

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2022 (U.S. Accounting Standards) [Translation]



May 13, 2022

Stock Exchanges: Tokyo

Listed Company: Wacoal Holdings Corp.

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

Representative: (Position) Representative Director, President and Corporate Officer (Name) Hironobu Yasuhara

For Inquiries: (Position) Corporate Officer, General Manager of Corporate Planning (Name) Katsuya Hirooka Tel: +81 (075) 682-1010

Scheduled date of Ordinary Shareholders' Meeting: June 29, 2022 Scheduled Commencement Date of Dividend Payment: June 6, 2022

Scheduled date of Annual Securities Report Filing: June 29, 2022

Supplementary materials regarding Annual Business Results: Yes

Explanatory meeting regarding Annual Business Results: Yes (for institutional investors and analysts)

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

1. Consolidated Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(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, 2022	172,860 13.6	5,013 -	7,246 (32.9)	4,608 (34.4)
Fiscal Year Ended March 31, 2021	152,204 (18.5)	(1,115) -	10,792 147.6	7,025 102.3

(Note) Comprehensive income: Fiscal Year ended March 31, 2022: 11,929 million yen ((8.5)%)

Fiscal Year ended March 31, 2021: 13,043 million yen (757.5%)

	Net Income Attributable to Wacoal Holdings Corp. Per Share	Diluted Net Income Attributable to Wacoal Holdings Corp. Per Share	Ratio of Net Income Attributable to Wacoal Holdings Corp. to Shareholders' Equity	Ratio of Income Before Income Taxes and Equity in Net Income of Affiliated Companies to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
Fiscal Year Ended March 31, 2022	74.04	73.73	2.1	2.3	2.9
Fiscal Year Ended March 31, 2021	112.57	112.09	3.3	3.6	(0.7)

(Reference) Equity in net income of affiliated companies: Fiscal Year ended March 31, 2022: 792 million yen

Fiscal Year ended March 31, 2021: 93 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, 2022	303,245	226,052	223,005	73.5	3,628.56
Fiscal Year Ended March 31, 2021	322,761	218,616	215,612	66.8	3,454.18

(3) Consolidated Cash Flow Status

	Cash Flow provided by Operating Activities	Cash Flow used in Investing Activities	Cash Flow (used in) provided by 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, 2022	13,008	(3,096)	(36,349)	37,982
Fiscal Year Ended March 31, 2021	4,260	(2,562)	33,605	63,557

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, 2021	-	20.00	-	20.00	40.00	2,496	35.5	1.2
Fiscal Year Ended March 31, 2022	-	20.00	-	30.00	50.00	3,093	67.5	1.4
Fiscal Year Ending March 31, 2023 (Estimates)	-	40.00	-	40.00	80.00		89.4	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(% indicates changes from the previous fiscal year with respect to “Annual” and from the six-month period ended September 30, 2021 with respect to “Six-month Period Ending September 30, 2022”)

	Net Sales		Business Income		Operating Income		Income Before Income Taxes and Equity in Net Income of Affiliated Companies		Net Income Attributable to Owners of Parent		Basic Earnings per Share	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen	
Six-month Period Ending September 30, 2022	104,000	-	4,500	-	4,500	-	5,300	-	3,600	-	58.58	
Annual	205,000	-	7,000	-	6,500	-	8,000	-	5,500	-	89.49	

(Note) The Company plans to implement the International Financial Reporting Standards (“IFRS”) starting from the first quarter of the fiscal year ending March 2023. Accordingly, the forecast of the consolidated business results for the fiscal year ending March 2023 has been prepared in accordance with IFRS. Upon the implementation of IFRS, “business income”, calculated by subtracting cost of sales, and selling, general and administrative expenses from net sales, is presented as a new indicator for measuring profitability from our core business. As the actual results for the previous fiscal year and the corresponding quarter of the previous fiscal year are still under calculation, percentage changes from the previous fiscal year and the corresponding quarter of the previous fiscal year for comparison are omitted.

*Notes

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2022 (change in scope of consolidation): None

New: None

Excluded: None

(Note) For details, please see “3. Consolidated Financial Statements and Accompanying Notes (7) Basic Significant Matters in Preparation of Consolidated Financial Statements” on page 18.

- (2) Changes in Accounting Principles:

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

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

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

	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2021
(i) Number of issued shares (including treasury stock) as of period-end:	65,589,042 shares	65,589,042 shares
(ii) Number of shares held as treasury stock as of period-end:	4,130,773 shares	3,168,353 shares
(iii) Average number of shares during the period:	62,234,734 shares	62,406,826 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

- (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, 2022	6,196	(62.3)	2,299	(82.0)	1,682	(86.0)	2,749	(76.2)
Fiscal Year Ended March 31, 2021	16,429	23.1	12,749	36.0	12,048	32.2	11,544	31.7

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
Fiscal Year Ended March 31, 2022	44.18	43.99
Fiscal Year Ended March 31, 2021	184.98	184.16

- (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, 2022	165,180	138,332	83.4	2,241.50
Fiscal Year Ended March 31, 2021	191,737	140,106	72.8	2,235.07

(Reference) Equity Capital: As of the end of the fiscal year ended March 31, 2022: 137,758 million yen

As of the end of the fiscal year ended March 31, 2021: 139,514 million yen

*These financial statements are not subject to audit procedures by the certified public accountants or the independent auditor.

* The forecast of business results is based on reasonable information we obtained as of the date hereof and, due to various risks, uncertainties and other factors arising in the future, actual results in the future may differ largely from the estimates set out in this document. For details, please see “1. Business Results - (1) Business Results for Fiscal Year 2022 - (ii) Business Forecast for Next Fiscal Year” on page 8.

