

# **Consolidated Financial Summary For the Fiscal Second Quarter Ended March 31, 2022**

**October 29, 2021  
Wacoal Holdings Corp.**

**[Speaker]**

**Akira Miyagi**

**Director and Managing Corporate Officer in charge of Group Finance**

## Supplementary material: Changes from the same period last year

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- Effective from this current fiscal year, domestic sales for the Peach John brand in China, which to date were previously recorded in the Wacoal Business (Overseas) segment, are now be recorded in the Peach John Business segment (past segment results have been retroactively adjusted)
- Effective from the current fiscal year, Wacoal China Co., Ltd. sales at department stores, etc. have been changed to state the total amount (based on retail prices at stores). No retroactive adjustments have been made for the impact of this change. Note: Impact on sales in 2Q of this fiscal year: 1,203 million yen

**Miyagi:** Hello everyone. I'm Akira Miyagi, Director and Managing Corporate Officer of Wacoal Holdings Corp. Thank you very much for watching this video explaining our financial results.

Let me explain Wacoal Holdings' financial results for the first half of the fiscal year ending March 31, 2022.

Please look at page 2. This section describes changes in accounting standards that became effective in the current fiscal year.

The first one is the change in the accounting destination for domestic sales of the Peach John brand sales in China.

The second one is a change in revenue recognition related to Wacoal China. The impact of this change on Wacoal sales in China for the first half of the fiscal year is approximately JPY1.2 billion.

## Supplementary material: Special factors in the same period last year

- Since the Company has adopted US GAAP, the employment adjustment subsidy is reverted to "Cost of Sales" and "SG&A Expenses," and this is a factor that boosted the "Operating income/loss" in the previous year
- In the last fiscal year (ending March 31, 2021), the effect of government support in each country, such as employment adjustment subsidies, was about ¥5.3 billion
- In the current fiscal year (ending March 31, 2022), the impact of reversing these profit contributions will occur

(Millions of yen)

		FY2021		
		1H	2H	Total
The reduction in rent	Japan	253.0	0.0	253.0
The reduction in social insurance premiums	China	162.0	109.7	271.7
Reducing labor costs by taking a temporary leave	US·UK	804.2	100.6	904.9
Employment subsidies	Japan·UK etc.	2,737.8	1,180.0	3,917.9
<b>Total amount of temporary support for the effects of the spread of infectious diseases</b>	<b>Japan·UK etc.</b>	<b>3,957.0</b>	<b>1,390.4</b>	<b>5,347.4</b>

3

Now on to page 3. I'd like to detail special factors that contributed to last year's results.

In the previous period, when the infection spread, there were many supportive measures by governments, like subsidies for employment adjustment.

Since the Company follows US GAAP, the employment adjustment subsidy was put back into Cost of sales and selling, general and administrative expenses, which boosted the Operating income, loss, in the previous fiscal year.

The reduction in rent and social insurance premiums, as well as the use of furloughs, also contributed to the decrease in expenses in the same period.

These support measures boosted operating income by about JPY5.3 billion in the previous fiscal year, of which about JPY4 billion affected the first half results of that period.

This current fiscal year these contributions to profit have been insignificant, and we are noticing the impact on results.

- Business conditions in the US and Europe improved due to the easing of COVID-19 restrictions
- In Japan, due to the increase in COVID-19 infections since July, the market remained extremely difficult in 2Q
- Operating income improved significantly due to increased profits in Europe and the US

**Net sales** ➤ **¥87.4 billion** YoY +¥14.3 billion (+19.5%) vs 2 years ago -¥14 billion (-13.8%)

- The US and Europe exceeded pre-COVID-19 levels on the back of a strong recovery in consumer spending
- For 2Q (Jul-Sep), Wacoal sales were -17% YoY (-25% vs FY2019 when there was no COVID-19 impact or last-minute demand before the tax increase)

**Operating income** ➤ **¥4 billion** YoY +¥2.7 billion (+211.6%) vs 2 years ago -¥5.5 billion (-58.1%)

- The US and Europe posted a significant profit increase due to higher sales. PJ maintained the high levels it achieved in the same period last year
- Wacoal (Japan) maintained profitability by keeping expenses at the same level as those for the same period last year
- In real terms income increased ¥6.7 billion, excluding temporary effects such as employment adjustment subsidies and temporary leave

**Income before taxes** ➤ **¥5.5 billion** YoY +¥1.9 billion (+52.7%) vs 2 years ago -¥3.8 billion (-41.0%)

- A net valuation gain of ¥0.2 billion was recorded on securities and investments (a net valuation gain of ¥1.6 billion was recorded for the same period last year)

On to page 4. This is a summary of the first half results.

Consolidated net sales for the first half of the fiscal year were JPY87.4 billion, an increase of 20% over the same period last year.

The US and Europe have remained strong thanks to a strong recovery in consumer spending since the softening of infection control measures and, as a result, they have exceeded pre-infectious disease levels.

On the other hand, the situation in Japan remained extremely severe due an increase in the number of infected people since July.

Operating profit totaled JPY4 billion.

Although there was a correction to the profit contribution of employment adjustment subsidies, which I mentioned earlier, the effect of higher sales in Europe and the US, as well as the maintenance of a high profit level at Peach John, and progress in cost reduction at Wacoal, resulted in a significant increase in profit of 212% over the first half of the previous fiscal year.

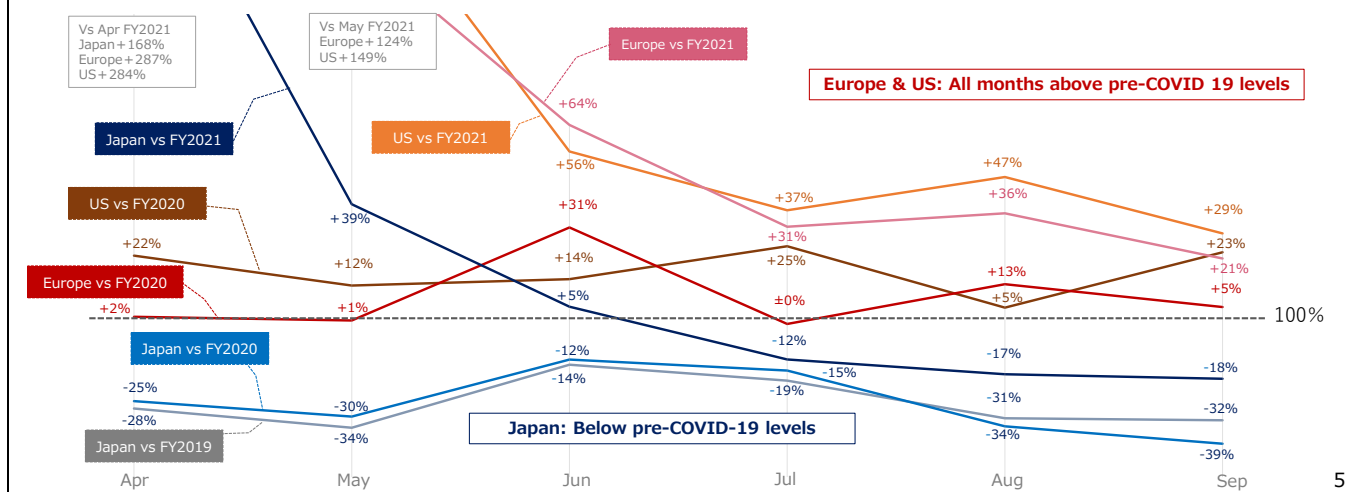
Net profit before tax was JPY5.5 billion due to a valuation gain of JPY 0.2 billion on securities and investment valuations.

## FY2022 1 H Sales Trends (comparison of Wacoal (Japan), Wacoal America, Wacoal Europe)

\*prepared based on data from before consolidation adjustments

1H	Japan +6% (vs FY2021) -27% (vs FY2020) <u>-26% (vs FY2019)</u>	US +73% (vs FY2021) <u>+17% (vs FY2020)</u>	Europe +63% (vs FY2021) <u>+8% (vs FY2020)</u>
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1Q	Japan +46% (vs FY2021) -23% (vs FY2020) -25% (vs FY2019)	US +131% (vs FY2021) <u>+16% (vs FY2020)</u>	Europe +121% (vs FY2021) <u>+11% (vs FY2020)</u>	2Q	Japan <u>-15% (vs FY2021)</u> -30% (vs FY2020) -27% (vs FY2019)	US +37% (vs FY2021) <u>+17% (vs FY2020)</u>	Europe +30% (vs FY2021) <u>+6% (vs FY2020)</u>
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Please look at page 5.

Looking back on the first half of this fiscal year, we can say that the progress of vaccination and the resumption of economic activities in countries and regions had a direct impact on the business environment and performance.

This page shows monthly and quarterly sales trends for Wacoal in the US, Europe, and Japan, where the differences in trends are most apparent.

In the US and Europe, business performance rebounded sharply on the back of eased regulations against infectious diseases and strong consumer spending notably due to economic policies.

