrying our bold reviews of measures and spending plans, and avoiding excess inventory
- **Promoting the CX strategy:** Making progress with “digitalization” and “personalization” efforts
- **Accelerating EC growth:** Growing the EC business globally in response to rising demand for EC due to COVID-19
- **Progressing with structural reforms:** Accelerating structural reforms aimed at improving the high cost structure

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Yasuhara: I am Yasuhara. We would like to express our sincere gratitude for your continued support.

I will now review the results for the fiscal year ended March 2021 and explain our initiatives for the fiscal year ending March 2022.

Please see page 2.

First of all, let me give you my honest impression of the fiscal year ended March 2021.

The onslaught of infectious diseases has had a tremendous impact on our business, but it was a year in which we were able to promote change by thinking carefully about what we need to grow, what our group should strengthen, and what we should stop doing and change through our business activities in this challenging environment.

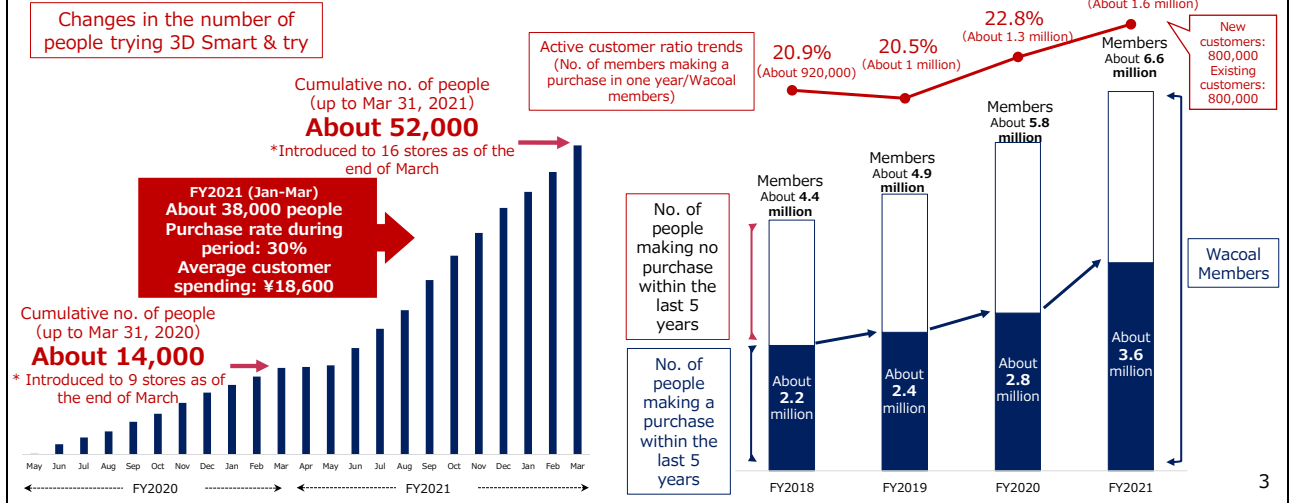
Witnessing the rapid changes in the external environment, all employees had a strong sense of crisis, which enabled us to speed up our structural reforms to correct our high cost structure. More than anything, I think it is a great achievement for the future that we were able to confirm that the direction of our digital strategy, which we have been working on for the past several years with an eye on future growth, was not wrong.

FY2021 Results (1) Promoting the CX Strategy

Making progress with “digitalization” and “personalization” efforts: Wacoal (Japan)

➤ The number of people trying 3D measuring increased due to COVID 19

➤ Progress with centrally managing customer data



Please see page 3.

From this page, I would like to explain the specific results and issues for the fiscal year ended March 2021, focusing on key points.

The first achievement is that the CX strategy we have been pursuing at Wacoal in Japan has made significant progress. Wacoal’s CX strategy is the Company’s unique strategy of using digital technology to improve the customer’s purchasing experience and create a stress-free purchasing environment, leading to increased sales.

In the past, we have described our strategy as Wacoal’s version of the Omni-channel strategy, but we have changed the name to the CX strategy from the fiscal year ending March 2022.

First, look at the graph on the left. This is the number of people who have experienced the 3D body scanner service that was launched in May 2019.

