Internet Disclosure in Connection with the Notice of the 68th Ordinary General Meeting of Shareholders

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

(For the period from April 1, 2015 to March 31, 2016)

Wacoal Holdings Corp.

The "Notes to the Consolidated Financial Statements" and the "Notes to the Non-Consolidated Financial Statements", the accompanying attachments to the Notice of the 68th Ordinary General Meeting of Shareholders are disclosed by posting on the Company's website (http://www.wacoalholdings.jp/ir/soukai.html), pursuant to the provisions of the applicable laws and regulations and Article 15 of our Articles of Incorporation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(NOTES TO BASIC SIGNIFICANT MATTERS IN PREPARING CONSOLIDATED FINANCIAL STATEMENTS)

1. **Standard of Preparation of Consolidated Financial Statements**

Pursuant to the provisions of the first paragraph of Article 120-3 of the Ordinance on Company Accounting, the consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). A part of the disclosures required under U.S. GAAP is omitted in accordance with the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting.

2. **Matters Regarding the Scope of Consolidation**

(1) Number of consolidated subsidiaries: 58

(2) Principal consolidated subsidiaries:	Wacoal Corp., Peach John Co., Ltd., Lecien Corporation, Kyushu Wacoal Manufacturing Corp., Nanasai Co., Ltd., Torica Inc., Wacoal International Corp., Wacoal America Inc., Wacoal Europe Ltd., Wacoal Europe SAS, Wacoal International Hong Kong Co., Ltd., Wacoal Hong Kong Co., Ltd., Wacoal Investment Co., Ltd., Wacoal China Co., Ltd. and A Tech Textile Co., Ltd.

3. **Matters Regarding the Application of the Equity Method**

(1) Number of affiliated companies: 9

(2) Principal affiliated companies:	Shinyoung Wacoal Inc., Taiwan Wacoal Co, Ltd., and Thai Wacoal Public Company Limited

4. **Matters Regarding Standard of Accounting Treatment**

(1) Valuation standard and method of significant assets

(i) Marketable securities and investments

Based on the provisions of U.S. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 320 “Investments – Debt and Equity Securities”, marketable securities and investments have been classified as “available-for-sale securities” and “held-to-maturity securities”. “Available-for-sale securities” are recorded at fair value and “held-to-maturity securities” are recorded at amortized cost. Gain or loss on sale of marketable securities and investments is calculated based on cost using the moving-average method.

Nonmarketable securities are recorded at cost using the moving-average method.

(ii) Inventories

Inventories are stated at the lower of cost or market, cost being determined by the first-in, first-out method for raw materials and the average cost method for work in process and finished products.

(2) Depreciation method for significant depreciable assets

Depreciation method for fixed assets

The declining balance method is mainly used for depreciation of property, plant and equipment.

The straight line method is used for amortizing intangible assets. In accordance with the provisions of FASB ASC 350 "Intangibles-Goodwill and Other," assets with indefinite useful lives are not amortized, but such assets are tested for impairment at least annually.

(3) Accounting basis of significant reserves

(i) Allowance for doubtful receivables

Allowance for doubtful receivables is estimated based on historical collection experience and additional information including current economic conditions and creditworthiness of each relevant customer.

(ii) Allowance for sales returns

In order to clarify the relationship between sales and returns, the estimated loss for future sales returns is recorded considering the historical products returns.

(4) Other significant matters in preparing consolidated financial statements

(i) Method of accounting treatment for retirement benefits

In accordance with the provisions of FASB ASC 715 "Compensation – Retirement Benefits", an amount is reserved in order to prepare for retirement benefits for employees, which is based on the fair values of liabilities for termination and retirement benefits and plan assets as of the end of the current fiscal year.

(ii) Accounting treatment of consumption taxes

Consumption taxes are excluded from sales, costs, and expenses in the consolidated statement of income.

(iii) Matters concerning the fiscal year end of consolidated subsidiaries

The fiscal year end of consolidated subsidiaries in Japan is consistent with the consolidated fiscal year end. The fiscal year end of overseas consolidated subsidiaries is consistent with the consolidated fiscal year end except for Wacoal Hong Kong Co., Ltd. and ten other companies. The fiscal year end of Wacoal Hong Kong Co., Ltd. and ten other companies is December 31. Financial statements of these overseas consolidated subsidiaries are consolidated based on their fiscal year ends. Necessary adjustments have been made for significant events that occurred during the period between their fiscal year ends and March 31.