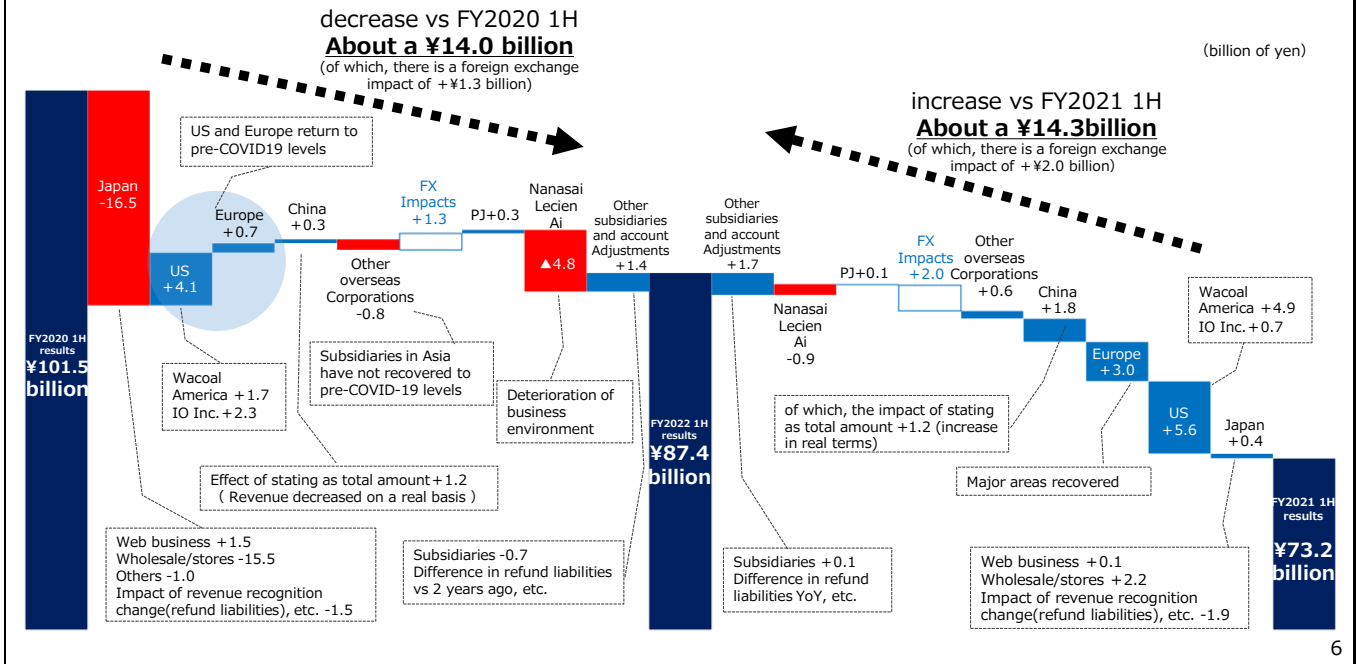
As the line graph shown above indicates, sales in the US and Europe remained above pre-pandemic levels in all months of the first half.

On the other hand, sales of Wacoal in Japan continued to be sluggish due to the prolonged effects of the pandemic. Although sales increased in the first quarter, thanks to a better business environment, the number of customers visiting commercial facilities decreased significantly after the sharp increase in infections in July. As a result, the second quarter was very challenging.

The 2 line graphs at the bottom of the slide show comparisons with the fiscal year ended March 2020, and the fiscal year ended March 2019, which were not affected by the coronavirus. We are still far from pre-pandemic levels.

Since the lifting of the state of emergency at the end of September, sales have been gradually returning, but the business environment in Japan during this first half of the year has been very difficult.

# FY 2022 1H: Increase/Decrease in Net Sales (YoY and vs 2 Years Ago)



Please look at page 6.

This graph, a waterfall summary of the factors contributing to the increase and decrease in sales.

The right side shows comparison with the same period of the previous year, and the left side is the comparison with the same period two years before.

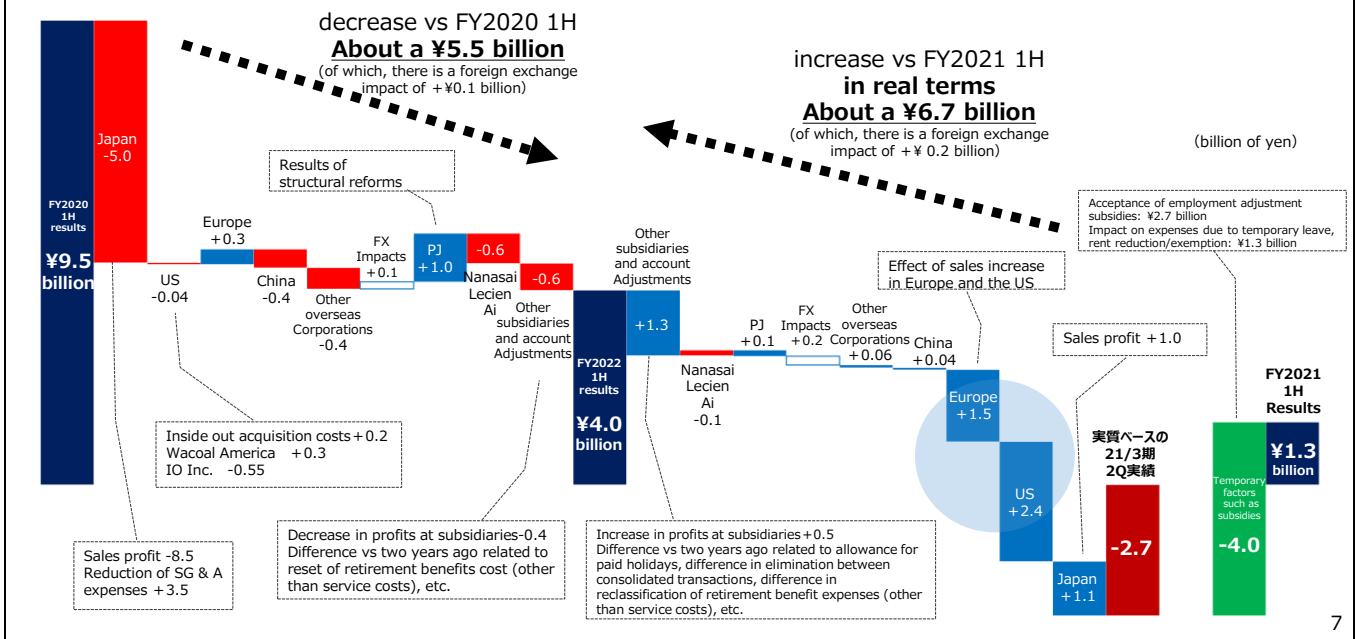
As indicated by the box on the right, Wacoal, which was strongly affected by infectious diseases, remained at the same level as the previous fiscal year, but the recovery in the US and in Europe contributed to an increase of approximately JPY14.3 billion.

On the other hand, as the box on the left indicates, sales in the US, Europe, and Peach John have increased compared to 2 years ago but, partly due to the slow recovery of Wacoal and other subsidiaries.

Overall sales are still far from the sales levels of 2 years ago.

# FY 2022 1H: Increase/Decrease in Operating Income (YoY and vs 2 Years Ago)

\*The YoY difference for individual companies is calculated on a real basis after removing temporary effects such as employment adjustment subsidies



Please look at page 7.

On this page, the causes of increase and decrease in operating profit are summarized in a waterfall graph.

As with sales, the right side shows a comparison with the same period of the previous year, and the left side shows a comparison with the same period two years before.

See the box on the right. The results for the previous fiscal year include the impact of about JPY4 billion in temporary factors that boosted profits, such as employment adjustment subsidies.

The actual operating loss for the previous fiscal year was JPY2.7 billion after eliminating these factors.

In the first half of this fiscal year, the recovery in Europe and the US, and the continued strong performance of Peach John, contributed to an operating income of JPY4.0 billion, an improvement of JPY6.7 billion in real terms.

Next is the box on the left. Wacoal's recovery has been delayed due to the strong impact of the pandemic and has not reached the level of the same period two years ago by about JPY5.5 billion.

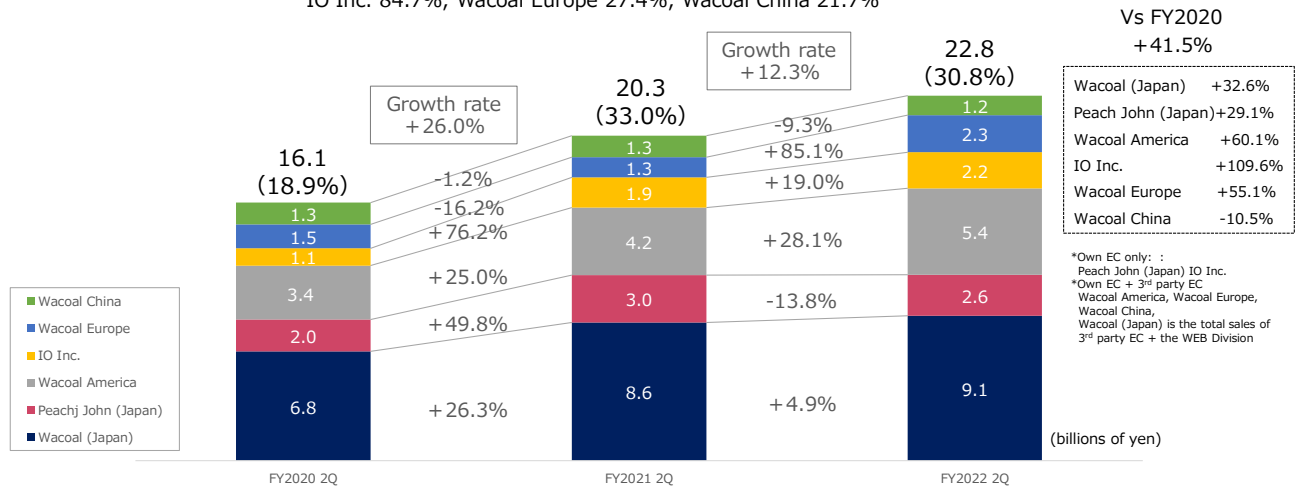
## Progress of EC Business at Major Subsidiaries

\*prepared based on data from before consolidation adjustments  
\*the rate for each fiscal year is used (including foreign exchange impact)

The total for the EC business cleared the high level set in the same period the previous year and achieved double-digit growth

➤ The ratio for EC to total sales at the six major companies is 30.8%

FY 2022 1H EC ratios: Wacoal (Japan) 22.8%, Peach John 46.1%, Wacoal America 44.4%  
IO Inc. 84.7%, Wacoal Europe 27.4%, Wacoal China 21.7%



Please look at page 8.

This page summarizes the changes in EC sales for the following six companies: Wacoal, Peach John, Wacoal USA, Intimates Online, Inc., Wacoal Europe, and Wacoal China.

The Group had been focusing on strengthening its own EC before the coronavirus outbreak.

As stay-at-home demand expanded in the wake of the pandemic, these efforts proved highly effective, with total EC sales of the six companies in the previous fiscal year increasing by 26% compared to the preceding fiscal year.

For the fiscal year under review, we continued to focus on solidifying our e-commerce operations by improving the convenience of our apps and e-commerce site and strengthening promotions.

As a result, we were able to maintain high growth with a 12.3% increase in sales compared to the previous fiscal year. EC sales accounted for 31% of total sales for the 6 companies.

