NOTICE OF THE 71ST ORDINARY GENERAL MEETING

OF SHAREHOLDERS

TO BE HELD IN KYOTO, JAPAN ON JUNE 27, 2019

DATE

THURSDAY, JUNE 27, 2019 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 SEVEN DIRECTORS**
AGENDA ITEM NO.2:	**ELECTION OF TWO AUDIT & SUPERVISORY BOARD MEMBERS**
AGENDA ITEM NO.3:	**PAYMENT OF OFFICERS' BONUSES**

WE ARE NOT 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 3, 2019

TO OUR SHAREHOLDERS

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

Hironobu Yasuhara
Representative Director and President

NOTICE OF THE 71ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

This is to inform you that the 71st 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 26, 2019 (WEDNESDAY) at 5:30 p.m.

Particulars

1. Date: Thursday, June 27, 2019 at 10:00 a.m. (Reception will open at 9:00 a.m.)

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

3. Purpose of Meeting:

Matters to be reported:

1. Presentation of the Business Report, Consolidated Financial Statements, and Audit Reports of the Independent Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 71st fiscal year from April 1, 2018 through March 31, 2019

2. Presentation of the Non-Consolidated Financial Statements for the 71st fiscal year from April 1, 2018 through March 31, 2019

Matters to be resolved:

Agenda Item No. 1: Election of Seven Directors

Agenda Item No. 2: Election of Two Audit & Supervisory Board Members

Agenda Item No. 3: Payment of Officers' Bonuses

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.

* * * * * * * * *

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

REFERENCE MATERIALS

Agenda and Reference Matters

Agenda Item No. 1: Election of Seven Directors

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

It is therefore proposed that seven (7) Directors be elected.

Candidates for Director are nominated based on the list submitted by the Executive Nomination Advisory Committee, which is chaired by the Independent Outside Director, pursuant to the "Criteria for Appointment of Officers" (please see page 15 of this Notice). Also, the candidates for the Outside Director meet the "Criteria for Appointment of Outside Officers (to ensure independence)" (please see page 15 and 16 of this Notice).

The candidates for Director are as follows:

Candidate #	Name	Current Position held at the Company	Meeting Attendance
1	Re-election Yoshikata Tsukamoto	Representative Director and Chairman	14/14 (100%)
2	Re-election Hironobu Yasuhara	Representative Director and President; Member of Executive Nomination Advisory Committee	14/14 (100%)
3	Re-election Masashi Yamaguchi	Managing Director; Members of Corporate Ethics and Risk Management Committee, Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	14/14 (100%)
4	Re-election Akira Miyagi	Director; Members of Corporate Ethics and Risk Management Committee and Executive Compensation Advisory Committee	10/10 (100%)
5	Re-election Madoka Mayuzumi Independent Officer Outside Director Candidate Female Officer	Outside Director; Members of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	14/14 (100%)
6	Re-election Shigeru Saito Independent Officer Outside Director Candidate	Outside Director; Members of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	13/14 (93%)
7	Re-election Tsunehiko Iwai Independent Officer Outside Director Candidate	Outside Director; Chairs of Executive Nomination Advisory Committee and Executive Compensation Advisory Committee	10/10 (100%)

(Note) The total number of Board of Directors' meetings for Mr. Mr. Akira Miyagi and Mr. Tsunehiko Iwai is the number of meetings held after June 28, 2018, the date on which Mr. Miyagi and Mr. Iwai were appointed as Directors.

Candidate No.

1

Yoshikata Tsukamoto

January 29, 1948 (71 years old)

Reelection

Company shares owned by candidate

288,068 shares

Tenure of office

41 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

14/14 (100%)



Career summary, position and areas of responsibility

April 1972	Joined the Company
November 1977	Appointed Director of the Company
November 1981	Appointed Managing Director of the Company
September 1984	Appointed Representative Director and Executive Vice President of the Company
June 1987	Appointed Representative Director and President of the Company
October 2005	Appointed Representative Director, President and Corporate Officer of Wacoal Corp.
April 2011	Appointed Representative Director and Chairman of Wacoal Corp.
June 2018	Appointed Representative Director and Chairman of the Company (acting)

Reasons for nomination as Director

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

Status of significant concurrent positions

Director and Chairman of Wacoal International Corp.

Conflicts of interest with the Company

There are no conflicts of interest between Mr. Tsukamoto and the Company.

Candidate No.

2

Hironobu Yasuhara

December 28, 1951 (67 years old)

Reelection

Company Shares owned by Candidate

9,400 shares

Tenure of Office

8 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

14/14 (100%)



Career summary, position and areas of responsibility

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

Status of significant concurrent positions

Representative Director and Chairman of Wacoal Corp.

Reasons for nomination as Director

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

Conflicts of interest with the Company

There are no conflicts of interest between Mr. Yasuhara and the Company.

Candidate No.

3

Masashi Yamaguchi

November 26, 1957 (61 years old)

Reelection

Company Shares owned by Candidate

3,100 shares

Tenure of Office

4 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

14/14 (100%)



Career summary, position and areas of responsibility

April 1981	Joined the Company
April 2006	Appointed Business Administration Manager of Wing-Brand Operations 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.
June 2017	Appointed Managing Director and Supervisor of Personnel and Administration and Future Business of the Company (acting)
April 2019	Appointed Director, Vice President Corporate Officer in charge of Administration of Wacoal Corp. (acting)

Reasons for nomination as Director

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

Status of significant concurrent positions

Director, Vice President Corporate Officer of Wacoal Corp.

Conflicts of interest with the Company

There are no conflicts of interest between Mr. Yamaguchi and the Company.

Candidate No.

4

Akira Miyagi

October 18, 1960 (58 years old)

Reelection

Company Shares owned by Candidate

2,900 shares

Tenure of Office

1 year (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

10/10 (100%)
(after appointed as Director of the Company)



Career summary, position and areas of responsibility

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

Reasons for nomination as Director

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

Status of significant concurrent positions

None.

Conflicts of interest with the Company

There are no conflicts of interest between Mr. Miyagi and the Company.

Candidate No.

5

Madoka Mayuzumi

July 31, 1962 (56 years old)

Reelection | Independent Officer | Outside Director Candidate | Female Officer

Company Shares owned by Candidate

0 share

Tenure of Office

4 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

14/14 (100%)



Career summary, position and areas of responsibility

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

Reasons for nomination as Outside Director

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

Status of significant concurrent positions

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

Conflicts of interest with the Company

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

(Notes)

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

Candidate No.

6

Shigeru Saito

January 26, 1957 (62 years old)

Reelection | Independent Officer | Outside Director Candidate

Company Shares owned by Candidate

100 shares

Tenure of Office

2 years (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

13/14 (93%)



Career summary, position and areas of responsibility

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

Reasons for nomination as Outside Director

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

Status of significant concurrent positions

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

Conflicts of interest with the Company

There are no conflicts of interest between Mr. Saito and the Company.

(Notes)

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

Candidate No.

7

Tsunehiko Iwai

May 28, 1953 (66 years old)

Reelection | Independent Officer | Outside Director Candidate

Company Shares owned by Candidate

0 share

Tenure of Office

1 year (at the conclusion of this Meeting)

Meeting attendance during the current fiscal year

10/10 (100%)



Career summary, position and areas of responsibility

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

Reasons for nomination as Outside Director

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

Status of significant concurrent positions

Senior Advisor of Shiseido Co., Ltd.

Conflicts of interest with the Company

Our group purchases products from a group company of Shiseido Co., Ltd. The amount of transaction volume during the current fiscal year was less than 0.1% of consolidated sales of both parties. For this reason, there are no concerns about his independence.

(Notes)

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

Agenda Item No. 2: Election of Two Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Mr. Kiyotaka Hiroshima and Mr. Hiroshi Shirai will expire at the conclusion of this Meeting. Accordingly, the election of two (2) Audit & Supervisory Board Members has been proposed.

