

MATERIALS
FOR THE 75TH ORDINARY GENERAL MEETING
OF SHAREHOLDERS
(DELIVERED DOCUMENTS)

**AMONG THE INFORMATION THAT ARE PROVIDED TO SHAREHOLDERS
IN ELECTRONIC FORMAT, THIS DOCUMENT IS THE MATERIALS
DELIVERED TO SHAREHOLDERS WHO HAVE REQUESTED DELIVERY OF
THE DOCUMENTS PURSUANT TO LAW AND REGULATION AND THE
ARTICLES OF INCORPORATION**

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WACOAL HOLDINGS CORP.
(CODE NUMBER: 3591)

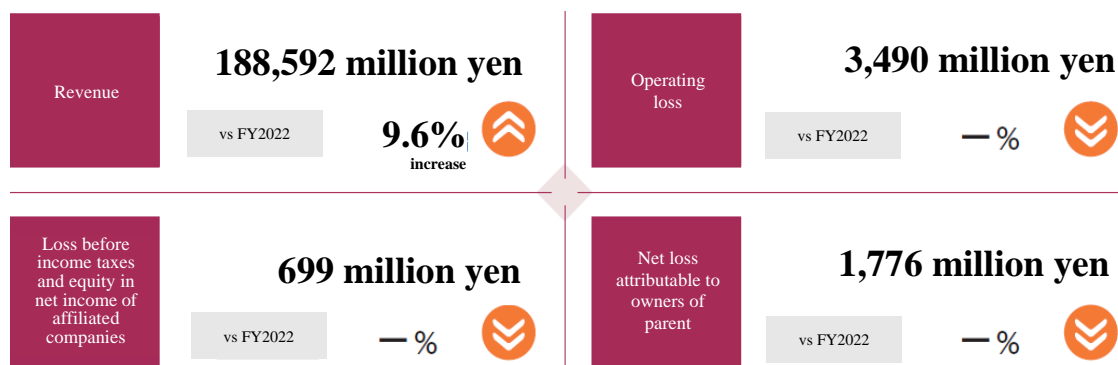
KYOTO, JAPAN

**BUSINESS REPORT
FOR THE PERIOD FROM APRIL 1, 2022 THROUGH MARCH 31, 2023**

1. STATUS OF GROUP BUSINESS

(1) Business Developments and Results

(a) Summary of Operations



(Our group voluntarily implements the International Financial Reporting Standards (“IFRS”) starting from the beginning of the current fiscal year, and the results for the previous fiscal year have been reclassified to IFRS for comparative analysis.)

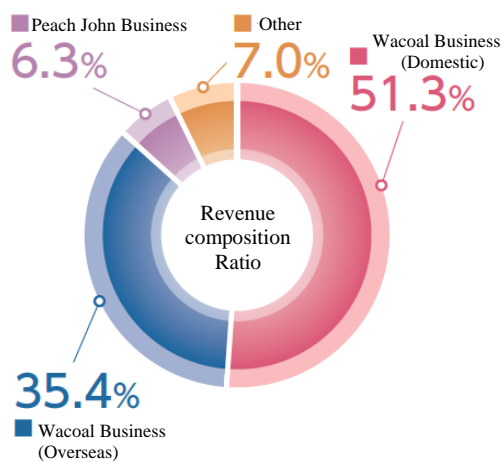
Business environment surrounding our group during the current fiscal year (from April 1, 2022 to March 31, 2023) were severely affected by weak sales of our core innerwear products in major countries. In Japan, although there were signs of recovery in consumer spending as restrictions on economic activities eased, sales from our group’s domestic business has remained below our initial expectations due to the sluggish increase in the number of customers visiting our retail stores in addition to the negative impact on consumer spending arising from rising inflation. Our business environment in the United States remained weak due to the slowdown in consumer spending as well as the impact of suppliers’ restraint on purchasing. Our business in China also remained challenging due to the impact of the prolonged implementation of strict coronavirus pandemic (“COVID-19”) restrictions. On the other hand, our business in Europe maintained its growth trend due to the strong performance of our core brands, while our business in other Asian countries also recovered as relaxation of COVID-19 restrictions took place.

Under such circumstances, our group announced in June 2022, the “VISION 2030”, which is our medium- to long-term strategy framework, and our mid-term business plan for the next three years starting with the current fiscal year, and we are working to achieve sustainable growth and to enhance our corporate value. In our domestic business, we continued to promote our unique CX strategy including the utilization of our customers database and merger between online and offline activities to improve value of our customer experience, and strengthen our efforts to improve profitability, aiming to “transform ourselves into a resilient corporate structure”. In our overseas business, we promoted initiative for further growth by expanding our e-commerce business, in addition to expanding solid sales in the existing areas where we conduct our business. With regard to financial strategies, we worked to improve our return on equity by implementing initiatives to improve profitability and capital efficiency.

As a result of the above, for the current fiscal year, consolidated revenue was 188.59 billion yen (an increase of 9.6% as compared to such revenue for the previous fiscal year). We recorded a consolidated operating loss of 3.49 billion yen (as compared to a consolidated operating profit of 3.29 billion yen for the previous fiscal year) as a result of the impairment charges of 10.03 billion yen recorded on goodwill and intangible assets related to Wacoal International Corp. (U.S.) and the expenses of 0.75 billion yen incurred for the implementation of the Flexible Retirement Program at Wacoal Corp., despite a gain from sale of fixed assets (3.02 billion yen) related to the sale of our former business office building in Osaka. Consolidated loss before income taxes and equity in net profit of affiliated companies was 0.70 billion yen (as compared to a consolidated profit of 4.08 billion yen for the previous fiscal year) and consolidated net loss attributable to owners of parent was 1.78 billion yen (as compared to a consolidated net profit of 1.73 billion yen for the previous fiscal year) as a result of the operating loss despite the recording of profit from our investments accounted for using equity method.

The key exchange rates used for the current fiscal year (the previous fiscal year) were: 135.47 yen (112.38 yen) to the U.S. dollar; 163.15 yen (153.56 yen) to the Sterling pound; and 19.75 yen (17.51 yen) to the Chinese yuan.

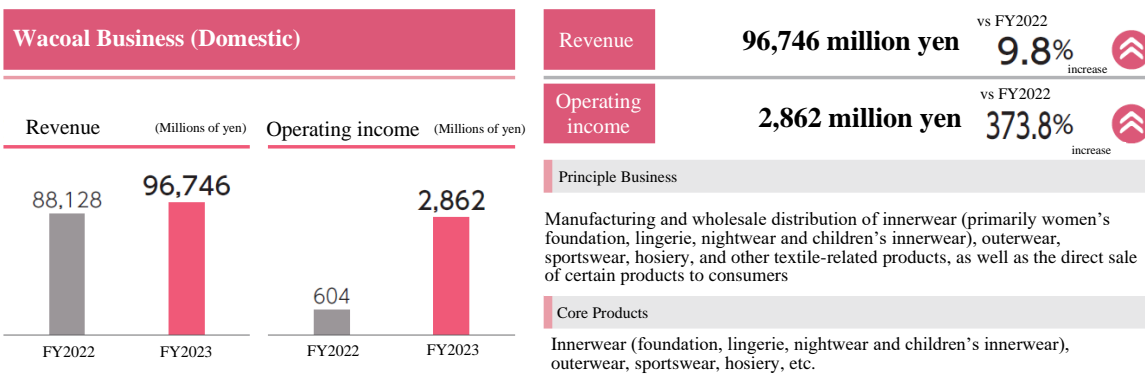
The following is a summary of revenue by reporting segment.



Reporting Segment Information

	Revenue (Millions of yen)	vs FY2022 (%)
Wacoal Business (Domestic)	96,746	109.8
Wacoal Business (Overseas)	66,732	112.7
Peach John Business	11,918	97.7
Other	13,196	105.3
計	188,592	109.6

(Note) IFRS 8 *Operating Segment* has been applied in our Segment Information.

