[Translation for Reference and Convenience Purposes Only]

Last Updated: May 28, 2026

and ST HD Co., Ltd.

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This document provides an overview of and ST HD Co., Ltd. corporate governance.

I. Corporate Governance Philosophy, Capital Structure, Corporate Attributes, Other Basic Information

1. Basic Philosophy Updated

Guided by our corporate philosophy that says, "Be a person needed, Be a company needed," and ST HD Co., Ltd. (hereinafter "the Company") pursues the mission of *Play fashion!*, endeavoring to enrich lives and create happiness through fashion. To respond flexibly to the needs of our customers and changes in the environment, as well as to contribute to the enrichment of lives and diverse values around the world, we strive for excellence in corporate governance capable of quick decision-making.

The Company operates as a company with an Audit and Supervisory Committee to improve corporate governance further by delegating authority for important business decisions from the Board of Directors to individual directors, speeding the pace of decision-making and strengthening the supervisory function of the Board of Directors.

[Reasons for not implementing the principles in the Corporate Governance Code] Updated

(Supplementary Principle 4-1-3)

The Company recognizes that succession planning for representative directors, etc., is one of the most important management issues. We held repeated discussions regarding succession planning during normal times and emergency situations in the Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors. Discussions also took place in other forums, including free dialogues held after Board of Directors meetings. As a result of these discussions, in 2020, the Company put into place a process for the selection and dismissal of representative directors, etc. Under the new management structure from the 77th fiscal period (ending February 2027), we will discuss this matter and provide appropriate supervision for the development of successors.

(Supplementary Principle 4-3-2)

The Company appointed a new representative director, effective March 1, 2026, by following the process established for the selection and dismissal of representative directors. The Board of Directors made a decision regarding the representative director after multiple reviews and deliberations in the Nomination and Compensation Advisory Committee. Under the new structure starting in the 77th fiscal period (ending February 2027), we will continue to develop our succession plan to ensure that we devote sufficient time and resources to the selection of representative director(s), recognizing that the selection and dismissal of representative directors is one of the most important strategic decisions made by the Company.

(Supplementary Principle 4-8-2)

The Company has not designated a lead independent outside director. However, independent outside directors exchange views with management as appropriate, and when necessary, the Company provides a forum to exchange opinions between the independent outside directors and management to facilitate cooperation. Each independent outside director possesses a wealth of experience and a wide range of insights, offering freely spoken opinions from a variety of individual perspectives that lead to active discussions and exchanges of opinions in Board of Director meetings without the need for a hierarchy, such as appointing a lead independent outside director.

[Disclosure based on corresponding principles in the Corporate Governance Code] Updated

(Principle 1-4 Cross-Shareholdings)

1. Basic Policy

The Company engages in cross-shareholding when such is deemed beneficial for maintaining and strengthening business relationships over the long term and contributing to improved corporate value. Each year, the Board of Directors confirms the necessity of holding shares by examining the medium- to long-term economic rationality and future prospects of said shares held in accordance with the policy on cross-shareholdings, taking into account returns and risks. As a result of these reviews, the Company sells stock for which the rationality of such holdings is no longer deemed valid. As of the end of the 76th fiscal period (ended February 2026), the Company has only one cross-shareholding, excluding shares held in affiliates.

2. Policy on the Exercise of Voting Rights

The Company confirms the details of resolution agenda items and exercises voting rights reflecting the relationship with the company in which the Company holds shares, etc., as well as the perspectives of enhancing the Company's medium- to long-term shareholder interests and improving the corporate value of the company in question. Our comprehensive considerations include whether resolutions strengthen corporate governance structures, contribute to the enhancement of shareholder value, and whether the resolution presents any risk of conflicts of interest with the Company.

3. Policy in the Event a Cross-Shareholdings Entity Indicates an Intention to Sell Cross-Held Shares

In the event a company that holds Company shares as cross-shareholdings indicates its intention to sell Company's shares, the Company will take appropriate action to the extent such action does not hindering the sale (e.g., suggesting such trade would results in a retaliatory reduction in business transactions, etc.).

(Principle 1-7 Related-Party Transactions)

In the event that the Company engages in competitive transactions or transactions involving conflicts of interest with directors or major shareholders, etc., the Company shall obtain the approval of the Board of Directors and Audit and Supervisory Committee in accordance with laws and regulations and the Board of Directors Rules and Regulations so as not to harm the common interests of the Company and our shareholders. The Company shall report material facts appropriately to the Board of Directors when such transactions are conducted.

In accordance with the provisions of the Auditing Standards for the Audit and Supervisory Committee, the Audit and Supervisory Committee shall monitor and confirm the presence of any facts that violate the duties of directors involved in such transactions.

(Supplementary Principle 2-4-1)

One of our key values regarding sustainability is empowering people. The Group place great importance on respecting and recognizing diversity and individuality, regardless of age, gender, nationality, disability, sexual orientation, etc. We believe in the importance of increasing the diversity of our organization to gain an accurate understanding of the diversifying needs of our customers, to create new value, to improve product development, and to step up service quality. The Company positions human capital management as one of our key growth strategies. We pursue work-style reforms and expand internal systems to enable each employee to fully demonstrate their capabilities. Through these efforts, we strive to develop a foundation that allows all employees to maximize their potential.

We give particular focus to the advancement of women as the highest-priority issue in our diversity management initiatives, given that women account for approximately 80% of our workforce. Under the commitment of top management, we have revised our group-wide target for the ratio of women in management positions in Japan and overseas and are strategically training and promoting female talent to achieve the goals of our medium-term management plan, which ends in the fiscal year ending February 2030.

Ratio of women in management positions	Target: 50.0% by February 2030	Actual: 40.1% (as of February 2026)
Ratio of women in senior management positions (general managers and above)	Target: 30.0% by February 2030	Actual: 26.0% (as of February 2026)

Note: Figures represent the consolidated results of the Group, excluding KARRIMOR International Ltd.

We evaluate candidates for central human resources according to their abilities and achievements. We do not discriminate based on nationality or seniority. At present, we do not set or disclose targets for appointing mid-career hires or non-Japanese employees to management positions. However, a significant number of mid-career hires serve in important positions, including directors, executive officers, general managers, and department managers. In addition, several non-Japanese nationals serve in management positions, and locally hired employees hold many important posts in overseas subsidiaries, including positions as general managers. The central human resources of the Group, including management, consist of a variety of individuals, including female executive officers, mid-career hires, and non-Japanese nationals. This structure fosters active discussions from diverse viewpoints and decision-making based on such discussions. Meetings of the Human Resources Development Committee and other meetings regularly address the development and promotion of female directors and management candidates. In this way, we strive to create a pool of human resources in a strategic manner. At Board of Directors meetings and Sustainability Committee meetings, deliberations are conducted as appropriate and reports are submitted.

Our achievements in diversity have been included in the Ministry of Health, Labour and Welfare's database of companies promoting career advancement for women, and we disclose detailed information on our corporate website, in our integrated report, and in our annual securities report.

For more on our major initiatives in this area, see *III. Measures for Shareholders and Other Stakeholders - 3. Respecting the Position of Stakeholders* in this report.

Ministry of Health, Labour and Welfare The Database on Promotion of Women's Participation and Advancement in the Workplace:	https://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=7193 (Japanese Only)
Sustainability:	https://www.andst-hd.co.jp/english/sustainability/
Integrated Report:	https://www.andst-hd.co.jp/english/ir/library/integrated_report/
Securities Report:	https://www.andst-hd.co.jp//ir/library/secuity/ (Japanese Only)

(Principle 2-6 Functions as a Corporate Pension Asset Owner)

The Company does not have a corporate pension plan, and therefore we do not manage the invest of reserves for corporate pensions.

(Principle 3-1 Full Disclosure)

(1) Corporate goals (management philosophy, etc.), management strategies, and management plans

The Company strives for full disclosure, and we disclose our corporate philosophy, mission, vision, values, medium-term management plan, etc., through our corporate website, in materials used for financial results presentations, in annual reports, etc.

Corporate website:	https://www.andst-hd.co.jp/english/
Financial Results Presentation Materials:	https://www.andst-hd.co.jp/english/ir/library/presentation/
Annual Report:	https://www.andst-hd.co.jp/ir/library/annual_reports/ (Japanese Only)
Integrated Report:	https://www.andst-hd.co.jp/english/sustainability/reports/

(2) Basic stance and basic policy on corporate governance based on the principles of the Corporate Governance Code

The Company formulated Corporate Governance Guidelines, which we disclose on our corporate website.

Corporate Governance:	https://www.andst-hd.co.jp/english/ir/governance/

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

The Company's Board of Directors follows the policies and procedures below when determining director compensation.

■ Policy

・Compensation packages shall be linked to short-, medium-, and long-term business performance and shall be commensurate with the creation of corporate value.

Given their roles and standpoint of independence, outside directors and directors who are members of the Audit and Supervisory Committee receive only basic compensation (fixed compensation).

・Compensation packages shall be designed to secure outstanding management personnel and contribute to sustainable development.

・Compensation levels shall be appropriate in light of other companies in the same industry, other companies of the same size in other industries, and economic and social conditions.

■ Procedures

・The Company shall establish a voluntary Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors to ensure fairness, appropriateness, and transparency in determining director compensation.・The Committee shall be chaired by an outside director and consist mainly of outside directors to ensure independence and objectivity.
Full-time directors who are members of the Audit and Supervisory Committee shall participate as observers to ensure the effective right of the Audit and Supervisory Committee to express its opinion on the compensation of directors who are not members of the Audit and Supervisory Committee.

・Total compensation for directors who are not members of the Audit and Supervisory Committee shall be subject to a resolution of the general meeting of shareholders. The amount of individual director compensation shall be subject to a resolution of the Board of Directors after deliberations have been conducted by the Nomination and Compensation Advisory Committee. Individual director compensation shall be based on the general framework of basic compensation, performance-linked compensation, and performance-linked stock compensation.

