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To Shareholders:

NOTICE OF CONVOCAATION OF  
THE 52<sup>nd</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS OF  
McDONALD'S HOLDINGS COMPANY (JAPAN), LTD.

The 52<sup>nd</sup> 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/](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, 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 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 Monday, March 27, 2023 (JST).**

From the viewpoint of preventing the spread of infections such as COVID-19 and the safety of everyone, we kindly ask you to exercise your voting rights in advance via the Internet or in writing (by mail) and please make a prudent decision regarding your attendance at the Meeting, taking into consideration the prevalence of infections such as COVID-19 and your own health condition as of the date of the Meeting. The Meeting will live stream via the Internet. Please see 6 page and below in detail.

1. Date & Time: 1:00 p.m., Tuesday, March 28, 2023

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 52<sup>nd</sup> Fiscal Term (January 1, 2022 through December 31, 2022)
2. Report of the Non-Consolidated Financial Statements of the Company for the 52<sup>nd</sup> Fiscal Term (January 1, 2022 through December 31, 2022)

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 & Supervisory Board Member

Item No.4: Payment of Condolence Money (Retirement Allowance at death) to the late Representative Director, Mr. Atsuo Shimodaira

4. Matters to be decided at the convocation of the meeting

- (1) If you exercise your voting rights in writing (by mail) and neither approval nor disapproval is indicated in 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 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, the last exercise will be deemed to be the effective vote.

Notes:

- If you attend the Meeting in person, please submit 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 the time is allowed.

- 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 Independent Auditors in preparing the Audit Report.

March 10, 2023

McDonald's Holdings Company (Japan), Ltd.

Tamotsu Hiiro

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 to view the convocation notice.

\* QR Code is registered trademarks of DENSO WAVE INCORPORATED.



<https://p.soukai.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., Tuesday, March 28, 2023** (The reception desk will start 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., Monday, March 27, 2023**

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

**Exercise deadline: Vote to be given by 6:00 p.m., Monday, March 27, 2023**

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

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

You can log in the website for exercising voting rights by scanning the QR code without entering your exercise of voting rights code and password.

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

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

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

1. Please access the Website for exercising Voting Rights.
2. Please enter your “exercise of voting rights code” provided on the back of the Voting Rights Exercise Form.
3. Please enter your “password” provided on the back of 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, 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.

## **Measures to Prevent the Spread of Infections such as COVID-19**

The safety of our shareholders is our top priority. Therefore, we have set the following guidelines for the Meeting to prevent the spread of infections such as COVID-19.

Please make a prudent decision regarding your attendance at the Meeting, taking into consideration the prevalence of infections such as COVID-19 and your own health condition as of the date of the Meeting.

- To ensure social distancing, enough space will be maintained between seats and therefore the number of seats available is limited. Please note that we may need to limit the number of people who can enter the venue.
- Thermal imaging camera will be used to measure temperature of all people entering the venue. Entry may be denied under the advice of a doctor if a person appears to be in poor health condition.
- Please bring and wear facial mask and use disinfectants located near the reception desk to sanitize hands.
- Floor staff will be wearing facial masks at the venue.
- The Meeting will live stream via the Internet. Please see below on how to view the session. There is no option to participate in live stream session including the conduct of voting rights and/or ask questions.

### **How to view a live stream session of the Meeting:**



日本マクドナルド  
ホールディングス株式会社  
第52回定時株主総会

株主番号

パスワード



本システムにご入力いただいた情報は、株主総会の運営及び当社における今後の株主選挙の分析・検討の目的にのみ利用いたします。  同意する  
[利用規約を読む](#)

株主様が株主総会の議事の模様を同時中継でご視聴いただくためのシステムです。議決権行使やご質問等はできません。

**ログイン**

ログインができない場合は、下記の番号にお電話ください。  
ライブ配信サポート事務局:03-3238-1182  
3月28日(火)午後0時よりオープンいたします

[推奨環境](#) [よくあるご質問](#)

Live stream is scheduled to start at around 12:40 p.m. on Tuesday, March 28, 2023.

Notes:

- Best efforts will be made to provide smooth live streaming experience. However, video and/or audio disruptions may occur temporarily due to internet connection. Please be informed that the company assumes no responsibility for any disadvantages of 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 Meeting, therefore please exercise your voting rights in advance in Writing or via the Internet.
- 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(10/11) Latest version of Microsoft Edge(Chromium) Latest version of Google Chrome Latest version of Mozilla Firefox	○Mac Latest version of Safari Latest version of Google Chrome Latest version of Mozilla Firefox
○Android Latest version of Google Chrome Latest version of Mozilla Firefox	○iOS(iPadOS) Latest version of Safari

# For the 52<sup>nd</sup> term Business Report for the Fiscal Year January 1 - December 31, 2022

## **I. Condition of the Company group**

### **1. Overview of business results for the term**

#### **(1) Business Progress and Results**

In February 2022, McDonald's Holdings Company (Japan) Ltd. and its subsidiary (the "Group" or "we") announced its medium-term management plan (from 2022 to 2024) with the aim of sustainable growth, stronger profitability, and further enhancement of the corporate value of the Group. We will strengthen the foundation of the McDonald's business and actively invest in areas for the future to realize steady growth and meet the increasingly diverse and growing expectations of our customers. We will focus on the three pillars for future growth in the areas of "Brand," "Menu & Value," and "Restaurant, Digital, and People," aiming for an average annual growth rate of around 5% for all store sales, 3-5% for operating income, and 10% or more for operating income ratio and ROE over the next three years.

In the current consolidated fiscal year, we continued to listen to the voices of our customers and made efforts to enhance their restaurant experience by improving QSC. Also, we have taken full measures to clean and sanitize our restaurants following requests from the Japanese and local governments to prevent the spread of COVID-19 and have operated restaurants with shortened open hours and thorough social distancing measures. An increase in same-store sales was gained for 29 consecutive quarters from 2015 Q4 to 2022 Q4.

On the other hand, the business environment was very challenging due to sharp exchange rate fluctuations, soaring prices of raw materials such as wheat and beef, and rising energy, labor, and logistics costs. We have made our utmost efforts to work with importers and suppliers to procure raw materials on a global scale, manage costs by building a more efficient distribution network, engage in currency hedging through importers, reduce expenses, and make other maximum corporate efforts. However, to ensure the healthy growth of the business, including franchise owners and suppliers, we have revised the over-the-counter prices of some products. In the current consolidated fiscal year, profits were lower than the previous year, and the business situation was more difficult than we expected at the beginning of the year but were in line with our revised full-year earnings forecast announced in November.

#### <Three Pillars for the Medium-term Management Plan>

##### **(a) Brand**

As a member of the local community, we have positioned sustainability as an essential issue to be addressed proactively and have designated "Food Quality & Sourcing," "Our Planet," "Community Connection," and "Jobs, Inclusion & Empowerment" as the four areas to be focused on. In March 2022, we published McDonald's concept and initiatives as Sustainability Report 2021 on our website.

"Food Quality & Sourcing": As a company that provides food, we prioritize ensuring "food safety" and are committed to the accurate operation of its food management system so that customers can enjoy safe meals. In addition to complying with relevant laws and regulations, we have established a strict quality control system that is compliant with the Global Food Safety Initiative (GFSI) and consists of McDonald's own standards. In addition, to enhance customer trust in our products, we are building and strengthening a thorough quality control system by disclosing information on the country of final processing and the main country of origin of major raw materials, as well as conducting audits of targeted suppliers.

"Our Planet": We use materials certified as sustainable, such as MSC (Marine Stewardship Council) and FSC (Forest Stewardship Council), recycle Happy Set toys, reduce the use of plastic materials by introducing paper straws and wooden cutlery, and reduce greenhouse gas emissions by introducing energy-saving equipment in our restaurants and electric three-wheeled bikes for delivery.



“Community Connection”: We will strive to contribute to the local community through support to the Ronald McDonald House Charities Japan, sports support, education support, and the provision of safety whistles.

“Jobs, Inclusion & Empowerment”: As an employer of 190,000 crew members nationwide, we are going to create a work environment in which a diverse range of people with different personalities and backgrounds, including gender, age, and nationality, can leverage their strengths and feel motivated to work.

In 2022, in addition to continued brand communication through TV commercials, websites, and social media, we have further enhanced the store experience through QSC improvements, which has further increased customers’ favorable impression of the trust in our brand. We will continue to strengthen our ties with customers by continuing and reinforcing our current efforts.

#### (b) Menu and Value

To meet our customers’ expectations, we have strengthened our menu lineup for each time zone and implemented various initiatives to provide customers with a sense of value for their money which is in line with the “value-for-money” strategy. As for limited-time products, we launched “Teritama,” “Tsukimi Burger,” and “Gracoro®,” etc., which were well received by many customers as a seasonal tradition. In addition, we have renewed the name of our weekday lunchtime special set menus, the more familiar “Hiru-Mac,” while maintaining the best price. We continue to offer the “Choi-Mac” series, in which customers can easily choose from a variety of products to provide products that let customers experience McDonald’s value through “Deliciousness,” “Value,” and “Convenience.” In addition to continuing to offer delicious menus, value for money, and satisfying products, we will strive to provide a restaurant experience that offers value beyond price.

#### (c) Restaurant, Digital and People

“Restaurant development”: For future growth, we will actively invest in new restaurant openings, including relocations, renovations, and rebuilds to evolve our store portfolio to better meet the needs of our customers and local communities. We will provide a more convenient and comfortable environment for our customers by increasing the manufacturing capacity of our kitchens, adding drive-through lanes, and optimizing our delivery services.

