

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2016 (U.S. Accounting Standards)
[Translation]

May 9, 2016

Listed Company: Wacoal Holdings Corp.

Stock Exchanges: Tokyo (1st section)

Code Number: 3591 URL: <http://www.wacoalholdings.jp/>

Representative: (Position) Representative Director (Name) Yoshikata Tsukamoto

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Scheduled date of Ordinary Shareholders' Meeting: June 29, 2016 Scheduled Commencement Date of Dividend Payment: June 6, 2016

Scheduled date of Annual Securities Report Filing: June 29, 2016

Supplementary materials regarding Annual Business Results: Yes

Explanatory meeting regarding Annual Business Results: Yes

(Amounts less than 1 million yen have been rounded.)

1. Consolidated Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated Business Results

(% indicates changes from previous fiscal year)

	Net Sales		Operating Income		Income Before Income Taxes and Equity in Net Income of Affiliated Companies		Net Income Attributable to Wacoal Holdings Corp.	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal Year Ended March 31, 2016	202,917	5.8	13,865	95.8	14,957	31.9	11,159	32.2
Fiscal Year Ended March 31, 2015	191,765	(1.0)	7,082	(48.9)	11,342	(24.6)	8,444	(16.4)

(Note) Comprehensive income: Fiscal Year ended March 31, 2016: (49) million yen (- %)
 Fiscal Year ended March 31, 2015: 28,813 million yen (26.7%)

	Net Income Attributable to Wacoal Holdings Corp. Per Share	Diluted Net Earnings Attributable to Wacoal Holdings Corp. Per Share	Ratio of Net Income Attributable to Wacoal Holdings Corp. to Shareholders' Equity	Ratio of Pre-tax Net Income to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
Fiscal Year Ended March 31, 2016	79.23	79.00	4.9	5.0	6.8
Fiscal Year Ended March 31, 2015	59.95	59.80	3.9	4.0	3.7

(Reference) Equity in net income of affiliated companies: Fiscal Year ended March 31, 2016: 1,245 million yen
 Fiscal Year ended March 31, 2015: 705 million yen

(2) Consolidated Financial Condition

	Total Assets	Total Equity (Net Assets)	Total Shareholders' Equity	Total Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
Fiscal Year Ended March 31, 2016	292,854	229,401	224,375	76.6	1,592.91
Fiscal Year Ended March 31, 2015	300,272	231,568	228,857	76.2	1,624.93

(3) Consolidated Cash Flow Status

	Cash Flow provided by Operating Activities	Cash Flow provided by (used in) Investing Activities	Cash Flow provided by (used in) Financing Activities	Balance of Cash and Cash Equivalents at End of Fiscal Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal Year Ended March 31, 2016	12,634	(11,407)	(4,547)	34,059
Fiscal Year Ended March 31, 2015	14,337	164	(8,391)	38,410

2. Status of Dividends

	Annual Dividend					Total Amount of Dividends (annual)	Payout Ratio (consolidated)	Ratio of Dividend to Shareholders' Equity (consolidated)
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Fiscal Year Ended March 31, 2015	-	-	-	30.00	30.00	4,225	50.0	1.9
Fiscal Year Ended March 31, 2016	-	-	-	33.00	33.00	4,648	41.7	2.1
Fiscal Year Ending March 31, 2017 (Estimates)	-	-	-	33.00	33.00		46.5	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(% indicates changes from the previous fiscal year with respect to “Annual” and from the six-month period ended September 30, 2015 with respect to “Six-month Period Ending September 30, 2016”)

	Net Sales		Operating Income		Pre-tax Net Income		Net Income Attributable to Wacoal Holdings Corp.		Net Income Attributable to Wacoal Holdings Corp. Per Share	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	
Six-month Period Ending September 30, 2016	104,000	(1.6)	6,000	(38.0)	10,000	(6.1)	6,800	(9.1)	48.28	
Annual	203,000	0.0	10,000	(27.9)	14,500	(3.1)	10,000	(10.4)	71.00	

*Notes

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2016 (change in scope of consolidation): Yes

New: Yes (One Company: A Tech Textile Co., Ltd.)

Excluded: None

(Note) For details, please see “(7) Basic Significant Matters in Preparation of Consolidated Financial Statements” in Section 5 “Consolidated Financial Statements” on page 20.

- (2) Changes in Accounting Principles:

(i) Changes due to modifications in accounting standards, etc.: None

(ii) Changes other than (i) above: None

(Note) For details, please see “(7) Basic Significant Matters in Preparation of Consolidated Financial Statements” in Section 5 “Consolidated Financial Statements” on page 20.

- (3) Number of Issued Shares (Common Stock)

	Fiscal Year Ended March 31, 2016	Fiscal Year Ended March 31, 2015
(i) Number of issued shares (including treasury stock) as of period-end:	143,378,085 shares	143,378,085 shares
(ii) Number of shares held as treasury stock as of period-end:	2,519,350 shares	2,537,276 shares
(iii) Average number of shares during the period:	140,842,184 shares	140,839,059 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

- (1) Non-consolidated Business Results

(% indicates changes from previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal Year Ended March 31, 2016	10,934	0.3	7,016	(1.2)	7,044	(4.1)	6,739	-
Fiscal Year Ended March 31, 2015	10,898	21.5	7,102	37.8	7,350	38.6	(541)	-

	Net Income Per Share	Diluted Net Earnings Per Share
	Yen	Yen
Fiscal Year Ended March 31, 2016	47.85	47.69
Fiscal Year Ended March 31, 2015	(3.84)	-

(2) Non-consolidated Financial Condition

(% indicates changes from previous fiscal year)

	Total Assets	Net Assets	Capital-to-asset Ratio	Net Asset per Share
	Millions of Yen	Millions of Yen	%	Yen
Fiscal Year Ended March 31, 2016	163,972	143,135	87.0	1,013.19
Fiscal Year Ended March 31, 2015	168,762	140,578	83.0	995.48

(Reference) Equity Capital: As of the end of the fiscal year ended March 31, 2016: 142,717 million yen

As of the end of the fiscal year ended March 31, 2015: 140,205 million yen

*Notes on Implementation of Audit Procedures

These financial statements are not subject to the audit procedures based on the Financial Instruments and Exchange Law. The audit procedures for annual financial statements based on the Financial Instruments and Exchange Law had not been completed as of the time of disclosure of these financial statements.

*Cautionary Statement regarding Forward Looking Statements

The foregoing estimates are made based on information available as of the date this data was released, and actual results may differ from estimates due to various factors arising in the future.

Statements made in this report regarding Wacoal's or management's intentions, beliefs, expectations, or predictions for the future are forward-looking statements that are based on Wacoal's and managements' current expectations, assumptions, estimates and projections about its business and the industry. These forward-looking statements, such as statements regarding fiscal year 2017 revenues and operating and net profitability, are subject to various risks, uncertainties and other factors that could cause Wacoal's actual results to differ materially from those contained in any forward-looking statement.

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Qualitative Information and Financial Statements

1. Business Results

(1) Analysis of Business Results

Results for the Fiscal Year Ended March 31, 2016

Our group entered the last year of our three-year mid-term plan (from fiscal year 2014 to fiscal year 2016), and we (primarily Wacoal Corp., our core operating entity) continued to make efforts to expand our share of sales by responding to the diversifying domestic women's innerwear market, establish a system for our business other than the women's innerwear business and strengthen our growth and profitability by actively developing our overseas business.

