

**Consolidated Financial Statements for the Fiscal Year Ended March 31, 2017 (U.S. Accounting Standards)**  
**[Translation]**

May 10, 2017

Listed Company: Wacoal Holdings Corp.

Stock Exchanges: Tokyo (1st section)

Code Number: 3591 URL: <http://www.wacoalholdings.jp/>

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Scheduled date of Ordinary Shareholders' Meeting: June 29, 2017 Scheduled Commencement Date of Dividend Payment: June 6, 2017

Scheduled date of Annual Securities Report Filing: June 29, 2017

Supplementary materials regarding Annual Business Results: Yes

Explanatory meeting regarding Annual Business Results: Yes

(Amounts less than 1 million yen have been rounded.)

1. Consolidated Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(1) Consolidated Business Results

(% indicates changes from previous fiscal year)

	Net Sales	Operating Income	Income Before Income Taxes and Equity in Net Income of Affiliated Companies	Net Income Attributable to Wacoal Holdings Corp.
	Millions of Yen %	Millions of Yen %	Millions of Yen %	Millions of Yen %
Fiscal Year Ended March 31, 2017	195,881 (3.5)	11,065 (20.2)	16,569 10.8	12,525 12.2
Fiscal Year Ended March 31, 2016	202,917 5.8	13,865 95.8	14,957 31.9	11,159 32.2

(Note) Comprehensive income: Fiscal Year ended March 31, 2017: 12,296 million yen (- %)  
 Fiscal Year ended March 31, 2016: (49) million yen (- %)

	Net Income Attributable to Wacoal Holdings Corp. Per Share	Diluted Net Earnings Attributable to Wacoal Holdings Corp. Per Share	Ratio of Net Income Attributable to Wacoal Holdings Corp. to Shareholders' Equity	Ratio of Pre-tax Net Income to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
Fiscal Year Ended March 31, 2017	90.13	89.85	5.5	5.6	5.6
Fiscal Year Ended March 31, 2016	79.23	79.00	4.9	5.0	6.8

(Reference) Equity in net income of affiliated companies: Fiscal Year ended March 31, 2017: 1,359 million yen  
 Fiscal Year ended March 31, 2016: 1,245 million yen

(2) Consolidated Financial Condition

	Total Assets	Total Equity (Net Assets)	Total Shareholders' Equity	Total Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
Fiscal Year Ended March 31, 2017	294,958	232,482	227,568	77.2	1,658.53
Fiscal Year Ended March 31, 2016	292,854	229,401	224,374	76.6	1,592.90

(3) Consolidated Cash Flow Status

	Cash Flow provided by Operating Activities	Cash Flow provided by (used in) Investing Activities	Cash Flow provided by (used in) Financing Activities	Balance of Cash and Cash Equivalents at End of Fiscal Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal Year Ended March 31, 2017	16,351	(3,032)	(13,055)	33,995
Fiscal Year Ended March 31, 2016	12,635	(11,407)	(4,547)	34,059

## 2. Status of Dividends

	Annual Dividend					Total Amount of Dividends (annual)	Payout Ratio (consolidated)	Ratio of Dividend to Shareholders' Equity (consolidated)
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Fiscal Year Ended March 31, 2016	-	-	-	33.00	33.00	4,648	41.7	2.1
Fiscal Year Ended March 31, 2017	-	-	-	36.00	36.00	4,940	39.9	2.2
Fiscal Year Ending March 31, 2018 (Estimates)	-	18.00	-	18.00	36.00		54.9	

(Notes) As disclosed by us today, on May 10, 2017, we are planning to carry out a share consolidation as to the shares of common stock of the Company at the ratio of two (2) shares into one (1) share effective as of October 1, 2017. Please note that such share consolidation was not taken into consideration in determining the amount of the annual cash dividend for the next fiscal year (i.e., the fiscal year ending March 31, 2018) (estimated) mentioned above. If the share consolidation had been carried out at the beginning of the next fiscal year (i.e., the fiscal year ending March 31, 2018), the annual cash dividend per share for the next fiscal year would have been 72 yen. The payment ratio (consolidated) remains at 54.9%.

For details, please see “(3) Basic Policy Regarding Distribution of Profits and Dividends for Fiscal Year 2017 and Fiscal Year 2018” in Section 1 “Business Results” on page 11.

## 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(% indicates changes from the previous fiscal year with respect to “Annual” and from the six-month period ended September 30, 2016 with respect to “Six-month Period Ending September 30, 2017”)

	Net Sales		Operating Income		Pre-tax Net Income	Net Income Attributable to Wacoal Holdings Corp.	Net Income Attributable to Wacoal Holdings Corp. Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six-month Period Ending September 30, 2017	103,000	0.6	8,300	5.2	9,000 (24.3)	6,200 (32.6)	45.19
Annual	200,000	2.1	11,500	3.9	12,500 (24.6)	9,000 (28.1)	65.59

(Notes) As disclosed by us today, on May 10, 2017, we are planning to carry out a share consolidation as to the shares of common stock of the Company at the ratio of two (2) shares into one (1) share effective as of October 1, 2017. Please note that such share consolidation was not taken into consideration in calculating the amount of the net income attributable to Wacoal Holdings Corp. per share stated in the “Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2018” above. If the share consolidation had been carried out at the beginning of the fiscal year ending March 31, 2018, the amount of the net income attributable to Wacoal Holdings Corp. per share for said fiscal year would have been as follows:

Six-month Period Ending September 30, 2017: 90.38 yen                      Annual: 131.18 yen

### \*Notes

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2017 (change in scope of consolidation): None

New: None

Excluded: None

(Note) For details, please see “(7) Basic Significant Matters in Preparation of Consolidated Financial Statements” in Section 3 “Consolidated Financial Statements” on page 19.

