NOTICE OF THE 70TH ORDINARY GENERAL MEETING

OF SHAREHOLDERS

TO BE HELD IN KYOTO, JAPAN ON JUNE 28, 2018

DATE

THURSDAY, JUNE 28, 2018 AT 10:00 A.M. (RECEPTION WILL OPEN AT 9:00 A.M.)

PLACE

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

MATTERS TO BE RESOLVED

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

FROM THIS ORDINARY GENERAL MEETING OF SHAREHOLDERS, WE HAVE DECIDED TO DISCONTINUE HANDING OUT GIFTS TO SHAREHOLDERS WHO ATTEND THE MEETING.

WE APPRECIATE YOUR UNDERSTANDING.

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

WACOAL HOLDINGS CORP.
(CODE NUMBER: 3591)

KYOTO, JAPAN

Code Number: 3591

June 4, 2018

TO OUR SHAREHOLDERS

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

Yoshikata Tsukamoto
Representative Director

NOTICE OF THE 70TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

This is to inform you that the 70th ordinary general meeting of shareholders of Wacoal Holdings Corp. (the "Company") will be held as described below.

You are cordially invited to attend the meeting.

IF YOU ARE UNABLE TO ATTEND THE MEETING, WE WOULD LIKE TO REQUEST THAT YOU CAREFULLY EXAMINE THE REFERENCE MATERIALS SET FORTH BELOW AND MAIL OR CAST YOUR BALLOT ONLINE SHOWING YOUR CONSENT OR DISSENT SO THAT WE RECEIVE IT NO LATER THAN JUNE 27, 2018 (WEDNESDAY) at 5:30 p.m.

Particulars

1. Date: Thursday, June 28, 2018 at 10:00 a.m. (Reception opens at 9:00 a.m.)

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

3. Purpose of Meeting:

Matters to be reported:

1. Presentation of the Business Report, Consolidated Financial Statements, and Audit Reports of the Independent Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 70th fiscal year from April 1, 2017 through March 31, 2018

2. Presentation of the Non-Consolidated Financial Statements for the 70th fiscal year from April 1, 2017 through March 31, 2018

Matters to be resolved:

Agenda Item No. 1: Election of Eight Directors

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

Agenda Item No. 3: Payment of Officers' Bonuses

From this ordinary general meeting of shareholders, we have decided to discontinue handing out gifts to shareholders who attend the meeting.
We appreciate your understanding.

* * * * * * * * * *

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

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

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

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

   (*) Company’s website: https://www.wacoalholdings.jp/ir/soukai.html

4. Please kindly note that light clothing is encouraged for this meeting as our officers and staff members will be wearing “Cool Biz” attire as a part of a power-saving campaign at this meeting.

REFERENCE MATERIALS

Agenda and Reference Matters

Agenda Item No. 1: Election of Eight Directors

The term of office of Directors Mr. Yoshikata Tsukamoto, Mr. Hironobu Yasuhara, Mr. Masaya Wakabayashi, Mr. Masashi Yamaguchi, Mr. Atsushi Horiba, Ms. Madoka Mayuzumi and Mr. Shigeru Saito will expire at the conclusion of this Meeting.

It is therefore proposed that the number of Directors be increased by one (1) for the purpose of strengthening the management, and that eight (8) Directors be elected.

All of the candidates for Directors, for the purpose of this agenda item, meet the eligibility requirements which the Company prescribes under "Criteria for Appointment of Officers" (on the Company's website (https://www.wacoalholdings.jp/csr/pr_cg.html)).

The candidates for Director are as follows:

<table>
<tr><th>Candidate No.</th><th>Name (Date of Birth)</th><th colspan="2">Career summary, position and areas of responsibility, and significant concurrent positions</th><th>Company Shares owned by Candidate</th></tr>
<tr><td rowspan="4">1.</td><td>Reelection

Yoshikata Tsukamoto
(January 29, 1948)</td><td>April 1972
November 1977
November 1981
September 1984
September 1984
June 1987
October 2005
April 2011</td><td>Joined the Company
Appointed Director of the Company
Appointed Managing Director of the Company
Appointed Executive Vice President of the Company
Appointed Representative Director (acting)
Appointed President and Director of the Company (acting)
Appointed Representative Director, President and Corporate Officer of Wacoal Corp.
Appointed Representative Director and Chairman of Wacoal Corp.</td><td>287,568</td></tr>
<tr><td colspan="4">(Status of Significant Concurrent Positions)
Director and Chairman of Wacoal International Corp.</td></tr>
<tr><td colspan="4">(Reasons for Nomination)
Mr. Tsukamoto has been in charge of the management of the Company as President and Representative Director since 1987. We believe that we can continue to utilize his extensive experience and expertise for the management of the Company, and therefore request his reelection as a Director.</td></tr>
<tr><td colspan="4">(Conflicts of Interest with the Company)
There are no conflicts of interest between Mr. Tsukamoto and the Company.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name (Date of Birth)</th><th>Career summary, position and areas of responsibility, and significant concurrent positions</th><th>Company Shares owned by Candidate</th></tr>
<tr><td rowspan="4">2.</td><td>Reelection

Hironobu Yasuhara
(December 28, 1951)</td><td>March 1975 Joined the Company
April 2005 Appointed Corporate Officer/General Manager of Wing Brand Business Department of the Company
June 2006 Appointed Director and Managing Corporate Officer, General Manager of Wing Brand Business Department, of Wacoal Corp.
April 2010 Appointed Director and Senior Managing Corporate Officer, and General Manager of Wacoal Brand Business Department, of Wacoal Corp.
April 2011 Appointed Representative Director, President and Corporate Officer of Wacoal Corp.
June 2011 Appointed Director of the Company
June 2013 Appointed Senior Managing Director of the Company
June 2016 Appointed Vice President and Director of the Company (acting)
April 2018 Appointed Representative Director and Chairman of Wacoal Corp. (acting)</td><td>8,400</td></tr>
<tr><td colspan="3">(Status of Significant Concurrent Positions)
Representative Director and Chairman of Wacoal Corp.</td></tr>
<tr><td colspan="3">(Reasons for Nomination)
Mr. Yasuhara has extensive experience in the sales division of Wacoal Corp., our core operating entity, and since 2011 has been in charge of the management of Wacoal Corp. as President and Representative Director and as Representative Director and Chairman from April 2018. We believe that he is qualified to serve as a Director of the Company, and therefore request his reelection as a Director.</td></tr>
<tr><td colspan="3">(Conflicts of Interest with the Company)
There are no conflicts of interest between Mr. Yasuhara and the Company.</td></tr>
</table>

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility, and significant concurrent positions	Company Shares owned by Candidate
3.	Reelection Masaya Wakabayashi (January 6, 1956)	April 1979 Joined the Company April 2008 Appointed General Manager of Corporate Planning of the Company April 2010 Appointed Corporate Officer, Chief of Corporate Planning of Wacoal Corp. April 2011 Appointed Director, Corporate Officer, Chief of Corporate Planning of Wacoal Corp. April 2013 Appointed Director, Managing Corporate Officer, Chief of Corporate Planning of Wacoal Corp. April 2014 Appointed Director, Managing Corporate Officer, Supervisor of Administration of Wacoal Corp. June 2014 Appointed Managing Director and Supervisor of Group Business Management of the Company June 2016 Appointed Vice President and Director and Supervisor of Group Business Management of the Company June 2017 Appointed Vice President and Director and Supervisor of Group Business Management and International Affairs of the Company (acting)	9,900
	(Status of Significant Concurrent Positions) Director and President of Wacoal Investment Co., Ltd. (Taiwan)		
	(Reasons for Nomination) Mr. Wakabayashi has extensive experience and expertise in the administrative divisions (particularly in the accounting division and corporate planning division) of Wacoal Corp., our core operating entity. We believe that he is qualified to serve as a Director of the Company, and therefore request his reelection as a Director.		
	(Conflicts of Interest with the Company) There are no conflicts of interest between Mr. Wakabayashi and the Company.		

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility, and significant concurrent positions	Company Shares owned by Candidate
4.	Reelection Masashi Yamaguchi (November 26, 1957)	April 1981 Joined the Company April 2006 Appointed Business Administration Manager of Wing Brand Operation Division of Wacoal Corp. April 2011 Appointed Corporate Officer and Manager of Personnel Division of Wacoal Corp. April 2013 Appointed Director and Corporate Officer, and General Manager of Personnel and Administration Division of Wacoal Corp. April 2014 Appointed Director and Managing Corporate Officer, and General Manager of Personnel and Administration Division of Wacoal Corp. April 2015 Appointed Director and Senior Managing Corporate Officer in charge of Administration, and General Manager of Personnel and Administration Division of Wacoal Corp. June 2015 Appointed Director in charge of Personnel and Administration of the Company April 2017 Appointed Director, Vice President Corporate Officer in charge of Administration, and General Manager of Personnel and Administration Division of Wacoal Corp. (acting) June 2017 Appointed Managing Director and Supervisor of Personnel and Administration and Future Business of the Company (acting)	2,700
	(Status of Significant Concurrent Positions) Director, Vice President Corporate Officer of Wacoal Corp.		
	(Reasons for Nomination) Mr. Yamaguchi has extensive experience and expertise in the administrative divisions (particularly in the accounting division and human resources division) of Wacoal Corp., our core operating entity. We believe that he is qualified to serve as a Director of the Company, and therefore request his reelection as a Director.		
	(Conflicts of Interest with the Company) There are no conflicts of interest between Mr. Yamaguchi and the Company.		

