

Status of Activity of Board of Directors, Nomination of Directors Advisory Committee and Remuneration of Directors Advisory Committee and the Committee for Group Strategy (Fiscal Year ended March 31, 2024)

The following table shows the members and chairpersons of the Board of Directors, the Nomination of Directors Advisory Committee and the Remuneration of Directors Advisory Committee, the Committee for Group Strategy as well as their meetings and attendance record for the fiscal year ended March 31, 2024:

(Note: The Committee for Group Strategy was established in June 2023 during the fiscal year ended March 31, 2024)

Title	Name	Board of Directors	Meeting Attendance	Nomination of Directors Advisory Committee	Meeting Attendance	Remuneration of Directors Advisory Committee	Meeting Attendance	Committee for Group Strategy	Meeting Attendance
Representative Director, President and CEO (Group CEO)	Hironobu Yasuhara	◎	4/4 (100%)	○	1/1 (100%)				
Director, Executive Corporate Officer (until June 2023)	Masaaki Yajima	○	17/17 (100%)	○	5/5 (100%)			◎	12/12 (100%)
Representative Director, President and CEO (Group CEO) (from June 2023)		◎							
Representative Director Vice President, Executive Officer and CFO	Akira Miyagi	○	17/17 (100%)	○	6/6 (100%)	○	4/4 (100%)	○	12/12 (100%)
External Director (Independent)	Madoka Mayuzumi	○	4/4 (100%)	○	1/1 (100%)	○	1/1 (100%)		
External Director (Independent)	Shigeru Saito	○	17/17 (100%)	○	6/6 (100%)	○	4/4 (100%)	○	12/12 (100%)
External Director (Independent)	Tsunehiko Iwai	○	17/17 (100%)	◎	6/6 (100%)	◎	4/4 (100%)	○	12/12 (100%)
External Director (Independent)	Chizuru Yamauchi	○	13/13 (100%)	○	5/5 (100%)	○	3/3 (100%)	○	12/12 (100%)
External Director (Independent)	Hisae Sato	○	13/13 (100%)	○	4/4 (100%)	○	2/2 (100%)	○	12/12 (100%)
External Director (Independent)	Koji Nitto	○	13/13 (100%)	○	4/4 (100%)	○	2/2 (100%)	○	12/12 (100%)
Audit and Supervisory Board Member	Shinichi Kitagawa	□	17/17 (100%)					△	
Audit and Supervisory Board Member	Katsuhiko Okamoto	□	17/17 (100%)					△	
External Audit and Supervisory Board Member (Independent)	Hiroshi Shirai	□	4/4 (100%)						
External Audit and Supervisory Board Member (Independent)	Mitsuhiro Hamamoto	□	17/17 (100%)					△	
External Audit and Supervisory Board Member (Independent)	Minoru Shimada	□	4/4 (100%)	△		△			
External Audit and Supervisory Board Member (Independent)	Hitoshi Suzuki	□	13/13 (100%)	△		△		△	
External Audit and Supervisory Board Member (Independent)	Motoko Tanaka	□	13/13 (100%)					△	
Corporate Officer	Katsuya Hirooka	△						○	12/12 (100%)
Corporate Officer	Atsuko Shinoduka	△						○	12/12 (100%)
Corporate Officer	Shinsuke Fukazawa	△				○	4/4 (100%)		

Title	Name	Board of Directors	Meeting Attendance	Nomination of Directors Advisory Committee	Meeting Attendance	Remuneration of Directors Advisory Committee	Meeting Attendance	Committee for Group Strategy	Meeting Attendance
Corporate Officer	Takuya Yoshidomi								
Corporate Officer	Teruo Fukumoto								

(◎ chair or chairperson, ○ member, □ attendee, △ observer)

