Sustainability Management

Our approach to sustainability

Based on the meaning behind the business philosophy of Yoshinoya Holdings, "For the People," which holds that companies exist to serve the needs of society and to contribute to the greater happiness of mankind, we emphasize environmental (E), social (S), and governance (G) perspectives throughout our business activities. The Group considers the promotion of ESG management to be an important theme as changes in the global environment and social issues increase in severity. We are promoting the effective use of resources, reducing CO_2 emissions, promoting diversity and respect for human rights, and ensuring food safety and security throughout the entire supply chain as part of our commitment to realizing a sustainable society. Moreover, we will continue our dialogue with stakeholders as we strive to sustainably enhance our corporate value and remain a company trusted by society. We will continue to sincerely face the changing society and contribute to a sustainable future.

Sustainability promotion system

The Group positions sustainability at the core of management, and promotes it across the entire company. We newly established a Sustainability Promotion Committee in March 2024, chaired by the Representative Director and President & CEO, with directors as Vice Chairpersons and all executive officers as members. The Committee identified material issues and established KPIs under the supervision of the Board of Directors. Under the Committee, we have established five subcommittees to solve specific issues in each field. The Group Planning Division plays a pivotal role in formulating and executing policies and measures in cooperation with the promotion departments responsible for handling material issues in the three areas of E, S, and G. Progress is shared and discussed with executives and general managers through the Sustainability Promotion Committee, and ultimately reported and submitted to the Board of Directors. The management team actively engages in discussion to promote unity between management and the workplace, thereby improving our ability to put sustainability initiatives into practice. We will continue to foster awareness and entrench practices across the breadth of the organization, as we aim to realize a sustainable society and corporate value.

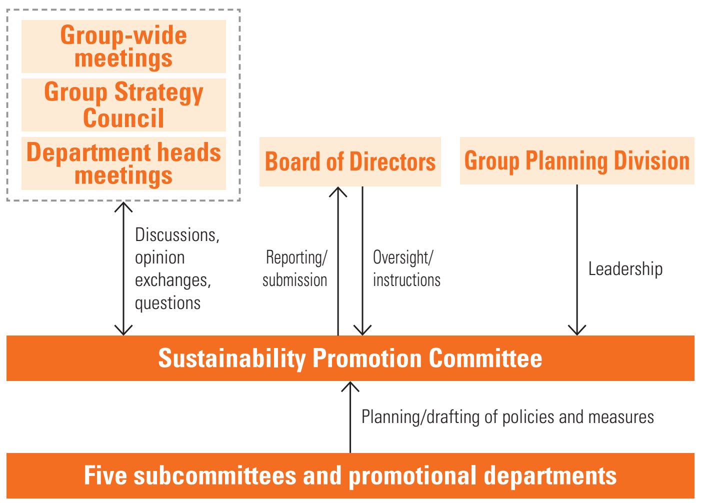
FY2025 Sustainability Promotion Committee Activity Results

Number of times conducted:
4 (including 2 reports to the Board of Directors)

Committee members
Chairperson: Representative Director and President & CEO
Vice Chairperson: Executive Vice President & CFO Directors
Committee members: Executive officers
Committee members: Heads of Divisions

Subcommittees
1. Human Resources Subcommittee
2. Health Subcommittee
3. Meal Provision Subcommittee
4. Supply Chain Subcommittee
5. Environment Subcommittee

Sustainability promotion framework



Risk management

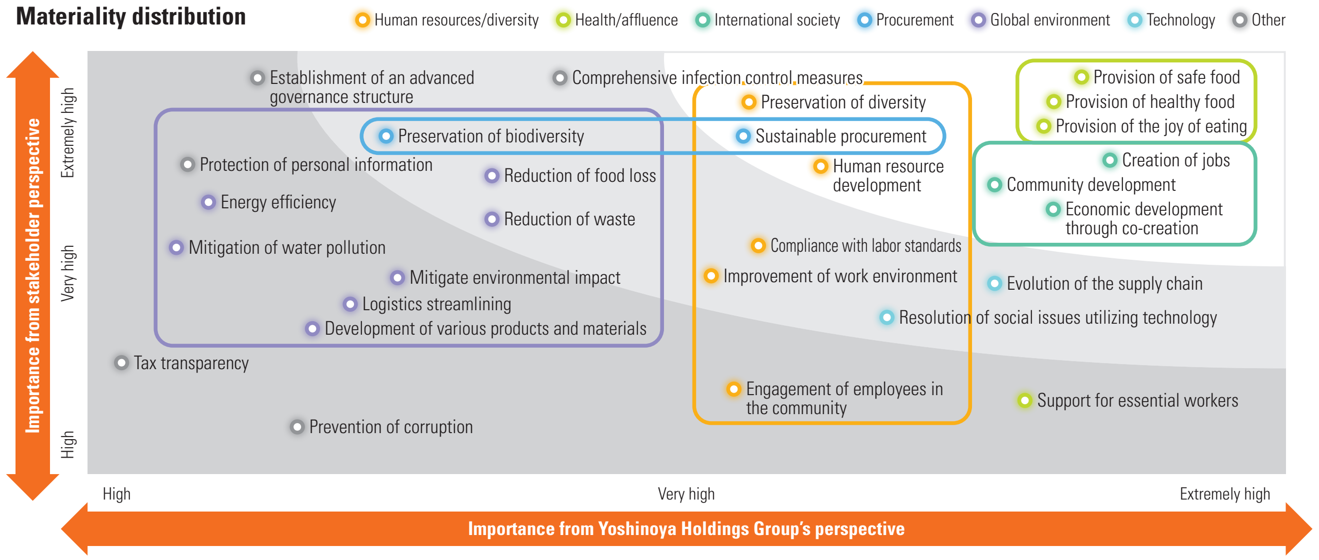
With regard to the material issues identified by the Board of Directors, the departments in charge strategically promote initiatives through each member of the Sustainability Promotion Committee, and the Committee confirms and evaluates the progress of each activity as necessary. In addition, the initiatives of the Sustainability Promotion Committee, as well as risks and opportunities related to business continuity and climate change, are reported to the Board of Directors and the Group Risk Management Committee, a risk management organization, on a quarterly basis, and are managed appropriately. The Representative Director and President & CEO serves as the chairperson of the Sustainability Promotion Committee and the Group Risk Management Committee.

Process of identifying material issues

Based on the Group's approach to sustainability, we aim to further enhance our corporate value in light of recent changes in the social environment and demands from society. We have therefore clarified the relationship between our business activities and social issues from an ESG perspective, and have identified material issues that contribute to the achievement of continued corporate growth and a sustainable society.

STEP 1	Create a list of 128 items of important issues that society expects companies to address, with reference to international ESG guidelines such as GRI and requirements of FTSE, an ESG assessment organization.
STEP 2	Narrow the list of 128 down to 50 items by evaluating them in terms of long-term perspective, objectivity, the significance that our involvement would have, and relevance to our business.
STEP 3	Comprehensively evaluate and prioritize the extracted items based on the two axes of "importance from Yoshinoya Holdings Group's perspective" and "importance from stakeholder perspectives."
STEP 4	Material issues are finalized by the Board of Directors following discussion of the prioritized items at the Group Strategy Council meeting and by the Management Committee.

Materiality distribution



Material issues identified

Materiality	Direction for resolving issues (basic policy)
Realizing diversity and inclusion to enable people to grow and thrive	• Practice diversity and inclusion • Promote a good work-life balance • Develop human resources and support career development
Providing the joy of food and health to more customers, enabling them to have fulfilling lifestyles	• Contribute to customers' health • Contribute to the health of employees who serve the food • Cope with an aging society • Apply new technologies and materials
Contributing to local communities by operating businesses centered on food	• Reinforcing the function as the food infrastructure • Connecting with local communities
Building a sustainable supply chain through co-creation with suppliers	• Ensuring food safety • Ensuring soundness of the supply chain
Responding to climate change through environment-friendly business activities	• Reduction of loss and reuse of ingredients at outlets and factory manufacturing processes • Reduction of environmental impact of packaging materials • Reduce GHG emissions

Five Material Issues

We set KPIs after having analyzed risks and opportunities for each material issue and promote specific activities.

Material issues	Risks	Opportunities	Contribution to SDGs	Key measures	Establishing KPIs	FY2024 results	FY2025 results	FY2027 targets	FY2029 targets
Realizing diversity and inclusion to enable people to grow and thrive As a company that pursues the value and joy that comes from human interaction, we will focus on improving the working environment, ensuring diversity, and pursuing human resource development. P39	• Difficulty in securing human resources due to the decrease in the working population • Stagnation in the business creation and product development due to a delay in responding to diversifying customer needs • Achievement of diversity required for maintaining employee engagement and retention	• Attracting the best talent globally through respect for diversity • Increasing the value of human resources while reaping the benefits of automation and labor-saving innovations • Heightening employee motivation and competitiveness in recruiting by investing in employee training	3, 4, 5, 8, 10, 16	• Promotion of women's activities • Hiring of employees with disabilities (friend employees) • Promotion of seniors' activities • Revitalizing the organizational culture • Enhancing ease of work • Revitalizing internal communication • Health management • Support for career path realization through educational training and tools tailored to the stage of learning of each individual • Framework for supporting self-development • Revitalizing intergroup exchange among personnel • Refining cooking and customer service skills • Educating and developing global human resources • Identifying and cultivating the next generation of management teams • Promoting the transition of part-time workers to full-time employees	**Percentage of female employees**	21.6%	26.5%	27.0%	29.0%
					Percentage of women in management positions	12.5%	13.3%	23.0%	29.0%
					Percentage of paid leave taken	64.6%	66.4%	75.0%	77.0%
					Improvement in employee engagement*1	3.69 points	3.69 points	3.80 points	3.85 points
Providing the joy of food and health to more customers, enabling them to have fulfilling lifestyles We contribute to enriching people's lives by providing food with overwhelming value and developing safe products that contribute to health. P43	• Soaring raw material prices driven by climate change and competition for resources • Changes in consumer behavior owing to the pandemic and population aging • Decrease in the number of food service customers caused by widening economic disparities	• Functioning as a social safety net against child poverty • Responding to growing health demands associated with changes in the social environment • Providing the rich life that warm daily meals bring	2, 3, 8, 9, 10, 12, 17	• Education related to food hygiene • Providing quality-related information to customers • Labeling of allergens and nutritional components • Labeling of nutritional components • Acquisition of ISO 22000 • Reduction of food loss • Stable procurement of safe food ingredients • Stabilization of quality through noodle manufacturing technology and automation at the central kitchen • Comprehensive pursuit of safety and quality through temperature and time management at outlets	**Ratio of employees receiving medical checkups**	90.0%	82.8%	96.0%	98.0%
					Annual sales of Tokugyu and Care Beef products*2	85,000 meals	92,000 meals	90,000 meals	90,000 meals
					Provision of products that contribute to healthy dietary habits	—	—	—	—
Contributing to local communities by operating businesses centered on food By delivering high-quality services and culinary delights while respecting each region's culture and needs, we generate new value for local communities and contribute to their sustainable development. P45	• Damage to the brand and customer churn due to loss of regional credibility • Stagnant growth caused by sluggish global expansion	• Expanding employment and revitalizing local economies through outlet openings • Capitalizing on overseas demand for high-quality, safe Japanese food • Evolving into a community-based company by providing education and disaster relief support through food, and developing emergency food and nursing care food	1, 2, 4, 8, 9, 10, 11, 12, 13, 15, 17	• Local industry revitalization and job creation • Develop locally-oriented products and outlets • Disaster preparedness • Contributing to the improvement of health and safety of local communities • Granting special paid leave for volunteer work • Conducting work experience • Support for children's cafeterias • Development of foods and eating and shopping support for nursing care receivers and the elderly • Industry-government-academia collaboration • Implementation of disaster-stricken area support and fundraising	**Expansion of local community contribution activities by outlets (provision of food at children's cafeterias, etc.)**	83,713 meals	224,837 meals	200,000 meals	230,000 meals
Building a sustainable supply chain through co-creation with suppliers We will work with our suppliers to establish a sustainable supply chain by practicing environmentally and socially responsible procurement. P47	• Disruption of stable procurement due to soaring food prices and tight supply • Damage to the brand and customer churn caused by human rights violations and other issues • Adverse effects of extreme weather and disasters on supply chain processes • Labor shortage in the logistics industry	• Fostering trust in our co-creation partners by addressing environmental and social issues • Corporate value created by a sustainable supply chain • Capturing customer needs by developing products with low environmental impact	1, 2, 8, 10, 12, 13, 15, 16, 17	• Stable procurement that ensures food material quality and safety • Implementation of supplier audits • Education and training for buyers • Collaboration with external associations	**Auditing of suppliers (build a supply chain with consideration given to the environment and human rights)**	92%	100%	93%	97%
Responding to climate change through environment-friendly business activities We will implement measures that reduce our environmental impact while cutting food loss and costs so that we can achieve both global environment conservation and economic growth. P49	• Adverse impact on the supply chain through more frequent and severe weather events • Legal restrictions on business activities due to delays in environmental regulation compliance • Damage to the brand image caused by insufficient environmental awareness • Increase in procurement and energy costs resulting from resource depletion	• Differentiating ourselves and enhancing our brand image through environmental measures • Complying with environmental regulations to facilitate smooth business development	7, 9, 11, 12, 13, 17	• Compliance • Reduction of environmental impact • Promotion of environmental education • Establishment of environmental targets and disclosure of information • Implementation of initiatives to reduce food waste • Promotion of environmental conservation activities • Preservation of water resources • Response to climate change and information disclosure based on the TCFD Recommendations	**Recycling and reuse of waste from domestic factories*3**	62%	67%	55%	56%
					Reduction of specified plastics (50% compared with 2020)	26.5 kg/ 100 million yen	28.5 kg/ 100 million yen	27.5 kg/ 100 million yen	25.5 kg/ 100 million yen
					Continued designation as eco-friendly restaurant*4	Acquired designation in 2017	Continued designation	Continued designation	Continued designation
					Greenhouse gas (GHG) emissions intensity*5	65.36 t-CO_2e	62.91 t-CO_2e	(Per unit of net sales) Reduction of 4.2% or more per year	

