Securities Code: 409A
June 5, 2026
(Effective Date of Electronic Disclosure: May 28, 2026)

1-411 Toyosaki, Tomigusuku City, Okinawa Prefecture

Orion Breweries, Ltd.
President and Representative Director: Hajime Murano

To Our Shareholders

Notice of Convocation of the 69th Annual General Meeting of Shareholders

Dear Shareholders

We hope this letter finds you in good health and that your businesses continue to prosper.

We hereby notify you that the Company's 69th Annual General Meeting of Shareholders will be held as follows, and we kindly request your attendance.

In connection with the convening of this General Meeting of Shareholders, we have implemented electronic disclosure measures, and the details of such measures have been posted on the following website as the "Notice of Convocation of the 69th Annual General Meeting of Shareholders."

Our Website	https://ir.orionbeer.co.jp/en/ir/stock/meeting.html

In addition to the above, the information is also posted on the following website.

Tokyo Stock Exchange website	https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Please access the above websites, enter our company name or securities code to search, and then select "Basic Information" followed by "Documents for Public Inspection/PR Information" to view the information.

Please note that if you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or in writing. We kindly ask that you review the reference materials for the General Meeting of Shareholders listed in the "Items Provided Electronically" section and exercise your voting rights by 5:30 p.m. JST on Friday, June 19, 2026.

Sincerely

Proposal No. 1	Appointment of Six (6) Directors

The term of office of all seven (7) Directors will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, in order to enable strategic and agile decision-making of the Company, it is proposed to reduce the number of Directors by one and appoint six (6) Directors based on the deliberations of the Nomination and Remuneration Committee of the Company.

The Directors candidates are as follows.

Candidate Number		Name in full	Current Position at the Company	Board of Directors Attendance Rate
1	Reappointment	Hajime Murano	Representative Director and President	23/23 meetings (100%)
2	Reappointment	Shiro Ikeda	Director	22/23 meetings (96%)
3	Reappointment	Fusako Znaiden	Director	20/23 meetings (87%)
4	Reappointment	Rie Murayama (Rie Shiga)	Director	17/17 meetings (100%)
5	New appointment	Yasushi Kanematsu	—	—
6	New appointment	Kensuke Nakanobo	—	—

Candidate Number 1

Number of Company Shares Owned

240,800 shares

Years of Service as Director

4 years and 5 months

Attendance at Board of Directors Meetings

23/23 meetings (100%)

Hajime Murano (Born July 19, 1962) Reappointment

Career History and Position at the Company

Apr. 1985: Joined Sony Corporation (Overseas Sales Division)
Apr. 1991: Representative, Yugoslavia Representative Office, Sony Corporation
Apr. 1992: Sales & Marketing Manager, Sony Europe Frankfurt
Apr. 1994: Managing Director, Sony Hungary
Mar. 1998: Representative, Sony Saudi Arabia Representative Office and GM, Modern Electronics Establishment
Aug. 2001: Senior Marketing Strategist, Global Marketing, Headquarters, Sony Corporation
Feb. 2003: President, Sony Mexico
Oct. 2007: General Manager, Retail & Marketing Communication Department, Sony Corporation
Oct. 2009: Division Manager, Global Sales & Marketing Transformation Division, Sony Corporation
Apr. 2012: Division Manager, Global Retail & Web Division, Sony Corporation
Dec.2012: Ricoh Imaging Company, Ltd. (Chief Sales & Marketing Officer)
Apr. 2013: Managing Director and Chief Sales & Marketing Officer, Ricoh Imaging Company, Ltd.
Mar. 2015: DeAgostini Japan (Managing Director)
Jun. 2015: Representative Director and President, DeAgostini Japan
Jan. 2016: Representative Director and President, DeAgostini Japan, and Head of Asia
Oct. 2018: Representative Director and President, Schick Japan K.K.
Dec. 2021: Representative Director and President, President and Executive Officer, CEO, Orion Breweries, Ltd. (current position) Representative Director, Ocean Holdings Co., Ltd. Representative Director, Sachi Shoji Co., Ltd.
Jun. 2022: Representative Director and President, Orion Arashiyama Golf Club Co., Ltd.
Sep. 2022: Director, Japan Entertainment Co., Ltd. (current position) Director, Japan Entertainment Holdings Co., Ltd. (current position)

Important Concurrent Positions

Director, Japan Entertainment Co., Ltd.
Director, Japan Entertainment Holdings Co., Ltd.

Reasons for Nomination as Director Candidate

Mr. Hajime Murano has demonstrated corporate management skills aimed at achieving a public listing and enhancing corporate value through the establishment of a business model that achieves flywheel growth with Okinawa and has led governance improvements. His management skills have also been applied to marketing and sales, driving performance improvement through strengthening the product and competitive capabilities of existing businesses, promoting intellectual property business utilizing the Orion brand, and establishing overseas strategies leveraging his extensive global experience. In terms of human resources, he has advanced the human resources strategy by promoting DX and human capital investment, building a solid organizational foundation. Based on these outstanding achievements, he is an indispensable talent for the Company's sustainable development, and we propose his election as a director candidate.

Candidate Number 2

Number of Company Shares Owned

0 shares

Years of Service as Director

6 years and 11 months

Attendance at Board of Directors Meetings

22/23 meetings (96%)

Shiro Ikeda (Born November 25, 1956)

Reappointment

Career History and Position at the Company

Apr. 1980: Joined Asahi Breweries, Ltd.
Sep. 2000: Director, Customer Lifestyle Culture Research Institute, Asahi Breweries, Ltd.
Apr. 2006: General Manager, First Product Development Department, Marketing Division, Asahi Breweries, Ltd.
Mar. 2009: Executive Officer, Head of Marketing Division, Asahi Breweries, Ltd.
Mar. 2010: Director, Asahi Breweries, Ltd.
Mar. 2012: Director in charge of Domestic Beverages and CSR, Asahi Group Holdings, Ltd. Director, Asahi Soft Drinks Co., Ltd. Director, LB Co., Ltd.
Aug. 2012: Director in charge of Overseas Business, Asahi Group Holdings, Ltd. Vice Chairman, Tingyi-Asahi Beverages Holding Company (Shanghai) Director, Lotte Asahi Liquor Co., Ltd. (Seoul) Director, Asahi Beer U.S.A., Inc. (Los Angeles) Director, Asahi Holdings Australia Pty Ltd (Melbourne) Director, Permanis Sdn. Bhd. (Malaysia)
Apr. 2014: Managing Director and Executive Officer, Asahi Group Holdings, Ltd. Director, PT Indofood Asahi Sukses Beverage (Jakarta)
Apr. 2016: Senior Managing Executive Officer and Indonesia Representative, Asahi Group Holdings, Ltd. Co-Representative, PT Indofood Asahi Sukses Beverage
Apr. 2018: Chairman of the Board, Chuo Ad Shinsha Co., Ltd.
Apr. 2019: Senior Advisor, Nomura Capital Partners Co., Ltd.
Jun. 2019: Director, Orion Breweries, Ltd. (current position)
Sep. 2019: Director, Ocean Holdings Co., Ltd.
Mar. 2020: Part-time Lecturer, MOT, Tokyo University of Science

Important Concurrent Positions

None

Reasons for Nomination as Outside Director Candidate and Overview of Expected Role

Mr. Shiro Ikeda has a track record of leading R&D, product development, and manufacturing in the beverage field, and based on that experience, he possesses extensive knowledge regarding development capabilities, production optimization, overseas expansion, customer-centric design, and quality assurance. As an Outside Director, he contributes to enhancing the Company's corporate value through supervision and advice on new product development and global business based on his specialized knowledge. Additionally, as a member of the Nomination and Remuneration Committee, he contributes to the enhancement of governance through objective and effective recommendations and advice based on practical experience in manufacturing, development, and marketing. Based on these achievements and expertise, we have determined that supervision and advice can be expected particularly regarding the deepening of new product development capabilities, strengthening of manufacturing and quality foundations, and acceleration of global expansion, and therefore propose his appointment as a candidate for Outside Director.

Candidate Number 3

Number of Company Shares Owned

0 shares

Years of Service as Director

4 years and 5 months

Attendance at Board of Directors Meetings

20/23 meetings (87%)

Fusako Znaiden (Born September 9, 1964) Reappointment

Career History and Position at the Company

Apr. 1987: Joined Shiseido Company, Limited
Apr. 1995: Joined Nippon Lever K.K.
Oct. 2001: Brand Director, Asia Region, Nippon Lever K.K.
Nov. 2003: Joined Nihon L'Oréal K.K.
Apr. 2004: General Manager, Lancôme Division, Nihon L'Oréal K.K.
Apr. 2007: Joined Shiseido Company, Limited
Apr. 2012: Director of Brand Planning, Domestic Cosmetics Division, Shiseido Company, Limited
Oct. 2013: Director of Marketing, Domestic Cosmetics Division, Shiseido Company, Limited
Jun. 2014: Director and General Manager of Marketing Division, Nissin Food Products Co., Ltd.
Apr. 2015: Director and General Manager of Marketing Division, Nissin Food Products Co., Ltd. General Manager of Global Brand Strategy Office, Corporate Strategy Division, and Chairperson of Diversity Promotion Committee, Nissin Foods Holdings Co., Ltd.
Apr. 2016: Executive Officer, Chief Marketing Officer, and Chairperson of Diversity Promotion Committee, Nissin Foods Holdings Co., Ltd.
Oct. 2018: Senior Vice President and Chief Marketing Officer, McDonald's Company (Japan), Ltd.
Dec. 2021: Director, Orion Breweries Ltd. (current position) Director, Ocean Holdings Co., Ltd.
Mar. 2022: Director, Senior Vice President and Chief Marketing Officer, McDonald's Company (Japan), Ltd. (current position)
Mar. 2023: Director, McDonald's Holdings Company (Japan), Ltd. (current position)

Important Concurrent Positions

Director, Senior Vice President and Chief Marketing Officer, McDonald's Company (Japan), Ltd.
Director, McDonald's Holdings Company (Japan), Ltd.

Reasons for Nomination as Outside Director Candidate and Overview of Expected Role

Ms. Fusako Znaiden has led brand building and consumer marketing in the consumer goods and food industries for many years and possesses extensive expertise in enhancing brand value domestically and internationally, premiumization, penetration into specific customer segments, and strengthening customer touchpoints through digital utilization. As an Outside Director, she contributes to enhancing corporate value through supervision and advice on brand strategy, consumer marketing, and global expansion based on her professional expertise. Additionally, as Chairperson of the Nomination and Remuneration Committee, she contributes to strengthening governance and enhancing succession planning. Based on these experiences and expertise, we have determined that supervision and advice can be expected particularly regarding strengthening brand strategy, enhancing consumer marketing, and accelerating global expansion, and therefore propose her appointment as a candidate for Outside Director.

Candidate Number 4

Rie Murayama
(Legal Name: Rie Shiga)

(Born May 1, 1960)

Reappointment

Number of Company Shares Owned

0 shares

Years of Service as Director

0 years and 11 months

Attendance at Board of Directors Meetings

17/17 meetings (100%)

Career History and Position at the Company

Apr. 1981: Securities Department, Head Office, Yasuda Trust and Banking Co., Ltd.
Nov. 1988: CS First Boston Securities
Mar. 1993: Goldman Sachs Securities
Nov. 2001: Managing Director, Goldman Sachs Securities
Apr. 2014: Director, National Center for Global Health and Medicine
Jun. 2016: Outside Director, RENOVA, Inc.
Jun. 2017: Outside Director, KATITAS Co., Ltd.
Jun. 2019: Outside Director, Shinsei Bank, Limited
Jun. 2020: Outside Director, Maeda Corporation (currently Non-Executive Director (current position))
Jun. 2021: Outside Director, Rice Curry Inc. (company name changed to MUSCAT GROUP Inc.) (current position)
Aug. 2021: Representative Director, the Astate Inc.
Oct. 2021: Outside Director, Infroneer Holdings Inc. (current position)
Feb. 2024: Auditor, Yamano Gakuen Educational Foundation (current position)
Jun. 2024: Outside Director, True Data Inc. (Audit and Supervisory Committee Member) (current position)
Apr. 2025: Director, Japan Institute for Health Security (current position)
Jun. 2025: Director, Orion Breweries Ltd. (current position)

Important Concurrent Positions

Non-Executive Director, Maeda Construction Corporation
Outside Director, MUSCAT GROUP Inc.
Outside Director, Infroneer Holdings Inc.
Auditor, Yamano Gakuen Educational Foundation
Outside Director, True Data Inc.
Director, Japan Institute for Health Security

Reasons for Nomination as Outside Director Candidate and Overview of Expected Role

Ms. Rie Murayama has many years of experience in investment banking and extensive track record as an Outside Director at various listed companies. As an Outside Director, she contributes to enhancing the Company's corporate value through objective and practical supervision and advice on overall management, based on her high level of expertise in capital markets, M&A, capital policy, and risk management, as well as her global perspective. Additionally, as a member of the Nomination and Remuneration Committee, she leads the enhancement of succession planning and compensation governance, contributing to improving management transparency and accountability. This broad experience and professional expertise are essential for achieving both sustainable growth and the establishment of a robust governance structure. We have determined that supervision and advice can be expected particularly regarding IR and financial strategy, strengthening corporate governance, and business portfolio strategy, and therefore propose her appointment as a candidate for Outside Director.

Candidate Number 5

Number of Company Shares Owned

0 shares

Yasushi Kanematsu (Born February 23, 1968) New Reappointment

Career History and Position at the Company

Apr. 1992: Joined Asahi Breweries, Ltd. (Kumamoto Branch, Kyushu Regional Office)
Oct. 1999: Full-time union official and secondment leave, Asahi Breweries Labor Union
Oct. 2005: Sales Strategy Department, Asahi Breweries, Ltd.
Sep. 2008: Beer Strategy Department, Asahi Breweries, Ltd.
Sep. 2010: Marketing Planning Department, Asahi Breweries, Ltd.
Sep. 2013: Corporate Planning Department, Asahi Breweries, Ltd.
Sep. 2014: General Manager of Human Resources Strategy Office, Asahi Breweries, Ltd.
Apr. 2017: President of Kumamoto Branch, Asahi Breweries, Ltd.
Apr. 2019: Senior Officer and General Manager of Sales Planning Department, Hokkaido Regional Headquarters, Asahi Breweries, Ltd.
Sep. 2020: Senior Manager and General Manager of Distribution Department, Asahi Breweries, Ltd.
Apr. 2024: Executive Officer and General Manager of Sales Strategy Department, Asahi Breweries, Ltd. (current position)

Important Concurrent Positions

Executive Officer and General Manager of Sales Strategy Department, Asahi Breweries, Ltd.

Reasons for Nomination as Outside Director Candidate and Overview of Expected Role

Mr. Yasushi Kanematsu has led business operations as an Executive Officer at Asahi Breweries, Ltd., and possesses broad and deep expertise in corporate management, having served in various positions including sales, marketing, corporate planning, and human resources over many years. As an Outside Director, contributions are expected through accurate and valuable supervision and advice based on professional expertise in distribution channel strategy, sales force strengthening, organizational management, and human resource development, cultivated through a consistent career from on-site sales experience to headquarters strategy. We have determined that supervision and advice, particularly regarding marketing strategy, fundamental strengthening of the sales structure, and organizational development—which are essential for strengthening the Company's market competitiveness and achieving sustainable growth in the rapidly changing market environment—will contribute to enhancing the Company's corporate value, and therefore propose his appointment as a candidate for Outside Director.

