

Securities Code: 3397

June 14th, 2021

To TORIDOLL Holdings Corporation shareholders:

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

Notice of the 31st Annual General Meeting of Shareholders

You are hereby notified of the convocation of the 31st Annual General Meeting of Shareholders of TORIDOLL Holdings Corporation (the “Company”) to be held as described below.

The Japanese national government and prefectural governors have strongly encouraged stay-at-home measures to prevent the spread of novel coronavirus disease (COVID-19). After carefully considering these circumstances, we have decided to hold the General Meeting of Shareholders while taking appropriate measures to avoid the spread of infection.

In consideration of the current condition where citizens are strongly encouraged to stay at home, and from the perspective of preventing the spread of COVID-19, we hereby recommend that shareholders, regardless of health conditions, refrain from attending the General Meeting of Shareholders in person and instead exercise your voting rights beforehand either in writing or through the Internet, etc., if at all possible.

In this case, please review the attached Reference Documents for General Meeting of Shareholders and exercise your voting rights no later than 6:00 p.m. on Monday, June 28, 2021 (JST).

1. Date and Time: Tuesday, June 29, 2021, at 10:00 a.m. (JST) (reception begins at 9:00 a.m.)

2. Venue: Bellesalle Shibuya Garden
1F, Sumitomo Fudosan Garden Tower,
16-17, Nampeidaicho, Shibuya-ku, Tokyo
The number of seats for guests will be significantly fewer also this year as we widen the distance between seats in an effort to prevent the spread of infection. As a result, there may be cases in which shareholders who come to the venue will not be allowed to enter. We ask for your understanding in this matter.

3. Purpose of Meeting

Matters to be reported:

1. The business report, consolidated financial statements and the results of the audit of consolidated financial statements by Financial Auditor and the Audit & Supervisory Committee for the 31st fiscal year (from April 1, 2020 to March 31, 2021)
2. Non-consolidated financial statements for the 31st fiscal year (from April 1, 2020 to March 31, 2021)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Reduction in Legal Capital Surplus |
| Proposal No. 2 | Election of Four Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) |
| Proposal No. 3 | Election of Three Directors Who Are Audit & Supervisory Committee Members |
| Proposal No. 4 | Election of One Substitute Director who is an Audit & Supervisory Committee Member |
| Proposal No. 5 | Issuance of Share Acquisition Rights to Non-Shareholders as Stock Options with Particularly Favorable Conditions |

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

Procedures for Exercising Voting Rights

When not attending the Meeting in person

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

Please indicate your vote of approval or disapproval of each proposal in the enclosed voting form and return this form for receipt by 6:00 p.m. on Monday, June 28, 2021 (JST).

Exercising your voting rights via the Internet

Please log into the website as specified by the Company and indicate your approval or disapproval of the agenda by 6:00 p.m. on Monday, June 28, 2021 (JST).

When attending the Meeting in person

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

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

With regards to Internet Disclosure:

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

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

“Smart Exercise” by scanning the login QR Code

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

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

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

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

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

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

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

By entering the voting right exercise code and password

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

- 1 Please access the website for exercising voting rights.

Click “Continue”

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

Enter the “voting right exercise code”

Click “Next”

- 3 Enter the password given on the voting form.

Enter password

Please set a new password to use in the future

Click “Enter”

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

Internet Help Hotline, Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. [Toll-free in Japan only] 0120-768-524 (Hours: 9:00 a.m. to 9:00 p.m., excluding weekends and holidays)

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

Notes:

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

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Reduction in Legal Capital Surplus

1. Reasons for the reduction in legal capital surplus

Based on the provisions in Paragraph 1 of Article 448 of the Companies Act, we intend to reduce the legal capital surplus and allocate that amount to other capital surplus in order to prepare for a dynamic future capital policy and ensure flexibility and resiliency in our financial strategies.

2. Details of the reduction in legal capital surplus

(1) Amount of legal capital surplus to be reduced

The legal capital surplus of ¥4,285,805,059 will be reduced by ¥4,285,805,059, and the amount of this reduction will be allocated to other capital surplus.

(2) Effective date of the reduction in legal capital surplus

June 29, 2021

Proposal No. 2 Election of Four Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

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

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

The candidates for Director are as follows:

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Takaya Awata October 28, 1961 (59 years old) Reelection Attendance at Board of Directors meetings: 100% (19/19) Length of tenure at the conclusion of this meeting: 31 years	Aug. 1985 Self-employed (opened Toridoll Sanban-Kan) June 1990 Established Toridoll Ltd., President Oct. 1995 The Company changed its organizational structure to Toridoll corporation (currently, TORIDOLL Holdings Corporation), President (current position)	27,575,472 shares
	Reasons for nomination as candidate for Director: The Company has nominated Mr. Takaya Awata as a candidate for Director based on its judgment that he is necessary for the sustainable growth and medium to long-term improvement of the Company's corporate value in the future as he possesses a deep understanding of the Company's business gained through consistent involvement in the Company's operations since its establishment as well as swift and accurate decision-making skills and excellent risk management capabilities.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p>Kimihiro Tanaka July 10, 1970 (50 years old) Reelection</p> <p>Attendance at Board of Directors meetings: 100% (19/19) Length of tenure at the conclusion of this meeting: 9 years</p>	<p>Apr. 1995 Joined Totaku Industries, Inc.</p> <p>Jan. 2005 Joined YAMADA Business Consulting Co., Ltd.</p> <p>Apr. 2008 Joined Saint Marc Holdings Co., Ltd.</p> <p>Sept. 2008 Seconded to Saint Marc Cafe Co., Ltd.</p> <p>Apr. 2009 Director in charge of Operations</p> <p>June 2010 Managing Director</p> <p>Apr. 2011 Joined the Company</p> <p>July 2011 General Manager of Sales Division</p> <p>June 2012 Director and General Manager of Sales Division</p> <p>Apr. 2016 Managing Director and General Manager of Second Sales Division</p> <p>Dec. 2018 Managing Director and General Manager of International Business Division</p> <p>Jan. 2020 Managing Director and General Manager of International Business Division and General Manager of Japan Business Division</p> <p>Feb. 2020 Managing Director and General Manager of Japan Business Division (current position)</p> <p>Role in the Company General Manager of Japan Business Division In charge of International Business Division, BT Division and Site Development Department</p> <p>Significant concurrent positions outside the Company Director of Tam Jai International Co. Limited</p>	10,642 shares
<p>Reasons for nomination as candidate for Director: The Company has nominated Mr. Kimihiro Tanaka as a candidate for Director based on its judgment that his capabilities are necessary for the future management of the Company as he possesses experience and insight in restaurant management and utilized such to achieve operational achievements since joining the Company.</p>			

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	Masatoshi Kamihara January 30, 1959 (62 years old) Reelection Attendance at Board of Directors meetings: 100% (19/19) Length of tenure at the conclusion of this meeting: 3 years	Apr. 1981	Joined Wenco Japan Co., Ltd. (a group company of The Daiei, Inc.)	7,402 shares
		June 2003	Self-employed (Founded Food Business Consulting)	
		July 2013	General Manager of Food Hygiene Control Department of the Company	
		Sept. 2013	General Manager of Merchandising Department	
		Jan. 2015	General Manager of Merchandising Department and Product Department	
		Feb. 2016	Executive Officer, General Manager of Merchandising Department and Product Department	
		Apr. 2016	Executive Officer, General Manager of Product Division	
		June 2018	Director, General Manager of Product Division	
		Apr. 2019	Director, General Manager of Supply Chain Management Division	
		Jan. 2020	Director, General Manager of Supply Chain Management Division and General Manager of Product Development Department (current position)	
Role in the Company General Manager of Supply Chain Management Division and General Manager of Product Development Department				
Reasons for nomination as candidate for Director: The Company has nominated Mr. Masatoshi Kamihara as a candidate for Director based on its judgment that his capabilities are necessary for the management of the Company in the future as he possesses comprehensive knowledge of products through his experience in a major distribution company and as an independent consultant, and by utilizing such experience and insight since joining the company, he has contributed to the expansion of food procurement routes and cost reduction.				
4	Takashi Sugiyama May 23, 1977 (44 years old) New election	Apr. 2001	Joined Deloitte Tohmatsu Consulting Co., Ltd. (currently ABeam Consulting Ltd.)	1,279 shares
		Aug. 2006	Joined ABeam M&A Consulting Ltd.	
		July 2015	Joined Deloitte Tohmatsu Consulting LLC.	
		June 2017	Executive Officer and Partner	
		Feb. 2019	Joined the Company	
		July 2019	General Manager of International Business Preparation Office, International Business Division	
		Oct. 2019	General Manager of International Business Planning Department, International Business Division	
		Feb. 2020	Executive Officer and General Manager of International Business Division (current position)	
		Role in the Company General Manager of International Business Division Significant concurrent positions outside the Company Director of Tam Jai International Co. Limited		
		Reasons for nomination as candidate for Director: The Company has nominated Mr. Takashi Sugiyama as a candidate for Director based on its judgment that his capabilities are necessary for the future management of the Company as he possesses experience and insight related to international business that he has developed through work at management consulting firms, and has utilized this experience and insight to contribute to the advancement of our international business since joining the Company.		

