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To Shareholders:

NOTICE OF CONVOCAATION OF
THE 55th ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
McDONALD'S HOLDINGS COMPANY (JAPAN), LTD.

The 55th Annual General Meeting of Shareholders of McDonald's Holdings Company (Japan), Ltd. (the "Company") will be held as stated below.

In convening this Annual General Meeting of Shareholders (the "Meeting"), the Company has taken measures to provide the information including the reference materials for the Meeting ("Matters to Be Provided in an Electronic Format") in an electronic format and uploaded them on each of the following websites on the Internet.

【The Company Website】

https://www.mcd-holdings.co.jp/ir/individual/shareholder_meeting/



【The Website for the Meeting Materials】

<https://d.sokai.jp/2702/teiji>



【Tokyo Stock Exchange (TSE) Website (TSE Listed Company Search)】

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



(Please access the above TSE website, enter "McDonald's Holdings Company(Japan),Ltd." in the "Issue name (company name)" field or our securities code "2702" in the "Code" field, hit "Search" button, select "Basic information" and "Documents for public inspection/PR information" in that order, and check the "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting" field in the "Filed information available for public inspection.")

No souvenirs will be provided for shareholders attending the General Meeting of Shareholders.

If you do not attend the Meeting, you may exercise your voting rights via the Internet, etc. or in writing (by mail). Please review the reference material for the Meeting below and exercise your voting rights by 6:00 p.m. on Tuesday, March 24, 2026 (JST).

The Meeting will live stream via the Internet. Please read page 6 and below in detail.

1. Date & Time: 1:00 p.m., Wednesday, March 25, 2026
2. Venue: Hikarie Hall, Shibuya Hikarie (9th floor)
21-1, Shibuya 2 -chome, Shibuya-ku, Tokyo, Japan
3. Agenda: Reporting Items
 1. Business Report, Consolidated Financial Statements, and Accounting Auditor's Report and Audit & Supervisory Board's Report on Consolidated Financial Statements of the Company for the 55th Fiscal Term (January 1, 2025 through December 31, 2025)
 2. Report of the Non-Consolidated Financial Statements of the Company for the 55th Fiscal Term (January 1, 2025 through December 31, 2025)

Items for Resolution

Item No.1: Proposed Disposition of Retained Earnings

Item No.2: Appointment of Five (5) Directors

Item No.3: Appointment of One (1) Audit and Supervisory Board Member

Item No.4: Final Payment of Retirement Allowances to Directors due to the Abolition of the Retirement Allowance System

4. Matters decided for the convocation of the Meeting

- (1) If you exercise your voting rights in writing (by mail) and neither approval nor disapproval is indicated in the Voting Rights Exercise Form, the vote will be deemed to be approval.
- (2) If you exercise your voting rights in duplicate both via the Internet, etc. and in writing (by mail), the vote exercised via the Internet will be deemed to be the effective vote.
- (3) If you exercise your voting rights multiple times via the Internet, etc., the last exercise will be deemed to be the effective vote.

Notes:

- If you attend the Meeting in person, please submit the Voting Rights Exercise Form that will be sent together with this Notice at the entrance reception desk. The gates will open at noon and no admission before this time is allowed.
 - For visitors in wheelchairs, there is a special space in the venue. Please take the elevator that stops at each floor and go to the 9th floor (further information will be provided at the entrance reception desk).
 - In the event of any modifications to the Matters to Be Provided in an Electronic Format, a notice of the modification, as well as the information before and after the modification will be posted on each of the above Internet websites.
 - Of the Matters to Be Provided in an Electronic Format, the following items are not included in the documents to be delivered to the shareholders who have requested delivery of the documents, in accordance with laws and regulations and Article 14 of the Articles of Association of the Company.
 - (1) Explanatory Notes to Consolidated Financial Statements
 - (2) Explanatory Notes to Non-Consolidated Financial Statements
- Therefore, the documents to be delivered to the shareholders who have requested the delivery of the documents are part of the documents that were audited by Audit & Supervisory Board Members and the Accounting Auditor in preparing the Audit Report.

March 9, 2026

(Start Date of Electronic Provision Measures : February 26, 2026)

McDonald's Holdings Company (Japan), Ltd.

Thomas Ko

Representative Director, President

Smart Convocation

You can view major contents of the convocation notice via your smartphone or computer.

We have introduced a service that makes it easier to browse the main contents of the convocation notices on smartphones and other devices.

Please access the website below or use the QR code below.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

<https://p.sokai.jp/2702/>



Guide to Exercise of Voting Rights

Voting rights at the Meeting are important rights for shareholders. Please consider the following reference material for the Meeting and exercise your voting rights. There are three ways to exercise your voting rights.

- Attending the Meeting

Date and time of the meeting: 1:00 p.m., Wednesday, March 25, 2026 (The reception desk will open at noon)

Please bring and present the Voting Rights Exercise Form that will be sent together with this Notice at the entrance reception desk.

- Exercise Voting Rights in Writing (by Mail)

Exercise deadline: Vote to be received by 6:00 p.m., Tuesday, March 24, 2026

Please indicate your approval or disapproval of each of the agenda items on the Voting Rights Exercise Form that will be sent together with this Notice, and return it to us by the deadline.

- Exercise Voting Rights via the Internet, etc.

Exercise deadline: Vote to be given by 6:00 p.m., Tuesday, March 24, 2026

Please enter your approval or disapproval of each of the agenda items following the guidance on the next page.

Exercise of Voting Rights via the Internet, etc.

● Method of exercise of voting rights by scanning QR code: “Smart Vote”

You can log into the website to exercise voting rights by scanning the QR code without entering your voting rights exercise code and password.

1. Please scan the QR code provided at the bottom right of the Voting Rights Exercise Form.
 - * QR code is a registered trademark of DENSO WAVE INCORPORATED.
2. Please follow the directions that appear on the screen to vote “approval” or “disapproval” of each of the agenda items.

Note: Exercising voting rights by using the “Smart Vote” method is available only once. If you need to change your votes after exercising your voting rights, please log into the voting website for a personal computer by using your voting rights exercise code and password, which are provided on the Voting Rights Exercise Form, and exercise your voting rights again.

*If you rescan the QR code, you can access the voting website for a personal computer.

● Method of exercise of voting rights by entering voting rights exercise code and password

The website for exercising voting rights: <https://soukai.mizuho-tb.co.jp/>

1. Please access the website to exercise voting rights.
2. Please enter your “voting rights exercise code” provided on the Voting Rights Exercise Form.
3. Please enter your “password” provided on the Voting Rights Exercise Form.
4. Please follow the directions that appear on the screen to vote “approval” or “disapproval” of each of the agenda items.

If you have any inquiries about the operation of a personal computer or a smartphone regarding the exercise of voting rights via the Internet, please contact the following:

Internet Help Dial: Securities Agent Dept. of Mizuho Trust & Banking Co., Ltd.
0120-768-524 (toll-free only from Japan)
Business hours: 9 a.m. to 9 p.m. except year-end and New Year holidays

Note: Institutional investors may use the “Voting Rights Electronic Exercise Platform” operated by ICJ Co., Ltd.

How to view a live-stream session of the Meeting

Live stream is scheduled to start at around 12:40 p.m. on Wednesday, March 25, 2026.

Notes:

- Every effort will be made to provide a smooth live-streaming experience. However, video and/or audio disruptions may occur temporarily due to the internet connection. Please be informed that the Company assumes no responsibility for any disadvantages to live-stream viewers caused by the above internet connection failure.
- Also, on the day of the Meeting, we are unable to provide support for audio and/or video lag and other issues possibly due to the viewer's internet connection.
- Live-streaming of the Meeting is "participative," and therefore shareholders in the above live-streaming session will not be considered to be in attendance under the Companies Act and exercise of voting rights and/or questions will not be accepted on the day of the Meeting. Therefore, please exercise your voting rights in advance via the Internet or in writing (by mail).
- When voting via the Internet, you may also send questions through the website for exercising voting rights. Please note that matters of strong interest to shareholders are scheduled to be explained on the day of the Meeting.

【Recommended viewing environment】

| | |
|---|--|
| ○Windows (11) Microsoft Edge(Chromium) 144.0.3719.104 Google Chrome 144.0.7559.110 Mozilla Firefox 147.0.2 | ○Mac OS (Tahoe 26.2) Safari 26.2 Google Chrome 144.0.7559.110 Mozilla Firefox 147.0.2 |
| ○Android (15) Google Chrome 144.0.7559.109 Mozilla Firefox 147.0.2 | ○iOS 26.2.1 / iPadOS 26.2.1 Safari 26.2 |

Shareholders' Meeting Reference Material

Item No.1: Proposed Disposition of Retained Earnings

The Company has set a target DOE ratio of 3% for the fiscal year ending December 2027, based on a comprehensive review of business performance trends and cash flow balance, to enable appropriate profit returns in a stable and continuous manner. In addition, the Company's basic policy is to pay dividends from retained earnings once a year at the fiscal year-end.

Based on the policy mentioned above, for the current fiscal year, the Company proposes to increase dividends by 7 yen per share from the prior fiscal year as follows:

i) Type of dividend assets:

Cash

ii) Allocation of dividend assets and total amount thereof:

The Company pays fifty-six (56) yen per common share and the total amount of dividends to shareholders is 7,445,691,064 yen, provided that treasury stocks of 1,231 shares shall be excluded from the allocation.

iii) Effective date of allocation of retained earnings:

March 26, 2026

Item No.2: Appointment of Five (5) Directors

The term of office of four (4) Directors, Mr. Thomas Ko, Mr. Jo Sempels, Mr. Masataka Ueda, and Mr. Tetsu Takahashi will expire upon the conclusion of the Meeting. In addition, Mr. Andrew Gregory resigned as Director on February 6, 2026, due to personal reasons.

Accordingly, the Company proposes the appointment of five (5) Directors. All the candidates will not be appointed as a substitute for Mr. Andrew Gregory, and their term of office will be until the conclusion of the General Shareholders Meeting for the final fiscal year ending within two (2) years after their appointment.

The selection of candidates was resolved by the Board of Directors after deliberation of the Nomination Committee, chaired by an independent Outside Director and the majority of whose members are independent Outside Directors.

The candidates are as follows:

(Reference) List of Candidates for Directors

| Candidate No. | Name | Position/Responsibilities in the Company | Candidate Attributes |
|---------------|-----------------------------------|--|------------------------|
| 1 | Reappointed Thomas Ko | Representative Director and CEO | |
| 2 | Newly appointed Dario Baroni | — | |
| 3 | Newly appointed Joseph Chiczewski | — | |
| 4 | Reappointed Tetsu Takahashi | Outside Director | Outside Independent |
| 5 | Newly appointed Akiko Nakajo | — | Outside Independent |

Notes:

The position in the Company is at the time of the resolution at the Board of Directors meeting held in relation to the convocation of the Meeting (as of February 17, 2026)

| No | Name (Date of Birth) | Brief Personal History, and Position/Responsibilities in the Company (Important Position(s) concurrently held) |
|---|--|---|
| 1 | <p>Thomas Ko (July 16, 1975)</p> <p>Reappointed</p> <p>Holding Shares of the Company 0</p> | <p>Feb. 2000 Joined Carl Zeiss Vision Inc.</p> <p>Jul. 2007 Consultant, the Boston Consulting Group</p> <p>Jul. 2009 Project Leader, the Boston Consulting Group</p> <p>Oct. 2010 Director, Strategy & Insights, McDonald's APMEA Region</p> <p>Apr. 2012 Senior Director, Strategy & Insights, McDonald's APMEA Region.</p> <p>Apr. 2013 Vice President, Strategy & Insights, McDonald's Korea</p> <p>Jul. 2015 Vice President, Strategy & Insights, McDonald's Company (Japan), Ltd</p> <p>Jan. 2017 Chief Financial Officer, High Growth Markets Segment, McDonald's Corporation</p> <p>Sep. 2018 Managing Director, McDonald's Portugal</p> <p>Nov. 2020 Asia Business Unit Lead, International DL Markets, McDonald's Corporation</p> <p>Mar. 2024 Director, the Company</p> <p>Jul. 2024 Representative Director, President and CEO, McDonald's Company (Japan), Ltd. (Current)</p> <p>Mar. 2025 Representative Director, President and CEO, the Company (Current)</p> <hr/> <p>(Important Office Title/Position in Other Corporations) Representative Director, President and CEO, McDonald's Company (Japan), Ltd.</p> |
| <p>(Reasons for the nomination of the candidate for Director)</p> <p>Mr. Thomas Ko has served as Director of Strategy & Insights, CFO, and Managing Director at several McDonald's-related companies and other markets overseas. He has led our Group as Representative Director, President and Chief Executive Officer (CEO) of the Company (since 2025) and its subsidiary (since 2024), bringing extensive experience and deep insight into the McDonald's business and management. Based on his wealth of experience and knowledge in these positions, we have judged that he can continue to contribute to the enhancement of the corporate value of the Company and have nominated him as a candidate for Director.</p> | | |

| No | Name (Date of Birth) | Brief Personal History, and Position/Responsibilities in the Company (Important Position(s) concurrently held) |
|--|---|---|
| 2 | <p data-bbox="272 551 467 611">Dario Baroni (August 27, 1973)</p> <p data-bbox="272 640 467 678">Newly appointed</p> <p data-bbox="272 707 467 797">Holding Shares of the Company 0</p> | <p data-bbox="504 320 1431 925"> Jan. 2002 Group Leader, Research and Development, Procter & Gamble Dec. 2004 Assistant Brand Manager, Home Care Italy, Procter & Gamble Nov. 2006 Manager, Shopper Marketing, Procter & Gamble May. 2008 Brand Manager, Gillette, Procter & Gamble Apr. 2011 Senior Brand Manager, Laundry Detergents and Additives WE, Procter & Gamble Jan. 2014 Head of Prepaid Mobile, Vodafone Italy Jul. 2014 Marketing Director, Consumer Business Unit, Vodafone Italy Nov. 2016 Chief Marketing Officer, McDonald's Italy May. 2019 Regional Director of Operations, McDonald's Italy Oct. 2020 Vice President, Brand and Customer Experience, McDonald's Italy Aug. 2021 Managing Director, McDonald's Italy Jan. 2024 Senior Vice President, International Operated Markets Business Unit, McDonald's Corporation Jun. 2025 President, International Developmental Licensed Markets, McDonald's Corporation (Current) </p> <p data-bbox="504 976 1431 1037">(Important Office Title/Position in Other Corporations) President, International Developmental Licensed Markets, McDonald's Corporation</p> |
| <p data-bbox="264 1048 1439 1227">(Reasons for the nomination of the candidate for Director) Mr. Dario Baroni has served as Chief Marketing Officer, Managing Director and other positions at McDonald's overseas, and has abundant experience as a business manager as well as extensive knowledge of marketing and McDonald's business. Based on his wealth of experience and knowledge in these positions, we have judged that he will be able to contribute to the enhancement of the corporate value of the Company and have nominated him as a candidate for Director.</p> | | |

| No | Name (Date of Birth) | Brief Personal History, and Position/Responsibilities in the Company (Important Position(s) concurrently held) | | | | | | | | | | | | | | | | | | | | |
|---|--|---|-----------|---|-----------|---|-----------|---|-----------|--|-----------|---|-----------|---|-----------|--|-----------|--|-----------|--|-----------|---|
| 3 | Joseph Chiczewski (January 16, 1989) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Newly appointed</div> Holding Shares of the Company 0 | <table border="0"> <tr> <td style="padding-right: 10px;">Jul. 2011</td> <td>Associate, Financial Services Office, Ernst & Young</td> </tr> <tr> <td>Aug. 2012</td> <td>Financial Analyst, US Financial Reporting Group, McDonald's Corporation</td> </tr> <tr> <td>Apr. 2014</td> <td>Finance Supervisor, Real Estate & Development, McDonald's Corporation</td> </tr> <tr> <td>Nov. 2016</td> <td>Finance Manager, Marketing & Initiatives, McDonald's Corporation</td> </tr> <tr> <td>Jun. 2018</td> <td>Director, Price Value & Deal Strategy, McDonald's Corporation</td> </tr> <tr> <td>Dec. 2019</td> <td>Field Finance Officer, McDonald's Corporation</td> </tr> <tr> <td>May. 2021</td> <td>Operations Officer, McDonald's Corporation</td> </tr> <tr> <td>Oct. 2022</td> <td>Field Vice President, McDonald's Corporation</td> </tr> <tr> <td>Oct. 2024</td> <td>Chief Restaurant Officer, McDonald's Australia</td> </tr> <tr> <td>Mar. 2025</td> <td>Managing Director & CEO, McDonald's Australia (Current)</td> </tr> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> (Important Office Title/Position in Other Corporations) Managing Director & CEO, McDonald's Australia </div> | Jul. 2011 | Associate, Financial Services Office, Ernst & Young | Aug. 2012 | Financial Analyst, US Financial Reporting Group, McDonald's Corporation | Apr. 2014 | Finance Supervisor, Real Estate & Development, McDonald's Corporation | Nov. 2016 | Finance Manager, Marketing & Initiatives, McDonald's Corporation | Jun. 2018 | Director, Price Value & Deal Strategy, McDonald's Corporation | Dec. 2019 | Field Finance Officer, McDonald's Corporation | May. 2021 | Operations Officer, McDonald's Corporation | Oct. 2022 | Field Vice President, McDonald's Corporation | Oct. 2024 | Chief Restaurant Officer, McDonald's Australia | Mar. 2025 | Managing Director & CEO, McDonald's Australia (Current) |
| Jul. 2011 | Associate, Financial Services Office, Ernst & Young | | | | | | | | | | | | | | | | | | | | | |
| Aug. 2012 | Financial Analyst, US Financial Reporting Group, McDonald's Corporation | | | | | | | | | | | | | | | | | | | | | |
| Apr. 2014 | Finance Supervisor, Real Estate & Development, McDonald's Corporation | | | | | | | | | | | | | | | | | | | | | |
| Nov. 2016 | Finance Manager, Marketing & Initiatives, McDonald's Corporation | | | | | | | | | | | | | | | | | | | | | |
| Jun. 2018 | Director, Price Value & Deal Strategy, McDonald's Corporation | | | | | | | | | | | | | | | | | | | | | |
| Dec. 2019 | Field Finance Officer, McDonald's Corporation | | | | | | | | | | | | | | | | | | | | | |
| May. 2021 | Operations Officer, McDonald's Corporation | | | | | | | | | | | | | | | | | | | | | |
| Oct. 2022 | Field Vice President, McDonald's Corporation | | | | | | | | | | | | | | | | | | | | | |
| Oct. 2024 | Chief Restaurant Officer, McDonald's Australia | | | | | | | | | | | | | | | | | | | | | |
| Mar. 2025 | Managing Director & CEO, McDonald's Australia (Current) | | | | | | | | | | | | | | | | | | | | | |
| (Reasons for the nomination of the candidate for Director) Mr. Joseph Chiczewski has served as officer responsible for finance, Chief Executive Officer, and other positions at McDonald's overseas, and has abundant experience as a business manager as well as extensive knowledge of finance and McDonald's business. Based on his wealth of experience and knowledge in these positions, we have judged that he will be able to contribute to the enhancement of the corporate value of the Company and have nominated him as a candidate for Director. | | | | | | | | | | | | | | | | | | | | | | |

| No | Name (Date of Birth) | Brief Personal History, and Position/Responsibilities in the Company (Important Position(s) concurrently held) |
|---|--|--|
| 4 | <p>Tetsu Takahashi (Oct. 24, 1956)</p> <p>Reappointed</p> <p>Outside</p> <p>Independent</p> <p>Holding Shares of the Company 0</p> | <p>Apr. 1986 Admitted to the Japan Bar (Tokyo Bar Association) Joined Miyakezaka Law Offices, Partner</p> <p>Apr. 1989 Vice Chairperson, Legal System Committee, Tokyo Bar Association</p> <p>Feb. 1996 Vice Chairperson, Legal Apprentice Training Committee of Tokyo Bar Association</p> <p>Apr. 2002 Legal System Research Committee (Commercial Code Panel), Japan Federation of Bar Associations</p> <p>Jul. 2003 Joined Kasumigaseki Partners Law Office, Representative Partner</p> <p>Mar. 2006 Outside Statutory Auditor, Apple Japan, Inc.</p> <p>Mar. 2007 Outside Director, McDonald's Company (Japan), Ltd. Outside Director, the Company</p> <p>Jun. 2007 Outside Statutory Auditor, GRO-BELS Co., Ltd.</p> <p>Oct. 2007 Outside Statutory Auditor, Bit-isle Inc.</p> <p>Jan. 2012 Outside Statutory Auditor, ZOOM Inc.</p> <p>Jun. 2015 Outside Director (Audit & Supervisory Committee Member), ZOOM Inc.</p> <p>Oct. 2016 Outside Statutory Auditor, eBook Initiative Japan Co., Ltd</p> <p>Jun. 2020 Outside Director (Audit & Supervisory Committee Member), Nomura Real Estate Holdings, Inc. (Current)</p> <p>Dec. 2020 Representative Lawyer, ITN Law Office</p> <p>Mar. 2022 Outside Director, the Company (Current)</p> <p>Dec. 2025 Executive Partner Lawyer, EST Partners Law Office (Current)</p> <p>(Important Office Title/Position in Other Corporations) Executive Partner Lawyer, EST Partners Law Office Outside Director (Audit & Supervisory Committee Member), Nomura Real Estate Holdings, Inc.</p> |
| <p>(Reasons for the nomination of the candidate for Outside Director and expected roles)</p> <p>Mr. Tetsu Takahashi, as a lawyer, has served as a partner of a law firm and as an Outside Director and Outside Audit & Supervisory Board member of several companies, and has a wealth of experience as a lawyer and as an outside officer, as well as extensive insight into management, legal, compliance and corporate governance etc. Based on his wealth of experience and insight, he has been making useful comments from an independent and objective perspective as an Outside Director of the Company since 2022 and therefore we have judged that he can contribute to strengthening the effectiveness of the supervisory function of the Board of Directors of the Company and nominated him as a candidate for Outside Director. Although he has no experience of being involved in the management of a company other than as an Outside Director, the Company judges that he can appropriately perform his duties as an Outside Director for the reasons stated above.</p> <p>If he is appointed, we expect that he will provide advice on the governance and legal affairs of the Company based on his extensive insight and experience, and supervise the management of the Company from an independent and objective standpoint, thereby strengthening the supervisory and decision-making functions of the Board of Directors of the Company and contributing to the further growth of the Company.</p> | | |

| No | Name (Date of Birth) | Brief Personal History, and Position/Responsibilities in the Company (Important Position(s) concurrently held) |
|--|---|---|
| 5 | <p data-bbox="268 488 493 546">Akiko Nakajo (December 26, 1967)</p> <p data-bbox="284 584 477 613">Newly appointed</p> <p data-bbox="336 645 424 674">Outside</p> <p data-bbox="312 712 448 741">Independent</p> <p data-bbox="284 786 483 880">Holding Shares of the Company 0</p> | <p data-bbox="517 338 1449 891"> Apr. 1996 Bloomberg Information Television K.K. Apr. 1997 President, Regional Head of Asia-Pacific, Bloomberg Television K.K. Oct. 2003 Deputy Representative in Japan, Head of Sales, Head of Japan Strategy Planning, Bloomberg L.P. Apr. 2013 Director, Ad Sales for Technology, Entertainment, Finance and Real Estate Industries, Google Inc. (currently Google Japan G.K.) Aug. 2015 Regional Director, Head of APAC Partner Plex, Google Japan G.K. Mar. 2016 Non-Executive Director, Kirin Company, Limited (currently Kirin Holdings Company, Limited) May 2017 External Advisor, International Planned Parenthood Federation Jul. 2017 Representative, YouTube Japan, Google Japan G.K. Apr. 2019 Strategic Advisor, Kirin Holdings Company, Limited Mar. 2020 Member of the Central Broadcast Programs Council, Japan Broadcasting Corporation Jun. 2025 External Director, SoftBank Corp. (Current) Jul. 2025 Advisor, Japan Institute for Health Security (Current) </p> <p data-bbox="517 954 1107 1039"> (Important Office Title/Position in Other Corporations) External Director, SoftBank Corp. Advisor, Japan Institute for Health Security </p> |
| <p data-bbox="272 1055 1455 1355"> (Reasons for the nomination of the candidate for Outside Director and expected roles) Ms. Akiko Nakajo has served as representative of Japanese subsidiaries and Outside Director of several companies, and has a wealth of experience as a business manager as well as extensive insight into corporate digital transformation, use of technology, etc. Based on her wealth of experience and knowledge in these positions, we have judged that she will be able to contribute to the enhancement of the corporate value of the Company and have nominated her as a candidate for Director. If she is appointed, we expect that she will provide advice for enhancing our corporate value utilizing digital technology based on her extensive insight and experience, and supervise the management of the Company from an independent and objective standpoint, thereby strengthening the supervisory and decision-making functions of the Board of Directors of the Company and contributing to the further growth of the Company. </p> | | |

