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Securities Code: 3397

June 14th, 2022

To TORIDOLL Holdings Corporation shareholders:

Takaya AWATA (Mr.)
President (CEO)
TORIDOLL Holdings Corporation
1-21-1 Dogenzaka, Shibuya-ku, Tokyo

Notice of the 32nd Annual General Meeting of Shareholders

You are hereby notified of the convocation of the 32nd Annual General Meeting of Shareholders of TORIDOLL Holdings Corporation (the “Company”) to be held as described below.

Because the COVID-19 pandemic still shows no signs of ending, after carefully considering these circumstances, we have decided to hold the Annual General Meeting of Shareholders while taking appropriate measures to avoid the spread of infection.

The number of seats for guests will be significantly fewer than normal as we widen the distance between seats in the venue in an effort to prevent the spread of infection. As a result, there may be cases in which shareholders who come to the venue will not be allowed to enter. Thank you for your understanding. Instead of attending on the day of the Meeting you may exercise your voting rights in writing or via the Internet, etc., so we recommend that shareholders take the above into consideration when deciding whether or not to attend in person.

In this case, please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights no later than 6:00 p.m. on Tuesday, June 28, 2022 (JST).

* To avoid the spread of infection, we ask for your cooperation in disinfecting your hands with alcohol-based sanitizer, having your temperature taken at the entrance of the venue and in wearing a face mask at the venue.

1. Date and Time: Wednesday, June 29, 2022, at 10:00 a.m. (JST) (reception begins at 9:00 a.m.)

2. Venue: Bellesalle Shibuya Garden
1F, Sumitomo Fudosan Garden Tower,
16-17, Nampeidaicho, Shibuya-ku, Tokyo

3. Purpose of Meeting

Matters to be reported:

1. The business report, consolidated financial statements and the results of the audit of consolidated financial statements by Financial Auditor and the Audit & Supervisory Committee for the 32nd fiscal year (from April 1, 2021 to March 31, 2022)
2. Non-consolidated financial statements for the 32nd fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 2 | Election of Three Directors (Excluding Directors who are Audit & Supervisory Committee Members) |
| Proposal No. 3 | Election of One Substitute Director who is an Audit & Supervisory Committee Member |

Please be aware that no gifts will be prepared for the Meeting. In addition, please note that no social event for shareholders will be held. Your kind understanding is appreciated.

Procedures for Exercising Voting Rights

When not attending the Meeting in person

Exercising your voting rights in writing (Voting Right Exercise Form)

Please indicate your vote of approval or disapproval of each proposal in the enclosed voting form and return this form for receipt by 6:00 p.m. on Tuesday, June 28, 2022 (JST).

Exercising your voting rights via the Internet, etc.

Please log into the website as specified by the Company and indicate your approval or disapproval of the agenda by 6:00 p.m. on Tuesday, June 28, 2022 (JST).

When attending the Meeting in person

Please present the enclosed voting form at the reception desk on the day of the Meeting.

Please bring this notice with you in order to save resources.

With regards to Internet Disclosure:

- In addition to this notice of the Annual General Meeting of Shareholders, the following documents are posted online on the Company's website in accordance with Article 14 of the Articles of Incorporation and government regulations and hence not attached to this notice of Annual General Meeting of Shareholders - "The Company's Criteria for the Independence of Outside Directors," "Share Acquisition Rights, etc. of the Company," "Financial Auditor," "Systems to Ensure That Directors Perform Their Duties in Compliance With Relevant Laws and Regulations and the Articles of Incorporation, and Other Systems to Ensure Properness of Operations of the Company, and Operational Status of These Systems" "Consolidated Statements of Changes in Equity," "Notes to Consolidated Financial Statements," "Statements of Changes in Equity," and "Notes to Non-consolidated Financial Statements." Furthermore, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements which are included in the documents attached to this notice of Annual General Meeting of Shareholders are (i) part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements that are audited when the Audit & Supervisory Committee creates its audit report, and (ii) also a part of the Consolidated Financial Statements and Non-consolidated Financial Statements that are audited when the Financial Auditor creates its accounting audit report.
- If any changes have been made to items in the Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, such changes will be posted online on the Company's website. (<https://www.toridoll.com/>)

Instructions on Exercising Voting Rights via the Internet, Etc.

“Smart Exercise®” by scanning the login QR Code

You can log into the website for exercising voting rights without entering the voting right exercise code and password.

1 Please scan the QR Code provided at the bottom right of the voting form.

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

2 Please follow the instructions on the screen and indicate your approval or disapproval.

“Smart Exercise®” can be used to exercise your voting rights one time only.

After exercising your voting rights, in order to change your initial vote, please access the desktop website and enter the voting right exercise code and password printed on the voting form to log in, then exercise your voting rights again.

* Scanning the QR Code again will take you to the desktop website.

By entering the voting right exercise code and password

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

1 Please access the website for exercising voting rights.

Click “Continue”

2 Enter the voting right exercise code given on the voting form.

Enter the “voting right exercise code”

Click “Next”

3 Enter the password given on the voting form.

Enter password

Please set a new password to use in the future

Click “Enter”

4 Please follow the instructions on the screen and indicate your approval or disapproval.

| |
|--|
| Internet Help Hotline, Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 0120-768-524 (Hours: 9:00 a.m. to 9:00 p.m., excluding year end and new year holidays) |
|--|

Institutional investors can use the electronic voting platform for institutional investors operated by ICJ, Inc.

Notes:

- Shareholder shall bear the expenses for connection to the Internet.
- The password is a means to verify the identity of the person exercising voting rights as a shareholder. Please keep the password safe until the end of this General Meeting of Shareholders. The Company will not be able to respond to inquiries about the password by telephone. The Company will not contact you to ask for your password.
- If the password is entered incorrectly for a certain number of times, the account will be locked and unusable. If this occurs, please complete the procedures as indicated by the guidance shown on-screen.
- Although operational checks have been carried out on the website for exercising voting rights on most devices that connect to the Internet, please note, there is a possibility that the site may be unable to be used on the shareholder’s device.
- If a shareholder exercises their voting rights both in writing and via the Internet, etc., only the exercise of voting rights via the Internet will be accepted.
- If voting rights are exercised more than once via the Internet, etc., only the last exercise shall be accepted.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) Accompanying the enforcement of the Act for Partially Amending the Industrial Competitiveness Enhancement Act (Act No. 70 of 2021), under certain conditions as established in the Articles of Incorporation, at listed companies it is now acceptable to hold the General Meeting of Shareholders with no fixed location (a so-called virtual General Meeting of Shareholders).

In order to make it easier for more shareholders to attend regardless of their place of residence to enable a more active, efficient, and smooth General Meeting of Shareholders, reduce the risk of infection and dangers during large-scale natural disasters, etc., and allow for a General Meeting of Shareholders with no fixed location, the Company intends to make the necessary amendments to Article 11 (Convocation) of the current Articles of Incorporation and newly establish Paragraph 2.

- (2) Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the General Meeting of Shareholders in electronic format.

- (i) Article 14, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.
- (ii) Article 14, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (iii) Since the provisions for Disclosure over the Internet and Deemed Delivery of Reference Documents, etc. for General Meetings of Shareholders (Article 14 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (iv) Accompanying the aforementioned establishment and deletion of provisions, supplemental provisions regarding the effective date, etc. will be established.

2. Details of the amendments

The details of the amendments are as follows:

(Amended portions are underlined)

| Current Articles of Incorporation | Proposed Amendments |
|---|--|
| Article 11. Convocation The Company’s Ordinary General Meeting of Shareholders shall be convened in June every year, whereas an Extraordinary General Meeting of Shareholders shall be convened from time to time whenever deemed necessary. (Newly established) | Article 11. (Change in Japanese only; English unchanged) <u>1.</u> (Unchanged) <u>2. The Company may hold a General Meeting of Shareholders with no fixed location.</u> |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| <p><u>Article 14.</u> <u>Disclosure over the Internet and Deemed Delivery of Reference Documents, etc. for General Meetings of Shareholders</u> <u>Upon convening any General Meeting of Shareholders, the Company may deem that the information required to be stated or indicated in the reference documents for the General Meeting of Shareholders, the business report, the financial statements and the consolidated financial statements has been provided to the shareholders, if the Company discloses such information over the Internet in a manner prescribed by applicable ordinances of the Ministry of Justice.</u> (Newly established)</p> | <p>(Deleted)</p> <p><u>Article 14.</u> <u>Measures, etc. for Providing Information in Electronic Format</u> 1. <u>When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.</u> 2. <u>Of items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> |
| <p style="text-align: center;">SUPPLEMENTAL PROVISIONS</p> <p>Article 1. and Article 2. (Omitted) (Newly established)</p> | <p style="text-align: center;">SUPPLEMENTAL PROVISIONS</p> <p>Article 1. and Article 2. (Unchanged)</p> <p><u>Article 3.</u> 1. <u>The deletion of Article 14. Disclosure over the Internet and Deemed Delivery of Reference Documents, etc. for General Meetings of Shareholders in the pre-amended Articles of Incorporation and the establishment of Article 14. Measures, etc. for Providing Information in Electronic Format in the amended Articles of Incorporation shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u> 2. <u>Notwithstanding the provision of the preceding paragraph, Article 14. Disclosure over the Internet and Deemed Delivery of Reference Documents, etc. for General Meetings of Shareholders of the pre-amended Articles of Incorporation shall remain effective regarding any General Meeting of Shareholders held on a date within six months from the Date of Enforcement.</u> 3. <u>This Article shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u></p> |

Proposal No. 2 Election of Three Directors (Excluding Directors who are Audit & Supervisory Committee Members)

At the conclusion of this meeting, the term of office for all four Directors (excluding Directors who are Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire. Therefore, the Company proposes the election of three Directors.

