

For the People

YOSHINOYA
HOLDINGS

INTEGRATED REPORT 2026



For the People

YOSHINOYA HOLDINGS

On to a new stage for Yoshinoya Holdings

Under the themes of “transformation” and “growth” presented in the Group’s Medium-term Management Plan (FY2025-FY2029), we are taking up the challenge of strengthening our business foundation and expanding the scope of our businesses.

As a provider of everyday meals, we will accept new challenges and continuously transform ourselves as we endeavor to realize high growth.

Group Business Philosophy

Management policy

***For the People* Your Smile, Our Value**

Our Six Core Values

1

Tasty, affordable, fast

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

2

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 visits and to establish new outlets and businesses to ensure that our products and services are used by a greater number of customers.

3

Originality

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

4

Integrity

We will cultivate a highly transparent, free, and open corporate culture through straightforward discussions based on principles. In addition, we will never permit acts that violate social ethics and compliance and will continue to maintain integrity.

5

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.

6

Challenges and innovation

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



Contents and Editorial Policy

01

Introduction

- 01 Management Philosophy
- 03 Contents and Editorial Policy
- 05 Yoshinoya Holdings at a Glance
- 05 — Yoshinoya Holdings story
- 07 — Brands at a Glance
- 09 Value Creation Process
- 11 Financial and Non-financial Highlights

13

Management Message

- 13 Dialogue: President & CEO and Executive Vice President & CFO
- 19 Outside Directors Dialogue

21

Value Creation Strategy

- 21 Group Medium-term Management Plan FY2025–FY2029
- 23 — Special Feature 1: Progress Report on Key Domains for Realizing Strategy
- 25 — Special Feature 2: Promoting Human Capital Management
- 27 — Strategy by business: Yoshinoya
- 28 — Strategy by business: Hanamaru
- 29 — Strategy by business: Overseas business
- 30 — Strategy by business: Ramen
- 31 — Financial strategy

33

Sustainability

- 33 Sustainability Management
- 35 Five Material Issues
- 37 Initiatives that ensure reliable quality throughout the supply chain
- 39 Material issues
- 39 — Realizing diversity and inclusion to enable people to grow and thrive
- 43 — Providing the joy of food and health to more customers, enabling them to have fulfilling lifestyles
- 45 — Contributing to local communities by operating businesses centered on food
- 47 — Building a sustainable supply chain through co-creation with suppliers
- 49 — Responding to climate change through environment-friendly business activities
- 51 Corporate governance
- 57 Compliance
- 58 Risk Management
- 59 Stakeholder Engagement

61

Data Section

- 61 Financial Data for the Last 11 Years
- 63 Company Profile/Stock Information

Editorial Policy

This report has been prepared for our shareholders, investors, and other stakeholders as its target readers and edited with an awareness of accurate, detailed, and comprehensible corporate communication, to convey who we are and our vision and core values, as well as our value creation process and business strategy based thereon.

This report focuses on providing an overview of the achievements and challenges in the first year of the new management structure and the Medium-term Management Plan. It explains initiatives to build a foundation for “transformation” and “growth,” which are the themes of the Group’s Medium-term Management Plan, as well as policies for the next fiscal year and beyond. With regard to sustainability data, we were selected for the first time as a constituent stock of the “FTSE JPY Blossom Japan Sector Relative Index,” an ESG-related investment index, and we continued to promote sustainability measures linked to business strategies, and enhanced disclosure of our human capital management philosophy and climate change-related measures based on the TCFD recommendations.

The International Integrated Reporting Framework of the IFRS Foundation and ISO 26000 (Guidance on Social Responsibility) were used as references in editing the report for better comparability of information.

<Scope of coverage>

The business overview provided in this report focuses mainly on information that has a relatively high impact on YOSHINOYA HOLDINGS CO., LTD. and some of its consolidated subsidiaries. With respect to environmental, social, and governance (ESG) factors, information on the Group’s core activities is presented.

<Period covered>

This report includes information on corporate activities during FY2025 (March 1, 2025, through February 28, 2026). However, a part of its contents includes information on the past and for March 1, 2026, and beyond.

<Publication date>

June 2026 (Next issue: scheduled for June 2027)

<Contact information>

Corporate Communications and Investors Relations, Group Planning Division
TEL 03-5651-8771/FAX 03-5539-3507

<Disclaimer>

The performance forecasts, future outlook, strategies, goals, and other statements contained in this report, excluding those relating to past or present facts, are forward-looking statements about the future. They are based on plans, expectations, and judgments in accordance with the information currently available to the company and certain assumptions judged to be reasonable. Please be advised, therefore, that actual results may differ from the disclosed forecasts and other statements due to various uncertainties and variable factors such as economic conditions.



➡ For further detailed information:
<https://www.yoshinoya-holdings.com/english/>



On the publication of the Integrated Report 2026

The Yoshinoya Holdings Group publishes its “Integrated Report,” which comprehensively presents both financial and non-financial information, in order to share with our stakeholders the current status and future direction of the Group’s initiatives toward sustainable enhancement in corporate value.

The first year under our five-year Medium-term Management Plan, which had started under the new management structure, has finished amid a turbulent environment. In “Management Message,” there are discussions about achievements and sense of challenges after the end of the first year of the Medium-term Management Plan under the new management structure, as well as future measures geared at achieving the targets set for the final year of the plan. In “Value Creation Strategy,” we lay out a five-year roadmap for the Medium-term Management Plan and clarify the positioning of FY2025 and the direction for the next fiscal year and beyond. Furthermore, in the special features section, we explain the specifics of our focus in FY2025 on strengthening key domains for realizing strategy. In “Sustainability,” we present progress made in FY2025 in line with each of the material issues. Notably, for this year, we took a step forward with climate change disclosures in line with the TCFD recommendations.

As indicated in the Editorial Policy (page 4), this report was prepared through cooperation across the entire Group, with reference to the International Integrated Reporting Framework of the IFRS Foundation and ISO 26000 (Guidance on Social Responsibility). We hereby state that the report has been prepared in good faith with transparency and that its contents are appropriate and reasonable. We hope that this report works to further deepen constructive dialogue with all stakeholders.

