



Fiscal Year Ended March 31, 2015 Financial Results Presentation

May 19, 2015

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Wacoal Holdings Corp.**



FY2015 Financial Results Summary

FY2016 Business Results Forecast and
Priority Measures

Ai CO., LTD.

Reference Figures

Overview of Financial Results



Revenues and earnings decline year on year because effect on domestic business of sluggish demand after consumption tax hike and impairment losses of subsidiary counteracts inflated sales of overseas business resulting from exchange rates

(Millions of yen)

| Consolidated Results | FY2014 results | FY2015 results | FY2015 target | Vs. prev. FY | Vs. target |
|--|------------------|---|------------------|------------------|------------------|
| Net Sales | 193,781 | 191,765 | 196,000 | △ 2,016 | △ 4,235 |
| Cost of Sales (%) | 91,008 47.0% | 90,722 47.3% | 92,100 47.0% | △ 286 +0.3% | △ 1,378 +0.3% |
| Profits from Sales (%) | 102,773 53.0% | 101,043 52.7% | 103,900 53.0% | △ 1,730 -0.3% | △ 2,857 -0.3% |
| SG&A Expenses (Of which, impairment charges on other intangible assets) (%) | 88,913 45.9% | 93,961 (6,021) 49.0% | 90,400 46.1% | 5,048 +3.1% | 3,561 2.9% |
| Operating Income (%) | 13,860 7.2% | 7,082 3.7% | 13,500 6.9% | △ 6,778 -3.5% | △ 6,418 -3.2% |
| Pre-tax net income | 15,033 | 11,342 | 15,400 | △ 3,691 | △ 4,058 |
| Net income attributable to Wacoal Holdings Corp. | 10,106 | 8,444 | 10,500 | △ 1,662 | △ 2,056 |

* Gain on sale of assets (marketable securities and paintings) and tax effect lessen decrease at net income stage

Overview of Financial Results (by Segment)



(Millions of yen)

| | | FY2014 results | FY2015 results | FY2015 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) | 118,085 | 112,203 | 114,600 | △ 5,882 | △ 2,397 | | |
| | Wacoal Business (Overseas) | 43,636 | 48,107 | 48,200 | 4,471 | △ 93 | △ 157 | 5,063 |
| | Peach John Business | 12,482 | 11,626 | 13,100 | △ 856 | △ 1,474 | | 1 |
| | Other Businesses | 19,578 | 19,829 | 20,100 | 251 | △ 271 | | 3 |
| | Total | 193,781 | 191,765 | 196,000 | △ 2,016 | △ 4,235 | △ 157 | 5,067 |
| Operating Income | Wacoal Business (Domestic) | 9,284 | 8,444 | 8,500 | △ 840 | △ 56 | | |
| | Wacoal Business (Overseas) | 4,037 | 4,776 | 4,100 | 739 | 676 | △ 15 | 508 |
| | Peach John Business | 83 | △ 6,296 | 550 | △ 6,379 | △ 6,846 | △ 1 | △ 4 |
| | Other Businesses | 456 | 158 | 350 | △ 298 | △ 192 | △ 1 | △ 4 |
| | Total | 13,860 | 7,082 | 13,500 | △ 6,778 | △ 6,418 | △ 17 | 500 |

Summary by Segment-Wacoal Business (Domestic)

Net sales

95%

**Operating
Income**

91%

Net sales: Decline due to prolongation of sluggish demand from beginning of fiscal year after consumption tax hike

Operating: Reducing SG&A expenses and curbing increase in purchasing income costs that accompanies yen depreciation do not compensate for lower earnings resulting from net sales decline

(Millions of yen)

| Net sales of Wacoal Corp. | FY2014 Net Sales | | FY2015 Net Sales | | | |
|---------------------------------|------------------|--------------|------------------|---------|--------------|----------------------|
| | Results | Year on Year | Results | Target | Year on Year | Compared with Target |
| Wacoal Brand Business | 59,951 | 102% | 56,968 | 59,000 | 95% | 97% |
| Wing Brand Business | 27,699 | 100% | 25,341 | 27,000 | 91% | 95% |
| Retail Business | 13,700 | 110% | 13,920 | 14,000 | 102% | 99% |
| Wellness Business | 8,741 | 105% | 8,214 | 8,600 | 94% | 96% |
| Catalog Sales Business | 5,916 | 100% | 5,270 | 5,900 | 89% | 90% |
| Intersegment Transactions, etc. | △ 1,129 | 111% | △ 1,789 | △ 1,600 | - | - |
| Total | 114,878 | 102% | 107,924 | 112,000 | 94% | 96% |