When selecting the Director candidates, the Nomination Committee, members of which include all three independent Outside Directors (Audit & Supervisory Committee Members) who constitute a majority, has been consulted. Furthermore, taking into account deliberations by the Nomination Committee, the Audit & Supervisory Committee has determined that the proposal is appropriate, based on the judgment that the election of each candidate will contribute to the improvement of the Company's corporate value.

The candidates for Director are as follows:

| Candidate no. | Name | Current position and responsibility in the Company | Attendance at Board of Directors meetings |
|---------------|--------------------|--|---|
| 1 | Takaya Awata | Reelection President (CEO) | 100% (19/19) |
| 2 | Takashi Sugiyama | Reelection Managing Director General Manager of International Business Division | 100% (15/15) |
| 3 | Masatoshi Kamihara | Reelection Director General Manager of Supply Chain Management Division General Manager of Product Development Department | 100% (19/19) |

| Candidate no. | Name (Date of birth) | Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | | Number of the Company's shares owned |
|--|--|--|---|--------------------------------------|
| 1 | Takaya Awata October 28, 1961 (60 years old) Reelection Attendance at Board of Directors meetings: 100% (19/19) Length of tenure at the conclusion of this meeting: 32 years | Aug. 1985 June 1990 Oct. 1995 | Self-employed (opened Toridoll Sanban-Kan) Established Toridoll Ltd., President The Company changed its organizational structure to Toridoll corporation (currently, TORIDOLL Holdings Corporation), President (CEO) (current position) | 27,577,311 shares |
| Reasons for nomination as candidate for Director: The Company has nominated Mr. Takaya Awata as a candidate for Director based on its judgment that he is necessary for the sustainable growth and medium to long-term improvement of the Company's corporate value in the future as he possesses a deep understanding of the Company's business gained through consistent involvement in the Company's operations since its establishment as well as swift and accurate decision-making skills and excellent risk management capabilities. | | | | |
| 2 | Takashi Sugiyama May 23, 1977 (45 years old) Reelection Attendance at Board of Directors meetings: 100% (15/15) Length of tenure at the conclusion of this meeting: 1 year | Apr. 2001 Oct. 2006 July 2015 June 2017 Feb. 2019 July 2019 Oct. 2019 Feb. 2020 June 2021 | Joined Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.) Joined ABeam M&A Consulting Ltd. (currently PwC Advisory LLC) Joined Deloitte Tohmatsu Consulting LLC. Executive Officer and Partner Joined the Company General Manager of International Business Preparation Office, International Business Division General Manager of International Business Planning Department, International Business Division Executive Officer and General Manager of International Business Division Managing Director and General Manager of International Business Division (current position) | 3,293 shares |
| Role in the Company General Manager of International Business Division Significant concurrent positions outside the Company Director of Tam Jai International Co. Limited | | | | |
| Reasons for nomination as candidate for Director: The Company has nominated Mr. Takashi Sugiyama as a candidate for Director based on its judgment that his capabilities are necessary for the future management of the Company as he possesses experience and insight related to international business that he has developed through work at management consulting firms, and has utilized this experience and insight to contribute to the advancement of our international business since joining the Company. | | | | |

| Candidate no. | Name (Date of birth) | Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---|--|---|--------------------------------------|
| 3 | <p>Masatoshi Kamihara January 30, 1959 (63 years old) Reelection</p> <p>Attendance at Board of Directors meetings: 100% (19/19)</p> <p>Length of tenure at the conclusion of this meeting: 4 years</p> | <p>Apr. 1981 Joined Wenco Japan Co., Ltd. (a group company of The Daiei, Inc.)</p> <p>June 2003 Self-employed (Founded Food Business Consulting)</p> <p>July 2013 General Manager of Food Hygiene Control Department of the Company</p> <p>Sept. 2013 General Manager of Merchandising Department</p> <p>Jan. 2015 General Manager of Merchandising Department and Product Department</p> <p>Feb. 2016 Executive Officer, General Manager of Merchandising Department and Product Department</p> <p>Apr. 2016 Executive Officer, General Manager of Product Division</p> <p>June 2018 Director, General Manager of Product Division</p> <p>Apr. 2019 Director, General Manager of Supply Chain Management Division</p> <p>Jan. 2020 Director, General Manager of Supply Chain Management Division and General Manager of Product Development Department (current position)</p> <p>Role in the Company General Manager of Supply Chain Management Division and General Manager of Product Development Department</p> | 9,916 shares |
| <p>Reasons for nomination as candidate for Director: The Company has nominated Mr. Masatoshi Kamihara as a candidate for Director based on its judgment that his capabilities are necessary for the management of the Company in the future as he possesses comprehensive knowledge of products through his experience in a major distribution company and as an independent consultant, and by utilizing such experience and insight since joining the company, he has contributed to the expansion of food procurement routes and cost reduction.</p> | | | |

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
 2. The age listed for each candidate for Director is their age as of the dispatch date of this notice of the Annual General Meeting of Shareholders.
 3. Attendance record at Board of Directors meetings for Mr. Takashi Sugiyama is based on the number of meetings held since his appointment as Director on June 29, 2021.
 4. Pursuant to the provisions of Paragraph 1 of Article 430-2 of the Companies Act, the Company has entered into an indemnity agreement with Mr. Takaya Awata, Mr. Takashi Sugiyama and Mr. Masatoshi Kamihara under which the Company agrees to indemnify costs and losses, as provided for in Item 1 and Item 2, respectively, of said Paragraph, within the range prescribed by laws and regulations. In the event that the election of Mr. Takaya Awata, Mr. Takashi Sugiyama and Mr. Masatoshi Kamihara is approved, the Company plans to renew the respective indemnity agreements with each of them.
 5. The Company has entered into a directors and officers liability insurance policy as provided for in Paragraph 1 of Article 430-3 of the Companies Act with an insurance company. The policy will cover the amount of indemnification and court costs incurred in cases where a Director who is an insured receives a claim for damages arising from their performance of duties. The full amount of the insurance premiums for this insurance policy is borne by the Company. If the election of each candidate for Director is approved, each of them will be included as an insured in the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 3 Election of One Substitute Director who is an Audit & Supervisory Committee Member

The Company proposes the election of one substitute Director who is an Audit & Supervisory Committee Member in advance in case the number of Directors who are Audit & Supervisory Committee Members falls below the number required by laws and regulations.

The Audit & Supervisory Committee has consented to this proposal.

The candidate for the role of substitute Director who is an Audit & Supervisory Committee Member is as follows:

| Name (Date of birth) | Career summary and significant concurrent positions outside the Company | Number of the Company's shares owned |
|--|---|--|
| <p>Koji Toyoda February 3, 1968 (54 years old) Candidate for Outside Director Candidate for Independent Director</p> | <p>Apr. 1991 Joined Meiji Life Insurance Company (currently Meiji Yasuda Life Insurance Company) Oct. 1996 Joined Asahi & Co. (currently KPMG AZSA LLC) Oct. 2004 Registered as attorney at law Joined Miyake & Partners Nov. 2004 Registered as certified public accountant Apr. 2012 Director of AXIA Law and Accounting Office (current position) Dec. 2013 Outside Audit & Supervisory Board Member of Taiyo Machinery Co., Ltd. Nov. 2015 Auditor of Osaka University of Economics Mar. 2017 Outside Director of Daisan Co., Ltd. (Audit & Supervisory Committee Member, current position) Significant concurrent positions outside the Company Director of AXIA Law and Accounting Office, Outside Director of Daisan Co., Ltd. (Audit & Supervisory Committee Member)</p> | <p>- shares</p> |
| <p>Reasons for nomination as candidate for substitute Outside Director and overview of expected role: The Company has nominated Mr. Koji Toyoda as a candidate for substitute Outside Director based on its judgment that he possesses both expertise and experience obtained as a certified public accountant and an attorney at law, and is capable of appropriately fulfilling the duties of Outside Director if he were to assume the position. In the event that he assumes position as a Director who is an Audit & Supervisory Committee Member, he is expected to provide supervision and advice for management based on his expert knowledge and experience, and to work for improving corporate governance of the Company as a member of the Audit & Supervisory Committee, Nomination Committee and Remuneration Committee.</p> | | |

