

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2014 (U.S. Accounting Standards)

May 13, 2014

Listed Company: Wacoal Holdings Corp.

Stock Exchanges: Tokyo (1st section)

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

Representative: (Position) Representative Director

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For Inquiries: (Position) Senior Managing Director

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Scheduled date of Ordinary Shareholders' Meeting: June 27, 2014 Scheduled Commencement Date of Dividend Payment: June 4, 2014

Scheduled date of Annual Securities Report Filing: June 27, 2014

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, 2014 (April 1, 2013 – March 31, 2014)

(1) Consolidated Business Results

(% indicates changes from previous fiscal year)

	Net Sales		Operating Income		Pre-tax Net Income		Net Income Attributable to Wacoal Holdings Corp.	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal Year Ended March 31, 2014	193,781	7.5	13,860	63.1	15,033	37.4	10,106	28.2
Fiscal Year Ended March 31, 2013	180,230	4.8	8,499	(18.1)	10,940	7.2	7,880	14.0

(Note) Comprehensive income: Fiscal Year ended March 31, 2014: 22,749 million yen (17.6%)

Fiscal Year ended March 31, 2013: 19,349 million yen (182.0%)

	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, 2014	71.75	71.61	5.2	5.7	7.2
Fiscal Year Ended March 31, 2013	55.95	55.86	4.4	4.6	4.7

(Reference) Equity in net income of affiliated companies: Fiscal Year ended March 31, 2014: 985 million yen

Fiscal Year ended March 31, 2013: 939 million yen

(Note) As described in “(7) Basic Significant Matters in Preparation of Consolidated Financial Statements” on page 20, retroactive adjustments have been made to the results for the fiscal year ended March 31, 2013, including with respect to (2), (3) and Section 2 below.

(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, 2014	271,988	207,536	205,106	75.4	1,456.32
Fiscal Year Ended March 31, 2013	254,536	188,825	186,646	73.3	1,325.19

(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, 2014	8,949	1,658	(5,554)	30,658
Fiscal Year Ended March 31, 2013	12,309	(23,520)	5,379	24,514

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, 2013	-	-	-	28.00	28.00	3,944	50.0	2.2
Fiscal Year Ended March 31, 2014	-	-	-	33.00	33.00	4,648	46.0	2.4
Fiscal Year Ending March 31, 2015 (Estimates)	-	-	-	30.00	30.00		40.2	

(Note) The year-end dividend for fiscal year ended March 31, 2014 includes an ordinary dividend of 30.00 yen and a commemorative dividend of 3.00 yen.

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(% indicates changes from the previous fiscal year with respect to “Annual” and from the six-month period ended September 30, 2013 with respect to “Six-month Period Ending September 30, 2014”)

	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, 2014	100,000	1.5	8,500	(11.2)	10,000	(0.7)	6,700	4.1	47.57	
Annual	196,000	1.1	13,500	(2.6)	15,400	2.4	10,500	3.9	74.55	

*Notes

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2014 (change in scope of consolidation): None

New: None

Excluded: None

(Note) For details, please see “(7) Basic Significant Matters in Preparation of Consolidated Financial Statements” in Section 4 “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: Yes

(Note) For details, please see “(7) Basic Significant Matters in Preparation of Consolidated Financial Statements” in Section 4 “Consolidated Financial Statements” on page 20.

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

	Fiscal Year Ended March 31, 2014	Fiscal Year Ended March 31, 2013
(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:	2,539,371 shares	2,533,728 shares
(iii) Average number of shares during the period:	140,841,722 shares	140,846,298 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)

- (1) Non-consolidated Business Results

(% indicates changes from previous fiscal year)

	Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal Year Ended March 31, 2014	8,967	3.0	5,150	5.8	5,301	15.9	4,955	2.4
Fiscal Year Ended March 31, 2013	8,705	10.5	4,866	24.2	4,571	14.8	4,837	28.7

	Net Income Per Share	Diluted Net Earnings Per Share
	Yen	Yen
Fiscal Year Ended March 31, 2014	35.18	35.10
Fiscal Year Ended March 31, 2013	34.34	34.28

(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, 2014	177,411	145,605	81.8	1,031.57
Fiscal Year Ended March 31, 2013	174,280	144,513	82.7	1,024.27

(Reference) Equity Capital: As of the end of the fiscal year ended March 31, 2014: 145,285 million yen

As of the end of the fiscal year ended March 31, 2013: 144,263 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 2014 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.

These risks, uncertainties and other factors include: the impact of the ongoing global economic downturn on our sales and profitability in Japan and our other markets; the impact on our business of anticipated continued weakness of department stores and other general retailers in Japan; our ability to successfully develop, manufacture, and market products in Japan and our other markets that meet the changing tastes and needs of consumers and to deliver high quality products; the highly competitive nature of our business and the strength of our competitors; our ability to successfully expand our network of our own specialty retail stores and achieve profitable operations at these stores; our ability to further develop our internet sales capabilities; our ability to effectively manage our inventory levels; our ability to reduce costs; our ability to attract and retain highly qualified personnel; effects of irregular weather events on our business and performance; risks related to conducting our business internationally; risks from acquisitions and other strategic transactions with third parties; risks relating to return of investment for development of new markets; risks relating to intellectual property; risks relating to protection of customer information and our ability to protect our trade secrets; risks relating to internal controls over financial reporting; the impact of weakness in the Japanese equity markets on our holdings of Japanese equity securities; the impact of any natural disaster or epidemic on our business; and other risks referred to from time to time in our annual report and other disclosures.

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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, 2014

Our group entered the first year of our three-year mid-term plan (from fiscal 2014 to fiscal 2016), and we (primarily Wacoal Corp., our core operating entity) made efforts to expand our share of sales while responding to the diversifying domestic women's innerwear market, establish an organizational structure for our business other than the women's innerwear business and strengthen growth 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, 2014, overall sales exceeded the results for the previous fiscal year as a result of increased sales from Wacoal Corp., our core operating entity, due to the last-minute demand before the sales tax hike, the expansion of sales attributable to our overseas business, as well as the influence of the exchange rate. Operating income exceeded the results for the previous fiscal year mainly due to the increased profits from our overseas subsidiaries and the elimination of the impact of the impairment loss on intangible fixed assets which we recorded in the previous fiscal year.

