

## Basic Axes Enhancement of Human Capital

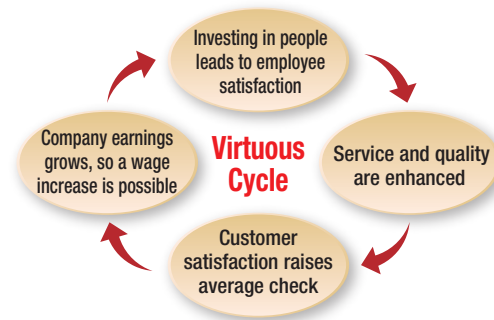
### Investment in Human Capital (Human Resources) Creates a Sustained High-Level Cycle of Business Value

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

We believe that investing in human capital (human resources) enhances employees’ job satisfaction. This enhances the quality of service and generates a virtuous cycle that boosts corporate profits by satisfying customers and enables sustained wage increases.

Ichiro Takei

Managing Director of the Human Capital & General Affairs Division, Chief Health Officer (CHO)



#### Governance

In our human capital-related governance, 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

Our 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 this latent need, 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

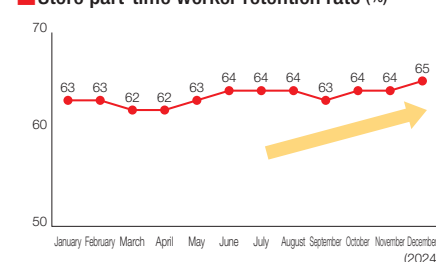
##### Full-time employee hiring

Amid a difficult recruitment environment, we secure the human resources needed to realize our store opening plans, recruiting human resources who relate to our corporate philosophy. In FY2024, the Group in Japan hired 439 persons (including 174 new graduates), with the ratio of women about 35%. We also actively hire “second-career” employees in their 40s to 50s after raising children, with 25 people in that age range joining the company in FY2024.

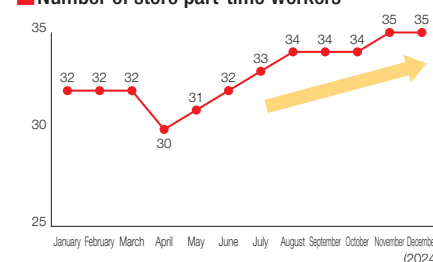
##### Part-time worker hiring

Our worker turnover rate is decreasing due to increased work proficiency enabled by the promotion of comfortable, DX-focused working environments, a review of our raise and promotion system, and the enhancement of training measures. At the same time, our part-time worker retention rate and crew member count are increasing at stores. Worker application numbers are also strong, somewhat relieving the pressure of labor shortages.

■ Store part-time worker retention rate (%)



■ Number of store part-time workers



**Increases in both part-time crew member count and retention rate!**

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

##### Specific initiatives and measures

- Development of video manuals
- Introduction of floor service robots
- Introduction of new POS cash register system
- Introduction of at-table payment
- Creation of multilingual educational tools
- System for showing tables to be cleaned
- Expanded introduction and evolution of self-service cash registers
- 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 programs adapted to childbirth and other life stages.

**Group-wide percentage of women in managerial positions: 14.3%!**



##### 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 for childcare-related purposes
- Shortened working hours for childcare through the 6th year of elementary school
- Flexibly selectable employment categories, with or without relocation nationwide
- Child-rearing support allowance (10,000 yen/month per dependent child)

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

FY	2021	2022	2023	2024
Number of full-time employees	6,175	6,042	6,005	6,150
Number of women among full-time employees	865	882	951	1,255
Percentage of women among full-time employees	14.0	14.6	15.8	20.4

FY	2021	2022	2023	2024
Number of new employees	126	242	217	240
Number of women among new employees	52	93	115	93
Percentage of women among new employees	41.3	38.4	53.0	38.8

Note: 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 2024 was 3.06%, higher than the legally mandated rate. The number of persons with disabilities working in Skylark Group was approximately 684 as of April 2025.

▶ See **P86** for graphical data on employment of people with disabilities.