- Notes:
1. There is no special interest between Mr. Koji Toyoda, a candidate for substitute Director who is an Audit and Supervisory Committee Member, and the Company.
 2. The age listed for the candidate for substitute Director who is an Audit & Supervisory Committee Member, Mr. Koji Toyoda, is his age as of the dispatch date of this notice of the Annual General Meeting of Shareholders.
 3. Mr. Koji Toyoda is a candidate for substitute Outside Director.
 4. In the event that Mr. Koji Toyoda assumes position as Director who is an Audit & Supervisory Committee Member, the Company plans to execute a contract for limitation of liability with him to limit his liability as stipulated in Paragraph 1 of Article 423 of the Companies Act up to the total sum stipulated in Paragraph 1 of Article 425 of the Companies Act.
 5. In the event that Mr. Koji Toyoda assume position as Director who is an Audit & Supervisory Committee Member, the Company plans to submit a notification to Tokyo Stock Exchange, Inc. as an Independent Director who is obliged by said exchange to be designated as one not having the potential to cause conflicts of interest against general shareholders.
 6. In the event that Mr. Koji Toyoda assumes position as a Director who is an Audit & Supervisory Committee Member, the Company plans, pursuant to the provisions of Paragraph 1 of Article 430-2 of the Companies Act, to enter into an indemnity agreement with him under which the Company agrees to indemnify costs and losses, as provided for in Item 1 and Item 2, respectively, of said Paragraph, within the range prescribed by laws and regulations.
 7. The Company has entered into a directors and officers liability insurance policy as provided for in Paragraph 1 of Article 430-3 of the Companies Act with an insurance company. The policy will cover the amount of indemnification and court costs incurred in cases where a Director who is an insured receives a claim for damages arising from their performance of duties. The full amount of the insurance premiums for this insurance policy is borne by the Company. In the event that Mr. Koji Toyoda assumes position as Director who is an Audit & Supervisory Committee Member, he will be included as an insured under this insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Reference: Skills Matrix

The following table shows the particular expertise and experiences of the Directors and Executive Officers to be appointed at the Board of Directors meeting after the conclusion of the Annual General Meeting of Shareholders in the event that this proposal is approved.

| | Position in the Company | Corporate management | Global | Accounting and finance | Capital policy M&A | Legal Compliance | ESG | Food service business | Marketing Store and facilities development | Food hygiene control | DX Innovation | Digital technology ICT |
|--------------------|--|----------------------|--------|------------------------|--------------------|------------------|-----|-----------------------|--|----------------------|---------------|------------------------|
| Takaya Awata | Representative Director, President | ● | | | | | ● | ● | | | ● | |
| Takashi Sugiyama | Managing Director | ● | ● | ● | ● | ● | | | ● | | ● | ● |
| Masatoshi Kamihara | Director | ● | ● | | | | ● | ● | | ● | | |
| Toshiyasu Umeki | Outside Director Audit & Supervisory Committee Member | | | ● | ● | | ● | | | | | |
| Hiroaki Umeda | Outside Director Audit & Supervisory Committee Member | | | ● | ● | | ● | | | | | |
| Maki Kataoka | Outside Director Audit & Supervisory Committee Member | | | | ● | ● | ● | | | | | |
| Yasunori Isomura | Executive Officer | ● | | | ● | | | | | | ● | ● |
| Atsushi Kusano | Executive Officer | | ● | | | | ● | ● | | ● | | |
| Satoshi Yamaguchi | Executive Officer | | ● | ● | ● | | ● | | | | | |
| Koji Hayashi | Executive Officer | | ● | | | | ● | ● | ● | | | |

* The above table does not include all of the expertise or experiences of each person.

Attached Documents Business Report (From April 1, 2021 to March 31, 2022)

1 Status of the corporate group

1 Progress and results of operations

The economic environment surrounding the Group during the current fiscal year under review (April 1, 2021 – March 31, 2022), continues to be impacted by COVID-19 as in the previous fiscal year, with declarations and cancellations of a state of emergency and implementation of a semi-state of emergency affecting the number of visitors to stores. With this situation in mind, the Group has proactively introduced takeout products in Japan and bolstered initiatives to encourage visits to stores while improving management efficiency by strategically closing unprofitable stores, etc. Overseas, the Company proactively opened new stores in Asia, the United Kingdom, etc., despite the impact of COVID-19.

| | |
|--|---|
| Total trading transactions | ¥153,355 million (up 13.8% year-on-year) |
| Operating profit | ¥14,243 million (Operating loss of 7,336 million yen in the previous fiscal year) |
| Profit before tax | ¥13,935 million (Loss before tax of 9,119 million yen in the previous fiscal year) |
| Profit for the year attributable to owners of the parent | ¥8,979 million (Loss of 5,456 million yen in the previous year) |

As a result, Marugame Seimen, a restaurant specializing in authentic “Sanuki” udon, and overseas business drove increased revenue with total trading transactions of ¥153,355 million (up 13.8% year-on-year).

Business profit (Note 1) increased in all segments, resulting in 5,431 million yen, a significant increase of 9,303 million yen from the business loss of 3,872 million yen from the previous fiscal year.

The Company thoroughly investigated the profitability of each store in Japan and overseas, resulting in an operating profit (Note 2) of 14,243 million yen thanks to a government grant of 12,866 million yen for cooperating with shortened operating hour requests due to COVID-19, despite recording an impairment loss of 4,188 million yen due to closing stores, compared to an impairment loss of 6,674 million yen in the previous fiscal year, and significantly increased operating loss from 7,336 million yen the previous fiscal year to 21,579 million yen, the highest figure on record.

As a result, profit for the year attributable to owners of the parent was 8,979 million yen, an increase of 14,435 million from loss for the year attributable to owners of the parent of 5,456 million yen in the previous year in a V-shaped recovery for the highest figure on record.

Note 1: Business Profit: Total Trading Transactions minus Cost of Sales minus Selling and General Administrative Expenses

Note 2: Operating Profit: Business Profit minus Impairment Loss plus Other Operating Income minus Other Operating Expenses

Results of operations by segment are as follows:

Marugame Seimen

Main businesses

Marugame Seimen is a restaurant chain specializing in “Sanuki” udon. Noodles machines are installed at each restaurant for a “freshly kneaded” and “freshly boiled” taste. By cooking in front of our customers in an open kitchen, we aim to create an authentic restaurant where customers can enjoy “freshness,” “hand-made style,” and “comfort.”

The Marugame Udon Bento, which was launched in April 2021, has proved to be a major hit, selling over 20 million meals, supporting profits by offsetting the drop in dine-in usage due to the effects of COVID-19. The Company also developed new demand for purchasing takeout products after using dine-in options.

A rapid increase in sales of takeout products such as the Marugame Udon Bento had a temporary impact on serving speed to dine-in customers, however, in-store operations were quickly improved by adding a dedicated takeout window mainly at roadside locations. Additionally, locations with a dedicated takeout window saw synergistic effects such as increased sales of tempura.

As a result, total trading transactions increased by 13.7% year-on-year to ¥92,129 million. In addition to the impact of increased revenue, business profit increased significantly to 10,586 million yen, an increase of 354.0% year-on-year as a result of improved profitability per existing store due to closure of low-profit stores, etc.

Overseas Business (all overseas restaurant businesses)

Main businesses

The Company opened company-owned stores and franchise restaurants in 30 or more countries and regions.

An additional 29 Tam Jai International Co. Limited’s locations based in Hong Kong during the fiscal year contributed to significant increases in sales and profits. In the US as well, the Marugame Udon Hawaii location is performing strongly thanks to an increase in tourists, resulting in increases in sales and profits. On the other hand, Marugame Udon in Taiwan has been seriously impacted by COVID-19, resulting in reduced sales and profits due to curbed promotions, etc. Four Marugame Udon stores were opened in the United Kingdom during the fiscal year, and despite a drop in operation at some locations due to the impact of COVID-19, recognition of udon is steadily growing whereas it was previously unknown thanks to a successful location strategy and marketing. As a result, total trading transactions increased by 31.3% year-on-year to ¥41,069 million, and business profit increased by 11.3% year-on-year to ¥1,448 million despite increased store opening costs.

Others

Main businesses

This segment includes “Kona’s Coffee,” “Nikuno Yamaki Shoten,” “Butaya Tonichi,” “Toridoll,” “Nagata Honjyouken,” “Tempura Makino,” “Ramen Zundo-Ya,” and “Banpaiya.”

“Kona’s Coffee” is based on the concept of the “the Closest Hawaii,” offering limited-time seasonal pancakes, etc. Sales and profits increased thanks to enhanced measures to draw customers such as a Hawaiian hula dance show, store-roasted coffee beans, and a focus on selling miscellaneous Hawaiian goods, etc.

Introduction of new menu items such as cold noodles and a focus on takeout at “Nikuno Yamaki Shoten”, closure of unprofitable “Butaya Tonichi” locations, reassigning staff, and success of sales at events have contributed to a shift to the black from an operating loss the previous fiscal year. On the other hand, sales have dropped at Japanese pub businesses such as “Toridoll” and “Banpaiya” due to the impact of shortened operating hours.

As a result, total trading transactions decreased by 10.4% year-on-year to ¥20,156 million, and business profit significantly increased by 324.8% year-on-year to ¥836 million.

2 Capital expenditures

The Group has continued to enact capital expenditures in order to grow sales by opening new stores. In this fiscal year, the Group opened nine Marugame Seimen stores (eight roadside locations and one built-in and other locations) and 13 stores of other brands in Japan. As a result, a total of 22 company-owned stores were newly opened.

The Group opened 42 company-owned overseas stores in Hong Kong, Taiwan, Singapore, the US, etc.

3 Financing activities

In this fiscal year, the Group raised funds of ¥15,400 million from public offering of a subsidiary and ¥16,500 million from long-term loans payable from financial institutions in addition to funds on hand, and allocated them to operating funds.

4 Challenges to be addressed

FY2023 to 2028 Medium- to Long-term Management Plan

The Group has formulated the “FY2023 to 2028 Medium- to Long-term Management Plan,” aiming to become a global food company in both name and reality.

