ENVIRONMENT

Basic Axes: Promotion of ESG (Environment) Climate Change Action and Environmental Initiatives

In accordance with the Skylark Group Charter of Corporate Behavior, Skylark Group has established the Group Sustainability Committee and is voluntarily and actively undertaking environmental initiatives to minimize the impacts of climate change.

1. Compliance with laws and regulations	We comply with environmental laws and ordinances and promptly respond to legal revisions.
2. Environmental conservation	Across the supply chain, spanning the procurement of food ingredients to production, logistics, in-store processing, and disposal, we make efforts to conserve energy and water and reduce food loss and wastes.
3. Enhancement of environmental awareness	We promote environmental education by which every individual holds an awareness of environmental conservation.
4. Environmental management	We set environmental targets and aim to continuously reduce our environmental impacts.
5. Disclosure of environmental information	We actively disclose environmental information and strive for transparency in our environmental conservation activities.

Climate Change Initiatives

Information disclosure related to the TCFD recommendations

Skylark Group positions climate change as one of the key management risks that we face. We endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and engage in disclosure for all 11 items of the TCFD recommendations. Understanding the risks and opportunities presented to our company by climate change, we disclose our climate-related initiatives and targets along with our progress toward these.

In 2024, we conducted scenario analyses for a 2°C (1.5°C) scenario and a 4°C scenario. In terms of main risks presented by climate change, we carried out quantitative evaluations of (1) the impacts of carbon tax introductions, (2) the impacts of changes in electricity prices, (3) the impacts of flooding, and (4) the impact of storm surges.

Governance

Skylark Group has established a Group Sustainability Committee to serve as a decision-making body for sustainability-related initiatives. Acting under the supervision of the Board of Directors, the Committee is composed of the President and Chief Operating Officer (COO) as Chair, the Chief Sustainability Officer (CSuO) as Deputy Chair, the Chairman and Chief Executive Officer (CEO), all executive officers, and Group company presidents.

Its activities to promote sustainability are reported to the Board of Directors. Outside directors also participate in the Committee as advisors so that issues can be identified and advice can be received from outside perspectives.

Risk management

We established the Group Risk and Compliance Committee as an organization that oversees the management of risks, including climate change-related risks, for the entire Group. The Committee consists of the Chairman and CEO and all executive officers, with the President and COO serving as Chairperson. The Committee centrally identifies climate change-related and other risks, and pinpoints those that we must tackle in light of factors such as degree of impact. With regard to climate-related risks and opportunities, the Group Risk and Compliance Committee sets out and operates an annual review process, based on the status of our actions and changes in the environment.

We also endeavor to ensure transparency in our risk management system through means such as sharing information on the content of Group Risk and Compliance Committee deliberations with outside directors. By having outside officers also participate in the Committee as advisors, we have built a structure that allows us to identify issues and receive advice from outside perspectives.

Strategy

Our quantitative evaluation of the short-term, medium-term, and long-term climate-related risks and opportunities recognized by our company, and of the financial impacts of major risks on our business, is shown below. We also disclose measures to address climate-related risks and opportunities on our website.

Once a year, we check the content of our measures to address climate-related risks and opportunities, update the status of our actions, and explain the resilience of our strategy. In our scenario analyses, we analyzed two scenarios: the 2°C (1.5°C) scenario in which impacts manifest as the transition to a low-carbon society takes place, and the 4°C scenario in which physical impacts associated with climate change manifest.

Web Our measures to address major climate-related risks and opportunities

Financial impacts of main risks

Item	Scenario	Value of impacts on business in 2030 (estimated)
Impacts of carbon tax introductions	4°C scenario	–
	2°C (1.5°C) scenario	(3.22) billion yen
Impacts of changes in electricity prices	4°C scenario	0.3 billion yen
	2°C (1.5°C) scenario	(0.64) billion yen
Impacts of flooding	4°C scenario	(2.63) billion yen
	2°C (1.5°C) scenario	(1.49) billion yen
Impacts of storm surges	4°C scenario	(0.34) billion yen
	2°C (1.5°C) scenario	(0.33) billion yen

- **Assumed amounts of carbon taxes in 2030:**
  For 4°C scenario, USD 0/t-CO_2; for 2°C (1.5°C) scenario, USD 140/t-CO_2 (source: "World Energy Outlook 2023," IEA)
- **Assumed electricity prices in 2030:**
  For 4°C scenario, USD 209/MWh; for 2°C (1.5°C) scenario, USD 231/MWh (Source: graph in "World Energy Outlook 2019," IEA)
- **Assumed multiple of occurrence of flooding in 2030:**
  For the 4°C scenario, 3-fold; for the 2°C (1.5°C) scenario, 1.7-fold (calculated from sources including "TCFD Guidance," Ministry of the Environment, and "Recommendations for Flood Control Planning Based on Climate Change," Ministry of Land, Infrastructure, Transport and Tourism, after mapping the locations of all stores, factories, headquarters, and other workplaces of all Group companies)
- **Assumed multiple of occurrence of storm surges in 2030:**
  For the 4°C scenario, about 1.08-fold; for the 2°C (1.5°C) scenario, about 1.06-fold (source: "Climate impact explorer," CLIMATE ANALYTICS, after mapping the locations of all stores, factories, headquarters, and other workplaces of all Group companies)

* Franchise stores of Tomato and Associates are not included in estimates of the impacts of flooding and storm surges on assets.
* Franchise stores of Tomato and Associates and Skylark Restaurants are not included in estimates of the impacts of losses from business suspension due to flooding.

Measures to address major risks (excerpt)

Addressing the impacts of the introduction of carbon taxes	(1) Energy and power saving: Reduction of energy usage (2) Use of renewable energy (3) Development of environmentally considerate stores
Addressing the impacts of changes in electricity prices	Power-saving activities at stores
Addressing the impacts of flooding Addressing the impacts of storm surges	Setting of measures against flooding and storm surges for employees, stores, MDCs, and headquarters

Measures to address main opportunities (excerpt)

Addressing opportunities in the 2°C (1.5°C) scenario	Example: Plastic countermeasures and other activities to promote decarbonization
Addressing opportunities in the 4°C scenario	(1) Opportunities through increased occasions for store visits (2) Opportunities through product development matched to consumer needs (3) Opportunities through increased use of delivery services (4) Opportunities through increased demand for retail sales products

Indicators and goals

KPIs related to decarbonization, water resource conservation, and plastic countermeasures, covering the entire Skylark Group, are as follows. Materiality-specific KPIs are posted on pp. 47-48 of this Integrated Report, with additional details available on our website.

Web ESG Data Book

	Major Indicators	KPI 2030	KPI 2050
Decarbonization	Rate of reduction in GHGs (Scope 1+2)	50.4% reduction (compared to 2018)	Net zero
	Rate of reduction in GHGs (Scope 3)	33.0% reduction (compared to 2018)	Net zero
	Rate of reduction in GHGs (Scope 1+2+3)	38.3% reduction (compared to 2018)	Net zero
Preservation of water resources	Amount of water intake	10% reduction (compared to 2018)	20% reduction (compared to 2018)
Plastic countermeasures	Amount of petroleum-derived single-use plastics used	50% reduction (compared to 2020)	0

Decarbonization

Active introduction of solar power generation: Toward 157 facilities, exceeding our KPI of 100

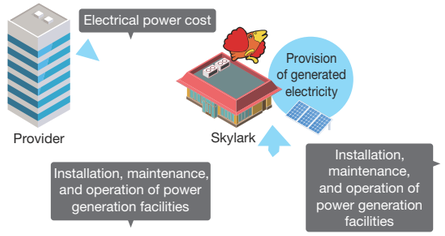
In addition to the on-site solar power generation facilities installed at the Sakai MD Center, we introduced off-site power purchase agreements (PPA) at the Gifu MD and 48 stores under Chubu Electric Power, 23 stores under Hokuriku Electric Power, and 84 stores under Tohoku Electric Power (blue, green, and orange areas in Figure 1). Through this, we expect a reduction of about 3,300 tons of CO_2 per year.

As of 2024, we have performed installations at 157 facilities, exceeding our KPI of 100. We aim to extend this to 300 facilities by 2025, 2,000 facilities by 2030, and all facilities by 2050. These efforts will also encompass areas where we have not yet installed systems (white areas in Figure 1).

Web Energy-related usage reduction KPIs and results

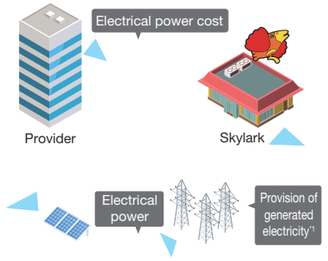
Figure 1: Solar power generation (areas introduced)

Figure 2: On-site PPAs*1



*1 On-site PPA: The placement of power generation facilities on a company's premises and purchase of the electricity by the company

Figure 3: Off-site PPAs*2



*2 Off-site PPAs: The purchase of electricity from facilities installed outside a company's premises.

Acquisition of third-party guarantees

We have acquired third-party guarantees for FY2024 GHG emissions (Scope 1, Scope 2, and Scope 3, Category 1) and energy consumption (Figure 4).

Figure 4: Verification report for FY2024

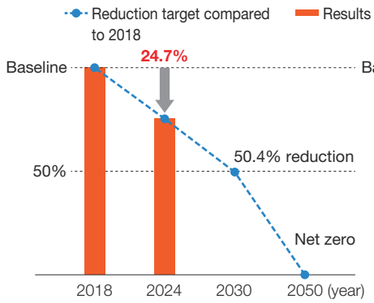
* Third-party guarantees:
A mechanism by which external expert organizations objectively verify reports prepared by companies and organizations to increase the accuracy and transparency of information.

