MEMBERSHIP

August 7, 2026

To All :

Company Name : FOOD & LIFE COMPANIES LTD.
Representative : Masahiro Yamamoto, President & CEO
Securities Code : 3563, Prime Market of the Tokyo Stock Exchange
Contact : Takeshi Yoshida, Corporate Officer
(Tel : 06-6368-1001)

Change in Specified Subsidiary (Share Transfer)

FOOD & LIFE COMPANIES LTD. (the "Company") hereby announces that the Board of Directors of the Company, at its meeting held on August 7, 2026 resolved to transfer all shares of its specified subsidiary, KYOTARU CO LTD. ("KYOTARU"), to SRS HOLDINGS CO LTD. ("SRS"), and entered into a share transfer agreement on the same day. The details are described below.

1. Reasons for the Change

The Company acquired all shares of KYOTARU (which operates the well-known takeout sushi brand "KYOTARU" as well as the revolving-lane sushi restaurants "KAISEN MISAKIKOU" (current "KAITEN SUSHI MISAKI") and "SUSHI MISAKIMARU" (current "SUSHI MISAKI") mainly in Kanto/Tokyo region) from YOSHINOYA HOLDINGS CO LTD. on April 1, 2021. Since the acquisition, the Company has promoted comprehensive rebranding and worked to enhance KYOTARU's corporate value by leveraging the know-how cultivated through the "SUSHIRO" business. These initiatives have included improving productivity, upgrading the red vinegar rice, strengthening product development capabilities, increasing brand recognition through active sales promotions, and renovating stores.

As the business environment of the takeout sushi market has undergone significant changes, it has become increasingly important for KYOTARU to update its strategies and make timely investments in order to achieve further growth. Under these circumstances, the Company has determined that transferring KYOTARU to a partner capable of further accelerating its growth would be the optimal way to realize KYOTARU's sustainable growth and further enhance its corporate value. In addition, the Company believes that focusing its management resources on the "SUSHIRO" business, in both domestic and overseas markets, will contribute to the medium- to long-term enhancement of the Company group's corporate value. Accordingly, the Company has decided to enter into the share transfer agreement.

2. Execution of Third-Party Allotment of New Shares by KYOTARU

Prior to the Share Transfer, the Company plans to subscribe to a third-party allotment of new shares issued by KYOTARU (issuing one new share for a total capital increase of JPY 6.48 billion).

This capital increase is intended to eliminate KYOTARU's negative net worth, as well as to fund the repayment of loans owed by KYOTARU to the Company. By stabilizing KYOTARU's financial foundation, this initiative aims to ensure smooth business operations and drive further growth following the share transfer. The payment date for the third-party allotment is scheduled for August 18, 2026.

3. Overview of the Subsidiary To Be Transferred

(1)	Company name	KYOTARU CO., LTD.
(2)	Location	2-7-5 Nihonbashi-Ningyocho, Chuo-ku, Tokyo
(3)	Name and title of representative	Takanori Takegawa, Representative President

<table>
<tr><td>(4)</td><td>Description of business</td><td colspan="4">Food service</td></tr>
<tr><td>(5)</td><td>Capital stock</td><td colspan="4">JPY 10 million</td></tr>
<tr><td>(6)</td><td>Date of establishment</td><td colspan="4">September 27, 2018</td></tr>
<tr><td>(7)</td><td>Major shareholders and shareholding ratios</td><td colspan="4">FOOD & LIFE COMPANIES LTD. 100%</td></tr>
<tr><td rowspan="3">(8)</td><td rowspan="3">Relationship between the Company and the subject company</td><td>Capital relationship</td><td colspan="3">The Company holds 100% of the outstanding shares</td></tr>
<tr><td>Personnel relationship</td><td colspan="3">Six members from the Company group have been appointed as directors of KYOTARU, and seven employees have been seconded to KYOTARU. Among the seconded employees, one also serves as a director.
In addition, the Company group has accepted six employees seconded from KYOTARU.</td></tr>
<tr><td>Business relationship</td><td colspan="3">There are business relationships between the Company and the subject company, including support for business operations provided by the Company and transactions such as procurement.</td></tr>
<tr><td>(9)</td><td colspan="5">Consolidated operating results and consolidated financial positions of subject company for the last three years (IFRS)</td></tr>
<tr><td colspan="2">Fiscal Year</td><td colspan="2">FY2023 / 9</td><td>FY2024 / 9</td><td>FY2025 / 9</td></tr>
<tr><td colspan="2">Total Equity
(Million, JPY)</td><td colspan="2">▲ 2,789</td><td>▲ 3,075</td><td>▲ 3,004</td></tr>
<tr><td colspan="2">Total Assets
(Million, JPY)</td><td colspan="2">12,252</td><td>11,689</td><td>11,172</td></tr>
<tr><td colspan="2">Revenue
(Million, JPY)</td><td colspan="2">24,446</td><td>23,986</td><td>23,532</td></tr>
<tr><td colspan="2">Operating Profit
(Million, JPY)</td><td colspan="2">▲ 653</td><td>▲ 352</td><td>60</td></tr>
<tr><td colspan="2">Profit for the Year Attributable to Owners of the Parent
(Million, JPY)</td><td colspan="2">▲ 560</td><td>▲ 311</td><td>96</td></tr>
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4． Overview of the Counterparty to the Share Transfer

