

May 8, 2009

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)
Masaya Wakabayashi,
General Manager, Corporate Planning
(Telephone: 075-623-3750)

Announcement Regarding a Share Exchange to Make Lecien Corporation
a Wholly Owned Subsidiary of Wacoal Holdings Corp.

Wacoal Holdings Corp. (“Wacoal Holdings”) and Lecien Corporation (“Lecien”) hereby announce that on May 8, 2009, their respective boards of directors resolved to make Lecien a wholly owned subsidiary of Wacoal Holdings through a share exchange pursuant to the terms described below (“Share Exchange”) by August 17, 2009, and that a share exchange agreement was executed by and between Wacoal Holdings and Lecien. Prior to the effective date of the Share Exchange, shares of Lecien will be delisted from the Osaka Securities Exchange (the “OSE”).

1. Purpose of Making Lecien a Wholly Owned Subsidiary by Share Exchange

(1) Purpose of Share Exchange

Wacoal Holdings’ business focuses on “contributing to society by supporting all women in exploring their beauty”, and Wacoal Holdings makes efforts at expanding its share in the innerwear markets with its core Wacoal and Wing brand products. In recent years, Wacoal Holdings is focusing on Internet sales, its directly managed store business, its wellness business and its overseas businesses, particularly in the United States and China, which it considers to be new growth segments. However, our group’s core innerwear business in the domestic market is reaching maturity due to an aging population and a low birthrate, and it is hard to expect further growth in the market. Under these circumstances, the market is becoming more competitive with the entry of new entrants from different industries, such as apparel companies and retail distributors. At the same time, however, competition has revitalized the market and has spawned a new market for low-priced, high-fashion products that are different from our group’s core products, which have high functionality and high added value. In order to maintain the growth of our group’s innerwear business in the domestic market, we need to make our presence known in the new market and develop new and different products, sales methods and channels, as well as pricing strategies. Making Peach John a wholly owned subsidiary of Wacoal Holdings was part of our business challenge initiative and, in line with our aim of expanding our business field, we have decided to implement a share exchange for Lecien.

Lecien was founded as Nomura Shoten in 1933 to engage in the import and distribution of fabric, including lace and general merchandise. In 1946, Lecien changed its corporate status to a stock company (*kabushiki kaisha*), and entered the wholesale and import/export business of fabric products, including lace and textiles. Thereafter, Lecien expanded its business in fields such as innerwear, outerwear, handicrafts and tapestries, with a management philosophy of “make many women beautiful and happy through improvement in the apparel culture and business activities”. In a rapidly changing apparel market, Lecien has focused in recent years on commodity supply on an OEM basis using its planning skills and technical expertise, in addition to sales of its own brand products. However, sales have continued to decrease, especially in recent years, and the Lecien’s market environment has become even more challenging as apparel consumption declines due to the worsening economic climate. Lecien believes that in order to make efforts in the streamlining and rationalization of distribution to increase future sales and to improve its corporate value by taking advantage of Wacoal Holdings’ planning ability and technical strength, it is

best to formulate a new growth strategy as a wholly owned subsidiary of Wacoal Holdings, rather than attempting to do the same on its own.

The management integration of Lecien and Wacoal Holdings through a share exchange will enable Wacoal Holdings to enhance its adaptability to the new innerwear business in the domestic market that Wacoal Holdings could not fully respond to as a group, as well as its supply capability of products to each of its group companies in Japan and overseas, and to implement various sales methods and approach various sales channels, with Lecien's improved planning ability and production response. In addition, we believe that Lecien's great planning and lace materials production ability will create added value and achieve cost reduction. On the other hand, this will enable Lecien to streamline management resources by having stable contracts for the production of lace materials and innerwear with the group companies of Wacoal Holdings in Japan and overseas. Furthermore, by becoming a group company of Wacoal Holdings, Lecien will be able to stabilize its financial basis and improve management by developing and focusing on its core innerwear and hobby businesses.

