

[Translation]

Consolidated Business Results for the First Quarter of the Fiscal Year Ending March 31, 2016
[U.S. GAAP]

July 31, 2015

Listed Company: Wacoal Holdings Corp.
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Scheduled quarterly report submission date: August 13, 2015
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, 2016 (April 1, 2015 – June 30, 2015)

(1) Consolidated Business Results

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

	Net Sales		Operating Income		Income Before Income Taxes and Equity in Net Income of Affiliated Companies		Net Income Attributable to Wacoal Holdings Corp.	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First Quarter ended June 30, 2015	49,854	8.4	4,432	35.6	5,390	14.6	3,861	27.7
First Quarter ended June 30, 2014	46,010	(4.9)	3,268	(38.6)	4,702	(19.4)	3,023	(18.6)

(Note) Quarterly comprehensive income: 9,296 million yen (increase of 65.3%) for the first quarter ended June 30, 2015
5,624 million yen (decrease of 35.8%) for the first quarter ended June 30, 2014

	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, 2015	27.41	27.34
First Quarter ended June 30, 2014	21.46	21.41

(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, 2015	307,074	236,775	233,823	76.1	1,660.21
As of the end of Fiscal Year (March 31, 2015)	300,272	231,568	228,857	76.2	1,624.93

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, 2015	—	—	—	30.00	30.00
Fiscal Year Ending March 31, 2016	—				
Fiscal Year Ending March 31, 2016 (Estimates)		—	—	33.00	33.00

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

3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 - March 31, 2016)

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

	Net Sales		Operating Income		Income Before Income Taxes and Equity in Net Income of Affiliated Companies		Net Income Attributable to Wacoal Holdings Corp.		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, 2015	106,000	10.2	9,000	7.2	9,300	(8.1)	6,200	(5.1)	44.02
Annual	205,000	6.9	14,000	97.7	14,500	27.8	10,000	18.4	71.00

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

Notes

- (1) Changes in significant subsidiaries in the consolidated cumulative 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, 2015	Fiscal Year ended March 31, 2015
(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:	2,538,651 shares	2,537,276 shares
(iii) Average number of shares during consolidated first quarter (first quarter ended June 30):	140,839,822 shares	140,838,676 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 reasonable information we obtained as of the date hereof 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 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 information systems; risks relating to the 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 -----	5
(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 Cumulative Quarter -----	5
(2)	Application of Simplified Accounting Methods and Specific Accounting Methods -----	5
(3)	Summary of Changes in Accounting Principles -----	5
3.	Consolidated Quarterly Financial Statements -----	6
(1)	Consolidated Quarterly Balance Sheets -----	6
(2)	Consolidated Quarterly Statements of Income -----	8
(3)	Consolidated Quarterly Statements of Comprehensive Income -----	8
(4)	Consolidated Quarterly Statements of Cash Flows -----	9
(5)	Notes on Consolidated Quarterly Financial Statements -----	10
	(Notes on Going Concern) -----	10
	(Notes on Significant Changes in the Amount of Total Shareholders' Equity) -----	10
	(Segment Information) -----	10
(6)	Status of Sales -----	11

1. Qualitative Information regarding Consolidated Performance during the First Quarter

(1) Qualitative Information regarding Consolidated Business Results

(i) Performance Overview of the Three Months ended June 30, 2015

Our group entered the last year of our three-year mid-term plan (from fiscal year 2014 to fiscal year 2016), and we (primarily Wacoal Corp., our core operating entity) continued to make efforts to expand our share of sales by 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 and profitability by actively developing our overseas business.

As a result of the above, with respect to our consolidated business results for the three months ended June 30, 2015, in domestic business, despite the fact that consumers continue to remain highly budget-conscious after the consumption tax increase, sales showed strong performance as a result of relatively active demand for certain high-priced products (including inbound demand), and achieved a recovery from the results for the corresponding period of the previous fiscal year which showed a significant decline. Further, sales from our overseas business were inflated by the depreciation of the yen, and as a result, overall sales exceeded 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 an increase in domestic sales, the favorable impact of the weak yen which contributed to the increase of profits achieved from overseas business, and the recovery of earnings at our subsidiary, Peach John Co., Ltd.

