

Integrated Report 2025

Sagami Holdings
Corporation

Integrated
Report



To Our Stakeholders



Hisashi Onishi

President and CEO

In our aim to be the No. 1 Noodle Restaurant Company

Our mission is: “We create the delight of “Shoku (eating)” and “Shoku (working)” to serve for the local society. ~all for your richness and smile~”. We have been operating family restaurant chains serving Japanese noodles, mainly soba and udon, for over half a century.

We are currently pursuing business activities in our efforts to realize the Group Vision, “No. 1 Noodle Restaurant Company,” centered on our Medium-term Management Plan 2025 “Together.”

I hope that you will read this Integrated Report and that it will give us an opportunity to engage in dialogue with our stakeholders and create new value together.

August 2025

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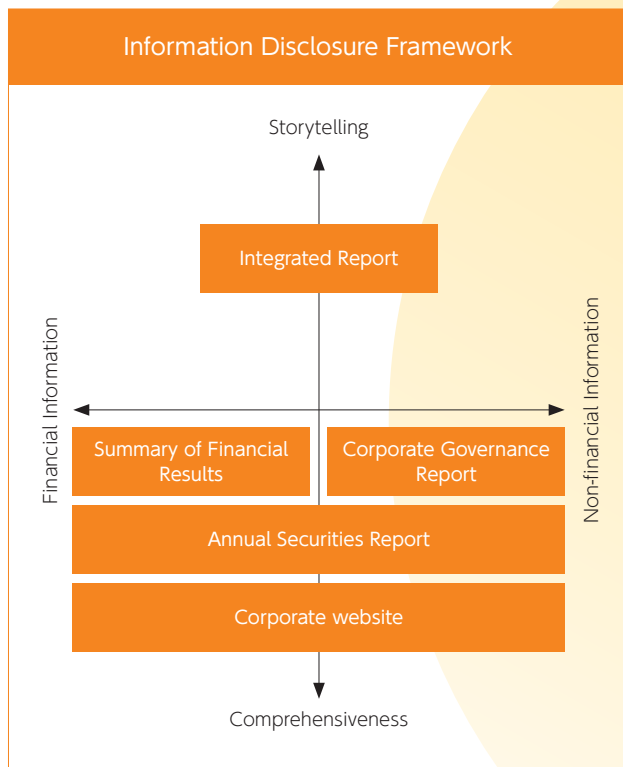
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Editorial Policy

This report was prepared to help our shareholders, investors, and other stakeholders deepen their understanding of Sagami Holdings' business model and future growth strategy. We will use the report as a tool for communication with stakeholders, learn from their views, and continue to strive for Sagami Holdings' sustainable growth.

Period and Scope Covered by the Report

April 1, 2024 to March 31, 2025

*Some information in the report refers to activities carried out outside this period.

Referenced Guidelines

- Integrated Reporting Framework by the IFRS Foundation
- Guidance for Collaborative Value Creation by the Ministry of Economy, Trade and Industry
- Task Force on Climate-related Financial Disclosures (TCFD)



Notes on Forward-Looking Statements

This report contains forward-looking statements on Sagami Holdings' business and outlook. Those statements include potential risks and uncertainties and may be different from actual performance and business development in the future. The accuracy of statements on future outlook and plans are therefore not guaranteed.

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Corporate Philosophy

PURPOSE

We create the delight of “Shoku
“Shoku (working)” to serve for
—all for your richness and smile—

We will strive to bring joy to people's daily lives through eating and working and to realize a life of abundance for the community. Our aim is to create places where people can experience the joy of eating and working and realize a society where everyone can gather with peace of mind and deepen their connections with each other.

DNA

Commitment to Deliciousness

Since our foundation, we have remained committed to using only the best ingredients and cooking methods, never wavering from our stance of “delivering truly delicious food.”

Connection with the Community

We work together with and stay close to the community to provide places where people can gather with peace of mind and enjoy delicious food.

We will continue to uphold that commitment without change.

CHALLENGE

No. 1 Noodle Restaurant Company

Beyond the pursuit of greater corporate scale in the form of revenue and profits, we will continue our challenge of building restaurants that are filled with our customers' smiles. With a commitment to comfortable spaces, attentive service, and delicious food, we will offer satisfying experiences for customers every time they visit. Moreover, we will also work to realize sustainable operations that are considerate of the community and the environment, and to create workplaces where each and every employee can work with pride. In doing so, we aim to grow into the "No. 1 Noodle Restaurant Company" that is truly needed by society.

(eating)” and
the local society





Message from the Top Management

With the foundations now in place, we will broaden and aim for further growth.

In many and varied forms, such as venturing into new overseas expansion, strengthening our small-format forming flexible alliances with other companies, we will we instill in the flavor of Sagami, with a commitment

Looking back on FY2024

Over the past two years, we have returned deeply to the roots of the company's foundation and continued to ask ourselves what constitutes a truly valuable restaurant experience. We aligned our entire organization toward a single focus: how to enhance both our *food* that is the value that we offer to customers and the *work* that brings both physical and spiritual richness to our employees.

As a result, we posted record highs for both net sales and profit in the fiscal year under review, which enabled us to achieve our key targets under the Medium-term Management Plan a year ahead of schedule. With 13 more Sagami restaurants than the previous fiscal year, the total number of restaurants in the Group reached 266. While we fell short of our target for new restaurant openings, I am pleased that we were able to open large-scale restaurants according to plan, based on the premise of solid human resources development. Customer traffic also showed steady growth, reaching 104% compared to the previous fiscal year. Although the restaurant industry as a whole benefited from the tailwinds of recovery, the business environment actually becomes harsher, including soaring prices of raw materials and ingredients and growing consumer frugality. I view our positive results even under such circumstances as a sign that customers have appreciated the various initiatives we have implemented.

Price revisions that incorporate the commitment of the people who work at Sagami and the dedication of our producers

Even though the prices of various goods and services were already rising across society, as a business that interacts with customers on a daily basis, making the decision to revise our own prices required a great deal of courage. The recent price revisions were not simply a matter of passing on costs to customers; they represented the challenge of facing the intangible value of hospitality that we hold dear.

Unlike the tipping practices of other countries, in Japan, the cost of service is fully included in the price of a meal. As such, the heartfelt hospitality provided by staff is sometimes perceived as something that comes free of charge. The result has been a tendency for the value of the people working there to be overlooked. As someone who has been in the restaurant industry for many years, I have long held

strong doubts about this situation. I believe that the restaurant industry can only achieve sustainable growth into the future through the proper recognition of the dedication and value of the people who work there. I have conveyed to our employees on multiple occasions that the recent price revisions will lead to the enrichment of their own lives and to their future happiness.

Even when we change our prices and revamp our menu books, only the staff working on the restaurant floor can communicate directly to customers the appeal of the dishes found in those pages and the dedication of the producers instilled in those dishes. This added value of hospitality is the very strength that will allow us to survive and thrive in the restaurant industry going forward. The dishes that we serve to customers are imbued with the dedication and commitment of our producers and employees. When this unseen value is properly recognized, it will give them greater reward in their work, leading to their emotional fulfillment. And it is only when their hearts are full that true hospitality toward customers will be born. In FY2024, we focused our efforts on creating this virtuous cycle, and my sense is that our intentions in this regard have started to reach our customers, in the form of strong growth in customer traffic.

Numbers are not the only barometer of sustainable growth

Although the costs of interior materials and building and installation costs increased significantly from initial plans, we carried out renovations as planned with a sense of urgency, of not putting off what needed to be done. This was a mindset that we cultivated during the COVID-19 pandemic. The fact that we were able to achieve record-high performance despite these kinds of headwinds is entirely due to the efforts of all our employees, and I would like to express my sincere appreciation once more.

In the two years since I was appointed president, my own sense of achievement has also changed dramatically. In the past, nothing made me happier than seeing large numbers of customers in our restaurants and rising sales. Today, however, there is much more to it.

The most gratifying moments for me now are when I visit our restaurants, and their leaders tell me, with truly wonderful smiles on their faces, about their own efforts, saying things like, 'We're

our horizons

fields, including M&A and businesses, and expand the vision that to quality ingredients.

determined to exceed projections by 30% again this month.' The entire management team of Sagami, including myself, all have experience working as restaurant managers. For this very reason, I believe that we can understand the struggles and joys of working on the frontlines. When I see their beaming smiles, I can sense that our hearts have connected, and I bring the immense power that they give me back with me to headquarters. These smiles and energy of our staff represent our greatest accomplishment of FY2024, and I consider them to be the single most important asset that we must continue to protect into the future.

Challenge of addressing accelerating polarization

FY2025 is the final year of the Medium-term Management Plan. Just because we have achieved our targets ahead of schedule, we are certainly not in a position to sit back and relax. The market environment is changing at an unimaginably rapid pace. The greatest of those changes is the increasing polarization of customers' values. This refers to those customers who want to enjoy a special time on a celebratory occasion, contrasted with other customers seeking ordinary, everyday meals that balance quality and price. We are likely to see this trend accelerate even further going forward. This is apparent even from recent consumer attitudes toward rice.

Meeting the needs of both of these extremes is the epitome of our declared aim of supporting people throughout their lives. While our large-scale restaurants add color to customers' special days as "unforgettable restaurants," our smaller restaurants blend into their daily lives as "the same delicious Sagami as always." It is only when we offer both of these aspects that we will truly support our customers and be able to deliver the delicious flavors of Sagami to as many people as possible.

There will be no future for us in merely extending the path that we have trodden so far. We must resolve our outstanding issues one by one, respond effectively to changes in the external environment, and continue to take on challenges. Our growth strategy involves responding to this polarization and truly supporting people throughout their lives. To this end, we have adopted four keywords: People, Restaurant Opening, M&A, and Overseas.



Hisashi Onishi

President and CEO

People — Creating an organization of mutual respect that benefits from diversity

People have always been and will always remain at the heart of our business. A Sagami that loses sight of the value of its people has no future. We will focus our efforts on carefully nurturing those precious people so that they may fully demonstrate their unique qualities. In our training for new employees, for example, we have started providing curricula that are customized according to nationality and educational background. Another key initiative is our role specific training that will help create an organization where veteran staff with cooking abilities honed from many years of experience and young people with digital skills can recognize each other's strengths, learn from each other, and lift each other up. On the other hand, one crucial issue that we must address head-on is the fact that, despite women accounting for around 60% of our customers, we have not yet developed female managers who are close to executive management level. We want to establish an arena in which anyone, regardless of their gender or age, is able to build a career that suits them. We also want to seriously explore options for supporting our employees throughout their long lives, such as enabling them to open their own restaurants in a *noren-wake* (traditional brand-sharing arrangement) model, so they can stay active even after they have stepped away from the frontlines.

Restaurant Opening — Responding to polarization with management that focuses on the dual axes of quality and speed

A clear challenge for us in responding to this polarization is the delay in expanding our small-restaurant formats. The fact that the opening of new restaurants in the Don Don An and Chosuke formats, which offer reasonable price ranges that support daily life, fell short of our targets was, to be honest, an unsatisfactory result. The main factor behind this result was that management resources, including, ultimately, employees' consciousness, were overly concentrated on the opening of new Sagami and Ajino-Mingei restaurants, which are our core restaurant formats. Above all, I deeply regret that I personally, lacked the motivation and energy to promote the small-restaurant formats more vigorously.

For this reason, the large-scale restaurants with large sales are inevitably seen as the stars within the company, and there exists a psychological barrier to focusing efforts on the development of the small-restaurant formats. I am resolved to address these kinds of organizational issues more decisively going forward.

Furthermore, new changes are also emerging in the roll-out of franchises, which we envision primarily for the small restaurants. In the wake of the pandemic, there has been a marked shift in the thinking of people who want to strike out on their own with a franchise. Whereas in the past, a mindset of slow, steady progress with modest profits was more prevalent, interest is now growing in business models that will enable faster recouping of investment through concentrated, short-term efforts. With a sincere acknowledgement that our preparations and proposals have been somewhat inadequate in the

face of these new needs, we regard this as an issue that needs to be addressed next.

We will advance our future restaurant-opening strategies based on two distinct axes according to the characteristics of the different formats. For large-scale restaurants such as Sagami and Ajino-Mingei, we will maintain a steady pace of opening one new restaurant every month, pursuing the quality of each restaurant while keeping pace with the growth of our people. Although directly managed large restaurants have the advantage of being able to act quickly with internal decision-making alone, we must not repeat the bitter experiences of the past, when our rush to open new restaurants resulted in a fall in business at our existing restaurants. At the same time, we will continue our challenge of venturing into areas and locations that differ from our undertakings to date. This fiscal year, we opened a restaurant in Azumino in Nagano Prefecture, the home of Shinshu Soba noodles, and the support it received from customers was beyond our expectations. This has given us great confidence to expand recognition of our business format as not only noodle restaurants, but also restaurants that serve Japanese cuisine in general, which customers can patronize for a variety of situations.

The other axis, namely the small-restaurant format, has been positioned as an "arena for challenges" for creating new value. We will proactively introduce new technologies for labor-saving and personnel savings in operations at our small restaurants first. At the Juwari Soba Second Generation Chosuke Nisshin Restaurant (Aichi Prefecture) opened in April 2025, we installed an AI-driven automated self-checkout system, which has proved popular with customers. It will later be possible to roll the automation expertise that we develop at our small restaurants to our large-scale restaurants as well, after adjusting the system to better suit the large-scale format. We intend to speed up the opening of small restaurants with this system.