<table>
<tr><th>Candidate No.</th><th>Name (Date of Birth)</th><th>Career summary, position and areas of responsibility, and significant concurrent positions</th><th>Company Shares owned by Candidate</th></tr>
<tr><td rowspan="4">5.</td><td>New Candidate

Akira Miyagi
(October 18, 1960)</td><td>March 1984 Joined the Company
October 2007 Appointed Manager of Business Management and Administration of Wacoal Brand Operation Division of Wacoal Corp.
April 2011 Appointed Director and Deputy General Manager of Wacoal China Co., Ltd.
April 2014 Appointed General Manager of Corporate Planning of the Company (acting)
April 2017 Appointed Corporate Officer of Wacoal Corp.</td><td>2,500</td></tr>
<tr><td colspan="3">(Status of Significant Concurrent Positions)
None.</td></tr>
<tr><td colspan="3">(Reasons for Nomination)
Mr. Miyagi has extensive experience and expertise in the administrative divisions (particularly in the administration division and corporate planning division) of the Company and Wacoal Corp., our core operating entity. We therefore request his election as a Director. Mr. Miyagi is a new candidate to this position.</td></tr>
<tr><td colspan="3">(Conflicts of Interest with the Company)
There are no conflicts of interest between Mr. Miyagi and the Company.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name (Date of Birth)</th><th colspan="2">Career summary, position and areas of responsibility, and significant concurrent positions</th><th>Company Shares owned by Candidate</th></tr>
<tr><td rowspan="3">6.</td><td>Reelection

Outside Director

Independent Officer

Madoka Mayuzumi
(July 31, 1962)</td><td>August 1996

January 2001

December 2004

May 2013

April 2014

April 2014

June 2015</td><td>Launched and organized monthly haiku magazine Gekkan Hepburn

Member of “National Language Subdivision” of Council for Cultural Affairs, Ministry of Education, Culture, Sports, Science and Technology

Member of “Council for the Promotion of Cultural Diplomacy,” Cabinet Secretariat

Member of “Forum to Realize Culture and Arts-Oriented Nation” held by Minister of Education, Culture, Sports, Science and Technology

Member of “Cultural Policy Subdivision” of Council for Cultural Affairs, Ministry of Education, Culture, Sports, Science and Technology

Appointed Advisor of the Company

Appointed Director of the Company (acting)</td><td>0</td></tr>
<tr><td colspan="4">(Status of Significant Concurrent Positions)
Visiting Professor at Kitazato University; Visiting Professor at Showa Women’s University, Faculty of Humanities and Culture, Department of Japanese Language and Literature; Visiting Professor at Kyoto Tachibana University, Faculty of Humanities, Department of Japanese Language and Literature; Trustee of East Japan Railway Culture Foundation</td></tr>
<tr><td colspan="4">(Reasons for Nomination as Outside Director and Tenure of Office)
Although Ms. Mayuzumi has never been directly involved in company management, she plays an active role as a haiku poet in the field of arts and culture in Japan and overseas. Her knowledge and experience enable her to contribute to the Company management which respects diversity. We therefore request her reelection as an Outside Officer.
Ms. Mayuzumi’s tenure of office as Outside Director of the Company would be three (3) years following the conclusion of this Meeting.</td></tr>
<tr><td colspan="4">(Conflicts of Interest with the Company)
Ms. Mayuzumi has provided lectures for haiku classes at Wacoal Study Hall Kyoto, which is hosted by our business company, Wacoal Corp. The amount of annual remuneration for such services is less than 1 million yen and there are no other conflicts of interest between Ms. Mayuzumi and the Company.</td></tr>
</table>

(Notes) 1. Ms. Mayuzumi meets the eligibility requirements which the Company prescribes under “Criteria for Appointment of Outside Officers (to ensure independence)” (on the Company’s website (https://www.wacoalholdings.jp/csr/pr_cg.html)).
Ms. Mayuzumi has been notified to the Tokyo Stock Exchange as our independent officer, pursuant to the rules of the Tokyo Stock Exchange. If the reelection of Ms. Mayuzumi is approved according to the original proposal by this Meeting, we plan to continue to designate her as our independent officer.

2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 28 of our Articles of Incorporation, the Company has executed an agreement with Ms. Mayuzumi to limit her liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act. The maximum amount of liability under such agreement is the minimum liability amount as provided by laws and regulations. If the reelection of Ms. Mayuzumi is approved according to the original proposal by this Meeting, we plan to continue the limitation of liability agreement with her.

<table>
<tr><th>Candidate No.</th><th>Name (Date of Birth)</th><th>Career summary, position and areas of responsibility, and significant concurrent positions</th><th>Company Shares owned by Candidate</th></tr>
<tr><td rowspan="4">7.</td><td>Reelection
Outside Director
Independent Officer
Shigeru Saito
(January 26, 1957)</td><td>November 1979 Joined TOSE CO., LTD.
Appointed General Manager of Development Department
October 1985 Appointed Director of TOSE CO., LTD.
February 1987 Appointed Representative Director and President of TOSE CO., LTD.
September 2004 Appointed Representative Director and President, and CEO of TOSE CO., LTD.
December 2015 Appointed Representative Director and Chairman, and CEO of TOSE CO., LTD. (acting)
June 2017 Appointed Director of the Company (acting)</td><td>0</td></tr>
<tr><td colspan="3">(Status of Significant Concurrent Positions)
Representative Director and Chairman, and CEO of TOSE CO., LTD., Outside Director of SCREEN Holdings Co., Ltd.</td></tr>
<tr><td colspan="3">(Reasons for Nomination as Outside Director and Tenure of Office)
Mr. Saito is currently the Representative Director and Chairman at TOSE CO., LTD. His extensive knowledge and experience enable him to contribute to improving the supervisory function of the Company management. We therefore request his reelection as an Outside Director.
Mr. Saito's tenure of office as Outside Director of the Company would be one (1) year following the conclusion of this Meeting.</td></tr>
<tr><td colspan="3">(Conflicts of Interest with the Company)
There are no conflicts of interest between Mr. Saito and the Company.</td></tr>
</table>

(Notes) 1. Mr. Saito meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of Outside Officers (to ensure independence)" (on the Company's website (https://www.wacoalholdings.jp/csr/pr_cg.html)).
Mr. Saito has been notified to the Tokyo Stock Exchange as our independent officer, pursuant to the rules of the Tokyo Stock Exchange. If the reelection of Mr. Saito is approved according to the original proposal by this Meeting, we plan to continue to designate him as our independent officer.

2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 28 of our Articles of Incorporation, the Company has executed an agreement with Mr. Saito to limit his liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act. The maximum amount of liability under such agreement is the minimum liability amount as provided by laws and regulations. If the reelection of Mr. Saito is approved according to the original proposal by this Meeting, we plan to continue the limitation of liability agreement with him.

<table>
<tr><th>Candidate No.</th><th>Name (Date of Birth)</th><th colspan="2">Career summary, position and areas of responsibility, and significant concurrent positions</th><th>Company Shares owned by Candidate</th></tr>
<tr><td rowspan="4">8.</td><td>New Candidate

Outside Director

Independent Officer

Tsunehiko Iwai
(May 28, 1953)</td><td>April 1979

April 2002

April 2008

June 2014

January 2016

March 2018</td><td>Joined Shiseido Co., Ltd.

Appointed General Manager of Product Commercialization, Planning Department, Shiseido Co., Ltd.

Appointed Corporate Officer, General Manager of Technical Department, Shiseido Co., Ltd.

Appointed Director, Corporate Executive Officer in charge of Research & Development, Production and Technical Affairs, Shiseido Co., Ltd.

Appointed Representative Director, Executive Vice President Chief Technology & Innovation Officer, Shiseido Co., Ltd.

Appointed Senior Advisor, Shiseido Co., Ltd. (acting)</td><td>0</td></tr>
<tr><td colspan="4">(Status of Significant Concurrent Positions)
Senior Advisor of Shiseido Co., Ltd.</td></tr>
<tr><td colspan="4">(Reasons for Nomination as Outside Director)
Mr. Iwai's extensive knowledge and experience as management, as well as specialized knowledge in the fields of research & development, production and technology will contribute to the management of the Company. We therefore request his election as an Outside Director. Mr. Iwai is a new candidate to this position.</td></tr>
<tr><td colspan="4">(Conflicts of Interest with the Company)
There are no conflicts of interest between Mr. Iwai and the Company.</td></tr>
</table>

(Notes) 1. Mr. Iwai meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of Outside Officers (to ensure independence)" (on the Company's website (https://www.wacoalholdings.jp/csr/pr_cg.html)).
If the election of Mr. Iwai is approved according to the original proposal by this Meeting, we plan to notify the Tokyo Stock Exchange to designate him as our independent officer, pursuant to the rules of the Tokyo Stock Exchange.

2. If the election of Mr. Iwai is approved according to the original proposal by this Meeting, pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 28 of our Articles of Incorporation, the Company plans to execute an agreement with Mr. Iwai to limit his liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act. The maximum amount of liability under such agreement is the minimum liability amount as provided by laws and regulations.

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

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

This agenda item has been approved by the Audit & Supervisory Board.

The candidate meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of Directors" (on the Company's website (https://www.wacoalholdings.jp/csr/pr_cg.html)).

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

Name (Date of Birth)	Career summary, position, and significant concurrent positions		Company Shares owned by Candidate
New Candidate Outside Auditor Independent Officer Minoru Shimada (February 22, 1955)	April 1977	Joined The Bank of Tokyo, Ltd. (current "MUFG Bank, Ltd.")	0
	June 2004	Appointed Corporate Officer, General Manager of Corporate Banking Group No.1, Corporate Banking Division No.4, The Bank of Tokyo Mitsubishi, Ltd. (current "MUFG Bank, Ltd.")	
	May 2005	Appointed Corporate Officer, Manager of New York Branch of The Bank of Tokyo Mitsubishi, Ltd. (current "MUFG Bank, Ltd.")	
	April 2008	Appointed Managing Corporate Officer, General Manager of Corporate Banking Group, Nagoya Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current "MUFG Bank, Ltd.")	
	June 2010	Appointed Representative Director and Vice President, SOTSU CORPORATION	
	June 2011	Appointed Representative Director and President, NAIGAI Construction Co., Ltd. (acting)	
	June 2012	Appointed Representative Director and President, SOTSU CORPORATION (acting)	
	June 2012	Appointed Representative Director and President, Sotsu Amenity Service Corporation (acting)	
(Status of Significant Concurrent Positions) Representative Director and President of SOTSU CORPORATION; Representative Director and President of NAIGAI Construction Co., Ltd.; Representative Director and President of Sotsu Amenity Service Corporation			
(Reasons for Nomination as Outside Auditor) Mr. Shimada's extensive experience and expertise as management of various financial institutions, as well as experience in international affairs, such as management of U.S. corporation, will enable him to contribute to improving the auditing system of the Company. We therefore request his election as an Outside Auditor. Mr. Shimada is a new candidate to this position.			

