

FOOD & LIFE COMPANIES

SUSTAINABILITY REPORT

2025



FOOD & LIFE
COMPANIES



Corporate Philosophy



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This Report covers the approaches and initiatives for sustainability undertaken by FOOD & LIFE COMPANIES LTD. for the realization of a sustainable society. The purpose of this report is to share information and foster communication with as many stakeholders as possible.

Reporting boundary

This report covers FOOD & LIFE COMPANIES LTD. and its consolidated subsidiaries. Some information covers a specific scope; in such cases, that scope is defined.

Reporting Period

October 1, 2024 – September 30, 2025 (FY2025)

This report primarily covers the above period; however, it also includes information on more recent activities to provide the latest updates.

*Our Group's fiscal year runs from October 1 to September 30.

About forward-looking statements

Forward-looking statements in this report are based on information at the time of writing, and these statements may be updated depending on changes in the business environment and other factors.

Inquiries regarding this Report
Sustainability Promotion Committee, FOOD & LIFE COMPANIES LTD.
<https://food-and-life.co.jp/en/>

Company information

Company Profile (as of September 30, 2025)

Company name	FOOD & LIFE COMPANIES LTD. (F&LC)
Address	1-22-2 Esaka-cho, Suita-shi, Osaka, Japan
Established	March 2015
Capital	100 million yen
Representative	President & CEO Masahiro Yamamoto
Business description	All aspects of the food service business and other peripheral businesses
End of fiscal year	September 30
Net sales (consolidated)	JPY 429.6 Billion
Employees (consolidated)	[Full-time employees] 11,720 [Part-time employees] 23,789 * Number of part-time employees is the annual average number of employees calculated based on an 8-hour work day.

Group Companies	Akindo Sushiro Co., Ltd. FOOD & LIFE INNOVATIONS LTD. KYOTARU CO., LTD. F&LC Support Co., Ltd. Sushiro Korea, Inc. Sushiro Taiwan Co., Ltd. Sushiro GH Singapore Pte. Ltd. FOOD & LIFE COMPANIES HONG KONG LIMITED Sushiro GH (Thailand) Ltd. SUSHIRO(CHINA) INVESTMENT CO.,LTD. Guangzhou Sushiro Restaurants Co., Ltd. Shenzhen Sushiro Restaurants Co., Ltd. Chengdu Sushiro Restaurants Co., Ltd. Beijing Sushiro Restaurants Co., Ltd. PT. Indonesia Sushiro Restaurants FOOD & LIFE COMPANIES USA, Corp. FOOD & LIFE COMPANIES USA, LLC Sushiro Malaysia Sdn. Bhd.
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Message from the President & CEO

Promoting brands cultivated in Japan around the world, and accelerating growth as an international food service company

Masahiro Yamamoto

President & CEO

Working together as One Company to share deliciousness and joy around the world

In 2024, I assumed the role of President & CEO and we adopted our slogan, "One Company." This slogan is a guideline for our behavior as an organization, promoting unity within the Group and enhancing the customer experience. It also reflects the corporate culture we are developing for the future. To create One Company, we have been implementing three types of initiatives in FY2025, including the elimination of organizational silos (vertical divisions). 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 working together to provide our customers with greater experience value. Third, we have enhanced communication and information sharing between the head office departments. Our initiatives are wide-ranging. The goal of one initiative is to create a system that integrates data scattered across the company to support accurate decision-making.

I have consciously communicated with operating companies and department heads, which has improved communication between members of management. Since I joined the Group, I have valued the perspective of restaurant staff. I visit restaurants across the country every month and I talk with restaurant and area managers. There are often gaps between head office and front-line staff, and we consistently communicate to the front-line staff that the head office is collaborating with them. As a result, everyone in the company is now focused on delivering experiences that result in completely satisfied customers. I realize that awareness of this

approach is growing.

I have visited restaurants in nine countries and regions. I appreciate the communication with both our Japanese staff and local staff overseas. In some regions, kaiten sushi is still a novel dining experience, but I have observed that local staff are energetic and lively, and they provide excellent customer service.

Aiming to enhance competitiveness and address social issues by procuring marine resources in a sustainable manner

In FY2025, results were strong, both domestically and internationally. Profit for the year was approximately 8.0 billion yen over our forecast at the end of FY2024. Akindo Sushiro in Japan performed well due to attractive products and campaigns. Additionally, the International Sushiro Business grew, primarily in China. These businesses significantly contributed to our strong results.

As the domestic restaurant market matures, Sushiro strives to fulfill its mission, "Sushi that fills you up. Sushi that

fills your heart." The openings of all 16 new restaurants were successful thanks to the collaboration of relevant departments. Our marketing strategy emphasizes not only competitive prices but also our brand value. As a result, we have seen an increase in both new and repeat customers. For example, the departments involved in purchasing, logistics, sales, restaurants, and advertising collaborated to effectively convey the essential elements of our brand value, including our commitment to freshness, through our restaurants and television. We have over 100 Sugidama restaurants around the world. In September 2024, we successfully opened our flagship Kaiten-sushi Misaki restaurant, called Flagship Misaki, in Ningyocho, Tokyo. Kyotaru's profitability has been steadily improving as we close unprofitable stores and meticulously choose the locations where we will open new stores.

We have been expanding our International Sushiro Business in line with our medium-term management plan by opening stores tailored to the business environment in each country and region. Consequently, as of the end of September 2025, we have 234 restaurants in the international business, an increase of 52 restaurants from the previous year. In Mainland China, we now



have 63 restaurants. Sushiro's growth rate in specific regions has reached 200%. The performance of our business in Southeast Asia has been strong. In Thailand, the number of restaurants has grown to 38, making it a key market that is driving growth. The Mandai Wildlife Reserve restaurant in Singapore is the first in Southeast Asia to implement Digi-ro* digital screens, and this has attracted attention. The first Sushiro restaurant in Malaysia opened in February 2025. It has been performing well. I have noticed that an increasing number of people are looking forward to new stores opening in various cities.

Sakabayashi, a Sugidama restaurant in Boston, USA, has enhanced its flavors and public relations strategies, resulting in increased popularity among local customers. This was a successful example of creating an "ideal customer dining experience" for customers, leading to further expansion overseas.

We are examining the sustainability of marine and agricultural products as the management capital of our business. We opened a Sushiro restaurant called SUSHIRO To The Future: Expo Edition at Expo 2025 Osaka, Kansai, Japan. The concept for this restaurant was "Sustainable Sushi Sourcing: To the Future of a Sushi Restaurant in 2050." As there is the potential for marine resources to become depleted, we wanted to show people that they will still be able to enjoy delicious sushi in the future. Given the growing significance of marine resources that are not reliant on the wild, we offered the Fish of Tomorrow series of dishes featuring only farmed fish. This series received positive feedback from customers, who felt like they were experiencing sushi from the future.

We have been working to adapt to the changes in the natural environment and make sustainable fishing possible. We invest in and form business alliances with companies that employ fish farming technologies to build a foundation for stable procurement. In the aquaculture business, Marineverse, a joint venture with a farming company that raises fry into adult fish, has been advancing aquaculture technology to ensure a stable supply of high-quality seafood. We plan to continue collaborating with bio-venture companies in the research and development in the area of fry and in other areas to address future social needs.

To address the urgent issue of 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.



Leveraging the strengths of humans as a growth driver, and fostering an environment where diverse human resources can thrive

We believe that individuals are the driving force behind the growth of a company, and we focus on human capital management. We emphasize the importance of ensuring that diverse human resources are actively engaged in our business. Individuals from diverse backgrounds are actively playing roles in our company. We believe new value is created when individual employees are able to leverage their strengths and they feel that they are participating in the organization while being their authentic selves. This approach allows us to deliver strong business results and contribute positively to society. We are committed to developing workplaces where everyone can work with enthusiasm. Approximately 60% of our domestic employees (including part-time workers) are women. This is a relatively high percentage. We embrace diverse working styles and take on challenges to create systems that empower more women to assume active roles.

We are working to enhance rewards and expand our human resources development programs, which include a level-specific training program, an internal recruitment system, and a career declaration system. These initiatives have enhanced our corporate culture, which has resulted in more new graduates applying for jobs and a reduction in employee turnover. We are committed to developing a supportive working environment for our restaurant employees. At Sushiro restaurants, we are actively implementing the Auto Waiter®, which enables us to deliver customer orders via a touch panel directly at customers' tables. We are also installing automatic conveyors in the kitchens. These initiatives reduce

delivery time and employee workload.

To expand our international business, we apply things that we have learned from our experience in Japan operating overseas restaurants and support the growth of each local staff member. We are dedicated to providing "tasty sushi for the heart" to customers around the world as we continue to grow our business.

Leveraging the strengths of our Japanese business to expand our international business and maximize our corporate value

We aim to enhance our earning power to increase corporate value. Our targets for FY2026 are net sales of 485 billion yen, EBITDA of 59.5 billion yen, and an operating profit margin of 8.4%. We aim to achieve net sales of 1 trillion yen or more and an operating profit margin of 10% or higher in FY2035.

In the international business, we are committed to developing the brands we have cultivated in Japan and sharing them with customers around the world. We aim to achieve net sales in our international business that are 35% of our total net sales and operate 300 to 320 restaurants overseas by the end of the current fiscal year, the final year of our medium-term management plan. In Japan, we will continue to remodel restaurants and optimize our restaurant portfolio to achieve further growth.

Regarding capital allocation, we will continue to expand our restaurants and businesses. We will invest in the development of our human resources and our core headquarters functions that support growth. Additionally, we will invest in upstream processes, such as purchasing and logistics, while considering shareholder return.

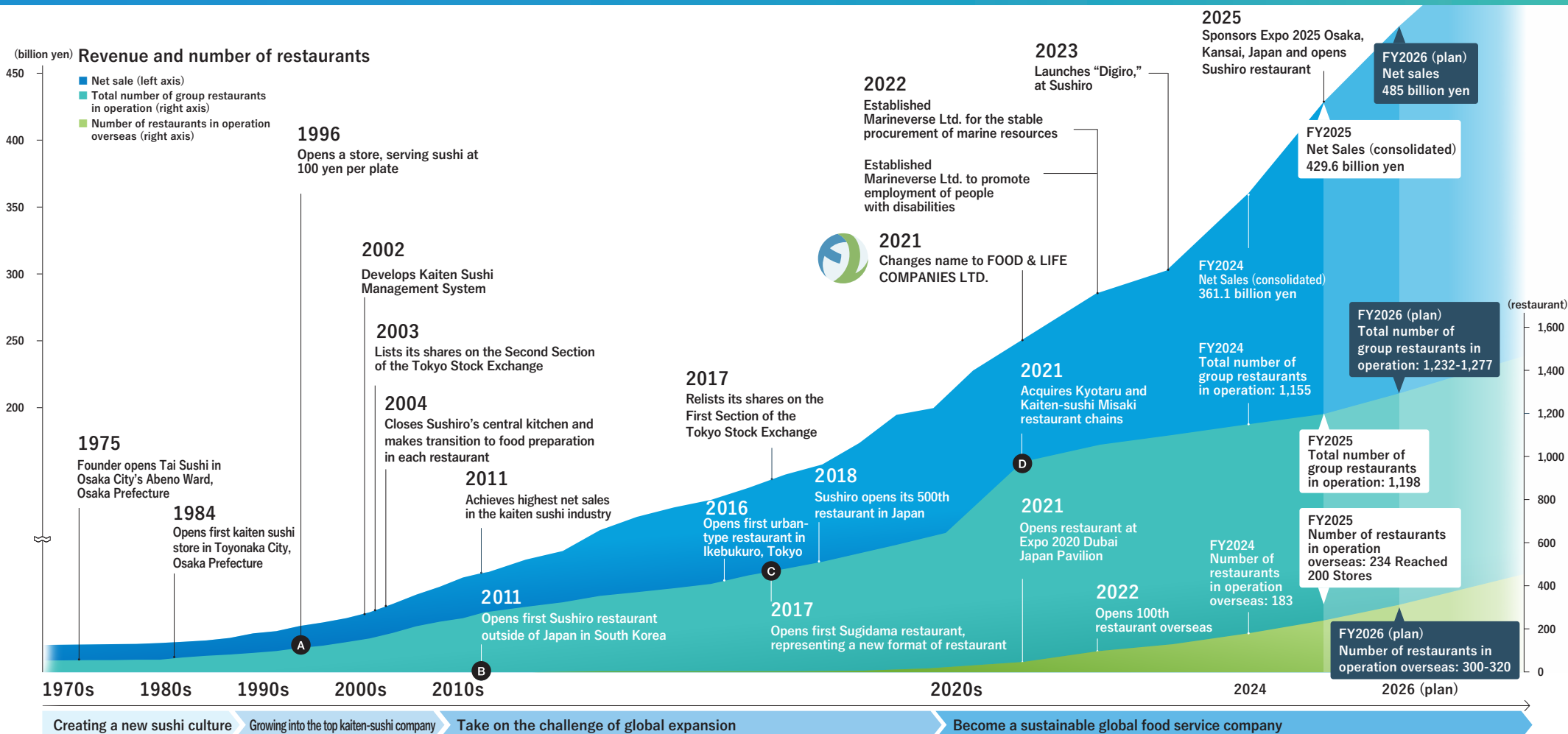
We have changed our governance system to establish a management structure that emphasizes monitoring business performance, starting with the FY2021 General Meeting of Shareholders. The Board of Directors serves as the central leadership team. It is primarily composed of the President & CEO and outside directors who have significant expertise and management experience. In the previous fiscal year, the Board of Directors engaged in dynamic discussions primarily on the direction of management and financial strategies. Board members including outside directors discussed the rationale and importance of financial indicator targets while setting them, including the targets of an equity ratio of 25% and EPS of 180 yen. The Board of Directors carefully analyzed ROIC by business and by country or region at monthly meetings to continually evaluate capital efficiency. Going forward, the Board will primarily discuss medium- to long-term strategic issues and aim for corporate growth while receiving advice as appropriate.