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Qualitative Information and Financial Statements

1. Business Results

(1) Business Results for Fiscal Year 2022

(i) Results for the Fiscal Year Ended March 31, 2022

	(Millions of Yen)			
	Previous Fiscal Year (ended March 2021)	Current Fiscal Year (ended March 2022)	Increased/(Decreased) from previous fiscal year	
	Amount	Amount	Amount	%
Net sales	152,204	172,860	+20,656	+13.6
Cost of sales	67,798	76,607	+8,809	+13.0
Sales profit	84,406	96,253	+11,847	+14.0
Selling, general and administrative expenses	82,836	91,240	+8,404	+10.1
A: Impairment charges on goodwill and other intangible assets	2,685	-	(2,685)	-
Operating (loss) income	(1,115)	5,013	+6,128	-
Other income *Other than B	1,517	2,874	+1,357	+89.5
B: Valuation gain (loss) on marketable securities and investments – net	10,390	(641)	(11,031)	-
Income before income taxes and equity in net income of affiliated companies	10,792	7,246	(3,546)	(32.9)
Net income attributable to Wacoal Holdings Corp.	7,025	4,608	(2,417)	(34.4)
Reference figure (i): Operating income not taking into account A	1,570	5,013	+3,443	+219.3
Reference figure (ii): Income before income taxes and equity in net income of affiliated companies not taking into account A and B	3,087	7,887	+4,800	+155.5

While the business environment surrounding our group during the current fiscal year (from April 1, 2021 to March 31, 2022) in the United States and Europe improved due to relaxations of restrictions on economic activities related to the coronavirus pandemic (“COVID-19”) which supported a recovery in sales, the business environment in Japan has remained difficult due to the prolonged restrictions on economic activities as a result of a number of declarations of the state of emergency and implementation of focused preventative measures.

Under such circumstances, our group has moved forward with our initiatives to create a management structure that leads to high profitability, while prioritizing the well-being and safety of our customers, employees and partner companies to conduct our business. We also worked to build a deeper, broader and longer-term relationship with each customer by continuing to develop and provide products and services that consumers expect in their new lifestyles, which have significantly changed as a result of the spread of COVID-19, and by promoting our unique CX strategies, which involve merger of online and offline activities and utilization of a customer database, in efforts to improve customer experience values.

For the current fiscal year, which is the last year of our mid-term business plan, consolidated sales were 172.86 billion yen (an increase of 13.6% as compared to such sales for the previous fiscal year) and consolidated operating income was 5.01 billion yen (as compared to an operating loss of 1.12 billion yen for the previous fiscal year). Consolidated income before income taxes and equity in net income of affiliated companies were 7.25 billion yen (a decrease of 32.9% as compared to such income for the previous fiscal year) due to a valuation loss on marketable securities and investments of 0.64 billion yen (as compared to a valuation gain of 10.39 billion yen for the previous fiscal year). (We have been using U.S. accounting standards, under which equity securities held by Wacoal Holdings Corp. and consolidated subsidiaries are measured at fair value, and any change from the beginning of the period are recognized as “valuation gain (loss) on marketable securities and investments – net” under “Other income (expenses)”.)

As a result of the above, net income attributable to Wacoal Holdings Corp. was 4.61 billion yen (a decrease of 34.4% as compared to previous fiscal year). The exchange rates used for the current fiscal year (the previous fiscal year) were: 112.38 yen (106.06 yen) to the U.S. dollar; 153.56 yen (138.68 yen) to the Sterling pound; and 17.03 yen (15.48 yen) to the Chinese yuan.

Business Overview of Our Operating Segments

(Millions of Yen)

	Previous Fiscal Year (ended March 31, 2021)		Current Fiscal Year (ended March 31, 2022)		Increased/(Decreased) from previous fiscal year	
	Amount	Distribution Ratio (%)	Amount	Distribution Ratio (%)	Amount	%
Total Net Sales	152,204	100.0	172,860	100.0	+20,656	+13.6
Wacoal Business (Domestic)	86,133	56.6	88,128	51.0	+1,995	+2.3
Wacoal Business (Overseas)	41,355	27.2	59,678	34.5	+18,323	+44.3
Peach John Business	12,200	8.0	12,528	7.3	+328	+2.7
Other	12,516	8.2	12,526	7.2	+10	+0.1

(Millions of Yen)

	Previous Fiscal Year (ended March 31, 2021)		Current Fiscal Year (ended March 31, 2022)		Increased/(Decreased) from previous fiscal year	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Operating Income/(Loss)	(1,115)	-	5,013	2.9	+6,128	-
Wacoal Business (Domestic)	627	0.7	2,319	2.6	+1,692	+269.9
Wacoal Business (Overseas)	(2,603)	-	2,351	3.9	+4,954	-
Peach John Business	1,591	13.0	1,651	13.2	+60	+3.8
Other	(730)	-	(1,308)	-	(578)	-

(Reference) Net Sales and Operating Income/ (Loss) of Major Subsidiaries

(Millions of Yen)

Net Sales	Previous Fiscal Year (ended March 31, 2021)		Current Fiscal Year (ended March 31, 2022)		Increased/(Decreased) from previous fiscal year	
	Amount	Distribution Ratio (%)	Amount	Distribution Ratio (%)	Amount	%
Wacoal Corp.	79,877	52.5	81,184	47.0	+1,307	+1.6
Wacoal International Corp. (U.S)	17,649	11.6	25,282	14.6	+7,633	+43.2
Wacoal Europe Ltd.	9,896	6.5	16,305	9.4	+6,409	+64.8
Wacoal China Co., Ltd.	8,755	5.8	12,157	7.0	+3,402	+38.9
Peach John Co., Ltd.	12,200	8.0	12,528	7.3	+328	+2.7
Lecien Corporation	4,614	3.0	3,484	2.0	(1,130)	(24.5)
Nanasai Co., Ltd.	5,312	3.5	6,042	3.5	+730	+13.7

*Sales to external customers only

(Millions of Yen)