(Conflicts of Interest with the Company)
There are no conflicts of interest between Mr. Shimada and the Company.

(Notes) 1. Although Mr. Shimada held a position until June 2010 to execute business at The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently, "MUFJ Bank, Ltd."), which is a major shareholder of and lender for the Company, over three (3) years have passed since he resigned from such position, and accordingly, Mr. Shimada meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of Outside Officers (to ensure independence)" (on the Company's website (https://www.wacoalholdings.jp/csr/pr_cg.html)).
If the election of Mr. Shimada is approved according to the original proposal by this Meeting, we plan to notify the Tokyo Stock Exchange to designate him as our independent officer, pursuant to the rules of the Tokyo Stock Exchange.

2. If the election of Mr. Shimada is approved according to the original proposal by this Meeting, pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 36 of our Articles of Incorporation, the Company plans to execute an agreement with Mr. Shimada to limit his liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act. The maximum amount of liability under such agreement is the minimum liability amount as provided by laws and regulations.
3. Mr. Shimada is currently the Representative Director and President of SOTSU CORPORATION and is scheduled to be appointed as Director and Chairman of SOTSU CORPORATION as of June 25, 2018.
4. Mr. Shimada is currently the Representative Director and President of NAIGAI Construction Co., Ltd. and is scheduled to resign said position upon the conclusion of the ordinary general meeting of shareholders of NAIGAI Construction Co., Ltd. to be held on June 22, 2018.
5. Mr. Shimada is currently the Representative Director and President of Sotsu Amenity Service Corporation and is schedule to resign said position upon the conclusion of the ordinary general meeting of shareholders of Sotsu Amenity Service Corporation to be held on June 22, 2018.
6. Mr. Shimada is scheduled to be appointed as Special Advisor of Fulltime System Co., Ltd. as of July 1, 2018.

Agenda Item No. 3: Payment of Officers' Bonuses

We propose that officers' bonuses of ¥57 million in total be paid to our 4 current Directors (excluding the Outside Directors) as of the end of the current fiscal year in consideration of the business results of the fiscal year ended March 31, 2018.

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

-End-

SUPPLEMENTARY SCHEDULES ON MATTERS TO BE REPORTED
BUSINESS REPORT
FOR THE PERIOD FROM APRIL 1, 2017 THROUGH MARCH 31, 2018

1. STATUS OF GROUP BUSINESS

(1) Business Developments and Results

(a) Summary of Operations

During the current fiscal year (from April 1, 2017 to March 31, 2018), the consumer spending in the domestic economy showed a sign of recovery to some extent as the employment environment improved. The environment surrounding women's domestic innerwear market, however, remained difficult, due to a slowdown in the recovery of consumer spending, led by deep-rooted concern for future, which continued to make consumers budget-conscious, and as we continued to experience a series of closings and management of inventories of general merchandise stores. In the overseas markets, consumer spending was stable in Europe and the United States, as consumer sentiment remained strong in the United States, and the employment environment continued to improve in the Eurozone area, despite the significant uncertainty underlying Brexit in Europe. In China, consumer spending was stable as a result of strong growth in the real per capita disposable income, and retail sales continued to achieve a high level of growth due to reduced employment uncertainty.

In such an environment, our group moved forward with efforts to improve and strengthen our business structure toward achieving the objectives of our mid-term business plan. In our domestic business, we made efforts to improve business efficiency through restructuring and strengthening of our wholesale business structure, to realize omni-channel services that will achieve synergies with our wholesale business and retail business, to form core IT systems which will improve inventory efficiency, and to improve profitability by updating each of our brands and product groups. In our overseas business, we focused on our initiatives to pursue business collaboration among Europe and the United States and Asian countries, strengthen our ability to respond to the e-commerce market, and improve product quality and cost competitiveness in China and ASEAN-member countries where our product supply bases are located.

Our consolidated sales for the current fiscal year slightly fell by 0.1% from such sales for the previous fiscal year. While consolidated sales from our domestic business for the current fiscal year fell by 2% from such sales for the previous fiscal year due to difficult environment for our wholesale business, our consolidated sales from our overseas business exceeded such sales for the previous fiscal year by 7% as a result of strong e-commerce sales and steady sales at the existing stores in Europe and the United States, and China. On the other hand, revenue from our Peach John and other business segments decreased.

Consolidated operating income increased by 13.3% as compared to such consolidated operating income for the previous fiscal year. In addition to our initiatives to improve business profitability in the domestic business, an increase in sales profit resulting from increased revenue from our overseas business contributed to the increase. Also, consolidated operating income increased as a result of recognition of compensation income from leaving a factory space occupied by our subsidiary and the absence of non-recurring expenses related to the liquidation proceedings for our French subsidiary that we recorded for the previous fiscal year.

Consolidated income before income taxes and equity in net income of affiliated companies fell by 13.8% from such consolidated income for the previous fiscal year, due to the absence of gain on sales of fixed assets (land) that we recorded for the previous fiscal year.

The key exchange rates used for the current fiscal year were: 110.85 yen to the U.S. dollar; 147.03 yen to the Sterling pound; and 16.63 yen to the Chinese yuan.

Net Sales:	195,725 million yen (a decrease of 0.1% as compared to the previous fiscal year)
Operating income:	12,534 million yen

	(an increase of 13.3% as compared to the previous fiscal year)
Income before income taxes and equity in net income of affiliated companies:	14,286 million yen (a decrease of 13.8% as compared to the previous fiscal year)
Net income attributable to Wacoal Holdings Corp.:	9,745 million yen (a decrease of 22.2% as compared to the previous fiscal year)

The following is a summary of operations by operating segment.

(i) Wacoal Business (Domestic)

Wacoal Corp. reorganized its divisions, formerly called the Wacoal Brand Operation Division and Wing Brand Operation Division, into the Wacoal Brand Operation Division, which is responsible for planning and development of "Wacoal" brand products and wholesale business mainly with department stores and specialty store channels, and the Chain Store Operation Division, which is responsible for planning and development of "Wing" brand products and wholesale business with general merchandise stores.

Sales from our wholesale business, mainly composed of wholesale business from the Wacoal Brand Operation Division and the Chain Store Operation Division, decreased by 2% as compared to such sales for the previous fiscal year. Over-the-counter sales at department stores remained at about the same level as such sales for the previous fiscal year due to weak sales in the provincial cities of the Kanto, Koshinetsu, and Hokuriku regions, although sales expanded significantly in Tokyo and the Osaka area as a result of consumption by inbound tourists. Although we have actively promoted renovations of our shops for "Dual W" that effectively brings together our Wacoal and Wing brands, and expanded our share in the market, over-the-counter sales at general merchandise stores remained at about the same level as such sales for the previous fiscal year due to poor sales of men's innerwear products and nightwear. With respect to over-the-counter sales of our core brassieres products, while sales of our Wacoal brand products increased by 6% from such sales for the previous fiscal year due to strong sales of "GOCOCi," our brassieres marketed for their comfort, which achieved 2.9 times more than such sales for the previous fiscal year, sales of our Wing brand products only increased by 1%. Although the over-the-counter sales were stable, a series of closings and management of inventories of department stores and general merchandise stores impacted sales from our wholesale business.

In our retail business, sales only increased by 1% as compared to such sales for the previous fiscal year as a result of prioritizing improving business profitability and closing 11 underperforming stores, while minimizing the number of new shop openings. Sales of our cross-store common products among directly managed retail stores, "BRAGENIC," have increased by 54% from such sales for the previous fiscal year, which accounts for approximately 20% of the overall sales, and the number of registered shop members, mainly from our core directly managed retail stores, "AMPHI," has reached over 660 thousand. We focused on increasing sales per product, and reducing discount sales through strengthening relationships with our important customers.

Sales from our wellness business fell by 5% as compared to such sales for the previous fiscal year due to decreased sales (by 9%) of our core "CW-X" brand products, which were impacted by the termination of business with certain sport specialty stores, despite the strong sales of "SUCCESS WALK."

In our Web sales business (formerly catalog sales business), sales increased by 1% as compared to such sales for the previous fiscal year. Sales from our webstore business increased by 14% as compared to such sales for the previous fiscal year as a result of our efforts to give guidance to our registered shop members and to recapture our inactive customers, in collaboration with our retail business, as well as our efforts to strengthen our ability to respond to phone orders and launch of consulting services by beauty advisers. On the other hand, sales from our catalog sales business decreased by 4%, due to a gradual decrease in the number of users and purchasers in our winter and spring catalogues.

Sales from Ai Co., Ltd. were weak, which decreased by 8% as compared to such sales for the previous fiscal year. Sales from our core swimwear business decreased by 5% as compared to such

sales for the previous fiscal year despite our efforts to enhance revenue efficiency per store by reducing the number of our seasonal stores opened only during a period of peak demand, while retaining temporary sales representatives became difficult. Sales from the underwear business were also weak and decreased by 14% as compared to such sales for the previous fiscal year due to closure of underperforming stores, and a decline in the competitiveness of our products.

As a result, sales attributable to our "Wacoal Business (Domestic)" segment decreased by 1.9% as compared to such sales for the previous fiscal year.

Operating income increased by 13.3% as compared to such sales for the previous fiscal year. We focused on improving the gross profit rate and minimizing selling, general and administrative expenses with our efforts to improve business efficiency by reducing the amount of returned items in our wholesale business and to strengthen profitability of our retail business, while IT infrastructure related expenses and expenses related to changes in the health insurance premium rate increased. In addition, recognition of compensation income from leaving a factory space occupied by our subsidiary during the first quarter of the current fiscal year contributed to the increase.