*1 Organizational assessment score

*2 Tokugyu was screened by the nation and is sold as a food for specified health uses (FOSHU). Care Beef is a nursing care food for people with reduced chewing and swallowing function.

*3 This is the recycling rate of eight domestic factories of Yoshinoya and Hanamaru.

*4 In 2017, Yoshinoya was granted Eco Mark certification, which is given to an environmentally friendly restaurant, from Japan Environment Association and was certified as an "eco-restaurant."

*5 This refers to GHG emissions reductions from the Company's major business bases in Japan (Yoshinoya and Hanamaru).

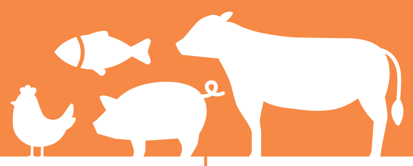
Initiatives that ensure reliable quality throughout the supply chain

The Group has established a strictly controlled supply chain to deliver safe, reliable meals to its customers across the entire value chain, from raw material procurement to the provision to our customers, while remaining considerate of the environment.

Safety and Security as a Given: Creating a Culture of Food Safety in All Processes

Supply Chain

Procurement



In addition to lowering costs and heightening operational efficiency, consolidation and centralization are key in ensuring the steady procurement of safe food ingredients. For this reason, the Product Department in the Group Product Division handles all procurement functions. A partnership underpinned by respect and trust serves as the foundation for building relationships with our business partners. We always strive to form close relationships with our business partners, purchasing from multiple suppliers as a risk hedge for stable procurement. To ensure food safety, we collaborate with trading companies, wholesalers, and other relevant parties to directly visit production sites, regularly conducting inspections and providing guidance on hygiene management and quality control systems.

Manufacturing/Processing

The Product Department of the Group Product Division and the Tokyo and Kyoto factory acquired ISO 22000 certification, an international standard for food safety management systems, in October 2016. This is an international standard for providing safe, reliable products based on Hazard Analysis and Critical Control Point (HACCP) food safety management methods. In addition, under the slogan of "safety, trust, quality, and efficiency," we thoroughly implement safety management at our Hanamaru's noodle plants nationwide. In 2016, the Hanamaru Udon Chiba Plant in particular has achieved complete automation of the noodle production process, using machines to reproduce the skills of skilled craftspeople. Accumulating and quantifying manufacturing data also contributes to maintaining stable quality and improving technology.

Logistics

In the area of logistics, we participate in the White Logistics Movement, which aims to eliminate drivers' long working hours and excessive workloads. We are pursuing various initiatives, such as logistics improvement proposals and collaborations, order volume leveling, and consideration of legal compliance. Furthermore, for the improvement of logistics, the Group serves as a mediator to encourage cooperation among shipping companies, and utilizes in-house drivers for irregular deliveries. These efforts are leading to lighter workloads for drivers and to the improvement of operational efficiency. We also provide support for recruitment of drivers.

Cooking/Customer Service

In the interest of providing safe, secure meals, we conduct regular inspections and checks at all of our outlets nationwide, and all staff members are highly aware of food safety and comprehensively implement hygiene management. Manuals are used to standardize cooking and food management, ensuring an efficient operation system. And we are constantly striving to heighten quality, hospitality, and atmosphere (QHA) to provide our customers with a satisfying store experience. At Yoshinoya and Hanamaru, we conduct regular skills contests with the goal of refining and passing on our services and skills, and we are also working to improve our employees' technical capabilities.

Developing employee awareness

Our three pillars of safety

1 Development of management systems based on international standards	We have uniformly implemented a food safety management system based on the principles of FSSC 22000 and ISO 22000, from factories through logistics, and right through to our outlets. In addition, we have introduced hygiene management methods (such as HACCP) based on scientific evidence, developing a solid foundation for the safe management of food from procurement to serving.
2 Standardization based on Group standards	In addition to complying with laws and regulations, we have formulated our own Group standards that are applied across the entire Group. These have allowed us to construct a system that transcends the boundaries of different types of business—such as Yoshinoya, Hanamaru and our ramen business—enabling us all to achieve the same high standards of food safety, and thereby standardize safety practices.
3 Rapid and reliable crisis management system	To prepare for the eventuality of an accident, we have formulated the Group Food and Product Emergency Response Regulations and established a rapid and reliable crisis management system. We have established a system to ensure that, in the event of a serious accident, a risk management committee led by our Representative Director and President & CEO is immediately set up, and we take swift action to prioritize customer safety over financial losses, such as by promptly recalling products from the market.

▶Visualizing and improving our culture of food safety

We conduct regular employee awareness surveys to quantitatively measure the degree to which a culture of food safety has been developed in each organization. Based on these results, we are continuously raising the level to which this culture is fostered by focusing our training and improvement efforts on areas that remain underdeveloped.

▶Enhancing communication (internal and external)

Internal

In addition to implementing tiered training programs corresponding to each position, we are promoting the creation of video versions of our manuals and their translation into multiple languages to foster an environment where our diverse workforce can fully understand the content. In addition, by training area managers who can identify and improve issues at outlets, we are strengthening our front-line management system.

External

In addition to collecting and analyzing customer information to further improve safety, we proactively disseminate information on allergens and nutritional components through menu information and conducts its multilingualization, thereby fulfilling customers' right to know.

Material issues

Realizing diversity and inclusion to enable people to grow and thrive

As a company that pursues the value and joy that comes from human interaction, we will focus on improving the working environment, ensuring diversity, and pursuing human resource development.

SDGs addressed

Human capital management

Human capital management is a method of management that uses a company's human capital—including human resources, knowledge, and skills—as management resources to boost corporate value. Among the five material issues identified based on our Basic Sustainability Policy, the Group has set out to "realize diversity and inclusion to enable people to grow and thrive." For our Group, which offers everyday meals under the business philosophy of "For the People," the joy and sense of fulfillment that employees derive from their work is the origin of the service that supports our customers' delicious and fulfilling meals, and it is a value that can only be achieved by people. Respecting people's diversity and individuality and encouraging employee success and growth lead to the continuous creation of value that meets customers' changing needs, which in turn leads to the company's sustainable growth and the return of value to society.

Moreover, information disclosure related to human capital management heightens corporate transparency and leads to the establishment of a relationship of trust with stakeholders. The Group aims to boost corporate value by disclosing information on human capital to all stakeholders, including employees, customers, investors, business partners, and local communities.

▶Human Resources Development Policy

The Group considers all employees as potential executive candidates and provides everyone with fair and equal training opportunities. We provide our staff with challenging opportunities and specialist training and actively reassign employees to support personal growth. We also invest the necessary funds and create the necessary environments for promoting growth and learning.

▶Policy to Improve Internal Environments

The Group promotes diversity and inclusion, encourages a good work-life balance, and pursues wellness management to ensure all employees can enjoy strong physical and mental health and work in a safe environment.

Initiatives to maximize the value of human capital

Practice diversity and inclusion

We respect the diversity and personal characteristics of our people and strive to maximize each person's individual strengths. As part of that commitment, we seek to develop a company that enables all employees to demonstrate their full potential and play an active role while also fostering mutual trust. We will continue to use the diversity of knowledge that different individuals bring to the table to develop a more resilient response to change, create innovative new value, and solve issues for our customers and society at large.

▶Promotion of women's activities

With the aim of achieving sustainable growth, the Group is developing businesses to promote the use of our services by a broad range of customers—including women and families—and working to have more female employees involved in internal decision-making.

▶Support for diverse workstyles

We are fostering a workplace environment that facilitates good work for everyone through measures such as childcare leave, shortened working hours, job retention upon return from maternity leave, and exemption from overtime work. As a measure to support parents raising children during summer vacation when school meals are not available, we also provided a subsidy (grant) for costs to members of the Mutual Aid Association who purchased products from the Yoshinoya official online shop.

▶Promoting the active participation of people with disabilities and seniors

We are promoting the employment of people with disabilities—who we call "friend employees"—and providing them with opportunities to work in areas such as cleaning facilities and employee uniforms. Based on the Act on Stabilization of Employment of Elderly Persons, each of our operating companies in Japan is taking steps to rehire employees aged 60 or over.

▶Establishment of a fair treatment system

We set salaries based on a job grade system, regardless of gender, nationality, or age. The difference in wages between men and women results from differences in average years of service, and we are working to correct this through promoting the active participation of women.

Promote a good work-life balance

We have introduced and implemented employee leave systems to enrich our employees' private lives as well as communication measures to improve employee interaction and relationships. We also pursue wellness management after having positioned the mental and physical health of our employees as one of our key management pillars.

▶Revitalizing the organizational culture

Yoshinoya Holdings, Yoshinoya, and Hanamaru regularly assess the organizational culture to visualize employee attitudes and the state of the organization. In FY2022, we formed the Corporate Culture Enhancement Committee to further invigorate internal communication.

▶Ease of work

We grant paid leave not only to full-time employees, but to part-time workers as well, and have established a long-term service award that grants special leave to employees based on their years of service.

▶Internal communication

We continue to hold store managers' meetings twice a year, including online, to share messages from the President & CEO. We publish roundtable discussions in our internal newsletters and offer work experience programs for store managers and their families to promote shared knowledge of management policies and foster understanding among family members.

▶Wellness management

We conduct regular health checkups and stress checks for employees and part-time workers who satisfy certain conditions.

Develop human resources and support career development

We seek to build strong human resources by actively investing in talent development and career building that focuses on helping individual employees demonstrate their full capabilities and promoting long-term growth.

