

January 29, 2010

To whom it may concern:

WACOAL HOLDINGS CORP.
Yoshikata Tsukamoto, President and
Representative Director
(Code Number: 3591)
(Tokyo Stock Exchange, First Section)
(Osaka Securities Exchange, First Section)
Masaya Wakabayashi, General Manager,
Corporate Planning
(Telephone: 075-682-1006)

Announcement Regarding Business Transfer between Consolidated Subsidiaries and Merger of a Consolidated Subsidiary

We hereby announce that on January 29, 2010, our board of directors approved the transfer of businesses of Studio Five Corp. (“Studio Five”) and Wacoal Dublevé Corp. (“Wacoal Dublevé”) to Wacoal Corp. (“Wacoal”) (the “Business Transfer(s)”), a consolidated subsidiary of Wacoal Holdings Corp. (“Wacoal Holdings”), and resolved to merge Studio Five into Wacoal Holdings (the “Merger”).

Please note that because the Business Transfers are between consolidated subsidiaries and the Merger is a simplified merger of a consolidated subsidiary, some information in this announcement are abbreviated.

NOTE

1. Business Transfer from Studio Five to Wacoal and Merger of Studio Five into Wacoal Holdings

1) Reason for Business Transfer and Merger

For the purpose of achieving a more efficient development of the production system and product/brand strategy for the domestic business of our group, the business of Studio Five, which engage in the planning, production and sales of innerwear related products, will be transferred to Wacoal and Studio Five will be merged into Wacoal Holdings, its holding company.

2) Outline of Subsidiary of the Business to be Transferred

Trade Name: Studio Five Corp.

*Please see Section 8) “Outline of Parties in Merger” for more information.

3) Outline of Transferee (Subsidiary of Wacoal Holdings)

Trade Name: Wacoal Corp.

Location of Principal Office: 29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto

Name of Representative: Yoshikata Tsukamoto,
President and Representative Director

Capital Amount: 5,000 million yen

Major Shareholder: Wacoal Holdings Corp. (100%)

Business Description: Manufacturing and wholesale sales of innerwear, outerwear, sportswear, other textile and related products and direct sales of certain products to consumers

Date of Incorporation: October 1, 2005
 Relationship with Wacoal Holdings: a consolidated subsidiary

4) Schedule of Business Transfer and Merger

Board meeting to approve the Business Transfer and Merger: January 29, 2010
 Execution of Business Transfer Agreement: January 29, 2010
 Execution of Merger Agreement: January 29, 2010
 Scheduled date of Business Transfer: March 30, 2010
 Scheduled date of Merger: March 31, 2010

5) Method of Merger

Wacoal Holdings will be the surviving company and Studio Five will be the dissolving company.

6) Allocation in Merger

Because Wacoal Holdings holds all shares of Studio Five, there will be no issuance of new shares, increase in capital nor payment of cash upon Merger.

7) Treatment of Share Acquisition Rights and Bonds with Share Acquisition Rights of Dissolving Company

Not applicable.

8) Outline of Parties in Merger

(As of March 31, 2009)

(1) Trade Name	Wacoal Holdings Corp. (surviving company)	Studio Five Corp. (dissolving company)
(2) Location of Principal Office	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto	1-23-6, Yanagibashi, Taito-ku, Tokyo
(3) Name of Representative	Yoshikata Tsukamoto, President and Representative Director	Tomoyasu Ito President and Representative Director
(4) 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 innerwear and related products
(5) Capital Amount	13,260 million yen	50 million yen
(6) Date of Incorporation	November 1, 1949	August 1, 1987
(7) Number of Outstanding Shares	143,378,085 shares	1,000 shares
(8) Fiscal Year End	March 31	March 31

(9) Major Shareholders and Shareholding Ratio	The Bank of New York Mellon as Depositary Bank for Depositary Receipts Holders (12.13%) Meiji Yasuda Life Insurance Company (4.88%) The Bank of Tokyo-Mitsubishi UFJ, Ltd. (4.87%) Mika Noguchi (4.67%) Japan Trustee Services Bank, Ltd. (trust account) (3.84%)	Wacoal Holdings Corp. (100%)
(10) Net Assets	165,873 million yen (consolidated)	(120) million yen
(11) Total Assets	213,486 million yen (consolidated)	730 million yen
(12) Sales	172,276 million yen (consolidated)	1,737 million yen
(13) Operating Income	10,129 million yen (consolidated)	(65) million yen
(14) Net Income	5,230 million yen (consolidated)	(73) million yen

9) Post-Merger Status

There will be no change to the trade name, location of the principal office, representative, business description and capital amount of Wacoal Holdings as a result of the Merger.

10) Outlook

Because the Merger is a merger of Wacoal Holdings and its wholly owned consolidated subsidiary and the Business Transfer is between our wholly owned consolidated subsidiaries, we believe that the effect of such Business Transfer and Merger on our consolidated income statement and net assets will be minor. In addition, because all business of the dissolving company will be transferred to Wacoal, the sales and income of Wacoal Holdings alone will not be effected during and after current fiscal year. The amount of asset and liability Wacoal Holdings will assume as a result of the Merger will be announced separately when fixed.

2. Business Transfer from Wacoal Dublevé to Wacoal

1) Reason for Business Transfer

Wacoal Dublevé was established to engage in the direct retail store business of semi-custom products for women's innerwear. However, in order to expand and broaden direct contacts with consumers, it has begun to sell products at department stores, which are main business partners of Wacoal. Consequently, we have decided to transfer its business to Wacoal in order to build a more efficient business promotion structure (i) in expansion of business areas by making full use of Wacoal's sales ability and (ii) in sales by coordinating with the existing shops.

2) Outline of Subsidiary to be Transferred

Trade Name:	Wacoal Dublevé Corp.
Location of Principal Office:	103, Shichijyo Goshonouchi Minamimachi, Shimogyo-ku, Kyoto-shi, Kyoto
Name of Representative:	Hiroshi Hyogo, President and Representative Director
Capital Amount:	50 million yen
Major Shareholder:	Wacoal Holdings Corp. (100%)
Business Description:	Manufacturing and sales of semi-custom underwear and sales of related products
Date of Incorporation:	April 3, 2006
Relationship with Wacoal Holdings:	a consolidated subsidiary

3) Outline of Transferee (Subsidiary of Wacoal Holdings)

Trade Name:	Wacoal Corp.
Location of Principal Office:	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto
Name of Representative:	Yoshikata Tsukamoto, President and Representative Director
Capital Amount:	5,000 million yen
Major Shareholder:	Wacoal Holdings Corp. (100%)
Business Description:	Manufacturing and wholesale sales of innerwear, outerwear, sportswear, other textile and related products and direct sales of certain products to

consumers
Date of Incorporation: October 1, 2005
Relationship with Wacoal Holdings: a consolidated subsidiary

4) Schedule of Business Transfer

Board meeting to approve the Business Transfer: January 29, 2010
Execution of Business Transfer Agreement: January 29, 2010
Scheduled date of Business Transfer: April 1, 2010

Please note that Wacoal Dublevé is planned to survive for the time being to continue a part of its business, such as collection of its outstanding receivables.

5) Outlook

We believe that the effect of the Business Transfer on our consolidated business results for current fiscal year will be minor.

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