As a result of the above, with respect to our consolidated business results for fiscal year ended March 31, 2016, sales from our domestic business exceeded the results for the previous fiscal year as a result of the inclusion of sales of Ai Co., Ltd. and the increase in shops of our retail business. Overall sales exceeded the results for the previous fiscal year due to such superior performance of our domestic business and our overseas business, which were inflated by the depreciation of the Japanese yen. In terms of profit, overall operating income largely exceeded the results for the previous fiscal year as a result of the impairment charges which we recognized in relation to our Peach John business during the previous fiscal year.

Net Sales:	202,917 million yen (an increase of 5.8% as compared to the previous fiscal year)
Operating income:	13,865 million yen (an increase of 95.8% as compared to the previous fiscal year)
Income before income taxes and equity in net income of affiliated companies:	14,957 million yen (an increase of 31.9% as compared to the previous fiscal year)
Net income attributable to Wacoal Holdings Corp.:	11,159 million yen (an increase of 32.2% as compared to the previous fiscal year)

Business Overview of Our Operating Segments

a. Wacoal Business (Domestic)

In our domestic business, we focused on establishing a system which can respond to changes in the external environment, and made efforts to expand customer contact, by taking measures to respond to growing inbound consumption and carrying out cross-channel initiatives in rural and unexploited areas. We also made efforts to develop and expand our products targeting a generation that only recently started wearing brassieres and middle-aged and senior consumers.

With respect to our Wacoal brand business, our core brassieres products and products for seniors showed favorable performance. Despite the strong continued inbound demand at department stores in urban areas and our successful promotion of red underwear products, in connection with an old saying that wearing red underwear brings good luck, in the last six months of the current fiscal year, overall sales remained unchanged from the previous fiscal year.

With respect to our Wing brand business, overall sales remained unchanged from the previous fiscal year due to the expansion of shops handling our products for teens as well as the strong performance of our core brassieres products, mainly our regular items.

In our retail business, sales from our directly managed retail store, AMPHI, showed steady performance as a result of our successful initiatives of exclusive offers for members and various monthly sales promotions, and a significant increase of sales through e-commerce websites of other companies. Sales were also largely driven by inbound demand with respect to our Wacoal Factory Store in outlet malls, particularly in areas around airports, and as a result, overall sales largely exceeded the results for the previous fiscal year.

In our wellness business, with respect to our sports conditioning wear "CW-X" brand products, while sales through existing channels, including sports specialty stores, showed weak performance since we were not successful in attracting new customers, overall sales remained unchanged from the previous fiscal year as a result of offering and expanding new products for daily use.

In our catalog sales business, sales from our catalog products were below the results from the previous fiscal year due to the impact of reducing the number of products in our catalogues and decreasing the number of issues of our main catalogues to improve profitability. Although our internet sales from our website performed strongly as a result of an increase in the number of visitors of our website because we

were no longer affected by the shutdown of our website that occurred in the previous year and as a result of our strengthening of our efforts to attract visitors using smartphones, overall sales fell below the results for the previous fiscal year.

With respect to Ai Co., Ltd., our domestic subsidiary which handles the swimwear business and directly managed underwear business, which we acquired from San-Ai group during the current fiscal year, sales from the swimwear business were below the sales we anticipated in our plan due to unstable summer weather. In addition, sales from the underwear business also performed poorly, and were below the sales we anticipated in our plan.

In summary, overall sales attributable to our “Wacoal Business (Domestic)” segment exceeded the results for the previous fiscal year due to increased sales from Wacoal Corp., our core operating entity, and the inclusion of sales from Ai Co., Ltd. With respect to profitability, our operating income also exceeded the results for the previous fiscal year as a result of the increased sales from Wacoal Corp.

Net Sales:	120,570 million yen (an increase of 7.5% as compared to the previous fiscal year)
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Operating income:	8,810 million yen (an increase of 4.3% as compared to the previous fiscal year)
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b. Wacoal Business (Overseas)

In the United States, Wacoal America, Inc. made efforts to improve profits by expanding its share in the high-end market and through enhancing sales of our “b.tempt’d” brand products. Despite inventory control at department stores in the United States, overall sales exceeded the results for the previous fiscal year as a result of strong performance of our core Wacoal brand products and favorable results of our sales from e-commerce websites and of our exports to surrounding countries (Canada). In terms of profit, operating income on a local currency basis fell below the results for the previous fiscal year due to an increase in selling, general and administrative expenses which resulted from increased labor costs, while we controlled PR related costs. However, operating income on a yen converted basis exceeded the results for the previous fiscal year due to the depreciated yen.

With respect to Wacoal Europe, we made efforts to promote our Wacoal portfolio brands’ recognition and to expand sales of the Wacoal brand across Europe and Australia. With regard to sales, sales in the United States and Australia were strong, while sales in the United Kingdom remained unchanged from the previous fiscal year. However, consumer spending in the Eurozone area did not show recovery due to an unstable political and economic atmosphere. Therefore, sales in the Eurozone area fell significantly below the results for the previous fiscal year, due to the impact of the weak performance of our Huit brand products, in addition to the poor performance overall, particularly in France. As a result, total sales on a local currency basis fell below the results for the previous fiscal year, but sales on a yen converted basis remained unchanged from the previous fiscal year. With regard to profit, operating income largely fell below the results for the previous fiscal year as a result of decreased sales and an increase in purchase costs due to the appreciation of the dollar.

With respect to our business in China, we made efforts to expand our brands targeting the middle-class market and to establish a profit system. Sales during the first six months of the current fiscal year from January to June showed favorable performance. Despite sales growth slowed down during the second half of the current fiscal year from July to December during which there was increasing concern that the economic slowdown was going to intensify as a result of decreasing the number of shop openings of LA ROSABELLO, our brand targeting the middle-class market, and failing to achieve our sales target for our campaign on an external e-commerce websites in November 2015, overall sales exceeded the results for the previous fiscal year. In terms of profit, operating income largely exceeded the results for the previous fiscal year due to increased sales.

As a result of the above, with respect to the overall sales and operating income attributable to our “Wacoal Business (Overseas)” segment, overall sales exceeded the results for the previous fiscal year, while operating income fell below the results for the previous fiscal year.

Net Sales:	51,869 million yen (an increase of 7.8% as compared to the previous fiscal year)
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Operating income:	4,433 million yen (a decrease of 7.2% as compared to the previous fiscal year)
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c. Peach John Business

With respect to Peach John Co., Ltd., we made efforts to maintain existing customer contacts in our three-brand framework and to expand contact with new customers through shop openings. Sales from our core mail-order catalogues largely fell below the results for the previous fiscal year due to the decreased number of users visiting e-commerce websites. On the other hand, inbound demand contributed to sales from our domestic direct retail stores which largely exceeded the results for the previous fiscal year as a result of keeping a fresh merchandising approach by changing the products offered in our shops on a weekly basis. With respect to our overseas business, sales largely exceeded the results for the previous fiscal year due to a significant expansion of sales through e-commerce websites of other companies in China despite the weak performance of shop sales in Hong Kong, which offset a decrease in sales resulting from our initiatives to discontinue our underperforming shops for our business. As a result of the above, overall sales from our Peach John business fell below the results for the previous fiscal year. In terms of profit, our operating income significantly improved from the previous fiscal year, during which we recorded an

operating loss, as a result of our efforts to improve sales by reviewing our pricing method and by holding fewer sales campaigns as well as of the impairment charges which we recognized during the previous fiscal year, in addition to a decrease in operating loss incurred from our business in China.