・Total compensation for directors who are members of the Audit and Supervisory Committee shall be subject to a resolution of the general meeting of shareholders. The amount of individual director compensation shall consist solely of basic compensation, determined by discussions among members of the Audit and Supervisory Committee based on details of deliberations by the Nomination and Compensation Advisory Committee.

(4) Board policies and procedures in the appointment and termination of the senior management and the nomination of director candidates:
The Company's Board of Directors follows the policies and procedures below when determining and dismissing candidates for directors.

■ Policy

・The Company shall appoint a diverse pool of directors with differing backgrounds of expertise and experience, including persons who are familiar with and have deep knowledge of the Company's businesses, persons who have international experience, such as extensive experience in global companies and overseas operations, and persons who have a wealth of insight as corporate managers.

・The Company shall appoint directors who are members of the Audit and Supervisory Committee who are qualified, independent, and capable of fulfilling the term of office.

・By appointing a multiple number of outside directors, the Company strengthens its supervisory function and accomplishes management transparency by incorporating the viewpoints of people outside the Company who are independent of management.

・The Company shall appoint outside directors who have no material interest in the Group and who are capable of maintaining their independence.

・When circumstances require dismissal (as a lack of qualifications for the execution of duties, etc.), said dismissal shall be based on a comprehensive judgment of relevant factors.

■ Procedures

・The Company shall establish a voluntary Nomination and Compensation Advisory Committee as an advisory body to the Board of directors to ensure fairness, appropriateness, and transparency in determining director nominations and compensation.
The Committee shall be chaired by an outside director and consist mainly of outside directors to ensure independence and objectivity.
Directors who are members of the Audit and Supervisory Committee shall participate as observers to ensure the effective right of the Audit and Supervisory Committee to express its opinion on the appointment of directors who are not members of the Audit and Supervisory Committee.

・The representative director shall submit a list of candidates for directors who are not members of the Audit and Supervisory Committee. The Nomination and Compensation Advisory Committee shall deliberate the list, after which the Board of Directors shall make decisions on candidates.

・The representative director shall submit a list of candidates for director who are members of the Audit and Supervisory Committee. The Nomination and Compensation Advisory Committee shall deliberate on the list, after which the Board of Directors shall make decisions on candidates with the agreement of the Audit and Supervisory Committee.

・After deliberations by the Nomination and Compensation Advisory Committee, the Board of Directors make decisions regarding the dismissal of directors which are then submitted to the general meeting of shareholders.

(5) When the Board of Directors provides explanations or make decisions regarding individual dismissals or appointments for director candidates when making appointments or dismissals of candidates for senior management, and director candidates based on (4), above

When nominating candidates for directors, the Company discloses the reasons for individual appointments and nominations in the Reference Document for the General Meeting of Shareholders.
The dismissal of senior managers has not disclosed as no such dismissals have taken place.

(Supplementary Principle 3-1-3)

We identify risks and opportunities that could affect our business, including extreme weather events associated with climate change and supply chain disruptions caused by natural disasters. We also implement measures to address these risks and opportunities and strengthen the resilience of our business foundation. These efforts form an important part of our sustainable management strategy. We recognize and anticipate the impact of environmental changes on our business, including shifts in resource procurement resulting from global warming as well as water-related risks. Through these efforts and appropriate disclosure to our stakeholders, we conduct management that balances business growth with environmental considerations.

■ Responding to climate change

The Company aims to achieve carbon neutrality by 2050, and we follow GHG protocols to monitor CO_2 emissions in our supply chain. We also identify climate change-related risks and opportunities for our businesses that may be affected by climate change and provide appropriate disclosure in accordance with the TCFD recommendations. In addition to replacing lights with LEDs, switching to/installing energy-conserving equipment in distribution centers, and engaging in other concrete measures to reduce CO_2 emissions and achieve our targets, we also optimize transportation routes and collaborate with delivery companies. Beyond these equipment-related measures, we engage in services-related measures that include developing environmentally friendly materials, reducing the use of shopping bags, continuing zero incineration of clothing inventory, and expanding the number of stores where we collect clothing donations. Detailed information on Group-wide activity levels and CO_2 emissions in Japan and overseas is available in our integrated report.

■ Sustainability and governance structure for addressing environmental and social issues
We established the Sustainability Management Office to advance sustainability-related initiatives across the Group and conduct business with due consideration for environmental and social issues. We also established the Sustainability Committee to integrate sustainability into our management processes through the formulation of policies and medium- to long-term targets and the monitoring of progress on materialities. The committee reports to and advises the Board of Directors and the Executive Council, thereby continuing to enhance corporate value.

■ Sustainability in the fashion industry

We joined the Japan Sustainable Fashion Alliance (JSFA), an organization comprised of Japanese textile companies, retailers, and recyclers, with the aim of transitioning to a sustainable fashion industry. To achieve the JSFA goals of carbon neutrality by 2050 and zero fashion loss, we discuss issues that are difficult for individual companies to resolve on their own. In this way and others, we continue to encourage sustainability in the fashion industry in cooperation with industry and government.

For information on the Company's other initiatives related to sustainability and investments in human capital and intellectual property, see *Ⅲ.Measures for Shareholders and Other Stakeholders 3*. Respecting the Position of Stakeholders in this report. We also disclose information on our corporate website, integrated report, and annual securities report.

Sustainability:	https://www.andst-hd.co.jp/english/sustainability/
Integrated Report:	https://www.andst-hd.co.jp/english/sustainability/reports/
Securities Report:	https://www.andst-hd.co.jp/ir/library/security/ (Japanese Only)

(Supplementary Principle 4-1-1)

The Company stipulates those matters to be resolved by the Board of Directors in the Board of Directors Rules and Regulations. The board makes decisions on basic management policies and important matters, in addition to those matters stipulated in the Articles of Incorporation and laws and regulations. At the same time, the Company shall establish a system to ensure prompt business execution by delegating authority to representative directors under certain criteria, subject to a basic framework that certain important executive decisions shall be subject to prior deliberation by the Executive Council as described below.
Further, the Executive Council, which is attended by all internal directors, full-time members of the Audit and Supervisory Committee and outside directors who are members of the Audit and Supervisory Committee, makes decisions on and executes important matters other than those required to be resolved by the Board of Directors under the Board of Directors Rules and Regulations. Matters decided by the Executive Council, matters delegated to representative directors, and the status of the execution of said decisions are reported to the Board of Directors as necessary.

(Principle 4-9 Independence Standards and Qualification for Independent Outside Directors)

The Company has established standards for defining the independence of outside directors within our Corporate Governance Guidelines, which is disclosed on our corporate website.

Corporate Governance:	https://www.andst-hd.co.jp/english/ir/governance/

(Supplementary Principle 4-10-1)

The Company shall establish a voluntary Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors to ensure fairness, appropriateness, and transparency in nominating directors and determining director compensation. The Nomination and Compensation Advisory Committee is chaired by an outside director and consists of two outside directors who are not members of the Audit and Supervisory Committee and a internal director. Outside directors form the main constituency of the committee to ensure independence and objectivity. One director who is a full-time member of the Audit and Supervisory Committee shall participate as an observer to ensure the effective right of the Audit and Supervisory Committee to express its opinion on the appointment of and compensation for directors who are not members of the Audit and Supervisory Committee.
The purpose of the committee is to improve the fairness, appropriateness, and transparency in the selection director candidates, as well as the dismissal of directors and selection and dismissal of representative directors, and executive directors. The committee is also responsible for policies and procedures for fostering successors of representative directors and the compensation of directors. The committee deliberates on these matters and reports the results to the Board of Directors.

(Supplementary Principle 4-11-1)

The Company has appointed three internal directors and two outside directors who are not members of the Audit and Supervisory Committee, one internal director who is a full-time member of the Audit and Supervisory Committee, and two outside directors who are members of the Audit and Supervisory Committee. Of the 8 directors, two directors are female.
The Company believes that we have appointed a diverse pool of directors with differing backgrounds of expertise and experience, including persons who are familiar with and have deep knowledge of the Company's businesses, persons who have international experience, such as extensive experience in global companies and overseas operations, and persons who have a wealth of insight as corporate managers. Further, directors' range in age from forty to sixty years.
We have appointed directors who are members of the Audit and Supervisory Committee who have sufficient knowledge of finance, accounting, and legal affairs, including one individual with corporate management experience, one individual with experience working in financial institutions, and one attorney.
Accordingly, we believe that the Board of Directors as a whole is balanced and appropriately diverse. However, we will continue to strive to ensure and improve diversity, including diversity in terms of gender and internationality. The Company has prepared a skills matrix describing the knowledge, experience, and abilities of each director. This skills matrix is disclosed in the reference materials for the 76th Ordinary General Meeting of Shareholders and at the end of this report.

(Supplementary Principle 4-11-2)

On an annual basis, the Company discloses the status of important concurrent positions held by directors in this report, in our annual securities report, and in the convocation notice of the general meeting of shareholders.

Securities Report:	https://www.andst-hd.co.jp/ir/library/security (Japanese Only)

Convocation Notice of the General Meeting of Shareholders: https://www.andst-hd.co.jp/english/ir/stock/general_meeting_of_shareholders/

(Supplementary Principle 4-11-3)

The Company conducts a self-assessment of the effectiveness of the Board of Directors to identify current issues and improve the function of the board. This self-assessment is conducted by means of anonymous questionnaires for directors, and the Board of Directors analyzes and evaluates the results. Beginning in the fiscal year ended February 2020, the Company has outsourced the review of the questionnaire questions and the tabulation and analysis of results to an external organization. This method ensures objectivity and transparency of evaluation results and allows the Company to utilize information from other companies and knowledge from outside sources.
The Board effectiveness evaluation conducted in fiscal 2026 confirmed that the Board of Directors remains effective overall, supported in part by a balanced and diverse composition, while also identifying several areas for improvement.
Items related to dialogue with stakeholders, including communication with shareholders and the disclosure of sustainability information, received high scores. Meanwhile, key issues identified included the effective oversight of nominations and compensation, as well as the deliberation and oversight by the HD Board of Directors. We will address these items as priority issues under the new management structure from the 77th fiscal period (ending February 2027). The Company will also continue to enhance Board effectiveness while balancing autonomous decision-making by Group companies with effective oversight by HD.

