

[Translation]

Consolidated Business Results for the First Quarter of the Fiscal Year Ending March 31, 2013
[U.S. GAAP]

July 31, 2012

Listed Company: Wacoal Holdings Corp.

Stock Exchanges: Tokyo, Osaka

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

Representative: Position: President and Representative Director

Name: Yoshikata Tsukamoto

For Inquiries: Position: Senior Managing Director and General Manager of Corporate Planning

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Scheduled quarterly report submission date: August 14, 2012

Scheduled dividend payment start date: -

Supplementary materials regarding quarterly business results: None

Explanatory meeting regarding quarterly business results: None

(Amounts less than 1 million yen have been rounded)

1. First Quarter of the Fiscal Year Ending March 31, 2013 (April 1, 2012 – June 30, 2012)

(1) Consolidated Business Results

(% indicates increase (decrease) from the corresponding period of the previous fiscal year)

	Net Sales		Operating Income		Pre-tax Net Income ¹		Net Income Attributable to Wacoal Holdings Corp.	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
First Quarter ended June 30, 2012	43,362	1.1	3,939	(2.8)	3,921	(12.3)	2,752	(1.3)
First Quarter ended June 30, 2011	42,890	3.6	4,051	43.3	4,470	106.8	2,787	114.5

(Note) Quarterly comprehensive income: 1,442 million yen (decrease of 58.4%) for the first quarter ended June 30, 2012

3,469 million yen (-%) for the first quarter ended June 30, 2011

	Net Income Attributable to Wacoal Holdings Corp. Per Share	Diluted Net Earnings Attributable to Wacoal Holdings Corp. Per Share
	Yen	Yen
First Quarter ended June 30, 2012	19.54	19.51
First Quarter ended June 30, 2011	19.79	19.77

(Note) As described in “2. Matters Concerning Summaries (Other Information) (3) Summary of Changes in Accounting Principles” on page 5, retroactive adjustments have been made to the results for the first quarter ended June 30, 2012.

¹ This item refers to “income before income taxes, equity in net income (loss) of affiliated companies, and net loss (income) attributable to noncontrolling interests” in the consolidated statements of income included in our annual report on Form 20-F for the fiscal year ended March 31, 2012.

(2) Consolidated Financial Condition

	Total Assets	Total Equity (Net Assets)	Total Shareholders' Equity	Total Shareholders' Equity Ratio	Shareholders' Equity Per Share
As of June 30, 2012	Million Yen 231,483	Million Yen 171,065	Million Yen 168,909	% 73.0	Yen 1,199.23
As of the end of Fiscal Year (March 31, 2012)	221,098	173,428	171,496	77.6	1,217.57

2. Status of Dividends

	Annual Dividend				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2012	—	—	—	28.00	28.00
Fiscal Year Ending March 31, 2013	—				
Fiscal Year Ending March 31, 2013 (Estimates)		—	—	28.00	28.00

(Note) Revision of estimated dividends announced during the latest quarter: No

3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2013 (April 1, 2012 - March 31, 2013)

(% indicates increase (decrease) from the previous fiscal year with respect to “Annual” and from the six-month period ended September 30, 2011 with respect to “Six-month Period Ending September 30, 2012”)

	Net Sales		Operating Income		Pre-tax Net Income		Net Income Attributable to Wacoal Holdings Corp.		Net Income Attributable to Wacoal Holdings Corp. Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Six-month Period Ending September 30, 2012	92,500	4.2	7,500	(14.7)	7,700	(10.1)	4,500	(12.7)	31.95
Annual	185,000	7.6	11,500	10.8	12,000	17.6	7,600	9.9	53.96

(Note) Revision of forecast of consolidated business results announced during the latest quarter: No

4. Other

(1) Changes in significant subsidiaries in the first quarter of the current fiscal year (i.e., changes in specified subsidiaries (*tokutei kogaisha*) which involve change in scope of consolidation): None

(2) Application of simplified accounting methods and specific accounting methods: None

(3) Changes in accounting principles:

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

(ii) Changes other than (i) above: Yes

(Note) For details, please see “2. Matters Concerning Summaries (Other Information) (3) Summary of Changes in Accounting Principles” on page 5.

