



Fiscal Year Ended March 31, 2014

Financial Results Presentation

Wacoal Holdings Corp.
May 2014

FY2014 Financial Results Summary

FY2015 Business Results Forecast and
Priority Measures

Reference Material

Overview of Financial Results



Domestic business and overseas business grow revenues and earnings year on year due, respectively, to rush demand before consumption tax hike and exchange rates

(Millions of yen)

Consolidated Results	FY2013 Results	FY2014 Results	FY2014 Target	Year-on-Year Change (%)	Change versus FY2013 Target (%)
Net Sales	180,230	193,781	193,000	13,551	781
Cost of Sales (%)	84,548 46.9%	91,008 47.0%	90,500 46.9%	6,460 +0.1%	508 +0.1%
Profits from Sales (%)	95,682 53.1%	102,773 53.0%	102,500 53.1%	7,091 -0.1%	273 -0.1%
SG&A Expenses (Of which, impairment charges on other intangible assets) (%)	87,183 (2,852) 48.4%	88,913 45.9%	89,800 46.5%	1,730 (2,852) -2.5%	-887 (2,852) -0.6%
Operating Income (%)	8,499 4.7%	13,860 7.2%	12,700 6.6%	5,361 +2.4%	1,160 +0.6%
Pretax Net Income	10,940	15,033	13,200	4,093	1,833
Net Income Attributable to Wacoal Holdings Corp.	7,880	10,106	9,400	2,226	706

Overview of Financial Results (by Segment)



(Millions of yen)

		FY2013 Results	FY2014 Results	FY2014 Target	Vs. prev. FY	Vs. target	Effect of Exchange Rate Fluctuations	
							Difference owing to current year rates	Difference owing to previous year rates
Net Sales	Wacoal Business (Domestic)	115,657	118,085	116,900	2,428	1,185		
	Wacoal Business (Overseas)	33,345	43,636	42,900	10,291	736	696	7,928
	Peach John Business	11,972	12,482	12,500	510	△ 18		13
	Other Businesses	19,256	19,578	20,700	322	△ 1,122		9
	Total	180,230	193,781	193,000	13,551	781	696	7,950
Operating Income	Wacoal Business (Domestic)	8,423	9,284	8,500	861	784		
	Wacoal Business (Overseas)	2,023	4,037	3,400	2,014	637	85	726
	Peach John Business	△ 2,701	83	500	2,784	△ 417	3	△ 1
	Other Businesses	754	456	300	△ 298	156	1	1
	Total	8,499	13,860	12,700	5,361	1,160	89	726

Summary by Segment—Wacoal Business (Domestic)



Segment net
sales

102%

Segment
operating Income

108%

Despite year-on-year declines through February resulting from unseasonable weather, rush demand before consumption tax hike provides tailwind, and revenues and earnings rise year on year

Wacoal Corp. net sales	FY2013		FY2014			
	Results	Year on Year	Results	Target	Year on Year	Compared with Target
Wacoal Brand Business	58,993	100%	59,906	59,500	102%	101%
Wing Brand Business	27,599	100%	27,687	27,600	100%	100%
Retail Business	12,434	114%	13,700	13,700	110%	100%
Wellness Business	8,305	100%	8,738	8,500	105%	103%
Catalog Sales Business	5,913	104%	5,916	6,000	100%	99%
Intersegment Transactions, etc.	△ 1,020	-	△ 1,069	△ 1,360	-	-
Tota	112,224	99%	114,878	113,940	102%	101%

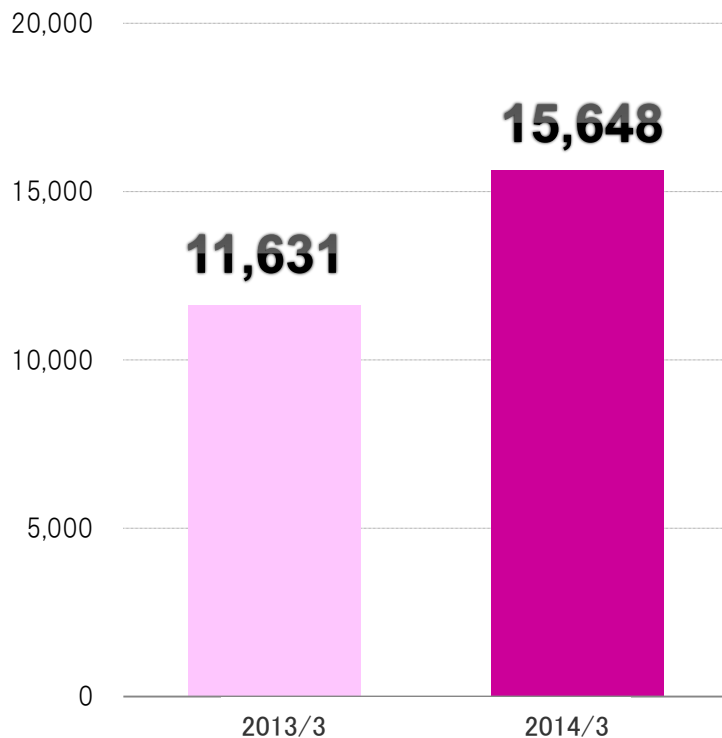
(Millions of yen)

