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Takashimaya Company, Limited

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The corporate governance of Takashimaya Company, Limited (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

In line with the central management principle of “Putting People First,” the Takashimaya Group (the “Group”) aims to make a continued contribution to society by valuing the spirit of believing in people, loving people, and serving people. We have defined the ideal situation for 2031 when we will celebrate our second centenary as “A familiar platform that helps achieve fulfilling lifestyles for all our stakeholders” in the Group’s Grand Design. We will continue to be a place where we work together with various stakeholders, including our customers and shareholders as well as our business partners and employees, to create their dreams and aspirations in the future. We will achieve this through Machi-dukuri in which we pool the know-how of each business in our group while mutually leveraging each of our management resources. Furthermore, backed by the traditions and trust held by the Takashimaya brand, we will aim for further growth as a group by strengthening the business foundations of our group companies and leveraging the synergies between them.

To achieve these goals, the Group’s corporate governance is based on a highly ethical structure which places compliance as the foundation of all our corporate activities and allows us to support appropriate risk-taking for sustainable growth. Based on this understanding, we will continue to work tirelessly to deepen our proactive and defensive corporate governance and to move forward with the aim of achieving a prosperous future together with all our stakeholders.

We have posted the Group’s basic views, mechanisms, and guidelines on corporate governance, as well as our Management Philosophy that serves as the Group’s fundamental values, and Store Creed that serves as our founding spirit in the “Corporate Governance Policy” section of the Company’s website. Please see the URL below. (<https://www.takashimaya.co.jp/corp/ir/management/governance.html>)(In Japanese).

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

Principle 1.4 [Cross-Shareholdings]

(i) Policy on cross-shareholdings

The Company has many business partners. The Company has adopted the policy of maintaining cross-shareholdings that meet the certain standards while reducing those that do not. The standards are as follows: the holdings must maintain or strengthen business relationships with the relevant partner, accord with the Company’s management strategy, and consequently contribute to the enhancement of corporate value over the medium-to-long term. Each year, the Board of Directors reviews the cross-shareholdings to determine whether they should be maintained. The board reviews, for example, whether the cross-shareholding in question helps build, maintain, and strengthen the relationship with the cross

shareholder, and whether the cross shareholder's fair value and performance justifies the risks and costs associated with closeness of the relationship (as measured by volume of transactions and other metrics) and the amount of cross-held shares.

(ii) Standards for voting rights in cross-shareholdings

In determining whether to exercise voting rights pertaining to cross-shareholdings, the Company considers whether doing so would contribute to the medium and long-term corporate value of itself and the other party. Considering this factor helps ensure that the voting rights are exercised judiciously.

(iii) Responding to a cross-shareholder's request to sell shares

When a party holding shares in the Company on a cross-shareholding basis wants to sell the shares, the Company does not hinder the party from doing so (it does not, for example, insinuate that selling the shares would result in a reduction in business).

[Disclosure Based on the Principles of the Corporate Governance Code]

Principle 1.7 [Related Party Transactions]

When the Company and its directors engage in transactions involving conflict of interest as defined in the Companies Act, in order to ensure that such transactions do not harm the interests of the Company or the common interests of its shareholders, the Company establishes approval procedures based on the deliberations of the Board of Directors, whose membership includes multiple independent outside directors. The Board of Directors approves and monitors actual transactions based on the reports it receives, and the Audit & Supervisory Committee conducts audits in accordance with the Takashimaya Standards for Audits Conducted by the Audit & Supervisory Committee.

Supplementary Principle 2.4.1 [Ensuring Diversity in the Promotion of Core Personnel]

The Group has announced the following Takashimaya Group DE&I Policy.

- ◆ The Takashimaya Group positions diversity, equity, and inclusion (DE&I) as the source of growth under its management philosophy of "Putting People First."
- ◆ The Group builds an environment in which everyone can play a role with both physical and mental health without discrimination or harassment by accepting diverse personalities and values beyond differences in race, nationality, age, gender, gender orientation/identity, disabilities, employment form, and work style while respecting the human rights of all people who work together.
- ◆ The Group aims to be a corporate group which continues to create new value by providing support according to the situation of each individual and fair opportunities so that each individual feels satisfaction and pride in working for the Takashimaya Group, learns from each other, and demonstrates to the maximum extent their abilities, techniques, and ideas.

Under this policy, the Company is promoting diversity, equity, and inclusion that all its employees can work actively and so that they can look to fully improve their abilities. Above all, the Company is proactively striving to support the elimination of situations in which it is not possible even if there is a desire to do so (work conflicts) that occur at life stages. Through this initiative, the Company is aiming to realize a work life balance which leads to a reform of work styles and an improvement in productivity in addition to eliminating work conflicts.

Moreover, while promoting an expansion in the Group's growth businesses, the Company is working to promote advancement in the workplace regardless of gender, to recruit mid-career personnel with the skills and expertise that are difficult to cultivate within the Group, and to recruit foreigners for new business expansion in Vietnam and elsewhere in Asia. The Company is actively promoting such employees as core personnel.

***Promotion of the Advancement in the Workplace of Women**

It is an important management strategy to create an environment in which its female employees, who correspond to 70% of all its employees, fully demonstrate and connect to work their abilities and sensitivities.

The Company's female manager ratio in 2025 is 31.4% (as of March 1, 2025).

The target for its female manager ratio (gender equality) in 2030 is at least 40%.

In addition, the Company is looking to enhance its programs so that its employees can aim to balance family and work regardless of their gender. It is establishing personnel programs in which men and women can participate in childcare and housework.

*Foreigners

Accepting foreigners and supporting them as consumers is a social responsibility of the Company. At the same time, promoting the advancement in the workplace of foreigners is also an important issue in the Company's ESG strategy as an initiative to leave no one behind. The Company hires employees without discrimination according to their nationality. Together with this, it fairly provides wages, educational opportunities, environments and welfare programs. While respecting the cultural background of each individual, the Company perceives those values, experiences and abilities as valuable human resources. Under that belief, the Company evaluates, promotes, posts and educates its foreign employees in the same way as its Japanese employees based on their individual abilities and motivations.

*Mid-career Hires

The importance of mid-career hires is further increasing in promoting the Group-wide Machi-dukuri Strategy. Mid-career hires with skills and expertise built up outside the Company are an important human resource for the Group. Accordingly, the Company is expanding the field of activities of personnel with a high degree of specialization. It does not treat employees differently in terms of their working conditions or promoting them to be managers due to differences in when they joined the Company.

The Company has disclosed its initiatives relating to "Ensuring Diversity in the Promotion of Core Personnel" under "Social and Diversity Promotion" on the "Sustainability" on its website, so please refer to that (<https://www.takashimaya.co.jp/corp/csr/contribution/diversity.html>) (In Japanese).

Principle 2.6[Role of Corporate Pension Fund as Asset Owner]

The Company's corporate pension fund, Takashimaya Corporate Pension Fund, operates under a basic policy that stipulates the purpose of managing the fund, the composition of the fund's assets, and similar matters. The aim of this policy is to optimize the fund's revenue through tolerable risks and ultimately improve the level of remuneration that the fund delivers to beneficiaries.

The Company has established the Asset Management Committee. This committee advises the fund's Trustee Committee and Representative Committee on decisions concerning the fund such as formulating or revising the basic fund management policy, appointing an asset manager, and evaluating the asset manager's performance. The members of the committee are selected from among the trust's trustees, representatives, and corporate officers involved in the fund operator's financial or labor-related operations. The committee also reviews the asset manager's performance using both quantitative and qualitative metrics; it also monitors the stewardship of the fund. The committee also reviews the asset manager's performance using both quantitative and qualitative metrics. In July 2021, the Company endorsed Japan's Stewardship Code, particularly the code's Principles for Responsible Institutional Investors, to demonstrate its commitment to fulfilling the stewardship duties expected of a responsible institutional investor. The Company fulfills its stewardship duties by monitoring the stewardship of the fund.

In February 2026, the Group endorsed the intent and announced our acceptance of the Asset Owner Principles that were formulated and published in 2024. Based on these principles, the Company will work to improve the sophistication of asset allocation in the management of corporate pensions, selection and evaluation of management institutions, appropriate monitoring, and risk management. The Group has disclosed the details in the "Overview of the Corporate Pension Fund" section of the Fund's website (<https://cp.pfa.or.jp/takashimaya-kikin/index.html>).

There are no conflicts of interests between the asset manager and the fund's beneficiaries. The fund asset manager follows its own standards in determining whether to exercise voting rights pertaining to the shares it holds in the Company. The fund's secretariat is staffed by competent individuals who are knowledgeable in finance and other relevant matters, and these individuals are allocated to their posts in a strategic manner. To improve their expertise and competence, the staff attend externally provided training seminars.