Notes:

1. Upon approval of this item, Mr. Thomas Ko will be reappointed to the Representative Director, President and Chief Executive Officer (CEO) of the Company at the Board of Directors' meeting of the Company to be held after this General Shareholders' Meeting.
2. There are business transactions such as royalty payments, etc., based on the license agreement between McDonald's Company (Japan), Ltd., a consolidated subsidiary of the Company, and McDonald's Corporation, to which Mr. Dario Baroni belongs. Mr. Thomas Ko concurrently holds the office of Representative Director, President and Chief Executive Officer (CEO) of McDonald's Company (Japan), Ltd. Since McDonald's Company (Japan), Ltd. is a wholly-owned subsidiary of the Company, there are no special interests between the Company and McDonald's Company (Japan), Ltd.
There are no special interests between any other director candidates and the Company.
3. Mr. Tetsu Takahashi and Ms. Akiko Nakajo are candidates for Outside Directors.
4. Mr. Tetsu Takahashi is currently an Outside Director of the Company, and he will have held the office of Outside Director for four (4) years at the conclusion of the Meeting.
5. Independent Director
The Company has appointed Mr. Tetsu Takahashi as an Independent Director based on the regulations of the Tokyo Stock Exchange and submitted this to the Tokyo Stock Exchange. If his re-appointment is approved, the Company will continue appointing him as an Independent Director. Ms. Akiko Nakajo is also qualified as an Independent Director under the regulations of the Tokyo Stock Exchange and the Company, and the Company will appoint her as an Independent Director and submit this to the Tokyo Stock Exchange.
6. Agreements limiting the liability
The Company, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act and the Articles of Association of the Company, has executed the agreement with Mr. Tetsu Takahashi, which shall limit the liability of such Outside Director under Article 423, Paragraph 1 of the Companies Act. The limit of liability under such agreement shall be the amount prescribed by laws and regulations. Subject to the approval of the item to re-appoint the candidate as a Director, the Company shall continue the agreement with him.
In addition, if the appointment of Mr. Dario Baroni, Mr. Joseph Chiczewski and Ms. Akiko Nakajo is approved in this item, the Company will enter into new agreements with them with the same terms and conditions as the above-said agreement.
7. Directors and Officers liability insurance contract
The Company has entered into a liability insurance contract with an insurance company for Directors and Audit & Supervisory Board Members, etc., as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract will cover legal damages and dispute costs in the event of a claim for damages arising from an act (including an omission) based on his / her position. If each candidate for Director is appointed and assumes office as Director, they will be included in the insured of the insurance contract. The Company will renew the insurance contract with the same terms and conditions at the next renewal.

Item No.3: Appointment of One (1) Audit & Supervisory Board Member

Ms. Ellen Caya resigned as an Audit & Supervisory Board Member effective October 1, 2025 for personal reasons.

Accordingly, the Company proposes the appointment of one (1) Audit & Supervisory Board Member.

The candidate Ms. Amy Rourke will not be appointed as a substitute for Ms. Ellen Caya, and her term of office will be until the conclusion of the General Shareholders Meeting for the final fiscal year ending within four (4) years after her appointment.

The selection of candidate was resolved by the Board of Directors after deliberation of the Nomination Committee, chaired by an independent Outside Director, and the majority of whose members are independent Outside Directors, followed by an agreement of the Audit & Supervisory Board.

The candidate is as follows:

(Reference) Candidate for Audit & Supervisory Board Member

| Name | Position in the Company | Candidate Attributes |
|-------------------------------|-------------------------|----------------------|
| Newly appointed Amy Rourke | — | |

Notes:

The position in the Company is at the time of the resolution at the Board of Directors meeting held in relation to the convocation of the Meeting (as of February 17, 2026).

| Name (Date of Birth) | Brief Personal History, and Positions in the Company (Important Position(s) concurrently held) |
|---|---|
| <p data-bbox="212 454 391 517">Amy Rourke (April 18, 1988)</p> <p data-bbox="212 546 391 577">Newly appointed</p> <p data-bbox="204 611 399 674">Holding Shares of the Company: 0</p> | <p data-bbox="438 304 962 331">Jan. 2012 Joined Dallas McMillan Solicitors</p> <p data-bbox="438 349 874 376">Mar. 2014 Joined Donovan Jury Law</p> <p data-bbox="438 394 906 421">Sep. 2016 Joined McDonald’s Australia</p> <p data-bbox="438 439 1078 465">Dec. 2018 Senior Legal Counsel, McDonald’s Australia</p> <p data-bbox="438 483 1385 546">Mar. 2020 Senior Manager, Legal Department, Legal & Governance Division, McDonald’s Company (Japan), Ltd.</p> <p data-bbox="438 564 1385 627">Jan. 2022 Director Legal, International Developmental Licensed Markets, McDonald’s Corporation</p> <p data-bbox="438 645 1385 707">Feb. 2024 Director, Franchise and Business Counsel – Japan, China and Hong Kong, McDonald’s Corporation (Current)</p> |
| | <p data-bbox="438 770 1027 797">(Important Office Title/Position in Other Corporations)</p> <p data-bbox="438 797 1374 860">Director, Franchise and Business Counsel – Japan, China and Hong Kong, McDonald’s Corporation</p> |
| <p data-bbox="196 875 1123 902">(Reasons for the nomination of the candidate for Audit & Supervisory Board Member)</p> <p data-bbox="196 909 1402 1115">Ms. Amy Rourke, as a lawyer in Scotland, UK, and New South Wales, Australia, has advisory experience in wide areas including complicated international transactions such as franchising at several companies as well as McDonald’s Corporation. Additionally, she has experience in supporting franchising strategy, etc., as a member of the Legal Department at McDonald’s Company (Japan), Ltd., our subsidiary, in the past. Based on her experience and past performance, as well as her extensive knowledge of McDonald’s business, we have judged that she will be able to properly perform the duties of Audit & Supervisory Board member and have nominated her as a candidate for Audit & Supervisory Board member.</p> | |

Notes:

1. Ms. Amy Rourke’s legal name is Emma Hardie.
2. There are business transactions such as royalty payments, etc., based on the license agreement between McDonald’s Company (Japan), Ltd., a consolidated subsidiary of the Company, and McDonald’s Corporation, to which Ms. Amy Rourke, belongs.
3. Agreements limiting the liability
Upon approval of this item, the Company, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act and the Articles of Association of the Company, will enter into a new agreement with Ms. Amy Rourke, which shall limit such Audit & Supervisory Board Member liability under Article 423, Paragraph 1 of the Companies Act. The limit of liability under such agreement shall be the amount prescribed by laws and regulations.
4. Directors and Officers liability insurance contract
The Company has entered into a liability insurance contract with an insurance company for Directors and Audit & Supervisory Board Members, etc., as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract will cover legal damages and dispute costs in the event of a claim for damages arising from an act (including an omission) based on his / her position. If Ms. Amy Rourke is appointed and assumes office as Audit & Supervisory Board Member, she will be included in the insured of the insurance contract. The Company will renew the insurance contract with the same terms and conditions at the next renewal.

(Reference) Skill matrix of Directors and Audit & Supervisory Board Members after the conclusion of the Meeting (tentative)

The main knowledge and experience that the Company expects from each Director and each Audit & Supervisory Board Member when the candidates listed in this convocation notice are appointed as originally proposed are as follows:

| Position in the Company Name | Corporate Management | Marketing | IT/Digital | Law/ Compliance | Finance/ Accounting | Human Resources | Global Business | Society/ Environment | McDonald's Business |
|---|----------------------|-----------|------------|-----------------|---------------------|-----------------|-----------------|----------------------|---------------------|
| Representative Director, President and CEO Thomas Ko | ● | | | | ● | | ● | | ● |
| Director Fusako Znaiden | | ● | | | | | ● | ● | ● |
| Director Yukiko Saito | | | | | | ● | | | ● |
| Director Nikolaus Piza | ● | | | ● | ● | | ● | | ● |
| Director Dario Baroni | ● | ● | | | | | ● | | ● |
| Director Joseph Chiczewski | ● | | | | ● | | ● | | ● |
| Independent Outside Director Tetsu Takahashi | ● | | | ● | | | | | |
| Independent Outside Director Yuko Tashiro | ● | | | | ● | | ● | | |
| Independent Outside Director Akiko Nakajo | ● | | ● | | | | ● | | |
| Full-time Independent Outside Audit & Supervisory Board Member Sonoko Kajiyama | | | | ● | ● | | ● | | |
| Audit & Supervisory Board Member Amy Rourke | | | | ● | | | ● | | ● |
| Independent Outside Audit & Supervisory Board Member Yoshiyuki Honda | ● | | ● | | ● | | ● | | |
| Independent Outside Audit & Supervisory Board Member Makiko Hamabe | | | | | ● | | | ● | |

Notes:

1. The Company newly defined the requirements for each skill through discussion at the Board of Directors' meeting. This skills matrix does not represent all knowledge and experience.
2. Mr. Thomas Ko will be re-appointed as Representative Director, President and CEO of the Company at the Board of Directors meeting after the Meeting.

Item No.4: Final Payment of Retirement Allowances to Directors due to the Abolition of the Retirement Allowance System

As part of the review of the executive compensation system, the Company resolved at the Board of Directors meeting held on February 17, 2026, to abolish the retirement allowance system for Directors as of March 25, 2026.

Accordingly, the Company proposes making final payments of retirement allowance within a reasonable amount in accordance with the standards prescribed by the Company to Mr. Thomas Ko, Director, provided that Item No. 2 "Appointment of Five (5) Directors" is approved and adopted as originally proposed, and Ms. Fusako Znaiden and Ms. Yukiko Saito, Directors in office, in order to reward them for their services from the time of their assumption of office until March 25, 2026.

The timing of this payment shall be upon the retirement of each person from all the positions of Director, Vice President and employee of the Company and its subsidiary, and the specific amount and method of payment shall be left to the discretion of the Board of Directors.

This proposal has been decided by the Board of Directors in accordance with policy and internal rules for determining the contents of remuneration for Director which has been determined in advance by the Board of Directors, and is judged to be appropriate.

The policy for determining the contents of remuneration for Directors of the Company is as stated in the Business Report of "II. Status of the Company, 3. Matter concerning Directors and Audit & Supervisory Board Members of the Company, (5) Policy for determining the content of remuneration for Directors"

The brief history of each person is as follows:

| Name | Brief Personal History |
|----------------|--|
| Thomas Ko | Mar. 2024: Director, the Company Mar. 2025: Representative Director, President and CEO, the Company (Current) |
| Fusako Znaiden | Mar. 2023: Director, the Company (Current) |
| Yukiko Saito | Mar. 2025: Director, the Company (Current) |

Note: Mr. Nikolaus Piza, Director in office, and Mr. Andrew Gregory, who resigned as Director as of February 6, 2026, are not eligible to receive the retirement allowance. Therefore, they are not subject to final payments to Directors in connection with the abolition of the retirement allowance system for Directors. The retirement allowances system for Outside Directors has already been abolished. Therefore, Outside Directors are not subject to this proposal.

The governing language of this report is Japanese.
An English translation hereof is provided for reference purposes only.

For the 55th term Business Report for the Fiscal Year January 1 - December 31, 2025

I. Condition of the Company group

1. Overview of business results for the term

(1) Business progress and results

In February 2025, the Group announced its Medium-Term Management Plan for the period from fiscal year 2025 through fiscal year 2027, aimed at achieving sustained growth and improving profitability in order to continuously enhance corporate value. To address increasingly diverse and elevated customer expectations and to remain the most loved restaurant brand in Japan, the Group aims to achieve further growth by strengthening and expanding its community-based franchise business. As specific strategic priorities, we will focus on three key areas — Menu & Value, Restaurant Portfolio & Digital, and Sustainability & People — to drive continuous sales growth and improve restaurant profitability, while realizing sustainable growth rooted in local communities. We have set financial targets including a system-wide sales annual growth rate of 4-6%, an operating income annual growth rate of 4-6%, an operating income ratio of 13%, and a return on equity (ROE) of 11% or higher.

