NOTICE OF THE 72ND ORDINARY GENERAL MEETING

OF SHAREHOLDERS

TO BE HELD IN KYOTO, JAPAN ON JUNE 26, 2020

DATE

FRIDAY, JUNE 26, 2020 AT 10:00 A.M. (RECEPTION WILL OPEN AT 9:00 A.M.)

PLACE

THE HALL ON THE 10TH FLOOR OF THE HEAD OFFICE OF WACOAL HOLDINGS CORP., LOCATED AT 29, NAKAJIMA-CHO, KISSHOIN, MINAMI-KU, KYOTO, JAPAN

MATTERS TO BE RESOLVED

AGENDA ITEM NO.1:	**ELECTION OF EIGHT DIRECTORS**
AGENDA ITEM NO.2:	**ELECTION OF ONE AUDIT & SUPERVISORY BOARD MEMBER**
AGENDA ITEM NO.3:	**PAYMENT OF OFFICERS' BONUSES**

(This is a translation from the original notice in the Japanese language dispatched to shareholders in Japan.)

WACOAL HOLDINGS CORP.
(CODE NUMBER: 3591)

KYOTO, JAPAN

Code Number: 3591

June 2, 2020

TO OUR SHAREHOLDERS

WACOAL HOLDINGS CORP.
29, Nakajima-cho
Kisshoin, Minami-ku
Kyoto, Japan

Hironobu Yasuhara
Representative Director and President

NOTICE OF THE 72ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

This is to inform you that the 72nd ordinary general meeting of shareholders of Wacoal Holdings Corp. (the "Company") will be held as described below.

You are cordially invited to attend the meeting.

IF YOU ARE UNABLE TO ATTEND THE MEETING, WE WOULD LIKE TO REQUEST THAT YOU CAREFULLY EXAMINE THE REFERENCE MATERIALS SET FORTH BELOW AND MAIL OR CAST YOUR BALLOT ONLINE SHOWING YOUR CONSENT OR DISSENT SO THAT WE RECEIVE IT NO LATER THAN JUNE 25, 2020 (THURSDAY) at 5:30 p.m.

Particulars

1. Date: Friday, June 26, 2020 at 10:00 a.m. (Reception will open at 9:00 a.m.)

2. Place: The hall on the 10th floor of the Head Office of Wacoal Holdings Corp., located at 29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto, Japan (on the west side of Nishi-Oji Station on the JR line)

3. Purpose of Meeting:

Matters to be reported:

1. Presentation of the Business Report, Consolidated Financial Statements, and Audit Reports of the Independent Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 72nd fiscal year from April 1, 2019 through March 31, 2020

2. Presentation of the Non-Consolidated Financial Statements for the 72nd fiscal year from April 1, 2019 through March 31, 2020

Matters to be resolved:

Agenda Item No. 1: Election of Eight Directors

Agenda Item No. 2: Election of One Audit & Supervisory Board Member

Agenda Item No. 3: Payment of Officers' Bonuses

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1. The "Consolidated Statement of Equity," "Notes to the Consolidated Financial Statements," "Non-Consolidated Statement of Changes in Net Asset," and the "Notes to the Non-Consolidated Financial Statements" are not included in this Notice as attachments, but are provided and posted on the Company's website(*) pursuant to the provisions of the applicable laws and regulations and Article 15 of our Articles of Incorporation.

   The consolidated financial statements and the non-consolidated financial statements audited by the Audit & Supervisory Board Members and the Independent Auditor include the "Consolidated Statement of Equity," "Notes to the Consolidated Financial Statements," "Non-Consolidated Statement of Changes in Net Asset," and the "Notes to the Non-Consolidated Financial Statements" that are posted on the Company's website(*), in addition to the matters stated in this Notice as attachments.

2. Any amendments to the reference materials, Business Report, Non-Consolidated Financial Statements and Consolidated Financial Statements will be posted and announced on the Company's website(*).

3. We will not send shareholders a notice concerning the results of resolutions at this General Meeting of Shareholders. Such results will be posted and announced on the Company's website(*) after the General Meeting of Shareholders.

   (*) Company's website: https://www.wacoalholdings.jp/ir/general_meeting/.

REFERENCE MATERIALS

Agenda and Reference Matters

Agenda Item No. 1: Election of Eight Directors

The term of office of Directors Mr. Yoshikata Tsukamoto, Mr. Hironobu Yasuhara, Mr. Masashi Yamaguchi, Mr. Akira Miyagi, Ms. Madoka Mayuzumi, Mr. Shigeru Saito, and Mr. Tsunehiko Iwai will expire at the conclusion of this Meeting.

It is therefore proposed that the number of Directors be increased by one (1) to further enhance our management system and that eight (8) Directors be elected.

Candidates for Director are nominated based on the list submitted by the Executive Nomination Advisory Committee, which is chaired by the Independent Outside Director, pursuant to the "Criteria for Appointment of Officers" (please see page 14 of this Notice). Also, the candidates for the Outside Director meet the "Criteria for Appointment of Outside Officers (to ensure independence)" (please see page 14 and 15 of this Notice).

The candidates for Director are as follows:

Candidate #	Name	Current Position held at the Company	Meeting Attendance
1	Re-election Yoshikata Tsukamoto	Representative Director and Chairman	10/13 (77%)
2	Re-election Hironobu Yasuhara	Representative Director, President and Corporate Officer; Member of Executive Nomination Advisory Committee	13/13 (100%)
3	Re-election Masashi Yamaguchi	Director and Vice President Corporate Officer; Chair of Corporate Ethics and Risk Management Committee Members of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	13/13 (100%)
4	Newly-appointed Tomoyasu Ito	Vice President Corporate Officer Members of Corporate Ethics and Risk Management Committee	—
5	Re-election Akira Miyagi	Director and Managing Corporate Officer; Members of Corporate Ethics and Risk Management Committee, Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	13/13 (100%)
6	Re-election Madoka Mayuzumi (Independent Officer / Outside Director Candidate / Female Officer)	Outside Director; Members of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	13/13 (100%)
7	Re-election Shigeru Saito (Independent Officer / Outside Director Candidate)	Outside Director; Members of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	13/13 (100%)
8	Re-election Tsunehiko Iwai (Independent Officer / Outside Director Candidate)	Outside Director; Chairs of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	13/13 (100%)

(Note) Mr. Tsukamoto, Representative Director and Chairman, has missed three of the meetings held during the current fiscal year due to illness. Mr. Tsukamoto has now recovered sufficiently to execute his role as the Representative Director and Chairman.

Candidate No.

1

Yoshitaka Tsukamoto

January 29, 1948 (72 years old)

Reelection

Company Shares owned by Candidate

278,668 shares

Tenure of Office

42 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

10/13 (77%)



Career summary, position and areas of responsibility

April 1972	Joined the Company
November 1981	Appointed Director of the Company
November 1981	Appointed Managing Director of the Company
September 1984	Appointed Representative Director and Executive Vice President of the Company
June 1987	Appointed Representative Director and President of the Company
October 2005	Appointed Representative Director, President and Corporate Officer of Wacoal Corp.
April 2011	Appointed Representative Director and Chairman of Wacoal Corp.
June 2018	Appointed Representative Director and Chairman of the Company (acting)

Reasons for nomination as Director

Mr. Tsukamoto has been in charge of the management of the Company as Representative Director and President since 1987 and as Representative Director and Chairman since June 2018. We believe that we can continue to utilize his extensive experience and expertise for the management of the Company, and therefore request that Mr. Tsukamoto continue to be elected as a Director.

Status of significant concurrent positions

Chairman of Kyoto Chamber of Commerce and Industry

Conflicts of interest with the Company

There is no conflict of interest between Mr. Tsukamoto and the Company.

(Note) Mr. Tsukamoto, Representative Director and Chairman, has missed three of the meetings held during the current fiscal year due to illness. Mr. Tsukamoto has now recovered sufficiently to execute his role as the Representative Director and Chairman.

Candidate No.

2

Hironobu Yasuhara

December 28, 1951 (68 years old)

Reelection

Company Shares owned by Candidate

10,700 shares

Tenure of Office

9 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

13/13 (100%)



Career summary, position and areas of responsibility

March 1975	Joined the Company
April 1997	Appointed President of Wacoal China Co., Ltd.
April 2005	Appointed Corporate Officer, General Manager of Wing-Brand Operations of the Company
June 2006	Appointed Director and Managing Corporate Officer, General Manager of Wing-Brand Operations of Wacoal Corp.
April 2010	Appointed Director and Senior Managing Corporate Officer, and General Manager of Wacoal-Brand Operations of Wacoal Corp.
April 2011	Appointed Representative Director, President and Corporate Officer of Wacoal Corp.
June 2011	Appointed Director of the Company
June 2013	Appointed Senior Managing Director of the Company
June 2016	Appointed Director and Vice President of the Company
April 2018	Appointed Representative Director and Chairman of Wacoal Corp. (acting)
June 2018	Appointed Representative Director and President of the Company
April 2020	Appointed Representative Director, President and Corporate Officer of the Company (acting)

Reasons for nomination as Director

Mr. Yasuhara has extensive experience in the sales division of Wacoal Corp., our core operating entity, and has been in charge of the management of Wacoal Corp. as Representative Director and Chairman since April 2018 and as Representative Director and President of the Company from June 2018. We believe that he is qualified to serve as a Director of the Company, and therefore request that Mr. Yasuhara continue to be elected as a Director.

Status of significant concurrent positions

Representative Director and Chairman of Wacoal Corp.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Yasuhara and the Company.

Candidate No.

3

Masashi Yamaguchi

November 26, 1957 (62 years old)

Reelection

Company Shares owned by Candidate

3,500 shares

Tenure of Office

5 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

13/13 (100%)



Career summary, position and areas of responsibility

April 1981	Joined the Company
April 2011	Appointed Corporate Officer and Manager of Personnel Division of Wacoal Corp.
April 2013	Appointed Director and Corporate Officer, and General Manager of Personnel and Administration Division of Wacoal Corp.
April 2014	Appointed Director and Managing Corporate Officer, and General Manager of Personnel and Administration Division of Wacoal Corp.
April 2015	Appointed Director and Senior Managing Corporate Officer in charge of Administration, and General Manager of Personnel and Administration Division of Wacoal Corp.
June 2015	Appointed Director in charge of Personnel and Administration of the Company
April 2017	Appointed Director, Vice President Corporate Officer in charge of Administration, and General Manager of Personnel and Administration Division of Wacoal Corp.
June 2017	Appointed Managing Director and Supervisor of Personnel and Administration and Future Business of the Company
April 2019	Appointed Director, Vice President Corporate Officer in charge of Administration of Wacoal Corp.
June 2019	Appointed Director and Vice President and Supervisor of Group Business Management
April 2020	Appointed Director and Vice President Corporate Officer and Supervisor of Group Business Management (acting)

Reasons for nomination as Director

Mr. Yamaguchi has extensive experience and expertise in the administrative divisions (particularly in the accounting division and human resources division) of Wacoal Corp., our core operating entity. We believe that he is qualified to serve as a Director of the Company, and therefore request that Mr. Yamaguchi continue to be elected as a Director.

Status of significant concurrent positions

None.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Yamaguchi and the Company.

Candidate No.

4

Tomoyasu Ito

Company Shares owned by Candidate

3,500 shares

January 18, 1960 (60 years old)

Newly - appointed



Career summary, position and areas of responsibility

April 1983	Joined the Company
April 2006	Appointed General Manager of Sales Planning Division, Wacoal-Brand Operations of Wacoal Corp.
April 2007	Appointed Representative Director and President of Studio Five Corp.
April 2011	Appointed General Manager of Innerwear Merchandising Division, Wacoal-Brand Operations of Wacoal Corp.
April 2014	Appointed Director, Corporate Officer, Head of Wacoal-Brand Operations of Wacoal Corp.
April 2015	Appointed Director, Managing Corporate Officer, Head of Wacoal-Brand Operations of Wacoal Corp.
April 2016	Appointed Director, Senior Managing Corporate Officer, Head of Wacoal-Brand Operations of Wacoal Corp.
April 2018	Appointed Representative Director, President and Corporate Officer of Wacoal Corp. (acting)
April 2020	Appointed Vice President Corporate Officer (acting)

Reasons for nomination as Director

Mr. Ito has extensive experience in the sales division of Wacoal Corp., our core operating entity, and has been in charge of the management of Wacoal Corp. as Representative Director and President since April 2018. We believe that he is qualified to serve as a Director of the Company, and therefore request that Mr. Ito be elected as a Director.

Status of significant concurrent positions

Representative Director, President and Corporate Officer of Wacoal Corp.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Ito and the Company.

Candidate No.

5

Akira Miyagi

October 18, 1960 (59 years old)

Reelection

Company Shares owned by Candidate

3,200 shares

Tenure of Office

2 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

13/13 (100%)



Career summary, position and areas of responsibility

March 1984	Joined the Company
October 2007	Appointed Manager of Business Management and Administration of Wacoal-Brand Operations of Wacoal Corp.
April 2011	Appointed Director and Deputy General Manager of Wacoal China Co., Ltd.
April 2014	Appointed General Manager of Corporate Planning of the Company
April 2017	Appointed Corporate Officer of Wacoal Corp.
June 2018	Appointed Director and General Manager of Corporate Planning of the Company
June 2019	Appointed Managing Director and General Manager of Corporate Planning of the Company
April 2020	Appointed Director and Managing Corporate Officer in charge of Group Finance of the Company (acting)

Reasons for nomination as Director

Mr. Miyagi has extensive experience and expertise in the administrative divisions (particularly in the administration division and corporate planning division) of the Company and Wacoal Corp., our core operating entity. We believe that he is qualified to serve as a Director of the Company, and therefore request that Mr. Miyagi continue to be elected as a Director.

Status of significant concurrent positions

None.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Miyagi and the Company.

Candidate No.

