

[Translation]

Consolidated Business Results for the First Quarter of the Fiscal Year Ending March 31, 2014
[U.S. GAAP]

July 31, 2013

Listed Company: Wacoal Holdings Corp.
Code Number: 3591 (URL: <http://www.wacoalholdings.jp/>)
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Scheduled quarterly report submission date: August 14, 2013
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, 2014 (April 1, 2013 – June 30, 2013)

(1) Consolidated Business Results

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

	Net Sales		Operating Income		Pre-tax Net Income		Net Income Attributable to Wacoal Holdings Corp.	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First Quarter ended June 30, 2013	47,961	10.6	5,038	27.9	5,575	42.2	3,570	29.7
First Quarter ended June 30, 2012	43,362	1.1	3,939	(2.8)	3,921	(12.3)	2,752	(1.3)

(Note) Quarterly comprehensive income: 8,013 million yen (increase of 455.7%) for the first quarter ended June 30, 2013
1,442 million yen (decrease of 58.4%) for the first quarter ended June 30, 2012

	Net Income Attributable to Wacoal Holdings Corp. Per Share	Diluted Net Income Attributable to Wacoal Holdings Corp. Per Share
	Yen	Yen
First Quarter ended June 30, 2013	25.35	25.30
First Quarter ended June 30, 2012	19.54	19.51

(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
As of June 30, 2013	255,957	192,027	189,787	74.1	1,347.50
As of the end of Fiscal Year (March 31, 2013)	253,803	188,004	185,840	73.2	1,319.47

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, 2013	—	—	—	28.00	28.00
Fiscal Year Ending March 31, 2014	—				
Fiscal Year Ending March 31, 2014 (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, 2014 (April 1, 2013 - March 31, 2014)

(% indicates increase (decrease) from the previous fiscal year)

	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	%	Millions of Yen	%	Yen
Six-month Period Ending September 30, 2013	97,000	6.7	8,550	0.3	8,550	1.1	5,200	0.8	36.92
Annual	192,000	8.4	11,500	42.0	12,000	13.8	8,000	4.9	56.80

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

Notes

- (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: None

(4) Number of Issued Shares (Common Stock)

	First Quarter ended June 30, 2013	Fiscal Year ended March 31, 2013
(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:	2,534,599 shares	2,533,728 shares
(iii) Average number of shares during consolidated first quarter (first quarter ended June 30, 2012):	140,844,045 shares	140,849,379 shares

*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 these 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 our annual report and other disclosures.

Table of Contents for Attached Materials

1.	Qualitative Information regarding Consolidated Performance during the First Quarter -----	2
(1)	Qualitative Information regarding Consolidated Business Results -----	2
(2)	Qualitative Information regarding Consolidated Financial Condition -----	4
(3)	Qualitative Information regarding Forecast of Consolidated Business Results -----	5
2.	Matters Concerning Summaries (Notes)-----	5
(1)	Summary of Changes in Significant Subsidiaries during the Current Consolidated Quarter -----	5
(2)	Application of Simplified Accounting Methods and Specific Accounting Methods -----	5
(3)	Summary of Changes in Accounting Principles -----	5
3.	Consolidated Financial Statements -----	6
(1)	Consolidated Balance Sheets -----	6
(2)	Consolidated Quarterly Income Statement -----	8
(3)	Consolidated Quarterly Comprehensive Income Statement -----	8
(4)	Consolidated Cash Flow Statements -----	9
(5)	Notes on Consolidated Quarterly Financial Statements-----	11
	(Notes on Going Concern)-----	11
	(Notes on Significant Changes in the Amount of Total Shareholders' Equity)-----	11
	(Segment Information)-----	11
(6)	Status of Sales -----	12

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 entered the first year of our three-year mid-term plan (from fiscal 2014 to fiscal 2016), and we (primarily Wacoal Corp., our core operating entity) made efforts to expand our share of sales while responding to the diversifying domestic women's innerwear market, establish a system for our business other than the women's innerwear business and strengthen growth by actively developing our overseas business.

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 business in the United States, and also due to the inclusion of the business results of Wacoal Eveden Limited ("Wacoal Eveden"), which became our subsidiary in April 2012. Operating income increased as compared to the corresponding period of the previous fiscal year due to the inclusion of the newly consolidated operating income from Wacoal Eveden and also an increase in the profit from sales of Wacoal Corp.

