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# **Fiscal Year Ending March 31, 2020 Third Quarter Business Results Presentation [U.S. Accounting Standards]**

**January 2020  
Wacoal Holdings Corp.**

US-based Intimates Online, which was acquired as a subsidiary, has been consolidated since the second quarter of this term under review, and the results are included and disclosed in Wacoal International Corp. (The U.S.) in the overseas Wacoal business segment.  
(In this presentation, Intimates Online is sometimes referred to as “IO.”)



**FY2020 3Q Financial Results Summary**

**FY2020 3Q Situation of Businesses of Major Corporations**

**FY2020 3Q Capital Policies and Shareholder Returns**

**FY2020 3Q Full Business Year Outlook**

**Reference**



- The drop in sales was more significant than expected due to the recoil from the rush demand before the consumption tax hike, and sales dropped.
- Operating income was much lower than that in the same period of the previous year and the estimate, due to the drop in sales in 3Q and the inclusion of “IO.”
- Recorded valuation gain of ¥5.44 billion in valuation gain and loss on marketable securities and investments in 3Q (Oct. to Dec.).

## Net sales

**¥42.58 billion (down ¥2.85 billion (6.3%) year on year)**

**(reached 93.4% of the plan total and fell short of it by ¥3.02 billion)**

- Wacoal: The drop in sales of the retail and web businesses due to the recoil from the rush demand was minimized, but the wholesale channel was sluggish.
- Businesses in U.S.: Sales grew, due to the recovery of the existing businesses and the inclusion of “IO.”

## Operating income

**¥0.31 billion (down ¥1.87 billion (86%) year on year)**

**(reached 27.8% of the plan total and fell short of it by ¥0.79 billion)**

- Wacoal: In 3Q, operating loss was recorded, due to the drop in sales of the wholesale business and the augmentation of IT-related expenses.
- Businesses in U.S.: In 3Q, operating loss was posted, as the operating loss of “IO” was taken into account.

## Income before income taxes and equity in net income of affiliated companies

**¥6.34 billion (up ¥16.97 billion year on year)**

**(reached 252.4% and exceeded it by ¥4.54 billion)**

\*Effects caused by valuation gain and loss on marketable securities and investments not reflected in estimate

- Recorded valuation gain of ¥5.44 billion in valuation gain and loss on marketable securities and investments in 3Q (Oct. to Dec.).
- 1Q: Valuation loss of ¥2.94 billion; 2Q: Valuation gain of ¥1.98 billion; 3Q: Valuation gain of ¥5.44 billion(1Q to 3Q total: Valuation gain of ¥4.49 billion)  
(Previous 1Q: Valuation gain of ¥3.16 billion; previous 2Q: Valuation gain of ¥2.5 billion; previous 3Q: Valuation loss of ¥13.57 billion)

# Net Sales and Operating Income per Quarter by Business Segment for FY2020 (Increase/decrease)



- **The profit of the Wacoal business (domestic) dropped considerably.  
(The profit for 3Q was down 69% year on year and reached 77% of the plan total.)**

(Millions of yen)

	1Q		2Q		3Q		3Q total		
	Change	% Change	Change	% Change	Change	% Change	Change	% Change	
<b>Net sales</b>	Wacoal Business (Domestic)	-77	- 0.3%	1,852	+6.0%	<b>-2,401</b>	<b>- 8.6%</b>	<b>-626</b>	- 0.7%
	Wacoal Business (Overseas)	-1,131	- 7.7%	-437	- 3.1%	<b>-246</b>	<b>- 2.2%</b>	<b>-1,814</b>	- 4.5%
	Peach John Business	-120	- 4.4%	116	+4.2%	<b>-143</b>	<b>- 5.6%</b>	<b>-147</b>	- 1.8%
	Other Businesses	-732	- 16.4%	164	+3.7%	<b>-61</b>	<b>- 1.6%</b>	<b>-629</b>	- 4.9%
	total	-2,060	- 4.2%	1,695	+3.2%	<b>-2,851</b>	<b>- 6.3%</b>	<b>-3,216</b>	- 2.2%

	1Q		2Q		3Q		3Q total		
	Change	% Change	Change	% Change	Change	% Change	Change	% Change	
<b>Operating income</b>	Wacoal Business (Domestic)	-113	- 5.7%	1,437	+48.4%	<b>-1,556</b>	<b>- 69.2%</b>	<b>-232</b>	- 3.2%
	Wacoal Business (Overseas)	-483	- 20.6%	-335	- 22.4%	<b>-661</b>	<b>-</b>	<b>-1,479</b>	- 36.0%
	Peach John Business	-97	-	11	+8.7%	<b>283</b>	<b>-</b>	<b>197</b>	-
	Other Businesses	-60	-	141	+3,525.0%	<b>60</b>	<b>-</b>	<b>141</b>	-
	total	-753	- 17.1%	1,254	+27.3%	<b>-1,874</b>	<b>- 86.0%</b>	<b>-1,373</b>	- 12.3%

\*The subsidiaries that recorded operating losses are not listed

# Net Sales per Quarter by Major Corporations for FY2020 (Increase/decrease)



- The wholesale business of Wacoal was sluggish.  
(The sales of the wholesale business for 3Q were down 13% year on year and reached 94% of the plan total.)
- In the U.S., the recovery of the existing businesses and the inclusion of sales of IO in 3Q (US\$3.8 million) contributed.

(Millions of yen)

	1Q		2Q		3Q		3Q total	
	Change	% Change	Change	% Change	Change	% Change	Change	% Change
<b>Wacoal</b>	<b>303</b>	<b>+1.2%</b>	<b>2,483</b>	<b>+9.1%</b>	<b>-2,806</b>	<b>- 10.7%</b>	<b>-20</b>	<b>+0.0%</b>
(Wholesale Division)	-454	- 2.2%	1,855	+8.2%	-2,725	- 13.1%	-1,324	- 2.1%
(Retail end WEB Business Department)	508	+8.7%	560	+9.1%	-32	- 0.5%	1,036	+5.6%
<b>Ai</b>	<b>-95</b>	<b>- 10.4%</b>	<b>-405</b>	<b>- 18.5%</b>	<b>-2</b>	<b>- 0.4%</b>	<b>-502</b>	<b>- 14.0%</b>
<b>Peach John</b>	<b>-120</b>	<b>- 4.4%</b>	<b>116</b>	<b>+4.2%</b>	<b>-143</b>	<b>- 5.6%</b>	<b>-147</b>	<b>- 1.8%</b>
<b>Lecien</b>	<b>-166</b>	<b>- 11.1%</b>	<b>-72</b>	<b>- 4.2%</b>	<b>-58</b>	<b>- 4.0%</b>	<b>-296</b>	<b>- 6.4%</b>
<b>Nanasai</b>	<b>-607</b>	<b>- 23.5%</b>	<b>234</b>	<b>+9.8%</b>	<b>-3</b>	<b>- 0.2%</b>	<b>-376</b>	<b>- 5.5%</b>
<b>Wacoal International Corp. (U.S.)★</b>	<b>-3,367</b>	<b>- 6.8%</b>	<b>1,701</b>	<b>+3.7%</b>	<b>6,167</b>	<b>+20.1%</b>	<b>4,501</b>	<b>+3.6%</b>
<b>Wacoal Europe Ltd.★</b>	<b>-1,804</b>	<b>- 6.8%</b>	<b>2,594</b>	<b>+11.0%</b>	<b>335</b>	<b>+1.7%</b>	<b>1,125</b>	<b>+1.6%</b>
<b>Wacoal China Co., Ltd.★</b>	<b>5,901</b>	<b>+3.2%</b>	<b>3,887</b>	<b>+2.1%</b>	<b>-5,896</b>	<b>- 3.9%</b>	<b>3,892</b>	<b>+0.8%</b>

★ Comparison with previous period in local currency

# Operating Income per Quarter by Major Corporations for FY2020 (Increase/decrease)



- The profit of Wacoal was affected by the drop in sales of the wholesale business.  
(The profit of the wholesale business was down 39% year on year and reached 88% of the plan total.)
- The performance in the U.S. was affected by the posting of operating loss (-US\$4.2 million) of "IO".

