

[Translation]

May 8, 2009

To Whom It May Concern

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Renewal of Basic Policy for Measures against the Acquisition of a Substantial Shareholding of the Company (i.e. Defensive Measures against Takeovers)

At the Company's 58th ordinary general of shareholders held on June 29, 2006, the shareholders of the Company approved a proposal to amend the Articles of Incorporation of the Company to authorize the adoption of a "Basic Policy for Measures against the Acquisition of a Substantial Shareholding of the Company (i.e. Defensive Measures Against Takeovers)" and a proposal to determine the specifics of a Basic Policy for Measures against the Acquisition of a Substantial Shareholding of the Company (i.e. Defensive Measures Against Takeovers) in accordance with such amended Articles of Incorporation (such basic, the "Former Basic Policy") for the purposes of securing and enhancing the corporate value and the common interests of shareholders of the Company. On the same day, the board of directors adopted a specific plan (the "Former Plan") that was based on the Former Basic Policy.

The effective period of both the Former Basic Policy and the Former Plan is until the close of the ordinary general meeting of shareholders pertaining to the business year that ends within three years after the close of the 58th ordinary general meeting of shareholders described above, which means that these effective periods will expire upon the close of the 61st ordinary general meeting of shareholders to be held on June 26, 2009 (the "Ordinary General Meeting of Shareholders").

The Company has given further consideration to continuing the measures against the acquisition of a substantial shareholding of the Company in light of revisions and other amendments to laws and ordinances since the introduction of the Former Plan. The

Company decided at a meeting of its board of directors held on May 8, 2009 to submit to the Ordinary General Meeting of Shareholders for the purposes of securing and enhancing the corporate value and the common interests of shareholders of the Company: (i) a proposal to make required amendments to the Former Basic Policy to prevent the asset and business policy decisions of the Company being controlled by an inappropriate person in light of the “Basic Policy concerning Appropriate People who Control the Asset and Business Policy Decisions of the Company” (the policy governed by the introductory clause of Article 127 of the Ordinance for the Enforcement of the Corporate Law) (Article 127(ii)(b) of the Ordinance for the Enforcement of the Corporate Law) and to determine the specifics of the Basic Policy for Measures against the Acquisition of a Substantial Shareholding of the Company (the “Basic Policy”) under Article 16 of the Articles of Incorporation of the Company and (ii) a proposal to partially amend the Articles of Incorporation of the Company in relation to the contents of the Basic Policy. In relation to the foregoing, the Company hereby announces as follows.

If the proposal for the determination of the contents of the Basic Policy is approved at the Ordinary General Meeting of Shareholders, the Company plans, pursuant to the Basic Policy, to make the required amendments to the Former Plan and pass a resolution at a meeting of the board of directors held on the same day as the Ordinary General Meeting of Shareholders after the close of the Ordinary General Meeting of Shareholders on the specifics of the plan for measures against the acquisition of a substantial shareholding of the Company (this amended plan is hereinafter referred to as the “Plan”) and to publish the Plan.

The shareholding of the Company as of March 31, 2009 is as set out in Exhibit 1. As of May 8, 2009 the Company has not received any notification or proposal of an acquisition of a substantial shareholding of the Company from any particular third party.

I. Basic Policy concerning Appropriate People who Control the Asset and Business Policy Decisions of the Company

Since its establishment in 1949, the Company has strived to develop a domestic market for female innerwear (undergarments), penetrate the global market and establish the Company’s business with the aim of creating a global company through a 50-year long-term management plan based on its business objectives of making women beautiful, assisting women in becoming beautiful and facilitating the realization of women’s desire to be beautiful. Moreover, as a leading female

innerwear company, the Company has built up the Wacoal brand, which has become widely accepted by both domestic and international consumers.

The Company's corporate value is mainly generated from (i) its strong market position and brand value in the intimate apparel market, which has been cultivated over a long period of time; (ii) its ability to develop highly functional, high value-added, attractive products based on the results of human scientific research from a medium- to long-term perspective; (iii) its superb product quality and supporting technical staff, as well as its highly productive global manufacturing and supply systems employing excellent sewing technology; (iv) its close personal relationships with distributors in various sales channels, which link the Company with its customers; (v) the trust of its customers that has been gained through direct communication and sales by the Company's beauty advisors, who have a sound knowledge of the Company's products and a wealth of sales experience; and (vi) its good social standing established through the promotion of various social action programs such as the "Remmama" project and "Pink Ribbon" activities, and the Company's corporate value and the common interests of its shareholders will suffer unless these "Wacoal strengths" are secured over the medium- to long-term. The Company therefore believes that any person who controls the assets and business decisions of the Company must fully understand these considerations and must be capable of securing and enhancing the corporate value and the common interests of the shareholders of the Company over the medium- to long-term.

The Company will not uniformly reject an acquisition of a substantial shareholding of the Company if it contributes to the corporate value and the common interests of the shareholders of the Company. However, there are many acquisitions of substantial shareholdings of companies that do not contribute to the corporate value of the target company or the common interests of its shareholders, such as where it is clear from the purpose of the acquisition that it will cause damage to the corporate value of the target company or the common interests of its shareholders, where it is likely that the shareholders are in effect being forced to sell their shares, where insufficient time or information is given for the board of directors and the shareholders of the target company to consider the conditions of the acquisition or for the board of directors of the target company to make an alternative proposal, or where it is necessary for the target company to negotiate with the prospective purchaser to obtain conditions that are more favorable than those proposed by the prospective purchaser.