Summary by Segment—Wacoal Business (Overseas) United States



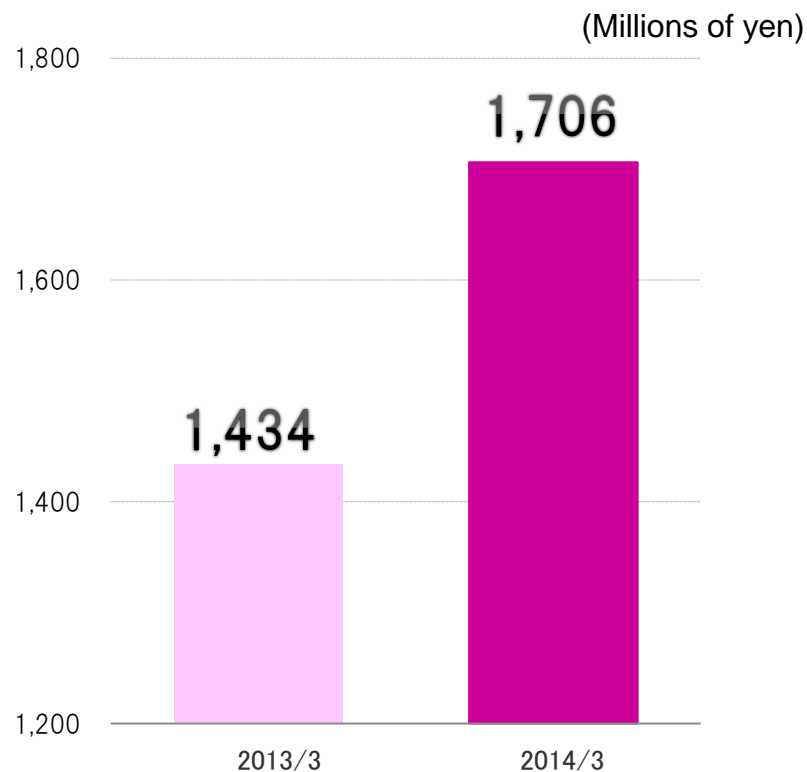
Net Sales

135%



Operating Income

119%



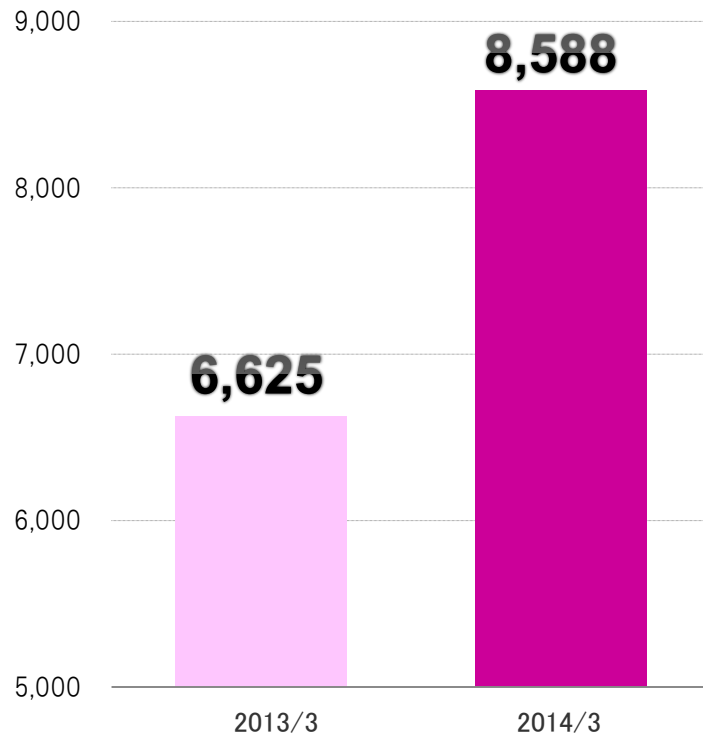
- Mainstay brassieres sold favorably overall
- Internet sales continued to grow through own web site and department store web sites
- 4Q sales decreased due to record cold spell

