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Notice of the 43rd Ordinary General Meeting of Shareholders and General Meeting of Class Shareholders by Common Shareholders

Date and Time:

10:00 a.m. on Friday, **June 27**, 2025
(Reception scheduled to open at 9:00 a.m.)

Venue:

“Prominence” Ballroom, B1F,
ANA InterContinental Tokyo
1-12-33 Akasaka, Minato-ku, Tokyo

ZÉNSHO

Zensho Holdings Co., Ltd.
(Securities Code: 7550)

Proposal to be resolved

- | | |
|----------------|---|
| Proposal No. 1 | Partial Amendment to the Article of Incorporation (Amendment to Allow Issuance of Bond-Type Class Shares) |
| Proposal No. 2 | Partial Amendment to the Article of Incorporation (Amendment to Convener and Chairman of General Meetings of Shareholders and Meetings of the Board of Directors) |
| Proposal No. 3 | Election of 9 Directors (excluding Directors who are Members of the Audit & Supervisory Committee) |
| Proposal No. 4 | Election of 4 Directors who are Members of the Audit & Supervisory Committee |
| Proposal No. 5 | Revision of Compensation Amount Pertaining to Monetary Compensation for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) |
| Proposal No. 6 | Revision of Compensation Amount Pertaining to Monetary Compensation for Directors who are Members of the Audit & Supervisory Committee |

Deadline for Exercising Voting Rights by Mail or via the Internet, etc.:

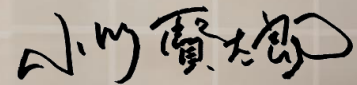
Delivery by 5:30 p.m. on Thursday, June 26, 2025

To Our Shareholders

Representing the food service industry originated in Japan, we reached our goal to become the first to achieve net sales exceeding 1 trillion yen.

In this way, we have demonstrated our dedication to taking responsibility for the stability and development of human society.

Kentaro Ogawa
Representative Director,
Chairman, President & CEO
Zensho Holdings Co., Ltd.



Thank you for your continued kind support.

I would like to take this opportunity to address you as you read this Notice of the 43rd (fiscal year ended March 31, 2025) Ordinary General Meeting of Shareholders and General Meeting of Class Shareholders by Common Shareholders.

In recent years, the world has faced heightened instability stemming from international conflicts and disputes as well as environmental issues, and there have been continued increases in the cost of raw materials and energy. Even amid this severe environment, the Zensho Group is committed to continuing to seek growth and fulfill our social responsibility.

Our business results for the fiscal year under review were net sales of 1,136,684 million yen, operating profit of 75,128 million yen, ordinary profit of 71,890 million yen, and profit attributable to owners of parent of 39,290 million yen. With this, we reached our goal to become the first food service company originating

in Japan to achieve net sales exceeding 1 trillion yen.

The Zensho Group is unique for our unparalleled strength in embracing various growth engines, including Sukiya, Hamasushi, and sushi takeout businesses in overseas markets. We will continue to grow by increasing the speed at which we open new restaurants throughout the world and creating establishments that please our dedicated customers.

“Stock companies” have the ability to reach across international borders. We have demonstrated our dedication to expanding our association with those who share our philosophy and taking responsibility for the stability and development of human society through our commitment to building food infrastructure that guarantees the stable production and supply of food products, and providing our customers with a wide selection of value-added products.

We hope that you, our shareholders, will continue to support us as partners in realizing our philosophy.

To Shareholders with Voting Rights:

Kentaro Ogawa, Representative Director,
Chairman, President & CEO
Zensho Holdings Co., Ltd.
2-18-1 Konan, Minato-ku, Tokyo

Notice of the 43rd Ordinary General Meeting of Shareholders and General Meeting of Class Shareholders by Common Shareholders

Dear Shareholders:

Thank you for your continued patronage and support.

Notice is hereby given that the 43rd Ordinary General Meeting of Shareholders and General Meeting of Class Shareholders by Common Shareholders of Zensho Holdings Co., Ltd. (the “Company”) will be held for the purposes as described below. In convening this General Meeting of Shareholders, measures for electronic provision of information are implemented. The matters subject to the measures for electronic provision are posted on the following websites on the Internet as the Notice of the 43rd Ordinary General Meeting of Shareholders and General Meeting of Class Shareholders by Common Shareholders.

In addition to the Company’s website, the Company also posts this information on the Tokyo Stock Exchange (TSE)’s website. Please access the TSE’s website (TSE Listed Company Search) below, enter and search for the issue name (company name) or the securities code, select “Basic information” and “Documents for public inspection/PR information,” in that order, and inspect the information.

The Company’s website
<https://www.zensho.co.jp/en/ir/investor/shareholders.html>



TSE’s website
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet, etc. In either case, please complete the procedures such that the exercise of your voting rights arrives by 5:30 p.m. on Thursday, June 26, 2025, Japan time.

1.	Date and time	Friday, June 27, 2025, at 10:00 a.m. Japan time
2.	Location	“Prominence” Ballroom, B1F, ANA InterContinental Tokyo 1-12-33 Akasaka, Minato-ku, Tokyo
3.	Meeting Agenda Matters to be reported Proposal to be resolved:	<div>1. The Business Report, Consolidated Financial Statements, and results of audits by the Accounting Auditor and Audit & Supervisory Committee of the Consolidated Financial Statements for the 43rd fiscal year (April 1, 2024, to March 31, 2025)</div> <div>2. Non-consolidated Financial Statements for the 43rd fiscal year (April 1, 2024, to March 31, 2025)</div> <div>Proposal No. 1 Partial Amendments to the Article of Incorporation (Amendment to Allow Issuance of Bond-Type Class Shares)</div> <div>Proposal No. 2 Partial Amendments to the Article of Incorporation (Amendment to Convener and Chairman of General Meetings of Shareholders and Meetings of the Board of Directors)</div> <div>Proposal No. 3 Election of 9 Directors (excluding Directors who are Members of the Audit & Supervisory Committee)</div>

Proposal No. 4	Election of 4 Directors who are Members of the Audit & Supervisory Committee
Proposal No. 5	Revision of Compensation Amount Pertaining to Monetary Compensation for Directors (excluding Directors who are Members of the Audit & Supervisory Committee)
Proposal No. 6	Revision of Compensation Amount Pertaining to Monetary Compensation for Directors who are Members of the Audit & Supervisory Committee
Proposal No. 1 will be resolved at both the Ordinary General Meeting of Shareholders and the General Meeting of Class Shareholders by Common Shareholders.	

- Regarding paper-based documents sent to shareholders who have requested delivery of paper-based documents Pursuant to the stipulations of laws and regulations and Article 16 of the Company's Articles of Incorporation, the following matters are not included in said documents.
The Audit & Supervisory Committee and the Accounting Auditor audit the documents subject to audit, which include the following matters.
 - (1) "Matters concerning outside officers" and "Overview of content of directors and officers liability insurance agreement," "Status of Accounting Auditor," "Systems to Secure the Appropriateness of Operations," "Operational Status of Systems to Secure the Appropriateness of Operations" and "Policy for Determining Dividends of Surplus, etc." in "Status of the Company's officers" of the Business Report,
 - (2) "Consolidated Statement of Changes in Shareholders' Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
 - (3) "Non-consolidated Statement of Changes in Shareholders' Equity" and "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements

In the event of any revisions to the matters subject to the measures for electronic provision, the revisions will be posted on the respective website where they are posted.

Guide to the Exercise of Voting Rights

Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights. The following three methods are available for the exercise of voting rights.

If attending the General Meeting of Shareholders

Date and time: **Friday, June 27, 2025,
at 10:00 a.m.**

Please submit the enclosed Voting Rights Exercise Form at the reception desk.

If mailing the Voting Rights Exercise Form

Exercise deadline: **Thursday, June 26, 2025,
at 5:30 p.m.**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and reply such that it arrives by the exercise deadline. If no indication of for or against is made on the Form, it will be treated as a vote for the proposals.

If exercising voting rights via the Internet

Exercise deadline: **Thursday, June 26, 2025, at 5:30 p.m.**

Please access the Voting Rights Exercise Website (<https://www.web54.net>) designated by the Company and exercise your voting rights.

Entering voting rights exercise code and password

Voting Rights Exercise Website: <https://www.web54.net>

1. Please access the Voting Rights Exercise Website.
2. Please enter the “Voting Rights Exercise Code” indicated on the Voting Rights Exercise Form.
Enter the “Voting Rights Exercise Code”
Click “Login”
3. Please enter the “Password” indicated on the Voting Rights Exercise Form.
Enter the “Password” and set a new password that you will actually use.
Click “Register”
4. Indicate your vote for or against in accordance with the on-screen instructions.

“Smart Exercise” by reading the QR Code with a smartphone

You can login to the Voting Rights Exercise Website without entering a Voting Rights Exercise Code or password.

1. Please read the QR Code provided on the bottom right of the Voting Rights Exercise Form.
* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Indicate your vote for or against in accordance with the on-screen instructions.

Voting rights may be exercised via “Smart Exercise” only once.

If changing your vote after you have exercised your voting rights, please access the Voting Rights Exercise Website, login with the “Voting Rights Exercise Code” and “Password” indicated on the Voting Rights Exercise Form and exercise your voting rights again.

Please contact the support desk below for any questions regarding the operation of a personal computer or smartphone for the exercise of voting rights via the Internet.

Dedicated line, Securities Agency Web Support, Sumitomo Mitsui Trust Bank
Phone number: 0120-652-031 (Toll free within Japan)
(Hours of operation: 9:00 a.m. to 9:00 p.m.)

- If voting rights are exercised multiple times, the last one to arrive at the Company will be deemed as the valid vote.
Additionally, if voting rights are exercised via the Internet, etc. and voting rights exercised in writing arrive on the same day, the voting rights exercised via the Internet, etc. will be deemed as the valid vote.
- If voting rights are exercised multiple times via the Internet, etc., or if voting rights are exercised in duplicate via personal computer and smartphone, the last vote to be exercised will be deemed as the valid vote.

To institutional investors:

Institutional investors may use the “Electronic Voting System Platform” operated by ICJ, Inc. as a method of exercising voting rights.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Partial Amendments to the Article of Incorporation (Amendment to Allow Issuance of Bond-Type Class Shares)

1. Reasons for the amendments

To remain a company “responsible for the stability and development of human society,” further evolving the corporate founding philosophy of “Eradicating hunger and poverty from the world,” the Company fulfils this responsibility through the creation of “food infrastructure” which the whole of humanity can live together peacefully by seeking to overcome conflicts arising from differences in race, religion, and ethnicity and by cooperating with each other. For this purpose, the Company is expanding globally with the mission of providing safe, delicious food at affordable prices to people around the world. To provide safe and delicious products and quality services to customers, the Company strives to become the world’s No.1 company in the food industry by developing a mass merchandising system (MMD) to plan and design all processes ranging from menu development through food procurement, production, processing, logistics and sales, and to implement integrated control of these processes.

In order to achieve this goal, it is important to strengthen the financial base through capital enhancement to support the execution of business strategies that will enable further sustainable growth. By utilizing class shares and hybrid bonds, the Company will raise its equity capital that does not cause dilution of voting rights. Based on this view, the Company believes that “Bond-Type Class Shares” that mainly target retail investors would be a useful option. The Bond-Type Class Shares have the following features.

- No dilution of the voting rights, as the holders of the Bond-Type Class Shares do not have the voting rights at the General Meetings of Shareholders, and the Bond-Type Class Shares will never be converted into common shares. (The Bond-Type Class Shares are considered ill-suited to takeover protection measures by their nature owing to the lack of the voting rights at the General Meetings of Shareholders and the lack of the rights to convert them into common shares, irrespective of the ownership ratio, and are not anticipated to be used in that manner.)
- As “non-participating” class shares, no dividend is paid beyond the preferred dividends determined at the time of issuance, and only common shareholders have the right to participate in dividends beyond that.
- The amendment to Articles of Incorporation does not alter the total number of authorized shares (i.e., the total number of common shares, class A preferred shares and Bond-Type Class Shares authorized to be issued by the Company).
- While the Bond-Type Class Shares increase the Company’s shareholders’ capital at issuance, their effects on ROE and other financial indicators related to common shares are limited.
- Compared to a public offering of new common shares, the issuance of Bond-Type Class Shares involves lower capital costs as they are non-participating shares and their capital costs equal to the annual dividend rate determined at the time of issuance. (Note)

The Company proposes the following amendments to the Articles of Incorporation of the Company (hereinafter, the “Amendment to the Articles of Incorporation”) to allow those Bond-Type Class Shares to be issued, by establishing new provisions regarding such shares, and making the necessary adjustments in connection therewith. No decision has been made to issue any Bond-Type Class Shares at present, but if the Amendment to the Articles of Incorporation is approved, depending on the market conditions, the Company may determine to issue the Series 1 Bond-Type Class Shares in the amount of up to 50 billion yen.

In addition, in the event that the Company issues the Bond-Type Class Shares in the future, the Company assumes that equity financing of equal or greater value shall be required in principle in case of acquiring the said shares in exchange for cash, and other series of the Bond-Type Class Shares may be issued associated with such acquisition. Therefore, the Amendment to the Articles of Incorporation allows the Company to issue up to ten series of Bond-Type Class Shares. The specific timing of issuance and conditions of the Series 2 Bond-Type Class Shares and subsequent Series of Bond-Type Class Shares, if any, will be determined based on comprehensive consideration of future capital needs and market trends; at this time, however, the product nature of the future series is anticipated to be substantially the same as that of the Series 1 Bond-Type Class Shares, with a maximum of 10 million shares, no voting rights or rights to convert into common shares, and no dilution of the voting rights.

The Amendment to Articles of Incorporation requires a resolution of the General Meeting of Class Shareholders for class shares pursuant to the provisions of Article 322 of the Companies Act, and the amendment was approved by the General Meeting of Class Shareholders constituted by holders class A preferred shares of the Company as of May 13, 2025.

(Note) Assuming that the Company issues the Series 1 Bond-Type Class Shares with the expected

annual dividend rate of 5% or less as specified in the Shelf Registration Statement filed on May 13, 2025. Please note that this expected rate is based on the market conditions as of May 13, 2025, and is subject to change as a result of any future developments in the market conditions and other factors.

2. Contents of the amendments

The current Articles of Incorporation and the contents of the amendments are as follows. The amendment to the Articles of Incorporation pertaining to this proposal shall become effective at the conclusion of this General Meeting of Shareholders and General Meeting of Class Shareholders.

(Underlines indicate amended sections)

Current Articles of Incorporation	Proposed amendments
Article 1-Article 5 (Omitted)	Article 1-Article 5 (No change)
(Total Number of shares authorized to be issued, etc.) Article 6 The total number of shares authorized to be issued by the Company shall be four hundred and thirty-two million one thousand (432,001,000) shares, <u>the total number of common shares authorized to be issued shall be four hundred thirty-two million (432,000,000) shares, and the total number of class A preferred shares authorized to be issued shall be one thousand (1,000) shares.</u>	(Total number of shares authorized to be issued, etc.) Article 6 The total number of shares authorized to be issued by the Company shall be four hundred and thirty-two million one thousand (432,001,000) shares <u>and each class share shall be as follows:</u> <u>Common shares: four hundred thirty-two million (432,000,000) shares</u> <u>Class A preferred shares: one thousand (1,000) shares</u> <u>Series 1 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 2 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 3 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 4 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 5 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 6 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 7 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 8 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 9 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 10 Bond-Type Class Shares: ten million (10,000,000) shares</u>
Article 7 (Omitted)	Article 7 (No change)
<Newly established>	<u>(Absence of seller put options when the Company acquires the Bond-Type Class Shares)</u> <u>Article 7-2 If the Company decides to acquire all or part of the Bond-Type Class Shares (Series 1 Bond-Type Class Shares through Series 10 Bond-Type Class Shares (any one class of the Series 1 Bond-Type Class Shares through Series 10 Bond-Type Class Shares, “Shares of Each Series of Bond-Type Class” hereinafter)) held by a specific holder of the Bond-Type Class Shares (“Bond-Type Class Shareholder”) under an agreement with such Bond-Type Class Shareholder pursuant to a resolution of</u>

<p>(Number of shares consisting one unit) Article 8 The number of shares which will constitute one unit of the shares of the Company (the “Unit of Stock”) shall be one hundred (100) shares for common shares, <u>and</u> one (1) share for class A preferred shares.</p> <p>Article 9-Article 12-8 (Omitted)</p> <p><Newly established></p>	<p><u>the General Meeting of Shareholders, and further decides to notify such Bond-Type Class Shareholder of matters prescribed in any item of Article 157, Paragraph 1 of the Companies Act, the provisions of Article 160, Paragraphs 2 and 3 of the Companies Act shall not apply.</u></p> <p>(Number of shares consisting one unit) Article 8 The number of shares which will constitute one unit of the shares of the Company (the “Unit of Stock”) shall be one hundred (100) shares for common shares, one (1) share for class A preferred shares, <u>and one hundred (100) shares for Bond-Type Class Shares.</u></p> <p>Article 9-Article 12-8 (No change)</p> <p><u>Chapter 2-3 Bond-Type Class Shares (Preferred Dividend to Bond-Type Class Shares)</u> Article 12-9 When the Company makes a year-end dividend of surplus under Article 35, the Company shall pay the year-end dividend of surplus in cash in the amount set forth below per Share of Each Series of Bond-Type Class (“Preferred Dividend to Bond-Type Class Shares”) to the Bond-Type Class Shareholders or registered share pledgees of Bond-Type Class Shares (hereinafter, together with the Bond-Type Class Shareholders, referred to as “Bond-Type Class Shareholders, etc.”) whose names appear or are recorded in the register of shareholders as of the end of the record date of that year-end dividend, in preference to the common share shareholders, etc.; provided, however, that if Interim Preferred Dividends to Bond-Type Class Shares set forth in Article 12-10 have been paid during the fiscal year in which the record date of that year-end dividend falls, the total amount of those Interim Preferred Dividends to Bond-Type Class Shares shall be deducted from the Preferred Dividend to Bond-Type Class Shares.</p> <p><u>The product of the equivalent of the Issue Price (defined below) per share of Bond-Type Class Shares multiplied by the annual dividend rate determined before the issuance of those Bond-Type Class Shares by a resolution of the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors (not exceeding ten (10) percent; hereinafter to be referred to as “Annual Dividend Rate”) (if any fractional remainder arises, the fractional remainder shall be as determined before the issuance of those Bond-Type Class Shares by a resolution of the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors).</u> <u>“Issue Price” means the amount per share to be paid to the Company in connection with the</u></p>
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	<p><u>offering of those Bond-Type Class Shares (or, if the Bond-Type Class Shares are offered through purchase and sale by underwriters, the amount per share to be paid by the investors as consideration for those Bond-Type Class Shares), as determined prior to the issuance of those Bond-Type Class Shares.</u></p> <p>2. <u>If the total amount of dividend of surplus paid in cash to each Bond-Type Class Shareholder, etc. per Share of Each Series of Bond-Type Class in a given fiscal year in which the record date falls is less than the amount of the Preferred Dividend to Bond-Type Class Shares payable to those Bond-Type Class Shares for that fiscal year, that shortfall amount shall be accumulated in subsequent fiscal years by a simple interest calculation calculated by the method determined before the issuance of those Bond-Type Class Shares by a resolution of the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors based on the Annual Dividend Rate (such accumulated shortfall shall be hereinafter referred to as “Accumulated Dividends Payable to Bond-Type Class Shares”). The Company shall pay dividend of surplus in cash to the Bond-Type Class Shareholders, etc. until such payment reaches the amount of Accumulated Dividends Payable to Bond-Type Class Shares per share of the Bond-Type Class Shares, in preference to any dividend of surplus provided for in the preceding paragraph or Article 12-10.</u></p> <p>3. <u>No dividend of surplus shall be paid to Bond-Type Class Shareholders, etc. in excess of the total of the Preferred Dividend to Bond-Type Class Shares and the Accumulated Dividends Payable to Bond-Type Class Shares.</u></p> <p><u>(Interim preferred dividend to Bond-Type Class Shares)</u></p> <p><u>Article 12-10 When the Company makes an interim dividend for an interim dividend record date pursuant to Article 35, the Company shall pay a dividend in cash in the amount per Share of Each Series of Bond-Type Class determined by the calculation method determined before the issuance of those Bond-Type Class Shares by a resolution of the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors (“Interim Preferred Dividend to Bond-Type Class Shares”) to the Bond-Type Class Shareholders, etc. whose names appear or are recorded in the register of shareholders as of the end of the interim dividend record date of that dividend, in preference to the common share shareholders, etc.; provided, however, that the total amount of Interim Preferred Dividends to Bond-Type Class Shares for which the interim dividend record date falls in a</u></p>
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	<p><u>given fiscal year shall not exceed the amount of the Preferred Dividend to Bond-Type Class Shares for which the record date falls in the same fiscal year.</u></p> <p><u>(Distribution of residual assets)</u></p> <p><u>Article 12-11 When the Company makes a distribution of residual assets, the Company shall pay cash in the amount set forth below per Share of Each Series of Bond-Type Class to the Bond-Type Class Shareholders, etc., in preference to the common share shareholders, etc.</u></p> <p><u>The amount calculated by the method determined before the issuance of those Bond-Type Class Shares by a resolution of the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors as the sum of the equivalent of the Issue Price per share of the Bond-Type Class Shares plus the amount of the Accumulated Dividends Payable to Bond-Type Class Shares pertaining to those Bond-Type Class Shares and the equivalent of the Preferred Dividend to Bond-Type Class Shares pertaining to the period from the first day of the fiscal year in which the date of the distribution of residual assets falls to the date of the distribution of residual assets</u></p> <p><u>2. No distribution of residual assets shall be made to Bond-Type Class Shareholders, etc. other than the distribution provided for in the preceding paragraph.</u></p> <p><u>(Acquisition by the Company in exchange for cash)</u></p> <p><u>Article 12-12 If an event provided for by a resolution of the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors before the issuance of Shares of Each Series of Bond-Type Class arises with respect to the Bond-Type Class Shares, the Company may acquire all or part of those Bond-Type Class Shares upon the arrival of a date separately determined by a resolution of the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors. In such case, the Company shall deliver to the Bond-Type Class Shareholders cash in the amount per share of Bond-Type Class Shares calculated by the method determined before the issuance of the Shares of Each Series of Bond-Type Class by a resolution of the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors as the sum of the equivalent of the Issue Price per share of the Bond-Type Class Shares plus the amount of the Accumulated Dividends Payable to Bond-Type Class Shares pertaining to those Bond-Type Class Shares and the equivalent of the Preferred Dividend to Bond-Type Class Shares pertaining to the period</u></p>
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	<p><u>from the first day of the fiscal year in which the date of the acquisition falls to the date of the acquisition, in exchange for the acquisition of those Bond-Type Class Shares. If the Company acquires part of the Bond-Type Class Shares, the Company shall determine the scope of Bond-Type Class Shares to be acquired from Bond-Type Class Shareholders by a reasonable method determined by the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors.</u></p> <p><u>(Voting rights)</u> Article 12-13 <u>The Bond-Type Class Shareholders shall have no voting rights at the General Meeting of Shareholders with respect to any matter.</u></p> <p><u>(Share consolidation and share split, etc.)</u> Article 12-14 <u>The Company shall not split nor consolidate Bond-Type Class Shares, except as otherwise provided by law.</u></p> <p><u>2. The Company shall not grant to Bond-Type Class Shareholders any rights to receive an allocation of offered shares or offered stock acquisition rights, and shall not make any gratuitous allotment of shares or stock acquisition rights to the Bond-Type Class Shareholders.</u></p> <p><u>3. If the Company conducts a share transfer (limited to a sole-share transfer conducted by the Company), the Company shall deliver to common share shareholders, etc. shares issued by the wholly-owning parent company incorporated in the share transfer that are of the same class as the common shares of the Company in exchange for the common shares, and deliver to Bond-Type Class Shareholders, etc. shares issued by the wholly-owning parent company incorporated in the share transfer that are of the same class as the Bond-Type Class Shares in exchange for the Bond-Type Class Shares, in the same ownership ratio respectively.</u></p> <p><u>4. The adjustment of the Preferred Dividend to Bond-Type Class Shares and Accumulated Dividends Payable to Bond-Type Class Shares in the case provided for in the preceding paragraph shall be conducted by the method determined before the issuance of the Shares of Each Series of Bond-Type Class by a resolution of the Board of Directors or by a decision of a director who is delegated the authority through resolution of the Board of Directors.</u></p> <p><u>(Order of priority)</u> Article 12-15 <u>Payments of Preferred Dividends to Bond-Type Class Shares, Interim Preferred Dividends to Bond-Type Class Shares, and distribution of residual assets distributed to the Bond-Type Class Shareholders, etc., and class A</u></p>
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<p>Article 13-Article 18 (Omitted)</p> <p>(General Meeting of Class Shareholders)</p> <p>Article 18-2 The provisions of Article 15, Article 16, and Article 18 shall also apply to the general meeting of class shareholders.</p> <p>2. The provisions of Article 14 shall also apply to the general meeting of class shareholders held on the same day as the Ordinary General Meeting of Shareholders.</p> <p>3. The provisions of Article 17, Paragraph 1 shall apply to resolutions at the general meeting of class shareholders, as provided for in Article 324, Paragraph 1 of the Companies Act.</p> <p>4. The provisions of Article 17, Paragraph 2 shall apply to resolutions at the general meeting of class shareholders, as provided for in Article 324, Paragraph 2 of the Companies Act.</p> <p>Article 19-Article 36 (Omitted)</p>	<p><u>preferred dividends, class A preferred interim dividends and distribution of residual assets distributed to class A preferred shareholders, etc. are ranked <i>pari passu</i> respectively.</u></p> <p>2. <u>Payments of Accumulated Dividends Payable to Bond-Type Class Shares and cumulative unpaid class A preferred dividends to Shares of Each Series of Bond-Type Class are ranked <i>pari passu</i>.</u></p> <p>Article 13-Article 18 (No change)</p> <p>(General Meeting of Class Shareholders)</p> <p>Article 18-2 The provisions of Article 15, Article 16, and Article 18 shall also apply to the general meeting of class shareholders.</p> <p>2. The provisions of Article 14 shall also apply to the general meeting of class shareholders held on the same day as the Ordinary General Meeting of Shareholders.</p> <p>3. The provisions of Article 17, Paragraph 1 shall apply to resolutions at the general meeting of class shareholders, as provided for in Article 324, Paragraph 1 of the Companies Act.</p> <p>4. The provisions of Article 17, Paragraph 2 shall apply to resolutions at the general meeting of class shareholders, as provided for in Article 324, Paragraph 2 of the Companies Act.</p> <p>5. <u>No resolution of a general meeting of class shareholders constituted by Bond-Type Class Shareholders of each series is required for the Company to conduct any of the acts provided for in the items of Article 322, Paragraph 1 of the Companies Act, except as otherwise provided by law.</u></p> <p>6. <u>If the Company performs any of the following acts and it is likely to cause detriment to the Bond-Type Class Shareholders, that act shall not take effect without a resolution of the general meeting of class shareholders constituted by Bond-Type Class Shareholders, in addition to a resolution of the General Meeting of Shareholders or the Board of Directors, unless there are no Bond-Type Class Shareholders who are entitled to vote at that general meeting of class shareholders:</u></p> <p style="padding-left: 40px;">(1) <u>a merger in which the Company will be the absorbed company or a share exchange or share transfer in which the Company will be the wholly-owned subsidiary company (except for a sole-share transfer conducted by the Company); or</u></p> <p style="padding-left: 40px;">(2) <u>an approval by the Board of Directors of a demand for a cash-out by a special controlling shareholder against the other shareholders of the Company.</u></p> <p>Article 19-Article 36 (No change)</p>
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Supplementary Provisions (Omitted)	Supplementary Provisions (No change)
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(Reference)

If this proposal is approved at this General Meeting of Shareholders, the provisions regarding Bond-Type Class Shares will be established in the Articles of Incorporation of the Company at the conclusion of the General Meeting of Shareholders and General Meeting of Class Shareholders. Any issuance of Bond-Type Class Shares under the amended Articles of Incorporation will be determined by resolution of the Board of Directors of the Company or by delegation of authority to a Director through resolution of the Board of Directors of the Company (hereinafter collectively referred to as the “Issuance Resolution”) after this General Meeting of Shareholders in light of the Company’s capital policy, with reference to market conditions and other factors. A shelf registration statement with respect to the issuance of the Series 1 Bond-Type Class Shares has been filed as of May 13, 2025. The details of the Series 1 Bond-Type Class Shares specified in the shelf registration statement are as follows, and the maximum issue amount of the Series 1 Bond-Type Class Shares specified in the shelf registration statement is 50 billion yen. If the Company decides to issue the Series 1 Bond-Type Class Shares, the subscription requirements of the offering, including the conditions, the number of shares to be issued, and the Issue Price and the subscription price of the Series 1 Bond-Type Class Shares other than the Annual Dividend Rate, shall be determined by the Issuance Resolution. After the Issuance Resolution, the Company determines the Annual Dividend Rate, through the same method as the Book Building procedures provided for in Article 25 of the Rules Concerning Underwriting, Etc. of the Japan Securities Dealers Association, where the Company presents the preliminary pricing range with respect to the Annual Dividend Rate with consideration for the demand under the preliminary pricing range (the date of determination of such Annual Dividend Rate shall be hereinafter defined as the “Pricing Date”). This preliminary pricing range is determined based on a comprehensive consideration of factors including a fair valuation report with respect to the Series 1 Bond-Type Class Shares received by the Company and the market price of subordinate bonds issued by other operating companies of a similar credit rating to the Company.

