Explanatory Materials Regarding the M&A

August 7, 2026

SRS HOLDINGS CO., LTD. (Securities Code: 8163)

Executive Summary

SRS HOLDINGS

Overview of the target company

- KYOTARU CO., Ltd., which is the target company, recorded 23,532 million yen in revenue (IFRS basis, for FY9/25), and has 181 restaurants (as of June30, 2026).
- The gourmet sushi business (Kaiten Sushi Misaki) is the largest, and together with the takeout business (Kyotaru), accounts for the vast majority.
- They also have out-of-store sales businesses and a manufacturing plant.

Structure and impact of the M&A *1

- By the date of share transfer, the target company will conduct a third party allotment of shares to eliminate its capital deficiency, and net assets are expected to be approximately 3,900 million yen.
- The Company will acquire all shares of the target company (100.0% of voting rights) held by FOOD & LIFE COMPANIES LTD. (hereinafter referred to as "F&LC") for 3,745 million yen. (The occurrence of goodwill is expected to be limited.)
- The date of share transfer: September 1, 2026 (planned)
- On a simple total basis, we expect our net sales to increase by 31% and the number of restaurants to increase by 23%.

Strategic Rationale *1

(1) Achieving our Medium-term Business Plan's goal of becoming the overwhelming No. 1 gourmet sushi

- The number of Group's gourmet sushi restaurants will expand to 201 restaurants (up 89 restaurants) with the addition of "Kaiten Sushi Misaki" to the Group.
- Our estimates of the gourmet sushi market share will be about 25% (up about 9 pp), further strengthening our top position.
- Significantly strengthen our previously underdeveloped network in the Tokyo metropolitan area, increasing the number of restaurants from 14 to 101.
- The target company's strength is in restaurant openings close to stations and inside commercial facilities, and our restaurant openings can be expanded without cannibalizing our existing roadside-centered restaurants.

(2) Acquisition of home-meal replacement business

- Build a highly competitive home-meal replacement brand by combining the well-known Kyotaru brand with the Group's product development capabilities.

(3) Strengthening SRS Group's headquarters functions

- Expand the functions of the target company's manufacturing plant as a production base for the Group's Japanese-style food businesses.
- Through this acquisition, we will become a group with consolidated net sales of 100 billion yen scale, and enhance our headquarters functions by strengthening our human resources and organizational structure.

Synergies, etc.

- Develop multiple gourmet sushi brands and create synergies in many areas, including ingredients procurement, product development, and human resources development.
- Maximize group synergies by incorporating their manufacturing capabilities into the Group to build a supply system for each Japanese food business.
- By expanding the Group's restaurant network in the Tokyo metropolitan area, aim to raise our corporate presence nationwide and expand our new investor base.

* 1 Estimated by simply totaling the full-year sales and the number of restaurants of both companies, and market share estimated by the Company.

Overview of the Target Company (1)

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Company Name

KYOTARU CO., LTD.

Location of head office

2-7-5 Nihonbashi Ningyocho, Chuo-ku, Tokyo

Representative

Takanori Takegawa,
Representative President

Main businesses

Food service

•Gourmet sushi business (Kaiten Sushi Misaki)

•Takeout business (Kyotaru)

•Out-of-store sales and others businesses

Major shareholder

FOOD & LIFE COMPANIES LTD. 100.0%

(Securities Code: 3563)

Establishment

1932

Number of restaurants *2

181

Revenue

23,532 million yen

Number of employees

447

Basic philosophy

We create a lot of happiness through food.
We will provide good taste, health and enjoyment
to create happiness in people's daily lives.
Making as many people smile as possible is our “happiness creation.”

* 2 Revenue (IFRS basis), the number of employees, and the number of shares issued are all based on the results for FY9/25. The number of employees includes seconded employees and contract employees. The number of restaurants is as of June 30, 2026.

Overview of the Target Company (2) Sales Composition and History

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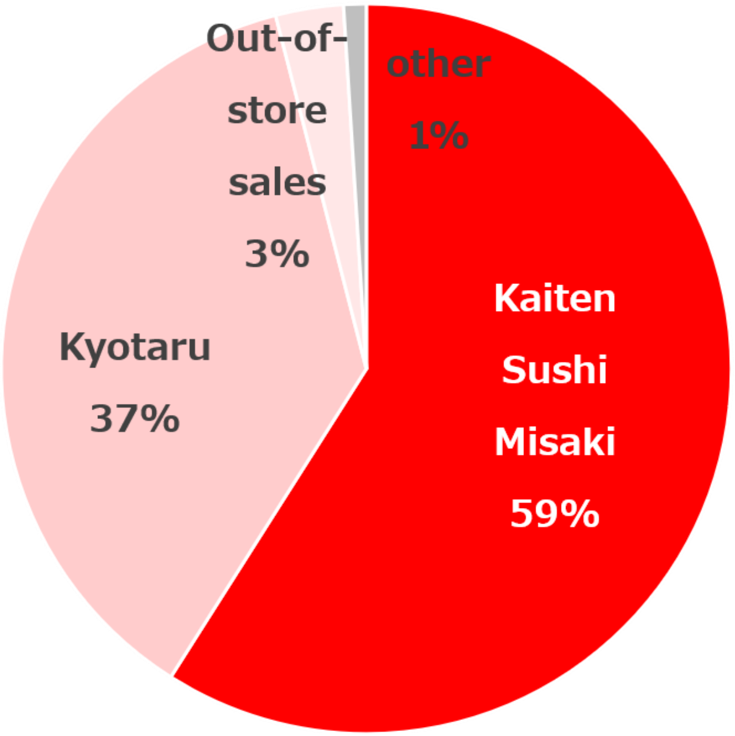
Sales composition