Candidate Number 6

Kensuke Nakanobo (Born May 11, 1963) New Reappointment

Number of Company Shares Owned

0 shares

Career History and Position at the Company

Apr. 1987: Joined Kintetsu Railway Co., Ltd.
Nov. 2009: General Manager of Planning and Coordination Department, Terminal Development Division, Kintetsu Railway Co., Ltd.
Jun. 2013: General Manager of Business Department, Abeno Harukas Division, Kintetsu Railway Co., Ltd.
Apr. 2015: General Manager of Harukas Operations Department, Asset Business Division, Kintetsu Real Estate Co., Ltd.
Jun. 2016: Executive Officer, Kintetsu Real Estate Co., Ltd.
Jun. 2018: Director, Kintetsu Real Estate Co., Ltd.
Jun. 2021: Managing Director, Kintetsu Real Estate Co., Ltd.
Apr. 2022: Senior Managing Director, Kintetsu Real Estate Co., Ltd.
Jun. 2023: Managing Executive Officer, KNT-CT Holdings Co., Ltd.
Jun. 2025: Representative Director and Executive Managing Director, KNT-CT Holdings Co., Ltd. (current position)

Important Concurrent Positions

Representative Director and Executive Managing Director, KNT-CT Holdings Co., Ltd.

Reasons for Nomination as Outside Director Candidate and Overview of Expected Role

Mr. Kensuke Nakanobo has diverse management experience in the hotel business, real estate business, and holding company within the Kintetsu Group. Contributions to the Company's diverse business development are expected particularly through his track record in developing and operating large-scale mixed-use facilities and his management expertise in coordinating multiple business areas. Additionally, as Representative Director and Executive Managing Director of KNT-CT Holdings, he has cultivated deep knowledge and achievements regarding frontline trends in the travel and tourism industry, sales and marketing, and global business development. Based on this broad and practical expertise, contributions are expected as an Outside Director through accurate and valuable advice on strengthening the competitiveness of the Company's Tourism & Hotel Business, creating new value, and promoting sustainable growth strategies. We have determined that this will contribute to strengthening the Company's competitiveness and enhancing corporate value in the rapidly changing market environment and therefore propose his appointment as a candidate for Outside Director.

(Notes) 1. There are no special interests between each candidate and the Company.
2. Mr. Ikeda, Ms. Znaiden, Ms. Murayama, Mr. Kanematsu, and Mr. Nakanobo are candidates for Outside Director.
3. The Company has registered Mr. Ikeda, Ms. Znaiden, and Ms. Murayama as Independent Officers as defined by the Tokyo Stock Exchange. Additionally, if the appointments of Mr. Ikeda, Ms. Znaiden, Ms. Murayama, Mr. Kanematsu, and Mr. Nakanobo are approved, the Company plans to register each of them as Independent Officers as defined by the Tokyo Stock Exchange.
4. The Company has entered into limited liability agreements with Mr. Ikeda, Ms. Znaiden, and Ms. Murayama pursuant to Article 427, Paragraph 1 of the Companies Act, which limit the liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under these agreements is the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act. This limitation of liability is only applicable when the relevant Outside Director acted in good faith and without gross negligence in performing the duties that caused the liability. If each of these individuals is reappointed, the Company plans to continue the limited liability agreements with them. If the new candidates, Mr. Kanematsu and Mr. Nakanobo are appointed, the Company plans to enter into similar limited liability agreements with them.
5. The Company has entered into a directors and officers liability insurance contract as prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, which includes Mr. Murano, Mr. Ikeda, Ms. Znaiden, and Ms. Murayama as insured persons. This insurance contract compensates for damages and litigation costs, etc. incurred by the insured persons when claims for damages are filed against them by shareholders or third parties in connection with the execution of their duties, within the scope of the deductible amount and insurance amount specified in the insurance contract. If each candidate is elected, they will be included as an insured person under the said insurance contract, and we also plan to renew the said insurance contract with the same terms.
6. Ms. Murayama's attendance at Board of Directors meetings is stated for Board of Directors meetings held after her appointment as an Outside Director.

[For Reference]

Skill Matrix of Directors and Audit & Supervisory Board Members After the General Meeting of Shareholders in June 2026

Name	Position	M/F	Professional Skills and Expertise								
			Corporate Mgmt.	Marketing Sales	Finance and Accounting	Hotel Mgmt. Business	Human Resources	Legal Risk Mgmt.	Manufacturing and R&D	Global Experience	Sustainability
Hajime Murano	Representative Director and President	Male	●	●		●	●			●	
Shiro Ikeda	Outside Director Independent Officer	Male	●	●					●	●	●
Fusako Znaiden	Outside Director Independent Officer	Female	●	●						●	●
Rie Murayama	Outside Director Independent Officer	Female		●	●		●			●	
Yasushi Kanematsu	Outside Director	Male	●	●			●				
Kensuke Nakanobo	Outside Director	Male	●	●		●				●	
Hidenori Sugiura	Full-time Audit & Supervisory Board Member	Male	●		●			●		●	●
Sunao Tomoyose	Part-time Audit & Supervisory Board Member	Male			●			●			
Kengo Niimi	Part-time Audit & Supervisory Board Member	Male				●		●		●	

We consider the following skill sets to be important for maximizing the "supervisory and advisory" functions of the Board of Directors.

1. Corporate Management
   Advanced skills and expertise to drive enhancement of corporate value through formulating the Group-wide vision, developing medium- to long-term strategies, leveraging Group synergies, and providing supervision and advice on governance toward realizing our mission of "Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile."
2. Marketing and Sales
   Skills and expertise to supervise and advise on market strategy formulation, new market development, and optimization of resource allocation in order to expand the value of the "Orion" brand nationwide and overseas and establish competitive advantage in diverse market environments.
3. Finance and Accounting
   Skills and expertise to supervise and advise on capital policy, internal control, and financial risk management toward establishing a sound management foundation and enhancing corporate value through ensuring management transparency.
4. Hotel Business
   Skills and expertise to supervise and advise on growth strategies, profitability improvement measures, and regional collaboration strategies in the Tourism & Hotel Business in order to maximize synergies with the development of Okinawa tourism, regional collaboration, and the alcohol and beverage business.
5. Human Resources
   Skills and expertise to supervise and advise on the formulation and execution of human resources strategies, optimization of organizational structure, and improvement of employee engagement in order to foster an attractive corporate culture where diverse talent can thrive and support sustainable enhancement of corporate value.
6. Legal Affairs and Risk Management
   Skills and expertise to comprehensively identify and assess legal and social risks in corporate activities, and to supervise and advise on effective governance systems and risk management systems in order to maintain and enhance trust from capital markets and local communities and ensure business continuity.
7. Manufacturing and R&D
   Skills and expertise to supervise and advise on the formulation and execution of production strategies with a view to the entire supply chain, quality control, and technological innovation and R&D strategies in order to stably supply high-quality products and services and create new value leveraging the characteristics of Okinawa.
8. Global Experience
   Skills and expertise to supervise and advise on capturing opportunities for overseas business expansion, formulating and executing business strategies, and identifying and managing related geopolitical and economic risks in global markets with diverse cultures, business practices, and regulations.
9. Sustainability
   Skills and expertise to supervise and advise on the formulation of company-wide strategies, goal setting, and monitoring of progress and effectiveness regarding Environment (E), Social (S), and Governance (G) in order to achieve long-term enhancement of corporate value through coexistence with Okinawa's local communities and rich natural environment.

Regarding the Results of the Evaluation of the Effectiveness of the Board of Directors

As a company with an Audit & Supervisory Board, we conducted an analysis and evaluation of the overall effectiveness of the Board of Directors in order for the Board of Directors to effectively fulfill its roles and responsibilities and realize management that contributes to sustainable growth and medium- to long-term enhancement of corporate value. As we were listed in September 2025, we conducted this evaluation for the first time this fiscal year with the aim of further enhancing our corporate governance system as a listed company and further improving the supervisory and decision-making functions of the Board of Directors. In this evaluation, we conducted verification from the perspectives of the composition of the Board of Directors, its operation, the content of deliberations, the status of exercising supervisory functions over business execution, the effectiveness of audits by Audit & Supervisory Board Members and their collaboration with the Board of Directors, and the support system for outside officers, and based on the results, we confirmed future issues and the direction of responses. The overview is described below.

1. Evaluation Method

For the evaluation of the effectiveness of the Board of Directors for this fiscal year, we conducted a self-evaluation targeting Directors and Audit & Supervisory Board Members, with evaluation items including the composition of the Board of Directors, agenda setting, deliberation time, content and timing of document provision, depth of discussion on important matters, status of supervision regarding management strategy, capital policy, risk management, and sustainability, status of exercising supervisory functions over business execution, as well as the effectiveness of audits by Audit & Supervisory Board Members and the information provision system for Outside Directors, and compiled and analyzed the results.

2. Overview of the Results

As a result of the evaluation, we confirmed that the Board of Directors of our company generally appropriately fulfills the roles and responsibilities expected for the Board of Directors, namely the basic management policy, decisions on important business execution, and supervision of business execution, and its effectiveness is ensured. Regarding the composition of the Board of Directors, it was evaluated that discussions are conducted including diverse perspectives held by Outside Directors and Audit & Supervisory Board Members under a structure that takes into consideration the balance of knowledge, experience, and expertise, and free and constructive exchange of opinions is taking place.

Additionally, regarding deliberations on important matters, we confirmed that necessary discussions are being conducted from the perspectives of management strategy, capital policy, internal control, risk management, etc., and that the supervisory function by Outside Directors and the audit function by Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members are generally being exercised effectively. In addition, we evaluate that collaboration with Audit & Supervisory Board Members, the internal audit department, and the accounting auditor, as well as the support system for Outside Directors, are generally being operated appropriately.

On the other hand, the matters recognized as priority issues in this initial evaluation are mainly as follows.

- From the perspective of medium- to long-term enhancement of corporate value required as a listed company, it is necessary to further enhance discussions on growth strategy, capital policy, and strategies for major businesses.
- From the perspective of securing sufficient time for strategic discussions at the Board of Directors, it is necessary to further devise ways to organize matters to be submitted, clarify the annual agenda, and allocate deliberation time.
- It is necessary to strengthen the functions of the Nomination and Remuneration Committee and deepen the quality and quantity of discussions on incentive design and succession plans that contribute to long-term enhancement of corporate value.
- It is necessary to further enhance advance explanations on important proposals, early sharing of documents, and provision of supplementary information so that Outside Directors and Outside Audit & Supervisory Board Members can fully demonstrate their expertise.
- With a view to business expansion, it is necessary to further sophisticate the monitoring framework for internal control, compliance, and important risk management.

3. Future Initiatives

Based on the priority issues identified through this evaluation, we will work to further improve the effectiveness of the Board of Directors. Specifically, we will expand opportunities for discussion on "growth strategy," "capital policy," and "strategies for major businesses" in order to enhance our contribution to medium- to long-term enhancement of corporate value. Toward this realization, we will organize matters to be submitted to the Board of Directors and clarify the annual agenda and further devise the allocation of deliberation time to secure sufficient time for strategic discussions. Additionally, through strengthening the functions of the Nomination and Remuneration Committee, we will deepen discussions on succession plans for senior management and Directors and remuneration design that contributes to long-term enhancement of corporate value.

Furthermore, we aim to further improve the supervisory function and quality of discussions at the Board of Directors by enhancing advance explanations to Outside Directors and Audit & Supervisory Board Members on important proposals, early sharing of documents, and provision of supplementary information so that Outside Directors can fully demonstrate their expertise. In addition, we will further strengthen the monitoring framework for internal control, compliance, and important risk management with a view to business expansion.

Going forward, based on this effectiveness evaluation, we will continuously verify the status of the Board of Directors' functioning and connect the verification results to improvements, thereby striving to strengthen a more effective corporate governance system toward enhancement of corporate value.

End

Proposal No. 2 Appointment of One (1) Alternate Audit & Supervisory Board Member

This proposal requests the appointment of one (1) alternate Audit & Supervisory Board Member in advance in case the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations or the Articles of Incorporation.

The Audit & Supervisory Board has given its consent to this proposal.

Matsumora Noboru (Born October 24, 1990)

Number of Company Shares Owned

0 shares

Career History

Apr. 2016: Joined Ernst & Young ShinNihon LLC (Tokyo, Financial Services Division)
Jul. 2019: Ernst & Young ShinNihon LLC (Okinawa Office) In charge of audits for companies in Okinawa Prefecture including Orion Breweries, Ltd.
Jul. 2022: Established certified public accountant and certified tax accountant office
Apr. 2023: Established Ryukyu Accounting Tax Corporation
Aug. 2023: Established Ryukyu Accounting Business Support Co., Ltd., appointed Representative Director (current position)
Oct. 2023: Part-time Lecturer at University of Ryukyu (until March 2025)
Apr. 2025: Part-time Lecturer at Okinawa International University (current position)
Oct. 2025: Acquisition of a tax accountant office in Naha City. Acquired a tax accountant office in Naha City (business succession through M&A)

Important Concurrent Positions

Representative Director, Ryukyu Accounting Business Support Co., Ltd.

Reasons for nominating as a candidate for substitute Outside Audit & Supervisory Board Member

Mr. Noboru Matsumora possesses advanced expertise and extensive practical experience cultivated over many years as a certified public accountant and certified tax accountant. At an audit corporation, he gained experience in audit services across diverse fields including finance and manufacturing, and has accumulated deep knowledge of accounting and internal control particularly through audits of Okinawan companies. In addition to this extensive audit practical experience, he also has an objective and practical perspective on corporate management in general from his experience in establishing and managing a certified public accountant and certified tax accountant office and a tax corporation, as well as business succession through M&A. Based on this expertise and multifaceted knowledge regarding DX promotion and business reform, we have determined that he can accurately audit the Company's operations and financial condition and contribute to further strengthening the corporate governance system through effective advice, and therefore propose his election as a candidate for substitute Audit & Supervisory Board Member.

(Note) 1. There is no special conflict of interest between Mr. Matsumora and the Company.
2. Mr. Matsumora is a candidate for alternate Outside Audit & Supervisory Board Member.
3. If Mr. Matsumora is appointed as Audit & Supervisory Board Member, the Company plans to enter into a liability limitation agreement with him to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act. The maximum amount of liability for damages under such agreement shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, and such limitation of liability shall be applicable only when the part-time Audit & Supervisory Board Member acted in good faith and without gross negligence in performing the duties that caused the liability.
4. The Company has entered a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If Mr. Matsumora is appointed as Audit & Supervisory Board Member, he will be included as an insured under such insurance contract, and the Company plans to renew such insurance contract with the same terms. This insurance contract compensates for damages and litigation costs, etc. incurred by the insured persons when claims for damages are filed against them by shareholders or third parties in connection with the execution of their duties, within the scope of the deductible amount and insurance amount specified in the insurance contract.
5. The Company's Articles of Incorporation provide that the validity of the preliminary election of an alternate Audit & Supervisory Board Member shall be until the commencement of the Annual General Meeting of Shareholders held four years after the General Meeting of Shareholders at which such election was made.

Proposal No. 3 Determination of Remuneration for the Grant of Restricted Shares to Directors (Including Outside Directors)

The maximum amount of remuneration for the Company's Directors was approved at the 57th Annual General Meeting of Shareholders held on June 27, 2014, to be no more than 165 million yen per fiscal year (excluding the employee portion of salary for Directors who concurrently serve as employees).

As part of the review of the executive remuneration system, the Company now proposes to provide remuneration for the granting of restricted share to the Company's Directors (including Outside Directors; hereinafter referred to as "Eligible Directors"), separate from the aforementioned remuneration framework, for the purpose of providing Eligible Directors with an incentive to achieve sustainable enhancement of the Company's corporate value and to further promote value sharing with shareholders.

