

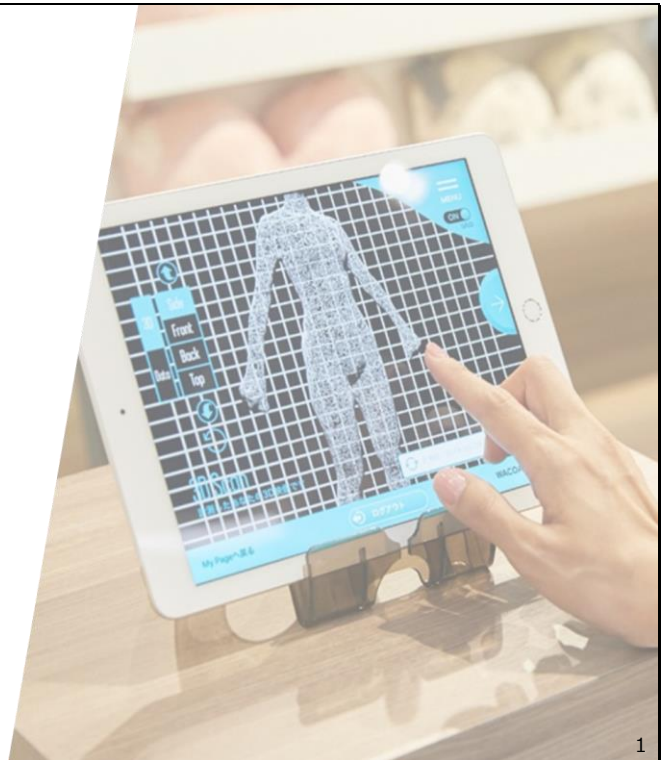
Presentation on Business Results
in Second Quarter of
Fiscal Year Ending March 31, 2022

Wacoal's Initiatives in FY2022 and Review of 1H

Tomoyasu Ito

Director, Vice President and Corporate Officer;
Representative Director, President and Corporate
Officer of Wacoal Corp.

November 11, 2021



[Speaker]

Tomoyasu Ito

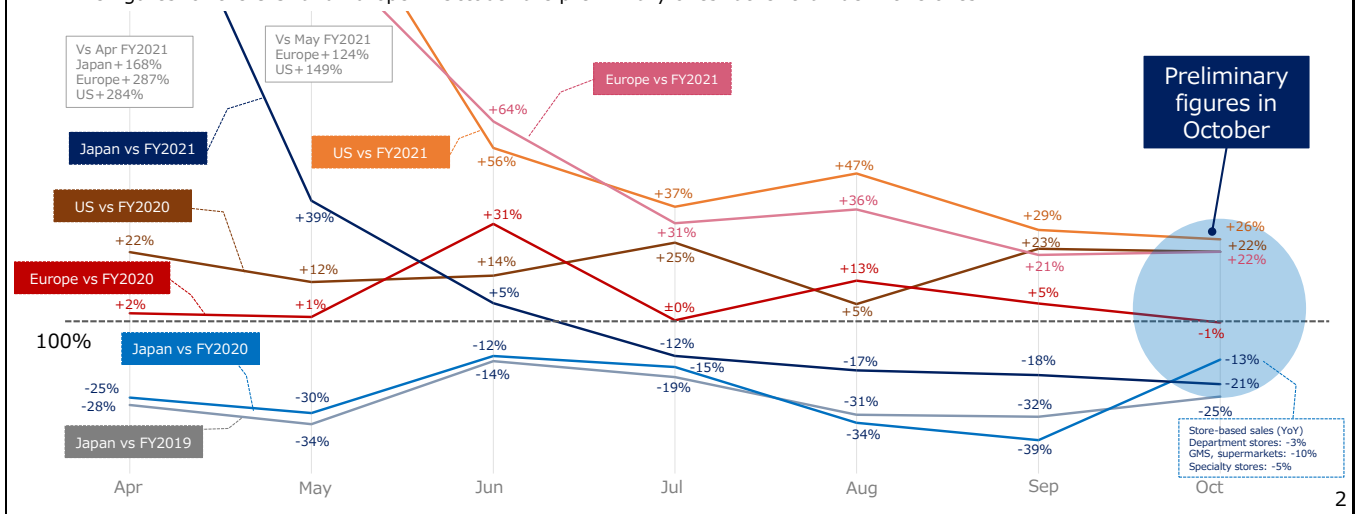
Director, Vice President and Corporate Officer;

Representative Director, President and Corporate Officer of Wacoal Corp.

Review of 1H of FY2022

The easing of restrictions concerning coronavirus infection (hereafter "COVID-19") has led to a significant improvement in business conditions in the United States and Europe. However, the domestic market has remained extremely sluggish. In October, the environment for domestic business gradually improved.

*The figures for the U.S. and Europe in October are preliminary ones rather than definitive ones.



