

Notice Concerning Execution of Memorandum of Understanding
Regarding Business Integration of
JOYFUL HONDA CO., LTD. and ARCLANDS CORPORATION
Supplemental Materials

JOYFUL HONDA
JOYFUL HONDA CO., LTD.

ARCLANDS
ARCLANDS CORPORATION

April 14, 2026

The Business Integration is not the final destination.
Looking ahead, Joyful Honda and Arclands will continue to expand collaboration
with companies that support the “Specialty-driven home center model”, and

Make a Start Toward Building Japan’s No. 1 Home Center

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Background and Strategic Rationale of Business Integration

- Joyful Honda and Arclands, two major home center operators, will integrate and create a new home center operating company that will aim to become Japan's leader.
- Treating this Business Integration as a new starting point, the new company will promote the "Specialty-driven home center model" and expand collaboration with home center operators that support this vision.

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The core foundation of the Companies has been their customer-first store operations, with a strong emphasis on regional relevance and individuality.

Post-Business Integration

Store network

Large-format store operating capabilities

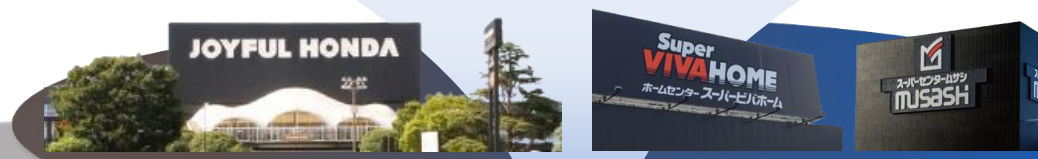
Specialty store operating know-how

Product development capabilities

Bringing together leading regional retailers with strong specializations in products and services

"Specialty-driven home center model"

Joint holding company



Aiming a Japan's leading home center

Strategic Direction and Expected Synergies from Business Integration

- Through the creation of a new home center operating company, the Companies will further strengthen customer benefits by expanding their store network and enhancing store operations and product development capabilities.

JOYFUL HONDA

Strengths in broad product ranges and highly specialized services

Joyful Honda handles a broad range of fields, including professional materials, gardening and farming, home renovation, interior and living room goods, and pet and leisure products



ARCLANDS

Strengths in offering quality-focused products at low prices and creating attractive stores

Centered on home centers, Arclands operates on a nationwide basis a broad portfolio of businesses, including retail businesses, such as home renovation, pet-related products, and arts and crafts, as well as food services, wholesale, and real estate



Expected Synergies from Business Integration

1 Collaboration in Product Development and Procurement

3 Sharing of Store Development and Operational Expertise

2 Integration of Customer Base and Marketing Functions

4 Optimization of Business Infrastructure

Post-Integration

The Companies aim to enhance their earning power over the medium to long term and maximize their corporate value by fully leveraging their combined resources.

Expected Synergies from Business Integration (1)

1

Collaboration in Product Development and Procurement



- By leveraging the strengths of the Companies, they will promote the mutual supply and sales of private-brand products, as well as exclusive products jointly developed with national brands, thereby enhancing product competitiveness and expanding revenue.
- By consolidating and centralizing suppliers for common products, the Companies aim to reduce procurement costs and improve profitability through economies of scale.

Enhancement of product competitiveness and expansion of revenue

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ARCLANDS



Reduction in procurement costs and improvement in profitability



Procurement leveraging economies of scale
Consolidation and centralization



Expected Synergies from Business Integration (2)

2

Integration of Customer Base and Marketing Functions



- The Companies will deliver optimal product and service proposals tailored to each individual customer through the seamless integration of physical stores and digital platforms, as well as the enhancement of marketing capabilities by using digital technologies.
- By organically integrating the customer bases and diverse customer touchpoints that each Company has cultivated to date, the Companies will promote cross-brand usage, thereby enhancing in-store customer traffic and increasing purchase frequency, including through online channels.
- Through these initiatives, the Companies will aim to expand their respective economic spheres and establish a platform that will be continuously selected by customers.