Both Wacoal Holdings and Lecien will make efforts as a group to diversify the provision of products and services to customers and to improve corporate value by improving the management efficiency of both companies.

(2) Schedule for Delisting

Upon the Share Exchange, Lecien will become a wholly owned subsidiary of Wacoal Holdings, effective as of August 17, 2009, and the shares of common stock of Lecien will be delisted from the OSE as of August 11, 2009 (last day of trading to be August 10, 2009). It will not be possible to trade the shares of common stock of Lecien on the OSE after the delisting.

(3) Reasons for Delisting and Alternative Measures

The purpose of the Share Exchange is as described in (1) above and is not for the purpose of delisting the shares of Lecien from the OSE.

Following the delisting of the shares of common stock of Lecien, it will be possible to trade the common stock of Wacoal Holdings, which will be allocated in the Share Exchange, because those shares are listed on the Tokyo Stock Exchange (the "TSE") and the OSE. For this reason, share liquidity will be ensured for each shareholder of Lecien who holds 15,385 or more shares of Lecien and who will be allocated and distributed with 1,000 shares (the size of Wacoal's trading unit) or more shares of Wacoal Holdings in the Share Exchange. We believe that the Share Exchange will enhance the corporate value of both companies and will correspond to the expectations of the shareholders of Lecien who will hold the shares of Wacoal Holdings following the Share Exchange.

Each shareholder of Lecien who holds less than 15,385 shares of Lecien will be allocated with fewer than 1,000 shares of Wacoal Holdings, which is less than one trading unit. Shares not constituting one trading unit cannot be sold on the OSE or the TSE, and such shareholder's rights are restricted under the laws and ordinances and the Articles of Incorporation (please see Section 2 (2) (Note 3) below for details; such shareholders are entitled to receive dividends from Wacoal Holdings in proportion to the number of shares held as of such record date on and after the effective date of the Share Exchange), and such shareholders may request that Wacoal Holdings purchase such shares. Wacoal Holdings does not currently implement a program under which a shareholder is entitled to acquire additional shares in order to make up one full trading unit. However, because we are expecting that there will be a considerable number of shareholders who will not have sufficient shares for a full trading unit as a result of the Share Exchange, we plan to launch such a program, provided that it is approved by the general meeting of shareholders of Wacoal Holdings to be held on June 26, 2009. For details, please see Section 2 (2) (Note 3) below.

Please see Section 2 (2) (Note 4) below with respect to the issuance of fractional shares upon the Share Exchange.

(4) Measures to Ensure Fairness

As a measure to ensure the fairness and appropriateness of the share exchange ratio, Wacoal Holdings and Lecien respectively requested third-party valuation agencies to calculate the share exchange ratio and obtained the respective reports of the calculation results as described in Section 2 (3) below. By reference to such calculation results, Wacoal Holdings and Lecien agreed to implement the Share Exchange based on the share exchange ratio after deliberate negotiations and consultations.

(5) Measures to Avoid Conflicts of Interest

We have not taken any special measures to avoid conflicts of interest, since Wacoal Holdings and Lecien are not in a parent-subsiary relationship and there are no common directors or officers of Wacoal Holdings and Lecien.

2. Summary of Share Exchange

(1) Schedule of Share Exchange

Board meeting to approve the Share Exchange:	May 8, 2009 (Fri)
Execution of Share Exchange Agreement:	May 8, 2009 (Fri)
Record date of general meeting of Lecien's shareholders:	Mar 31, 2009 (Tue)
General meeting of Lecien's shareholders to approve the Share Exchange:	Jun 26, 2009 (Fri) (tentative)
Date of delisting of Lecien's shares:	Aug 11, 2009 (Tue) (tentative)
Scheduled date of Share Exchange (effective date):	Aug 17, 2009 (Mon) (tentative)

(Note 1) Pursuant to the simplified share exchange procedures in accordance with Article 796, Paragraph 3 of the Corporate Law, Wacoal Holdings will not obtain the approval of a general meeting of its shareholders.