M&A — Cultivating the value of food and the foundation for growth together with colleagues with shared aspirations

M&A will be imperative if we are to achieve our target for new restaurant openings at an early stage. In particular, as the tailwinds bolstering the restaurant industry as a whole weaken and the tide of the industry turns, we believe that there will be opportunities for new encounters with companies that share our aspirations.

Of course, the M&A that we have in mind is not merely for the sake of expansion of scale. Our ultimate goal is to spread the intentions and flavors that Sagami has long held dear to more and more customers. We also believe that there is more than one way of achieving this.

For example, in regions where the Sagami Group does not yet have many restaurants, there exist companies that share the same passion toward food and people and that have firm roots in their local communities. We want to make those kinds of companies our new colleagues. Another important approach will be to strengthen alliances with producers who are upstream from our business. We have built a system that enables us to consistently produce high-quality frozen noodles on par with

external manufacturers by engaging in contracted cultivation of soba, as well as conducting all processes from milling to final product manufacture at our own factories. By providing these products to other restaurant companies, as well as using them within the Group, we could contribute to the food value chain in a broader sense. Collaborations of this nature will also be a key challenge for the spread of Sagami's flavors and reliability.

Overseas — Learning from failure and taking on the world with “genuine value”

In our overseas business, we have learned a great deal from past challenges and failures. In particular, we now candidly recognize that our failure to produce results in the Asian market in the past was due to our lack of insight in the selection of partners with a deep understanding of the local culture and business practices, as well as to our tendency to impose Japanese ways of thinking and doing things without appropriate adaptation. Based on that reflection, we are now re-learning the lessons of the successful model of the Milano Restaurant in Italy. With our local partner, we shared our passionate enthusiasm to develop a restaurant that will deliver the value of authentic Japanese cuisine to locals. In future overseas expansion, working hand in hand with wonderful partners that share that passion, we will concentrate on creating restaurants that will truly delight customers in those countries. First, in Vietnam, which is experiencing remarkable growth, we will work with strong resolve to establish a successful model in the short span of the next one to two years.

To our stakeholders

We want to build a company in which each and every Sagami employee can feel enriched both physically and spiritually. This is my greatest mission in fulfilling my role as president, and it is an aspiration that only grows stronger every year.

To my mind, true enrichment does not come only from stable salary and employment conditions; it is

also the “spiritual richness” sensed in the heartfelt joy that one gains from the words of appreciation expressed by customers and exchanged between colleagues in the workplace. The accumulation of these words of appreciation will become a source of pride in one's day-to-day work, a reward for oneself, and one's energy for tomorrow. Sagami has long had a corporate culture of warmth and “people-friendliness.” It is thanks to this culture that I have been able to work at this company for over 40 years since I first joined. I believe that, to further draw out this, Sagami's greatest strength, and pass it on to the next generation, it is essential that we realize that “richness.” These hopes for our employees are inextricably linked to our hopes for our customers. The richness felt by our employees will be the source of the considerateness that will bring them closer to our customers. To earnestly strive to be a company that supports both its employees and its customers. This, I believe, is the path to enhancing corporate value that I can promise to our shareholders and all our other stakeholders.

During the fiscal year under review, a tragic road collapse at the intersection in front of the Sagami Yashio Restaurant in Saitama Prefecture caused one of our large signboards to fall. However, a few days later, we received many messages of encouragement from local customers, including heartfelt comments such as “Sagami has been part of many important moments in my life.” Encountering these many warm words, we have been reminded anew that the things that we have been providing and the directions that we are heading toward have not been wrong. Our restaurants have gone beyond merely serving delicious meals to fill people's stomachs to become “unforgettable restaurants” that support various scenes of customers' lives and become cherished memories. I share with all our employees the resolve that this, indeed, is the vision that we should aim for and our unwavering mission if we are to remain an indispensable presence in society.

Our challenge knows no end. I have a true, clear sense that the Sagami Group has now entered a new stage of growth. I sincerely request that our stakeholders continue to offer their support and guidance for our next challenge.

**We want to be “unforgettable restaurants”
that support various scenes of customers' lives
and become treasured memories.**



Sagami Holdings in numbers

(as of March 31, 2025)

Year founded:

1970

In March 1970, Sagami Chain K.K. was founded in Daimoncho, Nakamura Ward, Nagoya City.

Number of restaurants:

266

We operate 255 restaurants in Japan and 11 overseas, including our mainstay brand Sagami and Ajino-Mingei.

Sagami Group employees:

9,904

In addition to regular employees, we are supported by many partner employees who work with us for more than 20 or 30 years.

Operating restaurants in

22 prefectures

Ajino-Mingei Moriya Hureaidori Restaurant reopened in Ibaraki Prefecture on March 5. We will continue to study possibilities for opening restaurants in new areas to expand our network.

Operating restaurants in

4 countries

Outside Japan, we operate restaurants in Vietnam, Italy, and Spain. We will continue to study all possibilities to open our restaurants overseas.

Number of newly opened restaurants:

21

Centering our focus on our mainstay brand Sagami, we also focus on opening new restaurants of Juwari Soba Chosuke. We will continue to increase the number of restaurants while reviewing our business portfolio.

Net sales:

¥35.0 billion

The Company reported the highest net sales in its history, breaking its previous record of 32.0 billion yen in FY2001. It will continue to work to further expand its business.

Operating profit:

¥2.0 billion

Operating profit increased year on year as our business scale increased through the opening of new restaurants while existing restaurants had more customers. In addition, our efforts such as continuous promotion of the use of IT and digital transformation have also contributed to an increase in our productivity.

Uniqueness of Sagami Holdings

Sales of miso-nikomi udon (January to December 2024)

1.78
million servings



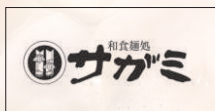
The soup features Maruya Hatcho Miso made in Okazaki City, Aichi Prefecture, a genuine Hatcho Miso that adheres to the traditional manufacturing method handed down from the Edo period. This base is blended with several types of miso to create the full-bodied miso soup with faint pungency and astringency as well as mellowness. The noodles are our original products made at our own factories. The thick square noodles absorb the soup as they are simmered in it to be more and more tasty while you are eating.

Nationality of employees

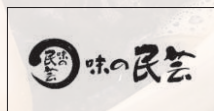
14 countries

An increase in the number of employees with diverse cultural backgrounds increases the cultural diversity in workplaces, leading to increased flexibility in work styles and communication. Employees of various nationalities, mainly from Asia, are contributing to our success.

Number of brands 13 brands



We have deployed the restaurants mainly in Tokai region, mainly offering soba noodles and miso-nikomi udon, which are the origin of Japanese foods.



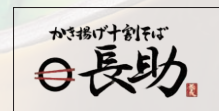
This is the largest restaurant chain offering tenobe udon (hand-stretched udon noodles) in Japan. Ajino-Mingei has deployed the restaurants mainly in the metropolitan area with a focus on traditional Japanese tenobe udon and dashi stock.



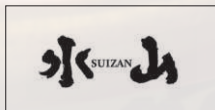
This is the self-service-type noodle restaurant, mainly offering udon, kishimen (flat noodles unique to Nagoya), soba, and rice bowl as well as tempura and onigiri (rice-balls).



It is the restaurant where customers can enjoy juwari soba (100% buckwheat flour) noodles casually in a self-service style.



It is the restaurant where customers can enjoy juwari soba (100% buckwheat flour) noodles casually in a self-service style.



It serves famous tenobe udon noodles from Bichu (Okayama Prefecture) using noodles that have gone through repetitive aging processes and special soup base.



Authentic fresh pasta restaurant, which specializes in fresh pasta and original sauce.



Located adjacent to the LEGOLAND Japan, this restaurant offers the regional cuisine of Nagoya such as chicken wings and miso-nikomi udon.



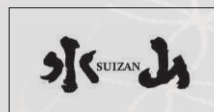
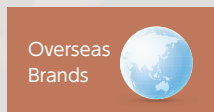
It is the restaurant where customers can enjoy tenobe udon noodles casually.



This restaurant offers abura soba (soupless ramen) and shoyu tonkotsu ramen (soy sauce-based pork broth ramen) served with special soup, sauce, and original roasted pork.



This restaurant serves a wide range of offerings such as donburi (rice bowl dishes) and a self-service style menu that gives customers a delight in having the noodle, tempura, onigiri, and other items they like.



Vietnam
This restaurant offers tenobe udon noodles with smooth and chewy texture. Customers can enjoy real, delicious udon noodles served with special soup prepared every day in the restaurant.



Italy
Working together with our local partners, we deliver the flavor of Sagami to customers in Europe.

Journey of Growth

Number of restaurants
300

Since the founding in 1970, we have been a trailblazer in the market of Japanese noodle restaurant chains, committed to deliciousness. We operate restaurants that mainly serve soba, udon, and other Japanese foods and noodles. Our network of restaurants has expanded not only across Japan but also to overseas. As a company that has more than 50 years of history, we aim to create restaurants that can offer the delight of eating, with the vision of "No. 1 Noodle Restaurant Company."

250

■ Net sales — Number of restaurants

*Records are available from FY1981 for net sales and from FY1991 for the number of restaurants.

*Figures are based on consolidated accounting since FY2000; based on non-consolidated accounting until FY1999.

*FY2011 and fiscal years prior to that ended in January. With a change in the closing month, FY2012 and subsequent fiscal years ended in March.

200

150

≈

1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

Foundation

1970–1981

Three founders, including the late Muneo Kurimoto, the first president, started the business.

Growth

1982–1990

Six large-scale restaurants opened in 1982, leading us into a period of growth.

Establishment

1991–2001

Listed on the Second Section of the Nagoya Stock Exchange in 1991. A first step toward further advancement.

Transition

2002–2010

Opened our first overseas restaurant in Shanghai in 2004, with the aim of expanding our business globally.

1970

Founded Sagami Chain K.K. in Daimoncho, Nakamura Ward, Nagoya City

1988

Established Tobishima Food Factory in Tobishima Village, Ama District, Aichi Prefecture for the manufacturing of frozen noodles and buckwheat flour

1997

Moved to the First Section of both the Tokyo Stock Exchange and Nagoya Stock Exchange

2002

Established K.K. A.S. Sagami for overseas expansion

1970 1980

1990

2000

2005

2010

1991

Became listed on the Second Section of the Nagoya Stock Exchange

1998

Established Bisai Factory in Bisai City (currently Ichinomiya City), Aichi Prefecture for the manufacturing of frozen noodles

2004

Opened the first overseas restaurant Sagami Fuzhou Road in Shanghai

Social background / Social issues

1970s

During the period of economic growth, the restaurant industry expanded and fast food became popular. Concerns emerged over overnutrition and additives.

1980s

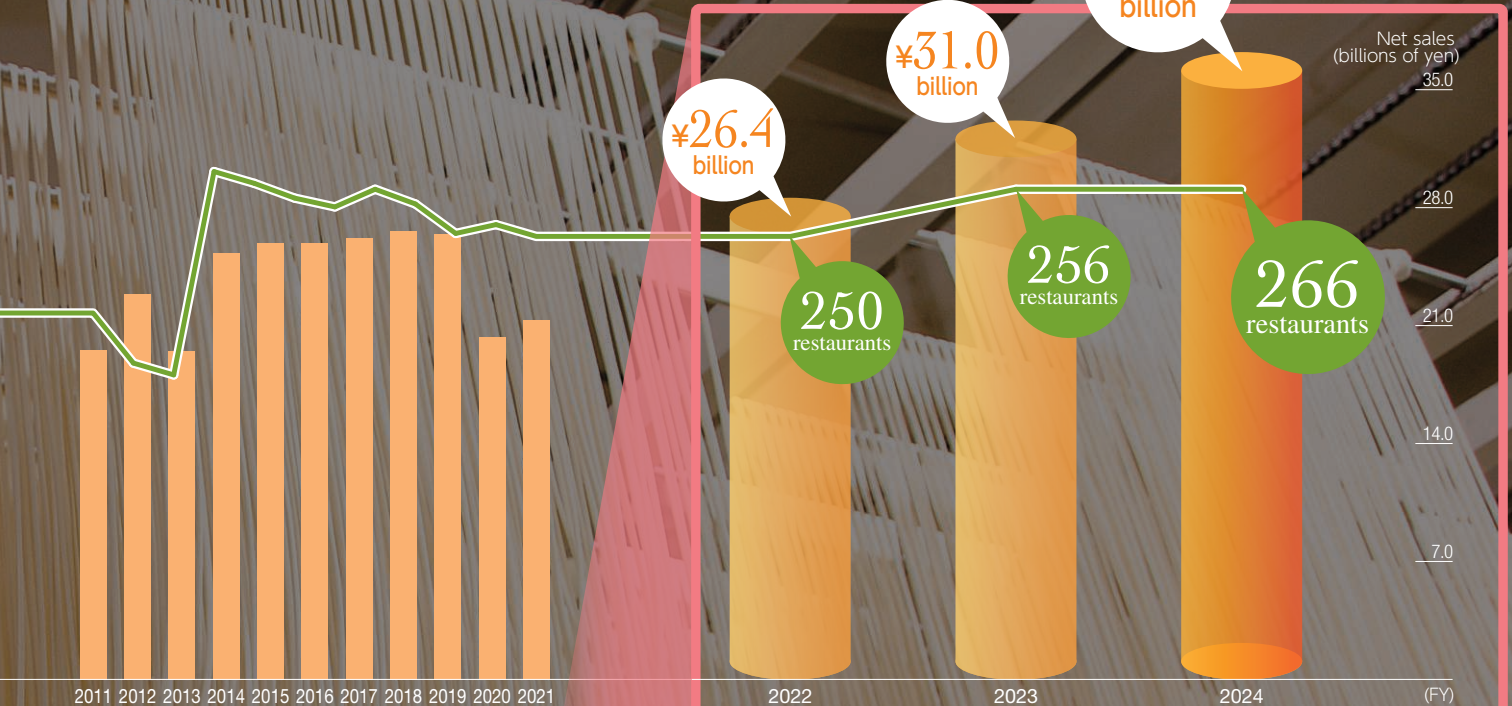
As Japan was in an economic bubble, luxury food became popular while rising health consciousness led to increased interest in organic food. The issue of food loss and food safety arouse.