(NOTES TO CONSOLIDATED BALANCE SHEET)

Assets pledged as collateral and obligations related to collateral:

(i) Assets pledged as collateral

Land:	150 million yen
Buildings:	236 million yen
Total:	386 million yen

(ii) Obligations related to collateral

Short-term bank loans (including current portion of long-term debt):	183 million yen
Long-term debt:	48 million yen
Total:	231 million yen

(NOTES TO FINANCIAL INSTRUMENTS)

1. **Matters Regarding the Status of Financial Instruments**

(1) Policy for financial instruments

For the management of surplus funds, the Group establishes certain conditions as well as limits, and determines an eligible range for investments to implement safety-focused management. For financing, the Group may use bank loans as necessary. The Group may use derivatives to avoid risk from exchange fluctuations in foreign currency trading, interest rate risk from bank loans, and risk of stock price fluctuations from stocks held, but will not engage in speculative transactions.

(2) Details and risk of financial instruments and risk management structure

Available-for-sale securities in terms of marketable securities and investments are mainly bonds, mutual funds, and stocks. These instruments are subject to risk from market fluctuations, and the Group regularly reviews their fair values. The Group takes appropriate measures to reduce credit risk of customers for notes and accounts receivable, according to the Group's control procedures.

Bank loans are utilized mainly for the expansion of business and funding of working capital. The fluctuation risk of interest rates associated with long-term debt is managed by utilizing interest rate swaps.

Nearly all accounts payable-trade and accounts payable-other are due within a year.

The Group executes/manages derivatives trading according to the Group's handling procedure, which stipulates specific targets and ranges of such trading.

(3) Supplemental note on matters regarding fair values of financial instruments

Fair values are estimated on the basis of fair value information related to such financial instruments and details of relevant contracts at the end of a period. These estimates are made by the Company and they include the Company's judgments, which exert a material influence on uncertainty as well as estimates. Therefore, the abovementioned fair value estimates may be affected materially by changes in the underlying assumptions. In addition, contract values with regard to derivatives trading described in "2. Matters Regarding Fair Values of Financial Instruments" do not themselves represent market risk related to such trading.

(4) Concentration of credit risk

The Group's business consists primarily of sales of women's intimate apparel to a large number of diverse customers in the Japanese retail industry, which includes well-established department stores, general merchandise stores and other general retailers and specialty stores. No single customer constitutes 10% or more of the total sales.

2. **Matters Regarding Fair Values of Financial Instruments**

Amounts recorded in the consolidated balance sheet, fair values, and their differences as of March 31, 2016, are as follows. Financial instruments whose fair values are considered to be extremely difficult to assess are recorded at their carrying amounts and are excluded from the table below (please see (Note 2)).

(Millions of yen)

	Amount recorded in the consolidated balance sheet (*)	Fair value (*)	Difference
(1) Cash and cash equivalents	34,059	34,059	-
(2) Time deposits	2,131	2,131	-
(3) Marketable securities	1,880	1,879	1
(4) Notes and accounts receivable	26,936	26,936	-
(5) Investments in affiliated companies	13,522	11,561	1,961
(6) Investments	54,733	54,730	3
(7) Short-term bank loans	(11,759)	(11,759)	-
(8) Trade notes	(1,431)	(1,431)	-
(9) Trade accounts	(12,017)	(12,017)	-
(10) Other payables	(6,106)	(6,106)	-
(11) Income taxes payable	(711)	(711)	-
(12) Long-term debt (including current portion of long-term debt)	(388)	(389)	1
(13) Derivatives (**)	(297)	(297)	-

(*) Amounts in parentheses represent amounts in the liability section of the consolidated balance sheet.
(**) Claims and obligations arising from derivative transactions are shown on a net basis and items in parentheses represent net debt in total.

(Note 1) Method of calculating the fair values of financial instruments and other matters regarding securities and derivatives

(1) Cash and cash equivalents, (2) Time deposits, (4) Notes and accounts receivable, (7) Short-term bank loans, (8) Trade notes, (9) Trade accounts, (10) Other payables, and (11) Income taxes payable

The carrying amounts approximate the fair value of these financial instruments because of their short maturities.

