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Filling Our Planet with
Dining Experiences that will Move You.

TORIDOLL REPORT 2022



About the front cover design

Awe-inspiring dining experiences are the source of the TORIDOLL Group's value.

Reflected in the child's eye is a depiction of the deeply awe-inspiring experience of food being prepared right in front of the customer, along with the heat, sound, and enticing aroma, which stimulates and delights the five senses.



Filling Our Planet with Dining Experiences that will Move You.

TORIDOLL→

Too irresistible not to eat.
Impressed by every visit.

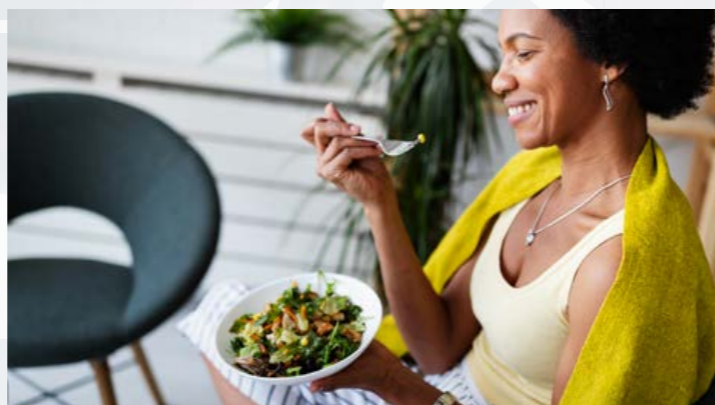
Not only satisfied by the taste,
but all five senses get excited:

Our customers find themselves not wanting to finish the experience
resulting in a desire to come back on the following day.

By providing KANDO dining experiences,
or amazing experiences that will delight instincts and move our customers,
every day we'll excite not only our customers right in front of us,
but people all across the globe.

Borders cannot hold back dining experiences that move you.

While we fill humans with happiness,
We shall reach the pinnacle of the food industry.
We would be the only ones capable of this.



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Our Mission and Vision

The TORIDOLL Group will strive to become the food service industry leader as a truly global food company. With this goal in mind, we established our corporate slogan, "Fill Up This Planet with Awe-Inspiring Dining Experiences," and revised our Mission and Vision in May 2022.

Corporate Slogan

The essence of our Mission and Vision clearly articulated for our stakeholders

Filling Our Planet with Dining Experiences that will Move You.

Our Mission

The raison d'être of the TORIDOLL Group and the mission it fulfills for the world

Continue Exploring Dining Experiences that will Move Our Customers and Fuel Excitement Around the World.

Our Vision

The vision that the TORIDOLL Group strives toward in order to continue to fulfill its mission

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

A History of the TORIDOLL Group's Value Creation

The Road to Becoming the World's Largest Udon Restaurant Chain*

* When comparing the combined total sales revenue and store numbers of Marugame Seimen and Marugame Udon for the fiscal year ended March 31, 2022, with directly owned or franchise-owned businesses of other companies that serve udon as the main menu item (based on our research)

→ TORIDOLL's Founding

In 1985, Takaya Awata founds the charcoal-grilled yakitori restaurant Toridoll Sanban-kan, in Kakogawa City, Hyogo Prefecture, with the ambition of opening three restaurants. Mr. Awata begins the challenging pursuit of how best to attract and delight customers.



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

2000: An Awe-Inspiring First Encounter

When visiting a *seimenjo* in Sanuki, Kagawa Prefecture, Mr. Awata is inspired by the taste and authenticity of the freshly made noodles. At this moment, he realizes what customers are truly looking for—awe-inspiring dining experiences that can be appreciated with all five senses. This ignites a strong desire to create a business that replicates the *seimenjo* of Sanuki and delivers awe-inspiring dining experiences across Japan.



In Sanuki's *seimenjo*, the customer is so close to the noodle maker that they can feel the steam from the *kama*.

▶ Number of Stores

- Number of stores in Japan
- Number of stores overseas

1985: Founding

1985 1990

→ Marugame Seimen's Rapid Rise to Success

2000: Launch of the first Marugame Seimen store

The first Marugame Seimen store opens in Kakogawa, Hyogo Prefecture. The store is equipped with a noodle-making machine, the dough for the udon is freshly made from flour, and the noodles are cut and boiled to order. The self-service format, in which customers add their preferred toppings and sides and carry the items to their seats, is a first in Japan.



The first Marugame Seimen restaurant opens in Kakogawa, Hyogo Prefecture. Inside the store is a timeline of the 20 years since its founding.

2003: First store in a shopping center is opened.

Marugame Seimen opens its first store in a shopping center. It is rare for a food court to serve freshly made udon noodles, and the store is so popular that customers form long lines. Offers to open new branches pour in from all over the country. By insisting on preparing food on-site and not having a central kitchen, Marugame Seimen has the flexibility to open new stores in any region.

2006: Marugame Seimen reaches the 100-store mark in Japan.

Store formats are expanded to include stores in city office buildings and roadside stores. The Company is successfully listed on the Tokyo Stock Exchange Mothers Index.

2010: Marugame Seimen reaches the 500-store mark in Japan.

The Company accelerates the opening of new stores, focusing on roadside locations, and rapidly expands to 500 stores in just 10 years after opening its first store.

2011: Marugame Seimen operates stores in all 47 prefectures in Japan.

2000: Marugame Seimen's rapid rise to success

2004: First Nagata Honjyouken store opens.
2006: First Tempura Makino store opens.

→ Global Expansion

2011: First overseas store

The Group's first overseas store opens in Hawaii, and from the time of its opening long lines form due to its popularity. The success of the first store in Hawaii, which attracts tourists from all over the world, convinces Mr. Awata that udon has the potential to be appreciated worldwide. This realization leads to the full-scale development of the Overseas Business.



The Marugame Udon store in Waikiki continues to earn the highest ranking in individual store sales across all brands.

2015: A sales promotion model is created to draw appeal for specialty products through television commercials.

A television commercial airs nationwide for the specialty product *nikumoriudon*, an udon dish topped with beef. The product is a huge hit, breaking through the sense of stagnation caused by internal competition due to the large number of new store openings. This achievement leads to the creation of a sales promotion model in which specialty products are promoted through television commercials.

2019: Marugame Seimen revisits its origins.

Embracing the sense of crisis at the strain of rapid growth, the Company redefines the Marugame Seimen brand. With the key message "udon so fresh, it comes to life," the Company reiterates that the udon at Marugame Seimen is freshly prepared and boiled to order at all of its stores. With a revamped brand strategy, both product quality and customer satisfaction improve.

Taking on the Challenge to Become a Global Food Company

→ Global Brand Development

2015 onward: Expansion of overseas brands through M&A

Through M&A, the Company acquires various brands, including Wok to Walk, Boat Noodle, Tam Jai, and Monster Curry, all of which have strong brand power, many loyal customers, and the potential to expand into other regions. Emphasis is placed on delivering the deliciousness of freshly prepared dishes and offering awe-inspiring dining experiences overseas.



Based in Hong Kong, Tam Jai has strong brands, and its stores are often bustling with families and other customers.

Focusing on developing and nurturing our proprietary brands in Japan

Based on the concept of being the "Hawaiian dining experience closest to home," Kona's Coffee grows to be a top seller among the Group's stores in Japan.

Proprietary brands such as Nikuno Yamaki Shoten, which offers charcoal-grilled yakiniku bowls, and Tempura Makino, which serves deep-fried tempura to order, also experience steady growth.



Kona's Coffee Makuhari is a popular restaurant in the Kaihin-Makuhari area and adjacent to a dog run.

2018 onward: Building overseas partnerships

The Company promotes collaboration with local affiliates that are knowledgeable and experienced in the overseas food service market. Also, it acquires new brands from Singapore's EN Group in 2018; forms a capital and business alliance with Hargett Hunter Capital Management, in the United States, in 2019; and establishes a joint venture with Capdesia Group Limited, in the United Kingdom, in 2020.



Achievements include the highly successful opening of Marugame Udon in a prime London location.

2017: Brand expansion through M&A in Japan

Active Source Co., Ltd., which operates Banpaiya, becomes a subsidiary in anticipation of increased demand for standing bars.

In addition, ZUND Co., Ltd., which operates Zundoya—a *tonkotsu* ramen brand that attracts large numbers of customers—becomes a subsidiary.

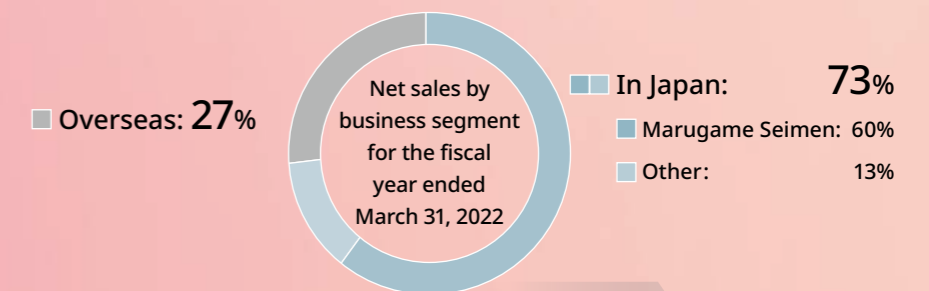
→ Creating New Value

2021: Strengthening the management structure amid the COVID-19 pandemic

In April 2021, amid a stagnant dine-in market impacted by the COVID-19 pandemic, udon take-out lunches are launched with great success, with annual sales volume of 20 million lunch boxes. The installation of dedicated take-out counters and the development of stores that offer both take-out and dine-in options brings success, resulting in take-out becoming a well-established option at Marugame Seimen. Nikuno Yamaki Shoten is being transformed into a "grocerant," a fusion of a grocery store and a restaurant.



Marugame Udon Bento lunches grow into a mainstay product through repeated product improvements and menu expansion.



2011: Global expansion

2010 2013: First Kona's Coffee store opens.
2015: First Butaya Tonichi store opens.
The Company acquires Wok to Walk.
2016: The Company acquires Boat Noodle.

2019: Tam Jai International Co. Limited is listed on the Hong Kong Stock Exchange.

2022: The Company changes its listing to the Tokyo Stock Exchange Prime Market.

2021: Creating new value

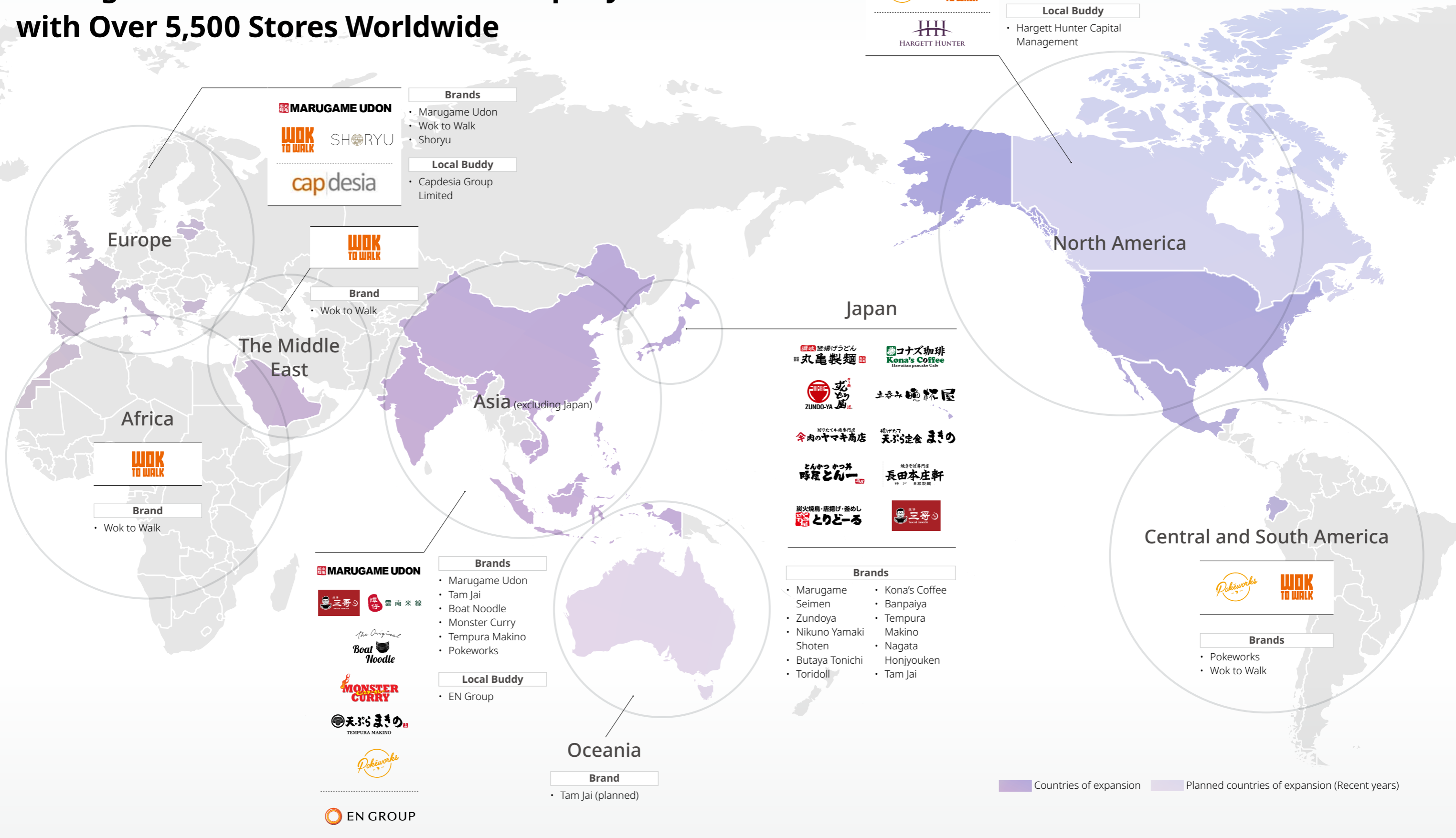
2017: First Nikuno Yamaki Shoten store opens.
The Company acquires Banpaiya, in Japan.
The Company acquires Zundoya, in Japan.
2018: The Company acquires Tam Jai and Monster Curry.

2021: Tam Jai International Co. Limited is listed on the Hong Kong Stock Exchange.

2022: The Company changes its listing to the Tokyo Stock Exchange Prime Market.

Overview of the TORIDOLL Group

Aiming to Become a Global Food Company with Over 5,500 Stores Worldwide



Main Brands of the TORIDOLL Group



讃岐釜揚げうどん
丸亀製麺

Marugame Seimen

Marugame Seimen is a Sanuki udon specialty restaurant chain that offers authentic udon in a self-service format.

Carefully selected Japanese wheat, along with salt and water, is all we use to make our noodles. The dough is freshly made from flour every day at all of our stores in Japan, which is cut right before our customers' eyes before being lowered into a large *kama* (traditional Japanese pot) to cook. We are dedicated to serving udon noodles when they are at their most delicious—freshly made from scratch.

In addition, we have adopted an open-kitchen setup with an ambience that allows people to enjoy their dining experience the authentic way, conveying to our customers just how handmade and fresh our noodles are.



焼きそば専門店
長田本庄軒
神戸 自家製麺

Nagata Honjyouken

Nagata Honjyouken is a *yakisoba* (stir-fried noodles) specialty restaurant specializing in firm, medium-thick noodles made in-house with carefully selected wheat flour.

A popular specialty is *bokkake yakisoba*, a dish in which we take our signature homemade noodles and add a generous amount of *bokkake*, a sweet and spicy stew of beef tendon known as "the taste of Nagata" in downtown Kobe, and konjac.

The *yakisoba* noodles are cooked on an iron plate in front of the customer and served piping hot. Visitors can enjoy the rich taste of *yakisoba*—the true taste of Nagata.



炭火焼鳥・唐揚げ・釜めし
とりどーる

Toridoll

Toridoll is a family-friendly, authentic char-grilled yakitori restaurant that can be enjoyed by people of all ages. The skewers are prepared daily in-house and are carefully char-grilled with the hope that our customers will fill their bellies with delicious yakitori.

Alongside our unique skewers, we also offer a variety of favorites such as freshly fried *karaage* (fried chicken) and delicious *kamameshi* (traditional Japanese rice dish).



コナズ珈琲
Kona's Coffee
Hawaiian pancake Cafe

Kona's Coffee

Kona's Coffee is a Hawaiian café based on the concept of bringing a Hawaiian home-dining experience to customers.

It offers a comfortable space in which our customers can take time to relax, as if they were stopping by the living room of a friend's house on Hawaii's North Shore. Our popular items are home-roasted Kona coffee, which is drip-brewed one cup at a time, and pancakes that boast a light, fluffy texture.

We aim to offer a local Hawaiian experience where customers can savor a taste of Hawaii and feel the Hawaiian breeze.



とんかつ かつ丼
豚屋とん一

Butaya Tonichi

Butaya Tonichi is a *tonkatsu* (fried pork cutlet) and *katsudon* (rice bowl made with simmered *tonkatsu* and egg) restaurant where the entire preparation process—from slicing the pork to adding the finishing touches—is conducted in the customer's presence.

We insist on making our *tonkatsu* with freshly sliced pork, carefully breaded and deep-fried one by one, so that our customers can appreciate the crispiness of the coating, savor the umami of the pork, and enjoy the texture of the tender meat.

As well as *katsudon*, our freshly fried *tonkatsu* simmered in *warishita* stock and covered with egg, we offer a selection of set meals and rice bowls, such as our famous pork steak, *tonteki*, upon which we add our special sauce.



切りたて牛肉専門店
肉のヤマキ商店

Nikuno Yamaki Shoten

Nikuno Yamaki Shoten is a restaurant specializing in *yakiniku* (grilled meat) that uses beef which is freshly sliced and grilled in-house and side dishes.

We serve juicy *yakiniku* rice bowls, which are made with distinctly sweet, freshly cut quality beef that melts in the mouth and is cooked over charcoal to preserve its flavor. In addition, we offer side dishes that can be enjoyed at home, such as our *yakiniku bento* box, meaty beef croquettes, and *karaage*.



揚げたて
天ぷら定食 まきの

Tempura Makino

Tempura Makino is a restaurant specializing in tempura set meals with an emphasis on the delicious, freshly fried taste of tempura. After an order is placed, we take care to match the speed of our service with the customer's eating pace so that they can enjoy deliciously hot tempura every time.

We offer set meals that evoke a sense of the arrival of the seasons, such as meals made with fresh fish direct from the market and seasonal ingredients.



立呑み 晩花屋

Banpaiya

Banpaiya is a popular spot for a casual drink alone or with company. By building relationships of trust with our brokers and purchasing fish directly from Tokyo's Toyosu Market, we are able to offer dishes starting at ¥90 and drinks from ¥250, while pursuing exceptional quality that cannot be recreated elsewhere.

Banpaiya aims to be the first port of call for customers looking to grab a drink and a bite to eat, sending them off in great spirits to their next destinations.



ZUNDO-YA

Zundoya

Zundoya is Himeji's (Hyogo Prefecture) rich *tonkotsu* ramen restaurant.

Using only water and pork bones that are simmered on a custom-made *kamado*, a traditional Japanese stove, the ramen features a rich soup in which pork back fat is added to the base of a special *tonkotsu* broth that is simmered for 20 hours.

With welcoming smiles and energetic greetings from our waitstaff and an extraordinarily vibrant atmosphere, we strive to ensure that our customers leave feeling invigorated.



MARUGAME UDON

Marugame Udon

As the overseas brand of Marugame Seimen, Marugame Udon is a specialty Sanuki udon restaurant that offers the authentic taste of udon in a self-service format.

Like Marugame Seimen in Japan, Marugame Udon's noodles are made in an open-kitchen style, allowing customers to witness the entire process of udon noodle making and experience the freshness of handmade udon.

We deliver the original deliciousness and experience of Sanuki Town, Kagawa Prefecture, to all of our locations in Asia, North America, and Europe.



Wok to Walk

Wok to Walk is an Asian fast casual restaurant chain offering fried noodles and fried rice to customers in Europe and around the world.

Incorporating trends from Europe and the United States, Wok to Walk offers a cool and stylish take on the concept of Thai street food.

Our restaurants feature a modern vibe and have gained popularity at all of our locations worldwide for the entertaining atmosphere and rich flavors on offer, with our customers' favorite food being prepared over a roaring flame in front of their eyes.



三哥 譚仔 雲南米線

Tam Jai

Tam Jai is the No. 1 noodle restaurant in Hong Kong for customer satisfaction, with more than 30 million customers visiting each year (according to an AC Nielsen Hong Kong Survey*). The Group operates more than 190 restaurants in Hong Kong, Mainland China, Singapore, and other countries.

The "mixian" noodles, which are made from rice and water, are served with a wide variety of toppings, spiciness levels, and delicious soups and which attract a great number of customers. This is the kind of Hong Kong-style spicy noodle dishes that keep customers coming back for more.



*1 Tam Jai Sam Gor placed No. 1, and Tam Jai Yunnan placed No. 2



MONSTER CURRY

Monster Curry

Monster Curry is a popular Japanese-style curry restaurant that has earned a following in Singapore.

The restaurant is popular for the rich taste of its curry roux, which is simmered for many hours, as well as its sharing-oriented atmosphere, generous portions, and five different levels of spiciness.