Outline (Details of the Series 1 Bond-Type Class Shares)

The details of the Series 1 Bond-Type Class Shares are as follows.

- A. Preferred Dividends (1) When the Company makes a year-end dividend of surplus with March 31 as the record date, the Company shall pay the year-end dividend of surplus in cash in the amount stated below (the “Preferred Dividend to Series 1 Bond-Type Class Shares”) to the holders of Series 1 Bond Type Class Shares (the “Series 1 Bond-Type Class Shareholders) or registered share pledgees of Series 1 Bond-Type Class Shares (hereinafter, together with the Series 1 Bond-Type Class Shareholders, referred to as “Series 1 Bond-Type Class Shareholders, etc.”) whose names appear or are recorded in the register of shareholders as of the end of the record date of that year-end dividend, in preference to the holders of common shares of the Company (the “Common Shares”) (the “Common Shareholders”) or registered share pledgees of Common Shares (hereinafter, together with the Common Shareholders, referred to as “Common Shareholders, etc.”); provided, however, that if interim Preferred Dividends to Series 1 Bond-Type Class Shares (defined in Section B below) have been paid during the fiscal year in which the record date of that year-end dividend falls, the total amount of those Interim Preferred Dividends to Series 1 Bond-Type Class Shares shall be deducted from the Preferred Dividend to Series 1 Bond-Type Class Shares.
- The amount per share equal to the product of the equivalent of the amount set as the price of issue per share (the “Issue Price”) multiplied by the Annual Dividend Rate determined by the same method as the Book Building procedures specified above on the Pricing Date
- From the fiscal year in which the issuance date of the Series 1 Bond-Type Class Shares falls to the fiscal year in which the date five years after that issuance date falls, the Annual Dividend Rate(*) shall be equal to the sum of the fixed base rate specified in the Issuance Resolution plus the initial spread determined by the same method as the Book Building procedures specified above (the “Initial Spread”), and thereafter the Annual Dividend Rate shall be the sum of the variable base rate specified in the Issuance Resolution plus the Initial Spread plus 1 percent. However, in accordance

with the provisions of the Articles of Incorporation, in no case shall the Annual Dividend Rate exceed 10 percent.

* The annual dividend rate is expected to be 5% or less for the period from the fiscal year of issuance of the Series 1 Bond-Type Class Shares to the fiscal year five years later. Please note that this expected rate is based on the market conditions as of May 13, 2025, and is subject to change as a result of any future developments in the market conditions and other factors.

- (2) If the total amount of dividend of surplus paid in cash to the Series 1 Bond-Type Class Shareholder, etc. per Series 1 Bond-Type Class Share in a given fiscal year in which the record date falls is less than the amount of the Preferred Dividend to Series 1 Bond-Type Class Shares payable to the Series 1 Bond-Type Class Shares for that fiscal year, that shortfall amount shall be accumulated in subsequent fiscal years by a simple interest calculation calculated by the method determined by the Issuance Resolution, etc. based on the annual dividend rate determined by the same method as the Book Building procedures specified above (such accumulated shortfall shall be hereinafter referred to as “Accumulated Dividends Payable to Series 1 Bond-Type Class Shares”). The Company shall pay dividend of surplus in cash to the Series 1 Bond-Type Class Shareholders, etc. until such payment reaches the amount of Accumulated Dividends Payable to Series 1 Bond-Type Class Shares per share of the Series 1 Bond-Type Class Shares, in preference to any Preferred Dividend to Series 1 Bond-Type Class Shares and interim Preferred Dividend to Series 1 Bond-Type Class Shares.
- (3) No dividend of surplus shall be paid to Series 1 Bond-Type Class Shareholders, etc. in excess of the total of the Preferred Dividend to Series 1 Bond-Type Class Shares and the Accumulated Dividends Payable to Series 1 Bond-Type Class Shares.

B. Interim Preferred Dividends

When the Company makes an interim dividend of surplus with a record date other than March 31 (the “Interim Dividend Record Date”), the Company shall pay a dividend in cash in the amount per Series 1 Bond-Type Class Share determined by resolution of the Board of Directors to be equal to one half of the amount of the Preferred Dividend to Series 1 Bond-Type Class Shares (if a dividend of surplus is paid with the Interim Dividend Record Date in the fiscal year in which the date of issuance of the Series 1 Bond-Type Class Shares falls as the record date, the amount adjusted reasonably based on the number of days between the payment date (including the date) and the Interim Dividend Record Date (including the date); the “Interim Preferred Dividend to Series 1 Bond-Type Class Shares”) to the Series 1 Bond-Type Class Shareholders, etc. whose names appear or are recorded in the register of shareholders as of the Interim Dividend Record Date of that dividend, in preference to the Common Shareholders, etc.; provided, however, that the total amount of Interim Preferred Dividends to Series 1 Bond-Type Class Shares for which the Interim Dividend Record Date falls in a given fiscal year shall not exceed the amount of the Preferred Dividend to Series 1 Bond-Type Class Shares for which the record date falls in the same fiscal year.

C. Distribution of Residual Assets

- (1) When the Company makes a distribution of residual assets, the Company shall pay cash in the amount stated below in preference to the Common Shareholders, etc.

The amount calculated by the method determined by the Issuance Resolution, etc. as the sum of the equivalent of the Issue Price per share plus the amount of the Accumulated Dividends Payable to Series 1 Bond-Type Class Shares and the equivalent of the Preferred Dividend to Series 1 Bond-Type Class Shares pertaining to the period from the first day of the fiscal year in which the date of the distribution of residual assets falls to the date of the distribution of residual assets

- (2) No distribution of residual assets shall be made to Series 1 Bond-Type Class Shareholders, etc. other than the distribution provided for in (1) above.

D. Order of Priority	<p>Payments of Preferred Dividends to Bond-Type Class Shares, Interim Preferred Dividends to Bond-Type Class Shares, and residual assets pertaining to Series 1 Bond-Type Class Shares through Series 10 Bond-Type Class Shares of the Company, and class A preferred dividends, class A preferred interim dividends, and residual assets pertaining to class A preferred shares are ranked <i>pari passu</i> respectively. In addition, payments of Accumulated Dividends Payable to Bond-Type Class Shares pertaining to Series 1 Bond-Type Class Shares through Series 10 Bond-Type Class Shares and cumulative unpaid class A preferred dividends pertaining to class A preferred shares are ranked <i>pari passu</i>.</p>
E. Voting Rights	<p>The Series 1 Bond-Type Class Shareholders shall have no voting rights at the General Meeting of Shareholders with respect to any matter.</p>
F. Resolutions of a General Meeting of Class Shareholders	<ol style="list-style-type: none"> (1) Except as otherwise provided by law or the Articles of Incorporation, the resolutions of a General Meeting of Class Shareholders shall be adopted by a majority of the voting rights represented by the shareholders present who are entitled to exercise voting rights. (2) The resolutions provided for in Article 324, Paragraph 2 of the Companies Act shall be adopted by no less than two-thirds of the voting rights of shareholders present at the meeting whereby shareholders representing no less than one-third of the voting rights of shareholders who are entitled to exercise voting rights are present. (3) No resolution of a General Meeting of Class Shareholders comprising the Series 1 Bond-Type Class Shareholders is required for the Company to conduct any of the acts provided for in the items of Article 322, Paragraph 1 of the Companies Act, except as otherwise provided by law. (4) If the Company performs any of the following acts and it is likely to cause detriment to the Series 1 Bond-Type Class Shareholders, that act shall not take effect without a resolution of the General Meeting of Class Shareholders comprising the Series 1 Bond-Type Class Shareholders, in addition to a resolution of the General Meeting of Shareholders or the Board of Directors, unless there are no Series 1 Bond-Type Class Shareholders who are entitled to vote at that General Meeting of Class Shareholders: <ol style="list-style-type: none"> a. a merger in which the Company will be the absorbed company or a share exchange or share transfer in which the Company will be the wholly-owned subsidiary company (except for a sole-share transfer conducted by the Company); or b. an approval by the Board of Directors of a demand for a cash-out by a special controlling shareholder against the other shareholders of the Company.
G. Acquisition by the Company in Exchange for Cash	<ol style="list-style-type: none"> (1) If five years have passed since the payment date (issuance date) (including the date) of the Series 1 Bond-Type Class Shares, or another event provided for in the Issuance Resolution arises with respect to the Series 1 Bond-Type Class Shares, the Company may acquire all or part of the Series 1 Bond-Type Class Shares upon the arrival of an acquisition date separately determined by resolution of the Board of Directors or by delegation of authority to a Director through resolution of the Board of Directors of the Company. In such case, the Company shall deliver to the Series 1 Bond-Type Class Shareholders cash in the amount specified based on the Issue Price in the Issuance Resolution per Series 1 Bond-Type Class Share in exchange for the acquisition of the Series 1 Bond-Type Class Shares. However, the Company may not make an acquisition where either the acquisition date or a Book-Entry Transfer Acquisition Date pertaining to the acquisition (defined below) falls on any day from April 1 to June 30. The term “Book-Entry Transfer Acquisition Date” means the date on which an entry or record showing an increase in the number of the Series 1 Bond-Type Class Shares pertaining to the acquisition is made in the holdings column of the transferee account of the Company upon an application for book-entry transfer based on the acquisition of monetary consideration described in Section G or the date on which the entry or record showing the Series 1 Bond-Type Class Shares is deleted upon a notice of deletion in its

entirety based on the acquisition.

- (2) If the Company acquires the Series 1 Bond-Type Class Shares in exchange for cash under the Section G, or through an agreement with specific Series 1 Bond-Type Class Shareholders or a market transaction, etc. under Article 165, Paragraph 1 of the Companies Act (hereinafter, together with an acquisition in exchange for cash, referred to as “Acquisition for Monetary Consideration”), unless otherwise specified in the Issuance Resolution, the Company shall not conduct that Acquisition for Monetary Consideration unless financing with respect to the Required Refinancing Amount (defined below) is secured by the issuance, disposition, or borrowing (“Issuance, etc.”) of Refinancing Securities (defined below). Such Issuance, etc. of Refinancing Securities shall take place during the 12 months prior to the date of the Acquisition for Monetary Consideration.

“Required Refinancing Amount” means: if the Refinancing Securities are Common Shares, the Equity Valuation Equivalent (defined below) of the Series 1 Bond-Type Class Shares subject to the Acquisition for Monetary Consideration; if the Refinancing Securities are not Common Shares, the quotient of the Equity Valuation Equivalent of the Series 1 Bond-Type Class Shares subject to the Acquisition for Monetary Consideration divided by the equity credit of those Refinancing Securities as recognized by a credit rating institution (expressed as a percentage). In case where the Refinancing Securities consist of both Common Shares and non-Common Shares; the respective equations shall be applied as appropriate.

“Equity Valuation Equivalent” means the amount of the equivalent of the total Issue Price of the Series 1 Bond-Type Class Shares multiplied by the equity credit of the Series 1 Bond-Type Class Shares as of the payment date as recognized by the credit rating institution (expressed as a percentage).

“Refinancing Securities” means the securities and obligations specified in a. through c. below; however, (i) limited to those announced by the Company as Refinancing Securities, even if any of a. through c. applies, (ii) in the case of a. or b. below, limited to those subject to Issuance, etc. to a person other than a subsidiary company of the Company as defined in Article 2, Item 3 of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements of the Company or an affiliated company as defined in Article 2, Item 7 of the said Regulation, and (iii) in the case of b. or c. below, limited to those recognized by the credit rating institution as having equity credit equivalent or superior to the Series 1 Bond-Type Class Shares as of the payment date of the Series 1 Bond-Type Class Shares.

a. Common Shares

b. Shares of classes other than a.

c. All other securities and obligations of the Company other than a. and b.

- (3) If the Company acquires part of the Series 1 Bond-Type Class Shares under (1) above, the Company shall determine the scope of the Series 1 Bond-Type Class Shares to be acquired from the Series 1 Bond-Type Class Shareholders by a reasonable method determined by the Board of Directors or by delegation of authority to a Director through resolution of the Board of Directors of the Company.

H. Share Consolidation and Share Split, etc.)

- (1) The Company shall not split nor consolidate Series 1 Bond-Type Class Shares, except as otherwise provided by law.
- (2) The Company shall not grant to Series 1 Bond-Type Class Shareholders any rights to receive an allocation of offered shares or offered stock acquisition rights, and shall not make any gratuitous allotment of shares or stock acquisition rights to the Bond-Type Class Shareholders.
- (3) If the Company conducts a share transfer (limited to a sole-share transfer conducted by the Company), the Company shall deliver to the Series 1 Bond-Type Class Shareholders, etc. shares issued by the wholly-owning parent company incorporated in the share transfer that are of the same class as the Series 1 Bond-Type Class Shares in exchange for the Series 1 Bond-Type Class Shares, in the same ownership ratio. The adjustment of the Preferred Dividend to

the Series 1 Bond-Type Class Shares and the Accumulated Dividends Payable to Series 1 Bond-Type Class Shares in such case shall be conducted by the method specified in the Issuance Resolution.

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| I. Absence of Seller Put Options when the Company Acquires the Series 1 Bond-Type Class Shares | If the Company decides to acquire all or part of the Series 1 Bond-Type Class Shares held by a specific Series 1 Bond-Type Class Share Shareholder under an agreement with such Series 1 Bond-Type Class Shareholder pursuant to a resolution of the General Meeting of Shareholders, and further decides to notify such Series 1 Bond-Type Class Shareholder of matters prescribed in any item of Article 157, Paragraph 1 of the Companies Act, the provisions of Article 160, Paragraphs 2 and 3 of the Companies Act shall not apply. |
| J. Listing | The Series 1 Bond-Type Class Shares are to be listed on the Prime Market of the Tokyo Stock Exchange. |

Q&A regarding Bond-Type Class Shares (Listed Type)

Please refer to this Q&A that has been prepared as a reference material regarding bond-type class shares.

Question	Answer
1. What is hybrid financing?	<ul style="list-style-type: none"> It is a financing method that enhances equity for accounting and/or credit rating purposes and does not cause dilution of voting rights. Hybrid financing includes class shares, hybrid bonds (subordinated bonds), and hybrid loans (subordinated loans).
2. What is the purpose of Amendment to the Articles of Incorporation?	<ul style="list-style-type: none"> It is important to strengthen the financial base through capital enhancement to support the execution of business strategies that will enable further sustainable growth. By utilizing class shares and hybrid bonds, we will implement hybrid financing (capital financing that enhances equity and does not cause dilution of voting rights). Based on this view, we believe that “Bond-Type Class Shares” mainly targeting retail investors would be a useful option. Accordingly, we have decided to amend the Articles of Incorporation.
3. What are the characteristics of Bond-Type Class Shares?	<ul style="list-style-type: none"> Bond-Type Class Shares are treated as shares under the Companies Act, and are one of the instruments for hybrid financing with an intermediate characteristic between shares and bonds, and the product nature is similar to that of hybrid bonds. Bond-Type Class Shares do not have voting rights and are not convertible into common shares, and we expect the product nature to be similar to “corporate bonds.” In addition, Bond-Type Class Shares have priority over common shares in terms of the order of distribution of dividends and residual assets, and are non-participating, meaning that no dividend will be paid more than the amount of the preferred dividend to be determined at the time of issuance. We plan to apply for listing of the Bond-Type Class Shares (in addition to common shares) on the Prime Market of the Tokyo Stock Exchange, with the intention of providing investment opportunities to a wide range of investors
4. What is the expected role of hybrid financing in the financial strategy and its position in the capital structure?	<ul style="list-style-type: none"> Hybrid financing is considered to be an option of financing method to realize an increase in equity capital and capital with equity credits to secure a sound financial base, while limiting the dilution of voting rights of common shareholders and the impact on ROE and EPS for common shares as may be caused by the issuance of common shares ^{(*)1}. Unlike typical hybrid bonds, proceeds from the issuance of Bond-Type Class Shares can be recorded as equity for accounting purposes. Compared to the issuance of common shares, the issuance of Bond-Type Class Shares involves lower capital costs as their capital costs are equal to the annual dividend rate determined at the time of issuance ^{(*)2}.
5. What is the product nature similar to and different from that of hybrid bonds/hybrid loans?	<ul style="list-style-type: none"> As with hybrid bonds/hybrid loans, it is expected that the Bond-Type Class Shares will obtain the equity credit from a rating agency (JCR) for 50% of the aggregate amount of issuance. On the other hand, the Bond-Type Class Shares differ from hybrid bonds/loans in a sense that they can increase equity capital for accounting purposes. In addition, the Bond-Type Class Shares may be considered for investment by a wide range of investors through their listing on the Prime Market of the Tokyo Stock Exchange (eligible for NISA).
6. What is the product nature similar to and different from that of class A preferred shares?	<ul style="list-style-type: none"> As with class A preferred shares, the Bond-Type Class Shares can increase equity capital for accounting purposes. On the other hand, while class A preferred shares targeted financial institutions, the Bond-Type Class Shares may be considered for investment by a wide range of investors through their listing on the Prime Market of the Tokyo Stock Exchange (eligible for NISA).
7. What is the reason for the Amendment to Articles of Incorporation while capital has been raised in the past through hybrid loans and class A preferred shares?	<ul style="list-style-type: none"> Among hybrid financings, hybrid loans and class A preferred shares primarily target financial institutions. The purpose of this amendment to the Articles of Incorporation is to increase options for capital financing that will enhance equity for accounting purposes by raising funds from a wide range of investors, including retail investors. It is expected that the payment of dividends on the Bond-Type Class Shares and class A preferred shares and interest payments on hybrid bonds and hybrid loans are ranked <i>pari passu</i>.

Question	Answer
8. Will there be any disadvantages to common shareholders?	<ul style="list-style-type: none"> • Bond-Type Class Shares do not have voting rights and are not convertible into common shares, so there will be no dilution of voting rights. • Bond-Type Class Shares are “non-participating,” meaning that no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance, and only common shareholders have the right to participate in dividends other than the preferred dividend. • This is a financing method that gives more consideration to the impact on ROE, EPS, etc. for common shares, compared to a public offering of common shares. ^(*1)
9. Does the issuance of the Bond-Type Class Shares affect the dividend policy for common shares?	<ul style="list-style-type: none"> • We consider that stable distribution of profits to shareholders is one of the most important management policies. Our basic policy is to expand our business actively and increase internal reserves while distributing profits in accordance with business performance. Therefore, even if the Series 1 Bond-Type Class Shares are issued, we do not expect this to affect our dividend policy for common shares.
10. Does the issuance of the Bond-Type Class Shares affect the shareholder benefit program?	<ul style="list-style-type: none"> • We do not expect any impact on the shareholder benefit program for common shares. Furthermore, we do not currently plan to establish a shareholder benefit program for the holders of the Bond-Type Class Shares.
11. Is there any possibility that the Bond-Type Class Shares could be used as a takeover protection measure?	<ul style="list-style-type: none"> • Bond-Type Class Shares do not have voting rights and are not convertible into common shares. Accordingly, they are not suitable for takeover protection measures and we do not expect to use them as such. • We do not expect to allot the Bond-Type Class Shares to common shareholders by gratis allotment or otherwise.
12. What form of issuance is planned?	<ul style="list-style-type: none"> • In case of issuance, it is planned that the shares will be offered to a wide range of investors, including retail investors, through a public offering in Japan. • We plan to make the Bond-Type Class Shares also available for investment by common shareholders of the Company.
13. What is the planned timing and amount of Series 1 Bond-Type Class Shares?	<ul style="list-style-type: none"> • Details of the issuance, including the specific timing of the issuance, have not yet been determined at this time. • However, if this Proposal is approved, depending on market conditions, we may determine to issue a maximum of 50 billion yen for the Series 1 Bond-Type Class Shares, and the maximum number of the Series 1 Bond-Type Class Shares authorized in the proposed amendment to the Articles of Incorporation is 10 million.
14. Why is the annual preferred dividend rate over a period of approximately five years after issuance expected to be 5% or less?	<ul style="list-style-type: none"> • We have set the annual preferred dividend rate after comprehensively taking into account the market price of similar bond-type class shares and hybrid bonds and other factors based on the product nature of its position between equity and debt. Please note that this expected rate is based on the market conditions as of May 13, 2025, and is subject to change as a result of any future developments in the market conditions and other factors.
15. What is the reason for considering listing the Bond-Type Class Shares on the Prime Market of the Tokyo Stock Exchange?	<ul style="list-style-type: none"> • In order to make the Bond-Type Class Shares available for investment by a wide range of investors, we believe it is important to increase recognition of the shares and provide trading opportunities by listing them on the Prime Market of the Tokyo Stock Exchange.
16. Does the Company plan to acquire (call) the Series 1 Bond-Type Class Shares in exchange for cash after five years from the issuance?	<ul style="list-style-type: none"> • We will determine whether to acquire (call) the Series 1 Bond-Type Class Shares (if and when issued) for cash five years after the date of issuance or later, taking into consideration the business and financial conditions and market conditions and other factors at that time. • We are well aware that, in accordance with the market practice in hybrid financing, many investors expect us to acquire (call) the shares from five years after the date of issuance (i.e., when the call option becomes exercisable) and before the time when the dividend rate steps-up.
17. While multiple series of the Bond-Type Class Shares are provided under the proposed Articles of Incorporation, what are the thoughts of the Company on the specific issuances?	<ul style="list-style-type: none"> • The specific timing of the issuance has not yet been determined at this time, including that of the Series 1. We propose to have the authorized share capital of up to tenth Series so as to realize flexible issuance in the event of any demand for an increase in equity capital. • In addition, since we expect that capital financing of equal or greater value shall be required in principle if we acquire (call) the Series 1 Bond-Type Class Shares in exchange for cash, another series of the Bond-Type Class Shares may be issued for such replacement.

*1 Assuming that the relevant amounts of the Bond-Type Class Shares and class A preferred shares (i.e., the paid-in amount and preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for common shares.

*2 The annual dividend rate is expected to be 5% or less for the period from the fiscal year of issuance of the Series 1 Bond-Type Class Shares to the fiscal year five years later. Please note that this expected rate is based on the market conditions as of May 13, 2025, and is subject to change as a result of any future developments in the market conditions and other factors

Disclaimer

This material has been prepared as reference materials for the benefit of the holders of common shares of Zensho Holdings Co., Ltd in evaluating the Series 1 Bond-Type Class Shares and not for the purpose of soliciting investment or engaging in any other similar activities in Japan or any foreign country.

Furthermore, this material does not constitute an offer of securities in the United States. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration thereunder or an applicable exemption from registration requirements. In this case, no public offering of the securities will be made in the United States.

Proposal No. 2 Partial Amendments to the Article of Incorporation (Amendment to Convener and Chairman of General Meetings of Shareholders and Meetings of the Board of Directors)

1. Reasons for the amendments

In order to strengthen and enhance the management structure for the realization of the management vision and further growth, the Company proposes to amend the provisions for the convener and chairman of the General Meeting of Shareholders and meetings of the Board of Directors to enable the flexible operation of the General Meeting of Shareholders and meetings of the Board of Directors.

2. Contents of the amendments

The contents of the amendment are as follows. The amendment to the Articles of Incorporation pertaining to this proposal shall become effective at the conclusion of this General Meeting of Shareholders and General Meeting of Class Shareholders.

(Underlines indicate amended sections)

Current Articles of Incorporation	Proposed amendments
Article 1-Article 14 (Omitted)	Article 1-Article 14 (No change)
(Convener and chairman)	(Convener and chairman)
Article 15 The President shall convene a General Meeting of Shareholders and shall assume its chairmanship.	Article 15 <u>The Chairman of the Board of Directors or</u> the President shall convene a General Meeting of Shareholders and shall assume its chairmanship.
2. In case, the President is prevented by accident or unavoidable circumstances from so acting, other director shall act in his or her stead, according to the order as decided by the Board of Directors, in advance.	2. In case, <u>the Chairman of the Board of Directors and</u> the President is prevented by accident or unavoidable circumstances from so acting, other director shall act in his or her stead, according to the order as decided by the Board of Directors, in advance.
Article 16-Article 22 (Omitted)	Article 16-Article 22 (No change)
(Convener and chairman of the Board of Directors)	(Convener and chairman of the Board of Directors)
Article 23 Except as provided otherwise by law and regulation, the President shall convene a meeting of the Board of Directors and shall assume its chairmanship.	Article 23 Except as provided otherwise by law and regulation, <u>the Chairman of the Board of Directors or</u> the President shall convene a meeting of the Board of Directors and shall assume its chairmanship.
2. In case, the President is prevented by accident or unavoidable circumstances from so acting, other Director shall act in his or her stead, according to the order as decided by the Board of Directors, in advance.	2. In case, <u>the Chairman of the Board of Directors and</u> the President is prevented by accident or unavoidable circumstances from so acting, other Director shall act in his or her stead, according to the order as decided by the Board of Directors, in advance.
Article 24-Article 36 (Omitted)	Article 24-Article 36 (No change)
Supplementary Provisions (Omitted)	Supplementary Provisions (No change)

Proposal No. 3 Election of 9 Directors (excluding Directors who are Members of the Audit & Supervisory Committee)

The terms of office of all 9 Directors (excluding Directors who are Members of the Audit & Supervisory Committee) will expire at the conclusion of this Ordinary General Meeting of Shareholders.



As a result, the Company proposes the election of the following 9 persons as Directors (excluding Directors who are Members of the Audit & Supervisory Committee).


The candidates for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) are as follows.

Candidate No.		Name		Current position at the Company
1	Reelection	Kentaro Ogawa		Representative Director, Chairman, President & CEO
2	Reelection	Yohei Ogawa		Director and Deputy President
3	Reelection	Shinya Nonoshita		Managing Executive Director
4	Reelection	Makoto Hirano		Director
5	Reelection	Kazumasa Ogawa		Director
6	Reelection	Chiaki Ito	Outside Independent	Outside Director
7	Reelection	Takaharu Ando	Outside Independent	Outside Director
8	Reelection	Shoei Yamana	Outside Independent	Outside Director
9	Reelection	Reiko Nagatsuma	Outside Independent	Outside Director

<p>Candidate No. 1</p>  <p>Reelection Kentaro Ogawa Born: July 29, 1948</p> <ul style="list-style-type: none"> ▪ Term of office as Director: 43 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 500,000 shares of common stock 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <table border="0"> <tr> <td>June 1982</td><td>Established the Company, Representative Director and President</td></tr> <tr> <td>September 2000</td><td>Representative Director and President, the Company Director and Chairman, Coco's Japan Co., Ltd.</td></tr> <tr> <td>June 2007</td><td>Representative Director and President, the Company Director and Chairman, Sunday Sun Co., Ltd. (currently Jolly-Pasta Co., Ltd.)</td></tr> <tr> <td>June 2009</td><td>Representative Director, Chairman, President & CEO, the Company (current position)</td></tr> <tr> <td>June 2021</td><td>Representative Director and President, Global MD Holdings Co., Ltd.</td></tr> <tr> <td>October 2022</td><td>Representative Director and President, Nihon Retail Holdings Co., Ltd.</td></tr> </table> <ul style="list-style-type: none"> • Significant concurrent positions <p>Representative Director, Nihon Create Co., Ltd.; President, Ogawa Kentaro Scholarship Foundation</p> <ul style="list-style-type: none"> • Reasons for selection as a candidate for Director <p>Since founding the Company in 1982, he has demonstrated exemplary management abilities and strong leadership for the past 40 years toward realizing the vision "to eradicate hunger and poverty from the world," and has grown the Group to become Japan's largest food service company. He has also expanded the food service business overseas and is working to create the "top food service company in the world" by expanding into the food retailing business and nursing care business, etc.</p> <p>He has been selected as a candidate for Director to enable him to support the development of the corporate philosophy as the Company's founder.</p>	June 1982	Established the Company, Representative Director and President	September 2000	Representative Director and President, the Company Director and Chairman, Coco's Japan Co., Ltd.	June 2007	Representative Director and President, the Company Director and Chairman, Sunday Sun Co., Ltd. (currently Jolly-Pasta Co., Ltd.)	June 2009	Representative Director, Chairman, President & CEO, the Company (current position)	June 2021	Representative Director and President, Global MD Holdings Co., Ltd.	October 2022	Representative Director and President, Nihon Retail Holdings Co., Ltd.
June 1982	Established the Company, Representative Director and President												
September 2000	Representative Director and President, the Company Director and Chairman, Coco's Japan Co., Ltd.												
June 2007	Representative Director and President, the Company Director and Chairman, Sunday Sun Co., Ltd. (currently Jolly-Pasta Co., Ltd.)												
June 2009	Representative Director, Chairman, President & CEO, the Company (current position)												
June 2021	Representative Director and President, Global MD Holdings Co., Ltd.												
October 2022	Representative Director and President, Nihon Retail Holdings Co., Ltd.												

