

## To Our Shareholders

I would like to announce to you all that our 19th Annual Shareholders Meeting will be held on Thursday, May 28, 2026.

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, 2026

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 19th Annual Shareholders Meeting

You are hereby notified that the 19th 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.

**Date and Time:** Thursday, May 28, 2026, at 10:00 a.m. (JST) (Reception opens at 9:30 a.m.)  
**Venue:** Tokyo Conference Center Shinagawa Large Hall, 5F NTT DATA Shinagawa Building (A, RE, A Shinagawa)  
9-36, Konan 1-chome, Minato-ku, Tokyo

**Purpose of the meeting:**

*Matters to be reported:*

1. Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 19th fiscal year (from March 1, 2025 to February 28, 2026)
2. Audit reports of the Accounting Auditor and the Audit Committee on Consolidated Financial Statements for the 19th fiscal year

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

**Decisions made for convocation:**

Please refer to How to Exercise Your Voting Rights in Advance on page 6.

Company 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)

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 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 to Build Internal Control System>
  - (viii) Operational status of systems to ensure the appropriateness of operations <Basic Policy to Build Internal Control System>
  - (ix) Basic policy regarding control of the Company
  - (x) Consolidated Financial Statements
  - (xi) 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 19th Annual Shareholders Meeting," and check the Annual Shareholders Meeting informational materials listed under "The 19th 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*	Reappointment Non-executive Independent Outside	○		○
2	YAMADA Yoshihito	Reappointment Non-executive Independent Outside	◎		○
3	SAITO Kazuhiro	Reappointment Non-executive Independent Outside		◎	
4	SHIONO Noriko	New Non-executive Independent Outside	○		◎
5	OMURA Emi	Reappointment Non-executive Independent Outside		○	
6	OSAWA Eiko	New Non-executive Independent Outside		○	
7	YOSHIMOTO Tatsuya	Reappointment Non-executive	○		○
8	YOSHIKAWA Kiyoshi	New Non-executive		○	
9	ONO Keiichi	Reappointment Executive			
10	NAGAMINE Takamasa	New 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, in addition to the head of management, the President and Representative Executive Officer, the Company has selected a person responsible for the financial department whose high level of knowledge will facilitate the execution of the strategic financial policies demanded by our shareholders and investors.

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* <sup>1</sup>	○		○	○					○
2	YAMADA Yoshihito	○		○	○					○
3	SAITO Kazuhiro	○	○	○				○		○
4	SHIONO Noriko	○		○					○	○
5	OMURA Emi					○	○		○	○
6	OSAWA Eiko		○			○			○	○
7	YOSHIMOTO Tatsuya	○		○				○		○
8	YOSHIKAWA Kiyoshi		○						○	○
9	ONO Keiichi	○		○				○		○
10	NAGAMINE Takamasa	○	○						○	○

Note: 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.

## How to Exercise Your Voting Rights in Advance

Exercise deadline of your voting rights: Received by 6:00 p.m. on Wednesday,  
May 27, 2026 (JST)

Exercising your voting rights via the internet

Access the voting website to input approval or disapproval to each proposal.

Scan the QR code to log in

1. Scan the QR code located on the bottom right of the voting form.

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

2. Follow the directions that appear on the screen to input approval or disapproval to each proposal.

Enter your login ID and password

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

1. Access the voting website.

2. Login

Enter the “Login ID” and the “Temporary password” shown on the voting form.

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

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

**To institutional investors**

If you have registered in advance to use the Electronic Voting Platform operated by ICJ, Inc., you can exercise your voting rights through this platform.

## Live Streaming and Acceptance of Questions in Advance via the Internet

### **Live streaming guide**

**Live streaming time** From 10:00 a.m. on Thursday, May 28, 2026 to the end of the Annual Shareholders Meeting

\*The streaming screen will be accessible from 9:30 a.m. on the same day.

- (i) Access the “Engagement Portal” online site for the Annual Shareholders Meeting and log in using the “Login ID” and “Password” indicated on the voting form.
  - Login ID: 0007 + Shareholder Number (12-digit number without a hyphen) shown on the voting form, etc.
  - Password: Postal code + 2026 (11-digit number without a hyphen) of the address registered in the shareholders’ register as of February 28, 2026
- (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.”

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

### **(Important notice)**

- The viewing of a live streaming is not recognized as attendance under the Companies Act. Therefore, please exercise your voting rights in advance.
- Please note that viewing will be limited to shareholders only. Viewing by proxies is not permitted.
- Providing your ID and password to a third party is strictly prohibited.
- Duplicating, publishing, reposting, or provision to a third party of the video or audio data of the live streaming is prohibited.
- Please note that video and audio may be affected by your computer/device environment or internet connection.
- The live streaming may be interrupted or canceled due to internet environment issues, technical issues, or other unavoidable circumstances.
- We plan to answer questions 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.

### **Guide to submitting questions in advance**

Please access the “Engagement Portal” using the URL or QR code provided above, click “Question in Advance,” and register your questions.

**Receipt of questions:** From 9:00 a.m. on Thursday, May 7, 2026 to 6:00 p.m. on Thursday, May 21, 2026

### **(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)

## Answering Our Shareholders' Questions

We sincerely thank you for your continued support. We have provided answers to some of the most frequently asked questions from our shareholders. Please take a look.

### **Question**

**Please tell us about your key policies for FY2026, the final year of the Medium-term Business Plan.**

### **Answer**

**We will complete the key strategies and measures outlined in the Medium-term Business Plan and formulate the next Medium-term Business Plan as one that will ensure sustainable growth.**

FY2026 will be a crucial year for completing the key strategies and measures outlined in the current Medium-term Business Plan as the culmination of our transformation towards our vision for the Group in 2030, as well as for formulating the next Medium-term Business Plan.

While the business environment remains highly uncertain due to the emergence of geopolitical risks, transforming into a resilient management structure not swayed by changes in the external environment is a fundamental issue for the Company. Aligned with sustainability management, the Group will work together as one to formulate the next Medium-term Business Plan that will ensure sustainable growth. We will work on formulating a plan that increases the clarity of the path to realizing our vision, such as strengthening the profitability of our core retail business, expanding our business portfolio including for the Developer Business, and optimizing the allocation of management resources and collaborating with other companies to achieve these goals.

ONO Keiichi  
President and Representative Executive Officer

### Question

**The retail business of J. FRONT RETAILING Co., Ltd. is highly susceptible to inbound tourism trends, as evidenced by the decline in profit in FY2025 owing to decreased duty-free sales at department stores. How do you plan to achieve stable growth in this area?**

### Answer

**We will aim to sign up inbound customers as card members, strengthen our proposal capabilities, and enhance content popular with customers to encourage repeat visits.**

While duty-free sales in the Department Store Business look set to fluctuate sharply in the short term due to exchange rate trends and the changing international situation, we expect this market to grow over the medium to long term. Therefore, with an eye to expanding our customer base, we will strive to sign up foreign tourists visiting Japan as card members, and strengthen our communication and proposal capabilities to encourage repeat visits, as with domestic customers.

Meanwhile, the Group's SC Business (PARCO) has seen stable growth in transaction volume with inbound tourists, regardless of changes in the external environment. We will continue to enhance PARCO's unique content, such as Japan Mode (featuring distinctive styles and brands by Japanese designers) and IP content, which are popular with overseas customers.

### Question

**What are the strengths of J. FRONT RETAILING Co., Ltd. compared to competitors?**

### Answer

**We have a well-balanced network of stores in major cities throughout Japan. We are also working together as one to scale up unique initiatives that combine the different strengths of our department stores and PARCO across the Group.**

The Group operates a well-balanced network of stores in major cities throughout Japan, including Daimaru, Matsuzakaya, PARCO, and GINZA SIX. As we also have connections with many customers, business partners, and local communities in each region, we can leverage the synergies that come from combining the different strengths of the department stores and PARCO.

Based on these strengths and characteristics, we are particularly working to create synergies in the domains of "areas," "customers," and "content." For example, we will open a new luxury mall, "HAERA," in the Nagoya's Sakae area in June, in addition to the Matsuzakaya and PARCO stores already operating.

HAERA is a unique commercial facility that combines the edge department stores have in creating a lively atmosphere with their luxury goods, cosmetics, and depachika (department store basement food floors), with PARCO's ability to produce cutting-edge and attractive commercial spaces featuring fashion, art, and culture. The Group will work together as one to expand these initiatives.

### Question

**Given Japan's projected population decline, how do you plan to grow your retail business?**

### Answer

**To drive new growth in our retail business, we have started to own and develop in-house content. We will utilize strategic investment funds to expand our content business.**

Focusing on seven key cities, we are strengthening our Department Store and Shopping Center businesses, starting with physical stores. We have also started to 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. In our Department Store Business, we collaborated with a partner company to develop next-generation sweets brands, while in our SC Business, we made an entry into the publishing business to promote the development and sales of original games. In addition, in our reuse business, which we launched in collaboration with another company, we are gradually opening branded product repurchasing specialist shops. In this Medium-term Business Plan, we have secured roughly ¥65.0 billion in strategic investment funds. Including the use of these funds, we will work to expand our content business to drive new growth in our retail business.

**Question**

**Within the promotion of diversity, I would particularly like to see you speed up your efforts to promote the participation of women a little. How do you plan to tackle this?**

**Answer**

**We aim to increase the ratio of women in management positions by creating an environment in which women can continue to thrive.**

The source of realizing our vision for the Group and the co-creation of new value lies in our human resources. We believe that transforming the diverse personalities, motivation, and ambition of each employee into organizational strength will lead to sustainable growth. In particular, as women make up a majority of the Group employees, it is essential to further promote their participation. The ratio of women in management positions has risen from about 20% (FY2020) to 27.7% (FY2025) over the past five years. To achieve our target of 40% by FY2030, we will strengthen our strategic human resource allocation and development, internal and external networking events, mentoring programs, and unconscious bias training.

**Question**

**As a shareholder, I would very much like to see your share price rise and dividends continuously increase. How do you plan to approach this?**

**Answer**

**To improve capital profitability, we will strengthen the profitability of existing businesses and step up growth investments. At the same time, we will also work to enhance shareholder returns.**

Further strengthening our profitability and capital management are key to enhancing return on capital over the medium to long term. Under this Medium-term Business Plan, our goal is to increase the profitability of existing businesses, mainly our core businesses, and to ramp up growth investments that will lead to the expansion of our business base in the future. As for shareholder returns, we have set the dividend for FY2025 at ¥54 per share, a record high for our Company. With the aim of optimizing equity capital and enhancing shareholder returns, we will conduct purchases of treasury shares up to ¥10.0 billion in the current fiscal year.

**Question**

**I would like to see more opportunities for individual shareholders to gain a better understanding of the business of J. FRONT RETAILING Co., Ltd.**

**Answer**

**We will be holding facility tours and briefing sessions for individual shareholders.**

As a company that mainly engages in retail business, our individual shareholders, who are also our customers, are extremely important to us. To help deepen your understanding of our business and strategies, this fiscal year we will be inviting selected participants by lottery to a tour of “HAERA,” which will be opening in the Nagoya’s Sakae area. Please see the leaflet enclosed with your notice of convocation and apply. We are also considering holding briefing sessions for individual shareholders, and will inform you of the details as soon as they are available.

\*Applications for the “HAERA” tour will open at 10:00 a.m. on May 7.

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

Furthermore, of the candidates for Directors, please refer to “3. Matters relating to corporate officers” in the Business Report regarding the status of activities of four 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*	F Reappointment Non-executive Independent Outside	○		○
2	YAMADA Yoshihito	M Reappointment Non-executive Independent Outside	◎		○
3	SAITO Kazuhiro	M Reappointment Non-executive Independent Outside		◎	
4	SHIONO Noriko	F New Non-executive Independent Outside	○		◎
5	OMURA Emi	F Reappointment Non-executive Independent Outside		○	
6	OSAWA Eiko	F New Non-executive Independent Outside		○	
7	YOSHIMOTO Tatsuya	M Reappointment Non-executive	○		○
8	YOSHIKAWA Kiyoshi	M New Non-executive		○	
9	ONO Keiichi	M Reappointment Executive			
10	NAGAMINE Takamasa	M New 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

\*Note 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.

## Election of candidates for Directors

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 Directors, 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 Directors who do 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, in addition to the head of management, the President and Representative Executive Officer, the Company has selected a person responsible for the financial department whose high level of knowledge will facilitate the execution of the strategic financial policies demanded by our shareholders and investors.