(Millions of yen)

	1Q		2Q		3Q		3Q total	
	Change	% Change	Change	% Change	Change	% Change	Change	% Change
<b>Wacoal</b>	<b>-384</b>	- 22.5%	<b>1,386</b>	+60.7%	<b>-1,839</b>	-	<b>-837</b>	- 14.5%
(Wholesale Division)	<b>62</b>	+1.5%	<b>1,338</b>	+26.3%	<b>-1,522</b>	<b>- 39.1%</b>	<b>-122</b>	- 0.9%
(Retail end WEB Business Department)	<b>87</b>	+14.6%	<b>292</b>	+68.9%	<b>-148</b>	<b>- 18.4%</b>	<b>231</b>	+12.7%
<b>Ai</b>	<b>114</b>	-	<b>-37</b>	- 30.1%	<b>38</b>	-	<b>115</b>	-
<b>Peach John</b>	<b>-97</b>	-	<b>11</b>	+8.7%	<b>283</b>	-	<b>197</b>	-
<b>Lecien</b>	<b>26</b>	-	<b>45</b>	-	<b>101</b>	-	<b>172</b>	-
<b>Nanasai</b>	<b>-99</b>	- 90.8%	<b>82</b>	+86.3%	<b>-36</b>	-	<b>-53</b>	- 23.0%
<b>Wacoal International Corp. (U.S.)★</b>	<b>-2,827</b>	- 26.4%	<b>-3,877</b>	- 59.8%	<b>-3,806</b>	-	<b>-10,510</b>	- 70.5%
<b>Wacoal Europe Ltd.★</b>	<b>-640</b>	- 18.5%	<b>197</b>	+7.1%	<b>176</b>	<b>+20.7%</b>	<b>-267</b>	- 3.8%
<b>Wacoal China Co., Ltd.★</b>	<b>-3,896</b>	- 12.9%	<b>-856</b>	- 4.1%	<b>-2,683</b>	-	<b>-7,435</b>	- 13.9%

Operating  
income

★ Comparison with previous period in local currency

\*Wacoal Europe figures exclude the impact of recognition of impairment charges

\*The subsidiaries that recorded operating losses are not listed

# Executive Summary of the Total of FY2020 1Q to 3Q



- **Net sales: Down 2% <down 1%, if the effect of foreign currency translation is excluded> (reached 97% of the plan total)**
- **Operating income: Down 12% (reached 97% of the plan total)**
- **For 4 domestic subsidiaries (Ai, PJ, Lecien, and Nanasai), total sales dropped ¥1.3 billion but total operating income rose ¥0.2 billion.**

## Net sales

**¥144.03 billion (down ¥3.22 billion (2.2%) year on year)**

**(reached 95.6% of the plan total and fell short of it by ¥6.57 billion)**

- The net sales of Wacoal were almost unchanged year on year, as the rush demand before the consumption tax hike was offset by the drop due to the recoil.
- The net sales of the overseas business dropped, due to the effect of foreign currency translation (-¥1.5 billion) and the downturn of business of a Thai material company.
- In local currency, sales grew in the U.S., Europe, and China. (In the U.S., the inclusion of IO's performance contributed.)

## Operating income

**¥9.8 billion (down ¥1.37 billion (12.3%) year on year)**

**(reached 97% of the plan total and fell short of it by ¥0.3 billion)**

- The operating income of Wacoal declined due to the augmentation of SG&A costs, etc., but reached 109% of the plan total.
- The operating income of the U.S. businesses dropped considerably (down 71% year on year), due to the drop in sales of the existing businesses, the inclusion of "IO", etc.

## Income before income taxes and equity in net income of affiliated companies

**¥15.67 billion (up ¥9.99 billion (175.8%) year on year)**

**(reached 138.7% and exceeded it by ¥4.37 billion)**

*\*Effects caused by valuation gain and loss on marketable securities and investments not reflected in estimate*

- Recorded valuation gain of ¥4.5 billion (realized profit of 1.1 billion yen) in valuation gain and loss on marketable securities and investments in the three quarters total (Apr. to Dec.)
- In the same period of the previous year, valuation loss of ¥7.9 billion was posted (¥12.4 billion increase year on year).

# Consolidated Financial Results Summary (Apr. to Dec.)



(Millions of yen)

	FY2019 3Q results		FY2020 3Q results		FY2020 3Q target		Year on Year		Compared with Target	
		% Of sales		% Of sales		% Of sales	Change	% Change	Change	% Change
<b>Consolidated net sales</b>	<b>147,247</b>		<b>144,031</b>		<b>150,600</b>		<b>-3,216</b>	<b>- 0.4%</b>	<b>-6,569</b>	<b>- 4.4%</b>
Cost of Sales	67,066	45.5	63,915	44.4	67,400	44.8	-3,151	- 2.9%	-3,485	- 5.2%
Gross Margin	80,181	54.5	80,116	55.6	83,200	55.2	-65	+1.8%	-3,084	- 3.7%
S, G&A Expenses	69,007	46.9	70,315	48.8	73,100	48.5	1,308	+1.0%	-2,785	- 3.8%
<b>Operating Income</b>	<b>11,174</b>	<b>7.6</b>	<b>9,801</b>	<b>6.8</b>	<b>10,100</b>	<b>6.7</b>	<b>-1,373</b>	<b>+5.6%</b>	<b>-299</b>	<b>- 3.0%</b>
Other profit or loss	2,419	-	1,382	-	1,200	-	-1,037	- 52.4%	182	+15.2%
A : Valuation gain (loss) on marketable securities and investments – net	-7,912	-	4,486	-	0	-	12,398	-	4,486	-
<b>Income Before Taxes</b>	<b>5,681</b>	<b>3.9</b>	<b>15,669</b>	<b>10.9</b>	<b>11,300</b>	<b>7.5</b>	<b>9,988</b>	<b>- 42.8%</b>	<b>4,369</b>	<b>+38.7%</b>
<b>Net income attributable to Wacoal Holdings Corp.</b>	<b>4,342</b>	<b>2.9</b>	<b>11,014</b>	<b>7.6</b>	<b>8,360</b>	<b>5.6</b>	<b>6,672</b>	<b>- 41.5%</b>	<b>2,654</b>	<b>+31.7%</b>
Reference figure (i): Income Before Taxes not taking into account A	13,593	9.2	11,183	7.8	11,300	7.5	-2,410	- 3.4%	-117	- 1.0%

# Overview of Each Operation Segment (Apr. to Dec.)



(Millions of yen)

	FY2019 3Q results		FY2020 3Q results		FY2020 3Q target		Year on Year		Compared with Target	
		ratio		ratio		ratio	Change	% Change	Change	% Change
<b>Consolidated net sales</b>	147,247	100	<b>144,031</b>	100	150,600	100	-3,216	- 2.2%	-6,569	- 4.4%
Wacoal Business (Domestic)	86,581	58.8	<b>85,955</b>	59.7	88,300	58.6	-626	- 0.7%	-2,345	- 2.7%
Wacoal Business (Overseas)	39,924	27.1	<b>38,110</b>	26.5	41,400	27.5	-1,814	- 4.5%	-3,290	- 7.9%
Peach John Business	8,012	5.4	<b>7,865</b>	5.5	8,900	5.9	-147	- 1.8%	-1,035	- 11.6%
Other Businesses	12,730	8.6	<b>12,101</b>	8.4	12,000	8.0	-629	- 4.9%	101	+0.8%

	FY2019 3Q results		FY2020 3Q results		FY2020 3Q target		Year on Year		Compared with Target	
		% Of sales		% Of sales		% Of sales	Change	% Change	Change	% Change
<b>Operating income</b>	11,174	7.6	<b>9,801</b>	6.8	10,100	6.7	-1,373	- 12.3%	-299	- 3.0%
Wacoal Business (Domestic)	7,214	8.3	<b>6,982</b>	8.1	6,500	7.4	-232	- 3.2%	482	+7.4%
Wacoal Business (Overseas)	4,106	2.8	<b>2,627</b>	1.8	3,080	2.0	-1,479	- 36.0%	-453	- 14.7%
Peach John Business	-29	-0.4	<b>168</b>	2.1	460	5.2	197	- 679.3%	-292	- 63.5%
Other Businesses	-117	-0.9	<b>24</b>	0.2	60	0.5	141	—	-36	—

# Financial Results by Major Corporations (Apr. to Dec.)



(Millions of yen)