Operating Income/(Loss)	Previous Fiscal Year (ended March 31, 2021)		Current Fiscal Year (ended March 31, 2022)		Increased/(Decreased) from previous fiscal year	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Wacoal Corp.	(2,022)	-	(729)	-	+1,293	-
Wacoal International Corp. (U.S.)	(914)	-	433	1.7	+1,347	-
Wacoal Europe Ltd.	666	6.7	1,804	11.1	+1,138	+170.9
Wacoal China Co., Ltd.	625	7.1	260	2.1	(365)	(58.4)
Peach John Co., Ltd.	1,591	13.0	1,651	13.2	+60	+3.8
Lecien Corporation	221	4.8	(642)	-	(863)	-
Nanasai Co., Ltd.	(358)	-	(249)	-	+109	-

*Net sales and operating income/(loss) for the major subsidiaries above are based on the accounting standards of the respective countries.

a. Wacoal Business (Domestic)

Net sales attributable to our “Wacoal Business (Domestic)” segment were 88.13 billion yen (an increase of 2.3% as compared to such sales for the previous fiscal year) and operating income was 2.32 billion yen (an increase of 269.9% as compared to such income for the previous fiscal year). Although we were affected by the absence of the employment adjustment subsidy, which we received during the previous fiscal year, we recorded an increase in operating income during the current fiscal year, attributable to our increased sales and a gain from sale of real estate.

Wacoal Corp.:

Net sales from Wacoal Corp., our core operating entity in Wacoal Business (Domestic) segment, increased by 1.6% as compared to such sales for the previous fiscal year. Our e-commerce website “Wacoal Web Store”, which achieved significant growth during the previous fiscal year, recorded its highest sales figure ever during the current fiscal year as a result of strong sales from our existing customers even though we struggled to attract new customers. Sales from third-party e-commerce websites also exceeded such sales for the previous fiscal year. On the other hand, sales from physical stores, including our key sales channels such as department stores, general merchandise stores and directly operated stores, remained suppressed as they were impacted by more customers staying home in response to another wave of the spread of COVID-19 and rapid spread of its Omicron variant.

Although Wacoal Corp.’s operating income improved from the previous fiscal year as a result of our continued efforts to reduce fixed costs such as sales promotion expenses and personnel costs as part of a revenue structural reform, we recorded an operating loss of 0.73 billion yen (as compared to an operating loss of 2.02 billion yen for the previous fiscal year) due to the weak sales resulting from the long-term effects of COVID-19. The employment adjustment subsidy and a gain from sale of real estate are not included or reflected in Wacoal Corp.’s operating income because they are recognized as non-operating income and extraordinary income, respectively (which have been reclassified as operating income under the consolidated business results based on the U.S. accounting standards).

b. Wacoal Business (Overseas)

Net sales and operating income attributable to our “Wacoal Business (Overseas)” segment on a Japanese yen basis were 59.68 billion yen (an increase of 44.3% as compared to such sales for the previous fiscal year) and 2.35 billion yen (as compared to an operating loss of 2.60 billion yen for the previous fiscal year), respectively, achieving significant increases due to expanded sales in the United States and Europe. Starting in the current fiscal year, we have changed the presentation of net sales from Wacoal China Co., Ltd. related to department stores to be based on storefront prices, but we have not made retroactive revisions. In addition, there is no impact of this change in presentation on operating income because this change resulted in increases in both net sales and selling, general and administrative expenses of the same amount (2.04 billion yen).

Wacoal International Corp. (U.S.):

Net sales from Wacoal International Corp. (U.S.) on a local currency basis increased by 35.2% (an increase of 43.2% on a Japanese yen basis) as compared to such sales for the previous fiscal year, achieving its highest sales figure ever during the current fiscal year.

Net sales from Wacoal America, Inc., which distributes “Wacoal” and “b.tempt’d” brand products, increased by 39.1% as compared to such sales for the previous fiscal year due to strong sales from our e-commerce website and physical stores maintained throughout the year supported by a strong recovery in consumer spending despite the impact of more customers staying home in response to the spread of the Omicron variant and missed opportunities to sell our products due to delay of production in the second half of the current fiscal year. Net sales from Intimates Online, Inc., which distributes “LIVELY” brand, increased by 14.9% as a result of expanded sales from wholesale and directly-operated stores even though sales from its e-commerce website struggled to grow as a result of reducing advertising investment due to the impact of rising costs of social media advertising.

On a local currency basis, we recorded an operating income of 3.9 million dollars (0.43 billion yen on a Japanese yen basis) (as compared to an operating loss of 8.6 million dollars (0.91 billion yen on a Japanese yen basis) for the previous fiscal year) from Wacoal International Corp. (U.S.). Operating income from Wacoal America, Inc. grew significantly as a result of increased sales while operating loss from Intimates Online, Inc. increased due to changes in distribution ratio of sales channels, as well as our strengthened efforts for inventory optimization.

Wacoal Europe Ltd.:

Net sales from Wacoal Europe Ltd. on a local currency basis increased by 48.8% (an increase of 64.8% on a Japanese yen basis) as compared to such sales for the previous fiscal year, achieving its highest sales ever as a result of sales in the United Kingdom, Europe and the United States which exceeded the pre-pandemic level across all areas, supported by a strong recovery in consumer spending.

With respect to sales by channel, our core specialty stores and third-party e-commerce websites maintained strong sales, and our own e-commerce website in the United Kingdom achieved an increase in net sales of 35.5% as compared to the previous fiscal year. While sales from our department stores fell short of reaching the pre-pandemic level due to the impact of the closings of certain department stores, net sales significantly increased as compared to such net sales for the previous fiscal year by developing business with new client.

Operating income on a local currency basis increased significantly by 144.9% (an increase of 170.9% on a Japanese yen basis) as compared to such income for the previous fiscal year due to the effect of increased sales.