Net sales:	47,961 million yen (an increase of 10.6% as compared to the corresponding period of the previous fiscal year)
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Operating income:	5,038 million yen (an increase of 27.9% as compared to the corresponding period of the previous fiscal year)
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Pre-tax net income:	5,575 million yen (an increase of 42.2% as compared to the corresponding period of the previous fiscal year)
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Net income attributable to Wacoal Holdings Corp.:	3,570 million yen (an increase of 29.7% as compared to the corresponding period of the previous fiscal year)
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(ii) Business Overview of Our Operating Segments

a. Wacoal Business (Domestic)

In our Wacoal brand business, sales in April and May showed poor performance due to various factors including the impact of climate instability. In June, sales recovered due to the favorable performance of our summer brassiere and undergarments. Sales of our bottom products performed poorly due to the weak sales of Style Science series products, while certain functionality products gained support from consumers. On the other hand, sales of underpants that were featured in TV commercials performed strongly. As a result of the above, although our results of sales were in line with our plans, overall sales attributable to our Wacoal brand business were below the results for the corresponding period of the previous fiscal year. This was due to our change of the schedule for which our stores change merchandise offered, which resulted in a temporary increase in the number of returned items.

In our Wing brand business, sales of our core brassieres showed favorable performance due to the steady performance of our products based on "body aging" and an increase in the number of shops promoting collaboration products with our major clients.

Sales of men's innerwear fell below the results for the previous fiscal year due to the poor performance of our seasonal products. Overall sales of our Wing brand business fell below the results for the corresponding period of the previous fiscal year due to an increase in the number of returned items despite the steady performance of sales shown by our products at stores generally.

In our retail business, sales expanded as a result of an increase in the opening of new stores and the favorable performance at existing stores of our direct retail store AMPHI and our Wacoal Factory Stores. 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 our sports conditioning wear "CW-X" brand expanded after our running tights were introduced on television and as a result of steady performance of our products jointly developed with a major

pharmaceutical company. On the other hand, sales of footwear products were impacted by the products sold by our competitors and showed poor performance. As a result of the above, overall sales of our wellness business remained unchanged from the results for the corresponding period of the previous fiscal year.

In our catalog sales business, overall sales were below the results for the corresponding period of the previous fiscal year due to the poor performance of our catalog sales which were affected by climate instability, despite the large expansion of sales seen in our internet sales.

In summation, overall sales attributable to Wacoal Business (domestic) were below the results for the corresponding period of the previous fiscal year due to lowered sales from our core operating businesses within Wacoal Corp. as compared to those of corresponding period of the previous fiscal year. With respect to profitability, our operating income exceeded the results for the corresponding period of the previous fiscal year as a result of an increase in profit from sales due to the higher proportion of sales attributable to highly-profitable products and our efforts in cutting expenses at Wacoal Corp.

Net sales:	29,225 million yen (a decrease of 1.0% as compared to the corresponding period of the previous fiscal year)
Operating income:	3,310 million yen (an increase of 30.5% as compared to the corresponding period of the previous fiscal year)

b. Wacoal Business (Overseas)

In the United States, we made aggressive efforts in expanding our U.S. market share, sales areas and channels mainly at department stores, which are our major clients. Sales exceeded the results for the corresponding period of the previous fiscal year as a result of steady performance shown by our core brassiere products and the expansion of our internet sales and our business in Canada, in addition to the influence of the exchange rate. With respect to profitability, operating income exceeded the results for the corresponding period of the previous fiscal year due to an increase in net sales. The exchange rate in the first quarter of the current fiscal year was 98 yen per dollar (compared to 79 yen per dollar for the corresponding period of the previous fiscal year).

With respect to our business in China, we made efforts in improving profitability and enhancing our presence in the middle-class market. Sales exceeded the results for the corresponding period of the previous fiscal year as a result of our improved sales force and the effect of the promotional initiatives we took with respect to our clients. In addition, sales of our new fashionable and price-competitive brand La Rosabelle, targeting the middle-class market, showed steady performance after opening stores at department stores. With respect to profitability, operating income exceeded the results for the corresponding period of the previous fiscal year as a result of increased sales and our efforts in reducing costs.

