Internet Disclosure in Connection with the Notice of the 70th Ordinary General Meeting of Shareholders

CONSOLIDATED STATEMENT OF EQUITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

(For the period from April 1, 2017 to March 31, 2018)

Wacoal Holdings Corp.

The "Consolidated Statement of Equity" and the "Notes to the Consolidated Financial Statements," as well as the "Non-Consolidated Statement of Changes in Net Assets" and the "Notes to the Non-Consolidated Financial Statements," of the accompanying attachments to the Notice of the 70th Ordinary General Meeting of Shareholders, are disclosed by posting on the website of Wacoal Holdings Corp. ("the Company") (https://www.wacoalholdings.jp/ir/soukai.html), pursuant to the provisions of the applicable laws and regulations and Article 15 of our Articles of Incorporation. The "Consolidated Statement of Equity," the "Notes to the Consolidated Financial Statements," the "Non-Consolidated Statement of Changes in Net Assets," and the "Notes to the Non-Consolidated Financial Statements" are audited upon the preparation of the independent auditor's report and the audit report by the Audit & Supervisory Board as a part of consolidated financial statements and non-consolidated financial statements.

CONSOLIDATED STATEMENT OF EQUITY
Year ended March 31, 2018

(Thousands of shares, Millions of yen)

Items	Equity								
	Shares of Outstanding Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock, at Cost	Total Wacoal Holdings Corp. Shareholders' Equity	Noncontrolling Interests	Total Equity
As of March 31, 2017	68,605	13,260	29,707	170,062	21,873	(7,334)	227,568	4,914	232,482
Net income				9,745			9,745	(85)	9,660
Other comprehensive income									
Foreign currency translation adjustments					1,062		1,062	51	1,113
Unrealized gain on securities					6,349		6,349	6	6,355
Pension liability adjustments					(687)		(687)	7	(680)
Cash dividends paid to Wacoal Holdings Corp. shareholders				(7,386)			(7,386)		(7,386)
Cash dividends paid to noncontrolling interests								(194)	(194)
Purchase of treasury stock	(1,243)					(4,007)	(4,007)		(4,007)
Disposal of treasury stock	0					0	0		0
Share-based compensation granted and exercised	5		58	(3)		13	68		68
Equity transactions with noncontrolling interest shareholders								86	86
As of March 31, 2018	67,367	13,260	29,765	172,418	28,597	(11,328)	232,712	4,785	237,497

(Note 1) Amounts less than ¥1 million are rounded to the nearest million.
(Note 2) The "number of shares of outstanding common stock" has been rounded to the nearest thousand.
(Note 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, the "number of shares of outstanding common stock" has been calculated assuming that such consolidation had been conducted at the beginning of the current consolidated fiscal year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(NOTES TO BASIS OF SIGNIFICANT MATTERS IN PREPARING CONSOLIDATED FINANCIAL STATEMENTS)

1. Standard of Preparation of Consolidated Financial Statements

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

2. Matters Regarding the Scope of Consolidation

(1) Number of consolidated subsidiaries: 57

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

3. Matters Regarding the Application of the Equity Method

(1) Number of affiliated companies: 8

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

4. Matters Regarding the Standard of Accounting Treatment

(1) Valuation standard and method of significant assets

(i) Marketable securities and investments

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

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

(ii) Inventories

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

(2) Depreciation method for significant depreciable assets

Depreciation method for fixed assets

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

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

(3) Basis of accounting for significant allowances

(i) Allowance for doubtful receivables

The allowance for doubtful receivables is stated at an amount considered to be appropriate based on the Group's past credit loss experience and an evaluation of potential losses in receivables outstanding.

(ii) Allowance for sales returns

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

(4) Other significant matters in preparing consolidated financial statements

(i) Method of accounting treatment for retirement benefits

In accordance with the provisions of FASB ASC 715, "Compensation – Retirement Benefits," the Group accounts for retirement benefits for employees, based on the fair values of liabilities for termination and retirement benefits and plan assets as of the end of the current fiscal year.

(ii) Accounting treatment for consumption taxes

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

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

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

(NOTES TO THE CHANGES TO ACCOUNTING POLICY)

New accounting guidance has been adopted for the balance sheet classification of deferred taxes from the current consolidated fiscal year. The new guidance requires deferred tax assets and liabilities to be classified as noncurrent on the balance sheet. Pursuant to the application of such new accounting guidance, deferred tax assets and liabilities are classified as noncurrent on the balance sheet.