The gourmet sushi business (Kaiten Sushi Misaki) is the largest, and together with the takeout business (Kyotaru), accounts for the vast majority. *3



* 3 The composition ratio of "Kaiten Sushi Misaki" includes "Sushi Misaki"

Main history

Month, Year	Event
March 1932	Established as a traditional Japanese cuisine restaurant in Matsubara, Kawaramachi, Shimogyo-ku, Kyoto
March 1938	Opened Kyotaru, a Japanese-style restaurant, in Nihonbashi Ningyocho, Chuo-ku, Tokyo
July 1980	Registered shares as over-the-counter stock on the Tokyo Stock Exchange
September 1982	Listed on the Second Section of the Tokyo Stock Exchange
June 1984	Listed on the First Section of the Tokyo Stock Exchange
April 1997	Delisted
September 2005	Listed on the JASDAQ Securities Exchange
June 2011	Delisted
July 2011	Became a wholly owned subsidiary of YOSHINOYA HOLDINGS CO., LTD. through stock exchange
April 2021	Became a wholly owned subsidiary of FOOD & LIFE COMPANIES LTD.

Overview of the Target Company (3) Financial Information

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Consolidated operating results and consolidated financial position in the past three years (IFRS basis)

(Millions of yen)

Accounting period	FY9/23	FY9/24	FY9/25	FY9/26 9 months
Total equity	(2,789)	(3,075)	(3,004)	(2,650)
Total assets	12,252	11,689	11,172	10,958
Revenue	24,446	23,986	23,532	16,429
Operating profit	(653)	(352)	60	441
Profit attributable to owners of the parent company	(560)	(311)	96	345

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Overview of Kaiten Sushi Misaki

Sales: 13,725 million yen

Number of restaurants: 89

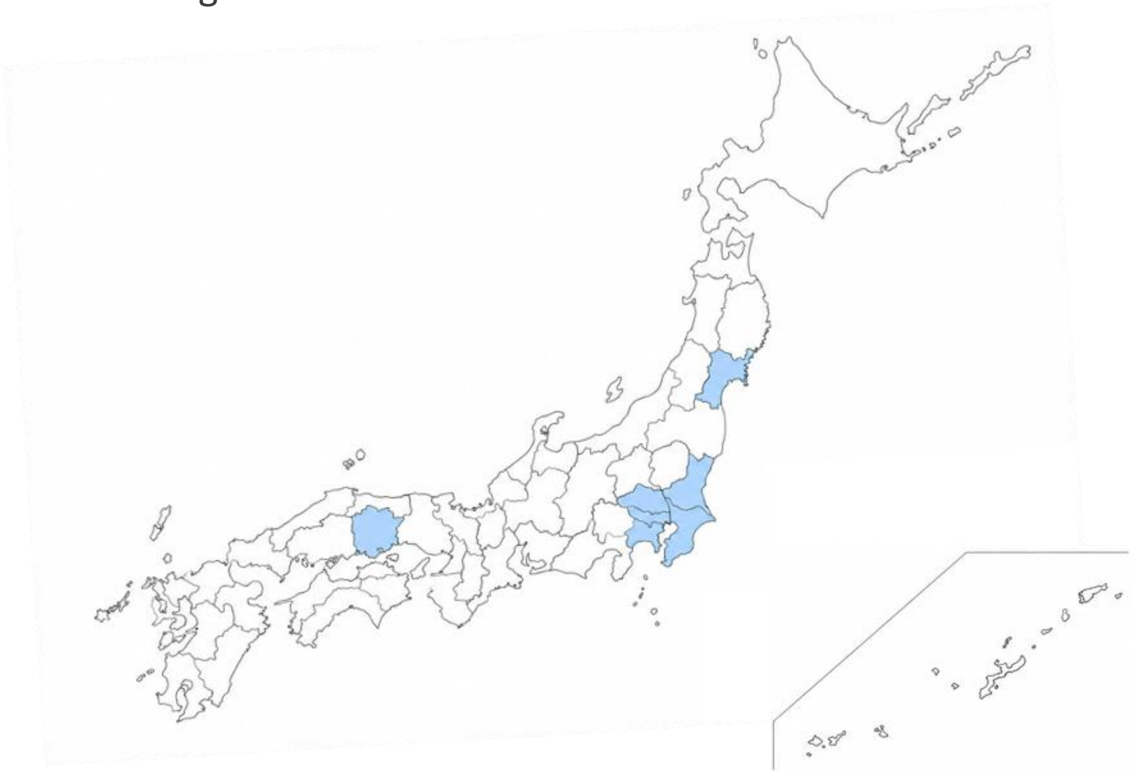
Features:

- Operate restaurants under multiple brands, including "Kaiten Sushi Misaki" and "Sushi Misaki," which serve seasonal ingredients directly delivered from Toyosu Market and superb bluefin tuna
- Characterized by serving Edo-style sushi using ”traditional red vinegar rice” made from aged sake lees

Operating areas

*4

- The stores are primarily located in the Tokyo metropolitan area; specifically, 85 stores (96%) are concentrated in Tokyo, Kanagawa, Saitama, and Chiba.
- Restaurants are mainly located near stations and in station buildings and commercial facilities



* 4 Sales are based on the results for FY9/25. The number of restaurants is as of June 30, 2026, including several other brands as well as at horse racing tracks. They are subject to change before the date of transfer.

