

## Consolidated Statements of Cash Flows

Wacoal Holdings Corp. and Subsidiaries

Years Ended March 31, 2019, 2018 and 2017

Thousands of  
U.S. Dollars  
(Note 2)

Years Ended March 31, 2019, 2018 and 2017	Millions of Yen			
	2019	2018	2017	2019
<b>OPERATING ACTIVITIES:</b>				
Net income	¥ 395	¥ 9,660	¥ 12,648	\$ 3,569
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	5,647	5,492	5,032	51,021
Share-based compensation (Note 12)	62	68	74	560
Allowance for returns and doubtful receivables – net	(2,263)	18	264	(20,446)
Deferred income taxes	(2,817)	662	450	(25,452)
Loss (gain) on sales or disposal of property, plant and equipment – net	48	250	(3,374)	434
Impairment charges on property, plant and equipment (Note 19)	167			1,509
Compensation income		(708)		
Impairment charges on goodwill (Notes 7 and 19)	4,325	206		39,077
Impairment charges on other intangible assets (Notes 7 and 19)	1,509			13,634
Loss (gain) on sale, exchange and valuation of marketable securities and investments – net (Note 3)	5,430	(206)	(442)	49,059
Equity in net income of affiliated companies, less dividends received	(211)	(397)	(837)	(1,906)
Changes in assets and liabilities:				
Decrease (increase) in notes and accounts receivable	822	(232)	882	7,427
(Increase) decrease in inventories	(76)	1,012	(378)	(687)
Increase in return assets	(1,180)			(10,661)
(Increase) decrease in other current assets	(653)	270	475	(5,900)
(Decrease) increase in notes and accounts payable	(1,640)	676	(95)	(14,818)
Increase in refund liabilities	3,482			31,460
Decrease in liability for termination and retirement benefits	(620)	(833)	(417)	(5,602)
Increase (decrease) in accrued expenses, income taxes payable and other current liabilities	1,075	(518)	1,615	9,713
Other	118	73	454	1,066
Net cash provided by operating activities	13,620	15,493	16,351	123,057
<b>INVESTING ACTIVITIES:</b>				
Increase in time deposits	(4,783)	(5,129)	(4,336)	(43,215)
Decrease in time deposits	5,226	3,368	3,717	47,217
Proceeds from sales and redemption of equity securities	2,497	394	1,574	22,561
Payments to acquire equity securities	(323)	(22)	(356)	(2,918)
Proceeds from redemption of debt securities	1,008	567	516	9,107
Payments to acquire debt securities	(900)	(1,605)	(329)	(8,132)
Compensation income		708		
Proceeds from sales of property, plant and equipment	276	159	3,585	2,494
Payments to acquire property, plant and equipment	(2,603)	(3,429)	(5,504)	(23,518)
Payments to acquire intangible assets (Note 7)	(3,180)	(2,455)	(1,941)	(28,731)
Proceeds from sales of shares of affiliated companies	270		4	2,439
Other	38	82	33	343
Net cash used in investing activities	(2,474)	(7,362)	(3,032)	(22,353)
<b>FINANCING ACTIVITIES:</b>				
Increase (decrease) in short-term bank loans with original maturities of three months or less – net	1,061	(755)	(3,613)	9,586
Proceeds from issuance of long-term debt			250	
Repayments of long-term debt	(50)	(47)	(403)	(452)
Purchase of treasury stock	(6,919)	(4,007)	(4,522)	(62,513)
Disposal of treasury stock	0	0		0
Dividends paid on common stock	(4,811)	(7,386)	(4,648)	(43,467)
Dividends paid to noncontrolling interests	(191)	(194)	(167)	(1,726)
Proceeds from share issuance to noncontrolling interests	38	86	48	343
Net cash used in financing activities	(10,872)	(12,303)	(13,055)	(98,229)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>372</b>	<b>(336)</b>	<b>(328)</b>	<b>3,361</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>646</b>	<b>(4,508)</b>	<b>(64)</b>	<b>5,836</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>29,487</b>	<b>33,995</b>	<b>34,059</b>	<b>266,417</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>¥ 30,133</b>	<b>¥ 29,487</b>	<b>¥ 33,995</b>	<b>\$272,253</b>
<b>ADDITIONAL CASH FLOW INFORMATION:</b>				
Cash paid for:				
Interest	¥ 11	¥ 11	¥ 27	\$ 99
Income taxes	5,068	5,853	2,812	45,790
<b>NONCASH INVESTING ACTIVITIES:</b>				
Acquisition of property, plant and equipment by assuming payment obligation	¥ 954	¥ 583	¥ 795	\$ 8,619

See notes to consolidated financial statements.