1990s

After the economic bubble burst, price competition spread. Meanwhile, as eating locally grown produce became popular and slow food spread, concerns grew over food safety, BSE and genetically modified foods.

2000s

Globalization brought in diverse food cultures. Health awareness increased, and interest grew in food loss and environmentally friendly sustainable food.



Regeneration

2011–2021

Acquired shares of Ajino-Mingei Food Service Co., Ltd. in 2014. Advanced efforts to strengthen our business model in the face of the spread of COVID-19.

2014

Acquired shares of Ajino-Mingei Food Service Co., Ltd. and made it a subsidiary



2018

Changed the trade name to Sagami Holdings Corporation and transitioned to a holding company structure

2020

Established an association called "Kyouso Nagoya-kai" with companies in the restaurant and food service industry in the Chubu and Hokuriku regions

2020

Dramatic Advancement

2022–

Business performance has been on a recovery trend due to growth in the number of customers at existing restaurants. We have been stepping up efforts to build a business foundation for sustainable growth by opening new restaurants specializing in juwari soba, a new business format, in addition to opening new restaurants at Sagami, while also carrying out digitalization initiatives and striving to enhance our working environment.

2021

Offered stewed Nagoya Cochin chicken with miso sauce as Japanese space food during astronaut Akihiko Hoshida's long-term stay at the ISS

2017

Obtained ISO22000 for the Bisai Factory and Iruma Factory

2024

Wamen Sagami Restopia Fujita, a Japanese noodle restaurant, opened on the premises of Fujita Academy in Toyoake City, Aichi Prefecture.

2024

Implemented our first collaboration project with a local government (Hida City, Gifu Prefecture) at a seasonal fair

2023

Participated in "Gaishoku Konwa-kai," a social gathering for information exchange among 11 restaurant companies

2020s (to present)

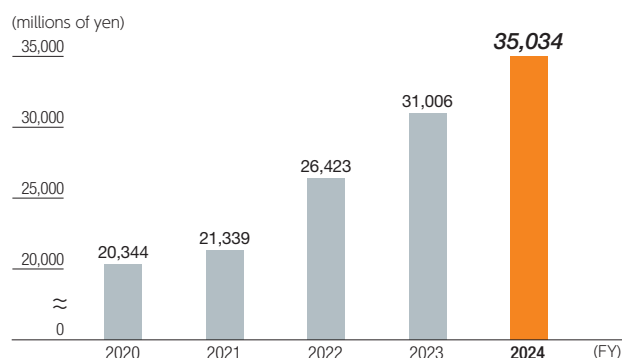
With the outbreak of the COVID-19 pandemic, demand increased rapidly for take-out and delivery services. Awareness about contactless services and hygiene management increased. New hygiene standards for infection control were established and digitalization was accelerated in food and beverage industry.

2010s

With the spread of smartphones, online food sales and restaurant table reservations became common. Sustainability and ethical consumption were emphasized, and awareness about food allergies spread.

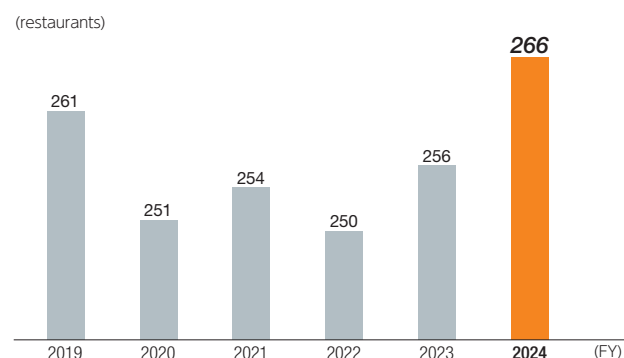
Financial and Non-financial Highlights

Net sales



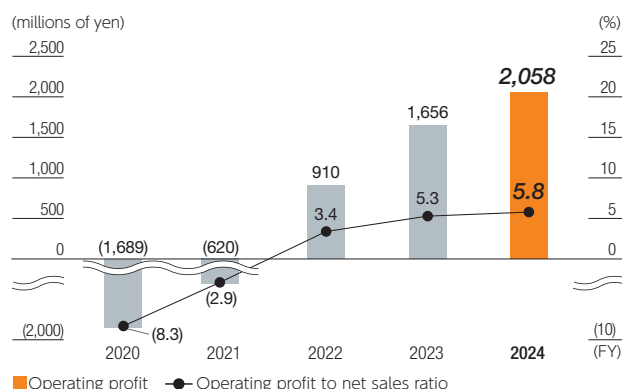
Net sales increased by 4,028 million yen year on year to 35,034 million yen, as the Company's business performance showed a recovery due to normalized social and economic activities and remained generally solid supported by growing demand for eating out accompanied by an increase in the number of foreign visitors to Japan.

Number of Sagami Group restaurants



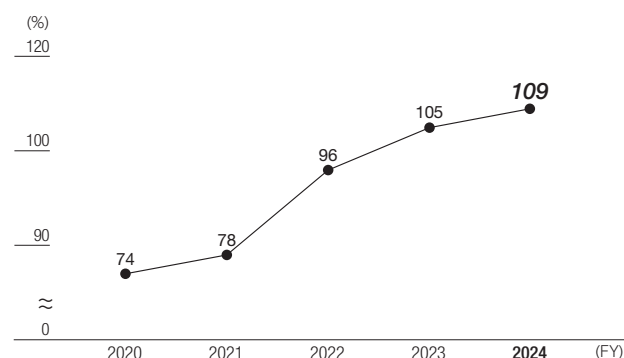
The number of Sagami Group restaurants, which was 260 in FY2019, decreased to 250 in FY2022 as the Group reviewed its restaurant opening and closing plan during the COVID-19 pandemic that began in FY2020. Subsequently, after the end of the pandemic, we accelerated the implementation of our store opening plan, expanding into new areas such as Nagano Prefecture. As a result, the number of our restaurants increased to 266 in FY2024.

Operating profit and operating profit to net sales ratio



Operating profit was 2,058 million yen, an increase of 402 million yen year on year, due mainly to a recovery in net sales, although costs to maintain sales activities were on an upward trend across the board, including soaring costs of rice and other raw materials and rising labor costs and utilities costs. The operating profit to net sales ratio also increased by 0.5 percentage points from the previous year.

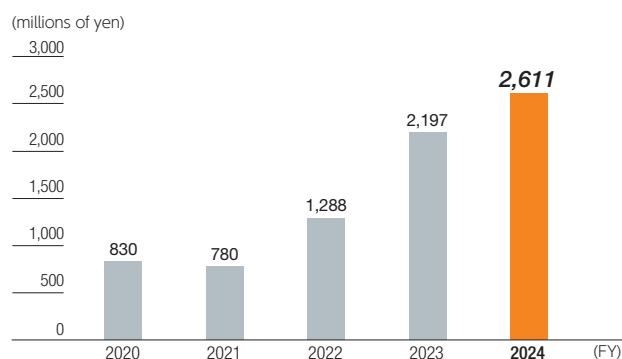
Customer traffic* (compared to FY2019)



Restaurant visits increased because of our offering of special occasion menus, including for the celebration of a "baby's first meal" and longevity, while our campaigns to create dining-out opportunities, including sales of collaborative menus with local communities and morning-hour services, were also successful. As a result, the customer traffic showed an increasing trend.

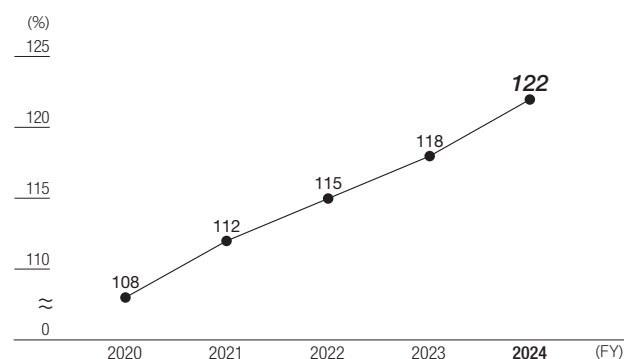
*The customer traffic is based on the data for Sagami, one of our mainstay businesses

Capital expenditures



The Company opened 14 new restaurants, changed the business format of seven restaurants, and also refurbished and renovated existing restaurants. We believe that these investments have helped to meet the demand in areas where we had not had our restaurants previously and to improve seating efficiency and enhance customer comfort at our restaurants.

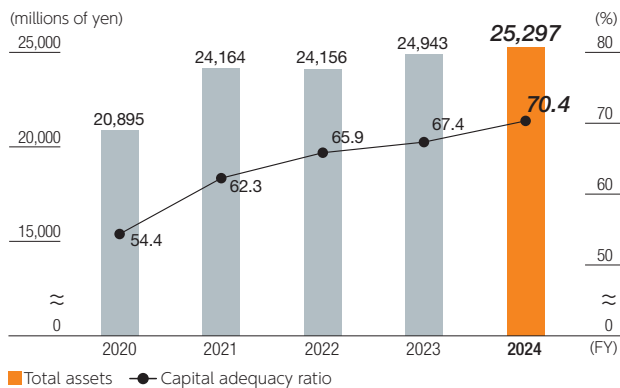
Per-hour added value* (compared to FY2019)



Per-hour added value has been improving year by year as the introduction of tablet-type self-ordering systems at some of our restaurants and restaurant productivity improvement measures have taken effect.

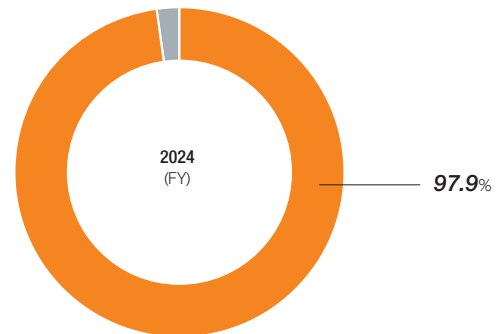
*Per-hour added value is based on the data for Sagami, one of our mainstay businesses

Total assets and capital adequacy ratio



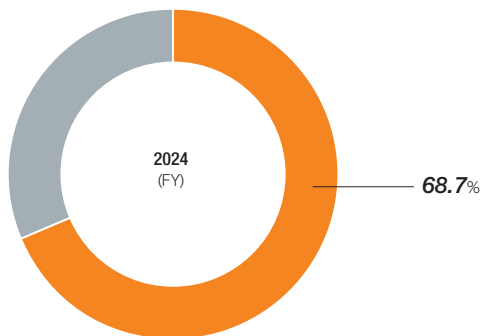
Total assets increased by 354 million yen year on year to 25,297 million yen due to an increase of 1,092 million yen in buildings and structures and other factors. The capital adequacy ratio increased by 3.0 percentage points year on year to 70.4%.

Ratio of employees who took refreshment leave



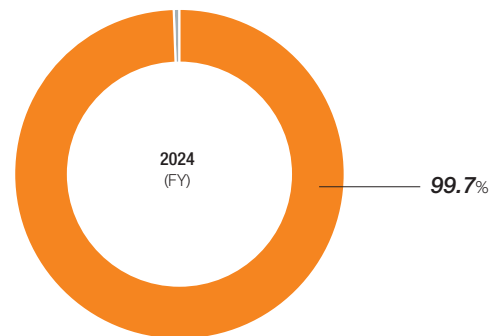
To encourage employees to take paid leave, we are working to ensure that employees take refreshment leave three times a year. Refreshment leave is defined as four or more consecutive days of leave. By implementing the consecutive leave system, we are helping employees refresh both physically and mentally and building a culture in which everyone works in a planned and systematic way as well.

Ratio of female employees



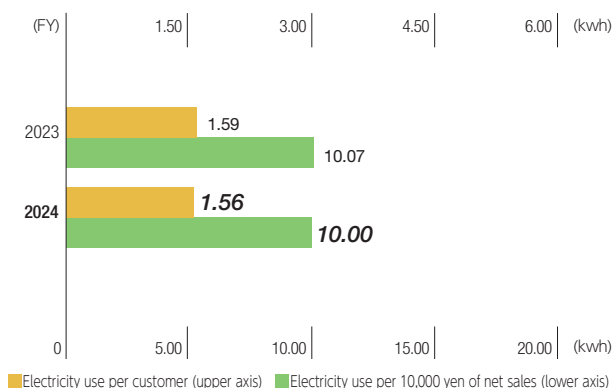
As of the end of March 31, 2025, out of a total of 9,904 employees, 6,801 or 68.7% are female. We are striving to achieve the Sagami Group's growth by creating an environment in which all employees share our corporate philosophy and can show their individuality. Meanwhile, female managers currently account for 14.1% of all our managers. We will continue to recruit and develop female employees and to promote female partner employees serving as managers, with the goal of achieving the ratio of female managers of 16.5% by 2030.

Ratio of employees who received health examination



Since FY2019, we have systematically checked if employees had a health examination. In FY2020, during the COVID-19 pandemic, some employees refrained from having a health examination, but from FY2021, the ratio has increased again. We will continue to work to ensure that the ratio will reach 100%.

