all for your
richness
and smile










INTEGRATED REPORT 2026

Sagami Holdings Corporation

SAGAMI



Message from the Top Management

Beyond record highs

We are beginning our journey toward the next 50 years.

Hisashi Onishi
President and CEO

In FY2025, Sagami Holdings' core restaurants, Sagami and Ajino-Mingei, both celebrated their 50th anniversaries. We are delighted to report to our stakeholders that, in this milestone year, we achieved record highs across all major profit categories, including net sales of 39.3 billion yen and operating profit of 2.9 billion yen.

We have been able to come this far thanks to the support of all our stakeholders, including the customers who have chosen our restaurants in their local communities and continue to visit them, our business partners, shareholders, and the approximately 10,000 colleagues across the Group who work on the front lines every day. I would like to express my heartfelt gratitude to all stakeholders.

Reassessing our strengths in times of success

I see this achievement as a starting point for shaping the next 50 years. In the previous fiscal year, we achieved the financial targets in our Medium-term Management Plan one year ahead of schedule. While I take great pride in the hard work of my colleagues who helped us achieve these record highs, I am equally conscious of the need to remain vigilant. The restaurant industry as a whole has benefited from the tailwind of rebound demand that followed the COVID-19 pandemic. I take a clear-eyed view that our current performance reflects not only the results of our efforts, but also, to some extent, the tailwind from this demand.

While demand for dining out remains steady, consumers are becoming increasingly cautious about their spending as prices remain at high levels. Customers are becoming more discerning than ever, and the difference between the restaurants that are chosen and those that are not is likely to become even clearer over the next year or two. When that time comes, will we have what it takes to be chosen? Looking back on the achievements and challenges of the current fiscal year, we have gained a clear understanding of the areas we need to strengthen going forward.

Our seasonal fairs, which focus on peak-season ingredients and local producers, help us develop menus that customers are willing to choose even at higher price points, which resulted in increased sales. However, customer numbers at existing restaurants have remained stagnant throughout the past year. This is a fact we must face head-on. Although we moved steadily forward with new restaurant openings and renovations, which we did not put on hold even during the COVID-19 pandemic, and achieved our financial targets, the one thing we failed to reach was the targeted number of restaurants.

Ultimately, the growth of the restaurant industry comes down to customer creation; that is, increasing the number of new customers and turning more customers into regulars. If we lose sight of this concept, our business will not survive. This mindset only becomes a real strength when every employee on the front lines embraces it. We can accelerate restaurant openings to increase sales, but if the people supporting those restaurants have not been adequately trained, customers' expectations will not be fully met, and the strengths of our existing restaurants may actually decline. We have experienced firsthand the risks of pursuing scale. To avoid going down the same path that we've been down before, we must train our people, develop our restaurants, and enhance our ability to remain the preferred restaurant in the community, before pursuing scale. That will be the foundation for our next stage of growth.

For this reason, it is important that each and every employee understands this approach. Each person's work contributes to customer satisfaction and restaurant visits, which is turn leads to our own growth and improved employee compensation and benefits. We will once again make this cycle clear to everyone across the Group. With this in mind, we will place investment in human resources at the heart of our management strategies this fiscal year.

At the same time, we have made the decision not to publicly disclose our numerical targets for the next Medium-term Management Plan. Given the continued uncertainty in the business environment, including the turmoil in the Middle East and the ongoing debate over the consumption tax system, we believe it would be premature to present fixed long-term figures at this point. This does not mean, however, that we will operate without targets. We will establish internal targets and milestones, and closely monitor our progress. Rather than focusing solely on the numbers we present externally, we will place the highest priority on developing human resources who can turn adversity into long-term corporate value, even if the path may appear indirect.

"Human resources" accelerate growth

Ultimately, the restaurant industry is a people business. No matter how well our systems are developed, how advanced our facilities become, or how extensively we adopt AI, it is ultimately the awareness and customer-focused actions of each person working on the front lines that enhance customer satisfaction.

The Company will achieve growth based on the three drivers for growth: enhancing the value of experience at restaurants, promoting restaurant visits, and expanding customer touchpoints. We have named the driving force behind these three growth drivers; in other words, the power generated by people, the "human capital driver," which we will continue to refine. Using a tree as an analogy, the human capital driver represents the roots and the trunk, while the growth drivers represent the branches and leaves. The following three initiatives are designed to support those roots and trunk.

The first is sharing a purpose and the path forward. Why are we doing what we do, and where are we headed as a company? When everyone is aligned in the same direction, there is less uncertainty on the front lines. This enables everyone to return to the same guiding principle: placing the utmost priority on customer satisfaction.

The second is conviction and personal growth. To remain a company where people want to work, and enable them to continue demonstrating their capabilities over the long term after joining the Company, it is essential to provide compensation and benefits that are satisfactory to employees. We have continued to raise starting salaries since April 2023, and implemented a further increase for employees joining the Company in April 2026. Along with this increase in starting salaries, we also raised the salaries of existing employees and part-timers. We have also reviewed our salary structure, including our performance evaluation system, year-end bonuses, and special bonuses, to create an environment in which everyone's efforts are fairly rewarded and employees can feel a sense of personal growth.

The third is psychological safety and autonomy. Looking back on my 44 years with the Company, I have to admit that I have experienced far more failures than successes. What enabled me to keep moving forward was being given opportunities to learn from those failures. That is why we will expand the autonomy that allows those on the front lines to make their own decisions and take on challenges with confidence.