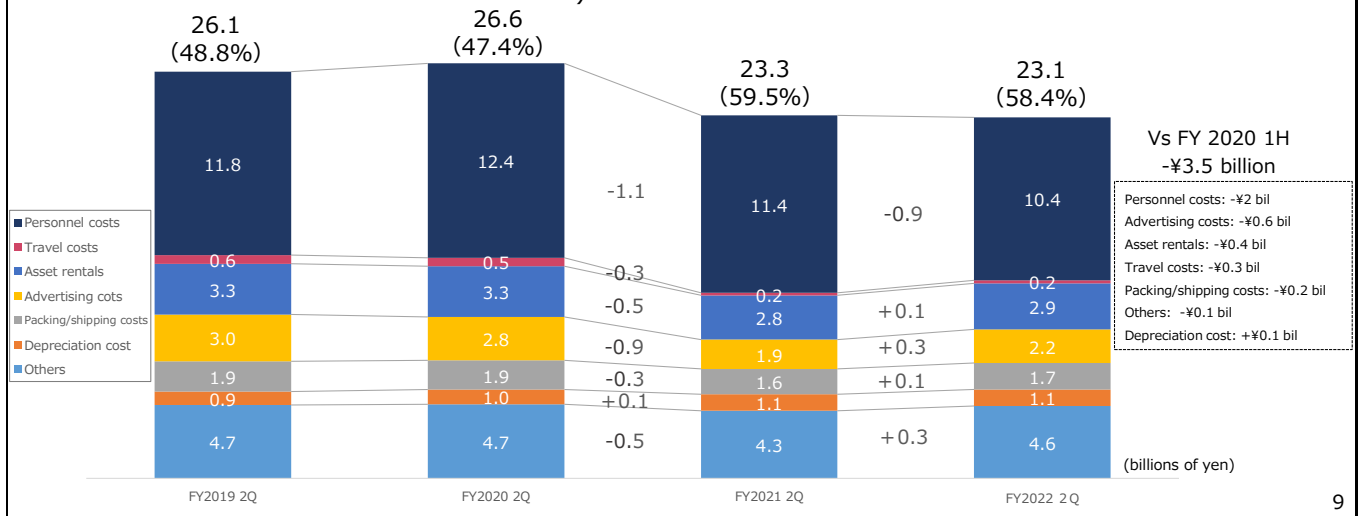


## Progress of profit structure reform at Wacoal

\*prepared based on data from before consolidation adjustments

Human resource planning/management progressed as planned, but costs remained high due to a sluggish top line

- SG&A expenses decreased ¥3.5 billion vs FY2020 (on a real basis, excluding postponements and one-time effects: about ¥2.5 billion)



9

Now let's look at page 9 for an update on profit structure reform.

I'd like to explain the status of the reduction of SG&A expenses at Wacoal, the main pillar of the reform.

SG&A expenses decreased by approximately JPY3.5 billion compared to the first half of the fiscal year ended March 31, 2020, mainly due to the curbing of personnel expenses stemming from the implementation of our human resource plan.

Even on a real basis, which excludes the postponement of expenses due to sluggish sales and 1-time cost reductions, the decrease was approximately JPY2.5 billion.

Wacoal is aiming to reduce SG&A expenses by JPY4 billion as a target of its profit structure reform for the current fiscal year, and this JPY2.5 billion reduction represents a progress of 63% against the plan.

Please bear in mind that the effects of the management of the human resource plan on manufacturing labor costs are not included in the figures in this slide. They are included in cost of sales,

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## FY 2022 1H: Reporting by Segment – Wacoal Business (Japan)

Note: The performance report for major subsidiaries is noted in the reference materials (P27~)

**Sales only increased 5% due to sluggish store sales caused by a prolonging of the COVID-19 crisis and client inventory curtailment**

Net sales **¥42.9 billion** YoY +1.9 billion (+5%)  
Vs 2 years ago -¥14.8 billion (-26%)

Operating income **¥0.7 billion**

YoY -¥0.2 billion (-19%)

\*Segment operating income declined due to the impact of the being opposite the profit boost from employment adjustment subsidies in the same period last year

### Market environment:

- The increase in COVID-19 infections since July triggered a stronger movement to avoid crowds
- Though vaccination progressed, the lifting of state of emergency declarations in Tokyo and other areas was postponed to late September
- Consumer behavior is changing as working remotely and other “stay-at-home” activities increase, thus increasing the need for EC and nearby shopping

Vs 2 years ago -¥5.5 billion (-88%)

Wacoal business conditions: YoY +1% (YoY excluding revenue recognition change: +5%) Vs 2 years ago -30%

- Stores: The number of customers visiting commercial facilities in urban areas was sluggish
  - \*Store-based sales: department stores +12% (vs 2 years ago -36%) directly managed stores +4% (vs 2 years ago -29%) mass retailers Wacoal -2% (vs 2 years ago -30%), Wing -4% (vs 2 years ago -29%)
- Own EC: Though we struggled to acquire new customers, we were able to surpass the high hurdle set last year thanks to an improved purchasing rate
  - \*Own EC sales: +1% (vs 2 years ago +67%)

### Wacoal cost structure reform efforts:

- Cost control measures were implemented in response to sluggish business performance. A profit was secured on a stand-alone basis as expenses were held down to the same level as the same period last year.

10

On to page 10.

Starting from this page, we will review the market environment and results for the first half division by division.

Sales for the Wacoal Japan division reached JPY42.9 billion.

Sluggish over-the-counter sales due to a lengthening of the Covid-19 crisis and inventory curtailment by customers resulted in only a 5% increase in sales.

During the first half of this year, vaccination progressed throughout Japan, but due to the increase in the number of infectious diseases since July, the lifting of the emergency declaration in Tokyo and other cities has been postponed to late September.

In addition, while needs in nearby locations have increased with telecommuting and more time spent at home in general, people continued to refrain from going out to urban areas in order to avoid crowds.

In this environment, although we struggled to acquire new customers through e-commerce, we were able to surpass the high hurdle of the previous fiscal year thanks to improved purchase rates.

That said, physical stores have struggled in all channels.

Operating profit totaled JPY0.7 billion. This is lower than the first half of the previous fiscal year when profits were boosted by employment adjustment subsidies.

However, the company remained in the black, thanks to cost-cutting efforts as part of our profit structure reform.

## FY 2022 1H: Reporting by Segment – Wacoal Business (Overseas)

Note: The performance report for major subsidiaries is noted in the reference materials (P27~)

**Sales recovered and exceeded pre-pandemic levels, especially in Europe and the US where economic activity resumed**

**Net sales** → **¥32.4 billion** YoY +¥12.9 billion (+67%)  
Vs 2 years ago +¥5.5 billion (+21%)

**Operating income** → **¥2.7 billion** YoY +¥2.9 billion (last year same period: deficit of 0.3 billion)  
Vs 2 years ago -¥0.4 billion (-13%)

### Market environment:

- Europe and the US: Economic policies and a resumption of economic activity accompanying the spread of vaccinations led to significant recovery in consumption
- China: As a new marketing method, live commerce is growing rapidly. Competition with emerging brands is intensifying in the innerwear EC market
- Asia: Lockdown measures are being implemented in major urban areas in South Asia and Southeast Asia due to the spread of COVID-19 infections

### Business conditions of major companies (figures are in local currencies):

- US: Wacoal America sales at department stores and through its own EC platform were strong (YoY +73%, vs 2 years ago +17%)  
IO Inc. fell below our plan as investment in advertising was curtailed due to soaring social medial advertising costs (YoY +36%)
- Europe: sales in major areas (UK, North America, Europe) recovered (YoY +66%, vs 2 years ago +10%)
- China: Though stores are on a recovery trend, EC continued to struggle (YoY +42%, vs 2 years ago +5%)

### 1H initiatives:

- US: As part of the Digital First Strategy project, the “My Bra Fit” digital measurement app was released
- China: Live commerce via KOLs and other measures are being implemented to recover sales

11

Please look at page 11.

Sales for the Wacoal Overseas division were JPY32.4 billion.

As a result of a significant recovery in sales, particularly in the US and Europe where economic activity has resumed, sales for the total segment exceeded pre-pandemic levels.

In China, sales have increased compared to 2 years ago due in part to the boosting effect of the change in revenue recognition.

But on a net basis, after removing the effect of this change in revenue recognition, sales were lower than 2 years ago due to our struggles in EC caused by the intensifying competition with emerging brands.

Operating profit was JPY2.7 billion.

Sales increased substantially due to higher sales in Europe and the United States.

## FY 2022 1H: Reporting by Segment – Peach John Business/Other

Note: The performance report for major subsidiaries is noted in the reference materials (P27~)

**Peach John: The high hurdle set last year in the same period was cleared and an increase in profits secured**

Net sales **¥6.1 billion** YoY +¥0.1 billion (+2%)  
Vs 2 years ago +¥0.3 billion (+5%)

Operating income **¥1.1 billion** YoY +¥0.04 billion (+4%)  
Vs 2 years ago +¥1 billion

Business conditions in each region:

- Japan: Sales at directly manage stores declined in 2Q (Jul-Sep) due to increased COVID-19 infections, but recovery in 1Q contributed positively (YoY+23%, vs 2 years ago -11%)  
EC sales declined due to the high hurdle set last year (YoY -14%, vs 2 years ago +29%)
- Overseas: Sluggishness due to a decrease in customer store visits caused by the effects of the pandemic and the impact of closing unprofitable stores

**Others: Below levels for the same period last year due to a worsening business environment caused by the prolonged pandemic**

Net sales **¥5.9 billion** YoY -¥0.7 billion (-10%)  
Vs 2 years ago -¥5 billion (-46%)

Operating loss **-¥0.5 billion** YoY -¥0.1 billion (last year same period, deficit of ¥0.4 billion)  
Vs 2 years ago -¥0.6 billion (2 years ago same period: surplus of ¥0.1 billion)

Business conditions of each company:

- Lecien: Sales of private brand products to mass retailers and major clothing chains are sluggish
- Nanasai: Construction business is sluggish due to the cancellation or postponement of new store openings and various events

12

On to page 12.

Sales in the Peach John division were JPY6.1 billion.

In-house EC sales have decreased compared to last year when stay-at-home demand was high, but the recovery of directly managed stores in the first quarter contributed to the increase in sales.

Operating profit was JPY1.1 billion.

In addition to the effect of increased sales, cost reductions also allowed us to surpass the high profit level of the previous fiscal year.

Sales in the Other division totaled JPY5.9 billion.

With the prolongation of the pandemic, both LECIEN, Nanasai, and Ai continued to face severe circumstances, resulting in sales lower than the same period last year.

Operating loss was JPY0.5 billion.

