


Management Team As of June 30, 2025

Directors

 Career Summary of Each Officer
<https://www.wacoalholdings.jp/en/group/holdings/>



Masaaki Yajima

Representative Director,
President and CEO

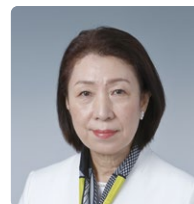
Attendance at Board of
Directors Meetings in
2024: 17/17

Reasons for Selection as an Officer

Mr. Masaaki Yajima has extensive experience and expertise in the technology & production, sales and global divisions of Wacoal Corp., and also has been serving as the Representative Director, President and CEO (Group CEO) of the Company since June 2023. Therefore, we believe that he is qualified to serve as a Director of the Company.

Areas of Expertise and Insight

Company management, global awareness, marketing, technology/production quality control



Chizuru Yamauchi

External Director
(Independent)

Attendance at Board of
Directors Meetings in
2024: 17/17

Reasons for Selection as an Officer

Ms. Chizuru Yamauchi has extensive knowledge as an executive, as well as expertise in diversity and inclusion, which enables her to contribute to the Company's human resources and organization strategies, such as women's empowerment, human resource strategy and organizational development. We expect that she will continue to provide advice and oversight of management that will contribute to enhancing our corporate value.

Areas of Expertise and Insight

Company management, sustainability, diversity & inclusion



Akira Miyagi

Representative Director,
Vice President and
Executive Officer and CFO

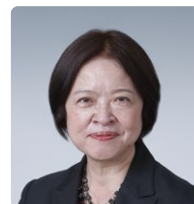
Attendance at Board of
Directors Meetings in
2024: 17/17

Reasons for Selection as an Officer

Mr. Akira Miyagi has extensive experience and expertise in the administrative divisions (particularly in the administration division and corporate planning division) of the Company and Wacoal Corp., our core operating entity, and also has been serving as a Director of the Company since June 2018, in charge of corporate planning and finance. Therefore, we believe that he is qualified to serve as a Director of the Company.

Areas of Expertise and Insight

Company management, legal/compliance, finance/accounting, human resource/organizational development, global awareness



Hisae Sato

External Director
(Independent)

Attendance at Board of
Directors Meetings in
2024: 17/17

Reasons for Selection as an Officer

Ms. Hisae Sato utilizes extensive experience as a consultant at a foreign-affiliated consulting firm and overseeing pension assets on a global level for a global automobile manufacturing and sales company, as well as high-level knowledge in the areas of investment and financial capital markets to provide advice and suggestions on the Company's management. We expect that she will continue to provide advice that will contribute to enhancing our corporate value and contribute to strengthening the supervisory functions of the Board of Directors.

Areas of Expertise and Insight

Investment/financial/capital market, finance/accounting, sustainability, diversity & inclusion



Keisuke Kawanishi

Director, Corporate Officer

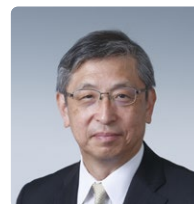
Attendance at Board of
Directors Meetings in
2024: 13/13

Reasons for Selection as an Officer

Mr. Keisuke Kawanishi has extensive experience and expertise in the sales and global divisions of Wacoal Corp., as well as in our U.S. entity. He also has been serving as the Representative Director, President and CEO of Wacoal Corp. since April 2023 and driving structural reforms through the formulation and execution of the revised medium-term management plan of Wacoal Corp. Therefore, we believe that he is qualified to serve as a Director of the Company.

Areas of Expertise and Insight

Company management, human resource/organizational development, global awareness, marketing



Koji Nitto

External Director
(Independent)

Attendance at Board of
Directors Meetings in
2024: 17/17

Reasons for Selection as an Officer

Mr. Koji Nitto has extensive experience as a manager who can incorporate finance into management strategies, serving as a CFO and Senior Management Executive Officer of the Global Strategy Division of an electronic equipment manufacturing and sales company that operates businesses globally. In particular, his knowledge based on his experience leading return on invested capital (ROIC) management will contribute to improving our profitability and capital efficiency. We expect he will continue to contribute to enhancing our corporate value and strengthening the supervisory functions of the Board of Directors.

