

To Our Shareholders

I would like to announce to you all that our 18th Annual Shareholders Meeting will be held on Thursday, May 29, 2025.

There will be discussion of the current status of the Company's business and related issues, and the proposal to be presented at the Shareholders Meeting will be explained.

We look forward to the continued understanding and support of all our shareholders.

ONO Keiichi
Director, President, and Representative Executive Officer
J. FRONT RETAILING Co., Ltd.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.
J. FRONT RETAILING Co., Ltd. assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities code: 3086
May 7, 2025

To All Shareholders

ONO Keiichi
Director, President, and Representative
Executive Officer
J. FRONT RETAILING Co., Ltd.
10-1, Ginza 6-chome, Chuo-ku, Tokyo

Notice of Convocation of the 18th Annual Shareholders Meeting

You are hereby notified that the 18th Annual Shareholders Meeting of J. FRONT RETAILING Co., Ltd. (hereinafter the “Company”) will be held at the time and place indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the websites below. Please access one of these websites to review the information.

Company’s website: <https://www.j-front-retailing.com/english/ir/stock/meeting.html>

Website for Annual Shareholders Meeting informational materials: <https://d.sokai.jp/3086/teiji> (in Japanese)

Date and Time: Thursday, May 29, 2025, at 10:00 a.m. (JST) (Reception opens at 9:30 a.m.)
Venue: Tokyo Chamber of Commerce and Industry Shibusawa Hall, 5F Marunouchi Nijubashi Building
2-2, Marunouchi 3-chome, Chiyoda-ku, Tokyo

Purpose of the meeting:

Matters to be reported:

1. Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 18th fiscal year (from March 1, 2024 to February 28, 2025)
2. Audit reports of the Accounting Auditor and the Audit Committee on Consolidated Financial Statements for the 18th fiscal year

Matters to be resolved: Proposal: Election of Ten (10) Directors

Decisions made for convocation:

Please refer to Guide to the Exercise of Voting Rights on page 6.

Important notes concerning the Annual Shareholders Meeting informational materials

- Among the matters subject to measures for electronic provision, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the matters below are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. The Financial Auditor and the Audit and Committee have audited the documents subject to audit, including the matters below.
 - (i) (Reference) Gross sales by company, store and product of the Department Store Business (ii) (Reference) Tenant transaction volume (on a gross basis) by PARCO store in the SC Business (iii) Major businesses (iv) Major business locations (v) Status of employees (vi) Matters relating to Accounting Auditor (vii) Systems to Ensure the Appropriateness of Operations <Basic Policy for Establishment of Internal Control System> (viii) Operational status of systems to ensure the appropriateness of operations <Basic Policy for Establishment of Internal Control System> (ix) Basic policy regarding control of the Company (x) Consolidated Financial Statements (xii) Balance Sheet (xii) Statement of Income (xiii) Statement of Changes in Equity (xiv) Non-consolidated Financial Statements (xv) Audit Report of Independent Auditors Concerning the Consolidated Financial Statements (Copy) (xvi) Audit Report of Independent Auditors (Copy) (xvii) Audit report of Audit Committee Members (Copy)
- If revisions are made to the matters provided electronically, a notice of the revisions and the details of the matters before and after the revisions will be posted on the abovementioned websites and the Annual Shareholders Meeting informational materials website.

Company website: <https://www.j-front-retailing.com/english>

- ▶ Please access the Company's website using the above URL, go to the page for the Shareholders Meeting by clicking the banner "The 18th Annual Shareholders Meeting," and check the Annual Shareholders Meeting informational materials listed under "The 18th Annual Shareholders Meeting."

Website for Annual Shareholders Meeting informational materials:
<https://d.sokai.jp/3086/teiji> (in Japanese)

Reference Members of the Board of Directors following this Annual Meeting of Shareholders and skill matrix of candidates for Directors (planned)

In selecting candidates for the Board of Directors, the Company shall select from individuals with the knowledge and experience necessary to appropriately oversee the promotion of sustainability management in order to allow the Board of Directors to effectively fulfill its roles and responsibilities.

In selecting candidates for Outside Director, the Company shall be conscious of Board diversity and select people who have experience as managers not only in the retailing industry, which forms the core of the Company's business, but in manufacturing and other non-retail industries, as well as people who have expertise in law and other fields, marketing perspectives, and extensive knowledge and experience related to finance and accounting.

No.	Name	Attribute	Committee assignments (The "◎" mark indicates the candidates for Chairperson.)		
			Nomina- tion	Audit	Remunera- tion
1	KOIDE Hiroko ^{*1}	Reappointment Non-executive Independent Outside	○		○
2	YAGO Natsunosuke	Reappointment Non-executive Independent Outside	◎		◎
3	HAKODA Junya	Reappointment Non-executive Independent Outside		◎	
4	SEKI Tadayuki	Reappointment Non-executive Independent Outside		○	
5	OMURA Emi	Reappointment Non-executive Independent Outside		○	
6	YAMADA Yoshihito	New Non-executive Independent Outside	○		○
7	SAITO Kazuhiro	New Non-executive Independent Outside		○	
8	YOSHIMOTO Tatsuya	Reappointment Non-executive	○		○
9	HAMADA Kazuko ^{*2}	Reappointment Non-executive		○	
10	ONO Keiichi	Reappointment Executive			

Reappointment Candidate for reappointment as Director

New Candidate for new Director

Non-executive Candidate for Director who does not concurrently serve as Executive Officer

Executive Candidate for Director who concurrently serves as Executive Officer

Independent Independent officer whose status as such is registered with the stock exchange

Outside Candidate for Outside Director

With regard to candidates for Inside Director who does not execute business, the Company seeks individuals with wide-ranging practical experience within the Group and knowledge in fields such as auditing. As for candidates for executive Director, the Company has selected the head of management, the President and Representative Executive Officer.

No.	Name	Expected skills								
		Corporate management	Finance & accounting	Marketing	Human resource & organization development	Legal affairs & compliance	IT & digital	E: Environment	S: Society	G: Governance
1	KOIDE Hiroko ^{*1}	○		○	○					○
2	YAGO Natsunosuke	○						○		○
3	HAKODA Junya	○	○							○
4	SEKI Tadayuki		○			○			○	○
5	OMURA Emi					○	○		○	○
6	YAMADA Yoshihito	○		○	○					○
7	SAITO Kazuhiro	○	○	○				○		○
8	YOSHIMOTO Tatsuya	○		○				○		○
9	HAMADA Kazuko ^{*2}				○				○	○
10	ONO Keiichi	○		○				○		○

- *Notes
1. If the election of KOIDE Hiroko is approved, the Company plans to select her once again as the Chairperson of Board of Directors at a Board of Directors meeting that is to be held after this Annual Shareholders Meeting.
 2. HAMADA Kazuko is recorded under the name of HIMENO Kazuko in the Family Registry.
 3. The Company plans to elect 12 Executive Officers who do not concurrently serve as Directors at a Board of Directors meeting that is to be held after this Annual Shareholders Meeting.

Guide to the Exercise of Voting Rights

Exercise deadline of your voting rights:
Received by 6:00 p.m. on Wednesday, May 28,
2025 (JST)

If you do not attend the meeting in person, you can exercise your voting rights via the Internet, etc. or in writing (post), so please exercise your voting rights in advance by either of the following methods.

How to scan QR code

You can log in to the voting website without entering your login ID and temporary password printed on the voting form.

1. Scan QR code printed on the voting form (at right).
2. Follow the directions that appear on the screen to input approval or disapproval to each proposal.

*“QR code” is a registered trademark of DENSO WAVE INCORPORATED.

How to enter login ID and temporary password

Voting website: <https://evote.tr.mufg.jp/> (in Japanese)

1. Access the voting website.
2. Enter the “Login ID” and the “Temporary password” shown on the voting form and click the “Login” button.
3. Follow the directions that appear on the screen to input approval or disapproval to each proposal.

For inquiries about the system, please contact:

Corporate Agency Division (Help Desk)

Mitsubishi UFJ Trust and Banking Corporation

(Toll free) 0120-173-027 (available 9:00 a.m. – 9:00 p.m., only in Japan)

To institutional investors

- To exercise voting rights at this meeting, institutional investors can use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.
- Institutional investors who hold shares in the names of trust banks, etc. and do not hold shares in their own names will be allowed to enter the venue and attend the Annual Shareholders Meeting on condition that they have fulfilled the requirements and procedures provided for in the Company’s Articles of Incorporation and Share Handling Regulations.

Information Regarding the Engagement Portal Online Site for the Annual Shareholders Meeting

“Engagement Portal” online site for the Annual Shareholders Meeting:

<https://engagement-portal.tr.mufig.jp/> (in Japanese)

From this site, you can view the live streaming of the Annual Shareholders Meeting and submit questions in advance.

Prepare the “Login ID” and “Password” indicated on the voting form and access the above Engagement Portal online site for the Annual Shareholders Meeting.

- (i) Login ID: 0007 + Shareholder Number (12-digit number without a hyphen) shown on the voting form, etc.
- (ii) Password: Postal code + 2025 (11-digit number without a hyphen) of the address registered in the shareholders’ register as of February 28, 2025

1. Guide to viewing live streaming of the meeting

Live streaming start time: 10:00 a.m. on Thursday, May 29, 2025

- (i) Enter your “Login ID” and “Password” on the login screen, confirm the Terms of Use and check the “I agree to the Terms of Use” checkbox if you agree, then click the “Login” button.
- (ii) After logging in, click the “View Live Streaming of the Meeting” button, confirm the Terms of Use and check the “I agree to the Terms of Use” checkbox if you agree, then click “View.”

*Please be sure to make a note of your Login ID and Password before mailing in your voting form by postal service. If you forget your ID and/or password, please contact us at the contact number listed “Contact information for inquiries about the Annual Shareholders Meeting online site” on page 8.

(Note)

The postal code used for (ii) “Password (Postal code+2025)” may differ from the postal code printed on the voting form (because the password does not reflect information such as a change of address made after the record date of the Annual Shareholders Meeting or a mailing address designated for the voting form to be sent). Shareholders residing outside Japan who have designated a standing proxy are requested to enter the postal code of the proxy.

(Important notice)

- (1) Due to unavoidable circumstances, there is a possibility that we may not be able to conduct the live streaming. In such a case, a notice will be posted on the Company’s website (<https://www.j-front-retailing.com/english>).
- (2) Shareholders viewing the live streaming are not considered to be attending the Annual Shareholders Meeting under the Companies Act, and therefore, will not be able to exercise their voting rights or make any comments, including questions on the day. Please exercise your voting rights in advance by following the instructions on page 6 on this Notice of Convocation.
- (3) Please note that viewing will be limited to shareholders only, and viewing by proxies is not permitted.
- (4) Filming, recording, storing, or publishing on social networking sites, etc. of the live streaming is strictly prohibited.

2. Information about acceptance of advance questions

Deadline for receipt of questions: by 6:00 p.m. on Thursday, May 22, 2025

We will accept questions regarding the purpose of this Annual Shareholders Meeting prior to the holding of the meeting. Among the questions asked, we plan to answer those of particularly high interest to our shareholders during the meeting. Please note that we will not be able to guarantee responses to questions nor respond to individual inquiries.

- (i) Please click the “Question in advance” button displayed on the screen after logging in to the Annual Shareholders Meeting online site.
- (ii) Select a category for your question, enter the question, confirm the Terms of Use and check the “I agree to the Terms of Use” checkbox if you agree, then click the “Confirm” button.
- (iii) Confirm the contents of your question, etc., and then click the “Send” button.

(Contact information for inquiries about the Annual Shareholders Meeting online site)

Mitsubishi UFJ Trust and Banking Corporation

Dedicated support line for the “Engagement Portal” (Toll free) 0120-676-808

Service period

From 9:00 a.m. to 5:00 p.m. on weekdays, excluding Saturdays, Sundays, national holidays, etc.

(However, on the day of the Annual Shareholders Meeting, from 9:00 a.m. to the end of the meeting)

Message to Our Shareholders

Greetings from the President and Representative Executive Officer

Accelerating the pace of transformation aimed at creating new value

We made a promising start in the first year (FY2024) of our Medium-term Business Plan, setting a new profit record and achieving the profit target, which we had set for the final year (FY2026) of the plan, ahead of schedule.

Meanwhile, we have positioned the period of the Medium-term Business Plan as a “period of change” towards achieving our goal of being a “Value Co-creation Retailer,” which is our vision for the Group in 2030, and what is needed from us is to be a driving force promoting this change. Accordingly, we will accelerate the speed of change towards future growth without overreacting to recent business results.

Leveraging our well-balanced portfolio of stores in major cities throughout Japan, our diverse customer contact points, and our network of business partners and creators, we are aiming to achieve exponential growth by deepening the retail business and evolving Group synergies, primarily in seven priority areas.

Going forward, all employees of the Group will work together as a single team towards achieving our goal of being a “Value Co-creation Retailer” that continues to provide the three co-creation values (Co-creation of Excitement, Co-prosperity with Communities, and Co-existence with the Environment).

(1) Results during the first year of the Medium-term Business Plan	▶P10
(2) Summary of the Medium-term Business Plan	▶P10
(3) Issues to be addressed: Upward revisions to our key performance indicator targets and strengthening of our key strategies	▶P11
(4) Our corporate governance	▶P13

ONO Keiichi
Director, President, and Representative Executive Officer
J. Front Retailing Co., Ltd.

1 Results during the first year of the Medium-term Business Plan

(i) Setting a new profit record

In the first year of our Medium-term Business Plan, we worked to deepen our retail business, such as the Department Store Business and the SC Business, to evolve our Group synergies with the aim of achieving exponential growth, and to strengthen our Group's management foundation to increase the effectiveness of these strategies. As a result of these efforts, we set a new profit record by recording the highest consolidated profit at each level of profit since our business integration in 2007, and we reached our profit target for the final year (FY2026) of the Medium-term Business Plan.

(ii) Optimizing the amount of equity and enhancing shareholder returns

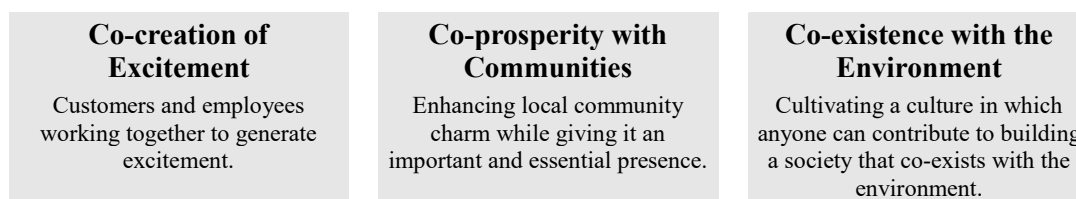
Led by a policy of seeking to optimize equity capital and enhance shareholder returns by maintaining a consolidated dividend payout ratio of 40% or more and conducting purchases of treasury shares, we increased annual dividends by ¥16 per share to ¥52 (¥36 in the previous fiscal year), a record high for our Company. We also purchased a total of ¥10,000 million of treasury shares during the period.

2 Summary of the Medium-term Business Plan

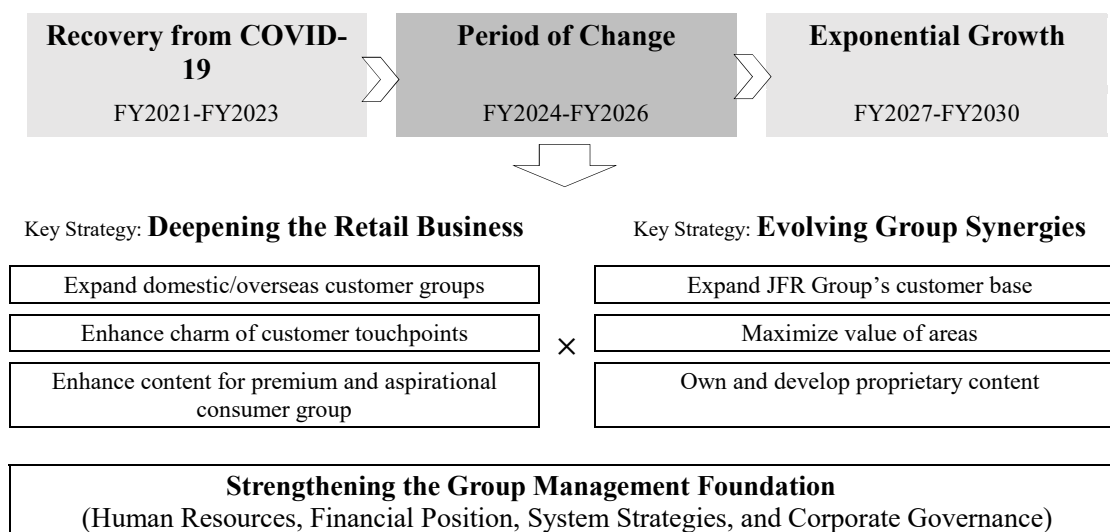
Under the new management system, the Company set its sights on 2030 with the start of the new Medium-term Business Plan (FY2024–FY2026).

The Company is promoting corporate activities that are aligned with “sustainability management” aimed at tackling environmental and social issues and finding solutions for them through business in order to realize the Group Vision of “Create and Bring to Life ‘New Happiness.’” Based on the changes in the business environment the Company considers important and our strengths, last spring we set the following as our Vision for 2030: “Transforming into a ‘Value Co-creation Retailer’ that concentrates on retail business and constantly provides three co-creation values.”

Three Co-creation Values



The period of this Medium-term Business Plan is positioned as a “period of change” during which we will make solid progress toward realizing our Vision for 2030 and achieving medium- to long-term growth. We will focus on our key strategies of deepening our retail business, such as our Department Store and SC Businesses, evolving our Group synergies to achieve exponential growth, and strengthening the Group's management foundation to increase the effectiveness of these strategies.



3 Issues to be addressed: Upward revisions to our key performance indicator targets and strengthening of our key strategies

(i) Upward revisions to our key performance indicator targets

Based on our business results for FY2024, we are upwardly revising the key performance indicator targets of the final year (FY2026) of this Medium-term Business Plan.

Specifically, of our financial targets, we are raising our consolidated business profit target to ¥56,000 million (from our initial target of ¥52,000 million) and our consolidated ROIC target to 6.0% or more (from our initial target of 5.0% or more). Of our non-financial targets, we will aim to cut greenhouse gas emissions by 70% (vs. our initial target of 58%).