The values and life stages of our colleagues in the workplace vary from person to person. Nevertheless, when they are working in our restaurants, the most important thing is that they bring smiles to our customers' faces. Employees should think and act for themselves so that customers will want to go back to that restaurant. When this priority is clear and an environment created

where employees feel comfortable taking risks and learning from their mistakes, our frontline teams are able to act with pace and efficiency.

Leaders bring these three human capital drivers together and put them into practice on the front lines. In particular, we believe that developing management personnel, including restaurant managers, is the cornerstone of our human resource strategy. (→ P. 21)

I hope that future leaders will not only be "professionals in cooking and customer service," but also "professionals who can turn customers into fans." The ability to accurately perform kitchen and front-of-house duties is essential. Even when overall customer traffic is sluggish, restaurants with highly skilled culinary staff can, without doubt, retain customers. However, that alone does not naturally lead to an expansion of the loyal customer base. What is important is being attentive to the people around us. Leaders who notice subtle changes in the expressions of their colleagues are also attuned to even the smallest signs of customer dissatisfaction or unmet expectations. In fact, there are cases where the efforts of a single restaurant manager have helped increase a restaurant's sales by nearly 5%. This demonstrates how significant a leader's influence can be.

When I visit restaurants with high levels of employee satisfaction, I am impressed by the thoughtfulness and attentiveness of those partner employees. A single observation by the restaurant manager or a few encouraging words each day can change the atmosphere of the restaurant, and is reflected in the quality of the food and how customers perceive their experience.

How we respond to customer feedback is another important area that needs to be reassessed. Over the past 40 years, the way we receive feedback and comments from customers has changed significantly. In the past, complaints were generally made directly at the restaurants, but today, customers increasingly say nothing at the time but instead contact our head office afterwards. This is why I personally read through all of the feedback every morning and give specific instructions to ensure that improvements are made on the front lines. Rather than simply treating the feedback we receive as complaints, we turn it into concrete steps for improvement and continue to make fundamental changes. By turning the lessons that our customers help us grow our restaurants into organizational strength, we will ultimately drive the steady growth of our restaurants. Going forward, we will all work together to create such workplaces.

Together, reaffirming the value we provide for the price

For the fiscal year ending March 31, 2027, we expect net sales to increase to 40.5 billion yen, while deliberately planning for a decrease in operating profit to 2.4 billion yen. While we anticipate increases in costs, including for ingredients and labor, we have chosen, for the time being, to limit the extent to which we pass those higher costs onto customers through price increases. If we continue to raise prices at this stage, customers who are increasingly weary of repeated price increases may be less inclined to visit our restaurants, potentially damaging our long-term corporate value. With the aim of making this a year in which customers are more likely to visit our restaurants, we decided not to raise prices when we undertook our April 2026 menu revisions.

What is important is not to simply maintain prices, but to undertake a comprehensive review from the perspective of customers to determine whether we are delivering value that exceeds what customers pay.

One specific initiative is our menu strategy. For the past three years since the COVID-19 pandemic, amid an environment in which price increases were unavoidable, we focused on value creation and expanded seasonal and region-specific menus at both Sagami and Ajino-Mingei restaurants. However, the value we provide is not determined by the number of menu items we offer; it is always determined by the customers. Based on this premise, we are now reviewing the number of items on our menus and the menu lineups themselves. For example, at Ajino-Mingei, we have started trial initiatives to optimize the content and number of menu items according to the customers' reasons for visiting the restaurant and the characteristics of each area, such as slightly varying the menu lineup between the Chiba and Kanagawa areas. If 50 menu items include many that make customers think, "This is really good," then that is a rich selection. Conversely, even 100 items cannot be considered a rich selection if none of them truly resonates with customers. These kinds of reviews can only be undertaken when business performance is steady. Now that we are maintaining sales growth, I believe that this is the ideal time to consolidate what we have achieved so far.

At the same time, we will re-examine the fundamentals of creating restaurants. We will examine whether, in recent years, we have allowed ourselves to overlook things we should have noticed and changed simply because we were "busy."

Even now, I visit restaurants alone and without prior notification on weekends. The atmosphere and the smells the moment I open the door, along with the way the staff greet customers and the smiles on their faces, tell me a great deal about the state of the restaurant. I believe that customers form 80% of their impression of a restaurant within the first minute after walking through the door. Cleanliness, the atmosphere, the way customers are welcomed, and the expressions on the faces of staff; all these make an impression on customers in that first minute. That is when the restaurant reveals itself as it truly is, without any pretense. I want to apply that feeling when entering a restaurant as a customer to our own restaurants as well. To ensure that everyone develops an intuitive understanding of this, we will clearly articulate these insights, develop them as a system, and systematically communicate this through training.

Customer creation and investment in our quality foundation

There are still many customers who have yet to come into contact with the Company. Our first corporate collaboration with FamilyMart, as well as our sponsorship of official games of the CHUNICHI DRAGONS, are attempts to naturally introduce our presence to people who are not familiar with Sagami, particularly younger generations. Our TV commercial featuring Akari Suda was designed to instantly make viewers think, even as they watched the commercial on a screen, "That looks delicious," or ask themselves, "What restaurant is that?" Beyond simply raising awareness of the Company, presenting our signature products in an appealing way also gives our colleagues on the front lines a sense of pride in what we offer.