Wacoal China Co., Ltd.:

Net sales from Wacoal China Co., Ltd. on a local currency basis increased by 26.2% (an increase of 38.9% on a Japanese yen basis) as compared to such sales for the previous fiscal year.

While sales from physical stores, such as department stores, remained suppressed during the second half of the year (from July to December) due to the impact of regulations restricting activities in response to the spread of COVID-19, Wacoal China recorded an increase in net sales for the current fiscal year as a result of an improvement in sales for the first half of the year (from January to June) as physical stores that temporarily closed during the previous year began to reopen and the number of new openings of directly-operated stores at shopping malls increased. On the other hand, e-commerce sales were below such sales for the previous fiscal year due to increased competition with Chinese domestic brands, which limited the effects of our promotional efforts, including influencer marketing using popular Key Opinion Leaders.

Although net sales from Wacoal China Co., Ltd. increased, operating income on a local currency basis decreased by 62.0% (a decrease of 58.4% on a Japanese yen basis) as compared to such income for the previous fiscal year due to the absence of government assistance, which were available during the previous fiscal year, and an increase in costs incurred for resuming business activities.

c. Peach John Business

Net sales attributable to our “Peach John Business” segment were 12.53 billion yen (an increase of 2.7% as compared to such sales for the previous fiscal year).

Net sales from our directly-operated stores increased by 13.4% as an increased number of customers returned to our physical stores as a reaction to the temporary closings of our physical stores due to the spread of COVID-19 during the previous fiscal year and as a result of our trendy marketing efforts including the launch of our products through collaboration with celebrities. On the other hand, despite the positive impact of products released in collaboration with celebrities, e-commerce sales did not reach the level of sales achieved in the previous fiscal year, when sales significantly expanded, and decreased by 11.0% as compared to such sales in the previous fiscal year.

We recorded an operating income from our Peach John Business segment of 1.65 billion yen (an increase of 3.8% as compared to such income for the previous fiscal year). Despite the absence of favorable factors for the previous fiscal year such as rent relief, we maintained a high level of profit due to increased sales.

d. Other

Overall net sales attributable to our “Other” business segment were 12.53 billion yen (an increase of 0.1% as compared to such sales for the previous fiscal year), while we recorded an operating loss of 1.31 billion yen (as compared to an operating loss of 0.73 billion yen for the previous fiscal year).

Lecien Corporation:

Net sales from Lecien Corporation decreased by 24.5% as compared to such sales for the previous fiscal year due to delivery delays caused by our factory in Vietnam which suspended its operation, and weak sales of our private products sold by general merchandise stores and major apparel supply chain companies. We recorded an operating loss of 0.64 billion yen (as compared to an operating income of 0.22 billion yen for the previous fiscal year) due to one-time expenses incurred for the liquidation of unprofitable subsidiaries, in addition to the impact of decreased revenue, during the current fiscal year.

Nanasai Co., Ltd.:

Although net sales from Nanasai Co., Ltd. were weak for the first half of the current fiscal year due to cancellation of new shop openings and various events following the spread of COVID-19, net sales increased by 13.7% as compared to such sales for the previous fiscal year due to a recovery seen in the renovation orders after October.

Despite our efforts to reduce costs by reassessing our operations, we recorded an operating loss from Nanasai Co., Ltd. of 0.25 billion yen (as compared to an operating loss of 0.36 billion yen for the previous fiscal year) due to the significant impact of suppressed sales during the first half of the current fiscal year.

(ii) Business Forecast for Next Fiscal Year

Estimates for Consolidated Business Results

In order to provide more practical information to our stakeholders including our shareholders and investors and enhance their convenience by improving the international comparability of financial information and promote full disclosure, our group will implement the International Financial Reporting Standards (“IFRS”) from the fiscal year ending March 2023, the first year of our new mid-term business plan. We believe

that the U.S. Accounting Standards which we have adopted until now has already achieved its intended goals of increasing our brand awareness in the U.S. markets and procuring funds through registration with the Securities and Exchange Commission. As a result of this implementation, the forecast of the consolidated business results for the fiscal year ending March 2023 has been disclosed in accordance with the IFRS. The percentage change from the actual consolidated results for the fiscal year ended March 2022 (after reclassification in accordance with the IFRS) will be announced at the time of the announcement of the financial results for the first quarter of the fiscal year ending March 2023.

(Millions of Yen)

Category	Fiscal Year ending March 2023 (Estimates)	Percentage Change (%)	First Half of Fiscal Year ending March 2023 (Estimates)	Percentage Change (%)	Second Half of Fiscal Year ending March 2023 (Estimates)	Percentage Change (%)
Revenue	205,000	-	104,000	-	101,000	-
Wacoal Business (Domestic)	108,600	-	52,500	-	56,100	-
Wacoal Business (Overseas)	70,100	-	38,000	-	32,100	-
Peach John Business	12,750	-	6,550	-	6,200	-
Other	13,550	-	6,950	-	6,600	-

(Millions of Yen)

Category	Fiscal Year ending March 2023 (Estimates)	Percentage Change (%)	First Half of Fiscal Year ending March 2023 (Estimates)	Percentage Change (%)	Second Half of Fiscal Year ending March 2023 (Estimates)	Percentage Change (%)
Operating Income	6,500	-	4,500	-	2,000	-
Wacoal Business (Domestic)	2,600	-	1,400	-	1,200	-
Wacoal Business (Overseas)	2,400	-	2,100	-	300	-
Peach John Business	1,500	-	950	-	550	-
Other	0	-	50	-	(50)	-

(Yen)

Income before income taxes and equity in net income of affiliated companies	8,000	-	5,300	-	2,700	-
Net income	5,500	-	3,600	-	1,900	-
Net income attributable to owners of parent	5,500	-	3,600	-	1,900	-

Category	Fiscal Year ending March 2023 (Estimates)	Fiscal Year ended March 2022 Amount
Basic Earnings per Share	97.42 yen	-
Dividend per share:		
Interim	40.00 yen (scheduled)	20.00 yen
Year-end	40.00 yen (scheduled)	30.00 yen

(Note) The "Basic Earnings per Share" information takes into account the impact of repurchase of treasury stock.