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	○		○	○					○
2	YAMADA Yoshihito	○		○	○					○
3	SAITO Kazuhiro	○	○	○				○		○
4	SHIONO Noriko	○		○					○	○
5	OMURA Emi					○	○		○	○
6	OSAWA Eiko		○			○			○	○
7	YOSHIMOTO Tatsuya	○		○				○		○
8	YOSHIKAWA Kiyoshi		○						○	○
9	ONO Keiichi	○		○				○		○
10	NAGAMINE Takamasa	○	○						○	○

**Reference Level of skills expected of candidates for Directors**

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 "Co-existence with the Environment" 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	September 1986	Joined J. Walter Thompson Japan K.K. (present VML Japan)
	KOIDE Hiroko (August 10, 1957)	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)
		April 2008	Chief Operating Officer
	Number of the Company's shares owned (shares):	November 2010	President and Representative Director of Parfums Christian Dior Japon K.K.
	4,076	January 2013	Outside Director of Kirin Co., Ltd.
	Number of other shares as stock-based remuneration not yet granted (shares):	April 2013	Senior Vice President of Global Marketing of Newell Rubbermaid Inc. (U.S.) (present Newell Brands Incorporated)
	10,986	June 2016	Outside Director of Mitsubishi Electric Corporation
	Special interests between the Company and the Candidate:	April 2018	Director of Vicela Japan Co., Ltd.
None	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)	
		External Member of the Board of TAISEI CORPORATION (present)	
Number of Board of Directors meetings attended during the 19th fiscal year:	Important concurrent positions		
14/14	External Member of the Board of TAISEI CORPORATION		
Number of Nomination Committee meetings attended			
11/11			
Number of Remuneration Committee meetings attended			
8/8			
Tenure as Director (at the conclusion of this meeting):			
approx. 5 years			

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

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. In addition to actively and assertively providing advice and oversight with respect to the importance of multifaceted marketing in strategy formulation, risk management in investment projects, and progress management of business plans, as Chairperson of Board of Directors, she takes the lead in improving the quality of strategic discussions by setting medium- to long-term agendas and actively facilitating discussions.

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.

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
2	<p data-bbox="252 262 368 291">Independent</p> <p data-bbox="252 297 408 327">Outside Director</p> <p data-bbox="252 333 480 389">YAMADA Yoshihito (November 30, 1961)</p> <p data-bbox="252 439 491 528">Number of the Company's shares owned (shares): <b>392</b></p> <p data-bbox="252 551 491 640">Number of other shares as stock-based remuneration not yet granted (shares): -</p> <p data-bbox="252 696 480 786">Special interests between the Company and the Candidate: <b>None</b></p> <p data-bbox="252 842 491 965">Number of Board of Directors meetings attended during the 19th fiscal year: <b>11/11</b></p> <p data-bbox="252 1021 491 1122">Number of Nomination Committee meetings attended <b>8/8</b></p> <p data-bbox="252 1167 491 1256">Number of Remuneration Committee meetings attended <b>5/5</b></p> <p data-bbox="252 1312 491 1402">Tenure as Director (at the conclusion of this meeting): <b>approx. 1 year</b></p>	<p data-bbox="520 262 624 291">April 1984</p> <p data-bbox="520 297 616 327">June 2008</p> <p data-bbox="520 349 632 378">March 2010</p> <p data-bbox="520 412 616 441">June 2010</p> <p data-bbox="520 445 616 474">June 2011</p> <p data-bbox="520 479 616 508">June 2013</p> <p data-bbox="520 512 616 542">June 2023</p> <p data-bbox="520 568 616 598">May 2025</p> <p data-bbox="520 602 616 631">June 2025</p>	<p data-bbox="716 262 1374 291">Joined Tateishi Electric Corporation (present OMRON Corporation)</p> <p data-bbox="716 297 1398 353">Executive Officer of OMRON Corporation and President and CEO of OMRON HEALTHCARE Co., Ltd.</p> <p data-bbox="716 356 1326 412">Senior General Manager, Corporate Strategic Planning H.Q. of OMRON Corporation</p> <p data-bbox="716 414 991 443">Managing Executive Officer</p> <p data-bbox="716 448 1078 477">Representative Director and President</p> <p data-bbox="716 481 1126 510">Representative Director, President &amp; CEO</p> <p data-bbox="716 515 1031 544">Chairman of the Board (present)</p> <p data-bbox="716 548 1174 577">Outside Director of NEC Corporation (present)</p> <p data-bbox="716 582 1326 611">Outside Director of J. FRONT RETAILING Co., Ltd. (present)</p> <p data-bbox="716 616 1350 649">Outside Director of Mitsubishi UFJ Securities Holdings Co., Ltd. (present)</p>
	<p data-bbox="520 663 815 692">Important concurrent positions</p> <p data-bbox="520 696 983 725">Chairman of the Board of OMRON Corporation</p> <p data-bbox="520 730 879 759">Outside Director of NEC Corporation</p> <p data-bbox="520 763 1142 792">Outside Director of Mitsubishi UFJ Securities Holdings Co., Ltd.</p>		

**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. He contributes to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight with respect to business portfolio strategy, promoting growth strategies for core businesses, the role and function of the holding company, and thorough compliance management.

In light of his track record, extensive 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	
3	<p data-bbox="252 264 368 293">Independent</p> <p data-bbox="252 297 408 327">Outside Director</p> <p data-bbox="252 331 440 389">SAITO Kazuhiro (October 31, 1956)</p> <p data-bbox="252 439 491 528">Number of the Company's shares owned (shares): <b>392</b></p> <p data-bbox="252 555 491 645">Number of other shares as stock-based remuneration not yet granted (shares): –</p> <p data-bbox="252 694 491 806">Special interests between the Company and the Candidate: <b>None</b></p> <p data-bbox="252 833 491 967">Number of Board of Directors meetings attended during the 19th fiscal year: <b>11/11</b></p> <p data-bbox="252 1016 491 1151">Number of Audit Committee meetings attended <b>17/17</b></p> <p data-bbox="252 1178 491 1290">Tenure as Director (at the conclusion of this meeting): <b>approx. 1 year</b></p>	<p data-bbox="518 264 624 286">April 1979</p> <p data-bbox="518 297 647 320">January 1999</p> <p data-bbox="518 331 676 353">September 2005</p> <p data-bbox="518 365 624 387">April 2009</p> <p data-bbox="518 421 647 443">January 2011</p> <p data-bbox="518 499 624 521">April 2014</p> <p data-bbox="518 566 624 589">April 2015</p> <p data-bbox="518 645 624 667">April 2016</p> <p data-bbox="518 712 624 734">April 2019</p> <p data-bbox="518 768 624 790">April 2023</p> <p data-bbox="518 801 624 824">May 2025</p> <p data-bbox="518 835 624 857">June 2025</p> <p data-bbox="518 869 624 891">March 2026</p>	<p data-bbox="721 264 948 286">Joined Suntory Limited</p> <p data-bbox="721 297 1225 320">Senior General Manager, Beverage &amp; Food Division</p> <p data-bbox="721 331 1385 353">Deputy Division Chief Operating Officer, Beverage &amp; Food Division</p> <p data-bbox="721 365 1406 409">Executive Officer of Suntory Holdings Limited and Managing Director of Suntory Beverage &amp; Food Limited</p> <p data-bbox="721 421 1385 499">Executive Vice President and Chief Operating Officer, Chinese Beverage &amp; Food Division of Suntory (China) Holding Co., Ltd. and Chair and President of Suntory (Shanghai) Food Trading Co., Ltd.</p> <p data-bbox="721 510 1347 555">President and Chief Operating Officer, Chinese Beer &amp; Huangjiu Division of Suntory (China) Holding Co., Ltd.</p> <p data-bbox="721 566 1390 645">Managing Executive Officer and in charge of Corporate Planning Division, Chief Operating Officer, Finance &amp; Accounting Division of Suntory Beverage &amp; Food Limited</p> <p data-bbox="721 656 1362 701">Full-time Advisor of Suntory Beverage &amp; Food Limited and Chief Executive Officer of Suntory Beverage &amp; Food Asia Pte. Ltd.</p> <p data-bbox="721 712 1337 757">Representative Director, President &amp; Chief Executive Officer of Suntory Beverage &amp; Food Limited</p> <p data-bbox="721 768 986 790">Chair of ad-comm Co., Ltd.</p> <p data-bbox="721 801 1326 824">Outside Director of J. FRONT RETAILING Co., Ltd. (present)</p> <p data-bbox="721 835 1278 857">Outside Director of Marusan Securities Co., Ltd. (present)</p> <p data-bbox="721 869 1369 913">Independent Outside Director (Member of the Audit Committee) of KOKUYO CO., LTD. (present)</p>
	<p data-bbox="518 922 815 945">Important concurrent positions</p> <p data-bbox="518 956 986 978">Outside Director of Marusan Securities Co., Ltd.</p> <p data-bbox="518 990 1385 1012">Independent Outside Director (Member of the Audit Committee) of KOKUYO CO., LTD.</p>		

**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 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. He contributes to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight with respect to the importance of business and digital strategies based on customer and market analysis, and the optimization of the allocation of management resources such as group organizations and human resources.