Summary by Segment—Wacoal Business (Overseas) China



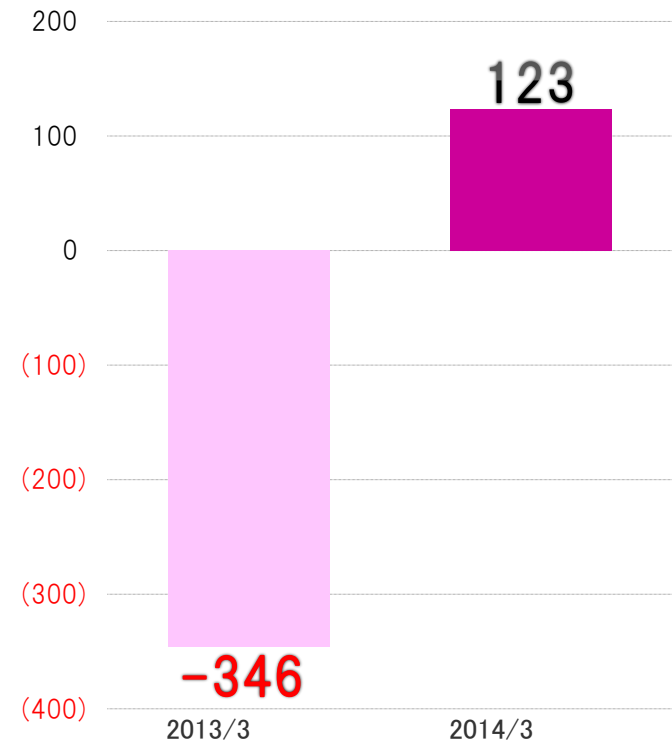
Net Sales

130%



Operating Income

Moved into black
(Millions of yen)



- Direct sales promotions to customers using membership system were successful
- Profit margin improved, moved into black
 - Eliminated unprofitable brands
 - Reduced costs, mainly for materials
 - Closed low-profit stores
- As brand targeting middle-class customers, LA ROSABELLE performed well

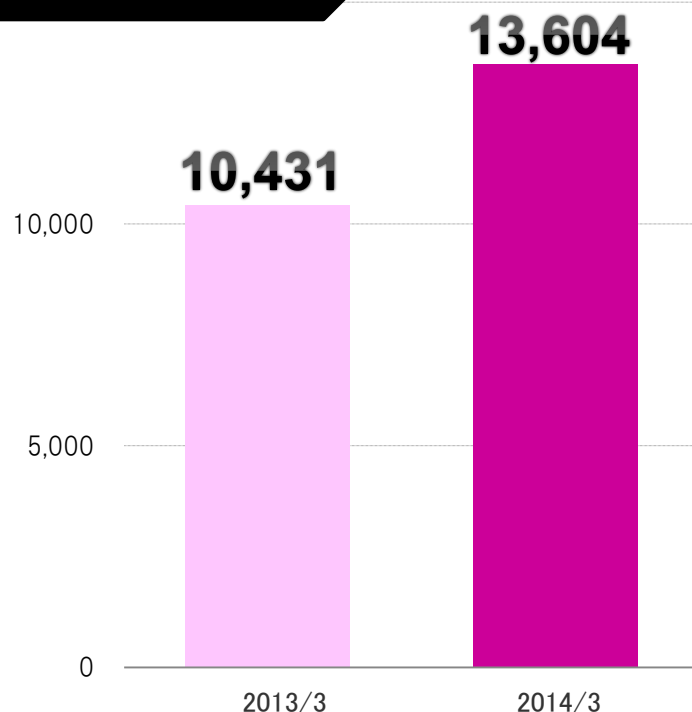
Summary by Segment—Wacoal Business (Overseas)

Wacoal Eveden



Net Sales

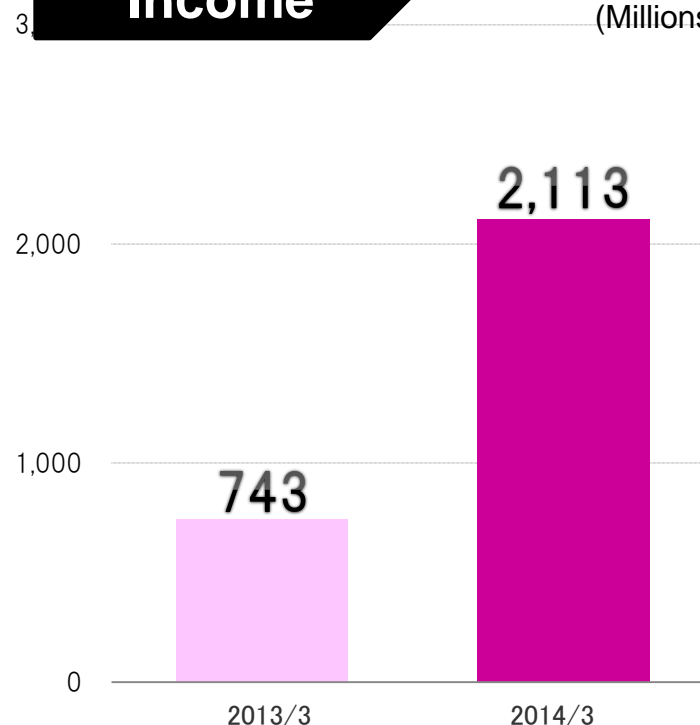
130%



Operating Income

284%

(Millions of yen)