(3) Marketable securities, and (6) Investments

Fair values of national debt securities and stocks are determined on the basis of unadjusted published prices in an active market with sufficient trading volume and frequency. Fair values of municipal debt securities and corporate debt securities are based on fair values determined by financial institutions. Fair values of mutual funds are based on the unadjusted published prices in an active market with sufficient trading volume and frequency or fair values determined by financial institutions.

Marketable securities and investments are held as available-for-sale securities or held-to-maturity securities. The cost, amount recorded in the consolidated balance sheet, and the difference between these with respect to these securities are as follows:

(Millions of yen)

	Type	Cost or amortized cost	Amount recorded in the consolidated balance sheet	Difference
Amounts recorded in the consolidated balance sheet exceeding costs or amortized costs	(1) Stock	23,484	53,820	30,336
	(2) Bond			
	(i) National/Municipal debt securities	10	10	0
	(ii) Corporate debt securities	-	-	-
	(iii) Mutual fund	602	881	279
	Subtotal	24,096	54,711	30,615
Amounts recorded in the consolidated balance sheet not exceeding costs or amortized costs	(1) Stock	108	105	(3)
	(2) Bond			
	(i) National/Municipal debt securities	-	-	-
	(ii) Corporate debt securities	1,317	1,317	(0)
	(iii) Mutual fund	481	480	(1)
	Subtotal	1,906	1,902	(4)
Total		26,002	56,613	30,611

(5) Investments in affiliated companies

Fair values of investments in affiliated companies are determined on the basis of unadjusted published prices in an active market with sufficient trading volume and frequency. Amounts recorded in the consolidated balance sheet are calculated on the basis of the equity method.

(12) Long-term debt (including current portion of long-term debt)

The fair values of long-term debt are estimated based on a discounted cash flow analysis, using rates currently available for similar types of borrowings with similar terms and remaining maturities.

(13) Derivatives

Derivatives are foreign currency exchange contracts. Their fair values are estimated based on forward exchange rates. There are no derivatives to which hedge accounting is applied.

(Note 2) Financial instruments whose fair values are considered to be extremely difficult to assess

For investments in nonmarketable equity securities (amounts recorded in the consolidated balance sheet: 1,288 million yen), because it is difficult to calculate their fair values, they are recorded at cost. Investments in affiliated companies with no fair value (amounts recorded in the consolidated balance sheet: 7,191 million yen) are calculated on the basis of the equity method, as is done with investments in affiliated companies with fair value. The investments in these securities are reviewed for other-than-temporary impairment annually or upon the occurrence of an event that requires the review.

(Note 3) Redemption schedule of marketable securities and investments with maturity after the consolidated fiscal year end

(Millions of yen)

	Within 1 year	Within 5 years	Within 10 years	Over 10 years
Available-for-sale securities	394	481	-	289
Held-to-maturity securities	114	808	-	-
Total	508	1,289	-	289

(NOTES TO PER SHARE DATA)

Wacoal Holdings Corp. shareholders' equity per share	¥1,592.90
Net income attributable to Wacoal Holdings Corp. per share	¥79.23
Diluted net income attributable to Wacoal Holdings Corp. per share	¥79.00

(NOTES TO BUSINESS COMBINATIONS)

Acquisition of Swimwear Business and Underwear Business from San-Ai Co., Ltd. and San-Ai Style Co., Ltd.

On April 1, 2015, Ai Co., Ltd., our domestic subsidiary, acquired the swimwear business and underwear business from San-Ai Co., Ltd. and San-Ai Style Co., Ltd., and the difference between the acquisition cost and the estimated fair values of the identifiable assets acquired and liabilities assumed, the details of which were investigated and analyzed, was recorded on the consolidated statement of income as gain on negative goodwill in the amount of 173 million yen.

Acquisition of Material Business in the Kingdom of Thailand

In January 2016, Wacoal Corp., our consolidated subsidiary, established A Tech Textile Co., Ltd. ("A Tech") and G Tech Material Co., Ltd. ("G Tech") in the Kingdom of Thailand pursuant to joint venture agreements executed on November 13, 2015. A Tech and G Tech executed business transfer agreements with Textile Prestige Public Company Limited ("TPC") and Erawan Textile Company Limited ("ETC"), respectively, and the transfers of material business were completed on February 1, 2016.