The Companies will deliver optimal product and service proposals tailored to each individual customer

Seamless integration of physical stores and digital platforms

Enhancement of marketing capabilities through the utilization of digital technologies

Customers



Physical stores

Digital platforms

The Companies will aim to expand their respective economic spheres and establish a platform that will be continuously selected by customers.

Expected Synergies from Business Integration (3)

3

Sharing of store Development and Operational Expertise



- By sharing expertise in large-scale store operations, specialty store development, and specialized knowledge in home renovation and pet-related businesses, the Companies will aim to further refine store operations and improve both revenue and profitability.
- By combining their respective areas of specialization, the Companies will develop new specialty store formats focused on specific categories.

Further refinement of store operations and improvement of revenue and profitability

Development of new specialty store formats focused on specific categories



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ARCLANDS

Specialized know-how in large-scale store operations, specialty store development, and home renovation and pet-related businesses



Mutual sharing of specialized knowledge

Expected Synergies from Business Integration (4)

4

Optimization of Business Infrastructure



- The Companies will consider the sharing, integration and optimization of IT systems, payment platforms, logistics networks, inventory management, and headquarters functions, and aim to establish a value chain that maximizes economies of scale.
- They will also explore the sharing and integration of human resource systems—including recruitment, training, and evaluation—to further develop highly skilled talent.

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Joint Holding Company

Sharing, integration and optimization

- IT systems
- Payment platforms
- Logistics networks
- Inventory
- Headquarters functions

Establishment of value chain

Consideration of sharing and integration

- Recruitment, training, and evaluation
- Further development of highly skilled talent

ARCLANDS



Structure of Joint Holding Company

- The Companies agreed that, as of the effective date of the business integration (registration date of the establishment of the joint holding company: March 1, 2027 (to be confirmed)), the number of directors of the joint holding company will be nine (9) and that five (5) of them will be outside directors.
- In addition, as of the effective date, the directors of the joint holding company (excluding the outside directors) are expected to be as set forth below.
- Furthermore, as of the effective date, Mr. Katsuji Sakamoto (the current Representative of Arclands Global Group) will be an Advisor of the joint holding company.

Directors (nine (9) directors)

Representative Director and Chairman	Masaru Honda	(Current Director and Counselor of Joyful Honda)
Representative Director and President	Ikuo Hirayama	(Current Representative Director and President of Joyful Honda)
Representative Director and Vice President	Haruhiko Sakamoto	(Current Representative Director and Chairman of Arclands)
Director	Kimitoshi Ino	(Current Director, Administration General Manager of Arclands)
Outside Director	Five (5) directors	

Advisor

Advisor	Katsuji Sakamoto	(Current Representative of Arclands Global Group)
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Method of Business Integration

- The Companies will establish a joint holding company through a joint share transfer and transition to a holding company structure. As a result, the Companies will become wholly-owned subsidiaries of the joint holding company and their shares will be delisted.
- With respect to the shares of the joint holding company to be newly allotted to the shareholders of the Companies, it is intended that an application for a technical listing be filed with the Tokyo Stock Exchange, Inc. (the “TSE”), and that the shares be listed on the Prime Market of the TSE. Accordingly, the listing of the shares held by the shareholders of the Companies will be substantially maintained, although the shares will be of the joint holding company, rather than the Companies.

Transitioning to Holding Company Structure and Governance Structure

[Newly Established] Joint Holding Company
(a company with a board of statutory auditors)

Wholly-owned
Subsidiaries

JOYFUL HONDA CO., LTD.