The restricted share to be granted to Eligible Directors under this proposal shall be one or a combination of two types as necessary: the "Tenure Condition Type," which is conditional upon continuously holding a position predetermined by the Company's Board of Directors among the positions of officers and employees of the Company or its subsidiaries for a certain period, and the "Performance Condition Type," which is conditional upon achieving performance conditions predetermined by the Company's Board of Directors in addition to the above condition.

Under this proposal, the remuneration to be paid to Eligible Directors for the granting of restricted share shall be monetary claims, with a total amount of no more than 10.92 million yen per year for the "Tenure Condition Type" (of which no more than 4.68 million yen is for Outside Directors), no more than 10.92 million yen per year for the "Performance Condition Type" (of which no more than 4.68 million yen is for Outside Directors), and a combined total of no more than 21.84 million yen per year (of which no more than 9.36 million yen is for Outside Directors). In addition, the specific timing of payment to each Eligible Director and the allocation including the respective payment ratios for the "Tenure Condition Type" and "Performance Condition Type" shall be determined by the Board of Directors after consultation with the Nomination and Remuneration Committee.

Currently, there are seven (7) Directors (of which six (6) are Outside Directors), but if Proposal No. 1 "Election of 6 Directors" is approved as originally proposed, there will be six (6) Directors (of which five (5) will be Outside Directors).

In addition, based on a resolution of the Company's Board of Directors, Eligible Directors shall pay in all of the monetary claims paid under this proposal as in-kind contribution assets and receive the issuance or disposal of the Company's common shares, and the total number of the Company's common shares to be issued or disposed of thereby shall be no more than 8,400 shares per year for the "Tenure Condition Type" (of which no more than 3,600 shares are for Outside Directors), no more than 8,400 shares per year for the "Performance Condition Type" (of which no more than 3,600 shares are for Outside Directors), and a combined total of no more than 16,800 shares per year (of which no more than 7,200 shares are for Outside Directors) (provided, however, that if a share split (including a gratis allotment of the Company's common shares) or share consolidation of the Company's common shares is carried out after the date this proposal is approved, or if any other event occurs that requires adjustment of the total number of the Company's common shares to be issued or disposed of as restricted share, the respective total numbers shall be adjusted within a reasonable range.)

The amount to be paid per share shall be determined by the Board of Directors within a range that is not particularly favorable to the Eligible Directors who will subscribe for such common shares, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board of Directors resolution concerning such issuance or disposal (or, if no trading was executed on that day, the closing price on the most recent trading day prior thereto). In addition, the issuance or disposal of the Company's common shares and the payment of monetary claims as in-kind contribution assets pursuant thereto shall be subject to the execution of a restricted share allotment agreement (hereinafter referred to as the "Allotment Agreement") between the Company and the Eligible Directors, which shall include the following terms in outline. If this proposal is approved, one or a combination of two types of restricted share from the "Tenure Condition Type" and "Performance Condition Type" will be granted as necessary within the scope of this proposal. In addition, the upper limit of remuneration under this proposal, the total number of the Company's common shares to be issued or disposed of, and other conditions for granting restricted share to Eligible Directors under this proposal have been determined in consideration of the above purposes, the Company's business conditions, the policy on decisions on the content of the Remunerations for individual Directors of the Company (if this proposal is approved as originally proposed, the Company plans to revise such policy to the content described in the [Reference] section below to ensure consistency with the approved content), and other various circumstances, and are considered to be appropriate.

[Summary of Contents of the Allotment Agreement]

(1) Transfer Restriction Period

Eligible Directors shall not transfer, create security interests over, or otherwise dispose of the Company's common shares allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") during the period from the date of allotment under the Allotment Agreement until immediately after resigning or retiring from the position predetermined by the Company's Board of Directors among the positions of officers and employees of the Company or its subsidiaries (hereinafter referred to as the "Transfer Restriction Period") (hereinafter referred to as the "Transfer Restriction").

(2) Treatment upon Resignation or Retirement

If an Eligible Director resigns or retires from the position predetermined by the Company's Board of Directors among the positions of officers and employees of the Company or its subsidiaries before the expiration of the period predetermined by the Company's Board of Directors (hereinafter referred to as the "Service Period"), the Company shall automatically acquire the Allotted Shares without consideration, unless such resignation or retirement is due to expiration of term of office, death, or other justifiable reasons.

(3) Release of Transfer Restriction

The Company shall release the Transfer Restriction on all of the Allotted Shares upon the expiration of the Transfer Restriction Period, on the condition that the Eligible Director has continuously held the position predetermined by the Company's Board of Directors among the positions of officers and employees of the Company or its subsidiaries during the Service Period. However, if (i) the Eligible Director resigns or retires from the position predetermined by the Company's Board of Directors among the positions of officers and employees of the Company or its subsidiaries before the expiration of the Service Period for justifiable reasons, or (ii) the Eligible Director resigns or retires from the position predetermined by the Company's Board of Directors among the positions of officers and employees of the Company or its subsidiaries for reasons other than justifiable reasons before the expiration of the Transfer Restriction Period even after the expiration of the Service Period, the number of Allotted Shares for which the Transfer Restriction is to be released and the timing of such release shall be reasonably adjusted as necessary (taking into account the conditions set forth in (5) below if the conditions for "Release of Transfer Restriction upon Achievement of Performance" in (5) below are included in the Allotment Agreement). In addition, the Company shall automatically acquire without consideration the Allotted Shares for which the Transfer Restriction has not been released immediately after the Transfer Restriction is released in accordance with the above provisions.

(4) Treatment in Organizational Restructuring, etc.

Notwithstanding the provisions of (1) above, if during the Transfer Restriction Period, matters concerning a merger agreement in which the Company becomes the absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other organizational restructuring, etc. are approved at the Company's General Meeting of Shareholders (or, if approval by the Company's General Meeting of Shareholders is not required for such organizational restructuring, etc., at the Company's Board of Directors), the Company shall, by resolution of the Board of Directors, release the Transfer Restriction on a reasonably determined number of Allotted Shares for the period from the start date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc. (taking into account the conditions set forth in (5) below if the conditions for "Release of Transfer Restriction upon Achievement of Performance" in (5) below are included in the Allotment Agreement) prior to the effective date of such organizational restructuring, etc. In addition, in the cases specified above, the Company shall automatically acquire without consideration the Allotted Shares for which the Transfer Restriction has not been released immediately after the Transfer Restriction is released.

(5) Conditions for Release of Transfer Restriction upon Achievement of Performance (in the case of "Performance Condition Type")

In the case of the "Performance Condition Type," the Company may stipulate in the Allotment Agreement a condition that the Transfer Restriction on all or part of the Allotted Shares shall be released upon the expiration of the Transfer Restriction Period when the performance conditions predetermined by the Company's Board of Directors are achieved. In this case, the Company shall automatically acquire without consideration the Allotted Shares for which it has become clear that the Transfer Restriction will not be released, immediately after it becomes clear that the performance conditions have not been achieved and the Transfer Restriction will not be released.

(6) Other provisions

Other matters concerning the Allotment Agreement shall be determined by the Company's Board of Directors.

[For Reference]

If this proposal is approved as originally proposed, the Company plans to revise the policy on decisions on the content of the Remunerations for individual Directors as follows.

Policy on Decisions on the Content of Remuneration for Individual Directors

I. Basic Policy

The remuneration for the Company's Directors shall be a remuneration structure linked to shareholder interests so as to function adequately as an incentive for the sustainable enhancement of corporate value. The basic policy in determining compensation for individual directors is to set appropriate levels based on their respective duties and responsibilities.

Specifically,

- Compensation for full-time directors consists of basic compensation comprising "fixed compensation (monetary: monthly)" and "performance-linked compensation (monetary: bonus)," as well as "restricted share compensation (share)."
- Compensation for part-time directors consists of basic compensation comprising "fixed compensation (monetary: monthly)" and "restricted share compensation (share)."

II. Policy concerning the determination of the content, amount, or number of basic compensation (monetary) and restricted share compensation (share) (including timing and conditions)

The basic compensation for directors of the Company consists of monthly fixed compensation and performance-linked compensation in the form of bonuses (both monetary), and the amounts are determined by the Representative Director and President, who is delegated authority by the Board of Directors after consultation with the Nomination and Remuneration Committee.

a. Basic Compensation

◇ Fixed compensation (monetary: monthly) (common to full-time and part-time directors)

- Monthly basic compensation in cash according to position and responsibilities.

◇ Performance-linked compensation (monetary: bonus) (full-time directors only)

- As short-term incentive compensation, compensation that fluctuates between 40% and 80% based on fixed compensation according to the performance of one fiscal year.
- Compensation is paid after the company's performance for the relevant fiscal year is finalized.
- As for performance indicators, "consolidated net sales" and "consolidated operating profit" are adopted, as emphasis is placed on the balance between company-wide growth and profitability.

b. Restricted share compensation (share) (common to full-time and part-time directors)

- Restricted share is granted according to the position of directors, and the transfer restriction is lifted, in principle, upon resignation from the position of director.
- To heighten awareness of performance improvement and contribute to enhancing corporate value, as well as to promote the achievement of both sales growth and profitability, restricted share of one or a combination of two of the following types is granted.
- "Tenure condition type": Transfer restrictions are lifted on the condition that the recipient continuously holds a position among the officers and employees of the Company or its subsidiaries as determined by the Board of Directors for a certain period.
- "Performance condition type": In addition to the above tenure conditions, transfer restrictions are lifted on the condition that performance conditions determined by the Board of Directors are achieved. As for performance indicators, since emphasis is placed on the balance between company-wide growth and profitability, "consolidated operating profit" is adopted in principle, and achievement is determined based on the performance of one fiscal year.
- The grant amount and number of shares are determined by the Representative Director and President, who is delegated authority by the Board of Directors after consultation with the Nomination and Remuneration Committee.

III. Policy concerning the determination of the ratio of fixed compensation amount, performance-linked compensation amount, or share compensation amount to the amount of compensation for each individual director

- Among basic compensation, the ratio of fixed compensation to performance-linked compensation (monetary: bonus) is approximately 7:3 to 6:4 based on standard amounts.
- Performance-linked compensation (monetary) is not paid to part-time directors.
- The ratio of basic compensation (monetary: monthly and bonus) to restricted share compensation (share) is approximately 8:2 to 7:3 based on standard amounts.

IV. Matters concerning the determination of the content of directors' compensation

- In determining monthly fixed compensation as basic compensation and performance-linked compensation (monetary) as bonus, the Representative Director and President carefully evaluates the roles expected of each director by the Company, and after consultation with the Nomination and Remuneration Committee, the Representative Director and President, who is delegated authority by the Board of Directors, makes the determination.
- For restricted share compensation (share), the total amount is determined according to grant standards based on directors' positions, and after consultation with the Nomination and Remuneration Committee, the final allocation of individual amounts and number of shares is determined by the Representative Director and President, who is delegated authority by the Board of Directors, and matters concerning the allocation of shares are determined based on resolutions of the Board of Directors.

[For Reference]

If this proposal is approved and adopted as originally proposed, the Company plans to introduce a similar restricted share compensation system for executive officers who do not concurrently serve as directors of the Company.

Proposal No. 4 Revision of the Amount of Remuneration for Audit & Supervisory Board Members

The compensation for Audit & Supervisory Board Members was approved at the Extraordinary General Meeting of Shareholders held on November 1, 2023, to be no more than thirty (30) million yen per fiscal year, and this remains in effect to date.

With the IPO in September 2025, the Company is required to strengthen corporate governance, gain investor confidence, and enhance corporate value, and the workload of Audit & Supervisory Board Members who support the sound management of the Company has increased.

In light of the increased burden on Audit & Supervisory Board Members, we propose that the amount of compensation for Audit & Supervisory Board Members be set at no more than 40 million yen per fiscal year.

The Company currently has three (3) Audit & Supervisory Board Members.

The amount of compensation for each individual Audit & Supervisory Board Member is proposed to be determined through consultation among the Audit & Supervisory Board Members within the above amount.

End

1 Matters Concerning the Current Status of the Corporate Group

(1) Business Progress and Results

The Company has the mission of "Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile." At the same time, the Company pursues a "Flywheel Growth with Okinawa" Business Model that achieves sustainable growth together with Okinawa by delivering attractive products and experiences to Okinawa residents and tourists, striving to enhance corporate value. We are advancing a business model that enhances brand loyalty by providing the appeal of Okinawa as value through alcoholic beverage sales and resort hotel services within Okinawa Prefecture, while also implementing initiatives that evoke Okinawa in areas outside the prefecture and overseas.

Business results for the current consolidated fiscal year (April 1, 2025 to March 31, 2026) were net sales of 29,713 million yen, operating profit of 4,314 million yen, and ordinary profit of 4,118 million yen. Net profit attributable to owners of the parent was 3,641 million yen, due to the recording of extraordinary income of 1,054 million yen related to the transfer of Orion Hotel Naha and the associated increase in income taxes.

Segment Overview

Business results by segment for the current consolidated fiscal year are as follows.

Alcoholic & Beverages Business

The "Orion" brand handled by our Group is rooted in Okinawa, and we are strengthening our "Flywheel Growth with Okinawa" Business Model through the manufacture and sale of beer products including our flagship product "Orion The Draft," RTDs (Ready to Drink: alcoholic beverages that can be enjoyed immediately, such as canned chuhai) using Okinawa-produced fruits, awamori and moromi vinegar made from awamori by-products, as well as IP business utilizing the "Orion" brand, delivering attractive products and experiences.

In the Alcoholic & Beverages Business, we have been working to strengthen product development and sales capabilities to establish a dominant position within the prefecture, achieve sustainable growth outside the prefecture, and expand sales in overseas areas. As a result, net sales for the current consolidated fiscal year were 23,921 million yen, and operating profit was 3,634 million yen due to improvement in gross profit margin through review of manufacturing methods and control of selling, general and administrative expenses.

Tourism & Hotel Business

Our Group owns Orion Hotel Motobu Resort & Spa bearing the "Orion" name as its main property, as well as Hotel Route-Inn Nago and commercial facility Toyosaki Lifestyle Center TOMITON.

In the Tourism & Hotel Business, we are strengthening revenue management to improve room rates and actively capturing inbound tourists by strengthening overseas channels. As a result, both hotel occupancy rates and room rates exceeded the previous year, with net sales of 5,791 million yen and operating profit of 690 million yen for the current consolidated fiscal year.

(2) Issues to Be Addressed

[Basic Management Policy of the Company]

Our Group, in order to realize our Mission of "Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile," is developing a business rooted in Okinawa under the "Orion" brand. With the goal of strengthening the "Flywheel Growth with Okinawa" business model, we will promote the provision of products and services full of Okinawa's charm, the construction of a strong Group earnings structure, and the development of a sustainability management foundation and the creation of impact.

[Target Management Indicators]

Through our medium-term management plan (fiscal year ending March 31, 2027 to fiscal year ending March 31, 2030), our Group will pursue a net sales (excluding liquor tax) growth rate CAGR of 5.9% (based on fiscal year ended March 31, 2025), an EBITDA margin (excluding liquor tax) of 25.1% as a profitability improvement target, and ROE of 16.0% as a capital efficiency improvement target.

[Mid- to Long-term Management Strategy and Issues to Be Addressed by the Company]

Our Group will accelerate growth in existing businesses while pursuing aggressive growth investments to establish new growth drivers in order to achieve the above-mentioned management indicators.

In the Alcoholic & Beverages Business, we will maintain stable growth in the prefectural market through enhanced marketing and optimization of our product portfolio, while further strengthening our growth drivers: markets outside the prefecture, overseas markets, and licensing business. In the Tourism & Hotel Business, in addition to implementing value-up investments at Orion Hotel Motobu Resort & Spa, we will construct a new annex building and enhance services aimed at deepening the value of the Okinawa experience.