- (2) Changes in Accounting Principles:

(i) Changes due to modifications in accounting standards, etc.: None

(ii) Changes other than (i) above: None

- (3) Number of Issued Shares (Common Stock)

	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2016
(i) Number of issued shares (including treasury stock) as of period-end:	143,378,085 shares	143,378,085 shares
(ii) Number of shares held as treasury stock as of period-end:	6,167,211 shares	2,519,350 shares
(iii) Average number of shares during the period:	138,966,630 shares	140,842,184 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(1) Non-consolidated Business Results

(% indicates changes from previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal Year Ended March 31, 2017	13,139	20.2	9,241	31.7	9,215	30.8	11,453	70.0
Fiscal Year Ended March 31, 2016	10,934	0.3	7,016	(1.2)	7,044	(4.1)	6,739	-

	Net Income Per Share	Diluted Net Earnings Per Share
	Yen	Yen
Fiscal Year Ended March 31, 2017	82.42	82.16
Fiscal Year Ended March 31, 2016	47.85	47.69

(2) Non-consolidated Financial Condition

(% indicates changes from previous fiscal year)

	Total Assets	Net Assets	Capital-to-asset Ratio	Net Asset per Share
	Millions of Yen	Millions of Yen	%	Yen
Fiscal Year Ended March 31, 2017	165,113	145,496	87.9	1,057.19
Fiscal Year Ended March 31, 2016	163,972	143,135	87.0	1,013.19

(Reference) Equity Capital: As of the end of the fiscal year ended March 31, 2017: 145,057 million yen

As of the end of the fiscal year ended March 31, 2016: 142,717 million yen

\*These financial statements are not subject to audit procedures.

\*Cautionary Statement regarding Forward Looking Statements

The foregoing estimates are made based on information available as of the date this data was released, and actual results may differ from estimates due to various factors arising in the future.

Statements made in this report regarding Wacoal's or management's intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on Wacoal's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements, such as statements regarding fiscal year 2018 revenues and operating and net profitability, are subject to various risks, uncertainties and other factors that could cause Wacoal's actual results to differ materially from those contained in any forward-looking statement.

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## Qualitative Information and Financial Statements

### 1. Business Results

#### (1) Business Results for Fiscal Year 2017

##### Results for the Fiscal Year Ended March 31, 2017

Our group entered the first year of our three-year mid-term plan (from fiscal year 2017 to fiscal year 2019), and we have been making efforts to improve profitability and business efficiency in line with the five elements of the basic policies, which are (i) to improve the infrastructure of our group management base as a foundation, (ii) to ensure profits from our domestic business, (iii) to achieve further growth of our overseas business, (iv) to achieve group synergies through collaboration and to strengthen our competitiveness and (v) to attempt to expand our business portfolio. Also, we intend to improve our corporate value by implementing an efficient capital policy.

During the current fiscal year, we steadily focused on increasing the productivity of our wholesale business and the profitability of our retail business in Japan, as well as improving and strengthening the foundations of our overseas business. While the domestic market continues to experience the slowdown in consumption of luxury goods and a series of closings of general merchandise stores, we moved forward with the development of products with new features and the standardization of goods for campaigns implemented at our directly managed stores. With respect to our overseas business, while respecting the local management, we continued to improve the value of our brands by providing high-end goods backed by craftsmanship and quality and to strengthen our ability to respond to the immensely growing e-commerce market. Also, two material manufacturers in Thailand and one sewing company in Myanmar commenced operations, enabling us to upgrade the infrastructure for the stable supply of our high-quality and cost-competitive materials/products.

As a result of our above-mentioned efforts, our consolidated sales for the current fiscal year fell below the consolidated sales for the previous fiscal year due to tighter management of inventories by our clients, even though the over-the-counter sales of our domestic business were steady. Sales from our overseas business in Europe on a local currency basis exceeded such sales for the previous fiscal year, mainly due to the favorable effect of the depreciation of the British Pound. However, sales from our business in the United States and China remained unchanged from the previous fiscal year. As a result, on a yen converted basis, consolidated sales on the Japanese Yen basis fell below the consolidated sales for the previous fiscal year due to the inflation of the Japanese Yen.

Although our consolidated operating income fell much below the consolidated operating income for the previous fiscal year due to increases in selling, general and administrative expenses which resulted from our domestic business and expenses related to the liquidation proceedings by our French subsidiary, it exceeded our initial plan for the current fiscal year. On the other hand, income before income taxes and equity in net income of affiliated companies largely exceeded that for the previous fiscal year due to gain on sale of fixed assets (land) for the first quarter of the current fiscal year.

As a result of the above, with respect to our consolidated business results for the fiscal year ended March 31, 2017, the consolidated operating income margin was 5.6%, and the consolidated ROE (i.e., return on Wacoal Holdings Corp. shareholders' equity for the current fiscal year) was 5.5%.

Net Sales:	195,881 million yen (a decrease of 3.5% as compared to the previous fiscal year)
Operating income:	11,065 million yen (a decrease of 20.2% as compared to the previous fiscal year)
Income before income taxes and equity in net income of affiliated companies:	16,569 million yen (an increase of 10.8% as compared to the previous fiscal year)
Net income attributable to Wacoal Holdings Corp.:	12,525 million yen (an increase of 12.2% as compared to the previous fiscal year)

##### Business Overview of Our Operating Segments

#### a. Wacoal Business (Domestic)

With respect to our Wacoal brand business, sales of brassiere products with new features which provide comfort to wear increased steadily, and sales of our pajama products of which design focuses on comfort for sleep increased by winning consumers. On the other hand, sales of our luxury-line products and underwear products were poor due to factors such as a slowdown in the consumption of luxury goods, a decrease in average spending per inbound tourist, the impact of a warm winter and the absence of the temporary demand increase we experienced in the previous fiscal year. As a result, overall sales fell below the overall sales for the previous fiscal year.

With respect to our Wing brand business, the shop sales of brassiere products for the whole current fiscal year were steady due to the strong sales of our spring/summer line of products. Also, our brand for junior generation “Pulili” business largely exceeded the results for the previous fiscal year due to the increase in the number of retailers selling this brand. However, as the sales of bottoms products were poor as compared to the sales for the previous fiscal year and general merchandise stores increasingly elected to close unprofitable stores and reduce inventories, overall sales fell below the overall sales for the previous fiscal year.

In our retail business, sales of our directly managed retail store, “AMPHI”, and our outlet store, “Factory Store”, remained unchanged from the previous fiscal year, despite a decrease in the number of buying customers, due to our success in updating our sales approach, including by introducing in-store discounts that resulted in an increase in average spending per customer. Also due to the expansion of sales of our common products for the campaign “BRAGENIC” and implementation of our store roll-out plan focusing on profitability, overall sales exceeded the overall sales for the previous fiscal year.

In our wellness business, although sales of our sports bra products under the “CW-X” brand showed were steady, sales of functional sport tights were poor at both sport specialty chain stores and outdoor specialty stores, due to increased competition in the market. Export sales for the market in the United States were also weak. As a result, overall sales fell below the overall sales for the previous fiscal year.

In our catalog sales business, although there was a turnaround in sales in the fourth quarter of the current fiscal year due to our campaign using SNS “LINE”, review of the number of issues of catalogs published and expansion in demand through improved communications with member customers, overall sales for the whole current fiscal year fell below the overall sales for the previous fiscal year due to the underperformance of our catalog products from the first quarter of the current fiscal year to the third quarter of the current fiscal year.