In the cumulative fourth quarter of the current consolidated accounting period, we opened 78 and closed 53 restaurants, and the total number of restaurants at the end of this fiscal year is 2,967. With regards to capacity expansion, we are gradually introducing kitchen systems with enhanced manufacturing capacity and stores with increased product delivery outlets. In order to effectively utilize management resources, we will continue to invest in improving customer satisfaction and business performance by flexibly allocating investments to new store openings, renovations and rebuilds.

“Digital”: With digital, we introduced “Mobile Order & Pay” as part of “Experience of the future”, a fusion of digital and people. As a new initiative for 2022, we integrated our mobile ordering and delivery apps into our official app to provide seamless service to our customers. In order to continue to meet the needs of our customers, we aim to further enhance convenience and increase the number of users through functional enhancements, including the expansion of payment methods.

Delivery is a marketable area with great potential for growth moving forward. We offer delivery services through McDelivery Service (MDS) by McDonald’s crew and external delivery partners such as UberEats, Demaegan, and others. As of December 2022, MDS is available in 967 restaurants, UberEats in 1,905, Demaegan in 1,932, making the total number of restaurants that offer delivery service to 2,200. We will continue to expand the number of stores that can offer delivery services to improve customer convenience.

With drive-thru, we are increasing its capacity and introducing “Park & Go” to even more restaurants, allowing customers to receive items at their parking spot using “Mobile Order & Pay,” which is available at 1,104 restaurants as of December 2022. In addition, the “Drive-Thru Mobile Order” function, which enables drive-thru pickup, has been added to the mobile ordering function of the official McDonald’s app, and is now available at drive-thru restaurants nationwide (excluding some restaurants).

“People”: We believe that we have been able to meet our customers’ expectations despite the drastic changes in the environment caused by the COVID-19 infection because of our people, or human resources, including approximately 190,000 crew members and restaurant employees. As such, we believe that hiring and training excellent human resources is the most important factor for business development, and we will continue to expand our investment in human resources. Digital CDP, training material that leverages digital devices, is available in 5 languages in addition to Japanese, contributing to improved understanding and reduced training hours of our crew. In the cumulative fourth quarter, more than 19,000 people have attended online classes developed by Hamburger University. In addition, we have introduced a regional employee system to provide a flexible career path for our diverse workforce as employees to suit their various lifestyles. We will continue to provide an environment where people with diverse personalities and backgrounds, regardless of gender, nationality, age, or other attributes, can work and grow in their own way by utilizing their strengths, leading to human resource development and retention.

We will continue to monitor the impact of COVID-19, and while placing the highest priority on the safety and health of our customers, employees, and all others, we will always stay close to our customers and keep evolving by flexibly responding to the changing needs of society and our customers. We are committed to providing delicious menu items, value for money, convincing value, and a convenient and comfortable restaurant experience on a daily basis, while working toward the realization of a sustainable society and providing “Feed and Foster Communities”.

<System-wide Sales and Revenue>

During the twelve months ended December 31, 2022, same store sales increased by +8.9% and average monthly sales per restaurant hit a record high in our history as a listed company as a result of synergy effects from various initiatives that improve customer satisfaction. System-wide sales were 717,589 million yen (a 65,541 million yen increase from the same period last year) and revenue was 352,300 million yen (a 34,605 million yen increase from the same period last year).

<Cost of Sales>

Cost of sales margin for company-operated restaurants increased by 3.3 percentage points year-on-year, mainly because cost of raw materials increased by 4.2 percentage points resulting from sharp exchange rate fluctuations and soaring prices of raw materials. Also, franchise cost of sales ratio decreased by 1.6 percentage points from the previous years due to an increase in franchise revenue resulting from an increase in sales.

(Breakdown of Cost of Sales)

		(Unit: Million Yen)					
		Year ended December 31, 2021		Year ended December 31, 2022		Year-on-year change	
		Amount	%	Amount	%	Amount	%
Company-operated restaurant’s cost of sales		189,349	88.4%	217,887	91.6%	28,538	3.3%
(Breakdown)	Raw material	75,797	35.4%	94,130	39.6%	18,332	4.2%
	Labor	60,751	28.4%	63,862	26.9%	3,111	(1.5)%
	Other	52,800	24.6%	59,894	25.2%	7,093	0.5%
Franchise restaurants-occupancy expenses		64,916	62.8%	70,082	61.2%	5,166	(1.6)%
Total		254,265	80.0%	287,969	81.7%	33,704	1.7%

<Selling, General and Administrative Expenses>

Selling, general and administrative expenses decreased 0.4 percentage points from the previous year as a result of sales increase and optimization of general and administrative costs according to the situation of COVID-19.

## (Breakdown of Selling, General and Administrative Expenses)

(Unit: Million Yen)

	Year ended December 31, 2021		Year ended December 31, 2022		Year-on-year change	
	Amount	%	Amount	%	Amount	%
Selling, general & administrative expenses	28,911	9.1%	30,523	8.7%	1,611	(0.4)%
(Breakdown)						
Advertising & selling	7,539	2.4%	7,723	2.2%	183	(0.2)%
Other	21,371	6.7%	22,799	6.5%	1,428	(0.3)%

## &lt;Operating Income and Ordinary Income&gt;

Operating income was 33,807 million yen (a 710 million yen decrease from the same period last year), Ordinary income was 32,813 million yen (a 805 million yen decrease from the same period last year), reflecting sharp exchange rate fluctuations and soaring prices of raw materials inspite of sales increase.

## &lt;Net Income Attributable to Owners of the Parent&gt;

Net income attributable to owners of the parent was 19,937 million yen (a 4,007 million yen decrease from the same period last year) mainly after 11,239 million yen of tax provision due to 32,813 million yen of ordinary income, plus special loss of 1,676 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 to net sales presented in the consolidated statements of income.

**(2) Investment activities**

During the fiscal year ended December 2022, we took a flexible approach in reviewing the allocation of funds among new openings, remodel, rebuild and “Experience of the future” and continuing to invest for business growth.

(Millions of yen)	Restaurants	Offices	Total
Buildings and structures	15,863	5	15,869
Machinery and equipment	5,050	20	5,071
Tools, furniture and fixtures	2,691	132	2,824
Land	563	-	563
Lease assets	102	-	102
Software	-	4,493	4,493
Total	24,271	4,652	28,924

**(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)

	2019	2020	2021	2022
System-wide sales	549,059	589,228	652,047	717,589
Revenues	281,763	288,332	317,695	352,300
Operating income	28,018	31,290	34,518	33,807
Ordinary income	27,487	31,425	33,618	32,813
Net income	16,885	20,186	23,945	19,937
Net income per share (Yen)	127.00	151.83	180.10	149.96
Total assets	221,696	232,984	260,113	277,365
Net assets	159,295	175,081	194,222	206,724
Net assets per share (Yen)	1,198.08	1,316.81	1,460.77	1,554.80

The Company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the current fiscal year, and the figures for the current fiscal year are the indicators after the application of the said accounting standard and others.

## 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

We will focus on the three pillars of the medium-term management plan, "Brand," "Menu and Value," and "Restaurant, Digital and People" for future growth. Please refer to "1. Overview of business results for the term (1) Business Progress and Results <Three Pillars for the Medium-term Management Plan>" for the challenges and actions to be taken in relation to these three pillars.

The business environment surrounding our company is expected to remain challenging due to rapid fluctuations in foreign exchange rates, soaring raw material and energy costs, rising labor costs, and climate changes that affect the procurement of raw materials. The Group will make its utmost efforts in cooperation with importers and suppliers to procure raw materials on a global scale, manage costs by building more efficient logistics network, engage in currency hedging through importers, and optimize expenses.

## 5. Business Results and Financial Standing (as of December 31, 2022)

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.

(Millions of yen)	2019	2020	2021	2022
Company-operated restaurants	197,102	193,109	214,249	238,131
Franchised restaurants	351,956	396,118	437,798	479,458
System-wide sales	549,059	589,228	652,047	717,589

## 6. Office and Restaurant information (as of December 31, 2022)

### (1) Main Office:

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

**(2) Number of restaurants:**

	2021	2022	Increase (Decrease)
Company-operated restaurants	867	859	(8)
Franchised restaurants	2,075	2,108	33
Total	2,942	2,967	25

Number of restaurants opened in the current term	78
Number of restaurants closed in the current term	(53)
Net increase	25

**7. Condition of the Company's employees (as of December 31, 2022)****(1) Headcounts for McDonald's Japan Group**

	Number	Year-on-year increase (decrease)
Restaurants	1,868 [15,322]	196 [281]
Headquarters	607 [47]	7 [4]
Total	2,475 [15,369]	203 [285]

Note:

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

The number of employees does not include employees seconded to other companies or dispatched to overseas (1), employees on leave (75), and advisors (3).

**(2) Condition of the Company's employees**

There are no employees in the Company as of December 31, 2022.

Note:

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

**8. Principal Lenders (as of December 31, 2022)**

Not applicable.

**9. Other material issues for the Group**

Not applicable.

## II. Status of the Company

### 1. Status of Share (as of December 31, 2022)

(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:	341,564
(4) Stock trading unit:	100
(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
STATE STREET BANK WEST CLIENT - TREATY 505234	23,388	1.76
The Master Trust Bank of Japan, Ltd. (Account in Trust)	16,624	1.25
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	10,718	0.81
BNYM TREATY DTT 15	9,470	0.71
CUSTODY BANK OF JAPAN, LTD. (ACCOUNT IN TRUST)	8,815	0.66
MCDONALD'S GROUP STOCKS SOCIETY	7,172	0.54
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	6,918	0.52
JPMORGAN SECURITIES JAPAN CO., LTD.	4,638	0.35

#### Notes:

1. Percentage of total shares issued is calculated by deducting treasury stocks (1,094 shares) .
2. Number of shares owned less than 100 are rounded down and percentage of total shares issued are rounded to the third decimal place.