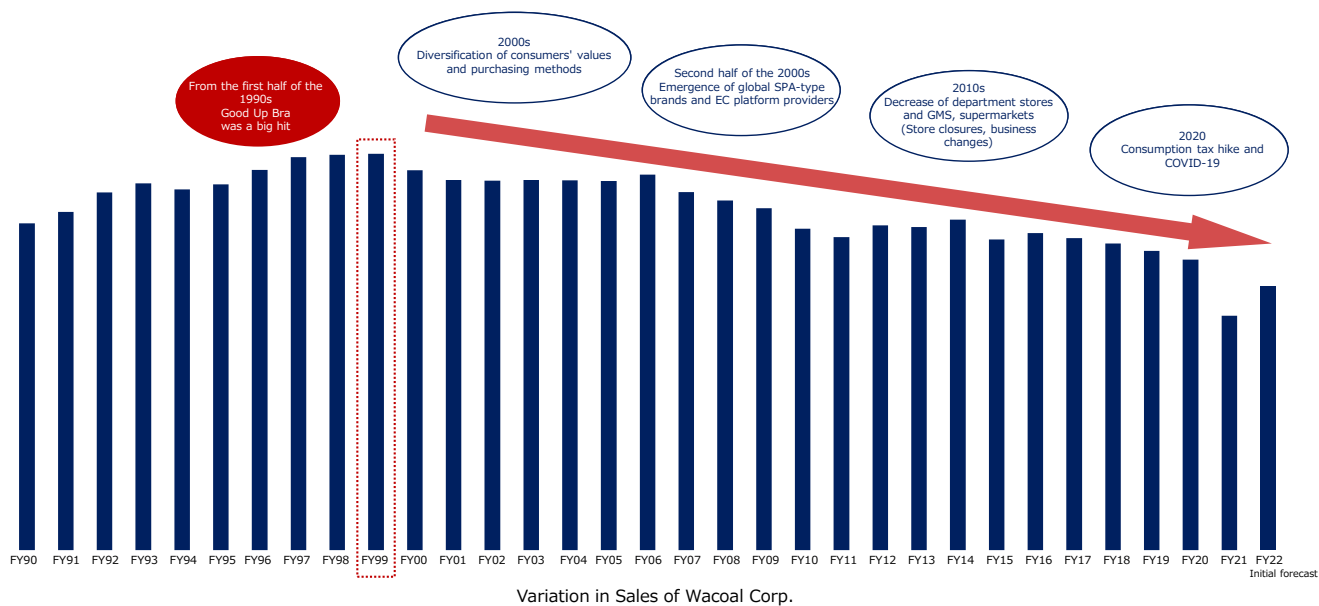
Ito: I am Ito, President and Representative Director of Wacoal Corporation. I would like to review the first half of the current year and also would like to share Wacoal's current initiatives and progress for the fiscal year ending March 2022.

Please refer to page 2. As you may heard earlier, we had a very difficult time in the first half of this fiscal year due to the prolonged effects of the pandemic in Japan; however, since the emergency declaration was lifted in October, we have seen a gradual recovery in over-the-counter sales.

However, sales itself remained at a low level due to the impact of inventory control issues of our business partners, plus the delay in product delivery caused by the suspension of various operations at Wacoal in Vietnam. The Vietnam plant has already resumed its operation, and we believe that the impact will be gradually mitigated, but we will continue to control costs appropriately to the situation.

Challenges facing Wacoal (Japan) over the long term

- Continued decline in the top line due to delays in responding to changes in the distribution environment



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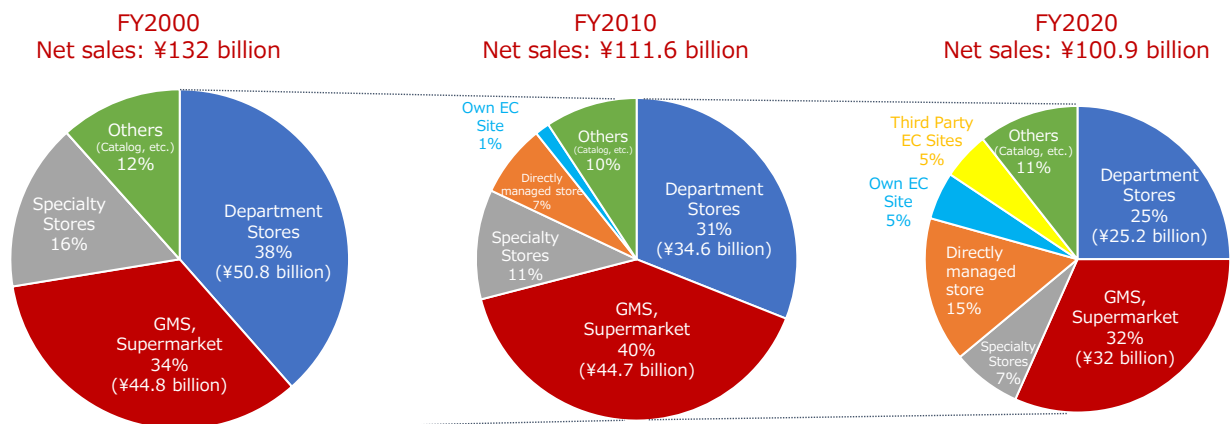
In fact, we had been facing various challenges in Japan even before the outbreak, and we were struggling to recover our business performance. In the next and subsequent pages, I would like to explain the issues that Wacoal Japan must now resolve in order to achieve future growth, taking into account our past achievements.

Please refer to page 3. This graph shows the trend of sales for the past 30 years.

As the graph shows, after the fiscal year ended March 31, 1999, the revenue trend shifted to a downward trend. There is more than one reason for the decline in sales. As mentioned above, we were unable to respond flexibly to changes in consumers' sense of values and purchasing behavior, as well as to changes in the competitive environment, the decrease in the number of stores of our customers, and other complex changes in the external environment.

Challenges facing Wacoal (Japan) over the long term

- Directly managed stores and e-commerce grew, but not enough to compensate for the decline in sales in the wholesale channel.



