

May 10, 2005

To whom it may concern:

WACOAL CORP.  
Yoshikata Tsukamoto, President and Director  
(Code Number: 3591)  
(Tokyo Stock Exchange, First Section)  
(Osaka Securities Exchange, First Section)  
Contact: Ikuo Otani, Corporate Officer,  
Director of Finance, Corporate Planning  
(Tel: 075-682-1010)

Announcement of the Transition to a Holding Company Structure Through a Corporate Split Transaction

We hereby announce that the board of directors of Wacoal Corp. has resolved at its meeting held today to spin off all of the Company's businesses into a separate company and to effect a transition to a holding company structure as of October 1, 2005. The corporate split plan will be submitted for approval at the ordinary general meeting of shareholders to be held on June 29, 2005.

After the corporate split, the Company will become a holding company with a new corporate name "Wacoal Holdings Corp." and it will continue to be listed.

1. Purpose of the transition to a holding company structure

Through the transition to a holding company structure, Wacoal as a group will be able to more effectively make strategic decisions and allocate resources more efficiently, and each operating company owned by the holding company will be able to actively execute its business plan with clear responsibility and authority. We also believe that a holding company structure is the most efficient structure for carrying out any future changes to our corporate structure, such as further group reorganization in accordance with the businesses and functions of our subsidiaries, as well as smooth organizational integration in any future M&A transactions.

Currently we are working on the "CAP 21" project aimed at the preparation of mid-and-long term strategies for the improvement of our corporate value. Under the project, we are considering the reorganization and enforcement of our existing businesses, as well as potential strategic alliances or other M&A transactions, with a goal to establishing a new management strategy for growth that is expected to outpace a simple extrapolation of our current position. The transition to a holding company structure will allow us to establish the structure necessary to quickly realize our development strategy.

2. Outline of the corporate split

(1) Schedule of the corporate split

Meeting of the board of directors to approve the corporate split plan: May 10, 2005

Ordinary general meeting of shareholders to approve the corporate split plan: June 29, 2005 (expected)

Date of corporate split: October 1, 2005 (expected)

Registration of corporate split: October 3, 2005 (expected)

(2) Method of the corporate split

(a) Method of the corporate split

Using a corporate split transaction (*shinsetsu bunkatsu*), Wacoal Corp. (the *bunkatsu kaisha* or the split company) will be the subject of a corporate split transaction, and the new company that will be established will become the successor to Wacoal's current operations (*shoukei kaisha* or successor company). All shares of the successor company to be issued at the time of the corporate split will be allotted to Wacoal Corp (*butteki bunkatsu*).

(b) Reason for adopting the method

We have chosen the corporate split method to ensure an effective and smooth transition to a holding company structure.

(3) Allotment of shares

All 100,000 shares to be issued by the successor company at the time of the corporate split will be allotted to Wacoal Corp., the split company.

(4) Rights and obligations to be acquired by the successor company

(a) Asset, liability, rights and obligations incidental thereto

The successor company will acquire all assets, liabilities, rights and obligations, and contractual status (including employment contracts with all employees) of Wacoal Corp., other than as provided in the corporate split plan dated May 10, 2005 between Wacoal Corp. and the successor company.

(b) Outlook regarding performance of obligations

Under the corporate split plan, the amount of assets that are to remain with the split company and the amount of assets to be transferred to the successor company will both exceed the amount of respective liabilities, and we believe the outlook regarding the performance of obligations is very good.

(5) Directors and statutory auditors assuming positions with the successor company

(a) Directors

Yoshikata Tsukamoto, Shoichi Suezawa, Yuzo Ito, Masayuki Yamamoto, Tatsuya Kondo

(b) Statutory Auditors

Michihiko Kato, Hajime Kotake, Riichiro Okano, Noboru Unabara, Yoko Takemura

3. Outline of the companies involved in the corporate split

	As of March 31, 2005	After the corporate split (scheduled)
(1) Corporate name	Wacoal Corp. (split company) (to be changed to Wacoal Holdings Corp.)	Wacoal Corp. (successor company)
(2) Description of business	Manufacture and wholesale of intimate apparel, outerwear, sportswear and other textiles and related products, and direct sale to consumers of a part of the products	Manufacture and wholesale of intimate apparel, outerwear, sportswear and other textiles and related products, and direct sale to consumers of a part of the products
(3) Date of establishment	November 1, 1949	October 1, 2005
(4) Location of head	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto	29, Nakajima-cho, Kisshoin,