Although we have been continued reviewing operations as part of our profit structure reform, the revision has been greatly affected by the sluggish sales.

## Progress of ESG Initiatives

In September 2021, we endorsed the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD)

### Establish targets for environmental activities for 2030

- Aiming for zero in-house emissions, we will gradually switch to renewable energy sources (target: domestic business)
- Reduce 1% product discard level to zero. Also, promote efforts to reduce the disposal of leftover materials at factories (target: Wacoal)
- Raise the ratio of environmentally friendly materials used to 50% (target: Wacoal)

- Targets for reducing greenhouses gases in the supply chain will be disclosed in spring 2022  
(For overseas business initiatives, we will start with a survey of our own emissions and set targets when the time is right)

### Promotion of CSR procurement activities

- Along with a fourth update to the contracted manufacturing factories list, we disclosed the list of factories for Une Nana Cool and three overseas subsidiaries for the first time

### 2H initiatives for ESG activities

- With the aim of respecting human rights in our business activities, during the fiscal year ending March 2022, we began revising the Group's human rights policy and establishing a system for conducting human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights

13

Please look at page 13. I will now explain the progress we've made regarding ESG initiatives.

In the first half of the year, we expressed our support for TCFD's recommendations and set targets for our environmental activities for 2030, with the aim of resolving climate change issues and promoting efforts to realize a decarbonized society.

First, we aim to reduce our own emissions in our domestic facilities down to zero and will gradually switch to renewable energy sources.

Next, we will move forward with our efforts to achieve zero product discard and strengthen our efforts to reduce the disposal of leftover materials in our plants.

Wacoal's product disposal rate is now at 1%, and we will further reduce this level.

As a third goal, we will try to increase the use of environmentally friendly materials to 50%.

By increasing the ratio of environmentally friendly materials used in our operations, we will promote business activities with a lesser impact on the environment.

Please note that reduction targets for Scope 3 and emissions from overseas operations will be announced in the future.

As for the promotion of CSR procurement activities, we have updated the list of factories to which we outsource manufacturing for the fourth time and disclosed the list of factories of Une Nana Cool and 3 overseas subsidiaries for the first time.

We strive to respect human rights in our business operations.

In the second half of the fiscal year, we plan to revise the Group's human rights policy and establish a system to conduct due diligence in that area in accordance with the UN Guiding Principles on Business and Human Rights.

## Full-year Forecast

**There is no change to the full-year earnings forecast. We aim to achieve the initial plan through the implementation of various measures**

➤ **If we determine it is necessary to revise our business forecast, the new forecast will be promptly disclosed.**

(Millions of yen, %)

	FY2022 plan	FY2021 1H results	Progress rate	
Wacoal Business (Japan)	99,300	42,935	43.2	×
Wacoal Business (Overseas)	57,250	32,379	56.6	○
Peach John Business	12,500	6,161	49.3	△
Other Businesses	14,950	5,944	39.8	×
Consolidated net sales	184,000	87,419	47.5	△

### Progress toward the full-year plan

**Sales: Overall progress lagging due to slump in Japan**

- Progress of domestic business and others lagging due to sluggish sales
- Overseas business progressing steadily on the back of economic recovery

**Operating income: Overall progress is favorable with overseas and PJ contributing**

- Progress in domestic business significantly lagging due to top line decline
- Overseas businesses substantially exceeded the full-year plan, PJ roughly achieved

	FY2022 plan	FY2021 1H results	Progress rate	
Wacoal Business (Japan)	4,000	740	18.5	×
Wacoal Business (Overseas)	1,140	2,663	233.6	○
Peach John Business	1,100	1,053	95.7	○
Other Businesses	- 240	- 480	-	×
Operating Income ( loss )	6,000	3,976	66.3	○

### Approach to 2H

**Sales: Increasing uncertainty in the business environment, both domestically and overseas**

- Positive: Economic recovery due to vaccination and easing of restrictions
- Negative : Concerns about reemergence of COVID-19, decline in consumer confidence  
Impact of production shutdown at Vietnam factory (restarted in Oct)  
Slowdown in growth overseas (lower growth rate due to inventory sufficiency)

**Operating income: Appropriate responses to market environment changes**

- Negative: Delayed recovery of domestic business, sales decline due to reemergence of COVID-19  
Rising manufacturing costs due to soaring transportation costs and raw material prices

14

Please look at page 14.

At the moment, there are no changes to the full-year earnings forecast for the current fiscal year.

Both net sales and operating profit in the Wacoal Japan and Other divisions lagged behind the plan, but thanks to the Wacoal Overseas and Peach John divisions, results progressed according to the plan.

Even in the second half of the year, there is still no sign of a return to normal, and the outlook is extremely uncertain.

While expectations of an economic recovery due to vaccination and deregulation are rising, there are concerns about the re-emergence of the virus and a decline in consumer confidence, as well as the possibility of a slowdown in the growth of overseas businesses, which performed well in the first half of the year.

We aim to achieve the initial plan by moving forward steadily with the various measures we are taking to build a highly profitable management structure, while enforcing appropriate cost controls in response to changes in the market environment.

In the event that we determine that we need to revise our business forecasts, due to the re-emergence of infectious diseases, we will promptly disclose new forecasts.

## FY 2022: 2H Risk

### Upside risk

- Recovery in consumer activity due to easing of COVID-19 restrictions
- Additions by curbing SG&A expenses in domestic businesses
- Increase in sales profit due to higher sales from overseas businesses and PJ business
- Efficient use of idle assets

### Downside risk

- Decline in consumer sentiment due to re-strengthening of COVID-19 measures, leading to sluggish sales and a decrease in profits in Japan and overseas
- Further deterioration of the business environment, such as shrinking of existing distribution channels in Japan
- Impairment loss on intangible and tangible fixed assets
- An increase in one-time expenses due to additional cost structure reform measures
- Rising manufacturing costs due to soaring transportation costs and raw material prices
- Loss of sales opportunities due to production delays at manufacturing factories (Vietnam factory, etc.)

Due to the spread of COVID-19 infections in the Asian region, operations at factories in Vietnam and other countries were suspended. Due to production delays and other factors, some new products scheduled to be launched between Sep and Dec were pushed back, and the sales schedule rearranged to mitigate the overall impact.

- Vietnam Wacoal  
Locked down in stages from Jul 10, closed until the end of Sep. Resumed operations in stages from Oct 1 (almost operating at 100% in Late Oct) (Lecien Vietnam resumed operation on Oct 7)
- Myanmar Wacoal:  
Although it had been closed for some time due to political instability and COVID-19, it resumed operations in Sep (operating at almost 100%)

15

Please look at page 15.

This section describes upside and downside risks for the second half of the year.

The Vietnam plant, which was mentioned as a new downside risk in the first quarter financial results, resumed operations in October.

Due to the prolonged shutdown, some new products scheduled to go on sale from September to December have been pushed back, so we might lose sales opportunities. But we plan to mitigate the impact by reviewing the product sales schedule.

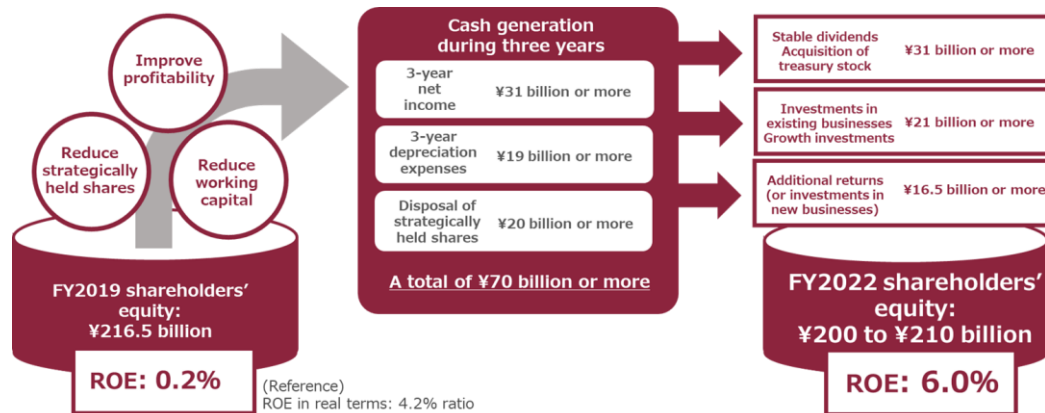
In addition, transportation costs and raw material prices continue to soar, and this is beginning to have an impact on costs.

We will minimize this impact by strengthening group-wide efforts to reduce costs, including efforts to improve production efficiency.

Basic Policy for Capital Policy in the Current Medium-Term Management Plan  
(disclosed June 13, 2019)

**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)



Please look at page 16. Let me say more about capital policy and shareholder returns. This is the basic principle of our capital policy we announced in the current mid-term management plan in June 2019.



## FY2022 1H: Capital Policy and Shareholder Returns

### Sales of cross-shareholdings: **¥18.7 billion (progress rate 93%)**

\*Book value as of end of March 2019 \*Actual amount of sale ¥19.1 billion

		(Billions of yen)			(Billions of yen)	
		FY2022 2Q	Medium-Term Management Plan Period (FY2020-FY2022)	Medium-Term Management Plan Period (FY2020-FY2022)	Major investments and investment amount in the FY2022 total	
		results	total	plan	detail	amount
Cash generation	Net income attributable to Wacoal Holdings Corp. *	2.8	13.5	31.0 or more		
	depreciation costs	3.0	16.6	19.0 or more		
	Sales of strategically-held shares	1.4	19.1	20.0 or more		
	<b>total</b>	<b>7.2</b>	<b>49.2</b>	<b>70.0 or more</b>		
*Net income was calculated without consideration for valuation gain (loss) on marketable securities and investments.						
Used Cash	Growth investment, Capital expenditures	4.7	28.4	68.5 or more		
	Dividend payment	1.2	9.9			
	Purchase of treasury stock (Number of shares acquired)	0	8			
	<b>total</b>	<b>6.0</b>	<b>46.0</b>			
-Dividend/Resury stock: ¥31billion or more -Investmen in existing business /Growth investment: ¥21billion or more -Additional returns or investment in						
<b>■ Major KPI</b>						
Status of sales of strategically-held shares (Wacoal Corp.)	Sale amount	2.0	18.7	20.0		
	Progress toward target	10%	93%			
	Number of strategic stocks sold completely	5	29			
					IT-related investment ,etc (wacoal)	1.4
					Building renovation, etc (wacoal)	0.1
					Domestic Subsidiaries	0.3
					Overseas Subsidiaries	0.5
					Moriyama Distribution Center exoansion work	2.5
					<b>total</b>	<b>4.7</b>

Please look at page 17.