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

Candidates for Audit & Supervisory Board Member are nominated pursuant to the "Criteria for Appointment of Officers" (please see page 15 of this Notice). Also, the candidates for the Outside Audit & Supervisory Board Member meet the "Criteria for Appointment of Outside Officers (to ensure independence)" (please see page 15 and 16 of this Notice).

The candidates for Audit & Supervisory Board Member are as follows:

Candidate #		Name		Current Position held at the Company	Meeting Attendance Board of Directors	Meeting Attendance Audit & Supervisory Board
1	Re-election	Kiyotaka Hiroshima		Standing Audit & Supervisory Board Member	14/14 (100%)	15/15 (100%)
2	Re-election	Hiroshi Shirai	Independent Officer Outside Audit & Supervisory Board Member Candidate	Outside Audit & Supervisory Board Member	14/14 (100%)	15/15 (100%)

Candidate No.

1

Kiyotaka Hiroshima

January 4, 1958 (61 years old)

Reelection

Company shares owned by candidate

3,900 shares

Tenure of office

4 years (at the conclusion of this Meeting)

Board of Directors Meeting attendance during the current fiscal year

14/14 (100%)

Audit & Supervisory Board Meeting attendance during the current fiscal year

15/15 (100%)



Career summary, position and areas of responsibility

April 1981	Joined the Company
April 2008	Appointed Materials Control Manager of Technology/Production Division of Wacoal Corp.
April 2009	Appointed Production Control Manager of Technology/Production Division of Wacoal Corp.
April 2010	Appointed Corporate Officer and General Manager of Technology/Production Division of Wacoal Corp.
April 2011	Appointed Director and Corporate Officer and General Manager of Technology/Production Division of Wacoal Corp.
April 2015	Appointed Director and Corporate Officer and Supervisor of Technology /Production Division of Wacoal Corp.
June 2015	Appointed Audit & Supervisory Board Member of Wacoal Corp. (acting)
June 2015	Appointed Audit & Supervisory Board Member of the Company (acting)

Reasons for nomination as Audit & Supervisory Board Member

Mr. Hiroshima has knowledge acquired while serving as a Director of Wacoal Corp., our core operating entity, as well as extensive knowledge and experience in the technology/production division. Based on such knowledge and experience, he is responsible for the audit process of the Company. We hope that he will continue to contribute to improve the auditing system of the Company and therefore request that Mr. Hiroshima continue to be elected as an Audit & Supervisory Board Member.

Status of significant concurrent positions

Audit & Supervisory Board Member of Wacoal Corp.

Conflicts of interest with the Company

There are no conflicts of interest between Mr. Tsukamoto and the Company.

Candidate No.

2

Hiroshi Shirai

October 21, 1953 (65 years old)

Reelection | Independent Officer | Outside Audit & Supervisory Board Member Candidate

Company shares owned by candidate

2,900 shares

Tenure of office

4 years (at the conclusion of this Meeting)

Board of Directors Meeting attendance during the current fiscal year

14/14 (100%)

Audit & Supervisory Board Meeting attendance during the current fiscal year

15/15 (100%)



Career summary, position and areas of responsibility

November 1977	Joined Pricewaterhouse
August 1982	Registered as Certified Public Accountant
July 1992	Joined Aoyama Audit Corporation
August 2007	Joined Deloitte Touche Tohmatsu
June 2010	Appointed Vice Chairman of The Japanese Institute of Certified Public Accountants Kinki Chapter
October 2011	Established Shirai Public Accounting Firm, Managing Partner (acting)
June 2012	Appointed Outside Audit & Supervisory Board Member of ALTECO Co,. Ltd. (acting)
June 2015	Appointed Outside Audit & Supervisory Board Member of the Company (acting)
March 2016	Appointed Outside Audit & Supervisory Board Member of NORITZ Corporation
April 2016	Appointed Executive Director of Public University Corporation Osaka City University
April 2019	Appointed Auditor of Public University Corporation Osaka (acting)

Reasons for nomination as Audit & Supervisory Board Member

Mr. Shirai has specialized knowledge and experience in accounting and finance (including U.S. accounting standards) as a certified public accountant and also has acquired knowledge and experience in corporate management while serving as an outside audit & supervisory board member of other companies. Based on such knowledge and experience, he is responsible for the audit process of the Company. We hope that he will continue to contribute to improve the auditing system of the Company and therefore request that Mr. Shirai continue to be elected as an Audit & Supervisory Board Member.

Status of significant concurrent positions

Managing Partner of Shirai Public Accounting Firm; Outside Audit & Supervisory Board Member of ALTECO Co., Ltd.; Auditor of Public University Corporation Osaka

Conflicts of interest with the Company

There are no conflicts of interest between Mr. Shirai and the Company. Mr. Shirai worked at Deloitte Touche Tohmatsu LLC, our accounting auditor, from August 2007 to September 2011, but he was never involved in the audit services engaged for the Company during such period. It has been seven years and eight months since Mr. Shirai left Deloitte Touche Tohmatsu LLC and there are no concerns about his independence.

(Notes)

1. Mr. Shirai 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. Shirai is approved at this meeting, we plan to continue to designate him as our independent officer.
2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Article 28 of Articles of Incorporation of the Company, the Company has executed an agreement with Mr. Shirai 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. Shirai is approved at this Meeting, we plan to continue the limitation of liability agreement with him.

Agenda Item No. 3: Payment of Officers' Bonuses

We propose that officers' bonuses of ¥40 million in total be paid to our 5 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, 2019.

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

- End -

REFERENCE

Appointment of Candidates for Directors and Audit & Supervisory Board Members

<Criteria for Appointment of Officers>

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

- Criteria for Appointment

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

- Criteria for Removal

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

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

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

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

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

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

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

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

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

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

(Audit & Supervisory Board Member)				Knowledge and Experience expected by Company(*)					
Candidate No.	Name	●Male ●Female	Independence (for outside officer only)	Company Management/ Business Operation	Finance/ Accounting	Legal/ Compliance	Internationality	Human Resource Development	Arts & Culture/ Social Perspective
1	Kiyotaka Hiroshima	●		●			●		
2	Hiroshi Shirai	●	●		●				
-	Tomoki Nakamura	●			●				
-	Mitsuhiko Hamamoto	●	●			●			
-	Minoru Shimada	●	●	●	●		●		

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

<Policy for Determining the Compensation Amount or Calculation Method>

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

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

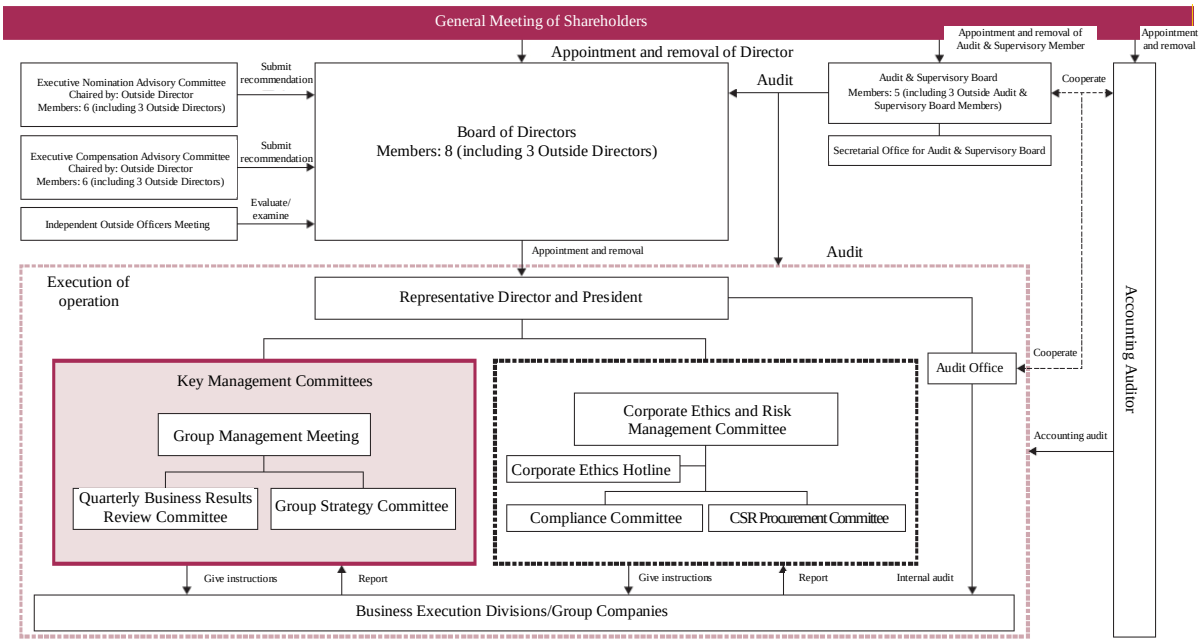
The total maximum annual amount of basic compensation paid was determined to be 350 million yen for Directors (excluding the amount of employee's salary for Directors who concurrently serve as employees) and 75 million yen for Audit & Supervisory Board Members, pursuant to a resolution adopted at the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