Principle 3.1 [Full Disclosure]

(1) Company objectives (e.g., management philosophy), business strategies and business plans

The Company has disclosed information concerning our management philosophy in "I.1 Basic Views on Corporate Governance" of this document and via our Group Philosophy published to the "Company Profile" page of our corporate website (<https://www.takashimaya.co.jp/corp/english/companyprofile/groupphilosophy/>). Please refer to these sources for further details.

Information concerning business strategies and business plans disclosed by the Company can be viewed in our financial statements in the sections "Business Policies, Business Environment, Issues to be Addressed." For details, please see "IR Information" page of its website (<https://www.takashimaya.co.jp/corp/english/ir/>).

(2) Basic stance and guidelines on corporate governance

The Group's basic stance on corporate governance is disclosed in "I. 1. Basic Views" above.

(3) Board policies and procedures in determining the remuneration of the senior management and directors

The Company's policy and procedures for remuneration of Directors are explained in the "[Director Remuneration]" section in "II.1. Organizational Composition and Operation."

(4) Board policies and procedures in the appointment of the senior management and the nomination of Director candidates

Plans regarding candidates for Directors and Executive Officers and other personnel-related plans are subject to a resolution of the Board of Directors upon deliberations by the voluntarily established Nomination Committee which then makes a report of its findings. Outside Directors comprise the majority of members of the Nomination Committee. This includes Outside Directors who are Audit & Supervisory Committee members. The Chairperson is also an Outside Director.

Plans regarding candidates for Directors who are Audit & Supervisory Committee members from among the Directors are approved at General Meetings of Shareholders upon the Audit & Supervisory Committee giving its consent to those plans and the Board of Directors making a decision on those plans.

The Company nominates and appoints candidates for internal Executive Directors and Executive Officers to ensure a balanced composition of skills among the Directors after comprehensively considering factors such as the multifaceted comprehensive faculties and discernment necessary to resolve the problems associated with the business environment/conditions the Group faces, and the candidate's experience and performance appraisal.

Candidates for Directors who are Audit & Supervisory Committee members are required to meet the following conditions based on the selection criteria for Directors who are Audit & Supervisory Committee members: they must be able to complete a two-year term as a Director who is an Audit & Supervisory Committee member, their independence from business executives must be ensured, and they must have the experience and abilities necessary for audits and knowledge relating to finance, accounting, legal affairs, and other areas. In particular, the Company will ensure that at least one Director who is an Audit & Supervisory Committee member possesses sufficient knowledge relating to finance and accounting. Candidates are also required to possess the knowledge to be able to understand the content and appropriateness of management strategies, important business execution decisions, and risk assessments, and to be able to appropriately participate in those activities from the perspective of auditing and supervising, given their role in participating in passing resolutions of the Board of Directors.

The Company nominates candidates for Outside Directors (including Directors who are Audit & Supervisory Committee members) with the expectation that they will provide advice and supervision on management from an objective perspective and the viewpoint of a stakeholder based on diverse experience in different fields and professional knowledge while ensuring their independence.

If a Director or Executive Officer commits a fireable offense, the Nomination Committee will deliberate on the matter in a timely manner. The Board of Directors will consider the results of those deliberations and then decide whether to propose the person's dismissal or decide whether to dismiss the person directly (if he or she is an Executive Officer). The dismissal of the said Director will then be decided by a resolution at the General Meeting of Shareholders.

If a Director who is an Audit & Supervisory Committee member from among the Directors commits a fireable offense, the Board of Directors will decide whether to approve the proposal to dismiss the said Director after the Audit & Supervisory Committee has given its consent to the dismissal proposal. The dismissal of the said Director will then be decided by a special resolution at the General Meeting of Shareholders.

(5) Explanations with respect to the nominations of Director candidates

The Company provides explanations with respect to the individual nominations, appointments, and dismissals of Directors (including Directors who are Audit & Supervisory Committee members) in the referential materials for the notice of the ordinary general meetings of shareholders. Explanations with respect to Outside Directors (including Directors who are Audit & Supervisory Committee members) may be found, respectively, in the "Outside Directors' Relationship with the Company" sections in "II:1. Institutional Composition and Operation," so please refer to that.

Supplementary Principle 3.1.3 [Sustainability Initiatives]

The Group's management philosophy of "Putting People First" is connected at a fundamental level with the SDGs aim to realize a society in which no one is left behind. This philosophy is at the root of the Group's sustainability initiatives. The Group aims to sustainably enhance its corporate value based on its Group ESG Management that incorporates environmental, social, and governance perspectives into its management.

Machi-dukuri, which is positioned by the Company as its group-wide strategy, is also closely related to ESG management. With the development of commercial facilities centered on department stores serving as its main business, the Company has strived to balance addressing social issues with achieving business growth. It has done this through coexistence with local communities, community building, and the provision of environmentally and socially responsible products and services. The Company recognizes that the characteristics of the Group's business, which involves daily contact with customers, business partners, and local communities, provide the foundation for easily implementing ESG viewpoints.

Chaired by the President, the Takashimaya Group Sustainability Committee discusses important sustainability matters across the Group in terms of the progress on key ESG issues, the direction of responses in light of changes in the external environment, and other areas. The contents of the deliberations by the Committee are regularly reported to the Board of Directors. The Board of Directors positions sustainability issues, including ESG, as a part of its management issues. As such, it supervises the status of efforts made to address them. The structure and operating status of the Group's internal control system may be found in "IV. Matters Related to the Internal Control System" in this report, so please refer to that.

The Group has set 10 key ESG issues. These include decarbonization (RE100, etc.) and human capital management. It is working to address these issues. Nevertheless, given the social environment, market demands, and trends in international disclosure standards, instead of viewing these key issues and indicators as fixed, the Company recognizes the importance of continuously reviewing them while more clearly considering their relationship with management strategies and financial impact. Based on this thinking, since FY2025, the Board of Directors and the Takashimaya Group Sustainability Committee have been reviewing the current key ESG issues and holding discussions toward renewing them into key sustainability issues that can be managed and promoted on an integrated basis with management strategies. The Company has disclosed the details of the specific initiatives, state of progress, and other matters on the Group's ESG management in the Takashimaya Group Integrated Report (<https://www.takashimaya.co.jp/corp/ir/togohoukoku/>), so please refer to that.

<Information disclosure based on TCFD recommendations>

The Group recognizes that climate change is one of its important management risks and opportunities. Including the operation of department stores and commercial facilities, the Group's business is closely related to energy use and resource circulation. Accordingly, the Group considers addressing climate change to be an important theme in its business management.

The Company has endorsed the TCFD recommendations. Based on a framework of governance, strategy, risk management, and indicators and targets as found in the recommendations, the Company organizes and discloses climate-related information. These initiatives are positioned within the overall sustainability governance structure that is based on ESG management. Under the supervision of the Board of Directors, the Company is continuously striving for improvement in sophistication. Please see the securities report and "Information disclosure based on the TCFD recommendations" (<https://www.takashimaya.co.jp/corp/csr/tcfd/index.html>) in the "Sustainability" section of the Company's website for details of the Company's response to climate change and information disclosure in line with the TCFD recommendations.

<Human capital investments>

The Group views human capital as the source of value creation. Accordingly, it has positioned human capital as an important element of its ESG management. Given the characteristics of the Group's business, which primarily involves the development of commercial facilities centered on department stores, value is created with a focus on human-centered services and proposals, and relationships with local communities and business partners. Therefore, the Group believes that proactive investment in human resources based on the concept of human capital management, including securing, developing, and promoting an environment where human resources can play a role, is directly linked to enhancing its medium- to long-term competitiveness and corporate value.

Based on the above understanding, the Board of Directors and various management meeting bodies regularly confirm the status and issues relating to human capital. Together with this, they are striving to strengthen the Group's human resource foundations through initiatives such as recruitment and training, improved employee engagement, ensuring diversity, and work style reforms. The Group views human capital measures as an important theme in business management to support future business value creation rather than as a short-term institutional response. As

such, it is promoting human capital measures as medium- to long-term investments with a view to transitioning to sustainability management.

The Group will continue to build upon ESG management in the future with the aim of establishing sustainability management that is more closely linked to its business strategies. Under the supervision of the Board of Directors, the Group will work to both solve social issues and sustainably enhance its corporate value.

