

## 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*1	○		○	○					○
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	September 1986	Joined J. Walter Thompson Japan K.K. (present VML Japan)
	Outside Director	May 1993	Joined Nippon Lever K.K. (present Unilever Japan K.K.)
	KOIDE Hiroko	April 2001	Director
	(August 10, 1957)	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)	
	Important concurrent positions		
Number of Board of Directors meetings attended during the 19th fiscal year:	External Member of the Board of TAISEI CORPORATION		
14/14			
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><u>Independent</u> <u>Outside Director</u> YAMADA Yoshihito (November 30, 1961)</p> <p>Number of the Company's shares owned (shares): <b>392</b></p> <p>Number of other shares as stock-based remuneration not yet granted (shares): -</p> <p>Special interests between the Company and the Candidate: <b>None</b></p> <p>Number of Board of Directors meetings attended during the 19th fiscal year: <b>11/11</b></p> <p>Number of Nomination Committee meetings attended <b>8/8</b></p> <p>Number of Remuneration Committee meetings attended <b>5/5</b></p> <p>Tenure as Director (at the conclusion of this meeting): <b>approx. 1 year</b></p>	<p>April 1984 June 2008 March 2010 June 2010 June 2011 June 2013 June 2023 May 2025 June 2025</p>	<p>Joined Tateishi Electric Corporation (present OMRON Corporation) Executive Officer of OMRON Corporation and President and CEO of OMRON HEALTHCARE Co., Ltd. Senior General Manager, Corporate Strategic Planning H.Q. of OMRON Corporation Managing Executive Officer Representative Director and President Representative Director, President &amp; CEO Chairman of the Board (present) Outside Director of NEC Corporation (present) Outside Director of J. FRONT RETAILING Co., Ltd. (present) Outside Director of Mitsubishi UFJ Securities Holdings Co., Ltd. (present)</p>
	<p>Important concurrent positions Chairman of the Board of OMRON Corporation Outside Director of NEC Corporation 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="252 331 440 387">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="252 551 491 640">Number of other shares as stock-based remuneration not yet granted (shares): –</p> <p data-bbox="252 696 491 763">Special interests between the Company and the Candidate: <b>None</b></p> <p data-bbox="252 842 491 954">Number of Board of Directors meetings attended during the 19th fiscal year: <b>11/11</b></p> <p data-bbox="252 1021 491 1111">Number of Audit Committee meetings attended <b>17/17</b></p> <p data-bbox="252 1167 491 1256">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 January 1999 March 2001 October 2002 February 2006 April 2008 March 2010 January 2012 January 2014 May 2016 October 2017 June 2020 January 2024 June 2024</p>	<p>Joined Japan New Media Co., Ltd. General Manager of Marketing Department of Federal Express Corporation Joined The Walt Disney Company (Japan) Ltd. Vice President of Marketing and Sales Vice President of Corporate Marketing Director, General Manager of Marketing Division of SSP Co., Ltd. President Director and Vice President of Konami Sports &amp; Life Co., Ltd. (present Konami Sports Co., Ltd.) Representative Director and President Director and Chairman Representative Director and President of Widex Japan Non-executive Director of Kirin Holdings Company, Limited (present) Advisor of Widex Japan Outside Director of Japan Post Holdings Co., Ltd. (present) Outside Director of Bengo4.com,Inc. (present)</p>
	<p>Important concurrent positions Non-executive Director of Kirin Holdings Company, Limited Outside Director of Japan Post Holdings Co., Ltd. Outside Director of Bengo4.com,Inc.</p>		
<p><b>Reasons for nomination as candidate for Outside Director and overview of expected roles</b> 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. 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. 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="252 452 494 546">Number of the Company's shares owned (shares): <b>534</b></p> <p data-bbox="252 568 494 689">Number of other shares as stock-based remuneration not yet granted (shares): <b>2,073</b></p> <p data-bbox="252 712 494 842">Special interests between the Company and the Candidate: <b>None</b></p> <p data-bbox="252 864 494 1012">Number of Board of Directors meetings attended during the 19th fiscal year: <b>14/14</b></p> <p data-bbox="252 1034 494 1160">Number of Audit Committee meetings attended <b>24/24</b></p> <p data-bbox="252 1182 494 1303">Tenure as Director (at the conclusion of this meeting): <b>approx. 2 years</b></p>	<p data-bbox="518 264 654 291">October 2002</p> <p data-bbox="518 322 638 349">March 2007</p> <p data-bbox="518 358 614 385">July 2008</p> <p data-bbox="518 394 678 421">September 2010</p> <p data-bbox="518 452 678 479">September 2013</p> <p data-bbox="518 488 646 515">January 2014</p> <p data-bbox="518 546 678 573">September 2014</p> <p data-bbox="518 582 614 609">June 2019</p> <p data-bbox="518 618 614 645">April 2021</p> <p data-bbox="518 654 678 680">November 2021</p> <p data-bbox="518 712 646 739">January 2022</p> <p data-bbox="518 748 678 775">December 2022</p> <p data-bbox="518 806 614 833">June 2023</p> <p data-bbox="518 842 614 869">May 2024</p> <p data-bbox="518 878 614 904">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 1324 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 1101 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 1340 739">Outside Director, Audit and Supervisory Committee Member of Valence Holdings Inc.</p> <p data-bbox="721 748 1283 775">Partner of CLS HIBIYA TOKYO LAW OFFICE (present)</p> <p data-bbox="721 784 1414 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 1350 949">Director of PARCO CO., LTD. (scheduled to retire in May 2026)</p>
	<p data-bbox="518 878 820 904">Important concurrent positions</p> <p data-bbox="518 913 989 940">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 1617">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; display: inline-block;">New Candidate</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Director</div> <b>OSAWA Eiko</b> (February 27, 1963)  Number of the Company's shares owned (shares):  <b>1,000 shares</b>  Special interests between the Company and the Candidate:  <b>None</b>	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)
	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	<p><b>YOSHIMOTO Tatsuya</b> (April 13, 1956)</p> <p>Number of the Company's shares owned (shares): <b>159,213</b></p> <p>Number of other shares as stock-based remuneration not yet granted (shares): <b>10,768</b></p> <p>Special interests between the Company and the Candidate: <b>None</b></p> <p>Number of Board of Directors meetings attended during the 19th fiscal year: <b>14/14</b></p> <p>Number of Nomination Committee meetings attended <b>11/11</b></p> <p>Number of Remuneration Committee meetings attended <b>8/8</b></p> <p>Tenure as Director (at the conclusion of this meeting): <b>approx. 13 years</b></p>	<p>April 1979</p> <p>March 2000</p> <p>January 2008</p> <p>May 2008</p> <p>January 2010</p> <p>March 2010</p> <p>May 2012</p> <p>April 2013</p> <p>May 2013</p> <p>May 2017</p> <p>May 2020</p> <p>March 2023</p> <p>March 2024</p>	<p>Joined The Daimaru, Inc. (present Daimaru Matsuzakaya Department Stores Co. Ltd.)</p> <p>Senior Manager of Preparatory Office for Opening Sapporo Store of Planning Office for Sapporo Store, Head Office</p> <p>General Manager of Tokyo Store</p> <p>Corporate Officer, General Manager of Tokyo Store</p> <p>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.</p> <p>Corporate Officer of Daimaru Matsuzakaya Department Stores Co. Ltd. Senior General Manager of Management Planning Division</p> <p>Director and Corporate Officer</p> <p>President and Representative Director of Daimaru Matsuzakaya Department Stores Co. Ltd. and President and Representative Director of Daimaru Matsuzakaya Sales Associates Co. Ltd.</p> <p>Director of J. FRONT RETAILING Co., Ltd. (present)</p> <p>Representative Managing Executive Officer</p> <p>President and Representative Executive Officer</p> <p>President and Representative Executive Officer and Senior Executive General Manager of CRE Strategy Unit</p> <p>Executive Officer</p>

**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	<u>New Candidate</u>	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): <b>1,642 shares</b>	June 2006	In charge of Finance Policy, Financial Policy Office
	Special interests between the Company and the Candidate:	November 2007	Finance staff of J. FRONT RETAILING Co., Ltd.
	<b>None</b>	March 2010	In charge of Finance Policy and Strategy of Finance Division of Administration Unit
	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	<div data-bbox="252 259 395 286" style="border: 1px solid black; padding: 2px;">New Candidate</div> NAGAMINE Takamasa (July 3, 1975)  Number of the Company's shares owned (shares): <p style="text-align: center;"><b>1,292 shares</b></p> Special interests between the Company and the Candidate: <p style="text-align: center;"><b>None</b></p>	April 1998 June 2005 October 2021  June 2022 October 2023  September 2024  March 2025  May 2025  September 2025  March 2026 March 2026	Joined SUMITOMO CORPORATION Sumitomo Corporation (China) Holding Ltd. Vice President of Financial Department of Sumitomo Corporation of Americas Vice President & Treasurer Joined Raysum Co., Ltd., Operating Officer and Executive General Manager of President Office Joined J. FRONT RETAILING Co., Ltd., Expert Manager of Financing and Finance Policy Division of Financial Strategy Unit Executive Officer of J. FRONT RETAILING Co., Ltd. Senior Executive General Manager of Financial Strategy Unit Director of Daimaru Matsuzakaya Department Stores Co. Ltd. (scheduled to retire in May 2026) Senior Executive General Manager of Financial Strategy Unit and CRE Strategy Unit of J.FRONT RETAILING Co., Ltd. (present) Managing Executive Officer (present) Managing Executive Officer and Senior Executive General Manager of Finance Headquarters of Daimaru Matsuzakaya Department Stores Co. Ltd. (present) Managing Executive Officer for Corporate Headquarters and Head of Financial Policy Department, PARCO CO., LTD. (present)
		(Concurrent positions in the Group) Director of Daimaru Matsuzakaya Department Stores Co. Ltd. (scheduled to retire in May 2026)	

**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

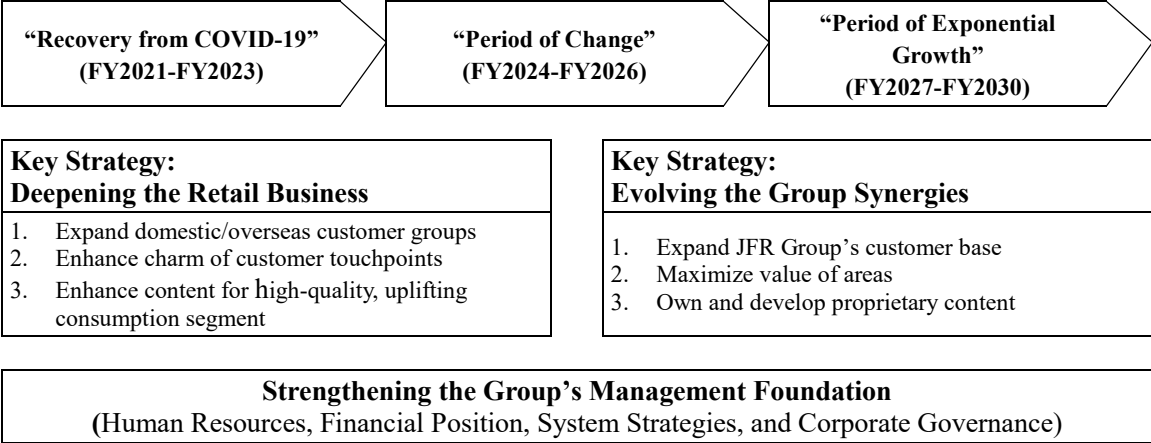
### (1) Business summary and results

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**

KOIDE Hiroko <u>Independent</u> (Note)	Important concurrent positions	Member of the Board (External Member) of TAISEI CORPORATION
	Relationships between the Company and organizations where important concurrent positions are held	No special relationships exist
	Relationship with specified affiliated business operator	No items to report
	Attendance at Board of Directors meetings	100% (Attended all 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>		
YAGO Natsunosuke <u>Independent</u> (Note)	Important concurrent positions	No items to report
	Relationships between the Company and organizations where important concurrent positions are held	No special relationships exist
	Relationship with specified affiliated business operator	No items to report
	Attendance at Board of Directors meetings	100% (Attended all 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.

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.

## **19th Annual Shareholders Meeting: Other Matters for Which Information is Provided in Electronic Format (Matters for Which Document Provision is Omitted)**

### Business Report

1. Current status of the corporate group
  - (1) Business summary and results  
(Reference) Gross sales by company, store, and product of the Department Store Business  
(Reference) Tenant transaction volume (on a gross basis) by PARCO store in the SC Business
  - (2) Major businesses
  - (3) Major sales offices
  - (4) Status of employees
2. Matters relating to Accounting Auditor
3. System and policies of the Company
  - (1) Systems to ensure properness of operations <Basic Policy to Build Internal Control System>
  - (2) Operational status of systems to ensure properness of operations <Basic Policy to Build Internal Control System>
  - (3) Basic policy regarding control of the Company

### Consolidated Financial Statements

Notes to Consolidated Financial Statements

### Non-consolidated Financial Statements

Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, Notes to Non-consolidated Financial Statements

### Audit Report

THE AUDIT REPORT OF INDEPENDENT AUDITORS CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS (COPY)

THE AUDIT REPORT OF INDEPENDENT AUDITORS CONCERNING THE NON-CONSOLIDATED FINANCIAL STATEMENTS (COPY)

THE AUDIT REPORT OF AUDIT COMMITTEE MEMBERS (COPY)

(From March 1, 2025 to February 28, 2026)

J. FRONT RETAILING Co., Ltd.

The matters listed on this document are not presented in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents in accordance with the laws and regulations and the Company's Articles of Incorporation.