As of the end of the fiscal year ended March 31, 2014, we have changed the fiscal year end of Wacoal Eveden Limited ("Wacoal Eveden"), which became our subsidiary in April 2012, from December 31 to March 31 in order to more closely conform the fiscal year end of Wacoal Eveden with that of its parent company. Accordingly, the results for the previous fiscal year of Wacoal Eveden which had previously been stated for a period of 9 months have been restated for a period of 12 months, and our group's consolidated results for the previous fiscal year have been restated accordingly.

Net Sales:	193,781 million yen (an increase of 7.5% as compared to the previous fiscal year)
Operating income:	13,860 million yen (an increase of 63.1% as compared to the previous fiscal year)
Pre-tax net income:	15,033 million yen (an increase of 37.4% as compared to the previous fiscal year)
Net income attributable to Wacoal Holdings Corp.:	10,106 million yen (an increase of 28.2% as compared to the previous fiscal year)

Business Overview of Our Operating Segments

a. Wacoal Business (Domestic)

In our Wacoal brand business, sales of core brassieres showed favorable performance, due to the sales of certain campaign products and brands in certain sales channels which gained support from consumers. Despite poor sales performance of our bottom products and undergarments which were impacted by climate instability, overall sales of our Wacoal brand business exceeded the results for the previous fiscal year as a result of our successful efforts in strengthening our product lineup mainly for our regular items in response to last-minute demand.

In our Wing brand business, although sales of our products based on "body aging" and high-end products performed poorly, sales of our core brassieres exceeded the results for the previous fiscal year due to an increase in the number of shops promoting collaboration products with our major clients, as well as the impact of last-minute demand. Overall sales of our Wing brand business remained unchanged from the results for the previous fiscal year due to the poor performance of our seasonal men's innerwear products, despite the favorable sales performance of men's innerwear products for seniors.

In our retail business, although sales from existing stores of our directly managed retail store, AMPHI, performed poorly, overall sales exceeded the results for the previous fiscal year due to an expansion in sales as a result of opening new stores, such as our newly-launched innerwear coordinating shop, AMPHI FUL FRU, and the steady sales performance of our Wacoal Factory Stores at outlet malls.

In our wellness business, although sales of running tights were impacted by the products sold by our competitors, sales of our sports conditioning wear "CW-X" brand expanded as a result of an increase in the opening of new sports specialty stores. Overall sales exceeded the results for the previous fiscal year due to the steady performance of women's business shoes with high functionality.

In our catalog sales business, overall sales remained unchanged from the results for the previous fiscal year due to the favorable performance of our internet sales, despite the poor performance of our summer and winter catalog products.

In summary, overall sales attributable to Wacoal Business (Domestic) exceeded the results for the previous fiscal year. With respect to profitability, our operating income exceeded the results for the previous fiscal year due to an increase in sales and our successful efforts in cost reduction.

Net Sales:	118,085 million yen (an increase of 2.1% as compared to the previous fiscal year)
Operating income:	9,284 million yen (an increase of 10.2% as compared to the previous fiscal year)

b. Wacoal Business (Overseas)

In the United States, we made aggressive efforts in expanding our U.S. market share, sales areas and channels mainly at department stores, which are our major clients. Sales exceeded the results for the previous fiscal year as a result of strong performance of our core brassiere products in general, and as a result of our expanded internet sales and Canadian business. In terms of profit, operating income exceeded the results for the previous fiscal year due to the increased sales as well as the impact of the exchange rate.

With respect to our business in China (from January 1 to December 31), we made efforts in improving profitability and enhancing our presence in the middle-class market. Sales exceeded the results for the previous fiscal year as a result of renovations conducted at core shops, the effect of the promotional initiatives we took with respect to our clients and the expanded internet sales. Sales of LA ROSABELLE, our brand targeting the middle-class market, at department stores also showed strong performance. In terms of profit, we recorded an operating profit (as compared to an operating loss for the previous fiscal year) as a result of increased sales, closing of less-profitable stores, discontinuation of underperforming brands, and the effect of reducing costs.

With respect to Wacoal Eveden Limited (from April 1, 2013 to March 31, 2014), we continued with success to expand our market share and improve profitability by exploiting our strengths in fuller bust bras in the United Kingdom, certain European markets, North America and Australia whilst strengthening our group synergies. Although sales were affected by slow consumer spending in the United Kingdom and Europe as well as unstable weather in major markets such as the United States, Fantasie brand sales, especially swimwear, saw strong growth in all markets. In addition, lingerie sales of our brand products for the fuller figure, Elomi and Goddess, showed favorable performance in the markets in which we operate as a result of our successful efforts in strengthening product development. Sales of our Wacoal branded products, which we launched in Australia and New Zealand, and of our Huit products in Asia, showed strong performance and, as a result, overall sales of Wacoal Eveden Limited exceeded the results for the previous fiscal year. In terms of profit, operating income exceeded the results for the previous fiscal year both as a result of our efforts to reduce our cost of sales by reassessing our system of production in order to improve margins by improving business efficiency, and also by reducing other types of costs. The increased proportion of our sales owing to North America, which is a highly-profitable region, also contributed to the strong results.

Significant increases in net sales and operating income under the “Wacoal Business (Overseas)” segment are due to the influence of exchange rates. In addition, Wacoal Eveden has been added to this segment from our “Other” segment starting with the current fiscal year and accordingly, the results for the previous fiscal year have been restated.

Net Sales:	43,636 million yen (an increase of 30.9% as compared to the previous fiscal year)
Operating income:	4,037 million yen (an increase of 99.6% as compared to the previous fiscal year)

c. Peach John Business

With respect to Peach John Co., Ltd. (“Peach John”), sales from our print catalogues showed weak performance, while our internet sales showed strong performance as a result of the favorable performance of our new brassiere products, which gained support from consumers, as well as our successful promotional initiatives using TV commercials and the internet. Sales from our core mail-order catalogues, however, exceeded the results for the previous fiscal year due to year-end and new year sales and the impact of last-minute demand.

Similarly to our mail-order catalogues, net sales attributable to our domestic direct retail stores exceeded the results for the previous fiscal year as a result of the strong performance of our flagship shops and as a result of our opening of new stores, such as our new business-style shop, YUMMY MART, in addition to the favorable performance of our new products and the effect of our promotional initiatives. With respect to our directly-managed overseas stores, sales from Hong Kong showed steady performance as a result of the enhanced merchandise policy and our establishing a solid base of customers, while sales from China showed poor performance.