(Supplementary Principle 4-14-2)

The Company provides the training and information necessary for directors to fulfill their roles and responsibilities properly and in accordance with the following policies.

■ Training Policy

- Directors (including outside directors) shall endeavor to collect information and acquire knowledge, as appropriate, regarding the environment surrounding the Company's businesses, the details of laws and regulations related to the Company's businesses, the Company's state of affairs, issues, etc., for the purpose of making appropriate decisions on various issues. The Company shall bear the costs of such training and education, including participation in external seminars, after following the prescribed procedures.
- The Company shall provide opportunities for newly appointed Directors (including outside directors) to acquire knowledge of the Company's management strategies, financial position, and other important matters.

(Principle 5-1 Policy for Constructive Dialogue with Shareholders)

The Company strives to obtain an understanding of management strategies, etc., via dialogue with shareholders. The Company also strives to consider the interests, opinions, and concerns of shareholders obtained through dialogue in the management of the Company.

1. IR Organization
The director responsible for Investor Relations and the Investor Relations Office play a central role in the constructive dialogue with shareholders. Both parties endeavor to engage in meaningful dialogue by providing opportunities to communicate information on a daily basis with administrative departments that assist in dialogue, including the Accounting Department, the Corporate Planning Department , and the Legal Department, as well as the sales department.

Corporate Governance: https://www.andst-hd.co.jp/english/ir/governance/

2. Method of dialogue
In addition to telephone interviews, small meetings, and other IR interviews with shareholders and investors, the Company holds financial results presentations four times yearly for analysts and institutional investors. The Company also holds a shareholder gathering for individual investors. The representative director and other directors explain the details of financial results, business forecasts, management strategies, etc., at financial results presentations and shareholder gatherings. We also issue an integrated report for the purpose of disclosing information, including non-financial information, to ensure shareholders have a better understanding of and ST HD corporate value.

Integrated Report: https://www.andst-hd.co.jp/english/ir/library/integrated_report/

3. Feedback to the Board of Directors
Opinions and concerns raised by major shareholders and investors at these meetings are reported to the Board of Directors and the Executive Council to ensure information is shared with directors and executive officers.

4. Insider Information Management
The Company strives to disclose information in a fair and timely manner. When engaging in dialogues with shareholders, we endeavor to manage information in accordance with Insider Information Management Rules to prevent the leakage of undisclosed important internal information to outside parties.
The Company has established a Basic Policy on Constructive Dialogue with Shareholders within our Corporate Governance Guidelines, which is disclosed on our corporate website.

5. Status of Shareholder Dialogue
The status of our dialogue with shareholders is disclosed on our corporate website.

Status of Shareholder Dialogue: https://www.andst-hd.co.jp/english/library/coverage/

[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price]

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update Updated	04/06/2026

Explanation of Action

To achieve long-term growth and increase corporate value, the Company formulated and disclosed a plan reflecting our awareness of the capital market by clearly stating guidelines for ROE, PER, and shareholder return. This plan is included in the and ST HD Medium-Term Management Plan 2030. The main details are as follows.

- In addition to improving profitability, the Company will seek to improve capital efficiency by expanding businesses that do not have physical locations or inventories.
- In addition to earnings per share growth, we aim to answer expectations for performance growth through a platform business and M&A. We will make the results of each business over the medium to long term more visible through a transition to a holding company structure.
- We intend to enhance shareholder returns by returning the benefits of our growth to shareholders.
- In addition to an existing policy call for a dividend payout ratio of 30%, the Company plans to adopt a DOE standard for dividends. As a basic policy, we aim to achieve ROE of 15% or higher on a consistent basis. We intend to maintain dividend stability, even considering temporary variances in return on capital.

We provide more details under *Cash Allocation* and *Management Conscious of the Cost of Capital* in Medium-Term Management Plan 2030 (pp. 12-13).

Medium-Term Management Plan 2030: https://www.andst-hd.co.jp/english/ir/library/management_plan/

2. Capital Structure

Percentage of Shares Held by Foreign Nationals	Between 10% and 20%

[Major Shareholders] Updated

Name of Individual or Company	No. of Shares Held (Shares)	No. of Shares Held (%)
Fukuzo Co., Ltd.	17,132,486	36.62
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,137,600	6.71
TOYOSHIMA & Co., Ltd.	2,000,000	4.27
Custody Bank of Japan, Ltd. (Trust Account)	992,800	2.12
Michio Fukuda	922,040	1.97
and ST HD Employee Shareholding Association	587,853	1.26
STATE STREET BANK AND TRUST COMPANY 505103	510,162	1.09
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	508,800	1.09
STATE STREET BANK AND TRUST COMPANY 505001	499,998	1.07
STATE STREET BANK AND TRUST COMPANY 505044	484,027	1.03

Majority Shareholders (Excluding Parent Company)	―――
Parent Company	None

Supplementary Explanation

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3. Corporate Overview

Stock Exchange Listing and Section	Tokyo Stock Exchange, Prime Market
Fiscal Year End	February
Industry Sector	Retail
Number of Employees at End of Previous Fiscal Year (Consolidated)	More than 1,000
Net Sales in the Previous Fiscal Year (Consolidated)	Between ¥100 billion and ¥999 billion
Number of Consolidated Subsidiaries at the End of Previous Fiscal Year	Between 10 and 49

4. Guidelines on Measures to Protect Minority Shareholders During Dealings with Majority Shareholders

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5. Other Special Conditions That May Have a Major Influence on Corporate Governance

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II. Administrative Organizational Structure Covering Decision-Making, Execution, and Supervision in Management Activities, and Other Corporate Governance Systems

1. Matters Related to Institutional Structure and Organizational Operations

Organizational Form	Company With an Audit and Supervisory Committee

[Director Relationships]

Number of Directors Under Articles of Incorporation	17
Director Term of Service Under Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
Number of Directors Updated	8
Appointment of Outside Directors	Appointed
Number of Outside Directors Updated	4
Number of Outside Directors Designated as Independent Directors Updated	4

Relationships to the Company (1) Updated

Name	Category	Relationship to the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Tatsuhiro Matsuoka	Member of another company											
Etsuko Shakespeare	Member of another company											
Kazuhiko Ebihara	Member of another company											
Kyoko Mogi	Attorney											

*** Categories of Relationships to the Company**
*** A ○ icon indicates a category applicable to said person currently or recently. A △ icon indicates a category applicable to said person in the past.**
*** A ● icon indicates a category applicable to a close family member currently or recently. A ▲ icon indicates a category applicable to a close family member in the past.**

a Executive of a listed company or its subsidiary
b Executive or non-executive director of the parent company of a listed company
c Executive of a fellow subsidiary of a listed company
d Person of a listed company considered major client, or an executive of said company
e Major client of a listed company or an executive of said company
f Consultant, accounting expert, or legal expert receiving a large monetary sum or other property other than corporate officer compensation
g Major shareholder of a listed company (if the major shareholder is a corporation, an executive of said corporation)
h Executive (said person only) of a client (not covered by items d or e) of a listed company
i Previously said executive (said person only) with connection to the mutual appointment of an outside corporate officer
j Previously said executive (said person only) of a listed company making donations
k Other

Relationships to the Company (2) Updated

Name	Members of the Audit and Supervisory Committee	Independent Directors	Supplementary Explanations for Applicable Items	Reason for Election
Tatsuhiro Matsuoka		○	President and COO, Rise Consulting Group, Inc. Research Advisor of Artificial Intelligence Research Center of National Institute of Advanced Industrial Science and Technology (AIST)	Mr. Matsuoka possesses advanced expertise in IT, digital technologies, and information security, as well as a wealth of experience as a corporate executive. In our opinion, he is capable of providing supervision, advice, etc., with respect to directors and their execution of duties, mainly from the perspective of an expert in IT, digital technologies, and information security, which we believe will be beneficial in the management of the Company. We have also determined that Mr. Matsuoka meets the requirements for impartiality stipulated by the Tokyo Stock Exchange and that he has no potential conflict of interest with general shareholders. Therefore, we have designated him as an independent director and registered with the Tokyo Stock Exchange.
Etsuko Shakespeare		○	Representative Partner, EG Globe Partners LLC	In our opinion, Ms. Shakespeare is capable of providing supervision and advice, etc., with respect to directors and their execution of duties, mainly from the perspective of her wealth of experience in global corporations and expertise in digital marketing, based on leading marketing and advertising sales at major global entertainment and IT companies, which we believe will be beneficial to the management of the Company. We have also determined that Ms. Shakespeare meets the requirements for impartiality stipulated by the Tokyo Stock Exchange and that he has no potential conflict of interest with general shareholders. Therefore, we have designated her as an independent director and registered with the Tokyo Stock Exchange.
Kazuhiko Ebihara	○	○	Audit & Supervisory Board Member of Adastria Co., Ltd.	In our opinion, Mr. Ebihara is capable of providing supervision, advice, etc., with respect to directors and their execution of duties, mainly from the perspective of an expert in finance and accounting based on his abundant experience and professional knowledge in investment banking company operations, reflecting the same in audits of the Company, which we believe will be beneficial to the management of the Company. We have also determined that Mr. Ebihara meets the requirements for impartiality stipulated by the Tokyo Stock Exchange and that he has no potential conflict of interest with general shareholders. Therefore, we have designated him as an independent director and registered with the Tokyo Stock Exchange.
Kyoko Mogi	○	○	Southgate (registered association), Attorney	In our opinion, Ms. Mogi is capable of providing supervision, advice, etc., with respect to directors and their execution of duties, mainly from the perspective of compliance management, etc., as an attorney, based on her abundant experience and professional knowledge in corporate law as an attorney, reflecting the same in audits of the Company, which we believe will be beneficial in the management of the Company. We have also determined that Ms. Mogi meets the requirements for impartiality stipulated by the Tokyo Stock Exchange and that she has no potential conflict of interest with general shareholders. Therefore, we have designated her as an independent director and registered with the Tokyo Stock Exchange.