Moreover, we operate stores that cater to the Muslim community via the halal-certified Monster Planet.



Pokeworks

Pokeworks

Poke, which means "to cut into chunks" has been a long-time favorite of Hawaiian locals for many years. This dish was originally made by slicing tuna or octopus into bite-sized pieces and mixing them with Hawaiian salt, soy sauce, and sesame oil.

In recent years, Pokeworks has been gaining popularity with customers looking for a healthy bite, and is evolving while incorporating current U.S. culinary trends.

Pokeworks is popular for not only its wide variety of ingredients served in the style of traditional poke bowls but also its sushi-roll-style poke burrito and its poke salads, which customers can customize with their favorite toppings and sauces.



The Original Boat Noodle

Boat Noodle

Boat Noodle is a popular fast casual food chain with a history tracing back to the small soup noodle dishes eaten on Thailand's floating markets.

Offering a dining style similar to Japanese sushi trains, customers can order the small noodle dishes they want to eat and then stack the empty dishes when they are done. Boat Noodle offers convenient and delicious fast casual food that is also not only great fun to watch but also popular throughout Southeast Asia.

Furthermore, Boat Noodle's restaurants in Malaysia have received halal certification, making them popular with the Muslim community.



SHORYU

Shoryu

Shoryu's ramen, with its authentic tonkotsu base, has helped spark London's ramen boom.

In its ramen-bar-style setting, where a range of alcoholic beverages are also served, Shoryu's customers can choose from a wide variety of authentic Japanese foods, including grilled gyoza, Hakata-style yakitori, and Chinese-style buns in addition to its authentic ramen.

The restaurant's interior features walls that are embedded with traditional Japanese tiles, lanterns, and noren curtains to create a stylish and modern take on a Hakata izakaya.



天ぷらまきの 天ぷら MAKINO

Tempura Makino (overseas)

Tempura Makino is a restaurant that brings the popular tempura set meals of its Japanese namesake to customers outside of Japan.

Just like our restaurants in Japan, the tempura is freshly fried each time we receive an order, so our customers can enjoy delicious and piping-hot tempura.

The food and setting give customers the experience of being in an authentic Japanese tempura restaurant, thereby bringing tempura to the world.



Message from the President

**We have walked the road less traveled,
and we continue to pioneer
the way ahead.**



Takaya Osamu

President and CEO
TORIDOLL Holdings Corporation

An Emotional Experience in Sanuki

The TORIDOLL Group of today began as the yakitori *izakaya* (grilled chicken pub) TORIDOLL Sanbankan, which opened in 1985 in Kakogawa City, Hyogo Prefecture. At first, we had no customers at all, and I was frantic, thinking of how to build a customer base. Looking back, I think this was the starting point and source of strength behind TORIDOLL. Eventually, the TORIDOLL yakitori *izakaya* into which I put my heart and soul attracted a local following of regular customers, and I began adding more locations. At the time, though, TORIDOLL did not yet have the strength to differentiate itself from other restaurants.

Before starting Marugame Seimen, I used to travel to Sanuki, the sacred land of udon located in Kagawa Prefecture. There I would visit a noodle factory that appeared to be a small business run by only two people. It wasn't a restaurant, so there was no friendly greeting at the door. The service wasn't particularly outstanding, either. It was a noodle factory where customers could come and receive a simple bowl of udon, pour a dash of soy sauce over the top, and eat. Even today, where outstanding food can be had for just a bit of money, people from all over Japan come to this noodle factory and wait in long lines. The restaurants I created never had such long lines as this noodle factory's.

Why come from far away for such a simple bowl of udon? For the first time, I realized that people search for experiences and emotions. The udon is boiled in front of the customer and placed in a bowl to be eaten fresh. I was impressed by the precise movements of the udon makers, the steam, the smells, and the fast pace, all resonating with the five senses as part of a true customer experience. I became convinced that if I could re-create this noodle factory, we would attract, delight, and impress our customers. Driven by this conviction, I installed noodle-making machines in all Marugame Seimen restaurants to make the best udon dough for that day from salt, water, and flour, served as freshly made udon noodles.

With very little capital, we opened Marugame Seimen in food courts. At the time, few businesses offered in-store experiences, and this is where we built a commanding competitive advantage. People lined up to buy our udon. We later expanded the business in different ways, including a shift from food courts to roadside restaurants, reinvesting capital into Marugame Seimen. In 2006, we conducted an IPO on the Mothers market of the Tokyo Stock Exchange, and in 2008, we became listed on the First Section of the Tokyo Stock Exchange.

The Pursuit of the Unconventional is the Strength of TORIDOLL

National restaurant chains began springing up in Japan in the 1970s. At a time when all one had to do was open a location and customers would flock to it, creating business strategies assuming customers would show up was fine. Today, however, the restaurant market has peaked and reached a state of oversaturation.

To differentiate ourselves from our competitors, we pursue the unconventional for a chain restaurant. That is, we create added value by emphasizing handmade, freshly prepared, and genuine food in our restaurants. Companies that operate multiple restaurants typically process food

beforehand in a central kitchen and then deliver the food to restaurants. This system is an effort to standardize the quality of products and services offered as well as to simplify operations. We don't do that.

Since our founding, we have always made business plans assuming no customers at the beginning, focusing solely on how to attract customers and how to make them happy. The failures early on after our founding have taught us to be single-minded in attracting and pleasing customers. We have made it this far because of our focus and the implementation of these ideas.

How to Tap into Latent Insight and Desires

Human beings are impulse buyers. Therefore, a restaurant must offer elements that entices people to eat. It is also very important to find ways to tap into latent insight and desires. If a restaurant can do this, a market of barren fields will become a market of fertile, productive land.

Without insight, on the other hand, a restaurant will have to work very hard for every sale. This is why we continue to think about how to tap into latent insight and desires and then take action to accomplish this.

If a restaurant continues to focus on what entices people to want to buy and eat, it will create a customer base and demand, growing by leaps and bounds. It may seem unconventional at first glance, but this is fine. Time

and effort make imitation more difficult and the barriers to entry higher. One strength of being unconventional is that it encourages blue ocean thinking, and this is how we exploded in the Japanese market.

Awe-Inspiring Experiences Resonate Overseas as Well

Just as we were accelerating the opening of new restaurants in Japan, I had the opportunity to visit Hawaii. While casually strolling along a certain street in Waikiki, I found myself in a nice residential area that gave me an intuitive feeling that a Marugame Seimen restaurant in this location would attract many customers. So, we opened our first overseas restaurant, the Marugame Udon Waikiki Shop,

in Hawaii. We realized that the awe-inspiring experience of handmade and freshly made products resonates with not only Japanese people but also people overseas, and we became confident we could do well outside Japan. In December 2018, we established the International Business Division and began our overseas expansion in earnest.

Developing a Global Market through High-Affinity Businesses

In the enormous global market, which is far larger than the Japanese market, educating customers about the Japanese culture of udon takes time. We began M&A activities some time around 2015, thinking we could open up more markets through businesses that had a strong affinity with udon.

The principle behind our M&A work is that we must identify companies that share our ideas and have complementary businesses. Our first acquisition was Wok to Walk, a restaurant where we saw long lines outside while in Barcelona. The restaurant, founded by a European who was inspired by Thai food stalls, cooks food in front of customers in a large wok over an open flame. Today, we operate 104 stores (as of June 2022) in 20 countries, mainly in

Europe. This acquisition was responsible for TORIDOLL shifting from its previous style of sending people and funds from Japan to one of partnering with local companies and leaving the management to them.

Our most recent acquisition was Tam Jai International Co. Limited. There is a huge global market for Chinese food and that we can create scale by operating Chinese restaurant businesses. As part of our entry into the market, we acquired the company that operates the popular Hong Kong noodle chain restaurants Tam Jai Yunnan Mixian and Tam Jai Sam Gor Mixian, making that company part of the TORIDOLL Group. We opened the first restaurant in Japan in 2022.

Awe-inspiring Experiences, Even during the COVID-19 Pandemic

In fiscal 2020, we were left with nothing other than to wait and see what time would bring, as lockdowns and other measures were implemented around the world in the wake of the COVID-19 outbreak.

But we knew we had to do something, so we began take-out service. Despite our reluctance to that point, we shifted our mindset and held to our belief in freshly made food. It did not go well. So, we developed what we called the Marugame Udon Bento. The word *bento* gives the impression of warmth, which ignited demand for takeout from our restaurants. And through this experience, we learned how to coexist with COVID-19 to grow as a company.

The take-out service, offering freshly made, hand-crafted food for only 390 yen, was another exciting

experience for customers, such as seniors or families with small children, who faced difficulties in going out to restaurants. We prepare meals to order right in front of the customer, which, while unconventional, is an awe-inspiring experience for them. The conventional approach would be to make lunches ahead of time and stack them on a counter to minimize labor costs. But that approach lacks emotion. Because our employees and partners have seen success, we understand the “how” and the “why” of implementing this program. As of June 2022, we had served more than 22 million Marugame Udon Bento meals to hungry customers.



A New Philosophy System to Put Our Aspirations into Words

In May 2022, we revised our mission and vision as a company.

“Filling Our Planet with Dining Experiences that will Move You.” is our corporate slogan, which communicates our aspirations not only internally but also to society at large. We used the word “planet” instead of “world” intentionally. Our desire is to stand upon this unique planet and fill it with happiness, unbound by past norms or values and from a perspective unfettered by national borders.

The awe-inspiring experience of food we pursue both stimulates the senses and delights human instinct. Our new mission is to continue to refine these experiences day by day, evolving with the times, and continuing to excite the world.

We have overcome various contradictions in the past, achieving growth that no one could have predicted. But this unpredictable evolution is, in other words, our very way of life. Continuing to evolve forever opens a future no one has yet seen. Our vision puts into words the ultimate goal of becoming a one-of-a-kind global food company, the type of company that can only be achieved when we finally reach the far end of the road.

We are an anomaly in the restaurant industry. Many businesses emphasize productivity and systems, looking to reduce manpower by using touch panels on tables and robots to serve the food. I suppose from their point of view, what we are trying to do is a novelty. But we have no doubt that emotion is the source of our growth. This idea is immutable and something we must never change. The only things we are comfortable with changing are the behind-the-scene aspects that the customer never sees — demand forecast models or aspects amenable to digital transformation. Our investments must be about allowing us more time to interact face-to-face with our customers.

If you remove the element of “KANDO (awe-inspiring)” from TORIDOLL, we become just another restaurant business, and just another restaurant business cannot stand atop the world. You might call us heretics, but we have many colleagues overseas who share our way of thinking. Our managers overseas take care of our businesses with the same conviction. “KANDO” is the engine and source of growth, and we will grow through a network of businesses in parallel development together with our colleagues around the world, achieving new levels of unimaginable growth.

The TORIDOLL Group’s Contribution to Sustainability

In this day and age, customers will not follow companies that cannot contribute solutions to climate change and other social issues that have become more prominent these days. And there is a limit to how much growth a company can achieve on its own—those days are long gone. We do not want the TORIDOLL Group to become a company that destroys the future of the next generation; therefore, we identified ESG-related material issues that are organized into four categories of eight topics. We will strengthen our efforts as a company in these areas to contribute to the creation of sustainable societies. Each of the eight topics is critical to the sustainable growth of the TORIDOLL Group and society.

As social issues become increasingly global, no single company can solve any one on its own. We believe the

entire value chain and our industry as a whole must work together to address these issues. We will continue to engage in dialogue to gain the understanding and cooperation of our competitors and stakeholders, to deepen our partnerships, and to make the type of contributions only TORIDOLL can offer.

Our ESG initiatives are not about clinging to what we have today, but rather about creating the future. The TORIDOLL Group will always be at the forefront of the restaurant industry. Under the new corporate slogan “Filling Our Planet with Dining Experiences that will Move You.” we will strive to become the only global food company that fills this unique planet with happiness, unbound by past norms or values.

Value Creation Model

In addition to the creation of financial value, the TORIDOLL Group conducts its corporate activities with a view to creating value for all stakeholders. The source of such value is the awe-inspiring experience of food. By inter-linking the customer and employee cycles that these experiences bring about, we will achieve sustainable business growth, increase corporate value, and contribute to the resolution of social and environmental issues through the expansion of our business.

→ The Toridoll Group's Vision

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

- Human Capital**
- Human resources who share the TORIDOLL Group's corporate philosophy and values
 - Diversity of human resources
 - Human resources for facilitating overseas expansion and industry leaders

- Financial Capital**
- Sustainable profits and cash flows
 - Optimal debt-capital structure
 - Appropriate investments in line with our business strategy

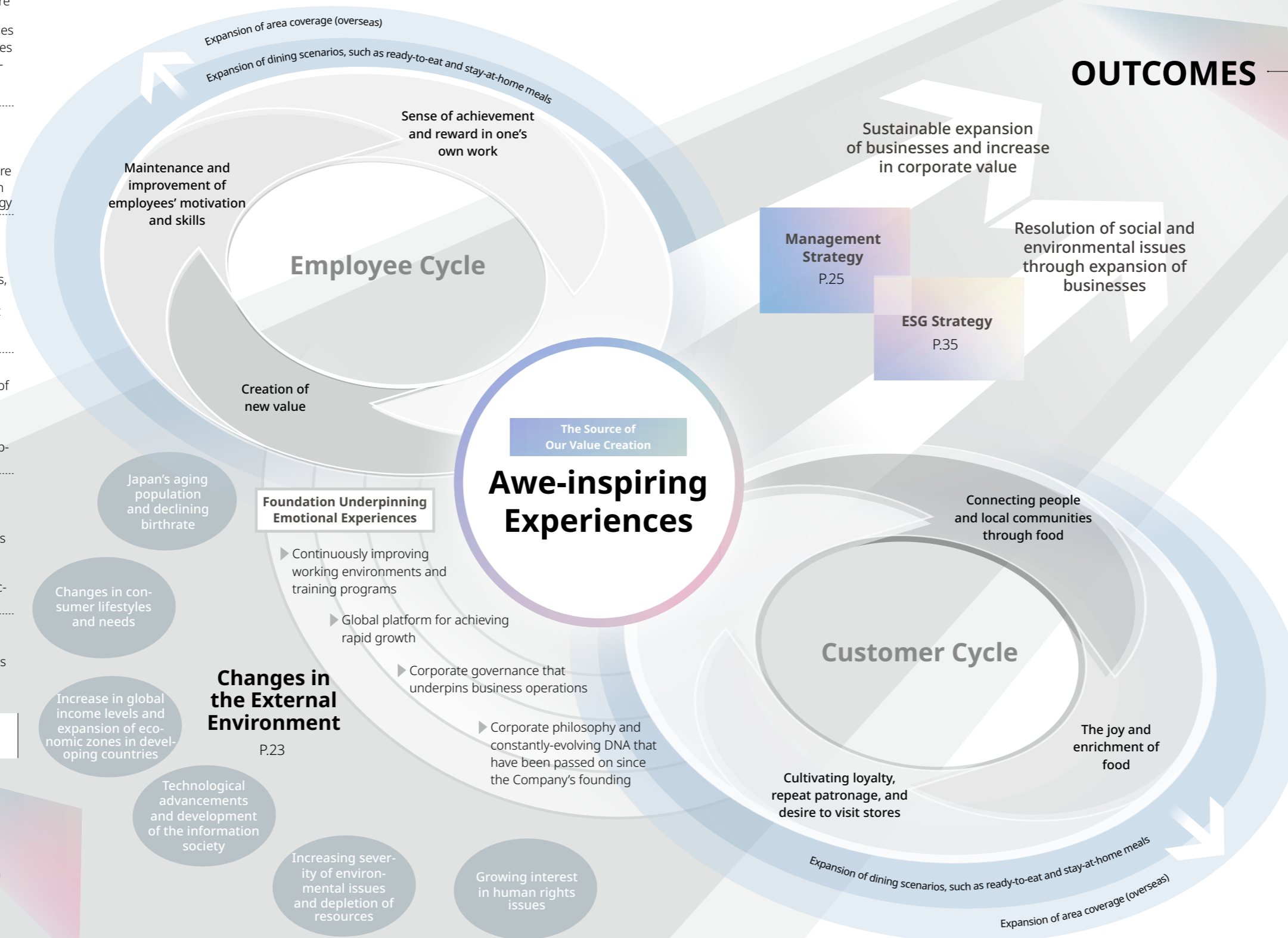
- Manufactured Capital**
- Stores that provide awe-inspiring experiences
 - Recycling-oriented facilities, equipment, and systems
 - Digital transformation that underpins awe-inspiring experiences

- Intellectual Capital**
- Operation and expansion of diverse-brand restaurants that provide awe-inspiring experiences
 - Product and brand development capabilities

- Social Capital**
- Customers who support the TORIDOLL Group
 - Ties with local communities
 - Relationships of trust with our business partners
 - Collaboration with prospective overseas partners

- Natural Capital**
- Safe, quality, and environment-friendly raw materials
 - Finite energy and water resources

The Toridoll Group's Six Capitals



Value Provided to Stakeholders	
Our Customers	While respecting diverse food cultures, we will provide awe-inspiring food experiences, starting with the most familiar of pastimes—dining out.
Our Employees	By providing comfortable, rewarding working environments, we will create workplaces where diverse human resources can demonstrate their skills while taking pride in working for the TORIDOLL Group.
Our Business Partners	We will deepen connections with our business partners and suppliers to build resilient partnerships that are rooted in fairness and transparency with the aim of mutually achieving sustainable growth.
Society	We will expand the social role of restaurant chain operators and provide new value by creating employment opportunities and contributing to local economies. Furthermore, we will actively interact with local communities through social contribution activities and co-create communities with our customers.
The Environment	We will contribute to reducing environmental burden by promoting efforts to become a global leader in the food service industry.
Our Shareholders and Investors	While pursuing the resolution of social issues, we will strive to generate continuous cash flows by promoting active growth in global markets. Moreover, we aim to continuously increase corporate value by advancing proactive dialogue and information dissemination.

INPUTS

Marugame Seimen's Initiatives to Put Awe-Inspiring Experiences into Practice



An Experience in Which the Deliciousness of Freshly Handmade Food can be Appreciated with All Five Senses

The setting is just like a Sanuki *seimenjo* (noodle factory) in Sanuki. You pull the *noren* curtain back to see an expert noodle-maker at work, bags of Japanese flour piled high. You hear the sound of the knife hitting the chopping board as, right before your eyes, steam rises as the noodles are lifted from the *kama*. The tempura stirs your appetite. The delicious taste of freshly made udon noodles eaten amid the hustle and bustle of a lively restaurant is a joy, as is choosing from the vast array of udon and tempura on offer. You rejoice while choosing your favorite toppings and seasonings, customizing each bowl of noodles to your heart's desire. This is the experiential value only Marugame Seimen can provide.



The Restaurant that Gave Rise to the Open-Kitchen Style by Recreating the *Seimenjo* in Sanuki

We are dedicated to recreating the awe-inspiring experience felt when visiting a *seimenjo* in Sanuki. In other words, we seek to enable our customers to experience the udon-making process with all five senses and enjoy noodles that are served fresh from the *kama* right in front of their eyes.

In our restaurants, our noodle-making machines and *kama* are placed where our customers can see them to recreate the setting of a *seimenjo*. Our open-kitchen format allows the customer to enjoy the experience with all five senses—the sight of noodles being chopped, the aroma of flour, the sound of tempura being fried, and so on. After ordering, the customer enjoys the sight of their food being prepared.

Operating "Inefficient" Stores without Central Kitchens to Emphasize Our Dedication to Handmade and Freshly Made Products

Chains of a similar size to Marugame Seimen typically have central kitchens in pursuit of production efficiency and to reduce in-store operational procedures. However, Marugame Seimen's dedication to serving handmade and freshly made udon noodles means that, rather than having a central kitchen, udon noodles are made from flour at all of its restaurants. Since each of Marugame Seimen's restaurants is also a *seimenjo*, capital expenditures are high and the equipment takes up a lot of space. Moreover, the labor and utility costs involved in production contribute to higher costs compared to ordinary restaurants. Even so, Marugame Seimen is dedicated to serving handmade and freshly made dishes at its restaurants. This is because we believe that the customer's awe-inspiring experience arises from seeing their udon noodles made fresh from flour before them and enjoying the noodles the moment they are ready to eat.



Awe-inspiring Experiences

Systems that Underpin Awe-inspiring Experiences

Artisanship that Underpins Handmade and Freshly Made Meals

At Marugame Seimen, noodle-making techniques are taught not from a uniform manual but as a form of craftsmanship that involves individual judgment. The noodle and tempura artisan systems have been introduced as part of the technical skills improvement and training systems available to those who wish to pursue such craftsmanship. These systems also contribute to the motivation and retention of specialized human resources through their connection with promotion and benefits.

Supply Chain Management System in which All Restaurants are Directly Managed

All of Marugame Seimen's restaurants are directly managed. This is despite the fact that adopting the franchise system applied by many other restaurant chains would lead to a reduction in the cost of opening new restaurants and other operations. However, in order to uphold our corporate philosophy and commitment to quality as well as to ensure that our employees learn techniques properly, we have adopted a supply chain management system in which all of our stores are directly managed.