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

Status of Corporate Governance System

<Outline of Corporate Governance System>

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



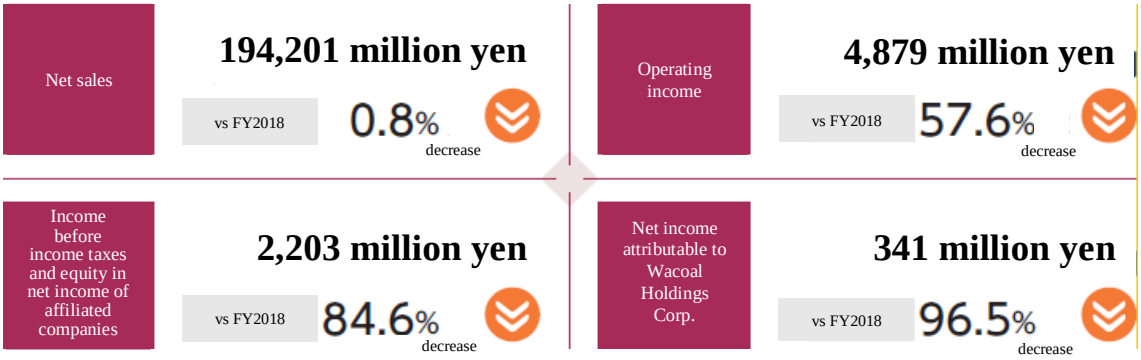
	Outline
1. Corporate Ethics and Risk Management Committee	• Composed of our internal Directors, directors and corporate officers of operating entities, where our Representative Director and President acts as administrative manager and the Director of Supervisor of Group Business Management as the chair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

SUPPLEMENTARY SCHEDULES ON MATTERS TO BE REPORTED
BUSINESS REPORT
FOR THE PERIOD FROM APRIL 1, 2018 THROUGH MARCH 31, 2019

1. STATUS OF GROUP BUSINESS

(1) Business Developments and Results

(a) Summary of Operations



During the current fiscal year (from April 1, 2018 to March 31, 2019), which is the last year of our current mid-term (3 year) business plan (from fiscal year 2017 to fiscal year 2019), in order for our business to return to growth during the period covered by our next mid-term business plan, our group proceeded to build the foundation to enhance our business efficiency and to invest in fields where we can expect growth. Wacoal Corp. improved business efficiency in our wholesale business through reorganization and profitability of our retail business through improved brand value, and completed preparation for introduction of 3D body scanning and AI (artificial intelligence)-based customer service as a part of our omni-channel strategy. In the overseas markets, we have strengthened our business framework in response to the e-commerce channels, which continue to show a high rate of growth in sales, and expanded our brand awareness in Chinese and European markets. On the other hand, in improving the production base, we were successful in enhancing the production capability of highly competitive products in Dalian and Vietnam, while the structural reform in the raw materials factory in Thailand required time.

Our consolidated sales for the current fiscal year fell by 1% from such sales for the previous fiscal year. While e-commerce sales from our business in China expanded and sales from Nanasai Co., Ltd. ("Nanasai") showed significant growth resulting from its active construction business, overall sales were affected by the slow growth in our domestic wholesale business of Wacoal Corp. due to weak sales from department stores and decreased revenue from our domestic consolidated subsidiaries, including Lecien Corporation ("Lecien"), Ai Co., Ltd., Peach John Co., Ltd. ("Peach John"), due to delays in addressing market changes.

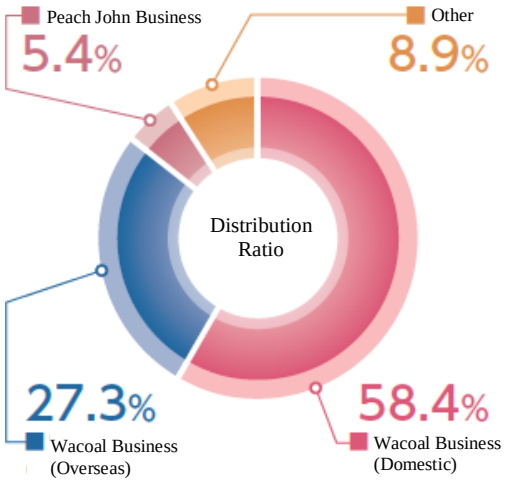
Consolidated operating income decreased by 58% as compared to such consolidated operating income for the previous fiscal year. This decrease was due to impairment charges on goodwill and other intangible assets of 5.83 billion yen with respect to Peach John and other subsidiaries, which we recorded as operating costs and expenses (because we use U.S. accounting standards), while Wacoal Corp. recorded an increase in profit as a result of a record-high gross profit rate as a result of improved business efficiency and our overseas business recorded an increase in profit as a result of an increase in revenue. As a result, operating income decreased significantly.

Ever since 2008 when Peach John became a wholly owned Wacoal subsidiary, the demand for undergarments, which strongly reflects fashion trends, decreased, and the size of the market for catalog mail-order business declined, and due to failure to achieve the anticipated growth expansion, we have recorded impairment charges on intangible assets several times. Although we have formed a growth plan under which we have made efforts to change the brand image, strengthen product development, invest resources into our retail sales and e-commerce sales, as well as expand our business overseas, we did not achieve profitability. As a result of our reevaluation of fair value of goodwill and trademarks in connection with our consideration of the current forecast of business results, we ended up recording impairment charges of 5.64 billion yen on intangible assets after a series of assessments.

Consolidated income before income taxes and equity in net income of affiliated companies fell by 85% from such consolidated income for the previous fiscal year due to a decrease in operating profit as well as recognition of valuation loss of 5.57 billion yen following the changes in the U.S. accounting standards that required us to record “gain (loss) on valuation of marketable securities and investments” as “Other income (expenses)” starting from the current fiscal year.

As a result of the above, net income attributable to Wacoal Holdings Corp. was 0.34 billion yen, a decrease of 97% from the previous fiscal year. The ratio of operating income to net sales and the ratio of net income attributable to Wacoal Holdings Corp. to shareholders’ equity for the current fiscal year were, 2.5% and 0.2%, respectively. The key exchange rates used for the current fiscal year (previous fiscal year) were: 110.91 yen (110.85 yen) to the U.S. dollar; 145.68 yen (147.03 yen) to the Sterling pound; and 16.72 yen (16.63 yen) to the Chinese yuan.