6

Madoka Mayuzumi

July 31, 1962 (57 years old)

Company Shares owned by Candidate

0 share

Tenure of Office

5 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

13/13 (100%)

Reelection | Independent Officer | Outside Director Candidate | Female Officer



Career summary, position and areas of responsibility

August 1996	Launched and organized monthly *haiku* magazine *Gekkan Hepburn*
January 2001	Member of "National Language Subdivision" of Council for Cultural Affairs, Ministry of Education, Culture, Sports, Science and Technology
December 2004	Member of "Council for the Promotion of Cultural Diplomacy," Cabinet Secretariat
April 2010	"Japan Cultural Envoy" appointed by the Agency for Cultural Affairs
May 2013	Member of "Forum to Realize culture and Arts-Oriented Nation" held by Minister of Education, Culture, Sports, Science and Technology
April 2014	Member of "Cultural Policy Subdivision" of Council for Cultural Affairs, Ministry of Education, Culture, Sports, Science and Technology
April 2014	Appointed Advisor of the Company
June 2015	Appointed Outside Director of the Company (acting)

Reasons for nomination as Director

Although Ms. Mayuzumi has never been directly involved in company management, she plays an active role in the field of arts and culture in Japan and overseas, which we believe will contribute to the Company management using her knowledge. Valuable opinions and advices are also provided from consumer and female perspectives. We believe that her knowledge and experience will help us enhance our corporate value and strengthen the supervisory function. We therefore request that Ms. Mayuzumi continue to be elected as an Outside Director.

Status of significant concurrent positions

Visiting Professor at Kitazato University; Visiting Professor at Showa Women's University, Faculty of Humanities and Culture, Department of Japanese Language and Literature; Visiting Professor at Kyoto Tachibana University, Faculty of Humanities, Department of Japanese Language and Literature; Trustee of East Japan Railway Culture Foundation

Conflicts of interest with the Company

Ms. Mayuzumi has provided lecture for *haiku* classes at Wacoal Study Hall Kyoto, which is hosted by our business company, Wacoal Corp., from January 2017 until December 2017, but not after 2018. The amount of annual remuneration for such services was less than 1 million yen and there is no other conflict of interest between Ms. Mayuzumi and the Company. From April 2014 to June 2015, before Ms. Mayuzumi was appointed as an Outside Director, she provided advice that addresses social challenges and educational training for employees of the Company and Wacoal Corp. while serving as the Advisor of the Company. The amount of remuneration for such services was less than 4 million yen and there is no concern about her independence.

(Notes)

1. Ms. Mayuzumi has been notified to the Tokyo Stock Exchange as our independent officer, pursuant to the rules of the Tokyo Stock Exchange. If the reelection of Ms. Mayuzumi is approved at this meeting, we plan to continue to designate her as our independent officer.
2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 28 of Articles of Incorporation of the Company, the Company has executed an agreement with Ms. Mayuzumi to limit her liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act. The maximum amount of liability under such agreement is the minimum liability amount as provided by laws and regulations. If the reelection of Ms. Mayuzumi is approved at this Meeting, we plan to continue the limitation of liability agreement with her.

Candidate No.

7

Shigeru Saito

January 26, 1957 (63 years old)

Reelection | Independent Officer | Outside Director Candidate

Company Shares owned by Candidate

600 shares

Tenure of Office

3 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

13/13 (100%)



Career summary, position and areas of responsibility

November 1979	Joined TOSE CO., LTD. Appointed General Manager of Development Department
October 1985	Appointed Director of TOSE CO., LTD.
February 1987	Appointed Representative Director and President of TOSE CO., LTD.
September 2004	Appointed Representative Director and President, and CEO of TOSE CO., LTD.
December 2015	Appointed Representative Director and Chairman, and CEO of TOSE CO., LTD. (acting)
June 2017	Appointed Outside Director of the Company (acting)

Reasons for nomination as Director

Mr. Saito is currently the Representative Director and Chairman of a software development firm which operates globally and Outside Director of other company. His extensive knowledge and experience as a company manager enable him to contribute to the management of the Company. Ms. Saito also has expertise in the IT area and valuable opinions and advices are provided regarding the IT strategies of the Company. We believe that his knowledge and experience will help us enhance our corporate value and strengthen the supervisory function. We therefore request that Mr. Saito continue to be elected as an Outside Director.

Status of significant concurrent positions

Representative Director and Chairman, CEO of TOSE CO., Ltd.;
Outside Director of SCREEN Holdings Co., Ltd.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Saito and the Company.

(Notes)
1. Mr. Saito has been notified to the Tokyo Stock Exchange as our independent officer, pursuant to the rules of the Tokyo Stock Exchange. If the reelection of Mr. Saito is approved at this meeting, we plan to continue to designate him as our independent officer.
2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 28 of Articles of Incorporation of the Company, the Company has executed an agreement with Mr. Saito to limit his liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act. The maximum amount of liability under such agreement is the minimum liability amount as provided by laws and regulations. If the reelection of Mr. Saito is approved at this Meeting, we plan to continue the limitation of liability agreement with him.

Candidate No.

8

Tsunehiko Iwai

May 28, 1953 (67 years old)

Reelection | Independent Officer | Outside Director Candidate

Company Shares owned by Candidate

0 share

Tenure of Office

2 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

13/13 (100%)



Career summary, position and areas of responsibility

April 1979	Joined Shiseido Co., Ltd.
April 2002	Appointed General Manager of Product Commercialization, Planning Department, Shiseido Co., Ltd.
April 2008	Appointed Corporate Officer, General Manager of Technical Department, Shiseido Co., Ltd.
June 2014	Appointed Director, Corporate Executive Officer in charge of Research & Development, Production and Technical Affairs, Shiseido Co., Ltd.
January 2016	Appointed Representative Director, Executive Vice President Chief Technology & Innovation Officer, Shiseido Co., Ltd.
March 2018	Appointed Senior Advisor, Shiseido Co., Ltd.
June 2018	Appointed Outside Director of the Company (acting)

Reasons for nomination as Director

Mr. Iwai served as the Representative Director of a cosmetics manufacturer which operated globally. Mr. Iwai's extensive knowledge and experience as a company manager, as well as his expertise on research & development, production and technology enable him to contribute to the management of the Company. Valuable opinions and advices are also provided based on his knowledge about compliance, as well as knowledge acquired at a company where consumers are mostly women like our Company. We believe that his knowledge and experience will help us enhance our corporate value and strengthen the supervisory function. We therefore request that Mr. Iwai continue to be elected as an Outside Director.

Status of significant concurrent positions

None.

Conflicts of interest with the Company

The amount of transaction volume between Shiseido Co., Ltd. group and our group during the current fiscal year was less than 0.1% of consolidated sales for each group. The Company and Shiseido Co., Ltd. cross-held shares in the past, but both had sold such shares by March 31, 2020. In addition, Mr. Iwai resigned as Senior Advisor of Shiseido Co., Ltd. in March 2020. For this reason, there is no concern about his independence.

(Notes)

1. Mr. Iwai has been notified to the Tokyo Stock Exchange as our independent officer, pursuant to the rules of the Tokyo Stock Exchange. If the reelection of Mr. Iwai is approved at this meeting, we plan to continue to designate him as our independent officer.
2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 28 of Articles of Incorporation of the Company, the Company has executed an agreement with Mr. Iwai to limit his liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act. The maximum amount of liability under such agreement is the minimum liability amount as provided by laws and regulations. If the reelection of Mr. Iwai is approved at this Meeting, we plan to continue the limitation of liability agreement with him.

Agenda Item No. 2: Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Tomoki Nakamura will expire at the conclusion of this Meeting. Accordingly, the election of one (1) Audit & Supervisory Board Member has been proposed.

The submission of this agenda item has been approved by the Audit & Supervisory Board.

Candidate for Audit & Supervisory Board Member is nominated pursuant to the "Criteria for Appointment of Officers" (please see page 14 of this Notice).

The candidate for Audit & Supervisory Board Member is as follows:

Company shares owned by candidate

0 share



Shinichi Kitagawa

December 29, 1962 (57 years old)

Newly-appointed

Career summary and position

March 1985	Joined the Company
April 2008	Appointed Director and General Manager of Accounting and Administration Division of Studio Five Corp.
April 2009	Appointed Director and General Manager of Business Control Division of Studio Five Corp.
April 2013	Appointed IR/Public Relations Officer of the Company
April 2018	Appointed General Manager of Accounting Department of the Company

Reasons for nomination as Audit & Supervisory Board Member

Mr. Kitagawa has extensive knowledge and experience in the administrative divisions (particularly in the business control and the accounting division) of the Company and Wacoal Corp., our core operating entity. We hope that he will contribute to the improvement of the Company's auditing system through his knowledge and experience and therefore request that Mr. Kitagawa be elected as an Audit & Supervisory Board Member.

Status of significant concurrent positions

None.

Conflicts of interest with the Company

There is no conflict of interest between Mr. Kitagawa and the Company.

Agenda Item No. 3: Payment of Officers' Bonuses

We propose that officers' bonuses of ¥12 million in total be paid to our 4 current Directors (excluding the Outside Directors) as of the end of the current fiscal year in consideration of the business results of the fiscal year ended March 31, 2020.

We kindly ask that the amount to be paid to each Director be left to the discretion of the Board of Directors.

- End -

REFERENCE

Appointment of Candidates for Directors and Audit & Supervisory Board Members

<Criteria for Appointment of Officers>

The Company establishes the following criteria for the appointment and removal of Directors and Audit & Supervisory Board Members. A candidate for Director is appointed at a Board of Directors' meeting based on the fair and stringent deliberations of the Executive Nomination Advisory Committee. A candidate for Audit & Supervisory Board Member is appointed at a Board of Directors' meeting with the approval of the Audit & Supervisory Board. The list of candidates for Director and Audit & Supervisory Board Member is then submitted to a general meeting of shareholders as an agenda item.

- Criteria for Appointment

1. A candidate with superior character and knowledge who is mentally and physically healthy;
2. A candidate who has a law-abiding spirit;
3. A candidate who has comprehensive experience in business operation, company management, the legal community, administration, accounting, education or culture and art and upon re-appointment, his/her management performance and contribution to the group management during the term of office shall be considered;
4. At least one third of the number of Directors shall be Outside Directors, and with respect to Outside Directors and Outside Audit & Supervisory Board Member (collectively, the "Outside Officers"), a candidate who is not in violation of the "Criteria for Appointment of Outside Officers (to ensure independence)" separately prescribed by the Company;
5. With respect to Outside Officers, a candidate who is not currently holding a position as an officer of 4 or more listed companies; and
6. A candidate whose appointment to the Board of Directors or the Audit & Supervisory Board contributes to balanced knowledge, experience and expertise and ensures diversity such as gender and internationalism.

- Criteria for Removal

1. If an officer acts against public policy; or
2. If an officer is neglecting its duties and deemed to be failing to fulfill its duties.

<Criteria for Appointment of Outside Officers (to ensure independence)>

The Company believes that Outside Directors and Outside Audit & Supervisory Board Members (collectively, the "Outside Officers") should maintain independence so that they do not cause any conflict of interest with general shareholders. From this perspective, the Company appoints candidates for Outside Officer who do not fall under any of the following categories:

1. Has held a position to execute business(*) at the Company and any of its consolidated subsidiaries (collectively, "Wacoal Group") in the past;
   *A person holding a position to execute business shall mean an executive director, executive officer and other employee who is in an equivalent position.
2. Is a major shareholder holding the shares of the Company under its own name or another name whose percentage of voting rights is equal to or higher than 5% (in case such major shareholder is a legal entity or an association such as general partnership (the "Entities"), a candidate who holds a position to execute business at such Entities);
3. A candidate who:
   (1) is a major client of Wacoal Group or who considers Wacoal Group as a major client of the candidate (in case such candidate is an Entity, a candidate who holds a position to execute business at such Entity)(*);
   (2) is a major lender of Wacoal Group (in case such lender is an Entity, a candidate who holds a position to execute business at such Entity)(**);
   (3) holds a position to execute business as a lead manager with respect to the Company's capital markets matters;
   (4) holds a position to execute business at any Entity in which Wacoal Group holds shares with a percentage of voting rights equal to or higher than 5%;
   *A major client shall mean a supplier or purchaser of Wacoal Group whose average amount of transactions in the last 3 years exceeded 2% of the consolidated net sales of Wacoal Group or those of the supplier or purchaser.

**A major lender shall mean a financial institution or an individual who provides loans to Wacoal Group and whose average amount of outstanding loans in the last 3 years exceeded 2% of the consolidated total assets of the Company or those of such lender.

4. A certified public accountant who works at an audit firm that is the Accounting Auditor of Wacoal Group;
5. Any legal counsel, accountant, tax accountant, patent attorney, consultant or other expert who receives a large amount(*) of money or other property from Wacoal Group (in case such candidate is an Entity, an expert who works at such Entity);
   *A large amount shall mean that the average annual amount of compensation payable for the duties performed by the expert in the last 3 years exceeded 10,000,000 yen, whether such expert as an individual or the organization to which such expert belongs provides services to Wacoal Group.
6. Anyone who receives a large amount(*) of donations from Wacoal Group (in case such candidate is an Entity, a candidate who holds a position to execute business at such Entity);
   * A large amount shall mean that the average annual amount of donation in the last 3 years exceeded 10,000,000 yen;
7. A person who executes business at another company which has an outside officer from the Company;
8. A spouse or second-degree relative of a person who materially falls under any of the items under 1 through 7 above (but limited to a significant person(*));
   *A significant person shall mean (i) a member or other person who is in an equivalent position in case of a certified public accountant who belongs to an audit firm or an accounting firm, a partner or other person who is in an equivalent position in case of a lawyer who belongs to a law firm, and a person who is in an equivalent position in case of another expert who belongs to an Entity, and (ii) an executive director, executive officer, corporate officer, an employee who is in a position of senior management (i.e., a general manager or higher level) in case of a person who executes business at an Entity, and an executive holding a title such as trustee, councilor and auditor, as well as any other person who is objectively and reasonably deemed to have equal significance as any of the above;
9. A candidate who used to fall under any of the items under 2 through 8 above during the past three years; and
10. A candidate who is deemed to be subject to special circumstances under which a possible conflict of interest with general shareholders of the Company may arise.