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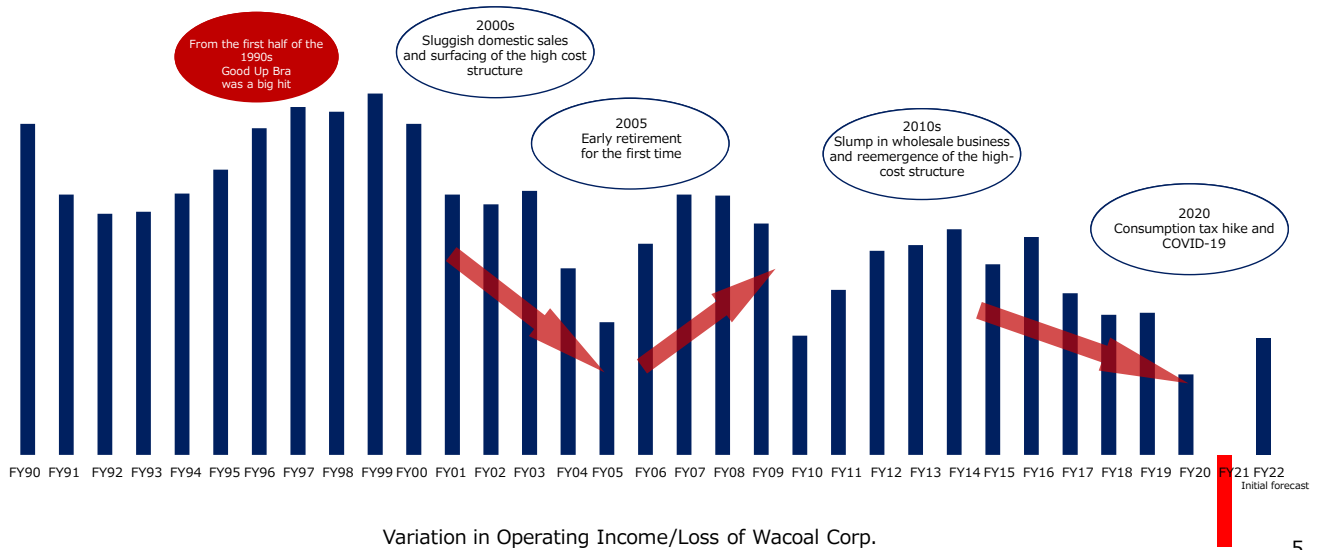
Page 4. This section shows the sales composition ratio by channel for the most recent 10 years.

The main point is shown on pie charts on the left and right. Comparing the fiscal year ended March 2000 with the fiscal year ending March 2020, sales from the department stores and big box retailers who are our major business partners, has decreased by nearly JPY40 billion over the past 20 years. The composition ratio has also decreased from 72% to 57%.

On the other hand, directly managed stores and ecommerce site stores are growing steadily. However, we have not gained positive sales to absorb the decline in revenue from the major channels.

Challenges facing Wacoal (Japan) over the long term

- The "high cost structure" issue reappears as the wholesale business slows down.
- Decline in operating income per capita

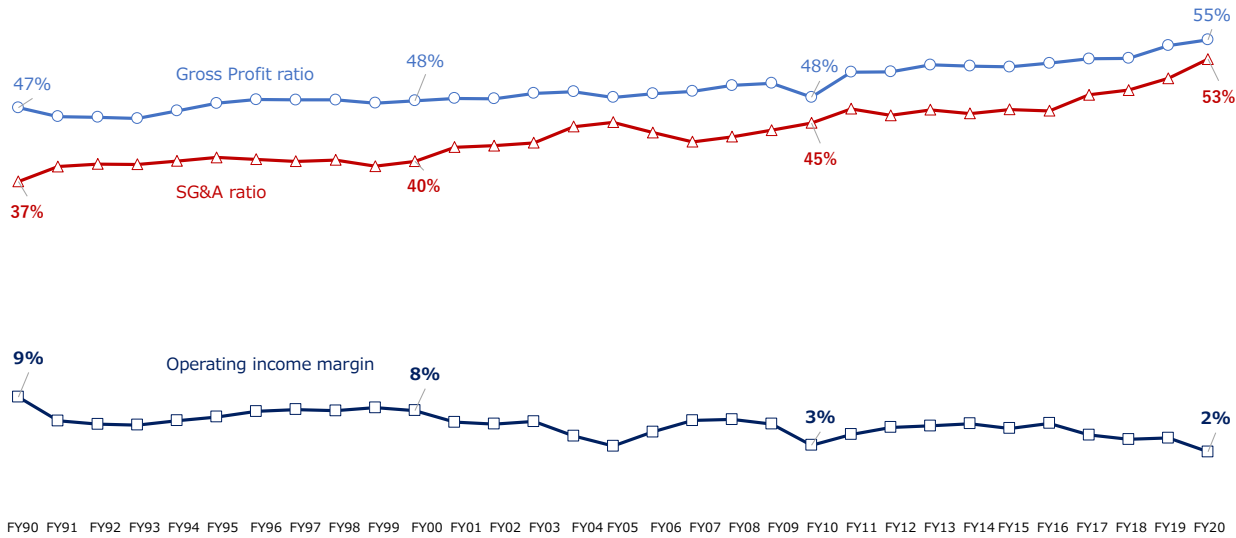


Please refer to page 5. This graph shows the trend of operating income for the past 30 years.

Wacoal's profit structure is characterized by a high gross profit margin of over 50%, while its business model requires high volume of manpower, which translates to high labor and fixed costs. This has led to the issue of high-cost structure after the decline in sales since March 1999.

Although we temporarily lowered the personnel cost ratio by implementing early retirement for the first time in 2005, this high-cost structure has again become a major issue in the second half of the year as a result of the continued decline in revenue and the sudden drop in sales due to the coronavirus.

(Reference 1) Changes in the profit structure



Please refer to page 6. The following table shows the changes in our profit structure over the past 30 years for your reference.

The gross profit margin has been increasing through the improvement of the overseas production ratio, limits in clearance, and inventory optimization, but you can see that the SG&A ratio remains high.

Wacoal (Japan)'s long-term challenge is to acquire "the ability to respond to change."

In order to achieve renewed growth, it is necessary to evolve into a resilient organization by implementing growth strategies that leverage Wacoal's unique strengths and promoting steady structural reforms to reduce cost.