Opening restaurants in new locations is also a challenging way of appealing to new customers. Following openings in Nagano Prefecture and Chiba Prefecture, we opened our first Sagami restaurants in Wakayama Prefecture and Gunma Prefecture, attracting many customers from the first day. We are also bringing the appeal of Ajino-Mingei's food to new customer segments, including through the opening of the Shin-tsunashima restaurant in Kanagawa Prefecture, located near the station. Going forward, we will continue to steadily expand customer touchpoints, while protecting our core flavors and making adjustments to suit the preferences of local markets. We also see significant potential in the perspectives of visitors to Japan and the growing number

of colleagues from overseas. We will expand the appeal of Japanese cuisine, including noodles, tempura, and sushi, among more people at affordable prices.

Our broad portfolio of restaurant formats will also be a source of our competitive advantage going forward. Restaurant formats offering meals for under 1,000 yen have a broad customer base but they also face intense competition, making specialization and quality of flavor increasingly important. Specialty concepts such as Juwari Soba Chosuke have a clear role to play. While udon is widely loved as a national dish, soba has value as a health food. We will further highlight our strengths in offering both.

As an investment with a view to the next stage of growth, we will also undertake the rebuilding of our soba flour mill. This is not a simple facility upgrade, but an investment to strengthen the foundations of quality and safety by establishing an integrated, end-to-end process from raw materials to finished products. We will further enhance the strengths of our in-house milling and develop the mill into a profit center with a view to supplying our products to other companies as well.

Sagami's sustainability starts with local communities

Our sustainability initiatives are not so much special activities but rather an extension of our business which has its roots in the local community. We are also addressing issues such as climate change, food issues, and human rights as a Group; however, our starting point is always the local community and our customers. For example, in regions with aging populations, our morning-hour services have become a community space within walking distance for seniors. In terms of raw material procurement, we have partnered with soba-producing regions with aging populations to begin cultivating Mannami soba. Directly engaging with the producing area will enable us to pass valuable traditions and skills on to the next generation. These efforts, carried out through our business, help safeguard the future of local communities while preserving the flavors and quality that define the Company.

To our stakeholders

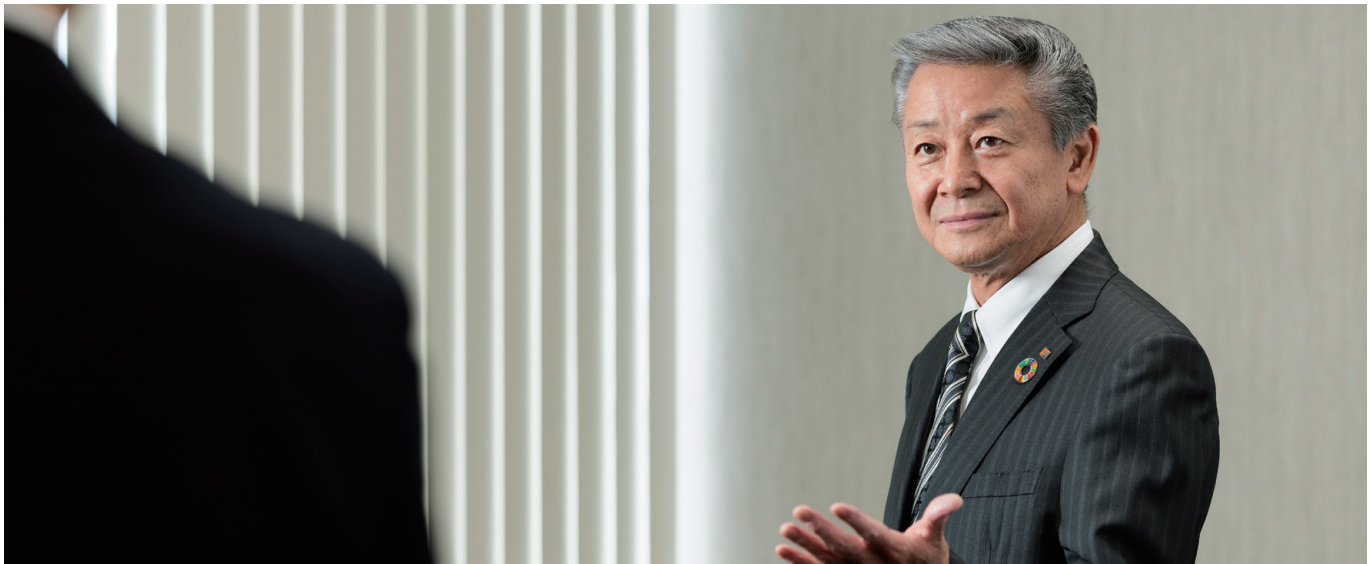
As I have stated previously, the environment surrounding the restaurant industry is undergoing rapid and complex changes, as evidenced by soaring raw material prices and labor shortages. Precisely because we are operating in such uncertain times, we must return to our mission: "all for your richness and smile." I am convinced that continuing to provide dining experiences that truly satisfy our customers is the enduring purpose of the Group and the source of the sustainable enhancement of our corporate value. For our employees, we will provide a work environment where they can work with confidence for the long term while experiencing a sense of personal growth and a fulfilling life. For our business partners and local communities, we will promote initiatives that protect and develop food culture through sincere partnerships. Returning profits to shareholders is one of our management priorities, In addition, to make our shares more accessible to a broader range of investors, we conducted a stock split and made partial revisions to our shareholder benefit program to encourage shareholders to retain our shares over the medium to long term. These initiatives are an expression of our determination to reliably return the achievements of our sustainable growth to shareholders. Going forward, we will continue to enhance corporate value through business growth while maintaining stable shareholder returns.