Furthermore, to establish new growth drivers, we will launch a new business in the Alcoholic & Beverages Business that leverages the characteristics of moromi vinegar, aiming to enter the high-growth-potential health market. In the Tourism & Hotel Business, we will work to form a tourism ecosystem in northern Okinawa centered on Orion Hotel Motobu Resort & Spa and the Nago Factory, while building a new growth pipeline in the tourism business through enhanced external partnerships and sophisticated asset utilization strategies.

From a capital allocation perspective, toward the fiscal year ending March 2030, we will aim for sustainable growth in sales and profits and improvement in capital efficiency through aggressive growth investments, while enhancing shareholder returns and pursuing an optimal balance between growth investments and shareholder returns.

(3) Status of Fund Procurement

① Status of Fund Procurement

In the current consolidated fiscal year, we raised 364 million yen through the exercise of share acquisition rights (stock options).

② Status of Capital Expenditures

Capital expenditures for the current consolidated fiscal year were 1,297 million yen on a payment basis.

The status of major facilities completed during the current consolidated fiscal year and major facilities in progress or planned as of the end of the current consolidated fiscal year is as follows.

a. Major Facilities Completed During the Current Consolidated Fiscal Year

- Alcoholic & Beverages Business

Company-wide: Construction of new core IT system, development of new Urasoe warehouse.

Factory: Can palletizer renewal work, brewing lees dehydrator renewal work.

- Tourism & Hotel Business

Hotel: Orion Hotel Motobu Resort & Spa - Exterior wall painting work, shop renovation work.

b. Major facilities under construction or planned as of the end of the current consolidated fiscal year.

- Alcoholic & Beverages Business

Factory: Can equipment renewal, expansion of main raw material receiving building, alcoholic and beverage blending and sterilization equipment.

- Tourism & Hotel Business

Hotel: Orion Hotel Motobu Resort & Spa - Restaurant renovation work, employee dormitory construction.

③ Status of transfer of business, absorption-type company split or incorporation-type company split, acquisition of business from other companies, succession of rights and obligations related to business of other corporations through absorption-type merger or absorption-type company split, acquisition or disposal of shares or other equity interests or share options, etc. of other companies

Not applicable.

(4) Major Lenders and Borrowed Amounts

The major outstanding borrowings as of March 31, 2026 are as follows.

Lender	Outstanding Borrowings
Syndicated Loan (Note)	15,428Millions of yen
Okinawa Development Finance Corporation	933Millions of yen
Total	16,361Millions of yen

(Note) The syndicated loan is a co-financing arrangement by seven companies with Mizuho Bank, Ltd. and Mitsubishi UFJ Bank, Ltd. as lead arrangers.

(5) Changes in Assets and Profit/Loss

Item (Unit: Millions of yen)	66th Fiscal Year FY2022	67th Fiscal Year FY2023	68th Fiscal Year FY2024	69th Fiscal Year FY2025 (Current Consolidated Fiscal Year)
Net Sales	23,544	26,009	28,866	29,713
Ordinary Income	2,424	2,818	3,447	4,118
Profit Attributable to Owners of Parent	3,150	4,649	7,301	3,641
Net Income per Share (Yen)	27.56	85.25	133.90	88.59
Total Assets	53,330	55,132	50,875	44,089
Net Assets	21,928	25,013	18,968	18,483

(Note) A share split was conducted on September 13, 2024, at a ratio of two hundred (200) shares of common stock for each share of common stock. Net income per share has been calculated assuming that the said share split was conducted at the beginning of the 66th fiscal year.

(6) Status of Significant Parent Company and Subsidiaries

① Status of Parent Company

Not applicable.

② Status of Subsidiaries

Company Name	Stated Capital	Voting Rights Ratio	Principal Fields of Business
Orion Hotel Co., Ltd.	50 Millions of yen	100%	Hotel Operations
Ishikawa Shuzo Co., Ltd.	33 Millions of yen	100%	Manufacturing and Sales of Alcoholic and Beverages

(Note) Orion Okiei LLC completed its liquidation on October 17, 2025.

(7) Principal Fields of Business

The Company's principal businesses are the Alcoholic & Beverages Business and the Tourism & Hotel Business. The major products of the Alcoholic & Beverages Business are as follows.

Beer Products	Orion The Draft, Orion The Premium, Orion 75 Beer, Orion The Dark, Mugi Shokunin, Southern Star, Zero Life, Asahi Super Dry, Asahi Draft Beer, Asahi Style Free <Draft>, Clear Asahi
RTD	WATTA, natura, Shima Chu
Other Alcoholic Beverages	Black Nikka Clear (Whiskey)
Other items	Orion Clear Free (Non-alcoholic beer-taste beverage)
Soft Beverages	Obaa Jiman no Sanpin Cha

The overview of facilities in the Tourism & Hotel Business is as follows.

The name of the facilities;	Location	Overview
Orion Hotel Motobu Resort & Spa	Okinawa Prefecture. Motobu Town, Kunigami District	Resort hotel with 238 guest rooms, all rooms with ocean front view and balconies Operated by Orion Hotel Co., Ltd., a consolidated subsidiary
Toyosaki Lifestyle Center TOMITON	Okinawa Pref. Tomigusuku City	Rental property (shopping center and head office of the Company)
Junglia Okinawa Site	Okinawa Pref. Nago City and Nakijin Village, Kunigami District	Former golf course site leased to Japan Entertainment Co., Ltd. as Junglia Okinawa site
Hotel Route Inn Nago	Okinawa Pref. Nago City	Rental property (147 guest rooms, tourist hotel in Nago City)

(8) Principal Offices, Factories, and Hotels

Head Office	Tomigusuku City, Okinawa Prefecture.
Factory	Nago City, Okinawa Prefecture.
Hotel	Motobu Town, Kunigami District, Okinawa Prefecture.

(9) Status of Employees

① Status of the Corporate Group

Segment Name	Number of Employees	Change from Previous Fiscal Year-End
Alcoholic & Beverages Business	180 (81)	Increase of 7 (Increase of 11)
Tourism & Hotel Business	134 (156)	Decrease of 60 (Decrease of 22)
Company-wide (Common)	38 (14)	Decrease of 5 (Decrease of 1)
Total	352 (251)	Decrease of 58 (Decrease of 12)

(Note) 1. The number of employees represents the number of working personnel (excluding employees seconded from our Group to outside the Group, and including employees seconded from outside the Group to our Group), and the average number of temporary employees (excluding temporary staff from agencies, but including commissioned employees, contract employees, and part-time employees) is shown in parentheses as additional figures.
2. The number of employees listed under Company-wide (Common) consists of those belonging to administrative departments such as General Affairs and Accounting.

② Status of the Company

Number of Employees	Change from Previous Fiscal Year-End	Average Age	Average Years of Service
205 (89)	Increase of 4 (Increase of 10)	41 years and 9 months	12 years and 1 months

(Note) 1. The number of employees represents the number of working personnel (excluding employees seconded from the Company to outside, and including employees seconded from outside to the Company), and the average number of temporary employees (excluding temporary staff from agencies, but including commissioned employees, contract employees, and part-time employees) is shown in parentheses as additional figures.
2. Average age and average years of service are calculated for regular employees who are employed as of the fiscal year-end (excluding employees seconded from the Company to outside and employees seconded from outside to the Company).

2 Matters Concerning the Company's Shares

① Total Number of Authorized Shares 160,000,000shares

② Total Number of Issued Shares 42,253,200shares (including 39 treasury shares)

③ Number of Shareholders 47,112shareholders

④ Status of Major Shareholders

Shareholder Name	Status of Investment in the Company	
	Number of Shares Held	Shareholding Ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,172,900shares	9.87%
Asahi Breweries, Ltd.	4,125,200shares	9.76%
Kintetsu Group Holdings Co., Ltd.	4,119,200shares	9.74%
The Bank of Okinawa, Ltd.	588,200shares	1.39%
The Bank of The Ryukyus, Ltd.	588,200shares	1.39%
Ryukyu Kaiun Kaisha	588,200shares	1.39%
Orion Breweries Employee Shareholding Association	505,500shares	1.19%
Patric John Dougan	380,200shares	0.89%
Premium Water Holdings, Inc.	366,900shares	0.86%
Custody Bank of Japan, Ltd. (Pension Trust Account)	359,400shares	0.85%

(Note) 1. The shareholding ratio is calculated after deducting 39 treasury shares.

2. Although the Report of Large Shareholdings made available for public inspection dated October 7, 2025 states that Capital International Inc. and its joint holders, Capital International Sarl and Capital International K.K., respectively hold the following shares as of September 30, 2025, we have not included them in the status of major shareholders above as the Company cannot confirm the actual number of shares owned as of March 31, 2026. The contents of the Report of Possession of Large Volume are as follows.

Name	Address	Number of Share Certificates, etc. Held (shares)	Ratio of Share Certificates, etc. Held (%)
Capital International Inc.	333 South Hope Street, Los Angeles, California 90071, U.S.A.	928,000	2.27
Capital International Sarl	3 Place des Bergues, 1201 Geneva, Switzerland	599,400	1.47
Capital International K.K.	Marunouchi Nijubashi Building, 3-2-3 Marunouchi, Chiyoda-ku, Tokyo	1,092,400	2.68
Total	-	2,619,800	6.42

⑤ Other Important Matters Concerning Shares

Based on a resolution of the Board of Directors held on June 20, 2025, the Company cancelled 13,750,200 treasury shares on June 30, 2025.

3 Matters Concerning the Company's Share Options, etc.

(1) Status of share options, etc. granted to the Company's officers as compensation for the execution of their duties held as of the end of the current fiscal year (As of March 31, 2026)

Name	Orion Breweries, Ltd. 4th Series of Share Options (Gratis)		Orion Breweries, Ltd. 5th Series of Share Options (Gratis)	
Date of Resolution for Issuance of Share Options	October 19, 2022		November 17, 2023	
Directors and Outside Directors	Director (Excluding Outside Directors)	Outside Director	Director (Excluding Outside Directors)	Outside Director
Number of Holders	1	−	−	2
Number of Share Options	48	−	−	200
Subject to Type and Number of Shares	Common Stock 9,600 shares (200 shares per share option)	−	−	Common Stock 40,000 shares (200 shares per share option)
Issue Price of Share Options	No payment is required		No payment is required	
Exercise Price of Share Options	Per share option 50,000 yen		Per share option 120,000 yen	
Exercise Period of Share Options	From September 17, 2024 to September 16, 2032		From November 18, 2025 to November 17, 2033	
Conditions for Exercise of Share Options	(Note)		(Note)	

(Note) Holders of share options may exercise only the vested share options they hold, and only in cases where an exit event occurs (listing exit, transfer request exit, or transfer participation exit).

(2) Status of share options, etc. granted to the Company's employees, etc. as compensation for the execution of their duties during the current fiscal year.

Not applicable.

(3) Status of Other Share Options, etc.

The Company resolved at the Board of Directors to issue share options for value as follows.

(As of March 31, 2026)

The name of the Legal Profession Corporation;	Orion Breweries, Ltd. 1st Series of Share Options (For Value)	Orion Breweries, Ltd. 3rd Series of Share Options (For Value)	Orion Breweries, Ltd. 4th Series of Share Options (For Value)
Date of Resolution for Issuance of Share Options	October 19, 2022	October 19, 2022	October 19, 2022
Number of Share Options	2,064	896	1,184
Subject to Type and Number of Shares	Common Stock 412,800 shares (200 shares per share option)	Common Stock 179,200 shares (200 shares per share option)	Common Stock 236,800 shares (200 shares per share option)
Issue Price of Share Options	Per share option 820 yen	Per share option 502 yen	Per share option 657 yen
Exercise Price of Share Options	Per share option 50,000 yen	Per share option 50,000 yen	Per share option 50,000 yen
Exercise Period of Share Options	From December 1, 2022 to November 7, 2029	From December 1, 2022 to September 3, 2031	From December 1, 2022 to September 16, 2032
Conditions for Exercise of Share Options	(Note 1)	(Note 2)	(Note 3)
Allottees: Directors and Executive Officers, etc. of the Company	Number of Share Options: 2,064 Number of Shares Subject to Share Options: 412,800 shares Number of Allottees: 6	Number of Share Options: 896 Number of Shares Subject to Share Options: 179,200 shares Number of Allottees: 5	Number of Share Options: 1,184 Number of Shares Subject to Share Options: 236,800 shares Number of Allottees: 2

The name of the Legal Profession Corporation;	Orion Breweries, Ltd. 5th Series of Share Options (For Value)	Orion Breweries, Ltd. 6th Series of Share Options (For Value)
Date of Resolution for Issuance of Share Options	November 17, 2023	June 17, 2024
Number of Share Options	1,340	262
Subject to Type and Number of Shares	Common Stock 268,000 shares (200 shares per share option)	Common Stock 52,400 shares (200 shares per share option)
Issue Price of Share Options	Per share option 1,031 yen	Per share option 1,549 yen
Exercise Price of Share Options	Per share option 120,000 yen	Per share option 150,000 yen
Exercise Period of Share Options	From December 11, 2023 to November 17, 2033	From July 22, 2024 to June 17, 2034
Conditions for Exercise of Share Options	(Note 4)	(Note 5)
Allottees: Directors and Executive Officers, etc. of the Company	Number of Share Options: 1,340 Number of Shares Subject to Share Options: 268,000 shares Number of allottees: 10	Number of Share Options: 262 Number of Shares Subject to Share Options: 52,400 shares Number of allottees: 7

(Note 1) Share Option holders may exercise these vested Share Options they hold only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.

Share Option holders may not exercise the Share Options if any of the following events occurs during the exercise period. However, this shall not apply if EBITDA (meaning operating profit in the Company's consolidated statements of income (or statements of income if consolidated financial statements are not prepared) plus depreciation and amortization of goodwill stated in the consolidated statements of cash flows (or statements of cash flows if consolidated financial statements are not prepared)) exceeds 4,100 million yen in either the fiscal year ending March 2021 or the fiscal year ending March 2022. This shall not apply if) exceeds 4,100 million yen.

① When the Company issues common shares at a price below the exercise price (excluding cases where the payment amount constitutes a ""particularly favorable amount"" as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).

② When the Company issues share options with an exercise price below the exercise price herein.

③ When the Company's common shares that are the subject of the Share Options are not listed on any financial instruments exchange in Japan, and sales or other transactions of the Company's common shares are conducted at a price below the exercise price (excluding cases where transactions are conducted at a price recognized as significantly lower than the share value at the time of such transaction due to capital policy purposes, etc.).

④ When the Company's common shares that are the subject of the Share Options are listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common shares on such financial instruments exchange falls below the exercise price.

(Note 2) Share Option holders may exercise these vested Share Options they hold only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.

Share Option holders may not exercise the Share Options if any of the following events occur during the exercise period. However, this shall not apply if EBITDA (meaning operating profit in the Company's consolidated statements of income (or statements of income if consolidated financial statements are not prepared) plus depreciation and amortization of goodwill stated in the consolidated statements of cash flows (or statements of cash flows if consolidated financial statements are not prepared)) exceeds 2,300 million yen in the fiscal year ending March 2023 or the fiscal year ending March 2024. This shall not apply if) exceeds 2,300 million yen.

① When the Company issues common shares at a price below the exercise price (excluding cases where the payment amount constitutes a ""particularly favorable amount"" as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).

② When the Company issues share options with an exercise price below the exercise price herein.

③ When the Company's common shares that are the subject of the Share Options are not listed on any financial instruments exchange in Japan, and sales or other transactions of the Company's common shares are conducted at a price below the exercise price (excluding cases where transactions are conducted at a price recognized as significantly lower than the share value at the time of such transaction due to capital policy purposes, etc.).

