

October 31, 2018

To whom it may concern:

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Announcement of Variances between the Forecast of Consolidated Business Results and Actual Consolidated Results for the Six-Month Period ended September 30, 2018

We hereby announce the variances between the forecast of consolidated business results for the six-month period ended September 30, 2018 (April 1, 2018 – September 30, 2018), which we announced on May 15, 2018, and the actual consolidated business results which we announced today, as follows:

Details

1. Variances between Forecast and Actual Consolidated Business Results for the Six-Month Period Ended September 30, 2018 (April 1, 2018 - September 30, 2018)

(Unit: Millions of Yen, unless otherwise indicated)

	Net sales	Operating income	Income before income taxes and equity in net income of affiliated companies	Net income attributable to Wacoal Holdings Corp.	Net income attributable to Wacoal Holdings Corp. per share (in Yen)
Previous Forecast ("A")	103,000	8,000	9,500	7,000	104.08
Actual Results ("B")	101,815	8,994	16,311	11,391	170.35
Variance (B - A)	(1,185)	994	6,811	4,391	
Variance as Percentage (%)	(1.2)	12.4	71.7	62.7	
(Reference) Results for the Six-Month Period ended September 30, 2017	101,976	9,511	11,005	7,437	108.88

(Note) In accordance with the changes in accounting policy, the new accounting guidance *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (ASU2017-07) has been adopted starting with the current consolidated fiscal year. Due to the adoption of this guidance, retrospective adjustments have been made to the consolidated business results for the six-month period ended September 30, 2017.

2. Reason for Revisions

The business results for each of our operating segments were mostly within the expected range. However, based on an evaluation the fair value of equity investments held by the Company and its consolidated subsidiaries for the consolidated cumulative second quarter of the current fiscal year ending March 31, 2019, we recorded valuation gain of 5,660 million yen as “valuation gain on marketable securities and investments – net” under other income in the consolidated quarterly statements of income. As a result, income before income taxes and equity in net income of affiliated companies and net income attributable to Wacoal Holdings Corp. both significantly exceeded the previous forecast of consolidated business results.

There has been no revision to the forecast of consolidated business results for the fiscal year ending March 31, 2019 (annual), which we announced on May 15, 2018, as it is difficult to estimate the fair value of equity investments as of the fiscal year-end.

(Reference) Forecast of Consolidated Business Results for the Fiscal Year ending March 31, 2019 (April 1, 2018 – March 31, 2019) and Results for the Previous Fiscal Year

(Unit: Millions of Yen, unless otherwise indicated)

	Net sales	Operating income	Income before income taxes and equity in net income of affiliated companies	Net income attributable to Wacoal Holdings Corp.	Net income attributable to Wacoal Holdings Corp. per share (in Yen)
Forecast for the Current Consolidated Fiscal Year (ending March 31, 2019)	200,000	10,000	13,000	10,000	149.55
Results for the Previous Fiscal Year (ended March 31, 2018)	195,725	11,494	14,286	9,745	143.46

(Note) The foregoing forecasts of consolidated business results are based on information available as of the date these data were released, and due to various risks, uncertainties and other factors arising in the future, actual results in the future may differ significantly from our estimates.

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