Introduction of internal carbon pricing (ICP*)

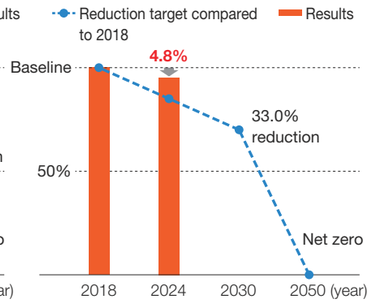
We have set our in-house carbon price to 15,365 yen/t-CO_2. This amount is applied to capital investments associated with an increase or decrease in CO_2 emissions, to convert these changes to costs for use in making investment decisions.

* ICP: The estimation of a price for carbon within a company, as a mechanism to promote low-carbon investment and carbon countermeasures by the company.

Targets and results for Scope 1+2 reduction rate



Targets and results for Scope 3 reduction rate



Biodiversity

As a biodiversity initiative, Skylark Group has expressed our endorsement of the TNFD recommendations.

For details on our response to the TNFD recommendations, see "Initiatives for Natural Capital and Biodiversity" on P63-64.

Web Click here for details of the formulation of our Group Biodiversity Policy in 2024

Food Loss Reduction

Receipt of FY2024 Consumer Affairs Agency Commissioner's Award for the Komamedori Project

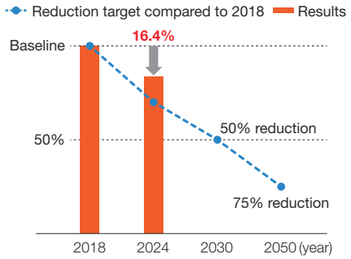
Since April 2024, all of our Syabu-Yo all-you-can-eat shabu-shabu stores have engaged in the Komamedori Project. This is an initiative that seeks to reduce food loss through co-creation with customers, by having customers take only small amounts that they can finish without leftovers. At the end of the meal, customers take a photo of the table without leftovers and present this during payment to receive a coupon.

- Entails positive participation, not penalties
- Contributes to food education while reducing food loss
- Is expected to spread throughout our Group and the industry as a whole

Based on the points above, our initiative received the Consumer Affairs Agency Commissioner's Award in 2024 as an example of outstanding consumer-oriented management.

Commendation ceremony

Targets and results for food loss reduction rate



Plastic Countermeasures

As a company with approximately 3,000 stores nationwide, since 2018 we have been taking the lead in tackling the reduction of petroleum-based plastic products.

In 2021, we launched the Group Sustainability Committee and its subordinate bodies, the Packaging Materials and Consumables Subcommittee and the Consumables Reduction Subcommittee. To date, we have worked to reduce the size and thickness of plastic bags, garbage bags, and disposable containers and packaging materials for delivery and take-out, while also initiating charges for disposable cutlery and plastic bags.

- **Donations to the Green Fund**
  Total cumulative donations: 5,173,135 yen
  (January 2023 to end of March 2025)

From a perspective of valuing limited resources, in January 2023 we began charging for disposable cutlery. We donate a portion of the associated revenue to the Green Fund of the National Land Afforestation Promotion Organization.

Web Click here for details of our plastic countermeasures

Preservation of Water Resources

All of our employees work together to conserve water with the aim of global environmental protection and cost reduction. Using the "Water Risk Atlas" of the WRI's Aqueduct, we conducted an investigation of our company's sites located in water risk areas where the amounts and quality of water resources are at risk. As of the end of 2024, no sites were located in watersheds at high or very high water risk. One facility in Japan and one overseas were located in high water stress watersheds. We are working to address these appropriately.

We use high depth groundwater, rainwater for cooling outdoor facilities, and secondary water for cleaning at manufacturing sites to reduce effective water usage. To achieve both hygiene management and water conservation, we have set rules for hand-washing procedures and standards for the amount of water used in hand-washing areas, and are working to spread these rules through employee education. We are also actively installing water-saving equipment including water-saving frames, nozzles, toilets, and dishwashers.

About wastewater treatment

As we use considerable amounts of water for cooking and for cleaning dishes and utensils, we also attach importance to wastewater. About 90% of our wastewater is discharged to third parties for treatment, but we also perform primary and secondary wastewater treatment in-house in accordance with legal and regulatory standards. We further perform proper management of wastewater quality and temperature, inspecting these at least once a year.

Initiatives for Natural Capital and Biodiversity

The business of Skylark Group is heavily dependent on natural capital with high social impacts, including plants, animals, air, water, and soil, and may have negative impacts on these. We regard natural capital, biodiversity, and other global environmental issues as highest-priority issues in management, and have built an appropriate governance and risk management structure for these as we have done for climate change.

Response to the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations

Skylark Group endorses TNFD and discloses information, as follows

- We endorse the "Nature Positive" objective of stopping and restoring biodiversity loss, and conduct evaluations of the impacts of our business activities on biodiversity and ecosystem services.
- We will cooperate with suppliers and business partners to promote nature-related engagement with stakeholders.
- Based on the LEAP approach [*1], we will analyze our nature-related dependencies, impacts, risks, and opportunities and will disclose information in accordance with the recommendations of TCFD and TNFD.

*1 LEAP approach: A method for prioritizing impacts on natural capital and countermeasures by discovering points of contact with nature (Locate), diagnosing dependencies and impacts (Evaluate), assessing risks and opportunities (Assess), and preparing countermeasures (Prepare).

General requirements We have set general requirements (approach to information disclosure) required by TNFD, as follows.

General requirements	Our approach to information disclosure
The application of materiality	In natural impact-related evaluations based on TNFD, we evaluate dependencies and impacts on natural capital using double materiality.
The scope of disclosures	Disclosures cover our direct operations and upstream value chain.
The location of nature-related issues	Food processing → Higashimatsuyama Merchandising Center ("MDC") (Higashimatsuyama, Saitama Prefecture) Raw material production → Australia, Uruguay (beef production areas)
Integration with other sustainability-related disclosures	We disclose information concerning climate change in accordance with the TCFD framework. In the future, we will integrate TCFD and TNFD disclosures.
The time horizons considered	We consider short-term (0-2 years), medium-term (3-5 years), and long-term (over 5 years) time horizons. We consider degree of impact as of 2030.
The engagement of stakeholders in the identification and assessment of nature-related issues	To strengthen our dialogues with suppliers, acting under the Skylark Group Human Rights Policy we conduct CSR checks and human rights due diligence and are strengthening our initiatives for local information collection and respect for human rights.

Governance

As with TCFD (see pp. 59-60 for details), our governance structure is centered on the Group Sustainability Committee under the supervision of the Board of Directors.

Management of Risks and Impacts

As with TCFD (see pp. 59-60 for details), the Group Risk and Compliance Committee oversees risk management for the Group as a whole. With regard to sustainability-related risks such as natural capital, the Group Sustainability Committee manages the promotion of strategies, goal setting, and initiatives. Both committees identify business risks to be addressed, review these once per year, set emerging risks, and connect these to enhancing the sustainability of the company.

Strategy

Following the LEAP approach advocated by TNFD, we analyzed dependencies, impacts, risks, and opportunities involving our value chain and natural capital, as shown below.

As a result of the following analysis, we confirmed large upstream impacts and dependencies on natural capital.

❶ We defined the procurement processes for raw materials as "upstream," our factories that we operate directly as "midstream," and stores that we operate directly and that engage in disposal as "downstream"

❷ Based on the results of mapping the interrelationship between upstream and natural capital, we set the scope of analysis to "upstream = procurement processes" and "midstream = direct operations"

❸ We analyzed the upstream and midstream using the ENCORE[*2] evaluation tool recommended by TNFD

*2 ENCORE: A tool recommended by TNFD to evaluate exposure to, dependencies on, and impacts on nature-related risks through sector selection.

Inference of sites with potential impacts on nature and identification of priority areas

Our company's sites consist foremost of our approximately 3,000 stores. We recognize that impacts and dependencies are small for each store but are extremely large for our business as a whole.

As sites where impacts and dependencies are concentrated, we set our directly operated MDCs and our production areas in food and raw material procurement processes as targets of analysis.

For procurement processes, we used recommended tools to identify raw materials that present high natural risk. We analyzed the production areas for beef, which represents the highest purchasing value, as upstream sites. As the financial impact of beef production suspension in Australia and Uruguay in particular would be huge, we identified these as priority areas in the upstream value chain.

For direct operations, through evaluation of all MDCs using recommended tools, we confirmed that all sites are adjacent to areas prone to impacts.

We identified Higashimatsuyama MDC, our largest supply site, as a priority area that would present a large financial impact in the case of production suspension.

	Direct operations	Procurement process
Analyze and investigate the relationships between our business and biodiversity ▼ Survey and select sites with a high degree of impact on biodiversity ▼ Identify sites with high financial impact and set these as priority sites	Within our directly operated sites (about 3,000), focus on "food processing and manufacturing" ▼ Investigate the relationships between all MDCs (10 sites) and biodiversity ▼ **Identify Higashimatsuyama MDC, which performs production for the largest number of stores**	Within all suppliers, focus on "raw materials production" ▼ Select raw materials with high environmental impact (5 items: beef, coffee, palm oil, etc.) ▼ **Identify Australia and Uruguay as main beef production areas with high transaction value**

Identification of risks and opportunities

Based on the relationship between dependencies and impacts at Higashimatsuyama MDC, Australia, and Uruguay, we qualitatively evaluated and identified risks and opportunities that can affect our business activities. In formulating scenarios, we consider scenarios recommended by TNFD. We are now analyzing a scenario in which natural destruction progresses rapidly but public opinion provides support for countermeasures.

Looking ahead, we will conduct analyses under multiple scenarios to strengthen the resilience of our strategies.