Areas of Expertise and Insight

Company management, investment/financial/capital market, finance/accounting, global awareness



Tsunehiko Iwai

External Director
(Independent)

Attendance at Board of
Directors Meetings in
2024: 17/17

Reasons for Selection as an Officer

Mr. Tsunehiko Iwai's extensive knowledge and insight as a former Representative Director of a cosmetics manufacturer and distributor which operated globally, as well as his expertise on research & development, production and technology enable him to contribute to the management of the Company. In addition, he provides advice based on his knowledge on compliance and sustainable management. We expect that he will continue to provide advice and oversight of management that will contribute to enhancing our corporate value.

Areas of Expertise and Insight

Company management, legal/compliance, sustainability, diversity & inclusion, marketing, technology/production quality control



Tetsuro Harada

External Director
(Independent)

Attendance at Board of
Directors Meetings in
2024: 13/13

Reasons for Selection as an Officer

Mr. Tetsuro Harada has extensive experience as a consultant in providing strategic consulting, management development, and venture investment development for corporations in various industries, and knowledge based on such experience. As such, this, including his track record, will contribute to the formulation and execution of our management strategy. We expect that he will continue contributing to improving our corporate value and strengthening the supervisory function of the Board of Directors.

Areas of Expertise and Insight

Company management, investment/financial/capital market, finance/accounting, human resource/organizational development

Management Team

As of June 30, 2025

Audit & Supervisory Board Members

 Career Summary of Each Officer
<https://www.wacoalholdings.jp/en/group/holdings/>



Shinichi Kitagawa

Audit & Supervisory Board Member (Full Time)

Attendance at Board of Directors Meetings in 2024: 17/17
Attendance at Audit & Supervisory Board Meetings in 2024: 18/18

Reasons for Selection as an Officer

Mr. Shinichi Kitagawa has been engaging in auditing the legality of the business execution of Directors of the Company and the legality and appropriateness of accounting for four years, by utilizing his knowledge in finance and accounting, company management, human resource development and organizational development, and DX. We determined that he will continue to utilize his knowledge in the Company's audit system.

Areas of Expertise and Insight

Company management, finance/accounting, human resource/organizational development, digital transformation



Katsuhiro Okamoto

Audit & Supervisory Board Member (Full Time)

Attendance at Board of Directors Meetings in 2024: 17/17
Attendance at Audit & Supervisory Board Meetings in 2024: 18/18

Reasons for Selection as an Officer

Mr. Katsuhiro Okamoto has been engaging in auditing the legality of the business execution of the Directors and the legality and appropriateness of accounting in cooperation with the Accounting Auditor for four years, by utilizing his knowledge in company management, global awareness, technology/production, and quality control. We determined that he will continue to utilize his knowledge in the Company's audit system.

Areas of Expertise and Insight

Company management, global awareness, technology/production quality control



Hitoshi Suzuki

External Audit & Supervisory Board Member (Independent)

Attendance at Board of Directors Meetings in 2024: 16/17
Attendance at Audit & Supervisory Board Meetings in 2024: 17/18

Reasons for Selection as an Officer

Mr. Hitoshi Suzuki has experience in deliberating monetary policy as a member of the Policy Board, which is the highest decision-making body of the Bank of Japan, as well as professional experience at a major financial institution in overseas location and in the market sector and has contributed to auditing at the Company utilizing this knowledge. We determined that he will continue to utilize his extensive experience in the Company's audit system.

Areas of Expertise and Insight

Company management, investment/financial/capital market, global awareness



Motoko Tanaka

External Audit & Supervisory Board Member (Independent)

Attendance at Board of Directors Meetings in 2024: 17/17
Attendance at Audit & Supervisory Board Meetings in 2024: 18/18

Reasons for Selection as an Officer

Ms. Motoko Tanaka has extensive experience working at a major audit firm as a certified public accountant and U.S. certified public accountant and has a high level of expertise in finance and accounting. Based on this experience and expertise, she has conducted audits at the Company. We determined that she will continue to utilize her experience and expertise in the Company's audit system.