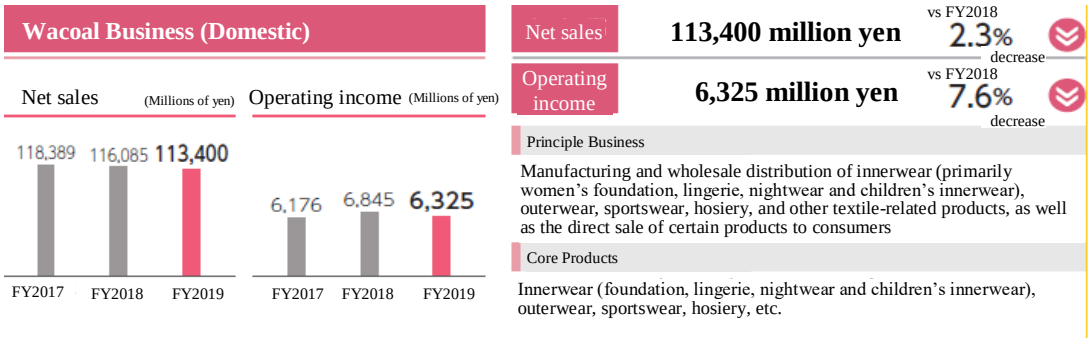
The following is a summary of operations by operating segment.



Operating Segment Information

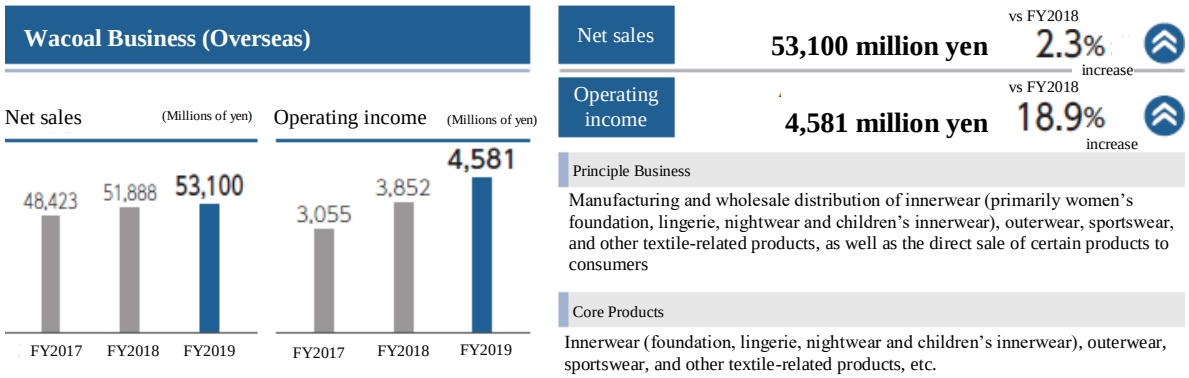
	Net sales (Millions of yen)	vs FY2018 (%)
Wacoal Business (Domestic)	113,400	97.7
Wacoal Business (Overseas)	53,100	102.3
Peach John Business	10,491	97.2
Other	17,210	101.5
Text	194,201	99.2

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



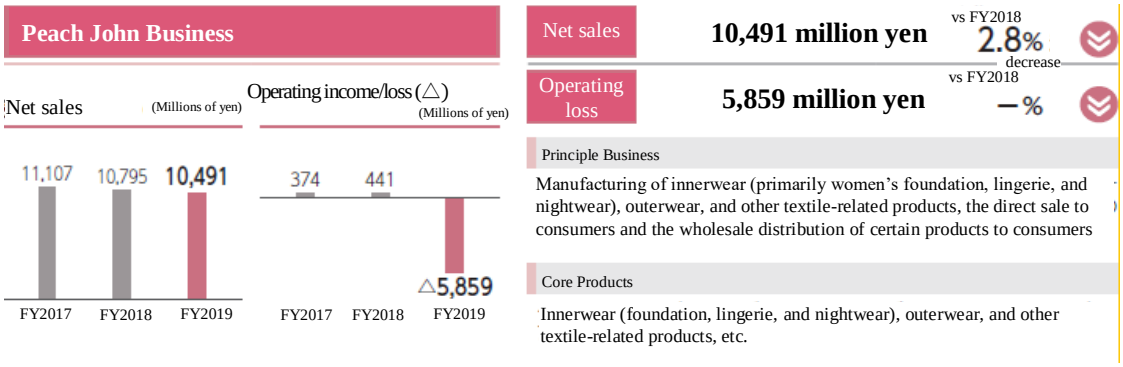
Sales attributable to our "Wacoal Business (Domestic)" segment decreased by 2% as compared to such sales for the previous fiscal year. As a result of developing high-value-added products that are comfortable and have good design for both "Wacoal" and "Wing" brand products, sales of our core brassieres products in our wholesale business of Wacoal Corp. were strong. However, overall sales from our wholesale business decreased due to weak sales of nightwear, maternity innerwear, junior's innerwear, as well as weak sales of "CW-X" brand products. In our retail business, although overall sales were driven by sales of our wireless brassieres "BRAGENIC", which showed significant growth throughout the year, sales increased only slightly in our retail business as a result of a reduced volume of discount sales intended to improve profitability and a decrease in sales due to the expiration period for points earned under the customers' loyalty program. Sales from Ai Co., Ltd. decreased by 18% as compared to such sales for the previous fiscal year, as we were significantly affected by the weak sales from our core swimwear business in the summer season, which is the period of peak demand.

Operating income decreased by 8% as compared to such operating income for the previous fiscal year. While Wacoal Corp. recorded an increase in operating profit as a result of improving the gross profit rate, operating income was affected by the one-time increase in profit recorded in the previous fiscal year in respect of the one-time compensation income from leaving a factory space occupied by our subsidiary.



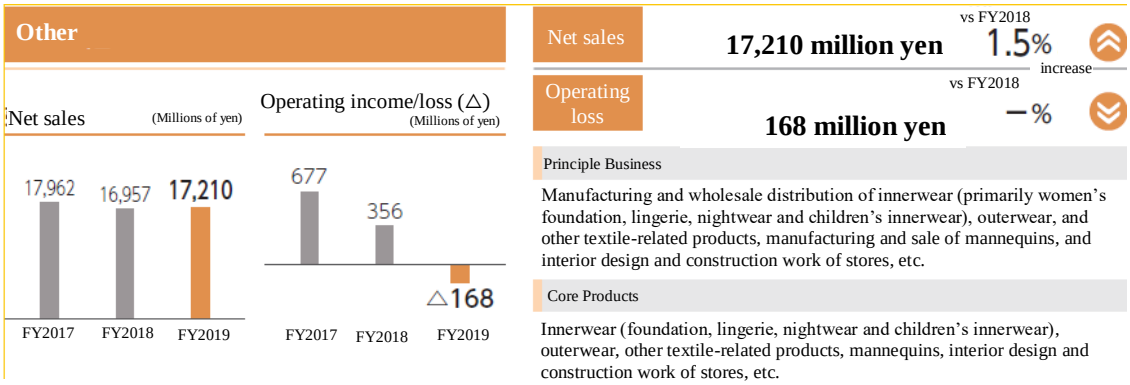
Overall sales attributable to our "Wacoal Business (Overseas)" segment on the Japanese Yen basis increased by 2% as compared to such sales for the previous fiscal year. Sales on a local currency basis decreased by 1% from Wacoal International Corp. (the United States), increased by 2% from Wacoal Europe, and increased by 10% from Wacoal China Co., Ltd. as compared to such corresponding sales for the previous fiscal year. In the United States, while e-commerce sales through our e-commerce website and third-party e-commerce websites were strong, sales were affected by the weak over-the-counter sales at department stores (physical stores) and closings of certain department stores that went bankrupt. E-commerce sales in Europe showed significant growth along with the strong sales of our plus-size brand "elomi", despite the impact of the inventory adjustments at certain department stores in the United Kingdom, where business conditions deteriorated. In China, we enhanced our customer data marketing and distribution system, and expanded growth through third-party e-commerce websites. Over-the-counter sales at department stores were also strong as a result of our successful sales promotion conducted during China's high-demand seasons.