(Efforts have begun since the current medium-term management plan, but further speeding up is necessary due to the impact of COVID-19)

Initiatives for FY2022 to achieve renewed growth and a highly profitable structure

Promotion of CX strategy

- Digitalization and personalization
- Value chain reform from the perspective of customers
- Implementation of a new brand strategy

Cost structure reform

- Promotion of staffing plan management
- Implementation of efficient marketing strategies

Promoting Sustainability

- Re-identification of key issues for business growth
- Strengthening of measures for dealing with the issues of human rights and the environments

Please continue on to page 7.

To summarize Wacoal's goals, the major issues can be found in the low growth of new channels and high-cost structure. In order to resolve these issues and get back on a growth track, we believe that we need to transform ourselves into an organization that can earn solid profits even in an ever-changing business terrain by implementing growth strategies and implementing cost structures such as personnel planning, while promoting unique attributes of Wacoal.

3 main strategies we picked are promotion of CX strategy, cost structure reform, and promotion of sustainability. I will explain each of the initiatives on the next page.

Promotion of CX strategy

- Digitalization and personalization
- Value chain reform from the perspective of customers
- Implementation of a new brand strategy

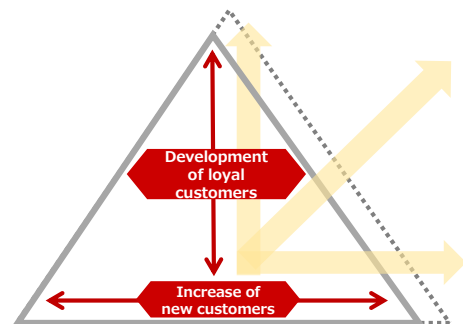
8

Please refer to page 8. First, I would like to explain our growth strategy. We are working on a CX strategy to expand sales and improve productivity. First, let me explain our CX strategy.

CX strategy

Building "deep, broad, and long" relationships with customers by improving the value of customer experience and creating a stress-free purchasing environment

"Increase of new customers" x "Development of loyal customers"
= LTV expansion (maximization of the customer pyramid)



"Increase of new customers" x "Development of loyal customers"

A new approach to customers

Digitalization
and personalization



Transformation into a highly effective organization

Value chain reform from the perspective of customers



Rethinking of the value to offer

Implementation of a new brand strategy



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Please refer to page 9. Our CX strategy is to build a deep, broad, and long relationship between customers and Wacoal through customer experience with Wacoal, to increase the number of new customers, and to develop loyal customers, which will lead to Wacoal's unique growth strategy while aiming to improve LTV.

As you can see at the bottom of the page, we will focus on 3 specific initiatives: digitalization and personalization, reform of the customer-driven value chain, and implementation of a new brand strategy.

A new approach to customers

To increase contact points with new customers, strengthen relationships with existing customers, and improve efficiency of store operations through digitalization and personalization initiatives

Issues with conventional approaches

- Contacting customers from the clients' point of origin
- Increase of customers who feel stressed by existing services
- Store operations are mainly manual and inefficient.

Sales staff provide face-to-face customer services.

Contact points with customers for each channel/store

Department Stores GMS, supermarkets Specialty stores Directly managed stores

Customer data are fragmented among business sections.

Wholesale Business Division Retail Operation Division

Creation of new products and businesses based on personalization data

Increasing loyal customers

Attracting the young generation

Maximizing sales opportunities

Provision of personalized customer services and evolution of communication

Innovation of in-store services based on digital technology and cross-channel contact points with customers

New Customer Service

Personalized apps

3D body scanner

AI/avatar-based customer service

New Store Management

Digitization of customer records

Customer service tablet

Customer information

Product information

Stock information

Company-wide database integration

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The explanation starts on the next page. Please refer to page 10. First, let me define digitalization and personalization.

As shown on the left side of this page, Wacoal has until now been in contact with customers mainly through stores specific to channels. However, as the times have changed, customers have begun to use multiple channels, both online and offline, and their demands for in-store purchases have become more diverse. For example, it became an increasing focus to build a system that enables one-on-one customer communications, that allows customers to purchase products that fit their body measurement without speaking to a salesperson.

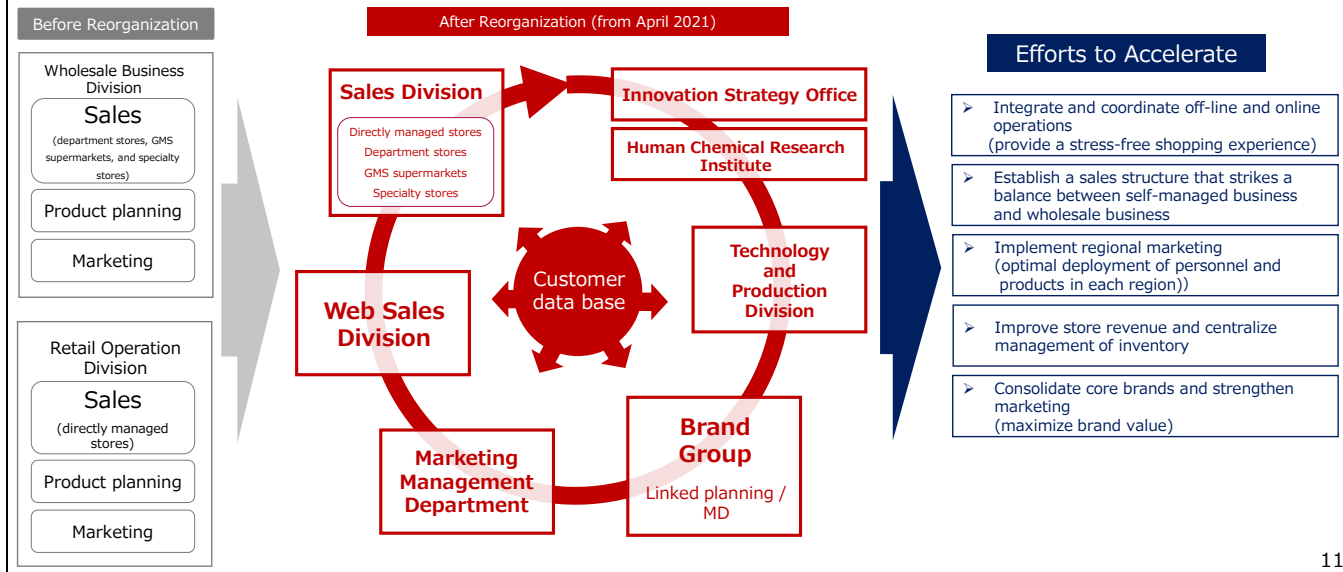
Therefore, we plan on integrating customer data across the entire Company. We also aim to strengthen our ability to provide personalized customer service focusing on individuals, by directly understanding the purchasing behavior of each customer across channels.

