



Fiscal Year Ended March 31, 2015 **2nd Quarter Results Presentation**

Wacoal Holdings Corp.
November 2014

FY2015 2Q Financial Results Summary

**FY2015 Progress and Initiatives
Going Forward**

FY2015 Business Results Forecast

Reference Figures

Overview of Financial Results



Sales and earnings decline year on year because lackluster demand following an increase in consumption tax affects domestic businesses, which counteracts inflation of overseas businesses' sales due to effect of exchange rates

(Millions of yen)

Consolidated Results	FY2014 2Q results, 6 months	FY2015 2Q results, 6 months	FY2015 2Q target	Vs. prev. FY	Vs. target
Net Sales	98,518	96,190	100,000	Δ 2,328	Δ 3,810
Cost of Sales (%)	45,448 46.1%	44,359 46.1%	46,600 46.6%	Δ 1,089 0.0%	Δ 2,241 Δ 0.5%
Profits from Sales (%)	53,070 53.9%	51,831 53.9%	53,400 53.3%	Δ 1,239 0.0%	Δ 1,569 0.6%
SG&A Expenses (%)	43,494 44.2%	43,436 45.2%	44,900 44.9%	Δ 58 1.0%	Δ 1,464 0.4%
Operating Income (%)	9,576 9.7%	8,395 8.7%	8,500 8.5%	Δ 1,181 Δ 1.0%	Δ 105 0.2%
Pre-tax net income	10,070	10,123	10,000	53	123
Net income attributable to Wacoal Holdings Corp.	6,435	6,530	6,700	95	Δ 170

Overview of Financial Results (by Segment)



(Millions of yen)

		FY2014 2Q results, 6 months	FY2015 2Q results, 6 months	FY2015 2Q target	Vs. prev. FY	Vs. target	Effect of exchange rate fluctuation	
							Difference due to current FY rate	Difference due to previous FY rate
Net Sales	Wacoal Business (Domestic)	60,122	56,951	58,500	△ 3171	△ 1549		
	Wacoal Business (Overseas)	22,655	24,470	25,400	1815	△ 930	129	2,235
	Peach John Business	6,178	5,843	6,500	△ 335	△ 657		
	Other Businesses	9,563	8,926	9,600	△ 637	△ 674		2
	Total	98,518	96,190	100,000	△ 2328	△ 3810	129	2,237
Operating Income	Wacoal Business (Domestic)	6,270	5,166	5,020	△ 1104	146		
	Wacoal Business (Overseas)	3,041	3,310	3,050	269	260	18	273
	Peach John Business	112	△ 156	300	△ 268	△ 456	1	
	Other Businesses	153	75	130	△ 78	△ 55	△ 1	△ 2
	Total	9,576	8,395	8,500	△ 1181	△ 105	18	271

* Since fiscal 2014, ended March 2014, Wacoal Eveden Limited has been included in the Wacoal Business (Overseas) segment. The company was included in the Other Businesses segment previously.

Financial Results Summary : Wacoal Business(Domestic)



Net Sales

95%

Operating
Income

97%

Amid slumping demand following the consumption tax increase, net sales and operating income decline year on year due to sluggish consumer spending as real disposable income flattens and prices rise.

(Millions of yen)

Net sales of Wacoal Corp.	FY2014 2Q Net Sales		FY2015 2Q Net Sales			
	Results	Year on Year	Results	Target	Year on Year	Compared with Target
Wacoal Brand Business	30,945	99%	29,500	30,200	95%	98%
Wing Brand Business	14,886	98%	13,558	14,100	91%	96%
Retail Business	6,773	109%	6,901	6,930	102%	100%
Wellness Business	4,374	102%	4,161	4,280	95%	97%
Catalog Sales Business	2,791	98%	2,407	2,750	86%	88%
Intersegment Transactions, etc.	△ 1,065	-	△ 834	△ 960	-	-
Total	58,704	99%	55,693	57,300	95%	97%

