

Corporate Governance Guidelines

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WACOAL HOLDINGS CORP.

CHAPTER I. GENERAL PROVISIONS

Article 1. Purpose

The purpose of these guidelines is to outline our basic thoughts on, as well as the measures to be taken in connection with, our corporate governance, which aims to achieve Wacoal Group's continuous growth and the enhancement of our medium- to long-term corporate value.

Article 2. Management Philosophy

Wacoal Group prescribes and follows the "Wacoal Code of Ethics" and the "Corporate Ethics: Wacoal's Code of Conduct" as the principles of action pursuant to the spirit of "mutual trust" which is our basic philosophy of management.

<<Mutual Trust>>

Our corporate activities are built upon interpersonal "relationships of mutual trust" established by listening to the voices of every customer and by continually transforming our business with humility. Such spirit of "mutual trust" is our starting point and has been our management philosophy since our establishment.

Article 3. Basic Thoughts on Corporate Governance

The purpose and basic policy of Wacoal Group's corporate governance is to continuously enhance our corporate value by increasing the transparency and securing the fairness and independence of our corporate management in order to build relationships of mutual trust with all stakeholders, including our shareholders, customers, employees, business partners and the local community.

Chapter II. SECURING THE RIGHTS AND EQUAL TREATMENT OF SHAREHOLDERS

Article 4. General Meetings of Shareholders

1. Notice of convocation of an Ordinary General Meeting of Shareholders shall be dispatched to all shareholders at least three (3) weeks prior to the date set for such meeting, and shall also be posted on our website as soon as possible, in order for each shareholder to have sufficient time to consider the agenda for such meeting to appropriately exercise its voting rights.
2. We will seek to improve the environment for the appropriate exercise of voting rights by all shareholders entitled to exercise voting rights by preparing English translations of notices of convocation or by other means including the use of a platform for the electronic exercise of voting rights.
3. If the number of votes against any proposal at any General Meeting of Shareholders reaches a certain

level, the Board of Directors shall have dialogue with our shareholders or take any other measures after analyzing the cause of such opposition.

Article 5. Securing Equal Treatment of Shareholders

1. We will treat all shareholders equally in proportion to their respective shareholding ratios and will make appropriate information disclosure on a timely basis in order to avoid information disparity between shareholders.
2. As for claims brought by any minority shareholder, we will enhance our system for appropriately dealing with such claims and will seek to protect the minority shareholders' rights.
3. We will consider how to deal with situations in which an institutional investor who holds our shares in the name of a trust bank and/or custodial institution desires to exercise its voting rights at the General Meeting of Shareholders directly by itself rather than through the trust bank.

Article 6. Securing the Rights of Shareholders

1. With respect to any capital policy which results in a change of control or in material dilution, we will carefully examine the necessity and the rationale of such policy at a meeting of the Board of Directors and ensure appropriate procedures and provide sufficient explanations to our shareholders in order to not unfairly harm the interests of existing shareholders.
2. If any of the Company's shares are offered for a tender offer, we will provide clear explanations of the position of the Board of Directors. Further, we will not unreasonably hinder any shareholder's right to tender the shares held by such shareholder in response to the tender offer.

Article 7. Capital Policy

1. We will make investments for continued growth and will declare dividends on a stable basis while maintaining the balance between the improvement of capital efficiency and financial stability,
2. Measures to improve profitability and capital efficiency for the enhancement of our medium- to long-term corporate value shall be established in the medium-term management plan and shall be explained at a results briefing, in an integrated report or through a similar means.

Article 8. Cross-Shareholding

1. In order to enhance our medium- to long-term corporate value, we may hold shares of other companies as cross-shareholdings for the purpose of maintaining and enhancing our transactional relationships, building, maintaining and enhancing our cooperative and transactional relationships for business expansion, or maintaining stable financial transactions.
2. We will examine whether the purpose of a cross-shareholding is appropriate from a medium- to long-

term perspective and whether the benefit and risks related to such cross-shareholding are appropriate given the capital cost, and will report to the Board of Directors on a periodic basis. The Board of Directors will assess whether such shareholding contributes to the enhancement of our medium- to long-term corporate value based on the outcome of such examination, and will decide on whether to continue the cross-shareholding or to dispose of such shares. If our holding of any shares loses its significance, we will dispose of and reduce as appropriate our holding of such shares after considering the circumstances of the issuer.

3. In voting any of the shares held for cross-shareholding purposes as to any agenda item, we will determine whether or not to vote in favor of such agenda item after closely examining comprehensively whether the relevant vote would contribute to the enhancement of the issuer's and our corporate value, while fully respecting the issuer's management policy. A close due diligence review will be performed in case an issuer records losses for certain consecutive periods, its shareholder value is significantly damaged as a result of reorganization, or there is a matter of serious concern regarding the issuer's corporate governance such as a corporate scandal.