(Note 2) The above-stated schedule is subject to change as required by share exchange procedures or other reasons after consultations between Wacoal Holdings and Lecien.

(2) Description of Allocation in Share Exchange

	Wacoal Holdings Corp. (100% parent company)	Lecien Corporation (wholly owned subsidiary)
Share Exchange Ratio	1	0.065
Number of shares newly issued in the Share Exchange	There will be no issuance of new shares of common stock upon the Share Exchange. Wacoal Holdings will use 2,104,441 shares (tentative) of its treasury stock for the allocation of shares in the Share Exchange.	

(Note 1) Allocation Ratio

0.065 shares of Wacoal Holdings' stock will be allocated and distributed in exchange for each share of Lecien's stock.

(Note 2) New Shares to be Issued in Connection with the Share Exchange

Wacoal Holdings will not issue new shares of Wacoal Holdings' stock for the shareholders of Lecien because Wacoal Holdings will use treasury stock for the allocation. The number

of shares of treasury stock to be allocated in the Share Exchange was calculated based on the number of issued shares of Lecien as of the end of March, 2009 (32,376,025 shares; excluding shares of treasury stock). Lecien will cancel all shares of its treasury stock at the board meeting of Lecien to be held prior to the effective date of the Share Exchange (as of the end of March, the number of shares of treasury stock held by Lecien was 880,750 shares).

(Note 3) Treatment of Shares not Constituting a Full Trading Unit

Each shareholder of Lecien, who ends up holding fewer shares than a full trading unit of Wacoal Holdings (i.e. fewer than 1,000 shares) upon the Share Exchange, will be entitled to receive dividends from Wacoal Holdings in proportion to the number of shares held as of such record date on and after the effective date of the Share Exchange, but will not be able to sell shares not constituting a full trading unit on any stock exchange; provided, however, that the following systems concerning the Wacoal Holdings' shares are available to such shareholders.

(i) Demand for Purchase of Shares not Constituting a Full Trading Unit
(sale of shares constituting fewer than 1,000 shares)

Article 192, Paragraph 1 of the Corporate Law provides for a system whereby any shareholder who holds fewer shares than a full trading unit (i.e. fewer than 1,000 shares) may demand that Wacoal Holdings purchase such shares.

(ii) Demand to Acquire Additional Shares
(acquisition of shares to constitute a full trading unit of 1,000 shares)

Article 194, Paragraph 1 of the Corporate Law provides for a system whereby any shareholder who holds shares not constituting a full trading unit of Wacoal Holdings may demand that Wacoal Holdings sell additional shares in order to constitute a full trading unit together with the shares not constituting a full trading unit that such shareholder holds. Wacoal Holdings does not presently implement a program under which a shareholder is entitled to acquire additional shares to constitute a full trading unit. However, because we are expecting that there will be a considerable number of shareholders who do not have sufficient shares for a full trading unit as a result of the Share Exchange, we plan to launch such a program, provided that it is approved by the general meeting of shareholders of Wacoal Holdings to be held on June 26, 2009.

The launch of this new program is intended to provide an opportunity to all holders of Lecien stock who will hold less than one full trading unit in Wacoal Holdings as a result of the Share Exchange to become shareholders of a full trading unit in Wacoal Holdings.

(Note 4) Treatment of Fractional Shares

If any fractional shares of Wacoal Holdings less than one share are created by the Share Exchange, the proceeds from the sale thereof shall be paid to the relevant shareholders in proportion to the respective fractional shares in accordance with Article 234 of the Corporate Law.

(3) Method of Calculation for Allocation in connection with the Share Exchange

(i) Calculation Basis and Background

In order to guarantee the fairness and appropriateness of the share exchange ratio to be adopted for this Share Exchange, Wacoal Holdings and Lecien respectively selected and requested third-party valuation agencies, independent from both companies, to calculate the share exchange ratio. Wacoal Holdings selected Mitsubishi UFJ Securities Co., Ltd. ("Mitsubishi UFJ Securities") and Lecien selected PwC Advisory Co., Ltd. ("PwC Advisory") as third-party valuation agencies.