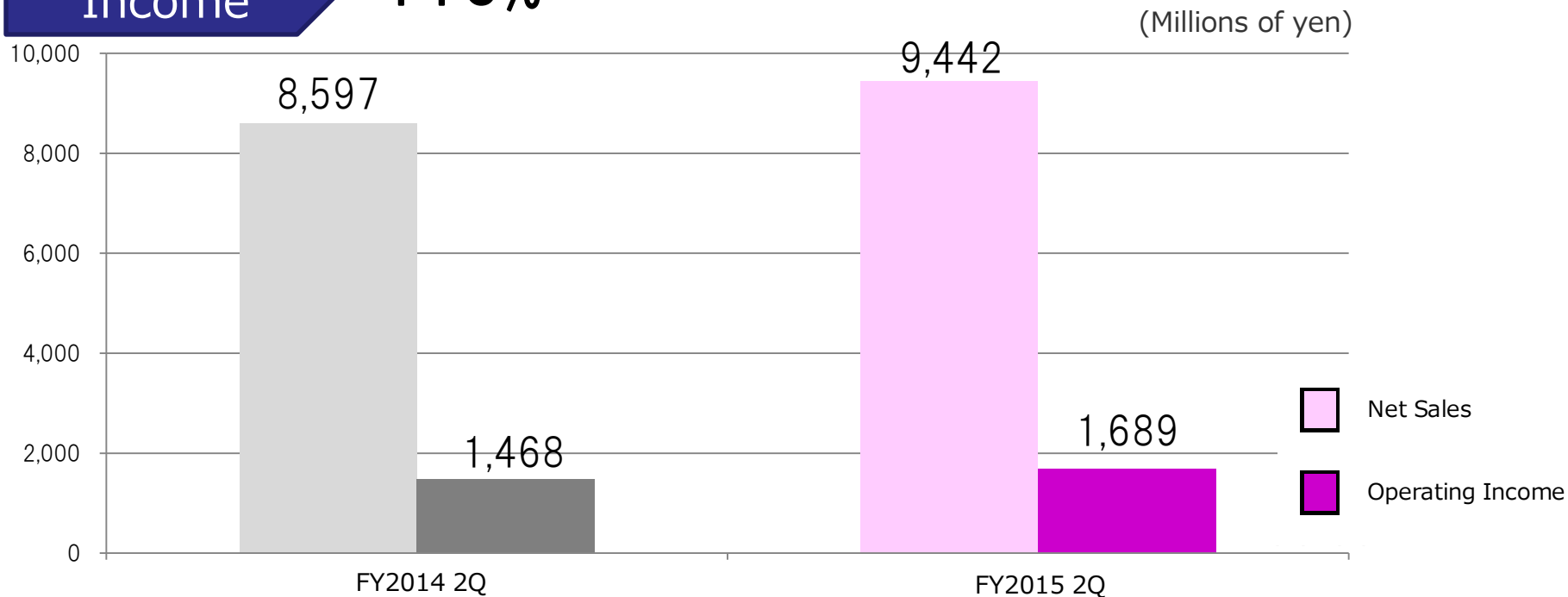
Financial Results Summary : Wacoal Business(Overseas)

United States



Net Sales 110%

Operating Income 115%



- Sales
 - Although “b.tempt’d” struggles, mainstay sales channels (department stores) remain unchanged year on year
 - Internet sales continue growing
 - Businesses in peripheral countries (Canada, Brazil) continue performing favorably
- Earnings
 - Dominican plant’s productivity improves (gain on purchasing due to lower customs duties)
 - Fewer store discounts



* iPant

【Past】

- The US Federal Trade Commission stated its intent to implement law enforcement procedures against Wacoal America in relation to expressions used in the advertising of certain products.
- A provisional settlement was reached entailing the restriction of expressions used in the advertising and the public announcement of procedures to refund US\$1.3 million to purchasers.

【Future】

- After publically disclosing the details of the provisional settlement, the US Federal Trade Commission will deliberate and vote on comments received during a public comment period (one month), and a final settlement will be reached.
(expected to take three to four months normally)

【Expenses recognition】

- A provision of US\$2 million (for refunds, legal fees, etc.) was recognized in the previous fiscal year.

【Causes and countermeasures】

- A difference in understanding with authorities about the evidence required to permit use of the expressions that were used in the advertising.
- The Wacoal Group will examine guidelines for prior evaluation processes and control in relation to expressions used in advertising and efficacy.

