

TORIDOLL→

TORIDOLL Holdings Corporation

〒150-0043
SHIBUYA SOLASTA 19F, 1-21-1 Dogenzaka, Shibuya-ku,
Tokyo 150-0043, Japan
<https://www.toridoll.com/>

Sustainability Promotion Department

TEL : 03-4221-8900
FAX : 050-3156-0890

HAPPINESS KANDO REPORT 2024

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TORIDOLL Holdings Integrated Report

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HAPPINESS

Employee “happiness” creates
the KANDO Dining Experience

“Kokoro no Honten” (English: Spiritual Flagship Store) training facility opening in Marugame, Kagawa Prefecture

In November 2024, we opened a training facility called “Kokoro no Honten” (English: Spiritual Flagship Store) on the island of Sanuki Hiroshima in Marugame, Kagawa Prefecture. At the facility, employees can receive training in the art of noodle-making by hand in the traditional setting of the Sanuki region.

With the opening of this facility, we have created a new environment in which Marugame Seimen noodle masters can compete, share their skills and knowledge, and hone them through friendly rivalry.

Kokoro no Honten—which can be translated as “spiritual flagship store”—serves as a point of origin and place of spiritual refuge for many employees, and facilitates the creation of new KANDO experiences.

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Scope of Reporting and Referencing Standards

Reporting Period

Fiscal year ending on March 31, 2024
(April 1, 2023 to March 31, 2024)
Note: This report includes some activities in fiscal 2025, noted where applicable.

Scope of Reporting

The TORIDOLL Group is our entire domestic and international group. Where specific data or figures are limited in scope, annotations are provided.

Scope of Reporting

February 2025

Referenced Guidelines

- International Integrated Reporting Council (IIRC) Integrated Reporting <IR>
- Ministry of Economy, Trade and Industry of Japan, Guidance for Integrated Corporate Disclosure and Company Investor Dialogue for Collaborative Value Creation
- Global Reporting Initiative GRI Sustainability Reporting Standards

Our Origins and Trajectory

Beginning of the dream

In August 1985, a small yakitori (skewered and grilled chicken) restaurant opened in Kakogawa City, Hyogo Prefecture, in a space measuring just 26 square meters. The name of the restaurant was Yakitori Izakaya Toridoll Sanban-kan. President and CEO Takaya Awata chose the name with the goal of "doing whatever it takes to keep three stores in business!" While the location near a train station was not bad, it was not popular at all when it first opened. From that experience of struggling to attract customers, Awata developed the mindset of always thinking, "How can we get customers?" This became a lesson for our business management. Through trial and error in trying to liven up the store, and engaging in enjoyable conversations with customers, the store later prospered. Seven years after starting the business, Awata opened his third store and achieved the goal set at the time of founding.



The sign for the first Toridoll Sanban-kan store, handwritten by Takaya Awata, is on display at TORIDOLL's Shibuya office

Encounter with the KANDO Dining Experience

Awata launched TORIDOLL, a Japanese-style yakitori family dining restaurant that can be enjoyed by customers of all ages, from children to the elderly, and expanded the business with the aim of becoming the top restaurant in the area. Everything was going well, but Awata felt uneasy because the restaurant did not have any overwhelming strengths. Around that time, Awata visited a noodle restaurant in Kagawa Prefecture, his father's birthplace, where people were lining up to eat udon noodles. He was stunned to see that customers were enjoying the experience of eating noodles made right in front of them. In 2000, the first Marugame Seimen store opened in Kakogawa City, the place of the TORIDOLL's initial founding, with a focus on providing an authentic udon noodle experience. The store's open kitchen, equipped with a noodle-making machine, offers a unique experience for customers as dough is prepared and noodles are cut and boiled. TORIDOLL aims to build overwhelming strength through the pursuit of KANDO Dining Experiences.



Marugame Seimen's first store in Kakogawa, displaying a timeline of TORIDOLL's 20-year history

From Japan to the World

Marugame Seimen—which followed the mantra of delivering handmade food, freshly made with a feeling of realism—was a big hit. Attracting long lines of customers, restaurants soon received numerous offers to open branches in food courts. As a central kitchen was unnecessary, the Marugame Seimen business was able to quickly open stores in any region, and by 2011 had 500 stores in Japan. In 2011, the TORIDOLL Group opened its first overseas store, Marugame Udon, in Hawaii. Subsequently, the TORIDOLL Group expanded to Asia, and by 2018 had more than 1,000 stores globally.

Since 2015, the TORIDOLL Group has accelerated its overseas expansion through M&A and overseas partnerships. Following the COVID-19 pandemic, TORIDOLL has sought to strengthen its business structure. Through the endless pursuit of KANDO dining experiences, TORIDOLL aspires to become a unique global food company originating from Japan.



Among the stores of the TORIDOLL Group's brands, Marugame Udon Waikiki (Hawaii) continues to achieve the highest individual store sales.

Reference:
Transforming Dining with
KANDO Experiences:
TORIDOLL's Challenge in
Successfully Launching
Marugame Seimen, by
Takaya Awata

2,650 billion
(Announced May 14, 2024)

Plan

Approx. ¥232.0 billion

Restrictions on activities due to the COVID-19 pandemic

Revenue* (Billions of yen)

Consolidated Japan Overseas

*Figures from fiscal years 2012 to 2014 include overseas sales.



Founded
TORIDOLL Sanban-kan opens

Marugame Seimen's Rapid Rise to Success

Marugame Seimen opens its first store

Nagata Honjyouken opens its first store

Tempura Makino opens its first store

Listed on the Mothers section of the Tokyo Stock Exchange

Market listing changed to the First Section of the Tokyo Stock Exchange

Global Expansion

Expansion of Overseas Brands

Kona's Coffee opens its first store

Butaya Tonichi opens its first store / Acquires Wok to Walk

Acquires Tam Jai Yunnan Mixian, TamJai SamGor Mixian, Monster Curry, and Pokéworks.
Nikuno-Yamagyu opens its first store / Acquires Banpaiya in Japan / Acquires Zundoya in Japan

Acquires Boat Noodle

Takes Tam Jai International Co. Limited public on the Hong Kong Stock Exchange

Acquires Franco Manca and The Real Greek

Market listing changed to the Prime Market of the Tokyo Stock Exchange

Timeline

1985 Yakitori Izakaya Toridoll Sanban-kan opened

1995 Toridoll Co., Ltd. established

2000 Shift to full-scale multi-business operations

TORIDOLL opened the first Marugame Seimen store, a self-service udon restaurant. After that, TORIDOLL shifted its focus to becoming a corporate group operating multiple brands. In 2004, TORIDOLL opened Nagata Honjyouken, a yakisoba ("stir-fried noodles") restaurant; in 2006, Tempura Makino, a tempura ("deep fried seafood or vegetables") restaurant; in 2013, Kona's Coffee, a Hawaiian café; in 2015, Butaya Tonichi, a tonkatsu (breaded, deep-fried pork cutlets) restaurant; and in 2017, Nikuno-Yamagyu, a restaurant serving yakiniku donburi (rice bowl with barbecued meat) made with freshly cut beef.



2011 Start of overseas expansion

The TORIDOLL Group opened Marugame Udon, its first overseas store, in Honolulu, Hawaii. In doing so, TORIDOLL expanded growth opportunities not only domestically but also overseas. The store has grown to become the highest grossing store in the TORIDOLL Group globally, with monthly sales in excess of 100 million yen.



2015 Expansion of overseas brands

After the acquisition of shares in WOK TO WALK FRANCHISE B.V., which operates the Asian fast food chain, WOK TO WALK, headquartered in the Netherlands, in 2018, the TORIDOLL Group acquired MC GROUP PTE. LTD. (Singapore), which operates the popular curry restaurant chain, Monster Curry, in Singapore. In the same year, Tam Jai International Co. Limited (Hong Kong), which operates the spicy noodle restaurant brands, TamJai Yunnan Mixian and TamJai SamGor Mixian, was also made a consolidated subsidiary.

In 2016, UTARA 5 FOOD AND BEVERAGE SDN BHD (Malaysia), which operates the soup noodle brand, Boat Noodle, and Beyond Restaurant Group, LLC, which operates the Hawaiian cuisine brand, Pokéworks, were made equity-method jointly controlled enterprises, etc.*

* Jointly controlled enterprises and affiliated companies are referred to as "jointly controlled enterprises, etc."



2017 Start of M&A in Japan

The TORIDOLL Group acquired shares in Active Source Inc., which operates the standing bar brand, Banpaiya. In the same year, TORIDOLL acquired shares in ZUND, Inc., which operates the tonkotsu ramen restaurant brand, Zundoya, and later made it a consolidated subsidiary. TORIDOLL has also begun M&A activities in Japan.

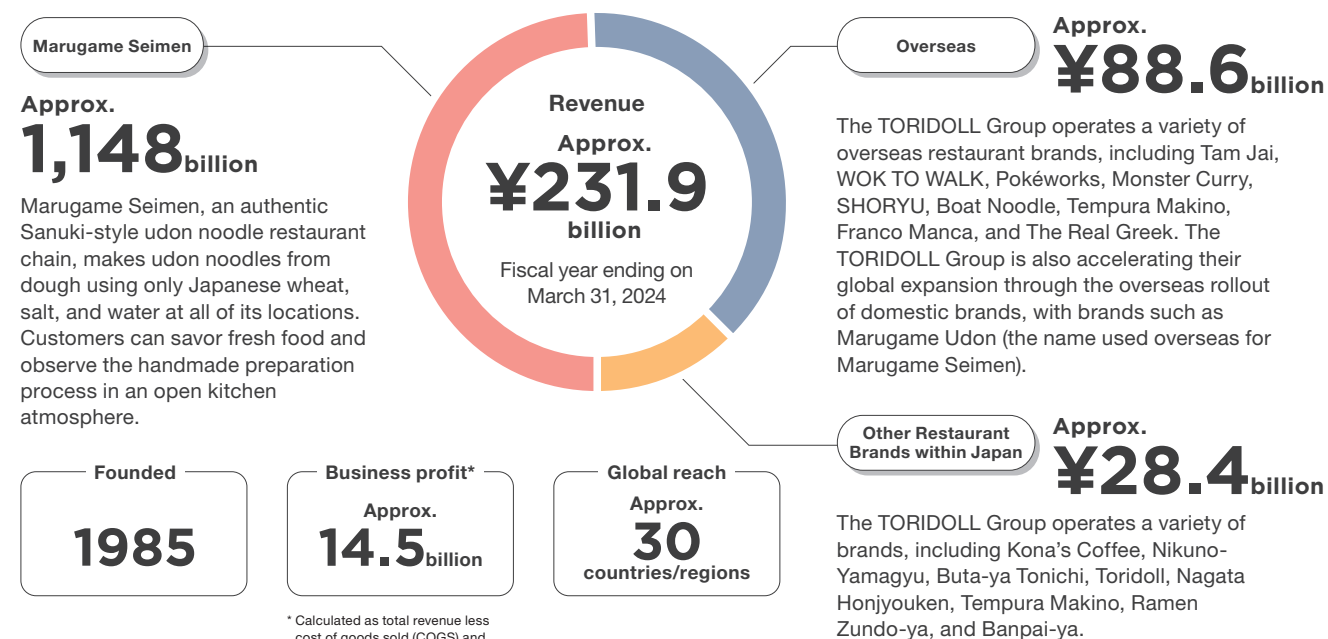
2023

The TORIDOLL Group has also acquired shares in The Fulham Shore Limited, which respectively operates the pizza restaurant brand and Greek cuisine brands, Franco Manca and The Real Greek, making Fulham Shore Ltd a consolidated subsidiary.



About the TORIDOLL Group

The TORIDOLL Group operates various restaurant brands both in Japan and overseas, offering customers around the world a KANDO Dining Experience.



TORIDOLL Group Main Brands

このうどんは、生きている。

丸亀製麺



A Sanuki-style udon noodle restaurant chain that offers the authentic flavor of fresh, handmade noodles prepared in-house at all its locations

Kona's Coffee

Hawaiian pancake Cafe




A café that serves home-roasted coffee and pancakes, based on the concept of bringing a Hawaiian home-dining experience to the customer

ZUNDO-YA



A specialty ramen shop from Himeji in Hyogo Prefecture dedicated to tonkotsu (pork bone) broth, prepared by simmering pork bones for over 10 hours.

立呑み 晩杯屋



A casual standing bar that welcomes everyone, and offers uncompromising quality at surprisingly affordable prices

炭火焼鳥・唐揚げ・釜めし とりどーる



A family-friendly restaurant that specializes in charcoal grilled dishes, including skewered yakitori (chicken pieces) prepared in-house daily since its establishment

焼きそば専門店 長田本庄軒



A restaurant specializing in bikkake-style yakisoba (stir-fried noodles topped with slow-cooked beef tendon and konjac jelly), a homestyle dish from the Nagata ward of Kobe made with chewy, medium-thick noodles made in-house.

The Original

Boat Noodle



A casual, halal-certified restaurant chain that serves Thai soup and noodles in stackable bowls.

FRANCO MANCA

NEAPOLITAN PIZZA



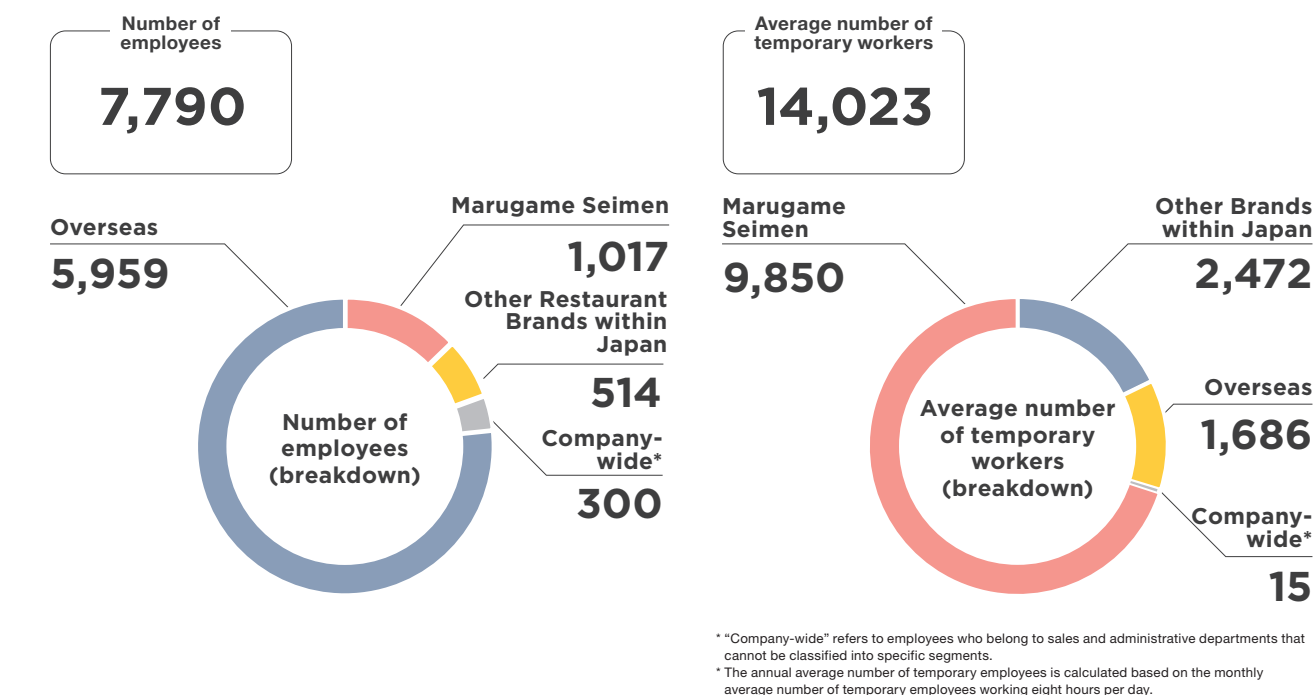
A restaurant originating in London that bakes authentic Neapolitan pizza from aged handmade dough upon order

THE REAL GREEK

EAT TOGETHER



A Greek cuisine restaurant that serves a combination of chilled, cooked, and grilled small dishes.



肉のヤマ牛



A restaurant brand that offers charcoal grilled beef topped on bowls of rice and homemade chilled noodles with beef freshly cut upon order

揚げたて 天ぷら定食 まきの



A restaurant that serves tempura (deep fried meat, seafood, and vegetables) set meals, with each piece freshly fried and served one at a time to maximize the flavor

とんかつ 豚屋



A tonkatsu (deep fried breaded pork cutlets) specialty shop that serves freshly deep fried pork cutlets prepared and cooked in front of the customer

MARUGAME UDON

JAPANESE NOODLES & TEMPURA



The brand name used overseas for Marugame Seimen and offers fresh udon noodles made from flour in-store and cooked right in front of customers

Tamjai

INTERNATIONAL 譚仔麵館



A popular noodle shop in Hong Kong that allows customers to personalize their bowl by choosing from a variety of rice flour noodles, soups, and toppings

焼きたて コッペパン




A sandwich shop that uses handmade koppe (Japanese bread roll) bread that carries out the entire process on-site at the bakery from mixing ingredients to baking.

WOK TO WALK



A Thai-style fast-food restaurant chain inspired by Thai street food

Pokéworks



A restaurant brand that offers Hawaiian poke, a classic local favorite that has now evolved into a wide variety of serving options, including traditional poke bowls, sushi roll-style poke burritos and poke salads


MONSTER CURRY

MONSTER PLANET



A restaurant brand that offers popular, rich roux-based curry on big exciting plates, gaining popularity in Singapore

SHORYU



A restaurant brand that offers authentic Hakata-style ramen with genuine tonkotsu (pork bone) soup



Uniting Our Passions, We Venture into the World

Aiming to become a global food company originating from Japan

Why We Have Transformed Our Mission Statement

In envisioning the future of the TORIDOLL Group, people are the most important factor. We have articulated our corporate slogan, mission, vision, strategy and growth philosophy to unite our employees' aspirations and take on the world, ensuring that these principles are deeply embedded.

