KOMEDA INTEGRATED REPORT 2026

KOMEDA Holdings Co., Ltd.
3-12-23 Aoi, Higashi-ku, Nagoya City, Aichi



Visit KOMEDA's various websites

KOMEDA Holdings official website
https://komeda-holdings.co.jp/english/

KOMEDA's sustainability activities (Japanese only)
https://komedacomestrue.komeda.co.jp/

KOMEDA's Coffee official website (Japanese only)
https://www.komeda.co.jp/

Komekushon, the official online shop of KOMEDA's Coffee
https://ec.komeda.co.jp/en

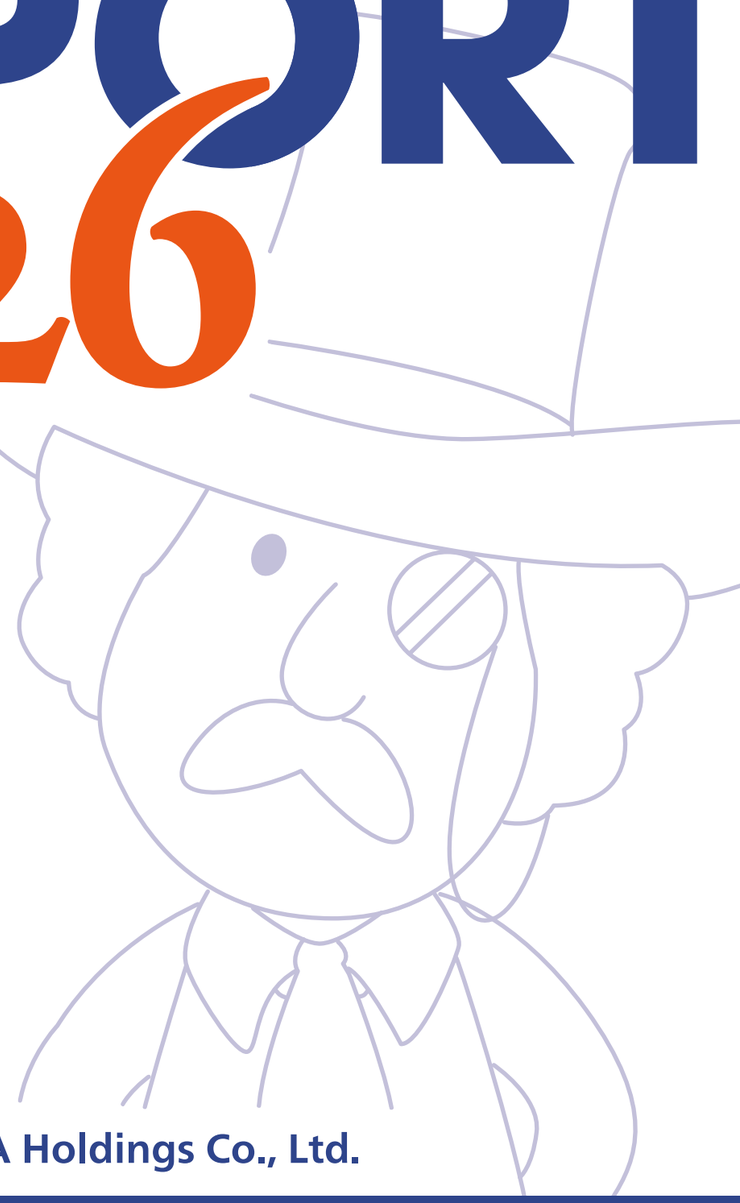
Sankakuyane-no-shita, the community website where KOMEDA fans gather and connect (Japanese only)
https://komeda-sankaku.com/

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KOMEDA Holdings Co., Ltd.





Introduction

“Provide Deeper KUTSUROGI” Refining this value as we move toward the future

Since our founding in 1968, we have continued to provide spaces of *Kutsurogi*.*
Pouring our hearts into every cup of coffee.
Offering moments of peace in spaces where you feel the warmth of wood.
We will continue to cherish this unwavering commitment, refine the value of *Kutsurogi*, and keep growing.

“Provide Deeper KUTSUROGI”
KOMEDA COMES TRUE. with YOU

This is what drives us.

**Kutsurogi* is a Japanese word that means “comfort” and “relaxation.” The KOMEDA Group uses this word to convey the value it offers customers, specifically the relaxing times and spaces provided through its coffee stores and menu items.






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On the Publication of This Integrated Report

Thank you for reading our integrated report. Guided by the mission to “Provide Deeper KUTSUROGI,” the KOMEDA Group has been striving to fulfill its medium-term management plan, “VALUES 2025.” Along this journey, we have not only achieved steady, solid growth but have also gradually fostered within the company a culture of taking on challenges for the future. We see this as a major step forward.
In this report, we clearly outline our results through fiscal 2025, the strategies of our New Medium-term Management Plan, “CONNECT 2030,” which leverages our strengths, and the path to sustainable growth through co-creation with our stakeholders. Please look forward to our future as we take on the challenges of this next stage.

All directors of KOMEDA Holdings Co., Ltd.

Editorial Policy

Organizations covered in this report

KOMEDA Holdings Co., Ltd. and its chain (headquarters, Company-owned stores, franchise stores, and factories), as well as consolidated subsidiaries

Note: Terminology used in this report is categorized as follows.
- “KOMEDA Holdings” or “the Company”: KOMEDA Holdings on a non-consolidated basis
- “The KOMEDA Group,” “the Group,” or “KOMEDA”: KOMEDA Holdings and its consolidated subsidiaries

In this report, those working for the KOMEDA Group are referred to as “employees,” while those working at franchise stores are referred to as “staff.”
Managerial titles mentioned in this report reflect current positions.

Period covered by this report

This report mainly covers fiscal 2025 (March 1, 2025 to February 28, 2026). However, ongoing activities and goals for fiscal 2026 and beyond are also reported.

Published

July 2026

Disclaimer concerning forward-looking statements

The forward-looking statements contained in this report are based on information available as of the end of February 2026 and do not constitute a guarantee of future results.

Environment Social Governance 価値協創ガイダンス
Guidance for Collaborative Value Creation



Komedandy

Komedandy is our Kutsurogi guide. He debuted in 2018 as a descendant of KOMEDA Ojisan, the character featured in the KOMEDA’s Coffee logo.

Our Journey

Since its founding, the KOMEDA Group has continued to provide an ideal space and service for KUTSUROGI through its menus, service, and store designs.
Building on our journey to date—into the next era.
This section looks back on our journey spanning more than half a century.

Story 01

Business Philosophy

Mission statement

"Provide Deeper KUTSUROGI"

KOMEDA COMES TRUE. with YOU

Management philosophy

We provide customers with an ideal space and service for KUTSUROGI through our love of coffee.

Management policies

Customers First | **Prosper Together** | **Keep Evolving**

Mission statement

We aim to create environments and communities where people can feel ever more at ease in body and mind, guided by our mission statement, which reflects our commitment to co-creating KUTSUROGI with our stakeholders.

Management philosophy

Our purpose originates with KOMEDA's Coffee. We value our time together with customers when serving them coffee, and strive to refine our shops, menu offerings, and distinctly KOMEDA style of hospitality to provide spaces for customers to genuinely relax while enjoying our coffee.

Management policies

Customers First
We will always consider the customer first when conducting business.

Prosper Together
We will build good relationships with franchise stores and business partners in order to continue growing together.

Keep Evolving
We will strive to steadily evolve by responding to diverse customer needs, while staying in step with the times.

KOMEDA's History

1968

KOMEDA's Coffee opened



Kikui store in Nishi-ku, Nagoya, our founding location (closed in March 2014)

1977

Main store of KOMEDA's Coffee opened, the origin of our roadside stores



The former main store and our first roadside store (renovated in 2022)



Debut of the Shiro-Noir, which continues to be a fan favorite

1983

Began manufacturing and selling coffee for franchise stores

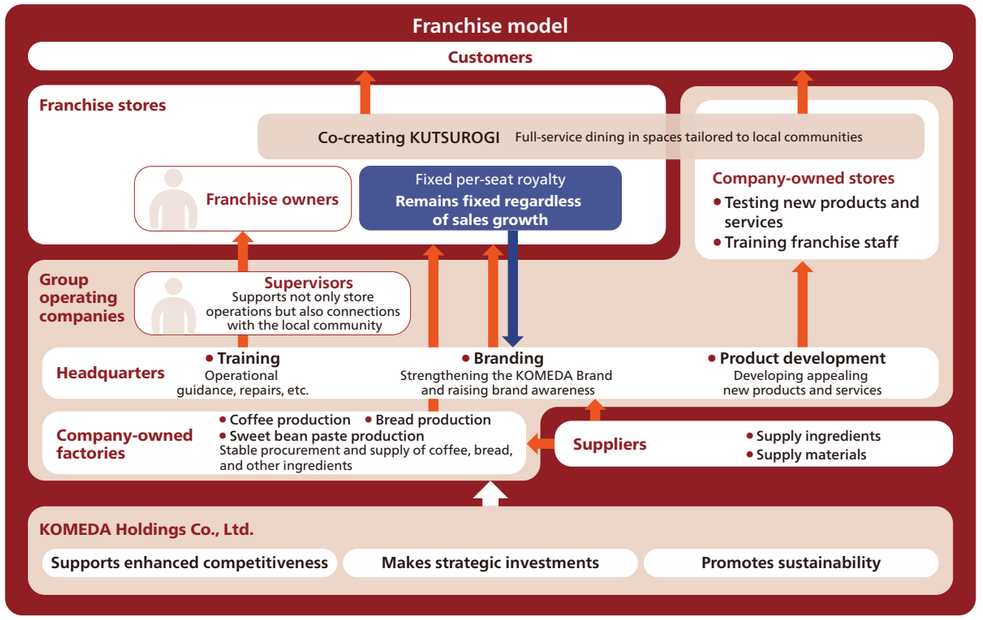


Providing coffee of consistent quality

Story 02

Franchise Model

Franchise stores account for 95% of our stores, and our 438 franchise owners are independent and valued partners. Through the development of products and services tailored to diversifying needs, we will continue to co-create *Kutsurogi* with franchise owners who share our philosophy, as well as our customers.



1993

KOMEDA Co., Ltd.
Established to expand the franchise chain

1999

Kammi Kissa "Okage-An" opened

2003

First expansion into the Kanto region



KOMEDA's Coffee Yokohama Eda store opened

2014

Training centers in Shibuya and Fukuoka opened

2015

- **Began offering choose-your-own Morning Service**
- **Chiba Bread Factory began operations**



Inside the Chiba Bread Factory

2016

- **First overseas location (Shanghai, China)**
- **Launched the Customer service contest, encouraging participants to pursue the highest standards of hospitality**



Contestants have increased year by year

Story 03

Our Evolving Brands

KOMEDA's Coffee has always valued its relaxed spaces, full-service hospitality, and a menu that nourishes the soul. Each of our brands was born from these core values. Okage-An expanded the concept of *Kutsurogi* spaces to incorporate traditional Japanese aesthetics, as did its sister brand, the rice ball specialty store Omusubi Komeya no Taro. KOMEDA is □ retains the comfort of full-service hospitality while adding the value of plant-based ingredients. JELYCO DO refined the dessert drink Jelyco, which originated at KOMEDA's Coffee, while BAKERY ADEMOK created a sense of *Kutsurogi* with takeouts of bread perfected by our morning service culture. Each brand was born by reimagining the values of KOMEDA's Coffee. The know-how needed to create these diverse brands is a strength we have cultivated based on frontline insights and our headquarters taking on challenges.



KOMEDA's History

2017

Online shop launched

2018

- First location in Taiwan
- **Kanto Coffee Factory began operations**
- **KOMEDA's Coffee Shibuya Dogenzakaue store opened, the first store to use the Independence Support Program***

*A program that supports KOMEDA Group employees in becoming franchise owners

2019

- **BAKERY ADEMOK opened**

2020

- **KOMEDA is □ opened**
- **Nagoya Sweet Bean Paste Factory began operations**



Inside the Nagoya Sweet Bean Paste Factory

2022

- **KOMEDA's Oban-yaki Dai-An-Kichi-Jitsu opened**

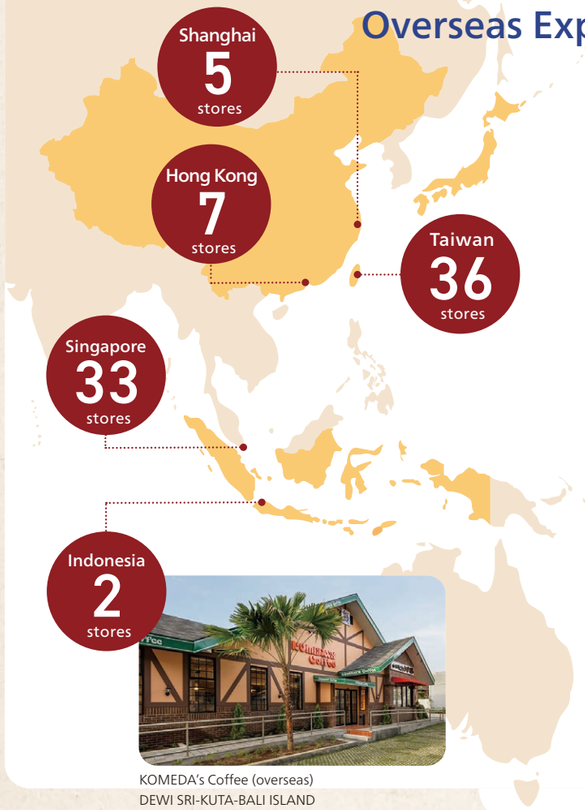


KOMEDA's Oban-yaki Dai-An-Kichi-Jitsu (now relocated)

- **First location in Hong Kong**

Story 04

Overseas Expansion



KOMEDA's Coffee (overseas)
DEWI SRI-KUTA-BALI ISLAND

In April 2016, we opened our first overseas franchise store in Shanghai, China, which began our efforts to spread our unique "Kissa culture" abroad. Since then, we have expanded our operations to Taiwan, Hong Kong, and Indonesia. In July 2024, we established Komeda International Holdings Pte. Ltd. (Singapore; hereinafter "KIH") to centrally manage our subsidiaries in Asia and strengthen our organizational structure. Then, in March 2025, through KIH, we acquired a 70% stake in Singapore-based restaurant operator POON RESOURCES PTE. LTD. (hereinafter "POON RESOURCES") and welcomed it into the Group. By blending local culture with Japanese-style *Kutsurogi*, we will continue to create stores rooted in the community.



2023

- First location in Indonesia
- **Over 1,000 total stores in Japan and overseas**
- Kyushu Coffee Factory began operations

2024

- **Launched mobile ordering nationwide**
- **JELYCO DO opened**
- BASE joined the Group
- Launched the kitchen operations contest and the nationwide decoration design contest
- Ryukyu KOMEDA Co., Ltd. established

2025

- **Omusubi Komeya no Taro opened**
- **POON RESOURCES PTE. LTD. joined the Group**
- **BLUE LEAF CAFÉ joined the Group**



BLUE LEAF CAFÉ in Takashimaya Gate Tower Mall

KOMEDA Today

A Snapshot of Our Group Today

We've compiled a variety of statistics that reflect where the Group stands today, from the expansion of our stores, to employee count, customer count, and sales of our signature menu items.



(As of the end of February 2026)

Our brands

KOMEDA's Coffee	1,079 stores	Okage-An	18 stores
KOMEDA is	1 store	BAKERY ADEMOK	3 stores
Dai-An-Kichi-Jitsu	1 store	Omusubi Komeya no Taro	3 stores
JELYCO DO	4 stores	La Vinothèque	3 stores
BASE	1 store	BLUE LEAF CAFÉ	4 stores
Kaffe & Toast	16 stores	Saap Saap Thai	13 stores
Ma Mum	3 stores	Paad Paad Thai	1 store

Total number of stores

1,150

Japan
1,067 stores

Overseas
83 stores



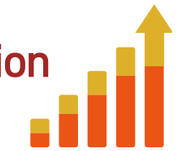
Company-owned factories

9 locations



Consolidated net sales

¥57.2 billion





Our human resources

KOMEDA Group employees, part-timers, and temporary workers	Franchise owners	Franchise staff
2,850	**438**	Approx. **40,000**



Number of stores among full-service coffee shop chains in Japan

No.1

Annual number of customers

120 million

Almost equal to Japan's population!



KOMEDA fan community members*

57,000



We are creating *Kutsurogi* together with our core fans.

*Registered members of our "Sankakuyane-no-shita" fan community website

App downloads

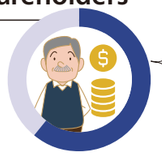
8.27 million



Thanks to its convenience and promotional campaigns, our app is growing as an everyday service.

Percentage of individual and other shareholders

60.9 %



Some KOMEDA fans become shareholders and support us over the long term.

Annual sales volume of main products in Japan

Coffee



Approx. **100 million cups***

Shiro-Noir



Approx. **9.3 million units**

*Calculated based on Komeda blend

Reuse rate of coffee grounds after brewing Komeda blend in Japan

Effectively reused in coffee-dyed goods, cattle bedding, etc.

97.2 %



Number of products sold on Komekushon to date

266 types



Komekushon is an online shop that carries original merchandise from our various brands. In addition to an extensive lineup, it also features co-branded products.

KOMEDA Today

What *Kutsurogi* Looks Like

The science of *Kutsurogi* we have refined at KOMEDA's Coffee supports the various ways in which people relax. From the menu to customer service to the space, the many thoughtful touches that come to life here form the foundation shared by all of our Group's brands.