As a result of the above, overall sales from our Peach John business exceeded the results for the previous fiscal year. In terms of profit, we recorded operating income due to the elimination of the impact of the impairment loss on intangible fixed assets which we recorded in the previous fiscal year, despite the increased cost rate which was impacted by the exchange rate.

Net Sales:	12,482 million yen (an increase of 4.3% as compared to the previous fiscal year)
Operating income:	83 million yen (as compared to 2,701 million yen of operating loss incurred for the previous fiscal year)

d. Other

With respect to the business of Lecien Corporation (“Lecien”), overall sales exceeded the results for the previous fiscal year, due to the expanded business volume of our core women’s innerwear and outerwear products with our major clients. In terms of profit, we recorded an operating loss due to an increased cost rate which was impacted by the exchange rate.

As for Nanasai Co., Ltd. (“Nanasai”), which engages in the manufacturing, sales and rental business of mannequins and interior design and construction of stores at commercial facilities, although the sales and rental businesses performed poorly due to the impact of reduced investment in reconstruction projects by our clients, overall sales exceeded the results for the previous fiscal year as a result of the steady results achieved by our construction business due to the increased number of orders received. Operating income exceeded the results for the previous fiscal year due to our efforts in cost reduction.

As a result of the above, with respect to the overall sales and operating income attributable to our “Other” 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:	19,578 million yen (an increase of 1.7% as compared to the previous fiscal year)
Operating income:	456 million yen (a decrease of 39.5% as compared to the previous fiscal year)

Forecast for Next Fiscal Year

We anticipate that the management environment surrounding our group will continue to remain severe. However, we plan to accelerate initiatives in the second year of our three-year mid-term plan (from fiscal 2014 to fiscal 2016), and to achieve further results by exercising the resources of our group as a whole.

In our domestic business, while observing the changes in the market environment after the sales tax hike, we will make efforts to expand our share of sales by making approaches into areas, price-ranges and age groups which we believe have further growth potential, and we will gradually work on building a new pillar of sales in business areas other than our women’s innerwear business.

In our overseas business, we will work on building the operating base of our European business, mainly Wacoal Eveden, and establishing our presence in European markets. In addition, we will expand our market share in the high-end market and cultivate new business in the United States and establish a stable profit structure in China.

Our group, as a whole, will make efforts to cope with the increased salary, price of commodities and weakening the Japanese yen in Asian countries and will build and strengthen our low-cost production facilities mainly in the ASEAN region, as well as maintain or reduce cost of sales. We will also work on expanding sales by exercising group synergies among the group companies and promote the establishment of a business structure which can ensure high revenue.

With regard to the primary exchange rates, the exchange rate for the U.S. dollar is assumed to be 103 yen to the dollar, the exchange for the Sterling pound is assumed to be 171 yen to the pound, and the exchange rate for the Chinese yuan is assumed to be 17 yen to the yuan.

Net Sales:	196,000 million yen (an increase of 1.1% as compared to the previous fiscal year)
Operating income:	13,500 million yen (a decrease of 2.6% as compared to the previous fiscal year)
Pre-tax net income:	15,400 million yen (an increase of 2.4% as compared to the previous fiscal year)
Net income attributable to Wacoal Holdings Corp.:	10,500 million yen (an increase of 3.9% 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, 2014 were 271,988 million yen, an increase of 17,452 million yen from the end of the previous fiscal year, due to increases in cash and cash equivalents and prepaid pension costs.

In terms of liabilities, our current liabilities were 64,452 million yen, a decrease of 1,259 million yen from the end of the previous fiscal year, due to decreases in accounts payable and accrued taxes.

Shareholders' equity was 205,106 million yen, an increase of 18,460 million yen from the end of the previous fiscal year, due to increases in retained earnings, foreign currency translation adjustment and unrealized gain on securities.

As a result of the above, our total shareholders' equity ratio as of March 31, 2014 was 75.4%, an increase of 2.1% from the end of the previous fiscal year.

Cash Flows Status

Cash flow provided by operating activities:

Cash flow provided by operating activities was 8,949 million yen, a decrease of 3,360 million yen as compared to the previous fiscal year, which reflects the result after adjusting the net income of 10,377 million yen for depreciation expenses and deferred taxes, as well as changes in assets and liabilities.

Cash flow provided by investing activities:

Cash flow provided by investing activities was 1,658 million yen, an increase of 25,178 million yen as compared to the previous fiscal year, due to proceeds from the sale and redemption of marketable securities and proceeds from the sale of investment securities.

Cash flow used in financing activities:

Cash flow used in financing activities was 5,554 million yen, an increase of 10,933 million yen as compared to the previous fiscal year, due to cash dividend payments.

As a result, the balance of cash and cash equivalents at the end of fiscal 2014, calculated by adding the exchange difference on cash and cash equivalents to the above total, was 30,658 million yen, an increase of 6,144 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 5,485 million yen.

Trends in certain cash-flow indicators

	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Shareholders' equity ratio (%)	77.6	73.3	75.4
Shareholders' equity ratio based on market value (%)	62.5	56.1	54.5
Debt redemption years (years)	0.6	1.5	2.0
Interest coverage ratio (times)	111.8	76.5	91.3

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 payment/interest" as described in the supplemental information to the consolidated cash flow statements

(3) Basic Policy Regarding Distribution of Profits and Dividends for Fiscal 2014 and Fiscal 2015

Our basic policy on profit distribution to shareholders is to make stable distributions based on consideration of our consolidated performance, while seeking to increase our enterprise value through active investment 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 in expanding new points of

contact with customers for our innerwear business and investing in our overseas businesses. We also plan to use our retained earnings in our 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 flexibly acquire treasury stock, and we will try to improve capital efficiency and return profits to our shareholders.

Based on such policy, we had forecasted the distribution for the year ended March 31, 2014 to be 28.00 yen per share. However, in consideration of the business results for the year ended March 31, 2014, we will pay an ordinary dividend of 30.00 yen per share. In addition, we are pleased to announce that, in order to return profits to our shareholders for their support, we have decided to pay a commemorative dividend of 3.00 yen in commemoration of the 50th anniversary of our listing in September, resulting in a dividend amount of 33.00 yen per share in total. For the fiscal year ending March 31, 2015, we plan to distribute 30.00 yen per share.