Summary by Segment-Wacoal Business (Overseas)

Net Sales

110%

**Operating
Income**

118%

WIC

Net sales: Launching of new Europe collection, growth of Internet sales and surrounding countries

Operating income: Increase in net sales and curbing of SG&A expenses, reversal of legal costs

China

Net sales: Brands targeting middle-class customer group perform well

Operating income: Increase in locally purchased materials and increase in Internet sales of bargain products

WEL

Net sales: U.K. performs steadily, euro zone and U.S. struggle

Operating income: Decrease in net sales, recognition of costs arising from change in European operational structure

(Millions of yen)

| | | FY 2014 Results | Year on Year | FY 2015 Results | FY 2015 Target | Year on Year | Compared with Target |
|---------------------|--------------------------------------|--------------------|-----------------|--------------------|-------------------|-----------------|-------------------------|
| Net Sales | Wacoal International Corp. (U.S.) | 15,648 | 135% | 18,097 | 16,900 | 116% | 107% |
| | Wacoal China Co., Ltd. | 8,588 | 130% | 9,490 | 9,700 | 111% | 98% |
| | Wacoal Europe Ltd. | 14,862 | 142% | 16,054 | 16,900 | 108% | 95% |
| Operating Income | Wacoal International Corp. (U.S.) | 1,706 | 119% | 2,399 | 1,860 | 141% | 129% |
| | Wacoal China Co., Ltd. | 123 | - | 409 | 130 | 333% | 308% |
| | Wacoal Europe Ltd. | 2,120 | 285% | 1,741 | 2,000 | 82% | 87% |

Summary by Segment-Wacoal Business

(Peach John, Other Business)



PJ

Net Sales

93%

Operating loss

6,296 million yen

Net sales: Struggles as outerwear and sundries drop significantly in mainstay mail-order sales
 Operating income: Net sales decrease, cost of sales as percentage of net sales rises due to yen depreciation

(Millions of yen)

| | FY 2014 Results | Year on Year | FY 2015 Results | FY 2015 Target | Year on Year | Compared with Target |
|------------------|-----------------|--------------|-----------------|----------------|--------------|----------------------|
| Net Sales | 12,937 | 106% | 12,277 | 13,500 | 95% | 91% |
| Operating Income | 229 | 69% | △ 127 | 680 | - | - |

Other Business

Net Sales

106%

Operating Income

35%

LECIEN

Net sales: Although material business favorable, innerwear and apparel businesses struggle

Operating income: Cost of sales as percentage of net sales rises due to yen depreciation

Nanasai

Net sales: Rental business and interior construction business perform favorably

Operating income: Cost of sales as percentage of net sales of interior construction business rises

(Millions of yen)

| | | FY 2014 Results | Year on Year | FY 2015 Results | FY 2015 Target | Year on Year | Compared with Target |
|------------------|---------|-----------------|--------------|-----------------|----------------|--------------|----------------------|
| Net Sales | LECIEN | 12,098 | 103% | 11,768 | 13,100 | 97% | 90% |
| | Nanasai | 9,736 | 101% | 10,121 | 9,550 | 104% | 106% |
| Operating Income | LECIEN | △ 76 | - | △ 209 | 80 | - | - |
| | Nanasai | 300 | 117% | 255 | 110 | 85% | 232% |



FY2015 Financial Results Summary

**FY2016 Business Results Forecast and
Priority Measures**

Ai CO., LTD.

Reference Figures

FY2016 Business Results Forecast



Net Sales **205**
billion yen

Operating **14**
Income
billion yen

(Millions of yen)

| <Business Results Forecast> | | | | | | |
|--|--|--------------|--|--------------|----------------|--------------|
| | FY 2015 Results | Vs. prev. FY | FY 2016 2Q Target | Vs. prev. FY | FY 2016 Target | Vs. prev. FY |
| Net Sales | 191,765 | △ 2,016 | 106,000 | 9,810 | 205,000 | 13,235 |
| Operating Income (%) | 7,082 | △ 7,365 | 9,000 | 605 | 14,000 | 6,918 |
| Net income attributable to Wacoal Holdings Corp. | 8,444 | △ 2,566 | 6,200 | △ 330 | 10,000 | 1,556 |
| (Exchange rates) | US\$1 = 109.93 yen 1yuan = 17.19 yen 1pound = 176.80 yen | | US\$1 = 120.00 yen 1 yuan = 19.50 yen 1 pound = 180.53 yen | | | |