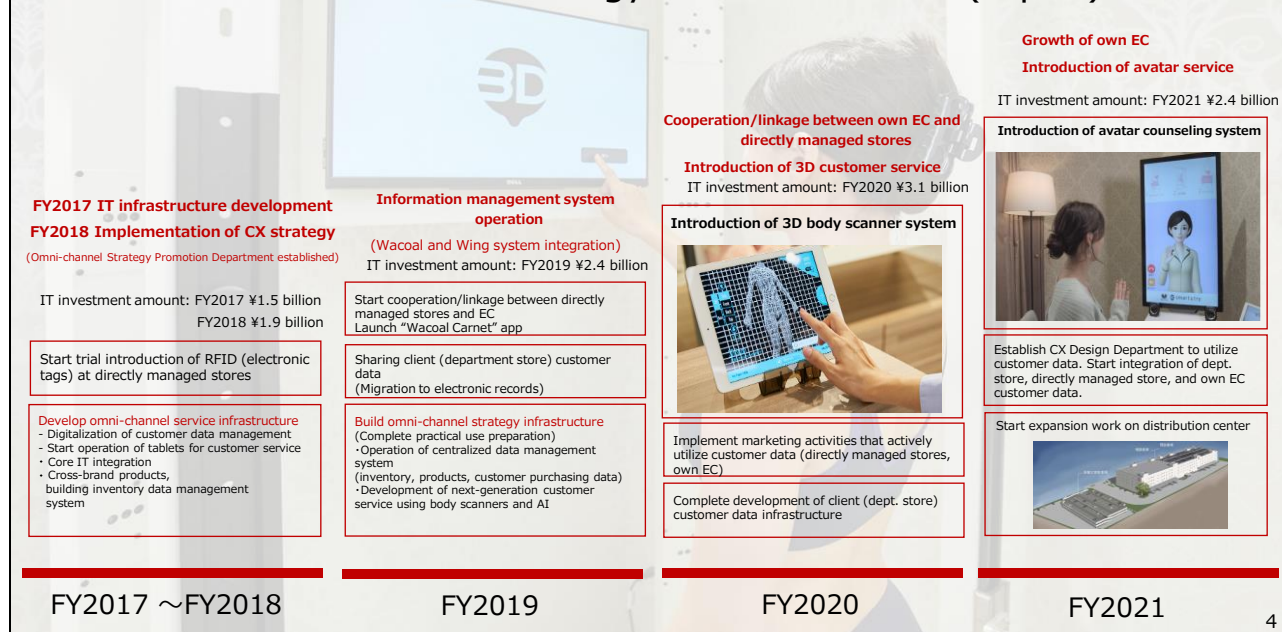
As a result of the adaptation of the service through 3D body scanners to the needs of the society for non-contact, which was born from infectious diseases, the number of people measured has increased significantly. In addition, about 30% of those who took the measurements ended up making a purchase, contributing to an increase in sales even as physical stores struggled.

Please see the graph on the right. This table shows the number of customers managed by Wacoal.

In addition to members of our own EC and directly managed stores, we have been promoting the use of electronic medical records for customer information from department stores, et cetera. We have been able to move forward with the centralized management and utilization of these customer data.

By continuing to enhance our capabilities in analyzing and utilizing customer data, we will continue to visualize consumer needs and apply them to marketing initiatives.

Efforts Aimed at the CX Strategy to Date: Wacoal (Japan)



Please see page 4.

For reference, this page describes the history of our CX strategy initiatives to date.

We started working on the CX strategy in the fiscal year ended March 2017, and as you can see, we have taken steps to build a system to effectively utilize customer data and body shape data.

The goal of the CX strategy is to rebuild deep, broad, and long-lasting relationships with each of our customers. We did not start this initiative because of an infectious disease, but rather in response to advances in digital technology and changes in customer awareness, and we have been working on this initiative for several years.