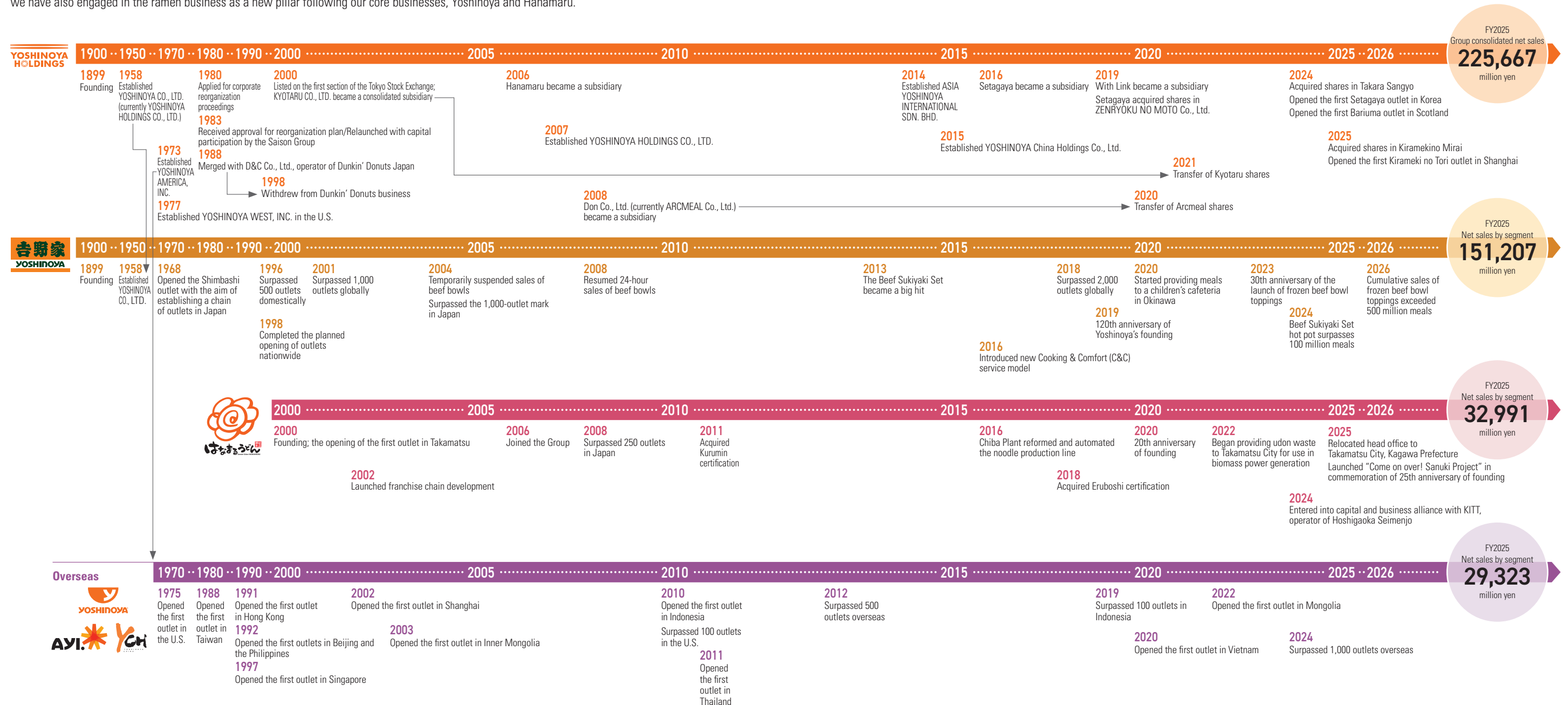
Makoto Kayano, Head of Group Corporate Planning Division, YOSHINOYA HOLDINGS CO., LTD.



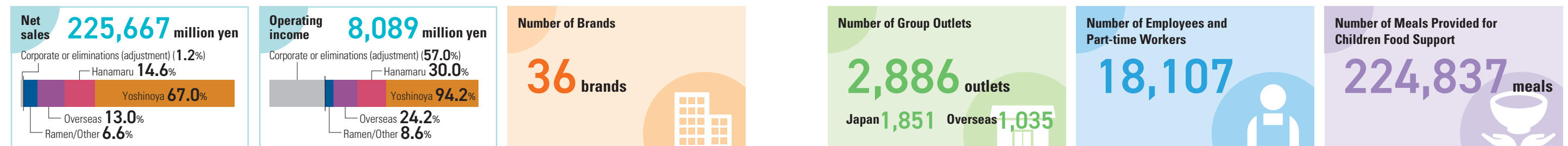
Yoshinoya Holdings at a Glance

Yoshinoya Holdings story

Since its founding, Yoshinoya has continued to provide safe, healthy food as a provider of everyday meals on a global scale. In recent years, we have also engaged in the ramen business as a new pillar following our core businesses, Yoshinoya and Hanamaru.



Yoshinoya Holdings by the Numbers



*The overseas figure represents Yoshinoya overseas outlets.

* Calculated based on the average number of workers for the current fiscal year (based on an 8-hour day)

Yoshinoya Holdings at a Glance

Brands at a Glance

Gyudon beef bowl brand

Yoshinoya

Founded in 1899 in a fish market in Nihonbashi, Tokyo. Gyudon beef bowl is the main dish, along with karaage fried chicken and sets, and we continue refining our familiar flavors that are known for being tasty, affordable, and fast.



Japanese noodle brand

As a Japanese noodle brand centered on Hanamaru Udon, to bring joy to our customers, we are committed to pursuing deliciousness in every udon noodle and every drop of broth. We are dedicated to authenticity in ingredients and traditional preparation methods.

Hanamaru

Hanamaru Udon



Umagena/Sanuki Noodle Restaurant/
Tsurusaku/Takamatsu Chokushi



Zuzuzu/Zuzuzu (kishimen)



Hoshigaoka Seimenjo



Ramen brand

Comprises a diverse range of ramen brands operated by Setagaya, Zenryoku no moto, With Link, and Kiramekino Mirai, and Takara Sangyo, which develops, manufactures, and sells ramen ingredients such as soup, noodles, and sauces for ramen restaurants.

Setagaya

Setagaya



Hirugao



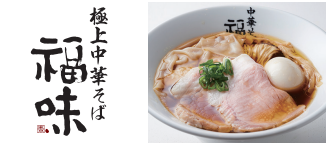
Fukumori



Oreshiki



Fukumi



Gankuro



The Gyorou



Specialty store brand

We aim to provide the flavor that can only be offered by a specialty store and become a part of the lives of as many customers as we can. We offer a wide range of formats that leverage the Group's foundation and expertise.

