Annual Securities Report

The Fiscal Year 69th
From April 1, 2025 to March 31, 2026

ORION BREWERIES LTD.
409A

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In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

[Cover Page]

[Document title]	Annual Securities Report
[Legal Basis]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Place of filing]	Director-General of Okinawa General Bureau
[Filing date]	June 18, 2026
[Fiscal year]	The 69th Fiscal Year (from April 1, 2025 to March 31, 2026)
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Part I Corporate Information

Section 1 Overview of the Company

1 Trends in Key Management Indicators

(1) Consolidated management indicators

Fiscal year		67th	68th	69th
Fiscal year ended		March 2024	March 2025	March 2026
Net sales	(Millions of yen)	26,009	28,866	29,713
Ordinary profit	(Millions of yen)	2,818	3,447	4,118
Net income attributable to owners of the parent	(Millions of yen)	4,649	7,301	3,641
Comprehensive income	(Millions of yen)	4,649	7,301	3,641
Net assets	(Millions of yen)	25,013	18,968	18,483
Total assets	(Millions of yen)	55,132	50,875	44,089
Net assets per share	(Yen)	458.32	464.61	437.34
Basic earnings per share	(Yen)	85.25	133.90	88.59
Diluted Basic earnings per share	(Yen)	–	–	83.39
Equity-to-asset ratio	(%)	45.4	37.3	41.9
Return on equity	(%)	19.8	33.2	19.5
Price-to-earnings ratio	(Times)	–	–	14.4
Cash flows from operating activities	(Millions of yen)	1,835	6,121	△654
Cash flows from investing activities	(Millions of yen)	2,829	9,875	1,881
Cash flows from financing activities	(Millions of yen)	△2,749	△15,168	△4,924
Cash and cash equivalents at end of period	(Millions of yen)	12,374	13,203	9,506
Number of employees [Average number of temporary employees]	(Persons)	414 〔224〕	410 〔263〕	352 〔251〕

(Note) 1. Diluted net income per share for the 67th and 68th fiscal years is not presented because, although dilutive securities exist, the Company's shares were unlisted and the average stock price during the period could not be determined.

2. The Company was listed on the Prime Market of the Tokyo Stock Exchange on September 25, 2025. Diluted net income per share for the 69th fiscal year was calculated using the average stock price from the listing date to the end of the 69th fiscal year as the average stock price for the period.

3. Price-to-earnings ratio for the 67th and 68th fiscal years is not presented because the Company's shares were unlisted.

4. The consolidated financial statements for the 67th, 68th, and 69th fiscal years have been prepared in accordance with the "Regulations Concerning Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Order No. 28 of 1976; hereinafter referred to as the "Consolidated Financial Statements Regulations") and have been audited by Ernst & Young ShinNihon LLC pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

5. The number of employees represents the workforce (excluding employees seconded from

the Group to outside the Group, but including employees seconded to the Group from outside), and the average number of temporary employees (excluding temporary agency workers, but including commissioned employees, contract employees, and part-time employees) is shown separately in brackets.

6. A stock split was conducted on September 13, 2024, at a ratio of 200 shares of common stock for each share of common stock. Net assets per share and net income per share have been calculated assuming that the stock split was conducted at the beginning of the 67th fiscal year.

(2) Management indicators of the reporting company

Fiscal year		65th	66th	67th	68th	69th
Fiscal year ended		March 2022	March 2023	March 2024	March 2025	March 2026
Net sales	(Millions of yen)	16,568	21,793	24,960	27,863	29,240
Ordinary profit	(Millions of yen)	586	2,689	3,120	4,256	7,298
Net income	(Millions of yen)	809	6,551	4,634	5,658	6,963
Share capital	(Millions of yen)	360	378	378	378	560
Total number of shares issued	(Shares)	720,000	992,693	272,818	54,563,600	42,253,200
Net assets	(Millions of yen)	57,792	15,669	18,738	11,050	13,887
Total assets	(Millions of yen)	64,105	43,925	46,690	45,609	38,144
Net assets per share	(Yen)	80,267.45	57,511.65	343.32	270.62	328.57
Dividends per share (Interim dividends per share)	(Yen)	– (–)	5,800.00 (–)	8,600.00 (–)	90.00 (–)	44.00 (20.00)
Basic earnings per share	(Yen)	1,124.20	11,461.62	84.96	103.78	169.40
Diluted Basic earnings per share	(Yen)	–	–	–	–	159.46
Equity-to-asset ratio	(%)	90.2	35.7	40.1	24.2	36.4
Return on equity	(%)	1.4	17.8	26.9	38.0	55.9
Price-to-earnings ratio	(Times)	–	–	–	–	7.6
Dividend payout ratio	(%)	–	50.6	50.6	86.7	26.0
Number of employees [Average number of temporary employees]	(Persons)	209 [84]	178 [66]	184 [72]	201 [79]	205 [89]
Total shareholder return (Comparative index: –)	(%) (%)	– (–)	– (–)	– (–)	– (–)	– (–)
Highest stock price	(Yen)	–	–	–	–	1,950
Lowest stock price	(Yen)	–	–	–	–	1,274

(Note) 1. Diluted net income per share for the 65th, 66th, 67th, and 68th fiscal years is not presented because, although dilutive securities exist, the Company's shares were unlisted and the average stock price during the period could not be determined.
2. The Company was listed on the Prime Market of the Tokyo Stock Exchange on September 25, 2025. Diluted net income per share for the 69th fiscal year was calculated using the average stock price from the listing date to the end of the 69th fiscal year as the average stock price for the period.
3. Price-to-earnings ratio for the 65th, 66th, 67th, and 68th fiscal years is not presented because the Company's shares were unlisted.
4. Among the key management indicators, figures for the 65th fiscal year were calculated in accordance with the provisions of the Company Accounting Regulations (Ministry of Justice Order No. 13 of 2006), and figures for the 66th fiscal year were prepared in

accordance with the "Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements" (Ministry of Finance Order No. 59 of 1963) and have not been audited pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

5. The financial statements for the 67th, 68th, and 69th fiscal years have been audited by Ernst & Young ShinNihon LLC pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.
6. The number of employees represents the working workforce (excluding employees seconded from the Company to outside, but including employees seconded to the Company from outside), and the average number of temporary employees (excluding temporary agency workers, but including commissioned employees, contract employees, and part-time employees) is shown separately in brackets.
7. A stock split was conducted on September 13, 2024, at a ratio of 200 shares of common stock for each share of common stock. As a result, the total number of shares issued increased by 54,290,782 shares to 54,563,600 shares. Net assets per share and net income per share have been calculated, assuming that the stock split was conducted at the beginning of the 67th fiscal year.
8. As the Company's shares were listed on the Prime Market of the Tokyo Stock Exchange on September 25, 2025, total shareholder returns and comparative index for the 65th through 69th fiscal years are not presented.
9. The highest and lowest stock prices are those on the Prime Market of the Tokyo Stock Exchange.
   As the Company's shares were listed on the exchange on September 25, 2025, stock prices prior to that date are not presented.

(Reference Information)

The Company became a subsidiary of Ocean Holdings Co., Ltd. in March 2019, and in December 2022, the Company absorbed Ocean Holdings Co., Ltd., Ocean Waves Holdings Co., Ltd., and Sachi Shoji Co., Ltd. through a merger. For reference, the trends in key management indicators from the consolidated financial statements with Ocean Holdings Co., Ltd. as the parent company for the fiscal year ended March 2022, and the trends in key management indicators from the consolidated financial statements with the Company as the parent company for the fiscal years ended March 2023, March 2024, March 2025, and March 2026 are as follows.

Fiscal year		5th	66th	67th	68th	69th
		Ocean Holdings Co., Ltd.	ORION BREWERIES, LTD.	ORION BREWERIES, LTD.	ORION BREWERIES, LTD.	ORION BREWERIES, LTD.
Fiscal year ended		March 2022	March 2023	March 2024	March 2025	March 2026
Net sales	(Millions of yen)	18,517	23,544	26,009	28,866	29,713
Ordinary profit or ordinary loss (△)	(Millions of yen)	134	2,424	2,818	3,447	4,118
Profit attributable to owners of parent or attributable to owners of Profit attributable to owners of parent or loss attributable to owners of parent (△)	(Millions of yen)	△124	3,150	4,649	7,301	3,641
Comprehensive income	(Millions of yen)	△103	3,118	4,649	7,301	3,641
Net assets	(Millions of yen)	29,666	21,928	25,013	18,968	18,483
Total assets	(Millions of yen)	63,525	53,330	55,132	50,875	44,089
Net assets per share	(Yen)	60,547.94	80,399.68	458.32	464.61	437.34
Net income per share or net loss per share (△)	(Yen)	△254.47	5,512.30	85.25	133.90	88.59
Diluted net income per share	(Yen)	–	–	–	–	83.39
Equity-to-asset ratio	(%)	46.7	41.1	45.4	37.3	41.9
Return on equity	(%)	–	12.2	19.8	33.2	19.5
Price-to-earnings ratio	(Times)	–	–	–	–	14.4
Net cash provided by (used in) operating activities	(Millions of yen)	1,699	4,034	1,835	6,121	△654
Net cash provided by (used in) investing activities	(Millions of yen)	1,903	11,440	2,829	9,875	1,881
Net cash provided by (used in) financing activities	(Millions of yen)	△1,035	△13,516	△2,749	△15,168	△4,924

Fiscal year		5th	66th	67th	68th	69th
		Ocean Holdings Co., Ltd.	ORION BREWERIES, LTD.	ORION BREWERIES, LTD.	ORION BREWERIES, LTD.	ORION BREWERIES, LTD.
Fiscal year ended		March 2022	March 2023	March 2024	March 2025	March 2026
Cash and cash equivalents at end of period	(Millions of yen)	8,501	10,459	12,374	13,203	9,506
Number of employees [Average number of temporary employees]	(Persons)	390 〔-〕	339 〔258〕	414 〔224〕	410 〔263〕	352 〔251〕

(Note) 1. Diluted net income per share for the 5th, 66th, 67th, and 68th fiscal years is not presented because, although dilutive securities exist, the shares of the Company (and Ocean Holdings Co., Ltd.) were unlisted and the average stock price during the period could not be determined.

2. The Company was listed on the Prime Market of the Tokyo Stock Exchange on September 25, 2025. Diluted net income per share for the 69th fiscal year was calculated using the average stock price from the listing date to the end of the 69th fiscal year as the average stock price for the period.
3. Price-to-earnings ratio for the 5th, 66th, 67th, and 68th fiscal years is not presented because the shares of the Company (and Ocean Holdings Co., Ltd.) were unlisted.
4. The consolidated financial statements for the 67th, 68th, and 69th fiscal years have been audited by Ernst & Young ShinNihon LLC pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, while the consolidated financial statements for the 66th fiscal year were prepared in accordance with the Consolidated Financial Statements Regulations and have not been audited pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.
5. For the 5th fiscal year of the consolidated financial statements with Ocean Holdings Co., Ltd. at the top, figures were calculated in accordance with the provisions of the Regulation on Corporate Accounting (Ministry of Justice Ordinance No. 13 of 2006), and have not been audited pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.
6. The number of employees represents the working workforce (excluding employees seconded from the Group to outside the Group, but including employees seconded to the Group from outside), and the average number of temporary employees (excluding temporary agency workers, but including commissioned employees, contract employees, and part-time employees) is shown separately in brackets. Note that since the 5th fiscal year included a company under liquidation and the average number of temporary employees could not be calculated, figures are presented from the 66th fiscal year onward.
7. A stock split was conducted on September 13, 2024, at a ratio of 200 shares of common stock for each share of common stock. Net assets per share and net income per share have been calculated, assuming that the stock split was conducted at the beginning of the 67th fiscal year.

2 History

The Company was established in 1957 as "Okinawa Beer Co., Ltd." by Sosei Gushiken, who wished to give courage and hope to the youth of his homeland during the post-World War II reconstruction period. The company' s name "Orion Beer" was selected through a public solicitation from the people of Okinawa Prefecture. It was adopted for the reason that Orion is a southern constellation that matches the image of Okinawa, and stars symbolize people's dreams and aspirations. Subsequently, the Group has expanded its business alongside Okinawa's development, including the first overseas expansion with beer exports to Taiwan in 1966, the opening of Hotel Royal Orion in 1975, and the opening of Hotel Orion Motobu Resort & Spa in 2014.

The overview of our Group's business by segment is as follows.

<Alcoholic & Beverages Business>

Date	Overview
May 1957	Okinawa Beer Co., Ltd., the predecessor of our Company, was established (share capital of 420,000 dollars)
November 1958	Nago Factory completed
June 1959	Company name changed from Okinawa Beer Co., Ltd. to Orion Breweries, Ltd.
August 1962	Held the 1st Orion Beer Evening for Ladies (renamed Orion Beer Fest from 1967 onward)
March 1966	First export to Taiwan
June 1976	First export to the United States
July 1990	Started sales in the Tokyo metropolitan area
April 2002	Concluded comprehensive business alliance memorandum with Asahi Breweries, Ltd.
November 2002	Nationwide rollout of Asahi Orion The Draft
May 2003	Started licensed production of Asahi brand products and sales of Asahi Beer products in Okinawa Prefecture
July 2005	Established Orion Support Co., Ltd. for installation, cleaning, and repair of draft beer servers and other equipment (share capital of 30 million yen)
August 2007	Ishikawa Distillery Inc. became a subsidiary through stock acquisition
May 2011	Opened Orion Happy Park, a factory tour facility
March 2019	Implemented MBO with Nomura Capital Partners and Carlyle as sponsors, becoming a subsidiary of Ocean Holdings Co., Ltd.
April 2020	Implemented absorption-type merger with our Company as the surviving company and Orion Support Co., Ltd. as the dissolved company
May 2020	Relocated headquarters from Urasoe City, Okinawa to Tomigusuku City, Okinawa (to Toyosaki Lifestyle Center TOMITON, a property owned by the Company)
July 2020	Launched own e-commerce website
September 2022	Acquired additional shares of Ishikawa Distillery Inc., making it a wholly owned subsidiary (share capital of 33.5 million yen; manufacturing and sales of alcoholic and soft beverages)
December 2022	Absorption-type merger with our Company as the surviving company and Ocean Holdings Co., Ltd. as the dissolved company Absorption-type merger with our Company as the surviving company and Ocean Waves Holdings Co., Ltd. as the dissolved company

	Absorption-type merger with our Company as the surviving company and Sachi Shoji Co., Ltd. as the dissolved company
March 2024	Started sales of wine produced at the brewery facility within Itoman Tourist Farm
June 2024	Agreed on a capital and business alliance with Kintetsu Group Holdings Co., Ltd. for the purpose of collaboration through distribution, hotel, and other sales channels
September 2025	Listed on the Tokyo Stock Exchange Prime Market

<Tourism & Hotel Business>

Date	Overview
November 1972	Established Hotel Seibu Orion Co., Ltd. (company name changed to Hotel Royal Orion Co., Ltd. in April 2006)
June 1975	Hotel Seibu Orion Co., Ltd. opened Hotel Seibu Orion (name changed to Hotel Royal Orion in April 2006, and to Orion Hotel Naha in November 2023)
July 2001	Hotel Seibu Orion Co., Ltd. became a wholly owned subsidiary through stock acquisition (company name changed to Hotel Royal Orion Co., Ltd. in April 2006; share capital of 250 million yen; hotel ownership and operation)
December 2002	Established Orion Arashiyama Golf Club Co., Ltd. (company name changed to Orion Arashiyama Co., Ltd. in June 2023; initial share capital of 200 million yen; golf course operation)
November 2013	Established Hotel Orion Motobu Co., Ltd. (company name changed to Orion Hotel Co., Ltd. in December 2023)
April 2014	Acquired Toyosaki Lifestyle Center TOMITON (commercial facility) as rental property
July 2014	Opened Hotel Orion Motobu Resort & Spa (name changed to Orion Hotel Motobu Resort & Spa in April 2024)
April 2017	Established Orion Okiei LLC (share capital of 10 million yen; owns JR Kyushu Hotel Blossom Naha)
October 2018	Invested in Japan Entertainment Co., Ltd. (it plans to open a theme park in northern Okinawa)
March 2022	Closed Orion Arashiyama Co., Ltd.'s golf course and leased the land for theme park use
December 2023	Implemented absorption-type merger with the Company as the surviving company and Hotel Royal Orion Co., Ltd. and Orion Arashiyama Co., Ltd. as the dissolved companies
April 2024	Renewal opening of Orion Hotel Motobu Resort & Spa
May 2025	Transferred the land and building of Orion Hotel Naha
October 2025	Transferred the business of Orion Hotel Naha

3 Description of Business

The Group consists of four companies in total: the Company, consolidated subsidiaries (Orion Hotel Co., Ltd. and Ishikawa Distillery Inc.), and an affiliated company (Asahi Orion Beverages Co., Ltd.). The main business activities and the positioning of major companies within these businesses are as follows. The categories shown below are the same as the segment categories.

(Business Overview)

The Group's mission is "Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile." We pursue enhancement of corporate value through a Flywheel Growth with Okinawa Business Model that delivers attractive products and experiences to Okinawa residents and tourists, achieving sustainable growth together with Okinawa. 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, while also implementing initiatives that evoke Okinawa in areas outside the prefecture and overseas.

(1) Alcoholic & Beverages Business

The Orion brand handled by the Group is a beer brand that is rooted in Okinawa and has grown together with it, with Orion The Draft as its flagship product. Orion The Draft, which was born in 1960, is manufactured using Okinawa barley and water, and features a refreshing taste suited to the warm climate. In January 2024, we implemented a brand renewal aiming to become a brand more beloved by prefectural residents, and are working to expand sales within Okinawa Prefecture, while also promoting brand penetration outside the prefecture and overseas to expand our business.

The Company manufactures and sells alcoholic and soft drinks based in Okinawa Prefecture. Our products include beer and low-malt beer (called happoshu, collectively referred to as beer products), RTD (Ready to Drink: alcoholic beverages that can be consumed immediately, such as canned chu-hi), Whyskey, and soft beverages. Our flagship Orion brand beer boasts a high market share within Okinawa Prefecture. Our sales areas include within Okinawa Prefecture, outside Okinawa Prefecture, and overseas (Taiwan, Australia, South Korea, the United States, etc.).

Ishikawa Distillery Inc., a consolidated subsidiary, manufactures and sells awamori (a kind of shochu made in Okinawa), moromi vinegar, liquors, spirits, and other products.

The Company purchases raw materials from domestic and overseas suppliers and manufactures beer products at our Nago Factory (Nago City, Okinawa Prefecture). RTD products are purchased from contract manufacturers.

Our main sales channels are the commercial market (commercial channel) that primarily sells beer products in kegs and bottles, and the household market (mass retail channel) that primarily sells beer products and RTD products in cans. In each market, we develop brands centered on our flagship products to meet customer needs and employ a domestic (within and outside the prefecture) distributor system. Additionally, through the e-commerce channel launched in the fiscal year ended March 2020, we offer our standard and limited-edition beer and RTD products, subscription services, gift sets, original merchandise, and food and sundries produced in Okinawa.

Furthermore, our brand licensing business provides licensees with the right to use our logos and product packaging. We enter into licensing agreements with licensees and develop products featuring our logos and other branding.

The overview of the Group's Alcoholic & Beverages Business by field, including research and development, procurement, manufacturing, and sales, is as follows.

a. Research and development

The Company and its subsidiary Ishikawa Distillery Inc. engage in new product development, prototyping, testing, and product improvement. Research and development is conducted at our Nago Factory (Nago City, Okinawa Prefecture), the brewery facility within Itoman Tourist Farm (Itoman City, Okinawa Prefecture), and the Ishikawa Distillery Inc. (Nishihara Town, Nakagami District, Okinawa Prefecture).

b. Procurement

The Company handles a series of operations including supplier selection for raw materials and supplies, ordering, inspection and acceptance, and supplier management.

c. Manufacturing, storage, and quality assurance

The Company handles production planning and coordination, manufacturing, quality verification of raw materials and products, management of contract manufacturers, and factory management. Beer products are produced at the Nago Factory (Nago City, Okinawa Prefecture). Products are stored at the Nago Factory, warehouses located in Urasoe City, Okinawa Prefecture, and warehouses of contractors outside the prefecture. Ishikawa Distillery Inc., a consolidated subsidiary, produces awamori, moromi vinegar, and other products at its own factory (Nishihara Town, Nakagami District, Okinawa Prefecture).

d. Marketing

The Company conducts consumer needs analysis, brand strategy development, marketing activity planning, advertising, major event and promotional planning, media planning and exposure. In addition to marketing activities within Okinawa Prefecture and Japan, the Company also develops marketing plans for overseas sales regions.

e. Distribution

The Company conducts promotional activities for mass retailers and commercial establishments. The Company sells Orion brand beer products within Okinawa Prefecture. In 2002, the Company established a comprehensive business alliance with Asahi Breweries Ltd. (Asahi). Within Okinawa Prefecture, the Company received a manufacturing license from Asahi to produce Asahi Super Dry at its Nago factory and began selling beer products and general alcoholic beverages purchased from Asahi. Additionally, sales of Orion brand beer products for mass retailers outside Okinawa Prefecture (excluding the Amami Islands) have been expanded through Asahi. Orion brand beer products and RTD products for commercial establishments outside Okinawa Prefecture are sold directly by the Company.

Furthermore, in recent years, the Company has been selling Orion brand beer products and RTD products in overseas markets including Taiwan, Australia, South Korea, and the United States.

The main products of the Alcoholic & Beverages Business are as follows.

(2) Tourism & Hotel Business

As of the date of filing this document, the Company owns Orion Hotel Motobu Resort & Spa (Motobu Town, Kunigami District, Okinawa Prefecture), Hotel Route Inn Nago (Nago City, Okinawa Prefecture), and the commercial facility Toyosaki Lifestyle Center TOMITON (Tomigusuku City, Okinawa Prefecture), among others. Orion Hotel Co., Ltd., a consolidated subsidiary, operates Orion Hotel Motobu Resort & Spa (Motobu Town, Kunigami District, Okinawa Prefecture).

The Company believes that further strengthening the sustainability of the Tourism &

Hotel Business, which is rooted in and develops together with the local community, is essential for achieving mutual prosperity with Okinawa. While exploring the optimal approach to business operations, the Company entered into a capital and business alliance on June, 2024, with Kintetsu Group Holdings Co., Ltd., which has been creating significant local employment and consumption through over 40 years of hotel management in Okinawa.

An overview of each area of the Group's Tourism & Hotel Business, including the hotel business and real estate business, is as follows.

a. Hotel Business

As of the filing date, the Company conducts business strategy development, medium-term and annual management planning, and management oversight for Orion Hotel Motobu Resort & Spa, which is directly operated by the Group.

To strengthen hotel operations, the Company is leveraging the hotel management expertise of Kintetsu Group Holdings Co., Ltd. through the dispatch of specialized personnel from the Kintetsu Group, consideration of utilizing hotel reservation systems, and evaluation of introducing various membership programs offered by the Kintetsu Group.

b. Real Estate Business

The Company develops real estate investment strategy, purchase and sale of real estate, execution and management of lease agreements, and management of outsourced operators.

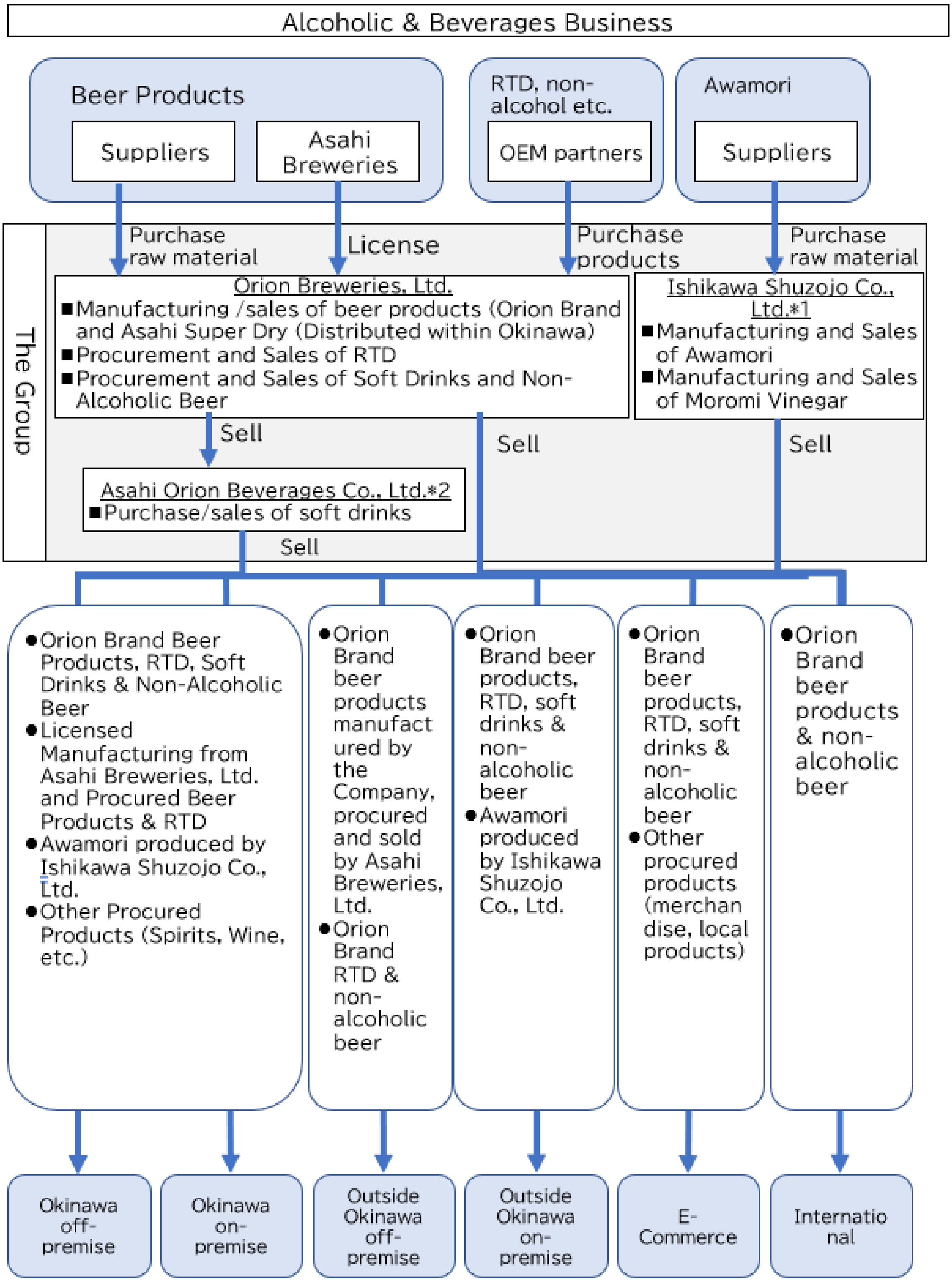
The Group leases land to the theme park JUNGLIA Okinawa (Gogayama, Nakijin Village, Kunigami District, Okinawa Prefecture), which opened in July 2025. The Company has invested in Japan Entertainment Holdings Co., Ltd., which operates the theme park business, and has dispatched a director to that company and its subsidiary, Japan Entertainment Co., Ltd.

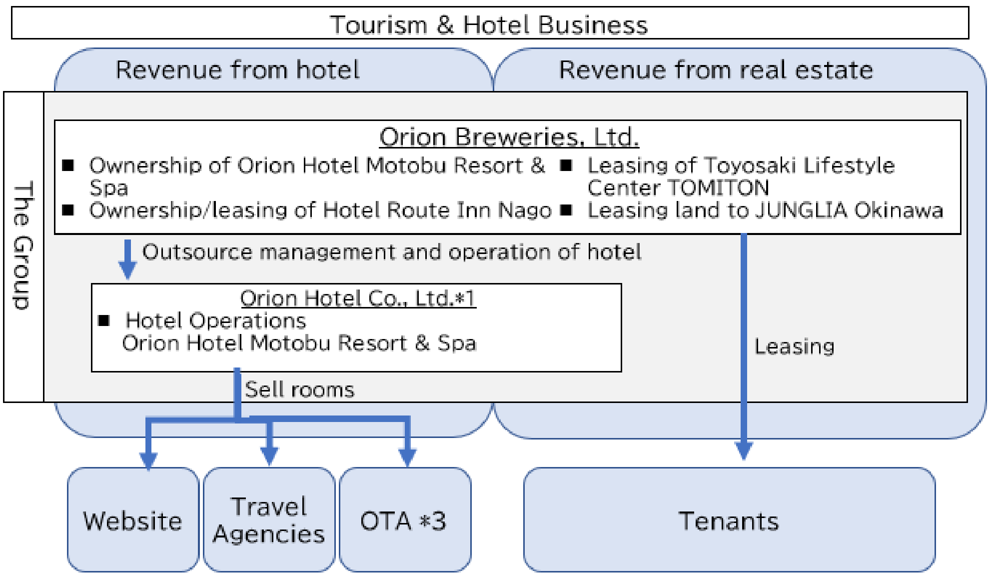
Additionally, through the capital and business alliance with Kintetsu Group Holdings Co., Ltd., the Company is collaborating on exploring the utilization of assets held by both companies in Okinawa.

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

Ownership	Name	Location	Overview
The Company	Orion Hotel Motobu Resort & Spa	Motobu Town, Kunigami District, Okinawa Prefecture	A resort hotel with 238 guest rooms, all oceanfront with balconies Operated by consolidated subsidiary Orion Hotel Co., Ltd.
	Toyosaki Lifestyle Center TOMITON	Tomigusuku City, Okinawa Prefecture	The Company's headquarters office and rental real estate (shopping facility).
	Hotel Route Inn Nago	Nago City, Okinawa Prefecture	Rental real estate (147 guest rooms, accommodation-focused hotel in Nago City) Operated by Route Inn Japan Co., Ltd.
	JUNGLIA Okinawa, Theme Park Site	Nago City and Nakijin Village, Okinawa	Leased to Japan Entertainment Co., Ltd. as the site for the northern theme park (JUNGLIA Okinawa).

The business structure diagram is as follows.





*1 Consolidated subsidiary
*2 Equity-method affiliate
*3 Travel agency that completes travel product transactions exclusively online without physical stores

4 Subsidiaries and other affiliated entities

Name	Address	Share capital (Millions of yen)	Main business Description	Voting rights ownership (or owned by) Ratio (%)	Relationship details
(Consolidated subsidiaries) Orion Hotel Co., Ltd.	Motobu Town, Kunigami District, Okinawa Prefecture	50	Tourism & Hotel Business	100.0	-Operation and management consignment agreement for the Company's hotel -Concurrent directors
(Consolidated subsidiaries) Ishikawa Distillery Inc.	Nishihara Town, Nakagami District, Okinawa Prefecture	33	Alcoholic & Beverages Business	100.0	Management of stored products (awamori) Supply of products to the Company Concurrent directors.
(Equity-method affiliates) Asahi Orion Beverages Co., Ltd.	Urasoe City, Okinawa Prefecture	20	Alcoholic & Beverages Business	20.0	-Sales of the Company's products -Concurrent direcotrs.

(Note) 1. The Main business description column lists the names as stated in the segment information.
2. There are no companies that have filed securities registration statements or annual securities reports.
3. Orion Okiei LLC completed liquidation on October 17, 2025.

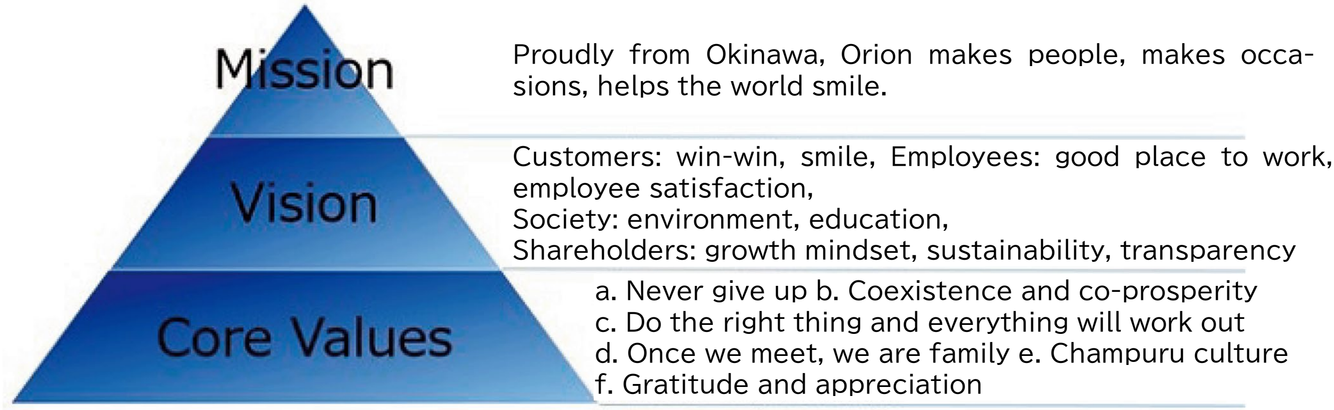
Part 2 Business Overview

1 Management policy, business environment, and issues to be addressed

Forward-looking statements in this document are based on judgments made by the Group as of the filing date.

(1) Orion group's corporate philosophy

To realize our Mission of "Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile," the Group fosters corporate culture through the practice of our Core Values and provides specific value as outlined in our Vision to each stakeholder.



(2) Business environment, basic management policy, and business strategy

Okinawa Prefecture, the Group's home market, is Japan's southern resort destination that attracts tourists comparable to the U.S. state of Hawaii, and continued growth driven by increasing tourism demand is expected.

The Orion brand has grown together with Okinawa and is strongly recognized by Okinawa residents and tourists, possessing a business foundation capable of capturing Okinawa's tourism growth.

The business environment for our Group is expected to be affected by the upcoming liquor tax revision in October and the abolition of liquor tax reduction measures under the Act on Special Measures Associated with the Reversion of Okinawa (hereinafter referred to as the Special Measures Act), as well as uncertain procurement conditions due to the situation in the Middle East.

Our Group has adopted "Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile" as our Mission and pursues enhanced corporate value through the Flywheel Growth with Okinawa Business Model that delivers attractive products and experiences to Okinawa residents and tourists while achieving sustainable growth together with Okinawa. 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.

(3) Medium-term management plan

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.Through the Medium-Term Management Plan (fiscal years ending March 2027 through March 2030), we will pursue net sales (excluding tax) growth rate CAGR of 5.9% (based on fiscal year ending March 2025), an EBITDA (excluding tax) margin of 25.1% as a profitability improvement target, and ROE of 16.0% as a capital efficiency improvement target.

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.

2 Approach and initiatives in sustainability

The Group pursues sustainable growth through the Flywheel Growth with Okinawa business model, while working in collaboration with stakeholders to create environment and social value in addition to economic value. Sustainability is positioned as the foundation supporting this business model, and through initiatives addressing materiality issues recognized as medium- to long-term risks and opportunities, we will pursue strengthening our management foundation and creating impact.

Note that forward-looking statements described in this section are based on judgments made by the Group as of the end of the current consolidated fiscal year.

(1) Basic sustainability policy

Since its foundation in 1957, the Company has held deep gratitude toward all those who love Okinawa and have supported us for over 65 years. With our mission Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile, we aim for the sustainable development of both Okinawa and our Group. Based on this philosophy, this policy positions sustainability initiatives as a key management priority. In accordance with our Group guidelines—Vision, Core Values, and ORION WAY (a group-wide code of conduct for realizing our mission, which defines the actions to be taken by our officers and employees in four areas: customers, employees, society, and shareholders)—we promote Sustainability Management aimed at growing together with Okinawa.

(2) Sustainability governance

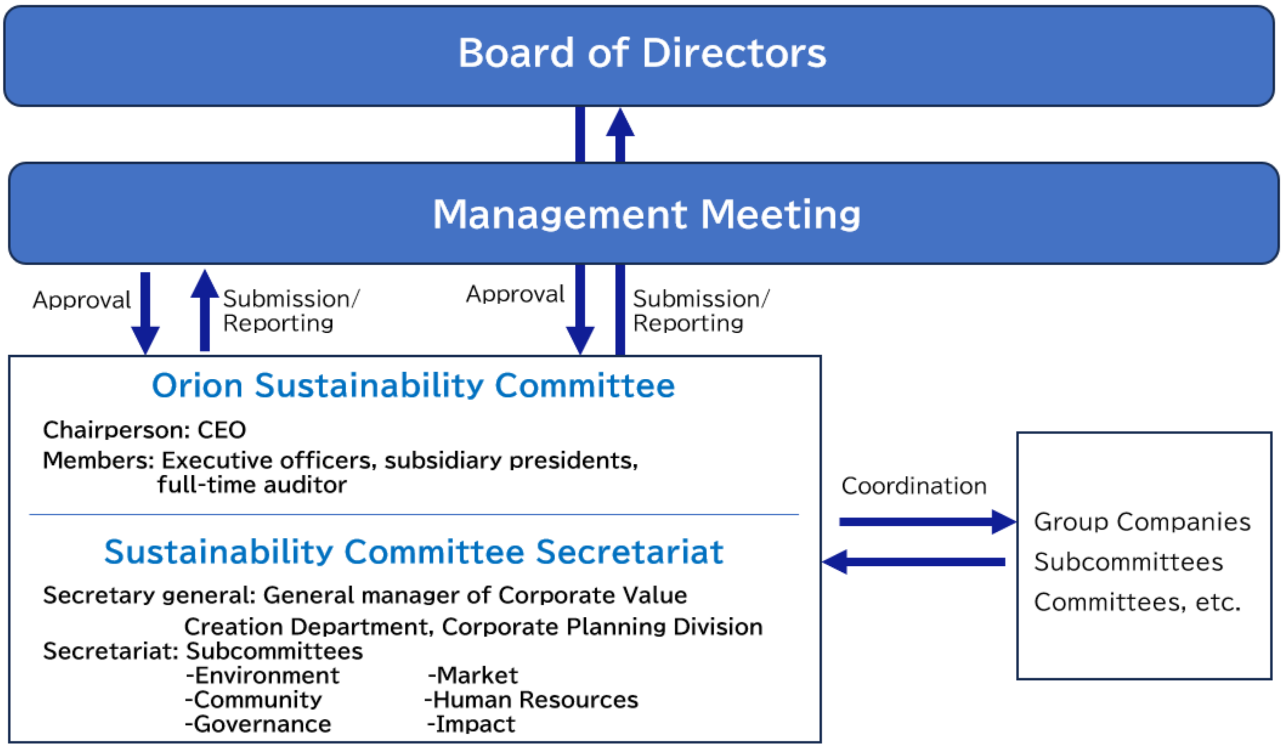
In 2023, the Group established the Orion Sustainability Committee to promote sustainability management across the entire organization. The Committee is chaired by the CEO and consists of all executive officers of the Company and the representative directors of the three Group companies.