With respect to Wacoal Eveden Limited, our focus remained on expanding sales and increasing profit, by developing group synergies. Sales in North America continued to show favorable expansion with increased market share across all brands, and the United Kingdom maintained its position. Trade in many of the Eurozone markets however continued to be affected by the ongoing financial crisis, political issues and adverse weather conditions. This all contributed to delayed consumer purchases of Spring/Summer collections. Despite the sales income shortfall, targets were achieved due to the strong control of expenses, but the overall result was impacted by the cost of the liquidation of Eveden's prior holding company, Eveden Group Ltd.

Significant increases in net sales and operating income under this segment are due to the business results of Wacoal Eveden which were consolidated from the second quarter of the previous fiscal year. In addition, Wacoal Eveden has been added to this segment from our "Other" segment from the current fiscal year.

Net sales:	11,563 million yen (an increase of 84.9% as compared to corresponding period of the previous fiscal year)
Operating income:	1,674 million yen (an increase of 82.8% as compared to the corresponding period of the previous fiscal year)

c. Peach John Business

With respect to Peach John Co., Ltd. (“Peach John”), sales from our core mail-order catalogues exceeded the results for the corresponding period of the previous fiscal year due to our successful promotional initiatives, such as package sale of brassieres and underpants, which were implemented in June, although we were unable to attain new customers for the April and May editions of our mail-order catalogues. Net sales attributable to our domestic direct retail stores showed steady performance due to an increase in sales per store as a result of the strengthening of our sales follow-up system. With respect to our directly-managed overseas stores, sales from Hong Kong exceeded the results for the corresponding period of the previous fiscal year due to the sufficient inventory of our popular items, while sales from China showed poor performance. As a result of the above, overall sales attributable to our Peach John business remained unchanged from the corresponding period of the previous fiscal year. With respect to profitability, our Peach John business was less profitable than it was for the corresponding period of the previous fiscal year due to an increased cost rate which was impacted by the exchange rate.

Net sales:	3,070 million yen (a decrease of 2.8% as compared to the corresponding period of the previous fiscal year)
Operating income:	80 million yen (a decrease of 54.5% as compared to the corresponding period of the previous fiscal year)

d. Other

With respect to the business of Lecien Corporation (“Lecien”), overall sales from Lecien fell below the results for the corresponding period of the previous fiscal year, due to the decreased number of products offered to our major clients in our innerwear business, which offers innerwear products, and as a result of the decreased sales from general merchandise store channels in our apparel business, which offers outerwear products. In terms of profit, we recorded an operating loss due to an increased cost rate which was impacted by the exchange rate.

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 due to the poor performance of our construction business after certain transactions were rescheduled to the second quarter, despite expanded sales due to an increase in the number of orders received in Nanasai’s sales business. Accordingly, operating income was below the results for the corresponding period of the previous fiscal year.

Net sales:	4,103 million yen (a decrease of 7.6% as compared to the corresponding period of the previous fiscal year)
Operating loss:	26 million yen (an operating income of 311 million yen for the corresponding period of the previous fiscal year)

(2) Qualitative Information regarding Consolidated Financial Condition

(i) Assets, Liabilities and Total Shareholders’ Equity

Our total assets as of the end of the current consolidated first quarter were 255,957 million yen, an increase of 2,154 million yen from the end of the previous fiscal year, due to an increase in the valuation amount of the investment securities.

Our total liabilities were 63,930 million yen, a decrease of 1,869 million yen from the end of the previous fiscal year, due to decreases in accounts payable, accrued bonuses as a result of payment of summer bonuses, and accrued taxes as a result of our payment of income taxes.

Total Wacoal Holdings Corp. shareholders’ equity was 189,787 million yen, an increase of 3,947 million yen from the end of the previous fiscal year, due to increases in foreign currency exchange adjustment and 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 74.1%, an increase of 0.9% 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 23,813 million yen, a decrease of 1,047 million yen from the end of the previous fiscal year.

(Cash Used in Operating Activities)

Cash flow used in operating activities was 1,694 million yen, an increase of 4,159 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 3,648 million yen plus the adjustments of depreciation expenses and deferred taxes.

(Cash Provided by Investing Activities)

Cash flow provided by investing activities was 4,012 million yen, an increase of 21,968 million yen as compared to the corresponding period of the previous fiscal year, due to the proceeds from the sale and redemption of marketable securities and proceeds from sale of investments.