**Employment rate for people with disabilities significantly higher than the legally mandated rate: 3.06%!**

##### Specific initiatives and measures

- Placement of a guidebook that incorporates case studies in an 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 4,000 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 seniors can work in good health, a goal promoted by the government. In 2024, over 130 people participated in restaurant work experience events held on two occasions: October 2 in Shinjuku and October 17 in Hachioji.

##### Senior Work EXPO2024, held by the Tokyo Metropolitan Government

We exhibited again, as in the previous year! We contribute to job creation through second careers for seniors.

Over 130 people participated in restaurant work experience events on October 2 in Shinjuku and October 17 in Hachioji.



Hi-yashi chuka noodles plating contest



Wok wielding experience at Bamiyan

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

About 4,400 foreign employees from about 60 countries work across our Group in Japan. Under the Vietnamese technical trainee program that begun in 2016, about 260 people, including those with specified skills, currently work at our food and logistics factories. Our stores actively hire non-Japanese nationals, including persons with specific skills and persons from Taiwan on working holidays.

### <Specific initiatives and measures>

- Establishment of a recruitment website for non-Japanese applicants using simple Japanese
- Use of collective interviews by non-Japanese interviewers, orientation, and initial training at our training centers for non-Japanese human resources
- Creation of multilingual educational tools

FY	2018	2019	2020	2021	2022	2023	2024
Number of non-Japanese employees	2,986	3,089	2,213	2,167	2,216	3,092	4,440
Percentage of non-Japanese employees	2.7	2.7	2.5	2.2	2.3	2.9	3.6

Foreign nationals from 60 countries are actively working! We will continue working to create a work environment that is comfortable for all!

## 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 in the development of human resources and the creation of workplace environments that are 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, connecting this to sustainable growth for individuals and organizations. We have also introduced Meeting For You,

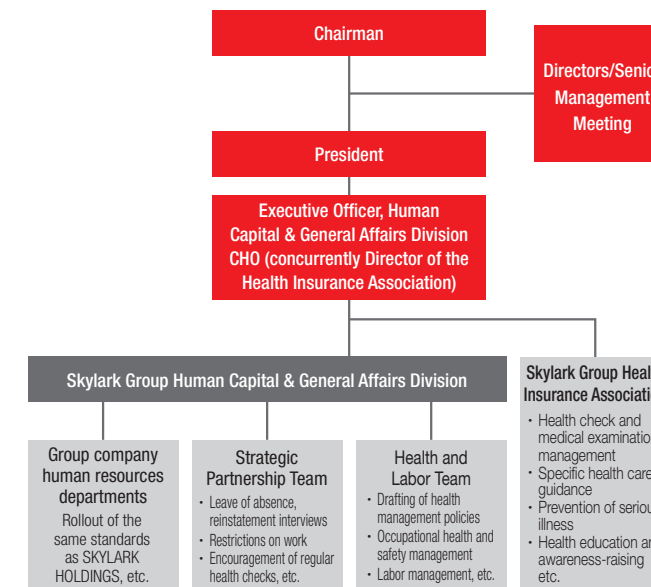
one-on-one meetings held for subordinates between superiors and subordinates, as a means of strengthening communication between the two groups.

Through this, individual employees grow by enhancing their personal capabilities and achieving improved productivity and value creation for the company as a whole. We are also reviewing our personnel system for crew members and full-time employees to further boost work engagement.

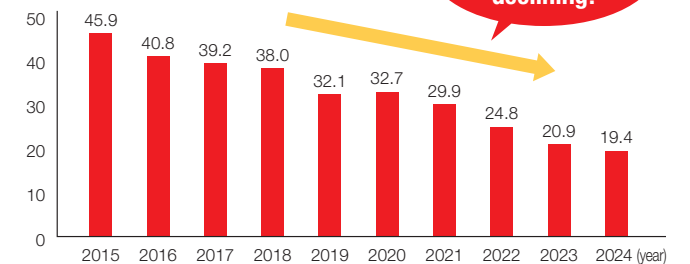
## Strategy 8 Promotion of health management

Based on our belief that Group company employees working vigorously in a state of good physical and mental health will help us fulfill 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

### 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

# Interview

Interview with a restaurant crew member possessing specified skills

## Making Dreams Come True in Japan is Fun! Skylark's Circle Expands.



Non-Japanese instructors  
Fam Min Chan

Specified skill qualification holder  
Ms. Tette Kain

Ms. Chan came to Japan in 2014 at the recommendation of her father, a fan of Japan. During days at a Japanese language school and university, she began to think about finding a career in Japan through a part-time job experience at Gusto. Her manager at the time suggested that she advance her career as a full-time employee of Skylark. "He generously taught me a lot in a comfortable working environment. I'm very grateful for the opportunity to become an employee," she says.

