

Report on Consolidated Financial Results and Forecast

May 14, 2002

Year ended March 31, 2002

WACOAL CORP.

Code Number : 3591
 Head Office : 29 Nakajima-cho, Kisshoin
 Minamiku, Kyoto 601-8530, Japan

Stock Exchanges: Tokyo Stock Exchange
 Osaka Securities Exchange
 NASDAQ

Director : Shoichi Suezawa
 Board Meeting Date : May 14, 2002

Fiscal Year End: March, 31
 Tel : (075) 682-1010

Year ended March 31, 2002 Business Results (April 1, 2001-March 31, 2002)

(1) Management Performance

	Millions of Yen		Thousands of U.S. Dollars
	Year ended 2002/3/31	Year ended 2001/3/31	Year ended 2002/3/31
Net Sales	¥ 162,829 (0.5 %)	¥ 162,023 (-2.4 %)	\$ 1,227,046
Operating Income	7,186 (-25.3)	9,624 (-13.4)	54,152
Income before Income taxes, Equity in Net Income of Affiliated Companies, Minority Interests and Cumulative Effect of Accounting Change	7,613 (-62.2)	20,129 (76.6)	57,370
Income before Cumulative Effect of Accounting Change	4,983 (-59.1)	12,175 (67.8)	37,551
Net Income	4,983 (-54.2)	10,889 (50.1)	37,551
	Yen		U.S. Dollars
Net Income per common share	¥ 33.22	¥ 71.17	\$ 0.25
Net Income per common share-Assuming Full Dilution	-	-	-

(Notes)

1. The amounts in parentheses represent the percentage fluctuation compared to the corresponding period in the prior year.
2. Income from equity investments was ¥ 1,148 millions (\$ 8,651 thousands) and ¥ 1,271 millions for the year ended March 31, 2002 and 2001, respectively.

(2) Financial Condition

	Millions of Yen		Thousands of U.S. Dollars
	2002/3/31	2001/3/31	2002/3/31
Total Assets	¥ 223,985	¥ 232,262	\$ 1,687,905
Shareholders' Equity	168,205	172,558	1,267,558
Shareholders' Equity to Assets	75.1 %	74.3 %	
	Yen		U.S. Dollars
Shareholders' Equity per Common Share	¥ 1,128.05	¥ 1,141.89	\$ 8.50

(3) Cash Flow

	Millions of Yen		Thousands of U.S. Dollars
	Year ended 2002/3/31	Year ended 2001/3/31	Year ended 2002/3/31
Net Cash provided by Operating Activities	¥ 8,653	¥ 11,480	\$ 65,207
Net Cash used in Investing Activities	(9,412)	(13,686)	(70,927)
Net Cash used in Financing Activities	(5,472)	(6,478)	(41,236)
Cash and Cash Equivalents at the end of Period	35,381	41,196	266,624

(Notes)

Translation into United States dollars:

The Companies' accounts are maintained in or translated into Japanese yen. The United States dollar amounts included herein represent translations solely for convenience. The exchange rate in effect at March 29, 2002 of ¥ 132.70 = \$1, which is the noon buying rate for yen in New York City as certified for customs purposes by the Federal Reserve Bank of New York, has been used for financial statement translation purposes. The translations should not be construed as representations that yen amounts have been, could have been, or could in the future be, converted into United States dollars at this or any rate.

Basis of financial data:

The Companies' consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, except for the omission of segment information required by Statement of Financial Accounting Standards No 131, "Disclosure About Segments of an Enterprise and Related Information".