Areas of Expertise and Insight

Finance/accounting, sustainability, diversity & inclusion



Harunobu Shiho

External Audit & Supervisory Board Member (Independent)

Attendance at Board of Directors Meetings in 2024: –
Attendance at Audit & Supervisory Board Meetings in 2024: –

Reasons for Selection as an Officer

Mr. Harunobu Shiho is a legal expert with ample experience and a proven track record as an attorney, primarily in the area of business law. In addition, he has a deep insight into corporate governance, risk management, and compliance, and experience as an external director at other companies. We determined that he will utilize his experience and expertise in the Company's audit system.

Areas of Expertise and Insight

Company management, legal/compliance, sustainability, diversity & inclusion


Skills Matrix for Directors

	Name	Male Female	Independence (for external officers only)	Expertise and experience beneficial to the Company*									Technology/ Production Quality Control
				Company management (experience and insight)	Legal/ Compliance	Investment/ Financial/ Capital Market	Finance/ Accounting	Sustainability Diversity & Inclusion	Human Resource/ Organizational Development	Global awareness	Digital transformation	Marketing	
Directors	Masaaki Yajima	Male		●						●		●	●
	Akira Miyagi	Male		●	●		●		●	●			
	Keisuke Kawanishi	Male		●					●	●		●	
	Tsunehiko Iwai	Male	●	●	●			●				●	●
	Chizuru Yamauchi	Female	●	●				●					
	Hisae Sato	Female	●			●	●	●					
	Koji Nitto	Male	●	●		●	●			●			
	Tetsuro Harada	Male	●	●		●	●		●				

Skills Matrix for Audit & Supervisory Board Members

	Name	Male Female	Independence (for external officers only)	Expertise and experience beneficial to the Company*									Technology/ Production Quality Control
				Company management (experience and insight)	Legal/ Compliance	Investment/ Financial/ Capital Market	Finance/ Accounting	Sustainability Diversity & Inclusion	Human Resource/ Organizational Development	Global awareness	Digital transformation	Marketing	
Audit & Supervisory Board Members	Shinichi Kitagawa	Male		●			●		●		●		
	Katsuhiro Okamoto	Male		●						●			●
	Hitoshi Suzuki	Male	●	●		●				●			
	Motoko Tanaka	Female	●				●	●					
	Harunobu Shiho	Male	●	●	●			●					

* The above tables do not cover all the knowledge and experience possessed by the candidates.

 Status of Significant Concurrent Positions
https://www.wacoalholdings.jp/en/ir/general_meeting/files/soukai_05_250612.pdf

Corporate Governance

Basic Approach

The basic policy and purpose of the Wacoal Group's corporate governance is to continuously enhance corporate value by increasing transparency and ensuring the fairness and independence of corporate management in order to build mutual trust in relationships with every stakeholder, including shareholders, customers, employees, business partners, and local communities.

Corporate Governance Structure

We, as a holding company, have adopted the company with Audit & Supervisory Board system in accordance with the Companies Act for the purpose of ensuring the corporate governance of Group companies, and have both the Board of Directors and the Audit & Supervisory Board monitor and audit the management and operation of the Company. In addition, we have voluntarily established the Nomination of Directors Advisory Committee and Remuneration of Directors Advisory Committee as the advisory bodies to the Board of Directors, which were chaired by external directors (independent) and the majority of which are composed of external directors (independent).

Overview of the Corporate Governance Structure (as of June 25, 2025)

Format	Audit & Supervisory Board system
Number of directors	8
Of whom, external directors	5
Term of directors	1 year
Number of Audit & Supervisory Board members	5
Of whom, external Audit & Supervisory Board members	3
Number of independent officers	8
Participation of external directors in determination of remuneration	Yes
Organizations to assist in decision-making	Nomination of Directors Advisory Committee and Remuneration of Directors Advisory Committee
Key committees	Group Management Meeting, Management Issues Review Meeting, and Quarterly Achievements Review Meeting
Performance-based bonuses	Yes