Mou Toriko



Karubi no Toriko

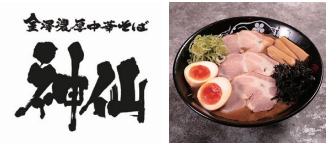


Deikara



Zenryoku no Moto

Shinsen



Ramen Hide



Kamiyagura



With Link

Bariuma



Torinosuke



Fuunmaru



Buchiton

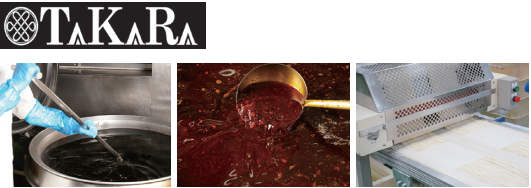


Kiramekino Mirai

Kirameki no Tori



Takara Sangyo



Services for a sustainable future

Share restaurant

We will contribute to creating new value in the restaurant industry and developing diverse food cultures by supporting prospective business owners and restaurant owners in improving their environments.

Share restaurant



Atotsugi restaurant



Speedia

We are conducting everything from ostrich breeding to research, product development, and sales. We are developing ostrich meat and ostrich oil products.



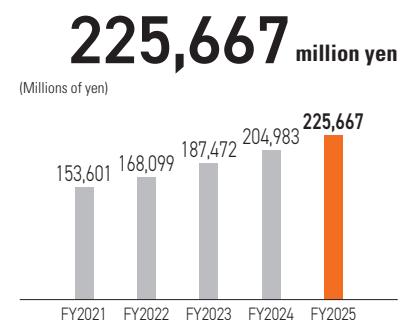
Value Creation Process



Financial and Non-financial Highlights

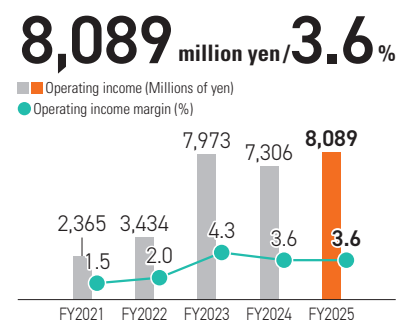
Financial Highlights

Net sales



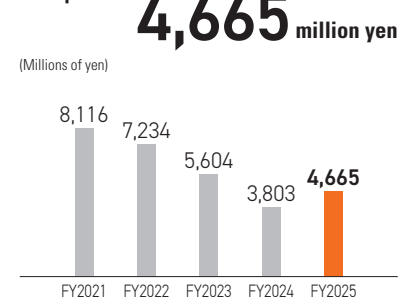
Net sales stood at 110.1% of the previous fiscal year on a consolidated group basis, helped by an increase in same-store sales owing to strong product and sales promotion measures, as well as a solid growth in the number of stores due to store openings.

Operating income/margin



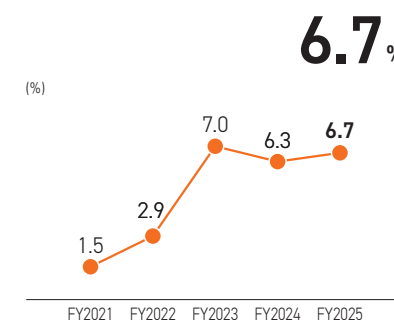
The operating income margin was at the same level as the previous fiscal year due to rising raw material costs and increased personnel expenses associated with an increase in the minimum wage. However, the operating income stood at 110.7% of the previous fiscal year due to increased sales and disciplined control of SG&A expenses.

Net income (loss) attributable to owners of the parent



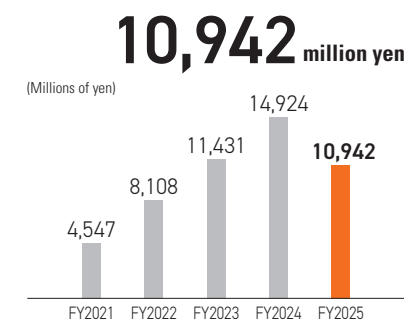
In addition to the increase in operating income, the recording of store exit compensation and an increase in foreign exchange gains led to net income attributable to owners of parent at 122.7% of the previous fiscal year.

Return on invested capital (ROIC)



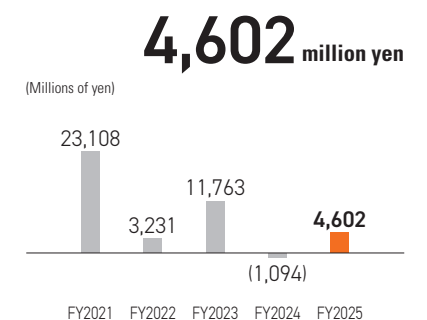
Although the operating income margin was at the same level as the previous fiscal year, ROIC increased by 0.4 percentage points from the previous fiscal year due to the efficient use of invested capital for capturing sales.

Capital expenditure



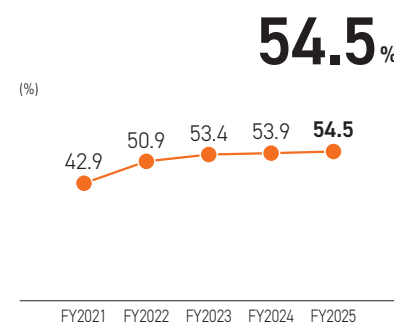
Capital expenditure decreased by 26.7% from the previous fiscal year due to tight controls on investment plans in consideration of rising raw material costs and other factors, as well as lower-than-planned investments in new store openings. In FY2026, we plan 15.2 billion yen in investments as we accelerate growth investments.

Free cash flow



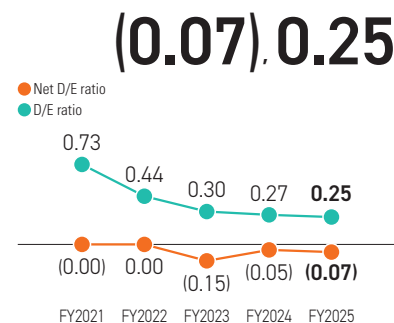
Operating cash flow increased from the previous fiscal year in line with the increase in profit. Additionally, free cash flow increased by 5.6 billion yen as a result of an improvement in investing cash flow due to a decrease in M&A-related expenses.