[Audit and Supervisory Committee]

Member Composition and Chairperson Attributes

	Total Number of Members	Number of Full-time Members	Number of internal directors	Number of Outside Director	Chairperson
Audit and Supervisory Committee	3	1	1	2	Internal Director

Presence of directors and employees to assist the Audit and Supervisory Committee in its duties	Yes

Matters concerning the independence of such directors and employees from executive directors

The Company assigns staff to the Audit and Supervisory Committee. Our basic policy regarding internal controls provides that staff members assigned to the Audit and Supervisory Committee shall assist the Audit and Supervisory Committee in its duties, answerable only to the instructions and requests of the Audit and Supervisory Committee. Any appointment, transfer, evaluation, etc., of such staff shall be approved in advance by the Audit and Supervisory Committee.

Coordination Among Members of the Audit and Supervisory Committee, Financial Statement Auditors, and Internal Audit Department Updated

■ Coordination Between Members of the Audit and Supervisory Committee and Financial Statement Auditors

- The Audit and Supervisory Committee and the financial statement auditor hold regular meetings.
- At the beginning of each fiscal year, the audit plan for the fiscal year is discussed and confirmed. The results of the review or audit are reported at the end of the first half and at the end of the fiscal year.
- At the end of the fiscal year, the Company receives the audit report from the financial statement auditor and conducts a question-and-answer session regarding year-end financial results. The audit report is also presented to the Audit and Supervisory Committee.
- In addition to the meetings above, the Company exchanges opinions with the financial statement auditor as necessary.

■ Coordination between the Audit and Supervisory Committee and the Internal Audit Department

- At the beginning of each fiscal year, members of the Audit and Supervisory Committee meet with the Internal Audit Department to discuss audit policies and the audit plan for the current fiscal year.
- The Internal Audit Department conducts internal audits based on audit policies and audit plans as instructed by the Audit and Supervisory Committee. The purpose of these audits is to quickly detect or prevent the recurrence of inappropriate business practices within the Company and its consolidated subsidiaries.
- The internal audits conducted by the Internal Audit Department are attended by directors who are also members of the Audit and Supervisory Committee as necessary, to inspect audit materials and answer questions.
- The Internal Audit Department conducts audits of each store, while members of the Audit and Supervisory Committee read the audit reports and express opinions as necessary.
- The Audit and Supervisory Committee receives reports from time to time on the results of audits by the Internal Audit Department on the appropriateness of business execution and an evaluation of the effectiveness of the internal control system. The Committee makes recommendations for improvement measures as necessary.
- Directors who are members of the Audit and Supervisory Committee attend Internal Audit Department debriefing sessions, receive reports on the progress of internal controls, and make recommendations for improvements as necessary.
- The Audit and Supervisory Committee and Internal Audit Department staff have maintained an environment in which they understand that status of each other's activities and exchange information and opinions when necessary.

[Optional Committees]

Establishment of an optional committee corresponding to a Nominating Committee or Compensation Committee	Yes

Establishment of an optional committee, members of the committee, and attributes of the chairperson of the committee Updated

	Committee Name	Total Number of Members	Number of Full-time Members	Number of internal directors	Number of Outside Director	Number of Outside Experts	Other	Chairperson
Optional Committee Corresponding to the Nominating Committee	Nomination and Compensation Advisory Committee	3	0	1	2	0	0	Outside Director
Optional Committee Corresponding to the Compensation Committee	Nomination and Compensation Advisory Committee	3	0	1	2	0	0	Outside Director

Supplementary Explanation Updated

The Company established the Nomination and Compensation Advisory Committee for the purpose of improving the fairness, appropriateness, and transparency of the selection, dismissal and compensation of directors. As of the date of this report, the committee is chaired by an outside director and consists of three members: two outside directors, one internal director. One additional director who is a full-time member of the Audit and Supervisory

Committee also participates as an observer. As an advisory body to the Board of Directors, the committee deliberates and reports on the selection of director candidates, the design of the director compensation plan, and the amount of director compensation.
The activities of the Nomination and Compensation Advisory Committee for the 76th term (ended February 2026) were as follows:

・Members:	5 (4 outside directors, 1 internal director)
・Chairperson:	Outside director
・Observer:	1 (internal director (full-time member of the Audit and Supervisory Committee))
・Number of meetings:	14
・Attendance (average attendance rate):	97.1%
・Major matters considered:	The committee deliberated on the nomination of candidates for representative director and director, the group executive structure, and individual director compensation. The committee also discussed special retirement benefits and other matters relating to retiring directors.

[Independent Director Relationships]

Number of Independent Directors Updated	4

Other Items Related to Independent Directors

The Company created the Criteria for Appointing Independent Directors to prescribe independence standards for outside directors, disclosing said standards in the Corporate Governance Guidelines. The Company's outside directors, Tatsuhiro Matsuoka, Etsuko Shakespeare, Kazuhiko Ebihara, and Kyoko Mogi, satisfy the requirements for independent directors as stipulated in the Criteria for Appointing Independent Directors as established by the Company and the Tokyo Stock Exchange. There is no potential conflict of interest between these outside directors and the Company's general shareholders.
The Company has designated all outside directors as independent directors as provided by the Tokyo Stock Exchange, and has notified the Tokyo Stock Exchange to that effect.

Corporate Governance: https://www.andst-hd.co.jp/english/ir/governance/

[Incentives]

Remunerative Incentives for Directors	Performance-Linked Compensation, Other

Supplementary Explanation Updated

The Company pays performance-linked compensation to directors (excluding outside directors; same below) who are not members of the Audit and Supervisory Committee in an amount based on the degree of achievement of the business plan in question.
Further, the Company delivers to directors who are not members of the Audit and Supervisory Committee Company shares as performance-linked stock compensation in an amount equivalent to the standard amount for the individual director and an amount representing the degree of achievement of earnings targets for the fiscal year under review. For details, please refer to 4 Corporate Governance (4) Officer Compensation in the 76th Annual Securities Report for the 76th term (Japanese only).

Persons Eligible for Stock Options	

Supplementary Explanation

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[Matters Related to Director Compensation]

Disclosure of Individual Director Compensation	Only compensation for certain individuals are disclosed

Supplementary Explanation

The total amount of compensation, etc., for directors and the total amount of compensation, etc., for outside directors are as stated in the Company's business report. Individuals whose total amount of consolidated compensation, etc., exceeds 100 million yen are disclosed individually in the annual securities report.

Policy for Determining Compensation Amount and Method of Calculation	Yes

Information Disclosure for Regarding Policy for Determining Compensation Amount and Method of Calculation

The Company adopted a resolution on the policy for determining the details of compensation, etc., of individual directors who are not members of the Audit and Supervisory Committee. The Board of Directors consults with the Nomination and Compensation Advisory Committee on the details of resolutions to be adopted in advance and receives reports from the committee. The details of the policy for determining the compensation, etc., of individual directors who are not members of the Audit and Supervisory Committee are as follows.

1. Basic Policy
   - Compensation packages shall be linked to short-, medium-, and long-term business performance and shall be commensurate with the creation of corporate value.
   - Compensation packages shall be designed to secure outstanding management personnel and contribute to sustainable development.
   - Compensation levels shall be appropriate in light of other companies in the same industry, other companies of the same size in other industries, and economic and social conditions.

2. Matters related to the composition of compensation and the determination of the compensation, etc., for directors who are not members of the Audit and Supervisory Committee and individual director compensation, etc.
   The basic framework of compensation for directors who are not members of the Audit and Supervisory Committee ("Directors," below) consists of basic compensation, performance-linked compensation, and performance-linked stock compensation.
   Outside directors receive only fixed compensation regarded as basic compensation, given the viewpoint of their roles and independence.
   To ensure Director compensation provides incentives for Directors to increase corporate value in consideration of the business environment surrounding the Company, the Company conducts periodic surveys and analyses of compensation levels at industry peer companies and companies of similar size as benchmarks, determining compensation levels and renumeration composition ratios based in line with basic policies regarding Director renumeration (excluding Outside Directors). The ratio of fixed compensation (basic compensation) to performance-linked compensation (performance-linked compensation and performance-linked stock-based compensation) shall be determined for each position. In principle, the higher the position, the higher the ratio of performance-linked compensation.
   Details of compensation, etc., for Directors and individual amounts shall be within the scope approved at general meetings of shareholders. After deliberation by the Nomination and Compensation Advisory Committee (optional committee), said details and amounts shall be determined by the Board of Directors.

3. Policy Regarding the Determination of Basic Compensation (Monetary Compensation) Amounts Paid to Individuals (Including Policy Regarding Determination of the Timing or Conditions for Granting Renumeration, Etc.)
   The amount of basic compensation is determined according to the position and responsibilities, paid at a fixed amount monthly.