In light of his track record, extensive 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	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">New Candidate</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Independent</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Outside Director</div> <p>SHIONO Noriko (October 18, 1960)</p> <p>Number of the Company's shares owned (shares): <b>None</b></p> <p>Special interests between the Company and the Candidate: <b>None</b></p>	<p>August 1983</p> <p>January 1999</p> <p>March 2001</p> <p>October 2002</p> <p>February 2006</p> <p>April 2008</p> <p>March 2010</p> <p>January 2012</p> <p>January 2014</p> <p>May 2016</p> <p>October 2017</p> <p>June 2020</p> <p>January 2024</p> <p>June 2024</p>	<p>Joined Japan New Media Co., Ltd.</p> <p>General Manager of Marketing Department of Federal Express Corporation</p> <p>Joined The Walt Disney Company (Japan) Ltd.</p> <p>Vice President of Marketing and Sales</p> <p>Vice President of Corporate Marketing</p> <p>Director, General Manager of Marketing Division of SSP Co., Ltd.</p> <p>President</p> <p>Director and Vice President of Konami Sports &amp; Life Co., Ltd. (present Konami Sports Co., Ltd.)</p> <p>Representative Director and President</p> <p>Director and Chairman</p> <p>Representative Director and President of Widex Japan</p> <p>Non-executive Director of Kirin Holdings Company, Limited (present)</p> <p>Advisor of Widex Japan</p> <p>Outside Director of Japan Post Holdings Co., Ltd. (present)</p> <p>Outside Director of Bengo4.com,Inc. (present)</p>
	<p>Important concurrent positions</p> <p>Non-executive Director of Kirin Holdings Company, Limited</p> <p>Outside Director of Japan Post Holdings Co., Ltd.</p> <p>Outside Director of Bengo4.com,Inc.</p>		
<p><b>Reasons for nomination as candidate for Outside Director and overview of expected roles</b></p> <p>SHIONO Noriko has served as a representative director and president at multiple companies both in Japan and overseas, demonstrating sound judgment and leadership in complex business environments. Throughout her career, she has built up extensive knowledge in marketing and business strategy, as well as broad practical experience and deep insights into corporate management.</p> <p>Having been deeply involved in board discussions through her experience as an outside director at several companies, she possesses acute perception regarding the responsibilities and roles of the Board of Directors. Accordingly, we anticipate her proactive advice geared toward stakeholder-focused decision-making and enhancing governance.</p> <p>In light of her track record, extensive experience and deep insights, the Company expects that she will apply them to the appropriate supervision of management in the Group. As such, she has been nominated as a candidate to serve as a new Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
5	<p data-bbox="252 264 408 322">Independent Outside Director</p> <p data-bbox="252 340 453 407">OMURA Emi (September 2, 1976)</p> <p data-bbox="252 452 496 546">Number of the Company's shares owned (shares): <b>534</b></p> <p data-bbox="252 568 496 689">Number of other shares as stock-based remuneration not yet granted (shares): <b>2,073</b></p> <p data-bbox="252 712 496 842">Special interests between the Company and the Candidate: <b>None</b></p> <p data-bbox="252 864 496 1016">Number of Board of Directors meetings attended during the 19th fiscal year: <b>14/14</b></p> <p data-bbox="252 1039 496 1160">Number of Audit Committee meetings attended <b>24/24</b></p> <p data-bbox="252 1182 496 1303">Tenure as Director (at the conclusion of this meeting): <b>approx. 2 years</b></p>	<p data-bbox="518 264 655 291">October 2002</p> <p data-bbox="518 322 639 349">March 2007</p> <p data-bbox="518 358 617 385">July 2008</p> <p data-bbox="518 394 681 421">September 2010</p> <p data-bbox="518 452 681 479">September 2013</p> <p data-bbox="518 488 649 515">January 2014</p> <p data-bbox="518 546 681 573">September 2014</p> <p data-bbox="518 582 617 609">June 2019</p> <p data-bbox="518 618 617 645">April 2021</p> <p data-bbox="518 654 681 680">November 2021</p> <p data-bbox="518 712 649 739">January 2022</p> <p data-bbox="518 748 681 775">December 2022</p> <p data-bbox="518 806 617 833">June 2023</p> <p data-bbox="518 842 617 869">May 2024</p> <p data-bbox="518 878 617 904">May 2025</p>	<p data-bbox="721 264 999 322">Registered as attorney at law Joined Minerva Law Office</p> <p data-bbox="721 331 1260 358">Registered as attorney at law of New York State, U.S.A.</p> <p data-bbox="721 367 1005 394">Partner of Athena Law Office</p> <p data-bbox="721 403 1321 461">Associate Expert, International Labour Standards Department, International Labour Organization in Geneva, Switzerland</p> <p data-bbox="721 470 1005 497">Partner of Athena Law Office</p> <p data-bbox="721 506 1343 564">Director, Office of International Affairs, Japan Federation of Bar Associations</p> <p data-bbox="721 573 1104 600">Outside Director of Digital Garage, Inc.</p> <p data-bbox="721 609 1187 636">Counsel of Kamiyacho International Law Office</p> <p data-bbox="721 645 1197 672">Counsel of CLS HIBIYA TOKYO LAW OFFICE</p> <p data-bbox="721 680 1337 739">Outside Director, Audit and Supervisory Committee Member of Valence Holdings Inc.</p> <p data-bbox="721 748 1279 775">Partner of CLS HIBIYA TOKYO LAW OFFICE (present)</p> <p data-bbox="721 784 1410 842">External Director (Audit &amp; Supervisory Committee Member) of FOOD &amp; LIFE COMPANIES LTD. (present)</p> <p data-bbox="721 851 1327 878">Auditor of Japan Association for Women's Education (present)</p> <p data-bbox="721 887 1327 913">Outside Director of J. FRONT RETAILING Co., Ltd. (present)</p> <p data-bbox="721 922 1347 949">Director of PARCO CO., LTD. (scheduled to retire in May 2026)</p>
	<p data-bbox="518 878 817 904">Important concurrent positions</p> <p data-bbox="518 913 986 940">Partner of CLS HIBIYA TOKYO LAW OFFICE</p> <p data-bbox="518 949 1292 1008">External Director (Audit &amp; Supervisory Committee Member) of FOOD &amp; LIFE COMPANIES LTD.</p> <p data-bbox="518 1039 865 1066">(Concurrent positions in the Group)</p> <p data-bbox="518 1075 1149 1102">Director of PARCO CO., LTD. (scheduled to retire in May 2026)</p>		
<p data-bbox="175 1321 1098 1348"><b>Reasons for nomination as candidate for Outside Director and overview of expected roles</b></p> <p data-bbox="175 1357 1417 1568">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 &amp; 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 with respect to strategic direction that factors in social changes such as AI, risk management related to investment projects, and the redefinition and training of employee skills in the Company's human resource strategy.</p> <p data-bbox="175 1576 1417 1612">In light of her track record and considerable insights, the Company expects her to contribute greatly to management of the Group as an Outside Director. As such, she has been nominated as a candidate to continue serving as Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
6	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">New Candidate</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Independent</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Outside Director</div> OSAWA Eiko (February 27, 1963)	October 1989 June 1993 August 1993 August 2005 October 2006  July 2008  July 2021 September 2021 November 2021 June 2023 June 2024	Joined Asahi Shinwa & Co. (present KPMG AZSA LLC) Joined Showa Ota & Co. (present Ernst & Young ShinNihon LLC) Registered as Certified Public Accountant Seconded to Accounting Standards Board of Japan as Project Manager Seconded to the International Accounting Standards Board as Visiting Fellow Partner of Shin Nihon & Co. (present Ernst & Young ShinNihon LLC) (retired in June 2021) Representative of Osawa Certified Public Accountant Office (present) Registered as a tax accountant Supervisory Director of Mitsui Fudosan Logistics Park Inc. (present) Independent Auditor of EXEO Group, Inc. (present) Outside Director (Audit and Supervisory Committee Member) of Nintendo Co., Ltd. (present)
	Number of the Company's shares owned (shares):  <b>1,000 shares</b>		Important concurrent positions Representative of Osawa Certified Public Accountant Office Supervisory Director of Mitsui Fudosan Logistics Park Inc. Independent Auditor of EXEO Group, Inc. Outside Director (Audit and Supervisory Committee Member) of Nintendo Co., Ltd.
<p><b>Reasons for nomination as candidate for Outside Director and overview of expected roles</b></p> <p>OSAWA Eiko is well-versed in all aspects of corporate accounting as a certified public accountant and tax accountant. She possesses a high level of expertise in audit practices, internal controls, and financial reporting processes gained through her extensive experience as a partner at an auditing firm. In particular, she has practical knowledge and keen analytical skills applicable to responding to increasingly complex financial environments and compliance requirements.</p> <p>She also has extensive experience in supervisory roles, having served as a director (audit and supervisory committee member) and auditor in various industries. We expect her to ensure the appropriateness of the decision-making of the Board of Directors, provide strategic recommendations for problem-solving, and offer proactive advice that contributes to strengthening internal audit structure and building highly transparent governance.</p> <p>In light of her track record, extensive experience and deep insights, the Company expects that she will apply them to the appropriate supervision of management in the Group. As such, she has been nominated as a candidate to serve as a new Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
7	YOSHIMOTO Tatsuya (April 13, 1956)	April 1979	Joined The Daimaru, Inc. (present Daimaru Matsuzakaya Department Stores Co. Ltd.)
		March 2000	Senior Manager of Preparatory Office for Opening Sapporo Store of Planning Office for Sapporo Store, Head Office
		January 2008	General Manager of Tokyo Store
	Number of the Company's shares owned (shares):	May 2008	Corporate Officer, General Manager of Tokyo Store
	<b>159,213</b>	January 2010	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.
	Number of other shares as stock-based remuneration not yet granted (shares):	March 2010	Corporate Officer of Daimaru Matsuzakaya Department Stores Co. Ltd. Senior General Manager of Management Planning Division
	<b>10,768</b>	May 2012	Director and Corporate Officer
	Special interests between the Company and the Candidate:	April 2013	President and Representative Director of Daimaru Matsuzakaya Department Stores Co. Ltd. and President and Representative Director of Daimaru Matsuzakaya Sales Associates Co. Ltd.
	<b>None</b>	May 2013	Director of J. FRONT RETAILING Co., Ltd. (present)
	Number of Board of Directors meetings attended during the 19th fiscal year:	May 2017	Representative Managing Executive Officer
	<b>14/14</b>	May 2020	President and Representative Executive Officer
	Number of Nomination Committee meetings attended	March 2023	President and Representative Executive Officer and Senior Executive General Manager of CRE Strategy Unit
	Number of Remuneration Committee meetings attended	March 2024	Executive Officer
Number of Remuneration Committee meetings attended			
<b>8/8</b>			
Tenure as Director (at the conclusion of this meeting):			
<b>approx. 13 years</b>			

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

As President and Representative Director of Daimaru Matsuzakaya Department Stores Co. Ltd., YOSHIMOTO Tatsuya formulated a new department store business strategy backed by his wealth of experience and knowledge in all aspects of department store operations, 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.

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	
8	New Candidate	April 1988	Joined Matsuzakaya Co., Ltd. (present Daimaru Matsuzakaya Department Stores Co. Ltd.)
	YOSHIKAWA Kiyoshi (August 11, 1964)	March 2006	Senior Executive Manager in charge of Accounting, Cash Management, Credit and Accounts Receivable Management of Accounting Section, Finance and Accounting Division
	Number of the Company's shares owned (shares):	June 2006	In charge of Finance Policy, Financial Policy Office
	1,642 shares	November 2007	Finance staff of J. FRONT RETAILING Co., Ltd.
	Special interests between the Company and the Candidate:	March 2010	In charge of Finance Policy and Strategy of Finance Division of Administration Unit
	None	March 2016	In charge of Finance and Accounting of Financial Strategy Unit
		March 2017	In charge of Budget and Management Support of Financial Strategy Unit
		March 2018	Manager in charge of Budget and Management Support of Financial Strategy Unit
		March 2019	In charge of Board of Directors Office
		March 2020	In charge of Audit Committee Secretariat
	May 2020	General Manager of Audit Committee Secretariat	
	May 2023	Audit & Supervisory Board Member of Daimaru Matsuzakaya Department Stores Co. Ltd. (scheduled to retire in May 2026)	
<p><b>Reasons for nomination as candidate for Director and overview of expected roles</b></p> <p>YOSHIKAWA Kiyoshi has extensive experience in finance and accounting gained over the course of many years, as well as deep knowledge of financial strategy and accounting practices. In particular, he played a central role in the accounting standardization project between The Daimaru, Inc. and Matsuzakaya Co., Ltd. In 2017, he played a crucial role in completing the complex transition process accompanying the adoption of International Financial Reporting Standards (IFRS). In this way, he has contributed to strengthening corporate financial bases.</p> <p>Furthermore, as General Manager of Audit Committee Secretariat, he has utilized his extensive financial and accounting knowledge to take an earnest approach to improving the transparency and effectiveness of the Audit Committee's operations, thereby contributing to strengthening systems for maintaining the overall soundness of the organization.</p> <p>In addition, he serves as Audit &amp; Supervisory Board Member at Daimaru Matsuzakaya Department Stores where he is engaged in monitoring and verifying the progress of efforts to enhance internal controls and strengthen the compliance system. Furthermore, he contributes to the establishment of a sound management environment through the evaluation and corrective measures of management risk management (management system), and he also contributes to improving the effectiveness of management decisions by providing advice to the management from the standpoint of an Audit &amp; Supervisory Board Member. The Company expects him to help enhance corporate value and the sustainable growth of the Group by utilizing his wealth of knowledge based on his achievements and experience and fulfilling appropriate management oversight work. As such, he has been nominated as a new candidate to serve as Director.</p>			

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
9	ONO Keiichi (August 2, 1975)	April 1998	Joined The Daimaru, Inc. (present Daimaru Matsuzakaya Department Stores Co. Ltd.)
		April 2007	Planning Office for New Umeda Store, Department Store Business Division, Head Office
	Number of the Company's shares owned (shares):	September 2010	In charge of Sales Promotion and Advertising of Business Promotion Division of Daimaru Umeda Store, Daimaru Matsuzakaya Department Stores Co. Ltd.
	<b>33,289</b>	November 2012	Store Planning Department, Head Office of PARCO CO., LTD.
	Special interests between the Company and the Candidate:	November 2013	In charge of Inbound Business of Sales Planning Unit of Sales & Marketing Headquarters, Head Office of Daimaru Matsuzakaya Department Stores Co. Ltd.
	<b>None</b>	September 2015	General Manager of Inbound Business, Merchandising and Channel Development Division, Head Office
	Number of Board of Directors meetings attended during the 19th fiscal year:	September 2016	General Manager of Business Promotion Division of Daimaru Kyoto Store
	<b>14/14</b>	March 2018	Executive Officer of J. FRONT RETAILING Co., Ltd. President and Representative Director of Dimples' Co., Ltd.
	Tenure as Director (at the conclusion of this meeting):	October 2020	Senior General Manager of Structural Reform Promotion Division of Financial Strategy Unit of J. FRONT RETAILING Co., Ltd.
	<b>approx. 2 years</b>	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 (present) and Senior Executive General Manager of CRE Strategy Unit of J. FRONT RETAILING Co., Ltd.	
	May 2024	Director (present)	

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

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 current Medium-term Business Plan, he has formulated the direction for the Group from a broad and long-term perspective, and promoted the Group-wide strategies.

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.

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.