Equity ratio



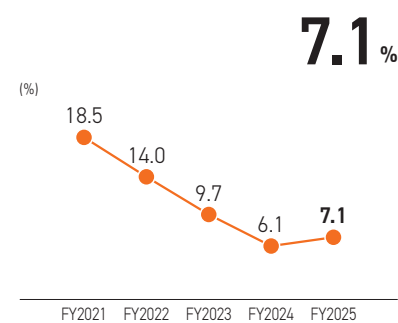
The equity ratio rose by 0.6 percentage points from the previous fiscal year to 54.5%, due to systematic repayment of borrowings and steady growth in net income.

Net D/E ratio and D/E ratio



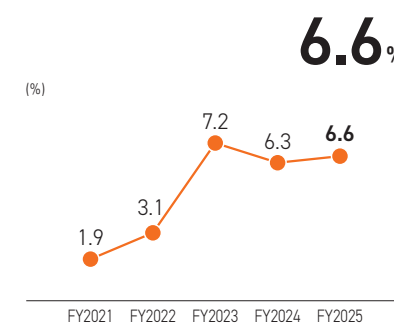
The debt-to-equity ratio was 0.25 and the net debt-to-equity ratio remained negative due to the increase in retained earnings and progress in the reduction of interest-bearing debt.

Return on equity (ROE)



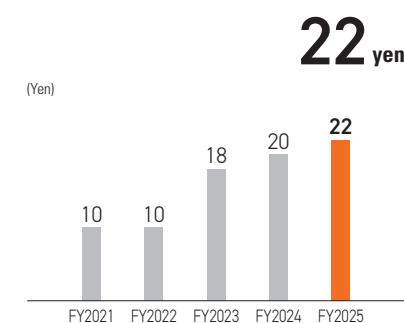
ROE increased 1.0 percentage points from the previous fiscal year to 7.1% due to the 22.7% year-on-year increase in net income. We will work to continuously improve capital efficiency.

Return on assets (ROA)



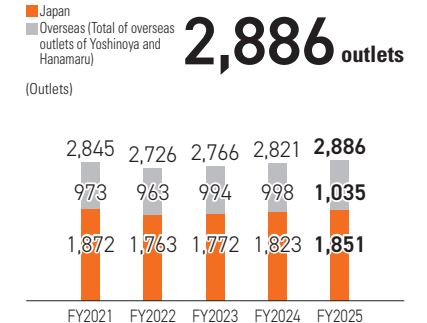
ROA rose 0.3 percentage points from the previous year to 6.6%, due to efforts to efficiently manage total assets and improve the earnings structure. We will continue focusing on effective asset utilization and striving to enhance capital efficiency.

Annual dividend per share



We base our approach on providing stable and continuous profit returns, with a policy of enhancing shareholder returns in harmony with sustainable growth while maintaining financial soundness. The dividend for FY2025 was 22 yen per share, an increase of 2 yen from the previous year. Going forward, we intend to raise dividends gradually in line with business performance.

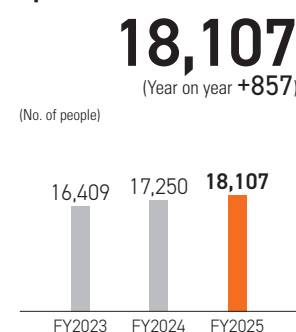
Number of Group outlets (in Japan and overseas)



Openings grew both in Japan and overseas, resulting in a net increase of 28 outlets in Japan and 37 overseas compared to the previous fiscal year. As a result, total group outlets increased by 65 to 2,886 outlets at the end of February 2026.

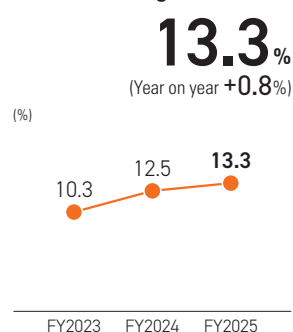
Non-financial Highlights

Number of employees and part-time workers



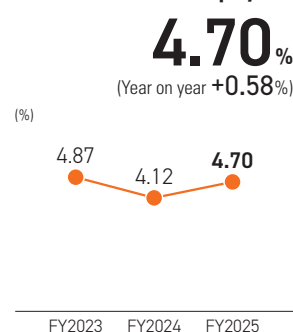
We had 18,107 employees and part-time workers at the end of February 2026 thanks to our efforts to strengthen recruitment activities and boost retention rates. Led by the Strategic Hiring Department, we are strengthening our competitiveness in securing talent, including by shortening the time between interviews and hiring.

Percentage of female managers



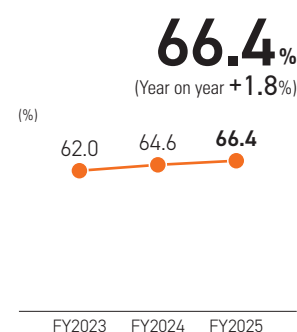
Through such initiatives as J-Yoshinoya (Yoshinoya) and LWB Committee (Hanamaru), we are focusing on supporting female employee career development and fostering a workplace environment where women can work with peace of mind. In the future, we will continue to proceed with systematic development and appointments.

Percentage of persons with disabilities (friend employees)



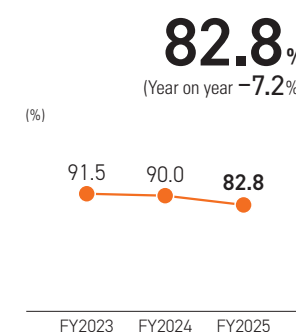
The Group considers people to be the origin of value creation, and as such promotes the active participation of diverse human resources. We will also promote the fostering of workplaces that leverage the individual characteristics of persons with disabilities, and strive to provide opportunities for everyone to work in a manner that best suits them.

Percentage of paid leave taken



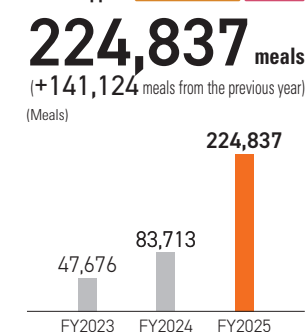
We consider the realization of life-work balance an important management issue, and are putting measures into practice to improve our vacation system and encourage employees to use their paid leave. The percentage of paid leave taken by employees was 66.4%. The target for FY2029 is 77.0%, and we will continue to promote a workplace environment where everyone can work comfortably.

