



YOSHINOYA HOLDINGS
CORPORATE REPORT
2021

YOSHINOYA HOLDINGS CO., LTD.

Business Philosophy
FOR THE PEOPLE

Our **6** Core Values

Tasty, affordable and fast

Tasty signifies high quality, affordable signifies relative value and efficiency, and fast signifies promptness and delivery. We will continue to adhere to these values and enhance these elements even further.

Greater number of customers

The number of customers is a scale for measuring customer satisfaction. We will continue to strive to provide satisfaction to as many customers as possible through efforts to increase the frequency of use and establish new outlets and businesses to ensure that our products and services are used by a greater number of customers.

Originality

We will continue to focus on a distinguished presence with regard to products, services, outlet development, employees, and corporate culture, and provide customers a level of satisfaction that only we can provide.

Integrity

We will cultivate a highly transparent, free, and candid corporate culture through exchanges of true feelings and thoughts based on principles. In addition, we will never permit acts that violate social ethics and compliance, and will continue to maintain integrity.

Importance of human resources

Human resources are the most important assets of any company. We will continue to strive to be a group of individuals who are appreciated by society through maintaining aspirations, continuing to learn, and improving our personalities and capabilities.

Challenges and innovation

We will continue to be a group that is never satisfied with the status quo, is always attentive to market changes, boldly challenges new things, and is capable of producing innovations.

The Group Charter of Corporate Behavior

In the spirit of the Group business philosophy “For the People,” the Group aims to become an irreplaceable corporation that contributes not just to people in the country and region but across the world through its business practices. We aim to become a corporation trusted by society, fulfilling responsibilities by ensuring that the actions of the Group employees comply with laws and regulations in the spirit of this charter. The CEO of each Group company strives to thoroughly familiarize employees with corporate ethics, and to lead efforts by example in achieving the Group business philosophy in the spirit of this charter. Furthermore, if a situation such as a breach of this charter were to occur, the managers of each Group company will announce the approach to solving the problem internally and externally, and work to determine the cause and prevent its recurrence. After disclosing accountability and information quickly and accurately to the public as well as clarifying authority and responsibility, the managers will take strict disciplinary action on their own.



Iconic Beef Bowl Chain Brand with 120 Years of History

Founded in 1899, Yoshinoya is a pioneer of fast food in Japan. Yoshinoya, a chain of beef bowl restaurants with a notable brand power, is loved by all generations.

Yoshinoya’s unique value is embodied in its tasty dishes achieved through the quest for the very best ingredients and flavor, including the sauce based on a secret recipe handed down from generation to generation. In the course of 120 years, Yoshinoya has established a business model that emphasizes consistent quality at all outlets nationwide and offering dishes at low cost with thorough safety control and

great hospitality. Yoshinoya is active not only as the guardian of the traditional beef bowl but also in developing healthy menus employing foods with Functional Claims labeling, ahead of industry peers.

Yoshinoya recently started introducing outlets based on the “Cooking & Comfort” concept. Pursuing a shift away from the conventional full-service outlets with U-shaped counters, Yoshinoya is taking up the challenge of creating new value by offering “comfort” in addition to “tasty, affordable and fast” goods and services.



First Yoshinoya outlet opened in Tsukiji in 1926

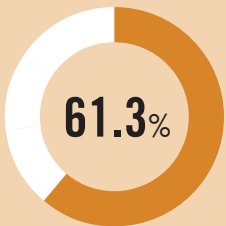


Conventional U-shaped counter. The service counter integrated with a table for fast serving.



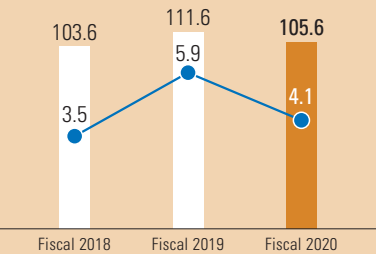
“Cooking & Comfort” outlet for which experiments and verification have been conducted since 2015. Outlet layout with greater flexibility introduced to enable customers to enjoy the dining experience in a leisurely manner in comfort

Composition of net sales



Net sales and segment profit

■ Net sales (billion yen)
● Segment profit (billion yen)



Group Companies



Delivering “delicious surprises” of authentic Sanuki-style udon nationwide

Sanuki-style udon originates in Kagawa Prefecture. Hanamaru transformed this attractive local specialty renowned by its springy and firm texture and rich flavor of iriko-dashi stock made from dried young sardines into a casual dining experience that customers throughout Japan can enjoy in a “self-service” format. This is the same style as in Sanuki, the home of Sanuki-style udon.