(4) Number of Issued Shares (Common Stock)

	First Quarter ended June 30, 2012	Fiscal Year ended March 31, 2012
(i) Number of issued shares (including treasury stock) as of the end of:	143,378,085 shares	143,378,085 shares
(ii) Number of shares held as treasury stock as of the end of:	2,530,021 shares	2,527,015 shares
(iii) Average number of shares during consolidated first quarter:	140,849,379 shares	140,847,377 shares (first quarter ended June 30, 2011)

*Notes on Implementation of Quarterly Review Procedures

This summary of quarterly financial results is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Law. The review procedures for the quarterly financial statements based on the Financial Instruments and Exchange Law had not been completed at the time of disclosure of this summary of quarterly financial results.

*Cautionary Statement regarding Forecast of Business Results

The forecast of business results is based on information available as of the date this data were released and, due to various risks, uncertainties and other factors arising in the future, actual results in the future may differ largely from the estimates set out in this document.

These risks, uncertainties and other factors include: the impact of the ongoing global economic downturn on our sales and profitability in Japan and our other markets; the impact on our business of anticipated continued weakness of department stores and other general retailers in Japan; our ability to successfully develop, manufacture, and market products in Japan and our other markets that meet the changing tastes and needs of consumers and to deliver high quality products; the highly competitive nature of our business and the strength of our competitors; our ability to successfully expand our network of our own specialty retail stores and achieve profitable operations at these stores; our ability to further develop our catalog and Internet sales capabilities; our ability to effectively manage our inventory levels; our ability to reduce costs; our ability to attract and retain highly qualified personnel; effects of irregular weather events on our business and performance; risks related to conducting our business internationally; risks from acquisitions and other strategic transactions with third parties; risks relating to return of investment for development of new markets; risks relating to intellectual property; risks relating to protection of customer information and our ability to protect our trade secrets; risks relating to internal controls over financial reporting; the impact of weakness in the Japanese equity markets on our holdings of Japanese equity securities; the impact of any natural disaster or epidemic on our business; and other risks referred to from time to time in Wacoal Holdings' filings on Form 20-F of its annual report and other filings with the United States Securities and Exchange Commission.

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1. Qualitative Information Regarding Consolidated Performance during the First Quarter

(1) Qualitative Information Regarding Consolidated Business Results

(i) Performance Overview of the First Quarter

Our group (primarily Wacoal Corp., our core operating entity) entered the final year of our three-year mid-term plan and sought to improve profitability through market share expansion of and structural reform of our domestic innerwear business and made efforts to strengthen growth by actively developing our overseas business, mainly in China.

As a result of the above, with respect to our consolidated business results for the first quarter of the current fiscal year, overall sales increased as compared to the corresponding period of the previous fiscal year mainly due to the expansion of sales attributable to our Wacoal brand business and our businesses in the United States and China. Operating income decreased as compared to the corresponding period of the previous fiscal year due to the impact of the strategic investments made for to our Wacoal brand business, despite the improvement seen in the profitability of our overseas subsidiaries.

We have not reflected the results of Eveden Group Limited, an English company, which became our subsidiary in April 2012, in our consolidated business results for the first quarter of the current fiscal year, but its results will be reflected in our consolidated business results starting with the second quarter of the current fiscal year.