Mitsubishi UFJ Securities evaluated the value of Wacoal Holdings' shares by the market price method, since Wacoal Holdings' shares are listed on the TSE and the OSE. The closing prices on May 7, 2009 and the six-month, three-month and one-month periods, each ending May 7, 2009, were

used as the basis of this calculation. Mitsubishi UFJ Securities evaluated the value of Lecien’s shares by the market price method since Lecien’s shares are listed on the OSE. The closing prices on May 7, 2009 and the six-month, three-month and one-month periods, each ending May 7, 2009, were used as the basis of this calculation. Mitsubishi UFJ Securities also conducted the evaluation using the discounted cash flow method (“DCF Method”) to reflect the conditions of future business activities in the evaluation. Supposing the stock value per share of Wacoal Holdings is equal to 1, the valuation ranges pursuant to the respective calculation methods are as follows:

Calculation method	Valuation range of share exchange ratio
Market price method	0.029 – 0.046
DCF method	0.046 – 0.073

In calculating the share exchange ratio, Mitsubishi UFJ Securities, in principle, adopted the information supplied by both companies and publicly disclosed information Mitsubishi UFJ Securities assumed that such disclosed information was precise and complete and did not independently verify such information. Furthermore, Mitsubishi UFJ Securities did not conduct its own appraisal or assessment of individual assets and liabilities (including any off-balance-sheet assets and liabilities or other contingent liabilities) of either company or their related companies, nor did it request such information from any third-party institutions. In addition, it was assumed that the financial forecasts of Lecien have been reasonably prepared based on the best projections and judgments of the management of Lecien currently available.

The calculation results of the share exchange ratio submitted by Mitsubishi UFJ Securities are not intended to represent any opinion on the fairness of the share exchange ratio in the Share Exchange.

PwC Advisory evaluated the value of Wacoal Holdings’ shares by the market price standard method (the closing prices on May 7, 2009, and the six-month, three-month and one-month periods, each ending May 7, 2009, were used as the basis of this calculation) since Wacoal Holdings’ shares are listed on the TSE and the OSE. PwC Advisory evaluated the value of Lecien’s shares by the market-price standard method (the closing prices on May 7, 2009 and the six-month, three-month and one-month periods, each ending May 7, 2009, were used as the basis of this calculation) since Lecien’s shares are listed on the OSE. PwC Advisory also conducted the evaluation using the discounted cash flow method (“DCF Method”) to reflect the conditions of future business activities in the evaluation. Assuming that the stock value per share of Wacoal Holdings is equal to 1, the valuation ranges pursuant to the respective calculation methods are as follows:

Calculation method	Valuation range of share exchange ratio
Market price standard method	0.037 – 0.049
DCF method	0.056 – 0.077

In calculating the share exchange ratio, PwC Advisory, in principle, adopted the information supplied by both companies and publicly disclosed information, and PwC Advisory assumed that such disclosed information was precise and complete and did not independently verify such information. Furthermore, PwC Advisory did not conduct its own appraisal or assessment of individual assets and liabilities (including any off-balance-sheet assets and liabilities or other contingent liabilities) of either company or their related companies, nor did it request such information from any third-party institutions. In addition, it was assumed that the financial forecasts of Lecien have been reasonably prepared based on the best projections and judgments of the management of Lecien currently available. The calculation by PwC Advisory reflects the information and financial conditions available as of May 7, 2009.

The calculation results of the share exchange ratio submitted by PwC Advisory are not intended to represent any opinion on the fairness of the share exchange ratio in the Share Exchange.

Wacoal Holdings and Lecien carefully examined the calculation results of the share exchange ratios submitted by the respective third-party valuation agencies. Upon consultation, we decided the share exchange ratio to be used in the Share Exchange which was approved by the respective meetings of board of directors held on May 8, 2009.

(ii) Relationship with the Valuation Agencies

Neither Mitsubishi UFJ Securities nor PwC Advisory are affiliates of either Wacoal Holdings or Lecien.