The Toridoll Group's Vision

Our Vision

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

Management Strategy

▶ P.25

The TORIDOLL Group has set forth its "KANDO Trade-on Strategy," which is centered on providing awe-inspiring dining experiences.

- We will operate with care and attention to detail while conducting business with agility and efficiency.
- We will transform experiences that can only be provided in one place into experiences that can be provided anywhere in the world.

We consider our ability to balance these otherwise contradictory "trade-off" activities to be a source of the TORIDOLL Group's strength, which we will further enhance by focusing on four key themes.

Key Themes

- 1 Pursuing awe-inspiring dining experiences**
- 2 Expanding the size and quality of our business portfolio**
- 3 Establishing a lineup of buddies*1**
- 4 Building a foundation to support global expansion*2**

*1 Global affiliates with the specific knowledge and know-how that align with our mission of providing awe-inspiring dining experiences
 *2 Simultaneously operating multiple brands in several countries

ESG Strategy

▶ P.35

The TORIDOLL Group is engaged in the business of providing food globally, which plays a fundamental role in the lives and activities of people. With this responsibility in mind, we analyzed the impacts that external changes could have on TORIDOLL's operations, and based on the results, identified eight ESG-related material issues across four categories that are of high concern in society and likely to affect the Company.

We will set key performance indicators (KPIs) based on our basic sustainability policy and ESG-related material issues to measure the progress of activities and will actively promote initiatives to achieve our KPI targets.

ESG Material Issues

- 1 Bringing awe-inspiring dining experiences to the world**
 - Provide joy and enrichment through food
 - Ensure Food safety
- 2 Working together with people and society**
 - Develop human resources
 - Maintain and create employment
 - Ensure rewarding working environments that respect diversity
- 3 Promoting harmony with the earth**
 - Promote resource recycling
- 4 Establishing responsible corporate management throughout our business**
 - Promote supply chain management
 - Establish a risk management system

The corporate slogan of the TORIDOLL Group is "Filling Our Planet with Dining Experiences that will Move You." and its vision is to continue creating value as a global food company that trailblazes into the future by way of unceasing innovation.

To this end, the Group will promote initiatives that combine business strategies based on its medium-to long-term management plan with sustainability activities based on environmental, social, and governance (ESG)-related material issues.

Through the promotion of these initiatives, the Group will continue to grow together with society, while continuing to create value for its stakeholders from both financial and non-financial standpoints.

Awareness of Business Opportunities and Risks

The TORIDOLL Group recognizes from a medium- to long-term perspective the business opportunities and risks that may arise from changes in the external environment, and it strives to create such opportunities and reduce such risks through both management and ESG to achieve sustainable growth.

▶ P.25 Management Strategy

▶ P.35 ESG Strategy

Changes in the External Environment	● Business opportunities; □ Risks	Management Strategy	Summary of Initiatives	ESG-Related Material Issues
The declining birth-rate and aging population of Japan	<ul style="list-style-type: none"> ● Differentiate from competitors by pursuing emotional experiences with food, even in a saturated market ● Create new incentives for customers to visit stores and generate of new markets through business development based on awe-inspiring experiences with food ● Increase employee satisfaction by sharing awe-inspiring experiences with customers and going beyond mere food and beverage services ● Reduce turnover rate by improving employee satisfaction and securing excellent human resources <hr/> <ul style="list-style-type: none"> □ Decline in Japan's food service consumption expenditure due to declining birthrate and aging population □ Difficulty in securing human resources due to declining workforce in Japan 	Key Theme ① Pursuing awe-inspiring dining experiences	<ul style="list-style-type: none"> ▶ Creation and refinement of awe-inspiring experiences ▶ Human resource development and retention ▶ Creation of settings that give rise to emotional experiences 	Providing the joy and enrichment of food Creation of rewarding working environments that respect diversity
Changes in consumers' lifestyles and needs	<ul style="list-style-type: none"> ● Expand new business opportunities through the diversification of opportunities to enjoy food, such as takeout and delivery ● Expand sustainable and ethical consumption and develop new demand through respect for diverse food cultures <hr/> <ul style="list-style-type: none"> □ Decline in customers due to delays in providing services that meet consumer needs, such as sustainability and health 	Key Theme ② Expanding the size and quality of our business portfolio	<ul style="list-style-type: none"> ▶ Acquisition of new brands via M&A ▶ Selection and Concentration ▶ Branding campaigns 	Food safety Providing the joy and enrichment of food
Increase in global income levels and expansion of economic zones	<ul style="list-style-type: none"> ● Create business opportunities by expanding the number of people who enjoy dining out—a familiar form of entertainment—in various regions around the world and by diversifying the food culture market ● Create employment opportunities in the countries and regions where we operate <hr/> <ul style="list-style-type: none"> □ Increased complexity of business operations due to overseas expansion, leading to difficulty in risk management □ Suffering setbacks in the market due to failure to adequately capture local needs when expanding overseas 	Key Theme ③ Establishing a lineup of affiliates <hr/> Key Theme ④ Building a foundation to support global expansion	<ul style="list-style-type: none"> ▶ Seeking of potential new affiliates ▶ Simultaneous development of brands by affiliates in key markets <hr/> <ul style="list-style-type: none"> ▶ Global collaboration centered on brands ▶ Globalization of Group functions ▶ Enhancement of store-opening capabilities 	Maintenance and creation of employment opportunities Human resource development Formulation of risk management system
Advancements in technology and the information society	<ul style="list-style-type: none"> ● Reduce workloads through the evolution of digital technologies ● Increase efficiency of in-store operations and create emotional experiences ● Raise the level of response to risks by enhancing information-sharing efficiency ● Increase efficiency in the Groupwide promotion of sustainability <hr/> <ul style="list-style-type: none"> □ Increased operational costs and reduced competitive advantage due to delayed leveraging of digital technologies 	Key Theme ① Pursuing awe-inspiring dining experiences <hr/> Key Theme ④ Building a foundation to support global expansion	<ul style="list-style-type: none"> ▶ Creation of and refinement of awe-inspiring / unforgettable experiences ▶ Human resource development and retention ▶ Creation of settings that give rise to awe-inspiring experiences <hr/> <ul style="list-style-type: none"> ▶ Global collaboration centered on brands ▶ Globalization of Group functions ▶ Enhancement of store-opening capabilities 	Formulation of risk management system
Increasing severity of environmental issues and depletion of resources	<ul style="list-style-type: none"> ● Secure competitive advantage through up-front investments related to environmental issues ● Improve reputation among stakeholders through proactive efforts to address environmental issues <hr/> <ul style="list-style-type: none"> □ Loss of cost advantage due to increase in raw material prices □ Reputational risk due to passive stance on environmental issues □ Decline in corporate reputation and increase in financing costs due to delays in complying with environmental regulations 			Promotion of resource recycling
Growing interest in human rights issues	<ul style="list-style-type: none"> ● Improve employee satisfaction and secure human resources by sincerely addressing human rights issues ● Stabilize our supply base by addressing human rights issues in the supply chain <hr/> <ul style="list-style-type: none"> □ Prospective employees avoid selecting the Company as a place of employment due to delays in addressing human rights issues □ Decrease in demand due to negative consumer evaluations and financing difficulties due to not being targeted for investment 			Supply chain management Creation of rewarding working environments that respect diversity

SECTION 3

Management Strategy

Key Theme 1

Pursuing awe-inspiring dining experiences

Key Theme 2

Expanding the size and quality of our business portfolio

Key Theme 3

Establishing a lineup of local buddies

Key Theme 4

Building a foundation to support global expansion

Medium- to Long-Term Management Plan

In order to achieve its ambitious medium- to long-term targets to become a truly global food company, the TORIDOLL Group is formulating a three-year plan, with the fiscal year ending March 31, 2028, as the final year.

Results up to the previous fiscal year ended March 31, 2022

- Achieved V-shaped recovery from the fiscal year ended March 31, 2021, during which business performance declined due to the COVID-19 pandemic.
- Laid the foundation for growth through such initiatives as creating a take-out market, reorganizing unprofitable businesses and stores, and expanding the number of overseas partners.

Results for the fiscal year ended March 31, 2022

Number of stores:	Approx. 1,720	Business profit margin:	3.5%
Revenue:	Approx. ¥153.4 billion	Operating profit margin:	9.3%

Three-Year Plan

- To grow into a global food company, we will aggressively invest in new store openings and business expansion in Japan and overseas, while simultaneously operating our businesses with financial soundness and capital efficiency in mind.

Plan for the fiscal year ending March 31, 2025

Number of stores:	2,500	Business profit margin:	6.4%
Revenue:	¥220.0 billion	Operating profit margin:	5.5%

Medium- to Long-Term Targets

- Establish a position as a truly global food company that ranks among major restaurant companies worldwide
- Drive further growth and profit

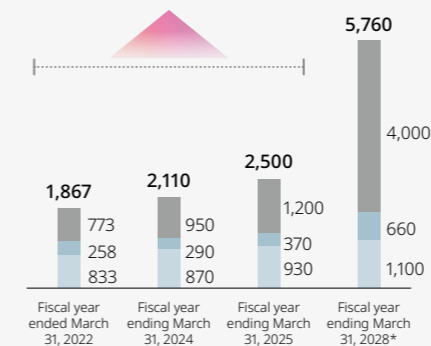
Plan for the fiscal year ending March 31, 2028

Number of stores:	Over 5,500	Business profit margin:	12% or more
Revenue:	¥3,000 billion	Operating profit margin:	Around 10%

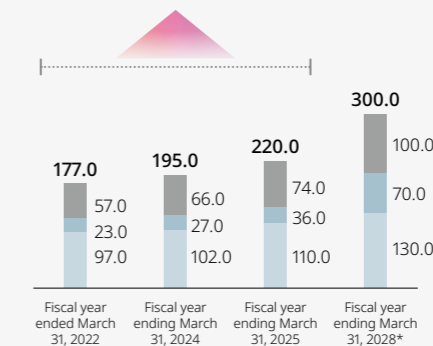
Breakdown of Targets

In the Overseas and Other business segments, we will steadily expand the scale of our operations and improve profitability while aiming for further growth through the promotion of M&A. The figures through the fiscal year ending March 31, 2025, are for existing businesses and do not include M&A. In the event of M&A, the information will be added to the figures shown below.

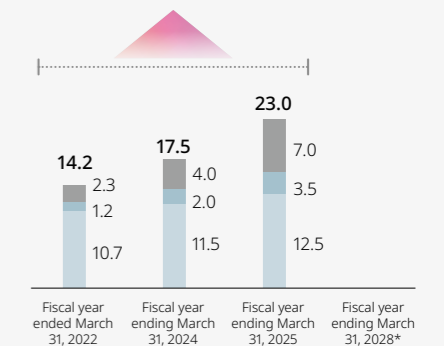
Number of Stores



Revenue (Billions of yen)



Business Profit (Billions of yen) Note: Does not include adjustments



Segment: ■ Marugame Seimen ■ Other ■ Overseas

* Includes M&A

We aim to achieve a consolidated business profit margin of at least 12% or more, a level at which the ratio of profit from domestic and overseas operations is split equally.

Strategies and Key Themes

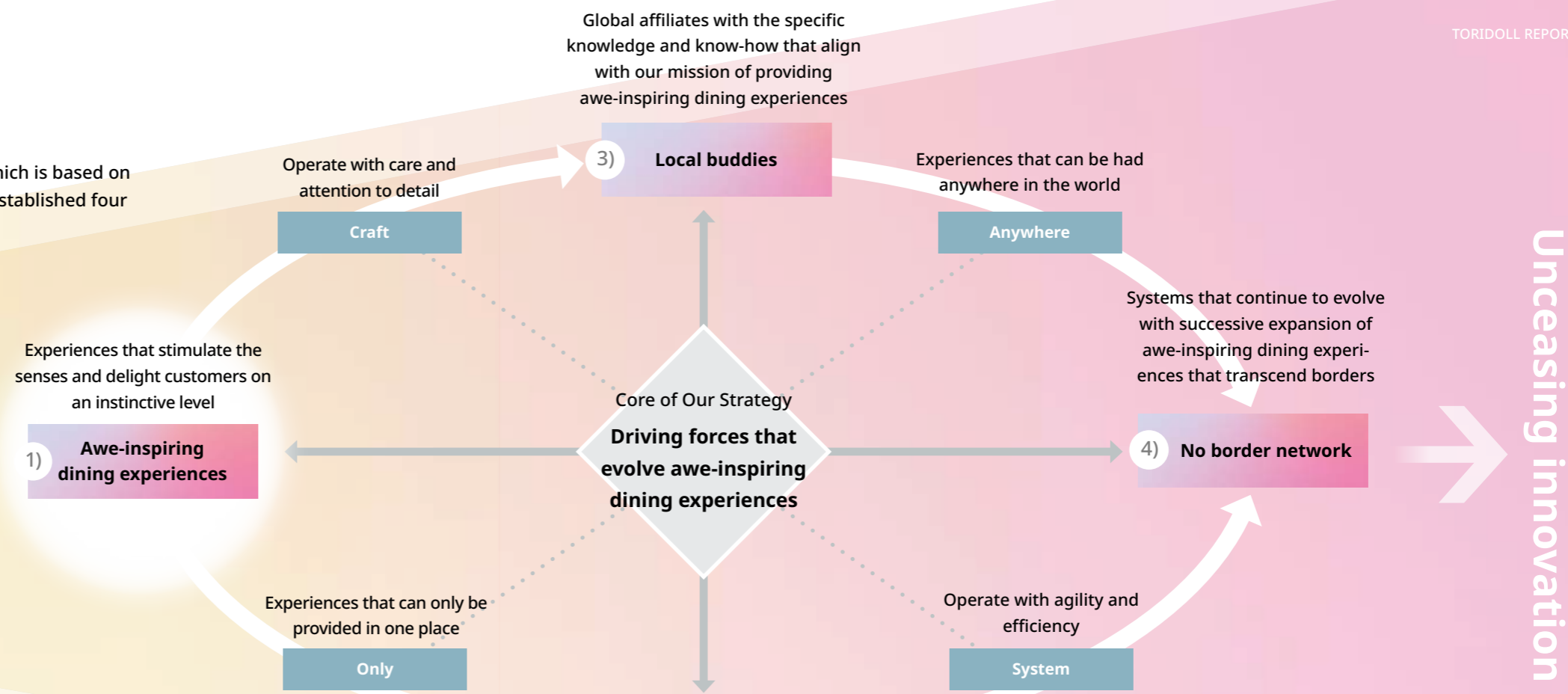
The TORIDOLL Group has set forth its "KANDO Trade-on Strategy," which is based on the concept of providing awe-inspiring dining experiences, and has established four key themes to realize this strategy.

Key phrase:
Turning "trade-off" activities into "Trade-on" activities. "Trade on" is the key phrase that forms the backbone of our strategy.

We will operate with care and attention to detail while conducting business with agility and efficiency. We will transform experiences that can only be provided in one place into experiences that can be provided anywhere in the world.

We consider our ability to balance and expand these otherwise contradictory "trade-off" activities to be a source of the TORIDOLL Group's strength and the backbone of our strategy.

■ : Source of strength ■ : Strategic component



1) Strategic Component

Awe-Inspiring Dining Experiences

At the heart of our strategy is motivating customers to visit our stores by providing awe-inspiring dining experiences. In addition to making efforts to evolve traditional dining experiences, we will continue to create awe-inspiring dining experiences in unprecedented scenarios, areas such as ready-to-eat meals, overseas regions, and new food cultures.

Key Theme 1 Pursuing of awe-inspiring dining experiences

2) Strategic Component

Diverse Brands

The Company is oriented toward more balanced growth by utilizing diverse Group brands both in Japan and overseas that embody awe-inspiring dining experiences.

Key Theme 2 Expanding the size and quality of our business portfolio

3) Strategic Component

Local Buddies

Each time our brands have expanded overseas, we have accomplished this by evolving from the stage of searching for business partners in each country or region and moving ahead through a process of trial and error. Going forward, we aim to expand our business across multiple brands in parallel with our partners in each region as a team of Buddies in a manner that goes beyond a mere contractual relationship between business partners.

We have already partnered with Capdesia Group Limited, a restaurant investment firm in Europe, and Hargett Hunter Capital Management, a restaurant investment firm in the United States, to build a strong business structure while accelerating the business development of Marugame Udon, our flagship brand. In Asia, we are working to develop a new domestic brand, Tempura Makino, in collaboration with Singapore's EN Group, which owns Monster Curry, another brand in which the Group has invested.

We will establish such lineups in leading markets around the world.

Key Theme 3 Establishing a lineup of buddies

Major Buddies of TORIDOLL Holdings

Europe	<p>▶ Joint venture partner for European expansion. After successfully establishing Marugame Udon's U.K. operations in London, supported the establishment of the franchise headquarters and promoted the development of franchisees.</p> <p>▶ Supports multi-brand development in European countries</p>
United States	<p>▶ Invested in Marugame USA, LLC. Selected CEO and other senior management to strengthen management structure and formulate growth strategies.</p> <p>▶ Supports multi-brand development in the United States</p>
Asia	<p>▶ TORIDOLL Holdings holds the majority equity stake in EN Group's Monster Curry.</p> <p>▶ Supports development of diverse brands in Asia, including Monster Curry, Monster Planet, and Tempura Makino</p>

4) Strategic Component

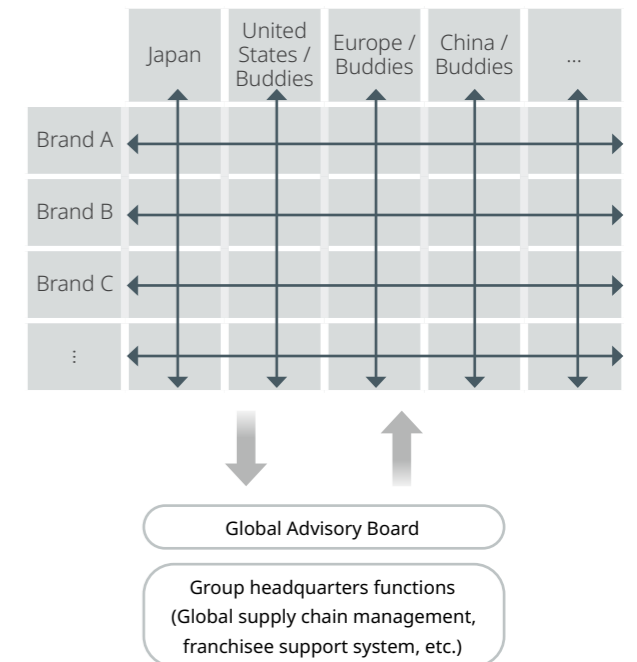
No Border Network

Our diverse group of brands, local buddies, and the Global Advisory Board that supports them, as well as the headquarters functions of the TORIDOLL Group, function as a network spanning around the world to achieve rapid business development.

The expression "no border network" refers to the development of multiple brands at once in several countries or regions in cooperation with local buddies. We are building systems and structures to ensure that successful experiences and ideas from specific regions and brands will be shared throughout the Group.

A key component of such systems and structures is our Global Advisory Board, in which local buddies' management and other talented personnel with successful experience in the food and beverage industry around the world engage in discussions geared toward the Group's future development.

Key Theme 4 Building a foundation to support global expansion



Specific Measures

In order to realize our medium- to long-term targets, we have established and are focusing on four key themes and 11 initiatives related to our “KANDO Trade-on Strategy.”

Key Theme 1

Pursuing awe-inspiring dining experiences

The first key theme is to further evolve and continue creating awe-inspiring dining experiences, which are the source of the Group's strengths. To this end, in addition to thoroughly refining the awe-inspiring dining experiences themselves, we will invest in the human resources who will be the main driving force behind such experiences and in the stores that will provide the setting where the experiences will take place.

1. Creation and refinement of awe-inspiring dining experiences	<ul style="list-style-type: none"> ▶ Create and establish awe-inspiring dining experiences in new settings, including takeout and delivery, countries and regions in which we have not yet opened stores, new food cultures, such as halal and vegan, and new product lines and services for such consumer segments as the rapidly advancing market for seniors. ▶ Redefine and articulate the nature of awe-inspiring dining experiences of each brand to ensure reproducibility around the world.
2. Human resource development and retention	<ul style="list-style-type: none"> ▶ Promote investment in human resources and improvement in the retention rate to enhance the quality and quantity of the systems at stores that deliver awe-inspiring dining experiences to customers. ▶ Establish and develop a career road map and training system to achieve the aforementioned goals.
3. Creation of settings that give rise to awe-inspiring dining experiences	<ul style="list-style-type: none"> ▶ Establish an environment where employees can dedicate their full attention to customer service through such measures as the digital transformation of back-office operations and the installation of equipment that improves efficiency and increases automation. ▶ Design stores and operations that are optimized for awe-inspiring dining experiences to occur, such as takeout and delivery, and promote horizontal expansion through new stores and renovations.

Key Theme 2

Expanding the size and quality of our business portfolio

We will enhance our diverse range of brands, which embody the concept of awe-inspiring dining experiences. We will launch new brands through M&A as well as our own business incubation activities while expanding our business portfolio from a quality standpoint through selection and concentration and global branding.