It should be noted, however, that a candidate who falls under any of the items under 2 through 9 above, but who fulfills the requirements of an outside officer under the Companies Act, may under exceptional circumstances become a candidate for an Outside Officer if the Company deems it appropriate for such candidate to be appointed as an Outside Officer and if the Company describes its reasons for making such judgement.

<Diversity of Board of Directors and Audit & Supervisory Board>
(if Agenda Items No. 1 and No.2 are approved)

(Director)				Knowledge and Experience expected by Company(*)					
Candidate No.	Name	●Male ●Female	Independence (for outside officer only)	Company Management/ Business Operation	Finance/ Accounting	Legal/ Compliance	Internationality	Human Resource Development	Arts & Culture/ Social Perspective
1	Yoshikata Tsukamoto	●		●			●		
2	Hironobu Yasuhara	●		●			●		
3	Masashi Yamaguchi	●		●	●			●	
4	Tomoyasu Ito	●		●			●		
5	Akira Miyagi	●		●	●	●	●		
6	Madoka Mayuzumi	●	●						●
7	Shigeru Saito	●	●	●			●		
8	Tsunehiko Iwai	●	●	●		●	●		

*The above list does not cover the entire knowledge and experience of the candidates.

(Audit & Supervisory Board Member)				Knowledge and Experience expected by Company(*)					
Candidate	Name	●Male ●Female	Independence (for outside officer only)	Company Management/ Business Operation	Finance/ Accounting	Legal/ Compliance	Internationality	Human Resource Development	Arts & Culture/ Social Perspective
○	Shinichi Kitagawa	●		●	●				
-	Kiyotaka Hiroshima	●		●			●		
-	Hiroshi Shirai	●	●		●				
-	Mitsuhiko Hamamoto	●	●			●			
-	Minoru Shimada	●	●	●	●		●		

*The above list does not cover the entire knowledge and experience of the candidates.
*The above list includes the current Audit & Supervisory Board Members who are not candidates.

<Policy for Determining the Compensation Amount or Calculation Method>

Our compensation system for Directors is designed by the "Executive Compensation Advisory Committee," which is chaired by the Independent Outside Directors.

Under such system, the compensation for Directors consists of the basic compensation which is a fixed amount, a short-term incentive which is linked to performance in each fiscal year, and a mid-term incentive which is linked to medium-term performance. However, because the Independent Outside Directors, who are independent from the execution of business, are ineligible for any performance-based compensation, only the basic compensation payable in a fixed amount is paid to the Independent Outside Directors. The level of compensation has been set according to the business results and scale of the Company and is based on comparison with other companies within the same industry or of the same scale.

The compensation paid to Audit & Supervisory Board Members is determined based on discussions among Audit & Supervisory Board Members.

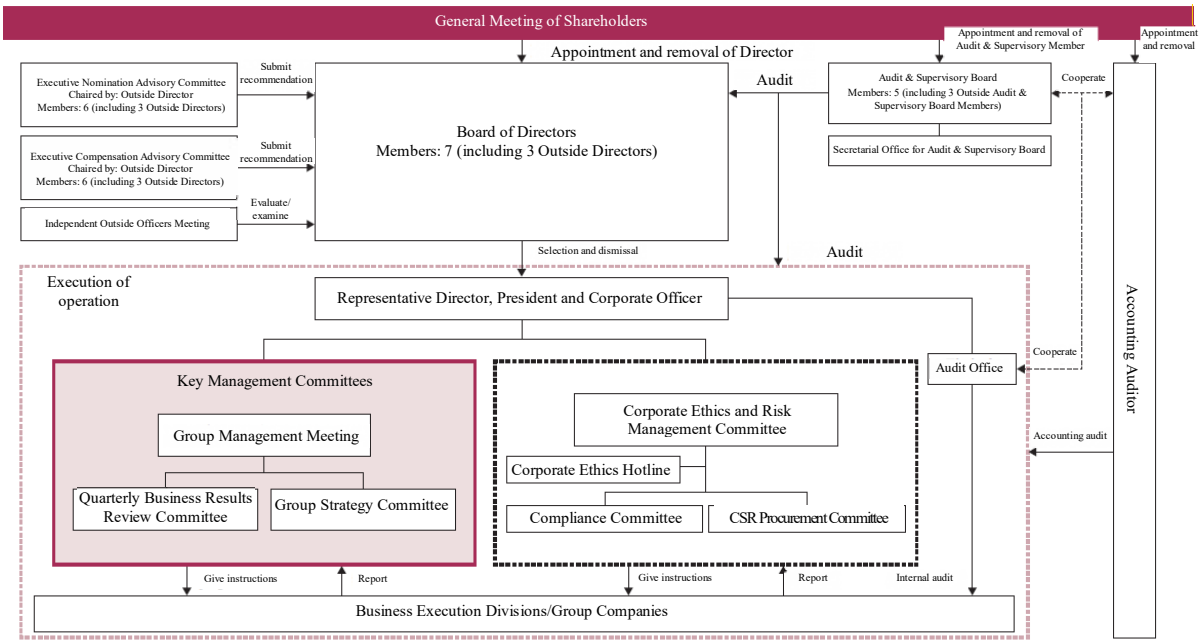
The total maximum annual amount of basic compensation paid was determined to be 350 million yen for Directors (excluding the amount of employee's salary for Directors who concurrently serve as employees) and 75 million yen for Audit & Supervisory Board Members, pursuant to a resolution adopted at the 57th Ordinary General Meeting of Shareholders held on June 29, 2005. The amount of bonuses is determined according to the business results of each fiscal year by resolution of the Ordinary General Meeting of Shareholders held for the relevant year. Further, the maximum annual amount of stock options was determined to be 70 million yen by resolution of the 60th Ordinary General Meeting of Shareholders held on June 27, 2008.

The retirement allowance system of officers was abolished pursuant to a resolution adopted at the 57th Ordinary General Meeting of Shareholders held on June 29, 2005.

Status of Corporate Governance System

<Outline of Corporate Governance System>

The basic policy and purpose of our group's corporate governance is to continuously enhance our corporate value by increasing transparency and securing the fairness and independence of our corporate management from the perspective of all stakeholders including our shareholders and customers. The following bodies and systems have been established within the Company with the aim of enhancing our corporate governance, and the entire Company is also working toward this goal.



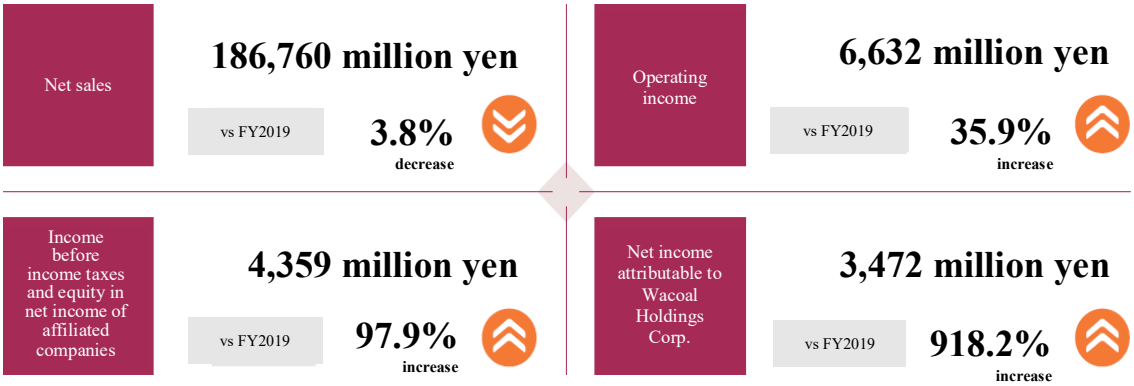
	Outline
1. Corporate Ethics and Risk Management Committee	• Composed of our internal Directors and corporate officers, and directors and corporate officers of operating entities and managers of relevant divisions, and our Representative Director, President and Corporate Officer acts as administrative manager and the Supervisor of Group Business Management as the chair • Promotes enhancement and best practice of corporate ethics, identifies risk that may impact general management, promotes improvement and enhancement of control system
2. Executive Nomination Advisory Committee	• Composed of 6 members, half of which are Outside Directors, and the Independent Outside Director acts as the chair • Discusses and provides recommendations on appointment, removal and promotion of Directors, as an advisory body for Board of Directors • Operated with a high degree of transparency and fairness pursuant to resolutions approved unanimously with all members in attendance
3. Executive Compensation Advisory Committee	• Composed of 6 members, half of which are Outside Directors, and the Independent Outside Director acts as the chair • Discusses and provides recommendations on evaluation and compensation of Directors, as an advisory body to Board of Directors • Operated with a high degree of transparency and fairness by resolving matters by the unanimous approval of all members
4. Independent Outside Officers Meeting	• Composed of Independent Officers such as Outside Directors and Outside Audit & Supervisory Board Members as core members, and internal Directors such as Supervisor of Group Business Management and internal Audit & Supervisory Board Members • As an independent committee, discusses about evaluation and operation improvement of the Board of Directors, strengthen cooperation between Outside Directors and Outside Audit & Supervisory Board Members

SUPPLEMENTARY SCHEDULES ON MATTERS TO BE REPORTED
BUSINESS REPORT
FOR THE PERIOD FROM APRIL 1, 2019 THROUGH MARCH 31, 2020

1. STATUS OF GROUP BUSINESS

(1) Business Developments and Results

(a) Summary of Operations



Our group entered the first year (from April 1, 2019 to March 31, 2020) of our mid-term business plan and continues to implement various initiatives based on our basic policy to understand the actual situation, estimate future demand and implement drastic reform, while emphasizing growth. Wacoal Corp., which aims to return its business to growth and improve profitability, made efforts to improve CX (customer experience) by innovation through the introduction of 3D body scanning and an AI (artificial intelligence)-based customer service system in stores (six shops), and to create an environment for effective use of our customer database to coordinate and merge the physical stores and e-commerce channels. In the overseas markets, we have made efforts to create growth opportunities and strengthen our competitiveness in e-commerce, which is one of our business challenges, and as part of such initiative, we acquired all of the issued and outstanding shares of Intimates Online, Inc. ("Intimates Online"), a women's LIVELY brand innerwear design and sales company in the U.S., at the end of July 2019, making Intimates Online our wholly-owned subsidiary (the operating results of our acquired subsidiary, Intimates Online, have been included in our consolidated results from the second quarter of the current consolidated fiscal year and are disclosed along with Wacoal International Corp. (U.S.) under the "Wacoal Business (Overseas)" segment). Although we implemented these initiatives, the business environment surrounding our group has become extremely difficult due to the effects of a slowdown in global economic activities resulting from the coronavirus outbreak (the "outbreak") during the fourth quarter of the current fiscal year, in addition to the impact of the slowdown in consumer spending in Japan after consumption tax increase in October 2019.

As a result of the above, our consolidated sales for the current fiscal year were 186.76 billion yen, a decrease of 3.8% as compared to such consolidated sales for the previous fiscal year. In addition to the prolonged effect of the slowdown in demand after the consumption tax increase, our domestic business activities were impacted by a decrease in the number of customers visiting our domestic retail stores following the implementation of self-isolation measures since March after the spread of the outbreak. Our overseas business was negatively impacted by the weak sales at department stores in the United Kingdom and United States, poor sales from our raw materials factory in Thailand and the impact of the appreciation of the Japanese yen (1.78 billion yen), as well as the suspension of economic activities due to lockdown measures implemented at major cities since March, despite the positive impact of the consolidation of Intimates Online results. Accordingly, revenue from our domestic and overseas businesses both decreased.

Consolidated operating income was 6.63 billion yen, an increase of 35.9% as compared to such consolidated operating income for the previous fiscal year. Both our domestic and overseas businesses recorded a decrease in profit, due to decreased revenue from the wholesale business of Wacoal Corp. and an increase in IT-related expenses with respect to our domestic business, and due to the impact of inclusion of operating loss from Intimates Online, non-recurrence expenses incurred for the acquisition of Intimates Online, as well as the recognition of impairment charges on property, plant and equipment (0.77 billion yen) related to the raw material factory in Thailand with respect to our overseas business. Although we also recorded 0.47 billion yen as impairment charges on goodwill and other intangible assets for the current fiscal year, we recorded an increase in

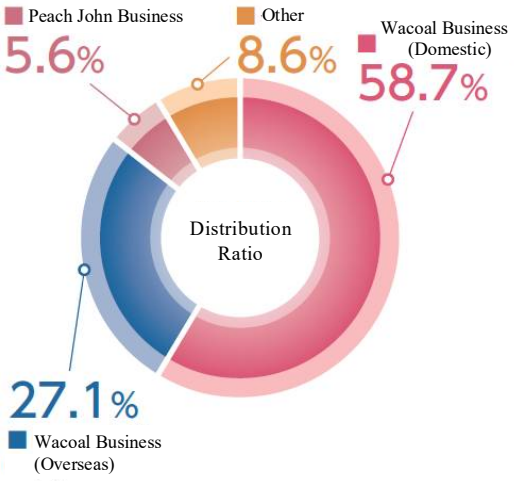
operating income because the amount of such impairment charges was less than that for the previous fiscal year (5.57 billion yen).

Consolidated income before income taxes and equity in net income of affiliated companies was 4.36 billion yen, an increase of 97.9% as compared to such consolidated income for the previous fiscal year. Although we recorded valuation loss on marketable securities and investments (net) for both the previous fiscal year and the current fiscal year, we recorded an increase in the consolidated income since the amount of such valuation loss was less than that for the previous fiscal year. (We have been using U.S. accounting standards, under which equity securities held by the Company and consolidated subsidiaries are measured at fair value, and any change from the beginning of the period is recognized as other (expenses) income.)

As a result of the above, net income attributable to Wacoal Holdings Corp., the ratio of operating income to net sales and the ratio of net income attributable to Wacoal Holdings Corp. to shareholders' equity for the current fiscal year were, 3.47 billion yen, 3.6% and 1.6%, respectively.

The exchange rates used for the current fiscal year (previous fiscal year) were: 108.74 yen (110.91 yen) to the U.S. dollar; 138.24 yen (145.68 yen) to the Sterling pound; and 15.78 yen (16.72 yen) to the Chinese yuan.