(4) Business Risks

These matters have not significantly changed since disclosure in our annual report for the year ended March 31, 2013, and are omitted.

For a financial summary for the year ended March 31, 2013 disclosing the above matters, please refer to the following URL.

Our homepage:

<http://www.wacoalholdings.jp/ir/library.html>

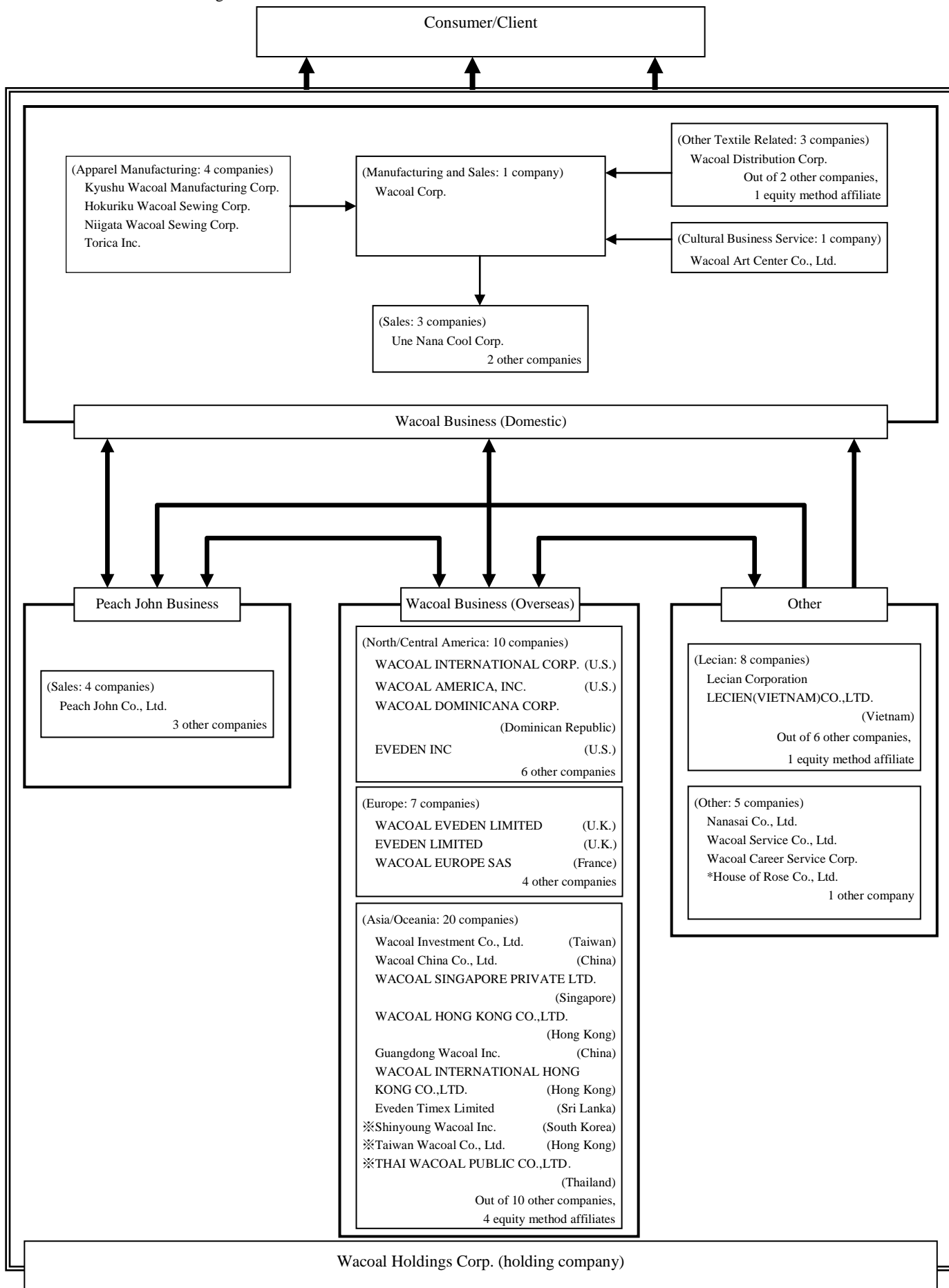
2. Status of Corporate Group

Our corporate group consists of Wacoal Holdings Corp. (the “Company”), 56 subsidiaries and 10 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. Two other companies (Total: 3 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. Two other companies (Total: 3 companies)
	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., EVEDEN Limited (U.K.), Wacoal China Co., Ltd., Shinyoung Wacoal Inc. (South Korea), Taiwan Wacoal Co., Ltd., Thai Wacoal Public Co., Ltd. Four other companies (Total: 10 companies)
	Sales	Wacoal Singapore Private Ltd., Wacoal Hong Kong Co., Ltd., Wacoal Europe SAS (France), Wacoal (UK) Ltd., EVEDEN INC. (U.S.) Ten other companies (Total: 15 companies)
	Apparel Manufacturing	Wacoal Dominicana Corp. (Dominican Republic), Guandong Wacoal Inc., Eveden Timex Limited (Sri Lanka) Three other companies (Total: 6 companies)
	Other Textile Related	Wacoal International Hong Kong Co., Ltd. (Total: 1 company)
	Other Business	Wacoal International Corp. (U.S.), Wacoal Eveden Limited (U.K.), Wacoal Investment Co., Ltd. (Taiwan) Two other companies (Total: 5 companies)
Peach John Business	Sales	Peach John Co., Ltd. Three other companies (Total: 4 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 group endeavors to support beautiful living for women by being a “company that resonates with women.” By capturing both body and mind, and working to support each and every woman’s expression of her own inner and outer beauty, we are working actively to develop a “body designing business.” To put this theme into action and achieve resonance with our customers, we provide real value with the beauty, comfort and health products and services of our Intimate Apparel and Wellness businesses. We believe that such activities will appeal to customers and enhance their loyalty to the Wacoal brand. We also believe that by continually growing our company and gaining customer support through such activities, we can also increase shareholder value. On the premise that expanding business operations will lead to increased profits and contribute to employee job opportunity and satisfaction, we endeavor to create new value while vitalizing the market as a leading company.