	Net Sales								Operating Income							
	FY2019 3Q results	FY2020 3Q results	FY2020 3Q target	Year on Year		Compared with Target		FY2019 3Q results	FY2020 3Q results	FY2020 3Q target	Year on Year		Compared with Target			
				Change	% Change	Change	% Change				Change	% Change	Change	% Change		
Wacoal	78,769	<b>78,749</b>	80,400	-20	- 0.0%	-1,651	- 2.1%	5,764	<b>4,927</b>	4,540	-837	- 14.5%	387	+8.5%		
Ai	3,585	<b>3,083</b>	3,634	-502	- 14.0%	-551	- 15.2%	-233	<b>-118</b>	102	115	-	-220	- 215.7%		
Peach John	8,012	<b>7,865</b>	8,900	-147	- 1.8%	-1,035	- 11.6%	-29	<b>168</b>	460	197	- 679.3%	-292	- 63.5%		
Lecien	4,659	<b>4,363</b>	4,761	-296	- 6.4%	-398	- 8.4%	-334	<b>-162</b>	-73	172	-	-89	-		
Nanasai	6,856	<b>6,480</b>	5,960	-376	- 5.5%	520	+8.7%	230	<b>177</b>	35	-53	- 23.0%	142	+405.7%		
Wacoal International Corp. (U.S.)	14,064	<b>14,241</b>	14,396	177	+1.3%	-155	- 1.1%	1,660	<b>479</b>	1,375	-1,181	- 71.1%	-896	- 65.2%		
Wacoal Europe Ltd.	10,324	<b>9,875</b>	10,629	-449	- 4.3%	-754	- 7.1%	846	<b>750</b>	674	-96	- 11.3%	76	+11.3%		
Wacoal China Co., Ltd.	8,717	<b>8,288</b>	9,136	-429	- 4.9%	-848	- 9.3%	903	<b>733</b>	618	-170	- 18.8%	115	+18.6%		

## Major Overseas Subsidiaries (Local Currency Basis)

Wacoal International Corp. (U.S.)	126,543	<b>131,044</b>	130,871	4,501	+3.6%	173	+0.1%	14,916	<b>4,406</b>	12,505	-10,510	- 70.5%	-8,099	- 64.8%
Wacoal Europe Ltd.	70,545	<b>71,670</b>	73,300	1,125	+1.6%	-1,630	- 2.2%	7,101	<b>6,834</b>	5,833	-267	- 3.8%	1,001	+17.2%
Wacoal China Co., Ltd.	517,339	<b>521,231</b>	553,700	3,892	+0.8%	-32,469	- 5.9%	53,580	<b>46,145</b>	37,447	-7,435	- 13.9%	8,698	+23.2%

[Exchange rate]

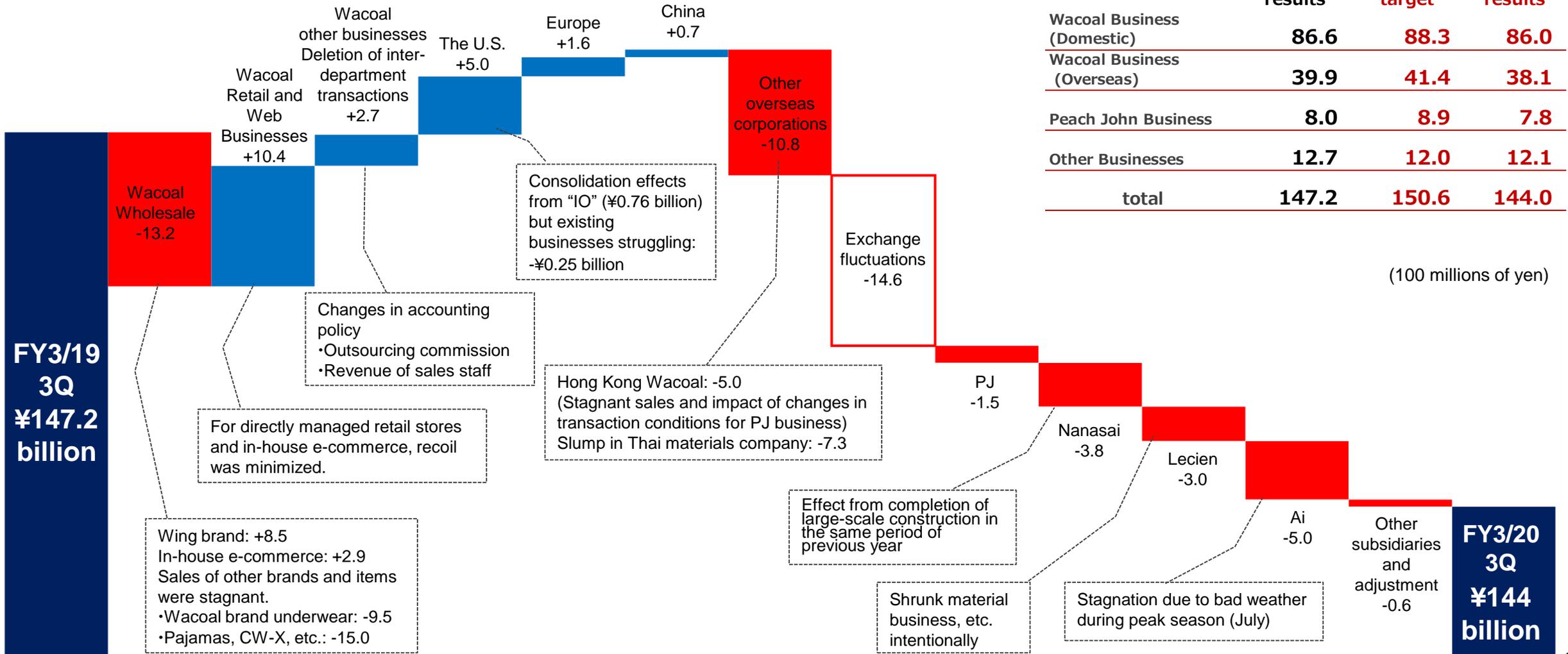
USD	GBP	CNY
108.67yen	137.79 yen	15.90 yen

# YoY Increase/Decrease in Net Sales of Each Business



## ➤ Net Sales: Down ¥3.2 billion

(About ¥1.5 billion effect from foreign currency translation)

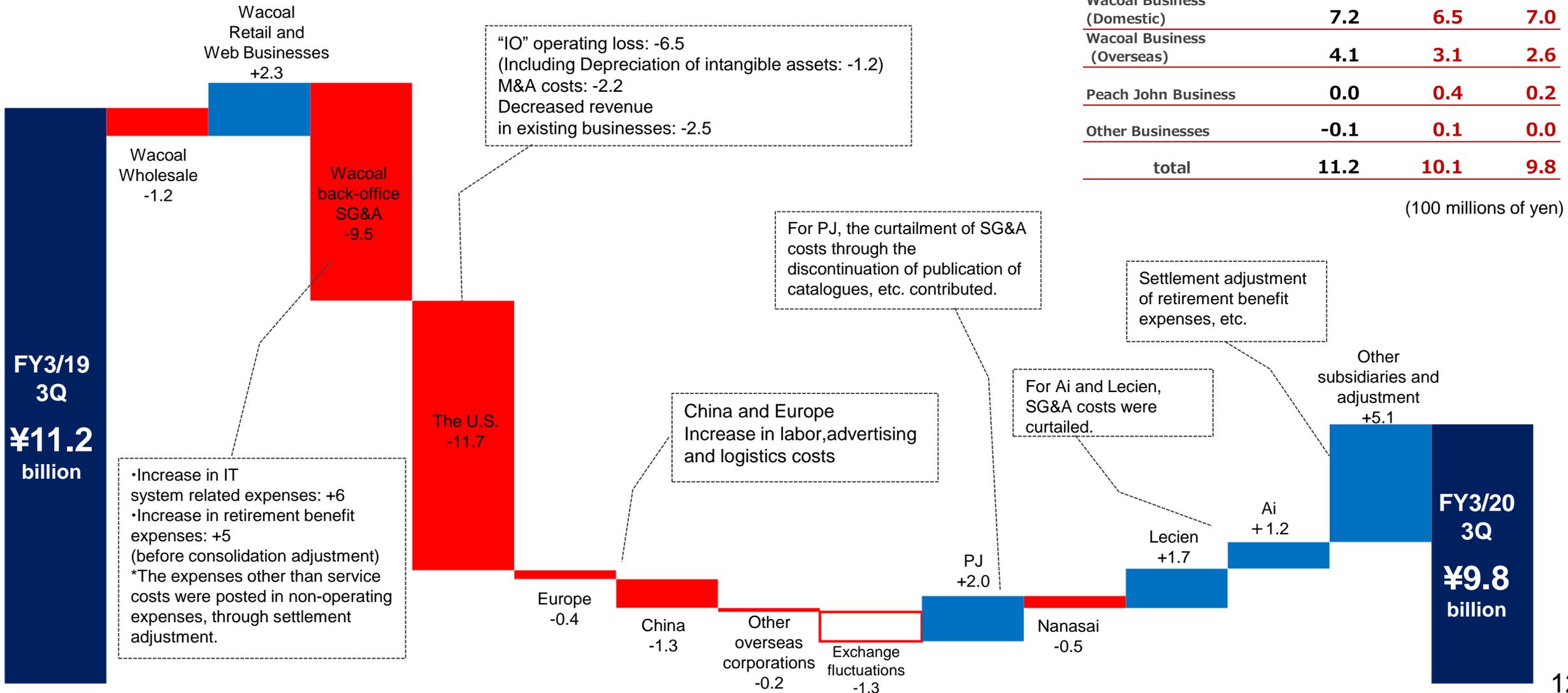


# YoY Increase/Decrease in Operating Income of Each Business



## ➤ Operating Income: Down ¥1.4 billion

(About ¥0.1 billion effect from foreign currency translation)