## 1. Current status of the corporate group

### (1) Business summary and results

(Reference) Gross sales by company, store, and product of the Department Store Business

#### Net sales by company and store of the Department Store Business

(Millions of yen)

Company / Store		Amount	Composition	Year-on-year changes	
			%	%	
Daimaru Matsuzakaya Department Stores Co. Ltd.	Daimaru	Osaka Shinsaibashi store	113,812	13.7	(1.3)
		Osaka Umeda store	62,629	7.6	4.3
		Tokyo store	84,315	10.2	(0.2)
		Kyoto store	73,684	8.9	(6.5)
		Kobe store	101,732	12.3	3.4
		Suma store	6,336	0.8	0.3
		Ashiya store	4,376	0.5	3.1
		Sapporo store	87,518	10.6	(0.8)
		Shimonoseki store	6,863	0.8	(7.3)
		Sub total	541,270	65.3	(0.4)
	Matsuzakaya	Nagoya store	137,091	16.5	4.1
		Ueno store	27,056	3.3	(1.0)
		Shizuoka store	18,476	2.2	0.5
		Takatsuki store	5,469	0.7	0.1
Sub total		188,093	22.7	2.9	
Corporations, head office, etc.		39,120	4.7	31.3	
Total		768,484	92.7	1.7	
The Hakata Daimaru, Inc.		51,953	6.3	(13.9)	
Kochi Daimaru Co., Ltd.		8,253	1.0	(2.1)	
Shinsaibashi Kyodo Center Building, K.K.		545	0.1	97.9	
ANNIVEL Co., Ltd.		38	0.0	–	
Adjustment		(588)	(0.1)	–	
Total		828,687	100.0	0.5	

#### Net sales by product of the Department Store Business

(Millions of yen)

Product	Amount	Composition	Year-on-year changes
		%	%
Men's clothing and haberdashery	31,569	3.8	(5.7)
Ladies' clothing and haberdashery	307,279	37.1	(1.7)
Children's clothing and haberdashery	6,082	0.7	(9.9)
Kimono, bedding, and other clothing	4,846	0.6	(12.9)
Accessories	64,404	7.8	2.6
Furniture	4,063	0.5	1.6
Home appliances	165	0.0	(5.3)
Household goods	15,679	1.9	(2.8)
Food products	156,069	18.8	3.7
Food halls and cafes	20,123	2.4	2.6
General goods	164,308	19.8	1.7
Services	3,328	0.4	13.8
Other	51,355	6.2	6.2
Adjustment	(588)	(0.1)	–
Total	828,687	100.0	0.5

(Note) 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) to a gross amount.

## (Reference) Tenant transaction volume (on a gross basis) by PARCO store in the SC Business

(Millions of yen)

Store	Amount	Composition %	Year-on- year changes %	Store	Amount	Composition %	Year-on- year changes %
Sapporo PARCO	17,984	5.2	8.0	Shizuoka PARCO	8,322	2.4	1.6
Sendai PARCO	23,699	6.9	13.2	Nagoya PARCO	40,892	11.8	13.7
Urawa PARCO	33,422	9.7	5.9	Shinsaibashi PARCO	39,412	11.4	3.7
Ikebukuro PARCO	29,028	8.4	1.0	Hiroshima PARCO	13,843	4.0	0.3
PARCO_ya Ueno	10,955	3.2	16.8	Fukuoka PARCO	28,651	8.3	5.0
Kichijoji PARCO	9,265	2.7	9.8	Hibarigaoka PARCO	7,114	2.1	4.3
Shibuya PARCO	50,916	14.7	15.8	All store total	345,555	100.0	6.7
Kinshicho PARCO	12,045	3.5	6.6	(Note) The tenant transaction volume represents the total amount of tenant transactions at PARCO stores.			
Chofu PARCO	20,002	5.8	3.5				

## (2) Major businesses

The Department Store Business, the SC Business, the Developer Business, the Payment and Finance Business, and Other including wholesale business, parking, and leasing, etc.

## (3) Major sales offices

## (Department Store Business)

Name	Location	Name	Location
Daimaru Matsuzakaya Department Stores Co. Ltd.			
Head Office	Koto-ku, Tokyo	Matsuzakaya Nagoya store	Naka-ku, Nagoya
Daimaru Osaka Shinsaibashi store	Chuo-ku, Osaka	Ueno store	Taito-ku, Tokyo
Osaka Umeda store	Kita-ku, Osaka	Shizuoka store	Aoi-ku, Shizuoka
Tokyo store	Chiyoda-ku, Tokyo	Takatsuki store	Takatsuki, Osaka
Kyoto store	Shimogyo-ku, Kyoto		
Kobe store	Chuo-ku, Kobe	GINZA SIX	Chuo-ku, Tokyo
Suma store	Suma-ku, Kobe	The Hakata Daimaru, Inc.	Chuo-ku, Fukuoka
Ashiya store	Ashiya, Hyogo	Kochi Daimaru Co., Ltd.	Kochi, Kochi
Sapporo store	Chuo-ku, Sapporo	Shinsaibashi Kyodo Center Building, K.K.	Chuo-ku, Osaka
Shimonoseki store	Shimonoseki, Yamaguchi	ANNIVEL Co., Ltd.	Minato-ku, Tokyo

## (SC Business)

Name	Location	Name	Location
PARCO CO., LTD.			
Headquarters	Toshima-ku, Tokyo	Chofu PARCO	Chofu, Tokyo
Shibuya Head Office	Shibuya-ku, Tokyo	Shizuoka PARCO	Aoi-ku, Shizuoka
Sapporo PARCO	Chuo-ku, Sapporo	Nagoya PARCO	Naka-ku, Nagoya
Sendai PARCO	Aoba-ku, Sendai	Shinsaibashi PARCO	Chuo-ku, Osaka
Urawa PARCO	Urawa-ku, Saitama	Hiroshima PARCO	Naka-ku, Hiroshima
Ikebukuro PARCO	Toshima-ku, Tokyo	Fukuoka PARCO	Chuo-ku, Fukuoka
PARCO_ya Ueno (Ueno Frontier Tower)	Taito-ku, Tokyo		
Kinshicho PARCO	Sumida-ku, Tokyo	Cattleya Plaza Isezaki	Naka-ku, Yokohama
Shibuya PARCO	Shibuya-ku, Tokyo	HAB @ Kumamoto	Chuo-ku, Kumamoto
Hibarigaoka PARCO	Nishi-Tokyo, Tokyo		
Kichijoji PARCO	Musashino, Tokyo		
PARCO Digital Marketing Co., Ltd.	Shibuya-ku, Tokyo	PARCO (Singapore) Pte Ltd	Singapore

## (Developer Business)

Name	Location	Name	Location
J. FRONT CITY DEVELOPMENT Co., Ltd.			
Head Office	Shibuya-ku, Tokyo	Shinsaibashi ZERO GATE	Chuo-ku, Osaka
Ueno Frontier Tower	Taito-ku, Tokyo	Sannomiya ZERO GATE	Chuo-ku, Kobe
CROSS GINZA	Chuo-ku, Tokyo	Hiroshima ZERO GATE	Naka-ku, Hiroshima
Sapporo ZERO GATE	Chuo-ku, Sapporo	BINO OKACHIMACHI	Taito-ku, Tokyo
Harajuku ZERO GATE	Shibuya-ku, Tokyo	BINO GINZA	Chuo-ku, Tokyo
Kawasaki ZERO GATE	Kawasaki-ku, Kawasaki	BINO SAKAE	Naka-ku, Nagoya
Nagoya ZERO GATE	Naka-ku, Nagoya	BINO HIGASHINOTOIN	Nakagyo-ku, Kyoto
Kyoto ZERO GATE	Shimogyo-ku, Kyoto	and others	
PARCO SPACE SYSTEMS Co., Ltd.	Shibuya-ku, Tokyo	J. Front Design & Construction Co., Ltd.	Chuo-ku, Osaka
J. FRONT PRIME SPACE Co., Ltd.	Minato-ku, Tokyo		

## (Payment and Finance Business)

Name	Location
JFR Card Co., Ltd.	Head Office: Takatsuki, Osaka Sales Office: Tokyo 3, Osaka 2, Kyoto 1, Kobe 1, Sapporo 1, Nagoya 1, Shizuoka 1

## (Other subsidiaries)

Head Office: Osaka 5, Aichi 1, Tokyo 1, Shanghai 1, Thailand 1
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#### (4) Status of employees

##### 1) Employees of the corporate group

Category	Number of employees
J. FRONT RETAILING Co., Ltd.	243
Department Store Business	3,037
SC Business	579
Developer Business	919
Payment and Finance Business	253
Other	553
Total	5,584

(Note) Other than the employees above, the number of dedicated employees is 1,062 and the number of fixed-term employees is 782.

##### 2) Employees of the Company

Number of employees	Average age
243	47.8

(Note) Other than the employees above, the number of dedicated employees is 4 and the number of fixed-term employees is 11.

##### 3) Employees of major subsidiaries

Name	Number of employees	Average age
Daimaru Matsuzakaya Department Stores Co. Ltd.	2,778	50.2
PARCO CO., LTD.	500	43.2

## **2. Matters relating to Accounting Auditor**

### **(1) Name of Accounting Auditor**

Ernst & Young ShinNihon LLC

### **(2) Amount of remuneration, etc. of Accounting Auditor**

1) Amount of remuneration, etc. to be paid by the Company	¥127 million
2) Total cash and other financial profits to be paid by the Company and its subsidiaries	¥365 million

(Note) The audit agreement entered into by the Accounting Auditor and the Company does not clearly distinguish the amount being derived from the audit under the Companies Act and that being derived from the audit under the Financial Instruments and Exchange Act, and the two amounts cannot be practically distinguished from each other. Therefore, the amount in 1) above indicates the total of these two kinds of amounts.

### **(3) Content of non-audit service**

Preparation of comfort letters related to bond issuance

### **(4) Rationale for Audit Committee's agreement on remuneration of the Accounting Auditor**

The Audit Committee furnished its agreement with respect to the amount of remuneration, etc. provided to the Accounting Auditor, which has been deemed appropriate upon conducting a review regarding audit appropriateness with respect to the Accounting Auditor's audit plan, its execution of duties, the basis used for calculating remuneration estimates, and other factors.

### **(5) Policy for determining dismissal or non-reappointment of Accounting Auditor**

The Audit Committee is to take necessary measures that include dismissing the Accounting Auditor upon gaining consent of all Audit Committee members, or otherwise making decisions on proposals to dismiss or not reappoint the Accounting Auditor submitted to the Shareholders Meeting, in the event that the Audit Committee deems it appropriate to dismiss or otherwise not reappoint the Accounting Auditor, either if there are grounds for dismissal as provided for in Paragraph 1, Article 340 of the Companies Act of Japan, or if a situation arises whereby the audit of the Company has been significantly impeded such as would be the case if the supervisory authorities were to issue an order requiring suspension of auditing activities.

### **(6) Rationale for Audit Committee's decision on reappointment of Accounting Auditor**

The Audit Committee decided to reappoint Ernst & Young ShinNihon LLC, as a result of comprehensive considerations, following the evaluation of the appropriateness and validness of audit activities by the Accounting Auditor based on the Accounting Auditor Evaluation Standards established by the Audit Committee.

### **3. System and policies of the Company**

#### **(1) Systems to ensure properness of operations <Basic Policy to Build Internal Control System> (revised on May 29, 2025)**

This is a basic policy set out by J. FRONT RETAILING Co., Ltd. (hereinafter the “Company”) relating to building an internal control system for lawful and appropriate execution of overall business within the Group (here and hereinafter referring to the corporate group comprising the Company and its subsidiaries). By specifically promoting this policy, the Group aims to sustain its own growth and contribute to increasing corporate value over the medium and long term.

- The Company aims to realize corporate governance that is a structure for transparent, fair, swift, and resolute decision-making with due attention to the perspectives of shareholders and also customers, employees, and local communities in order to ensure the sustainable growth of the Group and increase corporate value over the medium to long term. The Company has therefore adopted the system of the company with three committees (nomination, audit, and remuneration committees) in order to strengthen the oversight function and decision-making function for business execution of the Board of Directors by clearly separating management oversight and execution functions.
- In order to achieve our best possible corporate governance structure, it is important that the President and Representative Executive Officer takes and hedges various risks (uncertainties) within the Group to build an internal control system capable of appropriate and efficient business execution.
- The internal control system is a structure that companies should establish to control internal risks (uncertainties) with a view to realizing sustainable, stable growth. Specifically, the system comprises the following Group management system, risk management system, legal compliance system, internal audit structure, and structure of the audit committee.

#### **I. Group Management System**

##### **1) Board of Directors**

- The Board of Directors shall perform an oversight function by monitoring the Executive Officers’ and Directors’ execution of business.
- The Board of Directors shall discuss and resolve matters defined in the Companies Act and/or the Articles of Incorporation, as well as the Group Vision, Sustainability Policy, the Group Medium-term Business Plan, overall policy and plan for the Group management, M&As, the Group financing plans, and other individual important matters relating to the Group management. In order to accelerate business decisions and execution, the task of determining matters involving business execution other than the above shall be delegated to execution, with the exception of matters which have a material impact on the Group management.
- Regarding oversight, decision-making, and the like by the Board of Directors, in pursuit of separating supervisory and executive functions and ensuring the effectiveness of discussions by the Board of Directors, independent Outside Directors having no risk of a conflict of interest with the Company’s shareholders shall comprise a majority of the Board of Directors.
- To ensure effectiveness of objective management oversight, in addition to the Outside Directors, internally promoted Directors who do not execute business and who are well informed about internal information shall also be appointed.

##### **2) Management execution framework**

- The Company shall clearly separate management oversight and execution and strengthen the Board of Directors’ oversight function while delegating authority for execution to enable swift management decision-making. Meanwhile, execution shall be controlled by having the following framework.
- The Company shall assign the optimal units and promotion divisions for expediting and ensuring the effectiveness of strategy execution as the organization responsible for execution, and the Senior Executive General Managers of these units and the Senior General Managers of these divisions shall be Executive Officers.
- The Company clarifies the missions of the President and Representative Executive Officer, as well as those of each unit and promotion division. Each division formulates and executes a concrete plan based

on the mission, and the roles and operations set forth in the Rules for Division of Organizations and Duties.