④ When the Company's common shares that are the subject of the Share Options are listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common shares on such financial instruments exchange falls below the exercise price.

(Note 3) Share Option holders may exercise these vested Share Options they hold only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.

Share Option holders may not exercise the Share Options if any of the following events occurs during the exercise period. However, this shall not apply if EBITDA (meaning operating profit in the Company's consolidated statements of income (or statements of income if consolidated financial statements are not prepared) plus depreciation and amortization of goodwill stated in the consolidated statements of cash flows (or statements of cash flows if consolidated financial statements are not prepared)) exceeds 2,300 million yen in the fiscal year ending March 2025 or the fiscal year ending March 2024. This shall not apply if) exceeds 2,700 million yen.

① When the Company issues common shares at a price below the exercise price (excluding cases where the payment amount constitutes a ""particularly favorable amount"" as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).

② When the Company issues share options with an exercise price below the exercise price herein.

③ When the Company's common shares that are the subject of the Share Options are not listed on any financial instruments exchange in Japan, and sales or other transactions of the Company's common shares are conducted at a price below the exercise price (excluding cases where transactions are conducted at a price recognized as significantly lower than the share value at the time of such transaction due to capital policy purposes, etc.).

④ When the Company's common shares that are the subject of the Share Options are listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common shares on such financial instruments exchange falls below the exercise price.

(Note 4) Share Option holders may exercise these vested Share Options they hold only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.

Share Option holders may not exercise the Share Options if any of the following events occurs during the exercise period. However, this shall not apply if EBITDA (meaning operating profit in the Company's consolidated statements of income (or statements of income if consolidated financial statements are not prepared) plus depreciation and amortization of goodwill stated in the consolidated statements of cash flows (or statements of cash flows if consolidated financial statements are not prepared)) exceeds 2,300 million yen in the fiscal year ending March 2025 or the fiscal year ending March 2026. This shall not apply if) exceeds 4,100 million yen.

① When the Company issues common shares at a price below the exercise price (excluding cases where the payment amount constitutes a ""particularly favorable amount"" as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).

② When the Company issues share options with an exercise price below the exercise price herein.

③ When the Company's common shares that are the subject of the Share Options are not listed on any financial instruments exchange in Japan, and sales or other transactions of the Company's common shares are conducted at a price below the exercise price (excluding cases where transactions are conducted at a price recognized as significantly lower than the share value at the time of such transaction due to capital policy purposes, etc.).

④ When the Company's common shares that are the subject of the Share Options are listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common shares on such financial instruments exchange falls below the exercise price.

(Note 5) Share Option holders may exercise these vested Share Options they hold only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.

Share Option holders may not exercise the Share Options if any of the following events occur during the exercise period. However, this shall not apply if EBITDA (meaning operating profit in the Company's consolidated statements of income (or statements of income if consolidated financial statements are not prepared) plus depreciation and amortization of goodwill stated in the consolidated statements of cash flows (or statements of cash flows if consolidated financial statements are not prepared)) exceeds 2,300 million yen in the fiscal year ending March 2026 or the fiscal year ending March 2027. This shall not apply if) exceeds 4,500 million yen.

① When the Company issues common shares at a price below the exercise price (excluding cases where the payment amount constitutes a ""particularly favorable amount"" as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).

② When the Company issues share options with an exercise price below the exercise price herein.

③ When the Company's common shares that are the subject of the Share Options are not listed on any financial instruments exchange in Japan, and sales or other transactions of the Company's common shares are conducted at a price below the exercise price (excluding cases where transactions are conducted at a price recognized as significantly lower than the share value at the time of such transaction due to capital policy purposes, etc.).

④ When the Company's common shares that are the subject of the Share Options are listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common shares on such financial instruments exchange falls below the exercise price.

4 Matters Relating to Officers

(1) Names, etc. of Directors and Audit & Supervisory Board Members

Position	Name in full	Responsibilities and significant concurrent positions
Representative Director and President	Hajime Murano	Executive Officer, President and CEO Director, Orion Hotel Co., Ltd. Director, Ishikawa Shuzo Co., Ltd. Director, Japan Entertainment Co., Ltd. Director, Japan Entertainment Holdings Co., Ltd.
Director	Chulmin Oh	Managing Director, Nomura Capital Partners Co., Ltd. Director, Orion Hotel Co., Ltd.
Director	Chong-gi Song	Nomura Capital Partners Co., Ltd. General Manager of Business Support Department TAP Co., Ltd. Outside Director Director, Orion Hotel Co., Ltd.
Director	Shiro Ikeda	
Director	Takaomi Tomioka	Carlyle Japan LLC Co-Head of Japan and Managing Director Rigaku Holdings Corporation Director Iwasaki Electric Co., Ltd. Outside Director Japan KFC Holdings Co., Ltd. Outside Director Kentucky Fried Chicken Japan Ltd. Outside Director Director, Orion Hotel Co., Ltd.
Director	Taichi Yokozawa	Asahi Breweries, Ltd. Senior Executive Officer, General Manager of Planning and Support Division
Director	Fusako Znaiden	McDonald's Holdings Company (Japan), Ltd. Director McDonald's Company (Japan), Ltd. Director and Senior Executive Officer, CMO
Director	Rie Murayama	Maeda Corporation Non-Executive Director MUSCAT GROUP Co., Ltd. Outside Director Infroneer Holdings Inc. Outside Director Auditor, Yamano Gakuen Educational Foundation True Data Inc. Outside Director (Audit and Supervisory Committee Member) Director, Japan Institute for Health Security
Full-time Audit & Supervisory Board Member	Sunao Tomoyose	Ishikawa Shuzo Co., Ltd. Audit & Supervisory Board Member Orion Hotel Co., Ltd. Audit & Supervisory Board Member
Audit & Supervisory Board Member	Hidenori Sugiura	Taiyo Holdings Co., Ltd. Outside Director (Full-time Audit and Supervisory Committee Member) Anzu no Mori Foundation General Incorporated Foundation Auditor
Audit & Supervisory Board Member	Kengo Niimi	Niimi Law Office Managing Attorney Orion Hotel Co., Ltd. Audit & Supervisory Board Member

(Note) 1. Director Chulmin Oh, Director Chong-gi Song, Director Shiro Ikeda, Director Takaomi Tomioka, Director Taichi Yokozawa, Director Fusako Znaiden, and Director Rie Murayama are Outside Directors as defined in Article 2, Item 15 of the Companies Act. Additionally, the registered name of Rie Murayama is Rie Shiga.

2. Audit & Supervisory Board Member Sunao Tomoyose, Audit & Supervisory Board Member Hidenori Sugiura, and Audit & Supervisory Board Member Kengo Niimi are outside audit & supervisory board members as defined in Article 2, Item 16 of the Companies Act.

3. The Company has designated Director Shiro Ikeda, Director Fusako Znaiden, Director Rie Murayama, Audit & Supervisory Board Member Sunao Tomoyose, Audit & Supervisory Board Member Hidenori Sugiura, and Audit & Supervisory Board Member Kengo Niimi as independent officers pursuant to the regulations of Tokyo Stock Exchange, Inc. and has notified the exchange accordingly.

4. Audit & Supervisory Board Member Sunao Tomoyose has work experience in the financial industry and possesses considerable knowledge regarding finance and accounting.

5. Audit & Supervisory Board Member Hidenori Sugiura has work experience in the securities and financial industry and possesses considerable knowledge regarding finance and accounting.

6. Audit & Supervisory Board Member Kengo Niimi is a qualified attorney and possesses considerable knowledge regarding corporate legal affairs.

7. Changes in directors and audit & supervisory board members during the current fiscal year are as follows.

(1) At the Annual General Meeting of Shareholders held on June 27, 2025, Hajime Murano, Chulmin Oh, Shiro Ikeda, Takaomi Tomioka, Taichi Yokozawa, Fusako Znaiden, and Rie Murayama were each appointed as directors.

(2) Director Hiroshi Kameda and Director Masako Arakawa each retired upon the expiration of their terms of office at the conclusion of the Annual General Meeting of Shareholders held on June 27, 2025.

(3) At the Extraordinary General Meeting of Shareholders held on July 31, 2025, as a result of the deletion of the articles of incorporation provisions regarding restrictions on share transfers, all directors and audit & supervisory board members retired upon the expiration of their terms of office, and Hajime Murano, Chong-gi Song, Shiro Ikeda, Takaomi Tomioka, Taichi Yokozawa, Fusako Znaiden, and Rie Murayama were each appointed as directors, and Sunao Tomoyose, Hidenori Sugiura, and Kengo Niimi were each appointed as audit & supervisory board members.

(2) Total amount of remuneration for directors and audit & supervisory board members

Officer category	Total remuneration (Millions of yen)	Total amount by type of remuneration (Millions of yen)			Applicable Number of officers (Persons)
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Director	94	67	22	4	6
(Of which Outside Directors)	(23)	(22)	(0)	(0)	(4)
Audit & Supervisory Board Member	25	21	3	-	3
(Of which outside audit & supervisory board members)	(25)	(21)	(3)	-	(3)
Total	120	89	26	4	9

(Note) 1. The number of personnel as of the end of the current fiscal year is 7 directors and 3 audit & supervisory board members; however, 3 directors receive no remuneration and are not included in the above figures.

2. The remuneration limit for directors was resolved to be 165 million yen per fiscal year (excluding employee salaries) at the 57th Annual General Meeting of Shareholders held on June 27, 2014, and the number of directors at the Annual General Meeting of Shareholders held in June 2025 was 7. (Of which 3 receive no remuneration)

3. The remuneration limit for audit & supervisory board members was resolved to be 30 million yen per fiscal year at the Extraordinary General Meeting of Shareholders held on November 1, 2023, and the number of audit & supervisory board members at the Annual General Meeting of Shareholders held in June 2025 was 3.

4. Bonuses are paid to directors as performance-linked remuneration. Bonuses use "consolidated net sales" and "consolidated operating income" as indicators, as the Company emphasizes the balance between company-wide growth and profitability, and the actual results for each indicator are as stated in the consolidated statements of income. The process for determining directors' remuneration involves consultation with the Nomination and Remuneration Committee, after which the Representative Director and President, who has been delegated authority by the Board of Directors, makes the final decision.

5. Non-monetary remuneration consists of company housing rent and travel expenses for returning home for directors.

(3) Summary of the contents of liability limitation agreements

The Company has entered into agreements with Outside Directors and part-time audit & supervisory board members to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act. The limit of liability for damages under these agreements is the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act. This limitation of liability is only recognized when the Outside Directors and part-time audit & supervisory board members acted in good faith and without gross negligence in the performance of duties that caused the liability.

(4) Summary of the contents of indemnification agreements

Not applicable.

(5) Summary of the contents of directors and officers liability insurance contracts

The Company has entered a directors and officers liability insurance contract as prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, covering the directors, audit & supervisory board members, and executive officers of the Company and its subsidiaries as insured parties.

This insurance contract compensates for damages and litigation costs, etc. incurred by the insured persons when claims for damages are filed against them by shareholders or third parties in connection with the execution of their duties, within the scope of the deductible amount and insurance amount specified in the insurance contract.

However, damages arising from criminal acts by the insured are excluded from coverage.

The Company bears the full cost of the insurance premiums for this insurance contract.

(6) Matters concerning outside officers

① Relationship between the Company and other corporations where outside officers hold significant concurrent positions

- Chulmin Oh, who retired as an Outside Director upon the expiration of his term of office, concurrently served as Managing Director of Nomura Capital Partners Co., Ltd. There is no special relationship between Nomura Capital Partners Co., Ltd. and the Company. He also concurrently served as a director of Orion Hotel Co., Ltd., a 100% subsidiary of the Company.
- Outside Director Chong-gi Song is the General Manager of Business Support Department at Nomura Capital Partners Co., Ltd. and an Outside Director of TAP Co., Ltd. There is no special relationship between Nomura Capital Partners Co., Ltd. and TAP Co., Ltd. and the Company. He also concurrently serves as a director of Orion Hotel Co., Ltd., a 100% subsidiary of the Company.
- Outside Director Takaomi Tomioka is the Co-Head of Japan and Managing Director of Carlyle Japan LLC, an Outside Director of Rigaku Holdings Corporation, an Outside Director of Iwasaki Electric Co., Ltd., an Outside Director of Japan KFC Holdings Co., Ltd., and an Outside Director of Kentucky Fried Chicken Japan Ltd. There is no special relationship between Carlyle Japan LLC, Rigaku Holdings Corporation, Iwasaki Electric Co., Ltd., Japan KFC Holdings Co., Ltd., Kentucky Fried Chicken Japan Ltd., and the Company. He also concurrently serves as a director of Orion Hotel Co., Ltd., a 100% subsidiary of the Company.
- Outside Director Taichi Yokozawa is a Senior Executive Officer and General Manager of Planning and Support Division at Asahi Breweries, Ltd. Asahi Breweries, Ltd. is a major shareholder holding 9.76% of the Company's shares and has a capital and business alliance with the Company.
- Outside Director Fusako Znaiden is a Director and Senior Executive Officer, Chief Marketing Officer (CMO) of McDonald's Company (Japan), Ltd., and a Director of McDonald's Holdings Company (Japan), Ltd. There is no special relationship between McDonald's Company (Japan), Ltd., McDonald's Holdings Company (Japan), Ltd., and the Company.
- Outside Director Rie Murayama is a Non-Executive Director of Maeda Corporation, an Outside Director of MUSCAT GROUP Co., Ltd., an Outside Director of Infroneer Holdings Inc., an auditor of Yamano Gakuen Educational Foundation, an Outside Director (Audit and Supervisory Committee Member) of True Data Inc., and a director of the National Institute for Health Crisis Management. There is no special relationship between Maeda Corporation, MUSCAT GROUP Co., Ltd., Infroneer Holdings Inc., Yamano Gakuen Educational Foundation, True Data Inc., the National Institute for Health Crisis Management, and the Company.
- Outside Audit & Supervisory Board Member Sunao Tomoyose concurrently serves as an audit & supervisory board member of Orion Hotel Co., Ltd., a 100% subsidiary of the Company, and as an audit & supervisory board member of Ishikawa Shuzo Co., Ltd.
- Outside Audit & Supervisory Board Member Hidenori Sugiura is an Outside Director (Full-time Audit and Supervisory Committee Member) of Taiyo Holdings Co., Ltd. and an auditor of Anzu no Mori Foundation General Incorporated Foundation. There is no special relationship between Taiyo Holdings Co., Ltd., Anzu no Mori Foundation General Incorporated Foundation, and the Company.

- Outside Audit & Supervisory Board Member Kengo Niimi is the Managing Attorney of Niimi Law Office. There is no special relationship between Niimi Law Office and the Company. He also concurrently serves as an audit & supervisory board member of Orion Hotel Co., Ltd., a 100% subsidiary of the Company.

② Relationship with major business partners and other specified related parties

Not applicable.