In light of these circumstances, the Company believes that it is essential that it be ready at all times to implement a system that will prevent any acquisition that is contrary to the corporate value or the common interests of the shareholders of the Company by enabling its shareholders to determine whether or not to accept such an acquisition and enabling its board of directors to secure any necessary information and time to make an alternative proposal or to negotiate with the prospective purchaser on behalf of its shareholders at the time of an acquisition of the shares of the Company.

II. Special Measures that Contribute to the Realization of the Basic Policy

1. Measures for the Enhancement of Corporate Value

In January 2007, the Company established the “Medium-Term Management Plan 2007–2009” and is working to secure and enhance the corporate value and the common interests of the shareholders of the Company under this management plan.

Further, the Company is promoting CAP21 (Corporate Activation Project 21) in order to realize its medium- and long-term strategies to further enhance its corporate value and is working to enhance its corporate value through its business expansion strategy to achieve more accelerated growth starting with making Peach John Co., Ltd. a wholly owned subsidiary.

The Company will continue to conduct its business operations with the aim of enhancing its corporate value based on the four pillars of (i) taking a proactive stance towards expanding its domestic growth fields (such as its Peach John business, direct retail business, Wellness business, and men’s innerwear business) and its global markets (China, United States, Europe, and other newly industrialized countries and regions), (ii) increasing the profitability of the group (such as concentrating management resources in growth fields and strengthening alliances within the group), (iii) accelerating business reorganization (such as eliminating unreasonable and wasteful factors and making adjustments to respond to changes in the external environment), and (iv) carrying out CSR activities (such as compliance training and education, strategic investor relation activities, and social action programs) in order to build “Wacoal” as an enduring corporate brand while improving the “Wacoal strengths” from which the Company’s corporate value is generated as described in Section I above, and remaining aware that the objectives of Company are “making women beautiful,” “assisting women in becoming beautiful” and “facilitating the realization of women’s desire to be beautiful.”

2. Measures to Enhance Corporate Governance

The purpose and basic policy of the Company Group's corporate governance is to continuously enhance the Company's corporate value by increasing transparency and securing the fairness and independence of its corporate management from the perspective of all stakeholders, including its shareholders and customers.

The following bodies and systems have been established within the Company with the aim of enhancing the Company's corporate governance, and the entire Company is also working towards this goal.

The board of directors of the Company currently comprises eight directors and makes decisions on matters concerning important business, such as management policy and management strategy and matters stipulated by laws or ordinances or the Articles of Incorporation of the Company. Three of these eight directors are independent outside directors who give the board of directors advice and guidance from an objective perspective based on their wealth of experience and knowledge of management and business. The term of office of each director is one year, and we are further clarifying the responsibility of the Company's management to its shareholders. Further, with respect to the nomination, promotion, and remuneration of directors, an "Executive Compensation Advisory Committee," whose members include outside directors, has been established and is run with a high degree of transparency and fairness.

The Company uses a "statutory auditor system", and the board of auditors of the Company comprises five statutory auditors, of which three are outside statutory auditors. The function of the board of auditors is to monitor and supervise the management of the Company.

Wacoal Corp., one of the our group's core business companies, has adopted an executive officer system in order to separate management supervision and management execution. "Group Management Rules" and "Group Accounting Rules" have been established for Wacoal Corp. and each other group company, and each group company conducts its business operations in accordance with both sets of rules.

Further, the "Group Management Meeting", which comprises directors and statutory auditors of the Company, has been established in the Company. This meeting considers matters concerning the management strategy of the group and other

important management issues and conducts preliminary reviews of matters for review by the board of directors of the Company together with the “Wacoal Senior Management Meeting”, which comprises directors, statutory auditors, and senior executive officers of Wacoal Corp., one of the Company Group’s core business companies.

Further, the “Quarterly Business Results Review Committee” has been established under the “Group Management Meeting”. The directors and the statutory auditors of the Company and the directors, statutory auditors, and executive officers of Wacoal Corp., one of the Company Group’s core business companies, attend meetings of the Quarterly Business Results Review Committee and review the business results of each business company and each business department each quarter.

In addition, the “Corporate Ethics Committee”, “Disclosure Committee”, and “Risk Management Committee” have each been established as committees of the entire Company. Under these committees, the “Compliance Division”, “Quality Assurance Division”, “Accident and Disaster Measures Division”, “Information Security Promotion Division”, and “Environmental Division” have each been established, and each of these divisions is ready to enhance and respond to risks of loss of corporate value in each field. These divisions report to the board of directors of the Company from time to time on the status of their activities.

III. Measures for the Purpose Of Preventing Asset and Business Policy Decisions of the Company Being Controlled by an Inappropriate Person in light of the Basic Policy

1. Proposal for Determination of the Contents of the Basic Policy

The Company will submit to the Ordinary General Meeting of Shareholders a proposal with respect to the content of the Basic Policy for the purpose of preventing the assets and business policy decisions of the company being controlled by an inappropriate person in light of the Basic Policy set out in Section I above.