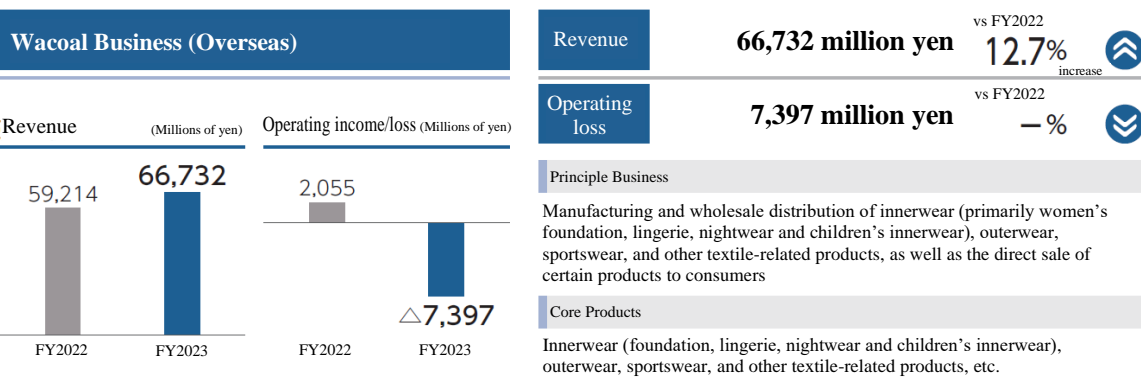


In our “Wacoal Business (Domestic)” segment, while aiming to “transform ourselves into a resilient corporate structure” set forth as a core strategy under our mid-term business plan, we promoted our unique strategy to improve value of our customer experience and undertook business structure reform to improve profitability.

During the current fiscal year, sales were significantly below our initial expectations. Despite the continued relaxation of restrictions on economic activities, the number of customers visiting our retail stores remained sluggish due to lack of high-profile products as well as the negative impact on consumer spending arising from rising inflation and suppliers' restraint on purchasing. With regard to our CX strategy, which is our focus for achieving renewed growth, the strengthening of our retention marketing through the integration of customer data was successful, and sales from our existing member customers were in line with our plans, but sales from non-member customers including new customers remained weak, as we could not come up with effective promotional measures which would lead to store visits and customer acquisition.

As a result of the above, revenue attributable to our “Wacoal Business (Domestic)” segment was 96.75 billion yen (an increase of 9.8% as compared to such revenue for the previous fiscal year). Operating profit was 2.86 billion yen (an increase of 373.8% as compared to such operating profit for the previous fiscal year) due to the increased revenue as well as thorough cost control and a gain from sale of fixed assets (including our former business office in Osaka), despite the impact of soaring cost of sales associated with the sharp depreciation of the Japanese yen and increased returns due to suppressed in-store sales.

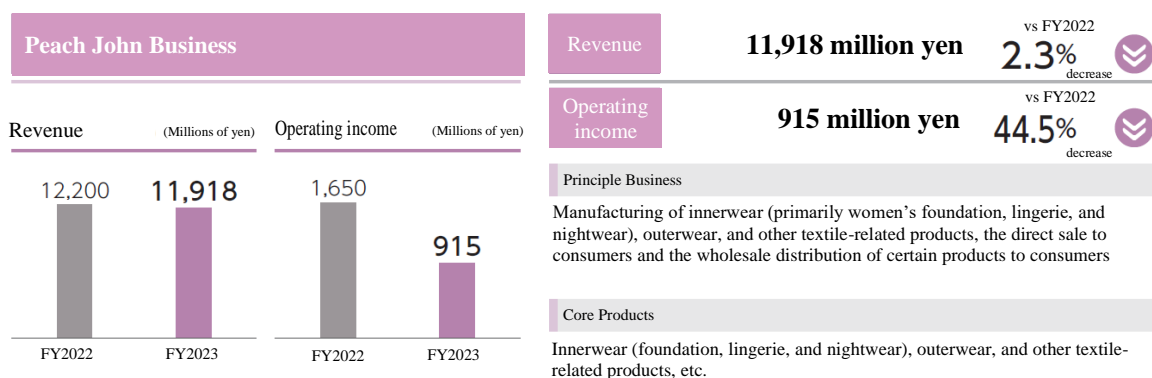
Starting in the current fiscal year, we have changed the presentation of net sales from Wacoal Corp. related to transactions with department stores to be based on storefront prices, but we have not made retroactive revisions. This change in presentation has no impact on operating profit because this change resulted in increases in both revenue and selling, general and administrative expenses of the same amount (5.42 billion yen).



In order to realize “accelerate global growth”, which is one of our core strategies under the mid-term business plan with respect to our “Wacoal Business (Overseas)” segment, we made efforts to acquire new customers by strengthening digital marketing and to convert existing customers to loyal customers by utilizing data and strengthening CRM.

With respect to Wacoal Europe Ltd., sales from swimwear products remained strong, and our products under “Elomi” brand achieved a high level of growth against the backdrop of the growing body positivity trend. In response, sales from department stores, specialty stores and e-commerce remained strong, maintaining the growth trend. Sales from Wacoal International Corp. (U.S.) remained sluggish, affected by the slowdown in consumer spending primarily due to the rapid inflation. Sales from Wacoal America, Inc., on a local currency basis, decreased due to sluggish sales from our physical store channel caused by weak in-store sales, our clients’ restraint on procurement and production delays of our core products. In light of the recent deterioration in the marketing environment, Intimates Online, Inc., which distributes the “LIVELY” brand, reformed its management structure in August 2022 and made efforts to improve profitability. However, due to a significant reduction in advertising expenses, the number of customers visiting its stores fell, which resulted in a significant decrease in sales. Sales from Wacoal China Co., Ltd. (“Wacoal China”) significantly decreased due to the weak e-commerce sales as well as the temporary closings of commercial facilities and a decrease in the number of customers visiting stores due to the impact of strict restrictions on activities under the zero-COVID policy.

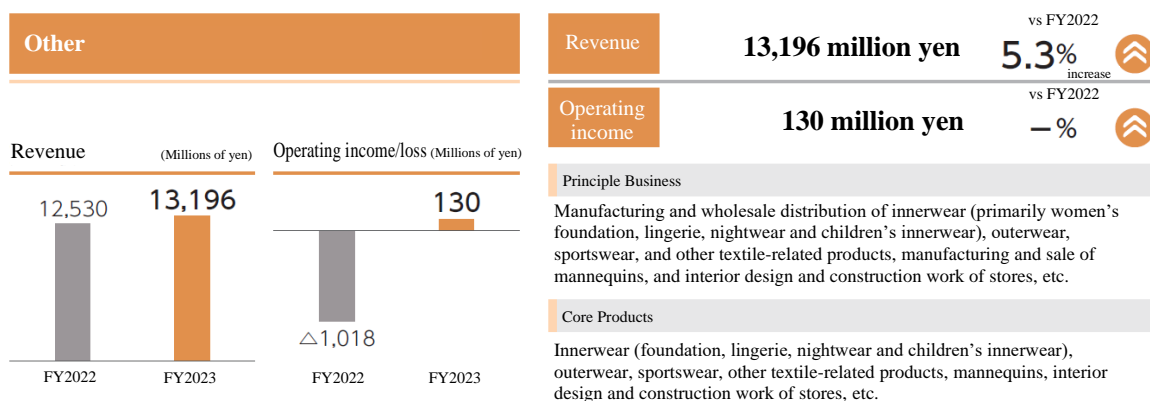
As a result of the above-described factors and the recent rapid depreciation of the Japanese yen against major currencies, revenues attributable to our “Wacoal Business (Overseas)” segment on a Japanese yen basis were 66.73 billion yen (an increase of 12.7% as compared to such revenues for the previous fiscal year). We recorded an operating loss of 7.40 billion yen (as compared to an operating profit of 2.06 billion yen for the previous fiscal year) due to the operating loss incurred at Wacoal China resulting from weak sales and an impairment charge recorded at Wacoal International Corp. (U.S.).