4. Acquisition of new brands via M&A	<ul style="list-style-type: none"> ▶ Set a budget of ¥100 billion for M&A and expand brands with a focus on promising markets in Europe, the United States, the Greater China region, and Southeast Asia. ▶ Through M&A, the TORIDOLL Group will proudly share the concept of awe-inspiring dining experiences and target brands that it anticipates will attract customers and business opportunities in promising markets around the world. ▶ Effectively utilize our worldwide network of affiliates, including local affiliates, in addition to building a system of internal specialists for each step of the M&A process from selection to merger.
5. Selection and concentration	<ul style="list-style-type: none"> ▶ Concentrate investment and human resources on brands and store opening models that have established a winning strategy. Develop multiple brands with a business scale of several hundred to several thousand stores at a time. ▶ Reduction in overhead costs and an increase in the profitability of each brand as secondary benefits of concentration and selection.
6. Branding campaigns	<ul style="list-style-type: none"> ▶ Create of new brands, sub-brands, and new store models. ▶ Promote comprehensive rebranding of existing brands, including brand identity, customer journey, store design, and culture, with the aim of elevating them to the level of global brands.

Key Theme 3

Establishing a lineup of buddies

In order to efficiently develop the TORIDOLL Group's brands in promising markets around the world, we will establish a lineup of local buddies at an early stage, and by maximizing our leverage of local buddies, we will simultaneously develop multiple brands around the world and achieve exponential growth.

7. Seeking of potential new buddies	<ul style="list-style-type: none"> ▶ Seek new buddies in promising markets around the world, including potential franchisees and joint venture partners, and promptly set up necessary systems. ▶ Establish a dedicated team within the Overseas Business Division to collect and scrutinize data on, and accelerate negotiations with, local affiliate candidates, such as investment firms, restaurant operators, and developers.
8. Simultaneous development of brands by buddies in key markets	<ul style="list-style-type: none"> ▶ Rather than having buddies in each country and region create a single brand, multiple and diverse brands will be developed in parallel, thereby accelerating the speed of overseas store openings. ▶ Establish franchise packages in addition to directly managed stores.

Key Theme 4

Building a foundation to support global expansion

Brands, local buddies, headquarters, and advisory boards will function as a network to strengthen brand-focused global collaboration, globalize Group functions, and enhance our ability to open new stores.

9. Global collaboration centered on brands	<ul style="list-style-type: none"> ▶ Identify and deploy best practices horizontally to fortify brand service levels, reduce and manage initial investment, and improve store profits. ▶ Reduce overhead costs for corporations in each country through cross-country and cross-regional studies related to such measures as manual preparation, training, and certification systems.
10. Globalization of Group functions	<ul style="list-style-type: none"> ▶ Establish headquarters and store operating functions to support the simultaneous overseas expansion of each brand, including the development of a global supply chain. ▶ Expand operational support systems for stores in each region for procurement, marketing, human resource development, and sales support.
11. Enhancement of store-opening capabilities	<ul style="list-style-type: none"> ▶ Strengthen qualitative and quantitative structures for location and store-opening model development to achieve a network of more than 5,500 stores worldwide. ▶ The location development and design and construction teams will work closely with each brand to create a store-opening model, reduce initial investment to accelerate payback, and conceive a store-opening plan with a high return on investment.

Overview by Segment Marugame Seimen

Marugame Seimen will realize renewed growth based on continuous store openings. In addition to improving customer experience (CX) and services including takeout, Marugame Seimen will explore new location models centered primarily on urban areas.



Key Measure 1 Continue to open roadside stores and accelerate expansion in urban areas

▶ Increase the number of new stores opened in urban areas. Explore the possibility of opening take-out specialty stores and built-in locations in residential areas in addition to the continued opening of roadside stores with take-out counters, thereby achieving a net increase of over 100 stores.

Key Measure 2 Increase repeat patronage and build up demand through services such as takeout

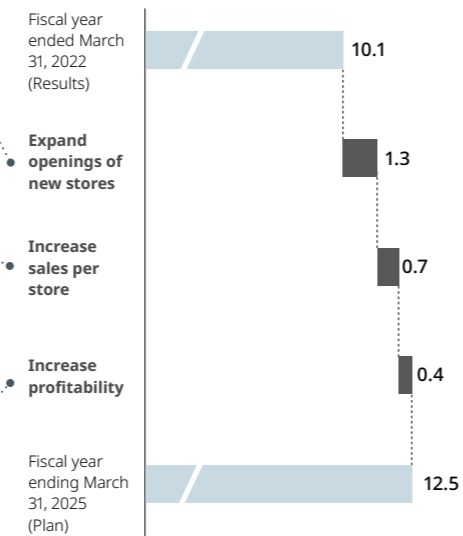
- 1) Increase repeat patronage through improved customer experience (CX).
- 2) Expand sales by capturing demand for ready-to-eat meals (wide counter remodeling, etc.).
- 3) Enhance customer appeal through new brand campaigns. Increase sales per store by more than 5% through the three measures listed above.

Key Measure 3 Improve business profit margin

- ▶ Cost ratio will be closely monitored, and price revisions and product mix reviews will be considered to mitigate or reduce impacts.
- ▶ Reduce labor, utility, and other costs through digital transformation and equipment installation.

Business Profit of Marugame Seimen

(Billions of yen)

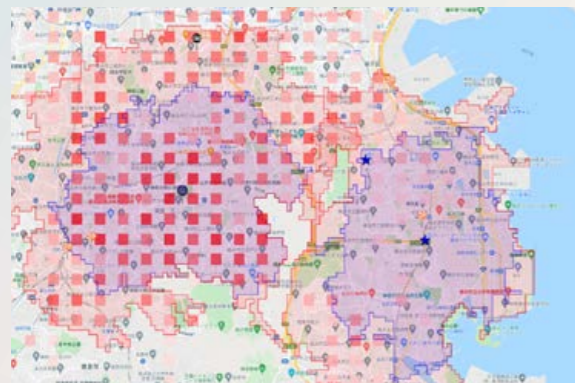


Key Measure 1 Continue to open roadside stores and accelerate expansion in urban areas

Visualization of Store-Opening Potential of Existing Models

- Visualize the trading area of stores by combining data from the Marugame Seimen app and other sources with open data. Identify factors in existing store-opening models that minimize cannibalization.

Leveraging data from the Marugame Seimen app and other sources



Strengthening Location Models in Urban Areas

- Establish a take-out specialty store model in or in front of train stations as a model with half takeout and half eat-in and stores which can operate successfully with a limited number of parking spaces.

Take-out specialty store (Ayase Station, East Exit)



Overseas Business

Our Overseas business segment is expected to expand rapidly through the simultaneous development of multiple brands in various regions in cooperation with new and existing local buddies, and the acceleration of medium- to long-term franchise development as we work to improve profit margins.



Key Measure 1 Rapid expansion in collaboration with buddies

- ▶ Simultaneously develop brands in addition to Marugame in Europe, the United States, and Asia.
- ▶ Discover new, influential buddies in China, Asia, and other promising regions.

Key Measure 2 Improve profitability and reduce overhead costs resulting from expansion of scale

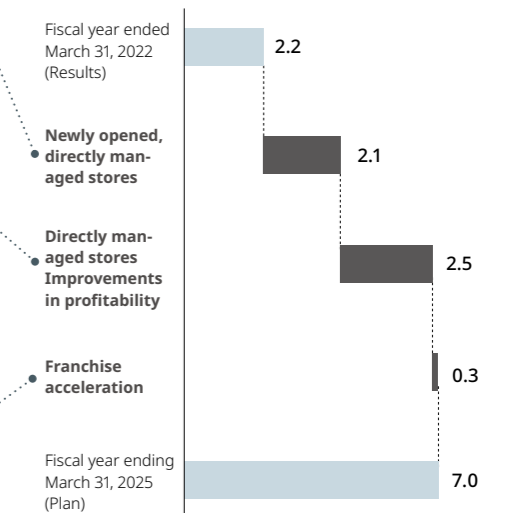
- ▶ Enhance operational efficiency and optimize investment in store openings for each brand.
- ▶ Reduce the burden of overhead costs by rapidly expanding the scale of operations in countries and regions where the number of stores is currently low.

Key Measure 3 Establish store models and horizontally deploy know-how

- ▶ Establish store models for future overseas expansion.
- ▶ Expand of franchisee support system and packages.
- ▶ Seek franchise partners together with affiliates for medium- to long-term expansion of franchises.

Business Profit of Overseas Business

(Billions of yen)



Key Measure 1 Rapid expansion in collaboration with buddies

Success Model for Local Buddies

Marugame Udon in the United Kingdom teams up with influential local buddies to successfully integrate location strategies, store designs, and marketing.

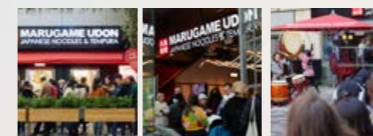
Location Strategies

Flagship stores in prime locations



First store situated near a London underground station

Assessment of multiple successful store models



Second store situated in a commercial facility

Third store situated in an office building

Fourth store situated in a downtown area

Store Design

Design that incorporates local perspectives



Promoting traditional and contemporary Japanese food through repeated discussions with buddies

User-friendly service that even first-time udon-eaters can enjoy



Provision of information through digital signage and guides

Marketing

Maximizing focus on topics that resonate with local communities



The boom in the popularity of udon noodles with the arrival of Marugame Seimen was highlighted as one of the 10 key trends in the food and beverage industry in the United Kingdom in 2022.

Building a fan community



The Marugame Club community has grown to 80,000 members with the assistance of digital marketing.

Other Brands within Japan

In the Other Brands within Japan business segment, we will create and develop a second *Marugame Seimen* brand in Japan with more than 100 stores and sales in the ¥10 billion range by opening new stores to diversify the pillars of our business in Japan.



Key Measure 1 Diversify the pillars of our business in Japan by creating multiple brands with more than 100 stores through concentrated investment in brands with established winning strategies

- ▶ Sequentially open stores starting with brands that have established models in Japan, including Kona's Coffee and Zundoya.
- ▶ Commence nationwide expansion of brands that are currently limited to the Kanto and Kansai regions.

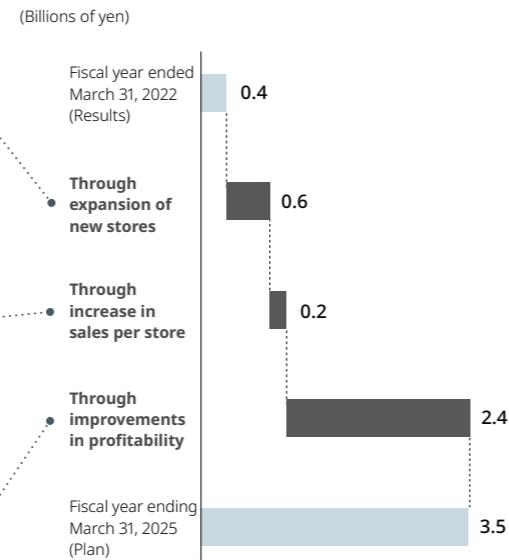
Key Measure 2 Accelerate store openings of brand and location models to boost monthly sales

- ▶ Increase average monthly sales by increasing the number of stores, especially for brands with high average monthly sales.
- ▶ Focus on roadside and built-in location models that can generate favorable monthly sales.

Key Measure 3 Reap the benefits of economies of scale and develop high-margin businesses

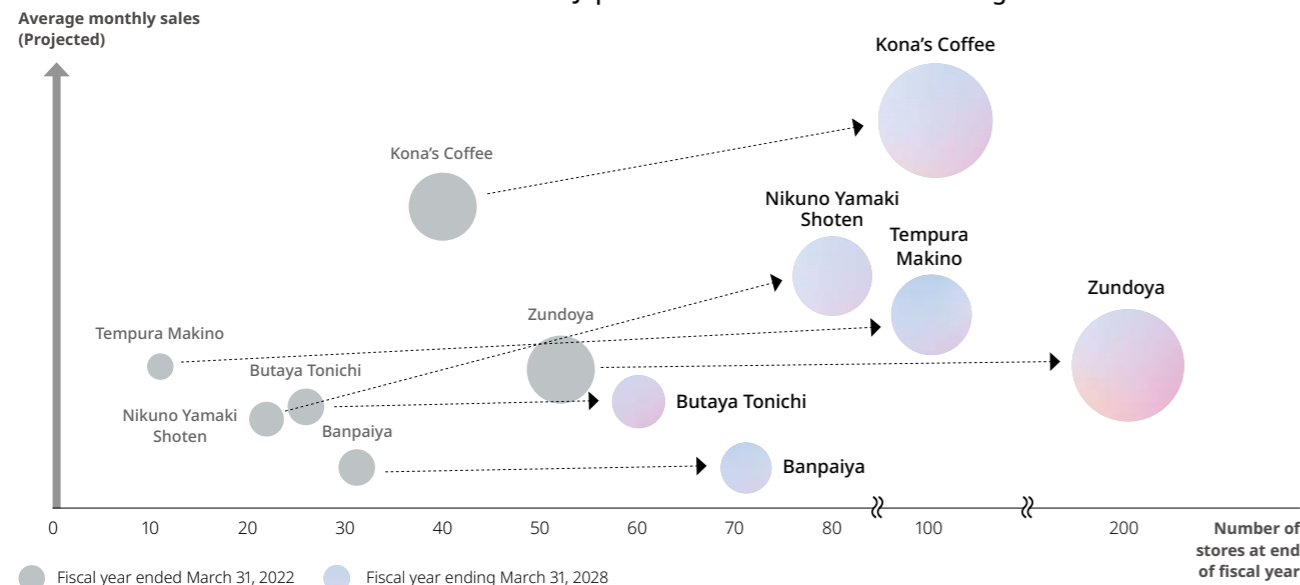
- ▶ Aim to reduce costs and overhead for brands that are currently smaller in scale by increasing the number of store openings.
- ▶ Kona's Coffee will bolster its profitability by strengthening product sales.

Business Profit of Other Brands within Japan



Development by Brand

Through concentrated investment, we will create multiple brands with more than 100 stores in Japan and sales in the ¥10 billion range.



Quantitative Targets

We have formulated and announced our medium- to long-term targets for the fiscal year ending March 31, 2028, and a three-year plan ending March 31, 2025, which is based on the premise of organic growth.

	Fiscal year ended March 31, 2022 Results	Fiscal year ending March 31, 2025 Three-year plan	Fiscal year ended March 31, 2022, to fiscal year ending March 31, 2025 Rate of change	Fiscal year ending March 31, 2028 Medium- to long-term targets	Fiscal year ended March 31, 2022, to fiscal year ending March 31, 2028 Rate of change	
Growth potential	Store numbers	1,720 stores	2,500 stores	(1.5 ×)	5,760 stores	(3.3 ×)
	Marugame Seimen	832 stores	930 stores	(1.1 ×)	1,100 stores	(1.3 ×)
	Overseas Brands	644 stores	1,200 stores	(1.9 ×)	4,000 stores	(6.2 ×)
	Other Brands	244 stores	370 stores	(1.5 ×)	660 stores	(2.7 ×)
	Revenue	¥153.4 billion	¥220.0 billion	(1.4 ×)	¥300.0 billion	(2.0 ×)
	Marugame Seimen	¥92.1 billion	¥110.0 billion	(1.2 ×)	¥130.0 billion	(1.4 ×)
Overseas Brands	¥41.1 billion	¥74.0 billion	(1.8 ×)	¥100.0 billion	(2.4 ×)	
Other Brands	¥20.2 billion	¥36.0 billion	(1.8 ×)	¥70.0 billion	(3.5 ×)	
Profitability	Business profit (consolidated)	¥5.4 billion	¥14.0 billion	(2.6 ×)	Over ¥36.0 billion	(Over 6.6 ×)
	Marugame Seimen	¥10.6 billion	¥12.5 billion	(1.2 ×)	• Business profit margin of at least 12% or more (before adjustments) • Business profit split equally between operations in Japan and overseas	
	Overseas Brands	¥1.4 billion	¥7.0 billion	(3.2 ×)		
	Other Brands	¥0.8 billion	¥3.5 billion	(8.8 ×)		
	Adjustments	-¥7.4 billion	-¥9.0 billion	-		
	Business profit margin (consolidated)	3.5%	6.4%	-	12%	-
	Operating profit	¥14.2 billion * ¥1.4 billion, excluding government subsidies	¥12.0 billion	0.8 × * 8.7 ×, excluding the impact of subsidies in the fiscal year ended March 31, 2022	Approximately ¥30.0 billion	Approximately 2.1 × * 21.8 ×, excluding the impact of subsidies in the fiscal year ended March 31, 2022
	Operating profit margin	9.3% * Exclusions/subsidies: 0.9%	5.5%	-	Approx. 10.0%	-
	Adjusted EBITDA	¥27.4 billion	¥44.0 billion	1.6% ×	-	-
	EBITDA margin	17.8%	20.0%	-	-	-
Net income	¥9.2 billion	¥7.8 billion	(0.8 ×)	¥20.0 billion	(Over 2.2 ×)	
EPS (after adjustment for non-controlling interest)	¥104 per share	¥67 per share	(0.6 ×)	Over ¥200 per share	(Over 1.9 ×)	
Capital efficiency	ROE	17.7%	Over 10.0%	-	Over 12.0%	-
	ROIC	3.2%				
Financial soundness	Debt equity ratio	1.5 ×				
	Debt/EBITDA ratio	3.3 ×				

TORIDOLL's ESG Strategy

TORIDOLL'S ESG Strategy



Material Issue 1 P.39
Bringing Awe-Inspiring Dining Experiences to the World



Material Issue 2 P.43
Working Together with People and Society



Material Issue 3 P.47
Promoting Harmony with the Earth



Material Issue 4 P.50
Establishing Responsible Corporate Management throughout Our Business

ESG Strategy

Companies are continuing to experience rapid, global changes in business conditions. Drivers of these changes include environmental issues such as climate change and social issues such as the COVID-19 pandemic and human rights. Against this backdrop, the TORIDOLL Group conducts global businesses that provide food—an essential part of daily life and activity. Mindful of the inherent responsibilities of our businesses, we actively undertake environmental, social, and governance (ESG) initiatives. To guide these initiatives, we remain abreast of the latest social changes. Moreover, we have established the Basic Policy on Sustainability and identified our ESG materiality.

Basic Policy on Sustainability

To guide the advancement of sustainability initiatives, the TORIDOLL Group has established a basic policy on sustainability.

The TORIDOLL Group's Basic Policy on Sustainability

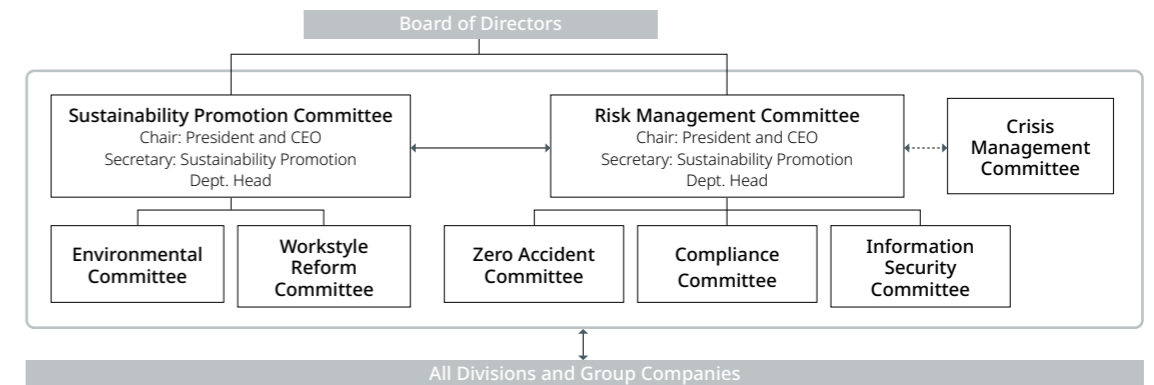
With "Fill Up This Planet with Awe-Inspiring Dining Experiences" as its corporate slogan, the TORIDOLL Group will continue creating new value and excitement and helping to realize a sustainable society by engaging, communicating, and aligning with customers, employees, and all other stakeholders. In advancing initiatives, we will meet the highest ethical standards, demonstrate integrity in the conducting of business activities, think globally, and promote practical activities rooted in local communities.

Governance and the Advancement of Sustainability

The TORIDOLL Group has established the Sustainability Promotion Committee, which is chaired by the president and CEO and comprises directors, executive officers, division managers, presidents of domestic subsidiaries, and general managers of divisions responsible for overseas subsidiaries. The committee functions as a Companywide cross-divisional organization that takes measures in response to a range of management issues, including environmental and social

issues. The committee reviews policies and plans for these measures, coordinates with respective in-house organizations, and analyzes and assesses progress.

Further, directly under the supervision of the president and CEO, we have established the Sustainability Promotion Department, which administers the Risk Management, Workstyle Reform, and Environmental committees and advances Company wide sustainability activities.



Participation in Initiatives

Participation in a range of international initiatives enables the TORIDOLL Group to work in partnership with many different stakeholders. For example, in August 2020 we became a signatory to the United Nations Global Compact (UNGC) and endorsed the compact's 10 principles, which are categorized into the four fields of human rights, labor, the environment, and anti-corruption. We are also a member of Global Compact Network Japan, one of the UNGC's local networks. In addition, we announced our endorsement of the Task Force on Climate-related Financial Disclosures in September 2022 and promote sustainability activities with reference to the ISO 26000 international standard for social responsibility.