<p>Candidate No. 2</p>  <p>Reelection Yohei Ogawa Born: August 30, 1979</p> <ul style="list-style-type: none"> ▪ Term of office as Director: 8 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 500,000 shares of common stock 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <table border="0"> <tr> <td>April 2004</td><td>Joined Ministry of Finance</td></tr> <tr> <td>June 2016</td><td>Joined the Company; General Manager, Business Management Strategy Office</td></tr> <tr> <td></td><td>Executive Officer and Senior General Manager, Group Business Management Strategy Division, the Company</td></tr> <tr> <td>June 2017</td><td>Director and Senior General Manager, Group Business Management Strategy Division, the Company</td></tr> <tr> <td>November 2018</td><td>Director and Senior General Manager, Group Business Management Strategy Division, the Company</td></tr> <tr> <td></td><td>Chairman of the Board, Advanced Fresh Concepts Corp.</td></tr> <tr> <td>September 2020</td><td>Director, in charge of Global Business, and Senior General Manager, Global Sushi Business Division, the Company</td></tr> <tr> <td>October 2020</td><td>Director and Senior General Manager, Business Management Strategy Division, the Company</td></tr> <tr> <td>April 2021</td><td>Director and Senior General Manager, Global Operations Division, the Company</td></tr> <tr> <td>June 2021</td><td>Managing Executive Director, Senior General Manager, Business Management Strategy Division, Senior General Manager, Global Operations Division, the Company</td></tr> <tr> <td>June 2023</td><td>Managing Executive Director, Senior General Manager, Business Management Strategy Division, Senior General Manager, Global Operations Division, the Company</td></tr> <tr> <td></td><td>Chairman, Zensho China Holdings Co., Ltd. (current position)</td></tr> <tr> <td>October 2023</td><td>Managing Executive Director, Senior General Manager, Business Management Strategy Division, in charge of Global Operations Division, the Company</td></tr> <tr> <td>November 2023</td><td>Managing Executive Director, Senior General Manager, Business Management Strategy Division, in charge of Global Operations Division, in charge of Global Sushi PMI Office, the Company</td></tr> <tr> <td>August 2024</td><td>Managing Executive Director, Senior General Manager, Business Management Strategy Division, in charge of TGS Business Promotion Department (current position), the Company</td></tr> <tr> <td>February 2025</td><td>Director, Deputy President, Senior General Manager, Business Management Strategy Division (current position), the Company</td></tr> </table> <ul style="list-style-type: none"> • Significant concurrent positions Chairman, Zensho China Holdings Co., Ltd. • Reasons for selection as a candidate for Director Based on his advanced insight and wealth of experience gained at the Ministry of Finance, he is overseeing the overall Global Business and is demonstrating his abilities to promote the business integration of overseas sushi takeout companies. Currently, as the Deputy President, he is working to advance the formulation of management strategies, technology strategies, and rebranding in view of the entire Group's future expansion. He has been selected as a candidate for Director to enable him to support management into the future as the Company's chief executive. 	April 2004	Joined Ministry of Finance	June 2016	Joined the Company; General Manager, Business Management Strategy Office		Executive Officer and Senior General Manager, Group Business Management Strategy Division, the Company	June 2017	Director and Senior General Manager, Group Business Management Strategy Division, the Company	November 2018	Director and Senior General Manager, Group Business Management Strategy Division, the Company		Chairman of the Board, Advanced Fresh Concepts Corp.	September 2020	Director, in charge of Global Business, and Senior General Manager, Global Sushi Business Division, the Company	October 2020	Director and Senior General Manager, Business Management Strategy Division, the Company	April 2021	Director and Senior General Manager, Global Operations Division, the Company	June 2021	Managing Executive Director, Senior General Manager, Business Management Strategy Division, Senior General Manager, Global Operations Division, the Company	June 2023	Managing Executive Director, Senior General Manager, Business Management Strategy Division, Senior General Manager, Global Operations Division, the Company		Chairman, Zensho China Holdings Co., Ltd. (current position)	October 2023	Managing Executive Director, Senior General Manager, Business Management Strategy Division, in charge of Global Operations Division, the Company	November 2023	Managing Executive Director, Senior General Manager, Business Management Strategy Division, in charge of Global Operations Division, in charge of Global Sushi PMI Office, the Company	August 2024	Managing Executive Director, Senior General Manager, Business Management Strategy Division, in charge of TGS Business Promotion Department (current position), the Company	February 2025	Director, Deputy President, Senior General Manager, Business Management Strategy Division (current position), the Company
April 2004	Joined Ministry of Finance																																
June 2016	Joined the Company; General Manager, Business Management Strategy Office																																
	Executive Officer and Senior General Manager, Group Business Management Strategy Division, the Company																																
June 2017	Director and Senior General Manager, Group Business Management Strategy Division, the Company																																
November 2018	Director and Senior General Manager, Group Business Management Strategy Division, the Company																																
	Chairman of the Board, Advanced Fresh Concepts Corp.																																
September 2020	Director, in charge of Global Business, and Senior General Manager, Global Sushi Business Division, the Company																																
October 2020	Director and Senior General Manager, Business Management Strategy Division, the Company																																
April 2021	Director and Senior General Manager, Global Operations Division, the Company																																
June 2021	Managing Executive Director, Senior General Manager, Business Management Strategy Division, Senior General Manager, Global Operations Division, the Company																																
June 2023	Managing Executive Director, Senior General Manager, Business Management Strategy Division, Senior General Manager, Global Operations Division, the Company																																
	Chairman, Zensho China Holdings Co., Ltd. (current position)																																
October 2023	Managing Executive Director, Senior General Manager, Business Management Strategy Division, in charge of Global Operations Division, the Company																																
November 2023	Managing Executive Director, Senior General Manager, Business Management Strategy Division, in charge of Global Operations Division, in charge of Global Sushi PMI Office, the Company																																
August 2024	Managing Executive Director, Senior General Manager, Business Management Strategy Division, in charge of TGS Business Promotion Department (current position), the Company																																
February 2025	Director, Deputy President, Senior General Manager, Business Management Strategy Division (current position), the Company																																

<p>Candidate No. 3</p>  <p>Reelection Shinya Nonoshita Born: May 2, 1954</p> <ul style="list-style-type: none"> ▪ Term of office as Director: 6 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 18,069 shares of common stock 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <p>April 1979 Joined IBM Japan, Ltd.</p> <p>January 2005 Manager of eServer iSeries</p> <p>April 2007 Joined the Company; Executive Officer and Senior General Manager, Group IT Division</p> <p>November 2018 Executive Officer and Senior General Manager, Group IT & Engineering Division, the Company</p> <p>June 2019 Director and Senior General Manager, Group IT & Engineering Division, the Company</p> <p>June 2021 Director and Senior General Manager, Group IT Division, the Company</p> <p>June 2022 Managing Executive Director and Senior General Manager, Group IT Division, the Company (current position)</p> • Reasons for selection as a candidate for Director <p>He has a wealth of knowledge and experience regarding information technology (IT), and after joining the Company, he has worked to consistently strengthen the Group's IT sector based on this knowledge.</p> <p>The Company has determined that he will continue to work toward creating further synergies between IT, AI, and technology and contribute to business transformation and growth through DX and has thus selected him as a candidate for Director.</p>
<p>Candidate No. 4</p>  <p>Reelection Makoto Hirano Born: December 2, 1958</p> <ul style="list-style-type: none"> ▪ Term of office as Director: 21 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 19,100 shares of common stock 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <p>April 1982 Joined Nestlé Japan Ltd.</p> <p>April 2001 Representative Director and President, Nestlé Purina PetCare Ltd.</p> <p>April 2004 Joined the Company</p> <p>June 2004 Director, the Company</p> <p>November 2005 Director and General Manager, Food Safety Pursuing Department, the Company</p> <p>October 2010 Director and Senior General Manager, Group Corporate Communications Division, the Company</p> <p>July 2013 Director and Senior General Manager, Food Safety Pursuing Division, the Company</p> <p>April 2018 Representative Director and President, GFF Co., Ltd.</p> <p>April 2018 Director, the Company</p> <p>April 2018 Representative Director and President, Zensho Factory Holdings Co., Ltd.</p> <p>February 2019 Director and Senior General Manager, Group Food Safety Assurance Division, the Company</p> <p>October 2023 Director and Senior General Manager, Group Food Safety Standards Division, the Company (current position)</p> • Reasons for selection as a candidate for Director <p>He has a wide range of experience and insight in operations concerning the Company's overall food safety management and has been advancing operations based on this experience and insight as the person in charge of the Company's division supervising food safety.</p> <p>The Company has determined that he can continue to contribute to strengthening the Company's structures in safety management for foods, and has thus selected him as a candidate for Director.</p>

<p>Candidate No. 5</p>  <p>Reelection Kazumasa Ogawa Born: April 17, 1977</p> <ul style="list-style-type: none"> ▪ Term of office as Director: 16 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 500,000 shares of common stock 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <table border="0"> <tr> <td>April 2001</td><td>Joined Nissho Electronics Corporation</td></tr> <tr> <td>May 2006</td><td>Joined the Company; Manager, Subsidiary Administration Office</td></tr> <tr> <td>June 2009</td><td>Director, the Company</td></tr> <tr> <td>January 2013</td><td>Director and Senior General Manager, Global Operations Division, the Company</td></tr> <tr> <td>June 2014</td><td>Managing Executive Director and Senior General Manager, Global Operations Division, the Company</td></tr> <tr> <td>July 2018</td><td>Managing Executive Director and Senior General Manager, Group Merchandising Division, the Company</td></tr> <tr> <td>May 2019</td><td>Managing Executive Director, the Company</td></tr> <tr> <td>June 2020</td><td>Representative Director and President, Sukiya Co., Ltd.</td></tr> <tr> <td>April 2021</td><td>Director and Deputy President, the Company</td></tr> <tr> <td></td><td>Representative Director and President, Sukiya Co., Ltd.</td></tr> <tr> <td></td><td>Representative Director and President, Nihon Retail Holdings Co., Ltd.</td></tr> <tr> <td></td><td>Representative Director and President, Joy Mart Co., Ltd.</td></tr> <tr> <td>October 2022</td><td>Director, Deputy President and President of Zensho Japanese Culture Center, the Company (current position)</td></tr> <tr> <td>June 2023</td><td>Director, the Company (current position)</td></tr> </table> <ul style="list-style-type: none"> • Reasons for selection as a candidate for Director <p>Since joining the Company in 2006, he has strongly promoted global store expansion, and has contributed to the development of the overseas business. Subsequently, he has contributed to improving business results as the person responsible for the Company's mainstay Sukiya business and retail business while working to further improve brand recognition as the executive responsible for design. He is currently working to preserve and develop Japanese culture both in Japan and overseas as President of Zensho Japanese Culture Center based on this experience and insight.</p> <p>Based on his wealth of experience and insight into the Group, the Company has determined that he can contribute to the development of the Group's business into the future and has thus selected him as a candidate for Director.</p>	April 2001	Joined Nissho Electronics Corporation	May 2006	Joined the Company; Manager, Subsidiary Administration Office	June 2009	Director, the Company	January 2013	Director and Senior General Manager, Global Operations Division, the Company	June 2014	Managing Executive Director and Senior General Manager, Global Operations Division, the Company	July 2018	Managing Executive Director and Senior General Manager, Group Merchandising Division, the Company	May 2019	Managing Executive Director, the Company	June 2020	Representative Director and President, Sukiya Co., Ltd.	April 2021	Director and Deputy President, the Company		Representative Director and President, Sukiya Co., Ltd.		Representative Director and President, Nihon Retail Holdings Co., Ltd.		Representative Director and President, Joy Mart Co., Ltd.	October 2022	Director, Deputy President and President of Zensho Japanese Culture Center, the Company (current position)	June 2023	Director, the Company (current position)
April 2001	Joined Nissho Electronics Corporation																												
May 2006	Joined the Company; Manager, Subsidiary Administration Office																												
June 2009	Director, the Company																												
January 2013	Director and Senior General Manager, Global Operations Division, the Company																												
June 2014	Managing Executive Director and Senior General Manager, Global Operations Division, the Company																												
July 2018	Managing Executive Director and Senior General Manager, Group Merchandising Division, the Company																												
May 2019	Managing Executive Director, the Company																												
June 2020	Representative Director and President, Sukiya Co., Ltd.																												
April 2021	Director and Deputy President, the Company																												
	Representative Director and President, Sukiya Co., Ltd.																												
	Representative Director and President, Nihon Retail Holdings Co., Ltd.																												
	Representative Director and President, Joy Mart Co., Ltd.																												
October 2022	Director, Deputy President and President of Zensho Japanese Culture Center, the Company (current position)																												
June 2023	Director, the Company (current position)																												

<p>Candidate No. 6</p>  <p>Reelection Outside Independent Chiaki Ito Born: October 10, 1947 <ul style="list-style-type: none"> ▪ Term of office as Outside Director: 10 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 0 shares </p>	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <table> <tr> <td>April 1970</td><td>Joined Fujitsu Limited</td></tr> <tr> <td>June 2002</td><td>Corporate Vice President and Group President, Personal Systems Business Group</td></tr> <tr> <td>June 2004</td><td>Member of the Board, Corporate Executive Vice President, and responsible for Products Division</td></tr> <tr> <td>June 2006</td><td>Corporate Senior Executive Vice President and Representative Director</td></tr> <tr> <td>June 2008</td><td>Member of the Board and Vice Chairman</td></tr> <tr> <td>April 2010</td><td>Representative Director and Chairman, Fujitsu Research Institute</td></tr> <tr> <td>June 2013</td><td>Outside Director, Hitachi Zosen Corporation</td></tr> <tr> <td>June 2015</td><td>Outside Director, the Company (current position)</td></tr> <tr> <td></td><td>Outside Director, OBIC Business Consultants Co., Ltd. (current position)</td></tr> </table> • Significant concurrent positions Outside Director, OBIC Business Consultants Co., Ltd. • Reasons for selection as a candidate for Outside Director and expected roles <p>In addition to a wealth of technological knowledge and experience in the information telecommunications technology sector at Fujitsu Limited, he also has a wealth of experience and wide insight as a corporate manager. While the Company expects him to provide advice based on such insight, he has not only provided appropriate opinions and advice at meetings of the Board of Directors, but has also offered useful advice on business transformation and growth through DX, such as providing the Company with the latest information in the field of IT and DX. Thus, the Company has selected him as a candidate for Outside Director.</p> <p>The Company expects that he will continue to contribute to enriching and strengthening areas such as corporate governance and technological innovation while providing supervision and oversight of the Company's management from an independent standpoint for the improvement of corporate value over the medium to long term.</p> 	April 1970	Joined Fujitsu Limited	June 2002	Corporate Vice President and Group President, Personal Systems Business Group	June 2004	Member of the Board, Corporate Executive Vice President, and responsible for Products Division	June 2006	Corporate Senior Executive Vice President and Representative Director	June 2008	Member of the Board and Vice Chairman	April 2010	Representative Director and Chairman, Fujitsu Research Institute	June 2013	Outside Director, Hitachi Zosen Corporation	June 2015	Outside Director, the Company (current position)		Outside Director, OBIC Business Consultants Co., Ltd. (current position)
April 1970	Joined Fujitsu Limited																		
June 2002	Corporate Vice President and Group President, Personal Systems Business Group																		
June 2004	Member of the Board, Corporate Executive Vice President, and responsible for Products Division																		
June 2006	Corporate Senior Executive Vice President and Representative Director																		
June 2008	Member of the Board and Vice Chairman																		
April 2010	Representative Director and Chairman, Fujitsu Research Institute																		
June 2013	Outside Director, Hitachi Zosen Corporation																		
June 2015	Outside Director, the Company (current position)																		
	Outside Director, OBIC Business Consultants Co., Ltd. (current position)																		

<p>Candidate No. 7</p>  <p>Reelection Outside Independent</p> <p>Takaharu Ando Born: August 31, 1949</p> <ul style="list-style-type: none"> ▪ Term of office as Outside Director: 8 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 0 shares 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <table border="0"> <tr> <td>April 1972</td><td>Joined National Police Agency</td></tr> <tr> <td>August 1999</td><td>General Manager, Public Security Bureau, Tokyo Metropolitan Police Department</td></tr> <tr> <td>August 2004</td><td>Commissioner, General's Secretariat, National Police Agency</td></tr> <tr> <td>June 2009</td><td>Commissioner General</td></tr> <tr> <td>May 2013</td><td>Outside Director, Nitori Holdings Co., Ltd.</td></tr> <tr> <td>June 2016</td><td>Director (External), Amuse Inc. (current position)</td></tr> <tr> <td>June 2017</td><td>Outside Director, the Company (current position)</td></tr> <tr> <td>June 2018</td><td>Outside Director, Tobu Railway Co., Ltd. (current position)</td></tr> <tr> <td>May 2020</td><td>Outside Director (Audit & Supervisory Committee Member), Nitori Holdings Co., Ltd.</td></tr> <tr> <td>June 2022</td><td>Outside Director (Member of the Audit & Supervisory Committee), Nisshin Seifun Group Inc. (current position)</td></tr> <tr> <td>March 2023</td><td>Outside Director, Rakuten Group, Inc. (current position)</td></tr> </table> • Significant concurrent positions Outside Director, Amuse Inc.; Outside Director, Tobu Railway Co., Ltd.; Outside Director (Member of the Audit & Supervisory Committee), Nisshin Seifun Group Inc.; Outside Director, Rakuten Group, Inc. • Reasons for selection as a candidate for Outside Director and expected roles He has served in important positions such as Commissioner General of the National Policy Agency and has a wealth of experience and wide insights. Although he has not been involved in corporate management other than as an outside officer, while the Company expects him to provide advice based on his professional experience and knowledge, he has expressed his opinions appropriately as a member of the Nomination and Compensation Committee and provided useful advice on management. Thus, the Company has selected him as a candidate for Outside Director. The Company expects that he will continue contributing to enriching and enhancing corporate governance, compliance, and risk management while providing supervision and oversight of the Company's management from an independent standpoint as a member of the Nomination and Compensation Committee for the improvement of corporate value over the medium to long term. 	April 1972	Joined National Police Agency	August 1999	General Manager, Public Security Bureau, Tokyo Metropolitan Police Department	August 2004	Commissioner, General's Secretariat, National Police Agency	June 2009	Commissioner General	May 2013	Outside Director, Nitori Holdings Co., Ltd.	June 2016	Director (External), Amuse Inc. (current position)	June 2017	Outside Director, the Company (current position)	June 2018	Outside Director, Tobu Railway Co., Ltd. (current position)	May 2020	Outside Director (Audit & Supervisory Committee Member), Nitori Holdings Co., Ltd.	June 2022	Outside Director (Member of the Audit & Supervisory Committee), Nisshin Seifun Group Inc. (current position)	March 2023	Outside Director, Rakuten Group, Inc. (current position)
April 1972	Joined National Police Agency																						
August 1999	General Manager, Public Security Bureau, Tokyo Metropolitan Police Department																						
August 2004	Commissioner, General's Secretariat, National Police Agency																						
June 2009	Commissioner General																						
May 2013	Outside Director, Nitori Holdings Co., Ltd.																						
June 2016	Director (External), Amuse Inc. (current position)																						
June 2017	Outside Director, the Company (current position)																						
June 2018	Outside Director, Tobu Railway Co., Ltd. (current position)																						
May 2020	Outside Director (Audit & Supervisory Committee Member), Nitori Holdings Co., Ltd.																						
June 2022	Outside Director (Member of the Audit & Supervisory Committee), Nisshin Seifun Group Inc. (current position)																						
March 2023	Outside Director, Rakuten Group, Inc. (current position)																						

<p>Candidate No. 8</p>  <p>Reelection Outside Independent Shohei Yamana Born: November 18, 1954</p> <ul style="list-style-type: none"> ▪ Term of office as Outside Director: 2 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 0 shares 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <table border="0"> <tr> <td>April 1977</td><td>Joined Minolta Camera Co., Ltd.</td></tr> <tr> <td>July 2002</td><td>Executive Officer and General Manager of Management Planning Div., Minolta Co., Ltd.</td></tr> <tr> <td>August 2003</td><td>Senior Executive Officer, Konica Minolta Holdings, Inc. (currently Konica Minolta, Inc.)</td></tr> <tr> <td>June 2006</td><td>Director and Senior Executive Officer, Konica Minolta Holdings, Inc. (currently Konica Minolta, Inc.)</td></tr> <tr> <td>April 2013</td><td>Director and Senior Managing Executive Officer, Konica Minolta, Inc.</td></tr> <tr> <td>April 2014</td><td>Director, President and CEO, and Representative Executive Officer, Konica Minolta, Inc.</td></tr> <tr> <td>April 2022</td><td>Director, Executive Chairman and Executive Officer, Konica Minolta, Inc.</td></tr> <tr> <td>June 2022</td><td>Outside Director, TDK Corporation (current position)</td></tr> <tr> <td>June 2023</td><td>Outside Director, the Company (current position)</td></tr> <tr> <td>June 2024</td><td>Outside Director, JAPAN POST INSURANCE Co., Ltd. (current position)</td></tr> <tr> <td></td><td>Outside Director, SCSK Corporation (current position)</td></tr> </table> <ul style="list-style-type: none"> • Significant concurrent positions <p>Outside Director, TDK Corporation; Outside Director, JAPAN POST INSURANCE Co., Ltd.; Outside Director, SCSK Corporation</p> <ul style="list-style-type: none"> • Reasons for selection as a candidate for Outside Director and expected roles <p>Having served as a representative of Konica Minolta, Inc., he has a wealth of experience and wide insight as a corporate manager at a company that has expanded its business globally. The Company expects him to make use of this experience and insight to offer advice and suggestions in order to oversee the Company's management in general and ensure the legality and appropriateness of decision-making by the Board of Directors. Thus, the Company has selected him as a candidate for Outside Director.</p> <p>The Company expects that he will contribute to strengthening the world-wide management structure while providing supervision and oversight of the Company's management from an independent standpoint for the improvement of corporate value over the medium to long term.</p>	April 1977	Joined Minolta Camera Co., Ltd.	July 2002	Executive Officer and General Manager of Management Planning Div., Minolta Co., Ltd.	August 2003	Senior Executive Officer, Konica Minolta Holdings, Inc. (currently Konica Minolta, Inc.)	June 2006	Director and Senior Executive Officer, Konica Minolta Holdings, Inc. (currently Konica Minolta, Inc.)	April 2013	Director and Senior Managing Executive Officer, Konica Minolta, Inc.	April 2014	Director, President and CEO, and Representative Executive Officer, Konica Minolta, Inc.	April 2022	Director, Executive Chairman and Executive Officer, Konica Minolta, Inc.	June 2022	Outside Director, TDK Corporation (current position)	June 2023	Outside Director, the Company (current position)	June 2024	Outside Director, JAPAN POST INSURANCE Co., Ltd. (current position)		Outside Director, SCSK Corporation (current position)
April 1977	Joined Minolta Camera Co., Ltd.																						
July 2002	Executive Officer and General Manager of Management Planning Div., Minolta Co., Ltd.																						
August 2003	Senior Executive Officer, Konica Minolta Holdings, Inc. (currently Konica Minolta, Inc.)																						
June 2006	Director and Senior Executive Officer, Konica Minolta Holdings, Inc. (currently Konica Minolta, Inc.)																						
April 2013	Director and Senior Managing Executive Officer, Konica Minolta, Inc.																						
April 2014	Director, President and CEO, and Representative Executive Officer, Konica Minolta, Inc.																						
April 2022	Director, Executive Chairman and Executive Officer, Konica Minolta, Inc.																						
June 2022	Outside Director, TDK Corporation (current position)																						
June 2023	Outside Director, the Company (current position)																						
June 2024	Outside Director, JAPAN POST INSURANCE Co., Ltd. (current position)																						
	Outside Director, SCSK Corporation (current position)																						

<p>Candidate No. 9</p>  <p>Reelection Outside Independent</p> <p>Reiko Nagatsuma Born: October 16, 1974</p> <ul style="list-style-type: none"> ▪ Term of office as Outside Director: 2 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 0 shares 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <p>April 1998 Joined Kokusai Denshin Denwa Co., Ltd. (currently KDDI Corporation)</p> <p>April 2001 Joined Tokyo FM Broadcasting Co., Ltd.</p> <p>July 2003 Joined Microsoft Japan Company, Limited</p> <p>April 2009 Joined Amazon Japan G.K.</p> <p>March 2018 General Manager, Seller Service Business Division, Amazon Japan G.K.</p> <p>November 2021 Managing Director, Twitter Japan (currently X Corp. Japan K.K.)</p> <p>March 2023 External Director, Medley, Inc.</p> <p>June 2023 Outside Director, the Company (current position)</p> • Reasons for selection as a candidate for Outside Director and expected roles <p>Having served at global IT corporations for many years, she has worked towards furthering networking and digital services and possesses advanced insight into the fields of IT and DX. In addition, she has experience as a corporate manager from her participation in management as Managing Director of Twitter Japan (currently X Corp. Japan K.K.). The Company has determined that she will make use of this experience and insight to offer useful advice on business transformation and the expansion of business areas for the Group companies, and has thus selected her as a candidate for Outside Director.</p> <p>The Company expects that she will contribute to enriching and strengthening technological innovation while providing supervision and oversight of the Company's management from an independent standpoint for the improvement of corporate value over the medium to long term.</p>
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- (Notes)
1. Mr. Kentaro Ogawa is Representative Director of the Ogawa Kentaro Scholarship Foundation, which has transactions with the Company including outsourcing operations for administrative processing. There are no significant conflicts of interest between the Company and any of the other candidates.
 2. Mr. Chiaki Ito, Mr. Takaharu Ando, Mr. Shoei Yamana, and Ms. Reiko Nagatsuma are candidates for Outside Directors.
 3. Based on the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements to limit liabilities for damages of Article 423, Paragraph 1 of the same Act with Mr. Chiaki Ito, Mr. Takaharu Ando, Mr. Shoei Yamana, and Ms. Reiko Nagatsuma. The limit of liabilities for damages under said agreements are 10 million yen or the amount stipulated by laws and regulations, whichever is greater. If Mr. Chiaki Ito, Mr. Takaharu Ando, Mr. Shoei Yamana, and Ms. Reiko Nagatsuma are reelected, the Company plans to continue the agreements with each person.
 4. The Company has concluded a directors and officers liability insurance (D&O Insurance) contract stipulated in Article 430-3, Paragraph 1 of the Companies Act that provides coverage for all Directors, and the insurance covers any damages that may result from the Directors and Officers being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Each candidate will be included in the coverage for said contract. The contract is scheduled to be renewed with the same content upon the next renewal.
 5. Matters concerning candidates for Outside Directors are as follows.
 - (1) The Company has designated Mr. Chiaki Ito, Mr. Takaharu Ando, Mr. Shoei Yamana, and Ms. Reiko Nagatsuma as Independent Officers based on the stipulations of the Tokyo Stock Exchange. If their reelections are approved, the Company plans to designate them as Independent Officers.
 - (2) Concerning responses to inappropriate business execution at other companies within the past five years
 - 1) Mr. Takaharu Ando served as Outside Director of Nitori Holdings Co., Ltd. from May 2013 to May 2022, but it was discovered that some diatomaceous earth products sold at stores of said group between December 2016 and December 2020 contained asbestos in excess of standards established by laws and regulations, leading to a voluntary recall. Although Mr. Takaharu Ando was not previously aware of these facts, he had been appropriately providing advice from the viewpoint of the importance of compliance with laws and regulations and compliance management in the Board of Directors, etc., and after said facts

were discovered, he requested reports from Directors and announced opinions to prevent recurrence, appropriately fulfilling his duties.

- 2) Mr. Shoei Yamana has served as Outside Director of JAPAN POST INSURANCE Co., Ltd. from June 2024, but said company was found to have violated its supervisory responsibility and duty to implement safety management measures for personal information as an insurance solicitation business through the misappropriation of customer information at post offices for the purpose of soliciting insurance products, as announced in September 2024. In addition, it was discovered that said company had engaged in activities of solicitation for the sale of lump-sum payment whole life insurance and other products prior to obtaining authorization under the Insurance Business Act.
Although Mr. Shoei Yamana was not previously aware of these facts, he has requested reports about recurrence prevention measures after said facts were discovered from the viewpoint of compliance with laws and regulations, appropriately fulfilling his duties.

Opinion of the Audit & Supervisory Committee

An overview of the opinion of the Audit & Supervisory Committee regarding the selection and compensation, etc., of Directors is as follows.

Deliberations have been made in the Nomination and Compensation Committee, comprised of a majority of Outside Directors, on whether or not each candidate is appropriate to serve as Director based on factors such as knowledge, experience, and abilities, and one Outside Audit & Supervisory Committee Member participates in the deliberations as a member of the Nomination and Compensation Committee. Upon consideration by the Audit & Supervisory Committee of the results of the content of deliberation in the Nomination and Compensation Committee, it has been determined that nomination procedures were conducted appropriately, and each candidate is suited to serve as Director of the Company. Additionally, upon by the Audit & Supervisory Committee of the results of the content of deliberation concerning compensation, etc., of Directors (excluding Directors who are Members of the Audit & Supervisory Committee) in the Nomination and Compensation Committee, it has been determined that determination procedures were conducted appropriately, and the content of compensation, etc., is appropriate as the amounts of compensation, etc., correspond to the duties, responsibilities, and results of each Director (excluding Directors who are Members of the Audit & Supervisory Committee).

Proposal No. 4 Election of 4 Directors who are Members of the Audit & Supervisory Committee


The terms of office of all 4 Directors who are Members of the Audit & Supervisory Committee will expire at the conclusion of this Ordinary General Meeting of Shareholders.


As a result, the Company proposes the election of the following 4 persons as Directors who are Members of the Audit & Supervisory Committee. The consent of the Audit & Supervisory Committee has been obtained in regard to this proposal.

The candidates for Directors who are Members of the Audit & Supervisory Committee are as follows.