At the same time, we will use digital technology to innovate our stores themselves, to expand new points of contact with customers who have not had contact with Wacoal before, and to improve the efficiency of store operations themselves.

This approach to digitalization and personalization has produced some results even during the pandemic. In addition, the know-how and data accumulated through these efforts are gradually beginning to be utilized in the next step.

Transformation into a highly effective organization

- To accelerate the pace of CX strategy and improve its effectiveness through value chain reforms from the perspective of customers
- To optimize the allocation of personnel and products by area, enhance product planning, and improve marketing efficiency



Now, please look at page 11. In this section, I would like to explain how we reformed the value chain from the customer's perspective.

Our basic idea is to enhance the functions of sales, manufacturing, and marketing, as well as our value-added functions, so that Wacoal can work together to address the various issues that our customers have, as I explained earlier.

As you can see on the left side of this page, for a long time Wacoal has operated its business under a channel-based organizational structure. However, this 2021, we have started reorganization as of April 1, the start of this fiscal year. The new organization will consolidate the sales organizations that had been decentralized by channel and optimize the sales structure, including product and personnel composition, on an area basis.

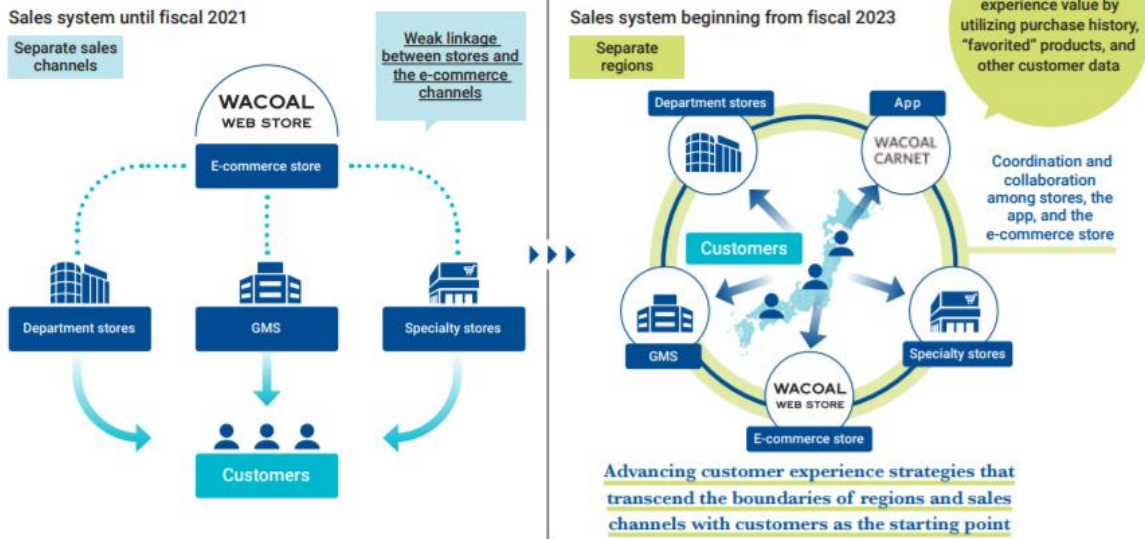
In the area of product planning and marketing, we have also integrated our organizations with the aim of maximizing the value provided by our brands and improving operational efficiency.

In addition to the Sales Division, Brand Group, and Marketing Division, the Web Sales Division, the Human Science Research Institute, and the Technology and Production Division will all use customer data as a starting point for upgrading their operations.

With regard to increasingly complex and diverse social issues and customer improvements, we aim to transform ourselves into an organizational entity that shares information throughout our supply chain and works to resolve issues while directly confronting both Wacoal and our customers.

(Reference 2)

Restructuring of the sales system from the perspective of customers and implementation of area marketing

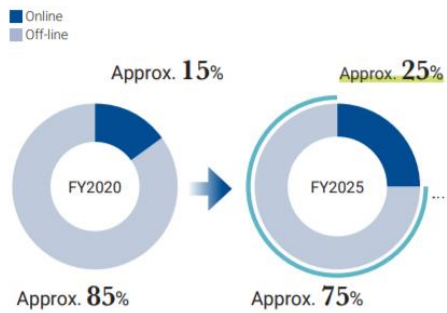


Page 12. For reference, this is an image of the difference between the sales system by area that I just explained and what we have done so far. In the area-based system, we will remove the framework of sales channels and place product brands and contact points with the customer at the center.

(Reference 3)

Shift to self-managed business through collaboration and integration of online and offline activities

Have online operations account for **25%** of net sales, and have directly managed stores account for **40%** of the off-line portion



Business model	Channel	Ratio	
		FY2020	FY2025 target
Off-line	Self-managed business (Including tenant store openings in department stores)	Approx. 20%	Approx. 40%
	Wholesale business	Approx. 80%	Approx. 60%
Department stores			
GMS supermarkets			
	Specialty stores		

Please refer to page 13. For your reference, this is the KPI for the transition to self-managed business in 2020, which is the major direction for the future that I explained in July last year. We hope that this reorganization will contribute to the progress of the project.