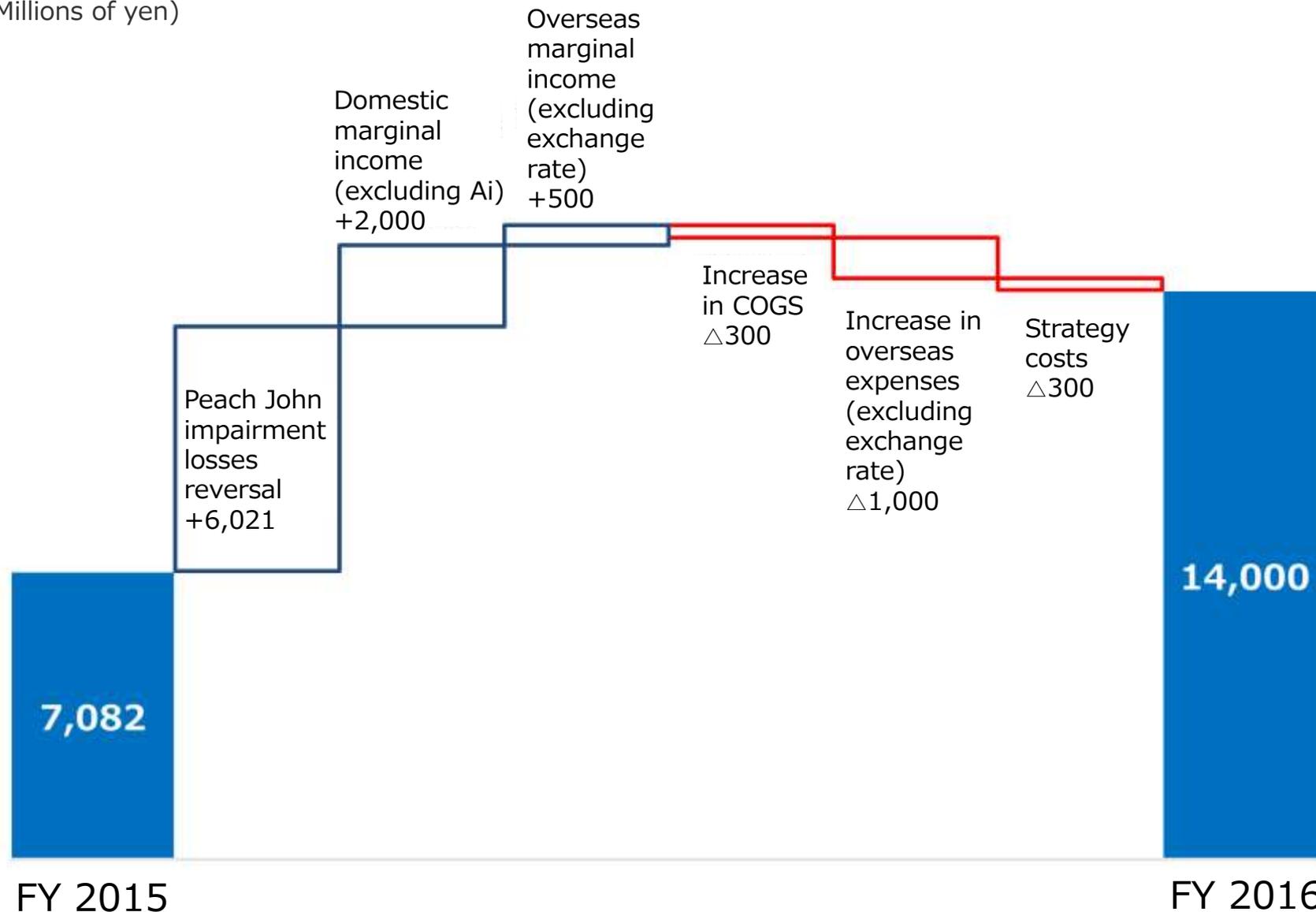
| | Net Sales | | | Operating Income | | |
|----------------------------|-----------------|----------------|--------------|------------------|---------------|--------------|
| | FY 2015 Results | FY 2016 | | FY 2015 Results | FY 2016 | |
| | | Target | Vs. prev. FY | | Target | Vs. prev. FY |
| Wacoal Business (Domestic) | 112,203 | 119,300 | 7,097 | 8,444 | 8,930 | 486 |
| Wacoal Business (Overseas) | 48,107 | 53,000 | 4,893 | 4,776 | 4,700 | △ 76 |
| Peach John Business | 11,626 | 12,300 | 674 | △ 6,296 | 180 | 6,476 |
| Other Businesses | 19,829 | 20,400 | 571 | 158 | 190 | 32 |
| Total | 191,765 | 205,000 | 13,235 | 7,082 | 14,000 | 6,918 |