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Details of Allotments Pertaining to Share Transfer

	ARCLANDS	JOYFUL HONDA
Share transfer ratio	1	1.15

(Note 1) Details of share allotment pertaining to the share transfer
For each common share in Arclands, one (1) common share of the joint holding company will be allotted and issued, and for each common share of Joyful Honda, 1.15 common shares of the joint holding company will be allotted and issued. However, if there is any material change or a significant discrepancy is identified in the conditions that form the basis of the calculation of the above share transfer ratio, the share transfer ratio may be changed following mutual consultation and agreement between the Companies. In the event that, as a result of the share transfer, any fraction of less than one (1) common share in the joint holding company arises with respect to the number of shares to be allotted to the shareholders of the Companies, the amount of cash corresponding to such fractional share will be paid to the relevant shareholders in accordance with the provisions of Article 234 of the Companies Act and other applicable laws and regulations

(Note 2) Number of new shares to be allotted by the joint holding company upon the share transfer (to be confirmed)
Common shares: 138,085,675 shares
The above number of shares was calculated based on the total number of issued shares of Arclands as of February 28, 2026 (64,733,372 shares) and the total number of issued shares of Joyful Honda as of December 20, 2025 (63,784,612 shares).

Schedule for Business Integration

- The schedule for the business integration is as follows:

Meeting of the board of directors to approve the memorandum of understanding (the Companies)	Tuesday, April 14, 2026 (today)
Execution of the memorandum of understanding (the Companies)	
Record date for the annual general meeting of shareholders (Joyful Honda)	Saturday, June 20, 2026 (to be confirmed)
Meeting of the board of directors to approve the definitive agreement and the share transfer plan (the Companies)	First half of July 2026 (to be confirmed)
Execution of the definitive agreement and preparation of the share transfer plan (the Companies)	
Date of public notice of the record date for the extraordinary general meeting of shareholders (Arclands)	First half of July 2026 (to be confirmed)
Record date for the extraordinary general meeting of shareholders (Arclands)	Second half of July 2026 (to be confirmed)
Annual general meeting of shareholders to approve the share transfer plan (Joyful Honda)	Second half of September 2026 (to be confirmed)
Extraordinary general meeting of shareholders to approve the share transfer plan (Arclands)	
Final trading day on the TSE (the Companies)	Wednesday, February 24, 2027 (to be confirmed)
Date of delisting from the TSE (the Companies)	Thursday, February 25, 2027 (to be confirmed)
Effective date (the registration date of the establishment of the joint holding company)	Monday, March 1, 2027 (to be confirmed)
Listing date of the shares of the joint holding company	

*The above schedule is tentative as of the date hereof and may be changed following consultation between the Companies, if such change is necessary in light of the progress of the procedures relating to the business integration and the share transfer. Also, if, in the future, while proceeding with the procedures and consultation regarding the business integration and share transfer, any event that delays, or makes it difficult to proceed with, the business integration and the share transfer arises due to the requirement to obtain permission or approval from the Fair Trade Commission or other relevant authorities, or for any other reason, such event will be promptly announced

Overview of the Companies

JOYFUL HONDA

ARCLANDS

JOYFUL HONDA CO., LTD.	Company Name	ARCLANDS CORPORATION
1-16-2 Fujisaki, Tsuchiura, Ibaraki Prefecture	Address	[Kanto Headquarters] 1-13-1 Kamikizaki, Urawa-ku, Saitama City, Saitama Prefecture [Sanjo Headquarters] 445 Kamisugoro, Sanjo City, Niigata Prefecture
Representative Director and President Ikuo Hirayama	Name and Title of Representative	President (COO) Yoshifumi Sato
Home center business Home renovation business	Business Description	Retail business Foodservice business Wholesale business Real estate business
JPY 12,000 million *1	Capital	JPY 6,462 million *2
December 15, 1975	Date of Establishment	July 1, 1970
63,784,612 shares *1	Number of Issued Shares	64,733,372 shares *2
June 20	Fiscal Year-End	End of February
4,831 employees (including temporary employees) *1	Consolidated Number of Employees	14,579 employees (including temporary employees) *2

*1 as of December 20, 2025

*2 as of February 28, 2026

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