Notes: 1. There is no special interest between any of the candidates for Director and the Company.

2. The age listed for each candidate for Director is their age as of the dispatch date of this notice of the Annual General Meeting of Shareholders.
3. If the election of each candidate for Director is approved, the Company plans, pursuant to the provisions of Paragraph 1 of Article 430-2 of the Companies Act, to enter into an indemnity agreement with each of them under which the Company agrees to indemnify costs and losses, as provided for in Item 1 and Item 2, respectively, of said Paragraph, within the range prescribed by laws and regulations.
4. The Company has entered into a directors and officers liability insurance policy as provided for in Paragraph 1 of Article 430-3 of the Companies Act with an insurance company. The policy will cover the amount of indemnification and court costs incurred in cases where a Director who is an insured receives a claim for damages arising from their performance of duties. The full amount of the insurance premiums for this insurance policy is borne by the Company. If the election of each candidate for Director is approved, each of them will be included as an insured in the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 3 Election of Three Directors Who Are Audit & Supervisory Committee Members

At the conclusion of this meeting, the term of office for all three Directors who are Audit & Supervisory Committee Members will expire. Therefore, the Company proposes the election of three Directors who are Audit & Supervisory Committee Members.

The Audit & Supervisory Committee has given its consent to this proposal.

Candidates for the role of Director who is an Audit & Supervisory Committee Member are as follows:

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	<p>Toshiyasu Umeki August 11, 1961 (59 years old) Candidate for Outside Director Candidate for Independent Director Reelection</p> <p>Attendance at Board of Directors meetings: 100% (19/19) Attendance at Audit & Supervisory Committee meetings: 100% (14/14) Length of tenure at the conclusion of this meeting: As Audit and Supervisory Board Member: 4 years As Audit & Supervisory Committee Member: 6 years</p>	<p>Oct. 1992</p> <p>Apr. 1997</p> <p>Oct. 2003</p> <p>Nov. 2003</p> <p>Sept. 2008</p> <p>June 2011</p> <p>June 2015</p> <p>June 2016</p> <p>June 2019</p> <p>Significant concurrent positions outside the Company</p>	<p>Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)</p> <p>Registered as certified public accountant</p> <p>Director of Hino General Accounting Office (current position)</p> <p>Registered as certified tax accountant</p> <p>Representative Director of Hino Business Consulting Inc. (currently SFC Brain Consulting Inc.) (current position)</p> <p>Audit and Supervisory Board Member of the Company</p> <p>Director (Audit & Supervisory Committee Member) (current position)</p> <p>Partner, IPO Audit & Co.</p> <p>Representative Partner, IPO Audit & Co. (current position)</p> <p>Director of Hino General Accounting Office</p> <p>Representative Director of SFC Brain Consulting Inc.</p> <p>Representative Partner, IPO Audit & Co.</p>	6,100 shares
<p>Reasons for nomination as candidate for Outside Director and overview of expected role: The Company has nominated Mr. Toshiyasu Umeki as a candidate for Outside Director based on its judgment that he possesses both expertise and experience obtained as a certified public accountant and is capable of appropriately fulfilling the duties of Outside Director. Following his election, he is expected to provide supervision and advice for management based on his expert knowledge and experience, and to play a leading role in improving corporate governance of the Company as the Chair of the Audit & Supervisory Committee, Nomination Committee and Remuneration Committee.</p>				

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	<p>Hiroaki Umeda December 13, 1966 (54 years old) Candidate for Outside Director Candidate for Independent Director Reelection</p> <p>Attendance at Board of Directors meetings: 95% (18/19) Attendance at Audit & Supervisory Committee meetings: 93% (13/14) Length of tenure at the conclusion of this meeting: As Audit & Supervisory Committee Member: 4 years</p>	<p>Oct. 1994 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Apr. 1998 Registered as certified public accountant</p> <p>Aug. 2004 Director of Hiroaki Umeda Certified Public Accountant Office (current position)</p> <p>Sept. 2004 Registered as certified tax accountant</p> <p>Mar. 2011 Outside Audit and Supervisory Board Member of Fujiseiki Co., Ltd. (current position)</p> <p>Apr. 2013 Representative Director of E-serve Co., Ltd. (current position)</p> <p>June 2017 Partner, IPO Audit & Co. (current position)</p> <p>June 2017 Director (Audit & Supervisory Committee Member) of the Company (current position)</p> <p>Significant concurrent positions outside the Company Director of Hiroaki Umeda Certified Public Accountant Office Outside Audit and Supervisory Board Member of Fujiseiki Co., Ltd. Representative Director of E-serve Co., Ltd. Partner, IPO Audit & Co.</p>		500 shares
	<p>Reasons for nomination as candidate for Outside Director and overview of expected role: The Company has nominated Mr. Hiroaki Umeda as a candidate for Outside Director based on its judgment that he possesses both expertise and experience obtained as a certified public accountant and is capable of appropriately fulfilling the duties of Outside Director. Following his election, he is expected to provide supervision and advice for management based on his expert knowledge and experience, and to work for improving corporate governance of the Company as a member of the Audit & Supervisory Committee, Nomination Committee and Remuneration Committee.</p>			
3	<p>Maki Kataoka February 24, 1971 (50 years old) Candidate for Outside Director Candidate for Independent Director Reelection</p> <p>Attendance at Board of Directors meetings: 100% (19/19) Attendance at Audit & Supervisory Committee meetings: 100% (14/14) Length of tenure at the conclusion of this meeting: As Audit & Supervisory Committee Member: 4 years</p>	<p>Dec. 2009 Registered as attorney at law Joined Dojima Law Office</p> <p>June 2014 Seconded to Regional Economy Vitalization Corporation of Japan (REVIC)</p> <p>Sept. 2016 Returned to Dojima Law Office</p> <p>June 2017 Director (Audit & Supervisory Committee Member) of the Company (current position)</p> <p>Significant concurrent positions outside the Company Attorney at law at Dojima Law Office</p>		600 shares
	<p>Reasons for nomination as candidate for Outside Director and overview of expected role: Ms. Maki Kataoka has never been directly involved in the management of a company. However, the Company has nominated her as a candidate for Outside Director based on its judgment that she possesses expert knowledge and vast experience developed as an attorney at law and is capable of appropriately fulfilling the duties of Outside Director. Following her election, she is expected to provide supervision and advice for management based on her expert knowledge and experience, and to work for improving corporate governance of the Company as a member of the Audit & Supervisory Committee, Nomination Committee and Remuneration Committee.</p>			

Notes: 1. There is no special interest between any of the candidates for Director who is an Audit & Supervisory Committee Member and the Company.

2. The age listed for each candidate for Director who is an Audit & Supervisory Committee Member is their age as of the dispatch date of this notice of the Annual General Meeting of Shareholders.

3. Mr. Toshiyasu Umeki, Mr. Hiroaki Umeda and Ms. Maki Kataoka are candidates for Outside Director.
4. Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company has concluded contracts with Mr. Toshiyasu Umeki, Mr. Hiroaki Umeda and Ms. Maki Kataoka to limit their liability for damages as stipulated in Paragraph 1 of Article 423 of the same Act. The limitation of the liability for damages under the relevant agreement is the minimum liability amount set forth in Paragraph 1 of Article 425 of the Companies Act. In the event that the reelection of Mr. Toshiyasu Umeki, Mr. Hiroaki Umeda and Ms. Maki Kataoka is approved, the Company plans to renew the respective agreements with each of them.
5. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Toshiyasu Umeki, Mr. Hiroaki Umeda and Ms. Maki Kataoka have been designated as independent officers who are obliged by the said exchange to be designated as those who are not having the potential to cause conflict of interests against general shareholders. In the event that the reelection of Mr. Toshiyasu Umeki, Mr. Hiroaki Umeda and Ms. Maki Kataoka is approved, the Company plans to submit notification of their continued status as independent officers to the said exchange.
6. In the event that the reelection of Mr. Toshiyasu Umeki, Mr. Hiroaki Umeda and Ms. Maki Kataoka is approved, the Company plans, pursuant to the provisions of Paragraph 1 of Article 430-2 of the Companies Act, to enter into an indemnity agreement with each of them under which the Company agrees to indemnify costs and losses, as provided for in Item 1 and Item 2, respectively, of said Paragraph, within the range prescribed by laws and regulations.
7. The Company plans to enter into a directors and officers liability insurance policy as provided for in Paragraph 1 of Article 430-3 of the Companies Act with an insurance company. The policy will cover the amount of indemnification and court costs incurred in cases where a Director who is an insured receives a claim for damages arising from their performance of duties. The full amount of the insurance premiums for this insurance policy is borne by the Company. If the election of each candidate for Director who is an Audit & Supervisory Committee Member is approved, each of them will continue to be included as an insured in the insurance policy. In addition, when the policy is renewed, the Company plans to renew the policy with the same terms.