Electricity use per customer* and electricity use per 10,000 yen of net sales



The introduction of thermal barrier glass and thermal barrier films has increased air conditioning efficiency, and energy consumption is on an improving trend. Electricity use per 10,000 yen of net sales decreased from FY2023.

*Electricity use includes only the electricity use in our restaurants.

Combustible waste emissions per customer* and combustible waste emissions per 10,000 yen of net sales



Combustible waste generated in our restaurants include leftover food, foods past their use-by dates, foods that must have been used by the end of the day, paper waste, used plastic bags, and used wet wipes as well as waste of disposable chopsticks (used in some of our restaurants). We will continue to work to reduce our combustible waste emissions, for example by lessening leftover food.

*Combustible waste emissions include only the volume of combustible waste emitted from our restaurants.

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 **¥35,034** million
- Total assets **¥25,297** million
- Capital adequacy ratio **70.4%**

Human capital

- Number of employees **9,904**
- Ratio of female employees **68.7%**

Manufacturing capital

- Manufacturing sites **3** factories
- Number of restaurants **266**
- Capital expenditures **¥2,611** million

Intellectual capital

- Number of brands **13**

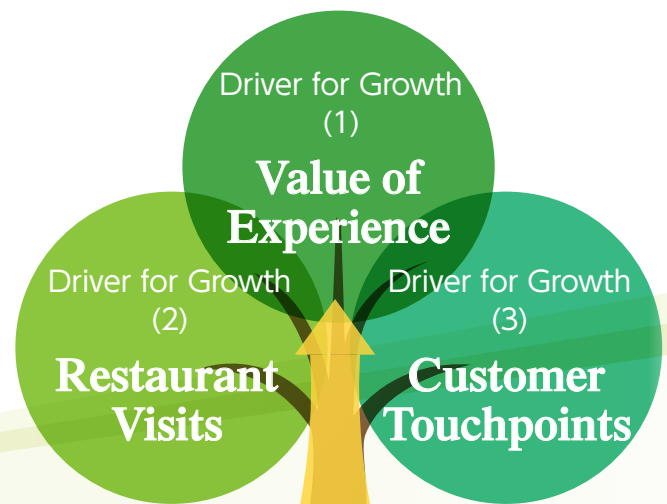
Social capital

- Number of customers Approx. **22** million (annual)

Natural capital

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

Business Model



Three Drivers for Growth

Driver for Growth (1)

Pursuit of deliciousness with the aim of increasing satisfaction

Driver for Growth (2)

Creation of incentives to visit our restaurants with the aim of increasing customer numbers

Driver for Growth (3)

Acceleration of restaurant openings with the aim of increasing customer touchpoints

Focus Themes



See Page 19 and beyond for specific actions.

Pursuit of deliciousness

Human resources development

Market expansion

Our mission

**We create the delight of "Shoku (eating)"
—all for your richness and smile—**

Outputs

Outcomes

Sagami Group's Vision

Medium-term Management Plan

Management Plan 2025
"Together"

Strategy Framework

- Refine value to be provided
- Health & productivity management
- Use of IT and DX
- Diversification to secure human resources
- Transformation of SCM
- Enhanced risk management
- Promotion of ESG management
- Enhancement of portfolio-based restaurant openings
- Promotion of marketing
- Challenge of new markets
- Expansion of overseas market
- Alliances and M&As

Major brands



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.

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

Progress of Medium-term Management Plan, Management Plan 2025 “Together”

Vision

Achieve net sales of 37.0 billion yen, profit of 1.25 billion yen,
and 280 restaurants in FY2025

Basic strategy

Co-create and Cooperate

(Create together)

(Work together)

—Pursuit of Sustainability and Realization of Regrowth—

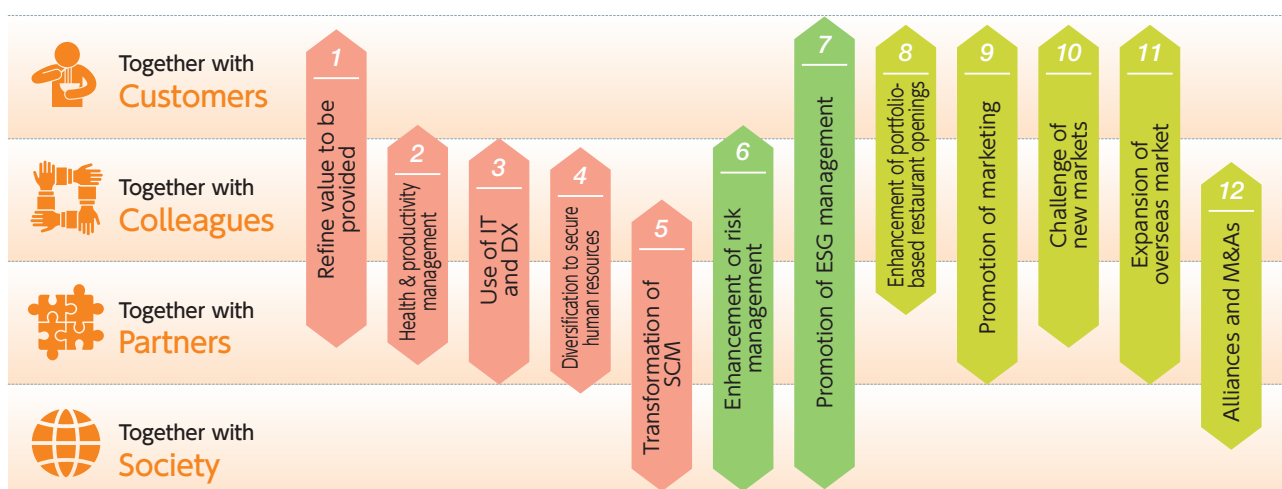
Strategy Framework

Pursuit of Sustainability

～ Co-create (Create together) ～

Realization of Regrowth

～ Cooperate (Work together) ～



Consolidated numerical targets

(million yen)

	FY2022 (Results)	FY2023 (Results)	FY2024 (Results)	FY2025 (Plan)
Net sales	26,423	31,006	35,034	37,000
Operating profit	910	1,656	2,058	2,250
Ordinary profit	1,574	1,722	2,134	2,300
Profit	886	909	1,356	1,250
Number of restaurants	250	256	266	280

*In FY2022, 566 million yen in COVID-19 transmission prevention compensation payments was recorded in non-operating income.

Major initiatives in FY2024

In addition to our never-ending efforts to enhance deliciousness and hospitality, we promoted initiatives aimed at future business expansion, including the promotion of health and productivity management and the challenge of new markets.

Refine value to be provided

The enhancement of our fundamental values of deliciousness and hospitality is a never-ending initiative of the Group. In regard to "deliciousness," which has been a priority since the company was first founded, we have constantly reviewed ingredients, flavors, and cooking methods, and made improvements in line with the times. We are also pursuing "deliciousness" by sparing no effort to offer authentic flavors to our customers. In addition, in terms of techniques, we are working to improve our cooking techniques as an organization with a teaching method in which Soba Masters, Tempura Masters, and Udon Masters, who have been crowned as such in in-house competitions, pass on their techniques to others.

With regard to hospitality, we make proposals such as seating arrangements and seasonal cuisine to suit customers' dining occasions, striving to create restaurants that respond flexibly to customers' needs. We will continue to pursue the "value provided by food," so that we can offer "deliciousness" and "hospitality" that are close to our customers.



Promoting health and productivity management

In the belief that our employees are our most important management resource, we aim to enhance the value we offer to customers through "physical and mental richness." We have been promoting a variety of initiatives as part of our efforts to further improve employee engagement and the working environment. They include higher starting salaries, increases in the base salaries, a review of salary systems, including increases in various allowances, the establishment of company-wide restaurant closure days before and after peak seasons, expansion of the refreshment leave program that allows employees to take four or more consecutive days of leave three times a year, and efficiency improvements through the introduction of labor-saving equipment. We will strive to enhance our systems and create an environment for the promotion of health and productivity management.

Challenge of new markets

The Sagami Nodayokouchi Restaurant, our first Sagami format restaurant in Chiba Prefecture, opened on October 2, 2024. In March 2025, we opened the Sagami Swan Garden Azumino Restaurant in Nagano Prefecture, our second location in that prefecture after the first was opened in March 2024. In the Ajino-Mingei format, we returned to Ibaraki Prefecture with the opening of the Ajino-Mingei Moriya Hureaidori Restaurant. We will steadily expand our restaurant network so that we can deliver the deliciousness of the Sagami Group to people all over Japan.





Special Features

Pursuit of Deliciousness

Deliciousness and hospitality are the fundamental values of the Sagami Group. From the dashi stock, made each morning and evening without fail, to the soba, stone-milled in-house every day, we are committed to freshness in the meals that we serve.

We are working to further enhance our brand value through measures such as the establishment of our skills and Master programs for standardizing and improving of the quality of our techniques.



Commitment to Freshness

■ **Dashi Stock** Dashi stock lies at the very heart of Japanese cuisine. At Sagami, we make dashi stock with great care, every morning and evening without fail. This is because the flavor of dashi stock decreases over time. Our authentic dashi stock, carefully crafted with a blend of specially selected ingredients tailored to the region, including Soda bonito, which is known for its strong flavor and aroma, further enhances the deliciousness of our signature soba and udon noodles.

■ **Soba** Soba noodles are said to be at their most delicious when it is “freshly milled, freshly made and freshly boiled.” The soba at our Sagami restaurants is ground every day on stone mills installed in each restaurant. This milled flour is then used to make fresh noodles twice a day, in the morning and evening, and the noodles are boiled each time an order is received. The appeal of soba noodles lies not only in its deliciousness. It is also rich in nutrients such as rutin and is gaining attention for its high nutritional value.

■ **Tenobe Udon** Since the foundation of the business, Ajino-Mingei udon has continued to be made with the *tenobe* technique. Udon noodles are broadly divided into two types: *teuchi* (hand-kneaded) and *tenobe* (hand-stretched). Teuchi noodles are made by kneading wheat flour with water, stretching the dough flat, and cutting it into strips with a knife. In contrast, tenobe noodles are made by stretching the dough continuously to form long, thin noodles, which are then cut to size. The time and effort that this technique requires produces the firmness and smooth, silky texture that is unique to tenobe udon. Our insistence on this technique, which is more time-consuming and labor-intensive than the teuchi technique, is to allow customers to enjoy udon's signature firmness and smooth texture at its very best.

■ **Tempura** Unlike tempura that has been cooked in advance, the tempura served at Sagami and Ajino-Mingei restaurants offers the crispy texture of the batter that is a prerequisite of deliciousness. At our restaurants, customers can easily enjoy authentic tempura, something that is difficult to make at home, whenever they want.

■ **Safety and reassurance** The Sagami Group aims to serve dishes that are not only delicious, but that are made with carefully chosen ingredients that ensure safety and reassurance. We are also careful not to include any preservatives or other additives, in our commitment to providing hospitality with food that can be enjoyed with peace of mind. We will continue to serve food that prioritizes this safety and reassurance, in addition to flavor.

Master Program

We have introduced a Master Program as an initiative to step up our commitment to skills in Japanese cuisine and to enhance the value of our brands. The objectives of the Master Program are to maximize the strengths of “handmade, authentic cooking” that the Group has cultivated over many years at all our restaurants and to standardize and improve the quality of our techniques.

While clearly defining the technical standards required for each cooking category, such as tempura and soba making, and developing a system that allows us to serve high-quality dishes no matter who makes them, we also aim to deliver to customers an even higher level of flavor and finish created by the skills of highly skilled cooks that we call “Masters.” A distinctive feature of this program is that it ensures consistent quality of food that is delicious no matter who prepares it, while also offering the added value of food that is even better when prepared by a Master.

In addition, bringing visibility to the wealth of experience and skills to be found in our restaurants' kitchens with the use of the “Master” title fosters the motivation to grow and sense of fulfillment in each and every employee. The Master Program not only supports the improvement of individuals' skills, but also creates a virtuous cycle of contributing to the self-realization and increased motivation of employees, which leads to the revitalization of the entire restaurant. It is also a key initiative in our human capital investment that aims to realize our goal of “physical and spiritual richness.”

Moreover, it plays a role in communicating both within and outside the Group our brand position of “restaurants of Japanese cuisine and skills.” By clearly demonstrating our commitment to handmade, authentic cooking and the artisanal skills that support it, we aim to differentiate ourselves from other companies and increase the value of the experience for our customers.

Cooking techniques that were once dependent on individual skill have been defined and standardized through the Master Program, making it possible to pass on techniques with a systematic approach. We are also focusing efforts on the development of Masters who will teach those techniques, so we can pass on the techniques to the next generation and raise the level of overall technical capabilities.

TOPICS

Initiatives with Local Producers

From Wednesday, August 28, to Monday, September 30, 2024, we held a “Hida no Megumi (blessing of Hida) DE Nagoya Specialties Fair” at all 19 Sagami restaurants in Nagoya City, Aichi Prefecture. The fair featured a special, limited-time menu of dishes made with special ingredients grown by farmers in Hida City, Gifu Prefecture. This initiative was based on a theme of co-creation aimed at bringing smiles, delight, and a sense of richness to everyone involved, from the individual regions to customers. It supports Hida City's future vision of becoming “a town where everyone can live with delight and a richness of heart” by promoting the development of agricultural, forestry and fisheries industries that will appeal strongly to urban consumers at restaurants in Nagoya City, while also aligning with Sagami's philosophy of “We create the delight of “Shoku (eating)” and “Shoku (working)” to serve for the local society. We will continue this joint initiative with Hida City in FY2025 and link it to the revitalization of the region.