a. Activities of Board of Directors

Name	Matters to be Discussed and Considered	Number of Meetings Held
Board of Directors	<ul style="list-style-type: none"> • In addition to the matters as prescribed by laws and regulations and the Articles of Incorporation, all the major management issues and important matters related to our business, such as the medium- and long-term management strategies, the medium-term business strategy, the allocation of management resources, are discussed. • The following matters were mainly discussed and considered during the current fiscal year ended March 31, 2024. <ul style="list-style-type: none"> i) Corporate Governance <p>As a result of the evaluation of the composition and skill balance of the Board of Directors, the “Nomination of Directors Advisory Committee” submitted a list of three proposed candidates for External Directors (Independent), who have abundant knowledge of sustainability, D&I, investment and the financial capital market. The list was approved and then submitted to a general meeting of shareholders, which was held in June 2023, as an agenda item.</p> <p>The amount of basic remuneration of the Company’s Directors (excluding External Directors (Independent)) to be reduced was resolved in consideration of the downward revision of the consolidated financial forecast of the current fiscal year ended in March 31, 2024, the structure reform (The item of “Capital efficiency”) mentioned below, and the management responsibility based on the results of the withdrawal of business in the U.S. after the consultation with the Remuneration of Directors Advisory Committee. Meanwhile, the Remuneration of Directors Advisory Committee started preparing for the introduction of the performance share unit compensation plan, which further clarifies the link among the compensation of the Company’s Director, consolidated financial results and the value of the Company’s stock, provides an incentive to continuously improve corporate value and promote the value sharing with shareholders. (It is to be approved at the Board of Directors held in May 2024, the next fiscal year, and proposed at the Ordinary General Meeting of Shareholders held on June 2024.)</p> <p>In addition, in June 2023, we have established the Committee for Group Strategy as an advisory body to the Board of Directors, which all External Directors (Independent), External Audit and Supervisory Board Members (Independent) and the Group companies’ Director and Corporate Officers attend to fully discuss the medium- and long-term business strategies, the medium business strategies, the allocation of management resources and major management issues from various perspectives.</p> ii) Sustainability <p>We received periodic reports from the Sustainability Committee on business risks and opportunities related to climate change (response to TCFD), issues related to sustainability such as CSR procurement regarding the respect for human rights and D&I and ensuring diversity including promotion of activities by women, as well as a plan for initiatives and its progress by our group. Based on that, we are discussing our response including the cost associated with greenhouse gas reduction, which should be addressed as an important management issue, gender gap and human rights infringement risk hidden in the supply chain. We shall continue allocating our management resources and monitoring the execution of strategies to achieve both the solution of social issues through our business and sustainable growth.</p> iii) Corporate Ethics and Risk Management <p>The Corporate Ethics and Risk Management Committee conducts a scoring evaluation of potential risks related to business environment and/or business strategies, and operational risks from the perspective of their likelihood of occurrence and impact of such risks. The risk items that are evaluated as having a significant potential impact on the management of our group, are annually reviewed based on the recommendations of the Corporate Ethics and Risk Management Committee and approved as the Group’s Material Risk.</p> 	17

	<p>Subsequently, we conducted supervision and received reports on a regular basis to ensure that the initiatives to prevent, transfer, mitigate or accept risks are being appropriately implemented, and monitored measures related to incidents to prevent recurrence.</p> <p>We also had a discussion on cyber attack, which has been damaging Japanese companies both in Japan and overseas these days, including security management system and the implementation of required measures.</p> <p>iv) Medium- to Long-Term Business Strategies</p> <p>Concerning the execution of the “Allocation of more time to the consideration of important business matters, such as medium to long-term strategies, and at the same time, utilization of knowledge of External Directors (Independent) and promotion of more active discussion at the meetings of the Board of Directors,” which was posed as one of the issues to improve the effectiveness of the Board of Directors, we repeated active and deep discussions during the process of formulating the revised medium-term management plan as mentioned in the previous paragraph stating the evaluation results of the effectiveness of the Board of Directors and the status of the improvement effort.</p> <p>In addition, we resolved the revised medium-term management plan formulated to realize “Improvement of business profitability,” “Improvement of Return on Invested Capital,” “Transformation of brand and customer marketing strategies,” etc.</p> <p>We will continue to aim to maximize our corporate value, and confirm the effectiveness of our strategies and status of progress of our plans. We will also deepen our discussions on fundamental initiatives to achieve sustainable growth.</p> <p>v) Capital Efficiency</p> <p>Along with the resolution of the revised medium-term management plan, which reevaluate the Company’s business portfolios and tried to achieve an appropriate reallocation of management resources, we deepened discussions on the direction of addressing low-profitable businesses in the Group and criteria for judging such businesses, and in addition, made decisions on introducing ROIC management, promoting asset reduction (disposal of assets that do not contribute to enhancement of the corporate value), and inviting voluntary retirement.</p> <p>In addition, in the U.S. market, we decided to withdraw the LIVELY brand business, which we aimed to expand having EC as its main sales channel with the digital marketing utilizing SNS considering its low potential.</p> <p>We also continue to look into the issues related to improvement of capital profitability. (In April and May 2024, the next fiscal year, we will make resolutions on business fixed assets (real estate holdings) and the transfer of Group companies’ shares.)</p> <ul style="list-style-type: none"> • In addition to the above, reports are made from the Directors and Corporate Officers monthly on the status of execution and deliberations at the Group Management Meeting. 	
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b. Activities of Nomination of Directors Advisory Committee