Supplementary Principle 4.1.1 [Scope of matters delegated to the management]

The form of corporate organization that the Company has adopted is a “Company with an Audit & Supervisory Committee” in accordance with the Companies Act. The matters to be decided by the Board of Directors in accordance with laws and regulations are subject to a resolution of the Board of Directors; in this way, the Board of Directors is fulfilling its decision-making function. In addition, based on the aforementioned corporate organization and executive officer system, the Company is striving to further speed up its decision-making and policy implementation to enhance the agility of its management. It is achieving this by expanding the scope of authorities delegated in relation to decision-making on business execution from the Board of Directors to Directors while also assigning responsibility for day-to-day and individual executive decisions to Executive Officers. The Board of Directors is fulfilling its responsibility to supervise such business execution.

Furthermore, the Company has clearly specified the content of matters that should be resolved by the Board of Directors, the content of matters delegated to the management, and the role of management in internal regulations such as the Rules of the Board of Directors, Rules for the Segregation of Directors’ Duties, and Rules for Deliberation. In addition, the Company has clarified Directors’ responsibilities with respect to each business year by establishing a one-year term of office for Directors (excluding Directors who are Audit & Supervisory Committee members) and Executive Officers. The business executive bodies the Company has established include meeting bodies such as the Executive Committee and Group Management Information Liaison Committee, and these organizations review and report on important matters concerning the business execution line.

Supplementary Principle 4.1.3. [Succession Plan for CEO and Other Top Executives]

The Company defines as follows the necessary qualities of a succession candidate for its Representative Director and other top executives:

1. Character: The candidate must have.

- upstanding character
- leadership qualities
- a moral compass, and
- a sense of proportion.

2. Competence: The candidate must be.

- creative and imaginative (must see the bigger picture and think flexibly)
- pioneering (must be prepared to innovate and cultivate new growth opportunities)
- a resolute decision-maker
- a fixer (must take on and resolve complex problems), and
- able to nurture diverse talent.

The Company has established skill sets tailored to the business characteristics of its Group.

The voluntarily established Nomination Committee considers and discusses succession plans taking those factors into account and then reports its findings to the Board of Directors for formulation.

Principle 4.9 [Independence standards for Independent Directors]

Outside Directors or candidates for such roles are only recognized as independent from the Company if they fall under NONE of the following items.

1. The person serves, or has served within the past ten years, as an executive officer¹ in the Group (meaning the Company or a subsidiary thereof).
2. The person serves as an executive officer in a significant associate² of the Group.
3. The person serves as an executive officer in a significant creditor³ of the Group.
4. The person is, or currently serves as an executive officer in, a significant shareholder⁴ of the Company.
5. The person serves as an executive officer in a company in which the Group holds significant shares.⁴
6. The person belongs to an organization serving as the Group's accounting auditor.
7. The person is a lawyer, certified public accountant, certified tax accountant/consultant who receives from the Group monetary or non-monetary compensation of a significant amount⁵, excluding any compensation the person may receive for serving the Group as a Director/Corporate Auditor.
8. The person serves as a director or other executive officer of an organization to which the Group donates a significant amount⁵.
9. The person serves as an executive officer in a company that has appointed an executive officer of the Group as an officer.
10. The person has fallen under any of the items from 2 to 9 in the past three years.
11. The person is married to, or is a first or second-degree relative of, someone who...
 - (a) serves as an executive officer of the Group (or, if the candidate in question is standing as an Outside Director who is an Audit & Supervisory Committee member, serves as a non-executive director of the Group) with significant rank⁶;
 - (b) has fallen under (a) at any point in the 1-year period preceding the date the candidate assumes officer; or
 - (c) falls under any of the items from 2 to 9 and holds significant rank.
12. In addition to the above, the person's appointment may cause a substantial conflict of interest with shareholders, or there are other valid reasons to believe that the person would not discharge his or her duties as an independent outside officer.

Notes:

1. "Executive officer" refers to an executive (with or without fiduciary duties), owner, or employee of an organization. The term does not include non-executive directors.
2. "Significant associate" means either a client of the Group that has in any of the past three years compensated the Company in an amount greater than 2 percent of the Company's consolidated turnover for that year, or a supplier of the Group that has in any of the past three years been compensated by the Company in an amount greater than 2 percent of the Company's consolidated turnover for that year.
3. "Significant creditor" means an entity that to which the Group owes, as of the end of the latest fiscal year, an amount greater than 2 percent of the Company's total assets for that year.
4. "Significant shareholder of the Group" means an entity holding at least 10 percent of the Company's total voting rights, either directly or indirectly, or an executive officer of said entity.

5. “Significant amount” means, in the context of an individual, an amount averaging at over 10,000,000 yen for the past three fiscal years or, in the context of an organization, an amount representing at least 2 percent of the organization’s average total revenue for the last three fiscal years.
6. “Significant rank” means a Director, Executive Officer, Operating Officer, and employees in senior management positions at the level of department head or higher.

Supplementary Principle 4.11.1 [View on the Appropriate Balance, Diversity, and Size of the Board of Directors]

Supplementary Principle 4.11.2 [Concurrent service as Directors at other listed companies]

A list of the skills that should be possessed by the Company’s Board of Directors, the skills each Director possesses, and the status of attendance at Board of Directors meetings are disclosed on pages 19, 31 and 41 of the notice for the 160th Ordinary General Meeting of Shareholders. In addition, significant concurrent service by Directors or Corporate Auditors is disclosed on pages 61, 62 and 63 of the notice for the 160th Ordinary General Meeting of Shareholders.

Notice for the 159th Ordinary General Meeting of Shareholders: <https://www.takashimaya.co.jp/corp/shareholder/soukai/>

Please refer to Principle 3.1 (4) for the policy regarding the nomination of Director candidates.

Supplementary Principle 4.11.3 [Analysis and evaluation of the effectiveness of the Board of Directors as a whole]

In FY2015, the Company started conducting evaluations of the Board of Directors with a view to making it more effective and enhancing corporate value. The FY2025 evaluation was conducted in February 2026. (Note: The Company’s corporate organization was a “Company with a Board of Corporate Auditors” as of February 2026.)

In these evaluations, the Company refers to the relevant stipulations in the Corporate Governance Code and focuses on whether the Board of Directors is discharging its responsibilities and duties, whether the necessary systems are in place to ensure the Board of Directors can function effectively, and whether the Board is functioning effectively.

For the FY2025 evaluation, the Company conducted a questionnaire among all twelve Directors and all four Corporate Auditors, and then conducted individual hearings with each of the four Outside Directors and two Outside Corporate Auditors based on the results of the questionnaire. At a meeting of the Board of Directors held in February 2026, the Board conducted a self-evaluation referring to the results of the questionnaire and hearings.

The results of the questionnaire and hearings were generally positive. As such, the Company concludes that there are no major problems with Company’s Board of Directors in terms of its expected decision-making and corporate auditing functions or the structural and operational conditions for facilitating the same.

In December 2025, the Company held an all-day meeting with the participation of all Directors, all Corporate Auditors, the Presidents of key subsidiaries, and next-generation officer candidates. This meeting deepened discussions on the Company’s management and growth strategies. At the same time, it contributed to enhancing the effectiveness of management oversight.

Internal and outside Directors and Corporate Auditors have submitted constructive suggestions for improvement to further enhance the effectiveness of the Board of Directors. (These suggestions included enriching and securing sufficient time for discussions on management strategies at Board of Directors’ meetings, confirming the skillsets that should be possessed by the Board of Directors based on business strategies, and enhancing effectiveness through coordination between the discretionary advisory committees and the Board of Directors and by ensuring transparency.) The Company has confirmed that efforts will be made in response to that, such as by considering an appropriate structure for the discretionary advisory committees, securing time for discussions by delegating the authority for some matters subject to a resolution by the Board of Directors to Executive Directors, and deepening discussions on the Group’s medium- to long-term management issues.

In line with adopting “Company with an Audit & Supervisory Committee” as its corporate organization, the Company will review and strengthen its overall corporate governance structure. Together with this, the Company will continue to conduct yearly evaluations of the Board of Directors as part of a PDCA cycle designed to make the Board of Directors more effective.

Supplementary Principle 4-14.2 [Training Policy for Directors (Including Directors Who Are Audit & Supervisory Committee Members)]

Directors (including Directors who are Audit & Supervisory Committee members) attend internal and external management lectures and seminars as needed to be better equipped with the strategic thought and discernment expected of Directors and to forge networks outside the Company.

As for Outside Directors (including Directors who are Audit & Supervisory Committee members), in order that they may deepen their knowledge about the Company, the Company holds briefing meetings concerning the relevant Company rules, businesses, organizations, management strategies, and policies when they take up their positions. It subsequently sets up opportunities for briefings as necessary and provides the information necessary for appropriate management decisions, audits, and supervision to support them in mastering the knowledge they need.