Our values

Philosophy

Building on the unchanging philosophy of our founder and embodying it in our daily activities, we will continue to create new KANDO experiences.

- 1 To the Pinnacle of KANDO
- 2 To the Pinnacle of Trade-on
- 3 To the Pinnacle of Praise and Mutual Support

⋮

Our Growth Philosophy embodies the most essential and immutable principles that guide the decisions and behaviors of all our employees.

The pinnacle of KANDO involves creating emotional experiences so profound that they resonate at a primal level. The pinnacle of trade-on is about overcoming the trade-offs we face when spreading KANDO across the globe. The pinnacle of praise and mutual support represents a culture where the people supporting these goals commend and help one another. Together, we strive as one to reach these three pinnacles.

SLOGAN
Fill Our Planet with KANDO Dining
Experiences that will Move You.

VISION
Global Food Company that
Trailblazes into the Future
through Unceasing Innovation.

MISSION
Create Excitement Around
the World by Stimulating
Our Instinctive Desire for
KANDO Dining Experiences.

STRATEGY
KANDO Trade-on strategy

PHILOSOPHY
Philosophy on Growth: 3 Pinnacles of TORIDOLL

The future we aim for

Slogan

A statement to express our determination, connecting "KANDO dining experiences" that shapes TORIDOLL since its inception, and our final destination, "filling our planet" with such moving experiences.

Fill Our Planet with KANDO Dining Experiences that will Move You.
— This slogan originates from the awe-inspiring dining experience, the most fundamental value that takes precedence over anything else in the TORIDOLL Group.

We aim to share these profound dining experiences beyond the borders of countries to the entire world, ultimately reaching the pinnacle of the food business. This strong resolution is expressed as an imperative.

Our vision

Vision

We aim to become a one-and-only company that will continue to exceed the world's expectations and carry out unceasing innovation.

We are committed to spreading awe-inspiring dining experiences across the globe, embracing changes that exceed even our own imagination.

Through awe-inspiring dining experiences, we aim to pave a unique path that no one else has taken, envisioning a future where we emerge as an unparalleled global food company that does not yet exist anywhere in the world.

Our mission

Mission

The raison d'être of TORIDOLL, which is to continually innovate "KANDO dining experiences" and bring more excitement and joy into the world.

The awe-inspiring dining experience transcends the five senses, appealing directly to our instincts. Achieving this requires more than just products. It involves the utilization of every possible means, including ambiance and customer service, to explore and realize value that is not known even to the customers themselves.

We are committed to this endless pursuit on a global scale, as stated in our mission.

Our strategy

Strategy

We strive to turn "trade-off" activities into "trade-on" activities, by creating unique KANDO experiences and delivering them around the world as a team.

Our strategy, the KANDO Trade-on Strategy, aims to deliver awe-inspiring dining experiences to the world by balancing activities that are typically seen as contradictory trade-offs. The deliberate use of "KANDO" (meaning emotional impact in Japanese) signifies our intention to share our most fundamental value, the KANDO Dining Experience, globally.

Through our collaborations with local partners worldwide, we aim to leverage our diverse portfolio of brands, known for their awe-inspiring dining experiences, and expand their presence globally. As we achieve rapid growth, the interaction between the knowledge and expertise of our brands and our partners will enhance the awe-inspiring dining experiences and performance of each brand, propelling us toward the future we aim for.



Entering a Period of Transition to Move Forward as a Global Food Company

The COVID-19 pandemic—which affected not only the restaurant industry but all manner of industries—is finally drawing to an end, and the TORIDOLL Group has also recovered. In FY2024/3, we were able to clearly communicate the concepts of each of our 20 brands operating in Japan and overseas to a wider range of customers, as their concepts became more solidified.

Of course, Marugame Seimen has performed well, but I think a good example is Kona's Coffee, with its “closest to Hawaii” concept, which has attracted a new customer base different from Marugame Seimen by strongly emphasizing Kona's Coffee's positive aspects. Himeji-based tonkotsu (pork bone) ramen noodle restaurant, Zundoya, which joined the TORIDOLL Group in 2017, entered a period of growth, and our restaurant brand that specializes in freshly cut beef, Nikuno-Yamagyu, became a thriving business. These developments demonstrate the strong performance of various business types within Japan. With regard to our overseas businesses, Fulham Shore (UK) and Tam Jai International (Hong Kong)—which became subsidiaries in July 2023—led the increase in revenue. It was a year in which I felt we had entered a period of transition in our efforts to become a global food company, with a balance between Marugame Seimen, our other Japanese brands, and our overseas business operations.

The interim results for FY2025/3 show record interim sales in all segments, including Marugame Seimen, our other Japanese brands, and our overseas operations. However, given the impact of factors such as impairment losses at unprofitable overseas stores, the full-year results are expected to show an increase in sales revenues but a decrease in profits.

Removing Barriers Between Japan and Overseas and Focusing on TORIDOLL Group Integration

While I think that there will be many twists and turns along the way, our overseas business is growing at almost the same pace as our Japanese business, or possibly even faster. In light of this situation, the TORIDOLL Group is focused on removing barriers between Japanese and overseas operations, by intentionally involving Japanese operation employees in overseas operations so as to achieve integration. As we are entering a period of transition, I believe

it is important for employees to actually experience both Japanese and overseas working environments, in order to change their mindsets. While it may be common for overseas operations to be handled by an overseas business division, I believe that it is necessary for everyone to work together as a single team to become One TORIDOLL. In fact, Mr. Hiroshi Yamaguchi—president of Marugame Udon—is visiting Marugame Udon restaurants around the world to break down regional barriers and build a united team. By gradually implementing these initiatives, I feel that FY2025/3 will be a year of progress for employees reforming their mindsets. Now that the near future in which the number of overseas stores exceeds the number of domestic stores is becoming a reality, I believe that it is important to purposefully integrate these two segments.

Without Employee Happiness, There Can Be No KANDO

Due to the popularization of prepared meals and food delivery services, rising food prices, and labor shortages, the restaurant industry has been leaning toward labor reduction across the board. Against this backdrop, digital transformation (DX) through the introduction of food tech is gaining attention. TORIDOLL is also engaged in DX initiatives such as migrating our data centers to the cloud, transferring back-office operations to BPO's, and getting rid of our VPN network. All of these initiatives are aimed at providing our customers with experience value (i.e., KANDO experiences) that will leave them feeling impressed by providing freshly made noodles with great care. Reducing staff simply because it will allow us to cut costs will actually only cause us to lose our advantage. We understand that our employees are our strength, and that this must not change.

There is no doubt in my mind that it is our people who create the KANDO experiences that we deliver to our customers. To date, KANDO has been the key to increasing customer satisfaction and making our stores prosper. I believe that KANDO is the source of our growth as a company, but it cannot be achieved without the happiness of the employees working behind the scenes. KANDO and happiness are one and the same. It is not a matter of weighing the happiness of our employees against sales and choosing one over the other. In other words, it should be a “trade-on” and not a “trade-off”.

Spreading KANDO to the World through Employee Happiness

Takaya Awata

President and CEO
TORIDOLL Holdings Corporation

Transforming Workplaces into One of an Employee's Favorite Places

Through initiatives such as the Awata Future Academy management seminar, which I run for employees in our workplaces, and the EATING MEETINGS, small-group sessions for Head Quarter employees to share their opinions and experiences, I have come to feel strongly that the thoughts, feelings, and actions of employees are essential to increasing profits. While it may sound a little abstract, if employees become friendly with each other and become a team who praise and help each other out, then fewer people will leave TORIDOLL, and the atmosphere at stores will improve. If there is a good atmosphere at our stores, then customers will be drawn to them. As a first step, we decided to focus on making the stores into workplaces that employees will like, and on initiatives focusing on employee happiness.

For example, we are working on store development. Until now, we have mainly focused on store layouts and interior design with an emphasis on how to deliver KANDO experiences from a customer perspective. From now on, we will also incorporate staff perspectives. A specific example is the Marugame Seimen Higashine Store (in Yamagata Prefecture), which opened in Spring 2024. The staff room is nearly twice as large as before, allowing employees to relax during breaks. While still in the early stages of its operation, it has been very well received by staff at the Higashine store. Going forward, we will increase our efforts while evaluating store performance.

Actively Incorporating DX to Stimulate Communication

The TORIDOLL Group has developed its own unique employee communication app, with the aim of maximizing employee experience value (EX) by creating a space for employees to connect across distances (regions), brands (business types), and roles, and share their desire to achieve happiness and KANDO. Employees can share examples of happiness at each store and express their gratitude to their coworkers through the app. By quantifying and visualizing happiness and KANDO using scores based on factors such as the number of posts in the app, we hope to analyze and prove that, for example, “stores with employees who love their store and are cheerful and energetic tend to generate higher sales,” and share these results with our employees. As more employees realize this, it will serve as a catalyst for other stores to become more energetic and vibrant, and I hope that it will eventually become a part of TORIDOLL's corporate culture.

Increasing Activities in the Field of Sustainability

While the issues and direction in the field of sustainability remain largely unchanged, we have placed happiness at the center of our activities, and in light of such, reviewed our ESG materiality (material issues). We deliver KANDO experiences through food, but it is also essential for us to consider the creation of a sustainable society and, in a broader sense, the future of the Earth as a whole. Although companies are supposed to be protected by society in some way, I feel that business operations are based on the “commercial ego” of the company itself. Rather than focusing simply on the well-being of one's own company, I think that it is important to work together with various stakeholders, such as society and customers. Going forward, through such thinking and activities, we will seek to increase our activities in the field of sustainability so that we can become a company that many customers will want to support.

Aiming for a Future where Everyday Foods Created in Japan Are Commonly Consumed around the World

There are many Japanese companies that have expanded overseas as well as in Japan, with overseas revenues exceeding Japanese revenues. While there are many such rapidly growing industries, I believe that the restaurant industry is a very large industry which has further potential for growth in the future.

While the restaurant industry stagnated for some time due to the COVID-19 pandemic, with the Japanese market size expected to exceed 30 trillion yen, there are few other industries of comparable scale. It is also an industry that supports employment for more than five million people, and I believe it is an industry that needs to grow even further in the future. On the other hand, there was a long period of time when there was sufficient market demand within Japan's domestic market alone, and the timing for expanding overseas was delayed. This led to the industry suffering from the so-called Galápagos effect.

I want us to take a bold approach to overseas expansion, where we can generate higher profits than in Japan, and create a new path for the restaurant industry. Of course, Japanese food is already regarded highly by people around the world, but this recognition is limited mainly to high-end cuisine. I want to spread udon noodles, an everyday food that can be enjoyed by everyone, as a familiar favorite all over world. Together, I want us to create a future where people all around the world enjoy eating udon noodles, even if they don't know when or where they originated.



The TORIDOLL Group will Continue to Exist as a Constantly Growing Corporate Group

I believe that the restaurant business is not simply about providing a product, but about providing experiences, which are a form of leisure. Regardless of whether customers perceive eating out as a form of leisure, we should propose the enjoyment of leisure through everyday meals. Rather than offering this enjoyment through extraordinary, extravagant, high-end meals, I would like to propose everyday meals such as udon noodles. In an age where various meals are easily available through home delivery services and at convenience stores, why do people change their clothes or get dressed up to go out to eat? The reason is that eating out is a form of leisure. If it is not a form of leisure, then the meaning of eating out gradually fades. We aim to be a corporate group that continues to grow by implementing diverse initiatives,

to create restaurants that people will want to visit, even if it means making a special effort to go out. I want us to be a company that believes growth is not something special, but a natural process.

Looking ahead, we expect the business environment to become even more challenging, with factors such as the shrinking working-age population and the declining birthrate. Despite these circumstances, the TORIDOLL Group will aim to create stores that will continue to attract customers and employees, and where employees feel a sense of belonging. We believe that this will lead naturally to the provision of comfortable spaces and pleasant service for our customers. While we understand that creating such places may take time, and may be difficult, we are determined to realize this vision, and become a “Global Food Company that Trailblazes into the Future through Unceasing Innovation.”

I hope that you will continue to have high hopes and expectations for the TORIDOLL Group.

Value Creation Process

Our primary focus in our business activities at TORIDOLL, is creating value for all stakeholders, in addition to creating financial value. While we make various capital investments into our business, we believe that improving employee happiness is the most important factor in creating KANDO dining experiences, which is the source of our value. Employee happiness enhances customers' KANDO experiences, leading to sustainable business growth, increased corporate value, and the resolution of social and environmental issues through business expansion.



Feature

Working Toward People-Oriented Management

KANDO is created by each individual employee.
We aim to make TORIDOLL a company where people
can work happily for the long term.

Genuine KANDO can only be created by human hands

The TORIDOLL Group has several characteristics (that is, our strengths), but our greatest strength is that we believe in the power of people to the fullest extent, and to harness that power to create new value. Real KANDO can only be created by human hands. That is the common idea behind all of TORIDOLL's brands and what makes us who we are.

On the other hand, with Japan's rapidly declining birthrate and aging population, the country's working population is shrinking. All industries are being affected without exception, with the restaurant industry, in particular, expected to face a serious shortage of human resources. For this reason, many restaurant companies are taking measures to further improve efficiency by reducing the number of staff needed and considering ways of ensuring business continuity while reducing human involvement. However, the TORIDOLL approach—in which every employee interacts with customers and continues to provide them with KANDO experiences—is the complete opposite of these labor-saving measures. It requires more employees than ever to continue playing active roles while demonstrating their individual abilities.

Kenichi Tanaka
Director and CHHO



The TORIDOLL Group has grown continuously by providing KANDO dining experiences. The driving force for this growth is the power demonstrated by individual employees. In this special feature, Kenichi Tanaka, who became a director and the Chief Happiness and Human Resources Officer (CHHO) in FY2025/3, talks about the TORIDOLL Group's human resources strategy.

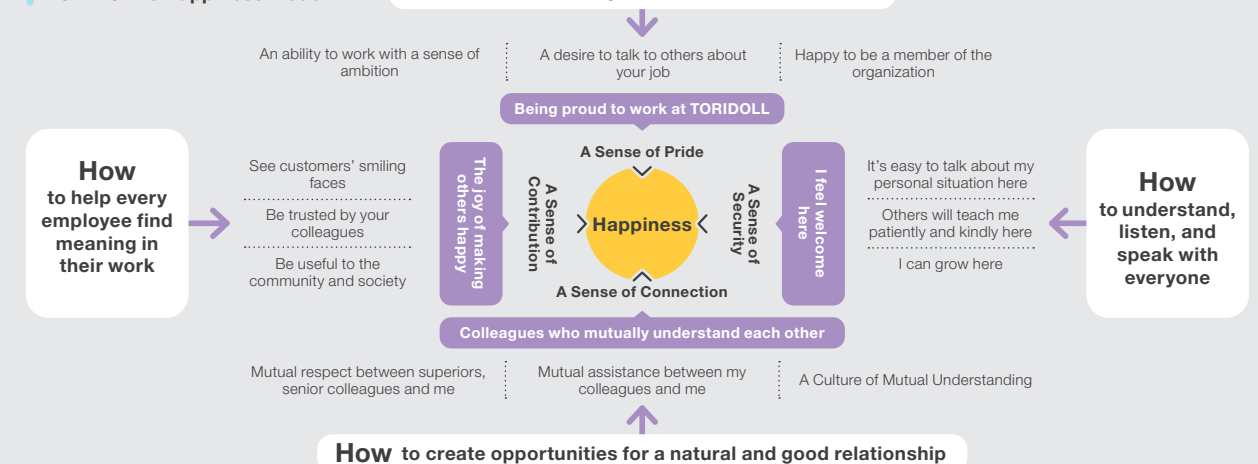
Happiness gives rise to KANDO, which leads to growth

To provide our customers with KANDO dining experiences, every one of our employees must first be happy. Because this encompasses a variety of elements, we refer to this as "happiness" within the Company. (We use the English word, "happiness", even in Japanese language contexts). We believe that maintaining high employee happiness will help us to create KANDO for customers, which will lead naturally to improved profitability and growth for the Group as a whole. My goal as CHHO is to create a cycle in which the results of growth are circulated back to the happiness of our employees.

So, what exactly is happiness? At TORIDOLL, we have summarized the four main elements of our happiness model as a sense of security, connection, contribution, and pride; we aim to create a corporate culture where people can grow together with the organization. We believe that this includes creating environments where employees can work with a sense of security, comprehensive education systems, and workplaces that employees love.

TORIDOLL's Happiness Model

How to raise every individual's enthusiasm



The TORIDOLL Group's HR strategy

Currently, we are systematically organizing TORIDOLL Group's human resources strategy with a focus on consistency with our management strategy, the KANDO Trade-on Strategy. While we are organizing across the 11 measures of the four key themes of the management strategy with recruitment, retention, training, and organization, I believe that it is important for

us to coordinate and implement them in a balanced way, rather than simply implementing each HR measure in an individually optimal manner. The TORIDOLL Group is a large organization, also characterized by its high recruitment volume. For this reason, we continue to recruit high-quality personnel in a timely manner, and are striving to develop a working environment, compensation system, and welfare benefits that match each employee's life stage. At the same time, we are strengthening our support system for front-line employees through a mentor system with TORIDOLL Holdings staff who are not part of the regular line, and a store manager training program. Through these kinds of initiatives, we work to improve the happiness of our employees.

