Medium-Term Management Plan **Pursuit of M&A (Domestic) (Overseas)**

Strategic M&A that Addresses the Diversification of Food Culture

Domestic — Expanding our low-price portfolio with the addition of Shinpachi Co., Ltd. as a new partner from April 2026

As the next step in our strategic M&A to address diversifying food culture, our Group acquired all shares of Shinpachi Co., Ltd. in April 2026. Shinpachi operates 108 stores in Japan (company-owned and franchise, as of the end of February 2026), including the charcoal-grilled dried fish set meal restaurant Shinpachi Shokudo.

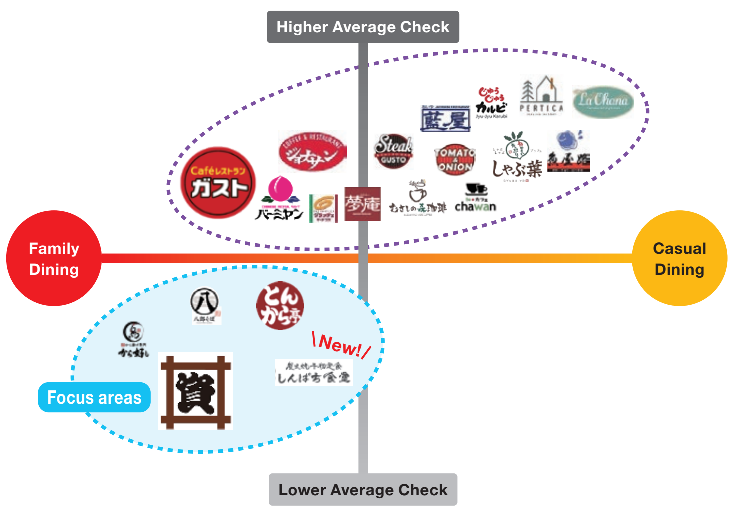
Strategic Background and Objectives: Why Shinpachi Shokudo Now?

Reason 1 An overwhelmingly popular unique charcoal-grilled dried fish and grilled fish brand

Shinpachi Shokudo offers juicy dried fish carefully grilled to order on a uniquely developed charcoal grill, over 20 varieties of set meal, and carefully selected rice and miso soup used even in high-end Japanese restaurants, all at surprisingly reasonable prices. This business model, which continues to provide “authentic, luxurious everyday meals” at low prices, holds inimitable, unique value that embodies Japan’s rich food culture. With the recent rise in health consciousness and the difficulty of making grilled fish at home, the value of enjoying it at any time is gaining attention from a wide range of customers.

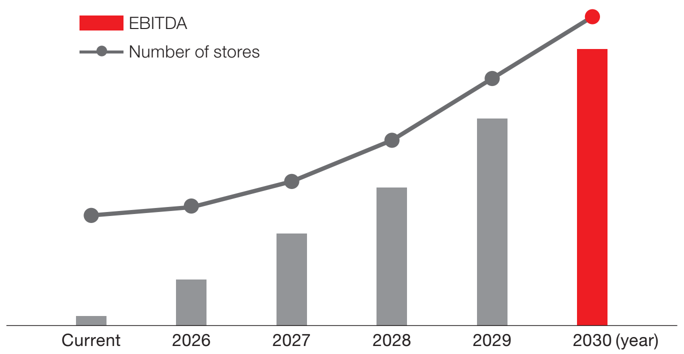
Reason 2 Strong access to prime locations including urban areas, near stations, and commercial hubs

While Skylark Group’s previous expansion was primarily centered on suburban roadside locations (approx. 80%), Shinpachi has built a strong dominance in urban areas, areas near stations, and commercial facilities including within Tokyo’s 23 wards. The mutual complementarity of our location portfolios allows us to directly meet the the dining out demands of commuters, students, single-person households, seniors, and inbound visitors in urban areas that we have been unable to fully approach until now.



■ Growth projection for Shinpachi Shokudo

EBITDA and store count plan



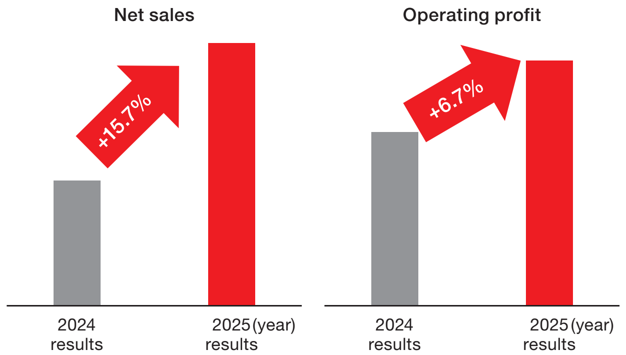
2030 targets
Store count (including overseas): 300 or more
EBITDA: 6.0 billion yen or higher

Overseas — Rapid growth of Suki-Ya in Malaysia

As a pillar of our strategic M&A in overseas markets, Suki-Ya, a shabu-shabu brand for the Muslim community in Malaysia that we acquired in January 2025, has achieved growth exceeding our expectations one year after integration.