Rethinking of the value to offer

Implementing a new brand strategy with the aim to provide value for each customer segment rather than for each channel

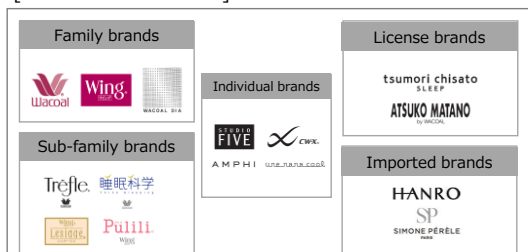
- Consolidation of brands to adapt to distribution changes, strengthening of brand marketing, and maximization of return on investment

Issues with conventional brand development

- Channel-driven brand structure
- There are customers who cannot be contacted in some areas
- Increase in sales promotion costs due to the increase of brands

Contact points with customers for each brand based on the sales channel

[Main brands we offer]



56 brands (Spring/summer in 2019)

New brand development

Contact points with customers via core brands

9 core brands



Constituent brands

22 brands

License brands

3 brands

Imported brands

3 brands

37 brands (Fall/winter in 2021)

14

Please refer to page 14. In this section, we will discuss the implementation of the new brand strategy.

Up until now, Wacoal has operated its brands according to the sales channels that I have already explained. However, reviewing changes in distributions and retailing models, as well as changes in customer purchasing behavior, a variety of issues came up to prevent us from moving forward with borderless sales model, online or offline.

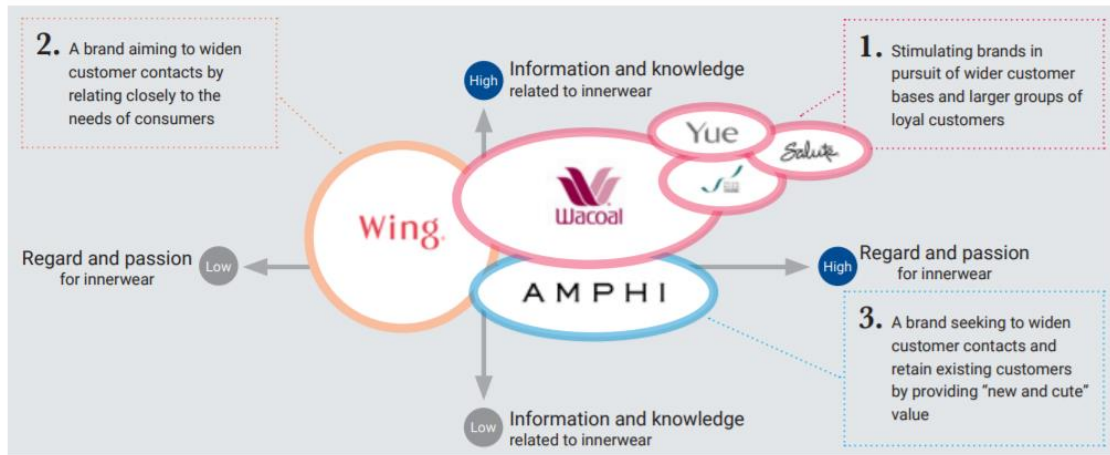
For example, in ecommerce, the difficulty in selecting products is becoming more and more apparent. As a result of the deployment of brands by channel, the EC sites that handle all the brands have a very wide range of brand deployment, making it difficult to select products that would make it difficult for people to choose what is best for them.

Also, in some cities, as sales channels change, some brands or products became inaccessible for some customers, which we have never anticipated. In order to resolve these issues, we have narrowed down our brand strategy to the 9 core brands listed in the middle right-hand corner of this page, which we need to nurture, and we will concentrate our management resources on them. By concentrating management resources on these brands, we aim to maximize the value provided by the brands.

In addition to redefining the significance of the existence of the brands we develop, we are working to establish such a brand system that can flexibly respond to changes in customers for seamless actions regardless of channels, such as real stores and ecommerce, renewing the product mix as well.

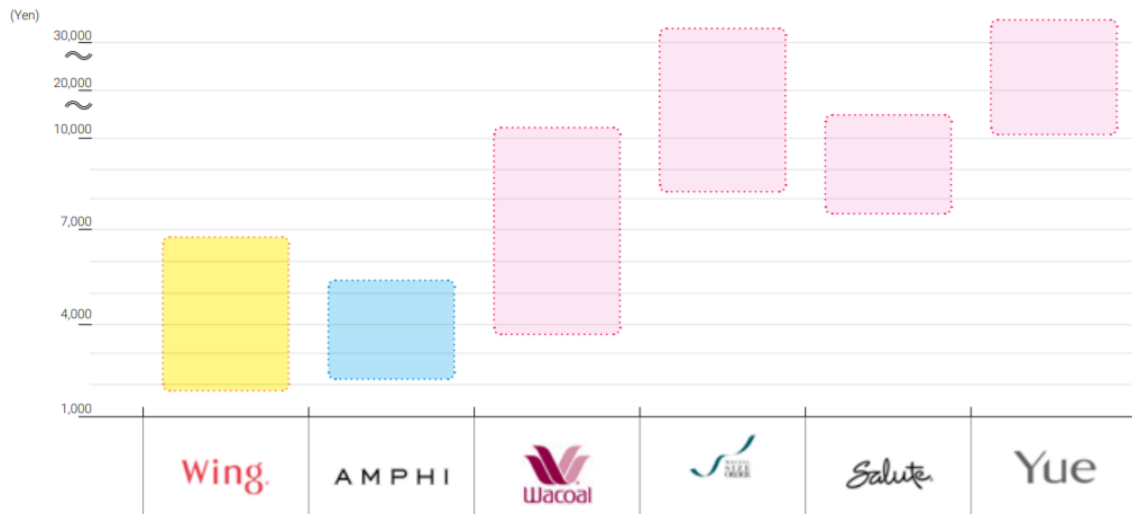
Taking into account the constituent brands included in the 9 core brands, the number of Wacoal brands has been reduced by about 30% from 2 years ago.