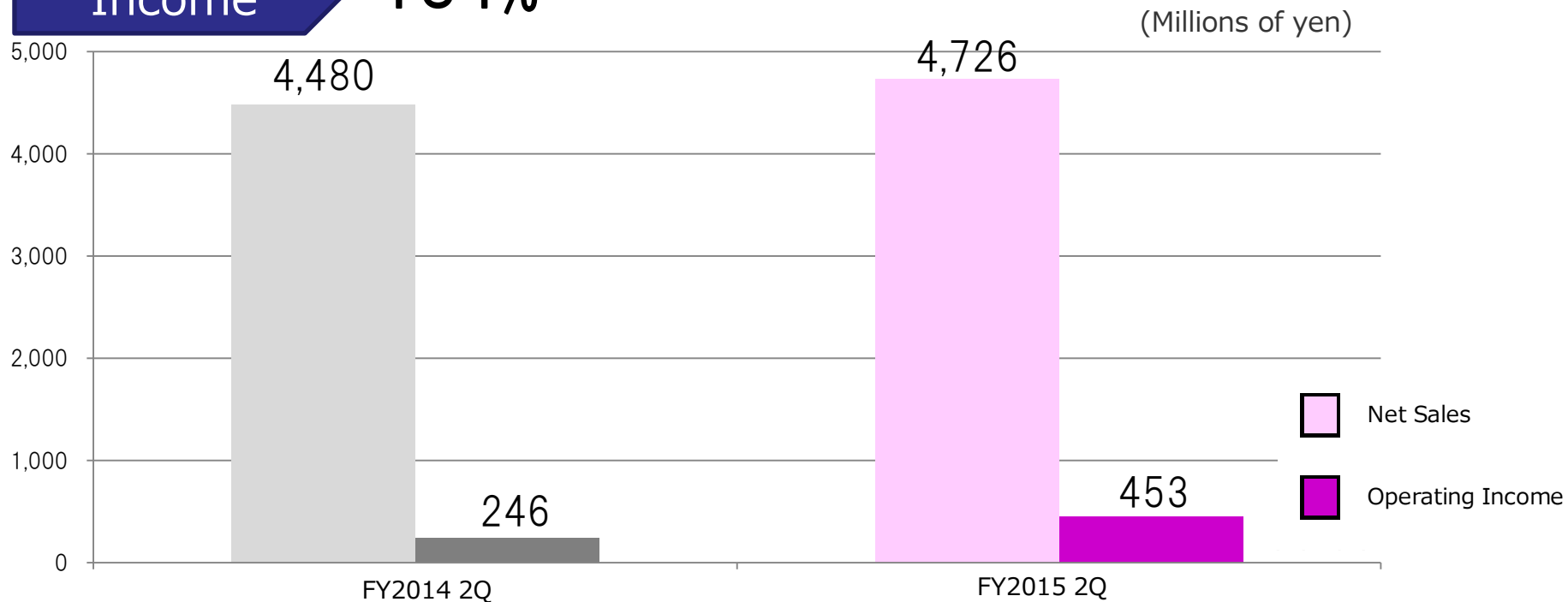
Financial Results Summary : Wacoal Business(Overseas)

China



Net Sales 105%

Operating Income 184%



● Sales

- Brand targeting middle-class customers “LA ROSABELLE” performs well
- High-end brands decline year on year due to the campaign against corruption and extravagant spending

● Earnings

- Percentage of materials purchased locally increases, and costs decrease
- Withdrawal from unprofitable stores reduces personnel