- (6) Status of shares allotted to Directors or Audit & Supervisory Board Members of the Company as for 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, 2022)**

Position in the Company	Name	Position in the Subsidiary and status of significant concurrent position in other entities
Representative Director, Chairperson	Sarah L. Casanova	McDonald's Company (Japan), Ltd.: Representative Director, Chairperson
Representative Director, President and CEO	Tamotsu Hiiro	McDonald's Company (Japan), Ltd.: Representative Director, President and CEO
Director	Robert D. Larson	
Director	Arosha Wijemuni	McDonald's Middle East Development Co. Ltd: Vice President, Business Unit Lead Middle East & Africa
Director	Jo Sempels	McDonald's Corporation: Senior Vice President and President International Developmental Licensed Markets Grand Foods Holdings Limited: Director
Director	Akira Kawamura	Anderson Mori & Tomotsune: Of Counsel, Lawyer World Athletics: Disciplinary Tribunal Committee Member Japan Association of Arbitrators: Adviser
Director	Masataka Ueda	The Board Director Training Institute of Japan, Public Interest Incorporated Association: Director NPO Eggshell Membrane Association: Chairperson Scala, Inc.: Adviser Higashi-Nippon Bank, Ltd.: Outside Director Japan Golf Tour Organization: Senior Director
Director	Tetsu Takahashi	ITN Law Office: Representative Lawyer Nomura Real Estate Holdings, Inc.: Outside Director (Audit & Supervisory Committee Member)

Position of the Company	Name	Position in the Subsidiary and status of significant concurrent position in other entities
Full-Time Auditor & Supervisory Board Member	Takaaki Ishii	McDonald's Company (Japan), Ltd.: Full-Time Statutory Auditor
Audit & Supervisory Board Member	Ellen Caya	McDonald's Corporation: Vice President, Internal Audit and Chief Audit Executive
Audit & Supervisory Board Member	Yuko Tashiro	Accordia Golf Co., Ltd.: Director, Chairperson of the Board Yamaha Motor Co., Ltd.: Outside Director NPO Mirai Kaihatsu Kenkyujo: Director
Audit & Supervisory Board Member	Yoshiyuki Honda	Sumida Corporation: Representative Executive Officer and CFO

Notes:

1. Mr. Jo Sempels, Mr. Akira Kawamura, Mr. Masataka Ueda and Mr. Tetsu Takahashi are Outside Directors.
2. Ms. Ellen Caya, Ms. Yuko Tashiro and Mr. Yoshiyuki Honda are Outside Audit & Supervisory Board Members.
3. The Company has registered Outside Director, Mr. Akira Kawamura, Mr. Masataka Ueda and Mr. Tetsu Takahashi as Independent Directors at the Tokyo Stock Exchange. Outside Audit & Supervisory Board Member, Ms. Yuko Tashiro and Mr. Yoshiyuki Honda are independent auditors stipulated by the Tokyo Stock Exchange.
4. Full-Time Auditor & Supervisory Board Member, Mr. Takaaki Ishii has many years of experience in finance at the Company and its subsidiaries and considerable financial and accounting knowledge.
5. Audit & Supervisory Board Member, Ms. Ellen Caya has taken charge of internal audit for many years in McDonald's Corporation, an American corporation, and in other companies and has considerable auditing, corporate governance and accounting knowledge.
6. Audit & Supervisory Board Member, Ms. Yuko Tashiro, a US Certified Public Accountant, has many years of experience as a partner of an auditing firm, a head of finance and executive of many private companies, and has considerable financial and accounting knowledge.
7. Audit & Supervisory Board Member, Mr. Yoshiyuki Honda, a Certified Public Accountant in Japan and US, has many years of experience as a head of finance and executive of many private companies, and has considerable financial and accounting knowledge.
8. Mr. Kenji Miyashita and Mr. Andrew Hipsley retired from the position of Director due to resignation at the conclusion of the 51st Annual General Meeting of Shareholders held on March 29, 2022.
9. Mr. Atsuo Shimodaira passed away on April 18, 2022, and retired as Representative Director on this day. At the time of his retirement, his position was Representative Director, Vice President and COO, and his significant concurrent position was Representative Director, Vice President and COO of McDonald's Company (Japan), Ltd.



## (2) Overview of liability limitation contract

Based on the Articles of Association of the Company and Paragraph 1, Article 427 of the Companies Act, the Company entered into a contract with Director Mr. Arosha Wijemuni, Outside Director Mr. Jo Sempels, Outside Director Mr. Akira Kawamura, Outside Director Mr. Masataka Ueda, Outside Director Mr. Tetsu Takahashi, Full-time Auditor & Supervisory Board Member Mr. Takaaki Ishii, Outside Audit & Supervisory Board Member Ms. Ellen Caya, Outside Audit & Supervisory Board Member Ms. Yuko Tashiro and Outside Audit & Supervisory Board Member Mr. Yoshiyuki Honda to limit their liability for damages pursuant to Paragraph 1, Article 423 of the Companies Act to the extent of the amount set forth in the law.

## (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 Member 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 are not impaired. The Company bears all insurance premiums.

## (4) Remunerations for directors and statutory auditors

Position	Number	Amount
Director (Outside members)	9 (3)	306 million yen (28 million yen)
Statutory Auditor (Outside members)	3 (2)	35 million yen (17 million yen)
Total (Outside members)	12 (5)	342 million yen (46 million yen)

Notes:

1. The above excludes 2 director and 1 auditor 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 amount of remuneration limit 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 this General Meeting of Shareholders is 8, including 2 outside directors.
4. The Company set up directors' remuneration based on the limitation of Article 361-1 of the Corporate Law of Japan: 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 unshakeable 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.
6. The above amounts include the following:
  - Director's remuneration (stock-price-linked): 44 million yen (44 million yen for 4 directors);
  - Director's remuneration (business-performance-linked): 62 million yen (62 million yen for 4 directors)
  - Provision of reserve for retirement benefits for directors: 30 million yen (28 million yen for 7 directors and 1 million yen for 3 auditors)
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 statutory auditors is limited to 50 million

yen per year. The number of eligible statutory auditors as of the close of this General Meeting of Shareholders is 4.

8. Statutory auditor's remuneration consists of monthly remuneration and retirement benefits for auditors based on Article 387 of the Corporate Law of Japan.

**(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.

1. 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, compensation level is set at competitive and effective level which enables to attract diverse outstanding talents as board members from in and out of 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 and retirement allowance in consideration of their duties.

2. 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 accordance with 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 in a comprehensive manner. 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. It will be determined and paid at the time of retirement based on the regulations.

3. 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 at the time rights are exercised.

4. 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 is a reasonable grounds, performance based compensation can be granted exceeding the above.
  4. Percentage will not be set for the amount of retirement allowance.
5. Matters relating to the determining 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.
  6. Matters relating to the Compensation Committee, which is delegated the task of determining of the details of individual compensation for Directors.  
The Compensation Committee consists of five members: Ms. Sarah L. Casanova, Representative Director and Chairperson; Mr. Robert D. Larson, Director; Mr. Akira Kawamura, Outside Director; Mr. Masataka Ueda, Outside Director; and Mr. Tetsu Takahashi, Outside Director.  
The Committee is chaired by Mr. Akira Kawamura, Outside Director.  
The reason for delegating the decision to the Compensation Committee is that the Board of Director 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	Position in other entity	Plural Office	Relationship with the Company
Outside Director	Jo Sempels	McDonald's Corporation	Senior Vice President and President International Developmental Licensed Markets	Licensor of consolidated subsidiary, McDonald's Company (Japan), Ltd.
		Grand Foods Holdings Limited	Director	None in particular
Outside Director	Akira Kawamura	Anderson Mori & Tomotsune	Of Counsel, Lawyer	None in particular
		World Athletics	Disciplinary Tribunal Committee Member	
		Japan Association of Arbitrators (JAA)	Advisor	
Outside Director	Masataka Ueda	The Board Director Training Institute of Japan, Public Interest Incorporated Association	Director	None in particular
		NPO Eggshell Membrane Association	Chairperson	
		Scala, Inc.	Advisor	
		Higashi-Nippon Bank, Ltd.	Outside Director	
		Japan Golf Tour Organization	Senior Director	
Outside Director	Tetsu Takahashi	ITN Law Office,	Representative Lawyer	None in particular
		Nomura Real Estate Holdings, Inc.	Outside Director (Audit & Supervisory Committee Member)	
Outside Audit & Supervisory Board Member	Ellen Caya	McDonald's Corporation	Vice President, Internal Audit and Chief Audit Executive	Licensor of consolidated subsidiary, McDonald's Company (Japan), Ltd.

Outside Audit & Supervisory Board Member	Yuko Tashiro	Accordia Golf Co., Ltd.	Director, Chairperson of the Board	None in particular
		Yamaha Motor Co., Ltd	Outside Director	None in particular
		NPO Mirai Kaihatsu Kenkyujo	Director	None in particular
Outside Audit & Supervisory Board Member	Yoshiyuki Honda	Sumida Corporation	Representative Executive Officer and CFO	None in particular

(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	7	70%	—	—
Director, Akira Kawamura	13	100%	—	—
Director, Masataka Ueda	13	100%	—	—
Director, Tetsu Takahashi	10	100%	—	—
Audit & Supervisory Board Member, Ellen Caya	11	84.6%	12	85.7%
Audit & Supervisory Board Member, Yuko Tashiro	13	100%	14	100%
Audit & Supervisory Board Member, Yoshiyuki Honda	13	100%	14	100%

Note: Director Mr. Jo Sempels and Director Mr. Tetsu Takahashi were elected and appointed at the 51st Annual General Meeting of Shareholders held on March 29, 2022, and therefore were not obliged to attend the Board of Directors meetings (3 meetings) prior to their appointment.