Direct operations: Risks and opportunities with operations at Higashimatsuyama MDC taken into consideration (excerpt)

	Major risks	Degree of impact on business	Main opportunities	Degree of impact on business
Short- and medium-term	Reduced revenue due to suspensions of factories and logistics operations amid increasing natural disasters	Large	Enhancement of social trust and reputation through responses to disasters	Medium
Long-term	Increase in manufacturing and logistics costs due to tightening of wastewater/waste laws and regulations	Large	Enhancement of reputation through initiatives to prevent environmental pollution	Medium
	Decline in brand image due to delayed action on biodiversity issues	Medium		

Suppliers: Risks and opportunities with raw material procurement in Australia and Uruguay taken into consideration (excerpt)

	Major risks	Degree of impact on business	Main opportunities	Degree of impact on business
Short- and medium-term	Soaring prices of raw materials due to deterioration in growth caused by environmental degradation	Large	Introduction of environmentally friendly menus that adapt to changes in consumer behavior and values, and increase in sales through brand development	Medium
Long-term	Increase in raw material procurement costs through strengthening of taxation and traceability	Medium	Increase in stock prices due to heightened awareness among stakeholders	Medium
	Decline in brand image due to delayed action on biodiversity issues	Medium		

Indicators and Targets

We collect and manage data for varied indicators including reductions in GHG emissions, water intake, food waste, and usage of petroleum-derived plastics, percentages of certified materials such as domestic vegetables, palm oil, and paper products, and potential negative impacts of our business activities on the environment. (See P47-48 for details.)

We are also advancing initiatives by setting yearly KPIs with departments in charge of indicators and by submitting quarterly progress reports to the Sustainability Committee.

We will continue to assess and analyze such data and, through the Sustainability Committee, will consider indicators and targets that should be added and managed.

SOCIAL

Basic Axes: Promotion of ESG (Social)

Contributing to Enriched Lifestyles and the Advancement of Society

Skylark Group practices sustainability management aimed at realizing our Purpose: "To contribute to enriching people's lives and to the advancement of society as a whole by creating the future of dining."
In corporate management, we engage in appropriate collaboration with our multi-stakeholders, based on the importance of co-creation of value with customers, business partners, employees, local communities, shareholders, investors, the global environment, and other stakeholders.

Relationships with Customers

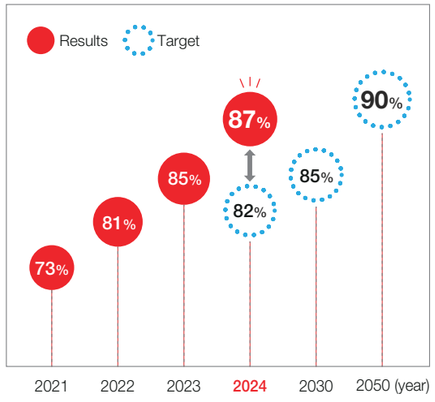
Customer orientation

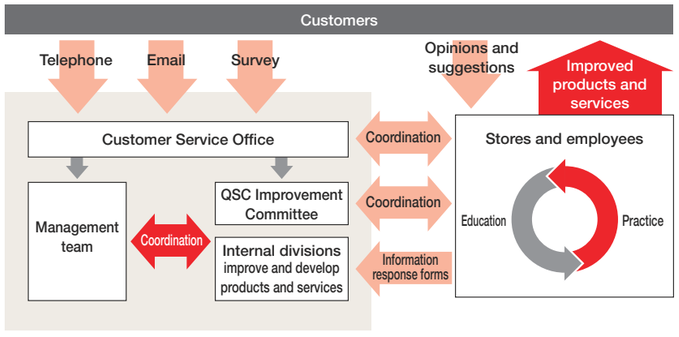
To meet the food service needs of all people, we are working to develop menus and improve services based on data analysis by time of day, customer attributes, store location, individual restaurant, and usage occasion, utilizing POS system sales performance data, smartphone app data, customer surveys, and other "big data." In FY2022, we established a system whereby all management and relevant departments can view opinions, requests, and other customer feedback received by the Customer Service Office on a daily basis. We also use these in reviews of business operations by the QSC Improvement Committee and in making prompt improvements to products and services. As a result of such initiatives, overall customer satisfaction has risen from 73% in 2021 to 81% in 2022, 85% in 2023, and 87% in 2024.

To raise QSC* at stores, we conduct store capability enhancement study sessions for employees and crew members alike. In 2024, 55,000 persons took part in these monthly sessions. We conduct training on topics including thinking from customers' perspectives, customer service terminology, and safety and health.

*QSC: Quality, Service, and Cleanliness.

Overall customer satisfaction





Health & nutrition

In response to growing health consciousness among customers in recent years, Skylark Group has developed menus that are nutritionally balanced and low in calories and fat, including vegetable-rich menus and low-carbohydrate menus. We also review product portion sizes as appropriate. In addition to offering a wide variety of menu options to meet the varied needs of customers based on factors such as age, physical constitution, and physical condition that day, we also provide several types of side dishes, a series of small-sized side dishes, toppings, sauces, and dressings that customers can combine to choose the volume and flavor of their meals. In doing so, we strive to provide appropriate information such as salt and calorie content, ingredient origin information, and up-to-date allergy information. We will endeavor to provide personal nutrition suggestion to customers through our Digital Menu Books in the future.

Example of Gusto menu

Food safety and security

For details of our safety and security initiatives, see P51-52.

Relationships with Business Partners

Responsible procurement

By establishing procurement management regulations and complying with laws and regulations to fulfill our social responsibilities through our business, we promote the purchase of safe, high-quality food materials and work to address social issues. In the selection of suppliers, we confirm not only financial reliability and quality stability but also the status of suppliers' employee management (assurance of occupational health and safety), consideration for human rights (child labor, forced labor, discrimination, freedom of association, collective bargaining, long working hours), consideration of the environment (energy, climate change, water resources, biodiversity, food loss, and resource use), and antisocial acts. Our selections prioritize suppliers that carry out their social responsibilities.

We require that our suppliers' employees are provided with information on our environmental policies and require their understanding and cooperation regarding communication with our company, training, and more. Together with suppliers, we aim for the coexistence and co-prosperity of corporate activities, society, and the environment.

Although we currently procure from 40 countries, we base decisions not on individual countries' laws, customs, and current conditions but rather on whether significant gaps exist in light of applicable Japanese law. We strive for responsible procurement by implementing a strict policy of not initiating transactions when any problem exists.

Web Responsible procurement
https://corp.skylark.co.jp/en/sustainability/environment/supply/

1 Selection of Suppliers

In the selection of new suppliers, we carry out due diligence prior to the start of transactions, as described below. We do so in accordance with our Detailed Rules for Sustainable Procurement Management and with the objective of managing risks involved with environmental issues and societal issues.

Due diligence process

2 Supplier Monitoring and Audits

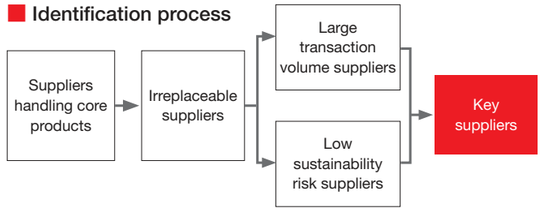
Item	2024
Total number of suppliers	722
Number of primary suppliers	283
Number of key primary suppliers*	27
Percentage of transaction value accounted for by key primary suppliers	60.20%
Number of major suppliers other than primary suppliers	0
Total number of key suppliers	27
Number of suppliers evaluated	274
Percentage of suppliers evaluated	38.00%
Percentage of key suppliers evaluated	9.90%
Number of suppliers evaluated as having negative impacts	7
Number of suppliers for which transactions having significant negative impacts were ended	0
Number of suppliers who supported improvement plans/corrective measures	274
Percentage of major suppliers who supported improvement plans/corrective measures	100%

* Number of key primary suppliers: The number of suppliers that have been identified as having on ESG or as presenting risks with a high relevance to our business

Education and training for our buyers

- Twice-yearly joint training sessions to educate all buyers through new and updated knowledge in line with legal and regulatory changes and social conditions, and through guidance by our in-house quality control departments
- Completion of JGAP instructor qualification for all vegetable buyers; etc.

Identification process



TOPICS **In a first for the food service industry, in October 2023 we obtained certification for ISO 20400, the international standard for sustainable procurement.**

Web Certification under the ISO 20400 international standard for sustainable procurement, a first for the food service industry
https://corp.skylark.co.jp/Portals/0/images/sustainability/environment/sustainability/ISO20400_en.pdf

Relationships with Employees

To ensure that diverse human resources can play active roles, Skylark Group establishes no differences in treatment or in human resource promotion on the basis of gender, nationality, race, religion, or presence or absence of disabilities. We have established an internal environment improvement policy and a human resource development policy and make efforts to enhance our human capital, thereby increasing our corporate value.

For details of our human capital management, see P15-18.

Relationships with Shareholders and Investors

The basic policy for our IR activities is fair and timely disclosure of information to our shareholders, investors, and other stakeholders. We have established an IR team to plan and carry out activities for dialogues with shareholders and investors. Following announcements of quarterly financial results, we conduct online financial results briefings for analysts and institutional investors, and communicate with the stock market through the words of our management team. In 2024, we held a total of 342 individual meetings by our management team and IR staff.

We are building mechanisms by which we consolidate the opinions of the stock market based on dialogues with shareholders and investors, regularly communicate feedback from shareholders and investors to top management in Board of Directors meetings, and incorporate opinions and feedback into our corporate management.

Information disclosure policy

In our IR information disclosure policy, we believe that we bear a responsibility to disclose information appropriately and promptly while complying with timely disclosure, doing so on a foundation of transparency, fairness, and continuity. In addition to disclosure of business results, financial information, and other matters based on laws and regulations, we actively disclose information on ESG-related issues and sustainability promotion-related initiatives through our web site, Integrated Report, and other channelsd.

Information disclosure structure

We have established internal Disclosure Control Regulations and Information Disclosure Detailed Rules to achieve fair, timely, and appropriate information disclosure.