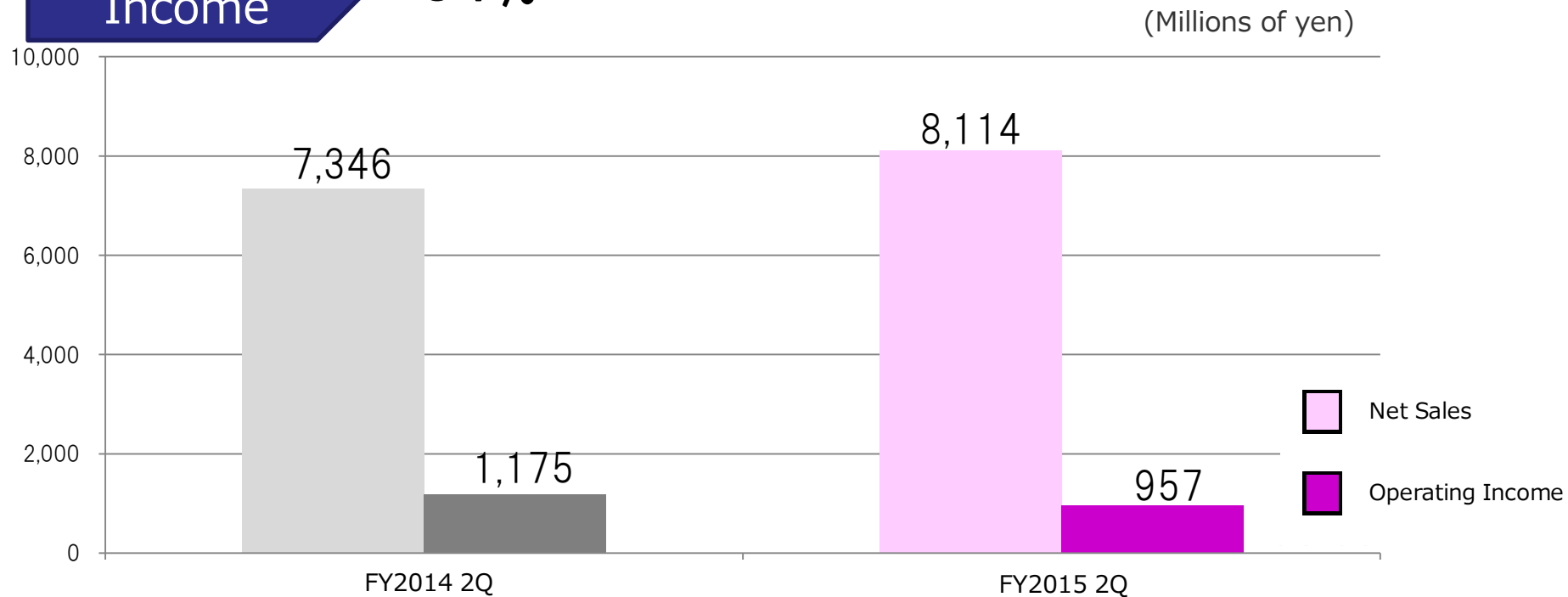
Financial Results Summary : Wacoal Business(Overseas)

Wacoal Eveden



Net Sales 110%

Operating Income 81%



● Sales

- Expansion of sales channels for Wacoal brand products in U.K.
- Other European regions struggle overall due to instability in Ukraine and Middle East

● Earnings

- Recognition of expenses arising from changes in European business organization
- Net sales decrease