● Major activities of Outside Director

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 manager. In particular, he provided a number of useful advice and suggestions on McDonald's business, based on his overseas experience, etc., and contributed to improving the decision-making function of the Board of Directors and the revitalization of discussions in the Board of Directors meetings.
Akira Kawamura	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 in Japan and overseas as a lawyer. In particular, he provided a number of useful advice and suggestions in the areas of compliance and corporate governance, contributing to the improvement of the supervisory and decision-making functions of the Board of Directors and the establishment of a highly transparent governance system.
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 manager. In particular, he provided a number of useful advice and suggestions in the areas of corporate management, human resources and finance, contributing to the improvement of 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, in the areas of corporate legal and corporate governance, he provided a number of useful advice and suggestion, contributing to improving the supervisory and decision-making functions of the Board of Directors and the establishment of a highly transparent governance system.

● Major activities of Outside Audit & Supervisory Board Member

Name	Major activities
Ellen Caya	At the meetings of the Board of Directors and the Audit & Supervisory Board, she made comments based on her extensive experience in auditing operations and her rich insight on McDonald's business and auditing operations. In particular, she provided a number of useful advice and suggestions regarding auditing in general, based on her experience at McDonald's overseas, and contributed to the implementation of effective operational and accounting audits.
Yuko Tashiro	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 U.S. certified public accountant and a business manager. In particular, she provided many useful advice and suggestions based on her experience and knowledge from the perspective of a business manager, 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, from the perspective of CFO of a listed company, he provided a number of useful advice and suggestions, mainly in the field of accounting, and contributed to the implementation of effective operational and accounting audits.

- (c) Amount of remuneration, etc. received from subsidiaries of the Company  
Not applicable.

**4. Fees for Independent Auditors**

**(1) Name of public accounting firm**

Ernst & Young ShinNihon LLC.

**(2) Audit fee**

(Millions of yen)	Amount
Audit fee in pursuant to Article 2-1 of the Certified Public Accountant Law	126 million yen
Total audit fee incurred by the Company and its consolidated subsidiaries.	141 million yen

Note:

1 The Board of Audit & Supervisory Board Members, based upon the Practical Guidelines for Cooperation with Financial Auditors released by the Japan Audit & Supervisory Board Members Association, and having obtained necessary materials and having received reports from accounting-related departments and the financial auditor regarding auditing performance in the previous fiscal year, conducts confirmation of auditing time and staff allocation plans concerning the auditing plans of the financial auditor, the status of execution of duties by the financial auditor, the grounds for calculation of compensation estimates and other matters, and having investigated these, gives consent to compensation, etc. for the financial auditor in accordance with Article 399, Paragraph 1 of the Companies Act.

2 Since the audit agreement between the Company and the independent auditor does not specify respective remuneration amounts for auditing under the Corporate Law of Japan and auditing under the Securities and Exchange Law, it is hardly practicable to do so, the above payment to show the total of such remuneration amounts.

**(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 Board of Audit & Supervisory Board Members will remove the Accounting Auditor by a unanimous resolution. In such case, the Audit & Supervisory Board Members designated by the Board of Auditors shall report to the General Meeting of Shareholders to be first held after the removal of the Accounting Auditor on such removal and the reason thereof.

The Board of Audit & Supervisory Board Members will make a comprehensive judgment regarding the performance of the Accounting Auditor. When Audit & Supervisory Board Members 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 removal or nonrenewal of appointment 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 Board of Audit & Supervisory Board Members to include the removal or nonrenewal of appointment 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 Directors' operations are performed appropriately in accordance with the laws and regulations and the Articles of Association of the Company are as follows:

##### **(1) System for storage 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 documents and business reports, minutes of meetings of the Executive Management Team (hereinafter referred as "EMT") of the consolidated subsidiary, records of preliminary examination and approval based on Delegation of Authority Guidelines, minutes of meetings of the Board of Auditors, documents relating to activities of auditors, and other documents designated by the Board of Directors and Audit and 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 performance of operations 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 all employees shall receive education and training on the guidelines to ensure their sufficient understanding of the guidelines.
- (b) An Internal Auditing department shall be established as a function independent from all other 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 such risks as casualties, disasters and scandals. Risks that should be addressed by 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 system by setting up the Emergency Hotline 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 accident level and the methods how to deal with the accident by setting “the Rules on Emergency Level Management and Stock Recovery of Restaurant Commodities and Products” with regard to the methods 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 performance of his/her duties. Each member of the Board shall also make proposals as needed to a meeting of 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, vice president in charge of McOpCo, vice president in charge of all region offices and CFO of consolidated subsidiary company as committee members. The Enterprise Risk Management Committee shall have authority to conduct the surveys necessary to maintain that the Directors and employees of the Group execute their duties in compliance with laws and the Articles of Association and to provide guidance. Authorities and activities of the Enterprise Risk Management Committee shall be specified in the “Enterprise Risk Management Committee Regulations”.
- (b) A handbook of “Standards of Business Conduct” shall be developed to describe compliance in plain language and distributed to all employees. 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 contents of 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 performance of operations in the Company based on their positions and responsibilities, and to specify the necessity of prior approval of relevant departments or EMT and of resolution or reporting at meetings of the Board of Directors. In addition, the “EMT Rules” shall be formulated to ensure the EMT will examine important operating decisions in advance. All employees shall be familiarized with the above guidelines and rules.
- (e) An internal auditing department shall be established as an independent function from all other departments to find and prevent misconducts and improve business processes.
- (f) The above initiatives shall be actively disclosed to shareholders, investors, and the society as well as to Directors and employees in order to raise their awareness for the compliance system and secure its transparency.

**(5) System to Ensure Appropriateness of Operations in the Group**

To maintain the appropriateness of operations performed in our entire group including McDonald’s Company (Japan), Ltd. which is a member of the Company group shall implement procedures to ensure appropriateness of operations in their companies in accordance with the “Internal Control Rules”, 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 works for the Audit & Supervisory Board Member as assistant 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 investigation, 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 assist the auditor independently from the Board. Reassignment of and disciplinary actions and other measures against the assistants shall be report to and approved by 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 law or regulation or potential serious damages to the Company that they find in performing their duties.
- (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 whistle-blower hotline or by any other means, and as a result of the fact-finding investigation such material fact as violate 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 their performance of operations 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 and other treatments arising from Performance 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 for advance payment of expenses arising from its performance 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 about important operations (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 optimization of the performance of business of the Group, the Company shall have McDonald's Company (Japan), Ltd., which forms the corporate group, establish the same system for work optimization as the system defined in Internal Control Regulations, and report to the Company with regard to the matters to be considered important to ensure appropriate performance of the business of the Group.

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 the assistants to the Audit & Supervisory Board Members, and processing of expense arising from the

Audit & Supervisory Board Members' performance of duties etc.

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

Based on a basic policy regarding a system designed to ensure the above 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 8 Directors including 4 Outside Directors (as of December 31, 2022) and 4 Audit & Supervisory Board Members including 3 Outside Audit & Supervisory Board Members also attend board meetings. 13 meetings of the Board of Directors were held to discuss important matters including matters prescribed in laws and regulations, the articles of Association of the Company, and other rules, business policies and other subjects from the perspectives of compliance with laws and regulations, the Articles of Association of the Company, and other rules, and exchanged their opinions actively.

14 meetings of Audit & Supervisory Board were held 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 investigation, 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) Regulations Concerning the Management of the 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 through an e-learning system. The theme of the training for FY 2022 was information management, and participants learned about handling of confidential information and use of social networking services through case studies, and also learned how to continue to embody the five Our Values, which represent our company's values, in our daily activities and how to "Speak Up" without hesitation when they find situations that seem inappropriate. 25,913 people including employees and part-time workers of the Company Group and franchisee organizations attended such training course.