The warmth of the workplace that made her lose awareness of being a foreigner and making her first Japanese friends made her life in Japan precious.

"After that, I introduced my friends and Gusto's international atmosphere became richer."

Ms. Chan currently acts as an instructor for newcomer education. Of her eight-person team, three are foreigners.

"For crew members who have just arrived in Japan, we carefully teach Japanese language and customs. Because of cultural barriers, common sense from members' own countries often does not work."

Ms. Chan also engages in career counseling at times, and creates opportunities for personal reflection while sharing her own experiences.

"I also provide detailed feedback in one-on-one interviews, goal setting, and evaluations. There, there are no differences or walls between non-Japanese and Japanese."

Ms. Kain, who is from Myanmar and has qualifications in specified skills, came to Japan in January 2025 and received instruction from Ms. Chan.

"She is very kind, moves quickly, teaches in an understandable way, and has a wonderful smile!" she says.

She says that she feels joy in working in Japan is motivated by customers' words of gratitude. Ms. Chan also praises Ms. Kain's quick-witted actions in dealing with customers.

"Enjoying work is important. Instructors engage in active communicate and try to keep workers from feeling alone."

For foreigners working far from family, workplace relationships are a key factor in long-term continuation of work. Skylark places

importance on systematically supporting these non-Japanese workers.

The "Teachme Biz" multilingual video manual supports education at Skylark, where staff of varied nationalities work. "Communication is basically in Japanese. On any unclear points, workers can learn from the video."

Ms. Kain notes, "I can watch it in my native language, so it's very helpful." She adds that the presence of more experienced workers from her home land is also reassuring.

About her dream for the future, Ms. Kain says, "I want to make people happy through delicious health food as a nutritionist in Japan."

Ms. Chan also shows ambition. "I want to put my store management skills to the test as a manager, while maintaining the motivation I feel in my current job."

There are already non-Japanese store managers working at Skylark. Their tackling of challenges in a foreign land is bringing new vitality to Japan's restaurant industry.

Non-Japanese instructor **Fam Min Chan**  
Crew member with specified skills **Tette Kain**



# What is Skylark's "Store-Centered Management"?

## Skylark Group's Corporate Philosophy and "Store-Centered Management" Approach

Skylark Group has set "Creating Richness with Value to Society" as its corporate philosophy and **"To contribute to enriching people's lives and to the advancement of society as a whole by creating the future of dining" as its Purpose**. Our corporate philosophy expresses our determination to not only provide delicious food but also to meet the diverse needs of customers and enrich people's lives as a presence rooted in local communities.

We are promoting **store-centered management** as a key strategy to achieve this. The deflationary era in which companies created profit by viewing people as costs to be cut has ended. **Focused on our stores**, our approach is to create an organization through store management that matches regional characteristics and customers' voices, and through individual managers' growth as store operators.

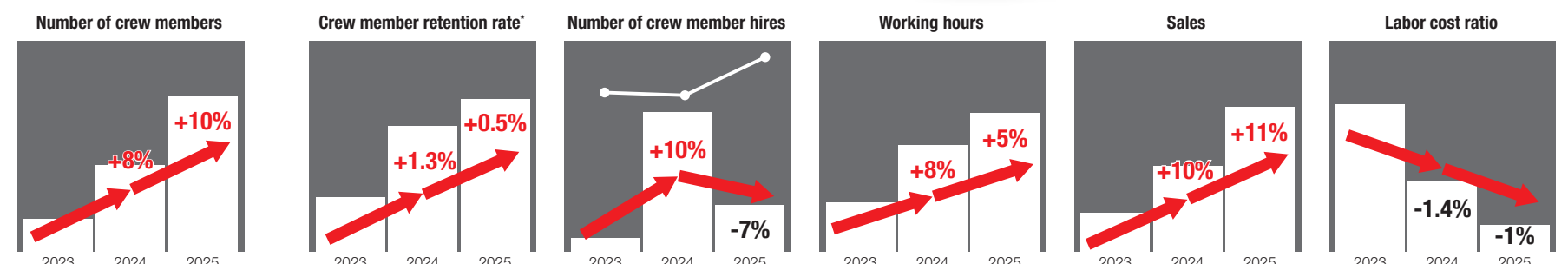
We will improve productivity by enhancing the capabilities of individual managers and will establish competitive advantages in regions by creating added value, strongly leading the enhancement of the Group's profitability overall. The on-site skills and creative refinements cultivated through this will be shared throughout the Group as success stories, enhancing the capabilities of the organization overall. We are convinced that, even in a dramatically changing market environment, this will become a foundation for our sustainable growth.