Since its foundation in 2000, Hanamaru has expanded as a restaurant chain offering delicious authentic Sanuki-style udon nationwide, gaining popularity among women and families too. With the number of outlets in Japan exceeding 500, Hanamaru

opened outlets in China and Malaysia and is maintaining the pace of its growth over the long term.

In 2019, the number of Hanamaru outlets reached 500 in Japan. Hanamaru is conducting research into food and nutrition to develop products that contribute to customer health.

Delivering “delicious surprises” to everyone is the concept Hanamaru cherishes. This is the practical expression of Hanamaru’s aspiration since its foundation, namely, to deliver happy and joyful surprises to its customers.



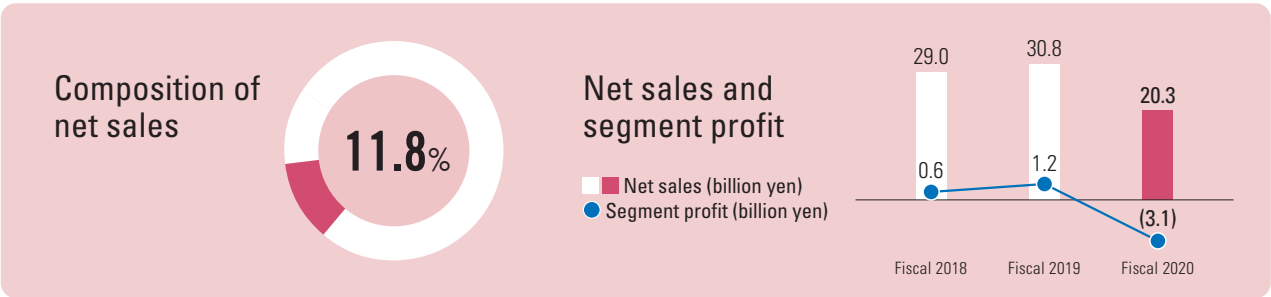
First outlet opened in 2001 in Takamatsu City, Kagawa Prefecture, the home of Sanuki-style udon.



Kake udon (signature broth)



Udon salad



Establishing a robust global system for further outlet openings

The history of the Yoshinoya Group’s overseas business development started in 1975 when the Group opened Yoshinoya outlets in the U.S. Subsequently, Yoshinoya opened outlets in Taiwan, mainland China and elsewhere in Asia, with the number of outlets overseas increasing steadily. Since the turn of the century, Yoshinoya has gained widespread recognition in countries and regions where its outlets have been opened.

At present, Yoshinoya operates about 900 outlets in the U.S., mainland China, Taiwan, and countries in ASEAN, including Singapore, the Philippines, Indonesia, Thailand, Cambodia, and Malaysia.

With its first overseas outlet in Shanghai opened in 2011, Hanamaru now operates outlets in China and Malaysia. Having established regional headquarters, the business model is being adjusted to introduce a menu, a service style, and an outlet format attuned to each country and region while promoting localization of management.

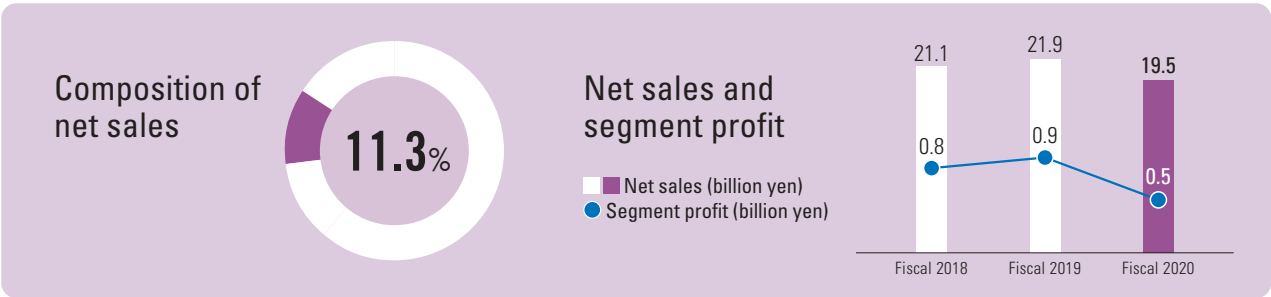
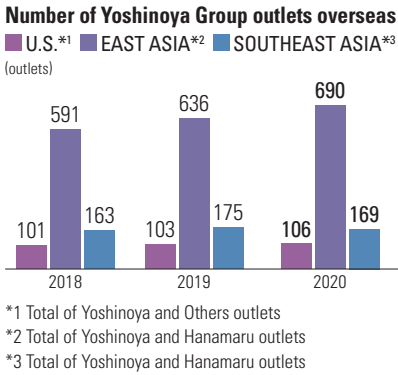
Based on accumulated knowhow on outlet opening, the Group will establish a more robust global structure and open more outlets.



