

Offensive Growth Strategy

— Robust growth power created by promoting the Medium-Term Management Plan —

Medium-Term Management Plan 2025-2027

Aiming to Practice Sustainable Management through Four Growth Strategies

Skylark Group has created a Medium-Term Management Plan with FY2027 as its final year. Under this plan, we have set out clear growth strategies (existing store growth, new store openings (domestic), overseas expansion, and pursuit of M&A) on a foundation of three key basic axes amid a drastically changing business environment, to achieve sustainable growth for Skylark Group.

Four Growth Strategies

Item	Strategies and Actions	Target Values
Existing Store Growth	- Brand conversions tailored to the market - Promotion of store renovations (remodeling) - Pricing tailored to the inflationary environment	Existing store growth: Annual average 3–4% - Brand conversions: Average 40 stores per year - Store renovations: Average 300 stores per year - Average check growth: Average 2–3% per year Guest count growth: Average 1% per year
New Store Openings (Domestic)	- Store openings in commercial districts - Store openings in private railway station-front areas in large metropolitan areas - Store openings in station-front areas in regional cities - Opening of multiple brands in regional medium-sized cities	About 300 store openings in Japan in 3 years
Overseas Expansion	- Opening of other brands in Taiwan - Expansion of SHABU-YO stores in the U.S. - Expansion into Southeast Asian countries	About 100 store openings overseas in 3 years
Pursuit of M&A (not included in financial targets)	Support business expansion of other companies through our infrastructure and resources	3 to 5 cases in 3 years

Three Basic Axes

Enhancement of Human Capital	Promotion of DX	Promotion of ESG
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Financial Targets (billion yen)

Item	FY2025 (actual)		2026 (guidance)		2027 (planned)		2025-2027
	Figure	% of sales	Figure	% of sales	Figure	% of sales	
Net sales	457.8	—	490.0	—	approx. 460.0	—	7% or higher
Business profit	33.0	7.2%	36.0	7.3%	approx. 34.0	7.4%	20% or higher
Operating profit	30.0	6.5%	33.5	6.8%	approx. 32.0	7.0%	20% or higher
Net income	16.7	3.7%	19.5	4.0%	approx. 18.0	3.9%	20% or higher
ROE	9.3%	—	10%	—	9–10%	—	—

Medium-Term Management Plan

Existing Store Growth

1

Brand Conversion and Store Remodeling

Sustainable Growth Through Maximization of Store Asset Value

Brand Conversion

1. Maximization of area profitability through strategic conversion

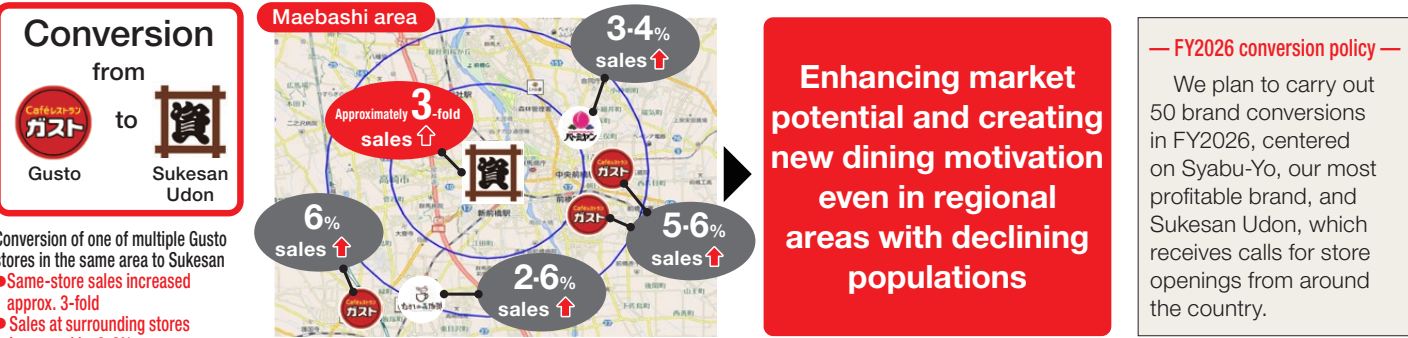
The strength of Skylark Group lies in its diverse portfolio of over 20 brands, allowing us to restructure to the most suitable brand for a given location while resolving cannibalization (competition between our own stores) within the same area.