With respect to Ai Co., Ltd., although sales from our e-commerce website focusing on swimwear grew steadily, overall sales dropped compared to overall sales for the previous fiscal year, due to the underperformance of our seasonal stores opened only during a period of peak demand, as well as the reduction of sales space at department stores and the increased returns of our products resulting from poorly-functioning e-commerce websites managed by other companies.

As a result, sales attributable to our “Wacoal Business (Domestic)” segment decreased 1.8% from such sales for the previous fiscal year. Operating income decreased 21.0% from the previous fiscal year due to an increase in retirement benefit expenses at Wacoal Corp., recognition of one-time expenses and depreciation expenses in connection with the opening for the business at the New Kyoto Building, and an increase in local tax as a result of the introduction of pro-forma basis taxation.

Net Sales:	118,389 million yen (a decrease of 1.8% as compared to the previous fiscal year)
Operating income:	6,959 million yen (a decrease of 21.0% as compared to the previous fiscal year)

b. Wacoal Business (Overseas)

With respect to Wacoal America, Inc., department-store sales on a local currency basis were weak due to the shifting focus in the retail environment in the United States from physical store sales to e-commerce sales, a trend that has become more prominent. On the other hand, overall sales on a local currency basis remained unchanged from the previous fiscal year, as sales from our own e-commerce website increased significantly and sales of our products through e-commerce websites managed by department stores and other companies grew substantially. The gross profit rate improved because discounts were decreased by our pricing policy and also due to a higher ratio of e-commerce sales. However, operating income on a local currency basis fell below the operating income for the previous fiscal year due to increases of expenses associated with strengthening of e-commerce sales, increases of labor costs in healthcare costs as a result of increases in medical insurance premiums, and impact of expenses from closure of our directly managed outlet stores that were underperforming.

With respect to sales on a local currency basis for Wacoal Europe, sales at department stores in the United Kingdom were steady and e-commerce sales in the North America were strong. Also, sales from our plus-size brand “Elomi” greatly exceeded sales for the previous fiscal year in various countries including Europe, North America and Australia. Although sales were significantly and negatively impacted by the “Huit” brand, which business was liquidated, overall sales exceeded the overall sales for the previous fiscal year due to the currency appreciation in non-British Pound markets. In terms of operating income on a local currency basis, although gross profit increased due to increased sales, our overall operating income largely fell below the operating income for the previous fiscal year due to the impact of expenses related to the liquidation proceedings for our French subsidiary and increased expenses under IT-related investments.

With respect to our business in China, as a result of consumers becoming more sophisticated in balancing quality and service against price, sales of “Wacoal” brand products were poor and over-the-counter sales at department stores grew at a stagnant pace. However, e-commerce sales were steady due to strong sales on the online shopping festival day called “Double Eleven”. As a result, although overall sales on a local currency basis for the first half of the fiscal year were weak, the overall sales on a local currency basis for the whole current fiscal year remained unchanged from the previous fiscal year. Operating income on a local currency basis exceeded the operating income for the previous fiscal year due to the closure of underperforming stores and suspension of opening of shops for the “La Rosabelle”, our brand targeting the middle-class consumers.

As a result of the above, and due to the impact of foreign exchange rates caused by the appreciation of the Japanese Yen during the current fiscal year, the overall sales attributable to our “Wacoal Business (Overseas)” segment on the Japanese Yen basis decreased 6.6% and the operating income decreased 31.1% compared to the results for the previous fiscal year.

Net Sales:	48,423 million yen (a decrease of 6.6% as compared to the previous fiscal year)
Operating income:	3,055 million yen (a decrease of 31.1% as compared to the previous fiscal year)

c. Peach John Business

With respect to Peach John Co., Ltd., retail sales at stores exceeded retail sales from mail-order catalogues for the current fiscal year. This is due to strong sales of our directly managed stores we own domestically, especially at the existing stores located in Tokyo. We also experienced significant growth in sales through e-commerce websites managed by other companies for the whole current fiscal year. Overseas subsidiaries in Hong Kong and China both experienced positive growth. On the other hand, because the sales of outerwear from domestic mail order catalogues fell significantly below such sales for the previous fiscal year, the results for the overall sales remained unchanged from the previous fiscal year. In terms of operating income, as the gross profit rate improved due to favorable foreign exchange rates, as well as reduction in production cost for direct mail sales catalogs and our Chinese subsidiaries returning to profitability, operating income largely exceeded the operating income for the previous fiscal year.

Net Sales:	11,107 million yen (a decrease of 0.7% as compared to the previous fiscal year)
Operating income:	374 million yen (an increase of 45.0% as compared to the previous fiscal year)

d. Other

With respect to the business of Lecien Corporation (“Lecien”), sales of the innerwear business, which is its main business division, were poor for the whole current fiscal year, as sales during the fall and winter were poor, while the “brassiere for school club activities” campaign conducted during the fourth quarter of the current fiscal year proved to be successful. The art & hobby business, which mainly deals in handcraft items, performed poorly, as the anticipated repeat orders from North America did not materialize. As a result, overall sales from Lecien fell below the overall sales from the previous fiscal year. However, with respect to operating income, we moved to surplus from deficit for the previous fiscal year, due to the increased gross profit rate as a result of favorable foreign exchange rates, as well as increases in unit prices of innerwear products and a shift towards sales of high-profit products in both innerwear and art & hobby businesses.

With respect to Nanasai Co., Ltd. (“Nanasai”), while the rental business performed well in areas such as seasonal shops and events, its business aimed at permanent stores such as department stores performed poorly. Sales from the construction business fell below the sales for the previous fiscal year due to continued postponement by our valued clients of sales space renovation projects because of worsened business confidence in the clothing industry. The poor sales of sales business were the result of postponement of construction projects. As a result, overall sales from Nanasai fell below the overall sales for the previous fiscal year. Operating income fell below the operating income for the previous fiscal year in spite of our efforts to reduce operating expenses, due to the decrease in the gross profit rate caused by increases in rental business costs and the increase in the percentage of low-profit construction projects.

As a result of the above, overall sales attributable to our “Other” segment decreased 6.9% from the overall sales for the previous fiscal year, and operating income increased 86.0% from the operating income for the previous fiscal year.