The Company provides in-house seminars on the duties, authorities, and responsibilities of directors, auditors, and others to newly appointed Executive Officers, and newly appointed Directors and Auditors of group companies. In this way, the Company works to help them master the knowledge they need.

Principle 5.1 [Policy for constructive dialogue with shareholders] Supplementary Principle 5.1.1.2

The Company recognizes that constructive dialogue with shareholders and investors contributes to achieving sustainable growth and enhancing corporate value over the medium to long term.

For institutional investors, the Company holds semiannual financial results briefings where the President serves as the main speaker as well as small meetings. Moreover, in addition to designating the Public and Investor Relations Office as the main liaison for responding to individual interview requests, the Company also holds business briefings as needed to explain its initiatives that are of particular interest to its investors. Going forward, the Company will actively and continuously set up opportunities for dialogue and strive to further enhance dialogue with its shareholders and investors.

The Company is making efforts to understand the opinions of individual shareholders and investors by conducting shareholder questionnaire surveys. Furthermore, it is committed to fair and transparent disclosure of information to all stakeholders through its website.

Opinions and requests received through IR and SR activities are shared with the relevant departments within the Company. Together with this, feedback is regularly provided to management and the Board of Directors. In addition, the Company is continuing to work on developing a system to promote constructive dialogue with shareholders and investors. For information regarding the status of our dialogue with shareholders and investors, please refer to "Overview of Dialogue with Shareholders" in the "To Our Shareholders and Investors" section of the Company's website (<https://www.takashimaya.co.jp/corp/shareholder/dialogue/>).

When engaging in dialogue with shareholders and investors, not only the IR Department but also other related departments within the Company strive to appropriately and strictly manage insider information, for example, by setting an appropriate quiet period before announcing financial results and avoiding contact with interested parties.

[Responses towards achieving management focused on capital costs and stock price]

[Date updated: May 26, 2026]

(1) Basic Views

The Company promotes the appropriate use of financial leverage while ensuring financial soundness to prepare for future business risks. The Company has set EBITDA, equity ratio, dividend on equity (DOE), and total shareholder return (TSR) as key performance indicators (KPIs). In particular, the Company is implementing ROIC management as an initiative to promote management that is focused on capital costs. The ROIC for FY2025 was 5.7%, exceeding the WACC of 4.8%. Going forward, we will use ROIC trees specific to the characteristics of each business entity, including each department store, to build a system that enables each individual on the front lines to be aware of ROIC and take action accordingly. For

EBITDA, the Company sets a value for net interest-bearing debt to EBITDA to promote financial stability and also sets a value for EBITDA to total assets to ensure the Group's ability to generate cash.

All KPIs and capital policies are disclosed in the financial results presentation materials*.

*<https://www.takashimaya.co.jp/corp/english/ir/financial/>

Aiming to enhance its corporate value, the Company will raise its price-to-earnings ratio (PER) by enhancing dialogue with the market in addition to increasing its earnings per share (EPS).

In addition, given that the promotion of EBITDA-conscious management has increased the cash generation capacity of each business both in Japan and overseas, we will promote initiatives to improve capital efficiency, including the optimization of capital allocation.

Furthermore, while maintaining an acquisition approach for assets that contribute to long-term, stable growth, we will also improve asset efficiency by building a cycle that further improves ROIC and cash generation capabilities based on flexible management decisions.

(2) Shareholder returns

Dividends take into consideration various management indicators in addition to progressive dividends based on increases in net assets. If business performance is strong and free cash flow is generated beyond expectations, the Company will flexibly and comprehensively make decisions on the use of funds from the perspective of balanced profit allocation among multiple stakeholders, such as additional growth investments, including human capital and ESG investments, and shareholder returns.

2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%
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[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	48,329,200	16.49
Custody Bank of Japan, Ltd. (Trust Account)	13,053,100	4.45
City Index Eleventh CO.,Ltd.	10,711,400	3.66
Nippon Life Insurance Company	9,923,880	3.39
Takashimaya Kyoekai Association	6,123,044	2.09
STATE STREET BANK AND TRUST COMPANY 505223	5,859,811	2.00
STATE STREET BANK AND TRUST COMPANY 505103	4,808,233	1.64
Sotetsu Holdings Inc.	4,805,000	1.64
JP MORGAN CHASE BANK 385781	3,991,718	1.36
Credit Saison Co.,Ltd.	3,308,000	1.13

Controlling Shareholder (except for Parent Company)	None
Parent Company	None

Supplementary Explanation

The Company, which owns 12,194,516 treasury shares, is excluded from consideration as a major shareholder as defined above. (As of February 28, 2026)

The shareholding ratio was calculated based on the total number of the issued shares excluding the number of treasury stocks.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	February
Type of Business	Retail Trade
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with an Audit & Supervisory Committee
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	19
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	15
Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Keisuke Yokoo	From another company									△			
Atsumi Arima	From another company									△			
Miyuki Ebisawa	Lawyer									△			
Kunihiko Sugahara	Certified Public Accountant									△			
Makiko Terahara	Lawyer												
Shuichi Sugahisa	Other												

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Corporate Auditor

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/Corporate Auditor are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Audit & Supervisory Committee member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Keisuke Yokoo		○	*Keisuke Yokoo previously served as a senior executive at Mizuho Securities Co., Ltd., a trading partner of the Company (he retired from that position in June 2012). However, the Company believes that this fact poses no threat to Yokoo's independence for two reasons: First, in none of the past three years did the transactions with	* Keisuke Yokoo is a highly experienced business leader who has led Mizuho Securities Co., Ltd., as President and Chairman. He has further demonstrated his executive competence by serving as Vice Chairman & President of the Japan Association of Corporate Executives up to 2019, and by serving his current post of President of Japan Investment Corporation. Given his credentials, the Company chose Yokoo as Outside Director in the expectation that he will duly discharge his duties in said office. * Keisuke Yokoo has been designated an independent director. The Company believes that he will advise and supervise the management impartially on the basis

			Mizuho Securities represent more than 2% of the Company's consolidated net sales. Second, Yokoo satisfies the independence criteria.	that he satisfies the independence criteria for Outside Directors and because he does not pose, and never has posed, any conflict of interest with shareholders.
Atsumi Arima		○	*Atsumi Arima previously served as a senior executive at Mizuho Bank, Ltd., a creditor of the Company (she retired from that position in December 2017). However, the Company believes that this fact poses no threat to Arima's independence for three reasons: First, the amount the Company borrows from Mizuho Bank is less than 2% of its consolidated gross assets. Second, although the Company has traded with Mizuho Bank, in none of the past three years did the transactions represent more than 2% of the Company's consolidated net sales. Third, Arima satisfies the independence criteria.	* Atsumi Arima is a highly experienced banker who has served Mizuho Bank, Ltd., as Executive Officer and General Manager of the International Business Department. She is also well informed about the sustainability issues that businesses should be mindful of, having studied and engaged in such issues. Given her credentials, the Company chose Arima as Outside Director in the expectation that she will duly discharge her duties in said office. * Atsumi Arima has been designated an independent director. The Company believes that she will advise and supervise the management impartially on the basis that she satisfies the independence criteria for Outside Directors and because she does not pose, and never has posed, any conflict of interest with shareholders.
Miyuki Ebisawa		○	*Miyuki Ebisawa once served as an executive at Takarajimasha, Inc., a customer of a business of the Company (she retired from that post in 2003). However, the Company believes that this fact poses no threat to Ebisawa's independence for two reasons: First, in none of the past three years did the transactions with Takarajimasha represent more than	*Miyuki Ebisawa worked at the Ministry of Home Affairs (now the Ministry of Internal Affairs and Communications) and Takarajimasha, Inc., and then built a career as a freelance fashion editorial stylist, providing her services to fashion magazines and advertisers. After completing a postgraduate law course at the Graduate School of Law at Hitotsubashi University, she earned her lawyer license and joined Mimura & Komatsu Law Firm, where she focuses on fashion-related law. In consideration of her wide-ranging career, the Company concluded that Ebisawa is qualified to perform the duties expected of an Outside Director of the Company.