Net sales:	49,854 million yen (an increase of 8.4% as compared to the corresponding period of the previous fiscal year)
Operating income:	4,432 million yen (an increase of 35.6% as compared to the corresponding period of the previous fiscal year)
Income before income taxes and equity in net income of affiliated companies:	5,390 million yen (an increase of 14.6% as compared to the corresponding period of the previous fiscal year)
Net income attributable to Wacoal Holdings Corp.:	3,861 million yen (an increase of 27.7% as compared to the corresponding period of the previous fiscal year)

(ii) Business Overview of Our Operating Segments

a. Wacoal Business (Domestic)

With respect to our domestic business, we focused on establishing a system which can respond to changes in the external environment, and made efforts to expand customer contact, by taking measures to respond to growing inbound consumption and carrying out cross-channel initiatives in rural and unexploited areas. We also made efforts to develop and expand our products targeting a generation that only recently started wearing brassieres and middle-aged and senior consumers.

With respect to our Wacoal brand business, although sales from our innerwear products exceeded the results for the corresponding period of the previous fiscal year as a result of increasing inbound demand at department stores in certain regions and favorable performance of our core brassieres products, pre-stage brand products and products for seniors, overall sales remained unchanged from the results for the corresponding period of the previous fiscal year due to the poor performance of nightclothes products.

With respect to our Wing brand business, although our spring campaign products showed poor performance, overall sales were driven by the favorable performance of our brassieres in general as a result of increasing variations of our summer brassieres and by sales from our girdle products. An expansion in shop openings of our brand products for teens also contributed to sales, and as a result, overall sales from our Wing brand business exceeded the results for the corresponding period of the previous fiscal year.

In our retail business, sales from our directly managed retail store, AMPHI, showed steady performance as a result of favorable sales of our collaboration products with apparel brands and our successful promotion initiatives of exclusive

offers for members. Sales were also driven by inbound consumption with respect to our Wacoal Factory Store in outlet malls, particularly in areas around airports, and as a result, overall sales largely exceeded the results for the corresponding period of the previous fiscal year.

In our wellness business, overall sales fell below the results for the corresponding period of the previous fiscal year due to the poor performance of shop sales of our sports conditioning wear “CW-X” brand, resulting from a decline in demand for trekking and golf products.

In our catalog sales business, sales exceeded the results for the corresponding period of the previous fiscal year due to our successful initiatives to expand the age group range for catalog distribution and to accelerate the launch schedule for our catalogues. With respect to our internet sales, the number of internet users visiting our website increased as we were no longer affected by the shutdown of our website last year and as a result of the optimized search engines. As a result, overall sales exceeded the results for the corresponding period of the previous fiscal year.

With respect to Ai Co., Ltd, our domestic subsidiary which handles the swimwear business and directly managed underwear business, which we acquired from San-Ai group during the current fiscal year, sales from both swimwear and underwear businesses were below the sales we anticipated in our plan, but profits exceeded the profits we anticipated in our plan.

In summary, overall sales attributable to our “Wacoal Business (Domestic)” segment exceeded the results for the corresponding period of the previous fiscal year due to the increased sales from Wacoal Corp., our core operating entity, and the inclusion of sales from Ai Co., Ltd. With respect to profitability, our operating income also largely exceeded the results for the corresponding period of the previous fiscal year as a result of our efforts at Wacoal Corp. to hold down a decline in the sales profit rate resulting from an increase in processing charges for overseas production.

Net sales:	28,836 million yen (an increase of 7.9% as compared to the corresponding period of the previous fiscal year)
Operating income:	2,297 million yen (an increase of 35.8% as compared to the corresponding period of the previous fiscal year)

b. Wacoal Business (Overseas)

In the United States, Wacoal America Inc. made efforts to improve profits by expanding its share in the high-end market and through enhancing sales of our “b.tempt’d” brand products. Although sales from our “b.tempt’d” brand products showed poor performance in the United States, overall sales on a local currency basis exceeded the results for the corresponding period of the previous fiscal year as a result of strong performance of our core Wacoal brand products and favorable results of our internet sales and of our exports to surrounding countries and Europe. In terms of profit, operating income on a local currency basis fell below the results for the corresponding period of the previous fiscal year due to an increase in selling, general and administrative expenses which resulted from recording our 30th anniversary promotion expenses, but operating income on a yen converted basis exceeded the results for the corresponding period of the previous fiscal year.