FY2025 performance

Category	Number of stores	2025 results
Brand conversion	36 (34 domestic stores, 2 overseas stores)	Sales effect: +101% De-cannibalization impact: +5.4%

Examples of area profit maximization

- Maximizing profitability by **converting to Sukesan Udon** in regional cities



Store Remodeling

2. Maximization of sales through data-driven store remodeling and signage installation

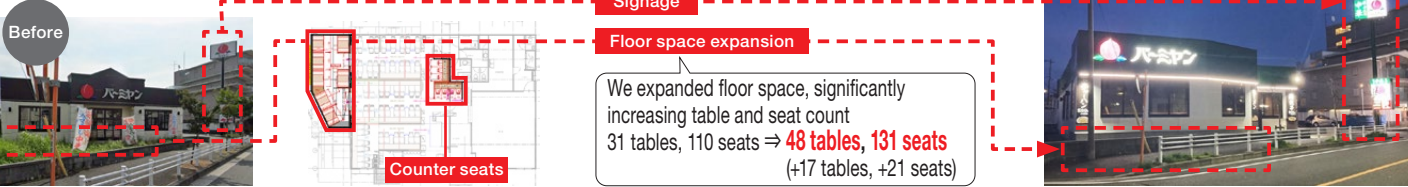
We are continuously creating spaces that adapt to the changing times to rebuild the appeal of existing stores and to increase customer traffic and average check. Furthermore, by strengthening the installation of lead signs (directional signage) and store signage, we are increasing touchpoints for customers and contributing to sales increases.

Action items	FY2025 results	Investment effects and outcomes	FY2026 plan
Store renovation	223 stores	Creation of comfortable spaces and new designs aligned with concepts Improvement of seating efficiency through table ratios tailored to party sizes visiting stores	Customer traffic effect: +4.3% 230 to 240 stores
Lead signs (directional signage)	364 stores	Visibility enhancement measures to attract “drive-by” customers, the most common reason for visiting	Customer traffic effect: +2.1% 300 stores
Storefront signage	398 stores	Visibility enhancement measures to attract “drive-by” customers, the most common reason for visiting	Customer traffic effect: +1.1% 300 stores

Remodeling example

Bamiyan Yokohama Nojima Park

Customer traffic effect: +13.3%



Medium-Term Management Plan

Existing
Store
Growth

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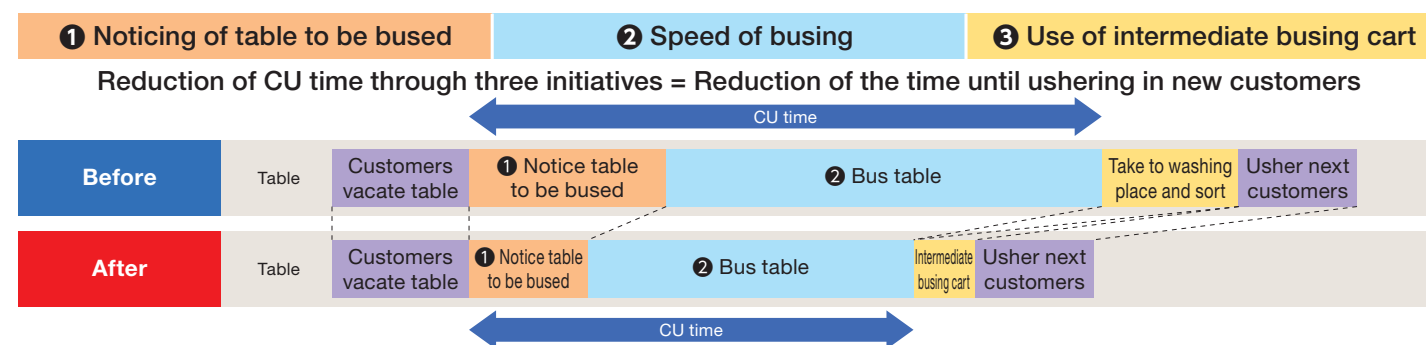
Enhancement of Store Service

Significantly Improved Productivity and Net Sales through Visualization of Operations and Working Hours

The Company has completely shifted its management focus to store-centered management to maximize profitability across its domestic network of 3,000 stores. To enhance store operational capabilities, we are undertaking initiatives to boost productivity by breaking down store operations in detail and implementing work improvements in each process. Our benchmark in doing so is “operational visualization.” In 2024, we visualized data on the time (clean-up time, or CU time) to complete table setting after customers vacate a table, carried out initiatives to shorten CU time, and increased the guest count effect through improved turnover rate.

