

Translation

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Summary of Consolidated Financial Results For the Nine Months ended December 31, 2023 (FY3/24 Q1-Q3) (IFRS)

February 14, 2024

Company name: TORIDOLL Holdings Corporation

Stock exchange listing: Tokyo Stock Exchange

Stock code: 3397

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Date of release of quarterly securities report: February 14, 2024

Starting date of dividend payments: -

Preparation of explanatory materials on quarterly financial results: Yes

Information meetings arranged related to quarterly financial results: No

(Amounts are rounded to the nearest million)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023

(1) Consolidated Operating Results

(% figures denote year-on-year change)

	Revenue		Business profit		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	172,342	22.3	11,811	89.9	11,563	43.3	11,103	33.9	7,078	37.9
Nine months ended December 31, 2022	140,866	20.5	6,221	0.1	8,069	(44.4)	8,289	(40.6)	5,134	(44.7)

	Profit for the period attributable to owners of the parent		Comprehensive income for the period		Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended December 31, 2023	6,563	42.5	12,104	10.8	72.02	71.33
Nine months ended December 31, 2022	4,606	(49.5)	10,923	(1.8)	49.65	49.28

(Reference) EBITDA (*)

Nine months ended December 31, 2023: ¥ 32,892 million (increased 33.2% year-on-year basis)

Nine months ended December 31, 2022: ¥ 24,692 million

Adjusted EBITDA

Nine months ended December 31, 2023: ¥ 33,389 million (increased 32.4% year-on-year basis)

Nine months ended December 31, 2022: ¥ 25,216 million

(*) The Company discloses EBITDA as comparative information.

EBITDA = Operating Profit + Other Operating Expenses - Other Operating Income
+ Depreciation + Amortization

Adjusted EBITDA = EBITDA + Impairment Loss + Extraordinary Expenses

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio	Equity per share attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	315,077	86,496	77,613	24.6	889.50
As of March 31, 2023	266,235	78,158	69,566	26.1	798.90

2. Dividends

	Annual dividend per share				
	Q1	Q2	Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2023	—	0.00	—	7.50	7.50
Fiscal Year ended March 31, 2024	—	0.00	—		
Fiscal Year ending March 31, 2024 (Forecast)				7.50	7.50

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2024

Percentages indicate year-on-year changes

	Revenue		Business profit		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	231,000	22.7	13,700	96.2	10,000	33.9	9,300	20.4	5,700	27.9

	Profit for the period attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)
	Millions of yen	%	Yen
Fiscal year	4,800	25.4	50.71

* Notes

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope consolidation): Yes
New: 1 company (Company name: The Fulham Shore Plc (Changed trade name to The Fulham Shore Limited))
Excluded: —
- (2) Changes in accounting policies and accounting estimates
 - 1) Changes in accounting policies as required by IFRS: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
- (3) Number of shares outstanding (ordinary shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	88,091,952 shares
As of March 31, 2023	87,920,752 shares

2) Number of treasury shares at the end of the period

As of December 31, 2023	837,892 shares
As of March 31, 2023	844,025 shares

3) Average number of shares during the period

Nine months ended December 31, 2023	87,101,228 shares
Nine months ended December 31, 2022	86,901,683 shares

*Summary quarterly financial statements are not subject to quarterly review by a public certified accountant or an auditing firm.

* Appropriate use of financial results forecasts and other notes

The forward-looking statements in this report are based upon various assumptions, including, without limitation, business forecasts, management's estimates, assumptions, and projections at the time of publication. These statements do not represent a promise or commitment by the Company to achieve these forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors.

1. Qualitative Information Concerning Financial Results for the Nine Months ended December 31, 2023 (FY3/24 Q1-Q3)

(1) Consolidated Financial Results

During the nine months of the consolidated fiscal year under review (April 1 to December 31, 2023), the external environment was as follows: There was a significant increase in travel and customer numbers were on a recovery trend compared to the same period of last year.

Against this backdrop, our business activities were as follows: In Japan, created highly compelling products and retail store designs and organized campaigns to increase in-store traffic. In the Overseas segment, we acquired Fulham Shore, a UK-based restaurant business, which became a subsidiary in July, from the second quarter of the current fiscal year.

The results for the period were as follows: All segments (Marugame Seimen, Other Domestic, Overseas) posted revenue growth, culminating in total revenue of ¥172,342 million (+22.3% year-on-year), our highest ever revenue result for the first nine months of the consolidated fiscal year.

