

Internet Disclosure in Connection with the Notice of the 69th Ordinary General Meeting of Shareholders

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

(For the period from April 1, 2016 to March 31, 2017)

Wacoal Holdings Corp.

The “Notes to the Consolidated Financial Statements” and the “Notes to the Non-Consolidated Financial Statements,” the accompanying attachments to the Notice of the 69th Ordinary General Meeting of Shareholders are disclosed by posting on the website of Wacoal Holdings Corp. (“the Company”) (<http://www.wacoalholdings.jp/ir/soukai.html>), pursuant to the provisions of the applicable laws and regulations and Article 15 of our Articles of Incorporation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. Standard of Preparation of Consolidated Financial Statements

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

2. Matters Regarding the Scope of Consolidation

(1) Number of consolidated subsidiaries: 57

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

3. Matters Regarding the Application of the Equity Method

(1) Number of affiliated companies: 8

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

4. Matters Regarding the Standard of Accounting Treatment

(1) Valuation standard and method of significant assets

(i) Marketable securities and investments

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

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

(ii) Inventories

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

(2) Depreciation method for significant depreciable assets

Depreciation method for fixed assets

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

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

(3) Basis of accounting for significant allowances

(i) Allowance for doubtful receivables

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

(ii) Allowance for sales returns

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

(4) Other significant matters in preparing consolidated financial statements

(i) Method of accounting treatment for retirement benefits

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

(ii) Accounting treatment for consumption taxes

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

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

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

(NOTES TO THE CONSOLIDATED BALANCE SHEET)

Assets pledged as collateral and obligations related to collateral:

(i) Assets pledged as collateral

| | |
|---------------------------|-----------------|
| Land: | 150 million yen |
| Buildings and structures: | 213 million yen |
| Total: | 363 million yen |

(ii) Obligations related to collateral

| | |
|--|----------------|
| Short-term bank loans (including current portion of long-term debt): | 20 million yen |
| Long-term debt: | 75 million yen |
| Total: | 95 million yen |

(NOTES TO THE FINANCIAL INSTRUMENTS)

1. Matters Regarding the Status of Financial Instruments

(1) Policy for financial instruments

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

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

Trading securities, available-for-sale securities in terms of marketable securities and investments are mainly bonds, mutual funds, and stocks. These instruments are subject to risk from market fluctuations, and the Group regularly reviews their fair values. The Group takes appropriate measures to reduce credit risk of customers for notes and accounts receivable, according to the Group's control procedures.

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

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

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

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

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

(4) Concentration of credit risk

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

2. Matters Regarding Fair Values of Financial Instruments

Amounts recorded in the consolidated balance sheet, fair values, and their differences as of March 31, 2017, are as follows. Financial instruments whose fair values are considered to be extremely difficult to assess are recorded at their carrying amounts and are excluded from the table below (please see (Note 2)).

(Millions of yen)

| | Amount recorded in the consolidated balance sheet (*) | Fair value (*) | Difference |
|---|---|----------------|------------|
| (1) Cash and cash equivalents | 33,995 | 33,995 | - |
| (2) Time deposits | 2,722 | 2,722 | - |
| (3) Marketable securities | 1,445 | 1,442 | 3 |
| (4) Notes and accounts receivable | 25,563 | 25,563 | - |
| (5) Investments in affiliated companies | 13,556 | 11,754 | 1,802 |
| (6) Investments | 58,586 | 58,582 | 4 |
| (7) Short-term bank loans | (7,716) | (7,716) | - |
| (8) Trade notes payable | (1,438) | (1,438) | - |
| (9) Trade accounts payable | (11,605) | (11,605) | - |
| (10) Other payables | (6,185) | (6,185) | - |
| (11) Income taxes payable | (2,964) | (2,964) | - |
| (12) Long-term debt (including current portion of long-term debt) | (235) | (235) | 0 |
| (13) Derivatives (**) | (2) | (2) | - |

(*) Amounts in parentheses represent amounts in the liability section of the consolidated balance sheet.

(**) Claims and obligations arising from derivative transactions are shown on a net basis and items in parentheses represent net debt in total.