(Reference 4) Strengthened points of core brands of innerwear



Please refer to page 15. The table below shows the points to be strengthened for the core brands, but we would like to strengthen the Wing brand and AMPHI brand, which are used in daily life, as well as the prestige line, in order to increase new customers and LTV.

(Reference 5) Price range of bras of core brands



Please refer to page 16. For your reference, I have organized the price range of the core bras of the core brands of inner wear, and I hope you will check it later.

Cost structure reform

- Promotion of staffing plan management
- Implementation of efficient marketing strategies

Even if it takes time for sales to recover and for the Company grow in the midst of rapid changes in the business environment, we aim to change our business structure to the one that can secure higher profitability than before (to be continued in the next medium-term management plan).

KPIs for FY2022 (vs. the existing business in FY2020)

Improvement in store profitability	Optimization of personnel costs	Optimization of other expenses	Improvement in profit on sales
<ul style="list-style-type: none">➤ Shift to self-managed stores➤ Redesigning the sales floor environment (From multiple floors to a centralized sales floor)➤ Reassessment of transaction terms, etc. (Revision of ratio of wholesale price to retail price, adoption of a new personnel structure and a new store manager system)	<p>About ¥2 billion</p> <p>Effect of personnel cost control through staffing plan management: ¥5 billion by FY2024</p>	<p>About ¥2 billion</p> <p>Amount of reduction excluding investment for growth</p>	<ul style="list-style-type: none">➤ Brand consolidation and product lineup reduction➤ Reduction of inventory, curtailment of write-downs through the decrease of returns, etc.

17

Please refer to page 17. I would now like to explain the cost structure reform. In the area of cost structure reform, we will aim to change our business structure to one that can secure higher profitability than before, despite the extremely changing business environment.

As mentioned earlier, we are aiming to improve store earnings, optimize personnel expenses, optimize other general expenses, and improve profit on sales in 4 areas. We are aiming to reduce personnel costs and other expenses by approximately JPY2 billion compared to the fiscal year ending March 2020.

Promoting Sustainability

- Re-identification of key issues for business growth
- Strengthening of measures for dealing with the issues of human rights and the environments

Changes in the environment surrounding the Wacoal Group
(changes in the recognition of sustainability)

- Worsening of global environmental problems
 - Stagnation of business activities due to the increased frequency of abnormal weather caused by global warming
 - Contribution to the Paris Agreement and the Japanese government's declaration of carbon neutrality
- Changes in the supply chain
 - Rise in awareness of human rights and environmental issues in the supply chain
 - Addressing supply chain issues became a corporate responsibility.
- The generation that practices new consumer behaviors
 - The contribution to solving social issues such as the SDGs determines consumption behavior (corporate selection).

18

Please refer to page 18. I would like to explain the third initiative, the promotion of sustainability.

As I have already explained, the environment surrounding the Wacoal Group is undergoing major changes. In particular, there has been a noticeable change in the perception of sustainability. We will continue to strengthen our efforts to address ESG issues, including climate change, based on the recognition that addressing these issues is an important management issue that not only reduces risk but also leads to profit opportunities.

In order to achieve both a sustainable society and business growth, our group is currently focusing on ESG management as a pillar of our long-term strategy, and we have had many internal discussions on this topic.

Environmental goals for 2030

In-house emissions "Zero"

Aiming to reduce our own emissions to zero, we are gradually switching to renewable energy sources.
(Target: Domestic business)

Product disposal "Zero"

To reduce the ratio of product disposal from 1% to zero. In addition, we are promoting initiatives to reduce the disposal of waste materials at our plants.
(Target: Wacoal Corp.)

Environmentally friendly materials "50%"

To increase the percentage of environmentally friendly materials used to "50%"
(Target: Wacoal Corp.)

- Targets for reducing greenhouse gas emissions in the supply chain will be disclosed in the spring of 2022.
- Long-term targets for environmental activities toward 2050 will be disclosed in the spring of 2022.
- As for overseas business initiatives, we will start with a survey of our own emissions, and set targets as the timing allows.

Please refer to page 19. This is an introduction to Wacoal's environmental activities in Japan toward 2030, which were recently announced.

We will aim to reduce our own emissions from domestic business sites to zero. Then, we decided to gradually switch to renewable energy.

Secondly, we will continue our efforts to reduce product disposal to zero. At the same time, we will continue to strengthen our efforts to reduce the disposal of leftover materials at our plants. For Wacoal, the product disposal rate is currently 1%, which is probably low for the industry, but we would like to further reduce this level.

Thirdly, we would like to challenge ourselves to increase the percentage of environmentally friendly materials used to 50%. We have decided to promote environmentally friendly business activities by increasing the use of recycled fibers, such as organically grown cotton and rayon, and recycled paper to 50%.

These are our mid-term environmental targets, but we are currently working on targets for overseas. I will let you know as soon as it is decided.

Survey on Greenhouse Gas Emissions in the Supply Chain

- First calculation of greenhouse gas emissions (Scope 3) for the entire supply chain of the Wacoal business (in Japan), in order to promote efforts to realize a decarbonized society and further ensure the reduction of greenhouse gas emissions in the supply chain
- Responded for the first time at the end of July 2021 to the Climate Change Questionnaire of CDP, an international non-profit organization, in order to promote disclosure of information on climate change initiatives.
- Wacoal business (Japan) emitted **approximately 340,000 tons** in the supply chain. Based on these results, the Company will discuss emission reduction targets for the supply chain and plan to set them during the current fiscal year (year covered by the survey: FY2020).

20

Please continue on to page 20. Next, I would like to report on the survey of greenhouse gas emissions in the supply chain.