With respect to Wacoal Europe, we made efforts to promote our Wacoal portfolio brands’ recognition and to expand sales of the Wacoal brand across Europe and Australia. With regard to sales, the performance was steady because expansion of our Wacoal brand products and overall portfolio brand contributed to sales in the United Kingdom. And sales at department stores in the United States recovered. However, sales in the Eurozone area showed weak performance due to slow consumer spending affected by the continued economic instability in Europe and due to the impact of a transition to a new business structure, particularly in France. As a result, sales on a local currency basis fell just below the results for the corresponding period of the previous fiscal year, but sales on a yen converted basis exceeded the results for the previous fiscal year due to the depreciation of the yen. With regard to profit, operating income largely fell below the results for the corresponding period of the previous fiscal year as a result of decreased sales and as a result of an increase in purchase costs due to the appreciation of the dollar.

With respect to our business in China, we made efforts to expand our share in the middle-class market and to establish a profit system. With regard to sales, although sales of LA ROSABELLE, our brand targeting the middle-class market, showed steady performance while the economy was slowing down, the number of shop openings fell below the number of openings anticipated under our initial plan as a result of our focus on profitable shops. On the other hand, overall sales largely exceeded the results for the corresponding period of the previous fiscal year as a result of our establishing a large market for our products that meet the needs of our Chinese female consumers which we studied for the

past few years, as well as growing internet sales and sales from outlet malls. In terms of profit, operating income largely exceeded the results for the corresponding period of the previous fiscal year as a result of the expansion of sales profit due to our achieving a higher local procurement rate and a higher sales ratio in channels with a higher sales profit rate.

As a result of the above, overall sales and operating income under the “Wacoal Business (Overseas)” segment exceeded the results for the corresponding period of the previous fiscal year.

Net sales:	14,277 million yen (an increase of 12.7% as compared to corresponding period of the previous fiscal year)
Operating income:	1,904 million yen (an increase of 4.5% as compared to the corresponding period of the previous fiscal year)

c. Peach John Business

With respect to Peach John Co., Ltd., we made efforts to maintain the existing customer contact in our three-brand framework and expanding contact with new customers through shop openings. Although sales from our core mail-order catalogues fell below the results for the corresponding period of the previous fiscal year because we were not successful in attracting customers, sales from our domestic direct retail stores largely exceeded the results for the corresponding period of the previous fiscal year due to an increase in the number of customers visiting our shops as a result of our strategic approach to weekly change the products that are offered in our shops. In terms of profit, an operating loss which we recorded during the corresponding period of the previous fiscal year significantly recovered as a result of our efforts in improving sales profit by reviewing our pricing method and reducing costs. Our initiatives to discontinue our underperforming shops for our business in China and to shift to internet sales also contributed to the improvement of sales profit rate. As a result of the above, overall sales and operating income from our Peach John business exceeded the results for the corresponding period of the previous fiscal year.

Net sales:	2,886 million yen (an increase of 1.5% as compared to the corresponding period of the previous fiscal year)
Operating income:	344 million yen (as compared to 86 million yen of operating loss for the corresponding period of the previous fiscal year)

d. Other

With respect to the business of Lecien Corporation (“Lecien”), we made efforts to cultivate new sales channels and to build up our production base. With respect to the innerwear business division, which handles our core innerwear products, sales to our major clients showed favorable performance. Other divisions, including our apparel business division, also showed strong performance and, as a result, overall sales from Lecien exceeded the results for the corresponding period of the previous fiscal year. In terms of profit, we recorded an operating loss as a result of the worsening sales profit rate, which was impacted by the weak yen.

As for Nanasai Co., Ltd. (“Nanasai”), which engages in manufacturing, sales and rentals of mannequins and interior design and construction of stores at commercial facilities, we made efforts in maintaining and expanding our rental business, as well as expanding sales by acquiring new construction business. Sales from the rental business remained unchanged from the results for the previous fiscal year, while fixtures offered to the mass merchandise channel contributed to the sales from our sales business. Sales from the construction business largely fell below the results for the corresponding period of the previous fiscal year, and as a result, overall sales remained unchanged from the results for the corresponding period of the previous fiscal year. In terms of profit, we recorded an operating loss as we did in the corresponding period of the previous fiscal year.

Net sales:	3,855 million yen (an increase of 2.1% as compared to the corresponding period of the previous fiscal year)
Operating loss:	113 million yen (as compared to 159 million yen of operating loss 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 307,074 million yen, an increase of 6,802 million yen from the end of the previous fiscal year, due to increases in inventories and the valuation amount of investments.