Name	Matters to be Discussed and Considered	Number of Meetings Held
Nomination of Directors Advisory Committee	<ul style="list-style-type: none"> Based on the management directions toward improving corporate value over the medium- to long-term, we held a meeting to discuss the roles expected from the Directors, revised the skills matrix based on such roles, and confirmed the composition of the Board of Directors and personnel requirements, the details of which were reported at a meeting of the Board of Directors held in May 2023. We have revised the rules of this Committee, the details of which were reported at a meeting of the Board of Directors held in August 2023. We also reported on our annual activity plan (initial draft with additional review in progress) in August. As for the appointment of the candidates for Director (including the appointment of the candidates for Corporate Officer who would become the candidates for Director in the future), we have made arrangement again after having discussions and developing systematic appointment system. We held multiple meetings to discuss the composition of the Board of Directors after June 2024, considering the appropriateness of skills balance using the matrix, ensuring diversity, career summary of candidates and reason for nomination, and narrowed down the candidates for Director. (A report will be made at a meeting of the Board of Directors held in May 2024.) 	6

c. Activities of Remuneration of Directors Advisory Committee

Name	Matters to be Discussed and Considered	Number of Meetings Held
Remuneration of Directors Advisory Committee	<ul style="list-style-type: none"> The amount of performance-based bonus payable based on the business performance of the previous fiscal year (ended March 31, 2023) was reported at a meeting of the Board of Directors held in May 2023. We have revised the rules of this Committee, the details of which were reported at a meeting of the Board of Directors held in August 2023. We also reported on our annual activity plan (initial draft with additional review in progress) in August. Having the downward revision of the consolidated results forecast for the current fiscal year (ended March 31, 2024) and subsidiaries' implementation of restructuring as the backdrop, we submit a recommendation on the reduction of Directors' basic compensation to clarify the management responsibilities at the Board of Directors held in November. We exchanged opinions and had ongoing discussions about the current issues and improvements related to the remuneration system for Directors. We started preparing for the introduction of the performance share unit compensation plan, which is the recommendation. (It will be proposed at the Board of Directors held in May 2024, the next fiscal year, and approved at the 76th Ordinary General Meeting of Shareholders.) We confirmed the direction of the amount of performance-based bonus payable based on the projected consolidated performance for the current fiscal year (ended March 31, 2024) (No payment). 	4

d. Activities of the Committee for Group Strategy

Name	Matters to be Discussed and Considered	Number of Meetings Held
Committee for Group Strategy	<ul style="list-style-type: none"> The following matters were mainly discussed during the current fiscal year ended March 31, 2024 and reported to the Board of Directors. 	12

	<ul style="list-style-type: none"> • In addition, the Committee actively got involved in the process of formulating the revised medium-term management plan, which will become the main points of the policy. <p>i) Arrangement of the Foundation for Group Management</p> <p>Multiple discussions were made for the utilization of business fixed assets (real estate holdings). The Committee recommended the sales of the properties that do not contribute to enhancement of corporate value with a view to improving asset and capital efficiency, which leads to the Promotion of Asset Reduction policy of the revised medium-term management plan.</p> <p>For the introduction and embedding of ROIC management, we discussed the introduction process including the embedding of the significance and reported the necessity of the transformation for active management approach to realize the return that exceeds capital cost and use the earnings for investment and return to multi-stakeholders.</p> <p>ii) Growth Strategy for Overseas Business</p> <p>We confirmed that in the European, American and Chinese markets, it is necessary to accelerate the conversion to an EC-focused business model and that there is room for development in the market (by region and segment). Then, we discussed the allocation of required management resources.</p> <p>iii) Portfolio of Domestic Business</p> <p>We discussed a plan to address the continuously unprofitable domestic group companies. By confirming how our future business portfolios should be considering the changes in the environment surrounding our business as well as the criteria for the evaluation of business continuity or withdrawal, we recommended to arrange a monitoring system that would enable timely and appropriate judgement for the modification of the plan to address the issue.</p> <p>iv) Business Structure Reform</p> <p>We discussed the recovery of growth and profitability of Wacoal Corp., the core of our domestic business. We confirmed the direction to improve the business efficiency by establishing brand portfolios with better clarification of the value to provide and promote the SCM reform to achieve the demand-linked lead time reduction.</p> <p>For the strengthening of human capital, we discussed our initiatives to realize organizational management by a small group of highly skilled employees with individual growth, improvement of organizational strength and fostering an attractive culture by having the recruitment, training and promotion of the talents who will be responsible for the company's growth as a starting point. The voluntary retirement program is unavoidable. We confirmed that we will simultaneously promote the improvement of compensation and treatment systems.</p>	
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