Proposal No. 4 Election of One Substitute Director who is an Audit & Supervisory Committee Member

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

The Audit & Supervisory Committee has consented to this proposal.

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

Name (Date of birth)	Career summary and significant concurrent positions outside the Company	Number of the Company's shares owned
Koji Toyoda February 3, 1968 (53 years old) Candidate for Outside Director Candidate for Independent Director	<p>Apr. 1991 Joined Meiji Life Insurance Company (currently Meiji Yasuda Life Insurance Company)</p> <p>Oct. 1996 Joined Asahi & Co. (currently KPMG AZSA LLC)</p> <p>Oct. 2004 Registered as attorney at law Joined Miyake & Partners</p> <p>Nov. 2004 Registered as certified public accountant</p> <p>Apr. 2012 Director of AXIA Law and Accounting Office (current position)</p> <p>Dec. 2013 Outside Audit & Supervisory Board Member of Taiyo Machinery Co., Ltd. (current position)</p> <p>Nov. 2015 Auditor of Osaka University of Economics</p> <p>Mar. 2017 Outside Director of Daisan Co., Ltd. (Audit & Supervisory Committee Member, current position)</p> <p>Significant concurrent positions outside the Company Director of AXIA Law and Accounting Office Outside Audit & Supervisory Board Member of Taiyo Machinery Co., Ltd. Outside Director of Daisan Co., Ltd. (Audit & Supervisory Committee Member)</p>	- shares
<p>Reasons for nomination as candidate for substitute Outside Director and overview of expected role: The Company has nominated Mr. Koji Toyoda as a candidate for substitute Outside Director based on its judgment that he possesses both expertise and experience obtained as a certified public accountant and an attorney at law, and is capable of appropriately fulfilling the duties of Outside Director if he were to assume the position. In the event that he assumes position as a Director who is an Audit & Supervisory Committee Member, he is expected to provide supervision and advice for management based on his expert knowledge and experience, and to work for improving corporate governance of the Company as a member of the Audit & Supervisory Committee, Nomination Committee and Remuneration Committee.</p>		

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

Proposal No. 5 Issuance of Share Acquisition Rights as Share Options to Non-Shareholders with Particularly Favorable Conditions

Pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act, the Company requests approval to issue share acquisition rights as stock options, as described below, to Directors (including Directors who are Audit and Supervisory Committee Members; the same applies hereafter in this proposal, unless specifically stated otherwise), Executive Officers and employees of the Company, and Directors, Executive Officers and employees of subsidiaries as specified by the Company, as well as entrusting the Board of Directors with the task of determining the terms of this issuance.

Furthermore, pursuant to the provisions of Articles 361 of the Companies Act, the Company additionally requests approval as part of this proposal to grant share acquisition rights as remuneration, etc., for Directors of the Company, within the scope of remuneration (¥500,000,000 annually) for Directors (excluding Directors who are Audit & Supervisory Committee Members) and remuneration (¥100,000,000 annually) for Directors who are Audit & Supervisory Committee Members, which was approved at the 25th Annual General Meeting of Shareholders held on June 26, 2015.

Currently the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company is three, and the number of Directors who are Audit and Supervisory Committee Members is three (including three Outside Directors). If Proposal No.2 “Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” and Proposal No.3 “Election of Three Directors Who Are Audit & Supervisory Committee Members” are approved, the numbers will be four Directors (excluding Directors who are Audit and Supervisory Committee Members) and three Directors who are Audit and Supervisory Committee Members (including three Outside Directors), of which the numbers of Directors (excluding Directors who are Audit and Supervisory Committee Members) eligible for the acquisition rights is three and the number of Directors who are Audit and Supervisory Committee Members eligible for the acquisition rights is three (including three Outside Directors).

1. Reasons for Issuing the Share Acquisition Rights on Particularly Favorable Conditions

The Company requests issuance of share acquisition rights without contribution as follows in order to create incentive for Directors, Executive Officers, and employees of the Company, and Directors, Executive Officers, and employees of subsidiaries specified by the Company, to further increase motivation and morale to contribute towards improving corporate values over long term.

2. Issuance of Share Acquisition Rights

(1) Persons to whom share acquisition rights are allotted

Directors, Executive Officers, and employees of the Company, and Directors, Executive Officers, and employees of subsidiaries specified by the Company.

(2) Number of issued share acquisition rights

Maximum 6,800 units.

(3) Amount to be paid in for share acquisition rights

Share acquisition rights whose terms are determined upon approval of this proposal shall not require any monetary payment in return.

(4) Details of share acquisition rights

1) The number of shares subject to the share acquisition rights

Maximum 1,360,000 units.

The number of shares that can be subscribed by each share acquisition right (hereinafter referred to as the “Number of Granted Shares”) is 200 common shares of the Company.

However, the “Number of Granted Shares” shall be adjusted using the following formula if the Company splits (including common share allotment without contribution; the same applies to the rest of the proposal) or consolidates common shares after the date of share acquisition right allotment (hereinafter referred to as the “Allotment Date”) so that the total number of shares subject to the share acquisition rights shall be a multiplication of the Number of Granted Shares and the total number of issued share acquisition rights.

Number of Granted Shares after adjustment =

Number of Granted Shares before adjustment × Ratio of split or consolidation

Furthermore, reasonable adjustments shall be made if a situation arises where adjustment of the Number of Granted Shares is inevitable after resolution of this shareholders' meeting.

The above adjustment only applies to the Number of Granted Shares of share acquisition rights which have not been exercised at the given point, and any fractions less than one are rounded off.

2) Value of property to be contributed when share acquisition rights are exercised

The value of property to be contributed when share acquisition rights are exercised is a multiplication of the paid-in amount per granted share (hereinafter referred to as the "Exercise Price") and the Number of Granted Shares.

The Exercise Price shall be calculated as taking either the average value of closing price in regular trading of the Company's common shares of the Tokyo Stock Exchange over the previous calendar month of the Allotment Date (when no closing price is published on that day, closing price of the nearest previous date shall be applied), or the closing price of the Allotment Date, whichever higher, multiplying it by 1.05, and then rounding up the fraction which is less than one yen.

If the Company splits or consolidates common shares after the Allotment Date, the Exercise Price shall be adjusted using the following formula with fractions less than one yen rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

In addition, the Exercise Price shall be adjusted using the following formula with fractions less than one yen rounded up if the Company issues new common shares or disposes of treasury shares at the price lower than the market price after the Allotment Date (excluding cases such as the sale of treasury shares due to demand for sale to holders of shares less than one unit, a result of exercised conversion of convertible securities to the Company's common shares, and a result of exercised share acquisition rights which can demand convertible securities or common shares (including bonds with share acquisition rights)).

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of outstanding shares} + \frac{\text{Number of newly issued shares} \times \text{Paid-in amount per share}}{\text{Current market price per share}}}{\text{Number of outstanding shares} + \text{Number of newly issued shares}}$$

The "number of outstanding shares" in the above formula shall be the total number of shares issued less treasury shares of common stock owned by the Company, and in the case of disposition of treasury shares, the "number of newly issued shares" shall read as "number of treasury shares to be disposed of." Furthermore, the Exercise Price shall be reasonably adjusted as necessary for other cases such as a merger, a company split, and capital reduction after the Allotment Date.

3) Period during which share acquisition rights can be exercised

From June 29, 2024 to June 28, 2031

4) Matters regarding share capital and legal capital surplus that will be increased in cases where shares will be issued as a result of the exercise of share acquisition rights

- (i) The amount of share capital to be increased shall be half of the maximum amount of increase of the share capital, etc. which is calculated in accordance with Paragraph 1 of Article 17 of the Regulation on Corporate Accounting, and any fraction less than one yen shall be rounded up.
- (ii) The amount of legal capital surplus to be increased shall be calculated by subtracting the amount of share capital being increased in (i) above from the maximum amount of increase of share capital, etc. in (i) above.

5) Restrictions on transfer of share acquisition rights

Acquisition of transferred share acquisition rights shall require approval by the Board of Directors of the Company.

6) Conditions for exercise of share acquisition rights

- (i) A share acquisition right cannot be exercised partially.
- (ii) Any person who has been allotted share acquisition rights (hereinafter referred to as a "Share Acquisition Rights Holder") must at the time of exercising be a Director, Executive Officer or employee of the Company or the Company's consolidated subsidiary. However, this does not apply to cases where the Director or Executive Officer has resigned at the expiry of the term,

the employee has retired at the mandatory retirement age, or other circumstances with approval of the Board of Directors.