Our total liabilities were 70,299 million yen, an increase of 1,595 million yen from the end of the previous fiscal year, due to increases in short-term bank loans and other current liabilities.

Total Wacoal Holdings Corp. shareholders' equity was 233,823 million yen, an increase of 4,966 million yen from the end of the previous fiscal year, due to increases in foreign currency translation adjustments and unrealized gain on securities.

As a result of the above, our total shareholders' equity ratio as of the end of the current consolidated first quarter was 76.1%, a decrease of 0.1% from the end of the previous fiscal year.

(ii) Cash Flows

Cash and cash equivalents as of the end of the consolidated first quarter of the current fiscal year were 34,894 million yen, a decrease of 3,516 million yen from the end of the previous fiscal year.

(Cash Flow Provided by Operating Activities)

Cash flow provided by operating activities was 2,975 million yen, a decrease of 2,465 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 3,973 million yen plus adjustments of depreciation and amortization and deferred income taxes.

(Cash Flow Used in Investing Activities)

Cash flow used in investing activities was 2,551 million yen, as compared to 930 million yen of cash inflow for the corresponding period of the previous fiscal year, due to increases in capital expenditures and other investing activities.

(Cash Flow Used in Financing Activities)

Cash flow used in financing activities was 4,340 million yen, a decrease of 371 million yen as compared to the corresponding period of the previous fiscal year, due to repayment of bank loans and 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 ending September 30, 2015 and fiscal year ending March 31, 2016 since our announcement on May 11, 2015.

2. Matters Concerning Summaries (Notes)

- (1) Summary of Changes in Significant Subsidiaries during the Current Consolidated Cumulative 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 Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

Accounts	Previous Fiscal Year as of March 31, 2015	Current Consolidated First Quarter as of June 30, 2015	Increase/(Decrease)
(Assets)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current assets:			
Cash and cash equivalents	38,410	34,894	(3,516)
Time deposits	2,687	2,686	(1)
Marketable securities	2,387	2,379	(8)
Notes and accounts receivable	26,544	24,582	(1,962)
Allowance for returns and doubtful receivables	(2,409)	(2,522)	(113)
Inventories	42,893	46,818	3,925
Deferred income taxes	5,488	4,857	(631)
Other current assets	4,264	6,064	1,800
Total current assets	120,264	119,758	(506)
II. Property, plant and equipment:			
Land	22,009	22,036	27
Buildings and building improvements	64,038	64,374	336
Machinery and equipment	16,760	17,242	482
Construction in progress	<u>923</u>	<u>1,492</u>	<u>569</u>
	103,730	105,144	1,414
Accumulated depreciation	(54,542)	(55,423)	(881)
Net property, plant and equipment	49,188	49,721	533
III. Other assets:			
Investments in affiliated companies	22,052	21,844	(208)
Investments	59,963	64,394	4,431
Goodwill	18,750	19,937	1,187
Other intangible assets	12,739	13,409	670
Prepaid pension expense	10,577	10,914	337
Deferred income taxes	982	960	(22)
Other	5,757	6,137	380
Total other assets	130,820	137,595	6,775
Total assets	300,272	307,074	6,802

Accounts	Previous Fiscal Year as of March 31, 2015	Current Consolidated First Quarter as of June 30, 2015	Increase/(Decrease)
(Liabilities)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current liabilities:			
Short-term bank loans	10,038	14,514	4,476
Notes and accounts payable:			
Trade notes	1,031	1,599	568
Trade accounts	11,346	11,782	436
Other payables	<u>6,686</u>	<u>4,357</u>	<u>(2,329)</u>
	19,063	17,738	(1,325)
Accrued payroll and bonuses	6,936	5,478	(1,458)
Income taxes payable	2,064	662	(1,402)
Other current liabilities	4,201	7,885	3,684
Total current liabilities	42,302	46,277	3,975
II. Long-term liabilities:			
Liability for termination and retirement benefits	1,680	1,441	(239)
Deferred income taxes	18,796	20,451	1,655
Other long-term liabilities	5,926	2,130	(3,796)
Total long-term liabilities	26,402	24,022	(2,380)
Total liabilities	68,704	70,299	1,595
(Equity)			
I. Common stock	13,260	13,260	-
II. Additional paid-in capital	29,642	29,653	11
III. Retained earnings	155,264	154,900	(364)
IV. Accumulated other comprehensive income:			
Foreign currency translation adjustments	10,831	13,405	2,574
Unrealized gain on securities	20,821	23,728	2,907
Pension liability adjustments	1,934	1,774	(160)
V. Treasury stock, at cost	(2,895)	(2,897)	(2)
Total Wacoal Holdings Corp. shareholders' equity	228,857	233,823	4,966
VI. Noncontrolling interests	2,711	2,952	241
Total equity	231,568	236,775	5,207
Total liabilities and equity	300,272	307,074	6,802