Looking back, the Group’s key business, Marugame Seimen, has reached the top as a global restaurant chain with overwhelming speed while retaining what seems at first glance to be the illogical element of not having a central kitchen and making udon from scratch at each restaurant providing “freshly kneaded” and “freshly boiled” udon. The Group’s uniqueness and strength lies in its “coexisting contradictions,” where activities that would generally be contradictory can coexist and spread globally.

The Group will define its own “drivers for the evolution of passion,” and promote the “KANDO Trade-on Strategy,” which was intentionally spelled out “KANDO” (which means passion in Japanese) in the Roman alphabet, for the achievement of management indicators based on the core of the plan in order to realize these “coexisting contradictions” while expanding the “KANDO experience of food” globally.

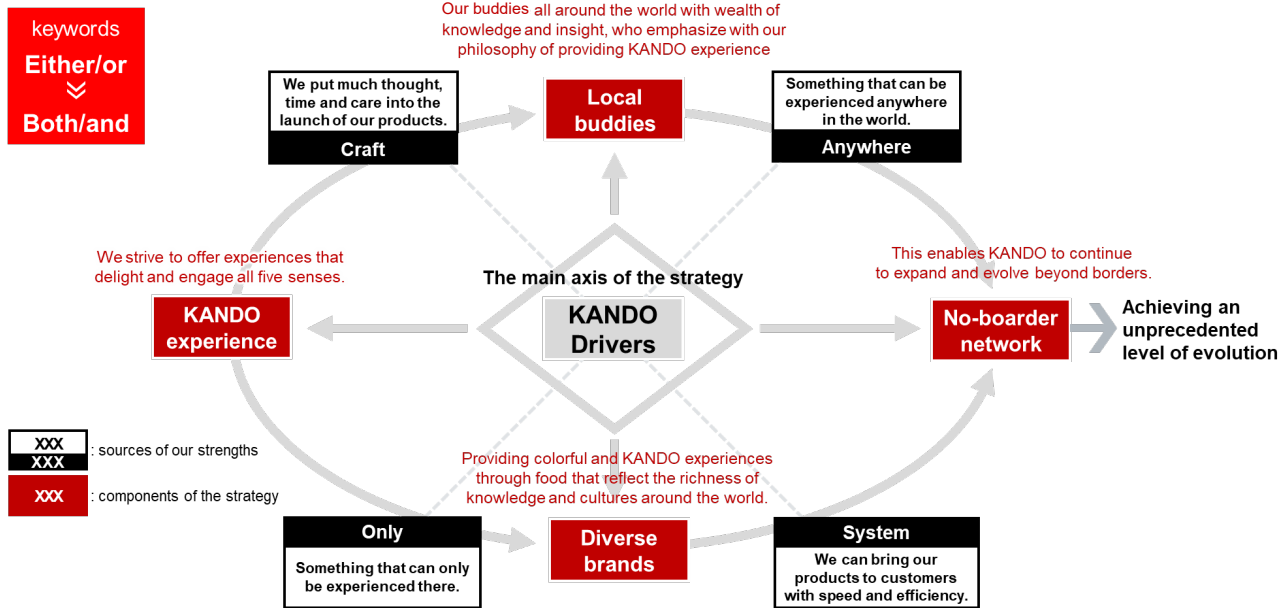
Management Indicators

| Items | Three-year plan | | Medium- to long-term target |
|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Fiscal year ending March 31, 2023 | Fiscal year ending March 31, 2025 | Fiscal year ending March 31, 2028 |
| Net sales | ¥177,000 million | ¥220,000 million | ¥300,000 million |
| Number of stores | 1,864 | 2,500 | more than 5,500 |
| Business profit | ¥6,200 million | ¥14,000 million | ¥36,000 million or more |
| Business profit ratio | 3.5% | 6.4% | 12% or more |
| Operating profit | ¥4,000 million | ¥12,000 million | approx. ¥30,000 million |
| Operating profit ratio | 2.3% | 5.5% | around 10% |

For details of Medium- to long-term Management Plan, please refer to the Company’s website.

<https://www.toridoll.com/en/ir/library/account.html>

“KANDO Trade-on Strategy”



Four key themes

- (i) Provide KANDO experiences
 - Create and polish new ways to KANDO experiences
 - Establish human resource training
 - Create a platform that generates exciting experiences
- (ii) Increase quantity and quality of business portfolio
 - Acquire new business formats through M&A
 - Select and concentrate
 - Brand incubation
- (iii) Establishment of international network of Local Buddies*
 - *Comrades around the world who have special knowledge and know-how that works toward exciting experiences
 - Search for new, powerful Local Buddies
 - Horizontal growth in important markets by leveraging partnerships
- (iv) Building a foundation to support the synergy of international operations
 - Building an extensive global network of brands
 - Expanding group-wide functions on an international level
 - Strengthen ability to launch new stores

1 Assets, Profits, and Losses

(Amounts shown in millions of yen)

| Category | International Financial Reporting Standards (IFRS) | | | |
|---|--|---|---|--|
| | 29th consolidated year ended March 31, 2019 | 30th consolidated year ended March 31, 2020 | 31st consolidated year ended March 31, 2021 | 32nd consolidated year ended March 31, 2022 (current fiscal year under review) |
| Total trading transactions | 145,022 | 156,478 | 134,760 | 153,355 |
| Profit (loss) before tax | 1,337 | 2,837 | (9,119) | 13,935 |
| Profit (loss) for the year attributable to owners of the parent | 267 | 1,956 | (5,456) | 8,979 |
| Comprehensive income (loss) for the year attributable to owners of the parent | 902 | 1,626 | (4,702) | 13,599 |
| Basic earnings (losses) per share (yen) | 3.11 | 21.21 | (67.71) | 99.25 |
| Total assets | 117,979 | 209,978 | 209,411 | 240,840 |
| Equity attributable to owners of the parent | 33,979 | 45,427 | 39,461 | 62,024 |
| Profit ratio to equity attributable to owners of the parent (%) | 0.8 | 4.9 | (12.9) | 17.7 |

- Notes:
1. The Company conducted a 2-for-1 stock split of common shares on April 1, 2020. The Company calculated basic earnings per share based on the hypothetical premise that this stock split occurred at the beginning of the fiscal year ended March 31, 2019.
 2. At the end of current fiscal year under review, total assets increased by ¥31,429 million from the end of the previous fiscal year to ¥240,840 million, an increase of 15.0% year-on-year. This increase mainly reflected a ¥28,494 million increase in cash and cash equivalents compared with the previous fiscal year.
 3. “Basic earnings (losses) per share” are calculated by deducting the amount not attributable to the Company’s common shareholders from “Profit (loss) for the year attributable to owners of the parent.”

2 Parent company and major subsidiaries

(i) Status of the parent company

Not applicable.

(ii) Status of major subsidiaries

| Company name | Capital stock | Ratio of ownership of the Company | Major businesses |
|-----------------------------------|--------------------------|-----------------------------------|--|
| TORIDOLL HOLDING LIMITED | HKD \$2,452,338 thousand | 100% | Administration and management of overseas business |
| TORIDOLL TAIWAN CORPORATION | NT\$52,500 thousand | 100% | Restaurant management, etc. |
| Marugame Udon, Inc. | JPY ¥10 million | 100% | Restaurant management, etc. |
| Active Source Inc. | JPY ¥10 million | 100% | Restaurant management, etc. |
| ZUND, Inc. | JPY ¥30 million | 100% | Restaurant management, etc. |
| Tam Jai International Co. Limited | HKD \$1,115,972 thousand | 75% | Restaurant management, etc. |
| Wok to Walk Franchise B.V. | EUR 18 thousand | 80% | Franchise restaurant operations, etc. |
| TORIDOLL Global Foods Co., Ltd. | JPY ¥10 million | 59% | Sales of agricultural products, etc. |
| TORIDOLL DINING CORPORATION | USD \$142 | 100% | Holding company |
| MARUGAME UDON USA, LLC | USD \$4,730 million | 81% | Restaurant management, etc. |
| MC GROUP PTE. LTD. | SGD \$300,000 | 70% | Restaurant management, etc. |
| MARUGAME UDON (EUROPE) LIMITED | GBP 940 thousand | 99% | Restaurant management, etc. |

- Notes:
1. Tam Jai International Co. Limited was listed on the Main Board of the Stock Exchange of Hong Kong on October 7, 2021 in order to increase credibility and the ability to procure funds, and improve corporate value. As a result of public offering (payment completed on October 28, 2021), the ownership ratio of the Company in the said company became 75%.
 2. The status of the specified wholly-owned subsidiary as defined in Article 118, Item 4 of the Regulations for Enforcement of the Companies Act as of March 31, 2022 is as follows:
Name of the specified wholly-owned subsidiary: TORIDOLL HOLDING LIMITED
Address of the specified wholly-owned subsidiary: 12/F, Tower 3, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong
Book value of the specified wholly-owned subsidiary: ¥37,583 million
Amount of total assets of the Company: ¥128,695 million

3 Principal Business Offices

(i) The Company

Headquarters 1-21-1 Dogenzaka, Shibuya-ku, Tokyo

(ii) Business offices of main subsidiaries

Marugame Seimen, Inc.

Headquarters 1-21-1 Dogenzaka, Shibuya-ku, Tokyo

Yamaki, Inc.

Headquarters 1-21-1 Dogenzaka, Shibuya-ku, Tokyo

Toridoll Japan Inc.