The Group also sells tartary buckwheat noodles, which use the Manten Kirari variety produced in Hokkaido. Jinmon Co., Ltd., which produces tartary buckwheat, is a business that received the award for “8th Award for Activities for the Prevention and Reclamation of Abandoned Farmland” in FY2016. The award was in recognition of the business's efforts to establish Manten Kirari, a new variety of tartary buckwheat, as a regional development crop and transform vast tracts of abandoned farmland into a production base for tartary buckwheat.

The tartary buckwheat that the Group uses not only contributes to the promotion of health, but is also assisting with regional revitalization through the prevention and reclamation of abandoned farmland and the reduction of environmental impact through domestic production for domestic consumption.

We will increase opportunities for our buyers and menu development staff to visit producers and build relationships with them. We will also work to

ensure that the intentions of producers are conveyed as much as possible to customers, such as by posting photographs of producers on restaurant menus.





Special Features

Human Resources Development

The development of our people is crucial for the Sagami Group to continue contributing to society and growing sustainably into the future. For the development of human resources, we have developed a comprehensive training program to take advantage of our diverse workforce, including training tailored to each stage and training for non-Japanese employees. In particular, we are focusing on the development of core talent. As an example, in training aimed at promotion to restaurant manager positions, which are the heart of restaurant operations, we have created more practical curricula.

Overall training program

For the Group to grow sustainably and continue contributing to society, we are focusing on strengthening human capital, based on the recognition that our people are our most important management resource. In FY2024 in particular, under the theme of “creating an organization where diverse people can leverage their respective strengths and play active roles over the long term,” we strategically rolled out human resources development initiatives according to rank and target.

In the rank-based training, we have developed training programs that allow personnel of all levels, from new employees to management candidates and executives to acquire the knowledge and skills needed at each stage with a staged, systematic approach. Specifically, in addition to business skills, we emphasize the development of management capabilities, leadership, and a hospitality mindset, providing practical learning that is rooted in the front lines. We have also bolstered our training on compliance and the prevention of harassment, leading to the creation of a safe and reassuring workplace.

In particular, training targeting restaurant supervisors and restaurant managers emphasizes the development of a “perspective of taking charge of management from the front lines.” By strengthening areas such as understanding of numerical management data, team building, and human resources development, we are working to advance a bottom-up style of management that starts at the front lines, thereby making a significant contribution to raising the level of the entire organization.

With the aim of continuing to be a company that invests in its people, we will strive to create an environment in which each and every employee can work with pride and a sense of purpose. By further enhancing the value of human capital, we will further elevate the quality of our services to our customers and realize sustainable growth as a company.

Specialized Training

(Global, training for women, specialized training, etc.)

In the Sagami Group, women account for approximately 70% of all employees, including at our core Sagami and Ajino-Mingei businesses. The percentage of women and foreign nationals among new-graduate recruits is also increasing every year. Against this background, in FY2024, under the slogan of "development for diversity," we promoted in earnest the creation of an environment in which all employees, regardless of gender, nationality, or life stage, can demonstrate their abilities, as well as enhancing specialized training.

For our female employees, in addition to establishing personnel programs to support a balance between life events and career, we have strengthened our training to develop future leader candidates. Specific programs being conducted to this end include Career Design Training, which supports career development, and the Female Leader Development Program, the objectives of which are mindset reform and skills acquisition from the perspective of managers. Through the creation of role models within the company, we are working to realize a workplace where women can work for a long time with vitality and peace of mind.

For non-Japanese employees, we have developed an original training program to help them adjust to life and work in Japan. As well as customer service etiquette and communication in Japanese, this program includes content that will enable mutual understanding of differences in culture, religion, and lifestyle customs. While respecting diversity, it is creating the foundation for these employees' active participation as a member of the workplace over the long term. In addition, through the production of practical manuals by senior employees, we are working to strengthen our systems for accepting foreign nationals who will join us in the future, to create frameworks for smooth collaboration even in a multinational workplace.

Further, as part of our specialized training, we conduct Hospitality Training aimed at improving the quality of customer service. In addition to full-time employees, partner staff (casuals and part-timers) with a strong interest in customer service are invited to participate in this training, in which participants hone each other's customer service skills through practical exercises. The trainees take their post-training feedback back to the restaurants, where they use it in initiatives to improve the quality of service of the entire restaurant.

Going forward, we will continue to expand the areas, targets, and contents of our specialized training and advance the creation of workplaces where everyone can work with vitality, so that our diverse personnel can grow and participate actively while leveraging their respective individuality and strengths.

TOPICS

The Path to Restaurant Manager

— Human resources development and career support initiatives —

To achieve our new restaurant opening plan based on the Medium-term Management Plan, we have positioned securing and developing personnel for restaurant manager positions as a key management challenge. To this end, we have developed a multi-layered education and training program to support the growth of each individual employee.

First, for new employees, three departments, namely the personnel division, the restaurants to which they are assigned, and an external training organization, coordinate to provide partnered support over the course of a year. By enhancing the quality of on-the-job training (OJT) at restaurants and helping recruits to find fulfillment in their work, we aim to prevent early turnover and strengthen our development capabilities.

Our training for young employees provides opportunities for them to reexamine their own strengths and understand the expectations of those around them. In this way, by proactively facing their own careers and gradually acquiring the necessary skills, trainees' personal growth will lead to the revitalization of the restaurant as a whole.

Further, training aimed at promotion to restaurant manager positions clarifies our vision of the ideal restaurant, with trainees learning hands-on how to implement the PDCA cycle to realize that vision. Through this kind of phased educational framework, we aim to build an organization that nurtures its people and where people create restaurants.



Presentation of Sagami Group Basic Policy for FY2025

Special Features

Market Expansion

To help more people experience the deliciousness and hospitality that the Group prides itself on, we are pursuing restaurant openings in new areas, including opening our first Sagami format restaurant in Chiba Prefecture in FY2024. When we open a new restaurant, our New Restaurant Project Team becomes involved in a diverse range of areas, from staff training to operational support, advancing restaurant opening plans with an understanding of the area's culture and needs, with the goal of embedding the new restaurant in the local community.

Market Expansion: Development of stores in untapped areas

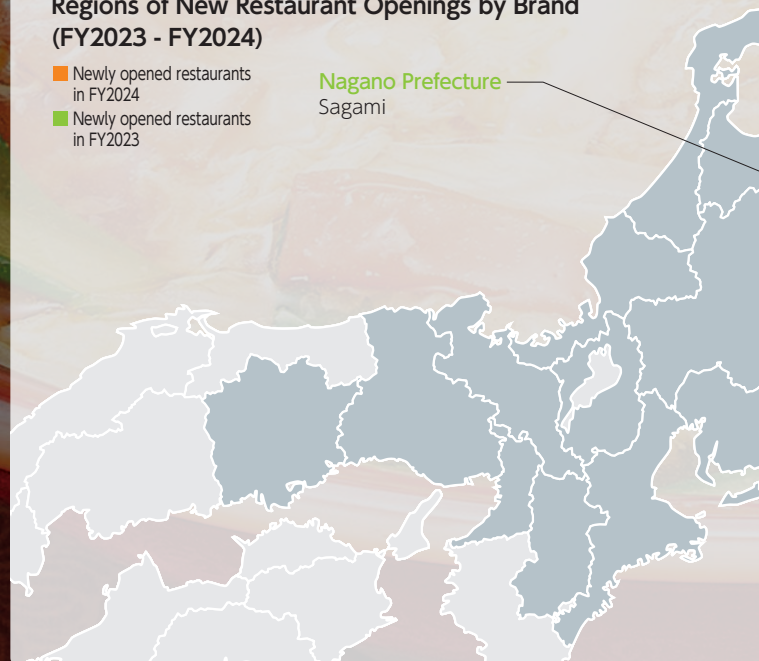
In March 2024, we opened the Sagami Iida Interchange Restaurant as our first Sagami format restaurant in Nagano Prefecture. A year later, in March 2025, we opened the Sagami Swan Garden Azumino Restaurant (Azumino City), steadily expanding our presence in Nagano Prefecture. In Chiba Prefecture, in September 2024, we opened the Sagami Nodayokouchi Restaurant, our first Sagami format restaurant in Chiba Prefecture, which is being patronized by many customers. In the Ajino-Mingei format as well, in a return to Ibaraki Prefecture, we opened the Ajino-Mingei Moriya Hureaidori Restaurant in March 2025. Through these restaurant openings in new areas, we hope to deliver our service to more customers. We are also actively planning to open new restaurants in untapped areas, and we intend to keep expanding without slowing the pace of these plans.



Regions of New Restaurant Openings by Brand (FY2023 - FY2024)

- Newly opened restaurants in FY2024
- Newly opened restaurants in FY2023

Nagano Prefecture
Sagami



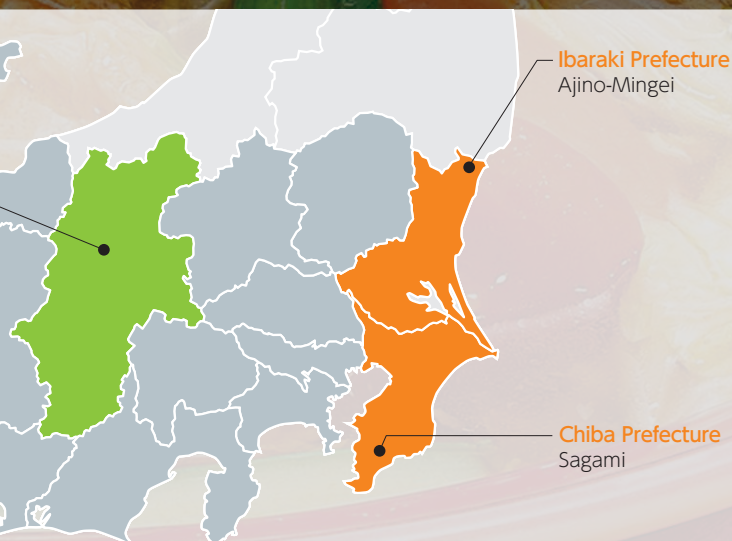
New Restaurant Openings by the New Restaurant Project Team — From the frontlines of value creation by “human power” —

The New Restaurant Project Team is a specialist team that provides cross-functional support to the frontlines in a wide range of areas, from staff training to operational support, when opening new restaurants in various locations. It adopts an approach tailored to the characteristics and local environment of the prospective site of the new restaurant. Once the decision to open the restaurant has been made, the team ventures into the area from the very initial stages of preparations for the opening.

Specific activities include preparing and executing a recruitment plan for staff with roots in the local community, support for the development of operational capabilities for restaurant operations, and follow-up on the retention of staff.

These kinds of initiatives go beyond mere “restaurant opening support” to provide “value creation by people,” in which we put our values and quality standards into practice locally while understanding the culture and needs of that location. Leveraging their individual expertise and experience, each team member works actively on-site to solve any issues as they arise.

This team is a presence that lays the groundwork for the new restaurant to take root in the local community and become a place that customers choose. We believe that its role will become even more important in the years to come.



TOPICS

Streamlining Challenge

We are working to use digital technology to achieve both improvement in customer satisfaction and streamlining of restaurant operations. At the Juwari Soba Second Generation Chosuke Nisshin Restaurant, we installed “TTG-SENSE,” an automated self-checkout system that uses AI-driven automated recognition technology. We have built a system whereby, when a customer places their selected items on a tray and approaches the register, AI cameras and sensors automatically recognize the contents and complete the checkout instantly. This reduces the stress of waiting for a register and provides a pleasant restaurant experience. This restaurant also offers authentic soba made from 100% buckwheat flour and freshly fried tempura in a self-service format at reasonable prices. It is operating as a model restaurant that optimizes price, quality, and speed to respond to increasingly diverse customer needs. We will continue our efforts to achieve sustainable growth and value creation through this kind of fusion of technology and tradition.

Steps for Use

1

Select a Soba card



Ceiling-mounted AI cameras and shelf-mounted sensors identify what the customer has selected.

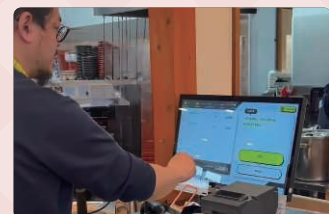
2

Select tempura



3

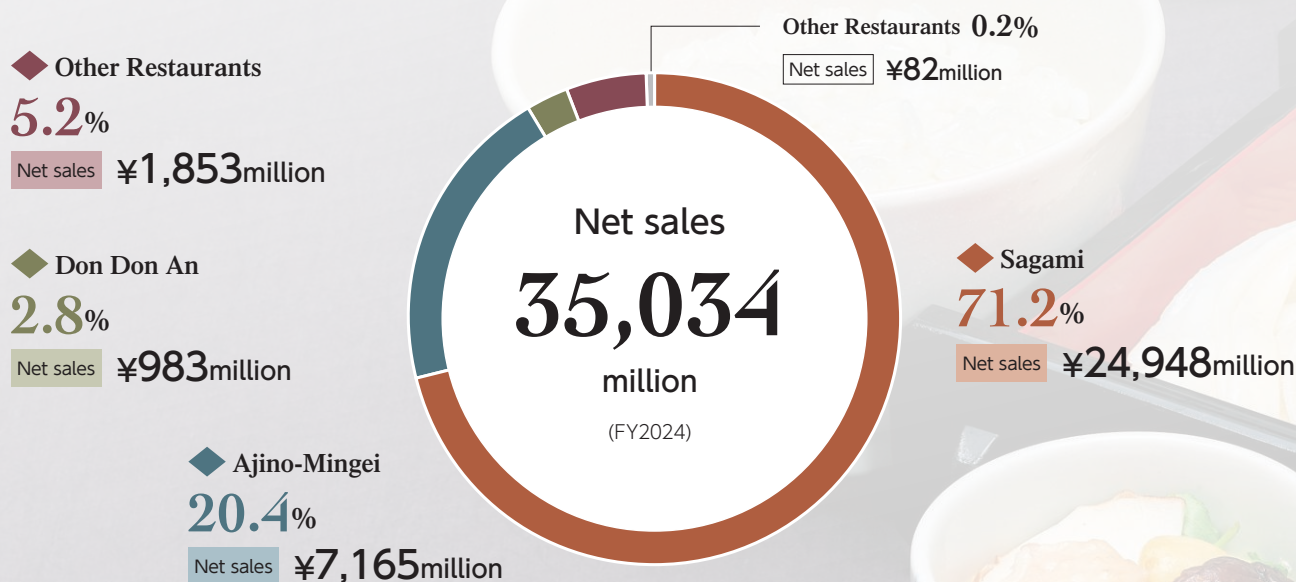
Automatic recognition
▶ Checkout



When the customer stands in front of the register, the items and total amount are displayed automatically.