4. Policy Regarding for Determining the Details and Method to Calculate Amount and Number of Performance-Linked Renumeration and Non-Monetary Renumeration, Etc. (Including Policy Regarding Determination of the Timing or Conditions of Granting Renumeration, Etc.)
   (1) Performance-linked compensation
   Directors (excluding outside directors) shall receive payment within the range of 0% to 200% of a base amount determined in line with the position and degree of achievement of the Director (excluding Outside Directors) in question.
   The Company's basic policy is to link performance evaluations mainly to short-term business results and the creation of corporate value. Based on this policy, the Company uses the degree of achievement in targets related to year-on-year growth and performance versus plan for consolidated net sales and performance versus plan for consolidated operating income (before amortization of goodwill) for the fiscal year under evaluation to determine the amount payable in a lump sum to be paid in the prescribed month during said year.
   (2) Performance-linked stock compensation (non-monetary compensation, etc.)
   Directors (excluding outside directors) shall receive a number of points determined within a range of 0% to 200% of the base number of shares to be delivered to Directors in line with the position and degree of achievement of the Director in question.
   The Company's basic policy is to link performance evaluations mainly to short-, medium-, and long-term business results and the creation of corporate value. Based on this policy, the Company uses the results of comparing total shareholder return for the fiscal year under evaluation with the benchmark TOPIX growth rate, the degree of achievement toward consolidated ROE targets, the degree of achievement toward employee satisfaction scores, and a year-on-year comparison of the Company's e-commerce gross merchandise value to evaluate performance.
   Points shall be calculated as of the end of February of the fiscal year under evaluation and awarded at a certain time in the same year.
   Upon retirement, a retiring Director who meets the prescribed requirements for a beneficiary shall be granted shares equivalent to a certain percentage of points. The shares equivalent to any remaining points shall be converted into cash within the trust in accordance with the provisions of the trust agreement and paid in an amount equivalent to the conversion price.

5. Important Matters Concerning the Determination of Details for Individual Director Compensation, Etc.
   In the event that a Director violates compliance items or obligations provided by laws, regulations, and Director rules and regulations, the Company may demand the return of money equivalent to shares, etc., delivered and said Director will forfeit the beneficial interest in such shares delivered under the performance-linked stock compensation plan.

[Support System for Outside Directors] Updated

The Legal Department, the Corporate Planning Department, the Investor Relations Office, the Human Resources Department, other administrative departments, and the Internal Audit Department assist outside directors. The Legal Department provides information on agenda items for the board of director meetings and requests for approval, etc. The Corporate Planning Department provides information on financial performance, cash flow, management strategy, and free discussions held following meetings of the Board of Directors, while the Investor Relations Office provides information on market reactions and dialogue with institutional investors. The Human Resources Department provides information related to the Nomination and Compensation Advisory Committee, and the Internal Audit Department provides information on audit operations. In addition, full-time staff assigned to the Audit and Supervisory Committee provide support to outside members of the Audit and Supervisory Committee.

[Status of Persons who have Retired as Representative Director and President, etc.]

Information on Persons Holding Advisory Positions (Sodanyaku, Komon, etc.) after Retiring as Representative Director and President, etc. Updated

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Michio Fukuda	Honorary Chairman	Providing advice, etc., at the request of Company management	Part-time, with remuneration	05/27/2026	1 year

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc. Updated	1

Other Related Matters

2. Matters on Functions Related to Business Execution, Auditing and Supervision, Appointments, and Compensation (Overview of Current Corporate Governance System) Updated

1. Overview of the Current Structure

The Company operates as a company with an Audit and Supervisory Committee to improve corporate governance further by delegating authority for important business decisions from the Board of Directors to individual directors, speeding up the pace of decision-making and strengthening the supervisory function of the Board of Directors. On September 1, 2025, the Company changed our name from Adastria Co., Ltd. to and ST HD Co., Ltd., transitioning to a pure holding company structure at the same time.
In terms of business operations, we will accelerate business speed through swift decision-making and execution by delegating authority to our operating subsidiaries. At the same time, we will ensure proper governance by formulating fundamental management policies, growth strategies, and business portfolio strategies for the entire Group, conducting appropriate monitoring, and making decisions on important matters.
The Board of Directors is chaired by the president and representative director and consists of five Directors who are not members of the Audit and Supervisory Committee (including two Outside Directors) and three Directors who are members of the Audit and Supervisory Committee (including two Outside Directors). The Board of Directors is the highest management decision-making body for the Group. The Board deliberates and resolves important matters and monitors and supervises the execution of business operations, holding regular monthly meetings and extraordinary meetings as necessary.
The Audit and Supervisory Committee consists of three Directors as members, one of whom is a full-time member and two of whom are Outside Director members. Directors who are members of the Audit and Supervisory Committee attend Board of Director meetings, Corporate Governance Committee meetings, Executive Council meetings, and other important meetings and view important approval documents to gain an understanding of the state of management in a timely manner and to conduct audits of the legality of the execution of business by Directors who are not members of the Audit and Supervisory Committee.

The activities of the Board of Directors for the 76th fiscal period (ended February 2026) were as follows:

・Number of meetings:	15
・Attendance (average attendance rate):	95.6%
・Main topics of discussion:	The Board of Directors reviewed important matters based on the Board of Director Rules and Regulations, including financial results and dividends, appointments and dismissals of directors and executive officers, compensation for directors, and the establishment of consolidated subsidiaries. The Board also discussed organizational restructuring, absorption-type splits and the transition to a holding company, group governance, progress of the medium-term management plan, M&A, evaluation of the effectiveness of the Board of Directors, improvement of internal controls, compliance, sustainability, and other issues.

In addition, the Company has established the Corporate Governance Committee, the Nomination and Compensation Advisory Committee, and the Compliance Committee as voluntary committees that serve as advisory bodies to the Board of Directors. The details of the deliberations of each committee are as follows.

■ Corporate Governance Committee
Matters related to the establishment of the Group's corporate governance and internal control systems

■ Nomination and Compensation Advisory Committee
Policies and procedures for the election and dismissal of directors, representative directors, and executive directors; training of candidates to succeed representative directors; director compensation

■ Compliance Committee
Important policies to ensure comprehensive compliance

The Company created an Executive Council attended by internal directors, directors who are members of the Audit and Supervisory Committee, group executive officers, and others. The Council makes decisions on important matters other than those resolved by the Board of Directors, conducts advanced deliberations on matters that the Board of Directors has delegated to the Representative Directors under the Company's Articles of Incorporation, and shares information on business execution in a timely manner.
The Company has adopted an executive officer system for the purpose of separating management supervision from business execution. Executive officers are appointed by resolution of the Board of Directors and serve for a term of one year. As of the date of submission of this report, the Company has appointed 10 executive officers.
Through these efforts, the Company is building a corporate governance structure that promises transparency, soundness, and efficiency in management

to shareholders and other stakeholders.
The Internal Audit Department conducts internal audits based on audit policies and audit plans as instructed by the Audit and Supervisory Committee. The purpose of these audits is to quickly detect or prevent the recurrence of inappropriate business practices within the Company and its consolidated subsidiaries. Audit results regarding the state of business practices and the effectiveness of the internal control system are reported to the representative director and members of the Audit and Supervisory Committee. The results are discussed as necessary in Board of Director meetings, Corporate Governance Committee meetings, Compliance Committee meetings, and Executive Council meetings. In addition, the Internal Audit Department visits consolidated subsidiaries periodically to inspect various documents and conduct audits.

2. Overview of Limited Liability Agreements

Pursuant to the provisions of Article 427-1 of the Companies Act and the Company's Articles of Incorporation, the Company enters into agreements with individual Outside Directors to limit their liability for damages under Article 423-1 of the Companies Act to the minimum liability as provided in Article 425-1 of the same act.

3. Reasons for Selecting Current Corporate Governance System Updated

The Company considers enhancing corporate governance to be an important management issue. To this end, we develop organizations, systems, and resolution bodies to strengthen our corporate structure and establish a system of management.
The Company transitioned to a company with an Audit and Supervisory Committee to improve corporate governance further by delegating authority for certain important business decisions from the Board of Directors to individual directors, speeding the pace of decision-making and strengthening the supervisory function of the Board of Directors. We appointed four Outside Directors to strengthen the supervisory function of the Board of Directors and the audit function over Director performance.
We believe this structure ensures the transparency, soundness, and efficiency of management for shareholders and other stakeholders.

III. Measures for Shareholders and Other Stakeholders

1. Efforts to Boost Participation in General Shareholder Meetings and to Facilitate Exercise of Voting Rights Updated

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company strives to dispatch notices of convocation of the General Meeting of Shareholders as early as possible rather than waiting until the statutory deadline. For the 76th Annual General Meeting of Shareholders held on May 27, 2026, the Company dispatched the notice of convocation on May 8, 2026. Prior to dispatch, the Company posted the notice on our corporate website and on the Tokyo Stock Exchange website.
Scheduling Meetings to Avoid Peak Meeting Day	The Company schedules ordinary general meetings of shareholders on a Wednesday or Thursday in late May every year. We do not schedule meetings in consideration of peak meeting days.
Electronic Exercise of Voting Rights	The Company adopted the exercise of voting rights via electronic means beginning with the 57th Ordinary General Meeting of Shareholders (2007).
Improve Voting Environment for Institutional Investors (Participation in the Electronic Voting Platform, Etc.)	Beginning with the 57th Ordinary General Meeting of Shareholders (2007), the Company has participated in the ICJ, Inc. electronic voting platform.
Invitations (Overview) Sent in English	The Company has provided an English version of convocation notices (Summary) since the 66th Ordinary General Meeting of Shareholders (2016).