Net sales:	43,362 million yen (an increase of 1.1% as compared to the corresponding period of the previous fiscal year)
Operating income:	3,939 million yen (a decrease of 2.8% as compared to the corresponding period of the previous fiscal year)
Pre-tax net income: ²	3,921 million yen (a decrease of 12.3% as compared to the corresponding period of the previous fiscal year)
Net income attributable to Wacoal Holdings Corp.:	2,752 million yen (a decrease of 1.3% as compared to the corresponding period of the previous fiscal year)

(ii) Business Overview of Our Operating Segments

a. Wacoal Business (Domestic)

In our Wacoal brand business, sales of core brassieres and bottom products showed strong performance due to our success in appealing to consumers through our product lineup and promotional activities based on our announcement entitled “body aging (physiological changes associated with aging)”. However, this was partially offset by sales of our seasonal undergarments, which showed poor performance despite the strong performance of our core products using natural materials due to the impact of poor performance of other products and unsteady weather conditions. As a result of the above, overall sales of our Wacoal brand business exceeded the results for the corresponding period of the previous fiscal year.

In our Wing brand business, sales of in-store performance were weak. With respect to brassieres, sales of certain of our campaign products showed poor performance. Sales of undergarments and men’s innerwear were impacted by the intensifying competition among merchandisers’ private-label brand products and the products sold by our competitors as well as the unsteady weather conditions. Although in-store performance was weak, overall sales of our Wing brand business exceeded the results for the corresponding period of the previous fiscal year due to the addition of new products associated with the brand restructuring based on “body aging” and the promotion of product development in collaboration with our major clients.

² This item refers to “income before income taxes, equity in net income (loss) of affiliated companies, and net loss (income) attributable to noncontrolling interests” in the consolidated statements of income included in our annual report on Form 20-F for the fiscal year ended March 31, 2012.

In our retail business, sales at our direct retail store AMPHI expanded as a result of the strong performance of our existing shops due to improved brand recognition and the opening of new stores. Sales from our Wacoal Factory Stores also showed steady performance. As a result, overall sales of our retail business exceeded the results for the corresponding period of the previous fiscal year.

In our wellness business, sales of sports tights from our sports conditioning wear “CW-X” brand fell below the results for the corresponding period of the previous fiscal year due to the declining impact of certain TV infomercials that introduced the brand and contributed to its sales expansion during the previous fiscal year, while the sales of our functionality-focused business pumps showed steady performance. As a result, overall sales from our wellness business exceeded the results for the corresponding period of the previous fiscal year.

In our catalog sales business, overall sales exceeded the results for the corresponding period of the previous fiscal year due to the steady performance of catalog sales and the expansion of internet sales.

In sum, overall sales of Wacoal Corp. exceeded the results for the corresponding period of the previous fiscal year due to the strong performance of our core operating businesses. Our operating income fell below the results for the corresponding period of the previous fiscal year due to the impact of strategic investments intended to strengthen the development of sales space and promotional activities

Net sales:	29,508 million yen (an increase of 3.3% as compared to the corresponding period of the previous fiscal year)
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Operating income:	2,536 million yen (a decrease of 10.0% as compared to the corresponding period of the previous fiscal year)
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b. Wacoal Business (Overseas)

In our overseas operations, we made aggressive efforts in expanding our U.S. market share and enhancing our product lineup mainly at department stores, which are our major clients, as well as in expanding our sales areas and channels. Sales exceeded the results for the corresponding period of the previous fiscal year as a result of extended sales of our reasonably-priced brassieres which continued to show strong performance since the previous fiscal year and the strong performance of our internet sales. With respect to profitability, in addition to an increase in net sales, operating income exceeded the results for the corresponding period of the previous fiscal year due to an improvement in our sales-to-profit ratio that resulted from our cost reduction efforts. The exchange rate in the first quarter of the current fiscal year was 79 yen per dollar (compared to 81 yen per dollar for the corresponding period of the previous fiscal year).

With respect to our business in China, sales exceeded the results for the corresponding period of the previous fiscal year due to our successful efforts in strengthening our product lineup, improving the retention rates of in-store sales representatives and opening of new stores mainly in inner mainland China. With respect to profitability, operating income exceeded the results for the corresponding period of the previous fiscal year due to the lower ratio of selling, general and administrative expenses to our sales. The exchange rate in the first quarter of the current fiscal year was 13 yen per Chinese yuan (compared to 13 yen per Chinese yuan for the corresponding period of the previous fiscal year).

