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June 13, 2025

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Name of representative: Toshiya Usami

Director, President and CEO (Securities Code: 6247

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Report on the Status of Strategic Shareholdings in Relation to Consolidated Net Assets

From the perspective of enhancing corporate value over the medium to long term, our company maintains a policy of holding strategic shareholdings that are deemed reasonable to retain, taking into account their strategic importance to management and business relationships with our partners.

Regarding the rationale for holding, quarterly review meetings are held to consider transaction status, dividend status, and the results of analyses on profitability, efficiency, and safety from financial statements. Based on these considerations, the Management Planning Meeting makes the final decision on whether to continue or reduce the holdings.

As of the end of March 2024, the ratio of policy-owned shares to consolidated net assets was 25.7% (strategic shareholdings 15,429 million yen / consolidated net assets excluding non-controlling interests 59,983 million yen), but after selling shares of five brands in the fiscal year ending March 2025, the ratio as of the end of March 2025 was 19.4% (strategic shareholdings 11,588 million yen / consolidated net assets excluding non-controlling interests 59,645 million yen).

[Status of Strategic Shareholdings]

	End of March 2024	End of March 2025
Balance Sheet Amount	15,429 million yen	11,588 million yen
Consolidated Net Assets (Excluding Non-Controlling Interests)	59,983 million yen	59,645 million yen
Ratio of Strategic Shareholdings to Consolidated Net Assets	25.7%	19.4%

^{*} We do not hold any shares classified as deemed treasury shares.

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^{*} We hold shares of two brands for pure invenstment purposes, totaling 15 million yen.