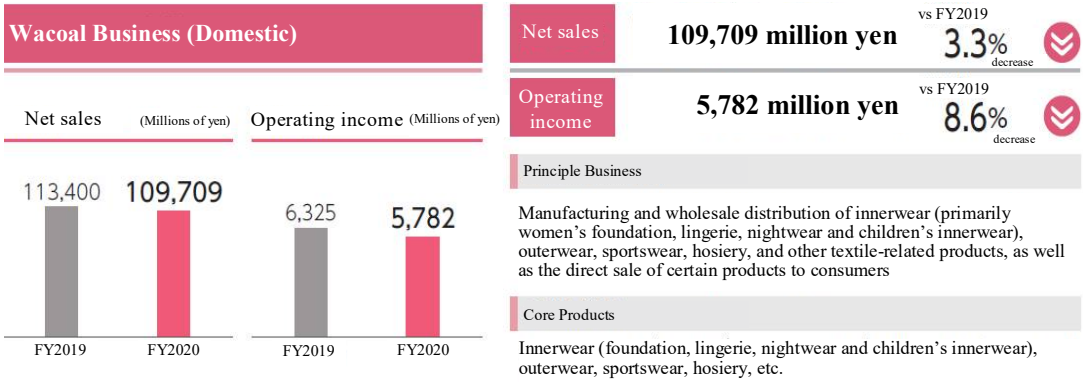
The following is a summary of operations by operating segment.



Operating Segment Information

	Net sales (Millions of yen)	vs FY2019 (%)
Wacoal Business (Domestic)	109,709	96.7
Wacoal Business (Overseas)	50,552	95.2
Peach John Business	10,480	99.9
Other	16,019	93.1
Total	186,760	96.2

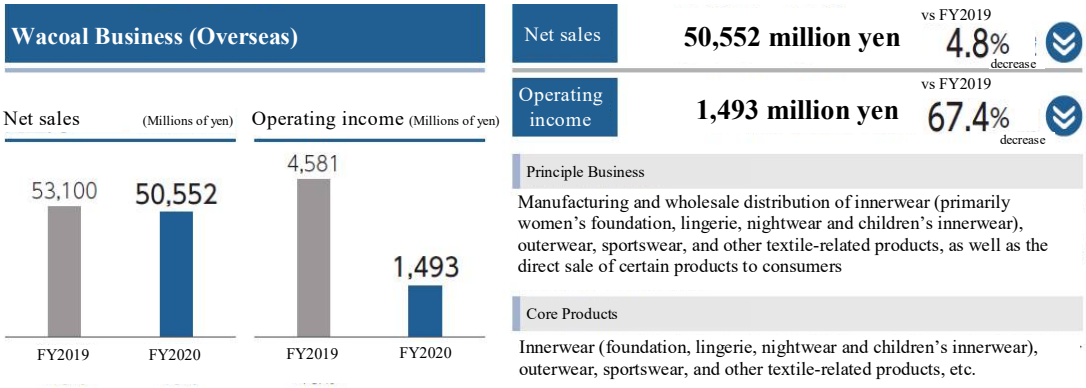
(Note) U.S. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 280 "Segment Reporting" has been applied in our Segment Information.



Sales attributable to our "Wacoal Business (Domestic)" segment decreased by 3.3% as compared to such sales for the previous fiscal year. While we recorded an increase of 3.0% in revenue for the first half of the current fiscal year (from April to September) due to the positive impact of the last-minute rise in demand before the consumption tax increase, we recorded a decrease of 10.0% in revenue for the second half of the current fiscal year (from October to March) due to self-isolation measures implemented against the spread of the outbreak. Operating income decreased by 8.6% due to the impact of decreased revenue from our wholesale business of Wacoal Corp. and the operating loss that we recorded with respect to Ai Co., Ltd., which distributes resort wear and undergarments.

Sales from Wacoal Corp. decreased by 3.1% as compared to such sales for the previous fiscal year. Sales from our products under the Wing brand which are mainly sold at general merchandise stores exceeded the sales for the previous fiscal year due to strong sales of our regular products, as well as the successful sales promotion of our wireless "Synchro Bra" products, while sales from our products under the Wacoal brand fell below the sales for the previous fiscal year due to a decrease in the number of customers visiting our retail stores following the spread of the outbreak and the weak sales from our key sales channels such as department stores resulting from the slowdown in demand after the consumption tax increase, despite growth in sales of certain products such as "Night Up Bra". In addition, sales from products other than innerwear, such as nightwear and sportswear also fell significantly below such sales for the previous fiscal year as a result of weak sales from our key sales channels. Although sales from our retail business were also poor during March due to the spread of the outbreak, sales exceeded the sales for the previous fiscal year as a result of initiatives that we implemented to minimize the decline in demand after the consumption tax increase as well as our successful marketing to the shop members, the number of which reached 1.2 million. In addition, sales from our e-commerce website maintained high growth resulting from strengthened communication with our customers attributable to marketing automation.

Operating income decreased by 38.4% as compared to operating income for the previous fiscal year. While gross profit rate from our wholesale and retail businesses continued to improve, operating income was significantly impacted by a drastic sales decline in March in the wholesale business, in addition to an increase in IT related expenses incurred for the implementation of our omni-channel strategies.



Sales attributable to our "Wacoal Business (Overseas)" segment on a Japanese yen basis decreased by 4.8% as compared to such sales for the previous fiscal year due to the impact of the appreciation of the Japanese yen (1.78 billion yen), as well as weak sales from our raw materials factory in Thailand attributable to a decrease in the number of orders received and a drastic sales decline in Europe and North America due to the spread of the outbreak since mid-March. Operating income decreased by 67.4% as compared to operating income for the previous fiscal year due to the impact of decreased profit of Wacoal International Corp. (U.S.) resulting from the acquisition of Intimates Online, as well as the recognition of impairment charges of 0.77 billion yen on property, plant and equipment with respect to our raw materials factory in Thailand.

Wacoal International Corp. (U.S.):

Sales from Wacoal International Corp. (U.S.) on a local currency basis increased by 5.9% as compared to such sales for the previous fiscal year, while sales on a Japanese yen basis increased by 3.8%. This increase was due to the inclusion of sales of 11.9 million dollars (approximately 1.3 billion yen) from Intimates Online, which has been consolidated into our business results since August. Revenue from Wacoal America Inc., which distributes "Wacoal" and "b.tempt'd" brand products, decreased due to the weak over-the-counter sales at department stores (physical stores), while sales from our e-commerce website and third-party e-commerce websites were strong.

Operating income on a local currency basis decreased by 80.5% (80.9% on a Japanese yen basis) as compared to such operating income for the previous fiscal year. This significant decrease was due to lower gross profit rate resulting from the higher percentage of sales subject to discounts, the impact of decreased profit from Wacoal America Inc. resulting from higher labor costs and office lease expenses, the impact of inclusion of operating loss of 11.5 million dollars (approximately 1.25 billion yen) from Intimates Online, as well as non-recurring expenses incurred for the acquisition.

Wacoal Europe Ltd.:

Sales from Wacoal Europe Ltd. on a local currency basis decreased by 3.0% (7.9% on a Japanese yen basis) as compared to such sales for the previous fiscal year. While sales were weak in the United Kingdom due to poor sales at department stores, sales exceeded such sales for the previous fiscal year resulting from the expansion of sales in the North America, France and other European countries up until the third quarter of the current fiscal year. Revenue, however, decreased as a result of weak sales recorded during March which was impacted by the spread of the outbreak.

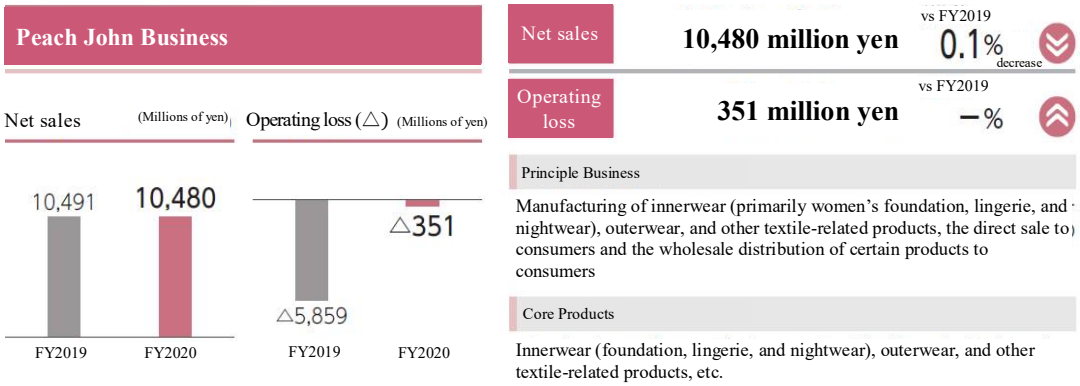
Operating income on a local currency basis decreased by 24.6% (28.4% on a Japanese yen basis) as compared to such operating income for the previous fiscal year due to a more aggressive advertising campaign to expand our brand awareness, recognition of expenses incurred for the redesign of our own e-commerce website, and increases in labor costs incurred in connection with the launch of business with departments stores in Spain.

Wacoal China Co., Ltd.:

Sales from Wacoal China Co., Ltd. on a local currency basis increased by 1.1% as compared to such sales for the previous fiscal year, while sales on a Japanese yen basis decreased by 4.6% due to the impact of the appreciation of the Japanese yen. We maintained high growth from our e-commerce sales by strengthening our alliance with online mall providers through initiatives including the active sales promotion of "Wacoal" brand products during the high demand season, and launch of Japanese "Amphi" brand products targeting a new

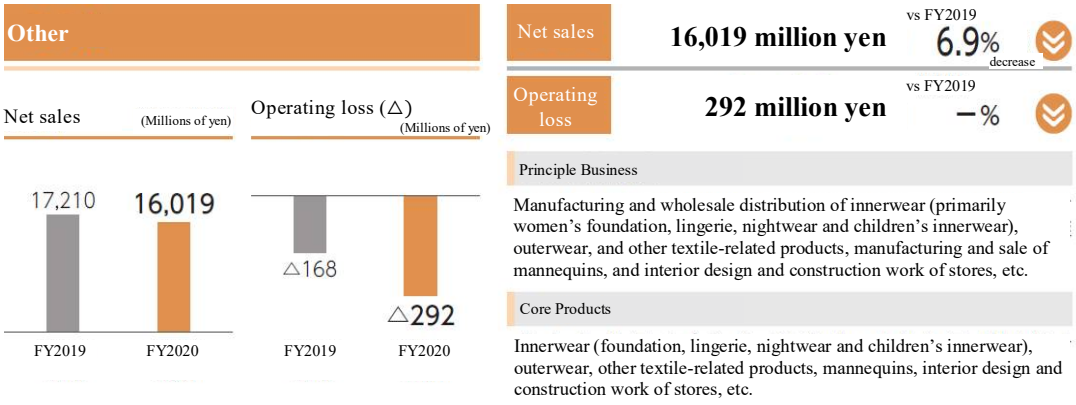
customer segment. As the fiscal year-end for Wacoal China Co., Ltd. is December, the spread of the outbreak did not affect its results for the current fiscal year.

Operating income on a local currency basis increased by 7.1% (1.1% on a Japanese yen basis) as compared to such operating income for the previous fiscal year. Despite increases in advertising expenses and recognition of non-recurring expenses incurred in connection with the relocation of a warehouse, we recorded an increase in profit due to improvement in the gross profit rate resulting from a lower percentage of products with low profit margins, and reduction of labor costs and office lease expenses resulting from the closing of certain underperforming stores.



Overall sales attributable to our "Peach John Business" segment remained at about the same level as such sales for the previous fiscal year. While revenue from the mail-order business decreased as we ceased distribution of catalogues in an effort to improve business efficiency, we recorded an increase in revenue from our domestic retail stores, which closed certain underperforming stores in Japan, due to steady sales of our regular products, as well as strong sales subject to discounts.

We recorded an operating loss of 0.35 billion yen (an operating loss of 5.86 billion yen recorded for the previous fiscal year). While we recorded operating income for our business in Japan due to various efforts including reduction of selling, general and administrative expenses, as well as improvement in gross profit rate, we recorded an operating loss due to recognition of impairment charges of 0.19 billion yen on intangible assets (trademark), in addition to the operating loss recorded from our Chinese business.



Overall sales attributable to our "Other" business segment decreased by 6.9% as compared to such sales for the previous fiscal year, while we recorded an operating loss of 0.29 billion yen (an operating loss of 0.17 billion recorded for the previous fiscal year).

Lecien Corporation:

While sales of our private products handled at general merchandise stores and specialty stores exceeded such sales for the previous fiscal year, sales from Lecien Corporation decreased by 8.3% as compared to such sales for the previous fiscal year due to the impact of decreased revenue in our material business. We recorded an operating loss due to recognition of one-time expenses incurred for the withdrawal from certain businesses including the apparel business.

Nanasai Co., Ltd.:

Sales from Nanasai Co., Ltd. decreased by 7.4% as compared to such sales for the previous fiscal year due to the absence of the one-time increase in revenue (large-scale construction for renovation such as department stores) in the previous fiscal year. Operating income decreased by 22.7% as compared to operating income for the previous fiscal year due to decreased revenue.

(b) Financing

Not applicable.