Net Sales:	11,190 million yen (a decrease of 3.8% as compared to the previous fiscal year)
Operating income:	258 million yen (6,296 million yen of operating loss recorded for the previous fiscal year)

d. Other

With respect to the business of Lecien Corporation (“Lecien”), we made efforts to cultivate new sales channels and to build up our production base. Overall sales from Lecien fell below the results for the previous fiscal year due to the weak sales from our apparel business division, although sales of our products to our major clients performed strongly in our core innerwear business division. In terms of profit, we recorded an operating loss, although there was a little sign of recovery as compared to the previous fiscal year as a result of the reduced cost of raw materials and reviewing purchasing prices.

As for Nanasai Co., Ltd. (“Nanasai”), we made efforts to maintain and expand our rental business, as well as increase sales by acquiring new construction businesses. Sales from the rental business fell below the results for the previous fiscal year. As for our construction business, although we received orders for the construction of new commercial facilities and orders from apparel brands, sales also fell below the results for the previous fiscal year as we did not receive large-scale orders as we did during the previous fiscal year. Sales from our sales business showed an increase in the delivery of fixtures in connection with the construction orders received and largely exceeded the results for the previous fiscal year. As a result, overall sales exceeded the results for the previous fiscal year. In terms of profit, operating income largely exceeded the results for the previous fiscal year due to increased sales.

As a result of the above, with respect to the overall sales and operating income attributable to our “Other” segment, overall sales fell below the results for the previous fiscal year, while operating income largely exceeded the results for the previous fiscal year.

Net Sales:	19,288 million yen (a decrease of 2.7% as compared to the previous fiscal year)
Operating income:	364 million yen (an increase of 130.4% as compared to the previous fiscal year)

Forecast for Next Fiscal Year

In Japan, consumer spending trends are unpredictable as consumers continue to be budget-conscious due to rising prices, while income level is growing at a sluggish pace. In addition, the uncertainty of the state of the global economy, such as in Europe and China, are causes for concern. Therefore we anticipate that the management environment surrounding our group will continue to remain very difficult. In such an environment, we plan to undertake structural transformation initiatives, as well as further enhance profitability and corporate value. We also plan to work on our new mid-term plan, which will start during fiscal year 2017, with the aim of creating a global company.

In our domestic business, while we cope with the downsizing of existing distribution channels and promote streamlining of organization, human resources and inventory, we will initiate infrastructure development to place our directly managed stores and e-commerce websites at the core of future customer contact. In addition, we will review our business infrastructure allocated separately for each business division and make efforts to achieve efficient resources allocation. In our overseas business, we will work to stabilize profits in the United States, Europe and China, the three largest markets in the world, and thereby establish a stable management structure. We will make efforts to enhance competitiveness by promoting collaboration among group companies. In addition to our aim to stabilize our production base in the ASEAN region in the early phase, for which we have already taken initiatives, we will enhance the production capability of Lecien.

Our forecast for the next fiscal year is as follows. With regard to the primary exchange rates, the exchange rate for the U.S. dollar is assumed to be 110 yen to the dollar, the exchange for the Sterling pound is assumed to be 160 yen to the pound, and the exchange rate for the Chinese yuan is assumed to be 17 yen to the yuan.

Net Sales:	203,000 million yen (remained at the same level as the previous fiscal year)
Operating income:	10,000 million yen (a decrease of 27.9% as compared to the previous fiscal year)
Income before income taxes and equity in net income of affiliated	14,500 million yen (a decrease of 3.1% as compared to the previous fiscal year)

companies:

Net income	10,000 million yen
attributable to Wacoal Holdings Corp.:	(a decrease of 10.4% as compared to the previous fiscal year)

(2) Analysis of Financial Condition

Status of Assets, Liabilities and Shareholders' Equity

Our total assets as of March 31, 2016 were 292,854 million yen, a decrease of 7,418 million yen from the end of the previous fiscal year, due to decreases in cash and cash equivalents and investments.

With regard to liabilities, our current liabilities were 63,453 million yen, a decrease of 5,251 million yen from the end of the previous fiscal year, due to decreases in long-term debt and deferred income taxes.

Shareholders' equity was 224,375 million yen, a decrease of 4,482 million yen from the end of the previous fiscal year, due to decreases in foreign currency translation adjustments and pension liability adjustments.

As a result of the above, our total shareholders' equity ratio as of March 31, 2016 was 76.6%, an increase of 0.4% from the end of the previous fiscal year.

Cash Flows Status

Cash flow provided by operating activities:

Cash flow provided by operating activities was 12,634 million yen, a decrease of 1,703 million yen as compared to the previous fiscal year, which reflects the result of adjusting the net income of 11,472 million yen for depreciation expenses and deferred taxes, as well as changes in assets and liabilities.

Cash flow used in investing activities:

Cash flow used in investing activities was 11,407 million yen, an increase of 11,571 million yen as compared to the previous fiscal year, due to capital expenditures.

Cash flow used in financing activities:

Cash flow used in financing activities was 4,547 million yen, a decrease of 3,844 million yen as compared to the previous fiscal year, due to cash dividend payments and repayment of long-term debt.

As a result, the balance of cash and cash equivalents at the end of fiscal year 2016, calculated by adding the exchange difference on cash and cash equivalents to the above total, was 34,059 million yen, a decrease of 4,351 million yen as compared to the end of the previous fiscal year.

Free cash flow, which was calculated by subtracting the amount of capital investment from the cash flow provided by operating activities, amounted to 3,656 million yen.

Trends in certain cash-flow indicators

	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016
Shareholders' equity ratio (%)	75.4	76.2	76.6
Shareholders' equity ratio based on market value (%)	54.5	63.4	64.6
Debt redemption years (years)	2.0	1.0	1.0
Interest coverage ratio (times)	91.3	143.4	188.6

Shareholders' equity ratio = shareholders' equity/total assets

Shareholders' equity ratio based on the market value = aggregate market value of shareholders' equity/total assets

Debt redemption years = interest-bearing debt/cash flow provided by operating activities

Interest coverage ratio = cash flow provided by operating activities/interest payment

Interest payment = "cash paid for interest" as described in the additional cash flow information following the consolidated statements of cash flows

(3) Basic Policy Regarding Distribution of Profits and Dividends for Fiscal Year 2016 and Fiscal Year 2017

Our basic policy on profit distributions to shareholders is to make stable distributions based on our consolidated performance, while seeking to increase our enterprise value through active investments aimed at higher profitability and to increase net income per share. As for retained earnings, with the aim of improving our corporate value, we have actively invested and will continue to actively invest in expanding our customer bases for our domestic business and our overseas businesses. We also plan to use our retained earnings for strategic investments for maintaining competitiveness and reinforcing growth. With these efforts, we seek to benefit our shareholders by improving future profitability. We also intend to acquire treasury stock in a flexible manner, and will try to improve capital efficiency and return profits to our shareholders.

Based on this policy, we plan to distribute 33.00 yen per share, as initially announced. For the fiscal year ending March 31, 2017, cash dividend per share will remain unchanged.