■ Key performance indicator targets

Key performance indicator	New targets (FY2026)	Initial targets (FY2026)	Changes
Consolidated business profit	¥56,000 million	¥52,000 million	+¥4,000 million
Consolidated ROE	8.0% or more	8.0% or more	—
Consolidated ROIC	6.0% or more	5.0% or more	+1.0 pt
Greenhouse gas emissions*	(70.0)%	(58.0)%	(12.0) pts
Ratio of women in management positions	31.0%	31.0%	—

* Scope 1 and 2 reduction ratio (compared with FY2017)

(ii) Strengthening our key strategies based on the Medium-term Business Plan

While accelerating our growth strategies, such as our deepening of the retail business, we will also work to establish a solid management foundation aimed at achieving sustained growth, taking into consideration the highly uncertain business environment.

Key Strategy: Deepening the Retail Business

Expand the customer base overseas	Fully leverage our communication platform directed at overseas customers, enhance to direct customers to stores through business partnerships with internal and external companies
Strengthen our response to the affluent market segment	Reinforce customer communications by extending the reach of <i>gaisho</i> (out-of-store sales) activities and using digital technologies, develop new products and services
Enhance content for premium and aspirational consumer group	Expand Japan Mode (featuring distinctive styles and brands by Japanese designers) and character zones and enhance anime and other IP content in PARCO

Key Strategy: Evolving the Group Synergies

Maximize value of areas	Create synergies in the Nagoya's Sakae and Osaka's Shinsaibashi areas
Expand JFR Group's customer base	Consolidate card issuance operations to expand the Group's customer base and consider integrating point systems within the Group
Own and develop in-house contents and develop businesses	Fuse our cultivated discernment, purchasing power, network, etc., to develop and own in-house contents and promote the development of new businesses

Strengthening the Group Management Foundation

Human resource strategy	<ul style="list-style-type: none">Enhance value co-creation capabilities, improve ability to develop junior members, promote employment of specialized professionals, and promote participation of womenActivate the exchange of human resources within the Group and build a Group-wide human resource platform
Financial strategy	<ul style="list-style-type: none">Strengthen the ROIC managementActively invest with an eye to the future while ensuring our financial soundness
Systems strategy	<ul style="list-style-type: none">Create shared system within the Group and promote the use of our data platformSophisticate the management and administration as well as stream operations through the full-fledged deployment of a shared accounting system within the Group
Corporate governance	<ul style="list-style-type: none">Accelerate decision-making and execution of management under the new management systemAchieve medium- to long-term growth and continuously enhance our corporate value through more sophisticated governance

4 Our corporate governance

Current systems of corporate governance

The Company has adopted a company with three committees (nomination, audit, and remuneration committees) as its organizational structure. The reasons are (i) strengthening the management oversight function by separating supervision and execution, (ii) clarifying authority and responsibility in business execution and promotion of flexible management, (iii) improving management transparency and objectivity, and (iv) establishing a governance structure capable of responding globally to further strengthen corporate governance.

We will continue to aim to accelerate management decision-making and execution, seek to realize sustained Group growth, and enhance our medium- to long-term corporate value by reinforcing the oversight functions of the Board of Directors and advancing governance.

Board of Directors organizations and roles

Organization	Roles	Chairperson
Board of Directors	The roles of the Board of Directors include indicating the overall direction that the Group management is to take, by engaging in constructive discussions with respect to the Group Vision, the Sustainability Policy, the Group Medium-term Business Plan, the Group Management Policy for the fiscal year, and other fundamental management policies, and carrying out multifaceted and objective deliberations that include evaluation of risks with respect to the aforementioned.	Outside Director
Nomination Committee	This committee determines the contents of proposals on the nomination and dismissal of Directors submitted to shareholders' meetings and reports to the Board of Directors upon consultations from the Board of Directors regarding the nomination and dismissal of Representative Executive Officers, Executive Officers, Chairperson of Board of Directors, as well as the chairpersons and members of individual statutory committees and other matters.	Outside Director
Audit Committee	This committee effectively audits whether the execution of duties by Executive Officers and Directors is in compliance with laws, regulations, and the Articles of Incorporation of the Company and whether they are performing their duties efficiently in accordance with the Company's basic philosophy and the Group Vision, and it provides necessary guidance and recommendations, etc.	Outside Director
Remuneration Committee	This committee determines the policy on deciding the contents of individual remuneration for Directors and Executive Officers of the Company and eligible officers of major subsidiaries of the Group and determines the contents themselves of individual remuneration for Directors and Executive Officers of the Company.	Outside Director
Executive Session	Executive sessions are exclusive meetings of independent Outside Directors for free exchange of opinions and sharing of information. Participants debate on matters that need to be watched from a position of oversight, such as issues in the Board of Directors or problems to be addressed in order to improve the effectiveness of the Board of Directors.	—

Enhancement of corporate governance by the Board of Directors

The Company assumes responsibility for ensuring managerial transparency, soundness, and compliance of the entire Group as the core of corporate governance of the Group, with the aim of realizing the ideals of the Group Mission Statement. We are working to build relationships of trust with stakeholders, including enhanced information disclosure. In addition, we position strengthening corporate governance by means of indicating the overall direction of the Group management and overseeing establishment, maintenance, and the operational status of the internal control system as one of the most important management issues, and we will aim to further strengthen corporate governance in the future.

Past corporate governance enhancement measures

FY2015	FY2017	FY2019	FY2022	FY2024
Started to evaluate the effectiveness of the Board of Directors	Transitioned to a company with three committees (nomination, audit, and remuneration committees), appointed Outside Directors as Chairpersons of the Nomination Committee and Remuneration Committee	Appointed Outside Directors as Chairpersons of the Nomination Committee, Audit Committee, and Remuneration Committee	Raised the ratio of Outside Directors to more than 50%	Appointed Outside Director as Chairperson of Board of Directors

Reference Materials for Shareholders Meeting

Proposal and Reference Information

Proposal: Election of Ten (10) Directors

The terms of office of all ten (10) current Directors will expire at the conclusion of this Annual Shareholders Meeting. Therefore, based on the goal of deepening the governance structure to one appropriate for a company with three committees (nomination, audit, and remuneration committees), from the twin perspectives of board diversity to apply a broad range of insights and experience to our business strategies and board succession to enable the Company to continually exercise supervisory functions, we request the election of ten (10) Directors.

If the candidates for Director in this proposal are elected as proposed, the Board of Directors will have a structure with seven out of ten members, i.e. the majority of its members being independent Outside Directors, and three female Directors. We believe this will lead to strengthening of the oversight function and to ensuring a more diverse Board of Directors. The candidates for the Directors are shown below.

Furthermore, of the candidates for Director, please refer to “3. Matters relating to corporate officers” in the Business Report regarding the status of activities of five Outside Directors who are proposed for reappointment, and “5. Operation of the Board of Directors” and “6. Operations of each Committee” in the Business Report regarding the status of operations of the Board of Directors and each committee.

No.	Name		Attribute	Committee assignments (The “◎” mark indicates the candidates for Chairperson.)		
				Nomina- tion	Audit	Remunera- tion
1	KOIDE Hiroko* ¹	F	Reappointment Non-executive Independent Outside	○		○
2	YAGO Natsunosuke	M	Reappointment Non-executive Independent Outside	◎		◎
3	HAKODA Junya	M	Reappointment Non-executive Independent Outside		◎	
4	SEKI Tadayuki	M	Reappointment Non-executive Independent Outside		○	
5	OMURA Emi	F	Reappointment Non-executive Independent Outside		○	
6	YAMADA Yoshihito	M	New Non-executive Independent Outside	○		○
7	SAITO Kazuhiro	M	New Non-executive Independent Outside		○	
8	YOSHIMOTO Tatsuya	M	Reappointment Non-executive	○		○
9	HAMADA Kazuko* ²	F	Reappointment Non-executive		○	
10	ONO Keiichi	M	Reappointment Executive			

M

Male

F

Female

Reappointment

Candidate for reappointment as Director

New

Candidate for new Director

Non-executive

Candidate for Director who does not concurrently serve as Executive Officer

Executive

Candidate for Director who concurrently serves as Executive Officer

Independent

Independent officer whose status as such is registered with the stock exchange

Outside

Candidate for Outside Director

- *Notes 1. If the election of KOIDE Hiroko is approved in this proposal, the Company plans to select her once again as the Chairperson of Board of Directors at a Board of Directors meeting that is to be held after this Annual Shareholders Meeting.
2. HAMADA Kazuko is recorded under the name of HIMENO Kazuko in the Family Registry.
3. The Company plans to elect 12 Executive Officers who do not concurrently serve as Directors at a Board of Directors meeting that is to be held after this Annual Shareholders Meeting.

Election of candidates for Director

In selecting candidates for the Board of Directors, the Company shall select from individuals with the knowledge and experience necessary to appropriately oversee the promotion of sustainability management in order to allow the Board of Directors to effectively fulfill its roles and responsibilities.

In selecting candidates for Outside Director, the Company shall be conscious of Board diversity and select people who have experience as managers not only in the retailing industry, which forms the core of the Company's business, but in manufacturing and other non-retail industries, as well as people who have expertise in law and other fields, marketing perspectives, and extensive knowledge and experience related to finance and accounting.

With regard to candidates for Inside Director who does not execute business, the Company seeks individuals with wide-ranging practical experience within the Group and knowledge in fields such as auditing. As for candidates for executive Director, the Company has selected the head of management, the President and Representative Executive Officer.

No.	Name	Expected skills of candidate for Director								
		Corporate management	Finance & accounting	Marketing	Human resource & organization development	Legal affairs & compliance	IT & digital	E: Environment	S: Society	G: Governance
1	KOIDE Hiroko ^{*1}	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	YAGO Natsunosuke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	HAKODA Junya	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	SEKI Tadayuki	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	OMURA Emi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	YAMADA Yoshihito	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	SAITO Kazuhiro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	YOSHIMOTO Tatsuya	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	HAMADA Kazuko ^{*2}	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	ONO Keiichi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reference Level of skills expected of candidates for Director

Corporate management	Management experience as well as knowledge and experience related to corporate management, such as strategy planning towards enhancement of corporate value, and method for identifying issues for formulating the medium-term business plan.
Finance & accounting	A wide range of knowledge and experience related to finance and accounting, such as enhancement of corporate value through establishment of a solid financial base and financial strategy planning that factors in the cost of capital.
Marketing	Knowledge and experience in activities that bring about customer satisfaction and continuous enhancement of corporate value through identifying customers' problems and creating products and services to solve them, communicating effectively, and providing added value.
Human resource & organization development	Knowledge and experience in human capital management that brings out individuality and abilities of diverse employees and induces new value creation.
Legal affairs & compliance	Advanced and specialized knowledge of corporate legal affairs and knowledge and experience in promoting compliance management, as lawful and appropriate corporate management forms the foundation for sustainable enhancement of corporate value.
IT & digital	Knowledge and experience for overseeing ICT support and new business development from the customer's perspective and with a good grasp of the latest IT trends, with aim to promote digital transformation of existing businesses.
E: Environment	Knowledge and experience in appropriately overseeing business activities conscious of solving environmental issues and JFR Group's "environmental coexistence" efforts, such as environmental plans including setting of the medium- to long-term targets.
S: Society	Knowledge and experience in appropriately overseeing JFR Group's efforts towards "co-prosperity with communities" and realization of a sustainable society.
G: Governance	Knowledge and experience in corporate governance for improving the effectiveness of the oversight function of the Board of Directors, in order to establish an appropriate governance system as the foundation for sustainable enhancement of corporate value.

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
1	Independent Outside Director KOIDE Hiroko (August 10, 1957)	September 1986	Joined J. Walter Thompson Japan K.K. (present Wunderman Thompson Tokyo G.K.)
		May 1993	Joined Nippon Lever K.K. (present Unilever Japan K.K.)
		April 2001	Director
		April 2006	General Manager of Marketing Management Division of Masterfoods Ltd. (present Mars Japan Limited)
	Number of the Company's shares owned (shares): 3,524	April 2008	Chief Operating Officer
		November 2010	President and Representative Director of Parfums Christian Dior Japon K.K.
	Number of other shares as stock-based remuneration not yet granted (shares): 8,913	January 2013	Outside Director of Kirin Co., Ltd.
		April 2013	Senior Vice President of Global Marketing of Newell Rubbermaid Inc. (U.S.) (present Newell Brands Inc.)
	Special interests between the Company and the Candidate: None	June 2016	Outside Director of Mitsubishi Electric Corporation
		April 2018	Director of Vicela Japan Co., Ltd.
1		June 2019	Outside Director of Honda Motor Co., Ltd
		May 2021	Outside Director of J-OIL MILLS, Inc.
		May 2024	Outside Director of J. Front Retailing Co., Ltd. (present)
		June 2024	Chairperson of Board of Directors of J. Front Retailing Co., Ltd. (present)
	Number of Board of Directors meetings attended during the 18th fiscal year: 15/15		External Member of the Board of TAISEI CORPORATION (present)
	Number of Nomination Committee meetings attended 14/14	Important concurrent positions External Member of the Board of TAISEI CORPORATION	
	Number of Remuneration Committee meetings attended 10/10		
	Tenure as Director (at the conclusion of this meeting): approx. 4 years		

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility
		<p>Reasons for nomination as candidate for Outside Director and overview of expected roles</p> <p>KOIDE Hiroko has extensive knowledge based on her rich experience in the fields of global management and marketing, having served as an officer at foreign companies for many years, and having been engaged in corporate management as the head of marketing at the head office of a U.S. company, as well as a wealth of knowledge gained as an Outside Director at several listed companies. She contributes to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight with respect to a wide range of matters including the Board of Directors discussions in a company with three committees (nomination, audit, and remuneration committees), incorporation of competitive analysis into strategies, effective communication of top messages, and strategic design of organizations. In May 2024, she assumed the position of Chairperson of Board of Directors. In this role, she focuses on strengthening and improving the Board of Directors operations by setting medium-to long-term and more strategic annual agendas, enhancing the quality of meeting materials, and boosting the effectiveness and efficiency of discussions.</p> <p>As a member of the Nomination Committee, she participates in deliberations to ensure objectivity, transparency, and continuity in the overall design of the succession plan for Representative Executive Officers as well as discussions on the succession plan for Outside Directors, aiming to maintain and enhance the Board of Directors supervisory functions from a medium- to long-term perspective. As a member of the Remuneration Committee, she engages in activities such as examination of remuneration levels and composition under the officer remuneration system revised in line with the medium-term business plan, and reviews of remuneration levels following the organizational reform. Through these efforts, by providing necessary advice at suitable times, she contributes to strengthening strategy personnel functions that are closely aligned with business strategies.</p> <p>In light of her track record, extensive experience and considerable insights, the Company expects her to contribute greatly to management of the Group. As such, she has been nominated as a candidate to continue serving as Outside Director. The Company plans to select her once again as the Chairperson of Board of Directors at the Board of Directors meeting to be held after the conclusion of this Annual Shareholders Meeting.</p>

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
2	<div>Independent</div> <div>Outside Director</div> <p>YAGO Natsunosuke (May 16, 1951)</p> <p>Number of the Company's shares owned (shares): 9,829</p> <p>Number of other shares as stock-based remuneration not yet granted (shares): 10,846</p> <p>Special interests between the Company and the Candidate: None</p> <p>Number of Board of Directors meetings attended during the 18th fiscal year: 15/15</p> <p>Number of Nomination Committee meetings attended 14/14</p> <p>Number of Remuneration Committee meetings attended 10/10</p> <p>Tenure as Director (at the conclusion of this meeting): approx. 5 years</p>	<p>April 1977 June 2002 April 2004</p> <p>June 2004 April 2005 June 2005</p> <p>April 2006 April 2007 May 2007</p> <p>July 2009 April 2013 October 2017</p> <p>March 2019 June 2019 May 2020 May 2021</p>	<p>Joined EBARA CORPORATION</p> <p>Executive Officer</p> <p>Senior Executive Officer, Group Executive of Precision Machinery Group, Representative Director and Chairman of Ebara Precision Machinery Europe GmbH, Representative Director and Chairman of Ebara Technologies Inc. and Chairman of Ebara Precision Machinery Shanghai Inc.</p> <p>Director</p> <p>Director and Chairman of Ebara Precision Machinery Taiwan Inc.</p> <p>Director, President of Precision Machinery Company and General Manager of Fujisawa Operation</p> <p>Director and Managing Executive Officer</p> <p>President of Precision Machinery Company</p> <p>President and Representative Director</p> <p>President and Representative Director and General Manager of Internal Control Promotion Department</p> <p>President and Representative Director and General Manager of Internal Control Department</p> <p>Chairman & Director</p> <p>Representative Director of The Ebara Hatakeyama Memorial Foundation (present)</p> <p>Retired from the office of Chairman & Director of EBARA CORPORATION</p> <p>Outside Director of SUBARU CORPORATION</p> <p>Outside Director of J. Front Retailing Co., Ltd. (present)</p> <p>Director of PARCO Co., Ltd.</p>

Reasons for nomination as candidate for Outside Director and overview of expected roles

YAGO Natsunosuke has been involved in top-level corporate management for many years, and has a wealth of experience in compliance management and strengthening financial bases. He also possesses a high level of expertise in internal control and corporate governance gained through his experience in transitioning to a company with three committees (nomination, audit, and remuneration committees). He contributes to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on approaches to the Board of Directors discussions and organizational audits within the Company, the granularity and accuracy of future plans for new businesses and asset acquisitions, initiatives to enhance human capital, and approaches to personnel system reforms.

As the Chairperson of the Nomination Committee, he leads and promotes deliberations to ensure objectivity, transparency, and continuity in the overall design of the succession plan for Representative Executive Officers, as well as discussions on the succession plan for Outside Directors aiming to maintain and enhance the Board of Directors supervisory functions from a medium- to long-term perspective. As a member of the Remuneration Committee, he examines the remuneration levels and composition under the officer remuneration system revised in line with the medium-term business plan, reviews remuneration levels following the organizational reform, and provides necessary advice at suitable times. Through these efforts, he contributes to strengthening strategy personnel functions that are closely aligned with business strategies.

In light of his track record, his wealth of experience and considerable insights, the Company expects him to contribute greatly to the management of the Group as an Outside Director. As such, he has been nominated as a candidate to continue serving as Outside Director.