(c) Capital Expenditures

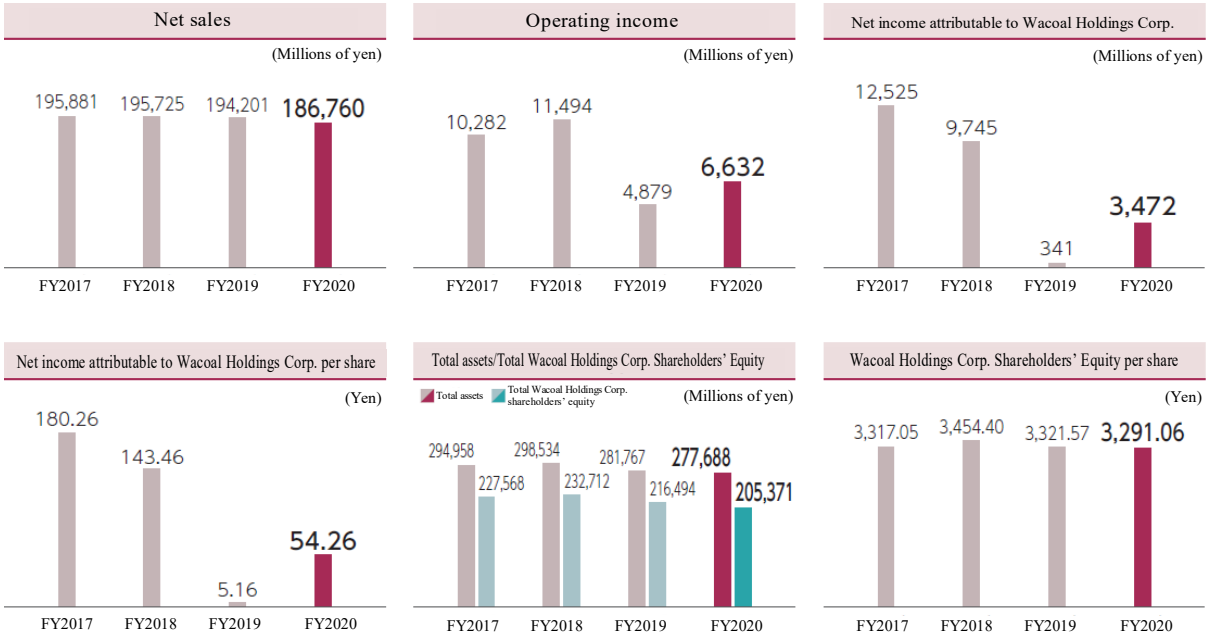
The total amount of capital expenditures during fiscal year 2020 was 6,981 million yen, including information system investments incurred by our subsidiaries, and expenditures for the maintenance and repair of real estate.

(2) Changes in State of Assets and Profit and Loss

(i) Changes in Results of Operations and State of Assets of the Group

(Millions of yen, except per share amounts)

	Fiscal year ended/as of March 31,			
	2017	2018	2019	2020
Net sales	195,881	195,725	194,201	186,760
Operating income	10,282	11,494	4,879	6,632
Net income attributable to Wacoal Holdings Corp.	12,525	9,745	341	3,472
Net income attributable to Wacoal Holdings Corp. per share (yen)	180.26	143.46	5.16	54.26
Total assets	294,958	298,534	281,767	277,688
Total Wacoal Holdings Corp. Shareholders' Equity	227,568	232,712	216,494	205,371
Wacoal Holdings Corp. Shareholders' Equity per share (yen)	3,317.05	3, 454.40	3,321.57	3,291.06



(Notes) 1. The above amounts are based on accounting principles generally accepted in the United States of America. Therefore, operating income is shown instead of ordinary income.

2. Net income per share attributable to Wacoal Holdings Corp. is calculated based on the average number of shares issued (excluding the number of shares held as treasury stock) during each fiscal year.

3. Wacoal Holdings Corp. Shareholders' Equity per share is calculated based on the number of shares issued (excluding the number of shares held as treasury stock) as of the end of each fiscal year.

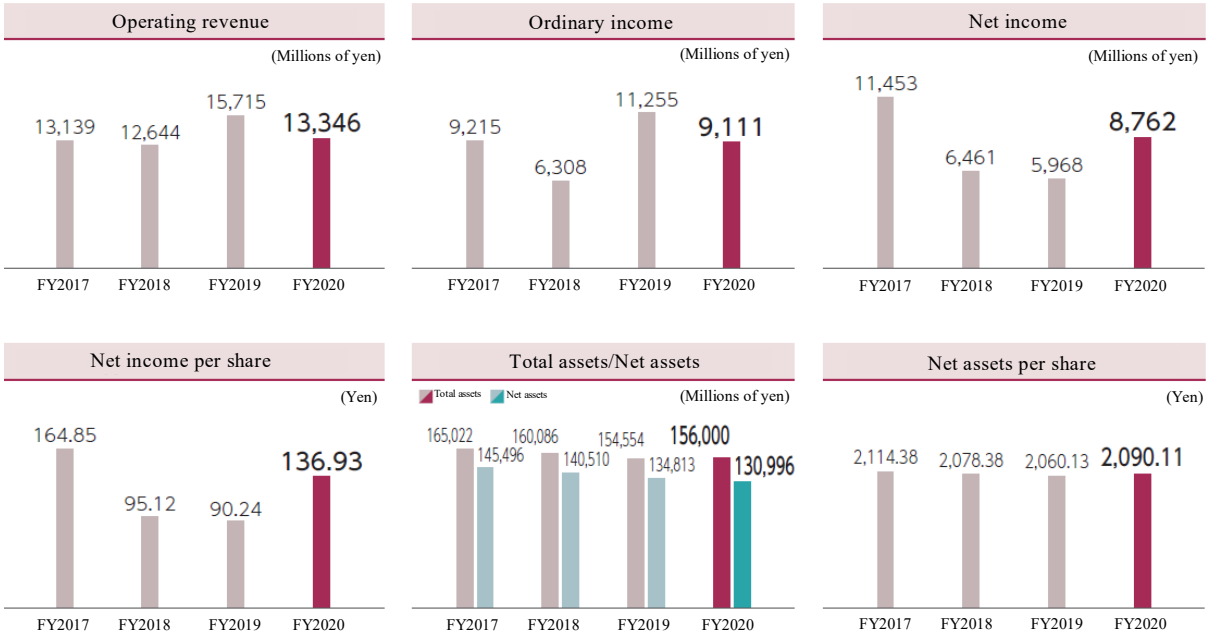
4. We have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. Accordingly, "net income attributable to Wacoal Holdings Corp. per share" and "Wacoal Holdings Corp. Shareholders' Equity per share" have been calculated assuming that such share consolidation has been conducted at the beginning of fiscal year 2017.

5. Reclassification adjustments have been made to the results for fiscal years prior to and including fiscal year 2018 pursuant to the new accounting guidance *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU2017-07) which has been adopted starting with fiscal year 2019.

(ii) Changes in Results of Operations and State of Assets of the Company

(Millions of yen, except per share amounts)

	Fiscal year ended/as of March 31,			
	2017	2018	2019	2020
Operating revenue	13,139	12,644	15,715	13,346
Ordinary income	9,215	6,308	11,255	9,111
Net income	11,453	6,461	5,968	8,762
Net income per share (yen)	164.85	95.12	90.24	136.93
Total assets	165,022	160,086	154,554	156,000
Net assets	145,496	140,510	134,813	130,996
Net assets per share (yen)	2,114.38	2,078.38	2,060.13	2,090.11



(Notes) 1. Net income per share is calculated based on the average number of shares issued (excluding the number of shares held as treasury stock) during each fiscal year.

2. Net assets per share is calculated based on the number of shares issued (excluding the number of shares held as treasury stock) as of the end of each fiscal year.

3. We have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. Accordingly, "net income per share" and "net assets per share" have been calculated assuming that such share consolidation has been conducted at the beginning of fiscal year 2017.

4. We have adopted the ASBJ Statement No. 28 Partial Amendments to Accounting Standard for Tax Effect Accounting (February 16, 2018) starting from fiscal year 2019. Accordingly, "Total Assets" for prior fiscal years including fiscal year 2018 show the numbers after such accounting standard has been applied retroactively thereto.

(3) Issues to Address

The outlook for the domestic market is increasingly uncertain due to a decline in consumer spending attributable to a series of natural disasters such as typhoons and heavy rains and unusual weather conditions, with the most recent record-cold summer and record-warm winter, in addition to the increasing budget-consciousness of consumers following the consumption tax increase.

Overseas markets are starting to show signs of instability due to factors such as the US-China trade war, political uncertainties in European countries, business restructuring of mass merchandisers including department stores, and the emergence of new distribution channels and marketing with innovative digital technologies.

Consumer behavior is changing globally, and consumers are increasingly accessing information through various networks and spending money using their own selective judgment, as a result of increased value diversity. As consumers are no longer accepting standardized value propositions, we are required to provide services that are better tailored to each consumer who seeks to realize her own beauty.

In this environment, we should reassess all of our activities through the eyes of our customers and take actions to transform our business. Accordingly, it is our major challenge to flexibly react to changing market conditions where digital transformation is accelerating while maintaining the current growth rate. Further, we need to develop a diversified workforce that supports our sustainable growth and to build a business culture that can meet the challenges of the future. We also believe that we need to commit ourselves to solving critical social issues and to strengthening our ability to coexist with the global environment and local communities in order to become a company that continues to prosper with society, be trusted in the globalizing world and be needed by society.

We continue to move forward with efforts to become “Wacoal of the World as a Group”, that is, to continue to offer pioneering products to the global markets by taking full advantage of our management resources and our group’s network, and to gain reputation for our reliability from stakeholders around the world with our group’s products and services as well as our commitments to social issues by cultivating new market opportunities for the undergarment industry.

We will promptly disclose any change or reassessment to our strategies that are outlined under our mid-term business plan, or any material impact on our initial plan, in connection with the spread of the coronavirus outbreak.

Your continued support and cooperation will be greatly appreciated.

(4) Main Offices and Factories

(i) Main Offices and Factories of the Company

Head Office (Kyoto)

(ii) Main Offices and Factories of Subsidiaries

Wacoal Corp. (Kyoto), Peach John Co., Ltd. (Tokyo), Lecien Corp. (Kyoto), Kyushu Wacoal Manufacturing Corp. (Nagasaki), Nanasai Co., Ltd. (Kyoto), Torica Inc. (Osaka), Wacoal International Corp. (U.S.A.), Wacoal America, Inc., Wacoal Europe Ltd. (U.K.), Wacoal EMEA Ltd. (U.K.), Wacoal Europe SAS (France), Wacoal International Hong Kong Co., Ltd., Wacoal Hong Kong Co., Ltd., Wacoal Investment Co., Ltd. (Taiwan), Wacoal China Co., Ltd., A Tech Textile Co., Ltd. (Thailand)

(5) Employees

(i) Employees within the Group

Name of Operating Segment	Number of Employees	Increase (Decrease) from the End of Previous Fiscal Year
Wacoal Business (Domestic)	7,464	7
Wacoal Business (Overseas)	11,089	308
Peach John Business	514	(17)
Other	1,917	24
Total	20,984	322

(Notes) 1. The number of employees is the number of individuals working within our Group (excludes individuals seconded from our Group to third parties, but includes individuals seconded from third parties to our Group).
2. The number of employees does not include the number of temporary employees (the average number of temporary employees during the period, including temporary staff and part-time workers, is 675).

(ii) Employees of the Company

Number of Employees	Increase (Decrease) from the End of Previous Fiscal Year	Average Age	Average Years of Service
94	4	46.9	20.6

(Note) The number of employees is the number of individuals working within the Company.

(6) Principal Subsidiaries

Name of Company	Location	Stated Capital	Shareholding Ratio	Main Business	Remarks
		(Millions of yen)			
Wacoal Corp.	Minami-ku, Kyoto	¥5,000	100.0%	Manufacture and sale of garments	
Peach John Co., Ltd.	Minato-ku, Tokyo	90	100.0%	Sale of garments	
Lecien Corp.	Minami-ku, Kyoto	90	100.0%	Manufacture and sale of garments and other textile-related products	
Nanasai Co., Ltd.	Minami-ku, Kyoto	90	99.9%	Manufacture and sale of mannequins and display fixtures; interior design and construction work of stores	
		(Thousands of U.S. dollars)			
Wacoal International Corp.	NY, U.S.A.	$20,000	100.0%	Investment in US subsidiaries	*1
Wacoal America, Inc.	NY, U.S.A.	2,062	100.0%	Manufacture and sale of garments	*2
		(Thousands of pounds)			
Wacoal Europe Ltd.	Northamptonshire, U.K.	£175	100.0%	Investment in subsidiaries	
Wacoal EMEA Ltd.	Northamptonshire, U.K.	250	100.0%	Manufacture and sale of garments	*3
		(Millions of Thai baht)			
A Tech Textile Co., Ltd.	Bangkok, Thailand	1,000	54.2%	Manufacture and sale of raw materials	*4

(Notes) *1. Wacoal International Corp. is a wholly owned subsidiary of our subsidiary, Wacoal Corp.
*2. Wacoal America Inc. is a wholly owned subsidiary of Wacoal International Corp.
*3. Wacoal EMEA Ltd. is a wholly owned subsidiary of our subsidiary, Wacoal Europe Ltd.
*4. A Tech Textile Co., Ltd. is a 54.2% owned subsidiary of our subsidiary, Wacoal Corp.

(7) Matters concerning Specified Wholly Owned Subsidiaries

Name of Company	Address	Total Carrying Amount	Total Assets of the Company
Wacoal Corp.	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto	(Millions of yen) 72,336	(Millions of yen) 156,000

(8) Major Lenders (as of March 31, 2020)

Omitted as the amounts of borrowings are insignificant.

2. STOCK INFORMATION (As of March 31, 2020)

(1) Total Number of Shares Authorized to be Issued: 250,000,000 shares

(2) Total Number of Issued and Outstanding Shares: 68,589,042 shares
(including 6,186,410 shares of treasury stock)
(Note) The total number of issued and outstanding shares including the shares of treasury stock decreased by 2,100,000 shares from the end of previous fiscal year (March 31, 2019) following the cancellation of treasury stock of 2,100,000 shares conducted on May 24, 2019 pursuant to the provisions of Article 178 of the Companies Act.

(3) Total Number of Shareholders: 15,121

(4) Major Shareholders (Top 10):

Name of Shareholder	Number of Shares Held by Shareholder	Shareholding Ratio
	(Thousands of shares)	(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,447	5.52
MUFG Bank, Ltd.	3,195	5.12
Japan Trustee Services Bank, Ltd. (Trust Account)	3,081	4.94
Meiji Yasuda Life Insurance Company	3,050	4.89
The Bank of Kyoto, Ltd.	2,352	3.77
Nippon Life Insurance Company	1,836	2.94
The Shiga Bank, Ltd.	1,775	2.84
Mitsubishi UFJ Trust and Banking Corporation	1,525	2.44
The Dai-ichi Life Insurance Company, Limited	1,366	2.19
Asahi Kasei Corporation	1,241	1.99

(Notes) 1. The number of shares held by shareholder is rounded down to the nearest thousand.
2. The Company is holding 6,186,410 shares of treasury stock, which are not listed in the above list of major shareholders.
3. The shareholding ratio is calculated excluding the number of shares of treasury stock.