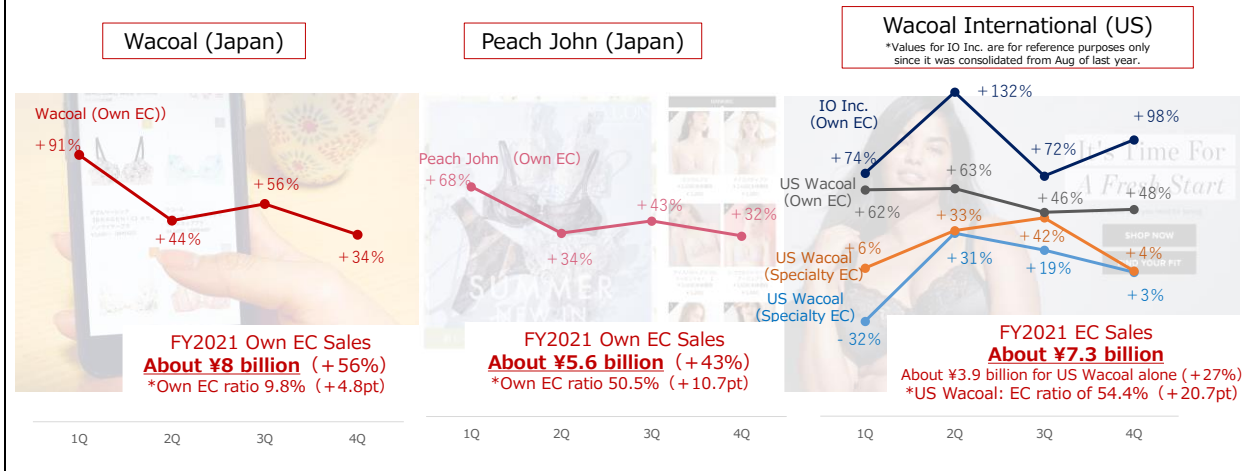
We have also been investing aggressively in improving the customer's purchasing experience and creating a stress-free purchasing environment, which we believe will benefit both our customers and our company.

We feel that customer-oriented proposals and customer service will become more important in the post-coronavirus world, and we will continue to strengthen our efforts to improve them, which will lead to the greater results.

FY2021 Results (2) Growing the EC Business

Growing the EC business globally in response to rising demand for EC due to COVID-19

➤ FY2021 EC business status at major business units (rate of increase/decrease)



Please see page 5.

Next, I would like to explain the growth of e-commerce as an outcome of the fiscal year ended March 2021.

While the EC business grew in many countries amid restrictions on brick-and-mortar store operations due to infectious diseases, the EC businesses of the Wacoal Corp., Peach John Co., Ltd, Wacoal USA, and IO companies listed here have grown significantly as their efforts to date have borne fruit, as has their CX strategy.

In the next page onward, I will introduce the EC businesses of 3 companies that achieved high growth in the coronavirus pandemic as topics for the fiscal year ended March 2021.

TOPICS – Wacoal’s Own EC Site Growth

Net Sales **¥7.97 billion** (YoY + 55.8%)
*Own EC only

Start cooperation/linkage with physical stores

Launch in-house project with directly managed stores and web members to study a system for mutual customer transfer

Strengthen chat consulting services that utilize experienced sales associates



FY2020

Strengthen to link/blend between online and offline

- Canceled secret sales at directly operated stores and shifted to own EC
- Strengthen personalized actions via marketing automation



- Strengthen support for new lifestyles
- Start of “Maternity Remote” customer service
- Increase the number of chat consultants

FY2021

FY2021 Major KPI *Own EC only

Number of Customers Visiting Our Website	↗	YoY +20%
Number of Purchases	↗	YoY +50%
Conversion Rate	↗	1.91 (+0.45pt)
Order Amount	↗	YoY +50%
Price per Order	↘	About ¥10,500
Number of Purchases by New Customers	↗	The number increased due to higher demand from consumers staying home
Number of Purchases by Existing Customers	↗	
Number of Purchases per Customer	→	About 1.5times <small>*The percentage of customers who purchased more than once increased</small>

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Please see page 6. First, the growth of Wacoal’s own EC is described.

In addition to its extensive product lineup, Wacoal has been focusing on growth by introducing services that no other company offers, such as chat consultations with sales representatives.

In the fiscal year ended March 2021, we achieved a high growth rate of 56% compared to the fiscal year ended March 2020, due in part to the contribution from the strengthening of collaboration with physical stores and CX strategy initiatives.

Next, we described the trend of KPIs for our own EC for the fiscal year ending March 2021.

Although the unit price per order was lower than in the fiscal year ended March 2020, due to a decline in the average purchasing age as a result of stronger collaboration with directly managed stores, the number of visitors to the site increased for both new and existing customers, and the conversion rate also improved, resulting in significant sales growth.