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
3	Independent Outside Director	April 1974	Joined Mitsubishi Rayon Co., Ltd. (present Mitsubishi Chemical Corporation)
		November 1980	Joined Pricewaterhouse CPA Office (Reorganized as Aoyama Audit Corporation in June 1983)
	HAKODA Junya (July 10, 1951)	April 1984	Registered as Certified Public Accountant
		April 2000	Partner at the merged firm, ChuoAoyama Audit Corporation/PricewaterhouseCoopers
	Number of the Company's shares owned (shares):	August 2006	Representative of Arata Audit Corporation/Partner of PricewaterhouseCoopers (present PricewaterhouseCoopers Japan LLC)
	3,526	April 2008	Eminent Professor of Graduate School of Keio University (internal audit theory)
	Number of other shares as stock-based remuneration not yet granted (shares):	September 2009	Member of the Agreement Monitoring Committee of the Japan External Trade Organization (JETRO)
	8,913	September 2010	Director of Japan Internal Control Research Association (present Japan Internal Control Research Association)
	Special interests between the Company and the Candidate:	December 2014	Outside Corporate Auditor of Schroder Investment Management (Japan) Limited (present)
	None	March 2015	Director of Institute of Corporate Governance, Japan
	Number of Board of Directors meetings attended during the 18th fiscal year:	June 2015	Outside Corporate Auditor of Yamaha Corporation
	15/15	June 2017	Outside Director of AEON Financial Service Co., Ltd.
	Number of Audit Committee meetings attended	September 2019	Outside Director and Chairperson of the Audit Committee of Yamaha Corporation
	24/24	May 2021	Member of the Ethics Committee of the Japanese Institute of Certified Public Accountants

Reasons for nomination as candidate for Outside Director and overview of expected roles

HAKODA Junya has been involved in accounting audits, management consulting, and internal audits of auditing firms, etc. for many years at PricewaterhouseCoopers, and has also served as an eminent professor teaching internal audit theory in the Graduate School of Keio University, and therefore has a wealth of experience and high-level expertise in corporate auditing. He also has a high level of expertise in corporate governance and management auditing, having served as the Chairperson of the Audit Committee of Yamaha Corporation when the company changed its organizational design to a company with three committees (nomination, audit, and remuneration). He contributes to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight regarding a wide range of matters including risk management for new businesses, status of monitoring by executives on investment projects including minority stakes, and approaches to organizational audits within the Company.

Moreover, as the Chairperson of the Audit Committee, he has endeavored to strengthen the audit function by fulfilling his roles of auditing the execution of duties by Directors and Executive Officers of a company with three committees (nomination, audit, and remuneration committees), while exchanging opinions and engaging in discussions from the perspective of legality and appropriateness, etc. related to items submitted to the Board of Directors and items judged to require monitoring by the Audit Committee, which he is expected to promote. He is also simultaneously working to enhance the governance of the Group as a whole.

In light of his track record, wealth of experience and considerable insights, the Company expects him to contribute greatly to management of the Group as an Outside Director. As such, he has been nominated as a candidate to continue serving as Outside Director.

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
4	Independent Outside Director	April 1973	Joined ITOCHU Corporation
		June 1998	General Manager, Finance Division, ITOCHU International Inc. (Stationed in New York)
	SEKI Tadayuki (December 7, 1949)	June 2004	Executive Officer of ITOCHU Corporation, CFO of Food Company
		April 2007	Managing Executive Officer, General Manager of Finance Division
		June 2009	Representative Director, Managing Director, Chief Officer for Finance, Accounting, Risk Management and CFO
	Number of the Company's shares owned (shares):	April 2010	Representative Director, Senior Managing Executive Officer
	4,798	May 2011	Representative Director, Senior Managing Executive Officer and CFO
	Number of other shares as stock-based remuneration not yet granted (shares):	April 2013	Representative Director, Executive Vice President and CFO
	10,846	April 2014	Representative Director, Executive Vice President, Executive Advisory Officer, CFO & CAO
	Special interests between the Company and the Candidate:	April 2015	Adviser
	None	May 2016	External Director of PARCO Co., Ltd.
		June 2016	Outside Director of NIPPON VALQUA INDUSTRIES, LTD. (present VALQUA, LTD.)
	Number of Board of Directors meetings attended during the 18th fiscal year:	April 2017	Advisory Member of ITOCHU Corporation (present)
	15/15	June 2017	Outside Director of JSR Corporation
	Number of Audit Committee meetings attended	July 2017	Outside Statutory Auditor of Asahi Mutual Life Insurance Company (present)
	24/24	May 2020	Outside Director of J. Front Retailing Co., Ltd. (present)
	Tenure as Director (at the conclusion of this meeting):	May 2022	Director of PARCO Co., Ltd.
	approx. 5 years		Director of Daimaru Matsuzakaya Department Stores Co. Ltd. (present)
Important concurrent positions Outside Statutory Auditor of Asahi Mutual Life Insurance Company (Concurrent positions in the Group) Director of Daimaru Matsuzakaya Department Stores Co. Ltd.			
Reasons for nomination as candidate for Outside Director and overview of expected roles SEKI Tadayuki has many years of experience in international business management and risk management at a general trading company, and has extensive knowledge and experience in finance and accounting as CFO, as well as broad knowledge as an outside director and outside statutory auditor of multiple companies. He contributes to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on a wide range of matters including proposal standards to the Board of Directors, risk management for new investment projects, approaches to performance forecasting, stakeholder communication, and leading practices for enhancing audit functions. He serves as a lead director of the executive session established by the Company as an opportunity for Outside Directors to openly and freely exchange opinions and share information. As a member of the Audit Committee, he is working to strengthen audit functions by fulfilling expectations of him in terms of exchanging and discussing opinions from the perspective of legality, appropriateness, etc. on items submitted to the Board of Directors and items judged to require monitoring by the Audit Committee, while auditing the execution of duties by Directors and Executive Officers of a company with three committees (nomination, audit, and remuneration committees). He is also simultaneously working to enhance the governance of the Group as a whole. In light of his track record, wealth of experience and considerable insights, the Company expects him to contribute greatly to management of the Group as an Outside Director. As such, he has been nominated as a candidate to continue serving as Outside Director.			

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
5	Independent Outside Director OMURA Emi (September 2, 1976)	October 2002	Registered as attorney at law Joined Iwasaki & Motoyama
		March 2007	Registered as attorney at law of New York State, U.S.A.
		July 2008	Partner of Athena Law Office
		September 2010	Associate Expert, International Labour Standards Department, International Labour Organization in Geneva, Switzerland
	Number of the Company's shares owned (shares): 258	September 2013	Partner of Athena Law Office
		January 2014	Director, Office of International Affairs, Japan Federation of Bar Associations
	Number of other shares as stock-based remuneration not yet granted (shares): —	September 2014	Outside Director of Digital Garage, Inc.
		June 2019	Counsel of Kamiyacho International Law Office
		April 2021	Counsel of CLS HIBIYA TOKYO LAW OFFICE
		November 2021	Outside Director, Audit and Supervisory Committee Member of Valuence Holdings Inc. (present)
	Special interests between the Company and the Candidate: None	January 2022	Partner of CLS HIBIYA TOKYO LAW OFFICE (present)
		December 2022	External Director (Audit & Supervisory Committee Member) of FOOD & LIFE COMPANIES LTD. (present)
		June 2023	Auditor of Japan Association for Women's Education (present)
		May 2024	Outside Director of J. Front Retailing Co., Ltd. (present)
	Number of Board of Directors meetings attended during the 18th fiscal year: 12/12	Important concurrent positions Partner of CLS HIBIYA TOKYO LAW OFFICE Outside Director, Audit and Supervisory Committee Member of Valuence Holdings Inc. External Director (Audit & Supervisory Committee Member) of FOOD & LIFE COMPANIES LTD.	
	Number of Audit Committee meetings attended 17/17		
	Tenure as Director (at the conclusion of this meeting): approx. 1 year		

Reasons for nomination as candidate for Outside Director and overview of expected roles

In addition to her global experience in handling abundant cases in international organizations and specialized insights in labor law as an attorney, OMURA Emi has extensive experience as an outside director (audit & supervisory board member) at other listed companies (B to C business). In particular, she is well versed in the practical aspects of sustainability and ESG legal fields such as human rights due diligence, as an expert, she has provided advice on various issues that companies face, including diversity management. Within the Group, she contributes to enhancing the effectiveness of the Board of Directors by actively and assertively providing advice and oversight regarding a wide range of matters including consideration of business plans aimed at the socially conscious younger generation familiar with the SDGs, integration of employee feedback into the Company's distinctive human capital management, and risk identification in new businesses from diverse perspectives.

As a member of the Audit Committee, she is working to strengthen audit functions by fulfilling expectations of her in terms of exchanging and discussing opinions from the perspective of legality, appropriateness, etc. on items submitted to the Board of Directors and items judged to require monitoring by the Audit Committee, while auditing the execution of duties by Directors and Executive Officers of a company with three committees (nomination, audit, and remuneration committees). She is also simultaneously working to enhance the governance of the Group as a whole.

In light of her track record, wealth of experience and considerable insights, the Company expects her to contribute greatly to the Group as an Outside Director. As such, she has been nominated as a candidate to continue serving as Outside Director.

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
6	<div>New Candidate</div> <div>Independent</div> <div>Outside Director</div> <div>YAMADA Yoshihito (November 30, 1961)</div>	April 1984	Joined Tateishi Electric Corporation (present OMRON Corporation)
	Number of the Company’s shares owned (shares): <div>None</div>	June 2008	Executive Officer of OMRON Corporation and President and CEO of OMRON HEALTHCARE Co., Ltd.
		March 2010	Senior General Manager, Corporate Strategic Planning H.Q. of OMRON Corporation
		June 2010	Managing Executive Officer
June 2011		Representative Director and President	
Special interests between the Company and the Candidate: <div>None</div>	June 2013	Representative Director, President & CEO	
	June 2023	Chairman of the Board (present)	
	Outside Director of NEC Corporation (present)		
	Important concurrent positions Chairman of the Board of OMRON Corporation Outside Director of NEC Corporation		
Reasons for nomination as candidate for Outside Director and overview of expected roles YAMADA Yoshihito has demonstrated strong leadership as Representative Director, President & CEO of OMRON Corporation for many years. Since 2023, he has served as Chairman of the Board, focusing on overseeing the management of the company. He possesses extensive experience and deep insights into corporate management and appropriate operations of the Board of Directors from a medium- to long-term perspective. In addition to serving as a member of the CEO Selection Advisory Committee and the Corporate Governance Committee at the company, he holds a position as an outside director for a listed company. He possesses advanced knowledge in corporate governance and sustainability. We anticipate his proactive advice will enhance the transparency and fairness of the Group’s corporate management, including succession planning. In light of his track record, extensive experience and deep insights, the Company expects that he will apply them to the appropriate supervision of management in the Group. As such, he has been nominated as a candidate to serve as a new Outside Director.			

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
7	<input type="checkbox"/> New Candidate	April 1979	Joined Suntory Limited
	<input type="checkbox"/> Independent	January 1999	Senior General Manager, Beverage & Food Division
	<input type="checkbox"/> Outside Director	September 2005	Deputy Division Chief Operating Officer, Beverage & Food Division
	SAITO Kazuhiro (October 31, 1956)	April 2009	Executive Officer of Suntory Holdings Limited and Managing Director of Suntory Beverage & Food Limited
		January 2011	Executive Vice President and Chief Operating Officer, Chinese Beverage & Food Division of Suntory (China) Holding Co., Ltd. and Chair and President of Suntory (Shanghai) Food Trading Co., Ltd.
		April 2014	President and Chief Operating Officer, Chinese Beer & Huangjiu Division of Suntory (China) Holding Co., Ltd.
		April 2015	Managing Executive Officer and in charge of Corporate Planning Division, Chief Operating Officer, Finance & Accounting Division of Suntory Beverage & Food Limited
		April 2016	Full-time Advisor of Suntory Beverage & Food Limited and Chief Executive Officer of Suntory Beverage & Food Asia Pte. Ltd.
		April 2019	Representative Director, President & Chief Executive Officer of Suntory Beverage & Food Limited
		April 2022	Chair of ad-comm Co., Ltd.
	Number of the Company's shares owned (shares): None		
	Special interests between the Company and the Candidate: None		
Reasons for nomination as candidate for Outside Director and overview of expected roles SAITO Kazuhiro brings extensive management experience from his time working overseas at the Suntory Group. He also possesses wealth of experience and considerable insights in marketing, corporate planning, finance, and accounting at a beverage and food company. Over the past four years since 2019, he has served as President & Chief Executive Officer of the beverage and food company, demonstrating strong leadership in group management. He has extensive experience and deep insights into group management from a medium- to long-term perspective. Combined with his rich experience and advanced knowledge in marketing, finance, and accounting, we anticipate his proactive advice will strengthen our governance on both offensive and defensive fronts. In light of his track record, extensive experience and deep insights, the Company expects that he will apply them to the appropriate supervision of management in the Group. As such, he has been nominated as a candidate to serve as a new Outside Director.			

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
8	<p>YOSHIMOTO Tatsuya (April 13, 1956)</p> <p>Number of the Company's shares owned (shares): 158,662</p> <p>Number of other shares as stock-based remuneration not yet granted (shares): —</p> <p>Special interests between the Company and the Candidate: None</p> <p>Number of Board of Directors meetings attended during the 18th fiscal year: 15/15</p> <p>Number of Nomination Committee meetings attended 10/10</p> <p>Number of Remuneration Committee meetings attended 6/6</p> <p>Tenure as Director (at the conclusion of this meeting): approx. 12 years</p>	<p>April 1979 March 2000 January 2008 May 2008 January 2010 March 2010 May 2012 April 2013 May 2013 May 2017 May 2020 March 2023 March 2024</p>	<p>Joined The Daimaru, Inc. Senior Manager of Preparatory Office for Opening Sapporo Store of Planning Office for Sapporo Store, Head Office General Manager of Tokyo Store Corporate Officer, General Manager of Tokyo Store Corporate Officer, General Manager of Sales Planning Promotion Division and Marketing Planning Promotion Division of Department Stores Coordination Division of J. Front Retailing Co., Ltd. Corporate Officer of Daimaru Matsuzakaya Department Stores Co. Ltd. Senior General Manager of Management Planning Division Director and Corporate Officer President and Representative Director of Daimaru Matsuzakaya Department Stores Co. Ltd. and President and Representative Director of Daimaru Matsuzakaya Sales Associates Co. Ltd. Director of J. Front Retailing Co., Ltd. (present) Representative Managing Executive Officer President and Representative Executive Officer President and Representative Executive Officer and Senior Executive General Manager of CRE Strategy Unit Executive Officer</p>

Reasons for nomination as candidate for Director and overview of expected roles

YOSHIMOTO Tatsuya has a wealth of experience and knowledge in business management, planning, and store operations at Daimaru Matsuzakaya Department Stores Co. Ltd. After becoming that company's President and Representative Director in 2013, he formulated a new department store business strategy in reaction to the massive changes in the external environment and demonstrated strong leadership aimed at realizing these initiatives.

Since becoming President and Representative Executive Officer of the Company in 2020, under the Medium-term Business Plan aimed at fully returning the Company to the operating profit level of FY2019 in the midst of a harsh business environment, he has exercised leadership for implementing sustainability management and for business innovations aimed at success in future competition and realized full recovery from the COVID-19 pandemic.

Since May 2024, as a Director who does not execute business elected internally, he has contributed to enhancing the Board of Directors' oversight function by leveraging his extensive experience and insights from a broad perspective as well as conducting supervisory operations that consider all stakeholders based on the Group's overall strategy and the roles and expectations of individual businesses. As a member of the Nomination Committee, he participates in deliberations to ensure objectivity, transparency, and continuity in the overall design of the succession plan for Representative Executive Officers as well as discussions on the succession plan for Outside Directors, aiming to maintain and enhance the Board of Directors supervisory functions from a medium- to long-term perspective. As a member of the Remuneration Committee, he engages in examination and confirmation of remuneration levels and composition under the officer remuneration system revised in line with the medium-term business plan. Through these efforts, by providing necessary advice at suitable times, he contributes to strengthening strategy personnel functions that are closely aligned with business strategies.

The Company expects him to contribute to the improved corporate value and sustained growth of the Group based on his track record and considerable insights. As such, he has been nominated as a candidate to continue serving as Director.

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
9	<p>HAMADA Kazuko (Name in Family Registry: HIMENO Kazuko) (September 6, 1962)</p> <p>Number of the Company's shares owned (shares): 3,081</p> <p>Number of other shares as stock-based remuneration not yet granted (shares): 23,142</p> <p>Special interests between the Company and the Candidate: None</p> <p>Number of Board of Directors meetings attended during the 18th fiscal year: 15/15</p> <p>Number of Audit Committee meetings attended 24/24</p> <p>Tenure as Director (at the conclusion of this meeting): approx. 4 years</p>	<p>April 1985 September 2000 March 2002 March 2005 March 2007 March 2010 March 2013 March 2015 May 2020 May 2021</p>	<p>Joined PARCO Co., Ltd. General Manager of Marketing Department of Sales Management Division Deputy General Manager of Kichijoji PARCO General Manager of Kichijoji PARCO General Manager of Shintokorozawa PARCO Executive Officer (Personnel) Executive Officer (Administration and Personnel) Executive Officer (Group Audit Office) Auditor Director of J. Front Retailing Co., Ltd. (present)</p>
<p>Reasons for nomination as candidate for Director and overview of expected roles</p> <p>HAMADA Kazuko served as store manager of the Kichijoji and Shintokorozawa stores at PARCO Co., Ltd. before being appointed as an Executive Officer of the company in March 2010. She then engaged in initiatives such as planning a senior management development program as Executive Officer in charge of Administration and Personnel. Based on her wealth of experience, she has broad insights into the store operations and business management of PARCO Co., Ltd. as well as the promotion of corporate diversity.</p> <p>Furthermore, she has contributed to strengthening the auditing function of the PARCO Business by taking charge of the Group Audit Office from March 2015 and serving as a corporate auditor from May 2020.</p> <p>Since May 2021, she has served as a member of the Audit Committee as an internally elected Director who does not execute business, attending important internal management and other meetings. She has also contributed to strengthening the audit function by auditing the execution of duties by Directors and Executive Officers of a company with three committees (nomination, audit, and remuneration committees), while exchanging opinions and engaging in discussions from the perspective of legality, appropriateness, etc. related to items submitted to the Board of Directors and items judged to require monitoring by the Audit Committee.</p> <p>The Company expects her to help enhance corporate value and the sustainable growth of the Group, particularly through the maximization of group synergies with PARCO, by utilizing her wealth of knowledge based on her achievements and experience and fulfilling appropriate management oversight work, and therefore has nominated her to continue serving as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
10	ONO Keiichi (August 2, 1975)	April 1998	Joined The Daimaru, Inc.
	Number of the Company’s shares owned (shares): 25,723	April 2007	Planning Office for New Umeda Store, Department Store Business Division, Head Office
		September 2010	In charge of Sales Promotion and Advertising of Business Promotion Division of Daimaru Umeda Store, Daimaru Matsuzakaya Department Stores Co. Ltd.
	Special interests between the Company and the Candidate: None	November 2012	Store Planning Department, Head Office of PARCO Co., Ltd.
		November 2013	In charge of Inbound Business of Sales Planning Unit of Sales & Marketing Headquarters, Head Office of Daimaru Matsuzakaya Department Stores Co. Ltd.
	Number of Board of Directors meetings attended during the 18th fiscal year: 12/12	September 2015	General Manager of Inbound Business, Merchandising and Channel Development Division, Head Office
		September 2016	General Manager of Business Promotion Division of Daimaru Kyoto Store
	Tenure as Director (at the conclusion of this meeting): approx. 1 year	March 2018	Executive Officer of J. Front Retailing Co., Ltd. President and Representative Director of Dimples’ Co., Ltd.
		October 2020	Senior General Manager of Structural Reform Promotion Division of Financial Strategy Unit of J. Front Retailing Co., Ltd.
		March 2022	Managing Executive Officer Senior Executive General Manager of Management Strategy Unit and in charge of Risk Management
		May 2022	Director of PARCO Co., Ltd.
March 2024		President and Representative Executive Officer and Senior Executive General Manager of CRE Strategy Unit of J. Front Retailing Co., Ltd. (present)	
	May 2024	Director (present)	
Reasons for nomination as candidate for Director and overview of expected roles			
<p>ONO Keiichi has been appointed as the Senior Executive General Manager of Management Strategy Unit after serving as the Senior General Manager of Structural Reform Promotion Division, following his roles as the person in charge of inbound sales at a department store’s planning department, secondment to PARCO, and president of a Group subsidiary. In his role as the person in charge of inbound sales, he formulated innovative strategies that contributed to performance improvement, and as the Senior General Manager of Structural Reform Promotion Division, he proceeded with transformation of the business portfolio, the Group-wide fixed cost reduction, and more. After his appointment as Senior Executive General Manager of Management Strategy Unit in March 2022, he has continued to take on unprecedented challenges such as corporate acquisitions, CVC, and launching business succession funds, in addition to formulating strategies for the Group as a whole. In addition, he has extensive experience and capability in overseeing the entire Group, including serving as a director for several Group operating companies and being involved in their management. In the Medium-term Business Plan that began this fiscal year, he has formulated the direction for the Group from a broad and long-term perspective, and promoted the Group-wide strategies.</p> <p>Since assuming the role of President and Representative Executive Officer in March 2024, he has demonstrated leadership in overall management, building business strategies from a Group-wide perspective and driving transformation for future growth. He is actively working towards achieving the Medium-term Business Plan (FY2024-FY2026) and also the vision of evolving into a Value Co-creation Retailer Group by 2030.</p> <p>As such, the Company has judged that he is a competent professional who can contribute to the enhancement of corporate value and the sustainable growth of the Group in terms of both supervision and execution by leading business execution acting as President and Representative Executive Officer, and accordingly has nominated him as a candidate to continue serving as Director.</p>			