Regular health checkup attendance rate



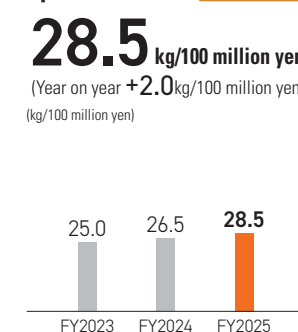
We regard employee health management as a fundamental part of our business, and we offer regular health checkups for the Group's domestic operating companies. The health checkup attendance rate for employees and part-time workers was 82.8% in FY2025. We are committed to demonstrating health management and enhancing the health checkup system to ensure all Group employees can work with peace of mind for years to come.

Number of meals provided for children food support



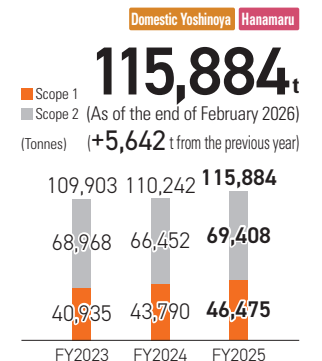
The Group is addressing the social issue of child poverty by continuing to provide food support for children through Yoshinoya and Hanamaru. We support children's healthy growth through hot meals.

Consumption of specified plastics



We aim to reduce the use of specified plastic products by half (in weight per unit sales) by the end of FY2030. During FY2025, the usage increased as a result of improved customer convenience and more efficient store operations. We will strive to promote the transition to sustainable materials through measures such as reviewing packaging materials and containers.

CO₂ emissions



As we work to reduce our environmental impact, we disclosed our GHG emissions reduction target (reduction of 4.2% or more per unit sales annually) in our Annual Securities Report (Japanese only) for FY2025. We continue to work toward achieving our target by promoting the reduction of energy consumption and the introduction of renewable energy.

Dialogue: President & CEO and Executive Vice President & CFO

“Transformation” and “Growth” for a future exceeding expectations


Norihiro Ozawa

Executive Vice President & CFO
YOSHINOYA HOLDINGS CO., LTD.

Tetsuya Naruse

President & CEO
YOSHINOYA HOLDINGS CO., LTD.

Looking back on our first year as Representative Directors

Naruse: The new management structure, with Mr. Ozawa and I as Representative Directors, started with the launch of the Medium-term Management Plan (FY2025-FY2029) as well as a strong emphasis on the plan's themes of “transformation” and “growth.” I understand that the year since then has been a time of preparation for “transformation,” with a focus on getting things in order.

In November 2025, we established the Group Marketing Headquarters, which integrates the marketing functions of the Group, and appointed highly specialized human resources from outside the Group, putting in place a marketing structure enabling us to run at full speed from the onset of FY2026. Also for the sales organization, we have been implementing an organizational restructuring to consolidate six domestic Yoshinoya companies into one company starting in FY2026, with various preparations for the integration carried out during FY2025.

Ozawa: Symbolizing the launch of the new marketing and sales organizations is Yoshinoya's new brand message, “Thanks for the boost!” which was introduced in March 2026.

Naruse: This new brand message is an expression of Yoshinoya's activities from an outside perspective, and, in fact, was developed under the leadership of the Group Marketing Headquarters. We reaffirm that we have brought a “boost” to people by providing meals and use this as a key selling point for our value proposition.

The driving force for realizing “transformation” is people. That's why I think it's the role of our management team to remove constraints that people and organizations have, and change the corporate culture so that we may take on challenges in a positive manner without fear of failure.

Ozawa: Meanwhile, when it comes to our external stakeholders, over the past year we have focused on promoting understanding of the Medium-term Management Plan. Under the new management structure, we believed it was important from the start to clearly communicate the direction the Group was aiming for and what it intended to do in the future. In that spirit, we held presentations for institutional investors and the media in May 2025 and shared the issues that we had identified. In addition to individual IR meetings, we also held three small meetings with multiple institutional investors to provide detailed information, including explanations of our strategies and Q&A sessions.

Furthermore, in January 2026, we held a briefing session on our management policies for our business partners, who support the Group's businesses on a regular basis, in an effort to foster understanding and empathy for the direction we were heading toward, while also striving for even closer communication and stronger relationships of trust.

Naruse: The Group's long-standing issue is its dependence on the Yoshinoya business, and the Medium-term Management Plan aims to break away from this by building a new business portfolio, and our discussions have been centered on this issue. However, during each of our briefings, we emphasized not just future-looking themes like that but also a return to the fundamentals of the Group's business: what value we can provide to our customers. We gained understanding of the importance of this point as the foundation of the value we deliver.

Ozawa: The clear positioning of the ramen business as a new pillar made a powerful impact and generated a large response. Among the responses were some taking the view that Yoshinoya is setting out to be a ramen restaurant, and therefore, I think it was extremely meaningful to have an opportunity to explain carefully and ensure a correct understanding. In response to our explanation that we will create new pillars both in Japan and overseas while maintaining the origin of our business, expectations are growing for the kind of “transformation” we will deliver, and we will strive to meet expectations with concrete results going forward.

Awareness of challenges in light of changes in the external environment

Naruse: In recent years, changes in the external environment have been increasingly intense. In FY2025, the impact of U.S. tariff policies and heightened tensions in Japan -China relations has broadened amid rising geopolitical risks around the world. In addition, costs continued to rise or remain elevated across the board, including increases in raw materials prices, such as the surge in rice prices, along with energy prices, logistics costs, and personnel expenses.

Ozawa: Since the beginning of FY2026, there have been concerns about tightening supplies of energy and petroleum products due to the escalating tensions in the Middle East, but so far we have

Dialogue: President & CEO and Executive Vice President & CFO

seen no major impact. Of course, we are conducting scenario analysis internally, and in our medium-term risk assumption, we anticipate that a prolonged surge in crude oil prices and disruptions to logistics networks—lasting for six months or more, or even over a year—would have a significant impact on the Group's business.

Still, in terms of this risk, it will be something that affects not only our Group but also the entire restaurant industry, including competitors, or even all of Japan, and just as with the COVID-19 pandemic, there is only so much we can do on our own. The most critical step is to plan and prepare measures now on the assumption that such a scenario will materialize, and take prompt action in areas where it is possible

Naruse: As part of our response, we are undertaking initiatives such as reassessing controllable expenses now assuming a potential negative impact on business operations.

Ozawa: When it comes to ingredients, the price of rice has been fluctuating significantly since the previous fiscal year, and our response is not to simply expect soaring prices to come back down but to plan based on the assumption that the current situation will continue, and to develop menus in line with that. On the other hand, in order to mitigate the impact of soaring prices as much as possible, we are considering various measures, including changing production areas, revising the rice mix, and purchasing directly from farmers.