First Yoshinoya outlet in Anhui



The first Hanamaru Udon outlet opened in Shanghai in 2011.





Setagaya

Ramen noodles beloved by people around the world as a popular dish

Since the opening of “Setagaya” specialized in ramen in seafood-based soy sauce broth in Tokyo in 2000, Setagaya has expanded to include five brands of different types of tasty ramen noodles. Setagaya joined the Yoshinoya Group in 2016 with the aim of further business expansion.

Aspiring to promote ramen as a dish that is beloved by people around the world, Setagaya is pursuing the ultimate bowl of ramen while cherishing relationships with customers and the commitment of ramen chefs.



The Setagaya New York outlet was selected as a Best of New York in the restaurant section by the New York Magazine in 2008 and was the forerunner of the global ramen boom.

With Link Co., Ltd.

Spreading Japanese culture to the world through Japanese national food

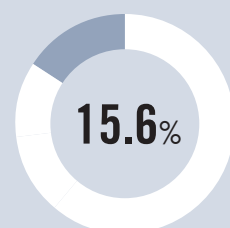
With Link Co., Ltd. operates 87 ramen restaurants worldwide.

After opening the first overseas outlet in Singapore in 2013, the company has entered the markets of Malaysia, Indonesia, Hong Kong, Macau, the Philippines, Australia, Taiwan, and China in the last 6 years.

We aim to expand our business development with a partner that can appreciate and agree with our business philosophy, utilizing the unique services we have cultivated up until now and genuine Japanese-style ramen using creamy pork bone soup.

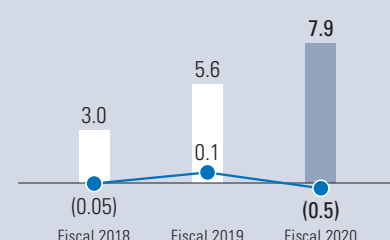


Composition of net sales



Net sales and segment profit

■ Net sales (billion yen)
● Segment profit (billion yen)



Offering Value Unique to the Restaurant Industry While Adapting to the New Normal

The COVID-19 pandemic has had a tremendous impact on eating habits, and many restaurant operators are facing a severe business environment.

But the desire for delicious food and enjoyable meals has not been lost.

In its long-term vision, the Group is aiming to redefine the restaurant industry, in a way that is destined to have very real significance in the new environment created by COVID-19.

In this new normal, we are reframing our contribution to health and expanding our use of technology, while enhancing the value of our interaction with people.

Together with All Our Stakeholders

Initiatives in The COVID-19 Environment

In addition to limiting in-person attendance at shareholder meetings to prevent COVID-19 infections, we also distribute video of the meetings on the day that they are held. We have also taken our financial results briefing online, delivering information on the effects of COVID-19 quickly, specifically including changes in business results from global expansion.

We are prioritizing the continuation of employment. When an outlet has to suspend service, we quickly provide allowances for staff who are put on leave and pay attention to employees' mental health. We also help employees find work at nearby outlets or retail outlets. We have introduced work from home and online conferencing at our headquarters.

Along with thorough infection prevention in our restaurants, we are meeting demand for takeout and delivery. We are also moving forward with contactless technologies, such as mobile ordering. Responding to demand for eating at home, we are improving our frozen beef bowl.

We are rethinking how we procure our main ingredients and ensuring appropriate storage to maintain and continue our business. We have created a system geared to contingencies, for instance with the partial in-house production of sauce. Even under travel restrictions, our buyers are dedicated to checking samples, utilizing online conferencing.

Yoshinoya Holdings

Shareholders and Investors

Customers

Suppliers

Employees

Local Communities

Maintaining our function as a part of everyday food infrastructure, we continue our role of offering warm meals, especially to essential workers. We are also donating masks to schoolchildren, issuing coupons to nurses, and offering meal support to households with children out of school due to temporary school closures.