Special notes regarding the candidates for Director

- The Company has entered into an agreement with candidates for Directors KOIDE Hiroko, YAGO Natsunosuke, HAKODA Junya, SEKI Tadayuki, OMURA Emi, YOSHIMOTO Tatsuya, and HAMADA Kazuko individually to limit his/her liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act as prescribed in Paragraph 1, Article 427 of the said Act. If the election of the new candidates for Director YAMADA Yoshihito and SAITO Kazuhiro are approved under this proposal, the Company plans to enter into the same agreement with both candidates.
- The Company has entered into a Directors and Officers liability insurance contract with an insurance company based on the prescription of Paragraph 1, Article 430-3 of the Companies Act. Under such an insurance contract, the Company will bear the full amount of insurance premiums for all the insured. The insurance contract covers all Directors and Executive Officers of the Company and all Directors and Audit & Supervisory Board Members of its subsidiaries. If the election of each candidate for Director is approved under this proposal, they will become insured under the insurance contract. The Company plans to renew the insurance contract with the same terms at the next renewal.
- Candidates for Directors KOIDE Hiroko, YAGO Natsunosuke, HAKODA Junya, SEKI Tadayuki, and OMURA Emi are independent officers who have been given the obligation by the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc. to protect ordinary shareholders. The Company has notified each of the stock exchanges that the Company will designate the new candidates for Director YAMADA Yoshihito and SAITO Kazuhiro as independent officers if their election is approved under this proposal.
- Candidates for Directors who concurrently serve as Director within the Group do not execute business in the concurrent position.
- At Mitsubishi Electric Corporation, where candidate for Director KOIDE Hiroko had been in office as an Outside Director since June 2016, several incidents of quality misconduct regarding several products of the company came to light from April 2021. After the incidents came to light, several manufacturing bases of the company related to the incidents received notice, some that their ISO 9001 and IRIS certifications would be suspended, and other that part of the scope of their ISO 9001 certification and the whole of their IRIS certification would be canceled from July 2021 and onwards. She was not directly involved in the incidents and was not aware of the incidents until they came to light. She had regularly provided advice from the point of view of compliance with laws and regulations even before the incidents came to light, such as by expressing her opinion at meetings of the Board of Directors regarding the importance of a change in thinking with regard to quality issues, etc., and had continued to fulfill her duty as an Outside Director after the incidents came to light by providing advice and oversight with respect to efforts aimed at thorough compliance with laws and regulations and with contracts and at the implementation of effective measures to prevent fraud.

(Reference) The Company's criteria for determining the independence of Outside Directors are as follows.

In appointing the Company's Outside Directors, we select individuals who maintain a high degree of independence and consequently are not susceptible to conflicts of interest involving the Company's shareholders. An individual does not meet the criteria for independence if one or more of the items listed below apply to that individual.

- (i) Person who executes business in the Group
- (ii) Major shareholder of the Company (including person who executes business thereof; the same applies with items (iii) to (vi) below)
- (iii) Major business partner of the Group
- (iv) Person affiliated with a law office, audit firm, consultancy, or other entity that receives payment other than executive compensation of more than a certain amount from the Group
- (v) Recipient of donations of more than a certain amount contributed by the Group
- (vi) Related party in cases where the party is engaged in an arrangement involving a reciprocal officer appointment with the Group
- (vii) Person with respect to whom any of items (i) to (vi) has applied at any point over the last five years
- (viii) Spouse or relative within the second degree of consanguinity of a person with respect to whom any of the items (i) to (vii) applies

With respect to the above, "person who executes business" refers to an Executive Director, an Executive Officer, and any other employee; "major shareholder" refers to a shareholder who holds voting rights accounting for no less than 10% of the Company's voting rights; "major business partner" refers to a business partner whose transactions with the Group account for 2% or more of the Company's annual consolidated net sales or the business partner's annual net sales for any of the fiscal years over the last five years; "a certain amount" refers to an annual amount of ¥10 million in any of the fiscal years over the last five years.

Business Report (From March 1, 2024 to February 28, 2025)

1. Current status of the corporate group

(1) Business summary and results

During the fiscal year under review, despite weakness in some areas such as housing investment the Japanese economy experienced a moderate recovery overall, thanks to robust capital investment that unfolded against a backdrop of improvements in corporate profitability, and to growth in consumption by visitors to Japan from overseas.

Regarding personal spending, although the employment environment and income conditions continued to improve the outlook remained uncertain, with rising prices and other factors resulting in progress in consumer sentiment coming to a standstill.

<Initiatives for the initial fiscal year of the Medium-term Business Plan (FY2024-FY2026)>

In this operating environment, and under the new management system, the Company set its sights on 2030 with the start of the new Medium-term Business Plan (FY2024-FY2026).

The Company is promoting corporate activities that are aligned with “sustainability management” aimed at tackling environmental and social issues and finding solutions for them through business in order to realize the Group Vision of “Create and Bring to Life ‘New Happiness.’” In the spring of last year, the Company redrew its Vision for 2030 based on its strengths and on changes in the business environment that it considers important, aiming to transform itself into a “Value Co-creation Retailer” that continues to provide “three co-creation values” with the retail business at its core.

Three co-creation values

“Co-creation of Excitement”

Customers and employees working together to generate excitement.

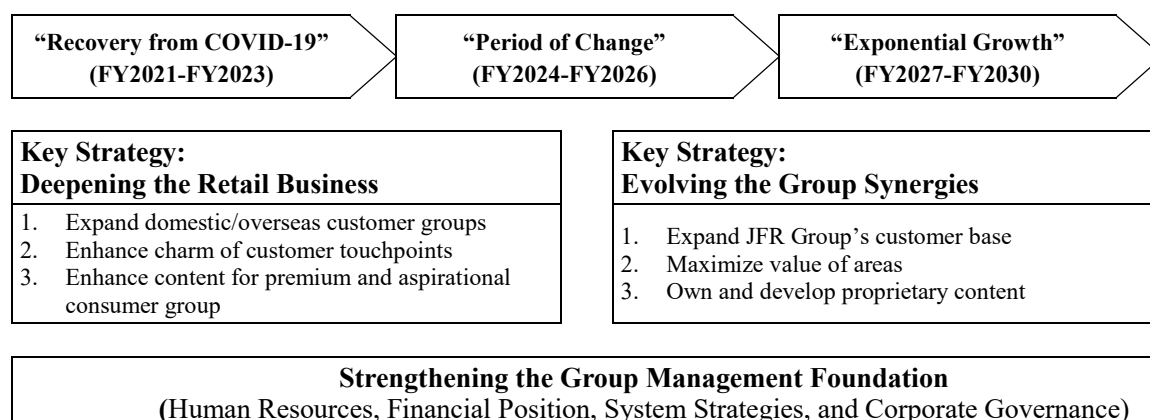
“Co-prosperity with Communities”

Enhancing local community charm while giving it an important and essential presence.

“Co-existence with the Environment”

Cultivating a culture in which anyone can contribute to building a society that co-exists with the environment.

In this Medium-term Business Plan, we have positioned this period as a period of change to achieve our Vision for 2030 and increase the likelihood of growth over the medium to long term. As a key strategy, we are focusing on further strengthening the retail businesses, particularly the Department Store Business and the SC Business, evolving Group synergies to realize dramatic growth, and strengthening the Group’s management foundation to enhance the effectiveness of these strategies.



1) Strengthening the retail business

To enhance the appeal of consumer contact points and further increase our competitive advantage, as well as to prepare for deeper cultivation of existing customers and the winning of next-generation

customers, mainly in the Department Store Business, we began renovating the Matsuzakaya Nagoya store where we conducted a gradual reopening, floor by floor, starting in November 2024. We have also decided to promote a large-scale renovation of the Daimaru Umeda store, for the first time since the opening of the store, through collaboration with other companies.

In the SC Business, we renovated Nagoya PARCO based on the theme of being the foremost store in the Tokai area in terms of integrating fashion and entertainment, and introduced leading fashion brands as well as expanding our offering of pop culture shops. We also worked to broaden anime and subculture in which PARCO excels, expanding content for the premium and aspirational consumer group by developing the business through the licensing of popular manga.

In terms of initiatives to expand our customer base, as well as working to increase the number of app members we took steps to revamp the app by enhancing its media functions. In order to enhance our response to overseas customers, in the Department Store Business, we have built a new communications platform aimed at visitors to Japan from overseas, and also worked in partnership with companies both inside and outside Japan for the mutual exchange of customers.

2) Evolving Group synergies

With the goal of maximizing synergies chiefly in our seven priority areas, we worked mainly on store renewals in the Nagoya Sakae district as well as moving forward in the Developer Business with development plans for The Landmark Nagoya Sakae, which is scheduled to open in 2026. In addition to making progress with the development of the Shinsaibashi Project (tentative name) in the Osaka Shinsaibashi area, which is scheduled to begin operations in 2026, we made Shinsaibashi Kyodo Center Building, K.K., which owns the Daimaru Shinsaibashi South Building, a subsidiary. We also took the decision to invest in a special purpose company to acquire the neighboring Shinsaibashi Building, which was previously the head office of the Kansai Urban Banking Corporation. In the Fukuoka Tenjin area, we worked to promote plans for redevelopment in partnership with other companies.

Based on our policy of reorganizing and strengthening the interior design business and building management business, in September 2024 we integrated the Group internal building management service into PARCO SPACE SYSTEMS Co., Ltd.

In the Payment and Finance Business, we continued to consolidate in-house card issuance operations in preparation for expansion in the Group customer base, commencing the issue of the new GINZA SIX Card in April 2024 and the new PARCO Card in February 2025.

In addition, we concluded an agreement with Komehyo Co., Ltd. in November 2024 to establish a joint venture company aimed at increasing the number of customer touchpoints and providing new value by entering the reuse market, which is expected to grow in the future. Also, for the purpose of seeking solutions to the business succession challenges of local communities, contributing to regional economies, and discovering appealing regional content, we set up a business succession fund together with external partners and executed the first investment deal through this scheme.

3) Strengthening the Group's management foundation

In terms of our human resource strategy, in order to realize our transformation into a Value Co-creation Retailer and to promote a human resource strategy that is integrated with the management strategy, we formulated a common Group Human Resources Management Policy, and worked to strengthen systems for accelerating the human resource strategy.

As for systems strategy, in addition to deploying a common accounting system for the entire Group to raise the level of management and administration sophistication and enhance operational efficiency, we also worked on such initiatives as integrating groupware to encourage a more active approach to internal and external communications. We also formulated a new Group System Philosophy.

Moreover, we implemented some changes to our corporate governance so that, in addition to the chairpersons of the existing three statutory committees, we changed the chairperson of the Board of Directors to an independent Outside Director. These resulted in a further strengthening of the supervisory function.

In terms of financial strategy, as well as moving forward with initiatives in partnership with the operating companies aimed at encouraging ROIC management to take root within the Company, with the aim of enhancing return on capital over the medium to long term, optimizing equity, and improving

shareholder returns, we maintained a consolidated dividend payout ratio of 40% or more (excluding gain on step acquisitions), and conducted purchases of treasury shares totaling ¥10.0 billion.

4) Consolidated revenue and results by segment for the fiscal year under review

(i) Consolidated revenue

As a result of various measures including those mentioned above in the fiscal year under review, the Company set record highs at all levels of consolidated profit for the first time since the business integration in 2007, and achieved the profit targets for the final year of the Medium-term Business Plan (FY2026).

Specifically, revenue was ¥441,877 million, up 8.6% year on year. Business profit was ¥53,490 million, up 20.7% year on year as a result of the increase in revenue, which together with efforts to reduce expenses outweighed strategic expenditures. Operating profit was ¥58,199 million (up 35.2% year on year), mostly due to the recording of gain on step acquisitions, although impairment losses were recorded at some branches of our department stores. Profit before tax was ¥55,785 million (up 34.9% year on year), and profit attributable to owners of parent was ¥41,424 million (up 38.5% year on year), demonstrating a large increase in profit.

Regarding dividends, in consideration of performance in the fiscal year under review, the Company has decided to pay an annual dividend of ¥52 per share (¥36 in the previous fiscal year), for an increase of ¥16 relative to the previous fiscal year. This is the highest-ever level for the dividend.

<Key performance indicator results>

	FY2023 results	FY2024 results	(Reference) FY2026 targets
Consolidated business profit	¥44,300 million	¥53,400 million	¥52,000 million
Consolidated ROE	8.1%	10.5%	8.0% or more
Consolidated ROIC	5.1%	6.2%	5.0% or more
Greenhouse gas emissions*	(57.4)%	(64.5)%	(58.0)%
Ratio of women in management positions	22.5%	26.2%	31.0%

* Greenhouse gas emissions: Scope 1 + 2 compared to FY2017; figure for FY2024 is a rough estimate.

(ii) Results by segment

Revenue and business profit by business segment of the corporate group (Millions of yen)

Business segment	17th fiscal year (Fiscal 2023)				18th fiscal year (Current fiscal year) (Fiscal 2024)			
	Revenue		Business profit		Revenue		Business profit	
	Results	Composition	Results	Composition	Results	Composition	Results	Composition
Department Store Business	239,100	% 58.7	26,108	% 58.9	263,643	% 59.7	33,982	% 63.5
SC Business	58,731	14.4	8,422	19.0	64,418	14.6	12,745	23.8
Developer Business	81,318	20.0	7,785	17.6	90,658	20.5	8,360	15.6
Payment and Finance Business	13,115	3.2	2,777	6.3	13,135	3.0	1,637	3.1
Total	392,265	96.4	45,093	101.7	431,855	97.7	56,727	106.1
Other	47,341	11.6	843	1.9	50,716	11.5	832	1.6
Adjustments	(32,600)	(8.0)	(1,606)	(3.6)	(40,694)	(9.2)	(4,069)	(7.6)
Consolidated total	407,006	100.0	44,330	100.0	441,877	100.0	53,490	100.0

* Due to the review of the business management classification, PARCO Digital Marketing Co., Ltd. was removed from the Developer Business and included in the SC Business on March 1, 2024. In addition, due to reorganization

within the Group as of September 1, 2024, a part of the management business of J. Front One Partner Co., Ltd. (formerly JFR Service Co. Ltd.), which had been included in “Other,” was transferred to PARCO SPACE SYSTEMS Co., Ltd. that is included in the “Developer Business” and another company. Results for the previous fiscal year were accordingly deemed to have changed on March 1, 2023, and retroactive revisions have been applied.

Department Store Business

- Use strategic renovations to enhance content for premium and aspirational consumer group
 - Duty-free sales hit record high
-

Revenue of ¥263,643 million, business profit of ¥33,982 million

<Reference data>

Gross sales of ¥824,785 million (+10.2% YoY), operating profit of ¥29,677 million (+26.7% YoY)

Net sales increased significantly due mainly to the impact of renovations aimed at enhancing content for the premium and aspirational consumer group, and growth in sales to overseas visitors to Japan.

By store, sales to inbound tourists were brisk at the Daimaru Shinsaibashi and Kyoto stores, while the performance of major stores was strong, including the Daimaru Kobe and Sapporo stores, which carried out strategic renovations, and the Daimaru Tokyo store, which is located at a terminal site. These factors drove the overall performance.

We have been promoting a major renovation at the Matsuzakaya Nagoya store in accordance with our key strategy, and reopened it gradually starting in November 2024. This renovation aims to enhance experiential value unique to a physical store, and to win next-generation customers. In addition to expanding luxury brand offerings, we enhanced content that captures next-generation market needs, such as fashion, art, alcoholic beverages, beauty, and wellness. We made a joint announcement with other companies regarding major renovation plans for the South Gate Building, where the Daimaru Umeda store is located.

Moreover, we revamped the Daimaru Matsuzakaya App to enhance its media functions in order to build strong relationships with customers.

As a result of various measures including those mentioned above, revenue was ¥263,643 million, up 10.3% year on year. Business profit was ¥33,982 million, up 30.2% year on year, demonstrating a large increase in profit.