Operating income on a Japanese yen basis increased by 19% as compared to such operating income for the previous fiscal year. Positive factors attributable to the increase in the operating income include: increased revenue, an improvement in inventory efficiency, and an improvement in the gross profit rate resulting from a higher percentage of e-commerce sales in China; reevaluation of suggested retail price and closings of our unprofitable directly managed retail stores in the United Kingdom; productivity enhancement in our factory in Vietnam; gain on sale of property related to raw materials factory and the absence of one-time impairment charges recorded during the previous fiscal year in Thailand.



Overall sales attributable to our "Peach John Business" segment fell by 3% as compared to such sales for the previous fiscal year. This decrease was due to poor sales from our own e-commerce website and failure to expand the number of customers visiting our domestic retail stores, although we made efforts to develop products and cultivate sales channels that respond to changes in the market trend. On the other hand, sales in Taiwan, where we commenced operations in May 2017, increased by 34% for the current fiscal year as a result of the expansion of brand awareness through events and blogs.

Operating income was affected by decreased revenue from our domestic business, weak growth from our Chinese business resulting from aggressive competition, an increase in labor costs to retain personnel and distribution expenses, as well as the impact of non-recurring expenses incurred for the relocation of the head office. As a result, we recorded an operating loss of 0.22 billion yen, as well as impairment charges of 5.64 billion yen on goodwill and other intangible assets.



Overall sales attributable to our "Other" segment increased by 2% from such sales for the previous fiscal year. Sales from Lecien decreased by 10% from such sales for the previous fiscal year. This was due to weak sales of our core innerwear business, which was affected by a decrease in the number of our private products handled at general merchandise stores, as well as sales from our material business, art & hobby business and apparel business which were also weak. On the other hand, Nanasai was successful in receiving new orders for interior finishes, in addition to renovating a major department store's headquarters, and as a result, sales from Nanasai increased by 14% as compared to such sales for the previous fiscal year due to significant growth in our construction business along with an expansion in our sales business.

Although gross profit rate decreased due to higher percentage of construction business at Nanasai, we recorded an increase in operating income resulting from increased revenue. However, we recorded an operating loss for our "Other" segment in total as the amount of operating income from Nanasai was not enough to offset the amount of operating loss recorded with regard to Lecien.

(b) Financing

Not applicable.

(c) Capital Expenditures

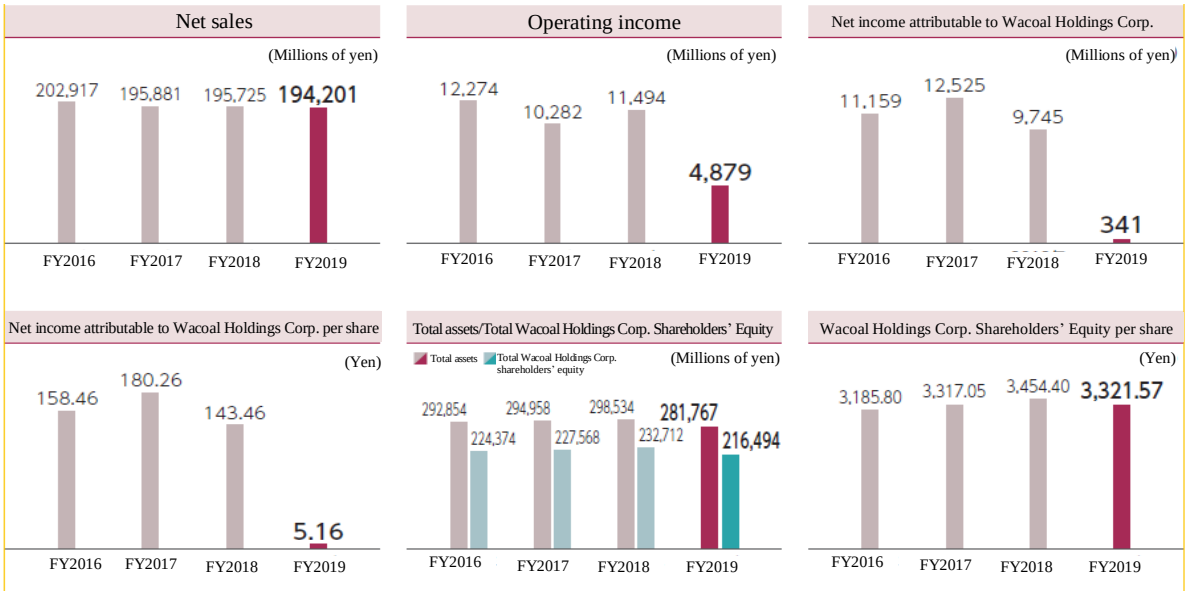
The total amount of capital expenditures during fiscal year 2019 was 5,783 million yen, including information system investments incurred by our subsidiaries, and expenditures for the maintenance and repair of real estate.

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

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

(Millions of yen, except per share amounts)

	Fiscal year ended/as of March 31,			
	2016	2017	2018	2019
Net sales	202,917	195,881	195,725	194,201
Operating income	12,274	10,282	11,494	4,879
Net income attributable to Wacoal Holdings Corp.	11,159	12,525	9,745	341
Net income attributable to Wacoal Holdings Corp. per share (yen)	158.46	180.26	143.46	5.16
Total assets	292,854	294,958	298,534	281,767
Total Wacoal Holdings Corp. Shareholders' Equity	224,374	227,568	232,712	216,494
Wacoal Holdings Corp. Shareholders' Equity per share (yen)	3,185.80	3,317.05	3,454.40	3,321.57



(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 2016.

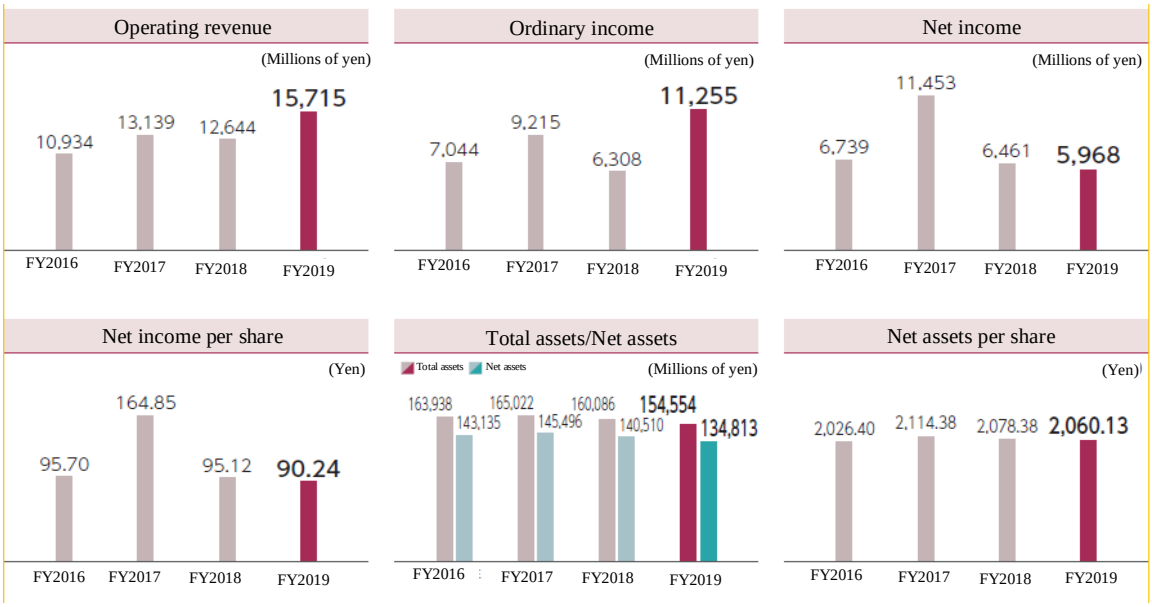
5. Reclassification adjustments have been made to the results for fiscal years prior to and including fiscal year 2018 pursuant to the new accounting guidance *Improving the Presentation of Net*

Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (ASU2017-07) which has been adopted starting with fiscal year 2019.