Responding to change and boosting earnings with an eye to the 2030s

COVID-19 Will Influence the Growth Strategy in Our Long-Term Vision

Through its history, our Group has successfully overcome many obstacles. Today, we face a new challenge with the COVID-19 pandemic, which is generating considerable uncertainty about the future.

With our long-term vision, NEW BEGINNINGS 2025 (NB2025), the direction we are taking to transform our business model for sustainable growth is unchanged.

We are, however, examining our growth strategy in light of the pandemic.

In the first stage of NB2025 (FY2016 to FY2018), we positioned Hanamaru, the Kaisen Misakiko urban conveyor belt sushi business of Kyotaru, and our overseas business as growth drivers. As such, we began opening more new outlets.

However, with people avoiding crowds and a drop in the number of commuters through the promotion of telework during the pandemic, the advantage of opening outlets in central areas near offices, shopping areas, and in commercial facilities - the main locations for Hanamaru and Kaisen Misakiko - became a disadvantage.

As a result, in FY2020, we closed about 200 company-owned outlets in Japan and abroad where there was little hope of recovery.

Moving forward, we will quickly respond to social changes under the new normal and will accelerate our initiatives. We will also carefully select and open new outlets, something that is central to our investment in growth.

Structural Changes with a Shared Sense of Crisis Across the Group

FY2020 demanded that management move quickly to make emergency decisions. After introducing infection prevention measures and quickly imposing constraints on overall cash outflow, the entire Group shared a sense of crisis. Assuming that the pandemic would have a lasting impact, we began pressing ahead with structural changes to ensure profitability.

These initiatives succeeded, as the closing of unprofitable outlets and painstaking cost control at each operating company lowered our break-even point.

Expecting few customers, each company also redoubled its efforts to preserve its top line as much as

possible, while still restricting operating hours and seating.

The consolidated results for FY2020 included significant losses, but thanks to the success of the initiatives described here, we were able to keep operating losses and ordinary losses lower than expected.

Having taken on a lean corporate culture in FY2020, our Group will show a capacity to generate profits that is greater than before by maintaining our improved cost-effectiveness. We also anticipate a rise in earnings as the market begins to recover.

Maintaining a Lean Corporate Culture and Rapidly Expanding Earnings

NB2025 has started again in FY2021 with the three-year second stage, following a two-year interval after the first stage.

This second stage prioritizes investments in Yoshinoya and will bolster our competitiveness by advancing outlet renovations under the Cooking & Comfort (C&C) model as a driver in expanding our customer segment.

We will also invest in takeout and delivery in response to the pandemic environment. Ensuring that our top line exceeds our lowered break-even point with Hanamaru is a key focus.

In FY2021, we pursued a number of bold initiatives, such as enhancing our takeout capabilities with improvements in noodle quality, increasing sales by expanding our collaboration with Tori-Sen, a business dedicated to fried chicken, and developing new models. Together, these initiatives will act as a stepping stone for business growth.

For overseas business, we will shift from the aggressive opening of outlets under a policy focused on scale expansion, to business development geared to profitability, strengthening our take-out and delivery orders in recognition of customers' post-COVID-19 lifestyles.

In February 2021, we entered into a joint venture agreement with Jollibee Foods Corporation, the largest restaurant chain in the Philippines. Through this joint venture, we aim to expand our business in this fast growing market.

We transferred all of the shares we owned in Kyotaru to FOOD & LIFE COMPANIES Ltd. in April 2021.

Despite being a disaster that has had a significant impact on our business results, the pandemic has also been an opportunity for the Group to shift to a lean corporate culture with unprecedented speed. Under this corporate culture, we will expand and deploy profits that move us toward the 2030s.

I respectfully ask our stakeholders to continue support the Group with a long-term perspective.

Yasutaka Kawamura
President



Our Journey toward Realization of Our Business Philosophy

120 years since the foundation of Yoshinoya. Shown here is Yoshinoya's history of progress over time and with increasing geographical reach through initiatives offering value for the realization of the Group's business philosophy. With an eye to the future of the restaurant industry, the Yoshinoya Holdings Group will further evolve and continue to advance.

Strength
1

Group synergy

The Yoshinoya Holdings Group is dedicated to offering value embodied in "tasty dishes" via diverse business formats and brands centering on our origin, the beef bowl. Operation of diverse restaurant businesses creates Group synergy encompassing everything from procurement of raw materials and outlet opening plans to product development and marketing.