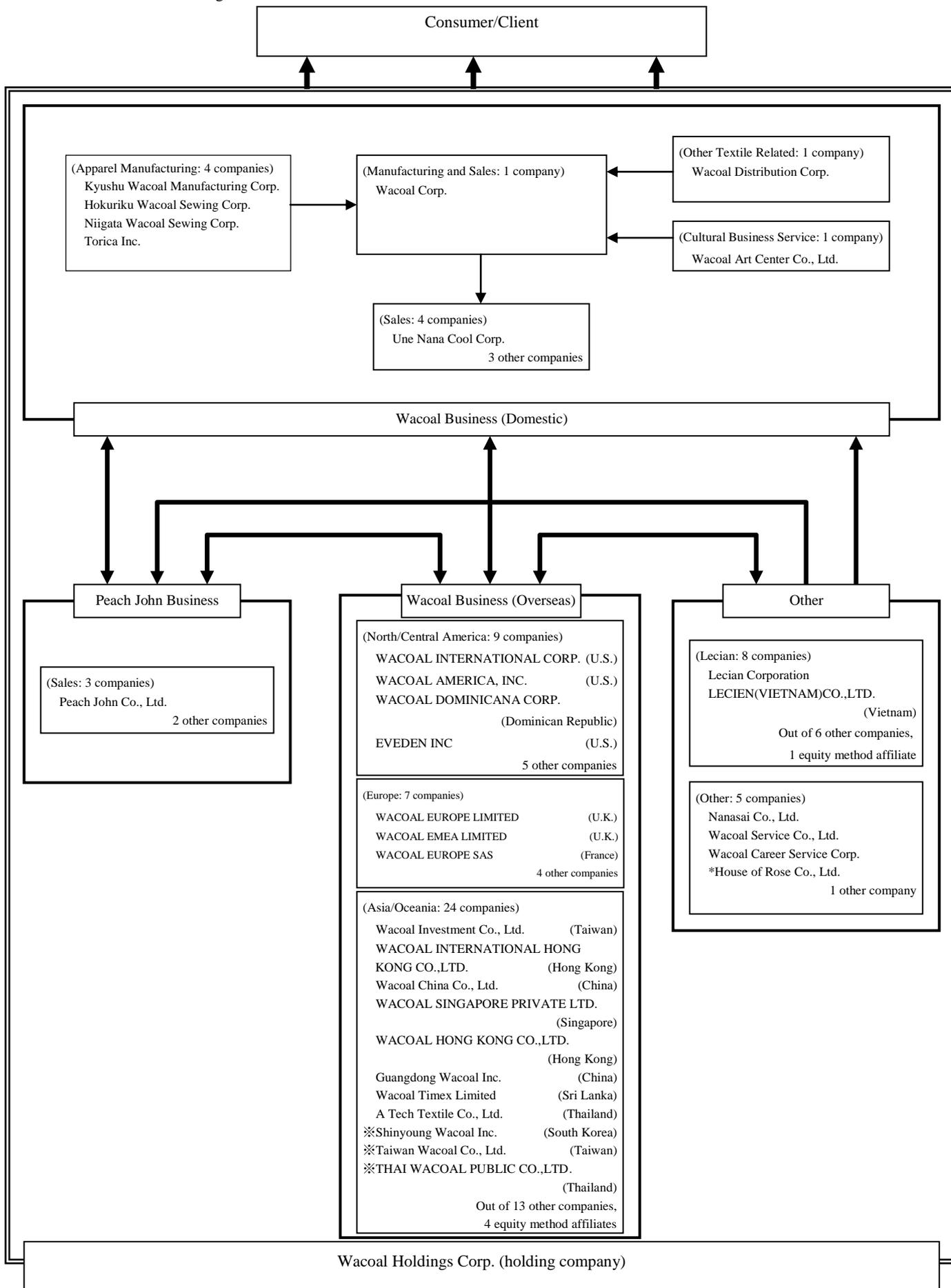
2. Status of Corporate Group

Our corporate group consists of Wacoal Holdings Corp. (the “Company”), 58 subsidiaries and 9 affiliates, and is principally engaged in the manufacturing and wholesale distribution of innerwear (primarily women’s foundation wear, lingerie, nightwear and children’s underwear), outerwear, sportswear, and other textile goods and related products, as well as the direct sale of certain products to consumers. Our corporate group also conducts business in the restaurant, culture, services, and interior design businesses.

Segment information and a summary of the various companies that make up our corporate group are as follows.

Business Segment	Operating Segment	Major Affiliated Companies
Wacoal Business (Domestic)	Manufacturing and Sales	Wacoal Corp. (Total: 1 company)
	Sales	Une Nana Cool Corp. Three other companies (Total: 4 companies)
	Apparel Manufacturing	Kyushu Wacoal Manufacturing Corp., Hokuriku Wacoal Sewing Corp., Niigata Wacoal Sewing Corp., Torica Inc. (Total: 4 companies)
	Other Textile Related	Wacoal Distribution Corp. (Total: 1 company)
	Cultural Business Service	Wacoal Art Center, Ltd. (Total: 1 company)
	Other Business	Wacoal Holdings Corp. (Total: 1 company)
Wacoal Business (Overseas)	Manufacturing and Sales	Wacoal America, Inc., Wacoal EMEA Ltd. (U.K.), Wacoal China Co., Ltd., Shinyoung Wacoal Inc. (South Korea), Taiwan Wacoal Co., Ltd., Thai Wacoal Public Co., Ltd. Three other companies (Total: 9 companies)
	Sales	Wacoal Singapore Private Ltd., Wacoal Hong Kong Co., Ltd., Wacoal Europe SAS (France), EVEDEN INC. (U.S.) Twelve other companies (Total: 16 companies)
	Apparel Manufacturing	Wacoal Dominicana Corp. (Dominican Republic), Guandong Wacoal Inc., Wacoal Timex Limited (Sri Lanka) Four other companies (Total: 7 companies)
	Other Textile Related	Wacoal International Hong Kong Co., Ltd., A Tech Textile Co., Ltd. (Thailand) One other company (Total: 3 companies)
	Other Business	Wacoal International Corp. (U.S.), Wacoal Europe Ltd. (U.K.), Wacoal Investment Co., Ltd. (Taiwan) Two other companies (Total: 5 companies)
Peach John Business	Sales	Peach John Co., Ltd. Two other companies (Total: 3 companies)
Other	Manufacturing and Sales	Lecien Corporation One other company (Total: 2 companies)
	Apparel Manufacturing	Lecien (Vietnam) Co., Ltd. Four other companies (Total: 5 companies)
	Other Textile Related	Shanghai Lecien Co., Ltd. (Total: 1 company)
	Other Business	Nanasai Co., Ltd., Wacoal Service Co., Ltd., Wacoal Career Service Corp., House of Rose Co., Ltd. One other company (Total: 5 companies)

The business distribution diagram is as follows:



Without mark: a consolidated subsidiary
*: an equity method affiliate

3. Management Policies

(1) Basic Business Policy

Our business activities are built upon “relationships of mutual trust” based on listening to the voice of each and every one of our customers and by operating our business with humility. This spirit of “mutual trust” is our starting point and has been our management philosophy since our establishment. We will continuously enhance our corporate value by increasing transparency and ensuring the fairness and independence of our corporate management in order to build “mutual trust” in relationships with every stakeholder, including shareholders, customers, employees, business partners and the local community.

(2) Measures for Business Targets

For the near future, our target is to achieve a consolidated operating income margin of 7% or higher.