Net sales:	6,254 million yen (an increase of 6.9% as compared to corresponding period of the previous fiscal year)
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Operating income:	916 million yen (an increase of 26.9% as compared to the corresponding period of the previous fiscal year)
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c. Peach John Business

With respect to Peach John Co., Ltd. (“Peach John”), although sales of innerwear showed strong performance, sales from our core mail-order catalogues fell below the results for the corresponding period of the previous fiscal year as a result of poor performance of the outerwear and general merchandise. Net sales from our direct retail stores exceeded the results for the corresponding period of the previous fiscal year as a result of the strong performance of our existing shops due to an improvement in selection of goods. With respect to our directly-managed overseas stores, although an underperforming store was wound up, sales from China exceeded the results for the corresponding period of the previous fiscal year due to the opening of new stores, while our directly-managed stores in Hong Kong showed weak performance.

As a result of the above, the results from our Peach John business fell below the results for the corresponding period of the previous fiscal year. With respect to profitability, despite an improvement in profit as a result of a lower cost-to-sales ratio, our Peach John business was less profitable than it was for the corresponding period of the previous fiscal year due to the reduced sales.

Net sales:	3,158 million yen (a decrease of 7.1% as compared to the corresponding period of the previous fiscal year)
Operating income:	176 million yen (a decrease of 39.1% as compared to the corresponding period of the previous fiscal year)

d. Other

With respect to the business of Lecien Corporation (“Lecien”), sales from our core innerwear products exceeded the results for the corresponding period of the previous fiscal year due to the increased number of products supplied to our group companies and the strong performance of products offered to our major clients. Conversely, as a result of the termination of the unprofitable products at our apparel business, which offers outerwear products, overall sales from Lecien fell below the results for the corresponding period of the previous fiscal year. In terms of profit, operating income exceeded the results for the corresponding period of the previous fiscal year due to our successful efforts in the improvement of profitability from our apparel business and cost reduction.

As for Nanasai Co., Ltd. (“Nanasai”), which engages in the manufacturing, sales and rental business of mannequins and interior design and construction of stores at commercial facilities, net sales were below the results for the corresponding period of the previous fiscal year despite good performance of sales business. This was due to the poor performance of rental business due to the restrained investments by our business partners and the closing down of department stores. With respect to profit, we were less profitable than it was for the corresponding period of the previous fiscal year in connection with a decrease in sales, despite our efforts to achieve efficiency by lowering costs and cutting expenses.

Net sales:	4,442 million yen (a decrease of 12.8% as compared to the corresponding period of the previous fiscal year)
Operating income:	311 million yen (an increase of 40.1% as compared to the corresponding period of the previous fiscal year)

(2) Qualitative Information regarding Consolidated Financial Condition

Assets, liabilities and total shareholders’ equity as of the end of the current consolidated first quarter reflect the addition of Eveden Group Limited, an English company, which became our subsidiary in April 2012. On the other hand, the cash flow for the current consolidated first quarter does not reflect the results of Eveden Group Limited, which will be reflected in our consolidated results starting with the consolidated second quarter of the current fiscal year.

(i) Assets, Liabilities and Total Shareholders’ Equity

Our total assets as of the end of the current consolidated first quarter were 231,483 million yen, an increase of 10,385 million yen from the end of the previous fiscal year, due to an increase in goodwill as a result of the acquisition of Eveden Group Limited.

Our total liabilities were 60,418 million yen, an increase of 12,748 million yen from the end of the previous fiscal year, due to an increase in short-term bank loans, despite a decrease in other payables, a decrease in accrued bonuses as a result of the payment of summer bonuses and a decrease in income taxes payable as a result of payment of income taxes.

Total Wacoal Holdings Corp. shareholders’ equity was 168,909 million yen, a decrease of 2,587 million yen from the end of the previous fiscal year, due to the cash dividend payments and the changes in unrealized gain/loss on securities.