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

(Millions of yen, except per share amounts)

	Fiscal year ended/as of March 31,			
	2016	2017	2018	2019
Operating revenue	10,934	13,139	12,644	15,715
Ordinary income	7,044	9,215	6,308	11,255
Net income	6,739	11,453	6,461	5,968
Net income per share (yen)	95.70	164.85	95.12	90.24
Total assets	163,938	165,022	160,086	154,554
Net assets	143,135	145,496	140,510	134,813
Net assets per share (yen)	2,026.40	2,114.38	2,078.38	2,060.13



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

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

3. We have conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017. Accordingly, "net income per share" and "net assets per share" have been calculated assuming that such share consolidation has been conducted at the beginning of fiscal year 2016.

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

(3) Issues to Address

While the domestic market is expected to steadily recover with the improvement in the job market and income environment, consumer spending on innerwear and clothing remains unpredictable, led by deep-rooted concern for the future, which continued to make consumers budget-conscious, as non-consumption expenditures tightened the household budgets.

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

Under such environment, our most important issue is to build a stronger market position in the most core market, our domestic market, with the most recognized brand, by improving our customer service using digital technology and implementing unrivaled plans for our distribution channels. We also need to continue to achieve stable profit growth by optimizing brand and product composition, promoting structural reform of the value chain, and maximizing organizational productivity.

The major challenge in the overseas markets is to flexibly react to changing market conditions where digital transformation is accelerating, and to maintain the current growth rate. Further, we need to build our operating foundation, as well as to make investments for business expansion in countries and regions where we have a market presence but our business remains small in size. Our overseas business is and will always be our group's biggest growth engine.

We also believe that we need to commit ourselves to solving critical social issues in order to become a company that continues to prosper with the society, is trusted in the globalizing world and is expected by the society to exist for over 100 years.

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

We are currently drafting our medium to long-term strategy visions, and we mark the three years (from fiscal year 2020 to fiscal year 2022) as the period to achieve the following major goals:

- Achieve strong growth in Japan and overseas
- Examine the potential of unprofitable businesses and brands, and promote review and structural reform of group businesses where no business will be safe from such review or structural reform
- Enhance corporate value by improving economic and social values

In the middle of June, 2019, we plan to announce our new three-year mid-term business plan on the Company's website (https://www.wacoalholdings.jp/ir/).

Your continued support and cooperation will be greatly appreciated.

(4) Main Offices and Factories

(i) Main Offices and Factories of the Company

Head Office (Kyoto)

(ii) Main Offices and Factories of Subsidiaries

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

(5) Employees

(i) Employees within the Group

Name of Operating Segment	Number of Employees	Increase (Decrease) from the End of Previous Fiscal Year
Wacoal Business (Domestic)	7,457	(201)
Wacoal Business (Overseas)	10,781	(104)
Peach John Business	531	99
Other	1,893	(36)
Total	20,662	(242)

(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 739).

(ii) Employees of the Company

Number of Employees	Increase (Decrease) from the End of Previous Fiscal Year	Average Age	Average Years of Service
90	(5)	46.7	20.6

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

(6) Principal Subsidiaries

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

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

(7) Matters concerning Specified Wholly Owned Subsidiaries

Name of Company	Address	Total Carrying Amount	Total Assets of the Company
Wacoal Corp.	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto	(Millions of yen) 72,336	(Millions of yen) 154,554

(8) Major Lenders (as of March 31, 2019)

Name of Lender	Loan Amount (Millions of yen)
MUFG Bank, Ltd.	2,000
The Bank of Kyoto, Ltd.	1,200
The Shiga Bank, Ltd.	800

2. STOCK INFORMATION (As of March 31, 2019)

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

(2) Total Number of Issued and Outstanding Shares: 70,689,042 shares
(including 5,510,891 shares of treasury stock)
(Note) The total number of issued and outstanding shares including the shares of treasury stock decreased by 1,000,000 shares from the end of previous fiscal year (March 31, 2018) following the cancellation of treasury stock of 1,000,000 shares conducted on May 25, 2018 pursuant to the provisions of Article 178 of the Companies Act.

(3) Total Number of Shareholders: 14,597

(4) Major Shareholders (Top 10):

Name of Shareholder	Number of Shares Held by Shareholder	Shareholding Ratio
	(Thousands of shares)	(%)
MUFG Bank, Ltd.	3,195	4.90
Meiji Yasuda Life Insurance Company	3,050	4.68
Japan Trustee Services Bank, Ltd. (Trust Account)	2,870	4.40
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,851	4.38
The Bank of Kyoto, Ltd.	2,352	3.61
Nippon Life Insurance Company	1,836	2.82
The Shiga Bank, Ltd.	1,823	2.80
Mitsubishi UFJ Trust and Banking Corporation	1,525	2.34
The Dai-ichi Life Insurance Company, Limited	1,366	2.10
Asahi Kasei Corporation	1,241	1.90

(Notes) 1. The number of shares held by shareholder is rounded down to the nearest thousand.
2. The Company is holding 5,510,891 shares of treasury stock, which are not listed in the above list of major shareholders.
3. The shareholding ratio is calculated excluding the number of shares of treasury stock.

3. MATTERS CONCERNING STOCK ACQUISITION RIGHTS

(1) Stock Acquisition Rights Granted to Officers as Consideration for Execution of Duties Held as of the End of Fiscal Year Ended March 31, 2019

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)

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)
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
21st Stock Acquisition Rights (July 20, 2018)	147	Common stock 14,700 shares	One (1) yen per share	August 18, 2018 - August 17, 2038	5 Directors

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

(2) Stock Acquisition Rights Granted to Officers of Subsidiaries as Consideration for Execution of Duties During the Fiscal Year ended March 31, 2019

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)
22nd Stock Acquisition Rights (July 20, 2018)	62	Common stock 6,200 shares	One (1) yen per share	August 18, 2018 – August 17, 2038	5 Directors of Wacoal Corp.

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

4. OFFICERS

(1) Directors and Audit & Supervisory Board Members (as of March 31, 2019)

Position	Name	Responsibility and significant concurrent positions
Representative Director and Chairman	Yoshikata Tsukamoto	Director and Chairman of Wacoal International Corp.
Representative Director and President	Hironobu Yasuhara	Representative Director and Chairman of Wacoal Corp.
Director and Vice President	Masaya Wakabayashi	Supervisor of Group Business Management and International Affairs; Chair of Corporate Ethic and Risk Management Committee President and Director of Wacoal Investment Co., Ltd. (Taiwan);
Managing Director	Masashi Yamaguchi	Supervisor of Personnel and Administration and Future Business; Director, Vice President and Corporate Officer of Wacoal Corp.
Director	Akira Miyagi	General Manager of Corporate Planning
Director	Madoka Mayuzumi	Visiting Professor at Kitazato University; Visiting Professor at Showa Women's University, Faculty of Humanities and Culture, Department of Japanese Language and Literature; Visiting Professor at Kyoto Tachibana University, Faculty of Humanities, Department of Japanese Language and Literature; Trustee of East Japan Railway Culture Foundation
Director	Shigeru Saito	Representative Director and Chairman, and CEO of TOSE CO., LTD.; Outside Director of SCREEN Holdings Co., Ltd.
Director	Tsunehiko Iwai	Chair of Executive Nomination Advisory Committee; Chair of Executive Compensation Advisory Committee; Senior Advisor of Shiseido Co., Ltd.
Standing Audit & Supervisory Board Member	Tomoki Nakamura	
Standing Audit & Supervisory Board Member	Kiyotaka Hiroshima	Audit & Supervisory Board Member of Wacoal Corp.

