

# Basic Axes Enhancement of Human Capital

## We Aim to Enhance Our Corporate Value by Investing in Human Capital (Human Resources)

Skylark Group sets out “Positive Work Environment/Employee Engagement” among the values that we hold dear. Under this, all of our employees cooperate with colleagues to create a positive workplace.

We believe that investing in human capital (human resources) enhances the motivation of employees which in turn enhances the quality of service, generating a virtuous cycle that also boosts corporate profits by satisfying customers.



**Kouzou Nishida**  
 Managing Director of Human Capital Management Division,  
 Chief Health Officer (CHO)

### Governance

In our governance related to human capital, through the Group Sustainability Committee we continuously formulate company-wide policies, goals, and measures related to human capital; identify, monitor, and regularly review material issues (materiality); and construct and maintain a promotion structure, all under the supervision of the Board of Directors. Our structure further incorporates reports to the Board of Directors, as well as suggestions and advice from the external perspective of outside directors who participate as advisors.

### HR strategies

Skylark Group executes HR strategies aligned with our management strategy, cooperating with the HR departments of Group companies. Our Group companies also conclude collective agreements with our labor union, which stipulates labor-management relations and personnel/working conditions. We hold regular council meetings and liaison meetings by Group top management and the executive members of the union to maintain and improve trouble-free business operation and working environments based on mutual understanding and relationships of trust and cooperation.

Amid a low birthrate, aging population, and declining

working-age population in Japan, securing talented human resources is an essential factor for growth. While shortages of workers exist, there are also cases in which people motivated to work after raising children are unable to find desired employment. To meet such latent needs, we will create jobs and provide a stable working environment around the country.

To address the logistics industry’s “2024 problem” of limits on truck driver working hours, we made early revisions to our driver personnel system and wage regulations, creating a structure by which foods are safely and reliably delivered to all Skylark Group stores every day.

### Strategy 1 Securing human resources

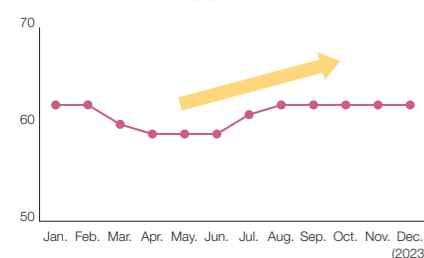
#### Full-time employee hiring

Hiring of full-time employees has returned to the level prior to the COVID-19 pandemic. In FY2023, the Group as a whole hired 306 persons (including 182 new graduates), with the ratio of women exceeding 50%. We also actively hire “second-career” employees in their 40s to 50s after raising children, with 20 people in that age range joining the company in 2023.

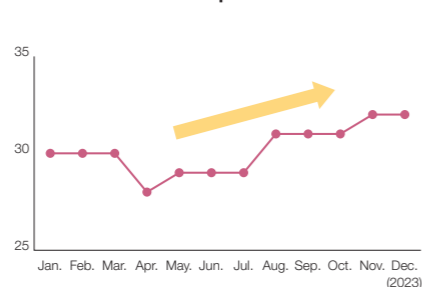
#### Part-time worker hiring

Following the downgrading of COVID-19 to a Category V infectious disease, both job applications and hirings have been strong, trending at around 150% compared to the previous year.

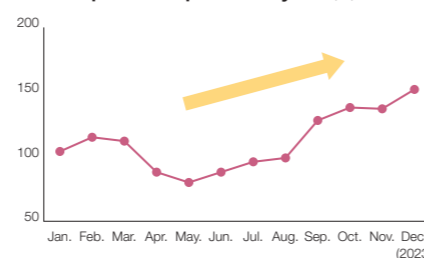
Store part-time workers retention rate (%)



Number of store part-time workers



Store part-time worker hiring, compared to previous year (%)



### Strategy 2 Creation of a comfortable working environment for diverse human resources by advancing DX

#### Specific initiatives and measures

- Development of video manuals
- Creation of multilingual educational tools
- Introduction of floor service robots
- Coordination between floor service robots and order terminals
- Introduction of new POS cash register system
- Expanded introduction of self-service cash registers
- Introduction of at-table payment
- System for ushering customers to tables upon entrance

### Strategy 3 Promotion of participation by women

In February 2016, we received “Kurumin” certification as a company that supports child rearing. We are working to create a structure that flexibly adapts to childbirth and other life stages.



#### Specific initiatives and measures

- Flexible modified working hours system (4-12 hours of work per day, 7-12 legal holidays per month)
- Special leave of one or more days is available for childcare-related purposes
- Shortened working hours for childcare is available through the 6th year of elementary school
- Employment categories with or without relocation nationwide can be flexibly selected
- A child-rearing support allowance (10,000 yen/month per dependent child) is available

Major Indicators	KPI	
	2030	2050
Ratio of women in managerial positions	30%	50%

	(FY)	2018	2019	2020	2021	2022	2023
Percentage of women among full-time employees*		12.9%	13.7%	14.0%	13.7%	14.1%	15.2%
Ratio of women among employees*		60.7%	61.0%	61.3%	61.2%	62.5%	61.6%
Percentage of women among new employees		2018	2019	2020	2021	2022	2023
Total number of new employees		427	427	261	126	242	217
Total number of female new employees		151	174	94	52	93	115
Ratio of women		35.4%	40.7%	36.0%	41.3%	38.4%	53.0%

Notes: \*Items with asterisks are for the consolidated Skylark Group  
 \*Items without asterisks are for Skylark Holdings Co., Ltd. and Skylark Restaurants Co., Ltd.

