

October 30, 2020

To whom it may concern:

Company Name: WACOAL HOLDINGS CORP.
 Representative: Hironobu Yasuhara,
 Representative Director, President and Corporate Officer
 (Code Number: 3591)
 (Tokyo Stock Exchange, First Section)
 Contact: Hiroaki Miyake,
 Corporate Officer, General Manager of Corporate Planning
 (Telephone: +81(075)682-1010)

Announcement of Variances between the Forecast of Consolidated Business Results and Actual Consolidated Results for the Six-Month Period ended September 30, 2020 and Revisions to the Forecast of Consolidated Business Results

We hereby announce the variances between the forecast of consolidated business results for the six-month period ended September 30, 2020 (April 1, 2020 – September 30, 2020), which we announced on July 31, 2020, and the actual consolidated business results which we announced today, and also announce that we have revised the forecast of our consolidated business results for the fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021), as follows:

Details

1. Variances between Forecast and Actual Consolidated Business Results for the Six-Month Period Ended September 30, 2020 (April 1, 2020 - September 30, 2020)

(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")	70,500	(3,200)	(2,500)	(2,400)	(38.46)
Actual Results ("B")	73,155	1,276	3,603	1,782	28.56
Variance (B - A)	2,655	4,476	6,103	4,182	-
Variance as Percentage (%)	3.8	-	-	-	-
(Reference) Results for the Six-Month Period ended September 30, 2019	101,450	9,495	9,326	6,668	103.07

2. Revised Forecast of Consolidated Business Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(Unit: Millions of Yen, unless otherwise indicated)

	Net sales	Operating income	Pre-tax net income	Net income attributable to Wacoal Holdings Corp. shareholders	Net income attributable to Wacoal Holdings Corp. shareholders per share (in Yen)
Previous Forecast (“A”)	158,000	(5,000)	(3,700)	(3,700)	(59.29)
Revised Forecast (“B”)	156,000	(1,000)	300	(500)	(8.01)
Variance (B - A)	(2,000)	4,000	4,000	3,200	-
Variance as Percentage (%)	(1.3)	-	-	-	-
(Reference) Results for the Previous Fiscal Year ended March 31, 2020	186,760	6,632	4,359	3,472	54.26

3. Reason for Variances and Revisions

When we announced the forecast of consolidated business results for the fiscal year ending March 31, 2021 on July 30, 2020, we expected that economic activities would gradually resume and recover during the current second quarter after the lifting of the declaration of state of emergency. Although the pace of recovery remained slow in Japan and overseas due to a narrower range of activities consumers could engage in, we recorded increases from our previous forecast (announced on July 30, 2020) in net sales, operating income, pre-tax net income, and net income attributable to Wacoal Holdings Corp. shareholders for the current consolidated cumulative second quarter, as a result of our efforts to reduce costs at our operating companies and inclusion of valuation gain on marketable securities and investments, as well as our e-commerce business which maintained high growth.

On the other hand, the business environment surrounding our group continues to remain uncertain as the number of coronavirus infections is increasing overseas, and there is concern for another wave of infection in Japan. At this point, it is difficult to assess when the coronavirus outbreak (the “outbreak”) will end or when the consumption will recover, and accordingly we have reassessed and revised our plan for the second half of the current fiscal year.

As a result of the above, while we forecast net sales to decrease by 2.0 billion yen, we forecast both operating income and pre-tax net income to increase by 4.0 billion yen, and net income attributable to Wacoal Holdings Corp. shareholders by 3.2 billion yen, from the previously announced forecasts.

As we have not assumed any further large-scale slowdown in economic activities from spread of the outbreak, the actual business results may differ largely from the forecast due to various factors. We will announce the impact on our business results immediately if important matters to be disclosed occur.

We will continue to move forward with our initiatives to create a management structure that provides regrowth and high profitability, and will continue to provide services and values that meet customers’ demand as we enter a new era, through our omni-channel strategies with fusion of online and offline and by implementing a thorough restructuring of customer oriented value chain.

* The forecast of business results in this document is based on information we obtained as of the date hereof and assumption we regarded as reasonable and, due to various factors, actual results in the future may differ largely from the estimates set out in this document.

End