(4)Forecast for the Year ended March 31, 2003 (April 1, 2002-March 31,2003)

	<u>Millions of Yen</u>	<u>Thousands of U.S. Dollars</u>
Net Sales	¥ 165,000	\$ 1,243,406
Operating Income	8,700	65,561
Income before income taxes and Minority Interests	8,200	61,794
Net Income	5,200	39,186

Consolidated Balance Sheets

WACOAL CORP. AND SUBSIDIARIES

March 31, 2002 and 2001

ASSETS	Millions of Yen		Thousands of U.S.Dollars
	2002/3/31	2001/3/31	2002/3/31
Current Assets:			
Cash and cash equivalents:			
Cash	¥ 10,656	¥ 7,634	\$ 80,301
Time deposits and certificates of deposit	24,725	33,562	186,323
Total	35,381	41,196	266,624
Marketable securities	40,203	34,499	302,962
Notes and accounts receivable:			
Trade notes	2,206	2,651	16,624
Trade accounts	21,537	22,049	162,298
Allowance for returns and doubtful receivables	(2,965)	(2,869)	(22,344)
Inventories	24,899	25,601	187,634
Deferred income taxes	4,604	4,647	34,695
Other current assets	1,525	1,734	11,492
Total current assets	127,390	129,508	959,985
Property, Plant and Equipment:			
Land	24,649	25,284	185,750
Buildings	55,786	55,197	420,392
Machinery and equipment	12,314	11,530	92,796
Construction in progress	187	-	1,409
Total	92,936	92,011	700,347
Accumulated depreciation	(35,645)	(33,367)	(268,614)
Net property, plant and equipment	57,291	58,644	431,733
Other Assets:			
Investments in affiliates	10,247	8,670	77,219
Investments	22,509	28,877	169,623
Lease deposits and other	6,548	6,563	49,345
Total other assets	39,304	44,110	296,187
Total	¥ 223,985	¥ 232,262	\$ 1,687,905

LIABILITIES AND SHAREHOLDERS' EQUITY	2002/3/31	2001/3/31	U.S.Dollars 2002/3/31
Current Liabilities:			
Short-term bank loans	¥ 7,397	¥ 8,088	\$ 55,742
Notes and accounts payable:			
Trade notes	6,061	8,513	45,675
Trade accounts	8,147	7,214	61,394
Accrued payroll and bonuses	7,484	7,743	56,398
Income taxes payable	2,096	3,093	15,795
Other current liabilities	5,747	6,281	43,308
Current portion of long-term debt	163	517	1,228
Total current liabilities	<u>37,095</u>	<u>41,449</u>	<u>279,540</u>
Long-Term Liabilities:			
Long-term debt	1,235	892	9,307
Liability for termination and retirement benefits	12,334	6,709	92,946
Deferred income taxes	3,346	8,957	25,215
Total long-term liabilities	<u>16,915</u>	<u>16,558</u>	<u>127,468</u>
Minority Interests	<u>1,770</u>	<u>1,697</u>	<u>13,338</u>
Shareholders' Equity:			
Common stock, par value of ¥50 per share-authorized, 235,000,000 and 237,000,000 shares in March 31, 2002 and 2001; issued and outstanding, 149,116,685 and 151,116,685 shares in March 31, 2002 and 2001	13,260	13,260	99,925
Additional paid-in capital	25,242	25,242	190,219
Retained earnings	132,891	132,322	1,001,439
Accumulated other comprehensive income(loss):			
Foreign currency translation adjustments	(937)	(2,418)	(7,061)
Unrealized gains on securities	199	4,152	1,500
Additional minimum pension liability	(2,445)	-	(18,425)
Treasury stock	(5)	-	(38)
Total shareholders' equity	<u>168,205</u>	<u>172,558</u>	<u>1,267,559</u>
Total	<u>¥ 223,985</u>	<u>¥ 232,262</u>	<u>\$ 1,687,905</u>