(NOTES TO THE CONSOLIDATED BALANCE SHEET)

Assets pledged as collateral and obligations related to collateral:

(i) Assets pledged as collateral

Land:	¥150 million
Buildings and structures:	¥191 million
Total:	¥341 million

(ii) Obligations related to collateral

Short-term bank loans (including current portion of long-term debt):	¥20 million
Long-term debt:	¥55 million
Total:	¥75 million

(NOTES TO THE FINANCIAL INSTRUMENTS)

1. Matters Regarding the Status of Financial Instruments

(1) Policy for financial instruments

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

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

Trading securities and available-for-sale securities in terms of marketable securities, and investments are mainly bonds, mutual funds, and stocks. These instruments are subject to risk from market fluctuations, and the Group regularly reviews their fair values.

The Group takes appropriate measures to reduce customer credit risk for notes and accounts receivable, according to the Group's control procedures.

Bank loans are utilized mainly for the expansion of business and funding of working capital, and are subject to interest rate fluctuation risk.

Almost all trade accounts payable and other payables are due within a year.

The Group executes/manages derivative transactions according to the Group's handling procedures, which stipulate specific targets and ranges for such transactions.

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

Fair values are estimated on the basis of market price information related to financial instruments and details of relevant contracts at the end of a fiscal year. These estimates are made by the Company and include the Company's judgments, which exert a material influence on uncertainty as well as estimates. Therefore, the above-mentioned fair value estimates may be affected materially by changes in the underlying assumptions.

(4) Concentration of credit risk

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

2. Matters Regarding Fair Values of Financial Instruments

Amounts recorded in the consolidated balance sheet, fair values, and their differences as of March 31, 2018, are as follows. Financial instruments whose fair values are considered to be impractical to determine are recorded at cost and are excluded from the table below (please see (Note 2)).

(Millions of yen)

	Amount recorded in the consolidated balance sheet (*)	Fair value (*)	Difference
(1) Cash and cash equivalents	29,487	29,487	-
(2) Time deposits	4,296	4,296	-
(3) Marketable securities	1,567	1,559	8
(4) Notes and accounts receivable	25,873	25,873	-
(5) Investments in affiliated companies	15,191	11,445	3,746
(6) Investments	68,057	68,045	12
(7) Short-term bank loans	(7,104)	(7,104)	-
(8) Trade notes payable	(1,174)	(1,174)	-
(9) Trade accounts payable	(11,393)	(11,393)	-
(10) Other payables	(7,053)	(7,053)	-
(11) Income taxes payable	(1,979)	(1,979)	-
(12) Long-term debt (including current portion of long-term debt)	(188)	(188)	(0)
(13) Derivatives (**)	(38)	(38)	-

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

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

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

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

(3) Marketable securities and (6) Investments

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

Marketable securities and investments are held as trading securities, available-for-sale securities, or held-to-maturity securities. The differences between the amounts recorded in the consolidated balance sheet and the costs or amortized costs are as follows:

(Millions of yen)

	Type	Cost or amortized cost	Amount recorded in the consolidated balance sheet	Difference
Amounts recorded in the consolidated balance sheet exceeding costs or amortized costs	(1) Stock	23,096	66,741	43,645
	(2) Bond			
	(i) National/Municipal debt securities	10	10	0
	(ii) Corporate debt securities	464	614	150
	(iii) Mutual fund	575	590	15
	Subtotal	24,145	67,955	43,810
Amounts recorded in the consolidated balance sheet not exceeding costs or amortized costs	(1) Stock	10	10	(0)
	(2) Bond			
	(i) National/Municipal debt securities	-	-	-
	(ii) Corporate debt securities	1,613	1,613	-
	(iii) Mutual fund	46	46	-
	Subtotal	1,669	1,669	(0)
Total		25,814	69,624	43,810

(5) Investments in affiliated companies

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

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

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

(13) Derivatives

Derivatives are foreign currency exchange contracts and currency swaps, and the valuation measured by financial institutions is used for their fair values. There are no derivatives to which hedge accounting is applied.

(Note 2) Financial instruments fair values of which are considered not to be practicable to assess

Because it is not practicable to calculate the fair values of investments in nonmarketable equity securities (amounts recorded in the consolidated balance sheet: ¥1,261 million), they are recorded at cost. Nonmarketable investments in affiliated companies (amounts recorded in the consolidated balance sheet: ¥7,321 million) are calculated on the basis of the equity method, as is done with marketable investments in affiliated companies. The investments in these securities are reviewed for other-than-temporary impairment annually or upon the occurrence of an event that requires review.

