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Securities Code: 3397

June 11th, 2020

To TORIDOLL Holdings Corporation shareholders:

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

Notice of the 30th Annual General Meeting of Shareholders

You are hereby notified of the convocation of the 30th Annual General Meeting of Shareholders of TORIDOLL Holdings Corporation (the “Company”) to be held as described below.

Recently, 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 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 Thursday, June 25, 2020 (JST).

1. Date and Time: Friday, June 26, 2020, 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 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 30th fiscal year (from April 1, 2019 to March 31, 2020)
2. Non-consolidated financial statements for the 30th fiscal year (from April 1, 2019 to March 31, 2020)

Matters to be resolved:

- Proposal No. 1** Election of Three Directors (Excluding Directors who are Audit & Supervisory Committee Members)
- Proposal No. 2** Election of One Substitute Director who is an Audit & Supervisory Committee Member

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

Procedures for Exercising Voting Rights

If you attend 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.

If you are unable to attend the Meeting

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 Thursday, June 25, 2020 (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 Thursday, June 25, 2020 (JST).

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 - "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 Propriety 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.

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

Instructions on Exercising Voting Rights via the Internet

- 1 Please access the website for exercising voting rights.

Search on search engines with the following keywords:

or

Website for exercising voting rights:

<https://soukai.mizuho-tb.co.jp/>

You may also access the site through the QR Code[®] on the right.

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

- 2 Log-in

Enter code for the exercise of voting rights

Click

- 3 Change password

Enter initial password

Please enter a new password which you will use in the future

Click

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

For inquiries

If you have any inquiries regarding how to operate your PC as to exercising voting rights via the Internet, please contact the support desk as follows:

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)

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, only the exercise of voting rights via the Internet will be accepted.
- If voting rights are exercised more than once via the Internet, only the last exercise shall be accepted.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Election of Three Directors (Excluding Directors who are Audit & Supervisory Committee Members)

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

All three Outside Directors who are Audit & Supervisory Committee Members have discussed with the President regarding each candidate. As a result, 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 (58 years old) Reelection Attendance at Board of Directors meetings: 100% (20/20) Length of tenure at the conclusion of this meeting: 30 years	Aug. 1985 June 1990 Oct. 1995	Self-employed (opened Toridoll Sanban-Kan) Established Toridoll Ltd., President The Company changed its organizational structure to Toridoll corporation (currently, TORIDOLL Holdings Corporation), President (current position)	13,786,244 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 style="text-align: center;">Kimihiro Tanaka July 10, 1970 (49 years old) Reelection</p> <p>Attendance at Board of Directors meetings: 100% (20/20) Length of tenure at the conclusion of this meeting: 8 years</p>	<p>Apr. 1995 Joined Totaku Industries, Inc. Jan. 2005 Joined YAMADA Business Consulting Co., Ltd. Apr. 2008 Joined Saint Marc Holdings Co., Ltd. Sept. 2008 Seconded to Saint Marc Cafe Co., Ltd. Apr. 2009 Director in charge of Operations June 2010 Managing Director Apr. 2011 Joined the Company July 2011 General Manager of Sales Division June 2012 Director and General Manager of Sales Division Apr. 2016 Managing Director and General Manager of Second Sales Division Dec. 2018 Managing Director and General Manager of International Business Division Jan. 2020 Managing Director and General Manager of International Business Division and General Manager of Japan Business Division 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, Head of International Business and Head of Store Development Division</p>	4,225 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	<p>Masatoshi Kamihara January 30, 1959 (61 years old) Reelection</p> <p>Attendance at Board of Directors meetings: 100% (20/20)</p> <p>Length of tenure at the conclusion of this meeting: 2 years</p>	<p>Apr. 1981 Joined Wenco Japan Co., Ltd. (a group company of The Daiei, Inc.)</p> <p>June 2003 Self-employed (Founded Food Business Consulting)</p> <p>July 2013 General Manager of Food Hygiene Control Department of the Company</p> <p>Sept. 2013 General Manager of Merchandising Department</p> <p>Jan. 2015 General Manager of Merchandising Department and Product Department</p> <p>Feb. 2016 Executive Officer, General Manager of Merchandising Department and Product Department</p> <p>Apr. 2016 Executive Officer, General Manager of Product Division</p> <p>June 2018 Director, General Manager of Product Division</p> <p>Apr. 2019 Director, General Manager of Supply Chain Management Division</p> <p>Jan. 2020 Director, General Manager of Supply Chain Management Division and General Manager of Product Development Department (current position)</p> <p>Role in the Company General Manager of Supply Chain Management Division and General Manager of Product Development Department</p>	2,848 shares
<p>Reasons for nomination as candidate for Director: The Company has nominated Mr. Masatoshi Kamihara as a candidate for Director based on its judgment that his capabilities are necessary for the management of the Company in the future as he possesses comprehensive knowledge of products through his experience in a major distribution company and as an independent consultant, and by utilizing such experience and insight since joining the company, he has contributed to the expansion of food procurement routes and cost reduction.</p>			

