



March 26, 2026

Notice Regarding the Resolution on the Basic Policy for the Development of the Internal Control System
(English Translation for Disclosure Purposes)

UNITED ARROWS LTD. (the "Company") hereby announces that at the meeting of its Board of Directors held on March 26, 2026, it resolved to revise the Basic Policy for the Development of the Internal Control System, with such revision to take effect as of April 1, 2026, as outlined below.

Basic Management Policy

At the time of its founding in October 1989, the Company defined its founding spirit as "contributing to society by setting new standards of Japanese lifestyle." The essence of this spirit has been maintained and its expressions updated to better match the times so that it can continue to function as the basis for the actions of all directors and employees as our Company Policy.

In addition, we have defined our promise to society and the creation of value for five distinct stakeholders as key features of our Policy Structure. The five distinct stakeholders for which value is to be created are customers, employees, business partners, society, and shareholders. In this regard, the Company's mission is to increase value for all stakeholders.

We establish the internal control system as an operational framework necessary for achieving the Company Policy. With an awareness that building the internal control system requires an open corporate culture where anyone regardless of his or her duties or roles can provide the right opinions and such opinions are reflected, all directors and employees will look for improvements at all times in executing their duties.

1. Compliance System

(a) The Company has established the UNITED ARROWS Group's Code of Conduct, which describes how we should think and act to realize our corporate philosophy.

Under the UNITED ARROWS Group's Code of Conduct, Risk Management and Compliance Regulations are established as specific procedures to ensure the social trust of the Group by establishing a compliance system and ensuring the soundness of its operations, thereby contributing to the realization of its corporate philosophy. They also promote various initiatives to secure public trust in the Group in response to changes in society, business activities, and other factors, and seek to realize the Company Policy.

(b) We establish a Risk Management and Compliance Committee to promote compliance in a company-wide and effective manner. The Committee examines and approves compliance policies, activity plans, and training plans, and examines issues that may impact compliance.

(c) We put in place an internal reporting system that enables directors and employees to report anonymously to external organization in accordance with the internal reporting regulations any behavior that would be suspected of constituting compliance issue if such behavior arose or came to light. We work to foster a corporate culture that does not overlook any wrongdoings or irregularities, however small they may be. The Company will keep reported information secret and will not treat persons who reported disadvantageously.

(d) For execution of duties, we put in place a system for proper checks and balances and reporting to function by

clarifying the scope of duties and approval authority by department and responsibility in accordance with the rules for divisions of duties and the rules for delegation of authority.

- (e) The Internal Auditing Office placed directly under the president confirms the status of compliance with laws, regulations and the Articles of Incorporation as well as the status of execution of duties by conducting regular internal audits of stores and departments.

2. Information Retention and Management System

- (a) The Document Management Rules stipulate that the minutes of the Board of Directors meetings shall be kept properly at the Head Office for a long period of time. In addition, the Rules categorize information that is important and highly confidential in the Company's management, specify a retention period according to the type of information, manage it, and establish a system in which documents deemed necessary for the execution of duties by directors can be viewed as appropriate.
- (b) To prevent unauthorized access and information leakage by setting viewing permissions for information stored in the system based on internal rules and guidelines for the information system and by ensuring the storage and management of important management information.

3. Risk Management System

- (a) We establish Risk Management and Compliance Regulations with the aim of developing a risk management system and preventing the occurrence of risks or minimizing losses in the event of the occurrence of risks. In this way, it will help to realize the Company Policy. In order to practice risk management autonomously, officers and employees make efforts to identify and address risks that may impede the realization of the Company Policy when executing their duties.
- (b) We establish a Risk Management and Compliance Committee to promote risk management in a company-wide and effective manner. The Committee examines and approves risk management policies, activity plans, and training plans; evaluates and selects critical risks based on changes in the business environment, and examines and approves measures to deal with such risks; and examines issues that may impact risk management.
- (c) In the event of a crisis, the Company will set up a Task Force to centrally manage information and take action.
- (d) Amid changing environments that surround the Company, each department always reviews risk factors. At the same time internal rules and various manuals are established on an ongoing basis. Through these activities, the Company establishes systems for both risk prevention and appropriate response in the event of a crisis.