As a result of the above, our total shareholders’ equity ratio as of the end of the current consolidated first quarter was 73.0%, a decrease of 4.6% from the end of the previous fiscal year.

(ii) Cash Flow

Cash and cash equivalents as of the end of the consolidated first quarter of the current fiscal year were 20,293 million yen, a decrease of 9,692 million yen from the end of the previous fiscal year.

(Cash Provided by Operating Activities)

Cash flow provided by operating activities was 2,465 million yen, an increase of 1,771 million yen as compared to the corresponding period of the previous fiscal year, after adjustments of changes in assets and liabilities to our net income of 2,813 million yen plus the adjustments of depreciation expenses and deferred taxes.

(Cash Used in Investment Activities)

Cash flow used in investment activities was 17,956 million yen, an increase of 17,538 million yen as compared to the corresponding period of the previous fiscal year, due to the acquisition of a new subsidiary and other factors, despite proceeds from the sale and redemption of marketable securities.

(Cash Provided by Financing Activities)

Cash flow provided by financing activities was 5,939 million yen, an increase of 6,992 million yen as compared to the corresponding period of the previous fiscal year, due to an increase in short-term bank loans and other factors, despite the cash dividend payments.

(3) Qualitative Information regarding Forecast of Consolidated Business Results

We have not revised our forecast of consolidated business results for the consolidated second quarter and the fiscal year ending March 31, 2013 since our announcement on May 15, 2012.

In our domestic business, we will make efforts to expand our share in the domestic innerwear market by developing products based on the key concept of “body aging” and strengthening high volume products. We will also make aggressive efforts to expand our retail business, wellness business and online business, which we believe have further growth potential, and will work on rebuilding supply chain management which can exercise the resources of our group (including our subsidiaries), as a whole.

In our overseas business, we will make efforts to further enhance our product lineup, mainly in the United States and China, and will continue to work on expanding sales and improving profitability, while responding to changes in the business environment. In addition, we will make efforts to strengthen our operating base and expand sales in the European markets by utilizing the resources of Eveden Group Limited, an English company, which became our subsidiary in April 2012.

2. Matters Concerning Summaries (Other Information)

(1) Summary of Changes in Significant Subsidiaries during the Current Consolidated Quarter:

On April 10, 2012, Eveden Group Limited became our wholly-owned subsidiary, through our acquisition of all of the outstanding shares of Eveden Group Limited.

(2) Application of Simplified Accounting Methods and Specific Accounting Methods:
Not applicable.

(3) Summary of Changes in Accounting Principles:
(Change in the Fiscal Year End of Certain Subsidiaries)

During the previous consolidated fiscal year (fiscal 2012), the fiscal year ends of certain consolidated subsidiaries were changed from December and February to March to be consistent with our fiscal year end. In connection with this change, we made retroactive adjustments to the consolidated income statement, consolidated comprehensive income statement, consolidated cash flow statement, segment information, and status of sales in order to reflect the change of fiscal year end at those consolidated subsidiaries.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Accounts	Previous Fiscal Year as of March 31, 2012	Current Consolidated First Quarter as of June 30, 2012	Increase/(Decrease)
(Assets)	Million Yen	Million Yen	Million Yen
I. Current assets:			
Cash and cash equivalents	29,985	20,293	(9,692)
Time deposits	733	440	(293)
Marketable securities	5,179	4,942	(237)
Trade accounts	22,725	24,745	2,020
Allowance for returns and doubtful receivables	(1,460)	(2,070)	(610)
Inventories	32,847	35,909	3,062
Deferred income taxes	4,234	3,859	(375)
Other current assets	3,052	4,520	1,468
Total current assets	97,295	92,638	(4,657)
II. Property, plant and equipment:			
Land	21,783	21,858	75
Buildings and building improvements	60,077	60,514	437
Machinery and equipment	14,039	14,236	197
Construction in progress	<u>22</u>	<u>21</u>	<u>(1)</u>
	95,921	96,629	708
Accumulated depreciation	(46,843)	(47,217)	(374)
Net property, plant and equipment	49,078	49,412	334
III. Other assets:			
Investments in affiliated companies	14,599	15,220	621
Investments	34,064	32,451	(1,613)
Goodwill	10,367	20,766	10,399
Other intangible assets	9,541	14,700	5,159
Deferred income taxes	597	669	72
Other	5,557	5,627	70
Total other assets	74,725	89,433	14,708
Total assets	221,098	231,483	10,385