### Strategy 4 Promoting employment of people with disabilities

The employment rate for people with disabilities in 2023 was 2.85%, higher than the legally mandated rate. The number of persons with disabilities working in Skylark Group was approximately 630 as of April 2024.

▶ For the graph data on employment of people with disabilities:  
 See [P72](#)

#### Specific initiatives and measures

- Placement of a guidebook that incorporates case studies using easy-to-understand comic-book format
- Introduction of practical training at about 180 support schools nationwide
- Establishment of a consultation desk for the employment of people with disabilities

### Strategy 5 Promoting employment of the elderly

In January 2019, Skylark Group raised the age limit for part-time workers from 70 to 75. About 1,000 people between the ages of 65 and 69 currently work in the Group. In September 2015, we raised the retirement age for full-time employees from 60 to 65, the same as for part-time workers. We are working to

realize a society in which the elderly can work in good health, a goal promoted by the government. On October 3 in Shinjuku and October 18 in Hachioji, over 120 people took part in restaurant work experience events that we took part in.

Senior Work EXPO2023, held by the Tokyo Metropolitan Government

Skylark Group booth offered work experience in family restaurants.



Decorating and serving a pudding sundae



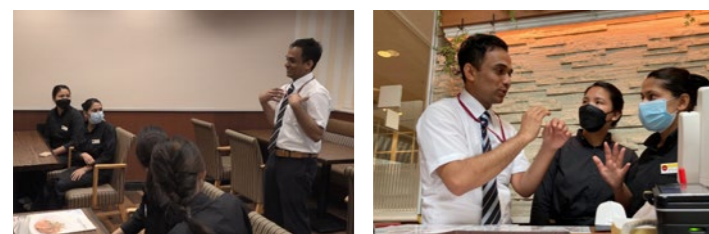
Customer service experience

### Strategy 6 Promoting employment of non-Japanese human resources

About 2,800 non-Japanese employees from 26 countries work across Skylark Group. Under the Vietnamese technical trainee program that begun in 2016, about 260 people, including those with specific skills, currently work at our food and logistics factories. We actively hire non-Japanese nationals, including persons with specific skills at our stores and persons from Taiwan on working holidays.

Item	2021	2022	2023
Ratio of non-Japanese employees in Japan	1.9	1.9	2.5
Number of non-Japanese employees in Japan	1,953	2,000	2,831

Note: For Skylark Holdings Co., Ltd. and Skylark Restaurants Co., Ltd.



Initial training at the Ichigao Training Center (with store assignments made after initial training)

#### Specific initiatives and measures

- Establishment of a recruitment website for non-Japanese applicants using simple Japanese
- Establishment of a new training center; use of collective interviews by non-Japanese interviewers, orientation, and initial training for non-Japanese human resources
- Creation of multilingual educational tools

#### Key features

- We conduct these group interviews primarily in the Tokyo metropolitan area, with about 115 new non-Japanese part-time staff joining the company in four months
- We foster a sense of security during interviews and when employees join the company, through communication with instructors conversant in non-Japanese languages
- Horizontal connections among applicants are also created, which leads to a sense of security and improved retention rate
- Participants of these training sessions come from over 15 countries including Nepal, China, Sri Lanka, and Bangladesh

### Strategy 7 Improving work engagement

Since 2022, we have conducted regular employee questionnaires on workplace environment and jobs, with the aim of utilizing the results for developing human resources and making workplace environments comfortable for all.

In 2023, we introduced engagement surveys to assess current conditions and issues related to employees' job

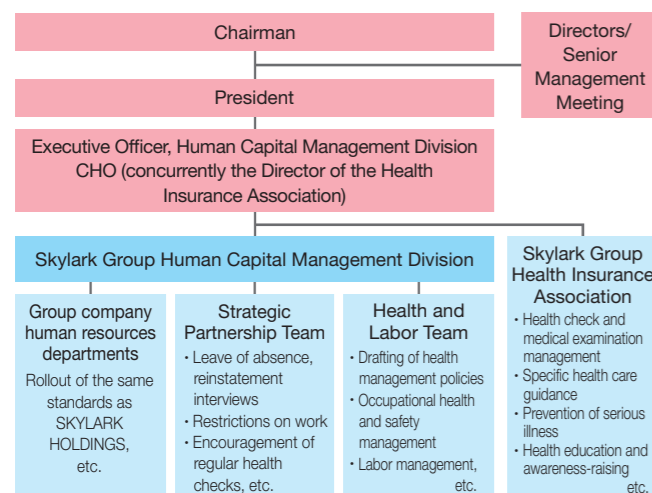
satisfaction, purpose, happiness, fulfillment, stress, and other factors, and to connect this to sustainable growth for individuals and organizations. We have also introduced Meeting For You, one-on-one meetings held for subordinates between superiors and subordinates, as a means of strengthening communication between the two groups.