(2) Consolidated Quarterly Statements of Income

Accounts	Previous Consolidated Cumulative First Quarter (From April 1, 2014 to June 30, 2014)		Current Consolidated Cumulative First Quarter (From April 1, 2015 to June 30, 2015)		Increase/ (Decrease)
	Millions of Yen	%	Millions of Yen	%	
I. Net Sales	46,010	100.0	49,854	100.0	3,844
II. Operating costs and expenses					
Cost of sales	20,982	45.6	22,588	45.3	1,606
Selling, general and administrative expenses	21,760	47.3	22,834	45.8	1,074
Total operating costs and expenses	42,742	92.9	45,422	91.1	2,680
Operating income	3,268	7.1	4,432	8.9	1,164
III. Other income (expenses):					
Interest income	28		37		9
Interest expense	(27)		(21)		6
Dividend income	482		558		76
Gain or loss on sales or exchange of marketable securities and investments - net	1		24		23
Valuation loss on marketable securities and investments	(0)		(0)		0
Gain on sales of paintings	1,059		-		(1,059)
Other – net	(109)		360		469
Total other income (expenses)	1,434	3.1	958	1.9	(476)
Income before income taxes and equity in net income of affiliated companies	4,702	10.2	5,390	10.8	688
Income taxes	1,777	3.8	1,806	3.6	29
Income before equity in net income of affiliated companies	2,925	6.4	3,584	7.2	659
Equity in net income of affiliated companies	187	0.4	389	0.8	202
Net income	3,112	6.8	3,973	8.0	861
Net income attributable to noncontrolling interests	(89)	(0.2)	(112)	(0.3)	(23)
Net income attributable to Wacoal Holdings Corp.	3,023	6.6	3,861	7.7	838

(3) Consolidated Quarterly Statements of Comprehensive Income

Accounts	Previous Consolidated Cumulative First Quarter (From April 1, 2014 to June 30, 2014)		Current Consolidated Cumulative First Quarter (From April 1, 2015 to June 30, 2015)		Increase/(Decrease)
	Millions of Yen		Millions of Yen		
I. Net income	3,112		3,973		861
II. Other comprehensive income (loss) - net of tax:					
Foreign currency translation adjustments	869		2,580		1,711
Unrealized gain on securities	1,695		2,903		1,208
Pension liability adjustments	(52)		(160)		(108)
Other comprehensive income	2,512		5,323		2,811
Comprehensive income	5,624		9,296		3,672
Comprehensive income attributable to noncontrolling interests	(101)		(114)		(13)
Comprehensive income attributable to Wacoal Holdings Corp.	5,523		9,182		3,659

