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May 10, 2017

To Whom It May Concern:

Company Name: WACOAL HOLDINGS CORP.
Representative: Yoshikata Tsukamoto,
President and Representative Director
(Code Number: 3591)
(Tokyo Stock Exchange, First Section)
Contact: Akira Miyagi,
General Manager of Corporate Planning
(Telephone: +81(075) 682-1010)

Announcement of Change of Number of Shares in One Unit of Shares, Share Consolidation
and Partial Amendment to Articles of Incorporation

We (the “Company”) hereby announce that our board of directors has resolved at its meeting held on May 10, 2017 to submit to the 69th ordinary general meeting of shareholders to be held on June 29, 2017 (the “Ordinary Shareholders Meeting”) proposals for a share consolidation and a partial amendment to the Articles of Incorporation (to change the number of shares in one unit of shares, etc.) as follows.

Please note that the details of the proposal to be submitted to the Ordinary Shareholders Meeting, including the above-mentioned proposal, are scheduled to be determined at the meeting of our board of directors to be held on May 26, 2017.

Details

1. Change of Number of Shares in One Unit of Shares

(1) Reason for change

To address the determination by all Japanese securities exchanges, including the Tokyo Stock Exchange, that the minimum trading unit of shares for domestically listed companies be uniformly set at 100 shares on or prior to October 1, 2018.

(2) Details of change

The number of shares of common stock in one unit of shares will be changed from 1,000 shares to 100 shares.

(3) Date of change (scheduled)

October 1, 2017

(4) Conditions to change

The foregoing change shall become effective upon the approval and adoption at the Ordinary

Shareholders Meeting of the proposal set forth in “2. Share Consolidation” below.

2. Share Consolidation

(1) Purpose of consolidation

In connection with the change of the number of shares in one unit of shares from 1,000 shares to 100 shares as mentioned in 1. above, the Company will implement a share consolidation pursuant to which two (2) shares will be consolidated into one (1) share in order to bring the Company’s unit trading price to a level considered to be desirable by the securities exchanges (at least 50,000 yen and less than 500,000 yen), as well as to adjust the trading unit to an appropriate level taking into consideration mid- and long-term stock price fluctuations. The Company will also reduce the total number of shares authorized to be issued from 500 million shares to 250 million shares based on the ratio of the share consolidation.

(2) Details of consolidation

(i) Class of shares to be consolidated:

Common shares

(ii) Consolidation ratio:

On October 1, 2017, shares held by the shareholders recorded in the latest shareholders’ registry as of September 30, 2017 (which is, in effect, that of September 29, 2017) will be consolidated at the ratio of one (1) share for two (2) shares.

(iii) Number of shares reduced by consolidation:

Total number of outstanding shares before the consolidation (as of March 31, 2017):	143,378,085 shares
Number of shares reduced by consolidation:	71,689,043 shares
Total number of issued shares after the consolidation:	71,689,042 shares

(Note) “Number of shares reduced by consolidation” is a theoretical value calculated by multiplying the total number of issued shares before the consolidation by the consolidation ratio.

(3) Number of shareholders reduced by consolidation

The shareholder composition based on the shareholders’ registry as of March 31, 2017 is as follows:

Number of shares held:	Number of shareholders (percentage of total):	Total number of shares (percentage of total):
Total number of shareholders	14,230 (100.0%)	143,378,085 shares (100.0%)
Number of shareholders holding fewer than 2	161 (1.1%)	161 shares (0.0%)

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shares		
Number of shareholders holding 2 shares or more	14,069 (98.9%)	143,377,924 shares (100.0%)

If the share consolidation is carried out based on the foregoing assumption regarding shareholder composition, 161 shareholders who hold fewer than two (2) shares (the total number of shares held by such shareholders being 161 shares) will lose their status as shareholders.

(4) Treatment of fractional shares (if any)

If any fractional share arises as a result of the share consolidation, the Company will sell all such fractional shares at once and distribute the proceeds from such sale to each of the shareholders having fractional share(s) in proportion to the number of fractional share(s) held by each of such shareholders, pursuant to the provisions of the Companies Act.

(5) Conditions to consolidation

The share consolidation shall become effective upon the approval and adoption of the proposal regarding the share consolidation at the Ordinary Shareholders Meeting.

3. Partial Amendment to Articles of Incorporation

(1) Purpose of amendment

The provisions of Article 7 (Number of Shares Constituting One Unit) of the Articles of Incorporation of the Company shall be amended in order to change the number of shares in one unit of shares from 1,000 shares to 100 shares as mentioned in “1. (1) Reason for change” above, and the provisions of Article 6 (Total Number of Authorized Shares) shall be also amended to allow the share consolidation to be implemented as set out in “2. (1) Purpose of consolidation” above and to reduce the total number of shares authorized to be issued based on the consolidation ratio.