Headquarters 1-21-1 Dogenzaka, Shibuya-ku, Tokyo

ZUND, Inc.

Headquarters 4-8-13 Tenjimbashi, Kita-ku, Osaka-shi, Osaka

ACTIVE SOURCE Inc.

Headquarters 3-24-10 Koyama, Shinagawa-ku, Tokyo

The number of stores by segment is as follows.

| Marugame Seimen | Others *1 | | Total number of stores |
|-----------------|---------------|--------------------------|------------------------|
| | Company-owned | Franchise restaurants *2 | |
| 832 | 236 | 8 | 1,076 |

Notes: 1 The "Others" segment includes "Kona's Coffee," "Nikuno Yamaki Shoten," "Butaya Tonichi," "Toridoll," "Nagata Honjyouken," "Tempura Makino," "Ramen Zundo-Ya," and "Banpaiya."

2 Formats other than those directly operated, such as franchises and joint ventures.

(iii) Subsidiaries (excluding those listed in (ii))

| Company name | Location | Number of stores (stores) |
|-----------------------------------|-----------|---------------------------|
| MARUGAME UDON USA, LLC | Delaware | 11 |
| TORIDOLL TAIWAN CORPORATION | Taipei | 47 |
| Tam Jai International Co. Limited | Hong Kong | 175 |
| Others | – | 21 |
| Total number of stores | | 254 |

(iv) Overseas franchise restaurants

| Region name/country name | Number of stores (stores) |
|-----------------------------|---------------------------|
| China (including Hong Kong) | 37 |
| Malaysia | 37 |
| Indonesia | 79 |
| United States | 66 |
| Portugal | 38 |
| Others | 133 |
| Total number of stores | 390 |
| Total number of all stores | 1,720 |

4 Employees

| Number of employees (persons) | Changes from the end of the previous fiscal year (persons) |
|-------------------------------|--|
| 4,928 | +453 |
| [13,463] | [+612] |

- Notes:
1. Number of employees excludes employees transferred from inside the Group to outside the Group.
 2. The number of employees in brackets [] are the average number of yearly temporary employees (average number of workers per month based on the eight hour working day conversion).
 3. Temporary employees include part-time workers, and dispatched employees are excluded.

5 Major lenders

| Lender | Loan balance (millions of yen) |
|-------------------------------------|--------------------------------|
| Development Bank of Japan Inc. | 18,312 |
| Sumitomo Mitsui Banking Corporation | 12,851 |
| MUFG Bank, Ltd. | 10,811 |
| Mizuho Bank, Ltd. | 10,775 |
| Sumitomo Mitsui Trust Bank, Limited | 3,479 |
| The San-in Godo Bank, Ltd. | 2,698 |
| JA Hyogo Shinren | 2,391 |

1 Shares of the Company

1 Number of Shares Authorized for Issue:
Common shares 230,400,000 shares

2 Total number of issued shares:
Common shares 87,663,352 shares (including 851,372 treasury shares)

Note: The total number of issued shares increased 441,400 shares by exercising stock options.

3 Number of shareholders
145,953

4 Major Shareholders

| Shareholder name | No. of shares owned (shares) | Ratio of ownership (%) |
|--|---------------------------------|------------------------|
| Takaya Awata | 27,577,311 | 31.77 |
| T&T inc. | 11,160,000 | 12.86 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 5,127,900 | 5.91 |
| SMBC Trust Bank Ltd., Designated Securities Trust | 3,738,000 | 4.31 |
| Custody Bank of Japan, Ltd. (Trust Account) | 1,450,500 | 1.67 |
| JPMorgan Securities Japan Co., Ltd. | 737,600 | 0.85 |
| ARIAKE JAPAN Co., Ltd. | 600,000 | 0.69 |
| SMBC Nikko Securities Inc. | 484,400 | 0.56 |
| UBS AG LONDON A/C IPB SEGREGATE CLIENT ACCOUNT | 393,100 | 0.45 |
| Toridoll Group Employee Shareholding Association | 184,500 | 0.21 |

Notes: 1. The Company holds 851,372 shares of treasury shares, but these are not included in the above major shareholders.
2. Ratio of ownership is calculated excluding treasury shares.

5 Status of shares granted to Company Executives as remuneration during their duties this fiscal year

| | Number of shares | Number of grantees (persons) |
|---|------------------|---------------------------------|
| Directors (excluding Directors who are Audit & Supervisory Committee Members) | 5,781 | 4 |

Note: A description of share-based remunerations of the Company is provided in "3-5 Amount of remuneration, etc. of Directors" of the Business Report.

6 Other important matters relating to shares
Not applicable.

2 Officers

1 Directors

| Position in the Company | Name | Role in the Company and significant concurrent positions outside the Company |
|---|--------------------|---|
| President (CEO) | Takaya Awata | Chair of the Board of Directors, Member of the Nomination Committee and Member of the Remuneration Committee |
| Managing Director | Kimihiro Tanaka | General Manager of Japan Business Division In charge of BT Division and Development & Construction General Headquarters Director of Tam Jai International Co. Limited |
| Managing Director | Takashi Sugiyama | General Manager of International Business Division Director of Tam Jai International Co. Limited |
| Director | Masatoshi Kamihara | General Manager of Supply Chain Management Division and General Manager of Product Development Department |
| Director (Audit & Supervisory Committee Member) | Toshiyasu Umeki | Chair of the Nomination Committee and Chair of the Remuneration Committee Director of Hino General Accounting Office, Certified Public Accountant Representative Director of SFC Brain Consulting Inc. Representative Partner, IPO Audit & Co. |
| Director (Audit & Supervisory Committee Member) | Hiroaki Umeda | Member of the Nomination Committee and Member of the Remuneration Committee Director of Hiroaki Umeda Certified Public Accountant Office, Certified Public Accountant Outside Audit & Supervisory Board Member of Fujiseiki Co., Ltd. Representative Director of E-serve Co., Ltd. Partner, IPO Audit & Co. |
| Director (Audit & Supervisory Committee Member) | Maki Kataoka | Member of the Nomination Committee and Member of the Remuneration Committee Attorney at law at Dojima Law Office |

- Notes:
1. Directors (Audit & Supervisory Committee Members) Toshiyasu Umeki, Hiroaki Umeda, and Maki Kataoka are Outside Directors.
 2. Directors (Audit & Supervisory Committee Members) Toshiyasu Umeki and Hiroaki Umeda hold qualifications as certified public accountants and possess substantial insight in finance and accounting.
 3. The Company has notified the Tokyo Stock Exchange, Inc. that Directors (Audit & Supervisory Committee Members) Toshiyasu Umeki, Hiroaki Umeda, and Maki Kataoka have been designated as independent officers who are obliged by said exchange to be designated as those not having the potential to cause conflict of interests against general shareholders.
 4. The Company has not selected full-time Audit & Supervisory Committee Members because of the system of the Audit & Supervisory Committee that conducts audits by utilizing the internal controls system. In addition, the administrative office of the Audit & Supervisory Committee has been established in the Legal Compliance Department and assists in the duties of the Audit & Supervisory Committee.

2 Summary of details of limited liability agreement

The Company has executed contracts with Directors (Audit & Supervisory Committee Members) Toshiyasu Umeki, Hiroaki Umeda, and Maki Kataoka to limit their liability for damages as stipulated in Paragraph 1 of Article 427 of the Companies Act, excluding cases of malicious intent or material negligence by the Director, to the amount of double the highest annual amount of proprietary benefits received or planned to be received from the Company as remuneration during their term as an entrusted Director or as compensation for the execution of other duties.

3 Summary of details of indemnity agreement

The Company has entered into an indemnity agreement with Director Takaya Awata, Mr. Kimihiro Tanaka, Mr. Takashi Sugiyama, Mr. Masatoshi Kamihara, Director (Audit & Supervisory Committee Member) Toshiyasu Umeki, Mr. Hiroaki Umeda, and Ms. Maki Kataoka pursuant to the provisions of Paragraph 1 of Article 430-2 of the Companies Act, under which the Company agrees to indemnify costs and losses, as provided for in Item 1 and Item 2, respectively, of said Paragraph, within the range prescribed by laws and regulations.

4 Summary of details of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy as provided for in Paragraph 1 of Article 430-3 of the Companies Act with an insurance company. The scope of those included in the insurance policy covers the Officers (Director, General Manager, Audit & Supervisory Board Member, Executive Officer, Accounting Advisor) of the Company and all companies and subsidiaries based on the Companies Act with more than a 30% stake, regardless of whether directly or indirectly, and employees in management and auditing positions, with the Company bearing the full amount of insurance premiums in the contract. The insurance policy will cover the amount of indemnification and court costs incurred in cases where an insured receives a claim for damages arising from their performance of duties. However, in order to ensure that the appropriateness of execution of duties of those covered is not impaired, compensation for damages shall not be covered if the insured persons have profited or been accommodated via illegal means, if they have engaged in criminal behavior, dishonest behavior, fraudulent practices, or have engaged in behavior with the awareness that it has violated regulations or regulatory laws.