Strength
2

Tasty Japanese dishes always readily available and convenient


The Yoshinoya Holdings Group takes pride in offering tasty dishes rooted in traditional Japanese cuisine to many customers at attractive prices. We will continue to offer tasty Japanese dishes that are always readily available and convenient far into the future.


Strength
3

Localization

For a restaurant operator originating in Japan to offer tasty dishes to customers around the world, localization through country- and region-specific marketing is essential so as to respond to the differences in society, culture, and customs. We aim to offer great food loved by people worldwide.

Our Value Creation Story: Creating Value for More Than 120 Years



1899	1958	1968	2000	2004	2007	2013	2017	2018	2019
Founding	YOSHINOYA CO., LTD. is established	A outlet is opened in Shimbashi, aiming to become a domestic chain	Listed on TSE 1st Section	Sales of beef bowls are temporarily suspended	YOSHINOYA HOLDINGS CO., LTD. is established	Beef sukiyaki set becomes a major hit	Salacia Beef, a food with Functional Claims	The number of Yoshinoya outlets worldwide reaches 2,000	120th anniversary Conversion to "Cooking & Comfort"
 <p>Founded as a privately run outlet in the Nihonbashi fish market in the Chuo Ward of Tokyo. The Yoshinoya beef bowl was created to be a fast and delicious meal eaten in-between work by the busy people working at the fish market. Beef was still a luxury at the time, and it was served on top of rice in a high-quality Arita ware bowl.</p>			<p>Procurement of American beef was prohibited, and sales of beef bowls are temporarily suspended to protect the flavor of the beef bowl (until 2006)</p>		<p>The company is migrated to a holding company system. The company name is changed to YOSHINOYA HOLDINGS CO., LTD., and YOSHINOYA CO., LTD. is established as a new wholly owned subsidiary</p>	<p>Sales of the Beef Suki-yaki Set begin and it becomes a major hit as a strategic product that is tasty, affordable, and can be eaten at leisure. It becomes part of the regular menu.</p>	<p>Sales of Salacia Beef, the first food with Functional Claims labeling by a restaurant chain, begin online</p>	<p>The conversion to "Cooking & Comfort," a new service model that makes it easy for anyone to enter the outlet, begins</p>	



2000	2006	2013	2016	2019
The first Hanamaru is opened in Takamatsu	Hanamaru joins the Group	Dietary fiber noodles are introduced at all Hanamaru outlets	The production line at the Chiba Plant is revamped and automated	 The number of Hanamaru outlets in Japan exceed 500



1975	1988	1991	2002	2010	2014	2015	2017	2019
The first Yoshinoya outlet in Denver is opened	The first Yoshinoya outlet in Taiwan is opened	Development of the Yoshinoya franchise begins in Asia	The first Yoshinoya outlet in Shanghai is opened	Hanamaru participates in Expo Shanghai 2010	The first Hanamaru outlet in Wuhan is opened	The first Yoshinoya and Hanamaru outlets in Malaysia are opened	Yoshinoya acquires JAKIM Halal certification	The number of outlets in Indonesia exceeds 100

Value Embodied in Good Taste from Japan to the World

Each year, 340 million people visit our Group's outlets, thanks to a market strategy based on national and regional needs. The taste and service that we pursue go beyond borders and continue to extend into new territories.

Qinghai Yoshinoya 2 outlets (year-on-year ±0)	Fujian Yoshinoya 11 outlets (year-on-year -1) ↓ Hanamaru 1 outlet (year-on-year -2) ↓	Shanghai Yoshinoya 16 outlets (year-on-year +2) ↑ Hanamaru 13 outlets (year-on-year -7) ↓ With Link Co., Ltd 2 outlets	Chongqing Yoshinoya 4 outlets (year-on-year -2) ↓ Henan Yoshinoya 7 outlets (year-on-year +2) ↑	Hong Kong Yoshinoya 51 outlets (year-on-year -10) ↓ With Link Co., Ltd 5 outlets
Wuhan Yoshinoya 26 outlets (year-on-year -2) ↓ Hanamaru 1 outlet (year-on-year -1) ↓	Inner Mongolia Yoshinoya 14 outlets (year-on-year +1) ↑	Jiangxi Yoshinoya 8 outlets (year-on-year +3) ↑	Taiwan Yoshinoya 73 outlets (year-on-year -7) ↓ Others 1 outlet	
Sichuan Yoshinoya 9 outlets (year-on-year +1) ↑	Beijing Yoshinoya 262 outlets (year-on-year +4) ↑	Heilongjiang and Jilin Yoshinoya 26 outlets (year-on-year -1) ↓	Anhui Yoshinoya 10 outlets (year-on-year +9) ↑	
Shenzhen Yoshinoya 45 outlets (year-on-year -5) ↓ With Link Co., Ltd 1 outlet	Qingdao Yoshinoya 21 outlets (year-on-year -2) ↓ With Link Co., Ltd 1 outlet	Liaoning Yoshinoya 90 outlets (year-on-year -2) ↓ Others 2 outlets	Macao With Link Co., Ltd 1 outlet	