③ Main activities of outside officers during the current fiscal year

Title	Name I	Main activities
Director	Chulmin Oh	Of the Board of Directors meetings held during the current fiscal year, he attended 10 out of 10 meetings held until his retirement on July 31, 2025. At the Board of Directors meetings he attended, he made appropriate remarks based on his extensive experience and broad knowledge in the areas of investment and general management.
	Chong-gi Song	Attended 13 out of 13 Board of Directors meetings held after assuming the position of Outside Director. At the Board of Directors meetings he attended, he made appropriate remarks based on his extensive experience and broad knowledge in the areas of investment and general management.
	Shiro Ikeda	Attended 22 out of 23 Board of Directors meetings held during this business year. At the Board of Directors meetings attended, made appropriate comments based on many years of extensive experience and broad knowledge in the alcoholic beverage industry.
	Takaomi Tomioka	Attended 20 out of 23 Board of Directors meetings held during this business year. At the Board of Directors meetings he attended, he made appropriate remarks based on his extensive experience and broad knowledge in the areas of investment and general management.
	Taichi Yokozawa	Attended 22 out of 23 Board of Directors meetings held during this business year. At the Board of Directors meetings attended, made appropriate comments based on many years of extensive experience and broad knowledge in the alcoholic beverage industry.
	Fusako Znaiden	Attended 20 out of 23 Board of Directors meetings held during this business year. At the Board of Directors meetings attended, made appropriate comments based on extensive experience and broad knowledge in the marketing field of the FMCG industry.
	Rie Murayama	Attended 17 out of 17 Board of Directors meetings held after assuming the position of Outside Director. At the Board of Directors meetings attended, made appropriate comments based on experience in financial/capital market operations as a securities analyst and investment banker, experience serving as a member of the Council for Comprehensive Regulatory Reform, Keidanren, Ministry of Land, Infrastructure, Transport and Tourism, and other government committees, experience as a founding president of a venture company, as well as many years of practical and management experience as an Outside Director and auditor of educational corporations, among others.
Audit & Supervisory Board Member	Sunao Tomoyose	Attended 23 out of 23 Board of Directors meetings and 16 out of 16 Audit & Supervisory Board meetings held during this business year. At the Board of Directors and Audit & Supervisory Board meetings attended, made appropriate comments based on extensive experience and broad knowledge in finance.
	Hidenori Sugiura	Attended 19 out of 23 Board of Directors meetings and 16 out of 16 Audit & Supervisory Board meetings held during this business year. At the Board of Directors and Audit & Supervisory Board meetings attended, made appropriate comments based on broad knowledge in finance, writing achievements as a researcher, and experience as an outside audit & supervisory board member of listed companies.
	Kengo Niimi	Attended 23 out of 23 Board of Directors meetings and 16 out of 16 Audit & Supervisory Board meetings held during this business year. At the Board of Directors and Audit & Supervisory Board meetings attended, made appropriate comments based on extensive experience as an attorney in the fields of corporate legal affairs and overseas transactions.

(Note) In addition to the above, there was one instance of omission of Board of Directors resolution (written resolution) during this business year.

5 Status of Accounting Auditor

(1) Name of the Company's Accounting Auditor

Ernst & Young Shin Nihon LLC

(2) Amount of Compensation, etc.

	Amount Paid
Amount of compensation, etc. to the Accounting Auditor for this business year	49 Millions of yen
Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	52 Millions of yen

(Note) 1. Under the audit agreement between the Company and the Accounting Auditor, there is no clear distinction between the compensation for audits under the Companies Act and audits under the Financial Instruments and Exchange Act, and the two amounts cannot be substantially distinguished. Therefore, the amount of compensation, etc. to the Accounting Auditor for this business year reflects the total sum of these amounts.

2. The reason the Audit & Supervisory Board consented to the compensation, etc. of the Accounting Auditor is that, as a result of conducting necessary verification of the content of the Accounting Auditor's audit plan, the status of performance of accounting audit duties, and the basis for calculating the compensation estimate, it was determined that the amount of compensation, etc. of the Accounting Auditor is appropriate.

(3) Content of Non-Audit Services

The Company pays Ernst & Young ShinNihon LLC compensation for comfort letter preparation services related to new listings, in addition to services under Article 2, Paragraph 1 of the Certified Public Accountants Act.

(4) Policy for Determining Dismissal or Non-Reappointment of the Accounting Auditor

In addition to cases where the Accounting Auditor violates or contravenes the Companies Act, Certified Public Accountants Act, or other laws and regulations, if the Audit & Supervisory Board determines that the Accounting Auditor's professional ethics, independence, expertise, efficiency, quality control system for auditing, etc. are inappropriate, the Audit & Supervisory Board shall determine the content of the proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders, and the Board of Directors shall submit such proposal to the General Meeting of Shareholders based on such determination.

Additionally, if the Audit & Supervisory Board determines that proper auditing has become difficult due to the occurrence of events that impair the Accounting Auditor's qualifications or independence, it shall determine the content of the proposal to dismiss or not reappoint such Accounting Auditor and to appoint a new Accounting Auditor. Furthermore, if the Accounting Auditor is deemed to fall under any of the grounds for dismissal specified in each item of Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor shall be dismissed based on the unanimous consent of all Audit & Supervisory Board Members.

6 Matters Concerning the Development of Systems to Ensure the Propriety of Operations

The Company has resolved at the Board of Directors regarding the "systems to ensure the propriety of operations" as stipulated in the Companies Act and the Regulation for Enforcement of the Companies Act. An outline of such systems and the status of their operation is as follows.

Basic Policy for the Establishment of Internal Control Systems

The Company has established the following basic policy for the establishment of internal control systems.

1. Systems to ensure that the execution of duties by directors and employees of the Company and Group companies comply with laws and regulations and the Articles of Incorporation
   ① Directors and employees shall always act in accordance with "ORION WAY," the common code of conduct for the Group and shall ensure that "ORION WAY" is thoroughly communicated to all directors and employees of the Group.
   ② Directors and employees of the Group shall immediately report any material facts discovered regarding violations of laws, regulations, or internal rules. Reports shall be made to the Representative Director, Directors, Board of Directors, Audit & Supervisory Board Members, Audit & Supervisory Board, or the Compliance Reporting and Consultation Hotline (④ below).
   ③ A Risk Management and Compliance Committee, chaired by the Representative Director of the Company and composed of Executive Officers of the Company and Representative Directors of Group companies, shall be established, with the Legal and Compliance Department of the Company handling such administrative duties.
   ④ A Compliance Reporting and Consultation Hotline that allows anonymous reporting shall be established, with provisions stipulating that no unfavorable treatment shall be received for making internal reports, and this shall be communicated to all officers and employees of the Company and Group companies.
   ⑤ All relationships with antisocial forces that pose a threat to the order and safety of civil society shall be severed. The Company shall deal with antisocial forces in a resolute manner as an organization, working closely with external specialized institutions such as the police.
2. Systems for the retention and management of information related to the execution of duties by directors of the Company and Group companies
   ① Various documents, records, and other materials related to the duties of directors of the Company and Group companies shall be properly prepared, retained, and managed in accordance with applicable laws and regulations and internal rules.
   ② Documents necessary for the execution of duties by directors, such as minutes of General Meetings of Shareholders, minutes of Board of Directors meetings, and approval documents concerning important matters of business operations, shall be retained and managed so that directors and Audit & Supervisory Board Members may access them at all times.
   ③ Corporate secrets shall be appropriately managed according to the degree of confidentiality.
   ④ Personal information shall be strictly managed in accordance with laws and regulations and the Personal Information Protection Rules.
   ⑤ An Information Security Committee, chaired by the Representative Director of the Company and composed of Executive Officers of the Company and Representative Directors of Group companies, shall be established, with the IT Solutions Department of the Company handling such administrative duties.

3. Rules and other systems concerning management of risk of loss at the Company and Group companies

① Directors and employees shall implement effective and comprehensive risk management based on internal rules and regulations.

② Directors and employees shall identify risks that impede the proper or efficient execution of operations and report such risks, including their impacts, to the Risk Management and Compliance Committee. The Risk Management and Compliance Committee shall select risks requiring priority response and determine specific response policies and measures.

③ Response policies to significant management risks and other important matters from a risk management perspective shall be thoroughly deliberated at the Board of Directors.

④ When directors and employees recognize significant risks related to the Company's business or perceive signs of significant risks materializing, they shall promptly report the situation to the Board of Directors or the Risk Management and Compliance Committee.

⑤ In the event of a large-scale accident, disaster, scandal, or similar incident, an Emergency Response Headquarters headed by the Representative Director of the Company shall be established.

4. Systems to ensure that the execution of duties by directors of the Company and Group companies is performed efficiently

① The Board of Directors shall delegate authority to the Management Committee based on internal rules and decisions of the Board of Directors to enable prompt decision-making and agile execution of duties regarding business operations.

② The Board of Directors shall, in principle, be held monthly and shall also be held on an ad hoc basis as necessary to enable agile decision-making.

③ The Board of Directors shall determine the Company's medium-term management targets and annual budget and supervise the status of their execution.

④ Each director shall execute duties efficiently based on the medium-term management targets and budget established by the Board of Directors and shall report the progress of the budget to the Board of Directors.

⑤ Each director shall report to the Board of Directors on the status of execution of duties by directors as appropriate.

5. Systems to ensure the propriety of operations at the Company and Group companies

① Directors and employees of the Company and Group companies shall maintain a compliance system through the Group-wide Risk Management and Compliance Committee, Group Management Committee, etc., based on "ORION WAY," the Group code of conduct, and internal rules and regulations.

② The internal audit department, finance and accounting department, Audit & Supervisory Board Members, and Accounting Auditor of the Company shall conduct on-site audits of the Company and Group companies as necessary.

③ Personnel in charge of the Compliance Consultation and Reporting Hotline of the Company and Group companies shall report to the Board of Directors and Audit & Supervisory Board in a timely manner on the status of consultations, including the number of cases and their content.

④ Important matters concerning Group companies shall be deliberated or resolved by the Board of Directors of the Company in accordance with internal rules.

6. Systems to ensure the appropriateness of financial reporting

① Establish basic policies for internal controls over financial reporting and report the matters pointed out by the audit departments and the progress of improvements to the Representative Director, the Board of Directors, the Audit & Supervisory Board, the Management Meeting, etc. in a timely manner.

② The Company and Group companies accurately and promptly process accounting transactions and provide investors with true and fair financial reports in a timely manner.

③ Comply with the policies set forth in the preceding paragraph, develop and operate internal controls at a level necessary to ensure the reliability of financial reporting, and evaluate and report the effectiveness as of the settlement date each fiscal period.

7. Policies and Systems for Assisting the Duties of Audit & Supervisory Board Members

① Employees attached to the Audit & Supervisory Board may be assigned to assist the duties of Audit & Supervisory Board Members.

② When assigning employees attached to the Audit & Supervisory Board, the consent of the Company's Audit & Supervisory Board is required for decisions on personnel matters such as appointment, transfer, and evaluation of such employees in order to ensure their independence as employees.

③ In addition to securing a certain amount of budget in advance for expenses arising from the execution of duties by Audit & Supervisory Board Members, expenses for emergency audit response are also disbursed upon request from the Audit & Supervisory Board Members.

8. Systems for Directors and Employees of the Company to Report to Audit & Supervisory Board Members

① Directors and employees shall report on the status of execution of their duties and other matters to the Audit & Supervisory Board Members at any time upon request.

② Directors and employees shall make important approval documents of the Company and Group companies available for inspection by the Audit & Supervisory Board Members.

③ Directors and employees of the Company and Group companies, or those who have received reports from them, shall report to the Company's Audit & Supervisory Board Members at any time regarding matters related to the internal control system, and the Company's Audit & Supervisory Board Members may request reports from Directors and employees as necessary. The main matters are as follows.

a. Facts discovered that may cause significant damage to the Company's Group.

b. Matters requiring the consent of the Company's Audit & Supervisory Board Members.

c. The status of development and operation of the internal control system of the Company's Group.

④ Directors and employees of the Company and Group companies shall establish that persons who have reported to the Audit & Supervisory Board Members shall not receive disadvantageous treatment for such reporting, disseminate this to the Company and Group companies, and operate appropriately.

9. Other Systems to Ensure that Audits are Conducted Effectively by Audit & Supervisory Board Members

① Audit & Supervisory Board Members shall attend the Board of Directors meetings as well as other important meetings deemed necessary.

② Audit & Supervisory Board Members may access information in internal information systems such as the financial and accounting system at any time.

③ Audit & Supervisory Board Members shall receive reports on audit results from the internal audit department and hold discussions.

④ Audit & Supervisory Board Members shall receive reports on accounting audits from the accounting auditor and exchange opinions as necessary.

Overview of the Status of Operation of Systems to Ensure the Appropriateness of Business Operations

The main status of operation during the fiscal year is as follows.

1. The status of ensuring the appropriateness of directors' execution of duties, and deliberation on the identification of events and risks that may lead to a crisis of loss and countermeasures were conducted through the following meetings.
   As for the status of main meetings held, the Board of Directors was held 23 times, the Management Meeting was held 36 times, the Audit & Supervisory Board was held 16 times, the Risk Management and Compliance Committee was held 4 times, and the Information Security Committee was held 4 times.
2. Compliance training and information security training are continuously conducted for employees of the Company and each Group company. In addition, the Company has established a compliance reporting and consultation desk as a mechanism for reporting illegal or inappropriate conduct, with anonymous reporting also permitted, and there was one report this fiscal year. The content was confirmed and followed by the Legal & Compliance Department and the full-time Audit & Supervisory Board Members.
3. Audit & Supervisory Board Members attended the Board of Directors meetings as well as other important meetings, and conducted audits based on audits and plans determined by the Audit & Supervisory Board. The content was reported to the Representative Director and President at any time, and depending on the content, was reported to the Board of Directors.
4. The internal audit department conducted audits of the business execution of each department of the Company and the operations of subsidiaries based on the internal audit plan. The content was reported to the Board of Directors and the Management Meeting as appropriate.

7 Policy on Determination of Dividends of Surplus, etc.

Based on ORION WAY, the Company's basic policy for corporate management, the Company recognizes returning profits to shareholders as one of its important issues, and has established as its basic policy the stable and continuous implementation of dividends of surplus, etc. As indicators and target levels for annual dividends, we have set a "dividend payout ratio of 50%" based on net income attributable to owners of parent and "DOE (dividend on equity: total dividends ÷ shareholders' equity) of 7.5%," with the higher amount calculated from each being the dividend amount for each period.

Dividends of surplus are paid twice a year, at interim and at the end of the fiscal year, and in accordance with the above policy, the year-end dividend for this fiscal year was set at 24 yen per share by resolution of the Company's Board of Directors held on May 14, 2026. As a result, the dividend per share for this fiscal year is 44 yen, including the interim dividend of 20 yen, and the dividend payout ratio for this fiscal year is 50.0%, with DOE of 9.6%.

In addition, while taking into account growth investments and financial soundness, we will flexibly consider and implement additional shareholder returns, including the acquisition of treasury shares.

In the newly formulated mid-term management plan (fiscal year ending March 2027 to fiscal year ending March 2030), we have raised the ROE target from the previous 15% to 16% and reviewed the capital allocation policy aimed at optimizing capital efficiency. As a result, we have decided to raise the target level of DOE from the fiscal year ending March 2027 in order to execute aggressive growth investments while implementing flexible capital policies and enhancing profit returns to shareholders.

Regarding the target level after the change, we will maintain the dividend payout ratio at 50% and set DOE at 8.0% and will strive to enhance profit returns to shareholders.