During the current consolidated fiscal year, as in prior years, we listened closely to customer feedback, ensured rigorous hygiene management in restaurant, enhanced QSC and convenience, and made proactive investments in marketing, restaurants, and human resources, with a focus on improving the overall customer experience. As a result, systemwide sales increased year on year, and same-store sales rose for the 41st consecutive quarter, from the fourth quarter of fiscal year 2015 through the fourth quarter of fiscal year 2025. On the earnings front, despite a challenging business environment marked by rising food and other restaurant operating costs, operating income increased year on year, driven by growth in systemwide sales as well as initiatives to improve efficiency and optimize costs in restaurant operations.

<Three Key Focus Areas of the Medium-Term Management Plan>

(a) Menu & Value

We will offer attractive and delicious menu items tailored to customer needs across all dayparts. In addition to McDonald's signature core menu items, we will continue to introduce limited-time offers that capture the unique appeal and enjoyment of Japan's four distinct seasons. Furthermore, during Asa Mac, Yoru Mac, and snack time outside lunch hours, we will expand menu offerings to serve a wider range of customers and dining occasions by providing menus optimized for each respective time segment.

We believe that the value perceived by customers is determined by the restaurant experience divided by price. Through proactive investments in our restaurants, high QSC standards, and marketing promotions, we work to enhance the overall restaurant experience, while also offering affordable menu items and campaigns to ensure that customers consistently perceive value that exceeds the price paid.

During the current consolidated fiscal year, we promoted the expansion of our fan base by delivering excitement to customers, while striving to enhance the restaurant experience through continuous improvements in daily operations and service. To continue providing a restaurant experience that satisfies our customers, we implemented price revisions in March 2025. By offering affordable menu selections and promotions aligned with customer expectations, we sustained high guest traffic throughout the year. In addition, we launched My McDonald's Rewards, a loyalty program that enables customers to earn points on purchases made via the official McDonald's app and redeem them for a variety of rewards. Following the full-scale rollout of My McDonald's Rewards in October 2025, we are expanding its scope of utilization and leveraging it across a broad range of initiatives to deliver enhanced experiences for our valued, frequent customers.

(b) Restaurant Portfolio & Digital

Through proactive new restaurant development and the strategic closure of locations facing capacity constraints or other challenges, we will increase our restaurant count with a focus on delivering an improved customer experience. We aim to achieve a net increase of more than 100 restaurants over the three-year period starting in 2025, advance the optimization of our restaurant portfolio, and improve sales per restaurant and profitability. In addition, we will continue to strengthen and expand our franchise business, which is deeply rooted in local communities and capable of delivering an enhanced restaurant experience through consistently high QSC standards. The optimization of our restaurant portfolio and the expansion of the franchise business are closely interrelated; by steadily executing both and maximizing their synergies, we will build a robust business foundation.

We have significantly enhanced customer convenience through mobile ordering, delivery services, and self-order kiosks. Leveraging digital technologies has enabled restaurant crew members to deliver more hospitable service while also improving the efficiency of kitchen operations. Going forward, we will continue to accelerate the integration of Digital and People across all restaurants, and, in order to enhance the restaurant experience for both customers and employees, we plan to remodel more than 1,000 restaurants over the three-year period starting in 2025.

During the current consolidated fiscal year, we opened 120 new restaurants and closed 83 locations. As reflected in the increase in systemwide sales, we are making steady progress toward building an optimal restaurant portfolio. In addition, 220 restaurants were remodeled during the year. Based on the conditions of each restaurant, we are designing and steadily implementing optimal layouts on a restaurant-by-restaurant basis that both deliver an improved restaurant experience for customers and enhance profitability.

(c) Sustainability & People

In order to fulfill our purpose, “Feed and Foster Communities,” we are advancing initiatives focused on four priority areas: Food Quality & Sourcing, Our Planet, Community Connection, and Jobs, Inclusion & Empowerment.

During the current consolidated fiscal year, in line with our goal to achieve net-zero greenhouse gas emissions by 2050, we introduced corporate Power Purchase Agreements (PPAs) utilizing solar power generation and advanced the procurement of renewable energy for our restaurants. We have also made steady progress in reducing plastic usage. As part of these efforts, we have steadily executed our goal to transition all customer packaging to renewable, recycled, or certified materials by the end of 2025, including the phased introduction of strawless lids made from 100% recycled PET. In community engagement, we have expanded the circle of support for Ronald McDonald House through charitable activities such as Blue McDonald’s Day, and enabled cashless payment options for in-store donations, thereby promoting ongoing fundraising activities.

We believe that people are the foundation of McDonald’s business. To accurately understand rapidly changing customer needs and deliver better restaurant experiences, the engagement of every individual within the McDonald’s system—including approximately 220,000 crew members nationwide — is essential. We will continue to provide growth opportunities for all employees, promote ways of working that enable everyone to thrive and build a more supportive and comfortable workplace environment.

<System-wide Sales and Revenue>

In the consolidated fiscal year, same-store sales increased by 5.7% as a result of synergy effects from various initiatives that enhance the customer experience based on our Medium-term Management Plan. Systemwide sales were 888,649 million yen (a 59,508 million yen increase from the same period last year), hit a record high, and revenue was 416,602 million yen (a 11,125 million yen increase from the same period last year).

<Cost of Sales>

The cost-of-sales ratio for company-operated restaurants dropped 0.4 percentage points, mainly due to higher sales and improved store profitability. Also, occupancy expenses for franchised restaurants increased 0.4 percentage points, mainly due to an increase in advertising expenses.

(Breakdown of Net Sales and Cost of Sales)

(Unit: Million Yen)

| | Year ended December 31, 2024 | | Year ended December 31, 2025 | | Year-on-year change | |
|--|---------------------------------|-------|---------------------------------|-------|---------------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Sales by Company-operated restaurants | 273,459 | - | 270,089 | - | (3,370) | - |
| Company-operated restaurant's cost of sales | 243,315 | 89.0% | 239,355 | 88.6% | (3,960) | (0.4)% |
| (Breakdown) | | | | | | |
| Raw material | 101,134 | 37.0% | 100,708 | 37.3% | (426) | 0.3% |
| Labor | 72,702 | 26.6% | 69,496 | 25.7% | (3,205) | (0.9)% |
| Other | 69,478 | 25.4% | 69,150 | 25.6% | (327) | 0.2% |
| Revenue from franchised restaurants | 132,018 | - | 146,513 | - | 14,495 | - |
| Franchise restaurants-occupancy expenses | 81,173 | 61.5% | 90,675 | 61.9% | 9,501 | 0.4% |
| Total net sales | 405,477 | - | 416,602 | - | 11,125 | - |
| Total cost of sales | 324,489 | 80.0% | 330,031 | 79.2% | 5,541 | (0.8)% |

<Selling, General and Administrative Expenses>

Regarding selling, general and administrative expenses, we made investments for further growth and optimized expenses.

(Breakdown of Selling, General and Administrative Expenses)

(Unit: Million Yen)

| | Year ended December 31, 2024 | | Year ended December 31, 2025 | | Year-on-year change | |
|--|---------------------------------|------|---------------------------------|------|---------------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Selling, general & administrative expenses | 32,966 | 8.1% | 33,313 | 8.0% | 347 | (0.1)% |
| (Breakdown) | | | | | | |
| Advertising & selling | 8,477 | 2.1% | 8,146 | 2.0% | (331) | (0.1)% |
| Other | 24,488 | 6.0% | 25,167 | 6.0% | 678 | 0.0% |

<Operating Income and Ordinary Income>

Operating income was 53,257 million yen (a 5,236 million yen increase from the same period last year), and ordinary income was 52,051 million yen (a 4,662 million yen increase from the same period last year), reflecting a sales increase.

<Net Income Attributable to Owners of Parent>

Net income attributable to owners of parent was 33,909 million yen (a 1,947 million yen increase from the same period last year) after 16,496 million yen of tax provision due to 52,051 million yen of ordinary income, plus a special loss of 1,792 million yen for impairment loss and loss on disposals of non-current assets.

- (*)1. Same-store sales are the total sales of restaurants operating for 13 months or longer.
 2. System-wide sales are the combined net sales of company-operated and franchised restaurants; the amount does not equal net sales presented in the consolidated statements of income.

(2) Investment activities

During the fiscal year ended December 2025, we took a flexible approach in reviewing the allocation of funds among new openings, remodel and rebuild and continuing to invest for business growth.

(Unit: Million yen)

| | Restaurants | Offices | Total |
|-------------------------------|-------------|---------|--------|
| Buildings and structures | 29,118 | 12 | 29,130 |
| Machinery and equipment | 4,928 | 8 | 4,936 |
| Tools, furniture and fixtures | 4,030 | 267 | 4,298 |
| Land | 2,180 | - | 2,180 |
| Lease assets | 50 | - | 50 |
| Software | - | 3,184 | 3,184 |
| Total | 40,308 | 3,472 | 43,780 |

(3) Funding of McDonald's Japan group

During the current consolidated fiscal year, the Company did not raise specific funding.

(4) Acquisition or disposition of other company's share and share warrant

Not applicable.

2. Business results and financial standing of McDonald's Japan group

(Millions of yen, except for per share information)

| | 2022 | 2023 | 2024 | 2025 |
|----------------------------|----------|----------|----------|----------|
| System-wide sales | 717,589 | 777,752 | 829,140 | 888,649 |
| Revenues | 352,300 | 381,989 | 405,477 | 416,602 |
| Operating income | 33,807 | 40,877 | 48,021 | 53,257 |
| Ordinary income | 32,813 | 40,734 | 47,389 | 52,051 |
| Net income | 19,937 | 25,163 | 31,961 | 33,909 |
| Net income per share (Yen) | 149.96 | 189.26 | 240.39 | 255.04 |
| Total assets | 277,365 | 311,393 | 337,094 | 364,473 |
| Net assets | 206,724 | 226,673 | 253,044 | 280,467 |
| Net assets per share (Yen) | 1,554.80 | 1,704.84 | 1,903.18 | 2,109.44 |

3. Significant parent company and subsidiaries

(1) Relationship with parent company

Not applicable.

(2) Significant subsidiaries

| | Capital (Millions of yen) | Voting rights percentage of the Company | Principal business |
|----------------------------------|------------------------------|---|----------------------|
| McDonald's Company (Japan), Ltd. | 100 | 100% | Hamburger restaurant |

4. Issues to be addressed

For future growth, we will continue to work on the three focus areas as stipulated in our Medium-Term Management Plan, namely: "Menu & Value," "Restaurant Portfolio & Digital," and "Sustainability & People." Please refer to "I. Condition of the Company group 1. Overview of business results for the term (1) Business progress and results <Three Key Focus Areas of the Medium-Term Management Plan>" for the challenges we face in those three focus areas and how they are being addressed.

The business environment surrounding the Group continues to change in terms of customer behavior patterns and needs. In addition, we face the impact of exchange rate fluctuations and the rising trend in restaurant operations costs — especially material costs — on an ongoing basis. The Group will remain committed to enhancing the restaurant experience of our customers — by constantly listening to customer feedback, ensuring rigorous hygiene management in restaurants, enhancing QSC and convenience, and making proactive investments in marketing, restaurants, and people. And we will continue to promote cost optimization, as well as food safety, community contributions, climate change countermeasures, and work styles that help our employees and crew people grow and succeed, in pursuit of sustainable growth and enhanced corporate value.

5. Business results and financial standing (as of December 31, 2025)

The principal business of the McDonald's Japan group is the hamburger restaurant business with both company-operated restaurants and franchised restaurants. The trends in sales are shown as below.