In order to further ensure our efforts to realize a decarbonized society, we have calculated for the first time the amount of greenhouse gas emissions in the entire supply chain of the Wacoal business in Japan, the so-called Scope 3.

To promote the disclosure of information on climate change initiatives, we also responded for the first time in July this year to the Climate Change Questionnaire of CDP, an international non-profit organization. The entire supply chain emitted 340,000 tons.

We are currently studying the reduction of emission targets in the supply chain, and we hope to disclose the reduction targets and processes to some extent in the next mid-term plan next spring.

Review of 1H

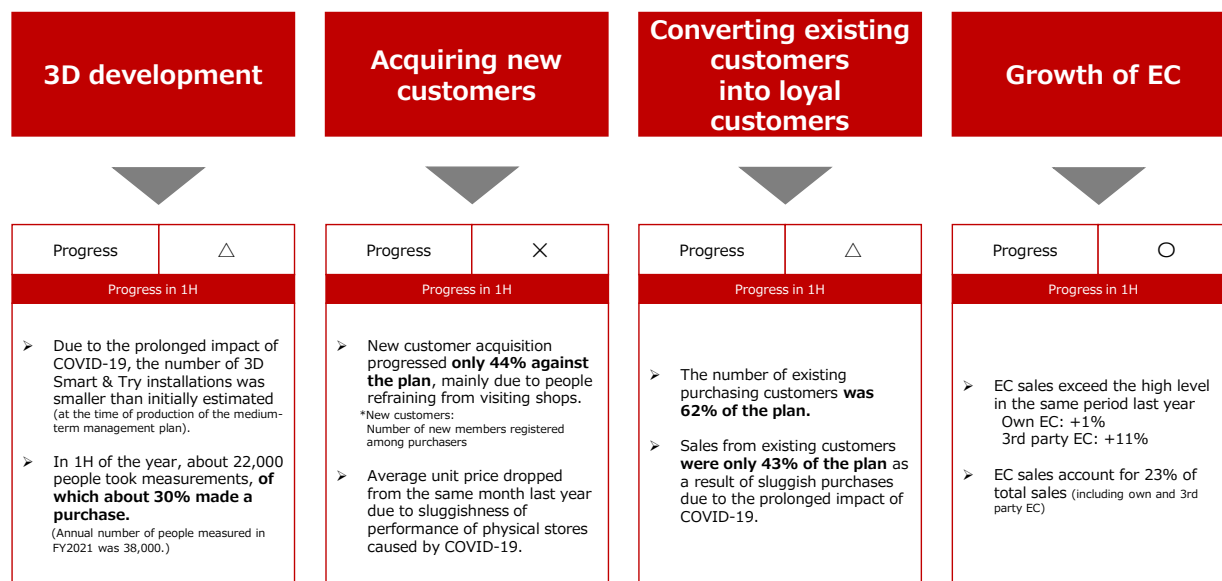


YUE, a new brand launched in the fall/winter season of 2021

Please refer to page 21. Lastly, I would like to explain the progress of our strategy in the first half of the fiscal year.

Progress of CX strategy

- Existing purchasing customers increased, but we struggled to acquire new customers.



22

Please see page 22. The progress of the CX strategy is as follows.

With regard to 3D, the number of installed units is lower than initially planned due to changes in various investment plan changes by business partners under pandemic, but the number of users exceeded 20,000 in the first half of this year.

Of these, about 30% of those who took the measurements ended up purchasing products, and about 90% or 80% are our new customers. Despite the pandemic impact, CX turned out to be effective.

The second factor, the acquisition of new customers, has increased compared to the previous fiscal year, but we feel that coronavirus influenced the results. The coronavirus impacted our promotion activities; as a result, we have fallen a little short of our plan here.

On the other hand, we have been making good progress in engaging with our loyal customers via our stores.

As for the growth of EC, as I explained earlier, we overcame the high hurdle we saw the previous year and are making good progress.

Progress of cost structure reform

➤ Cost structure reforms are progressing as planned

Optimization of personnel costs	Optimization of other expenses	Improvement of store profitability	Brand and lineup consolidation
▼	▼	▼	▼
Progress ○	Progress ○	Progress ○	Progress ○
Progress in 1H	Progress in 1H	Progress in 1H	➤ Progress in 1H
<ul style="list-style-type: none"> ➤ Reduction of approximately ¥2 billion from 1H of FY2020 due to progress of the staffing plan, the review of bonus standards, etc. ➤ Excluding temporary effects (increase/decrease in retirement benefit expenses), personnel cost reduction on an actual basis was approximately ¥1.3 billion. (65% progress against the plan) 	<ul style="list-style-type: none"> ➤ Reduction of approx. ¥1.5 billion from 1H of FY2020 by controlling sales promotion expenses based on the external environment, etc. ➤ Excluding the postponement of expenses, the actual cost reduction was approximately ¥1.2 billion. (65% progress against the plan) 	<ul style="list-style-type: none"> ➤ Progress has been made in converting into self-managed stores (fixed leases and buying sales) and revising transaction terms accordingly. ➤ Of all 186 department stores, approximately 55% with fixed leases or buying sales 	<ul style="list-style-type: none"> ➤ Consolidation of high-end brands and launch of the "YUE" brand ➤ The product lineup shrank due to the decrease of brands and groups. ➤ The number of products for the fall/winter in 2021 was down approximately 20% from the previous fiscal year, and approximately 30% from the final year of the previous medium-term management plan.

23

Please continue on to page 23. In this section, we describe the progress of our cost structure.

As I explained in detail earlier, we are making steady progress on the 4 goals we have set. In the second half of the fiscal year, sales will remain uncertain, but we will make sure to proceed with the cost structure reform because it is something that we can do through our own efforts.

That's all from me. Thank you very much for your kind attention.

This concludes our presentation.

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