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October 9, 2026

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(Securities code: 7603;
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Notice Regarding Commencement of a New Business at a Consolidated Subsidiary and Execution of a Basic Agreement with i.D Co., Ltd.

At the Board of Directors meeting held today, the Company resolved that COEN CO., LTD. (hereinafter "COEN"), a consolidated subsidiary of the Company, will newly commence a cosmetics business (hereinafter "the Business"), and that, in connection with the promotion of the Business, COEN will enter into a basic agreement regarding the joint development of a cosmetics brand (hereinafter the "Basic Agreement") with i.D Co., Ltd. (hereinafter "i.D"). The details are as announced below.

1. Reasons for Commencing the New Business

The GYET Group is working to achieve sustainable growth and enhance corporate value by improving the profitability of its existing businesses as well as by developing new business areas and sales channels.

The share of the low-price segment in the over-the-counter cosmetics market in 2025 is projected to be approximately 25%, and the low-price segment expanded by more than 5% year-on-year in 2024 (*1).

In addition, sales of beauty care products (cosmetics and small accessories) at drugstores in 2025 are expected to reach 1,239.9 billion yen, an increase of 6.3% year-on-year (*2).

In light of this market environment, the GYET Group has identified the low-price cosmetics market, which is expected to grow, and the drugstore channel, where sales are expanding, as new business opportunities, and has decided to commence the Business at COEN CO., LTD., a consolidated subsidiary of the Company.

In this business, the company will leverage the knowledge and expertise that COEN has cultivated through its apparel business in product planning, brand management, and customer engagement, together with the expertise that i.D possesses in sales channel development and sales activities, to expand into new product categories beyond apparel and into the BtoB domain. In addition, by leveraging its affinity with fashion markets such as shopping centers, where COEN mainly operates, the company

will expand touchpoints with existing customers while also acquiring new customer segments.

*1 Source: Fuji Keizai Co., Ltd., "Cross-Sectional Analysis of Cosmetics Market Trends 2025, Summary and Price Range Analysis Edition"

*2 Source: Ministry of Economy, Trade and Industry, "Current Survey of Commerce"

2. Overview of the New Business

COEN and i.D plan to jointly plan and develop the cosmetics brand "Pickit" (trademark pending) and to carry out the production, sale, and distribution of its products.

As the main division of roles, COEN is expected to be responsible for product planning and development, production and inventory management, advertising and promotion, etc., while i.D is expected to be responsible for sales channel development, distribution, and sales activities, etc.

Item	Details
Business Name	Cosmetics Business
Brand Name	Pickit (trademark pending)
Business Description	Planning and development, production, sale, and distribution of cosmetics products
Main Sales Channels	Wholesale to drugstores and other retailers, COEN stores, and EC (e-commerce), etc.
Business Commencement Timing	June 2027 (planned)

3. Overview of the Basic Agreement

(1) Execution Date

October 9, 2026

(2) Main Contents

The Basic Agreement provides that both companies will mutually cooperate on brand strategy, product development, sales channel expansion, and other matters in order to promote the Business.

Matters such as cost sharing, profit distribution, product trading terms, and the detailed handling of trademark rights and other intellectual property rights are to be determined through separate individual agreements following further discussion between the two companies.

(3) Contract Term

The term of the Basic Agreement shall be one year from the execution date, and if neither party gives written notice of termination at least one month prior to the expiration date, the agreement shall be automatically renewed for an additional one-year period, and the same shall apply thereafter.

4. Overview of the Counterparty

Item	Details
(1) Name	i.D Co., Ltd.
(2) Location	5-16-5 Minami-Aoyama, Minato-ku, Tokyo
(3) Title and Name of Representative	Shoichi Horii, Representative Director
(4) Business Description	Planning and sale of health foods, cosmetics, daily sundries, and other products, as well as export activities, etc.
(5) Capital	22 million yen

(6) Date of Establishment	December 10, 2020
(7) Net Assets	Not disclosed at the request of the counterparty.
(8) Total assets	This information has not been disclosed at the request of the counterparty.
(9) Major shareholders and shareholding ratio	This information has not been disclosed at the request of the counterparty.
(10) Relationship between the Company and the said company	
Capital relationship	There is no capital relationship.
Personnel relationship	Kazuhiro Kodama, Chairman and Representative Director of the company, concurrently serves as a director of the said company.
Business relationship	The company purchases products from the said company, and there is a business relationship.
Status as a related party	Not applicable.

*Financial results for the past three years have been withheld at the counterparty's request.

5. Overview of the Consolidated Subsidiary

Item	Description
(1) Name	COEN CO., LTD.
(2) Location	2-2, Toranomom 3-chome, Minato Ward, Tokyo
(3) Title and name of representative	Tatsuya Kimura, President and Representative Director
(4) Business description	Planning, manufacturing and sale of apparel clothing
(5) Capital	100 million yen
(6) The company's equity ownership ratio	100%

6. Planned Special Expenditures for the Business

Regarding the projected special expenditures associated with the launch of this project, we anticipate spending 30 million yen on items such as molds and promotional materials.

7. Schedule

Description	Schedule
Resolution of the Board of Directors of COEN CO., LTD.	October 9, 2026
Resolution of the company's Board of Directors	October 9, 2026
Execution of the Basic Agreement	October 9, 2026
Commencement of the Business	June 2027 (planned)

8. Future Outlook

Since the commencement of the Business is scheduled for June 2027, the impact of this matter on the company's consolidated business results for the Fiscal Year Ending February 2027 (March 2026 to February 2027) is minimal.

The impact on the company's consolidated business results for the fiscal year ending February 2028 and thereafter is currently under review, and the company will promptly announce any matters that should be disclosed in the future.