(Cash Used in Financing Activities)

Cash flow used in financing activities was 3,680 million yen, an increase of 9,619 million yen as compared to the corresponding period of the previous fiscal year, due to cash dividend payments.

(3) Qualitative Information regarding Forecast of Consolidated Business Results

We have not revised our forecast of consolidated business results for the six-month period and fiscal year ending March 31, 2014 since our announcement on May 14, 2013.

In our domestic business, we will make efforts to expand our share of sales by making approaches into the areas, price-ranges and age groups, which we believe have further growth potential, and we will work on building a new pillar of sales in our wellness and men's innerwear businesses, in addition to our women's innerwear business.

In our overseas business, we will work on building the operating base of our European business, mainly Wacoal Eveden, and establishing our presence in European markets. In addition, we will continue to promote the cultivation of new business in the United States and improved profitability in China. We will also work on expanding sales by exercising group synergies among the subsidiaries of our group.

Our group, as a whole, will make efforts to cope with the increased salary and price of commodities in Asian countries and will build and strengthen our low-cost production facilities mainly in the ASEAN region in order to maintain or reduce cost of sales.

2. Matters Concerning Summaries (Notes)

- (1) Summary of Changes in Significant Subsidiaries during the Current Consolidated Quarter:
Not applicable.
- (2) Application of Simplified Accounting Methods and Specific Accounting Methods:
Not applicable.
- (3) Summary of Changes in Accounting Principles:
Not applicable.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Accounts	Previous Fiscal Year as of March 31, 2013	Current Consolidated First Quarter as of June 30, 2013	Increase/(Decrease)
(Assets)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current assets:			
Cash and cash equivalents	24,860	23,813	(1,047)
Time deposits	1,914	1,571	(343)
Marketable securities	4,601	3,974	(627)
Notes and account receivable	23,443	24,926	1,483
Allowance for returns and doubtful receivables	(1,872)	(2,238)	(366)
Inventories	37,807	39,788	1,981
Deferred income taxes	4,821	4,349	(472)
Other current assets	7,644	5,306	(2,338)
Total current assets	103,218	101,489	(1,729)
II. Property, plant and equipment:			
Land	21,945	21,968	23
Buildings and building improvements	61,455	62,080	625
Machinery and equipment	15,076	15,455	379
Construction in progress	<u>136</u>	<u>136</u>	<u>0</u>
	98,612	99,639	1,027
Accumulated depreciation	(48,952)	(49,929)	(977)
Net property, plant and equipment	49,660	49,710	50
III. Other assets:			
Investments in affiliated companies	17,599	18,399	800
Investments	42,368	44,819	2,451
Goodwill	20,148	20,443	295
Other intangible assets	12,817	12,833	16
Deferred income taxes	1,085	1,134	49
Other	6,908	7,130	222
Total other assets	100,925	104,758	3,833
Total assets	253,803	255,957	2,154

Accounts	Previous Fiscal Year as of March 31, 2013	Current Consolidated First Quarter as of June 30, 2013	Increase/(Decrease)
(Liabilities)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current liabilities:			
Short-term bank loans	16,259	16,887	628
Notes and accounts payables:			
Trade notes	1,442	1,683	241
Trade accounts	10,859	10,769	(90)
Other payables	<u>(6,069)</u>	<u>4,958</u>	<u>(1,111)</u>
	18,370	17,410	(960)
Accrued payroll and bonuses	6,897	5,588	(1,309)
Income taxes payable	4,479	1,713	(2,766)
Other current liabilities	4,605	6,458	1,853
Total current liabilities	50,610	48,056	(2,554)
II. Long-term liabilities:			
Liability for termination and retirement benefits	1,802	1,792	(10)
Deferred income taxes	10,181	11,246	1,065
Other long-term liabilities	3,206	2,836	(370)
Total long-term liabilities	15,189	15,874	685
Total liabilities	65,799	63,930	(1,869)
(Equity)			
I. Common stock	13,260	13,260	-
II. Additional paid-in capital	29,514	29,524	10
III. Retained earnings	145,049	144,675	(374)
IV. Accumulated other comprehensive loss:			
Foreign currency translation adjustment	(6,473)	(3,773)	2,700
Unrealized gain on securities	9,310	10,865	1,555
Pension liability adjustment	(1,928)	(1,871)	57
V. Treasury stock	(2,892)	(2,893)	(1)
Total Wacoal Holdings Corp. shareholders' equity	185,840	189,787	3,947
VI. Noncontrolling interests	2,164	2,240	76
Total equity	188,004	192,027	4,023
Total liabilities and equity	253,803	255,957	2,154

