

Consolidated Statements of Income

Wacoal Holdings Corp. and Subsidiaries  
Years Ended March 31, 2020, 2019 and 2018

Millions of Yen				Thousands of U.S. Dollars (Note 2)
Years Ended March 31, 2020, 2019 and 2018	2020	2019	2018	2020
NET SALES (Notes 6, 10 and 18)	¥186,760	¥194,201	¥195,725	\$1,736,818
OPERATING COSTS AND EXPENSES (REVENUE):				
Cost of sales (Notes 6, 10 and 12)	84,959	89,804	92,032	790,096
Selling, general and administrative expenses (Notes 10, 11, 12 and 14)	93,927	93,517	92,701	873,496
Impairment charges on property, plant and equipment (Note 21)	769	167		7,151
Compensation income			(708)	
Impairment charges on goodwill (Notes 8 and 21)	217	4,325	206	2,018
Impairment charges on other intangible assets (Notes 8 and 21)	256	1,509		2,381
Total operating costs and expenses	180,128	189,322	184,231	1,675,142
OPERATING INCOME	6,632	4,879	11,494	61,676
OTHER (EXPENSES) INCOME:				
Interest income	177	289	194	1,646
Interest expense	(19)	(11)	(10)	(177)
Dividend income (Note 6)	1,506	1,429	1,329	14,005
(Loss) gain on sale, exchange and valuation of marketable securities and investments – net (Note 3)	(3,760)	(5,430)	206	(34,967)
Other – net (Notes 10, 12, 16 and 22)	(177)	1,047	1,073	(1,646)
Total other (expenses) income – net	(2,273)	(2,676)	2,792	(21,138)
INCOME BEFORE INCOME TAXES AND EQUITY IN NET INCOME OF AFFILIATED COMPANIES	4,359	2,203	14,286	40,538
INCOME TAXES (Note 17):				
Current	7,126	5,350	4,880	66,270
Deferred	(5,673)	(2,817)	662	(52,757)
Total income taxes	1,453	2,533	5,542	13,513
INCOME (LOSS) BEFORE EQUITY IN NET INCOME OF AFFILIATED COMPANIES	2,906	(330)	8,744	27,025
EQUITY IN NET INCOME OF AFFILIATED COMPANIES (Note 6)	62	725	916	577
NET INCOME	2,968	395	9,660	27,602
NET LOSS (INCOME) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	504	(54)	85	4,687
NET INCOME ATTRIBUTABLE TO WACOAL HOLDINGS CORP.	¥ 3,472	¥ 341	¥ 9,745	\$ 32,289

Yen				U.S. Dollars (Note 2)
Years Ended March 31, 2020, 2019 and 2018	2020	2019	2018	2020
NET INCOME ATTRIBUTABLE TO WACOAL HOLDINGS CORP. PER SHARE (Note 19):				
Basic	¥ 54.26	¥ 5.16	¥143.46	\$ 0.5
Diluted	¥ 54.05	¥ 5.14	¥142.98	\$ 0.5
NET INCOME ATTRIBUTABLE TO WACOAL HOLDINGS CORP. PER AMERICAN DEPOSITARY RECEIPT (5 shares of common stock) (Note 19):				
Basic	¥271.29	¥25.78	¥717.30	\$2.52
Diluted	¥270.25	¥25.68	¥714.89	\$2.51

As of October 1, 2017, Wacoal Holdings Corp. effected a one-for-two ordinary share reverse stock split. The number of outstanding shares was calculated assuming that the reverse stock split had occurred at the beginning of the earliest fiscal year presented in the consolidated financial statements. See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Wacoal Holdings Corp. and Subsidiaries  
Years Ended March 31, 2020, 2019 and 2018

Millions of Yen				Thousands of U.S. Dollars (Note 2)
Years Ended March 31, 2020, 2019 and 2018	2020	2019	2018	2020
NET INCOME	¥ 2,968	¥ 395	¥ 9,660	\$ 27,602
OTHER COMPREHENSIVE (LOSS) INCOME, NET OF TAX (Note 16):				
Foreign currency translation adjustments:				
Amounts arising during the year	(2,532)	(750)	1,113	(23,547)
Total foreign currency translation adjustments	(2,532)	(750)	1,113	(23,547)
Unrealized gain (loss) on securities:				
Amounts arising during the year		(7)	6,494	
Reclassification adjustments		(97)	(139)	
Total unrealized gain (loss) on securities		(104)	6,355	
Pension liability adjustments:				
Amounts arising during the year	125	(4,787)	(487)	1,162
Reclassification adjustments	960	200	(193)	8,928
Total pension liability adjustments	1,085	(4,587)	(680)	10,090
OTHER COMPREHENSIVE (LOSS) INCOME	(1,447)	(5,441)	6,788	(13,457)
COMPREHENSIVE INCOME (LOSS)	1,521	(5,046)	16,448	14,145
COMPREHENSIVE LOSS (INCOME) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	452	(18)	21	4,203
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO WACOAL HOLDINGS CORP.	¥ 1,973	¥(5,064)	¥16,469	\$ 18,348

See notes to consolidated financial statements.