			2% of the Company's consolidated net sales. Second, Ebisawa satisfies the independence criteria.	
Kunihiko Sugahara	○	○	*This person is not currently, recently, nor in the past has been in a position to have a conflict of interest with general shareholders. As such, this person is believed to be able to conduct audits of business execution by Company directors from an independent perspective.	*This person is a Certified Public Accountant and has appropriate knowledge of finance and accounting. On this basis, the Company appointed this person as Outside Director who is an Audit & Supervisory Committee member.
Makiko Terahara	○	○	*This person is not currently, recently, nor in the past has been in a position to have a conflict of interest with general shareholders. As such, this person is believed to be able to conduct audits of business execution by Company directors from an independent perspective.	*This person is registered as an attorney in Japan and in New York, USA, and has appropriate knowledge related to legal affairs and corporate accounting. On this basis, the Company appointed this person as Outside Director who is an Audit & Supervisory Committee member.
Shuichi Sugahisa	○	○	*This person is not currently, recently, nor in the past has been in a position to have a conflict of interest with general shareholders. As such, this person is believed to be able to conduct audits of business execution by Company directors from an independent perspective.	*In addition to possessing extensive knowledge and expertise on fair trade by leveraging a career as Secretary-General of the Japan Fair Trade Commission, this person has experience working as a consul at the Consulate-General of Japan in Berlin, and currently serves as a senior consultant on the Antitrust Act, competition policies, and the Act against Unjustifiable Premiums and Misleading Representations at a law firm. On this basis, the Company appointed this person as Outside Director who is an Audit & Supervisory Committee member with the expectation that this person will demonstrate skills from an international perspective in fair trade and consumer protection efforts.

[Audit & Supervisory Committee]

Committee's Composition, and Attributes of Chairperson	
	Audit & Supervisory Committee
All Committee Members	5

Full-time Members	2
Inside Directors	2
Outside Directors	3
Chairperson	Internal Director

Directors and Employees Who Should Assist the Audit & Supervisory Committee in Its Duties	Yes
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Matters Concerning the Independence of Those Directors and Employees from Executive Directors

Directors who are Audit & Supervisory Committee members do not execute business to ensure their independence from Executive Directors. They are responsible for auditing and supervising the legality and appropriateness of the Directors' performance of their duties as part of the Audit & Supervisory Committee.

The Company appoints individuals it determines to be independent by meeting the requirements of its independence criteria as Outside Directors (including Outside Directors who are Audit & Supervisory Committee members).

At the request of the Audit & Supervisory Committee, the Company assigns staff members to the Audit & Supervisory Committee Secretariat. These are full-time employees who assist the Audit & Supervisory Committee in its duties. These employees do not hold any concurrent positions related to the Company's business execution. Under the direction and command of the Audit & Supervisory Committee, these employees assist the Audit & Supervisory Committee in its duties from a standpoint independent of Executive Directors and Executive Officers.

Collaboration between the Audit & Supervisory Committee, the Accounting Auditor, and the Internal Audit Department

The Company has entered into an audit agreement with KPMG AZSA LLC. It conducts accounting audits pursuant to legal provisions. The Audit & Supervisory Committee has established a close collaborative structure with the accounting auditor. It regularly receives reports on audit plans, audit results, and other matters from the accounting auditor. It also exchanges opinions with the accounting auditor.

Established as an internal auditing body, the Operations Audit Office regularly conducts accounting audits, operation audits, and evaluations of internal controls relating to financial reporting. It reviews and evaluates the status of compliance with various laws and regulations, various internal regulations, the management and operational status of management activities in general, and the status concerning the implementation and dissemination of key policies from an independent standpoint. Based on the results of that, it then identifies problems and proposes the course of action to take to make improvements. The Operations Audit Office reports its audit results to the Audit & Supervisory Committee. Together with this, the Office strives to qualitatively enhance audits by regularly exchanging opinions with the Committee. In addition, the Audit & Supervisory Committee requests the cooperation of the Operations Audit Office in investigations as necessary to improve the effectiveness of internal audits.

[Voluntary Establishment of Committee(s)]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nominating Committee	Remuneration Committee
All Committee Members	5	5

Full-time Members	0	0
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

The above committees were established as advisory bodies to the Board of Directors. Meeting on an as-and-when basis, they review the nomination of / remuneration for Directors and Executive Officers and report back to the Board of Directors. The Nomination Committee deliberates on matters deemed necessary by the Board of Directors. These include the policies and criteria for the appointment and dismissal of Directors, succession plans that include medium-to long-term planning, the composition of the Board of Directors, and matters relating to the skills matrix. It then reports its findings to the Board of Directors. The Remuneration Committee also deliberates on matters deemed necessary by the Board of Directors. These include the policies and criteria for the remuneration of Directors and Executive Officers, the composition of the remuneration structure, and the contents of performance indicators and evaluation methods. It then reports its findings to the Board of Directors.

[Independent Directors]

Number of Independent Directors	6
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Matters relating to Independent Directors

All Outside Officers who fulfill the requirements of Independent Officers are designated as Independent Officers.

[Incentives]

Incentive Policies for Directors	Introduction of a performance-linked remuneration system/ Other
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Supplementary Explanation

Introduction of a performance-linked remuneration system: The Company calculates the amount of remuneration by reflecting the performance of the Group and its operating units, the extent to which the relevant Director has met performance targets in his/her area of responsibility, and the extent to which the Director has accomplished priority tasks.

Other: The Company also operates a Stock Grant - restricted shares system.

Recipients of Stock Options	-
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Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure
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Supplementary Explanation

During the previous fiscal year (March 2025 to February 2026), remuneration for the 18 Directors and Corporate Auditors was 531 million yen.

The Directors' remuneration amount includes remuneration for three Directors who retired at the conclusion of the 159th Ordinary General Meeting of Shareholders on May 20, 2025. The number of Directors excludes one Director who was uncompensated during the fiscal year under review.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

With a view to securing fairness and transparency in the determination of the remuneration of officers, the Company has established, as an advisory body, Remuneration Committee chaired by an Outside Director. The committee members review the performance of Directors/Executive Officers and their individual remuneration.

The system of remuneration of officers comprises basic remuneration and bonus. For basic remuneration, the Company has introduced a performance-linked remuneration in which the amount reflects performance in that fiscal year. In addition, the Company has introduced a share-based compensation system with a view to sharing profit and risk among shareholders and investors and promoting initiatives to enhance performance over the medium-to-long term. Inside Directors who are Audit & Supervisory Committee members and Outside Directors receive only basic remuneration.

[Supporting System for Outside Directors]

The Company endeavors to facilitate managerial decisions by providing Outside Directors with materials containing relevant Company information as well as by enabling them to access deliberation materials and records of proceedings relating to internal business execution and controls.

Other Matters

The Company has not established a counsellor system.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

With a view to vitalizing and optimizing the Board of Directors and securing fairness and transparency in management, the Company has adopted the following measures:

- The form of corporate organization that the Company has adopted is a "Company with an Audit & Supervisory Committee." The Company is expanding the scope of authorities delegated in relation to decision-making on business execution from the Board of Directors to Directors. In addition, based on the executive officer system, the Company is striving to further speed up its decision-making and policy implementation to enhance the agility of its management.

It is achieving this by also assigning responsibility for day-to-day and individual executive decisions to Executive Officers. The Board of Directors is fulfilling its responsibility to supervise such business execution.

In addition to the aforementioned expansion in the scope of authorities delegated in relation to decision-making on business execution, the Company is reviewing the criteria to submit matters to the Board of Directors and creating sufficient time for discussions by the Board of Directors from the perspective of ensuring vigorous discussions and appropriate decision-making within the Board of Directors from the viewpoint of optimizing the entire Group. Furthermore, Directors who are Audit & Supervisory Committee members exercise voting rights at Board of Directors' meetings to ensure effective supervision of business execution and to maintain the effectiveness and transparency of corporate governance.

The Board of Directors is comprised of 15 Directors, of whom six are Outside Directors, with the aim of obtaining valuable advice from a broad perspective.

- The Board of Directors holds regular meetings (once every month in principle) to make decisions on the execution of important business and to monitor the Directors' execution of duties. In addition to the Board of Directors, the Company has established, as a deliberative body, the Executive Committee (whose membership includes the President, Managing Directors, and Senior Managing Directors, etc.), which reviews the execution and control of the general business operations performed by the President pursuant to the basic management policies determined by the Board of Directors. The Executive Committee has regular monthly sessions during which it reviews and reports on matters discussed at the Board of Directors, matters to be resolved by the President or Senior Managing Directors that require review, matters concerning the execution of the President or Senior Managing Directors' duties that require reporting, and other matters.
- The Executive Committee provides an environment in which Outside Directors can participate as observers as necessary. This gives Outside Directors the opportunity to understand the content and process of deliberations necessary for providing supervision and giving advice on the Group's management from an independent standpoint.

- The Company has voluntarily established the Nomination Committee and the Remuneration Committee. Outside Directors comprise a majority of the members of both these committees. This includes Outside Directors who are Audit & Supervisory Committee members. These committees are chaired by Outside Directors.

The Nomination Committee deliberates on plans regarding candidates for Director and Executive Officers and other personnel-related plans. It then reports its findings to the Board of Directors. It also deliberates on matters deemed necessary by the Board of Directors. These include the policies and criteria for the appointment and dismissal of Directors, succession plans that include medium- to long-term planning, the composition of the Board of Directors, and matters relating to the skills matrix that underlie those deliberations. It then reports its findings to the Board of Directors.