(4) Acquisition Rights for the Subscription of New Shares or Bonds with Acquisition Rights for the Subscription of New Shares issued by the Wholly Owned subsidiary in the Share Exchange

Lecien will cancel or retire all issued and outstanding acquisition rights for subscription of new shares if the Share Exchange Agreement and other matters necessary for the Share Exchange are approved by the general meeting of shareholders to be held on June 26, 2009. Lecien has not issued any bonds with acquisition rights for the subscription of new shares.

3. Outline of Parties in Share Exchange

(1) Trade Name	Wacoal Holdings Corp. (100% parent company) (as of March 31, 2009)	Lecien Corporation (wholly owned subsidiary) (as of December 31, 2008)
(2) Business Description	Manufacturing and wholesale sales of innerwear, outerwear, sportswear, other textile and related products and direct sales of certain products to consumers	Manufacturing and wholesale sales of women's innerwear and clothing, lace and other handicrafts accessories
(3) Date of Incorporation	November 1, 1949	August 24, 1946
(4) Location of Principal Office	Minami-ku, Kyoto-shi, Kyoto	Nakagyo-ku, Kyoto-shi, Kyoto
(5) Name of Representative	Yoshikata Tsukamoto, President and Representative Director	Naofumi Nomura Representative Director and President
(6) Capital Amount	13,260 million yen	4,106.8 million yen
(7) Number of Outstanding Shares	143,378,085 shares	33,256,775 shares
(8) Net Assets	165,800 million yen (consolidated)	4,600 million yen (consolidated)
(9) Total Assets	213,400 million yen (consolidated)	10,800 million yen (consolidated)
(10) Fiscal Year End	March 31	March 31
(11) Number of Employees	14,476 (consolidated)	1,269 (consolidated)

(12)Major Business Partners	<ul style="list-style-type: none"> - AEON Co., Ltd. - Ito-Yokado Co., Ltd. - Takashimaya Company, Limited - Others 	<ul style="list-style-type: none"> - SHIMAMURA Co., Ltd. - Ito-Yokado Co., Ltd. - AEON Co., Ltd. - Others
(13)Major Shareholders and Shareholding Ratio (as of September 30, 2008)	<ul style="list-style-type: none"> - The Bank of New York Mellon as depositary bank for depositary receipt holders (15.33%) - Meiji Yasuda Life Insurance Company (4.88%) - The Bank of Tokyo-Mitsubishi UFJ, Ltd. (4.87%) 	<ul style="list-style-type: none"> - Wacoal Corporation (4.23%) - Nippon Life Insurance Company (2.71%) - Sundia Corporation (1.80%)
(14)Major Banks	<ul style="list-style-type: none"> - The Bank of Tokyo-Mitsubishi UFJ, Ltd. - Mizuho Corporate Bank, Ltd. 	<ul style="list-style-type: none"> - The Bank of Tokyo-Mitsubishi UFJ, Ltd. - Sumitomo Mitsui Banking Corporation
(15)Relationship	Capital:	<p>The shareholding ratio of Wacoal Holdings' subsidiaries in Lecien's shares is as follows:</p> <ul style="list-style-type: none"> - Wacoal Corporation, in which Wacoal Holdings holds 100% shares with voting rights, holds approximately 4.23% (1,408,404 shares) of the total outstanding shares of Lecien. - Studio Five Corporation, in which Wacoal Holdings holds 100% shares with voting rights, holds approximately 0.15% (50,000 shares) of the total outstanding shares of Lecien. - Torica Inc., in which Wacoal Holdings holds 56.9% shares with voting rights, holds approximately 0.05% (18,000 shares) of the total outstanding shares of Lecien. - Lecien holds approximately 0.16% (230,000 shares) of the total outstanding shares of Wacoal Holdings.
	Personnel:	N/A
	Business:	Wacoal Holdings' subsidiaries, such as Wacoal Corporation and Peach John Co., Ltd., purchase materials and products from Lecien.
	Affiliated Party:	N/A