(Unit: Million Yen)

| | 2022 | 2023 | 2024 | 2025 |
|------------------------------|---------|---------|---------|---------|
| Company-operated restaurants | 238,131 | 260,103 | 273,458 | 270,520 |
| Franchised restaurants | 479,458 | 517,649 | 555,681 | 618,128 |
| System-wide sales | 717,589 | 777,752 | 829,140 | 888,649 |

6. Office and restaurant information (as of December 31, 2025)

(1) Main office:

| | |
|--|---------------------------------|
| McDonald's Holdings Company (Japan), Ltd.: the Company (Subsidiaries) | Head office: Shinjuku-ku, Tokyo |
| McDonald's Company (Japan), Ltd.: subsidiary | Head office: Shinjuku-ku, Tokyo |

(2) Number of restaurants:

| | 2024 | 2025 | Increase (Decrease) |
|------------------------------|-------|-------|------------------------|
| Company-operated restaurants | 787 | 705 | (82) |
| Franchised restaurants | 2,201 | 2,320 | 119 |
| Total | 2,988 | 3,025 | 37 |

| | |
|--|------|
| Number of restaurants opened in the current term | 120 |
| Number of restaurants closed in the current term | (83) |
| Net increase | 37 |

7. Condition of the Company's employees (as of December 31, 2025)

(1) Headcounts for McDonald's Japan group

| | Number of employees | | Year-on-year increase (decrease) | |
|--------------|---------------------|----------|----------------------------------|-----------|
| Restaurants | 1,767 | [14,436] | (116) | [(1,555)] |
| Headquarters | 687 | [40] | 53 | [(3)] |
| Total | 2,454 | [14,476] | (63) | [(1,558)] |

Note:

The number of employees does not include part-time and temporary staff; the number of part-time and temporary staff is shown in [] (yearly average number).

The number of employees does not include employees seconded to other companies or dispatched overseas (263), employees on leave (89), and advisors (2).

(2) Condition of the Company's employees

| | Number of employees | | Year-on-year increase (decrease) | |
|--------------|---------------------|-----|----------------------------------|-----|
| Headquarters | 2 | [-] | 2 | [-] |
| Total | 2 | [-] | 2 | [-] |

Note:

1. The Company is a holdings company and its administrative/accounting work is outsourced to McDonald's Company (Japan), Ltd.

2. The number of employees increased by 2 compared with the previous fiscal year due to organizational change and acceptance of seconded employees.

8. Principal lenders (as of December 31, 2025)

Not applicable.

9. Other material issues for the Group

Not applicable.

II. Status of the Company

1. Status of shares (as of December 31, 2025)

| | |
|--|--------------------|
| (1) Total number of shares authorized to be issued by the Company: | 480,840,000 shares |
| (2) Total number of shares issued: | 132,960,000 shares |
| (3) Number of shareholders: | 383,249 |
| (4) Stock trading unit: | 100 shares |
| (5) Major shareholders (Top 10) | |

| Name | Company ownership by shareholders | |
|---|-----------------------------------|-----------------------------------|
| | Number of shares owned (hundreds) | Percentage of total shares issued |
| MCDONALD'S RESTAURANTS OF CANADA LIMITED | 335,750 | 25.25 |
| MCD APMEA SINGAPORE INVESTMENTS PTE.LTD. | 133,850 | 10.07 |
| BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTSMLSCB RD | 18,380 | 1.38 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 12,812 | 0.96 |
| JP MORGAN CHASE BANK 385781 | 12,441 | 0.94 |
| CUSTODY BANK OF JAPAN, LTD. (ACCOUNT IN TRUST) | 8,001 | 0.60 |
| THE MASTER TRUST BANK OF JAPAN, LTD. (ACCOUNT IN TRUST) | 7,398 | 0.56 |
| MCDONALD'S GROUP STOCKS SOCIETY | 6,827 | 0.51 |
| JPMORGAN SECURITIES JAPAN CO., LTD. | 6,754 | 0.51 |
| JP MORGAN CHASE BANK 385864 | 5,594 | 0.42 |

Notes:

1. Percentage of total shares issued is calculated by deducting treasury stocks (1,231 shares) .
2. Number of shares owned less than 100 is rounded down and percentage of total shares issued is rounded to the third decimal place.

(6) Status of shares allotted to Directors or Audit & Supervisory Board Members of the Company as remuneration for the execution of their duties during the fiscal year

Not applicable.

2. Status of share warrant

Not applicable.

3. Matter concerning Directors and Audit & Supervisory Board Members of the Company

(1) Status of Directors and Audit & Supervisory Board Members (as of December 31, 2025)

| Position in the Company | Name | Status of significant concurrent position in other entities |
|--|-----------------|--|
| Representative Director, President and CEO | Thomas Ko | Representative Director, President and CEO, McDonald's Company (Japan), Ltd. |
| Director | Fusako Znaiden | Director, Senior Vice President and CMO, McDonald's Company (Japan), Ltd. Part-time Director, Orion Breweries, Ltd. STEM Girls Ambassadors |
| Director | Yukiko Saito | Director, Vice President and CPO, McDonald's Company (Japan), Ltd. |
| Director | Jo Sempels | President and CEO, McDonald's France |
| Director | Andrew Gregory | Senior Vice President, Global Franchising & Development Officer, McDonald's Corporation |
| Director | Nikolaus Piza | CFO, International Developmental Licensed Markets Segment, McDonald's Corporation |
| Director | Masataka Ueda | Director, the Board Director Training Institute of Japan, Public Interest Incorporated Association Director, the specified nonprofit organization FTJ |
| Director | Tetsu Takahashi | Executive Partner Lawyer, EST Partners Law Office Outside Director (Audit & Supervisory Committee Member), Nomura Real Estate Holdings, Inc. |
| Director | Yuko Tashiro | Outside Director, Yamaha Motor Co., Ltd. Director, NPO Mirai Kaihatsu Kenkyujo Chairperson, the specified nonprofit organization FTJ |

| Position in the Company | Name | Status of significant concurrent position in other entities |
|--|-----------------|---|
| Full-time Audit & Supervisory Board Member | Sonoko Kajiyama | Statutory Auditor, McDonald's Company (Japan), Ltd. Outside Audit & Supervisory Board Member, Itochu Enex Co., Ltd. Outside Director, Sony Financial Group, Inc. Outside Director (Audit & Supervisory Committee Member), Yokogawa Bridge Holdings Corp. |
| Audit & Supervisory Board Member | Yoshiyuki Honda | Director, Sumida Corporation |
| Audit & Supervisory Board Member | Makiko Hamabe | Representative, Makiko Hamabe Office Outside Director, Otsuka Corporation Independent Non-Executive Director, Deloitte Tohmatsu Group Japan LLC and Deloitte Touche Tohmatsu LLC |

Notes:

1. Mr. Jo Sempels, Mr. Masataka Ueda, Mr. Tetsu Takahashi and Ms. Yuko Tashiro are Outside Directors.
2. Ms. Sonoko Kajiyama, Mr. Yoshiyuki Honda and Ms. Makiko Hamabe are Outside Audit & Supervisory Board Members.
3. The Company has registered Outside Directors, Mr. Masataka Ueda, Mr. Tetsu Takahashi and Ms. Yuko Tashiro and Outside Audit & Supervisory Board Members, Ms. Sonoko Kajiyama, Mr. Yoshiyuki Honda and Ms. Makiko Hamabe as independent officers at the Tokyo Stock Exchange.
4. Full-time Audit & Supervisory Board Member, Ms. Sonoko Kajiyama, is a Certified Public Accountant in Japan and has many years of experience as a certified public accountant and an auditor in internal audit and has considerable financial and accounting knowledge.
5. Audit & Supervisory Board Member, Mr. Yoshiyuki Honda, a Certified Public Accountant in Japan and the United States, has many years of experience as a certified public accountant and a head of finance and executive of many private companies, and has considerable financial and accounting knowledge.
6. Audit & Supervisory Board Member, Ms. Makiko Hamabe, has been engaged in corporate communications and investor relations at several companies for many years and has considerable knowledge of stakeholder dialogue and ESG and sustainability issues.
7. At the conclusion of the 54th Annual General Meeting of Shareholders held on March 25, 2025, Mr. Tamotsu Hihiro and Mr. Akira Kawamura retired from the position of Director due to the expiration of their term of office.
8. Effective October 1, 2025, Ms. Ellen Caya resigned as an Audit & Supervisory Board Member for personal reasons. At the time of the resignation, she was the Vice President, Internal Audit and Controls, Chief Audit Executive at McDonald's Corporation. She has taken charge of internal audit for many years in McDonald's Corporation and other companies, and has considerable auditing, corporate governance and accounting knowledge.
9. Effective February 6, 2026, Mr. Andrew Gregory resigned as a Director for personal reasons.

(2) Overview of liability limitation contract

Based on the Articles of Association of the Company and Article 427, Paragraph 1 of the Companies Act, the Company entered into an agreement with each Director (excluding executive directors, etc.) and each Audit & Supervisory Board Member to limit their liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act to the extent of the amount set forth in the law. The Company was in such agreement with Ms. Ellen Caya, until her resignation as Audit & Supervisory Board Member on October 1, 2025.

(3) Overview of directors and officers liability insurance contract

The Company has entered into a Directors and Officers Liability Insurance Agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act, naming the Directors, Audit & Supervisory Board Members and officers of the Company and its subsidiaries (hereinafter collectively referred to as "Officers" in this item) as insureds. The insurance contract covers legal damages and litigation expenses in the event of a claim for damages arising from an act (including an omission) committed by the insured as Officers of the Company. However, in the event of willful negligence of duty, illegal provision of profits or favors, or criminal acts, the insurance contract does not cover such claims, so that the appropriateness of the execution of duties by Officers is not impaired. The Company bears all insurance premiums.

(4) Remunerations for Directors and Audit & Supervisory Board Members

| Position | Number | Amount |
|----------------------------------|--------|------------------|
| Director | 8 | 299 million yen |
| (Outside members) | (4) | (45 million yen) |
| Audit & Supervisory Board Member | 3 | 32 million yen |
| (Outside members) | (3) | (32 million yen) |
| Total | 11 | 331 million yen |
| (Outside members) | (7) | (77 million yen) |

Notes:

1. The above excludes the Directors and Audit & Supervisory Board Member who serves without remuneration.
2. The amount for directors excludes the portion of compensation as an employee for those who serve concurrently as an employee and remuneration for directors paid by a subsidiary of the Company of which the Directors concurrently hold the office of director.
3. As per the resolution adopted at the 47th annual general shareholders' meeting held on March 28, 2018, the limit of remuneration to be paid to directors is 1,200 million yen per year (including 60 million yen for outside directors, but excluding the portion of compensation as an employee and remuneration for directors paid by a subsidiary of the Company of which the directors concurrently hold the office of director) The number of eligible directors as of the close of the 47th annual general shareholders' meeting is 8, including 2 outside directors.
4. The Company set up directors' remuneration based on the limitation of Article 361, Paragraph-1 of the Companies Act: monthly remuneration, stock-price-linked remuneration, business-performance-linked remuneration and retirement benefits.
5. The main performance indicator for performance-based remuneration is consolidated ordinary income for the fiscal year, while indicators such as business enhancement measures for each fiscal year are set as supplementary indicators. This is because the Company Group believes that consolidated ordinary income will continue to have solid importance as an indicator that most clearly shows the status of the Group's corporate activities and as a source of funds for investment in growth and shareholder returns. Please refer to "I. Condition of the Company Group 2. Business results and financial standing of McDonald's Japan Group" for consolidated ordinary income for the current fiscal year.
6. The above amounts include the following (There is no non-monetary remuneration.):
 - Directors' remuneration (stock-price-linked): 39 million yen (39 million yen for 4 directors, excluding outside directors);
 - Directors' remuneration (business-performance-linked): 64 million yen (64 million yen for 3 directors, excluding outside directors);

- Provision of reserve for retirement benefits for directors: 73 million yen (73 million yen for 4 directors, excluding outside directors; 8 million yen for 1 outside director)
7. As per the resolution adopted at the 46th annual general shareholders' meeting held on March 24, 2017, the amount of remuneration to be paid to Audit & Supervisory Board Members is limited to 50 million yen per year. The number of eligible Audit & Supervisory Board Members as of the close of the 46th annual general shareholders' meeting is 4.
 8. Audit & Supervisory Board Members' remuneration consists of monthly remuneration and retirement benefits for auditors based on Article 387 of the Companies Act.
 9. The above amounts include the following remunerations:
 - Remuneration corresponding to the execution of duties by officers who retired during the current fiscal year (3 million yen in stock-price-linked remuneration and 4 million yen in directors' retirement benefits paid to 1 retiring director).
 - Remuneration paid during the current fiscal year that does not correspond to the execution of duties in the current fiscal year (51 million yen in directors' retirement benefits paid to 1 retiring director and 8 million yen in directors' retirement benefits paid to one retiring outside director).
 10. Pursuant to the resolution of the 54th annual general shareholders' meeting held on March 25, 2025, the directors' retirement benefits paid to directors who retired upon expiration of their terms of office as of March 26, 2024, and to directors who retired upon expiration of their terms at the conclusion of the same meeting, are as follows:
 - 238 million yen paid to 2 directors (including 0 outside director).
 - Of the above amount, 114 million yen is included as the provision for directors' retirement benefits that had been incorporated in the total amount of remunerations for directors in item 9 above and in the business reports for prior fiscal years.