The Committee meets semi-annually and holds extraordinary meetings as needed. It deliberates and approves the basic sustainability policy and strategies submitted by each subcommittee, sets targets and KPIs for each materiality, formulates and approves action plans, and oversees their implementation and progress.

The activities are deliberated by the Management Committee, the decision-making body, and then reported to the Board of Directors. Based on these reports, the Board of Directors supervises (and approves as necessary) sustainability-related policies, strategies, and important matters, and provides appropriate oversight based on the Committee's implementation status and progress.

We have established a structure that separates supervisory and executive functions, enabling confirmation of the performance of duties by the executive side, including the CEO. Furthermore, we verify the effectiveness of the governance structure and promote improvements as necessary. Through these efforts, we aim to enhance the effectiveness of the sustainability governance structure across the entire Group.

<Sustainability Governance Promotion Structure>



(3) Strategy

As a foundation supporting our Flywheel Growth with Okinawa business model, the Group has established materialities consisting of five themes: Coexistence with Okinawa's Nature, Development of Okinawa and Local Communities, Responsibility to Customers, Active Participation of Diverse Human Resources, and Governance. We aim to create impact on local communities, the environment, and the economy alongside our own growth.

In identifying materialities, we (1) extracted social issues by referencing sustainability disclosure frameworks, ESG rating agencies, and various policy documents, and (2) conducted surveys targeting employees, business partners, Okinawa residents, and shareholders and executives. (3) Based on these results, we evaluated and organized the issues along two axes: stakeholder expectations and impact on the Group, identifying five materialities and 15 sub-materialities.

The Group has organized these materialities as follows and is working to create value and impact through its business activities.

List of Materialities

Materiality	Sub-Materiality
Coexistence with Okinawa's Nature	Effective Utilization of Waste and Residues
	Mitigation of / Adaption to Climate Change
	Protection of ocean and water resources, promote sustainability of diversified environment and ecosystems
Development of Okinawa and Local Communities	Support for Sustainable Agriculture and Fisheries
	Promote corporate citizens' activities to protect and nurture Okinawan culture and identity
Active Participation of Diverse Human Resources	Respect for Human Rights
	DE&I
	Human Resource Development
	Enhancing Working Conditions and Occupational Health and Safety
Responsibility to Customers	Manufacturing with Consideration for Society and the Environment
	Responsible Marketing
	Promotion of Responsible Drinking Culture
Governance	Ensuring Information Security
	Promotion of Integrity Management
	Establishment of Sound and Highly Transparent Corporate Governance

The Group also sets targets and KPIs based on each materiality and manages their progress. Specific indicators and targets are described in (5) Indicators and Targets.

(4) Risk Management

The Group manages medium- to long-term sustainability-related risks and opportunities under a governance structure centered on the Sustainability Committee, as described in (3) Strategy.

For business risks including sustainability, we have established a Risk Management and Compliance Committee to share and examine risks and compliance issues within the Group.

The Committee is attended by Audit & Supervisory Board Members and the Head of Internal Audit, who oversee the processes of risk identification, evaluation, and response planning from a position independent of the Committee.

(5) Indicators and Targets

① Key Indicators and Targets Related to Materialities

The Group has set targets and KPIs toward FY2030 for each of the five materiality themes and manages their progress. The main indicators, targets, and results for the current consolidated fiscal year for each materiality are as follows:

Materiality	Sub-Materiality	FY2030 Target	FY2025 Results
Coexistence with Okinawa's Nature	Effective Utilization of Waste and Residues	Maintain zero emissions at Nago Plant and promote waste reduction at other sites	Continued achievement of zero emissions at Nago Plant. Grasped waste conditions at other sites
	Mitigation of / Adaption to Climate Change	50% reduction of GHG in Scope 1 and 2 by FY2030 compared to FY2019	Formulated GHG reduction roadmap. Implemented disclosure in accordance with TCFD
	Conservation of beautiful seas and water resources, strengthening sustainability of diverse environments and ecosystems	Establish environmental management system across the Group	Maintained ISO14001 certification at Nago Plant. Formulated and published Group Environmental Policy
Development of Okinawa and Local Communities	Support for Sustainable Agriculture and Fisheries	80% utilization rate of Okinawa-produced materials at Orion hotel	Orion Hotel Store products: 81.8%, Restaurant: 33%
	Promotion of corporate citizenship activities to protect and nurture Okinawa's culture and identity	Continued implementation of corporate citizenship activities related to Okinawa's cultural heritage, environmental conservation, and social issue resolution	Developed impact logic model
Active Participation of Diverse Human Resources	Respect for Human Rights	Promotion of human rights due diligence in accordance with human rights policy	Formulated human rights policy and customer harassment policy. Conducted harassment prevention seminars
	DE&I	Conduct internal seminars on DE&I at least once a year	Formulated DE&I commitment
	Human Resource Development	ES score of 80 or above across the Group	Developed logic model
	Enhancing Working Conditions and Occupational Health and Safety	Lost time injury frequency rate of 0.5 or below, absence injury frequency rate of 0.3 or below	Maintained zero lost time injury frequency rate at plants. Calculated frequency rate for non-plant locations
Responsibility to Customers	Manufacturing with Consideration for Society and the Environment	100% agreement rate to supply chain policy among suppliers representing top 80% of purchase amount	Conducted supplier briefings and surveys
	Responsible Marketing	100% disclosure of pure alcohol content on product labels or website	100% disclosure rate on labels and website for Orion Beer products
	Promotion of Responsible Drinking Culture	10 responsible drinking awareness lectures at companies and educational institutions within Okinawa Prefecture	Developed original educational materials. Conducted 6 sessions for companies and educational institutions in the prefecture

Governance	Ensuring Information Security	Maintain 100% attendance rate for security seminars	Maintained 100% attendance rate
	Promotion of Integrity Management	Continuation of compliance training	Shared and discussed important matters at Management Committee, Board of Directors, and Risk Management and Compliance Committee
	Establishment of Sound and Highly Transparent Corporate Governance	Establishment of effective corporate governance	Conducted effectiveness evaluation of Directors and Audit & Supervisory Board Members

② Response to Climate Change

The Group recognizes climate change as one of the key management issues and promotes initiatives based on TCFD (Task Force on Climate-related Financial Disclosures) recommendations as an important materiality related to Coexistence with Okinawa's Nature.

Climate change-related risks and opportunities are identified and evaluated primarily by the Sustainability Committee, and responses based on scenario analysis are being promoted. We recognize increased energy costs in the Alcoholic & Beverages Business and Tourism & Hotel Business, as well as the impact of climate change on the business environment, as significant risks, and are responding through energy conservation and diversification of energy sources.
Climate Change Mitigation and Adaptation (Disclosure Based on TCFD Recommendations) - Orion Group Sustainability

Key Indicators and Targets

GHG Emissions (Scope 1 & 2)	
2030	50% reduction compared to 2019
2050	Net zero

Unit: t-CO2/year

	FY2019	FY2022	FY2023	FY2024	FY2025	FY2030 Target
Scope 1 (Consolidated)	**4,693**	**4,801**	**5,208**	**4,925**	**5,854**	-
Scope 2 (Consolidated)	**15,952**	**8,952**	**9,373**	**8,818**	**8,293**	-
Total	**20,645**	**13,753**	**14,581**	**13,743**	**14,147**	**10,323**

*Consolidation scope: ORION BREWERIES, LTD., Orion Hotel Co., Ltd., and Ishikawa Distillery Inc.
Detailed disclosures based on TCFD recommendations are available on our website.

② Human Capital

For the Group's human capital strategy, please refer to Section 4 Status of the Reporting company, 5. Employee Status, (1) Basic Policy on Human Resource Strategy, etc. For cross-functional human capital indicators such as women's advancement, work styles, and engagement, please refer to Section 4 Status of the Reporting company, 5. Employee Status, (4) Percentage of Female Workers in Management Positions, Male Workers' Childcare Leave Acquisition Rate, and Gender Pay Gap.

3 Business Risks

Among the matters related to business conditions, accounting conditions, and other matters described in this document, the main risks that management recognizes may have a significant impact on the financial position, operating results, and cash flows of the consolidated companies are as follows.

Note that forward-looking statements in the text are based on judgments made by the Group as of the filing date.

(1) Basic Approach to Risk Management

The Group has established Risk Management and Compliance Regulations. In the Group, risk refers to all possibilities that may cause physical, economic, or reputational losses (including opportunity losses) or disadvantages to our Group, and specific risks refer to the following events where risks have materialized.

a. Reputational crisis: Damage to image due to inadequate business activities or provision of defective information
b. Financial crisis: Deterioration of finances due to decreased revenue or failed fund management
c. Human resources crisis: Deterioration of labor-management relations, internal conflicts among officers, or succession of representatives
d. External crisis: Natural disasters, accidents, and unlawful attacks from outside
e. Other: Crises equivalent to the preceding items

Among the above, the following events are assumed as significant risks and are managed at the management meeting, while also being subject to the internal reporting system for prompt response.

a. Reputational crisis
・Violations of the company's legal compliance obligations
・Leakage of customer and business partner information
・Product liability and recalls
b. Financial crisis
・Failure of new businesses, capital investments, or product development
・Failure of credit management
・Disasters, accidents, or bankruptcy of business partners
c. Human resources crisis
・Death from overwork or suicide due to overwork of officers and employees
・Serious occupational accidents, malicious harassment
・Fraudulent or breach of trust acts by officers and employees
d. External crisis
・Natural disasters such as typhoons and earthquakes
・Man-made disasters such as fires and environmental pollution
・Serious personal accidents involving officers and employees
・Unlawful attacks from outside such as cyber attacks and virus infections
e. Other management risks equivalent to the preceding items

Our Group manages risks inherent in important decision-making in business execution and business operations at the management meeting, and has established a system where each department analyzes anticipated risks and makes necessary reports regarding deliberations and reporting matters at the management meeting.

Internal reporting cases and other compliance-related matters are deliberated by the Risk Management and Compliance Committee. The duties of the committee are as follows.

・Identification, analysis, and evaluation of risks in annual plan formulation, and consideration of prevention and countermeasures
・Prompt response to scandals and troubles and comprehensive understanding of the situation
・Awareness and education for risk avoidance
・Consideration of recurrence prevention measures for materialized risks and instructions for implementation
・Reporting or proposals to the Board of Directors of the Company
・Confirmation of compliance status
・Compliance training, etc.
・Preparation of compliance manuals, compliance programs, etc.

・All other matters related to risk management

(2) Significant risks

a. Changes in economic conditions and demographics (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: High, Timing: Medium to long term, Impact: High

As our Group's net sales are mainly affected by domestic economic trends, there are risks of fluctuations in shipments of major products, potential decline in unit prices of major products, and decrease in the value of held assets due to economic deterioration caused by changes in economic conditions, decline in real wages, and overall market contraction due to the declining birthrate and aging population in Japan. Additionally, 71.0% (fiscal year ending March 2026) of our beer sales are for Okinawa Prefecture, and there are risks of fluctuations in shipments of major products, potential decline in unit prices of major products, and decrease in the value of held assets depending on economic trends within Okinawa Prefecture. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

Our Group has set forth expansion of the revenue base in the Alcoholic & Beverages Business in our medium-term management plan and will work to establish a revenue structure not dependent on specific regions by strengthening channels outside Okinawa Prefecture and expanding overseas development.

b. Risk of business performance being affected by changes in liquor tax (Alcoholic & Beverages Business), Likelihood: High, Timing: Short term (2026, 2032), Impact: Medium

Beer shipped by our Group within Okinawa Prefecture has been subject to liquor tax reduction measures under the Act on Special Measures Associated with the Reversion of Okinawa, but the phased abolition of these reduction measures has been decided. From October 1, 2023, the reduction rate for beer and other products changed from 20% to 15%, and on October 1, 2026, the reduction measures for beer and other products will be abolished. Additionally, for awamori, reductions will be implemented gradually according to business scale, and the reduction will be abolished on May 15, 2032. Additionally, if liquor tax increases are implemented, the rise in sales prices may reduce alcohol consumption in the Alcoholic & Beverages Business, which may affect our business performance and financial condition.

The Alcoholic & Beverages Business has adopted expansion of the revenue base, improvement of profitability, and development of new growth drivers as main strategies in the medium-term management plan to strengthen the medium to long-term revenue structure.

Regarding expansion of the revenue base, to reduce the impact of the phased abolition of reduction measures, we have expanded the sales composition ratio of outside-prefecture and overseas sales, which are not subject to reduction measures and accounted for approximately 12% in the fiscal year ended March 2020, to approximately 27% in the fiscal year ended March 2026. The expansion of this outside-prefecture and overseas sales composition ratio is planned to continue based on the growth of both businesses.

Regarding improvement of profitability, even in an environment of soaring raw material costs and other cost increases, we have improved the operating profit margin of the Alcoholic & Beverages Business from 10.9% in the fiscal year ended March 2020 to 15.2% in the fiscal year ended March 2026 by revising prices, introducing and expanding sales of high-value-added products, and improving the efficiency of business operations including manufacturing. Going forward, to maximize profits, we will continue to review pricing based on price sensitivity analysis, expand sales of high-value-added products, and improve operational efficiency to further enhance profitability.

Regarding development of new growth drivers, we will continue to expand the licensing business, which is expected to be highly profitable and have high growth potential, as well as the craft beer business, which is expected to have synergy effects with the Tourism & Hotel Business.

By continuing to firmly execute these main strategies, we intend to further strengthen our revenue structure and minimize the impact of the anticipated abolition of reduction measures.

c. Dependence on specific business areas (Alcoholic & Beverages Business), Likelihood: High, Timing: Medium to long term, Impact: High

Within the sales of Alcoholic & Beverages Business, beer products (beer, happoshu, and new genre) account for over 80% in the fiscal year ending March 2026. If we lose customer support due to changes in consumer preferences, generational changes, etc., there is a risk that sales of this product group will decrease and affect our Group's business performance and financial condition. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

In the medium-term management plan, expansion of the revenue base and development of new growth drivers are the main strategies, and we will enrich our product lineup beyond beer products and aim for balanced business expansion.

d. Risks related to business relationship with Asahi Breweries, Ltd. (Alcoholic & Beverages Business), Likelihood: Low, Timing: Unknown, Impact: High

We have been in a comprehensive business alliance with Asahi Breweries, Ltd. since 2002. The important contracts related to this business alliance are as follows.

① Sales contract for Asahi Orion The Draft and other products by Asahi Breweries, Ltd. in Japan excluding Okinawa Prefecture and the Amami Islands of Kagoshima Prefecture

② License agreement for the manufacture and sale of Asahi Super Dry and other products to ORION BREWERIES, LTD. in Okinawa Prefecture

If contract ① expires, there is a risk that our profits will decrease due to reduced sales of Asahi Orion brand beer products outside Okinawa Prefecture.

If contract ② expires, although the manufacture and sale of Asahi Super Dry within Okinawa Prefecture will not decrease as Asahi Breweries, Ltd. will manufacture and sell it themselves, there is a risk that our profits will decrease.

We will promote competitive product development and expansion outside the prefecture and further expand mutual benefits by increasing the market share of Asahi Super Dry within Okinawa Prefecture.

Additionally, we will regularly establish dialogue opportunities at each level from management to staff to maintain good relations between the two companies.

e. Fluctuations in the number of tourists visiting Okinawa Prefecture (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: Medium, Timing: Unknown, Impact: High

Among the Tourism & Hotel Business, the hotel business is greatly affected by the number of tourists visiting Okinawa Prefecture, and if sudden fluctuations occur such as a decrease in inbound demand due to political circumstances, it may adversely affect the performance of the hotel business. Additionally, net sales within Okinawa Prefecture in the Alcoholic & Beverages Business are also affected by fluctuations in the number of tourists visiting. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

To stabilize the revenue of the hotel business, we will promote tenant recruitment within hotel facilities, enhance the food and beverage division, and promote dining and banquet usage by customers within Okinawa Prefecture.

f. Food safety (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: Low, Timing: Unknown, Impact: High

If quality and labeling issues related to products and raw materials occur, there is a possibility of product recalls, occurrence of defective shipped products, and product liability being pursued.

In the hotel business, if food poisoning occurs, we may be ordered to suspend operations for a certain period, which may adversely affect our Group's business performance and financial condition. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

At our company, in ORION WAY, which is the Group's code of conduct, we state that we must provide high-standard, high-quality products and services, and improve all activities without being satisfied with the current situation. To ensure quality, safety, and security from raw material procurement to manufacturing and products, our Nago Plant has obtained ISO22000, an international standard for food safety management systems. At our hotel, in accordance with the mandatory HACCP-based sanitation management issued by the Ministry of Health, Labor and Welfare, we have established 17 checkpoint items within kitchens, along with inspections of suppliers' sanitary conditions and confirmation of delivery temperature control methods.

The Group makes every effort to strengthen quality assurance, including conducting product quality monitoring and audits of quality assurance systems. In addition to top management communicating the importance of quality as a message throughout the Group, we are working to foster an organizational culture that values quality by conducting educational training.

g. Safety of contract-manufactured products and purchased products (Alcoholic & Beverages Business), Likelihood: Low, Timing: Unknown, Impact: Medium

The Group outsources the manufacturing of some products to external parties. We also handle purchased products. If quality or other issues arise with contract-manufactured products, there is a possibility of sales suspension or product recalls, which could adversely affect the business performance and financial condition of the Group. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

For products newly manufactured at contract manufacturers, we have one case from each production lot sent directly to our Quality Control Department for quality evaluation. We continuously evaluate at least three consecutive lots. Additionally, our RTD Product Development Department and Quality Control Department conduct QA (Quality Assurance) inspections of contract manufacturers on an irregular basis.

h. Novel infectious diseases such as COVID-19 (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: Medium, Timing: Short-term, Impact: High

The COVID-19 pandemic had a significant impact on the Group, particularly on the commercial Alcoholic & Beverages Business and the hotel operations within the Tourism & Hotel Business.

If new variant outbreaks or new infectious disease epidemics occur along with associated lockdowns or states of emergency, there is a risk of decreased net sales of major products, particularly commercial beer products, as well as decreased net sales in the hotel business. There is also a risk that infections spreading among employees could affect the securing of personnel necessary for business activities. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

The spread of COVID-19 has brought about changes in consumer awareness and behavior. Recognizing that some changes in consumers, markets, and society are irreversible—such as increased cost-consciousness, growing health awareness, further increases in online channel usage (EC, etc.), and changes in consumption behavior due to the establishment of remote work—we will work to expand our revenue base and improve profitability in the alcoholic beverages business, develop new growth drivers, and enhance brand power and strengthen competitiveness in the Tourism & Hotel Business.

Regarding the risk of employee infection, we implement and thoroughly enforce various infection prevention measures and have also established reporting systems and response procedures for suspected infections.

i. Environmental risks: Response to greenhouse gas emission reductions associated with global warming (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: High, Timing: Medium to long-term, Impact: Medium

In response to global warming, the Japanese government announced in 2021 the direction of achieving net-zero greenhouse gas emissions by 2050 and reducing greenhouse gas emissions by 46% compared to FY2013 levels by FY2030, with the aim of reaching 50%. In response, demands are increasing for voluntary greenhouse gas emission reductions by companies, formulation of specific measures toward carbon neutrality, target setting, and expanded disclosure obligations for progress information on these targets, while regulatory strengthening for enhanced environmental measures is expected to progress, including the implementation of carbon taxes (or similar taxes) and stricter enforcement of energy conservation laws. Delays in measures for global warming countermeasures and environmental information disclosure carry the risk of decreased net sales due to damage or reduction of corporate brand image along with increased concerns from all stakeholders, as consumer environment awareness rises.

The Group has set medium-to long-term targets and measures in its medium-term management plan to reduce greenhouse gas emissions. Specifically, at the Nago Plant, we switched the fuel from heavy oil to liquefied natural gas in 2016 and have been advancing greenhouse gas reductions through energy conservation measures including the introduction of high-efficiency energy equipment. At our hotels as well, we are promoting the introduction of solar power generation systems and high-efficiency heating and cooling equipment, striving to reduce CO_2 emissions. Furthermore, since 2022, by switching 50% of the electricity purchased from Okinawa Electric Power to virtually 100% renewable energy electricity utilizing prefectural resources, we achieved a 22.7% reduction in CO_2 emissions in FY2023 compared to FY2019. In parallel with this, we are also advancing the introduction of systems to track greenhouse gas emissions across the entire Group. Going forward, we will continue to strive to achieve net-zero greenhouse gas emissions by 2050 through the introduction of new technologies for greenhouse gas reduction and active utilization of renewable energy, while proactively disclosing information on our progress.

j. Environmental risks: Risks due to climate change (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: High, Timing: Short-term/Medium to long-term, Impact: Medium

Climate change may affect the business activities of the Group.

If drought occurs at the water source of our beer plant (Nago City, Okinawa Prefecture) and necessary water resources cannot be secured, there is a risk of opportunity losses due to operational shutdown and costs for plant relocation. There is a risk that strengthening typhoons and extreme weather causing wind and flood damage and landslides could halt production lines and logistics, resulting in equipment damage, opportunity losses, and losses from product disposal. There is a risk that changes in growing conditions and natural disasters in raw material supply regions could affect supply-demand balance and quality, causing fluctuations in prices of major raw materials. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

The Group is promoting sustainability-oriented management and is analyzing the risks and opportunities that climate change poses to our business and exploring appropriate responses. We will also disclose climate-related information in accordance with the four disclosure categories recommended by the Task Force on Climate-related Financial Disclosures (TCFD): “Governance,” “Risk Management,” “Strategy,” and “Metrics and Targets.” Regarding the reduction of GHG emissions, for Scope 1 and 2, we aim to achieve a 50% reduction compared to 2019 levels by 2030 across the entire Group, and net zero by 2050.

k. Securing diverse and capable human resources (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: Low, Timing: Unknown, Impact: High

There is a possibility that we may be unable to secure, develop, and retain the necessary number of diverse and capable executives and general employees, which could hinder the execution of the medium-term management plan. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

The Group implements four measures to secure diverse and capable human resources. First, at the time of recruitment, we create job descriptions that clearly define the job content, required performance levels, desired experience, and necessary skills of the personnel to be secured, enabling accurate recruitment. Second, we conduct onboarding training at the time of joining to achieve early organizational integration and assign mentors when the employees are young workers. Third, we maintain close communication between supervisors and subordinates through opportunities such as interviews for goal achievement evaluations and career consultations. Finally, we hold Human Resource Development Meetings (Talent Discussions) several times a year to update talent mapping, identify high-potential personnel such as candidates for next promotions, and formulate and execute individual development plans.

l. Risk of rising personnel costs (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: High, Timing: Short-term/Medium to long-term, Impact: High

Under the environment of recent price increases and government-led wage increase measures, raising recruitment wages for mid-career hires and starting salaries for new graduates is also coming into consideration. These various wage increases may directly affect management figures. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

Based on the recognition that rising personnel costs are unavoidable for securing and retaining quality human resources, it is essential to rationally control the extent of such increases within the permissible range of management figures. Specifically, rather than implementing significant wage increases all at once, we have formulated medium to long-term wage level improvement plans spanning multiple years in coordination with the medium-term management plan. Additionally, since close communication with labor unions is necessary for wage revisions, we have built close relationships including sharing various indicators related to wage revisions and their interpretations.

m. Expansion of domestic logistics supply-demand gap (Alcoholic & Beverages Business), Likelihood: High, Timing: Short-term/Medium to long-term, Impact: Low

The domestic logistics environment is facing a severe shortage of truck drivers and cargo handlers, driven by a shrinking workforce due to Japan’s aging population and low birth rate, as well as rising logistics volumes resulting from increased e-commerce transactions and other factors. Consequently, logistics costs are on a steady upward trend. Under these circumstances, cost increases and opportunity losses throughout the supply chain may adversely affect the business performance and financial condition of the Group. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

Our production bases are the Nago Factory in Okinawa Prefecture for beer products, and contractors within and outside Okinawa Prefecture for RTD products. For logistics between within and outside the prefecture, we will eliminate waste and inconsistency by accurately planning maritime transportation, and for logistics within the prefecture, by collaborating with distributors to optimize order lots and inventory. Furthermore, for logistics outside the prefecture, we aim to optimize costs and minimize opportunity losses by flexibly selecting and changing external warehouses, and by outsourcing specialized vendors for official e-commerce.

n. Risks related to supply chain (Alcoholic & Beverages Business/Tourism & Hotel Business), Probability: Low, Timing: Unknown, Impact: Medium

There is a risk of supply chain disruption due to large-scale natural disasters such as earthquakes and torrential rains, infectious diseases, and other disasters or accidents.

We have established a BCP (Business Continuity Plan) to respond to disasters and accidents. We are also working to improve the accuracy of supply and demand forecasting at factories and to secure appropriate inventory levels.

o. Raw material and material prices (Alcoholic & Beverages Business/Tourism & Hotel Business), Probability: High, Timing: Short-term, Impact: Large

Some of the major raw materials and materials used by our Group have prices that fluctuate depending on commodity markets and foreign exchange market conditions. There is a risk that soaring prices of these raw materials and materials will increase the cost of sales and adversely affect the business performance and financial condition of the Group. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

We are implementing various measures such as strengthening the collection of the latest information on market conditions affecting raw material and material prices, diversifying and expanding procurement sources, maintaining appropriate inventory levels, and foreign exchange hedging. In addition to cost-side initiatives, on the sales side, we will consider and implement price revisions to secure appropriate profits.

p. Risk of rising utility costs (Alcoholic & Beverages Business/Tourism & Hotel Business), Probability: High, Timing: Medium to long-term, Impact: Large

There is a risk of rising utility costs due to energy price increases associated with geopolitical factors and foreign exchange fluctuations. Since our Group's business is centered in Okinawa Prefecture, it is currently difficult to suppress prices by utilizing multiple energy suppliers.

Our Group is making renovations and investments such as introducing high-efficiency lighting and refrigeration systems to improve the energy efficiency of facilities and manufacturing equipment. Additionally, hotels have already switched part of their electricity to self-generated power by installing solar panels. Furthermore, at the Nago Factory, we are also considering the introduction of solar panels and cogeneration systems to mitigate the impact of price increases. In addition, since there is information about new electricity providers re-entering Okinawa Prefecture, we will also consider price suppression through the use of multiple energy suppliers.

q. Impact of legal regulations (Alcoholic & Beverages Business/Tourism & Hotel Business), Probability: High, Timing: Unknown, Impact: Medium

Our Group conducts business activities while being subject to various legal regulations such as the Liquor Tax Act, Food Sanitation Act, environment and recycling-related laws, and Act against Unjustifiable Premiums and Misleading Representations, and has obtained permits and licenses such as beer manufacturing licenses and liquor sales licenses. There is no expiration date for each license, but there is a risk of license revocation if legal violations occur (such as selling alcoholic beverages to people without a liquor sales license or to persons under 20 years of age). We are also subject to the legal regulations of each country where we operate. There is a possibility of decreased demand due to increases in liquor tax or consumption tax, and costs may arise to respond to decreased demand or new regulations, such as when regulations on alcohol advertising, sales hours at liquor stores, and alcohol sales locations expand. We recognize that there is always a possibility of this risk materializing in the following fiscal years and beyond.

Our Group maintains a list of applicable laws and regulations for conducting business, assigns responsible departments centered on the legal department, regularly monitors the establishment and changes in legal regulations, and strives to prevent risks of legal violations. When information is obtained that legal regulations that could significantly impact our business are being newly established or changed, the responsible department works with the legal department, consults with legal counsel to develop countermeasures, and discusses these countermeasures at management meetings.

r. Negative impacts of alcohol (Alcoholic & Beverages Business), Probability: High, Timing: Medium to long-term, Impact: Large

Regarding the negative impacts of alcohol, WHO (World Health Organization) is discussing future regulations on alcohol sales on a global scale, and there is a risk of regulations being imposed on alcohol sales. We recognize that there is a reasonable possibility of this risk materializing in the next fiscal year and beyond.

We are appropriately allocating management resources to the Tourism & Hotel Business to reduce concentration on alcoholic beverages. We are conducting awareness activities to prevent underage drinking and promote responsible drinking using websites and posters.

s. Business and capital alliances (Alcoholic & Beverages Business/Tourism & Hotel Business), Probability: Low, Timing: Medium to long-term, Impact: Large

Our Group may enter into business and capital alliances with other domestic and overseas companies as part of strengthening competitiveness for growth. If the expected synergy effects cannot be achieved from the management resources acquired through business and capital alliances, this may affect the business performance and financial condition of the Group. We recognize that there is a reasonable possibility of this risk materializing in the next fiscal year and beyond.

In business and capital alliances, we carefully consider and conduct detailed due diligence on the target company's financial content and contractual relationships, striving to avoid future losses to the maximum extent.

t. Information security (Alcoholic & Beverages Business/Tourism & Hotel Business), Probability: Medium, Timing: Anytime, Impact: Large

There is a risk of loss of credibility and damages due to information security incidents such as customer information leaks and cyber-attacks from third parties. Additionally, system failures may occur, causing business delays or interruptions.

Our Group has established regulations on information security, organized a Security Committee centered on executives responsible for information security promotion, and strengthened our information security system. We continuously conduct internal training for employees to ensure understanding of the risks of information leaks and the importance of personal information, and to inform them of the responses to be taken when incidents occur. We are implementing both system-based measures such as access privileges for important information assets and physical measures such as locking document storage and office entry and/or exit management.

u. Risks from natural disasters (Alcoholic & Beverages Business/Tourism & Hotel Business), Probability: Low, Timing: Anytime, Impact: Large

If a large-scale natural disaster occurs at our Group's business locations, there is a possibility that equipment owned by our Group may be damaged, and there is a risk of temporary business suspension. We recognize that there is a reasonable possibility of this risk materializing in the next fiscal year and beyond.

The Risk Management and Compliance Committee regularly monitor the types and scale of possible disasters, anticipated risks, and the impact on and countermeasures for our Group. We have established a BCP (Business Continuity Plan) to respond to disasters.

v. Business continuity risks due to limited production bases (Alcoholic & Beverages Business), Probability: High, Timing: Medium to long-term, Impact: Large

The revenue sources in our Group's Alcoholic & Beverages Business are beer products, RTD, and soft drinks (beer-taste beverages and soft drinks). Since beer production is conducted at only one location, the Nago Factory, natural disasters (earthquakes, floods, typhoons, etc.) or accidents (fires, explosions, etc.) may significantly impact production activities, and there is a risk of production equipment damage and prolonged recovery. Additionally, if these disasters interrupt the supply chain, delays in the supply of raw materials and manufacturing equipment parts may occur, and there is a risk of prolonged production line shutdown.

For RTD and soft drink production, we have secured multiple production bases by outsourcing production to multiple manufacturers within and outside the prefecture, achieving geographical risk diversification. For procurement of raw materials and manufacturing equipment parts, we have secured multiple suppliers in different regions to prevent supply chain interruptions and prolonged delays due to disasters. We have established a BCP (Business Continuity Plan) as a response to risk occurrence in business continuity, including beer production at the single Nago Factory location.

w. Financial and tax risks (Alcoholic & Beverages Business/Tourism & Hotel Business), Probability: Medium, Timing: Anytime, Impact: Small

There are risks related to term loans originating from LBO, risks of increased financing costs due to rising interest rates, risks of increased raw material procurement costs due to exchange rates, and risks of additional tax burdens or decreased social credibility due to differences of opinion with tax authorities.

The outstanding balance of term loans was 15.4 billion yen as of March 2026, representing 83.5% of total equity. This loan is subject to profit maintenance covenants (not to have ordinary profit in deficit for two consecutive periods) and net asset maintenance covenants. We have never violated the covenants, and repayments have been made as scheduled, reducing the outstanding loan balance.

Regarding the risk of rising financing costs, we are procuring funds commensurate with our corporate financing capabilities through reviewing borrowing terms and considering early repayment of some debts.

Regarding foreign exchange risk, we are working to reduce annual foreign exchange fluctuation risk by agreeing on annual procurement prices in yen with raw material suppliers.

Regarding tax risk, we are working to reduce tax risk by continuously acquiring knowledge through advice from tax accountants, reading specialized publications, and participating in tax reform training.

x. Risk of Impairment (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: Medium, Timing: Medium to long term, Impact: Medium

The Group applies impairment accounting. There is a risk that impairment losses may occur in the future on property, plant and equipment held by the Group and goodwill acquired through business combinations due to declines in profitability or market prices resulting from significant deterioration of the business environment.

We carefully examine investment risks when making business investments.

y. Risk Related to Compliance (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: Low, Timing: Anytime, Impact: Large

There is a risk of losing customer trust due to legal penalties, lawsuits, or social sanctions resulting from employee misconduct such as inappropriate drinking or bribery that violates laws or actions contrary to social expectations.

The Group conducts compliance training to ensure adherence to laws, internal regulations, and the code of conduct based on the ORION WAY established by the Company, striving to reduce the likelihood of employees violating laws or acting against social norms. Additionally, we have established internal and external whistleblowing hotlines to facilitate early detection of risk incidents and have built a system where compliance violations are immediately reported to management for appropriate response.

z. Risk of Share Dilution from Exercise of Share Acquisition Rights (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: High, Timing: No specific timing, Impact: Small

The Company has introduced a stock option program as an incentive to enhance motivation for increasing corporate value, granting share acquisition rights to directors, executive officers, and employees of the Company and its subsidiaries. If the granted share acquisition rights are exercised, issued shares will be diluted, which may also adversely affect the supply and demand of the Company's shares. As of the end of the current fiscal year (March 31, 2026), the number of share acquisition rights granted is 12,243, with the type and number of shares subject to these rights being 2,448,600 shares of the Company's common stock. Even if all share acquisition rights were exercised based on the total issued shares of 42,253,200 shares, the dilution ratio would be limited to 5.80%, and we consider the impact of dilution to be low.

aa. Risk Related to License Business and Intellectual Property Rights (Alcoholic & Beverages Business/Tourism & Hotel Business), Likelihood: Low, Timing: No specific timing, Impact: Small

The Group's license business is developed based on intellectual property rights such as brand logos. In promoting this business, the Group has established a specialized department for license business and conducts appropriate licensee management in collaboration with the legal department. When expanding business overseas, we conduct surveys on the availability of intellectual property such as trademarks and logos in local markets. Despite these efforts, if trademarks or copyright infringement, misappropriation, or distribution of counterfeit products by third parties occur, it may affect the Group's brand value, business performance, and financial condition through lawsuits or contract terminations.

4 Management's analysis of financial position, operating results and cash flows

(1) Overview of Operating Results, etc.

The overview of the financial position, operating results and cash flows (hereinafter referred to as operating results, etc.) of the Group (the Company, consolidated subsidiaries and equity-method affiliates) is as follows.

a. Financial Position

Total assets at the end of the current consolidated fiscal year decreased by 6,786 million yen compared to the end of the previous consolidated fiscal year, to 44,089 million yen. The main factors were a decrease in cash and deposits of 2,697 million yen due to dividend payments, and a decrease in property, plant and equipment of 3,992 million yen due to the asset sale of Orion Hotel Naha.

Liabilities decreased by 6,302 million yen compared to the end of the previous consolidated fiscal year, to 25,605 million yen. The main factors were a decrease in income taxes payable of 2,986 million yen, a decrease in deposits received of 2,124 million yen due to payment of withholding tax related to treasury stock acquisition at the end of the previous fiscal year, and a decrease in asset retirement obligations of 580 million yen.

Net assets decreased by 484 million yen compared to the end of the previous consolidated fiscal year, to 18,483 million yen. The main factors were an increase in share capital and capital surplus of 364 million yen due to issuance of new shares (exercise of share acquisition rights), an increase of 3,641 million yen from profit attributable to owners of parent for the current consolidated fiscal year, and a decrease of 4,489 million yen due to dividend payments.

b. Operating Results

Operating results for the current consolidated fiscal year (April 1, 2025 to March 31, 2026) were as follows: net sales (after application of revenue recognition standards; the same applies hereinafter) increased by 846 million yen to 29,713 million yen (+2.9% year-on-year), operating profit increased by 835 million yen to 4,314 million yen (+24.0% year-on-year), and ordinary profit increased by 671 million yen to 4,118 million yen (+19.5% year-on-year). Profit attributable to owners of parent decreased by 3,659 million yen to 3,641 million yen (-50.1% year-on-year), despite recording extraordinary income of 1,055 million yen related to the transfer of Orion Hotel Naha, due to the absence of gains on real estate sales recorded in the previous consolidated fiscal year.

The Group operates two business segments: Alcoholic & Beverages Business and Tourism & Hotel Business. The details and performance of each business segment are as follows.

<Alcoholic & Beverages Business>

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 showed steady progress, increasing by 1,193 million yen to 23,921 million yen (+5.3% year-on-year), and operating profit increased by 433 million yen to 3,634 million yen (+13.5%) due to improved gross profit margins from passing on rising raw material costs and reviewing manufacturing methods, and by controlling selling, general and administrative expenses.

<Tourism & Hotel Business>

In the current consolidated fiscal year, accommodation demand in the northern Okinawa area increased due to the opening of JUNGLIA Okinawa, and inbound arrivals from Taiwan, Korea, Europe and the United States were strong. Under these circumstances, we strengthened revenue management to improve room rates and actively invested in targeting the family segment and strengthening overseas channels to attract inbound tourists.

As a result, due to the absence of profits and losses from Orion Hotel Naha, which was operated until the end of September in the current consolidated fiscal year, net sales in the Tourism & Hotel Business decreased by 347 million yen to 5,791 million yen (-5.7% year-on-year), but operating profit increased by 401 million yen to 690 million yen (+139.2% year-on-year) due to reductions in selling, general and administrative expenses at Orion Hotel Motobu Resort & Spa (optimization of personnel costs and efficiency improvements in room operations, etc.).

c. Cash Flows

Cash and cash equivalents (hereinafter referred to as funds) at the end of the current consolidated fiscal year decreased by 3,697 million yen from the end of the previous consolidated fiscal year to 9,506 million yen (-28.0% year-on-year). The status of each cash flow and their factors are as follows.

(a) Net cash provided by (used in) operating activities

Net cash used in operating activities was -654 million yen (compared to 6,121 million yen provided in the same period of the previous year).