Overview of Kyotaru

Sales: 8,556 million yen

Number of restaurants: 92

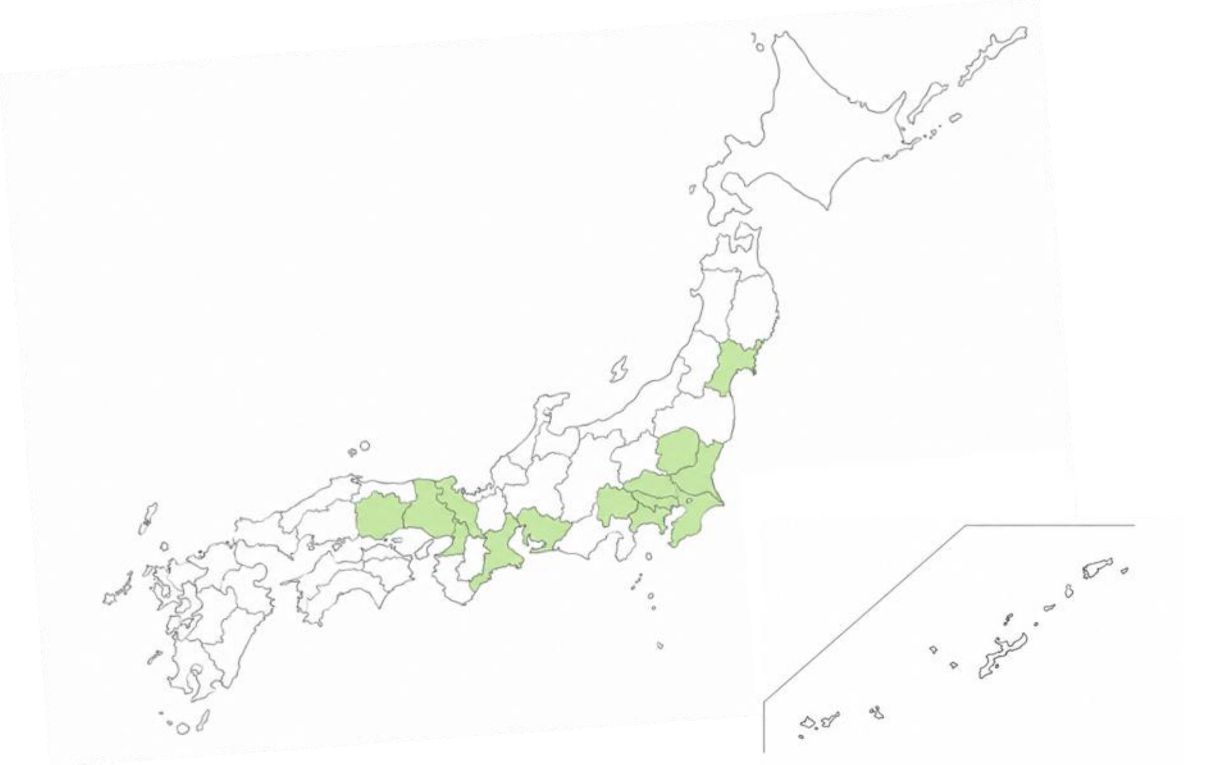
Features:

- Production and sales of Kamigata sushi, Edo-style sushi, etc.
- Operate restaurants under multiple brands, including Kyotaru, which specializes in high-quality takeout sushi such as the traditional Chakinzushi and Kamigata sushi

Operating areas

*5

- The stores are primarily located in the Tokyo metropolitan area; specifically, 79 stores (86%) are concentrated in Tokyo, Kanagawa, Saitama, and Chiba.
- Restaurants are located near stations, in station buildings, department stores and commercial facilities, and on the street.



* 5 Sales are based on the results for FY9/25. The number of restaurants is as of June 30, 2026, including several other brands. They are subject to change before the date of transfer.

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Overview of out-of-store sales business *6

Sales: 778 million yen

Features:

- Utilize a manufacturing plant to handle bulk orders and large-volume orders that are difficult for restaurants to handle
- In addition to the development of its own products and OEM supply, take large orders for ceremonial occasions, companies and organizations
- Focusing on B-to-B sales and expanding its business scale

Manufacturing plant (central kitchen)

Completed: March 1987

Address: 24-10 Takasecho, Funabashi-shi, Chiba

Site area: 14,371.95 square meters (4,355 tsubo)

Total floor area: 7,252.54 square meters

Number of employees: 210 *7

Main products: Cooked rice (vinegared rice and white rice), boxed lunch, Kamigata sushi, rice balls, inarizushi, etc.

Features:

- A 24-hour central kitchen located in the bay area of Chiba, close to restaurants to which products are delivered
- Responsible for supplying sushi rice to restaurants, supplying products for out-of-store sales, and processing and producing sushi products for kitchenless stores
- Sufficient capacity to accommodate future functional expansion

* 6 Sales are based on the results for FY9/25
* 7 The number of employees at the manufacturing plant includes employees and partners.

Structure and Impact of the M&A

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Overview of the structure of the M&A

<Execution before the share transfer>

- By the date of share transfer, F&LC plans to subscribe to the third party allotment of shares (6,480 million yen) of the target company.
- As a result, capital deficiency will be eliminated, and net assets are expected to be about 3,900 million yen.

<Details of share transfer>

- The Company will acquire all of the target company's shares (100.0% of voting rights) held by F&LC for 3,745 million yen.