(5) Policy for determining the content of remuneration for Directors

The Board of Directors resolves the policy for determining the content of remuneration for each Director.

Also, the Board of Directors has determined that the individual remuneration of Directors for the fiscal year is in line with the policy, as the content of the remuneration determined is consistent with the policy and the decision was made by the Compensation Committee chaired by an Independent Outside Director.

The details of the policy for determining the content of remuneration for Directors are as follows.

(a) Basic policy

Compensation for board members of the Company shall be linked to the Company's business performance so as to function sufficiently as an incentive for sustainable enhancement of corporate value. The basic policy is as follows:

- To determine compensation of individual members at a level that is appropriate in light of their respective responsibilities and competitive in comparison with other companies in the same industry and companies of the same size in other industries.
- While developing excellent talents within the Company, the compensation level is set at a competitive and effective level which attracts diverse outstanding talents as board members from inside and outside the country.

Specifically, compensation for executive Directors shall consist of basic compensation and retirement allowance as fixed compensation and performance-based compensation including stock price linked compensation, etc. Outside board members who are responsible for supervisory functions shall be paid basic compensation in consideration of their duties.

(b) Policy to determine the compensation amount, etc., for each individual as basic compensation (including policies to determine the timing or conditions for offering compensation, etc.)

Basic compensation (monetary) for board members of the Company shall be fixed monthly compensation which shall be determined in a comprehensive manner based on their roles, responsibilities, years of service and other factors, taking into consideration the level of other companies, business performance of the Company, the level of employee salaries and evaluations. The basic compensation shall be paid at a fixed time every month, and no special conditions shall be set for payment.

The standard for retirement allowance is regulated by retirement allowance regulations based on compensation, period, title, and contributions as a board member, and the amount is determined by it. Retirement allowance will be paid at the time of the final retirement from all positions as a director and employee of the Company and its subsidiary.

- (c) Policy to determine details of performance-based compensation, etc. and the method for calculating the amount (including policies to determine the timing or conditions for offering compensation, etc.)

Performance-based compensation, etc., consists of (i) compensation reflecting performance indicators (KPI) to raise awareness towards the improvement of business performance for each fiscal year and (ii) compensation using a pseudo-share format of the Company's shares to raise awareness towards the improvement of corporate value over the medium-to-long term. (i) The amount calculated in accordance with the degree of achievement against the target value and evaluations shall be paid at a certain time every year. Target performance indicators and their values shall be set so that they are consistent with the targets for the relevant fiscal year. (ii) The number of pseudo-shares determined in accordance with the roles, responsibilities and evaluations shall be granted at a certain time each year. When exercising the right, the amount calculated in accordance with the Company's stock price shall be paid as monetary compensation.

- (d) Policy to determine the ratio of the amount of monetary compensation or the amount of performance-based compensation, etc., to the amount of compensation, etc., of individual board members

The ratio of compensation for each type of executive Director shall be determined within the range of the following percentage table based on the level of compensation benchmarked against companies of a similar business scale or in a related industry or business category, and shall be composed by comprehensively taking into account the role and responsibilities of each individual by the Compensation Committee.

Table of percentages for each role (When each individual's basic compensation is set at 100)

| | Basic compensation | Performance-based compensation (1) Single year | Performance-based compensation (2) Medium- to long-term |
|-------------------------|--------------------|---|--|
| Representative Director | 100 | 40-80 | 20-100 |
| Inside Director | 100 | 30-70 | 15-100 |
| Outside Director | 100 | 0 | 0 |

Notes:

1. The ratio of performance-based compensation ((1) and (2)) is when the target is 100% achieved (the standard amount is applied).
2. Even within the same job title, the percentage of compensation by type will be determined for each individual.
3. When the Compensation Committee decides that there are reasonable grounds, performance based compensation can be granted exceeding the above.
4. The percentage will not be set for the amount of retirement allowance.

- (e) Matters relating to the determination of details of individual compensation, etc., of board members

The amount of compensation for each individual (including retirement allowance) shall be determined by the Compensation Committee in accordance with the above policy based on the delegation from the Board of Directors.

- (f) Matters relating to the Compensation Committee, which is delegated the task of determining the details of individual compensation for Directors

The Compensation Committee consists of 5 members: Mr. Thomas Ko, Representative Director, President and CEO; Mr. Andrew Gregory, Director (resigned as of February 6, 2026); Mr. Masataka Ueda, Outside Director; Mr. Tetsu Takahashi, Outside Director, and Ms. Yuko Tashiro, Outside Director.

The Committee is chaired by Mr. Masataka Ueda, Outside Director.

The reason for delegating the decision to the Compensation Committee is that the Board of Directors judged that the Compensation Committee is suitable to evaluate the duties of each Director, taking into consideration

the Company's overall performance and other factors, while ensuring the transparency and objectivity of the procedures for determining individual compensation etc.

(6) Matters for Outside Directors and Outside Audit & Supervisory Board Members

(a) Holding significant concurrent position in other entity and relationship with the Company

| Position | Name | Name of other entity | Position in other entity | Relationship with the Company |
|--|-----------------|--|---|-------------------------------|
| Outside Director | Jo Sempels | McDonald's France | President and CEO | None in particular |
| Outside Director | Masataka Ueda | The Board Director Training Institute of Japan, Public Interest Incorporated Association | Director | None in particular |
| | | The specified nonprofit organization FTJ | Director | |
| Outside Director | Tetsu Takahashi | EST Partners Law Office | Executive Partner Lawyer | None in particular |
| | | Nomura Real Estate Holdings, Inc. | Outside Director (Audit & Supervisory Committee Member) | |
| Outside Director | Yuko Tashiro | Yamaha Motor Co., Ltd. | Outside Director | None in particular |
| | | NPO Mirai Kaihatsu Kenkyujo | Director | |
| | | The specified nonprofit organization FTJ | Chairperson | |
| Full-time Outside Audit & Supervisory Board Member | Sonoko Kajiyama | McDonald's Company (Japan), Ltd | Statutory Auditor | Consolidated subsidiary |
| | | Itochu Enex Co., Ltd. | Outside Audit & Supervisory Board Member | None in particular |
| | | Sony Financial Group Inc. | Outside Director | |
| | | Yokogawa Bridge Holdings Corp. | Outside Director (Audit & Supervisory Committee Member) | |
| Outside Audit & Supervisory Board Member | Yoshiyuki Honda | Sumida Corporation | Director | None in particular |
| Outside Audit & Supervisory Board Member | Makiko Hamabe | Makiko Hamabe Office | Representative | None in particular |
| | | Otsuka Corporation | Outside Director | |
| | | Deloitte Tohmatsu Group Japan LLC and Deloitte Touche Tohmatsu LLC | Independent Non-Executive Director | |

Note:

Ms. Ellen Caya resigned as an Audit & Supervisory Board Member effective October 1, 2025, due to personal reasons. At the time of the resignation, she was the Vice President, Internal Audit and Controls, Chief Audit Executive at McDonald's Corporation, the licensor of consolidated subsidiary, McDonald's Company (Japan), Ltd.

(b) Major activities during the fiscal year

● Attendance at Board of Directors meeting and Audit & Supervisory Board meeting

| | Board of Directors meeting (Total: 13 times) | | Audit & Supervisory Board meeting (Total: 14 times) | |
|---|---|------------|--|------------|
| | # of Attendance | Percentage | # of Attendance | Percentage |
| Director, Jo Sempels | 9 | 69.2% | — | — |
| Director, Masataka Ueda | 13 | 100% | — | — |
| Director, Tetsu Takahashi | 13 | 100% | — | — |
| Director, Yuko Tashiro | 13 | 100% | — | — |
| Audit & Supervisory Board Member, Sonoko Kajiyama | 13 | 100% | 14 | 100% |
| Audit & Supervisory Board Member, Ellen Caya | 9 | 90% | 9 | 81.8% |
| Audit & Supervisory Board Member, Yoshiyuki Honda | 13 | 100% | 14 | 100% |
| Audit & Supervisory Board Member, Makiko Hamabe | 13 | 100% | 14 | 100% |

Note:

Ms. Ellen Caya resigned as an Audit & Supervisory Board Member effective October 1, 2025, due to personal reasons. Consequently, she did not attend any subsequent Board of Directors' meetings (3 meetings) and Audit & Supervisory Board meetings (3 meetings) following her resignation.

● Major activities of Outside Directors

| Name | Major activities |
|-----------------|---|
| Jo Sempels | At the meetings of the Board of Directors, he has made comments from an objective perspective based on his extensive experience and insight as a business manager. In particular, he provided a number of useful pieces of advice and suggestions on McDonald's business and contributed to improving the decision-making function of the Board of Directors and the revitalization of discussions in the Board of Directors meetings. |
| Masataka Ueda | At the meetings of the Board of Directors, he has made comments from an independent and objective perspective based on his extensive experience and insight as a business manager. In particular, he provided a number of useful pieces of advice and suggestions on corporate management and risk management, and contributed to improving the supervisory and decision-making functions of the Board of Directors and the revitalization of discussions at Board of Directors meetings. |
| Tetsu Takahashi | At the meetings of the Board of Directors, he has made comments from an independent and objective perspective based on his extensive experience and insight as a lawyer and outside director. In particular, he provided a number of useful pieces of advice and suggestions on corporate management, corporate legal and corporate governance, and contributed to improving the supervisory and decision-making functions of the Board of Directors and the establishment of a highly transparent governance system. |
| Yuko Tashiro | At the meetings of the Board of Directors, she made comments from an independent and objective perspective based on her extensive experience and insight as a U.S. certified public accountant and a business manager. In particular, she provided a number of useful pieces of advice and suggestions on corporate management, and contributed to improving the supervisory and decision-making functions of the Board of Directors and the revitalization of discussions at Board of Directors meetings. |

● Major activities of Outside Audit & Supervisory Board Members

| Name | Major activities |
|-----------------|--|
| Sonoko Kajiyama | At the meetings of the Board of Directors and the Audit & Supervisory Board, she made comments from an independent and objective perspective based on her extensive experience and insight as a certified public accountant. In particular, she provided a number of useful pieces of advice and suggestions on risk management and audits in general, and contributed to the implementation of effective operational and accounting audits. |
| Ellen Caya | At the meetings of the Board of Directors and the Audit & Supervisory Board until her resignation, she made comments based on her extensive experience and insight in audits and McDonald's business. In particular, she provided a number of useful pieces of advice and suggestions regarding audits in general, based on her experience at McDonald's overseas, and contributed to the implementation of effective operational and accounting audits. |
| Yoshiyuki Honda | At the meetings of the Board of Directors and the Audit & Supervisory Board, he made comments from an independent and objective perspective based on his extensive experience and insight as a Japanese and U.S. certified public accountant and business manager. In particular, he provided a number of useful pieces of advice and suggestions on finance and internal controls and contributed to the implementation of effective operational and accounting audits. |
| Makiko Hamabe | At the meetings of the Board of Directors and the Audit & Supervisory Board, she made comments from an independent and objective perspective based on her extensive experience and insight regarding investor relations and ESG and sustainability issues. In particular, she provided a number of useful pieces of advice and suggestions on investor relations and ESG and sustainability issues and contributed to the implementation of effective operational and accounting audits. |

(c) Amount of remuneration, etc. received from subsidiaries of the Company

The amount of remuneration, etc. received by Outside Directors and Audit & Supervisory Board Members from subsidiaries of the Company in the current fiscal year was 11 million yen.

4. Status of the Accounting Auditors

(1) Name of public accounting firm

Ernst & Young ShinNihon LLC.