The main factors were profit before income taxes of 5,098 million yen, depreciation of 1,537 million yen, gain on sale of non-current assets from the sale of Orion Hotel Naha of -845 million yen, gain on reversal of asset retirement obligations of -208 million yen, decrease in deposits received of -2,140 million yen due to payment of withholding tax related to treasury stock acquisition at the end of the previous fiscal year, and income taxes paid of -4,423 million yen.

(b) Net cash provided by (used in) investing activities

Net cash provided by investing activities was 1,881 million yen (-80.9% year-on-year).

The main factors were proceeding from the sale of Orion Hotel Naha of 4,264 million yen, payments into time deposits of -2,000 million yen, purchase of property, plant and equipment of -1,228 million yen, and proceeds from withdrawal of time deposits of 1,000 million yen.

(c) Net cash provided by (used in) financing activities

Net cash used in financing activities was -4,924 million yen (-67.5% year-on-year).

The main factors were dividends paid of -4,483 million yen, repayments of long-term borrowings of -705 million yen, and proceeds from issuance of shares through exercise of stock options of 364 million yen.

d. Production, Orders and Sales Performance

(a) Production Performance

Production performance by segment for the current consolidated fiscal year is as follows.

Segment	Production Value (Millions of yen)	Year-on-year (%)
Alcoholic & Beverages Business	6,311	102.5
Total	6,311	102.5

(b) Order intake

The Group's Alcoholic & Beverages Business is principally based on make-to-stock production, so this information has been omitted.

The Group's Tourism & Hotel Business has no applicable items, so this information has been omitted.

(c) Sales results

Sales result by segment for the current consolidated fiscal year is as follows.

Segment Name	Sales (Millions of yen)	Year-on-year (%)
Alcoholic & Beverages Business	23,921	105.3
Tourism & Hotel Business	5,791	94.3
Total	29,713	102.9

Notes 1. Intersegment transactions have been eliminated.
2. Sales results by major customer and the ratio of such sales results to total sales results have been omitted as they are less than 10%.

(2) Analysis and discussion of operating results from management's perspective

Management's recognition, analysis and discussion of the Group's operating results are as follows.

Forward-looking statements in the text are based on judgments made as of the filing date.

a. Recognition, analysis and discussion of financial position and operating results

(a) Financial position

For analysis of financial position, please refer to (1) Overview of operating results, etc. a. Financial position.

(b) Operating results

For analysis of operating results, please refer to (1) Overview of operating results, etc. b. Operating results.

b. Analysis and discussion of cash flows and information on capital resources and liquidity

For the Group's cash position, please refer to Part 2 Business Overview 4 Management's Analysis of Financial Position, Operating Results and Cash Flows (1) Overview of operating results, etc. c. Cash flows.

The Group's policy is to cover funds necessary for business operations with cash on hand, but we will also diversify our funding sources for stable development not only through funds obtained from business revenues but also through raising necessary funds from the stock market and bank loans. Regarding liquidity, we secure cash and cash equivalents while considering asset efficiency. Fund requirements mainly consist of ongoing technology development and necessary working capital to continuously increase corporate value.

c. Significant accounting estimates and assumptions used in such estimates

The Group's consolidated financial statements are prepared in accordance with accounting standards generally accepted in Japan. Significant accounting policies for preparing these consolidated financial statements are described in Part 5 Financial Information 1 Consolidated Financial Statements, etc. (1) Consolidated Financial Statements, Notes (Significant matters forming the basis for preparing consolidated financial statements). The Group makes accounting estimates based on assumptions deemed reasonable in light of past performance and circumstances, but actual results may differ from these estimates due to uncertainties inherent in the estimates.

d. Analysis of factors that significantly affect operating results

For factors that significantly affect operating results, please refer to Part 2 Business Overview 3 Business Risks.

5 Significant contracts

(1) Business alliance agreements

Company	Contract Counterparty	Location	Contract date	Contract period	Contract details
Orion Breweries, Ltd.	Asahi Breweries, Ltd.	Sumida-ku, Tokyo	May 2003	Automatic renewal	Manufacturing and sales agreement for Asahi Super Dry and other products in Okinawa Prefecture
Orion Breweries, Ltd.	Asahi Breweries, Ltd.	Sumida-ku, Tokyo	May 2003	Automatic renewal	Sales agreement for Asahi Beer products in Okinawa Prefecture
Orion Breweries, Ltd.	Asahi Breweries, Ltd.	Sumida-ku, Tokyo	July 2020	Automatic renewal	Sales agreement for Asahi Orion The Draft and other products in Japan excluding Okinawa Prefecture and Amami Islands in Kagoshima Prefecture

(2) Loan agreements
On February 20, 2025, we entered into a loan agreement with financial covenants.
The details of the loan agreement are as follows.

Details			
Category	Term Loan A	Term Loan B	Term Loan C
Counterparty type	Two city banks		
Outstanding balance at end of period	3,428 million yen	8,000 million yen	4,000 million yen
Contract date	February 20, 2025		
Repayment deadline	February 29, 2032		
Details of collateral for the debt	Real estate (land, facility, building of factory and hotel)		
Financial covenants	Financial covenant provisions (1) Profit maintenance Consolidated ordinary profit with the borrower at the top shall not be negative for two consecutive fiscal years at the end of each fiscal year from fiscal year ended March 31, 2025 onwards (including fiscal year ended March 31, 2025). (2) Net assets maintenance (a) Maintain the total amount of consolidated net assets with the borrower at the top at the end of fiscal year ended March 31, 2025 at 85% or more of the total amount of consolidated net assets with the borrower at the top at the end of fiscal year ended March 31, 2024, less the amount of permitted treasury share acquisitions. (b) Maintain the total amount of consolidated net assets with the borrower at the top at the end of each fiscal year from fiscal year ending March 31, 2026 onwards (including fiscal year ending March		

	31, 2026) at 85% or more (50% or more after the initial public offering of the Company's common shares) of the total amount of consolidated net assets with the borrower at the top at the end of the immediately preceding fiscal year. (3) Changes in accounting standards If the borrower group companies change their accounting standards to IFRS, the borrower and lender shall negotiate in good faith regarding necessary modifications to the standards (numerical values) to be achieved and the prescribed calculation methods pursuant to paragraphs (1) and (2) of this section, in order to achieve substantially the same effect as before in accordance with the purpose of each provision.

6 Research and Development Activities

<Alcoholic & Beverages Business>

Under the Group's mission, Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile, we develop products using locally produced ingredients from Okinawa. Our research and development focus primarily on beer products and RTD (Ready to Drink: ready-to-drink alcoholic beverages such as canned chu-hai), and in recent years we have also focused on developing wine and non-alcoholic beer. In addition, in collaboration with Ishikawa Distillery Inc., we conduct research and development of hard liquor using awamori and distilled spirits, as well as health beverages using moromi vinegar.

Our research and development system is led by the Beer Product Development Section and RTD Product Development Section of our Product Development Department, and in collaboration with the Research and Development Department of Ishikawa Distillery Inc., we have established a research and development system with speed and efficiency.

Research and development expenses for the current consolidated fiscal year totaled 79 million yen.

<Tourism & Hotel Business>

Not applicable.

Part 3 Information about Facilities]

1 [Overview of Capital Expenditures]

Total capital expenditures for business expansion during the current consolidated fiscal year amounted to 1,297 million yen. Capital expenditure by segment is as follows.

In the Alcoholic & Beverages Business, we invested 674 million yen in capital expenditures including can palletizer renewal work and brewing lees dehydrator renewal work at the Nago Factory, as well as alcoholic and soft drink blending and sterilization equipment. In addition, we invested 75 million yen in capital expenditures for the construction of a new Orion Support Center warehouse. There were no significant disposals or sales of facilities.

In the Tourism & Hotel Business, we invested 245 million yen in capital expenditures, primarily for restaurant renovation work at Orion Hotel Motobu Resort & Spa and construction of new employee dormitories.

During the current consolidated fiscal year, we sold the following major facilities and recorded a gain on sale of non-current assets of 845 million yen. There were no significant disposals of facilities.

Company Name	Facility	Location	Description of facilities	Sold on
The Company	Orion Hotel Naha	Naha City, Okinawa Prefecture	Hotel building, facilities Land	May 2025

2 Status of Major Facilities

(1) Reporting company

As of March 31, 2026

Facility (Location)	Segment	Description of facilities	Book value (Millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (m^2)	Other	Total	
Head Office (Tomigusuku City, Okinawa Prefecture)	–	Sales and administrative facilities	159	0	– (–)	39	199	107 (34)
Factory (Nago City, Okinawa Prefecture)	Alcoholic & Beverages Business	Beer manufacturing facilities	3,579	2,465	1,341 (229,467) [152]	81	7,467	62 (37)
Orion Hotel Motobu Resort & Spa (Motobu Town, Kunigami District, Okinawa Prefecture)	Tourism & Hotel Business	Hotel facilities	6,132	74	1,351 (74,191) [8,163]	249	7,809	2 (–)
Toyosaki Lifestyle Center TOMITON (Tomigusuku City, Okinawa Prefecture)	Tourism & Hotel Business	Rental real estate facilities	1,104	-	1,777 (29,409)	0	2,881	–

Notes 1. The sale of Orion Hotel Naha was completed in May 2025.
2. Other in book value is the total of tools, furniture and fixtures, lease assets and construction in progress.
3. Part of the buildings and land are leased. The area of leased land is shown separately in [ ].
4. In addition to the above, facilities leased from non-consolidated companies are as follows.

Business location (Location)	Segment Name	Description of facilities	Expected completion date (Millions of yen)
Urasoe Warehouse (Urasoe City, Okinawa Prefecture)	Alcoholic & Beverages Business	Distribution warehouse	119

5. The number of employees represents the number of working employees (excluding employees seconded from the Company to outside companies, and including employees seconded from outside companies to the Company), with the number of temporary employees (excluding temporary agency workers, and including commissioned employees, contract employees, and part-time employees) shown separately in ( ).
6. Toyosaki Lifestyle Center TOMITON is a mixed-use facility leased to various tenants.

(2) Domestic subsidiaries

None

3 Plans for New Construction, Disposal, etc. of Facilities

(1) Significant new construction of facilities, etc.

Company	Facility (Location)	Segment	Description of facilities	Planned investment amount		Financing method	Start date	Scheduled completion Date	After completion Increased capacity after completion
				Total (Millions of yen)	Amount paid (Millions of yen)				
The company	Factory (Nago City, Okinawa Prefecture)	Alcoholic & Beverages Business	Can equipment renewal	4,677	–	Own funds	Dec. 2025	October 2027	25% increase
	Factory (Nago City, Okinawa Prefecture)	Alcoholic & Beverages Business	Main raw material receiving building expansion	400	–	Own funds	Undecided	March 2030	(Notes)
	Factory (Nago City, Okinawa Prefecture)	Alcoholic & Beverages Business	Alcoholic and soft drink blending and sterilization equipment	352	–	Own funds	Undecided	January 2027	(Notes)
	Orion Hotel Motobu (Nago City, Okinawa Prefecture)	Tourism & Hotel Business	Employee dormitory construction	1,080	–	Own funds	April 2026	September 2027	(Notes)
	Orion Hotel Orion Hotel Motobu Factory (Nago City, Okinawa Prefecture)	Tourism & Hotel Business	New building construction	650	–	Own funds	Undecided	March 2029	(Notes)

(Notes) Increased capacity after completion has been omitted as it is difficult to quantify.

(2) Significant disposal of facilities, etc.

There are no significant disposals of facilities other than disposals for routine equipment renewal.

Part 4 Information about reporting company

1 [Status of Shares, etc.]

(1) [Total Number of Shares, etc.]

① [Total Number of Shares]

Class	Total number of authorized shares
Common shares	160,000,000
Total	160,000,000

② [Issued Shares]

Class	As of the end of the fiscal year Number of shares issued (March 31, 2026)	As of the filing date Number of shares issued (June 18, 2026)	Name of the listed financial exchange or registered certified financial instruments business association	Details
Common shares	42,253,200	42,467,400	Tokyo Stock Exchange	Shares with full voting rights, which are the standard shares of the Company with no restrictions on rights, and the number of shares per unit is 100 shares.
Total	42,253,200	42,467,400	-	-

Notes 1. As of September 25, 2025, the Company's shares have been listed on the Prime Market of the Tokyo Stock Exchange.
2. The number of shares issued as of the filing date does not include shares issued through the exercise of share acquisition rights from June 1, 2026 to the filing date of this securities report.

(2) Status of share acquisition rights, etc.

① Details of stock option plan

1st share acquisition rights (with compensation)

Date of resolution	October 19, 2022
Classification and number of grantees (persons)	Directors of the Company: 3 Executive officers, etc. of the Company: 8
Number of share acquisition rights (units) *	2,064 [1,454] (Note 1)
Number of treasury share acquisition rights among share acquisition rights (units) *	—
Class, description and number of shares subject to share acquisition rights (shares) *	Common stock: 412,800 [290,800] (Notes 1, 6)
Exercise price of share acquisition rights (yen) *	250 (Notes 2, 6)
Exercise period of share acquisition rights *	From December 1, 2022 to November 7, 2029
Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights (yen) *	Issue price: 254 (Note 6) Amount to be incorporated into capital: 127 (Note 6)
Conditions for exercise of share acquisition rights *	(Note 3)
Matters concerning transfer of share acquisition rights *	Transfer of share acquisition rights shall require approval of the Company.
Matters concerning delivery of share acquisition rights in connection with corporate reorganization *	(Note 5)

* The details as of the end of this fiscal year (March 31, 2026) are stated. For items that have been changed from the end of this fiscal year to the end of the month preceding the filing date of this report (May 31, 2026), the details as of the end of the month preceding the filing date are shown in [ ], and there are no changes from the details as of the end of this fiscal year for other items.

(Note) 1. The number of shares subject to each share acquisition right is 200 shares.
However, if the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the number of shares to be granted shall be adjusted according to the following formula, and any fraction of less than one share resulting from the adjustment shall be rounded down.
Number of shares to be granted after adjustment = Number of shares to be granted before adjustment × Ratio of split or consolidation

2. If the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the exercise price shall be adjusted according to the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.
Exercise price after adjustment = Exercise price before adjustment ÷ Ratio of split or consolidation

3. Share acquisition right holders may exercise their vested share acquisition rights only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.
Share acquisition right holders may not exercise share acquisition rights 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 goodwill amortization stated in the consolidated statements of cash flows (or statements of cash flows if consolidated financial statements are not prepared)) exceeded 4,100 million yen in either the fiscal year ended March 2021 or the fiscal year ended March 2022.
① When issuance of the Company's common stock at a price below the exercise price is conducted (excluding cases where the paid-in amount constitutes particularly favorable terms as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).
② When issuance of the Company's share acquisition rights with an exercise price below the exercise price is conducted.
③ When the Company's common stock subject to the share acquisition rights is not listed on any financial instruments exchange in Japan, and trading or other transactions of the Company's common stock at a price below the exercise price are conducted (excluding cases where transactions are conducted at a price that is deemed to be significantly lower than the stock value at the time of the transaction due to capital policy purposes, etc.).
④ When the Company's common stock subject to the share acquisition rights is listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common stock on such financial instruments exchange falls below the exercise price.

4. Grounds and conditions for acquisition of share acquisition rights
① The Company may acquire all or part of the share acquisition rights issued to such share acquisition right holder at 820 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Company or the Company's affiliates (hereinafter collectively referred to as the Group) (i) retires due to company circumstances, (ii) ceases to be a director, executive officer, or employee due to reaching retirement age, (iii) receives disciplinary action (excluding dismissal) based on the work rules of the Group, (iv) holds a position in the Group that is lower than that as of the allotment date, (v) has bankruptcy, civil rehabilitation, or other insolvency proceedings commenced, or (vi) dies.
② The Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 820 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Group (i) is dismissed for disciplinary reasons, (ii) is removed from the position of director or executive officer and ceases to be an employee of the Group, or (iii) resigns or retires from the position of director or employee of the Group for personal reasons.
③ If the events specified above occur and all share acquisition rights issued to the share acquisition right holder become unexercisable, the Company may acquire all share acquisition rights issued to the share acquisition right holder without consideration upon the arrival of a date separately determined by the Board of Directors of the Company.
④ In addition to the preceding items, the Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 820 yen or the fair market value of the share acquisition rights, whichever is lower, upon the arrival of a date separately determined by the Board of Directors of the Company.
5. Matters concerning delivery of share acquisition rights in connection with corporate reorganization are as follows.
When the Company conducts a share exchange or share transfer whereby the Company becomes a wholly-owned subsidiary, when the Company conducts a merger whereby the Company becomes an absorbed company, or when the Company conducts a company split and transfers share acquisition rights to the successor company (hereinafter referred to as corporate reorganization), such share acquisition rights shall be extinguished, and the Company shall cause the company that becomes the wholly-owning parent company through such share exchange or share transfer, the surviving company after the merger, or the successor company through the company split (hereinafter

referred to as the reorganized new company) to deliver new share acquisition rights to the share acquisition right holders. However, this shall apply only if the following provisions are stipulated in the share exchange agreement relating to such share exchange, the share transfer plan relating to such share transfer, the merger agreement relating to such merger, or the split agreement or split plan relating to such company split.

① Number of share acquisition rights to be delivered

The same number of share acquisition rights as the number held by the share acquisition right holder at the time the corporate reorganization becomes effective shall be delivered.

② Class and number of shares of the reorganized new company subject to share acquisition rights

Common stock of the reorganized new company. The number of shares shall be adjusted according to the ratio of share exchange, share transfer, merger, or company split (hereinafter referred to as allotment ratio) based on the number of shares specified above (or the adjusted number of shares if adjustment has been made), and any fraction of less than one share resulting from the adjustment shall be rounded down.

③ Amount to be contributed upon exercise of share acquisition rights

The contribution amount shall be calculated and determined according to the following formula, and any fraction of less than one yen resulting from the calculation shall be rounded up.

Contribution amount after corporate reorganization = Contribution amount before the Company's corporate reorganization × 1 ÷ Allotment ratio

④ Exercise period of share acquisition rights

The exercise period shall be from the later of the start date of the period specified above or the effective date of the corporate reorganization to the expiration date of the period specified above.

⑤ Increase in share capital and capital reserve when shares are issued upon exercise of share acquisition rights

The same as specified above.

⑥ Conditions for exercise of share acquisition rights

Conditions for exercise of share acquisition rights shall be determined in accordance with the provisions above.

⑦ Grounds and conditions for acquisition of share acquisition rights

Grounds and conditions for acquisition of share acquisition rights shall be determined in accordance with the provisions above.

⑧ Restrictions on transfer of share acquisition rights, etc.

Acquisition of share acquisition rights by transfer shall require approval of the reorganized new company. Pledging or other disposition of share acquisition rights shall not be permitted.

⑨ Other conditions shall be determined in accordance with the conditions of the reorganized new company.

6. Based on the resolution of the Board of Directors of the Company held on August 21, 2024, a stock split of 1 share of common stock into 200 shares was conducted on September 13, 2024, and accordingly, Class, description and number of shares subject to share acquisition rights, Exercise price of share acquisition rights, and Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights have been adjusted.
7. These share acquisition rights were issued with compensation at 820 yen per share acquisition right.

3rd share acquisition rights (with compensation)

Date of resolution	October 19, 2022
Classification and number of grantees (persons)	Directors of the Company: 2 Executive officers, etc. of the Company: 3
Number of share acquisition rights (units) *	896 (Note 1)
Number of treasury share acquisition rights among share acquisition rights (units) *	—
Class, description and number of shares subject to share acquisition rights (shares) *	Common stock: 179,200 (Notes 1, 6)
Exercise price of share acquisition rights (yen) *	250 (Notes 2, 6)
Exercise period of share acquisition rights *	From December 1, 2022 to September 3, 2031
Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights (yen) *	Issue price: 252 (Note 6) Amount to be incorporated into capital: 126 (Note 6)
Conditions for exercise of share acquisition rights *	(Note 3)
Matters concerning transfer of share acquisition rights *	Transfer of share acquisition rights shall require approval of the Company.
Matters concerning delivery of share acquisition rights in connection with corporate reorganization *	(Note 5)

* The details as of the end of this fiscal year (March 31, 2026) are stated. There have been no changes from the end of the current fiscal year to the end of the month preceding the submission date of this document (May 31, 2026).

(Note) 1. The number of shares subject to each share acquisition right is 200 shares.
However, if the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the number of shares to be granted shall be adjusted according to the following formula, and any fraction of less than one share resulting from the adjustment shall be rounded down.
Number of shares to be granted after adjustment = Number of shares to be granted before adjustment × Ratio of split or consolidation

2. If the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the exercise price shall be adjusted according to the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.
Exercise price after adjustment = Exercise price before adjustment ÷ Ratio of split or consolidation

3. Share acquisition right holders may exercise their vested share acquisition rights only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.
Share acquisition right holders may not exercise share acquisition rights if any of the following events occurs during the exercise period. However, this shall not apply if EBITDA (defined as operating profit in the Company's consolidated statements of income (or statements of income if consolidated financial statements are not prepared), plus depreciation and goodwill amortization as 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

March 2024. This shall not apply if) exceeds 2,300 million yen.
① When issuance of the Company's common stock at a price below the exercise price is conducted (excluding cases where the paid-in amount constitutes particularly favorable terms as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).
② When issuance of the Company's share acquisition rights with an exercise price below the exercise price is conducted.
③ When the Company's common stock subject to the share acquisition rights is not listed on any financial instruments exchange in Japan, and trading or other transactions of the Company's common stock at a price below the exercise price are conducted (excluding cases where transactions are conducted at a price that is deemed to be significantly lower than the stock value at the time of the transaction due to capital policy purposes, etc.).
④ When the Company's common stock subject to the share acquisition rights is listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common stock on such financial instruments exchange falls below the exercise price.

4. Grounds and conditions for acquisition of share acquisition rights
① The Company may acquire all or part of the share acquisition rights issued to such share acquisition right holder at 502 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Company or the Company's affiliates (hereinafter collectively referred to as the Group) (i) retires due to company circumstances, (ii) ceases to be a director, executive officer, or employee due to reaching retirement age, (iii) receives disciplinary action (excluding dismissal) based on the work rules of the Group, (iv) holds a position in the Group that is lower than that as of the allotment date, (v) has bankruptcy, civil rehabilitation, or other insolvency proceedings commenced, or (vi) dies.
② The Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 502 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Group (i) is dismissed for disciplinary reasons, (ii) is removed from the position of director or executive officer and ceases to be an employee of the Group, or (iii) resigns or retires from the position of director or employee of the Group for personal reasons.
③ If the events specified above occur and all share acquisition rights issued to the share acquisition right holder become unexercisable, the Company may acquire all share acquisition rights issued to the share acquisition right holder without consideration upon the arrival of a date separately determined by the Board of Directors of the Company.
④ In addition to the preceding items, the Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 502 yen or the fair market value of the share acquisition rights, whichever is lower, upon the arrival of a date separately determined by the Board of Directors of the Company.

5. Matters concerning delivery of share acquisition rights in connection with corporate reorganization are as follows.
When the Company conducts a share exchange or share transfer whereby the Company becomes a wholly-owned subsidiary, when the Company conducts a merger whereby the Company becomes an absorbed company, or when the Company conducts a company split and transfers share acquisition rights to the successor company (hereinafter referred to as corporate reorganization), such share acquisition rights shall be extinguished, and the Company shall cause the company that becomes the wholly-owning parent company through such share exchange or share transfer, the surviving company after the merger, or the successor company through the company split (hereinafter referred to as the reorganized new company) to deliver new share acquisition rights to the share acquisition right holders. However, this shall apply only if the following provisions are stipulated in the share exchange agreement relating to such share exchange, the share transfer plan relating to such share transfer, the merger agreement relating to such merger, or the split agreement or split plan relating to

such company split.
① Number of share acquisition rights to be delivered
The same number of share acquisition rights as the number held by the share acquisition right holder at the time the corporate reorganization becomes effective shall be delivered.
② Class and number of shares of the reorganized new company subject to share acquisition rights
Common stock of the reorganized new company. The number of shares shall be adjusted according to the ratio of share exchange, share transfer, merger, or company split (hereinafter referred to as allotment ratio) based on the number of shares specified above (or the adjusted number of shares if adjustment has been made), and any fraction of less than one share resulting from the adjustment shall be rounded down.
③ Amount to be contributed upon exercise of share acquisition rights
The contribution amount shall be calculated and determined according to the following formula, and any fraction of less than one yen resulting from the calculation shall be rounded up.
Contribution amount after corporate reorganization = Contribution amount before the Company's corporate reorganization × 1 ÷ Allotment ratio
④ Exercise period of share acquisition rights
The exercise period shall be from the later of the start date of the period specified above or the effective date of the corporate reorganization to the expiration date of the period specified above.
⑤ Increase in share capital and capital reserve when shares are issued upon exercise of share acquisition rights
The same as specified above.
⑥ Conditions for exercise of share acquisition rights
Conditions for exercise of share acquisition rights shall be determined in accordance with the provisions above.
⑦ Grounds and conditions for acquisition of share acquisition rights
Grounds and conditions for acquisition of share acquisition rights shall be determined in accordance with the provisions above.
⑧ Restrictions on transfer of share acquisition rights, etc.
Acquisition of share acquisition rights by transfer shall require approval of the reorganized new company. Pledging or other disposition of share acquisition rights shall not be permitted.
⑨ Other conditions shall be determined in accordance with the conditions of the reorganized new company.

6. Based on the resolution of the Board of Directors of the Company held on August 21, 2024, a stock split of 1 share of common stock into 200 shares was conducted on September 13, 2024, and accordingly, Class, description and number of shares subject to share acquisition rights, Exercise price of share acquisition rights, and Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights have been adjusted.
7. These share acquisition rights were issued with compensation at 502 yen per share acquisition right.

4th share acquisition rights (with compensation)

Date of resolution	October 19, 2022
Classification and number of grantees (persons)	Directors of the Company: 1 Executive officers, etc. of the Company: 1
Number of share acquisition rights (units) *	1,184 (Note) 1
Number of treasury share acquisition rights among share acquisition rights (units) *	—
Class, description and number of shares subject to share acquisition rights (shares) *	Common shares 216,800 (Notes) 1, 6
Exercise price of share acquisition rights (yen) *	250 (Notes 2, 6)
Exercise period of share acquisition rights *	From December 1, 2022 to September 16, 2032
Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights (yen) *	Issue price: 253 (Note 6) Amount to be incorporated into capital: 127 (Note 6)
Conditions for exercise of share acquisition rights *	(Note 3)
Matters concerning transfer of share acquisition rights *	Transfer of share acquisition rights shall require approval of the Company.
Matters concerning delivery of share acquisition rights in connection with corporate reorganization *	(Note 5)

* The details as of the end of this fiscal year (March 31, 2026) are stated. There have been no changes from the end of the current fiscal year to the end of the month preceding the submission date of this document (May 31, 2026).

(Note) 1. The number of shares subject to each share acquisition right is 200 shares.
However, if the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the number of shares to be granted shall be adjusted according to the following formula, and any fraction of less than one share resulting from the adjustment shall be rounded down.
Number of shares to be granted after adjustment = Number of shares to be granted before adjustment × Ratio of split or consolidation

2. If the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the exercise price shall be adjusted according to the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.
Exercise price after adjustment = Exercise price before adjustment ÷ Ratio of split or consolidation

3. Share acquisition right holders may exercise their vested share acquisition rights only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.
Share acquisition right holders may not exercise share acquisition rights if any of the following events occurs during the exercise period. However, this shall not apply if EBITDA (defined as operating profit in the Company's consolidated statements of income (or statements of income if consolidated financial statements are not prepared), plus depreciation and goodwill amortization as 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 March 2024. This shall not apply if) exceeds 2,700 million yen.
① When issuance of the Company's common stock at a price below the exercise price is conducted (excluding cases where the paid-in amount constitutes particularly favorable terms as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).
② When issuance of the Company's share acquisition rights with an exercise price below the exercise price is conducted.
③ When the Company's common stock subject to the share acquisition rights is not listed on any financial instruments exchange in Japan, and trading or other transactions of the Company's common stock at a price below the exercise price are conducted (excluding cases where transactions are conducted at a price that is deemed to be significantly lower than the stock value at the time of the transaction due to capital policy purposes, etc.).
④ When the Company's common stock subject to the share acquisition rights is listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common stock on such financial instruments exchange falls below the exercise price.

4. Grounds and conditions for acquisition of share acquisition rights
① The Company may acquire all or part of the share acquisition rights issued to such share acquisition right holder at 657 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Company or the Company's affiliates (hereinafter collectively referred to as the Group) (i) retires due to company circumstances, (ii) ceases to be a director, executive officer, or employee due to reaching retirement age, (iii) receives disciplinary action (excluding dismissal) based on the work rules of the Group, (iv) holds a position in the Group that is lower than that as of the allotment date, (v) has bankruptcy, civil rehabilitation, or other insolvency proceedings commenced, or (vi) dies.
② The Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 657 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Group (i) is dismissed for disciplinary reasons, (ii) is removed from the position of director or executive officer and ceases to be an employee of the Group, or (iii) resigns or retires from the position of director or employee of the Group for personal reasons.
③ If the events specified above occur and all share acquisition rights issued to the share acquisition right holder become unexercisable, the Company may acquire all share acquisition rights issued to the share acquisition right holder without consideration upon the arrival of a date separately determined by the Board of Directors of the Company.
④ In addition to the preceding items, the Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 657 yen or the fair market value of the share acquisition rights, whichever is lower, upon the arrival of a date separately determined by the Board of Directors of the Company.
5. Matters concerning delivery of share acquisition rights in connection with corporate reorganization are as follows.
When the Company conducts a share exchange or share transfer whereby the Company becomes a wholly-owned subsidiary, when the Company conducts a merger whereby the Company becomes an absorbed company, or when the Company conducts a company split and transfers share acquisition rights to the successor company (hereinafter referred to as corporate reorganization), such share acquisition rights shall be extinguished, and the Company shall cause the company that becomes the wholly-owning parent company through such share exchange or share transfer, the surviving company after the merger, or the successor company through the company split (hereinafter referred to as the reorganized new company) to deliver new share acquisition rights to the share acquisition right holders. However, this shall apply only if the following provisions are stipulated in the share exchange agreement relating to such share exchange, the share transfer plan relating to such share transfer, the merger agreement relating to such merger, or the split agreement or split plan relating to

such company split.
① Number of share acquisition rights to be delivered
The same number of share acquisition rights as the number held by the share acquisition right holder at the time the corporate reorganization becomes effective shall be delivered.
② Class and number of shares of the reorganized new company subject to share acquisition rights
Common stock of the reorganized new company. The number of shares shall be adjusted according to the ratio of share exchange, share transfer, merger, or company split (hereinafter referred to as allotment ratio) based on the number of shares specified above (or the adjusted number of shares if adjustment has been made), and any fraction of less than one share resulting from the adjustment shall be rounded down.
③ Amount to be contributed upon exercise of share acquisition rights
The contribution amount shall be calculated and determined according to the following formula, and any fraction of less than one yen resulting from the calculation shall be rounded up.
Contribution amount after corporate reorganization = Contribution amount before the Company's corporate reorganization × 1 ÷ Allotment ratio
④ Exercise period of share acquisition rights
The exercise period shall be from the later of the start date of the period specified above or the effective date of the corporate reorganization to the expiration date of the period specified above.
⑤ Increase in share capital and capital reserve when shares are issued upon exercise of share acquisition rights
The same as specified above.
⑥ Conditions for exercise of share acquisition rights
Conditions for exercise of share acquisition rights shall be determined in accordance with the provisions above.
⑦ Grounds and conditions for acquisition of share acquisition rights
Grounds and conditions for acquisition of share acquisition rights shall be determined in accordance with the provisions above.
⑧ Restrictions on transfer of share acquisition rights, etc.
Acquisition of share acquisition rights by transfer shall require approval of the reorganized new company. Pledging or other disposition of share acquisition rights shall not be permitted.
⑨ Other conditions shall be determined in accordance with the conditions of the reorganized new company.

6. Based on the resolution of the Board of Directors of the Company held on August 21, 2024, a stock split of 1 share of common stock into 200 shares was conducted on September 13, 2024, and accordingly, Class, description and number of shares subject to share acquisition rights, Exercise price of share acquisition rights, and Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights have been adjusted.
7. These share acquisition rights were issued with compensation at 657 yen per share acquisition right.

5th share acquisition rights (with compensation)

Date of resolution	November 17, 2023
Classification and number of grantees (persons)	Directors of the Company: 2 Executive officers, etc. of the Company: 10
Number of share acquisition rights (units) *	1,340 [1,260] (Note 1)
Number of treasury share acquisition rights among share acquisition rights (units) *	160
Class, description and number of shares subject to share acquisition rights (shares) *	Common stock: 268,000 [252,000] (Notes 1, 6)
Exercise price of share acquisition rights (yen) *	600 (Notes 2, 6)
Exercise period of share acquisition rights *	From December 11, 2023 to November 17, 2033
Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights (yen) *	Issue price: 605 (Note 6) Amount to be incorporated into capital: 303 (Note 6)
Conditions for exercise of share acquisition rights *	(Note 3)
Matters concerning transfer of share acquisition rights *	Transfer of share acquisition rights shall require approval of the Company.
Matters concerning delivery of share acquisition rights in connection with corporate reorganization *	(Note 5)

* The details as of the end of this fiscal year (March 31, 2026) are stated. For items that have been changed from the end of this fiscal year to the end of the month preceding the filing date of this report (May 31, 2026), the details as of the end of the month preceding the filing date are shown in [ ], and there are no changes from the details as of the end of this fiscal year for other items.

(Note) 1. The number of shares subject to each share acquisition right is 200 shares.
However, if the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the number of shares to be granted shall be adjusted according to the following formula, and any fraction of less than one share resulting from the adjustment shall be rounded down.
Number of shares to be granted after adjustment = Number of shares to be granted before adjustment × Ratio of split or consolidation

2. If the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the exercise price shall be adjusted according to the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.
Exercise price after adjustment = Exercise price before adjustment ÷ Ratio of split or consolidation

3. Share acquisition right holders may exercise their vested share acquisition rights only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.
Share acquisition right holders may not exercise share acquisition rights if any of the following events occurs during the exercise period. However, this shall not apply if EBITDA (defined as operating profit in the Company's consolidated statements of income (or statements of income if consolidated financial statements are not prepared), plus depreciation and goodwill amortization as 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 March 2026. exceeded 4,100 million yen in either the fiscal year ended March 2021 or the fiscal year ended March 2022.

① When issuance of the Company's common stock at a price below the exercise price is conducted (excluding cases where the paid-in amount constitutes particularly favorable terms as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).

② When issuance of the Company's share acquisition rights with an exercise price below the exercise price is conducted.

③ When the Company's common stock subject to the share acquisition rights is not listed on any financial instruments exchange in Japan, and trading or other transactions of the Company's common stock at a price below the exercise price are conducted (excluding cases where transactions are conducted at a price that is deemed to be significantly lower than the stock value at the time of the transaction due to capital policy purposes, etc.).

④ When the Company's common stock subject to the share acquisition rights is listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common stock on such financial instruments exchange falls below the exercise price.

4. Grounds and conditions for acquisition of share acquisition rights

① The Company may acquire all or part of the share acquisition rights issued to such share acquisition right holder at 1,031 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Company or the Company's affiliates (hereinafter collectively referred to as the Group) (i) retires due to company circumstances, (ii) ceases to be a director, executive officer, or employee due to reaching retirement age, (iii) receives disciplinary action (excluding dismissal) based on the work rules of the Group, (iv) holds a position in the Group that is lower than that as of the allotment date, (v) has bankruptcy, civil rehabilitation, or other insolvency proceedings commenced, or (vi) dies.

② The Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 1,031 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Group (i) is dismissed for disciplinary reasons, (ii) is removed from the position of director or executive officer and ceases to be an employee of the Group, or (iii) resigns or retires from the position of director or employee of the Group for personal reasons.

③ If the events specified above occur and all share acquisition rights issued to the share acquisition right holder become unexercisable, the Company may acquire all share acquisition rights issued to the share acquisition right holder without consideration upon the arrival of a date separately determined by the Board of Directors of the Company.

④ In addition to the preceding items, the Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 1,031 yen or the fair market value of the share acquisition rights, whichever is lower, upon the arrival of a date separately determined by the Board of Directors of the Company.

5. Matters concerning delivery of share acquisition rights in connection with corporate reorganization are as follows.

When the Company conducts a share exchange or share transfer whereby the Company becomes a wholly-owned subsidiary, when the Company conducts a merger whereby the Company becomes an absorbed company, or when the Company conducts a company split and transfers share acquisition rights to the successor company (hereinafter referred to as corporate reorganization) such share acquisition rights shall be extinguished, and the Company shall cause the company that becomes the wholly-owning parent company through such share exchange or share transfer, the surviving company after the merger, or the successor company through the company split (hereinafter referred to as the reorganized new company) to deliver new share acquisition rights to the share acquisition right holders. However, this shall apply only if the following provisions are stipulated in the share exchange agreement relating to such share exchange, the share transfer plan relating to such share transfer, the merger agreement relating to such merger, or the split agreement or split plan relating to such company split.

① Number of share acquisition rights to be delivered

The same number of share acquisition rights as the number held by the share acquisition right holder at the time the corporate reorganization becomes effective shall be delivered.

② Class and number of shares of the reorganized new company subject to share acquisition rights

Common stock of the reorganized new company. The number of shares shall be adjusted according to the ratio of share exchange, share transfer, merger, or company split (hereinafter referred to as allotment ratio) based on the number of shares specified above (or the adjusted number of shares if adjustment has been made), and any fraction of less than one share resulting from the adjustment shall be rounded down.

③ Amount to be contributed upon exercise of share acquisition rights

The contribution amount shall be calculated and determined according to the following formula, and any fraction of less than one yen resulting from the calculation shall be rounded up.

Contribution amount after corporate reorganization = Contribution amount before the Company's corporate reorganization × 1 ÷ Allotment ratio

④ Exercise period of share acquisition rights

The exercise period shall be from the later of the start date of the period specified above or the effective date of the corporate reorganization to the expiration date of the period specified above.

⑤ Increase in share capital and capital reserve when shares are issued upon exercise of share acquisition rights

The same as specified above.

⑥ Conditions for exercise of share acquisition rights

Conditions for exercise of share acquisition rights shall be determined in accordance with the provisions above.

⑦ Grounds and conditions for acquisition of share acquisition rights

Grounds and conditions for acquisition of share acquisition rights shall be determined in accordance with the provisions above.