No.	Name (Date of birth)	Career summary, positions, and areas of responsibility	
10	<p data-bbox="252 259 395 286"><u>New Candidate</u></p> <p data-bbox="252 349 400 443">NAGAMINE Takamasa (July 3, 1975)</p> <p data-bbox="252 495 496 584">Number of the Company's shares owned (shares): <b>1,292 shares</b></p> <p data-bbox="252 607 496 719">Special interests between the Company and the Candidate: <b>None</b></p>	<p data-bbox="517 259 624 286">April 1998</p> <p data-bbox="517 293 619 320">June 2005</p> <p data-bbox="517 327 651 353">October 2021</p> <p data-bbox="517 383 619 409">June 2022</p> <p data-bbox="517 416 651 443">October 2023</p> <p data-bbox="517 472 679 499">September 2024</p> <p data-bbox="517 528 635 555">March 2025</p> <p data-bbox="517 584 619 611">May 2025</p> <p data-bbox="517 640 679 667">September 2025</p> <p data-bbox="517 696 635 723">March 2026</p> <p data-bbox="517 730 635 757">March 2026</p>	<p data-bbox="713 259 1091 286">Joined SUMITOMO CORPORATION</p> <p data-bbox="713 293 1150 320">Sumitomo Corporation (China) Holding Ltd.</p> <p data-bbox="713 327 1385 376">Vice President of Financial Department of Sumitomo Corporation of Americas</p> <p data-bbox="713 383 979 409">Vice President &amp; Treasurer</p> <p data-bbox="713 416 1369 465">Joined Raysum Co., Ltd., Operating Officer and Executive General Manager of President Office</p> <p data-bbox="713 472 1410 521">Joined J. FRONT RETAILING Co., Ltd., Expert Manager of Financing and Finance Policy Division of Financial Strategy Unit</p> <p data-bbox="713 528 1246 555">Executive Officer of J. FRONT RETAILING Co., Ltd.</p> <p data-bbox="713 562 1315 589">Senior Executive General Manager of Financial Strategy Unit</p> <p data-bbox="713 595 1321 645">Director of Daimaru Matsuzakaya Department Stores Co. Ltd. (scheduled to retire in May 2026)</p> <p data-bbox="713 651 1410 701">Senior Executive General Manager of Financial Strategy Unit and CRE Strategy Unit of J.FRONT RETAILING Co., Ltd. (present)</p> <p data-bbox="713 707 1082 734">Managing Executive Officer (present)</p> <p data-bbox="713 741 1410 824">Managing Executive Officer and Senior Executive General Manager of Finance Headquarters of Daimaru Matsuzakaya Department Stores Co. Ltd. (present)</p> <p data-bbox="713 831 1394 880">Managing Executive Officer for Corporate Headquarters and Head of Financial Policy Department, PARCO CO., LTD. (present)</p>
		<p data-bbox="517 893 863 920">(Concurrent positions in the Group)</p> <p data-bbox="517 927 1390 967">Director of Daimaru Matsuzakaya Department Stores Co. Ltd. (scheduled to retire in May 2026)</p>	

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

NAGAMINE Takamasa primarily built his career in the financial realm of SUMITOMO CORPORATION and its group companies, cultivating a high level of expertise and extensive practical experience in financial strategy, fund management, and global management support services. In particular, he demonstrated leadership in the finance departments of global companies and is well-versed in complex financial operations and the development of capital strategies.

He then went on to gain experience addressing management challenges from a broad perspective, including planning and implementing specific measures to enhance business value from the standpoint of balance sheet management and asset management to build efficient asset management systems.

Currently, as Senior Executive General Manager of Financial Strategy Unit and CRE Strategy Unit, he also leads initiatives in the real estate sector aimed at achieving the sustainable growth of the Group, drawing mainly from his extensive knowledge of finance. Furthermore, he contributes to strengthening the Group's management foundation by making multifaceted recommendations aimed at enhancing corporate value, including financial analysis and capital strategy which are essential for managerial decision-making.

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, and accordingly has nominated him as a new candidate to serve as Director.

**Special notes regarding the candidates for Directors**

- The Company has entered into an agreement with candidates for Directors KOIDE Hiroko, YAMADA Yoshihito, SAITO Kazuhiro, OMURA Emi, and YOSHIMOTO Tatsuya 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 Directors SHIONO Noriko, OSAWA Eiko and YOSHIKAWA Kiyoshi are approved under this proposal, the Company plans to enter into the same agreement with each candidate.
- 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.
- Candidate for Director OSAWA Eiko was a partner at Ernst & Young ShinNihon LLC until June 2021, but approximately five years have passed since her departure. The Company has thus determined that there are no facts that would violate the Company's criteria for determining independence.
- Candidates for Directors KOIDE Hiroko, YAMADA Yoshihito, SAITO Kazuhiro, 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 plans to notify each of the stock exchanges that the Company will designate the new candidates for Directors SHIONO Noriko and OSAWA Eiko 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. (Excluding NAGAMINE Takamasa, candidate for Director, serving concurrently as an Executive Officer.)
- 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.
- Due to the incidents of unperformed roll calls at post offices, JAPAN POST Co., Ltd., a subsidiary of Japan Post Holdings Co., Ltd., where candidate for Director SHIONO Noriko serves as an Outside Director, had received a revocation of its license for general motor truck transportation business from the Ministry of Land, Infrastructure, Transport and Tourism in June 2025, and also received an order to suspend use of vehicles in October 2025 in accordance with the Motor Truck Transportation Business Act. Although not aware of these facts prior to the incident, she had regularly spoken about the importance of legal compliance and its thorough implementation at Board of Directors meetings and other forums. Furthermore, she continues to fulfill her responsibilities after these facts came to light, such as by instructing measures to prevent recurrence.

(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, 2025 to February 28, 2026)

## 1. Current status of the corporate group

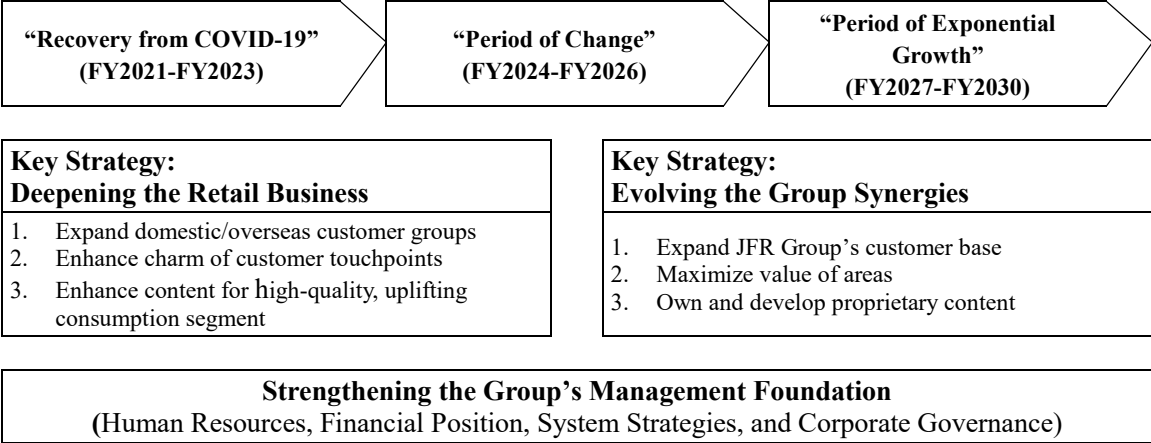
### (1) Business summary and results

During the fiscal year under review, the Japanese economy experienced a moderate recovery overall despite having incurred effects of U.S. trade policy and other developments. The recovery is attributable to factors that include an increase in capital investment against a backdrop of robust corporate profitability as well as growth in spending by visitors to Japan from overseas despite the state of Japan-China relations.

Although prices continued to rise, personal spending remained firm against a backdrop of the wealth effect and other factors amid a trend of continued improvement in employment and income conditions. Meanwhile, uncertainties persisted amid heightened geopolitical risks and other factors, prompting growing concerns over both the outlook for domestic and overseas economies as well as downward pressure on consumer sentiment due to rising prices.

#### <Initiatives for the Medium-term Business Plan (FY2024-FY2026)>

In this operating environment, the Company seeks to realize transformation into a “Value Co-creation Retailer,” which is our vision for the Group in 2030. It has accordingly been focusing on “deepening the retail business,” “evolving the Group synergies,” and “strengthening the Group’s management foundation” under the Medium-term Business Plan (FY2024-FY2026).



### 1) Deepening the retail business

In seeking to elevate the appeal of our stores where customer engagement originates, we conducted major renovation of the Matsuzakaya Nagoya store in the Department Store Business with the aim of achieving deeper cultivation of existing customers and winning next-generation customers. We completed renovation of the Main Building and the North Building. At the Daimaru Umeda store, we embarked on major renovation in October 2025 with the aims of establishing a new presence in the area as the largest commercial hub in western Japan and improving profitability.

To strengthen our responsiveness to the affluent market segment, we enhanced content such as new events and experience-based offerings, in addition to conducting our gaisho (Japanese department store’s traditional personal shopping service for VIP customers) activities over a wider geographic area to expand the customer base. Additionally, customers have provided positive feedback with respect to our official store for Expo 2025 Osaka, Kansai, featuring original products developed and launched harnessing the discerning ability of our department store employees, accompanied by a spatial store design that offers first-hand experience of Japanese culture.

In the SC Business, we promoted a strategic renovation mainly for flagship stores such as Shibuya PARCO, Hiroshima PARCO, and Sendai PARCO. At Shibuya PARCO in particular, we conducted major renovation for the first time since its rebuilding and proceeded with creation of stores that embody a “global niche” concept, which encompasses an enhanced lineup of luxury and up-and-coming brands as well as a strengthened rollout of IP content stores.

In seeking to expand the customer base in Japan and overseas, we persisted with efforts to increase the number of app members and card members in the Department Store Business and SC Business. In order to enhance our responsiveness to overseas customers, we stepped up efforts to convert overseas visitors to Japan into members in the Department Store Business, while also working on initiatives such as mutual customer referrals through partnerships with other companies.

## **2) Evolving the Group synergies**

To maximize area value, we proceeded with preparations for the opening of the new “HAERA” commercial facility combining a department store and PARCO with the aim of further enhancing our competitive advantages in the Nagoya Sakae area, which we position as a key area. We also worked to create a bustling town in the Sakae area in part by holding events in partnership with the local community. In the Kobe area, we decided to invest in “Kobe Former Foreign Settlement Building No. 25,” a large complex situated in the former foreign settlement where the Daimaru Kobe store is located with the aim of elevating the appeal of the area.

In order to expand the Group’s customer base, following the launch of the GINZA SIX Card and PARCO Card in FY2024, we launched the Hakata Daimaru Kujaku Card, completing consolidation of in-house card issuance operations according to the plan. Taking advantage of these opportunities, we worked to expand the Group’s customer membership base through cooperation among Group companies.

Regarding the ownership and development of in-house content in preparation for new growth in the retail business, we entered the reuse business through a joint venture with Komehyo Co., Ltd., and successively opened “MEGRUS” branded product repurchasing specialist shops in department stores and PARCO stores. Additionally, we collaborated with a partner company to develop next-generation sweets brands in the Department Store Business. We also established “PARCO GAMES” and made full-scale entry into the game publishing business involving development and sales of original games in the SC Business.

## **3) Strengthening the Group’s management foundation**

In terms of our human resource strategy, we formulated a new human resource strategy aimed at developing the people and organizations that serve as the source of value co-creation and transforming our organizational culture in seeking to realize the future vision for the Group. Based on this, we worked on various initiatives, which included strengthening recruitment of specialized personnel, promoting the empowerment of diverse talent through Group-wide human interaction and advancement of women in the workplace, and improving management skills and mindsets.

As for systems strategy, we worked toward shifting to common systems within the Group with initiatives that included the full-fledged deployment of an accounting system for enhancing management and administration while also increasing operational efficiency. We also promoted IT governance through such measures as enhancing system investment and asset management, as well as handling information security.

In terms of financial strategy, we maintained a consolidated dividend payout ratio of 40% or more and purchased a total of ¥15.0 billion in treasury shares with the aims of enhancing return on capital over the medium to long term, optimizing equity, and improving shareholder returns. We also issued “Sustainability Bonds” to drive business growth based on sustainability management practices.

With respect to corporate governance, we worked to further strengthen the oversight function, including monitoring of the Medium-term Business Plan and strengthening audit functions, based on our evaluation of the effectiveness of the Board of Directors.

## **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, revenue was ¥445,094 million, up 0.7% year on year and business profit was ¥50,597 million, down 5.4% year on year in the fiscal year under review. This consolidated performance mainly reflects a sharp decrease in department store duty-free sales, which had grown significantly in the previous fiscal year, against strong results with respect to domestic customer sales in the Department Store Business and performance of the SC Business. Additionally, due to the reactionary decrease following the gain

on step acquisition recorded in the previous fiscal year from the acquisition of shares (subsidiarization) of Shinsaibashi Kyodo Center Building, K.K., operating profit was ¥49,015 million, down 15.8% year on year, and profit attributable to owners of parent was ¥28,282 million, down 31.7% year on year.