<Estimated goodwill>

•The goodwill associated with the share acquisition is expected to be limited.

Execution schedule of the M&A

Contract date: August 7, 2026

Date of share transfer: September 1, 2026 (planned)

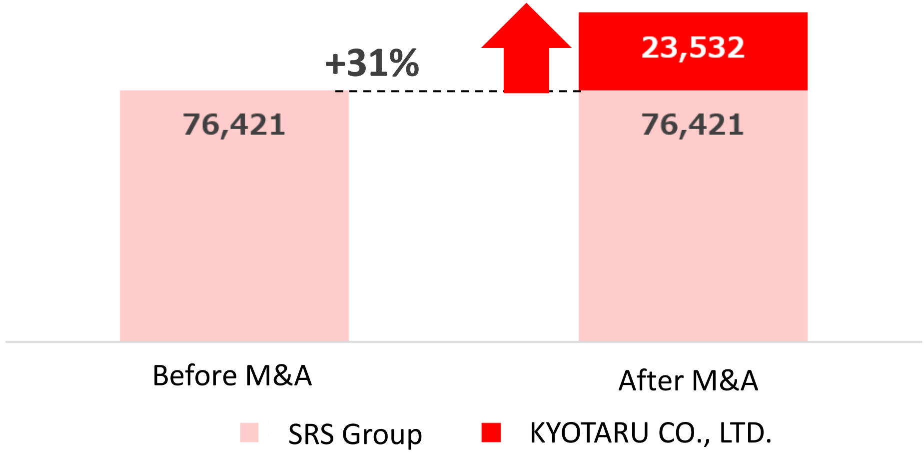
*Prepare to begin applying our shareholder benefit program to the acquired restaurants as early as possible.

Impact of the Acquisition (simple total)

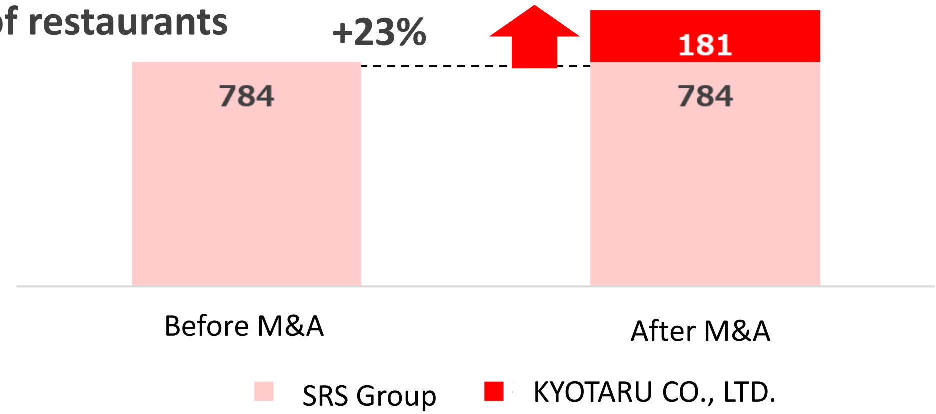
*7

Sales

(Millions of yen)



Number of restaurants



* 7 Sales are based on the SRS Group's results for FY3/26 and KYOTARU's results for FY9/25. Estimated effect for the full year. The number of restaurants is as of June 30, 2026.

Strategic Rationale of the M&A

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The M&A is consistent with our key strategies and will accelerate our business growth and achievement of the Medium-term Business Plan.

(1) Achieve our key strategy of "the overwhelming No. 1 position in the gourmet sushi chain segment”

The Group has positioned the "gourmet sushi" business as an important business along with the Japanese family restaurant business, and has promoted nationwide expansion through both organic growth and M&As.

This M&A is consistent with that growth strategy. In addition to expanding our restaurant network in the Tokyo metropolitan area, this M&A will enable us to achieve further growth in our gourmet sushi business by acquiring the target company's expertise in opening restaurants near train stations and in commercial facilities.

As a result, we will further solidify our top share in the gourmet sushi market category.

(2) Strengthen home-meal replacement businesses to establish “the third and fourth pillars of earnings,” one of our key strategies

In addition to restaurant businesses, the Group has aimed to contribute to people’s dietary lives through the home-meal replacement sector. We aim to further enhance our brand value by combining the strong brand power of Kyotaru and the home-meal replacement know-how they have cultivated over many years with our product development capabilities cultivated in the Japanese food restaurant business and management know-how accumulated through many M&As. As a result, we aim to establish home-meal replacement businesses as one of the third and fourth pillars of earnings.

(3) Strengthen the entire SRS Group

- The manufacturing plant (central kitchen) will be the largest production base within the Group. Considering the expansion of functions for the Group
- Accelerate the strengthening of headquarters functions through post-merger integration.

Strategic Rationale of the M&A

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- Through this M&A, create synergies with the Medium-term Business Plan Key Strategies II - IV and accelerate the achievement of Medium-term Business Plan targets.