(2) Consolidated Quarterly Income Statement

Accounts	Previous Consolidated First Quarter (From April 1, 2012 to June 30, 2012)		Current Consolidated First Quarter (From April 1, 2013 to June 30, 2013)		Increase/ (Decrease)
	Millions of Yen	%	Millions of Yen	%	Millions of Yen
I. Net Sales	43,362	100.0	47,961	100.0	4,599
II. Operating costs and expenses					
Cost of sales	19,881	45.8	21,288	44.4	1,407
Selling, general and administrative expenses	19,542	45.1	21,635	45.1	2,093
Total operating costs and expenses	39,423	90.9	42,923	89.5	3,500
Operating income	3,939	9.1	5,038	10.5	1,099
III. Other income (expenses):					
Interest income	46		20		(26)
Interest expense	(32)		(32)		0
Dividend income	399		437		38
Gain (loss) on sale or exchange of marketable securities and investments, net	(9)		36		45
Valuation gain (loss) on investment in marketable securities and/or investment securities, net	(64)		(48)		16
Other profit and (loss), net	(358)		124		482
Total other income (expenses)	(18)	(0.1)	537	1.1	555
Pre-tax net income	3,921	9.0	5,575	11.6	1,654
Income taxes	1,749	4.0	2,230	4.6	481
Income before equity in net income of affiliated companies	2,172	5.0	3,345	7.0	1,173
Equity in net income of affiliated companies	641	1.5	303	0.6	(338)
Net income	2,813	6.5	3,648	7.6	835
Net income attributable to noncontrolling interests	(61)	(0.2)	(78)	(0.2)	(17)
Net income attributable to Wacoal Holdings Corp.	2,752	6.3	3,570	7.4	818

(3) Consolidated Quarterly Comprehensive Income Statement

Accounts	Previous Consolidated First Quarter (From April 1, 2012 to June 30, 2012)		Current Consolidated First Quarter (From April 1, 2013 to June 30, 2013)		Increase/(Decrease)
	Millions of Yen		Millions of Yen		Millions of Yen
I. Net income	2,813		3,648		835
II. Other comprehensive income (loss) - after adjustment of tax effect:					
Foreign currency translation adjustment	110		2,753		2,643
Net unrealized gain (loss) on securities	(1,593)		1,555		3,148
Pension liability adjustment	112		57		(55)
Total other comprehensive profit (loss)	(1,371)		4,365		5,736
Comprehensive profit	1,442		8,013		6,571
Comprehensive loss attributable to non-controlling interests	(92)		(131)		(39)
Comprehensive profit attributable to Wacoal Holdings Corp.	1,350		7,882		6,532

(4) Consolidated Cash Flow Statements

Accounts	Previous Consolidated First Quarter (From April 1, 2012 to June 30, 2012)	Current Consolidated First Quarter (From April 1, 2013 to June 30, 2013)
	Millions of Yen	Millions of Yen
I. Operating activities		
1. Net income	2,813	3,648
2. Adjustments of net income to cash flow from operating activities		
(1) Depreciation and amortization	1,082	1,251
(2) Allowance for returns and doubtful receivables	548	338
(3) Deferred taxes	519	476
(4) Gain on sale of tangible fixed assets	6	0
(5) Gain (loss) on sale and exchange of marketable securities and investment securities	9	(36)
(6) Valuation gain on investment in marketable securities and investment securities	64	48
(7) Equity in net income of affiliated companies – less dividends	(120)	338
(8) Changes in assets and liabilities		
Increase in receivables	(14)	(1,199)
Decrease (increase) in inventories	140	(1,339)
Increase in other current assets	(950)	(1,365)
Decrease in payables and accounts payable	(1,945)	(1,123)
Decrease in reserves for retirement benefits	(265)	(217)
Increase (decrease) in other liabilities	30	(2,536)
(9) Other	548	22
Net cash flow provided by (used in) operating activities	2,465	(1,694)
II. Investing activities		
1. Increase in time deposits	(120)	(73)
2. Decrease in time deposits	413	500
3. Proceeds from sales and redemption of marketable securities	281	932
4. Acquisition of marketable securities	(158)	(103)
5. Proceeds from sales of tangible fixed assets	15	13
6. Acquisition of tangible fixed assets	(323)	(541)
7. Acquisition of intangible fixed assets	(184)	(243)
8. Proceeds from sales of investments	82	3,775
9. Acquisition of investments	(1,058)	(251)
10. Expenses for acquisition of subsidiary (net of cash acquired)	(16,906)	-
11. Other	2	3
Net cash flow provided by (used in) investing activities	(17,956)	4,012
III. Financing activities		
1. Net increase in short-term bank loans	12,063	568
2. Financing from long-term debt	500	-
3. Repayment of long-term debt	(2,608)	(248)
4. Acquisition of treasury stock	(3)	(1)
5. Sale of treasury stock	0	-
6. Dividends paid in cash on common stock	(3,944)	(3,944)
7. Dividends paid in cash on common stock to the non-controlling interests	(69)	(55)
Net cash flow provided by (used in) financing activities	5,939	(3,680)
IV. Effect of exchange rate on cash and cash equivalents	(140)	315
V. Increase (Decrease) in cash and cash equivalents	(9,692)	(1,047)
VI. Initial balance of cash and cash equivalents	29,985	24,860
VII. Period end balance of cash and cash equivalents	20,293	23,813