(1) Outline of the Basic Policy

For the purpose of securing and enhancing the corporate value and the common interests of the shareholders of the Company, the board of directors of the Company will pass a resolution to adopt specific measures pursuant to the

“Main Features of the Plan” as stipulated in Paragraph (2) below. The preventive measures are to be taken against the acquisition of a substantial shareholding of the Company by providing advance warning (i.e. takeover defensive measures during ordinary times) to any third party who may launch an acquisition of shares of the Company that there are procedures that such third party must follow and that a gratis allocation of acquisition rights for the subscription of new shares with discriminatory treatment for the exercise of such rights and a condition to purchase such shares may be implemented by the Company. Such advance warning will be given by disseminating the details of such Plan through timely disclosure to the relevant stock exchange and disclosure in the Company’s business reports as well as other materials that are required to be disclosed by law and by posting such details on the Company’s website.

(2) Main Features of the Plan

(a) Outline of the Plan

Under the plan, the Company will demand that any third party (the “Purchaser”) who launches or proposes a Purchase as defined in (b) below follow the procedures prescribed in (c) below and will obtain the information and ensure sufficient time to consider such Purchase. In any of the circumstances set forth under (e)(i) below, the Company will conduct a gratis allocation to all shareholders of acquisition rights for the subscription of new shares with terms that prohibit such Purchaser from exercising such rights (discriminatory treatment) with a condition to purchase shares or other terms as prescribed in (e)(iii) below (the “Share Acquisition Rights”).

(b) Purchase

The term “Purchase” as used in the Plan means a purchase or any similar act which falls under (i) or (ii) below:

- (i) the purchase of share certificates¹ issued by the Company that results in a shareholding ratio² by a shareholder³ of more than 20% of such share certificates; and

¹ “Share certificates” (*kabukento*) shall have the meaning prescribed in Paragraph 1, Article 27-23 of the Financial

(ii) a public tender offer⁴ for share certificates⁵ issued by the Company that results in a combined ownership ratio⁶ by the offeror and any of its affiliates⁷ of more than 20% of such share certificates.

(c) Purchase procedures to be followed by the Purchaser

Unless otherwise provided by the board of directors, if the Purchaser intends to make a Purchase, such Purchaser must submit to the Company a document in a form prescribed by the Company describing the particulars of the Purchaser, the purpose, method and details of the Purchase, the basis of calculation of the purchase price, evidence of funds for the Purchase, management policies of the group after the purchase, other information separately required by the board of directors upon renewal of the Plan (the “Required Information”) as well as an oath by such Purchaser that such Purchaser will follow the procedures as prescribed in the Plan (the “Purchase Explanation Document”) prior to the launch of such Purchase. The board of directors will provide the Purchase Explanation Document to the Independent Committee (see (f) below for details; hereinafter the same) promptly after receipt. If the description of the Required Information in such Purchase Explanation Document is deemed insufficient by the Independent Committee, the Purchaser must submit additional information requested by the Independent Committee no later than the deadline set by the Independent Committee. In order to conduct a comparative examination of the description of the Purchase Explanation Document and Required Information with the management plan of the board of directors and the valuation of the company by the board of directors, and to conduct an examination of alternative proposals by the board of directors from the perspective of securing and enhancing

Instruments and Exchange Act (“FIEA”); the same shall apply hereinafter unless provided otherwise.

² “Ratio of holding of the share certificates” (*kabuken hoyu wariiai*) shall have the meaning as prescribed in Paragraph 4, Article 27-23 of the FIEA; the same shall apply hereinafter.

³ “Shareholder” (*hoyusha*) shall include any parties stipulated in Paragraph 3, Article 27-23 of the FIEA; the same shall apply hereinafter.

⁴ “Public tender offer” (*kokai kaitsuke*) shall have the meaning prescribed in Paragraph 6, Article 27-2 of the FIEA; the same shall apply hereinafter.

⁵ For the purposes of this paragraph (ii), “Share certificates” (*kabukento*) shall have the meaning prescribed in Paragraph 1, Article 27-2 of the FIEA.

⁶ “Combined ratio of ownership of the share certificates” (*kabukento shoyu wariiai*) shall have the meaning as prescribed in Paragraph 8, Article 27-2 of the FIEA; the same shall apply hereinafter.

⁷ “Affiliate” (*tokubetsu kankeisha*) (including any person who may be deemed as having a special relationship by our Board of Directors) shall have the meaning prescribed in Paragraph 7, Article 27-2 of the FIEA; provided, however, that a person prescribed in Paragraph 2, Article 3 of the Cabinet Office Order Concerning Disclosure Relating to Tender Offer of Shares or Other securities by any Person Other Than the Issuing Company shall be excluded from among those who are set forth in Item 1 of said Paragraph 7; the same shall apply hereinafter.

the corporate value and the common interests of the shareholders of the Company, the Independent Committee may also request the board of directors to present its opinion concerning the terms and conditions of such Purchase as well as to submit any supporting materials, alternative proposals or other information and/or materials as may be required by the Independent Committee no later than such response deadline set by the Independent Committee. Such deadline will take into account the time necessary for collection of the information and examination of the valuation of business by the board of directors, including independent experts, as the case may be (provided that such period does not in principle exceed 60 days).

- (d) Examination of Terms and Conditions of Purchase and Negotiation and/or Proposal of Alternatives by the Independent Committee

If the provision of information stipulated under (c) above is deemed sufficient by the Independent Committee, the Independent Committee will set a period (up to 60 days) for examination (the “Examination Period”) (provided, however, that if the Independent Committee cannot give advice as stipulated in (e)(i) or (ii) below before the expiration of the Examination Period, such period may be extended as necessary up to 30 days).