Position	Name	Responsibility and significant concurrent positions
Audit & Supervisory Board Member	Hiroshi Shirai	Certified Public Accountant, Managing Partner of Shirai public accounting firm; Outside audit & supervisory board member of ALTECO Inc.; Executive Director of Public University Corporation Osaka City University
Audit & Supervisory Board Member	Mitsuhiro Hamamoto	Managing Partner of Hamamoto Law Office; Outside Director of Toa Valve Engineering Inc.
Audit & Supervisory Board Member	Minoru Shimada	Director and Chairman of SOTSU CORPORATION; Special Advisor of Fulltime System Co., Ltd.

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

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

338 million yen for 9 Directors (of which 25 million yen was for 4 Outside Directors)

59 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, 2019, the number of Directors and Audit & Supervisory Board Members was 8 (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 70th Ordinary General Meeting of Shareholders held on June 28, 2018.
2. The amount described above includes the following:
- 40 million yen of officers' bonuses (40 million yen to 5 Directors excluding Outside Directors) which is to be resolved at this Meeting
- 43 million yen of remuneration in the form of stock options (43 million yen to 5 Directors excluding Outside Directors)

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

Category	Name	Main Activities
Director	Madoka Mayuzumi	Ms. Mayuzumi has attended all 14 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 13 of the 14 Board of Directors' meetings held during the current fiscal year and has expressed his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience of overall management.
Director	Tsunehiko Iwai	Mr. Iwai has attended all 10 Board of Directors' meetings held since his appointment on June 28, 2018 and has expressed his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience in the field of technology and overall management.
Audit & Supervisory Board Member	Hiroshi Shirai	Mr. Shirai has attended all 14 Board of Directors' meetings and all 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 14 Board of Directors' meetings and all 15 Audit & Supervisory Board's meetings held during the current fiscal year and has expressed his opinions on proposals and/or discussions primarily from his professional perspective as an attorney-at-law.
Audit & Supervisory Board Member	Minoru Shimada	Mr. Shimada has attended 9 of the 10 Board of Directors' meetings and 9 of the 10 Audit & Supervisory Board's meetings held since his appointment on June 28, 2018 and has express his opinions on the proposals and/or discussions based on his comprehensive knowledge and experience of overall management.

(Note) Please note that the number of Board of Directors' meetings held indicated above does not include a board action by written consent which was taken without a meeting pursuant to the provisions of Article 370 of the Companies Act and Article 25 of our Articles of Incorporation.

(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 million yen
Total amount of money and other property benefits to be paid to the accounting auditor by the Company and its subsidiaries:	165 million yen

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

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

(3) Description of Nonaudit Services

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

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

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

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

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

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

6. SYSTEM AND POLICIES OF COMPANY

(1) System to Ensure Appropriate Business Conduct

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

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

- In order to improve our system of compliance, we have established a Corporate Ethics and Risk Management Committee, for which our Representative Director and President acts as 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 and Wacoal Standards of Conduct", or of any other compliance issues. We have also established an internal alert system (corporate ethics hotline to the legal/compliance department and a law firm). After being notified and/or alerted, the legal/compliance department conducts an investigation and formulates preventive measures after discussions with the related department. If the issue is critical, the legal/compliance department will refer the matter to the Corporate Ethics and Risk Management Committee and will report the results of its deliberation to the Board of Directors and/or Audit & Supervisory Board.

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

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

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

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

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

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

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

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

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

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

- In order to enhance appropriate decision-making by our Directors, 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 to 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. In order to ensure the effectiveness and independence of such assistants, decisions on personal affairs, including appointment, evaluation, relocation and discipline of such assistants will be subject to the consent of the Audit & Supervisory Board Members.

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

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

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

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

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

  Matters referred to the Group Management Meeting

  Monthly and quarterly Group management conditions

  Results of 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 of the Company 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 Company's Articles of Incorporation

- We have a Compliance Committee which specifically establishes and operates our compliance system. The Compliance Committee 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 by expanding the use of our external corporate ethics hotline.

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

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

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

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

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

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

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

- We held discussions and prepared Wacoal Group's mid-term business plan, with the first year starting fiscal year ending 2020.

- 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.

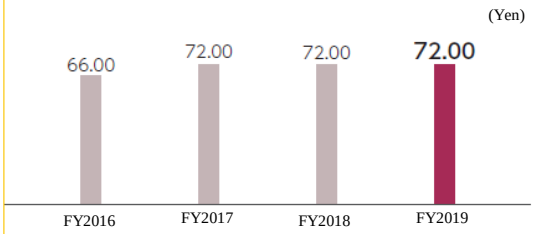
- The Audit & Supervisory Board Members have, regularly and whenever necessary, exchanged information and opinions with the Accounting Auditor and the audit office.

(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, and will make efforts to improve capital efficiency and return profits to our shareholders.

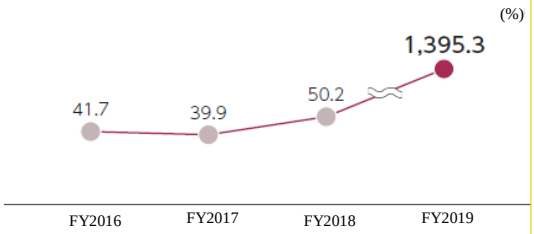
Based on the above-described basic policy and pursuant to the provisions of our Articles of Incorporation, we have resolved at the Board of Directors' Meeting held on May 15, 2019 that the year-end dividend for the current fiscal year is 36.00 yen per share and the effective date is June 4, 2019. As a result, the annual cash dividend per share, including the interim dividend, will be 72.00 yen for the current fiscal year.

Annual dividend per share



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

Consolidated payout ratio



※Although the net income attributable to Wacoal Holdings Corp. of 341 million yen for the current fiscal year fell significantly below that of the previous fiscal year, we will declare 36.00 yen of dividend (annual dividend of 72.00 yen) considering that it would have been 9,441 million yen if we did not record the impairment charges on intangible assets with respect to Peach John Co., Ltd. and its subsidiaries and valuation loss on marketable securities. The consolidated payout ratio for the current fiscal year will be 50.7% if calculated based on the net income attributable to Wacoal Holdings Corp. excluding the impairment charges on the intangible assets with respect to Peach John Co., Ltd. and its subsidiaries and valuation loss on marketable securities.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

ASSETS	Current Fiscal Year (as of March 31, 2019)	Reference: Previous Fiscal Year (as of March 31, 2018)
Accounts	Amount	Amount
Current Assets	**108,016**	**105,812**
Cash and cash equivalents	30,133	29,487
Time deposits	4,004	4,296
Marketable securities	446	1,567
Notes and accounts receivable	24,989	25,873
Allowance for returns and doubtful receivables	(229)	(2,459)
Inventories	42,508	42,676
Return assets	1,180	-
Other current assets	4,985	4,372
Property, Plant and Equipment	**53,270**	**54,333**
Land	21,549	21,561
Buildings and structures	74,033	73,618
Machinery and equipment	18,914	18,268
Construction in progress	478	254
Accumulated depreciation	(61,704)	(59,368)
Other Assets	**120,481**	**138,389**
Investments in affiliated companies	21,859	22,512
Investments	63,372	69,318
Goodwill	11,954	16,594
Other intangible assets	12,297	12,859
Prepaid pension expense	3,990	10,178
Deferred income taxes	1,362	1,194
Other	5,647	5,734
Total Assets	**281,767**	**298,534**

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

(Millions of yen)