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

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

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

(3) Marketable securities and (6) Investments

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

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

(Millions of yen)

| | Type | Cost or amortized cost | Amount recorded in the consolidated balance sheet | Difference |
|---|--|------------------------|---|------------|
| Amounts recorded in the consolidated balance sheet exceeding costs or amortized costs | (1) Stock | 22,971 | 57,804 | 34,833 |
| | (2) Bond | | | |
| | (i) National/Municipal debt securities | 10 | 10 | 0 |
| | (ii) Corporate debt securities | - | - | - |
| | (iii) Mutual fund | 692 | 860 | 168 |
| | Subtotal | 23,673 | 58,674 | 35,001 |
| Amounts recorded in the consolidated balance sheet not exceeding costs or amortized costs | (1) Stock | 182 | 172 | (10) |
| | (2) Bond | | | |
| | (i) National/Municipal debt securities | - | - | - |
| | (ii) Corporate debt securities | 1,133 | 1,133 | - |
| | (iii) Mutual fund | 53 | 52 | (1) |
| | Subtotal | 1,368 | 1,357 | (11) |
| Total | | 25,041 | 60,031 | 34,990 |

(5) Investments in affiliated companies

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

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

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

(13) Derivatives

Derivatives are foreign currency exchange contracts. Their fair values are estimated based on quoted forward exchange rates. There are no derivatives to which hedge accounting is applied.

(Note 2) Financial instruments whose fair values are considered to be extremely difficult to assess

For investments in nonmarketable equity securities (amounts recorded in the consolidated balance sheet: 1,273 million yen), because it is extremely difficult to calculate their fair values, they are recorded at cost. Investments in affiliated companies with no fair value (amounts recorded in the consolidated balance sheet: 7,312 million yen) are calculated on the basis of the equity method, as is done with investments in affiliated companies with fair value. The investments in these securities are reviewed for other-than-temporary impairment annually or upon the occurrence of an event that requires review.

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

(Millions of yen)

| | Within 1 year | Within 5 years | Within 10 years | Over 10 years |
|-------------------------------|---------------|----------------|-----------------|---------------|
| Available-for-sale securities | - | 308 | - | 291 |
| Held-to-maturity securities | 567 | 566 | - | - |
| Total | 567 | 874 | - | 291 |

(NOTES TO PER SHARE INFORMATION)

| | |
|--|-----------|
| Wacoal Holdings Corp. shareholders' equity per share | ¥1,658.53 |
| Net income attributable to Wacoal Holdings Corp. per share | ¥90.13 |
| Diluted net income attributable to Wacoal Holdings Corp. per share | ¥89.85 |

(NOTES TO SIGNIFICANT SUBSEQUENT EVENTS)**Purchase of Treasury Stock**

The Board of Directors has adopted a resolution at a meeting held on May 10, 2017 regarding the matters related to purchase of treasury stock pursuant to the provisions of Paragraph 1, Article 459 of the Companies Act.

(i) Reason for Purchase of Treasury Stock

To improve capital efficiency and to implement our capital policy with increased flexibility tailored to the business environment.

(ii) Details of Purchase

| | |
|---|---|
| Type of shares to be purchased: | Common stock of the Company |
| Total number of shares to be purchased: | 2,800,000 shares (at maximum) |
| Aggregate purchase price: | 4,000 million yen (at maximum) |
| Purchase period: | From May 15, 2017 through December 31, 2017 |

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

(NOTES TO MATTERS RELATED TO SIGNIFICANT ACCOUNTING POLICIES)

1. Valuation Standards and Method of Assets

Valuation standards and method of securities

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

2. Depreciation Method of Fixed Assets

(1) Depreciation method of property, plant and equipment

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

Useful lives of major items are as follows:

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

(Changes to the Accounting Policy)

Pursuant to an amendment to the Corporate Tax Act, the Company adopted Accounting Standards Board of Japan Practical Issues Task Force No. 32, "Practical Solution on a change in depreciation method due to Tax Reform 2016," and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

As a result, operating income, ordinary income, and income before income taxes for the year ended March 31, 2017 each increased by 116 million yen.

(2) Amortization method for intangible assets

Amortization of intangible assets is computed by the straight-line method.

