

Fiscal Year Ended September 30, 2025

# Shareholder Newsletter for the 11th Fiscal Year

From October 1, 2024 to September 30, 2025

FOOD & LIFE COMPANIES LTD.



## Message from the President

We aim to enhance our brand and share it with the world to achieve further global growth.

President & CEO Masahiro Yamamoto

Sushiro, our primary business, is driving our strong performance.

The first action I took after becoming President and Corporate Officer in October 2024 was to revise the medium-term management plan we had announced in November 2023. That was something we started planning before I became President. We reviewed various figures in consideration of the changes in the external environment and our performance. We believe that, in the fiscal year ended September 2025, our plans, resources and execution were well-aligned.

In the fiscal year ended September 30, 2025, both sales and profits increased. Record highs were achieved for both net sales and operating profit—429.6 billion yen and 36.1 billion yen, respectively. The operating profit margin was 8.4%. The operating profit and operating profit margin targets for the end of the fiscal year ending September 2026 were exceeded ahead of schedule. They were 33.5 billion yen and 7.1%, respectively. Profit for the period was 22.9 billion yen. Return on equity (ROE) was 26.9%. These strong results were primarily driven by our main business, the Japan Sushiro Business, in which customer numbers increased due to improved quality and various initiatives. Additionally, the results reflected the growth in the international business, increased revenue in domestic operations outside of the Sushiro Business, and the dedicated efforts of our employees throughout the Group, who worked hard as one cohesive team.

Enhancing our domestic operations and accelerating our global expansion

The restaurant industry in Japan has matured, leading us to question the viability of our business. In light of this, we believe it is essential to return to the fundamentals and fulfill Sushiro's mission, "Tasty sushi for all. Tasty sushi for the heart." To achieve this, our head office and our stores have collaborated to enhance customer dining experience, and the results of these efforts have been positive. To attract first-time customers and encourage repeat visits, we have focused on providing excellent dining experience beyond just price and enhancing the overall customer experience. As a result, we have received positive feedback, with customers noting that we offer "great value for the price." We have also enhanced our brand communication. For example, the purchasing, logistics, sales, store, and advertising departments collaborated as a united team to create promotional campaigns, communicate the appeal of our restaurants, and focus on conveying the brand value rooted in the Company's commitment to fresh fish. Let me share information about the opening of new stores. The results for all 16 of our new restaurants stores exceeded our expectations.

In other domestic businesses, Sugidama Azabu-Juban opened in April 2025. We are successfully opening new Sugidama restaurants. We currently operate over 100 restaurants around the world. We are dedicated to providing reasonable prices and developing delicious and innovative menus. Consequently, our stores are highly esteemed not only by our customers but also

within the industry. In October 2024, we opened Flagship Misaki in Ningyocho, Tokyo to be a model store for the Misaki chain. This new store provides a high standard of service and operates successfully. We are closing unprofitable Kyotaru stores and carefully selecting new locations for the opening of additional stores. Although net sales from the Kyotaru chain remains roughly flat, profitability has been improving.

We are expanding our International Sushiro Business by opening additional stores. This year, the number of restaurants increased by 51 compared to the previous year, bringing the total to 234 restaurants.

Over the past year, the business has expanded in mainland China. We currently operate 63 stores there. The business also expanded steadily in other Asian countries. In Thailand, the number of stores grew to 38, and we now have a stronger presence in Southeast Asia. Sushiro Mandai Wildlife Reserve in Singapore has become the first store in the region to introduce Digi-ro.\* In February 2025, we opened our first store in Malaysia, establishing a new market presence. The restaurant is performing well. I believe that more people are eager for our stores to open in various cities.

In the United States, we opened our first Sakabayashi restaurant, modeled after the Sugidama restaurant, in Boston in April 2024. This location has tailored its menu, analyzed customers' motivations for visiting and their experiences, and enhanced its public relations strategies. As a result, it has become a successful restaurant that is well-supported by local customers. These are the best practices for enhancing customer dining experience in the countries we have already entered.