- Management shall formulate the major Group management policies and individual important matters, and oversee business execution of operating subsidiaries. The Board of Directors shall discuss and determine (approve) the suitability of major policies and plans that execution has prepared as well as individual important matters.
- Overall policy, plans, and other matters concerning the Group's management are discussed at the Group Management Meeting, the Group Policy Meeting, the Medium-term Business Plan Progress Meeting, the Operating Associates Results and Strategy Examination Meeting, etc. At the meetings, participants confirm the progress of management strategies, share information between management, and so forth.
- The Company shall construct systems to raise overall efficiency of the Group such as the introduction of the Group's common accounting system in principle and promotion of centralized management of the Group funds.
- The Company has adopted the International Financial Reporting Standards (IFRS) voluntarily in the interest of implementing effective management based on appropriate asset evaluation, applying business management that gives emphasis to the profit of the current period and increasing convenience for overseas investors by improving the international comparability of financial information.

### 3) Internal control promotion framework

- Under the direction of the President and Representative Executive Officer, the Company shall put a department and person in charge of internal control to strengthen internal control over execution. The person in charge shall develop and manage the operation of the internal controls regarding the Companies Act and the internal control system regarding the Financial Instruments and Exchange Act at the Company and operating subsidiaries.
- The department in charge of internal control shall coordinate with the Audit Committee, internal audit departments, each unit and promotion division, and operating subsidiaries to share information and remedy any deficiencies that occur in the internal controls.
- With regard to internal controls over financial reporting, internal systems that ensure the reliability of financial reporting in line with the Financial Instruments and Exchange Act and various associated laws and regulations shall be established at the Company and operating subsidiaries.

## II. Risk Management System

- The Company shall establish the Risk Management Committee as an advisory body to the President and Representative Executive Officer with regard to risk management. The committee is chaired by the President and Representative Executive Officer and comprises Executive Officers of the Company and presidents of major operating subsidiaries.
- The Risk Management Committee incorporates risk management into management decision-making by identifying and evaluating risks, determining which risks should be reflected in strategies, and deliberating over other important matters. Notably, the committee shall report the details of these deliberations to the Board of Directors in a timely manner.
- An officer shall be put in charge of risk management in order to promote the operation of risk management.  
The Company shall also put a department and person in charge of risk management to offer support and guidance in addition to monitoring the risk management of the Company and operating subsidiaries.
- Each operating subsidiary shall designate departments and people in charge of risk management, and provide daily leadership for risk management.
- For hazard risks such as large-scale earthquakes, fires, and accidents, crisis management shall be controlled by the "Emergency Response Headquarters" headed by the President and Representative Executive Officer.

### **III. Legal Compliance System**

#### 1) Compliance promotion framework

- The Company shall establish the Compliance Committee as an advisory body to the President and Representative Executive Officer regarding the operation of compliance management. The committee is chaired by the President and Representative Executive Officer, with members comprising Senior Executive General Managers of units, Senior General Managers of promotion divisions, individuals appointed by the chairperson to represent each business segment, and corporate lawyers.
- An officer shall be put in charge of compliance in order to promote the operation of compliance management.

The Company shall also designate a department and person in charge of compliance to establish, institutionalize, and supervise the operation of compliance systems at the Company and operating subsidiaries.

- Each operating subsidiary shall designate departments and responsible persons in charge of promotion of compliance, and shall carry out daily supervision and direction of business operations that are in accordance with laws and regulations and internal company rules.
- The Compliance Committee shall strengthen collaboration with departments in charge of compliance in operating subsidiaries, continuously oversee the development of the foundations of the compliance system and the status of implementation, and promote compliance with laws, regulations, and corporate ethics in addition to drawing up courses of action to take in response to serious compliance-related violations.

Notably, the committee shall report the details of these deliberations to the Audit Committee in a timely manner.

#### 2) Whistle-blowing system

- The Company shall establish the “JFR Group Compliance Hotline” that sets contact points both within and outside of the companies (corporate lawyer) as the whistle-blowing system of the Group, which may be used by all persons working at the Company and operating subsidiaries.
- The hotline’s policy shall be to maintain strict confidentiality regarding notifications and reports and shall not disclose the personal information of whistleblowers to a third party without their consent; to be careful to avoid identification of the whistleblower when investigating the facts; and to ensure that whistleblowers are not subjected to disadvantageous treatment in terms of personnel affairs or any other aspect.
- For hotline reports concerning management personnel, the Company shall build a structure whereby the reports are submitted directly to the Audit Committee and subjected to directions from the Audit Committee so as to secure an independent reporting route.

### **IV. Internal Audit Structure**

- The Company shall establish an independent internal audit department under the direction of the President and Representative Executive Officer. In accordance with internal audit rules and under the direction of the President and Representative Executive Officer, the internal audit department shall audit the operations of the Company and operating subsidiaries or have them properly report the results of audits of operations, examine the properness and effectiveness of the processes for their operations, and provide guidance, advice and proposals to all departments at the Company and to operating subsidiaries.
- The persons responsible for the internal audit departments, while providing directions, guidance, and assistance to the internal audit departments of the operating subsidiaries, provide a report to the President and Representative Executive Officer of the status of internal control functions through a third-party evaluation of the audit plans and audit results of the operating subsidiaries.
- To further enhance corporate governance by strengthening auditing functions, the Company shall clarify links between the President and Representative Executive Officer, the Audit Committee and the internal audit department. Specifically, the Company shall adopt a system in which reports are submitted to both the President and Representative Executive Officer and the Audit Committee. When the reports are made, the audit report and the improvement report shall be made together to realize swift measures.

- When preparing the audit policy and plan, prior consent from the Audit Committee is required, and the audit results are regularly reported to the Representative Executive Officers and the Audit Committee. Additionally, appointments and transfers of persons responsible for the internal audit departments shall be subject to advance approval by the Audit Committee, and when such persons are evaluated, the Audit Committee states an opinion to the execution of such evaluation.

## **V. Structure of the Audit Committee**

- The Audit Committee shall audit the legality and suitability of the execution of duties by the Executive Officers and Directors.
- The committee shall comprise independent Outside Directors and full-time non-executive directors, and in pursuit of transparency and objectivity, the Chairperson shall be selected from among the independent Outside Directors.
- The Audit Committee Secretariat has been established as an organization in charge of assistance for the Audit Committee's duties.
- Regarding the appointment and reassignment of secretariat staff members, and performance evaluations of the manager of the secretariat, the Audit Committee's advance approval is required to ensure independence.
- The Audit Committee shall have periodic meetings with the President and Representative Executive Officer to share information. Moreover, the Company's Executive Officers and Directors may be asked to attend the Audit Committee meetings to provide reports and opinions as necessary.
- The Audit Committee shall regularly coordinate with the internal audit department to share information. The Audit Committee has the authority to request the Internal Audit Division to conduct additional audits as necessary and to conduct audits directly. Moreover, the Accounting Auditor, outside experts, and others may be asked to attend Audit Committee meetings to provide reports and opinions as necessary.
- The Audit Committee members shall report to the Audit Committee on the status of audits of the following matters:
  - Matters resolved by or reported to the Board of Directors
  - Matters identified by the Audit Committee as issues
  - Internal audit implementation status and results (audit report, improvement report, etc.)
- The Audit Committee members shall attend the Group Management Meeting and other meetings, inspect important documents associated with the execution of duties, such as circular approval memos, and request explanations from officers and employees of operating subsidiaries as necessary.
- Operating subsidiaries shall submit the necessary audit reports and perform other duties if requested to do so by the Audit Committee.
- The Audit Committee shall have periodic meetings and the like with the audit & supervisory board members of operating subsidiaries to enhance and strengthen the auditing of the entire Group.
- Personnel appointments and transfers for audit & supervisory board members of operating subsidiaries shall require approval from the Audit Committee, and the audit & supervisory board members of operating subsidiaries concurrently serve as members in the Audit Committee Secretariat.
- The Audit Committee may request expenses deemed necessary for performing the duties from the Company, and the Company shall bear them.

## **VI. System for Storage and Management of Information**

### **1) Confidential information management**

- Regarding documents relating to the execution of duties by Executive Officers and Directors and minutes and related documents (including electromagnetic records, in both cases) regarding meetings chaired by Executive Officers and Directors, in accordance with laws, regulations, and the rules on confidential information management, each responsible department shall carry out document storage and management during the stipulated period and shall develop a system to enable inspections of such documents at any time.

2) Information security management

- The Senior General Manager of the promotion division of the Systems Department shall control information security management of the Company based on the Information Security Policy and IT Governance Policy, and shall report periodically and whenever necessary on the status of information system management and related matters to the Board of Directors, the Audit Committee, the Management Meeting, and the President and Representative Executive Officer.

## **(2) Operational status of systems to ensure properness of operations <Basic Policy to Build Internal Control System> (FY2025)**

The Company endeavors to maintain its internal control system and properly operate such system on the basis of its “Basic Policy to Build Internal Control System.” Details regarding the overall status of such operations during the current fiscal year are as follows.

### **I. Group Management System**

#### **1) Board of Directors**

- 1) To separate supervisory and executive functions and ensure the effectiveness of discussions at the Board of Directors, the Board of Directors is comprised of a majority of independent Outside Directors who have no risk of a conflict of interest with the Company’s shareholders.
- 2) The Board of Directors deliberates on material issues related to the Group management. As for the findings of and issues raised by the Board of Directors, there are demands for additional reports on execution, and efforts are made to run through the PDCA cycle, including additional debate by the Board of Directors. Briefings are also provided to Outside Directors prior to the Board of Directors meetings for fuller discussions at such meetings. The effectiveness of the Board of Directors is being improved through these initiatives.
- 3) The Board of Directors met 14 times in the current fiscal year. Their discussions included monitoring of the Medium-term Business Plan (FY2024-FY2026), the Group human resource strategy, the development in the Fukuoka Tenjin area which we position as a key area, as well as matters defined in the Companies Act and/or the Articles of Incorporation. In addition, the Board of Directors evaluates the state of creating and operating the various items stipulated in the “Basic Policy to Build Internal Control System” and confirms there are no major problems.
- 4) Evaluations of the effectiveness of the Board of Directors are performed by a third-party organization each fiscal year to continuously and further improve the effectiveness of the Board of Directors by resolving any identified issues.

#### **2) Management execution framework**

- 1) As an executive organization, the Company has established optimal strategy units for effective, faster strategy execution. Following on the mission of the President and Representative Executive Officer, the Executive Officer, who is the Senior Executive General Manager, prepares missions for each strategy unit in order to realize the Medium-term Business Plan and the Annual Execution Plan. These units execute business and support the operations and management of operating subsidiaries in line with its duties and mission.
- 2) The roles and responsibilities of the Company as a holding company include planning, formulating, and spreading the Group Vision, the Group Medium-term Business Plan and the Group Management Policy for the fiscal year; managing the progress and performance of these activities; establishing business portfolio management (optimal allocation of management resources), human resources management, shareholder management, and corporate governance group-wide. With regard to matters related to business execution at operating subsidiaries, in order to promote speedy management decisions and clarify management responsibilities; standards have been established for delegating authority to operating companies, which exclude items that have an important impact on the Group management; and things are operated in accordance with these standards.
- 3) The Company has established various meetings to execute items, the roles of which are clearly indicated. The Group Management Meeting focuses on discussions of important issues to be submitted to the Board of Directors, such as overall policy and plans for the Group’s management. The matters discussed are reviewed at the Group Policy Meeting, the Medium-term Business Plan Progress Meeting, and the Operating Associates Results and Strategy Examination Meeting to help facilitate prompt management decisions.
- 4) As a rule, the common Group accounting system is introduced; and efforts are made to promote more efficient operations and integrated and more efficient fund procurement by the Group through a cash management system.

### 3) Internal control promotion framework

- 1) Under the direction of the President and Representative Executive Officer, the Company has established a department and person responsible for internal control. This department and person develop and manage the internal controls regarding the Companies Act and the internal control system regarding the Financial Instruments and Exchange Act at the Company and operating subsidiaries.
- 2) With regard to internal controls over financial reporting, the Company and operating subsidiaries maintain and operate internal systems to ensure the reliability of financial reporting in line with the Financial Instruments and Exchange Act and various associated laws and regulations.
- 3) During the current fiscal year, no material deficiencies that should be disclosed were found, and this was reported to the Audit Committee and the Board of Directors.

## II. Risk Management System

- 1) The Company has established the Risk Management Committee as an advisory body to the President and Representative Executive Officer with regard to risk management. The committee is chaired by the President and Representative Executive Officer and comprises Executive Officers of the Company, presidents of operating subsidiaries, and others.
- 2) The Risk Management Committee regularly discusses, identifies, and evaluates risks (uncertainties), prioritizes them and reflects them in strategies, monitors related countermeasures, and submits related reports to the Board of Directors.
- 3) The Risk Management Committee met five times in the current fiscal year to address and monitor countermeasures based on the important risks (important risks for the Group) to be addressed under the Medium-term Business Plan, as well as to review and address the important risks for the Group in light of changes in the internal and external environment during the period.
- 4) For hazard risks such as large-scale earthquakes, fires, and accidents, the Company has established a system in which crisis management is controlled by the “Emergency Response Headquarters” headed by the President and Representative Executive Officer. During the current fiscal year, the Company, based on its “Crisis Management Rules” and “Business Continuity Manual” to be followed in case of a large-scale natural disaster, continued to make efforts to improve its ability to respond to a wide range of crisis events by conducting BCP drills several times, including at our operating companies.

## III. Legal Compliance System

### 1) Compliance promotion framework

- 1) The Company has established the Compliance Committee as an advisory body to the President and Representative Executive Officer regarding the compliance operation. The President and Representative Executive Officer shall be the chairperson and the members of the committee shall be a corporate lawyer, Executive Officers, and others.
- 2) Departments and persons responsible for compliance are also put at operating subsidiaries, and carry out daily supervision and direction of business operations that are in accordance with laws and regulations and internal company rules.
- 3) The Compliance Committee met six times during the current fiscal year to discuss issues in the Group’s internal organizational culture and initiatives aimed at reform. The committee also discussed the response to the aggregated reports to the whistle-blowing system. Furthermore, a compliance awareness survey was conducted on all employees of the Group.
- 4) In order to spread efforts to ensure compliance, those responsible for compliance at each group company meet three times a year to increase compliance awareness and implement activities within the entire group.