Key feature!

Incorporating customer feedback into our products and services

We evolve our products and services by incorporating feedback received through our Customer Service Center and fan community to make improvements.

Key feature!

Our complimentary breakfast strategy



Until 11 a.m., with every drink order, we offer complimentary toast or *l'aube* bread, along with a boiled egg. Options like ogura sweet bean paste and egg spread are also available, making this a key strength of our morning service.

Key feature!

Service that goes beyond the manual

Rather than simply follow the manual, we engage thoughtfully with each customer in front of us, constantly refining how we provide comfort and maintain the right level of personal connection.





Key feature!

Stores rooted in the community

We work with franchise owners to incorporate decorations unique to each local area. This fosters a sense of familiarity and reassurance.



Key feature!

Supervisors who support franchise owners

Supervisors make regular visits to franchise stores to support franchise owners and share operational know-how.

Key feature!

Delivering consistently delicious flavors

For example, our Komeda blend is made by roasting green coffee beans carefully selected from around the world, and brewing them at our own factories to ensure consistent, premium quality at every store.

Key feature!

A lineup featuring both classic and seasonal menu items

In addition to a diverse menu and seasonal items, we cater to a wide range of needs with a lineup optimized for each individual store.

Key feature!

Thoughtful design in seating and partitions

Our sofas feature an original design focused on comfort and are repairable. Partitions at just the right height create semi-private spaces.



Adding new flavors to our usual *Kutsurogi*

Bringing comfort closer to you, wherever you go

Consistently delicious flavors, now and always



New menu item at the plant-based cafe, KOMEDA is □

Plant-based mentaiko* cream pasta has been added to the plant-based menu.
*Spicy cod roe



JELYCO DO and Dai-An-Kichi-Jitsu at Gozaisho service area (Osaka & Mie bound)

Opened in April 2025. We are working to open stores where customers can enjoy *Kutsurogi* with ease, regardless of location.



Sapporo Coffee Factory completed

Our new factory in Hokkaido was completed in January 2026. This has strengthened our supply infrastructure and improved our reuse rate of coffee grounds.

The next phase has already begun.

We are taking on the challenges of our New Medium-term Management Plan!

KOMEDA'S COFFEE

Bringing the delights of Japanese cuisine to even more towns



Offering more size options at Omusubi Komeya no Taro

As we prepare for its expansion alongside Okage-An, we are offering more seasonal products and size options.



Sankakuyane-no-shita

First coffee event

In September 2025, we held our first event in Shibuya with the families of KOMEDA fan community members. A first cup of coffee for parents and children.



Acquisition of POON RESOURCES

We are leveraging synergies, including their expertise in Halal certification, to establish a foothold for expansion into ASEAN.

New encounters with more customers

KUTSUROGI spreading overseas

Details of the New Medium-term Management Plan are on P. 26













NEXT KOMEDA

The Group's Future

**Building on the strengths cultivated at KOMEDA's Coffee, we will expand Okage-An, overseas, and beyond our stores.
Our next five years will Connect People, Communities, and the World through "KUTSUROGI."**

The path ahead for the next five years

- Adding new flavors to our usual *Kutsurogi*
- Bringing comfort closer to you, wherever you go
- Consistently delicious flavors, now and always
- Bringing the delights of Japanese cuisine to even more towns
- New encounters with more customers
- KUTSUROGI spreading overseas



Building on our journey to date—into the next five years.
Look back on our journey on P. 24; details of the New Medium-term Management Plan are on P. 26.

TOP MESSAGE



Yuichi Amari
President and Representative Director, CEO
KOMEDA Holdings Co., Ltd.

KUTSUROGI Connects the World. With this Conviction, We Are Taking on the Next Five Years.

Looking back on the 5-year period of VALUES 2025

Our medium-term management plan, VALUES 2025, has concluded its final year. Starting with the recovery from the COVID-19 pandemic, we were able to continue increasing revenue and profits despite such headwinds as soaring raw materials prices and rising energy costs. This was entirely thanks to our franchise owners and store staff across the country who continued to preserve the comfort and relaxation of our customers in their respective regions.

Financially, we saw record-high revenue and operating profit, and met our VALUES 2025 targets for return on invested capital (ROIC), equity ratio, and total return ratio. However, we take seriously the fact that our EPS CAGR fell short of our target. We are now thoroughly analyzing the factors and implementing measures for our next medium-term management plan.

Besides these figures, I feel an even greater sense of achievement from the gradual development of a culture that takes on new challenges. The upgrading of Okage-An to the second pillar of our business portfolio after KOMEDA's Coffee; new types of stores such as JELYCO DO and Omusubi Komeya no Taro; and overseas expansion with POON RESOURCES—these initiatives were all taken after much trial and error.

Through these experiences, the mindset to take on challenges without fear of failure has taken root within the organization. We are not yet at a level I am completely satisfied with, but I am confident that this culture will form the foundation for our future growth.

CONNECT 2030: Blueprint for the next 5 years

The KOMEDA Group has 1,150 stores in Japan and overseas, and each store has become an indispensable part of their community. The year 2026 marks the 10th anniversary of our listing on the Tokyo Stock Exchange, and during the CONNECT 2030 period, we will also celebrate our 60th anniversary since our founding. Using these milestones as a starting point, CONNECT 2030 represents the blueprint for how we will further deepen our *Kutsurogi* concept in Japan, simultaneously bring it to other parts of the world, and pass it on to the next generation.

Under CONNECT 2030, the Group will establish a network of 1,400 stores and take on international markets. The path to achieving this is more than just growing our businesses. Based on changes in the domestic and international environments, we will review our store operations, business portfolio, and investment philosophy, with the

goal of strengthening our business foundation and achieving sustainable growth.

This medium-term management plan was developed through discussions among the employees who will lead the company in the future, who transcended departmental lines and drew from the realities and concerns of those on the frontlines. Because it took shape through such a process, I have viewed CONNECT 2030 as our blueprint for action from the moment it was announced.

Further refining the competitive advantages of KUTSUROGI

When customers tell us that they feel relaxed when at KOMEDA's Coffee or comment about how our stores are a nice place to spend time, it provides us with the greatest feeling of encouragement. Even in an era where consumer convenience is increasing with convenience stores and delivery services, we believe that the reason people go out of their way to visit a place is because of the experience they have there.

That is why, through our franchise owners who operate our stores nationwide, we do not fixate on a single definition of *Kutsurogi*, but instead continuously refine the experiential value by catering to how each customer feels and spends their time. By doing so, I believe there is still plenty of room for growth, even in Japan.

Bringing more variety to customers' comfort and relaxation

As a pillar of CONNECT 2030's growth strategy for Japan, we will fully expand KOMEDA'S Nagomi Kissa Okage-An. Okage-An stores can be opened adjacent to KOMEDA's Coffee stores, giving customers the choice of both. Thanks to its unique offerings such as Omusubi Morning Service and the tailwind of inbound tourism, some Okage-An stores are outselling KOMEDA's Coffee. In line with the New Medium-term Management Plan, we have established the Okage-An Promotion Department and are preparing for the full-scale expansion of the brand's franchising.

As our customers' lifestyles diversify, so do the scenes in which they feel comfort and relaxation. We will continue to test various possibilities with new business formats that are primarily take-out, such as JELYCO DO and Omusubi Komeya no Taro. On the other hand, we are expanding opportunities for customers to experience the brand outside of our stores through off-store channels such as convenience stores, which sell the KOMEDA's Coffee line of drinks, and eGifts.



Okage-An AEON STYLE TOYOTA Store



JELYCO DO Sunshine City alpa Store newly opened in Ikebukuro

Deepening the premise of "Prosper Together" with franchise owners

Evolving our existing businesses and taking on new challenges cannot be done by the headquarters alone. The growth of the Group is based on the premise of prospering together with our franchise owners.

The distinguishing feature of our franchise model lies in the balance between the headquarters' unifying force and the on-the-ground capabilities of our franchise owners. The headquarters consistently refines common foundations such as ingredients, brand, quality, and digital transformation (DX). On top of that, franchise owners work with customers to create comfort tailored to the location and



market area. We grant a certain degree of discretion to franchise owners regarding menus and store design so that both the headquarters and franchise owners can fulfill their respective roles and create a comfortable space that suits the local area. This includes creative touches on decoration and operations. These are decisions made to connect customers and the community and shape a comfortable space.

The fact that customers feel their experience in our stores is worth more than the price is proof positive that this mutually prosperous relationship is working effectively on the ground.

To ensure the continuation of this relationship, strengthening our supply chain management and investing in AI and DX for our franchise stores are essential. The former is crucial for maintaining a stable business foundation, even in an environment of continuously rising raw materials prices and energy costs. The latter is an investment to reduce the burden on franchise owners and store staff, allowing them to spend more time interacting with customers. How can we use technology to uphold and enhance the value of *Kutsurogi* that can only be created by people? The headquarters will work closely with those on the ground to create the right environment.

Bringing the "Kissaten" concept to the world

KOMEDA's Coffee, a brand we have built together with our franchise owners, is a little different from a so-called café chain. It is a place of comfort where each customer can be themselves. The coffee, the space, and the service are all there for the customer's comfort. That is why we consider ourselves not a café chain or a coffee chain, but "Japan's No. 1 Kissaten chain."

The need for *Kutsurogi*—for people to gather, unwind, and spend time with others—is universal, regardless of country or culture. However, the specific places, distances, and behaviors that allow people to truly relax vary from region to region and culture to culture. That is why we have always valued the unique approach demanded at each place, rather than imposing our own style. We want to connect that to the world. We envision a future where "Kissaten" is a globally recognized word, just like "ramen" or "sushi." CONNECT 2030 is a challenge that looks toward such a future.

Our overseas operations are carried out in various locations, including Shanghai, Taiwan, and Hong Kong, in collaboration with partners in

each locale. Through these experiences, we have become convinced that the ability to cultivate a sense of *Kutsurogi* that is tailored to each country and culture largely depends on the extent to which we can share our values with our overseas partners.

I felt a strong connection with Jack Poon of POON RESOURCES when I first met him in Singapore in May 2024. Mr. Poon is a business leader who, starting with a family business, has gone on to cultivate diverse brands in Singapore. I felt a connection with his approach of not simply expanding brands unilaterally, but, rather, engaging with local food culture, religion, and lifestyles to root them in the community. As we discussed how to express the *Kutsurogi* that we value so much in international markets, we built a strong relationship of trust by sharing perspectives that range from logistics and human resource development to the realities of operations.

Sharing the same philosophy and respecting each other's cultures, we work together to create *Kutsurogi* in each country and region. I believe my encounter with POON RESOURCES was an important step in elevating my previous overseas experiences and connecting them to new places.

Regarding future M&A, we have not included them in the figures for our New Medium-term Management Plan. However, this does not mean we are hesitant. We will absolutely pursue businesses that are necessary for the KOMEDA Group and that we expect to create synergies with.



Placing sustainability at the heart of our management

Having refined our business model based on KOMEDA's Coffee, venturing into new business formats and overseas markets is a big challenge. We believe that sustainability management is the ability to take on such challenges and drive continuous growth.

As we launched CONNECT 2030, we revised our materiality. We reorganized it into three themes—co-creating KUTSUROGI, empowering the people for KUTSUROGI, and preserving environments for KUTSUROGI—and set key performance indicators (KPIs) for each. We believe that clearly committing to these through metrics, rather than just talking about direction, is the first step in placing sustainability at the core of our management.

We consider sustainability a management issue because it is an unavoidable issue given the structure of our business. As a company with coffee at its core, our supply chain is closely linked to climate change and social issues in producing countries, starting with raw materials derived from agriculture. This is exemplified by the long-term risk of a decline in the number of coffee farmers in Brazil, and the labor shortage in Japan that is becoming a business constraint. I am confident that addressing these issues will ultimately support the earning power of the Group.

Fortifying our quality foundation and relationships with the community fosters loyalty and repeat customers; improving the work environment increases productivity and recruitment capabilities; and energy-saving and efficiency initiatives lead to improved cost structures. Sustainability is not a defensive strategy, but an integral part of CONNECT 2030's growth strategy. As for reducing our environmental impacts, rather than starting from fixed targets, we continuously make improvements while operating our businesses. We believe this approach is the way to achieve sustainable growth.

Our people are our foundation for taking on new challenges

Of the three materiality themes, the one I will focus on most is empowering the people for KUTSUROGI. In the New Medium-term Management Plan, we have adopted the engagement score as a KPI. If our staff are not working positively, our customers will not experience *Kutsurogi*. We must create a company where diverse talent can thrive in their respective roles. This is something that I am committed to achieving during my tenure.

This commitment is also evident in how we formulated CONNECT 2030. In this medium-term management plan, the employees who will lead the company in the future joined discussions beyond their departmental lines, and thoroughly considered the future of their company in their own words. Each has come to understand the issues and concerns they feel on the ground, and together they formulated solutions and strategies. While I provided the overall direction, I took this process of thinking and accountability head-on and incorporated it into the plan.

Investing in our people is not an abstract ideal for the future. It is the foundation of management that will enable us to continue taking on future challenges. It is about fostering growth in our employees, enabling them to think critically, and empowering them to take responsibility. This accumulation of growth will drive CONNECT 2030 and generate future growth.

Serving coffee for the next 100 years

In February 2025, I visited a coffee plantation in Brazil for the first time. There, I witnessed firsthand not only the impact of climate change on quality and poor harvests, but also the looming reality of an aging workforce among those who produce coffee.

For the Komeda Group, coffee is a central element supporting daily moments of comfort and relaxation. If its quality or supply fluctuates, it affects the way customers spend their time in our stores. Initiatives in coffee-producing areas, such as the Café Delas Program supporting female farmers, contribute to consistent quality and create an environment where production can continue for a long time.

Our approach to raw materials is not limited to coffee beans. We work to optimize our sourcing and ensure consistent quality for every single ingredient that supports the flagship products of KOMEDA's Coffee and all our other brands, from the flour used in our Morning Service toast to the dairy products used in our Shiro-noir soft-serve ice cream. We look at the background of our raw materials to understand and continue to select them carefully. We believe that it is through this accumulation of efforts that we can continue to create moments of comfort for our customers in the future.



A photograph from my visit to Brazil in February 2025, when I visited a coffee plantation that is one of our coffee bean suppliers, and local company, Olam Group Limited.

To remain indispensable to our customers

When I visited an elementary school near a coffee plantation in Brazil, we presented gifts in the form of crayons from KOMEDA's Coffee, and they accepted them with beaming smiles. I felt a strong desire to create an environment where, even when these children are grown up, coffee can continue to be cultivated with pride.

A few months prior, while on a flight from Bali to Singapore, I was wearing a KOMEDA Ojisan T-shirt when some Japanese residents of Hong Kong struck up a conversation. I was surprised that their child knew how many KOMEDA's Coffee stores there are in Hong Kong, and I was touched that they said they loved KOMEDA's Coffee.

We have placed the value of *Kutsurogi* at the core of our business, implementing it across different industries and regions. To make that value more sustainable, we will look at everything from upstream to downstream, expanding our business from Japan to the world. That is CONNECT 2030, and it is the resolve I will uphold as president.

Value Co-creation Process

We provide an ideal space and service for KUTSUROGI under our mission to "Provide Deeper KUTSUROGI." We will connect people, communities, and the world through the concept of *Kutsurogi*, and while evolving our business model, we will co-create value with our stakeholders.