Candidate No.		Name		Current position at the Company
1	Reelection	Hideo Watanabe	Outside Independent	Director, Full-time Member of the Audit & Supervisory Committee (Outside Director)
2	Reelection	Yukio Miyajima	Outside Independent	Director, Member of the Audit & Supervisory Committee (Outside Director)
3	Reelection	Kenichi Kaneko	Outside Independent	Director, Member of the Audit & Supervisory Committee (Outside Director)
4	Reelection	Hisashi Maruyama	Outside Independent	Director, Member of the Audit & Supervisory Committee (Outside Director)

<p>Candidate No. 1</p>  <p>Reelection Outside Independent Hideo Watanabe Born: September 30, 1949</p> <ul style="list-style-type: none"> ▪ Term of office as Outside Director who is a Member of the Audit & Supervisory Committee: 6 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 0 shares 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <table border="0"> <tr> <td>April 1974</td><td>Joined Daiwa Securities Co. Ltd. (currently Daiwa Securities Group Inc.)</td></tr> <tr> <td>June 2000</td><td>Corporate Executive Officer, Daiwa Securities SB Capital Markets Co. Ltd.</td></tr> <tr> <td>May 2004</td><td>Managing Corporate Executive Officer, Daiwa Securities SB Capital Markets Co. Ltd. and Representative Director and CEO, Daiwa Securities SMBC Principal Investments Co. Ltd.</td></tr> <tr> <td>April 2007</td><td>Senior Managing Director, Daiwa Securities SB Capital Markets Co. Ltd. and Representative Director and President, Daiwa Securities SMBC Principal Investments Co. Ltd.</td></tr> <tr> <td>April 2008</td><td>Representative Director and Deputy President, Daiwa Institute of Research Ltd. and Representative Director and President, Daiwa Investor Relations Co. Ltd.</td></tr> <tr> <td>October 2008</td><td>Representative Director and Deputy President, Daiwa Institute of Research Holdings Ltd., Representative Director and Deputy President, Daiwa Institute of Research Ltd., and Representative Director and Deputy President, Daiwa Institute of Research Business Innovation Ltd.</td></tr> <tr> <td>June 2012</td><td>Full-time Auditor, the Company</td></tr> <tr> <td>June 2019</td><td>Outside Director (Full-time Member of the Audit & Supervisory Committee), the Company (current position)</td></tr> </table> <ul style="list-style-type: none"> • Reasons for selection as a candidate for Outside Director who is a Member of the Audit & Supervisory Committee and expected roles <p>He has appropriately audited the execution of duties by Directors as Outside Director (Member of the Audit & Supervisory Committee) based on his wealth of experience and advanced insight as a corporate manager for many years, and possesses professional insight and experience regarding personnel and labor as well as accounting and finance. The Company has determined that he is an appropriate candidate to serve on the Board of Directors and has thus selected him as a candidate for Outside Director who is a Member of the Audit & Supervisory Committee.</p> <p>The Company expects that he will continue contributing to enriching and enhancing corporate governance and audit capabilities at the Company primarily in the field of accounting and finance while providing supervision and oversight of the Company's management from an independent standpoint for the improvement of corporate value over the medium to long term.</p>	April 1974	Joined Daiwa Securities Co. Ltd. (currently Daiwa Securities Group Inc.)	June 2000	Corporate Executive Officer, Daiwa Securities SB Capital Markets Co. Ltd.	May 2004	Managing Corporate Executive Officer, Daiwa Securities SB Capital Markets Co. Ltd. and Representative Director and CEO, Daiwa Securities SMBC Principal Investments Co. Ltd.	April 2007	Senior Managing Director, Daiwa Securities SB Capital Markets Co. Ltd. and Representative Director and President, Daiwa Securities SMBC Principal Investments Co. Ltd.	April 2008	Representative Director and Deputy President, Daiwa Institute of Research Ltd. and Representative Director and President, Daiwa Investor Relations Co. Ltd.	October 2008	Representative Director and Deputy President, Daiwa Institute of Research Holdings Ltd., Representative Director and Deputy President, Daiwa Institute of Research Ltd., and Representative Director and Deputy President, Daiwa Institute of Research Business Innovation Ltd.	June 2012	Full-time Auditor, the Company	June 2019	Outside Director (Full-time Member of the Audit & Supervisory Committee), the Company (current position)
April 1974	Joined Daiwa Securities Co. Ltd. (currently Daiwa Securities Group Inc.)																
June 2000	Corporate Executive Officer, Daiwa Securities SB Capital Markets Co. Ltd.																
May 2004	Managing Corporate Executive Officer, Daiwa Securities SB Capital Markets Co. Ltd. and Representative Director and CEO, Daiwa Securities SMBC Principal Investments Co. Ltd.																
April 2007	Senior Managing Director, Daiwa Securities SB Capital Markets Co. Ltd. and Representative Director and President, Daiwa Securities SMBC Principal Investments Co. Ltd.																
April 2008	Representative Director and Deputy President, Daiwa Institute of Research Ltd. and Representative Director and President, Daiwa Investor Relations Co. Ltd.																
October 2008	Representative Director and Deputy President, Daiwa Institute of Research Holdings Ltd., Representative Director and Deputy President, Daiwa Institute of Research Ltd., and Representative Director and Deputy President, Daiwa Institute of Research Business Innovation Ltd.																
June 2012	Full-time Auditor, the Company																
June 2019	Outside Director (Full-time Member of the Audit & Supervisory Committee), the Company (current position)																

<p>Candidate No. 2</p>  <p>Reelection Outside Independent</p> <p>Yukio Miyajima Born: April 20, 1953</p> <ul style="list-style-type: none"> ▪ Term of office as Outside Director who is a Member of the Audit & Supervisory Committee: 6 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 0 shares 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <p>April 1978 Joined Nichimen Co., Ltd. (currently Sojitz Corporation)</p> <p>April 2004 Managing Executive Officer, Sojitz Corporation</p> <p>April 2005 Representative Director and President, Sojitz Insurance Agency Corporation</p> <p>July 2013 Corporate Auditor, TAICHI HOLDINGS LIMITED</p> <p>July 2014 Director and General Manager, Administration Division, TAICHI HOLDINGS LIMITED</p> <p>June 2015 Advisor, TAICHI HOLDINGS LIMITED</p> <p>June 2016 Auditor, the Company</p> <p>December 2017 Outside Director, SANYO TRADING CO., LTD.</p> <p>June 2019 Outside Director (Member of the Audit & Supervisory Committee), the Company (current position)</p> • Reasons for selection as a candidate for Outside Director who is a Member of the Audit & Supervisory Committee and expected roles <p>He has a wealth of experience serving as a corporate manager for many years and wide insight gained through his varied experiences in business including management and administrative operations. In addition, he possesses professional insight and experience regarding accounting and finance. The Company has determined that he is an appropriate candidate to serve on the Board of Directors and has thus selected him as a candidate for Outside Director who is a Member of the Audit & Supervisory Committee.</p> <p>The Company expects that he will continue contributing to enriching and enhancing corporate governance and audit capabilities at the Company from a global perspective primarily in the field of accounting and finance while providing supervision and oversight of the Company's management from an independent standpoint as a member of the Nomination and Compensation Committee for the improvement of corporate value over the medium to long term.</p>
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<p>Candidate No. 3</p>  <p>Reelection Outside Independent</p> <p>Kenichi Kaneko Born: September 7, 1957</p> <ul style="list-style-type: none"> ▪ Term of office as Outside Director who is a Member of the Audit & Supervisory Committee: 2 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 0 shares 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <p>April 1981 Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2010 Executive Officer, Mizuho Bank, Ltd.</p> <p>April 2012 Advisor, Japan Land Building Co., Ltd.</p> <p>November 2012 Managing Executive Officer, Japan Land Building Co., Ltd.</p> <p>June 2014 Corporate Auditor, TOKYO AD AGENCY CO., LTD.</p> <p>June 2017 President and Representative Director, TOKYO AD AGENCY CO., LTD.</p> <p>June 2023 Outside Director (Member of the Audit & Supervisory Committee), the Company (current position)</p> • Reasons for selection as a candidate for Outside Director who is a Member of the Audit & Supervisory Committee and expected roles <p>He has a wealth of experience having served at financial institutions for many years and possesses advanced insight as a corporate manager. In addition, he has professional insight and experience regarding personnel and labor as well as accounting and finance. The Company has determined that he is an appropriate candidate to serve on the Board of Directors and has thus selected him as a candidate for Outside Director who is a Member of the Audit & Supervisory Committee.</p> <p>The Company expects that he will continue contributing to enriching and enhancing corporate governance and audit capabilities at the Company primarily in the fields of personnel and labor as well as accounting and finance while providing supervision and oversight of the Company's management from an independent standpoint for the improvement of corporate value over the medium to long term.</p>
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<p>Candidate No. 4</p>  <p>Reelection Outside Independent Hisashi Maruyama Born: March 8, 1961</p> <ul style="list-style-type: none"> ▪ Term of office as Outside Director who is a Member of the Audit & Supervisory Committee: 2 years (at the conclusion of this General Meeting of Shareholders) ▪ Number of the Company's shares held: 0 shares 	<ul style="list-style-type: none"> • Past experience, positions, and responsibilities <table border="0"> <tr> <td>April 1983</td><td>Joined Hitachi Chemical Company, Ltd. (currently Resonac Corporation)</td></tr> <tr> <td>April 2016</td><td>President and Representative Executive Officer, Hitachi Chemical Co., Ltd. (currently Resonac Corporation)</td></tr> <tr> <td>June 2020</td><td>Representative Director, President and CEO, Hitachi Chemical Co., Ltd. (currently Resonac Corporation)</td></tr> <tr> <td>March 2021</td><td>Director, Showa Denko K.K. (currently Resonac Holdings Corporation)</td></tr> <tr> <td></td><td>Representative Director, President and CEO, Showa Denko Materials Co., Ltd. (currently Resonac Corporation)</td></tr> <tr> <td>January 2022</td><td>Director, Showa Denko K.K. (currently Resonac Holdings Corporation)</td></tr> <tr> <td></td><td>Representative Director and Chairman, Showa Denko Materials Co., Ltd. (currently Resonac Corporation)</td></tr> <tr> <td>January 2023</td><td>Director, Resonac Holdings Corporation</td></tr> <tr> <td>June 2023</td><td>Outside Director (Member of the Audit & Supervisory Committee), the Company (current position)</td></tr> <tr> <td>June 2024</td><td>Outside Director, Yokogawa Electric Corporation (current position)</td></tr> </table> <ul style="list-style-type: none"> • Significant concurrent positions Outside Director, Yokogawa Electric Corporation • Reasons for selection as a candidate for Outside Director who is a Member of the Audit & Supervisory Committee and expected roles He has a wealth of experience as a corporate manager and wide insight gained through his varied experiences in business, and possesses professional insight and experience regarding legal, compliance, and risk management as well as accounting and finance. The Company has determined that he is an appropriate candidate to serve on the Board of Directors and has thus selected him as a candidate for Outside Director who is a Member of the Audit & Supervisory Committee. The Company expects that he will continue contributing to enriching and enhancing corporate governance and audit capabilities at the Company while providing supervision and oversight of the Company's management from an independent standpoint for the improvement of corporate value over the medium to long term. 	April 1983	Joined Hitachi Chemical Company, Ltd. (currently Resonac Corporation)	April 2016	President and Representative Executive Officer, Hitachi Chemical Co., Ltd. (currently Resonac Corporation)	June 2020	Representative Director, President and CEO, Hitachi Chemical Co., Ltd. (currently Resonac Corporation)	March 2021	Director, Showa Denko K.K. (currently Resonac Holdings Corporation)		Representative Director, President and CEO, Showa Denko Materials Co., Ltd. (currently Resonac Corporation)	January 2022	Director, Showa Denko K.K. (currently Resonac Holdings Corporation)		Representative Director and Chairman, Showa Denko Materials Co., Ltd. (currently Resonac Corporation)	January 2023	Director, Resonac Holdings Corporation	June 2023	Outside Director (Member of the Audit & Supervisory Committee), the Company (current position)	June 2024	Outside Director, Yokogawa Electric Corporation (current position)
April 1983	Joined Hitachi Chemical Company, Ltd. (currently Resonac Corporation)																				
April 2016	President and Representative Executive Officer, Hitachi Chemical Co., Ltd. (currently Resonac Corporation)																				
June 2020	Representative Director, President and CEO, Hitachi Chemical Co., Ltd. (currently Resonac Corporation)																				
March 2021	Director, Showa Denko K.K. (currently Resonac Holdings Corporation)																				
	Representative Director, President and CEO, Showa Denko Materials Co., Ltd. (currently Resonac Corporation)																				
January 2022	Director, Showa Denko K.K. (currently Resonac Holdings Corporation)																				
	Representative Director and Chairman, Showa Denko Materials Co., Ltd. (currently Resonac Corporation)																				
January 2023	Director, Resonac Holdings Corporation																				
June 2023	Outside Director (Member of the Audit & Supervisory Committee), the Company (current position)																				
June 2024	Outside Director, Yokogawa Electric Corporation (current position)																				

- (Notes)
1. There are no significant conflicts of interest between the Company and each of the candidates.
 2. Mr. Hideo Watanabe, Mr. Yukio Miyajima, Mr. Kenichi Kaneko, and Mr. Hisashi Maruyama are candidates for Outside Directors who are Members of the Audit & Supervisory Committee.
 3. Based on the stipulations of Article 427, Paragraph 1 of the Companies Act, the Company has concluded agreements to limit liabilities for damages of Article 423, Paragraph 1 of the same Act with Mr. Yukio Miyajima, Mr. Kenichi Kaneko, and Mr. Hisashi Maruyama. The limit of liabilities for damages under said agreements are 5 million yen or the amount stipulated by laws and regulations, whichever is greater. If Mr. Yukio Miyajima, Mr. Kenichi Kaneko, and Mr. Hisashi Maruyama are reelected, the Company plans to continue the agreements with each person.
 4. The Company has concluded a directors and officers liability insurance (D&O Insurance) contract stipulated in Article 430-3, Paragraph 1 of the Companies Act that provides coverage for all Directors, and the insurance covers any damages that may result from the Directors and Officers being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Each candidate will be included in the coverage for said contract. The contract is scheduled to be renewed with the same content upon the next renewal.
 5. Matters concerning candidates for Outside Directors who are Members of the Audit & Supervisory Committee are as follows.
The Company has designated Mr. Hideo Watanabe, Mr. Yukio Miyajima, Mr. Kenichi Kaneko, and Mr. Hisashi Maruyama as Independent Officers based on the stipulations of the Tokyo Stock Exchange. If Mr. Hideo Watanabe, Mr. Yukio Miyajima, Mr. Kenichi Kaneko, and Mr. Hisashi Maruyama are reelected, the Company plans to designate them as Independent Officers.

[Reference] Specialties and experience for each candidate in Proposals No. 3 and No. 4 (Skill matrix)

Corporate management	Having experience as a representative director of the Company or a company outside the Group. Having the ability to strongly promote the sustainable growth and development of the Company's business.
Marketing and store development	Knowledgeable in marketing and store development and has extensive experience in these areas. Having the ability to formulate strategies by understanding the business environment and consumer preferences accurately.
Manufacturing and quality management	Knowledgeable in manufacturing and quality management and has extensive experience in these areas. Having the ability to pursue and secure solid safety, security, and quality.
IT and technology	Knowledgeable in IT and technology and has extensive experience in these areas. Having the ability to promote technological innovation and DX to build a stable foundation for business.
Accounting and finance	Knowledgeable in finance and accounting and has extensive experience in these areas. Having the ability to ensure the stability and improvement of the revenue basis and financial soundness.
Personnel, labor, and human resource development	Knowledgeable in personnel, labor management, etc., and has extensive experience in these areas. Having the ability to assess the potential of employees and manage a diverse workforce.
Legal, compliance, and risk management	Knowledgeable in legal issues, compliance, etc., and has extensive experience in these areas. Having the ability to ensure compliance with laws and regulations and promote loss cost reduction.
Global	Having overseas experience and can manage from a global perspective.

*** Based on the above framework, up to three main skills that each candidate possesses are marked with an "X."**

	Independent	Name	Specialties and experience (Skill matrix)							
			Corporate management	Marketing and store development	Manufacturing and quality management	IT and technology	Accounting and finance	Personnel, labor, and human resource development	Legal, compliance, and risk management	Global
Director		Kentaro Ogawa	X		X			X		
		Yohei Ogawa		X			X			X
		Shinya Nonoshita				X			X	
		Makoto Hirano	X		X					X
		Kazumasa Ogawa		X						X
	X	Chiaki Ito	X			X				X
	X	Takaharu Ando						X	X	X
	X	Shoei Yamana	X	X						X
	X	Reiko Nagatsuma	X	X		X				

	Independent	Name	Specialties and experience (Skill matrix)							
			Corporate management	Marketing and store development	Manufacturing and quality management	IT and technology	Accounting and finance	Personnel, labor, and human resource development	Legal, compliance, and risk management	Global
Member of the Audit & Supervisory Committee	X	Hideo Watanabe	X				X	X		
	X	Yukio Miyajima	X				X			X
	X	Kenichi Kaneko	X				X	X		
	X	Hisashi Maruyama	X				X		X	

Proposal No. 5 Revision of Compensation Amount Pertaining to Monetary Compensation for Directors
(excluding Directors who are Members of the Audit & Supervisory Committee)

The limit of compensation for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) was resolved at the 37th Ordinary General Meeting of Shareholders held on June 21, 2019, to be no more than 600 million yen per year (of which, the amount for Outside Directors shall be no more than 60 million yen), and has remained unchanged to the present day.

As such, this proposal seeks approval to set the amount of compensation for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) to be no more than 1,000 million yen per year (of which, the amount for Outside Directors shall be no more than 100 million yen) for the purpose of further strengthening Directors' commitment to the growth strategy set forth in the new medium-term management plan and the achievement thereof, and promoting management that maintains a higher level of consciousness of sharing value with our shareholders.

The amounts of compensation for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) do not include salaries for employees.

In addition, the Company resolved at a meeting of the Board of Directors on the policy for determining compensation for Directors, a summary of which has been provided in the Business Report. The Board of Directors has determined that the amount of compensation for this proposal is in line with such policy and therefore appropriate.

If Proposal 3 is approved as proposed, the number of Directors (excluding Directors who are Members of the Audit & Supervisory Committee) will be 9 (including 4 Outside Directors).

Proposal No. 6 Revision of Compensation Amount Pertaining to Monetary Compensation for Directors who are
Members of the Audit & Supervisory Committee

The limit of compensation for Directors who are Members of the Audit & Supervisory Committee was resolved at the 37th Ordinary General Meeting of Shareholders held on June 21, 2019, to be no more than 120 million yen per year, and has remained unchanged to the present day.

As such, this proposal seeks approval to set the amount of compensation for Directors who are Members of the Audit & Supervisory Committee to be no more than 200 million yen per year, taking into consideration the Company's business scale, the duties assigned to him/her, economic conditions, and other various factors.

In addition, the Company resolved at a meeting of the Board of Directors on the policy for determining compensation for Directors, a summary of which has been provided in the Business Report. The Board of Directors has determined that the amount of compensation for this proposal is in line with such policy and therefore appropriate.

If Proposal 4 is approved as proposed, the number of Directors who are Members of the Audit & Supervisory Committee will be 4 (including 4 Outside Directors).

Business Report (April 1, 2024, to March 31, 2025)

1. State of the Corporate Group

(1) Status of business for the fiscal year under review

1) Progress and results of business

In the fiscal year under review (from April 1, 2024, to March 31, 2025), consolidated business performance was net sales of 1,136,684 million yen (up 17.7% year-on-year), operating profit of 75,128 million yen (up 39.9% year-on-year), ordinary profit of 71,890 million yen (up 41.2% year-on-year), and profit attributable to owners of parent of 39,290 million yen (up 28.0% year-on-year).

The business environment surrounding the Group was affected by the prolonged situation in Ukraine and soaring prices of rice and increased prices of imported beef and other ingredients in Japan. Meanwhile, the recovery of foot traffic, normalization of economic activity and improvement in employment and income conditions continued to support a rebound in personal consumption from the previous period.

In the Group as well, demand was on the rise, with more families and groups utilizing relevant services mainly in the restaurant industry.

Under these circumstances, year-on-year same store sales in each reporting segment were: up 9.8% in Global Sukiya, up 17.1% in Global Hamasushi, up 8.8% in Global Fast Food, up 11.7% in Restaurants, and down 1.8% in Retail.

As of the end of the fiscal year under review, the number of stores was 15,419 (including 8,559 franchised stores).

Net sales
1,136,684 million yen Up 17.7 % year on year

Operating profit
75,128 million yen Up 39.9 % year on year

Ordinary profit
71,890 million yen Up 41.2 % year on year

Profit attributable to owners of parent
39,290 million yen Up 28.0 % year on year

An overview by segment is as stated on pages 38 to 45.

Overview by segment

Sales composition by segment

Other

41,300 million yen

(Group sales share: 3.6%)

■ Key brands:



Corporate and Support

4,887 million yen

(Group sales share: 0.4%)

■ Key brands:



Retail

76,032 million yen

(Group sales share: 6.7%)

■ Key brands:



Restaurants

156,085 million yen

(Group sales share: 13.7%)

■ Key brands:



Global Sukiya

295,757 million yen

(Group sales share: 26.0%)



Global Hamasushi

248,495 million yen

(Group sales share: 21.9%)

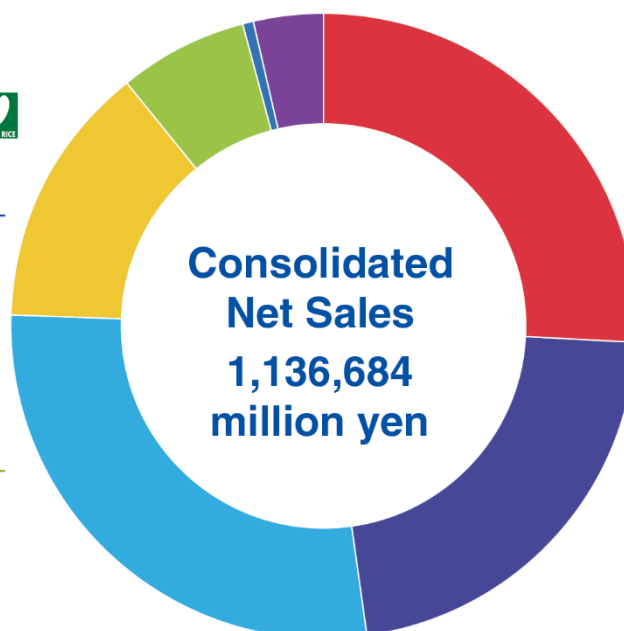


Global Fast Food

314,125 million yen

(Group sales share: 27.6%)

■ Key brands:

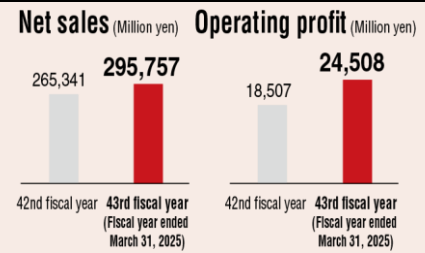


The figure above shows the logos of significant subsidiaries and businesses of the Group.

Global Sukiya

Net sales: **295,757 million yen**
(up 11.5% year on year)

Operating profit: **24,508 million yen**
(up 32.4% year on year)



Net sales of Global Sukiya during the fiscal year under review were 295,757 million yen (up 11.5% year-on-year) with operating profit of 24,508 million yen (up 32.4% year-on-year).

“Sukiya” has locations in Japan, China, Southeast Asia, and Central and South America, providing its mainstay Gyudon to families and groups with safety, good flavor, and reasonable pricing.

At domestic Sukiya, the Group provided a wide selection of various dishes, including “Gyudon with Cod Caviar Mayo & Cheese,” “Sukiyaki Style Gyudon with Raw Egg,” “Salmon Caviar Rice Bowl,” and “Gyudon with Bibimbap.” In addition, since January 2025, some domestic Sukiya restaurants have experienced incidents of their products being contaminated with foreign objects or substances. The Group has taken these incidents seriously and temporarily suspended operations at all restaurants except for some restaurants for 4 days starting on March 31, implementing thorough cleaning and other relevant countermeasures.

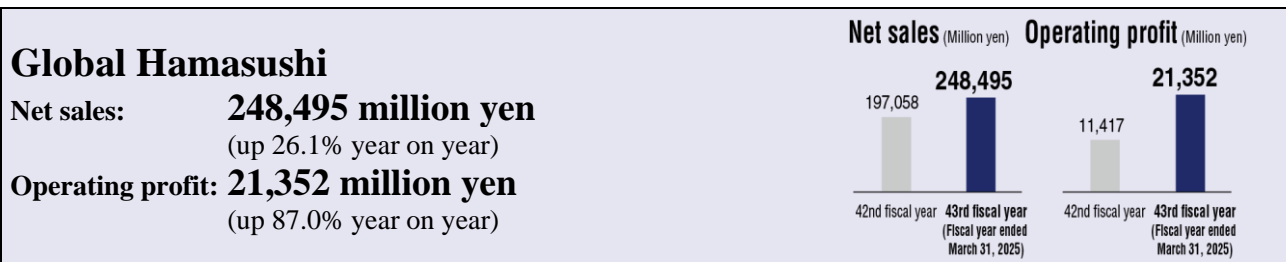
Additionally, the number of stores in this reporting segment as of the end of the fiscal year under review was 2,621 (1,969 domestic, 652 overseas), the result of 97 store openings and 108 closures.



Sukiya, Shimonagaya



Sukiya, Promenade, Thailand



Net sales of Global Hamasushi during the fiscal year under review were 248,495 million yen (up 26.1% year-on-year) with operating profit of 21,352 million yen (up 87.0% year-on-year).

“Hamasushi” has locations mainly in Japan and China, providing menu items such as sushi, prepared with fresh seafood, alongside side menu items including noodles, desserts, and drinks. These foods are enjoyed by everyone, from children to adults.

The number of restaurants in this reporting segment as of the end of the fiscal year under review, was 735 (639 domestic, 96 overseas), the result of 70 restaurant openings and 2 closures.



Hama-sushi, Totsuka Hirado

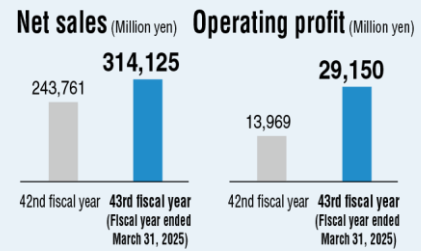


Hama-sushi, Central Bailian Shopping Center (China)

Global Fast Food

Net sales: 314,125 million yen
(up 28.9% year on year)

Operating profit: 29,150 million yen
(up 108.7% year on year)



Net sales of Global Fast Food during the fiscal year under review were 314,125 million yen (up 28.9% year-on-year) with operating profit of 29,150 million yen (up 108.7% year-on-year).

“Nakau,” a Japanese fast food chain, provides a wide variety of foods at affordable prices, mainly with oyakodon rice bowl dishes and Kyoto style udon noodles. “AFC,” “Snowfox,” “Yo!,” “Bento” and “Sushi Circle” provide sushi and other takeout foods mainly in North America and Europe. This reporting segment also includes “Lotteria,” a hamburger restaurant chain, “Katsuan,” a tonkatsu specialty restaurant, “Kyubeiya,” which serves Musashino style udon noodles and “The Chicken Rice Shop,” a halal certified chicken rice specialty restaurant.

The number of restaurants and stores in this reporting segment as of the end of the fiscal year under review was 10,732 (960 domestic, 9,772 overseas; including 8,482 franchises), the result of 703 restaurant and store openings and 443 closures.



Nakau, Mutsukawa, Yokohama

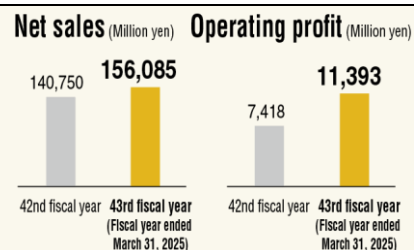


ZENSHI, Brand of Advanced Fresh Concepts Corp.

Restaurants

Net sales: **156,085 million yen**
(up 10.9% year on year)

Operating profit: **11,393 million yen**
(up 53.6% year-on-year)



Net sales of Restaurants during the fiscal year under review, were 156,085 million yen (up 10.9% year-on-year) with operating profit of 11,393 million yen (up 53.6% year-on-year).

“Coco’s,” a standard restaurant chain, has made efforts to improve its business performance by enhancing product competitiveness through active introduction of fair menus with a focus on seasonality, pursuing authentic taste rivaling specialty restaurants, and improving the standard of services to enable customers to enjoy meals with satisfaction. This reporting segment also includes “Jolly Pasta,” a pasta specialty restaurant chain, “Big Boy,” a chain of hamburger steak and steak restaurants, “Jukusei Yakiniku Ichiban,” a barbeque chain that offers carefully selected beef, “OLIVE HILL,” an Italian cuisine specialty restaurant chain, and “Hanaya Yohei,” a Japanese cuisine chain.

The number of stores in this reporting segment as of the end of the fiscal year under review was 1,186 (1,185 domestic, 1 overseas; including 77 franchises), the result of 7 restaurant openings and 10 closures.