	FY2019 3Q results	FY2020 3Q target	FY2020 3Q results
Wacoal Business (Domestic)	7.2	6.5	7.0
Wacoal Business (Overseas)	4.1	3.1	2.6
Peach John Business	0.0	0.4	0.2
Other Businesses	-0.1	0.1	0.0
<b>total</b>	<b>11.2</b>	<b>10.1</b>	<b>9.8</b>

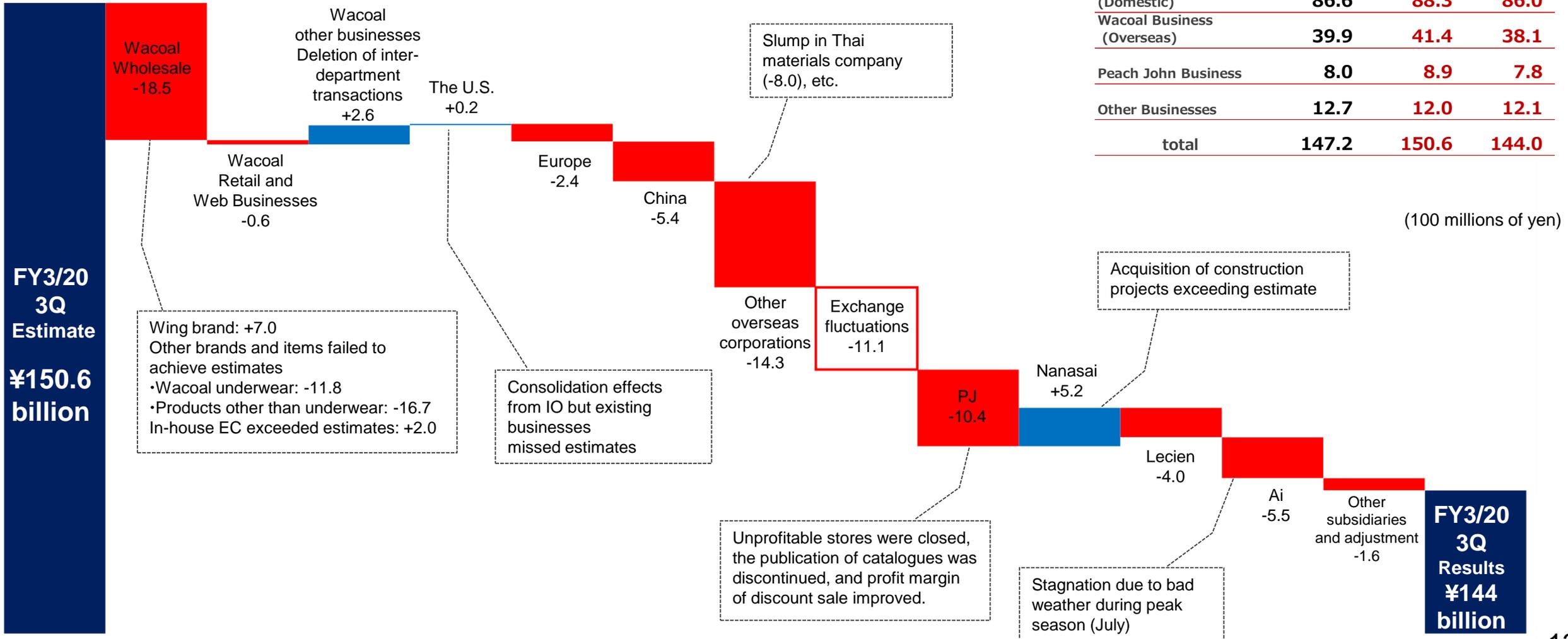
(100 millions of yen)

# Net Sales Progress for FY2020 3Q



## ➤ Net Sales: Missed estimate at ¥6.6 billion (About ¥1.1 billion effect from foreign currency translation)

	FY2019 3Q results	FY2020 3Q target	FY2020 3Q results
Wacoal Business (Domestic)	86.6	88.3	86.0
Wacoal Business (Overseas)	39.9	41.4	38.1
Peach John Business	8.0	8.9	7.8
Other Businesses	12.7	12.0	12.1
<b>total</b>	<b>147.2</b>	<b>150.6</b>	<b>144.0</b>



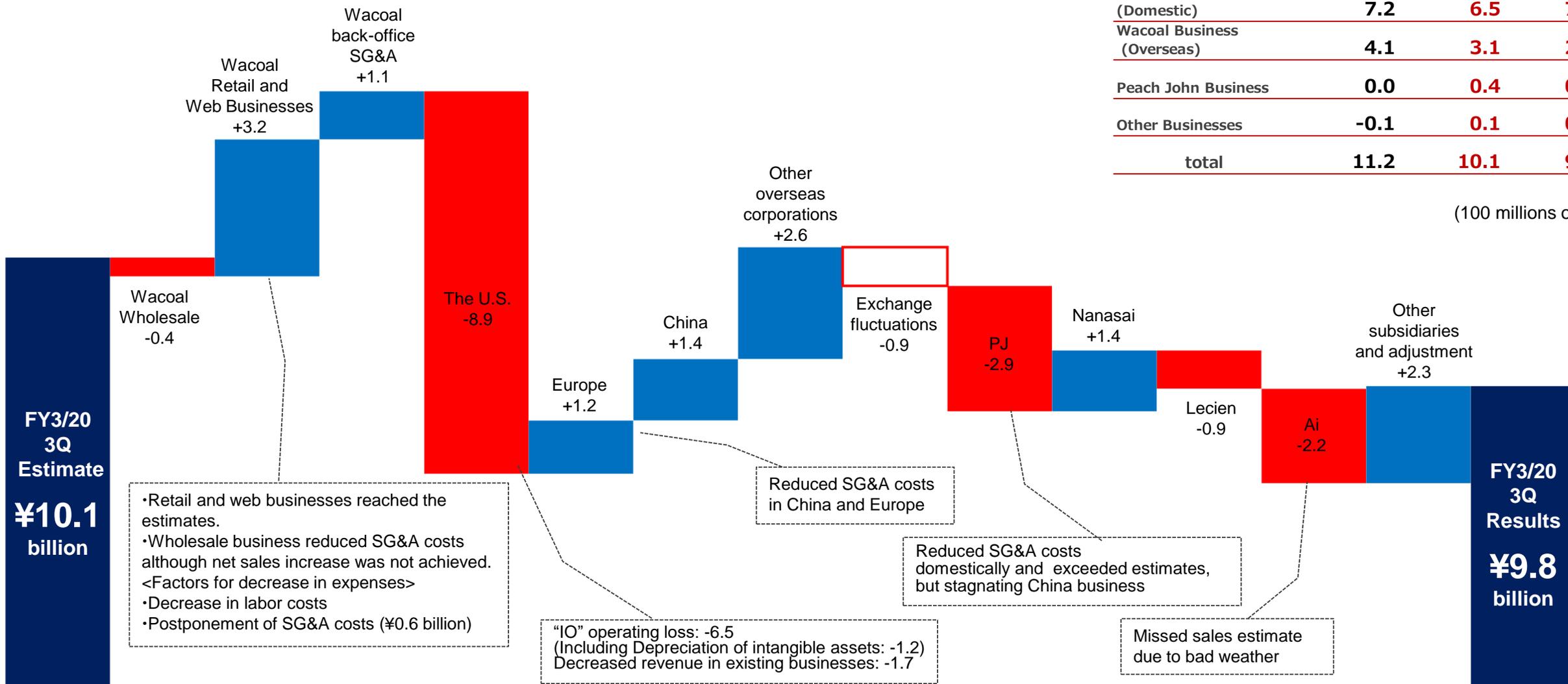
# Operating Income Progress for FY2020 3Q



## ➤ Operating Income: Missed estimate at ¥0.3 billion (About ¥0.1 billion effect from foreign currency translation)

	FY2019 3Q results	FY2020 3Q target	FY2020 3Q results
Wacoal Business (Domestic)	7.2	6.5	7.0
Wacoal Business (Overseas)	4.1	3.1	2.6
Peach John Business	0.0	0.4	0.2
Other Businesses	-0.1	0.1	0.0
<b>total</b>	<b>11.2</b>	<b>10.1</b>	<b>9.8</b>

(100 millions of yen)





FY2020 3Q Financial Results Summary

**FY2020 3Q Situation of Businesses of Major Corporations**

FY2020 3Q Capital Policies and Shareholder Returns

FY2020 3Q Full Business Year Outlook

Reference



- **The retail business was healthy, and the web business kept growing by double digits.**
  - **The recoil from the rush demand in the wholesale channel lingered.**
  - **The “Wing” brand handled by GMS and supermarkets was sluggish in 3Q, but cumulative sales grew.**

◆ Quarterly change in sales at stores  
by sales channel of Wacoal Corp.