TOPICS – Peach John’s Growth

Net sales **¥5.63 billion** (YoY +43.5%)

*Own EC Only

April 2019~ Start structural reforms

Issues

- (1) Worsening management efficiency
 - Continued investment in unprofitable businesses
 - Discounts becoming commonplace
 - Declining merchandising ability
- (2) Decrease in new customers
 - Unclear customer target

Measures

- Suspend catalog, withdraw from unprofitable businesses
- Review sales methods, curb SALES
- Initiatives to link “strengths” to business performance

FY2020

Own EC growth Operating profit margin over 15%

Implement marketing activities that leverage our “strengths” as a mail-order company



- Increase in new customers
- Increase the number of annual purchases by retaining existing customers (CRM activities)

FY2021

FY2021 Major KPI *Own Domestic EC only

Number of Customers Visiting Our Website	↗	YoY +30%
Number of Purchases	↗	YoY +45%
Conversion Rate	↗	1.91 (+0.16pt)
Order Amount	↗	YoY +40%
Price per Order	→	About ¥9,000
Number of Purchases by New Customers	↗	The number increased due to our successful marketing activities, etc.
Number of Purchases by Existing Customers	↗	The number increased due to the purchases by customer after a long absence, etc.
Number of Purchases per Customer	↗	Although the number of times increased, it didn't reach the plan

¥2,680

¥3,480

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Please see page 7.

Next is Peach John, which saw a significant improvement in its performance.

The factors behind the sluggishness and recovery of the company’s business performance to date are as explained by the company’s president, Mr. Tochio, at the briefing session held in February 2021.

In addition to the improvement in the cost structure due to the structural reforms undertaken from April 2019, we suspended the publication of our core catalog business and focused on strengthening our own EC as a weapon to replace it, and the demand from staying home due to infectious diseases expanded, resulting in a significant improvement in our business performance.

On the left is the trend of KPIs for Peach John’s own EC in Japan, which was the biggest factor in the improvement in business performance. In addition to creating products that meet the needs of consumers, our efforts to increase the effectiveness of promotional measures also contributed to a significant improvement in each indicator.

TOPICS – LIVELY’s Growth

Net sales **\$31.8 million** (YoY +94.1%)
*Own EC only

Made subsidiary at end of July 2019

(Consolidated from August 2019)

LIVELY

- A brand that encourages women to live passionately and confidently



Intimates Online CEO
Michelle Cordeiro Grant

FY2020

Aggressive marketing investment aimed at growth

EC Site

- Increase the ratio on comfort-orientated products while at the same time introducing "bundle pack," a system that allows customers to purchase products with just two clicks
- Transfer logistics operations to US Wacoal



Expand customer touch points

- Launch business with the popular US chain store "Target" from Feb 2021

FY2021

FY2021 Major KPI

Number of Customers Visiting Our Website	↗	YoY +40%
Number of Purchases	↗	New Customers 75% Existing Customers 25%
Conversion Rate	↗	3.44 (+0.58pt)
Price per Order	↗	About \$72 (+\$4.3)
Cost of Marketing	↗	\$18.6million (+15%)

Note: YoY comparisons are against the cumulative results for the last 12 months (Since IO Inc. was newly consolidated from Aug 2019, the values listed are for reference purposes only)

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Please see page 8.

I will explain about IO’s LIVELY brand, which has seen particularly strong growth among US EC businesses.

The Group made the company a wholly owned subsidiary in July 2019 and has continued to invest aggressively in its growth. With a focus on the digital native generation, we are not only steadily increasing the number of customers and maintaining high growth with our know-how and approach that we have never had before, but the growth of the company is also stimulating other operating companies, and we believe that we are achieving synergy effects.

We expect it to take about 2 more years to turn profitable, but there is a lot of positive news, such as the launch of products at the major US retailer, Target, in February 2021, and we are very much looking forward to the future growth of the brand.

On the right, you can see the trend of KPIs for IO’s EC. Of course, there is the effect of aggressive marketing expenditures, but the conversion rate is very high, in the mid-3% range, due to the approach using ambassadors who are fans of the products, and it is characteristic that the increase in visitors to the site can be efficiently linked to sales.

FY2021 Results (3) Progress on structural reforms

Accelerating structural reforms aimed at improving the high cost structure: Wacoal (Japan)

	FY2021 Status	Specific initiatives for FY2021	Future targets
Improve store profits	Switched about 30 dept. stores to consumption-based transactions (Equivalent to about 23% of department store over-the-counter sales)	<ul style="list-style-type: none"> ➢ Convert to self-managed stores ➢ Review sales floor environments (From displays on multiple floors to centralized sales corners) ➢ Review business conditions, etc. (Revise multiplier rates, introduce personnel/store manager systems) 	Aiming to convert all dept. stores to consumption-based by the end of FY2024
Optimize personnel expense	Through personnel planning management, reduce total personnel expense by -¥1 billion (progress rate 20%)	<ul style="list-style-type: none"> ➢ Curb hiring of sales associates and part-time workers ➢ Internal: Transfers/assignments based on personnel planning ➢ External: Start drafting and executing personnel plans 	Continue to promote initiatives (KPIs noted on P14)
Optimize other costs	Execute thorough cost reductions in light of deteriorating business conditions	<ul style="list-style-type: none"> ➢ Review existing measures and spending plans across all business areas ➢ Reduce business trip expenses by introducing and using audio/video conferencing systems 	

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Please see page 9.