External Directors and External Audit & Supervisory Board Members

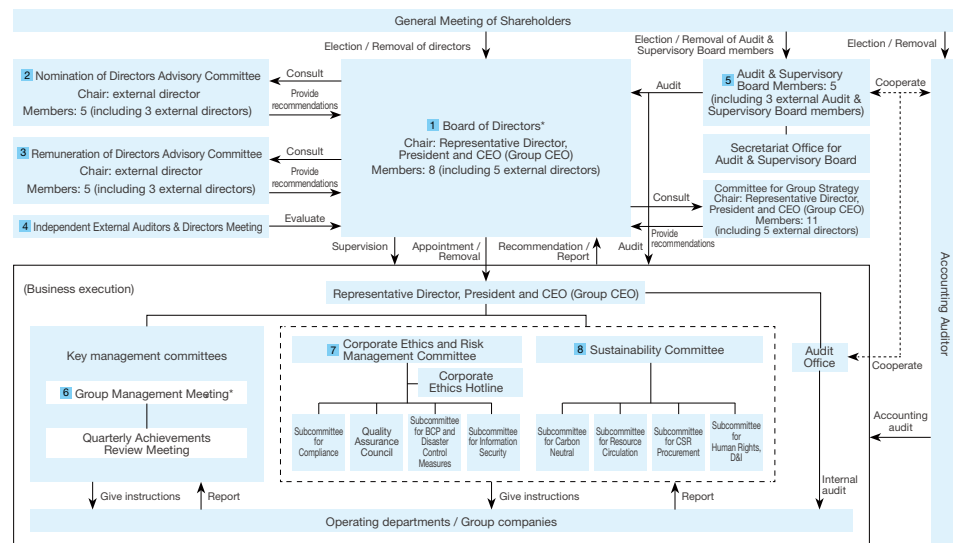
We have elected those persons having extensive knowledge and experience as executives and persons having insight into investment and financial capital markets, to our external directors, and each of such persons takes a role in improving the appropriateness of the decision made by the Board of Directors by giving objective and independent advice based on their long careers in each business area and extensive professional knowledge.

Strengthening of the Functions of the Audit & Supervisory Board and Its Members

The Audit & Supervisory Board comprises two internal full-time Audit & Supervisory Board members and three external Audit & Supervisory Board members. In addition, one full-time staff member is assigned as the secretariat of the Audit & Supervisory Board to assist the Audit & Supervisory Board members in their duties as needed. The Audit & Supervisory Board makes decisions on the preparation of the audit report, selection and dismissal of full-time Audit & Supervisory Board members, audit policies, methods of investigation of businesses and financial conditions, and other matters related to the execution of duties by Audit & Supervisory Board members, in accordance with the Companies Act, and also makes decisions on matters related to the election, dismissal or non-reappointment of accounting auditors, consent to compensation, etc., of accounting auditors, consent to the appointment of Audit & Supervisory Board members, and other matters related to the resolution of the Audit & Supervisory Board.

Corporate Governance Structure

Corporate Governance Structure
<https://www.wacoalholdings.jp/en/group/governance/system/>



* Both internal and external Audit & Supervisory Board members attend meetings for the purpose of auditing the performance of duties by directors

Corporate Governance Initiatives

	2005	2010	2015	2020
Topics	2005 Established a pure holding company		2013 Stopped listing ADRs on the U.S. NASDAQ market and de-registered with the SEC	2022 Changed the structure of the Group Philosophy for the first time since our founding and defined our new Mission in modern society
Representative Director and President	Yoshikata Tsukamoto		2018 Hironobu Yasuhara	2023 Masaaki Yajima
Compensation/Evaluation				2021 Introduced restricted stock compensation plan 2022 Revised the ratio of base remuneration and stock compensation 2024 Introduced performance share unit compensation plan
Number of independent external officers	2005 Increased the number of external directors by two members and the number of external Audit & Supervisory Board members by one member External directors: 2 External Audit & Supervisory Board members: 3	2010 Increased the number of external directors by one member External directors: 3; External Audit & Supervisory Board members: 3 (For the period of 2013-2014 only, there were 2 external directors and 3 external Audit & Supervisory Board members)		2023 Increased the number of external directors by two members External directors: 5 External Audit & Supervisory Board members: 3
Establishment of committees	2007 Established the Advisory Committee for the Remuneration and Nomination of Directors		2015 Established the Independent External Auditors & Directors Meeting 2017 Established the Corporate Ethics and Risk Management Committee by integrating the Risk Management Committee and Corporate Ethics Committee	2022 Established the Sustainability Committee