⑧ Restrictions on transfer of share acquisition rights, etc.

Acquisition of share acquisition rights by transfer shall require approval of the reorganized new company. Pledging or other disposition of share acquisition rights shall not be permitted.

⑨ Other conditions shall be determined in accordance with the conditions of the reorganized new company.

6. Based on the resolution of the Board of Directors of the Company held on August 21, 2024, a stock split of 1 share of common stock into 200 shares was conducted on September 13, 2024, and accordingly, Class, description and number of shares subject to share acquisition rights, Exercise price of share acquisition rights, and Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights have been adjusted.
7. These share acquisition rights are issued for consideration at 1,031 yen per share acquisition right.

6th share acquisition rights (with compensation)

Date of resolution	June 17, 2024
Classification and number of grantees (persons)	Directors of the Company 1 Executive officers, etc. of the Company: 7
Number of share acquisition rights (units) *	262 (Note 1)
Number of treasury share acquisition rights among share acquisition rights (units) *	—
Class, description and number of shares subject to share acquisition rights (shares) *	Common shares: 52,400 (Notes 1, 6)
Exercise price of share acquisition rights (yen) *	750 (Notes 2, 6)
Exercise period of share acquisition rights *	From July 22, 2024 to June 17, 2034
Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights (yen) *	Issue price: 757 (Note 6) Amount to be incorporated into capital: 379 (Note 6)
Conditions for exercise of share acquisition rights *	(Note 3)
Matters concerning transfer of share acquisition rights *	Transfer of share acquisition rights shall require approval of the Company.
Matters concerning delivery of share acquisition rights in connection with corporate reorganization *	(Note 5)

* The details as of the end of this fiscal year (March 31, 2026) are stated. There have been no changes from the end of the current fiscal year to the end of the month preceding the submission date of this document (May 31, 2026).

(Note) 1. The number of shares subject to each share acquisition right is 200 shares.
However, if the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the number of shares to be granted shall be adjusted according to the following formula, and any fraction of less than one share resulting from the adjustment shall be rounded down.
Number of shares to be granted after adjustment = Number of shares to be granted before adjustment × Ratio of split or consolidation

2. If the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the exercise price shall be adjusted according to the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.
Exercise price after adjustment = Exercise price before adjustment ÷ Ratio of split or consolidation

3. Share acquisition right holders may exercise their vested share acquisition rights only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.
Share acquisition right holders may not exercise share acquisition rights if any of the following events occurs during the exercise period. However, this shall not apply if EBITDA (defined as operating profit in the Company's consolidated statements of income (or statements of income if consolidated financial statements are not prepared), plus depreciation and goodwill amortization as 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 March 2027. This shall not apply if) exceeds 4,500 million yen.
① When issuance of the Company's common stock at a price below the exercise price is conducted (excluding cases where the paid-in amount constitutes particularly favorable terms as provided in Article 199, Paragraph 3 and Article 200, Paragraph 2 of the Companies Act).
② When issuance of the Company's share acquisition rights with an exercise price below the exercise price is conducted.
③ When the Company's common stock subject to the share acquisition rights is not listed on any financial instruments exchange in Japan, and trading or other transactions of the Company's common stock at a price below the exercise price are conducted (excluding cases where transactions are conducted at a price that is deemed to be significantly lower than the stock value at the time of the transaction due to capital policy purposes, etc.).
④ When the Company's common stock subject to the share acquisition rights is listed on any financial instruments exchange in Japan, and the closing price of regular trading of the Company's common stock on such financial instruments exchange falls below the exercise price.

4. Grounds and conditions for acquisition of share acquisition rights
① The Company may acquire all or part of the share acquisition rights issued to such share acquisition right holder at 1,549 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Company or the Company's affiliates (hereinafter collectively referred to as the Group) (i) retires due to company circumstances, (ii) ceases to be a director, executive officer, or employee due to reaching retirement age, (iii) receives disciplinary action (excluding dismissal) based on the work rules of the Group, (iv) holds a position in the Group that is lower than that as of the allotment date, (v) has bankruptcy, civil rehabilitation, or other insolvency proceedings commenced, or (vi) dies.
② The Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 1,549 yen or 50% of the fair market value of the share acquisition rights, whichever is higher, upon the arrival of a date separately determined by the Board of Directors of the Company, if the share acquisition right holder in the Group (i) is dismissed for disciplinary reasons, (ii) is removed from the position of director or executive officer and ceases to be an employee of the Group, or (iii) resigns or retires from the position of director or employee of the Group for personal reasons.
③ If the events specified above occur and all share acquisition rights issued to the share acquisition right holder become unexercisable, the Company may acquire all share acquisition rights issued to the share acquisition right holder without consideration upon the arrival of a date separately determined by the Board of Directors of the Company.
④ In addition to the preceding items, the Company may acquire all of the share acquisition rights issued to such share acquisition right holder at 1,549 yen or the fair market value of the share acquisition rights, whichever is lower, upon the arrival of a date separately determined by the Board of Directors of the Company.
5. Matters concerning delivery of share acquisition rights in connection with corporate reorganization are as follows.
When the Company conducts a share exchange or share transfer whereby the Company becomes a wholly-owned subsidiary, when the Company conducts a merger whereby the Company becomes an absorbed company, or when the Company conducts a company split and transfers share acquisition rights to the successor company (hereinafter referred to as corporate reorganization), such share acquisition rights shall be extinguished, and the Company shall cause the company that becomes the wholly-owning parent company through such share exchange or share transfer, the surviving company after the merger, or the successor company through the company split (hereinafter referred to as the reorganized new company) to deliver new share acquisition rights to the share acquisition right holders. However, this shall apply only if the following provisions are stipulated in the share exchange agreement relating to such share exchange, the share transfer plan relating to such share transfer, the merger agreement relating to such merger, or the split agreement or split plan relating to

such company split.
① Number of share acquisition rights to be delivered
The same number of share acquisition rights as the number held by the share acquisition right holder at the time the corporate reorganization becomes effective shall be delivered.
② Class and number of shares of the reorganized new company subject to share acquisition rights
Common stock of the reorganized new company. The number of shares shall be adjusted according to the ratio of share exchange, share transfer, merger, or company split (hereinafter referred to as allotment ratio) based on the number of shares specified above (or the adjusted number of shares if adjustment has been made), and any fraction of less than one share resulting from the adjustment shall be rounded down.
③ Amount to be contributed upon exercise of share acquisition rights
The contribution amount shall be calculated and determined according to the following formula, and any fraction of less than one yen resulting from the calculation shall be rounded up.
Contribution amount after corporate reorganization = Contribution amount before the Company's corporate reorganization × 1 ÷ Allotment ratio
④ Exercise period of share acquisition rights
The exercise period shall be from the later of the start date of the period specified above or the effective date of the corporate reorganization to the expiration date of the period specified above.
⑤ Increase in share capital and capital reserve when shares are issued upon exercise of share acquisition rights
The same as specified above.
⑥ Conditions for exercise of share acquisition rights
Conditions for exercise of share acquisition rights shall be determined in accordance with the provisions above.
⑦ Grounds and conditions for acquisition of share acquisition rights
Grounds and conditions for acquisition of share acquisition rights shall be determined in accordance with the provisions above.
⑧ Restrictions on transfer of share acquisition rights, etc.
Acquisition of share acquisition rights by transfer shall require approval of the reorganized new company. Pledging or other disposition of share acquisition rights shall not be permitted.
⑨ Other conditions shall be determined in accordance with the conditions of the reorganized new company.

6. Based on the resolution of the Board of Directors of the Company held on August 21, 2024, a stock split of 1 share of common stock into 200 shares was conducted on September 13, 2024, and accordingly, Class, description and number of shares subject to share acquisition rights, Exercise price of share acquisition rights, and Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights have been adjusted.
7. These share acquisition rights are issued for consideration at 1,549 yen per share acquisition right.

Share acquisition rights (without contribution)

	1st	2nd	3rd
Date of resolution	October 19, 2022	October 19, 2022	October 19, 2022
Classification and number of grantees (persons)	Directors of the Company: 4 Executive officers, etc. of the Company: 41	Employees, etc. of the Company: 9	Executive officers, etc. of the Company: 11
Number of share acquisition rights (units) *	2,419 [2,344] (Note 1)	148 (Note 1)	1,034 [884] (Note 1)
Number of treasury share acquisition rights among share acquisition rights (units) *	—	—	—
Class, description and number of shares subject to share acquisition rights (shares) *	Common shares 483,800[468,800] (Notes 1, 6)	Common shares 29,600 (Notes 1, 6)	Common shares 206,800[176,800] (Notes 1, 6)
Exercise price of share acquisition rights (yen) *	250 (Notes 2, 6)	250 (Notes 2, 6)	250 (Notes 2, 6)
Exercise period of share acquisition rights *	From December 1, 2022 To October 18, 2029	From December 1, 2022 To September 30, 2030	From September 4, 2023 To September 3, 2031
Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights (yen) *	Issue price: 250 (Note 6) Amount to be incorporated into capital: 125 (Note 6)	Issue price: 250 (Note 6) Amount to be incorporated into capital: 125 (Note 6)	Issue price: 250 (Note 6) Amount to be incorporated into capital: 125 (Note 6)
Conditions for exercise of share acquisition rights *	(Note 4)	(Note 4)	(Note 4)
Matters concerning transfer of share acquisition rights *	Transfer of share acquisition rights shall require approval of the Company.	Transfer of share acquisition rights shall require approval of the Company.	Transfer of share acquisition rights shall require approval of the Company.
Matters concerning delivery of share acquisition rights in connection with organizational restructuring *	(Note 5)	(Note 5)	(Note 5)

	4th	5th	6th
Date of resolution	October 19, 2022	November 17, 2023	June 17, 2024
Classification and number of grantees (persons)	Directors of the Company 1 Executive officers, etc. of the Company: 17	Directors of the Company: 2 Executive officers, etc. of the Company: 14	Directors of the Company 1 Executive officers, etc. of the Company: 8
Number of share acquisition rights (units) *	1,084 [1,031] (Note 1)	1,215 [1,112] (Note 1)	597 (Note 1)
Number of treasury share acquisition rights among share acquisition rights (units) *	— [80]	160	—
Class, description and number of shares subject to share acquisition rights (shares) *	Common shares 216,800[206,200] (Notes 1, 6)	Common shares 243,000[222,400] (Notes 1, 6)	Common shares 119,400 (Notes 1, 6)
Exercise price of share acquisition rights (yen) *	250 (Notes 2, 6)	600 (Notes 2, 6)	750 (Notes 2, 6)
Exercise period of share acquisition rights *	From September 17, 2024 To September 16, 2032	From November 18, 2025 To November 17, 2033	From June 18, 2026 To June 17, 2034
Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights (yen) *	Issue price: 250 (Note 6) Amount to be incorporated into capital: 125 (Note 6)	Issue price: 600 (Note 6) Amount to be incorporated into capital: 300 (Note 6)	Issue price: 750 (Note 6) Amount to be incorporated into capital: 375 (Note 6)
Conditions for exercise of share acquisition rights *	(Note 4)	(Note 4)	(Note 4)
Matters concerning transfer of share acquisition rights *	Transfer of share acquisition rights shall require approval of the Company.	Transfer of share acquisition rights shall require approval of the Company.	Transfer of share acquisition rights shall require approval of the Company.
Matters concerning delivery of share acquisition rights in connection with organizational restructuring *	(Note 5)	(Note 5)	(Note 5)

* The details as of the end of this fiscal year (March 31, 2026) are stated. For items that have been changed from the end of this fiscal year to the end of the month preceding the filing date of this report (May 31, 2026), the details as of the end of the month

preceding the filing date are shown in [ ], and there are no changes from the details as of the end of this fiscal year for other items.

(Note) 1. The number of shares subject to each share acquisition right is 200 shares.
However, if the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the number of shares to be granted shall be adjusted according to the following formula, and any fraction of less than one share resulting from the adjustment shall be rounded down.
Number of shares to be granted after adjustment = Number of shares to be granted before adjustment × Ratio of split or consolidation

2. If the Company conducts a stock split or stock consolidation after the allotment date of share acquisition rights, the exercise price shall be adjusted according to the following formula, and any fraction of less than one yen resulting from the adjustment shall be rounded up.
Exercise price after adjustment = Exercise price before adjustment ÷ Ratio of split or consolidation

3. Grounds and conditions for acquisition of share acquisition rights
① The Company may acquire all or part of the share acquisition rights issued to the relevant share acquisition rights holder without consideration upon the arrival of a date separately determined by the Company's Board of Directors, in cases where the share acquisition rights holder at the Company or an affiliated company of the Company (hereinafter collectively referred to as the Group) (i) has retired due to company circumstances, (ii) has ceased to be a director, executive officer or employee due to mandatory retirement, (iii) has received disciplinary action (excluding dismissal) based on the work rules of the Group, (iv) the position of the share acquisition rights holder in the Group has become lower than that as of the allotment date, (v) bankruptcy, civil rehabilitation or other insolvency proceedings have been commenced with respect to the share acquisition rights holder, or (vi) the share acquisition rights holder has died.
② The Company may acquire all of the share acquisition rights issued to the relevant share acquisition rights holder without consideration upon the arrival of a date separately determined by the Company's Board of Directors, in cases where the share acquisition rights holder in the Group (i) has been dismissed for disciplinary reasons, (ii) has been removed from the position of director or executive officer and has ceased to be an employee of the Group, or (iii) has resigned or retired from the position of director or employee of the Group for personal reasons.
③ In addition to the preceding items, the Company may acquire all of the share acquisition rights issued to the relevant share acquisition rights holder without consideration upon the arrival of a date separately determined by the Company's Board of Directors.

4. Share acquisition right holders may exercise their vested share acquisition rights only when an exit event (listing exit, transfer request exit, or transfer participation exit) occurs.

5. Matters concerning delivery of share acquisition rights in connection with corporate reorganization are as follows.
When the Company conducts a share exchange or share transfer whereby the Company becomes a wholly-owned subsidiary, when the Company conducts a merger whereby the Company becomes an absorbed company, or when the Company conducts a company split and transfers share acquisition rights to the successor company (hereinafter referred to as corporate reorganization), such share acquisition rights shall be extinguished, and the Company shall cause the company that becomes the wholly-owning parent company through such share exchange or share transfer, the surviving company after the merger, or the successor company through the company split (hereinafter referred to as the reorganized new company) to deliver new share acquisition rights to the share acquisition right holders. However, this shall apply only if the following provisions are stipulated in the share exchange agreement relating to such share exchange, the share transfer plan relating to such share transfer, the merger agreement relating to such merger, or the split agreement or split plan relating to such company split.
① Number of share acquisition rights to be delivered
The same number of share acquisition rights as the number held by the share acquisition right holder at the time the corporate reorganization becomes effective shall

be delivered.
② Class and number of shares of the reorganized new company subject to share acquisition rights
Common stock of the reorganized new company. The number of shares shall be adjusted according to the ratio of share exchange, share transfer, merger, or company split (hereinafter referred to as allotment ratio) based on the number of shares specified above (or the adjusted number of shares if adjustment has been made), and any fraction of less than one share resulting from the adjustment shall be rounded down.
③ Amount to be contributed upon exercise of share acquisition rights
The contribution amount shall be calculated and determined according to the following formula, and any fraction of less than one yen resulting from the calculation shall be rounded up.
Contribution amount after corporate reorganization = Contribution amount before the Company's corporate reorganization × 1 ÷ Allotment ratio
④ Exercise period of share acquisition rights
The exercise period shall be from the later of the start date of the period specified above or the effective date of the corporate reorganization to the expiration date of the period specified above.
(5) Increase in capital stock and capital reserve when shares are issued upon exercise of share acquisition rights shall be the same as specified above.
⑥ Conditions for exercise of share acquisition rights
Conditions for exercise of share acquisition rights shall be determined in accordance with the provisions above.
⑦ Grounds and conditions for acquisition of share acquisition rights
Grounds and conditions for acquisition of share acquisition rights shall be determined in accordance with the provisions above.
⑧ Restrictions on transfer of share acquisition rights, etc.
Acquisition of share acquisition rights by transfer shall require approval of the reorganized new company. Pledging or other disposition of share acquisition rights shall not be permitted.
⑨ Other conditions shall be determined in accordance with the conditions of the reorganized new company.

6. Based on the resolution of the Board of Directors of the Company held on August 21, 2024, a stock split of 1 share of common stock into 200 shares was conducted on September 13, 2024, and accordingly, Class, description and number of shares subject to share acquisition rights, Exercise price of share acquisition rights, and Issue price of shares and amount to be incorporated into capital when shares are issued upon exercise of share acquisition rights have been adjusted.

② Details of Rights Plan

Not applicable.

③ Status of Other Share Acquisition Rights, etc.

Not applicable.

(3) Exercise Status of Bonds with Share Acquisition Rights with Exercise Price Adjustment Clause, etc.

Not applicable.

(4) Changes in Total Number of Issued Shares, Capital Stock, etc.

Date	Issued shares Changes in total number (Shares)	Issued shares Total number balance (Shares)	Changes in capital stock (Millions of yen)	Capital stock balance (Millions of yen)	Capital reserve Changes (B-A) (Millions of yen)	Capital reserve Balance (Millions of yen)
December 1, 2022 (Notes 1)	271,963	991,963	–	360	–	–
February 10, 2023 (Notes 2)	730	992,693	18	378	18	18
December 11, 2023 (Note 3)	△719,875	272,818	–	378	–	18
September 13, 2024 (Note 4)	54,290,782	54,563,600	–	378	–	18
June 30, 2025 (Note 3)	△13,750,200	40,813,400	–	378	–	18
From April 1, 2025, to March 31, 2026 (Note 5)	1,439,800	42,253,200	182	560	182	200

Notes 1. Increase due to merger with Ocean Waves Holdings Co., Ltd. 271,963 newly issued common shares were delivered, with 1 share of ORION BREWERIES, LTD. common stock allocated for each 1 share of Ocean Waves Holdings Co., Ltd. common stock held.

2. Increase due to paid third-party allotment capital increase (allottee: ORION BREWERIES Employee Stock Ownership Association).
 Issue price: 50,000 yen
 Amount incorporated into capital: 25,000 yen
3. Decrease due to cancellation of treasury shares.
4. Due to stock split (1:200).
5. Increase due to exercise of share acquisition rights (stock options).
6. During the period from April 1, 2026, to May 31, 2026, the exercise of share acquisition rights resulted in an increase in the total number of issued shares of 214,200 shares, capital stock of 33 million yen, and capital reserve of 33 million yen.

(5) Ownership Status by Type of Shareholder

As of March 31, 2026

Category	Status of shares (100 shares per unit)								Shares less than one unit (Shares)
	Government and local public entities	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals Other	Total	
					Other than individuals	Individuals			
Number of shareholders	0	27	36	734	52	126	42,519	43,494	-
Number of shares owned (units)	0	65,919	10,041	113,229	13,493	4,169	215,157	422,008	52,400
Number of shares Percentage (%)	0	15.62	2.38	26.83	3.20	0.99	50.98	100.00	-

Notes 1. 505,500 shares of the ORION BREWERIES Employee Stock Ownership Association are included as 5,055 units in the Individuals and others column.
2. 39 treasury shares are included as 39 shares in Shares less than one unit.

(6) Major Shareholders

As of March 31, 2026

Name	Address	Number of shares (Shares)	Issued shares (excluding treasury shares) Percentage of Number of shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1 Akasaka, Minato-ku, Tokyo, Akasaka Intercity AIR	4,172,900	9.87
Asahi Breweries, Ltd.	1-23-1 Azumabashi, Sumida-ku, Tokyo	4,125,200	9.76
Kintetsu Group Holdings Co., Ltd.	6-1-55 Uehonmachi, Tennoji-ku, Osaka City, Osaka	4,119,200	9.74
The Bank of Okinawa, Ltd.	3-10-1 Kumoji, Naha City, Okinawa	588,200	1.39
Bank of The Ryukyus, Limited	1-11-1 Kumoji, Naha City, Okinawa	588,200	1.39
Ryukyu Kaiun Co., Ltd.	1-24-11 Nishi, Naha City, Okinawa	588,200	1.39
ORION BREWERIES Employee Stock Ownership Association	1-411 Toyosaki, Tomigusuku City, Okinawa	505,500	1.19
Dougan Patrick John	MACDONNELL ROAD, HONG KONG	380,200	0.89
Premium Water Holdings, Inc.	4597-1 Kamiyoshida, Fujiyoshida City, Yamanashi	366,900	0.86
Custody Bank of Japan, Ltd. (Pension Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	359,400	0.85
Total	—	15,793,900	37.33

Notes: In the Report of Possession of Large Volume dated October 7, 2025 made available for public inspection, it is stated that Capital International Inc. and its joint holders Capital International Sarl and Capital International K.K. held the following shares as of September 30, 2025. However, as the Company was unable to confirm the actual number of shares owned as of March 31, 2026, they are not included in the major shareholders above.

The contents of the Report of Possession of Large Volume are as follows.

Name	Address	Number of share certificates, etc. held (shares)	Percentage 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

(7) Status of Voting Rights

(1) Issued Shares

As of March 31, 2026

Category	Number of shares	Number of voting rights	Details
Shares without voting rights	–	–	–
Shares with restricted voting rights (treasury shares, etc.)	–	–	–
Shares with restricted voting rights (other)	–	–	–
Shares with full voting rights (treasury shares, etc.)	–	–	–
Shares with full voting rights (other)	Common shares 42,200,800	422,008	These are standard shares of the Company with no restrictions on rights, and the number of shares per unit is 100 shares.
Shares less than one unit	Common shares 52,400	–	–
Total number of shares issued	42,253,200	–	–
Total voting rights of all shareholders	–	422,008	–

(2) Treasury Shares, etc.

As of March 31, 2026

Name of owner	Address of owner	Own name Number of shares (Shares)	Other's name Number of shares (Shares)	Number of shares Total (Shares)	Percentage of shares owned to total number of issued shares (%)
ORION BREWERIES, LTD.	1-411 Toyosaki, Tomigusuku City, Okinawa	39	–	39	0.00
Total	–	39	–	39	0.00

2. Status of Acquisition, etc. of Treasury Shares

Type of Shares, etc. Acquisition of common shares pursuant to Article 155, Item 3 and Article 155, Item 7 of the Companies Act

(1) Status of Acquisition by Resolution of Shareholders' Meeting

Category	Number of shares	Total value (yen)
Resolution status at shareholders' meeting (March 27, 2025) (Acquisition period: March 27, 2025 - March 31, 2025)	13,750,200	11,000,160,000
Treasury shares acquired before the current fiscal year	13,750,200	11,000,160,000
Treasury shares acquired during the current fiscal year	–	–
Total number and total value of remaining resolved shares	–	–
Percentage unexercised as of the end of the current fiscal year (%)	–	–
Treasury shares acquired during the current period	–	–
Percentage unexercised as of the filing date (%)	–	–

(2) Status of Acquisition by Resolution of Board of Directors

Category	Number of shares	Total value (yen)
Resolution status at Board of Directors meeting (May 14, 2026) (Acquisition period: May 15, 2026 - June 15, 2026)	425,000	550,000,000
Treasury shares acquired before the current fiscal year	–	–
Treasury shares acquired during the current fiscal year	–	–
Total number and total value of remaining resolved shares	–	–
Percentage unexercised as of the end of the current fiscal year (%)	–	–
Treasury shares acquired during the current period	425,000	490,965,100
Percentage unexercised as of the filing date (%)	–	–

(3) Details of Acquisitions Not Based on Resolution of Shareholders' Meeting or Board of Directors

Category	Number of shares	Total value (yen)
Treasury shares acquired during the current fiscal year	39	51,090
Treasury shares acquired during the current period	–	–

Note: Treasury shares acquired during the current period do not include shares acquired through purchase of shares less than one unit from June 1, 2026 to the filing date of this securities report.

(4) Status of Disposition and Holding of Acquired Treasury Shares

Category	Current fiscal year		Current period	
	Number of shares	Total disposition value (Millions of yen)	Number of shares	Total disposition value (Millions of yen)
Treasury shares for which subscription was solicited	－	－	－	－
Acquired treasury shares disposed of by cancellation	13,750,200	11,000	－	－
Acquired treasury shares transferred in connection with merger, share exchange, share delivery, or company split	－	－	－	－
Other	－	－	－	－
Number of treasury shares held	39	－	425,039	－

3. Dividend Policy

(Basic Policy and Specific Measures)

Based on ORION WAY, which is 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 to implement dividends of surplus, etc. in a stable and continuous manner. Specifically, we have established the following policies.

① As indicators and target levels for annual dividends, we have set a dividend payout ratio of 50% and DOE (dividend on equity: total dividends ÷ shareholders' equity) of 8.0% based on net income attributable to owners of parent, with the higher amount calculated from each serving as the dividend amount for each period.
② Dividends shall be paid twice a year, at interim and year-end.
③ The interim dividend amount shall be half of the annual dividend amount calculated based on the full-year forecast of net income attributable to owners of parent.
④ The Board of Directors shall be the decision-making body for interim and year-end dividends.
⑤ While considering growth investments and financial soundness, we will flexibly consider and implement additional shareholder returns, including acquisition of treasury shares.

Regarding the use of retained earnings, we plan to allocate them for future business development and capital investment.

The Company's Articles of Incorporation stipulate that dividends of surplus and other distributions may be made by resolution of the Board of Directors, except where otherwise provided by law, and that interim dividends may be paid. The Articles of Incorporation also stipulate that acquisition of treasury shares may be made by resolution of the Board of Directors.

(Note) Dividends of surplus with record dates falling within the current fiscal year are as follows.

Date of resolution	Total dividends (Millions of yen)	Dividends per share (Yen)
August 8, 2025 Board of Directors resolution	816	20
May 14, 2026 Board of Directors resolution	1,014	24

As mentioned above, since we have set target levels of dividend payout ratio of 50% and DOE (dividend on equity) of 8.0% based on net income attributable to owners of parent, dividend amounts may not be constant each period and may fluctuate from period to period due to temporary profit recognition and other factors. At the Board of Directors meeting on August 8, 2025, it was resolved that the dividend amount for the fiscal year ending March 2026 would be calculated using the full-year forecast of net income attributable to owners of parent, including extraordinary income from the sale of owned real estate and other transactions occurring in the fiscal year ending March 2026.

Additionally, as mentioned above, the policy is to set the interim dividend amount at half of the total annual dividend calculated based on the full-year forecast of net income attributable to owners of parent. Therefore, if the forecast of full-year net income attributable to owners of parent fluctuates or is revised during the period, or if there is a divergence from actual full-year results, the year-end dividend amount may not be the same as the interim dividend amount.

4 [Status of Corporate Governance, etc.]

(1) [Overview of Corporate Governance]

a. Basic approach to corporate governance

The Company has established the following basic policies.

1. Introduction

The Orion Group's mission is Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile. As a pathway toward this mission, we have established a vision that defines our promises to key stakeholders, core values that represent the values that officers and employees of our Group should hold, and ORION WAY as guidelines and criteria for actions that our officers and employees should take in their daily operations.

This Basic Policy on Corporate Governance establishes the basic policies on corporate governance for the Orion Group to advance its business activities toward its mission, establish a business model for flywheel growth together with Okinawa, and achieve medium- to long-term enhancement of corporate value.

In Okinawa, where the Company was founded, a culture that respects diversity has been formed due to its geographical and historical background. The Orion Group has made the spirit of diversity and coexistence cultivated in Okinawa the foundation of its business activities. In addition, we recognize brand, quality and safety, human capital, Okinawa's natural capital, trust relationships with local communities, and other important management resources as sources of our Group's corporate value, and appropriately deliberate and supervise policies for their maintenance and enhancement.

2. Basic approach

(1) Purpose and philosophy

Under the Company's mission, Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile, we aim to achieve sustainable enhancement of corporate value and contribute to the sustainable development of society. To achieve this purpose, we position the enhancement of our corporate governance system as a top priority to strengthen relationships of trust with all stakeholders including shareholders and to improve management transparency, fairness, and efficiency.

Relationship with stakeholders

The Company responds to the expectations of diverse stakeholders including shareholders, customers, business partners, employees, and local communities, respects the interests of each, and aims to maximize corporate value through appropriate collaboration.

3. Ensuring shareholder rights and equality

(1) Respect for shareholder rights

The Company operates general meetings of shareholders as forums for substantive dialogue and ensures opportunities for exercising voting rights so that shareholders can appropriately exercise their rights. We also provide necessary information to ensure that shareholders' rights are substantively secured.

(2) Ensuring shareholder equality

The Company treats all shareholders equally and ensures that their rights are appropriately exercised regardless of shareholding ratio or attributes. In particular, we give due consideration to the rights of minority shareholders and foreign shareholders and strive to prevent any disadvantages.

(3) Basic policy on capital policy

Our capital policy is aimed at enhancing medium- to long-term corporate value, with a basic approach of maintaining a sound financial structure while implementing a balanced approach to investment in business growth and shareholder returns.

4. Appropriate collaboration with stakeholders other than shareholders

(1) Respect for employees

The Company positions employees as important management resources, respects diversity, personality, and individuality, and develops a safe and healthy work environment. We also support employee capability development and operate a fair and highly transparent evaluation and treatment system to improve engagement and create job satisfaction.

(2) Responsibility to customers

As a manufacturer, the Company gives top priority to providing customers with products and services of the highest quality and safety. We deeply understand customer needs and contribute to solving social issues through innovative technologies and solutions.

(3) Trust relationships with business partners

The Company views business partners as partners and builds fair and transparent relationships. We thoroughly implement respect for human rights, environmental consideration, and compliance throughout the entire supply chain, aiming for mutual development.

(4) Contribution to local communities and the environment

As a good corporate citizen, the Company contributes to the development of local communities through its business activities, recognizes global environmental conservation as an important management issue, and promotes initiatives toward the realization of a sustainable society through reduction of environmental impact and effective utilization of resources.

5. Appropriate information disclosure and ensuring transparency

(1) Information disclosure policy

The Company is committed to proactive information disclosure so that all stakeholders, including shareholders and investors, can understand our activities. In addition to disclosure based on laws and regulations such as the Financial Instruments and Exchange Act and information disclosure in accordance with the timely disclosure rules established by the Tokyo Stock Exchange, we promptly and fairly disclose information that may affect investors' investment decisions.

(2) Types of disclosed information

We proactively disclose not only financial information but also information on business strategy, management issues, risks, and governance, as well as sustainability information, to promote constructive dialogue with stakeholders.

(3) Methods of information disclosure

In disclosing information, we employ various means such as posting on our website, announcements to the press, and holding briefings to make it easy for investors to understand.

6. Responsibilities of the Board of Directors, etc.

(1) Role and composition of the Board of Directors

The Board of Directors is responsible for formulating management strategies for the Company's sustainable growth and enhancement of corporate value, making decisions on important business execution, and supervising the execution of duties by directors. In addition, the Board deliberates and appropriately supervises policies for the maintenance and enhancement of brand, quality and safety, human capital, Okinawa's natural capital, trust relationships with local communities, and other important management resources that are the sources of our Group's corporate value.

The composition of the Board of Directors is designed to enable effective discussion and decision-making, with emphasis on balance of knowledge, experience, and abilities, as well as diversity (including gender, internationality, etc.). Independent outside directors shall comprise at least one-third of the members of the Board of Directors, and through their independence and objective perspectives, ensure fairness in management.

(2) Strengthening the functions of independent outside directors

Independent outside directors contribute to medium- to long-term enhancement of corporate value through advice and supervision to management.

(3) Separation of management supervision and business execution functions

The Board of Directors primarily assumes the management supervision function, and by delegating business execution to the Representative Director and President and executive officers, enables prompt and efficient decision-making while enhancing the effectiveness of management supervision.

(4) Establishment of Nomination Committee and Compensation Committee

The Company establishes a voluntary Nomination and Remuneration Committee, primarily composed of independent outside directors, as an advisory body to the Board of Directors. This committee ensures an objective and highly transparent process for the nomination and compensation of directors and executive officers, and strengthens the supervisory function of the Board of Directors.

(5) Board of Directors evaluation and skill matrix

We evaluate and analyze the effectiveness of the Board of Directors annually, disclose the results, and strive for continuous improvement. We also disclose a skill matrix that lists the skills and expertise of each director to ensure the appropriateness of the Board's composition.

7. Role of the Audit & Supervisory Board

(1) Independence and role of the Audit & Supervisory Board

As a company with an Audit & Supervisory Board, the Company has a system in which Audit & Supervisory Board Members in independent positions audit overall management. Audit & Supervisory Board Members ensure the effectiveness of the audit function through auditing the execution of duties by directors and coordination with the accounting auditor and internal audit department, contributing to improved management transparency and soundness.

(2) Coordination with the Board of Directors, etc.

Audit & Supervisory Board Members work closely with the Board of Directors, accounting auditor, and internal audit department to build an audit system that leverages the expertise of each.

8. Internal control system and risk management system

(1) Establishment and operation of internal control system

The Company establishes an internal control system covering legal compliance, corporate ethics, reliability of financial reporting, asset preservation, etc., and operates it appropriately while conducting periodic reviews to ensure the appropriateness and efficiency of operations.

(2) Development of Risk Management System

The Company develops a risk management system to comprehensively identify all risks that may affect management (legal, financial, information security, quality, environmental, supply chain, disaster, etc.) and to conduct appropriate assessment, response, and monitoring. As a manufacturer in particular, we thoroughly implement risk management regarding product quality and safety.

(3) Thorough Compliance

We make compliance with laws and regulations, articles of incorporation, internal rules, corporate ethics, codes of conduct, etc. the foundation of our corporate activities, and continuously conduct education and awareness activities for all officers and employees. We establish and operate an internal reporting system to detect and address misconduct at an early stage, and thoroughly protect whistleblowers.

(4) Related Party Transactions

When the Company conducts transactions with directors, executive officers, major shareholders, etc. (related parties), the Board of Directors examines in advance the reasonableness of the transaction details and the possibility of conflicts of interest, and determines whether to approve them, so that such transactions do not harm the interests of the Company or shareholders.

9. Dialogue with Shareholders

(1) Promotion of Constructive Dialogue

The Company places importance on actively engaging in constructive dialogue with shareholders to enhance management transparency and deepen understanding.

(2) Means and Structure for Dialogue

We establish an IR department and secure opportunities for dialogue with shareholders and investors through financial results briefings, individual meetings, enhancement of our IR website, etc. We endeavor to provide feedback on opinions and requests obtained through dialogue to the Board of Directors and reflect them in management strategies and governance structure.

10. Policy for Determining Officer Compensation

(1) Transparency in Compensation Determination

Compensation for directors and executive officers is designed to function as an incentive to encourage contribution to medium- to long-term enhancement of corporate value, and the determination process shall be objective and transparent.

(2) Structure of Compensation System

The compensation system is basically composed of fixed compensation, short-term performance-linked compensation, and stock compensation linked to medium- to long-term enhancement of corporate value, etc. Compensation levels are determined by comprehensively considering trends of peer companies and the market, the scale of our business performance, etc.

(3) Utilization of Nomination and Remuneration Committee

The Nomination and Remuneration Committee deliberates from an independent standpoint in the design of the compensation system and the process of determining individual compensation levels, and reports to the Board of Directors.

11. Review of These Basic Policies

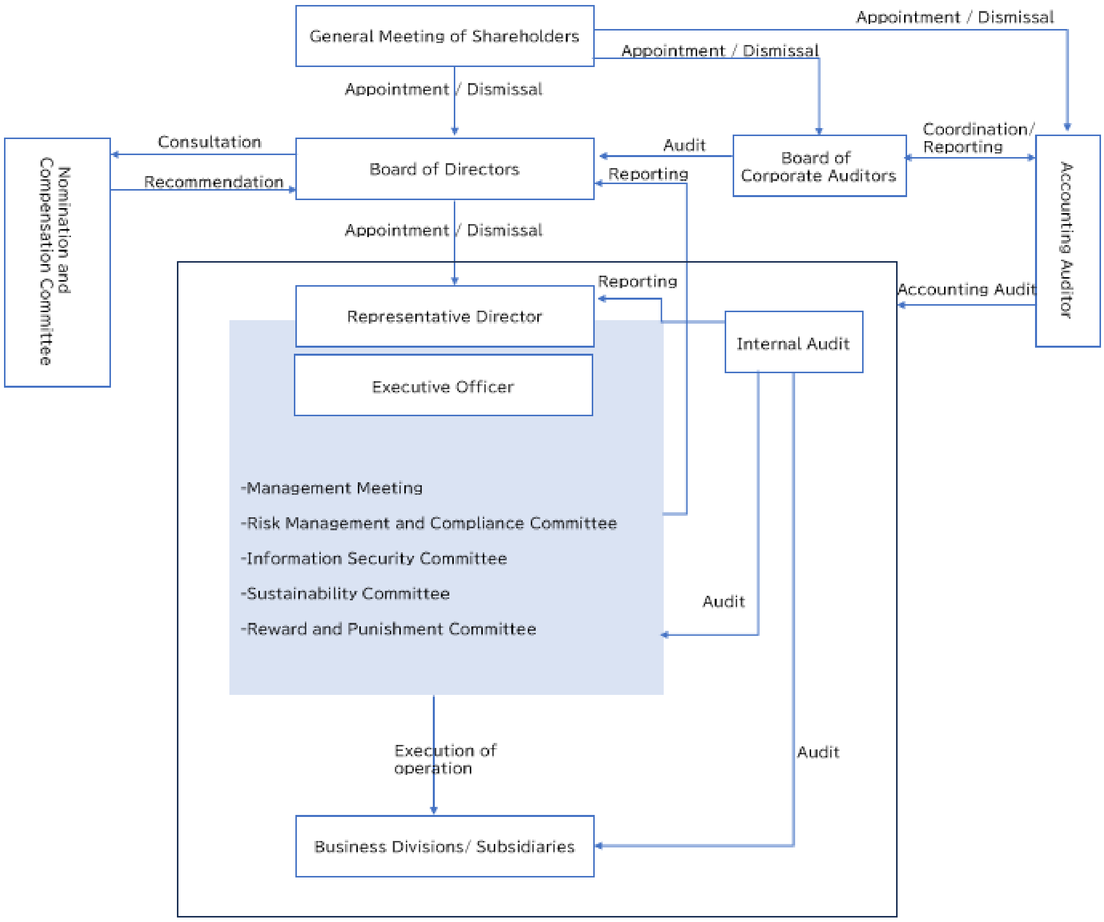
These basic policies will be periodically reviewed by the Board of Directors in response to changes in the environment surrounding corporate governance and changes in our business environment and management situation, and will be revised as necessary.

b. Overview of Corporate Governance Structure and Reasons for Adopting This Structure

The Company believes that for strengthening corporate governance, a company with a Audit & Supervisory Board structure, which has a dual check function of supervision by the Board of Directors and legality audits by Audit & Supervisory Board Members over business execution, is appropriate, and from May 2022, we began operating a Audit & Supervisory Board Members Liaison Committee as a preparatory period for establishing the Audit & Supervisory Board. The Audit & Supervisory Board was established by resolution of the Annual General Meeting of Shareholders on June 28, 2023, and continues to the present. To ensure the effectiveness of management supervision, 6 of the 7 directors and all 3 Audit & Supervisory Board Members are Outside Directors and Outside Audit & Supervisory Board Members with extensive knowledge and experience in their respective fields of expertise. By introducing the executive officer system, we aim to separate management supervision from business execution, and by delegating authority to executive officers, we believe we can achieve sustainable growth and medium- to long-term enhancement of corporate value through improved efficiency and speed of business decision-making. Furthermore, with the objective of ensuring the appropriateness and transparency of officer personnel matters and compensation, we established and have been operating the Nomination and Remuneration Committee by resolution of the Board of Directors held on June 19, 2019.