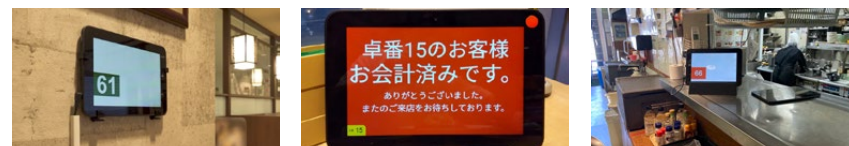
Visualization of Operations: On-Site Checking × DX

Reducing CU time in every process and improving turnover rate

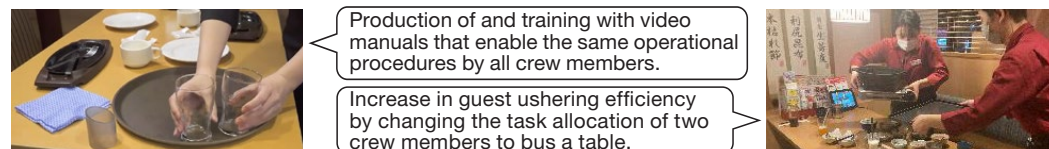


What is CU time? ➡ The time from when guests leave the table until table setting is completed

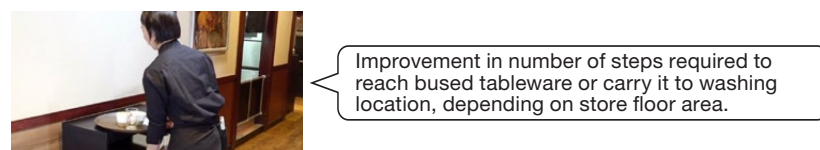
- ① Tables vacated by guests are displayed on a tablet. Shorten time required to find tables to be bused.



- ② Training in faster table busing

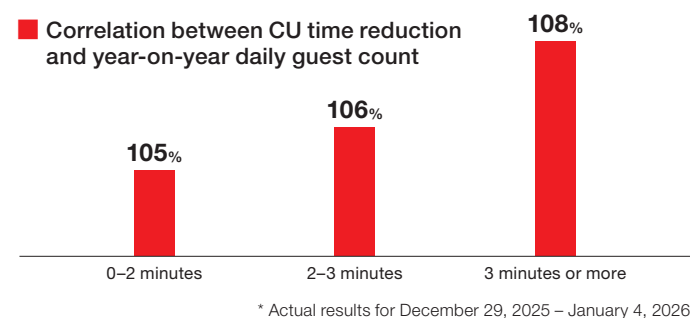


- ③ Reduction in walking and sorting times through placement and use of intermediate busing carts



Improvement Impact

CU time is correlated with guest count. Stores that improve CU time tend to have a higher guest count than in the previous year. As an effective means of increasing guest count, we are carrying out store-specific data analysis and improvement activities.



Visualization of Working Hours Through the Introduction of the Rakushifu Attendance Management System

We have introduced the Rakushifu shift management app across all stores as an aggressive staffing platform to enhance stores' product sell-through ability.

Eliminating the black box of shift requests and systematic staff dispatch

Conventionally, shift request information for employees and crew members was managed individually only by the store Manager, but we have revamped this into a system for centralized viewing in real-time up to the Sales Division Manager level. As a result, employees who have submitted their shift preferences (willingness to work) but are not assigned shifts due to time slot constraints at their store (surplus resources) are visible at a glance across the organization.

agile “investment of working hours” during periods of highest sales momentum, while optimizing full-time employees' public holiday management and paid leave acquisition by curbing unnecessary overtime.

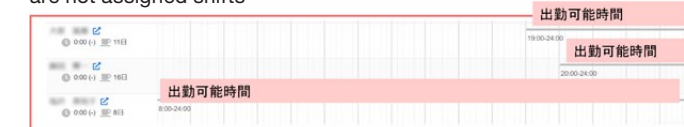
Work schedules of attendees (black line indicates shift requests; blue line indicates actual shifts)



Pinpointing help requests/negotiations and appropriate labor management

With the introduction of this system, we can now scientifically execute pinpoint requests for help to neighboring stores facing staff shortages during weekends or peak seasons, based on data. We are building a flexible labor environment that enables

Crew members who submitted preferences but are not assigned shifts



Establishment of a Single-Day Part-Time “Spot Crew System” Developed In-House

As the desire to effectively utilize spare time to work has grown with the times, we launched the in-house operation of single-day part-time jobs on July 1, 2025, matching recruitment shifts across approximately 2,600 Skylark Group stores nationwide. We are promoting the creation of an environment that meticulously responds to requests to work closer to school during free time or work for a fixed time during return trips home, linking this to resolving sudden labor shortages and securing working hours during peak business periods.