* Dividend (plan) = ¥33.00 per share

Analysis of Change in Operating Income versus FY2015



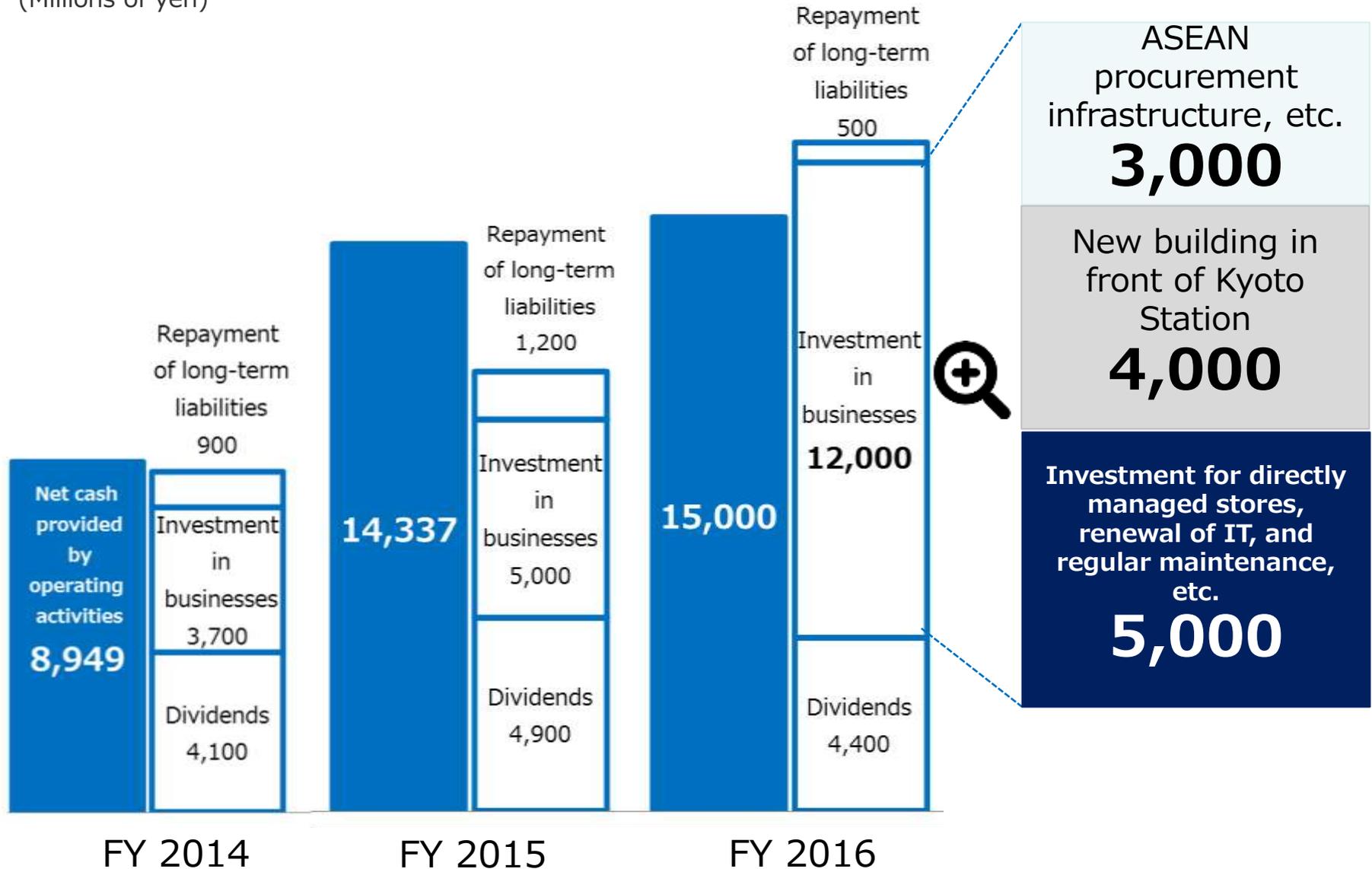
(Millions of yen)



Use of Net Cash Provided by Operating Activities



(Millions of yen)