Carrying the founding spirit forward to our 100th anniversary

The Company's founder always used to say, "Sagami has to serve delicious food," and, "We owe it all to our local customers." When I was younger, I wondered why he kept repeating what seemed like such obvious statements. Now, having spent nearly half a century on the frontlines, I am acutely aware of just how difficult, and how important it is, to continue doing the things that seem obvious. Our greatest strengths are our menu and people. In particular, our commitment to making everything by hand from the outset creates value that other companies cannot easily replicate. In 10 or 20 years from now, as the population declines and the workforce shrinks further, more and more processes will likely become automated. The impact of this will undoubtedly be significant.

Despite this, I hope we will continue to uphold the core of what we do: delivering handmade food with genuine care. If we abandon the values that our customers cherish in the name of efficiency, we risk losing the essence of who we are. What should we change, and what should we preserve? How we answer this question will determine the next 10 years. Unless those who provide hospitality have a sense of ease and well-being themselves, they cannot truly make customers feel welcome. I truly believe that we should value the smiles of our colleagues just as much as the smiles of our customers. Those smiles are one of the reasons I have been able to spend 44 years working for this Company.

We will steadfastly pass on the DNA of the past 50 years of delicious food and hospitality and entrust it to the next generation as we approach our 100th anniversary. I want to leave a solid foundation for the colleagues who will carry us into the future. That is my hope. Going forward, I sincerely ask for your continued support of Sagami Holdings.



Value Creation Process

Under the Group's vision of "No. 1 Noodle Restaurant Company," we operate Japanese noodle restaurant chains with a focus on deliciousness and hospitality. We emphasize the three elements of "Value of Experience," "Restaurant Visits," and "Customer Touchpoints" as our drivers for growth and focus our efforts on honing each of these elements. In recent years, we have been creating new value while taking into consideration the needs of the times, including the provision of dishes that are conscious of customers' health.

External Environment

- Population decline, falling birthrate and aging population
- Worsening of environmental issues
- Consideration of health
- Acceleration of IT and DX
- Logistics issues
- Increased interest in food safety and security

Inputs

Financial capital

Consolidated net sales	¥39,359 million
Total assets	¥27,123 million
Capital adequacy ratio	72.4%

Human capital

Number of employees	10,831
Female employees	68.6%

Manufacturing capital

Manufacturing sites	3 factories
Number of restaurants	274
Capital expenditures	¥3,523 million

Intellectual capital

Number of brands	12

Social capital

Number of customers	Approx. 23 million (annual)

Natural capital

Source of business activities: Procurement in consideration of a sustainable society

Business Model

Three Drivers for Growth

1. Pursuit of deliciousness and hospitality with the aim of increasing satisfaction
   - Value of Experience
2. Creation of incentives to visit our restaurants with the aim of increasing customer numbers
   - Restaurant Visits
3. Acceleration of restaurant openings with the aim of increasing customer touchpoints
   - Customer Touchpoints

Human Capital Drivers

1. Sharing our purpose and the path forward
2. Building understanding and enabling personal growth
3. Providing security and autonomy

See page 23 for details.

Our mission

We create the delight of "Shoku (eating)" and

—all for your richness and smile—

Outputs | Outcomes | Sagami Group's Vision

Major brands

和食麺処 サガミ



味の民芸



どんどん庵



十割そば 長助



Customers

Increase customer satisfaction by providing a rich dining experience through delicious food and hospitality

Employees

Support employees' sense of purpose in life and reward in their work and develop workplace environments where they can work with peace of mind

Business partners

Build partnerships for growing together and long-term relationships of trust

Local communities

Co-exist and prosper together with local communities through community contribution activities and contribute to regional revitalization

Environment

Reduce environmental impact and promote initiatives for the realization of a sustainable society

Shareholders

Respond to shareholders' trust by aiming for stable dividends and sustainable enhancement of corporate value



No. 1 Noodle Restaurant Company

We will aim to be No. 1 not only in company size through the pursuit of sales and profits, but also in "richness" through aspects such as value provided to customers and employees' sense of reward.

"Shoku (working)" to serve for the local society

Initiatives to Address Environmental Issues and Climate Change



The Group considers that addressing climate change is an important management mission to contribute to building a sustainable society. From FY2023, we conduct scenario analysis in accordance with the TCFD recommendations to clearly identify business risks and opportunities.

Governance

To implement initiatives to address sustainability challenges, the Group has appointed an officer in charge of sustainability and established the Sustainability Promotion Office. Under instructions by the Group Management Meetings which are attended by members of the Board of Directors, Executive Officers and parties with interest in the agenda, the Sustainability Promotion Office develops plans and works together with other departments in relation to initiatives to address these challenges, and then reports its recommendations to the Group Management Meetings. In addition, the Group Management Meetings consider and discuss the recommendations, and report to the Board of Directors chaired by the Representative Director. Based on the report from the Group Management Meetings, the Board of Directors resolves submitted matters and deliberates on important managerial matters, as necessary.