Net Sales:	116,085 million yen (a decrease of 1.9% as compared to the previous fiscal year)
Operating income:	7,885 million yen (an increase of 13.3% as compared to the previous fiscal year)

(ii) Wacoal Business (Overseas)

Sales (on a local currency basis) from Wacoal International Corp. (the United States) increased by 3% as compared to such sales for the previous fiscal year. This was due to overall sales driven by e-commerce sales through our website and third-party e-commerce websites, which showed strong sales growth, as well as the positive impact of initial product delivery due to an increase in the number of department stores handling Wacoal brand products during the first quarter of the current fiscal year. However, although over-the-counter sales were steady at department stores (physical shops) throughout the current fiscal year, sales for the second half of the current fiscal year fell by 3% as compared to such sales for the corresponding period of the previous fiscal year due to the management of inventories by certain department stores and the EC companies specialized for e-commerce.

Operating income on a local currency basis increased by 2% (ratio of operating income: 11%) as compared to such operating income for the previous fiscal year. While the gross profits rate increased as a result of reducing discount sales and increasing the percentage of sales from our own e-commerce website, selling, general and administrative expenses as a percentage of sales increased due to costs related to product listing advertisements and website renewal to strengthen e-commerce sales, and an increase in medical insurance premiums. In addition, one-off expenses from restructuring our subsidiary, Wacoal Sports Science Corp., in the United States during the fourth quarter of the current fiscal year impacted the results.

Sales on a local currency basis (Sterling pound) for Wacoal Europe increased by 3% as compared to such sales for the previous fiscal year. This was due to steady sales through third-party e-commerce websites which specialize in selling luxury lingerie and specialty stores in the major markets in the United Kingdom and the United States, while sales in France fell below such sales for the previous fiscal year due to the effect of loss of sales that could have been recorded from the brands which were liquidated. In addition, sales in Germany and Spain achieved a double-digit increase from such sales for the previous fiscal year due to an expansion in the number of brands handled by our clients and sales which enjoyed the favorable effect of the appreciation of the Euro. In our underwear business, sales of our plus-size brand "elomi" products continued to show strong growth with an increase of 20% as compared to such sales for the previous fiscal year, and sales of our swimwear products under "FANTASIE" and "Freya" were also strong with an increase of 17%, respectively, contributing to sales growth in various countries.

Operating income as a percentage of sales for the current fiscal year was 9%, as compared to the previous fiscal year which recorded an operating loss due to the non-recurring expenses related to the liquidation proceedings for our French subsidiary. Also, operating income improved over budget

as a result of improvement in the gross profit rate from a depreciation of the dollar and reduction in transportation costs, as well as minimizing selling, general and administrative expenses following the postponement of our website renewal for e-commerce sales.

In China, sales on a local currency basis increased by 10% as compared to such sales for the previous fiscal year. We captured consumers who are becoming more sensitive to fashion trends and enhanced sales initiatives, including through the openings of specialty stores during China's high-demand seasons such as the Chinese New Year, International Women's Day and China National Day. As a result, sales per department store increased by 8% as compared to such sales for the previous fiscal year. In addition, e-commerce sales through third-party e-commerce websites increased by 29% as compared to such sales for the previous fiscal year as a result of focusing on handling regular-priced products and of strong sales from the China Double 11 shopping festival sales. By brands, sales of our Wacoal brand products increased by 10%, and sales of our Peach John brand products, including our popular product "Cover Cleavage Strapless" bras, also increased by 51%, resulting from steady growth in the number of repeat users.

Operating income on a local currency basis increased by 9% (ratio of operating income: 5%) as compared to such operating income for the previous fiscal year. While we continued to minimize selling, general and administrative expenses through closure of underperforming stores, selling, general and administrative expenses as a percentage of sales increased during the fourth quarter of the current fiscal year due to commencement of operation of our centralized distribution warehouse to achieve effective distribution of bargain products, and costs related to advertisements to strengthen e-commerce sales.

As a result of the above, the overall sales attributable to our "Wacoal Business (Overseas)" segment on the Japanese Yen basis increased by 7.2% as compared to such sales for the previous fiscal year. The overall operating income attributable to "Wacoal Business (Overseas)" segment on the Japanese Yen Basis increased by 26.1% as compared to such operating income for the previous fiscal year. This increase was affected by the impairment charges of 206 million yen on goodwill related to our raw materials company, A Tech Textile Co., Ltd., in Thailand, which was recognized for the current fiscal year.

Net Sales:	51,888 million yen (an increase of 7.2% as compared to the previous fiscal year)
Operating income:	3,852 million yen (an increase of 26.1% as compared to the previous fiscal year)

(iii) Peach John Business

Overall sales attributable to our "Peach John Business" segment fell below by 2.8% as compared to such sales for the previous fiscal year due to weak sales from our domestic mail-order catalogue business, while operating income attributable to our "Peach John Business" segment increased by 17.9% as compared to such operating income for the previous fiscal year as a result of an improvement in the gross profit rate in Japan, as well as an improvement in profitability of our Chinese business.

Sales from our domestic business, specifically from retail stores, remained at about the same level as such sales for the previous fiscal year. Although sales from our premium themed "Salon by Peach John" increased by 31% as a result of a positive impact of new shop openings, sales of our "Peach John" products decreased by 2% as it was impacted by a decrease in the number of shop visitors, despite the strong sales of "Miracle Work Bra" launched in the fourth quarter of the current fiscal year. Sales from our mail-order catalogue business decreased by 12% from such sales for the previous fiscal year. This was due to a decrease in the number of users who visited our own e-commerce website as our products failed to attract consumers' attention, while average spending per customer increased. Sales from our wholesale business, particularly for the third-party e-commerce websites increased by 4% from such sales for the previous fiscal year as a result of successful sales during the fourth quarter of the current fiscal year. Sales from our overseas business were strong as demonstrated by the sales from Taiwan Peach John Ltd., our subsidiary in Taiwan, which, after commencing operations in May 2017, achieved sales over budget by 56% and were twice the sales budgeted for our own e-commerce website.

Positive factors including an improvement in the gross profit rate resulting from a reduction in discount sales of our domestic innerwear products, our efforts to reduce advertising expenses, and an improvement in profitability of our businesses resulting from sales expansion in China and Taiwan were attributable to the result of operating income.

Net Sales:	10,795 million yen (a decrease of 2.8% as compared to the previous fiscal year)
Operating income:	441 million yen (an increase of 17.9% as compared to the previous fiscal year)

(iv) Other

Sales from the business of Lecien Corporation ("Lecien") decreased by 16% from such sales for the previous fiscal year. This was impacted by sales of our core innerwear business decreased by 13% from such sales for the previous fiscal year, due to a decrease in the number of orders received for our private brand products sold at major general merchandise stores, a reduction in the number of products handled and weak shop sales. In addition, sales from our art & hobby business decreased by 4% from such sales for the previous fiscal year, due to poor sales of sewing fabrics, despite steady sales of handcraft products. Sales from our material business were also weak, decreasing by 13% from such sales for the previous fiscal year due to a decrease in demand for garment laces. Further, sales from our apparel business significantly decreased by 47% from such sales for the previous fiscal year due to the withdrawal of our private brand business sold at major general merchandise stores and the impact of weak sales from teleshopping.

Operating income decreased by 86% from such operating income for the previous fiscal year due to a drop in sales profit resulting from decreased revenue, despite our efforts to reduce selling, general and administrative expenses, and the absence of the favorable effect of the exchange rate fluctuation on sales profit during the previous fiscal year.

Sales from Nanasai Co., Ltd. ("Nanasai") fell by 2% as compared to such sales for the previous fiscal year. Although business confidence in the clothing industry continued to show no sign of prominent improvement, a sign of recovery was seen in demand for short-term leases for specialty stores at department stores and demand for renovation projects in our construction business for department stores and specialty stores as we entered the second half of the current fiscal year. As a result, we were able to maintain sales from both rental business and sales business at about the same level as such sales for the previous fiscal year. However, sales from construction business could not make up for the absence of the number of large-scale orders received during the previous fiscal year, and decreased by 2%, which impacted the overall sales.

Operating income increased by 90% as compared to such operating income for the previous fiscal year due to an improvement in the gross profit rate from cost rate improvement in our rental business and a decrease in the percentage of sales in our construction business.

As a result of the above, overall sales and operating income attributable to our "Other" segment decreased by 5.6% and 47.4%, respectively, as compared to the sales and operating income for the previous fiscal year.

Net Sales:	16,957 million yen (a decrease of 5.6% as compared to the previous fiscal year)
Operating income:	356 million yen (a decrease of 47.4% as compared to the previous fiscal year)

Operating Segment Information

(Millions of yen)

	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John Business	Other	Total
Net sales	¥116,085	¥51,888	¥10,795	¥16,957	¥195,725
Percentage to the previous fiscal year	98.1%	107.2%	97.2%	94.4%	99.9%

(Notes) 1. U.S. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 280 "Segment Reporting" has been applied in our Segment Information.

2. Core products of respective businesses:

- Wacoal Business (Domestic): innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, sportswear, hosiery, etc.
- Wacoal Business (Overseas): innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, sportswear, hosiery, and other textile-related products, etc.
- Peach John Business: innerwear (foundation, lingerie, and nightwear), outerwear, and other textile-related products, etc.
- Other: innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, other textile-related products, mannequins, and interior design and construction work of stores, etc.

(b) Financing

Not applicable.

(c) Capital Expenditures

The total amount of capital expenditures during fiscal year 2018 was 5,884million yen, including information system investments incurred by our subsidiaries, and expenditures for the maintenance and repair of real estate.

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

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

(Millions of yen, except per share amounts)

	Fiscal year ended/as of March 31,			
	2015	2016	2017	2018
Net sales	191,765	202,917	195,881	195,725
Operating income	7,082	13,865	11,065	12,534
Net income attributable to Wacoal Holdings Corp.	8,444	11,159	12,525	9,745
Net income attributable to Wacoal Holdings Corp. per share (yen)	119.91	158.46	180.26	143.46
Total assets	300,272	292,854	294,958	298,534
Total Wacoal Holdings Corp. shareholders' equity	228,857	224,374	227,568	232,712
Wacoal Holdings Corp. shareholders' equity per share (yen)	3,249.87	3,185.80	3,317.05	3,454.40

(Notes) 1. The above amounts are based on accounting principles generally accepted in the United States of America. Therefore, operating income is shown instead of ordinary income.
2. Net income per share attributable to Wacoal Holdings Corp. is calculated based on the average number of shares issued (excluding the number of shares held as treasury stock) during each fiscal year.
3. Wacoal Holdings Corp. shareholders' equity per share is calculated based on the number of shares issued (excluding the number of shares held as treasury stock) as of the end of each fiscal year.
4. We have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. Accordingly, "net income attributable to Wacoal Holdings Corp. per share" and "Wacoal Holdings Corp. shareholders' equity per share" have been calculated assuming that such share consolidation has been conducted at the beginning of fiscal year 2015.