Financial Results Summary : Peach John Business



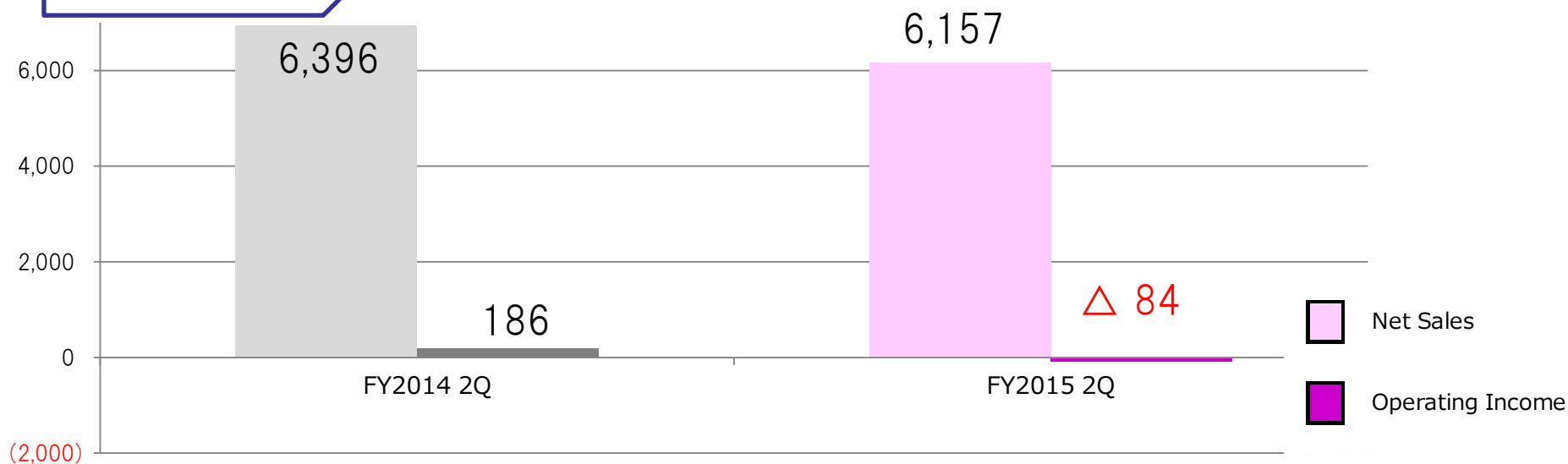
Net Sales

96%

Operating Loss

84 Millions

(Millions of yen)



● Sales

- Internet sales and mail-order catalog sales (87%): Customer numbers constant, but purchase rate declines
- Directly managed stores (104%): Opening of new-business-format stores increases store numbers

● Loss

- Net sales decrease
- Cost of sales ratio rises due to weakening yen

Financial Results Summary : Other Businesses

LECIEN/Nanasai



**LECIEN
Net Sales**

**LECIEN
Operating Loss**

96%

27 Millions

**Nanasai
Net Sales**

**Nanasai
Operating Income**

91%

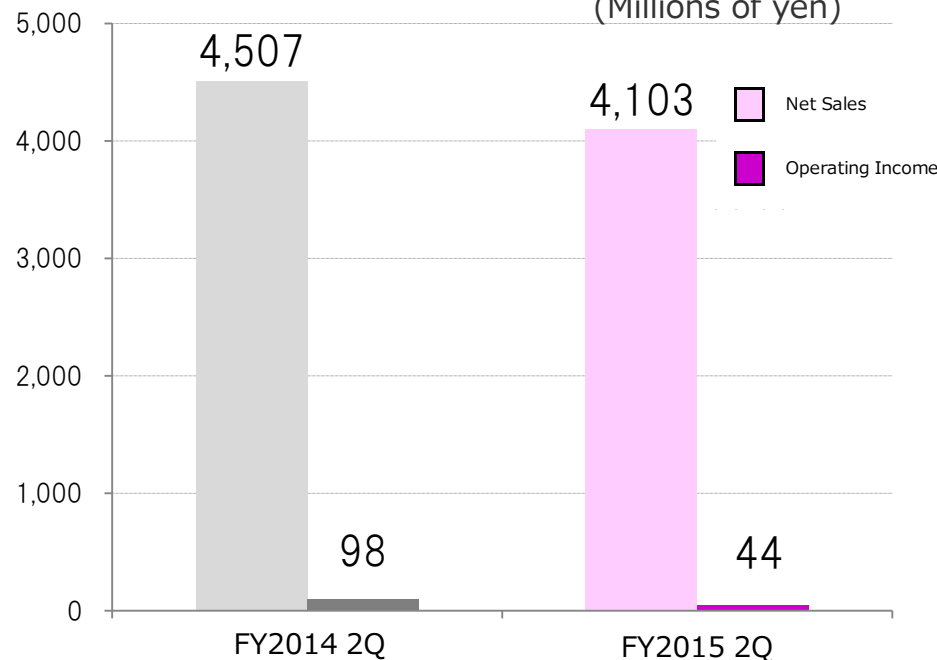
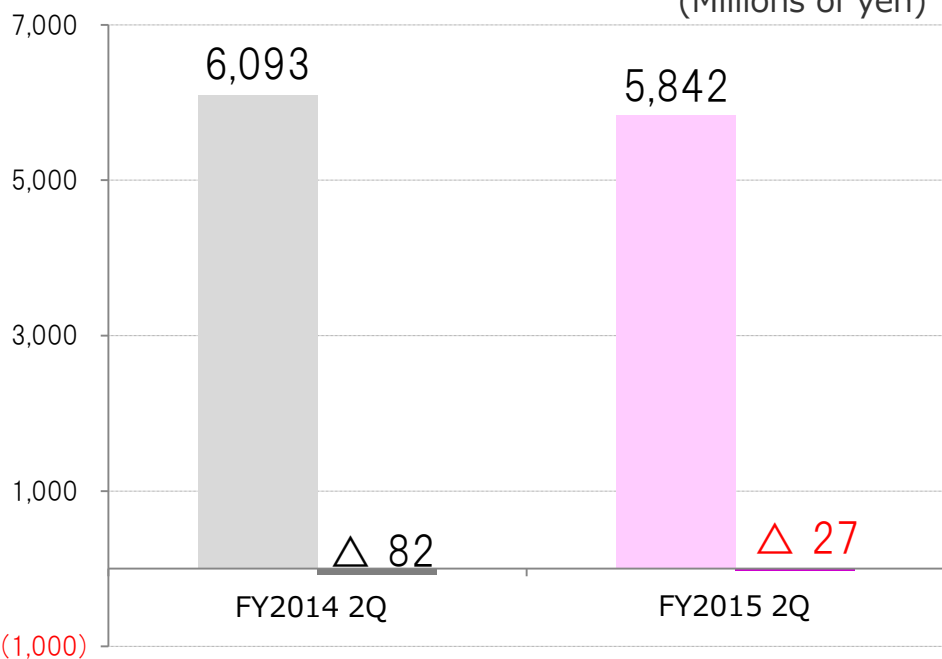
45%