1. We assign responsibility for information handling to the Managing Director of the Finance Division and for supervision of timely disclosure to the Finance Division.
2. We have set up a Disclosure Committee composed of internal stakeholders, with the President and COO as Chairperson.

General Meeting of Shareholders

Before the annual General Meeting of Shareholders, we issue convocation notices at an early date to ensure a period during which shareholders can fully consider proposals. We are also developing an environment that supports participation by shareholders through acceptance of questions in advance via the Internet, support for exercise of voting rights, live virtual viewing of meetings, and creation of a more convenient mobile website.

Relationships with Local Communities

Activities grounded in our social mission (volunteer activities and fundraising)

As a company with about 3,000 stores nationwide, Skylark Group fulfills its social mission by rapidly implementing support activities in the event of a disaster.

● 2024 Noto Peninsula Earthquake

After the earthquake that struck on January 1, we launched emergency relief fundraising at 2,700 stores on the following day and began serving food to evacuees on January 12. By the end of March, we had provided about 20,000 widely varied meals through 120 company volunteers. In-store donations totaled approximately 19.8 million yen, which was donated to Toyama, Ishikawa, and Niigata Prefectures.

Web Support Activities in Disaster-Affected Areas of Noto Peninsula
https://corp.skylark.co.jp/sustainability/social/community/support2401.html
*Content in Japanese only

● 2024 Eastern Taiwan Earthquake

We launched emergency relief fundraising at 2,700 stores on the day following the April 3 earthquake, with Skylark matching the donated amount. We also decided to extend Bamiyan's Taiwan Fair campaign, carried out in partnership with a Taiwanese company, and further decided to donate a portion of campaign sales (30 yen per meal) to relief efforts.

● Fourth round of Children's Playground Support volunteer activity

Through Children's Playground Support Fund donations collected at stores, we donated playground equipment to Haruka Gakuen in Osaka Prefecture. Together with the NPO Playground of Hope, we install playground equipment through in-house volunteers. The installation in 2024 was our fourth since 2021.

Web https://youtu.be/L_qgkWVBwPE?si=X29VKpOy7TtPagSq
*Content in Japanese only

● Participation in the Little League Sponsor Program

Since September 2015, Skylark Group has supported children's mental and physical growth through participation in the Japan Little League Baseball Association's sponsorship program. We provided lunch boxes and dinners at the 58th All Japan Little League Baseball Championship held in Tokyo in late July 2024. Videos from the intense battles were streamed via guest tablets at over 2,000 Group stores across Japan, heightening the momentum for supporting sound growth.

Web https://youtu.be/M9_6RwYw18s?si=dWbOetMfzxtdpaRc
*Content in Japanese only

Stakeholder Engagement

Believing in the importance of mutual understanding with all stakeholders, Skylark Group strives for active dialogue through varied opportunities for communication. We sincerely address the feedback and requests we receive and work to create value through management grounded in an ESG perspective.

GOVERNANCE

Basic Axes: Promotion of ESG (Governance)

Enhancement of Corporate Governance

We have established the Skylark Group Charter of Corporate Behavior, sharing it with all executives and employees as a part of our efforts to act with a social conscience while observing laws, international rules, and the spirit of these. We also follow basic policies to ensure soundness, effectiveness, and transparency in our management, and carry out initiatives aimed at enhancing corporate governance.

Our Basic Approach to Corporate Governance

Under our corporate philosophy of "Creating Richness with Value to Society" and our corporate purpose of "Contributing to Life Enrichment and Advancement of Society by Creating the Future of Dining," Skylark Group operates approximately 3,000 stores, mainly table service restaurants, that welcome approximately 300 million customers annually. We do so with the aim of providing as many people as possible with great-tasting food at affordable prices, backed by good service in a comfortable store environment. We believe that contributing to society through dining-related businesses and continuously enhancing our corporate value are among our most important management tasks. We aim to be a corporate group that is trusted by customers, shareholders, business partners, local communities, employees, and all other stakeholders. To achieve these objectives, we have established the Skylark Group Charter of Corporate Behavior, sharing it with all executives and employees in our efforts to act with a social conscience while observing laws, international rules, and the spirit of these. We also carry out initiatives to ensure soundness, effectiveness, and transparency in our management, and work to enhance our corporate governance.

Basic Policy

1. We respect the rights of shareholders and ensure equality.
2. We consider the interests of shareholders and other stakeholders, and collaborate appropriately with them.
3. We properly disclose corporate information and ensure transparency.
4. We ensure the effectiveness of functions for supervising the execution of duties by the Board of Directors.
5. We engage in constructive dialogues with shareholders who hold investment policies aligned with the interests of our medium- to long-term shareholders.

July 2014	Appointed one independent outside director and two outside auditors
October 2014	Listed on the First Section of the Tokyo Stock Exchange
January 2016	Transitioned to a holding company structure
March 2016	Increased the number of independent outside directors from one to two, with outside directors making up the majority of directors
April 2016	Established the Independent Officer Liaison Committee, consisting of a majority (two out of three) members from each of the voluntary Remuneration Committee and Nominating Committee appointed as independent outside directors Established the Internal Helpline outside the company
May 2016	Formulated the Basic Corporate Governance Policy
March 2017	Increased the number of outside auditors with expertise in finance and accounting by one
March 2019	Increased the number of outside directors by one (female), and appointed three of eight directors and two of the three auditors as independent officers
May 2019	Built a system for reporting the content of whistleblowing directly to independent outside directors
October 2019	Began evaluations of the effectiveness of the Board of Directors
December 2020	Established the Group Sustainability Committee and enhanced our organizational structure for promoting sustainability
March 2021	Increased the number of independent outside auditors by one (female), creating an officer composition with multiple female officers and independent directors as a majority of all officers (six out of 10)
March 2022	Increased the number of independent outside auditors by one (female), making the ratio of women on the Board of Directors (directors and auditors) 30% (three women out of 10 directors)
March 2023	Strengthened functions for supervision of the Board of Directors and transitioned from a corporate structure with a board of corporate auditors to a corporate structure with an audit and supervisory committee to further enhance our corporate governance
October 2024	Established Audit and Supervisory Committee Office

Overview of Our Corporate Governance Structure

Board of Directors

Our Board of Directors consists of 12 directors, six of whom are independent outside directors, in consideration of diversity and balanced knowledge, experience, and capabilities of the Board of Directors as a whole. We believe this is necessary for the sustainable growth of Skylark Group and the medium- to long-term enhancement of our corporate value. Serving as our Group's highest decision-making body for the management and execution of business, the Board of Directors generally meets at least once a month.

Senior Management Meeting

To promptly and flexibly carry out planning and execution of company-wide management policies and strategies, the company established the Senior Management Meeting, composed of the Chairman and CEO, President and COO, and all executive officers. During meetings, important matters related to the entire Group are reported, examined, and discussed. Meetings are generally held every week. In addition, Group Committees (the Personnel and Systems Committee and the Policy and Investment Committee), composed of members determined in Senior Management Meetings, convene once a month to report on, examine, and discuss our personnel system, policies, and other important matters related to the Group overall.

■ FY2024 Senior Management Meetings: Held 48 times

Functions of Audit and Supervisory Committee audits and other audits

The Audit and Supervisory Committee, composed of four directors who are Audit and Supervisory Committee members (a majority three of which are independent outside directors), generally meets once a month to supervise and conduct checks on management and the execution of duties. Based on auditing policies, plans, and standards determined by the Audit and Supervisory Committee, members of the committee attend Board of Directors meetings and other important conferences. They further assess the state of the company by examining business conditions to audit whether management activities are being conducted in conformance with laws, internal regulations, and other rules. Audit and Supervisory Committee members also cooperate with the Internal Audit Group and the accounting auditor through regular discussions and other means to ensure an efficient and effective auditing system.

The Internal Audit Group, our internal auditing organization, is positioned as a division under the direct control of the Chairman and CEO and of the President and COO to ensure its organizational independence. The Audit and Supervisory Committee is also positioned as a division that possesses supervision and command authority. Based on internal regulations and annual plans, it conducts operating audits of headquarters, factories, and stores to identify problems, suggest improvements, and provide corrective guidance. Accounting audits are conducted by Deloitte Touche Tohmatsu LLC, as determined at the General Meeting of Shareholders.

■ FY2024 performance

➡Audit and Supervisory Committee meetings: Held 13 times

Analysis and evaluation of the effectiveness of the Board of Directors

Based on the recognition that the Board of Directors should be a venue for effective and strategic discussions for the sustainable growth of the Group and the enhancement of corporate value, we analyze and evaluate the effectiveness of the Board of Directors every year to further enhance its functions. Analysis in FY2024 concluded that the size of our Board of Directors and the skills of individual directors are appropriate.

Web Overview and results of evaluations conducted in FY2024
https://corp.skylark.co.jp/en/sustainability/governance/cg/system/

Other committees

Group Risk and Compliance Committee (convened 1 time in person, 10 times in writing)

This committee meets at least once a year. It discusses important matters regarding compliance and determines basic policy. Outside officers serve as advisors.

Group Compliance Committee

This committee engages in checks and reports regarding the state of compliance at subsidiaries, measures to prevent violations, and investigations and remedial actions in response to violations.

Group Sustainability Committee (convened 10 times in writing)

This committee determines policies and measures related to sustainability and reports to the Board of Directors on activities to promote sustainability. Outside officers serve as advisors.

Nomination Committee (convened 5 times in person, 3 times in writing)

The Nomination Committee discusses matters related to proposals submitted to the Board of Directors regarding the appointment and dismissal of the company's directors and executive officers. Committee members consist of the Chairman and CEO serving as Chairperson, and other members appointed by resolution of the Board of Directors. The committee currently consists of five members, including the Chairman and CEO who serves as Chairperson and three independent outside directors who compose the majority of the committee.