Key Themes	Summary of Initiatives	Recruitment	Engagement	Training	Organization
		Talent Management			
Pursuit of KANDO dining experiences	① Creation and refinement of KANDO experiences	Store	TORIDOLL Holdings Head Quarter	Compensation & Benefits	Promoting Diversity & Inclusion
	② Human resource development and retention				
	③ Creation of settings that give rise to KANDO experiences				
Expansion of the size and quality of our business portfolio	④ Acquisition of new brands via M&A	Global Professional Head Quarter	Global Talent Management	Employee Support	Corporate Organizational Design
	⑤ Selection and Focus				
	⑥ Branding incubation				
Establishment of a lineup of local partners	⑦ Seeking of potential new affiliates	Global Education	Global Organizational Design	Store Management	Global Organizational Governance
	⑧ Simultaneous development of brands with affiliates in key markets				
	⑨ Brand focused global collaboration				
Building a foundation to support global expansion	⑩ Globalization of Group functions	Global Education	Global Organizational Design	Employee Support	Global Organizational Governance
	⑪ Enhancement of store-opening capabilities				

Feature Working Towards a People-Oriented Management

The Five Focus Areas in the TORIDOLL Human Resources Strategy

Earlier, we summarized the relationship between our business strategy and HR measures. We have also identified five key focus areas as priority issues in HR strategy when implementing such measures. They are: creating stores that create KANDO through happiness, creating a holdings organization that supports store

happiness, fostering an organizational culture, strengthening HR management, and strengthening the global organization. We have also set KPIs for each of these areas and are working to achieve them. Since the KPIs are diverse, we have also identified the ones that have a particularly high impact as material issues in ESG.

Priority Fields	Priority measures	Main KPIs and targets
1 Creating stores that create KANDO through happiness	<ul style="list-style-type: none"> Creating a sense of security for employees and stable operations through sufficient staffing at stores Providing a sense of security through enhanced compensation and benefits for store staff Making stores feel welcoming by improving managers' management skills Creating store staff support systems (such as, mentors, consultation service) Creating opportunities that encourage connections with stores 	<ul style="list-style-type: none"> Staff sufficiency rate Internal promotion (part-time/contract staff to full-time/permanent staff) rate Turnover rate Engagement (happiness) indicators Manager training implementation rate Average years of continuous service Number of long-serving employees
2 Creating a holdings organization that supports store happiness	<ul style="list-style-type: none"> Enhancing the TORIDOLL Holdings organization's store support functions Improving the support mindset of holdings organization staff Strengthening collaborations between holdings organization and business types Educating to improve professional skills 	
3 Fostering an organizational culture	<ul style="list-style-type: none"> Education for instillation of our MVS (Mission, Value, Slogan), Growth Philosophy, happiness, and KANDO Thorough evaluations based on our MVS, Growth Philosophy, happiness, and KANDO 	<ul style="list-style-type: none"> Reward system (salary increases, incentives, promotion salary increases, salary increases for part-time/contract staff) Evaluation system Long-term employment support system (employees / part-time / contract staff) Childcare and family care support systems
4 Strengthening HR management	<ul style="list-style-type: none"> Business development, management talent identification, and leader training Group-wide talent management (identifying, training, assigning, and planning for succession of key personnel) 	<ul style="list-style-type: none"> Organizational restructuring Successor preparation rate Discovery of new human resources Internal promotion rate to key positions
5 Strengthening the global organization	<ul style="list-style-type: none"> Strengthening governance of overseas subsidiaries Training global talent who can support overseas business Strengthening the global response capabilities of TORIDOLL Holdings functions 	

Actual Efforts in Key Focus Areas

For example, at Marugame Udon, we are working to reduce workload so as to allow store managers to focus on store operations and team care by improving the system in which one store manager must multitask in managing multiple stores. We are also strengthening our organizational structure by, for example, increasing the number of employees within the TORIDOLL Holdings Head Office who

are responsible for supporting stores. In terms of staffing, we believe that promoting from within and changing mindsets are important. If staff have already worked for our Group, they will have a deep understanding of the business and the industry, allowing us to reduce the gap after hiring. Employees must also share the Group's Mission, Vision, Slogan, and Growth Philosophy.

System of one store, one manager (Marugame Udon)

62%
Completed at 528 stores
(As of January 31, 2025)

In addition to personnel systems, we also provide numerous training opportunities for employees who serve as store managers, such as opportunities to think about their career paths, and leadership training. Examples of somewhat unique training programs include a tour of Sanuki Udon restaurants, the Happiness KANDO Camp (where participants go camping and take part in workshops), and KANDO Experience tours overseas. Through this kind of special experience-based training, we hope that the store managers will experience KANDO themselves use their experiences to think of new ideas for KANDO, and play the role of "missionaries" by sharing their KANDO when they return to their respective stores. When there are human resources with high potential within each business category, we will assign them as management personnel across business categories for the overall optimization of

Training tour of Sanuki Udon restaurants

843
participants

54
of which participated in training on Sanuki Hiroshima island, Marugame (Kagawa Prefecture)

Happiness KANDO Camp

Held 8 times

Approx.
200
participants

Overseas KANDO Experience tours

Held 2 times

57
participants



Continuing to create KANDO through happiness

In addition to focusing on key areas, we also aim to continue expanding and improving the recruitment and training programs that our employees want, using the three-year milestone as a guide, and enhancing the Group's unique core programs to a state where they are both complete and implemented. At the same time, TORIDOLL Holdings will also aim to build mechanisms for grasping human resources, including those overseas. We will also work to strengthen our store and organizational support systems, both in Japan and overseas.

When I first joined TORIDOLL Holdings, I was attracted by the global dynamism of the restaurant industry. In particular, I was strongly drawn to the possibilities of being able to contribute to the world as part of the Japanese-born TORIDOLL Group. When I actually joined the company,

I found it to be very different from typical restaurant companies with multiple stores, with the challenging proposition of Trade-on to achieve KANDO. I found it to be a stimulating job, and felt the company's future potential. Now, I am confident that by pursuing and immersing in TORIDOLL's strengths even further, we will be able to create an organization that can continue to grow sustainably.

There are many things that the human resources (HHS; Happiness Human Support) department should be actively working on to improve employee happiness, but HHS alone cannot achieve such. I believe that by all employees working together to support each other and enhance happiness, we will be able to deliver even more KANDO experiences going forward.



KANDO Episodes

KANDO Provision Episodes

At TORIDOLL, we believe that maintaining a high level of happiness for our employees enables us to deliver KANDO experiences to our customers. In fact, we have been receiving an increasing number of warm words of appreciation via phone calls to our customer service center and through the contact form on our corporate website. Here, we share three heartwarming examples of such words of praise that we have received.

EPISODE 1

Marugame Seimen

A heartwarming scene outside the restaurant



I recently visited your Kanazawa restaurant. After I finished eating and was about to drive home, I saw a group of elementary school children on their way home from school. The road in front of the restaurant had a lot of traffic. Just as I thought it looked dangerous, a male staff member came out of the restaurant and called out to the children. The sight of the children waving goodbye and the staff member waving back was very heartwarming and made me feel good even though I was exhausted from work. While this isn't really about the restaurant itself, I felt so happy that I wrote you this email.

EPISODE 2

Kona's Coffee

Flowers for a young customer

I visited your restaurant with my friend and daughter the other day around lunchtime. My daughter started crying so I went outside to deal with the situation. When a male staff member saw this, he came outside and gave my daughter some flowers! My daughter stopped crying and looked at the flowers he gave her. She said, "the flowers are pretty," and was very happy. We put the flowers in some water and put them on display at home. Thank you very much! We will visit your restaurant again.



EPISODE 3

Butaya Tonichi

Coordination based on observation of customers

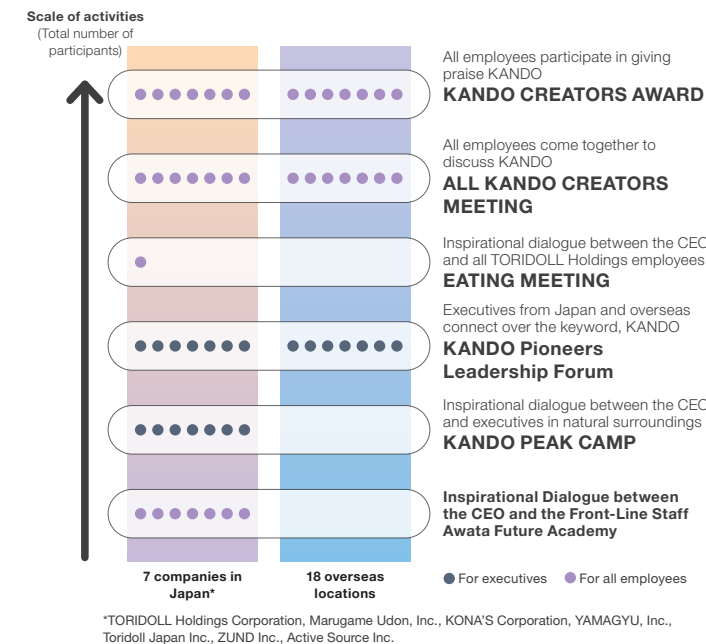


When we ordered the pork cutlet bowl, the staff suggested that they could cut the pork cutlet into smaller pieces so that it would be easier to eat with my child, and so they did. When I paid the bill, they also gave some candy for my child, and even told the cashier to give us two pieces because I had another child. I was very grateful for that as it saved the children from fighting. I was impressed by how well the staff watch their customers. Thank you very much for your kind customer service. I was happy. We will come again.

Instilling our Mission, Vision, Slogan, and Growth Philosophy, following on from the previous year

In FY2023, we once again revised our Corporate Mission, Vision, and Slogan, and introduced a new set of universal values that we call our Growth Philosophy. In FY2024, we continued working to instill this philosophy.

Opportunities for instilling our Philosophy



Uniting Global Team Members through Our Shared Vision

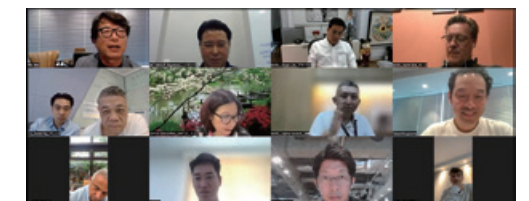
As shown on the left, the TORIDOLL Group is creating opportunities to instill and share the Group's core values with Group employees working at over 1,940 stores worldwide, while structuring the content, scale, and target audiences of these opportunities in various ways.

Since we believe that the source of KANDO dining experiences is the happiness of our employees, we are working, in particular, to instill and implement the "Peak of Praise and Mutual Support" in FY2024. As an organization, we have established the Happiness Human Support Division that consolidates business functions relating to people, the Happiness KANDO Creation Division that plans measures to increase employee satisfaction at their stores and increase KANDO, and the Domestic Business Support Division that functions as a hub for supporting stores. To create strategies for building a thriving restaurant business by pursuing the happiness of employees and creating KANDO dining experiences, and to promote implementation of these strategies across the Group's divisions, we have held various meetings, including the Happiness KANDO Creation Meeting, the Happiness KANDO Promotion Meeting, and the Holdings Reform Meeting. The CEO participated in all meetings and engaged in discussions with directors and operating company presidents. As an outcome of these meetings, we implemented measures in advance of FY2024 such as regular pay increases, employee benefits, and a change in the name of our Head Quarter (from "Head Office" to "Store Support Office").

Pick Up

KANDO Pioneers Leadership Forum: Aiming for Global Integration of the TORIDOLL Group

As part of our efforts to share the value of KANDO globally and work together as a group to realize our slogan, "Fill Our Planet with KANDO Dining Experiences that will Move You," in July 2023, we launched the KANDO Pioneers Leadership Forum. In this forum, executives from a selection of domestic business categories and one to two executives from a total of 18 overseas brand locations gather (remotely) each month. While there has been communication between TORIDOLL Holdings and each company in the past, there has not been much interaction between overseas subsidiaries. Through this forum, we will share examples of the KANDO experiences created by our brands around the world, and the various initiatives that they have undertaken. Participating executives have commented that the forum has been a good place to share their know-how and apply it to their respective business operations.



Growth Strategy

To become a unique global food company from Japan through the constant pursuit of KANDO dining experiences



Medium- to Long-Term Management Plan (Fiscal Years 2023 to 2028)

We, the TORIDOLL Group, have formulated a medium-to-long-term management plan that will conclude in the fiscal year ending on March 31, 2028. We have also developed a three-year plan to guide our progress.

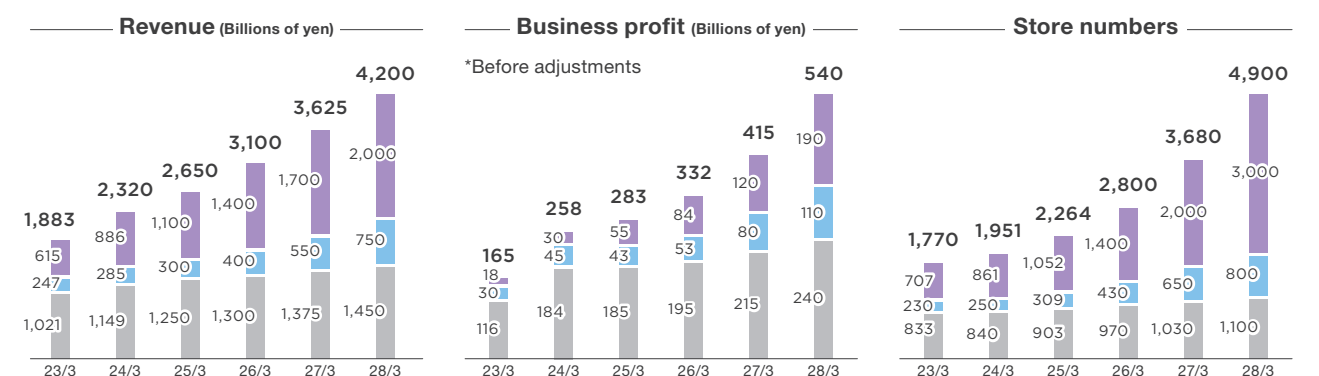
In the fiscal year ended March 31, 2024, we continued to make good progress, with both sales and profits exceeding our forecasts. We have not changed our targets for the fiscal year ending on March 31, 2028 this time, and have updated the three-year plan until the fiscal year ending on March 31, 2027. The key point is to concentrate resources on business categories

and areas where there is great potential for growth and improved performance. To support rapid growth, we are strengthening portfolio management while also engaging in management while being aware of capital costs.

We have disclosed our entire roadmap up to the fiscal year ending on March 31, 2028. While we are aiming for dramatic growth, we are also confident that we have steadily achieved growth and generated profits up to this point. While it seems that a step up will be needed before the fiscal year ending on March 31, 2028, the plan only takes M&A into account in the final year.

Medium-term Management Plan (New Three-Year Plan) (announced May 14, 2024)

■ Marugame Seimen (Japan) ■ Other Brands within Japan ■ Overseas



Management Indicators

As we aim to strengthen our global presence by opening new stores, renovating stores and making investments such as mergers and acquisitions, we have defined and monitor growth potential, profitability, efficiency, and financial health as key management indicators.

Among these indicators, a principal indicator is Return on Equity (ROE). We aim to achieve a 10% ROE by the fiscal year ending on 2026, the final year of the three-year plan, and 12% by fiscal year ending on 2028, the final year of the medium-to-long-term management plan.

		Fiscal Year ended March 31, 2024 Results	Fiscal Year ending on March 31, 2026	Fiscal Year ending on March 31, 2028 Medium-to-long-term targets
Growth potential	Store numbers	1,951 stores	2,800 stores	4,900 stores
	Revenue	Approx. ¥232.0 billion	¥310.0 billion	¥420.0 billion
	Business Profit	Approx. ¥14.5 billion	¥22.6 billion	¥42.0 billion
Profitability	Business Profit Margin	6.3%	7.3%	10.0%
	Operating Profit	Approx. ¥11.6 billion	¥18.6 billion	¥38.0 billion
	Operating Profit Margin	5.0%	6.0%	9.0%
	Adjusted EBITDA	Approx. ¥44.3 billion	¥51.6 billion	-
	EBITDA Margin	19.1%	16.6%	-
Capital efficiency	Profit Attributable to Owners of Parent	Approx. ¥5.7 billion	¥9.1 billion	¥20.0 billion
	EPS (after adjustment for non-controlling interest)	¥60.7	¥104.9	¥200
	ROE	7.5%	10%	12%
Financial soundness	ROIC	2.8%		
	Debt Equity Ratio	1.43 times		
	Debt/EBITDA Ratio	2.61 times		

Improve capital efficiency by strengthening ROIC management to further enhance ability to generate cash flows, and secure a certain level of financial soundness and funding capacity in preparation for measures such as large-scale investments

New Three-Year Plan for Achieving Medium and Long-Term Goals (announced on May 14, 2024)

Up to Fiscal Year ended March 31, 2024

- Sales per store increased both in Japan and overseas
- Strengthening of winning strategies and improvement of success reproducibility progressed in each business category
- Domestic profitability increased even more than planned
- Acquisition of major business category (pizza brand) with Fulham Shore becoming a subsidiary
- Delayed store openings due to increasing material costs

Medium-to-Long-Term Management Plan

(Fiscal Years ending on 2023 to 2028)
 Revenue: Approx. ¥232.0 billion
 Business Profit: Approx. ¥14.5 billion (Business Profit Margin: 6.3%)
 Operating Profit: Approx. ¥11.6 billion (Operating Profit Margin: 5.0%)
 Number of stores: 1,951

New Three-Year Plan

- Open stores both in Japan and overseas to develop a multinational presence
- Prioritize investment of resources in business categories and areas with high expectations for growth and improved business performance
- Strengthen portfolio management and engage in management while being aware of capital costs

Plan for the Fiscal Year ending on March 31, 2027

Revenue: ¥362.5 billion
 Business Profit: ¥30.5 billion (Business Profit Margin: 8.4%)
 Operating Profit: ¥26.5 billion (Operating Profit Margin: 7.3%)
 Number of stores: 3,680

Medium- to Long-Term Targets

- Establish a position comparable to the world's leading restaurant companies and solidify a truly global presence in the restaurant industry.