		1Q	2Q	3Q	3Q Total
<b>Wholesale</b>	Department store	-6%	<b>+8%</b>	-14%	-5%
	GMS, Supermarket (Wacoal Brand)	-4%	<b>+15%</b>	-18%	-2%
	GMS, Supermarket (Wing Brand)	<b>+4%</b>	<b>+19%</b>	-5%	<b>+3%</b>
	Specialty Stores	<b>+4%</b>	<b>+6%</b>	-6%	<b>+1%</b>
	Sports Chains	-11%	<b>+11%</b>	-22%	-8%
	Third Party EC Sites	-7%	<b>+5%</b>	-8%	-3%
<b>Retail</b>	Retail stores	<b>+6%</b>	<b>+6%</b>	<b>+0%</b>	<b>+4%</b>
	Wacoal’s Own EC Site	<b>+18%</b>	<b>+24%</b>	<b>+11%</b>	<b>+18%</b>
	Catalog mail-order	<b>+10%</b>	<b>+6%</b>	-13%	-2%

# Overview of Wacoal for FY2020 3Q <Wholesale Business>



- **The total sales of the innerwear business (Wacoal and Wing) were unchanged year on year.**
  - The performance of products other than innerwear still remained stagnant.
  - The total sales of the wholesale business declined (down 2% year on year) due to the recoil from the rush demand.

◆ Sales of each business in Wholesale Business Division of Wacoal Corp.

		1Q	2Q	3Q	3Q Total
<b>Innerwear Business</b>	Wacoal	-4%	<b>+11%</b>	-15%	-3%
	Wing	<b>+11%</b>	<b>+8%</b>	-3%	<b>+6%</b>
<b>Personal Business</b>	Wacoal	-10%	<b>+6%</b>	-18%	-9%
	Wing	-38%	-10%	-26%	-25%
<b>Family wear Business</b>	Wacoal	-17%	-6%	-26%	-16%
<b>Good Age Business</b>	Wacoal	-2%	-8%	-10%	-7%
<b>Leg Carson Business</b>	Wacoal	-3%	-2%	-27%	-11%
<b>Men's inner Business</b>	Wacoal・Wing	-9%	<b>+2%</b>	-13%	-6%
<b>Wellness Business</b>	CW-X、Wacoal	-8%	<b>+3%</b>	-25%	-10%
<b>Wholesale Division total</b>		-2%	<b>+8%</b>	-13%	-2%

# Overview of Wacoal for FY2020 3Q <Net Sales>



Net sales

**¥78.75 billion** (down ¥0.02 billion (0%) year on year)  
(reached 97.9% of the plan total and fell short of it by ¥1.65 billion)

- Wholesale Business: Down 2% year on year (97% of the plan total)  
Wacoal Retail and Web Businesses: Up 6% year on year (almost the same as the plan total)
- The total sales of Wacoal were unchanged year on year. (98% of the plan total)

(Millions of yen)

		FY2019 3Q results	FY2020 3Q results	FY2020 3Q target	Year on Year		Compared with Target	
					Change	% Change	Change	% Change
Innerwear Business	Wacoal	32,541	31,595	32,776	-946	- 2.9%	-1,181	- 3.6%
	Wing	14,619	15,465	14,942	846	+5.8%	523	+3.5%
Personal Business	Wacoal	4,364	3,989	4,321	-375	- 8.6%	-332	- 7.7%
	Wing	521	391	217	-130	- 25.0%	174	+80.2%
Family wear Business	Wacoal	2,725	2,283	2,422	-441	- 16.2%	-139	- 5.7%
Good Age Item, Leg Item, Men's inner Business	Wacoal	3,749	3,481	4,081	-268	- 7.1%	-600	- 14.7%
Wellness Business	CW-X, Wacoal	3,849	3,476	4,078	-374	- 9.7%	-602	- 14.8%
Others		1,707	2,071	1,763	364	+21.3%	308	+17.5%
<b>Wholesale Division total</b>		<b>64,075</b>	<b>62,751</b>	<b>64,600</b>	<b>-1,324</b>	<b>- 2.1%</b>	<b>-1,849</b>	<b>- 2.9%</b>
Retail end WEB Business Department		<b>18,463</b>	<b>19,499</b>	<b>19,559</b>	<b>1,036</b>	<b>+5.6%</b>	<b>-60</b>	<b>- 0.3%</b>
Others(Intersegment transactions,etc.)		<b>-2,390</b>	<b>-2,197</b>	<b>-2,379</b>	<b>193</b>	<b>- 8.1%</b>	<b>182</b>	<b>- 7.7%</b>
<b>Net sales★</b>		<b>80,148</b>	<b>80,053</b>	<b>81,780</b>	<b>-95</b>	<b>- 0.1%</b>	<b>-1,727</b>	<b>- 2.1%</b>

★The figure before the transfer of internal expenses.

# Overview of Wacoal for FY2020 3Q <Operating Income>



Operating income

**¥4.93 billion** (down ¥0.84 billion (14.5 %) year on year)  
(reached 108.5% of the plan total and exceeded it by ¥0.39 billion)

- Wholesale: Sales dropped, but were in line with the estimate, thanks to the 0.5-point improvement in gross profit rate and the reduction of SG&A.
- Retail: Operating income grew year on year, exceeding the estimate, thanks to sales growth and the 0.4-point improvement in gross profit rate.
- Back Office SG&A: Increase in IT system costs related to omni-channel construction and retirement benefit expenses (\*before consolidated adjustment)
- Postponement of some advertising expenses (¥0.6 billion) to 4Q.

(Millions of yen)

	FY2019 3Q results	FY2020 3Q results	FY2020 3Q target	Year on Year		Compared with Target	
				Change	% Change	Change	% Change
Wholesale Division	13,078	12,956	13,000	-122	- 0.9%	-44	- 0.3%
Retail end WEB Business Department	1,822	2,053	1,734	231	+12.7%	319	+18.4%
Indirect department SG&A expenses★	-9,136	-10,082	-10,194	-946	+10.4%	112	- 1.1%
Operating income	5,764	4,927	4,540	-837	- 14.5%	387	+8.5%

\*Through the changes to our accounting policy, the items other than service costs in retirement benefit expenses will be reclassified into non-operating profit/loss through consolidated account settlement adjustment.

# Overview of Peach John for FY2020 3Q <Domestic Subsidiary>



## Net sale

**¥7.87 billion** (down ¥0.15 billion (1.8%) year on year)  
(reached 88.4% of the plan total and fell short of it by ¥1.04 billion)

- Domestic: The store business was healthy. The sales of the mail-order business decreased, after the discontinuation of the publication of catalogues in the winter.
- Overseas: The performance in Hong Kong still remained stagnant. In Taiwan, EC sales were sluggish, but the opening of new stores in Taichung contributed.

## Operating income

**¥0.17 billion** (operating loss in the previous year; up ¥0.2 billion year on year)  
(reached 36.5% of the plan total and fell short of it by ¥0.29 billion)

- Gross profit rate rose, due to the decrease of discount campaigns, etc.
- Operating income was positive, due to the reduction of SG&A through the discontinuation of the publication of catalogues and the effect of posting of costs for relocating offices in the same period of the previous year.

### ◆ Peach John Sales

by domestic business・Quarterly change

	1Q	2Q	3Q	3Q total	ratio	
Domestic	Mail-order	-13%	-3%	-11%	-9%	45%
	Store	-3%	+10%	+4%	+4%	55%

### ◆ Peach John Sales

by overseas business・Quarterly change

	1Q	2Q	2Q	3Q total	
Overseas	Hong Kong	-24%	-31%	-36%	-29%
	Taiwan (stores + EC)	+5%	+2%	+0%	+3%
	Shanghai・Beijing etc (Retail stores)	-19%	-24%	-23%	-22%
	Shanghai・Beijing etc (Third party EC sites)	+9%	-48%	-23%	-29%
	Shanghai・Beijing etc total	-2%	-41%	-23%	-26%

★ Change rate based on local currency. The rate of increase or decrease in sales at retail stores and EC sites in each region.  
(The figures for "Shanghai・Beijing etc" are from January to June.)

# Overview of Lecien for FY2020 3Q <Domestic Subsidiary>



## Net sales

**¥4.36 billion** (down ¥0.3 billion (6.4%) year on year)  
(reached 91.6% of the plan total and fell short of it by ¥0.4 billion)

- The sales of private brand products for GMS/supermarkets and specialty stores recovered.
- The sales of the material business, which is being reformed while putting importance on revenue, decreased.
- As part of business restructuring, we will withdraw from the fabrics business for handicrafts and the apparel business at the end of Mar. 2020.