2. Investor Relations Activities Updated

	Supplementary Explanation	Explanation from Representative
Creation and Announcement of Disclosure Policy	In addition to the basic policy on disclosures, the Company has established disclosure methods, notes on earnings forecasts, etc., and an IR quiet period, the schedule for which is posted on the Company's corporate website. IR Policy: https://www.andst-hd.co.jp/ir/policy/ (Japanese Only)	
Regular Briefings for Individual Investors	The Company holds annual shareholder gatherings for individual shareholders and others.	Yes
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds financial results briefings and individual meetings after the announcement of quarterly financial results.	Yes
Regular Briefings for Overseas Investors	In principle, Directors and others visit institutional investors in Europe, the U.S., Asia, and other regions at least once per year to explain the Company's financial status, future strategies, and other matters. In addition, we participate in conferences for institutional investors organized by securities firms and provide explanations to overseas investors. We also hold individual meetings with overseas institutional investors in person or online, etc., as needed, and conduct meetings in English as required.	Yes
Posting of IR Materials on Website	In addition to the materials disclosed to the Tokyo Stock Exchange and in our Annual Securities Report, the Company also posts briefings on financial results and other materials related to corporate information on our corporate website. IR: https://www.andst-hd.co.jp/english/ir/	
Establishment of Investor Relations Department	[Department in charge of IR] IR Executive Director : Director, Executive General Manager of Corporate Planning Division IR Contact : Investor Relations Office	

3. Respecting the Position of Stakeholders

Updated

	Supplementary Explanation
Respecting the Position of Stakeholders Under Internal Rules and Regulations	The Group sets out and discloses our commitment to respecting all stakeholders involved in our business activities in the Group Code of Ethics, Group Procurement Policy, Group Procurement Guidelines. We also set out this commitment in the Environmental Policy and Human Rights Policy, which we newly established and disclosed in September 2025. We establish systems that enable all employees to demonstrate their abilities regardless of their personal attributes. These systems include clear personnel evaluation standards and evaluations conducted by multiple evaluators. We also provide evaluator training and other programs to foster understanding and raise awareness among managers, helping to create workplace environments that respect diversity and foster improved management. The Company has also established an anonymous whistle-blowing system (Whistle Line), anti-harassment training for all domestic group employees, an annual circulation of written pledges to the Group's Code of Ethics for all employees, and a program related to health issues specific to women. In this way, we strive to create workplace environments in which employees can express their individuality. We have established a group-wide framework led by the Health Management Promotion Office under the slogan Play fashion! Play wellness! and are working to achieve employee well-being. We established a Group Procurement Policy, which aims to ensure fair and ethical transactions in in our business partnerships. We also established the Group Procurement Guidelines, which specify the standards we expect our business partners to observe. In this way, we demonstrate our commitment to conducting business together with our business partners in a manner that respects the position of all stakeholders. Environmental Policy and Human Rights Policy: https://www.andst-hd.co.jp/english/sustainability/ Group Code of Ethics: https://www.andst-hd.co.jp/english/ir/governance/compliance/ Group Procurement Policy and Group Procurement Guidelines: https://www.andst-hd.co.jp/english/sustainability/theme/community/supply-chain/
Implementation of Environmental Protection Activities and CSR Activities	The Group Sustainability Policy is "Taking the Excitement of Fashion Into the Future." The key concepts of protecting the environment, encouraging people to shine, and growing with local communities take into account the relevance of social issues in our business. In line with these concepts, we have established a vision and defined issues to engage. We also understand that sustainability initiatives are an important management issue. The Group establishes specific targets for initiatives aligned with each materiality and is committed to solving global-scale issues through our business activities. We conduct sustainability-oriented management toward both economic growth and sustainable societies. As part of these efforts, we established the Sustainability Committee to further strengthen strategic oversight of non-financial matters by the Board of Directors. Under the leadership of the Sustainability Management Office, we implement group-wide sustainability strategies and initiatives. The Sustainability Committee sets Group sustainability policies on climate change and other sustainability issues, establishes medium- to long-term targets, and manages progress on identified materialities. Additionally, the committee reports to and advises the Board of Directors and the Executive Council, thereby continuing to enhance corporate value. We respond to the trust and expectations of our stakeholders faithfully by disclosing information on materialities in line with our medium-term management plan and business policies. Information on our sustainability activity policies, the progress of specific sustainability activities, and progress toward goals can be found in our corporate materials, integrated report, and on our corporate website and in other publications. Sustainability: https://www.andst-hd.co.jp/english/sustainability/ Integrated Report: https://www.andst-hd.co.jp/english/ir/library/integrated_report/
Establishment of Policies, Etc., Related to Providing Information to Stakeholders	Our disclosure indicators and policies are grounded in the principles of human capital disclosure: value creation, risk management, uniqueness, and comparability. We also refer to the TCFD recommendations and the disclosure standards of the Sustainability Standards Board of Japan (SSBJ), as appropriate, to provide transparent and reliable information. Internal directors, executive officers, and general managers determine specific disclosure content after discussing alignment with the medium-term management plan and progress on materialities from multiple perspectives through the Board of Executives, Sustainability Committee, and other forums. We will facilitate constructive dialogue with stakeholders by actively disclosing not only quantitative results directly linked to corporate value enhancement, but also a broad range of information on issues related to sustainable growth. Such issues include the financial risks and opportunities associated with climate change and our response to social issues, particularly those related to human capital.

Other	Considering the relationship between social issues and our businesses, we identified three key areas of protecting the environment, encouraging people to shine, and growing with local communities. Specific initiatives under each key area are as follows [Protect the Environment] To reduce the environmental impact of our businesses and make the world of fashion sustainable, we established three visions for our activities: (1) *Engage in manufacturing that leads to the future*; (2) *Balance environmental considerations with business activities*; and (3) *Create a world without fashion loss*. Under out vision to engage in manufacturing that leads to the future, we aim to switch to sustainable raw materials and processing for at least half of all products by the year 2030. As of the 76th fiscal period (ended February 2026) the percentage of products bearing our original sustainable mark was 13.1% (down 4.8% year on year) and the number of products bearing the mark amounted to approximately 13.53 million (down 2.87 million products) The main reason for this decline in the number and percentage of products was a change in material selection resulting from a review of our sales strategy during the fiscal year. We strive to increase the use of sustainable materials and establish new criteria and definitions for sustainable product labeling to raise the percentage of eligible products during the 77th fiscal period (ending February 2027). Under our vision to balance environmental considerations with business activities, we aim to achieve carbon neutrality by 2050. The Group reduced CO_2 emissions (Scope 1-Scope 3 in Japan and overseas) by 7,671 t-CO_2 (down 1.4% year on year) through CO_2 reduction initiatives. In addition to our existing greenhouse gas reduction simulations for our own operations (Scope 1 and Scope 2), we developed and disclosed new reduction simulations covering emissions outside our own operations (Scope 3) based on the transition to a decarbonized society. We also calculated and disclosed the average greenhouse gas emissions (carbon footprint) generated at each stage of the product lifecycle for apparel and miscellaneous goods, from raw material procurement through recycling. Under out vision of creating a world without fashion loss, we continue to achieve zero clothing inventory incineration. During the 76th fiscal period (ended February 2026), we transitioned to a new business structure that reflects group synergies. We also worked with WeOur Co., Ltd., a Group company engaged in circular business activities, to revise our inventory utilization and clothing collection schemes with a focus on reducing fashion loss while maintaining business profitability. We also expanded our lineup of used products in addition to out-of-season items, providing customers and society with new choices in fashion while enhancing our appeal. Detailed information on our clothing collection activities is available at the following URL. Clothing Collection Activity: Play Cycle! https://www.andst-hd.co.jp/playcycle/ (Japanese Only) [Encourage People to Shine] We established two visions to create exciting everyday environments for customers, employees, and other individuals: (1) *A society in which people enjoy fashion in their own way* and (2) *Be an organization that is healthy mentally and physically, encouraging employees in their individuality and ability*. To create a society in which people enjoy fashion in their own way, we diversify the choices available through our business by offering inclusive fashion that accommodates diverse values and lifestyles and expanding our unisex product lines. To be an organization that is healthy mentally and physically, encouraging employees in their individuality and ability, we position diversity management as one of our key strategies. We place particular emphasis on supporting the advancement of women. Our new targets for the fiscal year ending February 2030 include achieving 30.0% or more women in senior management positions and 50.0% or more women in management positions across the Group in Japan and overseas. We strategically train and promote female talent while expanding HR systems that support flexible work styles under the commitment of top management. The Group also supports career development for store employees and encourages the recruitment of people with disabilities. Through these and other initiatives, we strengthen the foundation that enables diverse talent to fully demonstrate their individuality and abilities while enhancing employee engagement. We aim to contribute to the well-being of society as a whole through our business, implementing health management under the slogan "Play fashion! Play wellness!" We appointed the president as the Chief Health Promotion Officer and operate a group-wide health management structure led by the Health Management Promotion Office as a dedicated organization. Our collaborative healthcare initiatives with the Health Insurance Association enable us to provide enhanced access to gynecological examinations and employee benefit programs tailored to our workforce, which includes a high proportion of young employees and women, working under diverse employment arrangements across Japan. These initiatives help foster a health-conscious culture and create a safe and secure work environment. These ongoing efforts have earned us certification under the Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category) for four consecutive years. The Group will continue to strengthen our health management initiatives to support employee well-being and contribute to the sustainable enhancement of corporate value. [Grow Together With Communities] We established two visions to coexist with local communities and create new value together: (1) *Revitalize the communities surrounding our stores* and (2) *Foster sustainable development in production areas*. Under our vision of revitalizing the communities surrounding our stores, we respect the cultures and customs of each region and ensure compliance with applicable laws and regulations as we expand our business globally. We support sports and cultural activities in Mito City, Ibaraki Prefecture, where we were founded, and undertake education support projects through industry-academia-government collaboration. Through these and other initiatives, we support regional development and help resolve social issues. Under our vision of fostering sustainable development in production areas, we conduct ongoing dialogue and CSR monitoring with suppliers to balance quality improvement with sustainability. These efforts support the reduction of environmental impacts, the early identification and remediation of human rights risks, and the strengthening of supply chain resilience. We also disclose our supplier list to enhance transparency across our business. During the 76th fiscal period (ended February 2026), we expanded the scope of disclosure beyond 60 production factories associated with 47 designated partners to include 7 key trading companies and 18 trading companies operating

through those trading companies. We also added the number of factory employees, the ratio of women, and the presence or absence of labor-management agreements as new disclosure items to monitor the appropriateness of working conditions. Detailed information on our supplier list is available at the following URL.

https://www.andst-hd.co.jp/english/sustainability/theme/community/supply-chain/

See our corporate website, integrated report, and annual securities report for an overview of our sustainability-related activities and details of our initiatives.