FY2024 Performance by Segment

The Sagami Group operates 266 restaurants in total. The Group rolls out the food service business centered around the mainstay brand Sagami, which has 152 restaurants, and Ajino-Mingei, which has 51 restaurants, as well as Don Don An and Other Restaurants segments. The Other Restaurants segment includes overseas restaurants. We currently operate seven restaurants in Italy, three in Vietnam, and one in Spain.



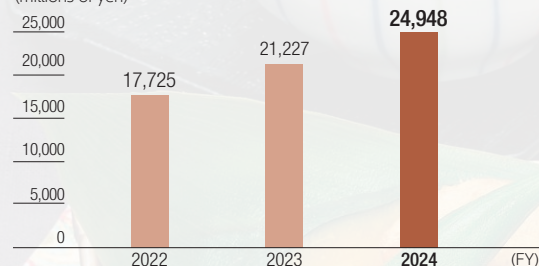
Sagami

■ Brand



■ Net sales

(millions of yen)



152
restaurants

Looking back on FY2024

We held a seasonal "Cooking Fair" seven times to increase customer satisfaction. As part of our regional expansion, we opened Sagami Nodayokouchi Restaurant, our first location in Chiba Prefecture. Focusing on hospitality for special occasions, we introduced a special menu for longevity celebrations—such as the 60th and 70th birthdays—at all locations, in addition to the "baby's first meal" and "1-sho rice" (traditionally used for a baby's one-year-old birthday celebration in Japan).

FY2025 and future strategies

We are working to expand the market by opening new restaurants, and have introduced a tablet-based table ordering system at all restaurants. We will continue to meet diverse customer needs, including service during morning hours and celebratory menus for special occasions.

Ajino-Mingei

Looking back on FY2024

We opened Ajino-Mingei Moriya Hureaidori Restaurant in Moriya City, Ibaraki Prefecture, our first new opening in six years, since March 2019. This contributed to our market expansion in the Kanto region.

FY2025 and future strategies

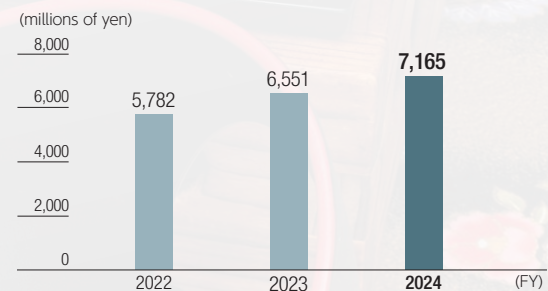
Following the opening in FY2024, we plan additional openings in FY2025 as part of our brand expansion efforts. In addition, we continue to pursue deliciousness—the foundation of Ajino-Mingei—while enhancing the appeal of tenobe udon noodles and Japanese foods.

■ Brand 味の民衆



51
restaurants

■ Net sales



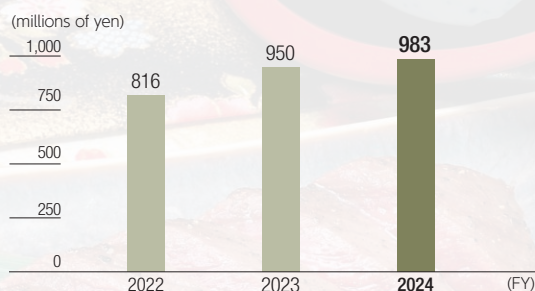
Don Don An

■ Brand



29
restaurants

■ Net sales



Looking back on FY2024

The "GO! Don Don An Campaign" was held to express our gratitude.

FY2025 and future strategies

While Don Don An has offered products at reasonable prices as a self-service-type restaurant brand, we will continue to further refine their "deliciousness." We will also work on business model restructuring.

Other Restaurants

34
restaurants

■ Major brands



Looking back on FY2024

Five new restaurants opened under the Chosuke brand, bringing the total to 12 by the end of FY2024.

FY2025 and future strategies

We have introduced a fully automated accounting system using AI cameras and sensors at Second Generation Chosuke Nisshin Restaurant. We will continue our efforts to realize low-cost operations.

Sustainability Management



Natural disasters, food issues, and energy issues are becoming serious, which has a substantial impact on our daily lives. People are increasingly aware of human rights and health issues as well. The Sagami Group is committed to sustainability initiatives to materialize “all for your richness and smile” stated in the our mission.

Our stance on sustainability issues

Working on sustainability issues, including environmental, human rights, and health issues, is essential in co-creating the delights of eating and working for “your smile and life of abundance” and achieving a sustainable improvement of the Sagami Group’s corporate value. The Group regards sustainability issues as important management issues, and considers that working on them not only reduces risks but also leads to revenue opportunities. Specifically, to improve medium- to long-term corporate value, we willingly and proactively give consideration to climate change and other environmental issues, respect human rights, give consideration to employees’ health and working environment and treat them fairly and appropriately, engage in fair and reasonable transactions with business partners, and manage natural disasters and other crises.

Promoting ESG management

Under the theme of “passing down a better society and a better Sagami to the next generation,” we aim to achieve sustainable societal and corporate growth by promoting environmental improvement and social contribution activities. From FY2023, the new Sustainability Promotion Office is in place to further promote ESG management. We will promote specific ESG initiatives and pursue corporate and societal sustainability.

Initiatives for the SDGs

The Group promotes “three way satisfaction” management, with the key phrases of “creating shared value (CSV)” and “environmental, social, and governance (ESG).” We are driving forward specific initiatives for all 17 goals that constitute the Sustainable Development Goals (SDGs), under a unique Group-wide initiative named “S Challenge,” of which “S” stands for both SDGs and SAGAMI.

To realize a friendly world



Through participation in the WFP’s Red Cup campaign, we will contribute to the realization of a peaceful, affluent and friendly world.

Being friendly to local communities



We aim to create a prosperous society working together with local people through activities such as “Kyousou Nagoya-kai,” an association of companies in the restaurants and food service industry in the Chubu and Hokuriku regions.

A workplace that is friendly to everyone



To create a prosperous society, we aim to create a workplace where people can work with a sense of purpose and fulfillment, through, for example, improving the work-life balance and the economic standard of living.

Initiatives to Ensure Safety and Reassurance



The Group is implementing initiatives to ensure safety and reassurance in our processes from selection of food ingredients to serving to customers. We have obtained and implemented certification of ISO22000:2018 in our own factories, Bisai Factory and Iruma Factory. At our restaurants, we conduct cooking and hygiene management in accordance with various manuals to ensure our hygiene management is compliant with the HACCP concept.

Initiatives for Q (quality), S (service), C (cleanliness) and A (atmosphere)

Our main brand, Sagami, offers “freshly milled, freshly made and freshly boiled” soba noodles, prepared in-house using domestically produced buckwheat that is stone-milled at each restaurant. Ajino-Mingei offers long-aged tenobe udon (hand-stretched udon noodles) that is as silky as tofu and additive-free golden dashi stock. Since 2021, our new restaurant brand, Chosuke, which serves juwari soba (100% buckwheat flour) noodles, has offered many delicious meals and smiles to customers.

Q (Quality)

We hold contests to pass down the techniques of Soba and Tempura Masters. With the rise of health conscious trends, we are focusing on expanding sales of tartary buckwheat noodles, which use the Manten Kirari variety produced in Hokkaido, as well as carb-restricted or low-carb menus and seasonal menus featuring carefully selected peak-season ingredients.

S (Service)

Under the theme “making a good day even better,” we are offering special celebration menus at all Sagami restaurants. These include menus for a baby's weaning on the 100th-day anniversary, a first birthday with a gift of “1-sho rice,” and longevity celebrations, creating opportunities for customers to enjoy their time together with those they care about at our restaurants.

C (Cleanliness)

We ensure that specialized teams conduct hygiene inspections. We also prepare and update from time to time, the hygiene management plan compliant with the HACCP concept to manage hygiene in the restaurants. As our initiatives to enhance cleaning and ensure the use of proper amount of detergent and employees' safety, we are promoting installation of automatic detergent diluters.

A (Atmosphere)

Aiming to create comfortable restaurants, we are working on ensuring adequate air conditioning, keeping bathrooms hygienic and clean, and making sure that designs for new restaurants and renovations help customers feel more private.

Enhanced risk management

We are strengthening our preparedness for intensifying and frequent risks such as pandemics, natural disasters, and instability in food procurement due to various factors such as exchange rate fluctuations and world affairs. We review our business continuity plan (BCP) in a regular and timely manner to make it more effective for possible risks.

Foreign exchange, food and energy prices

By hedging serious risks using various methods, we are working on reducing their impact on the management and ensuring we have a stable ability to offer delicious meals to customers.

Diversification of food procurement sources

We diversify food procurement sources through direct purchases from local producers and manufacturers as well as multiple purchasing methods, thereby aiming to improve costs and diversify risk. Our procurement staff regularly visit local producers to ensure quality management and build stronger relationships of trust with them.

International standard for food safety management system

We have obtained ISO22000:2018 certification.

Two factories in our group, Iruma Factory and Bisai Factory, have obtained ISO22000:2018 certification, an international standard for food safety management systems. In recent years, social demand for food safety is further increasing. To continue to improve food safety at a higher level, we have obtained these certifications.



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 CO₂ 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 CO₂ emissions per unit of net sales in Scopes 1 and 2 by 10% from the FY2021 levels by 2030.

Progress in CO₂ emissions reduction

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

Reference: CO₂ emissions (Scope 3)

	FY2024
Scope3 (t-CO ₂)* ²	17,182

*¹ Scope 2 refers to indirect CO₂ 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 CO₂ emissions and electricity use per net sales

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

- 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.
- 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.
- 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.
- The Company has replaced some delivery motorcycles used at stores with electric ones, which we believe effective from the eco-friendly perspective and the perspective of reducing CO₂ emissions.
- We promote the use of renewable energy by installing solar panels in some of our restaurants as well as our head office.
- During FY2024, 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.

Stakeholder Engagement

We view ongoing dialogue with diverse stakeholders, including shareholders, investors, customers, business partners, employees, and local communities, as the foundation for creating corporate value. The expectations and opinions gathered through these dialogues are incorporated into management strategies and business activities, serving as a key driver of our sustainable growth. By sincerely engaging with each stakeholder through our business activities, we aim to build long-term relationships of trust and create value together.



Customers

We listen to our customers' voices through interactions in our restaurants, social media, and regional events. By leveraging customer feedback in our product development and service improvements, we strive to deliver more satisfying experiences and create restaurants filled with smiles.

FY2024 results

- Opened 21 new restaurants across the Group
- Offered seasonal menus featuring peak-season ingredients
- Provided a place to dine together on special occasions



Customers



Shareholders and investors

We enhance management transparency and promote understanding of our corporate value through appropriate information disclosure and dialogue. Through the General Meeting of Shareholders, IR events, individual meetings, and various other opportunities, we engage in ongoing, interactive dialogue with shareholders and investors. We take their opinions and expectations seriously and incorporate them into management strategies and business activities to sustainably enhance corporate value.

FY2024 results

- Financial results briefing
- General Shareholders Meeting
- Participation in IR events
- Dialogue with institutional investors
- Corporate website
- Shareholder benefits



Shareholders and investors



Local communities

As a community-based business, we actively engage with local residents through cleanups, community events, and school outreach programs. We listen to their voices and continue our efforts to become a presence the community needs. Through our business activities, we also create jobs and support regional food cultures, contributing to local economic revitalization. By pursuing co-existence and co-prosperity with local communities, we enhance our corporate sustainability.

FY2024 results

- Participation in children's meal support programs
- Provision of workplace experience programs
- Social contribution activities



Local communities



Employees



Employees

Through dialogue with employees, we have created a rewarding work environment and established a framework that enables each employee to demonstrate their full potential. We remain committed to improving the working environment to realize both physical and mental richness.

FY2024 results

- Established company-wide restaurant closure days before and after peak seasons
- Increased starting salaries ● Increased base salaries
- Expanded the "refreshment leave" program to allow up to three leaves per year of four or more consecutive days



Business partners



Business partners

We build relationships of trust with suppliers of raw materials and services to ensure sustainable procurement and quality improvement. Medium- to long-term partnerships have enabled stable food procurement and consistent quality. Building a sustainable supply chain in collaboration with suppliers will reinforce our business foundation.

FY2024 results

- Visited production sites to communicate with producers
- Established a whistleblowing channel for business partners



Global Environment



Global Environment

We recognize that preserving the global environment is an important responsibility in our corporate activities. A healthy global environment is an essential foundation for our food-related businesses. To minimize the environmental impact of our operations, we engage in ongoing dialogue with diverse stakeholders and work together to realize a sustainable society.