Social Changes

- A desire for what feels like home
- Expectations for safety and reliability in food and hospitality
- Labor shortages and the transformation of local economies

Inputs

Supporting the source of our creative power

Intellectual capital

The know-how to create experiential value through menus, services, and spaces that enhance the in-store experience, as well as through co-creation with customers and franchise owners

Supporting the source of our growth power

Manufactured capital

A production infrastructure centered on Company-owned factories that ensures safe, reliable quality and stable supply

Human capital

Talent capable of co-creating *Kutsurogi* with stakeholders, and the training system that supports them

Natural capital

The natural environment that supports value co-creation through safe, reliable ingredients and the sustainable use of energy

Supporting the source of our staying power

Social and relationship capital

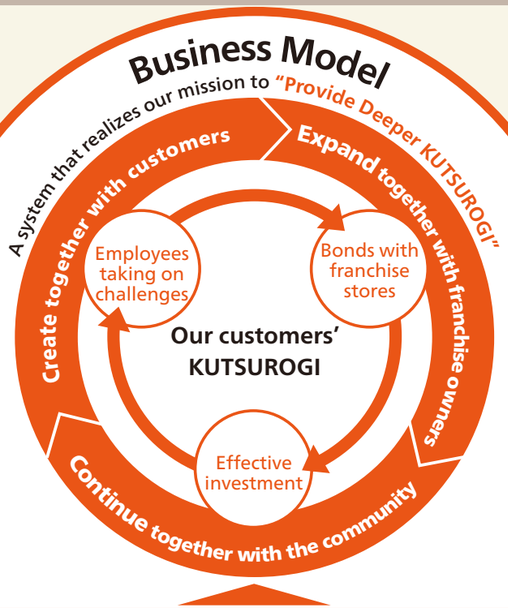
Relationships of mutual prosperity and deep trust with customers and local communities, built through store operations rooted in the community

Financial capital

A financial foundation that generates stable cash flow

Business Model

A system that realizes our mission to "Provide Deeper KUTSUROGI"



Management strategy that accelerates the positive cycle of *Kutsurogi*

Medium-term Management Plan **CONNECT 2030** P.26

Create	Strengthen the brand	Strengthen touchpoints	Open diverse stores
Expand	SCM*	Overseas expansion	Accelerate the expansion of Okage-An
Continue	DX investment	Capital measures	M&A

Materiality New Priority Issues (2026–) P.38

Co-creating KUTSUROGI	• Ensuring safety and security in our products and services • Enhancing customer experience • Coexistence with local communities
Empowering the people for KUTSUROGI	• Ensuring safe and comfortable workplaces • Empowering diverse talent to grow and succeed • Respecting human rights
Preserving environments for KUTSUROGI	• Conservation of the natural environment • Addressing climate change

Initiatives foundational to organizational management

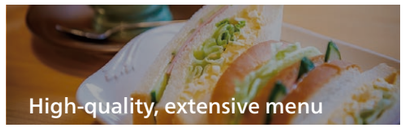
- Pursuit of optimal corporate governance
- Establishment of risk management
- Upholding corporate ethics and preventing corruption
- Improvement of information disclosure and transparency

*Supply chain management

Outputs

Create together with customers

Products, services, and spaces that cater to our customers' *Kutsurogi*, born from their feedback and the challenges we take in the field







Expand together with franchise owners

An extensive network of stores that combines consistent quality with the creative flair of each individual location



Continue together with the community

A virtuous cycle of community contributions and growth investments



Outcomes

Customers

The *Kutsurogi* experience, where one feels comfort no matter when they visit or who they're with

Franchise owners

Stable revenue and a business model that ensures lasting success

Employees and franchise staff

A place to work with pride and a sense of fulfillment

Suppliers and business partners

Prospering together based on long-term business relationships

Local communities

Contributing to communities through our stores

Environment

Conserving the natural environment and contributing to a decarbonized society

Shareholders and investors

Sustainable profit growth and stable shareholder returns



Returning value to society

- Providing spaces that offer comfort
- Raising quality standards
- Local employment and economic circulation

Circulation of the value created

- Financial capacity to invest in future challenges
- Deepening bonds with franchise stores and local communities
- Growth of the people who support *Kutsurogi*

Stakeholder Engagement



Main methods of dialogue

Customers (FEATURED)

- In-store communication
- Customer Service Center
- Fan community website "Sankakuyane-no-shita"
- Industry-academia collaboration with Meijo University

Co-creating with the next generation

KOMEDA Co., Ltd. is collaborating with research labs in the Department of Architecture at Meijo University's Faculty of Science and Technology. Together, we are implementing initiatives that incorporate the needs of the next generation, such as by planning and evaluating comfortable spaces from students' perspectives.



Local communities

- Community-based activities through our stores
- Food donations through the Aichi Children Dining Network
- Outreach classes

Engagement through menu development and contribution activities

Through the Aichi Children Dining Network, we made a total of 21 food donations to children's cafeterias.



Franchise stores (FEATURED)

- Franchise owner meetings
- Information dissemination and surveys via the store management system

Exchanging opinions at meetings with owners of both large and small franchise stores

We hold franchise owner meetings in sub-divided blocks to exchange a wide range of opinions on topics such as headquarters' policies, store operations, and community contributions.



NPOs and NGOs

- Children's cafeterias in collaboration with the certified NPO "Musubie"

Initiatives at children's cafeterias

In collaboration with "Musubie," we held workshops at children's cafeterias twice each in Tokyo and Osaka, contributing to the healthy development of children.



Employees

- Policy presentations
- Company newsletter
- Morning meetings
- Engagement surveys

Promoting internal understanding through policy presentations and morning meetings

In addition to semiannual policy presentations, the president shares company developments at monthly morning meetings and in the company newsletter. We aim to improve employee engagement by deepening understanding within the Company and creating a comfortable work environment.

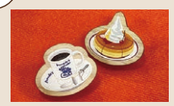


Environment

- KOMEDA no Mori conservation activities
- Plastic reduction
- Reuse rate of coffee grounds after brewing Komeda blend

Exchanging opinions through KOMEDA no Mori conservation activities

We measure the amount of CO_2 absorbed by KOMEDA no Mori to assess the effectiveness of our conservation activities. We also provide a space where visitors to our forest can exchange opinions on the recycling of wood resources.



Business partners

- Daily procurement activities
- Request procurement based on the Sustainability Procurement Guidelines

Exchanging opinions at supply chain meetings

We held supply chain meetings with key business partners to exchange opinions on procurement and build consensus regarding sustainability procurement.

Shareholders and investors

- General Meeting of Shareholders
- Financial results briefings
- Individual meetings with institutional investors

Honest and fair explanations, and constructive dialogue

In addition to the annual General Meeting of Shareholders and semiannual financial results briefings, we hold individual meetings with institutional investors.

Stakeholder Voices

FEATURE 01 Customers

The Customer Service Center receives a wide variety of feedback every day. Our mission is not merely to serve as a hub, but to become a starting point for value co-creation by accurately understanding our customers' needs and translating them into improvement actions.

As the market environment changes, customers' expectations for comfort and relaxation are steadily rising, and their feedback regarding quality, service, and cleanliness (QSC) is becoming more specific. We view even the most critical feedback as a reflection of our customers' high expectations for the Group, and we place great importance on carefully discerning the sentiments behind each comment. While we do not unilaterally forward requests from the Customer Service Center to individual departments, we organize feedback objectively and constructively, considering the amount, urgency, and severity of comments as the reality of our stores. By relaying this feedback, we encourage spontaneous and swift improvements within the Company.

For example, regarding issues that directly cause customer inconvenience, such as app malfunctions or discrepancies with store information, we push for swift system improvements and take thorough action to maintain trust. Furthermore, the vast amount of customer feedback we collect and share is leveraged as insight to develop future products and improve services. Through these cumulative efforts, we will continue to use customer feedback as our management compass and fulfill our role as a partner in creating the *Kutsurogi* of tomorrow.



Asami Okawa
General Manager, Customer Service Center KOMEDA Co., Ltd.



▶ The booklet "Words of Gratitude and Praise," which Ms. Okawa helped create. It compiles feedback from customers and is distributed to all stores.

FEATURE 02 Franchise stores

I've been a franchise owner for 15 years. By keeping my outstanding staff highly motivated and establishing a system based on customer traffic forecasts, I've managed to provide customers with comfort while running a stable business. I'm always grateful for the new products and initiatives from headquarters that support us. Also, the objective analysis provided by supervisors and the sharing of insights with other stores are always helpful in enhancing the overall store experience. I look forward to headquarters continuing to serve as a bridge between franchise owners. I also hope they will continue to present options for growth, such as new business formats that expand our reach. By trusting headquarters' strategies and taking the initiative to build stores rooted in the community, we will continue to foster long relationships of mutual prosperity.



Mr. Toru Ichikawa **Franchise owner and Representative Director of Canty Co., Ltd.**



My role is to share insights into store conditions based on the results of QSC checks, mystery shopping, and other assessments, and thereby support franchise owners in making independent decisions. Rather than have headquarters imposing the "correct answers," I carefully identify on-site issues, encourage owners to come up with potential solutions, and support them behind the scenes as they take the wheel of their own business. Through ongoing, and sometimes firm, dialogue tailored to their goals and circumstances, I aim to be a business partner who works with owners to raise the quality of *Kutsurogi*.

Fumitaka Kikuchi
Team Leader and Supervisor, East Japan Sales Department, KOMEDA Co., Ltd.

Medium-term Management Plan
Review of VALUES 2025 (2021-2025)

To "Provide Deeper KUTSUROGI," we have been working to expand and enhance our existing business model, pursue new joint value creation, and maintain and expand financial value. To this end, we pursued initiatives such as human resource development, increased store openings, and new business development. Thanks to our customers' continued patronage as well as our franchise owners and frontline staff, we recovered from the COVID-19 pandemic and achieved record-high revenue and operating profit. We attained our targets for ROIC, equity ratio, and total payout ratio, and were able to significantly strengthen our financial foundation. On the business front, our official app surpassed 8.27 million downloads (as of the end of February 2026), and new types of stores such as JELYCO DO and Omusubi Komeya no Taro emerged.

In March 2025, we welcomed Singapore-based POON RESOURCES into the Group, laying the foundation for our overseas expansion. The background behind the acquisition of POON RESOURCES and its future outlook are covered on the next page in an interview with Jack Poon, a director of the company.



Theme	Priority measure	Quantitative target	Result	Assessment
Expand and enhance our existing business model	Improving QSC	Develop human resources to provide "an ideal space and service for KUTSUROGI"	Supported human resource development through franchise owner meetings, certification programs, etc.	○
	Increasing store openings	1,200 stores (including 80 overseas)	1,150 stores (including 83 overseas)	▲ (○)
	Promotion of DX	Improvement of customer loyalty using social media and app	Launched the official app and achieved 8.27 million downloads	○
Pursue new joint value creation	New business development	Develop new services that leverage the KOMEDA brand and customer base	Developed new types of stores, such as Omusubi Komeya no Taro and JELYCO DO	○
	M&A	Alliances and acquisitions aimed at creating synergies with existing models	Acquired Singapore-based POON RESOURCES as a consolidated subsidiary	○
	Response to SDGs	KOMEDA-style sustainability activities	Number of community-based activities increased 28-fold	○
Maintain and expand financial value	Business growth	EPS (CAGR): ≥+13%	12.8%	▲
	Profitability	ROIC (final fiscal year): ≥ 11.5%	11.8% (FY2025)	○
	Financial soundness	Equity ratio (final fiscal year): ≥ 40%	45.2% (At the end of FY2025)	◎
	Shareholder returns	Total payout ratio: cumulative ≥ 50%	50.9% (5-year cumulative)	○

◎ Exceeded target ○ Achieved target ▲ Fell short of target

Highlights of VALUES 2025

Shared Philosophy, Expanding Possibilities

Moving forward together as a hub for Southeast Asia



Jack Poon
Director, POON RESOURCES PTE. LTD.

— Why did you choose to partner with KOMEDA?

The main reason is that our two companies share the same vision. Since our founding in 2004, POON RESOURCES has been committed to providing traditional breakfasts at reasonable prices in a comfortable setting. This is essentially the same as the *Kutsurogi* concept that symbolizes KOMEDA's Coffee. Even though our countries and menus may differ, the value people find in a comfortable place is universal.

Furthermore, President Amari and the rest of the team are sincere and dignified individuals, and we were able to build rapport in a short period of time. In business, nothing can get started without this rapport. That was the deciding factor.

— What role will POON RESOURCES play in Southeast Asia?

In Southeast Asia, even neighboring countries have significantly different food cultures and lifestyles. Singapore and Malaysia, Malaysia and Indonesia—they may seem similar, but each has its own distinct characteristics. While upholding the KOMEDA brand's values, we will optimize our menu and operations to suit the specific conditions in each country. With our in-depth knowledge of the local area, we would like to serve as that bridge.

All POON RESOURCES stores are halal-certified, and 15 to 20 percent of our employees are Muslim. I, too, grew up in a multi-ethnic and multi-religious environment in Singapore. The key to successful halal compliance is more than just about following the rules. It is about gaining a deep understanding of the culture and spirit behind it. This insight should prove to be a major asset as we expand into Indonesia and Malaysia, which are huge Muslim markets.

— Has KOMEDA influenced you in any way?

I am learning a great deal from their commitment to thoroughly considering the value they provide customers. What impressed me most was their approach to delivery services. KOMEDA's Coffee developed a delivery-only menu designed to maintain quality even after 30 to 45 minutes, and gave thorough consideration to everything from what containers are used to menu design. In Singapore, the emphasis on speed tends to result in the mindset that "once the product is delivered, it's the customer's responsibility." There is much to learn from KOMEDA's approach of deeply considering the value they provide customers. It is precisely this kind of two-way, collaborative learning that is the true strength of this partnership.

With Singapore and Southeast Asia as our starting point, I hope to grow both companies globally.

About POON RESOURCES PTE. LTD.

A restaurant operator founded in Singapore in 2004.
The company operates four chains—including the café brand Kaffe & Toast (33 stores as of the end of February 2026)—in locations along everyday routes, such as shopping centers and hospitals. Centered on Singapore's traditional breakfast culture and incorporating halal-certified menu items, the company provides welcoming spaces where a diverse range of customers can feel at ease.



New Medium-term Management Plan
CONNECT 2030
(2026-2030)
Connecting People, Communities, and the World through "KUTSUROGI"

We will connect people to people, to communities, and to the world, starting from our mission of "Provide Deeper KUTSUROGI," and expand its value. Together with our customers, partners, and local communities, we bring *Kutsurogi* to the world. To people all over the world. CONNECT 2030 is the blueprint for taking this on.

KGI[1]

Operating profit
¥13.0 billion
(including ¥1.0 billion overseas / CAGR +6.6%)

KPIs[2]

EPS growth rate	ROE	Total payout ratio	Employee engagement score
7.0% or more CAGR	maintain at 13.0% or more	50.0% or more Cumulative	B or more At final fiscal year (FY2025 score: C+)

Theme: Medium-term Management Plan VALUES 2025	Theme: New Medium-term Management Plan CONNECT 2030	Priority measures	Overview / Quantitative target
Expand and enhance our existing business model	**Continuing to put customers first and pursue sustainable growth**	**Strengthening of the KOMEDA brand through improvement of QSC and DX investments in stores**	Pursuing KOMEDA-style full service
		Promotion of a diverse range of stores rooted in the local community	Total number of stores in the Group: 1,400 (including 180 overseas)
		Enhancement of SCM functions	Pursuing efficiency through the optimization of manufacturing and procurement
Pursue new joint value creation	**Co-creating new values for our customers**	**Accelerate the expansion of Okage-An**	Expanding the number of stores to over 50, primarily in metropolitan areas
		Further expanding overseas business	A network of 180 overseas stores with an operating profit of ¥1.0 billion
		Acquisition of new customers through brand utilization	Expanding revenue by utilizing "KOMEDA's Coffee" brand appeal
Maintain and expand financial value	**Accelerating DX investments, and strengthening our financial foundation**	**AI utilization and aggressive investments in DX**	Enhancing productivity through business process reforms and data utilization
		Maintaining capital efficiency through the promotion of proactive capital measures	Maintaining ROE of 13% or more and a total payout ratio of 50% or more (cumulative)
		M&A	Acquiring new types of stores, strengthening supply chains

1 KGI stands for "Key Goal Indicator" and refers to the metrics to be achieved during the term of this medium-term management plan.
2 KPI is an abbreviation for "Key Performance Indicator," which refers to an indicator used to measure and evaluate business performance toward achieving goals in numerical terms.

For details about the New Medium-term Management Plan, please scan the QR code.



While placing the customer first, we will evolve our existing businesses and make growth investments in new areas.
We will steadily implement our priority measures and aim to reach an operating profit of ¥13.0 billion, double the level of the year before our stock listing.

Efforts to Achieve Our Goals

Strengthening of the KOMEDA brand through improved QSC and DX investments in stores

We will promote the development of human resources who support QSC through initiatives such as training KOMEDA Meisters,* store manager meetings, and enhancing employee benefits. We will accelerate the growth of our existing stores by improving customer loyalty through product development, our official app, and our fan community, as well as by promoting digital transformation (DX) initiatives such as mobile ordering.



Promotion of a diverse range of stores rooted in the local community

By adapting to a variety of urban locations, we will expand our opportunities for new store openings while maximizing store value by tailoring them to local characteristics. In addition, by rigorously selecting properties that prioritize investment efficiency for both the headquarters and franchise stores, we will balance profitability and growth to achieve the sustainable expansion of "an ideal space and service for KUTSUROGI."



Enhancement of SCM functions

We will enhance the safety and reliability of our coffee, bread, and sweet bean paste through employee training and the automation of inventory management in manufacturing. We will also improve cost efficiency and supply stability by strengthening our multi-vendor procurement and optimizing our logistics network.



Accelerate the expansion of Okage-An

Harnessing the unique strengths of an experience-based Japanese-style "Kissaten," such as making dango, has successfully differentiated Okage-An from KOMEDA's Coffee. Against the backdrop of growing demand for matcha and inbound tourism, we will accelerate the opening of new Okage-An stores in Western Japan and the expansion of our franchise network, aiming to grow from the current 18 stores to 50 or more.



Further expanding overseas business

In addition to steadily opening new stores and enhancing brand strength in our existing markets, as well as maximizing profits, we will leverage the resources of POON RESOURCES to expand into new markets, primarily in ASEAN. We will establish a framework to support sustainable growth by strengthening our human resources and governance.



Acquisition of new customers through brand utilization

We will increase brand visibility through the sale of licensed merchandise at convenience stores and other locations, as well as through collaborations with other companies, while also attracting new fans in the eGift market. We will boost customer motivation to visit our stores by leveraging the synergies between brand initiatives—such as licensed merchandise and collaborations—and the in-store experience.



*KOMEDA Meister: An individual who has completed the KOMEDA Group's proprietary training program and passed the certification exam

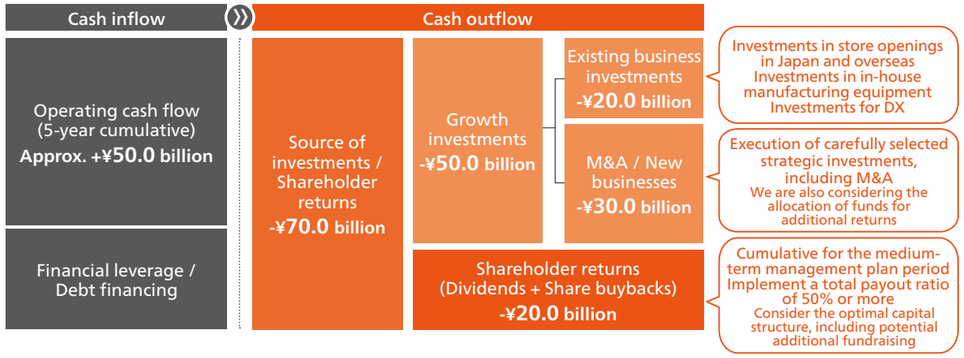
Achieving Our KGI Through Capital Allocation and the Expansion of Financial Value

By further strengthening our existing businesses and investing in new growth areas, we aim to achieve a consolidated operating profit of ¥13.0 billion for the Group. For this reason, we have placed the establishment of an optimal capital allocation strategy and a sound financial foundation at the core of CONNECT 2030, which will ensure the successful execution of our growth strategy.