### Strategy 8 Promotion of health management

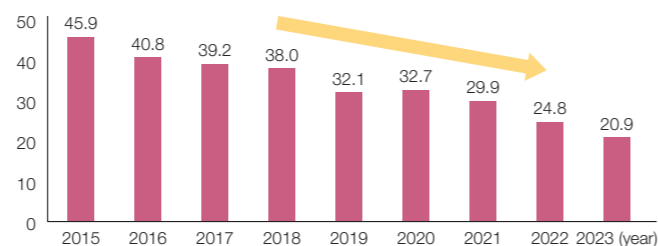
From our conviction that Group company employees continuing to work vigorously in a state of good physical and mental health will help us in fulfilling our corporate philosophy, we are working to strengthen health management. Under the leadership of top management, we appoint workplace department heads as Health Promotion Leaders who strive for health maintenance and promotion as their duty.

We have conducted a Quit Smoking campaign since 2014, steadily reducing the number of smokers. We distribute smoking cessation aids and use a smoking cessation app as specific actions, and continue to work toward our goal of zero smokers in 2050.

#### Promotion structure for health management



#### Percentage of smokers company-wide (%)



Major Indicators	KPI	
	2030	2050
Percentage of smokers	10%	0
Average overtime hours	20 hours or less	0
Paid leave acquisition rate	80%	100%
Percentage of employees receiving regular health check ups	100%	100%

## Major Transformation to Individual Store-Centered Management

Skylark Group is undertaking transformation to create a virtuous cycle of corporate growth based on employee satisfaction, with a change in course from cost-control centered management under the past deflationary environment to individual store-centered management.

### Details of reform initiatives aimed at store-centered management

- 1 Change of store P/L to accounting P/L directly linked to company performance
- 2 Reform of our evaluation system
- 3 Reforms related to store working hours
- 4 Introduction of a point system as incentives for part-time workers
- 5 Enhancement of education and training
- 6 Reduction of store manager work
- 7 Introduction of a performance incentive system

#### Introduction of point system for part-time workers

For part-time workers who work on Saturdays, Sundays, and holidays or during busy times, we have introduced a system that lets the workers earn points usable within the Group. By

boosting part-time workers' engagement and enhancing the quality of our services and products, we aim to increase sales and maximize earnings.

#### Enhancement of education and training

Emphasizing human resource development, we hold online training ("good service study sessions") for managers and part-time workers across all brands. In 2023, around 35,000 people took part. In 2024, we started with an Annual Policy Statement Conference for part-time workers in January, and have continued to conduct monthly training on thinking from a

customer's point of view, good orientation methods to welcome new employees, and handling apologies. We also hold study sessions for managers to enhance stores' capabilities, and conduct learning sessions on understanding accounting P/L and effectively conducting evaluation interviews.

#### Introduction of a performance incentive system → A system that gives back a percentage of achievements to sales divisions (teams) that achieve targets

We will introduce a performance incentive system aimed at the sharing of know-how for the enhancement of sales and QSC within sales divisions, through sales divisions working to achieve profit as a team. Doing so, we will achieve our company-wide operating profit targets.

We believe that teamwork between sales departments and enhancement of team performance overall will result in good services and products being provided in our stores, which will allow us to win support from customers in each region, leading to sustainable corporate growth.

#### Effective use of annual income barrier support packages

In response to policy introduced by the government, we investigated cases of adjustment of work for reasons of an annual income barrier. We identified individuals' possible working hours up to the limit imposed by such barriers, and held discussions with the individuals. Through this, we were able to increase working hours by 12,000 hours for 1,015 people in November alone.

We held in-house study groups on annual income barriers at all offices to enable employees to work beyond such limits through the effective use of annual income barrier support packages. A total of 28 events were held, with participation by about 3,000 employees. New enrollees in social insurance, particularly housewives, are at a level significantly higher than 150% that of the previous year.

#### Risks, indicators, and targets

##### Risk management

We regard the management of proper working hours and the elimination of harassment as key matters related to risk. Since 2018, before the establishment of limits on working hours on April 1, 2020, we have set our own limits of less than 80 hours per month (including work on days off) and an average of 60 hours per month (also including work on days off). Starting in 2022, we provide all store managers with training on correct time and attendance management once every two months, and

continue education and supervision for managers to ensure compliance with laws and regulations. We are working to create safe and secure work environments through the joint efforts of labor and management. In March 2021, we issued a "Joint Declaration by Labor and Management on the Prevention of Harassment."

In the area of risk management involving human risks, the Group Risk and Compliance Committee identifies the risks to be addressed and re-evaluates these once a year.