Plan for the Fiscal Year ending on March 31, 2028

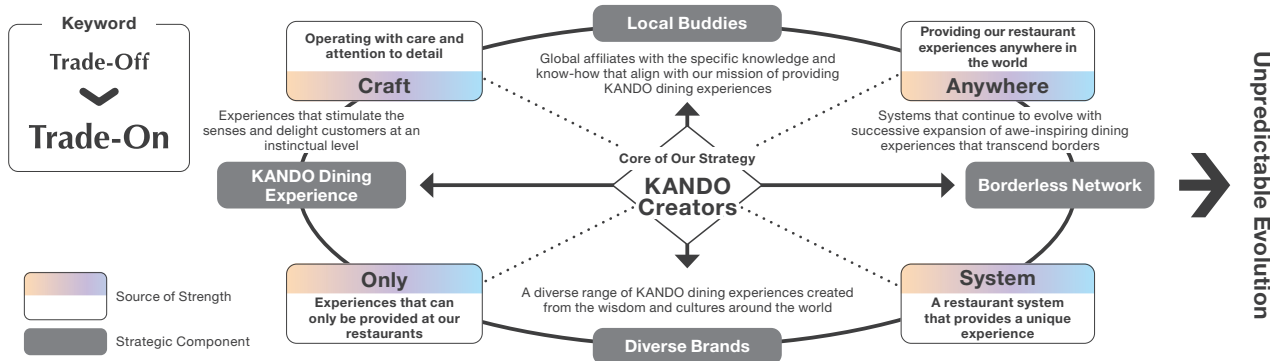
Revenue: ¥420.0 billion
 Business Profit: ¥42.0 billion (Business Profit Margin: 10%)
 Operating Profit: ¥38.0 billion (Operating Profit Margin: 9.0%)
 Number of stores: 4,900

KANDO Trade-on Strategy for achieving Medium-to-Long-Term goals

We, the TORIDOLL Group, provide KANDO dining experiences with care and attention to detail, while also aiming to be agile and efficient. We aim to transform unique local encounters into experiences that can be shared worldwide. Our ability to reconcile these seemingly contradictory activities—typically seen as mutually exclusive—is our strength.

We aim to use this strategy, the “KANDO Trade-on Strategy”, to far exceed expectations and achieve the unpredictable evolution of the TORIDOLL Group. The deliberate use of “KANDO” (meaning “emotional impact” in Japanese) signifies our intention to share our Group’s most fundamental value, the KANDO Dining Experience, globally. The starting point for this strategy is the KANDO Dining

Experience on the left in the diagram below. These are the values that run through the very core of our Group and is the reason why customers come to our stores. “Diverse Brands” is our diverse lineup of brands that offer KANDO experiences. Our partners, also known as Local Buddies, share emotional experiences and offer valuable knowledge, expertise and networks supporting our global expansion. The cornerstone of our strategy is the interplay between these brands and partners, creating a web-like network that enables the simultaneous growth and development of numerous brands around the globe. We define ourselves as KANDO Creators and will continue to expand the KANDO Dining Experience globally by pursuing a “Trade-on” approach.



Four Key Medium-to-Long-Term Themes

The KANDO Trade-on Strategy is based on strategic components: the KANDO Dining Experience, Diverse Brands, Local Buddies, and the Borderless Network. In line with these strategic components, we have defined four key themes and eleven initiatives. We have highlighted particularly important progress made in each segment during the Fiscal Year ending March 31, 2024.

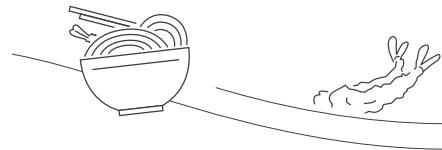


Financial Results for the Fiscal Year ending on March 2024
<https://pdf.irpocket.com/C3397/BbNL/XPJW/wpAc.pdf#page=30>

Key Themes		Summary of Initiatives	Marugame Seimen	Other Brands within Japan	Overseas Business
Pursuit of KANDO dining experiences	1	Creation and refinement of KANDO experiences	Create and establish KANDO experiences in unexplored settings with the help of take-out services, international brands and cutting-edge products and services.	✓	✓
	2	Human resource development and retention	Invest in human resources and improve retention rates to increase medium-to long-term potential sales and control costs.	✓	Horizontal expansion (✓)
	3	Creating a stage for KANDO experiences	Embrace digital transformation and equipment to foster a customer-focused environment, empowering store employees to excel in the delivery of exceptional customer service.	✓	Horizontal expansion (✓)
Expansion of the size and quality of our business portfolio	4	Acquisition of new brands via M&A Selection and concentration	Allocate a budget of ¥100 billion for mergers and acquisitions for expanding the brand portfolio, with a focus on Europe, the United States, China and Southeast Asia.		(✓)
	5	Branding campaigns	Focus investments on winning formulas to build a network of brands with hundreds to thousands of store locations.		✓
	6	Acquisition	Develop brands and design business frameworks including global branding.		(✓)
Establishment of Local Buddies lineup	7	Seeking of potential new affiliates	Search for new affiliates including top franchisees and joint venture partners in promising markets around the world to quickly establish operational systems.		✓
	8	Simultaneous development of brands by affiliates in key markets	Accelerate the opening of international stores by operating multiple brands simultaneously through partnerships with Local Buddies.		✓
Building a foundation to support global expansion	9	Global collaboration centered on brands	Share best practices across brands to create synergy.	(✓)	Synergy (✓)
	10	Globalization of Group functions	Establish headquarters and business functions to support the global operations of the Group.	(✓)	Outcome feedback (✓)
	11	Enhancement of store-opening capabilities	Strengthen the model and site development framework to support the opening of stores both domestically and internationally.	✓	✓



Marugame Seimen

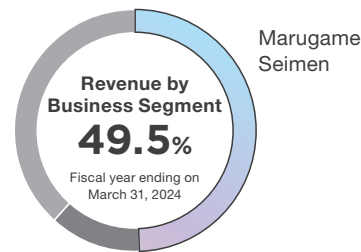


Marugame Seimen operates 840 stores in Japan as of March 31, 2024. In the fiscal year ended March 31, 2024, We launched the brand communication strategy - “We want to surprise you with udon.” We also deployed a marketing strategy designed to continuously enhance brand value, customer experience (CX), and employee experience (EX). This strategy combines a brand approach focused on being the preferred choice with a product strategy that generates impulse purchases.

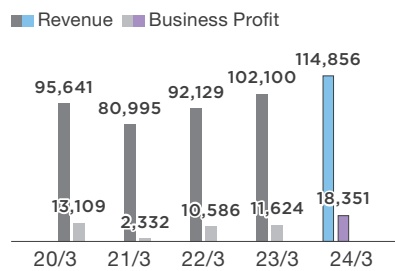
Results for Fiscal Year ended March 31, 2024

From Fiscal Year ended March 31, 2024, Marugame Seimen launched the brand communication strategy - “We want to surprise you with udon.” We also deployed a marketing strategy designed to continuously enhance brand value, customer experience (CX), and employee experience (EX). This strategy combines a brand approach focused on being the preferred choice with a product strategy that generates impulse purchases. In addition to these efforts, the strong performance of seasonal promotional products and price revisions for some products resulted in record high revenue of 114,856 million yen (up 12.5% year on year). Although there were increases in cost prices, personnel expenses, and advertising expenses, these were absorbed by the increase in revenue, and operating profit also increased significantly to a record high of 18,351 million yen (up 57.9% year on year).

Revenue by Business Segment



Revenue/Business Profit (Millions of yen)



Brand

このうどんは、生きている。
丸亀製麺

Combining Unique Emotional Experiences with High Profitability

The continuous improvement of brand value, customer experience (CX), and employee experience (EX) was one of the factors supporting increased revenue and profits.

Marketing Examples

- A new TV commercial titled “Fluffy! Chewy! Kamaage Udon” focusing on the chain’s signature “Kamaage Udon” product, which has been on sale since the chain opened, is being broadcast nationwide
- Appealing to customers about our desire to deliver even tastier udon, and our commitment and confidence:
 - Nationwide placement of “noodle masters” (“menshokunin” in Japanese)
 - The Marugame Seimen pop-up store run solely by noodle masters, opened in Tokyo for a limited time (closed at the end of March 2024)
 - Served “Bite-sized shoyu udon” for a limited time (ended on April 11, 2024)
 - TV commercials, events, and special websites, etc., focusing on noodle masters
- Performing store renovations to recreate the scenery of an authentic noodle factory and deliver higher operational efficiency
- Introducing seasonal menu items to motivate repeat store visits





Other Brands within Japan

We, the TORIDOLL Group, operate nine domestic brands with 250 stores as of March 31st, 2024, including Kona's Coffee, a Hawaiian café, Zundoya, a tonkotsu ramen brand, Nikuno-Yamagyu, a restaurant brand specializing in charcoal-grilled beef rice bowls, and Tempura Makino, a restaurant brand that specializes in freshly fried tempura. To secure the remaining growth potential of the domestic business for each brand, we have moved into the phase of establishing new business models and accelerating new store openings.

Results for Fiscal Year 2024

In addition to strong revenues at existing store revenues in almost all business categories, some business categories also enjoyed revenue contributions from new business models such as grocerant and take away, as well as inbound demand. Revenue rose to 28,460 million yen (up 15.0% year on year), and operating profit also increased significantly to a record high of 4,451 million yen (up 46.2% year on year).

Enhancement of store-opening capabilities

	Kona's Coffee	Zundoya	Other Brands Nikuno-Yamagyu, Banpaiya, Tempura Makino, Butaya Tonichi, Koppe-Pan, etc.
Examination of potential store locations	Infinitive or present tense should be used in situations where it is unclear.	Improve accuracy of store opening location selection with a view to nationwide expansion, including eastern Japan	Investigation of potential store locations to accelerate new store openings from the stage of verifying reproducibility
Establish new business models	Consider of business models for sites in urban models and derivation of other specialized types of business formats/operations	Explore new business models such as the shopping center model and transition from the business model of traditional roadside stores and stores located in buildings located in shopping districts.	While prioritizing stores with verified operational reproducibility, consider alternative site models
Limit investment costs	Secure volume discounts by accelerating store openings		
Enhance organizational structure	<ul style="list-style-type: none"> Recruitment and training of planners and trainers to support rapid store expansion Expand quality and quantity of development and design system 		
Improve efficiency of design / development	<ul style="list-style-type: none"> Standardize kitchen layouts and secure volume discounts by accelerating store openings Secure sites for opening stores with existing fixtures and strengthen development capabilities for stores with existing fixtures 		



Tempura Makino

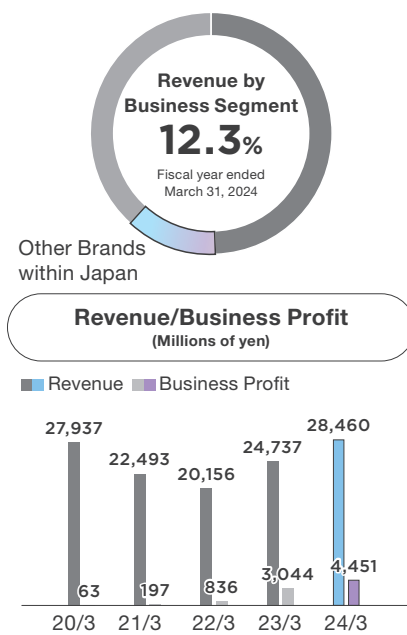


Nikuno-Yamagyu

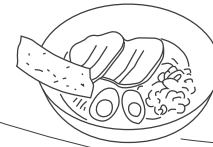


Koppe-Pan

Revenue by Business Segment



Brand



Overseas Businesses



We, the TORIDOLL Group, operate over ten businesses overseas with a total of 861 stores in approximately 30 countries and regions worldwide (as of the end of March 2024), including our Hong Kong-based spicy noodle restaurant Tam Jai, Marugame Udon (the name given to the Marugame Seimen brand overseas), and our pizza and Greek cuisine restaurant, Fulham Shore. We aim to increase profits by achieving early-stage profitability through expansion with businesses in areas with high profit potential and focusing resources on improving profitability in businesses with a significant impact on business performance.

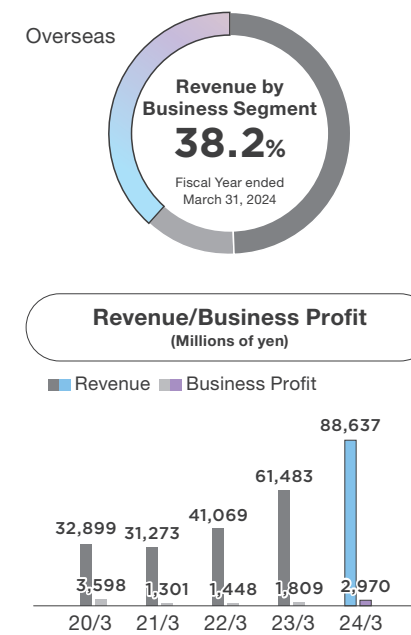
Results for Fiscal Year ended March 31, 2024

Our spicy noodle restaurant chain, Tam Jai, opened new stores, and Marugame Udon increased its customer base in Taiwan and the United States by improving service and quality. There was also an impact from the inclusion of UK-based Fulham Shore into the consolidated Group from the second quarter, resulting in a significant increase in revenue to a record high of 88,637 million yen (up 44.2% year on year). Operating profit also increased to 2,970 million yen (up 64.2% year-on-year), despite the impact of one-off expenses.

Improvements in Main Businesses

We focused on improvements to drive growth and early-stage profitability for Tam Jai, Marugame Udon, and Fulham Shore, which lead the company's overseas business, and on efforts to capture the Chinese market.

Revenue by Business Segment

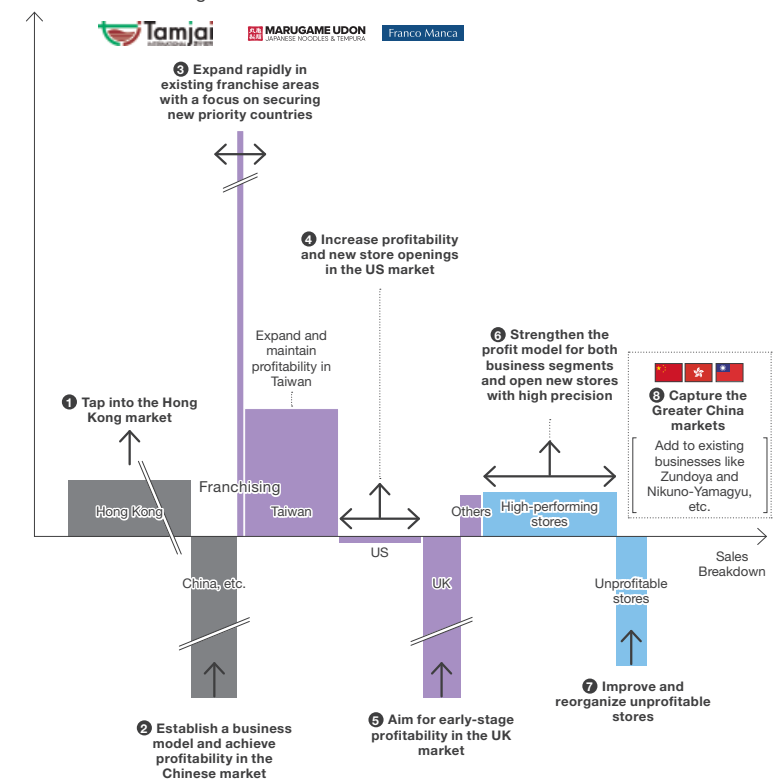


Brand



Priority Business Segments

Business Profit Margin Structure



Message from the CFO

Basic Financial Strategy Policy and Role of the CFO

Satoshi Yamaguchi

With approximately 25 years of experience in a wide range of roles from finance to the planning and implementation of the restructuring of businesses in various industries, including finance, information technology (IT), strategic consulting and electronics manufacturing, Mr. Yamaguchi joined the company in February 2020. In October 2020, he rose to the position of Head of Finance Division, followed by his appointment as Executive Director and Chief Financial Officer in July 2022. He then took on the role of Director and Chief Financial Officer in June 2023.

Interview: Conducted in September 2024

reminded that there are still many opportunities for future growth.

I was able to deepen my UK brand understanding by experiencing the Franco Manca pizza business and the Real Greek Mediterranean cuisine business, both opened by institutional investors and Fulham Shore Plc along with Marugame Udon and our fast casual Asian cuisine restaurant brand, Wok To Walk.

Franco Manca, which mainly offers handmade pizza baked in-store by artisans and sold at affordable prices as an everyday meal, reminded me of Marugame Seimen's appeal in Japan. The Real Greek serves Mediterranean cuisine and although not as well known in Japan, I felt it was differentiated from other restaurants not only because it offered rich flavors but is also visually splendid.

I also visited several types of businesses and stores, mainly in London, to understand the strengths and issues of each store and business category. Through experiencing UK-specific business practices and preferences, impressions of Japanese food, and products from competing stores, I felt the potential for further growth by pursuing the KANDO experience that TORIDOLL has cultivated.

I also try to visit the stores of our domestic businesses as much as possible. I am constantly deepening my understanding of the techniques, thematic production, and services that lie behind the provision of attractive products, such as by attending events such as Kona's Coffee new store events, and events at Nagata Honjyouken, where chefs compete in teppan (iron griddle) cooking skills at Nagata Honjyouken.

In this way, I hope to communicate our business to stakeholders in a more understandable and attractive way through realistic event experiences, and to also play the role of a stock salesperson.