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

(Millions of yen)

	Within 1 year	Within 5 years	Within 10 years	Over 10 years
Available-for-sale securities	10	300	614	290
Held-to-maturity securities	967	646	-	-
Total	977	946	614	290

(NOTES TO PER SHARE INFORMATION)

Wacoal Holdings Corp. shareholders' equity per share	¥3,454.40
Net income attributable to Wacoal Holdings Corp. per share	¥143.46
Diluted net income attributable to Wacoal Holdings Corp. per share	¥142.98

(Note) "Wacoal Holdings Corp. shareholders' equity per share," the "net income attributable to Wacoal Holdings Corp. per share," and the "diluted net income attributable to Wacoal Holdings Corp. per share" have been calculated assuming that the share consolidation, which was conducted during the current consolidated fiscal year, had been conducted at the beginning of the current consolidated fiscal year.

(NOTES TO SIGNIFICANT SUBSEQUENT EVENTS)

Purchase of Treasury Stock

The Board of Directors adopted a resolution at a meeting held on May 15, 2018 regarding matters related to purchase of treasury stock pursuant to the provisions of Paragraph 1, Article 459 of the Companies Act.

1. Reason for Purchase of Treasury Stock
   To improve capital efficiency and to implement our capital policy with increased flexibility tailored to the business environment.

2. Details of Purchase

(i) Type of shares to be purchased:	Common stock of the Company
(ii) Total number of shares to be purchased:	2,200,000 shares (at maximum)
(iii) Aggregate purchase price:	¥7,000 million (at maximum)
(iv) Purchase period:	From May 21, 2018 through December 31, 2018

Cancellation of Treasury Stock

The Board of Directors adopted a resolution at a meeting held on May 15, 2018 regarding matters related to cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act.

(i) Type of shares to be cancelled:	Common stock of the Company
(ii) Number of shares to be cancelled:	1,000,000 shares
(iii) Date of cancellation:	May 25, 2018

(OTHER NOTES)

On December 22, 2017, new amendments to the Tax Cuts and Jobs Act were enacted, significantly reducing the corporate tax rate in the United States. Accordingly, income tax expense increased by ¥290 million for the current consolidated fiscal year due to a decrease in tax assets of our subsidiaries in the United States.

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
Year ended March 31, 2018

(Millions of yen)

Items	Shareholders' equity								
	Common stock	Additional paid-in capital	Retained earnings					Treasury stock, at cost	Total shareholders' equity
		Capital reserve	Legal reserve	Other retained earnings			Total retained earnings		
				Reserve for deferred gain on sale of property	General reserve	Retained earnings carried forward			
Balance as of April 1, 2017	13,260	29,294	3,315	4,087	90,000	12,315	109,717	(7,334)	144,937
Changes during current fiscal year									
Provision of reserve for deferred gain on sale of property				330		(330)	-		-
Reversal of reserve for deferred gain on sale of property				(136)		136	-		-
Cash dividends						(7,385)	(7,385)		(7,385)
Net income						6,461	6,461		6,461
Purchase of treasury stock								(4,007)	(4,007)
Disposition of treasury stock								0	0
Exercise of stock acquisition rights						(3)	(3)	13	9
Net change in items other than shareholders' equity									
Total changes during current fiscal year	-	-	-	193	-	(1,121)	(927)	(3,993)	(4,921)
Balance as of March 31, 2018	13,260	29,294	3,315	4,281	90,000	11,193	108,790	(11,328)	140,016

(Millions of yen)

Items	Valuation and translation adjustments	Stock acquisition rights	Total net assets
	Net unrealized gain on available-for-sale securities		
Balance as of April 1, 2017	119	438	145,496
Changes during current fiscal year			
Provision of reserve for deferred gain on sale of property			-
Reversal of reserve for deferred gain on sale of property			-
Cash dividends			(7,385)
Net income			6,461
Purchase of treasury stock			(4,007)
Disposition of treasury stock			0
Exercise of stock acquisition rights		(9)	0
Net change in items other than shareholders' equity	(122)	68	(54)
Total changes during current fiscal year	(122)	58	(4,985)
Balance as of March 31, 2018	(2)	497	140,510

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

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

(NOTES TO MATTERS RELATED TO SIGNIFICANT ACCOUNTING POLICIES)

1. Valuation Standards and Method of Assets

Valuation standards and method of securities

Investments in subsidiaries and affiliated companies are stated at cost based on the moving-average method. Investment securities with market prices are stated at market value determined based on market price, etc., on the balance sheet date. Investment securities without market prices are stated at cost based on the moving- average method. Net unrealized gain (loss) on available-for-sale securities is reported directly in net assets. Cost of sales is determined based on the moving-average method.