Our group formulated a new corporate vision of the group looking ahead to the year 2030 called “VISION 2030”. Our medium to long-term vision is “to evolve and grow as “Wacoal Group of the World” by providing both physical and emotional beauty and richness to individuals through high sensitivity and premium quality” and we will enhance corporate value with sustainable growth through the following initiatives:

1. Maximize the value provided to customers
2. Achieve growth of each of our employees and establish a highly rewarding organization
3. Preserve the environment globally for future generations
4. Realize a society in which everyone plays an active role in their own way
5. Enhance governance toward realization of sustainable growth

In order to accomplish “VISION 2030”, we are currently formulating a new mid-term business plan (which starts in the fiscal year ending March 2023 and ends in the fiscal year ending March 2025). We plan to announce in early June the new mid-term business plan and our medium- to long-term strategy framework looking ahead to the year 2030, “VISION 2030”.

Economic activities during the fiscal year ending March 2023 are expected to remain uncertain due to concerns on stagnation of economic activities in certain regions due to the further spread of COVID-19, global inflation, geopolitical risks, and further increases in raw material and transportation costs associated with these risks. Under these circumstances, we will endeavor to address increasingly complex and diverse social issues as an opportunity for future growth, and to enhance our corporate value by promoting “sustainable management”, a management approach that balances resolving social issues on one hand and sustainable growth on the other hand through our business activities. In our domestic business, we will continue promoting our unique CX strategy including the merger between online and offline activities and utilization of our customer database to improve value of our customer experience, and strengthening our efforts to improve profitability, aiming to transform ourselves into a resilient corporate structure. In our overseas business, we will seek further expansion by expanding our e-commerce business and entering into the emerging markets, in addition to expanding solid sales growth in the existing areas where we conduct our business. On the financial side, we will utilize our operating cash flow to make IT and digital investments for growth and to implement shareholder returns, as well as to explore opportunities for new business investments. In addition, we will work to improve our return on equity by improving our asset and capital efficiency, with profit improvement as our first priority.

Based on the above-described initiatives, we expect net sales of 205.0 billion yen, operating income of 6.5 billion yen, income before income taxes and equity in net income of affiliated companies of 8.0 billion yen, and net income attributable to owners of parent of 5.5 billion yen for the consolidated business results for the fiscal year ending March 2023. We formulated our plan for the fiscal year ending March 2023 using the key exchange rates of 120.00 yen to the U.S. dollar; 155.00 yen to the Sterling pound; and 19.00 yen to the Chinese yuan.

(2) Financial Condition as of Fiscal Year 2022

Status of Assets, Liabilities and Shareholders' Equity

Our total assets as of March 31, 2022 were 303,245 million yen, a decrease of 19,516 million yen from the end of the previous fiscal year, mainly due to a decrease in cash and cash equivalents for repayment of bank loans.

Our current liabilities were 77,193 million yen, a decrease of 26,952 million yen from the end of the previous fiscal year, mainly due to a decrease in short-term bank loans for reasons similar to those discussed with respect to assets.

Shareholders' equity was 223,005 million yen, an increase of 7,393 million yen from the end of the previous fiscal year, due to recognition of net income and changes in foreign currency translation adjustments.

As a result of the above, our total shareholders' equity ratio as of March 31, 2022 was 73.5%, an increase of 6.7% from the end of the previous fiscal year.

Cash Flows Status

Cash flow provided by operating activities:

Cash flow provided by operating activities was 13,008 million yen, an increase of 8,748 million yen as compared to the previous fiscal year, after adjustments for changes in assets and liabilities to our net income of 4,541 million yen plus adjustments for depreciation expenses and deferred taxes.

Cash flow used in investing activities:

Cash flow used in investing activities was 3,096 million yen, an increase of 534 million yen as compared to previous fiscal year, due to payments made to acquire tangible and intangible assets.

Cash flow used in financing activities:

Cash flow used in financing activities was 36,349 million yen, as compared to cash flow provided by financing activities in the amount of 33,605 million yen for the previous fiscal year, due to repayment of short-term bank loans, payments made for dividends as well as repurchase of treasury stock.

As a result, the balance of cash and cash equivalents at the end of fiscal year 2022, calculated by adding the exchange difference on cash and cash equivalents to the above total, was 37,982 million yen, a decrease of 25,575 million yen as compared to the end of the previous fiscal year.

Trends in certain cash-flow indicators

	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022
Shareholders' equity ratio (%)	74.0	66.8	73.5
Shareholders' equity ratio based on market value (%)	52.7	47.5	37.3
Debt redemption years (years)	0.3	9.9	0.9
Interest coverage ratio (times)	666.3	59.2	209.8

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 2022 and Fiscal Year 2023

Our basic policy on profit distributions to shareholders is to make stable distributions based on consideration of our consolidated business results, while seeking to increase net income per share by enhancing our corporate value through active investments aimed at improving profitability.

With respect to retained earnings, we will actively invest in expanding our customer bases for our domestic business and our overseas businesses, with the aim of improving our corporate value. 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.

Based on the above, we plan to distribute 30.00 yen per share as a year-end dividend for the current fiscal year, the same amount as the estimated dividend announced during the latest quarter. The total annual cash dividend per share will be 50.00 yen, including the interim dividend per share of 20.00 yen.

For the fiscal year ending March 31, 2023, we plan to declare, based on the above policy and profit growth, an annual cash dividend per share of 80.00 yen (an increase of 30.00 yen as compared to the annual cash dividend for the current fiscal year), composed of an interim dividend per share of 40.00 yen (an increase of 20.00 yen as compared to the interim dividend for the previous fiscal year) and a year-end dividend per share of 40.00 yen (an increase of 10.00 yen as compared to the year-end dividend for the previous fiscal year).