With regard to (2), we are proceeding with our deliberations while being highly conscious of procurement costs and financial soundness. While the Company has grown in scale since the acquisition of Fulham Shore in July 2023, we believe that the Company's financial indicators continue to remain at a healthy level. However, considering the possibility of future impairment loss risks, I believe that maintaining a risk buffer with a net asset level above the current level is necessary to maintain flexibility in our business activities in the future.

I see (1) and (2) as actions that are conscious of efficiency indicators (ROE, ROIC) and the balance sheet (such as the balance between liabilities and capital) after the current medium-term management plan.

With regard to (3), we will maintain (and improve) our good business relationships with the banks that have supported our growth financially by providing them with updates on our business situation as needed and communicating with them frequently and flexibly, while also considering the timing of fund procurement and fund allocation in light of the external factors.



Reference Integrated Report 2023

https://files.microoms-assets.io/assets/f30f9e21e8d64c57996ea55a4f9dc3dc/34b0596729604054bac0e08f4c42edd4/KANDO%20REPORT%202023_.pdf#page=18



Reference CB Issue Supplementary Materials

<https://pdf.irpocket.com/C3397/BbNL/c7vY/ZEST.pdf>

Q Looking back on the results for the first quarter (1Q) and the current situation, how do you evaluate them as CFO?

Sales revenue and operating profit in 1Q were generally in line with our plan on a consolidated basis, but I recognize that there were clear differences when viewing the figures by segment, area, and brand.

While consolidated revenue and business profit in 1Q were at record highs, operating profit and net income decreased year on year due to one-off expenses in overseas business operations.

In terms of short-term initiatives based on the perspective of portfolio management for business performance, we will further strengthen our existing stores and accelerate the opening of new stores in our domestic business, and make bold, rapid improvements in profitability and business restructuring in our overseas business. We hope to show the early benefits of these actions with a view to renewed growth.

Overseas operations remain a growth driver in our medium-term plan. We will work to further strengthen the involvement of our Group Head Quarter and actively work on operational support cultivated in our domestic business. We believe that one of our strengths is our ability to drive the PDCA cycle at a rapid pace, conduct reviews and make decisions, and enable a fast and flexible response. Under these conditions, we aim to achieve an even greater sense of unity and collaboration that transcends the barriers between overseas and Japan, and between the front lines and Head Quarter, while sharing a sense of urgency.

Investors have very high expectations, and we have received many valuable—if harsh—opinions. We will continue making our best efforts to live up to those expectations.

Q What kinds of topics have you been addressing in your recent activities as CFO?

My most recent activity has been involvement in overseas IR activities. The Japanese stock market has continued to perform well, despite some temporary turbulence going into 2024. One of the reasons behind this is the re-evaluation of Japanese stocks by foreign investors, and the increasing number of institution investors taking an interest in our Company—which has a unique position in the Japanese retail and restaurant industry sectors—is increasing. As an outcome of this, as there were also more opportunities for meetings, and I actively sought dialogue through various means, including face-to-face meetings, conference, and online meetings. To raise interest in our group, I also visited Hong Kong in March 2024 and the UK in September of the same year, and engaged in post-pandemic global IR activities, including face-to-face meetings with overseas investors.

There are many institutional investors in Hong Kong who are very interested in our Company, partly due to the impact of Tam Jai, a Group company that boasts a very high level of recognition as a spicy rice noodle business that is listed on the Hong Kong stock market. I think that the parent company's IR has allowed us to present a broader-ranging strategy.

Hong Kong is a place where the external environment is always a concern, but in reality I felt more energy than I expected, regardless of day or night. Tam Jai boasts very high recognition and brand power in Hong Kong. Despite its inconspicuous storefront, it is always busy with customers. From the excitement of being able to choose from a wide range of toppings to the provision of special, finger food afternoon tea menu items, and marketing strategies that include collaborative products and delivery services, Tam Jai has many ways to keep customers interested, and I was

Q What about recent balance sheet management?

The three key issues related to financing for the fiscal year ending March 31, 2025 are: (1) permanent conversion of the bridge loan of approximately 16.0 billion yen for the Fulham Shore acquisition, (2) the perpetual subordinated loan of 11.0 billion yen that is due to step up in interest in November 2024, and (3) raising investment funds against the backdrop of an aggressive store opening strategy.

With regard to (1), we raised 22.0 billion yen through the issuance of Euro-Yen convertible bonds (CBs) in June 2024. In a situation where we have a range of financing options available to us, we have examined the main issues of optimizing financing costs, designing products that reflect consideration for existing shareholders, diversifying future financing strategies and improving flexibility, based on the framework of a management approach that is conscious of the cost of capital and share prices. As a result, we have decided that CBs are the optimal method.

As this was a major corporate action, we took time to repeatedly present the direction and policies of our medium-term financial strategy, and worked to promote understanding within the Company. As a result of our efforts toward careful communication, I believe that we have been able to limit the decline in our share price compared to the ratio of potential shares.

¹ Franco Manca
² The Real Greek

Q With growing interest in management that is conscious of the cost of capital and stock prices, how will you be tackling this issue specifically?

We have received praise from our stakeholders for the fact that we organized our way of thinking and made some of it public, with the major aim of increasing our corporate value, and that this was the most comprehensive explanation given among restaurant companies. I regularly report on the situation at Board of Directors meetings and Management Meeting sessions, and follow up to ensure that the Finance Division's comments are not just soliloquy; that the management team is fully aware of them, and that they become one of the pillars of the Group's growth strategy.



Reference Supplementary Materials for the Announcement of Business Results in May 2024

<https://pdf.irpocket.com/C3397/BbNL/XPjW/pKF1.pdf#page=35>

PICK UP

Notable growth-driving brands

Working under its slogan “Fill Our Planet with KANDO Dining Experiences that will Move You,” the TORIDOLL Group operates a total of 20 brands in Japan and overseas. We introduce the udon noodle chain, Marugame Udon, that operates overseas and other growth-driving brands including Kona's Coffee and Zundoya.

MARUGAME UDON
JAPANESE NOODLES & TEMPURA

Marugame Udon

As part of our efforts to develop the traditional Japanese dish, “udon noodles”, into a brand that is loved by customers around the world, Marugame Udon operates overseas under the name, Marugame Udon (rather than the Japanese name, “Marugame Seimen”).

The most important goal in this global expansion is to provide freshly made, handmade udon noodles, just as Marugame Seimen does in Japan. To let customers know about the care and attention that goes into the in-store manufacturing of udon noodles from flour, salt, and water, the brand adopts an open kitchen style as standard store design, allowing customers to see the noodle-making and cooking process.

With regard to menus, while its main policy is to offer customers authentic Japanese udon and tempura, the brand also tries to understand and cater to local food culture and customer preferences. For example, in Indonesia, the brand has obtained halal certification to provide an environment where customers can enjoy their meals with peace of mind. Marugame Udon also offers menu items tailored to the tastes of each country and region.



Case Studies of Overseas Expansion with KANDO Dining Experiences + Localization



Indonesia
Grown to over 100 stores as of October 2024. Obtained halal certification, offers soup-less mixed noodles and spicy localized dishes.

Philippines
Over 50 stores currently in operation (as of July 2024). Offers a full menu of local dishes including rice, fried dished, and meat, which are popular in the Philippines.

Taiwan
Over 50 stores currently in operation like the Philippines. Due to its location as a neighboring Japanophile country, as well as its food culture of eating noodles day and night, it has grown rapidly as a brand that is loved by customers.



Marugame Udon celebrates the opening of its 50th store in the Philippines

Kona's Coffee
Hawaiian pancake Cafe

Kona's Coffee

Kona's Coffee is a Hawaiian cafe restaurant with the concept of “the Hawaii nearest you.” The brand offers services with heart, a comfortable space that takes customers away from their everyday life, and cuisine that excites customers from the moment the menu is opened.

Staff serve customers with their best smiles, energetic service, aloha spirit, and the desire to make customers happy. The brand aims to have 100 stores with 100 different designs, working to create unique spaces for each store including wall murals painted by artists and inner terrace seating where customers with dine with their pets.

While the brand's standard dishes are pancakes, loco moco, and hamburgers, the brand is also focusing on new initiatives, and in August 2024 opened a take-out shop called Palm Wagon specializing in malassadas (chewy doughnuts popular in Hawaii).

Going forward, the brand will continue to create KANDO dining experiences to attract even more customers and accelerate the development of its store network.



	Full year		YoY	
	23/3	24/3	Change (amount)	Change (%)
Kona's Coffee	7,579	8,663	+1,084	+14.3%
Segment composition ratio	30.6%	30.4%		- 0.2%



ZUNDO-YA
ZUNDO-YA

Zundoya

The Zundoya ramen chain aims to create an entertainment experience associated with its brand. The brand aims to fill customers' stomachs and also their hearts, in the form of “ramen noodle entertainment” experiences formed by the trinity of its products, restaurant spaces, and people.

When customers step into a Zundoya restaurant, they will feel a sense of excitement and unity like being at a festival, as they are welcomed by store staff full of smiles and life. The ramen broth is made from the pork skull, spine and other bones which have been carefully prepared by the chef, for over 10 hours without allowing them to break up. This uncompromising dish, crafted with love and attention, combines a silky pork bone soup with a smooth texture that gives the dual KANDO of both richness and lightness, with two types of homemade noodles: thin or thick and curly. The brand aims to cater to all customers with attentive and enthusiastic service with a lively atmosphere that will leave customers feeling energized and happy.

Zundoya, which originated in Himeji, joined the TORIDOLL Group in 2017, and is currently accelerating its opening of new stores in the Chubu and Kanto areas.



	Full year		YoY	
	23/3	24/3	Change (amount)	Change (%)
Zundoya	7,154	8,889	+1,735	+24.3%
Segment composition ratio	28.9%	31.2%		+2.3%





Sustainability Strategy

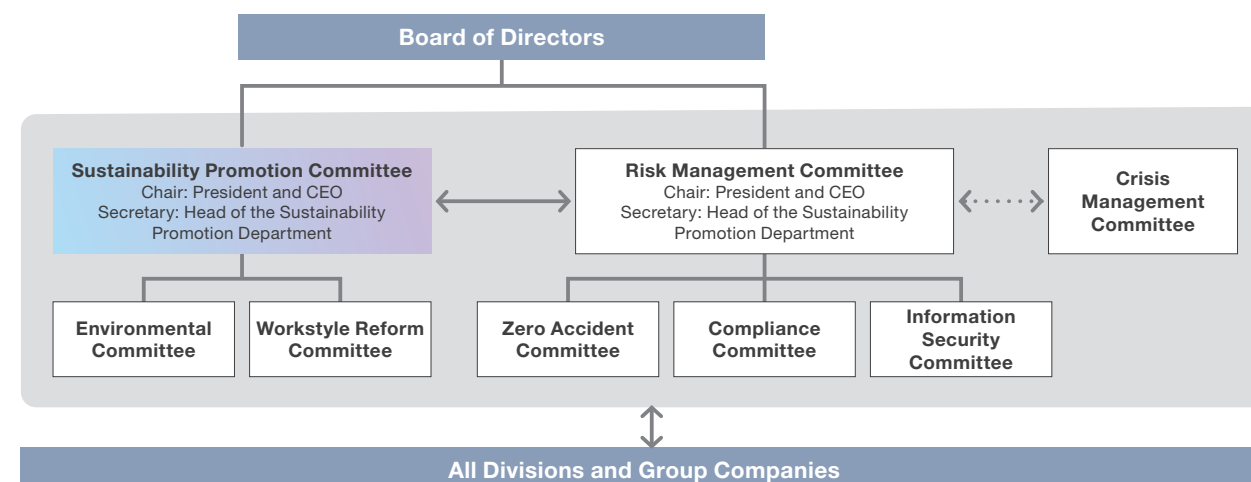
Basic Sustainability Policy

With the corporate slogan, "Fill Our Planet with Kando Dining Experiences That Will Move You," the TORIDOLL Group aims to create new value and excitement by engaging closely with customers, employees, and all other stakeholders, fostering communication and collaboration to realize a sustainable society. We prioritize high ethical standards and honest business practices, thinking globally while promoting pragmatic activities rooted in local communities.

Sustainability Promotion System

The TORIDOLL Group has established the Sustainability Promotion Committee chaired by the President and CEO. Its members include directors, executive officers, division managers of TORIDOLL Holdings, presidents of domestic subsidiaries and key division managers from overseas subsidiaries. The Committee functions as a group-wide organization to help the Group respond to a wide range of management issues, including environmental and social issues.

Furthermore, the Sustainability Promotion Department has been established under the direct supervision of the President and CEO to manage the operations of the Risk Management Committee, the Workstyle Reform Committee and the Environmental Committee, promoting sustainability activities across the company.



Our sustainability strategy is rooted in our identification and collaboration with all stakeholders as we continue to create KANDO experiences and new value.

ESG Materiality (Material Issues) Identification Process and Reviews

Step 1

Listing Issues

A comprehensive list of social issues was compiled with reference to international guidelines and frameworks including the Global Reporting Initiative Standards, the SDGs, the ISO 26000 standard and the UN Global Compact. Additionally, through internal consultation with a total of 18 people including Group executives and division managers, sector-specific and company-specific issues were identified to select a list of material issues the TORIDOLL Group would potentially focus on.

Step 2

Evaluation and Analysis of Significance through Stakeholder Engagement

Dialogues were held with external experts, customers (including people of younger generations) and employees regarding the possible material issues to verify their suitability and address any related concerns.

- Tetsuyuki Kagaya, Professor, Faculty of Commerce and Management, Hitotsubashi University
- Mr. Takanobu Suehiro, Former General Manager of the Sustainability Promotion Department, Wholesale Division, Sumitomo Mitsui Banking Corporation
- Students of Komazawa University (representing the younger generations and customers)
- Employees (store/corporate staff)

Step 3

Reassessment of Hypotheses

The Secretariat of the Sustainability Promotion Committee reflected the results of the previous verification step in material issues. Opinions were then collected again from Group executives and division managers. Comprehensive decisions were made based on the feedback from internal and external stakeholders, and a final prioritization process was implemented.

Step 4

The Management Team determines the Issues

High importance issues are judged by two axes—the Societal demands and the impact on TORIDOLL— then grouped together and approved by the Board of Directors.

As the TORIDOLL group expands globally, it will face a wide range of social issues. Therefore, the TORIDOLL Group finds it important to prioritize these social issues by careful selection and focus on them, and then effectively carrying out related activities. In March 2022, the TORIDOLL Group identified and selected specific social issues that are of great societal interest and have a substantial impact on TORIDOLL, due to its ESG materiality (material issues). To help every employee specifically engage with ESG issues, TORIDOLL will establish specific key performance indicators (KPIs) to track the progress of its activities.

The Group reviewed its ESG materialities in FY2024, in light of changes in the social landscape.

Participation in Initiatives

The TORIDOLL Group signed the United Nations Global Compact in August 2020 and supports its Ten Principles, in the four key areas of human rights, labor, the environment, and anti-corruption. The TORIDOLL Group is also affiliated with the Global Compact Network Japan (GCNJ), a local network in Japan. In addition, in September 2022, the

TORIDOLL Group also expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD). The TORIDOLL Group is now working in collaboration with various stakeholders through its participation in this initiative.








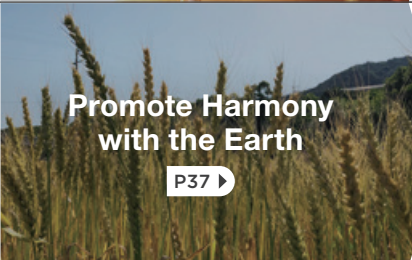



Partial Revision of ESG Materiality (Crucial Issues)

In addition to the previous potential and crucial issues, the Group has reviewed its ESG-related material issues through a series of discussions within its governance structure, drew attention to the priorities of the Group's relevant sectors from ESG evaluation organizations such as DJSI, MSCI, and CDP, and taken the ISO30414 standard on human capital into account.

Based on the philosophy that the satisfaction of all employees is important in order to create KANDO experiences, we changed one category to “Increasing Our Happiness” as a more easily understandable expression, and set a wide range of KPIs. We also discussed other themes with the relevant organizational units and adjusted our KPIs accordingly.