In our Peach John Business, we aimed to achieve a high profit level by promoting product development that captures consumer needs and by developing effective marketing strategies.

During the current fiscal year, sales from our directly-managed stores exceeded the sales for the previous fiscal year due to the absence of negative impact of COVID-19 seen during the previous fiscal year, as well as the strong instore sales of our core products under “NICE BODY” series. On the other hand, our e-commerce sales fell below the previous fiscal year’s level due to ineffective efforts to increase the number of customers visiting our online stores through content marketing measures using new brand muse and products. In addition, our subsidiary in Peach John Business in China terminated its operations in December 2022.

As a result of the above, revenue attributable to our “Peach John Business” segment were 11.92 billion yen (a decrease of 2.3% as compared to such revenue for the previous fiscal year). Despite our efforts to curb advertising expenses, operating profit decreased to 0.92 billion yen (a decrease of 44.5% as compared to such operating profit for the previous fiscal year) due to the impact of decreased revenue, the depreciation of the Japanese yen leading to increase in raw materials costs and the loss incurred in connection with the termination of business activities of our subsidiary in China.



In our “Other” business segment, we proceeded to build a system that can continue to steadily generate profits by actively addressing unprofitable businesses and reassessing fixed costs in order to achieve the core strategy aiming “to transform ourselves into a resilient corporate structure” under our mid-term business plan.

During the current fiscal year, sales from Lecien Corporation decreased as a result of the weak sales of its private brand products sold by major apparel supply chain companies, despite a recovery in sales from its own brand products. Revenue from Nanasai Co., Ltd. and Ai Co., Ltd. increased due to the recovery in demand following the easing of COVID-19 restrictions.

As a result of the above, revenue and operating profit attributable to our “Other” business segment were 13.20 billion yen (an increase of 5.3% as compared to such revenue for the previous fiscal year) and 0.13 billion yen (as compared to an operating loss of 1.02 billion yen for the previous fiscal year), respectively. While sales from each company in the segment remain below the pre-pandemic level, we were able to record a profit due to an improvement in profit structure resulting from a progress in reassessment of operations of each company as well as the compensation received from the vacating of a factory site by a subsidiary of Lecien Corporation.

(b) Financing

There were no significant items to be noted for financing activities during the current consolidated fiscal year.

(c) Capital Expenditures

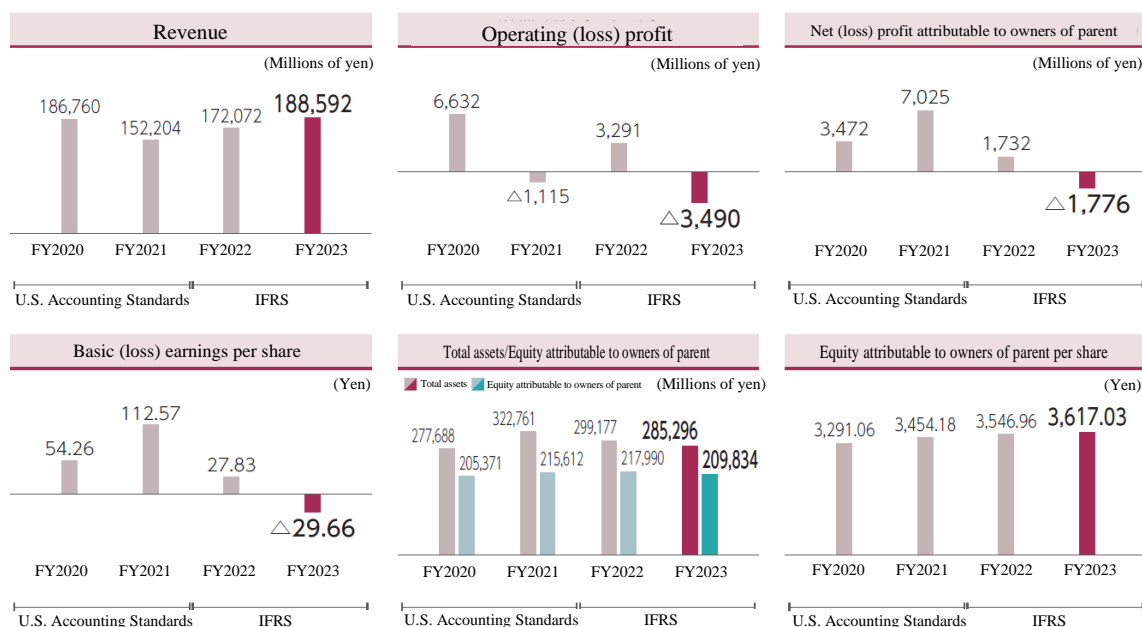
The total amount of capital expenditures during fiscal year 2023 was 5.048 billion yen, mainly including expenditures for information system investments incurred by our subsidiaries, and expenditures for the maintenance and repair of real estate.

(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)

Category	U.S. Accounting Standards			IFRS	
	Fiscal year ended/as of March 31,				
	2020	2021	2022		2023
Revenue	186,760	152,204	172,860	172,072	188,592
Operating (loss) profit	6,632	(1,115)	5,013	3,291	(3,490)
Net (loss) profit attributable to owners of parent	3,472	7,025	4,608	1,732	(1,776)
Basic (loss) earnings per share (yen)	54.26	112.57	74.04	27.83	(29.66)
Total assets	277,688	322,761	303,245	299,177	285,296
Equity attributable to owners of parent	205,371	215,612	223,005	217,990	209,834
Equity attributable to owners of parent per share (yen)	3,291.06	3,454.18	3,628.56	3,546.96	3,617.03

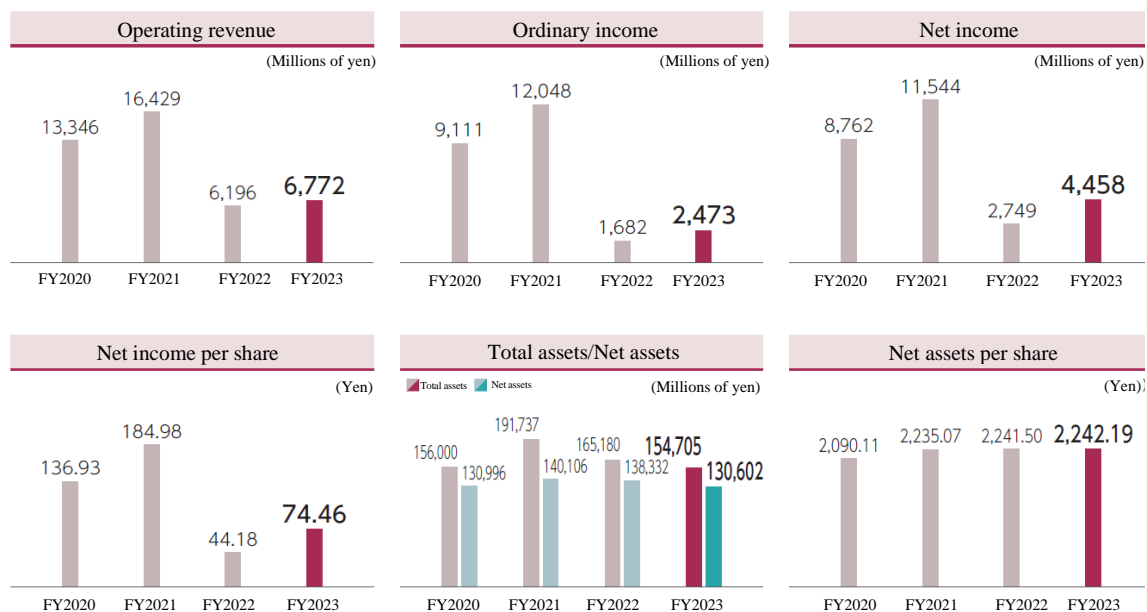


- (Notes)
1. The consolidated financial statements are prepared in accordance with IFRS starting from the fiscal year ended March 31, 2023.
 2. Changes in state of assets and (loss) income are presented in accordance with the terms used under IFRS.
 3. Basic (loss) earnings per share is calculated based on the average number of shares issued (excluding the number of shares held as treasury stock) during each fiscal year.
 4. Equity attributable to owners of parent 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.