Based on the information and/or materials provided by the Purchaser and the board of directors, the Independent Committee will evaluate and/or examine the terms and conditions of the Purchase by the Purchaser during the Examination Period from the perspective of securing and enhancing the corporate value and the common interests of the shareholders of the Company. The Independent Committee will also directly, or indirectly through the board of directors, discuss and/or negotiate with the Purchaser, or propose alternatives for the Company to the shareholders whenever necessary to improve the terms and conditions of the Purchase. If the Independent Committee requests directly, or indirectly through the board of directors, that the Purchaser provide material for examination or any other information or to discuss and/or negotiate with the Independent Committee during the Examination Period, the Purchaser must promptly respond to such request.

The Independent Committee may obtain advice from independent experts (including, but not limited to, financial advisors, legal counsel and certified public accountants) at the Company's cost.

(e) Implementation of Gratis Allocation of Share Acquisition Rights

(i) Advice by Independent Committee on Implementation

The Independent Committee will advise the board of directors to implement a gratis allocation of Share Acquisition Rights in the event that the Independent Committee determines that any of the following has occurred:

(A) if the Purchaser fails to provide the required information and to observe the Examination Period as stipulated in (c) above or comply with the procedures as prescribed by the Plan;

(B) if it is recognized that the Purchase by the Purchaser falls under any of the following categories and that it is reasonable to implement a gratis allocation of share acquisition rights as a result of the evaluation and/or consideration of the information and/or materials provided by the Purchaser and the board of directors, as well as discussions and/or negotiations with the Purchaser:

1) a Purchase that threatens to cause obvious harm to the corporate value of the Company and thus to the common interests of the shareholders through any of the following actions or other similar actions:

(a) a buyout of share certificates for the purpose of requiring the Company to purchase such share certificates at an inflated price;

(b) temporary control of the management of the Company to conduct business in such a way as to achieve the interests of the Purchaser at the expense of the Company, such as a low-cost acquisition of material assets of the Company;

- (c) diversion of the assets of the Company to secure or repay the debts of the Purchaser or its group companies;
 - (d) temporary control of the management of the Company to dispose of high-value assets that are not currently related to the business of the Company, and temporarily declaring high dividends from the proceeds of such disposal or selling the shares at a high price by taking advantage of the opportunity afforded by a rapid rise of share prices which is attributable to such dividends.
- 2) a Purchase that effectively forces the shareholders to sell their share certificates, such as in a coerced two-tier purchase (i.e. the acquisition of shares including a public tender offer that does not offer to acquire all of the shares in the initial acquisition and sets unfavorable terms and conditions or does not set clear terms and conditions against shareholders in the second acquisition);
 - 3) a Purchase that is to be carried out without granting the Company the time reasonably necessary for it to provide an alternative proposal regarding such Purchase;
 - 4) a Purchase that is to be carried out without providing the Company's shareholders adequate information to allow them to make a reasonable determination with respect to the Required Information and other details of the Purchase;
 - 5) a Purchase that includes inadequate or inappropriate terms and conditions (including the amount and type of consideration, the timeframe of the Purchase, the legality of the method of the Purchase, the probability of the implementation of the Purchase and policies for the treatment of the Company's employees, contractors, clients and other interested parties of the Company) in light of the primary values of the Company;

- 6) a Purchase that may damage the Company's relationship with its employees, contractors or clients that are essential in creating Company value or the brand value of the Company or that may pose a material threat to the values of the Company and thus to the common interests of its shareholders.

Provided, however, that after giving such advice, if the Purchaser withdraws its proposed Purchase or such proposed Purchase otherwise ceases to exist, or if there is a change in the facts or basis upon which such decision or advice was made, and the Independent Committee determines that the Purchase by the Purchaser does not fall under (A) or (B) above, the Independent Committee may change its decision, including advising the withdrawal of the gratis allocation of the Share Acquisition Rights or the gratis allocation of the Share Acquisition Rights following allocation, and recommend such decision to the board of directors.

Even if the Independent Committee determines that the Purchase falls under (A) or (B) above, if the Independent Committee determines that it is reasonable to obtain the resolution of a general meeting of shareholders regarding the implementation of the gratis allocation of the Share Acquisition Rights, it shall recommend to the board of directors that a general meeting of shareholders be convened and that the implementation of the gratis allocation of the Share Acquisition Rights be placed on the agenda.

(ii) Advice by Independent Committee on Non-implementation

If the Independent Committee determines that the Purchase by the Purchaser does not fall under (A) or (B) above, the Independent Committee will recommend to the board of directors that the gratis allocation of the Share Acquisition Rights not be enforced.

Provided, however, that if there is a change in the facts or basis upon which such decision or advice was made, and the Independent Committee subsequently determines that the Purchase by the Purchaser does fall under (A) or (B) of (i) above, the Independent Committee may amend its decision, including by advising the implementation of the gratis allocation of the Share Acquisition

Rights, and the recommendation of such decision to the board of directors.

(iii) Disclosure of Information to Shareholders

The board of directors and the Independent Committee will promptly disclose information regarding those items among the following items determined as appropriate by the Independent Committee:

- (1) that there is a Purchaser;
- (2) that a Purchase Explanation Document has been provided and an outline of such details;
- (3) that the Required Information has been provided and an outline of such details;
- (4) that the Examination Period has commenced;
- (5) that a resolution for an extension of the Examination Period has been passed and an outline of such details; and
- (6) the recommendation of the Independent Committee and an outline of such details (and where a different recommendation is subsequently made due to a change in the facts, etc., the fact and an outline of such details thereof).