This is the investment performance in the current fiscal year and the progress made in the planned sale of cross-shareholdings during the current mid-term management plan.

Regarding investments in the first half, there was a cash outflow related to the expansion of the distribution center in Moriyama City, Shiga Prefecture to support the growth of our own EC in Japan.

In addition, with regard to the sale of cross shareholdings in the first quarter, shares of 5 companies were sold for a total of JPY2 billion, and we've reached 93% of the sale target set in the current mid-term plan.

**Dividend forecast remains as planned at beginning of fiscal year**

- Annual dividend forecast: a ¥10 increase for the year-end dividend results in ¥50 per share annually
  - Interim dividend of ¥20 per share as originally planned, the year-end dividend will increase ¥10 to ¥30 per share
- Decisions on share buybacks will be made after assessing future business conditions

	Dividend per share			Total amount of dividends (Millions of yen)	Payout ratio*
	Interim	Year-End	Annual		
<b>FY2021</b>	<b>¥20</b>	<b>¥20</b>	<b>¥40</b>	<b>2,496</b>	<b>100.3%</b>
<b>FY2022</b>	<b>¥20</b>	<b>¥30</b>	<b>¥50</b>	<b>-</b>	<b>-</b>
<b>Change from the previous year</b>	<b>-</b>	<b>+¥10</b>	<b>+¥10</b>		

\*Payout ratio was calculated from net income in real terms without considering the impairment charges on intangible assets and valuation gain (loss) on marketable securities and investments.

Please look at page 18. This is the last page. Based on the current earnings forecast, we have decided to pay an interim dividend of JPY20 per share, as per the latest dividend forecast. This is to maintain financial soundness and offer stable dividends to our shareholders. The year-end dividend is also unchanged from the initial plan and is planned to increase by JPY10 to JPY30 per share.

We will decide on the resumption of share buybacks after assessing future business conditions.

This is the end of my presentation. Thank you for your attention.

**Reference**



Reference1:	FY 2022 1H Financial Results Overview□	P.20
Reference2:	FY 2022 1H Financial Results Overview	P.21
Reference3:	FY 2022 1H Results for Major Subsidiaries□	P.22
Reference4:	Monthly Changes in Net Sales for Major Business Units (rate of increase/decrease)	P.23
Reference5:	Monthly Changes in Wacoal (Japan) Net Sales by Channel and Store basis (rate of increase/decrease)	P.24
Reference6:	Monthly Changes in Net Sales by Channel for Major Overseas Subsidiaries (rate of increase/decrease)□	P.25
Reference7:	FY2022 1H EC Ratios at Major Subsidiaries□	P.26
Reference8:	FY2022 1H Overview of Wacoal (1): Net Sales and Operating Income for Major Business Units	P.27
Reference9:	FY2022 1H Overview of Wacoal International (US)	P.28
Reference10:	FY2022 1H Overview of Wacoal Europe	P.29
Reference11:	FY2022 1H (Jan - Jun) Overview of Wacoal China	P.30
Reference12:	FY2022 1H Overview of other Asian Businesses	P.31
Reference13:	FY2022 1H Overview of Peach John	P.32
Reference14:	FY2022 1H Overview of Domestic Subsidiaries (Lecien, Nanasai, Ai)□	P.33
Reference15:	FY2022 Full-year Plan	P.34
Reference16:	FY2022 Full-year Plan (By Segment)	P.35
Reference17:	FY2022 Full-year Plan (Major Subsidiaries) □	P.36

## Reference 1: FY 2022 1 H Financial Results Overview

[Exchange rate]		
USD	GBP	CNY
109.8	152.5	16.66

(Millions of yen)

	FY2020 1H results		FY2021 1H results		FY2022 1H results		Compared to the FY2020 1H		Compared to the FY2021 1H	
		% Of sales		% Of sales		% Of sales	Change	% Change	Change	% Change
Consolidated net sales	101,450	—	73,155	—	87,419	—	- 14,031	- 13.8%	14,264	+19.5%
Cost of Sales	44,992	44.3	32,159	44.0	37,805	43.2	- 7,187	- 16.0%	5,646	+17.6%
Sales profit	56,458	55.7	40,996	56.0	49,614	56.8	- 6,844	- 12.1%	8,618	+21.0%
S, G&A Expenses	46,963	46.3	39,720	54.3	45,638	52.2	- 1,325	- 2.8%	5,918	+14.9%
Operating Income (loss)	9,495	9.4	1,276	—	3,976	4.5	- 5,519	- 58.1%	2,700	+211.6%
Other income (expenses)	789	0.8	703	1.0	1,326	1.5	537	+68.1%	623	+88.6%
Valuation gain (loss) on marketable securities and investments - net(A)	- 958	—	1,624	—	198	—	1,156	—	- 1,426	- 87.8%
Income before taxes ( loss )	9,326	9.2	3,603	4.9	5,500	6.3	- 3,826	- 41.0%	1,897	+52.7%
Net income attributable (loss) to Wacoal Holdings Corp.	6,668	6.6	1,782	2.4	2,983	3.4	- 3,685	- 55.3%	1,201	+67.4%
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	5,302	6.1	- 4,982	- 48.4%	3,323	+167.9%

20

## Reference 2: FY 2022 1H Financial Results Overview (by Segment)

[Exchange rate]		
USD	GBP	CNY
109.8	152.5	16.66

(Millions of yen)

	FY2020 1H results		FY2021 1H results		FY2022 1H results		Compared to the FY2020 1H		Compared to the FY2021 1H	
		ratio		ratio		ratio	Change	% Change	Change	% Change
Wacoal Business (Japan)	57,762	56.9	41,031	56.1	42,935	49.1	- 14,827	- 25.7%	1,904	+4.6%
Wacoal Business (Overseas)	26,841	26.5	19,448	26.6	32,379	37.0	5,538	+20.6%	12,931	+66.5%
Peach John Business	5,878	5.8	6,067	8.3	6,161	7.0	283	+4.8%	94	+1.5%
Other Businesses	10,969	10.8	6,609	9.0	5,944	6.8	- 5,025	- 45.8%	- 665	- 10.1%
Consolidated net sales	101,450	100	73,155	100	87,419	100	- 14,031	- 13.8%	14,264	+19.5%

	FY2020 1H results		FY2021 1H results		FY2022 1H results		Compared to the FY2020 1H		Compared to the FY2021 1H	
		% Of sales		% Of sales		% Of sales	Change	% Change	Change	% Change
Wacoal Business (Japan)	6,274	10.9	913	2.2	740	1.7	- 5,534	- 88.2%	- 173	- 18.9%
Wacoal Business (Overseas)	3,058	11.4	- 255	—	2,663	8.2	- 395	- 12.9%	2,918	—
Peach John Business	61	1.0	1,014	16.7	1,053	17.1	992	+1,626.2%	39	+3.8%
Other Businesses	102	0.9	- 396	—	- 480	—	- 582	—	- 84	—
Operating Income ( loss )	9,495	9.4	1,276	1.7	3,976	4.5	- 5,519	- 58.1%	2,700	+211.6%

21

## Reference 3: FY 2022 1H Results for Major Subsidiaries

[Exchange rate]	USD	GBP	CNY
	109.8	152.5	16.66

(Millions of yen)

		Net Sales								Operating income ( loss )											
		FY2020 1H results		FY2021 1H results		FY2022 1H results		Compared to the FY2020 1H		Compared to the FY2021 1H		FY2020 1H results		FY2021 1H results		FY2022 1H results		Compared to the FY2020 1H		Compared to the FY2021 1H	
		Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change		
Wacoal Business (Japan)	Wacoal	55,366	38,450	38,826	-16,540	-29.9%	376	+1.0%	4,991	-985	35	-4,956	-99.3%	1,020	-						
Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	10,228	8,511	14,445	4,217	+41.2%	5,934	+69.7%	1,147	-915	1,120	-27	-2.4%	2,035	-						
	Wacoal Europe Ltd.	6,993	4,598	8,596	1,603	+22.9%	3,998	+87.0%	668	139	1,107	439	+65.7%	968	+696.4%						
	Wacoal China Co., Ltd.	6,084	4,286	6,585	501	+8.2%	2,299	+53.6%	752	409	389	-363	-48.3%	-20	-4.9%						
Peach John Businesses		5,878	6,067	6,161	283	+4.8%	94	+1.5%	61	1,014	1,053	992	+1,626.2%	39	+3.8%						
Other Businesses	Lecien	2,985	2,424	1,753	-1,232	-41.3%	-671	-27.7%	-128	97	-149	-21	-	-246	-						
	Nanasai	4,594	2,835	2,515	-2,079	-45.3%	-320	-11.3%	187	-203	-219	-406	-	-16	-						
	A i	2,598	1,017	1,151	-1,447	-55.7%	134	+13.2%	19	-303	-164	-183	-	139	-						
Wacoal International Corp. (U.S.)		94,151	79,608	131,558	37,407	+39.7%	51,950	+65.3%	10,550	-8,560	10,212	-338	-3.2%	18,772	-	(USD'000)					
Wacoal Europe Ltd.		51,144	33,962	56,370	5,226	+10.2%	22,408	+66.0%	4,873	1,018	7,260	2,387	+49.0%	6,242	+613.0%	(GBP'000)					
Wacoal China Co., Ltd.		375,527	278,693	395,272	19,745	+5.3%	116,579	+41.8%	46,355	26,589	23,316	-23,039	-49.7%	-3,273	-12.3%	(CNY'000)					