At the same time, we recognize that it is essential to actively engage in CSR (“corporate social responsibility”) activities to build mutual trust in order to gain the trust and support of various stakeholders. We believe that operating our business with due attention to CSR and promoting activities that contribute to society in areas where we can make the most of Wacoal’s originality are important to strengthening our brand and establishing a competitive position.

(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 (from fiscal 2014 to fiscal 2016) which we implemented in fiscal 2014. In order to achieve our aim, we will take full advantage of our management resources by selecting and focusing our business operations and expand our business operations by broadening the areas and scope where we are most competitive.

Under the three-year- mid-term plan, we aim to achieve consolidated sales of 200,000 million yen and a consolidated operating income of 14,000 million yen.

Basic Policy of Mid- and Long-term Strategy

(i) Progress toward Global Company

We will promote our business expansion in five regions, Japan, the Americas, Europe, China and Asia, and will enhance our competitiveness in the respective markets of these regions.

(ii) Strengthening Collective Group Resources through Collaboration

In addition to the collaboration among group companies in Japan, we will also aim to promote our collaboration with our overseas entities and will make efforts to enhance efficiency and competitiveness through effective combination of the assets, brand recognition, know-how and function of each entity.

(iii) Strengthening Management

It is essential that we change our management so that we can ensure profits while responding to the unpredictable changes in the market environment in Japan and overseas. We will make efforts to improve our operating margins by thoroughly managing aggregate inventories, sales and production at all group companies.

(iv) Promotion of CSR Activities

Our group aims to engage in CSR activities “where we can openly conduct our business activities in any business process and provide products that fulfill our customers’ demands”. Each one of us will aim to build trust with our customers and society through such activities.

(4) Issues to Address

Maintaining and/or expanding sales and profits from our domestic business is an essential factor for our group’s sustainable growth. While the domestic women’s innerwear market has diversified, our sales channel and regional strategies based on consumer behavior have become a major issue for us. We will need to build a system which can accurately respond to changes in consumer needs (as seen in the price reduction in high volume products) by drawing on our group’s collective strength. In addition, it is essential for us to develop new business lines besides our domestic women’s innerwear business.

We consider our overseas business as our group’s biggest growth engine and the expansion of our business in these regions will be essential for us to achieve our aim to become a “Wacoal of the World”. In addition, we believe it is essential for us to build manufacturing

capability which will enable us to develop and supply products with stability and competitiveness by adapting to the respective markets in the Asian countries, and addressing such issues as increased products cost due to increasing wages and/or cost of living and production capacity in these countries.

By promoting such management base and infrastructure development of the entire group, we will strengthen our management practices so that we can achieve further results by responding to any changes in the environment and accelerating initiatives to address issues that we face.

4. Consolidated Financial Statements (Unaudited)

(1) Consolidated Balance Sheets

Accounts	As of March 31, 2013	As of March 31, 2014	Amount Increased/(Decreased)
(Assets)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current assets			
Cash and cash equivalents	24,514	30,658	6,144
Time deposits	1,914	2,168	254
Marketable securities	4,601	3,523	(1,078)
Notes and accounts receivables	23,935	26,269	2,334
Allowance for returns and doubtful receivables	(1,882)	(2,321)	(439)
Inventories	37,903	40,211	2,308
Deferred income taxes	4,817	4,848	31
Other current assets	7,785	4,132	(3,653)
Total current assets	103,587	109,488	5,901
II. Property, Plant and Equipment			
Land	21,948	21,994	46
Buildings and structures	61,498	63,024	1,526
Machinery and equipment	15,104	15,446	342
Construction in progress	<u>151</u>	<u>147</u>	<u>(4)</u>
	98,701	100,611	1,910
Accumulated depreciation	(49,036)	(51,633)	(2,597)
Net property, plant and equipment	49,665	48,978	(687)
III. Other assets			
Investments in affiliated companies	17,599	18,894	1,295
Investments	42,368	45,951	3,583
Goodwill	20,442	22,723	2,281
Other intangible fixed assets	12,899	13,688	789
Prepaid pension cost	1,400	5,666	4,266
Deferred income taxes	1,064	1,008	(56)
Other	5,512	5,592	80
Total other assets	101,284	113,522	12,238
Total Assets	254,536	271,988	17,452

Accounts	As of March 31, 2013	As of March 31, 2014	Amount Increased/(Decreased)
(Liabilities)	Millions of Yen	Millions of Yen	Millions of Yen
I. Current Liabilities			
Short-term bank loans	16,351	16,630	279
Notes and accounts payables			
Trade notes	1,442	1,064	(378)
Trade accounts	10,961	10,657	(304)
Other payables	<u>6,008</u>	<u>5,764</u>	<u>(244)</u>
	18,411	17,485	(926)
Accrued payroll and bonuses	6,927	7,085	158
Income taxes payable	4,559	1,224	(3,335)
Current portion of long-term debt	898	695	(203)
Other current liabilities	3,358	3,489	131
Total current liabilities	50,504	46,608	(3,896)
II. Long-term liabilities			
Long-term debt	1,516	822	(694)
Liabilities for termination and retirement benefit	1,802	1,795	(7)
Deferred income taxes	10,201	13,611	3,410
Other long-term liabilities	1,688	1,616	(72)
Total long-term liabilities	15,207	17,844	2,637
Total liabilities	65,711	64,452	(1,259)
(Equity)			
I. Common stock	13,260	13,260	-
II. Additional paid-in capital	29,514	29,587	73
III. Retained earnings	145,306	151,468	6,162
IV. Accumulated other comprehensive income (loss)			
Foreign currency translation adjustments	(5,924)	2,310	8,234
Unrealized gain on securities	9,310	11,606	2,296
Pension liability adjustments	(1,928)	(227)	1,701
V. Treasury stock	(2,892)	(2,898)	(6)
Total shareholders' equity	186,646	205,106	18,460
VI. Noncontrolling interests	2,179	2,430	251
Total equity	188,825	207,536	18,711
Total liabilities and equity	254,536	271,988	17,452