(iv) Respect for the Advice of the Independent Committee by the Board of Directors

The board of directors shall give the utmost respect to the advice provided by the Independent Committee pursuant to (i) and (ii) above, and shall as an institution under the Corporate Law make a resolution on the implementation or non-implementation of the gratis allocation of the Share Acquisition Rights.

Provided, if a recommendation is made by the Independent Committee that a general meeting of shareholder be convened and that the implementation of the gratis allocation of the Share Acquisition Rights be placed on the agenda, the board of directors shall, excluding cases where holding a general meeting of shareholders is significantly difficult, promptly convene a general meeting of shareholders and place the implementation of the gratis allocation of the Share Acquisition Rights on the agenda so as to hold a general meeting of shareholders as soon as is practically possible.

If the resolution for implementation of the gratis allocation of the Share Acquisition Rights is passed by such general meeting of shareholders, the board of directors shall, pursuant to such general meeting of shareholder resolution, conduct procedures necessary for the gratis allocation of the Share Acquisition Rights. (Where a resolution is passed at the general meeting of shareholder to the effect that the decision for the gratis allocation of the Share Acquisition Rights is to be delegated to the board of directors, a board of directors' resolution for the implementation of the gratis allocation of the Share Acquisition Rights shall be voted upon.) Where the resolution for implementation of the gratis allocation of the Share Acquisition Rights fails to pass at the general meeting of shareholders, a resolution for non-implementation of the gratis allocation of the Share Acquisition Rights shall be voted upon.

The Purchaser shall not execute the purchase in the period up until the resolution for implementation or non-implementation of the gratis allocation of the Share Acquisition Rights has been voted upon by the board of directors, or where the abovementioned general meeting of shareholders is convened, until the resolution for implementation of the gratis allocation of the Share Acquisition Rights has been passed or not passed by such general meeting of shareholders.

Where the board of directors votes upon a resolution for the implementation or non-implementation of the gratis allocation of the Share Acquisition Rights, where the board of directors votes upon a resolution for convocation of a meeting of general shareholders, or where a general meeting of shareholder resolution for the implementation or non-implementation of the gratis allocation of the Share Acquisition is voted upon Rights, the board of directors shall promptly disclose the outline of such resolution and other information as determined as appropriate by the board of directors.

(v) Primary Terms and Conditions of the Gratis Allocation of the Share Acquisition Rights

The primary terms and conditions of the gratis allocation of the Share Acquisition Rights are as follows:

(1) Number of Share Acquisition Rights

The number of Share Acquisition Rights will be separately determined by the board of directors in a resolution relating to the gratis allocation of the Share Acquisition Rights (the “Gratis Allocation Resolution”), up to a maximum of two times the final number of the total outstanding shares of the Company as of an allocation date (the “Allocation Date”) to be separately determined by the board of directors or a meeting of general shareholders of the Company in the Gratis Allocation Resolution (minus the number of the Company’s shares held by the Company at the time).

(2) Shareholders Eligible for the Allocation

The Company will implement a gratis allocation of the Share Acquisition Rights to those shareholders, other than the Company, who are registered or recorded in the Company’s final register of shareholders as of the Allocation Date at such ratio as separately determined in the Gratis Allocation Resolution up to a maximum of two Share Acquisition Rights for every one stock of the Company held.

(3) Effective Date of Gratis Allocation of Share Acquisition Rights

The effective date shall be a date to be separately determined in the Gratis Allocation Resolution.

(4) Number of Shares to be Acquired upon Exercise of the Share Acquisition Rights

The number of Company shares⁸ to be acquired for every one Share Acquisition Right (transfer shares as stipulated in Article 128(1) of the Act on Transfer of Bonds etc. to which the provisions of the same law are applicable) shall be one (1) share unless otherwise adjusted.

⁸ Even in such case the Company becomes a Corporation with Class Shares (Article 2(13) of the Corporate Law), (1) Company shares issued upon the exercise of the Share Acquisition Rights and (2) shares delivered in exchange for the acquisition of Share Acquisition Rights shall mean the same type of share (common shares) currently issued by the Company at the commencement of the Ordinary General Meeting of Shareholders.

(5) The Amount of Property to be Contributed upon Exercise of the Share Acquisition Rights

The purpose of contributions made upon the exercise of the Share Acquisition Rights shall be financial, and the value of property per share of the Company's stock to be contributed upon the exercise of the Share Acquisition Rights shall be at least one (1) yen but not exceeding one-half (1/2) of the market value of one share of the Company's stock as separately determined in the Gratis Allocation Resolution.

(6) Exercise Period of the Share Acquisition Rights

The commencement date will be a date on which the gratis allocation of the Share Acquisition Rights becomes effective or a date otherwise determined in the Gratis Allocation Resolution, and the period will be between one and two months as determined in the Gratis Allocation Resolution.

(7) Terms and Conditions for Exercise

The parties set forth in (a) through (f) below (collectively the "Unqualified Parties") may not in principal exercise Share Acquisition Rights:

- (a) a specified large shareholder;⁹
- (b) joint shareholders¹⁰ of a specified large shareholder;
- (c) a specified large purchaser;¹¹
- (d) persons having a special relationship with a specified large purchaser;

⁹ "Specified large shareholders" (*tokutei tairyo hoyusha*) means a holder of share certificates issued by the Company and whose ratio of ownership in respect of such share certificates is deemed to be at least 20% by the Board of Directors.