ESG Materiality for FY2024/3 (fiscal year ending on March 31, 2024)

ESG Materiality for FY2025/3 (fiscal year ending on March 31, 2025)

Category	Materiality	KPI	Results	Scope	Related SDGs	Category	Materiality	KPI
Bring KANDO Dining Experiences to the World	Enrich the lives of people through the joy of food	<ul style="list-style-type: none">Establish a network of 2,000 restaurants	<ul style="list-style-type: none">Establish a network of 1,951 restaurants Not Achieved	Marugame Seimen KONA's Nikuno-Yamagyu Toridoll Japan Corporation			Create a culture to increase our happiness	<ul style="list-style-type: none">Develop a survey to measure happinessHave women account for 18.0% of managers
	Food Safety	<ul style="list-style-type: none">Biannual hygiene inspections by external auditorsZero administrative penalties under the Food Sanitation Act (no serious food accidents)	<ul style="list-style-type: none">Biannual hygiene inspections by external auditors AchievedZero administrative penalties under the Food Sanitation Act Achieved				An organization where people can stay	<ul style="list-style-type: none">Employee turnover rate: less than 15%New hires (mid-career and new graduates) promoted from within: 30%Employees with 10 or more years of service: 8% or moreOccupational accident rate per 1,000 workers: less than 1.8
							Support for individual growth	<ul style="list-style-type: none">Development of communication-based training to increase happinessMaintain placement of qualified noodle masters in all storesFollow-up training for qualified noodle masters: 100%
Work Together with People and Society	Human Resource Development	<ul style="list-style-type: none">Placement of qualified Noodle Masters in all restaurants	<ul style="list-style-type: none">Number of qualified Noodle Masters: More than 1,696 Placement completed for all stores Achieved	Marugame Seimen	 		Enrich the lives of people through the joy of food	<ul style="list-style-type: none">Number of stores: 2,264
	Maintain and create employment	<ul style="list-style-type: none">Post-implementation review of learning toolsNumber of staff members Employees: 1,010Part-time staff: 26,000	<ul style="list-style-type: none">Review training systems: AchievedEmployees: 1,051 AchievedPart-time staff: 25,016 Not Achieved					
	Embrace diversity and build an inspiring work environment	<ul style="list-style-type: none">Women in managerial positions: 15.0%Occupational accidents per million hours worked: < 2.0 /Occupational accidents per thousand employees: <2.0	<ul style="list-style-type: none">Women in managerial positions: 16.6% AchievedOccupational accidents per million hours worked: <2.06 / Occupational accidents per thousand employees: <1.65 Achieved				Fostering a culture of food safety	<ul style="list-style-type: none">(Shibuya Office) Food safety training rate: 90%(Store Level) Biannual hygiene inspections by external auditors(Store Level) Administrative penalties under the Food Sanitation Act: 0
Promote Harmony with the Earth	Promote recycling	<ul style="list-style-type: none">Food waste production: 150 kg (per million yen of sales)Food recycling rate: 40%Water consumption: 50.9 m³ (per million yen of sales)Obtain external certification for all Marugame Seimen restaurants	<ul style="list-style-type: none">Food waste production: 185.8 kg (per million yen of sales) Not AchievedFood recycling rate: 16.50% Not AchievedWater consumption: 29.3 m3 (per million yen of sales) AchievedCertification of environmental management systems at all Marugame Seimen stores Achieved	Marugame Seimen KONA's Nikuno-Yamagyu Toridoll Japan Corporation	 		Climate change countermeasures	<ul style="list-style-type: none">CO₂ emissions: 133 (kt-CO₂)CO₂ emissions intensity: 0.86 (t-CO₂/per ¥1.0 million yen of net sales)
							Promote recycling	<ul style="list-style-type: none">Food waste production: 175 kg (per million yen of sales)Food recycling rate: 17%Water consumption: 29.3 m3 (per million yen of sales)Plastic usage intensity due to takeout: 40.2 kg (per million yen of sales)Certification of environmental management systems at all: allMarugame Seimen stores and some Toridoll Japan stores (Tempura Makino)
Establish Responsible Corporate Management throughout Our Businesses	Managing supply chains	<ul style="list-style-type: none">Confirm the suppliers for whom the CSR procurement survey suppliers and finalize the content of the survey	<ul style="list-style-type: none">Revise in-house standards for CSR based purchasing Achieved	Marugame Seimen KONA's Nikuno-Yamagyu Toridoll Japan Corporation	 		Manage supply chains	<ul style="list-style-type: none">Conduct supplier questionnaire surveys
	Promote recycling	<ul style="list-style-type: none">Maintain ISO 22301 certification	<ul style="list-style-type: none">Acquire ISO 22301 certification AchievedRevise risk assessment standards Achieved				Establish a risk management system	<ul style="list-style-type: none">Maintain ISO 22301 certificationSafety confirmation response training (4 times a year) within 72 hours, response rate: 80% or more)

TORIDOLL Holdings Corporation has obtained ISO 22301 certification.

Increasing Our Happiness

Active promotion to employees

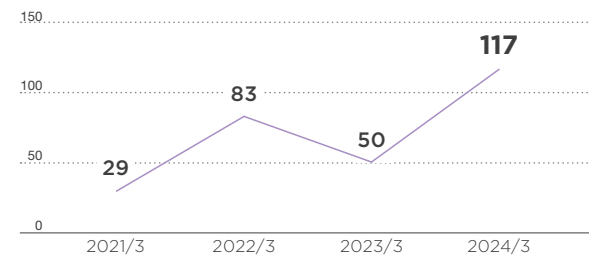
TORIDOLL Group actively promotes partner staff as employees. For example, at Marugame Seimen, we aim to assign multiple employees to a single store. As a result, we believe employees will be able to achieve a better balance between their work and their private lives, and their motivation to work will increase. For this reason, we have made a wide range of efforts to promote partner staff who have been active up to now to become

employees, including improving our personnel systems, simplifying the selection process, and holding informative briefing sessions. Briefings were held 50 times in fiscal 2024, with 718 participants and 24 people being promoted to employees. (Marugame Seimen, as of October 2024.) In addition, 86 partner staff have been promoted to employees throughout the TORIDOLL Group. (As of October 2024)



Briefing on promotion to employee status

Promotion of partner staff to employees (people)



Awarding long service

Since opening the yakitori izakaya Toridoll 3Bankan in 1985, the TORIDOLL Group—which has woven its history together with many employees—has been presenting long service awards as an expression of its gratitude to employees who have worked for a certain period of time or longer.

At the Fiscal 2024 Long Service Awards Ceremony, a total of 753 personnel (114 employees and 644 partner staff) were

recognized for their long service, in categories of 10, 15, 20, 25 and 30 years. The ceremony was held in two locations, Kobe and Tokyo. CEO Takaya Awata and other executives and department managers hosted the event to express their gratitude to employees and partner staff who have provided KANDO dining experiences to customers for many years.



Commemorative photo at the Kobe award ceremony venue (making a "T for Toridoll" pose)



Commemorative photo at the Tokyo award ceremony venue (as above)

Creating KANDO dining experiences

Opening of Kokoro no Honten training facility in Sanuki Hiroshima, Marugame City

Since 2022, TORIDOLL Holdings has been working with the city of Marugame in Kagawa Prefecture under a comprehensive regional revitalization agreement. We are engaged in various activities such as industry, tourism, art and culture, and remote island development, based on the theme of regional revitalization through co-creation, with the feelings of local community residents in mind.

In terms of remote island development, we have been focusing particularly on initiatives such as the relocation of our employees to the island of Sanuki Hiroshima, and the collection of marine plastics. In 2024, we opened the Kokoro no Honten training facility, where trainees train in pursuit of the perfect bowl of udon.

Marugame Seimen introduced the Noodle Master / Menshokunin system as an in-house qualification system in

2016, and is training personnel with knowledge and skills in making udon. Currently, Marugame Seimen certifies one-star and two-star noodle masters, but at Kokoro no Honten we are aiming for even higher heights by training three-star noodle masters.

Although not currently open to the public, it is also envisioned as a place for interaction with island residents. At the opening ceremony held on November 27, 2024, many islanders were treated to udon noodles made with the characteristic iriko dashi (dried sardine broth).

Kokoro no Honten is a place for training noodle masters and for communication with everyone on the island of Sanuki Hiroshima. Going forward, it will continue to drive our business, so that many talents will blossom and the tradition of Sanuki Udon will be passed on to the next generation.



Island residents eating udon at Kokoro no Honten



Launch of new product "Udonuts"

On June 25th, 2024, Marugame Seimen launched Marugame Udonuts—a unique new KANDO experience that makes use of the chewy texture that is a feature of Marugame Seimen's udon noodles—as a product that will give customers a new sense of excitement. This product can be enjoyed in a wide range of situations and at various times of day, as a sweet dessert after eating udon noodles, or as a snack when customers feel hungry or want to take a quick break.

Since their launch, Marugame Udonuts have proven very popular with customers, and cumulative sales total have exceeded 10 million servings in the approx. six-month period leading up to December 15.



Marugame Udonuts

Promoting Harmony with the Earth

Review of environmental management targets

As a corporate group that delivers the blessings of nature in the form of food, the TORIDOLL Group has been working to reduce its environmental impact by establishing an environmental management policy and setting environmental management targets for fiscal 2025, with fiscal 2018 as

the baseline year. As our next set of targets, we have set environmental management targets for 2028, which are aligned with our medium-term management plan, with 2028 as the final year.

Environmental management targets 2028

Reduction of food waste emissions	Improvement of food recycling rate emissions	Reduction of CO ₂ emissions	Effective utilization of water resources	Introduction of environmental management system
Emissions intensity	Implementation rate of recycling and other measures	Total emissions	Water usage intensity	
140	55	160	30	6
kg per ¥1.0 million of net sales	%	kt-CO ₂	m ³ /per ¥1.0 million of net sales	brands
		Emissions intensity		
		0.68		
		t-CO ₂ /per ¥1.0 million of net sales		

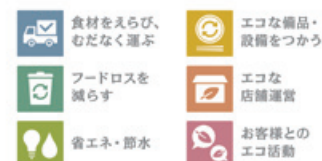
New environmental management targets

Category	Targets	FY2024	FY2025	FY2026	FY2027	FY2028
Reduction of food waste emissions	Emissions intensity (Kilograms per million yen)	175	170	160	150	140
Improvement of food recycling rate	Implementation rate of recycling and other measures (%)	17	25	35	45	55
Reduction of CO ₂ emissions	Total emissions (Kilotons of CO ₂)	133	136	140	155	160
	Emissions intensity (Tons of CO ₂ per million yen)	0.86	0.8	0.75	0.7	0.68
Effective utilization of water resources	Water usage intensity (m ³ per ¥1.0 million)	34	33	32	31	30
Introduction of environmental management system	Number of brands introduced	Marugame + Makino	⊕1 brand	⊕1 brand	⊕1 brand	⊕1 brand

*Scope of data collection: Marugame Udon, Inc., Toridoll Japan Corporation, Kona's Inc., Nikuno-Yamagyu Inc.

Environmentally friendly store rollout

In January 2023, the TORIDOLL Group earned the title of the first restaurant in Japan and overseas to be ZEB certified, with its Marugame Seimen Suzuka branch. Making use of this know-how, we are also working to roll out other environmentally friendly stores. The environmentally friendly stores that Marugame Seimen is currently rolling out are being redefined as stores that comprehensively address the flow of materials from input to output, working in tandem on the two axes of (1) introducing resource-saving equipment, and (2) reducing environmental impact in store operations. As an indicator of (2), the stores in question are obtaining Eco Mark certification. In fiscal 2023 there were 10 Eco Mark certified stores. In fiscal 2024, the total number of stores grew to over 50.



*Biodegradable commercial garbage disposal machine



*Food waste is utilized for pig feedmachine

Establishing Responsible Corporate Management throughout Our Business

Business continuity in the wake of the 2024 Noto Peninsula earthquake in Ishikawa Prefecture

TORIDOLL Holdings has established a business continuity management (BCM) system to ensure that it can resume and continue its business operations quickly even in the event of an emergency, and has obtained ISO22301 certification, the international standard for such systems.

In the wake of the Noto Peninsula earthquake which struck Ishikawa Prefecture on January 1, 2024, the Group quickly established a disaster response headquarters and confirmed the safety of 743 local employees based on its business continuity plans (BCP). We confirmed the safety and status of all personnel within 48 hours.

Thanks to regular training, we were able to make a fast initial response even in such an emergency, and provide

employees on the ground with water and other supplies. We were also able to resume operations in a short period of time, and carry out support activities for disaster-stricken areas, such as by providing food from our food truck.

Going forward—as a company that provides food, which is essential for life—we will work to resume store operations as soon as possible and provide support for local communities through food distribution, while prioritizing the safety of our customers and employees during disasters.



JQA-BC0049

Support for victims of the 2024 Noto Peninsula earthquake in Ishikawa Prefecture

As a company involved in the provision of food industry, which is essential to people's lives, TORIDOLL engages in social contribution activities through food.

Following the Noto Peninsula earthquake on January 1, 2024, beginning on January 18, we provided a total of approx. 3,450 freshly made meals to victims using the Marugame Seimen food truck, with a total of 21 deployments (seven in January, six in February, and three in June). We recruited volunteer employees from within the group to serve hot, freshly made udon noodles and tempura to evacuees.

In addition, Marugame Seimen has donated one yen for every bowl of kamaage udon sold nationwide

to Ishikawa Prefecture (for the period between January 2024 and January 2025). TORIDOLL Holdings is also an official partner of the Shikoku Island League. Between March and April 2024, we made joint efforts together with Shikoku Island League players to secure donations for the Noto Peninsula earthquake, under the name of the Shikoku Island League Joint Fundraising Campaign.

While the scars of devastation caused by the disaster have yet to heal completely, and as many people continue to live in temporary housing, going forward we would like to continue considering what kind of contribution activities we can perform.



Serving of fresh meals by food truck



Corporate Governance

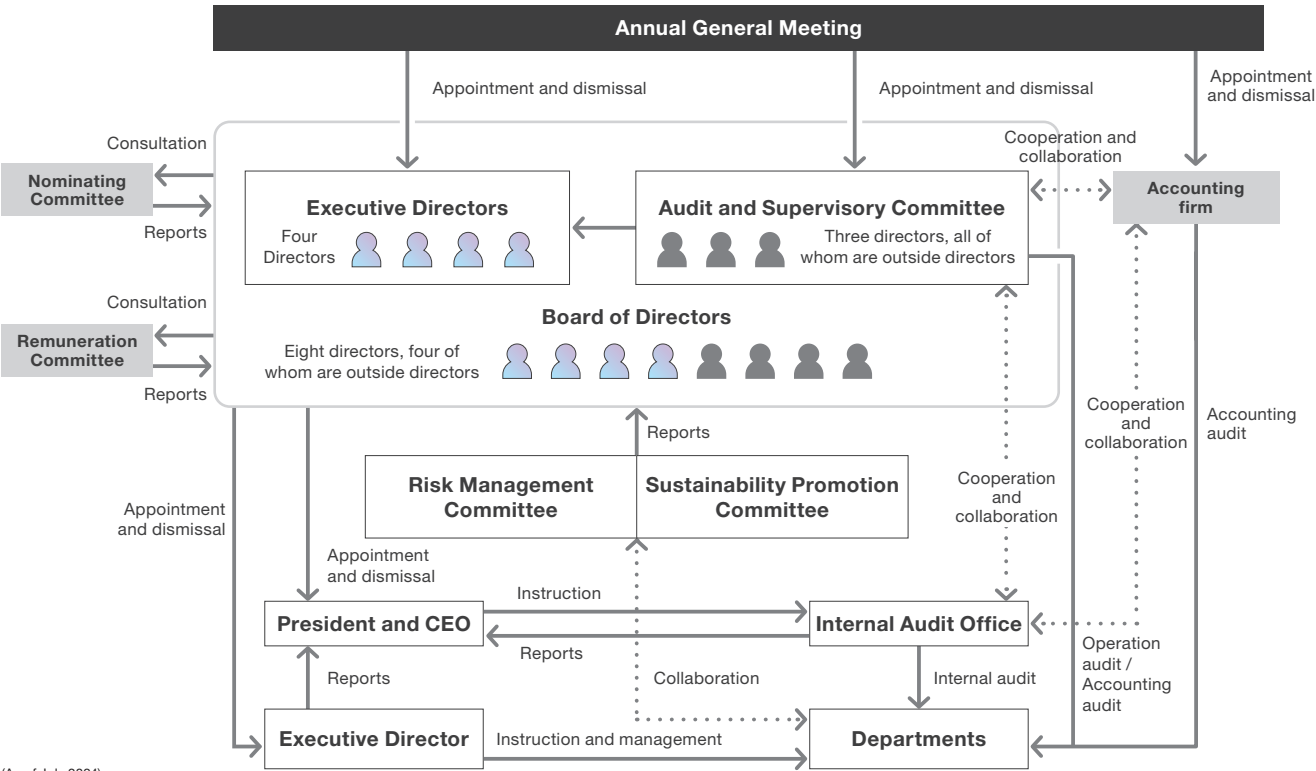
The TORIDOLL Group's policy is to be agile through prompt decision-making and maintain the speed, soundness, and transparency of its business expansion activities, and to develop management structures and systems necessary for this policy. The Company has also established an Audit and Supervisory Committee as an auditing and supervisory body for management. Each Audit and Supervisory Committee member attends Board of Directors' meetings and, when making management decisions, speaks from the standpoint of ensuring soundness of management, providing necessary comments and advice, and exercising voting rights. The Audit and Supervisory Committee, which is held at the same time, shares information between members and strives to disclose information in a prompt manner with the aim of achieving highly transparent management.

Approach

The TORIDOLL Group's policy is to demonstrate agility through prompt decision-making and maintain the speed, soundness, and transparency of its business expansion activities, and the Company is developing the management structure and systems necessary for this policy.

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member attends Board of Directors' meetings and speaks from the standpoint of ensuring soundness of management, provides necessary comments and advice, and exercises voting rights when making management decisions. The Audit and Supervisory Committee, which is held at the same time, shares information between members and strives to disclose information in a prompt manner with the aim of achieving a high transparency management style.



(As of July 2024)

TORIDOLL Holdings is strengthening its governance structure in order to enhance corporate value over the medium to long term. The Company has adopted a Board of Directors with a total of eight members (as of July 31, 2024), consisting of four internal directors and four outside directors, which enables agile decision-making while maintaining soundness and transparency. In addition, for

the purposes of appropriately supervising the execution of business operations, we have elected four independent outside directors (including two women), and appointed three of these independent outside directors (who are qualified as certified public accountants or lawyers) as members of the Audit and Supervisory Committee to enhance the auditing framework.

Roles of the Board of Directors and Key Committees, and Meeting Attendance Status

The roles and meeting attendance status of the Board of Directors and key committees in the fiscal year ended March 31, 2024, are as follows.