office		Minami-ku, Kyoto										
(5) Name of representative	Yoshikata Tsukamoto, Representative Director	Yoshikata Tsukamoto, Representative Director										
(6) Amount of capital	13,260 million yen	5,000 million yen										
(7) Number of issued and outstanding shares	144,016 thousand shares	100 thousand shares										
(8) Shareholders' equity	162,637 million yen	75,402 million yen										
(9) Total assets	196,641 million yen	109,113 million yen										
(10) Fiscal year end	March 31	March 31										
(11) Number of employees	4,674	Approximately 4,600										
(12) Major business partners	Toray Industries, Inc., Asahi Kasei Corporation, Itochu Corporation, Chori Co., Ltd., Torica Inc., Takashimaya Company, Limited, The Daimaru, Inc., Isetan Company Limited	Toray Industries, Inc., Asahi Kasei Corporation, Itochu Corporation, Chori Co., Ltd., Torica Inc., Takashimaya Company, Limited, The Daimaru, Inc., Isetan Company Limited										
(13) Major shareholders and shareholding ratio (as of March 31, 2005)	<table border="0"> <tr> <td>Hero &amp; Co.</td> <td>6.22%</td> </tr> <tr> <td>MLI EFG Non-treaty Custody Account</td> <td>5.60%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>4.86%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trustee)</td> <td>3.80%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>3.79%</td> </tr> </table>	Hero & Co.	6.22%	MLI EFG Non-treaty Custody Account	5.60%	Meiji Yasuda Life Insurance Company	4.86%	Japan Trustee Services Bank, Ltd. (Trustee)	3.80%	Nippon Life Insurance Company	3.79%	Wacoal Holdings Corp. 100%
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Nippon Life Insurance Company	3.79%											
(14) Major banks	The Bank of Tokyo-Mitsubishi, Ltd. Mizuho Corporate Bank, Ltd. The Mitsubishi Trust and Banking Corporation UFJ Bank Limited	The Bank of Tokyo-Mitsubishi, Ltd. Mizuho Corporate Bank, Ltd. The Mitsubishi Trust and Banking Corporation UFJ Bank Limited										
(15) Relationship between the companies involved	Capital	Split company will hold 100% of the outstanding shares of the successor company										
	Personal	Directors of the split company will also hold the post of directors of the successor company										
	Transactional	All transactional relationships relating to the previous business of the split company will be assumed by the successor company. Real property lease agreements, etc. will be executed between the companies.										

(16) Business results of the split company for the recent three fiscal years

Fiscal year	Year ended March 2003	Year ended March 2004	Year ended March 2005
Sales	128,642 million yen	128,496 million yen	128,243 million yen
Operating Income	8,169 million yen	5,775 million yen	4,111 million yen
Pre-tax Net Income	9,517 million yen	7,152 million yen	5,919 million yen
Net Income	3,013 million yen	4,035 million yen	3,098 million yen
Net Income Per Share	19.99 yen	27.34 yen	21.33 yen
Dividend Per Share	13.50 yen	15.00 yen	20.00 yen
Shareholders' Equity Per Share	1,062.12 yen	1,127.18 yen	1,129.67 yen

4. Description of the operating divisions to be split

(1) Description of the operating divisions to be split

All of the operations previously performed by the split company

(2) Operating results of the operations to be split for the fiscal year ended March 2005

	Operation to be split (a)	Results of the split company (b)	Ratio (a/b)
Sales	128,243 million yen	128,243 million yen	100%
Total income on sales	61,505 million yen	61,505 million yen	100%

(Note) Only the sales and total income on sales are described above, as currently we are unable to determine the fixed costs and expenses relating to the operations to be split.

(3) Item and book value of the assets and liabilities to be transferred (as of March 31, 2005)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	62,418 million yen	Current liabilities	26,798 million yen
Fixed assets	46,695 million yen	Long-term liabilities	6,913 million yen
Total	109,113 million yen	Total	33,711 million yen

5. Status of the Company after the corporate split

(1) Corporate name: Wacoal Holdings Corp.

(2) Description of business: Holding company

(3) Location of head office: 29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto

(4) Name of representative: Yoshikata Tsukamoto, Representative Director

(5) Amount of capital: 13,260 million yen

(6) Total assets: 162,930 million yen

(7) Fiscal year end: March 31

(8) Effect on the business results:

As the successor company will be a fully-owned subsidiary of the Company, consolidated business results of the group will not be affected by the subject corporate split. With respect to the non-consolidated business results of the Company, as it will become a holding company after the corporate split, its major income will be dividends from subsidiaries and income from lease of real properties, and its major expenses will be those relating to its functions as a holding company.