As for the third outcome, I would like to explain the progress of our structural reforms.

In the results for the fiscal year ended March 2021, the reduction of expenses was conspicuous as a result, but as we have explained, we have been able to switch to self-managed stores to improve store profitability and optimize personnel expenses as described here.

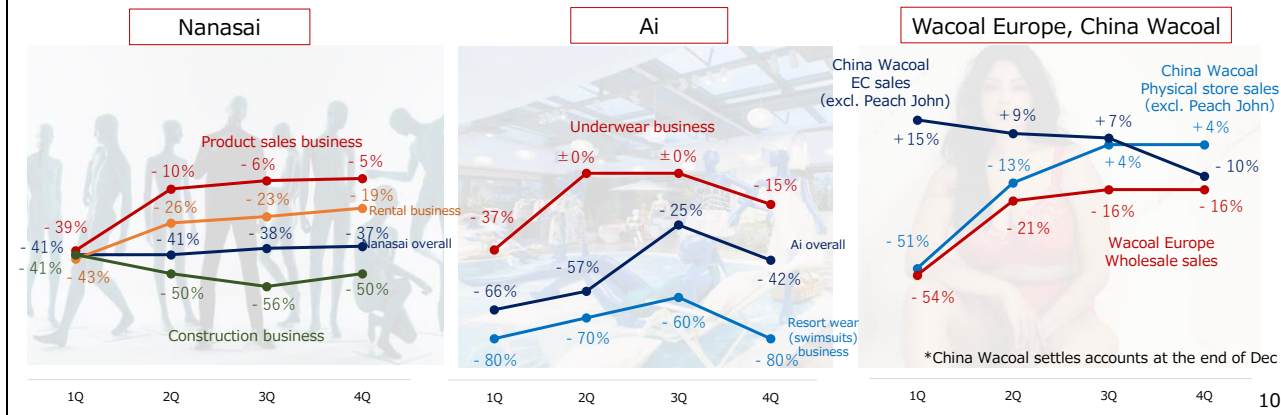
In the fiscal year ending March 2022, we will continue to work toward achieving the targets we have set.

FY2021 Review (4)

Issues continuing into the current fiscal year and beyond

1. Addressing and reforming domestic subsidiaries (Nanasai, Ai) whose business environments have deteriorated significantly due to the impact of COVID-19
2. Establish re-growth strategies in China, where the competitive environment for EC is intensifying, and in Europe, where the impact of COVID-19 is lingering

➤ FY2021 performance (rate of increase/decrease)



Please see page 10.

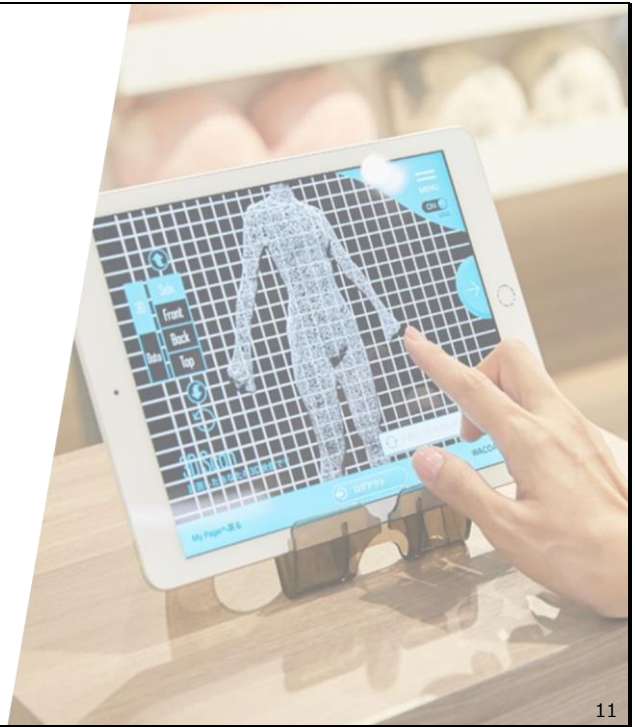
We have looked back on our achievements so far, but there are many things that we were unable to address in the fiscal year ended March 2021, and many new issues that have come up. This page describes 2 of the most important issues that have been carried over to the fiscal year ending March 2022 and beyond.