(Corporate Governance Structure)

As of July 31, 2025



a. Board of Directors

The Company's Board of Directors consists of 7 directors (including 6 Outside Directors). In addition to regular Board of Directors meetings held once a month in principle, extraordinary Board of Directors meetings are held flexibly as needed to make important management decisions and deliberations as stipulated by laws and regulations, and to supervise the status of execution of duties by each director.

b. Audit & Supervisory Board

The Audit & Supervisory Board consists of 3 members (including 3 Outside Audit & Supervisory Board Members). Audit & Supervisory Board Members attend Board of Directors meetings and fulfill sufficient monitoring functions regarding the decision-making and business execution of the Board of Directors and directors. In addition, they hold regular Audit & Supervisory Board meetings to discuss the status of execution of duties by the Board of Directors and business execution by each director, and receive reports on assigned duties from all directors and provide opinions. We also aim to improve the effectiveness and efficiency of audits by maintaining close cooperation with the Internal Audit Office and the accounting auditor, including mutual exchange of information and opinions as needed.

c. Risk Management and Compliance Committee

The Company's Risk Management and Compliance Committee is chaired by the President and Representative Director and composed of executive officers as committee members, with the fulltime Audit & Supervisory Board Member and Presidents and Representative Directors of group companies participating as observers. The Committee meets once a quarter in principle and works to promote risk management and strengthen and promote the compliance system.

d. Voluntary Nomination and Remuneration Committee

To strengthen the fairness, transparency, and objectivity of procedures for nominating directors and determining compensation, and to enhance corporate governance, the Company has established a voluntary Nomination and Remuneration Committee as an advisory body to the Board of Directors. The Committee deliberates and examines matters such as proposals for the general meeting of shareholders regarding the nomination, appointment, and dismissal of directors, and criteria for selecting director candidates, and reports to the Board of Directors. It also formulates policies for determining director compensation, deliberates and examines matters concerning officer compensation, and reports to the Board of Directors.

The Nomination and Remuneration Committee consists of 4 directors selected by resolution of the Board of Directors, and the Nomination and Remuneration Committee Regulations stipulate that at least half must be Outside Directors. The current members are Outside Director Fusako Zniden (Chairperson), Outside Director Shiro Ikeda, Outside Director Rie Murayama (legal name: Rie Shiga), and President and Representative Director Hajime Murano.

e. Internal Audit Office

From the perspectives of legality and rationality, the Company has established an Internal Audit Office (2 personnel) to monitor management and operational systems covering overall business activities and the status of business execution, and conducts audits of each department and affiliated companies.

The Internal Audit Office, Audit & Supervisory Board, and accounting auditor exchange opinions and information with each other regarding audit plans, audit results, etc., and conduct effective audits.

Audit results by the Internal Audit Office are reported to the President and Representative Director as well as the Board of Directors, Audit & Supervisory Board, and Management Committee. The effectiveness of internal audits is ensured by investigating improvement instructions and subsequent status.

The head of the Internal Audit Office attends the Board of Directors meetings in accordance with the internal audit plan to provide reports.

f. Accounting Auditor

The Company has concluded an audit agreement with Ernst & Young ShinNihon LLC, and appropriate audits are being conducted. We also hold timely discussions on accounting issues and strive for appropriate accounting treatment.

In the most recent fiscal year, the Company held Board of Directors meetings once a month and convened extraordinary meetings as necessary. The activity status of individual directors is as follows.

Category	Name	Number of Attendances	Attendance Rate
President and Representative Director, Executive Officer, President and CEO	Hajime Murano	23/23	100%
Vice President and Director, Executive Vice President and CFO	Hiroshi Kameda (Note 1)	6/6	100%
Director (Part-time)	Chulmin Oh (Note 2)	10/10	100%
Director (Part-time)	Song Chong-gi (Note 3)	13/13	100%
Director (Part-time)	Takaomi Tomioka	20/23	87%
Director (Part-time)	Taichi Yokozawa	22/23	96%
Director (Part-time)	Shiro Ikeda	22/23	96%
Director (Part-time)	Fusako Zniden	20/23	87%
Director (Part-time)	Masako Arakawa (Note 1)	6/6	100%
Director (Part-time)	Rie Murayama (Note 4)	17/17	100%
Audit & Supervisory Board Member	Sunao Tomoyose	23/23	100%
Audit & Supervisory Board Member (Part-time)	Hidenori Sugiura	19/23	83%
Audit & Supervisory Board Member (Part-time)	Kengo Niimi	23/23	100%

Note 1: Resigned at the Annual General Meeting of Shareholders held on June 27, 2025
Note 2: Resigned at the Extraordinary General Meeting of Shareholders held on July 31, 2025
Note 3: Appointed at the Extraordinary General Meeting of Shareholders held on July 31, 2025
Note 4: Appointed at the Annual General Meeting of Shareholders held on June 27, 2025

Activity Status of Nomination and Remuneration Committee

Category	Name	Number of Attendances	Attendance Rate
Chairperson	Fusako Zniden (Note 1)	6/6	100%
Chairperson	Takaomi Tomioka (Note 2)	5/6	83%
Committee Member	Hajime Murano	6/6	100%
Committee Member	Chulmin Oh (Note 3)	3/3	100%
Committee Member	Song Chong-gi (Note 4)	3/3	100%
Committee Member	Shiro Ikeda	6/6	100%
Committee Member	Masako Arakawa (Note 5)	3/3	100%
Committee Member	Rie Murayama (Note 6)	1/3	33%

Note 1: Chairperson from October 2025
Note 2: Chairperson until the end of September 2025
Note 3: Resigned on July 31, 2025
Note 4: Appointed on July 31, 2025
Note 5: Reigned on June 27, 2025
Note 6: Appointed on June 27, 2025

Activity Status of Risk Management and Compliance Committee

Category	Name	Number of Attendances	Attendance Rate
Chairperson	Hajime Murano	4/4	100%
Committee Member	Hiroshi Kameda	4/4	100%
Committee Member	Keiichi Yanuma (Note 1)	1/1	100%
Committee Member	Patric Dougan	4/4	100%
Committee Member	Makoto Taruoka	4/4	100%
Committee Member	Norichika Tsuchitani	4/4	100%
Committee Member	Takeshi Narishige	4/4	100%
Committee Member	Akihiko Koto	4/4	100%
Committee Member	Kenichi Yamamoto	4/4	100%
Committee Member	Shinobu Hirano	4/4	100%
Committee Member	Sunao Tomoyose	4/4	100%

(Note 1) Resigned on June 27, 2025

c. Other Matters Concerning Corporate Governance

(1) Basic Policy on Development of Internal Control System

The Company has established the following basic policy on the development of the internal control system.

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 our Group, and ORION WAY shall be thoroughly communicated to all directors and employees of our Group.

② When directors and employees of the Group discover material facts concerning violations of laws, regulations, or internal rules, they shall report them immediately. Reports shall be made to the Representative Director, directors, the Board of Directors, Audit & Supervisory Board Members, the Audit & Supervisory Board, and the Compliance Reporting and Consultation Desk (described in ④ below).

③ Risk Management and Compliance Committee shall be established, chaired by the Representative Director of the Company and composed of the Company's executive officers and Representative Directors of Group companies, with the Legal and Compliance Department of the Company serving as the secretariat.

④ Anonymous compliance reporting and consultation desk shall be established, and provisions shall be made to ensure that no disadvantageous treatment is given to those who make 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. Against antisocial forces, the Company shall work closely with external specialized organizations such as the police and respond with a resolute attitude as an entire organization.

2 Systems for the preservation and management of information concerning the execution of duties by directors of the Company and Group companies

① Various documents, forms, and other records relating to the duties of directors of the Company and Group companies shall be appropriately prepared, preserved, and managed in accordance with applicable laws, regulations, and internal rules.

② Documents necessary for the execution of directors' duties, such as minutes of General Meetings of Shareholders, minutes of Board of Directors meetings, and approval documents relating to important matters in business operations, shall be preserved and managed so that directors and Audit & Supervisory Board Members can access them at all times.

③ Trade secrets shall be managed appropriately according to the degree of confidentiality.

④ Personal information shall be strictly managed in accordance with laws, regulations, and the Personal Information Protection Rules.

⑤ An Information Security Committee shall be established, chaired by the Representative Director of the Company and composed of the Company's executive officers and Representative Directors of Group companies, with the IT Solutions Department of the Company serving as the secretariat.

3 Rules and other systems concerning the 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 may hinder the proper or efficient execution of business operations, and report them, including their impact, to the Risk Management and Compliance Committee. The Risk Management and Compliance Committee shall select risks that should be addressed as priorities and determine specific response policies and countermeasures.

③ Policies for responding to significant management risks and other important matters from the perspective of risk management shall be thoroughly deliberated by the Board of Directors.

④ When directors and employees become aware of significant risks relating to the Company's business, or when they recognize 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 carried out efficiently

① The Board of Directors shall delegate authority to the Management Committee based on internal rules and resolutions of the Board of Directors, enabling rapid decision-making and flexible execution of duties in business operations.

② The Board of Directors shall, in principle, hold meetings monthly and shall also hold extraordinary meetings as necessary to enable flexible decision-making.

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

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

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

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

① Directors and employees of the Company and its group companies shall maintain a compliance framework in accordance with the Group Code of Conduct, "ORION WAY," and internal regulations, through bodies such as the Group-wide Risk Management and Compliance Committee and the Group Management Committee.

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

③ Personnel in charge of the compliance consultation and reporting desk of the Company and Group companies shall report on the status of the number and content of consultations in a timely manner to the Board of Directors and the Audit & Supervisory Board.

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 Basic policies shall be established for internal control over financial reporting, and the status of matters pointed out by the audit department and other parties and the progress of improvements thereto shall be reported in a timely manner to the Representative Director, the Board of Directors, the Audit & Supervisory Board, the Management Committee, and other bodies.

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

③ Internal controls at the level necessary to comply with the policies in the preceding paragraph and ensure the reliability of financial reporting shall be developed and operated, and their effectiveness as of the closing date shall be evaluated and reported each fiscal year.

7 Policies and systems to assist Audit & Supervisory Board Members in their duties

① Employees assigned to the Audit & Supervisory Board may be appointed to assist Audit & Supervisory Board Members in their duties.

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

③ In addition to securing a certain budget in advance for expenses arising from the execution of duties by Audit & Supervisory Board Members, expenses for emergency audit responses shall also be disbursed upon request from 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, upon request by Audit & Supervisory Board Members, report at any time on the status of the execution of their duties and other matters.

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

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

a. Facts discovered may cause significant damage to the 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 Group.

④ Directors and employees of the Company and Group companies shall establish provisions ensuring that persons who have made reports to Audit & Supervisory Board Members shall not receive disadvantageous treatment for such reason, communicate this to the Company and Group companies, and operate this appropriately.

9 Other systems to ensure that audits by the Company's Audit & Supervisory Board Members are conducted effectively

① Audit & Supervisory Board Members shall attend meetings of the Board of Directors and other important meetings they deem 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, as necessary, receive reports on accounting audits from the accounting auditor and exchange opinions.

(2) 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 advanced 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.

d. Summary of Liability Limitation Agreements

The Company has entered into agreements with Outside Directors and Outside 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 same Act. The maximum amount of liability for damages under these agreements is the liability limit stipulated in Article 425, Paragraph 1 of the Companies Act. This limitation of liability is only applicable when the relevant Outside Directors and Outside Audit & Supervisory Board Members acted in good faith and without gross negligence in performing the duties that caused the liability.

e. Summary of Directors and Officers Liability Insurance Contracts

The Company has purchased directors and officers liability insurance (D&O insurance) to cover cases where Directors, Executive Officers, and others incur legal liability in connection with the execution of their duties. Under this insurance contract, compensation is provided for damages and litigation costs that such officers are liable to bear, within certain deductible amounts and insurance payment limits. The entire insurance premium is borne by the Company.

f. Number of Directors

The Articles of Incorporation stipulate that the number of Directors shall be up to 10, and their term of office shall be until the conclusion of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one year after their election.

g. Requirements for Resolution on Election of Directors

The Company's Articles of Incorporation stipulate that resolutions on the election of Directors shall be adopted by a majority of the voting rights of shareholders present who hold at least one-third of the voting rights of shareholders entitled to exercise voting rights, and that cumulative voting shall not be used for the election of Directors.

h. Acquisition of Treasury Shares

The Company's Articles of Incorporation stipulate that, pursuant to Article 165, Paragraph 2 of the Companies Act, the Company may acquire its own shares through market transactions and other means by resolution of the Board of Directors, in order to enable the flexible implementation of various management measures such as financial policies in response to changes in economic conditions.

i. Requirements for Special Resolutions at General Meetings of Shareholders

For the purpose of ensuring smooth operation of General Meetings of Shareholders, the Company's Articles of Incorporation stipulate that special resolutions under Article 309, Paragraph 2 of the Companies Act shall be adopted by at least two-thirds of the voting rights of shareholders present who hold at least one-third of the voting rights of shareholders entitled to exercise voting rights.

j. Exemption from Liability of Directors and Audit & Supervisory Board Members

To enable Directors and Audit & Supervisory Board Members to fully perform the roles expected of them in the execution of their duties, the Company's Articles of Incorporation stipulate that, pursuant to Article 426, Paragraph 1 of the Companies

Act, the liability for damages of Directors (including former Directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) due to neglect of their duties may be exempted by resolution of the Board of Directors to the extent permitted by law.

k. Body Authorized to Determine Dividends of Surplus

For the purpose of providing flexible returns to shareholders, the Company's Articles of Incorporation stipulate that matters specified in each item of Article 459, Paragraph 1 of the Companies Act, including dividends of surplus, shall be determined by resolution of the Board of Directors, unless otherwise specifically provided by law.

(2) Status of Officers

a. List of Officers

①Officers as of June 18, 2026, the filing date of this Annual Securities Report are as follows.

8 males, 2 females (ratio of females among officers: 20.0%)

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
President and Representative Director	Hajime Murano	July 19, 1962	April 1985 April 1991 April 1992 April 1994 March 1998 August 2001 February 2003 October 2007 October 2009 April 2012 December 2012 April 2014 March 2015 June 2015 January 2016 October 2018 December 2021 June 2022	Joined Sony Corporation Overseas Sales Division Representative, Yugoslavia Representative Office, Sony Corporation Sales & Marketing Manager, Sony Europe Frankfurt Managing Director, Sony Hungary Representative, Sony Saudi Arabia Representative Office and General Manager, Modern Electronics Establishment Senior Marketing Strategist, Global Marketing, Headquarters, Sony Corporation President, Sony Mexico General Manager, Retail & Marketing Communication Department, Sony Corporation Division Director, Global Sales & Marketing Transformation Division, Sony Corporation Division Director, Global Retail & Web Division, Sony Corporation Chief Sales & Marketing Officer, Ricoh Imaging Company, Ltd. Managing Director and Chief Sales & Marketing Officer, Ricoh Imaging Company, Ltd. Managing Director, DeAgostini Japan Representative Director and President, DeAgostini Japan Representative Director and President, DeAgostini Japan, and Head of Asia Representative Director and President, Schick Japan K.K. Representative Director and President, President and Executive Officer, CEO, Orion Breweries, Ltd. (current position) Outside Director, Japan Entertainment Co., Ltd. (current position)	(Note 3)	38,400

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
Director	Chong-gi Song	April 5, 1988	April 2011 October 2018 June 2019 April 2023 December 2024 July 2025	Joined Nomura Securities Co., Ltd. Joined Nomura Capital Partners Co., Ltd. (current position) Audit & Supervisory Board Member of the Company Outside Director, Farmers Holdings Co., Ltd. Outside Director, Tap Co., Ltd. (current position) Outside Director of the Company (current position)	(Note 3)	0
Director	Shiro Ikeda	November 25, 1956	April 1980 September 2000 April 2006 March 2009 March 2010 March 2012 March 2012 August 2012 April 2014 April 2014 April 2016 April 2019 June 2019 March 2020	Joined Asahi Breweries, Ltd. Director, Customer Lifestyle Culture Research Institute, Asahi Breweries, Ltd. General Manager, First Product Development Department, Marketing Division, Asahi Breweries, Ltd. Executive Officer, Asahi Breweries, Ltd. Director, Asahi Breweries, Ltd. Asahi Group Holdings, Ltd. Director in charge of Domestic Beverages and CSR, Asahi Group Holdings, Ltd. Asahi Soft Drinks Co., Ltd. Director Asahi Group Holdings, Ltd. Director in charge of Overseas Business The company's Managing Director and Executive Officer Director, Indofood Asahi Sukses Beverage (Jakarta) Senior Managing Executive Officer and Indonesia Representative, Asahi Group Holdings, Ltd. Senior Advisor, Nomura Capital Partners Co., Ltd. Outside Director of the Company (current position) Part-time Lecturer, Graduate School of Management, Department of Management of Technology (MOT), Tokyo University of Science	(Note 3)	0

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
Director	Takaomi Tomioka	October 23, 1961	April 1985 May 1998 April 2000 December 2003 January 2005 October 2005 January 2007 January 2008 April 2009 April 2012 May 2014 August 2014 July 2016 May 2019 January 2020 March 2021 September 2021 June 2023 June 2023 September 2024	Joined The Long-Term Credit Bank of Japan, Ltd. Joined GE Capital Japan Japan Representative, GE Equity Japan Joined Carlyle Japan LLC Outside Director, AZ Electronic Materials Co., Ltd. Outside Director, Shionogi Qualicaps Co., Ltd. (currently Qualicaps Co., Ltd.) Managing Director, Carlyle Japan LLC (current position) Partner, Carlyle Japan LLC (current position) Outside Director, Moncler Japan Co., Ltd. Outside Director, Japan Medical Service Center Co., Ltd. (currently Solasto Corporation) Outside Director, Oyatsu Company, Ltd. Outside Director, Sansei Pharmaceutical Co., Ltd. Outside Director, Kyushu GGC Co., Ltd. (currently Meisui Bijin Factory Co., Ltd.) Outside Director of the Company (current position) Deputy Japan Representative, Carlyle Japan LLC Outside Director, Rigaku Holdings Corporation (current position) Outside Director, AOI TYO Holdings Inc. (currently KANAMEL Inc.) Outside Director, Iwasaki Electric Co., Ltd. (current position) Japan Co-Representative, Carlyle Japan LLC (current position) Outside Director, Japan KFC Holdings Co., Ltd. (current position)	(Note 3)	0
Director	Taichi Yokozawa	March 8, 1969	April 1992 January 2005 September 2006	Joined Asahi Breweries, Ltd. Deputy General Manager, GMS Group, Wide Area Sales Department, Wide Area Sales Division Deputy General Manager, Media Group, Advertising Department, Marketing Division	(Note 3)	0

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
			September 2014	General Manager, Digital Marketing Department, Marketing Division		
			March 2023	Executive Officer, General Manager of Planning & Support Division and General Manager of Corporate Planning Department		
			March 2023	Outside Director of the Company (current position)		
			March 2025	Managing Executive Officer, General Manager of Planning & Support Division, Asahi Breweries, Ltd. (current position)		

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
Director	Fusako Zniden	September 9, 1964	April 1987	Joined Shiseido Company, Limited	(Note 3)	0
			May 1992	Joined Noevir Co., Ltd.		
			April 1995	Joined Nippon Lever K.K. (currently Unilever Japan K.K.)		
			October 2001	Brand Director, Asia Region, Nippon Lever K.K.		
			July 2002	Joined Parfums Christian Dior K.K.		
			November 2003	Joined Joined Nihon L'Oréal Japan K.K.		
			April 2004	General Manager, Lancôme Division, Nihon L'Oréal K.K.		
			January 2006	Joined Avon Products Co., Ltd. (currently FMG & Mission Co., Ltd.)		
			March 2006	Director, General Manager of Commercial Marketing Division, Avon Products Co., Ltd.		
			April 2007	Joined Shiseido Company, Limited		
			April 2012	General Manager of Brand Planning Department, Domestic Cosmetics Division, Shiseido Company, Limited		
			October 2013	General Manager of Marketing Department, Domestic Cosmetics Division, Shiseido Company, Limited		
			June 2014	Director and General Manager of Marketing Division, Nissin Food Products Co., Ltd.		
			April 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.		
			April 2016	Executive Officer, Chief Marketing Officer and Chairperson of Diversity Promotion Committee, Nissin Foods Holdings Co., Ltd.		
			October 2018	Senior Vice President and Chief Marketing Officer, McDonald's Company (Japan), Ltd.		
			December 2021	Director, Orion Breweries Ltd. (current position) Director, Ocean Holdings Co., Ltd.		
			March 2022	Director, Senior Vice Presi-		

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
				dent and Chief Marketing Officer, McDonald's Company (Japan), Ltd. (current position)		
			March 2022	Director, Executive Officer and CMO (current position)		
			March 2023	Director, McDonald's Holdings Company (Japan), Ltd. (current position)		
Director	Rie Murayama	May 1, 1960	April 1981	Joined Securities Department, Head Office, Yasuda Trust and Banking Co., Ltd.	(Note 3)	0
			November 1988	Joined CS First Boston Securities		
			March 1993	Joined Goldman Sachs Securities		
			November 2001	Managing Director, Goldman Sachs Securities		
			April 2014	Director, National Center for Global Health and Medicine		
			June 2016	Outside Director, RENOVA, Inc.		
			June 2017	Outside Director, KATITAS Co., Ltd.		
			June 2019	Outside Director, Shinsei Bank, Limited		
			June 2020	Outside Director, Maeda Corporation (currently Non-Executive Director (current position))		
			June 2021	Outside Director, Rice Curry Co., Ltd. (name changed to MUSCAT GROUP Co., Ltd.) (current position)		
			August 2021	Representative Director, the Astate Inc.		
			October 2021	Outside Director, Infroneer Holdings Inc. (current position)		
			February 2024	Auditor, Yamano Gakuen Educational Foundation (current position)		
			June 2024	Outside Director, True Data Inc. (Audit and Supervisory Committee Member) (current position)		
			April 2025	Director, Japan Institute for Health Security (current position)		
			June 2025	Director, Orion Breweries Ltd. (current position)		

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
Full-time Audit & Supervisory Board Member	Sunao Tomoyose	December 4, 1956	April 1975 April 2004 June 2011 August 2011 June 2013 June 2015 June 2016 June 2019 March 2022 June 2023 June 2023	Joined Okinawa Sogo Bank, Ltd. (currently The Okinawa Kaiho Bank, Ltd.) Branch Manager, Ishikawa Branch, Okinawa Sogo Bank, Ltd. General Manager of Sales Planning Department and Retail Planning Department, Okinawa Sogo Bank, Ltd. Executive Officer, General Manager of Sales Planning Department and Retail Planning Department, Okinawa Sogo Bank, Ltd. Director, General Manager of Administrative Management Department, Okinawa Sogo Bank, Ltd. Standing Corporate Auditor, Okinawa Sogo Bank, Ltd. Full-time Audit & Supervisory Board Member of the Company (current position) Outside Full-time Audit & Supervisory Board Member, Orion Arashiyama Golf Club Co., Ltd. (name changed to Orion Arashiyama Co., Ltd.) Outside Audit & Supervisory Board Member, Ishikawa Distillery Inc. (current position) Outside Audit & Supervisory Board Member, Hotel Royal Orion Co., Ltd. Outside Audit & Supervisory Board Member, Hotel Orion Motobu Co., Ltd. (name changed to Orion Hotel Co., Ltd.) (current position)	(Note 4)	0
Audit & Supervisory Board Member	Hidenori Sugiura	March 20, 1961	April 1984 July 1998 July 2000 April 2005 April 2005 October 2007 April 2008	Joined The Long-Term Credit Bank of Japan, Ltd. Joined UBS Trust Bank Joined IBJ Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.) Senior Researcher, Corporate Research Department, IBJ Securities Co., Ltd. Part-time Lecturer, Kyoto University Graduate School of Management Part-time Lecturer, Graduate School of Commerce, Hitotsubashi University Special Professor, Kyoto University Graduate School	(Note 4)	0

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
				of Management		
			June 2018	Outside Corporate Auditor, Taiyo Holdings Co., Ltd., currently Outside Director (Full-time Audit and Supervisory Committee Member) (current position)		
			April 2019	Outside Corporate Auditor, Taiyo Pharma Tech Co., Ltd. (current position)		
			April 2023	Auditor, Anzu no Mori Foundation (current position)		
			November 2023	Outside Audit & Supervisory Board Member of the Company (current position)		
Audit & Supervisory Board Member	Kengo Niimi	June 8, 1976	October 2003	Registered as Attorney (Tokyo Bar Association, worked at Makinouchi Law Office)	(Note 4)	0
			January 2006	Re-registered with Okinawa Bar Association		
			January 2007	Yoseda & Niimi Law Office (Partner Attorney)		
			October 2013	Passed New York State Bar Examination		
			April 2014	Registered as Attorney in New York State		
			April 2014	Established Niimi Law Office		
			March 2019	Member, Okinawa Prefecture Information Disclosure Review Board (current position)		
			January 2024	Outside Corporate Auditor of the Company (current position)		
Total						38,400

Notes 1. Directors Chong-gi Song, Shiro Ikeda, Takaomi Tomioka, Taichi Yokozawa, Fusako Zniden, and Rie Murayama are outside directors as defined in Article 2, Item 15 of the Companies Act.

2. Audit & Supervisory Board Member Sunao Tomoyose, Hidenori Sugiura, and Kengo Niimi are Outside Audit & Supervisory Board Member as defined in Article 2, Item 16 of the Companies Act.
3. Until the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending within one year from the appointment after July 31, 2025.
4. Until the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending within four years from the appointment after July 31, 2025.
5. The Company has entered into limited liability agreements with Outside Directors, Outside Audit & Supervisory Board Members, and Audit & Supervisory Board Members.

②The Company is submitting proposals for the Election of Six Directors as maters to be resolved at the Annual General Shareholders' Meeting that will be held on June 22, 2026. If the proposal is approved and adopted in their original forms, Officers and their terms will be as follows.

7 males, 2 females (ratio of females among officers: 22.2%)

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
President and Representative Director	Hajime Murano	July 19, 1962	April 1985	Joined Sony Corporation Overseas Sales Division	(Note 3)	38,400
			April 1991	Representative, Yugoslavia Representative Office, Sony Corporation		
			April 1992	Sales & Marketing Manager, Sony Europe Frankfurt		
			April 1994	Managing Director, Sony Hungary		
			March 1998	Representative, Sony Saudi Arabia Representative Office and General Manager, Modern Electronics Establishment		
			August 2001	Senior Marketing Strategist, Global Marketing, Headquarters, Sony Corporation		
			February 2003	President, Sony Mexico		
			October 2007	General Manager, Retail & Marketing Communication Department, Sony Corporation		
			October 2009	Division Director, Global Sales & Marketing Transformation Division, Sony Corporation		
			April 2012	Division Director, Global Retail & Web Division, Sony Corporation		
			December 2012	Chief Sales & Marketing Officer, Ricoh Imaging Company, Ltd.		
			April 2014	Senior Managing Director and Chief Sales & Marketing Officer, Ricoh Imaging Company, Ltd.		
			March 2015	Managing Director, DeAgostini Japan		
			June 2015	President and Representative Director, DeAgostini Japan		
			January 2016	President and Representative Director and Asia Regional Director, DeAgostini Japan		
			October 2018	President and Representative Director, Schick Japan K.K.		
			December 2021	President and Representative Director and Executive Officer and President, CEO of the Company (current position)		
			June 2022	Outside Director, Japan Entertainment Co., Ltd. (current position)		

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
Director	Shiro Ikeda	November 25, 1956	April 1980	Joined Asahi Breweries, Ltd.	(Note 3)	0
			September 2000	Director, Customer Lifestyle Culture Research Institute, Asahi Breweries, Ltd.		
			April 2006	General Manager, Product Development Department 1, Marketing Division, Asahi Breweries, Ltd.		
			March 2009	Executive Officer, Asahi Breweries, Ltd.		
			March 2010	Director, Asahi Breweries, Ltd.		
			March 2012	Asahi Group Holdings, Ltd. Director in charge of Domestic Beverages and CSR, Asahi Group Holdings, Ltd.		
			March 2012	Asahi Soft Drinks Co., Ltd. Director		
			August 2012	Asahi Group Holdings, Ltd. Director in charge of Overseas Business		
			April 2014	The company's Managing Director and Executive Officer		
			April 2014	Director, Indofood Asahi Sukses Beverage (Jakarta)		
			April 2016	Senior Managing Executive Officer and Indonesia Representative, Asahi Group Holdings, Ltd.		
			April 2019	Senior Advisor, Nomura Capital Partners Co., Ltd.		
			June 2019	Outside Director of the Company (current position)		
			March 2020	Part-time Lecturer, Graduate School of Management, Department of Management of Technology (MOT), Tokyo University of Science		

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
Director	Fusako Zniden	September 9, 1964	April 1987	Joined Shiseido Company, Limited	(Note 3)	0
			May 1992	Joined Noevir Co., Ltd.		
			April 1995	Joined Nippon Lever K.K. (currently Unilever Japan K.K.)		
			October 2001	Brand Director, Asia Region, Nippon Lever K.K.		
			July 2002	Joined Parfums Christian Dior K.K.		
			November 2003	Joined Joined Nihon L'Oréal K.K.		
			April 2004	General Manager, Lancôme Division Joined, Nihon L'Oréal K.K.		
			January 2006	Joined Avon Products Co., Ltd. (currently FMG & Mission Co., Ltd.)		
			March 2006	Director, General Manager of Commercial Marketing Division, Avon Products Co., Ltd.		
			April 2007	Joined Shiseido Company, Limited		
			April 2012	General Manager of Brand Planning Department, Domestic Cosmetics Division, Shiseido Company, Limited		
			October 2013	General Manager of Marketing Department, Domestic Cosmetics Division, Shiseido Company, Limited		
			June 2014	Director and General Manager of Marketing Division, Nissin Food Products Co., Ltd.		
			April 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.		
			April 2016	Executive Officer, Chief Marketing Officer and Chairperson of Diversity Promotion Committee, Nissin Foods Holdings Co., Ltd.		
			October 2018	Senior Vice President and Chief Marketing Officer, McDonald's Company (Japan), Ltd.		
			December 2021	Director, Orion Breweries Ltd. (current position) Director, Ocean Holdings Co., Ltd.		
			March 2022	Director, Senior Vice Presi-		

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
			  March 2023	dent and Chief Marketing Officer, McDonald's Company (Japan), Ltd. (current position) Director, McDonald's Holdings Company (Japan), Ltd. (current position)		
Director	Rie Murayama	May 1, 1960	April 1981 November 1988 March 1993 November 2001 April 2014 June 2016 June 2017 June 2019 June 2020 June 2021 August 2021 October 2021 February 2024 June 2024 April 2025 June 2025	Joined Yasuda Trust & Banking Co., Ltd. Joined CS First Boston Securities Joined Goldman Sachs Securities Managing Director, Goldman Sachs Securities Director, National Center for Global Health and Medicine Outside Director, RENOVA, Inc. Outside Director, KATITAS Co., Ltd. Outside Director, Shinsei Bank, Limited Outside Director, Maeda Corporation (currently Non-Executive Director (current position)) Outside Director, Rice Curry Co., Ltd. (name changed to MUSCAT GROUP Co., Ltd.) (current position) Representative Director, theAstate Inc. Outside Director, Infroneer Holdings Inc. (current position) Auditor, Yamano Gakuen Educational Foundation (current position) Outside Director, True Data Inc. (Audit and Supervisory Committee Member) (current position) Director, Japan Institute for Health Security (current position) Outside Director of the Company (current position)	(Note 3)	0

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
Director	Yasushi Kanematsu	February 23, 1968	April 1992	Joined Asahi Breweries, Ltd. (Kumamoto Branch, Kyushu Division)	(Note 3)	0
			October 1999	Full-time union official and secondment leave, Asahi Breweries Labor Union		
			October 2005	Sales Strategy Department, Asahi Breweries, Ltd.		
			September 2008	Beer Strategy Department, Asahi Breweries, Ltd.		
			September 2010	Marketing Planning Department, Asahi Breweries, Ltd.		
			September 2013	Corporate Planning Department, Asahi Breweries, Ltd.		
			September 2014	General Manager of Human Resources Strategy Office, Asahi Breweries, Ltd.		
			April 2017	President of Kumamoto Branch, Asahi Breweries, Ltd.		
			April 2019	Senior Officer and General Manager of Sales Planning Department, Hokkaido Regional Headquarters, Asahi Breweries, Ltd.		
			September 2020	Senior Manager and General Manager of Distribution Department, Asahi Breweries, Ltd.		
			April 2024	Executive Officer and General Manager of Sales Strategy Department, Asahi Breweries, Ltd. (current position)		
			June 2026	Outside Director of the Company (current position)		
Director	Kensuke Nakanobo	May 11, 1963	April 1987	Joined Kintetsu Railway Co., Ltd.	(Note 3)	0
			November 2009	General Manager of Planning and Coordination Department, Terminal Development Division, Kintetsu Railway Co., Ltd.		
			June 2013	General Manager of Business Department, Abeno Harukas Business Division, Kintetsu Railway Co., Ltd.		
			April 2015	General Manager of Harukas Operations Department, Asset Business Division, Kintetsu Real Estate Co., Ltd.		
			June 2016	Executive Officer, Kintetsu Real Estate Co., Ltd.		
			June 2018	Director Kintetsu Real Estate Co., Ltd.		
			June 2021	Managing Director, Kintetsu Real Estate Co., Ltd.		
			April 2022	Senior Managing Director,		

Position	Name	Date of Birth	Career Summary		Term of Office	Number of shares (Shares)
				Kintetsu Real Estate Co., Ltd.		
			June 2023	Managing Executive Officer, KNT-CT Holdings Co., Ltd.		
			June 2025	Representative Director and Executive Managing Director, KNT-CT Holdings Co., Ltd. (current position)		
			June 2026	Outside Director of the Company (current position)		
Full-time Audit & Supervisory Board Member	Hidenori Sugiura	March 20, 1961	April 1984	Joined The Long-Term Credit Bank of Japan, Ltd.	(Note 4)	0
			July 1998	Joined UBS Trust Bank		
			July 2000	Joined IBJ Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.)		
			April 2005	Senior Researcher, Corporate Research Department		
			April 2005	Part-time Lecturer, Kyoto University Graduate School of Management		
			October 2007	Part-time Lecturer, Graduate School of Commerce, Hitotsubashi University		
			April 2008	Special Professor, Kyoto University Graduate School of Management		
			June 2018	Outside Corporate Auditor of Taiyo Holdings Co., Ltd., currently Outside Director (Full-time Audit and Supervisory Committee Member)		
			April 2019	Outside Corporate Auditor of Taiyo Pharma Tech Co., Ltd.		
			April 2023	Auditor, Anzu no Mori Foundation (current position)		
			November 2023	Outside Audit & Supervisory Board Member of the Company		
			June 2026	Full-time Outside Audit & Supervisory Board Member of the Company (current position)		
			June 2026	Orion Hotel Co., Ltd. Outside Audit & Supervisory Board Member		
			June 2026	Ishikawa Distillery Inc. Outside Audit & Supervisory Board Member		
Audit & Supervisory Board Member	Sunao Tomoyose	December 4, 1956	April 1975	Joined Okinawa Sogo Bank, Ltd. (currently The Okinawa Kaiho Bank, Ltd.)	(Note 4)	0
			April 2004	Branch Manager, Ishikawa Branch, Sogo Bank, Ltd.		
			June 2011	General Manager of Sales Planning Department and Retail Planning Department, Sogo Bank, Ltd.		
			August 2011	Executive Officer, General Manager of Sales Planning		

			   June 2013 June 2014 June 2015 June 2016 June 2016 June 2019 March 2022 June 2023 June 2026	Department and Retail Planning Department, Sogo Bank, Ltd. Director, General Manager of Administrative Management Department, Sogo Bank, Ltd. Director, General Manager of Administrative Management Department, Sogo Bank, Ltd. Standing Corporate Auditor, Sogo Bank, Ltd. Standing Outside Corporate Auditor of the Company Full-time Audit & Supervisory Board Member of the Company (current position) Outside Full-time Audit & Supervisory Board Member, Orion Arashiyama Golf Club Co., Ltd. (name changed to Orion Arashiyama Co., Ltd.) Outside Audit & Supervisory Board Member, Ishikawa Distillery Inc. (current position) Outside Audit & Supervisory Board Member, Hotel Royal Orion Co., Ltd. Part-time Outside Corporate Auditor of the Company		
Audit & Supervisory Board Member	Kengo Niimi	June 8, 1976	October 2003 January 2006 January 2007 October 2013 April 2014 April 2014 March 2019 January 2024	Registered as Attorney (Tokyo Bar Association, worked at Makinouchi Law Office) Re-registered with Okinawa Bar Association Yoseda & Niimi Law Office (Partner Attorney) Passed New York State Bar Examination Registered as Attorney in New York State Established Niimi Law Office Member, Okinawa Prefecture Information Disclosure Review Board (current position) Outside Audit & Supervisory Board Member of the Company (current position)	(Note 4)	0
Total						38,400

Notes 1. Directors Shiro Ikeda, Fusako Zniden, Rie Murayama, Yasushi Kanematsu, and Kensuke Nakanobo are Outside Directors as defined in Article 2, Item 15 of the Companies Act.