Board of Directors	Audit and Supervisory Committee	Audit and Supervisory Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	Sustainability Promotion Committee
Role	Comprising directors entrusted by shareholders with the management of the Company, the Board of Directors makes decisions on important corporate matters in accordance with laws, regulations, and the Articles of Incorporation.	Consisting of Audit and Supervisory Committee members appointed by shareholders to audit and oversee the management of the Company, the Audit and Supervisory Committee audits and oversees the execution of duties by directors.	Comprising mainly outside directors, the Nomination Committee deliberates on the selection and dismissal of directors (including Audit and Supervisory Committee members) and executive officers, and reports to the Board of Directors and the Audit and Supervisory Committee.	Consisting mainly of outside directors, the Remuneration Committee deliberates on the remuneration of directors (including Audit and Supervisory Committee members) and executive officers and reports the outcome to the Board of Directors and the Audit and Supervisory Committee.	The Risk Management Committee was established under the Board of Directors to deliberate on and approve issues and countermeasures related to the promotion of Companywide risk management.	The Sustainability Promotion Committee was established under the Board of Directors to deliberate on and approve issues and measures related to the promotion of sustainability throughout the Company
Meetings held this fiscal year (times)	18	14	3	4	4	4
Takaya Awata	○ (18/18)		● (3/3)	● (4/4)	○ (4/4)	○ (4/4)
Takashi Sugiyama	● (18/18)				● (4/4)	● (4/4)
Satoshi Yamaguchi	● (11/11)				● (4/4)	● (4/4)
Rieko Shofu	● (10/11)		● (3/3)	● (4/4)	● (4/4)	● (4/4)
Toshiyasu Umeki	● (18/18)	○ (14/14)	○ (3/3)	○ (4/4)	● (4/4)	● (4/4)
Hiroaki Umeda	● (18/18)	● (14/14)	● (3/3)	● (4/4)	● (4/4)	● (4/4)
Maki Kataoka	● (18/18)	● (14/14)	● (3/3)	● (4/4)	● (4/4)	● (4/4)

* ○ : Chairperson
* The number of Board of Directors meetings attended by Satoshi Yamaguchi and Rieko Shofu only includes those held after their appointment on June 29, 2023.

Evaluation of the Effectiveness of the Board of Directors

From the beginning of 2024, we invited an external advisor to attend Board of Directors meetings and began preparations for this year's evaluation of the effectiveness of the Board of Directors through the same external advisor's attendance of Board and committee meetings. Through these activities, we are working to continuously improve the effectiveness of the Board of Directors, while receiving objective advice from a third-party perspective. We have already identified the following issues, and will work towards the further enhancement of the effectiveness of the Board of Directors.

- Should acknowledge its leadership role in enhancing corporate value and shift its focus towards meaningful discussions of management and business strategies that promote this objective.
- Should reevaluate investments with a stronger focus on capital efficiency.

Appointment of Directors

TORIDOLL Holdings has established a voluntary Nomination Committee, of which all independent outside directors are members and constitute a majority. It is the Company's policy to consult with the Nomination Committee when nominating candidates for directors (including outside directors who are members of the Audit and Supervisory Committee).

Upon deliberating whether each candidate meets the selection criteria established by the Board of Directors, the Nomination Committee determines the content of its findings to ensure that the Board of Directors has an adequate balance of knowledge, experience, and ability to effectively fulfill its roles and responsibilities, is composed in a manner that promotes diversity, and is an appropriate size.

Directors (As of January 2025)

Directors



Takaya Awata
President and CEO
Chief Executive Officer



Takashi Sugiyama
Executive Vice President and
Chief Operating Officer



Satoshi Yamaguchi
Director and
Chief Financial Officer



Kenichi Tanaka
Director and CHHO Chief Happiness
and Human Resources Officer

1985.08	Self-employed (opened Toridoll Sanban-Kan)	2001.04	Joined Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.)	1997.04	Joined Nippon Leasing Co., Ltd. (currently Sumitomo Mitsui Finance and Leasing Co., Ltd.)	1990.04	Joined Fujitsu Ltd.
1990.06	Established Toridoll Ltd., President	2006.10	Joined ABeam M&A Consulting Ltd. (currently PwC Advisory LLC)	2002.04	Joined MP Technologies Co., Ltd. (currently Ascentec Co., Ltd.)	2003.06	Joined General Electric International, Inc. Japan Branch
1995.10	Reorganized to Toridoll Co., Ltd. (currently TORIDOLL Holdings Corporation), President and CEO (current position)	2015.07	Joined Deloitte Tohmatsu Consulting LLC	2007.05	Joined J Payment Co., Ltd.	2009.05	Joined Burberry Japan K.K.
		2017.06	Executive Officer and Partner	2008.05	Joined P&E Directions Co., Ltd.	2010.09	Joined Burberry Asia Limited
		2019.02	Joined TORIDOLL	2012.11	Joined Japan Display Co., Ltd.	2016.01	Joined Suntory Holdings Limited
		2019.07	General Manager of International Business Preparation Office, International Business Division	2020.02	Joined TORIDOLL as General Manager of Finance Department, Administration Headquarters	2020.01	Joined Suntory Beverage & Food Limited
		2019.10	General Manager of International Business Planning Department, International Business Division	2020.10	General Manager of Finance Headquarters and General Manager of Finance Department of the Company	2021.09	Joined Suntory Holdings Limited
		2020.02	Executive Officer and General Manager of International Business Division	2022.07	Executive Officer, CFO, Head of Finance Division and General Manager of Finance Department of the Company	2024.02	Joined the Company, Executive Officer, CPOO
		2021.06	Senior Managing Director and General Manager of International Business Division	2023.06	Director, CFO, General Manager of Finance Division and General Manager of Finance Department of the Company (current position)	2024.05	Executive Officer, CHHO, Head of Happiness & Human Support Division
		2022.06	Executive Vice President, Chief Operating Officer, General Manager of International Business Division (current position)			2024.06	Director, CHHO, Head of Happiness & Human Support Division (current position)



Rieko Shofu
Outside Director



Toshiyasu Umeki
Outside Director (Audit and Supervisory Committee Member)



Hiroaki Umeda
TORIDOLL Outside Director (Audit and Supervisory Committee Member)



Maki Kataoka
TORIDOLL Outside Director (Audit and Supervisory Committee Member)

1990.04	Joined Hakuhold Inc.	1992.10	Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)	1994.10	Joined Asahi Audit Corporation (currently KPMG AZSA LLC)	2009.12	Registered as attorney-at-law, Joined Dojima Law Office
2015.05	President and CEO of Sensing Asia Ltd. (current position)	1997.04	Registered as certified public accountant	1998.04	Registered as a certified public accountant	2014.06	Seconded to the Regional Economy Vitalization Corporation of Japan (REVIC)
2016.04	Deputy Director of Corporate Planning Headquarters and Director of Corporate Planning Department of Pokka Sapporo Food & Beverage Ltd.	2003.10	Director of Hino General Accounting Office (current position)	2004.08	Director of Hiroaki Umeda Certified Public Accountant Office (current position)	2016.09	Returned to Dojima Law Office
2022.01	Director of Sapporo Holdings Ltd., Vice President and Representative Director of Pokka Sapporo Food & Beverage Ltd., President and Representative Director of Sapporo Group Foods Ltd.	2008.09	Representative Director of Hino Business Consulting Inc. (currently SFC Brain Consulting Inc.) (current position)	2004.09	Outside Audit and Supervisory Board Member of Fujiseiki Co., Ltd. (current position)	2017.06	Director of TORIDOLL (Audit and Supervisory Committee Member) (current position)
2023.06	Director of TORIDOLL (current position)	2011.06	Audit and Supervisory Board Member of TORIDOLL	2011.03	Outside Audit and Supervisory Board Member of Fujiseiki Co., Ltd. (current position)		
2024.03	Managing Director of Sapporo Holdings Limited and Director of Sapporo Breweries Limited (current position)	2015.06	Director (Audit and Supervisory Committee Member) (current position)	2013.04	Representative Director of E-serve Co., Ltd. (current position)		
		2016.06	Partner, IPO Audit & Co.	2017.06	Partner, IPO Audit & Co. (current position)		
		2019.06	Representative Partner, IPO Audit & Co. (current position)	2017.06	Director of TORIDOLL (Audit and Supervisory Committee Member) (current position)		

Executive Directors



Yasunori Isomura
Executive Director, Chief Information Officer and Chief Technology Officer




Atsushi Kusano
Executive Director and Chief Food Safety Officer^{*1}




Katsuaki Nagumo
Executive Director and Chief Marketing Officer



Hiroshi Yamaguchi
Executive Officer and CHKO^{*2} Chief Happiness KANDO Officer




Kohei Oshita
Executive Officer and CCOO^{*3} Chief Commercial Operations Officer



Toru Kajino
Executive Officer and CSCO^{*4} Chief Supply Chain Officer

^{*1} CFO: Chief Food Safety Officer
^{*2} CHKO: Chief Happiness KANDO Officer
^{*3} CCOO: Chief Commercial Operations Officer
^{*4} CSCO: Chief Supply Chain Officer

 See here for details of the appointment of directors
<https://www.toridoll.com/sustainability/governance/corporate/index.html>

Director skills matrix

We appoint executive directors who bring extensive experience in and a deep knowledge of the restaurant industry, food distribution, and international business. For independent outside directors serving on our Audit and Supervisory Committee, our selection criteria focuses on candidates with specialized expertise in internal controls, legal matters, and finance and accounting. Furthermore, for outside directors not serving on the Audit and Supervisory Committee, we prioritize candidates with significant

management experience in other companies. This approach is designed to create a diverse board, encompassing the essential knowledge and experience required to fulfill the responsibilities of independent outside directors. Furthermore, in consideration of gender diversity, two female directors have been appointed.

The specific expertise and experience of the directors are detailed in the table below.

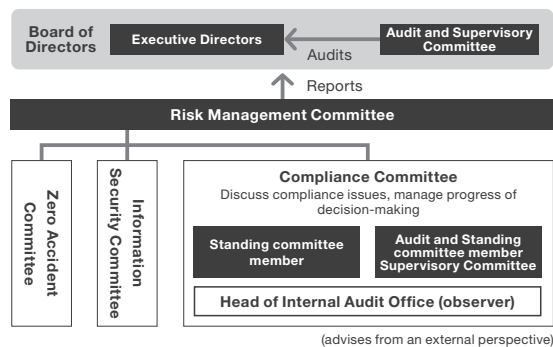
	Business administration	Experience in a global setting	Accounting and finance	Corporate finance M&A	Legal and compliance	ESG	Food & Beverage industry experience	Marketing and store development	Product quality control	Digital transformation (DX) Innovation	Digital technologies, ICT	Personnel, labor, and human resources development
Takaya Awata	●					●	●			●		●
Takashi Sugiyama	●	●	●	●	●		●	●		●	●	
Satoshi Yamaguchi	●	●	●	●		●						
Kenichi Tanaka	●	●		●	●	●						●
Rieko Shofu	●	●	●	●		●	●	●				
Toshiyasu Umeki			●	●		●						
Hiroaki Umeda			●	●		●						
Maki Kataoka				●	●	●						

Compliance

The TORIDOLL Group implements the TORIDOLL Code of Ethics and the TORIDOLL Code of Conduct as its basic compliance policies. We promote continuous compliance training and education of our officers and employees, which is a major foundation of our business activities, and have established systems to ensure compliance with laws and regulations and high ethical standards.

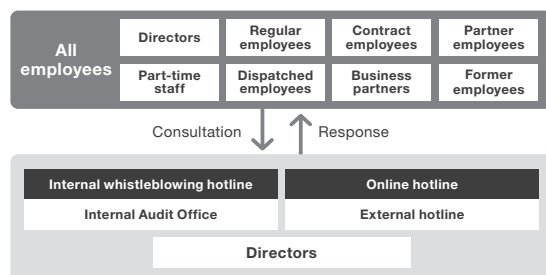
Compliance System

TORIDOLL Holdings Corporation has established a Compliance Committee for collaboration on compliance issues within the TORIDOLL Group and formulating a compliance program. The Compliance Committee includes three independent outside directors who are also members of the Audit and Supervisory Committee. The Compliance Committee addresses thorough compliance while receiving expert advice from outside directors.



Internal Reporting System

The TORIDOLL Group has established the Internal Whistleblowing Provisions in accordance with the Whistleblower Protection Act. The Internal Audit Office has set up a whistleblowing hotline to identify, investigate, and correct misconduct at an early stage. Internal reports are accepted by telephone, by e-mail, in writing, in person, or via an online form (external hotline), and an investigation team is formed as necessary to respond to each case. We accept reports from TORIDOLL Group employees as well as our business partners. In 2023, 48 internal reports were made, and 12 reports were made directly to the external hotline. We confirmed the facts of the content of each report and carried out activities for improvements in line with the report's contents as necessary.



TORIDOLL Corporation Code of Ethics

<https://www.toridoll.com/company/charter/>



TORIDOLL Code of Conduct

<https://www.toridoll.com/company/conduct/>

Respect for Human Rights and Prevention of Harassment

The TORIDOLL Group believes that respect for human rights is fundamental to all business activities, and has established the TORIDOLL Group Human Rights Policy based on the United Nations (UN) Commission on Human Rights' "Guiding Principles on Business and Human Rights", and is working to ensure that the policy is thoroughly known and understood. We have also established consultation services such as the Mental and Physical Health Consultation Desk for ensuring respect for human rights in the workplace and preventing harassment, and the Labor Issues Consultation Desk provided by the labor union. We also provide training and education on harassment and other issues for managerial level employees. In August 2023, we issued the following Harassment Prevention Declaration and established a Harassment Consultation Desk in addition to the above contact points.

Harassment Prevention Declaration

Harassment is a violation of human rights that seriously hurts an individual's character and personality. Harassment is also a problem that impacts how TORIDOLL is evaluated by society, since it prevents employees from effectively demonstrating their abilities, and becomes a factor that impairs the company's internal environment, such as by disrupting workplace order and business functions.

In accordance with the TORIDOLL Code of Conduct, we will never tolerate any form of harassment, and will make the following efforts to ensure that all individuals are respected, and that good human relationships are built on a foundation of mutual trust.

- We aim to create an organization where employees respect each other as human beings regardless of rank or position, recognize different personalities and values, and where each individual can effectively demonstrate their abilities.
- We will increase knowledge and awareness of harassment and work together with employees to create an organization that prevents the occurrence of any form of harassment.
- We will establish a system that allows anyone to consult with us with peace of mind. In the event of harassment, we will take fair and appropriate measures and establish a system and structure to prevent repeat occurrences.

Compliance Awareness and Education

The TORIDOLL Group has created a Compliance Handbook to ensure that employees are fully aware of matters that pose a high risk of non-compliance. The Compliance Handbook contains details of the TORIDOLL Code of Ethics and the TORIDOLL Code of Conduct, and is used for compliance education and training for managerial level employees. We also check regularly that the content of the TORIDOLL Code of Ethics and the TORIDOLL Code of Conduct are being widely implemented, such as through reports from the Risk Management Committee to the Board of Directors.

Message

Message from an Outside Director

Being aware of the balance between risk management and risk taking

It has been a year and four months since I was appointed as an outside director, and during that time I have attended meetings of the Board of Directors and committees such as the Nomination and Remuneration Committees. We are consciously working on the balance between sound risk management and risk-taking as the TORIDOLL grows. We are also checking constantly to determine what kind of growth trajectory we can envisage to improve our corporate value over the medium to long term. As part of our efforts to improve the effectiveness of the Board of Directors, we also monitor discussions and provide support as necessary at Management Meetings, which are in charge of practical matters. During this time also, the outside directors have made proposals to further strengthen the operation of the Board of Directors, and encouraged discussions at Management Meetings.

Risks are regularly monitored by the Risk Management Committee, which considers various risks from a diverse perspectives, including employee turnover, food safety, and store incidents. In particular, the issue of employee turnover is a key point for improving employee treatment and motivation, and has a significant social and economic impact. Board meetings also regularly discuss employee turnover.

While we promote awareness of compliance issues in Japan, there is sufficient awareness of these issues overseas. As the TORIDOLL Group operates a diverse range of business models, and there are various differences between each region and country, I feel it is necessary to engage in governance according to the specific requirements of each one. I also believe that improving our internal auditing capabilities will become increasingly important going forward.



Outside Director
Rieko Shofu

With regard to sustainability, we are focusing on ESG and non-financial aspects. I think that management that integrates financial and non-financial aspects will become more important going forward. There are two aspects to this: responsibility for human assets, such as improving workplace environments and developing human resources, and addressing sustainability issues in the narrower sense, such as water and resources along with food loss. As TORIDOLL Group's stores expand, the energy and natural resources consumed will increase, but we recognize that we should work to reduce consumption percentage rates. With standards for sustainability initiatives expected to become even stricter in the future, we will continue discussing how to respond to and monitor these initiatives in the medium to long term.

Audit and Supervisory Committee Member Interview

Achieving sound and highly transparent management

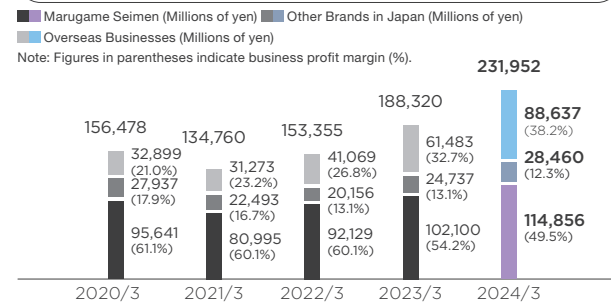
The Audit and Supervisory Committee is made up of committee members who have been entrusted by the shareholders to audit and monitor TORIDOLL's management. Its purpose is to audit and supervise the execution of duties by Directors. The Audit and Supervisory Committee Members includes three outside directors: Mr. Toshiyasu Umeki (Chairperson), Mr. Hiroaki Umeda, and Ms. Maki Kataoka, all of whom have professional knowledge either as a certified public accountant or lawyer. Our role is to audit and supervise to ensure that appropriate decisions are being made to improve corporate value. For this reason, we regularly monitor the operational situation and the content of discussions, including at Management Meetings, and hold committee meetings at least once a month. The Board of Directors has discussions that reflect the opinions of outside directors, and recognize that the governance is sufficiently. Future issues to be discussed include, structuring governance of new member companies of the TORIDOLL Group acquired through overseas M&A, and recruiting the talent that can do so. We believe it is necessary to consolidate problems that occur

overseas and take early action necessary to ensure we work towards solving them. With regard to succession planning, we would like to make recommendations from an outside perspective to help deepen the discussion on how to select, train, and transfer the right personnel to succeed existing management personnel. Going forward, we would like to be able to actively offer advice to the departments and executives in charge of such issues to make even better use of the high level of professional expertise and knowledge that each of us possess.