(2) Consolidated Statements of Income

Accounts	Fiscal Year Ended March 31, 2013		Fiscal Year Ended March 31, 2014		Amount Increased/(Decreased) Millions of Yen
	Millions of Yen	%	Millions of Yen	%	
I. Net Sales	180,230	100.0	193,781	100.0	13,551
II. Operating costs and expenses					
Cost of sales	84,548	46.9	91,008	47.0	6,460
Selling, general and administrative	84,228	46.7	88,819	45.8	4,591
Losses on sale of fixed assets, net	103	0.1	94	0.0	(9)
Impairment charges on goodwill and other intangible assets	2,852	1.6	-	-	(2,852)
Total operating costs and expenses	171,731	95.3	179,921	92.8	8,190
Operating income	8,499	4.7	13,860	7.2	5,361
III. Other income (expenses)					
Interest income	85	0.1	97	0.1	12
Interest expense	(164)	(0.1)	(105)	(0.1)	59
Dividend income	789	0.5	831	0.4	42
Gain on sale or exchange of marketable securities and investments, net	2,208	1.2	84	0.0	(2,124)
Valuation gain or loss on marketable securities and investments, net	(325)	(0.2)	(47)	0.0	278
Other, net	(152)	(0.1)	313	0.2	465
Total other income (expenses)	2,441	1.4	1,173	0.6	(1,268)
Income Before Income Taxes, Equity in Net Income of Affiliated Companies	10,940	6.1	15,033	7.8	4,093
Income taxes					
Current	6,638	3.7	5,256	2.8	(1,382)
Deferred	(2,866)	(1.6)	385	0.2	3,251
Total income taxes	3,772	2.1	5,641	3.0	1,869
Income before equity in net income of affiliated companies	7,168	4.0	9,392	4.8	2,224
Equity in net income of affiliated companies	939	0.5	985	0.5	46
Net income	8,107	4.5	10,377	5.3	2,270
Net income attributable to non-controlling interests	(227)	(0.1)	(271)	(0.1)	(44)
Net income attributable to Wacoal Holdings Corp.	7,880	4.4	10,106	5.2	2,226

(3) Consolidated Statements of Comprehensive Income

Accounts	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014	Amount Increased/(Decreased)
	Millions of Yen	Millions of Yen	Millions of Yen
I. Net income	8,107	10,377	2,270
II. Other comprehensive income (loss) – net of tax			
Foreign currency translation adjustments	5,072	8,369	3,297
Net unrealized gains on securities	5,122	2,302	(2,820)
Pension liability adjustments	1,048	1,701	653
other comprehensive income (loss)	11,242	12,372	1,130
Comprehensive income (loss)	19,349	22,749	3,400
Comprehensive (income) loss attributable to noncontrolling interests	(316)	(412)	(96)
Comprehensive income (loss) attributable to Wacoal Holdings Corp.	19,033	22,337	3,304

(4) Consolidated Statements of Equity

Fiscal Year Ended March 31, 2013

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, 2012	140,851	13,260	29,447	141,370	(9,695)	(2,886)	171,496	1,932	173,428
Cash dividends paid to Wacoal Holdings Corp. shareholders (28.00 yen per share)				(3,944)			(3,944)		(3,944)
Cash dividends paid to noncontrolling interests							-	(96)	(96)
Repurchase of treasury stock	(11)					(10)	(10)		(10)
Sale of treasury stock	1					1	1		1
Acquisition of subsidiaries							-	208	208
Equity transactions with noncontrolling interests			17				17	(181)	(164)
Other	3		50			3	53		53
Net income				7,880			7,880	227	8,107
Other comprehensive income (loss)					11,153		11,153	89	11,242
As of March 31, 2013	140,844	13,260	29,514	145,306	1,458	(2,892)	186,646	2,179	188,825

Fiscal Year Ended March 31, 2014

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, 2013	140,844	13,260	29,514	145,306	1,458	(2,892)	186,646	2,179	188,825
Cash dividends paid to the Wacoal Holdings Corp. shareholders (28.00 yen per share)				(3,944)			(3,944)		(3,944)
Cash dividends paid to noncontrolling interests							-	(148)	(148)
Repurchase of treasury stock	(6)					(6)	(6)		(6)
Sale of treasury stock	1						0		0
Equity transactions with noncontrolling interests			4				4	(13)	(9)
Other			69				69		69
Net income				10,106			10,106	271	10,377
Other comprehensive income (loss)					12,231		12,231	141	12,372
As of March 31, 2014	140,839	13,260	29,587	151,468	13,689	(2,898)	205,106	2,430	207,536

(5) Consolidated Statements of Cash Flows

Accounts	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014	Amount Increased/(Decreased)
	Millions of Yen	Millions of Yen	Millions of Yen
I. Operating activities			
1. Net income	8,107	10,377	2,270
2. Adjustments to reconcile net income to net cash provided by operating activities			
(1) Depreciation and amortization	4,888	5,036	148
(2) Provision for returns and doubtful receivables—net	269	365	96
(3) Deferred income taxes	(2,866)	385	3,251
(4) Losses on sales of fixed assets	103	94	(9)
(5) Impairment charges on goodwill and other intangible assets	2,852	-	(2,852)
(6) Valuation gain or loss on marketable securities and investments	325	47	(278)
(7) Loss on sale and exchange of marketable securities and/or investment securities	(2,208)	(84)	2,124
(8) Equity in net income of affiliated companies, less dividends	(359)	(272)	87
(9) Changes in assets and liabilities			
Decrease (increase) in notes and receivable	1,438	(1,368)	(2,806)
Increase in inventories	(680)	(339)	341
(Increase) decrease in other current assets	(215)	636	851
Decrease in Notes and accounts payable	(1,905)	(1,541)	364
Decrease in liabilities for termination and retirement benefits	(853)	(827)	26
Increase (decrease) in other liabilities	3,215	(3,649)	(6,864)
(10) Other	198	89	(109)
Net cash flow provided by operating activities	12,309	8,949	(3,360)
II. Investing activities			
1. Increase in time deposits	(1,846)	(2,347)	(501)
2. Decrease in time deposits	836	2,291	1,455
3. Proceeds from sale and redemption of marketable securities	1,430	1,439	9
4. Payments to acquire marketable securities	(494)	(115)	379
5. Proceeds from sale of property, plant and equipment	64	24	(40)
6. Capital expenditure	(2,475)	(2,265)	210
7. Payments to acquire intangible assets	(855)	(1,199)	(344)
8. Proceeds from sale of other investments	1,249	4,121	2,872
9. Payments to acquire investments	(4,135)	(264)	3,871
10. Acquisition of subsidiaries, net of cash acquired, and payments to acquire additional shares of a subsidiary	(17,070)	(8)	17,062
11. Other	(224)	(19)	205
Net cash flow (used in) provided by investing activities	(23,520)	1,658	25,178
III. Financing activities			
1. Net increase (decrease) in short-term bank loans	10,299	(555)	(10,854)
2. Proceeds from issuance of long-term debt	2,039	-	(2,039)
3. Repayment of long-term debt	(2,910)	(901)	2,009
4. Repurchase of treasury stock	(10)	(6)	4
5. Sale of treasury stock	1	0	(1)
6. Dividends paid on common stock	(3,944)	(3,944)	0
7. Dividends paid on common stock to noncontrolling interests	(96)	(148)	(52)
Net cash flow provided by (used in) financing activities	5,379	(5,554)	(10,933)
IV. Effect of exchange rate changes on cash and cash equivalents	361	1,091	730
V. Net (decrease) increase in cash and cash equivalents	(5,471)	6,144	11,615
VI. Cash and cash equivalents, Beginning of year	29,985	24,514	(5,471)
VII. Cash and cash equivalents, End of year	24,514	30,658	6,144