## Operating loss

**- ¥0.16 billion** (operating loss in the previous year; up ¥0.17 billion year on year)  
(estimate: operating loss of ¥0.07 billion; fell short of it by ¥0.09 billion)

- Operating loss shrank year on year, thanks to the reduction of SG&A, despite the drop in sales.

◆Lecien Sales by division・Quarterly change

	1Q	2Q	3Q	3Q total	ratio
<b>Manufacturing business</b> (A former name of Innerwear,Apparel Div.)	+3%	+3%	+13%	+6%	75%
<b>Material business</b> (A former name of Material,Art Hobby Div.)	-9%	-3%	-19%	-11%	23%
<b>EC planning and sales business</b> (Wacoal's Own EC Site・Third party EC sites)	+20%	+24%	+16%	+20%	2%

# Overview of Ai and Nanasai for FY2020 3Q <Domestic Subsidiary>



## Ai

Net sales

**¥3.08 billion** (down ¥0.5 billion (14%) year on year)  
(reached 84.8% of the plan total and fell short of it by ¥0.55 billion)

Operating loss

**- ¥0.12 billion** (operating loss in the previous year; up ¥0.12 billion year on year)  
(reached -215.7% of the plan total and fell short of it by ¥0.22 billion)

- Sales dropped, due to the downturn of the resort wear business in 2Q.
- Operating loss shrank year on year, thanks to the improvement in gross profit rate and the reduction of SG&A.

◆ Ai Sales by division · Quarterly change

	1Q	2Q	3Q	3Q total	ratio
<b>Resort wear</b> (A former name of Swimwear)	-12%	-21%	+3%	-17%	72%
<b>Innerwear</b>	+0%	+0%	-2%	+0%	28%

## Nanasai

Net sales

**¥6.48 billion** (down ¥0.38 billion (5.5%) year on year)  
(reached 108.7% and exceeded it by ¥0.52 billion)

Operating income

**¥0.18 billion** (down ¥0.05 billion (23%) year on year)  
(reached 405.7% and exceeded it by ¥0.14 billion)

- Recoil from the completion of work in a large department store in the same period of the previous year
- As we received new orders for interior finishing, sales reached the estimate.
- Due to the drop in sales, profit declined, but reached the estimate.

◆ Nanasai Sales by division · Quarterly change

	1Q	2Q	3Q	3Q total	ratio
<b>Rental and lease</b>	-13%	-8%	-10%	-10%	22%
<b>Production sales</b>	-21%	-21%	-16%	-19%	16%
<b>Construction</b>	-27%	+33%	-7%	-1%	62%



**Net sales**

**¥14.24 billion** (up ¥0.18 billion (1.3%) year on year)  
(reached 98.9% of the plan total and fell short of it by ¥0.16 billion)

- Local-currency base: Up 4%
- Sales of existing businesses: Down 2%: The improvement in sales of the existing businesses and the sales of the in-house EC kept growing by double digits. But it was affected by Q1 sales decline.
- Sales of “IO”: +US\$7 million (Aug. to Dec.)

**Operating income**

**¥0.48 billion** (down ¥1.18 billion (71.1%) year on year)  
(reached 34.8% of the plan total and fell short of it by ¥0.9 billion)

- Existing businesses: Down 16%:Gross profit rate declined through the rise in the ratio of discount sales and augmented SG&A.
- IO-related: Operating loss: -US\$6 million (Aug. to Dec.) (Including start of depreciation of intangible assets: US\$1 million)
- M&A costs: US\$2 million.

◆(The U.S.) Quarterly change in sales in major channels and regions (in local currency)

		1Q	2Q	3Q	3Q total	ratio	
Channel	Store	Department store	-12%	-9%	-4%	-9%	66%
		Outlet·Retail store	-23%	-30%	-11%		
		Store sales total	-12%	-10%	-4%		
	EC sites	Department store EC sites	-2%	+18.7%	+62.0%	+19.0%	34%
		Third Party EC sites	-2%	+4.6%	+25.0%	+6.0%	
		Wacoal’s Own EC Site	+17.0%	+33.1%	+24.0%	+24.0%	
EC sales total		+4.0%	+19.2%	+36.0%	+17.0%		
Area	America	-7%	-2%	7%	-2%	96%	
	Canada	+2.0%	-5%	2%	-1%	4%	

**Results of IO (Aug. to Dec.)**

**Net sales** → **US\$7 million**  
(¥0.76 billion)

**Operating loss** → **-US\$6 million**  
(- ¥0.65 billion)

# Overview of Wacoal Europe for FY2020 3Q <Overseas Subsidiary>



## Net sales

**¥9.88 billion** (down ¥0.45 billion (4.3%) year on year)  
(reached 92.9% of the plan total but exceeded it by ¥0.75 billion)

- Local-currency base: Up 2% The U.K. struggled due to sluggish department stores, but other regions were solid.  
(The U.K. -8%, Europe +9%, North America +6%, Other regions +8%)
- The sales of “elomi,” which meets the needs for a broad range of sizes, kept growing by double digits.

## Operating income

**¥0.75 billion** (down ¥0.1 billion (11.3%) year on year)  
(reached 111.3% of the plan total and exceeded it by ¥0.008 billion)

- Local-currency base: Down 4% Reached 117% of the plan total
- Gross profit rate improved due to the decrease of discount sale, etc., but there were some effects from the increase of sales staff through transactions in department stores in Spain, and operating income decreased.

◆(Europe) Quarterly change in sales in major channels and brands (in local currency)

		1Q	2Q	3Q	3Q total	ratio	
Channel	store	Department store	-27%	+7%	+0%	-9%	21%
		Specialty store	-5%	+10%	+2%	+2%	52%
		Retail stores	-15%	-6%	-1%	-8%	6%
	EC sites	Third party EC sites/other	+19%	+29%	+4%	+17%	21%
Brand		Fantasia	-5%	+20%	▲ 2%	+4%	33%
		Freya	-17%	+1%	▲ 8%	-9%	24%
		Goddess	-13%	+3%	▲ 2%	-4%	5%
		Elomi	+6%	+15%	+16%	+12%	24%
		Wacoal	-8%	+8%	+10%	+3%	13%
		B.Tempted	-16%	-17%	-17%	-17%	1%

# Overview of Wacoal China for FY2020 3Q <Overseas Subsidiary>



## Net sales

**¥8.29 billion** (down ¥0.43 billion (4.9%) year on year)

(reached 90.7% of the plan total and fell short of it by ¥0.85 billion)

- Local-currency base: Up 1% (excluding PJ: Up 3%) Some shops in department stores were closed, unprofitable stores were closed, and the brands other than Wacoal were sluggish.
- E-commerce maintained high growth thanks to the strengthened alliances with e-commerce operators

## Operating income

**¥0.73 billion** (down ¥0.17 billion (18.8%) year on year)

(reached 118.6% of the plan total and exceeded it by ¥0.115 billion)

- Local-currency base: Down -14% Profit decreased due to recorded one-time expenses accompanying warehouse relocation and an increase in advertising expenses.
- Gross profit rate rose, due to the decline in the ratio of sales from less profitable brands.

◆(China) Quarterly change in sales in major channels and brands (in local currency)

		1Q	2Q	3Q	3Q total	ratio
Channel	Department store	+2%	-3%	-4%	-1%	78%
	Third party EC sites	+22%	+26%	+17%	+23%	22%
Brand	Wacoal	+6%	+11%	+1%	+6%	83%
	Salute	-11%	-16%	-15%	-14%	9%
	LA ROSABELLE	-42%	-19%	-74%	-50%	1%
	Peach John	+3%	-38%	-28%	-24%	7%

# Overview of Other Asian Regions for FY2020 3Q

Hong Kong Wacoal, Wacoal International Hong Kong, Wacoal Singapore, Philippines Wacoal, Wacoal India, (Factories) Dalian Wacoal, Guangdong Wacoal, Vietnam Wacoal, Myanmar Wacoal, A-Tech, G-Tech and 1 other company



## Net sales

**¥5.71 billion** (down ¥1.11 billion (16.3%) year on year)  
(reached 78.8% of the plan total and fell short of it by ¥1.53 billion)

- Two materials companies in Thailand: Down ¥0.73 billion (Orders decreased for the main products such as warp knitting and circular knitting materials)
- Impact of changes in transaction conditions between Hong Kong Wacoal and Peach John Hong Kong (Account for Peach John store sales in Hong Kong changed from Hong Kong Wacoal to Peach John segment.)