The Group recognizes that climate change countermeasures are an important management issue, and believes that expertise and experience in this field are essential from the perspective of achieving effective corporate governance. The Officer in charge of sustainability is familiar with the Group's supply chain and overall business operations, and has the skills to lead the formulation and implementation of business strategies that realize sustainability, including climate change countermeasures.

Strategy

Food problem aggravated by climate change is an important challenge for the Company, which uses agricultural produce, livestock products and fishery resources as ingredients. In addition, an increase in natural disasters causes supply chain disruptions, which may have a significant impact on the Group's business.

Therefore, the Group identifies climate change risks and opportunities based on the TCFD recommendations. Using 1.5°C scenario for risks and opportunities related to transition towards decarbonization and 4°C scenario for physical risks and opportunities associated with progressing climate change, we evaluate the impact of future risks and opportunities.

Scenarios used for impact evaluation

	Overview of scenarios	Referenced scenarios
1.5°C scenario	The global average temperature increase is limited to less than 1.5°C, compared to pre-industrial revolution levels. This is a scenario in which strict environmental regulations will be introduced and substantial investment in environmental-related technologies will be required to achieve the target.	• International Energy Agency (IEA) NZE2050 • NGFS Net Zero 2050 • Intergovernmental Panel on Climate Change (IPCC) SSP1-1.9
4°C scenario	The average global temperature increases by 4°C or more, compared to pre-industrial revolution levels. Introduction of environmental regulations will be delayed, greenhouse gas emissions will increase, and climate change will progress. This is a scenario in which rainstorms, floods and other extreme weather events will increase.	• Intergovernmental Panel on Climate Change (IPCC) SSP5-8.5 • NGFS scenarios

Climate change risks and opportunities that may have an impact on the Group

Risks and opportunities			Business impact	Future impact level	Timing of occurrence
Transition risks	**Policy, laws and regulations/ technology**	Increase in operating costs due to carbon pricing	Introduction and strengthening of carbon taxes may increase operating costs if sufficient measures are not taken to reduce carbon emissions.	Medium	Long-term
		Increase in costs to respond to the strengthened laws and regulations	Strengthened environmental laws and regulations may require additional capital investment or costs to respond to them.	Medium	Long-term
		Increase in energy costs	Energy demand and the amount of energy supply may change toward decarbonization and cause oil prices and other factors to rise, resulting in higher energy costs and increased costs from the procurement of raw materials to manufacturing, logistics, and store operations.	Medium	Short- to long-term
	Market/ reputation	Undermining our ESG reputation among investors, etc. due to a delay in implementing ESG initiatives	A delay in implementing ESG initiatives may undermine our ESG reputation, stock price, and brand image, which may in turn have an impact on fund procurement and the number of customers.	Medium	Short- to long-term
Physical risks	**Chronic**	Rise in food and ingredient prices and deterioration of their quality	Expansion of demand and change in supply due to increase in extreme weather events may result in a rise in wheat, vegetable oil, soba (buckwheat noodles), fishery resource and other prices, and a deterioration of their quality.	High	Short- to long-term
	Acute	Destruction of our restaurants, factories, etc., supply chain disruptions and cessation of operation due to severe natural disasters	A large-scale natural disaster may destroy our factories and restaurants, disrupt supply chain, and cause us to cease operation.	High	Short- to long-term
Opportunities	**Market/ reputation**	Increase in opportunities to sell eco-friendly products	Development of products which meet eco-conscious consumers' need may increase market opportunities, leading to an increase in sales.	Medium	Short- to long-term
	Chronic	Increase in sales of "cold noodle" including soba	Rise of the average temperature may increase demand for soba and other "cold noodle," leading to an increase in sales.	Low to Medium	Short- to long-term

*Impact level High: impact of more than 500 million yen, Medium: impact of 100 to 500 million yen, Low: impact of less than 100 million yen
*Timing of occurrence Short-term: less than 3 years, Mid-term: more than 3 years, Long-term: more than 10 years
*Impact level Medium or higher risks and opportunities are listed.

Risk management

As part of the group-wide risk management process, the Group implements assessments to determine climate-change related risks and opportunities based on the TCFD recommendations. Risks and opportunities are identified for the entire Group, led by the principal department of each business, and the results are aggregated by the Sustainability Promotion Office, which conducts a financial impact assessment. Major risks and opportunities identified based on this process are reviewed by the Sustainability Promotion Office, before being reported to the Board of Directors, which considers risk mitigation, transfer, acceptance and control, as required. Furthermore, the results are shared with the Internal Control and Auditing Office, and reviewed and managed within the Group's overall risk management system.

Metrics and targets

The Group is currently committed to the initiatives to reduce greenhouse gas emissions in consideration of the Japanese Government's plan to achieve carbon neutrality by 2050. Based on the climate change scenario analysis recommended by TCFD, we will continuously measure and recognize CO_2 emissions in Scopes 1 to 3*, and work on promoting initiatives to reduce emissions

*Scope 1: Direct greenhouse gas emissions that are controlled by the company
Scope 2: Indirect emissions associated with the use of electricity, heat and steam supplied by other companies
Scope 3: Indirect emissions other than Scopes 1 and 2

We will promote the following key initiatives, aiming to reduce CO_2 emissions per unit of net sales in Scopes 1 and 2 by 10% from the FY2021 levels by 2030.