The Overwhelming Strong Performance of Suki-Ya and Factors Behind It

Suki-Ya, which offers high-quality shabu-shabu buffets at affordable prices without serving pork or alcohol to cater to the Muslim community, boasts immense local popularity. Capturing Malaysia’s robust domestic demand, primarily among families with children, recent performance significantly exceeded plans in both net sales and profit. The number of stores has also been steadily expanding, increasing by 4 since the acquisition to 18 stores, with plans to open 5 more in 2026.



Reason 1 Addressing the majority Muslim community

Addressing the needs of the Muslim community, which makes up over half the population, we have established an unshakeable local position as a place for premium dining out experiences.

Reason 2 Speeding up investment recovery

Thanks to overwhelming brand power, net sales and profitability per store are high. We expect to significantly shorten our standard investment recovery period.

Future Outlook: Establishment of a Dedicated Factory and Horizontal Expansion Across ASEAN

The success in Malaysia will not be limited to expansion within a single country. We will expand the know-how gained from Suki-Ya across Southeast Asia.

Strengthening the supply chain through the establishment of a dedicated factory

We will construct a new company-owned factory within Malaysia and proceed with the in-house production of ingredients for Suki-Ya. We expect further profit improvement through the optimization of this manufacturing and supply line.

We will horizontally deploy the operational know-how accumulated in Malaysia, insights into menu localization, and the manufacturing and supply capabilities of the newly established dedicated factory across the ASEAN region.

M&A Policy — Utilizing our infrastructure to powerfully support business development

Support by our company

- Support for multi-store development leveraging our infrastructure of 3,000 stores nationwide (including those leveraging existing stores)
- Provision of abundant human resources and human resource development programs
- Business funding support
- Daily delivery throughout Japan via our central kitchens and in-house logistic network
- Utilization of low-cost, high-quality ingredients through our purchasing power
- Marketing know-how leveraging big data

Examples of companies with which we have synergies

- Existing restaurant chains in need of resources for store expansion
- Restaurant startups that have superior concepts and are considering business expansion
- Food delivery businesses, home-meal replacement businesses, etc. for which business scale and efficiency can be enhanced through our infrastructure

Planned three to five cases over three years

Conducted one M&A each year from 2024 to 2026, for a total of three M&A deals!

Maintaining Financial Discipline & Enhancing Shareholder Value over the Medium to Long Term

In FY2025, we significantly strengthened our financial stability by extending the maturity of our funding and increasing the proportion of long-term borrowings within our interest-bearing debt. Against the backdrop of this robust financial base (a significant increase in operating cash flow in FY2025), we have set a total growth investment budget of 50.0 billion yen for FY2026, with M&A included. New store openings represent the area where we can expect the highest capital efficiency (high ROI) within this investment budget. We will execute investments under strict financial discipline, making them a driving force for medium- to long-term shareholder return (maintenance and improvement of the payout ratio).

Special Feature

One and a Half Years of Results from Integrating Sukesan
Next — and Our Growth Roadmap

Bringing "everyday Sukesan" nationwide and overseas through the synergy of Skylark x Sukesan

One and a half years have passed since our acquisition of Sukesan Co., Ltd. in October 2024. Our Group is integrating the brand with the procurement, production, site development, and human resource infrastructure of Skylark Group, while respecting Sukesan's history and its taste and service that bring customers back. From the very first year, the brand has delivered overwhelming results significantly exceeding expectations, evolving into a major driving force in our growth strategy.

Introduction to Sukesan Udon

Founded in Kitakyushu in 1976, Sukesan Udon serves "soul food" long beloved by local customers. It features an extensive menu of over 100 items that including rice bowls, curry, set meals, botamochi, and the chain's signature Niku Goboten Udon, typically available 24 hours a day. As a brand suited to affordable, everyday dining, the chain operates stores closely tied to the region, with 104 stores as of May 2026.

Strategic Background and Objectives ⇨ Why Sukesan Now?

Strategy ❶ Responding to a blank area within a store portfolio that changes with the times

In response to a market that changes with the times, we are restructuring our portfolio of stores. While developing and enriching our casual dining brands aimed at visits for a particular purpose, in keeping with the times we are adopting a strategy of slightly increasing the average check to address the soaring prices of materials in the family dining business. Amid this, an untapped blank area has appeared among our everyday low-priced brands. Sukesan Udon has joined our ranks as a brand that will strongly complement this area. Our company has successfully realized an appealing and robust store portfolio aligned with the times.