## One Company, our organizational code of conduct

Our organizational code of conduct, One Company, has facilitated our global expansion. We have been focused on three

initiatives to eliminate silo structures. First, we have enhanced collaboration between our international and domestic operations. Second, we have promoted the integrated management of the sales departments of our operating companies, stores and our head office departments. We are strengthening the collaboration between our operating companies' sales departments and our head office functions to enhance the customer experience. Third, we have enhanced communication and information sharing between the head office departments. One example of this is our current efforts to consolidate data that is scattered across the Company and process it into a format that contributes to appropriate decision making. Following our organizational code of conduct, One Company, we will continue to work to foster a corporate culture that promotes a sense of unity throughout the Group and enhances the customer experience around the world.

At Expo 2025 Osaka, Kansai, Japan, we opened the SUSHIRO To The Future: Expo Edition Store whose concept was From Kaiten Sushi to Sustainable Sushi: The Future of a Fish Restaurant in 2050. As marine resources are threatened, the importance of farmed fish is growing. In light of this, all of the fish served at the store were farmed, allowing visitors to enjoy "sushi that will continue into the future." Additionally, all of the menu items served at the store were pork- and lard-free. We also offered plant-based sushi to ensure that our diverse customers could enjoy sushi at the Expo site. We believe we have acquired knowledge that will be valuable in our sustainability management activities.

We remain committed to the ongoing medium- to long-term research efforts in our aquaculture business, including seed development, to ensure a stable supply of marine resources and meet the needs of society in the future. To address the current supply instability caused by rising ocean temperatures, etc., we will strengthen our alliances with aquaculture farmers to stabilize procurement. We will pursue the sustainability of marine resources through a combination of long-term research efforts and short-term practical actions.

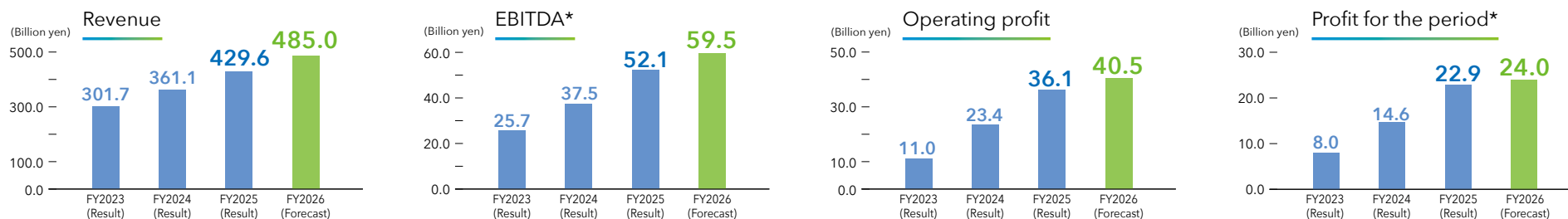
## Aiming to grow through investment in human capital

Since the previous fiscal year, the Group has been focusing on management centered around human capital, believing that human resources are the key source of growth. Consistent efforts such as improving rewards and enhancing training for employees at various levels, have positively influenced our corporate culture, which has led to an increase in the number of new graduate applicants and a decrease in employee turnover. We plan to actively install conveyors in the kitchens of Sushiro stores to improve operational efficiency. We will make significant investments to improve employee productivity and create a worker-friendly environment. Employees at each international company will apply their experience in business in Japan to support the growth of local staff members. They will also continue to enhance their business by providing services that fully satisfy the customers in each country and region.

In the fiscal year ending September 30, 2026, our goal is to achieve a net sales of 485.0 billion yen, an operating profit of 40.5 billion yen, and an operating profit margin of 8.4%. By the fiscal year ending September 30, 2035, we aim to surpass 1 trillion yen in net sales and achieve an operating profit margin of 10% or higher. Additionally, we expect our international business to contribute 55% of total sales. We continuously monitor business performance in each country and region using return on invested capital (ROIC). We are dedicated to expanding our stores and businesses and investing in the growth of the human resources to support this expansion. Additionally, we will invest in strengthening our foundation at the head office and in upstream areas such as purchasing and logistics while carefully considering shareholder return.

We believe that expanding our business will result in smiling customers around the world. Prioritizing customer satisfaction, we will continue to work together as a unified team to achieve sustainable growth.

\* Digi-ro is short for Digital Sushiro Vision, a large touch panel display placed on each table. The touch panel displays a revolving lane of sushi being delivered on plates. The concept behind Digi-ro is to create "another Sushiro world on a display screen." Customers can enjoy choosing sushi on a screen designed to resemble the conveyor belt experience of kaiten sushi restaurants.