In connection with these business transfers, A Tech and G Tech are expected to pay the purchase price for the assets and liabilities in the amount of 2,350 million yen (704 million THB) and 693 million yen (208 million THB), respectively, to TPC and ETC.

By establishing these two subsidiaries, the Group will build a worldwide system to supply materials and products in the ASEAN region, which has the potential to further develop and grow, achieve an improvement in the manufacturing quality and cost competitiveness of our entire group and provide for a stable supply of high value-added materials and products to the global network of the Wacoal group and customers in the future.

The fiscal year end of these two subsidiaries is December 31. The impact of the establishment of these two subsidiaries and the business transfers has been reflected during the current consolidated fiscal year in consideration of the material impact of intervening events that occurred during the period between December 31, 2015 and March 31, 2016.

As a result of purchase price allocations for A Tech and G Tech, goodwill was recognized and recorded in the amount of 246 million yen and 223 million yen, respectively, on the consolidated balance sheet. Goodwill is not deductible for tax purposes.

(OTHER NOTES)

The Act on the Partial Revision of the Income Tax Act, etc. (Act No. 15 of 2016) and the Act on the Partial Revision of Local Tax Act, etc. and Related Matters (Act No. 13 of 2016) were enacted in the Diet session on March 29, 2016, and the corporate tax rate was lowered starting from the consolidated fiscal year beginning on or after April 1, 2016. Accordingly, with respect to the Company and our major domestic subsidiaries, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities has been changed from 32.3%, which was applied for the calculation during the previous consolidated fiscal year, to 30.9% for the temporary differences which are expected to reverse during the consolidated fiscal year beginning April 1, 2016 and the consolidated fiscal year beginning April 1, 2017, and to 30.6% for the temporary differences which are expected to reverse in and after the consolidated fiscal year beginning April 1, 2018.

Due to this tax rate change, the deferred income taxes recognized in the fiscal year ended March 31, 2016 decreased by 454 million yen as a result of a reversal of deferred tax assets and deferred tax liabilities.

(NOTES TO SIGNIFICANT SUBSEQUENT EVENTS)

Transfer of Fixed Assets

The board of directors resolved at a meeting held on January 29, 2016 to transfer fixed assets (land) as described below, and accordingly, the transfer of land was completed on April 27, 2016.

(i) Reason for the Transfer
We have decided to transfer the land, previously the site of Nagoya branch, to make effective use of our managerial resources because it is unlikely that we will use this site for our business in the future.

(ii) Details of the Transferred Asset

Details of the Asset:	Land (1,370 m^2)
Location:	15 Sakae 5-chome, Naka-ku, Nagoya City, Aichi
Current Status:	Leased for parking spaces
Book Value:	295 million yen
Transfer Price:	4,149 million yen

(iii) Outline of the Transferee
Kabushiki Kaisha Nihon Ceremony

(iv) Schedule of the Transfer

Resolution of the Board Meeting:	January 29, 2016
Execution of the Agreement:	February 12, 2016
Transfer of the Land:	April 27, 2016

(v) Impact on Business Results
In connection with the transfer of the fixed assets, we will record approximately 3.8 billion yen of gain on sale of fixed assets during the consolidated first quarter of the fiscal year ending March 31, 2017.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

(NOTES TO MATTERS RELATED TO SIGNIFICANT ACCOUNTING POLICIES)

1. **Valuation Standards and Method of Assets**

Valuation standards and method of marketable securities

Investments in affiliated companies are stated at cost based on the moving-average method. Other marketable securities with fair values are stated at market value determined by market prices at the balance sheet date. Securities without fair values are stated at cost based on the moving average method. Net unrealized gain (loss) on available-for-sale securities is reported directly in net assets. Cost of sales is determined based on the moving average method.

2. **Depreciation Method of Fixed Assets**

(1) Depreciation method of property, plant and equipment

Depreciation of property, plant and equipment is calculated based on the declining balance method; provided, however, that depreciation of buildings (excluding facilities) acquired on or after April 1, 1998 is calculated based on the straight line method.

Useful lives of major items are as follows:

Buildings and structures:	2 to 50 years
Equipment (excluding certain paintings):	2 to 20 years

(2) Amortization method for intangible assets

Amortization of intangible assets is computed by the straight-line method.

3. **Accounting Basis of Reserves**

(1) Accrued bonuses

In order to provide bonuses to employees, accrued bonuses are calculated based on the anticipated amount to be paid.