3. MATTERS CONCERNING STOCK ACQUISITION RIGHTS

(1) Stock Acquisition Rights Granted to Officers as Consideration for Execution of Duties Held as of the End of Fiscal Year Ended March 31, 2020

Name (Issuance Date)	Number of stock acquisition rights	Class and number of shares represented by stock acquisition rights	Amount to be paid upon exercise of stock acquisition rights	Exercise period	Status (held by)
1st Stock Acquisition Rights (July 30, 2008)	19	Common stock 9,500 shares	One (1) yen per share	September 2, 2008 - September 1, 2028	1 Director
2nd Stock Acquisition Rights (July 30, 2008)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2008 - September 1, 2028	1 Director (Note 2)
3rd Stock Acquisition Rights (July 30, 2009)	20	Common stock 10,000 shares	One (1) yen per share	September 2, 2009 - September 1, 2029	1 Director
4th Stock Acquisition Rights (July 30, 2009)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2009 - September 1, 2029	1 Director (Note 2)
5th Stock Acquisition Rights (July 30, 2010)	21	Common stock 10,500 shares	One (1) yen per share	September 2, 2010 - September 1, 2030	1 Director
6th Stock Acquisition Rights (July 30, 2010)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2010 - September 1, 2030	1 Director (Note 2)
7th Stock Acquisition Rights (July 29, 2011)	31	Common stock 15,500 shares	One (1) yen per share	September 2, 2011 - September 1, 2031	2 Directors
8th Stock Acquisition Rights (July 29, 2011)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2011 - September 1, 2031	1 Audit & Supervisory Board Member (Note 3)
9th Stock Acquisition Rights (July 31, 2012)	35	Common stock 17,500 shares	One (1) yen per share	September 4, 2012 - September 3, 2032	2 Directors
10th Stock Acquisition Rights (July 31, 2012)	3	Common stock 1,500 shares	One (1) yen per share	September 4, 2012 - September 3, 2032	1 Audit & Supervisory Board Member (Note 3)
11th Stock Acquisition Rights (July 31, 2013)	34	Common stock 17,000 shares	One (1) yen per share	September 3, 2013 - September 2, 2033	2 Directors

Name (Issuance Date)	Number of stock acquisition rights	Class and number of shares represented by stock acquisition rights	Amount to be paid upon exercise of stock acquisition rights	Exercise period	Status (held by)
12th Stock Acquisition Rights (July 31, 2013)	8	Common stock 4,000 shares	One (1) yen per share	September 3, 2013 - September 2, 2033	1 Director (Note 2) 1 Audit & Supervisory Board Member (Note 3)
13th Stock Acquisition Rights (July 31, 2014)	30	Common stock 15,000 shares	One (1) yen per share	September 2, 2014 - September 1, 2034	2 Directors
14th Stock Acquisition Rights (July 31, 2014)	6	Common stock 3,000 shares	One (1) yen per share	September 2, 2014 - September 1, 2034	1 Director (Note 2) 1 Audit & Supervisory Board Member (Note 3)
15th Stock Acquisition Rights (July 31, 2015)	28	Common stock 14,000 shares	One (1) yen per share	September 2, 2015 - September 1, 2035	3 Directors
17th Stock Acquisition Rights (July 29, 2016)	37	Common stock 18,500 shares	One (1) yen per share	September 2, 2016 - September 1, 2036	3 Directors
19th Stock Acquisition Rights (July 31, 2017)	24	Common stock 12,000 shares	One (1) yen per share	September 2, 2017 - September 1, 2037	3 Directors
21st Stock Acquisition Rights (July 20, 2018)	126	Common stock 12,600 shares	One (1) yen per share	August 18, 2018 - August 17, 2038	4 Directors
23rd Stock Acquisition Rights (June 27, 2019)	172	Common stock 17,200 shares	One (1) yen per share	July 23, 2019 - July 22, 2039	4 Directors

(Notes) 1. Stock acquisition rights are not held by the outside director nor outside audit & supervisory board member.
2. The stock acquisition right(s) held by the director was granted during which such director held a position as a director at our subsidiary upon issuance of the stock acquisition right(s).
3. The stock acquisition right(s) held by the audit & supervisory board member was granted during which such audit & supervisory board member held a position as a director at our subsidiary upon issuance of the stock acquisition right(s).
4. The number of shares subject to one stock acquisition right is 100 shares (500 shares for stock acquisition right granted before September 1, 2017).
5. The "class and number of shares represented by stock acquisition rights" has been adjusted to reflect the share consolidation pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017.

(2) Stock Acquisition Rights Granted to Officers of Subsidiaries as Consideration for Execution of Duties During the Fiscal Year ended March 31, 2020

Name (Issuance Date)	Number of stock acquisition rights	Class and number of shares represented by stock acquisition rights	Amount to be paid upon exercise of stock acquisition rights	Exercise period	Status (granted to)
24th Stock Acquisition Rights (June 27, 2019)	113	Common stock 11,300 shares	One (1) yen per share	July 23, 2019 - July 22, 2039	6 Directors of Wacoal Corp.

(Note) The number of shares per one stock acquisition right is 100 shares.

4. OFFICERS

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2020)

Position	Name	Responsibility and significant concurrent positions
Representative Director and Chairman	Yoshikata Tsukamoto	
Representative Director and President	Hironobu Yasuhara	Representative Director and Chairman of Wacoal Corp.; Director and Chairman of Wacoal International Corp.
Director and Vice President	Masashi Yamaguchi	Supervisor of Group Business Management; Chair of Corporate Ethics and Risk Management Committee
Managing Director	Akira Miyagi	General Manager of Corporate Planning
Director	Madoka Mayuzumi	Visiting Professor at Kitazato University; Visiting Professor at Showa Women's University, Faculty of Humanities and Culture, Department of Japanese Language and Literature; Visiting Professor at Kyoto Tachibana University, Faculty of Humanities, Department of Japanese Language and Literature; Trustee of East Japan Railway Culture Foundation
Director	Shigeru Saito	Representative Director and Chairman, and CEO of TOSE CO., LTD.; Outside Director of SCREEN Holdings Co., Ltd.
Director	Tsunehiko Iwai	Chair of Executive Nomination Advisory Committee; Chair of Executive Compensation Advisory Committee; Senior Advisor of Shiseido Co., Ltd.
Standing Audit & Supervisory Board Member	Tomoki Nakamura	
Standing Audit & Supervisory Board Member	Kiyotaka Hiroshima	Audit & Supervisory Board Member of Wacoal Corp.
Audit & Supervisory Board Member	Hiroshi Shirai	Certified Public Accountant, Managing Partner of Shirai public accounting firm; Outside audit & supervisory board member of ALTECO Inc.; Auditor of University Public Corporation Osaka
Audit & Supervisory Board Member	Mitsuhiro Hamamoto	Managing Partner of Hamamoto Law Office; Outside Director of Toa Valve Engineering Inc.; Outside Auditor of Osaka-Hyogo Ready-Mixed Concrete Industrial Association

Position	Name	Responsibility and significant concurrent positions
Audit & Supervisory Board Member	Minoru Shimada	Director and Chairman of SOTSU CORPORATION; Special Advisor of Fulltime System Co., Ltd.

(Notes) 1. Directors Ms. Madoka Mayuzumi, Mr. Shigeru Saito and Mr. Tsunehiko Iwai are Outside Directors as prescribed in Item 15, Article 2 of the Companies Act.
2. Audit & Supervisory Board Members Mr. Hiroshi Shirai, Mr. Mitsuhiro Hamamoto and Mr. Minoru Shimada are Outside Audit & Supervisory Board Members as prescribed in Item 16, Article 2 of the Companies Act.
3 There are no conflicts of interest between the Company and the companies at which these Outside Directors and Outside Audit & Supervisory Board Members hold significant concurrent positions.
4. Standing Audit & Supervisory Board Member Mr. Tomoki Nakamura has many years of accounting experience at our Accounting Department with a respectable degree of finance and accounting knowledge.
5. Audit & Supervisory Board Member Mr. Hiroshi Shirai is qualified as a certified public accountant with a considerable degree of finance and accounting knowledge.
6. Outside Directors Ms. Madoka Mayuzumi, Mr. Shigeru Saito and Mr. Tsunehiko Iwai and Outside Audit & Supervisory Board Members Mr. Hiroshi Shirai, Mr. Mitsuhiro Hamamoto and Mr. Minoru Shimada have been designated as our independent officers and have been notified to the Tokyo Stock Exchange.

(2) Remuneration and Other Compensation Paid to Directors and Audit & Supervisory Board Members

310 million yen for 8 Directors (of which 27 million yen was for 3 Outside Directors)

60 million yen for 5 Audit & Supervisory Board Members (of which 21 million yen was for 3 Outside Audit & Supervisory Board Members)

(Notes) 1. As of March 31, 2020, the number of Directors and Audit & Supervisory Board Members was 7 (of which 3 were Outside Directors) and 5 (of which 3 were Outside Audit & Supervisory Board Members), respectively. The number of Directors differs from the number indicated above because the number indicated above include 1 Director who resigned as Director upon the close of the 71st Ordinary General Meeting of Shareholders held on June 27, 2019.
2. The amount indicated above includes the following:
   - 12 million yen of officers' bonuses (12 million yen to 4 Directors excluding Outside Directors) which is to be resolved at this Meeting
   - 43 million yen of remuneration in the form of stock options (43 million yen to 5 Directors excluding Outside Directors)

(3) Main Activities of Outside Directors and Outside Audit & Supervisory Board Members

Category	Name	Main Activities
Director	Madoka Mayuzumi	Ms. Mayuzumi has attended all 13 Board of Directors' meetings held during the current fiscal year and has expressed her opinions on the proposals and/or discussions based on her comprehensive knowledge and experience in the field of arts and culture.
Director	Shigeru Saito	Mr. Saito has attended all 13 Board of Directors' meetings held during the current fiscal year and has expressed his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience of overall management.
Director	Tsunehiko Iwai	Mr. Iwai has attended all 13 Board of Directors' meetings held during the current fiscal year and has expressed his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience in the field of technology and overall management.
Audit & Supervisory Board Member	Hiroshi Shirai	Mr. Shirai has attended all 13 Board of Directors' meetings and 14 of the 15 Audit & Supervisory Board's meetings held during the current fiscal year and has expressed his opinions on the proposals and/or discussions primarily from his professional perspective as a certified public accountant.
Audit & Supervisory Board Member	Mitsuhiro Hamamoto	Mr. Hamamoto has attended all 13 Board of Directors' meetings and all 15 Audit & Supervisory Board's meetings held during the current fiscal year and has expressed his opinions on proposals and/or discussions primarily from his professional perspective as an attorney-at-law.
Audit & Supervisory Board Member	Minoru Shimada	Mr. Shimada has attended all 13 Board of Directors' meetings and all 15 Audit & Supervisory Board's meetings held during the current fiscal year and has express his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience of overall management.

(4) Summary of Limitation of Liability Agreement

Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and our Articles of Incorporation, the Company has executed an agreement with its Outside Directors and Outside Audit & Supervisory Board Members to limit their liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act.

The maximum amount of liability under such agreement is the minimum amount as provided by laws and regulations.

5. MATTERS CONCERNING ACCOUNTING AUDITORS

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Remuneration, etc.

Amount of remuneration payable to the accounting auditor for this fiscal year:	146 million yen
Total amount of money and other property benefits to be paid to the accounting auditor by the Company and its subsidiaries:	243 million yen

(Notes) 1. The accounting audit agreement executed between the Company and its accounting auditor does not distinguish remuneration for accounting under the Companies Act from that for accounting under the Financial Instruments and Exchange Act, and they cannot be reliably distinguished. Therefore, the amount given above represents the total amount of remuneration for both types of accounting work.

2 Among our significant subsidiaries, Wacoal International Corp., Wacoal America, Inc., Wacoal Europe Ltd., Wacoal EMEA Ltd. and A Tech Textile Co., Ltd. are subject to audits by other auditing firms and not by our accounting auditor.

(3) Description of Nonaudit Services

The Company pays fees to the accounting auditor as compensation for advice and/or guidance regarding the creation of Group Accounting Rules and consulting services for CSR procurement activities, which are out of the scope of the services that are set forth in Paragraph 1, Article 2 of the Certified Public Accountants Act.

(4) Consent on Amount of Remuneration, etc. Payable to Accounting Auditor

The Audit & Supervisory Board has obtained necessary documents and received explanations regarding the comparison of the estimated time under the audit plan from the previous fiscal year and the actual time used for audit performance and the trend in the amount of remuneration paid for the audit performance during the past fiscal years from the relevant departments and the accounting auditor, has reviewed the details of audit planning, basis for calculating remuneration and level of remuneration presented by the accounting auditor for the current fiscal year, and after deliberating whether the amount of remuneration for the audit performance is appropriate to maintain the independence of the accounting auditor and to carry out its accounting audit under appropriate audit system and audit plan for the assessment of risks related to the audit environment and internal control system of the business group (including the Company and its consolidated subsidiaries), the Audit & Supervisory Board has deemed the amount of remuneration for the current fiscal year is appropriate. Based on the above, the Audit & Supervisory Board has given its consent, pursuant to the provisions of Paragraph 1, Article 399 of the Companies Act, on the amount of remuneration payable to the accounting auditor.

(5) Policy on Determination of Dismissal and Non-Reappointment of Accounting Auditor

If the accounting auditor comes to fall under any of the items of Paragraph 1, Article 340 of the Companies Act and its dismissal is deemed appropriate, the Audit & Supervisory Board will dismiss the accounting auditor with the consent of all Audit & Supervisory Board Members.