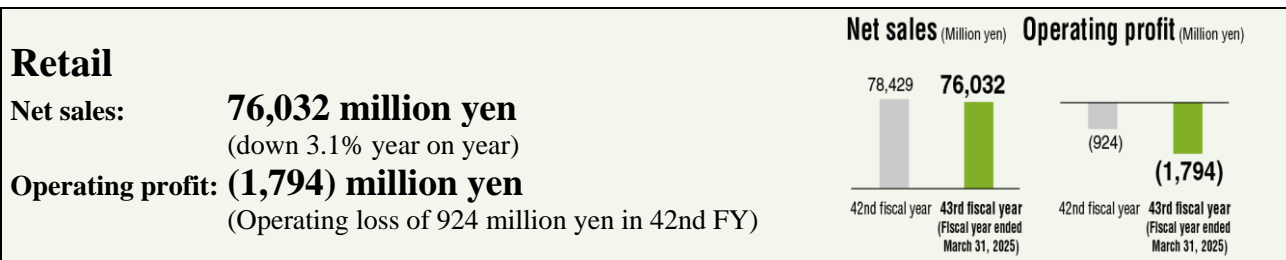
Jolly-Pasta



Hamburg Steak & Beef Stew Foil Pack, Coco’s



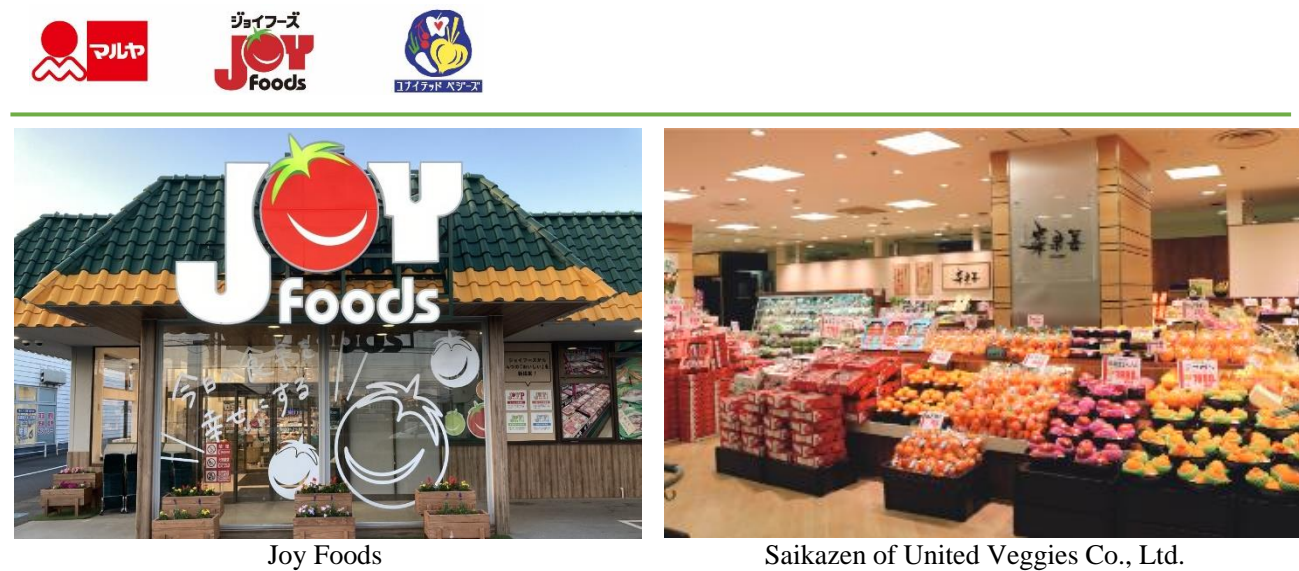
Tomato Spaghetti w/ Mozzarella Cheese, Squid Ink Sauce Spaghetti, and Bruschetta with Lemon Flavored Carottes Râpées, OLIVE HILL



Net sales of Retail during the fiscal year under review, were 76,032 million yen (down 3.1% year-on-year) with an operating loss of 1,794 million yen (operating loss of 924 million yen in the previous fiscal year).

This reporting segment includes “Maruya” and “Joy Foods,” supermarkets with locations primarily in the North Kanto area, and “United Veggies,” which operates fruit and vegetables stores.

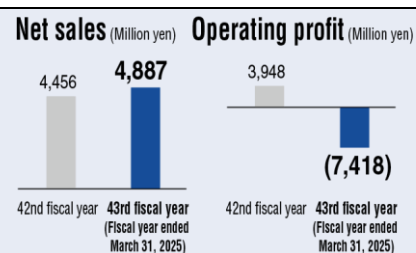
Additionally, the number of stores in this reporting segment as of the end of the fiscal year under review was 126, the result of 1 store opening and 7 closures.



Corporate and Support

Net sales: **4,887 million yen**
(up 9.7% year on year)

Operating profit: **(7,418) million yen**
(Operating profit of 3,948 million yen in 42nd FY)



Net sales of Corporate and Support during the fiscal year under review were 4,887 million yen (up 9.7% year-on-year) with operating loss of 7,418 million yen (operating profit of 3,948 million yen in the previous fiscal year).

This reporting segment includes GFF Co., Ltd., which manufactures and processes food, Global Fresh Supply Co., Ltd., which manages logistics functions, and Global Table Supply Co., Ltd., which procures uniforms, equipment, etc.



GFF

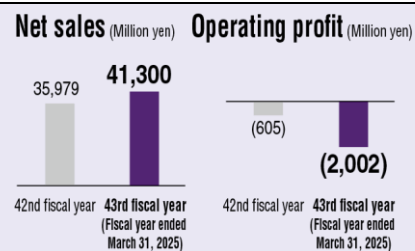


Global Fresh Supply Co., Ltd.

Others

Net sales: **41,300 million yen**
(up 14.8% year on year)

Operating profit: **(2,002) million yen**
(Operating loss of 605 million yen in 42nd FY)



Net sales of Others during the fiscal year under review, were 41,300 million yen (up 14.8% year-on-year) with an operating loss of 2,002 million yen (operating loss of 605 million yen in the previous fiscal year).

This segment includes Tolona Japan Co., Ltd., which plans, develops, and sells frozen foods for home use, etc., Sanbishi Co., Ltd., which manufactures and sells soy sauce and dressing, etc., Kagayaki Co., Ltd., which operates the nursing business, and Zensho Rice Co., Ltd., which sells brown and polished rice.



Tolona Japan Co., Ltd.'s "Gyudon ingredients"



Sanbishi Co., Ltd.'s Hama-sushi brand soy sauce & Ponzu

2) Status of capital investment

Capital investment during the fiscal year under review consisted of 880 new store openings across the Group and renovation of existing stores.

The total amount of capital investment for the corporate group during the fiscal year under review was 95,085 million yen.

3) Status of funding

Primarily as facilities investment and operating funds, 74,189 million yen in funding was procured from financial institutions, etc., during the fiscal year under review.

4) Status of business transfer, absorption-type splits, or incorporation-type splits

No applicable items.

5) Status of business transfers from other companies

No applicable items.

6) Status of continuation of rights and obligations concerning businesses of other companies, etc., owing to absorption-type mergers or absorption-type demergers

No applicable items.

7) Status of acquisition or disposal of stock or holdings in other companies or stock acquisition rights, etc.

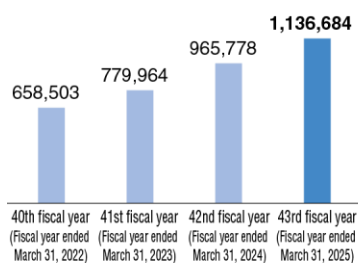
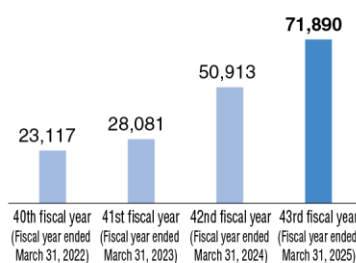
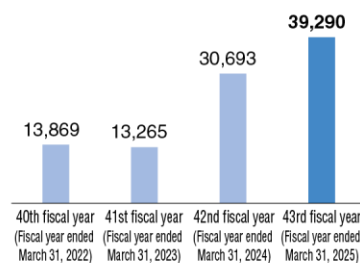
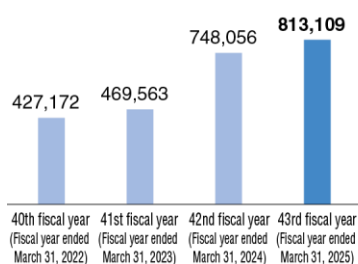
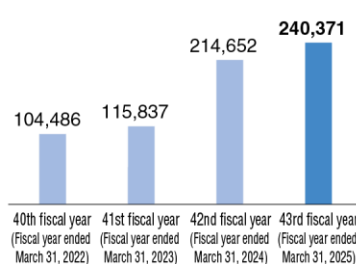
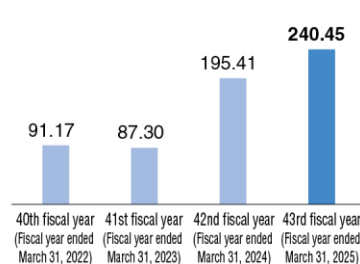
No applicable items.

(2) Status of assets and income

(Million yen)

Category	40th fiscal year (Fiscal year ended March 31, 2022)	41st fiscal year (Fiscal year ended March 31, 2023)	42nd fiscal year (Fiscal year ended March 31, 2024)	43rd fiscal year (Fiscal year ended March 31, 2025)
Net sales	658,503	779,964	965,778	1,136,684
Ordinary profit	23,117	28,081	50,913	71,890
Profit attributable to owners of parent	13,869	13,265	30,693	39,290
Basic earnings per share (Yen)	91.17	87.30	195.41	240.45
Total assets	427,172	469,563	748,056	813,109
Net assets	104,486	115,837	214,652	240,371
Net assets per share (Yen)	679.19	761.63	1,171.76	1,335.69

- (Notes) 1. “Board Benefit Trust (BBT)” has been introduced from the 41st fiscal year. For the 41st fiscal year and subsequent fiscal years, in the calculation of net assets per share, the Company shares held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets for the Trust are included in the number of treasury shares deducted from the number of shares issued and outstanding at the end of the fiscal year, while in the calculation of basic earnings per share, those are included in the number of treasury shares deducted from the average number of shares outstanding during the period.
2. Effective from the 42nd fiscal year, the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022) and others have been applied, and the figures for the state of assets and income for the 42nd fiscal year and subsequent fiscal years are those after the application of said Standard and others.

Net sales (Million yen)**Ordinary profit** (Million yen)**Profit attributable to owners of parent** (Million yen)**Total assets** (Million yen)**Net assets** (Million yen)**Basic earnings per share** (Yen)

(3) Status of significant parent companies and subsidiaries

1) Status of parent company

No applicable items.

2) Status of significant subsidiaries

Company name	Number of stores	Headquarters location	Capital	Holding ratio	Key business content
Zensho Global Fast Food Holdings Co., Ltd.	-	Minato-ku, Tokyo	10 million yen	100.00%	Fast food business supervision
Sukiya Co., Ltd.	1,969	Minato-ku, Tokyo	10 million yen	100.00%	Restaurants
Nakau Co., Ltd.	445	Minato-ku, Tokyo	10 million yen	100.00%	Restaurants
Lotteria Co., Ltd.	328	Minato-ku, Tokyo	8 million yen	100.00%	Restaurants
Zensho Global Restaurant Holdings Co., Ltd.	-	Minato-ku, Tokyo	10 million yen	100.00%	Family dining business supervision
Coco's Japan Co., Ltd.	509	Minato-ku, Tokyo	10 million yen	100.00%	Restaurants
Jolly-Pasta Co., Ltd.	319	Minato-ku, Tokyo	10 million yen	100.00%	Restaurants
Big Boy Japan Co., Ltd.	169	Minato-ku, Tokyo	10 million yen	100.00%	Restaurants
TAG-1 Co., Ltd.	94	Minato-ku, Tokyo	10 million yen	100.00%	Restaurants
Hanaya Yohei Co., Ltd.	34	Minato-ku, Tokyo	100 million yen	100.00%	Restaurants
Olive Hill Co., Ltd.	58	Minato-ku, Tokyo	10 million yen	100.00%	Restaurants
Hama-Sushi Co., Ltd.	639	Minato-ku, Tokyo	10 million yen	100.00%	Restaurants
Nihon Retail Holdings Co., Ltd.	-	Minato-ku, Tokyo	85 million yen	100.00%	Retail business supervision
Joy Mart Co., Ltd.	95	Kasukabe-shi, Saitama	10 million yen	100.00%	Sale of groceries, etc.
United Veggies Co., Ltd.	31	Minato-ku, Tokyo	74 million yen	83.98%	Sale of fresh foods, etc.
Zensho Factory Holdings Co., Ltd.	-	Minato-ku, Tokyo	60 million yen	100.00%	Food production business supervision
GFF Co., Ltd.	-	Minato-ku, Tokyo	10 million yen	100.00%	Manufacture of foods
Global Fresh Supply Co., Ltd.	-	Minato-ku, Tokyo	70 million yen	100.00%	Logistics business
Tolona Japan Co., Ltd.	-	Minato-ku, Tokyo	10 million yen	100.00%	Sale of groceries, etc.
Zensho Tradings Co., Ltd.	-	Minato-ku, Tokyo	80 million yen	100.00%	Import and wholesale of food ingredients
Global MD Holdings Co., Ltd.	-	Minato-ku, Tokyo	10 million yen	100.00%	Purchase of food ingredients
Global Table Supply Co., Ltd.	-	Minato-ku, Tokyo	30 million yen	100.00%	Sale of utensils, etc.
Nihon Kaigo Holdings Co., Ltd.	-	Minato-ku, Tokyo	10 million yen	100.00%	Nursing care business supervision
Zensho USA Corporation	-	California, USA	10 thousand US dollars	100.00%	USA business supervision
Advanced Fresh Concepts Corp.	4,906	California, USA	100 thousand US dollars	100.00%	Sale of groceries
Pocino Foods Company	-	California, USA	28,904 thousand US dollars	100.00%	Food processing and sales
Zensho China Holdings Co., Ltd.	-	Shanghai, China	850,315 thousand yuan	100.00%	China business supervision
Zensho Restaurant (Shanghai) Co., Ltd.	471	Shanghai, China	327,975 thousand yuan	100.00%	Restaurants
Zensho Taiwan Co., Ltd.	83	Taipei, Taiwan	552,400 thousand New Taiwan dollars	100.00%	Restaurants
ZENSHO SOUTH EAST ASIA HOLDINGS PTE. LTD.	-	Singapore	145,924 thousand Singapore dollars	100.00%	ASEAN business supervision
ZENSHO HOLDINGS MALAYSIA SDN. BHD.	-	Kuala Lumpur, Malaysia	309,065 thousand ringgits	100.00%	Malaysia business supervision
TCRS Restaurants Sdn. Bhd.	198	Kuala Lumpur, Malaysia	17,180 thousand ringgits	100.00%	Restaurants

Company name	Number of stores	Headquarters location	Capital	Holding ratio	Key business content
Zensho Europe Holdings B.V.	-	Amsterdam, The Netherlands	1 euro	100.00%	Europe business supervision
Sushi Circle Gastronomie GmbH	302	Hesse, Germany	1,000 thousand euros	100.00%	Sale of groceries
Wonderfield Topco Limited	-	UK	14,939 thousand pounds	100.00%	Takeout sushi business supervision
Taiko Foods Limited	-	London, UK	83 thousand pounds	100.00%	Food processing and sales
JFE Franchising, Inc.	2,660	Texas, USA	300 thousand US dollars	100.00%	Sale of groceries
Bento Inc.	893	Ontario, Canada	1 Canadian dollar	100.00%	Sale of groceries
YO! Sushi UK Limited	586	London, UK	1 thousand pounds	100.00%	Sale of groceries

- (Notes)
1. The number of stores for each company is current as of the end of the fiscal year.
 2. Holding ratio for Zensho Global Fast Food Holdings Co., Ltd. is the ratio of stock including stock held by subsidiaries of the Company.
 3. Holding ratios for Sukiya Co., Ltd., Nakau Co., Ltd., Lotteria Co., Ltd., Coco's Japan Co., Ltd., Jolly-Pasta Co., Ltd., Big Boy Japan Co., Ltd., TAG-1 Co., Ltd., Hanaya Yohei Co., Ltd., Olive Hill Co., Ltd., Joy Mart Co., Ltd., United Veggies Co., Ltd., GFF Co., Ltd., Advanced Fresh Concepts Corp., Pocino Foods Company, Zensho Restaurant (Shanghai) Co., Ltd., ZENSHO HOLDINGS MALAYSIA SDN.BHD., TCRS Restaurants Sdn. Bhd., Sushi Circle Gastronomie GmbH, Wonderfield Topco Limited, Taiko Foods Limited, JFE Franchising, Inc., Bento Inc., and YO! Sushi UK Limited are ratios of stock held by subsidiaries of the Company.
 4. Apart from headquarters, GFF Co., Ltd. has manufacturing plants in the following locations.
 Uruma-shi, Okinawa; Tosu-shi, Saga; Shunan-shi, Yamaguchi; Kasai-shi, Hyogo; Osaka-shi; Komono-cho, Mie-gun, Mie; Kawasaki-shi; Asahi-shi, Chiba; Kamisato-cho, Kodama-gun, Saitama; Tsuchiura-shi, Ibaraki; Sano-shi, Tochigi; Oyama-shi, Tochigi; Shiogama-shi, Miyagi; Sendai-shi; Otaru-shi, Hokkaido

(4) Issues to be addressed

The Group operates with the mission of providing safe and delicious food at affordable prices to people throughout the world under the corporate vision “take responsibility for the stability and development of human society to eradicate hunger and poverty from the world,” and will address the following issues:

1) Pursuit of food safety

The Group places the highest priority on providing safe food to our customers. Based on CODEX standards (global standards for food safety), the Group Food Safety Standard Division sets our own standards, provides food safety education to all employees, and provides food safety information to our suppliers and business partners.

In the entire food chain of procurement, manufacturing, logistics, and sales, the traceability of food safety is guaranteed through the completion of food safety management by each group company.

In addition, the safety of raw materials, packaging materials, and products is guaranteed by analyzing and inspecting hazards (factors that hinder health) at our Central Research Center and Microbiology Testing Center.

In addition, we take the incidents of contamination with foreign objects or substances that have been experienced since January 2025 with the utmost seriousness, and we will implement the following countermeasures to improve in-store conditions, especially in each business category involved in restaurant operations.

- a) Allocation of adequate time for cleaning, including temporary closures of restaurants during late-night hours
- b) Regular inspection and repair of cracks, holes, and other proximity breaches that may lead to infestations by harmful insects or rodents; systematic renovation of aging restaurants
- c) Review of restaurant design to reinforce against infestation and inhabitation by harmful insects or rodents and enhance ease of cleaning processes
- d) Thorough education for employees on safety and hygiene

2) Evolution of the Mass Merchandising System (MMD)

In order to ensure that customers can enjoy safe and delicious products with peace of mind, the Group has continued to ensure safety through MMD, while expanding its operations and pursuing group synergies with the aim of improving business performance. In addition, in consideration of the accelerated pace of overseas store openings, we will strengthen our procurement network through overseas bases, while pursuing food safety, improving product quality, and improving costs.

* Mass Merchandising System (MMD)

MMD is a system to fulfill our mission of “providing safe and delicious food at affordable prices to people throughout the world,” in which we plan, design, and operate the entire process from procurement of raw materials to manufacturing, processing, distribution, and sales in our stores with our own hands.

3) Evolution of brands

The Group will strive to evolve our brands in all aspects to meet the ever-evolving needs of our customers and to respond to their diverse lifestyles, and to provide products, services, and customer experiences that consistently exceed their expectations.

4) Sustainability initiatives

Since its establishment, the Group has been committed to its management vision to “eradicate hunger and poverty from the world,” aiming to realize a sustainable world through a stable supply of safe and delicious food. Based on this vision, we started fair trade in coffee and tea in 2007, and are currently engaged in social development support activities in 20 countries in Asia and Africa, such as school construction, improvement of water supply facilities, and support for women, using “social development funds” generated from fair trade. We also take responsibility for the impact of our business activities on the global environment. In addition to issues such as conservation of eel resources and utilization of food residues, we will work on enhancing not only the sustainability of our business areas, including the use of natural energy such as installation of solar panels in our stores and factories, but that of the global environment itself.

5) Growth through store openings and M&A

We will continue to proactively open new stores in Japan and overseas to enhance the profitability of our businesses. In addition, we will explore new business areas and further strengthen MMD by utilizing

M&A and other means, and take measures to supply safe, high-quality food ingredients and promote the diversification of food.

6) Recruitment and training of human resources

Based on the idea that human resources are human capital that generates added value, the Group will hire excellent human resources who share our Group's vision and develop human resources to support sustainable growth.

In addition, we will promote diverse work styles, including the advancement of female employees, strengthen mid-career recruitment, and actively recruit and develop global human resources.

7) Improvement of working environment

To improve the working environment, the Group has implemented various improvement measures, including strengthening of compliance education for managers, establishment of a contact point and in-house training programs to prevent harassment, and enhancement of opportunities for dialogue with employees. We will continue to streamline operations through DX promotion, strengthen communication, and review the personnel evaluation system, salary system, and employee benefits to create a working environment where each employee can enhance his/her abilities and feel satisfaction and growth, thereby ensuring long-term stable employment.

8) Establishment of a system to improve customer convenience and contribute to prompt business decisions

The Group is building a system to improve customer convenience and productivity. Meanwhile, as a business management system, we are building a system to collect information on sales, inventory, etc. As we expand the sales bases of our Group companies in Japan and overseas, we will further improve the efficiency of information collection and integration, and will also build a system and structure that will contribute to prompt decision making by management.

9) Proactive approach to digital transformation (DX)

Amid the rapid progress of digitalization, also known as the 4th Industrial Revolution, the utilization of artificial intelligence (AI), IoT, RPA, robots, and cloud computing has been accelerating. In stores, manpower reduction in both routine and non-routine labor is advancing due to technological innovations such as self-ordering, self-cashing, and robots, and the data utilization using IT. The Group will also promote the streamlining and automation of operations through proactive DX initiatives in each process, including stores, factories, logistics, and headquarters.

10) Initiatives to ensure a stable supply of food ingredients

The Group procures food ingredients used in its stores from both domestic and overseas sources, and is working to diversify its suppliers in order to address the risk of price increase due to climate change and exchange rate fluctuations in addition to challenges faced in procurement. In order to approach this issue, we will develop global bases for food ingredient procurement, gather information in and purchase directly from production areas, and strive to guarantee the procurement of safe, high-quality food ingredients.

In addition, we will engage in analysis of the procurement risks presented by the recent phenomenon being referred to as the "Trump tariffs" from a global perspective, restructure our procurement network, and endeavor to develop new procurement channels.

(5) Key business content (As of March 31, 2025)

The Group consists of the Company and 169 subsidiaries and affiliates for a total of 170 companies and operates a wide range of food businesses.

(6) Key offices and plants (As of March 31, 2025)

1) The Company

Headquarters	2-18-1 Konan, Minato-ku, Tokyo
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2) Key subsidiaries

As stated in “(3) Status of significant parent companies and subsidiaries 2) Status of significant subsidiaries” above.

(7) Status of employees (As of March 31, 2025)

1) Status of employees of the corporate group

Number of employees	Increase/decrease since the end of the previous fiscal year
18,742	Up 1,936

(Notes) 1. The number indicated is the number of employees at the Company and its consolidated subsidiaries.

2. Apart from the above, there are 69,340 part time persons in employment.

2) Status of the Company's employees

Number of employees	Increase/decrease since the end of the previous fiscal year	Average age	Average years of employment
852	Up 62	40.1 years	9.1 years

(Note) The number of employees is calculated by excluding persons seconded from the Company to other companies and including persons seconded by other companies to the Company. Apart from the above, there are 132 part time persons in employment.

(8) Status of key lenders (As of March 31, 2025)

(Million yen)

Lender	Amount of borrowing
Sumitomo Mitsui Banking Corporation	64,776
Mizuho Bank, Ltd.	48,824
The Bank of Yokohama, Ltd.	41,756
Development Bank of Japan Inc.	26,800
The Norinchukin Bank	14,725
The Hiroshima Bank, Ltd.	4,000
Resona Bank, Limited	3,812
The Nanto Bank, Ltd.	3,500
The Shizuoka Bank	3,450
JA Bank Saitamakenshinren	3,000
The San-in Godo Bank, Ltd.	3,000
The Higashi-Nippon Bank, Ltd.	3,000

(9) Other significant matters concerning the status of the corporate group

No applicable items.

2. Status of the Company

(1) Status of stock (As of March 31, 2025)

- 1) Total number of authorized shares: Common shares 432,000,000 shares
Class A preferred shares 1,000 shares
- 2) Total number of issued shares: Common shares 160,733,225 shares
Class A preferred shares 300 shares
- 3) Number of shareholders: Common shares 126,735 persons
Class A preferred shares 2 persons
- 4) Major shareholders (Top 10)

(a) Common shares

Shareholder name	Number of shares held	Holding ratio
Nihon Create Co., Ltd.	60,299,508 shares	38.42%
The Master Trust Bank of Japan, Ltd. (Trust account)	15,455,800 shares	9.85%
Custody Bank of Japan, Ltd. (Trust account)	5,349,357 shares	3.41%
Zensho Group Employee Stock Ownership Association	2,772,649 shares	1.77%
STATE STREET BANK WEST CLIENT - TREATY 505234	1,966,900 shares	1.25%
JP MORGAN CHASE BANK 385781	1,250,569 shares	0.80%
STATE STREET BANK AND TRUST COMPANY 505001	1,114,000 shares	0.71%
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	903,818 shares	0.58%
RE FUND 116-CLIENT AC	731,800 shares	0.47%
STATE STREET BANK AND TRUST COMPANY 505225	727,897 shares	0.46%

(Note) The holding ratio is calculated after excluding treasury stock (3,777,943 shares). The number of such treasury stock does not include 291,400 shares of the Company shares held by Japan Custody Bank, Ltd. (Trust Account E) for the “Board Benefit Trust (BBT).”

(b) Class A preferred shares

Shareholder name	Number of shares held	Holding ratio
Development Bank of Japan Inc.	150 shares	50.00%
Mizuho Bank, Ltd.	150 shares	50.00%

(Note) These shares do not have voting rights, and are shares with the right to receive preferred dividends.

(2) Other significant matters concerning shares

Overview of performance-linked stock compensation plan for the Company's Directors, etc.

By the resolution at the 40th Ordinary General Meeting of Shareholders held on June 24, 2022, the Company has introduced a performance-linked stock compensation plan for the Company's Directors (excluding Outside Directors and Members of the Audit & Supervisory Committee) and Executive Officers for the purpose of raising awareness among Directors, etc. to contribute to improving the Company's business performance and increasing its corporate value over the medium to long term by clarifying the link between Directors' and Executive Officers' compensation and the Company's business performance and stock value, and by sharing with shareholders not only the benefits of an increase in stock price but also the risk of a decline in stock price.

This Plan is a performance-linked stock compensation plan under which the Company's shares will be acquired through a trust with cash contributed by the Company as the source of funds, and the Company's shares and cash equivalent to the amount obtained by converting the Company's shares at fair value will be paid to Directors, etc., in accordance with the Executive Stock Benefit Regulations established by the Company. In principle, the time when Directors, etc., receive the Company's shares, etc., will be after their retirement from office.

(3) Status of stock acquisition rights

No applicable items.

(4) Status of the Company's officers

1) Status of Directors (As of March 31, 2025)

Position	Name	Responsibilities and status of significant concurrent positions
Representative Director, Chairman, President & CEO	Kentaro Ogawa	Chairman, Seidanren Representative Director, Nihon Create Co., Ltd. President, Ogawa Kentaro Scholarship Foundation
Director and Deputy President	Yohei Ogawa	Senior General Manager of Business Management Strategy Division, in charge of TGS Business Promotion Department Chairman, Zensho China Holdings Co., Ltd.
Managing Executive Director	Shinya Nonoshita	Senior General Manager, Group IT Headquarters
Director	Makoto Hirano	Senior General Manager, Group Food Safety Standards Division
Director	Kazumasa Ogawa	President, Zensho Japanese Culture Center
Outside Director	Chiaki Ito	Outside Director, OBIC Business Consultants Co., Ltd.
Outside Director	Takaharu Ando	Outside Director, Amuse Inc. Outside Director, Tobu Railway Co., Ltd. Outside Director (Member of the Audit & Supervisory Committee), Nisshin Seifun Group Inc. Outside Director, Rakuten Group, Inc.
Outside Director	Shoei Yamana	Outside Director, TDK Corporation Outside Director, JAPAN POST INSURANCE Co., Ltd. Outside Director, SCSK Corporation
Outside Director	Reiko Nagatsuma	
Outside Director (Full-time Member of the Audit & Supervisory Committee)	Hideo Watanabe	
Outside Director (Member of the Audit & Supervisory Committee)	Yukio Miyajima	
Outside Director (Member of the Audit & Supervisory Committee)	Kenichi Kaneko	
Outside Director (Member of the Audit & Supervisory Committee)	Hisashi Maruyama	Outside Director, Yokogawa Electric Corporation

- (Notes)
1. Director and Deputy President Yohei Ogawa and Director Kazumasa Ogawa are sons of Representative Director, Chairman, President & CEO Kentaro Ogawa.
 2. Directors Chiaki Ito, Takaharu Ando, Shoei Yamana, and Reiko Namatsuma and Directors (Members of the Audit & Supervisory Committee) Hideo Watanabe, Yukio Miyajima, Kenichi Kaneko, and Hisashi Maruyama are Outside Directors stipulated in Article 2, Item 15 of the Companies Act.
 3. Directors (Members of the Audit & Supervisory Committee) Hideo Watanabe, Yukio Miyajima, Kenichi Kaneko, and Hisashi Maruyama have considerable knowledge of finance and accounting.
 4. The Company has designated Directors Chiaki Ito, Takaharu Ando, Shoei Yamana, Reiko Nagatsuma, Hideo Watanabe, Yukio Miyajima, Kenichi Kaneko, and Hisashi Maruyama as independent officers as stipulated by the Tokyo Stock Exchange, and has notified the Exchange of such designation.
 5. The Company has entered into an agreement with Outside Directors Chiaki Ito, Takaharu Ando, Shoei Yamana, and Reiko Nagatsuma and Outside Directors who are Members of the Audit & Supervisory Committee Yukio Miyajima, Kenichi Kaneko, and Hisashi Maruyama pursuant to Article 427, Paragraph 1 of the Companies Act to limit their liability for damages under Article 423, Paragraph 1 of said Act.
The maximum amount of liability for damages under said agreement is 10 million yen or the amount provided by law, whichever is higher, for Outside Directors, and 5 million yen or the amount provided

by law, whichever is higher, for Outside Directors who are Members of the Audit & Supervisory Committee.