Consolidated Statements of Income and Retained Earnings

WACOAL CORP. AND SUBSIDIARIES

Years ended March 31, 2002 and 2001

	Millions of Yen		Thousands of
	2002/3/31	2001/3/31	U.S.Dollars
Net Sales	¥ 162,829	¥ 162,023	\$ 1,227,046
Operating Costs and Expenses:			
Cost of sales	86,567	87,493	652,351
Selling, general and administrative	69,076	64,906	520,543
Total operating costs and expenses	155,643	152,399	1,172,894
Operating Income	7,186	9,624	54,152
Other Income and Expenses:			
Interest income	356	395	2,683
Interest expenses	(239)	(333)	(1,801)
Dividend income	201	268	1,515
Gain on sale, transfer or exchange of investments	502	11,025	3,783
Other - net	(393)	(850)	(2,962)
Income before Income Taxes,			
Equity in Net Income of Affiliated Companies, Minority Interests,			
and Cumulative Effect of Accounting Change	7,613	20,129	57,370
Income Taxes:			
Current	4,405	5,181	33,195
Deferred	(620)	3,877	(4,672)
Total income taxes	3,785	9,058	28,523
Income before Equity in Net Income of Affiliated Companies,			
Minority Interests and Cumulative Effect of Accounting Change	3,828	11,071	28,847
Equity in Net Income of Affiliated Companies	1,148	1,271	8,651
Minority Interests	7	(167)	53
Income before Cumulative Effect of Accounting Change	4,983	12,175	37,551
Cumulative Effect of Accounting Change	-	(1,286)	-
Net Income	4,983	10,889	37,551
Retained Earnings:			
Beginning of period	132,322	126,780	997,151
Appropriations:			
Cash dividends paid:			
Common stock	(2,040)	(2,544)	(15,373)
Retirement of treasury stock	(2,374)	(2,803)	(17,890)
End of period	¥ 132,891	¥ 132,322	\$ 1,001,439

	Yen		U.S.Dollars
Income before Cumulative Effect of Accounting Change			
per American Depositary Share	¥ 166	¥ 398	\$ 1.25
Net income per American Depositary Share	166	356	1.25
(5 shares of common stock)			

Consolidated Statements of Cash Flows

WACOAL CORP. AND SUBSIDIARIES
Years ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S.Dollars
	2002/3/31	2001/3/31	2002/3/31
Operating Activities:			
Net income	¥ 4,983	¥ 10,889	\$ 37,551
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting change	-	1,286	-
Depreciation and amortization	3,533	3,265	26,624
Deferred income taxes	(620)	3,877	(4,672)
Gain on sale, transfer or exchange of investments	(502)	(11,025)	(3,783)
Undistributed earnings of affiliates, less dividends	(1,028)	(943)	(7,747)
Changes in operating assets and liabilities	2,287	4,131	17,234
Net cash provided by operating activities	<u>8,653</u>	<u>11,480</u>	<u>65,207</u>
Investing Activities:			
Proceeds from sales and redemption of marketable securities	29,248	19,267	220,407
Payments to acquire marketable securities	(35,148)	(29,559)	(264,868)
Proceeds from sales of property, plant and equipment	115	219	867
Proceeds from sales and redemption of investments	65	487	490
Capital expenditures	(2,484)	(1,182)	(18,719)
Payments to acquire investments	(895)	(1,510)	(6,745)
Payments to acquire subsidiary stock	-	(771)	-
Increase in lease deposits and other	(313)	(637)	(2,359)
Net cash used in investing activities	<u>(9,412)</u>	<u>(13,686)</u>	<u>(70,927)</u>
Financing Activities:			
Decrease in short-term bank loans	(1,018)	(340)	(7,671)
Repayments of long-term debt	(556)	(820)	(4,190)
Proceeds from issuance of long-term debt	521	29	3,926
Retirement of treasury stock	(2,379)	(2,803)	(17,928)
Dividends paid on common stock	(2,040)	(2,544)	(15,373)
Net cash used in financing activities	<u>(5,472)</u>	<u>(6,478)</u>	<u>(41,236)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>416</u>	<u>(9)</u>	<u>3,135</u>
Net Decrease in Cash and Cash Equivalents	<u>(5,815)</u>	<u>(8,693)</u>	<u>(43,821)</u>
Cash and Cash Equivalents at Beginning of Period	<u>41,196</u>	<u>49,889</u>	<u>310,445</u>
Cash and Cash Equivalents at End of Period	<u>¥ 35,381</u>	<u>¥ 41,196</u>	<u>\$ 266,624</u>
Additional Cash Flow Information:			
Cash paid for :			
Interest	¥ 231	¥ 229	\$ 1,741
Income taxes	5,402	5,121	40,708
Noncash Investing Activities :			
Fair value of marketable securities contributed to retirement trust fund .	-	7,705	-
Fair value of marketable securities received in exchange for certain investment securities	1,927	4,101	14,521