ESG-Related Material Issues

The global nature of our businesses means that a broad range of social issues are relevant to us. Therefore, we must prioritize these numerous social issues and then use selection and concentration to heighten the effectiveness of our activities. With this in mind, in March 2022 the TORIDOLL Group identified ESG-related material issues by focusing on issues that are causing society particular concern and that significantly impact the Group. In addition, we will establish key performance indicators (KPIs) to enable employees to take specific steps that address our ESG-related material issues and to enable measurement of the progress of activities.

Further, we will periodically review ESG materiality in light of changes in social conditions.

Bringing Awe-Inspiring Dining Experiences to the World
1



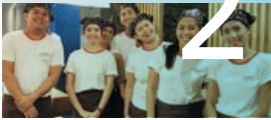
Enriching the lives of people through the joy of eating

Fiscal 2023 KPI

- Establish a network of 1,864 restaurants

SDGs 2.1

Working Together with People and Society
2



Developing human resources

Fiscal 2023 KPIs

- Assign noodle masters to all restaurants (Marugame Seimen)
- Revise training system

SDGs 4.4

Maintaining and creating employment

Fiscal 2023 KPI

- Early resignations as a percentage of all resignations: 70.0% or below for employees and 50.0% or below for partner staff*

Note:
* Employees: Employees resigning from their positions within three years / Employees resigning from their positions
Partner staff: Employees leaving their positions within six months / Employees resigning from their positions

SDGs 8.5


Embracing diversity and building an inspiring work environment

Fiscal 2023 KPIs

- Have women account for 12.0% of managers
- Occupational accidents per million hours worked: <2.0
- Occupational accidents per thousand employees: <2.0

SDGs 5.1, 5.5, 8.5, 8.8

Promoting Harmony with the Earth
3




Promoting a circular economy

Fiscal 2023 KPIs

- Food waste emissions intensity: 170 kg per ¥1.0 million of net sales; Food recycling rate: 30.0%
- Water consumption: 51.4 m³ per ¥1.0 million of net sales
- Introduce certification of environmental management systems to all Marugame Seimen restaurants

SDGs 6.4, 12.5

Establishing Responsible Corporate Management throughout Our Business
4



Managing supply chains

Fiscal 2023 KPI

- Revise in-house standards for CSR-based purchasing

SDGs 8.8

Establishing a risk management system

Fiscal 2023 KPIs

- Acquire ISO 22301 certification
- Revise risk assessment standards

SDGs 13.1

Materiality Identification Process

The TORIDOLL Group identified its ESG materiality and established KPIs by taking the steps described below.



ESG-Related Material Issues

Bringing Awe-Inspiring Dining Experiences to the World

“Bringing Awe-Inspiring Dining Experiences to the World” is our goal. For many people, dining out is the most readily available form of leisure. We believe that our dining experiences satisfy and energize the mind and body. Aiming to bring awe-inspiring dining experiences to even more people, we will further globalize our businesses and expand the availability of meals already loved by customers in a host of countries and regions.

Enriching the Lives of People through the Joy of Eating

Around the world, the TORIDOLL Group conducts businesses under a variety of restaurant brands, each of which provides customers with exciting and engaging dining experiences. We realize these experiences through warm hospitality and the deliciousness of freshly handmade offerings. Our restaurants appeal to not only taste but all five senses. As well as savoring the delicious udon made from flour at each restaurant, customers see steam rising from noodle boilers in the open kitchen, smell the aroma of the coffee beans roasting, and hear tempura sizzling nearby.

Realizing a High Degree of Customer Satisfaction through Handmade Dishes

Unusual for a restaurant operator, we do not use central kitchens to prepare large quantities of food but instead focus on handmade, freshly prepared dishes at most of our brand restaurants. For instance, at Marugame Seimen restaurants much of the preparation, including noodle making, is done on-site. Despite adding complexity to restaurant operations, this approach allows us to train udon chefs and offer customers the tastiness of handmade dishes. Moreover, we provide restaurants with easy-to-understand instructional videos on dish preparation.

Customer Experience (CX: Customer Experience)

Ranked No. **1** (June 2022)

Note: Internet survey conducted by C Space Tokyo. n = 10,327

Focus



The Tam Jai Sam Gor restaurant in Shinjuku

A Taste That Cannot Be Expressed in Japanese: Tam Jai Sam Gor Arrives in Japan

In 2022, Tam Jai, a popular restaurant chain from Hong Kong specializing in *mixian* rice noodles in broth, opened new restaurants in three areas of Tokyo: Shinjuku, Ebisu, and Kichijoji. Completely new dishes with distinctive Hong Kong aromas, flavors, and spiciness—which have earned the chain the MICHELIN Bib Gourmand Award for three consecutive years—are now available in Japan.

Marugame Seimen Kitchen Car Visits Amami Oshima for the First Time



Serving udon noodles in Amami Oshima, and a heartfelt essay

All year round, our kitchen cars travel throughout Japan so that freshly handmade noodles can be enjoyed by customers in regions that do not have a Marugame Seimen restaurant or where visiting the restaurant is difficult. For instance, we received a heartfelt essay from an elementary school student who tasted Marugame Seimen's udon for the first time during a trip to Kagoshima. In response, in March 2022 our kitchen car made its first trip to Amami Oshima, which does not have a Marugame Seimen restaurant.

In fiscal 2022, we provided 4,630 servings of udon at 28 locations, including children's cafeteria, facilities where front-line medical professionals were working during the COVID-19 pandemic, special nursing homes, schools, and municipal authority offices.

Emphasizing Customer Service

We believe that delivering awe-inspiring dining experiences calls for communication with customers and the provision of safe dining environments. In accordance with our Basic Policy on Customer Service, we pay close attention and promptly respond to customer feedback. Also, we put information received by our Customer Service Center into a database, which we use to improve products and services and prevent accidents.

As a measure for active engagement with customers, Marugame Seimen established Udon Classes in July 2021. Through the classes, we work with customers to formulate various campaigns for products and services.

Improving Customer Convenience through Cashless Payment



Introducing cashless payment systems to enhance convenience for customers

In 2018, the Ministry of Economy, Trade and Industry set out its Cashless Vision, which calls for the promotion of cashless payments throughout society. The TORIDOLL Group is supporting cashless payment and introducing self-checkout systems to make payment more efficient and hygienic for customers. In accordance with customer requests, we are constantly exploring a wide variety of payment options, such as transportation e-money, retail e-money, credit cards, and QR codes.

Promoting Coordination between Business Departments and the Customer Service Center

The TORIDOLL Group centrally manages customer opinions and requests at its Customer Service Center, which received feedback from approximately 22,700 customers in fiscal 2022. About 15.0% of this feedback was related to products, 45.0% was in regard to services, and 12.0% concerned hygiene.

Customer comments are promptly shared with the relevant divisions, measures are coordinated among them, and the progress of measures is visualized and managed. Further, information is stored in a database and then analyzed with the aim of realizing improvements across the organization.

Compliments from customers

529 / year

Ensuring Food Safety

As our goal is to provide as many customers as possible with awe-inspiring dining experiences, ensuring the quality and safety of our products and services is a fundamental aspect of our activities. Under the guidance of our Basic Policy on Quality and Food Safety, we rigorously enforce a food safety management system, strengthen management, and provide appropriate information to our customers.

In addition, our food safety training motivates all employees to do their utmost to provide safe, high-quality products and services.

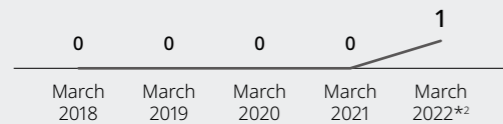
Promotion of Food Safety Management

Hygiene inspections conducted by an external specialist body

Targeting all restaurants open as of October 2021*1

994
restaurants
(In Japan)

Serious Hygiene Accidents (Administrative penalties under the Food Sanitation Act)
(Accidents)



The TORIDOLL Group manages hygiene based on hazard analysis and critical control points, which is an internationally recognized method. To confirm and record hygiene management, we introduced food safety management registers in 2019. In April 2020, we prepared a hygiene management plan and began implementing it at all restaurants. To ensure the enhancement and rigorous implementation of hygiene management, the Food Safety Management Division inspects restaurants and issues directives accordingly. Further, restaurants receive biannual hygiene inspections from an external specialist body that is independent of the Group.

*1 Scope of calculation: Fiscal 2018 through fiscal 2021 is the total of three companies: Marugame Seimen Inc., Nikuno Yamaki Shoten Inc., and Toridoll Japan Corporation. For fiscal 2022, ZUND, Inc. and Active Source Inc. have been included in the calculations.

*2 In fiscal 2022, Active Source Inc. received guidance from the public health department and suspended operations for half a day.

Introducing Digital Technology-Enabled Food Safety



Sending food temperature measurement data to an app



Results are displayed on the app

We will step up food safety initiatives by digitalizing procedures that until now have been performed manually, such as food safety-related visual checks and handwritten entries in food safety management registers. This digitalization initiative will reduce the workload at restaurants and increase operational accuracy by automatically recording freezer and refrigerator temperatures, directly sending measurement data on the internal temperatures of food ingredients, quantifying the deterioration of frying oil, and employing cameras to assist in the performance of a wide range of visual checks. In addition, remote real-time monitoring of operational status will become possible. Moreover, the accumulated monitoring data will enable us to ensure food safety effectively and efficiently.

We plan to introduce the aforementioned digitalization initiative to all Marugame Seimen restaurants by the end of fiscal 2023, after which we will consider digitalizing the restaurants of other operating companies and overseas businesses.

Actively Using the Local Ingredients of Each Country and Region



Using 100% Hokkaido wheat

The TORIDOLL Group emphasizes building relationships of trust with producers and agricultural cooperatives in each region and giving back to the communities. We actively procure local food ingredients if the quality, supply stability, and cost meet our requirements. To give an example of this flexibility, Marugame Seimen restaurants in Japan source wheat and kelp from Hokkaido and *sudachi* citrus fruit from Tokushima Prefecture and use domestically produced rice and daikon radish, while some of restaurants in North America use North American wheat. In these ways, we actively utilize ingredients from other countries and regions. Moreover, such local production for local consumption initiatives help reduce CO₂ emissions generated by ingredient transportation.

Implementing COVID-19 Countermeasures

In response to the COVID-19 pandemic, the TORIDOLL Group is continuing business activities by taking rigorous countermeasures to ensure the safety and health of everyone involved, including customers, local residents, suppliers, employees, restaurant personnel, and their families. Also, as a member of the restaurant industry we are taking a fresh look at safety management, customer needs, and the structure of society, all of which have changed dramatically because of the pandemic. Based on our findings and with a view to fulfilling our responsibilities as part of the food supply infrastructure, we are adopting a flexible approach to operational management.

Following an Infectious Disease Control Plan

As a pandemic countermeasure, the TORIDOLL Group formulated a communicable disease control plan under the supervision of external experts in April 2021. In accordance with the categories set out by this plan, we are organizing and rigorously implementing a range of activities, which include the prevention of droplet and contact infection in restaurants, the prevention of infection among employees and restaurant personnel, and a series of linked measures for those who become ill. Further, we promptly respond to requests for shorter business hours, which vary according to the government and municipal authority, and we acquire certification for our infection prevention measures at restaurants so that customers can visit them with peace of mind. Also, through our restaurants and websites, we ask customers to cooperate with infection prevention measures and provide customers with information on contact reduction methods when purchasing our products.



Request for customer cooperation regarding infection prevention measures on the Marugame Seimen website
https://jp.marugame.com/en/safety_information/

Making Purchasing Safer by Enhancing Take-out Services



22 million Marugame Udon Bento sold as of June 2022



Use of paper take-out boxes at Kona's Coffee

To counteract COVID-19 and meet new customer needs, the TORIDOLL Group is enhancing its take-out services. We are making ordering take-out meals easier and even more appealing by offering a service that allows customers to use smartphones to place orders in advance to avoid standing in line when purchasing items, as well as remodeling restaurants so that ordering *bento* boxes is more convenient and expanding the seasonal *bento* box menu.



A dedicated take-out window at one of our restaurants

Column



Takeshi Ito
Advision
Incorporated Foundation
TOKYO KENBIKYO-IN

Opinion from an External Expert The TORIDOLL Group's COVID-19 Countermeasures

Guidelines were issued by the government and the Japan Food Service Association in efforts to combat the spread of the COVID-19 pandemic. As the pandemic was not showing any signs of subsiding, however the TORIDOLL Group sought to meet its corporate responsibility by revising in-house guidelines and preparing a communicable disease control plan for COVID-19 in 2021. Aimed at facilitating business continuity, the guidelines feature a detailed checklist that encompasses restaurant hygiene and the prevention of infection among employees and customers. I hope that the Group coordinates with municipal authorities and utilizes the plan when implementing new COVID-19 countermeasures.

ESG-Related Material Issues

Working Together with People and Society

As the businesses of the TORIDOLL Group globalize, its network of relationships with people continues to grow. For this reason, we engage in dialogue with stakeholders and advance initiatives that take people and society into consideration. Our goal is to realize a sustainable society in which everyone can work and live together for many years to come, regardless of differences in culture, customs, languages, and nationality.

Developing Human Resources

As human resources are the source of our progress, we want all of our personnel to have a sense of ownership, enjoy growth, and achieve self-fulfillment. With this in mind, we are further developing online manuals and instruction for use in our restaurants and preparing and enhancing training programs. Also, we have established systems that motivate employees to improve their skill sets, such as regular one-on-one meetings with superiors and an in-house recruitment system that allows employees to choose their career paths. Going forward, we plan to revise our systematic training programs to reflect changes in social conditions.

Launching the *Chiiki No. 1* (the best shop in the region) Office

As a group committed to the provision of exciting and engaging dining experiences, we want to be the best-loved restaurant in each community. With our sights set on this objective, in April 2022 we launched the the *Chiiki No. 1* (the best shop in the region) Office, which is tasked with motivating all restaurant personnel to further improve products and services. With an initial focus on Marugame Seimen, the office is taking the lead in organizational initiatives, such as shifting to a system that allows restaurant managers more time for training by assigning one manager to each restaurant. In addition, in fiscal 2023 the office will redefine the roles of restaurant personnel and restructure training programs and career paths. By improving working environments and creating conditions that enable self-realization, the aforementioned measures will maintain and enhance employees' appetite for work.



The president of Marugame Seimen Inc. Hiroshi Yamaguchi, after presenting a commendation to restaurant personnel

Operating a Values-Based Human Resource System

Established as indicators of employee self-realization, Toridoll-er's Values are used as the basis for hiring and evaluating personnel. The values are represented by the five attitudes and behaviors below.

- (1) Act based on the customer's point of view and pay close attention to quality in everything**
- (2) Constantly seek growth, take risks, and continue to take on challenges**
- (3) Own outcomes as the person in charge and act accordingly**
- (4) Respect others and accept differences**
- (5) View matters flexibly**

Based on the aforementioned values, detailed roles are defined for each position and employee rank, and each employee develops their own career plan. In this way, we not only manage short-term results but also progress toward long-term growth.

Creating Workplaces Conducive to Job Satisfaction and Respect for Diversity

We want our employees to realize their own individual potential while understanding and respecting the diversity of their coworkers. We believe that such employees will help in creating new ideas and value, and in developing a flexible, resilient group that adapts to changing business conditions. In accordance with its Fundamental Policy on Promoting Diversity, the TORIDOLL Group creates environments in which everyone works with an awareness of and takes pride in being a TORIDOLL employee. Reflecting this policy, we are advancing a wide range of initiatives, including the establishment of various systems and contact points for LGBTQ+ (lesbian, gay, bisexual, transgender, queer or questioning, and others) employees.

Advancing Initiatives through the WorkStyle Reform Committee



A head office environment that heightens employee creativity

We have implemented an array of workstyle reform initiatives, including the establishment of a system for granting paid vacations in a planned manner, the creation of a head office environment that heightens employee creativity, and the introduction to the company cafeteria of a menu that piques interest in cuisine through the inclusion of international and vegetarian dishes. Established in 2019, chaired by an executive officer and comprising personnel from multiple departments, the WorkStyle Reform Committee is moving forward with initiatives aimed at further reforming workstyles, addressing labor-related issues, and creating high added value within finite working hours.

Realizing Inclusion at Special Subsidiary, TORIDOLL D&I

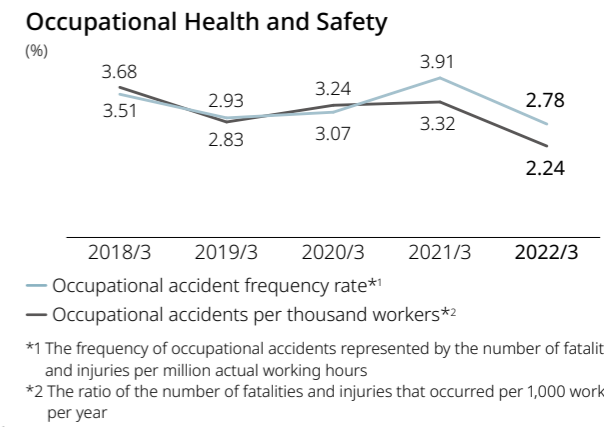
To promote the employment of people with disabilities, we have established TORIDOLL D&I as a special subsidiary. The subsidiary's more than 130 personnel primarily clean restaurants and support administrative work. Operating its own evaluation system and management trainee promotion system, TORIDOLL D&I creates workplace environments where everyone feels motivated. As a new value creation activity, the subsidiary's personnel have begun repairing udon barrels used at Marugame Seimen restaurants and preparing the kits used in udon-making classes. In addition, people with disabilities account for at least 2.3% of the TORIDOLL Group's employees as of fiscal 2022.



Repairing a vat for udon noodles

Increasing Levels of Occupational Health and Safety

Initiatives that ensure the health and safety of employees are of fundamental importance to us. Pursuant to the TORIDOLL Group's Basic Policy on Safety and Health, the Safety and Health Committee takes the lead in rigorously implementing and strengthening the occupational safety and health management system. The committee is pursuing an extensive range of improvements, including changes in work methods, uniforms, the shape of safety shoes, materials, and kitchen equipment, the posting of hazard maps in restaurants, and the reduction of working hours. In addition, we have prepared Guidelines to Prevent Dangerous Work and a Manual for Dangerous Appliances, and every six months employees receive training on safe work procedures.



Maintaining and Creating Employment

As of June 2022, the TORIDOLL Group has a network of over 1,700 restaurants in 30 countries and regions, which comprises more than 1,000 restaurants in Japan and over 600 restaurants overseas. Including restaurant personnel, the Group has a worldwide workforce of 12,851 personnel, 4,475 of whom are full-time employees, as of March 2022.

In addition, we create employment in regions and revitalize local communities by hiring personnel regardless of nationality and actively undertaking local recruitment.

Hiring Efficiently through Our Recruitment Center



A web page recruiting partner staff

In Japan, the TORIDOLL Group efficiently hires the best people and assigns them to the most appropriate restaurant positions through a head office-based recruitment center that centrally manages initial recruiting through to the receipt of applications. Further, the center supports a one-stop hiring system, which enables us to process applicants regardless of location and time, significantly lighten the workload associated with the on-site management of restaurant operations, avoid risks such as information leaks, and accelerate plan-do-check-act (PDCA) cycles in hiring activities.

Presenting Long-Service Awards

As an expression of gratitude to all long-serving personnel, the TORIDOLL Group gives commendations to employees and partner staff who have worked for the Group continuously for more than 10, 15, 20, 25, and 30 years. In fiscal 2022, we presented incentive payments, certificates of appreciation, and commemorative gifts to 527 employees. Despite being held online, the presentation ceremony provided an opportunity for longtime employees to become acquainted with one another.



The fiscal 2020 award ceremony

Respecting Human Rights



A sticker providing employees with information on various consultation services

Respect for human rights is fundamental to all of our business activities. In accordance with guiding principles on business and human rights, respect for human rights is an important part of the TORIDOLL Code of Conduct, which we rigorously ensure all employees understand. In addition, we have set up and informed all employees about a contact point that enables them to consult with external professionals on mental and physical health matters free of charge. Also, we hold seminars that help employees maintain their health.

Benefiting Local Communities

As we grow our businesses by developing new business formats, opening new restaurants, and expanding overseas, our engagement with and effect on local communities continue to increase. To earn the trust of local communities and greater society and to meet our responsibilities as a good corporate citizen, we address social issues and participate in a variety of initiatives.

The main areas of focus of our initiatives are local communities, the next generation, social welfare, culture and sports, and disaster relief. While the Creating Shared Value Section manages and promotes initiatives, head office and restaurant employees can also take volunteer leave to participate in initiatives.

Concluding a Regional Revitalization Agreement with Marugame

The city of Marugame in Kagawa Prefecture, which is the home of Sanuki udon, is a special place for the TORIDOLL Group, as it was founded with the aim of popularizing freshly handmade Sanuki udon. Consequently, we have provided various types of support to the city, including assistance with the reconstruction of the stone walls of Marugame Castle and the use of Marugame Seimen's roadside restaurants to display posters promoting tourism in Marugame. Since 2011, Takaya Awata, the president and CEO of TORIDOLL Holdings, has served as Marugame's ambassador for culture and tourism.