- Mainstay Fantasie and fuller-figure products Elomi and Goddess saw brisk sales
- Earnings were up significantly thanks to earnings contributions from rise in highly profitable North American sales' share of sales, cost reduction through production system restructuring, and improvement of low-profit businesses as well as absence of one-time costs arising from previous year's acquisition

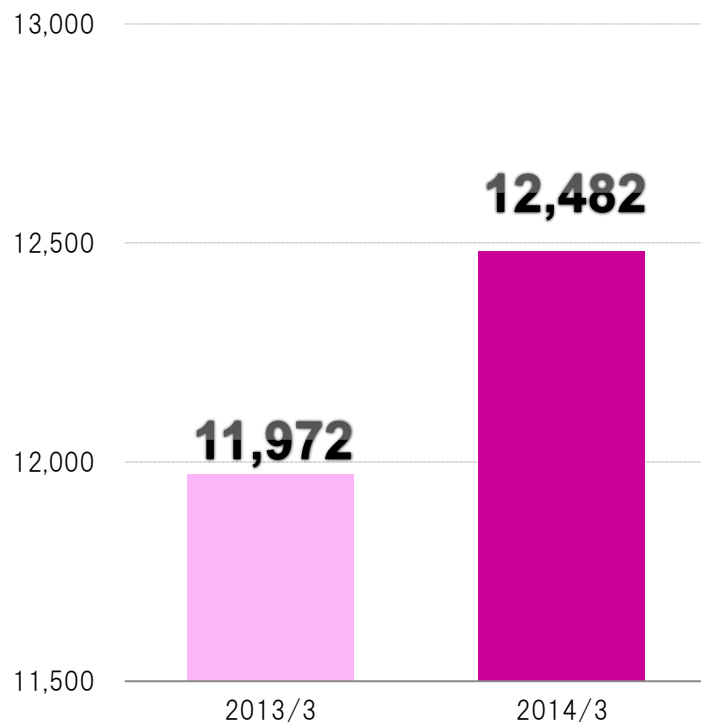
* The financial settlement period has changed from December to March. Accordingly, the number of months used for the results of the previous financial settlement period has been changed from 9 months to 12 months.