Remuneration Committee (convened 3 times in person)

The Remuneration Committee discusses proposals submitted to the Board of Directors regarding compensation for the Group's directors and executive officers, and proposals submitted to the Audit and Supervisory Committee regarding compensation for its members. Committee members consist of the Chairman and CEO serving as Chairperson, and other members appointed by resolution of the Board of Directors. The committee currently consists of five members, including the Chairman and CEO who serves as Chairperson and three independent outside directors who compose the majority of the committee.

Independent Officer Liaison Committee

The company has established an Independent Officer Liaison Committee composed of outside directors to strengthen collaboration among outside directors through site visits and exchanges of opinions. It engages in activities as a venue for the provision of unfiltered information concerning the execution of duties, for use in discussions by the Board of Directors. To strengthen means of communication with outside directors, we have also introduced a system using cloud-based groupware for questionnaires, opinion exchanges, and schedule coordination.

Status of main activities of the Independent Officer Liaison Committee in 2024

Month and year convened	Description
May 2024	Visits to M&A candidate stores, exchanges of opinions
September 2024	Visits to new brand stores, exchanges of opinions
December 2024	Information exchange meeting with top management

Training Policy for Directors

The company appropriately provides the training and information required for directors to properly fulfill their roles and responsibilities. As a part of this effort, at least once a year we provide directors with lectures and training by experts in law, corporate governance, and other subjects. To date, this has included study groups on insider trading prevention, branding, risk management, crisis management, and ESG. Our themes in 2024 were “Our Founder’s Mentality” and “NPS.”

Status of Outside Directors

To strengthen functions for the supervision of our business execution, among our 12 directors we have appointed six outside directors with high-level management experience and knowledge and have submitted notification of these independent officers to the Tokyo Stock Exchange. Of these, three are included among the members of the Nomination Committee and the Remuneration Committee that serve as advisory committees to the Board of Directors, creating a structure for fair deliberations.

Policy on the appointment of executive management and the nomination of candidates for director

To keep up with the rapidly changing food service market, we nominate director candidates, from inside or outside the company, who possess diverse knowledge, experiences, and capabilities. With regard to candidates for internal director, after consideration of the balance of candidates’ knowledge and experience in family restaurant management, financial strategy, and marketing strategy, we nominate those who demonstrate leadership that can contribute to society through the food service business as well as continuously enhance our corporate value. With regard to candidates for outside director, we appoint those who possess extensive management experience in diverse companies and organizations, including in the food service industry. With regard to candidates for Audit and Supervisory Committee member, we appoint people who are able to leverage knowledge and experience involving corporate management, accounting, finance, law, and risk management to appropriately audit the execution of duties by directors. Under the above nomination policy, we also set a policy of actively promoting female candidates who possess the necessary skills to serve on the Board of Directors to the position of officer. Specifically, we have set a target of 30% for the ratio of women serving on the Board of Directors. The ratio in FY2025 is 25%.

Officer Remuneration

Our policy for remuneration and other compensation for directors is designed to contribute to the continuous improvement of our operating results and corporate value and to the sharing of value with shareholders. Remuneration for directors of the company (excluding outside directors and directors who are Audit and Supervisory Committee members) consists of a fixed base remuneration and a performance-linked remuneration that varies with company performance. Performance-linked remuneration consists of fiscal year-end bonuses based on consolidated business results for each business year and remuneration for which the amount paid is linked to the stock price for a set period (“phantom stock”). For phantom stock, in addition to the stock price requirement, we set indicators for the achievement of employee engagement, customer evaluation, and CO_2 emissions targets, and evaluation scores by international ESG assessment bodies, as ESG requirements. This creates a system by which officer remuneration is linked to the promotion of our sustainability management.

We have also set stock ownership guidelines for the sharing of value among directors executing duties, executive officers, and shareholders, and for the enhancement of medium- to long-term corporate value.

These guidelines stipulate that we will hold a set percentage of the company’s stock for position-specific base remuneration within five years from the assumption of office, and will strive to hold the shares during the period of office even after the set percentage is reached.

From a perspective of ensuring independence, the remuneration of outside directors and directors who are Audit and Supervisory Committee members is not linked to business performance, and only base remuneration is paid. The Board of Directors determines remuneration and other compensation for directors based on proposals from the Remuneration Committee, which is an advisory organization of the Board.

Beginning in FY2022, the performance-linked remuneration of the year-end bonus and phantom stock have malus and clawback clauses which, in the event of a material accounting error, fraud, or violation, allow the Board of Directors, by resolution, to reduce or to require the return of such remuneration, in part or in full, following deliberations by the Remuneration Committee.

Policy concerning strategically held shares

Our company does not have a record of holding listed shares for strategic purposes and has no current plans to do so. When considering the holding of listed shares for strategic purposes in the future, we will first formulate policy on reducing strategic holdings of listed shares and implement said policy following appropriate consideration. In such cases, we properly disclose said policy, the results of consideration of specific holdings, and criteria for the exercise of voting rights involving strategically held listed shares.

Web Securities Report
https://corp.skylark.co.jp/ir/library/financial_report/
*Content in Japanese only

Web Main initiatives to strengthen corporate governance
https://corp.skylark.co.jp/en/sustainability/governance/cg/

Web Policy on the appointment of executive management and the nomination of candidates for directors and for director who are Audit and Supervisory Committee member
https://corp.skylark.co.jp/en/sustainability/governance/cg/candidate/

Web Support structure for outside directors
https://corp.skylark.co.jp/en/sustainability/governance/cg/outside/

Web Training policy for directors and directors who are Audit and Supervisory Committee Members
https://corp.skylark.co.jp/en/sustainability/governance/cg/candidate/

Reasons for appointment and skill matrix of directors (as of April 1, 2025)

To build an effective governance structure aimed at sustainable growth, we appoint directors and auditors who possess extensive business experience and wide-ranging high-level expertise and knowledge. Information on the skills and the activity status of our directors and auditors is as follows.

Name		Makoto Tani	Minoru Kanaya	Yoshiaki Kita	Akira Hirano	Hisashi Nakashima	Fumio Tahara	Ayako Sano	Hirohiko Imura	Makoto Suzuki	Tatsuya Aoyagi	Reiko Okuhara	Takako Okada
Title		Chairman and CEO	President and COO	Executive Director and CFO	Director	Director	Outside director, independent officer	Outside director, independent officer	Outside director, independent officer	Director, Standing Audit and Supervisory Committee member	Outside director, Audit and Supervisory Committee member, independent officer	Outside director, Audit and Supervisory Committee member, independent officer	Outside director, Audit and Supervisory Committee member, independent officer
Reason for appointment		After serving as General Manager of the Sales Division and President and Representative Director of NILAX Inc., Makoto Tani has served as President and CEO of the company since 2008. He was appointed as a director for his extensive business experience in the Group and intimate knowledge of consumer marketing in the food service market.	Minoru Kanaya was appointed as a director in view of results achieved in supervising our Finance, Administration, and Human Capital Management divisions, along with his wealth of experience and insights from working at securities companies, which we believe he will leverage on behalf of our growth strategy.	Yoshiaki Kita was appointed as a director on the basis of his extensive financial business experience and his knowledge and achievements in corporate management as a consultant and financial advisor, in numerous cases involving large-scale M&A, corporate revitalization, finance, and financial institution projects.	Akira Hirano was appointed as a director on the basis of his experience and knowledge concerning approaches that capture consumer perspectives, as well as extensive experience from work as a certified public accountant and in consulting services.	As a representative director of Skylark Restaurants Co., Ltd., Hisashi Nakajima was appointed as a director on the basis of his management experience in overseeing the company’s approximately 2,600 stores and his knowledge of our business.	Fumio Tahara was appointed as an outside director in the expectation that he will leverage his extensive experience and insights from working at the Ministry of Agriculture, Forestry and Fisheries and industry associations for the benefit of our management, and will provide advice and supervision from an objective and long-term perspective.	Ayako Sano was appointed as an outside director in the expectation that she will leverage her practical experience from working with a securities company, wide-ranging insights as an attorney, and experience with taxation to offer advice and supervision from an objective and long-term perspective.	Hirohiko Imura was appointed as an outside director in the expectation that, based on his high-level insights and experience as a representative director at companies in other industries, he will provide advice and supervision of benefit to stakeholders.	Makoto Suzuki was appointed as a director who is an Audit and Supervisory Committee member in the expectation that, based on his store management experience and subsequent extensive experience with the company, including positions as General Manager, Manager of the President’s Office, and Manager of the Internal Audit Office, he will perform appropriate supervision of our management.	Tatsuya Aoyagi was appointed as an outside director who is an Audit and Supervisory Committee member in the expectation that, leveraging his extensive experience as a certified public accountant and tax accountant and his considerable knowledge of finance and accounting, he will provide supervision and advice on behalf of the company’s management overall from an independent and neutral position.	Reiko Okuhara was appointed as an outside director who is an Audit and Supervisory Committee member in the expectation that, leveraging her work experience at the Ministry of Finance and her wide-ranging insights as an attorney, she will contribute to the enhancement of corporate governance.	Takako Okada was appointed as an outside director who is an Audit and Supervisory Committee member in the expectation that, based on her extensive experience in advisory work centered on taxation matters for listed companies, she will provide supervision and advice from an independent and neutral position.
Decision-making skills	Corporate Management	○	○	○		○			○		○		
	Finances/Accounting		○	○	○			○			○		○
	International Business	○	○						○				
	Marketing	○		○	○								
	Consumers	○	○		○	○	○		○	○		○	
	IT/DX	○	○	○	○				○				
Supervisory skills	Skylark Group Business Management	○	○		○	○				○			
	Economic/Social	○	○	○			○	○	○		○	○	○
	Legal							○				○	
	Risk management	○	○	○	○	○	○	○	○	○	○	○	○
	Sustainability/ESG	○	○					○	○			○	