Please refer to our website for the Medium-term Business Plan.
https://srsholdings.com/en/pages/ir-vision

<Basic Policy>

Dramatically develop existing businesses and establish a new earnings base to become the unrivaled No. 1 Japanese restaurant chain

Strategic Rationale (3)

<Key Strategy Ⅰ >

Establishing "Washoku Sato" as a National Brand

Strategic Rationale (1)

<Key Strategy Ⅱ >

"Nigiri Chojiro" and "Umai Sushikan" to achieve the overwhelming No. 1 position in the gourmet sushi chain segment

Strategic Rationale (2)

<Key Strategy Ⅲ >

Establishing businesses as the third and fourth pillars of earnings

<Key Strategy Ⅳ >

Strengthening group functions and promote sustainable management to support net sales of more than 100 billion yen

Strategic Rationale (3)

Strategic Rationale (1) Achieving the Overwhelming No. 1 Position in Gourmet Sushi

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Expanding operating areas of gourmet sushi restaurants and strengthening the Tokyo metropolitan area

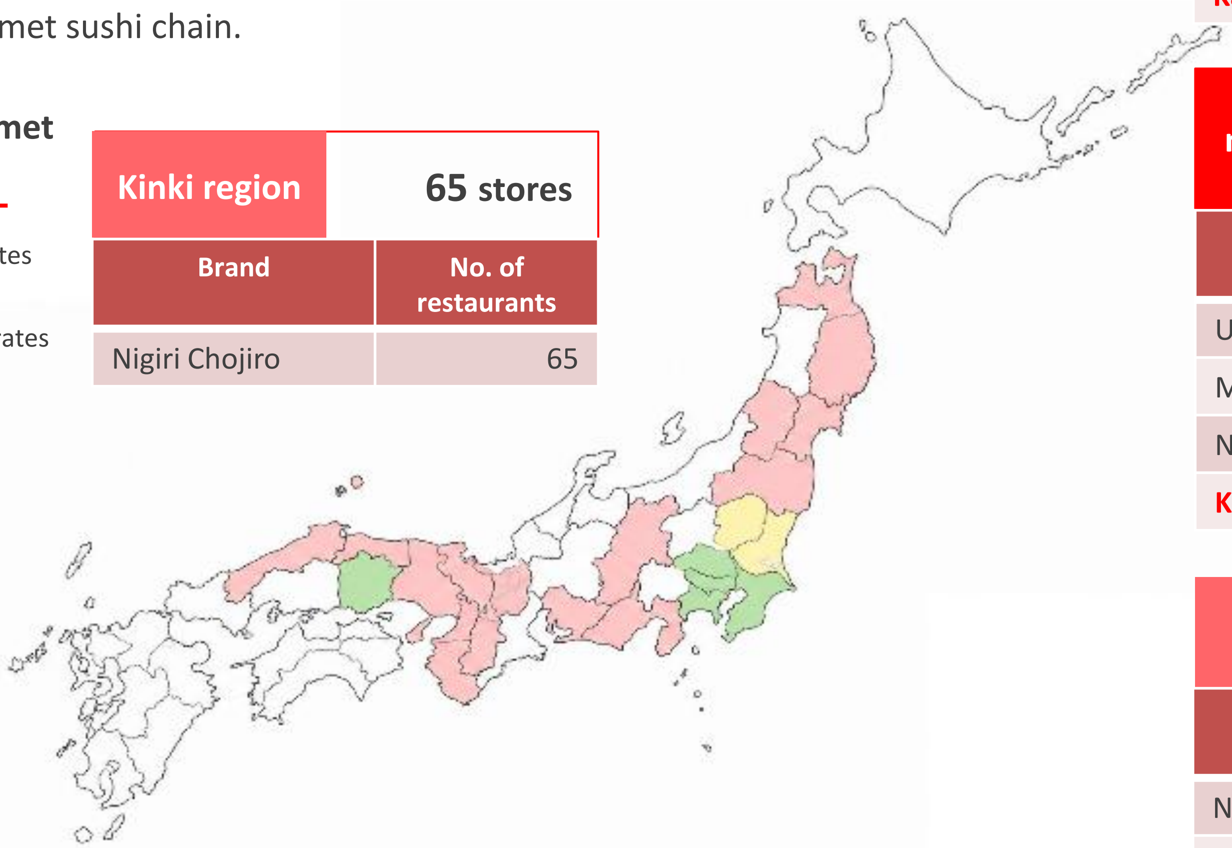
- With the addition of Kaiten Sushi Misaki, which operates 87 restaurants in the Tokyo metropolitan area and 89 restaurants nationwide, the number of Group's gourmet sushi restaurants increased to 201. *9
- Accelerate nationwide expansion of gourmet sushi chain.

Change in the number of Group's gourmet sushi restaurants (simple total) *8 *9

Areas where SRS Group's gourmet sushi operates

Areas where "Kaiten Sushi Misaki" mainly operates

Areas where both companies operate



Tohoku region 19 stores ⇒ 20 stores

Brand	No. of restaurants
Umai Sushikan	19
Kaiten Sushi Misaki	**1**

Tokyo metropolitan area 14 stores ⇒ **101 stores**

Brand	No. of restaurants
Umai Sushikan	8
Marukuni	4
Nigiri Chojiro	2
Kaiten Sushi Misaki	**87**

Kinki region 65 stores

Brand	No. of restaurants
Nigiri Chojiro	65

Chugoku and Shikoku regions 6 stores ⇒ 7 stores

Brand	No. of restaurants
Kaiten Sushi Hokkaido & Sushi-Benkei	6
Kaiten Sushi Misaki	**1**

Chubu and Tokai region 8 stores

Brand	No. of restaurants
Nigiri Chojiro	7
Umai Sushikan	1

* 8 Including restaurants under multiple brands related to Umai Sushikan and Kaiten Sushi Misaki. Marukan is not included.
* 9 The number of restaurants is a simple total of both companies. The number of restaurants is as of June 30, 2026.