- (iii) The Share Acquisition Rights Holder shall forfeit his/her rights if he/she has inflicted a loss on the Company or Company's consolidated subsidiaries and was made subject to disciplinary action.
 - (iv) Share acquisition rights cannot be exercised by Share Acquisition Rights Holders' heirs.
 - (v) Share acquisition rights cannot be transferred, set with a security interest of right of pledge, etc., or disposed of by other means.
- 7) Reasons and conditions for acquisition of share acquisition rights
- (i) The Company may acquire share acquisition rights without contribution on the date determined separately by of the Company's Board of Directors if a merger agreement in which the Company is the dissolving company, or a consolidation plan is approved in a general meeting of shareholders, or a share exchange agreement in which the Company becomes a wholly owned subsidiary, or a share transfer plan is approved in a general meeting of shareholders.
 - (ii) The Company may acquire share acquisition rights without contribution on the date determined separately by the Company's Board of Directors if the Share Acquisition Rights Holder no longer satisfies the condition to exercise the rights.
- 8) Treatment of share acquisition rights at the time of restructuring action
- If the Company is to engage in a merger (limited to cases where the Company ceases to exist as a result of such merger), absorption-type company split, incorporation-type company split, subject to a share exchange or share transfer (all of which are collectively referred to as a "Restructuring Action"), share acquisition rights in the company as listed under Article 236, paragraph 1, item 8 (a) through (e) of the Companies Act (hereafter referred to as the "Restructured Company") shall in each case be issued in accordance with applicable conditions below to Share Acquisition Rights Holders that remain in effect as of the effective point of the Restructuring Action (hereinafter referred to as the "Remaining Share Acquisition Rights"). However, such issuance shall be limited to the cases where issuance of the share acquisition rights of the Restructured Company under the following conditions is prescribed in the merger agreement, the consolidation plan, the absorption-type company split agreement, the incorporation-type company split plan, the share exchange agreement, or the share transfer plan.
- (i) Number of share acquisition rights to be issued by the Restructured Company
The Restructured Company shall issue the same number of share acquisition rights as the Remaining Share Acquisition Rights held by the Share Acquisition Rights Holders.
 - (ii) Class of shares to be issued by the Restructured Company for share acquisition rights
Common shares of the Restructured Company.
 - (iii) Number of shares to be issued by the Restructured Company for share acquisition rights
To be determined in accordance with 2 - (4) - 1) above with considerations to the conditions of the Restructuring Action, etc.
 - (iv) Value of property to be contributed when share acquisition rights are exercised
The value of property to be contributed upon exercise of each share acquisition right is a multiplication of the paid-in amount after the restructuring obtained by adjusting the Exercise Price determined in above 2 - (4) - 2) with considerations to the conditions of the Restructuring Action, etc., and the number of shares of the Restructured Company for share acquisition rights determined in above (iii).
 - (v) Period during which share acquisition rights can be exercised
From either the start date of the period in which share acquisition rights can be exercised specified in above 2 - (4) - 3), or the effective date of the Restructuring Action, whichever later, until the expiry date of the period in which share acquisition rights can be exercised specified in the 2 - (4) - 3).
 - (vi) Matters regarding share capital and legal capital surplus that will be increased in cases where shares will be issued as a result of the exercise of share acquisition rights
To be determined in accordance with 2 - (4) - 4) above.
 - (vii) Restrictions on transfer of share acquisition rights

Acquisition of transferred share acquisition rights shall require approval by the Board of Directors of the Restructured Company.

(viii) Conditions for exercise of share acquisition rights

To be determined in accordance with 2 - (4) - 6) above.

(ix) Reasons and conditions for acquisition of share acquisition rights

To be determined in accordance with 2 - (4) - 7) above.

9) Handling of fractions less than one share caused by exercise of share acquisition rights.

Fractions less than one share shall be rounded down if the number of shares to be granted to Share Acquisition Rights Holder who has exercised the share acquisition rights includes such fractions.

10) Other details of share acquisition rights

Other details concerning share acquisition rights shall be determined in the Company's Board of Directors meeting at the same time the terms of share acquisition rights are decided.

3. Matters concerning remuneration, etc. of Directors

Among the aforementioned share acquisition rights, the number of share acquisition rights granted to Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be 150 units and the number of shares subject to the rights shall be up to 30,000 shares, and to Directors who are Audit & Supervisory Committee Members shall be 45 units and the number of shares subject to the rights shall be up to 9,000 shares.

The amount of above share acquisition rights granted as remuneration, etc. of Directors shall be a multiplication of the fair value of each share acquisition right calculated on the Allotment Date, and the total number of share acquisition rights granted to the Company's Directors. The above fair value for each share acquisition right indicates the fairly evaluated unit price calculated with the Black-Scholes model which is a general option value calculation model.

Note: The issuance of share acquisition rights for Directors (excluding Directors who are Audit & Supervisory Committee Members) in this proposal has been consulted with the Remuneration Committee, members of which include all three independent Outside Directors (Audit & Supervisory Committee Members) who constitute a majority. Furthermore, taking into account deliberations by the Remuneration Committee, the Audit & Supervisory Committee has determined that the proposal is appropriate, taking into consideration topics such as the fairness of the calculation of the number of granted shares.

Attached Documents Business Report (From April 1, 2020 to March 31, 2021)

1 Status of the corporate group

1 Progress and results of operations

During the fiscal year ended March 31, 2021, the Japanese economy faced difficult conditions due to the COVID-19 pandemic.

The food sector in Japan continues to face a tough economic environment because of higher labor costs due to the shortage of suitable workers, higher raw materials costs, and fierce competition which goes beyond industries and business sectors, as well as diminished consumer sentiment resulting from the COVID-19 pandemic. In this environment, the Group operated based on the management policy of focusing on profitability.

In Japan, for the key business, MARUGAME SEIMEN, the Group carried out measures to prevent COVID-19 infections at stores during the pandemic. The Group also strengthened its approach to take-out services and proactively executed various initiatives and strategies aimed at maintaining and growing profit. Overseas, the Group continued to open new stores, while closely examining the markets in its operating countries to close unprofitable stores. Adjusting to the conditions in each region during the COVID-19 pandemic, it also took steps such as strengthening takeout and delivery services.

Regarding the number of stores at the end of the fiscal year under review, as a result of opening 141 stores (including 52 franchise restaurants) and closing 175 stores (including 86 franchise restaurants), by the end of the fiscal year the Group had a decrease of 34 stores (34 franchise restaurants) compared with the end of the previous fiscal year, bringing the total number of stores to 1,747 (including 412 franchise restaurants) (Note 1).

Total trading transactions	¥134,760 million (down 13.9% year-on-year)
Operating loss	¥7,336 million (— year-on-year)
Loss before tax	¥9,119 million (— year-on-year)
Loss for the year attributable to owners of the parent	¥5,456 million (— year-on-year)

For the fiscal year under review, the Group recorded total trading transactions of ¥134,760 million, down 13.9% year-on-year. Business loss (Note 2) was ¥3,872 million, compared to business profit of ¥8,881 million in the previous fiscal year. Operating loss was ¥7,336 million, compared to operating profit of ¥4,367 million in the previous fiscal year. Loss before tax was ¥9,119 million, compared to profit before tax of ¥2,837 million in the previous fiscal year. Loss for the year attributable to owners of the parent was ¥5,456 million, compared to profit for the year attributable to owners of the parent of ¥1,956 million in the previous fiscal year.

EBITDA decreased by 57.2% year-on-year to ¥10,692 million, while adjusted EBITDA decreased by 39.8% year-on-year to ¥17,395 million (Note 3).

Note 1: All stores except those owned and operated by the Company or its subsidiaries are referred to as “franchise restaurants.”

Note 2: Business loss is calculated by subtracting cost of sales and selling, general and administrative expenses from total trading transactions. Operating loss is calculated by adding or subtracting impairment loss, other operating revenue, and other operating expenses from business loss.

Note 3: EBITDA excludes the effects of non-cash expenditure items (i.e., depreciation and amortization) from operating loss.

In addition, adjusted EBITDA excludes the effects of impairment loss and extraordinary expenses from EBITDA.

EBITDA and adjusted EBITDA are calculated as follows.

- EBITDA = Operating Loss + Other Operating Expenses - Other Operating Income + Depreciation + Amortization
- Adjusted EBITDA = EBITDA + Impairment Loss + Extraordinary Expenses

Results of operations by segment are as follows:

MARUGAME SEIMEN (Self-service Udon)

Main business

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

(Estimated average customer expenditure: Approximately ¥500)

31 new restaurants, consisting of 22 roadside locations and nine shopping mall locations, were opened during the period, while 21 stores were closed. The total number of stores at the end of the fiscal year was 855.

As a result, total trading transactions decreased by 15.3% year-on-year to ¥80,995 million, and segment profit decreased by 82.2% year-on-year to ¥2,332 million.