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

(Millions of yen, except per share amounts)

Category	Fiscal year ended/as of March 31,			
	2020	2021	2022	2023
Operating revenue	13,346	16,429	6,196	6,772
Ordinary income	9,111	12,048	1,682	2,473
Net income	8,762	11,544	2,749	4,458
Net income per share (yen)	136.93	184.98	44.18	74.46
Total assets	156,000	191,737	165,180	154,705
Net assets	130,996	140,106	138,332	130,602
Net assets per share (yen)	2,090.11	2,235.07	2,241.50	2,242.19



- (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) Issues to Address

During the fiscal year ending March 2024, we expect that the environment surrounding our business will continue to be unstable due to a mix of expectations of recovery in consumer spending in hopes to put an end to the impact of COVID-19 and concerns of a slowdown in consumption following price hikes, geopolitical risks and financial anxiety. Under these circumstances, we will continue to endeavor to address increasingly complex and diverse social issues as “an opportunity for future growth”, promote “sustainability management” to achieve both “resolution of social issues” and “sustainable growth” through our business and enhance corporate value through the following initiatives:

Transformation to management focused on capital efficiency

Our market capitalization (market valuation that takes into account future growth) has remained below our net assets, and we recognize that it is critical to address this issue to restore the stagnant price-to-book ratio (P/B ratio) to a level of 1x or more by quickly improving profitability and achieving a return on capital that exceed cost of capital. Accordingly, we will achieve medium- to long-term corporate value enhancement through sustainable growth, by ensuring that each operating entity and/or business division will shift to management that is more focused on profitability and capital efficiency than in the past, and formulating and executing highly effective strategies. Our new management takes the lead in analyzing and evaluating our capital profitability and market valuation as well as policies, goals and/or management indicators for improving P/B ratio, specific initiatives and timeframe for the execution of these initiatives. We plan to disclose these in mid-November 2023.

Enhancement of governance

In order to shift to a management that focuses on capital efficiency and to achieve a return on capital that exceeds cost of capital, we will need to further strengthen the supervisory function of our Board of Directors over execution of business and to enhance effectiveness of management. In order to steadily implement our agenda of improving profitability and capital efficiency, we have examined the skill set of our Board of Directors and decided to appoint an additional Outside Director with experience and knowledge in the areas of investment and financial capital markets.

Improvement of business profitability

Although the restrictions on activities in various countries and/or regions have been eased since the subsidence following the spread of COVID-19, the recovery in profit has been slow due to inadequate response to changing consumer needs and consumer behaviors from the experience of COVID-19. We will achieve renewed growth by providing new customer experience value and creating new business, while continuing to reform our cost structure and improve business efficiency at the same time.

Other issues

The business environment surrounding the Company continues to undergo significant changes including a shrinking domestic market due to a decline in birthrate and aging population, changes in distribution such as the expansion of e-commerce, diversification of consumer needs, growing cost-conscious consumers, and further increase in raw material and transportation costs associated with geopolitical risks. In addition, environment issues, such as climate change and human rights issues, are becoming increasingly serious, and require appropriate responses and preventative measures.

The Company will endeavor to achieve resolving social issues on one hand and sustainable growth on the other hand through our initiatives for “maximizing the value provided to customers”, “building an organization in which each employee can grow and be highly motivated”, “preserving the global environment for future generations”, “realizing a society in which everyone can excel at their roles” and “enhancing governance toward realization of sustainable growth”, which we have defined as our materialities (material issues).

(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 Corporation (Kyoto), Wacoal Manufacturing Japan 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)	6,428	(457)
Wacoal Business (Overseas)	10,937	282
Peach John Business	396	(54)
Other	1,386	(341)
Total	19,147	(570)

- (Notes) 1. The number of employees is the number of individuals working within our Group (excluding individuals seconded from our Group to third parties, but including 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 482).

(ii) Employees of the Company

Number of Employees	Increase (Decrease) from the End of Previous Fiscal Year	Average Age	Average Years of Service
112	22	45.8	19.5

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

(6) Principal Subsidiaries

Name of Company	Location	Stated Capital (Millions of yen)	Shareholding Ratio	Main Business	Remarks
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	
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 U.S. 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
Wacoal China Co., Ltd.	Beijing, People's Republic of China	(Thousands of Chinese yuan) 189,364	100.0%	Manufacture and sale of garments	*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. Wacoal China Co., Ltd. is a wholly owned subsidiary of Wacoal International Hong Kong Co., Ltd.

(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) 154,705

(8) Major Lenders (as of March 31, 2023)

Name of Lender	Amount of Borrowings (Millions of yen)
MUFG Bank, Ltd.	2,500
The Bank of Kyoto, Ltd.	1,500
The Shiga Bank, Ltd.	1,000

2. STOCK INFORMATION (As of March 31, 2023)**(1) Total Number of Shares Authorized to be Issued: 250,000,000 shares****(2) Total Number of Issued and Outstanding Shares: 64,500,000 shares
(including 6,487,185 shares of treasury stock)**

(Note) The total number of issued and outstanding shares including the shares of treasury stock decreased by 1,089,042 shares from the end of previous fiscal year (March 31, 2022) following the cancellation of 1,089,042 shares of treasury stock on May 23, 2022 pursuant to the provisions of Article 178 of the Companies Act.

(3) Total Number of Shareholders: 19,648**(4) Major Shareholders (Top 10):**

Name of Shareholder	Number of Shares Held by Shareholder (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,509	9.50
Custody Bank of Japan, Ltd. (Trust Account)	3,720	6.41
Meiji Yasuda Life Insurance Company	3,050	5.26
MUFG Bank, Ltd.	2,986	5.15
The Bank of Kyoto, Ltd.	2,352	4.06
The Shiga Bank, Ltd.	1,751	3.02
Nippon Life Insurance Company	1,569	2.71
Mitsubishi UFJ Trust and Banking Corporation	1,525	2.63
Asahi Kasei Corporation	1,241	2.14
Custody Bank of Japan, Ltd. (Re-trust of Sumitomo Mitsui Trust Bank, Limited; Trust Account for the retirement allowance for Toray Industries, Inc.)	1,205	2.08

- (Notes) 1. The number of shares held by shareholder is rounded down to the nearest thousand.
2. The Company is holding 6,487,185 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.

(5) Shares Issued to Officers as Consideration for Execution of Duties During the Fiscal year ended March 31, 2023

	Number of Shares Granted	Number of Officers Granted Shares
Directors (excluding Outside Directors)	19,434	4

- (Notes) 1. For details on restricted stock, please see “4. Officers – (2) Compensation and Other Compensation Paid to Directors and Audit & Supervisory Board Member” of Business Report on page [18].
2. The above information includes the number of shares allotted to officers who have retired from such positions.