CHAPTER III. RELATIONSHIP WITH STAKEHOLDERS

Article 9. Code of Conduct

In order to ensure that the performance of job duties complies with laws, regulations and our Articles of Incorporation and to execute our business under sound social norms, we will establish the "Wacoal Code of Ethics" and the "Corporate Ethics: Wacoal's Code of Conduct", and we will widely disseminate these codes.

Article 10. Related Party Transactions

We have established guidelines for related party transactions and conduct periodic investigations based on these guidelines. Any related party transactions that are material or untypical are subject to approval of our Board of Directors.

Article 11. Relationships with Stakeholders

1. For the enhancement of our long-term corporate value, we will consider the interests of every stakeholder, including shareholders, customers, employees, business partners and local communities.
2. We will establish a "Wacoal CSR Basic Policy" to promote the establishment of relationships of mutual trust with the community.
3. We will obtain ISO14001 certification under the name of Wacoal Corp., which is our major operating company, and will proactively promote environmental activities mainly through the Environmental Committee.
4. We will promote diversity including promotion of women's activities. We will establish a dedicated

division as the central promoting organization.

5. We will implement a whistle-blowing system and will establish an external hotline to a law firm as well as an internal hotline.

CHAPTER IV. INFORMATION DISCLOSURE

Article 12. Information Disclosure

We will actively disclose information in compliance with applicable laws and regulations, while fully understanding that timely and appropriate information disclosure serves as a basis for the establishment of relationships of mutual trust with all stakeholders and is a prerequisite for the appropriate evaluation of our corporate value. For such purpose, we will separately establish and disclose the “Basic Policy on Information Disclosure”.

CHAPTER V. CORPORATE GOVERNANCE SYSTEM

Article 13. Corporate Governance Bodies

We will have an Audit & Supervisory Board under the Companies Act of Japan and establish an Executive Nomination Advisory Committee and an Executive Compensation Advisory Committee.

Article 14. Role of Board of Directors

1. The Board of Directors shall seek to maximize our corporate value under its mandate from our shareholders.
2. The Board of Directors shall conduct a review of our medium- to long-term management strategy and social issues, as well as decision-making regarding material matters as stipulated in applicable laws and regulations or in our Articles of Incorporation.
3. The Board of Directors shall establish an efficient and effective corporate governance system.
4. Under the medium- to long-term management strategy established by the Board of Directors, we will consider any matter concerning Wacoal Group’s management strategy or any material business problems at the “Group Management Meeting”. Further, we will share any problems and confirm the progress of our quarterly performance at the “Group Strategy Committee” and the “Quarterly Business Results Review Committee”. By implementing the foregoing system, we seek to make the Board of Directors effective in its supervisory function and to accelerate the execution of our business.
5. The Board of Directors will select and train the chief executive officer of the Company by supervising the management of the Company and each Wacoal Group company.

Article 15. Management of Board of Directors

1. Any matters concerning the operation of the Board of Directors shall be governed by the “Regulations of the Board of Directors”.
2. The chairman of the meetings of the Board of Directors shall seek to establish a constructive relationship among the internal and outside officers and to hold open discussions.
3. Schedules for the meetings of the Board of Directors and the agenda to be submitted to such meetings shall be arranged in advance.
4. The Legal/Compliance Department and the Management Planning Department shall function as the administrative office of the Board of Directors, and such office shall provide notice of the agenda to the relevant persons in advance. If any of the agenda is deemed to be material, such office shall provide sufficient information through prior explanations or other means.

Article 16. Role of Audit & Supervisory Board

1. The Audit & Supervisory Board shall make appropriate judgments from an independent objective standpoint under its mandate from our shareholders in order to maximize our corporate value.
2. The Audit & Supervisory Board Member shall be an individual having appropriate experience and capability and required knowledge of finance, accounting and law. In particular, at least one of the Audit & Supervisory Board Members shall be an individual having full knowledge of finance and accounting.
3. The Audit & Supervisory Board shall establish its system to increase audit effectiveness.
4. The Audit & Supervisory Board shall seek cooperation from the Directors as necessary and shall make efforts to proactively gather information by holding regular meetings with the Internal Audit Department or by other means.

Article 17. Responsibilities of Directors and Audit & Supervisory Board Members

1. The Directors and the Audit & Supervisory Board Members shall gather sufficient information to perform their respective duties through cooperation with senior management or cooperation with each other as necessary, and shall discharge their respective duties by using their respective capabilities, as would be expected, through expression of opinions and discussions or by other means.
2. Before assuming their respective offices, the Directors and the Audit & Supervisory Board Members shall understand applicable laws and regulations, the Articles of Incorporation, the Regulations of the Board of Directors and other internal rules of the Company, and shall also fully understand their respective job responsibilities.

Article 18. Independent Outside Officers

1. The Independent Outside Officers shall contribute to ensuring the appropriateness of any decision-making by the Board of Directors and shall seek to improve our long-term corporate value by providing advice based on their respective knowledge.
2. The Independent Outside Officers shall supervise management and the handling of conflicts of interest by making objective decisions from an independent standpoint.
3. The Independent Outside Officers shall appropriately incorporate the opinions of stakeholders in the deliberations of the Board of Directors.