Overseas Business (all overseas restaurant businesses)

Main businesses

The Company opened company-owned stores and franchise restaurants in 33 countries and regions.

93 stores (including 52 franchise restaurants) were opened during the fiscal year while 95 stores (including 86 franchise restaurants) were closed, bringing the total number of stores at the end of this period to 626 (including 404 franchise restaurants).

As a result, total trading transactions decreased by 4.9% year-on-year to ¥31,273 million, and segment profit decreased by 63.8% year-on-year to ¥1,301 million.

Others

Main business

This segment includes “Café,” “Butaya Ton-Ichi,” “TORIDOLL,” “MARUSHOYA,” “NAGATA-HONJYO-KEN,” “MAKINO,” “SONOKO,” “ZUNDO-YA,” and “BANPAIYA.”

These brands opened 17 new stores and closed 59 stores, bringing the total number of stores at the end of fiscal year to 266 stores (including 8 franchise restaurants).

Other segments include “Café,” “Butaya Ton-Ichi,” “TORIDOLL,” “MARUSHOYA,” “NAGATA-HONJYO-KEN,” “MAKINO,” “SONOKO,” “ZUNDO-YA,” and “BANPAIYA.”

As a result, total trading transactions decreased by 19.5% year-on-year to ¥22,493 million, and segment profit increased by 548.4% year-on-year to ¥197 million.

In the previous fiscal year, some marketing-related expenses were recorded as Group expenses under “Adjustments.” However, as a result of a company split and organizational changes, beginning from the fiscal year under review, the recording method has been changed so that they are allocated to the segments of “MARUGAME SEIMEN” and “Others.”

Up through the previous fiscal year, the segments were “MARUGAME SEIMEN,” “Café,” “Butaya Ton-Ichi,” “International Business,” and “Others.” However, after reviewing the Group’s business portfolio, the segments have been changed to “MARUGAME SEIMEN,” “International Business” and “Others” from the fiscal year under review and onwards. As a result of this change, businesses in Japan are categorized into “MARUGAME SEIMEN” and “Others.” The “Others” segment includes all businesses in Japan other than MARUGAME SEIMEN.

Therefore, segment information for the previous fiscal year is presented based on this new revision.

2 Capital expenditures

The Group has continued to enact capital expenditures in order to grow sales by opening new stores.

In this fiscal year, the Group opened 31 MARUGAME SEIMEN stores (22 roadside locations and nine shopping mall locations) and 17 stores of other brands in Japan. As a result, a total of 48 company-owned stores were newly opened.

The Group opened 41 company-owned overseas stores in Hong Kong, Taiwan, Singapore, the US, etc.

3 Financing activities

In this fiscal year, the Group allocated funds on hand and a total of ¥9,300 million in long-term loans payable from financial institutions as financing activities.

4 Challenges to be addressed

The Group has maintained solid business performance, primarily in its key business, MARUGAME SEIMEN. However, in order to achieve further growth, the Group will proactively address the following challenges and aim to grow its business through multiple growth pillars.

(i) Further strengthening of the domestic foundation and improvements to profitability

In addition to strengthening existing stores by maintaining and improving QSC and enhancing marketing initiatives and education, the Group will aim for further business stability by establishing new growth pillars through M&A and development of new lines of business.

Furthermore, the Group will aim to improve profitability by enacting improvements in personnel efficiency.

(Note) QSC is an important keyword for restaurants that stands for Quality, Service, and Cleanliness.

(ii) Deployment of a global multi-brand strategy

The Group will utilize the business foundation established by its key business, MARUGAME SEIMEN and deploy a global multi-brand strategy that nurtures other lines of business with new added value.

Although the Group intends to deploy its strategy overseas to fit the culinary culture of each region, business customs related to real estate transactions and license approval systems in the operating countries are expected to cause delays in construction timelines and store openings.

In the future, the Group will carefully select store opening sites, promote efficient operations by amassing know-how, reduce the risks of overseas businesses, and strive to improve profitability.

We look forward to the continued support and encouragement of our shareholders.

5 Assets, Profits, and Losses

(Amounts shown in millions of yen)

Categories	International Financial Reporting Standards (IFRS)			
	28th consolidated year ended March 31, 2018	29th consolidated year ended March 31, 2019	30th consolidated year ended March 31, 2020	31st consolidated year ended March 31, 2021 (current fiscal year under review)
Total trading transactions	116,504	145,022	156,478	134,760
Profit (loss) before tax	7,175	1,337	2,837	(9,119)
Profit (loss) for the year attributable to owners of the parent	4,665	267	1,956	(5,456)
Comprehensive income (loss) for the year attributable to owners of the parent	3,019	902	1,626	(4,702)
Basic earnings (losses) per share (yen)	53.72	3.11	21.21	(67.71)
Total assets	111,525	117,979	209,978	209,411
Equity attributable to owners of the parent	36,242	33,979	45,427	39,461
Profit ratio to equity attributable to owners of the parent (%)	13.2	0.8	4.9	(12.9)

- Notes:
1. The Company conducted a 2-for-1 stock split of common shares on April 1, 2020. The Company calculated basic earnings per share based on the hypothetical premise that this stock split occurred at the beginning of the fiscal year ended March 31, 2018.
 2. At the end of current fiscal year under review, total assets decreased by ¥568 million from the end of the previous fiscal year to ¥209,411 million, a decrease of 0.3% year-on-year. Although deferred tax assets increased by ¥4,314 million from the end of the previous fiscal year, this decrease mainly reflected a ¥2,626 million decrease in property, plant and equipment, and a ¥1,086 million decrease in investments accounted for using equity method, compared with the end of the previous fiscal year.
 3. “Basic earnings (losses) per share” are calculated by deducting the amount not attributable to the Company’s common shareholders from “Profit (loss) for the year attributable to owners of the parent.”

6 Parent company and major subsidiaries

(i) Status of the parent company

Not applicable.

(ii) Status of major subsidiaries

Company name	Capital stock	Ratio of ownership of the Company	Major businesses
TORIDOLL HOLDING LIMITED	HKD \$2,452,338 thousand	100%	Administration and management of overseas business
TORIDOLL TAIWAN CORPORATION	NT\$52,500 thousand	100%	Restaurant management, etc.
MARUGAME SEIMEN Corporation	JPY ¥10 million	100%	Restaurant management, etc.
Active Source Inc.	JPY ¥10 million	100%	Restaurant management, etc.
ZUND	JPY ¥30 million	100%	Restaurant management, etc.
Tam Jai International Co. Limited	HKD \$10 thousand	100%	Restaurant management, etc.
SONOKO Co., Ltd.	JPY ¥100 million	100%	Sales of beauty cosmetics, etc.
Wok to Walk Franchise B.V.	EUR 18 thousand	80%	Franchise restaurant operations, etc.
TORIDOLL Global Foods Co., Ltd.	JPY ¥10 million	59%	Sales of agricultural products, etc.
TORIDOLL DINING CORPORATION	USD \$142	100%	Holding company
MARUGAME UDON USA, LLC	USD \$3.301 million	83%	Restaurant management, etc.
MC GROUP PTE. LTD.	SGD \$300,000	70%	Restaurant management, etc.

- Notes:
1. Effective April 1, 2020, TORIDOLL Japan Inc. changed its trade name to MARUGAME SEIMEN Corporation.
 2. On April 1, 2020, the Company acquired 39 shares of Active Source Inc. through a share exchange, making it a wholly-owned subsidiary.
 3. On April 1, 2020, the Company acquired 70 shares of ZUND through a share exchange, making it a wholly-owned subsidiary.
 4. As a result of an absorption-type merger on January 1, 2021, the former INAMINO FARM CORPORATION (surviving company) absorbed and merged with the former TORIDOLL MERRILY RANCH CORPORATION (absorbed company) and the trade name was changed to TORIDOLL Global Foods Co., Ltd.

7 Principal Business Offices

(i) The Company

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

Kobe office 7-1-1 Onoedori, Chuo-ku, Kobe, Hyogo

* The Kobe office will be closed on September 30, 2021.

(ii) Business offices of main subsidiaries

MARUGAME SEIMEN Corporation

Headquarters: 7-1-1 Onoedori, Chuo-ku, Kobe, Hyogo

* As of June 1, 2021, the head office location has been changed to 1-21-1 Dogenzaka, Shibuya-ku, Tokyo.

NIKU-NO-YAMAKI SHOTEN Corporation

Headquarters: 7-1-1 Onoedori, Chuo-ku, Kobe, Hyogo

* As of June 1, 2021, the head office location has been changed to 1-21-1 Dogenzaka, Shibuya-ku, Tokyo.

TORIDOLL Japan Inc.