2. Depreciation Method of Fixed Assets

(1) Depreciation method of property, plant and equipment

Depreciation of property, plant and equipment is calculated based on the declining-balance method, provided, however, that depreciation of buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016 are calculated based on the straight-line method.

Useful lives of major items are as follows:

Buildings and structures	2 to 50 years
Machinery	17 years
Equipment (excluding certain paintings)	2 to 20 years

(2) Amortization method for intangible assets

Amortization of intangible assets is computed by the straight-line method. Internal use of software is amortized based on an estimated useful life of 5 years.

3. Basis of Accounting for Allowances

(1) Allowance for doubtful accounts

In order to prepare for losses on bad debts, the allowance for doubtful accounts is stated in amounts considered to be appropriate based on the companies' past credit loss experience and an evaluation of potential losses in the receivables outstanding.

(2) Accrued bonuses

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

(3) Accrued officers' bonuses

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

4. Other Basic Significant Matters in Preparing Financial Statements

Accounting treatment for consumption taxes

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

(NOTES TO THE NON-CONSOLIDATED BALANCE SHEET)

1.	Accumulated depreciation of property, plant and equipment:	¥33,847 million
2.	Receivables from subsidiaries and affiliated companies and payables to subsidiaries and affiliated companies	
	Short-term receivables:	¥4,567 million
	Short-term payables:	¥14,861 million
3.	Liabilities for guarantee The Company provides guarantees for loans extended to a certain subsidiary by financial institutions.	
	Wacoal Europe Ltd.:	¥1,987 million
	The Company provides guarantees for payables of electronically recorded monetary claims of a certain subsidiary.	
	Lecien Corporation:	¥112 million

(NOTES TO THE NON-CONSOLIDATED STATEMENT OF INCOME)

Transactions with subsidiaries and affiliated companies

Sales:	¥12,606 million
Other operating transactions:	¥127 million
Non-operating transactions:	¥27 million

(NOTES TO THE NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS)

1. Number of issued shares as of March 31, 2018

   Common stock: 71,689,042 shares
   (Note) The number of issued shares decreased by 71,689,043 shares following the share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into (1) share effective as of October 1, 2017.

2. Number of treasury stocks as of March 31, 2018

   Common stock: 4,322,121 shares
   (Note) 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.

3. Matters regarding dividends on earnings made during the current fiscal year

Resolution	Class of Shares	Aggregate Amount of Dividends (Millions of yen)	Amount of Dividend per Share (Yen)	Record Date	Effective Date
At the Board of Directors' Meeting held on May 10, 2017	Common Stock	4,939	36.00	March 31, 2017	June 6, 2017
At the Board of Directors' Meeting held on October 31, 2017	Common Stock	2,446	18.00	September 30, 2017	December 4, 2017

(Note) 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, the "amount of dividend per share" prior to October 1, 2017 indicates the amount before the share consolidation was conducted.

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

Resolution	Class of Shares	Source of Dividend	Aggregate Amount of Dividends (Millions of yen)	Amount of Dividend per Share (Yen)	Record Date	Effective Date
At the Board of Directors' Meeting held on May 15, 2018	Common Stock	Retained Earnings	2,425	36.00	March 31, 2018	June 5, 2018

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

	First Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2008	Second Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2008	Third Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2009	Fourth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2009
Class of shares represented by the stock acquisition rights:	Common Stock	Common Stock	Common Stock	Common Stock
Number of shares represented by stock acquisition rights:	9,500 shares	4,000 shares	10,000 shares	4,000 shares
Outstanding number of stock acquisition rights:	19	8	20	8
	Fifth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2010	Sixth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2010	Seventh Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2011	Eighth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2011
Class of shares represented by the stock acquisition rights:	Common Stock	Common Stock	Common Stock	Common Stock
Number of shares represented by stock acquisition rights:	10,500 shares	3,500 shares	18,500 shares	9,000 shares
Outstanding number of stock acquisition rights:	21	7	37	18
	Ninth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2012	Tenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2012	Eleventh Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2013	Twelfth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2013
Class of shares represented by the stock acquisition rights:	Common Stock	Common Stock	Common Stock	Common Stock
Number of shares represented by stock acquisition rights:	20,000 shares	7,000 shares	22,000 shares	12,500 shares
Outstanding number of stock acquisition rights:	40	14	44	25
	Thirteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2014	Fourteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2014	Fifteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2015	Sixteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2015
Class of shares represented by the stock acquisition rights:	Common Stock	Common Stock	Common Stock	Common Stock
Number of shares represented by stock acquisition rights:	19,500 shares	8,500 shares	18,500 shares	6,000 shares
Outstanding number of stock acquisition rights:	39	17	37	12
	Seventeenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2016	Eighteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2016	Nineteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2017	Twentieth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2017
Class of shares represented by the stock acquisition rights:	Common Stock	Common Stock	Common Stock	Common Stock
Number of shares represented by stock acquisition rights:	21,500 shares	13,000 shares	14,000 shares	9,000 shares
Outstanding number of stock acquisition rights:	43	26	28	18

(Note) The "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.