Net Sales:	17,962 million yen (a decrease of 6.9% as compared to the previous fiscal year)
Operating income:	677 million yen (an increase of 86.0% as compared to the previous fiscal year)

Forecast for Next Fiscal Year

Because the domestic economy is anticipated to make only a mild recovery due to improvement in the employment environment, the management environment surrounding our group will remain difficult, as consumers will very likely continue to be budget-conscious and a number of large-scale retail stores will withdraw from the market. Also, as our overseas business might be affected by the trade and financial policies to be adopted by the new government of the United States, political situations in European countries, as well as economic circumstances in China and other Asian countries, the prospects for our overseas business will remain uncertain.

In such an environment, our group will continue to move forward with improving and strengthening of our business structure toward achieving the objectives of our mid-term business plan. Specifically, we will make effort to promote the growth in our domestic business by increasing the efficiency of our organization and human resources and by working on the utilization of digital devices at stores as well as the

strengthening of e-commerce websites, aiming for the realization of omni-channel services that will achieve synergies with our wholesale business. Further, we will implement thorough inventory controls in order to enhance profitability of our business as a whole, and also increase the profitability of each of our brands and product groups by achieving an appropriate product mix and by being selective about and targeting our promotional spending. In our overseas business, we are planning to pursue business collaboration between Europe and the United States and to establish system infrastructure that enables sharing of information on product planning and production management, aiming for the development of highly competitive products and decreases in procurement lead time. Further, in China, we will enhance our system to strengthen digital marketing, such as through mobile applications and utilization of SNS tools, and continue to strengthen our ability to respond to accelerating expansion of e-commerce markets throughout the world. In addition, we will seek to supply high-value-added materials/products and stabilize procurement costs for our group companies within and outside Japan, by putting effort into improving product quality and cost competitiveness in China and ASEAN-member countries, which are our product supply bases.

Our forecast for the next fiscal year is as follows. The exchange rate used for the U.S. dollar is 110 yen to the dollar; the exchange rate used for the Sterling pound is 145 yen to the pound; and the exchange rate used for the Chinese yuan is 16 yen to the yuan.

Net Sales:	200,000 million yen (an increase of 2.1% as compared to the previous fiscal year)
Operating income:	11,500 million yen (an increase of 3.9% as compared to the previous fiscal year)
Income before income taxes and equity in net income of affiliated companies:	12,500 million yen (a decrease of 24.6% as compared to the previous fiscal year)
Net income attributable to Wacoal Holdings Corp.:	9,000 million yen (a decrease of 28.1% as compared to the previous fiscal year)

## (2) Financial Condition as of Fiscal Year 2017

### Status of Assets, Liabilities and Shareholders' Equity

Our total assets as of March 31, 2017 were 294,958 million yen, an increase of 2,104 million yen from the end of the previous fiscal year, due to increases in tangible fixed assets and investments.

With regard to liabilities, our current liabilities were 62,476 million yen, a decrease of 977 million yen from the end of the previous fiscal year, due to decreases in short-term bank loans and notes and accounts payable.

Shareholders' equity was 227,568 million yen, an increase of 3,194 million yen from the end of the previous fiscal year, due to increases in retained earnings and unrealized gain on securities.

As a result of the above, our total shareholders' equity ratio as of March 31, 2017 was 77.2%, an increase of 0.6% from the end of the previous fiscal year.

### Cash Flows Status

Cash flow provided by operating activities:

Cash flow provided by operating activities was 16,351 million yen, an increase of 3,716 million yen as compared to the previous fiscal year, which reflects the result of adjusting the net income of 12,648 million yen for depreciation expenses and deferred taxes, as well as changes in assets and liabilities.

Cash flow used in investing activities:

Cash flow used in investing activities was 3,032 million yen, a decrease of 8,375 million yen as compared to the previous fiscal year, due to capital expenditures.

Cash flow used in financing activities:

Cash flow used in financing activities was 13,055 million yen, an increase of 8,508 million yen as compared to the previous fiscal year, due to cash dividend payments and repurchase of treasury stock.

As a result, the balance of cash and cash equivalents at the end of fiscal year 2017, calculated by adding the exchange difference on cash and cash equivalents to the above total, was 33,995 million yen, a decrease of 64 million yen as compared to the end of the previous fiscal year.

Free cash flow, which was calculated by subtracting the amount of capital investment from the cash flow provided by operating activities, amounted to 8,906 million yen.

Trends in certain cash-flow indicators

	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2017
Shareholders' equity ratio (%)	76.2	76.6	77.2
Shareholders' equity ratio based on market value (%)	63.4	64.6	63.9
Debt redemption years (years)	1.0	1.0	0.5
Interest coverage ratio (times)	143.4	188.6	605.6

Shareholders' equity ratio = shareholders' equity/total assets

Shareholders' equity ratio based on the market value = aggregate market value of shareholders' equity/total assets

Debt redemption years = interest-bearing debt/cash flow provided by operating activities

Interest coverage ratio = cash flow provided by operating activities/interest payment

Interest payment = "cash paid for interest" as described in the additional cash flow information following the consolidated statements of cash flows

(3) Basic Policy Regarding Distribution of Profits and Dividends for Fiscal Year 2017 and Fiscal Year 2018

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. With respect to retained earnings, we have actively invested and will continue to actively invest in expanding our customer bases for our domestic business and our overseas businesses, with the aim of improving our corporate value. We also plan to use our retained earnings for strategic investments for maintaining competitiveness and reinforcing growth. With these efforts, we seek to benefit our shareholders by improving future profitability. We also intend to acquire treasury stock in a flexible manner taking into account the level of free cash flow as well as the market environment, and will make effort to improve capital efficiency and return profits to our shareholders.

Based on this policy, we are scheduled to distribute 36 yen per share for the current fiscal year, which is an increase of 3 yen per share as compared to the previous fiscal year. As a result, the dividend payout ratio on a consolidated basis will be 39.9% for the current fiscal year.

In addition, although we have paid only year-end dividends so far, we have decided to submit to the ordinary general meeting of shareholders a proposal that we would pay interim dividends from the next fiscal year (i.e., the fiscal year ending March 31, 2018) in order to enhance the opportunities for us to return profits to our shareholders. For the fiscal year ending March 31, 2018, annual cash dividend per share will be 36 yen (18 yen out of which is an interim dividend), which remains unchanged from the current fiscal year.

(Note 1) For more information about the above-mentioned interim dividends, please refer to the "Announcement of Introduction of Interim Dividend Policy and Partial Amendment to Articles of Incorporation" disclosed by us today, on May 10, 2017.

(Note 2) As disclosed by us today, on May 10, 2017, we are planning to carry out a share consolidation as to the shares of common stock of the Company at the ratio of two (2) shares into one (1) share effective as of October 1, 2017. Please note that such share consolidation was not taken into consideration in determining the amount of the annual cash dividend for the next fiscal year (i.e., the fiscal year ending March 31, 2018) (estimated) mentioned above.