4. System for Efficient Execution of Duties

- (a) In executing their duties, directors are to make decisions in accordance with laws and regulations, as well as internal rules such as the Board of Directors regulations and the rules for delegation of authority.
- (b) Regular Board of Directors meetings are in principle held monthly and in them the Board deliberates resolution items and receives reports on the status of business execution and business performance. In addition, extraordinary meetings of the Board of Directors are held on an as needed basis, and directors also have discussions with each other whenever necessary. Furthermore, a system is in place for executive directors to discuss and resolve important matters at the Management Committee that meets weekly in order to ensure opportunity for full discussion and enhance speed of management.
- (c) By adopting an executive officer system, we have accelerated business execution and strengthened the Board's decision-making and oversight functions.

5. Group Management System

- (a) We have established a subsidiary management system under which important business matters are decided and reported as necessary by setting forth basic policies and frameworks for managing subsidiaries in accordance with the

rules on managing subsidiaries and associates, while emphasizing autonomous operation of each company. In addition, the Company sends directors and audit and supervisory board members to its subsidiaries depending on the circumstances to optimize business. This also enhances business efficiency with a framework put in place for identifying operational situations through reporting at the board of directors of each subsidiary.

- (b) The Company works to establish the internal control system for the Group. This is done with relevant divisions of the Company, in coordination with each other, by providing guidance and support as necessary for the establishment of control (e.g., internal rules, delegation of authority), compliance and risk management systems at its subsidiaries, while such frameworks as internal reporting are expanded to subsidiaries.
- (c) The Internal Auditing Office of the Company conducts internal audits also covering its subsidiaries to confirm their compliance with laws, regulations and articles of incorporation as well as their status of executing duties under internal rules.
- (d) We ensure and continue to improve the reliability of financial reporting and, in turn, public credibility by establishing the necessary systems covering subsidiaries for internal control over financial reporting.

6. Audits by the Audit and Supervisory Committee

- (a) The Company has employees who concurrently serve as staff to support the Audit and Supervisory Committee. To ensure their independence from directors (excluding those who are Audit and Supervisory Committee members), the appointment, transfer, evaluation, disciplinary action and the like of the staff are determined upon consultation with the Audit and Supervisory Committee.
- (b) To ensure effectiveness of instructions given to the aforementioned staff by the Audit and Supervisory Committee, we give necessary investigation authority to the staff and put in place a system of cooperation by departments.
- (c) Directors and employees of the Group promptly report to the Audit and Supervisory Committee or Audit and Supervisory Committee members any important matter that causes or may potentially cause significant damage to the Company.
- (d) We have a system in place for risks identified by internal audits and by the Risk Management and Compliance Committee to be reported regularly to the Audit and Supervisory Committee.
- (e) We have a system in place for ensuring that a person who has reported to the Audit and Supervisory Committee or an Audit and Supervisory Committee member will not be subjected to disadvantageous treatment such as demotion and reduction in salary on the grounds of making that report. We disseminate information on and ensure thorough understanding of this system.
- (f) To understand important decision-making processes by the board of directors or other organs as well as the status of business execution in the Group, the Company's Audit and Supervisory Committee or Audit and Supervisory Committee members may attend board of directors, management committee and other important meetings of Group companies, and, if necessary, request their directors, executive officers and employees to provide explanations and inspect the necessary documents.
- (g) The Audit and Supervisory Committee of the Company may use external advisers such as accounting auditors and attorneys where necessary.
- (h) If an Audit and Supervisory Committee member requests an advance payment of expenses to be incurred, reimbursement of expenses paid, or repayment of a debt assumed for execution of his or her duties, the Company will agree to the request unless such expenses or debt are found to be unnecessary for the execution of duties.