A platform allowing former crew members (retirees) to immediately contribute

Approximately 20% of matched external spot crew members consist of individuals who have retired from Skylark within the past five years (former crew members). While about 45,000 people leave annually due to graduation and other reasons, we have built a unique platform that allows highly skilled personnel to perform as immediate assets over the long term, easily working on requested dates even after retirement.

Approximately 2,600 stores nationwide

- ✓ Effectively utilizes spare time
- ✓ Manuals are standardized, enabling immediate contribution!

Approximately 70,000 people registered as of the end of April 2026

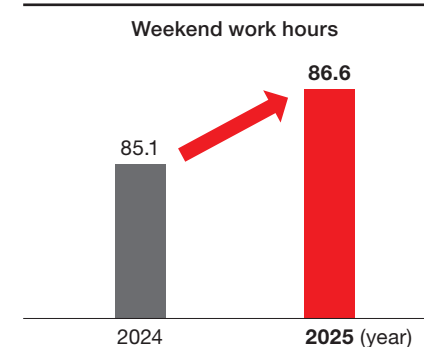


Crew Point System

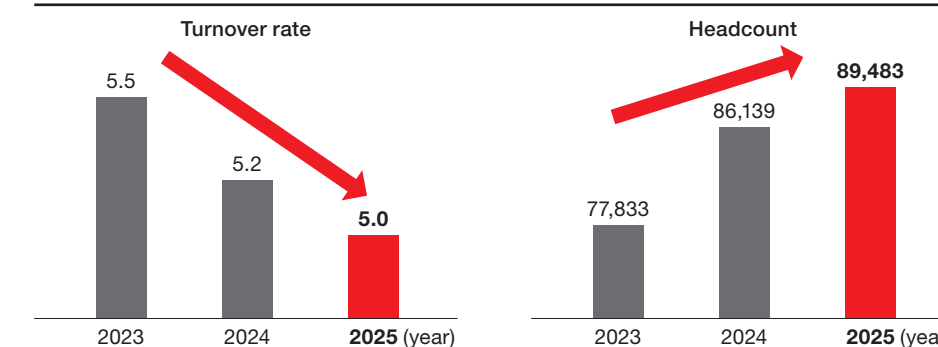
By granting crew points on weekends and during peak seasons when the guest count increases, we have raised the attendance rate of part-time workers (2% up), contributing to securing working hours on weekends.

Thanks to these initiatives, we have seen a decline in turnover rates and improved retention, which, through enhanced employee proficiency, strengthens store operational capabilities and contributes to increased guest count and net sales.

Eliminating vacancies



Improving retention



Medium-Term Management Plan

Existing
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Marketing Advancements

Creating Customer Experiences by Advancing Digital Infrastructure and Data Analysis

Our Group positions its domestic store network of 3,000 locations and the Skylark app, which has surpassed 33 million downloads, as key management resources, driving a marketing strategy that deeply integrates digital and physical realms. In FY2025, the shift away from conventional, uniform promotions to data-driven marketing measures centered on customer data proved effective. We achieved strong growth, with same-store sales at 108.0% year on year (guest count 102.0% / average check 106.0%). In FY2026, we will further accelerate personalization using AI analysis, pursuing sustained sales growth and maximization of customer experience value.

1. Deepening Our Understanding of Customers and Establishing One to One Marketing Through the Skylark App

By analyzing member attribute information, visit history, order data, survey responses, and other information in detail, we are advancing the sophistication of our CRM to deeply understand the preferences and needs of every guest.

● Promotion of personalized communication linked with the app

Linking our proprietary point platform, Skylark points, with the app, we automatically deliver recommendations and campaign notifications based on individual dining history. By optimizing segmented thank-you emails and birthday coupons, we aim to enhance loyalty and maximize visit frequency.

● Designing engagement enhancement measures according to customer stage

We design communication measures according to the customer's usage stage (new, repeat, fan, dormant). In addition to communications that introduce the appeal of our brands, we build communications that effectively enhance customers' intent to visit by analyzing customer attributes and usage status (frequency/preferences) based on AI data analysis, selecting and delivering the optimal timing (season/date/time), content (products/events), and channel (tools).



2. Full-Scale Operation of Personalized Dynamic Coupons

We are moving into full-scale operation of dynamic coupons that appeal to customers while maximizing profit margins and guest count.

● Distribution of coupons optimized for individuals

Moving away from uniform brand-wide discounts, we now issue optimal coupons at the optimal time, tailored by region, prefecture, individual store, and further by customer preference and usage scenario. We have simultaneously achieved proposals that resonate with guests and highly efficient sales promotions. By linking with forecast data for quiet periods by day of the week, time slot, and store, we aim to level the operational load on stores by creating demand agilely, while promoting repeat visits driven by customer satisfaction and an increase in average check through a higher number of items ordered, without relying on excessive discounting.