Regarding dividends, in consideration of performance in the fiscal year under review, the Company has decided to pay an annual dividend of ¥54 per share (¥52 in the previous fiscal year), for an increase of ¥2 relative to the previous fiscal year. This is the highest-ever level for the dividend.

**<Key performance indicator results>**

	FY2024 results	FY2025 results
Consolidated business profit	¥53,400 million	¥50,500 million
Consolidated ROE	10.5%	6.9%
Consolidated ROIC	6.2%	5.9%
Greenhouse gas emissions*	(65.4)%	(69.0)%
Ratio of women in management positions	26.2%	27.7%

\* Greenhouse gas emissions: Scope 1 + 2 compared to FY2017; figure for FY2025 is a rough estimate.

(ii) Results by segment

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

Business segment	18th fiscal year (Fiscal 2024)				19th fiscal year (Current fiscal year) (Fiscal 2025)			
	Revenue		Business profit		Revenue		Business profit	
	Results	Composi- tion	Results	Composi- tion	Results	Composi- tion	Results	Composi- tion
		%		%		%		%
Department Store Business	263,643	59.7	33,982	63.5	268,175	60.3	30,900	61.1
SC Business	64,418	14.6	12,745	23.8	67,277	15.1	14,007	27.7
Developer Business	90,658	20.5	8,360	15.6	81,393	18.3	7,386	14.6
Payment and Finance Business	13,135	3.0	1,637	3.1	13,504	3.0	962	1.9
Total	431,855	97.7	56,727	106.1	430,350	96.7	53,258	105.3
Other	50,716	11.5	832	1.6	57,987	13.0	539	1.1
Adjustments	(40,694)	(9.2)	(4,069)	(7.6)	(43,243)	(9.7)	(3,200)	(6.3)
Consolidated total	441,877	100.0	53,490	100.0	445,094	100.0	50,597	100.0

\* Due to reorganization within the Group as of September 1, 2024, a part of the management business of J. Front One Partner Co., Ltd., which had been included in “Other,” was transferred to PARCO SPACE SYSTEMS CO., LTD. within the “Developer Business” and other entities. Accordingly, they have been retroactively adjusted as if the transfer had been effective from the beginning of the previous fiscal year (March 1, 2024).

## Department Store Business

- Whereas duty-free sales declined, key domestic sales remained solid
- 

**Revenue of ¥268,175 million, business profit of ¥30,900 million**

**<Reference data>**

**Gross sales of ¥828,687 million (+0.5% YoY), operating profit of ¥29,856 million (+0.6% YoY)**

Amidst fluctuating inbound demands, we have steadily promoted key strategies based on the Medium-term Business Plan. Specifically, we continued to undertake major renovation of the Matsuzakaya Nagoya store with the aim of achieving deeper cultivation of existing customers and winning next-generation customers, and completed renovation of the Main Building and the North Building. At the Daimaru Umeda store, we embarked on major renovation in October 2025 with the aims of establishing a new presence in the area as the largest commercial hub in western Japan and improving profitability, through collaboration among three companies including Daimaru Matsuzakaya Department Stores Co. Ltd.

We additionally sought to establish competitive advantages in the affluent customer business sector, a strength of Daimaru Matsuzakaya Department Stores Co. Ltd., by engaging in efforts in each region that included developing customers to expand our customer base as well as enhancing events and experience-based offerings. Our customers have provided positive feedback with respect to our official store for Expo 2025 Osaka, Kansai, featuring art pieces and original products developed in collaboration with famous artists and designer brands, harnessing the discerning ability of our department store employees, accompanied by a spatial store design that offers first-hand experience of Japanese culture.

In seeking new growth in the retail business, we also focused on developing and owning in-house content that integrates our organizational capabilities, such as discernment, procurement capabilities, and networks. Specifically, we jointly developed next-generation sweets brands with a partner company and opened two brands in October 2025. We also established a company managing and selling original sweets through joint investment and opened a new sweets brand in October 2025.

As a result of various measures including those mentioned above, revenue was ¥268,175 million, up 1.7% year on year, and business profit was ¥30,900 million, representing a decrease of 9.1% year on year in the fiscal year under review. This performance reflects factors that include strong domestic customer sales in the fiscal year under review, but a decrease in duty-free sales, which had grown beyond initial expectations in the previous fiscal year.

## SC Business

- Persisting favorable results in both domestic and inbound tourist transaction volumes
- 

**Revenue of ¥67,277 million, business profit of ¥14,007 million**

**<Reference data>**

**Gross sales of ¥354,717 million (+6.6% YoY), operating profit of ¥13,669 million (+6.4% YoY)**

Under the key strategy of the Medium-term Business Plan, we are promoting major renovations that will structurally evolve store operations and floor layout restructuring. Specifically, we completed major renovation of Shibuya PARCO in September 2025, and strengthened content originating from Japan based on our “global niche” concept for extending support from customers in Japan and overseas. This included opening the world’s first official experiential shop for “JoJo’s Bizarre Adventure” and opening the first flagship store in Japan by SEGA CORPORATION, which has produced an abundance of IP over its 65-year history. Additionally, building on the results of our initiatives at Shibuya PARCO, we opened an entertainment floor at Hiroshima PARCO and conducted major renovation of Sendai PARCO, the largest of its kind since the building was opened.

We also sought to expand our content business by making full-scale entry into the game publishing business utilizing our unique discernment ability, creativity and networks developed thus far. The new “PARCO GAMES” label began sales of three titles as its first publishing title round.

As a result of various measures including those mentioned above, revenue was ¥67,277 million, up 4.4% year on year, and business profit was ¥14,007 million, up 9.9% year on year in the fiscal year under review. This performance reflects factors that include growth in store leasing revenue driven by the continued strong performance of domestic and inbound tourist transaction volume and an increase in payment fee income. Operating profit increased to ¥13,669 million, up 6.4% year on year, despite the recording of a loss on liquidation of business following the decision to cease operations of Shizuoka PARCO at the end of January 2027 (scheduled).

### **Developer Business**

- Promoting projects aimed at enhancing our presence and generating synergies in each area
- 

**Revenue of ¥81,393 million, business profit of ¥7,386 million**

<Reference data>

**Gross sales of ¥81,393 million (-10.2% YoY), operating profit of ¥7,023 million (-14.2% YoY)**

Under the key area strategy, we announced we will open “HAERA,” a new commercial facility in “The Landmark Nagoya Sakae” currently under development in Nishiki 3-chome, Naka-ku, Nagoya City, in June 2026. We went on preparations to open the facility.

In the Kobe area, we decided to invest in “Kobe Former Foreign Settlement Building No. 25,” a complex consisting of commercial facilities and a hotel. We will contribute to elevating the appeal of the former foreign settlement centered on collaboration with the Daimaru Kobe store and other locations in the Department Store Business.

We are also participating in “QUARTZ SHINSAIBASHI” in the Osaka Shinsaibashi area, and promoting the redevelopment plan for the “Tenjin 2-chome South Block Station-front East West Street Area Project” in the Fukuoka Tenjin area through cooperation among the local community and Group companies. The Group will continue working together as one on enhancing our presence and elevating the appeal of towns in key areas with the retail business at the core.

Despite various measures including those mentioned above, revenue was ¥81,393 million, down 10.2% year on year, and business profit decreased to ¥7,386 million, down 11.6% year on year, mainly due to factors such as a reactionary decline following a gain on the sale of properties held and large-scale construction orders in the construction and interior design business in the previous fiscal year.

### **Payment and Finance Business**

- Promoting card consolidation and card member acquisition aimed at expanding the Group’s customer base
- 

**Revenue of ¥13,504 million, business profit of ¥962 million**

<Reference data>

**Gross sales of ¥13,504 million (+2.8% YoY), operating profit of ¥920 million (-37.0% YoY)**

Under the key strategies, we completed consolidation of card issuance operations within the Group based on the Medium-term Business Plan, primarily through the new issuance of the PARCO Card in February 2025 and the Hakata Daimaru Kujaku Card in March 2025. Taking advantage of these opportunities, we promoted member acquisition measures in collaboration with Group companies to expand card membership, in part by launching a new service for Daimaru Matsuzakaya Cards that allows for immediate card issuance and use. Furthermore, we have implemented credit limit expansion and optimization to expand card transaction volume. In the merchant business, we worked on acquiring merchants mainly in key areas, and transaction volume increased due to the expansion of acquiring operations at the Group commercial facilities. Notably, regarding our initiative to combat the unauthorized use of credit cards, a challenge for the industry, the effect of various measures has led to a reduction in unauthorized use, and we continue to implement measures.

As a result of various measures including those mentioned above, revenue increased to ¥13,504 million, up 2.8% year on year, due to factors that include expansion in card transaction volume and merchant business transaction volume. Meanwhile, business profit decreased to ¥962 million, down 41.2% year on year, due to factors that include higher costs for acquiring new members associated with new card issuance, as well as increased advertising expenses and personnel expenses.

## **(2) Explanation of financial position**

### **(Assets, liabilities, and equity as of February 28, 2026)**

Total assets as of February 28, 2026 were ¥1,141,567 million, down ¥22,580 million compared with February 28, 2025 due mainly to decreases in cash and cash equivalents and right-of-use assets. Total liabilities were ¥713,544 million, a decrease of ¥27,367 million compared with February 28, 2025 due mainly to decreases in bonds and borrowings and lease liabilities. Interest-bearing liabilities (including lease liabilities) were ¥336,675 million, down ¥26,903 million compared with February 28, 2025.

Total equity was ¥428,022 million, an increase of ¥4,787 million compared with February 28, 2025 due mainly to the recording of profit, offset by the purchase of treasury shares and dividend payments.

### **(Cash flow position)**

The balance of cash and cash equivalents (hereinafter “cash”) as of February 28, 2026 was ¥36,099 million, down ¥18,876 million compared with February 28, 2025.

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

Net cash provided by operating activities was ¥66,992 million. In comparison with the previous fiscal year, cash provided decreased by ¥18,820 million due to a decrease in profit before tax as well as an increase in income taxes paid.

Net cash used in investing activities was ¥15,154 million. In comparison with the previous fiscal year, cash used decreased by ¥13,154 million, mainly due to a reactionary decline from the acquisition of the shares of Shinsaibashi Kyodo Center Building, K.K. and others in the previous fiscal year.

Net cash used in financing activities was ¥70,782 million. In comparison with the previous fiscal year, cash used decreased by ¥3,219 million mainly due to proceeds from issuance of bonds, despite an increase in purchase 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 ¥26,471 million.

### **(i) Major facilities completed during the current fiscal year**

Major facilities completed during the current fiscal year included a project renovation work at the Matsuzakaya Nagoya store and renovation work at the Daimaru Kobe store in the Department Store Business. There were also acquisitions of assets in connection to Nagoya PARCO, Hiroshima 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**

Sales of land and buildings at the former Shintokorozawa PARCO, and sales of leasing properties such as the Higashinippori leased stores.

#### **(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.

In the current fiscal year, based on the above policy, we procured ¥30,000 million through the issuance of unsecured straight bonds (of which, ¥20,000 million were sustainability bonds). Meanwhile, with the repayment of ¥28,400 million in long-term borrowings and ¥15,000 million in short-term borrowings, our balance of interest-bearing liabilities (excluding lease liabilities) decreased by ¥13,500 million compared with February 28, 2025 to ¥176,500 million.

#### **(5) Issues to be addressed**

##### **Progress on the Medium-term Business Plan and the FY2026 management policy**

We have entered the final fiscal year of the Medium-term Business Plan (FY2024-FY2026), which we positioned as a “period of change” toward realizing our vision for the Group in 2030: “Value Co-creation Retailer.”

Progress achieved on the Medium-term Business Plan has culminated in growth in our mainstay Department Store Business and SC Business given successful outcomes for key strategies and other initiatives amid a highly uncertain business environment. As a result of such growth and other factors, consolidated business profit increased to ¥50,500 million in FY2025 from ¥44,300 million in FY2023 (the final fiscal year of the previous Medium-term Business Plan). We concurrently engaged in initiatives toward transformation with our sights set on 2030. This has mainly involved making steady progress with initiatives that include development of Nagoya and other key areas, consolidation of in-house card issuance in seeking to strengthen the Group's customer base, and the ownership and development of in-house content.