Sustainability:	https://www.andst-hd.co.jp/english/sustainability/
Health Management:	https://www.andst-hd.co.jp/wellness/ (Japanese Only)
Integrated Report:	https://www.andst-hd.co.jp/english/ir/library/integrated_report/
Annual Securities Report:	https://www.andst-hd.co.jp/ir/library/security/ (Japanese Only)

IV. Matters Related to Internal Control Systems

1. Basic Philosophy and Creation of Internal Control Systems

The Company adopted a resolution as follows regarding the basic policy for a system of internal controls to ensure the appropriateness of Company business operations (internal control system). In accordance with this policy, the Company will develop an internal control system for the corporate group consisting of the Company and subsidiaries ("Group”), striving to build a sound and steady Group management system.

1. Systems for Ensuring that the Execution of Duties by Directors and Employees Complies with Laws, Regulations, and Articles of Incorporation

(1) To ensure that the execution of duties by directors and employees of each and ST HD Group company complies with laws and regulations and the Articles of Incorporation, and to comply with corporate ethics and fulfill our social responsibilities, the Company shall establish corporate ethics standards for the Group and ensure that such standards understood clearly.

(2) The Company shall establish a Compliance Committee to deliberate, formulate, and implement important policies regarding compliance with laws, regulations, the Articles of Incorporation, various internal rules, and Group corporate ethics.

(3) Directors and employees who become aware of violations or potential violations of laws, regulations, rules, or improper acts at Group companies shall report such violations or potential violations to an individual in a position of responsibility.

(4) At the end of each fiscal year, the directors of each Group company shall submit a signed or sealed written confirmation that the execution of their duties at each location did not violate any laws or regulations, and that said directors fulfilled their duties of care and loyalty. These statements are submitted to the Audit and Supervisory Committee

2. Systems for the Storage and Management of Information Related to the Execution of Duties by Directors

(1) The Company shall prepare minutes and other information regarding resolutions and reports submitted at board meetings. This information shall be stored and managed appropriately in accordance with laws and regulations.

(2) Important information related to the execution of duties shall be stored and managed appropriately in accordance with the document management regulations established by the Company.

3. Rules and Systems to Manage the Risk of Loss, Etc.

The Company shall establish crisis management rules and promptly respond to any risk of loss that has occurred or is likely to occur at any Group companies. The Company shall conduct a cross-organizational response appropriately in the event of an emergency such as a disaster or system failure.

4. Systems to Ensure That Directors Execute Duties Efficiently

(1) Group companies shall establish various management plans and budgets and clarify the goals to be achieved by the Group, implementing and managing Group business operations to be carried out in an efficient manner.

(2) Each Group company shall make decisions on important matters at any time via their respective Board of Directors, etc. Group companies must also adopt various regulations and manuals as necessary to ensure prompt and appropriate decision-making.

5. Systems to Ensure Appropriate Financial Reporting

The Company shall establish and operate a system (internal controls related to financial reporting) to ensure that the financial reporting of Group companies is conducted appropriately and in accordance with laws and regulations.

6. Systems to Ensure Appropriate Business Management for the Group

(1) To maximize the corporate value of the Group, the Company shall establish a system to ensure appropriate operations from the perspective of the Group as a whole.

(2) To ensure appropriate operations of Group subsidiaries, Group subsidiaries shall establish regulations for the management of affiliated companies. The Group shall also provide guidance, training, and management over each company.

(3) To gain a firm understanding of the management situation at subsidiaries within the Group, the Company shall request reports from the directors of Company subsidiaries related to operating results, financial condition, and other important information.

(4) The Company shall establish a system to manage Group risks in a comprehensive and integrated manner.

(5) Each Group company shall establish a system to ensure the efficient execution of duties by the directors and other officers of their respective companies based on the size of the company, the nature of its business, the design of its institutions, and other unique characteristics of the company.

(6) To evaluate and ensure the Group compliance system, the Internal Audit Department shall check the status of each Group company as appropriate. The Internal Audit Department shall report their findings to the Board of Directors of each company or the Company’s Directors and Audit and Supervisory Committee.

(7) To detect and correct violations of laws and regulations and other compliance issues as early as possible, the Company shall establish an internal reporting system for the Group. In addition to an internal reporting system, the Company shall establish an external reporting system entrusted to an attorney.

7. Matters Related to Employees Who Assist in the Duties of the Audit and Supervisory Committee

The Company shall respond promptly to requests by the Audit and Supervisory Committee to appoint organizations or employees to assist in duties.

8. Matters Related to the Independence of Employees Who Assist in the Duties of Audit and Supervisory Committee From Directors Who are Not Members of the Audit and Supervisory Committee

The appointment, transfer, evaluation, etc., of employees assisting in the duties of the Audit and Supervisory Committee shall be approved in advance by the Audit and Supervisory Committee.

9. Matters Related to Ensuring the Practicability of Instructions Given to Employees Assisting the Audit and Supervisory Committee in its Duties

Employees the Audit and Supervisory Committee in the performance of its duties shall follow only those instructions and orders given by the Audit and Supervisory Committee in the performance of said duties.

10. Structure for Reporting to the Audit and Supervisory Committee

(1) Directors (excluding Directors who are members of the Audit and Supervisory Committee) and employees of each Group company and members of the Audit and Supervisory Board of Company subsidiaries shall report the status of the execution of their respective duties to the Audit and Supervisory Committee as necessary, or in response to a request from the Audit and Supervisory Committee.

(2) In the event of any of the following events occurring within the and ST HD Group, directors (excluding Directors who are members of the Audit and Supervisory Committee), employees, and auditors of the Company's subsidiaries shall report said event to the Audit and Supervisory

Committee without delay.

1) The discovery of a fact that may cause significant damage to the Group.
2) An employee report via the internal reporting system of a fact that may impact the survival of the Group or a serious violation of laws or internal rules
3) A situation with the potential to lead to litigation arises in the course of external or internal negotiations at Group companies.

11. System to Ensure Individuals Reporting to Members of the Audit and Supervisory Committee Are Not Subjected to Disadvantageous Treatment

The Group shall develop a system to ensure Group Directors (excluding Directors who are not members of the Audit and Supervisory Committee) or employees who have submitted a report to the Audit and Supervisory Committee are not subject to disadvantageous treatment or reprisal for submitting said report.

12. Policy on Matters Regarding Expense Prepayments, Redemptions, Other Expenses, or Disposition of Debt Resulting from the Execution of Duties by Directors Who Are Members of the Company's Audit and Supervisory Committee

The Company shall bear all expenses and debts incurred by Directors who are members of the Audit and Supervisory Committee in the performance of their duties, except in cases where such expenses or debts are deemed unnecessary for the performance of said member's duties.

13. Other Systems to Ensure That Internal Audits Performed by the Audit and Supervisory Committee are Performed Effectively

(1) The Company shall appoint attorneys, certified public accountants, consultants, and other external advisors to assist members of the Audit and Supervisory Committee in their audits, when such assistance is required.
(2) The Company shall endeavor to deepen the understanding of Directors (excluding Directors who are not members of the Audit and Supervisory Committee) and employees regarding audits conducted by the Audit and Supervisory Committee and to improve the environment for audits conducted by the Audit and Supervisory Committee.

2. Philosophy and Systems for Dealing with Anti-Social Forces

1. Each Group company rejects any relationships with anti-social forces that may threaten social order and safety. The Group rejects any and all business relationship with such forces or groups, and we take a firm stance against and reject any unreasonable demands.

2. In the event of an unreasonable demand by an anti-social force, the General Affairs Department, as the department in charge of responding to such demands, shall coordinate with the police, the National Center for Removal of Criminal Organizations, legal counsel, and other outside specialized organizations to provide an appropriate response.

V. Other Matters

1. Anti-Takeover Measures

Anti-Takeover Measures	None

Supplementary Explanation

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2. Other Matters Related to Corporate Governance System Updated

The following text provides an overview of the Company's timely disclosure system.

1. Basic Policy on Timely Disclosure

To continue to be a company trusted widely and supported by society, we disclose information in a timely and appropriate manner based on the principles of transparency, fairness, and consistency. We also disclose information that may not fall under the category of timely disclosure, but which may be useful in providing a proper understanding of our company.