¹⁰ "Joint shareholders" (*kyodo hoyusha*) shall have the meaning as prescribed in Paragraph 5, Article 27-23 of FIEL and shall include any party who is deemed to be a joint shareholder by the Board of Directors in accordance with Paragraph 6 of said Article.

¹¹ "Specified large purchaser" (*tokutei tairyo kaitsukeshu*) means a person who makes a public announcement of Purchase (as defined in Paragraph 1, Article 27-2 of FIEA; the same shall apply in this footnote 11) of share certificates (as defined in Paragraph 1, Article 27-2 of FIEA; the same shall apply in this footnote 11) issued by the Company through public tender offer and whose ratio of ownership of share certificates after such purchase (including similar ownership as prescribed in Paragraph 3, Article 7 of the Enforcement Order of the FIEA) is deemed by the Board of Directors to be at least 20% when combined with the ratio of ownership of share certificates of a person having a special relationship.

- (e) any transferee of or successor to the Share Acquisition Rights of any party falling under (a) through (d) above without the approval of the board of directors; or
 - (f) any affiliate¹² of any party listed under (a) through (e) above.
- (8) Restrictions on Transfer of the Share Acquisition Rights
Any acquisition by assignment of the Share Acquisition Rights requires the approval of the board of directors.
- (9) Acquisition of the Share Acquisition Rights
- (a) The Company may, at any time up to the day before the first day of the exercise period of the Share Acquisition Rights, acquire the Share Acquisition Rights gratuitously.
 - (b) The Company may, on a date separately determined by the board of directors acquire the Share Acquisition Rights that are held by shareholders other than Unqualified Parties and which have not been exercised, and in exchange, deliver one share of the Company's stock for every Share Acquisition Right (unless otherwise adjusted).
 - (c) Any other potential acquisition by the Company and the terms and conditions thereof shall be separately governed in a Gratis Allocation Resolution.
- (10) Others
Any other terms and conditions of the Share Acquisition Rights shall be separately governed in a Gratis Allocation Resolution.

¹² "Affiliate" (*kanrensha*) of a given party means a person deemed by the board of directors to substantially control, be controlled by, or be under common control with such given party, or a party deemed by the board of directors to act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Paragraph 3, Article 3 of the Enforcement Regulations of the Corporate Law) of other corporations or entities.

(f) The Independent Committee

The Company shall establish an Independent Committee, which shall consist only of members who are independent from the executive officers of the Company, in order to prevent the board of directors from making an arbitrary decision concerning implementation and non-implementation of a gratis allocation of Share Acquisition Rights pursuant to the Plan. The Independent Committee shall be composed of three or more members. All members of the Independent Committee shall be appointed from (i) outside directors of the Company, (ii) outside statutory auditors of the Company or (iii) independent experts (experienced company managers, persons with a governmental background, legal counsel, certified public accountants or academic experts, etc.) by the board of directors and shall be announced accordingly.

A resolution of the Independent Committee shall be adopted in principle by a majority of the members at a meeting where all members of the Independent Committee are present; provided, however, that if there are unavoidable circumstances such as an accident and any member is unable to act as aforesaid, a resolution may be adopted by the majority of the members present at a meeting where the majority of the members of the Independent Committee is present.

Any other matters concerning the Independent Committee shall be separately provided for by the board of directors.

(g) Termination of the Plan

If the board of directors adopts a resolution to terminate the Plan, the Plan shall be terminated at that point.

(h) Others

In addition to the matters set forth in (a) through (g) above, the particulars of the Plan shall be separately determined by the board of directors in a resolution relating to the renewal of the Plan.

(3) Effective Period of the Basic Policy

The effective period of the Basic Policy shall expire upon the conclusion of the ordinary general meeting of shareholders held in respect of the last fiscal year ending within three (3) years after the conclusion of the Ordinary General Meeting of Shareholders; provided, however, that the Basic Policy may be changed or terminated by and pursuant to the resolution of the general meetings of shareholders if so resolved by a general meeting of shareholders, even if such effective period has not expired. In such case, the Plan shall be promptly changed or terminated to reflect such change to the basic policy.

2. Proposal of Agenda Item for the Amendment of the Articles of Incorporation

Upon renewing the Basic Policy for Measures against the Acquisition of a Substantial Shareholding of the Company (i.e. Defensive Measures Against Takeovers), the Company plans to propose an agenda item to amend Article 16 of the Company’s Articles of Incorporation as follows at the Ordinary General Meeting of Shareholders. (For the details of the amendment of the Articles of Incorporation, please see the “Notice of the Partial Amendment of the Articles of Incorporation” separately announced as of today.)

Current Provision	Proposed Amendment
<p>Article 16 (Matters to be Resolved at General Meetings of Shareholders)</p> <p>1. In addition to the matters separately provided by law and regulation or by these Articles of Incorporation, the Basic Policy for Measures against the Acquisition of a Substantial Shareholding of the Company may be prescribed by resolution of a general meeting of shareholders.</p> <p><i>[Newly added.]</i></p>	<p>Article 16 (Matters to be Resolved at General Meetings of Shareholders)</p> <p>1. In addition to the matters separately provided by law and regulation or by these Articles of Incorporation, the Basic Policy for Measures against the Acquisition of a Substantial Shareholding of the Company may be prescribed by resolution of a general meeting of shareholders.</p> <p><u>The Company may decide on matters concerning a gratis allocation of Share Acquisition Rights by resolution of the general meeting of shareholders or by resolution of the board of directors based on delegation by resolution of the general</u></p>

[Newly added.]

