

November 20, 2025

To Whom It May Concern:

Company Name: FUJI Co., LTD.
Name of representative: Hiroshi Yamaguchi, Representative Director and President
(Securities Code: 8278 TSE Prime Market)
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Notice Regarding Changes in Equity Method Affiliates (Share Transfer) and Recording of Extraordinary Gains

FUJI Co., LTD. (“**Fuji**”) hereby announces that Fuji has resolved, at a meeting of the Board of Directors held today, that Fuji will transfer all of our shares (“**Shares**”) of Lady Drug Store Co., Ltd. (“**Lady**”), which is the Fuji’s equity-method affiliate with 49% voting rights, by (i) transferring shares to Lady in connection with its planned share buyback (the “**Share Buyback**”), and (ii) transferring shares to TSURUHA HOLDINGS INC. (“**Tsuruha**”) pursuant to a share purchase agreement (the “**Share Sale**”) (the Share Buyback and the Share Sale, collectively, the “**Share Transfer**”). As a result, Fuji expects to record extraordinary income as follows. In the event that the Share Transfer is executed, Lady will be excluded from our equity method affiliates.

1. Reason and background of the Share Transfer

In 1985, Fuji spun off its pharmacy and cosmetics division and established MEDICO 21 Co., Ltd. (“**MEDICO 21**”). In 2008, Lady made MEDICO 21 a wholly owned subsidiary through a share exchange and merged with it in 2010. Subsequently, in 2015, Fuji, Tsuruha and Lady entered into a capital and business alliance agreement, whereby Fuji owned 49% of the outstanding shares of Lady and Tsuruha owned 51% of the same, respectively, and since then, Lady has been our equity method affiliate, and Fuji and Lady have built a cooperative relationship with each other.

Recently, Tsuruha notified Fuji of its intention to make Lady its wholly owned subsidiary by having Lady acquire shares in Lady held by Fuji through the Share Buyback and by directly purchasing the remaining shares from Fuji, against a backdrop of the anticipated intensification of competition in the drugstore industry, aiming to accelerate its decision-making and pursue aggressive investment by converting Lady into its wholly owned subsidiary, thereby enhancing Lady’s corporate value.

After thorough analysis and deliberation within the company and at meetings of the Board of Directors, Fuji concluded that the most effective means of enhancing its corporate value would be

to strategically utilize the proceeds from the Share Transfer to implement its medium-term management plan and reinforce its financial foundation.

Although Fuji will no longer hold any shares in Lady after the Share Transfer, Fuji intends to maintain cooperative relations with Lady as both companies operate primarily as retailers in the Chugoku-Shikoku region. Furthermore, as outlined in paragraph 7 below, AEON CO., LTD. (“AEON”), Fuji’s parent company, and Tsuruha have entered into an agreement to the effect that AEON will make Tsuruha a consolidated subsidiary. Accordingly, if such consolidation is realized, it is anticipated that Fuji and Lady will continue to cooperate as members of the AEON group.

2. Overview of the equity-method affiliate to be transferred

(1) Name	Lady Drug Store Co., Ltd.		
(2) Address	4-3-37, Minamiedo, Matsuyama City, Ehime Prefecture		
(3) Job Title and Name of representative	Shinya Mitsuhashi, Representative director and chairman		
	Kazuo Fujita, Representative director and president		
(4) Description of Businesses	Pharmaceutical and cosmetic stores		
(5) Share capital	598 million yen (as of Feb. 28, 2025)		
(6) Date of establishment	July 22, 1968		
(7) Net assets	21,751 million yen (as of Feb. 28, 2025)		
(8) Total assets	43,518 million yen (as of Feb. 28, 2025)		
(9)Major shareholders and percentage of shares	TSURUHA HOLDINGS INC. 51.0%		
	FUJI Co., Ltd. 49.0%		
(10) Relationship between Fuji and Lady	Capital relationships	Lady is an equity-method affiliate of Fuji.	
	Personal relationships	Masato Takahashi, Fuji’s advisor, also serves as a director of Lady.	
	Business relationships	Fuji leases stores and other assets to Lady.	
(11) Operating results and financial position for the last three years			
Fiscal year ended	May 31, 2023	May 31, 2024	Feb. 28, 2025
Net assets (million yen)	19,545	21,321	21,751
Total assets (million yen)	40,133	43,084	43,518
Net assets per share (yen)	5,282,617	5,762,623	5,878,683
Net sales (million yen)	83,508	87,114	71,447
Operating income (million yen)	5,256	4,703	3,511
Ordinary income (million yen)	5,104	4,517	3,330
Net income (million yen)	3,218	3,006	1,570
Net income per share (yen)	869,803	812,506	424,562

Dividends per share (yen)	305,000	285,000	148,500
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(NOTE) The fiscal year ended February 28, 2025 was 9.5 months from May 16, 2024 to February 28, 2025 due to a change in the fiscal year-end.