Despite higher raw material costs, higher labor costs, and higher utilities costs in Japan and overseas, these increases were absorbed by the increase in sales, resulting in a significant increase in business profit (Note 1) to ¥11,811 million (+89.9% year-on-year). This, also, was our highest ever business profit result for the first nine months of the consolidated fiscal year.

In the same period of the previous year, we recorded ¥4,173 million in government subsidies, such as those provided for complying with the request to shorten operating hours related to COVID-19. However, due to the fact that the amount totaled just ¥12 million in the nine months of the current fiscal year, other operating income decreased by ¥4,052 million year-on-year, but this was generally absorbed by the large increase in business profit. On the other hand, other operating expenses decreased by ¥1,719 million year-on-year, as a one-time China business liquidation cost of ¥1,235 million was recorded in the nine months of last year. As a result, operating profit (Note 2) amounted to ¥11,563 million (+43.3% year-on-year), a significant increase. Quarterly profit attributable to owners of the parent also increased to ¥6,563 million (+42.5% year-on-year).

(Millions of yen)

Consolidated	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Year-on-year change	
			Amount	%
Revenue	140,866	172,342	+ 31,476	+ 22.3%
Business profit	6,221	11,811	+ 5,590	+ 89.9%
Operating profit	8,069	11,563	+ 3,494	+ 43.3%
Profit for the period attributable to owners of the parent	4,606	6,563	+ 1,957	+ 42.5%

(Notes)

- 1: Business profit is calculated by deducting the cost of goods sold and selling, general and administrative expenses from revenue.
- 2: Operating profit is calculated by adding other operating income to and deducting impairment losses and other operating expenses from business

(2) Financial Results by Segment

(Millions of yen)

Revenue	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Year-on-year change	
			Amount	%
Marugame Seimen	77,356	86,685	+9,329	+12.1%
Other Domestic	18,340	20,943	+2,602	+14.2%
Overseas	45,170	64,714	+19,545	+43.3%
Total	140,866	172,342	+31,476	+22.3%

(Millions of yen)

Business profit	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Year-on-year change	
			Amount	%
Marugame Seimen	9,267	13,834	+4,567	+49.3%
Other Domestic	2,327	3,713	+1,386	+59.6%
Overseas	1,508	3,161	+1,652	+109.5%
Adjustments*3	(6,881)	(8,897)	(2,015)	—
Total	6,221	11,811	+5,590	89.9%

(Note)

3: Adjustments are corporate expenses that are not allocated to each segment in financial reporting.

Marugame Seimen Segment

In the Marugame Seimen segment, we continue to employ integrated marketing that combines brand and product strategies in a hybrid fashion, merging offline (TV commercials, stores) and online (digital marketing, social media, etc.) in an optimal manner from both a sensory and data science perspective. In the current fiscal year, under the concept of “We’ll amaze you with udon!” in our brand communication, we are reinforcing the image of “authentic” and “astonishingly delicious udon” and the feeling of the udon in our restaurants. Also, to further improve the taste of our freshly made udon noodles, which are made from flour at each and every restaurant, we have the goal of having our Menshokunin (noodle masters) (Note 4) on staff at all of our restaurants.

As for seasonal fair menus in the nine months of the consolidated fiscal year under review, we began sales of “Beef Sukiyaki Kamatama Udon” and “Umakara Maze Kamatama Udon” from October 17, 2023, which became big hit items, selling a total of 2.65 million servings. On December 5, “Kamo Negi Udon” and “Ankake Udon With Meat and Egg” were introduced, and sales were strong with 880,000 and 920,000 servings sold, respectively, by the end of December.

We launched the new autumn product lineup of the takeout-only product “Marugame Shake Udon,” which are “Spicy Meat and Soboro Bukkake Udon,” “Frozen Lemon Oroshi Bukkake Udon,” and “Wild Vegetable Oroshi Bukkake Udon” on September 5. This lineup succeeded in attracting new customer segments, such as women and younger demographics, with the new experience of shaking udon and unique product lineup, and sold a total of 5 million servings in the six months since the May 16 launch. From December 5, sales of “Marugame Shake Udon” were temporarily suspended, and at the same time, we introduced a total of 12 types of winter-time limited “Marugame Udon Bento.” We developed a selection

of three types of dashi (hot “kake-dashi” and “egg ankake” and cold “bukkake-dashi”) and a lineup of tempura combinations.