SC Business

- Success of strategic renovations at flagship stores and growth in transaction volume with inbound tourists
-

Revenue of ¥64,418 million, business profit of ¥12,745 million

<Reference data>

Gross sales of ¥332,739 million (+11.8% YoY), operating profit of ¥12,850 million (+35.8% YoY)

In order to strengthen the retail business, we strived to increase the distinctive brand value of PARCO and the value of visiting our stores through strategic renovations, setting our sights on extending support from Generation MZ and overseas customers.

We renovated Nagoya PARCO based on the theme of providing the Tokai area's most sophisticated fashion and diverse entertainment, while at Sendai PARCO we strengthened fashion and entertainment, and at Hiroshima PARCO we conducted strategic renovation with the aim of attracting one-of-a-kind shops in the area.

We also worked to enhance the dissemination of information to foreign tourists visiting Japan and to strengthen relationships, such as by partnering with overseas companies, mainly in Asia. At Shibuya PARCO and Shinsaibashi PARCO, a significant increase in transaction volumes with inbound tourists became a driver for performance.

In the culture business, theatres recovered and in music Shibuya CLUB QUATTRO turned in a strong performance. At our collaboration cafes we had success in business development through the licensing of popular manga.

Moreover, in April 2024, we signed a basic agreement on a strategic alliance with Hyundai, a major department store chain in South Korea, and we also staged popup events at Shibuya PARCO in order to win new customers, primarily in the MZ generations.

As a result of various measures including those mentioned above, revenue was ¥64,418 million, up 9.7% year on year. Business profit was ¥12,745 million, up 51.3% year on year, demonstrating a large increase in profit.

Developer Business

- Working to raise synergies in key areas, and promoting long-term strategic projects to maximize area value
-

Revenue of ¥90,658 million, business profit of ¥8,360 million

<Reference data>

Gross sales of ¥90,658 million (+11.5% YoY), operating profit of ¥8,189 million (+6.7% YoY)

Factors such as recording a gain on the sale of properties held by J. Front City Development Co., Ltd., and an increase in orders for the hotel interior finishing and construction at J. Front Design & Construction Co., Ltd. led to higher revenue and profit.

In terms of key strategies, in the development of the Company's key areas, we have steadily promoted The Landmark Nagoya Sakae and the Shinsaibashi Project (tentative name), both of which are scheduled for completion and opening in FY2026. We also took the decision to invest in a special purpose company to acquire the Shinsaibashi Building. In the Tenjin 2-chome South Block Station-front East West Street Area Project (tentative name), we are moving forward with plans across the Group, based on the finalization of city planning by the district planning and urban redevelopment project.

In addition, to reorganize and strengthen the building management business of the Group, in September 2024, the building management business of J. Front One Partner Co., Ltd. (formerly JFR Service Co. Ltd.) was transferred to PARCO SPACE SYSTEMS Co., Ltd.

As a result of various measures including those mentioned above, revenue was ¥90,658 million, up 11.5% year on year, and business profit was ¥8,360 million, up 7.4% year on year.

Payment and Finance Business

- Beginning of new card issuance to expand the Group customer member base
-

Revenue of ¥13,135 million, business profit of ¥1,637 million

<Reference data>

Gross sales of ¥13,135 million (+0.1% YoY), operating profit of ¥1,460 million (-43.5% YoY)

As part of efforts to implement key strategies, we worked to expand the number of card members and promote usage through collaboration with the Department Store Business. To pave the way for the expansion of our base of new customers, we also started issuing the GINZA SIX Card and the new PARCO Card as an initiative to consolidate the Group's cards. In the Affiliated Store Business, we developed external affiliates centered on the key areas, and worked on the expansion of acquiring operations at the Group's commercial facilities.

Also, to reinforce the effort to combat the unauthorized use of credit cards plaguing the industry, we introduced such measures as multi-factor authentication and one-time passwords for our online services.

As a result of various measures including those mentioned above, revenue was ¥13,135 million, up 0.1% year on year, due mostly to higher transaction volumes that drove increases in affiliated store fees, and outweighed increases in point costs. Business profit was ¥1,637 million, down 41.0% year on year, as selling, general, and administrative expenses rose as a result of an increase in investments for the consolidation of the Group's cards and in personnel expenses.

(2) Explanation of financial position

(Assets, liabilities, and equity as of February 28, 2025)

Total assets as of February 28, 2025 were ¥1,164,147 million, up ¥49,421 million compared with February 29, 2024. Total liabilities were ¥740,911 million, an increase of ¥20,417 million compared with February 29, 2024. Interest-bearing liabilities (including lease liabilities) were ¥363,578 million, down ¥820 million compared with February 29, 2024.

Total equity was ¥423,235 million, an increase of ¥29,003 million compared with February 29, 2024.

(Cash flow position)

The balance of cash and cash equivalents (hereinafter “cash”) as of February 28, 2025 was ¥54,975 million, down ¥16,367 million compared with February 29, 2024.

Cash flow positions in the current fiscal year and the factors for these are as follows.

Net cash provided by operating activities was ¥85,812 million. In comparison with the previous fiscal year, cash provided decreased by ¥4,880 million due to an increase in working capital, etc., despite an increase in profit before tax.

Net cash used in investing activities was ¥28,308 million. In comparison with the previous fiscal year, cash used increased by ¥41,737 million, due to such factors as the renovation of the Matsuzakaya Nagoya store and the acquisition of the shares of Shinsaibashi Kyodo Center Building, K.K.

Net cash used in financing activities was ¥74,001 million. In comparison with the previous fiscal year, cash used increased by ¥1,255 million, largely due to purchases of treasury shares.

(3) Status of capital investment

The basic approach taken regarding the Group’s recurring capital investment is to keep such investment within the scope of the amount of depreciation. In the current fiscal year, total capital investments were ¥23,855 million.

(i) Major facilities completed during the current fiscal year

Major facilities completed during the current fiscal year included investments in renovating sales floors at the Matsuzaka Nagoya store in the Department Store Business. There were also acquisitions of assets for internal renovations and facility upgrades at Nagoya PARCO, Sendai PARCO, and other stores in the SC Business, and investment in store renovation and facility upgrades in the Developer Business.

(ii) New construction and expansions of major facilities during the current fiscal year

New construction following progress in plans for The Landmark Nagoya Sakae

(iii) Sales, removals, and losses of major non-current assets

Sale, etc. of assets following the withdrawal of Utsunomiya PARCO

(4) Status of procurement

The Group’s basic policy is to source funds needed for business activities using funds generated by the Group. Moreover, when the need arises for business investment or other expenditures, the holding company spearheads efforts to procure such funds mainly by issuing bonds and borrowing from financial institutions, with consideration placed on maintaining financial soundness.

The Group subsidiaries do not procure funds from financial institutions, but instead we promote streamlined means of procuring the Group funds by seeking needed funding through intra-Group financing using a cash management system.

For the current fiscal year, based on the above policy, we procured ¥8,500 million through long-term borrowings from financial institutions. Meanwhile, with the repayment of ¥12,400 million in long-term borrowings and the redemption of ¥20,000 million of unsecured straight bonds, our balance of interest-bearing liabilities (excluding lease liabilities) decreased by ¥23,800 million compared to February 29, 2024 to ¥190,000 million.

(5) Issues to be addressed

Accelerating our transformation into a Value Co-creation Retailer

Performance in the first year of the Medium-term Business Plan (FY2024-FY2026), which commenced under a new structure aligned with sustainability management, benefited not only from the promotion of the growth strategy with a focus on 2030 but also on the successful implementation of measures designed to capture the tailwind of such external environmental factors as growth in the number of foreign tourists visiting Japan, and led to the business profit target initially set for the final year of the Medium-term Business Plan (FY2026) being achieved early.

Meanwhile, as for the outlook for the business environment going forward, we recognize that we need to keep a close eye on changes in the global situation and the risk of downward pressure on domestic spending and inbound consumption due mainly to the outlook for domestic and overseas economies, including interest rate and exchange rate fluctuations, as well as prolonged rising prices.

In order to increase the likelihood of growth over the medium to long term and realize our 2030 vision of transforming ourselves into a Value Co-creation Retailer, it is essential that we expand our business base by accelerating our growth strategy, and build a solid management foundation to steadily promote these strategies.

In FY2025, the second year of the Medium-term Business Plan, we have revised up the key performance indicator targets in the Medium-term Business Plan, and we will work to expand our business base by promoting our growth strategy even more actively, such as by growing our customer base in Japan and overseas, strengthening the retail business, and evolving Group synergies, which includes the maximization of value in our seven priority areas.

In addition, this Medium-term Business Plan is positioned as a “period of change” towards achieving our Vision for 2030. As part of its efforts to build a solid management foundation that increases the likelihood of sustainable growth in a highly uncertain business environment, the Group members will work together as one to steadily promote such initiatives for corporate transformation as actively investing in the business and human resources, and intensifying efforts to reorganize the business.

Strengthening our key strategies based on the Medium-term Business Plan

1) Upward revisions to our key performance indicator targets

Based on results for FY2024, we have revised up key performance indicator targets for the final year of this Medium-term Business Plan (FY2026).

Specifically, we will aim for consolidated business profit of ¥56,000 million (initial target: ¥52,000 million) and consolidated ROIC of at least 6.0% (initial target: at least 5.0%) as the financial targets, and for reductions in greenhouse gas emissions of 70% (initial target: 58%) as a non-financial target.

<Key performance indicator targets>

	FY2026 new targets	FY2026 initial targets	(Reference) FY2024 results
Consolidated business profit (IFRS)	¥56,000 million	¥52,000 million	¥53,400 million
Consolidated ROE	8.0% or more	8.0% or more	10.5%
Consolidated ROIC	6.0% or more	5.0% or more	6.2%
Greenhouse gas emissions*1	(70.0)%	(58.0)%	(64.5)%
Ratio of women in management positions*2	31.0%	31.0%	26.2%

*1 Scope 1 and 2 reduction ratio (compared with FY2017); result for FY2024 is a rough estimate (final figure is under calculation).

*2 As of March 1, 2025: 27.3%

2) Strengthening the retail business

In the mainstay Department Store Business and SC Business, we will strengthen initiatives to expand the customer base in Japan and overseas, improve the appeal of customer contact points, and enhance content for the premium and aspirational consumer group. In particular, we will respond to affluent foreigners by leveraging our platform for overseas customers (inbound CRM), and address the domestic market for affluent individuals by conducting our *gaisho* (out-of-store sales) activities over a wider geographic area, thus prioritizing the expansion of our customer base.

(i) Expand the customer base overseas

- As well as using the inbound CRM that began full-fledged operation at the end of FY2024 to achieve centralized management of information pertaining to overseas customers visiting Japan, the Department Store Business will enhance the dissemination of information in accordance with customer needs, and encourage them to revisit our stores.
- Through partnerships with companies in Japan and overseas whose customers consist of primarily affluent foreigners, we will strengthen measures for directing customers to the Group stores. Furthermore, by building a system of attending customers that transcends the barriers between department stores and PARCO operating in the same area, the Group members will work together to strengthen our ability to respond to affluent foreigners, with the objective of expanding the customer base.

(ii) Strengthen our response to the affluent market segment

- In preparation for the expansion of the customer base, we will enhance communications with customers through the use of digital technology and by conducting our *gaisho* activities over a wider geographic area, as well as taking steps to enhance content through the development of new products and services in partnership with external companies. With a focus on the sustainable growth of the *gaisho* business, we will also work to bolster our human resources and reinforce organizational structures.

(iii) Enhance content for premium and aspirational consumer group

- We will steadily promote major renovations centered on flagship stores such as Shibuya PARCO, Nagoya PARCO, and Sendai PARCO, while continuing to develop IP-based content such as the Japan modes, character zones, and anime that have been highly rated by both domestic and overseas customers.

3) Evolving the Group synergies

We will tackle the maximization of area value, expansion of the Group customer base, ownership and development of in-house contents, and the reorganization and strengthening of the interior design business. Particularly for the maximization of area value, we are working to strengthen relationships within the Group and with communities, such as by drawing up and promoting measures to create a bustling town in the Sakae area of Nagoya. In the Shinsaibashi area of Osaka, we are engaging in area development plans focused on the future, such as by participating in new development projects. In the Fukuoka Tenjin area, we are working on redevelopment plans that will utilize one of the best locations in Kyushu.

(i) Maximization of area value

A. Nagoya Sakae area

- In addition to major renovations of the Matsuzakaya Nagoya store and Nagoya PARCO, we are waiting for the opening of The Landmark Nagoya Sakae that is scheduled for 2026, all of which will lead to steady progress in the appeal of the Group's commercial facilities in that area.
- Going forward, we will steadily promote measures for the creation of a bustling town such as local activities involving surrounding facilities, companies, and creators. To that end, in March 2025, we created a new dedicated organization whose role extends across the Group.

B. Osaka Shinsaibashi area

- Based on the vision for the future of Midosuji Avenue being promoted by the city of Osaka (spatial reorganization into a people-centered street boasting global recognition), the Osaka Shinsaibashi area is expected to become even more bustling, and we plan to open new commercial complexes in 2026 to follow those of Daimaru Shinsaibashi and Shinsaibashi PARCO.
- As well as beginning to consider a future vision for the Daimaru Shinsaibashi South Building, which is owned by Shinsaibashi Kyodo Center Building, K.K., which we made a subsidiary in FY2024, we are participating in the redevelopment project for the Shinsaibashi Building. In this way we are reinforcing and executing our strategy of maximizing value of the area by further extending the district's retail industry.

(ii) Expansion of the Group customer base

- We will move steadily forward with the consolidation of in-house card issuance operations within the Group. Following the new GINZA SIX and PARCO cards in FY2024, we began issuing the new Hakata Daimaru card in March 2025. Taking advantage of these opportunities, the Group will work together as one on the expansion of the customer base, which includes the acquisition of new card members.
- Moreover, we are conducting intensive investigations into the realization of services and customer collaboration that transcends businesses and stores, such as centralization of points within the Group, and the expansion of customer services that are tailored to the characteristics of different areas.

(iii) Ownership and development of in-house contents and business development

- In preparation for new growth in the retail business, we will own and develop in-house content with a view to future business development, not only of our own stores but also overseas, including those in the digital domain. We will also promote the development of new businesses by combining the organizational capabilities of the department stores and PARCO, including their discernment, procurement capabilities, and networks.
- To accelerate and promote these initiatives, we will strengthen M&A and collaboration with other companies, and growth strategy investments through the Company's business succession and CVC funds.

(iv) Reorganization and strengthening of the interior design business

- Following the integration of the building management business in FY2024, we are planning to merge the current J. Front Design & Construction Co., Ltd. and PARCO SPACE SYSTEMS Co., Ltd. in March 2026, in preparation for reorganizing and strengthening the interior design business.
- Using this opportunity, we will strive to expand the business base by creating high-quality spatial value in the Group stores within the seven priority areas and in facilities outside the Group, as well as by recruiting and developing specialized professionals.

4) Strengthening the Group's management foundation

We are working together as a Group to strengthen the management foundation to achieve our Vision for 2030 and enhance the effectiveness of our strategies. In particular, we will actively invest in people, who are our partners in value co-creation, and speed up our efforts to draw up and execute our human resource strategy.

(i) Human resource strategy

- Based on the newly formulated Human Resources Management Policy, we aim to achieve the sustainable growth of people and organizations by strengthening and reallocating human resources in a way that is integrated with the management strategy. We will take a particularly active approach to enhancing the ability to create value and to develop subordinates, strengthening recruitment of specialized personnel, and promoting the participation of women.
- By energizing human interactions within the Group, we will seek to increase opportunities for the participation of diverse human resources, and to blend the human networks and knowledge of our

employees. In order to promote measures aimed at manifesting such synergies, we will build a common Group human resources platform.

(ii) Systems strategy

- Based on our newly formulated Group System Philosophy, we will promote a shift to common systems within the Group and the use of a data platform.
- We aim to sophisticate the management and administration as well as streamlining operations through the full-fledged deployment of a common Group accounting system.
- We will promote IT governance through such measures as enhancing system investments and asset management, and strengthening risk management, including our ability to handle information security.

(iii) Financial strategy

- With the aim of medium- to long-term improvements in capital profitability, we will strengthen promotion of ROIC management through such initiatives as taking a thorough approach to managing investments based on growth potential and profitability, and encouraging this to take root within the Company through cooperation with operating companies.
- As well as seeking to generate free cash flow, we will move forward with active investments focused on the future. We will make every effort to secure long-term stable funding based on trends in the financial and capital markets, and apply appropriate control to interest-bearing liabilities, etc. to secure financial soundness.

(iv) Corporate governance

- Under the new management system, we aim to accelerate management decision-making and execution, and we seek to realize medium- to long-term growth and continuous enhancement of corporate value by further enhancing the oversight function of the Board of Directors and advancing governance.

(6) Sustainability Initiatives

- Materiality Issues (Important Issues)

In preparation for realizing through our business the three values that we wish to provide to society (Co-creation of Excitement, Co-prosperity with Communities, and Co-existence with the Environment), we have identified five materiality issues (key issues). By blending materiality initiatives into our business strategies, we will achieve both sustainable growth for the Company and “Well-Being Life” for all our stakeholders.

► Achieving 2050 Net Zero

In order to achieve 2050 Net Zero, the Company is implementing the two initiatives of reducing greenhouse gas emissions, and promoting the circular economy. We are promoting resource recycling through thorough efforts to conserve energy and an accelerated shift to renewable energy in order to reduce greenhouse gas emissions, as well as by strengthening the 3Rs (Reduce, Reuse, Recycle) and expanding circular businesses.

(i) Expanded use of renewable energy

Beginning with the opening of the Daimaru Shinsaibashi store in 2019, which uses 100% renewable energy, our stores have been expanding their use of renewable energy*. As of the end of February 2025, the renewable energy ratio had exceeded 60%. Because this meant that we had hit the initial target for 2030 ahead of schedule, we raised the target to 75%. We also set a new target of 90% by 2040.

* Reference:	Shift to renewable energy in stores (as of February 28, 2025)
	Daimaru Matsuzakaya Department Stores 9 stores of 15
	PARCO 13 stores of 16

(ii) Recycling of waste food oil (used food oil)

In September 2023, Daimaru Matsuzakaya Department Stores began participating in the “Fry to Fly Project,” an initiative for encouraging the recycling of waste food oil with the aim of achieving large-

scale production of sustainable aviation fuel (SAF). As of the end of February 2025, it provides waste food oil derived from restaurants and shops offering ready-prepared meals at nine department stores, accounting for approximately 69% of the total volume generated by all stores.