To further strengthen our bond with the city, in April 2022 we concluded an agreement with Marugame on comprehensive cooperation for regional revitalization that is focused on regional development through co-creation. While working closely with and reflecting the priorities of local residents, we will help invigorate Marugame by advancing initiatives in nine areas, such as industry, tourism, art and culture, childcare support, and the revitalization of remote islands.



The announcement of an agreement with Marugame on comprehensive cooperation for regional revitalization

Supporting Shikoku's Independent Professional Baseball League



A kitchen car serving freshly made udon at a baseball stadium

In fiscal 2020, the TORIDOLL Group formed a partnership with the independent professional baseball league, Shikoku Island League Plus. Since then, we have supported the league with the aim of using baseball to revitalize the region and to "make Shikoku an island full of ambition and fun." To inspire players and heighten the enjoyment of baseball games, we actively support culture and sports by offering the TORIDOLL Cup Championship and the TORIDOLL Newcomer Award and by sending food trucks that provide freshly made udon to baseball stadiums.

Nurturing the Next Generation through Nutrition Education Activities



A Marugame Udon Workshop

We are proactively involved in nutrition education activities that teach children about the joy, importance, and preciousness of food. We provide many children and their families with the opportunity to try making udon by hand through organizing the Marugame Udon Workshop and conducting classes at schools and other venues in not only Japan but also Cambodia. In fiscal 2023, 46 families took part in the workshop and classes, which were held online due to the COVID-19 pandemic.

The TORIDOLL Group will continue nutrition education activities that support the healthy growth of children.

ESG-Related Material Issues

Promoting Harmony with the Earth

As a food company, the Toridoll Group is deeply appreciative of the global environment and natural resources and realizes their importance. However, like other private sector companies, we are aware of the burden placed on the environment through our business activities. Meanwhile, environmental issues such as climate change are becoming more serious every year and are having a significant impact on the environment and society as well as on the business activities of companies. The Toridoll Group thus considers addressing environmental issues as an important management challenge. To this end, the Company has set environmental management targets and is actively working to address and resolve such issues in its business activities.

Responding to Climate Change

Climate change and other factors are increasing the frequency of extreme weather events around the world and affecting ecosystems. As well as addressing the risks posed by climate change, the TORIDOLL Group will continue reducing its CO₂ emissions to help curb the temperature increase to less than 1.5°C. Further, in September 2022, we announced our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*. With the aim of reaching our environmental management goals, we will continue measures to mitigate and adapt to climate change.

* Details on our TCFD-related measures <http://www.toridoll.com/csr/environment/emission.html>

Introducing Noodle Boilers that Use Over 30% Less Energy



Using energy-saving kama pots

We are actively taking steps to reduce energy use by introducing energy-saving equipment and renewable energy to restaurants, and by participating in collaborative decarbonization initiatives with business partners in value chains and other stakeholders. For example, Marugame Seimen Inc. has jointly developed an energy-saving noodle boiler with Chubu Electric Power Co., Inc., and Nichiwa Electric Corporation. The noodle boiler uses 31.3% less electricity and 47.6% less hot water than a conventional noodle boiler. We are increasing the use of the new noodle boilers by installing them as standard equipment when opening or remodeling restaurants.

Developing Zero-Energy Restaurants

We are developing zero-energy building (ZEB) restaurants, which use solar power generation and other natural

energy sources to offset all energy consumed by restaurants. In the food service industry, there are very few examples of ZEB restaurants. Nonetheless, we are working with business partners to find solutions to each issue.

Promoting a Circular Economy

As well as helping to realize a recycling-based society that does not deplete limited resources, we actively use renewable resources. The TORIDOLL Group has set environmental management goals based on numerical targets for reductions in food waste emissions, food recycling percentages, and water consumption, and the Group is moving forward with these initiatives as a priority.

Other initiatives include efforts to eliminate plastic. We aim to reduce plastic usage by approximately 3.2 tons per year by switching to forks, knives, spoons, and other cutlery for take-out and home delivery made from bioplastics and by limiting the varieties of cutlery used.

Reducing Boiled Noodle Waste through Digital Technology-Enabled Management



The accumulation and analysis of digital data on the number of customers in a restaurant

In day-to-day operations, we are introducing innovations to reduce waste and food loss. For example, the volume of food prepared and cooked at each Marugame Seimen restaurant is adjusted according to customer numbers, an approach that not only enables us to provide freshly handmade products but also helps reduce food loss. Moreover, we are upgrading this approach by accumulating and analyzing digital data on the number of customers in each restaurant. Through the use of digital technologies to predict more accurately when udon should be boiled, we avoid the preparation of overly large quantities of noodles. As of April 2022, this initiative to reduce food loss arising from surplus boiled noodles has been introduced at approximately 860 Marugame Seimen restaurants.



Recycling of Food Waste in Collaboration with Other Companies

For many years, the TORIDOLL Group has been collaborating with five restaurant operators mainly based in Aichi Prefecture to build a food waste recycling loop by collecting and converting food waste into "eco-feed" and then buying back some of the eggs produced by the chickens raised on the feed. In collaboration with Matsuya, we have begun an experiment to turn udon crumbs from 12 stores in Saitama Prefecture into feed for pigs. Marugame Seimen's udon is made from simple ingredients, such as domestic wheat, salt, and water, and therefore can be easily processed into liquid feed for pigs. We will continue reducing food loss by increasing the number of restaurants participating in food waste recycling.



Pigs raised on liquid feed

Introducing Oil Flake Squeezers That Reduce the Weight of Waste by One-Quarter

Aiming to make effective use of natural resources and reduce waste, we are introducing to certain restaurants "oil flake squeezers," which extract oil from the crunchy scraps of batter produced when cooking tempura. On average, these devices enable the extraction of between three liters and five liters of reusable oil per day from scraps of fried tempura batter and reduce the weight of the waste fried batter by approximately one-quarter.



Using an "oil flake squeezer"

Reducing Water Consumption

The year-on-year benefits of installing various water-saving devices are approximately equivalent to

¥248 million or
500,000 m³ of water (In Japan).

Given the large amounts of water that we use for cooking, we are developing cooking equipment and training employees with the aim of using water resources more sustainably. For each type of kitchen faucet, we are installing suitable water-saving devices, thereby improving the functionality of equipment and reducing water consumption. At some restaurants in shopping malls, we prewash dishes by reusing water from chillers, which produce water for cooling udon.

Incorporating Sustainable Practices Groupwide

To achieve sustainability both for society and as a corporate group, the TORIDOLL Group must ensure that all employees deepen their understanding of sustainability, develop a sense of ownership with respect to sustainability, and incorporate sustainability into their daily work. With these requirements in mind, we conduct in-house awareness-raising activities on a variety of sustainability-related topics. Our efforts include seminars and study sessions for all employees, real-time distribution of information on industry-government-academia collaborative initiatives, the displaying of posters, and the dissemination of information through LINE, a popular social networking service app in Japan.

Globally Participating in Earth Hour through a Food Service Industry Collaboration



Switching off exterior lights at all 19 of our restaurants in Philippines

World Wide Fund for Nature Inc., an environmental non-governmental organization, uses the Earth Hour campaign to raise the awareness of environmental conservation by encouraging people to turn off lights at the same time of the same day around the world. We endorse this campaign, and in March 2022, more than 100 of our brand restaurants in Japan and overseas participated in Earth Hour. Also, we displayed posters in restaurants to promote understanding of the project among employees and customers. Further, a food service industry collaboration led to participation in the campaign by more than 600 restaurants representing eight companies and 15 brands.

Incorporating Sustainable Practices via a LINE Official Account

Exposure to sustainability-related information on a daily basis heightens employee endorsement and is an important way of establishing sustainable practices throughout the Group. For this reason, we operate TORIDOLL FRIENDS, a LINE official account available to all employees. As well as showcasing good practices at our restaurants in relation to products and services, this account provides information on a variety of topics, such as diversity, equity, and inclusion, the environment, and social contributions. As of August 2022, the account has approximately 3,000 registered members, who receive updates roughly five days a week.



Our LINE official account TORIDOLL FRIENDS, which is used to disseminate information on the environment and social contributions

ESG-Related Material Issues

Establishing Responsible Corporate Management throughout Our Businesses

If it is to realize exciting and engaging dining experiences, people-focused business activities, environmental and social initiatives, and sustainable social and corporate development, the TORIDOLL Group must conduct core activities that underpin all such objectives, adapt to changes in society, and be flexible and resilient. Accordingly, to strengthen our foundations for growth, we are building capabilities for supply chain management and risk management while advancing digital transformation.

Focusing on Integrity in Supply Chain Management

The Group operates in various countries and regions around the world and has an extensive supply chain of approximately 130 companies in Japan that provides food ingredients and materials. Adhering to our Basic Policy on Procurement, we ensure quality and supply stability, and conduct purchasing based on consideration for the sustainability of natural resources and social issues such as human rights.

Further, we seek coexistence and co-prosperity through active communication and collaboration with food ingredient producers and other suppliers.

Communicating with Producers



The in-house sale of JA ZEN-NOH Tokushima's vegetables and bento boxes at TORIDOLL Holdings

We build relationships of trust with suppliers through regular exchanges of information and study sessions. As a result of the deepening of such exchanges due to our sourcing of food ingredients, we concluded comprehensive cooperation agreements with Biei in Hokkaido and Biei Agricultural Cooperative Association in June 2021 as well as with Tokushima Prefecture, JA ZEN-NOH Tokushima, and the Tokushima Brand Promotion Organization in July 2021. Biei town produces high-quality wheat, while Tokushima's specialty is sudachi citrus fruit. We believe that working with producers to overcome issues and strengthen partnerships in diverse fields will lead to the creation of sustainable local communities.



Pursuing Joint Development with Suppliers

The TORIDOLL Group works with suppliers to develop products designed to help address various issues arising from social changes. We are actively engaged in a wide range of joint activities. For example, with the aim of enhancing customer health without sacrificing deliciousness, we are

developing low-salt products in cooperation with manufacturers. Also, we are reducing supply risks by blending different types of ingredients with ones that in certain circumstances can become difficult to procure. Further, when developing new Marugame Seimen uniforms in fiscal 2023, we plan to use the SDGs as a guide and address multiple tasks, including the use of dyes that do not contain designated chemical substances and the recycling of waste materials.

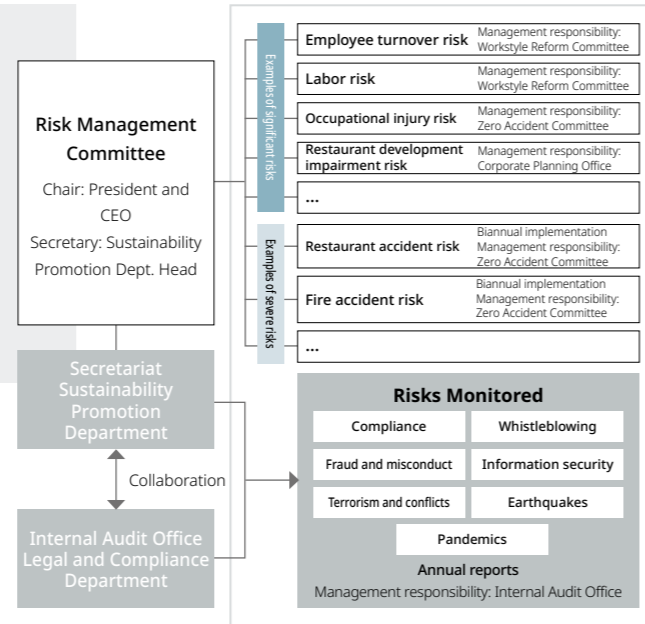
Developing Our Risk Management System

Amid the increasing uncertainty and complexity of the business environment faced by companies, the TORIDOLL Group minimizes potential human, social, and economic losses in the event of an emergency by identifying various risks associated with the business objectives of each in-house organization in advance and then implementing improvements and countermeasures accordingly.

Based on in-house Risk Management Provisions, the Risk Management Committee leads the ongoing development of a management system that centrally controls the Group's risks.

Advancing Initiatives through the Risk Management Committee

Chaired by the president and CEO and comprising executive directors, outside directors, and division general managers, the Risk Management Committee comprehensively identifies and evaluates risks related to business execution, determines particularly significant risks, and plans priority measures to counter such risks. These plans are then implemented by the relevant committees and divisions, and the Risk Management Committee checks the progress of measures at quarterly meetings.



Developing a Business Continuity Plan

To improve the business continuity capabilities of each business and restaurant in the event of a pandemic or a natural disaster, such as a large-scale earthquake, storm, or flood damage, the TORIDOLL Group has established a business continuity plan that reflects the opinions of external experts and is strengthening the Group's capabilities accordingly. In addition, we regularly conduct drills to simulate the implementation of the plan's countermeasures, check their effectiveness, and improve them as required.

Going forward, we will work toward acquiring the ISO 22301 certification for our business continuity management system.



Business continuity plan operation training

Strengthening Information Security

We hold the personal and confidential business information of customers, employees, and business partners. Also, cloud computing-enabled information systems are used in our restaurant and ingredient procurement operations. Therefore, preventing the leakage, falsification, or damage of such information or the shutdown of information systems due to terminal equipment failure, software malfunction, or cyberattacks is necessary.

To reduce the aforementioned risks, the TORIDOLL Group has built an information security management system as well as a personal information management system and established information security regulations. Moreover, we monitor security and provide thorough employee training. We are also strengthening these systems and measures by working toward the acquisition of ISO 27001 and ISO 27701 certification for our information security and personal information management systems.

In addition, we have introduced zero trust security to protect our information assets from sophisticated cyberattacks.

Promoting Digital Transformation

To allow restaurant personnel to focus on creating exciting and engaging dining experiences, we are building business platforms optimized through the use of digital technologies and data. Realized through the combined use of software as a service, device as a service, and business process outsourcing, these business platforms enable us to flexibly adapt to changes in the scale of businesses.

Reducing Restaurant Workloads through AI-Enabled Demand Forecasting

The TORIDOLL Group has introduced an AI-enabled demand forecasting system that predicts customer numbers and sales by day and time of day for each restaurant. Based on these forecasts, the system automatically generates work schedules to determine restaurant personnel assignments and calculates the quantities of each ingredient to be ordered and prepared, thereby allowing restaurant personnel to focus on customer service, cooking, cleaning, and other tasks that provide value to customers.



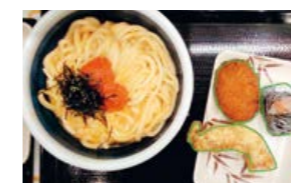
An automatically generated work schedule

Introducing an Attendance Management System Based on Facial Recognition

Vein authentication is already used to record when employees clock in and out and take breaks. In April 2023, we will begin introducing facial recognition-based attendance management systems to certain operating companies in Japan.

In comparison with conventional systems, facial recognition allows employees to clock in and out more conveniently as it is more accurate and significantly reduces the time required for authentication. Moreover, clocking in and out with the new system is contactless, which will further enhance food hygiene and occupational safety.

Testing AI-Enabled Automated Cash Register Entry



A demonstration trial aimed at using image recognition AI to automate the entry of product information into cash registers

At Marugame Seimen restaurants, personnel check the items on customers' trays and then enter the details into a point-of-sale cash register. However, instantly identifying the items and inputting the correct information into a cash register calls for a certain level of skill and experience.

To reduce the burden on inexperienced and non-Japanese personnel who are in charge of the cash registers, in January 2022, we began a proof-of-concept trial of image recognition AI that automates the entry of product information into cash registers.

At present, we are teaching the AI system by using numerous images of tempura, udon, and other products taken by cameras already installed in actual restaurants, and we plan to begin practical application of the system in fiscal 2024.

Corporate Governance

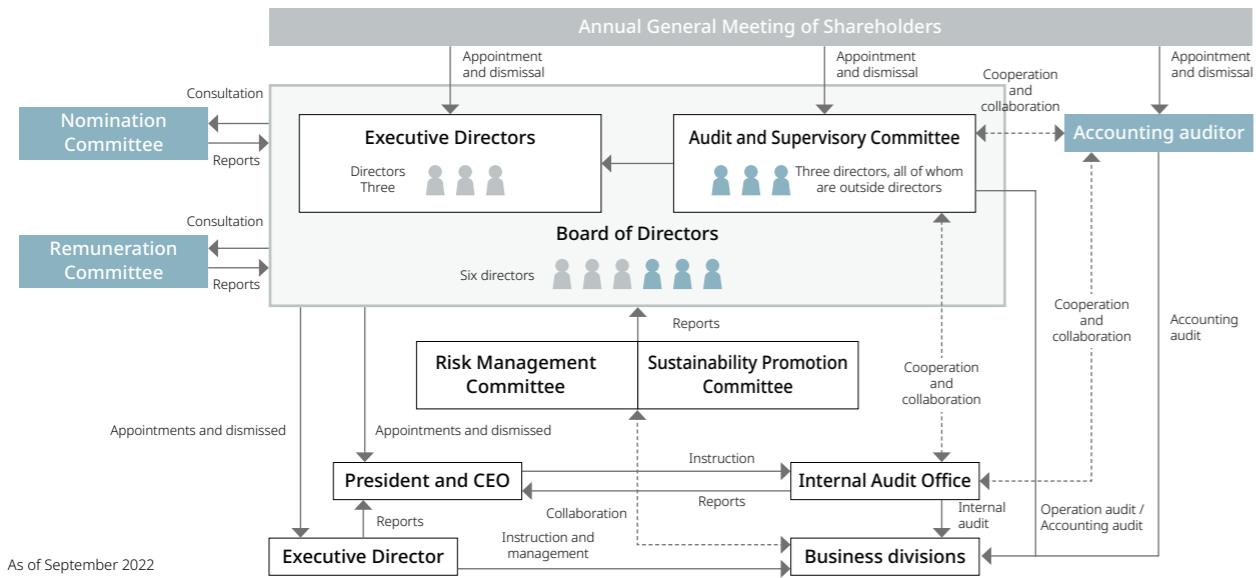
In 2015, TORIDOLL Holdings transitioned to a company with an audit and supervisory committee to accelerate decision-making and increase transparency as well as strengthen its audit and supervisory functions. The Company has since continued to reinforce its structure through measures such as establishing voluntary committees, and it is working to further reinforce corporate governance.

Basic Approach

The policy of TORIDOLL Holdings is to demonstrate agility through prompt decision-making and maintain the speed, soundness, and transparency of its business expansion activities. With this in mind, the Company is developing the management structure and systems necessary to realize this policy.

In addition, in 2015, TORIDOLL Holdings transitioned to a company with an audit and supervisory committee. Each

Audit and Supervisory Committee member attends Board of Directors' meetings and, when making management decisions, speaks from the standpoint of closely observing the soundness of management, provides necessary advice, exercises voting rights, and shares information at the Audit and Supervisory Committee meetings that are held concurrently.



Furthermore, we strive to disclose information in a prompt manner in an effort to achieve management that is highly transparent to our stakeholders.

To strengthen its governance structure from the perspective of enhancing corporate value over the medium to long term, the Company has adopted a small Board of Directors (as of June 2022), consisting of three inside directors and three outside directors—a total of six—which enables agile decision-making. In addition, to appropriately supervise the execution of business operations, we have elected three independent outside directors (including one female director),

all of whom are certified public accountants or lawyers and have been appointed as members of the Audit and Supervisory Committee to bolster our auditing framework.

Moreover, the Company has established a voluntary committee led by outside directors to uphold the validity and transparency of the election and remuneration of directors.

In addition, we have established Risk Management and Sustainability Promotion committees, consisting of members who include all directors as well as executives at the level of division manager or above, to address Companywide issues.

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

The roles and meeting attendance status of the Board of Directors and key committees in the fiscal year ended March 31, 2022, are as follows.

	Role	Meetings held in the fiscal year ended March 31, 2022
Board of Directors	Comprising directors entrusted by shareholders with the management of the Company, the Board of Directors makes decisions on important corporate matters in accordance with laws, regulations, and the Articles of Incorporation.	19
Audit and Supervisory Committee	Consisting of Audit and Supervisory Committee members appointed by shareholders to audit and oversee the management of the Company, the Audit and Supervisory Committee audits and oversees the execution of duties by directors.	14
Nomination Committee	Comprising mainly outside directors, the Nomination Committee deliberates on the selection and dismissal of directors (including Audit and Supervisory Committee members) and executive officers, and reports to the Board of Directors and the Audit and Supervisory Committee.	4

	Role	Meetings held in the fiscal year ended March 31, 2022
Remuneration Committee	Consisting mainly of outside directors, the Remuneration Committee deliberates on the remuneration of directors (including Audit and Supervisory Committee members) and executive officers and reports the outcome to the Board of Directors and the Audit and Supervisory Committee.	6
Risk Management Committee	The Risk Management Committee was established under the Board of Directors to deliberate on and approve issues and countermeasures related to the promotion of Companywide risk management.	4
Sustainability Promotion Committee	The Sustainability Promotion Committee was established under the Board of Directors to deliberate on and approve issues and measures related to the promotion of sustainability throughout the Company.	2*

* The Sustainability Promotion Committee meets four times a year, but as the committee was established in September 2021, only two meetings were held in fiscal 2022.

Meeting Attendance

Meeting attendance for the fiscal year ended March 31, 2022, is as follows.