EAST ASIA

Through YOSHINOYA China Holdings Co., Ltd. and Taiwan Yoshinoya, we have expanded our owned and franchise outlets over an enormous area. Focusing on training local personnel, we maintain the same dedication to taste and service as have in Japan, while also becoming part of local society with menu items tailored to the local community.

Japan Yoshinoya 1,189 outlets (year-on-year -25) ↓ Hanamaru 490 outlets (year-on-year -32) ↓ Others 489 outlets* * Including Kyotaru	Overseas total Yoshinoya 947 outlets (year-on-year -7) ↓ Hanamaru 18 outlets (year-on-year -22) ↓ Others 35 outlets
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SOUTH ASIA

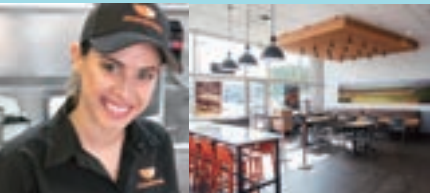
We are quickly introducing the Yoshinoya brand in developing Asian nations experiencing rapid economic development, focusing on urban areas. With Link ramen is also experiencing rapid growth. We received Halal certification in Malaysia and are responding to local culture.



The Philippines Yoshinoya 3 outlets (year-on-year -6) ↓ With Link Co., Ltd 3 outlets	Indonesia Yoshinoya 127 outlets (year-on-year +12) ↑ With Link Co., Ltd 7 outlets	Malaysia Yoshinoya 3 outlets (year-on-year -5) ↓ Hanamaru 3 outlets (year-on-year -5) ↓ With Link Co., Ltd 4 outlets Setagaya 1 outlet
Thailand Yoshinoya 19 outlets (year-on-year ±0)	Singapore Yoshinoya 11 outlets (year-on-year -2) ↓ With Link Co., Ltd 2 outlets	Australia With Link Co., Ltd 1 outlet
Cambodia Yoshinoya 2 outlets (year-on-year ±0)	Vietnam Yoshinoya 1 outlet (year-on-year +1) ↑	

America

The custom order-style Japanese kitchen business is proving popular with customers. We are moving at full speed away from the conventional business format.