Strategic Rationale (1) Achieving the Overwhelming No. 1 Position in Gourmet Sushi

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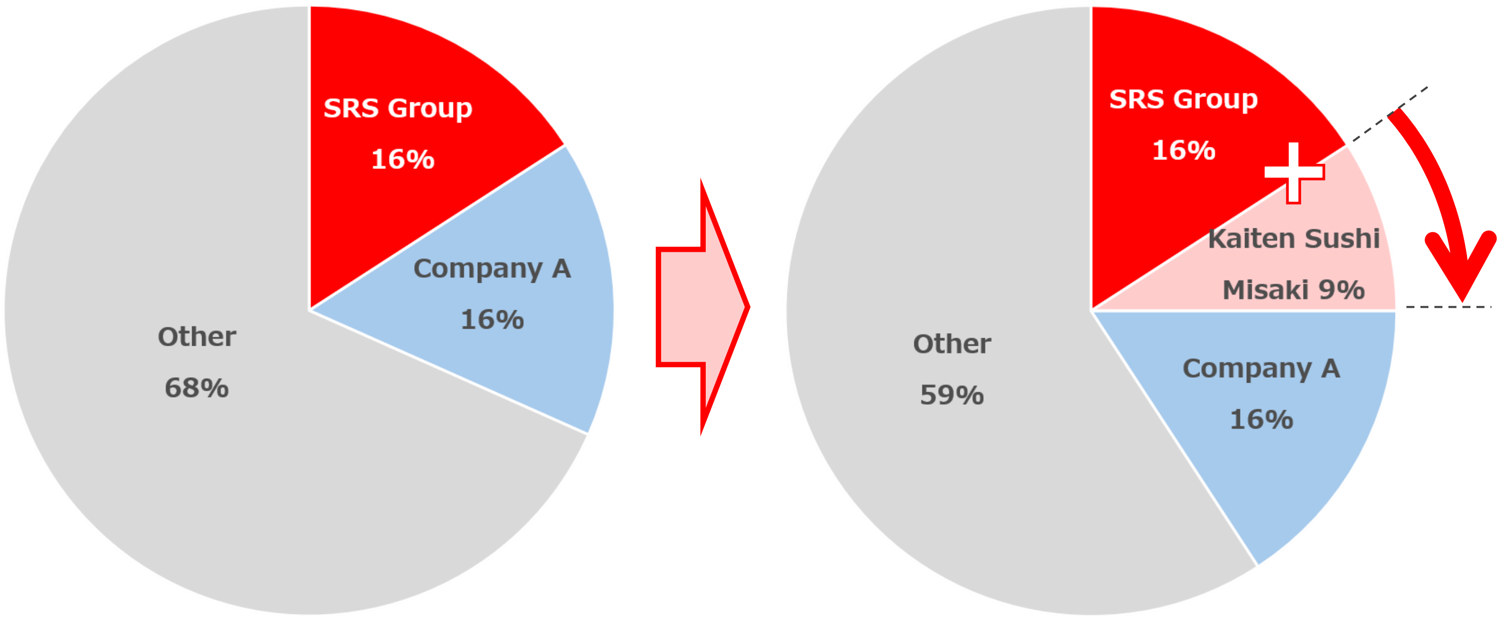
Solidifying the top share of our gourmet sushi

- The estimated market size of gourmet sushi is approximately 150 billion yen*10
- The combined market share (simple total) of the SRS Group and "Kaiten Sushi Misaki" is about one fourth of the total gourmet sushi market—ahead of our rivals*10
- Aiming to achieve the overwhelming No. 1, we plan to actively promote gourmet sushi restaurant openings in the future

Share of gourmet sushi in the past

Gourmet sushi share of the SRS Group and Kaiten Sushi Misaki (simple total)



Expansion of restaurant opening opportunities and acquisition of human resources

(1) Expansion of sites where restaurant openings are possible

Unlike SRS gourmet sushi restaurants, which are mostly located roadside in the suburbs, "Kaiten Sushi Misaki" only needs a small restaurant area to open restaurants near stations and in commercial facilities, and can be operated by a small number of people.

- In areas other than the Tokyo Metropolitan Area, the possibility of restaurant openings will expand through "Kaiten Sushi Misaki" to locations where the Group has not been able to open restaurants.

(2) Acquisition of valuable personnel and sushi chefs

- Quickly enhance human resources by welcoming personnel involved in operations of gourmet sushi restaurants and headquarters and sushi chefs as members of the Group.
- Becoming the foundation for further expansion of the Group's gourmet sushi business and acceleration of its growth.

* 10 The market size and share of gourmet sushi are based on our estimates. The "Kaiten Sushi Misaki" includes several related brands.