3. Overview of the counterparty of the Share Sale (Tsuruha Holdings Inc.)

(1) Name	TSURUHA HOLDINGS INC.	
(2) Address	20-1-21, Kita 24-jo Higashi, Higashi-ku, Sapporo City	
(3) Job title and name of representative	Jun Tsuruha, Representative director and president	
(4) Description of businesses	Execution support of various business strategies, and business management, of group companies	
(5) Share capital	12,017 million yen (as of Aug. 31, 2025)	
(6) Date of establishment	June 1, 1963	
(7) Net assets	322,845 million yen (as of Aug. 15, 2025)	
(8) Total assets	634,552 million yen (as of Aug. 15, 2025)	
(9) Major shareholders and percentage of shares (As of Aug. 31, 2024)	AEON Corporation 27.08% The Master Trust Bank of Japan, Ltd. (Trust Account) 11.13% CEP LUX-ORBIS SICAV (Standing proxy: Citibank, NA, Tokyo Branch, Custody Operations Department) 6.09% Tatsuru Tsuruha 2.91% The Custody Bank of Japan, Ltd. (Trust account) 2.35% STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Mizuho Bank, Settlement & Clearing Services Department) 2.20% Akiko Tsuruha 2.06% THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND (Standing proxy: Citibank, NA, Tokyo Branch, Custody Operations Department) 1.93% Rikako Nagashima 1.46%	
(10) Relationship between Fuji and Tsuruha	Capital relationships	Not applicable.
	Personal relationships	Not applicable.
	Business relationships	Not applicable.

4. Number of shares transferred, transfer price, and status of shares held before and after the Share Transfer

(1) Shares owned prior to the Share Transfer	1813 shares (Voting rights: 1813 units) (49.0% of total voting rights)
(2) Number of the transferred shares	1813 shares (Voting rights: 1813 units) (49.0% of total voting rights) (The Share Buyback by Lady: 1,767 shares (Voting rights: 1,767 Units) The Share Sale to Tsuruha: 46 shares (Voting rights: 46 Units)
(3) Transfer price	Around 19,500 million yen in total (The Share Buyback by Lady: around 19,005 million yen in total The Share Sale to Tsuruha: around 495 million yen in total)
(4) Shares owned after the Share Transfer	0 shares (Voting rights: 0 units) (Percentage of voting rights: 0.0%)

5. Schedule

(1) Board resolution by Fuji	November 20, 2025
(2) Execution of the agreement with Tsuruha regarding the Share Transfer	November 20, 2025
(3) Date of the Share Transfer (the Share Buyback by Lady and the Share Sale to Tsuruha)	December 22, 2025 (scheduled)

6. Future Outlook

Fuji expects to record a gain on sales of investment securities (extraordinary income) due to the Share Transfer in its consolidated financial results for the fourth quarter of the fiscal year ending February 2026. The specific amount will be disclosed once Lady's financial figures for the third quarter of the fiscal year ending February 2026 are finalized and the calculation is completed. If it is necessary to revise the consolidated earnings forecast for the fiscal year ending February 2026 due to the Share Transfer and other factors, the revision will be promptly disclosed.

7. Matters concerning transactions with controlling shareholders

(1) Whether the Share Transfer constitutes a transaction with the controlling shareholder and compliance status with the policy on measures to protect minority shareholders

Tsuruha, which will make Lady its wholly owned subsidiary as a result of the Share Transfer, is not currently a subsidiary of AEON, our parent company, and therefore not a "controlling shareholder or any other person stipulated by the Enforcement Regulations" (Article 441-2 of the Securities Listing Regulations, Article 436-3 of the Enforcement Regulations).

However, On April 11, 2025, Tsuruha entered into the final agreement for a capital and business alliance with EAON and WELCIA HOLDINGS Co., Ltd. ("**Welcia**"), AEON's subsidiary, ("**Capital and Business Alliance Agreement**"), to the effect that (i) Tsuruha and Welcia will conduct a share exchange, in which Tsuruha will become the parent company and Welcia will become the wholly owned subsidiary (with the effective date currently scheduled for Dec. 1, 2025), and (ii) if, as a result of the share exchange taking effect, AEON does not hold 50.9% of the voting rights ratio in Tsuruha shares, AEON will acquire Tsuruha shares through a tender offer so that AEON holds 50.9% of the voting rights ratio in Tsuruha shares.

In view of these circumstances, Fuji has decided to take measures to ensure fairness and to avoid conflicts of interest ("**Fairness Ensuring Measures**") with regard to the Share Transfer in accordance with the spirit of the Corporate Governance Code 4-8 (iii) and Article 441-2 of the Securities Listing Regulations as follows.