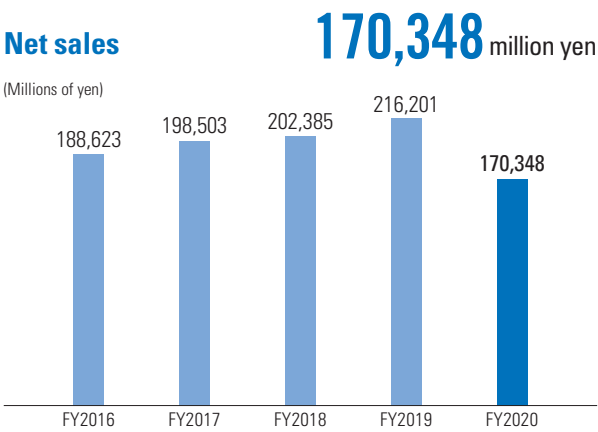


America Yoshinoya 106 outlets (year-on-year +3) ↑ Setagaya 4 outlets
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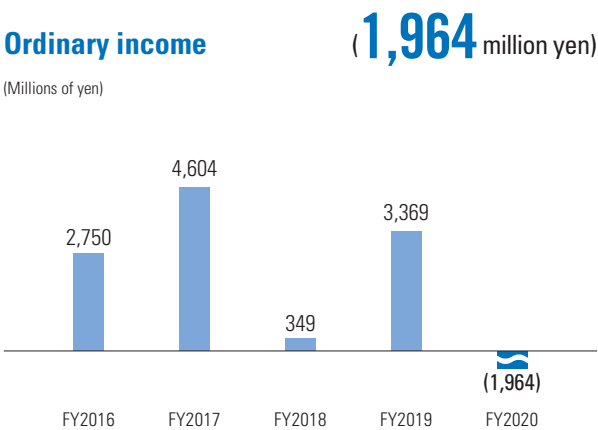
Number of outlets in Japan and overseas, by brand	Yoshinoya 2,136 outlets (year-on-year -32) ↓ Company-owned outlets 1,428 outlets Franchised outlets 708 outlets	Hanamaru 508 outlets (year-on-year -54) ↓ Company-owned outlets 420 outlets Franchised outlets 88 outlets	Others 524* Company-owned outlets 396 outlets Franchised outlets 128 outlets * Including Kyotaru
All brand total	Company-owned outlets 2,244 outlets	Franchised outlets 924 outlets	Total 3,168 outlets (year-on-year -155) ↓

At a Glance

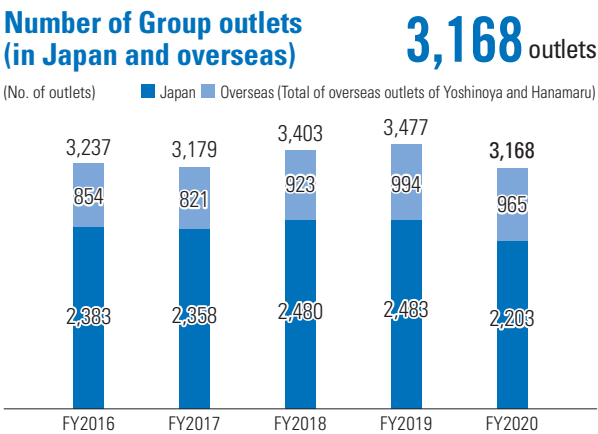
Consolidated Financial Data



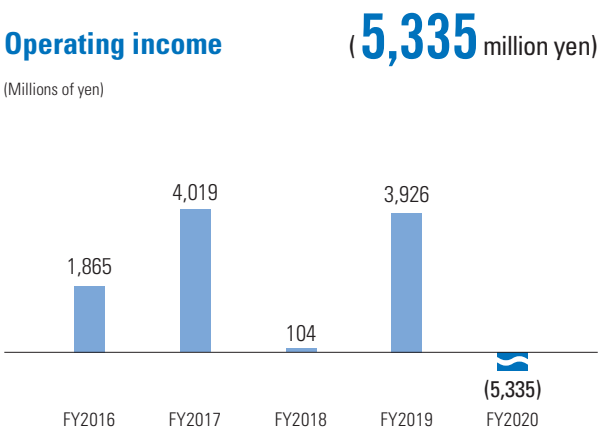
Due to the sale of Arc meal at the end of the previous fiscal year, along with closures and reduced business hours due to the pandemic, there was a 21.2% decrease compared to the previous year.



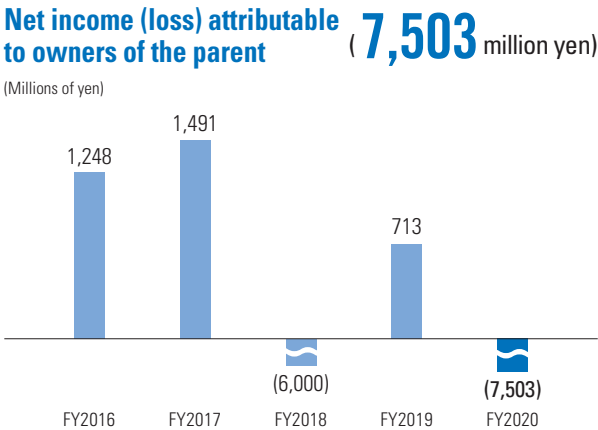
The decline in profits was partially offset by 3,275 million yen of infection prevention cooperation subsidies, employment adjustment subsidies, and other subsidies we received from government bodies as non-operating income.



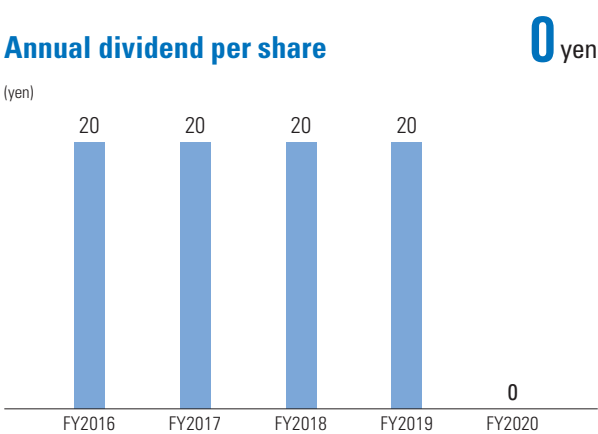
By halting the opening of new outlets and closing unprofitable outlets, the domestic segment (including other businesses) decreased by 126 outlets and the overseas segment decreased by 29 outlets compared to the previous year.