Accounts	Previous Fiscal Year as of March 31, 2012	Current Consolidated First Quarter as of June 30, 2012	Increase/(Decrease)
(Liabilities)	Million Yen	Million Yen	Million Yen
I. Current liabilities:			
Short-term bank loans	5,780	18,057	12,277
Notes and accounts payables:			
Trade notes	1,429	1,556	127
Trade accounts	10,737	11,424	687
Other payables	<u>6,948</u>	<u>4,869</u>	<u>(2,079)</u>
	19,114	17,849	(1,265)
Accrued payroll and bonuses	6,411	5,088	(1,323)
Income taxes payable	1,747	1,122	(625)
Other current liabilities	2,555	5,558	3,003
Total current liabilities	35,607	47,674	12,067
II. Long-term liabilities:			
Liability for termination and retirement benefits	2,817	2,428	(389)
Deferred income taxes	7,085	7,794	709
Other long-term liabilities	2,161	2,522	361
Total long-term liabilities	12,063	12,744	681
Total liabilities	47,670	60,418	12,748
(Equity)			
I. Common stock	13,260	13,260	-
II. Additional paid-in capital	29,447	29,457	10
III. Retained earnings	141,370	140,178	(1,192)
IV. Accumulated other comprehensive income (loss):			
Foreign currency translation adjustment	(10,916)	(10,839)	77
Unrealized gain (loss) on securities	4,197	2,606	(1,591)
Pension liability adjustment	(2,976)	(2,864)	112
V. Treasury stock	(2,886)	(2,889)	(3)
Total Wacoal Holdings Corp. shareholders' equity	171,496	168,909	(2,587)
VI. Noncontrolling interests	1,932	2,156	224
Total equity	173,428	171,065	(2,363)
Total liabilities and equity	221,098	231,483	10,385

(2) Consolidated Quarterly Income Statement

Accounts	Previous Consolidated First Quarter (From April 1, 2011 to June 30, 2011)		Current Consolidated First Quarter (April 1, 2012 to June 30, 2012)		Increase/ (Decrease)
	Million Yen	%	Million Yen	%	
I. Net Sales	42,890	100.0	43,362	100.0	472
II. Operating costs and expenses					
Cost of sales	19,890	46.4	19,881	45.8	(9)
Selling, general and administrative expenses	18,949	44.2	19,542	45.1	593
Total operating expenses	38,839	90.6	39,423	90.9	584
Operating income	4,051	9.4	3,939	9.1	(112)
III. Other income (expenses):					
Interest income	26		46		20
Interest expense	(22)		(32)		(10)
Dividend income	426		399		(27)
Gain (loss) on sale or exchange of marketable securities and investments	40		(9)		(49)
Valuation loss on investment in marketable securities and/or investment securities	(50)		(64)		(14)
Other profit and (loss), net	(1)		(358)		(357)
Total other income (expenses)	419	1.0	(18)	(0.1)	(437)
Pre-tax net income	4,470	10.4	3,921	9.0	(549)
Income taxes	2,034	4.7	1,749	4.0	(285)
Equity in net income of affiliated companies and net income before profit (loss) attributable to noncontrolling interests	2,436	5.7	2,172	5.0	(264)
Equity in net income of affiliated companies	395	0.9	641	1.5	246
Net income	2,831	6.6	2,813	6.5	(18)
Profit and (loss) attributable to noncontrolling interests	(44)	(0.1)	(61)	(0.2)	(17)
Net income attributable to Wacoal Holdings Corp.	2,787	6.5	2,752	6.3	(35)