One is to deal with and reform our domestic subsidiaries whose business environment has changed significantly due to infectious diseases.

The second is to respond to changes in the market environment in China and Europe, 2 of our major overseas businesses that have maintained growth to date. First, China has played a role as a growth driver in the past, but competition with emerging brands in the EC market is intensifying at present, and we feel that we need to formulate a new growth strategy. In Europe, in addition to formulating a digital strategy for re-growth in key markets, we believe we need to work on developing new markets.

As the current fiscal year is the year for the formulation of the new Medium-Term Management Plan, we will discuss these issues as well.

FY2022 Roles and Initiatives



FY2022 Roles and Initiatives

- A year for “completing structural reforms” aimed at returning to a highly profitable business structure

Implementation of profit structure reforms

1. Reduce fixed costs
2. Address and reform unprofitable businesses

Promotion of growth strategy

3. Customer-oriented value chain reform
4. Promote CX strategy

Promotion of sustainable activities

5. Re-identify key business growth issues
6. Strengthen response to human rights and environmental issues

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I would now like to explain our roles and initiatives for the fiscal year ending March 2022.

Please see page 12. This section describes the roles and initiatives for the fiscal year ending March 2022.

The current fiscal year is the final year of the current Medium-Term Management Plan, and we have positioned it as the year to complete structural reforms such as addressing and reforming unprofitable businesses in order to return to a highly profitable management structure in the next Medium-Term Management Plan and beyond. Therefore, we list the implementation of earnings structure reform as one of the most important initiatives. In addition, we plan to strengthen our growth strategies and sustainable activities.

In the following pages, I will explain these details.

FY2022 Initiatives - **Implementation of profit structure reforms**

1. Reduce fixed costs

- Continue to optimize personnel through thorough staff planning and reduce the personnel expense ratio
- Review cost effectiveness of fixed general expenses
(Review/reduce inefficient investment costs)

2. Address and reform unprofitable businesses

- Re-examine the profit structure for all businesses, and determine the unprofitable businesses to be dealt with
- Act on unprofitable businesses in FY2022 so that they will not be carried over to the next medium-term management plan
(Continue to implement business reforms)

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Please see page 13.

I would like to explain the earnings structure reform, which is the first of our initiatives for the fiscal year ending March 2022.

To reduce fixed costs, we will steadily implement the personnel planning and management currently underway, mainly at Wacoal in Japan, and will also review and reduce inefficient costs by fully examining the cost-effectiveness of general cost reduction.

As for dealing with unprofitable businesses and reforming them, this will be the final year of our structural reforms, and we will review our operations and reform them to improve profitability during this fiscal year so that they will not be carried over to the next Medium-Term Management Plan.

FY2022 Initiatives - Implementation of profit structure reforms

Reduce fixed costs and improve profits of existing businesses (KPIs)

Review general expenses (Wacoal)

About ¥2 billion Amount of reduction excluding growth investments

Optimize personnel expenses (Wacoal)

About ¥2 billion Progress rate about 40%

Effect of profit improvement on unprofitable businesses

About ¥1.5 billion Peach John: ¥1 billion
Other businesses: ¥500 million

Improving sales profit ratio

- Brand consolidation, decrease in no. of item codes
- Curb valuation loss by reducing inventory and returns

Expected progress for FY2022 profit structure reforms (vs FY2020)



About ¥5.5 billion~

Target value of profit structure reforms by end of FY2023 (vs FY2020)

About ¥10 billion

*Comparison between FY2022 plan figures and FY2020 results

*Growth investments for Wacoal, IO Inc., US Wacoal, etc. will increase by about ¥5 billion vs FY2020

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Please see page 14.

This section describes KPIs for profit structure reform.

As previously announced, the Group has set a target of JPY10 billion for profit structure reform, which we aim to achieve by the fiscal year ending March 2023.

For the fiscal year ending March 2022, we plan to steadily implement the initiatives listed on the previous page to reduce fixed costs, improve profitability of unprofitable businesses, and improve the gross profit margin.

As for the progress plan for the current fiscal year, the second year of the initiative, we have set a target of JPY5.5 billion or more against the JPY10 billion target for the effect of the profit structure reform. While we will continue to invest in growth for the future, we will promote greater efficiency in existing businesses than ever before.