Cash allocation that enables growth investments

With the approximately ¥50.0 billion in cash flow generated from operating activities as our foundation, we will ensure there is room to utilize financial leverage to balance growth investments with shareholder returns. We will secure the financial flexibility needed to continuously make the investments to achieve our KGI, including strengthening existing businesses, pursuing M&A, and investing in new areas and DX. We plan to allocate approximately ¥30.0 billion for strategic investments, such as M&A, while maintaining the flexibility to achieve the optimal allocation of capital in light of the progress of our investment plans and changes in the business environment.

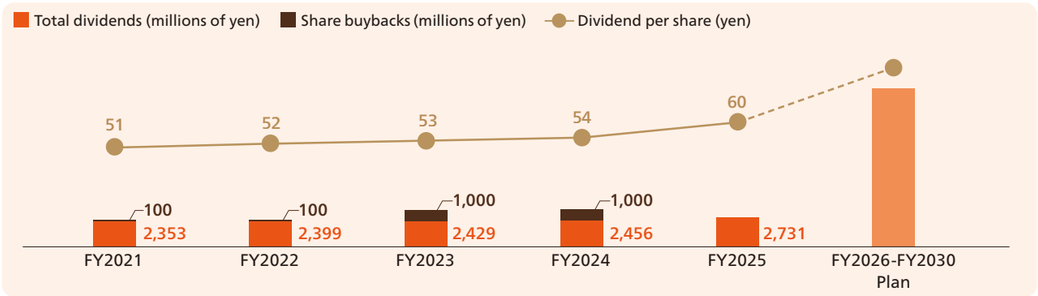
Executing investments to support sustained growth (while maintaining shareholder returns of 50.0% or more)



Continuation of a sound shareholder returns policy based on a strong financial foundation

Under the VALUES 2025 period, the equity ratio improved to 45.2%, further strengthening our financial foundation. This solid financial position will serve to stabilize shareholder returns under the New Medium-term Management Plan. Going forward, while anticipating risks that could affect annual performance, such as the execution of large-scale investments and rising raw materials costs, we aim to leverage this strong financial foundation to reliably achieve a cumulative total payout ratio of 50.0% or more over the five-year period. By combining gradual dividend increases in line with profit growth and share buybacks tailored to market conditions, we will achieve stable and sustainable shareholder returns over the medium to long term.

Shareholder returns / Dividend policy



Messages from Outside Directors who serve on the Audit and Supervisory Committee

In this special feature, we examine the issues emphasized during discussions on the New Medium-term Management Plan from the perspectives of various experts.



Hisashi Shirahata
Outside Director

A financial perspective on the quality of growth investments

The New Medium-term Management Plan sets a target ROE of 13.0% or more as part of the phase in which the Company will accelerate growth investments. KOMEDA's Coffee and Okage-An are business formats with solid revenue models built on a track record of success, making it relatively easy to forecast their profitability. In contrast, the development of new business formats and overseas M&A involve uncertainty. There are a wide range of issues to consider, such as demand forecasting, labor costs, and real estate costs, and once a business is launched, withdrawing can also incur significant costs. That is precisely why it is becoming more important to utilize investment return indicators, such as ROIC, for each business and to conduct thorough preliminary analysis and ongoing post-implementation monitoring. As an outside director, I will oversee, from an independent perspective, whether each investment is sound and being executed as part of a disciplined capital allocation process. There is no growth without risk-taking. Disciplined investing is what increases ROIC and boosts shareholder value.



Chiaki Oda
Outside Director

The essentials of governance supporting 180 overseas stores

The New Medium-term Management Plan aims to establish a network of 180 overseas stores. Going forward, the Company will rapidly expand its network of locations while actively recruiting a diverse workforce. During these periods of growth, strains on Group management, such as discrepancies in decision-making stemming from the distance between overseas subsidiaries and differences in business practices and culture, are likely to arise. The key here is how to best establish a structured framework for the Group while maintaining a hands-on perspective at overseas stores. While respecting the swift decision-making of its overseas subsidiaries, the Company must ensure a sense of unity within the Group and a disciplined management structure. This should be done by improving the transparency of decision-making processes, strengthening back-office functions, and developing human resources to bridge the gap between the head office and overseas operations. Guided by CONNECT 2030 and the vision to connect People, Communities, and the World through "KUTSUROGI," I will continue to closely monitor KOMEDA's global expansion to ensure it leads to the Group's sustainable growth.



Tomoe Matsuda
Outside Director

Developing individuals personally committed to the Company's philosophy

Ultimately, a brand is created in people's minds, and its quality is shaped by the cumulative actions of each and every employee. On the other hand, simply stating a philosophy does not lead to action. I believe that greater engagement—such as a sense of pride and a sense of fulfillment—leads to actions that reflect a personal commitment to the Company's philosophy. It is precisely these actions that support *Kutsurogi* and are key to growing the KOMEDA brand.

Now that a culture of taking on challenges and a bottom-up approach have begun to take root, if the philosophy serves as a standard for action, the Company will foster an organizational culture where frontline employees take the lead. The atmosphere and energy in stores directly contribute to improving the quality of the in-store experience. As someone who has worked in communications and human resource development, I will keep a close eye on whether the Company's principles are taking root in actions and will continue to raise questions with the Board of Directors. I hope that these small steps will lead to an even better *Kutsurogi* experience.

Message from the CFO



Building the financial foundation for CONNECT 2030 powered by profitability and capital allocation

Hiroki Shimizu
Senior Managing Director, CFO
KOMEDA Holdings Co., Ltd.

Financial overview of VALUES 2025
Achievements and issues

In the final fiscal year of our medium-term management plan, VALUES 2025, we saw record-high revenue and operating profit, and met our targets for ROIC, equity ratio, and total return ratio. However, rising construction costs for stores—particularly those in suburban roadside locations—made it difficult for franchise stores to budget, resulting in our store count falling short of our goal of 1,200 by 50 stores. Profits were also squeezed as prices of coffee beans, dairy products, and other raw materials rose more than anticipated, making it difficult to fully offset higher prices through wholesale price adjustments.

In response to this changing operating environment, we are working to expand our store network across a variety of locations. For example, we are shifting our focus from suburban roadside locations to city-center locations such as retail spaces in buildings, locations near train stations, and shopping centers, where opening costs are lower and it is easier to hire staff. We plan to add more than 35 new stores during the fiscal year ending February 28, 2027.

Financial strategy of the New Medium-term Management Plan
Growing operating profit and increasing capital efficiency

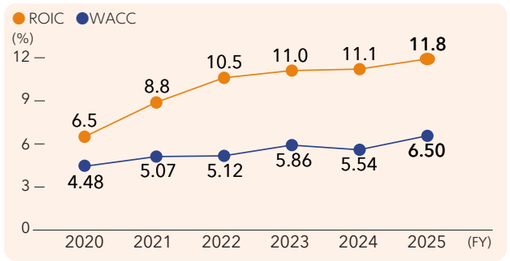
Under the New Medium-term Management Plan, CONNECT 2030, our primary financial objective is to improve profitability by increasing operating profit. While the previous medium-term management plan did not set specific numerical targets for profit, the new plan explicitly designates operating profit as a key goal indicator (KGI). This represents the most significant change from the previous medium-term management plan.

At the same time, we will shift our key financial indicator from the equity ratio to return on equity (ROE). This is not merely a change in metrics; it signifies our shift toward a more aggressive stance, where we strive to improve capital efficiency while simultaneously enhancing our earning power through operating profit growth. There are two reasons behind this decision.

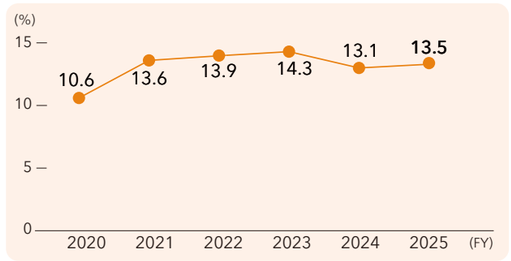
First, we have concluded the phase of protecting against goodwill-related risk. Due to past business developments, we had approximately ¥38.0 billion in goodwill recorded on our balance sheet. The reason we set a target of a 40% or higher equity ratio in our previous medium-term management plan was to ensure that our equity exceeded the amount of goodwill. We have now achieved that goal, and moving forward, we will shift our focus to increasing capital efficiency.

Second, we have established a policy to utilize debt financing for growth investments through M&A. As we have made progress in repaying past loans and have expanded our debt capacity, we will enhance capital efficiency by appropriately utilizing financial leverage rather than excessively accumulating equity capital. Furthermore, as we pursue M&A opportunities, we naturally anticipate the creation of new goodwill. We will make investment decisions while carefully assessing the level at which we can maintain and improve capital efficiency, factoring in any projected increase in goodwill. We have set a target to maintain an ROE of 13.0% or more to ensure stable profitability that sustainably exceeds our cost of capital. We will also strive to continuously increase EPS through growth in operating profit.

ROIC



ROE



Cash allocation
Overview of growth and shareholder returns

We plan to allocate approximately ¥50.0 billion from the operating cash flow generated over the five-year period of CONNECT 2030 toward growth investments. Approximately ¥20.0 billion is earmarked for investments in existing businesses, such as opening new stores in Japan and overseas and enhancing manufacturing capabilities at our Company-owned factories, while approximately ¥30.0 billion is allocated for M&A and new business ventures. For our overseas business, we aim to establish a network of 180 stores and achieve an operating profit of ¥1.0 billion. In addition to aiming to open KOMEDA's Coffee in Singapore by leveraging the resources of POON RESOURCES, we will steadily strengthen our revenue base in Taiwan and other existing markets, while also exploring store expansion opportunities in new ASEAN markets, including Thailand. In Japan, we will expand the number of Okage-An stores from the current 18 to over 50, focusing on urban areas, and will fully launch franchise expansion.

With regard to shareholder returns, we will continue to adhere to the policy of maintaining a total payout ratio of 50.0% or more through dividends and share buybacks, as outlined in our previous medium-term management plan. We will strike the optimal balance between growth investments and shareholder returns, with the aim of sustainably enhancing corporate value.

Improving engagement
Empowering the people for KUTSUROGI

Our target engagement score is a B or higher, in line with industry standards (our fiscal 2025 score was C+). Internal surveys revealed issues in the areas of "providing career opportunities" and "fostering a culture of taking on challenges." We will reorganize training programs, which were previously conducted separately by individual headquarters, into a company-wide system called Komeda University and introduce a course-based system combining required and elective courses. We will also systematize mechanisms to support individual growth in a way that is sustainable for the organization. We are also reviewing our recruitment practices. While shifting from a system focused on mid-career hires to one that expands recruitment of new graduates, we are clarifying the career paths available to employees assigned to stores and broadening access to a diverse range of job types. Through these efforts, we aim to create an environment where employees truly feel they can grow within the company.

We will also accelerate our investment in digital transformation (DX). Mobile ordering and AI-powered sales forecasting are designed to reduce the workload on store staff, allowing them to focus on providing excellent customer service. As of the end of February 2026, our official app had been downloaded over 8.27 million times. We believe that increasing our daily touchpoints with customers—such as the fun of collecting stamps and using push notifications to encourage store visits—represents a uniquely KOMEDA approach to digital transformation.

Message to our customers, franchise stores, and shareholders

Maintaining and improving the store experience that makes customers want to come back is the starting point for all of our financial strategies. It is the role of the headquarters, and my responsibility, to protect franchisee profitability and foster strong relationships with our franchise stores, who are the source of the Group's competitiveness, and to create an environment where they can focus on store operations with peace of mind, through meticulous cost management based on data and DX initiatives. We will hone our earning power, adhere to the discipline of capital allocation, and establish a system for developing talent. With these three pillars as the foundation of our financial strategy, we will steadily enhance our corporate value with the goal of achieving an operating profit of ¥13.0 billion and an ROE of 13.0% or more. We will deliver on these commitments through tangible results for our customers, franchise stores, shareholders, and all the staff we work with.



Human Resource Strategy under CONNECT 2030

Human Resources Who Take On Challenges Transform Strategy into Reality

We have established unique experiential value based on our first-hand experiences of serving each individual customer, rather than relying on manuals. The ability of our staff to think for themselves and make decisions according to the situation is a crucial foundation that has supported our growth.

On the other hand, the development of overseas business and new business formats under the New Medium-term Management Plan, CONNECT 2030, also represent an effort to take on areas that cannot be fully addressed through existing approaches. Here, the autonomy cultivated on the frontlines of our operations, combined with a proactive response to changes in the market and environment, will be more crucial than ever.

We believe that productivity improves when such proactive efforts go beyond individual experience and are accumulated as organizational knowledge.

Under CONNECT 2030, we have set the development of human resources and the improvement of employee engagement as key performance indicators (KPIs). Our approach to fortifying our talent base involves cultivating individuals who embrace change and expand their roles while valuing stable frontline capabilities.

On the following pages, we will take a closer look at two practical examples on our frontlines and the perspectives that support the challenges we are undertaking, presented as three CONNECT Stories.

New Medium-term Management Plan

CONNECT 2030

We will reinforce KOMEDA's Coffee, nurture Okage-An and multiple other brands, and expand overseas—toward multi-faceted growth.

Support

Human Resource Strategy

Developing proactive talent

CONNECT Story 01
Overseas Business: Taiwan
Creating Value through Communication That Leverages Our Unwavering Philosophy
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CONNECT Story 02
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CONNECT Story 01



Creating Value through Communication That Leverages Our Unwavering Philosophy

Takefumi Ban
Executive Officer, General Manager of the Sales Headquarters, KOMEDA Co., Ltd.

How can KOMEDA's unique identity take root in a different country? We followed the process of cultural fusion and adaptation firsthand.

Trust begins from philosophy and communication

When I was assigned the task of expanding our business in Taiwan, I was given a great deal of autonomy and a simple mission—get our Taiwan operations on track. In a foreign country where I did not know my way around, I relied on our corporate philosophy to guide my decisions.

What does it take to provide customers in another country with "an ideal space and service for KUTSUROGI"? We sat down face-to-face with each franchise owner and engaged in hours-long dialogue, working together to redefine "Prosper Together" within a context of differing business practices. Throughout this process, the full support of various departments at the head office, particularly the Product Department, served as a major pillar of strength that sustained our efforts.

Change in order not to change

When it came to the market environment in Taiwan, location was my top priority. I was so meticulous in selecting locations to ensure that franchise owners would make a profit that real estate agents even teased me, saying, "Mr. Ban only eats the yolk" (a Taiwanese expression meaning "taking only the best parts").

Furthermore, while striving to optimize construction costs, we made no compromises on the warm, inviting interior design that is unique to KOMEDA's Coffee. We once asked our customers why they choose KOMEDA's Coffee. They answered, "Because of the comfortable sofas and the relaxing atmosphere." The relaxing spaces of KOMEDA's Coffee proved to be a distinct advantage even in Taiwan.

At the same time, we flexibly aligned with the local culture, such as by introducing a "pay-first" system at some stores. We determined what to keep and what to change based on customer needs and our corporate philosophy.

Translating our philosophy becomes a driving force for sustainable growth

This philosophy-driven approach to communication and store development is also used in our staff training. In Taiwan, where it is often said that working for one year is enough not to leave a mark on your employment history (i.e., employee turnover can be high), the fact that more and more staff are staying on for two or three years is a result of our careful implementation of KOMEDA-style hospitality, which has allowed them to embrace their work as a source of pride. At the same time, the desire not to let down my fellow staff members has become the driving force behind my own efforts.

Under CONNECT 2030, we aim to establish a network of 180 stores overseas. Naturally, the optimal approach varies depending on the market. However, our philosophy and communication will never let us down. We gain trust by deeply understanding local cultures and engaging in candid dialogue. We remain steadfast in our philosophy while remaining flexible in our methods. Moving forward, we will enter a phase where we leverage the expertise we have cultivated in Taiwan as a powerful asset for our expansion in Japan and ASEAN.



KOMEDA's Coffee Tamsui store



Masaaki Sugino
Director and General Manager, Sales Planning Headquarters
KOMEDA Co., Ltd.



Hidenori Daidouji
General Manager, Okage-An Promotion Department
KOMEDA Co., Ltd.



Keisuke Hara
Section Manager, Okage-An Promotion Department
KOMEDA Co., Ltd.

Fusion of Diverse Talents Paves the Way for the Brand's Cutting Edge

Okage-An is a business format that we have been developing as a second brand following KOMEDA's Coffee.
CONNECT 2030 has set the goal of expanding the brand to 50 stores and fully launching franchise expansion. Through a conversation with Masaaki Sugino—the driving force behind Okage-An's growth—and his successors, Hidenori Daidouji (sales) and Keisuke Hara (planning), we explore the organizational structure that will drive future growth and the approach underpinning it.

Overview of Okage-An

In addition to the relaxing spaces cultivated at KOMEDA's Coffee, this café offers a nostalgic yet fresh take on Japanese ambience, allowing customers to enjoy experiences like grilling their own dango (Japanese dumpling) and preparing matcha right at their tables. The Okage-An brand's strengths lie in the joy of hands-on participation and a unique business model that welcomes everyone—regardless of age, gender, or nationality. We aim to bring heartwarming moments and spaces to even more customers.