Current Fiscal Year Measures: Wacoal Business (Domestic) Medium-Term Management Plan



| <u>Priority measures</u> | <u>Progress in second fiscal year</u> | <u>Current fiscal year measures</u> |
|--|--|---|
| Claim market share in regions | <ul style="list-style-type: none"> ▷ Transferred to sales system organized by region (three prefectures of Tohoku region, Shikoku, part of Kyushu) ▷ Opened stores for unexploited regions and stores under low-cost business models | <ul style="list-style-type: none"> ▷ Expand regional sale system ▷ Accelerate openings of stores in shopping centers based on format with lower store-opening costs, Brara ▷ Implement support measures for specialty stores, focusing on unexploited regions, Wacoal Garden |
| Strengthen entry-level and senior customer groups | <ul style="list-style-type: none"> ▷ Rolled out products targeting entry-level customer group through general merchandising stores and department stores ▷ Developed products catering to needs of mature and senior customer groups | <ul style="list-style-type: none"> ▷ Expand sales channels for Rakuraku Partner brand for seniors through lineups for general merchandising stores |
| Expand high-volume market and maintain high-value-added market | <ul style="list-style-type: none"> ▷ Continued marketing NPBs through general merchandising stores ▷ Increased and improved high-volume-market products in each retail channel | <ul style="list-style-type: none"> ▷ Establish presence and increase sales of prestigious brands for department stores ▷ Increase appeal and strengthen services for customers visiting Japan |
| Restructure manufacturing area | <ul style="list-style-type: none"> ▷ Percentage of products manufactured overseas rose 1% ▷ Percentage of products manufactured in ASEAN rose 2% ▷ Percentage of materials purchased locally rose 1.3% | <ul style="list-style-type: none"> ▷ Accelerate shift of mass production to ASEAN ▷ Establish and develop new manufacturing and procurement infrastructure in ASEAN region |



【Sales channel measures】

- ▷ Strengthen initiatives with major retailers through sales areas in which many products are on offer (general merchandising stores)
- ▷ Increase sales and improve earnings through scrap and build (directly managed stores)
- ▷ Establish stores through low-cost operations (Brara directly managed stores)



【Regional measures】

- ▷ Expand regional sales system (three newly added southern Tohoku prefectures (Yamagata, Miyagi, Fukushima))
- ▷ Vitalize market through store support (regional specialty stores)





【Product measures】

Increase customers in priority target customer groups

- ▷ Increase customers in entry level customer group (department store sales channel: FAIRY TIARA; general merchandising store sales channels: Puchi Puriri, Puriri)
- ▷ Increase products for seniors (Good Age) in department stores and introduce these products to general merchandising stores



Strengthen efforts to cater to visitors from overseas

- ▷ Offer products centered prestigious product lineups (department store sales channel)
- ▷ Deploy non-Japanese sales personnel while expanding and improving duty-free and other services, etc. (Wacoal Factory Stores)



Current Fiscal Year Measures: Wacoal (Overseas)



U.S.



- ▷ Grow sales and raise brand recognition by leveraging "30th anniversary"
- ▷ Increase market share in high-end segment
- ▷ Strengthen sales and improve earnings of b.tempt'd by Wacoal

China



- ▷ Step up department store roll out of LA ROSABELLE, which targets middle-class customer group (end of December, 70 stores)
- ▷ Increase percentage of sales that Internet sales, outlet store channels, and other highly profitable sales channels account for

WEL



- ▷ Raise brand recognition and sales of Wacoal in Europe and Australia
- ▷ Clarify brand positioning

Current Fiscal Year Measures: Peach John Business, Other Businesses



PJ



- ▷ Maintain existing customers through three-brand system and increase points of contact with new customers by opening stores
- ▷ Raise profit margins by revising pricing and reviewing raw materials

LECIEN



- ▷ Offer new products for existing business partners and develop new sales channels (seniors, different types of industry)
- ▷ Enhance productivity by increasing facilities of Cambodia plant

Nanasai



- ▷ Maintain and expand rental business
- ▷ Increase sales by acquiring new customers for interior construction business



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株式会社 *Ai*

FY2016 Targets

Net sales: ¥ 5.9 billion

Swimwear business: ¥4.3 billion
(+10% year on year)

Innerwear business: ¥1.6 billion
(-1% year on year)