We offer educational training and tools tailored to the stage of learning of each individual to support career path realization. In addition, we have also introduced a framework for supporting self-development to aid employees in acquiring specialized knowledge and skills. Operating companies and all departments nominate candidates for executive slots and intentionally transfer them to new positions. We also publicly recruit staff for departments at the head office from among all employees—including store managers—and provide opportunities for growth by assigning selected personnel to system and product development roles. Moreover, we have created a database of human resources information to aid us in properly allocating personnel, and we are leveraging this in revitalizing human resource exchange within the Group and developing the next generation of leaders.

▶Refining cooking and customer service skills

We utilize video-based training tools to enable repeated learning of cooking and customer service processes. Yoshinoya and Hanamaru regularly hold various competitions and contests for employees to improve their operational skills

▶Educating and developing global human resources

We are cultivating foreign employees as future executive candidates and reinforcing our foundation for developing global human resources through education at stores in Japan and language study programs overseas.

▶Career development support

We have established a system for promoting part-time workers to full-time employees, and conduct monthly conversion tests. We support the growth of management personnel through store manager duties and training.

Material issues

FY2025 quantitative human capital data

			FY2024	FY2025
Practice diversity and inclusion	Percentage of female employees	Japan operations*1	21.6%	**26.5%**
	Percentage of women in management positions	Japan operations*1	12.5%	**13.3%**
	Percentage of childcare leave taken*1		Male 60.0% Female 100.0%	**Male 64.1% Female 100.0%**
	Number of employees using shortened working hour system upon returning to work after maternity leave*1		3	**1**
	Percentage of employees with disabilities (friend employees)*2		4.12% *Statutory employment rate: 2.50%	**4.70% *Statutory employment rate: 2.50%**
	Number of employees aged 65 years or over covered by social insurance*1		373	**396**
	Average wage gap between men and women*1 (ratio of women's wages to men's wages) and average years of service*1	Department heads	94.5%	**97.9%**
			Male 22.1 years Female 22.9 years	**Male 23.2 years Female 16.2 years**
		Management positions (area managers, etc.)	95.3%	**95.9%**
			Male 18.3 years Female 13.2 years	**Male 18.1 years Female 13.6 years**
		Non-management positions (store managers, etc.)	93.4%	**94.1%**
			Male 13.5 years Female 7.3 years	**Male 11.4 years Female 5.8 years**
Promote a good work-life balance	Percentage of paid leave taken*1	Employees	64.6%	**66.4%**
		Part-time workers	65.1%	**66.1%**
	Regular health checkup attendance rate (including part-time workers)*1		90.0%	**82.8%**
	Ratio of employees undergoing stress checks*3		51.1%	**43.0%**
	Percentage of employees recording high-stress levels in stress checks*3		18.2%	**19.7%**
	Employee turnover rate (within three years of joining the company)*1		28.8%	**23.4%**
Develop human resources and support career development	Number of employees (including part-time workers)*4		Total 17,250	**Total 18,107**
			Male 8,565 Female 8,685	**Male 8,958 Female 9,149**
	Number of foreign employees*1		Employees 63	**Employees 133**
			Part-time workers 2,927	**Part-time workers 3,477**
	Number of nationalities*1		34 countries worldwide	**38 countries worldwide**
	Percentage of employees with part-time work experience*1		76.8%	**76.7%**
	Percentage of employees in important positions (officers and department heads) with part-time work experience*1		42.2%	**48.5%**
	Percentage of managers aged 35 and under*1		15.4%	**13.3%**
	Number of hours of education or training per employee*1		32.5 hours/year	**39.7 hours/year**
	Educational investment per employee*1		64,679 yen/year	**64,343 yen/year**
	Number of training sessions conducted*1	Training for officers and department heads	19 sessions	**28 sessions**
		Selective training and external training	115 sessions	**147 sessions**
		Training for store managers	775 sessions	**582 sessions**

*1 Results across three companies: Yoshinoya Holdings, Yoshinoya, and Hanamaru
*2 Results across four companies: Yoshinoya Holdings, Yoshinoya, Hanamaru, and Sankosha Laundry Center
*3 Results across two companies: Yoshinoya Holdings and Yoshinoya
*4 Consolidated results for the Group (including overseas businesses)

Respect for human rights

Guided by the management philosophy of "For the People," Yoshinoya Holdings aims to fulfill its responsibilities as a sustainable and trusted company that engages with all of its stakeholders in a sincere and fair manner. Central to this is our respect for human rights. We established our human rights policy in March 2026 to uphold the dignity of all people, to embrace diverse values, and to remain a company in which everyone can engage with peace of mind.

The Yoshinoya Holdings Human Rights Policy

▶Basic approach and scope of application

We respect the human rights expressed in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. This policy pertains to all officers and employees, in and outside of Japan. Furthermore, we also seek the understanding and cooperation of our suppliers and other business partners.

▶Key themes concerning human rights

We position the following items as key themes and implement them appropriately.

- **Prohibition of discrimination** We respect the human rights of all individuals and do not discriminate on the basis of race, ethnicity, nationality, place of birth, gender, age, disability, religion, belief, ideology, background, gender identity, sexual orientation, employment status, or any other grounds. We endeavor to ensure fair and impartial treatment in all aspects of our business activities.
- **Prohibition of child labor** We believe that protecting children's rights and supporting their learning and healthy development form the foundation of a sustainable society, and we strive to eliminate child labor.
- **Prohibition of forced labor** We will not permit forced labor, and ensure that work is based on one's own free will. We endeavor to create workplace environments in which workers can undertake their tasks with dignity.
- **Payment of appropriate wages and management of proper working hours** We pay fair wages and manage working hours appropriately so that all employees can lead healthy and safe lifestyles. We strive to create environments to work in with peace of mind.
- **Equal opportunity in employment** In our recruitment practices, we comply with all relevant laws and regulations and make efforts to provide equal opportunities. We create environments where diverse human resources can thrive, realizing non-discriminatory employment.
- **Protection of workers and prohibition of harassment** We seek to create workplaces where employees can work with peace of mind, both physically and mentally, and promote the development of a safe working environment. We thoroughly implement measures to eliminate, and do not tolerate, harassment, abuse, discrimination, and bullying. We also respect freedom of association and the right to collective bargaining.
- **Respect for personal information and privacy** In handling personal information, we will comply with all relevant laws and regulations and respect and protect the personal information and privacy of all individuals involved or associated with our business.

▶Human rights due diligence

To ensure that our human rights initiatives are effective, we establish and continuously implement a framework of human rights due diligence. This is a process for regularly identifying and assessing human rights risks associated with business activities and supply chains, and implementing preventive and corrective measures. If by any chance concerns or actual instances of human rights violations come to light, we will listen to the voices of those involved, respond promptly and sincerely, and take remedial measures, as necessary. To advance such human rights initiatives, the company has established a clear promotion framework, which includes management, created a human rights subcommittee within the Sustainability Committee, and regularly deliberates upon human rights risks and confirms policy progress. We also strive for continuous improvement while incorporating coordination with audits conducted by the internal audit division. Reviews, reports, and proposals are deliberated upon by the Sustainability Promotion Committee, and the results are reported to the Board of Directors.

▶Consultation and whistleblowing framework and remedial measures

We have established multiple internal and external channels as systems for whistleblowing and consultation, and put in place mechanisms that ensure anonymity and confidentiality so that concerns regarding human rights violations can be raised with peace of mind. We strictly protect whistleblowers from disadvantageous treatment, and respond promptly and sincerely to all information received.

▶Educational and awareness activities

Yoshinoya Holdings' Group Management Division and Group Human Resources Division promote education and awareness to ensure that all individuals involved in our business activities understand the importance of respecting human rights, and so that each and every person can move forward on human rights. Moreover, together with carrying out employee training, we also seek understanding and collaboration on this policy from among our business partners and other stakeholders, striving to form a common awareness.

▶Information disclosure

Under this human rights policy, we will continue to act responsibly through our business activities to realize a society where the human rights of all people are respected. We also disclose information about these initiatives as appropriate through our integrated reports, website, and other channels.

Providing the joy of food and health to more customers, enabling them to have fulfilling lifestyles

We contribute to enriching people's lives by providing food with overwhelming value and developing safe products that contribute to health.

SDGs addressed

Food product quality

Our top priority is food safety. We have established a Food Safety Policy and comprehensively implement hygiene management to address risks including bacteria, viruses, allergies, pesticides, and foreign objects, from raw material procurement to the serving of food. We work to improve knowledge and practical skills through food hygiene training for employees and inspections conducted by third-party organizations, and we also provide our business partners with guidance for improvement to ensure quality.

Through our website and in-store tablets, we provide customers with allergy information and nutritional information, and check with Legal Affairs as needed before displaying this information.

Furthermore, in 2016, we acquired the ISO 22000 international standard and established a HACCP-based food safety system. We are making a companywide effort to provide safe, secure products.

Food safety and security initiatives

The Group has established stringent hygiene management and multiple check systems encompassing everything from raw material procurement to manufacturing and delivery at our outlets. We take responsibility for safety, security, and quality throughout all processes—raw materials, manufacturing, logistics, and outlet operations. We strive to provide products that consumers can trust through continuous improvement and innovation led by our frontline staff.

Secure safe beef

Numerous organizations and teams support safety in multiple layers from raw material procurement to the provision at our outlets to continuously provide beef our customers can rely on. The U.S. beef mainly used for our beef bowls strictly adheres to three safety standards, international, U.S., and Japanese standards, thus ensuring safety and security. In addition to stringent inspections conducted by the inspectors of United States Department of Agriculture (USDA) stationed permanently at the factories, upon entry into Japan, quarantine inspections are performed collaboratively by the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Health, Labour and Welfare. And we conduct final inspections in the form of visual checks through quality confirmation and trimming at our own factories, and have set up a system to immediately track and deal with any abnormalities.

Secure safe rice

Rice is a major agricultural product in Japan, and to ensure its safety, strict inspections are performed in accordance with relevant laws. In concrete terms, checks are conducted for the use of pesticides and fertilizers, as well as for the residue of pesticides, cadmium and other substances, and cultivation records are generated. Moreover, in accordance with Japan's Rice Traceability Act, Yoshinoya Holdings has established a system that enables it to rapidly trace the inspection records and history of all rice received. And we can trace the origin, brand, and grade of the blended rice supplied to each Yoshinoya outlet, as well as the production lot at the rice milling plant and the producer's inspection records. In the event of any quality problem, the distribution route in question can be identified swiftly to find causes and deal with the problem.

Hanamaru Udon quality control

While responding to change in line with the ongoing expansion of its business, Hanamaru Udon has been maintaining consistent quality control and safety management, encompassing everything from procurement of wheat flour, manufacturing, and logistics to cooking at outlets. Just like the ideal noodles pursued by Hanamaru Udon, we continue to create value with delicious Sanuki-style udon noodles with a balance between tenderness and firmness.

Hanamaru Udon noodles are made using our proprietary Hanamaru Flour made from carefully selected domestic wheat at five factories across Japan, and freshly delivered to outlets. The noodle production process is automated, and the digitization of craftsmanship ensures consistent quality. Moreover, we employ sensory inspections to standardize quality nationwide, while also focusing on temperature control and food loss reduction. In addition to managing noodle expiration dates, each outlet strictly adheres to time management for safety, including boiling, cooling, and holding times.

Health and nutrition

Placing great importance on providing health value, we undertake product development, material research, and industry-academia collaboration to ensure scientific validity. In addition to developing menus that incorporate foods for specified health uses and foods for nursing care, we promote research into functional materials, confirmation of their effectiveness for health, and effective use of materials from the perspective of the SDGs.