22

## Reference 4: Monthly Changes in Net Sales for Major Business Units (rate of increase/decrease)

	Monthly sales (increase / decrease rate) * The lower part from April to September is compared to the 20/3 period.															
	Oct.	Nov.	Dec.	3Q (China4Q)	Jan.	Feb.	Mar.	4Q (China1Q)	Apr.	May	Jun.	1Q (China2Q)	Jul.	Aug.	Sep.	2Q (China3Q)
Wacoal	+10%	-1%	+4%	+5%	-20%	-25%	-8%	-18%	+168%	+39%	+5%	+46%	-12%	-17%	-18%	-15%
									-25%	-30%	-12%	-23%	-15%	-34%	-39%	-30%
Wacoal America, Inc.	-3%	+9%	+11%	+4%	-2%	-27%	+5%	-10%	+284%	+149%	+56%	+131%	+37%	+47%	+29%	+37%
									+22%	+12%	+14%	+16%	+25%	+5%	+23%	+17%
Wacoal Europe Ltd.	-19%	-7%	-15%	-14%	-36%	-32%	+49%	-12%	+287%	+124%	+64%	+121%	+31%	+36%	+21%	+30%
									+2%	+1%	+31%	+11%	-0%	+13%	+5%	+6%
Wacoal China Co., Ltd.	+13%	-11%	-4%	-3%	-17%	+547%	+52%	+53%	+22%	-3%	-10%	+21%	-12%	-28%	-15%	-19%
									-23%	+7%	-14%	-11%	-21%	-16%	-21%	-19%
Peach John (Japan)	+14%	+23%	+23%	+20%	+9%	+21%	+19%	+16%	+40%	+9%	-9%	+8%	-13%	-3%	+3%	-5%
									+13%	+1%	+20%	+11%	+21%	+9%	-6%	+8%
Lecien (Japan)	-26%	-26%	-31%	-28%	-6%	-27%	-20%	-18%	+18%	-10%	-4%	+1%	-27%	-34%	-29%	-30%
									-25%	-36%	-24%	-28%	-36%	-48%	-37%	-40%
Nanasai	-45%	-47%	-15%	-38%	-35%	-31%	-41%	-37%	+8%	-12%	-7%	-2%	+0%	-22%	-14%	-13%
									-39%	-48%	-43%	-43%	-9%	-40%	-63%	-48%
Ai	-22%	-25%	-27%	-24%	-48%	-51%	-12%	-39%	+181%	+48%	-18%	+23%	+43%	-3%	-23%	+9%
									-54%	-61%	-59%	-59%	-44%	-61%	-53%	-53%

- ★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.  
★4 Wacoal China Co., Ltd. is shown year-on-year changes (rates of increase / decrease) on a net basis.

23

## Reference 5: Monthly Changes in Wacoal (Japan) Net Sales by Channel and Store basis (rate of increase/decrease)

	Monthly store-based sales trends (increase / decrease rate) * The lower part from April to September is compared to the 20/3 period.															
	Oct.	Nov.	Dec.	3Q	Jan.	Feb.	Mar.	4Q	Apr.	May	Jun.	1Q	Jul.	Aug.	Sep.	2Q
Department Stores	+6%	-15%	-15%	-9%	-33%	-17%	+27%	-9%	+393%	+73%	-17%	+40%	+14%	-25%	-26%	-7%
									-36%	-53%	-23%	-38%	-11%	-43%	-48%	-35%
GMS, Supermarket (Wacoal Brand)	+18%	+16%	-14%	+6%	-15%	-8%	-8%	-10%	+156%	+36%	-9%	+29%	+10%	-44%	-24%	-20%
									-26%	-30%	-4%	-20%	-17%	-38%	-56%	-37%
GMS, Supermarket (Wing Brand)	+21%	+6%	-8%	+5%	-14%	-7%	+0%	-8%	+138%	+16%	-17%	+16%	-2%	-30%	-12%	-18%
									-20%	-30%	-9%	-21%	-22%	-30%	-51%	-35%
Specialty Stores (Real store)	-5%	-6%	-4%	-5%	-2%	-5%	+10%	+1%	+162%	+62%	-15%	+30%	-8%	-18%	-17%	-14%
									-13%	-26%	-22%	-21%	+7%	-12%	-30%	-12%
Sports Chains	-38%	-36%	-29%	-34%	-47%	-42%	+18%	-31%	+36%	+40%	-12%	+13%	+81%	-19%	-15%	+14%
									-62%	-47%	-62%	-50%	+8%	-45%	-55%	-31%
Third Party EC Sites	+27%	+18%	+30%	+25%	+30%	+1%	+20%	+18%	+43%	+1%	+15%	+11%	+18%	+15%	+2%	+12%
									+24%	+25%	+46%	+32%	+25%	+31%	+0%	+17%
Directly managed store	+1%	-8%	-15%	-9%	-33%	-10%	-7%	-20%	+232%	+71%	-18%	+33%	-5%	-24%	-26%	-18%
									-27%	-33%	-16%	-32%	-6%	-26%	-32%	-21%
Wacoal's Own EC Site	+29%	+58%	+79%	+56%	+38%	+45%	+22%	+34%	-8%	-13%	+5%	-6%	+7%	+12%	+7%	+9%
									+62%	+79%	+94%	+79%	+53%	+75%	+44%	+56%
Catalog mail-order	+2%	+10%	+21%	+9%	+39%	-10%	+2%	+5%	+20%	-10%	+3%	+4%	+32%	+29%	+5%	+19%
									-6%	+6%	+6%	+14%	+6%	-33%	-6%	+5%
Total of monthly store-based sales	+9%	+0%	-5%	+1%	-15%	-7%	+9%	-5%	+121%	+27%	-11%	+23%	+6%	-20%	-15%	-9%
									-20%	-27%	-7%	-18%	-4%	-23%	-37%	-22%

Note: For store-base sales, only actual results for stores where the data can be ascertained are being disclosed.  
Note: Sales at directly managed stores include our own EC sales for brands deployed at directly managed stores.

24

## Reference 6: Monthly Changes in Net Sales by Channel for Major Overseas Subsidiaries (rate of increase/decrease)

		Monthly Changes in Net Sales by Channel for Major Subsidiaries (rate of increase/decrease) * The lower part from April to September is compared to the 20/3 period.															
		Oct.	Nov.	Dec.	3Q (China1Q)	Jan.	Feb.	Mar.	4Q (China1Q)	Apr.	May	Jun.	1Q (China2Q)	Jul.	Aug.	Sep.	2Q (China3Q)
Wacoal America, Inc.	Department Stores Real	-25%	-3%	-6%	-14%	-8%	-49%	-24%	-32%	+1,260%	+1,540%	+185%	+495%	+69%	+89%	+36%	+62%
										-8%	-5%	+7%	-2%	+8%	-12%	-9%	-5%
	Department Store EC	+14%	+33%	+11%	+19%	-9%	-13%	+30%	+3%	+1,957%	+235%	+15%	+114%	-1%	-16%	-13%	-9%
										+24%	+73%	+43%	+45%	+26%	+7%	+26%	+20%
	Third Party EC Sites	+39%	+51%	+35%	+42%	-18%	-6%	+31%	+4%	+202%	-22%	-17%	+27%	+37%	+46%	+35%	+47%
									+102%	+31%	-21%	+34%	+89%	+71%	+94%	+95%	
	Wacoal's Own EC Site	+37%	+53%	+49%	+46%	+36%	+33%	+81%	+48%	+34%	-4%	-4%	+8%	+4%	+11%	+39%	+16%
									+80%	+72%	+72%	+75%	+79%	+63%	+132%	+88%	
	Total	-3%	+9%	+11%	+4%	-2%	-27%	+5%	-10%	+284%	+149%	+56%	+131%	+37%	+47%	+29%	+37%
										+22%	+12%	+14%	+16%	+25%	+5%	+23%	+17%
Wacoal Europe Ltd.	Department	-17%	-36%	-39%	-30%	-57%	-51%	+16%	-36%	+682%	+1,232%	+216%	+393%	+70%	+5%	+21%	+26%
										-40%	-36%	+40%	-15%	-7%	-18%	-9%	-12%
	Independent (Specialty Store)	-27%	-5%	-8%	-15%	-38%	-35%	+34%	-18%	+331%	+118%	+72%	+127%	+42%	+60%	+33%	+45%
										-8%	+4%	+30%	+9%	-3%	+19%	+8%	+7%
	Third Party EC Sites	+6%	+24%	-26%	+0%	-16%	-10%	+64%	+11%	+274%	+167%	+54%	+142%	+5%	+62%	+2%	+20%
										+49%	+12%	+5%	+21%	-12%	+15%	-5%	-1%
	Total	-19%	-7%	-15%	-14%	-36%	-32%	+49%	-12%	+287%	+124%	+64%	+121%	+31%	+36%	+21%	+30%
										+2%	+1%	+31%	+11%	-0%	+13%	+5%	+6%
Wacoal China Co., Ltd.	Department Stores Real-MALL-Outlet, etc	+5%	-6%	+2%	+0%	-23%	+124%	+117%	+79%	+26%	+3%	-6%	+6%	-10%	-33%	-17%	-20%
										-13%	+4%	-21%	-10%	-16%	-26%	-23%	-22%
	Third Party EC Sites	+80%	-18%	-29%	-10%	+39%	-14%	-27%	-13%	-7%	-29%	-15%	-18%	-27%	-6%	-4%	-11%
										-59%	+36%	+2%	-11%	-44%	+48%	-6%	-22%
	Total	+13%	-11%	-4%	-3%	-17%	+547%	+52%	+53%	+22%	-3%	-10%	+21%	-12%	-28%	-15%	-19%
										-23%	+7%	-14%	-11%	-21%	-16%	-21%	-19%

\*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.  
\*4 Wacoal China Co., Ltd. is shown year-on-year changes (rates of increase / decrease) on a net basis.