Meanwhile, with respect to the earnings forecast for FY2026, the final fiscal year of the Medium-term Business Plan, the Company is poised to fall short of the targets set in the said plan, with consolidated business profit of ¥52,000 million and consolidated ROE in the 6% range, as duty-free sales are tracking below initial assumptions due to deteriorating Japan-China relations and other factors.

For FY2026, we recognize the need to enhance our response to changes in domestic consumption and inbound demand driven by exchange rate trends, rising prices, and other factors, while working to secure full-year earnings results. At the same time, we must once again articulate our path toward transforming into a resilient operating structure that is not susceptible to changes in the external environment, which constitutes a fundamental challenge.

The Group will work together as one in completing the key strategies and measures set forth as the culmination of the Medium-term Business Plan, while also formulating the next Medium-term Business Plan for ensuring sustainable growth, grounded in sustainability management practices.

<Key performance indicator targets>

	FY2023 results	FY2024 results	FY2025 results	FY2026 earnings forecasts	(Reference) FY2026 Medium- term Business Plan's targets
Consolidated business profit (IFRS)	¥44,300 million	¥53,400 million	¥50,500 million	¥52,000 million	¥56,000 million
Consolidated ROE	8.1%	10.5%	6.9%	6.9%	8.0% or more
Consolidated ROIC	5.1%	6.2%	5.9%	5.7%	6.0% or more
Greenhouse gas emissions*	(57.4)%	(65.4)%	(69.0)%	(70.0)%	(70.0)%
Ratio of women in management positions*	22.5%	26.2%	27.7%	31.0%	31.0%

\* Scope 1 and 2 reduction ratio (compared with FY2017); result for FY2025 is a rough estimate (final figure is under calculation).

**Priority issues in the final fiscal year of the Medium-term Business Plan**

**1) Completion of the Medium-term Business Plan**

<Deepening the retail business>

1. Strengthen our response to the affluent market segment
  - With respect to efforts taken to strengthen our response to the robust affluent market segment, we will work to expand the department store customer base. This will involve conducting our gaisho (Japanese department store's traditional personal shopping service for VIP customers) activities over a wider geographic area with flagship stores serving as the starting point, and working to convert young affluent customers into gaisho customers at each location.
2. Expand the customer base overseas
  - In the Department Store Business, we will strive to enhance communication and proposal capabilities with overseas customers through efforts that include further expanding customer membership and encouraging repeat visits to our stores, primarily targeting tourists visiting Japan from other parts of Asia.
  - In the SC Business, we will redouble our efforts to provide experiential value regarding pop culture and other content areas in seeking to increase inbound tourist transaction volume.
3. Enhance content for high-quality, uplifting consumption segment
  - Based on the strong performance of Shibuya PARCO and other locations, we will promote major renovation centered on our flagship stores, including Shinsaibashi PARCO (now in its 6th year of business), as well as Ikebukuro PARCO and Nagoya PARCO. We will particularly enhance offerings with substantial customer followings, including Japan Mode, character zones, IP content such as anime, and dining.
  - In the Department Store Business, we will continue to enhance sales floor layouts and product lineups. At the Daimaru Umeda store in particular, we will promote large-scale renovation that involves drastically revamping the floor layout with the aim of attracting a wide range of customers from Japan and overseas.

<Evolving the Group synergies>

1. Maximization of area value

A) Nagoya Sakae area

- In June 2026, we will open the new “HAERA” commercial facility combining a department store and PARCO, located within “The Landmark Nagoya Sakae.” Taking advantage of the opening of this facility, we will establish a commanding presence in the Sakae area alongside the adjacent Matsuzakaya Nagoya store and Nagoya PARCO. Additionally, a portion of the Matsuzakaya Nagoya South Building will be renovated in spring of next year to serve as a new facility operated by PARCO, with the aim of realizing even greater area synergies.
- In conjunction with the above, we aim to create a bustling town by working to strengthen relationships with nearby establishments in the Sakae area.

B) Osaka Shinsaibashi area

- We will formulate a redevelopment plan for the Daimaru Shinsaibashi South Building, while also participating in the redevelopment project for the Shinsaibashi Building.
- We will deepen our relationship with the local community and reinforce our efforts to maximize area value. This will include the “QUARTZ SHINSAIBASHI” complex, which opened in April 2026 with partial investment from the Company.

C) Fukuoka Tenjin and Kobe area

- In Fukuoka City, we are working jointly with the local community and partner companies with respect to implementing the redevelopment plan for the “Tenjin 2-chome South Block Station-front East West Street Area.” It is centrally located in the city, which is characterized by sustained population growth and its reputation as the gateway to Asia. We will proceed with the development of specific business plans with an aim to establish a leadership position in the area, which is poised to experience market growth.
- In the Kobe area, we are taking advantage of opportunities arising from our acquisition of “Kobe Former Foreign Settlement Building No. 25” in working to further elevate the appeal of the area through initiatives that include improving accessibility of the district centered on the Daimaru Kobe store, and enhancing events in partnership with the local community.

2. Expansion of the Group customer base

- In FY2025, initiatives to consolidate card issuance operations within the Group proceeded in line with the initial plan. Taking advantage of this opportunity, we seek to expand the Group’s customer base by further increasing the number of card members and app members.
- Additionally, we will focus on enhancing customer collaboration and services across businesses and stores, which includes exchanging points and unifying point programs within the Group, as well as engaging in measures to encourage shopping across multiple stores in each area.

3. Ownership and development of in-house content and business development

- We seek to own and develop distinctive products, services and businesses that extend beyond deployment within our own stores. To such ends, we will strive to expand the scale of owned content promoted in the previous fiscal year, while strengthening M&A, partnerships with other companies, and growth strategy investment through the Company’s business succession and CVC funds with a medium- to long-term perspective.

4. Strengthening the construction, interior design and facility businesses

- The J. Front Design & Construction Co., Ltd. and PARCO SPACE SYSTEMS CO., LTD. integrated their operations in March 2026, and J. FRONT PRIME SPACE Co., Ltd. commenced operations.
- By further integrating the strengths of both companies, we aim to expand our business and organizational foundation, through initiatives that include creating high-quality spatial value, enhancing facility management, and securing and developing specialized personnel by elevating our position within the industry.

### <Strengthening the Group's management foundation>

To further enhance the effectiveness of our strategies, we will establish an executive structure where officers hold concurrent positions across three companies: J. FRONT RETAILING, Daimaru Matsuzakaya Department Stores, and PARCO, in the three areas of human resources, IT digital, and finance. This will advance the standardization of measures and functions, the utilization and efficiency of resources, and accelerate collaboration among the companies from the perspective of optimizing the entire Group.

#### 1. Human resource strategy

- In seeking to realize transformation in terms of becoming a Value Co-creation Retailer, the Group will work as one to reinforce and promote a new Group human resource strategy designed to achieve sustainable growth of our people and organizations.
- In addition to increasing opportunities for the participation of diverse human resources, such as initiatives for the advancement of women in the workplace and facilitating exchanges of human resources within the Group, we will also work to improve our management capabilities to cultivate an organizational culture that encourages creativity and the spirit of challenge, while also undertaking personnel system reforms including evaluations and remuneration.

#### 2. IT & digital strategy

- We will further drive productivity improvements using digital technology and other initiatives by implementing business process reengineering (BPR) across the entire Group beginning with the Department Store Business.
- Amid the increasing importance of cybersecurity, we will continue to engage in risk mitigation activities that include vulnerability management of information assets, while also strengthening our incident response capabilities.
- We will strengthen Group IT governance through initiatives that include enhancing approval processes for IT investment.

#### 3. Financial strategy

- With the aim of enhancing return on capital from a medium- to long-term perspective, we will strengthen profitability of our existing businesses and enhance growth investments that contribute to expanding the Group's business foundations, underpinned by an approach to managing investments based on growth potential and profitability.
- We aim to optimize equity while ensuring financial soundness by purchasing up to ¥10,000 million in treasury shares during the current fiscal year.

#### 4. Corporate governance

- With the aim of achieving medium- to long-term growth and continuously increasing our corporate value, we will focus on further improving effectiveness through initiatives that include accelerating management decision-making and execution, as well as enhancing the oversight function of the Board of Directors.

### **2) Formulation of the next Medium-term Business Plan (from FY2027) to drive sustainable growth**

- The business environment surrounding the Company has changed beyond expectations held at the launch of the Medium-term Business Plan in FY2024, particularly in terms of escalating geopolitical risk, shifts in income and consumption, and persisting inflation and interest rate hikes.
- In viewing these changes and projections as opportunities for achieving sustainable growth and transitioning to a resilient management structure, we accordingly believe it is necessary to examine growth scenarios from both opportunity and risk perspectives, and to once again articulate our path toward achieving the Group Vision and ensuring growth from FY2027 onward.
- We will work to formulate the next Medium-term Business Plan, which will sharpen our vision through initiatives that include enhancing profitability of our core retail business while also

expanding the Developer Business and content business, and furthermore optimally allocating management resources and collaborating with partner companies to achieve these objectives.

## (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.

- Promotion of stakeholder engagement

We believe that solving social and environmental issues is a shared goal for many individuals and organizations. Co-creation—collaborating rather than competing—is essential for making a meaningful impact on society. What counts on our materiality initiatives is to engage more customers, business partners, and other stakeholders. By doing so, we believe we can achieve not only social sustainability but also create business opportunities and foster sustainable growth for us. Under this recognition, we promote sustainability management by actively disclosing information, seeking to understand the opinions and requests of stakeholders through dialogue and surveys, and applying such feedback to our business activities.

- ▶ Business partner briefings

In November 2025, we conducted a briefing session for key business partners of Daimaru Matsuzakaya Department Stores, during which we explained the Group’s approach to value co-creation, specific examples of co-creation practices, and our efforts related to the environment and human rights. We also received opinions from our business partners, making it a valuable opportunity for dialogue.

(336 persons from 233 companies attended)

- ▶ Decarbonization throughout the entire supply chain (for Scope 3 emission reductions)

Daimaru Matsuzakaya Department Stores engages in dialogue with business partners regarding their calculations of greenhouse gas emissions in pursuing decarbonization throughout the entire supply chain. As a result, the Group’s Scope 3 emissions for FY2024 were 23.2% lower than in the base year of FY2017.

(Disseminating the policy) Business partner briefings

(Understanding the current situation) Surveys on CO<sub>2</sub> emissions

(Calculation and reduction requests) Engaged in dialogue with over 120 companies in total

- ▶ Awareness survey on sustainability (for customers and employees)

We have been administering surveys on customer environmental awareness and perceived contribution to communities where Daimaru, Matsuzakaya, and PARCO stores operate. (FY2025: 8,505 responses received)

In addition, we administer an annual survey of all Group employees to verify their awareness, understanding, and actions with respect to sustainability.

[https://www.j-front-retailing.com/\\_data\\_json/news/\\_upload/20250916sustainability.pdf](https://www.j-front-retailing.com/_data_json/news/_upload/20250916sustainability.pdf) (in Japanese)

- ▶ Dialogue with employees

Since FY2021, the President of the Company and the presidents of its operating companies have been conducting Catch Ball Meetings, which provide opportunities for direct dialogue with employees with the aim of enhancing employee engagement.

(FY2025: eight meetings, 1,974 persons attended, with duplicates included)

▶ Dialogue with investors

We strive to enhance communication by providing information through timely disclosures, the Company's website and other such means, while also holding financial results briefings, individual investor briefings, meetings with overseas institutional investors, and other such forums, in addition to responding to daily inquiries from shareholders and investors.