In addition, on November 21, we opened the “Handmade Experience Classroom Tokyo-Tachikawa,” a facility specializing in hands-on experience adjacent to Marugame Seimen's Tachikawa store (Tokyo), and launched activities to provide enjoyable hands-on noodle-making experiences from scratch with family and friends.

Thanks to these activities, revenue increased to ¥86,685 million (+12.1% year-on-year), the highest ever recorded in the first nine months of the consolidated fiscal year. Cost of sales, labor costs and advertising expenses also increased but were absorbed by the increase in revenue. Business profit also rose significantly, reaching a record high of ¥13,834 million (+49.3% year-on-year) in the first nine months of the consolidated fiscal year.

(Note)

4. Menshokunin (noodle masters): Certification given only to those who have passed the unique training system, the Menshokunin program. Since its founding, Menshokunin have inherited the skills and passion of Marugame Seimen and have been dedicated to making udon noodles from scratch using flour at all of the restaurants on a daily basis in order to provide customers with the “best bowl of udon” they have ever eaten. As of December 31, 2023, 1,500 masters are in employment.

Other Domestic Segment

This segment covers the following businesses (among others): Kona's Coffee, Ramen Zundo-ya, Nikuno Yamagyu (Note 5), Banpai-ya, Tempura Makino, Toridoll, Buta-ya Tonichi, and Nagata Honjyouken.

Zundo-ya, a brand of ramen served in brothy pork-bone soup, operating 80 locations, including 6 new locations, maintained strong profitability. Kona's Coffee, a brand offers a Hawaiian dining experience “closest to you,” saw customer numbers increase year-on-year even after the price revision implemented in February 2023. Yachiyodai Midorigaoka (Chiba) store, the largest new store in Japan, which opened on December 14, also achieved strong sales.

Niku no Yamagyu's Akabane (Tokyo) store, which opened on November 29, recorded the highest daily sales ever for the first day of this business type, and the takeout/delivery ratio at its Grocerant-type (Note 6) stores remained high.

Tempura Makino enhanced its fair set menus and tempura dishes, which mainly feature seasonal ingredients, and also successfully captured inbound demand from an increasing number of foreign tourists. Buta-ya Tonichi opened its Matsudo (Chiba) store on November 14, and existing-store sales also increased. As a result, revenue reached a record high of ¥20,943 million (+14.2% year-on-year) and business profit also increased significantly to a record high of ¥3,713 million (+59.6% year-on-year) in the first nine months of the consolidated fiscal year.

(Notes)

5. Nikuno Yamaki Shoten changed its brand name to Niku no Yamagyu as of November 29, 2023.

6. Grocerant-type: A format that combines a grocery store and a restaurant.

Overseas Segment

Tam Jai, a spicy noodle restaurant business, has seven restaurants in China, five in Hong Kong, and one in Singapore, increasing the total to 228 locations and has enjoyed an increase in revenue. With regard to Marugame Udon, we opened eight new restaurants in Taiwan and posted a significant increase in both revenue and profit thanks to improved product and service quality due to successful personnel training. In the U.S., both revenue and profit posted an increase thanks to an increase in no. of customers at existing stores and strong sales at two new locations. In the U.K., as well, efforts were made to improve productivity through increased revenues, and while some results were achieved, our investment for growth has still not seen positive results.

Due in part to Fulham Shore (U.K.), which was consolidated from Q2, and the impact of foreign exchange rates, revenue increased significantly to a record high of ¥64,714 million (+43.3% year-on-year) in the first nine months of the consolidated fiscal year. Business profit also increased significantly to ¥3,161 million (+109.5% year-on-year), the highest ever recorded, in the first nine months of the consolidated fiscal year.

Number of Locations	Marugame Seimen	Other Domestic			Overseas			Total
		Company-owned	Company-owned	Franchise and etc. ⁷	Sub-Total	Company-owned	Franchise and etc.	
At the end of FY3/23	833	226	4	230	316	391	707	1,770
Opening in Q1-Q3 FY3/24	15	14	0	14	129	53	182	211
Closure in Q1-Q3 FY3/24	8	3	0	3	13	20	33	44
At the end of Q3 FY3/24	840	237	4	241	432	424	856	1,937

(Notes)

7. This includes locations other than company-owned stores, including locations operated by franchisees or joint ventures.
8. Fulham Shore was added to the number of locations for the Overseas segment from Q2 FY2024, and 95 directly managed stores and 1 franchise store were added.