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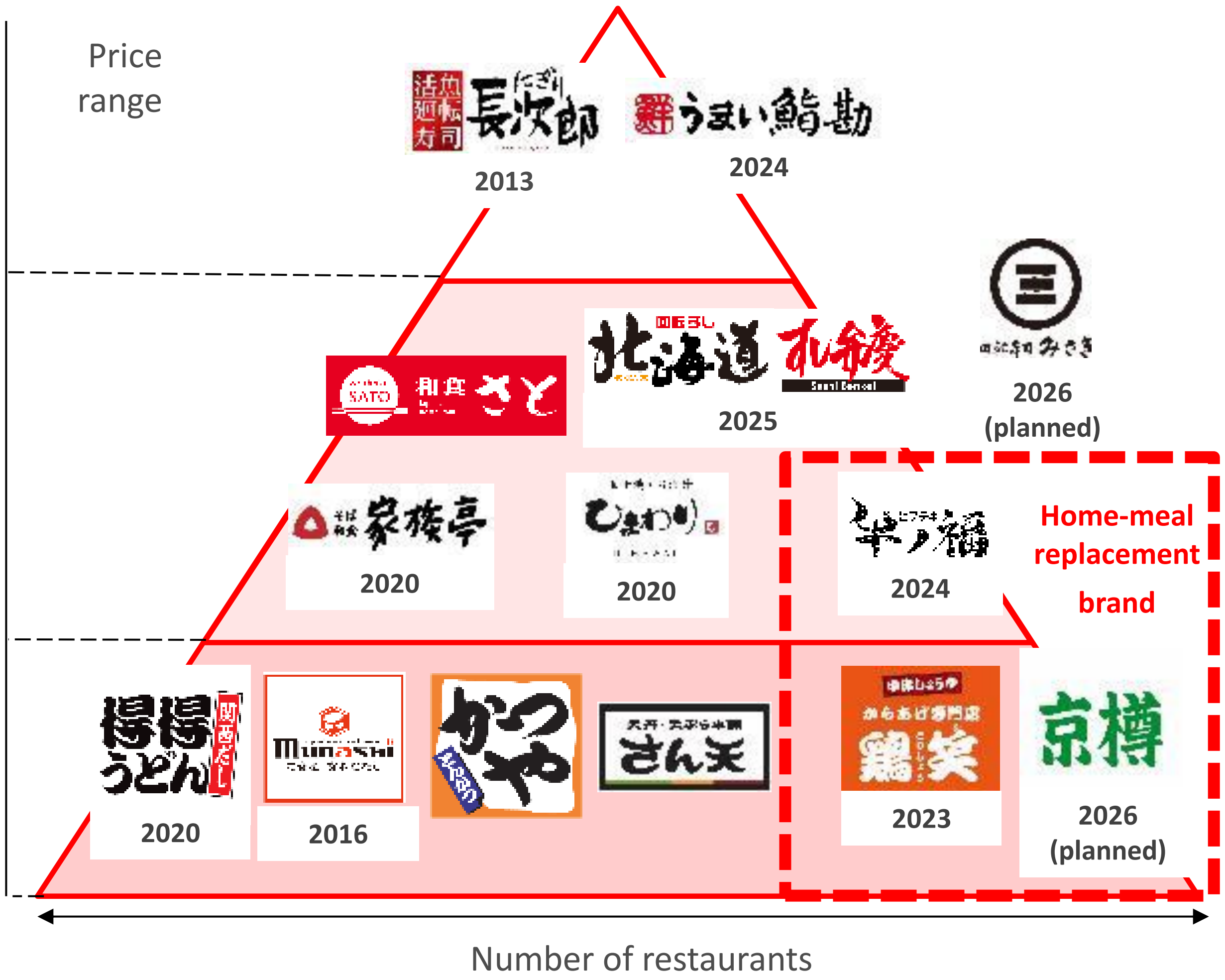
Further enhancement of the home-meal replacement

- Strengthen the home-meal replacement brand with the addition of Kyotaru — a brand with high recognition and a long history as a take-out sushi specialty store, operating primarily in the Tokyo metropolitan area near train stations, inside stations, in commercial facilities, and in department stores — to the SRS Group.
- Integrate the brand assets of Kyotaru with the Group’s product development capabilities and management know-how to further enhance brand value.
- Aim to establish these stores as one of the "third and fourth pillars of earnings," our key strategies, by welcoming valuable human resources who support businesses and store operations as new partners and developing our home-meal replacement businesses together.

Brand Portfolio (SRS Pyramid) *11



* 11 Western calendar year indicates the year of joining the group (including planned).

Strategic Rationale (3) Strengthening SRS Group’s Headquarters Functions

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Utilization and reinforcement of manufacturing and central kitchen functions

- The manufacturing plant of the target company (central kitchen) will become the largest manufacturing base for the SRS Group.
- Take over and continue to operate the sushi and out-of-store sales businesses that have been producing and supplying products.
- The manufacturing plant of the target company has sufficient capacity and can expand its function as a supply base for the entire Group.
- Build a supply system for each brand of the Group, including our largest segment “Washoku Sato”, to maximize Group synergies.

Strengthening headquarters functions

- Strengthen the Group’s headquarters functions and personnel by welcoming the human resources of KYOTARU CO., LTD. as new partners.
- In the future, we will integrate and coordinate the functions of the Group and KYOTARU CO., LTD. in areas such as finance and accounting, product procurement and purchasing (Merchandising Department), human resources, and information systems, and accelerate the strengthening of headquarters functions that support them.

Expected Synergies Through the M&A

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- The SRS Group has a wealth of experience with more than 10 years of M&As focusing on Japanese cuisine.
- We will leverage and further develop our strengths and individuality of each brand, and improve post-merger business performance by improving efficiency and strengthening each other through collaboration between the SRS Group and KYOTARU CO., LTD.