(3) Our Medium- and Long-term Business Strategy

Our group aims for “Wacoal of the World as a Group” with the implementation of the three-year mid-term plan which will start during fiscal 2017. In order to achieve our aim, we will take full advantage of our management resources and network channel within our group, continue to offer pioneering products, cultivate new market opportunities for the undergarments industry and gain a reputation for reliability from the customers around the world. In addition, we will challenge ourselves to participate in the areas where we are most competitive and expand to new business domains in order to improve corporate value.

Under the three-year mid-term plan, we aim to achieve consolidated sales of 215,000 million yen and a consolidated operating income of 15,000 million yen.

Basic Policy of Mid- and Long-term Strategy

(i) Improved Profitability of Domestic Business

We will aim to expand our customer base and to become more efficient by reviewing the sales channels of our core businesses, rebuilding our business platform in future undertakings and by offering high value-added products.

(ii) Further Growth of Overseas Business

In addition to increasing sales in emerging markets, as for the United States, Europe and China, the three largest markets in the world, we will promptly implement measures to solve any issues that we have in these markets and will build a stable management structure in order to maintain a stable high-profit margin in these markets.

(iii) Achieving Group Synergy through Collaboration and Strengthening Competitiveness

We will establish production bases and strengthen collaboration in the ASEAN region, and enhance competitiveness by making the most of our OEM and ODM facilities within our group.

(iv) Infrastructure Improvement for Group Management Base

We will aim to become a global company by improving readiness and the quality of our consolidated management control and streamlining back-office divisions through our management policies, and by further developing our corporate governance and compliance management.

(v) Take on New Business

We will actively make efforts to create new innerwear markets and expand into new businesses other than innerwear to achieve further growth.

(4) Issues to Address

Maintaining and/or expanding sales and profits from our domestic business are an essential factor for our group’s sustainable growth. The low growth in real disposal income causes customers to be more budget-minded and consumer spending trends remain unpredictable. Also, as the closing of commercial facilities continues, the environment for domestic women’s innerwear becomes very difficult. On the other hand, growth in inbound consumption due to an increase in the number of tourists visiting Japan, a change in the way we interact with our customers due to the expansion of e-commerce websites, women’s participation and success in society, and the 2020 Tokyo Olympics are good opportunities for us to create new markets.

In this external environment, we will revitalize the entire market as a leader in the industry, and actively make investments to enhance customer contact and to review our business platform. With respect to our sales channel strategy, we will expand sales in the growing sales

channels by reforming our sales entities in the existing channels and improve their productivity, by leveraging our strengths of having both e-commerce websites and a shops sales channel, and by building a system that will provide mutual supplement effects.

In terms of product strategy, we will develop high value-added products with new concept of beauty and comfort by using our own data and know-how which we gained from our longtime research and development. We will also strengthen our approach to the first-bra age group and senior customers. Besides our domestic women's innerwear market, we will promote a growth strategy for new markets so that they can potentially become our new business lines.

Our overseas business is and will always be our group's biggest growth engine. An accurate understanding of the social environment and consumers' needs in each country and region and the establishment of community-based product and marketing strategies will be essential for us. In addition to expanding sales in emerging markets, we will work to enhance our brand recognition in the United States, to enhance our management system for our business in Europe, and to further improve profitability for our business in China, and work to build a stable management structure in these three largest markets in the world.

We are also facing challenges in an increasingly difficult external environment for manufacturing due to increasing salaries in Asian countries and risks from the procurement of raw materials. We will strengthen the collaboration among group companies to extend our global supply chain and to enable the improvement of product competitiveness and a stable supply.

4. Basic Policies regarding Selection of Accounting Standards

Our group has been preparing our consolidated financial statements based on U.S. accounting standards prior to the introduction of the accounting standards for consolidated financial statements in Japan and, for this reason, we have been adopting U.S. accounting standards.

In view of adopting International Financial Reporting Standards in the future, our group is making efforts to prepare internal manuals and guidelines.

5. Consolidated Financial Statements (Unaudited)

(1) Consolidated Balance Sheets

Accounts	As of March 31, 2015	As of March 31, 2016	Amount Increased/(Decreased)
(Assets)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current assets			
Cash and cash equivalents	38,410	34,059	(4,351)
Time deposits	2,687	2,131	(556)
Marketable securities	2,387	1,880	(507)
Notes and accounts receivable	26,544	26,936	392
Allowance for returns and doubtful receivables	(2,409)	(2,229)	180
Inventories	42,893	44,445	1,552
Deferred income taxes	5,488	3,832	(1,656)
Other current assets	4,264	5,797	1,533
Total current assets	120,264	116,851	(3,413)
II. Property, Plant and Equipment			
Land	22,009	21,677	(332)
Buildings and building improvements	64,038	65,056	1,018
Machinery and equipment	16,760	17,552	792
Construction in progress	<u>923</u>	<u>5,419</u>	<u>4,496</u>
	103,730	109,704	5,974
Accumulated depreciation	(54,542)	(55,766)	(1,224)
Net property, plant and equipment	49,188	53,938	4,750
III. Other assets			
Investments in affiliated companies	22,052	20,713	(1,339)
Investments	59,963	56,021	(3,942)
Goodwill	18,750	17,911	(839)
Other intangible assets	12,739	12,112	(627)
Prepaid pension expense	10,577	8,145	(2,432)
Deferred income taxes	982	1,036	54
Other	5,757	6,127	370
Total other assets	130,820	122,065	(8,755)
Total Assets	300,272	292,854	(7,418)

Accounts	As of March 31, 2015	As of March 31, 2016	Amount Increased/(Decreased)
(Liabilities)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current Liabilities			
Short-term bank loans	10,038	11,759	1,721
Notes and accounts payables			
Trade notes	1,031	1,431	400
Trade accounts	11,346	12,017	671
Other payables	<u>6,686</u>	<u>6,106</u>	<u>(580)</u>
	19,063	19,554	491
Accrued payroll and bonuses	6,936	7,152	216
Income taxes payable	2,064	711	(1,353)
Current portion of long-term debt	534	293	(241)
Other current liabilities	3,667	4,874	1,207
Total current liabilities	42,302	44,343	2,041
II. Long-term liabilities			
Long-term debt	4,245	95	(4,150)
Liabilities for termination and retirement benefit	1,680	1,703	23
Deferred income taxes	18,796	15,588	(3,208)
Other long-term liabilities	1,681	1,724	43
Total long-term liabilities	26,402	19,110	(7,292)
Total liabilities	68,704	63,453	(5,251)
(Equity)			
I. Common stock	13,260	13,260	-
II. Additional paid-in capital	29,642	29,686	44
III. Retained earnings	155,264	162,196	6,932
IV. Accumulated other comprehensive income (loss)			
Foreign currency translation adjustments	10,831	5,178	(5,653)
Unrealized gain on securities	20,821	17,966	(2,855)
Pension liability adjustments	1,934	(1,035)	(2,969)
V. Treasury stock, at cost	(2,895)	(2,876)	19
Total Wacoal Holdings Corp. shareholders' equity	228,857	224,375	(4,482)
VI. Noncontrolling interests	2,711	5,026	2,315
Total equity	231,568	229,401	(2,167)
Total liabilities and equity	300,272	292,854	(7,418)