(NOTES TO TAX EFFECT ACCOUNTING)

Breakdown of deferred tax assets and deferred tax liabilities	(Millions of yen)
Deferred tax assets:	
Valuation loss on investments in subsidiaries and affiliated companies	¥1,308
Accrued bonuses	22
Depreciation, amortization and impairment loss	834
Allowance for doubtful accounts	730
Other	284
Sub-total of deferred tax assets	3,181
Valuation allowance	(2,295)
Total deferred tax assets:	886
Deferred tax liabilities:	
Reserve for deferred gain on sale of property	¥1,889
Other	0
Total deferred tax liabilities:	1,890
Net deferred tax liabilities:	1,003

(NOTES TO RELATED PARTY TRANSACTIONS)

Subsidiaries

Type	Name of Company	Company's Interest	Relationship with Related Party	Nature of Transaction	Transaction Amount (Millions of yen)	Account	Balance as of the Fiscal Year End (Millions of yen)
Subsidiary	Wacoal Corp.	100% direct	Holding of shares; dual appointments; managerial guidance; lease of real estate	Borrowing (Note 1)	417	Short-term borrowings from subsidiaries and affiliated companies	11,817
				Payment of interest (Note 1)	5	–	–
				Receipt of dividends	7,500	–	–
				Lease of real estate (Note 2)	3,427	–	–
				Fee for management guidance (Note 3)	338	–	–
Subsidiary	Wacoal Europe Ltd.	100% direct	Holdings of shares and dual appointments	Guarantee for liabilities (Note 4)	1,987	–	–
				Acceptance of guarantee fee (Note 4)	2	–	–
Subsidiary	Unenana Cool Corp.	100% indirect	Loan	Loan (Note 5)	168	Short-term loans receivable from subsidiaries and affiliated companies	2,147
				Receipt of interest (Note 5)	4	–	–
Subsidiary	Ai Co., Ltd.	100% indirect	Loan	Loan (Note 5)	504	Short-term loans receivable from subsidiaries and affiliated companies	1,623
				Receipt of interest (Note 5)	3	–	–

Details and Policy on Determination of Transaction Terms

(Note 1) The terms and conditions of borrowings and interest rate are determined upon consideration of market interest rates.

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

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

(Note 4) The Company guarantees the loans of the subsidiary and charges a guarantee fee of 0.1% annually.

(Note 5) The terms and conditions of loans and interest rate are determined upon consideration of market interest rates.

(Note 6) The transaction amount does not include consumption tax, while the balance as of the year-end includes the consumption tax.

(Note 7) A total amount of ¥2,385 million in allowance for doubtful accounts is provided for doubtful accounts for the subsidiaries. Also, we recorded a total ¥2,385 million of provision of allowance for doubtful accounts for subsidiaries and affiliated companies for the current fiscal year.

(NOTES TO PER SHARE INFORMATION)

Net assets per share: ¥2,078.38
Net income per share: ¥95.12
Diluted net income per share: ¥94.47

(Note) The "net assets per share," "net income per share," and "diluted net income per share" have

been calculated assuming that the share consolidation, which was conducted during the current fiscal year, had been conducted at the beginning of the current fiscal year.

(NOTES TO SIGNIFICANT SUBSEQUENT EVENTS)

Purchase of Treasury Stock

The Board of Directors adopted a resolution at a meeting held on May 15, 2018 regarding matters related to purchase of treasury stock pursuant to the provisions of Paragraph 1, Article 459 of the Companies Act.

1. Reason for Purchase of Treasury Stock
   To improve capital efficiency and to implement our capital policy with increased flexibility tailored to the business environment.

2. Details of Purchase

(i) Type of shares to be purchased:	Common stock of the Company
(ii) Total number of shares to be purchased:	2,200,000 shares (at maximum)
(iii) Aggregate purchase price:	¥7,000 million (at maximum)
(iv) Purchase period:	From May 21, 2018 through December 31, 2018

Cancellation of Treasury Stock

The Board of Directors adopted a resolution at a meeting held on May 15, 2018 regarding matters related to cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act.

(i) Type of shares to be cancelled:	Common stock of the Company
(ii) Number of shares to be cancelled:	1,000,000 shares
(iii) Date of cancellation:	May 25, 2018