5 Amount of remuneration, etc. of Directors

(i) Policy for determining the details of remuneration, etc. for Directors

By resolution of the Board of Directors meeting held on May 31, 2017, the Company has adopted a policy to determine details of remuneration, etc. for each Director, which was revised by resolution of the Board of Directors meeting held on February 22, 2021. When adopting the resolutions at the Board of Directors meeting held on February 22, 2021, the Remuneration Committee was consulted in advance regarding the contents of the resolutions. The policy to determine details of remuneration, etc. for each Director is as described below.

a. Basic approach

In order to give incentives to Directors (excluding Directors who are Audit & Supervisory Committee Members) to achieve sustainable improvement of the Group's corporate value and promote the sharing of value with shareholders at an early stage by increasing the proportion of remuneration linked to medium- to long-term business performance and the proportion of remuneration as company stock, remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall consist of basic remuneration, short-term incentive remuneration (performance-linked remuneration) and long-term incentive remuneration (stock options and restricted shares).

Remuneration for Directors (Audit & Supervisory Committee Members) shall consist of basic remuneration and long-term incentive remuneration (stock options).

b. Procedures for the determination of remuneration

In determining the remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members), the Company guarantees objectivity in the level of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) by obtaining advice based on survey data on officer remuneration (including the proportion of each type of remuneration) from an external specialized organization. In addition, remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) (including the proportion for each type of remuneration) was determined after consultation with the

Remuneration Committee, members of which include all three independent Outside Directors (Audit & Supervisory Committee Members) who constitute a majority. Taking into account deliberations by the Remuneration Committee, the Audit & Supervisory Committee will also deliberate whether the remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) was appropriate in light of business performance and the performance of duties when determining whether to exercise the right to express opinions (Paragraph 6 of Article 361 of the Companies Act).

Remuneration for Directors (Audit & Supervisory Committee Members) is determined through discussion of the Audit & Supervisory Committee Members.

c. Overview of short-term incentive remuneration (performance-linked remuneration)

The upper limit of the total amount of performance-linked remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be the total amount to be paid for the relevant fiscal year, which is set in advance by the Board of Directors, and shall be determined in accordance with the achievement of budget targets set in advance by the Board of Directors based on the consolidated total trading transactions and profit for the year attributable to owners of the parent for the relevant fiscal year of the Group. The Company uses consolidated total trading transactions and profit for the year attributable to owners of the parent as indicators for short-term incentive remuneration (performance-linked remuneration) because they are publicly available figures and are clear criteria for demonstrating corporate size and profitability.

In addition, each Director (excluding Directors who are Audit & Supervisory Committee Members) shall be paid an amount obtained by proportionally dividing the total amount of performance-linked remuneration presented above by figures by position set in advance by the Board of Directors for each position.

d. Details of long-term incentive remuneration (non-monetary remuneration, etc.)

Long-term incentive remuneration (non-monetary remuneration, etc.) shall consist of the Company's shares (restricted shares) and the Company's share acquisition rights (stock options).

Of the long-term incentive remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members), the amount of individual monetary remuneration claims pertaining to restricted shares shall be determined by the Board of Directors. The Company may, by resolution of the Board of Directors, delegate this authority to the Representative Director & President.

Of the long-term incentive remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members), the granting of stock options shall be determined at the General Meeting of Shareholders. The Company may, by resolution of the Board of Directors, delegate authority regarding the number of individual share acquisition rights to the Representative Director & President.

Long-term incentive remuneration (stock options) for Directors (Audit & Supervisory Committee Members) shall be determined at the General Meeting of Shareholders. The number of individual share acquisition rights shall be determined through discussion of the Audit & Supervisory Committee Members.

(ii) Total amount of remuneration, etc. for this fiscal year

The total payment amount and budget targets for short-term incentive remuneration (performance-linked remuneration) within the individual remuneration, etc. for Directors this fiscal year were set at the Board of Directors meeting held on June 29, 2021. Consolidated total trading transactions and profit for the year attributable to owners of the parent this fiscal year are as stated in "1 Status of the corporate group" above, and the amounts of remuneration below were calculated based on the achievement of these performance indicators.

Furthermore, the Company resolved to delegate the determination of both the specific details of the amount of basic remuneration and the amount of monetary remuneration claims pertaining to long-term incentive remuneration (restricted shares) to the Representative Director & President Takaya Awata at the Board of Directors meetings held on June 29, 2021 and July 13, 2021, respectively, and Mr. Awata determined the specific details of both. The reason for the delegating this to the Representative Director & President is that the Company has judged that he is most familiar with the status of management of the entire Group and the status of business performance by each Director, and can determine the most appropriate amount in consideration of the performance and targets of each Director. Furthermore, prior to the decision, the Company passed a resolution on the details of the report on individual remuneration at the Remuneration Committee meeting held on June 9, 2021, and the decision was made with the utmost respect for the report.

| Category | Total amount of remuneration, etc. (millions of yen) | Total amount of remuneration by type (millions of yen) | | | Number of recipient directors |
|---|--|--|---------------------------------|---------------------------|-------------------------------|
| | | Basic remuneration | Performance-linked remuneration | Non-monetary remuneration | |
| Directors (excluding Directors who are Audit & Supervisory Committee Members) (of which, Outside Directors) | 139 (-) | 119 (-) | 8 (-) | 12 (-) | 4 (0) |
| Directors (Audit & Supervisory Committee Member) (of which, Outside Directors) | 17 (15) | 15 (15) | - (-) | 2 (2) | 3 (3) |
| Total (Outside Directors) | 156 (15) | 134 (15) | 8 (-) | 14 (2) | 7 (3) |

- Notes:
- The amount of non-monetary remuneration listed above includes the expenses incurred during this fiscal year related to share acquisition rights issued as stock options (¥6 million for Directors (excluding Audit & Supervisory Committee Members) and ¥2 million for Directors (Audit & Supervisory Committee Members)) that were approved at the General Meeting of Shareholders and Board of Directors meeting held on June 29, 2021. Furthermore, this includes the expenses incurred during this fiscal year related to shares granted as restricted shares (¥6 million for Directors (excluding Audit & Supervisory Committee Member)) that were approved at the Board of Directors meeting held on July 9, 2018, the Board of Directors meeting held on July 9, 2019, the Board of Directors meeting held on July 14, 2020, and the Board of Directors Meeting held on July 13, 2021.
 - Non-monetary remuneration, etc. for this fiscal year was the Company's shares (restricted shares) and share acquisition rights issued as stock options, the status of the Company's shares (restricted shares) is presented in "2.5 Status of shares granted to Company Executives as remuneration during their duties this fiscal year" in the Business Report and the status of held share acquisition rights granted as stock options as of March 31, 2022 is posted in the Internet disclosure item "Share Acquisition Rights, etc. of the Company" mentioned in this notice.
 - The total amount of remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) was resolved to be not more than ¥500 million per year at the 25th Annual General Meeting of Shareholders held on June 26, 2015. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of that General Meeting of Shareholders was three (of which, none were Outside Directors).
 - The amount of remuneration for Directors (Directors who are Audit & Supervisory Committee Members) was resolved to be not more than ¥100 million per year at the 25th Annual General Meeting of Shareholders held on June 26, 2015. The number of Directors (Directors who are Audit & Supervisory Committee Members) at the conclusion of that Annual General Meeting of Shareholders was three (of which, three were Outside Directors).
 - At the 27th Annual General Meeting of Shareholders held on June 29, 2017, the total amount of monetary remuneration claims for the granting of restricted shares to Directors (excluding Directors who are Audit & Supervisory Committee Members) was resolved to be not more than ¥36 million per year, which is within the scope of the total amount of remuneration, etc. of ¥500 million per year stated above, and the total number of the Company's common shares to grant was resolved to be not more than 29,460 shares (number of shares after the stock split on April 1, 2020). The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of that General Meeting of Shareholders was four (of which, none were Outside Directors).
 - At the 31st Annual General Meeting of Shareholders held on June 29, 2021, the total amount of the Company's share acquisition rights to be granted as stock options to Directors (excluding Directors who are Audit & Supervisory Committee Members) was resolved to be not more than 150, which is within the scope of the total amount of remuneration, etc. of ¥500 million per year stated above, and the total number of shares underlying the share acquisition rights was resolved to be not more than 30,000 shares. Furthermore, at that meeting, the total amount of the Company's share acquisition rights to be granted as stock options to Directors (Directors who are Audit & Supervisory Committee Members) was resolved to be not more than 45, which is within the scope of the total amount of remuneration, etc. of ¥100 million per year stated above, and the total number of shares underlying the share acquisition rights was resolved to be not more than 9,000 shares. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of that General Meeting of Shareholders was four (three eligible for the granting of shares) (of which, none were Outside Directors), and the number of Directors (Directors who are Audit & Supervisory Committee Members) was three (of which, three were Outside Directors).

6 Matters concerning Outside Directors and Outside Audit & Supervisory Board Members

(i) Significant concurrent positions held at other organizations and the relationships between these organizations and the Company

| Category | Name | Name of corporation or organization | Details |
|---|-----------------|--|--|
| Director (Audit & Supervisory Committee Member) | Toshiyasu Umeki | Hino General Accounting Office | Director |
| | | SFC Brain Consulting Inc. | Representative Director |
| | | IPO Audit & Co. | Representative Partner |
| Director (Audit & Supervisory Committee Member) | Hiroaki Umeda | Hiroaki Umeda Certified Public Accountant Office | Director |
| | | Fujiseiki Co., Ltd. | Outside Audit & Supervisory Board Member |
| | | E-serve Co., Ltd. | Representative Director |
| | | IPO Audit & Co. | Partner |
| Director (Audit & Supervisory Committee Member) | Maki Kataoka | Dojima Law Office | Attorney at law |

Note: There is no special relationship between each of the above entities and the Company.