In addition to the above, upon the occurrence of an event which may harm the eligibility or independence of the accounting auditor, or if it is deemed difficult for the accounting auditor to perform appropriate audit procedures, the Audit & Supervisory Board will prepare and determine an agenda concerning the dismissal or non-reappointment of the accounting auditor to be submitted as a proposal at the General Meeting of Shareholders.

6. SYSTEM AND POLICIES OF COMPANY

(1) System to Ensure Appropriate Business Conduct

(i) System to ensure that execution of duties by Directors and/or employees is in compliance with laws and regulations and the Articles of Incorporation

- To ensure that all Directors and employees of the business group comprised of the Company and its subsidiaries ("the Wacoal Group") comply with laws and regulations and the Articles of Incorporation and conduct business based on sound social norms, we have enacted "Wacoal Code of Ethics" and "Corporate Ethics and Wacoal Standards of Conduct".

- In order to improve our system of compliance, we have established a Corporate Ethics and Risk Management Committee, for which our Representative Director and President acts as the head in charge of the committee and the Director of Supervisor of Group Business Management acts as chairman, which will consider any compliance issues which may have a material impact on the Wacoal Group, enhance awareness and enlightenment on corporate ethics and effectively promote control of any management risks on the Wacoal Group. The Management Planning Department shall act as organizer, and shall be responsible for the corporate ethics and risk management related to the Wacoal Group.

- We have established a system under which our legal/compliance department could be promptly notified if a Director and/or employee of the Wacoal Group becomes aware of a compliance issue which may have violated the "Wacoal Code of Ethics" or the "Corporate Ethics and Wacoal Standards of Conduct", or of any other compliance issues. We have also established an internal alert system (corporate ethics hotline to the legal/compliance department and a law firm). After being notified and/or alerted, the legal/compliance department conducts an investigation and formulates preventive measures after discussions with the related department. If the issue is critical, the legal/compliance department will refer the matter to the Corporate Ethics and Risk Management Committee and will report the results of its deliberation to the Board of Directors and/or Audit & Supervisory Board.

- The "Corporate Ethics and Wacoal Standards of Conduct" prescribes that Directors and employees shall firmly refuse to comply with demands of antisocial forces. In order to handle unjust demands of antisocial forces, we cooperate with outside specialized institutions, collect and/or control information related to antisocial forces and are building an internal system.

(ii) System concerning the Storage and Management of Information related to Execution of Duties by Directors

- With the approval of the Board of Directors, we have enacted "Document Management Rules" pursuant to which we store the following documents (including electromagnetic records, hereafter the same) along with any related materials:
*Minutes of the general meeting of shareholders, minutes of the Board of Directors meetings, minutes of the Group Management Meeting, documents for which a Director is the final decision maker and any other documents prescribed in the "Document Management Rules"

- The retention period and the place for storage of the documents prescribed in the preceding paragraph(*) shall be subject to the "Document Management Rules", but such retention period shall be at least ten (10) years. The Directors and Audit & Supervisory Board Members shall have access to these documents at all times.

(iii) Rules and Other Systems concerning Risk Management of Losses

- In order to understand the management risk within the Wacoal Group in general and to improve and/or strengthen our risk management system, we have established a Corporate Ethics and Risk Management Committee, for which our Representative Director and President acts as administrative manager and the Director of Supervisor of Group Business Management as Chairman. The Management Planning Department shall act as organizer.

- The Corporate Ethics and Risk Management Committee prescribes "Risk Management Basic Rules", subject to the approval of the Board of Directors, which form the basis for our risk

management system. The Corporate Ethics and Risk Management Committee clarifies the responsibilities by risk category pursuant to these rules, and formulates a risk management system that thoroughly and/or comprehensively controls potential risk within the Wacoal Group.

- The Corporate Ethics and Risk Management Committee regularly reports on the operations of the Wacoal Group's risk management system to the Board of Directors.

(iv) System to Ensure Effective Execution of Duties by Directors

- In order to enhance appropriate decision-making by our Directors, at least one-third of all Directors will be independent Outside Directors.

- We will formulate a medium-term management plan to be shared by the Directors and/or employees within the Wacoal Group and will direct and confirm courses of action and business targets in the medium to short-term that are consistent with such plan.

- We will follow the business results of each Wacoal Group company on a monthly basis and report back to the Board of Directors. In addition, by holding a quarterly meeting of the "Quarterly Business Results Review Committee" and "Group Strategy Committee", we will confirm the business results and the implementation of measures and policies, consider measures in the event targets are not achieved, and review such targets, as may be necessary.

- We adopt a corporate officer system, under which we seek to build an appropriate and efficient management system which clearly defines the delegation of authority and responsibilities with respect to major Group companies.

(v) System to Ensure Appropriate Business Conduct within Group Companies

- We have enacted our "Group Management Rules", which prescribes basic policies regarding the management of Group companies and matters to be decided by our Board of Directors, as well as matters to be reported to the Company and manages our Group companies in accordance with the rules.

- We conduct any intercompany transaction fairly in compliance with laws and regulations, accounting principles and the tax system.

- Our audit office will conduct audits of operations within the Group companies, including audits of the establishment and/or operation of our compliance system and risk management system, and will report the results of its audits to the Board of Directors and the responsible departments and give guidance and/or advice related to the above to Group companies to ensure appropriate conduct of business.

- Our foreign subsidiaries will comply with the laws and regulations of their respective home countries and will adopt a system that is in line with our policies to the extent reasonable.

(vi) Matters concerning Assistants to Audit & Supervisory Board Members and Matters Concerning Independence of such Assistants from Directors

- Audit & Supervisory Board Members may appoint employees of the Company as their assistants who are to assist the duties of the Audit & Supervisory Board Members.

- Such assistants shall be full-time employees. In order to ensure the effectiveness and independence of such assistants, decisions on personal affairs, including appointment, evaluation, relocation and discipline of such assistants will be subject to the consent of the Audit & Supervisory Board Members.

(vii) Reporting System of Directors and Employees to the Audit & Supervisory Board Members and Other Systems related to the report to Audit & Supervisory Board Members

- Directors of the Wacoal Group shall promptly report to the Audit & Supervisory Board Members if they become aware of a material fact that violates the applicable laws and

regulations and/or Articles of Incorporation of each company, misconduct or a fact that may cause significant damage to any company of the Wacoal Group.

- Employees of the Wacoal Group may directly report to the Audit & Supervisory Board Members if they become aware of a material fact that violates the applicable laws and regulations and/or Articles of Incorporation of each company, misconduct or a fact that may cause significant damage to any company of the Wacoal Group. Any employee who makes such report will not be at a disadvantage for the reason of making such report.

- Through the reporting of the following matters in addition to statutory matters to the Audit & Supervisory Board Members by Directors and employees of the Wacoal Group, we strive to have the Audit & Supervisory Board Members audit conducted effectively.

  Matters referred to the Group Management Meeting

  Monthly and quarterly Group management conditions

  Results of audits of operations

  The condition of our internal alert system

  Other significant matters

(viii) Other Systems to ensure Effective Audit by Audit & Supervisory Board Members

- The majority of the Audit & Supervisory Board Members of the Company will be independent Outside Audit & Supervisory Board Members to enhance the transparency and neutrality of audit.

- The Audit & Supervisory Board Members may order employees who belong to the audit office to perform any tasks that are required to provide their services. In addition, the Audit & Supervisory Board Members may request the Company for reimbursement of expenses incurred for performing their duties.

- Audit & Supervisory Board Members will attend meetings of the Board of Directors and may also attend other primary meetings of the Wacoal Group.

- The Audit & Supervisory Board Members will regularly meet with the audit office and the Accounting Auditor to receive reports and to exchange opinions.

- The Audit & Supervisory Board may consult legal counsel, certified public accountants, consultants or other outside advisors as it deems necessary.

(2) Outline of Operation of our "System to ensure Appropriate Business Conduct"

(i) System to ensure that execution of duties by Directors and/or employees is in compliance with laws and regulations and the Company's Articles of Incorporation

- We have a Compliance Committee which specifically establishes and operates our compliance system. The Compliance Committee holds a meeting each quarter, and discusses and reviews awareness of compliance and matters reported to us through the internal alert system.

- Our legal/compliance department continues to provide level-specific group education and e-learning programs as part of our educational activities for our employees. We are also making step-by-step efforts to strengthen the internal alert system for our overseas Group companies by providing compliance awareness training and carrying out compliance review by a third-party as well as by expanding our external corporate ethics hotline.

(ii) System concerning the Storage and Management of Information related to Execution of Duties by Directors

- Documents prescribed in the "Document Management Rules" have been properly stored in accordance with the "Document Management Rules" and the Directors and Audit & Supervisory Board Members have access to these documents on a timely basis.

(iii) Rules and Other Systems concerning Risk Management of Losses

- The Corporate Ethics and Risk Management Committee assesses risks, monitors the implementation of measures taken, and reports to the Board of Directors on a quarterly basis.

- In April 2018, we established the CSR Procurement Committee as a subcommittee of the Corporate Ethics and Risk Management Committee. As part of our group purchase policy, we launched an initiative that links together the following functions, which we continue to expand, in order to check the outsourcees' compliance with the "Wacoal Group CSR-based Procurement Guidelines", which includes provisions such as promotion of business transactions with business enterprises that emphasize attention to social needs towards human rights, labor practices, environment and ethics; monitoring of self-evaluation by outsourcees; analysis/assessment feedback; correction/improvement plans; and follow-up.

(iv) System to ensure Effective Execution of Duties by Directors

- We engage in highly transparent decision-making by appointing three independent Outside Directors among our seven Directors. In addition, "Criteria for Appointment of Officers" and "Criteria for Appointment of Outside Officers (to ensure independence)" were stipulated in April 2015.

- We held discussions and prepared Wacoal Group's management policy for the fiscal year ending March 2021.

- We hold meetings of the Quarterly Business Results Review Committee and Group Strategy Committee on a quarterly basis, and confirms and reviews the business results and implementation of measures.

- We have resolved at the Board of Directors' Meeting held in February 2020 to adopt the corporate officer system starting from April 1, 2020 in order to further enhance the Group's business execution functions as a group.

(v) System to ensure Appropriate Business Conduct within Group Companies

- Matters to be decided and reported by our subsidiaries are appropriately managed in accordance with the "Group Management Rules".

- Our audit office develops an audit plan for each fiscal year and conducts audits on the operation and internal controls of the Company and our domestic and overseas subsidiaries.

(vi) Matters concerning Assistants to Audit & Supervisory Board Members and Matters concerning Independence of such Assistants from Directors

- Our audit office assists the duties of the Audit & Supervisory Board Members upon their request from time to time. Audit & Supervisory Board Members have not requested or appointed any assistant for their duties.

(vii) Reporting System of Directors and Employees to the Audit & Supervisory Board Members and Other Systems related to the report to Audit & Supervisory Board Members

- The Audit & Supervisory Board Members attended primary meetings and received reports on matters that were discussed and on the management condition, and also received reports, from time to time, on the results of audits on the operation and matters reported through the internal alert system.

(viii) Other Systems to ensure Effective Audits by Audit & Supervisory Board Members

- We enhance the effectiveness of audit by appointing three independent Outside Audit & Supervisory Board Members among the five Audit & Supervisory Board Members.

- The Company reimburses any and all expenses incurred by the Audit & Supervisory Board Members for performing their duties.

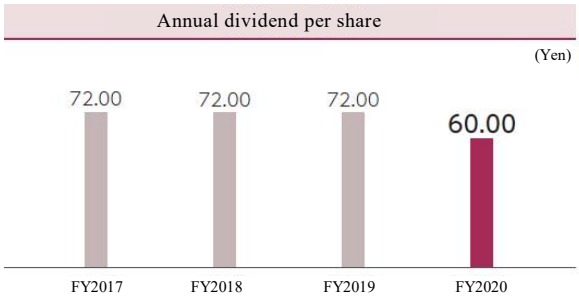
- The Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings, conduct hearings with the Directors and also visit our domestic and overseas subsidiaries to conduct audits. In addition, the Audit & Supervisory Board Members preside at Audit & Supervisory Board Group Meetings and receive periodic reports from the Audit & Supervisory Board Members of the domestic subsidiaries.

- The Audit & Supervisory Board Members, regularly and whenever necessary, exchange information and opinions with the Accounting Auditor and the audit office.

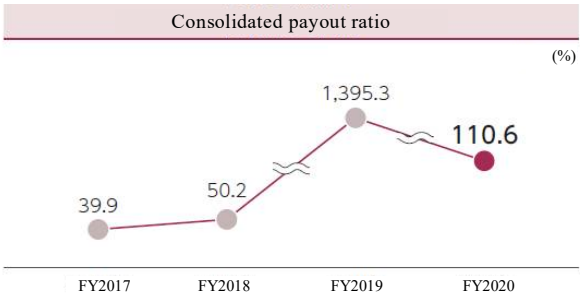
(3) Policy Regarding Determination of Distribution of Earnings

Our basic policy on profit distributions to shareholders is to make stable distributions based on consideration of our consolidated performance, while seeking to increase our enterprise value through active investments aimed at higher profitability and to increase net income per share. With respect to retained earnings, we will actively invest in expanding our customer bases for our domestic business and our overseas businesses, with the aim of improving our enterprise value. We also plan to use our retained earnings for strategic investments for maintaining competitiveness and reinforcing growth. With these efforts, we seek to benefit our shareholders by improving future profitability. We also intend to acquire treasury stock in a flexible manner taking into account the level of free cash flow as well as the market environment, and will make effort to improve capital efficiency and return profits to our shareholders.

The coronavirus outbreak will, however, have a significant impact on our group's business and as uncertainty remains over the end of the coronavirus outbreak, our urgent priority is to ensure liquidity on hand. It is with our deepest regret to inform you that we have resolved at the Board of Directors Meeting to revise and reduce our most recently forecasted year-end dividend per share of 40.00 yen (including the special anniversary dividend of 4.00 yen) to 20.00 yen (including special anniversary dividend of 4.00 yen) (with the result that the annual cash dividend per share will be 60.00 yen, including the interim dividend per share of 40.00 yen).



※We have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. The amount of annual dividend per share for fiscal years 2016 through 2018 has been converted to reflect such share consolidation.