Headquarters: 7-1-1 Onoedori, Chuo-ku, Kobe, Hyogo

* As of June 1, 2021, the head office location has been changed to 1-21-1 Dogenzaka, Shibuya-ku, Tokyo.

The number of stores by segment and region is as follows.

Segment	Number of stores by region (stores)	
MARUGAME SEIMEN	Hokkaido	28
	Tohoku	41
	Kanto	288
	Chubu	169
	Subtotal	855
Others	Hokkaido	1
	Tohoku	4
	Kanto	66
	Chubu	19
	Subtotal	180
Total number of stores		1,035

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

Company name	Location	Number of stores (stores)
MARUGAME UDON USA, LLC	Delaware	10
TORIDOLL KOREA CORPORATION	Seoul	5
TORIDOLL TAIWAN CORPORATION	Taipei	42
GEORGE'S CORPORATION	Honolulu	1
Tokyo Table Holdings, LLC	Los Angeles	1
WOK TO WALK INTERNATIONAL, SOCIEDAD LIMITADA	Barcelona	106
SONOKO Co., Ltd.	Tokyo	1
Active Source Inc.	Tokyo	41
ZUND	Himeji	44
Tam Jai International Co. Limited	Hong Kong	147
TORIDOLL (CAMBODIA) COMPANY LIMITED	Phnom Penh	4
MC GROUP PTE. LTD.	Singapore	16
Total number of stores		420

(iv) Overseas franchise restaurants

Region name/country name	Number of stores (stores)
China (including Hong Kong)	66
Malaysia	43
Indonesia	77
United States	59
Others	47
Total number of stores	292
Total number of all stores	1,747

8 Employees

Number of employees (persons)	Changes from the end of the previous fiscal year (persons)
4,475	+336
[12,851]	[-2,507]

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

9 Major lenders

Lender	Loan balance (millions of yen)
Sumitomo Mitsui Banking Corporation	16,393
MUFG Bank, Ltd.	14,031
Mizuho Bank, Ltd.	14,010
Development Bank of Japan Inc.	9,473
Sumitomo Mitsui Trust Bank, Limited	4,177
The San-in Godo Bank, Ltd.	2,755
JA Hyogo Shinren	2,439

2 Shares of the Company

1 Number of Shares Authorized for Issue:

Common shares 230,400,000 shares

Note: As a result of a stock split (2 for 1) executed on April 1, 2020, the number of shares authorized for issue increased by 115,200,000.

2 Total number of issued shares:

Common shares 87,221,952 shares (including 858,344 treasury shares)

Notes: 1. The total number of issued shares increased by 43,571,676 as a result of a stock split (2 for 1).

2. The total number of issued shares increased 78,600 shares by exercising stock options.

3 Number of shareholders

128,915

4 Major Shareholders

Shareholder name	No. of shares owned (shares)	Ratio of ownership (%)
Takaya Awata	27,575,472	31.93
T&T inc.	11,160,000	12.92
SMBC Trust Bank Ltd., Designated Securities Trust	3,736,000	4.33
Custody Bank of Japan, Ltd. (Trust Account)	1,942,300	2.25
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,695,100	1.96
Custody Bank of Japan, Ltd. (Trust Account 5)	744,900	0.86
Custody Bank of Japan, Ltd. (Trust Account 6)	662,300	0.77
Custody Bank of Japan, Ltd. (Trust Account 1)	600,200	0.69
ARIAKE JAPAN Co., Ltd.	600,000	0.69
JP MORGAN CHASE BANK 3857581	461,263	0.53

Notes: 1. The Company holds 858,344 shares of treasury shares, but these are not included in the above major shareholders.

2. Ratio of ownership is calculated excluding treasury shares.

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

	Number of shares	Number of grantees (persons)
Directors (excluding Directors who are Audit & Supervisory Committee Members)	6,822	3

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

6 Other important matters relating to shares

As a result of the share exchange conducted on April 1, 2020, the Company disposed of 936,626 shares of its treasury shares.

3 Officers

1 Directors

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

- Notes:
1. Directors (Audit & Supervisory Committee Members) Toshiyasu Umeki, Hiroaki Umeda, and Maki Kataoka are Outside Directors.
 2. Directors (Audit & Supervisory Committee Members) Toshiyasu Umeki and Hiroaki Umeda hold qualifications as certified public accountants and possess substantial insight in finance and accounting.
 3. The Company has notified the Tokyo Stock Exchange, Inc. that Directors (Audit & Supervisory Committee Members) Toshiyasu Umeki, Hiroaki Umeda, and Maki Kataoka have been designated as independent officers who are obliged by said exchange to be designated as those not having the potential to cause conflict of interests against general shareholders.
 4. The Company has not selected full-time Audit & Supervisory Committee Members because of the system of the Audit & Supervisory Committee that conducts audits by utilizing the internal controls system. In addition, the administrative office of the Audit & Supervisory Committee has been established in the Legal Compliance Department and assists in the duties of the Audit & Supervisory Committee.
 5. Managing Director Hiroyuki Kobayashi retired upon the expiry of his term of office at the conclusion of the 30th Annual General Meeting of Shareholders held on June 26, 2020.

2 Summary of details of limited liability agreement

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

3 Amount of remuneration, etc. of Directors

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

By resolution of the Board of Directors meeting held on May 31, 2017, the Company has adopted a policy to determine details of remuneration, etc. for each Director, which was revised by resolution of the Board of Directors meeting held on February 22, 2021. When adopting the resolutions at the Board of Directors meeting held on February 22, 2021, the Remuneration Committee was consulted in advance regarding the contents of the resolutions. In regard to the remuneration, etc. for each Director for this fiscal year, the Board of Directors confirmed that the method of deciding the contents of the remuneration, etc. and the decision thereof were consistent with the decision policy, and that the recommendations by the Remuneration Committee were respected. The Board of Directors therefore concluded that the above matters are consistent with said policy.

The policy to determine details of remuneration, etc. for each Director is as described below.

a. Basic approach

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

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

b. Procedures for the determination of remuneration

In determining the remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members), the Company guarantees objectivity in the level of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) by obtaining advice based on survey data on officer remuneration (including the proportion of each type of remuneration) from an external specialized organization. Furthermore, since the establishment of the Remuneration Committee in December 2020, remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) (including the proportion for each type of remuneration) was determined after consultation with the Remuneration Committee, members of which include all three independent Outside Directors (Audit & Supervisory Committee Members) who constitute a majority. Prior to the establishment of the Remuneration Committee, the Audit & Supervisory Committee deliberated whether the remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) was appropriate in light of business performance and the performance of duties when determining whether to exercise the right to express opinions (Paragraph 6 of Article 361 of the Companies Act).

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

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

The upper limit of the total amount of performance-linked remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be the total amount to be paid for the relevant fiscal year, which is set in advance by the Board of Directors, and shall be determined in accordance with the achievement of budget targets set in advance by the Board of Directors based on the consolidated total trading transactions and profit for the year attributable to owners of the parent for the relevant fiscal year of the Group. The Company uses consolidated total trading transactions and profit for the year attributable to owners of the parent

as indicators for short-term incentive remuneration (performance-linked remuneration) because they are publicly available figures and are clear criteria for demonstrating corporate size and profitability.

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

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

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

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

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

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

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

The total payment amount and budget targets for short-term incentive remuneration (performance-linked remuneration) within the individual remuneration, etc. for Directors this fiscal year were set at the Board of Directors meeting held on June 26, 2020. Consolidated total trading transactions and loss for the year attributable to owners of the parent this fiscal year are as stated in "1 Status of the corporate group" above, and the amounts of remuneration below were calculated based on the achievement of these performance indicators.

Furthermore, the Company resolved to delegate the determination of both the specific details of the amount of basic remuneration and the amount of monetary remuneration claims pertaining to long-term incentive remuneration (restricted shares) to the Representative Director & President Takaya Awata at the Board of Directors meetings held on June 26, 2020 and July 14, 2020, respectively, and Mr. Awata determined the specific details of both. The reason for the delegating this to the Representative Director & President is that the Company has judged that he is most familiar with the status of management of the entire Group and the status of business performance by each Director, and can determine the most appropriate amount in consideration of the performance and targets of each Director. Before this determination, the Representative Director & President explained the overall remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members), which included short-term incentive remuneration (performance-linked remuneration), to the Audit & Supervisory Committee on May 13, 2020. As a result of deliberations by the Audit & Supervisory Committee, overall remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) was determined to be appropriate, taking into consideration topics such as the fairness of its calculation and its link with performance.

As the amount of individual remuneration for Directors was determined after the procedures stated above, the Board of Directors judged that these details, including short-term incentive remuneration (performance-linked remuneration), are in line with the determination policy.