Specific examples

- Yoshinoya's Gyudon Namimori (regular-size beef bowl) provides 1/4 to 1/3 of the daily recommended intake of protein, fat, and carbohydrates.* And it has been confirmed to have no effect on health checkup results even after three months of continuous consumption.
- In a joint study with Doshisha University, we confirmed the second-meal effect that suppresses the rise in blood sugar after lunch by eating beef bowl in the morning.
- In collaboration with the Tohoku University Smart-Aging Research Center, Tohoku University, and NeU Corporation, we are jointly conducting a survey on breakfast habits and research into brain function through the consumption of breakfast meals incorporating rice.
- Along with Taiyo Kagaku Co., Ltd. and Kyoto Prefectural University of Medicine, we established the "Food and Health Research Chair," an endowed chair for joint research at Kyoto Prefectural University of Medicine, and are conducting research and development through industry-academia collaboration with the aim of extracting the maximum nutritional value from beef bowls.
- We concluded a comprehensive industry-academia partnership agreement with Kagawa Education Institute of Nutrition's Kagawa Nutrition University, based on which it is working on industry-academia collaboration in the areas of health, food, and nutrition with the goal of "healthy meals."

*Dietary Reference Intakes for Japanese (2020), for males aged 30–49 with physical activity level (PAL) II

Providing meals that are easy for everyone to eat and highly nutritious

With the aim of realizing a society in which nobody will lose their opportunities to enjoy food throughout their lives, since 2017, Yoshinoya has been rolling out the "Yoshinoya Gentle Meals" series for people whose ability to chew and swallow has declined. Products such as "Soft Beef Bowl Topping" and "Minced Beef Bowl Topping" are sold to pharmacies, hospitals, and other facilities, and have been introduced to over 10,000 hospitals and care facilities. More than 2.8 million of these meals have been provided through Nissin Healthcare Food Service.

The day service also offers a Yoshinoya Gyudon Recreation program, where employees wearing happi coats serve gyudon beef bowls. This initiative won the Food Industry Technology Achievement Award in the Marketing Category in 2024.

In 2023, Yoshinoya concluded a partnership agreement with Tochigi Dental Association (Japan) Inc., under which it is working to promote good health in late-stage elderly residents of Tochigi Prefecture. It is supporting the prevention of malnutrition through the consumption of meat to ensure adequate protein intake, and the creation of dining environments where people with dietary restrictions in terms of form and content can enjoy the same meals as their family members and loved ones.

In October 2025, we launched a new product, "Beef Congee." By creating a congee version, we were able to bring the deliciousness of our beef bowls to a nursing care setting, preserving the distinctive Yoshinoya taste while reducing sodium and making it easier to eat. As a retort pouch food, it can be eaten as is, making it a highly convenient product.

"Soft Beef Bowl Topping," "Minced Beef Bowl Topping," and "Tender Beef Congee" are all certified as Universal Design Food (UDF) products.

*What is Universal Design Food (UDF)?

UDF refers to food designed for ease of consumption, suitable for a wide range of purposes, from everyday meals to nursing care diets. There are many types, including retort pouch foods, frozen foods, and other processed foods, as well as "thickening agents," which add thickness to meals and beverages.

Number of "Yoshinoya Gentle Meals" served at hospital facilities through Nissin Healthcare Food Service Co., Ltd.

FY2021	FY2022	FY2023	FY2024	FY2025
610,000 meals	560,000 meals	640,000 meals	720,000 meals	650,000 meals

Contributing to local communities by operating businesses centered on food

By delivering high-quality services and culinary delights while respecting each region's needs and culture, we generate new value for local communities and contribute to their sustainable development.

SDGs addressed

Contributing to the improvement of health and safety of local communities

By delivering high-quality services and culinary delights while respecting each region's needs and culture, Yoshinoya Holdings generates new value for local communities and contributes to their sustainable development.

Yoshinoya delivers products to isolated islands and areas where there are no outlets using its Orange Dream catering trucks, and also offers local dishes such as Taco Rice in Okinawa Prefecture. Furthermore, as support for areas with people facing difficulties with their everyday shopping, we are selling "Soft Beef Bowl Toppings" through Tokushimaru mobile supermarkets.

Hanamaru offers udon noodles made with "Sanuki no Yume," a wheat variety grown in Kagawa Prefecture, at its outlets in some regions, mainly in Kagawa Prefecture. And we are endeavoring to strengthen ties with the local community by providing waste udon noodles for a biomass power generation experiment in Takamatsu City and engaging in other resource recycling initiatives in collaboration with communities.


Mobile supermarket Tokushimaru


Hanamaru udon with thick broth, topped with a soft-boiled egg

Disaster preparedness

Wanting people to be able to eat food that is both nutritious and delicious even during emergencies, Yoshinoya has developed a range of canned meals for emergencies. It also has "beef bowl topping," "beef curry," and "hashed beef" products that can be stored at room temperature, making them suitable as emergency food supplies. These products were recognized at the Disaster Prevention Goods Awards, which aims to promote disaster prevention awareness, with the "Canned Meal Beef Bowl 6-Can Set" winning the Excellence Award in 2023 and the full range of retort pouch food products garnering the Grand Prize in 2024.

In addition, in 2021, Yoshinoya concluded a partnership agreement for disaster prevention awareness-raising activities with Izumiotsu City in Osaka Prefecture, and is conveying the importance of disaster preparedness in the home through activities such as holding tastings of its canned meals at disaster prevention events. Furthermore, Yoshinoya is concluding agreements with prefectures all over Japan for the assistance of people who have been stranded after disasters. Some Yoshinoya outlets have a support system in place as "assistance stations," offering water and use of restrooms.

Addressing the issue of children skipping meals and eating alone

Since 2021, Yoshinoya and Hanamaru have provided warm, nutritious meals to children's cafeterias free of charge to address the issue of children skipping meals and eating alone. In August 2024, Yoshinoya began collaborating with Kids Future Passport, a non-profit organization that runs the Kodomo Gochimeshi initiative, expanding to all outlets from March 2025. Hanamaru also joined the effort in July 2025 and has been providing free meals ever since. Furthermore, in the summer of 2025, Yoshinoya collaborated with the NPO Musubie to provide support for children's meals using frozen gyudon beef bowl toppings. In the future, both companies will expand their partnerships with NPOs and corporations to actively promote food-based support activities aimed at creating a society in which children across Japan can grow up in good physical and mental health.

Yoshinoya

FY2021	FY2022	FY2023	FY2024	FY2025
32,513 meals	43,423 meals	46,476 meals	81,992 meals	219,173 meals

Hanamaru

FY2021	FY2022	FY2023	FY2024	FY2025
474 meals	1,390 meals	1,200 meals	1,721 meals	5,664 meals

Kyoto-based Kiramekino Mirai contributes to society through ramen

Kiramekino Mirai is running the "Kyoto-produced menma project," in which it produces menma—a popular ramen topping made from bamboo shoots—from bamboo forests in Kyoto to serve at the Kirameki no Tori ramen restaurants that it operates.

Bamboo forests grow at extremely fast rates, which has led to social issues in recent years. If they are not properly maintained, they can grow wild, blocking out the sun, killing trees around them and raising the risk of landslides. Taking note of this issue, Kiramekino Mirai purchased young bamboo from a bamboo grove in Kyoto Prefecture and cut it down to produce its own menma to serve to customers at its Kirameki no Tori ramen restaurants. Shifting the maintenance of bamboo forests from a volunteer activity to an economic enterprise marked a new step toward resolving the problem of neglected bamboo forests. Much of the menma used in the ramen industry today is foreign-made one. We believe that Kiramekino Mirai's initiative to locally produce purely-domestic menma, using bamboo forests in its own backyard of Kyoto, is an effective use of regional resources that will contribute to the local community.

Special volunteer leave scheme

Yoshinoya Holdings grants its employees two extra days of paid leave, in addition to regular annual leave, which they can take when participating in volunteer activities. Eligible activities include assistance at child welfare facilities, aged care facilities, and elderly households, assistance in disaster-stricken areas, disaster prevention activities, support for events for people with disabilities, and assisting at local sporting tournaments.

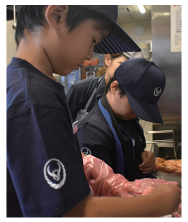
Increasing understanding of work and communication within families through work experience events

On multiple occasions every summer vacation season since 2012, Yoshinoya has held its "KIDS CAST" family work experience events.

At these events, staff can work alongside a family member (limited to elementary school-aged children and younger) to increase families' understanding of the work and promote communication within families.

Participating family members change into Yoshinoya uniforms and receive guidance on proper grooming. They wash their hands thoroughly and learn about hygiene management. After that, they enter the kitchen, which is normally closed to the public, and experience preparing side dishes and arranging beef for beef bowls. After cleaning tables and other areas of the restaurant, we set aside time for the family members to eat the beef bowls that they had prepared themselves for the first time and discuss what they felt and experienced during the day.

To date, up to and including FY2025, at least 387 people from 115 families have participated in KIDS CAST in total.







Building a sustainable supply chain through co-creation with suppliers

We will work with our suppliers to establish a sustainable supply chain by practicing environmentally and socially responsible procurement.

SDGs addressed

Maintaining safe stable procurement

The Product Department in the Group Product Division handles all procurement functions for food ingredients for the Group's businesses in Japan. This is done to reduce procurement costs and increase operational efficiency, as well as to maintain stable procurement and ensure the quality and safety of food ingredients.

Procurement Policy

To build a sustainable supply chain, we will conduct secure procurement in compliance with the following policy. We will also ensure that our suppliers and employees are aware of the policy and put it into practice.

- Procuring safe food ingredients in compliance with our quality control standards
- Building good relationships that will enable both suppliers and the Group to earn reasonable profits
- Improving quality and safety through communication between our employees and growers
- When selecting suppliers, the Group Product Division interviews them about their responses to illegal labor, human rights violations, and labor issues in the supply chain. It also ensures that suppliers are aware of the Group's policies on and approaches to human rights, and, after trading has commenced, conducts inspections based on an assessment checklist.
- We share our approaches to sustainability and our materiality with suppliers, in our aim to establish co-creation and build a sustainable supply chain with suppliers that are able to empathize and engage with those approaches.

Sustainable procurement and environmental conservation

We have uniformly implemented a food safety management system based on the principles of FSSC 22000 and ISO 22000, from factories through logistics, and right through to our outlets. Enforcing our own standards throughout the supply chain is an expression of our sincere commitment to food safety. This thorough management system allows our customers to feel secure at all times as they enjoy the ultimate deliciousness that we seek to create.

Food safety is a material issue for the Company and represents the greatest bond of trust between the Company and its customers. We foster an unwavering corporate culture of food safety by ensuring that each and every employee is committed to "doing what's expected of them as a matter of course." While maintaining our traditional flavors, we combine the latest technology with solid governance to deliver peace of mind to customers across all processes from procurement to serving.

Supplier audits

We conduct ongoing supplier audits with the aim of building a sustainable and safe supply chain for all our business partners. Our buyers regularly visit our suppliers' manufacturing plants, and collect day-to-day information and conduct periodic plant inspections, confirming, evaluating, and giving guidance about food safety processes. The results of these activities are documented, shared with suppliers, and used to drive improvement initiatives. In audits, an assessment checklist is used to evaluate the environment of the supplier's plant, the processes for finished products and ingredients, and other matters, to determine if the supplier is able to achieve a sustainable, stable supply while ensuring standards management and safety consistently at all stages from planning and procurement to consumption. The scope of audit activities and matters for checking are reviewed every year. In particular, for matters related to environmental and social issues and CSR, we have endeavored to share information and raise awareness through questionnaires.

Going forward, for the enhancement of co-creation with suppliers, we will formulate supplier sustainability action guidelines and expand CSR-related items in audits, in our aim to build a sustainable supply chain. Moreover, we collect as much information as possible about the state of employee management, consideration of human rights, pollution control, and antisocial behavior at our suppliers. We plan to include these factors into the matters for the assessment in the future. The results of food hygiene inspections are confirmed in cooperation with the Quality Control Division.