3. Basis of Accounting for Reserves

(1) Accrued bonuses

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

(2) Accrued officers' bonuses

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

4. Other Basic Significant Matters in Preparing Financial Statements

Accounting treatment for consumption taxes

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

(ADDITIONAL INFORMATION)

"Implementation Guidance on Recoverability of Deferred Tax Assets (Implementation Guidance for Corporate Accounting Standards, No. 26 (March 28, 2016))" was applied from the current fiscal year.

(NOTES TO THE NON-CONSOLIDATED BALANCE SHEET)

| | | |
|----|--|-----------------|
| 1. | Accumulated depreciation of property, plant and equipment: | ¥32,666 million |
| 2. | Receivables from affiliates and payables to affiliates | |
| | Short-term receivables: | ¥4,202 million |
| | Short-term payables: | ¥14,876 million |
| 3. | Liabilities for guarantee | |
| | The Company provides guarantees for loans extended to a certain subsidiary by financial institutions. | |
| | Wacoal Europe Ltd.: | ¥2,285 million |
| | The Company provides guarantees for payables of electronically-recorded monetary claims of a certain subsidiary. | |
| | Lecien Corporation: | ¥159 million |

(NOTES TO THE NON-CONSOLIDATED STATEMENT OF INCOME)

| | | |
|----|--|-----------------|
| 1. | Transactions with affiliated companies | |
| | Sales: | ¥13,105 million |
| | Other operating transactions: | ¥114 million |
| | Non-operating transactions: | ¥40 million |

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

1. Number of issued shares as of March 31, 2017

Common stock: 143,378,085 shares

2. Number of treasury stocks as of March 31, 2017

Common stock: 6,167,211 shares

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

| Resolution | Class of Shares | Aggregate Amount of Dividends (Millions of yen) | Amount of Dividend per Share (yen) | Record Date | Effective Date |
|--|-----------------|---|------------------------------------|----------------|----------------|
| At the Board of Directors' Meeting held on May 9, 2016 | Common Stock | 4,648 | 33.00 | March 31, 2016 | June 6, 2016 |

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

| Resolution | Class of Shares | Source of Dividend | Aggregate Amount of Dividends (Millions of yen) | Amount of Dividend per Share (yen) | Record Date | Effective Date |
|---|-----------------|--------------------|---|------------------------------------|----------------|----------------|
| At the Board of Directors' Meeting held on May 10, 2017 | Common Stock | Retained Earnings | 4,939 | 36.00 | March 31, 2017 | June 6, 2017 |

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

| | First Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2008 | Second Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2008 | Third Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2009 | Fourth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2009 |
|--|--|---|--|--|
| Class of shares represented by the stock acquisition rights: | Common Stock | Common Stock | Common Stock | Common Stock |
| Number of shares represented by stock acquisition rights: | 24,000 shares | 8,000 shares | 20,000 shares | 8,000 shares |
| Outstanding number of stock acquisition rights: | 24 | 8 | 20 | 8 |
| | Fifth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2010 | Sixth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 30, 2010 | Seventh Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2011 | Eighth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2011 |
| Class of shares represented by the stock acquisition rights: | Common Stock | Common Stock | Common Stock | Common Stock |
| Number of shares represented by stock acquisition rights: | 21,000 shares | 7,000 shares | 37,000 shares | 18,000 shares |
| Outstanding number of stock acquisition rights: | 21 | 7 | 37 | 18 |
| | Ninth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2012 | Tenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2012 | Eleventh Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2013 | Twelfth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2013 |
| Class of shares represented by the stock acquisition rights: | Common Stock | Common Stock | Common Stock | Common Stock |
| Number of shares represented by stock acquisition rights: | 44,000 shares | 14,000 shares | 45,000 shares | 25,000 shares |
| Outstanding number of stock acquisition rights: | 44 | 14 | 45 | 25 |
| | Thirteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2014 | Fourteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2014 | Fifteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2015 | Sixteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 31, 2015 |
| Class of shares represented by the stock acquisition rights: | Common Stock | Common Stock | Common Stock | Common Stock |
| Number of shares represented by stock acquisition rights: | 39,000 shares | 17,000 shares | 37,000 shares | 12,000 shares |
| Outstanding number of stock acquisition rights: | 39 | 17 | 37 | 12 |
| | Seventeenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2016 | Eighteenth Stock Acquisition Rights resolved at the Board of Directors' Meeting held on July 29, 2016 | | |
| Class of shares represented by the stock acquisition rights: | Common Stock | Common Stock | | |
| Number of shares represented by stock acquisition rights: | 43,000 shares | 26,000 shares | | |
| Outstanding number of stock acquisition rights: | 43 | 26 | | |