FY2022 Initiatives - Promotion of growth strategy

3. Customer-oriented value chain reform: Wacoal reorganization

Implement organizational restructuring to strengthen the ability to respond to customer purchasing behavior and distribution structures, realize renewed growth, and build a highly profitable management structure (from April 1, 2020)

- (1) Review the organization by channel, and shift to a system in which each area has control of all sales channels in its area
- (2) Integrate product planning to maximize the value provided by each brand and improve the efficiency of planning operations
- (3) Integrate marketing operations to realize cross-brand/channel advertising strategies and optimize investment

FY2022 Initiatives (Organizational integration issues and processes for solving them)

- Verify the ideal form of operational management that improves effectiveness and identify problems in order to generate results from FY2022 onward
- Verify the allocation of brands and products according to customer and area characteristics, and implement flexible personnel placement accordingly

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Please see page 15.

I would like to explain our growth strategy, which is the second initiative for the fiscal year ending March 2022.

First, I would like to explain the reorganization of Wacoal that was implemented on April 1, 2021, with the aim of re-growing Wacoal in Japan.

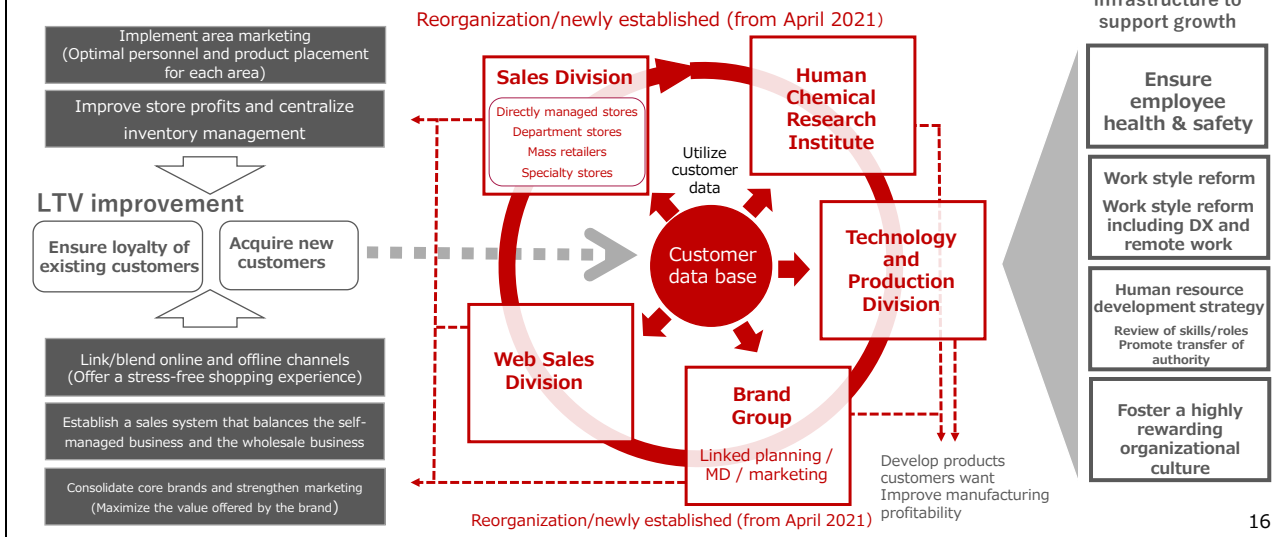
Wacoal has historically operated its business in a channel-specific organizational structure. However, in order to achieve renewed growth and a highly profitable management structure in response to changes in consumer purchasing behavior and distribution structure, we have decided that we need to upgrade our sales, manufacturing, and marketing functions, and to strengthen horizontal collaboration to face increasingly complex customer issues. Accordingly, we have implemented a business restructuring.

First, in terms of sales, we have integrated the organizations that used to be separated by channel and have shifted to a system where each area oversees all sales channels. We are also integrating product planning and marketing operations with the aim of maximizing the value provided by the brands we develop and improving operational efficiency.

For the current fiscal year, we plan to examine how to improve the effectiveness of organizational management and identify issues in order to create results under the new Medium-Term Management Plan, as well as examine the placement of brands and products according to customer and area characteristics.

FY2022 Initiatives - Promotion of growth strategy

What Wacoal's new organization aims to achieve



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Please see page 16.

The diagram below shows the vision that Wacoal aims to achieve through the organizational restructuring I have just described.

In addition to the Sales division, Brand Group, and Marketing Management division, which consolidate the decentralized organizations, the Web Sales division, Human Chemical Research Institute, and Technology and Production division will all use customer data as a starting point for upgrading their respective operations.