KOMEDA'S Nagomi Kissa Okage-An Main Store

The Five Tenets of Okage-An staff

1. Greet others cheerfully and with a smile
2. Always engage customers in conversation when delivering products
3. When taking an order, always confirm when it should be delivered
4. Always provide a description of the foods grilled at the table and any other included items.
5. Check on the customer after serving and before they leave.



Grill, Share, Savor—the value created by the "Wa" experience

Sugino Okage-An is a traditional Japanese-style café where you can enjoy Japanese culture. Grill your own dango and dip them in soy sauce. The experience sparks conversation, and conversation creates *Kutsurogi*.
Hara I understand that you have conducted various tests, all the way up to the expansion strategy for Okage-An.
Sugino We have worked hard to create value unique to Okage-An so that we do not compete with KOMEDA's Coffee for customers. We conducted thorough testing to ensure that even if we open locations right next to each other, customers will choose to visit both.
Hara With the rise of inbound tourism prompting a renewed appreciation for Japanese culture within the country, now is the time to take the next step.

Experiential value and operations

Daidouji The first two comments we hear from franchise owners who are considering opening an Okage-An location are, "How is this different from KOMEDA's Coffee?" and "It sounds complicated." That's why we recommend that they try it out first. The menu size, kitchen operations, and staffing are all the same as at KOMEDA's Coffee. The training period and staffing requirements are also the same. The system is designed so that even franchise owners and staff who currently operate KOMEDA's Coffee locations can handle it.
Sugino The experience of making your own dango enhances customer satisfaction without complicating operations.
Daidouji Even staff who transferred over from KOMEDA's Coffee are surprised at how simple it is.

The Five Tenets of Okage-An

Daidouji We believe that because our experience is customer-driven, conversation between customers and staff is essential. At our Company-owned stores, we have been strictly enforcing the Five Tenets of Okage-An for the past three years. After all, interacting with customers is what makes our staff's work rewarding.
Sugino Since Mr. Daidouji fully understands what makes the job rewarding for store staff, I feel confident leaving it in his hands.
Daidouji That is because Mr. Sugino gave me the opportunity to serve as manager at the main store. For six months, I handled everything from meals and desserts to prep work, so I know firsthand what happens on the floor and what brings joy to the staff.
Hara Even when planners want to prioritize their own project, Mr. Daidouji puts the brakes on things effectively by creating an atmosphere that makes it clear "the store comes first." I'm good at reading the room, so I pick up on that.

The joy of experiencing and sharing "Wa"

Sugino What Okage-An needs to enhance its brand going forward are people who love Japanese culture. That is, people who are interested in traditional culture, do their own research, and bring their ideas to life. People like Mr. Hara and his team.
Hara Yes. In product development, we place great importance on initiatives that allow customers to experience the added value of our brand story, not just satisfy their hunger. Once food is in your stomach, it may all seem the same. But when you learn the story and background behind it, the quality of your satisfaction changes.
Sugino Okage-An began as a café where you can enjoy Japanese sweets, then evolved into an ideal space and service for traditional Japanese KUTSUROGI, and is now striving to become a café that symbolizes Japan.
Hara Japanese culture and the Japanese spirit are truly important. I want people to experience that primitive sense of *Kutsurogi*—like lounging on a veranda in the countryside or lying down in a tatami-mat room.
Daidouji To that end, we want to ensure that our brand story is fully understood by our Company-owned store staff and franchise owners, and that it continues to spread.

Connecting to 50 years in the future

Sugino Okage-An has been built by taking on a series of challenges. We must not allow the culture of constantly taking on new challenges to fade away, so that Okage-An continues into the next generation and beyond.
Daidouji As the Sales Department, we look forward to continuing to learn from Mr. Sugino while passing on the legacy of Okage-An and spreading our culture to our franchise stores and the next generation of staff.
Hara As a planner, my job is to blaze a trail where no one has gone before and make people fall in love with the brand. Since Okage-An is still full of uncharted territory, I am really looking forward to getting to work.
Sugino The possibilities for Okage-An are endless. Let's create and spread the many charms of the Okage-An brand.



CONNECT Story 03

Strengthening the Individual Strengthens the Organization

Eiichi Gochou Outside Director

Following our two stories about breaking new ground on the frontlines, our third story shifts perspective to feature the insights of an outside director who supports both the individuals taking on these challenges and the organizations they belong to from the outside. As a member of the Human Resources Strategy Committee, Mr. Gochou shared the Company's expectations regarding the individual and the organization.

The power behind KUTSUROGI

I think it is remarkable that the Company has adopted the corporate philosophy of "Provide Deeper KUTSUROGI" (Relaxation for your soul). It's not easy for a company to make such a bold statement.

When I actually visited stores, they were often packed, and I could really sense that the company's philosophy was alive and well. They have carried on the founder's vision and preserved the culture through daily decisions and interactions. I truly felt that this is a company supported not just by systems and policies, but by the power of its people.

I believe we should value the talent who join the company because they appreciate that sense of *Kutsurogi*. That is precisely why I have advised the president that the company must urgently establish a system to promote in-house employees from the ranks and develop them into executives, in order to solidify the company's foundation. My role is to rigorously review the training system for the next generation of leaders, who will serve as our internal driving force, and report my findings.

Lively discussion and a unified organization

As the company enters a transitional phase marked by an increase in group companies and business diversification, silos between departments could hinder growth. To foster a unified organization, it is crucial to gain an understanding of the difficulties and insights of other departments, including through initiatives such as job rotations.

In particular, executives in management roles must look beyond the interests of their own departments and take a broad view of the company as a whole. Based on this approach, they must engage in thorough discussions on how to adapt existing businesses to an ever-changing world and stay one step ahead, with the spirit of *Kutsurogi* as their guiding principle.

Recently, at board meetings and such, I have noticed that executives are more often engaging in big-picture debates that cross departmental boundaries, and I feel that a very positive change is beginning to take shape. I will continue to support this process as the organization evolves into a truly strong one.

A culture that supports people who take on challenges

What the Group needs going forward are people who are unafraid of failure and who do not hesitate to take on new challenges. The company must carefully listen to the voices of passionate employees and translate those voices into concrete actions. The starting point for this is for managers to adopt an attitude of active listening. Even if employees fail, they should be picked up and allowed to try again. It is this cumulative process that develops people. Even though we may be aware of our weaknesses, we often fail to recognize our strengths. By stepping outside the company to attend external training sessions and seminars, employees can take an objective look at themselves and grow as individuals. Honestly confronting who we are is what leads to growth. Furthermore, many of our brand's customers are women. To incorporate the feedback of female customers into products and services, I believe it is essential to create an environment where women can continue to thrive.

Are fair evaluations that recognize each individual's unique strengths and investments in people functioning properly within our systems? Are managers developing the ability to identify and nurture talent? As a member of the Human Resources Strategy Committee, I will contribute to discussions on strategy by focusing on leveraging each individual's unique qualities, with the goal of driving the Group's sustainable growth.













SUSTAINABILITY

Our Basic Approach to Sustainability

Connecting People, Communities, and the World through "KUTSUROGI"

Our sustainability initiatives are inextricably linked to achieving the vision set forth in CONNECT 2030.

Our concept of *Kutsurogi* is supported by safety and security in our products and services, trust fostered with local communities, the people who make it possible, and the environment that serves as the foundation for it all.

The KOMEDA Group will continue to cherish these elements as it carries the spirit of *Kutsurogi* into the future.



Sustainability

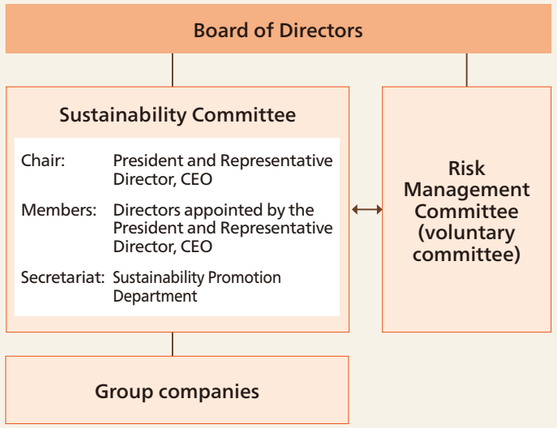


Practicing sustainability management to ensure *Kutsurogi* for the next 100 years

Governance

The Sustainability Committee, which reports directly to the Board of Directors, is composed of the Company's President and Representative Director, CEO, who serves as chair, and directors that he appoints. It meets on a quarterly basis and as necessary. The Sustainability Promotion Department, serving as the committee's secretariat, coordinates with each of the business headquarters to set targets for the Group's sustainability activities, monitor progress, evaluate accomplishments, as well as report and make proposals to the Board with regard to sustainability.

In fiscal 2025, the committee met four times and mainly discussed revisions to material issues.



Risk Management

We identify, assess, and manage risks related to sustainability, including climate change, through collaboration between our Sustainability Committee and Risk Management Committee. Among the matters deliberated by both committees, important issues and the status of risk management are regularly submitted or reported to the Board of Directors. As a result, these matters and our actions are subject to oversight regarding the effectiveness of sustainability risk management.

P. 56 Risk Management

Strategy

We select, as priority themes of management, the areas that are directly linked to the sustainability of our business and the creation of value over the medium to long term, and designate them as material issues.

In fiscal 2025, in light of changes in the business environment surrounding the Group and the direction of the New Medium-term Management Plan, we revised our material issues and reorganized our priority themes into eight categories.

We will manage each material issue in conjunction with risk management, indicators, and targets, and implement measures through our business activities.

We are also identifying issues in the area of organizational management as the basis for each material issue and are working to strengthen our corporate governance.

Process to identify and revise material issues

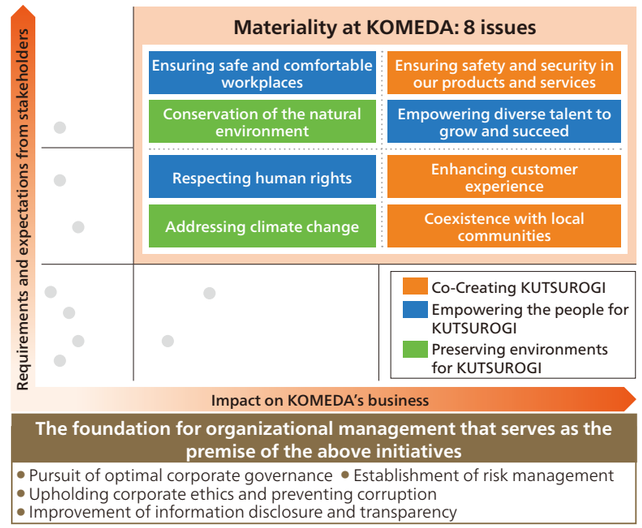
Step 1 Extraction of issues
Issues were identified for consideration using global guidelines and survey items from assessment organizations.

Step 2 Prioritization
A proposed matrix was created based on an assessment of the social axis (interest, expectations, and requirements) and the business axis (impact on the business).

Step 3 Validation of appropriateness
The matrix was validated by the Sustainability Committee and external advisors.

Step 4 Identification
Material issues were determined after deliberation by the Sustainability Committee and the Board of Directors.

Matrix of our new materiality



New materiality and commitments

Theme	Materiality	Commitment
Co-Creating KUTSUROGI	Ensuring safety and security in our products and services	We pursue safety and security in all our products and services, and build strong relationships of trust with customers.
	Enhancing customer experience	We respond to the diversifying needs of society and provide added value to our customers.
	Coexistence with local communities	We expand our network of stores that contribute to regional revitalization in Japan and overseas.
Empowering the people for KUTSUROGI	Ensuring safe and comfortable workplaces	We create workplace environments that support a healthy and diverse range of work styles and establish a corporate culture that fosters them.
	Empowering diverse talent to grow and succeed	We promote diversity in management and develop human resources who will lead the next generation.
	Respecting human rights	We promote human rights initiatives throughout the entire supply chain.
Preserving environments for KUTSUROGI	Conservation of the natural environment	We strive to reduce our environmental impact by promoting resource recycling and conserving water resources and biodiversity.
	Addressing climate change	We promote climate change mitigation and adaptation across the entire supply chain.



Indicators and Targets

Through fiscal 2025, we advanced our sustainability initiatives based on three themes and 13 material issues. Starting in fiscal 2026, we will implement our sustainability management in accordance with three themes, eight material issues, and 13 KPIs.

Review of previous materiality

Quality and customers
- Providing safe and reliable products and services
- Responding to diverse consumer needs
- Contribution to mental and physical health
- Community involvement and investment
- Education and enlightenment for sustainable consumption

People and job satisfaction
- Improvement of occupational health and safety
- Establishing an environment to secure human resources and support growth
- Activation of diverse human assets
- Positive employment relationships and proper working conditions
- Eradicating discrimination and harassment

Environment
- Waste reduction and material recycling
- Response to climate change
- Environmental and social considerations in the supply chain

Theme	Overview of initiatives
Quality and customers	**Ensuring safe and reliable food, expanding new products and services, and promoting community development through store openings and operations** • Obtained JFS-B Certification, a food safety standard, at four locations • Created a wide selection of seasonal products through collaborations, and opened a number of stores under new brands • Carried out more than 350 community-based activities nationwide each year together with franchise stores
People and job satisfaction	**Creating workplaces where diverse talent can thrive, eliminating harassment, and promoting diversity-driven management** • Established a variety of employee benefits, in addition to occupational health and safety • Supported acceptance of specialized technical trainees in collaboration with Japanese language schools overseas • Established KOMEDA University, a company-wide training institution, to systematize our know-how
Environment	**Promoting resource circulation, decarbonization, and the realization of a sustainable society across the supply chain** • Promoted the reuse of coffee grounds, bread scraps, jute bags, and other items • Promoted energy conservation, renewable energy utilization, and energy creation, and installed solar panels at three factories and 29 stores (including franchise stores) • Conducted an on-site inspection of a coffee bean plantation in Brazil

New materiality and KPIs

		KPI	Scope	Fiscal 2025 Result	Fiscal 2030 Target
Co-Creating KUTSUROGI	Ensuring safety and security in our products and services	Passing rate for audits of private-label production facilities for new products	KOMEDA Co., Ltd. / Ryukyu KOMEDA Co., Ltd.	100%	100%
	Enhancing customer experience	Number of stores with “KOMEDA Meisters” on location	KOMEDA Co., Ltd. / Ryukyu KOMEDA Co., Ltd. (including franchise stores)	618	980
		Number of stores participating in contests	KOMEDA Co., Ltd. / Ryukyu KOMEDA Co., Ltd. (including franchise stores)	912	1,100
	Coexistence with local communities	Number of stores	Group-wide (including franchise stores)	1,150	1,400
		Number of children participating in outreach classes[1]	Group-wide	A total of 2,500	A total of 3,500
Empowering the people for KUTSUROGI	Ensuring safe and comfortable workplaces	Paid leave utilization rate	Group-wide	63.3%	70.0%
		Male childcare leave utilization rate	Group-wide	93.3%	100%
	Empowering diverse talent to grow and succeed	Improvement of employee engagement[2]	KOMEDA Co., Ltd. / Ryukyu KOMEDA Co., Ltd.	Score: C+	Score: B or more
		Female manager ratio	Group-wide	24.9%	30.0%
	Respecting human rights	Audit pass rate for coffee bean procurement	KOMEDA Co., Ltd. / Ryukyu KOMEDA Co., Ltd.	100%	100%
Preserving environments for KUTSUROGI	Conservation of the natural environment	Reuse rate of coffee grounds from factories	KOMEDA Co., Ltd. / Ryukyu KOMEDA Co., Ltd.	97.2%	100%
		“KOMEDA no Mori”[3] development area	—	12 ha	28 ha
	Addressing climate change	Reduction in CO_2 emissions (Scopes 1, 2, and 3; compared to fiscal 2015)	Group-wide	75.8% increase	50% reduction

1 Cumulative from 2019.
2 Comparison with overall score of employee engagement survey of food & beverage industry benchmarks
3 KOMEDA no Mori: A forest in Komono Town, Mie Prefecture, where KOMEDA conducts conservation activities to preserve the warmth of the trees

Co-Creating KUTSUROGI



Fiscal 2030 vision and where we are now

Materiality	Ensuring safety and security in our products and services	Enhancing customer experience		Coexistence with local communities	
Vision (Fiscal 2030)	Passing rate for audits of private-label production facilities for new products	Number of stores with "KOMEDA Meisters" on location	Number of stores participating in contests	Number of stores	Number of children participating in outreach classes*
	100%	980	1,100	1,400	A total of 3,500
Performance (Fiscal 2025)	100%	618	912	1,150	A total of 2,500

*Cumulative from 2019.

Ensuring Safety and Security in Our Products and Services

Passing rate for audits of private-label production facilities for new products in Japan

To ensure that customers can enjoy our products safely and with peace of mind, we select manufacturers for our new private-label products, including custom sauces and ingredients, based on strict criteria. We also conduct on-site audits after performing risk assessments covering everything from manufacturing to delivery and store operations. In fiscal 2025, out of 12 audits, we issued improvement requests related to store operations for three of them, and ultimately, the audit passing rate was 100%.

Rigorous hygiene management

As a company that provides food and beverages, ensuring food safety and reliability is our most important and ongoing challenge. We rigorously enforce HACCP[1]-compliant hygiene management at all of our brand stores nationwide, and our factories undergo regular hygiene inspections conducted by external inspection agencies. In fiscal 2025, the Kyushu Coffee Factory obtained JFS-B certification,[2] bringing the total number of our certified sites in Japan to four.