The Remuneration Committee deliberates on the evaluation and individual remuneration amounts of Directors and Executive Officers, and then reports its findings to the Board of Directors. It also deliberates on matters deemed necessary by the Board of Directors. These include the policies and criteria for the remuneration of Directors and Executive Officers, the composition of the remuneration structure, and the contents of performance indicators and evaluation methods that underlie those deliberations. It then reports its findings to the Board of Directors.

- The Audit & Supervisory Committee is comprised of a total of five members (including two female members) with two full-time Audit & Supervisory Committee members and three independent Outside Audit & Supervisory Committee members. It deliberates, resolves, and reports on matters relating to audits. The Audit & Supervisory Committee determines its opinions for the appointment, dismissal, and remuneration of Directors other than Directors who are Audit & Supervisory Committee members.

Moreover, in cooperation with the voluntarily established Nomination Committee and Remuneration Committee, the Audit & Supervisory Committee receives explanations as necessary on the content of deliberations and the consideration processes in both those committees. It then expresses its opinions as the Audit & Supervisory Committee.

The Company assigns staff members to the Audit & Supervisory Committee Secretariat to strengthen the functions of the Audit & Supervisory Committee. These are full-time employees who do not hold any concurrent positions related to the Company's business execution. Under the direction and command of the Audit & Supervisory Committee, these employees assist the Audit & Supervisory Committee in its duties.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted a business holding company structure focused on the Takashimaya brand that has been cultivated throughout the Group, primarily through its department stores. This structure respects the autonomy of each company in the Group while maximizing synergies between businesses to achieve sustainable growth for the entire Group. It is necessary to ensure that decision-making on group-wide strategies, resource allocation, and control is reliably translated into business execution and that the responsibility for that is fully fulfilled under this structure. Therefore, the Company has assigned a certain number of members from the business execution side to the Board of Directors.

Against this background, the form of corporate organization the Company has adopted is a “Company with an Audit & Supervisory Committee” to further strengthen the supervisory functions of the Board of Directors. The Company will work to enhance its corporate value by building a more objective and transparent governance structure while further accelerating decision-making through delegation of authorities and further enriching debates focused on management strategies within the Board of Directors.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	* The Company issues its convocation notice around three weeks before the date of the General Meeting of Shareholders.
Scheduling AGMs Avoiding the Peak Day	*To make it easy for many shareholders to attend, the Company avoids holding the General Meeting of Shareholders on the peak day.
Allowing Electronic Exercise of Voting Rights	*Offered
Participation in Electronic Voting Platform	* The Company uses the Electronic Voting Rights Exercise Platform operated by ICJ Inc.
Providing Convocation Notice in English	*The Company prepares English translations.
Other	* The Company posts its convocation notices on its website early (a number of days before issuing the official convocation notice).

2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	In line with the management’s principle of always putting people first, the Company observes a policy of disclosing information in a fair and transparent in the way, understanding that such disclosure benefits shareholders, investors, customers, employees, trading partners, local communities, and all other stakeholders. This disclosure policy is published on the Company’s website. https://www.takashimaya.co.jp/corp/ir/policy/ (In Japanese).
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds financial results briefings every six months (at the time of the interim and final financial results announcements). The briefing for the FY2025 financial results was held on April 14, 2026, during which a representative explained the FY2025 performance, FY2026 plans, progress and revision of the Medium-Term Management Plan for FY2024 to FY2026, and the direction toward profit growth and the evolution of capital policy. This was followed by a Q&A session
Regular briefings for overseas investors	To strengthen relationships with overseas investors, in FY2025, the officer in charge of IR held dialogues with overseas investors at conferences in Japan and overseas. In addition, the IR staff conducted a total of 71 individual interviews mainly with investors in Asia, Europe, and the U.S.
Posting of IR Materials on Website	The “Company Profile” page of our corporate website includes Company information (President Message, Group Philosophy, and other corporate information), the “Shareholders and Investors” page features stock information (basic stock information, matters concerning the General Meeting of Shareholders, Shareholder Report, etc. (in Japanese)) and IR Information (financial results information, Medium-Term Management Plan, monthly sales

	report, financial statements, Integrated Report, Overview of Dialogue with Shareholders, etc.).
Establishment of Department and/or Manager in Charge of IR	<ul style="list-style-type: none"> * Department in charge: Public and Investor Relations Office * Officer in charge of IR: Naohiro Satoh, Senior Managing Director and General Manager of Planning * Administrative contact: Mariko Oe, Executive Officer and General Manager of Public and Investor Relations Office

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>*The Company has a management philosophy which provides a basic system of values for determining the propriety of decisions and actions of members of the Group. As a part of this management philosophy, the Company is committed to applying the “spirit of believing in people, loving people, and serving people” to all the Group’s stakeholders, including customers, shareholders/investors, clients, employees, local communities, and the global community, and thereby contributing to the creation of a society in which all people can thrive.</p> <p>*Initiatives for customers, employees, and business partners are disclosed under “Initiatives for Society and Stakeholders” on the “Sustainability” page of our corporate website.</p>
Implementation of Environmental Activities, CSR Activities etc.	<p>*Please see the “Sustainability” section (https://www.takashimaya.co.jp/corp/topics/?category=sustainability) in the “News Releases” on the Company’s website for environmental activities and CSR activities, etc.</p>
Development of Policies on Information Provision to Stakeholders	<p>* The Company promotes the fair and timely disclosure of information in order to foster confidence in the Group and improve the transparency of management.</p> <p>*The Company also has a policy on compliance-related information disclosure; it aims for such information to be promptly shared internally after being summarized in the General Affairs Division, the department in charge of crisis management, and then proactively disclosed to stakeholders as appropriate.</p>
Other	<p><u>Actions to increase diversity</u></p> <p>*The Company has established the Diversity Promotion Office within the Personnel Division. This office promotes action plans for empowering women in the workplace. Furthermore, it works to create an environment in which everyone can pursue autonomous career development and grow. Together with this, it accelerates efforts to encourage women to develop their professional careers and to prepare the next generation of women managers such as by providing unisex leadership training.</p> <p>*The Company is enriching the support it provides as a company where employees can continue to work. For example, to support working parents, the Company provides flexible working options such as a program of shorter workdays. It also offers special in-house childcare on Sundays and public holidays</p> <p>* The Company has promoted flexible working options by introducing a system of telework (work from home) and staggered hours, among other things.</p> <p>* The President has joined other business leaders in signing the Cabinet Office’s “declaration of action” for empowering women in the workplace.</p> <p>*In 2025, the rate of paid holiday take-up among regular employees was 72.4%. The Group is conducting enlightenment activities with the target of 100% childcare leave utilization by male employees, (FY2025 acquisition rate: 100%, average days taken: 18 *parent company)</p> <p>* See also Supplementary Principle 2.4.1 for information about the recruitment of women, foreigners, and mid-career hires to leadership posts (such as manager or officer) and the Company’s efforts to promote recruitment of such persons.</p>

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Company considers the establishment of an internal control system and risk management structure (hereafter collectively the “internal control system”) as vital to the permeation of business strategies and objectives sent out by the management team throughout the organizational structure. The Company also believes that an internal control system is crucial for achieving: i) effectiveness and efficiency of operations, ii) compliance, iii) credibility of financial reporting, and iv) conservation of assets. In addition, the Company views the internal control system as the underpinning of its efforts to deepen mutual trust with customers, shareholders and other stakeholders, and to the conduct of sustainable corporate management focused on social responsibility.

Based on this belief, the Company works to enhance its internal control system in accordance with the following basic policies.

On another front, the Company is working to strengthen monitoring, which it sees as a supplemental function for maintaining and reinforcing the Group’s corporate governance drive, and the Company is implementing measures to enhance monitoring functions. Such measures include continued internal monitoring by the Operations Audit Office to ensure that operations are executed in compliance with laws and internal regulations. Operation of the Compliance Hotline, a contact point for encouraging and protecting internal whistle-blowing, is another measure for improving monitoring.

Going forward, the Company will actively reinforce corporate governance in order to achieve fair and transparent corporate activities that fulfill the expectations of all stakeholders.