Category	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration by type (millions of yen)			Number of recipient directors
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (excluding Directors who are Audit & Supervisory Committee Members) (of which, Outside Directors)	119 (-)	106 (-)	6 (-)	6 (-)	4 (0)
Directors (Audit & Supervisory Committee Members) (of which, Outside Directors)	13 (13)	13 (13)	- (-)	0 (0)	3 (3)
Total (Outside Directors)	132 (13)	120 (13)	6 (-)	6 (0)	7 (3)

- Notes:
1. The amount of non-monetary remuneration listed above includes the expenses incurred during this fiscal year related to share acquisition rights issued as stock options (¥1 million for Directors (excluding Audit & Supervisory Committee Members) and ¥0 million for Directors (Audit & Supervisory Committee Members)) that were approved at the General Meeting of Shareholders and Board of Directors meeting held on June 28, 2018. Furthermore, this includes the expenses incurred during this fiscal year related to shares granted as restricted shares (¥5 million for Directors (excluding Audit & Supervisory Committee Member)) that were approved at the General Meeting of Shareholders and Board of Directors meeting held on June 29, 2017, the Board of Directors meeting held on July 9, 2018, the Board of Directors meeting held on July 9, 2019, and the Board of Directors meeting held on July 14, 2020.
 2. One Director (excluding Directors who are Audit & Supervisory Committee Members) who retired at the conclusion of the General Meeting of Shareholders held on June 26, 2020, is included in the table above.
 3. Non-monetary remuneration, etc. for this fiscal year was the Company's shares (restricted shares), and the status of the shares granted is presented in "2.5 Status of shares granted to Company Executives as remuneration during their duties this fiscal year" in the Business Report.
 4. The total amount of remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) was resolved to be not more than ¥500 million per year at the 25th Annual General Meeting of Shareholders held on June 26, 2015. The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of that General Meeting of Shareholders was three (of which, none were Outside Directors).
 5. The amount of remuneration for Directors who are Audit & Supervisory Committee Members was resolved to be not more than ¥100 million per year at the 25th Annual General Meeting of Shareholders held on June 26, 2015. The number of Directors who are Audit & Supervisory Committee Members at the conclusion of that Annual General Meeting of Shareholders was three (of which, three were Outside Directors).
 6. At the 27th Annual General Meeting of Shareholders held on June 29, 2017, the total amount of monetary remuneration claims for the granting of restricted shares to Directors (excluding Directors who are Audit & Supervisory Committee Members) was resolved to be not more than ¥36 million per year, which is within the scope of the total amount of remuneration, etc. of ¥500 million per year stated above, and the total number of the Company's common shares to grant was resolved to be not more than 29,460 shares (number of shares after the stock split on April 1, 2020). The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of that General Meeting of Shareholders was four (of which, none were Outside Directors).
 7. At the 28th Annual General Meeting of Shareholders held on June 28, 2018, the total amount of the Company's share acquisition rights to be granted as stock options to Directors (excluding Directors who are Audit & Supervisory Committee Members) was resolved to be not more than 230, which is within the scope of the total amount of remuneration, etc. of ¥500 million per year stated above, and the total number of shares underlying the share acquisition rights was resolved to be not more than 46,000 shares (number of shares after the stock split on April 1, 2020). Furthermore, at that meeting, the total amount of the Company's share acquisition rights to be granted as stock options to Directors who are Audit & Supervisory Committee Members was resolved to be not more than 45, which is within the scope of the total amount of remuneration, etc. of ¥100 million per year stated above, and the total number of shares underlying the share acquisition rights was resolved to be not more than 9,000 shares (number of shares after the stock split on April 1, 2020). The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) at the conclusion of that General Meeting of Shareholders was four (three eligible for the granting of shares) (of which, none were Outside Directors), and the number of Directors who are Audit & Supervisory Committee Members was three (of which, three were Outside Directors).

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

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

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

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

(ii) Status of principal activities during this fiscal year

Categories	Name	Overview of attendance, participation and duties carried out in relation to expected role of an Outside Director
Director (Audit & Supervisory Committee Member)	Toshiyasu Umeki	<p>During this fiscal year, Mr. Toshiyasu Umeki attended 19 of 19 Board of Directors meetings and 14 of 14 Audit & Supervisory Committee meetings. He made appropriate and necessary statements during proposal deliberations, etc., utilizing his deep insight as a certified public accountant.</p> <p>Furthermore, as the Chair of the Audit & Supervisory Committee, he planned and led the Audit & Supervisory Committee's audits, and as Chair of the Nomination Committee and the Remuneration Committee, which were established in December 2020, he led the deliberations at both committees.</p>
Director (Audit & Supervisory Committee Member)	Hiroaki Umeda	<p>During this fiscal year, Mr. Hiroaki Umeda attended 18 of 19 Board of Directors meetings and 13 of 14 Audit & Supervisory Committee meetings. He made appropriate and necessary statements during proposal deliberations, etc., utilizing his deep insight as a certified public accountant.</p> <p>Furthermore, as a member of the Audit & Supervisory Committee, he vigorously carried out the Audit & Supervisory Committee's audits, and as a member of the Nomination Committee and the Remuneration Committee, which were established in December 2020, he proactively made statements at both committees.</p>

Categories	Name	Overview of attendance, participation and duties carried out in relation to expected role of an Outside Director
Director (Audit & Supervisory Committee Member)	Maki Kataoka	During this fiscal year, Ms. Maki Kataoka attended 19 of 19 Board of Directors meetings and 14 of 14 Audit & Supervisory Committee meetings. She made appropriate and necessary statements during proposal deliberations, etc., utilizing her deep insight as an attorney. Furthermore, as a member of the Audit & Supervisory Committee, she vigorously carried out the Audit & Supervisory Committee's audits, and as a member of the Nomination Committee and the Remuneration Committee, which were established in December 2020, she proactively made statements at both committees.

4 Financial Auditor

1 Name of Financial Auditor

KPMG AZSA LLC

2 Amount of remuneration for Financial Auditor for the current fiscal year

(i) Remuneration to Financial Auditor

	Remuneration based on audit attestation services	Remuneration based on non-audit attestation services
The Company	¥92 million	¥— million
Consolidated subsidiaries	¥— million	¥— million
Total	¥92 million	¥— million

(ii) Remuneration to parties in the same network (KPMG member firm) as Financial Auditor (excluding (i))

	Remuneration based on audit attestation services	Remuneration based on non-audit attestation services
The Company	¥16 million	¥4 million
Consolidated subsidiaries	¥28 million	¥5 million
Total	¥44 million	¥9 million

Notes:

1. In the audit agreement between the Company and the Financial Auditor, the amount of remuneration for audits based on the Companies Act and the amount of remuneration for audits based on the Financial Instruments and Exchange Act are not categorized. Because they cannot be practically categorized, the amount in (i) above lists these total amounts.
2. Overseas subsidiaries of the Company have been audited by auditing companies other than the Company's Financial Auditor.
3. The Company has delegated and paid for tasks other than those stipulated in Paragraph 1 of Article 2 of the Certified Public Accountants Act (non-audit attestation services) to the Financial Auditor, including "tax advisory duties."
4. In addition the above, ¥16,594 thousand was paid as an additional remuneration for audits of the previous fiscal year.
5. The Audit & Supervisory Committee conducted the necessary verification to judge whether the content of the audit plan by the Financial Auditor, the status of duties executed by the Financial Auditor, and the basis for calculating remuneration estimates are appropriate. After this, the Audit & Supervisory Committee decided to approve the amount of remuneration, etc. of the Financial Auditor.

3 Summary of details of limited liability agreement

The Company has executed a limited liability agreement with the Financial Auditor to limit their liability for damages as stipulated in Paragraph 1 of Article 427 of the Companies Act, excluding cases of willful misconduct or gross negligence by the Financial Auditor, to the amount of double the highest annual amount of proprietary benefits received or planned to be received from the Company as remuneration during their duties as an entrusted Financial Auditor or as compensation for the execution of other duties.

4 Policy for decisions on dismissal and non-reappointment of Financial Auditor

In the case of difficulties emerging in the execution of duties by the Financial Auditor, if the Audit & Supervisory Committee determines that these measures are necessary, it may decide on the content of a proposal for the dismissal and non-reappointment of the Financial Auditor to be submitted to the General Meeting of Shareholders.

When the Audit & Supervisory Committee acknowledges that the provisions established in Paragraph 1 of Article 340 of the Companies Act are applicable to the Financial Auditor, the Company may dismiss the Financial Auditor by the unanimous approval of all Audit & Supervisory Committee Members. Under these circumstances, the Audit & Supervisory Committee Member selected by the Audit & Supervisory Committee shall report the dismissal of the Financial Auditor and the reason for dismissal at the next General Meeting of Shareholders convened after such dismissal.

5 Policy to Determine Dividends of Surplus, etc.

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

For this fiscal year, the Company passed a resolution related to appropriation of surplus as follows at the Board of Directors meeting held on May 14, 2021.