Corporate Governance

Analysis and Evaluation of the Effectiveness of the Board of Directors

The Company conducts an annual evaluation on the effectiveness of the Board of Directors from the two perspectives of “improving stakeholder trust (creating social value)” and “improving organizational performance (enhancing corporate value),” and strives to continuously enhance the functions and effectiveness of the Board of Directors. We work on the improvement measures for issues identified by the evaluation and confirm the status of improvement during the evaluation of the Board of Directors in the following fiscal year, while at the same time continuing to confirm the evaluation of the current issues.

Evaluation Process

Starting from fiscal 2022, we have changed to a method of analyzing and/or evaluating the effectiveness of the Board of Directors using a third-party evaluation design (including, among other things, preparation of questionnaire survey, analysis, and comparison with other companies, identifying issues, drafting action plans).

The analysis and/or evaluation based on the questionnaire survey and interviews using the third-party evaluation design is conducted every other year. During the interval year, we focus on initiatives to improve the issues identified from the questionnaire survey, while at the same time conducting evaluation through monitoring and sharing opinions at the Independent External Auditors & Directors Meeting.

For the evaluation of effectiveness conducted in fiscal 2025, we updated the evaluation design with a focus on the status of initiatives to improve the issues identified in the previous fiscal year and confirmed “the status of improvement measures in fiscal 2025 to address issues identified through the results of the effectiveness evaluations for fiscal 2023 and fiscal 2024.” The Secretariat of the Independent External Auditors & Directors Meeting conducted a questionnaire survey of the directors and Audit & Supervisory Board members. In addition to scrutinizing their answers to the questionnaire and their awareness of the issues as raised in the free comment section, we asked their opinions on the future roles and responsibilities of directors and the improvement measures to enhance the effectiveness of the Board of Directors.

Following that, we shared opinions freely on the improvement measures at the Independent External Auditors & Directors Meeting and reported to the Board of Directors.

Evaluation Results of Effectiveness and Progress on Initiatives for Improvement

As a result of the deliberations by the Board of Directors based on the responses to the questionnaire survey, it was confirmed that the Company’s Board of Directors generally functions appropriately and is effective. The Board of Directors was confirmed to be effective for the following reasons.

1. The external directors and external Audit & Supervisory Board members continuously take steps to understand the Company’s business through activities outside of the Board of Directors, including taking part in site visits and creating opportunities for interaction with employees, including executive officers and brand managers, and high-quality discussions are held based on their understanding.
2. The Board of Directors, the majority of which consists of external directors, engages in free and open discussions utilizing this external knowledge and management experience.
3. The progress of initiatives on the main management issues in the revised medium-term management plan were reported regularly and in-depth discussions were conducted.
4. Improvement activities on the issues identified in the effectiveness evaluation for the previous fiscal year have progressed to a certain degree.