Web Names and definitions of skills https://corp.skylark.co.jp/en/sustainability/governance/cg/candidate/

Directors & Officers (as of April 1, 2025)

Directors / Directors who are Audit and Supervisory Committee members

Makoto Tani

Chairman and CEO
Born December 25, 1951 (age 73)
Number of shares held: 50,000
Attendance at Board of Directors meetings: 13/13 times (100%)

April 1977	Joined Skylark Co., Ltd.
December 1987	Director and General Manager of Sales Division of NILAX Inc.
January 2000	President and Representative Director of NILAX Inc.
January 2007	President and Representative Director of NILAX Inc. and Executive Officer in charge of HD Business Strategy Group No. 1 of Skylark Co., Ltd.
October 2007	Managing Executive Officer and General Manager of Sales Division No. 2 of Skylark Co., Ltd.
August 2008	President and Representative Director of Skylark Co., Ltd.
September 2008	President and Representative Director and General Manager of Corporate Planning Division of Skylark Co., Ltd.
February 2011	President and Representative Director and General Manager of Product Division of Skylark Co., Ltd.
June 2012	President and Representative Director of Skylark Co., Ltd.
July 2014	President and Chief Executive Officer of Skylark Holdings Co., Ltd.
March 2018	Chairman, President and Chief Executive Officer of Skylark Holdings Co., Ltd.
March 2023	Chairman and Chief Executive Officer of Skylark Holdings Co., Ltd. (to present)

Minoru Kanaya

President and COO
Born January 26, 1959 (age 66)
Number of shares held: 10,000
Attendance at Board of Directors meetings: 13/13 times (100%)

April 1981	Joined Nomura Securities Co., Ltd.
June 2000	Head of European Administration Department, Nomura International PLC
July 2004	Executive Officer of Nomura Principal Finance Co., Ltd.
January 2008	Managing Director, Skylark Co., Ltd.
January 2012	Managing Executive Officer and General Manager of Administrative Division, Skylark Co., Ltd.
October 2015	Executive Officer, Managing Director of the Corporate Support Division and Managing Director of the Human Capital Management Division, Skylark Co., Ltd.
February 2017	Managing Executive Officer, Managing Director of the Corporate Support Division and Managing Director of the Human Capital Management Division, Skylark Holdings Co., Ltd.
March 2018	Corporate Director and Managing Executive Officer, Managing Director of the Corporate Support Division and Managing Director of the Human Capital Management Division, Skylark Holdings Co., Ltd.
April 2021	Managing Executive Officer, Managing Director of the Finance Division, Skylark Holdings Co., Ltd.
March 2023	President and Chief Operating Officer (to present)

Yoshiaki Kita Newly appointed

Executive Director and CFO
Born August 19, 1962 (age 62)
Number of shares held: 0
–

April 1986	Joined The Sanwa Bank, Limited (current MUFG Bank, Ltd.)
April 2001	Deputy General Manager, Corporate Planning Department, UFJ Holdings, Inc.
July 2003	Managing Director, Investment Banking Division, UBS Securities LLC
June 2007	Representative Director, Sharaku Partners Co., Ltd. (to present)
June 2020	Outside Director, Traders Holdings, Inc.
April 2022	Director and Senior Managing Executive Officer, Nissho Electronics Corporation (current Sojitz Tech Innovation Corporation)
April 2025	Executive Director, CFO and Managing Director of the Finance Division, Skylark Holdings Co., Ltd. (to present)

Akira Hirano Newly appointed

Director
Born May 11, 1970 (age 55)
Number of shares held: 1,200
–

April 1994	Joined Central Audit Corporation
July 1997	Joined Andersen Consulting (current Accenture Japan Ltd.)
January 2005	Manager, BPM Business Division, SAS Institute Japan
September 2009	Senior Director, Accounting and Finance Division, Quintiles Transnational Japan KK (current IQVIA Services Japan G.K.)
April 2015	Director, Finance Division, Skylark Holdings Co., Ltd.
May 2016	Director, Work Transformation Group, Finance Division, Skylark Holdings Co., Ltd.
January 2019	Executive Officer, Deputy Managing Director, IT Division, Skylark Holdings Co., Ltd.
December 2021	Director, Taiwan Skylark Co., Ltd.
September 2022	Managing Director of the Marketing Division, Skylark Holdings Co., Ltd.
September 2022	Director, Skylark Restaurants Co., Ltd. (to present)
September 2022	Director, NILAX Inc.
March 2024	Director, Taiwan Skylark Co., Ltd. (to present)
December 2024	Director, Sukesan Co., Ltd. (to present)
March 2025	Director, Managing Director of the Marketing Division, Skylark Holdings Co., Ltd. (to present)

Hisashi Nakashima Newly appointed

Director
Born September 17, 1971 (age 53)
Number of shares held: 0
–

April 1995	Joined Bamiyan Co., Ltd.
December 2016	Director, Bamiyan Field Operations Supervising Group Director, Family Restaurant Division, Skylark Restaurants Co., Ltd.
January 2018	Executive Officer, Bamiyan Field Operations Supervising Group Director, Skylark Restaurants Co., Ltd.
April 2018	Executive Officer, Manager, Bamiyan Store Operations Division, Skylark Restaurants Co., Ltd.
December 2018	Executive Officer, Manager, Bamiyan Sales Division, Skylark Restaurants Co., Ltd.
May 2022	Executive Officer, Director of the Sales Policy and QSC Improvement Group, Skylark Restaurants Co., Ltd.
September 2022	Executive Officer and President of Skylark Restaurants Co., Ltd.
March 2025	Director of Skylark Holdings Co., Ltd. and President of Skylark Restaurants Co., Ltd. (to present)

Fumio Tahara

Outside Director / Independent Officer
Born August 07, 1948 (age 76)
Number of shares held: 1,000
Attendance at Board of Directors meetings: 13/13 times (100%)

April 1972	Joined the Ministry of Agriculture and Forestry (current Ministry of Agriculture, Forestry and Fisheries)
September 1984	Director, Marine Products Section, Shizuoka Prefecture Agriculture and Fisheries Department, Ministry of Agriculture and Forestry
November 1987	Secretary to the Minister, Ministry of Agriculture, Forestry and Fisheries
February 2000	Deputy Director-General of the Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries
January 2001	Private Secretary to the Minister, Ministry of Agriculture, Forestry and Fisheries
July 2003	Director-General of the Fisheries Agency
August 2005	Director, JA Kyosai Research Institute
November 2008	Director, Overseas Fishery Cooperation Foundation of Japan
July 2012	Part-time advisor to Yanmar Co., Ltd. (part-time advisor to Yanmar Holdings Co., Ltd. since April 1, 2013)
July 2012	Part-time advisor to Kyokuyo Co., Ltd.
March 2014	Outside Auditor, Skylark Co., Ltd.
July 2014	Outside Auditor, Skylark Holdings Co., Ltd.
March 2018	Outside Director, Skylark Holdings Co., Ltd. (to present)
June 2020	Chairman, All Japan Purse Seine Fisheries Association (to present)
July 2020	Part-time advisor, Yanmar Marine System Co., Ltd.

Ayako Sano

Outside Director / Independent Officer
Born December 09, 1977 (age 47)
Number of shares held: 0
Attendance at Board of Directors meetings: 13/13 times (100%)

April 2001	Economic Research Division, Goldman Sachs (Japan) Ltd. (current Goldman Sachs Japan Co., Ltd.)
January 2009	Joined Tokyo Nishi Law Office (current TNLAW Law Office)
October 2018	Civil Conciliation Commissioner, Tokyo District Court
December 2018	Representative, Aya Law Office (to present)
March 2019	Outside Director, Skylark Holdings Co., Ltd. (to present)
March 2021	Outside Director (Audit and Supervisory Committee member), Metaps Inc. (to present) (current Metaps Holdings, Inc.)
March 2024	Outside Director, Sodick Co., Ltd. (to present)
May 2024	Outside Auditor, CLAS, Inc. (to present)
June 2024	Part-time auditor, Research Institute of Economy, Trade and Industry (to present)
July 2024	Outside Auditor, Ain Holdings, Inc. (to present)

Hirohiko Imura

Outside Director / Independent Officer
Born February 14, 1958 (age 67)
Number of shares held: 0
Attendance at Board of Directors meetings: 10/10 times (100%)

April 1981	Joined Sumitomo Corporation
April 2005	Head of SCOA Risk Management Group, Executive Officer and General Manager of Corporate Risk Management attached to the General Manager of the Americas, Sumitomo Corporation of Americas
April 2012	Executive Officer and General Manager of Corporate Risk Management, Sumitomo Corporation
December 2014	Outside Auditor, Kato Sangyo Co., Ltd.
April 2015	Managing Executive Officer, General Manager of Media and Lifestyle Business Group, Sumitomo Corporation
June 2015	Representative Director and Managing Executive Officer, Sumitomo Corporation
April 2017	Representative Director and Senior Managing Executive Officer, Sumitomo Corporation President, Jupiter Telecommunications Co., Ltd. (current JCOM Co., Ltd.)
July 2017	President and Representative Director, Jupiter Telecommunications Co., Ltd.
July 2020	Chairman and Representative Director, Jupiter Telecommunications Co., Ltd.
June 2022	Outside Auditor, DeNA Co., Ltd. (to present)
June 2023	Outside Auditor, TV TOKYO Holdings Corporation (to present)
March 2024	Outside Director, Skylark Holdings Co., Ltd. (to present)

Makoto Suzuki

Director, Standing Audit and Supervisory Committee member
Born February 11, 1957 (age 68)
Number of shares held: 2,000
Attendance at Board of Directors meetings: 13/13 times (100%)
Attendance at Audit and Supervisory Committee meetings: 14/14 times (100%)