(2) Consolidated Statements of Income

Accounts	Fiscal Year Ended March 31, 2015		Fiscal Year Ended March 31, 2016		Amount Increased/(Decreased) Millions of Yen
	Millions of Yen	%	Millions of Yen	%	
I. Net Sales	191,765	100.0	202,917	100.0	11,152
II. Operating costs and expenses					
Cost of sales	90,722	47.3	95,901	47.3	5,179
Selling, general and administrative expenses	87,940	45.9	93,151	45.9	5,211
Impairment charges on goodwill and other intangible assets	6,021	3.2	-		(6,021)
Total operating costs and expenses	184,683	96.4	189,052	93.2	4,369
Operating income	7,082	3.6	13,865	6.8	6,783
III. Other income (expenses)					
Interest income	142		161		19
Interest expense	(98)		(65)		33
Dividend income	1,011		1,057		46
Gain or loss on sale or exchange of marketable securities and investments - net	1,585		90		(1,495)
Valuation loss on marketable securities and investments	(14)		(20)		(6)
Gain on sale of paintings	1,405		-		(1,405)
Other - net	229		(131)		(360)
Total other income (expenses)	4,260	2.2	1,092	0.6	(3,168)
Income before income taxes and equity in net income of affiliated companies	11,342	5.9	14,957	7.4	3,615
Income taxes					
Current	5,223	2.7	3,442	1.7	(1,781)
Deferred	(1,920)	(1.0)	1,288	0.7	3,208
Total income taxes	3,303	1.7	4,730	2.4	1,427
Income before equity in net income of affiliated companies	8,039	4.2	10,227	5.0	2,188
Equity in net income of affiliated companies	705	0.4	1,245	0.7	540
Net income	8,744	4.6	11,472	5.7	2,728
Net income attributable to non-controlling interests	(300)	(0.2)	(313)	(0.2)	(13)
Net income attributable to Wacoal Holdings Corp.	8,444	4.4	11,159	5.5	2,715

(3) Consolidated Statements of Comprehensive Income

Accounts	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016	Amount Increased/(Decreased)
	Millions of Yen	Millions of Yen	Millions of Yen
I. Net income	8,744	11,472	2,728
II. Other comprehensive income (loss) – net of tax			
Foreign currency translation adjustments	8,671	(5,665)	(14,336)
Net unrealized gain on securities	9,242	(2,880)	(12,122)
Pension liability adjustments	2,156	(2,976)	(5,132)
Other comprehensive income (loss)	20,069	(11,521)	(31,590)
Comprehensive income (loss)	28,813	(49)	(28,862)
Comprehensive income attributable to noncontrolling interests	(472)	(269)	203
Comprehensive income (loss) attributable to Wacoal Holdings Corp.	28,341	(318)	(28,659)

(4) Consolidated Statements of Equity

Fiscal Year Ended March 31, 2015

Item	Equity								
	Shares of Outstanding Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated other comprehensive income	Treasury stock	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
	Thousand shares	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
As of April 1, 2014	140,839	13,260	29,587	151,468	13,689	(2,898)	205,106	2,430	207,536
Cash dividends paid to Wacoal Holdings Corp. shareholders (33.00 yen per share)				(4,648)			(4,648)		(4,648)
Cash dividends paid to noncontrolling interests							-	(190)	(190)
Repurchase of treasury stock	(3)					(3)	(3)		(3)
Sale of treasury stock							-		-
Equity transactions with noncontrolling interest shareholders			0				0	(1)	(1)
Other	5		55			6	61		61
Net income				8,444			8,444	300	8,744
Other comprehensive income (loss)					19,897		19,897	172	20,069
As of March 31, 2015	140,841	13,260	29,642	155,264	33,586	(2,895)	228,857	2,711	231,568

Fiscal Year Ended March 31, 2016

Item	Equity								
	Shares of Outstanding Common Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated other comprehensive income	Treasury stock	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
	Thousand shares	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
As of April 1, 2015	140,841	13,260	29,642	155,264	33,586	(2,895)	228,857	2,711	231,568
Cash dividends paid to Wacoal Holdings Corp. shareholders (30.00 yen per share)				(4,225)			(4,225)		(4,225)
Cash dividends paid to noncontrolling interests							-	(206)	(206)
Repurchase of treasury stock	(5)					(7)	(7)		(7)
Sale of treasury stock	1					1	1		1
Equity transactions with noncontrolling interest shareholders							-	2,252	2,252
Other	22		44	(2)		25	67		67
Net income				11,159			11,159	313	11,472
Other comprehensive income (loss)					(11,477)		(11,477)	(44)	(11,521)
As of March 31, 2016	140,859	13,260	29,686	162,196	22,109	(2,876)	224,375	5,026	229,401

(5) Consolidated Statements of Cash Flows

Accounts	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016	Amount Increased/(Decreased)
	Millions of Yen	Millions of Yen	Millions of Yen
I. Operating activities			
1. Net income	8,744	11,472	2,728
2. Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation and amortization	5,074	4,815	(259)
(2) Provision for returns and doubtful receivables – net	(45)	(117)	(72)
(3) Deferred income taxes	(1,920)	1,288	3,208
(4) Gain or loss on sales or disposal of property, plant and equipment –net	38	59	21
(5) Impairment charges on goodwill and other intangible assets	6,021	-	(6,021)
(6) Impairment charges on property, plant and equipment	-	256	256
(7) Gain or loss on sales or exchange of marketable securities and investments - net	(1,585)	(90)	1,495
(8) Valuation loss on marketable securities and investments – net	14	20	6
(9) Gain on sale of paintings	(1,405)	-	1,405
(10) Equity in net income of affiliated companies, less dividends	(27)	(482)	(455)
(11) Changes in assets and liabilities			
(Increase) decrease in notes and receivable	534	(195)	(729)
Increase in inventories	(1,038)	(1,008)	30
Increase in other current assets	(442)	(1,111)	(669)
(Decrease) increase in notes and accounts payable	1,302	(45)	(1,347)
Decrease in liabilities for termination and retirement benefits	(1,601)	(2,101)	(500)
(Decrease) increase in other liabilities	505	(261)	(766)
(12) Other	168	134	(34)
Net cash provided by operating activities	14,337	12,634	(1,703)
II. Investing activities			
1. Increase in time deposits	(3,548)	(2,459)	1,089
2. Decrease in time deposits	3,383	2,889	(494)
3. Proceeds from sale and redemption of marketable securities	3,210	1,118	(2,092)
4. Payments to acquire marketable securities	(1,310)	(533)	777
5. Proceeds from sale of paintings	1,785	-	(1,785)
6. Proceeds from sale of property, plant and equipment	174	775	601
7. Capital expenditures	(3,093)	(7,546)	(4,453)
8. Payments to acquire intangible assets	(1,385)	(1,432)	(47)
9. Proceeds from sales of investments	1,527	235	(1,292)
10. Payments to acquire investments	(611)	(516)	95
11. Payments to acquire additional shares of a subsidiary	(1)	-	1
12. Proceeds from sale of shares of an affiliated company	6	6	0
13. Other	27	(3,944)	(3,971)
Net cash used in investing activities	164	(11,407)	(11,571)
III. Financing activities			
1. Net decrease in short-term bank loans	(6,784)	2,101	8,885
2. Proceeds from issuance of long-term debt	4,460	-	(4,460)
3. Repayment of long-term debt	(1,226)	(4,463)	(3,237)
4. Repurchase of treasury stock	(3)	(7)	(4)
5. Sale of treasury stock	-	1	1
6. Dividends paid on common stock	(4,648)	(4,225)	423
7. Dividends paid to noncontrolling interests	(190)	(206)	(16)
8. Other	-	2,252	2,252
Net cash used in financing activities	(8,391)	(4,547)	3,844
IV. Effect of exchange rate changes on cash and cash equivalents	1,642	(1,031)	(2,673)
V. Net (decrease) increase in cash and cash equivalents	7,752	(4,351)	(12,103)
VI. Cash and cash equivalents, beginning of year	30,658	38,410	7,752
VII. Cash and cash equivalents, end of year	38,410	34,059	(4,351)

Additional Cash Flow Information

Accounts	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016	Amount Increased/(Decreased)
Cash paid for			
Interest	100	67	(33)
Income taxes	4,497	5,756	1,259
Noncash investing activities			
Acquisition of fixed assets by assuming payment obligation	419	736	317

(6) Notes on Going Concern

Not applicable.