\* EBITDA = Operating profit plus depreciation and amortization (excluding the depreciation of right-of-use assets). Impairment losses are adjusted \* Profit for the year = Profit attributable to owners of parent

# Japan Business



## Both revenue and profit increased in the Japan Sushiro Business. We work to strengthen our business across all of our brands.

### Japan Sushiro Business

In the fiscal year ended September 30, 2025, we concentrated on enhancing our brand image and operational capabilities. We also consistently implemented enticing sales promotions. Consequently, both revenue and profit increased. Net sales were 265.9 billion yen (up 11.6% year on year). Operating profit was 26.0 billion yen (up 21.4%).

### Misaki

We focused on enhancing our brand image and operational capabilities to enhance the dining experience. We also closed unprofitable stores, which enhanced profitability compared to the previous fiscal year.

### Kyotaru

We implemented initiatives specifically designed for various usage scenarios, including a bento box project for Respect for the Aged Day. Additionally, we focused on promoting sales outside our stores and closed unprofitable stores to enhance our overall profitability.

### Sugidama

In addition to our main menu, we created promotions based on unique product planning efforts, which received positive feedback from customers.



## Various campaigns to promote appealing products

On October 1, 2024, Sushiro celebrated its 41st anniversary. To celebrate the anniversary, we launched initiatives under the slogan "Mastering the Art of Sushi!" to provide delicious seafood, vinegared sushi rice, and seasonings. In March 2025, we introduced our spring menu, featuring traditional Thai sushi served with salted cherry blossoms and hand-rolled sushi using domestically sourced wasabi. In June, the month of our founding, we held a "Once-a-year Super Gratitude! 2025 Sushiro Day" event to express our appreciation. We also held the Once-a-year Exceptional Tuna Festival, during which we offered special tuna. These campaigns promoted items to which we added a little twist, exceptionally fresh items, and seafood at great value. They were received positively by customers.



## The third Jimomeshi (local specialty food) project supports the Noto region.

Sushiro has been implementing a series of Jimomeshi projects since June 2024. The goal of these projects is to revitalize areas by showcasing the appeal of local foods throughout the country. We implemented the third project at Sushiro stores nationwide in September 2025. We offered a squid white broth soy sauce ramen featuring Japanese common squid landed at Ogi Port in Noto-cho, Ishikawa Prefecture. We initiated this project to assist the area impacted by the Noto Peninsula Earthquake in 2024. We are committed to supporting local communities by promoting foods from different areas.



## Collaborations involving well-known characters

We are implementing collaborations with various characters and games. This is part of our effort to provide content that can be enjoyed alongside our sushi. In November 2024, we offered character goods featuring Puppet Sunsun, who is very popular on social media. The second character we collaborated with was Cinnamoroll, a popular Sanrio character. We subsequently collaborated with Monster Hunter, a hunting action game, and HAPIDANBUI, a Sanrio character unit. These collaborations helped us attract a large number of customers.



## 京樽

### Winning the Japan Food Selection grand prize

Take-out sushi store Kyotaru won the Excellence Award at the first Japan Local Frozen Food Awards 2024-2025 in February 2025 for its frozen grilled mackerel sushi, which also received the Grand Prize at the 88th Japan Food Selection. Feedback from the jury included, "It is an exquisite mix of fragrant, puffy grilled mackerel and the acidity of the vinegared sushi rice," and "The texture and flavor are maintained after thawing, making it hard to believe that it was frozen."

Since 2022, Kyotaru has focused on developing and producing frozen sushi. It aims to increase sales through various sales channels, including its official website, major online shopping sites, and supermarkets.



田楽寿司 みさき

### Social media campaign during the "Midsummer Sushi Festival"

Misaki offers a wide variety of sushi that customers can enjoy at any time, featuring over 90 items, including regular items and seasonal selections made with a special red sushi vinegared rice. In August 2025, Misaki held the "Midsummer Sushi Festival." During the festival, two groups of products were offered: the Hon-Maguro (Bluefin Tuna) group, which includes bluefin tuna, red shrimp, and eel, and the Nodoguro (Blackthroat Seaperch) group, which includes blackthroat seaperch, boiled conger eel and kelp-flavored sweet shrimp. We ran a special promotion where customers could participate in a prediction contest to guess which item would have the highest total number of plates sold on social media. The campaign was positively received by customers.