(3) Consolidated Quarterly Comprehensive Income Statement

Accounts	Previous Consolidated First Quarter (From April 1, 2011 to June 30, 2011)		Current Consolidated First Quarter (April 1, 2012 to June 30, 2012)		Increase/(Decrease)
	Million Yen		Million Yen		
I. Net income	2,831		2,813		(18)
II. Other comprehensive profit (loss) - after adjustment of tax effect:					
Foreign currency exchange adjustment	265		110		(155)
Net unrealized gain (loss) on securities	297		(1,593)		(1,890)
Pension liability adjustment	76		112		36
Total other comprehensive profit (loss)	638		(1,371)		(2,009)
Comprehensive profit (loss)	3,469		1,442		(2,027)
Comprehensive profit (loss) attributable to non-controlling interests	(51)		(92)		(41)
Comprehensive profit (loss) attributable to Wacoal Holdings Corp.	3,418		1,350		(2,068)

(4) Consolidated Cash Flow Statements

Accounts	Previous Consolidated First Quarter (April 1, 2011 to June 30, 2011)	Current Consolidated First Quarter (April 1, 2012 to June 30, 2012)
	Million Yen	Million Yen
I. Operating activities		
1. Net income	2,831	2,813
2. Adjustments of net income to cash flow from operating activities		
(1) Depreciation and amortization	1,152	1,082
(2) Allowance for returns and doubtful receivables	460	548
(3) Deferred taxes	1,178	519
(4) Gain (loss) on sale of fixed assets	32	6
(5) Gain (loss) on sale and exchange of marketable securities and investment securities	(40)	9
(6) Valuation loss on investment in marketable securities and investment securities	50	64
(7) Equity in net income of affiliated companies (after dividend income)	(149)	(120)
(8) Changes in assets and liabilities		
Increase in receivables	(1,839)	(14)
Decrease in inventories	170	140
Increase in other current assets	(969)	(950)
Decrease in payables and accounts payable	(1,373)	(1,945)
Decrease in reserves for retirement benefits	(192)	(265)
Increase (decrease) in other liabilities	(738)	30
(9) Other	121	548
Net cash flow from (used in) operating activities	694	2,465
II. Investing activities		
1. Increase in time deposits	(518)	(120)
2. Decrease in time deposits	893	413
3. Proceeds from sales and redemption of marketable securities	700	281
4. Acquisition of marketable securities	(780)	(158)
5. Proceeds from sales of fixed assets	14	15
6. Acquisition of tangible fixed assets	(586)	(323)
7. Acquisition of intangible fixed assets	(123)	(184)
8. Proceeds from sales of investments	-	82
9. Acquisition of investments	(88)	(1,058)
10. Acquisition of new subsidiary (net acquisition amount in cash)	-	(16,906)
11. Other	70	2
Net cash flow provided by (used in) investing activities	(418)	(17,956)
III. Financing activities		
1. Net increase in short-term bank loans	1,824	12,063
2. Financing from long-term debt	-	500
3. Repayment of long-term debt	(18)	(2,608)
4. Acquisition of treasury stock	(4)	(3)
5. Sale of treasury stock	0	0
6. Dividends paid in cash to Wacoal Holdings Corp.	(2,817)	(3,944)
7. Dividends paid in cash to the non-controlling interests	(45)	(69)
8. Other	7	-
Net cash flow provided by (used in) financing activities	(1,053)	5,939
IV. Effect of exchange rate on cash and cash equivalents	(70)	(140)
V. Decrease in cash and cash equivalents	(847)	(9,692)
VI. Initial balance of cash and cash equivalents	26,316	29,985
VII. Period end balance of cash and cash equivalents	25,469	20,293

Additional Information

Cash paid for:		
Interest	19	30
Income taxes, etc.	2,354	2,168
Investment activities without cash disbursement:		
Acquisition amount of investment securities through stock swap	126	-
Acquisition cost of fixed assets	-	313

(5) Notes on Going Concern

Not applicable.