* 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."

Value Creation

F&LC History and Foundation for Value Creation

F&LC, which traces its roots as a sushi restaurant in Osaka, currently operates “Sushiro,” accelerating the opening of new restaurants mainly in Japan and other Asian countries, the artisanal restaurants “Kyotaru” and “Kaiten-sushi Misaki,” and the izakaya-style restaurants “Sugidama.” While promoting sustainability initiatives, we continue to take on the challenge of enriching the lives of customers around the world through food.



TOPICS

A 1996

Establishes a business model of kaiten-sushi, serving sushi at 100 yen per plate

Sushiro opened its first model of 100 yen per plate and accelerated store openings with the great taste and affordable prices.



B 2011

Opened first overseas store in South Korea as a foothold for global business expansion

Sushiro opened its first overseas restaurant and realized in-store cooking and a unique system locally as well.



C 2017

Opens first Sugidama restaurant, an affordable sushi izakaya offering new values

Sushiro developed a business model where sushi and sake can be enjoyed together. It is the only brand managing franchise chains.



D 2021

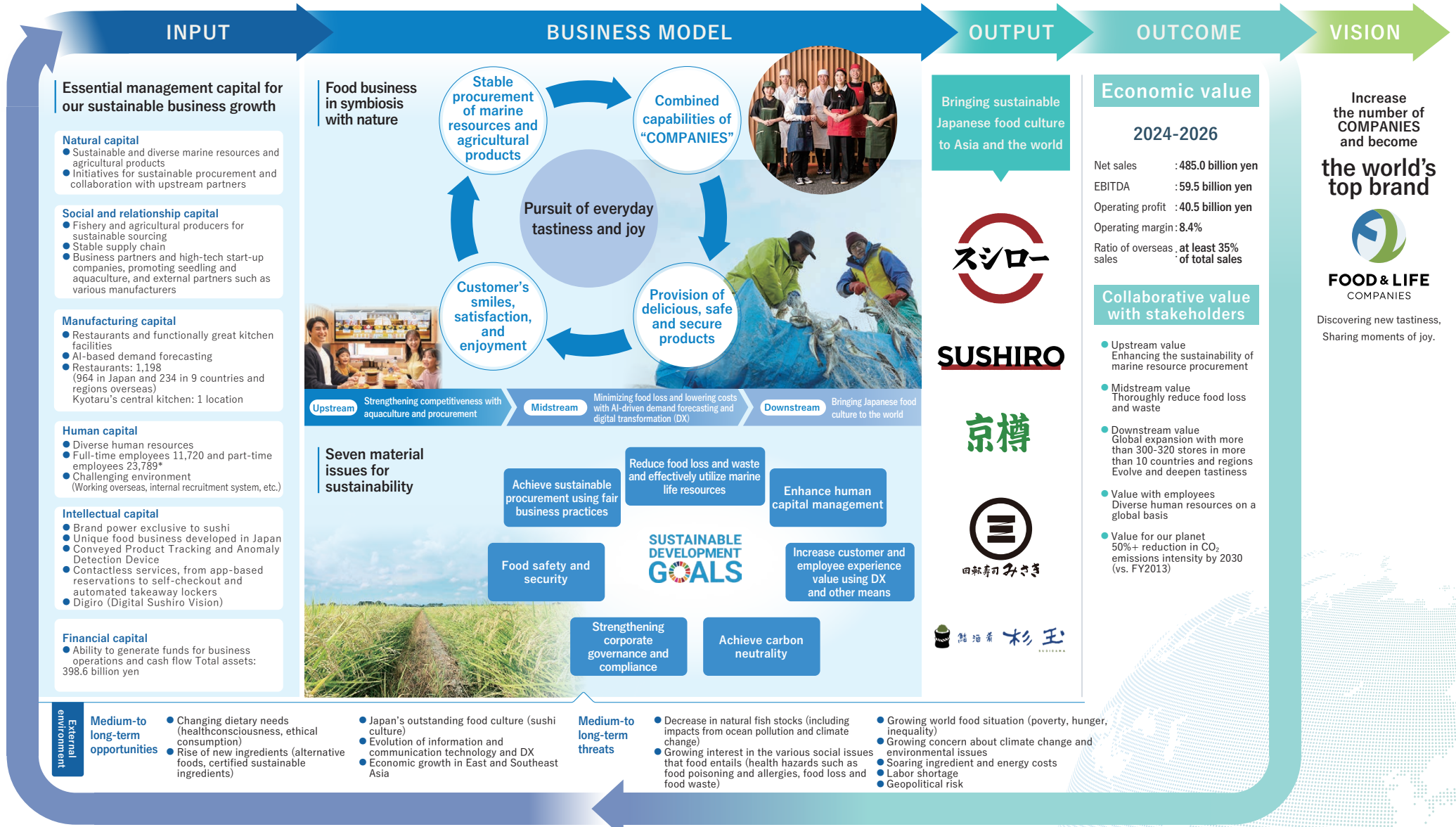
“Kyotaru,” with 90 years of history and craftsmanship, joins F&LC

“Kyotaru,” a take-out sushi store, and “Kaiten-sushi Misaki,” where chefs add extra efforts, joined F&LC, expanding its business.



Value Creation Process

In order to achieve our Vision of “Discovering new tastiness, sharing moments of joy,” we are working to enhance our corporate value together with our stakeholders by utilizing various forms of capital. Going forward, we will create new value through our business activities, while adapting to the constantly changing external operating environment.



*The number of part-time employees represents the annual average number converted to eight hours per day

FY2024-2026 Medium-term Management Plan

We have formulated a medium-term management plan and are working on three priority issues. We will accelerate transformation through the dual drivers of domestic business strengthening and overseas expansion, and enhance our business foundation through sustainability management.

Overview and progress of the FY2024-2026 Medium-term Management Plan

The F&LC Group embraces its vision, “Discovering new tastiness, Sharing moments of joy.” As announced in our FY2025 full-year financial results, we have set key management targets for FY2035, including revenue exceeding 1 trillion yen, an operating margin of 10% or more, and an overseas revenue ratio of 55%. Under the FY2024-2026 Medium-term Management Plan, we are accelerating overseas expansion while rebuilding our business platform to adapt to changes in the external environment. Aiming to achieve sustainable growth, we are focusing on three priority issues: the continued expansion of overseas business, the remodeling of domestic operations and optimization of our store portfolio, and the development of our foundation for sustainable business operations.

Overseas, we opened the first Sushiro restaurant in Malaysia and continued to steadily expand in the countries and regions in which we operate. As a result, overseas revenue reached 131.4 billion yen (up 42.6% year on year), with the overseas revenue ratio exceeding 30%. Domestically, both revenue and profit grew in the Sushiro business, with revenue rising to 265.9 billion yen (up 11.6% year on year). As part of our efforts to develop a foundation for sustainable business operations, we began selling artificial seeds of yellowtail fry through our joint venture, Marineverse Ltd. We have also partially introduced procurement planning and demand forecasting systems in selected overseas countries and regions and initiated initiatives to reduce food loss following similar actions in our domestic Sushiro operations. We have also implemented environmental initiatives, such as the use of green energy and solar panels, and investments in human capital, such as talent development. As a result of these initiatives, the Group achieved the growth of both revenue and profit in FY2025, with revenue reaching 429.6 billion yen (up 19.0% year on year) and operating profit totaling 36.1 billion yen (up 54.4% year on year).

Under the new management structure in FY2025-2026, we reviewed our Medium-term Management Plan in light of the changes in the external environment. While continuing to address the same three priority issues, we will concentrate resources on the Sushiro business in overseas markets. In the domestic market, we will further transform the Sushiro business model and roll out initiatives tailored to the characteristics of each brand, including Kyotaru, Kaiten-sushi Misaki, and Sugidama. For FY2026, we have revised our management targets upward. We are now aiming to achieve revenue of 485.0 billion yen (a CAGR of 17.1% from FY2023), operating profit of 40.5 billion yen (a CAGR of 54.4% from FY2023), and an operating margin of 8.4% on a group-wide basis. (See table below)

Management indicators

(Unit: billion yen)	FY2022	FY2023	FY2024	FY2025	FY2026	
	Results	Results	Results	Results	Targets	CAGR FY2024-2026
Revenue	281.3	301.7	361.1	429.6	485.0	15.9%
EBITDA	25.2 (8.9%)	25.7 (8.5%)	37.5 (10.4%)	52.1 (12.1%)	59.5 (12.3%)	26.0%
Operating Profit	10.1 (3.6%)	11.0 (3.6%)	23.4 (6.5%)	36.1 (8.4%)	40.5 (8.4%)	31.6%
Profit Attributable to Owners of the Parent	3.6 (1.3%)	7.9 (2.6%)	14.6 (4.1%)	22.9 (5.3%)	24.0 (4.9%)	28.1%
ROE	5.7%	11.8%	20.1%	26.9%	22.7%	—
EPS	31.16 Yen	68.28 Yen	127.46 Yen	202.71 Yen	211.91 Yen	—

FY2025-2026 Priority issues

Continuing from FY2024-2025, we will work on the following three priority issues.

Priority issue 1 Continue to expand overseas business, to 35% of revenue – Risk diversification and rebalancing of store opening strategy

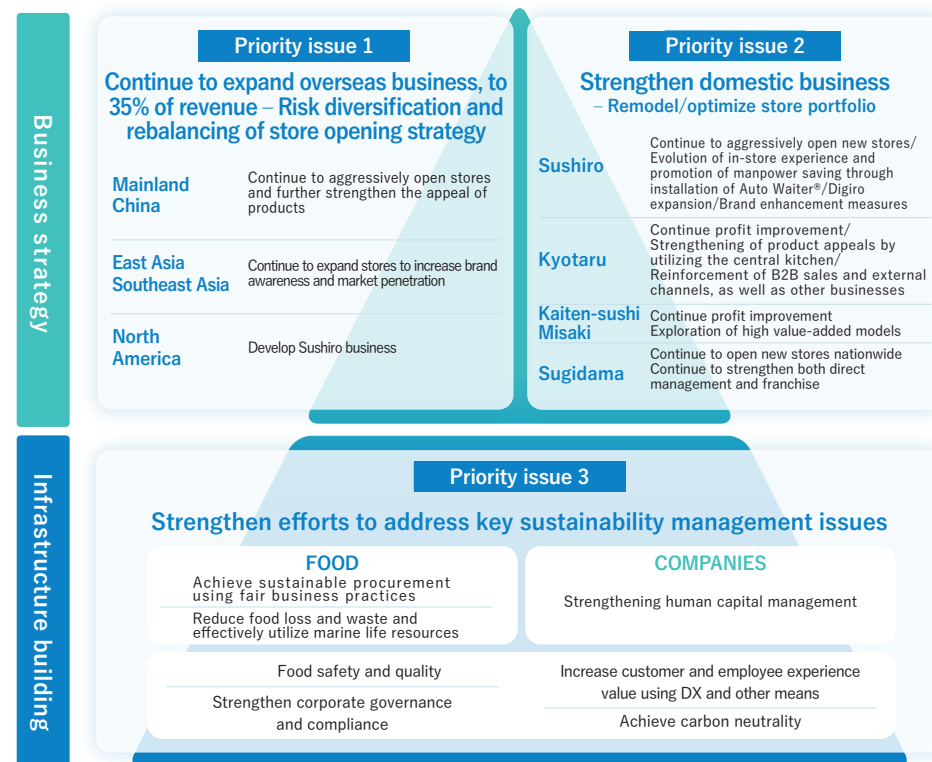
In our overseas business, we will concentrate on the Sushiro brand and further expand our footprint in Mainland China. In addition, we will continue to enter and expand markets in North America and Southeast Asia.

Priority issue 2 Strengthen domestic business – Remodel/optimize store portfolio

We will continue to open new restaurants in urban areas and to implement Digiro. Together with Kyotaru, Kaiten-sushi Misaki, and Sugidama, we will also seek to capture and grow the sushi market in Japan.

Priority issue 3 Strengthen efforts to address key sustainability management issues

In order to build a foundation for sustainable business operations, we will advance initiatives addressing the seven priority issues (materiality).



Details on Sustainability Management Initiatives can be found on pages 10-23.

Domestic business

As part of “remodel/optimization of store portfolio,” we will evolve the business model of Sushiro. Furthermore, we will work to strengthen product appeal and establish brand features for each brand, and continue multi-brand development.



Digiro, a new type of digital vision combined with a revolving lane

Sushiro

To further enhance the value of the customer experience, we will improve the quality of our products and make capital investments in existing stores. After FY2025, we will continue to pursue our initiatives under the theme, “True to Our Sushi,” embodying our pride, passion, and unwavering commitment as a sushi restaurant. We plan to open stores mainly in urban areas, and the number of stores with Digiro, which was implemented in FY2024, expanded to 123 in FY2025, as Digiro has proven effective in increasing customer counts and average spend per customer. In addition, we are moving forward with the use of Auto Waiter® in kitchens that increases kitchen work efficiency and reduces the workload of staff, as we strive to improve customer service. In addition, we will open stores with a format that is smaller than the suburban-style stores and evaluate opportunities for future expansion. Through these efforts, we aim to achieve 285.0 billion yen in revenue and 28.1 billion yen in operating profit in FY2026.