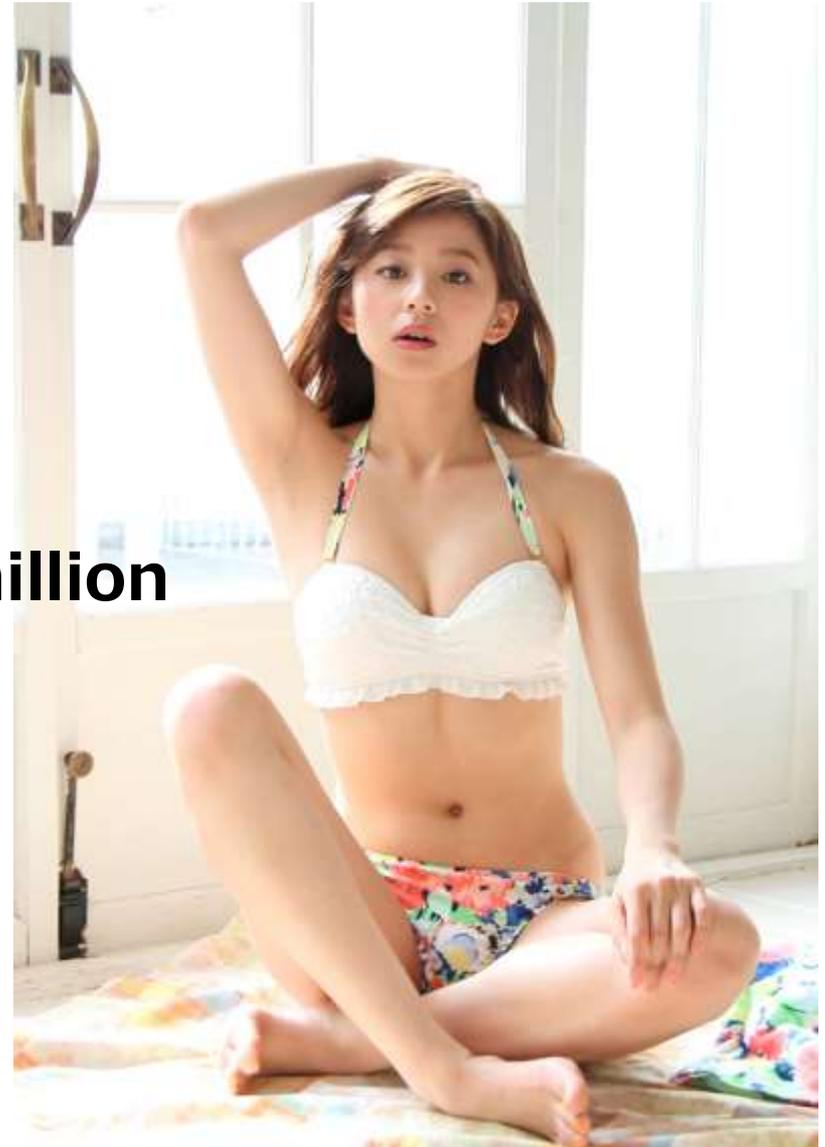
Operating income: ¥ 55 million



Targets in five years
(FY2021)