Thanks to an 8,200 million yen cost reduction, we were able to achieve a profit of 634 million yen in the second half of the year despite the significant effects of the sharp drop in income attributable to closures and reduced business hours.



We added an extraordinary loss of 5,793 million yen through the closure of approximately 200 company-owned outlets due to the effects of the pandemic.



Given that we sustained substantial losses and to preserve financial integrity, we decided not to pay any dividends at the end of the second quarter or at the end of the fiscal year.

Company Profile/Stock Information (as of February 28, 2021)

Company Profile

Company Name	YOSHINOYA HOLDINGS CO., LTD.
Established	December 27, 1958
Paid-in Capital	10,265 million yen
Head Office	18F Daiwa Rivergate, 36-2 Nihonbashihakozakicho, Chuo-ku, Tokyo, 103-0015, Japan
President	Yasutaka Kawamura
Stock Listing	Tokyo Stock Exchange First Section
Securities Code	9861
Number of Employees	4,043 (on a consolidated basis)

Number of Employees

Yoshinoya	9,096 [Male: 4,700, Female: 4,396]
Hanamaru	1,844 [Male: 842, Female: 1,002]
Overseas	3,144 [Male: 1,339, Female: 1,805]
Other	3,021 [Male: 1,376, Female: 1,645] * Including Kyotaru
Corporate	333 [Male: 268, Female: 65]
Group total	17,438 [Male: 8,525, Female: 8,913] * Including part-time workers

Directors and Corporate Auditors

President	Yasutaka Kawamura
Managing Director	Norihiro Ozawa
Director	Tetsuya Naruse
Director	Eizou Uchikura*
Director	Nobuko Akashi*
Corporate Auditor	Ryusuke Tanaka
Corporate Auditor	Kensuke Masuoka*
Corporate Auditor	Osamu Ohashi*

* Outside Directors/Outside Corporate Auditors

Major Consolidated Subsidiaries

YOSHINOYA CO., LTD.
Hanamaru, Inc.
YOSHINOYA AMERICA, INC.
YOSHINOYA China Holdings Co., Ltd.
ASIA YOSHINOYA INTERNATIONAL SDN. BHD.

Stock Overview

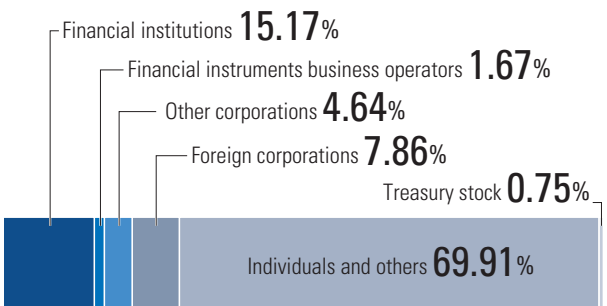
Total number of shares authorized to be issued:	160,000,000
Total number of shares issued and outstanding:	65,129,558
Number of shareholders:	328,923

Major Shareholders (10 largest shareholders)

Shareholder name	Number of shares owned (shares)	Number of shares owned (%)
Custody Bank of Japan, Ltd.	5,968,100	9.16
The Master Trust Bank of Japan, Ltd.	2,643,300	4.06
Kisshokai	896,500	1.38
Morgan Stanley MUFG Securities Co., Ltd.	619,350	0.95
Taiju Life Insurance Co., Ltd.	569,200	0.87
STATE STREET BANK WEST CLIENT – TREATY 505234	538,700	0.83
JP MORGAN CHASE BANK 385781	519,144	0.80
JPMBL RE NOMURA INTERNATIONAL PLC 1 COLL EQUITY	418,899	0.64
BNYM SA/IV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	347,486	0.53
HANEWOODS INC.	326,800	0.50

* The Company holds 485,726 shares of treasury stock but is excluded from the above list of major shareholders.

Composition of Shareholders by Type



YOSHINOYA HOLDINGS

<https://www.yoshinoya-holdings.com>