(NOTES TO TAX EFFECT ACCOUNTING)

Breakdown of deferred tax assets and deferred tax liabilities (Millions of yen)

Deferred tax assets:

| | |
|--|----------------|
| Valuation loss on investments in affiliated companies | ¥1,308 |
| Accrued bonuses | 20 |
| Excess over depreciation, amortization and impairment loss | 834 |
| Other | <u>307</u> |
| Sub-total of deferred tax assets | 2,470 |
| Valuation allowance | <u>(1,564)</u> |

Total deferred tax assets:

905

Deferred tax liabilities:

| | |
|---|-----------|
| Reserve for deferred gain on sale of property | ¥1,803 |
| Other | <u>21</u> |

Total deferred tax liabilities:

1,825

Net deferred tax liabilities:

919

(NOTES TO RELATED PARTY TRANSACTIONS)

Subsidiaries

| Type | Name of Company | Company's Interest | Relationship with Related Party | Nature of Transaction | Transaction Amount (Millions of yen) | Item | Balance as of the Fiscal Year End (Millions of yen) |
|------------|--------------------|--------------------|---|--------------------------------------|--------------------------------------|---|---|
| Subsidiary | Wacoal Corp. | 100% direct | Holding of shares; dual appointments; managerial guidance; lease of real estate | Borrowing (Note 1) | 460 | Short-term borrowings from affiliated companies | 11,400 |
| | | | | Payment of interest (Note 1) | 7 | — | — |
| | | | | Receipt of dividends | 8,200 | — | — |
| | | | | Lease of real estate (Note 2) | 3,283 | — | — |
| | | | | Fee for management guidance (Note 3) | 296 | — | — |
| Subsidiary | Wacoal Europe Ltd. | 100% direct | Holdings of shares and dual appointments | Guarantee for liabilities (Note 4) | 2,285 | — | — |
| | | | | Acceptance of guarantee fee (Note 4) | 2 | — | — |
| Subsidiary | Unenana Cool Corp. | 100% indirect | Loan | Loan (Note 5) | 508 | Short-term loans receivable from affiliated companies | 1,978 |
| | | | | Receipt of interest (Note 5) | 3 | — | — |

Details and Policy on Determination of Transaction Terms

- (Note 1) The terms and conditions of the borrowing and interest rate are determined upon consideration of market interest rates.
- (Note 2) The price and other terms of the transaction are determined through negotiation in view of the market conditions.
- (Note 3) The managerial guidance fees are determined each fiscal year based on negotiation.
- (Note 4) The Company guarantees the loans of the subsidiary and charges a guarantee fee of 0.1% annually.
- (Note 5) The terms and conditions of the loan and interest rate are determined upon consideration of market interest rates.
- (Note 6) The transaction amount does not include consumption tax, while the balance as of the year-end includes the consumption tax.

(NOTES TO PER SHARE INFORMATION)

| | |
|-------------------------------|-----------|
| Net assets per share: | ¥1,057.19 |
| Net income per share: | ¥82.42 |
| Diluted net income per share: | ¥82.16 |

(NOTES TO SIGNIFICANT SUBSEQUENT EVENTS)

Purchase of Treasury Stock

The Board of Directors has adopted a resolution at a meeting held on May 10, 2017 regarding the matters related to purchase of treasury stock pursuant to the provisions of Paragraph 1, Article 459 of the Companies Act.

(i) Reason for Purchase of Treasury Stock

To improve capital efficiency and to implement our capital policy with increased flexibility tailored to the business environment.

(ii) Details of Purchase

| | |
|---|---|
| Type of shares to be purchased: | Common stock of the Company |
| Total number of shares to be purchased: | 2,800,000 shares (at maximum) |
| Aggregate purchase price: | 4,000 million yen (at maximum) |
| Purchase period: | From May 15, 2017 through December 31, 2017 |