Sushiro Nakano-sakaue, a smaller-format store

Kyotaru and Kaiten-sushi Misaki

We will continue to improve profitability and implement measures to enhance our brand power. As we continue efforts to strengthen product offerings, Kyotaru’s take-out Grilled Mackerel Sushi received the excellence award at the first All-Japan Local Frozen Food Awards 2024–2025 in February and the grand prize at the 88th Japan Food Selection in June 2025. Building on the popularity of these products, we will continue to expand distribution channels for frozen sushi.



Kyotaru Frozen Grilled Mackerel Sushi, a popular item in both stores and online sales channels

At Kaiten-sushi Misaki, we focused on enhancing brand strength and operations to improve the customer experience. We also streamlined unprofitable stores, further stabilizing profitability across the brand. Flagship Misaki (Ningyocho, Tokyo) is a model store that demonstrates the high standard of service that the brand aims for on a daily basis. The store is also used as a training ground for employees and staff of other stores to further evolve the brand. Through these efforts, we aim to achieve revenue of 21.0 billion yen and operating profit of 1.0 billion yen in FY2026.

Sugidama

We will continue to aggressively open new stores, both directly managed and franchise, aiming for a total of 107-117 stores by FY2026. In terms of products, we will leverage the procurement synergies of F&LC to create an attractive lineup of products unique to sushi taverns, thereby enhancing the value of the customer experience and continuing to promote store visits. Through these efforts, we aim to achieve revenue of 9.0 billion yen and operating profit of 600 million yen in FY2026.



Sugidama Azabu-juan, the brand’s milestone 100th store, opened in April 2025

Overseas business

Through the activities in the priority issues, we aim to achieve 170.0 billion yen in revenue, 24.2 billion yen in operating profit, and 300-320 stores in FY2026, with overseas revenue ratio of 35%.

Mainland China

In FY2025, we continued to open stores in Hong Kong and Taiwan, achieving strong performance. In Mainland China, many locations recorded their highest-ever daily sales, which drove the significant growth across all sites. In FY2026, we will continue to grow sustainably through the continued aggressive opening of stores and the enhancement of the appeal of products, and at the same time we will also expand our footprint to Shanghai to further strengthen our store network.



Sushiro Zhongshan Park Longemont, opened in Shanghai in December 2025

East and Southeast Asia

In FY2025, we entered Malaysia, a new market, and achieved strong performance. In Thailand, we expanded into northern regions such as Chiang Mai, expanding our store network in regional areas. In Singapore, we opened Southeast Asia’s first Digiro store at the Mandai Wildlife Reserve, transitioning from a growth phase to a phase of stable expansion. In Indonesia, we opened four stores in FY2025, bringing the total to eight, and our performance has grown steadily. In FY2026, we will continue to expand to enhance brand awareness and market penetration.



Sushiro Suria KLCC, the first Sushiro store in Malaysia

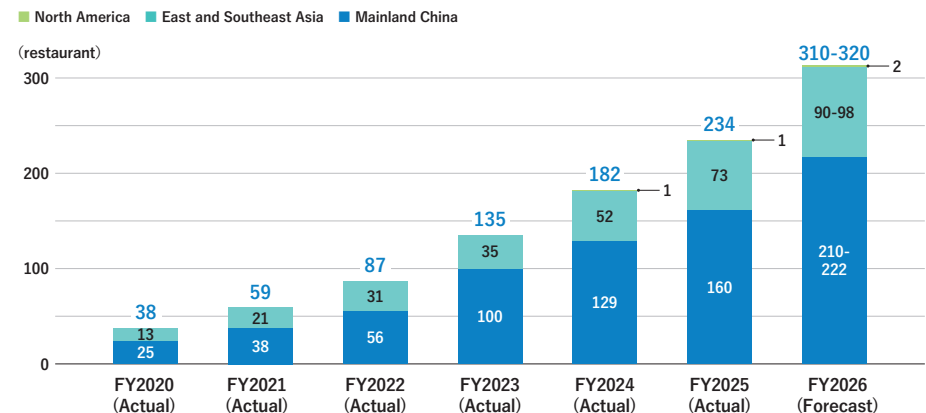
North America

In FY2025, the performance of Sakabayashi, a sushi tavern in Boston, was strong due to the enhancement of product and service offerings, as well as increased media exposure and participation in major events. In FY2026, we will further increase the brand value of Sakabayashi, and we plan to open the first Sushiro store in the region.



Sakabayashi Sushi Tavern, Boston, U.S.A.

Store Count



Sustainability Management Structure and Materiality

With the aim of realizing a sustainable society, we advance initiatives based on our fundamental approach to sustainability management.

We have established a framework to drive continuous improvement through regular monitoring by senior management.

The seven material issues were identified through repeated discussions within the Sustainability Promotion Committee, with the active involvement of senior management.

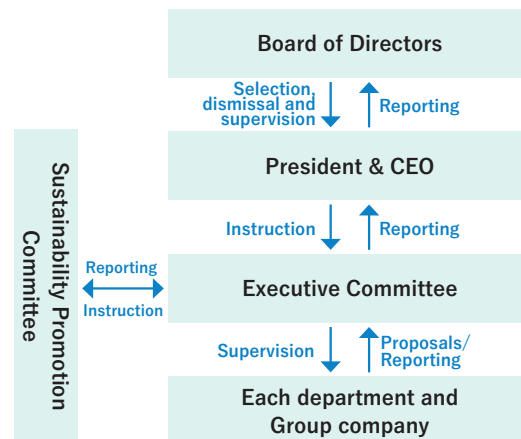
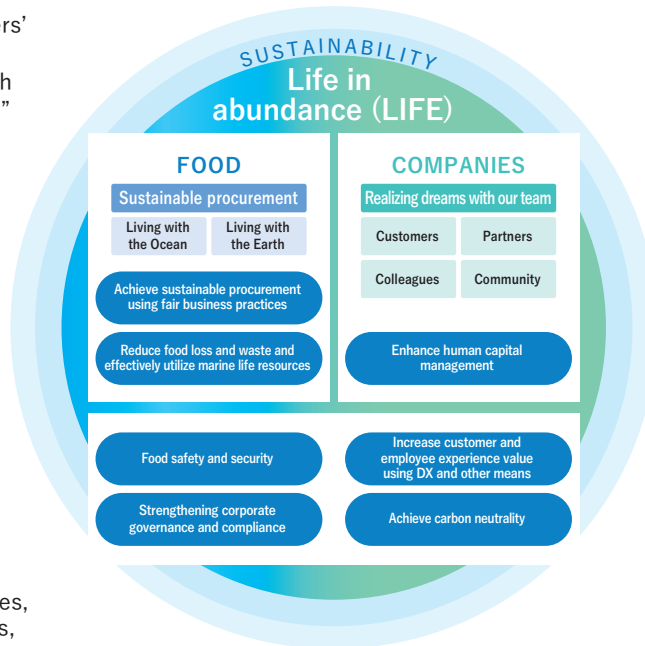
Basic approach

We want to enrich our customers' lives and lifestyles (LIFE) by providing delicious "FOOD" with many "PEOPLE (COMPANIES)." To achieve this, we will solve social issues and realize corporate growth.

Promotion system

The Board of Directors recognizes that sustainability initiatives, including climate change issues, are one of the most important management issues and supervises them. Specifically, when formulating management strategies and plans, the Board of Directors deliberates on sustainability related to risks and opportunities, including climate change issues, and receives reports from each group company and implements supervision.

In addition, to clearly position sustainability as a group-wide management issue and promote sustainability initiatives, we have established a Sustainability Promotion Committee chaired by CEO. The Sustainability Promotion Committee reports states related to sustainability, including climate change, to the Executive Committee and receives instructions and advice. In addition, CEO reports to the Board of Directors as necessary and appropriately.

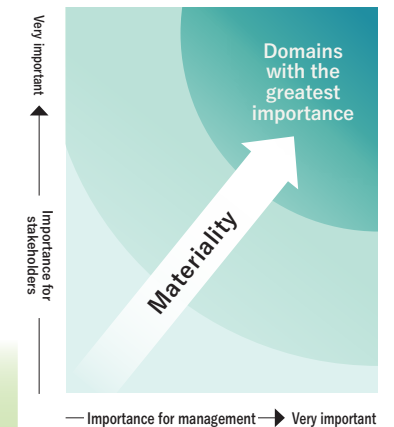


Materiality Identification Process

- Analysis of current situation and identification of materiality candidates**
 We analyzed the impact of the Group's business activities on global social issues throughout the supply chain, including perspectives of ESG and ISO 26000, added new social issues to be addressed, tied them to the 169 targets of the SDGs, and identified candidate materialities.
- Materiality importance assessment and exchange of opinions with external experts**
 The Sustainability Promotion Committee evaluated the impact and importance of the materiality candidates from both management and stakeholder perspectives, and mapped them on a materiality map. To strengthen objectivity and validity, we exchanged opinions on materiality with an external expert, Mr. Hidemitsu Sasaya, a professor of Chiba University of Commerce and an ESG/SDGs consultant.
- Narrowing down the list to seven materialities and appointing a director in charge**
 After repeated discussions with management on the appropriateness of the materiality map, we narrowed it down to seven materialities. We clarified the social issues to be addressed for each materiality, appointed a director in charge, and formulated a roadmap of specific measures using the SDG 169 targets tied to the materiality as a guide.
- Approval by the Executive Committee and Board of Directors**
 The seven materialities organized in the ESG/SDGs Matrix were identified through the Sustainability Promotion Committee, and finally through discussions at the Executive Committee and approved by the Board of Directors. The materiality initiatives are being promoted under the leadership of the appointed executive directors in charge.

Important materiality map

The seven most important materialities were identified by mapping the level of importance from the medium to long term perspective of management on the horizontal axis and from the stakeholders' perspective on the vertical axis. The importance of the seven materialities is considered as equal.



Identification of seven material issues
Achieve sustainable procurement using fair business practices
Minimize food loss and waste and effectively utilize marine resources
Enhance human capital management
Increase customer and employee experience value using DX and other means
Food safety and security
Achieve carbon neutrality
Strengthening corporate governance and compliance

Sustainability Management ESG/SDGs Matrix and Materiality

To promote sustainability management, we align ESG, ISO 26000, the seven material issues, broader social challenges, and the 169 targets of the SDGs, and implement initiatives tailored to each issue.

ESG categories	Seven core subjects (ISO 26000)	Seven material issues	Page in this publication	Social issues surrounding FOOD & LIFE COMPANIES	Correlation with the 17 targets of the SDGs																										
					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17										
G	Organizational governance	Strengthening corporate governance and compliance	P2 P10 P21-23	Strengthening governance structure for sound management																	16.4	16.5									
				Internal control																			16.4	16.5							
				Promotion of sustainability management																				16.4	16.5						
				Group-wide risk management													11.5							16.4	16.5						
				Information security and privacy protection													9.1								16.10						
				BCP management														11.2	11.5	12.2	13.1										
S	Fair operating practices	Achieve sustainable procurement using fair business practices	P12-13	Compliance with transactional laws and regulations										8.7	8.8		10.3	10.4				16.4	16.5								
				Establishment of sustainable procurement and traceability	1.1	2.4				5.2						8.4	8.7		10.2	10.3		12.7	12.8	13.3	14.4	14.5	16.2	16.5	17.16		
				Collaboration with upstream partners (fisheries and agriculture businesses)	1.1	2.4				5.2							8.4	8.7		10.2	10.3				13.3			16.2	16.5	17.16	
	Human rights	Enhance human capital management	P18-20	Respect for human rights				4.5	5.4	5.5					8.5	8.8		10.2	10.3									16.3			
				Compliance with legislative reforms			3.a	4.4	4.7	5.4	5.5					8.5	8.8		10.3	10.4									16.7		
				Expanded employee benefits			3.a	4.4	4.7	5.c						8.5	8.8		10.3	10.4											
				Enhancement of employee engagement			3.3	3.4	4.3	4.4						8.5			10.2	10.3											
				Promotion of human resources development and autonomous career development					4.3	4.7	5.5	5.c				8.5			10.2	10.3											
	Labor practices	Enhance human capital management	P18-20	Promotion of diversity and inclusion				4.4	4.5	5.4	5.5				8.1			10.2	10.3									16.3			
				Food safety and security	P17	Food safety and security	1.1	2.1	2.2	3.4				6.2	6.4																
						Transitioning from an era of finding to creating	1.5	2.1	2.2										8.3	8.4	9.2	9.5				12.1	13.1	13.2	14.1	14.a	
	Consumer issues	Increase customer and employee experience value using DX and other means	P16-17 P20	Promoting DX to provide new value to customers and employees	1.1	2.1								7.3	8.1	8.2	9.1	9.5	10.2			12.2	12.3					17.16			
				Bringing Japanese food culture to the world		2.1	2.4		4.a	4.3																					
				Appropriate labeling and disclosure of product information					3.d														12.2	12.4							
				Fair advertising																			12.8						16.10		
Community development and involvement	Increase customer and employee experience value using DX and other means	P16-17 P20	Information security and protection of privacy (customers)																							16.10					
			Giving back to communities where we operate	1.2	2.1	2.2			4.7				7.3	8.3	8.5		10.2	10.4	11.1	11.5			13.1								
			Providing happiness through food education for children and food	1.1	1.2	2.1	2.2		4.7	4.a			6.6				9.1		10.3	11.4		12.1	12.6	13.2	14.2	14.5	15.6	15.9	17.17		
			Achieve carbon neutrality	P14-15	Reduction of CO ₂ , increased energy efficiency, and expanded use of renewable energy	1.5	2.1									7.2	7.3							12.3	13.2	13.3					
					Scenario analysis following TCFD and countermeasures	1.5	2.1										7.2	7.3								13.2	13.3			17.16	17.17
E	Environment	Reduce food loss and waste and effectively utilize marine life resources	P12-14	Promotion of reducing, reusing, and recycling of waste	1.1	1.2	2.1	2.2								9.1	9.2					12.5						17.17			
				Reduction of food loss and waste	1.1	1.2	2.1	2.2										9.1	9.2					12.3						17.17	
				Reduction of plastic containers and plastic shopping bags	1.1	1.2	2.1	2.2											9.1	9.2				12.4	13.1	14.1				17.17	
				Conservation of marine life diversity and prevention of pollution					2.4	3.9								8.1	9.4	9.5			12.2	12.7	13.1	14.1	14.4		17.16	17.17	
				Expanded procurement of fishery resources through evolved aqua culture technology	1.1	2.1												8.1	8.2	9.4	9.5			12.2	12.7	13.1	14.1		17.16	17.17	
				Realization of vibrant fishery and agricultural resources	1.1	2.1	2.4	3.9											9.1	9.4		11.6	11.7	12.2	13.1	13.2	14.1	14.4		17.6	17.17
				Streamlining of water usage and reduction and management of wastewater	1.1	2.1									6.3	6.4													15.9	17.17	

*SDG targets that are strongly related to the initiatives are listed. *We will continuously revise the plan in response to the progress of issue-solving projects and changes in social issues.
 *The SDGs Matrix Table is organized according to the ESG/SDGs Matrix methodology supervised by Mr. Hidemitsu Sasaya, a professor of Chiba University of Commerce and an ESG/SDGs consultant.