In terms of initiatives from a longer-term perspective, a subsidiary that operates an in-house farm is continuing to verify and cultivate rice varieties that have unconventional ripening times. Indeed, it does not cover full volume of rice necessary for the Group's business, but I think it is effective to increase options for an emergency response.

In addition, there are concerns about the impact on the restaurant industry if a consumption tax reduction is implemented for food products. In this regard as well, rather than taking action when nothing has been decided, including whether or not the tax reduction will be implemented, nor its scope, our stance is to prepare a contingency plan so we can take immediate action as soon as a decision is made.

Naruse: Since chain restaurants constitute the basis of the Group's business, we must ensure a stable supply of food and maintain store operations even if purchase prices were to double. Therefore, in order to secure gross profit, it is necessary to

optimize costs in line with changes in the external environment. Still, we will not make trade-offs that would sacrifice product quality. To strike a balance between quality and gross profit, it is essential to adopt a flexible approach that transcends older customs and stereotypes when changing the conventional ways of doing things, such as reviewing procurement and formulations according to circumstances. Therefore, the most effective measures for responding to changes in the external environment are to develop human resources and organizations that can transform risks into opportunities without being bound by informal rules. I believe this will lead to the delivery of even greater value through further improvements in products and services that win the support of customers.

Results and progress in the first year of the Medium-term Management Plan

Ozawa: In FY2025, when we launched our five-year Medium-term Management Plan, we achieved positive growth in net sales in all business segments, while Hanamaru and our overseas business drove profit growth. Although net sales for the Group as a whole were basically in line with the initial forecast, profit at each level significantly exceeded the initial forecast. I think achieving an increase in profit amidst a challenging environment of continuously rising costs is a commendable accomplishment.

On the other hand, with regard to the strategic pillars of the Medium-term Management Plan, namely "Strengthen - Domestic," "Accelerate - Ramen," and "Expand - Overseas," we made steady progress in certain areas in the first year of the plan, while other areas fell short. We intend to further strengthen areas where we made progress, while in areas where we fell short, we intend to deal with issues over the remaining four years and make up for the slow start.

In Japan, operating income decreased slightly for Yoshinoya due to the significant impact of rice prices, but from November, customer traffic trended higher than the previous year, and we were able to catch up considerably in the fourth quarter. This favorable trend has continued since the beginning of FY2026. Hanamaru's business performance was favorable, posting record-high profits, but progress was slow in evolving our store format and store opening strategy with an eye to volume growth.

Naruse: For Yoshinoya, I believe that retaining gyudon beef bowl customers is the greatest factor that will push up the number of customers the most. But another factor is the provision of reasonably priced set meal offerings, and these initiatives were successful from the second half of the fiscal year, driving up the number of customers and average customer spend. In addition, the increase in stores applying new service model and the installation of in-store tablets have helped expand the customer base and improve customer convenience. In particular, in-store tablets are also contributing to improved productivity of store operations. Hanamaru is currently taking on the challenge of opening outlets under the new business format Zuzuzu, using a compact store model in metropolitan areas, as well as the operation of kishimen noodle format. Looking ahead, I feel that we will need to focus once again on areas we specialize in, such as opening stores in shopping centers, where Hanamaru has always been strong.

Ozawa: In the ramen business, although still small, we secured profit exceeding the previous fiscal year. Since we were in the PMI (post-acquisition management integration) stage for M&A conducted until the previous fiscal year, we could not fully take advantage of it in FY2025, and there were no new M&As. However, we moved ahead with new initiatives, including the opening of the first Kirameki no Tori outlet overseas in Shanghai, China.

Overseas, progress was made in rebuilding existing businesses in China and the U.S. and profits grew significantly. As for store openings, in China we actively pushed forward scrap-and-build efforts but made no headway with entering new markets.

Naruse: In terms of factors behind the favorable performance overseas, the sharp improvement in profits in the U.S. and the record-high profits in China were both due to the effective utilization of member apps. In the U.S., app sales promotions have taken root among users, lifting the effectiveness of the promotions. In China, by building a unified app membership system, we achieved successful results through initiatives such as simultaneous issuing of coupons based on our marketing strategy.



Ozawa: As a result, in the first fiscal year of the Medium-term Management Plan, we saw steady growth in profits. On the other hand, progress along our strategic pillars fell short of expectations in many areas, and it will be necessary to accelerate initiatives from FY2026. FY2025 was a year in which we focused on putting things in order, and now that we have laid the foundation for speeding up our initiatives, we will strongly step on the accelerator for "transformation" and "growth."

Focus on priority areas and future growth strategies

Ozawa: In the Medium-term Management Plan, we have set "inorganic investment" as a priority area for realizing our strategies. M&A aimed at expanding the ramen business will be the main targets of our investments, and we have allocated a budget of 40 billion yen over five years. M&A projects that require timing to align with partner companies do not always proceed as initially expected, and while no deals were executed in FY2025, we have been vigorously working behind the scenes.

Dialogue: President & CEO and Executive Vice President & CFO



Another priority area is “investment in IT and technology and strengthening of system infrastructure.” We plan to invest 5 billion yen over five years to build a secure IT environment resilient to change, including system infrastructure upgrades and security enhancements.

Meanwhile, as for IT-related investments at stores, we are adopting in-store tablets ahead of schedule.

Naruse: We decided to pull forward the deployment of in-store tablets in the first half of FY2025, given extremely upbeat business conditions at Yoshinoya. They have been installed in about 900 stores, and by the end of FY2026, we plan to complete their adoption in all stores where adoption is possible. In FY2026, digital signage will be introduced at approximately 350 stores, and a full revamp of the Yoshinoya app is planned. In terms of IT investments in internal infrastructure, several renovation projects are under way to replace aging systems with state-of-the-art ones, and we are also pulling forward cross-functional system changes to optimize the supply chain as a whole.

Ozawa: Another priority area is “centralized management of Group businesses and functional division organization” As I have already mentioned, we established the Group Marketing

Headquarters and the Group IT Coordination Division in FY2025, integrating such functions of operating companies under Yoshinoya Holdings. In the Yoshinoya business, a new-look Yoshinoya Co., Ltd. was launched on March 1, 2026 as a result of organizational restructuring consolidating six domestic companies into a single entity.