(2) Accrued officers' bonuses

In order to provide bonuses to officers, accrued officers' bonuses are calculated based on the anticipated amount to be paid.

4. **Other Basic Significant Matters in Preparing Financial Statements**

Accounting treatment of consumption taxes

Consumption taxes are excluded from sales, costs, and expenses in the consolidated statement of income.

(NOTES TO THE BALANCE SHEET)

1. Accumulated depreciation of property, plant and equipment: ¥32,073 million

2. Short-term receivables from affiliates: ¥3,375 million
   Short-term payables to affiliates: ¥13,675 million

3. Liabilities for guarantee
   The Company provides guarantees for loans extended to a certain subsidiary by financial institutions.

   Wacoal Europe Ltd.: ¥3,110 million

   The Company provides guarantees for payables of electronically recorded monetary claims of a certain subsidiary.

   Lecien Corporation: ¥178 million

(NOTES TO THE STATEMENT OF INCOME)

1. Sales to affiliates: ¥10,866 million

   Other operating transactions with affiliated companies: ¥122 million

   Non-Operating transactions with affiliated companies: ¥36 million

2. Impairment Charges:

   The Company recorded impairment charges with respect to the following asset group.

Purpose of Use	Type	Location	Amount (Millions of yen)
Real estate for rent	Land and building improvements	Kyoto City	241

Fixed assets of the Company mainly consist of real estate for rent. An asset group is the unit of accounting for a long-lived asset to be held and used, which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities.

The Company entered into a leasing contract with a third party related to certain real estate located in Kyoto City, which had been categorized as corporate assets, and categorized it as real estate for rent. The Company performed an impairment test, as its fair value was below the carrying value. As a result of the impairment test, the Company recognized impairment loss as extraordinary loss on the non-consolidated statement of income.

The recoverable amount is measured based on net selling price pursuant to the real estate appraisal value.

(NOTES TO THE STATEMENT OF CHANGES IN NET ASSETS)

1. Number of issued shares as of March 31, 2016

   Common Stock: 143,378,085 shares

2. Number of treasury stock as of March 31, 2016

   Common Stock: 2,519,350 shares

3. Matters regarding distribution of earnings made during current fiscal year

Resolution	Class of Shares	Aggregate Amount of Distribution (Millions of yen)	Amount of Distribution per Share (yen)	Record Date	Effective Date
At the Board of Directors' Meeting held on May 11, 2015	Common Stock	4,225	30.00	March 31, 2015	June 3, 2015

4. Matters regarding distribution of earnings to be made after the end of current fiscal year

Resolution	Class of Shares	Source of Distribution	Aggregate Amount of Distribution (Millions of yen)	Amount of Distribution per Share (yen)	Record Date	Effective Date
At the Board of Directors' Meeting held on May 9, 2016	Common Stock	Retained Earnings	4,648	33.00	March 31, 2016	June 6, 2016

5. Matters concerning stock acquisition rights as of the end of the current fiscal year

	First Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2008	Second Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2008	Third Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2009	Fourth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2009
Class of shares represented by the stock acquisition rights:	Common Stock	Common Stock	Common Stock	Common Stock
Number of shares represented by each stock acquisition rights:	30,000 shares	8,000 shares	25,000 shares	8,000 shares
Outstanding number of stock acquisition rights:	30	8	25	8
	Fifth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2010	Sixth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2010	Seventh Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2011	Eighth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2011
Class of shares represented by the stock acquisition rights:	Common Stock	Common Stock	Common Stock	Common Stock
Number of shares represented by each stock acquisition rights:	31,000 shares	7,000 shares	48,000 shares	18,000 shares
Outstanding number of stock acquisition rights:	31	7	48	18
	Ninth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2012	Tenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2012	Eleventh Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2013	Twelfth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2013
Class of shares represented by the stock acquisition rights:	Common Stock	Common Stock	Common Stock	Common Stock
Number of shares represented by each stock acquisition rights:	53,000 shares	14,000 shares	52,000 shares	25,000 shares
Outstanding number of stock acquisition rights:	53	14	52	25
	Thirteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2014	Fourteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2014	Fifteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2015	Sixteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2015
Class of shares represented by the stock acquisition rights:	Common Stock	Common Stock	Common Stock	Common Stock
Number of shares represented by each stock acquisition rights:	46,000 shares	17,000 shares	37,000 shares	12,000 shares
Outstanding number of stock acquisition rights:	46	17	37	12