For CSR audits of overseas suppliers, instead of making judgments based only on local laws, customs, and current conditions, we also check against international standards and the laws and customs in Japan related to the matters in question.

If a supplier audit reveals any nonconformities or serious violations, upon confirmation of the facts, the supplier concerned will be asked to take corrective actions. If those corrective actions are not taken, we will respond accordingly, including reviewing our business with that supplier.

Education and training of buyers

We have established a structure to enhance buyer expertise and ensure ethical business. New buyers are given basic knowledge through practical plant training and hygiene training based on a prescribed curriculum. All buyers are educated on safety and security by the Quality Control Division. We also conduct training on environmental and social issues and on amendments to laws and regulations as necessary.

When buyers visit suppliers, they conduct on-site inspections through hands-on training accompanied by the Quality Assurance Department and deepen their understanding by linking knowledge with practical experience. Purchasing department staff comply with laws and regulations and with industry agreements and standards. They make efforts to gather information from the relevant government agencies, industry bodies, and suppliers. They also work on establishing and revising management methods by collaborating with relevant departments in the Group, including the Quality Assurance Department.

In contracts with our suppliers, with the full recognition that the Group is in a superior position to them, we strive to establish fair, reasonable, and transparent business relationships, to ensure that our suppliers do not gain the mistaken impression that they have entered into unfair business dealings.

The Group advocates and promotes the globally-recognized Five Freedoms of animal welfare. Buyers conduct inspections of livestock production sites to ensure that livestock production is not being conducted in poor conditions. We will continue to work closely with our suppliers to ensure that animals reared for our products are reared under a high level of welfare.

Cooperation with external organizations

To reduce our environmental impact and solve social issues, we actively collect information on innovative initiatives in Japan and overseas. As part of this effort, we engage in seminars and other activities in cooperation with companies in other industries. In addition, we participate in the Safety and Security Committee hosted by the Japan Foodservice Association.

Furthermore, in an effort to improve logistics, we participate in the White Logistics Movement, which aims to eliminate drivers' long working hours and heavy workloads. Specifically, we are pursuing initiatives, such as proposals and collaborations, order volume leveling, and consideration of legal compliance in logistics operations. Moreover, the Group serves as a mediator to encourage cooperation among shipping companies, and utilizes in-house drivers for irregular deliveries. These efforts are leading to the improvement of operational efficiency and to lighter workloads for drivers. We also provide support for recruitment of drivers and strive to build a sustainable logistics system.

For details on supply chain initiatives,
please see page 37 "Initiatives that ensure reliable quality throughout the supply chain."

Responding to climate change through environment-friendly business activities

We will implement measures that reduce our environmental impact while cutting food loss and costs so that we can achieve both global environment conservation and economic growth.

SDGs addressed

Environmental policy

Global movement to contain climate change has been gaining momentum, as exemplified by streamlining of energy and laws and regulations for measures to tackle global warming. Climate change-related transition risks may affect the Group's business performance. Taking these risks into consideration, we continue to work on addressing climate change through environmentally friendly business activities. As a provider of everyday food, we will implement measures in line with economic growth in response to the demands of society for action on climate change.

Reduction of food loss

Since our founding, "not wasting any food ingredients" has been well established as a guideline. We have been recycling the beef tallow generated when making Gyudon at Yoshinoya since the 1970s. In addition to this guideline, we view it as our social responsibility as a company involved in food to reduce the volume of food waste that ends up in landfill. We have set the reduction of food loss as a materiality KPI, and are continuing to pursue a host of initiatives to reduce the impact on the global environment group-wide.

Visit our website for details on our efforts to reduce food loss.
https://www.yoshinoya-holdings.com/english/csr/esg_environment/food_loss/

Yoshinoya Holdings initiatives

At every factory and outlet, we are working to reduce food waste and recycle resources. The recycling rate for food waste generated at our seven factories in Japan is 100% from FY2023 onwards.

Recycling rate for food waste at seven factories in Japan

FY2021	FY2022	FY2023	FY2024	FY2025
92.2%	99.9%	100.0%	100.0%	100.0%

Environmental conservation activities

We are promoting the reduction of specified plastics. We are promoting the inclusion of a notice on menu displays and various delivery service menus saying that spoons are not included. In addition, both the Yoshinoya and Hanamaru brands are taking the lead in Japan's Kansai region in voluntarily collecting and recycling waste PET resin from their outlets. Going forward, we aim to expand nationwide.

Furthermore, beginning in 2019, Yoshinoya has adopted LIMEX, a material made from limestone, in its grand menu to reduce the use of paper and petroleum resources. Beginning in 2020, for all of our takeout plastic bags, we switched to bags made from 25% biomass materials. In 2023, we started upcycling by using Rice Resin®, derived from domestically produced rice, as a raw material for one type of plastic bag. In the same year, we changed the ink material used for beef bowl containers to biomass ink, and introduced biomass tableware containing 55% eggshells in all outlets. This contributes to both reducing waste and curbing global warming.

In addition, we installed a solar power generation system on the rooftop of the Tokyo factory, achieving an annual reduction of 195 tons of CO_2 emissions. It should also lower the temperature on the roof by 10°C and by 3°C inside, contributing to energy conservation. From 2024, the Kyoto factory began recycling packages for raw materials to make recycled pallets for use at the in-house distribution center in the Kansai region.

Yoshinoya Tokyo factory introduces solar power generation

Responding to climate change (information disclosure based on the TCFD Recommendations)

The Group examined the impact of climate change on its business based on the risks and opportunities presented in the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

The Group positions sustainability at the core of management, and promotes it across the entire company. We newly established a Sustainability Promotion Committee in March 2024, chaired by the Representative Director and President & CEO, with directors as Vice Chairpersons and all executive officers as members. The Committee identified material issues and established KPIs under the supervision of the Board of Directors. Under the Committee, we have organized five subcommittees to solve specific issues in each field. The Group Planning Division plays a pivotal role in formulating and executing policies and measures in cooperation with the promotion departments responsible for handling material issues in the three areas of E, S, and G. Progress is shared and discussed with executives and general managers through the Sustainability Promotion Committee, and ultimately reported and submitted to the Board of Directors. The management team actively engages in discussion to promote unity between management and the workplace, improving our ability to put sustainability initiatives into practice. We will continue to foster awareness and entrench practices across the breadth of the organization, as we aim to realize a sustainable society and corporate value.

Strategy

Referring to reports issued by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), we analyzed the impact of climate change on our business under two scenarios: a decarbonization transition scenario (1.5°C scenario) and a high emissions scenario (4°C scenario).

Going forward, the Company will regularly reflect changes in climate-related parameters and the business environment, and continuously review risks, opportunities, and the content of countermeasures. We evaluate the degree of impact of each risk and opportunity identified, and conduct a more detailed analysis for major risks and opportunities before considering measures, thereby endeavor to minimize risks and maximize opportunities.

Risk management

With regard to the initiatives aligned with material issues identified by the Board of Directors, the departments in charge strategically promote initiatives through each member of the Sustainability Promotion Committee, and the same Sustainability Promotion Committee confirms and evaluates the progress of each activity as necessary. In addition, the initiatives of the Sustainability Promotion Committee, as well as the initiatives on the risks and opportunities related to business continuity and climate change, are reported to the Board of Directors and the Group Risk Management Committee, a risk management organization, on a quarterly basis, and are managed appropriately. The Company's Representative Director and President & CEO serves as the chairperson of the Sustainability Promotion Committee and the Group Risk Management Committee.

Metrics and targets

We have adopted metrics related to greenhouse gas (GHG) emissions and resource recycling for the assessment and management of climate change-related risks and opportunities, and we are managing their progress. In order to minimize the financial impact of carbon taxes, etc. identified in the scenario analysis, we have set the following reduction targets for our main business bases in Japan (Yoshinoya and Hanamaru).

Actual greenhouse gas (GHG) emissions/Scope 1, 2

Targets Annual reduction of 4.2% or more per unit of net sales

	FY2022	FY2023	FY2024	FY2025
Net sales (billions of yen)	138.9	155.6	168.6	184.1
Total GHG emissions (t-CO2e)	94,897	109,903	110,242	115,884
Scope 1	38,997	40,935	43,790	46,475
Scope 2	55,900	68,968	66,452	69,408
Emission intensity (t-CO2e/billion yen)	683.2	705.9	653.6	629.1

Water resource conservation

We manage water usage at our factories and outlets numerically and implement water conservation measures and wastewater treatment to conserve water resources. At our Tokyo and Kyoto factories, we are implementing measures including controlling water used during hand washing with water-saving taps and timers, optimizing water pressure, utilizing well water, and recording the volume of water used during cleaning. We strive to prevent water leaks and waste at all Yoshinoya and Hanamaru outlets by measuring the volume of water used every day and cleaning grease traps. In addition, we are thoroughly managing water purifiers and replacing filters to remove perfluoroalkyl and polyfluoroalkyl substances (PFAS), and we are working to reduce the amount of water used to wash rice through measures such as using pre-washed rice at some outlets.

Corporate Governance — Management Members (as of June 2026)

Conditions for appointment of directors and corporate auditors

Due to the wide variety of human resource requirements that the Company seeks to satisfy in order to promote flexible, rapid business development, the Company has not set a particular policy for the appointment of director and corporate auditor candidates. To achieve the objectives of the business plan, we select candidates based on their career and experience. If we determine, however, that certain criteria are needed for future business development, we will give them consideration as we deem appropriate.

Conditions for appointment of outside directors and outside corporate auditors

By appointing two of the five directors and two of the three corporate auditors from outside the Company, we incorporate external knowledge independent of management. Outside directors have many years of experience in a wide range of financial instruments in international financial institutions. They also boast extensive experience working with a diverse range of personnel and have for many years been involved in the development and construction of IT systems, and have corporate experience in advancing DX. The Company appoints independent outside directors with a wealth of experience in a vast array of areas, including the promotion of women's activities and diversity. Outside auditors provide accurate advice based on their expertise and insight as CPAs or lawyers and are appointed to monitor management.

Skills and experience of our directors and corporate auditors

Our Board of Directors, which governs and supervises the Group as a holding company, consists of members with diverse perspectives, profound experience, and advanced skills that facilitate the development of sound, highly transparent corporate governance and internal controls, enabling the Board to govern the Group appropriately. The Company believes that the Board of Directors as a whole is equipped with the necessary skills.

We have created the following skills matrix with ◆ marking the particular skills and experience of each director and corporate auditor based on their individual knowledge, experience, and capabilities. This list is not an exhaustive representation of each person's knowledge, experience, and capabilities.

On the Board of Directors as well, the Company will strive to further promote diversity and increase the proportion of female directors.