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

(Millions of yen, except per share amounts)

	Fiscal year ended/as of March 31,			
	2015	2016	2017	2018
Operating revenue	10,898	10,934	13,139	12,644
Ordinary income	7,350	7,044	9,215	6,308
Net income (loss)	(541)	6,739	11,453	6,461
Net income (loss) per share (yen)	(7.70)	95.70	164.85	95.12
Total assets	168,762	163,972	165,113	160,140
Net assets	140,578	143,135	145,496	140,510
Net assets per share (yen)	1,990.97	2,026.40	2,114.38	2,078.38

(Notes) 1. Net income (loss) per share is calculated based on the average number of shares issued (excluding the number of shares held as treasury stock) during each fiscal year.
2. Net assets per share is calculated based on the number of shares issued (excluding the number of shares held as treasury stock) as of the end of each fiscal year.
3. We have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. Accordingly, "net income (loss) per share" and "net assets per share" have been calculated assuming that such share consolidation has been conducted at the beginning of fiscal year 2015.

(3) Issues to Address

While the domestic market is expected to steadily recover with the improvement in the job market, consumer spending remains unpredictable, as consumers remain frugal. Also, more and more retail properties continue to close and the environment for domestic women's innerwear continues to be very difficult. On the other hand, growth in consumption by foreign visitors to Japan, the rise of new distribution channels, women's participation and success in society, and the 2020 Tokyo Olympics are good opportunities for us to create new markets.

In the overseas business, while there are many risk factors such as financial and trade policies of the U.S. administration, political circumstances of European countries and future of the Chinese economy, our overseas business is and will always be our group's biggest growth engine.

An accurate understanding of the social environment and consumers' needs in each country and region and the establishment of community-based products and marketing strategies will be essential for us. We will develop pioneering products in order to enhance our brand recognition, and increase the productivity of our group and our employees as well as the efficiency of our working capital. We will also improve the management of local entities and further improve our profitability in order to develop a strong management foundation. Further, while we face challenges in an increasingly difficult environment for manufacturing due to increasing wages in China and ASEAN-member countries and risks associated with procurement of raw materials, we will strengthen the collaboration among our group companies to extend our global supply chain and to enable the improvement of product competitiveness and stable supply. In addition, by building close partnerships with all suppliers involved in the production of our group products, we will fulfill our responsibility not only with respect to quality, price and delivery deadlines, but also with respect to social needs including human rights, labor practices, environment and ethics.

Your continued support and cooperation will be greatly appreciated.

(4) Main Businesses

Operating Segment	Description of business
Wacoal Business (Domestic)	Manufacture and wholesale of innerwear (particularly, foundation garments, lingerie, and nightwear for women and children's innerwear), outerwear, sportswear, hosiery and other textile-related products, and direct sale to consumers of a portion of the products
Wacoal Business (Overseas)	Manufacture and wholesale of innerwear (particularly, foundation garments, lingerie, and nightwear for women and children's innerwear), outerwear, sportswear, hosiery and other textile-related products, and direct sale to consumers of a portion of the products
Peach John Business	Manufacture and direct sale to consumers of innerwear (particularly, foundation garments, lingerie, and nightwear), outerwear and other textile-related products, and wholesale of a portion of the products
Other	Manufacture and wholesale of innerwear (particularly, foundation garments, lingerie, and nightwear for women and children's innerwear), outerwear and other textile-related products, manufacture and sale of mannequins, and interior design and construction work of stores

(5) Main Sales Offices and Factories

(a) Main Sales Offices and Factories of the Company

Head Office (Kyoto)

(b) Main Sales Offices and Factories of Subsidiaries

Wacoal Corp. (Kyoto), Peach John Co., Ltd. (Tokyo), Lecien Corp. (Kyoto), Kyushu Wacoal Manufacturing Corp. (Nagasaki), Nanasai Co., Ltd. (Kyoto), Torica Inc. (Osaka), Wacoal International Corp. (U.S.), 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)

(6) Employees

(i) Employees within the Group

Name of Operating Segment	Number of Employees	Increase (Decrease) from the End of Prior Fiscal Year
Wacoal Business (Domestic)	7,658	-
Wacoal Business (Overseas)	10,885	(145)
Peach John Business	432	12
Other	1,929	(102)
Total	20,904	(235)

(Notes) 1. The number of employees is the number of individuals working within our Group (excludes individuals seconded from our Group to third parties, but includes individuals seconded from third parties to our Group).
2. The number of employees does not include the number of temporary employees (the average number of temporary employees during the period, including temporary staff and part-time workers, is 771).

(ii) Employees of the Company

Number of Employees	Increase (Decrease) from the End of Prior Fiscal Year	Average Age	Average Years of Service
95	14	47.2	21.2

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

(7) Principal Subsidiaries

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

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

(8) 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) 160,140

(9) Major Lenders (as of March 31, 2018)

Name of Lender	Loan Amount
	(Millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,300
The Bank of Kyoto, Ltd.	700
The Shiga Bank, Ltd.	500

(Notes) The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its trade name to MUFG Bank, Ltd. as of April 1, 2018.

2. STOCK INFORMATION (As of March 31, 2018)

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

(Note) The total number of shares authorized to be issued decreased by 250,000,000 shares from the end of the previous fiscal year (which was 500,000,000 shares) following the share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017, as resolved by the 69th ordinary general meeting of shareholders held on June 29, 2017.

(2) Total Number of Issued and Outstanding Shares: 71,689,042 shares
(including 4,322,121 shares of treasury stock)

(Note) The total number of issued and outstanding shares decreased by 71,689,043 shares from the end of the previous fiscal year (which was 143,378,085 shares) following the share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017, as resolved by the 69th ordinary general meeting of shareholders held on June 29, 2017.

(3) Total Number of Shareholders: 13,808

(4) Major Shareholders (Top 10):

Name of Shareholder	Number of Shares Held by Shareholder	Shareholding Ratio
	(Thousands of shares)	(%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,295	4.89
Meiji Yasuda Life Insurance Company	3,050	4.53
Japan Trustee Services Bank, Ltd. (Trust Account)	2,895	4.30
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,409	3.58
The Bank of Kyoto, Ltd.	2,352	3.49
Nippon Life Insurance Company	1,836	2.73
The Shiga Bank, Ltd.	1,823	2.71
Mitsubishi UFJ Trust and Banking Corporation	1,525	2.26
The Dai-ichi Life Insurance Company, Limited	1,366	2.03
Asahi Kasei Corporation	1,241	1.84

(Notes) 1. The number of shares held by shareholder is rounded down to the nearest thousand.
2. The Company is holding 4,322,121 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.
4. The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its trade name to MUFG Bank, Ltd. as of April 1, 2018.

3. MATTERS CONCERNING STOCK ACQUISITION RIGHTS

(1) Stock Acquisition Rights Granted to Officers as Consideration for Execution of Duties Held as of the End of Fiscal Year Ended March 31, 2018

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

11th Stock Acquisition Rights (July 31, 2013)	34	Common stock 17,000 shares	One (1) yen per share	September 3, 2013 - September 2, 2033	2 Directors
12th Stock Acquisition Rights (July 31, 2013)	12	Common stock 6,000 shares	One (1) yen per share	September 3, 2013 - September 2, 2033	2 Directors (Note 2) 1 Audit & Supervisory Board Member (Note 3)
13th Stock Acquisition Rights (July 31, 2014)	34	Common stock 17,000 shares	One (1) yen per share	September 2, 2014 - September 1, 2034	3 Directors
14th Stock Acquisition Rights (July 31, 2014)	6	Common stock 3,000 shares	One (1) yen per share	September 2, 2014 – September 1, 2034	1 Director (Note 2) 1 Audit & Supervisory Board Member (Note 3)
15th Stock Acquisition Rights (July 31, 2015)	32	Common stock 16,000 shares	One (1) yen per share	September 2, 2015 - September 1, 2035	4 Directors
17th Stock Acquisition Rights (July 29, 2016)	43	Common stock 21,500 shares	One (1) yen per share	September 2, 2016 - September 1, 2036	4 Directors
19th Stock Acquisition Rights (July 31, 2017)	28	Common stock 14,000 shares	One (1) yen per share	September 2, 2017 - September 1, 2037	4 Directors

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

(2) Stock Acquisition Rights Granted to Officers of Subsidiaries as Consideration for Execution of Duties During the Fiscal Year ended March 31, 2018

Name (Issuance Date)	Number of stock acquisition rights	Class and number of shares represented by stock acquisition rights	Amount to be paid upon exercise of stock acquisition rights	Exercise period	Status (granted to)
20th Stock Acquisition Rights (July 31, 2017)	18	Common stock 9,000 shares	One (1) yen per share	September 2, 2017 - September 1, 2037	7 Directors of Wacoal Corp.