(ii) Status of principal activities during this fiscal year

| Category | Name | Overview of attendance, participation and duties carried out in relation to expected role of an Outside Director |
|---|-----------------|--|
| Director (Audit & Supervisory Committee Member) | Toshiyasu Umeki | <p>During this fiscal year, Mr. Toshiyasu Umeki attended 19 of 19 Board of Directors meetings and 14 of 14 Audit & Supervisory Committee meetings. He made appropriate and necessary statements during proposal deliberations, etc., utilizing his deep insight as a certified public accountant.</p> <p>Furthermore, as the Chair of the Audit & Supervisory Committee, he planned and led the Audit & Supervisory Committee's audits, and as Chair of the Nomination Committee and the Remuneration Committee, he led the deliberations at both committees.</p> |
| Director (Audit & Supervisory Committee Member) | Hiroaki Umeda | <p>During this fiscal year, Mr. Hiroaki Umeda attended 19 of 19 Board of Directors meetings and 14 of 14 Audit & Supervisory Committee meetings. He made appropriate and necessary statements during proposal deliberations, etc., utilizing his deep insight as a certified public accountant.</p> <p>Furthermore, as a member of the Audit & Supervisory Committee, he vigorously carried out the Audit & Supervisory Committee's audits, and as a member of the Nomination Committee and the Remuneration Committee, he proactively made statements at both committees.</p> |
| Director (Audit & Supervisory Committee Member) | Maki Kataoka | <p>During this fiscal year, Ms. Maki Kataoka attended 19 of 19 Board of Directors meetings and 14 of 14 Audit & Supervisory Committee meetings. She made appropriate and necessary statements during proposal deliberations, etc., utilizing her deep insight as an attorney.</p> <p>Furthermore, as a member of the Audit & Supervisory Committee, she vigorously carried out the Audit & Supervisory Committee's audits, and as a member of the Nomination Committee and the Remuneration Committee, she proactively made statements at both committees.</p> |

3 Policy to Determine Dividends of Surplus, etc.

The Group recognizes the appropriate return of profit to its shareholders as an important issue of company purpose, and it maintains a basic policy to pay stable dividends on a continual basis in accordance with business performance, while striving to enhance internal reserves for investments necessary for the growth of the Group.

For this fiscal year, the Company passed a resolution related to appropriation of surplus as follows at the Board of Directors meeting held on May 13, 2022.

Year-end dividends

- (i) Type of dividend property
Cash

- (ii) Allotment of dividend property to shareholders and their aggregate amount
Dividend per share of common share of the Company
¥7.50
Total payment
¥651 million

- (iii) Effective date of dividends of surplus
June 15, 2022

Note: The figures presented in this Business Report are rounded numbers.

Consolidated Financial Statements

Consolidated Statement of Financial Position (as of March 31, 2022)

(Amounts shown in millions of yen)

| Item | Amount | Item | Amount |
|---|----------------|--|----------------|
| Assets | | Liabilities | |
| Current assets | 61,087 | Current liabilities | 50,713 |
| Cash and cash equivalents | 53,463 | Trade and other payables | 10,773 |
| Trade and other receivables | 5,518 | Short-term loans payable | 4,024 |
| Inventories | 502 | Current portion of long-term loans payable | 12,555 |
| Other current assets | 1,605 | Lease liabilities | 14,936 |
| Non-current assets | 179,752 | Income taxes payable | 2,438 |
| Property, plant and equipment | 31,783 | Provisions | 1,171 |
| Right-of-use assets | 80,430 | Other current liabilities | 4,816 |
| Intangible assets and goodwill | 42,838 | Non-current liabilities | 120,150 |
| Investments accounted for using the equity method | 3,819 | Long-term loans payable | 43,884 |
| Other financial assets | 13,146 | Lease liabilities | 68,435 |
| Deferred tax assets | 6,276 | Provisions | 4,761 |
| Other non-current assets | 1,460 | Deferred tax liabilities | 1,556 |
| | | Other non-current liabilities | 1,514 |
| | | Total liabilities | 170,862 |
| | | Equity | |
| | | Equity attributable to owners of the parent | 62,024 |
| | | Capital stock | 4,498 |
| | | Capital surplus | 11,877 |
| | | Other equity instruments | 10,847 |
| | | Retained earnings | 31,338 |
| | | Treasury shares | (1,020) |
| | | Other components of equity | 4,483 |
| | | Non-controlling interests | 7,954 |
| | | Total equity | 69,978 |
| Total assets | 240,840 | Total liabilities and equity | 240,840 |

Consolidated Statement of Income (From April 1, 2021 to March 31, 2022)

(Amounts shown in millions of yen)

| Item | Amount | |
|---|-----------|-----------------|
| Revenue | | 153,355 |
| Cost of sales | | (38,180) |
| Gross profit | | 115,174 |
| Selling, general and administrative expenses | (109,743) | |
| Impairment loss | (4,188) | |
| Other operating income | 15,490 | |
| Other operating expenses | (2,491) | (100,932) |
| Operating profit | | 14,243 |
| Finance income | 1,022 | |
| Finance costs | (1,178) | (157) |
| Share of profit (loss) of investments accounted for using the equity method | | (151) |
| Profit before tax | | 13,935 |
| Income tax expense | | (4,694) |
| Profit for the year | | 9,241 |
| Profit for the year attributable to | | |
| Owners of the parent | | 8,979 |
| Non-controlling interests | | 262 |

Non-consolidated Financial Statements
Balance Sheet (as of March 31, 2022)

(Amounts shown in millions of yen)

| Item | Amount | Item | Amount |
|--------------------------------------|----------------|---|----------------|
| Assets | | Liabilities | |
| Current assets | 29,477 | Current liabilities | 26,280 |
| Cash and deposits | 16,734 | Accounts payable - trade | 2,543 |
| Trade accounts receivable | 8,359 | Short-term borrowings | 4,000 |
| Raw materials and supplies | 17 | Current portion of long-term | 12,111 |
| Prepaid expenses | 990 | Lease obligations | 246 |
| Short-term loans receivable | 937 | Accounts payable - other | 4,204 |
| Accounts receivable - other | 2,229 | Accrued expenses | 337 |
| Other | 400 | Income taxes payable | 1,184 |
| Allowance for doubtful accounts | (188) | Deposits received | 70 |
| Non-current assets | 99,218 | Provision for bonuses | 44 |
| Property, plant and equipment | 25,089 | Provision for loss on store | 77 |
| Buildings | 17,113 | Accounts payable - facilities | 892 |
| Structures | 1,357 | Asset retirement obligations | 329 |
| Vehicles | 14 | Other | 243 |
| Tools, furniture and fixtures | 5,097 | Non-current liabilities | 58,694 |
| Leased assets | 1,507 | Long-term borrowings | 52,898 |
| Intangible assets | 154 | Lease obligations | 2,178 |
| Software | 152 | Asset retirement obligations | 3,534 |
| Telephone subscription right | 1 | Other | 83 |
| Trademark rights | 1 | Total liabilities | 84,974 |
| Investments and other assets | 73,974 | Net assets | |
| Shares of subsidiaries and | 53,945 | Shareholders' equity | 43,213 |
| Investments in capital of | 0 | Share capital | 4,519 |
| Investment securities | 294 | Capital surplus | 4,582 |
| Long-term loans receivable | 6,466 | Legal capital surplus | 290 |
| Long-term prepaid expenses | 114 | Other capital surplus | 4,292 |
| Leasehold and guarantee deposits | 5,771 | Retained earnings | 35,121 |
| Construction assistance fund | 3,900 | Legal retained earnings | 8 |
| Deferred tax assets | 4,564 | Other retained earnings | 35,113 |
| Other | 1,252 | General reserve | 13,379 |
| Allowance for doubtful accounts | (2,331) | Retained earnings brought | 21,734 |
| | | Treasury shares | (1,008) |
| | | Share acquisition rights | 507 |
| | | Total net assets | 43,721 |
| Total assets | 128,695 | Total liabilities and net assets | 128,695 |

Statement of income (From April 1, 2021 to March 31, 2022)

(Amounts shown in millions of yen)

| Item | Amount | |
|---|--------|---------------|
| Net sales | | 76,961 |
| Cost of sales | | 42,169 |
| Gross profit | | 34,791 |
| Selling, general and administrative expenses | | 30,275 |
| Operating profit | | 4,516 |
| Non-operating income | | |
| Interest income | 174 | |
| Government grants | 73 | |
| Dividend income | 2,848 | |
| Rent income from land and buildings | 57 | |
| Foreign exchange gains | 848 | |
| Other | 182 | 4,182 |
| Non-operating expenses | | |
| Interest expenses | 963 | |
| Other | 267 | 1,231 |
| Ordinary profit | | 7,467 |
| Extraordinary income | | |
| Gain on reversal of allowance for doubtful accounts for subsidiaries and associates | 1,276 | |
| Gain on extinguishment of tie-in shares | 129 | |
| Other | 53 | 1,459 |
| Extraordinary losses | | |
| Impairment loss | 2,527 | |
| Provision of allowance for doubtful accounts for subsidiaries and associates | 447 | |
| Loss on sale of shares of subsidiaries and associates | 896 | |
| Loss on valuation of shares of subsidiaries | 218 | |
| Other | 771 | 4,858 |
| Profit before income taxes | | 4,068 |
| Income taxes - current | (236) | |
| Income taxes - deferred | 562 | 326 |
| Profit | | 3,742 |

Audit Report

Certified Copy of Audit Report of Financial Auditor on the Consolidated Financial Statements (TRANSLATION)

Independent Auditor's Report

May 26, 2022

TORIDOLL Holdings Corporation
To the Board of Directors

KPMG AZSA LLC
Tokyo Office

Designated Limited Liability Partner, Engagement Partner
Takaki Okano
Certified Public Accountant

Designated Limited Liability Partner, Engagement Partner
Yoichi Ueno
Certified Public Accountant

Audit Opinion

Pursuant to Paragraph 4 of Article 444 of the Companies Act, we have audited the consolidated financial statements of TORIDOLL Holdings Corporation (the "Company") for the fiscal year from April 1, 2021 to March 31, 2022, which comprises the consolidated statements of financial position, consolidated statements of income, consolidated statements of changes in equity, important materials which were the foundation for preparing the consolidated financial statements, and other notes.