Environment / With the Global Environment

Our business depends on marine products and other natural resources, and we recognize environmental stewardship as a core responsibility.

Under our Environmental Policy, we will further strengthen initiatives to address material issues, including securing sustainable marine and agricultural resources, reducing food loss and waste, and responding to climate change.

MATERIALITY



- Achieve sustainable procurement using fair business practices
- Minimize food loss and waste and effectively utilize marine resources

Pursuing Sustainability for Marine and Agricultural Products Across the Supply Chain

As a business that relies on a large volume of food ingredients, securing a stable supply of limited marine resources is a strategic priority for the Group. We are strengthening a range of initiatives, including establishing a competitive advantage in procurement—encompassing aquaculture—and minimizing food loss and waste throughout our procured resources. Leveraging our strong customer base, we collaborate with external partners to promote the stable and sustainable use of marine and agricultural resources across the entire supply chain.

● Environmental policy (Revised on November 26, 2025)

Climate change, environmental pollution, resource and water depletion, and biodiversity loss are global challenges and material issues for the Group. To address these challenges, we established our Environmental Policy in October 2024 and revised it in November 2025. We will seek the understanding and support of not only our employees but also our business partners in implementing this policy.

▶▶ The F&LC Environmental Policy is available on our official website.

● Basic procurement policy and supplier code of conduct (Revised on November 26, 2025)

In procuring raw materials and other materials, we have established a basic procurement policy to provide safe and secure products continuously, as well as to ensure compliance with laws, regulations, and social norms. Together with our business partners, we are advancing initiatives to realize sustainable procurement.

Based on the Basic Procurement Policy, we have also established our Supplier Code of Conduct, which sets out the standards that we ask all suppliers and business partners involved in our operations to uphold together with the Group. Our suppliers and business partners are asked to understand the objective of this code and to cooperate in the establishment of a sustainable society.

▶▶ The Basic Procurement Policy and Supplier Code of Conduct are available on our official website.

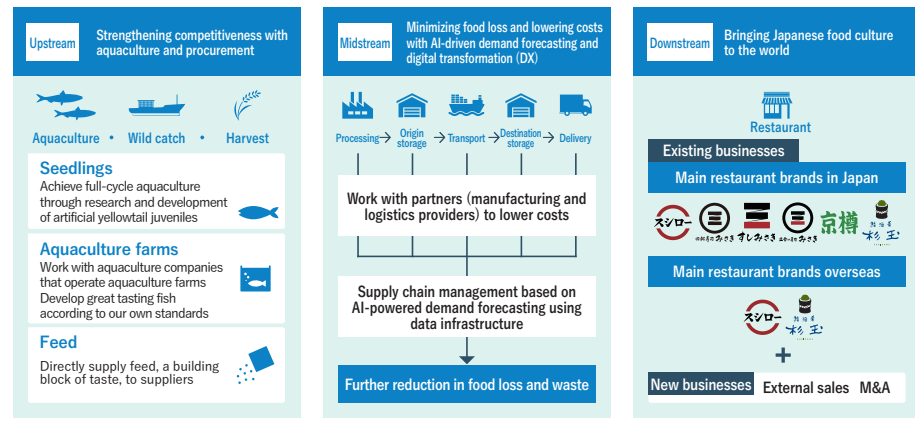
■ Beginning to formulate F&LC's product procurement standards for long-term stable procurement

In addition to the Basic Procurement Policy, we have also begun to formulate our own product procurement standards to ensure stable procurement over the long term. We strive to procure products with consideration for human rights, the environment, biodiversity, and the maintenance of ecosystems, on the premise that they maintain good taste and are safe and secure.

■ Sustainability and CSR questionnaire

To assess risks across our supply chain—including environmental, human rights, and labor-related risks—we distributed Sustainability and CSR questionnaires to approximately 470 major Tier 1 suppliers in FY2025 and received responses from around 80% of them. Where elevated risks were identified through the survey, the relevant departments determined appropriate actions based on the nature of the business relationship. The survey targets not only marine resource suppliers but also business partners involved in packaging materials, store development, and advertising and promotion. Through this initiative, we identify potential risks across the entire supply chain and implement necessary countermeasures.

Aiming for sustainable procurement, across the entire value chain



MATERIALITY



- Achieve sustainable procurement using fair business practices
- Minimize food loss and waste and effectively utilize marine resources

Sustainable Sourcing of Marine Resources and Development

Building an upstream procurement foundation for marine conservation and stable supply

As climate change alters marine environments and raises concerns over declining wild fish catches, the importance of securing marine resources that do not rely solely on wild capture is increasing. As a countermeasure, we are investing in outside businesses and cutting-edge technologies, developing new technologies such as development of seeds and improvement and substitution of feed through business alliances. By strengthening our procurement foundation in upstream operations, we aim to ensure stable quality and production volume.



Commercial launch of artificial yellowtail juveniles

In 2022, we established Marineverse Ltd., a joint venture with Takuyo Co., Ltd., a major red sea bream aquaculture company. After approximately three years of joint research and development, Marineverse began selling artificial yellowtail juveniles in June 2025 in collaboration with PtBio Inc., a startup originating from Hiroshima University. The sales partner, Owasebussan Co., Ltd., specializes in the aquaculture of yellowtail and amberjack, and F&LC also holds an equity stake in the company.

In addition to artificial yellowtail juveniles, Marineverse develops and sells feed for red sea bream and yellowtail. Insights from sales partners are incorporated into ongoing improvements to enhance feed flavor and quality.

Partnership with a land-based sea urchin aquaculture company

In 2024, we entered into a capital and business alliance with Uninomics Inc. The company regenerates underdeveloped sea urchins—whose overpopulation contributes to barren coastal areas—into high-quality sea urchins using its proprietary land-based aquaculture technology and brings them to market. To secure sufficient production capacity for supply to F&LC, Uninomics is advancing the construction of aquaculture facilities and establishing the necessary systems for the launch at F&LC locations. At the Sushiro Future Expo Store during Expo 2025 Osaka, Kansai, Japan, Uninomics' sea urchins were offered as one of the seafood products contributing to solutions for social issues, receiving high praise from customers.



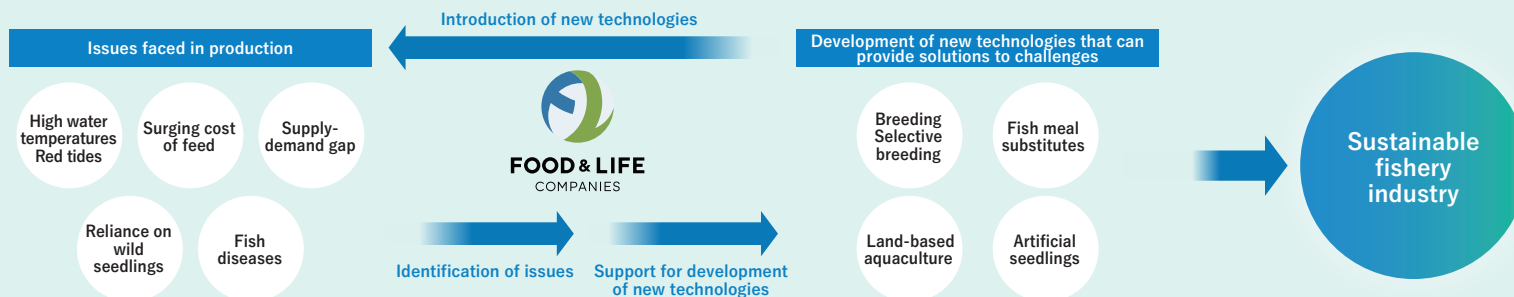
Equity participation in fisheries tech companies

Through equity investments in PtBio Inc. and Regional Fish Institute, Ltd., both university-origin startups, we aim to realize sustainable aquaculture by advancing research to improve productivity and develop fish species adaptable to environmental changes.

Joint demonstration test toward sustainable aquaculture



In June 2025, we commenced a full-scale joint demonstration test of a remote automated feeding system for yellowtail aquaculture in collaboration with Yanmar Holdings Co., Ltd. and Owasebussan Co., Ltd. If remote feeding technology is successfully established, it is expected to improve operational efficiency and reduce labor burdens. As aquaculture becomes increasingly important in marine resource procurement, this initiative is expected to help address challenges such as labor shortages, feeding cost burdens, and environmental changes.



MATERIALITY



- Minimize food loss and waste and effectively utilize marine resources

Promotion of Food Loss and Waste Reduction

Recognizing that reducing food loss and waste is an important social issue, we are further strengthening our efforts. In order to continue to deliver high quality and delicious products at affordable prices, it is important to minimize food waste as much as possible. To this end, we are promoting various measures such as DX and Group-wide utilization of ingredients. We are also exploring the recycling of food waste into animal feed or biomass fuel to promote efficient resource utilization and reduce waste disposal costs.

Food loss and waste reduction with DX and AI



Sushiro in Japan is working to reduce food loss and waste through the use of AI. For example, AI analyzes past sales data to forecast demand, enabling appropriate ordering quantities and ingredient usage.

In addition, to provide freshly cooked rice to customers, we determine optimal cooking volumes based on real-time demand forecasts. The accuracy of these forecasts continues to improve through AI's machine learning capabilities.

Making full use of valuable fishery resources

It is generally said that only about 40% of a whole fish can be used for sushi. However, we recognize value even in parts such as heads and bones and have established a cross-brand scheme to maximize the use of ingredients. For example, the parts of the tuna suitable for nigiri are used by Sushiro, the head is braised by artisans at Kaiten-sushi Misaki, and the meat that can only be removed by hand is served at Sugidama. Sushiro also makes use of parts of the fish that cannot be made into nigiri, such as using the ara (trimmings) as broth for the ramen noodles. At the core of the approach is the idea that the ara (trimmings) and bones are equal in value to the deliciousness of "back and belly" parts used for sushi. Since our establishment, we have inherited the concept of Japanese cuisine that "no part of a fish is discarded," and our menu innovations have led to a reduction in food loss and waste.

Moreover, in 2023, Sushiro discontinued the practice of placing non-ordered items on conveyor belts at all stores. As a result, food loss and waste from discarded conveyor-belt items has been eliminated.



MATERIALITY



- Minimize food loss and waste and effectively utilize marine resources
- Achieve carbon neutrality

Plastics and Waste Reduction, Reuse and Recycling

We are committed to reducing and preventing environmental pollution as a sustainable approach in our business activities. The Group, which operates globally, promotes the 3Rs of plastics and waste by complying with the environmental laws and regulations of each country and region, as well as internal company rules.

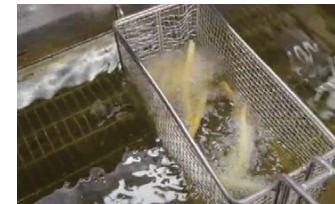
Plastic reduction and recycling initiatives

Since FY2022, we have gradually transitioned to more eco-friendly take-out containers that use less plastic and incorporate factory offcuts. In FY2025, this initiative resulted in an annual CO2 reduction of approximately 1,096 tons at Sushiro stores in Japan. We are also exploring further measures to reduce plastic use, including transitioning to paper containers and introducing recycled and renewable materials.



Effective use of waste cooking oil

Approximately 1.3 million liters of waste cooking oil generated annually at more than 700 domestic Sushiro and Sugidama stores are supplied as raw material for domestically produced sustainable aviation fuel (SAF). In 2025, Japan's first large-scale SAF production plant began operation in Sakai City, Osaka Prefecture. The first passenger flight fueled with this SAF departed from Kansai International Airport. Through this effective resource utilization, we aim to contribute to the realization of a circular economy.