(Millions of yen)

(Millions of yen)

(Millions of yen)

Net Sales
Operating Income



● Sales

- Mainstay innerwear business unchanged year on year, other businesses struggle

● Loss

- Sales decrease

● Sales

- Sales business and interior construction business struggle as major business customers curb investment

● Earnings

- Sales decrease

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Second-Half Topics



Wacoal Business(Domestic)



New-business-format store "Brara"



Wacoal Garden in Matsuyama



"Puchi Puriri" brand image

Area strategy

- Increase openings of new-business-format store "Brara", which is managed through Group coordination

Plan to open 15 stores by end of March 2016 (Retail Business Department)

Area strategy

- Strengthen support for specialty stores
 - 1: Support store development and provide exclusive brand products
 - 2: Take measures to increase points of contact with regions

Open "Wacoal Garden stores" (first store opened in March 2014 in Matsuyama)

Plan to open second store in current fiscal year

Initiatives targeting entry-level customer group

- Begin rolling out "Puchi Puriri", a new brand for general merchandising stores (plan to open approximately 150 stores)

Step up efforts to cater to non-Japanese customers visiting Japan

- Cater to duty free stores, deploy Chinese sales personnel

Second-Half Topics



Wacoal Business(Overseas)

<United States>



Wacoal America "Wacoal Brand"

- Increase sales in peripheral countries
- Secure earnings by increasing productivity and quality of Dominican plant

<China >



Wacoal China
"LA ROSABELLE"

- Increase profit margins by heightening percentage of materials purchased locally
- Expand network of stores for "LA ROSABELLE", a brand targeting middle-class customers (Plan for 34 stores by end of December; Second half: +17)

<Wacoal Eveden>



Wacoal Europe collection

- Roll out Wacoal Europe collection in earnest
- Rebuild European business organization (complete in current fiscal year)

Second-Half Topics



Peach John Business



A Peach John anime character collaborative product

- Limited launch of anime character collaborative products (¥200 million in orders received already)
- Secure earnings by changing pricing of some products (increase approximately 6%) from next spring's issue

Other Businesses



Nanasai's Tiara mannequins

<Nanasai>

- Strengthen interior construction and rental businesses

<Lecien>

- Step up initiatives with major business customers
- Operate Cambodia plant stably

FY2015 2Q Financial Results Summary

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Going Forward**

FY2015 Business Results Forecast

Reference Figures

FY2015 Business Results Forecast



(Millions of yen)

	FY2015	Change year on year	FY2014	Vs. prev. FY
Net Sales	196,000	1.1%	193,781	2,219
Operating Income	13,500	△2.6%	13,860	△360
Net income attributable to Wacoal Holdings Corp.	10,500	3.9%	10,106	394

Expected dividends = 30 yen

* The business results forecast and dividends forecast for the current fiscal year issued on May 13, 2014, have not changed.