## Current Outcomes and Future Prospects of Store-Centered Management

We have strengthened training and enhanced work proficiency through the promotion of store-centered management. Our crew member count and retention rate have risen as a result, and our number of new hires has declined even amid an increase in applications.

**Building a business model that increases sales and reduces labor costs through investment of working hours**

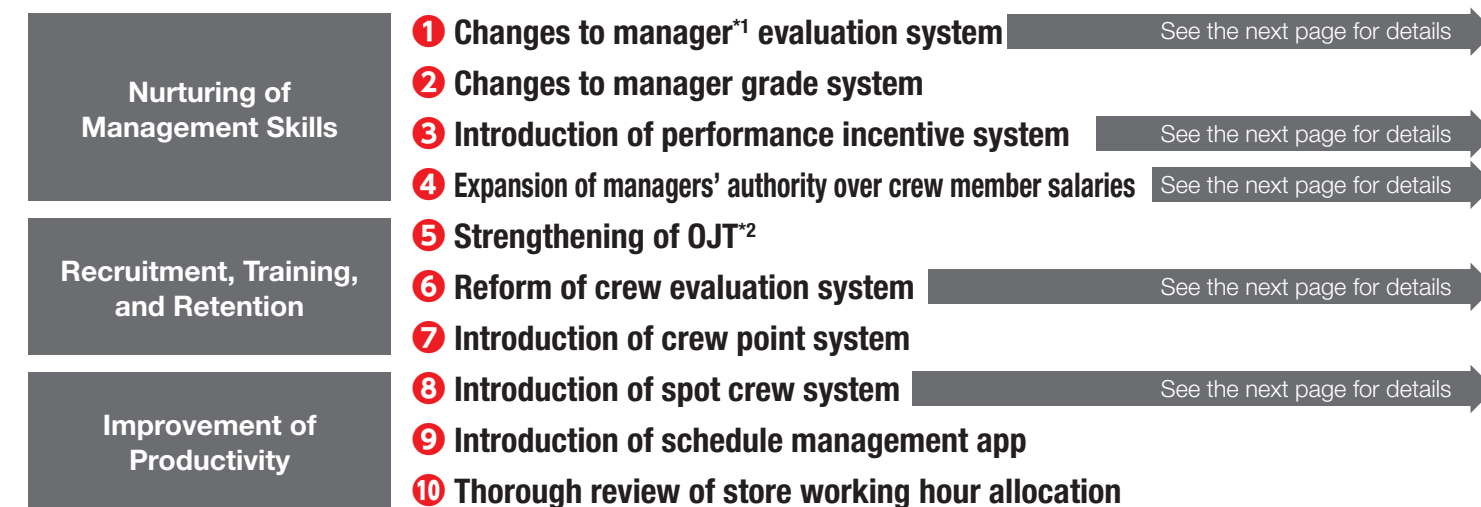


□ Number of applicants — Number of new hires \* With the exception of retention rate, comparisons are for Q1 of each fiscal year. \* Retention rate is calculated from April of the previous year to March of each year. (All graphs cover Skylark Restaurants only.)