(2) Audit fee

| (Millions of yen) | Amount |
|--|-----------------|
| Audit fee pursuant to Article 2, Paragraph 1 of the Certified Public Accountants Act | 122 million yen |
| Total audit fee incurred by the Company and its consolidated subsidiaries | 137 million yen |

Notes:

- 1 The Audit & Supervisory Board, based upon the Practical Guidelines for Cooperation with Accounting Auditors released by the Japan Audit & Supervisory Board Members Association, and through obtaining necessary materials and receiving reports from internal related departments and the accounting auditor, conducts review of the contents of the auditing plan, status of the execution of duties in the previous fiscal year, the grounds for calculation of the fee estimates and other matters of the accounting auditor, and gives consent to the fee, etc., for the accounting auditor in accordance with Article 399, Paragraph 1 of the Companies Act.
- 2 Since the audit agreement between the Company and the accounting auditor does not specify the respective amount of fees for auditing under the Companies Act and auditing under the Financial Instruments and Exchange Act, and it is hardly practicable to do so, the above amount of audit fee represents the total of such amount.

(3) Non-audit services

Not applicable.

(4) Dismissal and rejection of reappointment for Accounting Auditor

When any one of the matters prescribed in the items in Article 340, Paragraph 1 of the Companies Act has occurred with respect to the Accounting Auditor, the Audit & Supervisory Board will dismiss the Accounting Auditor by a unanimous resolution. In such case, the Audit & Supervisory Board Members designated by the Audit & Supervisory Board shall report to the General Meeting of Shareholders to be first held after the dismissal of the Accounting Auditor on such dismissal and the reason thereof.

The Audit & Supervisory Board will make a comprehensive judgment regarding the status of execution of duties and other performance of the Accounting Auditor. When the Audit & Supervisory Board recognizes that it is not possible to ensure the appropriateness and reliability of accounting audits, it will determine the content of an agenda to be proposed to the General Meeting of Shareholders concerning the dismissal or rejection of the reappointment of the Accounting Auditor.

In addition, when the Board of Directors determines that there is an obstacle to the execution of duties by the Accounting Auditor or when otherwise it deems necessary, it will request the Audit & Supervisory Board to include the dismissal or rejection of the reappointment of the Accounting Auditor in the agenda for the General Meeting of Shareholders. The Audit & Supervisory Board will then judge the appropriateness of the request and determine the content of an agenda to be proposed to the General Meeting of Shareholders.

5. Systems to ensure appropriateness of the operations

Systems of the Company Group to ensure the execution of duties of the Directors is in accordance with the laws and regulations and the Articles of Association of the Company, and to ensure appropriateness of the operations of the Company are as follows:

(1) System for preservation and management of information relating to the execution of duties by Directors

- (a) Minutes of meetings of the Board of Directors and minutes of general shareholders' meetings, financial statements and business reports, minutes of meetings of the Executive Management Team (hereinafter referred to as "EMT") of the consolidated subsidiary, records of preliminary examination and approval based on Delegation of Authority Guidelines, minutes of meetings of the Audit & Supervisory Board, documents relating to activities of Audit & Supervisory Board members, and other documents designated by the Board of Directors and Audit & Supervisory Board (including those in an electromagnetic form) shall be preserved and managed for 10 years together with their pertinent materials.
- (b) The Document Preservation and Management Rules shall be developed to prescribe periods and methods to preserve documents regarding business execution according to the importance of documents. All employees must be familiarized with the rules and each division shall establish its daily document management criteria and implement necessary training and education regarding the rules and criteria.

(2) Rules and other systems for management of risks of losses

- (a) The Enterprise Risk Management Committee is responsible for securing risk management in accordance with Enterprise Risk Management Committee Regulations, which stipulate the details of risk management for the Company Group, and a member or members in charge of compliance and risk management in each division shall ensure risk management, including the development and implementation of action plans in the division. To assure preliminary risk assessment procedures will be conducted properly, the Delegation of Authority Guidelines shall specify whether preliminary assessment of individual departments or EMT is needed and the Company ensures that all employees sufficiently understand the guidelines.
- (b) An internal auditing department shall be established as a function independent from business execution departments to audit business processes in individual departments for risk identification and prevention as well as for business process improvement.
- (c) When necessary, an emergency task force shall be formed with a necessary number of members to address and deal with massive risks such as major accidents, disasters and scandals. Risks that should be addressed by the task force and specific tasks and authorities of the task force shall be defined in Crisis Management Regulations and Large-Scale Disaster Response Headquarters Regulations.
- (d) According to Crisis Management Regulations, considering the nature of the Company's business, the Company shall (1) enhance the reporting structure to the management team by setting up the Emergency Hotline system in accordance with Emergency Hotline Regulations to establish the risk management system to deal with emergencies in restaurants and (2) specifically set forth the roles of each department for each level of emergencies and the methods of how to deal with emergencies by setting the Rules on Emergency Level Management and Stock Recovery of Restaurant Commodities' and Products' Quality with regard to the

methods of how to deal with emergencies in restaurants.

(3) System to ensure the efficiency of Directors in the execution of their duties

The Rules for the Board of Directors and Detailed Regulations for the Board of Directors shall define the matters to be resolved and to be reported at meetings of the Board of Directors. Each member of the Board shall ensure appropriate allocation of authorities and proper decision making in accordance with the Rules on Segregation of Duties and Delegation of Authority Guidelines for efficient and proper execution of his/her duties. Each member of the Board shall also make proposals as needed to the Board and the Representative Director in order to establish the system to assure efficient reporting to the Board of Directors concerning the decision of the Company's managerial policies, consideration and decision of important matters, and the enhancement and operation of the Company's compliance system and risk management system.

(4) System to ensure that the Directors and employees execute their duties in compliance with laws and regulations and Articles of Association of the Company

- (a) The Enterprise Risk Management Committee shall be established with the Representative Director and CEO of the consolidated subsidiary as its chairman and vice president in charge of legal, vice president in charge of human resources, Chief Restaurant Officer (CRO) and Chief Financial Officer (CFO) of the consolidated subsidiary as committee members. The Enterprise Risk Management Committee shall have the authority to conduct the surveys and to provide guidance necessary to ensure that the Directors and employees execute their duties in compliance with laws and regulations and the Articles of Association. Authorities and activities of the Enterprise Risk Management Committee shall be specified in the Enterprise Risk Management Committee Regulations.
- (b) A handbook, Standards of Business Conduct, shall be developed to describe compliance in plain language and distributed to all employees in electronic format. Each employee will be required to submit a written oath to assure their compliance with the standards.
- (c) Training needed to secure compliance shall be provided to Directors, vice presidents, staff members and other relevant employees and the contents of the training shall be decided depending on their positions and responsibilities.
- (d) The Delegation of Authority Guidelines shall be developed to specify approval authorities of Directors and employees concerning business execution of the Company Group based on their positions and responsibilities, and to specify the necessity of prior approval of relevant departments or EMT and of resolutions or reporting at meetings of the Board of Directors. In addition, the EMT Rules shall be formulated to ensure EMT will examine important business execution decisions in advance. All employees shall be familiarized with the above guidelines and rules.
- (e) An internal auditing department shall be established as a function independent from business execution departments to audit business processes of each department and prevent misconduct and improve business processes.
- (f) The above initiatives shall be actively disclosed to shareholders, investors, and society as well as to Directors and employees in order to notify the compliance system and secure its transparency.

(5) System to ensure appropriateness of operations in the Group

To maintain the appropriateness of operations performed throughout our entire group including the Company, McDonald's Company (Japan), Ltd., which is a member of the Company Group, shall implement procedures to ensure appropriateness of operations, equivalent to those stipulated in the Internal Control Regulations, and shall maintain a reporting system to ensure that any matter deemed important for maintaining appropriateness of operations is reported to the Company.

(6) Matters related to assistants to Audit & Supervisory Board Member appointed by the Audit & Supervisory Board Member

The Board of Directors shall appoint employees who have sufficient expertise and knowledge to perform assistant work for the Audit & Supervisory Board Member as assistants to the Audit & Supervisory Board Member as soon as practically possible upon the request of the Audit & Supervisory Board Member. Directors and employees shall extend equal assistance and cooperation to the assistants in conducting investigations, auditing and other relevant activities to those they would extend to the Audit & Supervisory Board Member.

(7) Matters related to securement of independence of assistants to Audit & Supervisory Board Member from Board of Directors

The assistants to the Audit & Supervisory Board Member will not belong to the Board of Directors' chain of command and order and will assist the Audit & Supervisory Board Members independently from the Board. Reassignment of and disciplinary actions and other measures against the assistants shall be reported to and approved by the Audit & Supervisory Board prior to their implementation.

(8) System for Directors, employees and others to report to Audit & Supervisory Board Members and other systems for reporting to Audit & Supervisory Board Members

- (a) Internal Auditing, Treasury and Legal Services departments shall immediately report to the Audit & Supervisory Board Members on any violation of laws or regulations or potential serious damage to the Company that they find in their respective business execution.
- (b) Directors shall disseminate the reporting obligations described above in the Company.
- (c) In the event that the Enterprise Risk Management Committee is notified of a fact which allegedly violates laws and regulations, corporate ethics, etc., or is likely to cause significant damage to the Company through the whistle-blower hotline or by any other means, and as a result of the fact-finding investigation such material fact that violates laws and regulations or is likely to cause significant damage to the Company is found, the Enterprise Risk Management Committee shall report such fact to the Audit & Supervisory Board Members.
- (d) Directors and employees must promptly report on items regarding business execution upon the request of the Audit & Supervisory Board Members.
- (e) The Audit & Supervisory Board Members will receive a report as needed on audits conducted by the Internal Auditing department and may request additional auditing or improvement of operations or other measures that they determine necessary.

(9) System to ensure that those who reported to the Audit & Supervisory Board Members do not receive any disadvantageous treatment due to the report

According to the Internal Control Regulations, the Company shall not give any disadvantageous treatment to the Group's officer/employee who has reported to the Audit & Supervisory Board Members of the Group on the basis of the fact that such officer/employee has so reported.

(10) Policy concerning the processing of expenses or debt arising from execution of duties of the Audit & Supervisory Board Member

According to the Internal Control Regulations, the Company shall quickly process the expense or debt when the Audit & Supervisory Board Member requests advance payment of expenses arising from their execution of duties.

(11) Other procedures to ensure effective auditing by the Audit & Supervisory Board Member

- (a) The Audit & Supervisory Board may work together with the consolidated subsidiary's Internal Auditing department and the Accounting Auditor in conducting audit. The Full-time Audit & Supervisory Board Member and a person designated by the Full-Time Audit & Supervisory Board Member may attend any meeting that discusses important business execution (regardless of the type of the meeting), express their views and ask for explanation at the meeting.
- (b) The Audit & Supervisory Board Members shall supervise the Accounting Auditor and may receive separate reports on audits conducted by the Accounting Auditor to secure independence of the Accounting Auditor from Directors.
- (c) To maintain the appropriateness of operations performed throughout our entire group including the Company, McDonald's Company (Japan), Ltd., which is a member of the Company Group, shall implement procedures to ensure appropriateness of operations, equivalent to those stipulated in the Internal Control Regulations, and shall maintain a reporting system to ensure that any matter deemed important for maintaining appropriateness of operations is reported to the Company.

The Internal Control Regulations stipulate that the internal audit department and each division in charge of the consolidated subsidiary can directly report to the Audit & Supervisory Board Members of the Company and the prohibition of disadvantageous treatments, obligations to cooperate with the assistants to the Audit & Supervisory Board Members, and processing of expenses arising from execution of auditing duties, etc.

6. Summary of the management status of a system to ensure appropriateness of operations

Based on a basic policy regarding the above system designed to ensure operations are conducted appropriately, the Company has strived to improve and manage the system properly.

How the system was managed in the fiscal year is summarized below:

(1) Status of efforts for appropriate and efficient execution of duties

The Board of Directors consists of 9 Directors including 3 Independent Outside Directors. 3 Independent Audit & Supervisory Board Members (3 Independent Audit & Supervisory Board Members and 1 Outside Audit & Supervisory Board Member, Ms. Ellen Caya, until her resignation on October 1, 2025) also attend the Board meetings. The Board of Directors meetings were held 13 times to discuss and actively exchange opinions on important matters including matters prescribed in laws and regulations, the Articles of Association of the Company and other rules, and business policies from the perspectives of compliance with laws and regulations, the Articles of Association of the Company and other rules, and appropriateness of operations.

The Audit & Supervisory Board meetings were held 14 times to share information and exchange opinions on important matters discovered during the audit, as well as to audit the execution by Directors of their duties and compliance with laws and regulations, the Articles of Association and other rules.