(3) Explanations of Consolidated Financial Forecast

Consolidated Financial Results for the first nine months of the fiscal year ending March 31, 2024 were generally in line with the Plan.

Although operating profit and profit for the period attributable to the owners of the parent for the first nine months of the consolidated fiscal year under review exceeded the full-year Plan, the Group normally records the majority of impairment losses in the fourth quarter of each fiscal year, and the subject and amount of such losses have not been determined at this time.

Since the forecast incorporates the reinforcement of the system for increased openings in the next fiscal year and thereafter, as well as surging raw material costs, the full-year consolidated forecast announced on November 14, 2023 remains the same.

Condensed Quarterly Consolidated Financial Statements

Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	67,456	71,131
Trade and other receivables	7,578	9,305
Inventories	759	1,169
Other current assets	2,008	3,605
Total current assets	77,801	85,209
Non-current assets		
Property, plant and equipment	36,143	43,912
Right-of-use assets	82,759	98,706
Intangible assets and goodwill	45,712	62,773
Investments accounted for using the equity method	4,336	4,913
Other financial assets	13,103	13,039
Deferred tax assets	4,953	4,959
Other non-current assets	1,428	1,566
Total non-current assets	188,434	229,867
Total assets	266,235	315,077

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Trade and other payables	13,223	15,406
Short-term loans payable	4,028	20,131
Current portion of long-term loans payable	16,802	15,353
Lease liabilities	16,722	18,852
Income taxes payable	644	3,465
Provisions	1,423	1,359
Other current liabilities	6,627	10,581
Total current liabilities	59,470	85,147
Non-current liabilities		
Bonds payable	3,184	2,386
Long-term loans payable	46,629	43,693
Lease liabilities	69,214	85,166
Provisions	5,336	5,743
Deferred tax liabilities	1,558	1,566
Other non-current liabilities	2,687	4,881
Total non-current liabilities	128,608	143,435
Total liabilities	188,078	228,581
Equity		
Equity attributable to owners of the parent		
Capital stock	4,673	4,798
Capital surplus	11,575	9,439
Other equity instruments	10,847	10,847
Retained earnings	34,207	39,746
Treasury shares	(1,003)	(997)
Other components of equity	9,267	13,780
Total equity attributable to owners of the parent	69,566	77,613
Non-controlling interests	8,592	8,883
Total equity	78,158	86,496
Total liabilities and equity	266,235	315,077

Condensed Quarterly Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Revenue	140,866	172,342
Cost of sales	(35,963)	(41,624)
Gross profit	104,904	130,718
Selling, general and administrative expenses	(98,683)	(118,907)
Impairment loss	(481)	(243)
Other operating income	4,748	695
Other operating expenses	(2,418)	(699)
Operating profit	8,069	11,563
Finance income	935	856
Finance costs	(799)	(1,318)
Finance income (costs), net	136	(462)
Share of profit (loss) of investments accounted for using the equity method	84	1
Profit before tax	8,289	11,103
Income tax expense	(3,155)	(4,025)
Profit for the period	5,134	7,078
Profit for the period attributable to		
Owners of the parent	4,606	6,563
Non-controlling interests	528	515
Profit for the period	5,134	7,078
Earnings per share attributable to owners of the parent (yen)		
Basic earnings per share	49.65	72.02
Diluted earnings per share	49.28	71.33

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit for the period	5,134	7,078
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	5,107	4,517
Share of other comprehensive income of investments accounted for using the equity method	682	509
Other comprehensive income	5,789	5,026
Comprehensive income for the period	10,923	12,104
Comprehensive income for the period attributable to		
Owners of the parent	9,728	10,998
Non-controlling interests	1,195	1,106

Condensed Quarterly Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2022

(Millions of yen)