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Main Subsidiaries



(Millions of yen)

	Net Sales						Operating Income					
	FY2014 2Q		FY2015 2Q				FY2014 2Q		FY2015 2Q			
	Results	Year on Year	Results	Target	Year on Year	Compared with Target	Results	Year on Year	Results	Target	Year on Year	Compared with Target
Wacoal	58,704	99%	55,694	57,300	95%	97%	5,059	98%	3,824	4,100	76%	93%
Peach John	6,396	102%	6,157	6,800	96%	91%	186	-	△ 84	400	-	-
LECIEN	6,093	100%	5,842	6,400	96%	91%	△ 82	-	△ 27	40	-	-
Nanasai	4,507	98%	4,103	4,500	91%	91%	98	84%	44	30	45%	147%
Une nana cool	2,012	101%	2,129	2,100	106%	101%	△ 15	-	24	20	-	120%
Wacoal International (U.S.A.)	8,597	139%	9,442	9,500	110%	99%	1,468	148%	1,689	1,500	115%	113%
Wacoal China	4,480	128%	4,726	5,100	105%	93%	246	-	453	300	184%	151%
Wacoal Hong Kong	1,414	149%	1,575	1,500	111%	105%	175	194%	207	150	118%	138%
Wacoal Eveden	7,346	-	8,114	8,600	110%	94%	1,175	-	957	1,100	81%	87%

【Performance of Major Subsidiaries (Local Currency Basis)】

													Currency
Wacoal International (U.S.A.)	87,859	112%	91,626	92,200	104%	99%	14,995	119%	16,392	15,000	109%	109%	Thousands of US\$
Wacoal China	295,364	107%	283,818	308,100	96%	92%	16,141	-	27,154	18,900	168%	144%	Thousands of yuan
Wacoal Hong Kong	118,901	123%	119,243	114,900	100%	104%	14,769	164%	15,653	10,900	106%	143%	Thousands of HK\$
Wacoal Eveden	49,472	-	46,983	50,000	95%	94%	7,072	-	4,655	5,400	66%	86%	Thousands of pounds

Note: Figures are before adjustment for consolidation.

Note: The Company cannot make year-on-year comparisons because Wacoal Eveden's second quarter of fiscal 2014 was the six months from January to June 2013.

FY2015 Forecast: Main Subsidiaries



(Millions of yen)

	Net Sales				Operating Income			
	FY2014 2Q		FY2015 2Q		FY2014 2Q		FY2015 2Q	
	Results	Year on Year	Target	Year on Year	Results	Year on Year	Target	Year on Year
Wacoal	114,878	102%	109,700	95%	6,981	108%	5,800	83%
Peach John	12,937	106%	13,100	101%	229	69%	290	127%
LECIEN	12,098	103%	12,500	103%	-76	-	10	-
Nanasai	9,736	101%	9,500	98%	300	117%	130	43%
Une nana cool	4,115	101%	4,300	104%	36	75%	60	167%
Wacoal International (U.S.A.)	15,648	135%	17,200	110%	1,706	119%	1,890	111%
Wacoal China	8,588	130%	9,500	111%	123	-	220	179%
Wacoal Hong Kong	2,828	149%	3,000	106%	190	207%	230	121%
Wacoal Eveden	14,862	-	16,500	111%	2,120	-	1,980	93%

【Performance of Major Subsidiaries (Local Currency Basis)】

Wacoal International (U.S.A.)	157,672	111%	164,000	104%	17,195	98%	17,900	104%	Thousands of US\$
Wacoal China	550,466	104%	562,000	102%	7,802	-	13,000	167%	Thousands of yuan
Wacoal Hong Kong	232,604	121%	228,000	98%	15,636	169%	17,000	109%	Thousands of HK\$
Wacoal Eveden	95,611	-	94,700	99%	11,820	-	9,800	83%	Thousands of pounds

Note: Figures are before adjustment for consolidation.



Information within this document with respect to business plans, forecasts, strategies and other statements, including business performance figures, is based on Wacoal's assumptions in the light of the information currently available, and in no way precludes the uncertainties and risks inherent in these forward-looking statements. Furthermore, actual business results may, as a result of numerous factors, differ significantly from those expressed in statements in this document.