(2) Details of amendment

The contents of the amendment shall be as follows:

(Parts to be amended are underlined.)

Current Provision	Proposed Amendment
<p style="text-align: center;">CHAPTER II. SHARES</p> <p>Article 6. Total Number of Authorized Shares</p> <p>The total number of shares authorized to be issued by the Company shall be <u>five hundred million (500,000,000)</u> shares.</p>	<p style="text-align: center;">CHAPTER II. SHARES</p> <p>Article 6. Total Number of Authorized Shares</p> <p>The total number of shares authorized to be issued by the Company shall be <u>two hundred fifty million (250,000,000)</u> shares.</p>

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Article 7. Number of Shares Constituting One Unit The number of shares of the Company constituting one unit shall be <u>one thousand (1,000)</u> shares.	Article 7. Number of Shares Constituting One Unit The number of shares of the Company constituting one unit shall be <u>one hundred (100)</u> shares.
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(3) Conditions to amendment

The foregoing amendment to the Articles of Incorporation shall become effective upon the approval and adoption of the proposal set out in “2. Share Consolidation” above at the Ordinary Shareholders Meeting.

4. Summary Schedule

Date of resolution of the Board of Directors:	May 10, 2017
Date of the Ordinary Shareholders Meeting:	June 29, 2017 (scheduled)
Effective date of the change of the number of shares in one unit of shares:	October 1, 2017 (scheduled)
Effective date of the share consolidation:	October 1, 2017 (scheduled)
Effective date of the amendment to the Articles of Incorporation:	October 1, 2017 (scheduled)

Although the effective date of the change of the number of shares in one unit of shares and the share consolidation is scheduled to be October 1, 2017 as mentioned above, the trading unit at the Tokyo Stock Exchange will be changed from 1,000 shares to 100 shares on September 27, 2017 because of the book-entry procedures following the trades of shares.

End

Accompanying Material:

Reference material: Q&A regarding the Change of the Number of Shares in One Unit of Shares and the Share Consolidation

Reference material: Q&A Regarding Change of Number of Shares in One Unit of Shares and Share Consolidation

Q1. What does a change of the number of shares in one unit of shares mean?

A1. A change of the number of shares in one unit of shares means a change of the number of shares that constitutes a unit of voting rights to be exercised at a general meeting of shareholders and the number of shares that constitute a trading unit on securities exchanges. The Company will change the number of shares in one unit of shares from 1,000 shares to 100 shares.

Q2. What is a share consolidation?

A2. A share consolidation means consolidating a number of shares to reduce the total number of shares. The Company will consolidate two (2) shares into one (1) share.

Q3. What is the purpose of the change of the number of shares in one unit of shares and the share consolidation?

A3. For the greater convenience of investors and other market participants, all Japanese securities exchanges have announced and are promoting an “Action Plan for Consolidating Trading Units”, under which trading units of common stock of all domestically listed companies are to be uniformly set at 100 shares. In light of the intent of this action plan, the Company will change the number of shares in one unit of shares from 1,000 shares to 100 shares effective as of October 1, 2017. In addition, in order to bring the Company’s unit trading price to a level considered to be desirable by the securities exchanges (at least 50,000 yen and less than 500,000 yen), as well as to adjust the trading unit to an appropriate level taking into consideration mid- and long-term stock price fluctuations, the Company will implement a share consolidation under which every two (2) shares will be consolidated into one (1) share.

Q4. The number of shares held by a shareholder will decline after the share consolidation. Will this have any impact on its asset value?

A4. The Company’s assets and capital will remain unchanged after the share consolidation. This means, in the absence of fluctuation in our business performance and other factors, there will be no change to the asset value of shareholders’ shares due to the share consolidation. That is because the net asset amount per share will be doubled, while the number of shares held by each shareholder will be halved, as a result of the share consolidation. Also, in theory, the stock price will double after the share consolidation.

Q5. Is there any impact on dividends to be received by shareholders?

A5. Although the number of shares held by each shareholder will be reduced by half as a result of the share consolidation, the Company will determine the amount of dividend per share taking into

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account the consolidation ratio (i.e., consolidation of two (2) into (1) share) after the effective date of the share consolidation. Thus, in the absence of fluctuation in our business performance or other factors, the total amount of dividend payable to each shareholder will not be affected by the share consolidation. Please note that no dividend will be paid on any fractional share (which does not constitute one (1) share) resulting from the share consolidation.

Q6. Is there any impact on shareholder benefits?