Strategy ❷ Elimination of internal cannibalization and the risk of a decline in store numbers associated with non-urban population decline

Skylark Group currently operates 80% of its stores in non-urban and roadside areas. However, as the non-urban population continues to decline, we are entering a phase that demands a rethinking of our store placement. While targeting urban areas, station-front areas, and commercial areas for new store openings, we will perform brand conversions of existing stores into Sukesan Udon stores, which enjoy strong popularity in non-urban roadside areas. By doing so, we will enable store management that eliminates the risk of a future decline in store numbers and that maintains an optimal number of stores for fully leveraging the production and logistics network of our 10 central kitchens. We also believe that conversions to Sukesan Udon stores will have a strong impact on eliminating cannibalization of neighboring Group stores, contributing to maximization of area profits within the Group.

Achievements Over 1.5 Years ➡ Our Mission to Protect Long-Beloved Flavors and Become the Strongest Partner

Q1 How can a regional udon brand become a growth driver for the entire Skylark Group?

A **Profitability per store overwhelmingly surpasses existing brands. Annual sales at newly opened Sukesan stores are triple those of existing stores.**

Some market participants had voiced doubts about the return on investment relative to the acquisition price. However, the outlook for the Sukesan business in 2025 saw the store count rise to 94 (+27% year on year), with net sales reaching 22.8 billion yen (+42% year on year) and operating profit reaching 1.1 billion yen (+71% year on year), achieving profit growth far exceeding the increase in store count.

Particularly noteworthy is the overwhelming demand in newly entered areas (Kanto and Kansai). The average annual sales per store in the Kanto and Kansai regions are recording astonishing figures: 1.6 times that of the Kyushu area, and approximately three times the average of Skylark's existing brands. Investment recovery is progressing at a pace significantly exceeding initial calculations, and the performance over this past year has dispelled concerns over the acquisition cost.

Q2 Will Sukesan's taste truly be preserved? Won't it change with the acquisition?

A **We have launched a year-long Noodle Making Project, a powerful collaboration between Sukesan's artisans and Skylark's production specialists!**

At the time of the acquisition announcement, the most common concern raised by investors and fans was whether the pursuit of mechanization and mass production for nationwide expansion would change the taste of the broth and noodles. Sukesan's lifeblood—the "soft and chewy texture of the udon noodles" and the "broth carefully prepared daily in-store from mackerel flakes, kelp, and shiitake mushrooms"—is very delicately balanced. We consider protecting and popularizing this taste to be our mission, one that holds social significance.

Noodle Making Project launched

Along with store openings in Kanto and Kansai, we engaged in noodle manufacturing utilizing Skylark Group factories. Since water quality (hardness) differs between Kyushu and the Kanto/Kansai regions, simply sharing the recipe did not produce the same taste, leading us to conduct thorough trial and error over a period of more than one year. We succeeded in scientifically formulating a recipe for noodle-making, converting the fine adjustments that Sukesan artisans performed using their five senses. Production commenced at the Nishinomiya and Fujioka factories in September 2025. For the broth, we remain committed to carefully preparing flavored broth over 20 times daily at each store. While quantifying the process, we persistently rely on final confirmation by the palates of experienced staff, maintaining a taste that satisfies.

▲ Close-up footage of the project is distributed as an in-house professional video. We are conveying a relationship of mutual respect through this close-up documentary footage.

Q3 Labor shortages are becoming more severe across the food service industry. Where will the personnel come from to support the acceleration of store openings?

A **We will maximize the use of brand conversions from existing Skylark stores. Staff experienced in table service can immediately contribute as assets.**

Sukesan is fundamentally based on table service, which has strong affinity with the service style of Skylark's existing brands. This creates an extremely powerful synergy, allowing Managers and crew members from existing stores to utilize their highly cultivated customer service and cooking skills directly.

As a result, even at opening, operations remain stable, and consistent quality and hospitality can be maintained. A virtuous cycle is also emerging for employees, whose own employment and skills are protected, allowing them to take on challenges with a vibrant new brand.

Q4 Will the pace of store openings slow down amid soaring material prices?

A **Halving the investment amount and construction period through brand conversions from existing stores**

Because we utilize existing stores where infrastructure is already in place, the initial investment amount (store opening cost) per store and the construction period until opening can be held to approximately half those of companies that build from scratch. Even amidst an uncertain external environment, we have built a unique, low-risk, high-efficiency scheme for expanding our store network.

Next Stage: Overseas Expansion

Toward the first store opening in Taiwan in June 2026

Carrying forward our successful domestic model, we have set our first store opening in Taiwan for June 2026 (with plans for 3 stores by the end of 2026).

Why Taiwan?

Taiwan has few roadside locations and holds potential for high-density store openings, primarily in urban areas. We can directly utilize the management infrastructure of our local subsidiary, which already operates about 90 stores across Taiwan, and the production line of the Taipei in-house factory established in 2023, to minimize investment risk during the initial entry phase.

Prospects for success overseas

We are carefully gauging local needs while adjusting our broth and noodles. We will respond with overwhelming brand power to store opening offers from commercial facilities (SCs) that have high customer-drawing power.

We will rapidly make the three stores in Taiwan a success and accelerate our strategy for expansion across Southeast Asia.