1. HACCP stands for hazard analysis and critical control points. A method for ensuring safety by analyzing and managing hazards in food manufacturing processes.
2. Food safety management standard that consists of three elements: food safety management (FSM), hazard analysis and critical control points (HACCP), and good manufacturing practices (GMP).



Certificate of JFS-B conformity of the Kyushu Coffee Factory ▶

▲The Kyushu Coffee Factory of KOMEDA Co., Ltd., located in Munakata City, Fukuoka Prefecture, is committed to continuous quality improvement while prioritizing safety and security.

Contributions to growth strategy Next Step

Safe and reliable food is at the core of the KOMEDA brand and is an absolute prerequisite for ensuring our customers' comfort and relaxation. By implementing a rigorous factory selection process and audit cycle based on prior risk assessments, and by minimizing quality risks across the entire supply chain, we will continue to firmly support the sustainable growth of our 1,400-store network outlined in the New Medium-term Management Plan, as well as the diverse expansion of our product lineup, including new business formats.

Enhancing Customer Experience



KOMEDA Meister certification

We are promoting an initiative to train and assign staff who deeply understand KOMEDA's unique style of hospitality and are capable of mentoring the next generation as KOMEDA Meisters. In fiscal 2025, we established a training system to assign multiple KOMEDA Meisters to each store. With KOMEDA Meisters currently working at 618 of our stores nationwide, we are developing our human resources and strengthening our organizational structure in order to enhance the customer experience.

Raising the bar of QSC through contests

Even as we expand service areas and the number of stores, we continue to hold various contests where staff hone their skills in customer service and kitchen operations to ensure that customers consistently experience *Kutsurogi* that is true to our brand.

By helping staff gradually build their skills, from basic knowledge to practical abilities, we minimize variations in service quality and maintain a system that ensures customers can experience KOMEDA's signature hospitality at every location.



▲Customer service contest
◀Kitchen operations contest

Creating time and convenience through DX

Some stores have begun testing self-pay systems and are using the time saved through the digitalization of store operations to provide customer service that leads to even greater customer satisfaction. In fiscal 2025, the number of our stores offering mobile ordering rose to 771, and the usage rate rose to approximately 10.8%.



Responding to diverse needs

In addition to introducing products that allow customers to enjoy seasonal flavors, we are creating new customer experiences by developing new business formats that cater to customer motivation and their needs at different times of the day. Meanwhile, through the expansion of licensed merchandise and other initiatives, we are increasing the number of touchpoints where customers can experience our brand even outside our stores.



KOMEDA's Coffee desktop figures

Contributions to growth strategy Next Step

We will maximize our customers' *Kutsurogi* experience by leveraging the appeal of our diversifying product lineup and new business formats, as well as the time freed up through digital transformation (DX). We will also enhance the customer experience through the training of KOMEDA Meisters and various contests, thereby fostering long-term customer loyalty and driving sustainable growth.

Coexistence with Local Communities

Expanding the Group's stores and strengthening community engagement activities

In fiscal 2025, the Group expanded to a total of 1,150 stores. Rather than simply increasing store openings, we are carrying on the culture and memories of each locale in our design. We place great importance on creating stores that are loved by local residents and help visitors feel a sense of connection to the area.



A diamond lattice pattern that blends seamlessly into an area dotted with traditional storehouse-style buildings



Community contributions led by franchise stores and our efforts to nurture the next generation

We encourage our community-based franchise stores to engage in voluntary community contributions, and recognize outstanding initiatives with the Contribution to Local Communities Award. In addition, the headquarters promote ongoing engagement with local communities through initiatives such as visiting elementary and junior high schools to conduct outreach classes and supporting children's cafeteria programs. Since fiscal 2019, 2,500 children in total have participated in outreach classes.

Selling coffee at a nursing home
KOMEDA's Coffee Kobuchi-eki mae Store



Participating in a job experience event at a shopping center
KOMEDA's Coffee Hamamatsu-eki Kita Store



Outreach class on the SDGs and food truck operations at a school festival
KOMEDA's Coffee Miki Aoyama Store



Promoting regional appeal through co-creation with local specialty sweets

We collaborate with local brands to co-create products that embody the KOMEDA spirit and offer them nationwide. In fiscal 2025, we offered a collaborative menu in the Kanto region (156 stores in Tokyo and three other prefectures) that featured Kurumicco, the Kanagawa specialty from Kamakura Beniya, which was very well received. In addition, at Okage-An, we offered shirasu from Aichi Prefecture as a seasonal Morning Service. These collaborations widely promote the appeal of each region while mutually enhancing the value of each brand.

Contributions to growth strategy Next Step

Through co-creation initiatives with local communities and cultures, as well as activities led by our franchise stores, we have built relationships that are well-received by the local community. This is what underpins the sense of *Kutsurogi*, a constant regardless of location or business format, and is what enables customers to experience the unique character of the local community.

Empowering the People for KUTSUROGI



Fiscal 2030 vision and where we are now

Materiality	Ensuring safe and comfortable workplaces		Empowering diverse talent to grow and succeed		Respecting human rights
Vision (Fiscal 2030)	Paid leave utilization rate 70.0%	Male childcare leave utilization rate 100%	Improvement of employee engagement Score: B or more	Female manager ratio 30.0%	Audit pass rate for coffee bean procurement 100%
Performance (Fiscal 2025)	63.3%	93.3%	Score: C+	24.9%	100%

Ensuring Safe and Comfortable Workplaces

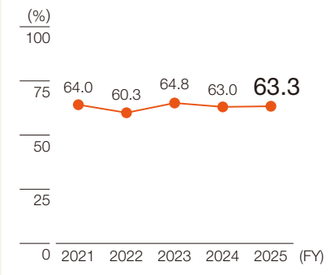


Improving the work environment with systems and DX

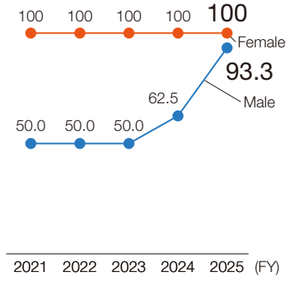
We are promoting work-life balance through revisions to our childcare and family care leave regulations and by implementing target-based management of paid leave usage in each department. At the same time, we are streamlining operations by making improvements to our systems, such as conducting pilot DX initiatives at Company-owned stores and utilizing RPA* at our headquarters. In fiscal 2025, the paid leave utilization rate for the entire Group was 63.3%, and the male childcare leave utilization rate was 93.3%.

* RPA stands for robotic process automation.

Paid leave utilization rate



Childcare leave utilization rate



Note: Through fiscal 2022, only KOMEDA Co., Ltd. and KOMEDA Holdings Co., Ltd. are included.

Supporting franchise stores to improve their work environments

To enhance employee benefits not only for KOMEDA but also for our franchise stores, we are promoting the adoption of KOMEDA Club Off, a benefits service available to franchise staff. In fiscal 2025, we received applications from 529 stores. We are making efforts to improve the work environment across the entire KOMEDA Group.

Contributions to growth strategy Next Step

We support the stable operation of our stores by creating a comfortable work environment through systems and DX, as well as by providing support that extends to our franchise stores. These initiatives are contributing to the maintenance of QSC and the sustainable growth of our existing stores.

Empowering Diverse Talent to Grow and Succeed

Opportunities to learn and take on challenges

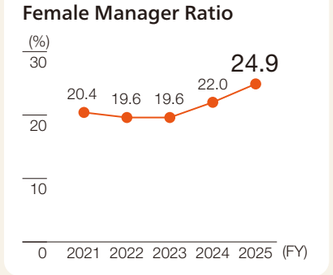
We established Komeda University, a company-wide educational institution dedicated to fostering autonomous learning among all employees, instilling our corporate philosophy, and developing the next generation of leaders. Currently, we are working to systematize our rank-based training programs. In addition, we are striving to create an environment where growth and the embrace of challenges are integrated into day-to-day operations, including by involving our next-generation talent in the process of formulating the New Medium-term Management Plan.



Komeda University, our company-wide educational institution

Promotions based on motivation and ability, and maximizing individual potential

With the female manager ratio at 24.9%, and having earned the Eruboshi (3-star) certification, we are committed to merit-based promotions regardless of age or nationality. In fiscal 2025, we appointed five female department heads and two female directors at affiliated companies. In addition, at our Company-owned stores, we promote employees regardless of their years of service and have appointed store managers from among specialized technical trainees. We are expanding opportunities for diverse talent to thrive at both the headquarters and our stores.



Improving employee engagement through dialogue

Through employee engagement surveys, we regularly assess the state of the organization and provide feedback on the results to each department. Based on these results, each department defines its own challenges and works to improve the work environment and business processes, maintaining a continuous cycle of improvement.

The score for the fiscal 2025 employee engagement survey was a C+.



Training of staff from Myanmar

Support for securing talent to ensure the sustainability of our franchise business

To secure the talent needed to support the sustainability of our franchise business, the headquarters is leading efforts to address staffing challenges at our franchise stores. In addition to expanding our recruitment website and using on-demand staffing, in fiscal 2024, we began promoting the introduction of specialized technical trainees from Myanmar who have studied operations and hygiene management while attending KOMEDA classes held at Japanese language schools in Myanmar.

As of fiscal 2025, 12 of these individuals are working as staff across six franchise stores.

Recruitment website

https://komeda-recruit.net/jobfind-multilanguage/en

Contributions to growth strategy Next Step

In our employee training programs, we seek to foster greater flexibility and a spirit of taking on challenges, building on a foundation of instilling our corporate philosophy and systematizing operational know-how. For our franchise stores, we not only provide support to secure talent, but also encourage sharing best practices among our store network, as well as our corporate philosophy and know-how. The practical skills cultivated through these initiatives allow us to adapt to new business formats and overseas expansion, thereby supporting the implementation of the New Medium-term Management Plan.

Respecting Human Rights

Formulation of a Human Rights Policy and implementation of surveys and audits in the supply chain

The KOMEDA Group newly formulated the KOMEDA Holdings Human Rights Policy, which clearly articulates its commitment to respecting the dignity of all individuals involved in its business activities. In accordance with our Sustainability Procurement Guidelines, we conduct interviews with our primary suppliers with high transaction value. We also perform on-site audits of our coffee bean suppliers, who procure the primary raw material for our products, as they are considered key suppliers. For example, we use a checklist to verify that suppliers do not engage in child labor or forced labor, and that there is no harassment or discrimination in their businesses.

Moving forward, we will continue to conduct regular audits and engage in ongoing dialogue, imagining the lives of each and every person at the far end of our supply chain and steadily building upon our commitment to human rights.

KOMEDA Holdings Human Rights Policy

https://komeda-holdings.co.jp/customer-policy/ (Japanese only)









Visits to a coffee plantation in Brazil and local companies such as Olam Agricola.

Fiscal 2025 results

- Audits conducted at four coffee bean production sites
- 100% audit passing rate[1]
  - Two AtSource certified farms[2]
  - Two farms in the Café Delas project[3]

1 The audits were conducted by randomly selecting farmers from among those certified.
2 Olam Agricola's own certification standard. 75% of the coffee beans we source are certified.
3 A project aiming to promote the active participation of women in coffee production.





"Sophia" coffee beans produced by the Café Delas project, which supports female farm owners



Comprehensive harassment prevention measures to protect store staff

To protect workers' rights and ensure their safety, we conduct thorough harassment training for managers. The participation rate for fiscal 2025 was 100%.

Furthermore, in December 2024, we issued a Declaration on Responding to Customer Harassment and shared our response policy with our franchise stores.



Customer harassment awareness poster displayed in back room

Contributions to growth strategy Next Step

Even as our business areas and the people we work with continue to expand, we remain committed to respecting human rights as a fundamental principle of our business operations. We will create an environment where all stakeholders can participate with confidence and build relationships based on trust, thereby supporting the sustainable growth of our business.

Preserving Environments for KUTSUROGI



Fiscal 2030 vision and where we are now

Materiality	Conservation of the natural environment		Addressing climate change
Vision (Fiscal 2030)	Reuse rate of coffee grounds from factories **100%**	"KOMEDA no Mori" development area **28 ha**	Reduction in CO_2 emissions (Scopes 1, 2, and 3) **50.0% reduction (compared to fiscal 2015)**
Performance (Fiscal 2025)	97.2%	12 ha	75.8% increase

Conservation of the Natural Environment

Reuse of coffee grounds

The coffee grounds left over after brewing Komeda blend at our factories in Japan are reused for various purposes, such as cattle bedding. The reuse rate for fiscal 2025 was 97.2%.



Development of KOMEDA no Mori

Forests play a role in preventing disasters such as landslides

When planted forests are well maintained and tree growth is healthy, CO_2 absorption increases. For this reason, we promote conservation activities at KOMEDA no Mori, in Komono town, Mie Prefecture.



Throughout fiscal 2025, more than 250 people participated in 12 conservation-related activities, including tree thinning and CO_2 measurements.

Fiscal 2025 CO_2 absorption **91 tons** Approx. 34% increase year on year

Donation of jute bags used to transport coffee beans

We explored ways to reuse the jute bags used for transporting coffee beans from plantations, and began donating them to zoos. This initiative helps create comfortable spaces and contributes to animal enrichment. In fiscal 2025, we donated a total of 900 jute bags to three zoos, including the Higashiyama Zoo and Botanical Gardens in Nagoya.

Contributions to growth strategy Next Step

A healthy natural environment is a vital foundation that supports *Kutsurogi*. We regard the maintenance of a state in which our business activities and nature can coexist harmoniously as a fundamental principle of our management.

Addressing Climate Change

Reduction in CO_2 emissions (Scopes 1, 2, and 3)

The Group is promoting the adoption of renewable energy. In fiscal 2025, we began using renewable energy at five new stores, bringing the total number of such locations to 27. At the Kyushu Coffee Factory, we installed solar panels along with KOMEDA's first energy storage system. Total CO_2 emissions and emissions per sale in fiscal 2025 were 75.8% higher and 33.0% lower, respectively, than in fiscal 2015.

CO_2 emissions

Item	Fiscal 2025 (t-CO_2e)	Scope
Scope 1	3,197	Gas for factories, offices, and Company-owned stores; gasoline for sales vehicles; dry ice used in logistics; CFC gas for air conditioning and refrigerants
Scope 2	5,248	Electricity for factories, offices, and Company-owned stores
Scope 3	178,648	Emissions related to the supply chain, including franchise stores
Total	187,093	

Information Disclosure Compliant with TCFD Recommendations

Recognizing that climate change-related risks and opportunities are key management issues, we disclose information on governance, strategy, risk management, and metric and targets in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Disclosures Based on TCFD Recommendations
https://komeda-holdings.co.jp/english/sustainability/

Governance

We set up the Sustainability Committee, which collects information from inside and outside the Company; sets targets; monitors progress; and conducts evaluations with regard to climate change measures and other sustainability initiatives.

Strategy

Based on our analysis of the 2°C and 4°C scenarios, we have determined that the financial impact of soaring energy and coffee bean procurement costs will be significant. We will continue to develop sustainable products and services centered on our concept of *Kutsurogi* and step up our efforts to assess the situation and implement countermeasures.

Risk management

Climate change-related risks identified by the Sustainability Committee are reported to the Risk Management Committee, which is responsible for managing Group-wide risks and the implementation of such measures as evaluation, prevention, and initial responses.

Metrics and targets

We have set a target to lower CO_2 emissions (Scopes 1, 2, and 3 combined) by 50% by fiscal 2030, compared to fiscal 2015, and to achieve net-zero emissions by fiscal 2050.

Reuse of waste oil



To promote resource recycling and reduce CO_2 emissions, we launched an initiative to utilize waste oil generated at our stores as sustainable aviation fuel (SAF)* and biofuels. In fiscal 2025, we collected 20,210 liters of waste oil at 26 Company-owned stores. This contributed to the production of 16,168 liters of SAF and other fuels, which is equivalent to a reduction of 44,076 kg of CO_2. By recycling waste into low-carbon fuels, we are helping to reduce waste and promote a decarbonized society.

We are also implementing initiatives to collect waste oil from customers and reuse it as biofuel. We will expand these activities as a way to promote resource recycling in collaboration with local residents.

*A type of fuel for aircraft that is made from city garbage, waste cooking oil, sugarcane, corn oil, and other raw materials.

Contributions to growth strategy Next Step

To properly manage the environmental impacts associated with our growth, we will systematically work to reduce greenhouse gas emissions. Based on the KPIs we have set, we will review our energy usage and systems to ensure that we continue to maintain a comfortable and relaxing environment.