Summary by Segment— Peach John Business



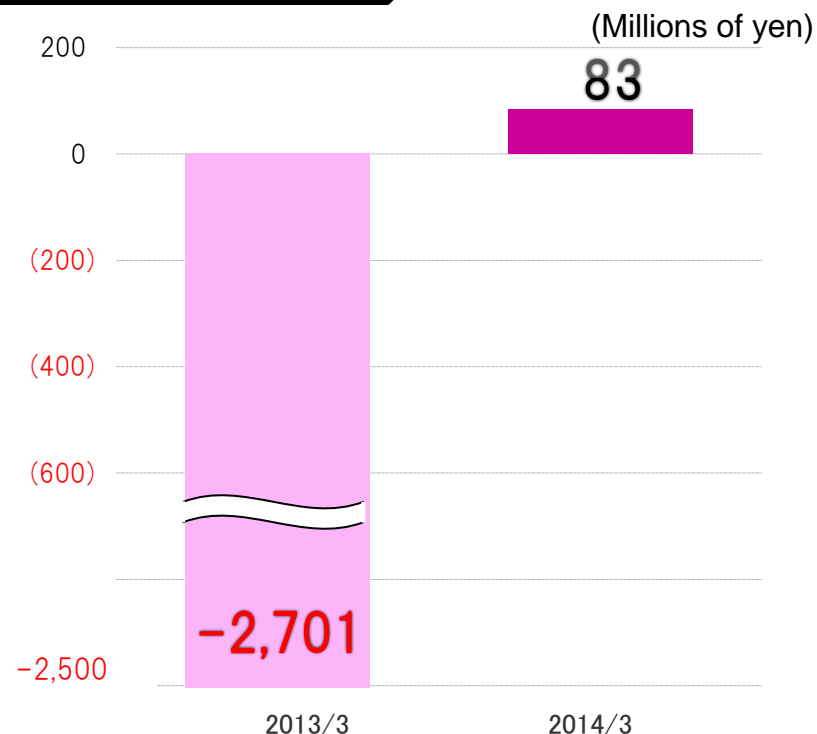
Net Sales

106%



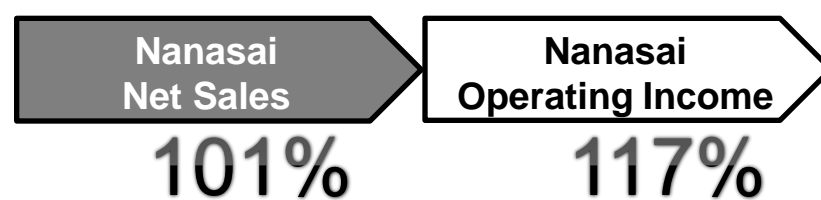
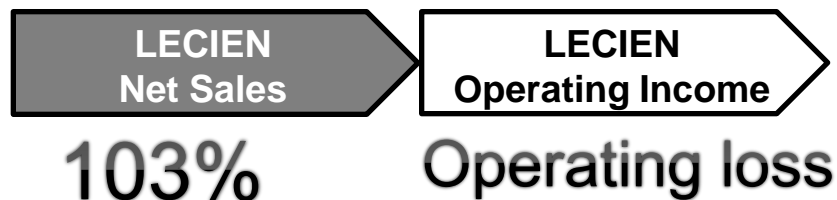
Operating Income

Moved into black

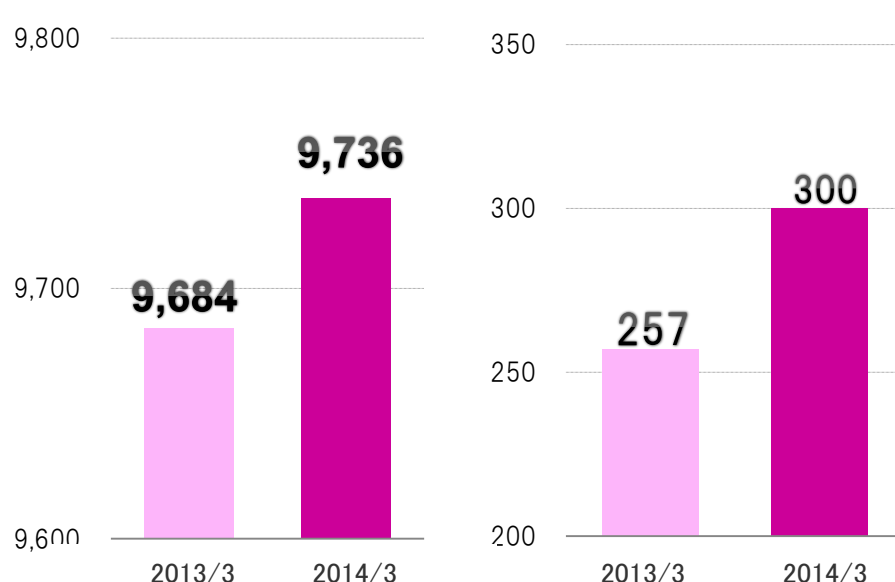
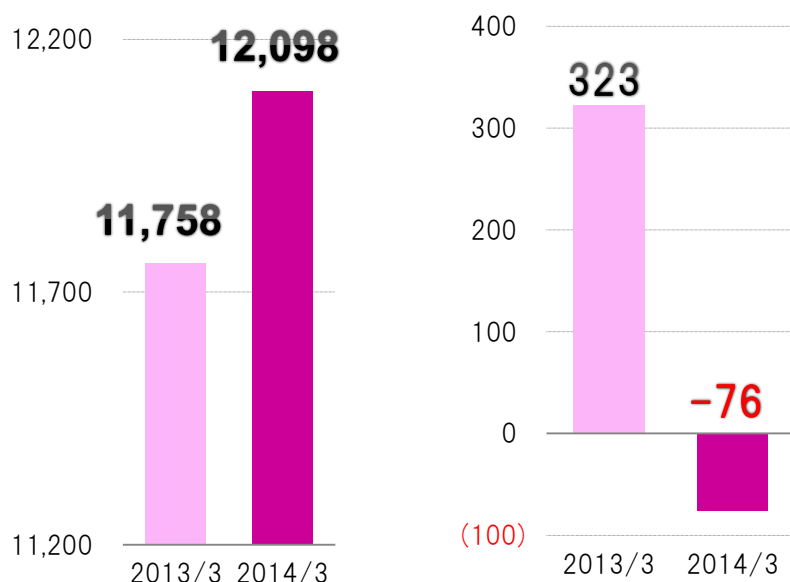