Net sales: ¥ 8 billion

Operating margin: 8%





▷ Fashion swimwear market size

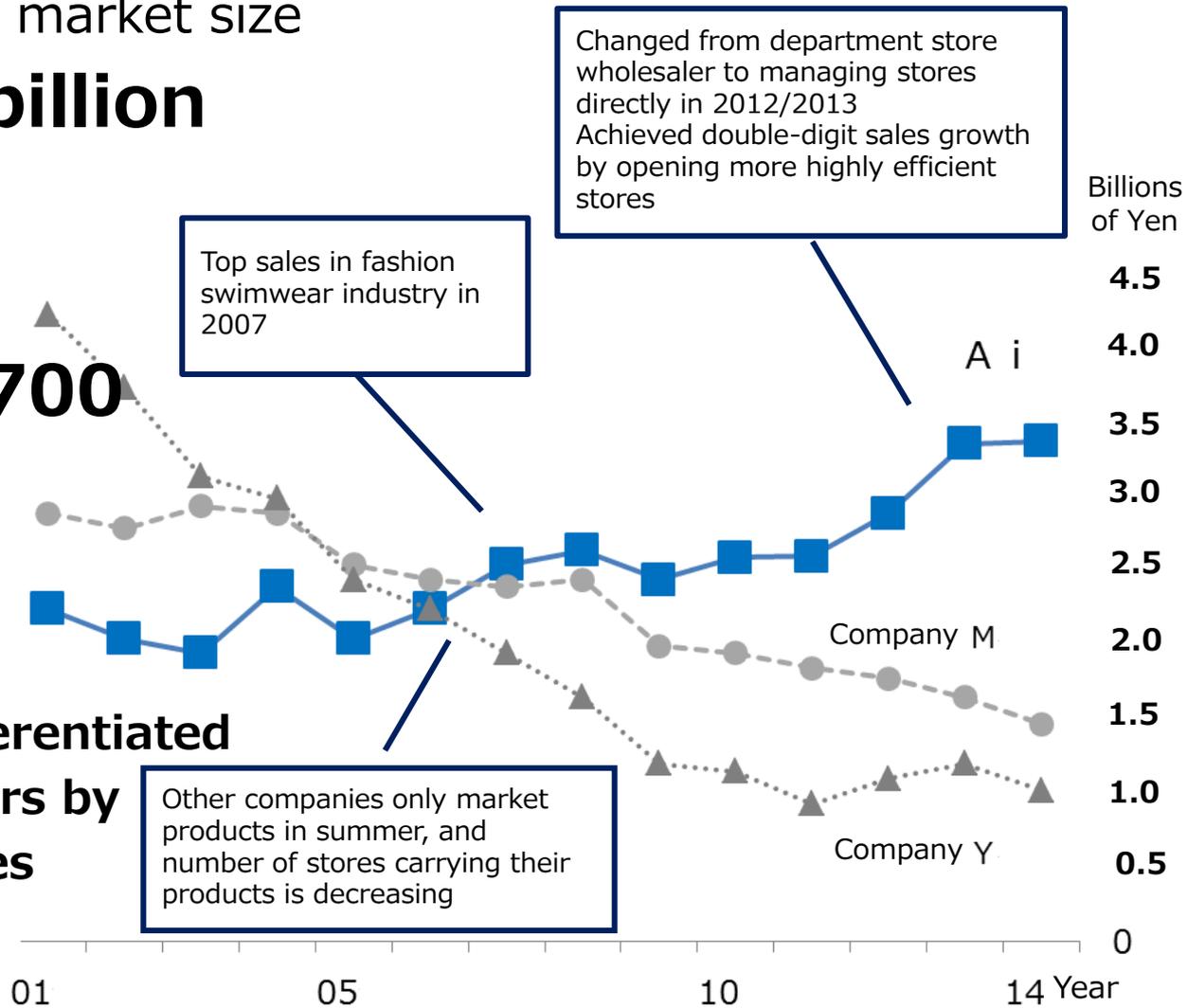
Approx. ¥22 billion

▷ Average price

Approx. ¥14,700

▷ Competitive conditions

Has successfully differentiated itself from competitors by heightening own sales capabilities





Strengths and weaknesses

【Strengths】

- ▷ Leading share of fashion swimwear market (approx. 20%)
- ▷ Highly efficient sales capabilities of seasonal sales areas (approx. 100 stores)
- ▷ Strong support and recognition among young women

【Weaknesses】

- ▷ Limited customer group
- ▷ Hiring personnel difficult because sales limited to seasons
- ▷ Insufficient negotiating power with distribution channels

Opportunities

- ▷ Wacoal's product mix
- ▷ Wacoal's distribution network
- ▷ Wacoal's procurement base
- ▷ Undeveloped market for swimwear targeting mature career women
- ▷ Stores selling innerwear and swimwear (common in North America and Europe)

Specific measures

【Increase sales】

- ▷ Take advantage of Wacoal Group's internal network (increase year-round store openings in department stores)
- ▷ Develop new market for swimwear targeting mature career women
- ▷ Increase stores based on business format that sells innerwear and swimwear

【Improve earnings】

- ▷ Share infrastructure, such as distribution functions and systems, in future
- ▷ Rebuild innerwear business



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Ai CO., LTD.

Reference Figures

Major Subsidiaries' FY2015 Business Results at a Glance



(Millions of yen)

| | Net Sales | | | | | | Operating Income | | | | | |
|-----------------------------|-----------|--------------|----------------|---------|--------------|----------------------|------------------|--------------|---------------------|--------|--------------|----------------------|
| | FY2014 | | FY2015 | | | | FY2014 | | FY2015 | | | |
| | 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 | 114,878 | 102% | 107,924 | 112,000 | 94% | 96% | 6,981 | 108% | 5,903 | 6,600 | 85% | 89% |
| Peach John | 12,937 | 102% | 12,277 | 13,500 | 95% | 91% | 229 | 69% | Δ 127 | 680 | - | - |
| LECIEN | 12,098 | 8% | 11,768 | 13,100 | 97% | 90% | Δ 76 | - | Δ 209 | 80 | - | - |
| Nanasai | 9,736 | 86% | 10,121 | 9,550 | 104% | 106% | 300 | 117% | 255 | 110 | 85% | 232% |
| Wacoal International (U.S.) | 15,648 | 131% | 18,097 | 16,900 | 116% | 107% | 1,706 | 119% | 2,399 | 1,860 | 141% | 129% |
| Wacoal Europe Ltd. | 14,862 | 130% | 16,054 | 16,900 | 108% | 95% | 2,120 | 285% | 1,741 | 2,000 | 82% | 87% |
| Wacoal China | 8,588 | 129% | 9,490 | 9,700 | 111% | 98% | 123 | - | 409 | 130 | 333% | 315% |
| Wacoal Hong Kong | 2,828 | 149% | 3,056 | 3,000 | 108% | 102% | 190 | 207% | 226 | 220 | 119% | 103% |