CORPORATE GOVERNANCE



Our Basic Approach to Corporate Governance

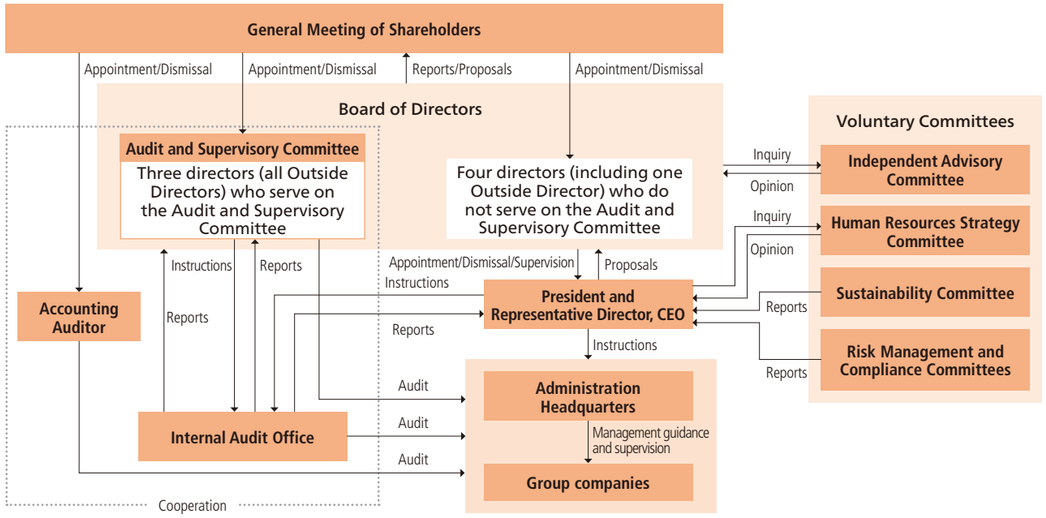
KOMEDA Holdings fulfills its social responsibilities as a company and maintains good relationships with shareholders and all stakeholders in order to grow sustainably and raise its corporate value over the medium to long term. From this standpoint, the Company has established a legal compliance structure, built an effective internal control system, and takes steps to strengthen its corporate governance system with the goal of ensuring prompt decision-making and objectivity in management.

Corporate Governance System

KOMEDA Holdings is a company with an Audit and Supervisory Committee and has established, as organs under the Companies Act, the General Meeting of Shareholders, a Board of Directors, and an Audit and Supervisory Committee, as well as a Compliance Committee and a Risk Management Committee as means of constructing a governance structure.

In addition, to raise transparency and objectivity when nominating directors and determining their remuneration, the Company has established the Independent Advisory Committee (comprising four Independent Outside Directors) as an advisory body to the Board of Directors, and the Human Resources Strategy Committee (comprising four directors, who do not serve on the Audit and Supervisory Committee) as an advisory body to the president.

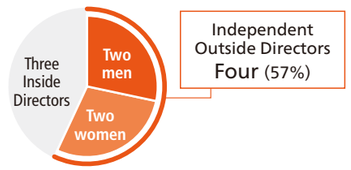
Corporate Governance System (As of the end of May 2026)



Composition of the Board of Directors

There are four Independent Outside Directors (two men and two women), accounting for 57% of the entire Board of Directors (as of the end of May 2026). By enhancing the supervisory functions of the Board through advice and suggestions from the Independent Outside Directors, the Company will further improve the strategic capabilities and objectivity of its management.

Proportion of Independent Outside Directors Serving on the Board of Directors



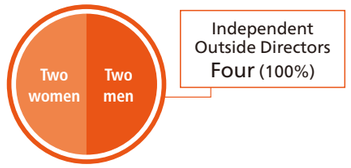
Audit and Supervisory Committee

The Audit and Supervisory Committee is composed of three Outside Directors. In addition to attending Board of Directors meetings, Audit and Supervisory Committee Members exercise their legal authority by verifying the status of business operations and assets through various investigations and by hearing reports from directors, employees, and the Accounting Auditor. To utilize the internal control system and systematically engage in audit activities, the Audit and Supervisory Committee directly instructs the Internal Audit Office and receives reports from the Internal Audit Office regarding the results of its activities.

Independent Advisory Committee

The Independent Advisory Committee is composed of all four Independent Outside Directors and, in principle, meets twice a year. This committee provides independent recommendations in response to inquiries from the Board of Directors and facilitates the exchange of information for the purpose of management supervision, in accordance with the relevant principles of the Corporate Governance Code.

Proportion of Independent Outside Directors Serving on the Independent Advisory Committee



Human Resources Strategy Committee

The Human Resources Strategy Committee is composed of all four directors who do not serve on the Audit and Supervisory Committee. It is an organ that, in response to inquiries from the president, deliberates and formulates human resource strategies that promote the sustainable growth of the Group, in addition to nominating directors. In principle, it meets four times a year.

In fiscal 2025, the committee met eight times and primarily deliberated on the formulation of human resource policies to promote sustainable growth; human resource strategies, including those for new graduates, mid-career hires, and overseas operations; and the introduction of ESG indicators such as engagement scores. In addition, the committee discussed ways to strengthen the Company's human resource foundation to enhance corporate value sustainably, including deliberations on the functions and diversity of the Board of Directors in light of management strategy, as well as an assessment of the appropriateness of the officer remuneration system and succession planning.

Compliance Committee

The Compliance Committee, which reports directly to the Company's president, is composed of members assigned by the President and Representative Director, CEO, as well as members of the Audit and Supervisory Committee, and meets on a quarterly basis and as necessary. With the Group Human Resources General Affairs Department as its secretariat, the committee identifies relevant laws and regulations with which officers and employees must comply; establishes a compliance system and provides guidance on compliance; receives reports and inquiries and investigates the facts; and proposes disciplinary action against transgressors.

In fiscal 2025, the committee met four times, primarily to monitor the status of internal whistleblowing reports, review applications for trading in Company's stock, and verify the implementation status of compliance promotion measures (▶P.56) based on the annual plan.

Risk Management Committee

The Risk Management Committee, which reports directly to the Company's president, is composed of members assigned by the President and Representative Director, CEO, as well as members of the Audit and Supervisory Committee, and meets on a quarterly basis and as necessary. With the Group Human Resources General Affairs Department as its secretariat, the committee identifies, assesses, and prevents risks, while specifying measures to deal with any risks that may materialize and preventing their recurrence.

In fiscal 2025, the committee met four times, primarily to deliberate on revisions to the business continuity plan (BCP) following an outage of the electronic ordering system, and on incident response procedures at store locations.

Director profiles

Directors



Directors on the Audit & Supervisory Committee



Name	Yuichi Amari	Hiroki Shimizu	Tomohide Yamamoto	Eiichi Gochou	Hisashi Shirahata	Chiaki Oda	Tomoe Matsuda
Position at the Company	President and Representative Director, CEO	Senior Managing Director, CFO	Director	Outside Director	Outside Director and member of the Audit and Supervisory Committee	Outside Director and member of the Audit and Supervisory Committee	Outside Director and member of the Audit and Supervisory Committee
Career Highlights and Reasons for Appointment	After working in management positions at various companies, including The Sanwa Bank, Ltd. and SEGA SAMMY HOLDINGS INC., Yuichi Amari was appointed as a director of KOMEDA Holdings in 2020. The Company then appointed him as a vice president in 2021, and as President and Representative Director, CEO in 2022. **Reasons for appointment** Amari was deemed to be qualified for the role of spearheading business growth based on his broad experience and outlook. They include his leadership roles in corporate management and track record of expanding operations together with numerous business partners.	A certified public accountant, Hiroki Shimizu began his career at Showa Ota & Co., and was appointed as an Outside Auditor by KOMEDA Co., Ltd. in 2014. Then, in 2017, he joined KOMEDA Holdings, where he was appointed as a director in 2019. Shimizu has been serving as the Company's CFO since 2020 and, in addition to this role, he assumed the positions of Managing Director, CFO in 2022 and Senior Managing Director, CFO in 2025. **Reasons for appointment** Shimizu was deemed to be qualified for his positions based on his high level of expertise as a certified public accountant, his ability to enforce compliance in business management, and his achievements in facilitating the digital transformation of the Company's operations.	After working at Daiwa Jitsugyo Group, DOUTOR Coffee Co., Ltd., and SUPER HOTEL Co., Ltd., Tomohide Yamamoto joined KOMEDA Co., Ltd. in 2013, and has served as a director at KOMEDA Holdings since 2019. **Reasons for appointment** Yamamoto was deemed to be qualified for his position as a director based on his extensive experience and track record. These include many years of working in the restaurant and franchise businesses, as well as successive positions as head of the Company's sales and marketing headquarters.	Eiichi Gochou began his career at Lotte Co., Ltd., was appointed as its President / Representative Director in 2018, and was appointed as President at Sanko Seika Co., Ltd. in October 2025. He has been serving as an Outside Director at KOMEDA Holdings since May 2025. **Reasons for appointment** Given his extensive expertise and experience in formulating business strategies and overseeing sales, marketing, and corporate management at other companies, Gochou was appointed by the Company as an Outside Director based on the expectation that he could contribute to enhancing the transparency and effectiveness of nominating directors and determining their remuneration as a member of the Human Resources Strategy Committee and the Independent Advisory Committee.	A certified public accountant, Hisashi Shirahata joined Aoyama Audit Corporation in 1985, followed by a stint at Mitsubishi Bank, Ltd. in 1991, and became a partner at ChuoAoyama Audit Corporation in 2000. He has been serving as an Outside Director at KOMEDA Holdings since 2023. Among the import positions held concurrently, he serves as an outside director at ID Holdings Corporation and as an outside auditor at Itoki Corporation. **Reasons for appointment** Shirahata was appointed to his position based on the expectation that he could significantly contribute to the Company by applying his abundant experience as a certified public accountant.	An attorney at law, Chiaki Oda is a member of the Shobu Law Office. She is also a member of the Japan Federation of Bar Associations' center for supporting the legal affairs of small and medium-sized enterprises, and a member of the city of Nagoya's Kita Ward Environmental Council. Oda is an expert in M&A, corporate restructuring, and the legal affairs of small and medium-sized enterprises. She has been serving as an Outside Director at KOMEDA Holdings since 2022. **Reasons for appointment** Oda was appointed to her position based on the expectation that she could significantly contribute to the Company by applying her knowledge of M&A, human resources, and legal affairs.	After joining Fuji Television Network, Inc. in 1985, Tomoe Matsuda became an independent television announcer, and was appointed as president and representative director of Gem Box Co., Ltd. in 2019. She has been serving as an Outside Director at KOMEDA Holdings since 2024. She also currently teaches at Shukutoku University as an adjunct lecturer, and frequently gives lectures on mental health as a clinical psychology counselor. **Reasons for appointment** Matsuda was appointed to her position based on the expectation that she could contribute to the Company's efforts to strengthen human resources.
Term of office as director	6 years	7 years	7 years	1 year	3 years	4 years	2 years
Experience, Expertise, and Specialties: Corporate Management	●			●			
Industry Knowledge and Experience			●	●			
Finance and Accounting	●	●			●		
Sales and Marketing	●		●	●			
Sustainability	●	●	●	●			●
Legal and Risk Management		●		●	●	●	
Personnel and Human Resources Training	●	●				●	●
Manufacturing, Procurement, and Quality Control			●	●			
Information and Digital Technologies	●	●					
M&A and International Business	●	●			●	●	
Attendance at Board of Directors meetings	19 of 19 meetings (100%)	19 of 19 meetings (100%)	19 of 19 meetings (100%)	13 of 13 meetings (100%)	19 of 19 meetings (100%)	19 of 19 meetings (100%)	19 of 19 meetings (100%)
Attendance at Audit and Supervisory Committee meetings	—	—	—	—	18 of 18 meetings (100%)	18 of 18 meetings (100%)	18 of 18 meetings (100%)

Evaluation of the Board's Effectiveness

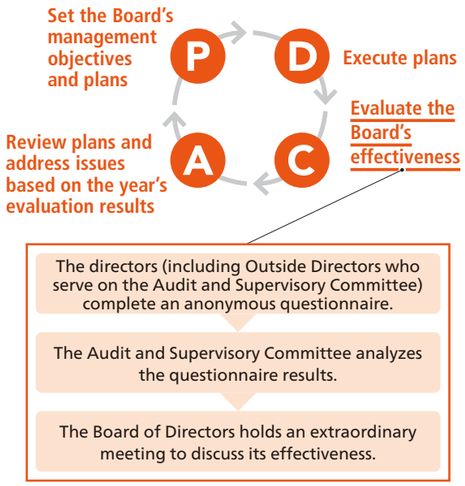
Each year, the effectiveness of the Board of Directors is evaluated. This provides an opportunity to obtain candid opinions from directors regarding Board meetings.

As part of the evaluation conducted in April 2026, all seven directors on the Board (including three Outside Directors who serve on the Audit and Supervisory Committee) completed an anonymous questionnaire regarding the 19 Board of Directors meetings held during fiscal 2025. The Board then discussed its effectiveness in an extraordinary meeting held on May 8, 2026.

As a result, the Company's Board of Directors was assessed as generally functioning appropriately with regard to meeting operations and basic governance functions, and its effectiveness was deemed to be ensured overall.

Furthermore, the following were identified as key issues requiring ongoing deliberation to achieve sustainable growth: deepening discussions on medium- to long-term strategy (including human resource strategies and global expansion); advancing management practices that are conscious of the cost of capital and strengthening Group governance; and enriching strategic discussions by clarifying the division of responsibilities between oversight and execution functions and delegating authority for business execution. Going forward, we will recognize these as priority themes and work to further strengthen our governance.

Evaluating the Board's Effectiveness



Fiscal 2025 Evaluation Results and Issues to Address

Scope/ Participants	Overview of evaluation results and analysis	Issues to address
Evaluation of the effectiveness of Board of Directors meetings held from March 2025 through February 2026 (19 meetings in total). Seven Directors (including three Outside Directors who serve on the Audit and Supervisory Committee)	**1. Strengthening of the Board's structure and supervisory functions** ・Established quarterly meetings for the exchange of opinions between the Audit and Supervisory Committee Members and the President and Representative Director, CEO. ・Conducted ongoing interviews with directors and executive officers of the Group, including those of subsidiaries, by members of the Audit and Supervisory Committee. Based on the above, we have established a system to ensure that the perspectives and supervisory functions of the Audit and Supervisory Committee Members are reflected in management in a timely manner. **2. Development of the next generation of director candidates** ・Appointed several candidates as directors of subsidiaries. ・Implemented development initiatives, such as seminars for newly appointed directors, compliance training, and the use of rank-based training programs. ・Encouraged participation in the formulation project of the Medium-term Management Plan and promoted the enhancement of practical management skills. (*We recognize that further refining the training system remains an ongoing challenge.) **3. Management of the Board of Directors and enhancement of agenda items** ・In addition to reviewing the progress and key issues of the VALUES 2025 medium-term management plan, established a system for regular reporting and deliberation in connection with the formulation of the New Medium-term Management Plan, CONNECT 2030. As a result, we improved both the quantity and quality of discussions regarding medium- to long-term issues. **Summary: It was found that all of the previous fiscal year's matters were addressed using concrete measures and results were yielded that contributed to improving the effectiveness of the Board of Directors.**	**Promote the separation of supervision and execution, and the delegation of authority** We will gradually delegate authority related to business operations to enhance the effectiveness of the Board of Directors' supervisory functions and strategic discussions, and to enrich those discussions. **Strengthen strategic discussions and enhance monitoring** We will enhance our monitoring of the implementation status of the medium-term management plan and continuously evaluate our progress toward achieving targets, such as for profitability and capital efficiency, taking into account the cost of capital, as well as the appropriateness of the allocation of management resources. **Promote human resource strategies and successor development** We will work to develop concrete human resource strategies and succession plans, and to implement relevant measures. **Deepen discussions on growth strategies** We will further deepen our discussions on growth strategies, including investments in global expansion and DX. **Strengthen Group governance and risk management** We will work to strengthen our governance structure and risk management across the entire Group. **Continue consideration of the optimal governance structure** We will continue to review the optimal structure of the Board of Directors and the Group as a whole, including the division of roles between supervision and execution.

Remuneration of Directors

Basic policy

As a basic policy, the Company's system for remunerating directors must contribute to raising shareholder value while continually increasing the Company's performance and corporate value.

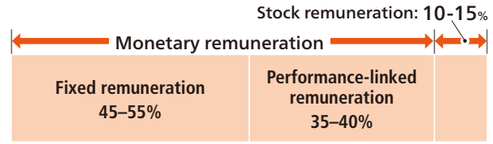
The remuneration of directors comprises fixed remuneration, performance evaluation standard remuneration, bonuses, and stock remuneration. Performance-linked pay and bonuses depend on the degree to which performance targets are achieved over the fiscal year. Stock remuneration provides incentives over the medium to long term, and includes restrictions on the sale and transfer of the stock.

Remuneration of directors who concurrently serve on the Audit and Supervisory Committee is limited to fixed remuneration, given that their role is to supervise and advise the Company's management from an objective standpoint.

The restricted stock remuneration of directors is made up of restricted stock—remunerated over the director's time in office—which provides an incentive to raise shareholder value over the long term, as well as restricted stock remunerated on the basis of targets achieved. The director's remuneration is thereby linked to the Company's performance. The targets are set in the Company's medium-term management plan for the following five performance indicators: compound annual growth rate in earnings per share (EPS CAGR), return on invested capital (ROIC), equity ratio, total payout ratio, and reduction in CO_2 emissions. In addition, the stock remuneration includes malus and clawback clauses as measures to reduce the risk of illegal conduct by directors.

The proportion of each type of remuneration varies depending on the type of director. Specifically, the higher a director's position, the higher the proportion of performance-linked remuneration. If all targets for the performance indicators are achieved, the breakdown of the director's fixed remuneration, performance-linked remuneration (performance-linked pay and bonus), and stock remuneration is as shown in the table below.

Breakdown of Remuneration



Remuneration of individual directors

To determine the remuneration of individual directors, the President and Representative Director, CEO prepares a proposal in accordance with the policies described above and submits it to the Independent Advisory Committee. The Board makes the final decision based on both the committee's response to the proposal and on the opinion of the Audit and Supervisory Committee.