<Basic Policies for Enhancing the Internal Control System>

1. Compliance system

Systems for ensuring compliance with laws and regulations and the Articles of Incorporation in the execution of duties by Directors, Executive Officer and employees of the Company and Group companies

- 1) The Group’s management philosophy is “Putting People First.” Based on this management philosophy, the Takashimaya Group shall conduct corporate activities that embody the spirit of believing in, loving, and serving all the Group’s stakeholders, including customers, employees, clients, shareholders/investors, local communities, and the global community, and thereby contribute to the creation of a society in which all people can thrive. Upper management, together with all Directors and Executive Officers, sets an example in compliance management and strives to inculcate compliance culture so that the Group as a whole upholds the ethical values of the Company.
- 2) To ensure that the Company and the Group companies’ business operations are executed in an appropriate and wholesome manner, the Company appropriately supervises the Directors’ execution of duties and strives to build an effective internal control system for the Group as a whole. The Company regularly monitors the internal controls to ensure they are operating as intended and to identify any concerns.
- 3) The Audit & Supervisory Committee audits the establishment and operation of the internal control system. In addition, the Directors who are Audit & Supervisory Committee members play a role in the supervisory function of the Board of Directors. They review the legality and appropriateness of the Directors’ execution of duties.
- 4) Under the guidance of the Takashimaya Group Sustainability Committee (chaired by the President), the Company enforces strict compliance. In addition, it spearheads Group-wide efforts to review and enhance its approach to sustainability issues, taking into account the status of the internal control system,

international environmental and social changes, regulatory and market trends, and other factors surrounding its corporate activities.

- 5) Guided by Takashimaya Group Risk Management Committee, the Company strives to ensure rigorous compliance culture throughout line management by facilitating collaboration between headquarters and relevant departments with respect to individual issues such as fair transactions, personal information, and environment.
- 6) Utilizing guidelines such as the Compliance Guidebook, the General Administration Division, Personnel Division, and Sustainability Promotion Office use various opportunities such as education and training to spread awareness of compliance in accordance with the management philosophy.
- 7) The Takashimaya Group has established a Group-wide structure for receiving reports about inappropriate behavior. This structure includes the Takashimaya Group Compliance Hotline, a Harassment Hotline, an Employment Consultation Desk, and a Legal Affairs Consultation Desk. When a report is made, the Group guarantees confidentiality and ensures that whistleblowers are not subject to disadvantages. The Group then takes swift action to correct the issues. It makes reports regularly to the Board of Directors about the status of the establishment and operation of the structure concerning the whistleblowing system. In addition, depending on the seriousness of the reported matter, it reports individual matters to the Representative Director and the Audit & Supervisory Committee or the Directors who are Audit & Supervisory Committee members. The Group provides education to staff involved in the Company and Group companies to ensure that the purpose and mechanism of the whistleblowing system are understood. The Group informs all employees of the Company and Group companies about this system to enhance self-discovery and resolution of issues by setting up a structure to receive even more internal reports.
- 8) The Operations Audit Office, which serves as an internal auditing body, regularly performs accounting and operations audits of each business office and Group company, reviews the effectiveness of the internal control system, and points out and seeks the rectification of any problems. The Operations Audit Office reports the results of those audits to the Board of Directors and the Audit & Supervisory Committee. In addition, it strives to conduct effective audits that contribute to management by regularly exchanging opinions with Directors and the Audit & Supervisory Committee. Furthermore, the Audit & Supervisory Committee works in cooperation with the Operations Audit Office and requests its cooperation in investigations as necessary to improve the effectiveness of internal audits.

2. Risk management

Procedures and other systems related to managing the risk of losses to the Company and Group companies

- 1) The Takashimaya Group Risk Management Committee (chaired by the President) identifies and reviews various risks associated with business execution by the Group and strives to build a Group-wide risk management system. Together with this, it continually revises and enhances its management structure so that it is equipped to deal with new risks arising from changes in the business environment. It also works with the Takashimaya Group Sustainability Committee on sustainability issues, such as the environment

and human rights, and assesses new undertakings in terms of their risk-reward balance to ensure Group-wide control.

- 2) The Company periodically holds Crisis Management PDCA Meetings. These meetings serve to prevent the recurrence of past incidents and the occurrence of future incidents in regards to particularly significant risks facing the Group. The aim through this is to sustain and maintain business activities based on the premise of safety and security.
- 3) The Company has established a defensive cycle through self-inspection reports, monitoring, and on-site audits. With this cycle, it enhances its three lines of defense as a multi-stage check structure to prevent irregularities and misconduct.
- 4) The Legal Affairs and Risk Management Office formulates policies and promotes and controls measures to maintain and enhance the risk management structure and promote and instill compliance management throughout the Group. The Company is also working to establish a structure to exclude anti-social forces. It spearheads Group-wide efforts to reject improper requests and prevent damage from the same.
- 5) The risk of system failures and information leaks due to cyberattacks is rising. Against this backdrop, the Company has formulated the Takashimaya Group Information Security Policy to improve cyber resilience and information security. The Information Systems Division and the Legal Affairs and Risk Management Office work together to promote efforts aimed at enhancing thorough compliance of security to prevent incidents, procedures for early recovery, and organizational response capabilities.

3. Storing and managing information

Systems for storing and managing information related to the execution of duties by Directors

The Company appropriately stores and manages information related to directors' execution of duties, including minutes of meeting of Board of Directors and request approval documents, in accordance with laws and regulations and the Company's Rules regarding Documents.

4. Ensuring director performance

Systems for ensuring the efficient execution of duties by Directors

- 1) Directors execute their duties appropriately and efficiently in compliance with the rulesets regarding authority and decision-making, including the Rules of the Board of Directors, Rules for the Segregation of Directors' Duties, Rules of the Executive Committee, Rules for Organizational Functions, and Rules for Deliberation. These rulesets are updated to reflect any legislative changes and to ensure proper execution and oversight of business and more effective executive performance.
- 2) The Company formulates a Group business plan for each fiscal year, carries out policy management as part of a PDCA, and regularly monitors each division to identify important issues and check the progress of measures designed to deal with such.
- 3) The Board of Directors holds regular monthly meetings, as well as extraordinary meetings, to determine important business decisions.

5. Group management

Systems for reporting to the Company matters concerning the execution of duties by Directors and employees of Group companies, and Systems for ensuring the efficient execution of duties by Directors and employees

- 1) In accordance with the Group business plan for the fiscal year, the Company carries out policy management as part of a PDCA, and regularly monitors each Group company to identify important issues and check the progress of measures to deal with such.
- 2) In accordance with the Rules for Deliberation, Directors deliberate on matters concerning the execution of important business that the Company has deemed essential to the management of the Company or Group.
- 3) The Corporate Planning Headquarters, which is in charge of issuing operational guidance to Group companies, leads efforts to construct an internal control system and inculcate compliance culture throughout the Group companies so as to ensure propriety and efficiency in the operations of the Group.
- 4) In the overseas business, the Corporate Planning Headquarters will strengthen monitoring of local operating companies in collaboration with the Asia Representative Office established in Ho Chi Minh City, Vietnam and local experts.

6. Assistants to the Audit & Supervisory Committee

Matters concerning any employees who are assigned to assist the Audit & Supervisory Committee in its duties

The Company assigns staff members to the Audit & Supervisory Committee Secretariat. These are full-time employees who assist the Audit & Supervisory Committee in its duties. The Company sets up a structure in which these employees assist the Audit & Supervisory Committee in its duties under the direction and command of the Audit & Supervisory Committee.

Matters related to the independence of the employees mentioned above from Executive Directors and Executive Officers, and matters for ensuring the effectiveness of the direction of said employees

- (1) Employees who work full-time for the Audit & Supervisory Committee shall not hold any concurrent managerial position related to the execution of the Company's business; they shall execute duties from a standpoint independent of Executive Directors and Executive Officers under the direction and command of the Audit & Supervisory Committee.
- (2) The evaluation of employees who work –full-time for the Audit & Supervisory Committee shall be determined upon asking the Audit & Supervisory Committee for its opinions.
- (3) The Company shall require the prior consent of the Audit & Supervisory Committee with regard to the appointment and transfers of employees who work full-time for the Audit & Supervisory Committee.

7. Reporting to the Audit & Supervisory Committee

Systems for reporting by Directors, Executive Officers and employees of the Company and Group companies to the Company's Audit & Supervisory Committee and its Directors who are Audit & Supervisory Committee members

- 1) Directors, Executive Officers, or employees of the Company or Group companies must notify the Audit & Supervisory Committee and Directors who are Audit & Supervisory Committee members without delay if they discover any serious violation of laws/regulations or the Articles of Incorporation or any malpractice in relation to the execution of duties, or anything that has the potential to cause substantial detriment to the Company.