2. Basic Policies regarding Selection of Accounting Standards

The Company will implement the International Financial Reporting Standards starting from the first quarter of the fiscal year ending March 31, 2023.

3. Consolidated Financial Statements and Accompanying Notes

(1) Consolidated Balance Sheets

Accounts	As of March 31, 2021	As of March 31, 2022	Amount Increased/(Decreased)
(Assets)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current assets			
Cash and cash equivalents	63,557	37,982	(25,575)
Time deposits	1,443	1,387	(56)
Marketable securities	253	-	(253)
Notes and accounts receivable	17,571	19,414	1,843
Allowance for doubtful receivables	(346)	(282)	64
Inventories	43,250	45,268	2,018
Return assets	600	655	55
Other current assets	7,794	4,004	(3,790)
Total current assets	134,122	108,428	(25,694)
II. Property, Plant and Equipment			
Land	20,569	20,358	(211)
Buildings and building improvements	72,978	77,641	4,663
Machinery and equipment	19,356	20,829	1,473
Construction in progress	<u>1,264</u>	<u>1,289</u>	<u>25</u>
	114,167	120,117	5,950
Accumulated depreciation	(64,409)	(67,156)	(2,747)
Net property, plant and equipment	49,758	52,961	3,203
III. Other assets			
Operating leases right-of-use assets	12,729	12,356	(373)
Investments in affiliated companies	21,207	22,835	1,628
Investments	51,603	47,926	(3,677)
Goodwill	21,169	22,945	1,776
Other intangible assets	15,220	15,408	188
Prepaid pension expense	9,533	13,411	3,878
Deferred income taxes	1,649	1,554	(95)
Other	5,771	5,421	(350)
Total other assets	138,881	141,856	2,975
Total Assets	322,761	303,245	(19,516)

Accounts	As of March 31, 2021	As of March 31, 2022	Amount Increased/(Decreased)
(Liabilities)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current Liabilities			
Short-term bank loans	40,672	10,227	(30,445)
Notes and accounts payable			
Trade notes payable	712	558	(154)
Trade accounts payable	8,734	10,067	1,333
Other payables	<u>6,610</u>	<u>7,006</u>	<u>396</u>
	16,056	17,631	1,575
Accrued payroll and bonuses	6,822	6,319	(503)
Income taxes payable	1,025	1,408	383
Refund liabilities	2,266	1,991	(275)
Short-term operating lease liabilities	4,411	4,549	138
Current portion of long-term debt	35	-	(35)
Other current liabilities	4,784	5,178	394
Total current liabilities	76,071	47,303	(28,768)
II. Long-term liabilities			
Long-term debt	1,498	1,626	128
Liabilities for termination and retirement benefit	1,942	3,345	1,403
Deferred income taxes	12,292	14,095	1,803
Long-term operating lease liabilities	8,520	8,150	(370)
Contingent consideration (long-term)	1,639	820	(819)
Other long-term liabilities	2,183	1,854	(329)
Total long-term liabilities	28,074	29,890	1,816
Total liabilities	104,145	77,193	(26,952)
(Equity)			
I. Common stock	13,260	13,260	-
II. Additional paid-in capital	29,120	29,077	(43)
III. Retained earnings	181,346	183,456	2,110
IV. Accumulated other comprehensive income (loss)			
Foreign currency translation adjustments	1,770	7,714	5,944
Pension liability adjustments	(1,008)	356	1,364
V. Treasury stock, at cost	(8,876)	(10,858)	(1,982)
Total Wacoal Holdings Corp. shareholders' equity	215,612	223,005	7,393
VI. Noncontrolling interests	3,004	3,047	43
Total equity	218,616	226,052	7,436
Total liabilities and equity	322,761	303,245	(19,516)

(2) Consolidated Statements of Income

(% indicates percentage of net sales)

Accounts	Fiscal Year Ended March 31, 2021		Fiscal Year Ended March 31, 2022		Amount Increased/(Decreased)
	Millions of Yen	%	Millions of Yen	%	
I. Net Sales	152,204	100.0	172,860	100.0	20,656
II. Operating costs and expenses					
Cost of sales	67,798	44.5	76,607	44.3	8,809
Selling, general and administrative expenses	83,201	54.6	93,221	53.9	10,020
Gain on sales or disposal of property, plant and equipment – net	(365)	(0.2)	(1,981)	(1.1)	(1,616)
Impairment charges on goodwill and other intangible assets	2,685	1.8	-	-	(2,685)
Total operating costs and expenses	153,319	100.7	167,847	97.1	14,528
Operating income (loss)	(1,115)	(0.7)	5,013	2.9	6,128
III. Other income (expenses)					
Interest income	61		53		(8)
Interest expense	(78)		(62)		16
Dividend income	1,126		1,312		186
Valuation (loss) gain on marketable securities and investments – net	10,390		(641)		(11,031)
Other – net	408		1,571		1,163
Total other income (expenses)	11,907	7.8	2,233	1.3	(9,674)
Income before income taxes and equity in net income of affiliated companies	10,792	7.1	7,246	4.2	(3,546)
Income taxes					
Current	1,803	1.2	2,300	1.3	497
Deferred	2,278	1.5	1,197	0.7	(1,081)
Total income taxes	4,081	2.7	3,497	2.0	(584)
Income before equity in net income of affiliated companies	6,711	4.4	3,749	2.2	(2,962)
Equity in net income of affiliated companies	93	0.1	792	0.4	699
Net income	6,804	4.5	4,541	2.6	(2,263)
Net loss attributable to non-controlling interests	221	0.1	67	0.1	(154)
Net income attributable to Wacoal Holdings Corp.	7,025	4.6	4,608	2.7	(2,417)