Evaluation result (issues and concerns)	Status and plans for improvement initiatives
1 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 and promotion of more active discussion at the meetings of the Board of Directors.	(Status of initiatives) • We have set an annual schedule for each item and implement regular reporting on the progress of initiatives on the main management issues in the revised medium-term management plan. • We have facilitated multiple discussions based on reports from the management of local subsidiaries with regards to issues in overseas business (China, etc.) and KPIs related to business improvement. (Plans) • As the next fiscal year will be the year when we formulate the next medium-term management plan, we will create more balance in agenda items to allocate more time to the consideration of important management problems and medium- to long-term business strategies, thereby promoting active discussion to formulate the medium-term management plan.
2 Further improvement in the quality of deliberations based on communication with our employees and inspection of local business offices in order to understand the reality of business conditions as well as risks and opportunities.	(Status of initiatives) • We have carried out visits and inspections at stores, logistics centers, owned real estate, and factories in Japan and overseas with the aim of responding effectively to changes in the business environment. • We have created opportunities for discussions on brand strategy between the independent officers and the respective brand managers and for communication between the independent officers and executive officers. (Plans) • In addition to continuing to create opportunities for visits to stores, logistics centers, and owned real estate, we will enhance the opportunities for department heads, general managers and managers who are engaged in supply chain management reform and sales activities to communicate with the independent officers.
3 Arrangement of the system to make sure amendment of the plan can be implemented in a timely and adequate manner if required by ensuring reporting on the status and results of the matters resolved and executed, such as the progress of the medium-term management plan.	(Status of initiatives) • We reported and held in-depth discussions on the response to the main management issues in the revised medium-term management plan and the progress of structural reform at a specified wholly-owned subsidiary (Wacoal Corp.). • We made organizational decisions on transfers of shares and businesses and consolidation and reorganization of factories in Japan and overseas by monitoring profitability at each subsidiary. • We implemented regular reporting related to asset reduction and decided to sell some owned real estate. (Plans) • Included under item 5 below.
4 Reinforcement of the distribution of meeting materials in advance and the improvement of the quality of discussion by clarifying the argument of the materials.	(Status of initiatives) • Although we have worked on improvements to make it easier to understand the focus of discussions by establishing requirements for meeting materials and informing those who make proposals, there is room for improvements in the content of the executive summaries, which should clearly state the intention and background for submission to the Board of Directors, the main points for discussion, and matters raised by the Group Management Meeting. (Plans) • We will achieve further improvements in the quality of discussions by working to expedite the submission of meeting materials, creating time for confirmation and amendment by the secretariat of the Board of Directors, ensuring the provision of the required materials, and clarifying the main points for discussion.
5 Arrangement of the system that allows us to identify risks and opportunities and take the risks adequately in response to the changes in the business environment.	(Status of initiatives) • Although we have made progress on improvements to ensure that matters that should be recognized as risks (uncertainties) in discussions on transfers of shares/businesses or M&A transactions are clearly stated in meeting materials, there is room for improvement in terms of identifying wide-ranging risks and opportunities based on the external environment and the Company’s own position and in-depth discussions related to such risks and opportunities. (Plans) • Looking ahead to the formulation of the next medium-term management plan, we will present the items that should be prepared in advance for the formulation of the plan, as well as reviewing and improving the format to enable management of progress against the plan. • We will improve the business plan formulation process to ensure verification of strategy scenario suitability, discussion of recovery plans and strategy changes required in response to the emergence of risks or opportunities, and facilitation of organizational decisions.
6 Formulation of a successor development plan including the processes for selection and development of candidates and the implementation of monitoring.	(Status of initiatives) • We consulted with the Nomination of Directors Advisory Committee on what the selection of successor management candidates for executive officers and department head positions should look like and held discussions based on these consultations. • We appointed executive officers of a specified wholly-owned subsidiary (Wacoal Corp.) as mentors and implemented a human resources development program for management candidates at the subsidiary. (Plans) • We will clarify the appointment and dismissal criteria for department head positions and above, build a pool of successors, and begin selection and development of human resources. In conjunction with the aforementioned initiatives, we intend to further strengthen the supervisory and advisory functions of the Board of Directors while making more use of the knowledge of the external directors.

Corporate Governance

Executive Remuneration System

Under the Company's system for the remuneration of officers, compensation comprises basic remuneration, which is fixed; performance-based bonuses linked to business results of each fiscal year; restricted stock, which provide medium- to long-term incentives; and performance share unit, for which the Company's Board of Directors has set a certain period of time as the performance evaluation period. Given that they are not involved in the execution of duties, independent external directors and Audit & Supervisory Board members only receive fixed basic remuneration.