In addition, we aim to transform ourselves into an organizational entity that shares information across the entire supply chain and works together to solve increasingly complex and diverse social and customer issues.

The results we hope to achieve through these efforts are listed on the left.

We would like to acquire new customers, make existing customers loyal customers, and improve business efficiency by practicing area marketing, linking online and offline, building a sales system that considers the balance between self-managed business and wholesale business, improving store profitability, and consolidating the number of members.

In addition, in order to increase the effectiveness of the new organization, it is essential to foster a highly motivating organizational culture. We will also continue to focus on the reform of work styles and human resource development.

FY2022 Initiatives - Promotion of growth strategy

4. Promote CX strategy

Wacoal: Promote CX strategy to build “deep, broad, and long-lasting” relationships with customers

- Improve customer experiences via “integration of on/offline services” and “customer data utilization,” etc.
- Expand new areas of business via the development of new technology and collaboration with other companies, etc.

Overseas: In addition to Europe, the US, and China, implement the CX strategy in Asia, where rapid EC growth is expected

- US Wacoal: Expand own EC by promoting “Digital First Strategy”
- IO Inc.: Verify optimal marketing mix and improve efficiency of advertising investment
- Wacoal Europe: Promote marketing using 3D Smart & Try
- China: Improve sales per physical store and continue EC expansion by acquiring new customers
- Asia: Expand business in India and develop new customers through a common EC platform

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Please see page 17.

We will continue to strengthen our efforts in the CX strategy.

First, in Japan, Wacoal will continue to enhance the value of the customer experience and improve profitability by continuing initiatives such as the integration of online and offline activities and the utilization of customer data. We will also strive to develop new services that utilize 3D measurement technology, and we will take on the challenge of expanding our business domain by actively developing collaborations with other industries.

Overseas, the key to growth will be to strengthen EC. In addition to advancing EC strategies tailored to the circumstances of each country, we will implement CX strategies to enhance the value of the customer experience and lead to growth.

FY2022 Initiatives - Promotion of sustainable activities

5. Re-identify key business growth issues

- Promote “ESG Management” to create future “growth opportunities” by addressing increasingly complex social issues
- Identify key ESG issues to achieve sustainable growth and enhance corporate value
- Set long-term targets aimed at solving problems
(Launched the “Sustainability Promotion Project” with the participation of both management and employees)

6. Strengthen response to human rights and environmental issues

- Calculate emissions and set reduction targets for greenhouse gases, and establish management processes accordingly
- Examination/formulation of Group-wide human rights policy that is compatible with the “Action Plan for Business and Human rights”
- “Formulate Environmental Standards to Guide Product and Material Development,” and “Establish a System to Manage the Progress of Each Division”
- Ongoing promotion of CSR procurement activities

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Please see page 18.

The third initiative for the fiscal year ending March 2022 is to promote sustainable activities.

After the infectious disease, the social environment surrounding our group has changed drastically. In addition, the issue of global warming is becoming more serious, and consumers’ values and awareness of sustainability are evolving.


Going forward, the Group plans to make ESG management a pillar of its long-term strategy, viewing efforts to address increasingly complex and diverse social issues as an opportunity for future growth, and aiming for growth based on the creation of both social and economic value.

In our sustainability activities for the current fiscal year, we plan to re-identify key ESG issues to achieve sustainable growth and set long-term targets to resolve these issues.

We also plan to strengthen our efforts on key issues, such as governance, human rights, and the environment.

In April this year, we launched a sustainability promotion project with the participation of both management and employees and have begun discussing important issues to achieve sustainable growth and increase corporate value.

We are also investigating greenhouse gas emissions throughout our supply chain and hope to announce our reduction targets by the end of this fiscal year.



New Medium-Term Management Plan (FY2023~)

To be announced around May 2022 (planned)

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Please see page 19.

In the fiscal year ending March 2022, we will be finishing up our structural reforms, so our top priority is to make steady progress on what I have explained today. In parallel, we will also have a thorough discussion on our medium- and long-term strategies for future growth and the next Medium-Term Management Plan.

Earlier, I explained that we have launched a sustainability promotion project with the participation of both management and employees. I would like to discuss and develop a plan together with my employees on what kind of existence the Wacoal Group should evolve into in order to be needed by society 10 or 30 years from now.

The timing of the explanation of the new Medium-Term Management Plan to you will be around May 2022. In addition to financial results briefings, we are also considering holding business briefings and small meetings in the current fiscal year. We will inform everyone as soon as the schedule is decided.

This concludes my explanation. Thank you very much for your attention.