(3) Consolidated Statements of Comprehensive Income

Accounts	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022	Amount Increased/(Decreased)
	Millions of Yen	Millions of Yen	Millions of Yen
I. Net income	6,804	4,541	(2,263)
II. Other comprehensive income – net of tax			
Foreign currency translation adjustments	2,648	6,024	3,376
Pension liability adjustments	3,591	1,364	(2,227)
Total of other comprehensive income	6,239	7,388	1,149
Comprehensive income	13,043	11,929	(1,114)
Comprehensive (loss) income attributable to noncontrolling interests	371	(13)	(384)
Comprehensive income attributable to Wacoal Holdings Corp.	13,414	11,916	(1,498)

(4) Consolidated Statements of Equity

Fiscal Year Ended March 31, 2021

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 March 31, 2020	62,403	13,260	29,836	185,233	(5,627)	(17,331)	205,371	4,077	209,448
Cash dividends paid to Wacoal Holdings Corp. shareholders				(2,496)			(2,496)		(2,496)
Cash dividends paid to noncontrolling interests							-	(81)	(81)
Repurchase of treasury stock	(0)					(1)	(1)		(1)
Cancellation of treasury stock				(8,404)		8,404	-		-
Equity transactions with noncontrolling interests			(740)				(740)	(621)	(1,361)
Other	18		24	(12)		52	64		64
Net income				7,025			7,025	(221)	6,804
Other comprehensive income (loss)					6,389		6,389	(150)	6,239
As of March 31, 2021	62,421	13,260	29,120	181,346	762	(8,876)	215,612	3,004	218,616

Fiscal Year Ended March 31, 2022

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 March 31, 2021	62,421	13,260	29,120	181,346	762	(8,876)	215,612	3,004	218,616
Cash dividends paid to Wacoal Holdings Corp. shareholders				(2,498)			(2,498)		(2,498)
Cash dividends paid to noncontrolling interests							-	(82)	(82)
Repurchase of treasury stock	(1,001)					(2,089)	(2,089)		(2,089)
Cancellation of treasury stock	0		(0)			1	1		1
Equity transactions with noncontrolling interests							-	112	112
Other	38		(43)			106	63		63
Net income (loss)				4,608			4,608	(67)	4,541
Other comprehensive income					7,308		7,308	80	7,388
As of March 31, 2022	61,458	13,260	29,077	183,456	8,070	(10,858)	223,005	3,047	226,052

(5) Consolidated Statements of Cash Flows

Accounts	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022	Amount Increased/(Decreased)
	Millions of Yen	Millions of Yen	Millions of Yen
I. Operating activities			
1. Net income	6,804	4,541	(2,263)
2. Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation and amortization	6,128	6,185	57
(2) Provision for doubtful receivables	(199)	(148)	51
(3) Deferred income taxes	2,278	1,197	(1,081)
(4) (Gain) on sales or disposal of property, plant and equipment – net	(365)	(1,981)	(1,616)
(5) Impairment charges on property, plant and equipment	1,136	211	(925)
(6) Impairment charges on goodwill and other intangible assets	2,685	-	(2,685)
(7) Valuation loss (gain) on marketable securities and investments – net	(10,390)	641	11,031
(8) Equity in net (gain) loss of affiliated companies, less dividends received	469	(404)	(873)
(9) Changes in assets and liabilities			
Decrease (increase) in notes and receivable	2,767	(1,276)	(4,043)
Decrease (increase) in inventories	972	(182)	(1,154)
Decrease (increase) in return assets	268	(55)	(323)
Decrease (increase) in other current assets	(2,632)	3,853	6,485
Increase (decrease) in notes and accounts payable	(859)	2,015	2,874
Decrease in refund liabilities	(379)	(275)	104
Increase (decrease) in liabilities for termination and retirement benefits	226	(701)	(927)
Decrease in other liabilities	(4,485)	(1,484)	3,001
(10) Other	(164)	871	1,035
Net cash provided by operating activities	4,260	13,008	8,748
II. Investing activities			
1. Increase in time deposits	(941)	(360)	581
2. Decrease in time deposits	291	461	170
3. Proceeds from sale and redemption of equity securities	2,340	3,185	845
4. Payments to acquire equity securities	(7)	(4)	3
5. Proceeds from redemption of debt securities	742	225	(517)
6. Proceeds from sale of property, plant and equipment	889	2,760	1,871
7. Payments to acquire property, plant and equipment	(2,764)	(6,580)	(3,816)
8. Payments to acquire intangible assets	(2,840)	(3,165)	(325)
9. Payments for loans	(315)	-	315
10. Collection of loans	-	321	321
11. Other	43	61	18
Net cash used in investing activities	(2,562)	(3,096)	(534)
III. Financing activities			
1. Net (decrease) increase in short-term bank loans with original maturities of three months or less	17,208	(10,460)	(27,668)
2. Procurement of short-term loan (over 3 months)	20,424	-	(20,424)
3. Repayment of short-term loan (over 3 months)	(424)	(20,000)	(19,576)
4. Procurement of long-term debt	1,447	-	(1,447)
5. Repayment of long-term debt	(50)	(35)	15
6. Repurchase of treasury stock	(1)	(2,089)	(2,088)
7. Disposal of treasury stock	-	1	1
7. Dividends paid on common stock	(2,496)	(2,498)	(2)
8. Dividends paid to noncontrolling interests	(81)	(82)	(1)
9. Proceeds from stock issuance to noncontrolling interests	-	112	112
10. Payments to acquire interests in subsidiaries from noncontrolling interests	(1,361)	-	1,361
11. Contingent consideration payment	(1,061)	(1,298)	(237)
Net cash (used in) provided by financing activities	33,605	(36,349)	(69,954)
IV. Effect of exchange rate changes on cash and cash equivalents			
	349	862	513
V. Net (decrease) increase in cash and cash equivalents	35,652	(25,575)	(61,227)
VI. Cash and cash equivalents, beginning of year	27,905	63,557	35,652
VII. Cash and cash equivalents, end of year	63,557	37,982	(25,575)

Additional Cash Flow Information

Accounts	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022	Amount Increased/(Decreased)
Cash paid for			
Interest	72	62	(10)
Income taxes	8,643	(2,331)	(10,974)
Noncash investing activities			
Acquisition of fixed assets by assuming payment obligation	704	707	3

(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., Wacoal International Hong Kong Co., Ltd. and A Tech Textile Co., Ltd.

