

(English Translation)

May 10, 2006

To whom it may concern:

WACOAL HOLDINGS CORP.
Yoshikata Tsukamoto, Representative Director
(Code Number: 3591)
(Tokyo Stock Exchange, First Section)
(Osaka Securities Exchange, First Section)
Ikuo Otani, General Manager, Corporate Planning
(Telephone: 075-682-1010)

Announcement Regarding Business and Capital Alliance with Peach John Co., Ltd.

We hereby announce that on May 10, 2006, our board of directors resolved to form a business and capital alliance with Peach John Co., Ltd. (“Peach John”) and the company has reached a basic agreement with Peach John pursuant to the terms described below.

1. Purpose and Details of Business and Capital Alliance

In an effort to formulate a mid to long-term business strategy for accelerated growth, we are currently considering strategic business alliances that go beyond the scope of our traditional sales channels and that may enable us to cultivate new business models or expand our business, and we are taking initiatives to expand our business by broadening our base in areas and geographic territories with a high competitive potential.

We plan to further enhance the position of our core Wacoal and Wing brands in the innerwear market and simultaneously pursue business development that meets the needs of consumers in various segments, utilizing the driving forces of our catalog sales, Wellness and directly managed store businesses from which growth potential is expected.

Peach John, our new alliance partner, has achieved a breakthrough with its own catalog and Internet sales of innerwear, outerwear and other products by planning and developing its own original designs. Peach John has many loyal customers, mainly young women and young career women, and is developing company stores across Japan.

We have decided to enter into an alliance with Peach John because we believe it will give us the ability to utilize our respective know-how and combine our respective broad customer bases in the mail-order and directly managed store businesses, and it will also give us the opportunity to explore potential synergies from the joint development and provision of products and services to meet new customer needs, and from collaboration regarding the development of new businesses, joint branding and overseas development.

The details of the business alliance will be discussed and considered in due course.

2. Outline of Peach John

- (1) Corporate Name: Peach John Co., Ltd.
- (2) Location of Head Office: 17-11, Jingumae 6-chome, Shibuya-ku, Tokyo
- (3) Name of Representatives: Shoji Noguchi, Representative Director and Chairman
Mika Noguchi, Representative Director and President
- (4) Principal Business: Mail-order sales of women's apparel and various other apparel products
- (5) Date of Incorporation: June 1, 1994
- (6) Capital Amount: 90,000 thousand yen
- (7) Fiscal Year End: May 31
- (8) Number of Employees: 140 (as of March 16, 2006)
- (9) Principal Business Office: Sendai, Japan
- (10) Total Number of Outstanding Shares: 1,800 shares
- (11) Major Shareholders and Shareholding Ratio: Shoji Noguchi (882 shares/49.0%)
Mika Noguchi (918 shares/51.0%)
Total (1,800 shares/100%)

(12) Results for Recent Fiscal Years:

(Unit: millions of yen)

Fiscal Year Ended	May 31, 2004	May 31, 2005
Net Sales	14,471	16,095
Net Income	1,096	1,873
Total Assets	4,162	7,411

- (13) Relationship: There is no capital, personnel or business relationship with the Company.

3. Acquisition of Shares

- (1) Name of Transferor: Shoji Noguchi (Representative Director and Chairman of Peach John)
- (2) Number of shares held before acquisition: None (0%)
- (3) Number of shares to be acquired: 882 shares
- (4) Number of shares held after acquisition: 882 shares (49%)

4. Schedule

Board of directors' meeting for approval: May 10, 2006
Execution of Basic Agreement: May 10, 2006
Execution of Share Purchase Agreement: May 30, 2006 (tentative)
Delivery of Stock Certificates: June 2, 2006 (tentative)

5. Future Prospects

We will periodically hold discussions with Peach John with respect to the particulars of the business alliance and joint projects, etc.

We will announce the forecast for consolidated business results for the fiscal year ending March 31, 2007, which reflect the effect of this business alliance, once the particulars of the business and capital alliance have been determined and the effect on our business results have been analyzed.

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