**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, 2022

(Millions of yen, with fractional amounts discarded)

<b>Account</b>	<b>Amount</b>	<b>Account</b>	<b>Amount</b>
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and deposits	61,362	Accounts payable-trade	1,080
Accounts receivable-trade	19,997	Lease obligations	218
Current portion of long-term deferred accounts receivable	693	Accounts payable-other	32,919
Raw materials and supplies	1,428	Accrued expenses	8,266
Other	7,297	Income taxes payable	5,277
Allowance for doubtful accounts	(11)	Consumption tax payable	1,274
<b>Total current assets</b>	<b>90,768</b>	Contract liabilities	5,216
		Provision for bonuses	2,257
<b>Non-current assets</b>		Provision for loss on disposal of inventories	8
<b>Property and equipment</b>		Other	7,307
Buildings and structures	70,620	<b>Total current liabilities</b>	<b>63,826</b>
Machinery and equipment	12,472		
Tools, furniture and fixtures	7,685	<b>Non-current liabilities</b>	
Land	21,498	Lease obligations	262
Lease assets	386	Provision for bonuses	258
Construction in progress	571	Provision for directors' bonuses	173
<b>Total property and equipment</b>	<b>113,234</b>	Provision for director's retirement benefits	261
<b>Intangible assets</b>		Liabilities for retirement benefits	1,268
Goodwill	596	Asset retirement obligations	4,050
Software	10,023	Deferred tax liabilities	44
Other	694	Deferred tax liabilities due to land revaluation	289
<b>Total intangible assets</b>	<b>11,314</b>	Other	204
<b>Investments and other assets</b>		<b>Total non-current liabilities</b>	<b>6,814</b>
Investment securities	4,056	<b>Total liabilities</b>	<b>70,641</b>
Long-term loans receivable	9		
Long-term deferred accounts receivable	11,632	<b>(Net Assets)</b>	
Deferred tax	8,449	<b>Shareholders' equity</b>	
Lease and guarantee deposits	35,921	Common stock	24,113
Other	3,180	Capital surplus	42,124
Allowance for doubtful accounts	(1,202)	Retained earnings	144,580
<b>Total investments and other assets</b>	<b>62,048</b>	Treasury stock	(3)
<b>Total non-current assets</b>	<b>186,597</b>	Total shareholders' equity	210,815
		<b>Accumulated other comprehensive loss</b>	
		Revaluation reserve for land	(4,202)
		Remeasurements of retirement benefits	111
		Total accumulated other comprehensive loss	(4,091)
		<b>Total net assets</b>	<b>206,724</b>
<b>Total assets</b>	<b>277,365</b>	<b>Total liabilities and net assets</b>	<b>277,365</b>

## **Consolidated Statement of Income**

For the Year Ended December 31, 2022

(Millions of yen, with fractional amounts discarded)

<b>Net sales</b>		
Sales by company-operated restaurants	237,757	
Revenue from franchised restaurants	114,543	352,300
<b>Cost of sales</b>		
Product cost	217,887	
Franchised restaurants occupancy expenses	70,082	287,969
<b>Gross profit</b>		<b>64,330</b>
<b>Selling, general and administrative expenses</b>		<b>30,523</b>
<b>Operating income</b>		<b>33,807</b>
<b>Non-operating income</b>		
Interest income	93	
Compensation income	140	
Insurance income	86	
Received incentive	88	
Other	348	757
<b>Non-operating expenses</b>		
Interest expenses	5	
Provision of allowance for doubtful accounts	1	
Loss on disposals for company-operated restaurants	1,307	
Loss on cancellation of leasehold contracts	289	
Other	148	1,752
<b>Ordinary income</b>		<b>32,813</b>
<b>Special income</b>		
Gain on sales of non-current assets	41	41
<b>Special loss</b>		
Loss on disposals of non-current assets	813	
Impairment loss	863	1,676
<b>Income before income taxes</b>		<b>31,177</b>
Income taxes-current	10,899	
Income taxes-deferred	340	11,239
<b>Net income</b>		<b>19,937</b>
<b>Net income attributable to owners of parent</b>		<b>19,937</b>

## Consolidated Statement of Changes in Net Assets

For the Year Ended December 31, 2022

(Millions of yen, with fractional amounts discarded)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Subtotal
Beginning balance	24,113	42,124	132,179	(2)	198,414
Cumulative effects of changes in accounting policies			(2,307)		(2,307)
Restated balance	24,113	42,124	129,872	(2)	196,107
Changes in during the year					
Dividends			(5,185)		(5,185)
Net income			19,937		19,937
Purchase of treasury shares				(0)	(0)
Difference for revaluation reserve for land			(44)		(44)
Changes in items other than shareholders' equity (net)					
Total changes	—	—	14,708	(0)	14,708
Ending balance	24,113	42,124	144,580	(3)	210,815

	Accumulated other comprehensive Income/(Loss)			Total
	Revaluation reserve for land	Remeasurements of defined benefit plans	Subtotal	
Beginning balance	(4,246)	53	(4,192)	194,222
Cumulative effects of changes in accounting policies				(2,307)
Restated balance	(4,246)	53	(4,192)	191,915
Changes in during the year				
Dividends				(5,185)
Net income				19,937
Purchase of treasury shares				(0)
Difference for revaluation reserve for land	44		44	—
Changes in items other than shareholders' equity (net)		57	57	57
Total changes	44	57	101	14,809
Ending balance	(4,202)	111	(4,091)	206,724

## Balance Sheets

As of December 31, 2022

(Millions of yen, with fractional amounts discarded)

Account	Amount	Account	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and deposits	28,196	Accounts payable - trade	1,374
Accounts receivable to affiliated companies	4,916	Accounts payable - other	253
Prepaid expenses	2,634	Accounts payable to affiliated companies	6,573
Accounts receivable - other	60	Accrued expenses	238
Other	1,202	Income taxes payable	137
Total current assets	<b>37,009</b>	Consumption tax payable	494
		Provision for bonuses	16
		Other	20
<b>Non-current assets</b>		Total current liabilities	<b>9,108</b>
<b>Property and equipment</b>		<b>Non-current liabilities</b>	
Buildings	3,294	Provision for bonuses	3
Structures	154	Provision for directors' bonuses	173
Tools, furniture and fixtures	0	Provision for directors' retirement benefits	154
Land	21,561	Asset retirement obligations	1,102
Construction in progress	178	Deferred tax liabilities	7
Total property and equipment	<b>25,188</b>	Deferred tax liabilities for land revaluation	314
		Other	204
<b>Intangible assets</b>		Total non-current liabilities	<b>1,959</b>
Land lease right	718	<b>Total liabilities</b>	<b>11,068</b>
Software	10,023		
Telephone subscription rights	37	<b>(Net assets)</b>	
Total intangible assets	<b>10,779</b>	<b>Shareholders' equity</b>	
<b>Investments and other assets</b>		<b>Common stock</b>	<b>24,113</b>
Investment securities	4,056	<b>Capital surplus</b>	<b>42,124</b>
Long-term loan receivable	9	Legal capital surplus	42,124
Long-term loan receivable to affiliated companies	35,313	<b>Retained earnings</b>	<b>77,383</b>
Claims provable in bankruptcy, claims provable in rehabilitation and other	54	Legal retained earnings	253
Long-term prepaid expenses	333	Other retained earnings	77,130
Lease and guarantee deposits	35,921	Retained earnings carried forward	77,130
Other	2,002	<b>Treasury stock</b>	<b>(3)</b>
Allowance for doubtful accounts	(500)	<b>Total shareholders' equity</b>	<b>143,618</b>
Total investments and other assets	<b>77,190</b>	Valuation and translation adjustments	(4,518)
<b>Total non-current assets</b>	<b>113,159</b>	Revaluation reserve for land	(4,518)
		<b>Total valuation and translation adjustments</b>	<b>(4,518)</b>
		<b>Total net assets</b>	<b>139,100</b>
<b>Total assets</b>	<b>150,168</b>	<b>Total liabilities and net assets</b>	<b>150,168</b>

## **Statement of Income**

For the Year Ended December 31, 2022

(Millions of yen, with fractional amounts discarded)

<b>Revenue</b>		
Real estate rental income	52,415	
Dividends from subsidiaries and affiliates	5,200	57,615
<b>Cost of sales</b>		
Cost of real estate rent	50,398	50,398
<b>Gross profit</b>		<b>7,216</b>
<b>Selling, general and administrative expenses</b>		<b>3,429</b>
<b>Operating income</b>		<b>3,787</b>
<b>Non-operating income</b>		
Interest income	192	
Management service fee income	215	
Compensation income	84	
Other	24	515
<b>Non-operating expenses</b>		
Provision of allowance for doubtful accounts	1	
Other	6	8
<b>Ordinary income</b>		<b>4,294</b>
<b>Special income</b>		
Gain on sales of non-current assets	41	41
<b>Special loss</b>		
Loss on disposal of non-current assets	86	86
<b>Income before income taxes</b>		<b>4,249</b>
Income taxes-current	1	
Income taxes-deferred	6	7
<b>Net income</b>		<b>4,241</b>



## Statement of changes in net assets

For the Year Ended December 31, 2022

(Millions of yen, with fractional amounts discarded)

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total
		Capital surplus	Total	Legal income reserve	Other retained earnings Carried forward retained earnings	Subtotal		
Beginning Balance	24,113	42,124	42,124	253	78,118	78,371	(2)	144,606
Changes during the year								
Dividends					(5,185)	(5,185)		(5,185)
Net income					4,241	4,241		4,241
Purchase of treasury shares							(0)	(0)
Difference for revaluation reserve for land					(44)	(44)		(44)
Total changes	—	—	—	—	(987)	(987)	(0)	(987)
Ending Balance	24,113	42,124	42,124	253	77,130	77,383	(3)	143,618

	Valuation and translation adjustment		Total
	Revaluation reserve for land	subtotal	
Beginning Balance	(4,562)	(4,562)	140,044
Changes during the year			
Dividends			(5,185)
Net income			4,241
Purchase of treasury shares			(0)
Difference for revaluation reserve for land	44	44	—
Total changes	44	44	(943)
Ending Balance	(4,518)	(4,518)	139,100

## Shareholders' Meeting Reference Material

### Item No.1: Proposed Disposition of Retained Earnings

The Company has set its policy for disposition of retained earnings based on the continuous payment of stable dividends also taking into consideration business factors such as business performance trends, our capital needs, retained earnings for further strengthening corporate competitiveness in a comprehensive manner. For the current fiscal year, based on the basic policy for disposition of retained earnings described above, taking into consideration of the business results, cash flows, and financial indicator such as ROE, the Company proposes to make dividends as follows:

- i) Type of appropriated assets for dividend:  
Cash
- ii) Allocation of appropriated assets for dividend and total amount thereof:  
The Company pays thirty nine (39) yen per common share and the total amount of dividends to shareholders is 5,185,397,334 yen, provided that treasury stocks of 1,094 shares shall be excluded from the allocation.
- iii) Effective date of allocation of appropriated assets for dividend:  
March 29, 2023

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

The term of office of Director Mr. Tamotsu Hiiro, Mr. Robert D. Larson, and Mr. Akira Kawamura will expire upon the conclusion of the Meeting.