2. Audit & Supervisory Board Members Sunao Tomoyose, Hidenori Sugiura, and Kengo Niimi are Outside Audit & Supervisory Board Members as defined in Article 2, Item 16 of the Companies Act.

3. Until the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending within one year from the appointment after June 22, 2026.

4. Until the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending within four years from the appointment after July 31, 2025.

5. The Company has entered into limited liability agreements with Outside Directors,

Outside Audit & Supervisory Board Members, and Audit & Supervisory Board Members.

b. Status of Outside Officers

There are no personal, capital, business, or other conflicts of interest between the Company and Mr. Shiro Ikeda, an outside director. We appointed Mr. Ikeda because he possesses extensive experience and broad knowledge gained over many years in the alcoholic beverages industry, and is therefore well-suited to provide advice on the alcoholic beverages and soft drinks business as well as general management.

There are no personal, capital, transactional, or other relationships of interest between Outside Director Fusako Znaiden and the Company. Ms. Znaiden was appointed because she has extensive experience and broad knowledge in marketing in the FMCG industry, and is capable of providing advice on the Group's marketing strategy, out-of-prefecture business expansion strategy for the Alcoholic & Beverages Business, consumer behavior insights from a female perspective which are important for the Alcoholic & Beverages Business and Tourism & Hotel Business, and overall management.

There are no personal, capital, transactional, or other relationships of interest between Outside Director Rie Murayama and the Company. Ms. Murayama was appointed because, based on her experience in finance/capital market operations as a securities analyst and investment banker, her experience serving as a member of the Council for Regulatory Reform and government committees of Keidanren and the Ministry of Land, Infrastructure, Transport and Tourism, her experience as a founding president of a venture company, and her many years of practical and management experience as Outside Director of Rice Curry Inc. (renamed to MUSCAT GROUP Inc.), Outside Director of INFRONEER Holdings Inc., and Auditor of Yamano Gakuen Educational Foundation, she is capable of providing advice from a female perspective on the overall management of the Group.

Outside Director Yasushi Kanematsu is an executive of Asahi Breweries, Ltd., with which we have a business alliance. He possesses extensive and deep expertise in corporate management, having held positions in sales, marketing, corporate planning, and human resources over many years. Mr. Kanematsu was appointed because he is uniquely qualified to provide advice on marketing strategies, strengthening sales structures, and organizational development—all of which are essential for enhancing market competitiveness and achieving sustainable growth.

Outside Director Kensuke Nakanobo is an executive of Kintetsu Group Holdings, Inc., with which we have a business alliance. He possesses diverse management experience in the hotel and real estate sectors and has a proven track record in the development and operation of large-scale mixed-use facilities. We appointed Mr. Nakanobo because he is capable of providing accurate and valuable advice on strengthening competitiveness in the tourism and hotel businesses, creating new value, and implementing sustainable growth strategies.

There are no personal, capital, transactional, or other relationships of interest between Outside Audit & Supervisory Board Member Hidenori Sugiura and the Company. Mr. Sugiura has broad knowledge in finance, has extensive writing achievements as a researcher, and also has experience as an outside Audit & Supervisory Board Member of listed companies. He was appointed because he is capable of providing objective and professional advice on the overall management and governance of the Group.

There are no personal, capital, transactional, or other relationships of interest between Outside Audit & Supervisory Board Member Sunao Tomoyose and the Company. Mr. Tomoyose was appointed because he has extensive experience and broad knowledge in finance and is capable of providing advice on overall management.

There are no personal, capital, transactional, or other relationships of interest between Outside Audit & Supervisory Board Member Kengo Niimi and the Company. Mr. Niimi was appointed because he is an attorney residing in Okinawa with extensive experience in corporate legal affairs and overseas transactions, and is particularly capable of providing advice on the corporate governance of the Group.

The Company has not established standards or policies regarding independence for the appointment of outside officers; however, the selection criteria for outside officers are that they have extensive experience necessary for management decision-making, or have professional insight and experience in legal, accounting, or other fields.

Outside Director Shiro Ikeda, Outside Director Fusako Zunaiden, Outside Director Rie Murayama, Outside (Standing) Audit & Supervisory Board Member Sunao Tomoyose, Outside Audit & Supervisory Board Member Hidenori Sugiura, and Outside Audit & Supervisory Board Member Kengo Niimi, who meet the requirements for independent officers as defined by the Tokyo Stock Exchange, have been designated as independent officers.

c. Supervision or Audit by Outside Directors or Outside Audit & Supervisory Board Member, Mutual Coordination with Internal Audit, Audit & Supervisory Board Member Audit, and Accounting Audit, and Relationship with Internal Control Departments

Outside Directors receive reports on the results of Audit & Supervisory Board Member audits and accounting audits at Board of Directors meetings, and provide advice and recommendations as necessary to ensure the appropriateness of Board of Directors' decision-making. Outside Audit & Supervisory Board Member maintain close cooperation with the full-time Audit & Supervisory Board Member and possess the information necessary for overseeing management. In addition, through the Audit & Supervisory Board, they maintain close coordination with the accounting auditor and internal audit to ensure the appropriateness of business operations.

(3) Audits

a. Audit & Supervisory Board Member Audits

Audit & Supervisory Board Member audits at the Company are conducted in accordance with audit plans formulated each fiscal year, auditing the appropriateness of Directors' execution of duties and decision-making. In addition, regular exchanges of opinions with Executive Directors and information exchanges with the internal audit manager ensure a system capable of thoroughly auditing the execution of duties by Executive Directors.

Full-time Audit & Supervisory Board Member Sunao Tomoyose worked for many years at The Okinawa Kaiho Bank, Ltd., possessing substantial knowledge of finance and accounting. He has subsequently served as the Company's full-time Audit & Supervisory Board Member for many years, and possesses extensive audit experience and broad knowledge regarding the Company's group. Outside Audit & Supervisory Board Member Hidenori Sugiura worked for many years at The Long-Term Credit Bank of Japan and other financial institutions, possessing substantial knowledge of finance and accounting. He has also served as a Audit & Supervisory Board Member at listed companies outside the Company's group, and possesses extensive knowledge regarding the governance of listed companies. Outside Audit & Supervisory Board Member Kengo Niimi possesses specialized knowledge of corporate legal affairs as an attorney and broad knowledge regarding business.

During the fiscal year under review, the Company held Audit & Supervisory Board meetings in principle once a month, with extraordinary meetings held as necessary. The attendance of each Audit & Supervisory Board Member was as follows.

Name	Number of Meetings Held	Number of Attendances
Sunao Tomoyose	16	16
Hidenori Sugiura	16	16
Kengo Niimi	16	16

The main matters examined at the Audit & Supervisory Board include audit policies and audit plans, the status of development and operation of the internal control system, the audit implementation status of each Audit & Supervisory Board Member, judgment on the appropriateness of accounting auditor audits, and evaluation of the accounting auditor.

As activities of the full-time Audit & Supervisory Board Member, based on the annual audit plan, in addition to attending Board of Directors meetings, the auditor attends other important meetings and discussions, conducts on-site inspections of subsidiaries, interviews with internal audit, and audits the execution of duties by Directors and others.

b. Internal Audits

Internal audits at the Company are conducted with the General Manager of the Internal Audit Office as the responsible person, along with two dedicated staff members. Internal audits are conducted for all departments. Based on the Company's "Internal Audit Regulations, the actual status of business activities and operation of various systems are investigated. After completion of audits, audit reports are prepared and submitted to the Representative Director and President, with a system in place to report directly to the Board of Directors, Management Meeting, Audit & Supervisory Board Members, and Audit & Supervisory Board as necessary.

Additionally, to maintain close coordination with Audit & Supervisory Board Members and the audit firm, regular liaison meetings are held and active information exchange is conducted to enhance the effectiveness and efficiency of audits.

c. Accounting Audits

(a) Name of Audit Firm

Ernst & Young ShinNihon LLC

(b) Consecutive Years of Audit

7 years

(c) Certified Public Accountants Who Performed the Audit

Designated Limited Liability Partner, Engagement Partner: Koichiro Sasaki

Designated Limited Liability Partner, Engagement Partner: Shinya Maeno

(d) Composition of Assistants Involved in Audit Operations
Certified Public Accountants: 11 people
Other: 11 people

(e) Policy and Reasons for Selection of Audit Firm
Regarding the policy and reasons for selection of the audit firm, the Audit & Supervisory Board selects based on comprehensive judgment of factors including having the scale and global network capable of conducting effective and efficient audit operations corresponding to the Company's business content, having no issues with quality control, maintaining independence, possessing necessary expertise, having appropriate audit content and standards, and audit track record.
Additionally, if the Audit & Supervisory Board determines that proper execution of audits has become difficult due to events that impair the qualifications or independence of the accounting auditor, it will determine the content of proposals to dismiss or not reappoint the accounting auditor and appoint a new accounting auditor. Furthermore, if it is determined that the accounting auditor falls under the grounds for dismissal stipulated in each item of Article 340, Paragraph 1 of the Companies Act, the accounting auditor will be dismissed based on the unanimous consent of all Audit & Supervisory Board Members.

(f) Evaluation of Audit Firm by Audit & Supervisory Board Members and Audit & Supervisory Board
The Company's Audit & Supervisory Board Members and Audit & Supervisory Board conduct evaluations of the audit firm. For this evaluation, throughout the fiscal year, coordination with Ernst & Young ShinNihon LLC is maintained to understand the audit implementation status including the accounting auditor's independence, quality control status, appropriateness of the duty execution system, appropriateness of audit fees, effectiveness of communication with management, internal audit office and other executive departments, response to fraud risks, and the effectiveness and efficiency of accounting audit implementation for the fiscal year. The evaluation of the accounting auditor is also conducted by receiving reports on accounting matters from the accounting department and others.

d. Details of Audit Fees
(a) Details of Fees to Audit Certified Public Accountants

Category	Previous fiscal year		Current fiscal year	
	For audit certification services (Millions of yen)	For non-audit services (Millions of yen)	For audit certification services (Millions of yen)	For non-audit services (Millions of yen)
The Company	38	—	50	3
Consolidated subsidiaries	—	—	—	—
Total	38	—	50	3

(Note) The non-audit services for the Current fiscal year consist of services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act, specifically the preparation of comfort letters related to new listing.

(b) Fees to the Same Network as the Audit Certified Public Accountants (Excluding (a))
Not applicable.

(c) Details of Fees for Other Significant Audit Certification Services
Not applicable.

(d) Policy for Determining Audit Fees

As for the Company's policy for determining audit fees for audit certified public accountants, fees are determined appropriately by comprehensively considering factors such as the number of audit days in the audit plan and the characteristics of the Company's size and operations.

(e) Reasons for Audit & Supervisory Board' Consent to Accounting Auditor's Compensation

The Company's Audit & Supervisory Board Members, based on the Practical Guidelines for Cooperation with Accounting Auditors published by the Japan Audit & Supervisory Board Members Association, obtained necessary materials and heard reports from Directors, relevant internal departments, and the accounting auditor, and as a result of examining the accounting auditor's fee estimates, have given consent under Article 399, Paragraph 1 of the Companies Act regarding the accounting auditor's compensation.

(4) Compensation for Officers

1. Matters Related to Policies for Determining the Amount or Calculation Method of Officer Compensation

Policy for Determining Individual Director Compensation

a. Basic Policy

The compensation for the Company's Directors is structured as a compensation system linked to shareholder interests so as to function sufficiently as an incentive for sustainable enhancement of corporate value. When determining compensation for individual Directors, the basic policy is to set appropriate levels based on their respective duties and responsibilities.

Specifically,

- Compensation for full-time Directors consists of basic compensation comprises fixed compensation (monetary: monthly) and performance-linked compensation (monetary: bonus).
- Compensation for part-time Directors consists of basic compensation comprising fixed compensation (monetary: monthly) .

b. Policy for Determining the Content and Amount or Number of Basic Compensation (Monetary) (Including Timing and Conditions)

The basic compensation for the Company's Directors 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 has been delegated authority by the Board of Directors after consultation with the Nomination and Remuneration Committee.

i. Basic Compensation

◇ Fixed Compensation (Monetary: Monthly) (Common for Full-time and Part-time)

- Monthly basic compensation in monetary form according to position and responsibilities.

◇ Performance-linked Compensation (Monetary: Bonus) (Full-time Only)

- As short-term incentive compensation, compensation that varies between 40% to 80% based on fixed compensation according to performance for one fiscal year.
- Compensation is paid after the Company's business performance for the fiscal year is finalized.
- For performance indicators, as we emphasize the balance between company-wide growth and profitability, consolidated net sales and consolidated operating profits are adopted.

c. Policy for Determining the Ratio of Fixed Compensation and Performance-linked Compensation to Individual Director Compensation

- Among basic compensation (Monetary: Monthly), the ratio of fixed compensation to performance-linked compensation (monetary: bonus) is approximately 7:3 to 6:4 at the standard amount.
- Performance-linked compensation (monetary) is not paid to part-time Directors.

In addition to the above, at a meeting of the Board of Directors held on May 14, 2026, the Company reviewed the compensation system for its directors (including outside directors; hereinafter referred to as "Eligible Directors") and executive officers who do not concurrently serve as directors (hereinafter collectively referred to as "Eligible Directors, etc.") , and resolved to introduce a new restricted stock award plan (hereinafter referred to as the "Additional Plan") linked to the achievement of numerical targets based on consolidated operating profit. We have decided to submit a proposal regarding the Additional Plan to the 69th Annual General Meeting of Shareholders scheduled to be held on June 22, 2026.

d. Purpose and Conditions of the Introduction of the Additional Plan

① Purpose of Introduction

The Additional Plan is being introduced with the aim of providing incentives to promote the sustainable enhancement of the Company's corporate value, as well as to further advance value sharing with our shareholders.

② Conditions for Introduction

Since the Additional Plan involves granting monetary claims for the issuance of restricted stock to Eligible Directors, etc. as compensation, the introduction of the Additional Plan is conditional upon obtaining the approval of our shareholders at the General Meeting of Shareholders regarding the payment of such compensation. Furthermore, the maximum amount of remuneration for directors was approved at the 57th Ordinary General Meeting of Shareholders held on June 27, 2014, as not exceeding 165 million yen per fiscal year (excluding the employee portion of the salary for directors who are also employees). Accordingly, we plan to request shareholder approval to establish a separate remuneration limit for the Eligible Directors, etc. under the Additional Plan, distinct from the aforementioned monetary remuneration limit.

③ Overview of the Additional Plan

・Restricted shares will be granted to the Eligible Directors, etc. based on their position, and the restriction on transfer will generally be lifted upon their resignation from the board.

・To raise awareness of performance improvement and contribute to enhancing corporate value, as well as to promote both sales growth and profitability, restricted stock will be granted in a combination of one or two of the following types.

(a) "Tenure-based Type": The condition for lifting the transfer restriction is continuous service for a specified period in a position determined by the Board of Directors among the executive and staff positions at the Company or its subsidiaries.

(b) "Performance-Based Type": In addition to the tenure condition above, the lifting of the transfer restriction is conditional upon the achievement of performance conditions determined by the Board of Directors. Since the performance metrics prioritize a balance between company-wide growth and profitability, "consolidated operating income" is generally adopted, and achievement is determined based on the performance of a single fiscal year.

・The total amount of monetary claims to be paid to eligible directors, etc., under the Additional Plan shall be as follows

(a) Up to 10.92 million yen annually for the "Tenure-Based Type" (of which up to 4.68 million yen is for outside directors)

(b) Up to 10.92 million yen annually for the "Performance-Based Type" (of which up to 4.68 million yen is for outside directors)

(c) A combined total of up to 21.84 million yen per year (of which up to 9.36 million yen is for outside directors)

・Pursuant to a resolution of the Company's Board of Directors, the Eligible Directors, etc. shall contribute all monetary claims payable under the Additional Plan as in-kind contributions and shall receive the Company's common stock issued or allotted in connection therewith. The total number of shares of the Company's common stock issued or allotted as a result shall be as follows:

(a) Up to 8,400 shares per year as "tenure-based" (of which up to 3,600 shares are for outside directors)

(b) Up to 8,400 shares per year as "performance-based" (of which up to 3,600 shares are for outside directors)

(c) A total of up to 16,800 shares per year (of which up to 7,200 shares per year are for outside directors)) (However, if a stock split (including a gratis allotment of the Company's common stock) or a reverse stock split of the Company's common stock occurs on or after the date this proposal is approved and adopted, or if any other circumstances arise that necessitate an adjustment to the total number of the Company's common shares issued or disposed of as shares subject to transfer restrictions, the respective total numbers shall be adjusted within a reasonable range.)

・The payment amount per share shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of each Board resolution regarding the issuance or disposition of the Company's common stock (or, if no trades were executed on that day, the closing price on the most recent preceding trading day), within a range that does not result in a price particularly favorable to the Eligible Directors, etc. who are to subscribe for such common stock.

・Furthermore, in connection with the issuance or disposition of the Company's common stock resulting therefrom, as well as the provision of monetary claims as assets contributed in kind, it is a condition that the Company and the Eligible Directors, etc. enter into a share allocation agreement subject to transfer restrictions, the terms of which include, among other things, (1) a prohibition on the transfer of such shares to third parties, the creation of security interests, or any other disposition of such shares for a specified period, and (2) the Company's acquisition of such shares without consideration should certain events occur.

・The amount and number of shares to be granted shall be determined by the President and Representative Director, who has been delegated authority by the Board of Directors following consultation with the Nomination and Remuneration Committee.

・The ratio of base compensation (cash: monthly salary and bonuses) to restricted stock compensation (shares) shall be approximately 8:2 to 7:3 based on the standard amount.

2. Total Compensation by Officer Category, Total by Type of Compensation, and Number of Applicable Officers

Officer Category	Total Compensation (Millions of yen)	Total by Type of Compensation (Millions of yen)			Number of Applicable (Persons)
		Fixed Compensation	Performance-linked Compensation	Non-monetary Compensation	
Director (Excluding Outside Directors)	71	44	22	4	2
Audit & Supervisory Board Member (Excluding Outside Audit & Supervisory Board Members)	–	–	–	–	–
Outside Officers	48	43	3	–	7

1. The number of personnel as of the end of the fiscal year under review is 7 Directors (of which 2 have retired), and 3 Directors receive no compensation and are not included in the above figures. There are 3 Audit & Supervisory Board Members, but all 3 are Outside Audit & Supervisory Board Members and are not included in the above figures.
2. The compensation limit for Directors was resolved at the 57th Annual General Meeting of Shareholders held on June 27, 2014 to be 165 million yen per fiscal year (excluding employee salaries), and the number of Directors at the Annual General Meeting of Shareholders to be held in June 2025 is 7. (of which 3 receive no compensation)
3. The compensation limit for Audit & Supervisory Board Members was resolved at the Extraordinary General Meeting of Shareholders held on November 1, 2023, to be 30 million yen per fiscal year, and the number of Audit & Supervisory Board Members at the Annual General Meeting of Shareholders to be held in June 2025 is 3.
4. Bonuses are paid to Directors as performance-linked compensation. Bonuses use consolidated net sales and consolidated operating profit as indicators as we emphasize the balance between company-wide growth and profitability, and the results for each indicator are as stated in the consolidated statement of income. The process for determining Director compensation 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 determination.
5. Non-monetary compensation consists of company housing rent for Directors and homecoming expenses.

3. Total Consolidated Compensation for Each Officer

Not stated as there are no people whose total compensation is 100 million yen or more.

(5) Shareholdings

a. Standards and Approach for Classification of Investment Shares

The Company classifies investment shares held for the purpose of securing gains from stock price appreciation or dividends as investment shares held for pure investment purposes, and other shares as investment shares held for purposes other than pure investment.

b. Investment shares are held for purposes other than pure investment

(a) Holding policy, methods for verifying the rationale for holding, and details of verification by the Board of Directors regarding the appropriateness of holding individual issues

The Company may hold shares (unlisted shares) of companies, primarily local Okinawa Prefecture companies, that are deemed to contribute to regional development. For shares held, the Company comprehensively considers whether the holding purpose is appropriate for each issuing company, whether the benefits of holding are being achieved from the perspective of contribution to business performance and risk, and scrutinizes whether the holdings are commensurate with the cost of capital. The Board of Directors confirms the verification results of the significance of holdings annually.

(b) Number of issues and balance sheet carrying amount

	Number of companies	Amount recorded on the balance sheet Total balance sheet (Millions of yen)
Unlisted shares	49	2,135
Shares other than unlisted shares	–	–

(Issues with increased number of shares during the fiscal year)

	Number of companies	Total acquisition cost related to increase in number of shares (Millions of yen)	Reason for increase in number of shares
Unlisted shares	–	–	–
Shares other than unlisted shares	–	–	–

(Issues with decreased number of shares during the fiscal year)

	Number of companies	Total sale price related to decrease in number of shares (Millions of yen)
Unlisted shares	–	–
Shares other than unlisted shares	–	–

(c) Information on the number of shares, balance sheet carrying amount, etc. for each issue of specified investment shares and deemed holding shares

None

c. Investment shares held for pure investment purposes

None

5 Employee Status, etc.
(1) [Basic Policy on Human Resource Strategy, etc.]

Orion Group's Human Capital Strategy

The Group positions human capital as the core capital supporting the realization of our mission Proudly from Okinawa, Orion makes people, makes occasions, helps the world smile. Amid significant changes in the business environment, including revisions to the liquor tax system, abolition of the Special Measures Law*, market maturation, social conditions, and fluctuations in tourism demand, the Group is working to strengthen its Flywheel Growth with Okinawa business model for medium- to long-term enhancement of corporate value. The Orion brand, which is at the core of this business model, has established its position in Okinawa as a pride and emotion-evoking brand (a brand that is a source of pride for prefectural residents and evokes deep emotions). This uniqueness is the source of the Group's competitiveness, and we believe it is important to expand our organizational capability to continue evolving by leveraging the Okinawa brand.

To expand this organizational capability, the Group is promoting human capital management linked to business strategy. In addition to strengthening the profitability of existing businesses, we are building an organizational and human resource foundation to create new regional value and experiential value. We have set entrepreneurial innovation capability, global and cross-cultural responsiveness, leadership that drives transformation, and data-driven management capability as priority themes, and are conducting an integrated review of recruitment, development, placement, evaluation, and compensation systems.

In addition, we emphasize the cultivation of an organizational climate and culture with high psychological safety where diverse personnel can proactively take on challenges as the foundation of organizational capability and aim to evolve into an organization with high productivity and high adaptability. Specifically, through treatment and evaluation systems with fairness and flexibility, and human resource and organizational development based on diversity, equity, and inclusion, we respect differences such as gender, age, nationality, work style, and family composition, and strive to create an environment where each individual can demonstrate their abilities in their own way. Furthermore, through post-retirement rehiring, promotion of LGBTQ understanding, and provision of fair educational opportunities, we continue to develop a workplace environment where diverse personnel can confidently pursue growth and challenges. We are also promoting the development of systems and culture that enable all employees to reaffirm their own value and role and demonstrate their maximum potential.

We also emphasize enhancing engagement through organizational development and human resource development, respecting each employee's desire for growth, diverse careers, and work styles, while fostering a sense of unity as an organization. As a progress indicator, we have set a target for a Group-wide employee engagement score (ES) of 80 or above and are promoting the creation of a culture where all employees can empathize with a common mission and grow and take on challenges with confidence and autonomy.

*Act on Special Measures Associated with Reversion of Okinawa

・Organizational capabilities necessary for strengthening the Flywheel Growth with Okinawa business model and the organizational climate and culture that form its foundation

Business Strategy	Organizational Capabilities Required for Strengthening	Foundational Organizational Climate and Culture
Strengthening Orion brand and product/service capabilities	Entrepreneurial innovation capability	Culture where diverse personnel are respected and learn from and collaborate with each other
Accelerating growth in markets outside Okinawa Prefecture and overseas	Global and cross-cultural responsiveness	Promoting diversity (acceptance of different cultures, generations, and values)
Creation of new regional value and experiential value	Leadership that drives transformation	Open and fair organizational culture where people can confidently take on challenges, proactive expression of opinions

Organizational and Human Resource Vision of Orion Group

Orion Group will strengthen its organizational capability to continue evolving by leveraging the Okinawa brand by inheriting its corporate culture rooted in Okinawa while adapting to changes in the business environment. We will position next-generation transformers who can create new value at the core of our talent portfolio, while focusing on developing and securing personnel with transformation-driving capability incorporating external perspectives, combined with deep understanding and respect for Okinawa's rich history, culture, nature, and industry (pride in Okinawa).

・Gaps from the target organizational and human resource vision and priority measures

Based on the aforementioned human capital strategy, the Group is accelerating the transformation of organizational capabilities. Various gaps exist between the current organizational and human resource status and the target future vision, as shown in the table. In particular, we are setting strategic measures and KPIs and steadily promoting initiatives to close gaps in priority issues, such as creating an organization with high psychological safety where diverse personnel can proactively take on challenges. We will also set a target of achieving an employee engagement score (ES) of 80 or above, and further strengthen progress management and organizational capability improvement.

Target Organizational and Human Resource Vision	Current Situation (Gaps Between the Current State and the Desired Organizational and Personnel Profile)	Priority Measures	KPI
・Organization with high psychological safety where diverse personnel can proactively take on challenges	・Insufficient proactiveness in respecting diversity and expressing opinions; penetration of psychological safety and open culture is still in progress	・Strengthening DE&I promotion measures, increasing company-wide communication opportunities, psychological safety training for managers, activating frontline dialogue	・Overall ES score
・Organization that continues innovative value creation in domestic and overseas markets ・Organization with a culture that welcomes trial and error	・Stable operations, failure avoidance orientation ・Okinawa market-centered perspective	・Cultivating challenge and entrepreneurial spirit	・Number of new business projects ・ES challenging culture score

・Organization with personnel rich in experience outside the prefecture, overseas, and in different industries ・Organization with language skills assuming overseas market expansion	・Business experience outside the prefecture and overseas ・Limited personnel with various language capabilities	・Restructuring recruitment policy (expanding global and cross-border capabilities)	・Foreign nationality ratio ・Ratio of personnel with overseas experience
・Organization that demonstrates leadership driving transformation	・Management-style leadership is mainstream	・Review and expansion of human resource development policy (strengthening next-generation leadership)	・Next-generation leader pipeline ・360-degree evaluation average score
・Organization that practices data-driven management	・Immaturity of data utilization culture and dependence on individual judgment	Accelerating DX (promoting digital and production reform)	・Business automation rate - Value added per person - Productivity per person

Key Indicators and Targets

Fiscal Year	FY2021	FY2022	FY2023	FY2024	FY2025
The Group’s ES Score	63	63	65	67	70

*Measured every February

Policy on Determining the Amount and Content of Employee Salaries and Compensation

Based on the belief that the growth and challenges of each employee lead to the enhancement of corporate value, the Group is working to realize fair treatment according to job content and the magnitude of roles.

In 2020, the Company completely overhauled our traditional seniority-based human resources system and introduced a new system that evaluates job performance based on role grades and behavior aligned with our core values. This has established a system that appropriately evaluates and rewards the roles assumed, results demonstrated, and contributions to the organization and colleagues, rather than age or years of service.

The amount and content of salaries are determined by comprehensively considering each employee’s role, responsibilities, results, and behavioral evaluation. We also conduct periodic reviews taking into account economic conditions, labor market trends, and comparisons with industry peers, striving to maintain competitive compensation levels. Our personnel system aims to create an environment where each individual can fully demonstrate their abilities and autonomously grow and take on challenges through improved employee motivation and engagement. As a result, our basic policy is to create a virtuous cycle leading to improved customer satisfaction, trust from society, and shareholder value, thereby achieving sustainable growth.

(2) [Employee Status]

(1) Status of consolidated companies

As of March 31, 2026

Segment Name	Number of Employees (Persons)
Alcoholic & Beverages Business	180(81)
Tourism & Hotel Business	134(156)
Company-wide (Common)	38(14)
Total	352(251)

(Note) 1. The number of employees represents the working population (excluding employees seconded from the Group to outside the Group, and including employees seconded from outside the Group to the Group), and the average number of temporary employees (excluding temporary agency workers, and including advisory employees, contract employees, and part-time employees) is shown in parentheses as a separate figure.
2. The number of employees listed under Company-wide (Common) are those belonging to administrative departments such as general affairs and accounting.

(2) Status of the reporting company

As of March 31, 2026

Number of Employees (Persons)	Average Age	Average Years of Service	Average Annual Salary (Thousands of yen)	Average Annual Salary: Year-on-Year Change Rate (%)
205 (89)	41 years 9 months	12 years 1 month	7,041 thousand yen	2.3%

Segment Name	Number of Employees (Persons)
Alcoholic & Beverages Business	159(75)
Tourism & Hotel Business	8(0)
Company-wide (Common)	38(14)
Total	205(89)

Note 1. The number of employees represents the working personnel (excluding employees seconded from the Company to outside entities and including employees seconded from outside entities to the Company), and the average number of temporary employees (excluding temporary staffing agency workers and including non-regular employees, contract employees, and part-time employees) is shown in parentheses as a separate figure.
2. Average annual salary includes bonuses and non-standard wages.
3. The number of employees listed in the column Company-wide (Common) are those belonging to administrative departments such as general affairs and accounting.

(3) Status of Labor Union

The Company has a labor union established in 1961, which is affiliated with the Japanese Federation of Food and Related Industry Workers' Unions (JFU). As of March 31, 2026, the number of union members is 131.

Labor-management relations are harmonious, and there are no matters worthy of special mention.

(4) Percentage of Female Workers in Managerial Positions, Rate of Male Workers Taking Child-care Leave, and Gender Pay Gap

① The Company

Current fiscal year					Supplementary explanation
To management positions Account for Female workers Percentage (%) Notes 1	Male workers' Childcare leave Acquisition Rate (%) Notes 2	Male and female workers gender pay gap (%) (Note 1)			
		All workers	Of which, regular employees	Of which, part-time and fixed-term employees	
12.0	63.6	59.1	75.9	54.2	-

Note 1. The percentage of female workers in managerial positions and the gender pay gap are calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. The rate of male workers taking childcare leave is calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), in accordance with Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labor Ordinance No. 25 of 1991).

② Consolidated subsidiaries

Current fiscal year						Supplementary explanation
Name	Percentage of female workers in managerial positions (%) Notes 1	Rate of male workers taking child-care leave (%) Notes 2	Gender pay gap (%) (Note 1)			
			All workers	Of which, regular employees	Of which, part-time and fixed-term employees	
Orion Hotel Co., Ltd.	0.0	66.7	69.2	82.0	82.7	-
Ishikawa Distillery Inc.	20.0	0.0	57.8	90.3	61.4	-

Note 1. The percentage of female workers in managerial positions and the gender pay gap are calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. The rate of male workers taking childcare leave is calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), in accordance with Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labor Ordinance No. 25 of 1991).

3. Orion Okiei LLC, a consolidated subsidiary, is not subject to the disclosure requirements under the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015) and the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), and therefore the description is omitted.

Section 5 Financial Information

1. Method of Preparation of Consolidated Financial Statements and Financial Statements

(1) The consolidated financial statements of the Company are prepared in accordance with the Regulations Concerning Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28 of 1976, hereinafter referred to as the Consolidated Financial Statements Regulations).

(2) The financial statements of the Company are prepared in accordance with the Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Ordinance No. 59 of 1963, hereinafter referred to as the Financial Statements Regulations).

In addition, the Company qualifies as a company submitting financial statements under special provisions and prepares its financial statements in accordance with Article 127 of the Financial Statements Regulations.

2. Note on Independent Audit

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the consolidated financial statements for the consolidated fiscal year (from April 1, 2025, to March 31, 2026) and the financial statements for the fiscal year (from April 1, 2025, to March 31, 2026) have been audited by Ernst & Young ShinNihon LLC.

3. Special Measures to Ensure the Appropriateness of Consolidated Financial Statements

The Company has implemented special measures to ensure the appropriateness of the consolidated financial statements. Specifically, in order to establish a system to properly understand the content of accounting standards, we participate in training sessions on changes to accounting standards held by external organizations such as audit firms, and conduct consultations with audit firms as necessary.

1. Consolidated Financial Statements

(1) Consolidated Financial Statements

① Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	13,203	10,506
Accounts receivable - trade	2,789	2,489
Merchandise and finished goods	1,198	1,358
Raw materials and supplies	741	813
Other	237	339
Allowance for doubtful accounts	(3)	(0)
Total current assets	18,166	15,506
Non-current assets		
Property, plant and equipment		
Buildings and structures	*1 33,357	*1 27,218
Accumulated depreciation	(16,403)	(13,471)
Buildings and structures, net	16,953	13,747
Machinery, equipment and vehicles	20,357	20,646
Accumulated depreciation	(17,859)	(17,939)
Machinery, equipment and vehicles, net	2,497	2,707
Land	*1 8,536	*1 7,448
Construction in progress	165	279
Other	2,345	2,248
Accumulated depreciation	(1,662)	(1,588)
Other, net	682	660
Total property, plant and equipment	28,835	24,843
Intangible assets		
Goodwill	138	112
Other	641	587
Total intangible assets	779	699
Investments and other assets		
Investment securities	*2 2,633	*2 2,668
Other	628	*2 491
Allowance for doubtful accounts	(168)	(119)
Total investments and other assets	3,093	3,039
Total non-current assets	32,708	28,582
Total assets	50,875	44,089

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	1,121	1,102
Current portion of long-term borrowings	*1 705	*1 705
Accounts payable - other	2,083	2,231
Accrued alcohol tax	838	883
Income taxes payable	3,318	331
Provision for bonuses	282	415
Provision for bonuses for directors (and other officers)	29	26
Other	3,559	1,178
Total current liabilities	11,938	6,875
Non-current liabilities		
Long-term borrowings	*1 16,361	*1 15,655
Deferred tax liabilities	1,507	1,462
Provision for retirement benefits for directors (and other officers)	18	17
Retirement benefit liability	278	322
Asset retirement obligations	662	82
Long-term deposits received	951	999
Other	189	190
Total non-current liabilities	19,969	18,730
Total liabilities	31,907	25,605
Net assets		
Shareholders' equity		
Share capital	378	560
Capital surplus	14,109	14,291
Retained earnings	15,475	3,626
Treasury shares	(11,000)	(0)
Total shareholders' equity	18,962	18,479
Share acquisition rights	5	4
Total net assets	18,968	18,483
Total liabilities and net assets	50,875	44,089

② Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	*1 28,866	*1 29,713
Cost of sales	*3 14,346	*3 14,335
Gross profit	14,520	15,377
Selling, general and administrative expenses	*2, *3 11,041	*2, *3 11,063
Operating profit	3,479	4,314
Non-operating income		
Interest income	2	17
Dividend income	65	66
Rental income	28	27
Share of profit of entities accounted for using equity method	58	52
By-product income	39	37
Subsidy income	156	–
Other	46	69
Total non-operating income	398	270
Non-operating expenses		
Interest expenses	226	271
Commission expenses	60	11
Listing expenses	–	66
Other	143	116
Total non-operating expenses	430	465
Ordinary profit	3,447	4,118
Extraordinary income		
Gain on sale of non-current assets	*4 6,888	* *4 845
Gain on reversal of asset retirement obligations	–	208
Total extraordinary income	6,888	1,054
Extraordinary losses		
Loss on retirement of non-current assets	※5 46	*5 30
Payment contribution	–	27
Extra retirement payments	–	17
Total extraordinary losses	46	75
Profit before income taxes	10,289	5,098
Income taxes - current	4,016	1,362
Income taxes - deferred	(1,027)	94
Total income taxes	2,988	1,457
Net income	7,301	3,641
Profit attributable to owners of parent	7,301	3,641

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	7,301	3,641
Comprehensive income	7,301	3,641
(Breakdown)		
Comprehensive income attributable to owners of parent	7,301	3,641

③ Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	378	14,109	10,520	–	25,007	5	25,013
Changes during period							
Issuance of new shares -exercise of share acquisition rights	–	–	–	–	–	–	–
Dividends of surplus	–	–	(2,346)	–	(2,346)	–	(2,346)
Purchase of treasury stock	–	–	–	(11,000)	(11,000)	–	(11,000)
Cancellation of treasury shares	–	–	–	–	–	–	–
Profit attributable to owners of parent	–	–	7,301	–	7,301	–	7,301
Net changes in items other than shareholders' equity	–	–	–	–	–	0	0
Total changes during period	–	–	4,954	(11,000)	(6,045)	0	(6,045)
Balance at end of period	378	14,109	15,475	(11,000)	18,962	5	18,968

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	378	14,109	15,475	(11,000)	18,962	5	18,968
Changes during 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 stock	–	–	–	(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	–	–	–	–	–	(1)	(1)
Total changes during period	182	182	(11,848)	11,000	(483)	(1)	(484)
Balance at end of period	560	14,291	3,626	(0)	18,479	4	18,483

④ Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	10,289	5,098
Depreciation	1,718	1,537
Amortization of goodwill	26	26
Increase (decrease) in allowance for doubtful accounts	(10)	(3)
Interest and dividend income	(68)	(83)
Interest expenses	226	271
Share of loss (profit) of entities accounted for using equity method	(58)	(52)
Gain on reversal of asset retirement obligations	–	(208)
Loss on retirement of non-current assets	46	30
Decrease (increase) in trade receivables	(358)	300
Decrease (increase) in inventories	(44)	(232)
Increase (decrease) in trade payables	174	(18)
Increase (decrease) in liquor taxes payable	(45)	45
Increase (decrease) in long-term deposits received	(110)	47
Loss (gain) on sale of non-current assets	(6,888)	(845)
Increase (decrease) in provision for bonuses	(19)	132
Increase (decrease) in provision for bonuses for directors (and other officers)	(11)	(3)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	(0)
Increase (decrease) in retirement benefit liability	51	43
Increase (decrease) in accounts payable - other	63	185
Other, net	2,489	(2,350)
Subtotal	7,470	3,916
Interest and dividends received	95	96
Interest paid	(217)	(243)
Income taxes paid	(1,227)	(4,423)
Net cash provided by (used in) operating activities	6,121	(654)
Cash flows from investing activities		
Payments into time deposits	–	(2,000)
Proceeds from withdrawal of time deposits	–	1,000
Purchase of property, plant and equipment	(1,866)	(1,228)
Proceeds from sale of property, plant and equipment	12,167	4,264
Payments for retirement of property, plant and equipment	(123)	(20)
Purchase of intangible assets	(281)	(69)
Purchase of investments in capital of subsidiaries and associates	–	(68)
Other	(20)	4
Net cash provided by (used in) investing activities	9,875	1,881

		(Millions of yen)
	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Proceeds from long-term borrowings	16,000	–
Repayments of long-term borrowings	(17,736)	(705)
Repayments of lease liabilities	(85)	(99)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	364
Proceeds from issuance of share acquisition rights	0	–
Purchase of share acquisition rights	(0)	(0)
Purchase of treasury shares	(11,000)	(0)
Dividends paid	(2,346)	(4,483)
Net cash provided by (used in) financing activities	(15,168)	(4,924)
Net increase (decrease) in cash and cash equivalents	828	(3,697)
Cash and cash equivalents at beginning of period	12,374	13,203
Cash and cash equivalents at end of period	*1 13,203	*1 9,506

Notes

(Significant matters forming the basis for preparation of consolidated financial statements)

1. Matters concerning the scope of consolidation

All subsidiaries are consolidated.