We also conducted trainings on the theme of compliance and corporate culture for officers and management personnel.

## 2) Whistle-blowing system

- 1) The Company has established the “JFR Group Compliance Hotline” for reporting issues to the Company or an independent party (corporate lawyer), which may be used by all persons working at the Company and operating companies.
- 2) For hotline reports concerning management personnel, the Company has built a structure whereby the reports are directly submitted through the hotline desk to the Audit Committee and subjected to directions from the Audit Committee.
- 3) During the current fiscal year, efforts were made to increase recognition and promote understanding of the system among the Group company employees through measures such as posting analysis of issues reported and the status of responses to them on our in-house portal site. As a result, 69 cases related to labor-management relations and other issues were reported, and are being dealt mainly by the secretariat.

## IV. Internal Audit Structure

- 1) The Company has established an independent Internal Audit Division under the President and Representative Executive Officer. The Internal Audit Division verifies and evaluates the legality and effectiveness of systems of corporate governance, risk management, and compliance management, in addition to performing audits on business operations of the Company and each operating company.
- 2) There is a system in which reports are submitted to both the President and Representative Executive Officer and the Audit Committee, and audit results and improvement measures related to audit findings are regularly reported. As for orders related to improvement measures from management, issues are promptly handled in collaboration with the audited departments.
- 3) We have established remote audit structure, which is used to conduct audits along with onsite audits. During the current fiscal year, we conducted operational audits on the status of legal compliance with the Labor Measures Comprehensive Promotion Act, the Antimonopoly Act, and other statutes, as well as the status of development of operational rules and regulations and their compliance. We also conducted audits based on themes such as the status of information security measures and the Group human resource strategy initiatives.

## V. Structure of the Audit Committee

- 1) The Audit Committee, which is chaired by an Outside Director, is composed of five members including Directors who do not execute business and are Inside Directors.
- 2) In accordance with the overall policy and plan determined by the Board of Directors, the Audit Committee audits the execution of business by Executive Officers and Directors, important matters submitted to the Board of Directors, and other individual matters the Audit Committee considers necessary, as well as the status of establishing and implementing internal controls, and then prepares audit reports.
- 3) The Audit Committee receives explanations on the audit policy and plan prior to the audit from the Accounting Auditor, and receives explanations and reports on the audit results and expresses its opinions including requests on audit items, and in addition, exchanges of opinions with the Accounting Auditor is carried out on a regular basis. It receives regular audit reports from the Internal Audit Division on the status of improvements regarding issues identified through internal audits. Moreover, the Audit Committee works closely with the audit & supervisory board members of the Group companies through regular meetings to share recognition of auditing issues and exchange opinions.
- 4) To grasp important decision-making processes and the status of the execution of duties, full-time members of the Audit Committee not only attend important committees and other meetings, such as the Group Management Meeting, but also peruse important documents relating to the execution of business such as approval circulars.
- 5) During the current fiscal year, the Audit Committee met 24 times. Apart from the Committee, we carried out audits on execution of duties of all of the Executive Officers of the Company at the Audit Committee Meeting. Through these, we monitored the progress of the plans based on the Group’s

policies such as the strengthening of the Group's management foundation, the status to maintain and improve sound and sustainable company structure, etc.

## **VI. System for Storage and Management of Information**

### **1) Confidential information management**

- 1) The Company ensures that the documents associated with the execution of duties by the Executive Officers and Directors, as well as the minutes and relevant materials (including electronic records) of the meetings held by Executive Officers and Directors are appropriately stored and managed by each of the responsible departments based on laws and regulation as well as internal rules.

### **2) Information security management**

- 1) The Company has formulated information security policies and IT governance policies and distributes them within the Group, and based on these policies, the individual departments in charge conduct information security management. Reports on the status of management of information systems and related matters are made at the Board of Directors, the Audit Committee, and the Group Management Meeting as necessary.
- 2) To minimize potential IT related risks and increase corporate value, the Company controls activities ranging from the development of IT strategy to its implementation with the Regular IT Governance Meeting and the System Development Meeting based on the Company's IT governance policy, regulations, and rules. We also promote efforts to ensure compliance with our information security policy through ongoing training related to targeted e-mail attacks and incident response.

### **(3) Basic policy regarding control of the Company**

#### **I. Content of basic policy**

The Company believes it is necessary for the party controlling the Company's financial and business policy decisions to be a party who sufficiently understands the financial and business details of the Group and the sources of the Group's corporate value, continuously and sustainably ensures that the corporate value of the Group and, by extension, the common interests of shareholders are served, and enables further improvement in this area.

As the Company is a listed enterprise, the Company's policy regarding its shareholders is that, in general, they are determined through free market transactions on the financial instruments market. Furthermore, even in the case of a purchase of shares of the Company above a certain scale by specific shareholders or specific groups (hereinafter "Large-Scale Purchase"), if this Large-Scale Purchase will contribute to the corporate value of the Group and, by extension, the common interests of its shareholders, the Company believes that this should not be rejected outright and that, ultimately, the decision on whether to accept or reject it should be left to the discretion of the Company's shareholders.

Nevertheless, a Large-Scale Purchase that involves a serious risk of causing damage to the corporate value of the Group may be envisaged. This may include a Large-Scale Purchase that, in view of its purpose and other factors, would demonstrably harm the Group's corporate value; one with the potential to involve substantial coercion of shareholders to sell shares of the Company; or one that would not provide sufficient time and information for the Company's Board of Directors and shareholders to consider factors such as the details of the large-scale purchaser's proposal, or for the Company's Board of Directors to make an alternative proposal.

A party attempting this kind of Large-Scale Purchase, which would not contribute to the corporate value of the Group and, by extension, the common interests of its shareholders (hereinafter, the "Large-Scale Purchaser"), would not be appropriate as a party controlling the Company's financial and business policy decisions. Accordingly, the Company believes that it is the duty of the Company's Board of Directors, which is entrusted by the shareholders to manage the Company, to respond to this kind of Large-Scale Purchase by ensuring that processes such as provision of information by the Large-Scale Purchaser and considerations and evaluations by the Company's Board of Directors are carried out, and securing sufficient time for the Company's Board of Directors and shareholders to consider the details of the Large-Scale Purchaser's proposal in order to prevent damage to the corporate value of the Group and, by extension, the common interests of its shareholders.

#### **II. Frameworks contributing to realization of basic policy**

Since the foundation of Daimaru and Matsuzakaya, the Group has been engaged in businesses of kimono fabric stores and department stores for many years based on the corporate philosophies and traditional spirits of these businesses, which are: "Service before profit (those who place service before profit will prosper)," "Abjure all evil and practice all good" and "In doing good to others, we do good to ourselves."

The Company believes that the sources of the Group's corporate value are the relationships of trust it has established with customers and with society, which have been refined on the basis of these philosophies and spirits.

Accordingly, in order to exemplify the principles of "customer-first principle" and "contribution to society," which are in common with these philosophies and spirit, the Company has established the following Basic Mission Statement of the Group: "to aim at providing high quality products and services that meet the changing times and satisfying customers beyond their expectations" and "to aim at developing the Group by making a broad contribution to society as a fair and trusted business entity." Based on this Basic Mission Statement, the Company implements a wide range of measures, aimed at realizing the Group Vision of "Create and Bring to Life 'New Happiness,'" in order to make a contribution to securing and enhancing the corporate value of the Group and, by extension, the common interests of shareholders.

### **III. Framework to prevent parties deemed inappropriate in light of basic policy from controlling the financial and business policy decisions of the Company**

At present, the Company has not specifically stipulated a concrete framework for a case in which a Large-Scale Purchaser appears, commonly known as takeover defense measures.

Nevertheless, the Company believes that, in order to prevent damage to the Group's corporate value if a Large-Scale Purchaser appears, it is necessary to carefully examine the impact a Large-Scale Purchase would have on the Group's corporate value after ascertaining certain information about the Large-Scale Purchaser. Such information would include the nature of the Large-Scale Purchaser, the purpose of the Large-Scale Purchase, the Large-Scale Purchaser's proposed financial and business policies and their policy for handling shareholders, the Group's customers, business partners, employees, the communities that surround the Group, and other stakeholders.

Accordingly, if this occurs, the Company will establish an independent committee composed of Outside Officers and experts with viewpoints that are independent from the Company's management personnel and Inside Directors. If the Company judges that the said Large-Scale Purchaser is inappropriate in light of the aforementioned basic policy after considering advice and opinions from the committee, the Company will act to secure the Group's corporate value and, by extension, the common interests of shareholders by taking necessary and appropriate countermeasures.

### **IV. Judgment of the Company's Board of Directors regarding concrete framework and reasons for such judgment**

Various measures formulated by the Group are formulated based on the Group's Basic Mission Statement, and are intended to further build up the relationships of trust with customers and with society, which are the sources of the Group's corporate value. Therefore, the Company believes that these measures are in line with the content of the basic policy and contribute to securing and enhancing the corporate value of the Group and, by extension, the common interests of shareholders.

Furthermore, if the Company takes necessary and appropriate countermeasures against a Large-Scale Purchaser judged to be inappropriate in light of the basic policy, the fairness, neutrality and rationality of this judgment will be ensured by making it in consideration of advice and opinions from an independent committee whose independence from the management personnel and Inside Directors of the Company is assured. Accordingly, the Company believes that these measures would not damage the corporate value of the Group or the common interests of shareholders, and that they are not intended to maintain the positions of the officers of the Company.

## **Notes to Consolidated Financial Statements**

### **Notes on important matters forming the basis of preparation of consolidated financial statements, etc.**

#### 1. Reporting standards for the preparation of consolidated financial statements

The J. Front Retailing Group (the “Group”) has been preparing its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), based on the provisions of Article 120, Paragraph 1 of the Regulation on Accounting of Companies.

Certain items of the consolidated financial statements that are required to be disclosed by the IFRS are omitted based on the latter provisions of the same Paragraph.

#### 2. Matters concerning the scope of consolidation

Consolidated subsidiaries      25 companies

Major consolidated subsidiaries are listed in “1. Current status of the corporate group, (8) Status of significant parent company and subsidiaries” in the Business Report.

The Company established JFR & KOMEHYO PARTNERS Co., Ltd. through a joint investment on March 3, 2025, and it is included in the scope of consolidated subsidiaries. Daimaru Matsuzakaya Department Stores Co. Ltd., a consolidated subsidiary of the Company, established ANNIVEL Co., Ltd. through a joint investment on July 28, 2025, and it is included in the scope of consolidated subsidiaries. Additionally, on September 1, 2025, the Company established J. FRONT PRIME SPACE Co., Ltd., and it is included in the scope of consolidated subsidiaries.

#### 3. Matters concerning the application of the equity method

Equity method associates      9 companies

Major equity method associates include Ginza 6-chome Kaihatsu Tokutei Mokuteki Kaisha. With regard to equity method associates whose balance sheet dates are different from the consolidated balance sheet date, necessary adjustments are made by additionally preparing their financial statements as of the fiscal year end of the Company or other means.

#### 4. Matters concerning the fiscal year of consolidated subsidiaries

With regard to subsidiaries whose balance sheet dates are not the end of February, which is balance sheet date of the Company, because the legal system of the region where the subsidiaries are located does not allow them to have the same balance sheet date as that of the Company, or for other reasons, adjustments are made by additionally preparing their financial statements as of the fiscal year end of the Company or other means.

#### 5. Matters concerning accounting policies

##### (1) Foreign currency translation

##### 1) Foreign currency transactions

Each entity of the Group has set its own functional currency as the currency of the primary economic environment in which the entity operates. Transactions of each entity are measured at the functional currency.

When each entity prepares non-consolidated financial statements, transactions in currencies other than its functional currencies are translated using the exchange rate prevailing at the dates of transactions.

Foreign currency monetary assets and liabilities at the end of the reporting period are translated using exchange rates at the end of the reporting period.

Exchange differences arising from translation or settlement are recognized as profit or loss. However, when gains or losses on non-monetary items are recorded in other comprehensive income, exchange differences are also recorded in other comprehensive income.

2) Financial statements of foreign subsidiaries, etc.

Assets and liabilities of foreign subsidiaries, etc., are translated into Japanese yen at the exchange rate prevailing at the end of the reporting period. Income and expenses of foreign subsidiaries, etc. are translated into Japanese yen at the average exchange rate for the period, unless there is significant change in the exchange rate during the period. When there is significant change in the exchange rate, the income and expenses are translated using the exchange rate at the transaction date.

Exchange differences arising from translation of the financial statements of foreign subsidiaries, etc. are recognized in other comprehensive income. Exchange differences for foreign subsidiaries, etc. are recognized as profit or loss in the period during which the foreign subsidiaries, etc. are disposed of.

(2) Basis and method of valuation of significant assets and accounting method for deferred assets

1) Financial instruments

(i) Non-derivative financial assets

Trade and other receivables are initially recognized on the date when they are incurred. All other financial assets are initially recognized on the trade date when the Group becomes a party to the contractual provisions of the financial instruments.

An overview of classification and measurement model of non-derivative financial assets is as follows.

(a) Financial assets measured at amortized cost

With regard to investments in debt instruments, when the contractual cash flows consist of principal and interest paid on specified dates, and the Group holds such investments based on a business model whose objective is to hold the instrument to collect contractual cash flows, the debt instruments are measured at amortized cost using the effective interest method.

(b) Financial assets measured at fair value through other comprehensive income

With regard to investments in debt instruments, when the contractual cash flows consist of principal and interest paid on specified dates, and the Group holds such investments based on a business model whose objective is both to collect contractual cash flows and to sell the financial assets, the debt instruments are measured at fair value.

For investments in equity instruments that are not held for trading, the Group may make an election (irrevocable) at the initial recognition to measure them at fair value and recognize any changes in the fair value in other comprehensive income. In this case, changes in the fair value are recognized in other comprehensive income (not reclassified to profit or loss). The cumulative amount recognized as other comprehensive income is transferred to retained earnings when the financial asset is derecognized. Dividends are recognized in profit or loss unless they obviously represent a partial recovery of the cost of the investment.