25

## Reference 7: FY2022 1H EC Ratios at Major Subsidiaries

Wacoal (Japan) has changed its aggregation method, and the total sales ratio for its own EC (including catalog shopping) and third-party EC is shown

		FY2020					FY2021					FY2022				
		1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total	1Q	2Q	3Q	4Q	total
Wacoal (Japan)	Own EC channel only	13%	12%	15%	15%	13%	35%	16%	19%	19%	21%	24%	22%	-	-	23%
Peach John(Japan)	Own EC channel only	39%	39%	38%	43%	40%	64%	46%	45%	49%	50%	49%	43%	-	-	46%
Wacoal America, Inc.	Total of own company and Third Party EC Sites	35%	31%	36%	36%	34%	78%	52%	47%	49%	54%	45%	44%	-	-	44%
IO Inc.	Own EC channel only	100%	100%	100%	100%	100%	100%	97%	91%	83%	92%	85%	84%	-	-	85%
Wacoal Europe Ltd.	Total of own company and Third Party EC Sites	22%	19%	20%	24%	21%	39%	29%	27%	32%	31%	29%	25%	-	-	27%
Wacoal China Co., Ltd.	Other companies' EC channel only	19%	26%	18%	31%	24%	33%	31%	18%	28%	27%	19%	25%	-	-	22%
EC ratio of major companies (Total of top 6 companies) *		20%	18%	20%	23%	20%	45%	26%	26%	30%	30%	32%	30%	-	-	31%

\*Sales total uses the rate at the time of each settlement

26

## Reference 8: FY2022 1H Overview of Wacoal: Net Sales and Operating Income for Major Business Units

**2Q stagnated due to worsening consumer sentiment caused by the spread of COVID-19 infections and unseasonable weather**

**Net sales** → **¥38.8 billion** YoY +¥0.4 billion (+1%) \*YoY change excluding impact of revenue recognition change: +5%, Vs 2 years ago -¥16.5 billion (-30%)

- Store visitor numbers remained sluggish due to repeated state of emergency declarations and unseasonable weather
- By securing a purchasing rate that exceeded the plan, our own EC cleared the high hurdle set for the same period last year when there was "stay-at-home demand"

**Operating income** → **¥0.04 billion** YoY +¥1 billion Vs 2 years ago -¥5 billion

- Despite sluggish sales, the company secured profitability as a result of cost reduction efforts

(Millions of yen)

	FY2020 1H results	FY2021 1H results	FY2022 1H results	Compared to the FY2020 1H		Compared to the FY2021 1H	
				Change	% Change	Change	% Change
1st Brand Group	22,976	15,217	16,305	- 6,671	- 29.0%	1,088	+7.1%
2nd Brand Group	18,924	13,830	14,602	- 4,322	- 22.8%	772	+5.6%
3rd Brand Group	8,971	6,911	6,916	- 2,055	- 22.9%	5	+0.1%
Wellness Business Department	2,620	1,334	1,664	- 956	- 36.5%	330	+24.8%
WEB Business Department	4,086	5,564	5,646	1,560	+38.2%	81	+1.5%
Others	- 2,210	- 4,406	- 6,306	- 4,096	+185.4%	- 1,900	-
Net sales total (External customers only)	55,366	38,450	38,826	- 16,540	- 29.9%	376	+1.0%
Net sales total (Including internal sales)	56,204	39,130	39,658	- 16,546	- 29.4%	528	+1.3%
1st Brand Group	3,238	2,254	2,259	- 979	- 30.2%	5	+0.2%
2nd Brand Group	1,386	831	902	- 484	- 34.9%	72	+8.6%
3rd Brand Group	1,199	548	449	- 750	- 62.5%	- 99	- 18.0%
Wellness Business Department	285	- 83	17	- 269	- 94.2%	100	-
WEB Business Department	200	476	265	65	+32.8%	- 211	- 44.4%
Others	- 1,317	- 5,010	- 3,857	- 2,540	+193.0%	1,153	-
Wacoal Operating income ( loss )	4,991	- 985	35	- 4,956	- 99.3%	1,020	- 103.6%

27

## Reference 9: FY2022 1H Overview of Wacoal International (US)

**Significant increase in sales for both Wacoal America and IO Inc. on the back of a recovery in consumer spending due to easing of COVID-19 restrictions**

**Net sales** **¥14.4 billion** YoY +¥5.9 billion(+70%) \*YoY change in local currency +65% Vs 2 years ago +¥4.2 billion (+41%)

- Wacoal America: Physical store channel +157%, EC channel+25% (Breakdown: Dept. store EC+35%, Specialty store EC+37%, Own EC+12%)
- IO Inc.: \$24.2 million (+36%)

**Operating income** **¥1.1 billion** YoY +¥2 billion \*YoY change in local currency +\$19 million Vs 2 years ago -¥0.03 billion (-2%)

- Wacoal America profit rose significantly due to higher sales and improved sales margins
- IO Inc. fell short of plan due to lower marketing efficiency \*Local currency base -\$7.2 million (same period last year -\$8.6 million)

			FY2020			FY2021			ratio
			1Q	2Q	1H	1Q	2Q	1H	
Channel	Store	Department store	-2%	-5%	-4%	+495%	+62%	+154%	54%
		Outlet-Directly Managed Store	+85%	+80%	+83%	+10,142%	+170%	+458%	
		Store sales total	-1%	-5%	-3%	+507%	+63%	+157%	
	EC	Department store EC site	+45%	+20%	+33%	+114%	-9%	+35%	
Third Party EC site	+34%	+95%	+60%	+27%	+47%	+37%			
Wacoal's Own EC Site	+75%	+88%	+81%	+8%	+16%	+12%			
EC sales total	+52%	+66%	+58%	+35%	+16%	+25%			
Area	America		+19%	+18%	+19%	+124%	+34%	+69%	93%
	Canada		-3%	+11%	+5%	+527%	+127%	+209%	4%
	Other area		-29%	+1%	-13%	+274%	+70%	+113%	3%

		Wacoal America, Inc.		IO
Net sales		108,984	24,199	
Compared to the FY2021 1H		+73%	+36%	
Compared to the FY2020 1H		+17%	+646%	
Operating profit and loss		17,341	-7,198	
(FY2021 1H results)		-29	-8,564	
(FY2020 1H results)		14,306	-1,793	

Brand	FY2020			FY2021			ratio
	1Q	2Q	1H	1Q	2Q	1H	
WACOAL	+10%	+14%	+12%	+125%	+39%	+72%	73%
B.tempt'd	+106%	+49%	+73%	+309%	+37%	+105%	8%
CW-X	+45%	+48%	+46%	+3%	+40%	+17%	1%
LIVELY	-	+212%	+646%	+69%	+5%	+35%	18%

28

## Reference 10: FY2022 1H Overview of Wacoal Europe

**Strong performance due to economic recovery in the key regions of the UK, Europe, and North America**

**Net sales** **¥8.6 billion** YoY +¥4 billion (+87%) \*YoY change in local currency +66%, Vs 2 years ago +¥1.6 billion (+23%)

- Substantial recovery in each region: UK+77% (-2%), N. America +67% (+20%), Europe +48% (+7%)
- \*figures in () represent vs 2 years ago
- Our own EC channel, which started in FY2020, progressed beyond the plan

**Operating income** **¥1.1 billion** YoY +¥1 billion \*YoY change in local currency +£6 million, Vs 2 years ago +¥0.4 billion (+66%)

- Increased profit due to increased sales

			FY2020			FY2021			ratio
			1Q	2Q	1H	1Q	2Q	1H	
Channel	store	Department store	-15%	-12%	-13%	+393%	+26%	+91%	17%
		Specialty store	+9%	+7%	+8%	+127%	+45%	+75%	52%
		Directly Managed Store	-8%	-39%	-23%	-11%	-50%	-32%	4%
	EC sites	Third party EC site/other	+43%	+34%	+39%	+107%	+32%	+64%	27%
Brand	Fantasia		+6%	+5%	+5%	+188%	+47%	+93%	33%
	Freya		+0%	-8%	-4%	+97%	+2%	+38%	22%
	Goddess		+11%	-5%	+3%	+56%	+4%	+25%	5%
	Elomi		+28%	+34%	+31%	+119%	+50%	+77%	28%
	Wacoal		+18%	-12%	+0%	+113%	+22%	+52%	12%
	B.Tempted		-63%	-82%	-73%	+0%	-77%	-55%	0%

	FY2020			FY2021			ratio
	1Q	2Q	1H	1Q	2Q	1H	
UK	-11%	+7%	-2%	+155%	+41%	+77%	32%
Europe	+12%	+2%	+7%	+89%	+22%	+48%	24%
North America	+29%	+10%	+20%	+130%	+26%	+67%	34%
Other	+29%	-7%	+9%	+108%	+22%	+54%	10%

29

## Reference 11: FY2022 1H (Jan - Jun) Overview of Wacoal China

Though sales recovered at physical stores vs the same period last year when they slumped due to COVID-19, EC struggled due to intensifying competition

**Net sales** **¥6.6 billion** YoY +¥2.3 billion (+54%) \*YoY change in local currency +42%, Vs 2 years ago +¥0.5 billion (+8%)

- Effect on sales of stating as total amount is ¥1.2 billion (Japanese currency conversion: YoY +26% on a net basis, vs 2 years ago -12%)
- Store sales recovered, mainly in dept. stores, as a result of being opposite the same period last year which was dealing with greater impacts from the COVID-19 pandemic
- EC struggled due to a worsening competitive environment brought about by the rise of emerging brands

**Operating income** **¥0.4 billion** YoY -¥0.02 billion \*YoY change in local currency -12%, Vs 2 years ago -0.4 billion (-48%)

- Decrease due to the being opposite government support measures in the same period last year, as well as one-time accounting effects

		FY2020			FY2021			ratio
		1 Q	2 Q	1 H	1 Q	2 Q	1 H	
Channel	Department Stores Real·MALL·Outlet	-10%	-6%	-8%	+86%	+9%	+39%	76%
	Agent	-38%	-44%	-41%	+39%	-12%	+8%	3%
	Third party EC site	-10%	-15%	-13%	-12%	-20%	-16%	21%
Brand	Wacoal	-9%	-8%	-9%	+54%	+1%	+22%	85%
	Salute	-3%	+10%	+2%	+93%	+9%	+42%	10%
	ANPHI	+227%	+169%	+196%	-13%	-5%	-10%	1%
	Peach John	-45%	-49%	-47%	+3%	-34%	-19%	4%

30

## Document 12: FY2022 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)

Though the business environment has improved since the same period last year, the impact of COVID-19 remains strong in many countries and regions

**Net sales** **¥2.8 billion** YoY +¥0.7 billion (+34%), Vs 2 years ago -¥0.8 billion (-22%)

- Hong Kong, Singapore, Philippines, India: Though the situation differs by country, sales increased vs the same period last year, which was greatly affected by the spread of COVID-19 infections
- A Tech secured an increase in sales due to steady growth orders, mainly for Tricot fabric (warp-knit fabric)

**Operating income** **¥0.05 billion** YoY -¥0.07 billion, Vs 2 years ago -¥0.4 billion (-90%)

- Return to profitability due to continuing sales recovery and cost reductions

	FY2020			FY2021		
	1 Q	2 Q	1 H	1 Q	2 Q	1 H
Wacoal Hong Kong	- 4%	+11%	+4%	+28%	+22%	+24%
Singapore	- 26%	- 16%	- 21%	+321%	- 17%	+34%
Philippines	- 42%	- 37%	- 40%	+365%	+53%	+137%
India	- 27%	+44%	+15%	+426%	+163%	+203%
A-Tech	- 16%	- 20%	- 18%	- 5%	+91%	+28%
G-Tech	- 63%	- 55%	- 59%	- 52%	+18%	- 30%