Remuneration of Directors in Fiscal 2025

Type of officer	Total amount of remuneration (millions of yen)	Total amount of remuneration by type (millions of yen)					Number of remunerated officers[3]
		Fixed remuneration	Performance-linked remuneration		Restricted stock remuneration[1,2]		
			Performance-linked pay	Bonuses	Based on tenure	Based on achievement of targets	
Directors who do not serve on the Audit and Supervisory Committee[4] (Of which, Outside Directors)	131 (5)	65 (5)	44 (—)	— (—)	13 (—)	9 (—)	4 (1)
Directors who serve on the Audit and Supervisory Committee[5] (Of which, Outside Directors)	19 (19)	19 (19)	— (—)	— (—)	— (—)	— (—)	4 (4)
Total (Of which, Outside Officers)	150 (24)	84 (24)	44 (—)	— (—)	13 (—)	9 (—)	8 (5)

Notes:
1 Stock remuneration is recorded as an expense over a fiscal year in connection with the restricted stock remunerated to directors (based on both their time in office and the achievement of targets). The amount of restricted stock remuneration based on the achievement of targets is set depending on the amount of restricted stock rewarded to each director and the amount of consolidated operating profit posted in the previous fiscal year. It includes amounts posted as expenses for restricted stock remuneration prior to a change in the stock remuneration plan that extended the period of restrictions from three to five years.
2 Stock remuneration falls under the category of non-monetary compensation under Article 98, Paragraph 5-3, of the Regulations for Enforcement of the Companies Act.
3 As of the end of fiscal 2025, three directors were members of the Audit and Supervisory Committee, while four directors were not.
4 The remuneration of directors who do not serve on the Audit and Supervisory Committee was capped at ¥300 million per year (excluding base salaries), pursuant to a resolution of the Extraordinary General Meeting of Shareholders held on April 1, 2016. Effective from the conclusion of that meeting, three directors did not serve on the committee. Pursuant to resolutions at the 9th General Meeting of Shareholders held on May 25, 2023, the amount of restricted stock remunerated to directors over their time in office was capped at ¥50.0 million. This restricted stock falls outside the category of monetary remuneration, as shown in the table above. Meanwhile, the amount of restricted stock remunerated based on the achievement of targets was capped at ¥30.0 million. The number of the Company's ordinary shares that could be issued or sold as restricted stock was capped at 20,000 annually for restricted stock remunerated over the director's time in office. It was resolved to be capped at 12,000 annually for restricted stock remunerated based on the achievement of targets. Effective from the conclusion of that meeting, five directors did not serve on the Audit and Supervisory Committee.
5 The remuneration of directors who serve on the Audit and Supervisory Committee was capped at ¥30.0 million per year, pursuant to a resolution of the Extraordinary General Meeting of Shareholders held on April 1, 2016. Effective from the end of that meeting, three directors serve on the committee.

Compliance

System

The Company has set up a Compliance Committee in accordance with its Risk Compliance Regulations. The committee promotes compliance, verifies measures for monitoring compliance, and confirms and reports on the progress made on a quarterly basis.

In addition, the Company's Internal Audit Office and a law firm have jointly set up the KOMEDA Compliance Consultation Desk to offer consultations and enable reporting of illegal or potentially illegal acts (including harassment and corruption, such as bribery) at the Group's workplaces, including its franchise stores. The identity of whistleblowers is kept confidential to protect them from retaliation or backlash. Reported cases are promptly investigated and dealt with appropriately. Furthermore, without revealing the identity of whistleblowers and other people involved, the measures for handling the cases are shared within the Group with a view to preventing any similar incidents from occurring. The number of consultations received by the consultation desk in fiscal 2025 was 134.

Key initiatives

Under the direction of the Group Human Resources General Affairs Department, which serves as the secretariat, the Company issues a compliance newsletter to the Group's workplaces and franchise stores, covering topics such as revisions to relevant laws and related social issues, as a form of compliance education. In fiscal 2025, the Company continued to provide regular updates to all employees and franchise stores to raise awareness and keep everyone informed across the entire organization.

In addition, in December 2024, the Group formulated a basic policy for dealing with harassment by customers. It is designed to maintain a safe and comfortable work environment for employees and franchise staff, which is fundamental to providing customers with an ideal space and service for KUTSUROGI.

In fiscal 2025, in accordance with this basic policy, we worked to establish response systems across the entire Group and at each store and to ensure their consistent implementation. In accordance with this policy, while continuing to welcome the views and requests of customers, the Group will firmly respond to any actions that constitute harassment by customers in order to ensure that all employees and franchise staff can work under safe and comfortable conditions.

Risk Management

System

Each year, the Risk Management Committee, which was established in accordance with our Risk Compliance Regulations, identifies and assesses risks that could have a significant impact on the sustainable operations of the Group and its franchise stores nationwide.

By engaging in ongoing discussions regarding countermeasures to address the various risks facing our business operations, and by regularly confirming and monitoring the progress of these measures through this committee, we are striving to strengthen and maintain the Group's overall crisis management and company-wide risk management system.

Key initiatives

In fiscal 2025, the Risk Management Committee's deliberations focused on the risk of a breakdown in the electronic ordering system and on restructuring the BCP. The Company recognizes them as being among the main risks that could seriously impact the Group's financial condition, operating results, and cash flow.

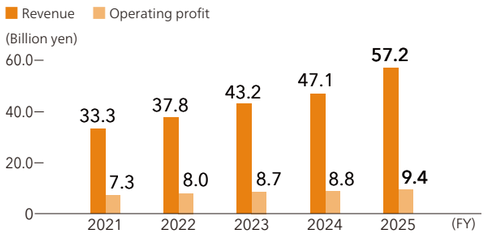
Specifically, to ensure that franchise store operations nationwide and the supply chain continue to function smoothly, the committee discussed revisions to the BCP manual, which outlines procedures in the event of a system outage, as well as accident response protocols at stores. Furthermore, recognizing signs of soaring raw material and logistics costs, we made every effort to implement proactive management measures to safeguard the financial foundations of our franchise stores and ensure a stable supply of products to our customers.

Business Risks and Countermeasures

Category	Specific Risks	Future Action Plans
Risks concerning the operating environment	Changes in the economic situation (sluggish personal consumption)	Differentiate from competitors; control food and labor costs; enhance the in-store experience; encourage repeat visits; pursue geographic diversification; and expand the business portfolio through M&A
	Delays in opening stores in Japan	Establish a dedicated store development department; support franchise owners with opening new locations; and recruit new franchise owners
	Delays in opening stores in other countries	Strengthen collaboration with overseas franchise stores and business partners; upgrade information-gathering systems in overseas markets; and establish systems to support prompt decision-making by management
	Human resource shortages	Create a comfortable work environment (introduce flexible work styles and improve the work environment); develop and enhance human resource systems (offer multi-track career paths and revise the performance evaluation system); and strengthen human resource utilization and development (placing the right people in the right roles and training to boost motivation)
	Diminished reputation	Develop compliance and risk management systems; enhance the internal whistleblowing system; and promote training and information sharing (training and correspondence for executives, employees, and franchise stores)
	Difficulties in procuring raw materials due to climate change-induced natural disasters	Promote sustainable raw materials procurement and address climate change mitigation (adopt renewable energy and reduce CO_2 emissions)
	Changes in the overseas situation	Appropriately reflect product specification changes and their impact on selling prices and continuously monitor related trends (assuming risks will persist over the long term)
Risks concerning food safety and reliability	Occurrence of problems with food served at stores (food poisoning, foreign objects in food, and contamination from outside)	Thoroughly enforce food quality assurance regulations and legal compliance; strengthen quality control at the raw materials and manufacturing stages (specification management, factory audits, initial production verification); and thoroughly implement store hygiene management and audits (distribution of manuals, hygiene checks, compliance monitoring, external inspections)
	Improper labeling of calories, allergens, etc.	Verify product specifications, including information on major countries of origin, and disclose food information to customers and improve convenience (disclosure of calorie and allergen information, display of QR codes, improvement of viewing environments)
Risks attributed to the relationship with franchise stores	High reliance on franchise earnings	Enhance customer value through the development of appealing products and promotional activities; prosper together and improve profitability with franchise stores; and expand the fan community and enhance brand value (community management, two-way communication, deepening fan engagement, building relationships with local communities)
	Lawsuits involving franchise owners	Ensure an appropriate screening and selection process for franchise owner applicants and prevent disputes by aligning expectations with prospective franchise owners
	Franchise owners aging out	Share information regularly; promote the smooth succession and reorganization of franchise stores; and support the continued operation of existing stores and strengthen the development system
	Deterioration of store facilities	Promote store renovations and address aging infrastructure; promote the succession and reorganization of franchise stores (property brokerage, succession, and conversion to Company-owned stores); and strengthen operational support for existing stores
Risks concerning the supply chain	Production stoppages at existing factories	Ensure a stable supply system through increased production capacity, in-house manufacturing, and the use of OEMs; develop and diversify supply chains and production systems; and ensure the integrity of the BCP in the event of a disaster
	Inability to procure raw materials from suppliers (other than production materials and in-house products)	Diversify production and logistics contractors; diversify risk by avoiding reliance on specific vendors; and strengthen the stable supply system
	Steep rise in raw material prices and undelivered items procured abroad	Mitigate the risk of price spikes through yen-denominated forward contracts; diversify sources of origin to mitigate import risks; and explore and utilize alternatives to mitigate the risk of price spikes
	Problems with ordering systems and other systems (due to computer viruses or cyberattacks)	Establish countermeasures against cyberattacks and strengthen infrastructure; enhance security training and operations; and strengthen data preservation and business continuity measures
	Problems with smartphone apps	Establish an initial response system for contingencies; develop a comprehensive response system covering the entire process through to recovery; establish a system restoration process; and improve incident response capabilities
Risks concerning regulatory matters and compliance	Violations of food and hygiene laws	Quickly identify applicable laws and regulations; ensure thorough compliance; promote collaborative responses with franchise stores; and implement planned corrective measures
	Revisions to anti-monopoly laws and the Franchise Guidelines	Revise franchise agreements in line with the purpose of the Franchise Guidelines (effective March 2026); implement compliance training; and improve the effectiveness of compliance measures
	Violations of labor laws	Strengthen the labor management system by leveraging external expertise; ensure proper labor management in accordance with laws and regulations (appropriate handling, management of overtime and paid time off); and enhance the visualization and monitoring of attendance records
	Leaks of personal information	Establish a personal information protection system and regulations in accordance with various laws, regulations, and guidelines; strengthen internal controls regarding personal information management; and ensure thorough personal information protection through education and audits (training for executives and employees; internal audits and external audits of contractors)
	Violations of other laws	Monitor changes to laws and regulations appropriately and in a timely manner as well as promote education and information sharing to prevent legal violations, including training for officers and regular communications to franchise stores
Risks concerning finances	Interest rate fluctuations and depletion of capital	Secure credit lines through overdraft agreements with multiple financial institutions; utilize hedging transactions; explore diverse funding options; partially fix in place interest rate terms; implement profit planning and cash flow management; and secure liquidity on hand
	Goodwill impairment	Strengthen the post-merger integration (PMI) process following M&A transactions; implement profit planning and cash flow management; pursue an optimal capital structure that takes into account the weighted average cost of capital; and periodically validate goodwill valuations through impairment testing
	Inability of stores to collect their security deposits	Ensure the proper use of rental properties and safeguard tenants' rights; ensure contract continuity by maintaining good relations with store landlords; and reduce the risk of uncollectible amounts by limiting security deposits and other fees
	Currency exchange rate fluctuations	Monitor foreign currency-denominated assets, liabilities, and transaction amounts; manage the balance of foreign exchange exposure; and make efforts to mitigate foreign exchange fluctuation risk

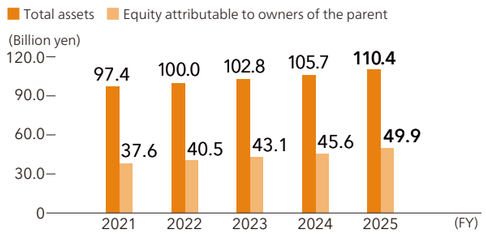
Financial and Non-Financial Highlights

Revenue / Operating Profit



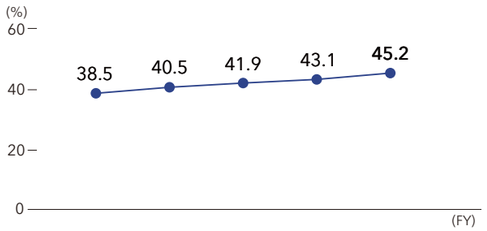
Note: Amounts less than ¥100 million are rounded off.

Total Assets / Equity Attributable to Owners of the Parent

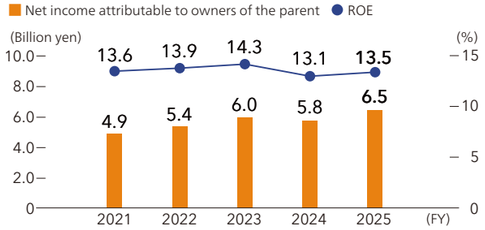


Note: Amounts less than ¥100 million are rounded off.

Ratio of Equity Attributable to Owners of the Parent to Total Assets

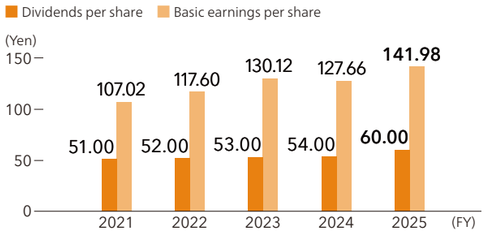


Net Income Attributable to Owners of the Parent / ROE

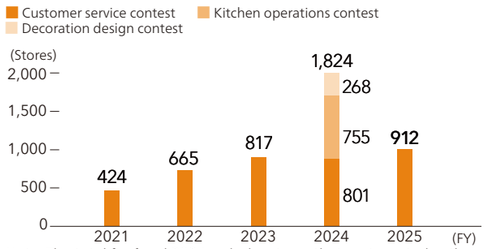


Note: Amounts less than ¥100 million are rounded off.

Dividends per Share / Basic Earnings per Share



Number of Stores Participating in Contests



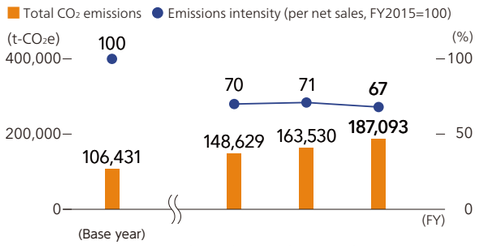
Note: The total for fiscal 2024 includes stores that participated in the kitchen operations and decoration design contests, in addition to the customer service contest.

Gender Pay Gap

	FY2023	FY2024	FY2025[1]
All workers	49.5%	50.0%	51.3%
Regular workers	67.9%	68.2%	64.4%
Non-regular workers	98.9%	99.8%	98.4%

Note: Ratio of female worker wages to male worker wages (= 100).
1 Because the number of non-regular female workers working in stores is more than twice that of non-regular male workers, the wage ratio for women is relatively lower when viewed among all workers.

Total CO_2 Emissions / Emissions Intensity per Net Sales



Note: Emissions intensity index is shown relative to the FY2015 baseline (FY2015 = 100).

Company Information

Company Name	KOMEDA Holdings Co., Ltd.
Address	3-12-23 Aoi, Higashi-ku, Nagoya City, Aichi 461-0004, Japan
Established	2014 (KOMEDA's Coffee was founded in 1968)
Business	Pure holding company of KOMEDA Co., Ltd., operator of a full service café chain
Share Capital	¥673 million (as of the end of February 2026)
Listed Exchanges	Tokyo Stock Exchange (Prime Market) Nagoya Stock Exchange (Premier Market)
Securities Code	3543
Number of Employees (Including Subsidiaries)*	Employees: 828; part-time and temporary workers: 2,022 (as of the end of February 2026)

*The number of employees represents the workforce (excluding employees transferred to positions outside the Group; including employees transferred to positions inside the Group). The number of part-time and temporary workers is the annual average.

Stock Information (as of the end of February 2026)

Stock Status

Number of Shareholders	213,619

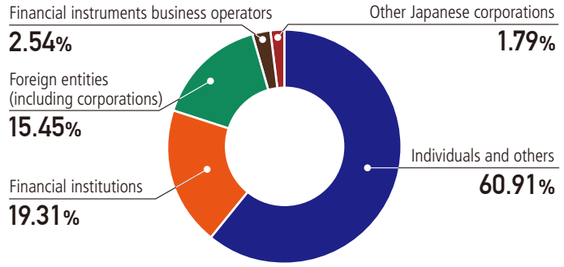
Note: Number of shareholders listed in the shareholder registry

Major Shareholders

Shareholder Name	Number of Shares Held	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,114,800	11.24
Custody Bank of Japan, Ltd. (Trust Account)	2,200,000	4.83
Custody Bank of Japan, Ltd. (Trust Account 4)	1,325,800	2.91
JP MORGAN CHASE BANK 385781	645,394	1.42
STATE STREET BANK AND TRUST COMPANY 505001	486,163	1.07
JP MORGAN CHASE BANK 385166	421,900	0.93
JP Morgan Securities Japan Co., Ltd.	384,675	0.85
KOMEDA Franchisee Shareholding Association	342,800	0.75
ISHARES CORE MSCI EAFE ETF	341,700	0.75
JP MORGAN CHASE BANK 385864	328,415	0.72

Note: The number of shares held by the trust banks listed above are related to trust services. The shareholding ratio excludes 761,197 shares of treasury stock and is rounded to the second decimal place.

Composition of Shareholders



Thank you for reading the KOMEDA Integrated Report.
Please take a moment to complete our survey.
Submission deadline: May 31, 2027 at 11:59 p.m. JST