	Equity attributable to owners of the parent								Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Other equity instruments	Retained earnings	Treasury shares	Other components of equity		Total			
						Exchange differences on translating foreign operations	Subscription rights to shares				
As of April 1, 2022	4,498	11,877	10,847	31,338	(1,020)	3,976	507	4,483	62,024	7,954	69,978
Profit for the period				4,606				—	4,606	528	5,134
Other comprehensive income						5,122		5,122	5,122	667	5,789
Total comprehensive income for the period	—	—	—	4,606	—	5,122	—	5,122	9,728	1,195	10,923
Issuance of new shares (exercise of subscription rights)	164	164					(74)	(74)	254		254
Share-based payment transactions							149	149	149		149
Purchase and disposal of treasury shares		3			15			—	18		18
Dividends				(651)				—	(651)	(671)	(1,322)
Distribution to owners of other equity instruments				(385)				—	(385)		(385)
Change in ownership interests in subsidiaries without loss of control		(2)						—	(2)	3	1
Put options over non-controlling interests		(480)						—	(480)		(480)
Other		69		8			(5)	(5)	72		72
Total transaction amount with owners	164	(246)	—	(1,029)	15	—	71	71	(1,025)	(667)	(1,692)
As of December 31, 2022	4,662	11,631	10,847	34,916	(1,005)	9,098	578	9,676	70,727	8,482	79,208

For the nine months ended December 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent								Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Other equity instruments	Retained earnings	Treasury shares	Other components of equity		Total			
						Exchange differences on translating foreign operations	Subscription rights to shares				
As of April 1, 2023	4,673	11,575	10,847	34,207	(1,003)	8,659	607	9,267	69,566	8,592	78,158
Profit for the period				6,563				—	6,563	515	7,078
Other comprehensive income						4,435		4,435	4,435	591	5,026
Total comprehensive income for the period	—	—	—	6,563	—	4,435	—	4,435	10,998	1,106	12,104
Issuance of new shares (exercise of subscription rights)	125	125					(53)	(53)	197		197
Share-based payment transactions							131	131	131		131
Purchase and disposal of treasury shares		7			7			—	14		14
Dividends				(653)				—	(653)	(842)	(1,495)
Distribution to owners of other equity instruments				(386)				—	(386)		(386)
Change in ownership interests in subsidiaries without loss of control		16						—	16	9	25
Put options over non-controlling interests		(2,285)						—	(2,285)		(2,285)
Other				14				—	14	18	32
Total transaction amount with owners	125	(2,137)	—	(1,025)	7	—	78	78	(2,951)	(815)	(3,766)
As of December 31, 2023	4,798	9,439	10,847	39,746	(997)	13,094	685	13,780	77,613	8,883	86,496

Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before tax	8,289	11,103
Depreciation and amortization	18,953	21,325
Impairment loss	481	243
Interest income	(364)	(836)
Interest expenses	790	1,300
Share of loss (profit) of investments accounted for using the equity method	(84)	(1)
Decrease (increase) in trade and other receivables	(924)	(913)
Decrease (increase) in inventories	(195)	(121)
Increase (decrease) in trade and other payables	1,608	162
Other, net	895	953
Subtotal	29,449	33,216
Interest income received	276	801
Interest expenses paid	(775)	(1,427)
Income taxes paid	(3,105)	(655)
Net cash provided by (used in) operating activities	25,845	31,934
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,623)	(6,853)
Purchase of intangible assets	(21)	(27)
Payments for lease and guarantee deposits	(666)	(404)
Proceeds from collection of lease and guarantee deposits	400	310
Payments of construction assistance fund receivables	(33)	(59)
Collection of construction assistance fund receivables	381	363
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(131)	(16,683)
Other, net	(626)	3
Net cash provided by (used in) investing activities	(9,318)	(23,351)
Cash flows from financing activities		
Proceeds from issuance of bonds	3,981	—
Redemption of bonds	—	(800)
Net increase (decrease) in short-term loans payable	—	16,100
Proceeds from long-term loans payable	14,960	7,660
Repayments of long-term loans payable	(10,225)	(12,744)
Repayments of lease liabilities	(13,924)	(15,323)
Proceeds from share issuance to non-controlling shareholders	428	89
Cash dividends paid	(651)	(653)
Distribution to owners of other equity instruments	(555)	(556)
Other, net	(416)	(648)
Net cash provided by (used in) financing activities	(6,402)	(6,875)
Net increase (decrease) in cash and cash equivalents	10,124	1,708
Cash and cash equivalents at beginning of period	53,463	67,456
Effect of exchange rate change on cash and cash equivalents	2,189	1,967
Cash and cash equivalents at end of period	65,776	71,131