Roles and Activities of Remuneration of Directors Advisory Committee

As an advisory body to the Board of Directors, the Remuneration of Directors Advisory Committee discusses and resolves matters related to officers' remuneration and system from an independent and objective perspective. A majority of the members of the Remuneration of Directors Advisory Committee, chaired by independent external director Mr. Tsunehiko Iwai, are independent external directors. The Remuneration of Directors Advisory Committee is also attended by the external Audit & Supervisory Board member(s) as an observer to ensure transparency.

Roles and Agenda at the Board of Directors' Meeting

Board of Directors discusses and resolves matters related to officers' remuneration based on recommendations received from the Remuneration of Directors Advisory Committee.

Basic Remuneration

The basic remuneration is based on the so-called single rate remuneration system, in which the same remuneration is paid for the same position. The Company annually verifies the adequacy of the level of remuneration, which has been set according to the business results and scale of the Company and is based on comparison with other companies within the same industry or of the same scale through the investigation results on remuneration prepared by an external agency.

Performance-Based Bonuses

The total amount of the performance-based bonus is based on achievement as a percentage of the consolidated operating income recorded for each fiscal year, plus other performance factors (consolidated net sales, consolidated income before income taxes), to increase the degree of linkage between bonuses and consolidated business performance. Performance-based bonus is paid once a year after approval at the general meeting of shareholders for the relevant fiscal year.

Restricted Stock

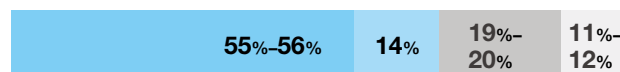
The restricted stock are determined in consideration of the monthly amount of basic remuneration and the fair value of stock, which in turn are determined pursuant to the recommendations of the Remuneration of Directors Advisory Committee, which is composed of members, majority of which are independent external directors and will be allotted in the number determined and resolved at a Board of Directors meeting once a year. Allotted shares will be subject to transfer restriction during the period from the date allotted shares are granted until the date such director, Audit & Supervisory Board member or corporate officer designated by the Company retires from their position. The transfer restrictions on all allotted shares will be removed upon the expiration of the transfer restriction period if such eligible grantee has continuously held the position of director, Audit & Supervisory Board member or corporate officer until the date of the first Ordinary General Meeting of Shareholders. The Company may repurchase all of the allotted shares bearing transfer restrictions as a result of a breach of restricted stock allotment agreement without consideration.

Performance Share Unit (non-monetary remuneration)

As for the performance share unit, the Company allots to eligible directors our common stock in the number of shares in accordance with the degree of achievement to the numerical targets of business performance, etc., set by the Board of Directors during the performance evaluation period for a certain period of time determined by the Company's Board of Directors.

The Board of Directors of the Company shall determine performance evaluation indicators and coefficient that are necessary in the specific calculation of the number of performance share unit to be delivered, such as respective numerical targets to be used in allotting the shares of the performance share unit.

Percentages of Basic Remuneration, Performance-based Bonuses, Restricted Stock, and Performance Share Unit



■ Basic remuneration ■ Performance-based bonuses
■ Restricted stock ■ Performance share unit

Allotment of the number of shares that was resolved at the Board of Directors of the Company based on the calculation method is conducted once after the completion of the performance evaluation period. The eligible director needs to have continuously held the position of director, Audit & Supervisory Board member, or corporate officer as designated by the Company's Board of Directors during the performance evaluation period and satisfy other requirements that the Board of Directors designate as necessary. The transfer restriction period shall be the period from the date on which such shares of the performance share unit are granted until the date of retirement from the positions of director, Audit & Supervisory Board member, or corporate officer as designated by the Company, with the conditions for removing the transfer restrictions to be provided separately. If an eligible director resigns from any position of director, Audit & Supervisory Board member, or corporate officer as designated by the Company, the Company shall naturally acquire the allotted shares free of charge, unless the Company's Board of Directors justifies the reason not to.

The above was confirmed by the Board of Directors of the Company based on the reports prepared by the Remuneration of Directors Advisory Committee and was resolved at the 76th Ordinary General Meeting of Shareholders held on June 25, 2024.