Additional Cash Flow Information

Accounts	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014	Amount Increased/(Decreased)
Cash paid for			
Interest	161	98	(63)
Income taxes	4,275	8,305	4,030
Noncash investing activities			
Acquisition amount of investment securities in exchange for other marketable securities	1,450	-	(1,450)
Acquisition of fixed assets by assuming payment obligation	429	582	153
Sale of investments	3,775	-	(3,775)

(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 Eveden Limited, Eveden Limited, 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):

Lecien (Cambodia) Co., Ltd.

Consolidated (excluded):

Lecien Ryo Lace Co., Ltd., Wacoal France Société Anonyme, Wacoal (Shanghai) Human Science R&D Co., Ltd., Lecien U.S.A., Inc.

Equity Method (new):

Pattaya Myanmar 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 relation to 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 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", "trading securities" and "held-to-maturity securities". "Available for sale securities" and "trading securities" are valued at fair value and the "held-to-maturity securities" are valued at amortized cost. Gain or loss on sale of marketable securities is calculated based on the 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

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

(v) Change of Fiscal Year End of Certain Subsidiaries

For the year ended March 31, 2014, certain subsidiaries changed their fiscal year ends from December 31 to March 31 to more closely conform with the Parent's year-end. Accordingly, in order to reflect the change, the consolidated balance sheet, consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of equity, consolidated statements of cash flows, per share information, segment information, and status of sales of the previous fiscal year have been adjusted retrospectively. The influence of such retrospective adjustments on the amounts of net income attributable to Wacoal Holdings Corp., total equity and total assets for the previous fiscal year are as follows.

	Before retrospective adjustment	After retrospective adjustment
Net income attributable to Wacoal Holdings Corp.	7,623	7,880
Total equity	188,004	188,825
Total assets	253,803	254,536

(8) Notes to the Consolidated Financial Statements

(i) Marketable Securities and Investments

(Millions of Yen)

	As of March 31, 2013				As of March 31, 2014			
	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value	Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Marketable Securities								
National debt securities	10	0	-	10	10	-	0	10
Corporate debt securities	1,200	0	9	1,191	500	2	-	502
Mutual Fund	2,532	373	2	2,903	2,483	428	5	2,906
Total	3,742	373	11	4,104	2,993	430	5	3,418
Investments								
Equity securities	23,927	16,603	4	40,526	23,844	20,333	7	44,170
Total	23,927	16,603	4	40,526	23,844	20,333	7	44,170

(Note) The securities which are classified as available for sale securities are shown in the above table and the 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 have been omitted as the amounts involved are non-material.

(iii) Per Share Information

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Net income attributable to Wacoal Holdings Corp.	7,880 million yen	10,106 million yen
Number of average shares issued during the year (excluding treasury stock)	140,846,298 shares	140,841,722 shares
Net income attributable to Wacoal Holdings Corp. per share	55.95 yen	71.75 yen
Diluted net income attributable to Wacoal Holdings Corp. per share	55.86 yen	71.61 yen

(iv) Subsequent Events

On May 8, 2014, an agreement to sell a part of our paintings held as fixed assets of the Company was executed. Accordingly, we plan to record approximately 1.2 billion yen of gain on sale of fixed assets during the fiscal year ending March 31, 2015.

(v) Segment Information

a. Operating Segment Information

Fiscal Year Ended March 31, 2013 (April 1, 2012 - March 31, 2013)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	115,657	33,345	11,972	19,256	180,230	-	180,230
(2) Intersegment	2,193	7,575	232	5,415	15,415	(15,415)	-
Total	117,850	40,920	12,204	24,671	195,645	(15,415)	180,230
Operating costs and expenses	109,427	38,897	12,053	23,917	184,294	(15,415)	168,879
Impairment charges on goodwill and other intangible assets	-	-	2,852	-	2,852	-	2,852
Total operating costs and expenses	109,427	38,897	14,905	23,917	187,146	(15,415)	171,731
Operating income (loss)	8,423	2,023	(2,701)	754	8,499	-	8,499

Fiscal Year Ended March 31, 2014 (April 1, 2013 - March 31, 2014)

(Millions of Yen)

	Wacoal business (Domestic)	Wacoal business (Overseas)	Peach John business	Other	Total	Elimination	Consolidated
Net sales							
(1) External customers	118,085	43,636	12,482	19,578	193,781	-	193,781
(2) Intersegment	2,149	8,049	455	5,406	16,059	(16,059)	-
Total	120,234	51,685	12,937	24,984	209,840	(16,059)	193,781
Operating costs and expenses	110,950	47,648	12,854	24,528	195,980	(16,059)	179,921
Operating income	9,284	4,037	83	456	13,860	-	13,860

(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, nightwear and children's innerwear), 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.