Progress in CO_2 emissions reduction

	Actual results				
	FY2021	FY2022	FY2023	FY2024	FY2025
Scope1(t-CO_2)	9,360	9,780	10,305	11,171	12,114
Scope2(t-CO_2)*1	11,971	12,640	14,513	21,605	23,501
Scope1+2(t-CO_2)	21,331	22,420	24,818	32,776	35,615

Reference: CO_2 emissions (Scope 3)

	FY2024	FY2025
Scope3(t-CO2)*2	17,182	21,064

*1 Scope 2 refers to indirect CO_2 emissions associated with electricity use. These emissions are calculated using the market-based method, with electricity provider-specific emission factors issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.
*2 Scope 3 emissions are being calculated in stages. Of the 15 categories, Categories 2, 3, 5, 6, and 7 have been calculated and their total is shown in this table.

Trends in CO_2 emissions and electricity use per net sales

	Actual results				
	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales (in million yen)	21,339	26,423	31,006	35,034	39,359
Scope 1 (t-CO_2) per net sales	0.43	0.37	0.33	0.31	0.30
Scope 2 (t-CO_2) per net sales	0.56	0.47	0.47	0.61	0.59
Scope 1+2 (t-CO_2) per net sales	0.99	0.84	0.80	0.93	0.90
Electricity use per net sales (kwh)	1,375	1,226	1,110	1,076	1,009

1. As an initiative to reduce greenhouse gas emissions, we completed converting main lighting systems of all of our restaurants to those using LED bulbs in 2019 from the perspective of reducing the burden on the global environment. In addition, we improved the comfort and air conditioning efficiency of restaurants by installing heat shielding glass or applying heat shielding sheets to the windows in the dining area. We will continue to promote initiatives to reduce further greenhouse gas emissions through enhanced productivity and introduction of new technologies.
2. Starting in August 2021, we have aimed for "no more debris in our local ocean in Aichi," have stopped using plastic containers for takeouts, and instead have started using paper containers from The Nippon Foundation's Ocean Debris Project "Ocean and Japan Project, CHANGE FOR THE BLUE." We will continue to actively work on reducing the use of plastic products to promote building a better environment.
3. Cooking oil used in our restaurants is recycled into biodiesel fuel, animal feed, and oil products. Since September 2021, we have used the circular waste oil recycling model that we developed, in which deliveries to some restaurants are made by trucks fueled by biodiesel.
4. We promote the use of renewable energy by installing solar panels in some of our restaurants as well as our factories and head office.
5. During FY2025, we introduced devices to sterilize hands and fingers at all our directly managed restaurants and revised our hand-washing manual. Through these measures, we are working to reduce the application of alcohol to hands and fingers to prevent dry hands and fingers while ensuring hands and fingers are clean and sanitized, and to reduce waste from the use of paper towels.
6. In Gifu Prefecture, one of Japan's snowiest regions, we are promoting collaborative initiatives with the Ski Association of Gifu. With the aims of (1) contributing to regional revitalization; (2) addressing global warming; and (3) nurturing the younger generation who will shape the future, we will work to enhance corporate value over the medium to long term through co-existence with local communities.
7. At our directly managed restaurants, we have introduced dilution systems for commercial cleaning detergents. This helps reduce the use of disposable gloves in cleaning operations, thereby reducing plastic waste while also alleviating the workload of employees.
8. At some of our restaurants, we have introduced automatic temperature monitoring systems for refrigeration and freezing equipment. By detecting abnormalities at an early stage, we are working to reduce food waste and enhance food safety. Going forward, we will gradually expand the number of restaurants using these systems.
9. At some of our new restaurants, we operate refrigeration and freezing equipment that uses natural refrigerants with a low global warming potential (GWP). By reducing greenhouse gas emissions from fluorocarbons, we will promote decarbonization in our restaurant operations.