【Performance of Major Subsidiaries (Local Currency Basis)】

| | | | | | | | | | | | | Currency | |
|-----------------------------|---------|------|----------------|---------|------|------|--------|------|---------------|--------|------|----------|---------------------|
| Wacoal International (U.S.) | 157,672 | 111% | 164,619 | 164,200 | 104% | 100% | 17,195 | 98% | 21,821 | 18,000 | 127% | 121% | Thousands of US\$ |
| Wacoal Europe Ltd. | 95,611 | 117% | 90,807 | 99,000 | 95% | 92% | 11,820 | 245% | 8,248 | 10,000 | 70% | 82% | Thousands of pounds |
| Wacoal China | 550,466 | 104% | 552,047 | 581,000 | 100% | 95% | 7,802 | - | 23,792 | 8,000 | 305% | 297% | Thousands of yuan |
| Wacoal Hong Kong | 232,604 | 121% | 223,891 | 227,000 | 96% | 99% | 15,636 | 169% | 16,615 | 16,300 | 106% | 102% | Thousands of HK\$ |

Note: Figures are before adjustment for consolidation.

FY2016 Business Results Forecast for Main Subsidiaries



(Millions of yen)

| | Net Sales | | | | Operating Income | | | |
|-----------------------------|-----------|--------------|----------------|--------------|------------------|--------------|--------------|--------------|
| | FY2015 | | FY2016 | | FY2015 | | FY2016 | |
| | Results | Year on Year | Target | Year on Year | Results | Year on Year | Target | Year on Year |
| Wacoal | 107,924 | 94% | 111,600 | 103% | 5,903 | 85% | 6,600 | 112% |
| Peach John | 12,277 | 98% | 13,000 | 106% | △ 127 | - | 180 | - |
| LECIEN | 11,768 | 118% | 13,000 | 110% | △ 209 | - | △ 100 | - |
| Nanasai | 10,121 | 122% | 9,700 | 96% | 255 | 85% | 160 | 63% |
| A i | - | - | 5,900 | - | - | - | 50 | - |
| Wacoal International (U.S.) | 18,097 | 119% | 20,000 | 111% | 2,399 | 141% | 2,260 | 94% |
| Wacoal Europe Ltd. | 16,054 | 108% | 16,800 | 105% | 1,741 | 82% | 1,740 | 100% |
| Wacoal China | 9,490 | 111% | 11,000 | 116% | 409 | 333% | 430 | 105% |
| Wacoal Hong Kong | 3,056 | 108% | 3,500 | 115% | 226 | 119% | 310 | 137% |

【Performance of Major Subsidiaries (Local Currency Basis)】

| | | | | | | | | Currency |
|-----------------------------|---------|------|----------------|------|--------|------|---------------|----------------------------|
| Wacoal International (U.S.) | 164,619 | 104% | 166,700 | 101% | 21,821 | 127% | 18,800 | 86% Thousands of US\$ |
| Wacoal Europe Ltd. | 90,807 | 95% | 93,100 | 103% | 8,248 | 70% | 8,000 | 97% Thousands of pounds |
| Wacoal China | 552,047 | 100% | 564,000 | 102% | 23,792 | 305% | 22,000 | 92% Thousands of yuan |
| Wacoal Hong Kong | 223,891 | 96% | 227,000 | 101% | 16,615 | 106% | 20,000 | 120% Thousands of HK\$ |

FY2016 Wacoal Corporation Sales Forecast by Segment



(Millions of yen)

| | FY2015 | FY2016 | | |
|---------------------------------|---------|----------------|--------------|--------------|
| | Results | Target | Year on Year | Vs. prev. FY |
| Wacoal Brand Business | 58,050 | 59,100 | 102% | 1,050 |
| Wing Brand Business | 25,358 | 26,400 | 104% | 1,042 |
| Retail Business | 13,920 | 15,400 | 111% | 1,480 |
| Wellness Business | 7,112 | 7,440 | 105% | 328 |
| Catalog Sales Business | 5,270 | 5,500 | 104% | 230 |
| Intersegment Transactions, etc. | △ 1,786 | △ 2,240 | - | - |
| Total | 107,924 | 111,600 | 103% | 3,676 |

Note: Figures are before adjustment for consolidation.

Note: Figures for the previous fiscal year (fiscal 2015) have been revised to reflect the transfer of the leg business from the Wellness Business to the Wacoal Brand Business in 2015.



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.