LIABILITIES	Current Fiscal Year (as of March 31, 2019)	Reference: Previous Fiscal Year (as of March 31, 2018)
Accounts	Amount	Amount
Current Liabilities	**43,862**	**39,632**
Short-term bank loans	8,116	7,104
Trade notes payable	1,155	1,174
Trade accounts payable	10,638	11,393
Other payables	6,548	7,053
Accrued payroll and bonuses	7,209	7,213
Income taxes payable	2,759	1,979
Refund liabilities	3,482	-
Current portion of long-term debt	50	50
Other current liabilities	3,905	3,666
Long-term Liabilities	**16,761**	**21,405**
Long-term debt	88	138
Liability for termination and retirement benefits	1,828	1,852
Deferred income taxes	12,567	17,231
Other long-term liabilities	2,278	2,184
Total Liabilities	**60,623**	**61,037**
EQUITY		
Common stock	**13,260**	**13,260**
Additional paid-in capital	**29,807**	**29,765**
Retained earnings	**193,139**	**172,418**
Accumulated other comprehensive (loss) income	**(4,128)**	**28,597**
Foreign currency translation adjustments	1,551	2,274
Unrealized gain on securities	-	27,424
Pension liability adjustments	(5,679)	(1,101)
Treasury stock, at cost	**(15,584)**	**(11,328)**
Total Wacoal Holdings Corp. Shareholders' Equity	**216,494**	**232,712**
Noncontrolling interests	**4,650**	**4,785**
Total Equity	**221,144**	**237,497**
Total Liabilities and Equity	**281,767**	**298,534**

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

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

Accounts	Current Fiscal Year (from April 1, 2018 to March 31, 2019)	Reference: Previous Fiscal Year (from April 1, 2017 to March 31, 2018)
	Amount	Amount
Net sales	194,201	195,725
Operating costs and expenses	189,322	184,231
Cost of sales	89,804	92,032
Selling, general and administrative expenses	93,684	92,701
Compensation income	-	(708)
Impairment charges on goodwill and other intangible assets	5,834	206
Operating income	**4,879**	**11,494**
Other (expenses) income	(2,676)	2,792
Interest income	289	194
Interest expense	(11)	(10)
Dividend income	1,429	1,329
Loss (gain) on exchange and valuation of marketable securities and investments − net	(5,430)	206
Foreign exchange gain (loss) − net	76	(189)
Other − net	971	1,262
Income before income taxes and equity in net income of affiliated companies	**2,203**	**14,286**
Income taxes	2,533	5,542
Current	5,350	4,880
Deferred	(2,817)	662
(Loss) income before equity in net income of affiliated companies	**(330)**	**8,744**
Equity in net income of affiliated companies	725	916
Net income	**395**	**9,660**
Net income attributable to noncontrolling interests	(54)	85
Net income attributable to Wacoal Holdings Corp.	**341**	**9,745**

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

NON-CONSOLIDATED FINANCIAL STATEMENTS

NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

ASSETS	Current Fiscal Year (as of March 31, 2019)	Reference: Previous Fiscal Year (as of March 31, 2018)
Accounts	Amount	Amount
Current Assets	**12,732**	**11,545**
Cash and bank deposits	8,906	8,063
Marketable Securities	-	10
Short-term loans receivable from subsidiaries and affiliated companies	4,838	4,554
Other	1,884	1,303
Allowance for doubtful receivables	(2,897)	(2,385)
Fixed Assets	**141,822**	**148,540**
Property, Plant and Equipment	**38,999**	**39,902**
Buildings	19,180	20,070
Structures	246	271
Machinery	22	25
Equipment	1,207	1,192
Land	18,342	18,342
Intangible Assets	**587**	**588**
Leasehold rights	585	585
Other	2	2
Investments and Other Assets	**102,234**	**108,049**
Investments	5	596
Investments in subsidiaries and affiliated companies	101,846	107,066
Other	382	386
Total Assets	**154,554**	**160,086**

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

(Millions of yen)

LIABILITIES	Current Fiscal Year (as of March 31, 2019)	Reference: Previous Fiscal Year (as of March 31, 2018)
Accounts	Amount	Amount
Current Liabilities	**18,389**	**18,145**
Trade notes payable	20	31
Short-term bank loans	4,000	2,500
Short-term borrowings from subsidiaries and affiliated companies	13,649	14,825
Other payables	450	519
Accrued expenses	12	14
Income taxes payable	128	113
Accrued bonuses	73	74
Accrued officers' bonuses	40	57
Other	14	10
Long-term Liabilities	**1,350**	**1,430**
Deferred income taxes	924	1,003
Other	426	426
Total Liabilities	**19,740**	**19,575**
NET ASSETS		
Shareholders' Equity	**134,275**	**140,016**
Common stock	**13,260**	**13,260**
Additional paid-in capital	**29,294**	**29,294**
Capital reserve	29,294	29,294
Retained earnings	**107,304**	**108,790**
Legal reserve	3,315	3,315
Other retained earnings	103,989	105,475
Reserve for deferred gain on sale of property	4,137	4,281
General reserve	90,000	90,000
Retained earnings carried forward	9,851	11,193
Treasury stock, at cost	**(15,583)**	**(11,328)**
Valuation and Translation Adjustments	**0**	**(2)**
Net unrealized gain on available-for-sale securities	0	(2)
Stock Acquisition Rights	**538**	**497**
Total Net Assets	**134,813**	**140,510**
Total Liabilities and Net Assets	**154,554**	**160,086**

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

NON-CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

Accounts	Current Fiscal Year (from April 1, 2018 to March 31, 2019)	Reference: Previous Fiscal Year (from April 1, 2017 to March 31, 2018)
	Amount	Amount
Operating revenue	15,715	12,644
Rental income	4,540	4,487
Dividend income	10,829	7,818
Other	345	338
Operating costs and expenses	1,908	1,928
Cost of rent	1,908	1,928
Operating gross income	**13,807**	**10,715**
Selling, general and administrative expenses	2,014	2,169
Operating income	**11,792**	**8,546**
Non-operating income	108	169
Interest income	14	11
Dividend income	3	11
Gain on sale of marketable securities	-	126
Reversal of allowance for doubtful receivables of subsidiaries and affiliated companies	79	-
Other	11	20
Non-operating expenses	646	2,408
Interest expenses	19	10
Loss on sale of marketable securities	27	-
Provision of allowance for doubtful receivables for subsidiaries and affiliated companies	592	2,385
Other	8	11
Ordinary income	**11,255**	**6,308**
Extraordinary income	120	746
Gain on sale of fixed assets	-	38
Gain on sales of investments in subsidiaries and affiliated companies	50	-
Compensation income	-	707
Insurance income	70	-
Extraordinary loss	5,029	70
Loss on sale and disposal of fixed assets	5	70
Loss on valuation of investments in subsidiaries and affiliated companies	5,000	-
Loss on disaster	24	-
Income before income taxes	**6,345**	**6,984**
Income taxes	376	523
Current	456	417
Deferred	(80)	105
Net income	**5,968**	**6,461**

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

AUDIT REPORTS

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 15, 2019

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, 2019 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, 2018 to March 31, 2019, 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, 2019, 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, 2019

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, 2019 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 71st fiscal year, from April 1, 2018 to March 31, 2019, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Non-consolidated 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, 2019, 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 reports on the audit procedures and results concerning the execution of duties by the Directors during the 71st fiscal year, from April 1, 2018 to March 31, 2019, prepared by each of the Audit & Supervisory Board Members. After review of the reports, we have prepared this Audit Report as follows:

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

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

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

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

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

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

Based on the above, we have examined the business report and the supplementary statement, financial statements (the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in net assets, and the related notes), and the accompanying supplemental schedules, as well as the consolidated financial statements (the consolidated balance sheets, the consolidated statements of income, the consolidated statement of equity, and the related notes) for the 71st fiscal year.

2. Results of the audit

(1) Results of the audit on the business report

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

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

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

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

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

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

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

May 22, 2019

Wacoal Holdings Corp.
Audit & Supervisory Board

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

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

Hiroshi Shirai (Seal)
Audit & Supervisory Board Member

Mitsuhiro Hamamoto (Seal)
Audit & Supervisory Board Member

Minoru Shimada (Seal)
Audit & Supervisory Board Member

(Note)

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

-End-