(16) Financial Results for the Last Three Fiscal Years

(Unit: millions of yen)

Fiscal Year Ended March 31	Wacoal Holdings Corp. (100% parent company) (consolidated)			Lecien Corporation (wholly owned subsidiary) (consolidated)		
	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2006	March 31, 2007	March 31, 2008
Sales	166,410	165,761	172,276	21,237	19,902	19,326
Operating Income	12,896	13,540	10,129	587	39	124
Ordinary Income	-	-	-	618	109	79
Net Income	9,029	4,966	5,230	469	218	(899)
Net Income per Share (yen)	63.18	35.14	36.75	14.56	6.78	(27.79)
Dividend per Share (yen)	22	25	25	6	4	0
Net Assets per Share (yen)	1,374.89	1,291.41	1,181.00	208.74	205.69	152.27

(Note 1) With respect to the major shareholders of Wacoal Holdings, we were informed as of September 30, 2008 that the nominal shareholder of Hero and Company, which was the major shareholder of Wacoal Holdings, was changed to The Bank of New York Mellon as depositary bank for depositary receipt holders from December 2008.

(Note 2) Wacoal Holdings' consolidated business indicators are based on U.S. accounting standards and the amount of operating income is shown in place of the ordinary income.

(Note 3) The financial indicators and business results less than 1 million yen have been rounded.

4. Status after Share Exchange

(1) Trade Name	Wacoal Holdings Corp.
(2) Business Description	Manufacturing and wholesale sales of innerwear, outerwear, sportswear, other textile and related products and direct sales of certain products to consumers
(3) Location of Principal Office	Minami-ku, Kyoto-shi, Kyoto
(4) Name of Representative	Yoshikata Tsukamoto, President and Representative Director
(5) Capital Amount	13,260 million yen
(6) Total Assets	TBD (consolidated)
(7) Net Assets	TBD (consolidated)
(8) Fiscal Year End	March 31

(9) Overview of Accounting Procedures

Under the account settlement on a non-consolidated basis, the number of shares of the company to be acquired will be recorded at the acquisition cost with the application of purchase method in accordance with the “Accounting Standards on Business Combination”.

Under the account settlement on a consolidated basis, the acquisition cost of the acquired company will be determined under the purchase method in accordance with the Statement of Financial Accounting Standards No. 141 “Business Combination”. The acquisition cost will be appropriated respectively under assets and liabilities based on the market price of the assets and liabilities acquired and undertaken from the acquired company as of the date of business combination. As a result of the appropriation of the acquisition cost, we are expecting that goodwill will arise from the Share Exchange, however, the amount of goodwill is currently unknown.

(10) Future Prospects

The anticipated effect on our consolidated and non-consolidated business results for the fiscal year ending March 31, 2010 due to the Share Exchange is under review and will be announced as soon as such review is completed.

Cautionary Statement regarding Forward Looking Statements

Statements made in this announcement 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 year 2010 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 weak consumer spending in Japan and our other markets on our sales and profitability; 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, including younger women and mature women 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 catalog and Internet sales capabilities; our ability to effectively manage our inventory levels; our ability to reduce costs by consolidating our activities in Japan, increasing our product sourcing and manufacturing in lower-cost countries such as China and Vietnam, and other efforts to reduce costs; effects of seasonality on our business and performance; risks related to conducting our business internationally, including political and economic instability, unexpected legal or regulatory changes, changes in tax laws, difficulties managing widespread operations, changes in exchange rates, differing protection of intellectual property and public health crises; risks from acquisitions and other strategic transactions with third parties, including the difficulty of assimilating operations, technology and personnel of any acquired business and our ability to retain management, employees, customers and suppliers of any acquired business; the impact of weakness in the Japanese equity markets on our holdings of Japanese equity securities; and the impact of any natural disaster or epidemic on our business; and other risks referred to from time to time in Wacoal's filings on Form 20-F of its annual report and other filings with the United States Securities and Exchange Commission.

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