(7) Basic Significant Matters in Preparation of Consolidated Financial Statements

(i) Matters Regarding the Scope of Consolidation and Application of the Equity Method

Major consolidated subsidiaries:

Wacoal Corporation, Peach John Co., Ltd., Lecien Corporation, Kyushu Wacoal Manufacturing Corp., Torica Co., Ltd., Nanasai Co., Ltd., Wacoal International Corp., Wacoal America, Inc., Wacoal Europe Ltd., Wacoal EMEA Ltd., Wacoal Europe SAS, Wacoal Hong Kong Co., Ltd., Wacoal Investment Co. (Taiwan), Ltd., Wacoal China Co., Ltd. and Wacoal International Hong Kong Co., Ltd.

Major Affiliated Companies:

Shinyoung Wacoal Inc., Taiwan Wacoal Co., Ltd. and Thai Wacoal Public Co., Ltd.

(ii) Changes Regarding Subsidiaries and Affiliates

Consolidated (new):

Myanmar Wacoal Co., Ltd., Wacoal India Private Ltd., A Tech Textile Co., Ltd., G Tech Material Co., Ltd.

Consolidated (excluded):

Wacoal Kyoto South Distribution Corp., Eveden Dominicana Corp.

Equity Method (excluded):

New Arbon Corporation

(iii) Standard of Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared based on terms, format and preparation methods in compliance with accounting standards generally accepted in the United States as required in connection with the issuance of American Depositary Receipts. For this reason, the consolidated financial statements may be different from those that have been prepared based on the Consolidated Financial Statement Regulations and the Standard of Preparation of Consolidated Financial Statements in Japan.

(iv) Significant Accounting Policies

a. Valuation Standard of Inventories

The average cost method was mainly used for goods, products and supplies, and the first-in first-out method was used for raw materials, with both valued at the lower of cost or market.

b. Valuation Standard of Property, Plant and Equipment and Method of Depreciation

Property, plant and equipment are valued at the acquisition cost. Depreciation expenses are calculated mainly using the fixed-rate method based on the estimated useful lives of the assets (the lease term is used for capitalized leased assets).

c. Valuation Standard of Marketable Securities and Investments

Based on the provisions of U.S. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 320, marketable securities and investments have been classified as "available for sale securities" and "held-to-maturity securities". "Available for sale securities" are valued at fair value and "held-to-maturity securities" are valued at amortized cost. Gain or loss on sale of marketable securities is calculated based on acquisition cost using the moving-average method. Nonmarketable securities are valued at cost using the moving-average method.

d. Liabilities for Termination and Retirement Benefits

This is accounted for based on FASB ASC 715.

e. Consumption Taxes

Consumption taxes have been excluded from sales.

f. Consolidated Statements of Cash Flows

In preparing the consolidated cash flow statements, time deposits with original maturities of three (3) months or less have been included in cash and cash equivalents.

(8) Notes to the Consolidated Financial Statements

(i) Marketable Securities and Investments

(Millions of Yen)

	As of March 31, 2015				As of March 31, 2016			
	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Marketable Securities								
National debt securities	10	-	-	10	10	0	-	10
Corporate debt securities	500	1	-	501	395	-	0	395
Mutual Fund	1,104	291	5	1,390	1,083	279	1	1,361
Total	1,614	292	5	1,901	1,488	279	1	1,766
Investments								
Equity securities	23,587	34,461	0	58,048	23,592	30,336	3	53,925
Total	23,587	34,461	0	58,048	23,592	30,336	3	53,925

(Note) Securities which are classified as available for sale securities are shown in the above table and investments in nonmarketable equity securities for which there are no readily determinable fair values are not shown.

(ii) Contract Amount, Market Value and Valuation Profit/Loss of Derivative Transactions

Our subsidiaries have been utilizing foreign exchange forward contracts to prepare for exposure to market risks from changes in foreign exchange rates. The disclosure of gains and losses of such contracts has been omitted as the amounts involved are non-material.

(iii) Per Share Information

	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016
Net income attributable to Wacoal Holdings Corp.	8,444 million yen	11,159 million yen
Number of average shares issued during the year (excluding treasury stock)	140,839,059 shares	140,842,184 shares
Net income attributable to Wacoal Holdings Corp. per share	59.95 yen	79.23 yen
Diluted net income attributable to Wacoal Holdings Corp. per share	59.80 yen	79.00 yen

(iv) Segment Information

a. Operating Segment Information

Fiscal Year Ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	112,203	48,107	11,626	19,829	191,765	-	191,765
(2) Intersegment	1,906	8,592	650	5,046	16,194	(16,194)	-
Total	114,109	56,699	12,276	24,875	207,959	(16,194)	191,765
Operating costs and expenses	105,665	51,923	12,551	24,717	194,856	(16,194)	178,662
Impairment charges on goodwill and other intangible assets	-	-	6,021	-	6,021	-	6,021
Total operating costs and expenses	105,665	51,923	18,572	24,717	200,877	(16,194)	184,683
Operating income (loss)	8,444	4,776	(6,296)	158	7,082	-	7,082

Fiscal Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	120,570	51,869	11,190	19,288	202,917	-	202,917
(2) Intersegment	1,427	8,595	775	6,102	16,899	(16,899)	-
Total	121,997	60,464	11,965	25,390	219,816	(16,899)	202,917
Operating costs and expenses	113,187	56,031	11,707	25,026	205,951	(16,899)	189,052
Operating income	8,810	4,433	258	364	13,865	-	13,865

(Note) 1. Core products of respective businesses:

Wacoal business (Domestic): innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, sportswear, hosiery, etc.

Wacoal business (Overseas): innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, sportswear, hosiery, etc.

Peach John business: innerwear (foundation, lingerie and nightwear), outerwear, and other textile-related products, etc.