3. MATTERS CONCERNING STOCK ACQUISITION RIGHTS

Stock Acquisition Rights Granted to Officers as Consideration for Execution of Duties Held as of the End of Fiscal Year Ended March 31, 2023

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)
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)
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)
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)	7	Common stock 3,500 shares	One (1) yen per share	September 2, 2011 - September 1, 2031	1 Director
9th Stock Acquisition Rights (July 31, 2012)	10	Common stock 5,000 shares	One (1) yen per share	September 4, 2012 - September 3, 2032	1 Director
11th Stock Acquisition Rights (July 31, 2013)	9	Common stock 4,500 shares	One (1) yen per share	September 3, 2013 - September 2, 2033	1 Director
13th Stock Acquisition Rights (July 31, 2014)	8	Common stock 4,000 shares	One (1) yen per share	September 2, 2014 - September 1, 2034	1 Director
15th Stock Acquisition Rights (July 31, 2015)	7	Common stock 3,500 shares	One (1) yen per share	September 2, 2015 - September 1, 2035	1 Director
17th Stock Acquisition Rights (July 29, 2016)	9	Common stock 4,500 shares	One (1) yen per share	September 2, 2016 - September 1, 2036	1 Director
18th Stock Acquisition Rights (July 29, 2016)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2016 - September 1, 2036	1 Director (Note 2)
19th Stock Acquisition Rights (July 31, 2017)	6	Common stock 3,000 shares	One (1) yen per share	September 2, 2017 - September 1, 2037	1 Director

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)
20th Stock Acquisition Rights (July 31, 2017)	2	Common stock 1,000 shares	One (1) yen per share	September 2, 2017 - September 1, 2037	1 Director (Note 2)
21st Stock Acquisition Rights (July 20, 2018)	42	Common stock 4,200 shares	One (1) yen per share	August 18, 2018 - August 17, 2038	2 Directors
22nd Stock Acquisition Rights (July 20, 2018)	9	Common stock 900 shares	One (1) yen per share	August 18, 2018 - August 17, 2038	1 Director (Note 2)
23rd Stock Acquisition Rights (June 27, 2019)	58	Common stock 5,800 shares	One (1) yen per share	July 23, 2019 - July 22, 2039	2 Directors
24th Stock Acquisition Rights (June 27, 2019)	16	Common stock 1,600 shares	One (1) yen per share	July 23, 2019 - July 22, 2039	1 Director (Note 2)
25th Stock Acquisition Rights (June 26, 2020)	69	Common stock 6,900 shares	One (1) yen per share	July 18, 2020 - July 17, 2040	2 Directors
26th Stock Acquisition Rights (June 26, 2020)	20	Common stock 2,000 shares	One (1) yen per share	July 18, 2020 - July 17, 2040	1 Director (Note 2)

- (Notes) 1. Stock acquisition rights are not held by the outside director nor 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 number of shares subject to one stock acquisition right is 100 shares (500 shares for stock acquisition right granted before September 1, 2017).
4. 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.

4. OFFICERS

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2023)

Position	Name	Responsibility and significant concurrent positions
Representative Director, President and CEO	Hironobu Yasuhara	Representative Director, President and CEO of Wacoal Corp.
Representative Director, Vice President, Executive Officer and CFO	Akira Miyagi	In charge of Group Business Management; Chair of Corporate Ethics and Risk Management Committee
Director and Executive Corporate Officer	Masaaki Yajima	Head of Global Operations Division.
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; Outside Director of Cross Plus Inc.
Standing Audit & Supervisory Board Member	Shinichi Kitagawa	Audit & Supervisory Board Member of Wacoal Corp.; Director and Member of Audit Committee of House of Rose Co., Ltd.
Standing Audit & Supervisory Board Member	Katsuhiro Okamoto	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 TVE Co., Ltd.; Outside Auditor of Osaka-Hyogo Ready-Mixed Concrete Industrial Association
Audit & Supervisory Board Member	Minoru Shimada	—

- (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 Outside Directors and Outside Audit & Supervisory Board Members hold significant concurrent positions.
 4. Standing Audit & Supervisory Board Member Mr. Shinichi Kitagawa has accounting experience with the Accounting Department of the Company and its subsidiaries with a considerable 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. Ms. Madoka Mayuzumi, Mr. Shigeru Saito and Mr. Tsunehiko Iwai, our Outside Directors, and Mr. Hiroshi Shirai, Mr. Mitsuhiro Hamamoto and Mr. Minoru Shimada, our Outside Audit & Supervisory Board Members, have been designated as our independent officers as notified to the Tokyo Stock Exchange.
7. Director Mr. Tomoyasu Ito resigned as Representative Director, Vice President and Executive Officer on November 30, 2022. His significant concurrent position at the time of his resignation was Representative Director, President and Corporate Officer of Wacoal Corp.
8. Director Mr. Hironobu Yasuhara was appointed as Representative Director, President and CEO of Wacoal Corp. on December 1, 2022 and resigned as Representative Director, President and CEO of Wacoal Corp. on March 31, 2023.
9. Director Mr. Akira Miyagi was appointed as Representative Director, Vice President and Executive Officer and CFO on December 1, 2022.

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

- (i) Total amount of compensation and other compensation paid to officers during the current fiscal year

Category	Total amount of compensation/ other compensation (Millions of yen)	Total amount by type of compensation/ other compensation (Millions of yen)			Number of eligible recipients
		Basic compensation	Performance-based compensation	Non-monetary compensation	
Directors (of which is related to Outside Directors)	211 (28)	167 (28)	- (-)	44 (-)	8 (3)
Audit & Supervisory Board Members (of which is related to Outside Audit & Supervisory Board Members)	62 (21)	62 (21)	- (-)	- (-)	5 (3)
Total (of which is related to Outside Officers)	273 (50)	229 (50)	- (-)	44 (-)	13 (6)

- (Notes) 1. The number of eligible recipients indicated above include one Director who retired upon the close of the 74th Ordinary General Meeting of Shareholders held on June 29, 2022 and one Director who retired upon resignation as of November 30, 2022.
2. The total amount of compensation/other compensation of Directors indicated above does not include salaries that Directors who concurrently serve as employees receive as employees.

- (ii) Matters concerning performance-based compensation

The Company uses consolidated operating income as the reference value for calculating performance-based compensation (officers' bonuses). The Company has selected consolidated operating income as the business metric to calculate performance-based bonuses because we most closely track consolidated operating income as a measure of profit from our main business. The

amount of performance-based bonus is determined based on the percentage of achievement against consolidated operating income as the reference value and other business results. We have set the consolidated operating income reference value at 13.5 billion yen based on past business results, and as a result of a comprehensive evaluation based on performance for the previous and current fiscal years, there will be no performance-based bonuses.

(iii) Details of non-monetary compensation

Non-monetary compensation means restricted stock-based compensation, and the policy for determining such compensation is described under “(v) Matters concerning policy on determining details of compensation by each Director” below. The status of compensation granted as of the end of current fiscal year is described under “2. (5) Shares Issued to Officers as Consideration for Execution of Duties During the Fiscal Year ended March 31, 2023”. Any eligible Director who is allotted restricted stock will be subject to transfer restrictions during the period from the date on which such restricted stock is granted until the date on which such eligible Director loses the position as Director, Audit & Supervisory Board Member or Corporate Officer of the Company or any of its subsidiaries as designated by the Board of Directors of the Company.

(iv) Matters concerning resolutions of the general meeting of shareholders regarding total amount of compensation and other compensation paid to Directors and Audit & Supervisory Board Members

The total maximum annual amount of basic compensation paid was determined to be up to 350 million yen for Directors (excluding the amount of employee’s salary for Directors who concurrently serve as employees) and up to 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 numbers of Directors and Audit & Supervisory Board Members upon the close of the meeting were seven (7) and five (5), respectively. The amount of performance-based bonus 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. Restricted stock-based compensation was approved at the 73rd Ordinary General Meeting of Shareholders held on June 29, 2021 as follows: the maximum annual amount will be up to 70 million yen, as a separate category of basic compensation; the maximum number of shares to be allotted for each fiscal year will be up to 28,000 shares; the allotted shares of restricted stock will be subject to transfer restrictions from the date on which such shares of restricted stock are granted until the date on which an allottee loses the position as Director, Audit & Supervisory Board Member or Corporate Officer of the Company or any of its subsidiaries as designated by the Company; and the transfer restrictions on all allotted shares of restricted stock of any eligible Director will be removed upon the expiration of the transfer restriction period if such eligible Director has continuously held the position of Director, Audit & Supervisory Board Member or Corporate Officer of the Company or any of its subsidiaries as designated by Company or the Board of Directors of the Company until the date of the first Ordinary General Meeting of Shareholders of the Company to be held after the commencement of the transfer restriction period. The number of Directors upon the close of such meeting was seven (7) (of which three (3) were Outside Directors).