- Acquired more new customers
 - Internet sales were favorable due to stepped up TV commercials and Internet promotions
 - Opened 6 new stores, including new business formats
- Operating income increase reflected absence of FY2013's impairment losses
- Did not reach target earnings due to increased discount selling and higher cost of sales as percentage of net sales that accompanied yen depreciation

Summary by Segment—Other Businesses LECIEN/Nanasai



(Millions of yen)



- Women's innerwear transactions with major business customers rose
- Higher material costs and processing fees due to yen depreciation affected earnings negatively

- Despite challenging conditions for sales and rental businesses as a result of major customers' curbing investment, performed solidly due to increased orders in interior construction business
- Earnings rose year on year due to reduction of business expenses

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FY2015 Business Results Forecast



(Business Results Forecast)						
	FY2014 Results	Year on Year	Forecast for 1H of FY2015	Year on Year	FY2015 Forecast	Year on Year
Net Sales	193,781	13,551	100,000	1,482	196,000	2,219
Operating Income	13,860	5,361	8,500	△ 1,076	13,500	△ 360
Net Income Attributable to Wacoal Holdings Corp.	10,106	2,226	6,700	265	10,500	394
(Exchange rates)	US\$1= 99.24円 1 yuan= 15.60円 1 pound= 155.44円		US\$1= 102.63円 1 yuan= 16.59円 1 pound= 171.28円			

(Millions of yen)

	Net Sales			Operating Income		
	FY2014	FY2015		FY2014	FY2015	
	Result	Target	Year on Year	Result	Target	Year on Year
Wacoal Business(Domestic)	118,085	114,600	△ 3,485	9,284	8,500	△ 784
Wacoal Business(Overseas)	43,636	48,200	4,564	4,037	4,100	63
Peach John Business	12,482	13,100	618	83	550	467
Other Businesses	19,578	20,100	522	456	350	△ 106
Total	193,781	196,000	2,219	13,860	13,500	△ 360

Note: the major subsidiaries included in the segments of the above table are as follows.

Wacoal Business (Domestic): Wacoal Corporation, Une nana cool Corp., Linge Noel corp., Torica Inc., domestic apparel manufacturer

Wacoal Business (Overseas): Wacoal International Corp. (U.S.A.), Wacoal Hong Kong Co., Ltd., Wacoal China Co., Ltd., Wacoal Eveden Limited

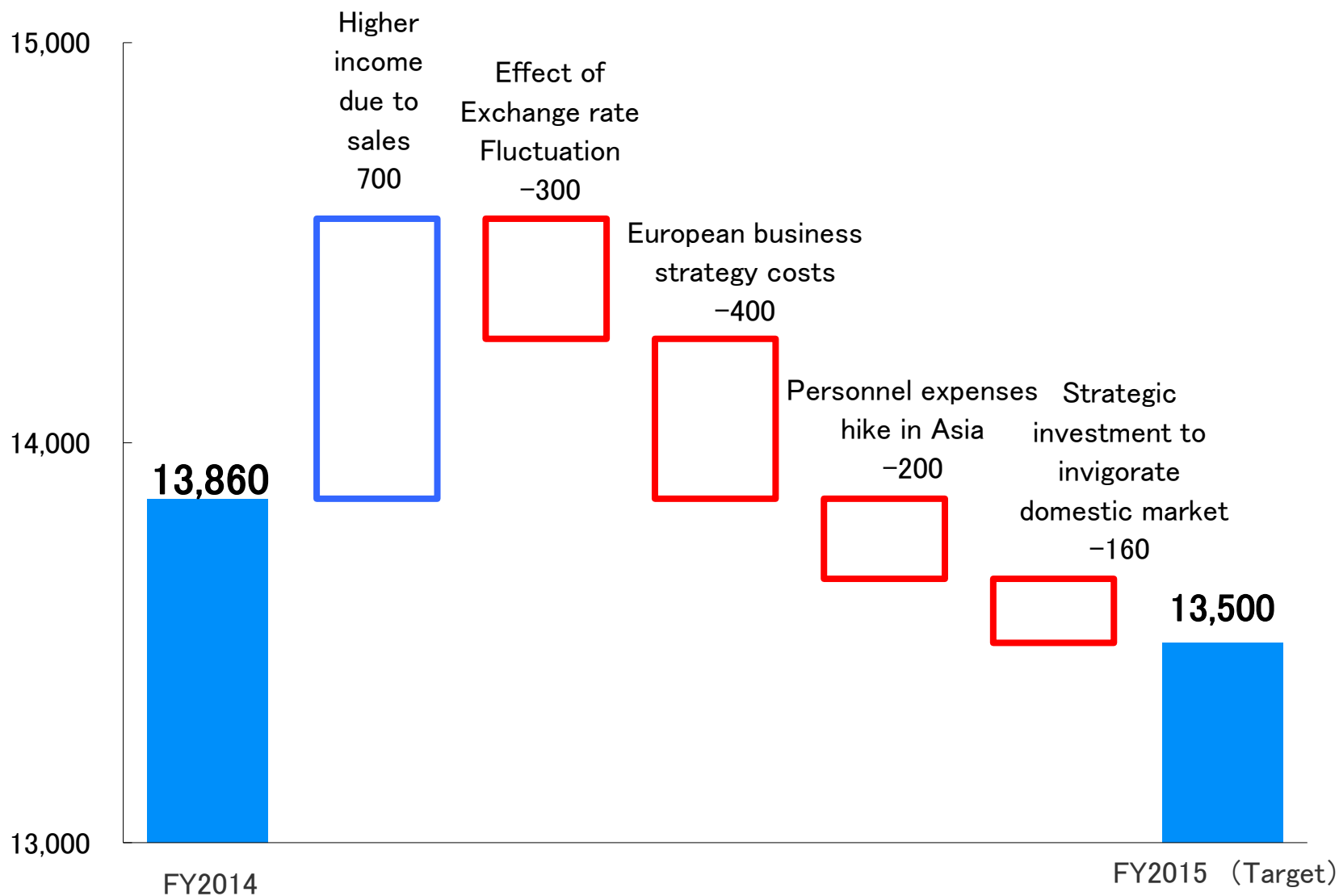
Peach John Business: Peach John Co., Ltd., Peach John Hong Kong Co., Ltd., Peach John Shanghai Co., Ltd.