Consolidated Balance Sheet (As of March 31, 2026)

(Unit: Millions of yen)

Item	Amount
(Assets)	
Current assets	15,506
Cash and deposits	10,506
Accounts receivable - trade	2,489
Merchandise and finished goods	1,358
Raw materials and supplies	813
Other items	339
Allowance for doubtful accounts	△0
Non-current assets	28,582
Property, plant and equipment	24,843
Buildings and structures	13,747
Machinery, equipment and vehicles	2,707
Land	7,448
Construction in progress	279
Other items	660
Intangible assets	699
Goodwill	112
Other items	587
Investments and other assets	3,039
Investment securities	2,668
Other items	491
Allowance for doubtful accounts	△119
Total assets	44,089

Item	Amount
(Liabilities)	
Current liabilities	6,875
Accounts payable - trade	1,102
Current portion of long-term borrowings	705
Accounts payable - other	2,231
Accrued alcohol tax	883
Income taxes payable	331
Provision for bonuses	415
Provision for bonuses for directors (and other officers)	26
Other items	1,178
Non-current liabilities	18,730
Long-term borrowings	15,655
Deferred tax liabilities	1,462
Provision for retirement benefits for directors (and other officers)	17
Retirement benefit liability	322
Asset retirement obligations	82
Long-term deposits received	999
Other items	190
Total liabilities	25,605
(Net assets)	
Shareholders' equity	18,479
Share Capital	560
Capital surplus	14,291
Retained earnings	3,626
Treasury shares	△0
Share acquisition rights	4
Total net assets	18,483
Total liabilities and net assets	44,089

Consolidated Statement of Income (From April 1, 2025 to March 31, 2026)

(Unit: Millions of yen)

Item	Amount	
Net Sales		29,713
Cost of sales		14,335
Gross profit		15,377
Selling, general and administrative expenses		11,063
Operating profit		4,314
Non-operating income		
Interest income	17	
Dividend income	66	
Rental income	27	
Share of profit of entities accounted for using equity method	52	
By-product income	37	
Other items	69	270
Non-operating expenses		
Interest expenses	271	
Listing expenses	66	
Other items	128	465
Ordinary profit		4,118
Extraordinary income		
Gain on sale of non-current assets	845	
Gain on reversal of asset retirement obligations	208	1,054
Extraordinary losses		
Loss on retirement of non-current assets	30	
Payment contribution	27	
Extra retirement payments	17	75
Profit before income taxes		5,098
Income taxes - current	1,362	
Income taxes - deferred	94	1,457
Profit		3,641
Profit Attributable to Owners of Parent		3,641

Consolidated Statement of Changes in Equity (From April 1, 2025 to March 31, 2026)

(Unit: Millions of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Stated Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of current period	378	14,109	15,475	△11,000	18,962	5	18,968
Changes during current period							
Issuance of new shares (Exercise of share acquisition rights)	182	182	-	-	364	-	364
Dividends of surplus	-	-	△4,489	-	△4,489	-	△4,489
Purchase of treasury shares	-	-	-	△0	△0	-	△0
Cancellation of treasury shares	-	-	△11,000	11,000	-	-	-
Profit attributable to owners of parent	-	-	3,641	-	3,641	-	3,641
Net changes in items other than shareholders' equity (net)	-	-	-	-	-	△1	△1
Total changes during current period	182	182	△11,848	11,000	△483	△1	△484
Balance at end of current period	560	14,291	3,626	△0	18,479	4	18,483

Balance Sheet (As of March 31, 2026)

(Unit: Millions of yen)

Item	Amount
Assets)	
Current assets	14,718
Cash and deposits	10,043
Accounts receivable - trade	2,438
Merchandise	310
Finished goods	556
Semi-finished goods	283
Raw materials	446
Goods in transit	120
Supplies	250
Other items	269
Fixed assets	23,425
Property, plant and equipment	20,027
Buildings	10,603
Structures	991
Machinery and equipment	2,541
Vehicles	6
Tools, furniture and fixtures	386
Land	4,948
Leased assets	271
Construction in progress	279
Intangible assets	559
Goodwill	112
Land lease rights	13
Trademark rights	13
Software	413
Software in progress	4
Other items	2
Investments and other assets	2,838
Investment securities	2,135
Shares of subsidiaries and affiliates	476
Investments in subsidiaries and affiliates	68
Long-term loans receivable	3
Membership rights	66
Other items	208
Allowance for doubtful accounts	△119
Total assets	38,144

Item	Amount
Liabilities)	
Current liabilities	6,861
Accounts payable - trade	1,090
Current portion of long-term borrowings	705
Lease obligations	114
Accounts payable - other	2,338
Accrued expenses	310
Accrued alcohol tax	879
Income taxes payable	323
Accrued consumption taxes	361
Provision for bonuses for directors (and other officers)	311
Provision for directors' bonuses	26
Advances received	54
Deposits received	91
Other items	253
Non-current liabilities	17,395
Long-term borrowings	15,655
Lease obligations	184
Provision for retirement benefits	322
Provision for retirement benefits for directors (and other officers)	15
Long-term deposits received	999
Asset retirement obligations	82
Deferred tax liabilities	136
Total liabilities	24,256
Net assets)	
Shareholders' equity	13,883
Share Capital	560
Capital surplus	200
Legal capital surplus	200
Retained earnings	13,121
Legal retained earnings	90
Other retained earnings	13,031
Reserve for advanced depreciation of fixed assets	1,010
Retained earnings brought forward	12,020
Treasury shares	△0
Share acquisition rights	4
Total net assets	13,887
Total liabilities and net assets	38,144

Statement of Income (From April 1, 2025 to March 31, 2026)

(Unit: Millions of yen)

Item	Amount	
Net Sales		29,240
Cost of sales		14,109
Gross profit		15,130
Selling, general and administrative expenses		10,805
Operating profit		4,325
Non-operating income		
Interest and dividend income	3,328	
Reversal of allowance for doubtful accounts	1	
Miscellaneous income	114	3,444
Non-operating expenses		
Interest expenses	289	
Listing expenses	66	
Miscellaneous losses	115	470
Ordinary profit		7,298
Extraordinary Income		
Gain on sale of non-current assets	845	
Gain on reversal of asset retirement obligations	208	1,054
Extraordinary losses		
Loss on retirement of non-current assets	30	
Payment contribution	27	58
Profit before income taxes		8,295
Income taxes - current	1,353	
Income taxes - deferred	△20	1,332
Profit		6,963

Statement of Changes in Equity (From April 1, 2025 to March 31, 2026)

(Unit: Millions of yen)

	Shareholders' equity						
	Stated Capital	Capital surplus		Retained earnings			
				Legal retained earnings	Other retained earnings		Retained earnings Total
		Legal capital surplus	Capital surplus Total		Fixed assets Reserve for advanced depreciation	Retained earnings brought forward	
Balance at beginning of current period	378	18	18	90	1,063	20,495	21,648
Changes during current period							
Issuance of new shares (Exercise of share acquisition rights)	182	182	182	-	-	-	-
Dividends of surplus	-	-	-	-	-	△4,489	△4,489
Profit	-	-	-	-	-	6,963	6,963
Reversal of reserve for advanced depreciation of fixed assets	-	-	-	-	△52	52	-
Purchase of treasury shares	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	△11,000	△11,000
Net changes in items other than shareholders' equity (net)	-	-	-	-	-	-	-
Total changes during current period	182	182	182	-	△52	△8,474	△8,526
Balance at end of current period	560	200	200	90	1,010	12,020	13,121

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of current period	△11,000	11,044	5	11,050
Changes during current period				
Issuance of new shares (Exercise of share acquisition rights)	-	364	-	364
Dividends of surplus	-	△4,489	-	△4,489
Profit	-	6,963	-	6,963
Reversal of reserve for advanced depreciation of fixed assets	-	-	-	-
Purchase of treasury shares	△0	△0	-	△0
Cancellation of treasury shares	11,000	-	-	-
Net changes in items other than shareholders' equity (net)	-	-	△1	△1
Total changes during current period	11,000	2,838	△1	2,837
Balance at end of current period	△0	13,883	4	13,887

69th Annual General Meeting of Shareholders

Other Matters for Electronic Provision

(Matters Omitted from Documents to be Delivered)

Notes to Consolidated
Financial Statements
Notes to Non-Consolidated
Financial Statements

(From April 1, 2025 to March 31, 2026)

Orion Breweries, Ltd.

Notes to Consolidated Financial Statements

1. Notes on Significant Matters That Serve as the Basis for the Preparation of Consolidated Financial Statements, etc.

(1) Matters Concerning the Scope of Consolidation

① Number of consolidated subsidiaries: 2 companies

Names of consolidated subsidiaries

Orion Hotel Co., Ltd.

Ishikawa Shuzo Co., Ltd.

During the current consolidated fiscal year, Orion Okiei LLC, which was a consolidated subsidiary of the Company, was liquidated on October 17, 2025, and has therefore been excluded from the scope of consolidation.

② Names of non-consolidated subsidiaries, etc.

Name of non-consolidated subsidiary: Orion Island Waves Executive Committee

(Reason for exclusion from the scope of consolidation)

The non-consolidated subsidiary is small in scale, and its total assets, net sales, net income or loss (amount corresponding to the equity interest) and retained earnings (amount corresponding to the equity interest), etc. do not have a material impact on the consolidated financial statements, and therefore it has been excluded from the scope of consolidation.

(2) Matters Concerning Application of the Equity Method

① Number of affiliates accounted for under the equity method: 1 company

Asahi Orion Beverages Co., Ltd.

② Non-consolidated subsidiaries not accounted for under the equity method

Non-consolidated subsidiaries not accounted for by the equity method (Orion Island Waves Executive Committee) are excluded from the application of the equity method because their impact on net income (amount corresponding to the equity interest) and retained earnings (amount corresponding to the equity interest) is immaterial, and they are also immaterial as a whole.

③ Matters deemed necessary to be specifically stated regarding the procedures for applying the equity method

Since the closing date of the company to which the equity method is applied differs from the consolidated closing date, the financial statements for the most recent fiscal year of said company are used.

(3) Matters concerning the fiscal year, etc. of consolidated subsidiaries

The closing date of consolidated subsidiaries coincides with the consolidated closing date.

(4) Matters concerning accounting policies

① Valuation standards and methods for significant assets

a. Securities

Other securities

Stocks without market prices, etc.

Cost method based on the moving average method

b. Inventories

The valuation standard is based on the cost method (method of reducing book value due to decline in profitability).

Merchandise: Principally the gross average method

Finished goods and semi-finished goods: Gross average method

Raw materials and supplies: Principally the gross average method

② Methods of depreciation for significant depreciable assets

a. Tangible fixed assets (excluding leased assets)

The straight-line method is adopted.

The main useful lives are as follows.

Buildings and structures: 15 to 41 years

Machinery, equipment and vehicles: 10 to 14 years

Other (excluding certain paintings): 5 to 10 years

b. Intangible fixed assets (excluding leased assets)

The straight-line method is adopted.

The main amortization periods are as follows.

Trademarks: 10 to 20 years

Software (for internal use): 5 years (period of internal use)

c. Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is adopted with the lease term as the useful life and a residual value of zero.

③ Standards for recording significant allowances

a. Allowance for doubtful accounts

To prepare for losses due to bad debts on accounts receivable and other receivables, for general receivables, the allowance is calculated based on the historical bad debt ratio, and for specific receivables such as doubtful receivables, the estimated uncollectible amount is recorded by individually considering the collectability.

b. Provision for bonuses

To provide for bonus payments to employees, the amount corresponding to the current consolidated fiscal year is recorded based on the estimated payment amount.

c. Provision for directors' bonuses

To provide for bonus payments to directors, the amount corresponding to the current consolidated fiscal year is recorded based on the estimated payment amount.

d. Provision for directors' retirement benefits

To prepare for payment of retirement benefits to directors, the amount required to be paid at the end of the current consolidated fiscal year based on the directors' retirement benefit payment standards is recorded.

(Additional information)

The Company abolished the directors' retirement benefit system as of June 19, 2019, and the balance of the provision for directors' retirement benefits at the end of the current consolidated fiscal year is the scheduled lump-sum payment amount based on the Company's prescribed standards for directors who were in office at the time of the system's abolition, with the payment timing being at the retirement of each director.

④ Other significant matters for the preparation of consolidated financial statements

a. Accounting method for retirement benefits

The Company applies a simplified method that uses the amount required to be paid for voluntary retirement at the end of the period as the retirement benefit obligation for the calculation of liabilities and expenses related to retirement benefits.

b. Standards for recording revenues and expenses

The main performance obligations in the major businesses related to revenue arising from contracts with customers of the Group and the usual timing of satisfying such performance obligations (usual timing of recognizing revenue) are as follows.

<Alcoholic & Beverages Business>

The Group's main business is the manufacture and sale of alcoholic and soft beverage products. In addition, we purchase and sell other alcoholic and soft beverage products. For sales of these products, we determine that the customer obtains control of the products at the time of delivery and the performance obligation is satisfied; however, for domestic transactions, we apply the alternative treatment stipulated in Paragraph 98 of the ""Guidance on Accounting Standard for Revenue Recognition,"" and when the period from shipment to the transfer of control of the products to the customer is a normal period, revenue is recognized at the time of shipment. For overseas transactions such as exports, revenue is recognized at the point when the transfer of risk to the customer is deemed to occur based on trade terms stipulated in Incoterms, etc. Revenue is measured at the amount of consideration promised in contracts with customers, less rebates, etc. Transaction consideration is received within one year of satisfying the performance obligation and does not include a significant financing component.

For domestic sales of products conducted by the Group as an agent, revenue is recognized on a net basis, deducting payments to third parties from the total consideration.

<Tourism & Hotel Business>

The Group operates hotels. Hotel revenue is recognized at the point when the provision of services is completed.

In addition, the Group owns multiple tourism-related properties and engages in leasing, management, etc. Revenue from real estate leasing is recognized based on the ""Accounting Standard for Lease Transactions (Accounting Standards Board of Japan Statement No. 13, March 30, 2007), etc.""

c. Amortization method and period for goodwill

Goodwill is amortized using the straight-line method over 20 years.

Immaterial amounts are expensed in the year incurred.

2. Notes to the Consolidated Balance Sheet

(1) Assets pledged as collateral and secured liabilities

① Assets pledged as collateral

Buildings and structures	10,981	Millions of yen
Land	3,206	
Total	14,187	

② Secured Liabilities

Current portion of long-term debt	705	Millions of yen
Long-term debt	15,655	
Total	16,361	

(2) Accumulated depreciation of tangible fixed assets: 32,999 million yen

3. Notes to the Consolidated Statement of Changes in Shareholders' Equity

(1) Total number of issued shares at the end of the current consolidated fiscal year

Common Stock 42,253,200 shares

(2) Matters concerning dividends

① Amount of Dividends paid

Resolution	Class of shares	Source of dividends (Millions of yen)	Dividend per share Dividend per share	Record date	Effective date
June 27, 2025 Annual Shareholders Meeting on June 27, 2025	Common Stock	3,673	90.00	March 31, 2025	June 30, 2025
November 12, 2025 Board of Directors meeting on November 12, 2025	Common Stock	816	20.00	September 30, 2025	December 11, 2025

② Dividends with a record date in the current consolidated fiscal year for which the effective date falls in the following consolidated fiscal year

Resolution	Class of shares	Source of dividends	Source of dividends (Millions of yen)	Per share Dividend per share (Yen)	Record date	Effective date
May 14, 2026 Board of Directors meeting on November 12, 2025	Common Stock	Retained earnings brought forward	1,014	24.00	March 31, 2026	June 23, 2026

(3) Class and number of shares underlying share acquisition rights at the end of the current consolidated fiscal year (excluding share acquisition rights for which the first day of the exercise period has not yet arrived)

Common Stock 2,329,200 shares

4. Notes on Financial Instruments

(1) Matters concerning the status of financial instruments

① Policy on financial instruments

The Group finances capital investments for the manufacture and sale of alcoholic beverages with its own funds, and procures necessary funds (borrowings from financial institutions, etc.) for capital investments for hotel operations based on capital investment plans.

For fund management, short-term investments are made in bank deposits, etc., and long-term investments are made in investment securities, etc.

Investment decisions are made considering safety (certainty of recovery of principal and interest), liquidity (restrictions on conversion to cash and ease of conversion), and profitability (income such as interest and dividends).

② Contents of financial instruments and their risks

Accounts receivable, which are trade receivables, are subject to customer credit risk; however, for major receivables, security deposits, real estate collateral, and bank guarantees are collected to avoid risk. Investment securities are mainly stocks and are exposed to the credit risk of the issuers (business partner companies).

