

[Translation]



May 10, 2019

To Whom It May Concern:

Company Name: WACOAL HOLDINGS CORP.  
Representative: Hironobu Yasuhara,  
Representative Director and President  
(Code Number: 3591)  
(Tokyo Stock Exchange, First Section)  
Contact: Akira Miyagi,  
Director, General Manager of Corporate  
Planning  
(Telephone: +81(075)682-1010)

Announcement of Revisions to the Forecast of Consolidated Business Results, Recognition of Impairment Charges, and Recognition of Valuation Loss on Marketable Securities

We hereby announce that we have revised the forecast of our consolidated business results for the fiscal year ended March 31, 2019 (April 1, 2018 – March 31, 2019), which we announced on May 15, 2018, as follows:

Details

1. Revised Forecast of Consolidated Business Results for the Fiscal Year Ended March 31, 2019

(U.S. GAAP)

(Unit: Millions of Yen, unless otherwise indicated)

	Net sales	Operating income	Pre-tax net income	Net income attributable to Wacoal Holdings Corp. shareholders	Net income attributable to Wacoal Holdings Corp. shareholders per share (in Yen)
Previous Forecast ("A")	200,000	10,000	13,000	10,000	150.46
Revised Forecast ("B")	194,000	4,800	2,200	300	4.54
Variance (B - A)	(6,000)	(5,200)	(10,800)	(9,700)	
Variance as Percentage (%)	(3.0)	(52.0)	(83.1)	(97.0)	
(Reference) Results for the Previous Fiscal Year ended March 31, 2018	195,725	11,494	14,286	9,745	143.46

\* In accordance with the changes in accounting policy, the new accounting guidance *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU2017-07) has been adopted starting with the current consolidated fiscal year. Due to the adoption of this guidance, retrospective adjustments have been made to the consolidated business results for previous fiscal year ended March 31, 2018.

Reason for Revisions

While we intend to announce our consolidated business results for the fiscal year ended March 31, 2019 on May 15, 2019, we have revised the forecast of consolidated business results for the fiscal year ended

March 31, 2019 due to several reasons including the recognition of an impairment charge on intangible assets with respect to our subsidiary Peach John Co., Ltd. and its subsidiaries as well as due to the recognition of a valuation loss on marketable securities held by the Company and its subsidiaries.

## 2. Recognition of Impairment Charges

We examined potential impairment charges in connection with our consideration of the forecast of business results, in light of the business results of our subsidiary Peach John Co., Ltd. and its subsidiaries for the fiscal year ended March 31, 2019 (April 1, 2018 – March 31, 2019). As a result of our reevaluation of fair value, we will record an impairment charge of 5,639 million yen in total (1,314 million yen in respect of trademarks and 4,325 million yen in respect of goodwill, both of which are recorded as intangible assets). As we use generally accepted accounting principles in the United States, the impairment charge will be recorded as an operating expense affecting our operating income. The effect on our net income will be a decrease of 5,236 million yen.

## 3. Recognition of Valuation Loss on Marketable Securities

We will record a valuation loss of 5,570 million yen on marketable securities and investments (net) held by the Company and its consolidated subsidiaries. We use generally accepted accounting principles in the United States, and since the first quarter of the fiscal year ended March 31, 2019, we have evaluated equity investments (except those accounted for under the equity method or consolidated) at fair value, with any change in fair value recognized in other income or expenses. The effect on our net income will be a decrease of 3,864 million yen.

We recorded a net valuation loss of 7,912 million yen on marketable securities and investments (net) during the cumulative third quarter of the consolidated fiscal year ended March 31, 2019 (April 1, 2018 – December 31, 2018). Therefore the valuation gain on marketable securities and investments (net) during the fourth quarter of the fiscal year (January 1, 2019 – March 31, 2019) will be 2,342 million yen.

## 4. Forecast on Dividend

There has been no revision to our year-end dividend forecast for the fiscal year ended March 31, 2019. We are scheduled to distribute 36.00 yen per share as a year-end dividend in early June 2019, and the annual cash dividend per share will be 72.00 yen, including the interim dividend per share of 36.00 yen, which has been already distributed.

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