◎: Chairperson ○: Constituent or committee member

		Board of Directors	Audit and Supervisory Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	Sustainability Promotion Committee
Takaya Awata	President and CEO	Attended 19 out of 19 meetings				Attended 4 out of 4 meetings	Attended 2 out of 2 meetings
Takashi Sugiyama	Executive Vice President, Chief Operating Officer, General Manager of International Business Division	Attended 15 out of 15 meetings Appointed as director in June 2021				Attended 3 out of 4 meetings	Attended 2 out of 2 meetings
Masatoshi Kamihara	Director, Chief Supply Chain Officer, General Manager of Supply Chain Management Division	Attended 19 out of 19 meetings				Attended 4 out of 4 meetings	Attended 2 out of 2 meetings
Toshiyasu Umeki	Director (Audit and Supervisory Committee Member)	Attended 19 out of 19 meetings	Attended 14 out of 14 meetings	Attended 4 out of 4 meetings	Attended 6 out of 6 meetings	Attended 4 out of 4 meetings	Attended 2 out of 2 meetings
Hiroaki Umeda	Director (Audit and Supervisory Committee Member)	Attended 19 out of 19 meetings	Attended 14 out of 14 meetings	Attended 4 out of 4 meetings	Attended 6 out of 6 meetings	Attended 4 out of 4 meetings	Attended 2 out of 2 meetings
Maki Kataoka	Director (Audit and Supervisory Committee Member)	Attended 19 out of 19 meetings	Attended 14 out of 14 meetings	Attended 4 out of 4 meetings	Attended 6 out of 6 meetings	Attended 4 out of 4 meetings	Attended 2 out of 2 meetings
Yasunori Isomura	Executive Director, Chief Information Officer, Chief Technology Officer, Head of BT					Attended 3 out of 4 meetings	Attended 2 out of 2 meetings
Atsushi Kusano	Executive Director, Chief Food Safety Officer, General Manager of Food Safety Management Department					Attended 4 out of 4 meetings	Attended 2 out of 2 meetings
Satoshi Yamaguchi	Executive Director, Chief Financial Officer, Head of Finance Division and Finance Department					Attended 4 out of 4 meetings	Attended 2 out of 2 meetings
Kouji Hayashi	Director, Chief Store Development Officer, Development and Construction Division					Attended 4 out of 4 meetings	Attended 2 out of 2 meetings
Katsuaki Nagumo	Director, Chief Marketing Officer, Head of Marketing Division					Attended 4 out of 4 meetings	Attended 2 out of 2 meetings

Skills Matrix of the Toridoll Board of Directors and Executive Officers

Our directors and executive officers have expertise and experience in the following areas.

	Position	Business administration	Global experience	Accounting and finance	Corporate finance M&A	Legal and compliance	ESG	Food business	Marketing Store and facility development	Product quality control	Digital transformation (DX) innovation	Digital technologies, ICT
Takaya Awata	President and CEO	●					●	●			●	
Takashi Sugiyama	Executive Vice President	●	●	●	●	●			●		●	●
Masatoshi Kamihara	Director	●	●				●	●		●		
Toshiyasu Umeki	Outside Director (Audit and Supervisory Committee Member)			●	●		●					
Hiroaki Umeda	Outside Director (Audit and Supervisory Committee Member)			●	●		●					
Maki Kataoka	Outside Director (Audit and Supervisory Committee Member)				●	●	●					

	Position	Business administration	Global experience	Accounting and finance	Corporate finance M&A	Legal and compliance	ESG	Food business	Marketing Store and facility development	Product quality control	Digital transformation (DX) Innovation	Digital technologies, ICT
Yasunori Isomura	Executive Director	●			●						●	●
Atsushi Kusano	Executive Director		●				●	●		●		
Satoshi Yamaguchi	Executive Director		●	●	●		●					
Kouji Hayashi	Director		●				●	●	●			
Katsuaki Nagumo	Director	●						●	●		●	

Note: The above skills matrix does not provide an exhaustive list of all the expertise and experience of each individual.

Evaluation of the Effectiveness of the Board of Directors

Following the extraordinary meeting of the Board of Directors held on June 29, 2022, the Company evaluated the effectiveness of the Board of Directors as a whole for approximately one hour, with all six directors present.

On the day of the evaluation, we reviewed and assessed issues related to the effectiveness of the Company's Board of Directors based on the results obtained from individual interviews conducted in advance with all seven directors (including one director who stepped down with the conclusion of the Annual General Meeting of Shareholders held on June 29, 2022). As a result, we concluded that the Board of Directors continues to be oriented toward its function as a management board that makes decisions on important matters, and that this function is being fulfilled sufficiently.

Furthermore, we concluded that the Company's outside directors play a role in ensuring the transparency of the decision-making process, and that this function is currently being fulfilled to a sufficient degree.

At the same time, the Company observed the following issues, and further improvements will be made to address these issues going forward.

- The roles of executive directors should be clarified and their authority further delegated, and the Board of Directors should concentrate on discussing management and business strategies, inviting outside directors with management experience to participate.
- The Board of Directors should regularly review the effectiveness of investments.

Evaluation by category

Positioning of the Board of Directors	<ul style="list-style-type: none"> • At present, the Board of Directors continues to be oriented toward its function as a management board that makes decisions on important matters, and that this function is being fulfilled sufficiently. • The evaluation will be conducted annually with a view to shifting to a monitoring board system.
Role of outside directors	<ul style="list-style-type: none"> • Outside directors are expected to ensure the transparency of decision-making of the management board, and they are sufficiently fulfilling their role in this function. • Outside directors are expected to be involved in decisions on director nomination and remuneration, and they are sufficiently fulfilling their role in this function.
Review of agenda items and improvement of operations	<ul style="list-style-type: none"> • The roles of executive directors should be clarified and their authority further delegated, so that they can focus on discussing management and business strategies. • Opportunities for regular monitoring should be provided for investments above a certain threshold.
Other	<ul style="list-style-type: none"> • In terms of the composition of the Board of Directors, securing outside directors with management experience is a subject of concern. • It is necessary to continue conducting regular training for directors.

Appointment of Directors

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

Upon deliberating whether each candidate meets the selection criteria established by the Board of Directors, the

Nomination Committee determines the content of its findings to ensure that the Board of Directors has an adequate balance of knowledge, experience, and ability to effectively fulfill its roles and responsibilities, is composed in a manner that promotes diversity, and is an appropriate size.

The reasons for appointing the three outside directors are as follows.

	Reasons for appointment
Toshiyasu Umeki	Mr. Toshiyasu Umeki has been appointed as an outside director because he can provide accurate advice based on his expertise as a certified public accountant, in addition to his familiarity with the Company's internal operations due to his previous position as an advisor to the Company. He is designated as an independent director because he has no vested interest in the Company, can oversee the Company from an independent standpoint, and presents no risk of a conflict of interest with general shareholders.
Hiroaki Umeda	Mr. Hiroaki Umeda has been appointed as an outside director because he can provide accurate advice based on his expertise as a certified public accountant, in addition to his familiarity with the Company's internal operations due to his previous position as an advisor to the Company. He is designated as an independent director because he has no vested interest in the Company, can oversee the Company from an independent standpoint, and presents no risk of a conflict of interest with general shareholders.
Maki Kataoka	Ms. Maki Kataoka has been appointed as an outside director because she can provide accurate advice based on her professional expertise as a lawyer and is therefore deemed to be qualified for the position. She is designated as an independent director because she has no vested interest in the Company, can oversee the Company from an independent standpoint, and presents no risk of a conflict of interest with general shareholders.

Director Remuneration

Remuneration for directors, excluding members of the Audit and Supervisory Committee, is determined based on an overall assessment of their contributions to the Company's performance and the enhancement of corporate value. Since 2017, we have increased the percentage of remuneration linked to medium- to long-term performance and the percentage of remuneration in the form of the Company's own stock. In order to provide eligible directors with incentives to sustainably enhance the Group's corporate value and promote value sharing with shareholders, we have introduced a new remuneration system consisting of the following.

- **Basic remuneration**
- **Short-term incentive remuneration (linked to business performance)**

• Long-term incentive remuneration (restricted stock and stock options)

In addition, the Company has established a voluntary Remuneration Committee, of which all independent outside directors are members and constitute a majority. It is the Company's policy to consult with the Remuneration Committee in determining the remuneration of directors (including those who are members of the Audit and Supervisory Committee).

In deliberations by the Remuneration Committee, the Company ensures objectivity in the level of directors' remuneration by obtaining advice based on executive remuneration survey data from an external specialist organization.

(Fiscal 2022)

Position	Total remuneration (Millions of yen)	Total remuneration by type (Millions of yen)			Number of eligible directors
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (excluding Audit and Supervisory Committee members) (of which received by outside directors)	139 (—)	119 (—)	8 (—)	12 (—)	4 (0)
Directors (Audit and Supervisory Committee members) (of which received by outside directors)	17 (17)	15 (15)	— (—)	2 (2)	3 (3)
Total (of which received by outside directors)	156 (17)	134 (15)	8 (—)	14 (2)	7 (3)

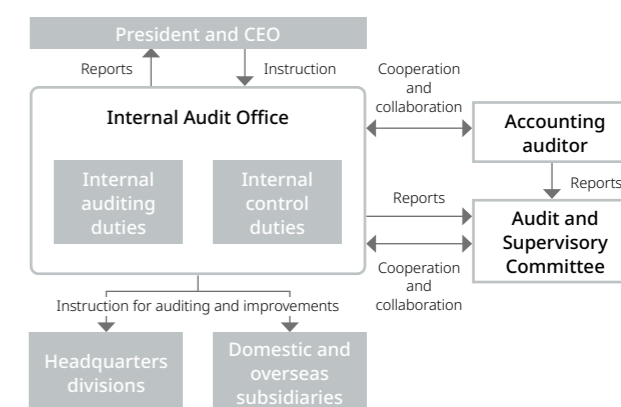
Notes:

1. The aforementioned non-monetary remuneration amount includes expenses recorded during the current fiscal year [¥6 million for directors (excluding Audit and Supervisory Committee members) and ¥2 million for directors (Audit and Supervisory Committee members)] related to stock acquisition rights granted as stock options in accordance with the resolutions of the General Meeting of Shareholders held on June 29, 2021, and of the Board of Directors. The aforementioned non-monetary remuneration amount also includes expenses recorded during the current fiscal year [¥6 million for directors (excluding Audit and Supervisory Committee members)] related to shares granted as restricted stock in accordance with the resolutions of the Board of Directors' meetings held on July 9, 2018, July 9, 2019, July 14, 2020, and July 13, 2021.
2. At the 25th Annual General Meeting of Shareholders held on June 26, 2015, shareholders approved a resolution to limit the total amount of remuneration for directors (excluding members of the Audit and Supervisory Committee) to ¥500 million per year. As of the conclusion of the aforementioned Annual General Meeting of Shareholders, the number of directors (excluding members of the Audit and Supervisory Committee) was three (none of whom were outside directors).
3. At the 25th Annual General Meeting of Shareholders held on June 26, 2015, shareholders approved a resolution to limit the amount of remuneration for directors who are Audit and Supervisory Committee members to ¥100 million per year. As of the conclusion of the aforementioned Annual General Meeting of Shareholders, the number of directors (Audit and Supervisory Committee members) was three (including three outside directors).
4. At the 27th Annual General Meeting of Shareholders held on June 29, 2017, shareholders approved a resolution to limit the total amount of monetary remuneration claims for the granting of restricted stock to directors (excluding members of the Audit and Supervisory Committee) to ¥36 million per year within the scope of the aforementioned total annual amount of ¥500 million, and to limit the total number of the Company's common shares to be delivered to 29,460 shares (the number of shares after the stock split on April 1, 2020). As of the conclusion of the aforementioned Annual General Meeting of Shareholders, there were four directors (excluding members of the Audit and Supervisory Committee, none of whom were outside directors).
5. At the 31st Annual General Meeting of Shareholders held on June 29, 2021, shareholders approved a resolution that the number of the Company's stock acquisition rights to be granted as stock options to directors (excluding Audit and Supervisory Committee members) shall be within the scope of the aforementioned total annual amount of ¥500 million, the total number of stock acquisition rights to be granted shall be 150, and the total number of shares to be issued for such purpose shall be 30,000. In addition, at the aforementioned Annual General Meeting of Shareholders, it was resolved that the Company's stock acquisition rights to be granted as stock options to directors (Audit and Supervisory Committee members) shall be within the scope of the aforementioned total annual amount of ¥1 million, the total number of stock acquisition rights to be granted shall be 45, and the total number of shares to be issued for such purpose shall be 9,000. As of the conclusion of the aforementioned Annual General Meeting of Shareholders, the number of directors (excluding members of the Audit and Supervisory Committee) was four (three of whom were eligible for grants), and the number of directors (Audit and Supervisory Committee members) was three (none of whom were outside directors).

Internal Audits

Toridoll Holdings has formulated internal auditing regulations and established the Internal Audit Office under the direct supervision of the president and CEO.

The Internal Audit Office formulates audit policies and annual plans, and audits the execution of operations in accordance with predetermined rules for each headquarters division and Group company. The office also evaluates the development and operation of internal control and proposes improvements. The results of the audits are reported to the president and CEO and Audit and Supervisory Committee members (outside directors).

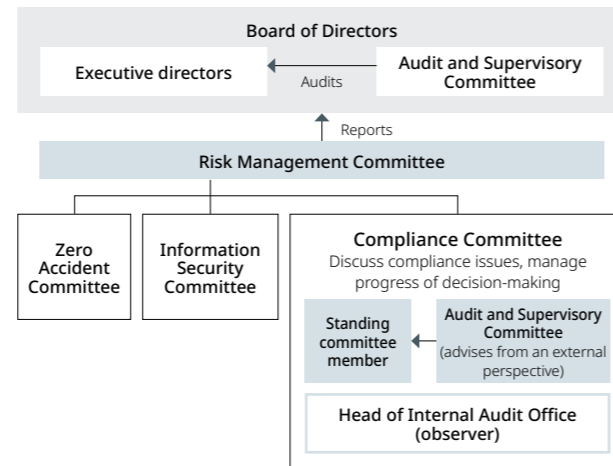


Compliance

The TORIDOLL Group implements the TORIDOLL Corporation Code of Ethics and the TORIDOLL Code of Conduct as its basic compliance policies. We promote continuous training and education of our officers and employees on compliance, which is a major premise of our business activities, and have established systems to ensure not only compliance with laws and regulations but also high ethical standards.

Compliance Promotion System

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



Promoting Compliance Awareness among Employees

The TORIDOLL Group has prepared a guidebook to promote compliance awareness among employees, focusing on matters of high compliance risk, and conducts training and education based on this guidebook.

Since the Group has employees from many different countries, we plan to create guidebooks not only in Japanese but also in several other languages to ensure that our employees are aware of the importance of compliance on a global basis.



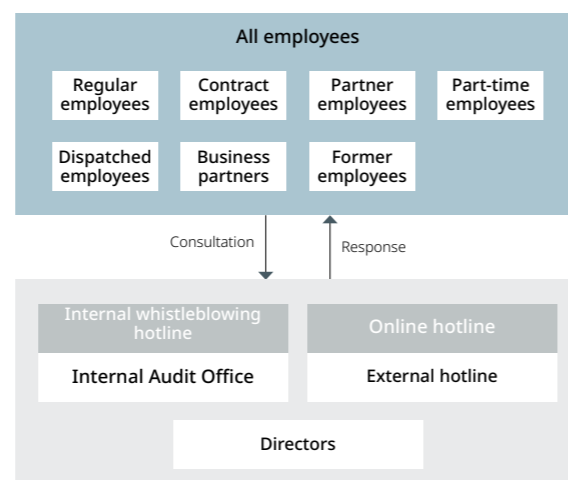
Internal Reporting System

The TORIDOLL Group has established its Internal Whistleblowing Provisions in accordance with the Whistleblower Protection Act. The Internal Audit Office has set up a whistleblowing hotline to identify, investigate, and correct misconduct at an early stage. The Internal Whistleblowing Provisions also stipulate that confidentiality of the contents of reports is guaranteed, the reporting individual is not treated with prejudice, and matters that may reveal the identity of individuals concerned are kept confidential.

Internal reports are accepted by telephone, e mail, in writing, in person, or via an online form (external hotline), and an investigation team is formed as necessary to respond to each case. We accept reports from Group employees as well as our business partners.

Depending on the nature of the matter, the external contact may report directly to the Company's Audit and Supervisory Committee. In addition, the Human Resources Department provides a mental and physical health consultation service, and the labor union offers a consultation service for labor and human rights issues.

In 2021, 47 internal reports were made, and 14 reports were made directly to the external hotline. We confirmed the facts of the content of each report and carried out activities for improvements in line with the report's contents as necessary.



Directors

Directors



Takaya Awata
President and CEO



Takashi Sugiyama
Executive Vice President, Chief Operating Officer, General Manager of International Business Division

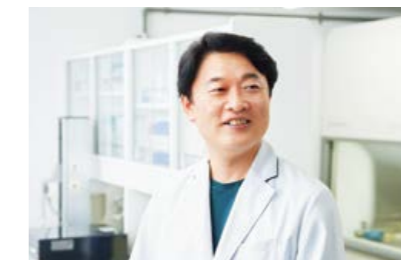


Masatoshi Kamihara
Director, Chief Supply Chain Officer, General Manager of Supply Chain Management Division

Executive Directors



Yasunori Isomura
Executive Director, Chief Information Officer, Chief Technology Officer, Head of BT



Atsushi Kusano
Executive Director, Chief Food Safety Officer, General Manager of Food Safety Management Department



Satoshi Yamaguchi
Executive Director, Chief Financial Officer, Head of Finance Division and Finance Department



Kouji Hayashi
Director, Chief Store Development Officer, Development and Construction Division



Katsuaki Nagumo
Director, Chief Marketing Officer, Head of Marketing Division

Outside Directors



Toshiyasu Umeki
Director (Audit and Supervisory Committee Member)



Hiroaki Umeda
Director (Audit and Supervisory Committee Member)



Maki Kataoka
Director (Audit and Supervisory Committee Member)

Outside Director Discussion

The three outside directors of the TORIDOLL Group gathered to share their thoughts on the characteristics and strengths of the Group's governance. The directors also discussed their views on challenges and expectations for sustainable growth. (The discussion was conducted in June 2022.)



Hiroaki Umeda

Maki Kataoka

Toshiyasu Umeki

Fiscal 2022 in Review

Umeki While the restaurant industry as a whole posted record profits in fiscal 2022 thanks to government subsidies, TORIDOLL posted record profits without relying on subsidies, despite the impact of COVID-19, by making structural improvements throughout the year.

Umeda In the face of difficult circumstances, the Company developed new products, such as Marugame Udon Bento. It also improved efficiency through the use of IT and provided new value to its customers. I was surprised that the Company offered udon as takeout, but the idea worked, once again proving its underlying strength.

Kataoka I believe it was a year in which TORIDOLL carefully considered plans for future restaurant openings. Following the closure of food courts across Japan, the Company made a significant move by deciding to close unprofitable restaurants and acting firmly to secure profits.

Umeki Taking a global perspective, the Tam Jai International Co. Limited IPO in Hong Kong was a major

milestone. It is significant that a company acquired through M&A activity has grown and become independent. Extending this pattern to other countries in the future will be a very strong driving force toward achieving the Company's business goals.

Umeda Marugame Seimen openings are progressing in the United States and the United Kingdom, and these businesses have been quite successful. The udon boom in London, in particular, has been impressive, and the Company has adapted Japanese udon overseas to meet the needs of customers, local tastes, and local cultures. In this regard, information sharing with local partners has been very effective and played a key role in the brand's success overseas.

Kataoka I believe the improved performance was due in part to the fact that overseas operations continued in a nearly normal manner, after a short period of self-restraint that was more restrictive than what was evident in Japan. I also believe the subsidies overseas were greater than what we saw in Japan. In China, Tam Jai International added more outlets, and it was good to see that performance was not affected significantly by the spread of COVID-19.

What are the outstanding characteristics of governance at TORIDOLL?

Umeda In the rapidly changing situation we find ourselves in today, governance requires more active discussion among the Board of Directors. As it evolves constantly, obtaining and understanding information is also

important as well as discussing the best direction of management.

Umeki It is also critical for corporate management to consider the medium- to long-term view when addressing issues, rather than a short-term perspective. Governance, likewise, must look at risks and opportunities from a long-term view. For example, the TORIDOLL strategy is to grow both in Japan and overseas. But it is essential to analyze the long-term risks and opportunities carefully from the

Director (Audit and Supervisory Committee Member)

Toshiyasu Umeki

Director of Hino General Accounting Office
Representative Director of SFC Brain Consulting Inc.
Partner, IPO Audit & Co.



perspective of whether what works in Japan will be accepted overseas. Conversely, the Company must also consider whether the results of M&A activities overseas will be accepted in Japan.

Umeda TORIDOLL governance is characterized by the fact that the Company has fewer directors than most publicly listed companies, which allows for quick management decision-making. Another unique aspect is the strong leadership of the president. This sense of speed, in which the president communicates his thoughts immediately to executives for implementation, is a great strength of the Company. I am impressed by this corporate culture, which plants the seeds of success through repeated trial

and error. Decisions regarding M&A activities and other important matters are brought before the Board of Directors very quickly, and I feel that the Board has created an environment that fosters collaboration.