(Notes) 1. The number of shares per one stock acquisition right is 500 shares.
2. The "class and number of shares represented by stock acquisition rights" have 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, 2018)

Position	Name	Responsibility and significant concurrent positions
Representative Director	Yoshikata Tsukamoto	Representative Director and Chairman of Wacoal Corp.; Director and Chairman of Wacoal International Corp.
Vice President and Director	Hironobu Yasuhara	President and Representative Director , Corporate Officer of Wacoal Corp.
Vice President and Director	Masaya Wakabayashi	Supervisor of Group Business Management and International Affairs; President and Director of Wacoal Investment Co., Ltd. (Taiwan)
Managing Director	Masashi Yamaguchi	Supervisor of Personnel and Administration and Future Business; Vice President and Corporate Officer of Wacoal Corp.
Director	Atsushi Horiba	Representative Director, Chairman and President and Group CEO of HORIBA, Ltd.; Chairman and CEO of HORIBA STEC, Co., Ltd.; Outside Director of Rock Field Co., Ltd.
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; Trustee of The National Art Center, Tokyo
Director	Shigeru Saito	Representative Director and Chairman, and CEO of TOSE CO., LTD.; Outside Director of SCREEN Holdings Co., Ltd.
Standing Audit & Supervisory Board Member	Tomoki Nakamura	
Standing Audit & Supervisory Board Member	Kiyotaka Hiroshima	Audit & Supervisory Board Member of Wacoal Corp.
Audit & Supervisory Board Member	Akira Katayanagi	Outside Audit & Supervisory Board Member of TOTO Ltd.
Audit & Supervisory Board Member	Hiroshi Shirai	Certified Public Accountant, Managing Partner of Shirai public accounting firm; Outside audit & supervisory board member of NORITZ Corporation; Outside audit & supervisory board member of ALTECO Inc.; Board Member of Osaka City University
Audit & Supervisory Board Member	Mitsuhiro Hamamoto	Partner at Kikkawa Law Office; Outside Director of Toa Valve Engineering Inc.

(Notes) 1. Directors Mr. Atsushi Horiba, Ms. Madoka Mayuzumi, and Mr. Shigeru Saito are Outside Directors as prescribed in Item 15, Article 2 of the Companies Act.
2. Audit & Supervisory Board Members Mr. Akira Katayanagi, Mr. Hiroshi Shirai, and Mr. Mitsuhiro Hamamoto 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 companies at which these Outside Directors and Outside Audit & Supervisory Board Members hold significant concurrent positions and the Company.
4. Standing Audit & Supervisory Board Member Mr. Tomoki Nakamura has many years of accounting experience at our Accounting Department with a respectable degree of finance and accounting knowledge.
5. Audit & Supervisory Board Member Mr. Hiroshi Shirai is qualified as a certified public accountant with a considerable degree of finance and accounting knowledge.
6. Outside Directors Mr. Atsushi Horiba, Ms. Madoka Mayuzumi, and Mr. Shigeru Saito, and Outside Audit & Supervisory Board Members Mr. Akira Katayanagi, Mr. Hiroshi Shirai, and Mr. Mitsuhiro Hamamoto have been designated as our independent officers and have been notified to the Tokyo Stock Exchange.

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

322 million yen for 8 Directors (of which 25 million yen was for 4 Outside Directors)

58 million yen for 6 Audit & Supervisory Board Members (of which 21 million yen was for 4 Outside Audit & Supervisory Board Members)

(Notes) 1. As of March 31, 2018, the number of Directors and Audit & Supervisory Board Members was 7 (of which 3 were Outside Directors) and 5 (of which 3 were Outside Audit & Supervisory Board Members), respectively. These numbers were inconsistent with the numbers described above because the numbers described above include 1 Outside Director who resigned as Outside Director and 1 Outside Audit & Supervisory Board Member who resigned as Outside Audit & Supervisory Board Member upon the close of the 69th Ordinary General Meeting of Shareholders held on June 29, 2017.
2. The amount described above includes the following:
   - 57 million yen of officers' bonuses (57 million yen to 4 Directors excluding Outside Directors) which is to be resolved at this Ordinary General Meeting of Shareholders
   - 41 million yen of remuneration in the form of stock options (41 million yen to 4 Directors excluding Outside Directors)

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

Category	Name	Main Activities
Director	Atsushi Horiba	Mr. Horiba has attended all 13 of the 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 overseas business and overall management.
Director	Madoka Mayuzumi	Ms. Mayuzumi has attended 12 of the 13 Board of Directors' meetings held during the current fiscal year and has expressed her opinions on the proposals and/or discussions based on her comprehensive knowledge and experience in the field of arts and culture.
Director	Shigeru Saito	Mr. Saito has attended 7 of the 9 Board of Directors' meetings held since his appointment on June 29, 2017 and has expressed his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience of overall management.
Audit & Supervisory Board Member	Akira Katayanagi	Mr. Katayanagi has attended 11 of the 13 Board of Directors' meetings and 11 of the 15 Audit & Supervisory Board's meetings held during the current fiscal year and has expressed his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience of overall management.
Audit & Supervisory Board Member	Hiroshi Shirai	Mr. Shirai has attended 12 of the 13 Board of Directors' meetings and 14 of the 15 Audit & Supervisory Board's meetings held during the current fiscal year and has expressed his opinions on the proposals and/or discussions primarily from his professional perspective as a certified public accountant.
Audit & Supervisory Board Member	Mitsuhiro Hamamoto	Mr. Hamamoto has attended all 9 of the Board of Directors' meetings and all 10 of the Audit & Supervisory Board's meetings held since his appointment on June 29, 2017 and has expressed his opinions on proposals and/or discussions primarily from his professional perspective as an attorney-at-law.

(4) Summary of Limitation of Liability Agreement

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

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

5. MATTERS CONCERNING ACCOUNTING AUDITORS

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Remuneration, etc.

Amount of remuneration payable to the accounting auditor for this fiscal year:	141,000,000 yen
Total amount of money and other property benefits to be paid to the accounting auditor by the Company and its subsidiaries:	187,591,000 yen

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

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

(3) Description of Nonaudit Services

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

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

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

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

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

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

6. SYSTEM AND POLICIES OF COMPANY

(1) System to Ensure Appropriate Business Conduct

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- In order to enhance appropriate decision-making by our Directors, we will appoint several independent Outside Directors.

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

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

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

- We have enacted our Group Management Rules, which prescribe 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 manage 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 internal audits, including an audit of the establishment and/or operation of our compliance system and risk management system, within the Group companies and will report the results of its audits to the Board of Directors and appropriate departments and give guidance and/or advice related to the above Group companies to ensure the appropriate conduct of business.

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

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

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

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

- Such assistants shall be full-time employees and the Audit & Supervisory Board Members will be consulted regarding the appointment, evaluation, relocation and discipline of such assistants as well as other related matters, and their opinions will be respected to ensure the effectiveness and independence of such assistants.

(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 will 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 our Articles of Incorporation, 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 our Articles of Incorporation, 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 internal audits

  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 will be independent Outside Audit & Supervisory Board Members to enhance the transparency and neutrality of management.

- The Audit & Supervisory Board Members may order employees who belong to the audit office to perform any tasks that are required to provide audit 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 Articles of Incorporation

- We have a Compliance Division which specifically establishes and operates our compliance system. The Compliance Division held a meeting each quarter and discussed and reviewed awareness of compliance and matters reported to us through the internal alert system.

- Our legal/compliance department continued to provide level-specific group education and e-learning programs as part of our educational activities for our employees. We have also worked on awareness activities and fulfilling the internal alert system for our foreign Group companies.

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

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

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

- The Corporate Ethics and Risk Management Committee assessed risks, monitored the implementation of measures taken, and reported to the Board of Directors on a quarterly basis.

- In April 2017, we launched a project to promote CSR-based procurement to formulate and establish an ethical procurement structure and in October 2017, established "Wacoal Group CSR-based Procurement Guidelines" as our group guidelines, which include the promotion of business transactions with business enterprises that emphasize attention to social needs including human rights, labor practices, environment and ethics.

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

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

- We held discussions and prepared a policy for Wacoal Group's plan for fiscal year 2019.

- We held meetings of the "Quarterly Business Results Review Committee" and "Group Strategy Committee' on a quarterly basis and confirmed and reviewed the business results and implementation of measures.

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

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

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

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

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

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

- The Audit & Supervisory Board Members attended primary meetings and received reports on matters that were discussed and on the management condition, and also received reports, from time to time, on the results of internal audits 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 conducted hearings with the Directors and visited our domestic and overseas subsidiaries to conduct audits. In addition, the Audit & Supervisory Board Members presided at "Audit & Supervisory Board Group Meetings" and received periodic reports from the audit & supervisory board members of the domestic subsidiaries.

- The Audit & Supervisory Board Members have, regularly and whenever necessary, exchanged 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 our consolidated performance, while seeking to increase our enterprise value through active investments aimed at higher profitability and to increase net income per share. As for retained earnings, with the aim of improving our corporate value, we have actively invested and will continue to actively invest in expanding our customer bases for our domestic business and our overseas businesses. We also plan to use our retained earnings for strategic investments for maintaining competitiveness and reinforcing growth. With these efforts, we seek to benefit our shareholders by improving future profitability. We also intend to acquire treasury stock in a flexible manner taking into account the level of free cash flow as well as the market environment, and will make efforts to improve capital efficiency and return profits to our shareholders.

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 15, 2018 that the year-end dividend for the current fiscal year and the effective date are 36.00 yen per share and June 5, 2018, respectively. As a result, the annual cash dividend per share, including the interim dividend, will be 54.00 yen for the current fiscal year.

Please note that we have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares have been consolidated into one (1) share effective as of October 1, 2017. As such, the annual cash dividend is a total of the interim dividend, before such share consolidation, and the year-end dividend, after such share consolidation. Without taking into consideration of the share consolidation, the year-end dividend per share will be 18.00 yen, and the annual dividend amount per share will be 36.00 yen.

(4) Basic Policies on the nature of Personnel who should control the determination of financial and business policies of Wacoal Holdings Corp.

(i) Details of Basic Policy

Since our establishment in 1949, we have strived to develop a domestic market for female innerwear (undergarments), penetrate the global market and establish our business with the aim of creating a global company through a 50-year long-term management plan based on our business objectives of making and helping women in becoming beautiful and facilitating the realization of women's desire to be beautiful. Moreover, as a leading female innerwear company, we have developed the Wacoal brand, which has become widely accepted by both domestic and international consumers.

Our corporate value is mainly generated from (i) our strong market position and brand value in the intimate apparel market, which has been cultivated over a long period of time; (ii) our ability to develop highly functional, high value-added, attractive products based on the results of human scientific research from a medium- to long-term perspective; (iii) our superb product quality and supporting technical staff, as well as our highly productive global manufacturing and supply systems employing excellent sewing technology; (iv) our close personal relationships with distributors in various sales channels, which link us with our customers; (v) the trust of our customers that has been gained through direct communication and sales by our beauty advisors, who have a sound knowledge of our products and a wealth of sales experience; and (vi) our good social standing established through the promotion of various social action programs such as the "Remmama" project and "Pink Ribbon" activities. Our corporate value and the common interests of our shareholders will suffer unless these "Wacoal strengths" are secured over the medium to longterm. We therefore believe that personnel who should control the determination of financial and business policies must fully understand these considerations and must be capable of securing and enhancing the corporate value and the common interests of our shareholders over the medium to long term.