We acknowledge that the above consolidated financial statements, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the latter part of the Paragraph 1 of Article 120 of the Regulation on Corporate Accounting, fairly present, in every material aspect, the financial position and results of operations of the corporate group composed of the Company and its consolidated subsidiaries for the relevant term of the consolidated financial statements.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the Japan GAAP are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supporting schedules. Management is responsible for the preparation and disclosure of the other information. In addition, Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the Group's reporting process of the other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, and aside from such material inconsistencies, we also pay attention as to whether there are any indications in the other information of material misstatements.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and appropriate disclosure of consolidated financial statements pursuant to the provisions of the latter part of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting, which approves preparing consolidated financial statements while omitting certain items required to be disclosed by the International Financial Reporting Standards. Management also bears a responsibility to establish and operate such internal control as management determines is necessary in order to enable the preparation and appropriate disclosure of consolidated financial statements that are free from material misrepresentation(s), whether fraudulent or negligent.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and for disclosing, as necessary, matters related to going concern pursuant to the provisions of the latter part of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting, which approves preparing consolidated financial statements while omitting certain items required to be disclosed by the International Financial Reporting Standards.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance that the consolidated financial statements as a whole are free from any material misrepresentation, whether fraudulent or negligent, and to issue an auditor's report with our opinion on the consolidated financial statements based on our audit from an independent point of view. Misrepresentation(s) can arise from fraud or negligence and are considered material if, one could reasonably expect the consolidated financial statements in part or as a whole, to influence the decisions of users of these consolidated financial statements.

In accordance with the Japan GAAP, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of any fraudulent or negligent material misrepresentation, and design and perform audit procedures responsive to those risks. Audit procedures are selected and applied at the discretion of the auditor. Furthermore, auditors must obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate for the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the efficacy of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of the preparation of the consolidated financial statements with the assumption of a going concern by management, and based on the obtained audit evidence, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are pursuant to the provisions of the latter part of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting, which approves preparing consolidated financial statements while omitting certain items required to be disclosed by the International Financial Reporting Standards, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also report to the Audit & Supervisory Committee that we have complied with relevant ethical requirements in Japan regarding independence, and other matters reasonably expected to influence our independence, and any related safeguards in order to eliminate or reduce impediments if prepared.

Conflicts of Interest

In compliance with the Certified Public Accountants Act, we declare that neither we nor our engagement partners have any interests in the Company and its consolidated subsidiaries.

Independent Auditor's Report

May 26, 2022

TORIDOLL Holdings Corporation
To the Board of Directors

KPMG AZSA LLC
Tokyo Office

Designated Limited Liability Partner, Engagement Partner
Takaki Okano
Certified Public Accountant

Designated Limited Liability Partner, Engagement Partner
Yoichi Ueno
Certified Public Accountant

Audit Opinion

Pursuant to Item 1, Paragraph 2 of Article 436 of the Companies Act, we have conducted an audit of the financial statements of TORIDOLL Holdings Corporation (the "Company"), that is, the balance sheet, statement of income, statements of changes in equity, important accounting policies, other notes, and supplementary schedules (hereinafter referred to as the "Financial Statements"), for the 32nd fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period for which the Financial Statements were prepared, in accordance with the Japan GAAP.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the supporting schedules. Management is responsible for the preparation and disclosure of the other information. In addition, Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the Company's reporting process of the other information.

Our audit opinion on the non-consolidated financial statements, etc. does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit, and aside from such material inconsistencies, we also pay attention as to whether there are any indications in the other information of material misstatements.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from any fraudulent or negligent material misrepresentations.

In preparing the Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Financial Statements with the assumption of a going concern, and in accordance with Japan GAAP, for disclosing, as necessary, matters related to going concern.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or negligence, and to issue an auditor's report that expresses our opinion on the Financial Statements based on our audit from an independent point of view. Misrepresentations can arise from fraud or negligence and are considered material if, one reasonably expects the Financial Statements in part or as a whole to influence the decisions of users of these Financial Statements.

In accordance with the Japan GAAP, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of any fraudulent or negligent material misrepresentation, and design and perform audit procedures responsive to those risks. Audit procedures are selected and applied at the discretion of the auditor. Furthermore, auditors must obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements, obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate for the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the efficacy of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of the preparation of the Financial Statements with the assumption of a going concern by management, and based on the obtained audit evidence, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements or, if the notes to the Financial Statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the Financial Statements and notes to the Financial Statements are in accordance with Japan GAAP, as well as evaluate the presentation, structure, and content of the Financial Statements, including the related notes thereto, and whether the Financial Statements fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also report to the Audit & Supervisory Committee that we have complied with relevant ethical requirements in Japan regarding independence, and other matters reasonably expected to influence our independence, and any related safeguards in order to eliminate or reduce impediments if prepared.

Conflicts of Interest

In compliance with the Certified Public Accountants Act, we declare that neither we nor our engagement partners have any interests in the Company.

Audit Report

The Audit & Supervisory Committee audited the execution of Director roles for the 32nd fiscal year, from April 1, 2021 to March 31, 2022. We report the method and content of audits as follows.

1. Method and Content of Audits

The Audit & Supervisory Committee receives regular reports from Directors and employees regarding the details of decisions of the Board of Directors pursuant to Item 1-(b) and (c), Paragraph 1 of Article 399-13 of the Companies Act and the development and operation of systems organized based on such decisions (internal control system), requests explanations as necessary, and expresses opinions. We conducted an audit based on the below method.

(i) Corresponding to the Audit & Supervisory Committee Auditing Standards set by the Audit & Supervisory Committee, auditing policies for the fiscal year and the division of roles, we emphasized the application of the Corporate Governance Code, cooperated with the Internal Audit Division, attended important meetings of the Risk Management Committee, received reports on matters related to the execution of duties of Directors and employees, requested explanations as needed, viewed important documents related to decision-making, and surveyed the status of operations and finance at headquarters and main business offices. Regarding the Company's subsidiaries, we communicated and shared information with the Directors and the Audit & Supervisory Board Members, etc. of the subsidiaries, and received reports on their business as necessary from them.

(ii) We monitored and verified that the Financial Auditor remained independent and performed audits appropriately, received reports on the execution of its duties from the Financial Auditor and requested explanations as necessary. We were also notified from Financial Auditor that a "system for ensuring the proper execution of duties" (as per Article 131 of the Regulation on Corporate Accounting) was organized in accordance with "Quality Control Standards for Auditing" (October 28, 2005, Business Accounting Council), and requested explanations as necessary.

Based on the above method, we examined business reports and its supplementary schedules for this fiscal year, non-consolidated financial statements (balance sheet, statement of income, statements of changes in shareholders' equity, important accounting policies, and other notes) and its supplementary schedules, and consolidated financial statements (the consolidated statements of financial position, consolidated statements of income, consolidated statements of changes in equity, important materials which were the foundation for preparing the consolidated financial statements, and other notes).

2. Results of the Audit

(1) Audit Results of business reports, etc.

(i) We confirm that the business reports and its supplementary schedules fairly represent the condition of the Company and are in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

(ii) We confirm that, with respect to the execution of duties by Directors, there are no fraudulent acts, or material facts that violate applicable laws and regulations or the Articles of Incorporation.

(iii) We confirm that the decisions made by the Board of Directors with regard to internal control systems are proper. We recognize that there is nothing to be cited with respect to the description of those internal control systems in the business reports and the execution of duties by Directors.

(2) Audit Result of non-consolidated financial statements and their supplementary schedules.

We confirm that the methods and the results of the audit by KPMG AZSA LLC, the Financial Auditor of the Company, are appropriate.

(3) Audit Result of consolidated financial statements

We confirm that the methods and the results of the audit by KPMG AZSA LLC, the Financial Auditor of the Company, are appropriate.

May 26, 2022

Audit & Supervisory Committee, TORIDOLL Holdings Corporation

Toshiyasu Umeki, Audit & Supervisory Committee Member

Hiroaki Umeda, Audit & Supervisory Committee Member

Maki Kataoka, Audit & Supervisory Committee Member

(Note) Audit & Supervisory Committee Members Toshiyasu Umeki, Hiroaki Umeda, and Maki Kataoka are outside Directors pursuant to Paragraph 15 of Article 2 and Paragraph 6 of Article 331 of the Companies Act.