- 2) The Audit & Supervisory Committee and Directors who are Audit & Supervisory Committee members may, whenever necessary, require Directors, Executive Officers, and employees to report to them and provide them with information. They may also access the reports and other conference materials. Directors, Executive Officers and employees of the Company and Group companies must comply swiftly and unerringly with the Audit & Supervisory Committee and Directors who are Audit & Supervisory Committee members' requests for such.
- 3) The Company reports to the Audit & Supervisory Committee on matters concerning improprieties or malpractice that were reported through the internal whistle-blowing system.
- 4) The Company prohibits the disadvantageous treatment of whistleblowers who report to the above Audit & Supervisory Committee and Directors who are Audit & Supervisory Committee members and ensures that this prohibition is observed in each Group company.

8. Ensuring the Audit & Supervisory Committee performance

Matters concerning policies on the settlement of expenses or liabilities incurred in connection with the Audit & Supervisory Committee's execution of duties, and systems for ensuring effective audits by the Audit & Supervisory Committee

- 1) The President facilitates communication and understanding by holding regular meetings with Directors who are Audit & Supervisory Committee members and exchanging opinions concerning company management in addition to business reports.
- 2) Directors who are Audit & Supervisory Committee members may attend meetings of the Board of Directors and any other meeting for discussing the execution of important duties of Directors and Executive Officers including the Executive Committee, PDCA Committee, and Takashimaya Group Sustainability Committee.
- 3) Directors who are Audit & Supervisory Committee members may hold regular Group audit liaison meetings attended by Corporate Auditors across the Group, and they strive to ensure the sharing of information and the propriety of the execution of business. In addition, Corporate Auditors develop close collaborative relationships with the Accounting Auditor and the Operations Audit Office in order to increase the effectiveness of auditing throughout the Group.
- 4) Directors who are Audit & Supervisory Committee members may seek advice from attorneys, certified public accountants, and other experts outside the Company as they may deem necessary for the proper performance of their auditing duties, and may request the Company to bear expenses such as those related to the outsourcing of investigations, appraisals, and other operations.

2. Basic Views on Eliminating Anti-Social Forces

In pursuit of the management philosophy of "Putting People First," the Group has highlighted "behavior that gains trust from society" as a policy to be practiced by managers and staff alike. Based on this policy, the Company takes a resolute stand against anti-social forces that threaten the order and safety of civil society and refuses to engage in relationships with such forces.

To this end, the Company has established the Legal Affairs and Risk Management Office in the General Affairs Headquarters. Specifically, in the event that a department store, business division, or Group company is exposed to improper demands by anti-social forces, the Legal Affairs Office will collect and analyze the relevant information in a prompt and uniform manner, and provide leadership and advice, collaborating as necessary with authorities such as the

police or outside experts such as attorneys; in this way, the Company has prepared system whereby the Group can work as one to resolve any problems posed by anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

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2. Other Matters Concerning to Corporate Governance System

The status of the Company's internal control system pertaining to the timely disclosure of company information is as follows:

- The Public and Investor Relations Office acts as the focal point for the timely disclosure of company information.
- Decisions on the disclosure of information are taken by the Executive Committee, the Board of Directors, and the Takashimaya Group Sustainability Committee.
- Aside from disclosing matters requiring disclosure, the Company voluntarily discloses information that the Public and Investor Relations Office deems necessary to disclose in order to promote proactive information disclosure.

Management Structure

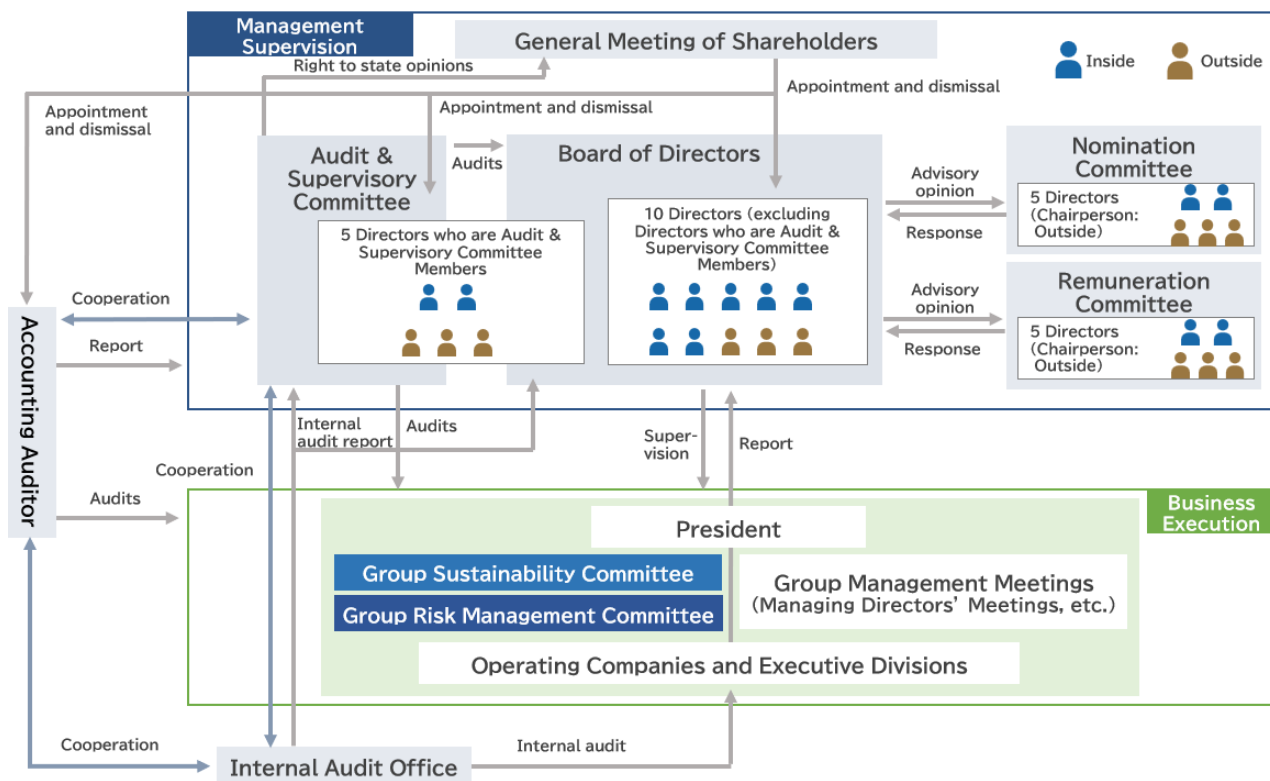
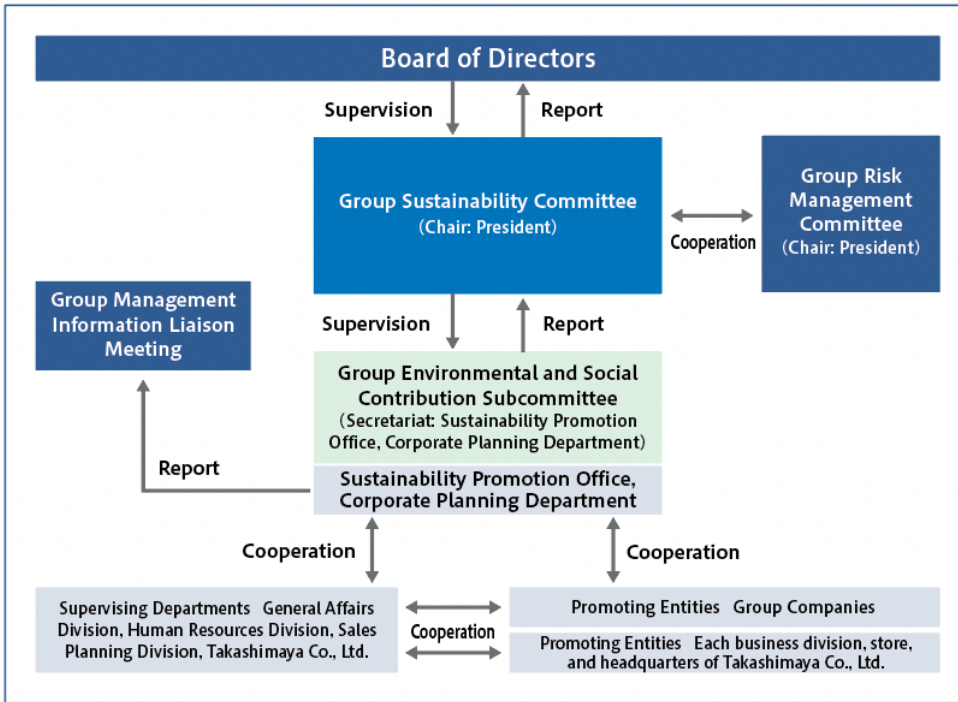


Diagram of the Sustainability Promotion Structure



Risk Management Structure