Director, Mr. Atsuo Shimodaira passed away on April 18, 2022

Accordingly, in order to further strengthen the management structure, the Company proposes to increase the number of Directors by two (2) and the Company hereby propose the election of five (5) Directors.

This agenda item 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 of the Company	Candidate Attributes
1	<u>Reappointed</u> Tamotsu Hiiro	Representative Director and President	
2	<u>Newly appointed</u> Fusako Znaiden	—	
3	<u>Newly appointed</u> Andrew Gregory	—	<u>Outside</u>
4	<u>Reappointed</u> Akira Kawamura	Outside Director	<u>Outside</u> <u>Independent</u>
5	<u>Newly appointed</u> Yuko Tashiro	Outside Audit & Supervisory Board Member	<u>Outside</u> <u>Independent</u>

#### Notes:

1. Position of the Company are at the time of the resolution at the Board of Directors meeting held in relation to the convocation of the meeting (as of February 21, 2023)
2. Ms. Yuko Tashiro, a candidate for Director, is currently an Outside Audit & Supervisory Board Member of the Company and will resign her office as an Outside Audit & Supervisory Board Member of the Company at the conclusion of the Meeting.

Newly appointed . . . Candidate for new Director

Reappointed . . . Candidate for reappointment as Director

Outside . . . Candidate for Outside Director

Independent . . . Independent Director to be registered at the Tokyo Stock Exchange

No	Name (Date of Birth)	Brief Personal History, and Position/Responsibilities in the Company (Important Position(s) concurrently held)
1	<p>Tamotsu Hiroyuki (born Dec.11, 1965)</p> <p><u>Reappointed</u></p> <p>Holding Shares of the Company 3,373</p>	<p>Apr. 1988    Joined Johnson &amp; Johnson K.K.</p> <p>May. 2002    General Manager, Ethicon Product Division of Johnson &amp; Johnson K.K.</p> <p>Jul. 2004    Vice President, LifeScan Division of Johnson &amp; Johnson K.K.</p> <p>Apr. 2005    Representative Director, President of Ortho-Clinical Diagnostics K.K.</p> <p>Jan. 2008    Representative Director, President, Japan &amp; Vice President, APAC of Ortho-Clinical Diagnostics K.K.</p> <p>Jan. 2012    Representative Director, President of Johnson &amp; Johnson K.K.</p> <p>Sep. 2018    Senior Vice President and Chief Support Officer (CSO) of McDonald's Company (Japan), Ltd.</p> <p>Mar. 2019    Director of the Company Representative Director, President and Chief Executive Officer (CEO) of McDonald's Company (Japan), Ltd. (Current)</p> <p>Mar. 2021    Representative Director, President and CEO of the Company. (Current)</p> <p>(Important Office Title/Position in Other Corporations) Representative Director, President and CEO of McDonald's Company (Japan), Ltd.</p>
<p>(Reasons for the nomination of the candidate for Director)</p> <p>Mr. Tamotsu Hiroyuki has served as the President and Representative Director of other companies, and has led the Company group as the Representative Director, President and CEO of the Company since 2021 and the subsidiary of the Company since 2019, and he has a wealth of experience as a director of the Company group and extensive insight into McDonald's business and management. Based on his past performance in his duties and his abundant insight, we believe 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>Fusako Znaiden (born Sep 9, 1964)</p> <p><u>Newly appointed</u></p> <p>Holding Shares of the Company —</p>	<p>Apr. 1987    Joined Shiseido Company, Limited.</p> <p>Apr. 1994    Brand Manager, Unilever Japan Company., Ltd.</p> <p>Apr. 1997    Marketing Manager, Unilever Japan Company., Ltd.</p> <p>Oct. 2000    Asia Regional Brand Director, Unilever Japan Company., Ltd.</p> <p>Jul. 2002    Marketing Director, Parfums Christian Dior (Japan) k.k</p> <p>Nov. 2003    General Manager – Lancômeo, Nihon L'Oréal.</p> <p>Mar. 2006    Board Director and Executive Marketing Director, Avon Products Co Ltd (currently, Fmg &amp; Mission Co., Ltd)</p> <p>Apr. 2007    General Manager – Hair Care Brand Strategy Business Unit (“SBU”), Shiseido Company, Limited</p> <p>Apr. 2008    General Manager – Hair Care, Men’s, and Body Care Brand SBU, Shiseido Company, Limited</p> <p>Apr. 2010    General Manager – Mass and Masstige Brand Marketing SBU, Shiseido Company, Limited</p> <p>Apr. 2012    Brand Planning Manager, Shiseido Company, Limited</p> <p>Oct. 2013    Marketing Manager, Shiseido Company, Limited</p> <p>June 2014    Director and Marketing Manager, Nissin Food Products Co., Ltd</p> <p>Apr. 2015    General Manager, Global Brand Strategy Office, Corporate Strategy Department; Chairperson of Diversity Promotion Committee, Nissin Foods Holdings Co., Ltd</p> <p>June 2016    Executive Officer and Global CMO and Chairperson of Diversity Promotion Committee, Nissin Foods Holdings Co., Ltd</p> <p>June 2018    Assume the office of the STEM Girls Ambassadors (Current)</p> <p>Oct. 2018    Senior Vice President and Chief Marketing Officer (CMO) of McDonald’s Company (Japan), Ltd.</p> <p>Dec. 2021    Part-time Director, Orion Breweries, Ltd. (Current)</p> <p>Mar 2022    Director, Senior Vice President and Chief Marketing Officer (CMO) of McDonald’s Company (Japan), Ltd. (Current)</p> <p>(Important Office Title/Position in Other Corporations) Director, Senior Vice President and Chief Marketing Officer (CMO) of McDonald’s Company (Japan) , Ltd. Part-time Director, Orion Breweries, Ltd. STEM Girls Ambassadors</p>
<p>(Reasons for the nomination of the candidate for Director)</p> <p>Ms. Fusako Znaiden has served as the Chief Marketing Officer of subsidiary of the Company since 2018 and as a Director of the subsidiary since 2022, after having served as a brand manager and head of marketing for several companies. She has a wealth of experience and achievements in marketing and extensive insight into the McDonald's business. Based on her past performance in her duties and her abundant insight, we believe that she will be able to contribute to the enhancement of corporate value of the Company and have nominated her 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	Andrew Gregory (born Oct. 5, 1972)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Newly appointed</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div>  Holding Shares of the Company —	<table border="0"> <tr> <td style="padding-right: 10px;">Oct 1996</td> <td>Joined McDonald's Australia, Regional Controller</td> </tr> <tr> <td>Jan 2002</td> <td>Development Director of McDonald's Australia</td> </tr> <tr> <td>Jan 2006</td> <td>Vice President, Regional Manager of McDonald's Australia</td> </tr> <tr> <td>Feb 2010</td> <td>Vice President, Restaurant Development of McDonald's Company (Japan), Ltd.</td> </tr> <tr> <td>Jan 2011</td> <td>Senior Vice President, Chief Support Officer of McDonald's Company (Japan) Ltd.</td> </tr> <tr> <td>Jan. 2013</td> <td>Chief Financial Officer and Chief Development Officer of McDonald's Australia</td> </tr> <tr> <td>May 2014</td> <td>Managing Director / CEO of McDonald's Australia (and New Zealand)</td> </tr> <tr> <td>May 2022</td> <td>Senior Vice President, Global Franchising Officer of McDonald's Corporation</td> </tr> <tr> <td>Feb 2023</td> <td>Senior Vice President, Global Franchising &amp; Development Officer of McDonald's Corporation (Current)</td> </tr> </table> (Important Office Title/Position in Other Corporations) Senior Vice President, Global Franchising & Development Officer of McDonald's Corporation	Oct 1996	Joined McDonald's Australia, Regional Controller	Jan 2002	Development Director of McDonald's Australia	Jan 2006	Vice President, Regional Manager of McDonald's Australia	Feb 2010	Vice President, Restaurant Development of McDonald's Company (Japan), Ltd.	Jan 2011	Senior Vice President, Chief Support Officer of McDonald's Company (Japan) Ltd.	Jan. 2013	Chief Financial Officer and Chief Development Officer of McDonald's Australia	May 2014	Managing Director / CEO of McDonald's Australia (and New Zealand)	May 2022	Senior Vice President, Global Franchising Officer of McDonald's Corporation	Feb 2023	Senior Vice President, Global Franchising & Development Officer of McDonald's Corporation (Current)
	Oct 1996	Joined McDonald's Australia, Regional Controller																		
Jan 2002	Development Director of McDonald's Australia																			
Jan 2006	Vice President, Regional Manager of McDonald's Australia																			
Feb 2010	Vice President, Restaurant Development of McDonald's Company (Japan), Ltd.																			
Jan 2011	Senior Vice President, Chief Support Officer of McDonald's Company (Japan) Ltd.																			
Jan. 2013	Chief Financial Officer and Chief Development Officer of McDonald's Australia																			
May 2014	Managing Director / CEO of McDonald's Australia (and New Zealand)																			
May 2022	Senior Vice President, Global Franchising Officer of McDonald's Corporation																			
Feb 2023	Senior Vice President, Global Franchising & Development Officer of McDonald's Corporation (Current)																			
<p>(Reasons for the nomination of the candidate for Outside Director and expected roles)</p> <p>Mr. Andrew Gregory has served as Chief Financial Officer, Managing Director, CEO, and other positions at McDonald's overseas, and has abundant experience and achievements as a manager as well as extensive insight into finance and McDonald's business. Based on his past performance in these positions and his wealth of insight, we have nominated him as a candidate for outside director in the belief that he will contribute to the enhancement of corporate value of the Company.</p> <p>If he is elected, we expect that he will contribute to the Company's further growth by providing advice on the Company's business and management based on his extensive experience and insight.</p>																				