- Notes:
1. There are no conflicts of 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.

Proposal No. 2 Election of One Substitute Director who is an Audit & Supervisory Committee Member

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

The Audit & Supervisory Committee has consented to this proposal.

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

Name (Date of birth)	Career summary and significant concurrent positions outside the Company	Number of the Company's shares owned
<p style="text-align: center;">Koji Toyoda February 3, 1968 (52 years old) Candidate for Outside Director: Candidate for Independent Director</p>	<p>Apr. 1991 Joined Meiji Life Insurance Company (currently Meiji Yasuda Life Insurance Company)</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 (current position)</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. Auditor of Osaka University of Economics Outside Director of Daisan Co., Ltd. (Audit & Supervisory Committee Member)</p>	<p>- shares</p>
<p>Reasons for nomination as candidate for Outside Director: 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.</p>		

- Notes:
1. There is no conflict of interest between Mr. Koji Toyoda, a candidate for substitute Director who is an Audit & 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 is elected 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 is elected 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.

Attached Documents Business Report (From April 1, 2019 to March 31, 2020)

1 Status of the corporate group

1 Progress and results of operations

During the fiscal year ended March 31, 2020, Japan's economy has been on a moderate recovery path with supported by the improved business performance and employment situation. However, the future of the Japanese economy remains unclear due to the impact of COVID-19 in addition to the trade friction between the United States and China, concerns about the future of the Chinese economy, and uncertainties in the world economy.

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. In this environment, the Group operated based on the management policy of focusing on profitability. In Japan, the Group continued to air TV commercials appealing the concepts of the authenticity of serving "hand-made and fresh" Udon noodles, which are our original core values, and the sense of sizzling under the copy "Marugame Texture." In addition, the Group proactively executed various product initiatives and strategies aimed at growing profit. The Group continued to open new stores overseas, closely examine the markets of operating countries, and close unprofitable stores in order to improve the profitability of overseas operations.

During this fiscal year, in addition to opening 35 new MARUGAME SEIMEN stores, the Group aggressively expanded its café business, opening 44 stores for other brands. The Group continued to expand aggressively overseas while focusing on profitability. The Group expanded its scale, opening 27 new company-owned stores in places such as Hong Kong and 93 franchise restaurants (Note 1) in Hong Kong, the Netherlands, and other countries.

Total trading transactions	¥156,478 million (up 7.9% year-on-year)
Operating profit	¥4,367 million (up 89.7% year-on-year)
Profit before tax	¥2,837 million (up 112.2% year-on-year)
Profit for the year attributable to owners of the parent	¥1,956 million (up 633.2% year-on-year)

As a result, by the end of fiscal year 2020, the Group had an increase of 103 stores (including 31 franchise restaurants) compared with the end of fiscal year 2019, bringing the total number of stores to 1,781 (including 444 franchise restaurants).