MATERIALITY



- Minimize food loss and waste and effectively utilize marine resources

Effective Use of Water Resources and Drainage

Recognizing that water is an important resource in the Group's business, we are working to prevent water and soil contamination through efficient use of water resources and appropriate wastewater treatment in accordance with our Environmental Policy. Since 2014, Sushiro has implemented water-saving measures. In FY2025, water-saving devices known as "Bubble90" were installed on high-usage faucets at all domestic Sushiro stores, reducing and optimizing water consumption. This initiative has also been expanded to other Group brands, with 73 Sugidama stores installing the devices in FY2025. We will continue to advance these initiatives and promote the efficient use of water resources through regular maintenance and monitoring of water usage.

MATERIALITY

- Achieve carbon neutrality



Response to TCFD Recommendations

Since our Group uses a wide variety of marine fisheries, agriculture, and forestry resources as raw materials, we consider climate change as one of the important management risks and disclose information related to climate change based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

Governance and risk management

The Board of Directors deliberates on the risks and opportunities related to climate change issues when formulating management strategies and plans, and receives reports from each Group company and division as necessary to provide oversight. In addition, the Sustainability Promotion Committee, chaired by the President & CEO, has been established to promote sustainability initiatives. The Sustainability Committee reports to the Executive Committee on the status of sustainability, including climate change, and receives instructions and advice as necessary. In addition, the President & CEO reports to the Board of Directors as necessary and appropriate.

» Details on our Sustainability Promotion system can be found on page 10.

Strategy

Based on the framework recommended by the TCFD recommendations, we are identifying the risks and opportunities that climate change poses to our Group and conducting analysis using different climate-related scenarios. Going forward, through further deepening our analysis of risks and opportunities, we will work to minimize risks and maximize opportunities toward the realization of a decarbonized society. Scenario analysis was conducted for risks related to climate change that are expected to have a particularly high impact. In particular, the impact of climate change on raw material procurement, which is assumed to be the most important for business continuity, was analyzed in detail in terms of fish species, production areas, and other factors.

Financial Impacts and Response

Risk	Details	Financial impacts		Response and opportunities
		4°C	2°C	
Transition risks	Policies and Laws	Small	Small	In addition to promoting the introduction of renewable energy and the transition to clean energy such as low-carbon raw materials and fuels, we plan to increase the efficiency of production through the introduction of energy efficient equipment.
	Technology	Small	Medium	For low-carbon and decarbonized ingredients, we will strengthen collaboration with external research institutes such as universities. By conducting research toward commercialization, we aim to contribute to earnings.
	Reputation	Medium	Large	We will develop products and provide services in line with changes in customer preferences, which will lead to an increase in earnings.
Physical risks	Acute	Small	Small	We aim to procure from multiple companies and production areas, mitigating procurement risks. In addition, we will consider formulating a business continuity plan in advance to address shortfalls in procurement volume.

Climate change impacts on raw materials procurement

We investigated and analyzed the impact of climate change on raw materials that are considered to have a significant impact on our Group, based on reports from various research institutes and academic papers. We evaluated the procurement environment and resource quantity forecasts for items that are used in large quantities as sushi ingredients.

Main ingredients	Main production area	Wild/Farmed	Outlook for procurement environment and resource volume (up to 2050)	Direction of response measures
Tuna	Japan/Overseas	Wild	<ul style="list-style-type: none"> Stability of resource volume Resilience to climate warming 	<ul style="list-style-type: none"> Review of collaboration with producers Review of aquaculture (fish farming) overseas Assistance for development of new aquaculture technologies
	Japan	Farmed	<ul style="list-style-type: none"> Steady growth in scale of aquaculture Progress and spread of advanced technologies such as complete aquaculture 	
Japanese amberjack and red seabream	Japan	Farmed	<ul style="list-style-type: none"> Stable supply even under recent temperatures Affinity with warming climate 	<ul style="list-style-type: none"> Assistance for development of new aquaculture technologies Review of aquaculture production overseas
Salmon	Overseas	Farmed	<ul style="list-style-type: none"> Massive scale of aquaculture Resistance to warming seas around aquaculture farms Diversity and advancements in aquaculture technologies 	<ul style="list-style-type: none"> Assistance for development of new aquaculture technologies

Indicators and targets

In order to give top priority to reducing CO₂ emissions in our core Japan business, we have set CO₂ emissions targets for Akindo Sushiro Co., Ltd. as follows.

Targets	FY2030	Reduce CO ₂ emissions in FY2030 (Scope 1 and 2) by 50% or more per unit of production compared to FY2013
		FY2050
Base Year	FY2013	CO ₂ Emissions (Scope 1+2): 63,311 t-CO ₂
		CO ₂ Emissions Intensity (Scope 1+2): 0.51 t-CO ₂ / million yen

Note: Based on emissions intensity (with revenue of 1 million yen as the denominator). Figures represent the ratio relative to FY2013 CO₂ emissions as a base of 100.

Actual	FY2025*	Scope 1+2 Emissions: 52,058 t-CO ₂
		Scope 1+2 Emissions Intensity: 0.21 t-CO ₂ / million yen
		Reduction Rate in Scope 1+2 Emissions Intensity: 58.82%

*Data for Akindo Sushiro Co., Ltd. only (April 2024 – March 2025)

Specific initiatives to deal with climate change risks

Sushiro stores are promoting the switch to green energy (renewable energy) and implementing solar power generation facilities in stores using solar PPA.

The switch to green energy is underway at 164 Sushiro stores in Japan, with five stores switched in FY2025. Solar power generation equipment has been installed in 104 stores in Japan, and 1 store installed solar power generation equipment in FY2025.

» The responses to TCFD recommendations are available on our official website.

With People and Society

We strive to provide value to our customers, employees, business partners, local communities, shareholders, investors, and other stakeholders by working diligently to “continue to deliver safe and delicious food to our customers.” We are also expanding measures related to DE&I and human resource development to improve job satisfaction and comfort of our employees.

MATERIALITY



● Increase customer and employee experience value using DX and other means

Enhance the Value of the Customer and Employee Experience

By making everyday meals more enjoyable, we aim to enrich not only our customers’ dining experiences but also their lives. Guided by this belief, we focus not only on product quality but also on enhancing the customer experience value—continually asking how we can deliver greater satisfaction and delight. These initiatives extend beyond Japan and are being implemented globally through our overseas expansion.

Improving the value of the customer experience

The Group operates four major brands, Sushiro, Kyotaru, Kaiten-sushi Misaki, and Sugidama, bringing the total store count to 1,198 (as of September 2025). The common thread that runs through all of our stores is not only the delicious taste of our products, but also our desire to provide customers with a rich lifestyle and time through food. By leveraging the unique strengths of each brand, we strive to enhance customer experience value.

Under the theme of “Straight to Sushi,” Sushiro is striving to improve its services to satisfy its customers by communicating its commitment to taste and quality to its customers and at the same time, reminding its employees and staff of this commitment. We are also rolling out the Digital Sushiro Vision (commonly known as “Digiro”), providing customers with a new and engaging conveyor-belt sushi experience.

Kyotaru is strengthening its product lineup to suit different usage scenarios. We have developed high quality frozen sushi and other products that are sold through major supermarket e-commerce sites so that customers can enjoy freshly prepared sushi at any time of the day. In September 2024, Kaiten-sushi Misaki opened its flagship store in Ningyocho, Tokyo. As a model store where a high standard of service is practiced, it is also used as a training and education center for staff, with the aim of improving service at each store. Sugidama uses the same



ingredients as Sushiro, but offers creative menu items that are attractive and unique to a sushi-zakaya restaurant. We place importance not only on the quality, but also on making the dining experience enjoyable and interesting for our customers.

Enhancing seamless reservations and payments through DX

Sushiro stores have adopted various digital technologies, including app-based reservations, automated entry guidance and ticketing systems, self-service touchscreens for ordering, self-checkout registers, and automated lockers for takeout orders. By leveraging digital transformation (DX), we not only improve operational efficiency but also enhance customer experience value by reducing wait times, streamlining the ordering process, and ensuring smooth product delivery.



Digital vision reproduction of a kaiten-sushi lane

Launched in September 2023, Digiro has been introduced in 123 domestic stores and 19 overseas stores as of the end of September 2025. Digiro is a system in which sushi flows in a kaiten-sushi lane on a large touchscreen, recreating the fun of encountering new sushi and being able to choose from a variety of choices. In addition to ordering functions, the system offers content such as information highlighting our commitment to sushi quality and interactive quizzes, thereby enhancing the customer experience value and generating positive feedback from customers.



Improving the value of the employee experience

At Sushiro, the introduction of automated kitchen lanes has improved operational efficiency while enhancing service quality and creating a more comfortable working environment. In addition, in November 2023, we revised the dress code for store staff, allowing them to freely choose their hair color and hairstyle. By allowing employees to work with more individuality and vitality, we will enhance the value of the experience for our customers.

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

Under the concept “From Conveyor Belt Sushi to Sustainable Sushi: The Future of a Fish Restaurant in 2050,” we opened SUSHIRO To The Future: Expo Edition at Expo 2025 Osaka, Kansai, Japan. Positioned as a venue where customers can enjoyably learn—through both the menu and the in-store experience—about sustainability challenges facing marine resources and the technologies addressing them, the restaurant took on the new challenge of serving only farmed fish. Sushi made with ingredients cultivated using advanced technologies, such as land-based aquaculture and full life-cycle aquaculture, was offered under the “Fish of Tomorrow” series. In addition, the large touch-screen display, Digiro, featured Expo-exclusive content, including an interactive Sea Urchin Catch Game, which enables customers to learn about marine conservation by virtually harvesting overpopulated sea urchins, providing an engaging and educational experience.



Exterior view of SUSHIRO To The Future: Expo Edition

MATERIALITY



● Food safety and security

Commitment to Safety, Quality and Reliability

Food safety and security

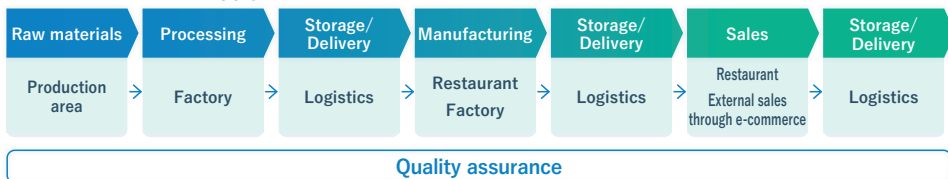
To provide customers with enriching dining experiences, ensuring product safety and enabling them to dine with confidence are essential. Accordingly, food safety and security are positioned as key priorities.

Quality assurance system based on the HACCP concept

The basic concept of the Hazard Analysis and Critical Control Point (HACCP) is to analyze where and what risks exist from procurement of raw materials to delivery of products to customers, plan how to control and avoid risks at what stage, continuously check and visualize the implementation status, conduct improvement activities when problems are detected, and revise the plan as necessary. We will manage our entire supply chain based on this basic concept of the HACCP.

» The "HACCP hygiene management plan" is available on our official website.

Overview of the supply chain



Quality and hygiene management of suppliers

As of September 30, 2025, the F&LC Group partners with approximately 130 suppliers from whom we purchase commercial materials. When entering into new business relationships, food safety is treated as a particularly critical factor. We confirm that suppliers' processing facilities have obtained GFSI-recognized certification for food safety management. If a supplier's processing facility has not yet obtained the certification, the company's dedicated department conducts on-site visits to check the management status in accordance with the Group's requirements and confirms that it meets the criteria for acceptance before commencing business with the supplier. Even after transactions have begun, inspections and site visits are conducted on an irregular basis to ensure safety and security.



Quality and hygiene management in stores

In addition to complying with the food safety laws and regulations of the countries and regions in which we operate, our restaurants conduct hygiene management based on the HACCP concept, an internationally recognized hygiene management method. The Group's core menu is sushi, and because we handle a lot of raw food, hygiene management for employees engaged in food preparation is particularly important. At our core business, Sushiro, we have implemented a "third-party hand-washing verification" system to ensure that all employees follow the correct procedure for washing their hands when entering the store, after using the restroom, and at other

important times. The company has formulated a HACCP hygiene management plan to visualize the items to be addressed in hygiene management including washing hands and we ensure that all employees are informed through educational activities. Twice a year, an external hygiene inspection agency conducts a hygiene inspection of all stores to evaluate whether they are managed in accordance with the hygiene management plan. If a store receives a low evaluation, a specialized department of the company visits the store to provide guidance for improvement, thereby ensuring that all stores maintain a certain level of safety.

Membership in food safety and quality organizations

We participate in the Safety and Security Committee of the Japan Foodservice Association and actively engages in information-sharing and dialogue sessions. In addition, Kyotaru, a Group company, has obtained certification under the JFS-B Standard, a food safety standard operated by the Japan Food Safety Management Association (JFSM).

MATERIALITY



● Increase customer and employee experience value using DX and other means

Responsible Advertising and Marketing

Basic approach

The F&LC Group conducts its advertising and marketing activities in accordance with its Code of Conduct, which sets out principles such as ensuring the safety, security, and quality of products and services, as well as implementing responsible marketing communications in compliance with applicable laws and regulations. In addition, we have adopted internal guidelines on product claims and representations to ensure the accuracy and appropriateness of content.

» The Code of Conduct is available on our official website.