Consolidated Statements of Equity

Wacoal Holdings Corp. and Subsidiaries

Millions of Yen									
Years Ended March 31, 2020, 2019 and 2018	Shares of Outstanding Common Stock (Thousands)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock, at Cost	Total Wacoal Holdings Corp. Shareholders' Equity	Noncontrolling Interests	Total Equity
BALANCE, APRIL 1, 2017	68,605	¥13,260	¥29,707	¥170,062	¥21,873	¥ (7,334)	¥227,568	¥4,914	¥232,482
Net income				9,745			9,745	(85)	9,660
Foreign currency translation adjustments					1,062		1,062	51	1,113
Unrealized gain on securities					6,349		6,349	6	6,355
Pension liability adjustments					(687)		(687)	7	(680)
Cash dividends paid to Wacoal Holdings Corp. shareholders, ¥270 per 5 shares of common stock				(7,386)			(7,386)		(7,386)
Cash dividends paid to noncontrolling interests								(194)	(194)
Purchase of treasury stock	(1,243)					(4,007)	(4,007)		(4,007)
Disposal of treasury stock	0					0	0		0
Share-based compensation granted (exercised) (Note 14)	5		58	(3)		13	68		68
Equity transactions with noncontrolling interests								86	86
BALANCE, MARCH 31, 2018	67,367	13,260	29,765	172,418	28,597	(11,328)	232,712	4,785	237,497
Cumulative effects (net of tax) of adoption of new account standards				27,834	(27,320)		514		514
Net income				341			341	54	395
Foreign currency translation adjustments					(723)		(723)	(27)	(750)
Unrealized loss on securities					(104)		(104)		(104)
Pension liability adjustments					(4,578)		(4,578)	(9)	(4,587)
Cash dividends paid to Wacoal Holdings Corp. shareholders, ¥360 per 5 shares of common stock				(4,811)			(4,811)		(4,811)
Cash dividends paid to noncontrolling interests								(191)	(191)
Purchase of treasury stock	(2,200)					(6,919)	(6,919)		(6,919)
Disposal of treasury stock	0					0	0		0
Cancellation of treasury stock				(2,631)		2,631			
Share-based compensation granted (exercised) (Note 14)	11		42	(12)		32	62		62
Equity transactions with noncontrolling interests								38	38
BALANCE, MARCH 31, 2019	65,178	13,260	29,807	193,139	(4,128)	(15,584)	216,494	4,650	221,144
Cumulative effects (net of tax) of adoption of new accounting standards (Note 1)				(515)			(515)		(515)
Net income				3,472			3,472	(504)	2,968
Foreign currency translation adjustments					(2,584)		(2,584)	52	(2,532)
Pension liability adjustments					1,085		1,085		1,085
Cash dividends paid to Wacoal Holdings Corp. shareholders, ¥300 per 5 shares of common stock				(4,907)			(4,907)		(4,907)
Cash dividends paid to noncontrolling interests								(237)	(237)
Purchase of treasury stock	(2,798)					(7,745)	(7,745)		(7,745)
Disposal of treasury stock	0			(0)		0	0		0
Cancellation of treasury stock				(5,935)		5,935			
Share-based compensation granted (exercised) (Note 14)	23		29	(21)		63	71		71
Equity transactions with noncontrolling interests								116	116

BALANCE, MARCH 31, 2020	62,403	¥13,260	¥29,836	¥185,233	¥ (5,627)	¥(17,331)	¥205,371	¥4,077	¥209,448
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As of October 1, 2017, Wacoal Holdings Corp. effected a one-for-two ordinary share reverse stock split. The number of outstanding shares was calculated assuming that the reverse stock split had occurred at the beginning of the earliest fiscal year presented in the consolidated financial statements.

Thousands of U.S. Dollars (Note 2)								
Years Ended March 31, 2020, 2019 and 2018	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock, at Cost	Total Wacoal Holdings Corp. Shareholders' Equity	Noncontrolling Interests	Total Equi-
BALANCE, MARCH 31, 2019	\$123,314	\$277,197	\$1,796,141	\$(38,389)	\$(144,927)	\$2,013,336	\$43,244	\$2,056,580
Cumulative effects (net of tax) of adoption of new accounting standards (Note 1)			(4,789)			(4,789)		(4,789)
Net income			32,289			32,289	(4,687)	27,602
Foreign currency translation adjustments				(24,031)		(24,031)	484	(23,547)
Pension liability adjustments				10,090		10,090		10,090
Cash dividends paid to Wacoal Holdings Corp. shareholders, \$2.79 per 5 shares of common stock			(45,634)			(45,634)		(45,634)
Cash dividends paid to noncontrolling interests							(2,204)	(2,204)
Purchase of treasury stock					(72,027)	(72,027)		(72,027)
Disposal of treasury stock			(0)		0	0		0
Cancellation of treasury stock			(55,194)		55,194			
Share-based compensation granted (exercised) (Note 14)		270	(195)		586	661		661
Equity transactions with noncontrolling interests							1,079	1,079
BALANCE, MARCH 31, 2020	\$123,314	\$277,467	\$1,722,618	\$(52,330)	\$(161,174)	\$1,909,895	\$37,916	\$1,947,811

See notes to consolidated financial statements.