April 1979	Joined Skylark Co., Ltd.
May 1994	General Manager of Kita-Kanto Sales Department No. 2, Skylark Co., Ltd.
January 1999	Manager of the President's Office, Skylark Co., Ltd.
April 2009	Manager of the President's Office and Manager of the Internal Audit Office, Skylark Co., Ltd.
July 2010	Manager of the President's Office, Skylark Holdings Co., Ltd.
March 2011	Standing Auditor, Skylark Holdings Co., Ltd. Auditor, FLO Japon Co., Ltd. (to present) Auditor, NILAX Inc. (to present) Auditor, Tomato and Associates Co., Ltd. (to present)
June 2012	Standing Auditor, Skylark Co., Ltd.
July 2014	Standing Auditor, Skylark Holdings Co., Ltd.
November 2014	Auditor, Taiwan Skylark Co., Ltd. (to present)
December 2015	Auditor, Skylark Split Preparation Co., Ltd. (trade name changed to Skylark Restaurants Co., Ltd. on January 1, 2016) (to present)
March 2023	Director and Standing Audit and Supervisory Committee member, Skylark Holdings Co., Ltd. (to present)
October 2024	Auditor, Sukesan Co., Ltd. (to present)

Tatsuya Aoyagi

Outside Director, Audit and Supervisory Committee member
Born August 08, 1971 (age 53)
Number of shares held: 0
Attendance at Board of Directors meetings: 13/13 times (100%)
Attendance at Audit and Supervisory Committee meetings: 14/14 times (100%)

October 1993	Joined Tohmatsu Auditing (current Deloitte Touche Tohmatsu LLC)
February 2007	Joined Masters Trust Accounting Incorporated (current Masters Trust Inc.)
July 2007	Representative Director, Heartworth Partners, Inc. (to present)
August 2007	Director, Share Generate Co., Ltd.
February 2010	Outside Auditor, Amlead Co, Ltd.
May 2010	Outside Auditor, BT Holdings Co., Ltd. (current Primagest, Inc.)
June 2010	Outside Auditor, Mixi, Inc. (current MIXI, Inc.)
June 2012	Outside Director, MIXI, Inc.
March 2017	Outside Auditor, Skylark Holdings Co., Ltd.
July 2021	Outside Director, Sanwa Seiko Corporation (to present)
March 2023	Outside Director and Audit and Supervisory Committee member, Skylark Holdings Co., Ltd. (to present)

Reiko Okuhara

Outside Director, Audit and Supervisory Committee member
Born May 17, 1962 (age 63)
Number of shares held: 0
Attendance at Board of Directors meetings: 13/13 times (100%)
Attendance at Audit and Supervisory Committee meetings: 14/14 times (100%)

April 1985	Joined the Ministry of Finance
April 2000	Joined Kohwa Sohgoh Law Offices
April 2004	Partner and Attorney, Kohwa Sohgoh Law Offices (to present)
April 2012	Member of Civil Conciliation Commissioner, Tokyo Summary Court (to present)
April 2018	Deputy Chair, Daiichi Tokyo Bar Association
April 2018	Standing Director, Japan Federation of Bar Associations
April 2019	Member of the Bidding Oversight Committee, Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism
June 2021	Director, Japan Law Foundation (to present)
March 2022	Outside Auditor, Skylark Holdings Co., Ltd.
March 2023	Outside Director of Axis Co., Ltd. (to present)
March 2023	Outside Director and Audit and Supervisory Committee member, Skylark Holdings Co., Ltd. (to present)

Takako Okada Newly appointed

Outside Director, Audit and Supervisory Committee member
Born September 11, 1965 (age 59)
Number of shares held: 0
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October 1992	Joined Tohmatsu Auditing (current Deloitte Touche Tohmatsu LLC)
September 2004	Transferred to Tohmatsu Auditing (current Deloitte Tohmatsu Tax Co.)
October 2012	Partner, Tohmatsu Auditing
January 2019	Representative, Takako Okada Certified Public Accountant and Tax Accountant Office (to present)
June 2019	Outside Auditor, Ichikawa Co., Ltd. (to present)
March 2020	Outside Auditor, Kenedix, Inc.
March 2020	Outside Auditor, Kenedix Real Estate Fund Management, Inc.
June 2021	Outside Director and Audit and Supervisory Committee Member, Nippon Kanzai Co., Ltd.
January 2023	Outside Auditor, RUN.EDGE Limited (to present)
April 2023	Outside Director and Audit and Supervisory Committee Member, Nippon Kanzai Holdings Co., Ltd. (to present)
March 2025	Outside Director and Audit and Supervisory Committee Member, Skylark Holdings Co., Ltd. (to present)

Executive Officer

Nobuyuki Katayama

Executive Officer
Managing Director of the Procurement Division

Joined Jonas Co., Ltd. (former Jonathan Co., Ltd.; merged into our company in January 2012) in 1982. He served in roles including business manager and Director of the Akishima Logistics Center. After joining Skylark Co., Ltd. in 2004, he has worked as a General Manager and Deputy Managing Director in the Procurement Department, and has served in his current position since October 2017.

Shimon Kato

Executive Officer
Managing Director of the Production Division

Joined Skylark Co., Ltd. in 1983. He led the Product Development Division for many years and has served as Deputy Managing Director of the Marketing Division since 2016. After working as Director of the Corporate Planning Office, Deputy Manager of Marketing Policy, Manager of the Cross-Brand Menu Division, and other positions as an Executive Officer of Skylark Restaurants Co., Ltd., he has served as the Managing Director of the Production Division since May 2020 and became the Managing Director of the Product Division in October 2020. He has served in his current position since September 2022.

Ikuo Umeki

Executive Officer
Managing Director of the Store Development Division

Joined the company in 1995. After working as General Manager of the Corporate Planning Division and the Managing Director of the Gusto Field Operations Division, he was appointed Representative Director of FLO Japon Co., Ltd. in 2014. He has served as the Deputy Managing Director of our Corporate Support Division since May 2020, and was appointed Executive Officer in January 2021. He has served in his current position since April 2021.

Ichiro Takei

Executive Officer
Managing Director of the Human Capital & General Affairs Division

Joined the company in 1984. After working in positions including store manager, personnel planning leader, and promotion planning leader, he has served as General Affairs Group Director since 2012, directing governance, risk management, and other Administration Division work. In April 2021, he assumed the position of Managing Director of the Administrative Division as an Executive Officer. He assumed his current position in July 2025.

Takuya Aizawa

Executive Officer
Managing Director of the Finance Division

Joined the company in 1999. After working in positions including store manager, leader in charge of brand planning at the Bamiyan Company Policy Office, leader in charge of budget management in the Budget Management Department, Director of the Accounting Group of the Finance Division, and Director of the company-wide Management Analysis Group, he was appointed Executive Officer and Managing Director of the Finance Division in 2020. After serving as the Managing Director of the Corporate Planning Division from January 2025, he assumed his current position in April 2025.

Outside Directors Roundtable

Reiko Okuhara
Outside Director and Audit and Supervisory Committee Member
Reiko Okuhara possesses experience and insights through work at the Ministry of Finance and as an attorney, as well as experience as an auditor of the company. She has held her current position since 2023.

Tatsuya Aoyagi
Outside Director and Audit and Supervisory Committee Member
Tatsuya Aoyagi possesses experience and insights as an accountant and tax accountant, as well as experience as an auditor of the company. He has held his current position since 2023.

Fumio Tahara
Outside Director
Fumio Tahara possesses experience and insights through work at the Ministry of Agriculture, Forestry and Fisheries and industry associations, as well as experience as an auditor of the company. He has held his current position since 2018.

Ayako Sano
Outside Director
Ayako Sano possesses practical experience through work at a securities company and knowledge as an attorney. She has held her current position since 2019.

Hirohiko Imura
Outside Director
Hirohiko Imura possesses experience and knowledge of integrated operations through work as a director at a major trading company and cable television station. He has held his current position since 2024.

Evaluations and Recommendations from the Outside Perspective of Outside Directors

What risks are inherent in the enhancement of corporate value that Skylark Group seeks?

Skylark Group believes that in the coming era, effecting a transition to a group of high-level professionals will directly connect to the strengthening of management capabilities. The Group has undertaken a major change in course from cost reduction-focused management to store-centered management. The Group has further launched the Medium-Term Management Plan that was formulated in the previous year. Acting as "Team Skylark," the Group now aims to achieve more stable and reliable growth than ever before.
Five outside directors deeply involved in ideals and issues facing corporate governance and sustainable management took part in a free-ranging discussion of risks that surround Skylark Group as it aims to grow its corporate value.

Theme 1 **Evaluation of Skylark Group's adaptability to changes in the external environment**

Positive recognition of the company's stance of prompt action based on keen awareness of its surroundings

Tahara Looking back, the fiscal year ended December 2024 was a year of landmark recovery. I see this as the result of outstanding effort, centered on managers. I recognize the corporate group as one that adapts to sudden changes in the external environment. However, numerous changes are taking place within the management situation in Japan and overseas, with the Trump tariffs issue as an example. The impacts on Skylark Group's future corporate growth bear close watching.

Sano The COVID-19 pandemic that arose shortly after I took the position of Skylark Group outside director posed an unexpectedly difficult phase for the restaurant industry as a whole, with dining out itself becoming a restricted activity. Skylark Group had already been working to make itself slimmer and more efficient, but making further refinements and enhancing flexibility for business continuity and future growth during the harsh pandemic period led the Group to positive performance in fiscal 2024, a year of dramatic changes in the external environment.

Imura Amid the depreciated yen and soaring prices of raw materials, Skylark Group's business environment remains difficult. Ups and downs in performance are inevitable to a degree, but the most important things are dealing sincerely with customers and valuing customers above all. Skylark Group has a high level of awareness in this regard and has established a Group stance toward customers. I appreciate its ability to adapt to changes without straying from that axis.