## Operating income

**¥0.67 billion** (down ¥0.03 billion (4.6%) year on year)  
(reached 161.0% of the plan total and exceeded it by ¥0.25 billion)

- Estimates exceeded thanks to increased productivity at Dalian factory, a production base for seamless garments

## Cumulative Overview (Apr. to Dec.) of Wacoal India

- Sales reached the estimate, but gross profit rate declined, and operating income did not reach the estimate.

### Net sales

**¥0.16 billion**  
(almost the same as estimates)

### Operating loss

**-¥0.09 billion**  
(fell short of estimates by ¥0.007 billion)

## Cumulative Overview (Apr. to Dec.) of Two Material Companies in Thailand (A-Tech and G-Tech)

- Their performance was affected by the decrease of orders for their main products due to the excessive stocks of clients and the delay in new product development.

### Net sales

**¥1.93 billion**  
(reached 71% of the plan total)

### Operating loss

**-¥0.23 billion**  
(fell short of estimates by ¥0.17 billion)



**FY2020 3Q Financial Results Summary**

**FY2020 3Q Situation of Businesses of Major Corporations**

**FY2020 3Q Capital Policies and Shareholder Returns**

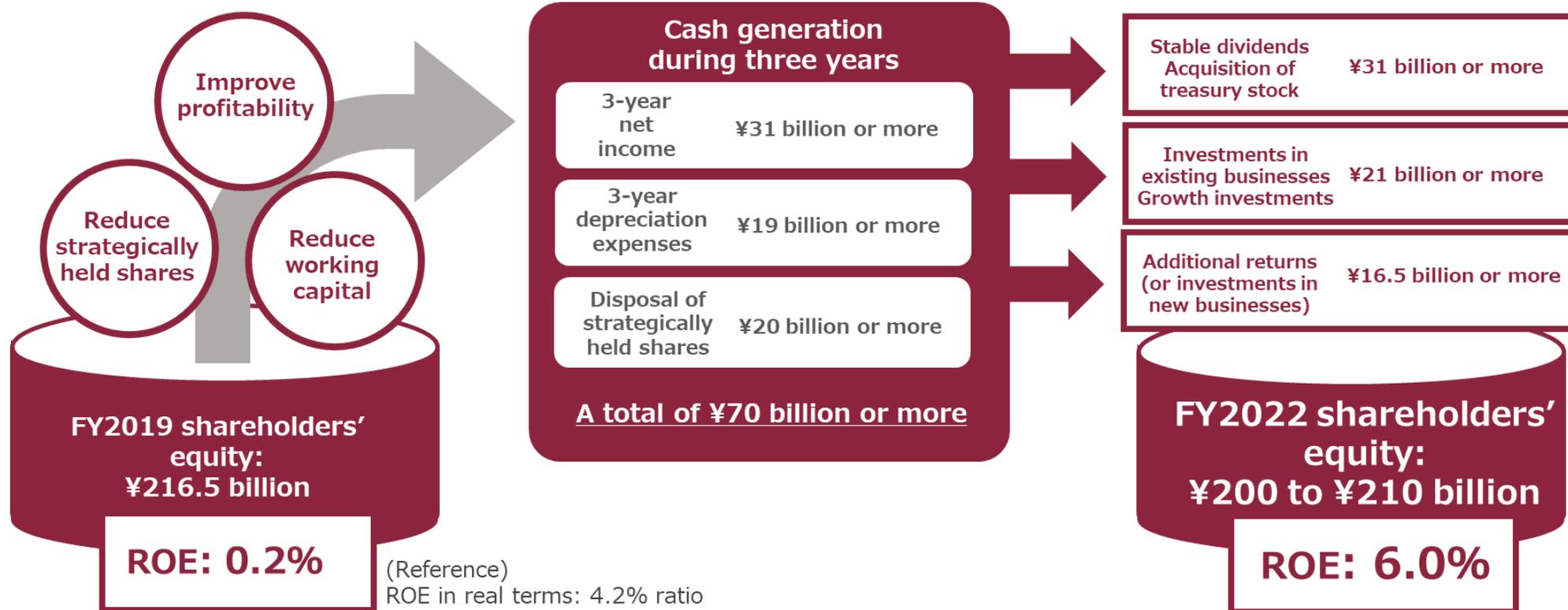
**FY2020 3Q Full Business Year Outlook**

**Reference**



## ● Prioritize investments for future growth while striving to enhance shareholder returns

- Achieve ROE of 6% exceeding capital costs
- Maintain total return ratio of 100%
- Reduce strategically-held shares (target: 30% reduction)







**FY2020 3Q Financial Results Summary**

**FY2020 3Q Situation of Businesses of Major Corporations**

**FY2020 3Q Capital Policies and Shareholder Returns**

**FY2020 3Q Full Business Year Outlook**

**Reference**

# Full Year Business Performance Forecast for FY2020



- Full year business performance forecast was revised downwardly.  
(Net sales: Down 5%; operating income: Down 36%)
- Dividend forecasts are as initially planned.

(Millions of yen)

	FY2020						FY2020		FY2019	
	Full-year forecast (revised plan)	% Of sales	Comparison with initial plan		Year on Year		Full-year forecast (initial plan)	% Of sales	Full-year results	% Of sales
			Change	% Change	Change	% Change				
Consolidated net sales	191,000	-	▲ 9,000	▲ 4.5%	▲ 3,201	▲ 1.6%	200,000	-	194,201	-
Operating Income	7,000	3.7%	▲ 4,000	▲ 36.4%	2,121	+43.5%	11,000	5.5%	4,879	2.5%
Income Before Taxes	9,500	5.0%	▲ 2,500	▲ 20.8%	7,297	+331.2%	12,000	6.0%	2,203	1.1%
Net income attributable to Wacoal Holdings Corp.	6,500	3.4%	▲ 2,500	▲ 27.8%	6,159	-	9,000	4.5%	341	0.2%

\*The business performance forecasts do not reflect the effects of business performance fluctuations caused by valuation gain or loss on marketable securities and investments.

\*Main exchange rates in the initial plan : (USD1=JPY110.00, GBP1=JPY145.00, CNY1=JPY16.50)

\*Main exchange rates for the revised plan : (USD1=JPY108.67, GBP1=JPY137.79, CNY1=JPY15.90)

\*\*Excluding the impact of impairment charges

interim dividend	40円	ordinary dividend 36yen special dividend 4yen
year-end dividend (Dividend forecast)	40円	ordinary dividend 36yen special dividend 4yen

\*(For reference) Effect of exchange fluctuation on sales:  
- ¥1.8 billion yen (negative effect)

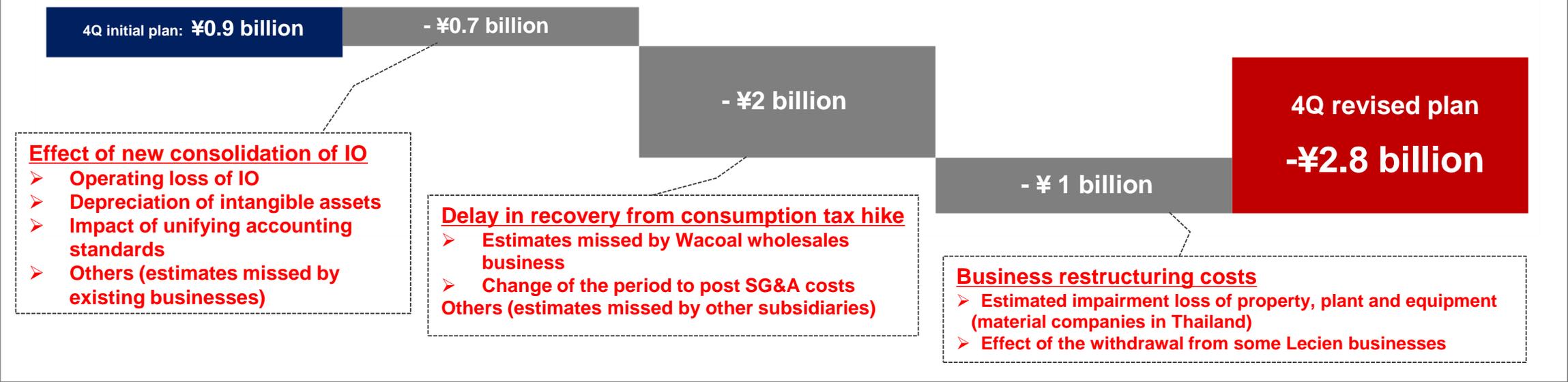


**The following “downside” risks are reflected in the earnings forecast for 4Q.**

- Effects of the inclusion of IO (the U.S.), which was acquired in July 2019, in the scope of consolidation
- Delay in recovery of sales after the consumption tax hike in Japan
- Augmentation of costs due to the reform of the business structures of subsidiaries inside and outside Japan, etc.