(Note) Kyushu Wacoal Manufacturing Corp., our consolidated subsidiary, has changed its trade name to Wacoal Manufacturing Japan Corp. as of April 1, 2022.

Major Affiliated Companies:

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

(ii) Changes Regarding Subsidiaries and Affiliated Companies

New: Wacoal Netherlands B.V.

Excluded: *Kabushiki Kaisha* Wacoal Minette, Lecien Nagasaki Co., Ltd., and Nanasai Shanghai Co., Ltd.

(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 straight-line method based on the estimated useful lives of the assets (the lease term is used for capitalized leased assets).

c. Valuation Standard of Securities and Investments

Based on the provisions of the U.S. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 320, "Investments – Debt Securities", and ASC 321 of FASB, "Investments – Equity Securities", marketable securities and investments have been classified as "debt securities" and "equity securities", and debt securities have been further classified as "available-for-sale securities" and "held-to-maturity securities". "Available-for-sale securities" are recorded at fair value, and "held-to-maturity securities" are recorded at amortized cost. Gain or loss on sale of marketable securities and investments is calculated based on cost using the moving-average method. Equity securities are measured at fair value and unrealized holding gain or loss is recorded as net profit or loss.

d. Liabilities for Termination and Retirement Benefits

This is accounted for based on FASB ASC 715.

e. Consolidated Statements of Cash Flows

In preparing the consolidated cash flow statements, highly liquid investments 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) Per Share Information

	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022
Net income attributable to Wacoal Holdings Corp.	7,025 million yen	4,608 million yen
Number of average shares issued during the year	62,406,826 shares	62,234,734 shares
Net income attributable to Wacoal Holdings Corp. per share	112.57 yen	74.04 yen
Diluted net income attributable to Wacoal Holdings Corp. per share	112.09 yen	73.73 yen

(ii) Segment Information

a. Operating Segment Information

Fiscal Year Ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	86,133	41,355	12,200	12,516	152,204	-	152,204
(2) Intersegment	754	8,769	219	3,827	13,569	(13,569)	-
Total	86,887	50,124	12,419	16,343	165,773	(13,569)	152,204
Operating costs and expenses	86,260	50,054	10,816	17,073	164,203	(13,569)	150,634
Impairment charges on goodwill and other intangible assets	-	2,673	12	-	2,685	-	2,685
Total operating costs and expenses	86,260	52,727	10,828	17,073	166,888	(13,569)	153,319
Operating income (loss)	627	(2,603)	1,591	(730)	(1,115)	-	(1,115)

Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	88,128	59,678	12,528	12,526	172,860	-	172,860
(2) Intersegment	844	8,206	363	3,685	13,098	(13,098)	-
Total	88,972	67,884	12,891	16,211	185,958	(13,098)	172,860
Operating costs and expenses	86,653	65,533	11,240	17,519	180,945	(13,098)	167,847
Operating income (loss)	2,319	2,351	1,651	(1,308)	5,013	-	5,013

(Note) 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, and other textile-related products, 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, sportswear, other textile-related products, mannequins, shop design and implementation, etc.

b. Information by Region

Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Total	Elimination or corporate	Consolidated
I. Net sales						
External customers	109,464	16,301	26,439	152,204	-	152,204
II. Operating income (loss)	1,803	108	(3,026)	(1,115)	-	(1,115)
III. Long-lived assets	41,918	3,536	4,304	49,758	-	49,758

Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Total	Elimination or corporate	Consolidated
I. Net sales						
External customers	111,610	21,068	40,182	172,860	-	172,860
II. Operating income (loss)	3,161	(277)	2,129	5,013	-	5,013
III. Long-lived assets	42,646	4,787	5,528	52,961	-	52,961

- (Note) 1. Countries or areas are classified according to geographical proximity.
 2. Main countries and areas belonging to classifications other than Japan
 Asia/Oceania: Asian countries 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, 2021 (April 1, 2020 - March 31, 2021)

(Millions of Yen)

	Asia/Oceania	Europe/N.A.	Total
I. Overseas net sales	16,301	26,439	42,740
II. Consolidated net sales	-	-	152,204
III. Ratio of overseas net sales to total consolidated net sales	10.7%	17.4%	28.1%

Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Millions of Yen)

	Asia/Oceania	Europe/N.A.	Total
I. Overseas net sales	21,068	40,182	61,250
II. Consolidated net sales	-	-	172,860
III. Ratio of overseas net sales to total consolidated net sales	12.2%	23.2%	35.4%

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

(iii) Status of Sales

Type of product	Fiscal Year Ended March 31, 2021		Fiscal Year Ended March 31, 2022	
	Amount	Distribution ratio	Amount	Distribution ratio
	Millions of Yen	%	Millions of Yen	%
Innerwear				
Foundation and lingerie	122,776	80.7	140,233	81.1
Nightwear	6,522	4.3	6,723	3.9
Children's underwear	749	0.5	789	0.5
Subtotal	130,047	85.5	147,745	85.5
Outerwear/Sportswear	8,836	5.8	10,789	6.2
Hosiery	918	0.6	974	0.6
Other textile goods and related products	5,354	3.5	5,342	3.1
Others	7,049	4.6	8,010	4.6
Total	152,204	100.0	172,860	100.0

(iv) Significant Subsequent Events

Not applicable.

- End -