Skill	Definition
Corporate management/ management strategies	Experience at a listed company (or companies) or a company (or companies) equivalent to a listed company, or knowledge, experience, and capabilities related to corporate management and management strategies
Sales/ marketing	Sales experience and marketing knowledge, experience, and capabilities
M&A/ finance/ accounting	Knowledge, experience, and capabilities in financial strategy, capital markets, accounting and finance in financial institutions, financial accounting or investment departments, professional positions
Global expansion	Knowledge, experience, and capabilities in international transactions and overseas business at international companies.
Diversity/ personnel development	Knowledge, experience, and capabilities relating to the promotion of the Group's diversity and human resources development
Legal affairs/ compliance	Specialist knowledge and experience as a lawyer, etc., or specialized knowledge relating to corporate legal affairs, laws and regulations, etc.
DX/ innovation	Experience, knowledge and capabilities related to DX and innovation

	Name	Position	Classification	Career highlights	Start date	FY2025 Attendance: Board of Directors	FY2025 Attendance: Board of Corporate Auditors	Skills and experience: Corporate management/ management strategies	Sales/marketing	M&A/finance/ accounting	Global expansion	Diversity/ personnel development	Legal affairs/ compliance	DX/innovation
	Tetsuya Naruse	President & CEO	Internal	Tetsuya Naruse joined the Company in 1988. He was appointed Representative Director and President of Hanamaru, Inc. in 2012. Since 2018, he has served as CEO of ASIA YOSHINOYA INTERNATIONAL SDN. BHD. He was appointed President & CEO of the Company in May 2025.	May 2025	18/18 (100%)		◆	◆		◆	◆		
	Norihiro Ozawa	Executive Vice President & CFO	Internal	After having gained experience working in other industries in the U.S., Norihiro Ozawa served as Chief Executive Officer of Seiyo Food-Compass Group Inc. (currently Compass Group Japan Inc.) before being appointed Representative Director, Executive Vice President & CFO of the Company in May 2025.	May 2025	18/18 (100%)		◆		◆	◆			
	Yoshihiro Maeda	Director	Internal	Yoshihiro Maeda joined Hanamaru, Inc. in 2001. Since 2014, he has been in charge of launching new businesses and business development overseas as Executive Officer of the Company. He was appointed Representative Director and President of Hanamaru, Inc. in March 2022. He was appointed Director of the Company in May 2024.	May 2024	18/18 (100%)			◆		◆			
	Daisaku Fujikawa	Outside Director	Outside	Daisaku Fujikawa joined the Industrial Bank of Japan, Limited in 1984. After working at UBS Securities Japan Co., Ltd., he moved to Citigroup Global Markets Japan Inc. in 2006. He was appointed Vice President of Citigroup Global Markets Japan Inc. in February 2019. He was appointed as an Outside Director of the Company in 2022.	May 2022	18/18 (100%)		◆		◆				
	Nobuko Sowa	Outside Director	Outside	Nobuko Sowa joined IBM Japan, Ltd. in 1985. After serving as General Manager of IBM Japan Services Company, Ltd., she was appointed Senior Delivery Executive, IBM Consulting of IBM Japan, Ltd. in 2022. She has served as a visiting professor at Osaka University since 2017. She was appointed as an Outside Director of the Company in 2023.	May 2023	18/18 (100%)						◆		◆
	Yuriko Takano	Corporate Auditor	Internal	Yuriko Takano joined the Company in 1994. After serving as Executive Officer and General Manager of the Group Legal Affairs Department and General Manager of the Group Administration Division, she was appointed Corporate Auditor in 2026.	May 2026	— (—%)	— (—%)					◆	◆	
	Osamu Ohashi	Outside Corporate Auditor	Outside	Osamu Ohashi established Ohashi Certified Public Accountants in 1999. He has served as Representative Partner of ReEx Accounting Firm, a tax accounting firm, since 2004. He was appointed as an Outside Corporate Auditor of the Company in 2011.	May 2011	18/18 (100%)	14/14 (100%)			◆				
	Hitoshi Yokokura	Outside Corporate Auditor	Outside	Hitoshi Yokokura established Yokokura CPA Office in 2002. He was named Partner, Waseda Legal Commons, LPC in 2014. He was appointed as an Outside Corporate Auditor of the Company in 2023.	May 2023	18/18 (100%)	14/14 (100%)			◆			◆	

Corporate Governance — Approach and Structure

Basic approach to corporate governance

We have adopted "For the People" as our business philosophy and declared that all our business activities are conducted for the benefit of people. This is rooted in our recognition that a company is a public institution that exists to satisfy the needs of society and to contribute to people's happiness. "We will think for the benefit of people, give top priority to people, and be a company that is needed by people." We believe that enhancing management efficiency, soundness, and transparency is a key management issue. Achieving this will enable us to put our six core values into practice—"tasty, affordable, and fast," "greater number of customers," "originality," "integrity," "importance of human resources" and "challenges and innovation"—and continuously improve the corporate value of the Group, as well as to earn the trust of society as a company that recognizes the importance of compliance with laws and regulations and corporate ethics. To this end, we will strive to maintain and develop positive relationships with our various stakeholders, including shareholders, customers, employees, suppliers, and local communities, while increasing management transparency through timely and proactive information disclosure to shareholders and investors. This will be accomplished through financial results briefings, IR activities in Japan and overseas, information disclosure on our website, and other means.

Efforts to date to strengthen governance

Institutional design	**2007:** Transitioned to a holding company structure (company with Board of Directors and Board of Corporate Auditors)
Directors	**2007:** Introduced Executive Officer System (separation of supervision and execution) **2017:** Reduced term for directors to one year
Outside Directors	**2008–2014:** One person **2015–:** Two persons (one female)
Outside Corporate Auditors	**2008–2009:** Three persons **2010–:** Two persons
Internal control	**2008:** Established Group Hotline **2009:** Established Group Risk Management Committee **2008:** Formulated basic policy for the establishment of an internal control system **2015:** Revised
Assessment of effectiveness of the Board of Directors	**2017–:** Implementation **2021:** **2024:** Conducted third-party evaluation
Nomination/ remuneration	**2017:** Introduced the restricted stock-based remuneration plan **2021:** Changed the restricted stock-based remuneration plan **2017:** Executive Remuneration Advisory Committee **2018:** Executive Remuneration Advisory Committee **2021:** Remuneration Advisory Committee and Nomination Advisory Committee
Other	**2008:** Introduced takeover defense **2011:** Updated **2014:** Updated **2017:** Updated **2020:** Updated **2023:** Updated **2026:** Discontinued takeover defense **2016:** Established fundamental policy on corporate governance **2017:** Revised **2021:** Revised **2023:** Revised **2009:** Launched disclosure of convocation notice in English **2015:** Introduced agreement limiting liability **2018:** Launched electronic exercise of voting rights **2022:** Established Basic Sustainability Policy **2024:** Sustainability Promotion Committee

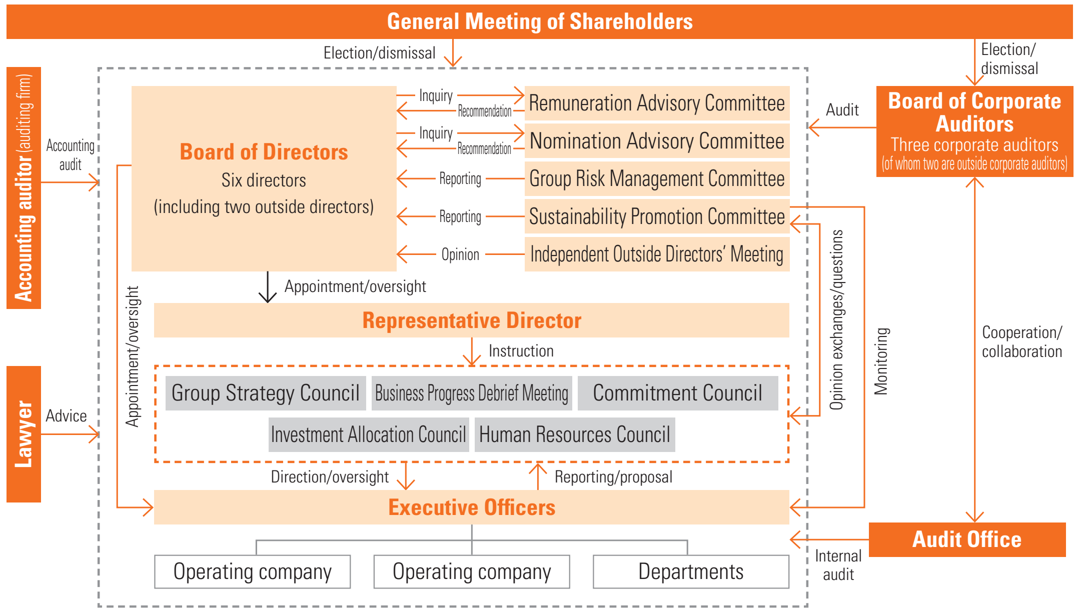
Background and characteristics of governance structure

Our Board of Directors is composed of individuals with expertise and considerable experience in the Group's industry. This includes general management, sales, financial accounting, marketing, and other specialties, giving maximum consideration to the perspective of diversity and ensuring that the Board suits the unique business characteristics of the Company. The Board of Corporate Auditors consists of people with knowledge of finance, accounting, and legal matters, including those with management experience, certified public accountants, and attorneys.

In addition, we have introduced an executive officer system, which separates management and execution, thereby accelerating decision-making at each of the Group's operating companies. Important matters are intensively discussed and examined by our directors and executive officers at Group Strategy Council meetings, Business Progress Debrief Meetings, Commitment Council meetings, and on other occasions.

The institutional design of each Group company is based on the premise of not having a Board of Directors, and flexible decision-making is carried out by the director or the executive officer in charge.

Corporate governance structure <FY2025>



Corporate governance structure

Institutional design
Company with a Board of Corporate Auditors

Number of directors
(**Independent outside directors**)
6 (2)

Term of office of directors
One year

Accounting Auditor
Deloitte Touche Tohmatsu LLC

Remuneration Advisory Committee

The role of the Remuneration Advisory Committee is to deliberate on the determination of remuneration and related matters for directors and executive officers, as well as on the details specific to each individual, and report to the Board of Directors. Specific responsibilities include activities to ensure objectivity in the deliberation of individual details of remuneration for directors and executive officers by viewing them from a neutral perspective based on key management indicators. The Committee also confirms the suitability of each executive officer's rating and the appropriateness of their workload for their respective areas of work.

Nomination Advisory Committee

The Committee's role is to share the human resource requirements and candidates for management positions and to report to the Board on the anticipated appointment of candidates for directors and executive officers the Committee selects.

Commitment Council

Reports on the annual status of business, presents the management plan for the next fiscal year to the directors and executive officers, and commits to the president the numerical targets to be achieved by the subsidiaries or the general managers of each department and division.

Operation of the Board of Directors and committees <FY2025>

	FY2025 activities/major agenda items
1 Board of Directors **Chairperson:** Tetsuya Naruse **Number of members and composition:** 6 (internal directors: 4, outside directors: 2) **Key roles:** In addition to regular items for resolution, reports on the status of each committee and projects in a timely manner. Strive to speed up decision-making and strengthen supervisory functions through active discussions and exchanges of opinions **No. of meetings/average attendance rate:** 18 times/100% (directors: 100%, corporate auditors 100%)	In FY2025, 18 meetings were held and the attendance rate of directors was 100%. In accordance with the Company's Regulations of the Board of Directors, etc., the Board of Directors resolved matters related to basic management policies and important business execution, as well as matters stipulated by laws and regulations and the Articles of Incorporation. In addition, the Board of Directors received reports on the status of important business execution, and conducted monitoring. Moreover, the Board held repeated discussions, deliberating on management policies aimed at the medium- and long-term improvement of corporate value, such as group financing, appropriate allocation of investments, and optimization of the business portfolio. The Board worked to make speedy, prudent management decisions on the issues of the day.
2 Remuneration Advisory Committee **Chairperson:** Daisaku Fujikawa **Number of members and composition:** 3 (Executive Vice President & CFO: 1, outside directors: 2)* **Key roles:** Offers advice to strengthen the independence, objectivity, and accountability of the Board of Directors' functions with respect to directors' remuneration and related matters **No. of meetings/average attendance rate:** 7 times/100% *From March to May 2025, the committee was composed of one Representative Director and President and two outside directors	In FY2025, the Committee met seven times, with 100% attendance by Committee members. From the viewpoint of objectivity and transparency where executive compensation is concerned, the Committee discussed and reviewed the evaluation criteria and remuneration table for directors and executive officers with the aim of achieving a balanced compensation level in accordance with each officer's area of business, social conditions, and market trends.
3 Nomination Advisory Committee **Chairperson:** Tetsuya Naruse **Number of members and composition:** 5 (Representative Director and President: 1, outside directors: 2, outside corporate auditors: 2) **Key roles:** Offers advice to strengthen the independence, objectivity, and accountability of the Board of Directors' functions with respect to the nomination of directors and related matters **No. of meetings/average attendance rate:** 1 time/100%	In FY2025, the Committee met once, with 100% attendance by Committee members. The committee primarily discussed expanding the scope for selecting the next generation of management executives and shared revisions and additions to the desired profile of next-generation candidates. It further discussed the provision of growth opportunities through personnel reassignment of the candidates.
4 Independent Outside Directors' Meeting **Chairperson:** Daisaku Fujikawa **Number of members and composition:** 4 (outside directors: 2, outside corporate auditors: 2) **Key roles:** Conducts free discussions on matters related to the Company's business and corporate governance, with independent outside directors and outside corporate auditors engaging in the necessary exchange of information and opinions and sharing of their awareness. **No. of meetings/average attendance rate:** 4 times/100%	In FY2025, the Committee met four times, with 100% attendance by Committee members. The Committee's discussions and opinion exchanges focused mainly on the Corporate Governance Code including the operation of the Board of Directors, as well as future growth strategy taking into account changes in the market environment, basic shareholder return policy, and human resource development policy. In response to points discussed at the Board of Directors meeting, the Committee further deliberated the issues to be reaffirmed and items to be proposed to the executive side.