(4) Consolidated Quarterly Statements of Cash Flows

Accounts	Previous Consolidated Cumulative First Quarter (From April 1, 2014 to June 30, 2014)	Current Consolidated Cumulative First Quarter (From April 1, 2015 to June 30, 2015)
	Millions of Yen	Millions of Yen
I. Operating activities		
1. Net income	3,112	3,973
2. Adjustments to reconcile net income to net cash provided by operating activities		
(1) Depreciation and amortization	1,367	1,169
(2) Provision for returns and doubtful receivables - net	196	83
(3) Deferred income taxes	779	721
(4) Gain or loss on sales or disposal of property, plant and equipment - net	(25)	7
(5) Gain on sales of paintings	(1,059)	-
(6) Gain or loss on sales or exchange of marketable securities and investments - net	(1)	(24)
(7) Valuation loss on marketable securities and investments	0	0
(8) Equity in net income of affiliated companies, less dividends	397	355
(9) Changes in assets and liabilities		
Decrease in notes and receivables	3,445	2,253
Increase in inventories	(1,137)	(2,504)
Increase in other current assets	(1,756)	(1,719)
Decrease in notes and accounts payable	(714)	(1,471)
Decrease in liability for termination and retirement benefits	(392)	(818)
Increase in other liabilities	1,196	975
(10) Other	32	(25)
Net cash provided by operating activities	5,440	2,975
II. Investing activities		
1. Increase in time deposits	(374)	(508)
2. Decrease in time deposits	966	539
3. Proceeds from sales and redemption of marketable securities	106	122
4. Payments to acquire marketable securities	-	(135)
5. Proceeds from sales of paintings	1,275	-
6. Proceeds from sales of property, plant and equipment	164	75
7. Capital expenditures	(844)	(1,062)
8. Payments to acquire intangible assets	(262)	(492)
9. Proceeds from sales of investments	-	27
10. Payments to acquire investments	(108)	(130)
11. Payments to acquire additional shares of a subsidiary	(1)	-
12. Other	8	(987)
Net cash (used in) provided by investing activities	930	(2,551)
III. Financing activities		
1. Net increase in short-term bank loans	274	4,312
2. Proceeds from issuance of long-term debt	-	100
3. Repayment of long-term debt	(250)	(4,433)
4. Repurchase of treasury stock	(0)	(2)
5. Dividends paid on common stock	(4,648)	(4,225)
6. Dividends paid to noncontrolling interests	(87)	(92)
Net cash used in financing activities	(4,711)	(4,340)
IV. Effect of exchange rate changes on cash and cash equivalents	(96)	400
V. Net (decrease) increase in cash and cash equivalents	1,563	(3,516)
VI. Cash and cash equivalents, beginning of period	30,658	38,410
VII. Cash and cash equivalents, end of period	32,221	34,894

Additional Cash Flow Information

Cash paid for:		
Interest	27	21
Income taxes	2,548	3,628
Noncash investing activities		
Acquisition of fixed assets by assuming payment obligation	352	446

(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 Cumulative First Quarter (From April 1, 2014 to June 30, 2014)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	26,719	12,670	2,844	3,777	46,010	-	46,010
(2) Intersegment	435	2,132	160	1,162	3,889	(3,889)	-
Total	27,154	14,802	3,004	4,939	49,899	(3,889)	46,010
Operating income (loss)	1,691	1,822	(86)	(159)	3,268	-	3,268

Current Consolidated Cumulative First Quarter (From April 1, 2015 to June 30, 2015)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	28,836	14,277	2,886	3,855	49,854	-	49,854
(2) Intersegment	387	2,196	173	1,366	4,122	(4,122)	-
Total	29,223	16,473	3,059	5,221	53,976	(4,122)	49,854
Operating income (loss)	2,297	1,904	344	(113)	4,432	-	4,432

(Note) 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.

(ii) Segment Information by Region

Previous Consolidated Cumulative First Quarter (From April 1, 2014 to June 30, 2014)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Consolidated
Net sales				
External customers	33,240	4,165	8,605	46,010
Distribution ratio	72.2%	9.1%	18.7%	100.0%
Operating income	1,420	537	1,311	3,268

Current Consolidated Cumulative First Quarter (From April 1, 2015 to June 30, 2015)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Consolidated
Net sales				
External customers	35,503	4,589	9,762	49,854
Distribution ratio	71.2%	9.2%	19.6%	100.0%
Operating income	2,538	516	1,378	4,432

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

(6) Status of Sales

Type of product		Previous Consolidated Cumulative First Quarter (From April 1, 2014 to June 30, 2014)		Current Consolidated Cumulative First Quarter (From April 1, 2015 to June 30, 2015)		Increase/(Decrease)	
		Amount	Distribution Ratio	Amount	Distribution Ratio	Amount	Distribution Ratio
Innerwear		Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
	Foundation and lingerie	34,278	74.5	37,709	75.6	3,431	10.0
	Nightwear	2,613	5.7	2,518	5.1	(95)	(3.6)
	Children's underwear	420	0.9	405	0.8	(15)	(3.6)
	Subtotal	37,311	81.1	40,632	81.5	3,321	8.9
Outerwear/Sportswear		3,957	8.6	4,538	9.1	581	14.7
Hosiery		668	1.4	637	1.3	(31)	(4.6)
Other textile goods and related products		2,060	4.5	1,830	3.7	(230)	(11.2)
Other		2,014	4.4	2,217	4.4	203	10.1
Total		46,010	100.0	49,854	100.0	3,844	8.4