※The consolidated payout ratio for the previous fiscal year was 50.7% if calculated based on the net income attributable to Wacoal Holdings Corp. excluding the impairment charges on the intangible assets with respect to Peach John Co., Ltd. and its subsidiaries and valuation loss on marketable securities. The consolidated payout ratio for the current fiscal year will be 63.1% if calculated based on the net income attributable to Wacoal Holdings Corp. excluding the valuation loss on marketable securities.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

ASSETS	Current Fiscal Year (as of March 31, 2020)	Reference: Previous Fiscal Year (as of March 31, 2019)
Accounts	Amount	Amount
Current Assets	**98,190**	**108,016**
Cash and cash equivalents	27,905	30,133
Time deposits	797	4,004
Marketable securities	656	446
Notes and accounts receivable	20,062	24,989
Allowance for doubtful receivables	(489)	(229)
Inventories	43,427	42,508
Return assets	868	1,180
Other current assets	4,964	4,985
Property, Plant and Equipment	**52,083**	**53,270**
Land	21,460	21,549
Buildings and structures	74,039	74,033
Machinery and equipment	18,782	18,914
Construction in progress	1,090	478
Accumulated depreciation	(63,288)	(61,704)
Other Assets	**127,415**	**120,481**
Operating leases right-of-use assets	13,540	-
Investments in affiliated companies	21,595	21,859
Investments	43,904	63,372
Goodwill	22,371	11,954
Other intangible assets	14,547	12,297
Prepaid pension expense	4,974	3,990
Deferred income taxes	1,118	1,362
Other	5,366	5,647
Total Assets	**277,688**	**281,767**

Amounts less than ¥1 million are rounded to the nearest million.

(Millions of yen)

LIABILITIES	Current Fiscal Year (as of March 31, 2020)	Reference: Previous Fiscal Year (as of March 31, 2019)
Accounts	Amount	Amount
Current Liabilities	**44,107**	**43,862**
Short-term bank loans	3,364	8,116
Trade notes payable	1,112	1,155
Trade accounts payable	9,588	10,638
Other payables	7,107	6,548
Accrued payroll and bonuses	6,734	7,209
Income taxes payable	4,878	2,759
Refund liabilities	2,645	3,482
Short-term operating lease liabilities	4,600	-
Current portion of long-term debt	50	50
Other current liabilities	4,029	3,905
Long-term Liabilities	**24,133**	**16,761**
Long-term debt	35	88
Liability for termination and retirement benefits	2,069	1,828
Deferred income taxes	7,911	12,567
Long-term operating lease liabilities	9,101	-
Contingent consideration	2,786	-
Other long-term liabilities	2,231	2,278
Total Liabilities	**68,240**	**60,623**
EQUITY		
Common stock	**13,260**	**13,260**
Additional paid-in capital	**29,836**	**29,807**
Retained earnings	**185,233**	**193,139**
Accumulated other comprehensive (loss) income	**(5,627)**	**(4,128)**
Foreign currency translation adjustments	(1,033)	1,551
Pension liability adjustments	(4,594)	(5,679)
Treasury stock, at cost	**(17,331)**	**(15,584)**
Total Wacoal Holdings Corp. Shareholders' Equity	**205,371**	**216,494**
Noncontrolling interests	**4,077**	**4,650**
Total Equity	**209,448**	**221,144**
Total Liabilities and Equity	**277,688**	**281,767**

Amounts less than ¥1 million are rounded to the nearest million.

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

Accounts	Current Fiscal Year (from April 1, 2019 to March 31, 2020)	Reference: Previous Fiscal Year (from April 1, 2018 to March 31, 2019)
	Amount	Amount
Net sales	186,760	194,201
Operating costs and expenses	180,128	189,322
Cost of sales	84,959	89,804
Selling, general and administrative expenses	93,927	93,517
Impairment charges on property, plant and equipment	769	167
Impairment charges on goodwill and other intangible assets	473	5,834
Operating income	**6,632**	**4,879**
Other (expenses) income	(2,273)	(2,676)
Interest income	177	289
Interest expense	(19)	(11)
Dividend income	1,506	1,429
Loss on exchange and valuation of marketable securities and investments − net	(3,760)	(5,430)
Foreign exchange gain − net	36	76
Other − net	(213)	971
Income before income taxes and equity in net income of affiliated companies	**4,359**	**2,203**
Income taxes	1,453	2,533
Current	7,126	5,350
Deferred	(5,673)	(2,817)
Income (loss) before equity in net income of affiliated companies	**2,906**	**(330)**
Equity in net income of affiliated companies	62	725
Net income	**2,968**	**395**
Net loss (income) attributable to noncontrolling interests	504	(54)
Net income attributable to Wacoal Holdings Corp.	**3,472**	**341**

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Amounts less than ¥1 million are rounded to the nearest million.

NON-CONSOLIDATED FINANCIAL STATEMENTS

NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

ASSETS	Current Fiscal Year (as of March 31, 2020)	Reference: Previous Fiscal Year (as of March 31, 2019)
Accounts	Amount	Amount
Current Assets	**14,976**	**12,732**
Cash and bank deposits	11,538	8,906
Short-term loans receivable from subsidiaries and affiliated companies	5,135	4,838
Other	1,466	1,884
Allowance for doubtful receivables	(3,163)	(2,897)
Fixed Assets	**141,024**	**141,822**
Property, Plant and Equipment	**38,208**	**38,999**
Buildings	18,340	19,180
Structures	218	246
Machinery	19	22
Equipment	1,187	1,207
Land	18,342	18,342
Construction in progress	100	-
Intangible Assets	**587**	**587**
Leasehold rights	585	585
Other	1	2
Investments and Other Assets	**102,227**	**102,234**
Investments	2	5
Investments in subsidiaries and affiliated companies	101,846	101,846
Other	379	382
Total Assets	**156,000**	**154,554**

Amounts less than ¥1 million are rounded down to the nearest million.

(Millions of yen)

LIABILITIES	Current Fiscal Year (as of March 31, 2020)	Reference: Previous Fiscal Year (as of March 31, 2019)
Accounts	Amount	Amount
Current Liabilities	**23,737**	**18,389**
Trade notes payable	14	20
Short-term bank loans	-	4,000
Short-term borrowings from subsidiaries and affiliated companies	23,043	13,649
Other payables	470	450
Accrued expenses	10	12
Income taxes payable	110	128
Accrued bonuses	62	73
Accrued officers' bonuses	12	40
Other	12	14
Long-term Liabilities	**1,267**	**1,350**
Deferred income taxes	841	924
Other	426	426
Total Liabilities	**25,004**	**19,740**
NET ASSETS		
Shareholders' Equity	**130,428**	**134,275**
Common stock	**13,260**	**13,260**
Additional paid-in capital	**29,294**	**29,294**
Capital reserve	29,294	29,294
Retained earnings	**105,204**	**107,304**
Legal reserve	3,315	3,315
Other retained earnings	101,889	103,989
Reserve for deferred gain on sale of property	3,980	4,137
General reserve	90,000	90,000
Retained earnings carried forward	7,908	9,851
Treasury stock, at cost	**(17,330)**	**(15,583)**
Valuation and Translation Adjustments	**-**	**0**
Net unrealized gain on available-for-sale securities	-	0
Stock Acquisition Rights	**568**	**538**
Total Net Assets	**130,996**	**134,813**
Total Liabilities and Net Assets	**156,000**	**154,554**

Amounts less than ¥1 million are rounded down to the nearest million.

NON-CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

Accounts	Current Fiscal Year (from April 1, 2019 to March 31, 2020)	Reference: Previous Fiscal Year (from April 1, 2018 to March 31, 2019)
	Amount	Amount
Operating revenue	13,346	15,715
Rental income	4,521	4,540
Dividend income	8,481	10,829
Other	342	345
Operating costs and expenses	1,842	1,908
Cost of rent	1,842	1,908
Operating gross income	**11,504**	**13,807**
Selling, general and administrative expenses	2,133	2,014
Operating income	**9,371**	**11,792**
Non-operating income	79	108
Interest income	18	14
Dividend income	0	3
Reversal of allowance for doubtful receivables of subsidiaries and affiliated companies	48	79
Other	11	11
Non-operating expenses	338	646
Interest expenses	19	19
Loss on sale of marketable securities	-	27
Provision of allowance for doubtful receivables for subsidiaries and affiliated companies	314	592
Other	4	8
Ordinary income	**9,111**	**11,255**
Extraordinary income	-	120
Gain on sales of investments in subsidiaries and affiliated companies	-	50
Insurance income	-	70
Extraordinary loss	9	5,029
Loss on sale and disposal of fixed assets	9	5
Loss on valuation of investments in subsidiaries and affiliated companies	-	5,000
Loss on disaster	-	24
Income before income taxes	**9,102**	**6,345**
Income taxes	340	376
Current	423	456
Deferred	(83)	(80)
Net income	**8,762**	**5,968**

Amounts less than ¥1 million are rounded down to the nearest million.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 15, 2020

To the Board of Directors of
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:

Wakyu Shinmen

Designated Engagement Partner,
Certified Public Accountant:

Hiroaki Sakai

Designated Engagement Partner,
Certified Public Accountant:

Tomomi Tsuji

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Wacoal Holdings Corp. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2020, and the consolidated statement of income and consolidated statement of equity for the fiscal year from April 1, 2019 to March 31, 2020, and the related notes.

In our opinion, the accompanying consolidated financial statements, prepared with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2020, and its consolidated results of its operations for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 15, 2020

To the Board of Directors of
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:

Wakyu Shinmen

Designated Engagement Partner,
Certified Public Accountant:

Hiroaki Sakai

Designated Engagement Partner,
Certified Public Accountant:

Tomomi Tsuji

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Wacoal Holdings Corp. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2020, and the nonconsolidated statement of income and nonconsolidated statement of changes in net assets for the 72nd fiscal year from April 1, 2019 to March 31, 2020, and the related notes and the accompanying supplementary schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2020, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements

in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

AUDIT REPORT

We, the Audit & Supervisory Board, have received reports on the audit procedures and results concerning the execution of duties by the Directors during the 72nd fiscal year, from April 1, 2019 to March 31, 2020, prepared by each of the Audit & Supervisory Board Members. After review of the reports, we have prepared this Audit Report as follows:

1. Procedures and details of the audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board established policy on audits and the assignment of work responsibilities, received reports on the audits and results from each of the Audit & Supervisory Board Members, received reports regarding the execution of duties by Directors and the Accounting Auditor, and requested reports whenever necessary.

(2) In conformity with the audit standards prescribed by the Audit & Supervisory Board and in accordance with the policy on audits and the assignment of work responsibilities, each of the Audit & Supervisory Board Members has made efforts to communicate with the Directors, internal audit department, and other employees and maintain an environment for information gathering and auditing and have conducted audits as follows:

(i) We attended meetings of the Board of Directors and other important meetings, received reports regarding the execution of duties by the Directors and employees, investigated the conduct of the business and the assets and properties of the Company at the head office and other principal offices, and whenever necessary, requested explanations. With respect to subsidiaries, we made efforts to communicate and exchange information with the Directors and Audit & Supervisory Board Members of the subsidiaries and, whenever necessary, requested reports on the business from such subsidiaries.

(ii) With respect to the resolution of the Board of Directors concerning the establishment of the system required under Paragraphs 1 and 3, Article 100 of the Enforcement Regulations of the Companies Act, as described in the business report, in order to ensure that the execution of duties by Directors is in compliance with laws and regulations and the Company's Articles of Incorporation and that the business conduct of the business group comprised of a joint stock corporation (*kabushiki kaisha*) and its subsidiaries is appropriate, as well as the system established pursuant to such resolution (internal control system), we have received reports regularly from the Directors and other employees on their establishment and operation, requested explanations whenever necessary, and expressed our opinion.

(iii) We have monitored and inspected whether the Accounting Auditor has maintained independence and whether the audits have been conducted appropriately, received reports from the Accounting Auditor on the execution of duties, and requested explanations whenever necessary. The Accounting Auditor has reported to us that the "system to ensure the appropriate execution of duties" (matters stipulated in each Item of Article 131 of the Ordinance on Company Accounting under the Companies Act) has been established pursuant to the "Quality Control Standard for Audits" (Business Accounting Council, October 28, 2005), and we requested explanations whenever necessary.

Based on the above, we have examined the business report and the supplementary statement, financial statements (the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in net assets, and the related notes), and the accompanying supplemental schedules, as well as the consolidated financial statements (the consolidated balance sheets, the consolidated statements of income, the consolidated statement of equity, and the related notes) for the 72nd fiscal year.

2. Results of the audit

(1) Results of the audit on the business report

(i) The business report and its supplementary statement present fairly the Company's affairs in conformity with the applicable laws and regulations of Japan and the Company's Articles of Incorporation.

(ii) With regard to the execution of duties by the Directors, there has been no misconduct or material matters that would constitute a violation of any laws or regulations of Japan or the Company's Articles of Incorporation.

(iii) In our opinion, the details of the resolution of the Board of Directors regarding the internal control system are fair, and we have nothing to point out with regard to the details of the business report and execution of duties by Directors concerning said internal control system.

(2) Results of the audit of the non-consolidated financial statements and the accompanying supplementary schedules

In our opinion, the audit procedures and audit results received from Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are appropriate.

(3) Results of the audit of the consolidated financial statements

In our opinion, the audit procedures and audit results received from Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are appropriate.

May 20, 2020

Wacoal Holdings Corp.
Audit & Supervisory Board

Tomoki Nakamura (Seal)
Audit & Supervisory Board Member
(Standing)

Kiyotaka Hiroshima (Seal)
Audit & Supervisory Board Member
(Standing)

Hiroshi Shirai (Seal)
Audit & Supervisory Board Member

Mitsuhiro Hamamoto (Seal)
Audit & Supervisory Board Member

Minoru Shimada (Seal)
Audit & Supervisory Board Member

(Note)

Mr. Hiroshi Shirai, Mr. Mitsuhiro Hamamoto, and Mr. Minoru Shimada, Audit & Supervisory Board Members, are Outside Audit & Supervisory Board Members as stipulated by Item 16 of Article 2 and Paragraph 3 of Article 335 of the Companies Act.

-End-