Corporate Governance — Functional Effectiveness

Assessment of effectiveness of the Board of Directors

The Group evaluates the effectiveness of the Board of Directors with the aim of enhancing corporate value by improving the functioning of the Board. In addition, the Board of Directors is analyzed and evaluated at the end of each fiscal year, and a questionnaire survey based on the advice of an external organization is conducted approximately once every three years, and efforts are made to further improve its effectiveness.

Going forward, we will improve the quality of the various deliberations at the Board of Directors' meetings to strengthen corporate governance and to consistently enhance corporate value.

1. Evaluation method and process

Method of implementation:
Self-evaluation based on questionnaires created by the Company (responses include scoring and free comments)

Time of implementation:
Fiscal year-end

Period covered:
Board of Directors' meetings for each fiscal year

The subject of evaluation:
Directors (including outside directors), corporate auditors (including outside corporate auditors)

Question items:
(1) Nature and composition of the Board of Directors
(2) Operation and discussions of the Board of Directors
(3) Board of Directors' monitoring function
(4) Performance of internal and outside directors
(5) Support structure and training for directors and corporate auditors
(6) Dialogue with shareholders and other stakeholders
(7) Initiatives undertaken by the subjects
(8) Operation of the Nomination Advisory Committee and the Remuneration Advisory Committee
(9) General overview

2. Overview of evaluation results and future initiatives

Based on the responses to the survey, we confirmed that our Board of Directors is of an appropriate scale with a diverse range of talent, that an environment that enables the free expression of opinions on various management issues has been maintained, and that active discussions have been held. Moreover, we have confirmed that information is provided for discussion in a timely and appropriate manner, and that sufficient time is allocated for discussion, at the Board of Directors. We have further confirmed that sufficient cooperation between the internal audit division and directors and corporate auditors, as well as mutual cooperation among independent outside directors and outside corporate auditors, is ensured. It is our view that the Board of Directors is provided with opportunities to appropriately function as a supervisory body and that there are no issues with its effectiveness.

In addition, we believe that our outside directors possess sufficient knowledge, experience, and capabilities. We hold the Independent Outside Directors' Meeting (chaired by an outside director), which comprises two outside directors and two outside corporate auditors, on a quarterly basis to exchange views on an ongoing basis on matters such as the Company's corporate governance, including the nature of the Board of Directors. The effectiveness of the Board of Directors of the Company has been determined to be assured.

In order to ensure the effectiveness of the Board of Directors, the Company will continue to provide information to outside directors and outside corporate auditors and hold discussions, and strengthen cooperation with business executors and cooperation with corporate auditors. It will also strive to improve the quality of diverse discussions at meetings of the Board of Directors, such as those addressing management plans, business portfolios, the allocation of management resources, and further strengthening of the functions of the Board of Directors, and promote the continuous enhancement of corporate value through strengthening of corporate governance.

Remuneration, etc. of directors and corporate auditors

Remuneration, etc. for directors and corporate auditors consists of and is paid in the form of fixed, performance-linked, and stock-based remuneration, based on the following points to ensure a sound system design conducive to sustainable growth.

- **The system must promote sustainable, medium- and long-term improvements in corporate value.**
- **The system must reflect short-term performance and strongly motivate achievement.**
- **The system and amount of money paid must be sufficient to attract and retain talented personnel.**
- **The system must be transparent, fair, and reasonable to stakeholders, and it must be established through appropriate processes to ensure this.**

The level of remuneration for directors and corporate auditors, as well as fixed, performance-linked, and stock-based remuneration, will be determined with reference to the level of remuneration for directors and corporate auditors at listed companies of similar size as the company in terms of market capitalization and sales and profit levels of the previous fiscal year, etc., while considering the various fundamentals of the company's business and management environment. The basic timing for revision of fixed, performance-linked, and stock-based remuneration is May, but remuneration is not necessarily revised every year.

Generally, the composition of remuneration for directors other than outside directors* is as shown in the table.

Our stock-based remuneration plan provides for the issuance of stock as remuneration to directors, excluding outside directors, with transfer restricted until retirement from their positions. Our objective with the introduction of this system is to encourage our directors to further share value with our shareholders, reinforce their medium- to long-term commitment, and increase their intention to contribute to enhancing corporate value. For eligible directors, all monetary claims paid by the Company in accordance with this system will be transferred as property contributed in kind, and common shares of company stock will be issued or disposed of. The total amount of monetary claims to be paid to directors will be no more than 100 million yen per year (excluding the portion of employee salary for directors who serve concurrently as employees), and the timing and allocation of the payment will be determined by the Board of Directors.

Individual remuneration for directors is determined by the Remuneration Advisory Committee —consisting mainly of outside directors—based on the individual director's position, responsibilities, and performance during the applicable fiscal year. The Committee then submits its recommendations to the Board of Directors, which makes decisions on them.

Individual remuneration for corporate auditors is determined through discussions among the corporate auditors.

Composition	Fixed remuneration	Performance-linked remuneration	Stock-based remuneration
Senior directors	50〜70%	15〜30%	15〜20%
Directors	75%	15%	10%

*Calculation is based on the amount of basic remuneration.

Succession plan concept

To develop the Group's brand into the future, management must have a deep understanding of the Company's philosophy and put it into practice. We have positioned the development of the next generation of management as a key responsibility of the current management team, and therefore we established the Nomination Advisory Committee, chaired by the Representative Director and President with outside directors and outside corporate auditors as members.

With the objective of shaping governance in accordance with our company's unique value creation story toward sustainable future growth, we endeavor to clearly define requirements for management personnel, ensure transparency in the selection process, and share information on candidates and their skills and development issues through the Committee's operation.

This has strengthened the function of the Board of Directors in nominating the representative director and directors, while ensuring their independence, objectivity, and accountability.

With regard to the development of candidates for next-generation management brought to our attention by the Nomination Advisory Committee, we will provide growth opportunities through personnel reassignment, training, etc., and systematically promote their development. Moreover, we are revising our personnel and evaluation systems to expand the pool of talented young management candidates.

Internal control system

We are striving to strengthen and enhance the internal control system throughout the Group from the perspective of ensuring management transparency and efficiency, legal and regulatory compliance in our corporate activities, and appropriate risk management.

As a system to ensure that the execution of duties by directors and employees is in compliance with applicable laws, regulations, and the Articles of Incorporation, our business philosophy and action guidelines are shared and practiced at each Group company. Furthermore, internal training is conducted to ensure compliance with laws, regulations, and the Articles of Incorporation and to ensure thorough adherence to corporate ethics. Concerning financial reporting, we have established internal accounting rules to properly prepare financial reports in accordance with laws and regulations and evaluate and improve their implementation and operation status in line with annual plans.

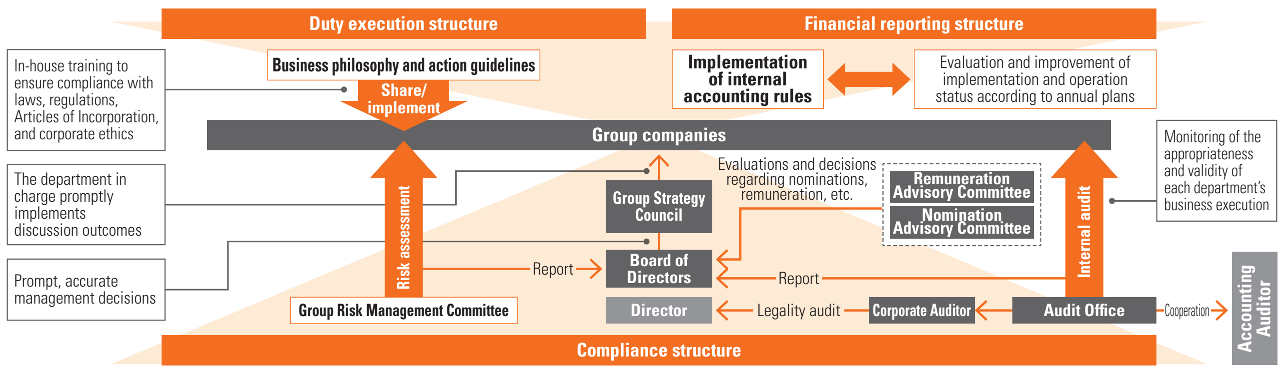
The Group Risk Management Committee is responsible for evaluating the status of compliance and risk management and reports to the Board of Directors.

In addition to monthly meetings, the Board of Directors meets as necessary, and meetings including those of the Group Strategy Council are also held with the purpose of supplementing prompt and accurate management decisions. The departments in charge then promptly implement the decisions resulting from discussions at these meetings. The Audit Office then conducts internal audits of the Company or each Group company in accordance with the audit plan approved by the representative director. The results of audits conducted by the Audit Office are reported to the president, the executive director in charge of the relevant division, and the corporate auditors at the Audit Report Meeting. Moreover, our directors and executive officers concurrently serve as directors and corporate auditors of each Group company. Through this and other means, they keep abreast of the decision-making and business operations of the subsidiaries, thereby ensuring appropriate supervision.

Corporate auditors audit the legality of operational execution by directors in accordance with the audit plan formulated by the Board of Corporate Auditors. In addition, corporate auditors attend meetings of the Board of Directors and other important meetings to receive reports on important matters. In conducting audits, corporate auditors exchange opinions and cooperate with the Audit Office and the accounting auditor.

Moreover, we have the Remuneration Advisory Committee and the Nomination Advisory Committee as voluntarily established advisory bodies to the Board of Directors. The supervisory function has been strengthened by further clarifying and objectifying the evaluation and decision-making process regarding the nomination, remuneration, and other matters concerning directors, leading to further improvement of the internal control system as well.

Internal control system of Yoshinoya Holdings (as of June 2026)



Compliance

Basic approach to compliance

As seen in the spirit of our business philosophy "For the People" and as a company that can contribute to people around the world through business activities, we have positioned compliance as a top priority. We will also comply with corporate ethics and practice risk management based on the spirit of the Group Charter of Corporate Behavior.
The management of each Group company will take the initiative in implementing the above and ensure that all employees possess a full awareness of the Charter to ensure that they strictly comply with corporate ethics.
In the event of a violation of the Group Charter of Corporate Behavior, the management of each Group company will investigate the cause and strive to prevent recurrence, promptly and accurately disclose information to fulfill our accountability, and take strict disciplinary action against violators including ourselves if applicable.