Corporate Governance

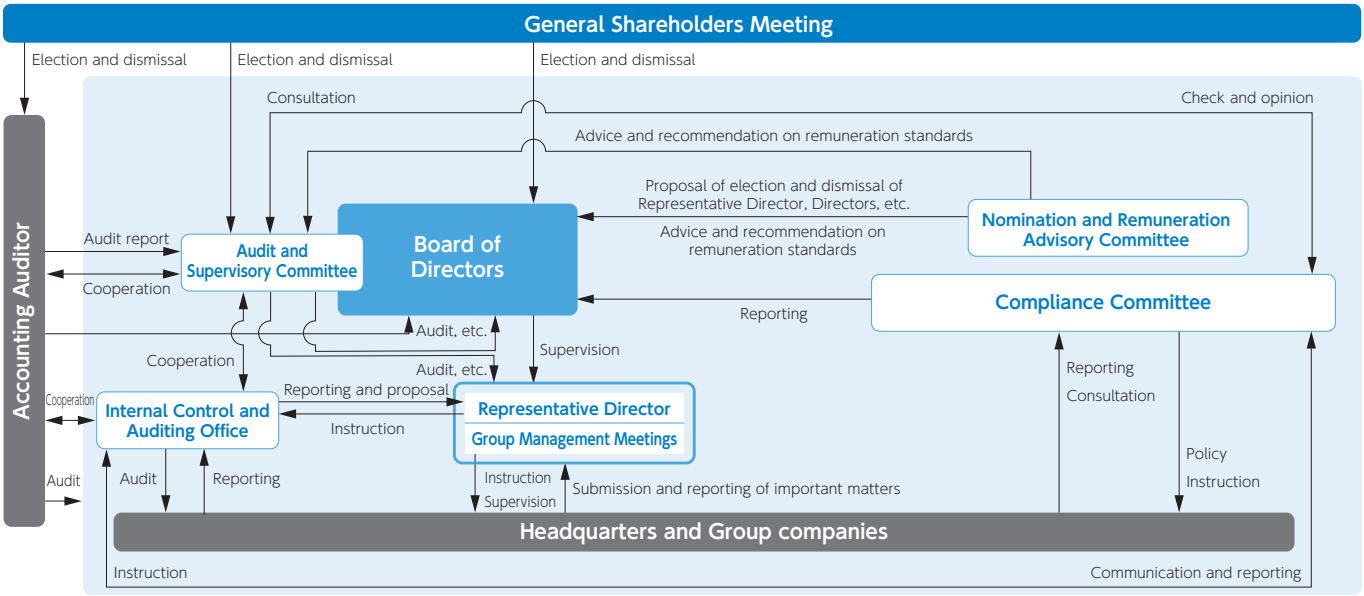


In order to contribute to the Company's sustainable growth and improvement of medium- to long-term corporate value, the Company positions a sound, fair, and transparent management as one of the important management issues and operates its management system based on such an understanding.

Basic views on corporate governance

Based on the "Basic Concept regarding Corporate Governance," the Company positions a sound, fair, and transparent management as one of the important management issues for the sake of all stakeholders, including shareholders, customers, business partners, and employees. We share the Sagami Group's vision to be the "No. 1 Noodle Restaurant Company" with all our employees, and contribute to local communities through food culture. In addition, we take appropriate actions as needed to respond quickly to changes in the business and market environment.

Corporate governance structure and systems



Overview of the corporate governance structure

We are a company with an Audit and Supervisory Committee. The Board of Directors, as well as the Audit and Supervisory Committee, executes business and engages in supervision and auditing. We strive to enhance awareness toward corporate governance to ensure the transparency of management for internal and external stakeholders, including shareholders, customers, business partners, and employees, quickly adapt to changes in the business environment, and increase corporate value from a social perspective.

Ordinary Board of Directors meetings are held once a month, and extraordinary Board of Directors meetings are held as necessary. At the meetings, submitted matters are resolved and important matters on management are deliberated. In addition, at the Group Management Meetings held every Monday and attended by members of the Board of Directors, Executive Officers, and parties with interest in the agenda, the current state of business performance and the status of business execution are reported, management policies are communicated, and the transparency, objectivity, legality, and appropriateness of management are ensured.

Basic views on and status of establishment of internal control systems

As a structure to ensure that the performance of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation, we have established the Group Charter of Ethics and Conduct and Compliance Manual. The Internal Control and Auditing Office conducts officer and employee education to make sure that they are familiar with the charter and manual. In addition, internal compliance audits are carried out by the Internal Control and Auditing Office, and the results are reported to the Board of Directors and the Audit and Supervisory Committee by the Compliance Committee, which meets quarterly.

As a structure regarding the storage and management of information related to the execution of Directors' duties, such information, including minutes of the Board of Directors meetings and documents circulated for approval, is recorded and stored in the form of documents or electromagnetic media, in accordance with the Group Document Management Rules.

Our internal control structure allows the Group's Directors or employees to promptly make reports to the Audit and Supervisory Committee on matters that have a significant impact on the Company and the Group, the status of internal audits, and the status and contents of whistleblowing, in addition to statutory matters.

As the Whistleblower Protection Act took effect, we set internal rules that include guarantee of whistleblowers' status, as well as procedures for employees to directly provide information on legally dubious acts and other incidents to the Internal Control and Auditing Office. The rules also prohibit disadvantageous treatment of whistleblowers, which has been made well known to the Group's Directors and employees.

Status of establishment of risk management structure

The Internal Control and Auditing Office has set guidelines to make sure that we are well aware of the Group's risks related to compliance, the environment, natural disasters, quality, information security, and other issues. The office also monitors the status of cross-organizational risks and takes company-wide actions. When a new risk emerges, the Board of Directors promptly appoints a Director who will be responsible for addressing the risk. In addition, the Company and its subsidiaries work together to manage the Group's risks.

Internal audit and audit by the Audit and Supervisory Committee

The Group applies the Group Charter of Ethics and Conduct and Compliance Manual and holds Group Management Meetings once a week in principle, where the Company and Group companies discuss internal control and share information to ensure the appropriateness of their operations. Furthermore, the Internal Control and Auditing Office works with the Audit and Supervisory Committee and audits the legality and efficiency of the Group's business execution.

Method of election and dismissal of candidates for Directors (including Directors who are Audit and Supervisory Committee Members)

The Company's Nomination and Remuneration Advisory Committee discusses proposals for the election and dismissal of Directors (including Directors who are Audit and Supervisory Committee Members) and Representative Directors, and submit its opinions to the Board of Directors, taking into account the overall balance within the Board of Directors and making decisions from a comprehensive point of view to allow speedy decision making and supervision at each department. If a Director acts against public order and morals or, based on the Company's business performance and other assessments, is not considered to be fulfilling his/her function, the Nomination and Remuneration Advisory Committee may deliberate on the dismissal of that Director.