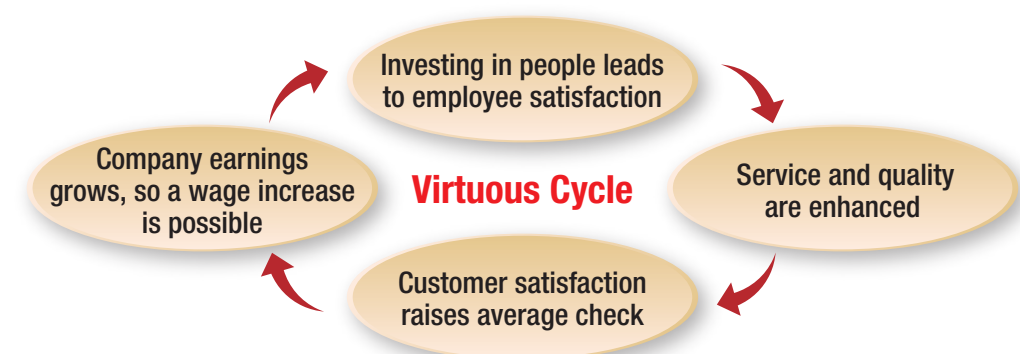
## Concrete Priority Measures and Realization of a Virtuous Cycle

To store-centered management a reality, from 2024 to 2025 we are carrying out **10 priority measures** aimed at achieving a **virtuous cycle** of our management.

### Concrete Measures for Store-Centered Management



\*<sup>1</sup> "Manager" refers to store manager; "crew members" refers to part-time workers. \*<sup>2</sup> OJT (on-the-job training) refers to teaching through actual work, not study.



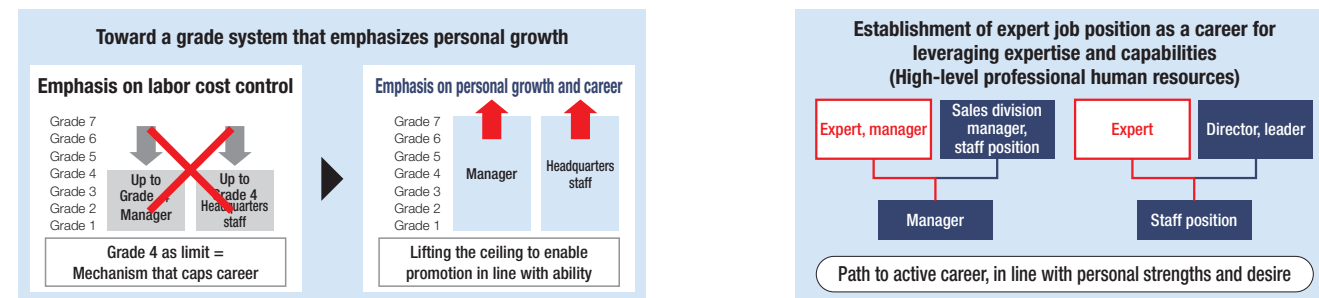
## ➡ 1 Changes to manager evaluation system

### A system that emphasizes individual growth and lets all workers aim for career advancement

This evaluation system achieves our management strategies through individual employees enhancing their personal capabilities and achieving improved productivity and value creation for the company as a whole.

**Main points 1** Raising the salary ceiling that caps careers, to enable promotion in line with ability

**Main points 2** Promoting the development of highly professional human resources by establishing new expert positions that draw on expertise and capabilities

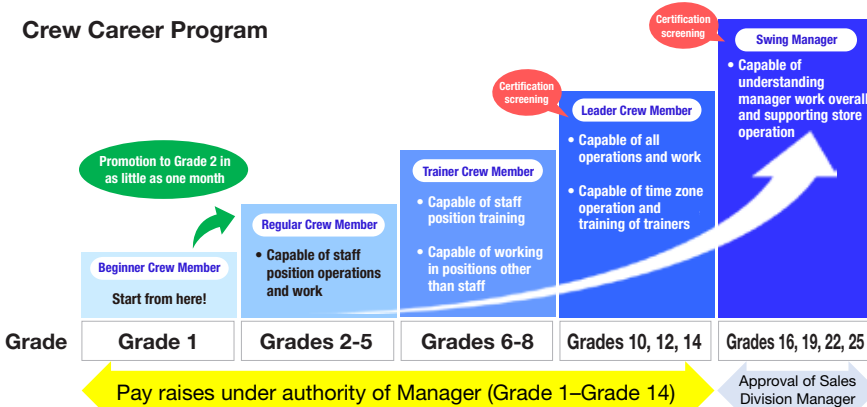


## ➡ 4 Expansion of managers' authority over crew member salaries

## ➡ 6 Reform of crew evaluation system

### Managers promote the organization of their stores

The Crew Career Program (CCP) is at the center of our crew salary grade system (evaluation and salary increase system). CCP is a system that realizes skill improvement and career advancement through incoming crew members attaining the knowledge and skills needed for work in stores. Store managers hold considerable authority over wage increases and engage in the organization of stores through systematic training of crew members.