Yoshinoya Holdings Group Charter of Corporate Behavior
https://www.yoshinoya-holdings.com/english/csr/management/compliance/

Promotion system and structure

A meeting of the Risk Management Office personnel is conducted on a monthly basis, consisting mainly of persons in charge of compliance in each Group company.

Tasks performed at the meeting include exchanging information on risk management, compliance activities, and the operation of the whistleblowing system. These tasks help identify important issues that should be given priority and examine basic policies and concrete measures for dealing with these issues. On-site improvements are sought by feeding back such information to the relevant division of each company, thereby promoting the compliance system within the Group in an integrated manner.

In addition to a point of contact for whistleblowing established at each company, we have the Group Hotline in place, serving as a common point of contact for all Group employees. Yoshinoya Holdings' self-cleansing function within its organization is boosted by operating such points of contact in an appropriate manner while making the objectives and method of using the internal reporting system understood and widely known among employees through the Group Compliance Guide, posters, internal newsletters, and other means.

Compliance education

We promote on-site knowledge education and actual activities by distributing our Group Compliance Guide to all employees at Group outlets and at headquarters, including directors and corporate auditors, as a tool for compliance education. By doing so, we are striving to spread compliance across the entire workplace. The Group Compliance Guide is revised every three years in response to the enactment, amendment, or repeal of laws, regulations, and other rules as well as changes in social conditions and the environment, and is distributed to employees.

Moreover, we regularly conduct compliance training targeting different employee groups, such as officers, managers, and new Group employees, to raise awareness of compliance among all employees. For outlet staff members, we are working to deepen their understanding of the importance of compliance through compliance videos, internal newsletters, and notices. We are also focused on raising awareness of compliance practices in their daily operations with regard to such issues as food safety and security, human rights, harassment, and the use of social media platforms, all of which have also been of great social concern. In particular, we recognize that food safety and security is the most important issue in light of the characteristics of the Group's business, and are working to ensure that all Group employees thoroughly comply with standards, manuals, and guides to deliver appropriate products and services.

Furthermore, the topic of compliance is included in the coverage of our internal qualification examination as a means of confirming that employees have acquired compliance-related knowledge.

Internal reporting system

A Group Hotline has been established within the Company as a contact point for internal reporting. In the event of a whistleblower report, the Legal Affairs Department either instructs the relevant department of each company to investigate and respond to the report, or investigates and responds to the report itself. The department then reports back to the whistleblower on how the matter has been dealt with, and confirms whether corrective action has been taken. The contents of these reports are reported to the Board of Directors on a quarterly basis through the Group Risk Management Committee as part of updates on the status of system operation. Moreover, each Group company has its own whistleblower hotline.

We have established a comprehensive system to ensure the protection of the anonymity of whistleblowers and those who cooperate in investigations and that they are not treated unfavorably. We regularly report and manage report details and response status. The Company and each Group company have established whistleblower regulations in accordance with Japan's Whistleblower Protection Act and manage them appropriately.

Risk Management

Basic approach to risk management

In order to achieve sustainable growth, we endeavor to establish and improve risk management systems so that we can identify various risks that may hinder the achievement of our business objectives at an early stage and take appropriate measures to counter them, while at the same time dealing promptly and appropriately with risks as they arise.
Our initiatives to this end are based on the policy of compliance with laws, regulations, the Articles of Incorporation, the Group Charter of Corporate Behavior, and various company regulations. Under the supervision of the Group Risk Management Committee, we identify risks in the light of developments in the legal systems and the social environment and take appropriate preventive measures. If a significant risk materializes, we respond appropriately to minimize the damage and consider and implement effective measures to prevent recurrence.

Risk management system and structure

The risk management system is overseen by the Group Risk Management Committee, which formulates policies and issues instructions to be followed regarding important risks that may affect the entire Group. The Committee is chaired by the Representative Director and President of the Company.

The system is designed to ensure that each department manager of the Company identifies, classifies, evaluates, and effectively manages our potential risks. In subsidiaries and other entities, this is carried out by the corresponding risk management organization or the person responsible.

Each department manager, subsidiaries, and other entities report quarterly on the status of risk management and events that occurred to the Group Risk Management Committee, which then reports to the Board of Directors.

If a significant risk materializes, it is promptly reported to the chairperson of the Committee, who in turn convenes a meeting of the Group Risk Management Committee and gives instructions to the secretariat. Information management in a "Level 2 (warning)" or higher situation—which requires an emergency response—will be carefully reviewed in coordination with regulatory authorities, related organizations, and each department as necessary, and appropriate measures to be taken.

Risk identification and response criteria

We have identified a total of 24 risks: 12 external environment risks and 12 operational risks that may affect the performance, financial condition, stock price, and other aspects of the Company, its subsidiaries, and other entities. Five of these risks—reputational risk; natural disaster risk; legal, regulatory, and business practice risk, which are categorized as external environment risks, food safety risk, and accident risk, which are categorized as operational risks—are positioned as particularly important matters that require urgent risk communication and information gathering.

If and when these risks materialize, we will take prompt and appropriate action as instructed by the Group Risk Management Committee.

The response criteria are classified into three levels: Level 1 (caution), which calls for a standard response; Level 2 (warning), which requires an emergency response; and Level 3 (critical), which mandates a companywide response.

However, these criteria are not absolute, and we will always respond with the principle of stakeholder protection as the number one priority.

External environment risk		Operational risk	
Raw material procurement	**Natural disasters**	Decision-making information	**Accidents**
Capital procurement	Brand	**Food safety**	Disputes
Market	**Laws, regulations, business practices**	Financial reporting	Suppliers
Competitors	Environment	Impairment	Compliance
Customers	Country	Information system	Personnel
Reputation	Climate change	Products/services	Shareholders

Urgent and critical risks

Level 1	Caution	**Standard response** • Losses relatively minor and limited in scope
Level 2	Warning	**Emergency response** • Single occurrence with significant impact • Expanded scope of loss due to multiple occurrences • Potential media coverage
Level 3	Critical	**Company-wide response** • Particular need for risk communication • Significant social impact

Stakeholder Engagement

We have established a set of promises to share the value attained through co-creation and to grow together with all stakeholders involved in the Group's corporate activities.

	Promise	Primary methods of engagement	Actual results for FY2025
Customers	We will continue provision of originality-rich products and services to satisfy as many customers as possible.	● Communication at outlets ● Customer service center ● Customer survey ● Website, social media	**Under the policy of customer acquisition, we aggressively promoted initiatives to heighten customer satisfaction and broaden our customer base.** **Yoshinoya** ● Developed and launched new products as appropriate, such as Gyutama Stamina Mazesoba and Thick-sliced Pork Kakuni Set Meal. ● Increased the number of C&C model outlets by 50 to 590 ● Strengthen sales promotion through Super Extra-Large Festival and IP collaboration **Hanamaru** ● Implemented campaign measures such as Tempura Commuter Pass ● Sales of seasonal menu items such as Cold Tantan udon
Employees	Respect employee individuality and independence, impartially create opportunities, and share a sense of achievement in work and a sense of fulfillment in life. By continuously improving the work environment and elevating the social status of the Company, we will become a company in which employees and their families can be proud of.	● J-Yoshinoya*1 (Yoshinoya) and Life Work Balance (LWB) Committee*2 (Hanamaru) activities ● Employee training ● Corporate Culture Improvement Committee activities ● Organizational culture assessment ● Hold store managers' meetings (employee assemblies) twice a year ● Hold roundtable discussions between the President & CEO and store managers ● Internal newsletter ● Conduct regular health checks ● Internal reporting system and whistleblower hotlines	**We implemented initiatives to contribute to promotion of diversity and inclusion.** **Practice diversity and inclusion** ● J-Yoshinoya: 10 times ● Percentage of female employees: 26.5% ● Percentage of women in management positions: 13.3% **Develop human resources and support career development** ● Internal contests over service and operational quality **Promote a good work-life balance** ● LWB Committee held 11 meetings
Suppliers	Maintain good relationships with suppliers and continue to offer opportunities to acquire appropriate profits.	● Supplier audits ● Discussion on the status of response to human resources and labor issues when selecting business partners ● Communication with producers ● Participation in the White Logistics Movement	**We worked to ensure stable procurement by bolstering our supply chain risk management and communication with suppliers.** ● Supplier audit participation ratio: 100%
Shareholders	Strive to grow our business through sound corporate governance with capital efficiency and proactive information disclosure in mind and appropriately return profits to shareholders.	● Financial results briefing ● Meetings with analysts and investors ● Shareholders' Meeting ● Corporate website ● Shareholder survey ● Shareholder benefit program	**We undertook IR activities that contribute to improving engagement with shareholders and formulated a sustainability promotion structure.** **Reinforce IR activities** ● Implement shareholder survey **Increase in annual dividend per share** ● 20 yen → 22 yen **Sustainability promotion** ● Sustainability Promotion Committee: 4 times
Society	Fulfill our social responsibility as a corporate citizen by practicing sustainable business activities for protection of the global environment and resources and by giving back to the local community and participating in social welfare activities.	● Environment-friendly business operations ● Social contribution activities ● Disaster support	**We worked to reduce environmental impact at our factories and undertook activities to contribute to local communities nationwide.** ● Received the 34th Food Safety, Security and Environmental Contribution Award for our efforts in using a superheated steam dryer to upcycle onion scraps. ● Number of meals supplied in food support for children: 224,837 ● Hanamaru entered into a comprehensive partnership agreement with Takamatsu City in Kagawa Prefecture, the place where Hanamaru was founded, for the purpose of revitalizing the local community and improving citizen services. ● Kiramekino Mirai implemented the Kyoto-produced Menma Project 2025 to make use of neglected bamboo forests to domestically produce and provide menma

*1 J-Yoshinoya: A project that leverages the perspectives of women in an aim to foster a workplace environment where everyone is able to work comfortably. We actively promote the advancement of women by encouraging them to make their own proposals and communicate.

*2 The LWB (Life Work Balance) Committee aims to foster a workplace where all employees are able to work with peace of mind. As part of the initiative, the Company promotes the use of days off, reduces overtime work, and actively supports childcare leave and nursing care leave for male employees. We promote a workplace where employees can easily balance family and work.

Examples of initiatives

Engagement with investors

One of our basic corporate governance policies is to engage in active dialogue with investors.

Dialogue with institutional investors is led by members of Corporate Communications and Investors Relations in the Group Planning Division and is conducted through financial results briefings and over 120 individual meetings per year. In addition, we have disseminated information to a broad range of investors via a real-time online distribution of the General Meeting of Shareholders and financial results briefings.

In individual meetings, we engaged in a vigorous exchange of views with institutional investors on the progress of the Medium-term Management Plan, management strategies, and business performance forecasts.

In addition, in FY2025, through direct communication between the Company's management and institutional investors, including a Medium-term Management Plan presentation meeting and three small meetings, we provided an opportunity for investors to deepen their understanding of the Company's strategies.

The details of these meetings are documented and regularly reported to the Board of Directors to share with management. We will continue to engage with investors to incorporate market feedback into our management, which should contribute to achieving sustainable growth.

Shareholder benefit program

We have a shareholder benefit program in place with the purpose of encouraging our shareholders to use the Group's products, to deepen their understanding of our business, and to further support us as fans of the Group. Under this program, shareholder meal coupons are issued to eligible shareholders at the end of February and August every year according to how many shares they own, allowing them to enjoy meals at the Group's outlets in Japan. (You can see a list of outlets where these coupons are redeemable on our corporate website.)

*Example of our set of assorted products

In addition, shareholders who hold 200 or more shares can also exchange their shareholder meal coupons for a set of assorted Group products instead of using the coupons at an outlet by applying before the exchange deadline.

← Shareholder meal coupons
Scan QR code for a list of outlets where shareholder meal coupons are redeemable. (Japanese only)

Scan QR code for details of the shareholder benefit program. (Japanese only) →