Year-end dividends

- (i) Type of dividend property
Cash
- (ii) Allotment of dividend property to shareholders and their aggregate amount
Dividend per share of common share of the Company
¥4.50
Total payment
¥389 million
- (iii) Effective date of dividends of surplus
June 15, 2021

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

Consolidated Financial Statements

Consolidated Statement of Financial Position (as of March 31, 2021)

(Amounts shown in millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	32,823	Current liabilities	54,412
Cash and cash equivalents	24,969	Trade and other payables	12,232
Trade and other receivables	5,497	Short-term loans payable	7,022
Inventories	718	Current portion of long-term loans payable	13,295
Other current assets	1,638	Lease liabilities	14,429
Non-current assets	176,588	Income taxes payable	1,215
Property, plant and equipment	31,955	Provisions	970
Right-of-use assets	78,110	Other current liabilities	5,249
Intangible assets and goodwill	40,258	Non-current liabilities	115,059
Investments accounted for using the equity method	3,684	Long-term loans payable	41,974
Other financial assets	13,706	Lease liabilities	66,605
Deferred tax assets	7,778	Provisions	4,002
Other non-current assets	1,096	Deferred tax liabilities	1,383
		Other non-current liabilities	1,096
		Total liabilities	169,471
		Equity	
		Equity attributable to owners of the parent	39,461
		Capital stock	4,208
		Capital surplus	2,348
		Other equity instruments	10,847
		Retained earnings	23,131
		Treasury shares	(1,026)
		Other components of equity	(46)
		Non-controlling interests	478
		Total equity	39,940
Total assets	209,411	Total liabilities and equity	209,411

Consolidated Statement of Income (From April 1, 2020 to March 31, 2021)

(Amounts shown in millions of yen)

Item	Amount	
Total trading transactions		134,760
Cost of sales		(34,729)
Gross profit		100,031
Selling, general and administrative expenses	(103,903)	
Impairment loss	(6,674)	
Other operating income	4,959	
Other operating expenses	(1,749)	(107,367)
Operating loss		(7,336)
Finance income	163	
Finance costs	(1,069)	(906)
Share of profit (loss) of investments accounted for using the equity method		(877)
Loss before tax		(9,119)
Income tax expense		3,700
Loss for the year		(5,419)
Loss for the year attributable to		
Owners of the parent		(5,456)
Non-controlling interests		37

Non-consolidated Financial Statements
Balance Sheet (as of March 31, 2021)

(Amounts shown in millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	23,547	Current liabilities	28,866
Cash and deposits	11,647	Accounts payable - trade	2,471
Trade accounts receivable	7,863	Short-term borrowings	7,000
Raw materials and supplies	16	Current portion of long-term borrowings	12,737
Prepaid expenses	1,028	Lease obligations	277
Short-term loans receivable	2,052	Accounts payable - other	4,209
Accounts receivable - other	663	Accrued expenses	521
Other	511	Income taxes payable	242
Allowance for doubtful accounts	(233)	Deposits received	45
Non-current assets	101,725	Provision for bonuses	42
Property, plant and equipment	26,487	Provision for loss on store closings	87
Buildings	18,706	Accounts payable - facilities	827
Structures	1,413	Asset retirement obligations	373
Vehicles	6	Other	34
Tools, furniture and fixtures	4,597	Non-current liabilities	56,670
Leased assets	1,693	Long-term borrowings	51,117
Construction in progress	71	Lease obligations	2,380
Intangible assets	267	Asset retirement obligations	3,039
Software	264	Other	133
Telephone subscription right	1	Total liabilities	85,536
Trademark rights	1	Net assets	
Investments and other assets	74,971	Shareholders' equity	39,263
Shares of subsidiaries and associates	53,092	Share capital	4,228
Investments in capital of subsidiaries and associates	0	Capital surplus	4,285
Investment securities	22	Legal capital surplus	4,285
Long-term loans receivable	8,500	Retained earnings	31,767
Long-term prepaid expenses	155	Legal retained earnings	8
Leasehold and guarantee deposits	6,233	Other retained earnings	31,760
Construction assistance fund receivables	4,366	General reserve	13,379
Deferred tax assets	5,125	Retained earnings brought forward	18,381
Other	1,112	Treasury shares	(1,018)
Allowance for doubtful accounts	(3,634)	Share acquisition rights	473
		Total net assets	39,736
Total assets	125,272	Total liabilities and net assets	125,272

Statement of income (From April 1, 2020 to March 31, 2021)

(Amounts shown in millions of yen)

Item	Amount	
Net sales		74,583
Cost of sales		40,495
Gross profit		34,088
Selling, general and administrative expenses		30,487
Operating profit		3,601
Non-operating income		
Interest income	174	
Dividend income	5,018	
Foreign exchange gains	14	
Other	192	5,397
Non-operating expenses		
Interest expenses	998	
Other	321	1,319
Ordinary profit		7,678
Extraordinary income		
Gain on reversal of share acquisition rights	5	
Other	3	9
Extraordinary losses		
Impairment loss	4,228	
Provision for loss on store closings	197	
Provision of allowance for doubtful accounts for subsidiaries and associates	422	
Other	196	5,044
Profit before income taxes		2,644
Income taxes - current	116	
Income taxes - deferred	(1,373)	(1,257)
Profit		3,901

Audit Report

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

Independent Auditor's Report

May 26, 2021

TORIDOLL Holdings Corporation
To the Board of Directors

KPMG AZSA LLC
Tokyo Office

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

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

Audit Opinion

Pursuant to Paragraph 4 of Article 444 of the Companies Act, we have audited the consolidated financial statements of TORIDOLL Holdings Corporation (the "Company") for the fiscal year from April 1, 2020 to March 31, 2021, which comprises the consolidated statements of financial position, consolidated statements of income, consolidated statements of changes in equity, important materials which were the foundation for preparing the consolidated financial statements, and other notes.

We acknowledge that the above consolidated financial statements, prepared pursuant to the provisions of the latter part of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting, which approves preparing consolidated financial statements while omitting certain items required to be disclosed by the International Financial Reporting Standards, fairly present, in every material aspect, the financial position and results of operations of the corporate group composed of the Company and its consolidated subsidiaries for the relevant term of the consolidated financial statements.

Basis for Audit Opinion

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

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

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

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

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

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

Our responsibilities are to obtain reasonable assurance that the consolidated financial statements as a whole are free from any material misrepresentation, whether fraudulent or negligent, and to issue an auditor's report with our opinion on the consolidated financial statements based on our audit from an independent point of view.

Misrepresentation(s) can arise from fraud or negligence and are considered material if, one could reasonably expect the consolidated financial statements in part or as a whole, to influence the decisions of users of these consolidated financial statements.

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

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

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

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be expected to influence our independence, and where applicable, any related safeguards in order to eliminate or reduce impediments.

Conflicts of Interest

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

Independent Auditor's Report

May 26, 2021

TORIDOLL Holdings Corporation
To the Board of Directors

KPMG AZSA LLC
Tokyo Office

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

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

Audit Opinion

Pursuant to Item 1, Paragraph 2 of Article 436 of the Companies Act, we have conducted an audit of the financial statements of TORIDOLL Holdings Corporation (the "Company"), that is, the balance sheet, statement of income, statements of changes in equity, important accounting policies, other notes, and supplementary schedules (hereinafter referred to as the "Financial Statements"), for the 31st fiscal year from April 1, 2020 to March 31, 2021.

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

Basis for Audit Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of any fraudulent or negligent material misrepresentation, and design and perform audit procedures responsive to those risks. Audit procedures are selected and applied at the discretion of the auditor. Furthermore, auditors must obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements, obtain an understanding of internal controls relevant to the audit in

order to design audit procedures that are appropriate for the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the efficacy of the entity's internal controls.

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of the preparation of the Financial Statements with the assumption of a going concern by management, and based on the obtained audit evidence, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements or, if the notes to the Financial Statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the Financial Statements and notes to the Financial Statements are in accordance with Japan GAAP, as well as evaluate the presentation, structure, and content of the Financial Statements, including the related notes thereto, and whether the Financial Statements fairly present the underlying transactions and accounting events.

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

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be expected to influence our independence, and where applicable, any related safeguards in order to eliminate or reduce impediments.

Conflicts of Interest

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

Audit Report

The Audit & Supervisory Committee audited the execution of Director roles for the 31st fiscal year, from April 1, 2020 to March 31, 2021. We report the method and content of audits as follows.

1. Method and Content of Audits

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

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

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

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

2. Results of the Audit

(1) Audit Results of business reports, etc.

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

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

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

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

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

(3) Audit Result of consolidated financial statements

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

May 26, 2021

Audit & Supervisory Committee, TORIDOLL Holdings Corporation

Toshiyasu Umeki, Audit & Supervisory Committee Member

Hiroaki Umeda, Audit & Supervisory Committee Member

Maki Kataoka, Audit & Supervisory Committee Member

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