(iii) Reuse business (repurchases)

In November 2024, we concluded a joint venture agreement with Komehyo Co., Ltd. to establish a joint venture company, and in March 2025 we entered the reuse business by establishing JFR & KOMEHYO PARTNERS Co., Ltd.

It plans to gradually open specialist repurchasing shops in Daimaru, Matsuzakaya, and PARCO stores from the summer of 2025 onward. By enabling the passing of objects with value from one person to another so that they can be used and appreciated over long periods of time, we will help to achieve a sustainable society.

▶ Business and human rights initiatives

In accordance with the Guiding Principles on Business and Human Rights set out by the United Nations, respect for human rights is the foundation of all business activities of the Company, which conducts human rights due diligence* based on its Human Rights Policy.

In FY2024, we engaged in dialogue where necessary with suppliers, based on the results of an assessment that aimed to check the state of their initiatives for respect of human rights, which was conducted in the previous fiscal year. In addition, in January 2025 we held the first web-based seminar with experts, aiming to encourage deeper understanding of the importance of respect for human rights and related basic knowledge. We also implement e-learning every year for employees.

* Multiple initiatives to identify, prevent, and mitigate negative impacts on human rights in the value chain, evaluate the effectiveness of such initiatives, and disclose information on how that has been addressed

* Human rights initiatives

<https://www.j-front-retailing.com/english/sustainability/diversity/diversity04.html>

* More information about our sustainability can be found here.

<https://www.j-front-retailing.com/english/sustainability/sustainability.html>

(7) Status of assets and profit or loss

Changes in assets and profit or loss of the corporate group

(Millions of yen, unless otherwise stated)

International Financial Reporting Standards (IFRS)				
Category	15th fiscal year (Fiscal 2021)	16th fiscal year (Fiscal 2022)	17th fiscal year (Fiscal 2023)	18th fiscal year (Fiscal 2024)
Gross sales	865,919	998,755	1,151,972	1,268,322
Revenue	331,484	359,679	407,006	441,877
Business profit	11,718	24,854	44,330	53,490
Operating profit	9,380	19,059	43,048	58,199
Operating profit/revenue	2.8%	5.3%	10.6%	13.2%
Profit before tax	6,190	16,873	41,343	55,785
Profit attributable to owners of parent	4,321	14,237	29,913	41,424
Total assets	1,192,907	1,120,953	1,114,726	1,164,147
Total equity	362,120	371,410	394,232	423,235
Equity attributable to owners of parent	350,368	359,385	381,898	409,646
Ratio of equity attributable to owners of parent to total assets	29.4	32.1	34.3	35.2
Interest-bearing liabilities [Of which, lease liabilities]	502,109 [184,394]	413,949 [164,825]	364,398 [150,450]	363,578 [173,520]
Cash flows from operating activities	49,866	65,480	90,692	85,812
Cash flows from investing activities	(5,289)	(13,371)	13,429	(28,308)
Free cash flows	44,577	52,109	104,122	57,503
Cash flows from financing activities	(80,392)	(105,694)	(72,746)	(74,001)
Cash and cash equivalents at end of period	93,278	39,874	71,342	54,975
Profit/equity attributable to owners of parent (ROE)	1.2%	4.0%	8.1%	10.5%
Operating profit/total assets (ROA)	0.8%	1.6%	3.9%	5.1%
Return on invested capital (ROIC)	1.2	2.7	5.1	6.2
Basic earnings per share (EPS) (Yen)	16.50	54.32	114.06	160.35
Equity attributable to owners of parent per share (Yen)	1,337.29	1,370.43	1,453.71	1,597.24
Price earnings ratio (PER)	58.29%	23.27%	13.02%	12.15%
Interim dividend (Yen)	14.00	15.00	16.00	22.00
Year-end dividend (Yen)	15.00	16.00	20.00	30.00
Dividend payout ratio	175.7%	57.1%	31.6%	32.4%
Dividends/equity attributable to owners of parent	2.2%	2.3%	2.5%	3.3%

- (Notes)
1. Profit attributable to owners of parent, operating profit and business profit after tax are used to calculate ROE, ROA and ROIC, respectively.
 2. Gross sales are calculated by converting certain transactions recognized as revenue under IFRS on a net basis to amounts on a gross basis. Specifically, we converted sales from purchase recorded at the time of sale (shoka shiire) of the Department Store Business to a gross amount and the net amount transactions of the SC Business to tenant transaction volume (gross basis). Accordingly, gross sales for the 15th fiscal year have been retrospectively adjusted.
 3. Business profit is calculated by deducting cost of sales and selling, general, and administrative expenses from revenue.

(8) Status of significant parent company and subsidiaries**(i) Relationship with the parent company**

No items to report

(ii) Status of significant subsidiaries and major businesses (Millions of yen, unless otherwise stated)

Company name	Share capital	Ratio of ownership by the Company (%)	Major businesses
Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department Store Business
The Hakata Daimaru, Inc.	3,037	69.9	Department Store Business
Kochi Daimaru Co., Ltd.	300	100.0	Department Store Business
Shinsaibashi Kyodo Center Building, K.K.	50	89.2	Department store real estate management
PARCO Co., Ltd.	34,367	100.0	Shopping Center Business
PARCO Digital Marketing Co., Ltd.	10	100.0	Internet-related business
Parco (Singapore) Pte Ltd	S\$4 million	100.0	Shopping Center Business
PARCO SPACE SYSTEMS Co., Ltd.	100	100.0	Space engineering and management business
J. Front Design & Construction Co., Ltd.	100	100.0	Design and construction contracting
J. Front City Development Co., Ltd.	110	100.0	Real estate business
JFR Card Co., Ltd.	100	100.0	Payment and Finance Business
Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale business
Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	US\$2 million	100.0	Wholesale business
Daimaru Kogyo (Thailand) Co., Ltd.	THB202 million	99.9	Wholesale business
Consumer Product End-Use Research Institute Co., Ltd.	100	100.0	Merchandise test and quality control
Angel Park Co., Ltd.	400	50.2	Parking
J.Front One Partner Co., Ltd.	100	100.0	Commissioned back-office service, leasing
JFR Information Center Co., Ltd.	10	100.0	Information service
Daimaru Matsuzakaya Tomonokai Co., Ltd.	100	100.0	Specified prepaid transaction service
XENOZ Co., Ltd.	100	51.6	Esports business

(Note) JFR Service Co. Ltd. changed its trade name to J.Front One Partner Co., Ltd. on November 1, 2024.

(iii) Matters relating to specified wholly owned subsidiaries (Millions of yen)

Name	Address	Total book value	Total assets of the Company
Daimaru Matsuzakaya Department Stores Co. Ltd.	18-11, Kiba 2-chome, Koto-ku, Tokyo	202,947	601,478

(Note) A specified wholly owned subsidiary is one where the book value of the shares of said subsidiary on the final day of the fiscal year exceeds 1/5th of the Company's total assets, and one whose shares are all held by the Company.

(9) Status of major creditors

Major creditors of the corporate group

(Millions of yen)

Creditor	Amount payable
Borrowings	
MUFG Bank, Ltd.	36,230
Development Bank of Japan Inc.	32,640
Sumitomo Mitsui Banking Corporation	17,140
Mizuho Bank, Ltd.	6,640
Other	37,500
Sub total	130,150
Straight bonds, etc.	59,908
Total	190,058

(10) Other important matters relating to current status of the corporate group

No items to report

2. Matters relating to shares of the Company

(1) Number of shares authorized: 1,000,000,000 shares

(2) Number of shares issued: 270,565,764 shares

(3) Number of shareholders: 180,670

(4) Major shareholders

Name of shareholders	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	37,036	14.34
Custody Bank of Japan, Ltd. (Trust Account)	19,927	7.72
STATE STREET BANK AND TRUST COMPANY 505018	11,706	4.53
Nippon Life Insurance Company	9,828	3.81
JP Morgan Securities Japan Co., Ltd.	6,439	2.49
J. Front Retailing Kyoei Supplier Shareholding Association	6,212	2.41
SMBC Nikko Securities Inc.	4,934	1.91
Custody Bank of Japan, Ltd. (Trust Account 4)	3,830	1.48
The Dai-ichi Life Insurance Company, Limited	3,439	1.33
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	3,311	1.28

- (Notes)
1. Although the Company holds 12,323 thousand shares of treasury shares, the Company is excluded from the above major shareholders.
 2. Shareholding ratio is calculated by deducting treasury shares. Treasury shares do not include shares of the Company owned by the officer remuneration BIP trust.

(5) Summary of shares that are granted to the officers of the Company as compensation for the performance of duties during the current fiscal year

Stock-based remuneration that is granted during the current fiscal year is as follows.

	Number of granted persons	Number of shares
Director	3	74,004
[of which, Outside Director]	[2]	[17,683]
Executive Officer	22	311,983
Total	25	385,987

- (Notes)
1. The number of shares granted to Directors who concurrently serve as Executive Officers as compensation for performance of duties during the term of the Executive Officer is shown in the Executive Officer row.
 2. The aforementioned number of granted persons and the number of shares show officers who were present during the current fiscal year, officers who retired during the current fiscal year, and officers who were present from May 27, 2021 to May 23, 2024 and the shares granted to those officers.
 3. The number of shares above amounts to shares actually granted to each Director. 194,457 shares among the shares whose rights are granted to each Director will be provided in cash in the amount equivalent to the amount converted within the Trust pursuant to the share granting rules related to the stock-based remuneration system.

3. Matters relating to corporate officers

(1) Names, etc. of Directors

Position in the Company	Name	Areas of responsibility in the Company and important concurrent positions outside the Company	Attendance at Board of Directors meetings (Note 2)	Limited liability agreements (Note 3)
Director (Outside)	KOIDE Hiroko	Chairperson of Board of Directors Member of Nomination and Remuneration Committees Member of the Board (External Member) of TAISEI CORPORATION	100.0% 15/15	Yes
Director (Outside)	YAGO Natsunosuke	Chairperson of Nomination Committee and member of Remuneration Committee	100.0% 15/15	Yes
Director (Outside)	HAKODA Junya	Chairperson of Audit Committee	100.0% 15/15	Yes
Director (Outside)	UCHIDA Akira	Chairperson of Remuneration Committee and member of Nomination Committee Outside Director of Yokogawa Electric Corporation Director of PARCO Co., Ltd.	100.0% 15/15	Yes
Director (Outside)	SEKI Tadayuki	Member of Audit Committee Outside Statutory Auditor of Asahi Mutual Life Insurance Company Director of Daimaru Matsuzakaya Department Stores Co. Ltd.	100.0% 15/15	Yes
Director (Outside)	OMURA Emi	Member of Audit Committee Partner of CLS HIBIYA TOKYO LAW OFFICE Outside Director, Audit and Supervisory Committee Member of Valence Holdings Inc. External Director (Audit & Supervisory Committee Member) of FOOD & LIFE COMPANIES LTD.	100.0% 12/12	Yes
Director	YOSHIMOTO Tatsuya	Member of Nomination and Remuneration Committees	100.0% 15/15	Yes
Director	HAMADA Kazuko (Note 1)	Member of Audit Committee	100.0% 15/15	Yes
Director (President and Representative Executive Officer)	ONO Keiichi		100.0% 12/12	
Director (Managing Executive Officer)	WAKABAYASHI Hayato		100.0% 15/15	

- (Notes)
1. HAMADA Kazuko is recorded under the name of HIMENO Kazuko in the Family Registry.
 2. Stated are the number of Board of Directors meetings attended and number of Board of Directors meetings held during the individual's tenure this fiscal year (Details of attendance at each committee meeting are given in "6. Operations of each Committee.")
 3. "The Company has entered into agreements limiting liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the said Act, with the relevant individuals (marked as "Yes" in the "Limited liability agreements" column)." These agreements limit the amount of their liability for damages to the higher of either ¥12,000,000 or the minimum amount of liability stipulated in Article 425, Paragraph 1 of the said Act.
 4. The Company has entered into a Directors and Officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Under such an insurance contract, indemnification will be provided for legal damages and litigation costs to be borne by the insured. The Company covers the payment for the entire amount of the premium for all of those insured. The insurance policy covers all Directors and Executive Officers of the Company and all Directors and Audit & Supervisory Board Members of its subsidiaries. However, the contract does not cover any damages, etc. arising from criminal acts or acts carried out while the insured was aware that they were in violation of the laws and regulations, as a measure to prevent the impairment of the appropriateness of the execution of duties by the insured.

5. Audit Committee member HAKODA Junya has been involved in accounting audits, management consulting, and internal audits of accounting firms, etc., serving as a certified public accountant for many years. He has both a wealth of experience and highly specialized knowledge in relation to corporate auditing. He also has deep insight into finance and accounting matters.
6. Audit Committee member SEKI Tadayuki was involved in international business management and risk management. As CFO, he has both a wealth of experience and highly specialized knowledge in relation to finance and accounting. He also has deep insight into finance and accounting matters.
7. Audit Committee member HAMADA Kazuko is a full-time Audit Committee member. We aim to improve the effectiveness of audits by appointing to serve as full-time Audit Committee member an in-house Director who does not execute business and has specialist knowledge of specific areas of our business based on a thorough understanding of in-house organizations and business execution.

(2) Names, etc. of Executive Officers

Position in the Company	Name	Areas of responsibility in the Company and important concurrent positions outside the Company
President and Representative Executive Officer	ONO Keiichi	Senior Executive General Manager of CRE Strategy Unit
Managing Executive Officer	WAKABAYASHI Hayato	Senior Executive General Manager of Financial Strategy Unit Director of Daimaru Matsuzakaya Department Stores Co. Ltd.
Managing Executive Officer	HAYASHI Kenichi	Senior Executive General Manager of Management Strategy Unit, Senior General Manager of Fukuoka Tenjin Area Development Promotion Division and in charge of Risk Management Director of PARCO Co., Ltd
Managing Executive Officer	HAYASHI Naotaka	Senior Executive General Manager of Digital Strategy Unit Director of Daimaru Matsuzakaya Department Stores Co. Ltd.
Managing Executive Officer	MATSUDA Hirokazu	Senior Executive General Manager of Human Resources Strategy Unit and Administration Unit and in charge of Compliance Director of PARCO Co., Ltd.
Executive Officer	UMEBAYASHI Akira	Senior General Manager of Board of Directors Office
Executive Officer	OCHIAI Isao	Senior General Manager of Management Planning Division of Management Strategy Unit and In charge of Group Customer Strategy
Executive Officer	MORITA Kosuke	Senior General Manager of Business Planning Division of Management Strategy Unit
Executive Officer	NOMURA Taiichi	Senior General Manager of Group System Promotion Division of Digital Strategy Unit
Executive Officer	NOGUCHI Hideki	Senior General Manager of Accounting and Tax Affairs Division of Financial Strategy Unit
Executive Officer	IMAZU Takako	Senior General Manager of Group Human Resources Development Division and Group Welfare Division of Human Resources Strategy Unit

(Reference) A new Executive Officer was elected and appointed. Accordingly, Executive Officers' areas of responsibility in the Company and important concurrent positions outside the Company were partially changed on March 1, 2025 as indicated below.

Position in the Company	Name	Areas of responsibility in the Company and important concurrent positions outside the Company
Managing Executive Officer	SHIBATA Takeshi	Senior Executive General Manager of Human Resources Strategy Unit
Managing Executive Officer	WAKABAYASHI Hayato	Special Assignments from President Director of Daimaru Matsuzakaya Department Stores Co. Ltd.
Managing Executive Officer	MATSUDA Hirokazu	Special Assignments from President Director of Parco Co., Ltd.
Executive Officer	INAGAMI Hajime	Senior General Manager of Board of Directors Office and Corporate Communications Division
Executive Officer	NAGAMINE Takamasa	Senior Executive General Manager of Financial Strategy Unit
Executive Officer	NOMURA Taiichi	Senior Executive General Manager of DX Promotion Division
Executive Officer	UMEBAYASHI Akira	Senior Executive General Manager of Business Promotion Division, Compliance Manager, and Senior General Manager of Group Human Resources Policy Division of Human Resources Strategy Unit
Executive Officer	YOSHIDA Maki (Note 1)	Senior General Manager of Group Management Planning Division of Management Strategy Unit
Executive Officer	MORITA Kosuke	Senior General Manager of Group Business Planning Division of Management Strategy Unit
Executive Officer	SAITO Takeshi	Nagoya Area Co-prosperity Manager of Management Strategy Unit Executive Officer and Executive Store Manager of Matsuzakaya Nagoya of Daimaru Matsuzakaya Department Stores Co. Ltd.
Executive Officer	URAKI Hiroshi	Senior General Manager of Group Financing and Finance Policy Division of Financial Strategy Unit
Executive Officer	NOGUCHI Hideki	Senior General Manager of Group Accounting and Tax Affairs Division of Financial Strategy Unit
Executive Officer	IMAZU Takako	Senior General Manager of Group Human Resources Development Division of Human Resources Strategy Unit

- (Notes) 1. YOSHIDA Maki is recorded under the name of YASUOKA Maki in the Family Registry.
2. On March 1, 2025, HAYASHI Naotaka and OCHIAI Isao retired as Executive Officers. HAYASHI Naotaka assumed the positions of Director, Managing Executive Officer, and Executive General Manager of Digital Strategy Promotion Office of Daimaru Matsuzakaya Department Stores Co. Ltd., and OCHIAI Isao assumed the position of Executive Officer and Head of Financial & Corporate Planning Department and Leagel Department of Corporate Headquarters of Parco Co., Ltd.

(3) Total amount of remuneration, etc. to Directors and Executive Officers

	Number of payees	Total amount of remuneration, etc. (Millions of yen)	Totals by category of remuneration, etc. (Millions of yen)			
			Basic remuneration	Performance-linked bonuses	Performance-linked stock-based remuneration	Non-performance-linked stock-based remuneration
Director	11	206	162	—	—	43
[of which, Outside Director]	[8]	[116]	[97]	—	—	[19]
Executive Officer	13	716	235	230	251	—
Total	24	923	398	230	251	43

- (Notes) 1. Other than the above, the total amount of remuneration, etc. received by Outside Directors from subsidiaries of the Company in the current fiscal year is ¥7 million.
2. In the above table, the remuneration, etc. for Directors of ¥206 million includes ¥23 million (including non-performance-linked stock-based remuneration) paid to three Directors who held the post between March 1 and May 23, 2024.