Candidates for Directors who are Audit and Supervisory Committee Members are selected from a comprehensive point of view, taking into consideration the understanding of the Company's overall business, knowledge on finance and accounting, and legal knowledge on the Companies Act and other laws. Candidates for Outside Directors (including Directors who are Audit and Supervisory Committee Members) are selected by comprehensively taking into consideration matters such as expertise, a wealth of experience, and high levels of insight, in addition to the externality requirements set forth in the Companies Act and criteria for independence set by financial instruments exchanges.

Analysis and evaluation of overall effectiveness of the Board of Directors

Regarding the effectiveness of the Board of Directors, the Company's Directors (including Directors who are Audit and Supervisory Committee Members) periodically analyze and evaluate whether the Board of Directors is functioning properly. Specifically, they are required to respond to an anonymous questionnaire once a year, which covers various topics including the quality and quantity of materials for Board of Directors meetings, process and authority of decision making, and risks that affect the overall Group. Based on the results of the questionnaire, the Board of Directors strives to ensure higher levels of transparency and effectiveness by engaging in further discussions.

Stock information

(As of August 31, 2026)

Securities code	9900	**Total number of shares issued and outstanding**	60,603,568 shares
Total number of authorized shares	200,000,000 shares	**Number of shareholders***	24,563

*The number of shareholders is as of March 31, 2026.

Information on shareholder benefits

We offer high-value shareholder benefits to show our gratitude to shareholders. In addition, the Company has partially revised its shareholder benefit program in order to express its appreciation for the continued support of its shareholders, maintain and enhance the attractiveness of the shareholder benefit program, encourage a broader range of investors to hold the Company's shares, and promote medium- to long-term ownership.

For shareholder benefits pertaining to shareholdings with a record date on or after September 30, 2026, we have revised the eligibility criteria as described below, applicable to shareholders listed or recorded in the final shareholder register as of that date.

In addition, we have introduced a new benefit program for long-term shareholders. Shareholders who are continuously listed or recorded in the shareholder register under the same shareholder number for seven (7) or more consecutive record dates as of March 31 and September 30 of each year, and who continuously hold 2,000 shares or more, will receive additional shareholder meal vouchers worth ¥4,000 annually (¥2,000 twice a year).

For the purpose of determining eligibility, September 30, 2026, shall be the initial record date, and shareholding records prior to that date shall be included in the calculation.

<Record date> Every year on March 31, September 30 <Scheduled mailing date> End of June and mid-December

● Shareholders holding 2,000 shares or more



Outline of the Benefit Program

Shareholder meal vouchers worth ¥36,000 (including consumption tax) are presented annually (¥18,000 twice a year).

Long-term shareholders

*Shareholders who have held 2,000 shares or more and have been continuously listed or recorded in the shareholder register under the same shareholder number for three (3) years or more (seven (7) or more consecutive times)
In addition to the abovementioned shareholder meal vouchers, shareholder meal vouchers worth ¥4,000 (including consumption tax) are presented annually (¥2,000 twice a year).

● Shareholders holding 1,000 shares or more but fewer than 2,000 shares



Outline of the Benefit Program

Shareholder meal vouchers worth ¥14,000 (including consumption tax) are presented annually (¥7,000 twice a year).

● Shareholders holding 200 shares or more but fewer than 1,000 shares



Outline of the Benefit Program

Four 20% discount coupons are presented annually (two coupons twice a year).

*Each shareholder discount coupon may be used for a discount of up to ¥3,000 (including tax). The coupon may be used only toward food and beverage purchases, including takeout items.
The coupon cannot be used in combination with any other discount coupon, including other shareholder discount coupons, or with any discount promotions for takeout items.
At DonDon AN, Suizan, JIN JIN, Binmugi, Bubuka, Chosuke, Nidaime-Chosuke, and Wamen Sagami restaurants, the discount is ¥100 (including tax) per person instead of 20%, and each coupon may be used for four people.

● Shareholders holding 100 shares or more but fewer than 200 shares



Outline of the Benefit Program

Two 20% discount coupons are presented annually (one coupon twice a year).

*Each shareholder discount coupon may be used for a discount of up to ¥3,000 (including tax). The coupon may be used only toward food and beverage purchases, including takeout items.
The coupon cannot be used in combination with any other discount coupon, including other shareholder discount coupons, or with any discount promotions for takeout items.
At DonDon AN, Suizan, JIN JIN, Binmugi, Bubuka, Chosuke, Nidaime-Chosuke, and Wamen Sagami restaurants, the discount is ¥100 (including tax) per person instead of 20%, and each coupon may be used for four people.

For details of the shareholder benefits, please visit the Company's website. **https://www.sagami-holdings.co.jp/en/ir/stockholder/**

株式会社サガミホールディングス

Origin of the name **“Sagami”**

Sagano, an area on the outskirts of Kyoto, is home to many valuable assets that are the wellspring of Japan’s traditional culture and that have been passed down unbroken over the centuries.

The beauty of Sagano, matured over the ages with scenes of houses and temples blending harmoniously with nature, captures the hearts of people.

Both people and companies must polish themselves until they shine as their natural selves...
It was in the hope of connecting this “lesson from Sagano” to beauty that the restaurant name “Sagami,” meaning “the taste of Sagano,” was born.

In our corporate logo, the katakana character for the “ga” in Sagami has three dots instead of the usual two. This expresses our desire to add that little extra in extending heartfelt hospitality to our customers.

株式会社サガミホールディングス

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