FY2024 results

- Expanded use of renewable energy ● Reused waste oil
- Reduced use of plastic products

Corporate Governance

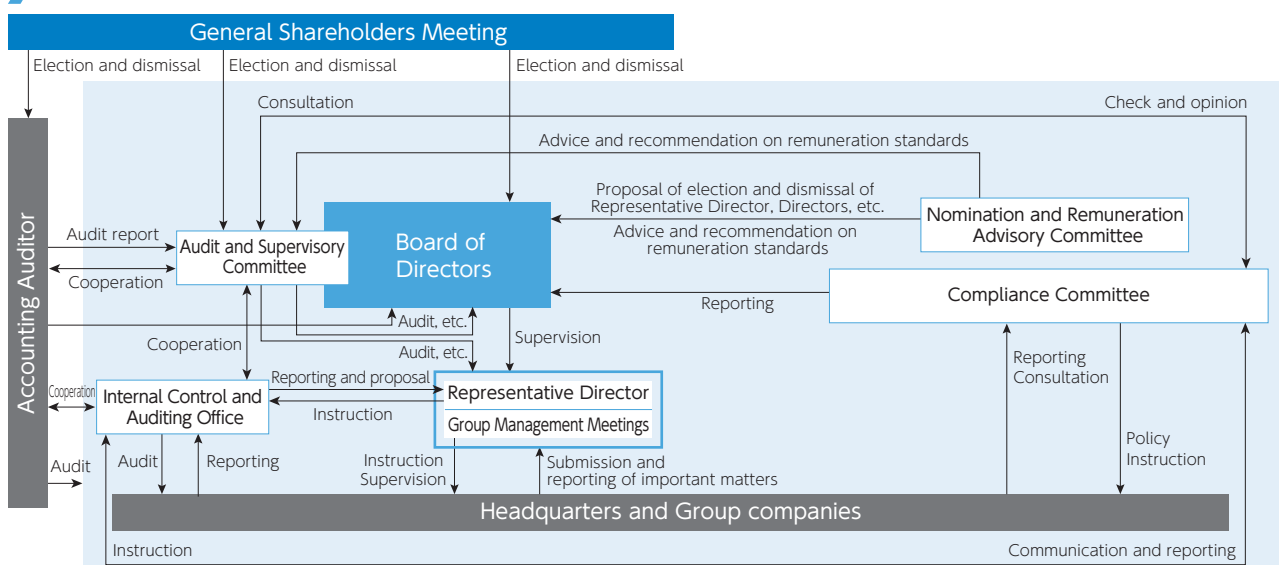


In order to contribute to the Company's sustainable growth and improvement of medium- to long-term corporate value, the Company positions a sound, fair, and transparent management as one of the important management issues and operates its management system based on such an understanding.

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 Compliance Committee, which meets quarterly. The results are reported to the Board of Directors and the Audit and Supervisory Committee.

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.

Directors and Officers (as of June 26, 2025)



Hisashi Onishi
President and CEO

March 1982 Joined the Company
April 2007 Director in charge of No. 1 Sales Division
January 2011 Managing Director in charge of Administration Division
January 2012 Director Representative Director and President, DDA Co., Ltd. (currently Sagami Restaurants Corporation)
January 2015 Representative Director and President, Ajino-Mingei Food Service Co., Ltd.
March 2017 Director, VIETNAM SAGAMI JOINT STOCK COMPANY
June 2017 Director and Managing Executive Officer

April 2020 Director and Senior Managing Executive Officer
April 2021 Director and Executive Vice President, Director and Chairman, Ajino-Mingei Food Service Co., Ltd. Representative Director and President, Sagami International Corporation Chief Executive Officer (CEO), SINGAPORE SAGAMI PTE. LTD.
April 2022 Director and Chairman, Sagami Food Co., Ltd.
April 2023 President and CEO (current)



Toshiharu Washizu
Director and Senior Managing Executive Officer

March 1985 Joined the Company
April 2013 Director, Sagami Service Co., Ltd. (currently Sagami Management Support Co., Ltd.)
April 2017 Representative Director and President, Sagami Management Support Co., Ltd.
April 2018 Director and Executive Officer in charge of sales
September 2018 Director, DDA Co., Ltd. (currently Sagami Restaurants Corporation)
April 2020 Director and Executive Officer Representative Director and President, Sagami Restaurants Corporation (current)

April 2023 Director and Managing Executive Officer Representative Director and President, Sagami International Corporation (current) Chief Executive Officer (CEO), SINGAPORE SAGAMI PTE. LTD. (current)
April 2025 Director and Senior Managing Executive Officer (current)



Tadashi Mitsukuchi
Director and Managing Executive Officer

April 1988 Joined the Company
January 2012 Deputy Manager, General Affairs Section, Integrated Administration Promotion Department
April 2014 Deputy Manager, Group Management Office, Corporate Planning Department
April 2015 Corporate Auditor, DDA Co., Ltd. (currently Sagami Restaurants Corporation) General Manager, Corporate Planning Department
April 2017 Director and Executive Officer in charge of corporate planning, Sagami International Corporation

June 2017 Corporate Auditor, Sagami Food Co., Ltd.
April 2019 Representative Director and President and CEO, Sagami Food Co., Ltd. Director, Sagami Restaurants Corporation
April 2021 Managing Director, Sagami Restaurants Corporation (current)
April 2023 Representative Director and President, Sagami Food Co., Ltd. (current)
June 2023 Director and Executive Officer
April 2025 Director and Managing Executive Officer (current)



Yasufumi Nakajima
Director and Executive Officer

April 1996 Joined the Company
February 2010 Block Manager, Western Region Sales Department
January 2012 Deputy Manager, Sales Planning Office, Corporate Planning Department
April 2014 Deputy Manager, Information Strategy Office, Corporate Planning Department
April 2017 Director and General Manager, Group Administration Department, Sagami Management Support Co., Ltd.

April 2019 Representative Director and President, Sagami Management Support Co., Ltd. (current) Executive Officer in charge of management Director, Sagami Restaurants Corporation (current)
June 2020 Director, Kyoei Co., Ltd. (current)
June 2023 Director and Executive Officer in charge of management (current)



Nao Kawaguchi
Director and Executive Officer

April 1997 Joined Myojo Food Service Co., Ltd. (currently Ajino-Mingei Food Service Co., Ltd.)
April 2017 General Manager, No. 1 Sales Department, Ajino-Mingei Food Service Co., Ltd.
April 2019 General Manager, Corporate Planning Department, the Company
June 2019 Director, Sagami Management Support Co., Ltd.
April 2020 Executive Officer in charge of corporate planning Director, Ajino-Mingei Food Service Co., Ltd. (current)

April 2022 Director, Sagami Restaurants Corporation (current)
April 2023 Director, SINGAPORE SAGAMI PTE. LTD. (current) Director, VIETNAM SAGAMI JOINT STOCK COMPANY (current)
June 2023 Director and Executive Officer in charge of corporate planning and sustainability promotion (current)



Akira Sakakibara
Director and Executive Officer

April 1994 Joined the Company
February 2011 Group Manager, Sales Department, Aiso-Ya
February 2012 Director, DDA Co., Ltd. (currently Sagami Restaurants Corporation)
April 2015 Managing Director, Ajino-Mingei Food Service Co., Ltd.
April 2018 Executive Officer

April 2021 Representative Director and President, Ajino-Mingei Food Service Co., Ltd. (current)
June 2025 Director and Executive Officer (current)



Shoko Arima
Outside Director

April 1993 Joined The Japan Research Institute, Limited
August 2005 Joined UFJ Institute, Ltd. (currently Mitsubishi UFJ Research and Consulting Co., Ltd.)
July 2017 Senior Consultant, Corporate Strategy Dept., Consulting Business Division, Mitsubishi UFJ Research and Consulting Co., Ltd.
April 2021 Senior Consultant, HR Dept. No. 4, Human Resources & Organization Business Unit, Consulting Business Division, Mitsubishi UFJ Research and Consulting Co., Ltd.

January 2022 Manager, HR Dept. No. 4, Human Resources & Organization Business Unit, Consulting Business Division, Mitsubishi UFJ Research and Consulting Co., Ltd. (current)
June 2022 Director, the Company (current)



Shunichi Kamiya
Outside Director
Audit and Supervisory Committee Member

April 1996 Joined Nomura Securities Co., Ltd.
October 2002 Registered as a lawyer
Joined Hamada & Matsumoto (currently Mori Hamada & Matsumoto)
July 2012 Established Uruma Law Office
June 2015 Corporate Auditor, the Company
March 2017 Director and Audit and Supervisory Committee Member, MTG Co., Ltd.
March 2018 Corporate Auditor, Chugai Co., Ltd.
June 2019 Director and Audit and Supervisory Committee Member, the Company (current)

August 2019 Director and Audit and Supervisory Committee Member, TOKAI SOFT CO., LTD. (current)
December 2020 President, Shoshin Law Office
April 2021 Director and Audit and Supervisory Committee Member, Sanwayuka Industry Corporation (current)
September 2022 Nagoya Office, Miura & Partners (current)
March 2024 Director, Chugai Co., Ltd. (current)



Takako Murakami
Outside Director
Audit and Supervisory Committee Member

September 1991 Joined Itoh Accounting Office
April 1996 Registered as a certified public accountant
December 2003 President, Takako Murakami Certified Public Accountant Office (current)
June 2018 Corporate Auditor, the Company
June 2019 Director and Audit and Supervisory Committee Member (current)



Maki Toyama
Outside Director
Audit and Supervisory Committee Member

November 1988 Joined Toyama Ltd. (currently T-Support Co., Ltd.)
September 2009 Joined T-Corporation Co., Ltd. Director, T-Corporation Co., Ltd. (current)
August 2014 Representative Director, T-Support Co., Ltd. (current)
June 2015 Outside Director, KIKUSUI Chemical Industries Co., Ltd.
June 2019 Corporate Auditor (Full-time), KIKUSUI Chemical Industries Co., Ltd.

June 2021 Director in charge of Strategy and SDGs, Strategy Planning Office, KIKUSUI Chemical Industries Co., Ltd.
April 2024 Managing Director, General Manager of Administration Division, in charge of Strategy Planning Office, in charge of sustainability, KIKUSUI Chemical Industries Co., Ltd. (current)
June 2024 Director, the Company
June 2025 Director and Audit and Supervisory Committee Member (current)

Skills matrix

Name	Director and Audit and Supervisory Committee Member	Independent Outside	Nomination and Remuneration Advisory Committee Member	Specialty and experience (skills matrix) *Of each person's skills, etc., not more than four major skills are marked.							
				Corporate management	Marketing and restaurant development	Production and quality management	IT and DX	Finance and accounting	Human resources and labor management Compliance	ESG	Global operations
Hisashi Onishi				●	●	●					●
Toshiharu Washizu			◎	●	●				●		●
Tadashi Mitsukuchi					●	●		●		●	
Yasufumi Nakajima				●				●	●		
Nao Kawaguchi					●		●			●	
Akira Sakakibara				●	●	●					
Shoko Arima		◎		●			●				
Shunichi Kamiya	◎	◎	◎						●	●	
Takako Murakami	◎	◎	◎					●	●		
Maki Toyama	◎	◎						●		●	

Round-Table Talk Among Outside Directors

A company grows because of its people—To hand down "the essence of Sagami" to the future, we hope the Group will continue refining that essence without fear of change.



Shunichi Kamiya

(Lawyer)
Outside Director
Audit and Supervisory
Committee Member



Maki Toyama

Outside Director
Audit and Supervisory
Committee Member



Shoko Arima

Outside Director



Takako Murakami

(CPA)
Outside Director
Audit and Supervisory
Committee Member

Restaurant openings, sense of reward, hospitality Discussed in meetings of the Board of Directors to shape the future of the company

Kamiya Opening new restaurants was a major item on the agenda during the fiscal year under review. I purposefully asked questions from an amateur's point of view, and I have seen many projects about which I initially had concerns ultimately prove successful. The decisions made by the Director in charge, backed by on-site investigations, were appropriate, and I am now able to support them with confidence. I also highly commend the balance of investment between new and existing restaurants.

Murakami With the increase in the number of proposals for new restaurant openings, more substantive discussions were held from a financial perspective, including the recouping of investment, based on comparisons of multiple projects. The extremely cautious planning, particularly regarding the timing of opening new restaurants, demonstrates a sound and steady management approach.

Arima Another characteristic of the fiscal year under review is that the number of topics related to personnel and labor issues increased in parallel with the expansion of new restaurant openings. We were able to discuss employee leave rules and the revision of employment terms and conditions. I think that the Group was able to secure enough time off for frontline employees, even in

the busy times driven by strong performance. In addition, whenever we discuss improving productivity through the use of IT and digital transformation (DX), we have frank exchanges of opinions from the customer's perspective to ensure that service quality and hospitality are not adversely affected. These discussions are put to good use whenever decisions are made.

Toyama A year has passed since I assumed the position of Outside Director, and I have a renewed sense of how much the Sagami Group values its people. In particular, I was impressed by the way management took ownership of the issue of creating a comfortable working environment and engaged in serious discussions. Because the directors regularly visit the front lines, we can picture faces of people working there during our discussions in meetings. I have gained a sense that the "love for Sagami" in the Group is even stronger than what I observed from the outside.

Precisely because people are the foundation of the company's growth, we must confront the risks that cannot be overlooked.

Kamiya As a problem affecting Japan as a whole, there is a risk of a decline in the number of customers and employees. Here at Sagami, with a policy of "selection and concentration," we make a clear distinction between those things that can be left up to machines and those that only people can do. We are called on to embrace

new challenges, such as how to evolve our hospitality and continue providing it with the finite resources available, and how to respond to customers' needs.