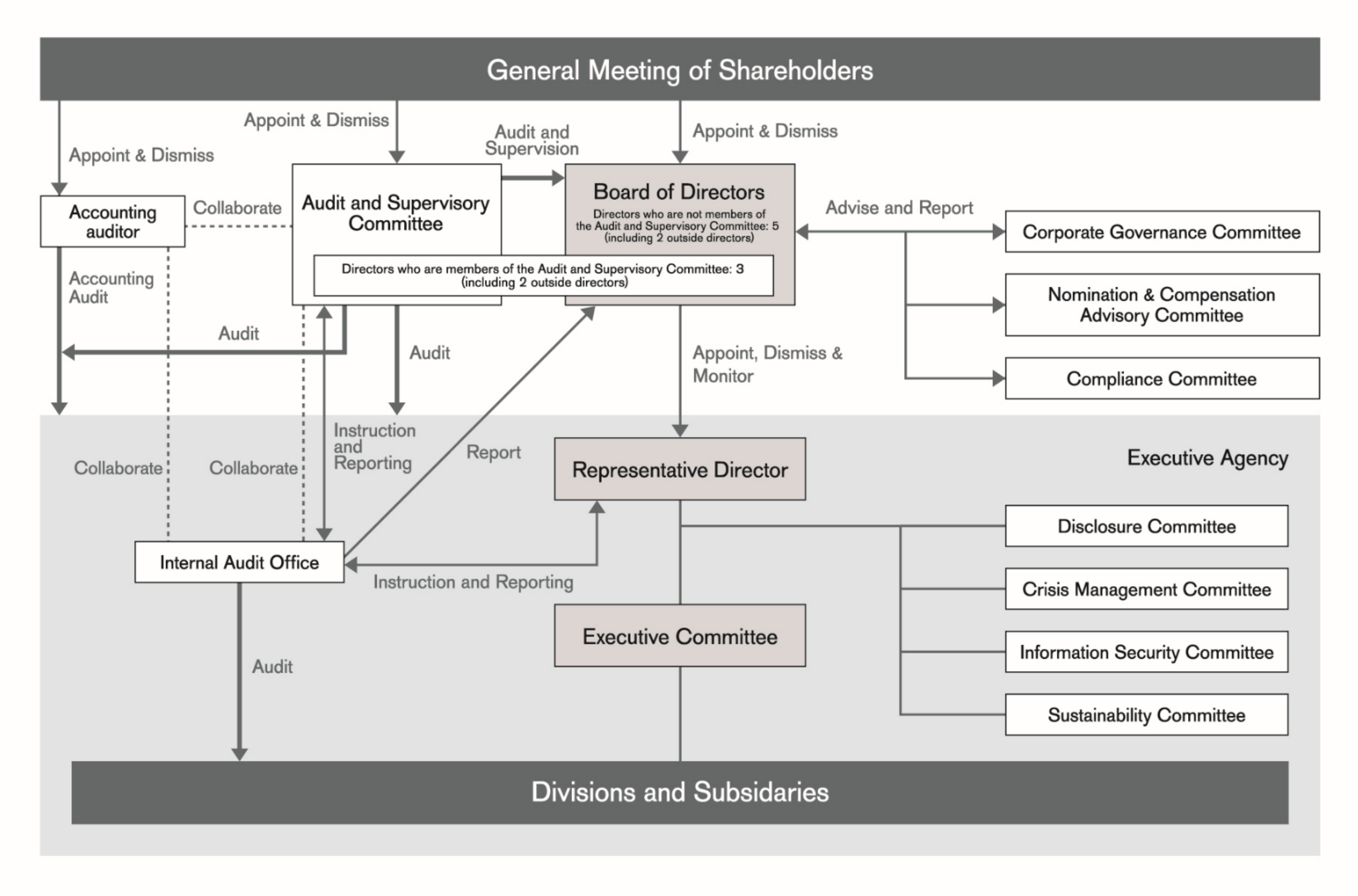
2. Internal Systems Related to Timely Disclosure

All important group corporate information, including decisions, events, and financial results, is collected from directors and employees in charge at the Corporate Planning Division and the Investor Relations Office, which is the office in charge of corporate IR. The Investor Relations Office, in cooperation with related departments, makes decisions on the necessity for timely disclosure based on the Securities Listing Regulations of the Tokyo Stock Exchange and related laws and regulations.
The Company discloses information subject to Timely Disclosure Rules promptly on the Timely Information Disclosure System (TDnet) of the Tokyo Stock Exchange after providing prior explanation to the Tokyo Stock Exchange in accordance with the rules of the exchange. We also post the information concurrently on our corporate website, endeavoring to disclose information accurately and fairly to our shareholders, investors, and other stakeholders.
Further, we submit securities reports and semi-annual reports based on the Financial Instruments and Exchange Act after prior deliberation by the Disclosure Committee.

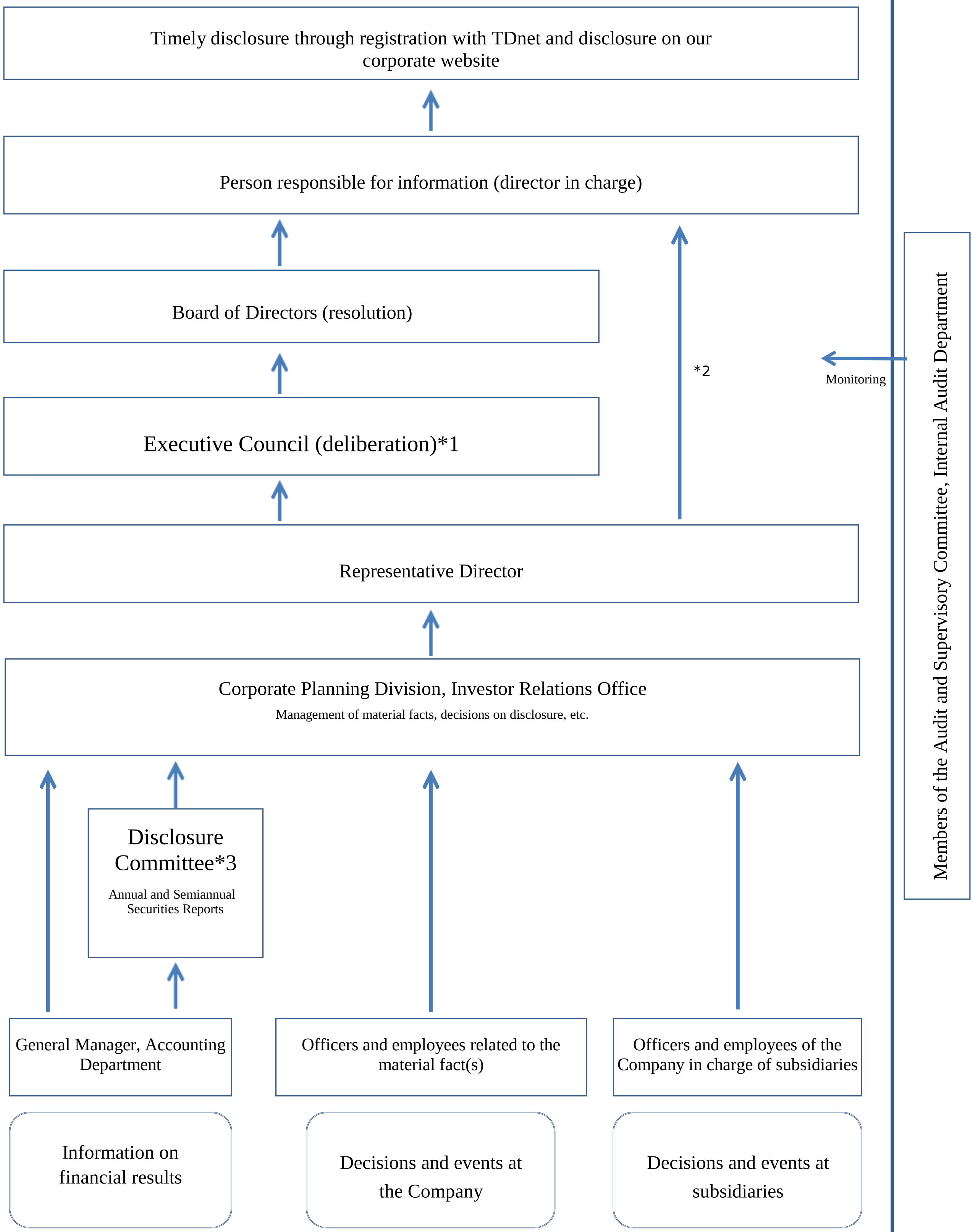
3. Timely Disclosure System Monitoring

The Audit and Supervisory Committee and the Internal Audit Department monitor the effectiveness of internal controls over timely disclosures.

Our corporate governance structure is as follows:



Timely Disclosure System Overview



*1: The Executive Council is a decision-making body for important matters other than those resolved by the Board of Directors

*2: Disclosure of urgent facts (e.g., disasters) and voluntary disclosures may be made at the discretion of the representative director without being submitted to the Board of Directors or Executive Council

*3: The Disclosure Committee is a deliberative body for annual securities reports (including semiannual reports). Committee meetings are attended by the director in charge of the Administration Division, the executive general manager and the deputy executive general manager of the Corporate Planning Division and Corporate Division, the general managers of relevant departments, the general manager of the Internal Audit Department, the Accounting Department, and full-time members of the Audit and Supervisory Board.

Skills Matrix for Directors

			Knowledge, experience, skills, etc., possessed by directors and members of the Audit and Supervisory Board							
			Corporate management	Sales marketing	Product SCM	Global business	IT DX	Legal risk management	Corporate finance, Accounting, Banking and finance	ESG
Directors who are not members of the Audit and Supervisory Committee	Internal	Taiki Fukuda	●			●				●
		Yoshiaki Kitamura	●	●	●	●				
		Masatake Hayashi	●					●	●	
	Outside	Tatsuhiro Matsuoka	●	●	●		●			
		Etsuko Shakespeare		●		●	●			
Directors who are members of the Audit and Supervisory Committee	Internal	Yoichi Endo	●		●					
	Outside	Kazuhiko Ebihara				●			●	
		Kyoko Mogi				●		●		

(Note 1) The list above indicates the areas in which we expect the Company's directors and members of the Audit and Supervisory Board to offer particular expertise. This list is not meant to represent all expertise possessed by the Company's directors and members of the Audit and Supervisory Board.

(Note 2) Matters related to personnel and human resources is included under *corporate management*.

(Note 3) "SCM" refers to supply chain management.