We will not uniformly reject an acquisition of a substantial shareholding of the Company, if it contributes to the corporate value and the common interests of our shareholders. However, there are many acquisitions of substantial shareholdings of companies that do not contribute to the corporate value of the target company or the common interests of our shareholders, such as where it is clear from the purpose of the acquisition that it will cause damage to the corporate value of the target company or the common interests of our shareholders, where it is likely that the shareholders are in effect being forced to sell their shares, where insufficient time or information is given for the Board of Directors and the shareholders of the target company to consider the conditions of the acquisition or for the

Board of Directors of the target company to make an alternative proposal, or where it is necessary for the target company to negotiate with the prospective purchaser to obtain conditions that are more favorable than those proposed by the prospective purchaser.

In light of these circumstances, we believe that it is essential that we be ready at all times to implement a system that will prevent any acquisition that is contrary to the corporate value or the common interests of our shareholders by enabling our shareholders to determine whether or not to accept such an acquisition and enabling our Board of Directors to secure any necessary information and time to make an alternative proposal or to negotiate with the prospective purchaser on behalf of our shareholders at the time of an acquisition of our shares.

(ii) Specific Details of Efforts

- Special efforts toward ensuring effective use of company assets, appropriate formation of Group companies, and implementation of other basic policies

(Efforts to improve corporate value)

We were restructured as a holding company in 2005 in order to realize our medium- and long-term strategies to further enhance our corporate value. Further, we are promoting expansion of domestic and overseas business (including through M&A deals), making efforts to improve profitability, and working to secure and enhance the corporate value and common interests of our shareholders under the medium-term and fiscal year management policies.

We will continue to improve Wacoal's strengths that form the basis of our corporate value as described in Section (i) above, and to build "Wacoal" as an enduring corporate brand while being mindful of our objectives in making and helping women in becoming beautiful, and facilitating the realization of women's desire to be beautiful. As a part of mid-term policies in our mid-term plan which will start during fiscal year 2017, we will conduct our business operations with the aim of enhancing our corporate value by (i) improving profitability of domestic business, (ii) achieving further growth of overseas business, (iii) achieving group synergy through collaboration and strengthening competitiveness, (iv) improving infrastructure for our group management base, and (v) taking on new business.

(Measures to Enhance Corporate Governance)

The purpose and basic policy of our Group's corporate governance is to continuously enhance our corporate value by increasing transparency and securing the fairness and independence of our corporate management from the perspective of all stakeholders, including our shareholders and customers.

The following bodies and systems have been established within the Company with the aim of enhancing our corporate governance, and the entire Company is also working towards this goal.

As of March 31, 2018, our Board of Directors comprises seven Directors and makes decisions on matters concerning important business, such as management policy and management strategy and matters stipulated by laws or ordinances or our Articles of Incorporation. Three of these seven Directors are independent outside directors who give our Board of Directors advice and guidance from an objective perspective based on their wealth of experience and knowledge of management and arts and culture. The term of office of each Director is one year, and we are further clarifying the responsibilities of our management to our shareholders. Further, with respect to the nomination, promotion, and remuneration of Directors, an "Executive Compensation Advisory Committee," whose members include Outside Directors, has been established and operates with a high degree of transparency and fairness.

We use an "Audit & Supervisory Board Member system," and our Audit & Supervisory Board comprises five Audit & Supervisory Board Members, of which three are Outside Audit & Supervisory Board Members, as of March 31, 2018. The function of our Audit & Supervisory Board is to monitor and supervise our management.

Further, all of the above-stated three Outside Directors and three Outside Audit & Supervisory Board Members have been designated as our independent officers and have been notified to the Tokyo Stock Exchange.

Wacoal Corp., one of our Group's core business companies, has adopted a corporate officer system in order to separate management supervision and management execution. "Group Management Rules" and "Group Accounting Rules" have been established for Wacoal Corp. and all other group companies, and all group companies conduct our business operations in accordance with both sets of rules.

Further, a "Group Management Meeting" of our Group that comprises our Directors and Audit & Supervisory Board Members has been established in the Company. This meeting considers matters concerning the management strategy of our Group and other important management issues and conducts preliminary reviews of matters for review by our Board of Directors together with the "Wacoal Senior Management Meeting," which comprises directors, audit & supervisory board members, and senior corporate officers of Wacoal Corp.

Further, a "Quarterly Business Results Review Committee" has been established under the "Group Management Meeting." Our Directors and Audit & Supervisory Board Members, and the directors, audit & supervisory board members, and corporate officers of Wacoal Corp, attend meetings of the Quarterly Business Results Review Committee and review the business results of each business company and each business department each quarter. Also, under the "Group Management Meeting', we have established the "Group Strategy Committee," and the managers of Our Group's major business companies in Japan and overseas, in addition to the attendees of the "Group Management Meeting," attend meetings of the Group Strategy Committee and share management issues and review important matters.

In addition, a "Corporate Ethics and Risk Management Committee" has been established as committees of the entire Company. Under this committee, a "Compliance Division," "Quality Assurance Division," "Accident and Disaster Measures Division," and "Environmental Division" have each been established, and each of these divisions is ready to enhance and respond to risks of loss of corporate value in each field. These divisions report to our Board of Directors from time to time on the status of their activities.

- Measures to prevent inappropriate persons from controlling the determination of financial and business policies in light of the basic policy

For the purpose of securing and enhancing corporate value and the common interests of the shareholders of the Company, at an ordinary general meeting of shareholders held on June 26, 2015, the Company determined the basic policy for preventive measures to be taken against the acquisition of a substantial shareholding of the Company (i.e. defensive measures against takeovers), and the Board of Directors determined and updated specific measures (hereinafter called "the Plan") at the meeting held on the same day (which were introduced on June 29, 2006).

The Plan enables the Company's shareholders, in the event of purchase or any similar act or a proposal to purchase the Company's share certificates (hereinafter called "Purchase"), to determine whether or not to accept such offer for the Company's shares, and enables its Board of Directors to secure any necessary information and sufficient time to propose alternatives or to negotiate and consult with a person who purchases (hereinafter called "Purchaser") on behalf of its shareholders, in order to prevent a Purchase of the Company's shares that is detrimental to its corporate value or its shareholders' common interests, and to secure and enhance its corporate value and the common interests of its shareholders.

The Plan covers a Purchase that falls under ① or ② below:

① purchase of share certificates issued by the Company that results in 20% or greater ownership by a shareholder of such share certificates; or,

② public tender offer for share certificates issued by the Company that results in combined ownership by the offeror or/and any of its affiliates of 20% or more of such share certificates.

If a Purchaser intends to launch a Purchase of the shares of the Company, such Purchaser will be requested to submit to the Company a document describing the information required to consider details of the Purchase, as well as an oath by such Purchaser that such Purchaser will follow the procedures prescribed by the Plan. Accordingly, the information provided by the Purchaser, the opinion of the Board of Directors, or any supporting materials, alternative proposals (if any), or other information and/or materials will be submitted to the Independent Committee, which consists of three members who are independent from the management operating the Company, and the Independent Committee will evaluate and/or examine such information and/or materials. As need arises, the Independent Committee will also separately obtain advice from independent experts and evaluate and/or examine the terms and conditions of the Purchase, consider the alternatives presented by the Board of Directors, and negotiate with the Purchaser or disclose information to the shareholders.

If (A) the Purchaser fails to follow the procedures as prescribed by the Plan or if (B) the Purchase is deemed to fall under any of the requirements as prescribed by the Plan as a result of the examination of the terms and conditions of the Purchase or discussions and/or negotiations with the Purchaser, and if implementation of a free allocation of stock acquisition rights is considered appropriate, the Independent Committee will advise the Board of Directors to implement a free allocation of stock acquisition rights. The Board of Directors will pay the utmost respect to the advice provided by the Independent Committee, and will resolve to implement the free allocation of the stock acquisition rights. The Company will implement a free allocation of the shares acquisition rights to those shareholders, other than the Company, who are registered or recorded in the Company's final register of shareholders as of the allocation date that is determined separately, at such rate, as separately determined, up to a maximum of two stock acquisition rights for every one common stock of the Company held. Also, even when the Purchase by the Purchaser is considered to fall under either (A) or (B) above, if the Independent Committee considers it necessary to obtain the approval at an ordinary general meeting of shareholders for implementation of a free allocation of stock acquisition rights, the Independent Committee may advise the Board of Directors to do so. In this case, the Board of Directors, in principle, shall promptly convene an ordinary general meeting of shareholders so that a meeting can be held within the shortest time practically possible and submit a resolution for the implementation of a free allocation of stock acquisition rights.

The holder of stock acquisition rights for the subscription of new shares (with terms that prohibit the Purchaser and certain people (hereinafter called "Nonqualified person") from exercising such rights) is entitled to receive one share of the Company by paying the amount determined by the Board of Directors or the ordinary general meeting of shareholders in the resolution on the free allocation of stock acquisition rights, which shall be at least one yen (¥1) but not exceeding one-half (1/2) of the fair value of one share of the Company. Also, the Company may acquire stock acquisition rights held by shareholders other than a Nonqualified Person, and in exchange, deliver one share of the Company for every stock acquisition right.

Promptly after passing a resolution by the Board of Directors or by an ordinary general meeting of shareholders with regard to implementation or non-implementation of the abovementioned free allocation of stock acquisition rights, the Board of Directors will disclose the outline of such resolution and other information deemed appropriate by the Board of Directors.

As with the effective period of the Basic Policy on Defensive Measures against Takeovers, the effective period of the Plan will expire upon conclusion of the ordinary general meeting of shareholders to be held in respect of the last fiscal year ending within three (3) years after the Ordinary General Meeting of Shareholders held on June 26, 2015. However, the Plan may be changed or terminated to reflect the change made to the Basic Policy on Defensive Measures against Takeovers by and pursuant to the resolution of the ordinary general meeting of shareholders, if the change or termination of the Basic Policy on Defensive

Measures against Takeovers is resolved by an ordinary general meeting of shareholders. Further, the Plan will be terminated if so resolved by the Board of Directors.