(c) Financial assets measured at fair value through profit or loss

Financial assets other than above are measured at fair value with changes in fair value recognized in profit or loss.

The Group does not designate any debt instrument as measured at fair value through profit or loss to remove or significantly reduce an accounting mismatch.

(d) Impairment of financial assets

The Group recognizes impairment of debt instruments measured at amortized cost or at fair value through other comprehensive income based on its evaluation at the end of each reporting period whether there is a significant increase in credit risk of financial assets or groups of financial assets since initial recognition. Specifically, when there is no significant increase in the credit risk since initial recognition, expected credit losses for 12 months are recognized as allowance for doubtful accounts. On the other hand, when there is a significant increase in credit risk since initial recognition, expected credit losses for the remaining life of the financial assets are recognized as allowance for doubtful accounts.

Whether credit risk is significantly increased or not is determined based on the changes in default risk.

For trade receivables arising from the ordinary course of business of the Group, since the period up to the collection is short, expected credit losses of such trade receivables are recognized over their remaining lives from the inception simply based on historical credit loss experience.

(e) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or the contractual rights to receive cash flows from the financial asset are transferred in a transaction where substantially all the risks and rewards incidental to ownership of the financial asset are transferred. Any interests in transferred financial assets that are created or continuously retained by the Group are recognized as a separate asset or liability.

(ii) Non-derivative financial liabilities

The Group recognizes financial liabilities at the date of transaction when the Group becomes a party to the contract for the financial instrument.

Non-derivative financial liabilities include borrowings, bonds, trade payables, other short-term payables, common gift certificates for department stores nationwide, deposits, etc. These financial liabilities are initially recognized at fair value and subsequently measured at amortized cost based on the effective interest method.

The Group derecognizes a financial liability when the financial liability is extinguished, i.e. when the contractual obligation is discharged, cancelled, or expired.

(iii) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments with maturities of three months or less that are readily convertible to cash and subject to insignificant risk of change in value.

2) Basis and method of valuation of non-financial instruments

(i) Inventories

Inventories are measured at the lower of acquisition cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The acquisition cost is calculated mainly using the identified cost method, and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

(ii) Assets held for sale

If the carrying amounts of non-current assets are recovered principally through a sale transaction rather than through continuing use, these assets (or disposal groups) are classified as "Assets held for sale."

An asset held for sale is measured at the lower of its carrying amount and fair value less cost to sell.

After property, plant and equipment, intangible assets, and investment property have been classified under "assets held for sale," depreciation or amortization will not be applied to these assets.

3) Property, plant and equipment

Property, plant, and equipment is measured using the cost model and is carried at cost less accumulated depreciation and accumulated impairment losses.

The acquisition cost includes costs directly attributable to the acquisition of the asset, costs related to disassembly, retirement, and site restoration, and borrowing costs that should be capitalized.

Depreciation of assets other than land and construction in progress is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives of major components of property, plant and equipment are as follows:

- Buildings and structures 2 to 60 years
- Machinery and vehicles 2 to 17 years
- Furniture and fixtures 2 to 20 years

4) Goodwill

The Group measures goodwill at the amount calculated by deducting the net recognized amount (usually, fair value) of identifiable assets acquired and liabilities assumed at the date of acquisition from the fair value of the consideration for the transfer including the recognized amount of non-controlling interests in the acquiree, which is measured at the date of acquisition.

Goodwill is not amortized. Instead, it is tested for impairment annually, or whenever there are indications of potential impairment.

Impairment losses of goodwill are recognized in the consolidated statement of profit or loss, and not reversed subsequently.

In addition, goodwill is carried at cost less accumulated impairment losses on consolidated statement of financial position.

5) Intangible assets

Intangible assets are measured using the cost model and stated at cost less accumulated amortization and accumulated impairment losses.

After the initial recognition, intangible assets other than goodwill are amortized using the straight-line method over respective estimated useful lives, except for intangible assets with indefinite useful lives. Estimated useful lives of major intangible assets are as follows. In addition, the Group has no significant intangible assets with indefinite useful lives.

- Software 5 to 10 years

6) Right-of-use assets

The Group confirms a right-of-use asset on the lease commencement date and initially measures it at its acquisition cost. The aforementioned acquisition cost consists of the amount of the lease liability, the amount of lease payments made before the lease commencement date adjusted to exclude any received lease incentives, and the initial direct cost that was incurred.

After the initial measurement, right-of-use assets are depreciated using the straight-line method over the lease term. The lease term is determined based on the non-cancellable term of the lease, taking into consideration any term for which there is reasonable certainty of extension and any term for which there is reasonable certainty of non-cancellation. In cases where a right-of-use asset is impaired, the impairment loss is deducted from the carrying amount of the right-of-use asset.

7) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments to be paid in the future over the lease term on and after the lease commencement date. When calculating the present value, if the interest rate implicit in the lease can be readily determined, that is used, and if it cannot, the lessee's incremental borrowing rate is used.

The lease payments used in the measurement of lease liabilities include the lease payments of the extended term if the lease term reflects the exercise of a lease extension option, and include the cancellation fees if the lease term reflects the exercise of a lease cancellation option.

After the initial measurement, lease liabilities are measured at the amortized cost using the effective interest method. Moreover, if changes in future lease payments arise due to changes in indexes or rates, or if changes in the assessment regarding the potential for execution of an extension option or a cancellation option arises, the Group remeasures the lease liabilities.

If remeasuring the lease liabilities, the carrying amount of the right-of-use asset is also adjusted using the remeasured amount of the lease liabilities. However, if the decrease in liabilities due to re-

measurement of the lease liabilities is larger than the carrying amount of the right-of-use asset, the amount remaining after impairing the right-of-use asset to zero is recognized as a net loss.

8) Investment property

Investment property is measured using the cost model and stated at cost less accumulated depreciation and accumulated impairment losses. (See “3) Property, plant and equipment” for method of depreciation and useful life.)

9) Impairment of non-financial assets

The Group determines every reporting period whether there is any indication that carrying amounts of the Group’s non-financial assets excluding inventories and deferred tax assets may be impaired. If any indication exists, the recoverable amount of the asset is estimated.

For goodwill and intangible assets with indefinite useful lives or not yet available for use, the recoverable amount is estimated at the same time each year.

The recoverable amount of an asset or a cash-generating unit is the larger of its value in use and fair value less cost of disposal. The cash-generating unit is the smallest group of assets that generates cash inflows, from continuous use, that are largely independent of the cash inflows from other assets or groups of assets.

To test goodwill for impairment, cash-generating units to which the goodwill is allocated are integrated so that impairment is tested reflecting the smallest unit related to the goodwill. Goodwill acquired in business combination is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized as profit or loss, if the carrying amount of an asset or cash-generating unit exceeds the recoverable amount. For an impairment loss recognized in the past, when there is an indication of a reversal of impairment loss and a change in the estimates used to determine the recoverable amount, the impairment loss is reversed to the recoverable amount. However, impairment losses related to goodwill are not reversed. An impairment loss is reversed up to the carrying amount that would have been determined had no impairment loss been recognized, net of necessary depreciation and amortization.

(3) Accounting policy for significant provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, when it is highly probable that an outflow of financial resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. To determine the amount of a provision, when the effect of the time value of money is material, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the liability. Unwinding of the discount over time are recognized in finance costs.

Asset retirement obligations

Asset retirement obligations are recorded at the estimated amount of restoration costs for leased stores, offices, etc. for which the Group has obligations to restore them to original state at the time when the lease is terminated.

Provision for loss on business liquidation

Legal or constructive obligations are recorded for the cost of store dismantlement, etc. that is expected to be borne in the future as a result of business liquidation, store closure, and store rebuilding.

(4) Revenue recognition

Based on the following five-step approach, revenue is recognized as the amount of consideration to which the Group expects to be entitled in exchange for the transfer of goods or services promised to customers.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

The Group, under a holding company structure, develops businesses such as the SC Business, the Developer Business, and the Payment and Finance Business, with the Department Store Business at its core. Revenue recognition by business segment is as follows:

1) Revenue recognition by business segment

(i) Department Store Business

The Department Store Business carries out the sale of clothing, general goods, household goods, food products, and others. With regard to these sales of goods, since it is determined that the customer obtains control over the goods and the performance obligation is satisfied at the time when goods are delivered to the customer, the Group recognizes revenue at the time of delivery of such goods. Payments for goods are received mainly at the time of delivery of the goods, which is the time when performance obligation is satisfied.

(ii) SC Business

The SC Business undertakes development, management, supervision, and operation of shopping centers. With regard to these services, because these services are provided on a continuous basis and thus it is determined that performance obligation is satisfied over a certain period of time, revenue is recognized as the services are rendered. Revenue from lease of shopping centers and others is recognized over the lease term, in accordance with IFRS 16.

(iii) Developer Business

The Developer Business carries out development, sales, supervision, operation, interior decorating work, etc. of real estate.

Revenue from lease of real estate and others is recognized over the lease term, in accordance with IFRS 16. Revenue from sales of real estate is recognized at the time when ownership of the developed property is transferred to the customer, as it is determined that the performance obligation is satisfied at that point. The payment for the delivered property is received at the time of property delivery, which is the point of satisfaction of the performance obligation.

Revenue from the design and operation of interior decorating work is recognized based on the progress towards the satisfaction of performance obligations over a certain period for construction contracts in the business. For such construction contracts, since it is determined that the incurrence of costs appropriately reflects the progress of the work, the measurement of progress is conducted based on the proportion of construction costs incurred by the end of each reporting period to the total expected construction costs. If the progress cannot be reasonably measured but it is expected that the costs incurred in fulfilling the performance obligation will be recoverable, revenue is recognized to the extent of the costs incurred for performance obligations satisfied over a certain period of time until the progress can be reasonably measured.

(iv) Payment and Finance Business

The Payment and Finance Business undertakes issuance and administration, etc. of credit cards.

In the Payment and Finance Business, the Group recognizes annual membership fees from cardholders and other fees, such as those from department stores, shopping centers, and merchant, as revenue.

Revenue from annual membership fees is recognized over the period of the membership, as the performance obligation is satisfied according to the duration of the membership fees based on the contract with the member who is the customer. Revenue from merchant fees is recognized at the time of credit card usage, when the service is completed and the performance obligation is satisfied, based on the contract with the merchant who is the customer. Revenue from interest on installment sales is recognized by multiplying the revolving balance and the number of installment payments by their respective set interest rates to calculate interest revenue, and the interest is recognized in the period to which it is attributable, in accordance with IFRS 9.

(v) Other

Within other, for sales of products and merchandise such as electronic components, automobile components, industrial supplies, and liquor within the wholesale business, the Group deems that in most cases the customer acquires control of the products when they are delivered and its performance obligations are satisfied. Therefore, usually revenue is recognized for the goods upon their delivery.

2) Gross and net presentation of revenue

When the Group conducts transactions as a principal, revenue is presented at the gross amount of consideration received from customers. When the Group conducts transactions as an agent for the benefit of a third party, revenue is presented at the net amount calculated by deducting the amount collected for the benefit of the third party from the gross amount of consideration received from customers.

(5) Income tax

Income tax consists of current taxes and deferred taxes, and is recognized as loss except for the items that are recognized in other comprehensive income.

Deferred taxes are recognized for temporary differences between the carrying amounts of assets or liabilities in the statement of financial position and its tax base, and for unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when temporary differences are reversed based on the laws enacted or substantively enacted by the end of the reporting period.

The recoverability of deferred tax assets is reviewed at the last day of every fiscal year after recognizing deferred tax assets to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilized. A deferred tax liability is recognized for all taxable temporary differences in principle.

The Company and some consolidated subsidiaries apply the Japanese group relief system.

(6) Employee benefits

The Group has established defined benefit plans (such as a corporate pension fund plan and lump-sum retirement benefit plan) as employee retirement benefit plans, and certain consolidated subsidiaries have adopted defined contribution plans.

The projected unit credit method is used to determine the present value of defined benefit obligation, related current service cost and past service cost.

The discount rate is determined by reference to market yields at the end of the fiscal year on high quality corporate bonds corresponding to the discount period established based on the period to the date when the future benefits for each fiscal year are to be paid.

Net defined benefit liability or asset is determined as the present value of defined benefit obligation less the fair value of plan assets (including adjustments to the cap on plan assets).

Remeasurements of net defined benefit liability or asset are recognized as other comprehensive income and immediately transferred from other components of equity to retained earnings. Remeasurements consist of actuarial gains and losses on defined benefit obligation, return on plan assets (excluding the amount of interest revenue on plan assets), and others.

Costs for defined contribution benefits are recognized as expenses in the period in which the employees provide services.

(7) Share-based payment

To ensure steady execution of the Medium-term Business Plan for realizing the Group Vision, the Company has adopted a stock-based remuneration system for officers utilizing a trust (officer remuneration BIP trust).

The officer remuneration BIP trust is a system of granting the Company's shares to officers (in this system, 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' level of achievement of the Medium-term Business Plan, etc. The value of the service received is measured by the fair value of the Company's shares on the grant date. This value is expensed over the vesting period from the grant date, and a corresponding amount is recognized as an increase in equity.

## Notes to accounting estimates

### 1. Property, plant and equipment, right-of-use assets, goodwill, investment property, and intangible assets

The Group conducts impairment tests if there is an indication that property, plant and equipment, right-of-use assets, goodwill, investment property, and intangible assets may be impaired.

Impairment tests are performed by comparing the carrying amount and the recoverable amount of the asset. If the recoverable amount is less than the carrying amount, an impairment loss is recognized.

The recoverable amount is the larger of its value in use and fair value less cost of disposal. In estimating value in use, the Group considers future cash flows generated from the use of the asset and future cash flows from its ultimate disposal, and applies a discount rate.

The forecasting period for future cash flows is estimated by considering the remaining useful life of the relevant asset.

Future cash flows before discounting are estimated based on the business plan. The main assumptions include forecast trends for personal spending in Japan and outlook for inbound tourism demand, and the rate of sales growth for the period after the business plan.