<table>
<tr><td>(1)</td><td>Company name</td><td colspan="2">SRS HOLDINGS CO., LTD.</td></tr>
<tr><td>(2)</td><td>Location</td><td colspan="2">30th Floor, Osaka Kokusai Building, 2-3-13 Azuchimachi, Chuo-ku, Osaka</td></tr>
<tr><td>(3)</td><td>Name and title of representative</td><td colspan="2">Masahiko Shigesato, President & Chief Executive Officer</td></tr>
<tr><td>(4)</td><td>Description of business</td><td colspan="2">Management and Administration of Group Companies and Related Operations</td></tr>
<tr><td>(5)</td><td>Capital stock *</td><td colspan="2">JPY 11,077 million</td></tr>
<tr><td>(6)</td><td>Date of Establishment</td><td colspan="2">August 27, 1968</td></tr>
<tr><td>(7)</td><td>Total Equity *</td><td colspan="2">JPY 18,441 million</td></tr>
<tr><td>(8)</td><td>Total Assets *</td><td colspan="2">JPY 47,145 million</td></tr>
<tr><td rowspan="9">(9)</td><td rowspan="9">Major shareholders and shareholding ratios *
(Percentage of shares owned to the total issued shares (excluding treasury shares))</td><td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td><td>7.00%</td></tr>
<tr><td>H2O RETAILING CORPORATION</td><td>6.17%</td></tr>
<tr><td>Yoshitaka Shigesato</td><td>3.38%</td></tr>
<tr><td>MUFG Bank, Ltd.</td><td>2.89%</td></tr>
<tr><td>Yuriko Shigesato</td><td>1.86%</td></tr>
<tr><td>Kirin Brewery Company, Limited</td><td>1.45%</td></tr>
<tr><td>Custody Bank of Japan, Ltd. (Trust Account)</td><td>0.93%</td></tr>
<tr><td>ASAHI BREWERIES, LTD.</td><td>0.72%</td></tr>
<tr><td>SRS HOLDINGS Employee Stock Ownership Association</td><td>0.53%</td></tr>
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		BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE (Standing Proxy: MUFG Bank, Ltd.)	0.34%
(10)	Relationship between the listed company and the subject company	Capital relationship	Not applicable
		Personnel relationship	Not applicable
		Business relationship	Not applicable
		Related-party relationship	Not applicable

[Note] The figures in above table are as of March 31, 2026.

5. Number of Transferred Shares, Transfer Price, and Status of Shareholding Before and After Transfer

(1)	Number of shares owned before transfer	202 shares (Rate of holding voting rights：100%)
(2)	Number of transferred shares	202 shares
(3)	Transfer price	JPY 3,745 million
(4)	Number of shares owned after transfer	－ shares (Rate of holding voting rights：－%)

[Note] As of August 7, 2026, the number of issued shares of KYOTARU is 201 shares. However, KYOTARU plans to conduct a capital increase through third-party allotment of new shares to the Company, and the number of issued shares at the time of the share transfer is expected to be 202 shares.

6. Schedule

(1)	Date of resolution by the Board of Directors	August 7, 2026
(2)	Execution of share transfer agreement	August 7, 2026
(3)	Effective date of share transfer	September 1, 2026 (plan)

7. Future Prospects

With the execution of this share transfer, KYOTARU is scheduled to be excluded from the Company's consolidated subsidiaries (specified subsidiaries). While the impact of this share transfer on the Company's consolidated financial results for the fiscal year ending September 30, 2026 is expected to be minor, we have separately released a notice titled "Revision of FY26/9 Earnings Forecast" today to report on the impact of other factors. If any matters that ought to be disclosed arise hereafter, we will disclose such information promptly.

8. Regarding the Use of Shareholder Benefit Coupon Issued by FOOD & LIFE COMPANIES LTD. at Kyotaru Stores

Shareholder Benefit Coupons with the expiration date of December 31, 2026, that have already been issued, will remain valid and accepted until their expiration date.