If the share consolidation had been carried out at the beginning of the fiscal year ending March 31, 2018, the annual cash dividend per share for the next fiscal year would have been 72 yen (36 yen out of which would be an interim dividend).

For more information about the above-mentioned share consolidation, please refer to the "Announcement of Change of Number of Shares in One Unit of Shares, Share Consolidation and Partial Amendment to Articles of Incorporation" disclosed by us.

## 2. Basic Policies regarding Selection of Accounting Standards

Our group has been preparing our consolidated financial statements based on U.S. accounting standards prior to the introduction of the accounting standards for consolidated financial statements in Japan and, for this reason, we have been adopting U.S. accounting standards.

In view of adopting International Financial Reporting Standards in the future, our group is making efforts to prepare internal manuals and guidelines.

### 3. Consolidated Financial Statements (Unaudited)

#### (1) Consolidated Balance Sheets

Accounts	As of March 31, 2016	As of March 31, 2017	Amount Increased/(Decreased)
(Assets)	Millions of Yen	Millions of Yen	Millions of Yen
<b>I. Current assets</b>			
Cash and cash equivalents	34,059	33,995	(64)
Time deposits	2,131	2,722	591
Marketable securities	1,880	1,457	(423)
Notes and accounts receivable	26,936	25,563	(1,373)
Allowance for returns and doubtful receivables	(2,229)	(2,477)	(248)
Inventories	44,445	43,822	(623)
Deferred income taxes	3,832	4,049	217
Other current assets	5,797	4,683	(1,114)
<b>Total current assets</b>	<b>116,851</b>	<b>113,814</b>	<b>(3,037)</b>
<b>II. Property, Plant and Equipment</b>			
Land	21,677	21,555	(122)
Buildings and building improvements	65,056	72,664	7,608
Machinery and equipment	17,552	17,722	170
Construction in progress	<u>5,419</u>	<u>274</u>	<u>(5,145)</u>
	109,704	112,215	2,511
Accumulated depreciation	(55,766)	(56,927)	(1,161)
<b>Net property, plant and equipment</b>	<b>53,938</b>	<b>55,288</b>	<b>1,350</b>
<b>III. Other assets</b>			
Investments in affiliated companies	20,713	20,868	155
Investments	56,021	59,847	3,826
Goodwill	17,911	16,071	(1,840)
Other intangible assets	12,112	11,849	(263)
Prepaid pension expense	8,145	10,287	2,142
Deferred income taxes	1,036	1,060	24
Other	6,127	5,874	(253)
<b>Total other assets</b>	<b>122,065</b>	<b>125,856</b>	<b>3,791</b>
<b>Total Assets</b>	<b>292,854</b>	<b>294,958</b>	<b>2,104</b>

Accounts	As of March 31, 2016	As of March 31, 2017	Amount Increased/(Decreased)
(Liabilities)	Millions of Yen	Millions of Yen	Millions of Yen
<b>I. Current Liabilities</b>			
Short-term bank loans	11,759	7,716	(4,043)
Notes and accounts payables			
Trade notes	1,431	1,438	7
Trade accounts	12,017	11,605	(412)
Other payables	<u>6,106</u>	<u>6,185</u>	<u>79</u>
	19,554	19,228	(326)
Accrued payroll and bonuses	7,152	7,093	(59)
Income taxes payable	711	2,964	2,253
Current portion of long-term debt	293	50	(243)
Other current liabilities	4,874	4,008	(866)
<b>Total current liabilities</b>	<b>44,343</b>	<b>41,059</b>	<b>(3,284)</b>
<b>II. Long-term liabilities</b>			
Long-term debt	95	185	90
Liabilities for termination and retirement benefit	1,703	1,956	253
Deferred income taxes	15,588	17,862	2,274
Other long-term liabilities	1,724	1,414	(310)
<b>Total long-term liabilities</b>	<b>19,110</b>	<b>21,417</b>	<b>2,307</b>
<b>Total liabilities</b>	<b>63,453</b>	<b>62,476</b>	<b>(977)</b>
<b>(Equity)</b>			
<b>I. Common stock</b>	<b>13,260</b>	<b>13,260</b>	<b>-</b>
<b>II. Additional paid-in capital</b>	<b>29,686</b>	<b>29,707</b>	<b>21</b>
<b>III. Retained earnings</b>	<b>162,196</b>	<b>170,062</b>	<b>7,866</b>
<b>IV. Accumulated other comprehensive income (loss)</b>			
Foreign currency translation adjustments	5,177	1,212	(3,965)
Unrealized gain on securities	17,966	21,075	3,109
Pension liability adjustments	(1,035)	(414)	621
<b>V. Treasury stock, at cost</b>	<b>(2,876)</b>	<b>(7,334)</b>	<b>(4,458)</b>
<b>Total Wacoal Holdings Corp. shareholders' equity</b>	<b>224,374</b>	<b>227,568</b>	<b>3,194</b>
<b>VI. Noncontrolling interests</b>	<b>5,027</b>	<b>4,914</b>	<b>(113)</b>
<b>Total equity</b>	<b>229,401</b>	<b>232,482</b>	<b>3,081</b>
<b>Total liabilities and equity</b>	<b>292,854</b>	<b>294,958</b>	<b>2,104</b>

## (2) Consolidated Statements of Income

Accounts	Fiscal Year Ended March 31, 2016		Fiscal Year Ended March 31, 2017		Amount Increased/(Decreased)
	Millions of Yen	%	Millions of Yen	%	
I. Net Sales	202,917	100.0	195,881	100.0	(7,036)
II. Operating costs and expenses					
Cost of sales	95,901	47.3	92,950	47.5	(2,951)
Selling, general and administrative expenses	93,151	45.9	91,866	46.9	(1,285)
Total operating costs and expenses	189,052	93.2	184,816	94.4	(4,236)
Operating income	13,865	6.8	11,065	5.6	(2,800)
III. Other income (expenses)					
Interest income	161		157		(4)
Interest expense	(65)		(27)		38
Dividend income	1,057		1,176		119
Gain or loss on sale or exchange of marketable securities and investments – net	90		441		351
Valuation loss on marketable securities and investments	(20)		1		21
Gain on sale of property, plant and equipment	-		3,770		3,770
Other – net	(131)		(14)		117
Total other income (expenses)	1,092	0.6	5,504	2.9	4,412
Income before income taxes and equity in net income of affiliated companies	14,957	7.4	16,569	8.5	1,612
Income taxes					
Current	3,442	1.7	4,830	2.5	1,388
Deferred	1,288	0.7	450	0.2	(838)
Total income taxes	4,730	2.4	5,280	2.7	550
Income before equity in net income of affiliated companies	10,227	5.0	11,289	5.8	1,062
Equity in net income of affiliated companies	1,245	0.7	1,359	0.7	114
Net income	11,472	5.7	12,648	6.5	1,176
Net income attributable to non-controlling interests	(313)	(0.2)	(123)	(0.1)	190
Net income attributable to Wacoal Holdings Corp.	11,159	5.5	12,525	6.4	1,366