Naruse: The goal of integrated management is to systematically and strategically integrate the functions of the head office of Yoshinoya Holdings and the operating companies, and to improve management efficiency and profitability of the entire Group. Similarly, the consolidation of the Yoshinoya businesses into one company is designed to ensure swift decision-making and reflect decisions immediately in stores.

Ozawa: Organizations are just like living creatures, and we must constantly avoid becoming rigid, or we will not survive. Integrated management by consolidating functions is an

effort to create the framework for this purpose. For marketing functions, for example, it may be smoother and more effective to have a function within the operating company in some cases, but in this era of sharp changes, a narrow field of vision could be a risk. I feel that there is a growing need to consider approaches from a holistic perspective.

Naruse: I agree. In terms of marketing, the challenge for both Yoshinoya and Hanamaru is to continue to be favored by their loyal customers who support them. Hanamaru, in particular, is asking the Group Marketing Headquarters to identify the approach it should take in order to establish new appeal not dependent on price.

Ozawa: In FY2026, we will add production bases and expand production in Japan and overseas for Takara Sangyo, which supplies ingredients for the ramen business. Takara Sangyo is also seeing sharp growth in sales outside the Group and is expected to achieve high growth. In Japan, in addition to the two existing sites in Kyoto and Chiba, we will add three new sites in Kanagawa, Shizuoka, and Aichi, aiming to reduce logistics costs and expand sales channels through a five-site system. Overseas, we have established a local production system consisting of five

sites in the U.S., France, Thailand, Indonesia, and the Philippines. We plan to expand overseas production capacity to up to double the FY2024 level by FY2029 by investing in expansion.

Naruse: Domestically, Takara Sangyo produces noodles, soups, sauces, and other products at its head office factory in Kyoto and noodles at its Chiba factory, with each equipped with logistics capabilities using transfer centers (TCs). The establishment of new sites means that Yoshinoya and Hanamaru will use the Kanagawa and Aichi TCs, operated in collaboration with logistics companies, as part of Takara Sangyo’s logistics functions, and Takara Sangyo will produce noodles using space at the Hanamaru Shizuoka Plant. In this way, Yoshinoya and Hanamaru will expand their businesses through Group synergies. Overseas, we will increase production at our U.S. and French factories in FY2026. In the Asian market as well, we intend to use our Group bases to quickly develop new customers. I have extremely high expectations.

Sustainability promotion and human capital management

Naruse: In sustainability-related topics, we were selected for the first time as a constituent stock of the “FTSE JPX Blossom Japan Sector Relative Index,” an ESG investment index. Being included in the index adopted by the Government Pension Investment Fund (GPIF) holds considerable significance for the Group, and our confidence has deepened for the promotion of sustainability based on the five material issues.

In addition, we received the Food Safety, Security and Environmental Contribution Award and the Minister of Environment Award of the Japan Open Innovation Grand Prize. Both awards were given in recognition of our efforts to address food loss, namely the upcycling of onion scraps generated at plants using state-of-the-art technology. The Group’s continuous efforts have been highly received by external parties.

Ozawa: Internally, the Sustainability Promotion Committee, which meets four times a year, plays a central role in monitoring the progress of initiatives based on material issues, and identifying and addressing issues. As the items for which KPIs have been established for our material issues are generally approaching their targets, we will likely need to reset these KPIs and update the targets for our future initiatives.

It is important that each and every employee has an awareness of sustainability. However, rather than our frontlines strongly aware of materiality itself, there is a need for efforts by head office to convey to employees how their work contributes to a sustainable society and environment.

Naruse: The Group Human Resources Division leads our human capital-related initiatives, driving institutional and policy reforms to promote management rationalization and accelerate the creation of group synergies. In FY2026, we introduced a new personnel system unified in line with the consolidation of Yoshinoya’s operating companies, raised the starting wages, and revised the rate of salary increases. In the future, we intend to extend the revised compensation and training systems to the entire Group and put them into operation.

In the future, I would like to instill an awareness of healthy “competition” within the Group and build a corporate culture in which employees engage in friendly competition with each other, leading to the emergence of the next generation of management.

To our stakeholders

Ozawa: In the first fiscal year of the Medium-term Management Plan, we achieved profit growth that exceeded our expectations. However, there are still many things left to do under the themes of “transformation” and “growth.” Over the next four years, we will steadily, swiftly, and unwaveringly accomplish each of these while expanding corporate value and social value.

As for the return of profits to shareholders, we increased the dividend in FY2025. We will continually strive to further improve business performance in order to gradually raise the level of returns to shareholders.

Naruse: In fulfilling my mission as a corporate manager to “exceed expectations,” as part of my own “transformation,” it is important to accurately assess the current situation while remaining objective, and always strive to stay one step ahead. We will not stop at completing the Medium-term Management Plan and will look ahead to the further future. In order to greatly exceed the expectations of all stakeholders, we will promote “transformation” and “growth” of the Group and continue to take on challenges.

Outside Directors Dialogue

Promoting growth strategies founded on governance that leverages diversity

Daisaku Fujikawa
Outside Directors



Nobuko Sowa
Outside Directors



Smooth start for first year of Medium-term Management Plan

Fujikawa: FY2025 was the first year of the Medium-term Management Plan, and we steadily achieved results under the new management structure led by President Tetsuya Naruse and Executive Vice President Norihiro Ozawa. In terms of business performance, we achieved increases in both net sales and profits, and in terms of corporate structure, we are swiftly implementing organizational reforms toward unified group management, including the integration of six domestic operating companies of Yoshinoya and the establishment of the Group Marketing Headquarters.

Sowa: Under the basic policy of “transformation of existing businesses and the growth of new business drivers,” we recognize that the Group is steadily transforming itself through the growth of existing businesses as well as headway in the overseas business and the ramen business, which is positioned as the third business pillar.

President Naruse is highly familiar with a wide variety of frontline operations, including Yoshinoya, Hanamaru and overseas, while Executive Vice President Ozawa has a global perspective gained through long years of experience in overseas assignments. Both have demonstrated a sense of balance between offense and defense, which is one of their shared strengths, and made even more favorable management decisions by sharing opinions from different viewpoints. I feel that the implementation of business strategies has sped up.

Fujikawa: While President Naruse concurrently serves as President of Yoshinoya Co., Ltd., the surviving operating company after the merger, our Group as a whole is entering a stage of further organizational expansion and a global leap forward. Rather than focusing too much on individual businesses, I would like to see both manage the Company as a holding company that takes a holistic view of the Group, looking at how the Group’s development of multiple businesses lead to improved corporate value.