No direct, concrete impact on the shareholders will be caused by the Plan's introduction, provided the free allocation of stock acquisition rights is not implemented. On the other hand, if the free allocation of stock acquisition rights is implemented according to the Plan, the overall value of the shares held by the shareholders may be diluted if the procedures for exercising stock acquisition rights are not followed. However no dilution of the overall value of the shares held will take place if the shares are provided in consideration of stock acquisition rights acquired by the Company.

(iii) Judgment of the Board of Directors as to Efforts under Item (ii) above and Reasons Thereof

As stated in (ii) above, the Plan was introduced in line with the Basic Policy described in (i) above for the purposes of securing or enhancing corporate value and the common interests of shareholders. In particular, highly rational fairness and/or objectivity is ensured under the Plan because: (i) the Plan focuses on shareholders' intentions such that the effective period is prescribed as three (3) years, and the Plan may be terminated at any time by a resolution of the Board of Directors or a resolution of an ordinary general meeting of the shareholders to terminate the Basic Policy on Defensive Measures against Takeovers; (ii) the Plan establishes reasonably objective requirements, and a free allocation of stock acquisition rights is not implemented unless these requirements are met; (iii) the Independent Committee shall consist of independent persons; (iv) a free allocation of stock acquisition rights under the Plan may not be initiated unless a judgment is made by the Independent Committee; and, (v) the Independent Committee may obtain advice from independent experts at the expense of the Company. The Plan is formulated to maintain corporate value, thus it is in the common interests of the shareholders. It is not intended to maintain the status of the corporate officers of the Company.

*The information on the Plan above is as of the end of the current fiscal year. The effective period of the Plan expires upon the conclusion of this Meeting and the Board of Directors of the Company has resolved at its meeting held on April 26, 2018 to discontinue the Plan.

CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2018

(Millions of yen)

ASSETS		LIABILITIES	
Accounts	Amount	Accounts	Amount
Current Assets	**105,812**	**Current Liabilities**	**39,632**
Cash and cash equivalents	29,487	Short-term bank loans	7,104
Time deposits	4,296	Trade notes payable	1,174
Marketable securities	1,567	Trade accounts payable	11,393
Notes and accounts receivable	25,873	Other payables	7,053
Allowance for returns and doubtful receivables	(2,459)	Accrued payroll and bonuses	7,213
Inventories	42,676	Income taxes payable	1,979
Other current assets	4,372	Current portion of long-term debt	50
		Other current liabilities	3,666
Property, Plant and Equipment	**54,333**	**Long-term Liabilities**	**21,405**
Land	21,561	Long-term debt	138
Buildings and structures	73,618	Liability for termination and retirement benefits	1,852
Machinery and equipment	18,268	Deferred income taxes	17,231
Construction in progress	254	Other long-term liabilities	2,184
Accumulated depreciation	(59,368)		
		Total Liabilities	**61,037**
		EQUITY	
Other Assets	**138,389**		
Investments in affiliated companies	22,512	**Common stock**	**13,260**
Investments	69,318	**Additional paid-in capital**	**29,765**
Goodwill	16,594	**Retained earnings**	**172,418**
Other intangible assets	12,859	**Accumulated other comprehensive income (loss)**	**28,597**
Prepaid pension expense	10,178	Foreign currency translation adjustments	2,274
Deferred income taxes	1,194	Unrealized gain on securities	27,424
Other	5,734	Pension liability adjustments	(1,101)
		Treasury stock, at cost	**(11,328)**
		Total Wacoal Holdings Corp. Shareholders' Equity	**232,712**
		Noncontrolling interests	**4,785**
		Total Equity	**237,497**
Total Assets	**298,534**	**Total Liabilities and Equity**	**298,534**

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

CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED MARCH 31, 2018

(Millions of yen)

Accounts	Amount	Total
Net sales		195,725
Operating costs and expenses		
Cost of sales	91,909	
Selling, general and administrative expenses	91,784	
Compensation income	(708)	
Impairment charges on goodwill	206	183,191
Operating income		**12,534**
Other income (expenses)		
Interest income	194	
Interest expense	(10)	
Dividend income	1,329	
Gain on sale or exchange of marketable securities and investments - net	203	
Valuation gain on marketable securities and investments - net	3	
Foreign exchange loss - net	(189)	
Other - net	222	1,752
Income before income taxes and equity in net income of affiliated companies		**14,286**
Income taxes		
Current	4,880	
Deferred	662	5,542
Income before equity in net income of affiliated companies		**8,744**
Equity in net income of affiliated companies		916
Net income		**9,660**
Net income attributable to noncontrolling interests		85
Net income attributable to Wacoal Holdings Corp.		**9,745**

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

NON-CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2018

(Millions of yen)

ASSETS		LIABILITIES	
Accounts	Amount	Accounts	Amount
Current Assets	**11,599**	**Current Liabilities**	**18,145**
Cash and bank deposits	8,063	Trade notes payable	31
Marketable Securities	10	Short-term bank loans	2,500
Deferred income taxes	53	Short-term borrowings from subsidiaries and affiliated companies	14,825
Short-term loans receivable from subsidiaries and affiliated companies	4,554	Other payables	519
Other	1,303	Accrued expenses	14
Allowance for doubtful accounts	(2,385)	Income taxes payable	113
Fixed Assets	**148,540**	Accrued bonuses	74
Property, Plant and Equipment	**39,902**	Accrued officers' bonuses	57
Buildings	20,070	Other	10
Structures	271	**Long-term Liabilities**	**1,483**
Machinery	25	Deferred income taxes	1,057
Equipment	1,192	Other	426
Land	18,342	**Total Liabilities**	**19,629**
		NET ASSETS	
		Shareholders' Equity	**140,016**
		Common stock	**13,260**
		Additional paid-in capital	**29,294**
Intangible Assets	**588**	Capital reserve	29,294
Leasehold rights	585	**Retained earnings**	**108,790**
Other	2	Legal reserve	3,315
		Other retained earnings	105,475
		Reserve for deferred gain on sale of property	4,281
		General reserve	90,000
		Retained earnings carried forward	11,193
Investment and Other Assets	**108,049**	**Treasury stock, at cost**	**(11,328)**
Investments	596	**Valuation and Translation Adjustments**	**(2)**
Investments in subsidiaries and affiliated companies	107,066	Net unrealized gain on available-for-sale securities	(2)
Other	386	**Stock Acquisition Rights**	**497**
		Total Net Assets	**140,510**
Total Assets	**160,140**	**Total Liabilities and Net Assets**	**160,140**

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

NON-CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED MARCH 31, 2018

(Millions of yen)

Accounts	Amount	Total
Operating revenue		
Rental income	4,487	
Dividend income	7,818	
Other	338	12,644
Operating costs and expenses		
Cost of rent	1,928	1,928
Operating gross income		**10,715**
Selling, general and administrative expenses	2,169	2,169
Operating income		**8,546**
Non-operating income		
Interest income	11	
Dividends received	11	
Gain on sale of marketable securities	126	
Other	20	169
Non-operating expenses		
Interest expenses	10	
Provision of allowance for doubtful accounts for subsidiaries and affiliated companies	2,385	
Other	11	2,408
Ordinary income		**6,308**
Extraordinary income		
Gain on sale of fixed assets	38	
Compensation income	707	746
Extraordinary loss		
Loss on sale and disposal of fixed assets	70	70
Income before income taxes		**6,984**
Income taxes		
Current	417	
Deferred	105	523
Net income		**6,461**

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

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 15, 2018

To the Board of Directors of
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Wakyu Shinmen

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hiroaki Sakai

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Seiichiro Nakashima

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2018 of Wacoal Holdings Corp. (the "Company") and its consolidated subsidiaries, and the consolidated statements of income and equity for the fiscal year from April 1, 2017 to March 31, 2018, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which is applied mutatis mutandis pursuant to the third paragraph of Article 120-3 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of Wacoal Holdings Corp. and its consolidated subsidiaries as of March 31, 2018, and the results of their operations for the year then ended.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 15, 2018

To the Board of Directors of
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Wakyu Shinmen

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hiroaki Sakai

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Seiichiro Nakashima

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet as of March 31, 2018 of Wacoal Holdings Corp. (the "Company"), and the related non-consolidated statement of income and non-consolidated statement of changes in net assets for the 70th fiscal year from April 1, 2017 to March 31, 2018, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the accompanying supplemental schedules 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the non-consolidated financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of Wacoal Holdings Corp. as of March 31, 2018, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language, and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

AUDIT REPORT

We, the Audit & Supervisory Board, have received the reports of the audit procedures and results concerning the execution of duties by the Directors during the 70th fiscal year, from April 1, 2017 to March 31, 2018, prepared by each of the Audit & Supervisory Board Members. After discussing 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 the 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, as described in the business report, concerning the system to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation and the establishment, required under Paragraphs 1 and 3, Article 100 of the Enforcement Regulations of the Companies Act, of a system to ensure 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 examined the details of the basic policies (as stipulated in Item 3 (a), Article 118 of the Enforcement Regulations of the Companies Act) and each effort (as stipulated in Item 3 (b) of said Article) as described in the business report.

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

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

(iv) We have nothing to point out with regard to the basic policies on the nature of personnel who should control the determination of financial and business policies of the Company as described in the business report. Furthermore, in our opinion, each effort as stated in the business report (pursuant to Item 3 (b), Article 118 of the Enforcement Regulations of the Companies Act) is in line with such basic policy, is not detrimental to the common interests of the shareholders of the Company, and is not intended to maintain the status of corporate officers of the Company.

(2) Results of the audit of the 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 22, 2018

Wacoal Holdings Corp.
Audit & Supervisory Board

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

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

Akira Katayanagi (Seal)
Audit & Supervisory Board Member

Hiroshi Shirai (Seal)
Audit & Supervisory Board Member

Mitsuhiro Hamamoto (Seal)
Audit & Supervisory Board Member

(Note)

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

-End-