## (3) Consolidated Statements of Comprehensive Income

Accounts	Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2017	Amount Increased/(Decreased)
	Millions of Yen	Millions of Yen	Millions of Yen
I. Net income	11,472	12,648	1,176
II. Other comprehensive income (loss) – net of tax			
Foreign currency translation adjustments	(5,670)	(4,079)	1,591
Net unrealized gain on securities	(2,880)	3,109	5,989
Pension liability adjustments	(2,971)	618	3,589
Other comprehensive income (loss)	(11,521)	(352)	11,169
Comprehensive income (loss)	(49)	12,296	12,345
Comprehensive income attributable to noncontrolling interests	(270)	(6)	264
Comprehensive income (loss) attributable to Wacoal Holdings Corp.	(319)	12,290	12,609

## (4) Consolidated Statements of Equity

Fiscal Year Ended March 31, 2016

Item	Equity								
	Shares of Outstanding Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated other comprehensive income	Treasury stock	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
	Thousand shares	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
As of April 1, 2015	140,841	13,260	29,642	155,264	33,586	(2,895)	228,857	2,711	231,568
Cash dividends paid to Wacoal Holdings Corp. shareholders (30.00 yen per share)				(4,225)			(4,225)		(4,225)
Cash dividends paid to noncontrolling interests							-	(206)	(206)
Repurchase of treasury stock	(5)					(7)	(7)		(7)
Sale of treasury stock	1					1	1		1
Equity transactions with noncontrolling interest shareholders							-	2,252	2,252
Other	22		44	(2)		25	67		67
Net income				11,159			11,159	313	11,472
Other comprehensive income (loss)					(11,478)		(11,478)	(43)	(11,521)
As of March 31, 2016	140,859	13,260	29,686	162,196	22,108	(2,876)	224,374	5,027	229,401

Fiscal Year Ended March 31, 2017

Item	Equity								
	Shares of Outstanding Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated other comprehensive income	Treasury stock	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
	Thousand shares	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
As of April 1, 2016	140,859	13,260	29,686	162,196	22,108	(2,876)	224,374	5,027	229,401
Cash dividends paid to Wacoal Holdings Corp. shareholders (33.00 yen per share)				(4,648)			(4,648)		(4,648)
Cash dividends paid to noncontrolling interests							-	(167)	(167)
Repurchase of treasury stock	(3,703)					(4,522)	(4,522)		(4,522)
Other	55		21	(11)		64	74	48	122
Net income				12,525			12,525	123	12,648
Other comprehensive income (loss)					(235)		(235)	(117)	(352)
As of March 31, 2017	137,211	13,260	29,707	170,062	21,873	(7,334)	227,568	4,914	232,482

## (5) Consolidated Statements of Cash Flows

Accounts	Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2017	Amount Increased/(Decreased)
	Millions of Yen	Millions of Yen	Millions of Yen
<b>I. Operating activities</b>			
1. Net income	11,472	12,648	1,176
2. Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation and amortization	4,815	5,032	217
(2) Provision for returns and doubtful receivables – net	(117)	264	381
(3) Deferred income taxes	1,288	450	(838)
(4) Gain or loss on sales or disposal of property, plant and equipment –net	59	(3,374)	(3,433)
(5) Impairment charges on property, plant and equipment	256	-	(256)
(6) Gain or loss on sales or exchange of marketable securities and investments - net	(90)	(441)	(351)
(7) Valuation loss on marketable securities and investments – net	20	(1)	(21)
(8) Equity in net income of affiliated companies, less dividends	(482)	(837)	(355)
(9) Changes in assets and liabilities			
Decrease (increase) in notes and receivable	(195)	882	1,077
Increase in inventories	(1,008)	(378)	630
Decrease (increase) in other current assets	(1,111)	475	1,586
Decrease in notes and accounts payable	(45)	(95)	(50)
Decrease in liabilities for termination and retirement benefits	(2,101)	(417)	1,684
(Decrease) increase in other liabilities	(261)	1,615	1,876
(10) Other	135	528	393
Net cash provided by operating activities	12,635	16,351	3,716
<b>II. Investing activities</b>			
1. Increase in time deposits	(2,459)	(4,336)	(1,877)
2. Decrease in time deposits	2,889	3,717	828
3. Proceeds from sale and redemption of marketable securities	1,118	1,257	139
4. Payments to acquire marketable securities	(533)	(295)	238
5. Proceeds from sale of property, plant and equipment	775	3,585	2,810
6. Capital expenditures	(7,546)	(5,504)	2,042
7. Payments to acquire intangible assets	(1,432)	(1,941)	(509)
8. Proceeds from sales of investments	235	835	600
9. Payments to acquire investments	(516)	(387)	129
10 Proceeds from sale of shares of an affiliated company	6	4	(2)
11. Other	(3,944)	33	3,977
Net cash used in investing activities	(11,407)	(3,032)	8,375
<b>III. Financing activities</b>			
1. Net decrease (increase) in short-term bank loans	2,101	(3,613)	(5,714)
2. Proceeds from issuance of long-term debt	-	250	250
3. Repayment of long-term debt	(4,463)	(403)	4,060
4. Repurchase of treasury stock	(7)	(4,522)	(4,515)
5. Sale of treasury stock	1	-	(1)
6. Dividends paid on common stock	(4,225)	(4,648)	(423)
7. Dividends paid to noncontrolling interests	(206)	(167)	39
8. Other	2,252	48	(2,204)
Net cash used in financing activities	(4,547)	(13,055)	(8,508)
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	(1,032)	(328)	704
<b>V. Net decrease in cash and cash equivalents</b>	(4,351)	(64)	4,287
<b>VI. Cash and cash equivalents, beginning of year</b>	38,410	34,059	(4,351)
<b>VII. Cash and cash equivalents, end of year</b>	34,059	33,995	(64)

## Additional Cash Flow Information

Accounts	Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2017	Amount Increased/(Decreased)
Cash paid for			
Interest	67	27	(40)
Income taxes	5,756	2,812	(2,944)
Noncash investing activities			
Acquisition of fixed assets by assuming payment obligation	736	795	59

### (6) Notes on Going Concern

Not applicable.