(NOTES TO TAX EFFECT ACCOUNTING)

1. Breakdown of deferred tax assets and deferred tax liabilities (Millions of yen)

Deferred tax assets:	
Valuation loss on investments in affiliated companies	¥1,308
Accrued bonuses	20
Excess over depreciation, amortization and impairment loss	834
Other	244
Sub-total of deferred tax assets	2,409
Valuation allowance	(1,564)
Total deferred tax assets:	844
Deferred tax liabilities:	
Reserve for deferred gain on sale of property	¥931
Other	22
Total deferred tax liabilities:	954
Net deferred tax liabilities:	109

2. Revisions to deferred tax assets and deferred tax liabilities due to change of corporate tax rate

The Act on the Partial Revision of the Income Tax Act, etc. (Act No. 15 of 2016) and the Act on the Partial Revision of Local Tax Act, etc. and Related Matters (Act No. 13 of 2016) were enacted in the Diet session on March 29, 2016, and the corporate tax rate was lowered starting from the fiscal year beginning on or after April 1, 2016. Accordingly, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities has been changed from 32.3%, which was applied for the calculation during the previous fiscal year, to 30.9% for the temporary differences which are expected to reverse during the fiscal year beginning April 1, 2016 and the fiscal year beginning April 1, 2017 and to 30.6% for the temporary differences which are expected to reverse in and after the fiscal year beginning April 1, 2018.

The impact of the change on the effective statutory tax rate is insignificant.

(NOTES TO RELATED PARTIES TRANSACTIONS)

Subsidiaries and associated companies

Type	Name of Company	Company's Interest	Relationship with Related Party	Nature of Transaction	Transaction Amount (Millions of yen)	Item	Balance as of the Fiscal Year End (Millions of yen)
Subsidiary	Wacoal Corp.	100% direct	Holding of shares; dual appointments; managerial guidance; lease of real estate	Repayment of funds (Note 1)	6,557	Short-term borrowings from affiliated companies	10,939
				Payment of interest (Note 1)	19	–	–
				Receipt of dividends	6,400	–	–
				Lease of real estate (Note 2)	2,744	–	–
				Fee for management guidance (Note 3)	291	–	–
Subsidiary	Wacoal Europe Ltd.	100% direct	Holdings of shares and dual appointments	Guarantee for liabilities (Note 4)	3,110	–	–

Details and Policy on Determination of Transaction Terms

(Note 1) The terms and conditions of the repayment of debts and interest rate are determined in consideration of market interest rates.

(Note 2) The price and other terms of the transaction are determined through negotiation in view of the market conditions.

(Note 3) The managerial guidance fees are determined each fiscal year based on negotiation.

(Note 4) The Company guarantees the loans of certain subsidiaries. The Company does not charge a guarantee fee.

(Note 5) The transaction amount does not include consumption tax, while the balance as of the year-end includes the consumption tax.

(NOTES TO PER SHARE DATA)

Net assets per share:	¥1,013.19
Net income per share:	¥47.85
Diluted net income per share:	¥47.69

(NOTES TO SIGNIFICANT SUBSEQUENT EVENTS)

Transfer of Fixed Assets

The board of directors resolved at a meeting held on January 29, 2016 to transfer the fixed assets (land) as described below, and accordingly, the transfer of land was completed on April 27, 2016.

(i) Reason for the Transfer
We have decided to transfer the land, previously the site of Nagoya branch, for effective use of our managerial resources because it is unlikely that we will use this site for our business in the future.

(ii) Details of the Transferred Asset

Details of the Asset:	Land (1,370 m^2)
Location:	15 Sakae 5-chome, Naka-ku, Nagoya City, Aichi
Current Status:	Leased for parking spaces
Book Value:	295 million yen
Transfer Price:	4,149 million yen

(iii) Outline of the Transferee
Kabushiki Kaisha Nihon Ceremony

(iv) Schedule of the Transfer

Resolution of the Board Meeting:	January 29, 2016
Execution of the Agreement:	February 12, 2016
Transfer of the Land:	April 27, 2016

(v) Impact on Business Results
In connection with the transfer of the fixed assets, we will record approximately 3.8 billion yen of gain on sale of fixed assets during the fiscal year ending March 31, 2017.