(6) Segment Information

(i) Operating Segment Information

Previous Consolidated First Quarter (From April 1, 2011 to June 30, 2011)

(Unit: Million Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination or corporate	Consolidated
Net sales							
(1) Net sales to outside customers	28,552	5,848	3,398	5,092	42,890	-	42,890
(2) Internal sales or transfers among segments	797	1,495	48	1,238	3,578	(3,578)	-
Total	29,349	7,343	3,446	6,330	46,468	(3,578)	42,890
Operating income	2,818	722	289	222	4,051	-	4,051

Current Consolidated First Quarter (From April 1, 2012 to June 30, 2012)

(Unit: Million Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination or corporate	Consolidated
Net sales							
(1) Net sales to outside customers	29,508	6,254	3,158	4,442	43,362	-	43,362
(2) Internal sales or transfers among segments	549	1,840	53	1,392	3,834	(3,834)	-
Total	30,057	8,094	3,211	5,834	47,196	(3,834)	43,362
Operating income	2,536	916	176	311	3,939	-	3,939

- (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, etc.
- Peach John business: innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, and other textile-related products, etc.
- Other: innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, sportswear, other textile-related products, mannequins, shop design and implementation, etc.
2. Asset-related information by operating segment:
- During the current consolidated first quarter, the amount of asset in "Other" segment increased 23,558 million yen from the amount of such assets as of the end of the previous fiscal year, as a result of making Eveden Group Limited and its subsidiary our wholly-owned subsidiaries. Accordingly, the amount of asset in "Other" segment as of the end of the current consolidated first quarter was 44,124 million yen.

(ii) Segment Information by Region

Previous Consolidated First Quarter (From April 1, 2011 to June 30, 2011)

(Unit: Million Yen)

	Japan	Asia	Europe/N.A.	Consolidated
Net sales to outside customers	36,855	2,737	3,298	42,890
Distribution ratio	85.9%	6.4%	7.7%	100.0%
Operating income	3,389	179	483	4,051

Current Consolidated First Quarter (From April 1, 2012 to June 30, 2012)

(Unit: Million Yen)

	Japan	Asia	Europe/N.A.	Consolidated
Net sales to outside customers	36,902	3,052	3,408	43,362
Distribution ratio	85.1%	7.0%	7.9%	100.0%
Operating income	3,077	309	553	3,939

- (Note)
1. Countries or areas are classified according to geographical proximity.
 2. Major countries and areas included in the respective segments other than Japan:
Asia: various countries of East Asia and Southeast Asia
Europe/N.A.: North America and European countries
 3. Sales are classified according to the locations of the consolidated companies.

(7) Notes on Significant Changes in the Amount of Total Shareholders' Equity

Not applicable.

(8) Status of Sales

Type of product		Previous First Quarter (April 1, 2011 to June 30, 2011)		Current First Quarter (April 1, 2012 to June 30, 2012)		Increase/(Decrease)	
		Amount	Distribution Ratio	Amount	Distribution Ratio	Amount	Distribution Ratio
Innerwear	Foundation and lingerie	30,579	71.3	31,814	73.4	1,235	4.0
	Nightwear	2,488	5.8	2,647	6.1	159	6.4
	Children's underwear	480	1.1	495	1.1	15	3.1
	Subtotal	33,547	78.2	34,956	80.6	1,409	4.2
Outerwear/Sportswear		4,221	9.9	3,749	8.7	(472)	(11.2)
Hosiery		511	1.2	444	1.0	(67)	(13.1)
Other textile goods and related products		2,162	5.0	1,926	4.4	(236)	(10.9)
Other		2,449	5.7	2,287	5.3	(162)	(6.6)
Total		42,890	100.0	43,362	100.0	472	1.1