No	Name (Date of Birth)	Brief Personal History, and Position/Responsibilities in the Company (Important Position(s) concurrently held)
4	<p data-bbox="279 660 491 721">Akira Kawamura (born May 9, 1941)</p> <p data-bbox="316 786 453 815"><u>Reappointed</u></p> <p data-bbox="339 826 429 855"><u>Outside</u></p> <p data-bbox="316 866 453 896"><u>Independent</u></p> <p data-bbox="284 929 486 990">Holding Shares of the Company —</p>	<p data-bbox="518 349 1422 1137"> Apr. 1967 Admitted to the Japan Bar  Apr. 1967 Joined Anderson, Mori &amp; Rabinowitz (currently “Anderson, Mori &amp; Tomotsune”)  Jan. 1976 Partner of Anderson, Mori &amp; Rabinowitz  Apr. 1985 Vice President of Dai-ni Tokyo Bar Association  Apr. 1986 Executive Director of Japan Federation of Bar Associations  Jun. 1996 Chairman of Japan Federation of Bar Associations Foreign Lawyers and International Legal Practice Committee  Apr. 1998 Invited as a visiting professor to Kyoto University Faculty of Law  Mar. 2002 Outside Director of the Company (Current)  Jul. 2002 Director of McDonald’s Company (Japan), Ltd.  Jan. 2011 President of IBA  Nov. 2012 Received the order of the Rising Sun, Gold Rays with Neck Ribbon  Jan. 2013 Of Counsel of Anderson, Mori &amp; Tomotsune (Current)  Mar. 2013 President of Japan Association of Arbitrators  Jan. 2014 Member of Ethic Committee of International Association of Athletics Federations (IAAF)  Nov 2017 Member of the Code of Codes and Tribunals Committee of International Association of Athletics Federations (IAAF) (currently “Disciplinary Tribunal Committee Member of World Athletics”) (Current)  Aug 2021 Adviser of Japan Association of Arbitrators (Current) </p> <p data-bbox="518 1171 1182 1294"> (Important Office Title/Position in Other Corporations)  Of Counsel, Lawyer of Anderson, Mori &amp; Tomotsune  Disciplinary Tribunal Committee Member of World Athletics  Adviser of Japan Association of Arbitrators </p>
<p data-bbox="284 1312 1433 1597"> (Reasons for the nomination of the candidate for Outside Director and expected roles)  Mr. Akira Kawamura is a lawyer who has served as a partner in a law firm and as chairman and president of several organizations. He has a wealth of experience and accomplishments as a lawyer and representative of organizations, as well as extensive insight into corporate legal, compliance, corporate governance, and others. Based on his wealth of experience and insight, he has been an Outside Director of the Company since 2002, and has provided useful comments on management from an independent and objective perspective. Although he has no experience of being involved in the management of a company in any way other than being an Outside Director, for the reasons stated above, we believe that he will be able to appropriately perform his duties as an Outside Director. </p> <p data-bbox="284 1603 1433 1715"> If he is elected, we expect that he will contribute to strengthening the supervisory and decision-making functions of the Board of Directors and further growth of the Company by providing advice on governance, compliance, legal affairs, etc. based on his extensive insight and experience, as well as supervising the Company’s management from an independent and objective standpoint. </p>		

No.	Name (Date of Birth)	Brief Personal History, and Position in the Company (Important Position(s) concurrently held)																																
5	<p data-bbox="288 611 517 674">Yuko Tashiro (born Mar. 14, 1954)</p> <div data-bbox="308 734 496 837" style="border: 1px solid black; padding: 2px; text-align: center;"> <p data-bbox="308 734 496 768">Newly appointed</p> <p data-bbox="360 768 443 801">Outside</p> <p data-bbox="336 801 467 837">Independent</p> </div> <p data-bbox="301 882 505 945">Holding Shares of the Company —</p>	<table border="0"> <tr> <td data-bbox="552 342 671 376">Jun .1986</td> <td data-bbox="711 342 919 376">Joined KPMG LLP</td> </tr> <tr> <td data-bbox="552 376 671 409">Jul. 1995</td> <td data-bbox="711 376 1023 409">Audit Partner of KPMG LLP</td> </tr> <tr> <td data-bbox="552 409 671 443">Nov. 2000</td> <td data-bbox="711 409 1262 443">Sourcing Leader, GE Corporate Japan, of GE Japan</td> </tr> <tr> <td data-bbox="552 443 671 477">Jul. 2003</td> <td data-bbox="711 443 1126 477">CFO of PHOENIX RESORT CO., Ltd.</td> </tr> <tr> <td data-bbox="552 477 671 510">Apr. 2005</td> <td data-bbox="711 477 1238 510">Director of COO&amp;CFO,Aon Holdings Japan Ltd.</td> </tr> <tr> <td data-bbox="552 510 671 544">Apr. 2010</td> <td data-bbox="711 510 1206 544">Representative Director of TS Associates, Ltd.</td> </tr> <tr> <td data-bbox="552 544 671 577">Sep. 2011</td> <td data-bbox="711 544 1366 577">Representative Director of GI Chiiki Kaihatsu Kenkyujo K.K</td> </tr> <tr> <td data-bbox="552 577 671 611">Jun. 2012</td> <td data-bbox="711 577 1174 611">Outside Director of Accordia Golf Co. Ltd.</td> </tr> <tr> <td data-bbox="552 611 671 645">Sep .2014</td> <td data-bbox="711 611 1206 645">Chairperson of NPO Mirai Kaihatsu Kenkyujo</td> </tr> <tr> <td data-bbox="552 645 671 678">Mar.. 2016</td> <td data-bbox="711 645 1390 678">Audit &amp; Supervisory Board Member of the Company (Current)</td> </tr> <tr> <td data-bbox="552 678 671 712">Jun .2016</td> <td data-bbox="711 678 1406 745">Representative Director and President of Accordia Golf Co., Ltd. Director of NPO Mirai Kaihatsu Kenkyujo (Current)</td> </tr> <tr> <td data-bbox="552 712 671 745">Dec. 2017</td> <td data-bbox="711 712 1134 745">Director of NPO The First Tee of Japan</td> </tr> <tr> <td data-bbox="552 745 671 779">Jan. 2018</td> <td data-bbox="711 745 1461 813">Representative Director of Chairman of the Board, Accordia Golf Co., Ltd.</td> </tr> <tr> <td data-bbox="552 779 671 813">Apr. 2018</td> <td data-bbox="711 779 1477 902">Representative Director, Chairman of the Board and President, CEO of Accordia Golf Co., Ltd.</td> </tr> <tr> <td data-bbox="552 813 671 846">Mar. 2019</td> <td data-bbox="711 813 1270 846">Outside Director, Yamaha Motor Co., Ltd. (Current)</td> </tr> <tr> <td data-bbox="552 846 671 880">Apr 2021</td> <td data-bbox="711 846 1390 902">Director, Chairperson of the Board of Accordia Golf Co., Ltd. (Current)</td> </tr> </table> <p data-bbox="552 1077 1150 1111">(Important Office Title/Position in Other Corporations)</p> <p data-bbox="552 1111 1222 1144">Director, Chairperson of the Board of Accordia Golf Co., Ltd.</p> <p data-bbox="552 1144 1015 1178">Outside Director, Yamaha Motor Co., Ltd.</p> <p data-bbox="552 1178 1015 1211">Director of NPO Mirai Kaihatsu Kenkyujo</p>	Jun .1986	Joined KPMG LLP	Jul. 1995	Audit Partner of KPMG LLP	Nov. 2000	Sourcing Leader, GE Corporate Japan, of GE Japan	Jul. 2003	CFO of PHOENIX RESORT CO., Ltd.	Apr. 2005	Director of COO&CFO,Aon Holdings Japan Ltd.	Apr. 2010	Representative Director of TS Associates, Ltd.	Sep. 2011	Representative Director of GI Chiiki Kaihatsu Kenkyujo K.K	Jun. 2012	Outside Director of Accordia Golf Co. Ltd.	Sep .2014	Chairperson of NPO Mirai Kaihatsu Kenkyujo	Mar.. 2016	Audit & Supervisory Board Member of the Company (Current)	Jun .2016	Representative Director and President of Accordia Golf Co., Ltd. Director of NPO Mirai Kaihatsu Kenkyujo (Current)	Dec. 2017	Director of NPO The First Tee of Japan	Jan. 2018	Representative Director of Chairman of the Board, Accordia Golf Co., Ltd.	Apr. 2018	Representative Director, Chairman of the Board and President, CEO of Accordia Golf Co., Ltd.	Mar. 2019	Outside Director, Yamaha Motor Co., Ltd. (Current)	Apr 2021	Director, Chairperson of the Board of Accordia Golf Co., Ltd. (Current)
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<p data-bbox="288 1261 1214 1294">(Reasons for the nomination of the candidate for Outside Director and expected roles)</p> <p data-bbox="264 1294 1505 1552">Ms. Yuko Tashiro is a U.S. certified public accountant who has served as a partner of an auditing firm, Chief Financial Officer of several companies, and a Representative Director, and has abundant experience and achievements as an accountant and manager, as well as a wealth of insight regarding finance and others. Based on her wealth of experience and insight, she has been providing useful comments from an independent and objective perspective as an Outside Audit &amp; Supervisory Board Member of the Company since 2016, and has been fully fulfilling the responsibilities of her position. Therefore, we have decided to nominate her as a candidate for Outside Director, judging that it is appropriate to have her as an Outside Director of the Company in order to further strengthen the effectiveness of the supervisory function of the Board of Directors.</p> <p data-bbox="264 1552 1505 1668">If she is elected, we expect that she will contribute to strengthening the supervisory and decision-making functions of the Board of Directors and further growth of the Company by providing advice on the Company's management and finances based on her extensive insight and experience, as well as supervising the Company's management from an independent and objective standpoint.</p>																																		