3. The remunerations, etc. paid to Directors who concurrently serve as Executive Officers as compensation for the performance of duties during the term of the Executive Officers is shown in the Executive Officer row.
4. Beginning in the fiscal year ended February 28, 2018, to ensure steady execution of the Medium-term Business Plan for realizing the Group Vision, the Company has adopted the stock-based remuneration system using a trust for officers (a system of granting the Company's shares to officers (in certain cases, the Company's shares are converted into cash within the trust and cash in the amount equivalent to their conversion value is paid) in accordance with the officers' job size and level of achievement of the Medium-term Business Plan, etc.). The stock-based remuneration in the above table is the total recorded as expenses for the period under review. It is divided into performance-linked stock-based remuneration corresponding to degree of achievement of single fiscal year results and degree of achievement of the Medium-term Business Plan targets, as well as non-performance-linked stock-based remuneration for Directors who do not execute business. Actual indicators used for calculating bonuses and performance share in the fiscal year under review are as stated in <Key performance indicator results> under "1. Current status of the corporate group, (1) Business summary and results, 4) Consolidated revenue and results by segment for the fiscal year under review, (i) Consolidated revenue."
5. Figures in the "performance-linked bonuses" and "performance-linked stock-based remuneration" columns represent amounts recognized as provisions (standard amounts) before adjustment for the results of performance evaluation for the fiscal year ended February 28, 2025. The actual amounts to be paid in total and on an individual basis will be determined by a meeting of the Remuneration Committee scheduled for or after April 2025.

(4) Outline of method for determining policy regarding decisions on amounts of remuneration, etc. of each corporate officer or calculation method thereof, and contents of such policy

(i) Policy on determining remuneration for Directors and Executive Officers

In April 2017, the Company announced the formulation of an officer remuneration policy, and it then revised the Officer Remuneration System in May 2021, to match the Medium-term Business Plan. The Officer Remuneration System and the Officer Remuneration Policy were subsequently amended in FY2024, to coincide with the start of the new Medium-term Business Plan. The Company has also designed the officer remuneration to function as incentive for achieving and promoting sustainability management.

<Basic policy for officer remuneration>

The Company's Officer Remuneration System follows the basic approach below, aiming to achieve the objectives of realizing and promoting sustainability management (pay for purpose). The same basic policy has been established for the Directors and Executive Officers of the Group's major subsidiaries Daimaru Matsuzakaya Department Stores Co. Ltd. and PARCO Co., Ltd., as well as for the Representative Directors of J. Front City Development Co., Ltd., JFR Card Co., Ltd., and J. Front Design & Construction Co., Ltd. (hereinafter, "eligible officers of major subsidiaries of the Group").

- (i) Contribute to the sustainable growth of the Group and an increase of corporate value over the medium to long term, and be consistent with the corporate culture.
- (ii) Establish a remuneration system that facilitates the achievement of duties (mission) based on management strategies of professional corporate managers.
- (iii) Remuneration levels that can secure and retain human resources who have the "desirable managerial talent qualities" required by the Company.
- (iv) Increase shared awareness of profits with shareholders and awareness of shareholder-focused management.
- (v) Enhanced transparency and objectivity in the remuneration determining process.

<How to determine remuneration levels>

To respond quickly to changes in the external environment and the market environment, the Company uses objective remuneration survey data, etc. from a third-party organization, then determines an appropriate level of competitive remuneration for Executive Officers and Directors based on annual comparisons to a group of peers of a similar size selected on the basis of industry, market capitalization, and revenue. The same treatment shall apply to eligible officers of major subsidiaries of the Group.

<Composition of remuneration>

[Executive Officers]

Remuneration for Executive Officers shall comprise “basic remuneration” (monetary remuneration) in accordance with job size, “bonuses” (monetary remuneration) based on individual evaluations conducted each business year, and “performance shares” (performance-linked stock-based remuneration, which is trust-type stock-based remuneration) linked to the consolidated performance achievement rate, etc. provided in the Medium-term Business Plan as a stock-based remuneration system. The performance indicators of bonuses and performance shares were selected as shown in the table below so as to achieve KPIs for the final fiscal year of the Medium-term Business Plan and to make a healthy incentive for sustainable growth function.

Type of remuneration	Payment basis			Payment method	Composition of remuneration			
					President	Officers other than President*10		
Basic remuneration (fixed)	Determination by job size			Monthly payment in cash	33.3%	38.5%	45.4%	
Bonuses (variable)	Basic amount by job size × rate of change*1 *1 The rate of change is based on a calculation of scores using the quantitative and qualitative evaluations below.			Annual payment in cash	33.3%	30.8%	27.3%	
	Details		Evaluation weights					
	Quantitative evaluation*2 <50%>	Fiscal year's financial evaluation	Consolidated business profit*3					40%
			Consolidated ROIC*4					10%
	Qualitative evaluation*2 <50%>	Fiscal year's non-financial evaluation	Level of achievement of action plan for achieving individual missions*5					30%
			Level of achievement of action plan for achieving non-financial targets in line with materialities*6					20%
Performance-linked stock-based remuneration (variable)	[Short term: 40%] Base amount by job size × Performance achievement factor*7 *7 Calculated based on the following measures of achievement			Annual payment in stocks*9	33.3%	30.8%	27.3%	
	Details		Evaluation weights					
	Consolidated business profit		100%					
	[Medium to long term: 60%] Base amount by job size × Performance achievement factor*8 *8 Calculated based on the following measures of achievement			At the expiration of the term of each Medium-term Business Plan in stocks*9				
	Details		Evaluation weights					
	Financial indicators <60%>	ROE						40%
		Consolidated ROIC						20%
	Share price metrics <20%>	r - TSR (compared to TOPIX growth rate inclusive of dividends)						20%
	Non-financial indicators <20%>	Greenhouse gas reductions (Scope 1 & 2 emissions)						10%
		Ratio of women in management positions						10%

*2 For eligible officers of major subsidiaries of the Group, quantitative valuation accounts for 70%, and qualitative evaluation for 30%.

*3 For eligible officers of major subsidiaries of the Group, business profit for that subsidiary is weighted at 60% of the evaluation.

*4 For eligible officers of major subsidiaries of the Group, ROIC of that subsidiary is used.

- *5 For eligible officers of major subsidiaries of the Group, weighted at 20% of the evaluation.
- *6 For eligible officers of major subsidiaries of the Group, weighted at 10% of the evaluation.
- *9 In principle, the equivalent of 50% of the Company's shares to be granted is converted and paid as cash to provide funds for payment of tax.
- *10 For the composition of remuneration for officers other than President, one of the compositions is applied in accordance with the responsibilities.

[Directors who do not execute business]

Remuneration for Directors who do not execute business shall consist only of fixed remuneration, which shall be "basic remuneration" (monetary remuneration) in accordance with responsibilities and "restricted stock" (non-performance-linked, trust-type stock-based remuneration) under the stock-based remuneration system. Restricted stock is a system for granting the Company's shares in a way that it is not linked to performance, with the objective of involving Directors who do not execute business in management with a medium- to long-term view in order that they should strengthen proactive and defensive governance of the Company from a different standpoint to the Executive Officers as representatives of stakeholders. The shares are granted upon their retirement from office. The Company will disclose the number of shares held as the number of dilutive potential shares until the shares are granted.

<Stock acquisition and holding>

Any shares of the Company acquired by Executive Officers as stock-based remuneration shall continue to be held by respective Executive Officers at least for three years from the grant date of the shares (or at least for one year after they retire from the office of Executive Officer). The purpose of this requirement is to deepen the common interest of shareholders and officers. In particular, the purpose of granting shares of the Company to Executive Officers who are responsible for business execution as remuneration in the form of performance-linked stock-based remuneration is to provide additional incentive to them to work for the improvement of the financial performance and corporate value of the Company from the medium- to long-term perspective. Eligible officers of major subsidiaries of the Group shall be subject to the same policy for their acquisition and holding of the Company's shares.

(ii) Process for determining remuneration for Directors and Executive Officers and forfeiture of remuneration of Executive Officers (clawback/malus)

To ensure the appropriateness of the level and amount of remuneration and the transparency of decision-making processes, decisions on the specific amount of remuneration to be paid are made by deliberation and resolution of the Remuneration Committee, whose four members comprise three independent Outside Directors and one internal Director who does not execute business, and which is headed by an independent Outside Director.

Remuneration Committee meetings are to be held at least four times per year. The committee decides on the policy for determining remuneration details for individual officers (Directors and Executive Officers) of the Company and major subsidiaries of the Group, and on the remuneration details for individual Directors and Executive Officers of the Company. Basic remuneration positioned as fixed remuneration is decided for each job size based on the size (weight) of the responsibility borne by each officer. For bonuses, evaluations are carried out using the fiscal year's financial indicators for quantitative evaluation, while qualitative evaluation includes reference to the fiscal year's non-financial indicators. The committee also confirms the performance-linked factor in accordance with the level of achievement with respect to targets for consolidated business profit (IFRS-based) announced in the Medium-term Business Plan to determine short-term performance shares that account for 40% of performance shares (performance-linked stock-based remuneration).

Based on these results, the committee determines that the remuneration details for individual Directors and Executive Officers during the current fiscal year align with the Company's basic policy for officer remuneration and the approach to determine remuneration levels.

Regarding Executive Officers' bonuses and stock-based remuneration, the right of payment of bonuses and granting of stock-based remuneration may be forfeited or the Company may request the return of remuneration that has already been paid or granted in cases such as where the Board

of Directors has resolved that the financial results are to be amended afterwards due to a serious accounting misstatement or fraud, or where there has been a serious infringement of the appointment contract, etc., between the Company and an Executive Officer, or when an Executive Officer has retired for their own reasons during their term of office against the will of the Company.

To properly promote the initiatives above, the Company appoints external remuneration consultants with a view to introducing objective viewpoints from outside the Company and expertise on Officer Remuneration Systems. With their support, the Company reviews its remuneration levels and remuneration system in light of external data, economic environment, industry trends, business conditions, and corporate culture, among others.

(5) Matters relating to Outside Directors

KOIDE Hiroko <u>Independent</u> (Note)	Important concurrent positions	Member of the Board (External Member) of TAISEI CORPORATION
	Relationships between the Company and organizations where important concurrent positions are held	No special relationships exist
	Relationship with specified affiliated business operator	No items to report
	Attendance at Board of Directors meetings	100% (Attended all 15 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which he belongs	Nomination 100% (Attended all 14 meetings held during tenure this fiscal year) Remuneration 100% (Attended all 10 meetings held during tenure this fiscal year)
[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled] KOIDE Hiroko has extensive knowledge based on her rich experience in the fields of global management and marketing, having served as an officer at foreign companies for many years, and having been engaged in corporate management as the head of marketing at the head office of a U.S. company, as well as a wealth of knowledge gained as an Outside Director at several listed companies. She has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight with respect to a wide range of matters including the Board of Directors discussions in a company with three committees (nomination, audit, and remuneration committees), incorporation of competitive analysis into strategies, effective communication of top messages, and strategic design of organizations. Furthermore, in May 2024, she assumed the position of Chairperson of Board of Directors. In this role, she has focused on strengthening and improving the Board of Directors operations by setting medium- to long-term and more strategic annual agendas, enhancing the quality of meeting materials, and boosting the effectiveness and efficiency of discussions. As a member of the Nomination Committee, she participates in deliberations to ensure objectivity, transparency, and continuity in the overall design of the succession plan for Representative Executive Officers. She also engages in discussions on the succession plan for Outside Directors, aiming to maintain and enhance the Board of Directors supervisory functions from a medium- to long-term perspective. As a member of the Remuneration Committee, she examines the remuneration levels and composition under the officer remuneration system revised in line with the medium-term business plan, and reviews remuneration levels following the organizational reform. Through these efforts, by providing necessary advice at suitable times, she has contributed to strengthening strategy personnel functions that are closely aligned with business strategies.		
YAGO Natsunosuke <u>Independent</u> (Note)	Important concurrent positions	No items to report
	Relationships between the Company and organizations where important concurrent positions are held	No special relationships exist
	Relationship with specified affiliated business operator	No items to report
	Attendance at Board of Directors meetings	100% (Attended all 15 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which he belongs	Nomination 100% (Attended all 14 meetings held during tenure this fiscal year) Remuneration 100% (Attended all 10 meetings held during tenure this fiscal year)
[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled] YAGO Natsunosuke has been involved in top-level corporate management for many years, and has a wealth of experience in compliance management and strengthening financial bases. He also possesses a high level of expertise in internal control and corporate governance gained through his experience in transitioning to a company with three committees (nomination, audit, and remuneration committees). He has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on approaches to the Board of Directors discussions and organizational audits within the Company, the granularity and accuracy of future plans for new businesses and asset acquisitions, initiatives to enhance human capital, and approaches to personnel system reforms. As the Chairperson of the Nomination Committee, he leads and promotes deliberations to ensure objectivity, transparency, and continuity in the overall design of the succession plan for Representative Executive Officers, as well as discussions on the succession plan for Outside Directors aiming to maintain and enhance the Board of Directors supervisory functions from a medium- to long-term perspective. As a member of the Remuneration Committee, he examines the remuneration levels and composition under the officer remuneration system revised in line with the medium-term business plan, reviews remuneration levels following the organizational reform, and provides necessary advice at suitable times. Through these efforts, he has contributed to strengthening strategy personnel functions that are closely aligned with business strategies.		

HAKODA Junya <u>Independent</u> (Note)	Important concurrent positions	No items to report
	Relationships between the Company and organizations where important concurrent positions are held	No special relationships exist
	Relationship with specified affiliated business operator	No items to report
	Attendance at Board of Directors meetings	100% (Attended all 15 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which he belongs	Audit 100% (Attended all 24 meetings held during tenure this fiscal year)
[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled] HAKODA Junya has been involved in accounting audits, management consulting, and internal audits of auditing firms, etc. for many years at PricewaterhouseCoopers, and has also served as an eminent professor teaching internal audit theory in the Graduate School of Keio University, and therefore has a wealth of experience and high-level expertise in corporate auditing. He also has a high level of expertise in corporate governance and management auditing, having served as the Chairperson of the Audit Committee of Yamaha Corporation when the company changed its organizational design to a company with three committees (nomination, audit, and remuneration). He has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight regarding a wide range of matters including risk management for new businesses, status of monitoring by executives on investment projects including minority stakes, and approaches to organizational audits within the Company. As the chair of the Audit Committee, he has worked to strengthen audit functions by fulfilling expectations of him in terms of promoting the exchange and discussion of opinions from the perspective of legality, appropriateness, etc. of items submitted to the Board of Directors and items judged to require monitoring by the Audit Committee. He has also audited the execution of duties by Directors and Executive Officers of a company with three committees (nomination, audit, and remuneration committees), and worked to improve the governance of the Group as a whole.		
UCHIDA Akira <u>Independent</u> (Note)	Important concurrent positions	Outside Director of Yokogawa Electric Corporation Director of PARCO Co., Ltd.
	Relationships between the Company and each organization where important concurrent positions are held	PARCO Co., Ltd. is a wholly owned subsidiary of the Company.
	Relationship with specified affiliated business operator	No items to report
	Attendance at Board of Directors meetings	100% (Attended all 15 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which he belongs	Nomination 100% (Attended all 14 meetings held during tenure this fiscal year) Remuneration 100% (Attended all 10 meetings held during tenure this fiscal year)
[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled] UCHIDA Akira possesses extensive experience and knowledge of not only business planning and IR but also corporate departments as the person responsible for the finance and accounting division. He has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight with respect to a wide range of matters including approaches to information disclosure with an awareness of dialogue with the capital markets, perspectives on the differentiation required for strengthening of the retail business, the setting-out of matters that need to be clarified when entering a new business, and the synchronization of human resources strategy with management strategy. As the chair of the Remuneration Committee, he examines the remuneration levels and composition under the officer remuneration system revised in line with the medium-term business plan, and reviews remuneration levels following the organizational reform. As a member of the Nomination Committee, he participates in deliberations to ensure objectivity, transparency, and continuity in the overall design of the succession plan for Representative Executive Officers. He also engages in discussions on the succession plan for Outside Directors, aiming to maintain and enhance the Board of Directors supervisory functions from a medium- to long-term perspective. Through these efforts, by providing necessary advice at suitable times, he has contributed to strengthening strategy personnel functions that are closely aligned with business strategies.		

SEKI Tadayuki <u>Independent</u> (Note)	Important concurrent positions	Outside Statutory Auditor of Asahi Mutual Life Insurance Company Director of Daimaru Matsuzakaya Department Stores Co. Ltd.
	Relationships between the Company and each organization where important concurrent positions are held	Daimaru Matsuzakaya Department Stores Co. Ltd. is a wholly owned subsidiary of the Company.
	Relationship with specified affiliated business operator	No items to report
	Attendance at Board of Directors meetings	100% (Attended all 15 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which he belongs	Audit 100% (Attended all 24 meetings held during tenure this fiscal year)
[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled] SEKI Tadayuki has many years of experience in international business management and risk management at a general trading company, and has extensive knowledge and experience in finance and accounting as CFO, as well as broad knowledge as an outside director and outside statutory auditor of multiple companies. He has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on a wide range of matters including proposal standards to the Board of Directors, risk management for new investment projects, approaches to performance forecasting, stakeholder communication, and leading practices for enhancing audit functions. He also has served as a lead director of the executive session which the Company established as an opportunity for Outside Directors to openly and freely exchange opinions and share information. As a member of the Audit Committee, he has worked to strengthen audit functions by fulfilling expectations of him in terms of exchanging and discussing opinions from the perspective of legality, appropriateness, etc. of items submitted to the Board of Directors and items judged to require monitoring by the Audit Committee. He has also audited the execution of duties by Directors and Executive Officers of a company with three committees (nomination, audit, and remuneration committees), and worked to improve the governance of the Group as a whole.		
OMURA Emi <u>Independent</u> (Note)	Important concurrent positions	Partner of CLS HIBIYA TOKYO LAW OFFICE Outside Director, Audit and Supervisory Committee Member of Valence Holdings Inc. External Director (Audit & Supervisory Committee Member) of FOOD & LIFE COMPANIES LTD.
	Relationships between the Company and each organization where important concurrent positions are held	No special relationships exist
	Relationship with specified affiliated business operator	No items to report
	Attendance at Board of Directors meetings	100% (Attended all 12 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which he belongs	Audit 100% (Attended all 17 meetings held during tenure this fiscal year)
[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled] In addition to her global experience in handling abundant cases in international organizations and specialized insights in labor law as an attorney, OMURA Emi has extensive experience as an outside director (audit & supervisory board member) at other listed companies (B to C business). In particular, she is well versed in the practical aspects of sustainability and ESG legal fields such as human rights due diligence. As an expert, she has provided advice on various issues that companies face, including diversity management. Within the Group, she has contributed to enhancing the effectiveness of the Board of Directors by actively and assertively providing advice and oversight regarding a wide range of matters including consideration of business plans aimed at the socially conscious younger generation familiar with the SDGs, integration of employee feedback into the Company's distinctive human capital management, and risk identification in new businesses from diverse perspectives. As a member of the Audit Committee, she has worked to strengthen audit functions by fulfilling expectations of her in terms of exchanging and discussing opinions from the perspective of legality, appropriateness, etc. of items submitted to the Board of Directors and items judged to require monitoring by the Audit Committee. She has also audited the execution of duties by Directors and Executive Officers of a company with three committees (nomination, audit, and remuneration committees), and worked to improve the governance of the Group as a whole.		