### Opening of Sugidama Azabu-Juban, the brand's 100th store

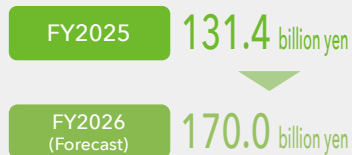
The Azabu-Juban store opened in April 2025, marking the 100th store in Japan and overseas, the eighth year after the establishment of Sugidama. Sugidama hosted a festival to give thanks for the opening of its 100th store. To expand its customer base, Sugidama is offering unique and entertaining products and launching new stores through both company-owned and franchise locations.

Sugidama opened its first store in Nishinomiya City, Hyogo Prefecture in 2017. It currently operates stores primarily in the Kansai and Kanto areas and is expanding into Kyushu, Shikoku, Chugoku and Tohoku. It also operates in Hong Kong and the United States.

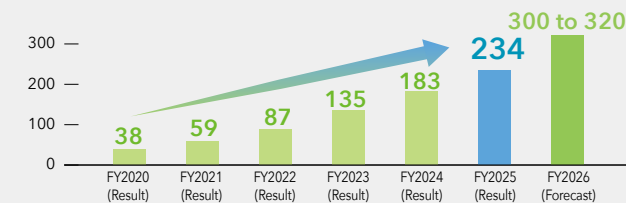
# International Business



## Revenue



## International Business Trends in the number of stores



## Expanding international operations in line with the medium-term management plan and accelerating efforts for continued growth

The Group operates stores in nine countries and regions. The FY24-FY26 Medium-term Management Plan prioritizes the expansion of international business and its sales ratio of 35%. Strong performance in mainland China in particular is contributing to the growth of our international business. In Thailand, we opened new stores in regional areas, thereby expanding our store network. In Indonesia, we opened our first store in the fiscal year ended September 30, 2024. By the end of the fiscal year ended September 30, 2025, we had opened eight stores. Our operations are steadily growing. We aim to quickly accelerate the opening of stores in our international business. At the same time, we will focus on developing human resources and establishing a strong system that supports sustainable growth.

### Malaysia

Our first store in Malaysia is also our milestone 200th store in our international business.

In February 2025, we opened SUSHIRO Suria KLCC, our first store in Malaysia. The store is in Suria KLCC, a large commercial complex directly connected to the world-famous Petronas Twin Towers in Kuala Lumpur, the capital of Malaysia. It is a sophisticated space that enhances a wide range of people's awareness of Sushiro, both in and outside Malaysia. The store is the 200th shop of the international business, which now operates stores in nine countries and regions.



SUSHIRO Suria KLCC

### Singapore

Opening of a new store in a world-renowned tourist destination

In June 2025, we opened SUSHIRO Mandai Wildlife Reserve, our 16th store in Singapore. The Mandai Wildlife Reserve is a globally acclaimed attraction that draws tourists and local families. The store is the first in Southeast Asia to implement Digiro. We will continue to aim to further increase awareness of the Sushiro brand in Singapore.



SUSHIRO Mandai Wildlife Reserve

### China

Opening the first two Sushiro stores in Shanghai

In December 2025, we opened our first stores in Shanghai, China on the same date: SUSHIRO Shanghai Global Harbor and SUSHIRO Zhongshan Park Cloud Nine. Both stores received many customers and started very well. We are currently operating 71 stores\* in mainland China, including these two. We aim to offer our customers in Shanghai the deliciousness, enjoyment, and great value that we have established in Japan.

\* As of December 6, 2025



SUSHIRO Zhongshan Park Cloud Nine



SUSHIRO Shanghai Global Harbor

## Special Feature

EXPO 2025 Osaka, Kansai, Japan SUSHIRO To The Future: Expo Edition

### SUSHIRO To The Future: Expo Edition showcased the new challenges Sushiro is embracing and promoted the brand on the world stage.

Head of the EXPO Preparation Office Mie Yamazoe



#### The challenge of offering a menu that features only farmed fish

In 2025, the Company opened SUSHIRO To The Future: Expo Edition ("Expo Edition") at the Osaka-Kansai Expo. The store provided delicious sushi and a fun learning experience for visitors from both Japan and abroad. I believe this project gave us a chance to convey the Company's vision, "Discovering new tastiness, sharing moments of joy," to the future.