31



## Document 13: FY2022 1H Overview of Peach John

Though EC is below the level for the same period last year when it grew, stores are performing well. Operating income also cleared a high level

**Net sales** **¥6.2 billion** YoY +¥0.1 billion (+2%) Vs 2 years ago +¥0.3 billion (+5%)

- Though stores slowed from July due to an increase in COVID-19 infections, sales increased due to the sales recovery in 1Q
- Sales via our own EC declined due to the high hurdle set in the same period last year when "stay-at-home demand" increased rapidly

**Operating income** **¥1.1 billion** YoY +¥0.04 billion (+4%) Vs 2 years ago +¥1 billion

- Increase due to higher sales and the curtailment of sales promotion expenses

		FY2020			FY2021			ratio
		1Q	2Q	1H	1Q	2Q	1H	
Japan	Mail-order	+40%	+20%	+29%	-17%	-11%	-14%	49%
	Store	-13%	-8%	-11%	+91%	-5%	+23%	39%
	Other	+22%	+50%	+36%	-11%	+14%	+1%	12%

		FY2020			FY2021		
		1Q	2Q	1H	1Q	2Q	1H
Overseas ★	Hong Kong	-34%	-10%	-24%	-7%	+1%	-3%
	Taiwan (stores+EC)	-33%	-18%	-26%	-23%	-16%	-19%
	Shanghai-Beijing etc (Directly Managed Store)	-53%	-68%	-61%	+25%	-42%	-16%
	Shanghai-Beijing etc (Third party EC site)	-44%	-32%	-38%	-2%	-22%	-14%
	Shanghai-Beijing etc total	-47%	-45%	-46%	+5%	-27%	-14%

★ 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 September.)

32

## Document 14: FY2022 1H Overview of Domestic Subsidiaries (Lecien, Nanasai, Ai)

**Lecien: Due to sluggish sales of PB products to clients, the deficit widened despite efforts to reduce costs**

**Net sales** **¥1.75 billion** YoY -¥0.67 billion (-28%) Vs 2 years ago -¥1.23 billion (-41%)

**Operating loss** **-¥0.15 billion** YoY -¥0.25 billion Vs 2 years ago -¥0.02 billion

	FY2020			FY2021			ratio
	1Q	2Q	1H	1Q	2Q	1H	
Innerwear	-23%	-35%	-29%	+2%	-31%	-17%	76%
Embroidery	+10%	-2%	+4%	+8%	-14%	-4%	15%
Lace	-22%	-72%	-67%	+25%	-36%	-26%	9%

**Nanasai: Construction orders decreased significantly due to clients postponing and reviewing new store openings/remodeling because of the spread of COVID-19**

**Net sales** **¥2.52 billion** YoY -¥0.32 billion (-11%) Vs 2 years ago -¥2.08 billion (-45%)

**Operating loss** **-¥0.22 billion** YoY -¥0.02 billion Vs 2 years ago -¥0.41 billion

	FY2020			FY2021			ratio
	1Q	2Q	1H	1Q	2Q	1H	
Rental and lease	-37%	-31%	-34%	+11%	-6%	+1%	24%
Production sales	-30%	-23%	-26%	+16%	-15%	-3%	21%
Construction	-49%	-58%	-54%	-14%	-15%	-14%	55%

**Ai: Demand for resort wear decreased significantly due to the spread of COVID-19, but the deficit was narrowed via cost reductions**

**Net sales** **¥1.15 billion** YoY -¥0.13 billion (+13%) Vs 2 years ago -¥1.45 billion (-56%)

**Operating loss** **-¥0.16 billion** YoY +¥0.14 billion Vs 2 years ago -¥0.18 billion

	FY2020			FY2021			ratio
	1Q	2Q	1H	1Q	2Q	1H	
Resort wear	-76%	-59%	-64%	+20%	+35%	+32%	62%
Innerwear	-21%	-24%	-23%	+25%	-23%	-6%	38%

33

## Reference 15: FY2022 Full-year Plan

[Exchange rate]	USD	GBP	CNY
	108.00	150.00	16.50

(Millions of yen)

	FY2020 results		FY2021 results		FY2022 plan		Compared to the FY2020		Compared to the FY2021	
		% Of sale		% Of sales		% Of sale	Change	% Change	Change	% Change
Consolidated net sales	186,760	—	152,204	—	184,000	—	- 2,760	- 1.5%	31,796	+20.9%
Cost of Sales	84,959	45.5	67,798	44.5	80,000	43.5	- 4,959	- 5.8%	12,202	+18.0%
Sales profit	101,801	54.5	84,406	55.5	104,000	56.5	2,199	+2.2%	19,594	+23.2%
S, G&A Expenses	94,696	50.7	82,836	54.4	98,000	53.3	3,304	+3.5%	15,164	+18.3%
Impairment charges on goodwill and other intangible assets (A)	473	0.3	2,685	1.8	—	—	—	—	—	—
Operating Income	6,632	3.6	- 1,115	—	6,000	3.3	- 632	—	7,115	- 638.1%
Other income (expenses)	1,487	0.8	1,517	1.0	1,900	1.0	413	+27.8%	383	+25.2%
Valuation gain (loss) on marketable securities and investments – net(B)	- 3,760	—	10,390	6.8	—	—	3,760	—	- 10,390	—
Income before taxes	4,359	2.3	10,792	7.1	7,900	4.3	3,541	+81.2%	- 2,892	- 26.8%
Net income attributable to Wacoal Holdings Corp.	3,472	1.9	7,025	4.6	5,500	3.0	2,028	+58.4%	- 1,525	- 21.7%
Reference figure: operating income not taking into account A	7,105	3.8	1,570	1.0	6,000	3.3	- 1,105	- 15.6%	4,430	+282.2%
Reference figure: Income before income taxes and equity in net income of affiliated companies not taking into account A,B	8,592	4.6	3,087	2.0	7,900	4.3	- 692	- 8.1%	4,813	+155.9%

34

## Reference 16: FY2022 Full-year Plan (By Segment)

[Exchange rate]	USD	GBP	CNY
	108.00	150.00	16.50

(Millions of yen)

	FY2020 results		FY2021 results		FY2022 plan		Compared to the FY2020		Compared to the FY2021	
		ratio		ratio		ratio	Change	% Change	Change	% Change
Wacoal Business (Japan)	106,112	56.8	86,133	56.6	99,300	54.0	-6,812	- 6.4%	13,167	+15.3%
Wacoal Business (Overseas)	49,808	26.7	41,355	27.2	57,250	31.1	7,442	+14.9%	15,895	+38.4%
Peach John Business	11,224	6.0	12,200	8.0	12,500	6.8	1,276	+11.4%	300	+2.5%
Other Businesses	19,616	10.5	12,516	8.2	14,950	8.1	-4,666	- 23.8%	2,434	+19.4%
Consolidated net sales	186,760	100	152,204	100	184,000	100	-2,760	- 1.5%	31,796	+20.9%

	FY2020 results		FY2021 results		FY2022 plan		Compared to the FY2020		Compared to the FY2021	
		% Of sales		% Of sales		% Of sales	Change	% Change	Change	% Change
Wacoal Business (Japan)	6,083	5.7	627	0.7	4,000	4.0	-2,083	- 34.2%	3,373	+538.0%
Wacoal Business (Overseas)	1,493	3.0	-2,603	—	1,140	2.0	-353	- 23.6%	3,743	—
Peach John Business	-351	—	1,591	13.0	1,100	8.8	1,451	—	-491	- 30.9%
Other Businesses	-593	—	-730	—	-240	—	353	—	490	—
Operating Income ( loss )	6,632	3.6	-1,115	—	6,000	—	-632	- 9.5%	7,115	—

35

## Reference 17: FY2022 Full-year Plan (Major Subsidiaries)

[Exchange rate]	USD	GBP	CNY
	108.00	150.00	16.50

(Millions of yen)

		Net Sales								Operating income ( loss )							
		FY2020 result	FY2021 result	FY2022 plan	Compared to the FY2020		Compared to the FY2021		FY2020 result	FY2021 result	FY2022 plan	Compared to the FY2020		Compared to the FY2021			
					Change	% Change	Change	% Change				Change	% Change	Change	% Change		
Wacoal Business (Japan)	Wacoal	99,224	79,877	91,548	- 7,676	- 7.7%	11,671	+14.6%	3,140	- 2,022	3,600	460	+14.6%	5,622	-		
Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	19,194	17,649	23,009	3,815	+19.9%	5,360	+30.4%	401	- 914	108	- 293	- 73.1%	1,022	-		
	Wacoal Europe Ltd.	12,988	9,896	14,188	1,200	+9.2%	4,292	+43.4%	1,007	666	642	- 365	- 36.2%	- 24	- 3.6%		
	Wacoal China Co., Ltd.	10,337	8,755	13,367	3,030	+29.3%	4,612	+52.7%	923	625	759	- 164	- 17.8%	134	+21.4%		
Peach John Businesses		11,224	12,200	12,500	1,276	+11.4%	300	+2.5%	- 351	1,591	1,100	1,451	-	- 491	- 30.9%		
Other Businesses	Lecien	5,760	4,614	5,300	- 460	- 8.0%	686	+14.9%	- 478	221	124	602	-	- 97	- 43.9%		
	Nanasai	8,718	5,312	6,300	- 2,418	- 27.7%	988	+18.6%	218	- 358	- 250	- 468	-	108	-		
	A i	3,597	1,700	2,636	- 961	- 26.7%	936	+55.1%	- 269	- 613	3	272	-	616	-		

### Major Overseas Subsidiaries ( Local Currency Basis )

Wacoal International Corp. (U.S.)	176,508	166,402	213,042	36,534	+20.7%	46,640	+28.0%	3,694	- 8,621	1,000	- 2,694	- 72.9%	9,621	-	(USD'000)
Wacoal Europe Ltd.	93,954	71,360	94,589	635	+0.7%	23,229	+32.6%	7,290	4,796	4,279	- 3,011	- 41.3%	- 517	- 10.8%	(GBP'000)
Wacoal China Co., Ltd.	655,073	565,585	810,100	155,027	+23.7%	244,515	+43.2%	58,468	40,246	46,000	- 12,468	- 21.3%	5,754	+14.3%	(CNY'000)

36

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