Aoyagi In terms of speed of environmental change, both sudden changes and gradual changes exist. Skylark Group is quick to prepare measures to address sudden changes. I also acknowledge its speediness in executing those measures. With regard to gradual changes, there exists a risk of failing to notice change and thereby being unable to make updates. I recognize that, by maintaining a keen awareness of its surroundings, Skylark Group excels in quickly detecting subtle changes in customers' needs and making course corrections.

Okuhara Skylark Group holds a strength in multi-faceted brand development, which I believe captures customers' needs. Even in the face of diverse issues within the business environment, the Group earns the support of customers through its quick actions. From here on out, however, as ever greater demands are placed on responsiveness to changes in the customer base and customers' needs, I believe that the company cannot be static but rather must continuously inspect and review its operations overall.

Theme 2 **Evaluation of the Board of Directors' effectiveness with respect to growth strategies**

In the acquisitions of Sukesan and a shabu-shabu brand in Malaysia, extensive and multi-facted deliberation is functioning substantially

Imura Regarding the effectiveness of the Board of Directors with respect to growth strategy initiatives, I have come to the conclusion that the Board is functioning properly. First, the executive team makes proposals to the Board of Directors regarding strategies and tactics that have been thoroughly worked out internally. In response, outside directors offer frank opinions drawing on their personal knowledge and experience. Through vigorous deliberations that proceed from varied perspectives, the company undertakes decision-making to exercise governance over its management.

Tahara The Board of Directors meets once a month. Materials containing agenda items are prepared in advance, allowing us to understand the thinking of the executive team. In that sense, Skylark Group has a stance of fully providing information to us as outside directors and of creating an environment that facilitates free discussion. As such, I evaluate the Board of Directors as highly functional.

Sano Recently, we received information concerning store-centered management, a significant change of course in management policy, from the initial idea stage onward. As we outside directors are not experts in the restaurant business, we make efforts to place checks on the executive team and to offer advice from a third-party perspective. When the executive team proposes a new initiative in a Board of Directors meeting, outside directors speak up on negative aspects that could occur during or after materialization of the proposal, or urge cautious response, or sometimes even try to restrain the proposal. I believe that the effectiveness of the company's governance is high.

Okuhara All of the outside directors have different backgrounds, areas of ability, and expertise. In meetings of the Board of Directors, we are able to point out risks that we have noticed. In discussions of new store plans, for example, we express opinions on matters such as human resource aspects or production and logistics capacity from economic or other top-down perspectives, which I think deepens discussions in Board of Directors meetings and can contribute to rational decisions. I think that in the execution of growth strategies, the company considers and incorporates such perspectives to create reasonable plans.

Tahara On the topic of the effectiveness of the Board of Directors, I would like to offer the recent acquisition of Sukesan as an example. We held numerous discussions concerning Sukesan, including monetary aspects of the M&A.

In the lead-up to the agreement, we presented advice from our third-party outsider perspectives, rather than letting the executive team run alone.

Sano We express opinions because of what we see as the importance of helping the executive team engage in appropriate risk-taking. In M&A cases, including but not limited to Sukesan, due diligence reports and other information were shared with us, which I feel allowed all of us to draw on our respective professional knowledge to carry out discussions and exchange thoughts openly. Even when discussions became heated at times, though, a change of topic would bring things back to a cordial atmosphere. As seen in this, I feel there is a positive openness to the company's governance.

Aoyagi The executive team takes a stance of listening to the opinions of the outside directors.

Imura In decision-making on M&A cases, as outside directors we present opinions and counsel concerning the feasibility of acquisitions. But I believe that deliberations on post-merger integration (PMI) are also essential. As an acquisition does not end with its execution, follow-up discussions on the post-acquisition management structure, monitoring mechanisms, the pursuit of synergies, and other matters have to be fully discussed while keeping an eye on the progress of the project. I believe the Board of Directors is also functioning well in terms of PMI planning, comparisons of plans against performance, and examinations of issues and countermeasures.

Aoyagi Moving on to the Medium-Term Management Plan created last year, the fact that future growth strategy is clearly indicated in the plan has itself led to greater effectiveness of the Board of Directors, I think. This is because a shared understanding of what to aim for and what to execute, on what time horizon, allows directors to hold more accurate and in-depth discussions on agenda items.

Okuhara As we work to identify and discuss risks from a variety of perspectives, I think it is also important that the executive team proactively draws on this work to conduct analysis and turn those risks into opportunities. I think the process of taking in the opinions of outside directors in Board of Directors meetings is an effective one.

Imura While human resource development and promotion of DX will be the keys to implementing store-centered management, a related theme running laterally through this all is "diversity." Here I do not mean only the issue of worker diversity. The company needs to pay close attention to the diversification and increasing complexity of customers' needs and preferences. In order for Skylark Group to more sincerely address its customers, it is essential that it consider what sort of services it should provide to delight every customer at every store. In doing so, I believe that what will be more important than ever will be concrete measures such as those involving what sort of managers will have to be trained and what sort of functions should be advanced through DX. At Board of Directors meetings, we also hold thorough discussions on these measures as a part of the reporting agenda.

Theme 3 **Evaluation from a standpoint of DE&I in human capital management**

Making human resources the most important axis of management is an initiative without end

Tahara Skylark Group has about 3,000 stores nationwide, about 5,000 full-time employees, and about 100,000 other employees, including crew members. This is a company that cannot stand without valuing people. I think the executive team takes this into consideration and engages in management with a full awareness of the importance of human capital. DE&I in particular is a perspective that Skylark Group has nurtured out of a sense of its necessity in expanding table service restaurant chains. It will no doubt remain one of the company's key principles, something that I always sense in Board of Directors discussions.

Sano It is vital for any company to value every one of its employees. Increasing corporate value requires that outstanding talent join the company and that these human resources be developed. For this reason, human capital management is a never-ending task.

In the restaurant industry, relationships among people develop, involving among customers, managers, and crew members. Naturally, the collection and analysis of big data is vital to strategic planning, and improving efficiency through DX is also important. However, I think that human capital management and DX strategy are management issues that have to be carried out at an equal level.

Okuhara The restaurant industry is a service industry, in which human resources are of the highest importance. While manuals are a basic and important matter, it is also important to train and educate human resources to nurture the capability for ad-hoc, flexible actions not scripted in manuals.

From the perspective of diversity in recruiting human resources such as housewives, students, and non-Japanese, it is important to develop these resources so they can work throughout Skylark Group, through varied training via chat and other interactive means that transcend time constraints and language barriers.

Aoyagi Outside directors are not in a position to evaluate individual employees or to set targets. With the company committing to human capital within its management, we place a focus on evaluating the status of initiatives involving questions such as whether issues exist in labor management or human resource recruitment, and how the executive team is addressing those.

Theme 4 What risks face the enhancement of corporate value? Recommendations for business execution

The loss of customers' trust poses the greatest risk to enhancing corporate value

Imura As I noted earlier, the most important matters are whether Skylark Group is putting customers first, and how it deals with customers.

Corporate value is generally calculated from figures such as profitability, but I think that how customers evaluate a company should also be given weight as an element of its corporate value.

Receiving positive evaluations from customers for providing good food and happiness is, to me, the ultimate objective of Skylark Group and the wellspring of its corporate value. Accordingly, I believe that the trust of customers must never be lost.

Making every effort to prevent negative incidents such as food poisoning or contamination, and constraining negatives such as the pass-through of raw material inflation to prices, can avoid the loss of customers' trust and ultimately lead to enhancement in corporate value.

Through discussions by the Board of Directors, I feel that the management team is fully aware of these points.

Sano In cases of money-related issues, such as M&A outcomes falling short of expectations or costs increasing due to raw material prices, I believe the company can cover for these or otherwise respond in some manner over the medium and long terms. However, the company handles food, an item that directly connects to health issues in customers. The greatest risk to the company's survival is posed by situations from which the company is unable to regain customers' trust. I appreciate that the company conducts management of risks that are directly connected to the trust and evaluation of its customers. Recently, there was a Board of Directors meeting shortly after news involving a case of contamination at a competing company. The story naturally was discussed, and we were able to hear in detail from the executive team about the Group's mechanisms for hygiene management and the status of its further considerations at the time.

The risk of insufficient preparation for passing on the baton to the next generation of managers

Tahara A lack of change within top-level executive management can itself pose a risk. Chairman Tani and President Kanaya's management structure is functioning excellently and is contributing to enhancing the corporate value of the Group. From a standpoint of governance, however, I have concerns over whether preparations have been made to pass the baton to the next generation.

I believe the Board of Directors should share ideas for the company's near-future management structure, within its vision for the organization.

To address the risks of entering into new areas, the company should consider director diversity and increase the number of female officers

Aoyagi The vision for future management structure will vary with how the company moves to improve its corporate value.

The restaurant industry is facing the issue of population decline. In light of long-term enhancement of corporate value, what will be necessary is not only the strengthening of competitiveness and enhancement of added value in existing businesses but also expansion into new areas.

Skylark Group excels at environmental change and risk control in its existing businesses. However, if it is to enhance its corporate value by entering into new business areas through means such as M&A and overseas expansion, I feel that it needs to consider the diversity of directors in line with those areas.

I think an increase in the number of female officers would be good. Given the company's current absence of internal female officers, I look forward to the appointment of female officers who can demonstrate leadership aimed at enhancing corporate value.

Okuhara I agree that the number of female officers should be raised. Japan's government has stated a goal of raising the proportion of female officers in Prime market-listed companies to 30% by 2030. Our Board of Directors is approaching this level. I would like to see more women officer candidates in the company get promoted to executive officer or equivalent positions.

This will require efforts to achieve internal numerical targets as soon as possible, as well as initiatives such as the promotion of multiple persons.

Taking the revitalization of the organization into consideration, there are a lot of scenarios in which women can demonstrate their capabilities in wide-ranging fields, including menu development and employee training. I think the perspectives of women should be leveraged by decision-making bodies.