For the forecast trend for personal spending in Japan, which is the basis of revenue, the Group bases its forecast on the most recent performance, factors in the effect of measures in its business plan, and forecasts for each of the relevant primary business segments. In addition, in the outlook for inbound tourism demand, the Group creates a scenario based on international shipping forecasts and tourism demand forecasts by external organizations, and forecasts the demand within the scope of that scenario.

Although it is also difficult to forecast changes in consumption and other developments impacted by changes in social and economic circumstances, some assumptions are incorporated into forecasts of personal spending trend in Japan and the outlook for inbound tourism demand.

Furthermore, the sales growth rate for the period after the business plan is determined by referencing long-term growth rates for the relevant markets. These estimates are based on management's best estimates, but may differ from actual results due to effects of changes in uncertain future economic conditions.

For the estimation of fair value less cost of disposal, the Group calculates based on real estate appraisal values, deducting the estimated disposal costs.

Moreover, the amounts of impairment losses in the consolidated financial statements and non-current assets in the Department Store Business and the SC Business are as follows.

	Department Store Business	SC Business
Impairment losses	¥756 million	¥973 million
Property, plant and equipment	¥245,339 million	¥195,564 million
Right-of-use assets	¥84,710 million	¥48,459 million
Goodwill	¥6,275 million	¥523 million
Investment property	¥127,364 million	¥3,144 million
Intangible assets	¥4,654 million	¥1,051 million

### 2. Retirement benefit

The Group has defined benefit and defined contribution post-employment benefit plans for employees and retirees.

Present value of defined benefit obligations, service costs and others are determined based on various actuarial assumptions. For actuarial assumptions, a variety of factors, such as discount rates, future payment of salaries, those who withdraw from the plan in the future and life expectancy of members, are estimated. These estimates are made based on management's best estimates, but may differ from actual

results due to effects of changes in uncertain future economic conditions and amendment or promulgation of relevant laws and regulations.

Retirement benefit liability in the consolidated financial statements is as follows:

Retirement benefit liabilities	¥14,486 million
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### 3. Determination and revision of lease periods

The Group determines the lease periods based on the non-cancellable term of the lease, taking into consideration any term for which there is reasonable certainty of extension and any term for which there is reasonable certainty of non-cancellation. Specifically, the Group estimates the period for which there is reasonable certainty considering changes in rent expenses resulting from extension or shortening of the lease period, the existence of cancellation penalties, and the payback period for investments in significant fixtures, facilities, etc. for rental properties.

For real estate leases in which the Group is the lessee in the Department Store Business, there may be revisions to the lease period for the flagship store or properties tied to the flagship store individually coinciding with the next large-scale renovation plan or when the next Medium-term Business Plan is decided. If revisions to the lease periods become necessary, such revisions could have a material effect on the amounts to be recognized in the consolidated financial statements in the next fiscal year and beyond.

Lease liabilities in the consolidated financial statements are as follows:

Lease liabilities	¥160,139 million
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## Notes on consolidated statement of financial position

### 1. Allowance for doubtful accounts directly deducted from assets

(1) Trade and other receivables	¥172 million
(2) Other financial assets	¥3,691 million

### 2. Total amount of accumulated depreciation

(1) Property, plant and equipment	¥354,664 million
(2) Right-of-use assets	¥174,644 million
(3) Investment property	¥46,896 million

### 3. Assets pledged as collateral and secured liabilities

#### (1) Assets pledged as collateral

Other financial assets	¥407 million
Inventories	¥151 million
<hr/> Total	<hr/> ¥558 million

#### (2) Secured liabilities

Trade and other payables	¥234 million
<hr/> Total	<hr/> ¥234 million

## Notes on consolidated statement of profit or loss

### 1. Other operating income

Gain on sales of non-current assets (Note)	¥1,827 million
Other	¥2,304 million
<hr/> Total	<hr/> ¥4,131 million

(Note) A gain on sales due to the sale of real estate holdings in the Department Store Business and the SC Business.

### 2. Other operating expenses

Loss on disposals of non-current assets	¥2,607 million
Impairment losses (Note 1)	¥1,083 million
Loss on business liquidation (Note 2)	¥895 million
Other	¥1,126 million
<hr/> Total	<hr/> ¥5,713 million

(Note 1) As a breakdown of the ¥1,083 million in impairment losses in the current fiscal year, ¥756 million was recorded for the Department Store Business, ¥256 million was recorded for the Developer Business, and ¥77 million was recorded for the SC Business.

With regard to the Department Store Business, mainly due to the return of the upper floors of Daimaru Matsuzakaya Department Stores Co. Ltd.'s Daimaru Umeda store, the carrying amounts of buildings and structures, right-of-use assets, and fixtures and equipment were reduced to the recoverable amount, and the reduction of ¥730 million was recognized as an impairment loss. The recoverable amount of the cash-generating unit was measured at value in use, and was calculated by discounting future cash flows by a pre-tax discount rate of 5.9%, which was based on the WACC at the time of measurement, taking into account the future profitability and other factors.

For the Developer Business, due to the decreased profitability of Kawasaki ZERO GATE of J. FRONT CITY DEVELOPMENT Co., Ltd., the carrying amount of investment property was reduced to the recoverable amount, and the reduction of ¥256 million was recognized as an impairment loss. The recoverable amount of the cash-generating unit was measured at value in use, and was calculated by discounting future cash flows by a pre-tax discount rate of 5.1%, which was based on the WACC at the time of measurement, taking into account the future profitability and other factors.

(Note 2) The loss on business liquidation of ¥895 million in the current fiscal year is an impairment loss of ¥895 million recorded due to the decision to cease operations at PARCO CO., LTD.'s Shizuoka PARCO at the end of January

2027. The recoverable amount of the cash-generating unit was measured at value in use, and was calculated by discounting future cash flows by a pre-tax discount rate of 5.0%, which was based on the WACC at the time of measurement, taking into account the future profitability and other factors.

## Notes on consolidated statement of changes in equity

### 1. Class and total number of shares issued as of the end of the current fiscal year

Common shares 270,565,764 shares

### 2. Matters concerning dividends

#### (1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 24, 2025	Common shares	7,747	30.00	February 28, 2025	May 8, 2025
Board of Directors meeting held on October 14, 2025	Common shares	6,756	27.00	August 31, 2025	November 12, 2025

(Note 1) Total amount of dividends resolved at the Board of Directors meeting held on April 24, 2025 includes ¥61 million of dividends paid to the Company's shares held by an officer remuneration BIP trust.

(Note 2) Total amount of dividends resolved at the Board of Directors meeting held on October 14, 2025 includes ¥49 million of dividends paid to the Company's shares held by an officer remuneration BIP trust.

#### (2) Dividends with the record date falling within the current fiscal year and with the effective date falling within the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 27, 2026	Common shares	Retained earnings	6,756	27.00	February 28, 2026	May 8, 2026

(Note) Total amount of dividends resolved at the Board of Directors meeting held on April 27, 2026 includes ¥49 million of dividends paid to the Company's shares held by an officer remuneration BIP trust.

## Notes on financial instruments

### 1. Matters concerning conditions of financial instruments

#### Financial risk management policy

In the process of conducting business activities, the Group is exposed to financial risks (credit risk, liquidity risk, foreign exchange risk, interest rate risk); the Group conducts risk management to mitigate these financial risks.

The Group also uses derivative transactions to hedge against foreign exchange and interest rate risks with a policy of avoiding speculative transactions.

#### (1) Credit risk management

Credit risk refers to the risk of financial losses to the Group when customers default on their contractual obligations.

To handle this risk, all Group companies carry out due date management and balance management by customer and seek early identification and mitigation of collectability concerns.

The Group's receivables are dispersed across a broad range of industries and customers throughout the region.

Notably, the Group does not have credit risk that is over concentrated with a single customer or group to which customers belong.

The maximum exposure associated with the credit risk of financial assets is the carrying amount after deducting impairment losses shown on consolidated financial statements. This exposure associated with credit risk does not include any properties held as collateral or other forms of credit enhancement.

The Group sets out an allowance for doubtful accounts after considering whether the initially recognized credit risk will increase significantly. Specifically, when there is no significant increase in the credit risk since initial recognition, expected credit losses for 12 months are measured as allowance for doubtful accounts.

On the other hand, when there is a significant increase in credit risk since initial recognition, expected credit losses for the entire life of the financial assets are measured as allowance for doubtful accounts. Whether credit risk is significantly increased or not is determined based on the changes in default risk. Regardless of the above, regarding trade receivables, lease receivables, and others that do not include major financial factors, expected credit losses for the entire life of the financial assets are measured as allowance for doubtful accounts.

In the course of measuring these expected credit losses, reasonable, verifiable information available as of the end of the period is used with regard to the results of doubtful accounts from past fiscal years, delays and payments, and the financial circumstances of creditors in addition to past phenomena, present circumstances, and projections of future economic circumstances. Expected credit losses from financial assets for which the credit risk has not increased significantly and trade receivables and other receivables that do not include major financial factors have essentially identical credit risk profiles and are thus grouped together for evaluation based on past credit losses.

Expected credit losses from financial assets for which the credit risk has increased significantly and credit-impaired financial assets are evaluated individually while factoring in past credit losses, expected recoverable amounts, and the like.

Accounts are considered delinquent when debtors fail to pay within 90 days of the deadline.

When the Group conducts a credit investigation and deems that all or part of a financial asset is unrecoverable and should be written off, the carrying amount of the credit-impaired financial asset is directly written off.

## (2) Liquidity risk management

Liquidity risk refers to the risk that the Group is unable to fulfill its payment obligations of financial liabilities when they are due.

The Group manages liquidity risk with methods such as preparing monthly cash flow management plans at all companies, and secures sufficient liquidity on hand through commitment line contracts and overdraft contracts with its main financing banks.

## (3) Foreign exchange risk management

Although the Group conducts transactions in foreign currency and is exposed to foreign exchange risk between foreign currencies and Japanese yen, its impact on profit before tax is minor.

## (4) Interest rate risk management

The Group is exposed to various forms of interest rate risk in the context of its business activities; interest rate fluctuations have an especially outsized impact on borrowing costs.

The Group uses interest rate swaps and other means to hedge against interest rate risk.

## 2. Matters concerning fair values of financial instruments

Carrying amount, fair values as of February 28, 2026, and their differences are as follows.

(Millions of yen)			
	Carrying amount (*)	Fair value (*)	Difference
<b>Assets</b>			
(1) Cash and cash equivalents	36,099	36,099	–
(2) Trade and other receivables	155,096	155,096	–
(3) Derivatives	16	16	–
(4) Other financial assets	96,488	95,650	(837)
<b>Liabilities</b>			
(5) Trade and other payables	[161,326]	[161,326]	–
(6) Other financial liabilities	[61,130]	[61,130]	–
(7) Borrowings	[86,720]	[84,660]	(2,059)
(8) Bonds payable	[89,816]	[87,991]	(1,824)

(\*) The items recorded in liabilities on the consolidated balance sheet are shown in square brackets [ ].

### (Note) Method for measuring fair values

- (1) Cash and cash equivalents, (2) trade and other receivables, (4) other financial assets (current), (5) trade and other payables, and (6) other financial liabilities (current)

The carrying amount is used as the fair value of these assets, given that the fair value is similar to the carrying amount, as they are mostly settled in a short time.

- (3) Derivatives (assets)

For derivatives, as financial assets measured at fair value through profit or loss, fair value is measured based on prices presented by financial institutions.

- (4) Other financial assets (non-current), (6) other financial liabilities (non-current)

The fair value of listed stocks is measured based on market prices at the last date of a fiscal year. The fair value of unlisted stocks is measured by discounted future cash flows, valuation model based on revenue and net assets, comparable company analysis method, or the like.

Other financial assets or other financial liabilities measured at amortized cost mainly consist of lease and guarantee deposits paid or lease and guarantee deposits received, and their fair value is measured at present value calculated by discounting future cash flows at the current market interest rates or the like.

- (7) Borrowings, (8) bonds

For bonds, fair value is estimated using the reference trading statistics of Japan Securities Dealers Association and others. The fair value of borrowings is mainly measured by present value obtained by discounting future cash flows at interest rates that would be charged for a new similar borrowing.

## 3. Matters concerning breakdowns for each level of financial instrument fair value, etc.

- (1) Financial instruments measured at fair value

Regarding financial instruments measured at fair value, fair value measurements are classified into levels 1 through 3 commensurate with the observability and significance of the underlying inputs.

Level 1: Market price of the same assets or liabilities in an active market

Level 2: Fair value (of non-Level-1 financial instruments) calculated by directly or indirectly using observable prices

Level 3: Fair value calculated from evaluation techniques including unobservable inputs

The fair value of financial instruments measured using fair value is as follows.

Transitions between the levels in the fair value hierarchy are recognized on each reporting date. Notably, there were no transitions between Levels 1, 2, or 3 in the fair value hierarchy during the current fiscal year.

	Level 1	Level 2	Level 3	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Assets:				
Financial assets measured at fair value through profit or loss				
Derivative financial assets	–	16	–	16
Other financial assets	–	72	850	922
Financial assets measured at fair value through other comprehensive income				
Other financial assets	3,298	63	32,981	36,344
Total	3,298	152	33,832	37,283
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Derivative financial liabilities	–	–	–	–
Total	–	–	–	–

(2) Fair value hierarchy for assets and liabilities for which fair value has been disclosed, but were not measured at fair value

The fair value of financial instruments measured at the amortization cost is as follows.

Notably, the following table does not include financial instruments measured at fair value or financial instruments for which the carrying amount and fair value are very similar.

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets measured at amortized cost				
Other financial assets (non-current)	–	2,141	41,992	44,134
Total	–	2,141	41,992	44,134
Liabilities:				
Financial liabilities measured at amortized cost				
Borrowings	–	84,660	–	84,660
Bonds payable	–	87,991	–	87,991
Other financial liabilities (non-current)	–	–	33,474	33,474
Total	–	172,651	33,474	206,126

## Notes on investment property

### 1. Matters concerning status of investment property

Some of the Company's subsidiaries own rental buildings, etc. in Tokyo and other regions.