Other Businesses: LECIEN Corporation, Nanasai Co., Ltd.

Analysis of Change in Operating Income versus FY2014



(Millions of yen)



Priority Measures of Medium-Term Management Plan Wacoal Business (Domestic)



Priority measures

Progress in first fiscal year

Measures in current fiscal year

Claim market share in regions

Share of stores nationwide: Improve 5%

Improved market share approx. 1%

- Established sales activities spanning organizations laterally and straddling brands and sales channels
- Developed low-cost business models as strategy for unexploited regions

- Switched to new sales system in wholesale division to cater to regions
- Opened low-cost-management stores as strategy for regions and unexploited regions

Strengthen entry-level and senior customer groups

- Marketed NPBs through general merchandising stores
Rolled out Tuyaka (253 stores)

- Implemented initiatives to heighten awareness of products among entry-level groups
- Took sales channel measures focused on purchasing behavior of working women

Expand lineups for high-volume market

- Expanded fufu
Began rolling out Tuyaka
- Increased lineup of brassieres priced between ¥2,000 and ¥3,000 in retail sales channels

- Continued expanding lineups for high-volume market in sales channels
- Reinforced lineups for higher-end market at same time

Restructure manufacturing area

- Improved percentage of products manufactured overseas 1%
- This included 5% improvement in percentage of products manufactured in ASEAN
- Improved percentage of materials purchased locally 1.5%

- Continued improvements
- Reformed purchasing foundations in ASEAN

Initiatives Going Forward: Wacoal Business (Domestic)



Wacoal Business (domestic)

《Wacoal Brand Business Department》



Megami no Himitsu

- Heighten Wacoal brand's presence in all department stores through promotions in which innerwear sales division acts as point of contact
- Advance sales activities by same sales managers across all sales channels in Kyushu, Shikoku, and Tohoku regions

《Wing Brand Business Department》



Tuyaka, business-customer-collaboration brand



BROS, men's innerwear

- Advance brand strategy based on aging and product lineups reflecting store characteristics
- Increase sales of business-customer-collaboration brands
- Rebuild men's innerwear

Initiatives Going Forward: Wacoal Business (Domestic)



《Retail Business Department》



New business format
AMPHI FUL FRU



AMPHI model collaborative products

●AMPHI

- Increase sales at existing stores through repeated non-discount sales promotion activities
- Maintain gross profit by strengthening discount control

●Wacoal Factory Stores

- Strengthen ability to cater to tourists visiting Japan
- Carry full lineup of Wacoal products actively, appeal to broad range of customers

●Begin opening stores in suburban shopping centers with wide catchment areas

- Curb store opening costs compared with downtown business formats, pursue management with emphasis on products

Initiatives Going Forward: Wacoal Business (Domestic)



Wacoal Business (domestic)

《Wellness Business Department》



CW-X

●CW-X

- Increase lineup of entry-model products targeting everyday use and female customers, develop new sales channels

●Success Walk

- Enhance design
- Strengthen store sales promotion that emphasizes wearing comfort

《Catalog Sales Business Department》



Catalog
(summer edition)