Accounts payable and accrued expenses, which are trade payables, mostly have payment due dates within one year.

Interest-bearing debt is financing necessary for corporate acquisitions and capital investments, and since it includes variable interest rates, it is exposed to interest rate fluctuation risk.

③ Risk management system for financial instruments

a. Management of credit risk (risk related to default by counterparties, etc.)

For trade receivables, the Group manages due dates and balances for each counterparty through the sales department and the finance and accounting departments, and the receivables management staff works to identify and mitigate collection concerns at an early stage due to deterioration in financial conditions, etc. In addition, security deposits and other collateral are held against accounts receivable to reduce risk.

For investment securities, the financial condition of issuers is regularly monitored, and the holding status is continuously reviewed taking into account relationships with business partner companies.

b. Management of liquidity risk related to financing (risk of being unable to make payments on due dates)

The Group manages liquidity risk by having the finance department make timely decisions on payment requests from each department based on the budget system, preparing and updating cash flow plans, and increasing cash on hand.

④ Supplementary explanation concerning matters related to fair value of financial instruments

Since variable factors are incorporated in the calculation of fair value of financial instruments, the values may vary by adopting different assumptions, etc.

⑤ Concentration of credit risk

26.6% of trade receivables as of the consolidated closing date of the current period are from a specific major customer.

(2) Matters concerning the fair value of financial instruments

The carrying amounts in the consolidated balance sheet, fair values, and differences as of March 31, 2026 are as follows. Note that "Cash and deposits," "Accounts receivable, " "Accounts payable," "Accrued liquor tax," and "Income taxes payable" are omitted because they are cash or are settled in a short period of time and their fair values approximate their carrying amounts.

(Unit: Millions of yen)

	Carrying amount in consolidated balance sheet	Fair value	Difference
Long-term debt	16,361	16,317	△43
Total liabilities	16,361	16,317	△43

(Note 1) Stocks without market prices, etc. are not included in the above table. The carrying amounts of these financial instruments in the consolidated balance sheet are as follows.

(Unit: Millions of yen)

Item	Carrying amount in consolidated balance sheet
Unlisted stocks, etc.	2,668

(Note 2) Long-term deposits received are mainly transaction guarantee deposits, and since they have no market price and it is difficult to estimate the repayment period, making it extremely difficult to determine fair value, fair value is not presented. The carrying amounts of these financial instruments in the consolidated balance sheet are as follows.

(Unit: Millions of yen)

Item	Carrying amount in consolidated balance sheet
Long-term deposits received	999

(Note 3) Scheduled repayment of long-term debt after the consolidated closing date

(Unit: Millions of yen)

	Within 1 year	Over 1 year Within 2 years	Over 2 years Within 3 years	Over 3 years Within 4 years	Over 4 years Within 5 years	Over 5 years
Long-term debt	705	705	705	705	705	12,834
Total	705	705	705	705	705	12,834

(3) Matters concerning breakdown of fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels according to the observability and significance of the inputs used in measuring fair value.

Level 1 fair value: Fair value calculated using quoted prices in active markets for assets or liabilities that are subject to fair value measurement, among observable inputs used in measuring fair market value

Level 2 fair value: Fair value calculated using inputs related to fair value measurement other than Level 1 inputs, among observable inputs used in measuring fair market value

Level 3 fair value: Fair value calculated using unobservable inputs related to fair value measurement

When multiple inputs that have a significant effect on fair value measurement are used, the fair value is classified at the lowest level among the levels to which those inputs belong in the hierarchy for fair value measurement.

① Financial instruments recorded at fair value on the consolidated balance sheet

Not applicable.

② Financial instruments other than those recorded at fair value on the consolidated balance sheet

(Unit: Millions of yen)

Item	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term debt	-	16,317	-	16,317

(Note) 1. Long-term debt includes the current portion of long-term debt due within one year.

2. Description of valuation techniques used in measuring fair value and inputs related to fair value measurement

Long-term debt (including the portion due within one year)

The fair value of long-term debt (fixed interest rate) is calculated based on the present value of the total amount of principal and interest discounted at the interest rate that would be assumed if similar new borrowings were made and is classified as Level 2 fair market value.

5. Notes concerning investment and rental properties

Matters concerning the status and fair value of investment and rental properties

(1) Overview of investment and rental properties

The Group owns rental hotel facilities and rental commercial facilities (including land) in Okinawa Prefecture for the purpose of earning rental income.

The rental income and expenses related to these investment and rental properties for the fiscal year ended March 2026 amounted to ¥223 million (major rental income is recorded in net sales, and major rental expenses are recorded in cost of sales).

(2) Amount recorded on the consolidated balance sheet for investment and rental properties, major changes during the current consolidated fiscal year, fair value as of the consolidated closing date, and the method of calculating such fair value

(Unit: Millions of yen)

Carrying amount in consolidated balance sheet			Fair value as of the consolidated closing date
Balance at beginning of current period	Increase/decrease during the period	Balance at end of current period	
4,414	△20	4,394	6,189

(Note) 1. The amount recorded on the consolidated balance sheet is the amount after deducting accumulated depreciation from the acquisition cost.

2. Major changes

Increase: Renewal of building and related facilities. ¥54 million

Decrease: Depreciation ¥75 million

3. Method of calculating fair market value

Primarily based on real estate appraisal reports by external real estate appraisers.

6. Notes concerning revenue recognition

(1) Information on disaggregation of revenue from contracts with customers

(Unit: Millions of yen)

	Reportable segment		Total
	Alcoholic & Beverages Business	Tourism & Hotel Business	
① Alcoholic and soft beverages	23,921	-	23,921
② Hotel	-	5,140	5,140
Revenue from contracts with customers	23,921	5,140	29,062
Other revenue (Note)	-	650	650
Net sales to external customers	23,921	5,791	29,713

(Note) "Other revenue" consists of rental income, etc. based on Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

(2) Basic information for understanding revenue from contracts with customers

① Alcoholic beverages and soft drinks business

The Group's main business is the manufacture and sale of alcoholic and soft beverage products. In addition, we purchase and sell other alcoholic and soft beverage products. For sales of these products, we determine that the customer obtains control of the products at the time of delivery and the performance obligation is satisfied; however, for domestic transactions, we apply the alternative treatment stipulated in Paragraph 98 of the ""Guidance on Accounting Standard for Revenue Recognition,"" and when the period from shipment to the transfer of control of the products to the customer is a normal period, revenue is recognized at the time of shipment. For overseas transactions such as exports, revenue is recognized at the point when the transfer of risk to the customer is deemed to occur based on trade terms stipulated in Incoterms, etc. Revenue is measured at the amount of consideration promised in contracts with customers, less rebates, etc. Transaction consideration is received within one year of satisfying the performance obligation and does not include a significant financing component.

For domestic sales of products conducted by the Group as an agent, revenue is recognized on a net basis, deducting payments to third parties from the total consideration.

② Tourism & Hotel Business

The Group operates hotels.　Revenue for the hotel is recognized at the point when the provision of services is completed.

In addition, the Group owns multiple tourism-related properties and engages in leasing, management, etc. Revenue from real estate leasing is recognized in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007), etc.

(3) Information for understanding the amount of revenue in the current and subsequent consolidated fiscal years

① Contract assets and contract liabilities balances, etc.

The breakdown of receivables, contract assets, and contract liabilities arising from contracts with customers is as follows.

(Unit: Millions of yen)

Receivables from contracts with customers (balance at the beginning of the period)	2,789
Receivables from contracts with customers (balance at the end of the period)	2,489
Contract liabilities (balance at the beginning of the period)	-
Contract liabilities (balance at the end of the period)	-

7. Notes concerning per share information

Net assets per share	437.34yen
Net income per share	88.59Yen

8. Notes concerning significant subsequent events

(Acquisition of treasury shares)

At the Board of Directors meeting held on May 14, 2026, the Company resolved matters concerning the acquisition of treasury stock pursuant to the provisions of Article 156 of the Companies Act as applied by replacing certain terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and implemented the acquisition of treasury share as follows.

(1) Reason for acquiring treasury share

The acquisition of treasury share is intended to enhance returns to shareholders and improve capital efficiency.

(2) Details of matters concerning the acquisition of treasury share

① Type of shares to be acquired: Common share of the Company

② Total number of shares to be acquired: 425,000 shares (upper limit)

(Ratio to total number of issued shares (excluding treasury share): 1.00%)

③ Total acquisition cost of shares: ¥550,000,000 (upper limit)

④ Acquisition period: From May 15, 2026 to June 15, 2026

⑤ Acquisition method: Market purchase on the Tokyo Stock Exchange (Note)

(Note) Market purchase through off-auction own share repurchase trading (ToSTNeT-3) and market purchase in the auction market based on a discretionary trading agreement

(3) Results of treasury share acquisition

① Type of shares acquired: Common stock of the Company

② Total number of shares acquired: 393,700 shares

(Ratio to total number of issued shares (excluding treasury share): 0.93%)

③ Total acquisition cost of shares: ¥455,510,900

④ Acquisition date: May 19, 2026

⑤ Acquisition method: Market purchase on the Tokyo Stock Exchange (Note)

(Note) Market purchase through off-auction own share repurchase trading (ToSTNeT-3) and market purchase in the auction market based on a discretionary trading agreement

9. Other notes

Amounts stated have been rounded down to the nearest unit displayed.

Notes to Non-Consolidated Financial Statements

1. Notes concerning significant accounting policies

(1) The valuation standards and methods for securities are as follows.

Shares of subsidiaries and affiliates and investments in subsidiaries and affiliates	Cost method based on the moving average method
Other securities	
Stocks without market prices, etc.	Cost method based on the moving average method

(2) The valuation standards and methods for inventories are as follows.

The valuation standard is the cost method (with book value write-downs due to decreased profitability). The valuation methods are as follows.

Merchandise	Gross average method
Finished goods and semi-finished goods	Gross average method
Raw materials and supplies	Gross average method

(3) The depreciation methods for fixed assets are as follows.

Tangible fixed assets (excluding leased assets)

The straight-line method is adopted.

Intangible fixed assets (excluding leased assets)

The straight-line method is adopted.

Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is adopted with the lease term as the useful life and a residual value of zero.

(4) The criteria for recording allowances and provisions are as follows.

① Allowance for doubtful accounts

To prepare for losses due to bad debts on accounts receivable and other receivables, for general receivables, the allowance is calculated based on the historical bad debt ratio, and for specific receivables such as doubtful receivables, the estimated uncollectible amount is recorded by individually considering the collectability.

② Provision for bonuses

To provide for bonus payments to employees, the amount corresponding to the current period is recorded based on the estimated amount to be paid.

③ Provision for directors' bonuses

To provide for bonus payments to directors, the amount corresponding to the current period is recorded based on the estimated amount to be paid.

④ Provision for retirement benefits

To provide for employee retirement benefits, the provision is recorded using the simplified method based on the estimated retirement benefit obligations and pension assets at the end of the current fiscal year.

⑤ Provision for directors' retirement benefits

To provide for directors' retirement benefits, the amount required to be paid at the end of the current fiscal year is recorded based on the directors' retirement benefit payment standards.

(Additional information)

The Company abolished the directors' retirement benefit system on June 19, 2019. The balance of the provision for directors' retirement benefits at the end of the current fiscal year represents the scheduled lump-sum payment amount based on the Company's prescribed standards for directors who were in office at the time of the system abolition, with payment scheduled after each director's retirement.

(5) Criteria for recording revenue and expenses

① Alcoholic beverages and soft drinks business

The Company's main business is the manufacture and sale of alcoholic beverages and soft drinks products. In addition, we purchase and sell other alcoholic and soft beverage products. For sales of these products, we determine that the customer obtains control of the products at the time of delivery and the performance obligation is satisfied; however, for domestic transactions, we apply the alternative treatment stipulated in Paragraph 98 of the ""Guidance on Accounting Standard for Revenue Recognition,"" and when the period from shipment to the transfer of control of the products to the customer is a normal period, revenue is recognized at the time of shipment. For overseas transactions such as exports, revenue is recognized at the point when the transfer of risk to the customer is deemed to occur based on trade terms stipulated in Incoterms, etc. Revenue is measured at the amount of consideration promised in contracts with customers, less rebates, etc. Transaction consideration is received within one year of satisfying the performance obligation and does not include a significant financing component.

For domestic sales of products where the Company acts as an agent, revenue is recognized on a net basis after deducting payments to third parties from the total consideration.

② Tourism & Hotel Business

The Company operates hotels. Hotel revenue is recognized at the point when the provision of services is completed.

The Company also owns multiple tourism-related properties and engages in leasing and management activities. Revenue from real estate leasing is recognized in accordance with the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007), etc.

(6) Other Important Matters That Form the Basis for the Preparation of Financial Statements

① Amortization method and period for goodwill

Goodwill is amortized on a straight-line basis over 20 years.

2. Notes to the Balance Sheet

(1) Assets pledged as collateral and secured liabilities

① Assets pledged as collateral

Buildings	8,730	Millions of yen
Land	1,824	Millions of yen
Total	10,554	Millions of yen

② Secured Liabilities

Current portion of long-term debt	705	Millions of yen
Long-term debt	15,655	
Total	16,361	Millions of yen

(2) Accumulated depreciation of tangible fixed assets	31,787	Millions of yen

(3) Monetary claims and monetary debts to affiliated companies

Short-term monetary claims	0	Millions of yen
Short-term monetary debts	211	Millions of yen

3. Notes to the Statement of Income

Transaction amounts with affiliated companies

Net Sales	0	Millions of yen
Cost of sales, selling, general and administrative expenses	1,343	Millions of yen
Non-operating income	3,263	Millions of yen
Non-operating expenses	25	Millions of yen

4. Notes to the Statement of Changes in Shareholders' Equity

Type and number of treasury shares as of the end of the current fiscal year

Common Stock	39	shares

5. Notes on Tax Effect Accounting

(1) Breakdown of deferred tax assets and deferred tax liabilities by main cause

Deferred tax assets		
Accrued enterprise taxes, etc.	20	Millions of yen
Accrued expenses	70	
Allowance for doubtful accounts	36	
Loss on valuation of investment securities	85	
Provision for bonuses	95	
Provision for retirement benefits	99	
Asset retirement obligations	25	
Valuation difference on assets acquired through merger	67	
Other items	315	
Subtotal of deferred tax assets	816	
Valuation allowance	△422	
Total deferred tax assets	394	

Deferred tax liabilities		
Asset retirement obligations	△0	Millions of yen
Reserve for advanced depreciation of fixed assets	△450	
Valuation difference on assets acquired through merger	△79	
Total deferred tax liabilities	△530	
Net deferred tax liabilities	△136	

6. Notes on Transactions with Related Parties

(1) Officers and main individual shareholders, etc.

(Amount: Millions of yen)

Type	Name of company, etc. or name	Ownership of voting rights, etc. (Owned) ratio	Related party relationship	Details of transaction	Transaction amount	Item	Balance at end of period
Officers	Hajime Murano	(Owned) Direct 0.57%	Representative Director of the Company	Exercise of stock options (Note)	39	-	-
Officers	Dougan Patric John	(Owned) Direct 0.90%	Senior Managing Executive Officer of the Company	Exercise of stock options (Note)	60	-	-

(Note) This represents the exercise of stock options granted based on resolutions of the Board of Directors during the current consolidated fiscal year. The transaction amount represents the number of shares granted through the exercise of stock options multiplied by the exercise price.

7. Notes concerning per share information

(1) Net assets per share	328.57Yen
(2) Net income per share	169.40Yen

8. Notes concerning revenue recognition

Information that forms the basis for understanding revenue

Same as the consolidated notes.

9. Notes concerning significant subsequent events

(Acquisition of treasury share)

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10. Other notes

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