



TRANSITION TO A COURSE OF GROWTH

WACOAL HOLDINGS CORP.
ANNUAL REPORT 2006



In October 2005, the Company changed its name from Wacoal Corp. to Wacoal Holdings Corp. The establishment of a holding company system has further clarified responsibility and authority while enhancing the dynamism and effectiveness of operational implementation. Targeting new growth, Wacoal Holdings will heighten the enterprise value of all companies in the Wacoal Group.

TRANSITION TO A

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PROFILE

Seeking to benefit society at large by enabling women the world over to express their beauty, we have led the Japanese market for women's innerwear since our establishment in 1949. Still holding a dominant share of our home market, we are steadily growing sales in North America, Europe, and Asia. Further, we have developed innerwear and other garments that realize outstanding comfort and figure enhancement thanks to basic research on the shape and movement of the human body as well as research on the physiology of sensation. That research draws on a wealth of analytical data that we have accumulated by measuring the bodies of more than 35,000 Japanese women. We will anticipate changing demand by continuing to develop and market value-added products that offer differentiated beauty and comfort.

Body Designing Business

We aim to be a company that empathizes with women and enhances their beauty. We think of ourselves as a Body Designing Business that helps women express their unique emotional and physical beauty. Going forward, we aim to diversify into business areas related to beauty, comfort, and health in which we can realize synergy benefits with our mainstay innerwear business.

COURSE OF GROWTH

Forward-Looking Statements

Statements contained in this annual report that are not historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, performance, or achievements to differ materially from those anticipated in these statements.