(1) Number of consolidated subsidiaries: 2 companies

Names of consolidated subsidiaries
Orion Hotel Co., Ltd.
Ishikawa Distillery Inc.

During the current fiscal year, Orion Okiei LLC, which was a consolidated subsidiary of the Company, was liquidated on October 17, 2025, and therefore has 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 (loss) (amount corresponding to equity interest), and retained earnings (amount corresponding to equity interest) 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 the application of the equity method

(1) Number of associates accounted for using the equity method: 1 company

Asahi Orion Beverages Co., Ltd.

(2) Non-consolidated subsidiaries not accounted for using the equity method

The non-consolidated subsidiary not accounted for using the equity method (Orion Island Waves Executive Committee) has an immaterial impact on net income (loss) (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest), and is not material as a whole, and therefore has been excluded from the application of the equity method.

(3) Matters deemed necessary to be specifically noted regarding procedures for applying the equity method

Since the fiscal year-end of the company accounted for using the equity method differs from the consolidated fiscal year-end, the financial statements for the most recent fiscal year of said company are used.

3. Matters concerning the fiscal years of consolidated subsidiaries

The fiscal year-end of consolidated subsidiaries coincides with the consolidated fiscal year-end.

4. Matters concerning accounting policies

(1) Valuation standards and methods for significant assets

(i) Securities

Other securities

Shares without market prices, etc.

Cost method based on the moving average method

(ii) Inventories

Valuation is based on the cost method (with book value written down due to decreased profitability).
Merchandise: Primarily the weighted-average method
Finished goods and semi-finished goods: Weighted-average method
Raw materials and supplies: Primarily the weighted-average method

(2) Depreciation methods for significant depreciable assets

(i) Property, plant and equipment (excluding lease 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

(ii) Intangible assets (excluding lease 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 usability)

(iii) Lease assets

Lease assets related to non-transfer-of-ownership finance lease transactions

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

(3) Standards for recording significant provisions

(i) Allowance for doubtful accounts

To prepare for losses from uncollectible receivables such as accounts receivable, the allowance is recorded based on the historical default rate for general receivables, and for specific receivables such as doubtful receivables, the estimated uncollectible amount is recorded by individually considering the collectability.

(ii) Provision for bonuses

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

(iii) Provision for bonuses for directors

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

(iv) Provision for retirement benefits for directors

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

(Additional information)

The Company abolished its directors' retirement benefit system on June 19, 2019, and the balance of the provision for retirement benefits for directors 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's abolition, with the payment timing being upon each director's retirement.

(4) Accounting method for retirement benefits

The Company applies the simplified method, which uses the amount required to be paid for voluntary retirement at the end of the period as the retirement benefit obligation, for calculating retirement benefit liability and retirement benefit expenses.

(5) Standards for recording significant revenues and expenses

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

〈Alcoholic & Beverages Business〉

The Group primarily engages in the manufacture and sale of alcoholic beverages and soft drinks. In addition, the Group purchases and sells other alcoholic beverages and soft drink products. For sales of these products, the performance obligation is deemed to be satisfied when the customer obtains control of the products at the time of delivery; however, for domestic transactions, the alternative treatment specified in Paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition is applied, and revenue is recognized at the time of shipment if the period from shipment until the customer obtains control of the products is a normal period. For overseas transactions such as exports, revenue is recognized at the point when risk is deemed to have been transferred to the customer based on trade terms specified in Incoterms, etc. Revenue is measured at the amount of consideration promised in the contract with the customer, 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 Group acts 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 when the provision of services is completed.

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

(6) Amortization method and period for goodwill

Amortized using the straight-line method over 20 years.

Immaterial amounts are expensed in the year incurred.

(7) Scope of funds in the consolidated statements of cash flows

Consists of cash on hand, deposits that can be withdrawn at any time, and short-term investments that are easily convertible to cash, bear minimal risk of changes in value, and mature within three months from the date of acquisition.

(Significant accounting estimates)

Previous fiscal year (From April 1, 2024 to March 31, 2025)

1. Recoverability of deferred tax assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year

Deferred tax assets (before offsetting against deferred tax liabilities): 1,062 million yen

(2) Information regarding the content of significant accounting estimates related to identified items

Deferred tax assets are recorded based on the classification of enterprises specified in the Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, February 16, 2018) and the scheduling of the expected reversal years for deductible temporary differences, etc. at the end of the current fiscal year. Such estimates are made based on past results and other methods considered reasonable; however, they may be affected by changes in uncertain future economic conditions, and if the actual timing and amounts differ from the estimates, this may impact the consolidated financial statements in the following fiscal year.

Current fiscal year (From April 1, 2025 to March 31, 2026)

None

(Accounting standards not yet applied)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

And other related revisions to accounting standards, implementation guidance, practical solution reports, and transfer guidelines

(1) Overview

Establishes treatment for recording assets and liabilities for all leases of lessees, similar to international accounting standards.

(2) Scheduled application date

Scheduled to be applied from the beginning of the fiscal year ending March 2028.

(3) Impact of applying said accounting standards

The impact on the consolidated financial statements from the application of the Accounting Standard for Leases, etc. is currently being evaluated.

(Notes to consolidated balance sheets)

*1 Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities are as follows:

(1) Assets pledged as collateral

	As of March 31, 2025	As of March 31, 2026
Buildings and structures	11,400Millions	10,981Millions
Land	3,206 〃	3,206 〃
Total	14,606Millions	14,187Millions

(2) Secured liabilities

	As of March 31, 2025	As of March 31, 2026)
Current portion of long-term borrowings	705Millions	705Millions
Long-term borrowings	16,361 〃	15,655 〃
Total	17,066Millions	16,361Millions

*2 Amounts related to non-consolidated subsidiaries and associates are as follows:

	As of March 31, 2025	As of March 31, 2026)
Investment securities (shares)	497Millions	532Millions
Investments in affiliates	－ 〃	68 〃

(Notes to Consolidated Statements of Income)

*1 Revenue from contracts with customers

Net sales are not presented separately for revenue from contracts with customers and other revenue. The amount of revenue from contracts with customers is described in Notes to Consolidated Financial Statements (Revenue Recognition) 1. Disaggregation of revenue from contracts with customers.

*2 Major components of selling, general and administrative expenses are as follows.

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Sales commissions	1,338 Millions of yen	1,632 Millions of yen
Advertising expenses	1,016 〃	1,053 〃
Freight and handling charges	1,240 〃	1,237 〃
Salaries and allowances	1,774 〃	1,652 〃
Depreciation and amortization	985 〃	966 〃

*3 Research and development expenses included in general and administrative expenses and manufacturing costs for the period are as follows.

Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
81Millions of yen	79Millions of yen

*4 Details of gain on sale of non-current assets are as follows.

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Land and buildings, etc.	6,888 Millions of yen	823 Millions of yen
Machinery, equipment and vehicles	– 〃	0 〃
Property, plant and equipment - Other	– 〃	22 〃
Total	6,888 Millions of yen	845 Millions of yen

*5 Details of loss on retirement of non-current assets are as follows.

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Buildings and structures	11 Millions of yen	4 Millions of yen
Machinery, equipment and vehicles	3 〃	3 〃
Property, plant and equipment - Other	3 〃	2 〃
Removal expenses	28 〃	20 〃
Total	46 Millions of yen	30 Millions of yen

(Notes to Consolidated Statements of Comprehensive Income)

*1 Reclassification adjustments and tax effects related to other comprehensive income

None

(Notes to Consolidated Statements of Changes in Equity)

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

1. Matters concerning issued shares

Type of shares	Beginning of current fiscal year	Increase	Decrease	End of current fiscal year
Common shares (shares)	272,818	54,290,782	–	54,563,600

(Summary of reasons for changes)

Increase due to stock split: 54,290,782 shares

(Note) The Company conducted a stock split at a ratio of 200 shares for each common share on September 13, 2024.

2. Matters concerning treasury shares

Type of shares	Beginning of current fiscal year	Increase	Decrease	End of current fiscal year
Common shares (shares)	–	13,750,200	–	13,750,200

(Summary of reasons for changes)

Increase due to acquisition of treasury shares by resolution of the Board of Directors: 13,750,200 shares

3. Matters concerning share acquisition rights, etc.

Company Name	Breakdown	Type of shares to be issued	Number of shares to be issued (shares)				Balance at end of current fiscal year (Millions of yen)
			Current fiscal year beginning	Increase	Decrease	Current fiscal year end	
The Company	Share acquisition rights as stock options	–	–	–	–	–	5
Total			–	–	–	–	5

4. Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Per share Dividend amount (Yen)	Record date	Effective date
June 27, 2024 Annual General Meeting of Shareholders	Common shares	2,346	8,600.00	March 31, 2024	June 28, 2024

(Note) The Company conducted a stock split at a ratio of 200 shares for each common share on September 13, 2024.

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of shares	Source of dividends	Total dividends (Millions of yen)	Per share Dividend amount (Yen)	Record date	Effective date
June 27, 2025 Annual General Meeting of Shareholders	Common shares	Retained earnings	3,673	90.00	March 31, 2025	June 30, 2025

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

1. Matters concerning issued shares

Type of shares	Beginning of current fiscal year	Increase	Decrease	End of current fiscal year
Common shares (shares)	54,563,600	1,439,800	13,750,200	42,253,200

(Summary of reasons for changes)

Increase due to exercise of share acquisition rights: 1,439,800 shares

Decrease due to cancellation of treasury shares: 13,750,200 shares

2. Matters concerning treasury shares

Type of shares	Beginning of current fiscal year	Increase	Decrease	End of current fiscal year
Common shares (shares)	13,750,200	39	13,750,200	39

(Summary of reasons for changes)

Increase due to purchase of shares constituting less than one unit: 39 shares

Decrease due to cancellation of treasury shares: 13,750,200 shares

3. Matters concerning share acquisition rights, etc.

Company Name	Breakdown	Type of shares to be issued	Number of shares to be issued (shares)				Balance at end of current fiscal year (Millions of yen)
			Current fiscal year beginning	Increase	Decrease	Current fiscal year end	
The Company	Share acquisition rights as stock options	–	–	–	–	–	4
Total			–	–	–	–	4

4. Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Per share Dividend amount (Yen)	Record date	Effective date
June 27, 2025 Annual General Meeting of Shareholders	Common shares	3,673	90.00	March 31, 2025	June 30, 2025
November 12, 2025 Board of Directors	Common shares	816	20.00	September 30, 2025	December 11, 2025

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of shares	Source of dividends	Total dividends (Millions of yen)	Per share Dividend amount (Yen)	Record date	Effective date
Board of Directors on May 14, 2026	Common shares	Retained earnings	1,014	24.00	March 31, 2026	June 23, 2026

(Notes to Consolidated Statements of Cash Flows)

*1 The relationship between the balance of cash and cash equivalents at end of period and the amounts stated in the consolidated balance sheets is as follows.

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Cash and deposits	13,203 Millions of yen	10,506 Millions of yen
Time deposits with maturities exceeding three months	- 〃	△1,000 〃
Cash and cash equivalents	13,203 Millions of yen	9,506 Millions of yen

(Lease Transactions)

Finance lease transactions

(As lessee)

Finance lease transactions that do not transfer ownership

a. Description of leased assets

Property, plant and equipment: Primarily vehicles and business servers.

b. Depreciation method for leased assets

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

(Financial Instruments)

1. Matters concerning the status of financial instruments

(1) Policy for financial instruments

The Group finances capital investments for alcoholic beverage manufacturing and sales with its own funds, and raises necessary funds (borrowings from financial institutions, etc.) based on capital investment plans for hotel operations.

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

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

(2) Details of financial instruments and their risks

Accounts receivable - trade, which are operating receivables, are exposed to customer credit risk; however, for major receivables, operating deposits, real estate collateral, and bank guarantees are obtained to avoid risk. Investment securities are mainly shares and are exposed to the credit risk of issuers (business partners).

Accounts payable - trade and accounts payable - other, which are operating payables, are mostly due within one year.

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

(3) Risk management system for financial instruments

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

The Group manages due dates and balances of operating receivables by counterparty through the sales department and the finance and accounting departments, and the receivables management personnel work to identify and mitigate collection concerns due to deterioration in financial condition at an early stage. Additionally, operating deposits and other collateral are held against accounts receivable to reduce risk.

For investment securities, the financial condition of issuers is regularly monitored, and holdings are continuously reviewed considering relationships with business partners.

(2) Management of liquidity risk related to fund procurement (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 maintaining high liquidity on hand.

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

Since variable factors are incorporated in calculating the fair value of financial instruments, the values may fluctuate if different assumptions are adopted.

(5) Concentration of credit risk

As of the consolidated balance sheet date for the current period, 26.6% of operating receivables are from a specific major customer.

2. Matters concerning fair value of financial instruments

The carrying amounts, fair values, and differences are as follows. Cash and deposits, accounts receivable - trade, accounts payable - trade, accrued alcohol tax, and income taxes payable are omitted because they are cash or are settled in a short period and their fair values approximate their carrying amounts.

End of previous fiscal year (March 31, 2025)

(Millions of yen)

	Consolidated balance sheets Carrying amount	Fair value	Difference
Long-term borrowings	17,066	17,042	△24
Total liabilities	17,066	17,042	△24

(*1) Shares without market prices are not included in the above table. The carrying amounts of these financial instruments in the consolidated balance sheets are as follows.

Category	Previous fiscal year (Millions of yen)
Unlisted shares	2,633

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

Category	Previous fiscal year (Millions of yen)
Long-term deposits received	951

End of current fiscal year (March 31, 2026)

(Millions of yen)

	Consolidated balance sheets Carrying amount	Fair value	Difference
Long-term borrowings	16,361	16,317	△43
Total liabilities	16,361	16,317	△43

(*1) Shares without market prices are not included in the above table. The carrying amounts of these financial instruments in the consolidated balance sheets are as follows.

Category	Current fiscal year (Millions of yen)
Unlisted shares	2,668

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

Category	Current fiscal year (Millions of yen)
Long-term deposits received	999

(Note 1) Scheduled redemption amounts of monetary receivables after the consolidated balance sheet date

End of previous fiscal year (March 31, 2025)

(Millions of yen)

	Within 1 year	Over 1 year through 5 years	Over 5 years through 10 years	Over 10 years
Cash and deposits	13,203	–	–	–
Accounts receivable - trade	2,789	–	–	–
Total	15,993	–	–	–

End of current fiscal year (March 31, 2026)

(Millions of yen)

	Within 1 year	Over 1 year through 5 years	Over 5 years through 10 years	Over 10 years
Cash and deposits	10,506	–	–	–
Accounts receivable - trade	2,489	–	–	–
Total	12,995	–	–	–

(Note 2) Scheduled repayment amounts of long-term borrowings after the consolidated balance sheet date

End of previous fiscal year (March 31, 2025)

(Millions of yen)

	Within 1 year	Over 1 year through 2 years	Over 2 years through 3 years	Over 3 years through 4 years	Over 1 year through 5 years	Over 5 years
Long-term borrowings	705	705	705	705	705	13,539
Total	705	705	705	705	705	13,539

End of current fiscal year (March 31, 2026)

(Millions of yen)

	Within 1 year	Over 1 year through 2 years	Over 2 years through 3 years	Over 3 years through 4 years	Over 1 year through 5 years	Over 5 years
Long-term borrow-ings	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 inputs used in fair value measurement.

Level 1 fair value: Fair value measured using quoted prices in active markets for the assets or liabilities that are the subject of the fair value measurement, among observable inputs for fair value measurement

Level 2 fair value: Fair value measured using inputs other than Level 1 inputs, among observable inputs for fair value measurement

Level 3 fair value: Fair value measured using unobservable inputs for 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 priority level in fair value measurement among the levels to which those inputs belong.

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

None

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

End of previous fiscal year (March 31, 2025)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	17,042	–	17,042

End of current fiscal year (March 31, 2026)

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Long-term borrowings	–	16,317	–	16,317

(Note) 1. Long-term borrowings include the current portion of long-term borrowings.

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

Long-term borrowings (including those scheduled for repayment within one year)

The fair value of long-term borrowings (fixed interest rate) is calculated based on the present value of the total 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 value.

(Retirement Benefits)

1. Overview of retirement benefit plans adopted

The Company has adopted a defined benefit corporate pension plan, a small and medium-sized enterprise retirement allowance mutual aid plan, and a lump-sum retirement benefit plan to provide for employee retirement benefits, and records retirement benefit liability and retirement benefit expenses using the simplified method.

2. Defined benefit plans using the simplified method

(1) Reconciliation of beginning and ending balances of retirement benefit liability for plans using the simplified method

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Retirement benefit liability at beginning of year	226 Millions of yen	278 Millions of yen
Retirement benefit expenses	112 〃	116 〃
Retirement benefits paid	(10) 〃	(20) 〃
Contributions to plans	(49) 〃	(53) 〃
Retirement benefit liability at end of year	278 Millions of yen	322 Millions of yen

(2) Reconciliation of ending balances of retirement benefit obligations and plan assets with retirement benefit liability and retirement benefit asset recorded on the consolidated balance sheet

	Previous fiscal year (From April 1, 2024 to March 31, 2025)5	Current fiscal year (March 31, 2026)
Retirement benefit obligations for funded plans	1,065 Millions of yen	1,148 Millions of yen
Plan assets	(787) 〃	(826) 〃
Net of liability and asset recorded on the consolidated balance sheet	278 〃	322 〃
Retirement benefit liability	278 〃	322 〃
Net of liability and asset recorded on the consolidated balance sheet	278 Millions of yen	322of yen

(3) Retirement benefit expenses

Retirement benefit expenses calculated using the simplified method: 112 million yen for the previous fiscal year, 116 million yen for the current fiscal year

(Stock Options)

1. Expenses recorded for stock options and account titles
   None
2. Details, scale, and changes in stock options
   Stock options existing during the current fiscal year (fiscal year ended March 2026) are covered, and the number of stock options is converted to the number of shares.
   A 200-for-1 stock split was conducted on September 13, 2024, and the figures presented reflect this stock split.

(1) Details of stock options

	Orion Breweries, Ltd. 1st share acquisition rights (with compensation)	Orion Breweries, Ltd. 1st Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 2nd Share Acquisition Rights (Without consideration)
Date of resolution	October 19, 2022	October 19, 2022	October 19, 2022
Category and number of grantees	3 Directors 8 Executive Officers and Employees	4 Directors 41 Executive Officers and Employees	9 Executive Officers and Employees
Number of stock options by type of shares	588,800 shares of common stock	1,244,000 shares of common stock	185,600 shares of common stock
Grant date	December 1, 2022	December 1, 2022	December 1, 2022
Vesting conditions	No vesting conditions are attached.	No vesting conditions are attached.	No vesting conditions are attached.
Service period	No service period is specified.	No service period is specified.	No service period is specified.
Exercise period	From December 1, 2022 To November 7, 2029	From December 1, 2022 To October 18, 2029	From December 1, 2022 To September 30, 2030

	Orion Breweries, Ltd. 3rd share acquisition rights (with compensation)	Orion Breweries, Ltd. 3rd Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 4th Series Share Acquisition Rights (with consideration)
Date of resolution	October 19, 2022	October 19, 2022	October 19, 2022
Category and number of grantees	2 Directors 3 Executive Officers	11 Executive Officers and Employees	1 Directors 1 Executive Officers
Number of stock options by type of shares	228,000 shares of common stock	656,000 shares of common stock	364,000 shares of common stock
Grant date	December 1, 2022	December 1, 2022	December 1, 2022
Vesting conditions	No vesting conditions are attached.	No vesting conditions are attached.	No vesting conditions are attached.
Service period	No service period is specified.	No service period is specified.	No service period is specified.
Exercise period	From December 1, 2022 To September 3, 2031	From September 4, 2023 To September 3, 2031	From December 1, 2022 To September 16, 2032

	Orion Breweries, Ltd. 4th Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 5th Series Share Acquisition Rights (With Consideration)	Orion Breweries, Ltd. 5th Share Acquisition Rights (Without consideration)
Date of resolution	October 19, 2022	November 17, 2023	November 17, 2023
Category and number of grantees	1 Director 17 Executive Officers and Employees	2 Directors 10 Executive Officers and Employees	2 Directors 14 Executive Officers and Employees
Number of stock options by type of shares	512,000 shares of common stock	320,400 shares of common stock	295,600 shares of common stock
Grant date	December 1, 2022	December 11, 2023	December 11, 2023
Vesting conditions	No vesting conditions are attached.	No vesting conditions are attached.	No vesting conditions are attached.
Service period	No service period is specified.	No service period is specified.	No service period is specified.
Exercise period	From September 17, 2024 To September 16, 2032	From December 11, 2023 To November 17, 2033	From November 18, 2025 To November 17, 2033

	Orion Breweries, Ltd. 6th Series of Share Acquisition Rights (with consideration)	Orion Breweries, Ltd. 6th Share Acquisition Rights (Without consideration)
Date of resolution	June 17, 2024	June 17, 2024
Category and number of grantees	1 Director 7 Executive Officers and Employees	1 Director 8 Executive Officers and Employees
Number of stock options by type of shares	59,800 shares of common stock	130,600 shares of common stock
Grant date	July 22, 2024	July 22, 2024
Vesting conditions	No vesting conditions are attached.	No vesting conditions are attached.
Service period	No service period is specified.	No service period is specified.
Exercise period	From July 22, 2024 To June 17, 2034	From June 18, 2026 To June 17, 2034

(2) Scale and changes in stock options

a. Number of stock options

	Orion Breweries, Ltd. 1st share acquisition rights (with compensation)	Orion Breweries, Ltd. 1st Share Acquisition Rights (Without consideration)
Before vesting (shares)		
End of previous fiscal year	–	–
Granted	–	–
Forfeited	–	–
Vested	–	–
Unvested balance	–	–
After vesting (shares)		
End of previous fiscal year	517,600	1,053,600
Vested	–	–
Exercised	104,800	545,800
Forfeited	–	24,000
Unexercised balance	412,800	483,800

	Orion Breweries, Ltd. 2nd Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 3rd share acquisition rights (with compensation)
Before vesting (shares)		
End of previous fiscal year	–	–
Granted	–	–
Forfeited	–	–
Vested	–	–
Unvested balance	–	–
After vesting (shares)		
End of previous fiscal year	165,600	179,200
Vested	–	–
Exercised	116,000	–
Forfeited	20,000	–
Unexercised balance	29,600	179,200

	Orion Breweries, Ltd. 3rd Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 4th Series Share Acquisition Rights (with consideration)
Before vesting (shares)		
End of previous fiscal year	–	–
Granted	–	–
Forfeited	–	–
Vested	–	–
Unvested balance	–	–
After vesting (shares)		
End of previous fiscal year	584,800	364,000
Vested	–	–
Exercised	318,000	127,200
Forfeited	60,000	–
Unexercised balance	206,800	236,800

	Orion Breweries, Ltd. 4th Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 5th Series Share Acquisition Rights (With Consideration)
Before vesting (shares)		
End of previous fiscal year	–	–
Granted	–	–
Forfeited	–	–
Vested	–	–
Unvested balance	–	–
After vesting (shares)		
End of previous fiscal year	476,800	268,400
Vested	–	–
Exercised	218,400	–
Forfeited	41,600	400
Unexercised balance	216,800	268,000

	Orion Breweries, Ltd. 5th Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 6th Series of Share Acquisition Rights (with consideration)
Before vesting (shares)		
End of previous fiscal year	259,600	–
Granted	–	–
Forfeited	11,600	–
Vested	248,000	–
Unvested balance	–	–
After vesting (shares)		
End of previous fiscal year	–	59,800
Vested	248,000	–
Exercised	5,000	4,600
Forfeited	–	2,800
Unexercised balance	243,000	52,400

	Orion Breweries, Ltd. 6th Share Acquisition Rights (Without consideration)
Before vesting (shares)	
End of previous fiscal year	130,600
Granted	–
Forfeited	11,200
Vested	–
Unvested balance	119,400
After vesting (shares)	
End of previous fiscal year	–
Vested	–
Exercised	–
Forfeited	–
Unexercised balance	–

b. Per unit information

	Orion Breweries, Ltd. 1st share acquisition rights (with compensation)	Orion Breweries, Ltd. 1st Share Acquisition Rights (Without consideration)
Exercise price (yen)	250	250
Average stock price at exercise (yen)	1,347.80	1,388.00
Fair value per unit at grant date (yen)	–	–

	Orion Breweries, Ltd. 2nd Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 3rd share acquisition rights (with compensation)
Exercise price (yen)	250	250
Average stock price at exercise (yen)	1,367.00	–
Fair value per unit at grant date (yen)	–	–

	Orion Breweries, Ltd. 3rd Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 4th Series Share Acquisition Rights (with consideration)
Exercise price (yen)	250	250
Average stock price at exercise (yen)	1,363.60	1,347.50
Fair value per unit at grant date (yen)	–	–

	Orion Breweries, Ltd. 4th Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 5th Series Share Acquisition Rights (With Consideration)
Exercise price (yen)	250	600
Average stock price at exercise (yen)	1,461.69	–
Fair value per unit at grant date (yen)	–	–

	Orion Breweries, Ltd. 5th Share Acquisition Rights (Without consideration)	Orion Breweries, Ltd. 6th Series of Share Acquisition Rights (with consideration)
Exercise price (yen)	600	750
Average stock price at exercise (yen)	1,310.00	1,446.67
Fair value per unit at grant date (yen)	–	–

	Orion Breweries, Ltd. 6th Share Acquisition Rights (Without consideration)
Exercise price (yen)	750
Average stock price at exercise (yen)	–
Fair value per unit at grant date (yen)	–

3. Method for estimating the fair value per unit of stock options granted during the current fiscal year
   None

4. Method for estimating the number of stock options expected to vest
   Basically, since it is difficult to reasonably estimate future forfeitures, the method adopted reflects only actual forfeitures.

5. When calculating based on the intrinsic value per unit of stock options, the total intrinsic value at the end of the current fiscal year and the total intrinsic value on the exercise date of stock options exercised during the current fiscal year

Total intrinsic value at the end of the current fiscal year	2,257 million yen
Total intrinsic value on the exercise date of stock options exercised during the current fiscal year	1,614 million yen

(Tax effect accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by major cause

	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Deferred tax assets		
Tax loss carryforwards (Note)	_ Millions of yen	16 Millions of yen
Accrued enterprise taxes	205 〃	22 〃
Allowance for doubtful accounts	51 〃	36 〃
Loss on valuation of investment securities	85 〃	85 〃
Provision for bonuses	84 〃	128 〃
Retirement benefit liability	85 〃	99 〃
Asset retirement obligations	199 〃	25 〃
Consolidation fair value adjustment, etc.	354 〃	123 〃
Other	187 〃	192 〃
Subtotal of deferred tax assets	1,253 Millions of yen	729 Millions of yen
Valuation allowance for total deductible temporary differences, etc. (Note)	(191) 〃	(193) 〃
Subtotal of valuation allowance	(191) Millions of yen	(193) Millions of yen
Total deferred tax assets	1,062 Millions of yen	535 Millions of yen
Deferred tax liabilities		
Asset retirement obligations	(113) Millions of yen	(0) Millions of yen
Reserve for reduction entry of non-current assets	(467) 〃	(450) 〃
Consolidation fair value adjustment, etc.	(1,721) 〃	(1,418) 〃
Total deferred tax liabilities	(2,301) Millions of yen	(1,869) Millions of yen
Net deferred tax assets	(1,238) Millions of yen	(1,333) Millions of yen

(Note) Tax loss carryforwards and deferred tax assets by expiration period

End of previous fiscal year (March 31, 2025)

None

End of current fiscal year (March 31, 2026)

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	After 5 years	Total
Tax loss carryforwards (a)	–	–	–	–	–	16	16 Millions of yen
Valuation allowance (b)	–	–	–	–	–	(14)	(14) 〃
Deferred tax assets	–	–	–	–	–	1	1 Millions of yen

(a) Tax loss carryforwards are the amounts multiplied by the statutory effective tax rate.

(b) Deferred tax assets of 1 million yen have been recorded for tax loss carryforwards of 16 million yen (amount multiplied by the statutory effective tax rate). The deferred tax assets of 1 million yen were recognized for tax loss carryforwards of 16 million yen (amount multiplied by the statutory effective tax rate) at consolidated subsidiaries, and no valuation allowance has been recognized for the portion deemed recoverable based on expected future taxable income.

2. Breakdown of major items causing significant differences between the statutory effective tax rate and the effective tax rate after application of tax effect accounting

The disclosure has been omitted as the difference between the statutory effective tax rate and the effective tax rate after application of tax effect accounting is 5% or less of the statutory effective tax rate.

(Asset retirement obligations)
Asset retirement obligations recorded in the consolidated balance sheet
(1) Overview of the asset retirement obligations
These are asbestos removal costs at the time of demolition of buildings owned by the Company.

(2) Method for calculating the amount of asset retirement obligations
In calculating asset retirement obligations recorded as liabilities, for buildings, the estimated period is 16 to 40 years from acquisition, and a discount rate of 1.911% to 2.285% is used.

(3) Changes in the total amount of asset retirement obligations

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Balance at beginning of year	653 Millions of yen	662 Millions of yen
Accretion expense	9 〃	0 〃
Decrease due to settlement of asset retirement obligations	△0 〃	− 〃
Decrease due to sale of property, plant and equipment	− 〃	△580 〃
Balance at end of year	662 Millions of yen	82 Millions of yen

(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.
Rental income and expenses related to such investment and rental properties for the fiscal year ended March 2025 was 265 million yen (major rental income is recorded in net sales and major rental expenses in cost of sales), and gain on sale was 3,838 million yen (recorded in extraordinary income).
Rental income and expenses related to such investment and rental properties for the fiscal year ended March 2026 was 223 million yen (major rental income is recorded in net sales and major rental expenses in cost of sales).
The carrying amount, changes during the period, and fair value of investment and rental properties on the consolidated balance sheet are as follows.

(Millions of yen)

		Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Carrying amount on consolidated balance sheet	Balance at beginning of year	9,106	4,414
	Changes during the period	(4,691)	(20)
	Balance at end of year	4,414	4,394
Fair value at end of year		6,189	6,189

(Note) 1. The carrying amount on the consolidated balance sheet is the acquisition cost less accumulated depreciation.
2. Of the changes during the period, the main increase in the previous fiscal year

was capital expenditure (26 million yen), and the main decreases were sale of real estate (4,359 million yen) and depreciation (228 million yen).
The main increase in the current fiscal year was capital expenditure (54 million yen), and the main decrease was depreciation (75 million yen).

3. Fair value at year-end is based primarily on real estate appraisal reports by external real estate appraisers.

(Revenue recognition)

1. Disaggregation of revenue from contracts with customers

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment		Total
	Alcoholic & Beverages Business	Tourism & Hotel Business	
(1) Alcoholic beverages and soft drinks	22,728	–	22,728
(2) Hotel	–	5,235	5,235
Revenue from contracts with customers	22,728	5,235	27,963
Other revenue (Note)	–	902	902
(1) Net sales to external customers	22,728	6,138	28,866

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

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment		Total
	Alcoholic & Beverages Business	Tourism & Hotel Business	
(1) Alcoholic beverages and soft drinks	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
(1) 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

<Alcoholic & Beverages Business>

The Group primarily engages in the manufacture and sale of alcoholic beverages and soft drinks. In addition, the Group purchases and sells other alcoholic beverages and soft drink products. For sales of these products, the performance obligation is deemed to be satisfied when the customer obtains control of the products at the time of delivery; however, for domestic transactions, the alternative treatment specified in Paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition is applied, and revenue is recognized at the time of shipment if the period from shipment until the customer obtains control of the products is a normal period. For overseas transactions such as exports, revenue is recognized at the point when risk is deemed to have been transferred to the customer based on trade terms specified in Incoterms, etc. Revenue is measured at the amount of consideration promised in the contract with the customer, less rebates, etc. Transaction consideration is received within one year of satisfying the performance obligation and does not include a significant financing component.

For sales of products where the Group acts as an agent, revenue is recognized as the net amount of the total consideration less payments to third parties.

<Tourism & Hotel Business>

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

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

3. Information on the relationship between fulfillment of performance obligations under contracts with customers and cash flows arising from such contracts, as well as the amount and timing of revenue expected to be recognized in the following fiscal year and thereafter from contracts with customers existing at the end of the current fiscal year

(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.

(Millions of yen)

	Previous fiscal year March 31, 2025	Current fiscal year
Receivables arising from contracts with customers (beginning balance)	2,431	2,789
Receivables arising from contracts with customers (ending balance)	2,789	2,489
Contract liabilities (beginning balance)	–	–
Contract liabilities (ending balance)	–	–

The amount of revenue recognized in the current fiscal year from performance obligations satisfied in prior periods is not material.

(2) Transaction price allocated to remaining performance obligations

As there are no significant transactions with a contract period exceeding one year, information on remaining performance obligations has been omitted.

(Segment Information)

[Segment Information]

1. Overview of Reportable Segments

(1) Method for determining reportable segments

The Group classifies its business segments based on the nature of products and services and the Group's organizational structure.

Reportable segments are based on internal management reports used by management to manage the business segments of the Group. Accordingly, the Group consists of business segments based on its main businesses, with Alcoholic & Beverages Business and Tourism & Hotel Business as the two reportable segments.

(2) Types of products and services belonging to each reportable segment

The Group's Alcoholic & Beverages Business sells alcoholic beverages and soft drinks, while the Tourism & Hotel Business utilizes its tourism-related real estate to own or operate some hotels, providing hotel rooms and selling food and beverages, as well as leasing its tourism-related real estate to external parties.

2. Method for calculating net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting methods for the reported business segments are generally the same as those described in Significant Matters that Form the Basis for Preparation of Consolidated Financial Statements.

Segment profit is based on operating profit. Intersegment of internal revenues and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss, assets, liabilities, and other items by reportable segment

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment			Adjustments Notes 1	Consolidated Financial Statements Carrying amount Notes 2
	Alcoholic & Beverages Business	Tourism & Hotel Business	Total		
Net sales					
(1) Net sales to external customers	22,728	6,138	28,866	–	28,866
(2) Intersegment sales or transfers of yen	–	–	–	–	–
Total	22,728	6,138	28,866	–	28,866
Segment profit	3,201	288	3,489	(10)	3,479
Segment assets	23,560	27,169	50,730	145	50,875
Segment liabilities	9,060	6,804	15,865	16,042	31,907
Other items					
Depreciation and amortization	684	1,020	1,705	10	1,716
Amortization of goodwill	–	26	26	–	26

Investment in equity method affiliates	497	–	497	–	497
Increase in property, plant and equipment and intangible assets	1,078	343	1,422	–	1,422

(Note) 1. Adjustments are as follows.

(1) The adjustment of -10 million yen in segment profit includes an adjustment of -10 million yen in depreciation and amortization.

(2) The adjustment of 145 million yen in segment assets includes elimination of intersegment transactions of -1 million yen and corporate assets of 147 million yen not allocated to each reportable segment. Corporate assets are consolidated trademarks not attributable to reportable segments.

(3) The adjustment of 16,042 million yen in segment liabilities includes elimination of intersegment transactions of -1 million yen and corporate liabilities of 16,043 million yen not allocated to each reportable segment. Corporate liabilities consist of long-term borrowings of the head office of 16,000 million yen and deferred tax liabilities of 43 million yen related to consolidated trademarks not attributable to reportable segments.

2. Segment profit is reconciled with operating profit in the consolidated statements of income.

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment			Adjustments Notes 1	Consolidated Financial Statements Carrying amount Notes 2
	Alcoholic & Beverages Business	Tourism & Hotel Business	Total		
Net sales					
(1) Net sales to external customers	23,921	5,791	29,713	–	29,713
(2) Intersegment sales or transfers of yen	–	–	–	–	–
Total	23,921	5,791	29,713	–	29,713
Segment profit	3,634	690	4,325	(10)	4,314
Segment assets	24,469	19,483	43,952	136	44,089
Segment liabilities	6,366	3,769	10,135	15,470	25,605
Other items					
Depreciation and amortization	774	750	1,525	10	1,535
Amortization of goodwill	–	26	26	–	26
Investment in equity method affiliates	532	–	532	–	532
Increase in property, plant and equipment and intangible assets	959	347	1,306	–	1,306

(Note) 1. Adjustments are as follows.

(1) The adjustment of -10 million yen in segment profit includes an adjustment of -10 million yen in depreciation and amortization.

(2) The adjustment of 136 million yen in segment assets includes corporate assets of 136 million yen not allocated to each reportable segment. Corporate assets are consolidated trademarks not attributable to reportable segments.

(3) The adjustment of 15,470 million yen in segment liabilities includes corporate

liabilities of 15,470 million yen not allocated to each reportable segment. Corporate liabilities consist of long-term borrowings of the head office of 15,428 million yen and deferred tax liabilities of 42 million yen related to consolidated trademarks not attributable to reportable segments.

2. Segment profit is reconciled with operating profit in the consolidated statements of income.

[Related Information]
Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)
1. Information by product and service
As similar information is disclosed in segment information, this description has been omitted.

2. Information by region
(1) Net sales
As net sales to external customers in Japan exceed 90% of net sales in the consolidated statements of income, this description has been omitted.

(2) Property, plant and equipment
As there is no property, plant and equipment located outside Japan, there are no applicable items.

3. Information by major customer
As there are no customers accounting for 10% or more of net sales in the consolidated statements of income, this description has been omitted.

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)
1. Information by product and service
As similar information is disclosed in segment information, this description has been omitted.

2. Information by region
(1) Net sales
As net sales to external customers in Japan exceed 90% of net sales in the consolidated statements of income, this description has been omitted.

(2) Property, plant and equipment
As there is no property, plant and equipment located outside Japan, there are no applicable items.