### (7) Basic Significant Matters in Preparation of Consolidated Financial Statements

#### (i) Matters Regarding the Scope of Consolidation and Application of the Equity Method

Major consolidated subsidiaries:

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

Major Affiliated Companies:

Shinyoung Wacoal Inc., Taiwan Wacoal Co., Ltd. and Thai Wacoal Public Co., Ltd.

#### (ii) Changes Regarding Subsidiaries and Affiliates

Consolidated (new):

Taiwan Peach John Ltd.

Consolidated (excluded):

Wacoal (UK) Ltd., Eveden Huit SAS

Equity Method (excluded):

Phinetex B.V.

#### (iii) Standard of Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared based on terms, format and preparation methods in compliance with accounting standards generally accepted in the United States as required in connection with the issuance of American Depositary Receipts. For this reason, the consolidated financial statements may be different from those that have been prepared based on the Consolidated Financial Statement Regulations and the Standard of Preparation of Consolidated Financial Statements in Japan.

#### (iv) Significant Accounting Policies

##### a. Valuation Standard of Inventories

The average cost method was mainly used for goods, products and supplies, and the first-in first-out method was used for raw materials, with both valued at the lower of cost or market.

##### b. Valuation Standard of Property, Plant and Equipment and Method of Depreciation

Property, plant and equipment are valued at the acquisition cost. Depreciation expenses are calculated mainly using the fixed-rate method based on the estimated useful lives of the assets (the lease term is used for capitalized leased assets).

##### c. Valuation Standard of Marketable Securities and Investments

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

##### d. Liabilities for Termination and Retirement Benefits

This is accounted for based on FASB ASC 715.

e. Consumption Taxes

Consumption taxes have been excluded from sales.

f. Consolidated Statements of Cash Flows

In preparing the consolidated cash flow statements, highly liquid investments with original maturities of three (3) months or less have been included in cash and cash equivalents.

(8) Notes to the Consolidated Financial Statements

(i) Marketable Securities and Investments

(Millions of Yen)

	As of March 31, 2016				As of March 31, 2017			
	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Marketable Securities								
National debt securities	10	0	-	10	10	0	-	10
Corporate debt securities	395	-	0	395	-	-	-	-
Mutual Fund	1,083	279	1	1,361	701	168	1	868
Total	1,488	279	1	1,766	711	168	1	878
Investments								
Equity securities	23,592	30,336	3	53,925	23,153	34,833	10	57,976
Total	23,592	30,336	3	53,925	23,153	34,833	10	57,976

(Note) Securities which are classified as trading and available for sale securities are shown in the above table and investments in nonmarketable equity securities for which there are no readily determinable fair values are not shown.

(ii) Contract Amount, Market Value and Valuation Profit/Loss of Derivative Transactions

Our subsidiaries have been utilizing foreign exchange forward contracts to prepare for exposure to market risks from changes in foreign exchange rates. The disclosure of gains and losses of such contracts has been omitted as the amounts involved are non-material.

(iii) Per Share Information

	Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2017
Net income attributable to Wacoal Holdings Corp.	11,159 million yen	12,525 million yen
Number of average shares issued during the year (excluding treasury stock)	140,842,184 shares	138,966,630 shares
Net income attributable to Wacoal Holdings Corp. per share	79.23 yen	90.13 yen
Diluted net income attributable to Wacoal Holdings Corp. per share	79.00 yen	89.85 yen

## (iv) Segment Information

## a. Operating Segment Information

Fiscal Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	120,570	51,869	11,190	19,288	202,917	-	202,917
(2) Intersegment	1,427	8,595	775	6,102	16,899	(16,899)	-
Total	121,997	60,464	11,965	25,390	219,816	(16,899)	202,917
Operating costs and expenses	113,187	56,031	11,707	25,026	205,951	(16,899)	189,052
Operating income	8,810	4,433	258	364	13,865	-	13,865

Fiscal Year Ended March 31, 2017 (April 1, 2016 - March 31, 2017)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	118,389	48,423	11,107	17,962	195,881	-	195,881
(2) Intersegment	1,098	9,236	1,006	5,947	17,287	(17,287)	-
Total	119,487	57,659	12,113	23,909	213,168	(17,287)	195,881
Operating costs and expenses	112,528	54,604	11,739	23,232	202,103	(17,287)	184,816
Operating income	6,959	3,055	374	677	11,065	-	11,065

(Note) 1. Core products of respective businesses:

Wacoal business (Domestic): innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, sportswear, hosiery, etc.

Wacoal business (Overseas): innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, sportswear, hosiery, and other textile-related products, etc.

Peach John business: innerwear (foundation, lingerie and nightwear), outerwear, and other textile-related products, etc.

Other: innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, other textile-related products, mannequins, shop design and implementation, etc.

b. Information by Region

Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Total	Elimination or corporate	Consolidated
I. Net sales						
External customers	150,673	17,906	34,338	202,917	-	202,917
II. Operating income	9,308	1,381	3,176	13,865	-	13,865
III. Long-lived assets	46,136	4,490	3,312	53,938	-	53,938

Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Total	Elimination or corporate	Consolidated
I. Net sales						
External customers	147,061	19,187	29,633	195,881	-	195,881
II. Operating income	7,738	1,758	1,569	11,065	-	11,065
III. Long-lived assets	47,452	4,661	3,175	55,288	-	55,288

- (Note) 1. Countries or areas are classified according to geographical proximity.  
2. Main countries and areas belonging to classifications other than Japan  
    Asia/Oceania: various countries of East Asia, Southeast Asia and West Asia, and Australia  
    Europe/N.A.: North America and European countries  
3. Sales in respect of consolidated companies are categorized by location.  
4. Long-lived assets include property, plant and equipment.

c. Overseas Sales

Fiscal Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of Yen)

	Asia/Oceania	Europe/N.A.	Total
I. Overseas net sales	17,906	34,338	52,244
II. Consolidated net sales	-	-	202,917
III. Ratio of overseas net sales to total consolidated net sales	8.8%	16.9%	25.7%

Fiscal Year Ended March 31, 2017 (April 1, 2016 - March 31, 2017)

(Millions of Yen)

	Asia/Oceania	Europe/N.A.	Total
I. Overseas net sales	19,187	29,633	48,820
II. Consolidated net sales	-	-	195,881
III. Ratio of overseas net sales to total consolidated net sales	9.8%	15.1%	24.9%