6. Director (Member of the Audit & Supervisory Committee) Hideo Watanabe is a full-time Member of the Audit & Supervisory Committee. The reason for selecting full-time Members of the Audit & Supervisory Committee is to enhance the effectiveness of supervision and oversight by the Audit & Supervisory Committee through their attendance at important internal meetings other than meetings of the Board of Directors, as well as through their daily information gathering and collaboration with the Accounting Auditor and the internal audit division, etc.

2) Total amount of compensation, etc., paid to Directors

Category	Total amount of compensation, etc.	Total amount of compensation, etc., by category			Number of officers compensated
		Fixed compensation	Performance-linked compensation		
			Performance-linked compensation (Bonuses paid in cash)	Performance-linked stock compensation	
Directors (excluding Directors who are Members of the Audit & Supervisory Committee) [of which, Outside Directors]	629 million yen [45 million yen]	445 million yen [45 million yen]	52 million yen [– million yen]	131 million yen [– million yen]	9 [4]
Directors who are Members of the Audit & Supervisory Committee [of which, Outside Directors]	47 million yen [47 million yen]	47 million yen [47 million yen]	– million yen [– million yen]	– million yen [– million yen]	4 [4]

(Notes) 1. Performance-linked compensation for Directors (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) shall consist of an annual performance-linked bonus and stock-based compensation to be granted upon retirement based on points awarded for each period covered by the medium-term management plan.

The amount of performance-linked bonus is calculated by using the annual basic compensation and the consolidated ordinary profit margin in the previous fiscal year. That consolidated ordinary profit margin is 5.3%. The performance indicator selected as the basis for calculating the amount of performance-linked bonus is the Company's consolidated ordinary profit margin. The Company believes that the consolidated ordinary profit margin is the most appropriate indicator for calculating performance-linked bonus because it directly indicates the business performance of the Company and the Group.

For performance-linked stock compensation, the "Board Benefit Trust (BBT)" system is adopted. Based on the Executive Stock Benefit Regulations, points (one point = one share) to each Director shall be granted in accordance with his/her position and the degree of achievement of performance indicators based on the pre-determined medium-term three-year plan, and then the number of the Company's shares (a certain portion of which shall be cash equivalent to the amount obtained by converting the Company's shares at fair value) corresponding to the number of such points shall be granted to each Director at the time of his/her retirement from office. The performance indicators shall be the degree of achievement of performance indicators based on the Company's pre-determined medium-term three-year plan and be intended to serve as medium- to long-term incentives not only to improve business performance but also to increase the Company's stock price.

The degree of achievement of performance indicators based on the medium-term three-year plan announced in 2022 is 129%.

2. The amount of monetary compensation for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) was resolved at the 37th Ordinary General Meeting of Shareholders held on June 21, 2019, to be no more than 600 million yen per year (of which, the amount for Outside Directors shall be no more than 60 million yen; these amounts do not include salaries for employees). As of the conclusion of said Ordinary General Meeting of Shareholders, the number of Directors (excluding Directors who are Members of the Audit & Supervisory Committee) is 12 (including 3 Outside Directors).

Regarding the stock-based compensation for Directors (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee), it was resolved at the 40th Ordinary General Meeting of Shareholders held on June 24, 2022 that the amount to be contributed by the Company to the Trust for three consecutive fiscal years shall be up to 2,000 million yen and the total number of points per subject period (three fiscal years) to be granted to Directors shall be up to 225,000 points, in addition to the above annual compensation. As of the conclusion of said Ordinary General Meeting of Shareholders, the number of Directors (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) is 6.

3. The amount of monetary compensation for Directors (Members of the Audit & Supervisory Committee) was resolved at the 37th Ordinary General Meeting of Shareholders held on June 21, 2019, to be no more than 120 million yen per year. The number of Directors (Members of Audit & Supervisory Committee) as of the conclusion of said Ordinary General Meeting of Shareholders is 4.

3) Policy for determining content of individual compensation, etc., for Directors

The Company has established a policy for determining the content of compensation, etc., for individual Directors (hereinafter the “Determination Policy”), a summary of which is as follows. The Determination Policy is determined by the Board of Directors of the Company after the report of the Nomination and Compensation Committee.

1. Basic approach

Compensation for Directors shall be set at a level that motivates them to manage the Company with the aim of increasing corporate value not only in the short term but also in the medium to long term, and at the same time allows the Company to secure a diverse and talented workforce. The level of compensation shall be competitive in comparison with other companies in the same industry and other companies of the same size in other industries.

2. Specific Policies

(1) Breakdown of compensation

Compensation for Directors (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) shall consist of basic monthly compensation as fixed compensation, an annual performance-linked compensation (both are monetary compensation), and stock-based compensation to be granted upon retirement based on points awarded for each period covered by the medium-term management plan. Outside Directors and Directors who are Members of the Audit & Supervisory Committee shall receive only basic monthly compensation, which is fixed compensation.

(2) Limit on the total amount of monetary compensation and maximum number of shares for stock-based compensation

The total amount of compensation for basic monthly compensation and annual performance-linked compensation for Directors shall be determined within the limit of compensation approved by the General Meeting of Shareholders, and the total number of shares of stock-based compensation shall be determined within the maximum number of shares of stock-based compensation approved by the General Meeting of Shareholders, respectively. Any change in the limit of the total amount of compensation or the maximum number of shares shall be approved by the Board of Directors and the General Meeting of Shareholders.

(3) Determination of compensation for each Director

i. Determination of fixed compensation

- (a) The amount of fixed compensation for each Director (excluding Directors who are Members of the Audit & Supervisory Committee) shall be determined by the Representative of the Board based on the fixed basic executive compensation table (by position) within the limit of the total amount of compensation, taking into consideration the responsibilities and evaluation of each Director (excluding Directors who are Members of the Audit & Supervisory Committee).
- (b) The fixed basic executive compensation table (by position) shall be determined each year by the Representative of the Board after consulting the Nomination and Compensation Committee.
- (c) The amount of fixed compensation for Directors who are Members of the Audit & Supervisory Committee shall be determined by deliberation among the Members of the Audit & Supervisory Committee within the limit of the total amount of compensation, taking into consideration whether the Director serves full-time or part-time, the duties assigned to him/her, and other factors.

ii. Determination of performance-linked compensation

- (a) The amount of performance-linked compensation for each Director (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) shall be determined by the Representative of the Board based on the performance-linked executive compensation table (by position), within the limit of the total amount of compensation, taking into consideration the Company’s performance and Directors’ responsibilities and evaluation.
- (b) The performance-linked executive compensation table (by position) shall be determined each year by the Representative of the Board after consultation with the Nomination and Compensation Committee.

- (c) Performance-linked compensation shall be paid once a year in the month following the month in which the Ordinary General Meeting of Shareholders is held.
 - (d) The consolidated ordinary profit margin shall be used as an indicator of the Company's performance. The performance-linked executive compensation table (by position) shall set absolute amounts for the ordinary profit margin of 2.0% or more but less than 10.0% in 1% increments, and in 2% increments for the ordinary profit margin of 10.0% or more.
* At the meeting of the Board of Directors held on May 13, 2025, the Company resolved to make the following change.
 - (d) The consolidated ordinary profit margin shall be used as an indicator of the Company's performance. The performance-linked executive compensation table (by position) shall set absolute amounts for the ordinary profit margin of 5.0% or more but less than 10.0% in 1% increments, and in 2% increments for the ordinary profit margin of 10.0% or more.
- iii. Ratio of amount of fixed compensation to amount of performance-linked compensation
 With regard to the ratio of the fixed compensation (annual basic compensation) amount to the performance-linked compensation amount, assuming that the amount of the fixed compensation is 1, the performance-linked compensation amount shall be between 0 and 3.5, depending on the consolidated ordinary profit margin.
 - iv. Determination of stock-based compensation
 With respect to stock-based compensation, based on the Executive Stock Benefit Regulations, points to each Director (excluding Outside Directors and Directors who are Members of the Audit & Supervisory Committee) shall be granted in accordance with his/her position and the degree of achievement of performance indicators based on the pre-determined medium-term three-year plan, and then the number of the Company's shares (a certain portion of which shall be cash equivalent to the amount obtained by converting the Company's shares at fair value) corresponding to the number of such points shall be granted to each Director at the time of his/her retirement from office.
 - v. Percentage of compensation amount by type
 The percentage of the amount of each type of compensation within the total amount of compensation will vary depending on the business performance and stock price, but shall generally be as follows:
 Monetary compensation (fixed compensation and performance-linked compensation): 75%
 Stock-based compensation: 25%
 - vi. Delegation for determination of compensation for individual Directors
 - (a) Person to be delegated: Kentaro Ogawa, Representative Director, Chairman, President & CEO
 - (b) Content of authority to be delegated: Determination of specific amounts of fixed compensation and performance-linked compensation
 (This does not include matters related to stock-based compensation.)
 - (c) Measures to ensure that the delegated authority is properly exercised: The fixed basic executive compensation table and the performance-linked executive compensation table, which will form the basis for calculating the amount of compensation, shall be submitted to the Nomination and Compensation Committee for consultation, and the specific amount shall be determined in accordance with the basic policy on compensation for Directors determined by the Board of Directors.

4) Matters concerning delegation of authority to determine the contents of compensation for individual Directors

At the Company, Representative Director, Chairman, President & CEO Kentaro Ogawa determines the specific contents of compensation for individual Directors based on a resolution of delegation by the Board of Directors. The resolution of delegation by the Board of Directors delegates the determination of the specific amount of fixed compensation and performance-linked compensation for each Director (excluding Directors who are Members of the Audit & Supervisory Committee). The reason for delegating these decisions is that the Representative Director and President is best suited to evaluate the duties, responsibilities, and performance of each Director while observing the Company's overall business performance.

The Company has established objective payment standards determined by the Board of Directors after consultation with the Nomination and Compensation Committee.

5) Reasons the Board of Directors determined that individual compensation for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) for the fiscal year under review conform to the Determination Policy in "3)"

The Company has established objective payment standards determined by the Board of Directors after consulting with the Nomination and Compensation Committee to ensure that the Representative Director and President appropriately determines the amount of compensation for individual Directors, and since the content of compensation for individual Directors has been determined through said procedures, the Board of Directors has determined that the content of compensation for individual Directors is in line with the Determination Policy.

6) Matters concerning outside officers (As of March 31, 2025)

(a) Status of concurrent positions at other companies, etc., and relationship between the Company and said other companies, etc.

The status of Mr. Chiaki Ito is as described in "1)" above, and the Company has no special relationship with OBIC Business Consultants Co., Ltd.

The status of Mr. Takaharu Ando is as described in "1)" above, and the Company has no special relationship with Amuse Inc. or Nisshin Seifun Group Inc. There is a real estate lease transaction between the Company and Tobu Railway Co., Ltd, and a service use transaction between the Company and Rakuten Group, Inc.

The status of Mr. Shoei Yamana is as described in "1)" above, and the Company has no special relationship with TDK Corporation or JAPAN POST INSURANCE Co., Ltd. There are system management and maintenance outsourcing transactions between the Company and SCSK Corporation.

The status of Mr. Hisashi Maruyama is as described in "1)" above, and the Company has no special relationship with Yokogawa Electric Corporation.

(b) Status of key activities during the fiscal year under review

Position	Name	Status of key activities
Director	Chiaki Ito	Mr. Chiaki Ito attended all 13 meetings of the Board of Directors held during the fiscal year under review. He provided appropriate opinions and advice based on his abundant experience and broad knowledge as a business manager for many years.
Director	Takaharu Ando	Mr. Takaharu Ando attended 11 out of 13 meetings of the Board of Directors held during the fiscal year under review. He has held various important positions including Commissioner General of the National Police Agency, and expressed his opinions and advice appropriately based on his abundant experience and wide range of knowledge.
Director	Shoei Yamana	Mr. Shoei Yamana attended all 13 meetings of the Board of Directors held during the fiscal year under review. He provided appropriate opinions and advice based on his abundant experience and wide range of knowledge as a corporate manager at a company that has expanded its business globally.
Director	Reiko Nagatsuma	Ms. Reiko Nagatsuma attended all 13 meetings of the Board of Directors held during the fiscal year under review. She provided appropriate opinions and advice based on her advanced insight into the fields of IT and DX that she obtained while working at global IT corporations and abundant experience and wide range of knowledge as a corporate manager.
Director (Full-time Member of the Audit & Supervisory Committee)	Hideo Watanabe	Mr. Hideo Watanabe attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He made comments as necessary for the Company's management based on his abundant experience and wide range of knowledge as a business manager for many years.
Director (Member of the Audit & Supervisory Committee)	Yukio Miyajima	Mr. Yukio Miyajima attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He has many years of experience as a business manager and sufficient practical experience in finance, and made necessary comments for the Company's management as appropriate.
Director (Member of the Audit & Supervisory Committee)	Kenichi Kaneko	Mr. Kenichi Kaneko attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He has many years of experience as a business manager and professional insight in personnel and labor as well as accounting and finance, and made necessary comments for the Company's management as appropriate.

Position	Name	Status of key activities
Director (Member of the Audit & Supervisory Committee)	Hisashi Maruyama	Mr. Hisashi Maruyama attended 12 out of 13 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Committee held during the fiscal year under review. He has many years of experience as a business manager and professional insight in legal affairs, compliance, and risk management, and made necessary comments for the Company's management as appropriate.

(c) Summary of duties performed with respect to the roles expected to be fulfilled by Outside Directors

Mr. Chiaki Ito has provided useful advice not only to the Board of Directors but also on business transformation and growth through DX by providing the latest information in the IT/DX field to the Company.

Mr. Takaharu Ando, as a member of the Nomination and Compensation Committee, attended the meetings of the Nomination and Compensation Committee held during the fiscal year under review and expressed his opinions appropriately. He has also provided useful advice not only to the Board of Directors but also on the management in general and on individual matters.

Mr. Shoei Yamana provided useful advice not only to the Board of Directors but also on the management in general and on individual matters.

Ms. Reiko Nagatsuma provided useful advice not only to the Board of Directors but also on the management in general and on individual matters.

Mr. Hideo Watanabe has provided useful advice not only to the Board of Directors and the Audit & Supervisory Committee, but also on the management in general and on individual matters as appropriate.

Mr. Yukio Miyajima, as a member of the Nomination and Compensation Committee, attended the meetings of the Nomination and Compensation Committee held during the fiscal year under review and expressed his opinions appropriately. He also provided advice as necessary not only to the Board of Directors and the Audit & Supervisory Committee, but also on management in general.

Mr. Kenichi Kaneko provided advice as necessary not only to the Board of Directors but also on the management in general and on individual matters.

Mr. Hisashi Maruyama provided advice as necessary not only to the Board of Directors but also on the management in general and on individual matters.

7) Overview of content of directors and officers liability insurance agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, insuring Directors (excluding Directors who are Members of the Audit & Supervisory Committee), Directors who are Members of the Audit & Supervisory Committee, and Executive Officers of the Company, and Directors, Auditors, and Executive Officers of subsidiaries (hereinafter collectively referred to as "Officers, etc.").

The insurance agreements provide coverage for losses incurred by the insured Officers, etc., as a result of being held liable for the performance of their duties or being subject to a claim for such liability. However, there are certain exemptions, such as not covering damages caused by acts committed with the knowledge that the acts are in violation of laws and regulations. The Company pays all insurance premiums.

(5) Status of Accounting Auditor

1) Name: PricewaterhouseCoopers Japan LLC

2) Amount of compensation, etc.

Category	Amount paid
Amount of compensation, etc., for the Accounting Auditor for the fiscal year under review	83 million yen
Total amount of cash and other assets to be paid to the Accounting Auditor by the Company and subsidiaries	134 million yen

- (Notes)
1. The Audit & Supervisory Committee, based on the “Practical Guidelines for Cooperation with Accounting Auditor” published by the Public Interest Incorporate Association Japan Audit & Supervisory Board Members Association, obtained necessary materials and reports from Directors, relevant internal divisions, and the Accounting Auditor, and confirmed the details of the audit plan of the Accounting Auditor, the status of the execution of its duties, and the basis for the calculation of the compensation estimates. As a result of the Company’s review and deliberation, the Company agreed to the compensation, etc., for the Accounting Auditor in accordance with Article 399, Paragraph 1 of the Companies Act.
 2. Since the audit contract between the Company and the Accounting Auditor does not clearly distinguish between the amount of compensation, etc., for audits based on the Companies Act and the amount of compensation, etc., for audits based on the Financial Instruments and Exchange Act and it is also not practicable to distinguish them, the sum of these amounts is shown as the total amount of compensation etc., for the fiscal year under review.

3) Content of non-audit operations

The Company commissions and pays compensation to the Accounting Auditor for “comfort letter issuance operation,” which is a service other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit operations).

4) Policy on determining dismissal or non-reappointment of Accounting Auditor

The Audit & Supervisory Committee shall dismiss the Accounting Auditor with the unanimous consent of all Members of the Audit & Supervisory Committee if the Accounting Auditor is deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act. In this case, Member of the Audit & Supervisory Committee selected by the Audit & Supervisory Committee shall report the dismissal of the Accounting Auditor and the reasons thereof at the first General Meeting of Shareholders convened after the dismissal. In addition, if the Audit & Supervisory Committee finds it necessary to change the Accounting Auditor, such as when it determines that the Accounting Auditor's performance of its duties is impaired, the Audit & Supervisory Committee shall determine the details of a proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

5) Overview of content of agreements to limit liability

No applicable items.

(6) Systems to Ensure the Appropriateness of Operations

The following is an overview of the basic policies determined for the system to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriateness of the Company's operations.

Basic approach and status of maintenance toward establishment of internal control systems

- 1) Systems to ensure that the execution of duties by Directors and employees complies with laws, regulations, and the Articles of Incorporation
 - (a) The "Zensho Group Charter" shall be established to ensure that all officers and employees comply with laws, regulations, the Articles of Incorporation, and internal rules.
 - (b) Each Director and Executive Officer in charge of business operations shall analyze compliance risks in the business unit he/she is in charge of and implement countermeasures against such risks.
 - (c) The "Committee of Total Risk Management and Compliance" shall oversee the Group's compliance initiatives across the Group and report the results of its deliberations to the Board of Directors and the Audit & Supervisory Committee. The "Zensho Group Hotline" shall be established for employees to provide information on compliance issues of the Group.
 - (d) In order to grasp the status of business operations in business activities in general and to ensure the legality and soundness of such activities, audits by the internal audit division shall be conducted continuously.
- 2) Regulations and other systems for managing the risk of loss
 - (a) The Company shall establish the "Group Risk Management Regulations," comprehensively and appropriately recognize various risks within the Group, select risks to be managed, appoint a division in charge of management, and develop and enhance the risk management system. In addition, fully recognizing that unexpected risks may occur, the Board of Directors or the Representative Director shall promptly select a division in charge of management and respond promptly and appropriately to any new significant risk.
 - (b) The "Committee of Total Risk Management and Compliance" shall be established to comprehensively manage various risks within the Group in accordance with the regulations, and its effectiveness shall be ensured by inspecting the implementation status of risk countermeasures by the division in charge of management.
 - (c) For risks related to "food safety and security," "compliance," and "information security," and other selected risks, the division in charge of management shall formulate corresponding countermeasures. In the event that risk materializes, the division in charge of management shall take prompt and appropriate action, report the results to the "Committee of Total Risk Management and Compliance," and report to the Board of Directors as appropriate for risks that may have a significant impact on management, and receive necessary instructions.
- 3) System for storing and managing information related to the execution of duties by Directors
 - (a) The Company shall store and manage information related to the execution of duties by Directors appropriately in accordance with the "Board of Directors Regulations" and "Document Management Regulations."
 - (b) Directors shall confirm that the system for storage, management, and preservation of such information is properly maintained.
- 4) System to ensure the efficient execution of duties by Directors
 - (a) The Company shall formulate a medium-term management plan and an annual management plan in order to clarify goals to be achieved by the Company, and shall thoroughly manage daily, monthly and quarterly operations to clarify the progress of the goals so that prompt judgment and decision can be made.
 - (b) In addition to simplifying the decision-making process to speed up the decision-making, the Company shall make executive decisions on matters to be decided by the President that may have a significant impact on the management of the Company and the Group based on discussions with the Director in charge and Executive Officers, and report these decisions to the Board of Directors as appropriate.

- 5) System to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries
 - (a) The “Zensho Group Charter” shall be the code of conduct for all officers and employees of the Company and its subsidiaries to act in compliance with laws and regulations and the Articles of Incorporation.
 - (b) The Company, as a holding company, shall develop a system to ensure the appropriateness of business operations from the perspective of the entire Zensho Group, and shall manage Group companies according to their conditions based on the “Group Company Management Regulations.” In addition, the Company’s group company administration division shall serve as the contact point and receive reports on the status of the system from subsidiaries on a regular or as-needed basis.
 - (c) The Company shall dispatch officers and employees to the subsidiaries, grasp the status of the subsidiaries’ business execution, and confirm the effectiveness of their business activities.
 - (d) The internal audit division shall audit the Group companies on a regular or as-needed basis and report the status of the audit to the Representative Director of the Company in a timely manner.
- 6) System to ensure the reliability of financial reporting
 - (a) Recognizing that ensuring the reliability of financial reporting is essential for maintaining and improving the credibility of the Group’s activities, the importance of internal control activities related to financial reporting shall be thoroughly understood throughout the Zensho Group.
 - (b) The “Assessment Plan for Internal Control over Financial Reporting” shall be prepared for each fiscal year, and the entire Group shall work together to improve internal control over financial reporting on a consolidated basis.
 - (c) With regard to the maintenance and operation status of internal control over financial reporting, the division in charge of internal control evaluation shall verify the appropriateness of business operations to ensure the reliability of financial reporting of the entire Group.
- 7) Matters concerning Directors and employees who are to assist the Audit & Supervisory Committee in its duties (hereinafter the “Assistant Employees, etc.”) and matters concerning the independence of the Assistant Employees, etc., from other Directors and the securing of the effectiveness of instructions
 - (a) From the viewpoint of ensuring the effectiveness of audits by the Audit & Supervisory Committee, the Company shall appoint the necessary personnel as the Assistant Employees, etc., and enhance the system.
 - (b) From the viewpoint of ensuring independence, the Assistant Employees, etc., shall perform their duties under the direction of the Audit & Supervisory Committee.
 - (c) The prior consent of the Audit & Supervisory Committee is required for the transfer of, evaluation of, and disciplinary action against the Assistant Employees, etc.
- 8) System for Directors (excluding Directors who are Members of the Audit & Supervisory Committee) and employees to report to the Audit & Supervisory Committee and other systems related to reporting to the Audit & Supervisory Committee
 - (a) Directors (excluding Directors who are Members of the Audit & Supervisory Committee) shall promptly report to the Audit & Supervisory Committee on matters that have a material impact on the Company and the Group, the status of internal audits, the status of reporting to the “Zensho Group Hotline,” etc.
 - (b) Any officer or employee of the Company or its subsidiaries who discovers any matter that may materially affect the Company or the Group may report directly to the Audit & Supervisory Committee, and such reports shall be handled in accordance with the “Group Internal Report Regulations.” The Company shall ensure that no person who makes such report shall be subjected to any disadvantageous treatment because of such report.
 - (c) The Audit & Supervisory Committee shall share information and improve efficiency through mutual disclosure of audit plans, audit results, etc., with the internal audit division.

- 9) Other systems to ensure that audits by the Audit & Supervisory Committee are conducted effectively
 - (a) The Representative Director shall meet regularly with the Audit & Supervisory Committee to exchange opinions on issues to be addressed by the Company, the state of the environment for the audits of the Audit & Supervisory Committee, and important auditing issues.
 - (b) If the Audit & Supervisory Committee independently receives advice from professional attorneys, accountants, or other experts on the performance of its duties, the Audit & Supervisory Committee may charge the Company for expenses incurred thereby.
 - (c) The Audit & Supervisory Committee may, when it deems necessary, request reports from Directors (excluding Directors who are Members of the Audit & Supervisory Committee) and employees, attend important meetings, and inspect documents.

Basic policy on elimination of antisocial forces and status of its maintenance

- 1) Basic policy on elimination of antisocial forces

The Company shall have no relationship with antisocial forces. The Company shall take a resolute attitude toward any unreasonable demands from antisocial forces, and shall not provide any monetary or other economic benefits. Furthermore, the Company will ensure that all Group companies are fully aware of this policy.
- 2) Status of maintenance for elimination of antisocial forces
 - (a) The Company has established the “Zensho Group Charter” to promote corporate ethics, and has also established the “Group Compliance Regulations” and “Compliance Action Guidelines” to realize compliance, thereby providing specific guidelines for the “elimination of antisocial forces.”
 - (b) The Company shall make the “Zensho Group Charter,” “Group Compliance Regulations,” and “Compliance Action Guidelines” known and thoroughly understood by all employees through training at the time of hiring or periodic training.
 - (c) In addition, to deal with antisocial forces, the “Committee of Total Risk Management and Compliance” has been organized to ensure that no individual or department is left alone, and a system has been established to deal with such forces in cooperation with the police, attorneys, and other external specialized agencies.

(7) Operational Status of Systems to Ensure the Appropriateness of Operations

The following is an overview of the status of operation of the system to ensure the appropriateness of the Company’s operations during the fiscal year under review.

- 1) Systems for compliance

The Company has established a department dedicated to compliance and is working to further spread compliance awareness throughout the Group through the following activities:

 - (a) Compliance training is conducted for each division of the Company and each Group company. Through this training, the Company promotes the identification of compliance issues and the formulation of preventive measures in each division of the Company and each Group company, and confirms the progress of the preventive measures.
 - (b) The Committee of Total Risk Management and Compliance meets on a regular basis to confirm and strengthen preventive measures for common compliance-related issues in the Group by the divisions specializing in the respective fields.
- 2) Systems for risk management

The Company has established a department dedicated to risk management and is strengthening its risk management system through the following activities.

 - (a) The Committee of Total Risk Management and Compliance meets regularly to identify risk issues related to the entire Group’s businesses, etc., confirm the formulation of countermeasures and the status of their implementation by each specialized division of the Company, and strengthen those countermeasures as necessary.
 - (b) In preparation for large-scale accidents and disasters, the Company is developing an organizational structure to ensure that its stores can continue to operate as “food infrastructure.”
 - (c) In order to prevent deterioration of the brand image through social media and other platforms, the Company maintains a team dedicated to risk management that is working on the following measures.

i) Monitor negative posts

Specialized risk management team constantly monitors posts on social media to identify negative comments and defamation at early stages.

ii) Provide prompt responses

Respond promptly to negative posts that have been identified and reply or seek removal as appropriate.

iii) Consider potential legal action

Consider legal action against particularly malicious defamation and misinformation, and consult with attorneys and the police as necessary.

3) System for the execution of duties by Directors

(a) The Company establishes an annual management plan and manages the progress of the plan based on monthly and quarterly business results, while the Board of Directors deliberates and resolves on measures that need to be taken.

(b) Important investment projects are submitted to the Board of Directors after prior deliberation by the Investment Advisory Committee in order to speed up the decision-making process of Directors.

(c) The Company is continuously working to improve the operation of the Board of Directors through measures such as conducting an evaluation of the effectiveness of the Board of Directors.

4) Management system for Group companies

(a) In accordance with the Group Company Management Regulations, each division of the Group closely exchanges information with major subsidiaries and confirms the progress of plans and responses to issues at each company.

(b) The Company dispatches officers and employees to Group companies to grasp the status of business execution at each company and confirm the appropriateness and effectiveness of business activities.

(c) The Company has strengthened its management system by establishing an intermediate holding company for each business field.

In addition, the internal audit division audits the Company's administrative divisions and the Group companies based on the audit plan, and reports the audit results to the Company's Representative Director and the Audit & Supervisory Committee.

5) Systems for audits by the Audit & Supervisory Committee

(a) Members of the Audit & Supervisory Committee attend major meetings in addition to meetings of the Company's Board of Directors, inspect important documents such as approval documents, and interview Directors (excluding Directors who are Members of the Audit & Supervisory Committee), Executive Officers, Senior General Managers, and Presidents of the Group companies, in order to audit the status of execution of duties by Directors (excluding Directors who are Members of the Audit & Supervisory Committee).

(b) One full-time Member of the Audit & Supervisory Committee is selected to monitor and verify the status of the establishment and operation of the internal control system on a daily basis, based on his/her characteristics as full-time member.

(c) Members of the Audit & Supervisory Committee make efforts to ensure the effectiveness of audits by holding regular meetings of the Audit & Supervisory Committee to exchange information among themselves and by exchanging information with the internal audit division and the Accounting Auditor.

(d) Members of the Audit & Supervisory Committee hold liaison meetings with the Auditors of the Group companies as necessary to establish a system to ensure the effectiveness of the audit as a corporate group, including all Group companies.

(8) Policy for determining dividends of surplus, etc.

At the 41st Ordinary General Meeting of Shareholders held on June 23, 2023, the Company resolved to amend its Articles of Incorporation to allow the Company to pay dividends of surplus, etc. by a resolution of the Board of Directors in accordance with Article 459 of the Companies Act.