Management framework

Proposals and the development of campaigns and advertising materials are reviewed at a cross-functional "Trinity" meeting comprising representatives from the marketing and product divisions, the heads of each operating company, and legal personnel. This framework ensures thorough discussion and deliberation of claims and representations from a compliance perspective. In addition, the direction and content of campaigns and advertising materials are reported to the management meeting of each operating company and resolved by the Board of Directors. All advertising materials are reviewed by several related departments, including the Legal Department and Customer Support Department (customer relations department).

Education and awareness

The Advertising and Promotion Department, in coordination with the Legal Department, conducts compliance training on advertising and marketing practices twice a year, drawing on internal near-miss cases that revealed potential compliance risks. In FY2025, one such training session was conducted. In addition, the department participates in study sessions on the Act against Unjustifiable Premiums and Misleading Representations, organized by the Federation of Fair Trade Conferences and supported by the Consumer Affairs Agency. It also uses its internal portal site to enable team members to engage in self-directed learning and, as necessary, review advertising materials. Through these initiatives, we work to prevent violations in campaigns and advertising materials.

MATERIALITY



- Enhance human capital management

Human Rights and Labor Initiatives Throughout the Supply Chain

● Human Rights Policy and Basic Procurement Policy and Supplier Code of Conduct

One of the most important issues for the F&LC Group is not only the sustainability of marine resources and agricultural products, but also issues related to “people.” Based on our responsibility to respect human rights in our business activities, we established and revised our Human Rights Policy in 2024. This policy is based on the UN Guiding Principles on Business and Human Rights, with reference to the 10 principles of the UN Global Compact. Going forward, we will further promote initiatives for the active participation of human resources and diversity, equity, and inclusion (DE&I), while at the same time working to respect the human rights of a wide range of stakeholders (employees, customers, local communities, suppliers, and business partners). We have also established a section on “Respect for Human Rights and Labor” in our Basic Procurement Policy, which we require not only ourselves but also our suppliers to comply with.

In addition, English translations of our Human Rights Policy and Basic Procurement Policy are available on our website to inform as many employees and suppliers as possible.

»» The F&LC Human Rights Policy is available on our official website.

»» The Basic Procurement Policy and Supplier Code of Conduct are available on our official website.

Human rights due diligence

To fulfill our responsibility to respect human rights, we have established a human rights due diligence (HRDD) mechanism based on the UN Guiding Principles on Business and Human Rights and strive to prevent human rights violations. We are committed to addressing human rights issues related to our business activities by focusing on six key areas: child labor, forced labor, prohibition of discrimination and respect for diversity, freedom of association and respect for the right to collective bargaining, working hours and wages, and occupational health and safety. To identify and assess human rights risks within our supply chain, we distributed questionnaires to approximately 470 major Tier 1 suppliers in FY2025 and received responses from around 80%. Where elevated risks were identified through the survey, the relevant departments determined appropriate actions based on the nature of the business relationship. In addition, as a pilot project under our HRDD efforts, we conducted on-site audits of Tier 2 suppliers in Indonesia. These audits were carried out by an external specialist audit firm, accompanied by Tier 1 suppliers, and included interviews with approximately 60 individuals ranging from management to operational staff, as well as reviews of relevant documents and records. Building on the insights and findings from this pilot project, we will consider further advancing HRDD across the Group.

Initiatives related to human rights and labor

The Group has established a code of conduct with the aim of becoming a company that is widely trusted by all stakeholders. To ensure the thoroughness of this code, we conduct compliance training including human rights and labor issues for all employees. To ensure that employees comply with proper working hours, we monitor overtime hours every month with the aim of preventing employees from working excessively long hours. In some locations, such as the head office, a facial recognition system has been implemented to improve the accuracy of monitoring. In addition, we verify the age of employees with ID cards and other identification at the time of hiring to prevent child labor. We have also established a confidential internal whistleblowing system to receive reports on human rights and labor issues, including workplace harassment.

»» The “Code of Conduct” is available on our official website.

MATERIALITY



- Enhance human capital management

DE&I Promotion

Our view of DE&I

One of our principles under the corporate philosophy is “Diversity and respect for individuality.” This is based on the belief that in order for the company to continue to provide value to all stakeholders, it is essential to embrace diversity and encourage each individual to make the most of their individuality. We believe that the success of our diverse employees, regardless of gender, age, nationality, race, ethnicity, or disability, is the driving force behind the growth of the F&LC Group, and we are promoting the development of the environment and systems to facilitate it.

Promotion framework

DE&I is being promoted as part of the activities of the Sustainability Promotion Committee, which was established to promote further sustainable development of the Group and society. The president and executive officers of each company play the role of supporters to smoothly promote the DE&I initiatives of the entire Group. The presidents and executive officers confirm, advise and assist in the promotion of proposals and issues raised by workshop members consisting of volunteer employees and the DE&I Promotion Team. Under the theme of “listening to the voice of employees,” each company and department work together to implement measures.



Initiatives to promote DE&I

Through the dissemination of information via internal newsletters and other means issued by the DE&I Promotion Team, and by raising awareness at store managers’ meetings, we provide opportunities to deepen understanding of the purpose of DE&I promotion and our initiatives. In addition, the company actively promotes measures such as encouraging the use of childcare leave, a paid leave stockpiling system, and support for the employment and retention of people with disabilities. In particular, we encourage male employees to take childcare leave which we call “Family Time.” For employees who take long-term maternity or childcare leave, interviews are held in advance to hear their family situation and working style preferences, to support a smooth return to work. In addition, the Group’s compensation system is uniform regardless of gender.

■ Workshops to promote work style and job satisfaction reform

To foster an environment in which all employees can work with vitality and a sense of fulfillment, we hold the Work Style and Job Satisfaction Reform Workshop, where volunteer employees develop and implement initiatives and convey frontline perspectives directly to management. In FY2025, the workshop was held eight times, with 17 employee participants in the first half of the year and 16 in the second half, advancing initiatives under themes such as “Creating a Culture of Gratitude” and “Improving Job Satisfaction.”

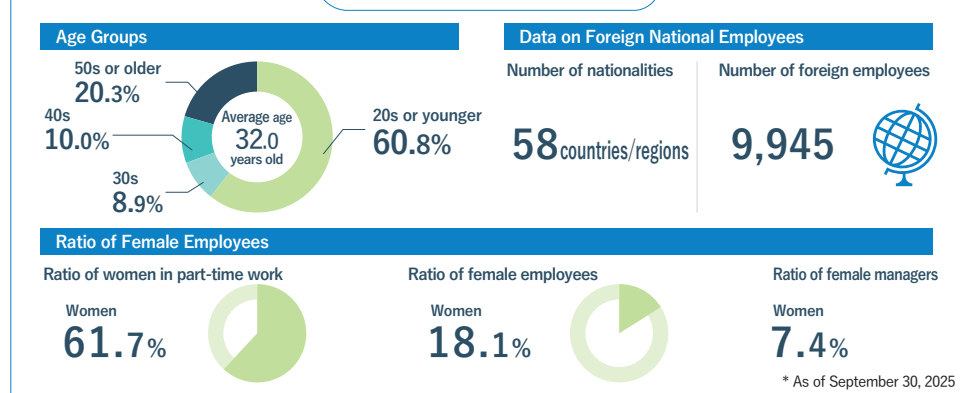
DE&I Promotion

Revitalization of local industry and creating employment

The Group operates in 10 countries and regions around the world, employing a large number of people. At our overseas stores, we hire and promote employees of local nationalities for various positions, and they are expanding their range of activities, such as supporting store operations by making use of their native languages. We will continue to actively hire local staff in each country and region, aiming for coexistence and co-prosperity with local communities.



Data on Diversity and Inclusion



MATERIALITY

- Enhance human capital management

Human Resource Development

Approach to human resource development and internal environmental improvement

In order to realize the Group's vision, "Discovering new tastiness, Sharing moments of joy," we strive to provide our employees, who are the driving force behind this vision, with a work environment that allows them to grow and flourish by making the most of their individuality. In order to continuously improve the quality of customer experience through delicious food, both in Japan and overseas, we place particular emphasis on "human resource development" and "DE&I promotion" among the various areas we need to address.

Specific initiatives for human resource development

In order to provide placement and development opportunities that match the abilities and aptitudes of each individual, the Group implements a variety of training programs and qualification acquisition support. From FY2024, we have introduced position-specific training programs, providing training appropriate to the work of each role, such as for managers and leaders who are responsible for job assignments for their subordinates. We also support career development according to one's own wishes by establishing an internal job application system and a career declaration system.

Promotion training We provide promotion training programs for each managerial position, including store and area managers, equipping newly promoted employees with the knowledge and skills required for their roles and supporting their early success.	Annual training We provide new employee training, lecture-based training, and on-the-job training at stores. Employees assigned to various locations gather and communicate with each other on a regular basis.	Area-specific on-the-job training We provide training on specific tasks that we want to strengthen in each area (customer services, cooking, etc.).	Qualification support We provide support (study and cost-sharing) for employees to obtain the necessary qualifications to become a store manager.
Internal recruitment system Those who meet the eligibility requirements can apply for internal positions. Employees can develop their career based on their experience and take on the challenges of a new department.	Career declaration system We have a system for employees to regularly express their wishes regarding their current work and future career. We consider assignments and job allocations in accordance with the requests submitted.	Surveys for employees Through periodic engagement surveys, pulse surveys and other surveys, we investigate the conditions of employees, such as their willingness to work and their level of trust in the organization, and link this to system planning and improvement proposals aimed at creating a better working environment.	

Training programs to enhance employee skills

Internal Learning Academy

We conducted a voluntary training program open to head office employees and managerial-level staff (section manager and above) at operating companies. Employees and executives serve as instructors, and participants deepen their understanding of the Company, cultivate a business mindset, and develop business skills through lectures, exercises, and group work with colleagues from across departments. Sessions are generally held once a month for approximately two hours in a hybrid format (online and in person), enabling participation by employees at overseas locations. Through this program, we support individual growth, enhance cross-departmental communication, and strengthen organizational capabilities.

Sales Management Training

We conducted training programs on problem-solving and management skills for sales general managers, sales section managers, and area managers. The program is designed to equip participants with the ability to address issues arising at stores at their root and to develop store managers who can think from a management perspective. It consists of a core program and a follow-up session held several months later, providing participants with an opportunity to reflect on changes in their behavior after the training. In FY2025, more than 90 managerial-level employees completed the program.

Human Resource Development

Targeted Training Programs

In FY2025, Akindo Sushiro Co., Ltd. focused on targeted training programs aimed at promoting the active participation of our diverse workforce. Each program includes effectiveness assessments and is continuously reviewed and improved.

1) Women's Forum

To develop future leaders and foster a workplace environment where employees can build long-term careers, we held meetings and training sessions for all female employees in the Sales Department. In addition to training on problem-solving and risk management, the program included career development sessions and peer discussion opportunities. Held twice a year, the initiative supports both skill development and community building among female employees.

2) Training for newly hired high school graduates

To address the learning needs of younger employees and support their career autonomy, we implemented a training program for new hires who joined the Company after graduating from high school. The program is conducted regularly during the first six months after employees join the Company and includes foundational business knowledge and skills training, as well as review sessions and feedback meetings to reflect on progress toward goals. These initiatives support participants in applying what they learn in store operations.

3) Training for newly hired non-Japanese employees

To reduce workplace challenges arising from cultural and language differences and to support the success of non-Japanese employees, we implemented a training program tailored to newly hired non-Japanese employees. The program is conducted regularly during the first six months after employees join the Company and provides content focused on Japanese culture, business etiquette, and communication skills. We also organize discussion sessions with senior non-Japanese employees to foster community-building within the Company.

MATERIALITY

- Increase customer and employee experience value using DX and other means



Contribution to Society and Community

Basic approach

To realize its Vision—"Discovering new tastiness, Sharing moments of joy"—the F&LC Group has identified "Increase customer and employee experience value using DX and other means" as one of its material issues. Under this framework, we implement social contribution initiatives aimed at giving back to communities where we operate and promoting food education and the joy of eating. Specifically, we focus on next-generation education—such as Education for Sustainable Development (ESD) programs and rice cultivation experiences for students—along with child-rearing support and sports programs for persons with disabilities, thereby contributing to the realization of an inclusive society.

Contribution to the community

Support through a Corporate Hometown Tax Donation Program for local government with which we have business ties



Sushiro makes donations to local governments through a corporate version of the "Furusato" (hometown) tax system. In recent years, marine fishery resources have been declining, and amid promoting sustainable management, Sushiro has been promoting research on aquaculture and the development of artificial seeds. Following the previous fiscal year, in FY2025, we donated to Amakusa City in Kumamoto Prefecture, Asahi Town in Toyama Prefecture and Owase City in Mie Prefecture. Asahi Town in Toyama Prefecture gave us a letter of appreciation for our FY2024 donation.

Contribution to the community



Sponsorship of Suita Festa 2025

As part of our efforts to strengthen ties with the local community, we sponsored Suita Festa 2025, a community event hosted by Suita City, where our head office is located. In addition to distributing promotional fans (uchiwa), we jointly operated a waste cooking oil collection booth in collaboration with Suita City and JGC Holdings Corporation. At the booth, we conducted interactive activities and games to raise awareness of collecting household waste cooking oil for conversion into sustainable aviation fuel (SAF). Many families participated, gaining a better understanding of this initiative in an engaging and enjoyable way.