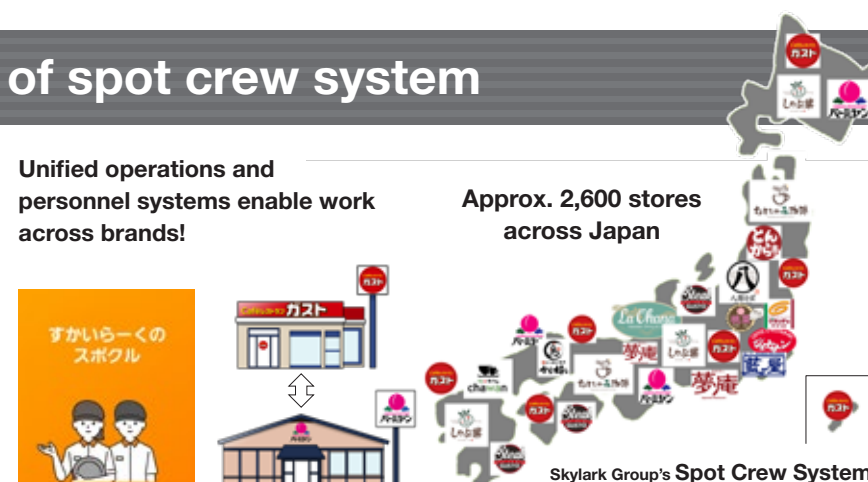
## ➡ 8 Introduction of spot crew system

### Effective utilization of open hours and maximization of willingness to work

In response to crew members' willingness to make effective use of open hours by working, we are internalizing one-day part-time work matched with the recruitment shifts of about 2,600 Skylark Group stores nationwide, thereby expanding Skylark's human resources network.

Unified operations and personnel systems enable work across brands!

Approx. 2,600 stores across Japan



## ➡ Example of introduction 3 Introduction of performance incentive system

To achieve our company-wide operating profit targets, in 2024 we introduced 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.

\* QSC: Quality, Service, and Cleanliness.

**"Boosting team strength" in sales divisions**

**Case study: Gusto Ikebukuro Sales Division**



**Our goal is to make everyone a management leader!**

Members of the Gusto Ikebukuro sales division

### Our mission is to secure operating profit and to maintain/improve QSC.

Sales Division Manager **Kengo Yamada**



### The focus is on team strength

I have been working as the head of the Ikebukuro Sales Division for a year and a half, always making improvements to team strength. My thinking is that helping each other as members of a team while enhancing individual capabilities leads to improved capabilities and profitability for individual stores. We have built a structure that allows neighboring stores to cooperate in cases of need.

### Managers thinking on their own to boost sales

During the Golden Week holiday season in 2024, we set a team challenge of 10 million yen in single-day sales. At the close of lunch, however, a manager who sensed low sales at his store volunteered to help at a neighboring store doing brisk business. The idea was that helping the latter store capture full demand would lead to greater sales for the team overall.

Thanks to such teamwork, we were able to hit the team goal of 10 million yen in a day. By hungrily tackling sales as a team, we achieved a significant increase in profit.

Individual managers at stores think through what they can do to boost their own store's sales and profit. Doing so builds skills for thinking and for communication. Through education for employees, organizational skills increase solidly, which leads to improvement of QSC. The resulting conversion of customers to

repeat customers boosts sales and profits, building managers' confidence as well. I believe that letting every individual experience this virtuous cycle will make the company as a whole a strong organization.

### Toward a team that supports each other in work and private lives

As a team goal, we are encouraging team members to enrich their personal lives by taking consecutive days off. I believe that having a varied and balanced personal life leads to good job performance.



Manager Sato (left) and family