➤ **4Q: Estimated operating loss: ¥2.8 billion**

**(¥3.7 billion down from the initial estimate: an operating income of ¥0.9 billion yen)**



<Risks not considered in the plan>

“Upside” risks: Curtailment of SGA and fluctuations in earn-out compensations

“Downside” risks: Possibility of impairment loss of tangible and intangible assets other than the material companies in Thailand, and fluctuations in earn-out compensations





**FY2020 3Q Financial Results Summary**

**FY2020 3Q Situation of Businesses of Major Corporations**

**FY2020 3Q Capital Policies and Shareholder Returns**

**FY2020 3Q Full Business Year Outlook**

**Reference**

# (Reference) FY2020 Full Year Business Forecast



(Millions of yen)

	FY2019 results		Announced on May 15, 2019				Announced on January 31, 2020			
			FY2020 initial plan		Year on Year		FY2020 revised plan		Year on Year	
<b>Consolidated net sales</b>	<b>194,201</b>		<b>200,000</b>		<b>5,799</b>	<b>+3.0%</b>	<b>191,000</b>		<b>-3,201</b>	<b>- 1.6%</b>
Cost of Sales	<b>89,804</b>	<b>46.2</b>	<b>92,100</b>	<b>46.0</b>	2,296	+2.6%	<b>87,200</b>	<b>45.7</b>	-2,604	- 2.9%
Gross Margin	<b>104,397</b>	<b>53.8</b>	<b>107,900</b>	<b>54.0</b>	3,503	+3.4%	<b>103,800</b>	<b>54.3</b>	-597	- 0.6%
S, G&A Expenses	<b>93,684</b>	<b>48.2</b>	<b>96,900</b>	<b>48.5</b>	3,216	+3.4%	<b>96,800</b>	<b>50.7</b>	3,116	+3.3%
A: Impairment charges on goodwill and other intangible assets	<b>5,834</b>	<b>3.0</b>	<b>0</b>		-5,834	-	<b>0</b>		-5,834	-
<b>Operating income</b>	<b>4,879</b>	<b>2.5</b>	<b>11,000</b>	<b>5.5</b>	<b>6,121</b>	<b>+125.5%</b>	<b>7,000</b>	<b>3.7</b>	<b>2,121</b>	<b>+43.5%</b>
Other profit or loss	<b>2,894</b>		<b>1,000</b>		-1,894	- 65.4%	<b>1,424</b>		-1,470	- 50.8%
B: Valuation gain (loss) on marketable securities and investments – net	<b>-5,570</b>		<b>0</b>		5,570	-	<b>1,076</b>		6,646	-
<b>Income before taxes</b>	<b>2,203</b>	<b>1.1</b>	<b>12,000</b>	<b>6.0</b>	<b>9,797</b>	<b>+444.7%</b>	<b>9,500</b>	<b>5.0</b>	<b>7,297</b>	<b>+331.2%</b>
<b>Net income attributable to Wacoal Holdings Corp.</b>	<b>341</b>	<b>0.2</b>	<b>9,000</b>	<b>4.5</b>	<b>8,659</b>	<b>-</b>	<b>6,500</b>	<b>3.4</b>	<b>6,159</b>	<b>-</b>

Reference figure (i): Operating income not taking into account A	<b>10,713</b>		<b>11,000</b>		287	+2.7%	<b>7,000</b>		-3,713	- 34.7%
Reference figure (ii): Income before taxes not taking into account A and B	<b>13,607</b>		<b>12,000</b>		-1,607	- 11.8%	<b>8,424</b>		-5,183	- 38.1%

Exchange rate: Assumed that 1 USD equals 110.00 yen, 1 GBP 145.00 yen and 1 CNY 16.50 yen.

# (Reference) Full Year Business Forecast of Net Sales and Operating Income by Business Segment for FY2020



(Millions of yen)

	FY2019 results		Announced on May 15, 2019				Announced on January 31, 2020			
			FY2020 initial plan		FY2020 revised plan					
		ratio[%]	ratio[%]	Year on Year		ratio[%]	Year on Year			
				Change	% Change		Change	% Change		
<b>Consolidated net sales</b>	<b>194,201</b>	<b>100</b>	<b>200,000</b>	<b>100</b>	<b>5,799</b>	<b>+3.0%</b>	<b>191,000</b>	<b>100</b>	<b>-3,201</b>	<b>- 1.6%</b>
Wacoal Business (Domestic)	113,400	58.4	116,200	58.1	2,800	+2.5%	112,800	59.1	-600	- 0.5%
Wacoal Business (Overseas)	53,100	27.3	55,500	27.8	2,400	+4.5%	51,500	27.0	-1,600	- 3.0%
Peach John Business	10,491	5.4	11,600	5.8	1,109	+10.6%	10,400	5.4	-91	- 0.9%
Other Businesses	17,210	8.9	16,700	8.4	-510	- 3.0%	16,300	8.5	-910	- 5.3%

	FY2019 results		FY2020 initial plan				FY2020 revised plan			
			FY2020 initial plan		FY2020 revised plan					
		% of net sales	% of net sales	Year on Year		% of net sales	Year on Year			
				Change	% Change		Change	% Change		
<b>Operating income</b>	<b>4,879</b>	<b>2.5</b>	<b>11,000</b>	<b>5.5</b>	<b>6,121</b>	<b>+125.5%</b>	<b>7,000</b>	<b>3.7</b>	<b>2,121</b>	<b>+43.5%</b>
Wacoal Business (Domestic)	6,325	5.6	6,600	5.7	275	+4.3%	6,100	5.4	-225	- 3.6%
Wacoal Business (Overseas)	4,581	8.6	4,000	7.2	-581	- 12.7%	1,300	2.5	-3,281	- 71.6%
Peach John Business	-5,859	-	170	1.5	6,029	-	-270	-	5,589	-
Other Businesses	-168	-	230	1.4	398	-	-130	-	38	-

Exchange rate: Assumed that 1 USD equals 110.00 yen, 1 GBP 145.00 yen and 1 CNY 16.50 yen.

# (Reference) Full Year Business Forecast of Net Sales and Operating Income by Major Corporations for FY2020



(Millions of yen)

	Net Sales							Operating Income							
	FY2019 results	Announced on June 13, 2019				Announced on January 31, 2020			FY2019 results	Announced on June 13, 2019			Announced on January 31, 2020		
		FY2020 initial plan				FY2020 revised plan				FY2020 initial plan			FY2020 revised plan		
		Year on Year		Year on Year		Year on Year		Year on Year		Year on Year		Year on Year			
Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change				
Wacoal	102,356	105,327	2,971	+2.9%	102,500	144	+0.1%	5,099	4,300	-799	-15.7%	3,900	-1,199	-23.5%	
Peach John	10,491	11,600	1,109	+10.6%	10,400	-91	-0.9%	-220	170	390	-177.3%	-270	-50	+22.7%	
Nanasai	9,414	8,800	-614	-6.5%	9,000	-414	-4.4%	282	230	-52	-18.4%	255	-27	-9.6%	
Lecien	6,284	6,528	244	+3.9%	5,835	-449	-7.1%	-375	-9	366	-97.6%	-468	-93	+24.8%	
Ai	4,181	4,290	109	+2.6%	3,750	-431	-10.3%	-321	53	374	-116.5%	-141	180	-56.1%	
Wacoal International Corp. (U.S.)	18,486	18,750	264	+1.4%	19,606	1,120	+6.1%	2,095	1,667	-428	-20.4%	126	-1,969	-94.0%	
Wacoal Europe Ltd.	14,106	14,655	549	+3.9%	13,649	-457	-3.2%	1,407	1,189	-218	-15.5%	1,117	-290	-20.6%	
Wacoal China Co., Ltd.	11,617	12,507	890	+7.7%	11,258	-359	-3.1%	746	758	12	+1.6%	797	51	+6.8%	

## Major Overseas Subsidiaries (Local Currency Basis)

Wacoal International Corp. (U.S.)	166,679	170,465	3,786	+2.3%	180,421	13,742	+8.2%	18,900	15,150	-3,750	-19.8%	1,167	-17,733	-93.8%	(USD'000)
Wacoal Europe Ltd.	96,826	101,062	4,236	+4.4%	99,509	2,683	+2.8%	9,663	8,198	-1,465	-15.2%	8,105	-1,558	-16.1%	(GBP'000)
Wacoal China Co., Ltd.	694,776	758,000	63,224	+9.1%	708,066	13,290	+1.9%	54,594	45,900	-8,694	-15.9%	50,114	-4,480	-8.2%	(CNY'000)

Exchange rate: Assumed that 1 USD equals 110.00 yen, 1 GBP 145.00 yen and 1 CNY 16.50 yen.



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.