"The Guideline for Measures to Protect Minority Shareholders when Conducting Transactions with Controlling Shareholders", which we disclosed in our corporate governance report in May 2025, states, "We recognize the importance of the rights of shareholders, and we will take appropriate measures to ensure that the rights of all shareholders, including minority shareholders and foreign shareholders, are effectively secured. We will also create an environment in which all shareholders can appropriately exercise their rights. We will recognize the importance of the rights of shareholders and give sufficient consideration to ensure that the exercise of the rights of all shareholders, especially minority shareholders, is not effectively impeded."

At today's meeting of the Board of Directors, Fuji has confirmed the compliance status of the Share Transfer and determined that the Share Transfer, with the following Fairness Ensuring Measures, complies with the guideline above.

(2) Measures to ensure fairness and to avoid conflicts of interest

As described in (3) below, as Fairness Ensuring Measures, a special committee consisting of independent outside directors and independent outside corporate auditors ("kansayaku" in Japanese), has examined the Share Transfer and reported the results of the examination to the Board of Directors. Furthermore, Mr. Takemi Ide, our director, has concurrently served as AEON's executive officer, and Mr. Masato Nishimatsu, our corporate auditor ("kansayaku" in Japanese), has concurrently

served as AEON's advisors. Therefore, they have not participated in any resolutions or discussions at the meetings of Board of Directors regarding the Share Transfer, from the viewpoint of eliminating as much as possible the risk of being affected by structural conflicts of interest in the Share Transfer. Although Mr. Kenichi Hirao, Fuji's representative director and vice president, concurrently served as a director of AEON Commodity Procurement Co., Ltd., a wholly-owned subsidiary of AEON, until May 2024, and Mr. Yasuhiko Toyota, Fuji's director, served as the person in charge of affiliated companies for AEON until April 2021, none of these is directly involved in the practice of shares held by AEON and the planning of holding policies. Therefore, Fuji has determined that their interests regarding the Share Transfer are indirect and there are no issues in terms of conflicts of interest.

(3) Summary of the opinion obtained from persons who have no interest in the Controlling Shareholders with regard to whether the Share Transfer is not disadvantageous to the minority shareholders

In order to obtain from persons who have no interest in the Controlling Shareholders with regard to whether the Share Transfer is not disadvantageous to the minority shareholders, prior to today's meeting of the Board of Directors, Fuji consulted with the special committee ("**Special Committee**"), consisting of 5 members (Outside directors: Mr. Michio Ishibashi, Ms. Nui Yokoyama (Registered name: Ms. Nuiko Kitafuku) and Ms. Hiromi Watase (Registered name: Ms. Hiromi Otsuka). Outside corporate auditors ("kansayaku" in Japanese): Mr. Shinjiro Yorii and Mr. Katsuaki Kushioka) who have no interest in the controlling shareholder (AEON), Lady, and Tsuruha.

The Special Committee was convened from September 26, 2025 to November 18, 2025, and, based on the following reasons, the Special Committee issued its opinion on November 19, 2025, stating its decision regarding whether the Share Transfer is not disadvantageous to the minority shareholders.

(a) Rationality of the objectives of the Share Transfer

Based on Fuji's medium-term management plan, Fuji is strengthening and streamlining its existing businesses and also optimizing its assets by reducing interest-bearing debt to increase our corporate value. The use of the proceeds from the sale of our Lady shares will contribute to the steady execution of our medium-term management plan.

In addition, Tsuruha intends to increase Lady's corporate value and competitiveness by making Lady its wholly owned subsidiary. As Fuji's shopping centers ("SC") house a lot of Lady's drugstores, it is expected that the improvement of Lady's corporate value and competitiveness will contribute to the improvement of the profitability of Fuji's SC, the ability to attract customers, and the Fuji's corporate value.

Furthermore, since the agreement that AEON will make Tsuruha its consolidated subsidiary

in the future has been concluded, when this consolidation is realized, it is assumed that the cooperative relations between Fuji and Lady will continue to be maintained under the AEON group.

Based on the above, the objective of the Share Transfer is reasonable.

(b) Adequacy and fairness of Assignment trade terms

The consideration for the Share Transfer (“**Consideration**”) was determined after Fuji, with the advice of this Special Committee and its respective advisors, made a total of four requests to Tsuruha for an increase, ultimately resulting in the acceptance of the fifth offer made by Tsuruha.

The Consideration falls within the valuation range calculated using the DCF method and the comparable companies method in the valuation of Lady shares conducted by the Fuji's independent and qualified financial advisor (Plutus Consulting Co., Ltd.), and no unreasonable matters were identified in the valuation process.

As described above, the Consideration is reasonable, and the process of determining the Consideration is fair.

(c) Appropriateness of the procedures;

Since, during the deliberation of the Share Transfer, Fuji consulted with the Special Committee to ensure its fairness, eliminated the involvement of the directors who may have a conflict of interest, and received various types of expert advice from independent external experts (the legal advisor (Yodoyabashi and Yamakami LPC), and the financial advisor), the procedures regarding the Share Transfer are appropriate.

(d) Conclusion

We conclude that the Share Transfer is not disadvantageous to the minority shareholders.