The goal of opening this store was an initiative to promote the appeal of Japanese sushi at the Osaka-Kansai Expo, a global event, and to propose a vision for the future of food. Based on our experience at Expo 2020 Dubai, we started planning this project about four years ago and thoroughly prepared for it.

The store concept was "From Kaiten Sushi to Sustainable Sushi: The Future of a Fish Restaurant in 2050." Our biggest challenge in implementing this concept was ensuring that we served only farmed fish for all menu items using fish. Our store's menu primarily features wild fish, and we had to rethink it entirely. To maintain the fun of choosing, the procurement and product development teams secured farmed fish and repeatedly experimented to develop products, resulting in a diverse menu unique to Sushiro. Using farmed fish supports sustainable marine resources, enabling us to continue to provide sushi into the future. We created two original games for the Expo to provide an enjoyable learning experience about the relevant technologies and initiatives.



#### Developing a menu that accommodates diverse food cultures

To accommodate customers from around the world, all menu items served at Expo Edition were pork-free and animal-free. Plant-based options were also available. Even though we were unable to use pork, we offered popular Osaka dishes, including chicken and prawn skewer cutlets, as well as udon noodles topped with deep-fried beef intestines. We are exploring the possibility of offering these dishes in our future international operations.



In addition, we also focused on the store design at the Expo Store. The store located near the "Forest of Silence" in the center of the venue. To take advantage of the location, the front of the store was covered with mirrors that reflected the forest. The wall facing the seating area was glass, allowing customers to see the forest. The store was designed to evoke the image of a future where you can eat delicious sushi even in the forest, using advanced technologies. The store seamlessly blended into the forest, and a large screen on its exterior wall projected the image of a waterfall, which was fitting for Sushiro, a seafood restaurant.

#### Developing human resources to realize sushi that will last into the future

This project was primarily run by young employees who had been with the company for 2-3 years. We selected them through internal recruitment with the hope that individuals who will shape the future of the Company would embrace the challenge in a special environment, the Osaka-Kansai Expo. They embraced the challenge of running Expo Edition with innovative and free thinking, and the store received positive feedback from many customers from both Japan and abroad. Approximately 290,000 people visited the store.

Expo Edition gave us a chance to consider the future of ingredients and human resources. Regarding the future of food ingredients, we will continue to protect and use precious marine resources sustainably while focusing on aquaculture efforts. Regarding the future of our human resources, I am confident that the initiative and ingenuity of our young employees working to please customers will be valuable in stores both in and outside Japan. The dining experience of combining delicious sushi and hospitality will definitely create new possibilities for Sushiro.

We embraced challenges during the Expo Edition project, but it was merely a stepping stone. We will pursue sustainable sourcing and invest in human resources. We will continue to embrace challenges and realize sushi that will last into the future.

<https://www.akindo-sushiro.co.jp/expo2025/>

#### Awards received for sustainable initiatives.

Expo Edition received the Sustainable Initiatives Award in the Procurement Category of the awards presented by the Japan Association for the 2025 World Exposition. It also received the Display Industry Encouragement Award and the NDF Special Award Silver Prize at the Display Industry Awards sponsored by the Japan Display Federation (NDF). We received acclaim for the design of our store's appearance, which was in harmony with the "Forest of Silence" in the center of the venue.



#### A sustainable menu featuring fish farmed using advanced technology

We used only farmed fish at Expo Edition. We have developed the Fish of Tomorrow series, featuring seafood products using cutting-edge technology such as land-based aquaculture. We provided items that provide experience marine resources that will last into the future, including the Land Farmed Sea Urchin in Nori, which featured delicious sea urchins. These sea urchins are farmed on land to control their population and prevent seaweed overgrazing. We also offered mackerel and prawns farmed on land.



#### Special fun learning games that visitors enjoyed while enjoying delicious sushi

We provided fun learning games to help visitors understand the challenges related to marine resources and our sustainability efforts.

We created two games exclusively for Expo Edition: UNI CATCH GAME, a game in which everyone could participate and compete to achieve a ranking, and SUSHI QUEST, a role-playing game that individuals could play.



[https://www.akindo-sushiro.co.jp/expo2025\\_gameqr/en/](https://www.akindo-sushiro.co.jp/expo2025_gameqr/en/)