Additional Information

Cash paid for:		
Interest	30	31
Income taxes	2,168	5,214
Noncash investing activities		
Acquisition cost of fixed assets	313	438

(5) Notes on Consolidated Quarterly Financial Statements

(Notes on Going Concern)

Not applicable.

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

Not applicable.

(Segment Information)

(i) Operating Segment Information

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

(Unit: Millions of 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

Current Consolidated First Quarter (From April 1, 2013 to June 30, 2013)

(Unit: Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination or corporate	Consolidated
Net sales							
(1) Net sales to outside customers	29,225	11,563	3,070	4,103	47,961	-	47,961
(2) Internal sales or transfers among segments	511	2,040	114	1,339	4,004	(4,004)	-
Total	29,736	13,603	3,184	5,442	51,965	(4,004)	47,961
Operating income (loss)	3,310	1,674	80	(26)	5,038	-	5,038

- (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, other textile-related products, mannequins, shop design and implementation, etc.
2. Matters concerning changes in reporting segment:
- During the current consolidated first quarter, certain segment information has been changed in conformity with the internal reporting segment that is based on our organizational structure. Accordingly, the amount related to Wacoal Eveden is recorded in "Wacoal business (overseas)", whereas it was originally recorded in our "Other" segment.
- The segment information related to the previous consolidated first quarter has been prepared and disclosed based on these new reporting segments.

(ii) Segment Information by Region

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

(Unit: Millions of 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

Current Consolidated First Quarter (From April 1, 2013 to June 30, 2013)

(Unit: Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Consolidated
Net sales to outside customers	36,256	3,882	7,823	47,961
Distribution ratio	75.6%	8.1%	16.3%	100.0%
Operating income	3,354	331	1,353	5,038

- (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/Oceania: various countries of East Asia, Southeast Asia, West Asia and Australia
Europe/N.A.: North America and European countries
 3. Sales are classified according to the locations of the consolidated companies.

(6) Status of Sales

Type of product		Previous First Quarter (From April 1, 2012 to June 30, 2012)		Current First Quarter (From April 1, 2013 to June 30, 2013)		Increase/(Decrease)	
		Amount	Distribution Ratio	Amount	Distribution Ratio	Amount	Fluctuation Ratio
Innerwear	Foundation and lingerie	Millions of Yen 31,814	% 73.4	Millions of Yen 36,011	% 75.1	Millions of Yen 4,197	% 13.2
	Nightwear	2,647	6.1	2,587	5.4	(60)	(2.3)
	Children's underwear	495	1.1	490	1.0	(5)	(1.0)
	Subtotal	34,956	80.6	39,088	81.5	4,132	11.8
Outerwear/Sportswear		3,749	8.7	4,047	8.4	298	7.9
Hosiery		444	1.0	465	1.0	21	4.7
Other textile goods and related products		1,926	4.4	2,223	4.6	297	15.4
Other		2,287	5.3	2,138	4.5	(149)	(6.5)
Total		43,362	100.0	47,961	100.0	4,599	10.6