Food education

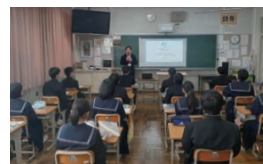
Sushiro Experience Tour food education event "connecting" producers and customers

Sushiro conducts free experiential events for its loyal customers. In FY2025, we held four events in Shiga, Hyogo, and Mie Prefectures, including the Sushiro Rice Experience Tour, where participants engaged in hands-on rice cultivation activities, and the Experience the Sea with Sushiro Tour, which offered visits to aquaculture facilities to learn about marine production. A total of 200 customers participated during the fiscal year, enjoying opportunities to learn through direct experience. FY2025 also marked the 10th anniversary of this initiative, with cumulative participation exceeding 1,000 customers since its launch. Going forward, we will continue working together with local communities to promote food education that fosters appreciation for food and gratitude toward producers.



Food education

Outreach classes for elementary, junior high, and high school students to consider the future of fishery resources



In FY2025, we launched outreach classes nationwide for elementary, junior high, and high school students, focusing on career education and environmental issues. Through lectures and group work, students learned about the marine environment and its resources, deepening their awareness of the challenges it faces and considering possible solutions.

During the year, we visited seven schools, reaching a total of 815 students. These sessions provided valuable opportunities for participants to reflect on sustainable fisheries and aquaculture, as well as the future of our oceans.

Developing the next generation of human resources

Benefit scholarship program to support part-time employees

With the aim of providing a better working environment for our employees, we launched the "FOOD & LIFE COMPANIES Scholarship Program" in October 2021. In FY2025, the program supported 43 students.

Childcare support

Sushiro manpuku project

To realize our corporate philosophy of spreading the joy of delicious food, we distribute digital tickets that can be used at Sushiro through a non-profit organization in order to make delicious sushi more accessible to children. Targeting single parents and other families raising children, in FY2025 we distributed tickets to approximately 430 households.

Support for the people with disabilities

Sponsored a baseball tournament for people with disabilities

To contribute to the realization of an inclusive society, we continue to provide sponsorship twice a year to the Japan Dream Baseball League (JDL), a non-profit organization that supports persons with disabilities. We will continue to support athletes who are dynamic through sports while facing their own disabilities.

Education support

Education support initiatives

In addition to outreach classes for elementary, junior high, and high school students focused on career education and environmental issues, we also welcome local schools for educational visits at Sushiro stores.

Building Governance

We are working to strengthen governance by promoting the separation of management oversight from execution and establishing a framework where the Board of Directors oversees the Executive Committee, the Internal Control Committee, and the Sustainability Promotion Committee.

MATERIALITY



Strengthening corporate governance and compliance

Corporate Governance (As of December 23, 2025)

Basic approach

The company's basic approach to corporate governance is to have a management structure that enables management to confirm the status of compliance with laws, regulations, and the Articles of Incorporation, and to sustain this status. Furthermore, in order to realize our corporate philosophy and management goals, we believe that establishing a management system that can direct the awareness and business activities of all officers and employees will lead to fair and transparent management, which will benefit stakeholders.

Corporate governance overview

The structure we have adopted is that of a Company with an Audit and Supervisory Committee, which has enabled us to establish a robust framework for auditing and oversight. The composition of our Board of Directors is diverse and a high percentage of them are outside directors, which enhances transparency and objectivity, further strengthens corporate governance and promotes the separation of execution and oversight responsibilities. At the same time, authority is delegated to the President & CEO and executive officers to accelerate decision making.

Board of Directors

The Board of Directors (9 directors, including 8 outside directors, chaired by President & CEO Masahiro Yamamoto) is composed of individuals with experience, expertise, and ethical standards, also taking into consideration diversity and a balance of knowledge, experience, and abilities. The Board deliberates on management policies and medium- to long-term strategies, makes decisions on important matters, and oversees the execution of business operations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been established as a voluntary advisory body to the Board of Directors in order to strengthen fairness and transparency in procedures related to the nomination and compensation of directors. Upon the Board of Directors' request for consultation, the committee deliberates and provides an advisory report to them on matters such as the appointment and dismissal of directors, including the President & CEO, compensation, and the formulation and operation of succession plans. To ensure independence, a majority of the committee members are independent outside directors.

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three directors (all are outside directors) who are members of the committee. The committee confirms the execution of duties by directors by attending important meetings such as Board of Directors meetings and Internal Control Committee meetings, inspecting important materials, and listening to reports. In the event that a violation of law, the Articles of Incorporation, or internal regulations is discovered or is feared to have occurred, a system is in place to immediately report such violations to the committee members, and by ensuring collaboration with the Internal Audit Department, the committee is working to deter and detect any improper or unfair acts at an early stage.

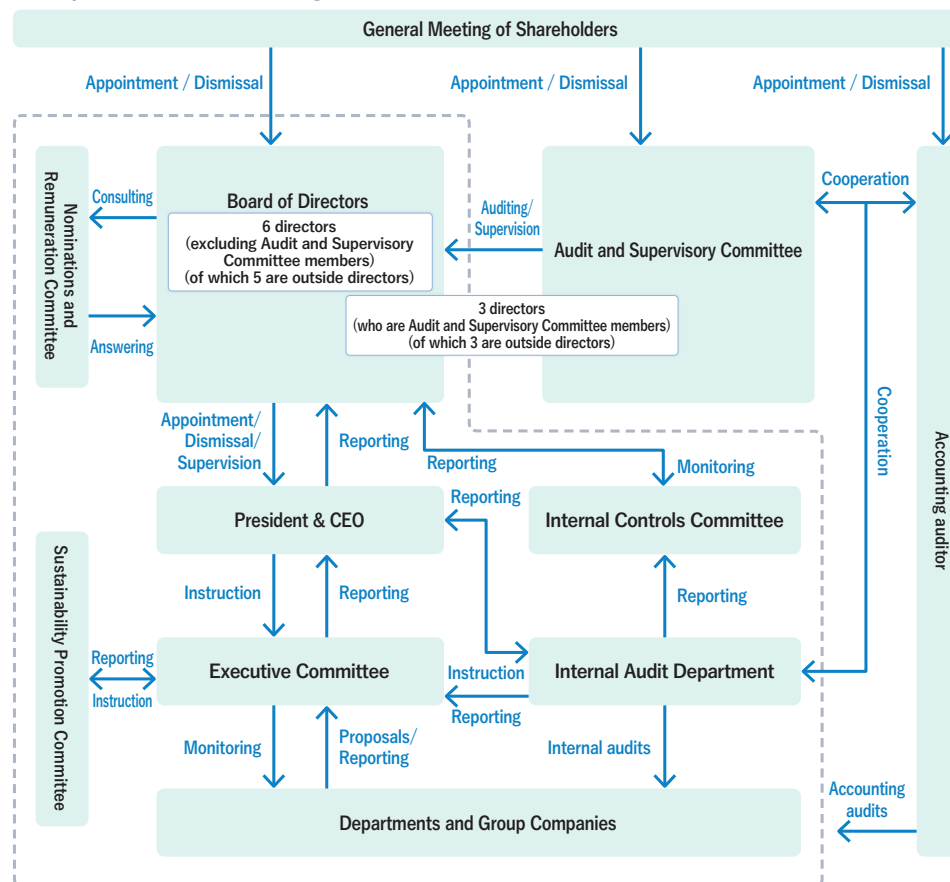
Executive Committee

The Executive Committee is comprised of executive directors and executive officers, and supports the decision-making of the President & CEO. It discusses matters to be resolved by the Board of Directors and considers other important management issues delegated to it by the Board of Directors.

Sustainability Promotion Committee

For more information on the sustainability management approach and promotion system, please refer to page 10.

Corporate Governance Diagram



Executives (As of December 23, 2025)

Masahiro Yamamoto

President & CEO

©Significant concurrent positions outside the Company
Chairman and Representative Director, Akindo Sushiro Co., Ltd.
Representative Director and Chairman, Kyotaru Co., Ltd.
Chairman and Representative Director, FOOD & LIFE INNOVATIONS LTD.

FOOD & LIFE COMPANIES USA, Corp. Director

Director, Sushiro Korea, Inc.

Director, Sushiro Taiwan Co., Ltd.

Sushiro GH Singapore Pte. Ltd. Director

Director, FOOD & LIFE COMPANIES HONG KONG LIMITED

Sushiro GH (Thailand) Ltd. Director

PT INDONESIA SUSHIRO RESTAURANTS Director

Sushiro Malaysia Sdn. Bhd. Director

Director, Sushiro (China) Investment Co., Ltd.

Director, Guangzhou Sushiro Restaurants Co., Ltd.

Director, Shenzhen Sushiro Restaurants Co., Ltd.

Director, Chengdu Sushiro Restaurants Co., Ltd.

Director, Beijing Sushiro Restaurants Co., Ltd.

Minesaburo Miyake

Outside Independent

Director

©Significant concurrent positions outside the Company
Outside Director, Kameda Seika Co., Ltd.

Reiko Kanise

Outside Independent

Director

©Significant concurrent positions outside the Company
Representative Director, Kei Associates Inc.
Representative Director, Lenajapon Institute Co., Ltd.

Eietsu Sakuraba

New Election Outside Independent

Director

©Significant concurrent positions outside the Company
Special Advisor to the President of Takasaki University of Health and Welfare, Visiting Professor, Faculty of Agriculture
Outside Director, Independent Director of Nissin Foods Holdings Co., Ltd.

Tetsuya Ebata

New Election Outside Independent

Director

©Significant concurrent positions outside the Company
Representative Director, President and Group CEO, All About Co., Ltd.
Representative Director and Chairman, All About Life Marketing Co., Ltd.

Haruko Watanabe

New Election Outside Independent

Director

©Significant concurrent positions outside the Company
Representative Director, President & CEO, American Home Assurance Co., Ltd.
Director Vice Chairman, AIG Japan Holdings KK

Teiichi Takatsuki

Outside Independent

Director (Audit and Supervisory Committee Member)

©Significant concurrent positions outside the Company
Outside Auditor, SHIMAMURA Co., Ltd.
Corporate Auditor, Akindo Sushiro Co., Ltd.

Mami Taira

Outside Independent

Director (Audit and Supervisory Committee Member)

©Significant concurrent positions outside the Company
Partner, Taira Tax & Accounting Consulting Group
Outside Director (Audit and Supervisory Committee Member), Suzuden Corporation
Outside Director, Showa Sangyo Co., Ltd.

Emi Omura

Outside Independent

Director (Audit and Supervisory Committee Member)

©Significant concurrent positions outside the Company
Partner, CLS Hibiya Tokyo Law Office
Outside Director, J.FRONT RETAILING Co., Ltd.

Assessing the effectiveness of the Board of Directors

» The "Assessing the effectiveness of the Board of Directors" is available on our official website.

Dialogue with shareholders and management response to cost of capital and stock price awareness

» For details, please refer to "[Principle 5-1] Dialogue with Shareholders" and "[Principle 5-2] Formulating and disclosing business strategies and plans" on page 3 of the Corporate Governance Report.

Director's compensation or remuneration

» Details on executive compensation can be found in the "Executive Compensation" section of the Securities Report for the fiscal year ended September 30, 2025, page 59.

Skill matrix

It is the company's policy that the Board of Directors be composed of personnel with extensive knowledge, deep insight and high level of expertise required by the F&LC Group. The experience, insight, and expertise possessed by each director are as follows.

Status	Full Name	Outside	Corporate Management	Finance, Accounting	Marketing	Global	Risk Management, Legal Affairs	ICT, Digital	Sustainability & Human Capital
Director	Masahiro Yamamoto		○		○	○		○	
	Minesaburo Miyake*	○	○		○		○		○
	Reiko Kanise*	○	○		○	○			○
	Eietsu Sakuraba*	○					○		○
	Tetsuya Ebata*	○	○		○			○	○
	Haruko Watanabe*	○	○	○			○		○
Director (Audit and Supervisory Committee Member)	Teiichi Takatsuki*	○		○			○		
	Mami Taira*	○		○			○		○
	Emi Omura*	○				○	○		○

In addition to business management experience, each person has marked up to three of their major areas of expertise and experience with a circle. Independent directors are marked with an asterisk (*) next to their names.



From left to right: Tetsuya Ebata, Emi Omura, Mami Taira, Minesaburo Miyake, Masahiro Yamamoto, Reiko Kanise, Haruko Watanabe, Eietsu Sakuraba, Teiichi Takatsuki

MATERIALITY



● Strengthening corporate governance and compliance

Risk Management

Management framework

To identify and appropriately manage risks that could threaten the Group's sustainable growth, we have established the Risk Management Regulations and the Internal Control Committee. The committee meets regularly to analyze and assess key risks, formulate improvement measures, and report to the Board of Directors. We have also established a framework for ensuring that we respond promptly to emergencies in line with the Crisis Management Regulations. In addition, the Internal Audit Department, which reports directly to the President, conducts regular audits and provides guidance and reports on improvements. The office works in cooperation with the Audit and Supervisory Committee and accounting auditors to reduce risks.

Risk Management Regulations

The goal of the Risk Management Regulations is to protect corporate value by centrally identifying a broad range of risks, preventing their occurrence, enabling us to respond promptly and appropriately to them to minimize damage should they materialize, and preventing recurrence. The Regulations set out compliance policies, definitions of risk, management frameworks, the roles of the Internal Control Committee and department heads, and contingency plans.

Business risks

We identify and disclose risks that may affect our financial condition and operating results and that could have a material impact on investors' decision-making processes. In addition, matters not classified as defined risk factors will be disclosed proactively when considered material to investment decisions.

» Details on business risks can be found in the "Business risks" section of the Securities Report for the fiscal year ended September 30, 2025, page 19.