(Note) The above-mentioned Outside Directors are independent officers, which are required to be put in place by the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc. for the protection of general shareholders.

4. Basic ideas on corporate governance

(1) Role of corporate governance

The Company believes that ensuring sustainable growth of the Group and increasing corporate value over the medium to long term is conducive to realizing ideals of the Group Mission Statement. Accordingly, the role of corporate governance in the Group must be to help enable us to realize the ideals of the Group Mission Statement.

The Company, which is a holding company at the core of corporate governance of the Group, assumes responsibility for ensuring managerial transparency, soundness, and compliance of the entire Group, with the aim of realizing the ideals of the Group Mission Statement.

(2) Relationship with stakeholders

Through its business activities, the Company strives to build relationships of trust with all of its stakeholders.

Our shareholders are the providers of the Company's capital and act as the main source of the Group's corporate governance. Accordingly, the Company respects shareholder rights to the maximum extent (including those of minority shareholders and foreign shareholders), and substantively ensures their rights.

The Company treats its shareholders equitably and impartially, in accordance with types and numbers of shares held by shareholders. Moreover, neither the Company nor the Group provides property benefits to any person in connection with the exercise of the rights of specific shareholders.

The Company also actively works to fulfill its responsibilities towards customers, business partners, employees, and local communities in relation to the environment and society, as part of its efforts to realize a sustainable society.

(3) Information disclosure

We believe that promoting constructive dialogue with our shareholders and investors helps the Group achieve sustainable growth while increasing corporate value over the medium to long term. The Company is committed to timely and appropriate disclosure of information, on which constructive dialogue is premised, and through such initiatives maintains and develops trusting relations with its stakeholders.

The Company discloses important information of the Group in a timely and appropriate manner, in accordance with Japan's Financial Instruments and Exchange Act and other such laws and regulations, as well as in accordance with rules for timely disclosure stipulated by financial instruments exchanges on which the Company's shares are listed. Even in cases where such laws, regulations and the timely disclosure rules do not apply, the Company recognizes information deemed useful to shareholders, investors, and other stakeholders as important with respect to its corporate activities as called for by society. As such, the Company proactively discloses such information in an impartial and swift manner using appropriate means, and with the added aim of facilitating more extensive understanding regarding the Group.

(4) Roles and responsibilities of the Board of Directors, etc.

Directors, who were appointed by the shareholders and were entrusted with management of the Company, carry out the roles and responsibilities in the Board of Directors as listed below. They do so in accordance with their fiduciary responsibility and accountability to shareholders, and with the aim of realizing the ideals of the Group Vision. Accordingly, these roles and responsibilities include:

- (i) Indicating the overall direction that the Group management is to take, by engaging in constructive discussions with respect to the Group Vision, the Sustainability Policy, the Group Medium-term Business Plan, the Group Management Policy for the fiscal year, and other fundamental management policies, and carrying out multifaceted and objective deliberations that include evaluation of risks with respect to the aforementioned;
- (ii) Making decisions appropriately in terms of overall policy and plans pertaining to the Group management on the basis of the direction noted above and overseeing progress and results of the plans;

- (iii) Developing an environment conducive to encouraging offense-oriented management geared to achieving discontinuous growth;
- (iv) Taking steps to build and develop an internal control system for the Group overall, and otherwise overseeing the operational status of such system;
- (v) Overseeing conflicts of interest between related parties; and
- (vi) On the basis of summary reports furnished by the Nomination Committee, overseeing the progress of succession planning for President and Representative Executive Officers, personnel assignment plans pertaining to managerial talent and Executive Officer training, in consultation with the Nomination Committee.

5. Operation of the Board of Directors

Composition of the Board	6 independent Outside Directors, 2 internal Directors who do not execute business, and 2 Directors who concurrently serve as Executive Officer (with the total including 3 female Directors)
Major roles	The Board of Directors shall discuss and resolve matters defined in the Companies Act and/or the Articles of Incorporation, as well as matters relating to management strategies, such as the Group Medium-term Business Plan, the Group Human Capital Management, etc., and matters relating to important business execution such as asset acquisition.
Operational status	Held at least once every month, in principle. With at least one-half of Directors being independent Outside Directors, the Board of Directors functions as a venue for constructive discussions and deliberations, beyond being solely a decision-making body for important matters, and is a key to the enhancement of corporate governance.
Comment from Chairperson of the Board ----- Director (Outside) KOIDE Hiroko	In fiscal 2024, based on “monitoring of the Medium-term Business Plan,” and “thorough preparation and analysis in preparation for discussions of growth strategy,” which were recognized as issues in the evaluation of the effectiveness of the Board of Directors conducted in the previous fiscal year, we oversaw progress in the Medium-term Business Plan (FY2024-FY2026). Taking the opportunity presented by the change in the Chairperson of the Board of Directors and the Representative Executive Officer, as well as the introduction of a new structure for the Board of Directors and the business execution, we sought to improve communication between oversight and business execution, and worked to enhance the operation of the Board of Directors. In FY2025, the Board of Directors will engage in highly effective discussions by making further improvements to its operation, through such measures as revising standards for agenda items and putting items on the agenda, setting an annual agenda from a more strategic perspective over the medium to long term, and active facilitation by the chairperson. In this way we hope to contribute to improvements in corporate value.

(Evaluation of effectiveness of the Board of Directors)

The Company conducted its tenth evaluation of the effectiveness of the Board of Directors between September and October 2024. Based on the results of the prior questionnaires given to all Directors, a third-party organization conducted individual interviews, and those details were discussed at a meeting of the Board of Directors held in November.

As a result of the evaluation of effectiveness, it was confirmed that the issues raised in the previous fiscal year, which were “thorough preparation and analysis in preparation for discussions of growth strategy,” “monitoring of the Medium-term Business Plan,” and “improvements in communication between oversight and business execution,” had been resolved to a reasonable extent. On the other hand, the evaluation for FY2024 led to the raising of further issues to enhance the effectiveness of the Board of Directors, which were “revising standards for agenda items and putting items on the agenda,” “improvements in the operation of the Board of Directors,” and “strengthening of the audit function.”

In response to this, approaches for resolving these issues were again discussed at a meeting of the Board of Directors held in December, which led to a concrete plan of action that has also been reflected in the agenda for the Board of Directors in FY2025.

We will continue to strive to share issues based on the evaluation of the effectiveness of the Board of Directors and substantively improve the effectiveness of the Board of Directors.

6. Operations of each Committee

(1) Nomination Committee

Composition of Committee	4 Directors who do not execute business (including 3 Outside Directors).
Major roles	The Nomination Committee determines the contents of proposals on the nomination and dismissal of Directors to be submitted to shareholders' meetings, and reports to the Board of Directors upon consultations from the Board of Directors regarding the nomination and dismissal of management personnel of the Company and major business subsidiaries, as well as the chairpersons and members of individual committees, and other matters.
Number of meetings held	14
Number of meetings attended	3 incumbent members attended all 14 meetings. Director Yoshimoto, who was newly appointed in May 2024, also attended all 10 meetings held during his tenure.
Comment from Chairperson of the Committee ----- Director (Outside) YAGO Natsunosuke	<p>The Nomination Committee utilizes in-house personnel evaluation information as well as assessment data by a third-party organization to deliberate effective composition of the Board of Directors and the election and dismissal of Directors and Executive Officers of the Company. The committee also obtains opportunities to gain insights into the personalities and ideas of candidates by conducting interviews, etc., as necessary, and strives to ensure greater objectivity, transparency and rationality.</p> <p>The Nomination Committee has positioned succession plans for important members of the management team as an issue that is central to the sustainable growth of the Company. In the fiscal year under review, it engaged in deliberations aimed at establishing an overview of and a specific process for the succession plan for the Representative Executive Officer, the starting point for which was the development of candidates for the next generation of managers. It also conducted periodic checks on the state of execution of duties by the Representative Executive Officer who was appointed in the previous fiscal year. It also discussed succession plans for Outside Directors, and is working to maintain and enhance the oversight function of the Board of Directors over the medium to long term.</p> <p>The Nomination Committee will secure management personnel necessary for continuous growth and development of the Company, and strive for the election of the right person in the right place.</p>

(2) Audit Committee

Composition of Committee	4 Directors who do not execute business (including 3 Outside Directors).
Major roles	In accordance with the overall policy and plan determined by the Board of Directors, the Audit Committee audits the execution of business by Directors and Executive Officers, important matters to be submitted to the Board of Directors, and other individual matters the Audit Committee considers necessary.
Number of meetings held	24
Number of meetings attended	Three of the four current members of the committee attended all 24 meetings. OMURA Emi has attended all 17 meetings that have taken place since she was appointed member in May 2024.
Comment from Chairperson of the Committee ----- Director (Outside) HAKODA Junya	<p>The Audit Committee, in accordance with the Rules of Audit Committee, Audit Standards, and Practice Standards for Audit concerning Internal Control System, etc., formulated an audit plan for the current fiscal year, conducted the audit, and reported its contents to the Board of Directors.</p> <p>The committee also conducted hearing from Executive Officers and those responsible for each of the Group companies at Audit Committee Meeting (held 19 times), a meeting body held apart from the Audit Committee, regarding the main strategies in the first fiscal year of the Group's Medium-term Business Plan, the development and operation of an internal control system, and the compliance and risk management system to gain understanding of their current status.</p> <p>The Audit Committee will work to further strengthen and enhance the organizational audit system through mutual cooperation with the Internal Audit Division, Accounting Auditors, and Audit & Supervisory Board Members of Group companies, from the perspective of increasing the effectiveness and accuracy of audits. It will also continue to work to establish a high quality corporate governance structure that is worthy of social trust and to conduct audits in a fair and impartial manner to contribute to the growth of the Group and the enhancement of its corporate value.</p>

(3) Remuneration Committee

Composition of Committee	4 Directors who do not execute business (including 3 Outside Directors).
Major roles	The Remuneration Committee determines the policy on deciding the contents of individual remuneration to management personnel of the Company and major business subsidiaries, and these contents themselves.
Number of meetings held	10
Number of meetings attended	3 incumbent members attended all 10 meetings. Director Yoshimoto, who was newly appointed in May 2024, also attended all 6 meetings held during his tenure.
Comment from Chairperson of the Committee ----- Director (Outside) UCHIDA Akira	<p>Pursuant to the Officer Remuneration Policy formulated in April 2017 and subsequently revised, the Remuneration Committee examines the overall level of officer remuneration and the ratio of performance-linked remuneration, as well as the ratio of stock-based remuneration therein against preset peer group. By doing so, the Company maintains objective and appropriate remuneration level and system at all times.</p> <p>In the fiscal year under review, the Remuneration Committee used surveys from a third-party organization and other measures to verify the Officer Remuneration System that was revised to coincide with the Medium-term Business Plan that began in FY2024. The result of this verification was confirmation that the overall level and composition of remuneration calculated in accordance with the new methods are appropriate, that it has further raised the motivation to contribute to improvements in corporate value over the medium to long term, and that it is consistent with the policy of sharing the interests of shareholders that underlies the design of the system. In addition, for bonuses that reflect the status of individual officer's achievements, we review each officer's goal setting and evaluation results as well as evaluation items, and evaluation rank determination process, to ensure that the end result will be shown with greater fairness and objectivity.</p> <p>In order to maintain an appropriate remuneration system and remuneration levels to compensate officers adequately for their work and commensurate with their offices and the role entrusted to them as professional managers, we will continue to operate the system appropriately going forward.</p>

7. System and policies of the Company

(1) Basic Capital Policy

The Company believes that any increase in free cash flow and improvement in ROE should help to ensure its sustainable growth and increase corporate value over the medium to long term. To such ends, the Company promotes a capital policy that takes a balanced approach to “undertaking strategic investment,” “enhancing shareholder returns,” and “expanding net worth being” after taking into consideration the business environment and risk readiness.

Moreover, in procuring funds through interest-bearing liabilities, we aim to achieve an optimal structure of debt to equity in a manner cognizant of our funding efficiency and cost of capital, carried out on the basis of having taken into consideration our capacity for generating free cash flows and our balance of interest-bearing liabilities.

A “business strategy” where higher sales are accompanied by profits and a “financial strategy (encompassing the capital policy)” that heightens profitability of invested capital are essential elements with respect to improving free cash flows and ROE. In addition, we believe it is crucial that we achieve maximization of the operating profit and sustainable improvement of the operating profit margin by strengthening our core businesses and concentrating management resources on initiatives such as business field expansion and active development of new businesses.

The key financial indicators for the achievement of the Medium-term Business Plan are ROE for capital efficiency, consolidated business profit and ROIC for business profitability, free cash flow for profitability and safety, and equity ratio attributable to owners of the parent (equity ratio) for financial soundness.

(2) Policy regarding decisions on dividends of surplus, etc.

The Company's basic policy is to maintain and enhance its sound financial standing while appropriately returning profits by providing stable dividends and enlisting a flexible and agile approach

to purchasing its treasury shares in a manner that involves taking profit levels, future capital investment, free cash flow trends, and other such factors into consideration.

In accordance with this policy, during the period of the current Medium-term Business Plan (FY2024-FY2026), the Company aims to optimize the amount of equity by maintaining a consolidated dividend payout ratio of 40% or more and conducting purchases of treasury shares.

(3) IR Policy

We aim at developing the Group by contributing to society at large as a fair and reliable corporation. Under such Basic Mission Statement, the Company promotes IR activities for the purpose of maintaining and developing relations of trust with stakeholders including shareholders and investors. By accurately and plainly disclosing important financial and non-financial information about the Company in a fair, timely, and appropriate manner, we aim to improve management transparency and help stakeholders better understand the Company.

- Amounts in millions of yen presented in the business report above have been rounded down to the nearest one million yen.

Consolidated Financial Statements

Consolidated Statement of Financial Position (As of February 28, 2025)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
<u>Current assets</u>	<u>241,045</u>	<u>Current liabilities</u>	<u>341,341</u>
Cash and cash equivalents	54,975	Bonds and borrowings	53,330
Trade and other receivables	156,663	Trade and other payables	162,810
Other financial assets	8,690	Lease liabilities	25,294
Inventories	12,662	Other financial liabilities	28,262
Other current assets	6,421	Income tax payables	11,576
Sub total	239,414	Provisions	785
Assets held for sale	1,631	Other current liabilities	59,280
<u>Non-current assets</u>	<u>923,101</u>	<u>Non-current liabilities</u>	<u>399,570</u>
Property, plant and equipment	469,417	Bonds and borrowings	136,728
Right-of-use assets	136,389	Lease liabilities	148,225
Goodwill	6,799	Other financial liabilities	33,368
Investment property	177,176	Retirement benefit liability	15,369
Intangible assets	8,350	Provisions	5,905
Investments accounted for using equity method	27,840	Deferred tax liabilities	59,519
Other financial assets	81,535	Other non-current liabilities	453
Deferred tax assets	3,190		
Other non-current assets	12,402		
		Total liabilities	740,911
		Equity	
		<u>Equity attributable to owners of parent</u>	<u>409,646</u>
		Share capital	31,974
		Capital surplus	188,081
		Treasury shares	(23,940)
		Other components of equity	14,219
		Retained earnings	199,311
		<u>Non-controlling interests</u>	<u>13,588</u>
		Total equity	423,235
Total assets	1,164,147	Total liabilities and equity	1,164,147

(Note) Amounts have been rounded down to the nearest one million yen.

Consolidated Statement of Profit or Loss (From March 1, 2024 to February 28, 2025)

(Millions of yen)

Item	Amount
Revenue	441,877
Cost of sales	(229,281)
Gross profit	212,596
Selling, general and administrative expenses	(159,106)
Other operating income	11,831
Other operating expenses	(7,122)
Operating profit	58,199
Finance income	781
Finance costs	(4,270)
Share of profit (loss) of investments accounted for using equity method	1,074
Profit before tax	55,785
Income tax expense	(14,273)
Profit	41,512
Profit attributable to:	
Owners of parent	41,424
Non-controlling interests	87
Profit	41,512

(Note) Amounts have been rounded down to the nearest one million yen.

Consolidated Statement of Changes in Equity (From March 1, 2024 to February 28, 2025)

(Millions of yen)

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Treasury shares	Other components of equity				
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total
Balance as of March 1, 2024	31,974	189,172	(14,231)	314	17	7,050	—	7,383
Profit	—	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	211	(46)	6,716	1,120	8,002
Total comprehensive income	—	—	—	211	(46)	6,716	1,120	8,002
Purchase of treasury shares	—	(117)	(11,458)	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—
Change due to capital increase of consolidated subsidiaries	—	—	—	—	—	—	—	—
Obtaining of control of subsidiaries	—	—	—	—	—	—	—	—
Share-based payment transactions	—	(973)	1,749	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	(45)	(1,120)	(1,166)
Total transactions with owners	—	(1,090)	(9,708)	—	—	(45)	(1,120)	(1,166)
Balance as of February 28, 2025	31,974	188,081	(23,940)	525	(29)	13,722	—	14,219

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance as of March 1, 2024	167,600	381,898	12,333	394,232
Profit	41,424	41,424	87	41,512
Other comprehensive income	—	8,002	15	8,017
Total comprehensive income	41,424	49,426	102	49,529
Purchase of treasury shares	—	(11,575)	—	(11,575)
Dividends	(10,879)	(10,879)	(64)	(10,943)
Change due to capital increase of consolidated subsidiaries	—	—	5	5
Obtaining of control of subsidiaries	—	—	1,210	1,210
Share-based payment transactions	—	776	—	776
Transfer from other components of equity to retained earnings	1,166	—	—	—
Total transactions with owners	(9,712)	(21,678)	1,151	(20,526)
Balance as of February 28, 2025	199,311	409,646	13,588	423,235

(Note) Amounts have been rounded down to the nearest one million yen.

[Reference]

Consolidated Statement of Cash Flows (Summary) (From March 1, 2024 to February 28, 2025)
(Millions of yen)

Item	Amount
Cash flows from operating activities	85,812
Cash flows from investing activities	(28,308)
Cash flows from financing activities	(74,001)
Net increase (decrease) in cash and cash equivalents	(16,498)
Cash and cash equivalents at beginning of period	71,342
Effect of exchange rate changes on cash and cash equivalents	130
Cash and cash equivalents at end of period	54,975

(Note) Amounts have been rounded down to the nearest one million yen.