(v) Matters concerning policy on determining details of compensation to each Director

The Company prescribes the policy on determining details of compensation payable to each Director (this “Policy”). Our compensation to Directors consists of basic compensation, the amount of which is fixed, a performance-based bonus that is linked to the business results for each fiscal year, and restricted stock, which provide medium- to long-term incentives. Because Independent Outside Directors are not involved in the execution of business, they only receive basic compensation payable in a fixed amount. An overview of the policy for determining each type of compensation is described in the table below.

	Policy for determining the amount of or calculation method for compensation to each Director	Method for determining details of and timing for compensation, etc. to each Director
Basic compensation	<ul style="list-style-type: none"> - to be determined by each position - to reflect degree of contribution to management in the previous fiscal year - to review the range of appropriate levels of compensation for companies in the same industry as well as for companies of a similar size and set level of compensation commensurate with the Company’s business results and size 	<ul style="list-style-type: none"> - fixed monthly compensation - specific details to be determined by the Board of Directors based on the reports prepared by the Executive Compensation Advisory Committee
Performance-based bonus (performance-based compensation)	<ul style="list-style-type: none"> - to be determined for each fiscal year based on the percentage of achievement against a reference value composed of consolidated operating income and based on other business results, to increase the degree of linkage between bonuses and consolidated business performance 	<ul style="list-style-type: none"> - to be paid once a year after approval at the general meeting of shareholders for the relevant fiscal year - to be resolved at a Board of Directors meeting and the total amount to be approved at the general meeting of shareholders based on reports prepared by the Executive Compensation Advisory Committee
Restricted stock (non-monetary compensation)	<ul style="list-style-type: none"> - to be determined in consideration of the monthly amount of basic compensation and the closing price of the common stock of the Company on the business day immediately preceding the date of the resolution by the Board of Directors with respect to issuance or disposal of restricted stock - allotted shares will be subject to transfer restriction during the period from the date allotted shares are granted until the date such Director, Audit & Supervisory Board Member or Corporate Officer designated by the Company retires from their position - the transfer restrictions on all allotted shares will be removed upon the expiration of the transfer restriction period if such eligible grantee has continuously held the 	<ul style="list-style-type: none"> - to be allotted after election as Director at the ordinary general meeting of shareholders held once a year - the number of stock acquisition rights allotted to be determined at a Board of Directors meeting

	position of Director, Audit & Supervisory Board Member or Corporate Officer until the date of the first Ordinary General Meeting - the Company may repurchase all of the allotted shares bearing transfer restrictions as a result of a breach of restricted stock allotment agreement without consideration	
Basic compensation, performance-based bonus, and restricted stock as percentages of total compensation are 60-68%, 18% and 14-22%, by each position, respectively, when the performance-based bonus is calculated using consolidated operating income as the reference value.		

A majority of the member of the Executive Compensation Advisory Committee are Independent Outside Directors, and the Independent Outside Director acts as the chair of the Committee. The Committee is operated with a high degree of transparency and fairness by resolving matters with the unanimous approval of all members.

The Board of Directors consulted the Executive Compensation Advisory Committee on this Policy, which was resolved at the Board of Directors Meeting held on May 14, 2021, respecting the Committee's recommendations.

We understand that the Executive Compensation Advisory Committee held discussions and deliberations, including with respect to the consistency of the draft with this Policy, upon determination of the compensation and other matters of each Director for the current fiscal year, and therefore, the Board of Directors respects the Committee's recommendations and believes in principle that the determination is consistent with this Policy.

The policy for determining the details of compensation and other matters of each Audit & Supervisory Board Member is decided by the Audit & Supervisory Board. Given that they are not involved in the execution of business, the Audit & Supervisory Board Members only receive basic compensation, a fixed monthly compensation, which is fixed in commensurate with the Company's business results and size in comparison with companies in the same industry and of a similar size. The amount of basic compensation payable to each Audit & Supervisory Board Member will be decided upon mutual discussion among the Audit & Supervisory Board Members.

(vi) Matters concerning delegation of determining details of compensation by each Director

The Board of Directors of the Company determines (the determination is not delegated) the details of compensation payable to each Director.

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

Category	Name	Main Activities
Director	Madoka Mayuzumi	Ms. Mayuzumi has attended 16 of the 17 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. Specifically, she has made a wide range of proactive recommendations on Company's communication with our consumers, social responsibility, risk management and other matters based on her insight in the field of arts and culture, and from her perspective as a consumer and a woman. In addition to expressing opinions at the Board of Directors' meetings, she acts as a function to oversee the management team of the Company by serving as a member of the Executive Nomination Advisory Committee and the Executive Compensation Advisory Committee.
Director	Shigeru Saito	Mr. Saito has attended all 17 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. Specifically, he has made a wide range of proactive recommendations on business strategies, customer expansion and CX strategies of the Company based on his knowledge and insight on overall management, and expertise in the IT area. In addition to expressing opinions at the Board of Directors' meetings, he acts as a function to oversee the management team of the Company by serving as a member of the Executive Nomination Advisory Committee and the Executive Compensation Advisory Committee.
Director	Tsunehiko Iwai	Mr. Iwai has attended all 17 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. Specifically, he has made a wide range of proactive recommendations on business strategies, brand strategies, production strategies, and risk management of the Company based on his knowledge and insight on overall management, and expertise on research & development, production, technology, and compliance. In addition to expressing opinions at the Board of Directors' meetings, he acts as a function to oversee the management team of the Company by serving as a chair of the Executive Nomination Advisory Committee and the Executive Compensation Advisory Committee.
Audit & Supervisory Board Member	Hiroshi Shirai	Mr. Shirai has attended all 17 Board of Directors' meetings and all 18 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 17 Board of Directors' meetings and all 18 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.

Category	Name	Main Activities
Audit & Supervisory Board Member	Minoru Shimada	Mr. Shimada has attended all 17 Board of Directors' meetings and all 18 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) Outline of Directors' and Officers' Liabilities Insurance

The Company maintains directors' and officers' liabilities insurance as stipulated in the provisions of Paragraph 1, Article 430-3 of the Companies Act with an insurance company. The scope of the insured under this insurance policy is all of the officers (i.e., Directors and Audit & Supervisory Board Members) of the Company, all of the officers of our domestic consolidated subsidiaries, including Wacoal Corp., as well as the officers who are Japanese nationals and on secondment to our overseas subsidiaries and affiliated companies. The insured does not bear the premiums. This insurance policy will cover the insured's losses incurred from corporate lawsuits, shareholder derivative actions, and proceedings brought by third parties. Provided, however, that in order to ensure that the appropriate conduct of the insured when performing their duties is maintained, this insurance policy will not cover the insured's losses related to the following:

- Illegal personal gain of officers;
- Criminal activities;
- Deliberately illegal activities;
- Insider Trading;
- Claim for damages for bodily injury, property damage and invasion of personal rights;
- Claim for damages attributable to act of God (earthquake, eruption, flooding, *tsunami*, etc.), war or insurrection;
- Claim for damages attributable to environmental contamination or harmful attribute of asbestos; and
- Claim for damages based on allegations that the Company or the insured has violated any of the following U.S. laws ((i) the Employee Retirement Income Security Act, (ii) the Racketeer Influenced and Corrupt Organizations Act and (iii) the Securities Exchange Act of 1934).

5. MATTERS CONCERNING ACCOUNTING AUDITORS

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation, etc.

Amount of compensation payable to the accounting auditor for this fiscal year:	166 million yen
Total amount of money and other property benefits to be paid to the accounting auditor by the Company and its subsidiaries:	198 million yen

- (Notes) 1. The accounting audit agreement executed between the Company and its accounting auditor does not distinguish compensation 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 compensation for both types of accounting work.
2. Among our significant subsidiaries, Wacoal International Corp., Wacoal America, Inc., Wacoal Europe Ltd., Wacoal EMEA Ltd., and Wacoal China 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 advisory services regarding the International Financial Reporting Standards (“IFRS”), 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 Compensation, 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 compensation paid for the audit performance during the past fiscal years from the relevant departments and the accounting auditor, has reviewed the details of audit performed by the Accounting Auditor for the previous fiscal year and the details of audit planning, basis for calculating compensation and level of compensation presented by the accounting auditor for the current fiscal year, and after deliberating whether the amount of compensation 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 compensation 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 compensation 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, and pursuant to such resolution, will submit such agenda as a proposal at the General Meeting of Shareholders.