In addition, the Internal Audit Department with independence and expertise periodically reported to and cooperated with the Audit & Supervisory Board Members in investigations, auditing, etc.

By attending Board of Directors meetings and interviewing the Directors and employees, the Audit & Supervisory Board Members confirmed the status of the Company's internal control system and its operation. They also provided advice to achieve a healthier business structure and more effective management of internal control. The Audit & Supervisory Board Members worked closely with the Accounting Auditor and the Internal Audit Department and exchanged information as appropriate to improve the effectiveness of the audit.

(2) Status of efforts concerning the management of internal control and the risk of loss

The Enterprise Risk Management Committee strived to identify internal risks promptly based on reports provided by telephone, e-mail and letter to the whistle-blower hotline. The committee also provided compliance training to employees and part-time workers of the Company Group and franchisee organizations through an e-learning system. In the 2025 training, the main theme was information management, and participants learned about handling confidential and personal information through case studies. Additionally, the program for restaurant employees covered basic labor management, while that for the office staff included learning about conflicts of interest. The training also addressed the importance of compliance and speaking up.

7. Basic policy for controlling the Company

Not applicable.

8. Item about specific wholly owned subsidiary

Not applicable.

Consolidated Balance Sheet

As of December 31, 2025

(Millions of yen, with fractional amounts discarded)

| Account | Amount | Account | Amount |
|---|----------------|--|----------------|
| (Assets) | | (Liabilities) | |
| Current assets | | Current liabilities | |
| Cash and deposits | 71,422 | Accounts payable-trade | 748 |
| Accounts receivable-trade | 26,012 | Lease obligations | 88 |
| Current portion of long-term deferred accounts receivable | 175 | Accounts payable-other | 25,848 |
| Securities | 2,000 | Accrued expenses | 8,288 |
| Raw materials and supplies | 1,511 | Income taxes payable | 12,143 |
| Other | 7,795 | Consumption tax payable | 3,313 |
| Allowance for doubtful accounts | (6) | Contract liabilities | 6,750 |
| Total current assets | 108,910 | Provision for bonuses | 2,531 |
| | | Provision for loss on disposal of inventories | 10 |
| Non-current assets | | Asset retirement obligations | 57 |
| Property and equipment | | Other | 17,560 |
| Buildings and structures | 108,133 | Total current liabilities | 77,341 |
| Machinery and equipment | 16,965 | Non-current liabilities | |
| Tools, furniture and fixtures | 9,326 | Lease obligations | 68 |
| Land | 29,087 | Provision for directors' retirement benefits | 62 |
| Lease assets | 128 | Liabilities for retirement benefits | 973 |
| Construction in progress | 1,790 | Asset retirement obligations | 5,093 |
| Total property and equipment | 165,431 | Deferred tax liabilities | 45 |
| Intangible assets | | Deferred tax liabilities due to land revaluation | 311 |
| Goodwill | 920 | Other | 108 |
| Software | 9,514 | Total non-current liabilities | 6,663 |
| Other | 694 | Total liabilities | 84,005 |
| Total intangible assets | 11,129 | (Net Assets) | |
| Investments and other assets | | Shareholders' equity | |
| Investment securities | 20,020 | Common stock | 24,113 |
| Long-term loans receivable | 9 | Capital surplus | 42,124 |
| Deferred tax | 9,536 | Retained earnings | 218,302 |
| Lease and guarantee deposits | 43,053 | Treasury stock | (3) |
| Other | 7,658 | Total shareholders' equity | 284,536 |
| Allowance for doubtful accounts | (1,278) | Accumulated other comprehensive loss | |
| Total investments and other assets | 79,000 | Revaluation reserve for land | (4,195) |
| Total non-current assets | 255,562 | Remeasurements of retirement benefits | 127 |
| | | Total accumulated other comprehensive loss | (4,068) |
| Total assets | 364,473 | Total net assets | 280,467 |
| | | Total liabilities and net assets | 364,473 |

Consolidated Statement of Income

For the Year Ended December 31, 2025

(Millions of yen, with fractional amounts discarded)

| Account | Amount | |
|---|---------|---------------|
| Net sales | | |
| Sales by company-operated restaurants | 270,089 | |
| Revenue from franchised restaurants | 146,513 | 416,602 |
| Cost of sales | | |
| Product cost | 239,355 | |
| Franchised restaurants' occupancy expenses | 90,675 | 330,031 |
| Gross profit | | 86,571 |
| Selling, general and administrative expenses | | 33,313 |
| Operating income | | 53,257 |
| Non-operating income | | |
| Interest income | 247 | |
| Compensation income | 105 | |
| Insurance income | 248 | |
| Other | 708 | 1,309 |
| Non-operating expenses | | |
| Interest expenses | 8 | |
| Provision of allowance for doubtful accounts | 86 | |
| Loss on disposals for company-operated restaurants | 1,857 | |
| Loss on cancellation of leasehold contracts | 207 | |
| Other | 356 | 2,516 |
| Ordinary income | | 52,051 |
| Special income | | |
| Gain on sale of non-current assets | 147 | 147 |
| Special loss | | |
| Loss on disposals of non-current assets | 1,052 | |
| Impairment loss | 740 | 1,792 |
| Income before income taxes | | 50,406 |
| Income taxes-current | 18,284 | |
| Income taxes-deferred | △1,788 | 16,496 |
| Net income | | 33,909 |
| Net income attributable to owners of parent | | 33,909 |

Consolidated Statement of Changes in Net Assets

For the Year Ended December 31, 2025

(Millions of yen, with fractional amounts discarded)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Subtotal |
| Beginning balance | 24,113 | 42,124 | 190,936 | (3) | 257,171 |
| Changes during the year | | | | | |
| Dividends | | | (6,514) | | (6,514) |
| Net income | | | 33,909 | | 33,909 |
| Purchase of treasury shares | | | | (0) | (0) |
| Reversal of revaluation reserve for land | | | (29) | | (29) |
| Changes in items other than shareholders' equity (net) | | | | | |
| Total changes | - | - | 27,365 | (0) | 27,365 |
| Ending balance | 24,113 | 42,124 | 218,302 | (3) | 284,536 |

| | Accumulated other comprehensive Income/(Loss) | | | Total |
|--|---|---------------------------------------|----------|---------|
| | Revaluation reserve for land | Remeasurements of retirement benefits | Subtotal | |
| Beginning balance | (4,202) | 75 | (4,126) | 253,044 |
| Changes during the year | | | | |
| Dividends | | | | (6,514) |
| Net income | | | | 33,909 |
| Purchase of treasury shares | | | | (0) |
| Reversal of revaluation reserve for land | 6 | | 6 | (22) |
| Changes in items other than shareholders' equity (net) | | 51 | 51 | 51 |
| Total changes | 6 | 51 | 58 | 27,423 |
| Ending balance | (4,195) | 127 | (4,068) | 280,467 |

Balance Sheets

As of December 31, 2025

(Millions of yen, with fractional amounts discarded)

| Account | Amount | Account | Amount |
|--|----------------|---|----------------|
| (Assets) | | (Liabilities) | |
| Current assets | | Current liabilities | |
| Cash and deposits | 18,307 | Accounts payable - trade | 1,460 |
| Accounts receivable to affiliated companies | 5,658 | Short-term borrowings from affiliated companies | 16,574 |
| Securities | 2,000 | Accounts payable - other | 105 |
| Prepaid expenses | 3,252 | Accounts payable to affiliated companies | 9,108 |
| Accounts receivable - other | 142 | Accounts payable- property and equipment | 2,729 |
| Income taxes refund receivable | 24 | Accrued expenses | 174 |
| Other | 55 | Income taxes payable | 174 |
| Total current assets | 29,440 | Consumption taxes payable | 130 |
| | | Provision for bonuses | 8 |
| | | Other | 1,571 |
| Non-current assets | | Total current liabilities | 32,037 |
| Property and equipment | | | |
| Buildings | 26,565 | Non-current liabilities | |
| Structures | 7,132 | Provision for directors' retirement benefits | 23 |
| Machinery and equipment | 62 | Asset retirement obligations | 641 |
| Tools, furniture and fixtures | 32 | Deferred tax liabilities for land revaluation | 336 |
| Land | 29,149 | Other | 108 |
| Construction in progress | 1,479 | Total non-current liabilities | 1,110 |
| Total property and equipment | 64,422 | Total liabilities | 33,147 |
| | | | |
| Intangible assets | | (Net assets) | |
| Land lease right | 718 | Shareholders' equity | |
| Software | 9,468 | Common stock | 24,113 |
| Telephone subscription rights | 37 | Capital surplus | 42,124 |
| Total intangible assets | 10,224 | Legal capital surplus | 42,124 |
| Investments and other assets | | Retained earnings | 76,744 |
| Investment securities | 20,020 | Legal retained earnings | 253 |
| Long-term loan receivable | 9 | Other retained earnings | 76,491 |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 32 | Retained earnings carried forward | 76,491 |
| Long-term prepaid expenses | 1,423 | Treasury stock | (3) |
| Deferred tax assets | 1,510 | Total shareholders' equity | 142,978 |
| Lease and guarantee deposits | 43,053 | Valuation and translation adjustments | |
| Other | 2,001 | Revaluation reserve for land | (4,511) |
| Allowance for doubtful accounts | (525) | Total valuation and translation adjustments | (4,511) |
| Total investments and other assets | 67,526 | | |
| Total non-current assets | 142,173 | Total net assets | 138,466 |
| Total assets | 171,614 | Total liabilities and net assets | 171,614 |

Statement of Income
For the Year Ended December 31, 2025

(Millions of yen, with fractional amounts discarded)

| Account | Amount | |
|---|---------|--------------|
| Revenue | | |
| Real estate rental income | 64,388 | |
| Dividends from subsidiaries and affiliates | 6,600 | 70,988 |
| Cost of sales | | |
| Cost of real estate rent | 61,093 | 61,093 |
| Gross profit | | 9,894 |
| Selling, general and administrative expenses | | 5,191 |
| Operating income | | 4,703 |
| Non-operating income | | |
| Interest income | 271 | |
| Management service fee income | 148 | |
| Compensation income | 95 | |
| Other | 192 | 707 |
| Non-operating expenses | | |
| Interest expenses | 69 | |
| Provision of allowance for doubtful accounts | 10 | |
| Loss on disposals for company-operated restaurants | 159 | |
| Compensation payment | 72 | |
| Other | 9 | 320 |
| Ordinary income | | 5,089 |
| Special income | | |
| Gain on sales of non-current assets | 60 | 60 |
| Special loss | | |
| Loss on disposal of non-current assets | 10 | 10 |
| Income before income taxes | | 5,139 |
| Income taxes-current | 1 | |
| Income taxes for prior periods | (42) | |
| Income taxes-deferred | (1,529) | (1,570) |
| Net income | | 6,710 |

Statement of changes in net assets

For the Year Ended December 31, 2025

(Millions of yen, with fractional amounts discarded)

| | Shareholders' equity | | | | | | | Total |
|--|----------------------|-----------------|--------|-------------------------|-------------------------|----------|----------------|---------|
| | Common stock | Capital surplus | | Retained earnings | | | Treasury stock | |
| | | Capital surplus | Total | Legal retained earnings | Other retained earnings | Subtotal | | |
| Beginning Balance | 24,113 | 42,124 | 42,124 | 253 | 76,324 | 76,577 | (3) | 142,812 |
| Changes during the year | | | | | | | | |
| Dividends | | | | | (6,514) | (6,514) | | (6,514) |
| Net income | | | | | 6,710 | 6,710 | | 6,710 |
| Purchase of treasury shares | | | | | | | (0) | (0) |
| Reversal of revaluation reserve for land | | | | | (29) | (29) | | (29) |
| Total changes | - | - | - | - | 166 | 166 | (0) | 166 |
| Ending Balance | 24,113 | 42,124 | 42,124 | 253 | 76,491 | 76,744 | (3) | 142,978 |

| | Valuation and translation adjustments | | Total |
|--|---------------------------------------|----------|---------|
| | Revaluation reserve for land | subtotal | |
| Beginning Balance | (4,518) | (4,518) | 138,293 |
| Changes during the year | | | |
| Dividends | | | (6,514) |
| Net income | | | 6,710 |
| Purchase of treasury shares | | | (0) |
| Reversal of revaluation reserve for land | 6 | 6 | (22) |
| Total changes | 6 | 6 | 172 |
| Ending Balance | (4,511) | (4,511) | 138,466 |