2. Matters concerning changes in reporting segment:

From the current consolidated first quarter, in conformity with the change to the structure of our internal reporting segments based on our organizational structure, the amount related to Wacoal Eveden is recorded in "Wacoal business (overseas)", whereas it was originally recorded in our "Other" segment.

Accordingly, the segment information related to the previous consolidated fiscal year has been amended and restated based on these new reporting segments.

b. Information by Region

Fiscal Year Ended March 31, 2013 (April 1, 2012 to March 31, 2013)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Total	Elimination or corporate	Consolidated
I. Net sales						
External customers	146,224	11,777	22,229	180,230	-	180,230
II. Operating income	6,734	25	1,740	8,499	-	8,499
III. Long-lived assets	44,670	2,692	2,303	49,665	-	49,665

Fiscal Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(Millions of Yen)

	Japan	Asia/Oceania	Europe/N.A.	Total	Elimination or corporate	Consolidated
I. Net sales						
External customers	149,715	14,871	29,195	193,781	-	193,781
II. Operating income	9,878	641	3,341	13,860	-	13,860
III. Long-lived assets	43,446	2,894	2,638	48,978	-	48,978

- (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, 2013 (April 1, 2012 - March 31, 2013)

(Millions of Yen)

	Asia/Oceania	Europe/N.A.	Total
I. Overseas net sales	11,777	22,229	34,006
II. Consolidated net sales	-	-	180,230
III. Ratio of overseas net sales to total consolidated net sales	6.6%	12.3%	18.9%

Fiscal Year Ended March 31, 2014 (April 1, 2013 - March 31, 2014)

(Millions of Yen)

	Asia/Oceania	Europe/N.A.	Total
I. Overseas net sales	14,871	29,195	44,066
II. Consolidated net sales	-	-	193,781
III. Ratio of overseas net sales to total consolidated net sales	7.7%	15.0%	22.7%

- (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

(vi) Status of Sales

Type of product	Fiscal Year Ended March 31, 2013		Fiscal Year Ended March 31, 2014	
	Amount	Distribution ratio	Amount	Distribution ratio
	Millions of Yen	%	Millions of Yen	%
Innerwear				
Foundation and lingerie	132,525	73.5	144,783	74.7
Nightwear	9,221	5.1	9,301	4.8
Children's underwear	1,465	0.8	1,475	0.8
Subtotal	143,211	79.4	155,559	80.3
Outerwear/Sportswear	17,287	9.6	16,954	8.8
Hosiery	1,559	0.9	1,791	0.9
Other textile goods and related products	7,580	4.2	8,577	4.4
Other	10,593	5.9	10,900	5.6
Total	180,230	100.0	193,781	100.0

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.

5. Other

Changes to Corporate Officers

The scheduled changes to the composition of the board of directors after the conclusion of the 66th ordinary general meeting of shareholders to be held on June 27, 2014 will be as follows.

1. Resignation of Director (as of June 27, 2014 (scheduled))

Ikuo Otani is scheduled to resign as Senior Managing Director.

2. Promotion of Director (as of June 27, 2014 (scheduled))

Current Director Yuzo Ide is scheduled to be promoted to Managing Director.

3. Appointment of Director (as of June 27, 2014 (scheduled))

Current Director and Managing Corporate Officer of Wacoal Corp. Masaya Wakabayashi is scheduled to be appointed as Managing Director.

The management and administrative organization after the conclusion of the 66th Ordinary General Meeting of Shareholders to be held on June 27, 2014 will be as follows:

Management and Administrative Organization for the 67th Fiscal Year

<u>Director/Audit & Supervisory Board Member</u>	<u>Name</u>
Representative Director	Yoshikata Tsukamoto
Director and Vice President	Hideo Kawanaka
Senior Managing Director	Hironobu Yasuhara
Managing Director	Yuzo Ide
Managing Director	Masaya Wakabayashi
Director (outside director)	Mamoru Ozaki
Director (outside director)	Atsushi Horiba
Audit & Supervisory Board Member	Mitsuo Yamamoto
Audit & Supervisory Board Member	Tomoki Nakamura
Audit & Supervisory Board Member (outside auditor)	Akira Katayanagi
Audit & Supervisory Board Member (outside auditor)	Tomoharu Kuda
Audit & Supervisory Board Member (outside auditor)	Yoko Takemura

(Reference)

The management and administrative organization for the 10th term of Wacoal Corporation will be as follows:

Management and Administrative Organization for the 10th 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	In charge of International Division and General Manager of International Operations
Director	Vice President and Corporate Officer	Yasuyuki Nakatsutsumi	In charge of Domestic Sales
Director	Managing Corporate Officer	Masaya Wakabayashi	In charge of Administration
Director	Managing Corporate Officer	Masashi Yamaguchi	General Manager of Personnel and Administration Department and Manager of Personnel Division
Director	Corporate Officer	Kiyotaka Hiroshima	General Manager of Technology/Production Division
Director	Corporate Officer	Kuniharu Suzuki	General Manager of Wing Brand Operation Division
Director	Corporate Officer	Tomoyasu Ito	General Manager of Wacoal Brand Operation Division and General Manager of Innerwear Products
Audit & Supervisory Board Member		Mitsuo Yamamoto	
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 Regional Sales Control of Wacoal Brand Operation Division
	Corporate Officer	Yasuo Kamoshita	Chief of Corporate Planning
	Corporate Officer	Junko Kasai	Chief of Diversity Career Support Group of Personnel and Administration Department
	Corporate Officer	Akio Ouchi	General Manager of Information System Division
	Corporate Officer	Hiroyuki Sekiguchi	General Manager of Wacoal Brand Operation Division
	Corporate Officer	Atsushi Kotani	General Manager of Chain Stores Sales Control, Wacoal Brand Operation Division
	Corporate Officer	Hiroshi Nishioka	General Manager of Sales Control and Tokyo Sales Office, Wing Brand Operation Division
	Corporate Officer	Hidehiko Imaizumi	General Manager of Retail Operation Division and Chief of Store Development Group
	Corporate Officer	Masami Ono	Manager of Wellness Business Division
	Corporate Officer	Kazuhiko Hirakata	Manager of Mail-Order Sales Business Divisions
	Corporate Officer	Masaaki Yajima	Director, General Manager of Wacoal China Co., Ltd.
	Corporate Officer	Akihisa Nakano	Director and Vice Chairman of Wacoal America, Inc.

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