Notes:

1. Mr. Tamotsu Hiiro will be appointed as Representative Director, President and CEO of the Company by the Board of Director's Meeting after the Meeting in the event this Resolution Item is approved and passed in the Meeting.
2. Between McDonald's Company (Japan), Ltd., a consolidated subsidiary of the Company, and McDonald's Corporation, by which the candidate, Mr. Andrew Gregory, is employed, there are business transactions such as royalty payments etc. based on the License Agreement. Mr. Tamotsu Hiiro concurrently holds the office of Representative Director, President and CEO of McDonald's Company (Japan), Ltd. and Ms. Fusako Znaiden concurrently holds the office of Director, Senior Vice President and Chief Marketing Officer (CMO) of McDonald's Company (Japan), Ltd. Since McDonald's Company (Japan), Ltd. is wholly-owned subsidiary of the Company, there is no conflict of special interest between the Company and Mr. Tamotsu Hiiro or Ms. Fusako Znaiden. The Company does not have any special business relation with any other Director candidate.
3. Mr. Andrew Gregory, Mr. Akira Kawamura and Ms. Yuko Tashiro are candidates for Outside Director.
4. Mr. Akira Kawamura is currently an Outside Director of the Company, and will have held the office of Outside Director for twenty one (21) years at the conclusion of the Meeting. Ms. Yuko Tashiro is currently an Outside Audit & Supervisory Board Member of the Company, and will have held the office of Outside Audit & Supervisory Board Member for seven (7) years at the conclusion of the Meeting. Ms. Yuko Tashiro will resign her office as Outside Audit & Supervisory Board Member at the conclusion of the Meeting.
5. Mr. Andrew Gregory had been a person who executes business of McDonald's Company (Japan), Ltd., a consolidated subsidiary of the Company in the past.
6. Independent Outside Director  
As Mr. Akira Kawamura and Ms. Yuko Tashiro are qualified as an Independent Director in the regulations of Tokyo Stock Exchange and the Company, the Company will appoint them as an Independent Director and submit this to Tokyo Stock Exchange.
7. Agreements limiting the liability entered into by and between the Company and the candidates for Directors  
The Company, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, executed the agreement with Mr. Akira Kawamura, which shall limit the liability of such Outside Director arising from act provided by the provision of 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 agenda to re-appoint the candidate as Outside Director, the Company shall continue the agreement with him.  
The Company, pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, executed the agreement with Ms. Yuko Tashiro, which shall limit the liability of such Outside Audit & Supervisory Board Member arising from act provided by the provision of 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 agenda to appoint the candidate as Outside Director, the Company will enter into a new agreement with her with the same terms and conditions as the above said agreement.  
In addition, if the appointment of Mr. Andrew Gregory is approved in this item, the Company will enter into a new agreement with him with the same terms and conditions as the above said agreement.
8. Directors and Officers liability insurance contract

The Company has entered into a liability insurance contract with an insurance company for Director and Audit & Supervisory Board Member, 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

Since Ms. Yuko Tashiro, Audit & Supervisory Board Member, will resign her office as Audit & Supervisory Board Member upon the conclusion of the Meeting, the Company proposes the appointment of one (1) Audit & Supervisory Board Member.

This agenda item 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. Please note that the Audit & Supervisory Board of the Company has duly consented to this candidate determined by the Board of Directors.

The candidate is as follows:

Name (Date of Birth)	Brief Personal History, and Position in the Company (Important Position(s) concurrently held)	
<p>Makiko Hamabe (born Aug. 28, 1964)</p> <p><span style="border: 1px solid black; padding: 2px;">Newly appointed</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span></p> <p>Holding Shares of the Company —</p>	<p>Apr. 1988    Joined Tokyo Office of Central Bank of Chile (Finance Department. of Chilean Embassy)</p> <p>Sep. 1992    Joined Tokyo Branch of JP Morgan Securities Asia Pte Ltd. (currently “JP Morgan Securities Japan Co., Ltd”)</p> <p>Apr. 1995    Joined Tokyo Office of Company Information Division, Department of Trade and Industry of Catalonia, Spain</p> <p>Jun 1998    Joined Thomson Financial Investor Relations</p> <p>Mar 2000    Joined Yahoo Japan Corporation.</p> <p>Apr. 2009    Head of IR (Investor Relations) Office of Yahoo Japan Corporation.</p> <p>Apr. 2014    General Manager of SR (Stakeholder Relations) Division of Yahoo Japan Corporation</p> <p>Apr 2018    Head of President’s Office and Corporate Evangelist of Yahoo Japan Corporation</p> <p>Sep .2019    Executive Officer, General Manager of Corporate Communication Department, Management Administration Division of DIP Corporation</p> <p>Feb. 2021    Representative of Makiko Hamabe Office (Current)</p> <p>Mar.2021    Outside Director of SoldOut, Inc. Outside Director of Otsuka Corporation (Current)</p>	
	<p>(Important Office Title/Position in Other Corporations)</p> <p>Representative of Makiko Hamabe Office</p> <p>Outside Director of Otsuka Corporation</p>	
	<p>(Reasons for the nomination of the candidate for Audit &amp; Supervisory Board Member)</p> <p>Ms. Makiko Hamabe has been engaged in corporate communications and investor relations for many years and has abundant experience and achievements in dialogue with stakeholders, as well as extensive insight into ESG and sustainability issues. Based on her past performance in her duties and her wealth of insight, we have determined that it is appropriate to nominate her as a candidate for Outside Audit &amp; Supervisory Board Member in order to further strengthen auditing function of the Company.</p> <p>If she is elected, we expect that she will audit the Company from an independent and objective standpoint based on her extensive insight and experience and from the perspectives of various stakeholders.</p>	

Notes:

1. Ms. Makiko Hamabe's name in the family register is Makiko Yasui.
2. Ms. Makiko Hamabe is the candidate for Outside Audit & Supervisory Board Member.
3. There is no special interest between the Company and Ms. Makiko Hamabe.
4. Independent Audit & Supervisory Board Member  
As Ms. Makiko Hamabe is qualified as an Independent Director in the regulations of Tokyo Stock Exchange and the Company, the Company will appoint her as an Independent Director and submit this to Tokyo Stock Exchange.
5. Agreement limiting the liability entered into by and between the Company and the candidate for Audit& Supervisory Board Member  
If Ms. Makiko Hamabe is appointed and assumes office as Audit& Supervisory Board Member, the Company will enter into an agreement with her to limit the liability of such Outside Audit & Supervisory Board Member arising from act provided by the provision of Article 423, Paragraph 1 of the Companies Act pursuant to the provision of Article 427, Paragraph 1 of the Companies Act and the Article of Association. The limit of liability under such agreement shall be the amount prescribed by laws and regulations.
6. Directors and Officers liability insurance contract  
The Company has entered into a liability insurance contract with an insurance company for Director and Audit & Supervisory Board Member, 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. Makiko Hamabe 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 Member  
after the end of the Meeting (tentative)**

The main knowledge and experiences 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 Name	Top Management in Listed Company	Marketing	IT	Law/ Compliance	Finance/ Accounting	Human Resources	Global Business	C S R	McDonald's Business
Representative Director, Chairperson Sarah L. Casanova	●	●				●	●		●
Representative Director, President and CEO Tamotsu Hiro	●	●				●	●	●	●
Director Fusako Znaiden	●	●					●	●	●
Director Arosha Wijemuni	●				●		●		●
Outside Director Jo Sempels	●				●	●	●		●
Outside Director Andrew Gregory	●				●	●	●		●
Independent Outside Director Akira Kawamura				●				●	
Independent Outside Director Masataka Ueda	●	●			●	●	●	●	
Independent Outside Director Tetsu Takahashi				●				●	
Independent Outside Director Yuko Tashiro	●				●	●	●	●	
Full-time Audit & Supervisory Board Member Takaaki Ishii					●				●
Outside Audit & Supervisory Board Member Ellen Caya					●		●		●
Independent Outside Audit & Supervisory Board Member Yoshiyuki Honda	●		●		●		●		
Independent Outside Audit & Supervisory Board Member Makiko Hamabe	●		●		●			●	

Note: This skills matrix does not represent all knowledge and experience.

Item No.4: Payment of Condolence Money (Retirement Allowance at death) to the Late Representative Director, Mr. Atsuo Shimodaira

In order to reward the late Representative Director, Mr. Atsuo Shimodaira, who passed away on April 18, 2022, the Company would like to pay a condolence money (Retirement Allowance at death) to his bereaved family according to the provisions of the Regulations of Retirement Allowance to Retiring Directors.

The decisions of the amount, timing and method of the payment shall be entrusted to consultation among the Board of Directors.

In addition, this item 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, etc. for each individual Director of the Company is as stated in 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 Mr. Atsuo Shimodaira is as follows:

Name	Brief Personal History
Atsuo Shimodaira	Mar. 2015 Representative Director, Executive Vice President and COO of the Company Apr. 2022 Passed Away

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