6. SYSTEM AND POLICIES OF COMPANY

(1) System to Ensure Appropriate Business Conduct (as of March 31, 2023)

- (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”.
 - We have established a Corporate Ethics and Risk Management Committee, for which our Representative Director, President and CEO acts as the administrative manager and our Representative Director, Vice President and Executive Officer and CFO in charge of Group Business Management acts as the chairperson, in order to improve our system of compliance, to consider any compliance issues which may have a material impact on the Wacoal Group, to enhance awareness and enlightenment on corporate ethics and to effectively promote control of any management risks on 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. The system includes an internal alert system (corporate ethics hotline to the legal/compliance department and an external law firm) in which, 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, President and CEO acts as the administrative manager and our Representative Director,

Vice President and Executive Officer and CFO in charge of Group Business Management acts as the chairperson.

- 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.
- In order to formulate our basic policy on issues related to sustainability surrounding the Wacoal Group, we have established a Sustainability Committee, for which our Representative Director, President and CEO acts as the administrative manager, and our Corporate Officer in charge of sustainability management acts as the chairperson.
- The Sustainability Committee meets regularly on the same day as a meeting of the Board of Directors is held, to formulate specific measures, monitor progress, and evaluate the status of achievement based on our basic policy on sustainability issues including climate change, global environmental issues and human rights issues.
- The Board of Directors oversees the implementation of strategies related to the allocation of management resources and the business portfolios to ensure that the initiatives of the Sustainability Committee contribute to sustainable growth.

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

- The Board of Directors consists of a diverse group of Directors, taking into account gender, international experience and background, professional experience, age and other factors, while ensuring that the Directors have the requisite balance of skills, such as knowledge, experience and expertise, each in light of management strategies.
- Independent Outside Directors shall include those who have management experience at other companies, and in order to enhance appropriate decision-making by our Directors, at least one-third of all Directors shall be independent Outside Directors.
- In addition to decision-making on significant matters as stipulated in the applicable laws and regulations and/or our Articles of Incorporation, the Board of Directors formulates a management plan to be shared by the Directors and/or employees within the Wacoal Group based on consideration of medium- to long-term management strategies and social issues, directs courses of action and performance targets in the medium to short-term that are consistent with this plan and supervise the progress of its implementation.
- The Group Management Meeting is responsible for the Group’s management strategies and other important management issues under the medium- to long-term management strategies determined by the Board of Directors.
- 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, we discuss our business plan at the Management Issues Review Meeting, and hold quarterly meetings of the Quarterly Business Results Review Committee, in which we review and confirm the quarterly business results and the implementation of measures and policies, and consider enhancement measures as may be necessary.
- In the specified wholly owned subsidiaries of the Group, we establish appropriate and efficient system by delegating authority and clarifying responsibilities through the executive officer system .

- (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 Wacoal Group, 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

- 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 serve on a full-time basis. 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 the 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
- In order to specifically develop and operate our compliance system, we have established a Subcommittee for Compliance under the Corporate Ethics and Risk Management Committee. The Subcommittee for Compliance holds quarterly meetings, 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 on compliance for our employees, and has also launched periodic compliance newsletters starting from the fiscal year ended March 31, 2023. We have been making step-by-step efforts to provide compliance awareness training, carry out third-party compliance review, and expand the operation of the Corporate Ethics Hotline for our overseas subsidiaries.
- (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
- In accordance with the “Risk Management Basic Rules”, the Corporate Ethics and Risk Management Committee conducts a scoring evaluation of risks extracted from each risk management organization it designates from the perspective of likelihood of occurrence and degree of impact by using the “Business Risk Evaluation Sheet”. Risk items that are evaluated as having a significant potential impact on the management of the Wacoal Group are submitted to the Board of Directors on a yearly basis for decision as “Group’s Materials Risks”.
 - Accordingly, the Corporate Ethics and Risk Management Committee promotes risk-mitigation initiatives, identifies risks, monitors the implementation of countermeasures, and reports to the Board of Directors on a quarterly basis and on an ad hoc basis as necessary. The Corporate Ethics and Risk Management Committee met six times in June, July, September, December, January and March during the fiscal year ended March 31, 2023.

- In the fiscal year ended March 31, 2023, we have established a new Sustainability Committee to accelerate our initiatives to achieve balancing “to resolve social issues” and “corporate growth” through our business. The Sustainability Committee regularly meets on the same day as a meeting of the Board of Directors is held, monitors progress of specific initiatives with respect to issues surrounding sustainability and evaluates achievements. The Sustainability Committee met seven times in May, August, September, November, December, February, and March during the fiscal year ended March 31, 2023.
- (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 six Directors.
 - Based on the medium- to long-term management strategies of the Wacoal Group, the persons responsible for business execution (our Directors (excluding Outside Directors) and Executive Officers) fully deliberate important management issues through the Management Issues Review Meeting and the Group Management Meeting, which are followed by a meeting of the Board of Directors to consider and make decisions on the management plan of the Wacoal Group for the fiscal year ending March 2024.
 - We hold quarterly meetings of the Quarterly Business Results Review Committee, to confirm the business results and implementation of measures, and implement remedial measures as necessary.
- (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
- 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 attend primary meetings and receive reports on matters that are discussed and on the management condition.
 - The Audit & Supervisory Board Members also receive reports, from time to time, on the results of audits on the operation by the audit office 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 subsidiaries to conduct audits. In addition, the Audit & Supervisory Board Members

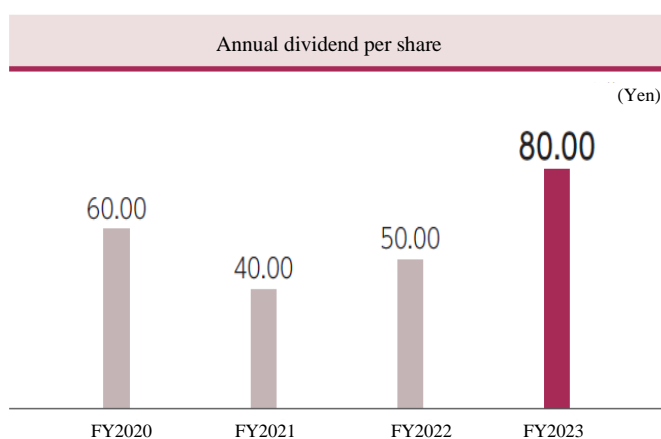
preside at Audit & Supervisory Board Group Meetings and receive periodic reports from the Audit & Supervisory Board Members of the domestic subsidiaries.

- 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.

Based on the above-described basic policy and pursuant to the provisions of our Articles of Incorporation, we have resolved at the Board of Directors' Meeting held on May 12, 2023 that the year-end dividend for the current fiscal year is 40.00 yen per share and the effective date is June 5, 2023. As a result, the annual cash dividend per share, including the interim dividend, will be 80.00 yen for the current fiscal year.



CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of yen)

Accounts	Current Consolidated Fiscal Year as of March 31, 2023	Reference: Previous Consolidated Fiscal Year as of March 31, 2022
ASSETS		
Current assets:	105,620	108,835
Cash and cash equivalents	26,781	37,485
Trade and other receivables	20,215	20,706
Other financial assets	1,804	1,795
Inventories	53,720	45,926
Other current assets	3,100	2,923
Non-current assets:	179,676	190,342
Property, plant and equipment	46,702	48,602
Right-of-use assets	12,260	13,986
Goodwill	16,256	22,945
Intangible assets	13,043	15,666
Investment property	2,957	2,725
Investments accounted for using equity method	20,499	18,239
Other financial assets	50,195	52,249
Retirement benefit assets	13,978	13,280
Deferred income taxes	2,953	1,680
Other non-current assets	833	970
Total assets	285,296	299,177

- (Note) 1. Amounts less than ¥1 million are rounded to the nearest million.
2. Figures under “Reference: Previous Consolidated Fiscal Year” have not been audited.