### 2. Matters concerning fair values of investment property

(Millions of yen)

Consolidated statement of financial position amount	Fair value at the end of the current fiscal year
177,187	314,421

(Note 1) The consolidated statement of financial position amount is the acquisition cost less accumulated depreciation and accumulated impairment losses.

(Note 2) For major properties, fair value at the end of the current fiscal year is an amount based on the real estate appraisal standards of an external real estate appraiser, etc. For other properties, fair value is an amount estimated by employing the land price index with necessary adjustments applied at the Company.

## Notes on revenue recognition

### 1. Revenue disaggregation information

The Group reports four business segments: the Department Store Business, the SC Business, the Developer Business, and the Payment and Finance Business. These reportable segments are subject to regular consideration by the Board of Directors to determine how to allocate management resources and evaluate performance. The relationship between disaggregated revenue and the segments is as follows.

(Millions of yen)

Segment		Revenue
Department Store Business	Daimaru Osaka Shinsaibashi store	42,129
	Osaka Umeda store	20,058
	Tokyo store	22,354
	Kyoto store	19,943
	Kobe store	30,043
	Sapporo store	23,249
	Matsuzakaya Nagoya store	39,929
	Ueno store	8,793
	Other stores	61,673
	Removal of revenue from between segments	(431)
Department Store Business		267,744
SC Business	PARCO	66,504
	Other	772
	Removal of revenue from between segments	(1,249)
SC Business		66,027
Developer Business	J. FRONT CITY DEVELOPMENT	11,202
	PARCO SPACE SYSTEMS	31,479
	J. Front Design & Construction	40,403
	Other	(1,692)
	Removal of revenue from between segments	(21,194)
Developer Business		60,198
Payment and Finance Business	Payment and Finance Business	13,504
	Removal of revenue from between segments	(9,227)
Payment and Finance Business		4,276
Other	Other	57,987
	Removal of revenue from between segments	(11,147)
Other		46,839
Adjustments		7
Total		445,094
Revenue	Revenue from contracts with customers	378,162
	Revenue from other sources	66,932
Revenue		445,094

(Note 1) The Department Store Business, the SC Business, and the Developer Business categories include lease revenue in accordance with IFRS 16. The Payment and Finance Business category includes interest revenue in accordance with IFRS 9. Notably, lease revenue and interest revenue are included in “Revenue from other sources.” The category, “Other,” comprises non-reportable business segments such as the wholesale business, the parking business, and the leasing business.

(Note 2) “Other” in each business category includes removal of inter-segment revenue.

## 2. Foundational information for understanding revenue

See “5. Matters concerning accounting policies (4) Revenue recognition” under “Notes on important matters forming the basis of preparation of consolidated financial statements, etc.”

## 3. Information for understanding revenue amounts in the current and subsequent fiscal years

### (1) Contract balances

The Group’s contract balances are as follows.

	(Millions of yen)	
	Balance at the beginning of the current fiscal year	Balance at the end of the current fiscal year
Receivables from contracts with customers	102,726	107,824
Contract assets	10,433	6,092
Contract liabilities	39,320	39,676

(Notes) 1 Receivables from contracts with customers  
Receivables from contracts with customers mainly comprise receivables generated from the use of credit cards issued by the Group; the amount includes amounts collected for third parties as agent transactions. The payback period for these receivables is typically one to two months.

2 Contract assets  
Contract assets are assets involving rights over customers that arise when the Group is to receive payments from customers in line with the series of performance, recognized mainly in relation to outsourcing agreements. The Group recognizes contract assets for completed work in advance, and transfers them to trade receivables when issuing invoices after customers’ receipt and inspection.  
Contract assets are included in trade and other receivables in the consolidated statement of financial position.

3 Contract liabilities  
Contract liabilities are liabilities involving consideration received in advance of performance pursuant to contracts, and are transferred to revenue when the Group performs work pursuant to contracts.  
Contract liabilities are included in other current liabilities in the consolidated statement of financial position.

Of contract liabilities from the previous fiscal year, ¥20,392 million was recognized as revenue in the current fiscal year.

The decrease in contract assets in the current fiscal year is mainly due to the decrease in construction orders received.

Regarding wholly or partially satisfied performance obligations from past years, amounts recognized as revenue have not occurred in the previous or current fiscal year.

### (2) Transaction prices allocated to residual performance obligations

Regarding transaction prices allocated to residual performance obligations, the Group recognizes revenue commensurate with progress toward the completion of work, actual usage of gift certificates and points, and performance of services of annual membership fees. Total transaction prices allocated to residual performance obligations and expected timing of revenue recognition thereof are as follows.

	(Millions of yen)	
	Balance at the beginning of the current fiscal year	Balance at the end of the current fiscal year
Within one year	36,590	33,754
1–2 years	11,248	10,709
More than 2 years	6,885	18,241
Total	54,724	62,705

## Notes on business combinations and acquisition of non-controlling interests

Conversion of Shinsaibashi Kyodo Center Building, K.K. into a wholly-owned subsidiary

The Group acquired additional interests in Shinsaibashi Kyodo Center Building, K.K., a consolidated subsidiary, on July 31, 2025, making it a wholly-owned subsidiary. The overview of the “transaction with non-controlling interests” associated with the additional acquisition is as follows.

(Millions of yen)	
Item	Amount
Carrying amount of the acquired non-controlling interests	1,214
Consideration paid for non-controlling interests	1,970
Decrease in equity attributable to owners of parent	755

## Notes on per share information

- Equity attributable to owners of parent per share: ¥1,671.35
- Basic earnings per share: ¥112.93

(Note) The calculation of per share information excludes the number of Company’s shares owned by the officer remuneration BIP trust from the number of shares at the end of the period and the average number of shares during the period because such shares are treated as the Company’s treasury shares.

## Significant subsequent events

At the meeting of the Board of Directors held on April 14, 2026, a resolution was passed concerning matters related to the purchase of own shares in accordance with Paragraph 1, Article 459 of the Companies Act and Article 39 of the Company’s Articles of Incorporation.

### 1. Reason for the purchase of own shares

Under the FY2024-FY2026 Medium-term Business Plan, the Company is committed to working on the “Realization of growth with profitability” and “Optimization of equity amount and enhancement of shareholder returns” in order to enhance medium- to long-term return on capital. This purchase will be carried out based on this policy.

### 2. Details of matters related to the purchase

#### (1) Class of shares to be purchased

Common shares

#### (2) Total number of shares to be purchased

5,000,000 shares (upper limit)

(2.00% of total number of issued shares (excluding treasury shares\*))

\* Treasury shares do not include shares of the Company owned by the officer remuneration BIP trust.

#### (3) Total value of shares to be purchased

¥10,000 million (upper limit)

#### (4) Purchase period

From April 15, 2026 to June 26, 2026

#### (5) Purchase method

Market purchase on the Tokyo Stock Exchange (Discretionary trading by a securities company)

## Non-consolidated Financial Statements

Non-consolidated Balance Sheet (As of February 28, 2026)  
J. FRONT RETAILING Co., Ltd.

(Millions of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b><u>Current assets</u></b>	<b><u>139,893</u></b>	<b><u>Current liabilities</u></b>	<b><u>120,894</u></b>
Cash and deposits	25,330	Short-term borrowings	27,220
Short-term loans receivable from subsidiaries and associates	112,486	Bonds payable	15,000
Accounts receivable - other	1,446	Accounts payable - other	1,011
Other	629	Income taxes payable	220
		Accrued expenses	783
		Deposits received from subsidiaries and associates	75,256
		Deposits received	574
		Provision for bonuses	334
		Provision for bonuses for directors and other officers	192
		Provision for officer remuneration	170
		BIP trust	131
		Other	131
<b><u>Non-current assets</u></b>	<b><u>435,070</u></b>	<b><u>Non-current liabilities</u></b>	<b><u>133,208</u></b>
<b><u>Property, plant and equipment</u></b>	<b><u>237</u></b>	Bonds payable	75,000
Buildings and structures	182	Long-term borrowings	56,500
Other	54	Asset retirement obligations	101
		Long-term deposits received for officer shares trust	854
		Provision for officer remuneration	752
		BIP trust	
<b><u>Intangible assets</u></b>	<b><u>2,254</u></b>	<b><u>Total liabilities</u></b>	<b><u>254,103</u></b>
Software	2,254	<b><u>Net assets</u></b>	
		<b><u>Shareholders' equity</u></b>	<b><u>320,901</u></b>
<b><u>Investments and other assets</u></b>	<b><u>432,578</u></b>	Share capital	31,974
Investment securities	1,957	Capital surplus	248,874
Shares of subsidiaries and associates	368,661	Legal capital surplus	9,474
Long-term loans receivable from subsidiaries and associates	61,000	Other capital surplus	239,400
Deferred tax assets	388	Retained earnings	77,951
Other	571	Other retained earnings	77,951
		Retained earnings brought forward	77,951
<b><u>Deferred assets</u></b>	<b><u>183</u></b>	Treasury shares	(37,899)
Bond issuance cost	183	<b><u>Valuation and translation adjustments</u></b>	<b><u>143</u></b>
		Valuation difference on available-for-sale securities	143
<b>Total assets</b>	<b>575,147</b>	<b>Total net assets</b>	<b>321,044</b>
		<b>Total liabilities and net assets</b>	<b>575,147</b>

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

Non-consolidated Statement of Income (From March 1, 2025 to February 28, 2026)  
J. FRONT RETAILING Co., Ltd.

(Millions of yen)

Item	Amount	
<b>Operating revenue</b>		
Dividend income	18,836	
Consulting fee income	6,342	25,179
<b>General and administrative expense</b>		9,931
<b>Operating profit</b>		15,247
<b>Non-operating income</b>		
Interest income	1,396	
Dividend income	25	
Other	34	1,456
<b>Non-operating expenses</b>		
Interest expenses	2,010	
Commitment fees	192	
Loss on investments in investment partnerships	244	
Provision of allowance for doubtful accounts	14	
Other	147	2,610
<b>Ordinary profit</b>		14,093
<b>Extraordinary losses</b>		
Loss on valuation of investment securities	132	132
<b>Profit before income taxes</b>		13,960
Income taxes - current	(1,103)	
Income taxes - deferred	236	(866)
<b>Profit</b>		14,827

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

Non-consolidated Statement of Changes in Equity (From March 1, 2025 to February 28, 2026)  
 J. FRONT RETAILING Co., Ltd.

(Millions of yen)

	Shareholders' equity						Valuation and translation adjustments	Total net assets
	Share capital	Capital surplus		Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
		Legal capital surplus	Other capital surplus	Other retained earnings Retained earnings brought forward				
Balance as of March 1, 2025	31,974	9,474	239,400	77,628	(23,219)	335,258	123	335,382
Dividends of surplus	-	-	-	(14,504)	-	(14,504)	-	(14,504)
Profit	-	-	-	14,827	-	14,827	-	14,827
Purchase of treasury shares	-	-	-	-	(15,009)	(15,009)	-	(15,009)
Disposal of treasury shares	-	-	-	-	329	329	-	329
Net changes in items other than shareholders' equity	-	-	-	-	-	-	19	19
Total changes during period	-	-	-	323	(14,680)	(14,356)	19	(14,337)
Balance as of February 28, 2026	31,974	9,474	239,400	77,951	(37,899)	320,901	143	321,044

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



Provision for officer remuneration BIP trust      To prepare for the granting of the Company's shares through an officer remuneration BIP trust, the amount equivalent to the value of shares in proportion to the number of points awarded to officers in accordance with the Stock Benefit Rules is provided.

5. Revenue and expense recognition

Revenue from contracts with customers of the Company—a holding company—is mainly dividend income and consulting fee income from subsidiaries. Revenue from consulting fee income is recognized at the average value over the contract period because the obligation to provide consulting to subsidiaries on management, planning, and the like is satisfied on a recurring basis. Dividend income is recognized as of the effective date.

6. Hedge accounting method

Hedge accounting method      Exceptional treatment is applied to interest rate swaps that satisfy the requirements for exceptional treatment.

Hedging instruments and hedged items

Hedging instruments      Interest rate swaps

Hedged items      Borrowings and interest expenses on borrowings

Hedging policy      Based on the risk management policy, hedging is undertaken to hedge interest rate fluctuation risk.

Method for assessing the hedge effectiveness

At the end of each fiscal year, hedge effectiveness with respect to the hedged items and hedging instruments is assessed for each hedging transaction. This annual assessment excludes any transaction where important terms and conditions such as principal, interest rate, and duration are identical between the assets or liabilities of hedged items and hedging instruments.

**Notes to accounting estimates**

There are no accounting estimates that have a risk of significantly impacting the non-consolidated financial statements for the next fiscal year.

**Notes on non-consolidated balance sheet**

1. Short-term monetary liabilities to subsidiaries and associates	¥172 million
2. Short-term monetary receivables from subsidiaries and associates	¥1,807 million
3. Accumulated depreciation of property, plant and equipment	¥146 million

**Notes on non-consolidated statement of income**

1. Transaction with subsidiaries and associates

Operating transaction

Operating revenue      ¥25,179 million

General and administrative expenses      ¥1,051 million

Non-operating transactions

Interest income      ¥1,361 million

Interest expenses      ¥880 million

### Notes on non-consolidated statement of changes in equity

1. Class and total number of shares issued as of the end of the current fiscal year	
Common shares	270,565,764 shares
2. Class and number of treasury shares as of the end of the current fiscal year	
Common shares	22,152,036 shares

### Notes on tax effect accounting

#### 1. Deferred tax assets and deferred tax liabilities by major category of cause

##### Deferred tax assets

Revised carrying amount of shares of subsidiaries and associates	¥2,954 million
Unused tax losses	¥1,057 million
Loss on valuation of shares of subsidiaries and associates	¥361 million
Excess of depreciation	¥282 million
Loss on valuation of investment securities	¥248 million
Loss on impairment of non-current assets	¥115 million
Provision for bonuses	¥102 million
Accrued expenses	¥96 million
Provision for officer remuneration BIP trust	¥52 million
Asset retirement obligations	¥31 million
Accrued insurance expenses	¥20 million
Accrued enterprise tax	¥19 million
Other	¥17 million
Sub total deferred tax assets	¥5,362 million
Valuation allowance for unused tax losses for taxation	¥(1,057) million
Valuation allowance for total of deductible temporary differences, etc.	¥(3,841) million
Sub total valuation allowance	¥(4,898) million
Total deferred tax assets	¥463 million
Deferred tax liabilities	
Valuation difference on available-for-sale securities	¥(65) million
Asset retirement obligations	¥(9) million
Total deferred tax liabilities	¥(75) million
Net amount of deferred tax assets	¥388 million

#### 2. Accounting treatment for income taxes and local income taxes and related tax effect accounting

The Company applies the Japanese group relief system, and conducts accounting treatment for and disclosure of income taxes and local income taxes, or related tax effect accounting, in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (The Accounting Standards Board of Japan (ASBJ) Practical Solution No. 42, August 12, 2021).