(FY2025: 3 individual investor briefings, 275 domestic and overseas institutional investor meetings)

\* 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	16th fiscal year (Fiscal 2022)	17th fiscal year (Fiscal 2023)	18th fiscal year (Fiscal 2024)	19th fiscal year (Fiscal 2025)
Gross sales	998,755	1,151,972	1,268,322	1,290,489
Revenue	359,679	407,006	441,877	445,094
Business profit	24,854	44,330	53,490	50,597
Operating profit	19,059	43,048	58,199	49,015
Operating profit/revenue	5.3%	10.6%	13.2%	11.0%
Profit before tax	16,873	41,343	55,785	44,515
Profit attributable to owners of parent	14,237	29,913	41,424	28,282
Total assets	1,120,953	1,114,726	1,164,147	1,141,567
Total equity	371,410	394,232	423,235	428,022
Equity attributable to owners of parent	359,385	381,898	409,646	415,586
Ratio of equity attributable to owners of parent to total assets	32.1%	34.3%	35.2%	36.4%
Interest-bearing liabilities [Of which, lease liabilities]	413,949 [164,825]	364,398 [150,450]	363,578 [173,520]	336,675 [160,139]
Cash flows from operating activities	65,480	90,692	85,812	66,992
Cash flows from investing activities	(13,371)	13,429	(28,308)	(15,154)
Free cash flows	52,109	104,122	57,503	51,838
Cash flows from financing activities	(105,694)	(72,746)	(74,001)	(70,782)
Cash and cash equivalents at end of period	39,874	71,342	54,975	36,099
Profit/equity attributable to owners of parent (ROE)	4.0%	8.1%	10.5%	6.9%
Operating profit/total assets (ROA)	1.6%	3.9%	5.1%	4.3%
Return on invested capital (ROIC)	2.7%	5.1%	6.2%	5.9%
Basic earnings per share (EPS) (Yen)	54.32	114.06	160.35	112.93
Equity attributable to owners of parent per share (Yen)	1,370.43	1,453.71	1,597.24	1,671.35
Price earnings ratio (PER)	23.27%	13.02%	12.15%	22.85%
Interim dividend (Yen)	15.00	16.00	22.00	27.00
Year-end dividend (Yen)	16.00	20.00	30.00	27.00
Dividend payout ratio	57.1%	31.6%	32.4%	47.8%
Dividends/equity attributable to owners of parent	2.3%	2.5%	3.3%	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).
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	100.0	Department store real estate management
ANNIVEL Co., Ltd.	75	80.0	Retail of department store original sweets
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
J. FRONT PRIME SPACE Co., Ltd.	100	100.0	Interior construction and facility management
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.	THB210 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	52.5	Esports business
JFR & KOMEHYO PARTNERS Co., Ltd.	100	51.0	Purchase of branded goods and related items

(Note) The Company newly established JFR &amp; KOMEHYO PARTNERS Co., Ltd. on March 3, 2025.

The Company newly established ANNIVEL Co., Ltd. on July 28, 2025.

The Company newly established J. FRONT PRIME SPACE Co., Ltd. on September 1, 2025.

**(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	575,147

(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 1/5 of the Company's total assets, and one whose shares are all held by the Company.

**(9) Major creditors and amounts payable**

Major creditors of the corporate group

(Millions of yen)

Creditor	Amount payable
Borrowings	
MUFG Bank, Ltd.	20,616
Development Bank of Japan Inc.	20,568
Sumitomo Mitsui Banking Corporation	10,068
Mizuho Bank, Ltd.	4,568
Other	30,900
Sub total	86,720
Straight bonds, etc.	89,816
Total	176,536

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

Effective March 1, 2026, the Company conducted an absorption-type merger in which J. FRONT PRIME SPACE Co., Ltd., a wholly owned subsidiary of the Company, was the surviving company, and J. Front Design & Construction Co., Ltd. and PARCO SPACE SYSTEMS CO., LTD., both wholly owned subsidiaries of the Company, were the absorbed companies.

## 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: 172,994

### (4) Major shareholders

Name of shareholders	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	38,805	15.51
Custody Bank of Japan, Ltd. (Trust Account)	19,197	7.67
Nippon Life Insurance Company	9,828	3.93
JP Morgan Securities Japan Co., Ltd.	6,311	2.52
J. Front Retailing Kyoei Supplier Shareholding Association	6,110	2.44
Mizuho Securities Co., Ltd.	5,197	2.08
J.P. Morgan Securities plc	3,802	1.52
JP JPMSE LUX RE MACQUARIE BANK LTD LONDON EQ CO	3,749	1.50
Custody Bank of Japan, Ltd. (Trust Account 4)	3,555	1.42
JP MORGAN CHASE BANK 385781	3,467	1.39

- (Notes)
1. Although the Company holds 20,316 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	1	14,852
[of which, Outside Director]	[1]	[14,852]
Executive Officer	17	72,195
Total	18	87,047

- (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, and officers who retired during the current fiscal year and the shares granted to those officers.
  3. The number of shares above amounts to shares actually granted to each Director. 44,204 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% 14/14	Yes
Director (Outside)	YAGO Natsunosuke	Chairperson of Nomination and Remuneration Committees	100% 14/14	Yes
Director (Outside)	HAKODA Junya	Chairperson of Audit Committee	100% 14/14	Yes
Director (Outside)	SEKI Tadayuki	Member of Audit Committee Director of Daimaru Matsuzakaya Department Stores Co. Ltd.	100% 14/14	Yes
Director (Outside)	OMURA Emi	Member of Audit Committee Partner of CLS HIBIYA TOKYO LAW OFFICE External Director (Audit & Supervisory Committee Member) of FOOD & LIFE COMPANIES LTD. Director of PARCO CO., LTD.	100% 14/14	Yes
Director (Outside)	YAMADA Yoshihito	Member of Nomination and Remuneration Committees Chairman of the Board of OMRON Corporation Outside Director of NEC Corporation Outside Director of Mitsubishi UFJ Securities Holdings Co., Ltd.	100% 11/11	Yes
Director (Outside)	SAITO Kazuhiro	Member of Audit Committee Outside Director of Marusan Securities Co., Ltd. Independent Outside Director (Member of the Audit Committee) of KOKUYO CO., LTD.	100% 11/11	Yes
Director	YOSHIMOTO Tatsuya	Member of Nomination and Remuneration Committees	100% 14/14	Yes
Director	HAMADA Kazuko (Note 1)	Member of Audit Committee	100% 14/14	Yes
Director (President and Representative Executive Officer)	ONO Keiichi		100% 14/14	

- (Notes)
- HAMADA Kazuko is recorded under the name of HIMENO Kazuko in the Family Registry.
  - 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.")
  - "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.
  - 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 SAITO Kazuhiro possesses extensive experience and considerable insights in finance and accounting, having served as the head of the Corporate Planning Division and Chief Operating Officer of Finance & Accounting Division, playing a central role in corporate management.
8. 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	
Managing Executive Officer	HAYASHI Kenichi	Senior Executive General Manager of Management Strategy Unit Senior General Manager of Fukuoka Tenjin Area Development Promotion Division and Risk Management Manager Director of PARCO CO., LTD. President & CEO of Daimaru Kogyo, Ltd.
Managing Executive Officer	SHIBATA Takeshi	Senior Executive General Manager of Human Resources Strategy Unit Director of Daimaru Matsuzakaya Department Stores Co. Ltd. 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 and CRE Strategy Unit Director of Daimaru Matsuzakaya Department Stores Co. Ltd.
Executive Officer	NOMURA Taiichi	Senior Executive General Manager of DX Promotion Division
Executive Officer	UMEBAYASHI Akira	Senior Executive General Manager of Business Promotion Division, Senior General Manager of Secretarial 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	KOMURO Takahiro	Shinsaibashi Area Co-prosperity Manager of Management Strategy Unit Executive Officer and Executive Store Manager of Daimaru Osaka Shinsaibashi 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 President and Representative Director of J. Front One Partner Co., Ltd.
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 September 1, 2025, ONO Keiichi retired as Senior Executive General Manager of CRE Strategy Unit, and NAGAMINE Takamasa was appointed as Senior Executive General Manager of CRE Strategy Unit.

3. KOMURO Takahiro was appointed as Executive Officer and Shinsaibashi Area Co-prosperity Manager of Management Strategy Unit on September 1, 2025.
4. On May 29, 2025, WAKABAYASHI Hayato and MATSUDA Hirokazu retired as Managing Executive Officers in charge of Special Assignments from President.

(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, 2026 as indicated below.

Position in the Company	Name	Areas of responsibility in the Company and important concurrent positions outside the Company
Managing Executive Officer	TANAKA Tomoaki	Senior Executive General Manager of Management Strategy Unit, Senior General Manager of Fukuoka Tenjin Area Development Promotion Division and Risk Management Manager
Managing Executive Officer	NAGAMINE Takamasa	Senior Executive General Manager of Financial Strategy Unit and CRE Strategy Unit Director and Managing Executive Officer and Senior Executive General Manager of Finance Headquarters of Daimaru Matsuzakaya Department Stores Co. Ltd. Managing Executive Officer for Corporate Headquarters, Head of Financial Policy Department of PARCO CO., LTD.
Managing Executive Officer	SHIBATA Takeshi	Senior Executive General Manager of Human Resources Strategy Unit Director, Managing Executive Officer, and Senior Executive General Manager of Human Resources Headquarters of Daimaru Matsuzakaya Department Stores Co. Ltd. Director and Managing Executive Officer for Corporate Headquarters, Head of HR Department of PARCO CO., LTD.
Managing Executive Officer	OZAWA Toshihiro	Senior Executive General Manager of IT Digital Unit Managing Executive Officer and Senior Executive General Manager of IT Digital Headquarters of Daimaru Matsuzakaya Department Stores Co. Ltd. Managing Executive Officer for Corporate Headquarters, Head of IT Department of PARCO CO., LTD. Outside Director (Audit and Supervisory Committee Member) of Sun* Inc.
Managing Executive Officer	HAYASHI Kenichi	In charge of Special Assignments from President Director of PARCO CO., LTD. President & CEO of Daimaru Kogyo, Ltd.
Executive Officer	KOMURO Takahiro	Senior General Manager of Board of Directors Office
Executive Officer	INAGAMI Hajime	Senior General Manager of Corporate Communications Division
Executive Officer	SAITO Takeshi	Senior Executive General Manager of Business Promotion Division, Compliance Manager
Executive Officer	HASHIMOTO Naoya	Senior General Manager of Group Management Planning Division of Management Strategy Unit
Executive Officer	TOKUDA Wakako	Senior General Manager of Group Business Development Division of Management Strategy Unit
Executive Officer	SHIOYAMA Masato	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	YONEYAMA Yuki	Shinsaibashi Area Co-prosperity Manager of Management Strategy Unit Executive Officer and Executive Store Manager of Daimaru Osaka Shinsaibashi of Daimaru Matsuzakaya Department Stores Co. Ltd.
Executive Officer	UMEBAYASHI Akira	Senior General Manager of Group Human Resources Policy Division of Human Resources Strategy Unit Executive Officer and Deputy Senior Executive General Manager of Human Resources Headquarters of Daimaru Matsuzakaya Department Stores Co. Ltd.
Executive Officer	IMAZU Takako	Senior General Manager of Group Human Resources Development Division of Human Resources Strategy Unit Executive Officer and Deputy Senior Executive General Manager of Human Resources Headquarters of Daimaru Matsuzakaya Department Stores Co. Ltd.

Position in the Company	Name	Areas of responsibility in the Company and important concurrent positions outside the Company
Executive Officer	NOMURA Taiichi	In charge of Special Assignments from President

(Note) On March 1, 2026, YOSHIDA Maki and MORITA Kosuke retired as Executive Officers. YOSHIDA Maki assumed the position of Executive Officer and Executive Store Manager of Daimaru Tokyo of Daimaru Matsuzakaya Department Stores Co. Ltd., and MORITA Kosuke assumed the positions of Executive Officer and Head of Cultural Creation Business Enablement Office, Theater Department, Music Department, and Movie Business Development Department of Cultural Creation Business 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	10	216	170	–	–	45
[of which, Outside Director]	[8]	[126]	[105]	–	–	[21]
Executive Officer	16	675	239	192	244	–
Total	26	892	410	192	244	45

(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 ¥216 million includes ¥4 million (including non-performance-linked stock-based remuneration) paid to a Director who held the post between March 1 and May 29, 2025.  
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, 2026. 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 2026.

### (4) Outline of method for determining policy regarding decisions on amounts of remuneration, etc. of each corporate officer or calculation method thereof, and content 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. Subsequently, we revised the Officer Remuneration System and Officer Remuneration Policy in accordance with the new Medium-term Business Plan, which began in FY2024. 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 shall be 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., J.

FRONT PRIME SPACE Co., Ltd., and JFR Card Co., Ltd. (hereinafter, “eligible officers of major subsidiaries of the Group”).

- (i) Contributing 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) Establishing 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) Increasing 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%. From FY2026, for President and Representative Executive Officer, quantitative valuation accounts for 100%.