Article 19. Independent Outside Officers Meeting

1. We will hold an “Independent Outside Officers Meeting” consisting of the Independent Outside Officers.
2. Independent Outside Officers Meetings shall be held at least once a year.
3. At the Independent Outside Officer Meetings, we will have discussions about corporate governance and how to improve the operation of the Board of Directors, and we will also seek to share information related to internal audits and similar matters.
4. Independent Outside Officers Meetings may, at their discretion, use assistance from our management, as well as legal, accounting, financial or other advisors, at the Company’s expense.

Article 20. Internal Control

The Board of Directors shall establish the basic policy regarding our internal control system and shall supervise the status of enhancing such system.

Article 21. Accounting Auditors

1. The Audit & Supervisory Board shall establish the criteria for selection and evaluation standards for the Outside Accounting Auditors, and shall confirm the independence and the expertness of the Outside Accounting Auditors.
2. The Board of Directors and the Audit & Supervisory Board shall engage in the following actions in order to enable the Outside Accounting Auditors to perform appropriate audits:
 - (1) secure sufficient time for the audit;
 - (2) guarantee opportunities to have interviews with our management;
 - (3) cooperate with the Audit & Supervisory Board and the Internal Audit Department; and
 - (4) appropriately deal with any injustice detected by, or any defects or problems pointed out by, the Outside Accounting Auditors.

Article 22. Qualification as Directors and Process for Election and Removal

1. As criteria for the election and removal of Directors, we will separately establish and disclose the “Criteria for Election of Officers” and the “Criteria for Election of Outside Officers (to ensure independence)”.
2. Any candidate for Director shall be appointed at a meeting of the Board of Directors based on the fair and stringent deliberations of the “Executive Nomination Advisory Committee”.

Article 23. Qualification as Audit & Supervisory Board Members and Process for Election and Removal

1. As criteria for the election and removal of Audit & Supervisory Board Members, we will separately establish and disclose the “Criteria for Election of Officers” and the “Criteria for Election of Outside Officers (to ensure independence)”.
2. Any candidate for Audit & Supervisory Board Members shall be appointed at a meeting of the Board of Directors with the approval of the Audit & Supervisory Board.

Article 24. Compensation for Directors

1. The compensation of any Executive Director shall be in an amount that is linked to the long-term benefit of our shareholders and is deemed to be appropriate, fair and well-balanced with a view to enhancing the Director’s motivation for the maximization of our corporate value.
2. The compensation system for Directors shall be established by the Executive Compensation Advisory Committee which is chaired by the Independent Outside Director.
3. Under such system, the compensation for Directors shall consist of the “basic compensation” which is a fixed amount, the “performance-based bonus” which is linked to performance in each fiscal year, and the “share-based stock option incentive” which is an incentive from a mid-to-long term viewpoint. The Independent Outside Directors and Audit & Supervisory Board Members, who are independent from the execution of business, are eligible only for the “basic compensation” payable in a fixed amount.
4. The compensation shall be at such standard as is consistent with our performance and corporate scale, in comparison with other companies in the same business or of the same scale.

Article 25. Executive Nomination Advisory Committee and Executive Compensation Advisory Committee

1. The Executive Nomination Advisory Committee and the Executive Compensation Advisory Committee will be established as an advisory body for the Board of Directors to discuss and provide recommendations regarding the election, removal, promotion, evaluation and compensation of the Directors.
2. The Outside Directors shall account for one-half of each Committee and the Independent Outside

Director shall chair each Committee.

Article 26. Training for Directors and Audit & Supervisory Board Members

1. All of the newly elected Directors and Audit & Supervisory Board Members shall be subject to a training program promptly after the assumption of their respective offices. Further, the Outside Officers shall receive explanations regarding our business conditions and other matters.
2. All of the Directors and the Audit & Supervisory Board Members shall continue to actively gather information on our financial condition, legal compliance, corporate governance and other matters, and shall devote themselves to the study thereof, in order to fulfill their respective roles.
3. We will separately establish and disclose the basic policy for the training of the Directors and the Audit & Supervisory Board Members.

Article 27. Access to Internal Information by Outside Directors and Outside Audit & Supervisory Board Members

1. The Outside Directors and the Outside Audit & Supervisory Board Members of the Company may ask our Internal Directors and employees to provide explanations or reports or to submit any internal materials to them at any time as needed or appropriate.
2. In order to assist the Audit & Supervisory Board and each Audit & Supervisory Board Member in appropriately performing its duties, we will establish the administrative office of the Audit & Supervisory Board.

CHAPTER VI. DIALOGUE WITH SHAREHOLDERS

Article 28. Dialogue with Shareholders

In order to ensure that we have a constructive dialogue with our shareholders that contributes to our continued growth and the improvement of our medium- to long-term corporate value, we will enhance the relevant systems by establishing the “Basic Policy for Constructive Dialogue with Shareholders, etc.” and by other means, and we will proactively promote IR activities.