Financial and Non-Financial Highlights

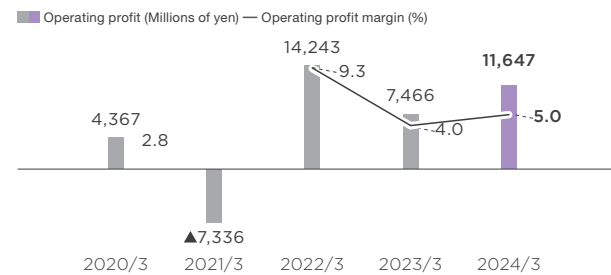
Financial Highlights

Consolidated Revenue



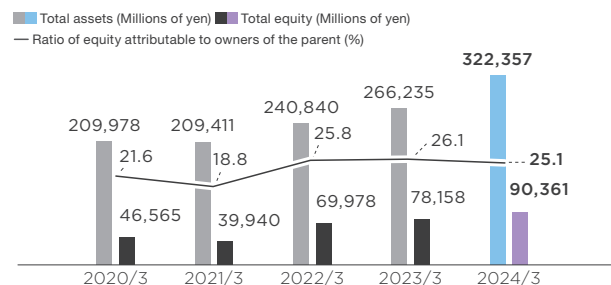
In terms of TORIDOLL's business environment, we saw a year on year increase in the number of people mobilized, which boosted the recovery in customer numbers. Under these conditions, we have worked on developing highly appealing products and store designs in Japan, and on appealing to customers to create further motivation to visit our stores. Overseas, we welcomed Fulham Shore in the UK as a subsidiary in July 2023. As a result of these and other efforts, revenue reached a record high of 231,952 million yen, and all segments recorded their highest ever results.

Operating Profit / Operating Profit Margin



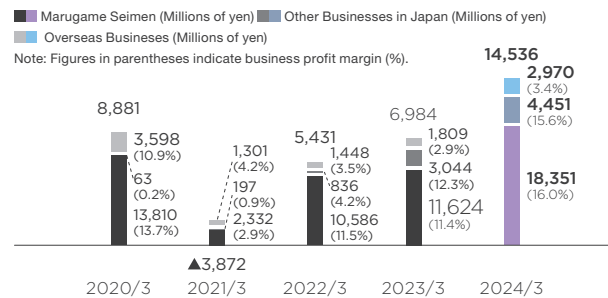
Although other operating profit decreased year on year due to government subsidies, such as subsidies for shortened working hours relating to the COVID-19 pandemic, operating profit increased significantly to 11,647 million yen, due to factors such as the absorption of costs by the significant increase in business profit, and the effect of posting one-off costs as other operating expenses in the previous year.

Total Assets and Total Equity/Equity Ratio



Due to factors such as the acquisition of Fulham Shore in the UK, assets such as intangible assets, goodwill, and right-of-use assets and liabilities such as lease liabilities and short-term borrowings both increased year on year. Due to factors such as an increase in retained earnings, the ratio of equity attributable to owners of the parent decreased by 1.0%, but remained healthy at 25.1%.

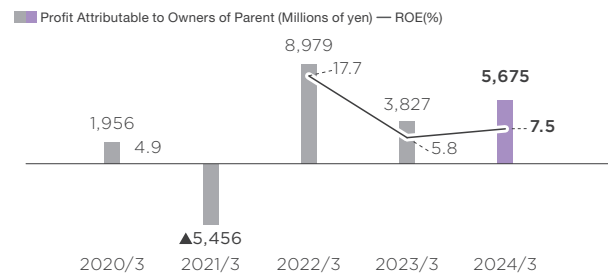
Business Profit (Consolidated, By Segment)/ Business Profit Margin



Despite cost increases in raw materials, personnel, and utilities in Japan and overseas, the increase in revenue absorbed these costs, and business profit increased significantly to a record high of 14,536 million yen.

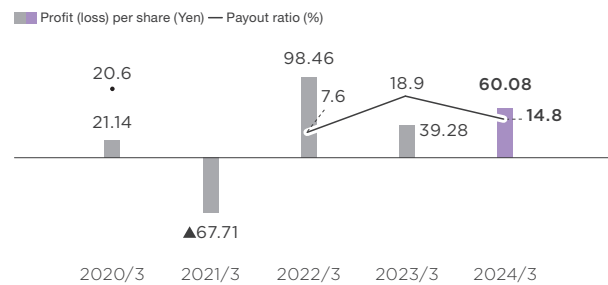
Note: Consolidated business profit includes adjustment amounts allocated to corporate expenses not distributed to each segment and overseas, the increase in revenue absorbed these costs, and business profit increased significantly to 14,536 million yen, also a record high.

Profit Attributable to Owners of Parent/ ROE



Profit Attributable to Owners of Parent for the year was 5,675 million yen, an increase due to factors such as the significant increase in operating profit and business profit. ROE was 7.5%, mainly due to the acquisition of Fulham Shore in the UK and the effect of increased profits.

Profit (Loss) per Share / Payout Ratio



Earnings per share increased by approximately 20 yen year on year to 60.08 yen, while the dividend per share increased by 1.5 yen to 9.0 yen. From the fiscal year under review, we have added progressive dividend payments, which pay out a dividend amount per share that is higher than the previous year, excluding special dividends, to our existing dividend policy.

Note: Adjusted dividend payout ratio = Total dividends ÷ (Profit attributable to owners of the parent + Depreciation and amortization + Other operating expenses - Other operating profit + Impairment losses + Extraordinary expenses) × 100 Note: TORIDOLL conducted a two-for-one stock split on April 1, 2020.

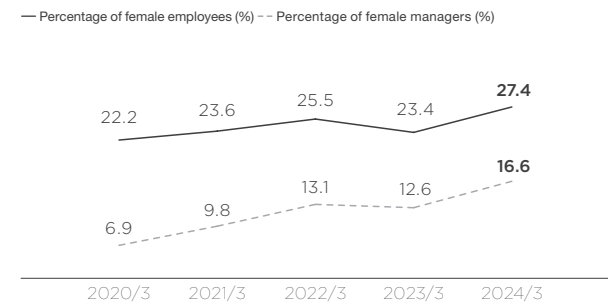
Non-Financial Highlights

ESG Materiality for FY2024/3 (fiscal year ended March 31, 2024)

P33 ▶

Working Together with People and Society

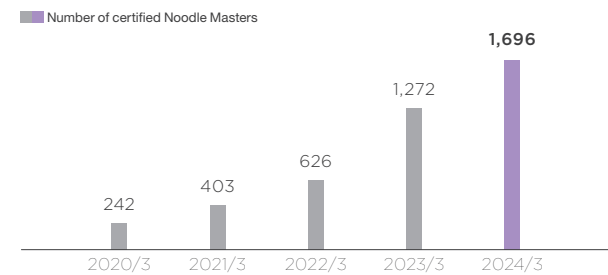
Percentage of Female Employees/ Percentage of Female Managers



The percentage of female employees has steadily increased over time through recruitment, career support, and other measures. The percentage of female managers has also been increasing over the years, and the figure increased significantly in the fiscal year ending on March 2024. Going forward, we will continue to make even greater efforts to achieve our goals.

Working Together with People and Society

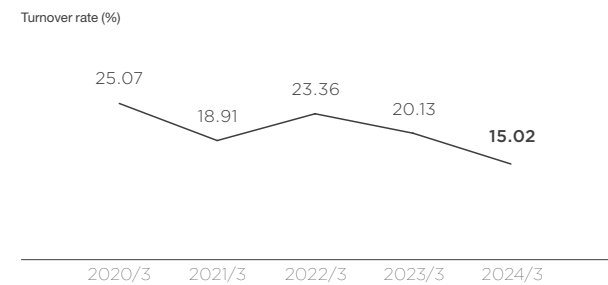
Certified Noodle Masters (Menshokunin)



As a result of our efforts following on from the previous year to increase the number of employees with noodle masters (Menshokunin) qualifications in the year ending on March 31, 2024, we achieved our target of having qualified noodle masters in all stores by March 2024. We have far exceeded our target, with 1,696 people obtaining noodle masters qualifications.

Increasing Our Happiness

Turnover rate

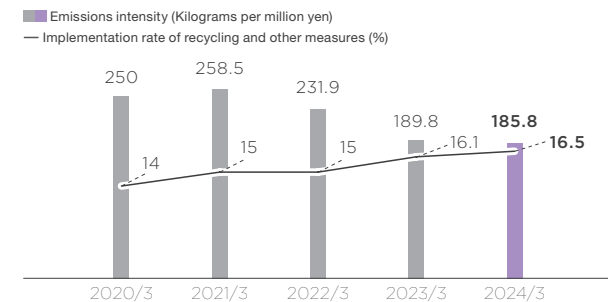


In the fiscal year ended March 31, 2024, initiatives to reduce employee turnover rate yielded results, resulting in the lowest turnover rate in the past five years. Looking ahead, we will continue our efforts to reduce employee turnover rate.

*The scope of the calculation for employee job turnover rate for the fiscal year ending on March 31, 2020, is limited to TORIDOLL Holdings Corporation and Toridoll Japan Corporation. For subsequent years, the calculation also includes Marugame Udon, Inc., Kona's Corporation, and YAMAGYU Inc. The scope of values aside from employee turnover rate are listed in the scope of aggregation for the ESG materialities for the fiscal year ending on March 31, 2024.

Promoting Harmony with the Earth

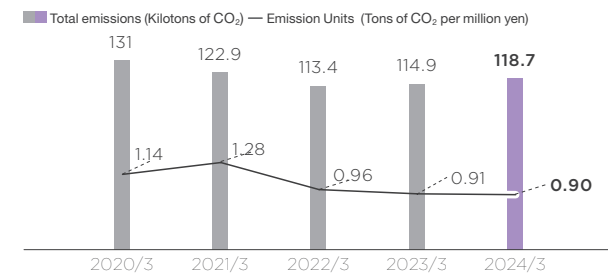
Emissions from Food Waste / Food Recycling Ratio



In the fiscal year ending on March 31, 2024, the amount of food waste was expected to increase in line with the growing number of stores. However with the efforts of our stores, we were able to keep waste intensity (per unit of sales) at the same level as the previous year. There was also only a small (0.4%) increase in the recycling rate, highlighting the need to continue to make progress in the future.

Promoting Harmony with the Earth

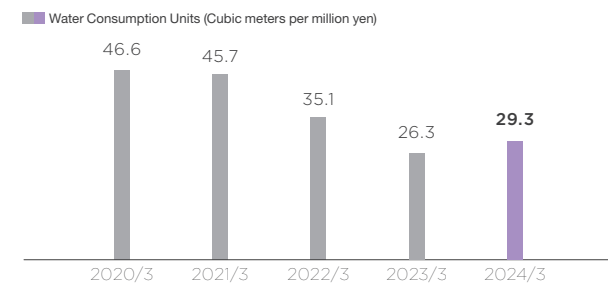
CO₂ Emissions



While the total amount of CO₂ emissions increased slightly due to the increase in our number of stores in the fiscal year ending on March 31, 2024, emissions per unit sales decreased due to efforts made by stores, meaning that emission intensity decreased. We will continue to promote environmental management based on the implementation of Eco-Action 21 at our stores.

Promoting Harmony with the Earth

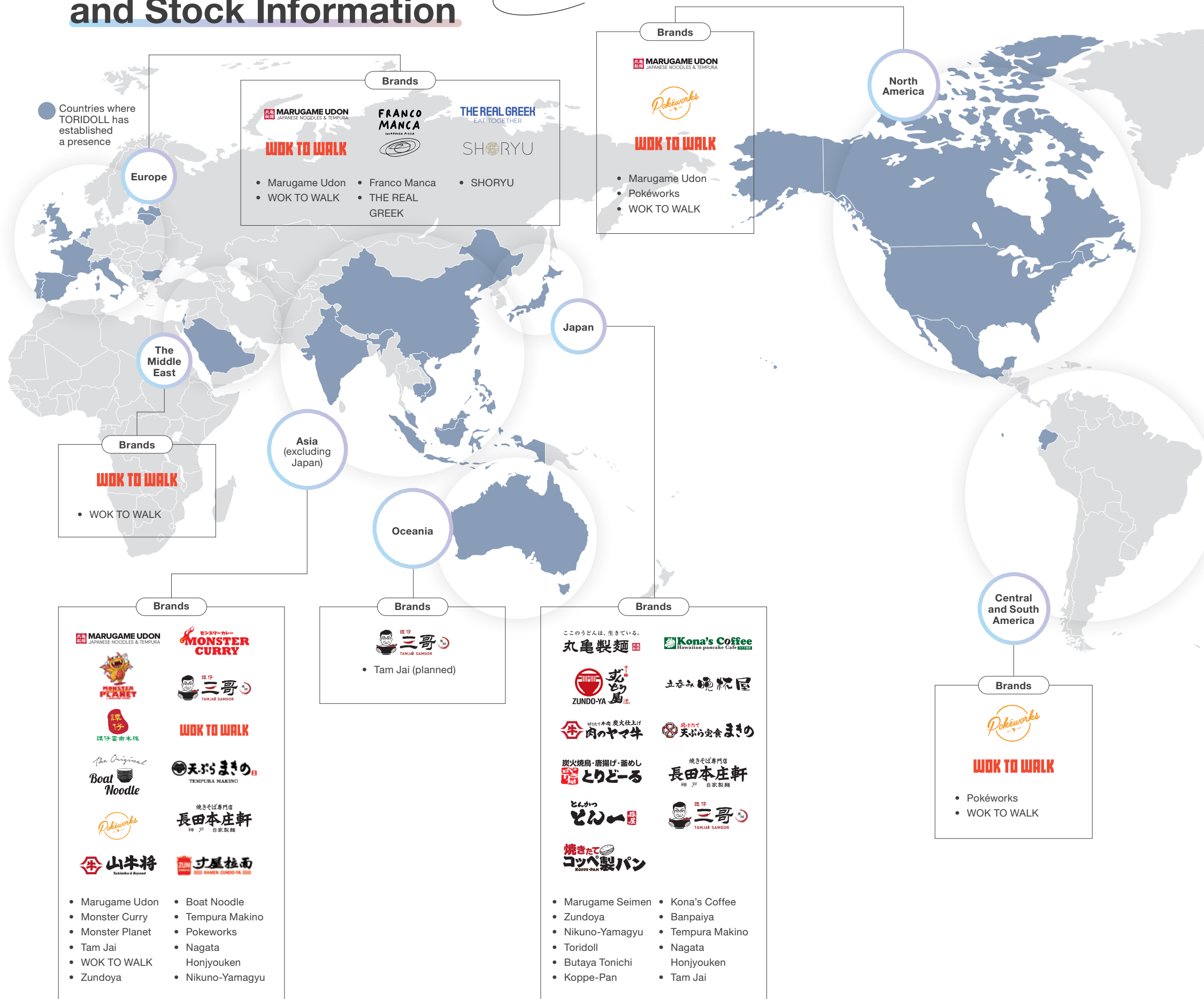
Water Consumption



In the fiscal year ending on March 31, 2024, we over-achieved in our environmental management targets by a wide margin, despite a slight increase in water usage owing to the increase in the number of stores. For this reason, we have revised our environmental management targets for the fiscal year ending on March 31, 2026. Going forward, we will continue work on saving water through the use of water-saving valves and other equipment.

*Accounting for the fiscal year ending on March 31, 2024 is provisional, since the allocation of the acquisition costs relating to business mergers has not been completed.

Corporate Information and Stock Information



Corporate Profile (As of September 30, 2024)

Company Name	TORIDOLL Holdings Corporation
Founded	August 1985
Established	June 1990
Capital	¥4,948 million
Headquarters	SHIBUYA SOLASTA 19th floor, 1-21-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043, Japan
Number of Employees*	Regular staff (consolidated): 7,790 Part-time and temporary staff (consolidated): 14,023
Consolidated Subsidiaries*	92
Equity-Method Affiliates*	24

*As of March 31, 2024

Stock Information (As of September 30, 2024)

Common Stock Authorized	230,400,000
Standard Trading Unit	100 shares
Common Stock Issued	88,241,752 (including 828,900 shares of treasury stock)
Number of Shareholders	181,170
Stock Code	3397
Stock Exchange Listing	Tokyo Stock Exchange Prime Market

Major Shareholders (As of September 30, 2024)

Name of person or organization	Number of shares owned (shares)	Ratio of shares owned to total common stock issued (excluding treasury stock) (%)
Takaya Awata	27,581,633	31.55
T&T Co., Ltd.	9,851,600	11.27
The Master Trust Bank of Japan, Ltd. (Trust account)	5,188,200	5.94
Trustee for Specified Securities, SMBC Trust Bank, Ltd.	3,738,000	4.28
ARIAKE JAPAN Co., Ltd.	600,000	0.69
Custody Bank of Japan, Ltd. (Trust account)	532,700	0.61
BNYM SA/NV FOR BNM FOR BNVM GCM CLIENT ACCTS M LM FE (Standing proxy: MUFG Bank, Ltd.)	327,997	0.38
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing proxy: MUFG Bank, Ltd.)	292,632	0.33
Custody Bank of Japan, Ltd. (Trust account 4)	216,000	0.25
EUROCLEAR BANK S.A./N.V. (Standing proxy: MUFG Bank, Ltd.)	212,200	0.24
Total	48,540,962	55.53

Composition of Shareholders (As of September 30, 2024)