Remunerations Paid to Officers in FY2025

Classification	Total amount of remuneration, etc. (¥ million)	Total amount of remuneration, etc., by type (¥ million)				Number of eligible recipients
		Basic compensation	Performance-based bonuses	Stock compensation	Non-monetary remuneration	
Directors (excluding external directors)	168	124	—	44	44	3
Audit & Supervisory Board members (excluding external members)	41	41	—	—	—	2
External directors and external Audit & Supervisory Board members	70	70	—	—	—	9

(Notes)

- The numbers of directors, Audit & Supervisory Board members and external officers as of the end of the current fiscal year were three, two and eight, respectively. The number of external officers in the table above includes one external officer who resigned upon the close of the 76th Ordinary General Meeting of Shareholders held on June 25, 2024.
- Aggregate amount of remunerations, etc. to Directors (excluding External Directors (Independent)) include officers' remuneration from the consolidated subsidiaries.
- Non-monetary remuneration, etc. to directors (excluding external directors (Independent)) comprises share-based compensation in the amount of ¥44 million.

Corporate Governance

Policy on Cross-Shareholdings and Standards for Exercising Voting Rights

From the viewpoint of improving asset efficiency, the Company intends to reduce its cross-shareholdings by approximately ¥30 billion during the revised medium-term management plan period (from fiscal 2024 to fiscal 2026), and to reduce the ratio of cross-shareholdings to net assets to 10% or less.

Furthermore, the Corporate Governance Guidelines stipulate that the purpose of the Company's cross-shareholdings is to enhance enterprise value over the medium to long term by maintaining and strengthening transactional relationships; establishing, maintaining, and strengthening cooperative and transactional relationships with respect to business development; and maintaining stable financial transactions.

Reference: Status of Cross-Shareholdings

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of stocks	75	65	60	50	45
Total balance sheet amount (¥ billion)	50.1	46.0	43.9	47.5	35.6
Ratio to consolidated net assets	22.9%	20.3%	20.6%	22.1%	18.3%

(Notes)

1. The Company applied US GAAP from fiscal 2021 to fiscal 2022 and IFRS from fiscal 2023 onward.
2. Cross-shareholdings by Wacoal Corp., which holds the largest amount of investment stocks on the balance sheet (i.e., the balance sheet amount of investment stocks) among the Company and our consolidated subsidiaries, are stated.

Compliance and Risk Management Structure

The Company's Corporate Ethics and Risk Management Committee has the Representative Director, President and CEO acting as the administrative manager, supervisor, and the Representative Director, Vice President and Executive Officer and CFO as its chairperson. The committee is tasked with developing the compliance structure, examining compliance issues that could significantly affect the Wacoal Group, ensuring all employees understand and internalize corporate ethics, and effectively promoting control of any management risks to the Wacoal Group.

Compliance Structure

The Company has established the Wacoal Code of Ethics and the Corporate Ethics: Wacoal's Code of Conduct to ensure that directors and employees perform their duties in compliance with laws, regulations, and the articles of incorporation and sound social norms. Further, the Wacoal Code of Ethics and the Corporate Ethics: Wacoal's Code of Conduct stipulates resolute refusal of demands from antisocial forces. In addition, the Company has established an internal whistleblowing system and other systems that enable directors and employees to report on any misconduct or inappropriate behavior.

Risk Management Structure

Subject to the approval of the Board of Directors, the Corporate Ethics and Risk Management Committee stipulates basic regulations for risk management. Pursuant to these regulations, the committee clarifies the responsibilities for each category of risk and advances the construction of a risk management system that comprehensively encompasses the Wacoal Group's overall risks. Further, given the diversification of risks related to information security and their increasing impact on business operations, a Subcommittee for Information Security was established in 2022.

Subcommittee for Information Security

To reduce information security risks in the Group's business activities, the Subcommittee for Information Security collects information, investigates current situations, and conducts analysis in relation to information security as a whole, including cyberattacks that target customers' personal information and critical technical information. Also, the subcommittee deliberates on the formulation of the Group's action policies and specific countermeasures, the establishment and abolition of related regulations, and the implementation of strategic investments and monitors progress. The deliberated policies and activity details are regularly reported to the Board of Directors through the Corporate Ethics and Risk Management Committee.

System for Promoting Risk Management