Arima What concerns me is whether the development of restaurant managers can keep pace with the opening of new restaurants. Restaurant managers, who are the key players in restaurant operations, need to secure sufficient staff for new openings, and the better the business performs, the busier they become. The directors are keeping a close eye on the front lines, and effective communication is in place to detect any issues. In the future, while maintaining those advantages, it will be important to conduct continuous monitoring with the use of ES surveys and other measures.

Murakami From a long-term perspective, we need to view the question of whether or not the Group will be able to develop leadership talent seamlessly as a risk and take action to address that risk. In particular, in the Sagami Group, the number of men in managerial positions is overwhelmingly higher than the ratio of men to women working in the restaurants. Incorporating the perspective of diverse leaders, including women, in management will lead to the sustainable growth of the company.

Toyama The number of new employees from overseas is also increasing. The challenge is how to convey the essence of Sagami to them and develop them into staff who can provide high-quality services, even amid differences in culture and values. The nature of staff education itself also needs to change in line with the times.

Making Sagami's unique essence of "nurturing the next generation" visible by turning it into a clear, attainable path for anyone

Kamiya When it comes to leadership development, succession planning at the executive management level is also crucial. Sagami has very strong intentions to have the next and subsequent generations of executives participate in Management Meetings, where important matters are decided, and to share with them the directions in which the Group is heading and the process of discussions. The current management team understands that the profits of today are founded on the restaurants built by their predecessors. For this very reason, I feel that the phrase "creating a better Sagami for the next generation" lives on as part of its management DNA, connecting both the business and its people to the future.

Arima Even today, having an experience as a president of a subsidiary is an important step in the development of successors. If this excellent system can be formalized and its requirements shared, employees will find it easier to envision their career paths. This will give trainees a clear understanding of what they need to learn, and trainers will be able to guide them from the same perspective.

The importance of continuing to sincerely meet the expectations of diverse stakeholders

Murakami In my personal opinion, given the Company's performance in the fiscal year under review, I feel that there is more room for the share price to reflect those

results. The Company's growth story and sustainability initiatives are not yet sufficiently well-known nationwide, so strengthening the communication of such information is essential.

Toyama Certainly, Sagami has an image of being a company centered on Aichi Prefecture. I have hopes for the creation of a virtuous cycle in which, as the area of restaurant openings expands, more people get to know Sagami, and its value, such as deliciousness, hospitality, and the people who embody those values, will be properly reflected in the share price. Given that there are people who are looking forward to the shareholder benefits, I believe that there are various evaluations of the share price.

Arima From the standpoint of shareholders, they are more likely to own shares in companies that they want to support. To that end as well, continuing to enhance customer satisfaction in terms of taste and experience at restaurants is a major premise. On that basis, I hope that Sagami can firmly communicate its worth as a company that is able to solve social issues through sustainability initiatives.

Kamiya Many of Sagami's individual shareholders are also its customers. Considering the expectations of such people, rather than making the doubling or tripling of the share price its overriding goal, I believe that the Group needs to strike a balance between steady, stable growth and the appropriate distribution of profits to all stakeholders, including customers, employees, business partners, and local communities. I believe that increasing the amount of information communicated through forums such as this report will demonstrate the effectiveness of Sagami's governance and help to build confidence in the company.

Future expectations of the Sagami Group

Murakami Although change is necessary for the future growth of Sagami, the spirit of "hospitality" is a value that must never be changed. I hope to see the development of the next generation of leaders who will inherit and embody this precious spirit, and I intend to support their journey as part of our role.

Toyama "Valuing its people" is part of Sagami's essence. Being a company that contributes to solving social issues also helps to raise the motivation and sense of reward in the work of each and every employee. While learning alongside them, I will encourage this trend from the perspective of sustainability.

Arima I look forward to the success of diverse human resources. Although the number of female and non-Japanese restaurant managers has increased, the fact that there are still no women in managerial positions is an urgent issue. Looking ahead to 10 years from now, I believe that I need to speak up more to help create systems and an environment that will foster more homegrown female executives.

Kamiya I hope that Sagami continues to be a company where the next generation can feel proud to become restaurant managers. I believe that the key to enduring as a company lies in its ability to support the growth of new generations.

Corporate Profile/Stock Information

Corporate profile (as of March 31, 2025)

Trade name Sagami Holdings Corporation

Date of establishment March 4, 1970

Paid-in capital 9,090,653,149 yen

Number of employees 542

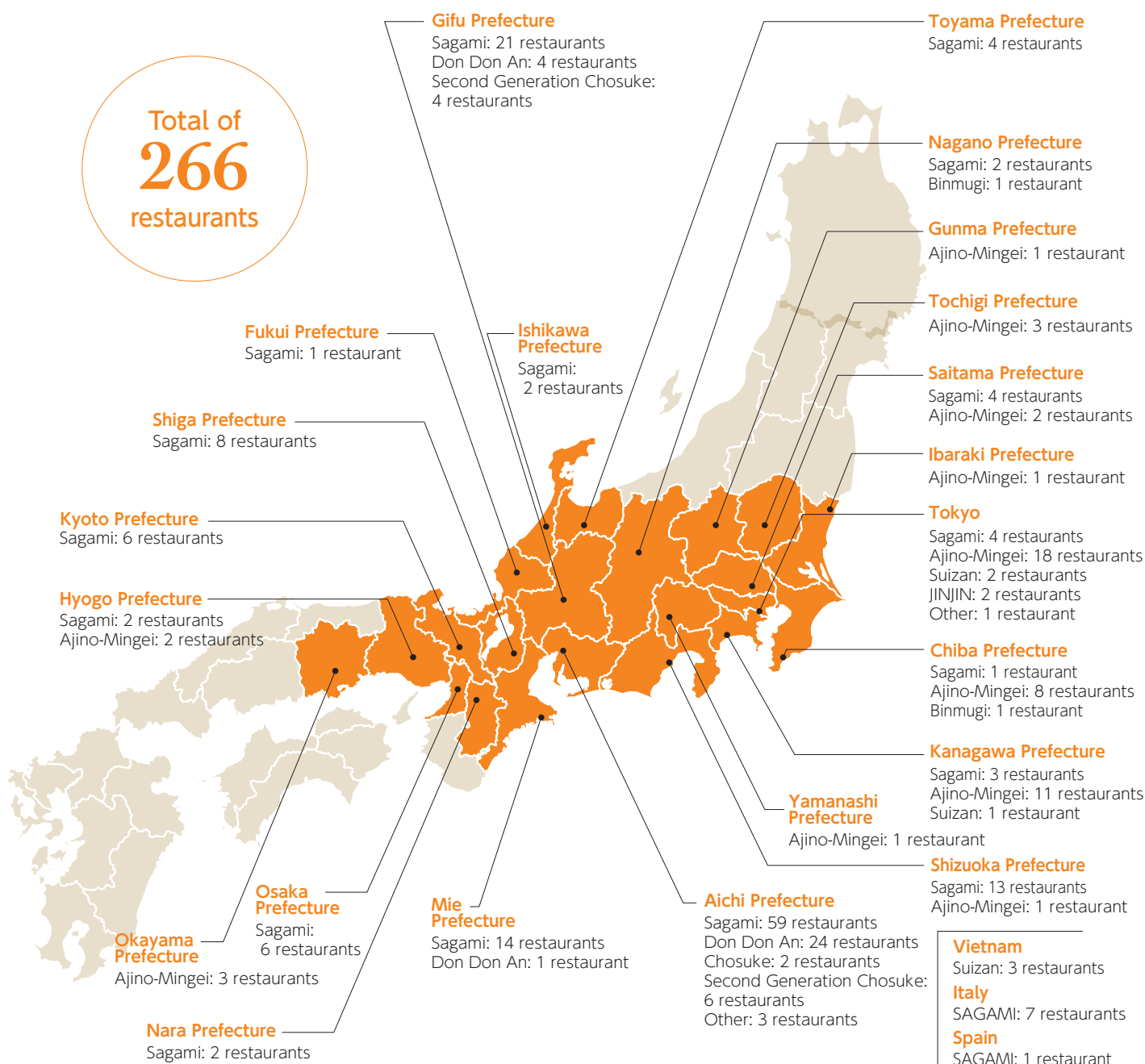
Head office 2-118 Yatsurugi, Moriyama-ku, Nagoya, Aichi

Number of restaurants 266

Group companies

- Sagami Restaurants Corporation
- Ajino-Mingei Food Service Co., Ltd.
- Sagami Management Support Co., Ltd.
- Sagami Food Co., Ltd.
- Sagami International Corporation
- SINGAPORE SAGAMI PTE. LTD.
- VIETNAM SAGAMI JOINT STOCK COMPANY

Network of restaurants (as of March 31, 2025)



Stock information (as of March 31, 2025)

Total number of authorized shares 100,000,000 shares

Total number of shares issued and outstanding 30,301,784 shares

Number of shareholders 23,458

Major shareholders

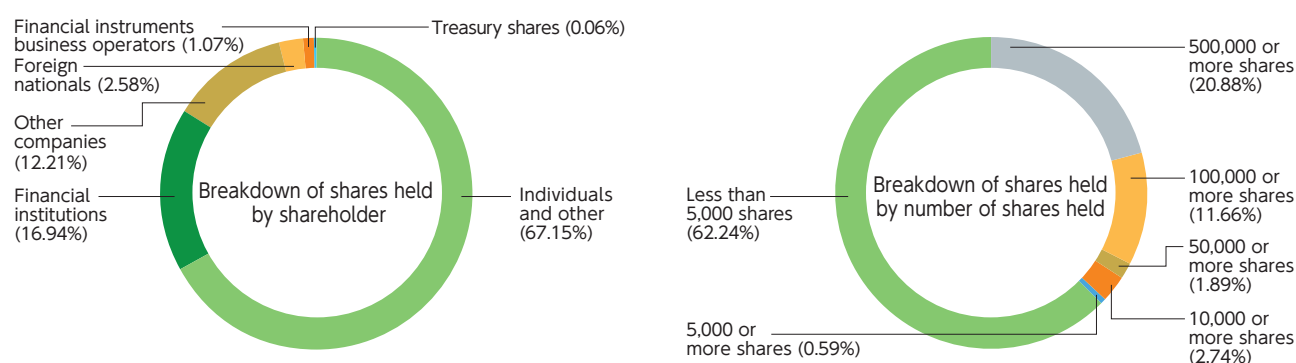
Shareholder's name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,168	10.46
Showa Sangyo Co., Ltd.	1,194	3.94
ASAHI BREWERIES, LTD.	1,032	3.40
The Aichi Bank, Ltd.	923	3.05
Showa Co., Ltd.	433	1.43
Sagami Kyoeikai	384	1.26
Custody Bank of Japan, Ltd. (Trust Account)	365	1.20
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	335	1.10
Sagami Group Employee Stock Ownership Plan	312	1.03
Yasuyuki Iwatsuki	249	0.82
Total	8,397	27.73

(Notes) 1. The shareholding ratios are calculated with the number of treasury shares excluded.

2. The Company holds 18,202 treasury shares.

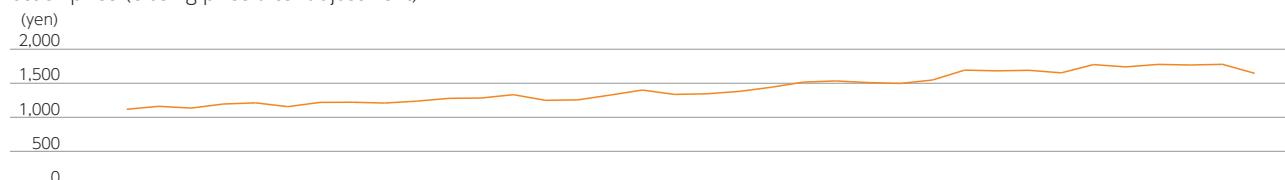
3. The Company has introduced a Board Benefit Trust (BBT) plan, in which the Company's 163,800 shares are held by Custody Bank of Japan, Ltd. (Trust Account E).

Breakdown of shares held

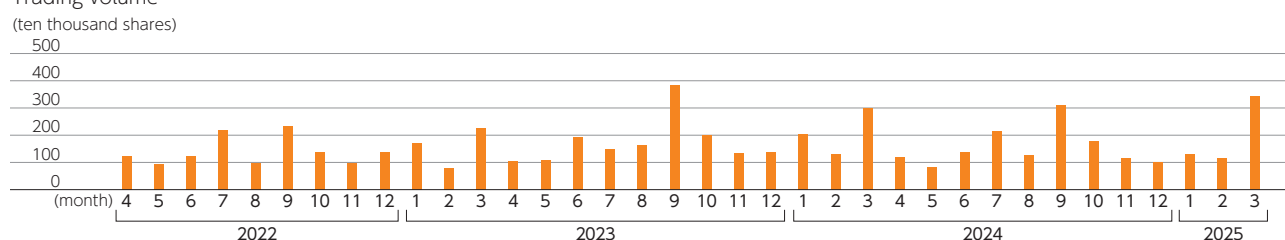


Stock price and trading volume trends

Stock price (closing price after adjustment)



Trading volume



Information on shareholder benefits

We offer high-value shareholder benefits to show our gratitude to shareholders. We hope that this report will help you further deepen understanding about the Sagami Group's business and our initiatives. 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

2-118 Yatsurugi, Moriyama-ku, Nagoya, Aichi

Tel. +81-52-737-6000

Website: <https://www.sagami-holdings.co.jp/en/>