●Catalog

- Acquire and keep new senior customers

●Internet store

- Develop original products targeting niche markets
- Enhance convenience of smartphone web site

Initiatives Going Forward: Wacoal Business (Overseas)



Wacoal Business (Overseas)

《U.S. Business》



Wacoal America
b.tempt'd

- Heighten product developmental capabilities, increase market share in high-end segments
- Make b.tempt'd business profitable through cost reduction
- Reduce total inventory, including through use of outlet stores

《China Business》



Wacoal China
LA ROSABELLE

- Use Chinese Human Science Research Center to develop locally designed products
- Reduce costs through use of local materials
- Foster LA ROSABELLE, Internet sales

Initiatives Going Forward: Wacoal Business (Overseas) Peach John Business



Wacoal Business (Overseas)

《Wacoal Eveden》



Wacoal Eveden
Goddess

- Increase recognition and sales of Wacoal brand in Europe
- Develop business system in Europe

Peach John Business

《Peach John Business》



Peach John catalog,
autumn edition

- Increase new customers, encourage repeat store visits
- Develop infrastructure for receiving orders through Internet, including smartphones
- Secure gross profit by revising sales prices and reducing purchasing and inspection costs

Other Businesses

« Lecien »



Maho series, Bust Maho
Kiritto Uwamuki Bra

- Merchandising that can lead pricing measures and challenge brands
- Secure and train personnel to start up full-fledged operations at Cambodia plant as soon as possible

« Nanasai »



Nanasai mannequin Tiara

- Maintain and expand rental business
- Improve profit margins of sales and interior construction businesses

FY2014 Financial Results Summary

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Major Subsidiaries' FY2014 Business Results at a Glance



(Millions of yen)

	Net Sales						Operating Income						
	FY2013		FY2014				FY2013		FY2014				
	Results	Year on Year	Results	Target	Year on Year	Against Target	Results	Year on Year	Results	Target	Year on Year	Against Target	
Wacoal	112,224	99%	114,878	114,000	102%	101%	6,487	103%	6,981	6,800	108%	103%	
Peach John	12,204	87%	12,937	13,800	106%	94%	333	47%	229	600	69%	38%	
LECIEN	11,758	85%	12,098	12,600	103%	96%	323	-	-76	-10	-	-	
Nanasai	9,684	100%	9,736	9,400	101%	104%	257	182%	300	150	117%	200%	
Une nana cool	4,078	105%	4,115	4,250	101%	97%	48	86%	36	60	75%	60%	
Wacoal International (U.S.A.)	11,631	111%	15,648	15,200	135%	103%	1,434	129%	1,706	1,650	119%	103%	
Wacoal China	6,625	110%	8,588	8,550	130%	100%	-346	-	123	-80	-	-	
Wacoal Hong Kong	1,895	99%	2,828	2,850	149%	99%	92	70%	190	200	207%	95%	
Wacoal Eveden	10,431	-	13,604	13,400	130%	102%	743	-	2,113	1,850	284%	114%	
Performance of Major Subsidiaries (Local Currency Basis)												Currency	
Wacoal International (U.S.A.)	141,674	106%	157,672	155,000	111%	102%	17,479	123%	17,195	17,000	98%	101%	Thousands of US\$
Wacoal China	529,533	109%	550,466	550,500	104%	100%	-27,619	-	7,802	-5,100	-	-	Thousands of yuan
Wacoal Hong Kong	192,243	98%	232,604	234,700	121%	99%	9,268	69%	15,636	17,100	169%	91%	Thousands of HK\$
Wacoal Eveden	82,046	-	87,519	88,700	107%	99%	4,828	-	11,779	10,650	244%	111%	Thousands of euro

Note: Figures are before adjustment for consolidation.

Note: The financial settlement period of Wacoal Eveden Limited has changed from December to March. Accordingly, the number of months used for the fiscal 2013 financial settlement has been changed from 9 months to 12 months.

FY2015 Wacoal Business (Domestic)

Wacoal Corporation Sales Forecast by Segment



	FY2014	FY2015 Net Sales		
	Results	Planned	Year on Year	Vs. prev. FY
Wacoal Brand Business	59,951	58,600	98%	Δ 1,351
Wing Brand Business	27,699	26,700	96%	Δ 999
Wellness Business	13,700	14,000	102%	300
Retail Business	8,741	8,500	97%	Δ 241
Catalog Sales Business	5,916	5,900	100%	Δ 16
Intersegment Transactions, etc.	Δ 1,129	Δ 1,700	-	-
Total	114,878	112,000	97%	Δ 2,878

(Millions of yen)

Note: Figures are before adjustment for consolidation.

Note: The results for fiscal 2014 have been adjusted to reflect the reorganization of business departments.



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.