2. The measures against the acquisition of a substantial shareholding of the Company as stipulated in the preceding paragraph shall mean measures that make it difficult to effect a takeover of the Company, such as the issuance of new shares or acquisition rights for the subscription of new shares which are not primary intended for financing or business alliance purposes and that are taken prior to the commencement of a takeover by a third party who poses a threat to the value of the Company and thus to the common interests of the shareholders. Such measures shall be deemed to have been taken when the specific details of the measures against the acquisition of a

meeting of shareholders.

In the event that the Company decides the matters concerning a gratis allocation of Share Acquisition Rights pursuant to the preceding paragraph as part of the Measures against the Acquisition of a Substantial Shareholding of the Company, the Company may set forth details of the Share Acquisition Rights as follows:

(1) Certain parties set forth in the Measures against the Acquisition of a Substantial Shareholding of the Company (“Unqualified Parties”) may not exercise such Share Acquisition Rights.

(2) The Company may acquire Share Acquisition Rights from parties other than Unqualified Parties and issue the Company’s shares in exchange therefor.

The measures against the acquisition of a substantial shareholding of the Company as stipulated in Paragraphs 1 and 3 shall mean measures that make it difficult to effect a takeover of the Company, such as the issuance of new shares or acquisition rights for the subscription of new shares which are not primary intended for financing or business alliance purposes and that are taken prior to the commencement of a takeover by a third party who poses a threat to the value of the Company and thus to the common interests of the shareholders. Such measures shall be deemed to have been taken when the specific details of the measures against the acquisition of a substantial shareholding of the Company by a third party are determined, such as the adoption of resolution to issue new

substantial shareholding of the Company by a third party are determined, such as the adoption of resolution to issue new shares or warrants for the subscription of new shares as a measure against the acquisition of a substantial shareholding of the Company.	shares or warrants for the subscription of new shares as a measure against the acquisition of a substantial shareholding of the Company.
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3. Impact on Shareholders and Investors:

- (1) Impact on shareholders and investors at the time of renewal of the Basic Policy/the Plan

As no actual gratis allocation of Share Acquisition Rights will occur at the time of renewal of the Basic Policy or the Plan, there will be no direct or concrete impact on the rights and interests of the shareholders or investors.

- (2) Impact on shareholders and investors at the time of a gratis allocation of Share Acquisition Rights

Upon renewing the Plan and implementing a gratis allocation of Share Acquisition Rights in accordance with the procedures under the Plan, Share Acquisition Rights will be allotted gratis to the shareholders as of such Allocation Date and at such rate as are separately determined in a Gratis Allocation Resolution, up to a maximum of two Share Acquisition Rights for each share held. If any shareholder(s) fail(s) to pay the amount equivalent to the exercise price or otherwise to implement the procedures to exercise its (their) Share Acquisition Rights during the exercise period of Share Acquisition Rights, the Company's shares held by said shareholder(s) will be diluted by the exercise of Share Acquisition Rights by other shareholders. However, the Company may, upon a decision by the board of directors, acquire Share Acquisition Rights from shareholders other than Unqualified Parties and, in exchange, deliver the Company's ordinary shares. In such case, shareholders other than Unqualified Parties will receive the Company's shares in consideration of Share Acquisition Rights acquired by the Company without exercising their Share Acquisition Rights or paying an amount equivalent to the exercise price, and the value of the Company's shares held by such shareholders will not be diluted.

Further, if a gratis allocation of Share Acquisition Rights is discontinued after the resolution for such allocation is adopted or a gratis acquisition of Share Acquisition Rights is made, the per-share value of the Company's shares will not be diluted. Accordingly, the shareholders or investors who have sold or purchased the Company's shares on the precondition that dilution of the per-share value of the Company's shares will take place will be subject to the fluctuation of the Company's share prices.

IV. The Company Board of Directors' Decisions Regarding the Above Measures and the Reasons Concerning Such Decisions

1. Special Measures contributing to realizing the Basic Policy in Section I above (measures in Section II above)

The measures set out in Section II above for improving the corporate value and for enhancing corporate governance, developed as specific measures to continuously enhance the Company's corporate value and the common interest of its shareholders, will contribute to realizing the basic policy.

Accordingly, these measures are in accordance with the basic policy and conform to the common interest of the Company's shareholders, and not for the purposes of maintaining the status of the officers of the Company.

2. Measures to prevent the Decisions of Financial and Business Policies of the Company from being controlled by Inappropriate Parties in light of the Basic Policy of Section I above (measures in Section III above)

(1) The Basic Policy is in accordance with the basic policy of Section I above.

The Basic Policy is the framework to secure the Company's corporate value and the common interest of its shareholders, in the event that the Company's share certificates are purchased, by enabling shareholders to make decisions with respect to whether to accept such purchase and enabling the board of directors to secure information and time necessary for making alternative proposals to shareholders or to negotiate and consult with a Purchaser on behalf of the shareholders, and is therefore in accordance with the basic policy.

- (2) These measures do not impair any common interest of the shareholders, and are not aimed at maintaining the status of the Company's officers

For the reasons described below, we believe that in the light of the basic policy described in Section I above, the Basic Policy does not impair any common interests of the shareholders, and is not aimed at maintaining the status of the Company's officers.

- (a) Compliance with Requirements of Guidelines for Defensive Measures against Takeovers

The Basic Policy complies with the three principles set forth by the "Guidelines concerning Defensive Measures against Takeovers for the Purposes of Securing or Enhancing Corporate Value and the Common Interests of Shareholders" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

- (b) Focus on Shareholders' Intentions

The Basic Policy will be decided upon the approval of and a resolution at the Shareholders Meeting as stated above.