3. Information by major customer
As there are no customers accounting for 10% or more of net sales in the consolidated statements of income, this description has been omitted.

[Information on impairment loss of non-current assets by reportable segment]
None

[Information on amortization of goodwill and unamortized balance by reportable segment]
Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment		Total	Adjustments	Consolidated Financial Statements Recorded amount
	Alcoholic & Beverages Business	Tourism & Hotel Business			
Balance at end of period	–	138	138	–	138

(Note) As similar information on amortization of goodwill is disclosed in segment information, this description has been omitted.

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment		Total	Adjustments	Consolidated Financial Statements Recorded amount
	Alcoholic & Beverages Business	Tourism & Hotel Business			
Balance at end of period	－	112	112	－	112

(Note) As similar information on amortization of goodwill is disclosed in segment information, this description has been omitted.

[Information on gain on bargain purchase by reportable segment]

None

[Related Party Information]

(1) Parent company and major corporate shareholders

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Type	Name of company, etc.	Location	Share capital or Capital contribution (Millions of yen)	Business description or occupation	Voting Rights, etc. Ownership (owned) ratio of voting rights, etc.	Relationship with related party	Description of transaction	Transaction amount	Account	Balance at end of year
Major shareholder (company, etc.)	Nomura Capital Partners No. 1 Investment Limited Partnership	Chiyoda-ku, Tokyo	-	Investment business	(Held by) Direct 39.61%	Major shareholder of the Company, Concurrent officer position	Purchase of treasury stock (Note 1)	4,398	-	-
							Acceptance of Collateral	(Note 2)	-	-
Major shareholder (company, etc.)	CJP MC Holdings, CJP MC Holdings, L.P.	Cayman Islands, British Territory	-	Holding of common stock, etc.	(Held by) Direct 38.06%	Major shareholder of the Company	Purchase of treasury stock (Note 1)	4,225	-	-
							Acceptance of Collateral	(Note 2)	-	-
Major shareholder (company, etc.)	Asahi Breweries, Ltd.	Sumida-ku, Tokyo	20,000	Manufacture and sale of alcoholic beverages	(Held by) Direct 10.11%	Capital and business alliance Concurrent officer position	Purchase of treasury stock (Note 1)	1,122	-	-
Major shareholder (company, etc.)	Kintetsu Group Holdings Co., Ltd.	Tennoji-ku, Osaka	126,476	Management of group companies	(Held by) Direct 10.09%	Capital and business alliance	Purchase of treasury stock (Note 1)	1,120	-	-

(Note) 1. Transaction terms and policy for determining transaction terms

Regarding the purchase of treasury stock, based on the resolution of the Board of Directors meeting held on March 18, 2025 and the resolution of the general meeting of shareholders (deemed) held on March 27 of the same month, the Company acquired 13,750,200 shares of its common stock at 800 yen per share.

2. All shares of the Company held by the party are pledged as collateral for the Company's borrowings from financial institutions.

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

None

(2) Officers and individual major shareholders

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Type	Name of company, etc. or name	Location	Share capital or Capital contribution (Millions of yen)	Business description or occupation	Voting Rights, etc. Ownership (owned) ratio of voting rights, etc.	Relationship with related party	Description of transaction	Transaction amount	Account	Balance at end of year

Officer	Hajime Murano	–	–	President and Representative Director of the Company and Orion Hotel Co., Ltd.	(Held by) Direct 0.20%	–	Purchase of treasury stock	22	–	–

(Note) Transaction terms and policy for determining transaction terms

Regarding the purchase of treasury stock, based on the resolution of the Board of Directors meeting held on March 18, 2025 and the resolution of the general meeting of shareholders (deemed) held on March 27 of the same month, the Company acquired 13,750,200 shares of its common stock at 800 yen per share.

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

Type	Name of company, etc. or name	Location	Share capital or Capital contribution (Millions of yen)	Business description or occupation	Voting Rights, etc. Ownership (owned) ratio of voting rights, etc.	Relationship with related party	Description of transaction	Transaction amount	Account	Balance at end of year
Officer	Hajime Murano	–	–	President and Representative Director of the Company	(Held by) Direct 0.57%	–	Exercise of stock options (Notes)	39	–	–
Officer	Dougan Patric John	–	–	Senior Managing Executive Officer of the Company	(Held by) Direct 0.90%	–	Exercise of stock options (Notes)	60	–	–

(Note) This shows the exercise of stock options granted based on the resolution of the Board of Directors during the current fiscal year. The transaction amount is calculated by multiplying the number of shares granted through the exercise of stock options by the exercise price.

(Per share information)

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Net assets per share	464.61Yen	437.34Yen
Basic earnings per share	133.90Yen	88.59Yen
Diluted net income per share	-	83.39Yen

(Note) 1. Diluted net income per share for the previous fiscal year is not presented because, although dilutive securities exist, the Company's shares were unlisted and the average stock price during the period could not be determined.
2. A stock split was conducted on September 13, 2024, at a ratio of 200 shares for every 1 share of common stock. Accordingly, net assets per share and net income per share have been calculated assuming that the stock split had been conducted at the beginning of the previous fiscal year.
3. The basis for calculating net income per share is as follows.

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	7,301	3,641
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent related to common shares (Millions of yen)	7,301	3,641
Average number of common shares outstanding during the period (Shares)	54,525,928	41,103,046
Diluted net income per share		
Adjustment to profit (Millions of yen)	-	-
(Of which, interest expenses (after deduction of tax equivalent) (Millions of yen))	-	-
Increase in number of common shares (Shares)	-	2,562,425
(Of which, share acquisition rights (Shares))	-	(2,562,425)
Summary of potencial shares excluded from the calculation of diluted earnings per share as they are anti-dilutive	11 types of share acquisition rights (Number of share acquisition rights : 20,300) (Number of shares underlying share acquisition rights : 4,060,000 shares) For details, please refer to Part 4 Information on the Reporting company, 1. Information on Shares, (2) Status of Share Acquisition Rights, ① Details of Stock Option Plans.	-

4. The basis for calculating net assets per share is as follows.

	Previous fiscal year (March 31, 2025)	End of current fiscal year (March 31, 2026)
Total net assets (Millions of yen)	18,968	18,483
Amount deducted from total net assets (Millions of yen)	5	4
(Of which, share acquisition rights (Millions of yen))	(5)	(4)
Net assets related to common shares at end of period (Millions of yen)	18,962	18,479
Number of common shares at end of period used in calculating net assets per share (Shares)	40,813,400	42,253,161

(Significant subsequent events)

(Purchase of treasury stock)

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 with necessary modifications pursuant to Article 165, Paragraph 3 of the same Act, and acquired treasury stock as follows.

(1) Reason for acquiring treasury stock

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

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

① Type of shares to be acquired: Common stock 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 shares) :1.00%

③ Total acquisition cost of shares: 550,000,000 yen (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 on the auction market based on discretionary trading agreements

(3) Results of treasury stock acquisition

① Type of shares acquired: Common stock of the Company

② Total number of shares acquired: 425,000 shares

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

③ Total acquisition cost of shares: 490,965,100 yen

④ Acquisition period: From May 15, 2026 to June 5, 2026 (contract basis)

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 on the auction market based on discretionary trading agreements

⑤ [Consolidated supplementary schedules]

[Schedule of bonds]

None

[Schedule of borrowings]

Category	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (%)	Repayment deadline
Short-term loans payable	–	–	–	–
Current portion of long-term borrowings	705	705	1.740	–
Current portion of lease obligations	105	114	–	–
Long-term borrowings (excluding portion due within one year)	16,361	15,655	2.015	April 2027 - March 2033
Lease obligations (excluding portion due within one year)	184	184	–	April 2027 - February 2036
Other interest-bearing debt Long-term deposits received	931	978	0.375	–
Total	18,287	17,638	–	–

(Note) 1. Average interest rate represents the weighted average interest rate on the balance at end of period.
The average interest rate for lease obligations is not presented because lease obligations are recorded on the consolidated balance sheet at the amount before deducting the interest equivalent included in total lease payments.
2. Other interest-bearing debts Long-term deposits received represents contract guarantee deposits under agency basic agreements, which are refunded only under special circumstances such as termination of agency agreements. As there is no individual repayment schedule, the Repayment deadline is not presented.
3. Total annual scheduled repayment amounts within 5 years after the consolidated closing date for long-term borrowings and lease obligations (excluding portions due within one year)

(Millions of yen)

Category	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years
Long-term borrowings	705	705	705	705
Lease obligations	114	66	54	27

[Schedule of asset retirement obligations]

The matters to be stated in the schedule have been omitted as they are disclosed as notes pursuant to Article 15-23 of the Regulation on Consolidated Financial Statements.

(2) Other

Semi-annual information for the current fiscal year

		Interim consolidated accounting period	Current fiscal year
Net sales	(Millions of yen)	15,784	29,713
Profit before income taxes	(Millions of yen)	3,614	5,098
Attributable to owners of the parent	(Millions of yen)	2,544	3,641
Basic earnings per share	(Yen)	62.35	88.59

2 Financial statements

(1) Financial statements

① Balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	9,744	10,043
Accounts receivable - trade	2,697	2,438
Merchandise	275	310
Finished goods	387	556
Semi-finished goods	314	283
Raw materials	328	446
Goods not yet delivered	108	120
Supplies	304	250
Other	*1 191	*1 269
Total current assets	14,352	14,718
Non-current assets		
Property, plant and equipment		
Buildings	*2 13,760	*2 10,603
Structures	1,059	991
Machinery and equipment	2,320	2,541
Vehicles	8	6
Tools, furniture and fixtures	423	386
Land	*2 6,036	*2 4,948
Leased assets	255	271
Construction in progress	77	279
Total property, plant and equipment	23,942	20,027

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Intangible assets		
Goodwill	138	112
Leasehold rights	13	13
Trademark rights	15	13
Software	10	413
Software in progress	439	4
Leased assets	8	－
Other	2	2
Total intangible assets	627	559
Investments and other assets		
Investment securities	2,135	2,135
Shares of subsidiaries and associates	476	476
Investments in capital of subsidiaries and associates	3,900	68
Long-term loans receivable	4	3
Membership	66	66
Other	272	208
Allowance for doubtful accounts	△168	△119
Total investments and other assets	6,687	2,838
Total non-current assets	31,257	23,425
Total assets	45,609	38,144

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	1,097	1,090
Affiliated company short-term loans payable	*1 6,500	-
Current portion of long-term borrowings	*2 705	*2 705
Lease liabilities	105	114
Accounts payable - other	*1 2,205	*1 2,338
Accrued expenses	*1 243	*1 310
Accrued alcohol tax	831	879
Income taxes payable	1,443	323
Accrued consumption taxes	28	361
Provision for bonuses	213	311
Provision for bonuses for directors	25	26
Advances received	117	54
Deposits received	2,209	91
Other	222	253
Total current liabilities	15,947	6,861
Non-current liabilities		
Long-term borrowings	*2 16,361	*2 15,655
Lease obligations	184	184
Provision for retirement benefits	278	322
Provision for retirement benefits for directors (and other officers)	15	15
Long-term deposits received	951	999
Asset retirement obligations	662	82
Deferred tax liabilities	157	136
Total non-current liabilities	18,611	17,395
Total liabilities	34,559	24,256

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Net assets		
Shareholders' equity		
Share capital	378	560
Capital surplus		
Capital reserve	18	200
Total capital surplus	18	200
Retained earnings		
Legal retained earnings	90	90
Other retained earnings		
Reserve for reduction entry of non-current assets	1,063	1,010
Retained earnings brought forward	20,495	12,020
Total retained earnings	21,648	13,121
Treasury shares	(11,000)	(0)
Total shareholders' equity	11,044	13,883
Share acquisition rights	5	4
Total net assets	11,050	13,887
Total liabilities and net assets	45,609	38,144

② Statement of income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	*1 27,863	*1 29,240
Cost of sales	13,845	*1 14,109
Gross profit	14,018	15,130
Selling, general and administrative expenses	*1, *2 10,746	*1, *2 10,805
Operating profit	3,271	4,325
Non-operating income		
Interest and dividend income	*1 1,163	*1 3,328
Reversal of allowance for doubtful accounts	11	1
Miscellaneous income	*1 248	*1 114
Total non-operating income	1,423	3,444
Non-operating expenses		
Interest expenses	*1 227	*1 289
Listing-related expenses	–	66
Miscellaneous losses	*1 211	*1 115
Total non-operating expenses	439	470
Ordinary profit	4,256	7,298
Extraordinary income		
Gain on sale of non-current assets	3,050	845
Gain on reversal of asset retirement obligations	–	208
Total extraordinary income	3,050	1,054
Extraordinary losses		
Loss on retirement of non-current assets	43	30
Payment contribution	–	27
Total extraordinary losses	43	58
Profit before income taxes	7,263	8,295
Income taxes - current	2,094	1,353
Income taxes - deferred	(490)	(20)
Total income taxes	1,604	1,332
Net income	5,658	6,963

Cost of sales breakdown

Category	Notes Note	For the fiscal year ended March 31, 2025 Amount (Millions of yen)	For the fiscal year ended March 31, 2025 Composition ratio (%)	For the fiscal year ended March 31, 2026 Amount (Millions of yen)	For the fiscal year ended March 31, 2026 Composition ratio (%)
I Cost of product sales					
1 Finished goods at beginning of period		509		387	
2 Cost of products manufactured					
① Raw materials		3,617		3,737	
② Labor costs		512		540	
③ Expenses	※1	1,725		1,734	
Total manufacturing costs for the period		5,855		6,012	
Semi-finished goods at beginning of period		291		314	
Total		6,147		6,327	
Semi-finished goods at end of period		314		283	
Cost of products manufactured for the period		5,832		6,044	
3 Alcohol tax		5,439		5,535	
Total		11,781		11,966	
Transfer to other accounts		84		632	
Finished goods at end of period		387		556	
Cost of product sales		11,309	81.7	10,777	76.4
II Cost of merchandise sales					
Merchandise at beginning of period		150		275	
Merchandise purchased during the period		1,766		2,493	
Total		1,917		2,769	
Merchandise at end of period		275		310	
Cost of merchandise sales		1,641	11.9	2,458	17.4
III Cost of hotel sales					
Cost of hotel sales		500	3.6	476	3.4
IV Cost of rental property sales					
Cost of rental property sales		393	2.8	397	2.8
Total cost of sales		13,845	100.0	14,109	100.0

(Notes)

For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
*1 Major expenses are as follows. Depreciation 564 million yen Electricity costs 257 million yen	*1 Major expenses are as follows. Depreciation 566 million yen Electricity costs 243 million yen

(Cost accounting method)

The Company's cost accounting is based on actual cost accounting using process costing.

③ [Statement of changes in equity]

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity		
	Share capital	Capital surplus	
		Capital reserve	Total capital surplus
Balance at beginning of period	378	18	18
Changes during period			
Issuance of new shares (exercise of share acquisition rights)	−	−	−
Dividends of surplus	−	−	−
Net income	−	−	−
Reversal of reserve for reduction entry of non-current assets	−	−	−
Reversal of reserves	−	−	−
Purchase of treasury stock	−	−	−
Cancellation of treasury shares	−	−	−
Net changes in items other than shareholders' equity	−	−	−
Total changes during period	−	−	−
Balance at end of period	378	18	18

	Shareholders' equity							
	Retained earnings							
		Other retained earnings						
	Legal retained earnings	Reserve for reduction entry of non-current assets	Reserve for equipment improvement	Employee welfare fund	Raw materials adjustment fund	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	90	1,102	5,000	300	200	36,722	(25,078)	18,336
Changes during period								
Issuance of new shares (exercise of share acquisition rights)	–	–	–	–	–	–	–	–
Dividends of surplus	–	–	–	–	–	–	(2,346)	(2,346)
Net income	–	–	–	–	–	–	5,658	5,658
Reversal of reserve for reduction entry of non-current assets	–	(39)	–	–	–	–	39	–
Reversal of reserves	–	–	(5,000)	(300)	(200)	(36,722)	42,222	–
Purchase of treasury stock	–	–	–	–	–	–	–	–
Cancellation of treasury shares	–	–	–	–	–	–	–	–
Net changes in items other than shareholders' equity	–	–	–	–	–	–	–	–
Total changes during period	–	(39)	(5,000)	(300)	(200)	(36,722)	45,574	3,312
Balance at end of period	90	1,063	–	–	–	–	20,495	21,648

(Millions of yen)

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	－	18,732	5	18,738
Changes during period				
Issuance of new shares (exercise of share acquisition rights)	－	－	－	－
Dividends of surplus	－	(2,346)	－	(2,346)
Net income	－	5,658	－	5,658
Reversal of reserve for reduction entry of non-current assets	－	－	－	－
Reversal of reserves	－	－	－	－
Purchase of treasury stock	(11,000)	(11,000)	－	(11,000)
Cancellation of treasury shares	－	－	－	－
Net changes in items other than shareholders' equity	－	－	0	0
Total changes during period	(11,000)	(7,687)	0	(7,687)
Balance at end of period	(11,000)	11,044	5	11,050

Current fiscal year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity		
	Share capital	Capital surplus	
		Capital reserve	Total capital surplus
Balance at beginning of period	378	18	18
Changes during period			
Issuance of new shares (exercise of share acquisition rights)	182	182	182
Dividends of surplus	–	–	–
Net income	–	–	–
Reversal of reserve for reduction entry of non-current assets	–	–	–
Reversal of reserves	–	–	–
Purchase of treasury stock	–	–	–
Cancellation of treasury shares	–	–	–
Net changes in items other than shareholders' equity	–	–	–
Total changes during period	182	182	182
Balance at end of period	560	200	200

	Shareholders' equity							
	Retained earnings							
		Other retained earnings						
	Legal retained earnings	Reserve for reduction entry of non-current assets	Reserve for equipment improvement	Employee welfare fund	Raw materials adjustment fund	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	90	1,063	–	–	–	–	20,495	21,648
Changes during period								
Issuance of new shares (exercise of share acquisition rights)	–	–	–	–	–	–	–	–
Dividends of surplus	–	–	–	–	–	–	(4,489)	(4,489)
Net income	–	–	–	–	–	–	6,963	6,963
Reversal of reserve for reduction entry of non-current assets	–	(52)	–	–	–	–	52	–
Reversal of reserves	–	–	–	–	–	–	–	–
Purchase of treasury stock	–	–	–	–	–	–	–	–
Cancellation of treasury shares	–	–	–	–	–	–	(11,000)	(11,000)
Net changes in items other than shareholders' equity	–	–	–	–	–	–	–	–
Total changes during period	–	(52)	–	–	–	–	(8,474)	(8,526)
Balance at end of period	90	1,010	–	–	–	–	12,020	13,121

(Millions of yen)

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

Notes

(Significant accounting policies)

1. Basis and method for valuation of assets

(1) Basis and method for valuation of securities

(i) Shares of subsidiaries and affiliates and investments in subsidiaries and affiliates: Cost method based on the moving-average method

(ii) Other securities

Stocks without market prices, etc.: Cost method based on the moving-average method

(2) Basis and method for valuation of inventories

Inventories are stated at cost (with book value write-downs due to decreased profitability).

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

2. Depreciation method for non-current assets

(1) Property, plant and equipment (excluding lease assets)

The straight-line method is adopted.

(2) Intangible assets (excluding lease assets)

The straight-line method is adopted.

(3) Lease assets

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

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

3. Basis for recording provisions

(1) Allowance for doubtful accounts

To prepare for losses from uncollectible receivables such as accounts receivable, the allowance is recorded based on the historical default rate for general receivables, 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, an amount corresponding to the current period is recorded based on the estimated payment amount.

(3) Provision for bonuses for directors

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

(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 obligation and pension assets at the end of the current fiscal year.

(5) Provision for retirement benefits for directors

To provide for retirement benefit payments to directors, 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 retirement benefits for directors 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's abolition, with payment timing set at the retirement of each respective director.

4. Basis for recording revenue and expenses

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

<Alcoholic & Beverages Business>

The Company's main business is the manufacture and sale of alcoholic and beverage products. In addition, the Group purchases and sells other alcoholic beverages and soft drink products. For sales of these products, the performance obligation is deemed to be satisfied when the customer obtains control of the products at the time of delivery; however, for domestic transactions, the alternative treatment specified in Paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition is applied, and revenue is recognized at the time of shipment if the period from shipment until the customer obtains control of the products is a normal period. For overseas transactions such as exports, revenue is recognized at the point when risk is deemed to have been transferred to the customer based on trade terms specified in Incoterms, etc. Revenue is measured at the amount of consideration promised in the contract with the customer, 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 merchandise where the Company acts as an agent, revenue is recognized on a net basis by deducting payments to third parties from the gross amount of consideration.

<Tourism & Hotel Business>

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

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

5. Other significant matters forming the basis for preparation of financial statements

(1) Amortization method and period for goodwill

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

(Significant accounting estimates)

Previous fiscal year (From April 1, 2024 to March 31, 2025)

1. Recoverability of deferred tax assets

(1) Amount recorded in the financial statements for the current fiscal year

Deferred tax assets (before offsetting against deferred tax liabilities): 781 million yen

(2) Information regarding the content of significant accounting estimates related to identified items

Deferred tax assets are recorded based on the company classification prescribed in the Guidance on Recoverability of Deferred Tax Assets (Accounting Standards Board of Japan Guidance No. 26, February 16, 2018) and the scheduling of expected reversal years of deductible temporary differences at the end of the fiscal year. These estimates are made based on past performance and other methods considered reasonable; however, they may be affected by changes in uncertain future economic conditions, and if the actual timing and amounts differ from estimates, it may impact the financial statements in the following fiscal year.

Current fiscal year (From April 1, 2025 to March 31, 2026)

Not applicable.

(Notes to balance sheets)

*1 Monetary receivables from and payables to related companies (excluding items presented separately)

	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Short-term monetary receivables	0 Millions of yen	0 Millions of yen
Short-term monetary payables	244 〃	211 〃

*2 Assets pledged as collateral and liabilities secured by collateral

(1) Assets pledged as collateral

	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Buildings	9,535 Millions of yen	8,730 Millions of yen
Land	1,824 〃	1,824 〃
Total	11,359 Millions of yen	10,554 Millions of yen

(2) Liabilities secured by collateral

	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Current portion of long-term borrowings	705 Millions of yen	705 Millions of yen
Long-term borrowings	16,361 〃	15,655 〃
Total	17,066 Millions of yen	16,361 Millions of yen

(Notes to statements of income)

*1 Transactions with related companies

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Transaction amounts from operating transactions		
Net sales	_Millions of yen	0Millions of yen
Cost of sales, selling, general and administrative expenses	1,913 〃	1,343 〃
Transaction amounts from non-operating transactions	1,119 〃	3,288 〃

*2 Major items and amounts of selling, general and administrative expenses and their approximate ratios are as follows.

	Previous fiscal year (From April 1, 2024 to March 31, 2025)	Current fiscal year (From April 1, 2025 to March 31, 2026)
Sales commissions	3,201Millions of yen	2,956Millions of yen
Advertising expenses	1,013 〃	1,051 〃
Freight expenses	1,237 〃	1,234 〃
Salaries	831 〃	921 〃
Depreciation and amortization	796 〃	777 〃
Approximate ratio		
Selling expenses	58.9%	55.9%
General and administrative expenses	41.1%	44.1%

(Notes to securities)

Shares of subsidiaries, shares of associates, and investments in affiliated companies are unlisted equity securities and therefore their fair values are not disclosed. The carrying amounts on the balance sheet are as follows.

(Millions of yen)

Category	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Shares of subsidiaries	468	468
Shares of associates	7	7
Investments in affiliates	3,900	68
Total	4,376	544

(Tax effect accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by major cause

	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Deferred tax assets		
Accrued enterprise taxes, etc.	61 Millions of yen	20 Millions of yen
Accrued expenses	29 〃	70 〃
Allowance for doubtful accounts	51 〃	36 〃
Loss on valuation of investment securities	85 〃	85 〃
Provision for bonuses	63 〃	95 〃
Provision for retirement benefits	85 〃	99 〃
Asset retirement obligations	199 〃	25 〃
Valuation difference on assets acquired through merger	296 〃	67 〃
Other	342 〃	315 〃
Subtotal of deferred tax assets	1,216 Millions of yen	816 Millions of yen
Valuation allowance	(434) 〃	(422) 〃
Total deferred tax assets	781 Millions of yen	394 Millions of yen
Deferred tax liabilities		
Asset retirement obligations	(113) Millions of yen	(0) Millions of yen
Reserve for reduction entry of non-current assets	(467) 〃	(450) 〃
Valuation difference on assets acquired through merger	(358) 〃	(79) 〃
Total deferred tax liabilities	(938) Millions of yen	(530) Millions of yen
Net deferred tax liabilities	(157) Millions of yen	(136) Millions of yen

2. Breakdown of major items causing significant differences between the statutory effective tax rate and the effective tax rate after application of tax effect accounting

	Previous fiscal year (March 31, 2025)	Current fiscal year (March 31, 2026)
Statutory effective tax rate	29.92%	29.92%
(Adjustments)		
Entertainment expenses and other items permanently non-deductible	0.27%	0.16%
Dividend income and other items permanently non-taxable	(4.55)%	(11.78)%
Tax credits, etc.	(0.12)%	(0.25)%
Change in valuation allowance	(4.77)%	(0.15)%

Succession of tax loss carryforwards due to liquidation of consolidated subsidiary	–%	(1.66)%
Gain on transfer of subsidiary's land	1.46%	–%
Change in tax rate	0.18%	–%
Other	(0.30)%	(0.18)%
Effective tax rate after application of tax effect accounting	22.09%	16.06%

(Revenue recognition)

Information that serves as the basis for understanding revenue from contracts with customers is omitted as the same content is disclosed in Notes to Consolidated Financial Statements (Revenue Recognition).

(Significant subsequent events)

(Purchase of treasury stock)

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 with necessary modifications pursuant to Article 165, Paragraph 3 of the same Act, and acquired treasury stock as follows.

(1) Reason for acquiring treasury stock

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

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

① Type of shares to be acquired: Common stock 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 shares) :1.00%

③ Total acquisition cost of shares: 550,000,000 yen (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 on the auction market based on discretionary trading agreements

(3) Results of treasury stock acquisition

① Type of shares acquired: Common stock of the Company

② Total number of shares acquired: 425,000 shares
Ratio to total number of issued shares(excluding treasury shares) :1.00%

③ Total acquisition cost of shares: 490,965,100 yen

④ Acquisition period: From May 15, 2026 to June 5, 2026 (contract basis)

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 on the auction market based on discretionary trading agreements

④ [Supplementary Schedules]

[Schedule of Property, Plant and Equipment, etc.]

(Millions of yen)

Category	Type of asset	Beginning of current period Balance	Current period Increase	Current period Decrease	Current period Depreciation	End of current period Balance	Accumulated depreciation
Property, plant and equipment	Buildings	27,425	106	6,341	732	21,190	10,586
	Structures	3,145	10	8	77	3,146	2,155
	Machinery and equipment	19,623	566	273	342	19,916	17,374
	Vehicles	101	0	10	3	91	85
	Tools, furniture and fixtures	1,873	129	328	83	1,674	1,288
	Land	6,036	92	1,180	–	4,948	–
	Leased assets	465	102	–	92	568	296
	Construction in progress	77	276	74	–	279	–
	Total	58,748	1,285	8,218	1,332	51,814	31,787
Intangible assets	Goodwill	360	–	–	26	360	247
	Leasehold rights	13	–	–	–	13	–
	Trademark rights	31	0	0	2	31	18
	Software	526	496	55	93	967	554
	Software in progress	439	4	439	–	4	–
	Leased assets	25	–	25	3	–	–
	Other	2	–	–	–	2	–
	Total	1,397	501	519	125	1,380	820

(Note) 1. The main changes during the current period are as follows.

(1) Increase in machinery and equipment related to factory equipment renewal: 563 million yen

Can palletizer (canning equipment): 102 million yen, mash dehydrator: 101 million yen, carbon dioxide storage tank: 90 million yen, etc.

(2) Construction of new core system

Software increase: 394 million yen, software in progress decrease: 394 million yen

(3) Decrease due to sale of Orion Hotel Naha: 7,816 million yen

Buildings: 6,326 million yen, machinery and equipment: 17 million yen, tools, furniture and fixtures: 260 million yen,

land: 1,180 million yen, lease assets (software): 21 million yen, etc.

2. Balance at beginning of current period and Balance at end of current period are stated at acquisition cost.

[Schedule of Provisions]

(Millions of yen)

Account	Balance at beginning of period	Increase during current period	Decrease during current period	Balance at end of period
Allowance for doubtful accounts	168	–	48	119
Provision for bonuses	213	311	213	311
Provision for bonuses for directors	25	26	25	26
Provision for retirement benefits for directors	15	–	–	15

(2) [Details of Major Assets and Liabilities]

Omitted as consolidated financial statements are prepared.

(3) [Other]

None

Section 6 Outline of Share-related Administration of Reporting Company

Fiscal year	From April 1 to March 31 of the following year
Annual General Meeting of Shareholders	In June
Record date	March 31
Record date for dividends from surplus	September 30 March 31
Number of shares per unit	100 shares
Purchase of shares less than one unit	
Handling office	1-4-5 Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation, Securities Agency Department
Shareholder registry administrator	1-4-5 Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Agent	—
Purchase fee	Amount separately determined as equivalent to fees for entrustment of stock trading
Method of public notice	The Company's method of public notice is electronic public notice. However, when electronic public notice is not possible due to accidents or other unavoidable circumstances, notice will be published in the Nihon Keizai Shimbun. The Company's URL for public notices is as follows. https://www.orionbeer.co.jp/
Benefits for shareholders	Shareholder benefit program (1) Eligible shareholders: Shareholders recorded in the shareholder registry as of the record date of March 31 each year who meet the holding period requirements (2) Holding period requirements March 31, 2026: Recorded in the shareholder registry as of the record date From March 31, 2027: Continuous holding for one year or more (recorded consecutively three or more times with the same shareholder number, going back from the benefit record date, in the shareholder registry as of March 31 and September 30 each year) (3) Benefit details ① Shareholders holding 1,000 or more but less than 2,000 shares Assortment of 12 cans of the Company's alcoholic beverages or Orion T-shirt (Standard) ② Shareholders holding 2,000 or more shares Assortment of 12 cans of the Company's alcoholic beverages or Orion T-shirt (Premium) *Shareholders under 20 years of age cannot select alcoholic beverage products.

(Note) The Company's Articles of Incorporation provide that shareholders may not exercise any rights other than the following with respect to shares less than one unit that they hold.
(1) Rights listed in each item of Article 189, Paragraph 2 of the Companies Act
(2) Right to make requests pursuant to Article 166, Paragraph 1 of the Companies Act
(3) Right to receive allotment of shares for subscription and allotment of share acquisition rights for subscription in proportion to the number of shares held by the shareholder

Section 7 Reference Information of the Reporting Company

1 [Information on Parent Company, etc. of the Reporting Company]

The Company has no parent company, etc. as defined in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2 [Other Reference Information]

The following documents were submitted during the period from the beginning of the current fiscal year to the submission date of this securities report.

(1) Securities registration statement and attached documents

Paid public offering (offering through book-building method) and secondary offering of shares (offering through book-building method)
Submitted to the Director of Okinawa General Bureau on August 21, 2025.

(2) Amended securities registration statement

Amended registration statement related to (1) above
Submitted to the Director of Okinawa General Bureau on September 8, 2025 and September 16, 2025.

(3) Extraordinary report

Extraordinary report pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 4 of the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. (change in major shareholders)
Submitted to the Director of Okinawa General Bureau on September 25, 2025.

(4) Semi-annual report and confirmation letter

For the first half of the 69th fiscal year (from April 1, 2025 to September 30, 2025), submitted to the Director of Okinawa General Bureau on November 12, 2025.

Part II [Information on Guarantor Companies, etc. of the Reporting Company]

Not applicable.

Note to the Readers of Independent Auditor’s Report:

This is extracted and translated from the Independent Auditor’s Report as required by Financial Instruments and Exchange Act for the conveniences of the readers.

Independent Auditor's Report

June 18, 2026

Company name: ORION BREWERIES, LTD.
To the Board of Directors

Ernst & Young ShinNihon LLC
Okinawa Office

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Koichiro Sasaki
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Shinya Maeno

<The Audit of Consolidated Financial Statements>

Opinion

We have audited the accompanying consolidated financial statements of ORION BREWERIES, LTD. for the consolidated fiscal year from April 1, 2025 to March 31, 2026, comprising the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, significant accounting policies for the preparation of consolidated financial statements, other notes, and consolidated supplementary schedules, included in the Financial Information section, for the purpose of audit certification pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of ORION BREWERIES, LTD. and its consolidated subsidiaries as of March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the consolidated fiscal year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters.

The Existence of Sales in the Alcoholic & Beverages Business	
Description of Key Audit Matter	Auditor's Response
As stated in Note 1 of the Notes to the Consolidated Financial Statements (“Revenue Recognition: 1. Information on the Breakdown of Revenue Arising from Contracts with Customers”), revenue from external customers in the Alcoholic & Beverages Business amounted to 23,921 million yen, accounting for 80.5% of consolidated revenue of 29,713 million yen. As stated in Note 4, “(Significant Matters Underlying the Preparation of the Consolidated Financial Statements) 4. Accounting Policies (5) Basis for Recognizing Significant Revenues and Expenses” to the Notes to the Consolidated Financial Statements, for sales of alcoholic beverages and soft drinks, as well as other alcoholic beverage and soft drink products, revenue is recognized at the time of shipment for domestic transactions when the period from shipment to the transfer of control of the relevant products to the customer is the normal period. Furthermore, for overseas transactions such as exports, revenue is recognized at the point when the burden of risk is deemed to have been transferred to the customer based on trade terms stipulated in Incoterms, etc. Generally, management may feel pressure to achieve performance targets. Although sales data is linked from the sales management system to the accounting system, there is room to alter accounting data by directly entering journal entries into the accounting system, creating a risk that fictitious sales may be recorded. Based on the foregoing, we determined that the existence of revenue in the Alcoholic & Beverages Business, which is of high monetary significance, is particularly important in the audit of the consolidated financial statements for the current fiscal year and constitutes a key audit matter.	To assess the existence of revenue in the Alcoholic & Beverages Business, our firm performed the following procedures: (1) Evaluation of Internal Controls We evaluated the effectiveness of the design and operation of internal controls related to the revenue recognition process for the Alcoholic & Beverages Business. (2) Assessment of Revenue Existence To assess that revenue does not include any fictitious entries, we performed audit procedures including the following: ・For transactions selected based on certain criteria, including materiality, we obtained delivery notes and shipping slips for domestic transactions to verify the reasonableness of the revenue amounts recorded and the fact of shipment. For overseas transactions, we cross-checked the records with supporting documentation demonstrating that performance obligations had been satisfied in accordance with the terms of trade. ・We extracted direct journal entries related to sales from the accounting system, reviewed the details of these entries, and reviewed them for any unusual transactions. ・We selected a sample of accounts receivable balances and performed confirmation procedures with customers as of the balance sheet date. ・We extracted sales return transactions after the fiscal year-end from the sales management system and reviewed that there were any significant return transactions.

Other Information

The other information comprises the information included in the Annual Securities Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's reports thereon. Management is responsible for the preparation and disclosure of other information. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties in the development and operation of the reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Design and perform audit procedures responsive to those risks. The selection and application of audit procedures is at the auditor's judgment. In addition, we obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
・ The purpose of the audit of the consolidated financial statements is not expressing an

opinion on the effectiveness of internal control. However, in making risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and their method of application, as well as the reasonableness of accounting estimates made by management and the adequacy of related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

・ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless, laws or regulations precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

The fees for the audits of the financial statements of ORION BREWERIES, LTD. and its subsidiaries and other services provided by us and other EY member firms is disclosed in Corporate Governance, etc. (3) [Status of Audits] included in Status of the Reporting company.

Interests

Our firm and its designated engagement partners do not have any interest in ORION BREWERIES, LTD. and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

(Note) 1. The original of the above auditor's report is separately retained by the Company (the reporting company of the Annual Securities Report).
2. XBRL data is not included in the scope of the audit.

Note to the Readers of Independent Auditor's Report:

This is extracted and translated from the Independent Auditor's Report as required by Financial Instruments and Exchange Act for the conveniences of the readers.

Independent Auditor's Report

June 18, 2026

Company name: ORION BREWERIES, LTD.
To the Board of Directors

Ernst & Young ShinNihon LLC
Okinawa Office

Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Koichiro Sasaki
Designated Limited Liability Partner Engagement Partner	Certified Public Accountant	Shinya Maeno

<The Audit of Financial Statements>

Opinion

We have audited the financial statements of ORION BREWERIES, LTD. for the 69th fiscal year from April 1, 2025 to March 31, 2026, which comprise the balance sheet, statement of income, statement of changes in shareholders' equity, significant accounting policies, other notes and supplementary schedules, as set forth in Financial Information, for the purpose of audit certification pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

In our opinion, the financial statements present fairly, in all material respects, the financial position of ORION BREWERIES, LTD. as of March 31, 2026, and its financial performance for the fiscal year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor' s opinion thereon, and we do not provide a separate opinion on these matters.

The Existence of Sales in the Alcoholic & Beverages Business

This information is omitted because it is identical to the key audit matters described in the audit report on the consolidated financial statements (substantiation of revenue from the alcoholic beverages and soft drinks business).

Other Information

The other information comprises the information included in the Annual Securities Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's reports thereon. Management is responsible for the preparation and disclosure of other information. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties in the development and operation of the reporting process of the other information.

Our audit opinion on the financial statements does not cover the other information, and we do not express an opinion on other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・ Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error. Design and perform audit procedures responsive to those risks. The selection and application of audit procedures is at the auditor's judgment. In addition, we obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

・ The purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of internal controls. However, in making risk assessments, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
・ Evaluate the appropriateness of accounting policies used and their method of application, as well as the reasonableness of accounting estimates made by management and the adequacy of related disclosures.
・ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
・ Evaluate whether the presentation and note disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, and evaluate the presentation, structure and content of the financial statements, including the related note disclosures, as well as whether the financial statements fairly present the underlying transactions and accounting events.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the ethical requirement regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulations precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

〈Fee-Related Information〉

Fee-related information is stated in the audit report on the consolidated financial statements.

Interests

Our firm and its designated engagement partners do not have any interest in ORION BREWERIES, LTD. which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

(Note) 1. The original of the above auditor's report is separately retained by the Company (the reporting company of the Annual Securities Report).
2. XBRL data is not included in the scope of the audit.