(Millions of yen)

Accounts	Current Consolidated Fiscal Year as of March 31, 2023	Reference: Previous Consolidated Fiscal Year as of March 31, 2022
LIABILITIES		
Current liabilities:	43,842	49,266
Borrowings	5,000	10,227
Lease liabilities	4,661	5,197
Trade and other payables	17,535	16,738
Other financial liabilities	1,172	1,661
Income taxes payable	1,683	1,363
Other current liabilities	13,791	14,080
Non-current liabilities	28,335	29,043
Borrowings	3,084	1,626
Lease liabilities	7,670	8,254
Retirement benefit liability	2,470	3,466
Deferred income taxes	13,886	13,607
Other non-current liabilities	1,225	2,090
Total liabilities	72,177	78,309
EQUITY		
Common stock	13,260	13,260
Additional paid-in capital	29,029	29,077
Retained earnings	151,418	158,940
Other components of equity	32,021	27,571
Treasury stock, at cost	(15,894)	(10,858)
Total equity attributable to owners of parent	209,834	217,990
Noncontrolling interests	3,285	2,878
Total equity	213,119	220,868
Total liabilities and equity	285,296	299,177

- (Note) 1. Amounts less than ¥1 million are rounded to the nearest million.
2. Figures under “Reference: Previous Consolidated Fiscal Year” have not been audited.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Millions of yen)

Accounts	Current Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Reference: Previous Consolidated Fiscal Year (From April 1, 2021 to March 31, 2022)
Revenue	188,592	172,072
Cost of sales	(82,189)	(76,248)
Selling, general and administrative expenses	(102,301)	(95,330)
Other income	5,254	3,749
Other expenses	(12,846)	(952)
Operating (loss) profit	(3,490)	3,291
Finance income	1,517	1,930
Finance costs	(795)	(232)
Share of profit of investments accounted for using equity method	2,223	579
Impairment charges of investments accounted for using equity method	(154)	(1,485)
(Loss) profit before tax	(699)	4,083
Income tax expense	(1,035)	(2,498)
(Loss) profit	(1,734)	1,585
(Loss) profit attributable to:		
Owners of parent	(1,776)	1,732
Noncontrolling interests	42	(147)

- (Note) 1. Amounts less than ¥1 million are rounded to the nearest million.
2. Figures under “Reference: Previous Consolidated Fiscal Year” have not been audited.

NON-CONSOLIDATED FINANCIAL STATEMENTS

NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

ASSETS	Current Fiscal Year (as of March 31, 2023)	Reference: Previous Fiscal Year (as of March 31, 2022)
Accounts	Amount	Amount
Current Assets	14,913	23,141
Cash and bank deposits	11,111	19,694
Short-term loans receivable from subsidiaries and affiliated companies	8,279	7,581
Other	83	336
Allowance for doubtful receivables	(4,559)	(4,471)
Fixed Assets	139,792	142,039
Property, Plant and Equipment	36,988	39,231
Buildings	19,069	20,291
Structures	293	327
Machinery	15	16
Equipment	1,197	1,198
Land	16,412	17,397
Intangible Assets	587	587
Leasehold rights	585	585
Other	1	1
Investments and Other Assets	102,216	102,219
Investments	1	1
Investments in subsidiaries and affiliated companies	101,846	101,846
Other	368	372
Total Assets	154,705	165,180

- (Note) 1. Amounts less than ¥1 million are rounded down to the nearest million.
 2. Figures under “Reference: Previous Fiscal Year” have not been audited.

(Millions of yen)

LIABILITIES	Current Fiscal Year (as of March 31, 2023)	Reference: Previous Fiscal Year (as of March 31, 2022)
Accounts	Amount	Amount
Current Liabilities	22,829	25,500
Trade notes payable	5	3
Short-term bank loans	5,000	10,000
Short-term borrowings from subsidiaries and affiliated companies	16,400	14,311
Other payables	564	886
Accrued expenses	15	10
Income taxes payable	747	222
Accrued bonuses	82	47
Other	13	18
Long-term Liabilities	1,273	1,347
Deferred income taxes	1,171	1,245
Other	102	102
Total Liabilities	24,103	26,848
NET ASSETS		
Shareholders' Equity	130,075	137,758
Common stock	13,260	13,260
Additional paid-in capital	29,294	29,294
Capital reserve	29,294	29,294
Retained earnings	103,415	106,062
Legal reserve	3,315	3,315
Other retained earnings	100,100	102,747
Reserve for deferred gain on sale of property	4,735	4,934
General reserve	90,000	90,000
Retained earnings carried forward	5,365	7,813
Treasury stock, at cost	(15,894)	(10,858)
Stock Acquisition Rights	526	573
Total Net Assets	130,602	138,332
Total Liabilities and Net Assets	154,705	165,180

(Note) 1. Amounts less than ¥1 million are rounded down to the nearest million.
2. Figures under "Reference: Previous Fiscal Year" have not been audited.

NON-CONSOLIDATED STATEMENT OF INCOME

(Millions of yen)

Accounts	Current Fiscal Year (from April 1, 2022 to March 31, 2023)	Reference: Previous Fiscal Year (from April 1, 2021 to March 31, 2022)
	Amount	Amount
Operating revenue	6,772	6,196
Rental income	4,357	4,331
Dividend income	2,012	1,505
Other	402	359
Operating costs and expenses	1,963	1,864
Cost of rent	1,963	1,864
Operating gross income	4,809	4,331
Selling, general and administrative expenses	2,305	2,032
Operating income	2,503	2,299
Non-operating income	90	52
Interest income	27	29
Other	63	23
Non-operating expenses	121	669
Interest expenses	22	45
Provision of allowance for doubtful receivable for subsidiaries and affiliated companies	88	619
Other	10	5
Ordinary income	2,473	1,682
Extraordinary income	3,112	1,958
Gain on sales of fixed assets	3,112	1,958
Extraordinary loss	18	5
Loss on sale and disposal of fixed assets	18	5
Loss on sale of investments	-	0
Income before income taxes	5,567	3,634
Income taxes	1,109	885
Current	1,183	483
Deferred	(74)	401
Net income	4,458	2,749

(Note) 1. Amounts less than ¥1 million are rounded down to the nearest million.
2. Figures under “Reference: Previous Fiscal Year” have not been audited.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 12, 2023

To the Board of Directors of
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:

Koichiro Tsukuda

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 statement of financial position as of March 31, 2023, and the consolidated statement of profit or loss and consolidated statement of changes in equity for the fiscal year from April 1, 2022 to March 31, 2023, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards.

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.

Other Information

Management is responsible for the other information. 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 other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards, 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 in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards.

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 judgment. 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 in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first

paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards, 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. The other information in “the accompanying supplemental schedules” referred to in the “Other Information” section of this English translation is not translated.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 12, 2023

To the Board of Directors of
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:

Koichiro Tsukuda

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, 2023, and the nonconsolidated statement of income and nonconsolidated statement of changes in net assets for the 75th fiscal year from April 1, 2022 to March 31, 2023, and the related notes and the accompanying supplemental 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, 2023, 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.

Other Information

Management is responsible for the other information. 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 other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 judgment. 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 the "Opinion" section of this English translation are not included in the attached financial documents. In addition, the other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

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 75th fiscal year, from April 1, 2022 to March 31, 2023, 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, November 16, 2021), 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 statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the related notes) for the 75th 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 19, 2023

Wacoal Holdings Corp.
Audit & Supervisory Board

Shinichi Kitagawa (Seal)
Audit & Supervisory Board Member
(Standing)

Katsuhiro Okamoto (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-