Main Themes		Opportunities to create synergies and examples of initiatives
Gourmet sushi	Synergies with gourmet sushi brands	Create synergies with gourmet sushi brands within the Group in areas such as product development, food procurement, and human resource development
	Expansion of locations possible for restaurant openings	Expansion of restaurant openings opportunities near stations and in station buildings, commercial facilities, department stores, etc., and promoting the optimization of restaurant-opening plans, etc.
Supply function, headquarters system	Use of the manufacturing plant by the entire Group	Invest in the manufacturing plant to build a system that can supply products to the entire Group and maximize Group synergies.
	Integrating, strengthening, and streamlining headquarters functions	Expansion of shared use of operational systems, improvement and reinforcement of headquarters functions, etc. Reduce indirect costs by integrating overlapping operations.
Corporate presence	Expansion of the restaurant network in the Tokyo metropolitan area	Expand our restaurant network in the Tokyo metropolitan area, a key challenge, and enhance our corporate presence nationwide.
	Expansion of new investor base	An expansion of the regional shareholder base is anticipated due to increased opportunities for store visits, such as through the use of shareholder benefits.
	Brand development	While respecting the uniqueness of each brand, enhance the corporate presence as a group by accumulating a track record of driving growth in many brands.

To Investors in the Tokyo Metropolitan Area

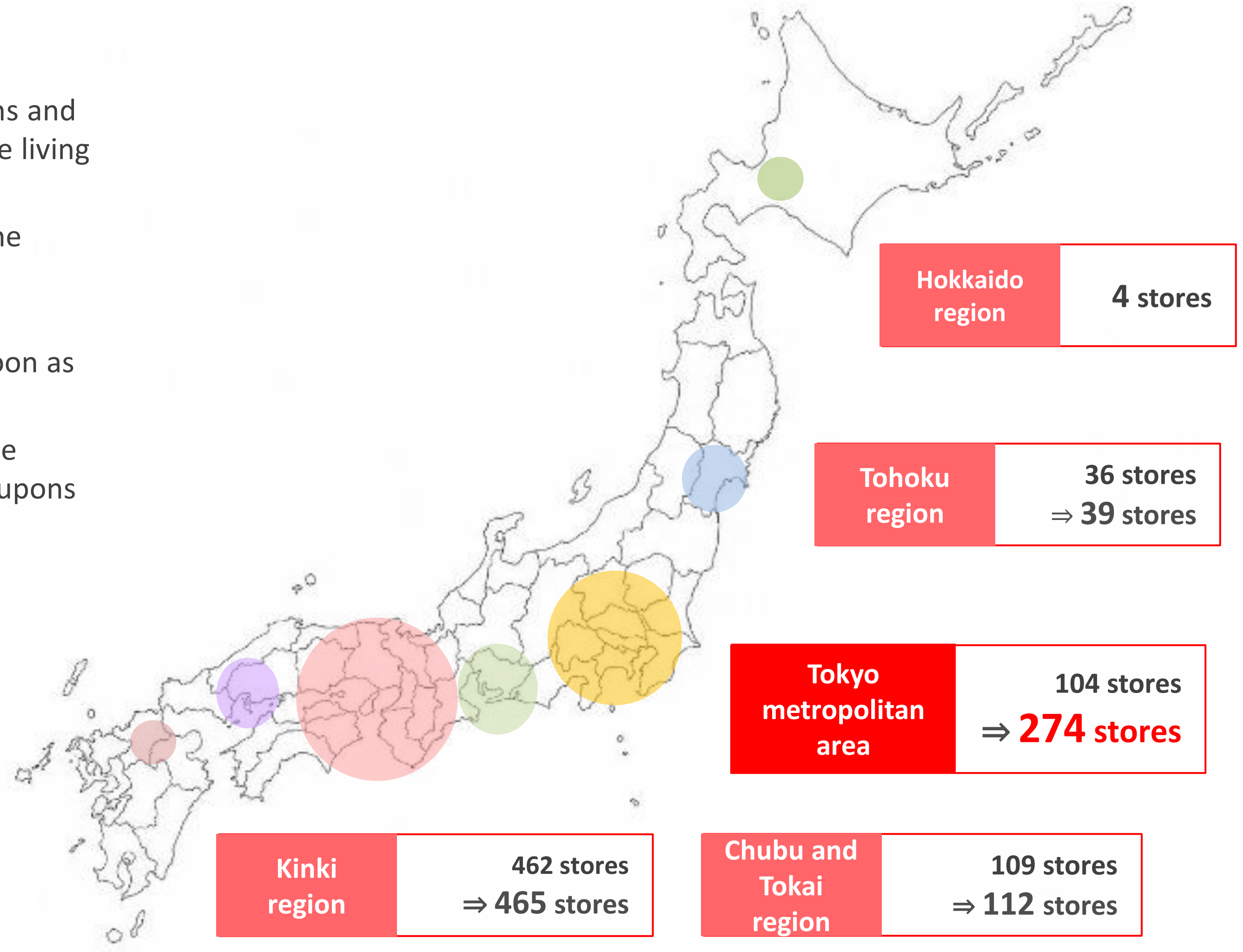
SRS HOLDINGS

Significant increase in the No. of restaurants in the Tokyo metropolitan area

- The number of restaurants in the Tokyo metropolitan area increased significantly by about 2.6 times. *12
- The "Kaiten Sushi Misaki" and "Kyotaru," which are located near stations and in station buildings and commercial facilities, are convenient for people living in the urban area.
- We have created an environment that makes it easier for investors in the Tokyo metropolitan area to use our Group restaurants.
- We will proceed with preparations for enabling the use of Company's shareholder benefit coupons at the target company's restaurants as soon as possible.

* Announcement will be made as soon as the timing is determined for the expansion of the number of restaurants where shareholder benefit coupons can be used.

Changes in the number of Group's restaurants (simple total)



* 12 Simple total of number of restaurants of the Group and KYOTARU CO., LTD. The number of restaurants is as of June 30, 2026. The Tokyo metropolitan area includes Yamanashi Prefecture. The Chubu and Tokai region includes Mie Prefecture.

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