The current Medium-term Management Plan has been developed as a five-year plan that aims to produce results from a medium- to long-term perspective. Given that it is difficult to recover business investments in three years, we set the plan’s period based on the idea that a roughly five-year horizon is necessary. On the flip-side to this, it would also be challenging to achieve targets in the final two years of the plan after falling significantly short of them in the first three years. The ideal is to build on a smooth start in the first year and to steadily execute the plan each year from the second year onward.

Sowa: Under the new management structure, we are striving to achieve a solid and practical “transformation,” while carefully managing risks such as soaring raw material and labor costs driven by global situations. We recognize that this resulted in increases in both net sales and operating income in FY2025. In the plan’s second year and beyond, I expect the Company to take concrete actions while it calmly assesses the differences between the plan and current circumstances.

Fujikawa: Revisions to medium- to long-term plans are only natural. When achieving targets proves challenging in response to changes in the business environment, it is desirable that information be shared openly so that revisions can be made quickly. I also feel that the current Board of Directors is a place where such exchanges of views can be conducted without undue consideration.

Sowa: Changes and risks can arise in various forms in any period of time. As illustrated in the skill map, the Company’s Directors possess diverse expertise. As Outside Directors, we do not simply wait for information to be provided. We proactively strive to grasp the Group’s current situation, such as by visiting overseas sites. In addition, the Company now has two Representative Directors, which enables current situations to be grasped quickly and from various angles and management decisions to be made based on diverse perspectives. As such, I feel that the Group’s resilience to changes has been strengthened.

Improving the effectiveness of the Board of Directors

Sowa: Initiatives to improve the effectiveness of the Board of Directors have continuously been implemented, such as providing more thorough advance briefings and creating opportunities for communication about growth strategies between the management team and outside directors outside of board meetings.

For the first time in five years, Japan’s Corporate Governance Code is to be revised in 2026. The Group to date has sincerely addressed the themes requested by society and steadily implemented improvement measures. For example, the draft revision of the Corporate Governance Code positions sustainability as a core issue to be supervised by the Board of Directors. Since the establishment of the Sustainability Promotion Committee in 2024, the Company has clarified the roles and targets expected of it, and has been working to achieve continuous improvement through the PDCA cycle. Beyond the functions of the Board of Directors, the creation of a system for earnestly responding to various social demands - and for defining what the Company should be - is deeply ingrained within the Group.

Fujikawa: In the past, the Board of Directors has discussed matters to be resolved over a wide range of areas, but a Board of Directors meeting, held only once per month, was not sufficient to decide all matters, and resolutions were sometimes postponed to the following month. In addition to achieving speedy management decisions, the Board of Directors has been tasked with deepening discussions on more strategic themes. As part of these efforts, in FY2025, the Company established the Management Committee, separate from the Board of Directors, to make preliminary decisions on strategy.

As Outside Directors, our purpose is to provide objective opinions from a different position to that of internal Directors, and support the Company’s growth through governance. I believe that it is vital to engage in strategic discussions while maintaining a certain sense of distance.

Sowa: It means that outside directors should fulfill the functions defined in Japan’s Corporate Governance Code, namely, ensuring independence and protecting minority shareholders. I believe that both internal and external officers share an awareness of this. In addition, at the Remuneration Advisory Committee, which is chaired by Mr. Fujikawa, an Outside Director, in-depth discussions are held with participation limited to committee members and observers, contributing to the strengthening of governance.

Recommendations for a further leap forward

Fujikawa: I have worked for financial institutions in Japan, Europe, and the United States that have a global presence, and have practically experienced management structures with different cultures and systems, as well as differences in internal communication and compliance approaches. As a field where I should be able to demonstrate my expertise, I hope I can leverage my accumulated knowledge for the

globalization of the Group, as well as provide appropriate advice on raising funds and capital, which are essential in the process of corporate growth.

Sowa: One area where I can demonstrate my expertise is the field of an aggressive approach to DX. In the dialogue of last year, I stated that the Group was lagging other companies in the adoption of IT and DX. However, spearheaded by Group IT Coordination Division, we are accelerating initiatives, and in FY2026, we plan to introduce an ordering system using tablets at all stores where it can be deployed. In addition, we are working to improve our smartphone app and website from the perspective of customer convenience. We have also started revising core systems to improve efficiencies of our employees’ daily operations.

It is important to note that the purpose of DX is not just utilizing IT, but making customers and employees smile through the utilization of IT. In the five-year plan, we also plan to promote various business investments other than DX investments. I believe that it is important to evaluate and promote business investments from the perspective of contributing to people such as employees and customers.

Fujikawa: On the other hand, as a listed company, we cannot ignore evaluations from the market. Frankly speaking, I think the share price of the Company over the past several years has not always been satisfactory in terms of appreciation ratio when compared to our peers. If market evaluation is poor, we must analyze the reasons for that. For example, if the provision of information showing growth potential is insufficient, we must take such measures as steadily hitting the numerical targets presented in the Medium-term Management Plan and strategically appealing to the market. In addition, as securing human resources becomes more important in the future, it is also important to spread the corporate image of a group that is easy to work for, for both new graduates and mid-career workers, taking into consideration rankings of popular companies to work for and the like.

Sowa: I think it is important to nurture the next generation of managers, given that human capital is the foundation of a company. While we adopted a new management structure just last year, both the President and Executive Vice President recognize that human resources development is mandatory for the sustainable growth of the Group. Proper handling of the next succession plan will be key, and I would like to contribute from the position of Outside Director.

Fujikawa: I would like to communicate to investors that, based on my experience, whether governance works effectively in a company is reflected in the spirit embedded in its internal rules. There is no doubt that the rules of Yoshinoya Holdings are based on a spirit of respect for governance, and I ask for your trust and support of the Yoshinoya Group.

Sowa: Personally, I’ve been a genuine fan of Yoshinoya since I was a teenager. In these current times, while fast food options are diverse, I feel like being a cheerleader for Yoshinoya and our Group’s brands, wanting them to remain a lasting option. We will make further efforts to improve our services and pursue product development, with the aim of welcoming customers to our stores and introducing them to our various store formats, not just gyudon beef bowls but also udon noodles and ramen. We aim to provide the joy of dining to everyone, regardless of age or gender—from families to seniors.