The Board of Directors, at its meeting held on May 13, 2025, approved an interim dividend of 35 yen per common share and a year-end dividend of 35 yen, for a total annual dividend of 70 yen per common share for the fiscal year under review.

(Of the figures provided in this Business Report, amounts and numbers of shares are rounded down, and ratios and other figures are rounded to the nearest significant digit.)

TOPICS

TOPICS 1 ZENSHO FAIR TRADE -Republic of Ecuador -

Providing a place for children to study in peace



Child of grower who attends San Pablo Elementary School



Fence built around San Pablo Elementary School



Growers and Zensho Group employees working together toward a common goal



The Zensho Group has been engaged in fair trade initiatives with coffee growers in Ecuador since 2011. When this relationship first began, there were only a few elementary schools located in the farming-centric communities where the growers lived, and many children had given up on continuing their education. Since then, the Zensho Group has used a social development fund* from fair trade to construct eight elementary schools located in six different villages. However, one of those schools, San Pablo Elementary School, is located near an active area for operations by drug cartels, and there were concerns about the safety of the attending students. In order to provide a safe learning environment for these children, we build a fence around the school to protect them from outside intruders. This initiative was highly appreciated by the dedicated community of growers.

The Zensho Group will continue to work together with growers to contribute to the development of the children who are responsible for the future.

*Social development fund: An amount of money from the purchase price of raw materials that is allocated to activities to improve the lives of growers, starting by enabling the provision of education and medical treatment to their children.

TOPICS 2 Disaster support

Supported the California wildfires relief

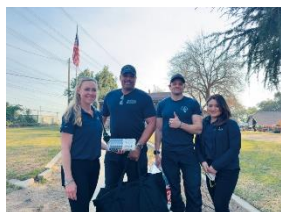


In January 2025, a series of destructive wildfires broke out around the Los Angeles area in California, USA.

During this large-scale disaster, AFC and Bento, which manage chain restaurants for sushi takeout, collaborated with Pocino Foods, which manufactures and processes food, to provide sushi and warm meals to those affected by the fires and the firefighters, police, and emergency medical professionals working to extinguish the fires and rescue those in need. People from the local area expressed their appreciation for the offering of not just a simple snack but full, warm meals.

As “food infrastructure,” the Zensho Group will continue to stand by and work together with local communities not only in normal times but also in times of emergency.

* A total of 3,571 meals served



AFC support team with members fighting fires on the frontlines in Los Angeles



Local sheriffs enjoying sushi meals



Handing out sushi to firefighters in Los Angeles



Ordering through a tablet device

On January 22, 2025, Sukiya R6 Namie was opened in Namie, Fukushima.

This was the first 24-hour fast food chain restaurant to be open in the local area since it was evacuated in the aftermath of the incident at the nearby nuclear power plant following the Great East Japan Earthquake. When the Zensho Group was searching for potential locations for opening new restaurants, it was approached by local junior high school students from the “Namie Children’s Delegation,” who proposed the development of a drive-through chain restaurant along National Route 6.

TOPICS 3 Realized proposal submitted by junior high school students!

Sukiya opened in Namie, a town affected significantly in the aftermath of the nuclear incident



Sukiya opened a new restaurant in a direct response to this proposal. The children and their families were invited to enjoy the restaurant’s first meals at a pre-open event.

Former residents are starting to return to Namie and progress is being made on rebuilding the community. The Zensho Group will continue to support efforts for disaster recovery.



Children receiving meals through the drive-through window

Consolidated Financial Statements

Consolidated Balance Sheet

(Million yen)

Item	43rd fiscal year (As of March 31, 2025)
Assets	
Current assets	252,006
Cash and deposits	79,695
Accounts receivable - trade	53,323
Securities	12,040
Merchandise and finished goods	4,848
Work in process	3,244
Raw materials and supplies	63,960
Other	35,303
Allowance for doubtful accounts	(409)
Non-current assets	560,522
Property, plant and equipment	274,360
Buildings and structures	124,732
Machinery, equipment and vehicles	15,232
Tools, furniture and fixtures	41,109
Land	33,516
Leased assets	58,332
Construction in progress	1,437
Intangible assets	215,741
Trademark right	198,423
Goodwill	11,234
Other	6,083
Investments and other assets	70,420
Investment securities	1,528
Guarantee deposits	39,618
Long-term prepaid rent	11,646
Deferred tax assets	10,311
Other	7,378
Allowance for doubtful accounts	(62)
Deferred assets	580
Share issuance cost	481
Bond issuance cost	98
Total assets	813,109

(Million yen)

Item	43rd fiscal year (As of March 31, 2025)
Liabilities	
Current liabilities	191,114
Accounts payable - trade	56,386
Short-term borrowings	6,857
Current portion of long-term borrowings	29,925
Lease obligations	17,160
Income taxes payable	15,447
Contract liabilities	883
Provision for bonuses	5,006
Other	59,446
Non-current liabilities	381,623
Bonds payable	35,000
Long-term borrowings	227,923
Lease obligations	48,836
Provision for share awards	525
Retirement benefit liability	284
Asset retirement obligations	6,874
Deferred tax liabilities	56,533
Other	5,645
Total liabilities	572,737
Net assets	
Shareholders' equity	220,983
Share capital	47,497
Capital surplus	74,112
Retained earnings	113,097
Treasury shares	(13,723)
Accumulated other comprehensive income	19,078
Valuation difference on available-for-sale securities	46
Deferred gains or losses on hedges	(723)
Foreign currency translation adjustment	19,755
Non-controlling interests	309
Total net assets	240,371
Total liabilities and net assets	813,109

Consolidated Statement of Income

(Million yen)

Item	43rd fiscal year (From April 1, 2024, to March 31, 2025)
Net sales	1,136,684
Cost of sales	514,475
Gross profit	622,208
Selling, general and administrative expenses	547,080
Operating profit	75,128
Non-operating income	4,864
Interest income	2,096
Dividend income	6
Foreign exchange gains	548
Share of profit of entities accounted for using equity method	21
Subsidy income	504
Other	1,686
Non-operating expenses	8,102
Interest expenses	5,736
Other	2,365
Ordinary profit	71,890
Extraordinary income	2,057
Gain on sale of non-current assets	146
Insurance income	85
Compensation income	608
Gain on cancellation of leases	832
Other	384
Extraordinary losses	10,445
Loss on sale of non-current assets	237
Loss on retirement of non-current assets	2,876
Impairment losses	4,494
Other	2,836
Net profit before income taxes	63,502
Income taxes - current	24,090
Income taxes - deferred	108
Total income taxes	24,198
Net profit	39,304
Profit attributable to non-controlling interests	13
Profit attributable to owners of parent	39,290

Consolidated Statement of Changes in Shareholders' Equity
(From April 1, 2024, to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2024	47,497	74,112	85,461	(13,715)	193,355
Changes of items during period					
Dividends of surplus			(11,024)		(11,024)
Profit attributable to owners of parent			39,290		39,290
Purchase of treasury shares				(10)	(10)
Disposal of treasury shares		0		1	2
Change of scope of consolidation			(630)		(630)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	27,636	(8)	27,627
Balance as of March 31, 2025	47,497	74,112	113,097	(13,723)	220,983

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance as of April 1, 2024	24	158	20,845	21,029	267	214,652
Changes of items during period						
Dividends of surplus						(11,024)
Profit attributable to owners of parent						39,290
Purchase of treasury shares						(10)
Disposal of treasury shares						2
Change of scope of consolidation						(630)
Net changes of items other than shareholders' equity	21	(882)	(1,089)	(1,950)	42	(1,908)
Total changes of items during period	21	(882)	(1,089)	(1,950)	42	25,719
Balance as of March 31, 2025	46	(723)	19,755	19,078	309	240,371

Notes to Consolidated Financial Statements

1. Significant matters for basis of preparation of consolidated financial statements

(1) Matters concerning scope of consolidation

1) Number and names of consolidated subsidiaries

Number of consolidated subsidiaries: 164

Names of principal consolidated subsidiaries

Zensho Global Fast Food Holdings Co., Ltd.

Nakau Co., Ltd.

Zensho Global Restaurant Holdings Co., Ltd.

Jolly-Pasta Co., Ltd.

TAG-1 Co., Ltd.

Olive Hill Co., Ltd.

Nihon Retail Holdings Co., Ltd.

United Veggies Co., Ltd.

GFF Co., Ltd.

Zensho Tradings Co., Ltd.

Global Table Supply Co., Ltd.

Nihon Kaigo Holdings Co., Ltd.

Advanced Fresh Concepts Corp.

Zensho China Holdings Co., Ltd.

Zensho Taiwan Co., Ltd.

ZENSHO HOLDINGS MALAYSIA SDN.
BHD.

Zensho Europe Holdings B.V.

Wonderfield Topco Limited

JFE Franchising, Inc.

YO! Sushi UK Limited

Sukiya Co., Ltd.

Lotteria Co., Ltd.

Coco's Japan Co., Ltd.

Big Boy Japan Co., Ltd.

Hanaya Yohei Co., Ltd.

Hama-Sushi Co., Ltd.

Joy Mart Co., Ltd.

Zensho Factory Holdings Co., Ltd.

Tolona Japan Co., Ltd.

Global MD Holdings CO., Ltd.

Global Fresh Supply Co., Ltd.

Zensho USA Corporation

Pocino Foods Company

Zensho Restaurant (Shanghai) Co., Ltd.

ZENSHO SOUTH EAST ASIA HOLDINGS PTE.
LTD.

TCRS Restaurants Sdn. Bhd.

Sushi Circle Gastronomie GmbH

Taiko Foods Limited

Bento Inc.

2) Matters concerning principal non-consolidated subsidiaries

• Names of principal non-consolidated subsidiaries

Zensho Food India Private Limited and 3 other companies

• Reasons for exclusion from the scope of consolidation

The non-consolidated subsidiaries are excluded from the scope of consolidation because they are small-scale companies and do not have a material impact on the consolidated financial statements with respect to total assets, net sales, profit or loss, retained earnings, etc.

(2) Matters concerning application of the equity method

1) Matters concerning non-consolidated subsidiaries and affiliates subject to the equity method

Number of equity-method affiliates: 1

Names of companies, etc.

MARUI Wasabi, Inc.

2) Matters concerning non-consolidated subsidiaries or affiliates not subject to the equity method

• Names of principal non-consolidated subsidiaries

Zensho Food India Private Limited and 3 other companies

• Reasons the equity method is not applied

The non-consolidated subsidiaries and affiliates not subject to the equity method are excluded from application of the equity method because the impact of each on profit or loss, retained earnings, etc., is negligible, and is immaterial as a whole.

(3) Matters concerning fiscal year of consolidated subsidiaries

For 20 consolidated subsidiaries whose account closing dates differ from the Company's consolidated closing date, provisional financial statements prepared for consolidation as of the consolidated closing date are used in the preparation of the consolidated financial statements.

(4) Matters concerning accounting policies

1) Basis and methods for valuation of significant assets

a. Basis and methods for valuation of securities

Available-for-sale securities

Securities other than shares, etc.,
that do not have a market price:

Stated at market value. (Valuation difference is reported as a component of net assets. The cost of sales is calculated using the moving average method.)

For compound financial instruments for which the fair value of embedded derivatives cannot be measured separately, the entire compound financial instrument is measured at fair value and the valuation difference is reported as profit or loss.

Shares, etc., that do not have a
market price:

Stated at cost using the moving average method

b. Derivatives:

Stated at market value

c. Basis and methods for valuation of inventories

Merchandise:

Mainly stated at cost using the retail method (the figures shown in the balance sheet have been calculated by writing them down based on decline in profitability.)

Finished goods, work in process, and raw materials:

Mainly stated at cost using the first-in first-out method (the figures shown in the balance sheet have been calculated by writing them down based on decline in profitability.)

Supplies:

Mainly stated at cost using the last purchase price method (the figures shown in the balance sheet have been calculated by writing them down based on decline in profitability.)

2) Depreciation or amortization method for significant depreciable or amortizable assets

a. Property, plant and equipment (excluding leased assets)

Mainly the straight-line method is applied

The main useful lives are as follows:

Buildings and structures 2 to 50 years

Tools, furniture and fixtures 2 to 20 years

b. Intangible assets

Straight-line method is applied

Software for internal use is amortized by the straight-line method over the estimated useful life (5 years).

However, trademark rights whose useful life cannot be determined are not amortized.

c. Leased assets

Lease assets relating to finance lease transactions without transfer of ownership are depreciated over the lease period by the straight-line method assuming the residual value is zero or the guaranteed residual value.

In addition, certain foreign consolidated subsidiaries have adopted International Financial Reporting Standards (IFRS) No. 16 "Leases" and, in principle, record all lessees' lease transactions as assets and liabilities, and depreciate such assets with the straight-line method.

3) Standards of accounting for significant reserves

a. Allowance for doubtful accounts

To provide provision for possible losses on receivables, the allowance for doubtful accounts is provided based on the historical write-off ratio for general receivables and on the estimated amount of uncollectible receivable based on a case-by-case determination of collectability for specific receivables such as doubtful receivables.

b. Provision for bonuses

To provide for the payment of bonuses to employees, a provision for bonuses is provided based on the estimated amount of future bonus payments.

c. Provision for share awards

To provide for the payment of the Company's shares to Directors, etc. based on the Executive Stock Benefit Regulations, a provision for share awards is provided based on the estimated amount of share awards obligation.

(5) Other significant matters for preparing consolidated financial statements

1) Accounting treatment for deferred assets

Share issuance cost Amortized using straight-line method over 3 years

Bond issuance cost Amortized using straight-line method over the term of bonds

2) Accounting treatment of retirement benefits

The Company and certain of its consolidated subsidiaries have adopted defined contribution pension plan.

Also, certain of its consolidated subsidiaries have adopted defined benefit pension plan and the retirement benefits are calculated based on the simplified method.

3) Basis of translation of important assets and liabilities denominated in foreign currencies into yen

Foreign currency monetary receivables and payables are translated into yen based on the spot rate of exchange in the foreign exchange market on the balance sheet date, and the foreign exchange gains and losses from translation are recognized in the income statement. Assets and liabilities of overseas consolidated subsidiaries, etc. are translated into yen based on the spot rate of exchanges in the foreign exchange market on the balance sheet date, while revenue and expenses are translated into yen based on the average rate of exchange for the fiscal year. The differences resulting from such translations are included in "foreign currency translation adjustment" and "non-controlling interests" under net assets.

4) Hedge accounting method

a. Hedge accounting method

The Company applies the deferral accounting method.

Allocation treatment is applied for derivative transactions if they meet the criteria for allocation treatment. For investments in equity of overseas consolidated subsidiaries, foreign currency translation differences arising from hedging instruments are included in foreign currency translation adjustment.

b. Hedging instruments and hedged items

Hedging instruments	Hedged items
Forward exchange contract	Accounts payable in foreign currency
Forward exchange contract	Accounts receivable in foreign currency
Forward exchange contract	Investments in equity of overseas consolidated subsidiaries
Interest rate swaps	Interests on borrowings

c. Hedging policy

The policy aims to avoid risks from fluctuations in interest rates and foreign exchange rates for debt obligations, monetary receivables and payables denominated in foreign currencies, and investments in equity of overseas consolidated subsidiaries, etc.

d. Method of assessing hedge effectiveness

The Company's hedge transactions are deployed in accordance with the risk management policies of the Company, and complete correlations are confirmed between hedging instruments and hedged items resulting from fluctuations in interest rates and foreign exchange rates.

5) Basis for recording revenues and expenses

The Group is mainly engaged in the provision of services through the operation of restaurants, the sale of food products through the operation of supermarkets, etc., and the granting of franchise rights, and the provision of store operation guidance.

Revenue from the provision of services is mainly derived from the provision of food based on customer orders at restaurants in the Gyudon, Family Dining, and Fast Food Service categories, etc. Revenue is recognized at the time the performance obligation is satisfied when the food is served to the customer and the consideration is received.

Revenue from sales of food products, etc., consists of sales of food products, etc., at supermarkets, sales of food ingredients to franchisees, wholesale of processed food, etc. Revenue is recognized at the time the performance obligation is satisfied when the products are delivered to customers.

Revenue related to the granting of franchise rights and the provision of store operation guidance to franchisees (franchise fees and royalty income) is recognized in accordance with the actual terms of the transactions. Franchise fees are recognized as a contract liability at the time the franchise agreement is entered into, and then recognized as revenue over a period of time in accordance with the satisfaction of performance obligations. Royalty income is measured based on the sales of the counterparty, and revenue is recognized when it is earned.

(6) Matters concerning amortization of goodwill

Goodwill is amortized by the straight-line method over a period of 20 years or less.

2. Additional information

(Board Benefit Trust (BBT))

The Company introduced a new performance-linked compensation system (BBT, or Board Benefit Trust) based on a resolution at the 40th Ordinary General Meeting of Shareholders held on June 24, 2022 for the Directors and Executive Officers excluding Outside Directors (hereinafter the “Directors, etc.”).

(1) Overview of the deal

The System is a performance-linked stock compensation system under which the Company’s shares will be acquired through a trust with cash contributed by the Company as the source of funds, and the Company’s shares and cash equivalent to the amount obtained by converting the Company’s shares at fair value will be paid to Directors, etc., in accordance with the Executive Stock Benefit Regulations established by the Company. In principle, the time when Directors, etc., receive the Company’s Shares, etc., will be after their retirement from office.

(2) Treasury shares remaining in the trust

Treasury shares remaining in the trust are recorded as treasury shares of the net assets at a carrying amount of the trust (excluding incidental expenses). Carrying amount and number of shares of such treasury shares are 1,052 million yen and 291 thousand shares, respectively, as of the end of the fiscal year under review.

(3) Carrying amount of borrowings recorded using gross method

Not applicable.

3. Notes to accounting estimates

(1) Determination of recognition of impairment losses on store assets in the Restaurant business

As of the end of the fiscal year under review, the Group recorded store assets related to the Restaurant business of 139,411 million yen (property, plant and equipment of 139,238 million yen, intangible assets of 102 million yen, and investments and other assets of 69 million yen) in its consolidated balance sheets.

The Group groups such store assets mainly by store, and for stores with continuously negative cash flow from operating activities used in managerial accounting, the Company determines that the store assets show signs of impairment and judges whether an impairment loss should be recognized, and recognizes impairment loss for the store assets for which impairment losses are determined to be recognized.

In determining whether to recognize an impairment loss, the Company compares the total undiscounted future cash flows of the store with the book value of the store assets. The estimated period of undiscounted future cash flows is the average remaining useful life of major assets, and no growth rate is set for cash flows for periods beyond the medium-term plan.

Of the stores for which the signs of impairment were recognized, the number of stores and book values of the major companies in the Restaurant business for which the recognition of impairment losses were determined not to be required in the fiscal year under review are as follows:

Company name	Number of stores	Book value (Million yen)
TAG-1 Co., Ltd.	6	88
Lotteria Co., Ltd.	4	109

(2) Determination of recognition of impairment losses on goodwill

As of the end of the fiscal year under review, the Group has recorded 11,234 million yen of goodwill on its consolidated balance sheet.

The Group groups goodwill into larger units by adding goodwill to multiple asset groups related to the business to which the goodwill belongs. For businesses with continuously negative operating profit (loss) (after taking into account amortization of goodwill), the Company determines that the goodwill shows signs

of impairment and judges whether an impairment loss should be recognized, and recognizes impairment loss for the goodwill for which impairment losses are determined to be recognized.

In determining whether to recognize an impairment loss, the Company compares the total undiscounted future cash flows of the business to which the goodwill is attributable with the book value of the asset group that includes the goodwill. The estimated period of undiscounted future cash flows is the remaining useful life of the goodwill, and no growth rate is set for cash flows for periods beyond the medium-term plan.

Of the goodwill for which the signs of impairment were recognized, there are two businesses (the Retail business and Nursing care business) to which goodwill that was determined not to require recognition of impairment loss in the fiscal year under review are attributed, and their book values are 5,789 million yen and 824 million yen, respectively.

4. Notes to the consolidated balance sheet

(1) Assets pledged as collateral and secured liabilities

1) Assets pledged as collateral

Buildings and structures	227 million yen
Land	1,139 million yen

2) Obligations related to the above properties

Long-term borrowings (including current portion of long-term borrowings)	445 million yen
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(2) Accumulated depreciation of property, plant and equipment	293,252 million yen
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5. Notes to the consolidated statements of income
(Impairment losses)

The Group recognized impairment losses on the following asset groups.

Use	Type	Location	Amount
Directly-managed stores	Buildings and structures, etc.	Japan (Tokyo, etc.)	762 million yen
		Overseas (Mexico, etc.)	1,446 million yen
Production facilities, etc.	Buildings and structures, etc.	Overseas (USA, etc.)	1,347 million yen
Subtotal			3,555 million yen
Others	Goodwill	Overseas (USA, etc.)	939 million yen
Total			4,494 million yen

The Group groups assets primarily in units of directly-managed stores and leased properties, while headquarters, production facilities, training facilities, etc. related to multiple divisions are considered to be common assets.

Of these, the book value of directly-managed stores and production facilities, etc. with deteriorating operating profit (loss) was reduced to the recoverable amount, and an impairment loss of 3,555 million yen (1,434 million yen for buildings and structures, 14 million yen for land, and 2,106 million yen for others) was recognized. In addition, the book value of a portion of goodwill (Manufacturing and wholesaling business for external sales, etc.) was reduced to the recoverable amount due to the increased uncertainty of profits assumed in the business plan in the fiscal year under review, and an impairment loss of 939 million yen was recognized.

The recoverable amount is based on the net realizable value or the value in use. The net realizable sale price is mainly based on the roadside land price or the assessed value for property tax with reasonable adjustments, while the value in use for directly-managed stores is mainly zero since cash flow is not expected. Future cash flows are mainly calculated with a discount of 10.4% for other assets.

6. Notes to consolidated statement of changes in shareholders' equity

(1) Total number of outstanding shares at the end of the fiscal year under review

Common stock	160,733,225 shares
Class A preferred shares	300 shares

(2) Matters concerning dividends

1) Amount of dividends paid

Resolution	Type of stock	Total dividends (Million yen)	Dividends per share (Yen)	Record date	Effective date
Meeting of Board of Directors held on May 14, 2024	Class A preferred shares	812	2,707,397.26	March 31, 2024	May 15, 2024
Meeting of Board of Directors held on May 14, 2024	Common stock	3,923	25	March 31, 2024	June 7, 2024
Meeting of Board of Directors held on November 12, 2024	Class A preferred shares	812	2,707,397.26	September 30, 2024	November 13, 2024
Meeting of Board of Directors held on November 12, 2024	Common stock	5,493	35	September 30, 2024	December 3, 2024

- (Notes)
1. Total dividend amount resolved at the meeting of Board of Directors held on May 14, 2024 includes dividends of 7 million yen for the Company's common stock held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets of the Board Benefit Trust (BBT).
 2. Total dividend amount resolved at the meeting of Board of Directors held on November 12, 2024 includes dividends of 10 million yen for common stock held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets of the Board Benefit Trust (BBT).

2) Dividends with a record date in the current fiscal year but with an effective date in the following fiscal year

Resolution	Type of stock	Source of funding	Total dividends (Million yen)	Dividends per share (Yen)	Record date	Effective date
Meeting of Board of Directors held on May 13, 2025	Class A preferred shares	Retained earnings	807	2,692,602.74	March 31, 2025	May 14, 2025
Meeting of Board of Directors held on May 13, 2025	Common stock	Retained earnings	5,493	35	March 31, 2025	June 9, 2025

(Note) Total dividend amount resolved at the meeting of Board of Directors held on May 13, 2025 includes dividends of 10 million yen for common stock held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets of the Board Benefit Trust (BBT).

7. Notes on financial instruments

(1) Matters concerning status of financial instruments

1) Policy regarding financial instruments

The Group raises necessary funds (mainly through bank loans and bond issuance) in light of its capital investment plans. Temporary surplus funds are mainly invested in highly liquid financial assets, and short-term working capital is raised through bank loans. Derivatives are used to avoid the risks described below, and the Company's policy is not to engage in speculative transactions.

2) Content of financial instruments and risks

Accounts receivable - trade, which are trade receivables, are exposed to the credit risk of counterparties, and accounts receivable in foreign currency are exposed to foreign exchange fluctuation risk.

Securities are compound financial instruments (exchangeable bonds) with embedded derivatives, and while its issuers are limited to financial institutions with high creditworthiness, they are exposed to credit risk and market price fluctuation risk.

Investment securities are mainly shares of companies with which the Company has business relationships, and listed shares are exposed to market price fluctuation risk.

Investments in equity of overseas consolidated subsidiaries are exposed to foreign exchange fluctuation risk.

Guarantee deposits are exposed to the credit risk of the store property owner and other counterparties. Prepaid rent and long-term prepaid rent are also construction assistance fund receivables and are collected by offsetting rent paid, but are exposed to credit risk of the store property owner.

Most accounts payable - trade, which are trade payables, are due within one month, and accounts payable in foreign currency are exposed to foreign exchange fluctuation risk.

Bonds and borrowings are mainly for the purpose of financing capital investment for the long term, and a portion of these is exposed to interest rate fluctuation risk.

Lease liabilities related to finance lease transactions are for the purpose of financing capital investment for the long term, and are based on fixed interest rates.

Derivative transactions consist of forward exchange contracts, etc. to hedge foreign exchange fluctuation risks associated with foreign currency-denominated trade receivables and payables and investments in equity of overseas consolidated subsidiaries, and interest rate swaps to hedge interest rate fluctuation risks associated with borrowings. Counterparties are limited to financial institutions with high creditworthiness.

For hedging instruments, hedged items, hedging policy, and the method of evaluating the effectiveness of hedging activities, please refer to "1. Significant matters for basis of preparation of consolidated financial statements; (5) Other significant matters for preparing consolidated financial statements; 4) Hedge accounting method."

3) Risk management system for financial instruments

a. Management of credit risk (risk related to nonperformance by counterparties)

With regard to accounts receivable - trade, the Company manages due dates and balances by counterparty.

For guarantee deposits and construction assistance fund receivable, the Company regularly monitors the status of counterparties in order to mitigate risk by early detection of deterioration in their financial conditions.

b. Management of market risk (risk related to foreign exchange rate and interest rate fluctuation)

The Company uses forward exchange contracts, etc. to hedge a portion of foreign currency-denominated trade receivables and payables and investments in equity of overseas consolidated subsidiaries against the risk of exchange rate fluctuations in the respective currencies, which are periodically monitored. In addition, the Company uses interest rate swaps to hedge a portion of borrowings against the risk of fluctuations in interest rates payable.

For securities, the Company periodically monitors market prices of the securities in question and the fair value information presented by financial institutions with which the Company has transactions.

With regard to investment securities, the Company periodically monitors market prices and financial conditions of issuers, and reviews its holdings continuously by taking into consideration its relationships with counterparty companies.

Derivative transactions are executed and managed by the department in charge with the approval of the person in charge of approval, in accordance with the management regulations that stipulate transaction authority and limits on the transaction amount. Monthly transaction results are reported to the officer in charge.

- c. Management of liquidity risk (risk related to failure to make payments by due date) related to funding
The Company manages liquidity risk by preparing and updating cash management plans in a timely manner and maintaining liquidity on hand.

(2) Fair value, etc., of financial instruments

The amounts posted on the consolidated balance sheet, the fair values, and the difference thereof as of March 31, 2025, are as follows.

	Amount recorded on the consolidated balance sheet (Million yen)	Fair value (Million yen)	Difference (Million yen)
1. Securities	12,040	12,040	—
2. Investment securities (Note 2)	166	166	—
3. Guarantee deposits	39,618	37,342	(2,276)
4. Prepaid rent and long-term prepaid rent	13,365	12,691	(674)
Total assets	65,191	62,240	(2,950)
1. Bonds payable (including current portions of bonds payable)	35,000	34,123	(876)
2. Long-term borrowings (including current portion of long-term borrowings)	257,849	254,245	(3,604)
3. Lease liabilities (including current portion of lease liabilities)	65,997	65,050	(946)
Total liabilities	358,846	353,419	(5,427)
Derivative transactions (Note 3)	(1,106)	(1,106)	—

- (Notes) 1. Cash is omitted from the notes, and deposits, accounts receivable - trade, accounts payable - trade, and short-term borrowings are also omitted from the notes because they are settled in a short period of time, and their fair value approximates their book value.
2. Shares, etc., that do not have a market price (1,361 million yen on the consolidated balance sheet) are not included in “investment securities.”
3. Assets and liabilities generated by derivative transactions are shown as net amounts.

(3) Fair value information by appropriate classification within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value calculated using (unadjusted) quoted prices of identical assets or liabilities in active markets.

Level 2 fair value: Fair value calculated using directly or indirectly observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value calculated using significant unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

1) Financial assets and liabilities measured at fair value

Classification	Fair value (Million yen)			
	Level 1	Level 2	Level 3	Total
1. Securities	—	12,040	—	12,040
2. Investment securities	166	—	—	166
3. Derivative transactions	—	—	—	—
Total assets	166	12,040	—	12,206
Derivative transactions	—	1,106	—	1,106
Total liabilities	—	1,106	—	1,106

2) Financial assets and liabilities other than those measured at fair value

Classification	Fair value (Million yen)			
	Level 1	Level 2	Level 3	Total
1. Guarantee deposits	—	37,342	—	37,342
2. Prepaid rent and long-term prepaid rent	—	12,691	—	12,691
Total assets	—	50,033	—	50,033
1. Bonds payable	—	34,123	—	34,123
2. Long-term borrowing	—	254,245	—	254,245
3. Lease liabilities	—	65,050	—	65,050
Total liabilities	—	353,419	—	353,419

(Note) A description of the valuation technique(s) and inputs used in the fair value measurements

Assets

1. Securities

Bonds are valued using prices quoted by financial institutions with which the Company has transactions. As bonds are not traded in active markets, their fair value is classified as Level 2.

2. Investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

3. Guarantee deposits

The fair value of guarantee deposits is calculated based on the present value calculated by discounting the yield of government bonds immediately before the end of the fiscal year from the sum of the principal and interest (including interest-free ones), and is classified as Level 2.

4. Prepaid rent and long-term prepaid rent

The fair value of prepaid rent and long-term prepaid rent is calculated based on the present value calculated by discounting the yield of the government bonds immediately before the end of the fiscal year from the total future cash flows, and is classified as Level 2.

Liabilities

1. Bonds payable and 2. Long-term borrowings

The fair value of these items is measured using the discounted cash flow method based on the sum of the principal and interest, remaining maturities, and an interest rate reflecting credit risk, and is classified as Level 2.

3. Lease liabilities

The fair value of lease liabilities is calculated based on the present value calculated by discounting the sum of the principal and interest at the interest rate that would be applicable to similar new lease transactions, etc., and is classified as Level 2.

Derivative transactions

The fair values of interest rate swaps and forward exchange contracts are based on the prices, etc., presented by the financial institutions with which the Company has transactions, and are classified as Level 2.

8. Notes to revenue recognition

(1) Disaggregation of revenue from contracts with customers

(Million yen)

	Global Sukiya	Global Hamasushi	Global Fast Food	Restaurants	Retail	Corporate and Support	Total	Other	Total
Goods and services transferred at a point in time	295,757	248,494	217,375	155,872	75,052	3,740	996,293	39,776	1,036,070
Goods and services transferred over time	—	0	96,750	212	979	1,147	99,090	1,523	100,614
Revenue from contracts with customers	295,757	248,495	314,125	156,085	76,032	4,887	1,095,384	41,300	1,136,684
Revenue from other sources	—	—	—	—	—	—	—	—	—
Net sales to external customers	295,757	248,495	314,125	156,085	76,032	4,887	1,095,384	41,300	1,136,684

(2) Useful information in understanding revenue from contracts with customers

Useful information in understanding revenue is as presented in “1. Significant matters for basis of preparation of consolidated financial statements; (5) Other significant matters for preparing consolidated financial statements; 5) Basis for recording revenues and expenses.”

9. Notes to per share information

Net assets per share	1,335.69 yen
Basic earnings per share	240.45 yen

(Note) In the calculation of net assets per share, the Company shares held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets for the “Board Benefit Trust (BBT)” are included in the number of treasury shares deducted from the number of shares issued and outstanding at the end of the fiscal year, while in the calculation of basic earnings per share, those are included in the number of treasury shares deducted from the average number of shares outstanding during the period. The number of such treasury shares at the end of the fiscal year deducted in the calculation of net assets per share is 291,400 shares for the fiscal year under review, and the average number of such treasury shares during the period deducted in the calculation of basic earnings per share 291,560 shares for the fiscal year under review.

10. Notes to significant subsequent events

No applicable items.

Non-Consolidated Financial Statements

Non-consolidated Balance Sheet

(Million yen)

Item	43rd fiscal year (As of March 31, 2025)
Assets	
Current assets	245,335
Cash and deposits	30,232
Accounts receivable - trade	33,436
Securities	12,040
Merchandise and finished goods	9,993
Work in process	4
Raw materials and supplies	2,902
Advance payments to suppliers	226
Prepaid expenses	4,724
Prepaid rent	1,493
Accounts receivable - other	25,434
Short-term loans receivable	134,405
Current portion of long-term loans receivable	1,082
Other	1,895
Allowance for doubtful accounts	(12,537)
Non-current assets	351,641
Property, plant and equipment	40,113
Buildings	8,630
Structures	500
Machinery and equipment	367
Vehicles	0
Tools, furniture and fixtures	1,628
Land	18,944
Leased assets	9,822
Construction in progress	219
Intangible assets	4,871
Leasehold interests in land	91
Software	4,437
Other	341
Investments and other assets	306,656
Investment securities	5
Shares of subsidiaries and associates	220,466
Investments in capital of subsidiaries and associates	14,803
Long-term loans receivable	19
Long-term loans receivable from subsidiaries and associates	32,948
Long-term prepaid expenses	1,929
Long-term prepaid rent	10,243
Deferred tax assets	469
Guarantee deposits	25,542
Other	269
Allowance for investment loss	(41)
Deferred assets	580
Share issuance cost	481
Bond issuance cost	98
Total assets	597,556

(Million yen)

Item	43rd fiscal year (As of March 31, 2025)
Liabilities	
Current liabilities	142,146
Accounts payable - trade	41,754
Short-term borrowings	57,545
Current portion of long-term borrowings	29,450
Lease obligations	1,012
Accounts payable - other	4,290
Accrued expenses	1,293
Income taxes payable	265
Contract liabilities	3,305
Deposits received	258
Provision for bonuses	1,845
Other	1,125
Non-current liabilities	307,134
Bonds payable	35,000
Long-term borrowings	224,037
Lease obligations	11,358
Provision for share awards	525
Provision for loss on guarantees	1,099
Asset retirement obligations	192
Guarantee deposits received	34,265
Other	655
Total liabilities	449,281
Net assets	
Shareholders' equity	149,205
Share capital	47,497
Capital surplus	86,651
Legal capital surplus	47,419
Other capital surplus	39,231
Retained earnings	28,780
Legal retained earnings	80
Other retained earnings	28,700
General reserve	3,000
Retained earnings brought forward	25,700
Treasury shares	(13,723)
Total valuation and translation adjustments	(930)
Deferred gains or losses on hedges	(930)
Total net assets	148,275
Total liabilities and net assets	597,556

Non-consolidated Statement of Income

(Million yen)

Item	43rd fiscal year	
	(From April 1, 2024, to March 31, 2025)	
Net sales		334,316
Cost of sales		321,394
Gross profit		12,922
Selling, general and administrative expenses		23,736
Operating profit		(10,813)
Non-operating income		24,388
Interest income		2,903
Dividend income		21,003
Foreign exchange gains		26
Other		456
Non-operating expenses		6,604
Interest expenses		3,435
Interest on bonds		206
Amortization of long-term prepaid expenses		693
Provision of allowance for doubtful accounts		1,628
Other		640
Ordinary profit		6,969
Extraordinary income		42
Other		42
Extraordinary losses		662
Loss on sale of non-current assets		34
Loss on retirement of non-current assets		55
Impairment losses		77
Loss on valuation of shares of subsidiaries and associates		381
Other		113
Net profit before income taxes		6,349
Income taxes - current		(2,364)
Income taxes - deferred		328
Total income taxes		(2,036)
Net profit		8,385

Non-consolidated Statement of Changes in Shareholders' Equity
(From April 1, 2024, to March 31, 2025)

(Million yen)

(From April 1, 2024, to March 31, 2025)										
	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance as of April 1, 2024	47,497	47,419	39,231	86,651	80	3,000	28,338	31,418	(13,715)	151,852
Changes of items during period										
Dividends of surplus							(11,024)	(11,024)		(11,024)
Profit							8,385	8,385		8,385
Purchase of treasury shares									(10)	(10)
Disposal of treasury shares			0	0					1	2
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	0	0	—	—	(2,638)	(2,638)	(8)	(2,646)
Balance as of March 31, 2025	47,497	47,419	39,231	86,651	80	3,000	25,700	28,780	(13,723)	149,205

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance as of April 1, 2024	(930)	(930)	150,921
Changes of items during period			
Dividends of surplus			(11,024)
Profit			8,385
Purchase of treasury shares			(10)
Disposal of treasury shares			2
Net changes of items other than shareholders' equity	—	—	—
Total changes of items during period	—	—	(2,646)
Balance as of March 31, 2025	(930)	(930)	148,275

Notes to Non-consolidated Financial Statements

1. Notes to significant accounting policies

(1) Basis and methods for valuation of securities

- | | |
|---|--|
| 1) Shares in subsidiaries | Stated at cost using the moving average method |
| 2) Available-for-sale securities | |
| a. Securities other than shares, etc., that do not have a market price: | Stated at market value. (Valuation difference is reported as a component of net assets. The cost of sales is calculated using the moving average method.)
For compound financial instruments for which the fair value of embedded derivatives cannot be measured separately, the entire compound financial instrument is measured at fair value and the valuation difference is reported as profit or loss. |
| b. Shares, etc., that do not have a market price: | Stated at cost using the moving average method |

(2) Valuation of derivatives

Stated at market value

(3) Basis and methods for valuation of inventories

- | | |
|--|--|
| 1) Merchandise, finished goods, raw materials, and work in process | Mainly stated at cost using the first-in first-out method (the figures shown in the balance sheet have been calculated by writing them down based on decline in profitability.) |
| 2) Supplies | Mainly stated at cost using the last purchase price method (the figures shown in the balance sheet have been calculated by writing them down based on decline in profitability.) |

(4) Depreciation method for non-current assets

- | | |
|--|---|
| 1) Property, plant and equipment (excluding leased assets) | Straight-line method is applied
The main useful lives are as follows:
Buildings 2 to 47 years |
| 2) Intangible assets | Straight-line method is applied
Software for internal use is amortized by the straight-line method over the estimated useful life (5 years). |
| 3) Leased assets | Lease assets relating to finance lease transactions without transfer of ownership are depreciated over the lease period by the straight-line method assuming the residual value is zero or the guaranteed residual value. |

(5) Standards of accounting for significant reserves

- 1) Allowance for doubtful accounts To provide provision for possible losses on receivables such as loans receivable, the allowance for doubtful accounts is provided based on a case-by-case determination of collectability for specific receivables such as doubtful receivables.
- 2) Provision for bonuses To provide for the payment of bonuses to employees, a provision for bonuses is provided based on the estimated amount of bonus payments.
- 3) Provision for share awards To provide for the payment of the Company's shares to Directors, etc. based on the Executive Stock Benefit Regulations, a provision for share awards is provided based on the estimated amount of share awards obligation.
- 4) Provision for loss on guarantees To provide for losses related to guarantees of obligations to affiliated companies, etc., an estimated amount of losses is recorded, taking into consideration the financial conditions, etc., of the guaranteed companies.
- 5) Allowance for investment loss To provide for losses related to investments in affiliated companies, the Company records an amount deemed necessary, taking into consideration the financial conditions, etc., of the affiliated companies.

(6) Basis for recording revenues and expenses

The Company is principally engaged in sales of food ingredients and beverages and management and store operation guidance to subsidiaries.

Revenue from sales of food ingredients and beverages is recognized at the time the goods are delivered to the customer, as the performance obligation is satisfied at that time.

Management guidance fees to subsidiaries are calculated based on the sales, etc., of the subsidiaries, and revenue is recognized by taking into consideration the time such fees are earned.

(7) Other significant matters for preparing non-consolidated financial statements

1) Accounting treatment for deferred assets

Share issuance cost Amortized using straight-line method over 3 years

Bond issuance cost Amortized using straight-line method over the term of bonds

2) Hedge accounting method

a. Hedge accounting method

The Company applies the deferral accounting method.

b. Hedging instruments and hedged items

Hedging instruments	Hedged items
Forward exchange contract	Investments in equity of overseas subsidiaries

c. Hedging policy

The policy aims to avoid risks from fluctuations in foreign exchange rates for investments in equity of overseas subsidiaries.

d. Method of assessing hedge effectiveness

The Company's hedge transactions are deployed in accordance with the risk management policies of the Company, and complete correlations are confirmed between hedging instruments and hedged items resulting from fluctuations in foreign exchange rates.

2. Additional information

(Board Benefit Trust (BBT))

Information has been omitted as the same information is presented in “2. Additional information” in the Notes to Consolidated Financial Statements.

3. Notes to accounting estimates

Valuation of investments in affiliated companies (investments in intermediate holding companies)

As of the end of the fiscal year under review, the Company included 228,131 million yen of investments of intermediate holding companies in its non-consolidated balance sheet as shares of subsidiaries and associates and investments in capital of subsidiaries and associates.

Regarding the valuation of investments in affiliated companies, when the actual value of investments in affiliated companies declines significantly (generally by about 50%) due to deterioration in the financial condition of the affiliated companies, a substantial reduction is made unless the possibility of recovery can be supported by sufficient evidence, and the valuation difference is treated as a loss for the period.

The actual value is calculated based on the net asset value of the affiliated company. In the case of an intermediate holding company, the actual value is calculated by taking into account the valuation difference based on the fair value of assets, etc., and other factors.

The medium-term plan of the relevant affiliated company is considered as sufficient evidence to support the possibility of recovery. However, in the case of an intermediate holding company, the medium-term plan of the entire intermediate holding company group, including its subsidiaries, is considered as sufficient evidence.

There are no investments in intermediate holding company investments, for which the substantial reduction was deemed unnecessary despite the significant decline in the actual value of intermediate holding company, including their operating subsidiaries, in consideration of the medium-term plan of the entire intermediate holding company group.

4. Notes to non-consolidated balance sheet	
(1) Accumulated depreciation of property, plant and equipment	20,407 million yen
(2) Guarantee obligations	
United Veggies Co., Ltd.; Accounts payable - trade	58 million yen
Joy Mart Co., Ltd.; Accounts payable - trade	364 million yen
Zenshoen Co., Ltd.; Borrowings	399 million yen
Provision for loss on guarantees	244 million yen
Net amount	155 million yen
Mizushita Farm Co., Ltd.; Borrowings	1,171 million yen
Provision for loss on guarantees	855 million yen
Net amount	316 million yen
(3) Monetary claims and monetary obligations to affiliates (excluding those presented separately)	
Short-term monetary claims	185,166 million yen
Short-term monetary obligations	83,685 million yen
Long-term monetary obligations	32,770 million yen
5. Notes to non-consolidated statement of income	
Transactions with affiliates	
Net sales	329,521 million yen
Purchase turnover	120,113 million yen
Other operating transactions	1,738 million yen
Transactions other than operating transactions	23,340 million yen
6. Notes to non-consolidated statement of changes in shareholders' equity	
Type and number of shares of treasury shares as of the end of the fiscal year under review	
Common stock	4,069,343 shares
(Note) The number of treasury shares of common stock at the end of the fiscal year under review includes 291,400 shares held by Japan Custody Bank, Ltd. (Trust Account E) for the "Board Benefit Trust (BBT)."	
7. Notes to tax effect accounting	
(1) Breakdown of causes for occurrence of deferred tax assets and deferred tax liabilities	
Deferred tax assets	
Allowance for doubtful accounts	3,950 million yen
Provision for loss on guarantees	346 million yen
Provision for bonuses	565 million yen
Impairment losses	74 million yen
Accrued income tax	84 million yen
Amount in excess of depreciation and amortization of non-current assets	59 million yen
Shares of subsidiaries and associates	492 million yen
Tax loss carryforwards	1,056 million yen
Long-term accounts payable - other	269 million yen
Other	521 million yen
Valuation reserve	(6,620 million yen)
Total deferred tax assets	799 million yen
Deferred tax liabilities	
Shares of subsidiaries and associates	(274 million yen)
Other	(55 million yen)
Total deferred tax liabilities	(329 million yen)
Net deferred tax assets	469 million yen

- (2) Accounting treatment of corporate and local income taxes or tax effect accounting treatment related to these taxes

The Company has adopted the group tax sharing system. In accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42; August 12, 2021), the Company conducts accounting treatment or tax effect accounting treatment and disclosure related to corporate income tax and local corporate income tax.

8. Notes concerning non-current assets used under lease

Finance lease transactions without transfer of ownership

- (1) Content of lease assets

Property, plant and equipment

- (2) Method of depreciation and amortization for lease assets

The method is as stated in “(4) Depreciation method for non-current assets” in Notes to significant accounting policies.

9. Notes to related party transactions

(1) Subsidiaries and affiliates, etc.

(Million yen)

Category	Name of company, etc.	Percentage of voting rights held	Relationship with related party	Content of transactions	Transaction amount	Item	Balance at fiscal year-end
Subsidiary	Sukiya Co., Ltd.	100.00% (100.00%) (Note 6)	—	Sales of ingredients, etc. (Note 4)	96,896	Accounts receivable - trade	8,719
				Lending of funds (Note 1)	4,325	Short-term loans receivable	7,325
				Lease of stores (Note 3)	14,326	Guarantee deposits	13,324
Subsidiary	Zensho Global Restaurant Holdings Co., Ltd.	100.00%	—	Borrowing of funds (Note 1)	7,904	Short-term borrowings	9,474
Subsidiary	Coco's Japan Co., Ltd.	100.00% (100.00%) (Note 6)	—	Lending of funds (Note 2)	0	Long-term loans receivable	6,000
Subsidiary	Big Boy Japan Co., Ltd.	100.00% (100.00%) (Note 6)	—	Lending of funds (Note 2)	7,777	Long-term loans receivable	9,589
Subsidiary	Zensho Global Fast Food Holdings Co., Ltd.	100.00% (22.46%) (Note 6)	—	Borrowing of funds (Note 1)	8,119	Short-term borrowings	13,016
Subsidiary	Zensho Tradings Co., Ltd.	100.00%	—	Lending of funds (Note 1)	25,560	Short-term loans receivable	35,560
				Purchase of food ingredients (Note 5)	85,996	Accounts payable - trade	15,108
Subsidiary	Hama-Sushi Co., Ltd.	100.00%	—	Sales of ingredients, etc. (Note 4)	92,151	Accounts receivable - trade	9,634
				Lending of funds (Note 1)	(2,500)	Short-term loans receivable	10,000
				Borrowing of funds (Note 1)	5,131	Short-term borrowings	9,904
				Dividend income	5,330	—	—
				Lease of stores (Note 3)	10,925	Guarantee deposits	11,855
Subsidiary	TAG-1 Co., Ltd.	100.00% (100.00%) (Note 6)	—	Lending of funds (Note 1)	(285)	Short-term loans receivable	8,000
Subsidiary	GFF Co., Ltd.	100.00% (100.00%) (Note 6)	Interlocking officers	Lending of funds (Note 1)	207	Short-term loans receivable	8,707
				Sales of ingredients, etc. (Note 4)	5,123	Accounts receivable - trade	55,062
				Purchase of food ingredients (Note 5)	75,344	Accounts payable - trade	6,910
Subsidiary	Joy Mart Co., Ltd.	100.00% (100.00%) (Note 6)	—	Lending of funds (Note 1)	27	Short-term loans receivable	7,877
Subsidiary	Nihon Retail Holdings Co., Ltd.	100.00%	Interlocking officers	Lending of funds (Note 2)	—	Long-term loans receivable	10,439
Subsidiary	Zensho USA Corporation	100.00%	Interlocking officers	Dividend income	12,048	Accounts receivable - other (Note 7)	2,560

(Note 1) Short-term loans and borrowings are based on the cash management system provided by the Company to its Group companies. Since funds are transferred on a daily basis, the transaction amount represents the increase or decrease from the balance at the end of the previous period. Interest rates are determined reasonably, taking market interest rates into consideration.

(Note 2) Long-term loans are based on the cash management system provided by the Company to its Group companies. Interest rates are determined reasonably, taking market interest rates into consideration. Long-term loans receivable include the current portion of long-term loans receivable.

(Note 3) Store rent is determined based on the actual trading conditions in the neighborhood.

(Note 4) Selling prices are determined based on prevailing market prices.

- (Note 5) Purchase prices are determined based on prevailing market prices.
- (Note 6) Figures in parentheses in the percentage of voting rights held indicate indirect ownership and are included in the total.
- (Note 7) Dividends of 63,000 thousand US dollars were received on March 31, 2025 in connection with a resolution of dividends for Zensho USA Corporation, which is a consolidated subsidiary, and 17,000 thousand US dollars has been recorded in accounts receivable - other (scheduled to be received on May 30, 2025).

10. Notes to per share information

Net assets per share	749.81 yen
Basic earnings per share	43.19 yen

- (Note) In the calculation of net assets per share, the Company shares held by Japan Custody Bank, Ltd. (Trust Account E) as trust assets for the “Board Benefit Trust (BBT)” are included in the number of treasury shares deducted from the number of shares issued and outstanding at the end of the fiscal year, while in the calculation of basic earnings per share, those are included in the number of treasury shares deducted from the average number of shares outstanding during the period. The number of such treasury shares at the end of the fiscal year deducted in the calculation of net assets per share is 291,400 shares for the fiscal year under review, and the average number of such treasury shares during the period deducted in the calculation of basic earnings per share 291,560 shares for the fiscal year under review.

11. Notes to significant subsequent events

No applicable items.

Audit Report

Audit Report by the Accounting Auditor for the Consolidated Financial Statements

Independent Auditor's Report

May 13, 2025

To the Board of Directors
Zensho Holdings Co., Ltd.

Tokyo Office
PricewaterhouseCoopers Japan LLC
Designated Limited Liability Partner
Engagement Partner Toshihiro Taniguchi, CPA
Designated Limited Liability Partner
Engagement Partner Kentaro Shimizu, CPA

Auditor's opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements of Zensho Holdings Co., Ltd. (the "Company") for the fiscal year from April 1, 2024, through March 31, 2025.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are stated in "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other information

Other information consists of the Business Report and its supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit & Supervisory Committee's responsibility is to monitor the Directors' performance of their duties in preparing and operating the process for reporting other information.

Our audit opinion on the Consolidated Financial Statements does not include other information, and we express no opinion on it.

Our responsibility in the audit of the Consolidated Financial Statements is to read other information and, in the course of reading other information, to consider whether there are material differences between other information and the Consolidated Financial Statements or our knowledge obtained in the course of our audit, and to pay attention to whether there are indications of material error other than such material differences in other information.

If, based on the work performed, we determine that there is a material error in other information, we are required to report such fact.

We have no matters to report with respect to other information.

Responsibilities of Management, Members of the Audit & Supervisory Committee and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Consolidated Financial Statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Members of the Audit & Supervisory Committee and the Audit & Supervisory Committee are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Consolidated Financial Statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the Consolidated Financial Statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Consolidated Financial Statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the Notes to the Consolidated Financial Statements in the Audit Report, or if the Notes to the Consolidated Financial Statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Consolidated Financial Statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and Notes to the Consolidated Financial Statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the Consolidated Financial Statements including related notes, and whether the Consolidated Financial Statements fairly present the transactions and accounting events on which they are based.
- Plan and perform the audit of the Consolidated Financial Statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries as a basis for forming an opinion on the Consolidated Financial Statements. The auditor is responsible for the direction, supervision and review of the audit of the Consolidated Financial Statements, and is solely responsible for the audit opinion.

The auditor reports to Members of the Audit & Supervisory Committee and the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Members of the Audit & Supervisory Committee and the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures in place to eliminate obstacles or safeguards applied to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report by the Accounting Auditor for the Non-consolidated Financial Statements

Independent Auditor's Report

May 13, 2025

To the Board of Directors
Zensho Holdings Co., Ltd.

Tokyo Office
PricewaterhouseCoopers Japan LLC
Designated Limited Liability Partner
Engagement Partner Toshihiro Taniguchi, CPA
Designated Limited Liability Partner
Engagement Partner Kentaro Shimizu, CPA

Auditor's opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying Non-consolidated Financial Statements, which comprise the Non-consolidated Balance Sheet, the Non-consolidated Statement of Income, the Non-consolidated Statement of Changes in Net Assets, the Notes to the Non-consolidated Financial Statements and the accompanying supplementary schedules of Zensho Holdings Co., Ltd. (the "Company") for the 43rd fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the Non-consolidated Financial Statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are stated in "Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other information

Other information consists of the Business Report and its supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit & Supervisory Committee's responsibility is to monitor the Directors' performance of their duties in preparing and operating the process for reporting other information.

Our audit opinion on the Non-consolidated Financial Statements and the accompanying supplementary schedules does not include other information, and we express no opinion on it.

Our responsibility in the audit of the Non-consolidated Financial Statements and the accompanying supplementary schedules is to read other information and, in the course of reading other information, to consider whether there are material differences between other information and the Non-consolidated Financial Statements and the accompanying supplementary schedules or our knowledge obtained in the course of our audit, and to pay attention to whether there are indications of material error other than such material differences in other information.

If, based on the work performed, we determine that there is a material error in other information, we are required to report such fact.

We have no matters to report with respect to other information.

Responsibilities of Management, Members of the Audit & Supervisory Committee and the Audit & Supervisory Committee for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Non-consolidated Financial Statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Non-consolidated Financial Statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the Non-consolidated Financial Statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the Non-consolidated Financial Statements and the accompanying supplementary schedules in accordance with the premise of a going concern,

and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Members of the Audit & Supervisory Committee and the Audit & Supervisory Committee are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the Non-consolidated Financial Statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Non-consolidated Financial Statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the Non-consolidated Financial Statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the Non-consolidated Financial Statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Non-consolidated Financial Statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the Notes to the Non-consolidated Financial Statements and the accompanying supplementary schedules in the audit report, or if the Notes to the Non-consolidated Financial Statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Non-consolidated Financial Statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and Notes to the Non-consolidated Financial Statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the Non-consolidated Financial Statements and the accompanying supplementary schedules including related notes, and whether the Non-consolidated Financial Statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Members of the Audit & Supervisory Committee and the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Members of the Audit & Supervisory Committee and the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures in place to eliminate obstacles or safeguards applied to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Audit Report by the Audit & Supervisory Committee

Audit Report

The Audit & Supervisory Committee has audited the execution of duties by Directors for the 43rd fiscal year from April 1, 2024, to March 31, 2025. The methods and results are reported as follows.

1. Audit methods and content

The Audit & Supervisory Committee received periodic reports from Directors and employees, etc., regarding resolutions of the Board of Directors regarding the matters in Article 399-13, Paragraph 1, Item 1, b) and c) and the status of establishment and operation of structures (internal control systems) that are maintained based on said resolutions, sought explanations and expressed opinions as required, and implemented audits with the methods below.

- 1) Pursuant to audit policies and division of duties defined by the Audit & Supervisory Committee, Members of the Audit & Supervisory Committee, in cooperation with the Company's Internal Control Division, attended important meetings, received reports on matters regarding execution of duties by Directors and employees, etc., requested explanations as required, viewed documents, etc., regarding important decisions, and examined the status of operations and assets at the headquarters and principal offices. In addition, meetings were held with Outside Directors to exchange opinions and communicate with them on the status of the execution of duties by Directors.
Regarding subsidiaries, efforts were made to communicate and exchange information with Directors and Corporate Auditors of subsidiaries, and business reports were received from subsidiaries as required.
- 2) In addition, in order to conduct appropriate audits as needed in response to the expansion of business operations, the Audit & Supervisory Committee endeavored to improve the audit environment by collecting information and exchanging opinions through the Group's Internet environment and other means, thereby enhancing the efficiency and speed of the audits.
- 3) Furthermore, while supervising and evaluating whether or not the Accounting Auditor is maintaining an independent standpoint and implementing appropriate audits, reports were received from the Accounting Auditor on the status of execution of duties, and explanations were requested as required. Additionally, notification was received from the Accounting Auditor that "Systems to Secure the Appropriateness of Operations" (Matters in each item of Article 131 of the Regulations on Corporate Accounting) were being maintained in accordance with "Quality Management Standards Regarding Audits" (Business Accounting Council), and explanations were requested as required.

Based on the methods above, the Business Report, accompanying supplementary schedules, Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Income Statement, Non-consolidated Statement of Changes in Net Assets, and Notes to the Non-consolidated Financial Statements) and accompanying supplementary schedules, Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Changes in Net Assets, and Notes to the Consolidated Financial Statements), and the Accounting Auditor's Audit Report were evaluated.

2. Results of audit

(1) Audit results for the Business Report, etc.

- 1) The Business Report and accompanying supplementary schedules are in compliance with laws and regulations and accurately reflect the status of the Company.
- 2) There are no inappropriate actions regarding the execution of duties by Directors and significant facts that are in violation of laws and regulations or the Articles of Incorporation.
- 3) The content of resolutions by the Board of Directors regarding internal control systems are appropriate. Additionally, there are no matters of note concerning the content of information provided in the Business Report regarding said internal control systems nor the execution of duties by Directors.
- 4) It has been confirmed that efforts are being made toward improving store conditions in relation to store hygiene for each business in the Restaurant business as stated in the Business Report. The Audit & Supervisory Committee will continue to examine the status of improvement.

(2) Audit results for the Non-consolidated Financial Statements and accompanying supplementary schedules

The methods and results of audits performed by PricewaterhouseCoopers Japan LLC, the Accounting Auditor, are appropriate.

(3) Audit results for the Consolidated Financial Statements and accompanying supplementary schedules

The methods and results of audits performed by PricewaterhouseCoopers Japan LLC, the Accounting Auditor, are appropriate.

May 13, 2025

Audit & Supervisory Committee, Zensho Holdings Co., Ltd.

Full-time Member of the Audit & Supervisory Committee Hideo Watanabe

Member of the Audit & Supervisory Committee Yukio Miyajima

Member of the Audit & Supervisory Committee Kenichi Kaneko

Member of the Audit & Supervisory Committee Hisashi Maruyama

(Note) Full-time Member of the Audit & Supervisory Committee Hideo Watanabe, Member of the Audit & Supervisory Committee Yukio Miyajima, Member of the Audit & Supervisory Committee Kenichi Kaneko, and Member of the Audit & Supervisory Committee Hisashi Maruyama are Outside Directors as stipulated by Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.