Other: innerwear (foundation, lingerie, nightwear and children's innerwear), outerwear, other textile-related products, mannequins, shop design and implementation, etc.

b. Information by Region

Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Total	Elimination or corporate	Consolidated
I. Net sales						
External customers	143,250	16,261	32,254	191,765	-	191,765
II. Operating income	2,351	1,226	3,505	7,082	-	7,082
III. Long-lived assets	43,200	2,998	2,990	49,188	-	49,188

Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Total	Elimination or corporate	Consolidated
I. Net sales						
External customers	150,673	17,906	34,338	202,917	-	202,917
II. Operating income	9,308	1,381	3,176	13,865	-	13,865
III. Long-lived assets	46,136	4,490	3,312	53,938	-	53,938

- (Note) 1. Countries or areas are classified according to geographical proximity.
2. Main countries and areas belonging to classifications other than Japan
 Asia/Oceania: various countries of East Asia, Southeast Asia and West Asia, and Australia
 Europe/N.A.: North America and European countries
3. Sales in respect of consolidated companies are categorized by location.
4. Long-lived assets include property, plant and equipment.

c. Overseas Sales

Fiscal Year Ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(Millions of Yen)

	Asia/Oceania	Europe/N.A.	Total
I. Overseas net sales	16,261	32,254	48,515
II. Consolidated net sales	-	-	191,765
III. Ratio of overseas net sales to total consolidated net sales	8.5%	16.8%	25.3%

Fiscal Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)

(Millions of Yen)

	Asia/Oceania	Europe/N.A.	Total
I. Overseas net sales	17,906	34,338	52,244
II. Consolidated net sales	-	-	202,917
III. Ratio of overseas net sales to total consolidated net sales	8.8%	16.9%	25.7%

- (Note) 1. Countries or areas are classified according to geographical proximity.
2. Main countries and areas belonging to classifications other than Japan
 Asia/Oceania: various countries of East Asia, Southeast Asia and West Asia, and Australia
 Europe/N.A.: North America and European countries

(v) Status of Sales

Type of product	Fiscal Year Ended March 31, 2015		Fiscal Year Ended March 31, 2016	
	Amount	Distribution ratio	Amount	Distribution ratio
	Millions of Yen	%	Millions of Yen	%
Innerwear				
Foundation and lingerie	142,681	74.4	151,166	74.5
Nightwear	9,514	5.0	10,098	5.0
Children's underwear	1,373	0.7	1,386	0.7
Subtotal	153,568	80.1	162,650	80.2
Outerwear/Sportswear	16,227	8.4	19,074	9.4
Hosiery	2,437	1.3	2,178	1.1
Other textile goods and related products	7,616	4.0	7,161	3.5
Other	11,917	6.2	11,854	5.8
Total	191,765	100.0	202,917	100.0

(vi) Significant Subsequent Events

(Transfer of Fixed Assets)

Our board of directors resolved at a meeting held on January 29, 2016 to transfer the fixed assets (land) as described below, and accordingly, the delivery of land was completed on April 27, 2016.

a. Reason for Transfer

We have decided to transfer the subject land, the old site of our Nagoya branch, for effective use of our managerial resources because it is unlikely that we would use this site for our business in the future.

b. Details of Subject Transferred Asset

Details of Subject Asset: Land (1,370 m²)
Location: 15 Sakae 5-chome, Naka-ku, Nagoya-shi, Aichi
Current Status: Leased for parking
Book Value of Subject: 295 million yen
Transfer Value: 4,149 million yen

c. Outline of Transferee

Kabushiki Kaisha Nihon Ceremony

d. Schedule of Transfer

Resolution of the Board: January 29, 2016
Execution of Agreement: February 12, 2016
Delivery of Land: April 27, 2016

e. Impact on Business Results

In connection with the transfer of the subject fixed assets, we will record approximately 3.8 billion yen of gain on sale of fixed assets during the consolidated first quarter of the fiscal year ending March 2017.

Omission of Disclosure:

We have omitted notes regarding the lease transactions, related-party transactions, stock options and income taxes etc. because we believe it is not sufficiently necessary to disclose information on these matters in these financial statements.

6. Other

Changes to Corporate Officers

The scheduled changes to the composition of the board of directors after the conclusion of the 68th Ordinary General Meeting of Shareholders to be held on June 29, 2016 will be as follows.

1. Resignation of Director (as of June 29, 2016 (scheduled))

Yuzo Ide is scheduled to resign as Managing Director.

2. Promotion of Director (as of June 29, 2016 (scheduled))

Current Senior Managing Director Hironobu Yasuhara is scheduled to be promoted to and appointed as Director and Vice President.

Current Managing Director Masaya Wakabayashi is scheduled to be promoted to and appointed as Director and Vice President.

The management and administrative organization after the conclusion of the 68th Ordinary General Meeting of Shareholders to be held on June 29, 2016 will be as follows:

Management and Administrative Organization for the 69th Fiscal Year

<u>Director/Audit & Supervisory Board Member</u>	<u>Name</u>
Representative Director and President	Yoshikata Tsukamoto
Director and Vice President	Hironobu Yasuhara
Director and Vice President	Masaya Wakabayashi
Director	Masashi Yamaguchi
Director (outside director)	Mamoru Ozaki
Director (outside director)	Atsushi Horiba
Director (outside director)	Madoka Mayuzumi
Audit & Supervisory Board Member	Tomoki Nakamura
Audit & Supervisory Board Member	Kiyotaka Hiroshima
Audit & Supervisory Board Member (outside auditor)	Akira Katayanagi
Audit & Supervisory Board Member (outside auditor)	Yoko Takemura
Audit & Supervisory Board Member (outside auditor)	Hiroshi Shirai

(Reference)

The management and administrative organization for the 12th term of Wacoal Corporation will be as follows:

Management and Administrative Organization for the 12th Term

<u>Director/ Audit & Supervisory Board Member</u>	<u>Corporate Officer</u>	<u>Name</u>	<u>Responsibility</u>
Representative Director and Chairman		Yoshikata Tsukamoto	
Representative Director	President and Corporate Officer	Hironobu Yasuhara	
Director	Vice President and Corporate Officer	Yuzo Ide	Chairman of Wacoal Europe Limited
Director	Senior Managing Corporate Officer	Masashi Yamaguchi	In charge of Administration and General Manager of Personnel Division
Director	Senior Managing Corporate Officer	Tomoyasu Ito	General Manager of Wacoal Brand Operation Division
Director	Corporate Officer	Kuniharu Suzuki	General Manager of Wing Brand Operation Division
Director	Corporate Officer	Hidehiko Imaizumi	General Manager of Retail Operation Division
Director	Corporate Officer	Yasuo Kamoshita	Chief of Corporate Planning
Director	Corporate Officer	Masaaki Yajima	General Manager of Technology/Production Division
Audit & Supervisory Board Member		Kiyotaka Hiroshima	
Audit & Supervisory Board Member		Hisashi Mazuyama	
	Managing Corporate Officer	Hideo Senoue	General Manager of Department Store Sales Control of Wacoal Brand Operation Division
	Managing Corporate Officer	Masatoshi Okuyama	General Manager of East Japan Sales Control of Wacoal Brand Operation Division
	Corporate Officer	Junko Kasai	Chief of Diversity Career Support Group of Personnel and Administration Division
	Corporate Officer	Hiroshi Imai	Director of Human Science Research Center
	Corporate Officer	Shuji Morimoto	General Manager of Information System Division
	Corporate Officer	Kazuhiro Shibahara	General Manager of Product Control, Wacoal Brand Operation Division
	Corporate Officer	Toshiaki Sato	General Manager of West Japan Sales Control of Wacoal Brand Operation Division
	Corporate Officer	Atsushi Kotani	General Manager of Chain Stores Sales Control, Wacoal Brand Operation Division
	Corporate Officer	Katsuya Kodama	General Manager of Sales Control and Tokyo Sales Officer, Wing Brand Operation Division
	Corporate Officer	Hiroyuki Sekiguchi	General Manager of Direct Marketing Operations
	Corporate Officer	Takuya Miura	General Manager of International Division
	Corporate Officer	Masami Ono	Director, General Manager of Wacoal China Co., Ltd.

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