Kataoka I have also been amazed at the speed of decision-making speed. The internal directors adapt their mindset on a daily basis as the environment changes. The outside directors receive reports on decisions made at the monthly Board meetings, but we must learn to match the speed of decision-making made by the internal directors. Decisions are driven by the president, and the heads of each department implement the decisions quickly.

What is the role played by outside directors?

Kataoka As a lawyer, my role is to check for legal issues from various perspectives. However, I am also responsible for corporate rehabilitation work in my own business, so I look at the Company's profits and costs. For example, I do my best to make objective recommendations based on various factors, such as whether a business that is expanding overseas should withdraw or continue to expand. I ask quite detailed questions and have made some recommendations, and from these discussions, I get the impression that TORIDOLL's Board of Directors takes outside opinions seriously and listens carefully to our recommendations.

Umeda My main role is to monitor whether due diligence for acquisitions has been conducted carefully to ensure a fair acquisition price in light of risks and other factors. Of course, seeking large returns entails a certain amount of risk, so rather than focusing on risk hedging, I advise the Company on whether the acquisition price is appropriate by taking into account medium- to long-term risks and opportunities.

Umeki I am a certified public accountant, so my approach is similar to that of Mr. Umeda, although the perspective might be slightly different. For example, before an acquisition, I visit the restaurant in-person to see whether I am impressed by the taste, price, and comfort. I make recommendations based on firsthand experience during the acquisition process, which I think is an important role.



Director (Audit and Supervisory Committee Member)

Maki Kataoka

Lawyer, Dojima Law Office

Director (Audit and Supervisory Committee Member)

Hiroaki Umeda

Director of Hiroaki Umeda Certified Public Accountant Office
Outside Audit and Supervisory Board Member of Fujiseki Co., Ltd.
Representative Director of E-Serve Co., Ltd.
Partner, IPO Audit & Co.



What are the strengths of TORIDOLL?

Umeda I think the greatest strength of the Company is that all products and services are based on the emotional experience of food. The biggest difference between TORIDOLL and other companies is that TORIDOLL continues to focus on the emotional experience of food, including the entertainment value of making noodles in front of the customers in every restaurant. I am somewhat surprised that TORIDOLL has been able to continue to expand overseas based on this concept, and I sense the strong will behind the extent of how far the Company is willing to go.

Kataoka One of the Company's greatest strengths lies in the ability to reconcile the two contradictory concepts of "craft versus system" and "only versus anywhere."

Combining food and entertainment with a sense of excitement has earned TORIDOLL a favorable reputation not only in Japan but also among customers around the world.

Umeki The speed of decision-making and quick transition to action are strengths. Also, I think the Company's early expansion overseas and an analysis of the factors behind the successes and failures have led to expertise that can be shared when Japanese food service companies enter overseas markets. Food culture and expectations differ from country to country. But this expertise is what confers agility to M&A activities for companies that are shaping the emotional experience of food overseas and facilitates dealing with companies that share the same approach as TORIDOLL.

Umeda I agree with Mr. Umeki. The president always says that unless a company has something that either moves you emotionally or that you can relate to with your senses, it is not a target for M&A.

A Message for Stakeholders

Umeki I want stakeholders to understand that TORIDOLL's strength lies in the Company's ability to balance two opposing aspects when it comes to the awe-inspiring experience of food. This idea serves as the underlying reason for the Company's medium- to long-term management plan, and I believe that an understanding of this point will help stakeholders visualize how the Company will achieve its goals.

Umeda The medium- to long-term management plan is a concrete statement of what TORIDOLL aims to become

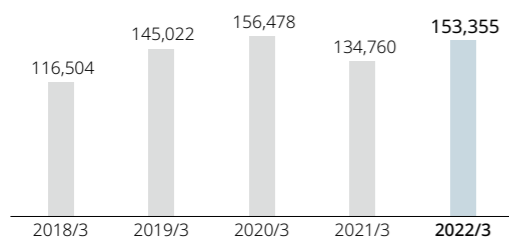
in the future and the plans and strategies for achieving this goal. But the most important aspect of achieving this goal is the TORIDOLL story of value creation, which begins with the awe-inspiring experience of food. This value creation story sets TORIDOLL apart from its competitors, and I encourage stakeholders to look forward to the evolution of this company.

Kataoka As Mr. Umeda mentioned, I envision a story of value creation originating in the awe-inspiring experience of food, as TORIDOLL expands around the world and becomes a truly global food company. To this end, the Company must find more overseas partners who agree with this philosophy, and I am excited for the evolution and speed of expansion of the business.

Financial and Non-Financial Highlights

Consolidated Net Sales

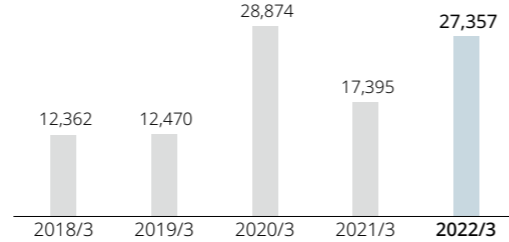
(Millions of yen)



Amid a decline in customer numbers due to the impact of the COVID-19 pandemic, we made efforts to improve management efficiency by strategically closing unprofitable restaurants in Japan while strengthening measures to introduce take-out products and encourage footfall. Overseas, we aggressively opened new restaurants in areas such as Asia and the United Kingdom. As a result of these efforts, consolidated net sales for fiscal 2022, the year ended March 31, 2022, increased 13.8% year on year, to ¥153.4 billion.

Adjusted EBITDA

(Millions of yen)



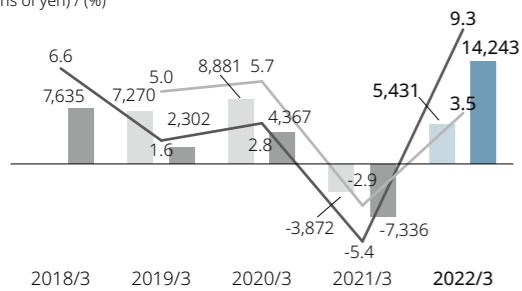
Adjusted EBITDA was up 57.3% year on year, to ¥27.4 billion.

EBITDA and adjusted EBITDA are calculated as follows:

- EBITDA = Operating profit (loss) + Other operating expenses - Other operating income + Depreciation and amortization
- Adjusted EBITDA = EBITDA + Impairment losses + Extraordinary expenses

Business Profit (Loss) / Operating Profit (Loss)

(Millions of yen) / (%)

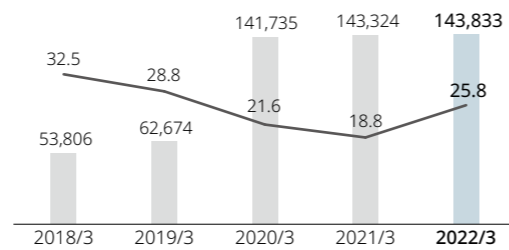


■ Business profit (loss) ■ Operating profit (loss)
— Business profit margin — Operating profit margin

In fiscal 2022, business profit of ¥5.4 billion was recorded, compared with a business loss of ¥3.9 billion in the previous fiscal year, owing to increased profits in all segments. In addition, due to government subsidies, record operating profit of ¥14.2 billion was achieved in fiscal 2022, compared with an operating loss of ¥7.3 billion in the previous fiscal year.

Interest-Bearing Debt / Equity Ratio

(Millions of yen) / (%)



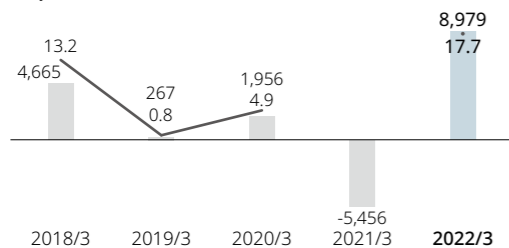
■ Interest-bearing debt — Equity ratio

As of March 31, 2022, total interest-bearing debt increased ¥0.5 billion from the end of the previous fiscal year. Meanwhile, the equity ratio was 25.8% as a result of increases in capital surplus and retained earnings, leading to an improvement in financial soundness.

Note: In accordance with changes in accounting standards, lease obligations are recognized as interest-bearing debt as of March 31, 2020.

Profit (Loss) Attributable to Owners of the Parent / ROE

(Millions of yen) / (%)

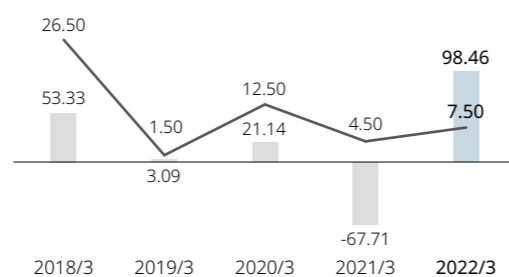


■ Profit (loss) attributable to owners of the parent
— Ratio of profit attributable to owners of the parent

Profit attributable to owners of the parent stood at a record ¥9.0 billion in fiscal 2022, compared with a loss attributable to owners of the parent of ¥5.4 billion in the previous fiscal year. ROE improved significantly year on year, from negative 13.6% to positive 17.7%, as a result of the recovery in consolidated business performance.

Profit (Loss) per Share and Dividends per Share

(Yen)



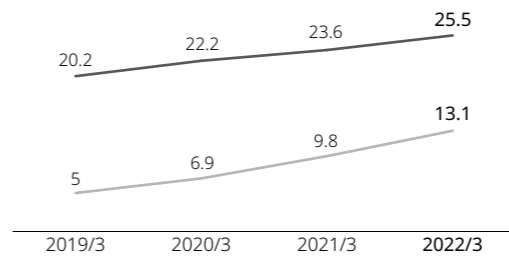
■ Diluted profit (loss) per share — Dividends per share

Profit (loss) per share came to ¥98.46 in fiscal 2022, compared with a loss per share of ¥67.54 in fiscal 2021, and dividends per share were ¥7.50. In principle, the Toridoll Group's dividend policy targets a dividend payout ratio of 20% or more, while setting a minimum adjusted dividend payout ratio of 2% in order to ensure stable and continuous dividend payments.

Note: Adjusted dividend payout ratio = Total dividends ÷ (Profit attributable to owners of the parent + Depreciation and amortization + Other operating expenses - Other operating profit + Impairment losses + Extraordinary expenses) x 100

Female Managers

(%)

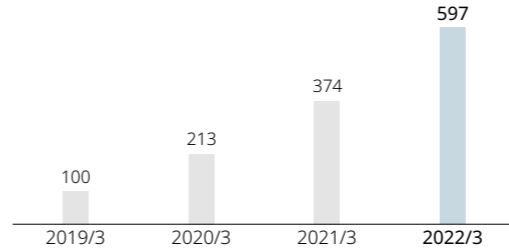


— Percentage of female employees — Percentage of female managers (Toridoll Holdings and main businesses of the TORIDOLL Group)

The percentage of female employees has steadily increased over time through recruitment, career support, and other measures. Although the percentage of female managers has increased over time, further progress is needed to achieve our target, and we will actively implement measures to promote the career advancement of female employees.

Certified Noodle Specialists

(Persons)

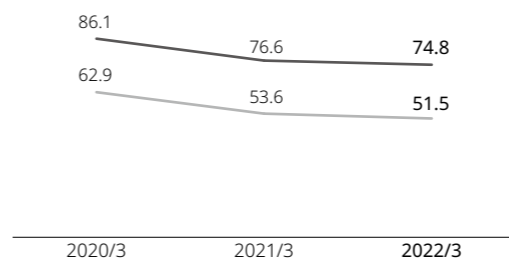


■ Number of certified noodle specialists (Marugame Seimen)

Toridoll launched its noodle specialist system in 2016 as an in-house qualification system. In 2019 and 2021, the number of examiners was increased to promote the acquisition of qualifications. As a result, the number of certified employees has increased consistently over time. In fiscal 2022, we set the assignment of noodle specialists at all Marugame Seimen restaurants as a key performance indicator for environmental, social, and governance-related material issues and expanded the operation of the system. We are increasing the number of examiners and appointing personnel to oversee the allocation of manpower to training sessions.

Percentage of Employee Turnover Accounted for by Early Resignations

(%)



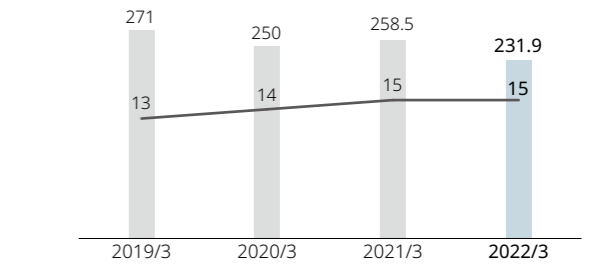
— Early resignation rate — Early resignation rate of partner staff (Marugame Seimen)

Early resignation rates have improved over time for both employees and partner staff*.

* Employees: Number of employees resigning within three years of commencing employment / Total turnover
Partner staff: Number of employees resigning within six months of commencing employment / Total turnover

Emissions from Food Waste / Food Recycling Ratio

(Kilograms per million yen)

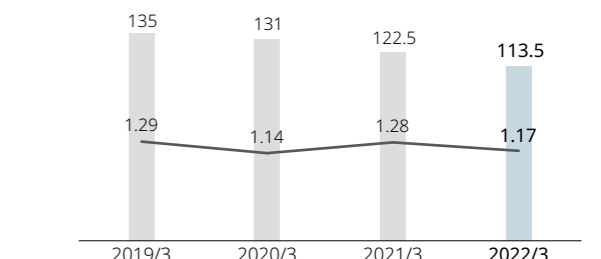


■ Emissions intensity — Implementation rate of recycling and other measures (main businesses of the Toridoll Group)

In fiscal 2021, sales fell due to the COVID-19 pandemic, leading to an increase in emissions intensity. On the other hand, emissions decreased in fiscal 2022 due to the recovery of sales. Other decreases in fiscal 2022 can be attributed to meticulous efforts to reduce waste emissions, such as the reduction of cooked noodle waste, which are having a positive impact overall.

CO₂ Emissions

(Kilotons of CO₂) / (Tons of CO₂ per million yen)

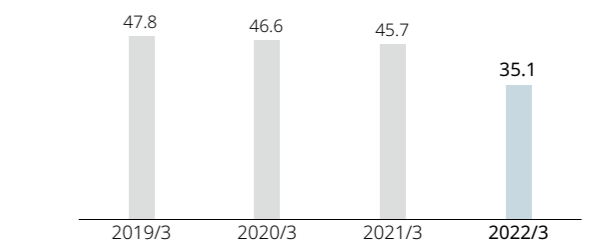


■ Total emissions — Emissions intensity (main businesses of the Toridoll Group)

Although sales declined and total emissions decreased due to the impact of the COVID-19 pandemic in fiscal 2021, emissions intensity increased. On the other hand, emissions decreased in fiscal 2022 due to the recovery of sales. The fall in emissions in fiscal 2022 can also be attributed to greater awareness among employees as a result of an increase in the number of Eco-Action 21 stores.

Water Consumption

(Cubic meters per million yen)



■ Water consumption intensity (main businesses of the TORIDOLL Group)

In fiscal 2022, the installation of water-saving valves tailored to in-store equipment resulted in a significant decrease in water consumption.

Corporate Profile and Stock Information

Corporate Profile

(As of March 31, 2022)

Company Name	TORIDOLL Holdings Corporation
Founded	August 1985
Established	June 1990
Capital	¥4,519 million
Headquarters	SHIBUYA SOLASTA 19th floor, 1-21-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043, Japan
Number of Employees	Regular staff (consolidated): 4,928 Part-time and temporary staff (consolidated): 13,463
Consolidated Subsidiaries	54
Equity-Method Affiliates	29

Stock Information

(As of March 31, 2022)

Common Stock Authorized	230,400,000
Share Trading Unit	100 shares
Common Stock Issued	87,663,352 (including 851,372 shares of treasury stock)
Number of Shareholders	143,134
Stock Code	3397
Stock Exchange Listing	Tokyo Stock Exchange Prime Market (as of April 4, 2022)

Editorial Postscript

Thank you for taking the time to read this report.

After forming a team to create our first integrated report, and after more than a year of repeated discussion, we have arrived at the point of publication.

During the creation of this report, the TORIDOLL Group underwent significant changes. For example, we reformed our Mission and Vision, which form the backbone of our corporate management; we redefined our corporate slogan as “Filling Our Planet with Dining Experiences that will Move You.”; and we reformulated our medium- to long-term management plan, which was affected by the COVID-19 pandemic. In terms of our non-financial activities, we established our material issues and endorsed the recommendations of the Task Force on Climate-related Financial Disclosures.

An integrated report reflects all aspects of a company, both financial and non-financial. In the process of preparing this integrated report, the aforementioned activities were initiated through renewed discussion on what we as a company wanted to achieve from a management perspective.

In the course of this report's creation, both the external environment and the Group experienced turbulent times. Since the fiscal year ended March 31, 2021, during which the COVID-19 pandemic caused a significant downturn in performance,

Marugame Seimen, our core business, achieved rapid growth in the area of take out owing largely to the huge success of its Marugame Udon Bento. Overseas, Marugame Udon expanded into the United Kingdom, while Tam Jai listed on the Hong Kong Stock Exchange and expanded overseas, including into Japan. In the Other segment, the business portfolio underwent major reorganization, leading to a V-shaped recovery in fiscal 2022, leading to further evolution and growth.

For the production of the Integrated Report, a team was formed consisting of members from the Corporate Planning Office, the Finance Division, and the Sustainability Promotion Department. Furthermore, the Sustainability Promotion Committee was established directly under the Board of Directors, with the aforementioned team members serving as the secretariat, and with participants who include executives from senior management, each division of TORIDOLL Holdings, and operating subsidiaries, to discuss not only the Integrated Report but also financial and non-financial topics. I believe we are finally at a point where the “integrated” element of the Integrated Report has naturally begun to take root within the Company.

The TORIDOLL Group has always pursued awe-inspiring dining experiences. We are looking forward to 2023's Integrated Report, which will reflect significant changes

Major

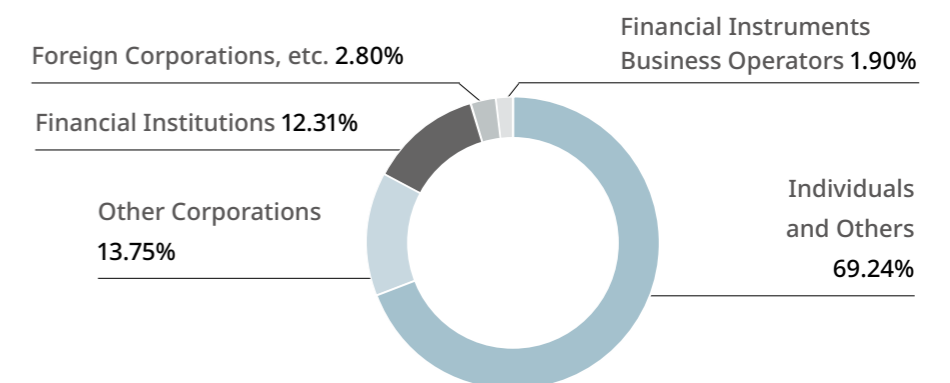
Shareholders

(As of March 31, 2022)

Name of person or organization	Number of shares owned (shares)	Ratio of shares owned to total common stock issued (excluding treasury stock) (%)
Takaya Awata	27,577,311	31.77
T&T Co., Ltd.	11,160,000	12.86
The Master Trust Bank of Japan, Ltd. (Trust account)	5,127,900	5.91
Trustee for Specified Securities, SMBC Trust Bank, Ltd.	3,738,000	4.31
Custody Bank of Japan, Ltd. (Trust account)	1,450,500	1.67
JP Morgan 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 SEGREGATED CLIENT ACCOUNT (Standing proxy: Citibank, N.A., Tokyo Branch)	393,100	0.45
Toridoll Group Employee Shareholding Association	184,500	0.21
Total	51,453,311	59.27

Composition of Shareholders

(As of March 31, 2022)



in the Company—a company that will never be satisfied with the status quo and which is always aiming to achieve dramatic evolution, growth, and value creation—and we hope that you join us on our journey.

Finally, we would like to express our sincere gratitude to all those involved in the production of this Integrated Report, as well as to all those who have taken the time to read its contents. We look forward to your continued support of the TORIDOLL Group in the years to come.

Scope of Reporting and Referencing Standards

Reporting Period

Fiscal 2022 (April 1, 2021 to March 31, 2022)

Note: This report includes some results for activities carried out in fiscal 2023. In such cases, a note indicating the reporting period has been provided.

Scope of Reporting

When referring to “the TORIDOLL Group,” the principal scope of reporting is our Group companies in Japan, while some sections also report on our overseas Group companies. In cases where the scope of coverage is limited, such as the disclosure of some numerical figures, the scope of reporting is indicated as a note in the diagram or chart. For example, “Major Businesses of the Toridoll Group” refers to Marugame Seimen, Inc., Nikuno Yamaki Shoten, and Toridoll Japan Co.

Publication Information

Published October 2022 (Next report slated for issuance in October 2023)

Referenced Guidelines

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