Further, as stated in Section III.1(3) "Effective Period of the Basic Policy" above, the Basic Policy has a so-called "sunset clause", which sets forth an effective period of three (3) years, and it also provides that it may be amended or terminated by resolution of the Company's shareholders, even if the effective period of the Basic Policy has not yet expired. In addition, even during the effective period of the Basic Policy, the Plan may be terminated by resolution of the Company's board of directors which consists of the directors elected by the Company's shareholders. Therefore, the intentions of the shareholders will be sufficiently reflected in the Basic Policy and the Plan to be renewed pursuant thereto.

- (c) Focus on Judgment of Independent Outside Persons and Disclosure of Information

As stated in Section III.1(2)(f) "Independent Committee", any practical judgment regarding the operation of the Basic Policy, such as the implementation of a gratis allocation of Share Acquisition Rights, is to be made by an Independent Committee consisting only of those persons who

are independent of the management which executes the Company's business. Therefore, such a structure ensures the operation of the Plan in line with the protection of the Company's corporate value and its shareholders' common interests, as the Independent Committee will closely monitor the activities of the board of directors to prevent it from arbitrarily implementing a gratis allocation of Share Acquisition Rights and the summary of the independent committee's judgment will be disclosed to the shareholders.

Upon approval by the Ordinary General Meeting of Shareholders of the Basic Policy and resolution of the board of directors to adopt the renewal of the Plan, the scheduled members of the Independent Committee shall be Messrs. Mamoru Ozaki as the Company's outside director, Tomoharu Kuda as the Company's outside statutory auditor and Naoto Nakamura as the independent expert. Please see the attached Exhibit 2 for their biographies.

(d) Establishment of Reasonably Objective Requirements

As stated in Section III.1(2)(e)(i) "Advice by the Independent Committee on Implementation", the Plan is constituted so that a gratis allocation of Share Acquisition Rights will not be implemented unless reasonable and detailed objective requirements have been satisfied. Thus, it is considered that this structure prevents any arbitrary implementation by the board of directors.

(e) Obtaining the Independent Experts' Opinion

As stated in Section III.1(2)(d) "Examination of Terms and Conditions of Purchase and Negotiation and/or Proposal of Alternatives by Independent Committee", when a Purchaser appears, the Independent Committee may obtain advice from independent experts (including, but not limited to, financial advisors, legal counsel and certified public accountants) at the cost of the Company. This structure therefore further ensures the fairness and independence of the Independent Committee's judgment.

(f) Term of Office of the Company's Director is One Year

The term of office of the Company's director shall be one (1) year.

Therefore, even during the effective period of the Plan, the intentions of the shareholders will be sufficiently reflected in the Basic Policy and the Plan through the election of the Company's directors every year.

- End -

The Company's Shareholding Summary (as of March 31, 2009)

1. Total number of shares authorized to be issued: 500,000,000 shares
2. Total number of issued and outstanding shares: 143,378,085 shares
3. Total number of shareholders: 11,038 persons
4. Major shareholders (top 10):

Name of shareholder	Number of shares of the Company held by shareholder (Thousands of shares)	Shareholding Ratio (%)
The Bank of New York Mellon, as depository bank for depository receipt holders	17,396	12.38%
Meiji Yasuda Life Insurance Company	6,999	4.98%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	6,986	4.97%
Mika Noguchi	6,701	4.77%
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	5,509	3.92%
Nippon Life Insurance Company	5,460	3.88%
The Bank of Kyoto, Ltd.	4,264	3.03%
The Dai-ichi Mutual Life Insurance Company	3,912	2.78%
The Shiga Bank, Ltd.	3,376	2.40%
Mitsubishi UFJ Trust and Banking Corporation	3,050	2.17%

(Note) The investment ratio is calculated by using the number of issued shares as of the end of this fiscal year excluding the number of shares of treasury stock held by the Company.

Biography of Persons to Serve as Independent Committee Members

Mr. Mamoru Ozaki:

Jun 1991	Commissioner of the National Tax Agency
Jun 1992	Administrative Vice Minister of Finance
May 1994	President of People's Finance Corporation
Oct 1999	President of National Life Finance Corporation
Feb 2003 – present	Advisor to Yazaki Corporation
Jul 2003	Advisor of Wacoal Corp. (currently Wacoal Holdings Corp.)
Jun 2005 – present	Director of Wacoal Corp. (currently Wacoal Holdings Corp.)

Mr. Tomoharu Kuda:

Sep 1972	Joined Deloitte Haskins & Sells
Oct 1979	Registered as Certified Public Accountant
Sep 1987	Transferred to London Office (U.K.)
Feb 1990	Partner of Deloitte Touche Tohmatsu (merged with Tohmatsu)
Jun 1997	Representative Partner of Deloitte
Jun 2007 – present	Corporate Auditor of Wacoal Holdings Corp.

Mr. Naoto Nakamura:

Oct 1982	Passed the Japanese bar exam
Apr 1985	Graduated from the Legal Training and Research Institute Registered with Daini Tokyo Bar Association, joined Mori Sogo Law Offices
Apr 1998	Opened Hibiya Park Law Offices, Partner
Feb 2003	Opened Naoto Nakamura Law Office (currently Nakamura, Tsunoda & Matsumoto)

End