Medium-Term Management Plan New Store Openings (Domestic)

Optimizing Recovery of Investment through Rigorous Location Selection

Our Group is strategically promoting new store openings in the domestic market as a source of further growth, while maintaining our robust store network of 3,000 domestic locations. The environment surrounding the restaurant industry is becoming increasingly uncertain, due to recent surges in construction costs, labor shortages, and prolonged inflation associated with geopolitical risks. Under these circumstances, rather than simply pursuing an expansion path based on store opening targets, we are steering toward a highly reliable store opening policy with rigorously selected locations, prioritizing the rapid recovery of investment and maximization of area profitability for new stores.

1. Policy for Selective Store Openings and Plan for FY2026

Recent new store openings have demonstrated high profitability exceeding existing store averages. We analyze that there is still significant room for store openings in the domestic market.

Store opening plan for FY2026

We plan to open approximately 70 new stores over the full fiscal year (steady expansion compared to the previous year).

Setting of strict investment criteria

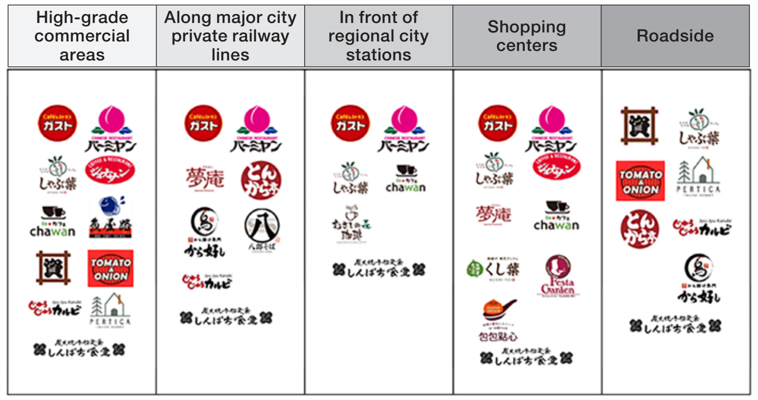
We rigorously select only high-cash-flow, high-efficiency locations where the initial investment relative to the investment amount per store can be reliably recovered within five years. We eliminate the investment risk for locations with high uncertainty through an agile store opening review process.

2. Key Store Opening Areas Driving Growth

The ratio of openings has shifted from a previous focus on roadside locations to station-front areas and shopping centers, among other areas. We estimate the potential for openings there at over 1,500 stores. With Shinpachi Shokudo joining the group, our policy is to further accelerate new openings in front of stations.

Store Opening Ratio	High-grade commercial areas	Along major city private railway lines	In front of regional city stations	Shopping centers	Roadside	Total
FY2019 performance	3.1%	12.5%	–	6.3%	78.1%	100.0%
FY2026 plan	8.0%	34.0%	12.0%	34.0%	12.0%	100.0%
Potential for store openings*	857			126	521	1,504

* Existing brands only



3. Store Opening Advantages and High Profitability Utilizing In-House Infrastructure

The unique management resources that Skylark Group has cultivated over many years dramatically increase the success rate of new store openings.

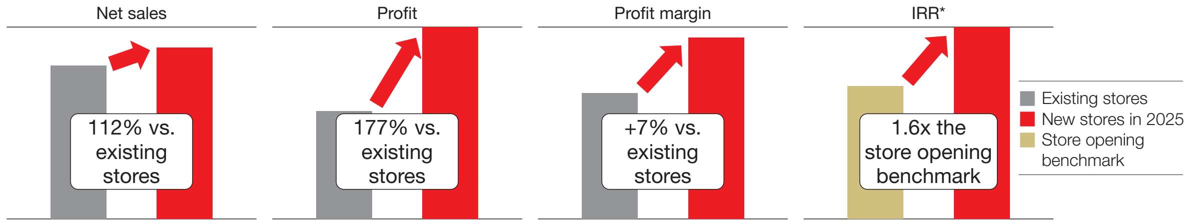
Benefits of a vertically integrated supply chain

We have built a logistics network that allows daily delivery of ingredients across Japan via 10 company-owned central kitchens and an in-house logistics network nationwide. This enables us to immediately enjoy economies of scale and maximize operational efficiency, even when expanding into regional areas or new territories.

Demonstration of higher profitability than existing stores

Our stores opened in recent years are contributing greatly to sales and profit. Our store openings in 2025 have been targeted accurately, demonstrating high performance in terms of sales, profit, and IRR compared to existing stores.

Performance of new stores opened in 2025
(43 stores of Skylark Restaurants Co., Ltd.)



* IRR (Internal Rate of Return) = Discount rate at which the present value of the future cash flow obtained through investment and the current value of the investment amount are equal

The misconception of no room for growth in the Japanese market

Proving unprecedented store opening accuracy across regions using data science

Japan's food service market expanded to around 36 trillion yen

Why is our store opening accuracy high?

- Store development know-how gained through 50 years of in-house brand and site development
- Establishment of successful store opening package involving over 320 variables, based on analysis of success and failure patterns of 5,000 past store openings, conversions, and closings
- Data analysis and market research capabilities grounded in on-site checking

■ Examples of new stores opened in 2025 and 2026

Along major city private railway lines

Gusto Kyobashi Coms Garden
vs. existing store sales:
Approx. 125%

April 2025 Open

- Opened in conjunction with facility renovation in April '25
- Located within walking distance of Kyobashi Station, which has 472,000 daily passengers

High-grade commercial areas

Bamiyan Odaiba Kaihin Koen Station Front
vs. existing store sales:
Approx. 143%

January 2026 Open

- In front of Odaiba Kaihinkoen Station, 1st floor of a building opposite Jonathan's Odaiba Decks Tokyo Beach
- First floor of a large office building, which encourages entry by office workers

High Potential in Regional Cities

Opening of multiple brands in regional medium-sized cities

Syabu-Yo Obihiro City Hall Front
vs. existing store sales:
Approx. 132%

September 2025 Open

Musashinomori Coffee Obihiro City Hall Front
vs. existing store sales:
Approx. 108%

September 2025 Open

- Simultaneous opening of two brands in the same area
- Meets high dining-out demand in the Obihiro area for the Group (Gusto and Bamiyan already established)

Mid-sized regional cities

Bamiyan Tomakomai
Reached No. 1 in sales among all brand stores!

April 2026 Open

TOPICS

Deepening data analysis and developing expert store development personnel

- We introduced a pedestrian flow measurement system for large commercial facilities (shopping centers) to visualize consumer traffic routes and dwell time. This provides logic for scientifically selecting optimal tenant stores.
- We achieved refinement of store development based on data analysis, simulating the lifestyle and brand preferences of potential customers at a site by combining real-time pedestrian flow data, data on our 33 million app members, and competitive/market environment information.
- In line with the evolution of these technologies, we established a career path for Expert Positions (specialized roles) that pursue deep specialization. We provide advanced specialized training, such as data science and real estate investment analysis, to store development members, strengthening the development and appointment of professional personnel who lead precise, data-driven store development.