- (Note) 1. Countries or areas are classified according to geographical proximity.  
2. Main countries and areas belonging to classifications other than Japan  
    Asia/Oceania: various countries of East Asia, Southeast Asia and West Asia, and Australia  
    Europe/N.A.: North America and European countries

(v) Status of Sales

Type of product	Fiscal Year Ended March 31, 2016		Fiscal Year Ended March 31, 2017	
	Amount	Distribution ratio	Amount	Distribution ratio
	Millions of Yen	%	Millions of Yen	%
Innerwear				
Foundation and lingerie	151,166	74.5	145,188	74.1
Nightwear	10,098	5.0	9,154	4.7
Children's underwear	1,386	0.7	1,429	0.7
Subtotal	162,650	80.2	155,771	79.5
Outerwear/Sportswear	19,074	9.4	17,189	8.8
Hosiery	2,178	1.1	2,235	1.1
Other textile goods and related products	7,161	3.5	9,346	4.8
Other	11,854	5.8	11,340	5.8
Total	202,917	100.0	195,881	100.0

(vi) Significant Subsequent Events

Not applicable.

Omission of Disclosure:

We have omitted notes regarding the lease transactions, related-party transactions, stock options and income taxes etc. because we believe it is not sufficiently necessary to disclose information on these matters in these financial statements.

#### 4. Other

##### Changes to Corporate Officers

The scheduled changes to the composition of the board of directors after the conclusion of the 69th Ordinary General Meeting of Shareholders to be held on June 29, 2017 will be as follows.

1. Promotion of Director (as of June 29, 2017 (scheduled))

Current Director Masashi Yamaguchi is scheduled to be promoted to and appointed as Managing Director.

2. Resignation of Director (as of June 29, 2017 (scheduled))

Mamoru Ozaki is scheduled to resign as Director (outside director).

3. New appointment of Director (as of June 29, 2017 (scheduled))

Shigeru Saito, Representative Director and Chairman and CEO of Tose Co., Ltd., is scheduled to be appointed as Director (outside director).

4. Resignation of Audit & Supervisory Board Member (as of June 29, 2017 (scheduled))

Yoko Takemura is scheduled to resign as Audit & Supervisory Board Member (outside auditor).

5. New appointment of Audit & Supervisory Board Member (as of June 29, 2017 (scheduled))

Mitsuhiro Hamamoto, partner of Kikkawa Law Offices, is scheduled to be appointed as Audit & Supervisory Board Member (outside auditor).

The management and administrative organization after the conclusion of the 69th Ordinary General Meeting of Shareholders to be held on June 29, 2017 will be as follows:

##### Management and Administrative Organization for the 70th Fiscal Year

<u>Director/Audit &amp; Supervisory Board Member</u>	<u>Name</u>
Representative Director and President	Yoshikata Tsukamoto
Director and Vice President	Hironobu Yasuhara
Director and Vice President	Masaya Wakabayashi
Managing Director	Masashi Yamaguchi
Director (outside director)	Atsushi Horiba
Director (outside director)	Madoka Mayuzumi
Director (outside director)	Shigeru Saito (newly appointed)
Audit & Supervisory Board Member	Tomoki Nakamura
Audit & Supervisory Board Member	Kiyotaka Hiroshima
Audit & Supervisory Board Member (outside auditor)	Akira Katayanagi
Audit & Supervisory Board Member (outside auditor)	Hiroshi Shirai
Audit & Supervisory Board Member (outside auditor)	Mitsuhiro Hamamoto (newly appointed)

(Reference)

The management and administrative organization for the 13th term of Wacoal Corporation will be as follows:

Management and Administrative Organization for the 13th Term

<u>Director/ Audit &amp; Supervisory Board Member</u>	<u>Corporate Officer</u>	<u>Name</u>	<u>Responsibility</u>
Representative Director and Chairman		Yoshikata Tsukamoto	
Representative Director	President and Corporate Officer	Hironobu Yasuhara	
Director	Vice President and Corporate Officer	Yuzo Ide	Chairman of Wacoal Europe Limited
Director	Vice President and Corporate Officer	Masashi Yamaguchi	In charge of Administration and General Manager of Personnel Division
Director	Senior Managing Corporate Officer	Tomoyasu Ito	General Manager of Wacoal Brand Operation Division
Director	Managing Corporate Officer	Kuniharu Suzuki	General Manager of Chain Stores Operation Division
Director	Managing Corporate Officer	Hidehiko Imaizumi	General Manager of Retail Operation Division
Director	Corporate Officer	Yasuo Kamoshita	Chief of Corporate Planning Office
Director	Corporate Officer	Masaaki Yajima	General Manager of Technology/Production Division
Director	Corporate Officer	Junko Kasai	Chief of Diversity Promotion and Customer Service Center
Audit & Supervisory Board Member		Kiyotaka Hiroshima	
Audit & Supervisory Board Member		Hisashi Mazuyama	
	Managing Corporate Officer	Hideo Senoue	General Manager of Department Store Sales Control of Wacoal Brand Operation Division
	Managing Corporate Officer	Masatoshi Okuyama	General Manager of East Japan Sales Control of Wacoal Brand Operation Division
	Corporate Officer	Akira Miyagi	General Manager of Corporate Planning Division of Wacoal Holdings Corp.
	Corporate Officer	Hiroshi Shimoyama	General Manager of Omni-channel Strategy Promotion, Corporate Planning Office
	Corporate Officer	Toshihiro Inokuma	General Manager of Public Relations and Advertising, Corporate Planning Office
	Corporate Officer	Takahiko Hasegawa	Personnel Administrator of Personnel and Administration Division
	Corporate Officer	Hiroshi Imai	Director of Human Science Research Center
	Corporate Officer	Shuji Morimoto	General Manager of Information System Division
	Corporate Officer	Kazuhiro Shibahara	General Manager of Product Control, Wacoal Brand Operation Division
	Corporate Officer	Toshiaki Sato	General Manager of West Japan Sales Control of Wacoal Brand Operation Division
	Corporate Officer	Atsushi Kotani	General Manager of Sales Control, Chain Stores Operation Division
	Corporate Officer	Katsuya Kodama	General Manager of Sales Control, Retail Operation Division
	Corporate Officer	Hiroyuki Sekiguchi	General Manager of Direct Marketing Operations
	Corporate Officer	Takuya Miura	General Manager of International Division
	Corporate Officer	Masami Ono	Director, General Manager of Wacoal China Co., Ltd.

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