A6. The Company provides those shareholders who hold a certain number of shares of the Company as of the end of March and September of each year with a gift voucher (“Wacoal Essence Check”), in proportion to the number of shares held by each shareholder. At present, the Company provides this benefit to each shareholder holding 1,000 shares or more and each shareholder holding 3,000 shares or more, as follows. After the change of the number of shares in one unit of shares and the share consolidation, the Company plans to change the thresholds to receive the benefit to 500 shares and 1,500 shares, respectively.

Number of Shares Held		Wacoal Essence Check	
At present	Proposed change	At present	Proposed change
1,000 shares or more	500 shares or more	Twice a year; worth 3,000 yen each time	Twice a year; worth 3,000 yen each time
3,000 shares or more	1,500 shares or more	Twice a year; worth 5,000 yen each time	Twice a year; worth 5,000 yen worth each time

In addition, the Company currently offers preferential treatment to certain shareholders in the form of mail order discounts. At present, the Company delivers, upon request, mail order catalogs each season to those shareholders who hold 1,000 shares or more and such shareholders may purchase all products advertised in such catalogs at a 20% discount. The Company plans to change the minimum shareholding threshold to receive this discount to 100 shares. Also, the Company plans to set a new limit for the annual purchase amount.

Number of Shares Held		Mail Order Discount Rate	
At present	Proposed Change	At present	Proposed Change
1,000 share or more	100 share or more	20% discount on each purchase	20% discount on each purchase

Q7. How will the number of shares and voting rights held by shareholders be affected?

A7. The number of shares held by each shareholder after the share consolidation will be the number of shares calculated by multiplying the number of shares recorded in the last shareholders’ registry as

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of the end of the day on September 30, 2017 (which is, in effect, that of the day on September 29, 2017), by one-half (rounded down to the nearest whole share). The number of voting rights will be one (1) per 100 shares held after the share consolidation.

Specifically, the number of shares held and number of voting rights before and after the change of the number of shares in one unit of shares and the share consolidation shall be as follows:

	Before Effective Date		After Effective Date		
	Number of shares held	Number of voting rights	Number of shares held	Number of voting rights	Fractional shares
Example (1)	2,000	2	1,000	10	None
Example (2)	1,635	1	817	8	0.5
Example (3)	1,000	1	500	5	None
Example (4)	797	0	398	3	0.5
Example (5)	199	0	99	0	0.5
Example (6)	1	0	0	0	0.5

- In Examples (1) and (3), the shareholder is not required to take any special procedures.
- With respect to fractional shares in Examples (2), (4) and (5) (i.e., 17 shares in Example (2), 98 shares in example (4) and 99 shares in Example (5)), the shareholder may, at its option, use the procedures for the “sale of shares less than one unit” or “purchase of additional shares” in order not to be forced to dispose of fractional shares. For details of the relevant procedures, please inquire your broker. In the case of a shareholder who does not have any account with broker, please inquire with the Company’s shareholder register agent set forth at the end of this document.
- With respect to the fractional shares in Example (2), (4), (5) and (6), the Company will sell all such fractional shares at once and distribute the proceeds from such sale to the shareholders holding fractional shares, in proportion to the number of shares held by each such shareholder.
- In Example (6), as the shareholder ceases to hold shares after the share consolidation, such shareholder will lose its status as a shareholder.
- In the case of a shareholder who has opened accounts with two or more brokers, the share consolidation procedures will, in principle, be implemented with respect to any outstanding Company shares registered in the transfer account book of each broker. Please inquire with your relevant brokers for details.

Q8. Are there any procedures to be taken by shareholders?

A8. No special procedures are necessary.

Q9. What is the specific schedule going forward?

A9. The planned schedule shall be as follows:

Date of resolution of the Board of Directors:	May 10, 2017
Date of the Ordinary Shareholders Meeting:	June 29, 2017 (scheduled)
Last day of trading of units constituting 1,000 shares:	September 26, 2017 (scheduled)
First day of trading of units constituting 100 shares:	September 27, 2017 (scheduled)
Effective date of the change of the number of shares in one unit of shares and the share consolidation:	October 1, 2017 (scheduled)
Date of notice of share consolidation allotment to shareholders:	Late October 2017 (scheduled)
Payment of proceeds from sale of fractional shares:	Early December 2017 (scheduled)

* Shareholder Register Agent (Contact for Inquiries)

6-3, Fushimimachi 3-chome, Chuo-ku, Osaka 541-8502

Osaka Securities Agency Division

Mitsubishi UFJ Trust and Banking Corporation

Tel: 0120-094-777 (toll free)

Office hours: From 9:00 am to 5:00 pm (excluding Saturdays, Sundays and National holidays)