3. Deepening Menu Development and Promotion Based on Data Analysis

Based on advanced data analysis, we accelerate market-in strategy formulation and tactical execution to maximize profitability, developing new menu items that excite consumers and refining existing products.

■ Example: Refining Yamaya Supervised Motsu Nabe

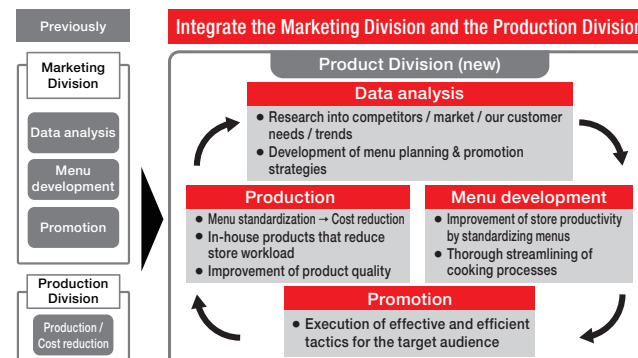


Unit sales price
+110 yen

Period sales volume
approximately
tripled

Based on verification data from the previous year, we implemented improvements reflecting frequent requests, such as increased amount of variety meats, more toppings, the introduction of a champion noodle set, and use of tabletop stoves. We achieved both improved customer satisfaction and a higher average check.

■ Integrated menu development, promotion, and production under a new organization



4. Fostering Talent for Marketing and Menu Development Utilizing Generative AI

We are strengthening our organizational personnel development programs to reliably link increasingly sophisticated marketing technology and generative AI to revenue in the field and to maintain our competitive edge in the market.

● Shift to AI-driven development

We conduct specialized training aimed at improving planning quality by incorporating AI into the process from planning and drafting to tasting approval.

● Capitalizing on past knowledge and developing a data infrastructure

We are developing system infrastructure that allows AI to instantly utilize vast amounts of past development knowledge and data in the form of data lakes and RAG (Retrieval-Augmented Generation). We are building a system where accumulated know-how can be scientifically reproduced across the organization.

● Multifaceted data analysis and automatic generation of plans

We analyze three years of social media and dining data using AI to automatically generate personas. We are developing professionals who can rapidly execute product planning that excites consumers, utilizing tools like NotebookLM, image generation tools, and our dedicated menu planning app.

Leading the use of generative AI

Yoshie Fujimoto, AI Promotion Team Leader, IT Division

Yoshie Fujimoto widely promotes the use of AI in the food service industry. In this role, she has spoken at a Google event and was featured in Nikkei Woman magazine. She engages in the operational application of AI across all divisions of Skylark Holdings.



5. Evolution of the Third Growth Driver: Delivery, Takeout, E-Commerce, and External Sales

① Building an in-house order receipt and hybrid home delivery system and improving profitability

While the food delivery market continues to expand post-pandemic, our Group has strongly promoted the development and implementation of a hybrid delivery system for in-house orders since FY2025. This system uses AI to automatically and optimally allocate orders received via our website and app between in-house delivery staff and external delivery agents (UberDirect, etc.) in real time, based on store staffing levels and time slots. This eliminates the bottleneck of maximum order intake capacity during peak times and achieves reductions in fixed costs like vehicles and efficiency in labor costs.

For takeout, we will focus efforts on developing takeout-exclusive menus tailored to pricing strategies and usage scenarios to drive sales growth.

② Dramatic expansion of the e-commerce and external sales (frozen foods) business and group synergies

We advanced the expansion of our e-commerce and external sales businesses, achieving a significant increase in both revenue and profit, with annual cumulative net sales and operating profit for 2025 both reaching 139% year on year. We are pioneering the market, leveraging our greatest advantages: an app membership base exceeding 33 million downloads, strong brand recognition from our 3,000 domestic stores, and our development capabilities.

Product Planning, Proactive Sales & Promotion to Expand Sales Channels

External sales domain

Through accumulated efforts such as exhibition participation, direct proposals to buyers, and in-store activities, we succeeded in expanding product distribution to over 110 major retailers, including large-scale mass merchandisers and drugstores.

E-commerce domain

In addition to our website, we have comprehensively opened stores on seven major e-commerce malls, including Rakuten Market, Amazon, Yahoo! Shopping, and Satoful. Through seasonal event planning, email newsletter promotions, and meticulous SEO measures, we have achieved strong results, including winning a sales growth rate award on au PAY Market.



Pan Pacific International Holdings Corporation, UNY Co., Ltd., Don Quijote Co., Ltd., etc.

