

Note: This document is a translation of the original Japanese document and is only for reference purposes. In the any discrepancy between this translated document and the original Japanese document, the later shall prevail.

A woman on the left and a man on the right are standing against a rustic stone wall. The woman is wearing a dark blue short-sleeved polo shirt with white trim on the collar and sleeves, a red pleated skirt, and a small heart-shaped necklace. She is holding a small, dark-colored handbag with a red and black plaid pattern. The man is wearing a short-sleeved polo shirt with a bold red, white, and black plaid pattern and dark trousers. A large, dark-colored handbag with a red and black plaid pattern is visible on the left side of the image.

Status of Dialogue with Shareholders (From 1 June 2024 to 31 May 2025)

SANYO SHOKAI LTD.

25 July 2025

Overview

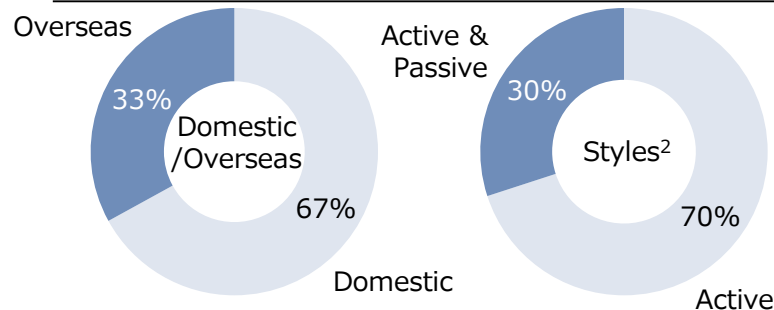
Conducted 91 IR/SR dialogues a year, mainly with CEO as the main speaker. Feedback of the content of dialogue to the Board of Directors and promotion of a cycle that reflects such voices in company-wide policies and strategies.

Status of Dialogue

Total number of IR/SR dialogue¹ **91**

- Decreased slightly due to the absence of a small meeting, down 14 times YoY.

Outline of Shareholders/ Institutional Investors



Major Topics/Interests of Shareholders

- Details of PY results and progress in TY.
- Medium-Term Business Plan (MTBP), new growth strategies and capital strategies.
- Enhancing corporate governance.
- Strengthen investment in non-financial value and human capital
- Progress of Sustainability initiatives.

Speakers

IR/SR meeting	Representative Director, CEO & President Senior Executive Managing Officer GM of Corporate Management HQ (Chair of Sustainability Committee) General Manager of IR & PR Strategy
Financial results briefing	Representative Director, CEO & President Director, EVP & GM of Operation HQ
AGM	All Directors and Audit & Supervisory Board Members

Feedbacks to Board of Directors

	Freq.	Method	Contents
Comments from shareholder / investors	Twice a year	Report to Board of Directors/ explanatory meeting	Summary of dialogue with shareholders after Q2/Q4 announcements of financial results, as well as input for improvement
IR/SR reports	Timely	Report/email to Board of Directors/ explanatory meeting	IR/SR strategies, priority measures, issues and countermeasures, share price/index, etc.

1. Includes financial results meeting and AGM 2. Excludes securities and industrial corp.

Details of Dialogue and Results

Strived to promote understanding through careful explanations and dispel concerns, responding to shareholder/institutional investor concerns regarding PY results and progress in TY, and reaffirmed their perspective.

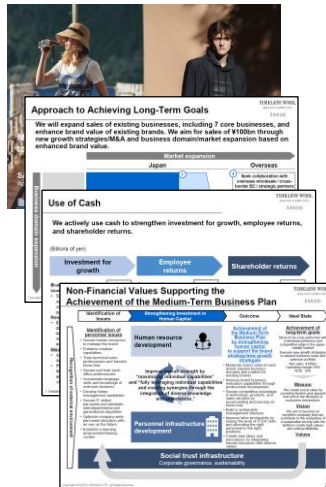
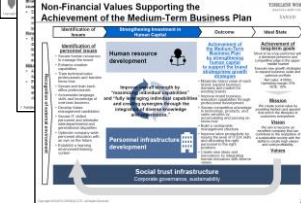

Dialogue

Topics		Concerns	Outline of our response
PY results	Inventory	Concerns about the increase in total inventory at the end of PY.	<ul style="list-style-type: none"> No particular concern with the increase in total inventories because of its healthy contents. Thorough elimination of potential carry-over inventory in TY.
	Climate impacts	Product strategy to deal with climate factors forced to struggle with sales.	<ul style="list-style-type: none"> The policy of raising the balance point between the value of products and prices remains unchanged. "Affordability," an issue for the midsummer season, has been revised in product planning.
Progress in TY	Market environment	Can sustainable growth be expected in the future in a harsh environment caused by external factors?	<ul style="list-style-type: none"> The affordable luxury market has room to expand. TY's expansion in the number of stores will be a key driver of sales growth, whereas the company is forced to defend itself until the market recovers.
	Gross margin	Is the improvement in GM and further improvement in the ratio of full price sales sustainable?	<ul style="list-style-type: none"> KPIs have room to improve in the future. <ul style="list-style-type: none"> Improve full price sales ratio, raise the balance point btw the value of products and prices, limit the discount range, control procurement cost ratio.
	Premises of plan	Background to the imbalance in operating profit forecasts for H1 and H2.	<ul style="list-style-type: none"> Operating profit is expected to decline in H1 mainly due to one-time SG&A expenses associated with the launch of new brands.

Details of Dialogue and Results

The MTBP announced on 14 April 2025 reflected inputs such as new growth strategies, capital strategies, strengthening corporate governance, disclosing non-financial value, and strengthening investment in human capital.

Dialogue

Topics		Input	Status	
MTBP	New growth strategies	Request for disclosure of specific details of new growth strategies and uses of cash.	Concrete actions have already been reflected in the MTBP announced on 14 April 2025.	
	Capital strategies	Request for further strengthening shareholder returns.	DOE 4% of dividends and share buyback in PY as a result of consideration of inputs.	
Enhancing corporate governance		Reduction of strategic stockholdings.	In January 2025, we sold a portion of our strategic shareholdings and, by end-Feb 2025, its ratio to net assets declined to 14.9%.	
Non-financial value/human capital		Request for disclosure of how non-financial value supports MTBP and human capital policy.	Clarified non-financial value/human capital policy in MTBP. Announced the introduction of a RS granting system through the ESOP.	
Sustainability	Strengthen initiatives	Implications for further strengthening sustainability initiatives, one of our strengths.	Submitted a commitment letter in July 2024, and acquired SBT certification for our FY2030 GHG emission reduction targets in March 2025.	
	Create "opportunity"	Not merely managing risks, but taking opportunities to implement initiatives that will lead to sustainable growth.	Launched a reuse business in March 2024. Clothing collection at 750 POS and sale at 3 POS as of today.	



TIMELESS WORK.

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SANYO

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