**Notes on revenue recognition**

## 1. Foundational information for understanding revenue from contracts with customers

Foundational information for understanding revenue is as explained in “5. Revenue and expense recognition” under “Notes on matters concerning important accounting policies.”

## Notes on transactions with related parties

Subsidiaries, etc.

(Millions of yen)

Type	Company name	Ownership ratio of voting rights	Relationship	Nature of transactions	Transaction amount (Note 5)	Item	Balance at the end of the fiscal year
Subsidiary	Daimaru Matsuzakaya Department Stores Co. Ltd.	Holding Directly 100%	Interlocking of officers Business advisory	Receipt of consulting fee income (Note 1)	4,556	–	–
				Lending of funds	2,000	Short-term loans receivable from subsidiaries and associates	18,033
				Collection of funds	–		
				Lending and deposits of funds (CMS) (Note 2)	30,604	Long-term loans receivable from subsidiaries and associates	9,000
				Receipt of interests (Note 3)	356	–	–
Subsidiary	PARCO CO., LTD.	Holding Directly 100%	Interlocking of officers Business advisory	Lending of funds	25,000	Short-term loans receivable from subsidiaries and associates	35,912
				Collection of funds	32,000		
				Lending and deposits of funds (CMS) (Note 2)	12,902	Long-term loans receivable from subsidiaries and associates	52,000
				Receipt of interests (Note 3)	644	–	–
Subsidiary	The Hakata Daimaru, Inc.	Holding Indirectly 69.9%	Business advisory	Lending and deposits of funds (CMS) (Note 2)	10,275	Deposits received from subsidiaries and associates	8,812
				Payment of interests (Note 3)	49	–	–
Subsidiary	JFR Card Co., Ltd.	Holding Directly 100%	Interlocking of officers Business advisory	Lending and deposits of funds (CMS) (Note 2)	35,785	Short-term loans receivable from subsidiaries and associates	56,640
				Receipt of interests (Note 3)	345	–	–
Subsidiary	Daimaru Matsuzakaya Tomonokai Co., Ltd.	Holding Indirectly 100%	Business advisory	Lending and deposits of funds (CMS) (Note 2)	36,587	Deposits received from subsidiaries and associates	36,029
				Payment of interests (Note 3)	691	–	–

Type	Company name	Ownership ratio of voting rights	Relationship	Nature of transactions	Transaction amount (Note 5)	Item	Balance at the end of the fiscal year
Subsidiary	J. Front Design & Construction Co., Ltd.	Holding Directly 100%	Interlocking of officers Business advisory	Lending and deposits of funds (CMS) (Note 2)	7,962	Deposits received from subsidiaries and associates	9,274
				Payment of interests (Note 3)	38	–	–
Subsidiary	J. FRONT CITY DEVELOPMENT Co., Ltd.	Holding Directly 100%	Interlocking of officers Business advisory	Lending and deposits of funds (CMS) (Note 2)	5,404	Deposits received from subsidiaries and associates	6,861
				Payment of interests (Note 3)	25	–	–
Subsidiary	PARCO SPACE SYSTEMS Co., Ltd.	Holding Directly 100%	Business advisory	Lending and deposits of funds (CMS) (Note 2)	6,030	Deposits received from subsidiaries and associates	4,837
				Payment of interests (Note 3)	29	–	–
Subsidiary	Angel Park Co., Ltd.	Holding Directly 0.38% Indirectly 49.88%	Interlocking of officers Business advisory	Deposits of funds	4,000	Deposits received from subsidiaries and associates	4,000
				Repayment of deposits	4,000		
				Payment of interests (Note 3)	27	–	–
Subsidiary	JFR Information Center Co., Ltd.	Holding Directly 100%	Interlocking of officers Business advisory	Requests for computation services (Note 4)	992	–	–

Transaction conditions and policy for deciding transaction conditions

(Note 1) Consulting fee income is determined by contract terms.

(Note 2) The Group has introduced a cash management system (CMS), and since the lending and deposits of funds are conducted on a recurring basis, the transaction amount column reflects the average balance during the period.

(Note 3) Interest rates on funds lent and funds deposited are determined reasonably with reference to market interest rates.

(Note 4) The Company will reasonably determine with reference to market prices whether to request this company mainly in relation to computation services.

(Note 5) Transaction amounts do not include consumption taxes.

### Notes on per share information

1. Net assets per share: ¥1,292.38
2. Basic earnings per share: ¥59.24

### Notes on significant subsequent events

Purchase of own shares

Notes are omitted concerning the purchase of own shares as the same information is presented in “Significant subsequent events” in the Notes to Consolidated Financial Statements.

**THE AUDIT REPORT OF INDEPENDENT AUDITORS CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS (COPY)**

Report of Independent Auditors

April 23, 2026

The Board of Directors

J. FRONT RETAILING Co., Ltd.

Ernst & Young ShinNihon LLC  
Tokyo office  
Koji Ojima  
Certified Public Accountant  
Designated and Engagement Partner  
Kenji Onuma  
Certified Public Accountant  
Designated and Engagement Partner  
Tetsuro Tone  
Certified Public Accountant  
Designated and Engagement Partner

*Opinion*

Pursuant to Paragraph 4, Article 444 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements of J. FRONT RETAILING Co., Ltd. (the “Company”) applicable to the fiscal year from March 1, 2025 through February 28, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the J. Front Retailing Group, which consisted of the Company and consolidated subsidiaries in conformity with accounting principles with the omission of a part of the disclosure items required under IFRS as allowed by the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of entities with significant social impact, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Other Information*

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit Committee is responsible for overseeing the Executive Officers’ and Directors’ performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

#### *Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in conformity with accounting principles with the omission of a part of the disclosure items required under IFRS as allowed by the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on the going concern basis, and disclosing, as applicable, matters related to going concern in accordance with accounting principles with the omission of a part of the disclosure items required under IFRS as allowed by the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting.

The Audit Committee is responsible for overseeing the Executive Officers' and Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles with the omission of a part of the disclosure items required under IFRS as allowed by the latter part of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, as well as evaluate the overall presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.

- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision, and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements in Japan regarding independence, on matters that may be reasonably thought to bear on our independence, as well as cases where countermeasures have been established to eliminate obstruction factors or cases where safeguards have been applied to reduce obstruction factors to allowable levels.

*Conflicts of Interest*

We have no interest in the Company and its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

**THE AUDIT REPORT OF INDEPENDENT AUDITORS CONCERNING THE NON-CONSOLIDATED FINANCIAL STATEMENTS (COPY)**

Report of Independent Auditors

April 23, 2026

The Board of Directors

J. FRONT RETAILING Co., Ltd.

Ernst & Young ShinNihon LLC  
Tokyo office  
Koji Ojima  
Certified Public Accountant  
Designated and Engagement Partner  
Kenji Onuma  
Certified Public Accountant  
Designated and Engagement Partner  
Tetsuro Tone  
Certified Public Accountant  
Designated and Engagement Partner

*Opinion*

Pursuant to Item 1, Paragraph 2, Article 436 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, the notes to the non-consolidated financial statements and the related supplementary schedules of J. FRONT RETAILING Co., Ltd. (the "Company") (the "non-consolidated financial statements, etc.") applicable to the 19th fiscal year from March 1, 2025 through February 28, 2026.

In our opinion, the non-consolidated financial statements etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company in conformity with accounting principles generally accepted in Japan.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements etc. in Japan, including those applicable to audits of financial statements of entities with significant social impact, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Other Information*

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit Committee is responsible for overseeing the Executive Officers' and Directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the non-consolidated financial statements, etc. does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the non-consolidated financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

*Responsibilities of Management and the Audit Committee for the Non-consolidated Financial Statements, Etc.*

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements etc. on the going concern basis of accounting and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit Committee is responsible for overseeing the Executive Officers' and Directors' performance of duties within the maintenance and operation of the financial reporting process.

*Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.*

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the non-consolidated financial statements etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements etc. is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements etc. or, if the notes to the non-consolidated financial statements etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements etc. and the notes thereto are in accordance with accounting standards generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the non-consolidated financial statements etc., including the related notes thereto, and whether the non-consolidated financial statements etc. fairly represent the underlying transactions and accounting events.

We communicate with the Audit Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements in Japan regarding independence, on matters that may be reasonably thought to bear on our independence, as well as cases where countermeasures have been established to eliminate obstruction factors or cases where safeguards have been applied to reduce obstruction factors to allowable levels.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

## **THE AUDIT REPORT OF AUDIT COMMITTEE MEMBERS (COPY)**

### Audit Report

The Audit Committee has audited the performance of duties by Directors and Executive Officers of J. FRONT RETAILING Co., Ltd. (the “Company”) during the 19th fiscal year from March 1, 2025 through February 28, 2026. We hereby report as follows regarding the method and results of the audit.

#### 1. Method and content of audits

With respect to the resolution of the Board of Directors concerning the matters stipulated in Item 1 (b) and (e), Paragraph 1, Article 416 of the Companies Act, as well as the system (the internal control system) developed based on such resolution of the Board of Directors, we received regular reports regarding the status of establishment and operation of such system from Directors, Executive Officers and employees, and others, requested explanations as necessary, expressed opinion thereon, and executed audits through the following methods.

- (i) In accordance with audit policies stipulated by the Audit Committee and the division of duties, etc., Audit Committee Members, in coordination with the departments in the Company related to internal control, participated in key meetings, including via online methods, received reports from Directors, Executive Officers, and others regarding the matters related to the performance of their duties, and when necessary, requested explanations of those reports. Audit Committee Members also reviewed key decision documents, and conducted surveys of the operations and assets. Further, regarding subsidiaries, Audit Committee Members worked to communicate with directors, audit & supervisory board members, executive officers, and other parties at those subsidiaries, and when necessary, travel to the head office and other places of business and conduct hearings with them regarding their business.
- (ii) Additional consideration was given to the basic policy set forth in Item 3 (a), Article 118 of the Regulations for Enforcement of the Companies Act and activities set forth in Item 3 (b), Article 118 of the same Regulations, as noted in the Business Report, based on the status of deliberations at the meeting of the Board of Directors and other key meetings.
- (iii) Regular reports were received regarding the results of audits carried out by the internal audit departments based on the initial plan, and information was shared.
- (iv) Discussions were carried out after receiving an explanation by the Accounting Auditor regarding the audit plan, and opinions were exchanged after receiving the report on the audit results. Furthermore, while monitoring and reviewing the audit of the Accounting Auditor to ensure they maintained an independent position and conducted their audits fairly, Audit Committee Members received reports from them regarding the performance of their duties, and when necessary, asked for further explanation regarding those reports. Audit Committee Members were also notified that the Accounting Auditor was arranging the system to ensure the appropriate execution of their duties (as enumerated in each Item of Article 131 of the Regulation on Corporate Accounting) in compliance with the Quality Control Standards Relating to Auditing (adopted by the Business Accounting Deliberations Council), etc., and, where necessary, requested further explanation. Furthermore, Audit Committee Members discussed major audit considerations with Ernst & Young ShinNihon LLC, received the report on the implementation status of the audit, and asked for an explanation as required.

Based on the above methods, Audit Committee Members proceeded to review the Business Report with the supplementary schedules, the non-consolidated financial statements (which consist of the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, and the notes to the non-consolidated financial statements) with the supplementary schedules, and the consolidated financial statements (which consist of the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the notes to the consolidated financial statements) for the current fiscal year.

## 2. Audit Results

### (1) Results of Audit of Business Report, etc.

- (i) The Audit Committee confirms that the Business Report and the supplementary schedules conformed to the applicable laws and regulations, and the Articles of Incorporation, and that they accurately present the situation of the Company.
- (ii) With respect to the performance of duties by Directors and Executive Officers, the Audit Committee found no improper acts or important violation of applicable laws and regulations or the Articles of Incorporation.
- (iii) The Audit Committee confirms that decisions by the Board of Directors regarding the Company's internal control system are fair and adequate, and found no areas that require mention regarding the description of the internal control system in the Business Report and the performance of duties by Directors and Executive Officers.
- (iv) The Audit Committee confirms that the basic policy regarding those who control the determination of the Company's financial and operational policies, as noted in the Business Report, is fair and adequate. The Audit Committee confirms that activities set forth in Item 3 (b), Article 118 of the Regulation for Enforcement of the Companies Act, as noted in the Business Report, are in line with this basic policy, are not harmful to the common interest of the Company's shareholders, and are not intended to maintain the positions of corporate officers of the Company.

### (2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules

The Audit Committee confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, are fair and adequate.

### (3) Results of Audit of Consolidated Financial Statements

The Audit Committee confirms that the methods used and results achieved by the Accounting Auditor, Ernst & Young ShinNihon LLC, are fair and adequate.

April 24, 2026

Audit Committee

J. FRONT RETAILING Co., Ltd.

HAKODA Junya (seal)  
Chairperson of Audit Committee

HAMADA Kazuko (seal)  
Audit Committee Member (full-time)

SEKI Tadayuki (seal)  
Audit Committee Member

OMURA Emi (seal)  
Audit Committee Member

SAITO Kazuhiro (seal)  
Audit Committee Member

(Note) Audit Committee Members, namely, HAKODA Junya, SEKI Tadayuki, OMURA Emi, and SAITO Kazuhiro are Outside Directors as prescribed in Item 15, Article 2 and Paragraph 3, Article 400 of the Companies Act.