

## Criteria for independence of outside director

Wacoal believes that in order to avoid conflicts of interest with general shareholders, it is preferable for outside directors and external auditors (hereinafter collectively referred to as external board members) to have a sufficient degree of independence. Based on this perspective, Wacoal shall select external board members from candidates that do not fall under any of the following categories.

1: Persons who have served as a business director\*1 at any time for Wacoal or its consolidated subsidiaries (hereinafter collectively referred to as the Wacoal Group) in the past

2: Major shareholders who hold 5% or more of Wacoal shares in terms of voting rights either in their own name or another person's name.

If the major shareholder in question is a corporation, association, or other such organization (hereinafter referred to as legal entities), business executives who belong to the relevant legal entity

3: Any of the following parties

(1) Main business partners\*2 of the Wacoal Group, or parties who count the Wacoal Group as a main business partner.

If the party in question is a legal entity, business executives who belong to the relevant legal entity

(2) Main lenders of the Wacoal Group\*3. If the party in question is a legal entity, business executives who belong to the relevant lender

(3) Business executives who belong to Wacoal's lead securities brokerage

(4) Business executives who belong to legal entities in which Wacoal holds 5% or more of the shares in terms of voting rights

4: Certified public accountants who work for auditing companies that audit the accounts of the Wacoal Group

5: Lawyers, accountants, tax accountants, patent attorneys, consultant, or other such specialists who receive large sums\*4 or other assets from the Wacoal Group. If the party in question is a legal entity, specialists who belong to the relevant legal entity.

6: Persons who have received large donations\*5 from the Wacoal Group. If the party in question is a legal entity, business executives who belong to the relevant legal entity

7: Executives of other companies that are mutually inaugurated by outside officers.

8: Spouses or close family members (up to two degrees of separation) of persons who fall under categories 1 to 7 above (only applicable to important persons\*6)

9: Persons who fell under any of the categories 2 to 8 in the last three years.

10: Any other persons deemed to be in exceptional circumstances that may result in a conflict of interest with Wacoal's general shareholders

It should be noted that in some exceptional cases, persons who fall under categories 2 to 9 above may be considered as a candidate if they meet the criteria for external board members under the Companies Act and Wacoal deems them to be suitable. In such cases, the reason for this judgment will be indicated in advance.

\*1 *Business executive* refers to managing directors, executive officers, corporate officers, and other employees equivalent to these.

\*2 *Main business partner* refers to a counterpart who is a buyer or a supplier from the perspective of the Wacoal Group or the relevant party, and whose average annual transactions over the past three years exceeds 2% of the consolidated sales of the Wacoal Group or the relevant party.

\*3 *Main lender* refers to financial institutions or individuals from whom the Wacoal Group borrows, and where the balance of borrowed funds as of the end of the fiscal year for the last three years constitutes more than 2% of the consolidated assets of Wacoal or the relevant lender.

\*4 *Large sums* refers to an average amount of more than 10 million yen annually over the last three years for services rendered, regardless of whether the services were rendered to the Wacoal Group by the specialist in question as an individual or by an organization to which they belong.

\*5 *Large donations* refers to donations that exceed 10 million yen annually over the last three years.

\*6 *Important persons* refers to (i) employees or equivalent persons in the case of certified public accountants who belong to an auditing or accountant firm, partners or equivalent persons in the case of lawyers who belong to a law office, or equivalent persons in the case of specialists who belongs to another legal entity, or (ii) managing directors, executive officers, corporate officers, and senior managers with the rank of department manager or higher, or officials such as councilors, administrative officers, and auditor secretaries in the case of business executives belonging to legal entities, and persons objectively and logically deemed to have equivalent importance.