MATERIALITY



● Strengthening corporate governance and compliance

Compliance

Management framework

Based on our corporate philosophy, we promote thorough compliance with laws, regulations, social norms, the F&LC Group's Codes of Conduct, various policies and internal regulations.

As a part of our management framework, we have established the Internal Control Committee which is chaired by the President & CEO and which comprises of external experts and other specialists. The committee meets regularly and implements necessary corrective measures and

awareness-raising initiatives on a group-wide basis. It also annually reports information about the status of compliance to the Board of Directors which oversees it. The Group has established a system to ensure that any serious compliance violations or potential violations are promptly reported to the Audit and Supervisory Committee and the Internal Control Committee.

All forms of corruption, including bribery, are prohibited under the Code of Conduct. The Board of Directors oversaw the establishment of the Code of Conduct and oversees its revision and implementation.

Code of Conduct

In order to realize a sustainable society and corporate growth, we have established and put into practice a code of conduct to comply with laws and regulations and to be a company that is widely trusted by our stakeholders, including customers, business partners, employees and their families, local communities, shareholders, and investors.

» The "Code of Conduct" is available on our official website.

Compliance training

To increase employees' awareness of compliance and increase their understanding of its importance, the Group provides them with comprehensive compliance training, including guidance regarding the Code of Conduct, which addresses the prevention of unfair competition and all forms of corruption, including bribery. In FY2025, we conducted an online training program on compliance and responsibilities to consumers. In addition, during promotion training and at other opportunities, the Group's operating companies provide training on relevant laws and regulations, such as the Act against Unjustifiable Premiums and Misleading Representations, the Copyright Act, and the Whistleblower Protection Act, as well as on information management, including personal data protection, and harassment prevention.

Internal reporting system (Hotline)

We have established a reporting and consultation service for various compliance violations, including human-rights violation such as various harassments and discriminations, labor standards violation, environment pollution, and corrupt practices including unfair competition and bribery, to ensure early identification and resolution of problems. We prohibit any disadvantageous treatment of whistleblowers and strictly enforce the confidentiality obligations of the personnel handling reports.

When a report is received or a person consults with the reporting system, the Internal Audit Department, in cooperation with legal and other experts, requests that the relevant departments investigate the matter as necessary and take appropriate action based on the findings of their investigations, including disciplinary measures, personnel actions, and the provision of training. To address concerns regarding the appropriate handling of reports involving the President, directors, or executive officers in cases where harassment or the violation of laws or internal regulations are alleged, we have established an independent reporting channel within the Audit and Supervisory Committee to further strengthen our corporate governance framework.

We also use tools such as helpline cards and awareness posters to inform employees of multiple channels for reporting matters and consulting with us.

Sustainability Data

Environmental

Scope: Akindo Sushiro Co., Ltd. on a non-consolidated basis / Period: April of each year to March of the following year

	Scope	Unit	2022	2023	2024
CO ₂ emissions	Scope 1	(t-CO ₂)	—	—	11,493
	Scope 2	(t-CO ₂)	—	—	40,565
	Total Scope 1 and 2 emissions	(t-CO ₂)	78,574	69,659	52,058
	Scope 1 & 2 emission intensity (Market standard)	(t-CO ₂ per million yen)	—	0.31	0.21
Energy usage	Amount used	(Crude oil equivalent (kl))	42,865	31,745	36,103
	Amount used	(Thousand kWh)	115,341	132,244	136,149
Electricity usage	Non-renewable energy used	(Thousand kWh)	—	91,927	70,749
	Renewable energy used	(Thousand kWh)	—	40,317	65,400
	Renewable energy used (solar)	(Thousand kWh)	238	3,692	5,332
	Renewable energy ratio	(%)	0.2	33.3	52.0
Water intake	Total water intake	(t)	—	2,486,654	2,718,621
	Basic unit	(t per million yen)	—	10.99	10.95
Waste (total)	Amount generated	(t)	31,523.84	25,126.28	27,050.20
	Total amount of waste	(t)	30,802.84	24,145.58	25,940.50
Food waste	Amount generated	(t)	19,447.10	15,093.60	17,565.00
	Recycled amount	(t)	721	981	1,110
	Recycling ratio	(%)	3.7	6.5	6.3
Non-food waste	Amount of waste	(t)	18,726.10	14,112.90	16,455.70
	Amount generated	(t)	12,076.74	10,032.68	9,484.80
Environmental compliance	Amount of waste	(t)	12,076.74	10,032.68	9,484.80
	Number of environmental violations	(cases)	—	0	0
	Total environmental fines	(JPY)	—	—	0

Social

Scope: F&LC Group excluding overseas subsidiaries

	Scope	Unit	Fiscal Year Ended September 2023	Fiscal Year Ended September 2024	Fiscal Year Ended September 2025
Total number of employees	Female	(Persons)	—	—	39,944
	Ratio of female	(%)	60.5	60.0	59.7
	Ratio of male	(%)	39.5	40.0	40.3
	Total	(Persons)	—	61,420	66,948
Breakdown of workforce by age	Up to 20s	(%)	58.0	58.5	60.8
	30s	(%)	8.8	9.2	8.9
	40s	(%)	11.3	10.9	10.0
	50s or older	(%)	21.9	21.4	20.3
	Average age	(Age in years)	32.8	32.5	32.0
Permanent employee	Female	(Persons)	—	467	555
	Ratio of female	(%)	15.3	16.2	18.1
	Ratio of male	(%)	84.7	83.8	81.9
	Total	(Persons)	2,659	2,881	3,058

Social

Scope: F&LC Group excluding overseas subsidiaries

	Scope	Unit	Fiscal Year Ended September 2023	Fiscal Year Ended September 2024	Fiscal Year Ended September 2025
Part-time employees	Female	(Persons)	—	36,397	39,389
	Ratio of female	(%)	58.5	62.2	61.7
	Ratio of male	(%)	38.8	37.8	38.3
	Total	(Persons)	—	58,539	63,890
	Ratio of non-full-time employees	(%)	—	95.3	95.4
Employees by nationality	Japan	(Persons)	—	54,823	57,003
	Vietnam	(Persons)	—	1,371	1,683
	Nepal	(Persons)	—	2,072	3,607
	China	(Persons)	—	606	672
	Number of nationalities	(Country/ Region)	66	62	58
	Ratio of foreign employees	(%)	—	10.7	14.9
Employment of people with disabilities	Number of foreign employees	(Persons)	4,812	6,597	9,945
	Employment rate	(%)	2.34	2.96	3.29 ¹
Average years of service ²	Female	(Years)	—	5.3	5.0
	Male	(Years)	—	9.7	9.4
	Total	(Years)	9.0	9.0	8.6
Female in management positions	Ratio of female	(%)	6.7	7.1	7.4
	Female	(Persons)	—	118	164 ¹
New employee	Ratio of female	(%)	—	23.2	32.5 ¹
	Male	(Persons)	—	390	340 ¹
	Total	(Persons)	—	508	504 ¹
	Internal hiring rate	(%)	38.0	28.0	17.1 ¹
Average salary (Average annual salary)	Female	(JPY 1,000)	—	4,949	5,748
	Male	(JPY 1,000)	—	5,790	6,343
	Total	(JPY 1,000)	—	5,669	6,253
Gender wage gap (Ratio of female's wages to male's wages)	Full-time employee	(%)	82.3	83.3	82.2
	Part-time employees	(%)	100.0	100.2	100.1
	Total workforce	(%)	78.7	81.4	78.2
Annual training	Total training time	(Hours)	—	3,041	8,108 ¹
	Average training hours	(Training hours per employee)	—	10.2	22.8 ¹
	Average number of training days	(Days per employee)	—	1.3	2.8 ¹
	Percentage of training participants	(%)	—	49.7	93.0 ¹
	Total training and education costs	(JPY 1,000)	—	20,585	30,201 ¹
Employee health	Average training/training costs	(Thousand JPY per employee)	—	69	84 ¹
	Employees health checkups attendance rate	(%)	100	100	100
Paid leave utilization rate	Total	(%)	68.9 ²	65.8 ²	66.9 ²
	Female	(%)	100	93.3	100
Parental leave utilization rate	Male	(%)	65.3	64.9	70.9
	Total	(%)	68.3	69.6	76.8
Employee turnover rate	Turnover rate	(%)	—	—	11.4
Supplier questionnaire survey	Number of surveys conducted (companies)		—	359	380

*1 Scope: F&LC Group (including overseas subsidiaries)

*2 Full-time employees only

Governance

Scope: F&LC

	Scope	Unit	Fiscal Year Ended September 2023	Fiscal Year Ended September 2024	Fiscal Year Ended September 2025
Types of company institutional forms	(—)		Company with Audit and Supervisory Committee	Company with Audit and Supervisory Committee	Company with Audit and Supervisory Committee
Composition of Board of Directors	Female outside directors	(Persons)	3	3	3
	Male outside directors	(Persons)	4	3	3
	Female inside directors	(Persons)	0	0	0
	Male inside directors	(Persons)	1	2	2
	Ratio of outside directors	(%)	87.5	75.0	75.0
	Ratio of female directors	(%)	37.5	37.5	37.5
Number of meetings held	Total	(Persons)	8	8	8
	Board of Directors	(Times)	16	15	17
	Audit & Supervisory Committee	(Times)	19	24	23
	Nomination and Compensation Committee	(Times)	6	7	13
	Sustainability Promotion Committee	(Times)	3	4	4
Political contributions	Internal Control Committee	(Times)	4	4	4
	Political contributions	(JPY)	—	—	0

Executive Position	Name	Attendance Status for the Fiscal Year Ended September 2025		
		Board of Directors	Audit & Supervisory Committee	Nomination and Compensation Committee
President & CEO	Masahiro Yamamoto	14/14 ^{*1} (100%)	—	11/11 ^{*1} (100%)
Director	Hiroshi Ogawa	3/3 ^{*2} (100%)	—	—
Director	Koichi Mizutome	17/17 (100%)	—	2/2 ^{*3} (100%)
Outside Director	Akira Kondo	17/17 (100%)	—	—
Outside Director	Minesaburo Miyake	17/17 (100%)	—	13/13 (100%)
Outside Director	Reiko Kanise	17/17 (100%)	—	13/13 (100%)
Outside Director (Audit & Supervisory Committee Member)	Teiichi Takatsuki	14/14 ^{*1} (100%)	17/17 ^{*1} (100%)	—
Outside Director (Audit & Supervisory Committee Member)	Mami Taira	16/17 (94%)	23/23 (100%)	11/11 ^{*4} (100%)
Outside Director (Audit & Supervisory Committee Member)	Emi Omura	17/17 (100%)	23/23 (100%)	—
Outside Director (Audit & Supervisory Committee Member)	Yoshihiro Noutsuka	3/3 ^{*2} (100%)	6/6 ^{*2} (100%)	—

*1 Attended all meetings since assuming office *2 Retired upon expiration of term on December 26, 2024

*3 Resigned from the committee on November 28, 2024 *4 Attended all meetings since appointment to the committee

Stock Information (as of September 30, 2025)

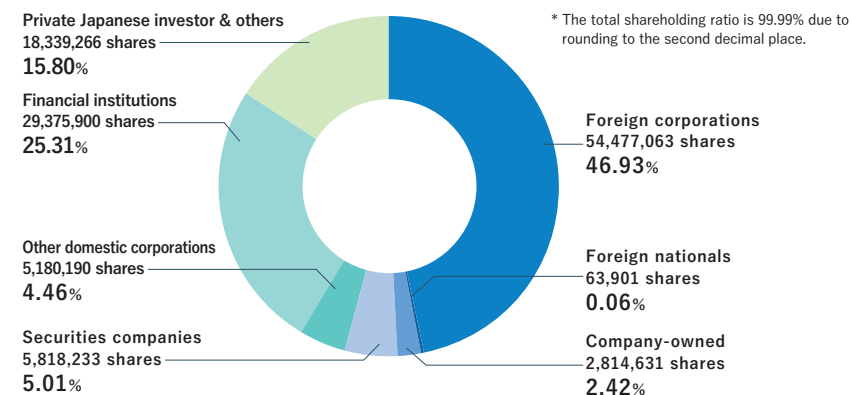
Listed stock exchange	Prime Market of the Tokyo Stock Exchange	
Securities code	3563	
Number of shares and shareholders	Total number of authorized shares	436,000,000
	Total number of issued shares	116,069,184 (Including 2,814,631 shares of treasury stock)
	Number of shareholders	69,611
Rating	A-(Japan Credit Rating Agency, Ltd.)	

Major Shareholders (Top 10)

Name of corporate entity	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	16,859,100	14.89
Custody Bank of Japan, Ltd. (Trust account)	6,089,700	5.38
STATE STREET BANK AND TRUST COMPANY 505001	4,026,938	3.56
National Federation of Agricultural Cooperative Associations	3,744,400	3.31
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	3,217,602	2.84
JPMorgan Securities Japan Co., Ltd.	2,351,757	2.08
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	2,249,512	1.99
STATE STREET BANK AND TRUST COMPANY 505325	1,840,878	1.63
JP JPMSE LUX RE BARCLAYS CAPITAL SEC LTD EQ CO	1,738,147	1.53
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	1,667,531	1.47

* Shareholding ratio is calculated excluding treasury stock (2,814,631 shares).

Breakdown of Shareholders





FOOD & LIFE
COMPANIES

FOOD & LIFE COMPANIES LTD.

1-22-2 Esaka-cho, Suita-shi, Osaka, 564-0063, Japan
<https://food-and-life.co.jp/en/>