\*3 For eligible officers of major subsidiaries of the Group, business profit for that subsidiary is used with a weighting of 60% in 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% in the evaluation.
- \*6 For eligible officers of major subsidiaries of the Group, weighted at 10% in 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 offensive and defensive governance of the Company from a standpoint different from that of 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 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 resolution of the Remuneration Committee, which comprises four members, namely 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 and the fiscal year's non-financial indicators which include qualitative evaluation. 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**

<b>KOIDE Hiroko</b> <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 14 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which she belongs	Nomination 100% (Attended all 11 meetings held during tenure this fiscal year) Remuneration 100% (Attended all 8 meetings held during tenure this fiscal year)
<p><b>[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled]</b>            As a Director, KOIDE Hiroko has actively and assertively provided advice and oversight on matters including the importance of multifaceted marketing in strategy formulation, risk management in investment projects, and tracking progress of business plans. As Chairperson of Board of Directors, she has additionally taken a leading role in improving the quality of strategic discussions through initiatives such as setting agendas from a medium- to long-term perspective and actively facilitating meetings.            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>		
<b>YAGO Natsunosuke</b> <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 14 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which he belongs	Nomination 100% (Attended all 11 meetings held during tenure this fiscal year) Remuneration 100% (Attended all 8 meetings held during tenure this fiscal year)
<p><b>[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled]</b>            As a Director, YAGO Natsunosuke has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on matters including the promotion of business portfolio strategies aimed at improving profitability, the direction of organizational and human resource strategies based on the Group Vision, and the strengthening of organizational audit functions.            As the Chairperson of 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 the Chairperson of 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.</p>		

<b>HAKODA Junya</b> <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 14 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)
<b>[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled]</b> As a Director, HAKODA Junya has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on matters including risk management in light of changes in financial and capital markets, management resource allocation and capital policy, and strengthening of organizational audit functions. Moreover, as the Chairperson of 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.		
<b>SEKI Tadayuki</b> <u>Independent</u> (Note)	Important concurrent positions	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 14 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which he belongs	Audit 95.8% (Attended 23 of 24 meetings held during tenure this fiscal year)
<b>[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled]</b> As a Director, SEKI Tadayuki has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on matters including financial and capital policies with a view to business portfolio transformation, and approaches to dialogue with shareholders and investors. He also 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. Furthermore, 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.		

OMURA Emi <u>Independent</u> (Note)	Important concurrent positions	Partner of CLS HIBIYA TOKYO LAW OFFICE External Director (Audit & Supervisory Committee Member) of FOOD & LIFE COMPANIES LTD. 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 14 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which she belongs	Audit 100% (Attended all 24 meetings held during tenure this fiscal year)
<p><b>[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled]</b>  As a Director, OMURA Emi has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on matters including the direction of strategies in light of social changes such as AI, risk management related to investment projects, and redefinition of and education on in-house skills within the human resource strategy.  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.</p>		
YAMADA Yoshihito <u>Independent</u> (Note)	Important concurrent positions	Chairman of the Board of OMRON Corporation Outside Director of NEC Corporation Outside Director of Mitsubishi UFJ Securities Holdings Co., 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 11 meetings held during tenure this fiscal year)
	Attendance at the meetings of Committees to which he belongs	Nomination 100% (Attended all 8 meetings held during tenure this fiscal year) Remuneration 100% (Attended all 5 meetings held during tenure this fiscal year)
<p><b>[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled]</b>  As a Director, YAMADA Yoshihito has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on matters including the promotion of business portfolio strategy and growth strategy for core businesses, the role and functions of the holding company, and thorough implementation of compliance management.  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 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, he contributes to strengthening strategy personnel functions that are closely aligned with business strategies.</p>		

SAITO Kazuhiro <u>Independent</u> (Note)	Important concurrent positions	Outside Director of Marusan Securities Co., Ltd. Independent Outside Director (Member of the Audit Committee) of KOKUYO CO., 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 11 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)
<p><b>[Major activities during current fiscal year and overview of duties executed in roles that are expected to be fulfilled]</b>  As a Director, SAITO Kazuhiro has contributed to improving the effectiveness of the Board of Directors by actively and assertively providing advice and oversight on matters including the importance of business strategy and digital strategy based on customer and market analysis, and optimizing allocations of management resources such as those pertaining to organizations and human resources of the Group.  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.</p>		

(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 are nothing less than realizing the ideals of the Group Mission Statement. Accordingly, the role of corporate governance in the Group must be designed to contribute to realizing 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) Overseeing progress, based on summary reports from the Nomination Committee, on succession planning for the President and Representative Executive Officer, personnel assignments for management talent, and Executive Officer training that have been referred to the Committee.

## 5. Operation of the Board of Directors

Composition of the Board	7 independent Outside Directors, 2 internal Directors who do not execute business, and 1 Director who concurrently serves as Executive Officer (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 FY2025, based on the evaluation of the effectiveness of the Board of Directors conducted in the previous fiscal year, we worked to further improve the effectiveness of the Board of Directors through initiatives that included monitoring of the current Medium-term Business Plan, setting annual agendas from a more strategic perspective over the medium to long term, active facilitation of meetings, and strengthening organizational audit functions.  In FY2026, the Board of Directors will more effectively engage in discussions centered on articulating the roles and functions of the holding company and its Board of Directors, as well as Group management strategies from a medium- to long-term perspective. In this way we hope to contribute to sustainable improvement in corporate value.

(Evaluation of effectiveness of the Board of Directors)

We conducted our 11th evaluation of the effectiveness of the Board of Directors between November and December 2025. Based on the results of the 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 February.

As a result of the effectiveness evaluation, it was confirmed that among the issues raised in the previous fiscal year, “reviewing agenda items and submission criteria,” “enhancing the operation of the Board of Directors,” and “strengthening of the audit function” had been addressed to a reasonable extent. On the other hand, the evaluation for FY2025 led to the raising of further issues that included “articulating roles of the holding company and its Board of Directors” and “thorough preparation and analysis in preparation for discussions of growth strategy.”

In response to this, approaches for resolving these issues were again discussed at a meeting of the Board of Directors held in March, thereby articulating concrete actions and promotion frameworks that have been reflected in the agenda for the Board of Directors in FY2026.

We will continue to strive to share issues based on the evaluation of the effectiveness of the Board of Directors and further 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 content 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	11
Number of meetings attended	Three of the incumbent members attended all 11 meetings. Director Yamada, who was newly appointed in May 2025, also attended all 8 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 the management team succession plan, which is necessary to generate the sustainable growth of the Company, as a central issue. 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 executive management. 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, striving to maintain and enhance the oversight function of the Board of Directors over the medium to long term while ensuring diversity.</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	5 Directors who do not execute business (including 4 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 five incumbent members of the committee attended all 24 meetings, and one member attended 23 meetings. SAITO Kazuhiro has attended all 17 meetings that have taken place since he was appointed member in May 2025.
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 content to the Board of Directors.</p> <p>The committee also received reports from Executive Officers and Representative Directors of each of the Group companies at the Audit Committee Meeting (held 19 times), a meeting body held apart from the Audit Committee. Report content included main strategies and promotion outcomes in the first fiscal year of the Group's Medium-term Business Plan, development and operation of the internal control system, and compliance and risk management systems. Furthermore, in striving to identify audit-related issues, each committee member visited head offices, business sites, and other locations of subsidiaries, and the full-time committee members attended important internal meetings and solicited feedback from head office business managers.</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 &amp; 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 content of individual remuneration to management personnel of the Company and major business subsidiaries, as well as individual remuneration content itself.
Number of meetings held	8
Number of meetings attended	Three of the incumbent members attended all 8 meetings. Director Yamada, who was newly appointed in May 2025, also attended all 5 meetings held during his tenure.
Comment from Chairperson of the Committee ----- Director (Outside) YAGO Natsunosuke	<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. As a result, it was confirmed that the level and composition of remuneration 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.</p> <p>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 business profit and sustainable improvement of the business 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 relationship 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, 2026)

(Millions of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b><u>Current assets</u></b>	<b><u>227,519</u></b>	<b><u>Current liabilities</u></b>	<b><u>324,502</u></b>
Cash and cash equivalents	36,099	Bonds and borrowings	45,220
Trade and other receivables	155,096	Trade and other payables	161,326
Other financial assets	14,266	Lease liabilities	24,060
Inventories	14,129	Other financial liabilities	27,655
Other current assets	6,503	Income tax payables	6,186
Sub total	226,095	Provisions	624
Assets held for sale	1,423	Other current liabilities	59,430
<b><u>Non-current assets</u></b>	<b><u>914,047</u></b>	<b><u>Non-current liabilities</u></b>	<b><u>389,042</u></b>
Property, plant and equipment	468,476	Bonds and borrowings	131,316
Right-of-use assets	123,174	Lease liabilities	136,079
Goodwill	6,799	Other financial liabilities	33,474
Investment property	177,187	Retirement benefit liability	14,486
Intangible assets	9,955	Provisions	6,308
Investments accounted for using equity method	28,129	Deferred tax liabilities	66,901
Other financial assets	82,238	Other non-current liabilities	476
Deferred tax assets	2,700		
Other non-current assets	15,385		
		<b>Total liabilities</b>	<b>713,544</b>
		<b>Equity</b>	
		<b><u>Equity attributable to owners of parent</u></b>	<b><u>415,586</u></b>
		Share capital	31,974
		Capital surplus	187,549
		Treasury shares	(38,620)
		Other components of equity	19,545
		Retained earnings	215,138
		<b><u>Non-controlling interests</u></b>	<b><u>12,436</u></b>
		<b>Total equity</b>	<b>428,022</b>
<b>Total assets</b>	<b>1,141,567</b>	<b>Total liabilities and equity</b>	<b>1,141,567</b>

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

Consolidated Statement of Profit or Loss (From March 1, 2025 to February 28, 2026)

(Millions of yen)

Item	Amount
Revenue	445,094
Cost of sales	(229,682)
<b>Gross profit</b>	<b>215,412</b>
Selling, general and administrative expenses	(164,814)
Other operating income	4,131
Other operating expenses	(5,713)
<b>Operating profit</b>	<b>49,015</b>
Finance income	797
Finance costs	(6,294)
Share of profit (loss) of investments accounted for using equity method	996
<b>Profit before tax</b>	<b>44,515</b>
Income tax expense	(16,436)
<b>Profit</b>	<b>28,079</b>
<b>Profit attributable to:</b>	
Owners of parent	28,282
Non-controlling interests	(203)
Profit	28,079

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

## Consolidated Statement of Changes in Equity (From March 1, 2025 to February 28, 2026)

(Millions of yen)

	Equity attributable to owners of parent								
	Share capital	Capital surplus	Treasury shares	Other components of equity					Total
				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		
Balance as of March 1, 2025	31,974	188,081	(23,940)	525	(29)	13,722	–	14,219	
Profit	–	–	–	–	–	–	–	–	
Other comprehensive income	–	–	–	97	40	5,144	1,980	7,263	
Total comprehensive income	–	–	–	97	40	5,144	1,980	7,263	
Purchase of treasury shares	–	(63)	(15,009)	–	–	–	–	–	
Dividends	–	–	–	–	–	–	–	–	
Change due to capital increase of consolidated subsidiaries	–	–	–	–	–	–	–	–	
Obtaining of control of subsidiaries	–	–	–	–	–	–	–	–	
Changes in ownership interests in subsidiaries	–	(756)	–	–	–	–	–	–	
Share-based payment transactions	–	287	329	–	–	–	–	–	
Transfer from other components of equity to retained earnings	–	–	–	–	–	43	(1,980)	(1,937)	
Total transactions with owners	–	(532)	(14,680)	–	–	43	(1,980)	(1,937)	
Balance as of February 28, 2026	31,974	187,549	(38,620)	622	11	18,910	–	19,545	

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance as of March 1, 2025	199,311	409,646	13,588	423,235
Profit	28,282	28,282	(203)	28,079
Other comprehensive income	–	7,263	38	7,301
Total comprehensive income	28,282	35,545	(164)	35,381
Purchase of treasury shares	–	(15,073)	–	(15,073)
Dividends	(14,393)	(14,393)	(94)	(14,487)
Change due to capital increase of consolidated subsidiaries	–	–	1	1
Obtaining of control of subsidiaries	–	–	324	324
Changes in ownership interests in subsidiaries	–	(756)	(1,218)	(1,974)
Share-based payment transactions	–	616	–	616
Transfer from other components of equity to retained earnings	1,937	–	–	–
Total transactions with owners	(12,455)	(29,606)	(987)	(30,594)
Balance as of February 28, 2026	215,138	415,586	12,436	428,022

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

[Reference]

Consolidated Statement of Cash Flows (Summary) (From March 1, 2025 to February 28, 2026)  
(Millions of yen)

Item	Amount
Cash flows from operating activities	66,992
Cash flows from investing activities	(15,154)
Cash flows from financing activities	(70,782)
Net increase (decrease) in cash and cash equivalents	(18,944)
Cash and cash equivalents at beginning of period	54,975
Effect of exchange rate changes on cash and cash equivalents	67
Cash and cash equivalents at end of period	36,099

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