For the current fiscal year, the Group has continued to see robust growth, recording total trading transactions of ¥156,478 million, up 7.9% year-on-year. Business profit (Note 2) was ¥8,881 million, up 22.2% year-on-year, operating profit was ¥4,367 million, up 89.7% year-on-year, profit before taxes was ¥2,837 million, up 112.2% year-on-year, and profit for the year attributable to owners of the parent was ¥1,956 million, up 633.2% year-on-year.

EBITDA increased by 186.2% year-on-year to ¥25,009 million, while adjusted EBITDA increased by 131.5% year-on-year to ¥28,874 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 profit is calculated by subtracting cost of sales and selling, general and administrative expenses from total trading transactions. Operating profit is calculated by adding or subtracting impairment loss, other operating revenue, and other operating expenses from business profit.

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

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

Adjusted EBITDA = EBITDA + Impairment Loss + Extraordinary Expenses

In calculating EBITDA in the previous fiscal year, the Group applied IAS 17 and operating lease payments of lessees were expensed when incurred. However, in this fiscal year, the Group calculated EBITDA by recognizing operating lease payments as depreciation of right-of-use assets and finance costs under lease liabilities.

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)

Thirty-five new restaurants, including 23 roadside locations and 12 shopping mall locations, opened during the period, while seven stores were closed. The total number of stores at the end of fiscal year 2020 was 845.

As a result, total trading transactions increased by 6.3% year-on-year to ¥95,641 million, and segment profit increased by 11.0% year-on-year to ¥13,810 million.

Kona’s Coffee (Café business)

Main business

Apart from the signature hand-made Hawaiian pancakes, the menu includes Hawaiian foods such as hearty-sized loco moco and garlic shrimp alongside in-store roasted coffee, creating an in-store atmosphere that you are “living like a local in Hawaii”; a place where you can relax and unwind.

(Estimated average customer expenditure: Approximately ¥1,600)

During the fiscal year 2020, 13 roadside locations were opened and one store was closed, bringing the total number of stores at the end of the year to 41.

As a result, total trading transactions increased by 53.6% year-on-year to ¥5,432 million, and segment profit was ¥51 million (segment loss of ¥50 million in the previous fiscal year).

Butaya Ton-Ichi (Fried Pork Cutlet and Katsu-don (pork cutlets over rice))

Main business

Butaya Ton-Ichi is a restaurant specializing in fried pork cutlet and katsu-don (pork cutlets over rice) which aims for both umami and tenderness in its pork. Specializing in freshly cut pork cutlets, the entire cooking process, from breading to preparation, is conducted in front of the customers. The restaurant has everything from steaming hot fresh katsu-don to voluminous set meals. (Estimated average customer expenditure: Approximately ¥800)

Three new restaurants, including one roadside location and two shopping mall locations, were opened in fiscal year 2020, while one store was closed, bringing the total number of stores at the end of this period to 55.

As a result, total trading transactions decreased by 7.7% year-on-year to ¥3,555 million, and segment profit increased by 13.2% year-on-year to ¥28 million.

Overseas Business (all overseas restaurant businesses)

Main businesses

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

120 stores (including 93 franchise restaurants) were opened in fiscal year 2020 while 67 stores (including 59 franchise restaurants) were closed, bringing the total number of stores at the end of this period was 628 (including 438 franchise restaurants).

As a result, total trading transactions increased by 8.8% year-on-year to ¥32,899 million, and segment profit increased by 10.4% year-on-year to ¥3,598 million.

Others

Main business

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

These brands opened 28 new stores and closed 20 stores, bringing the total number of stores at the end of fiscal year 2020 to 212 stores (including 6 franchise restaurants).

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

As a result, total trading transactions increased by 8.6% year-on-year to ¥18,950 million while segment loss was ¥16 million (segment loss of ¥1,377 million in previous fiscal year).

In the previous fiscal year, the segments, “MARUGAME SEIMEN,” “TORIDOLL,” “Butaya Ton-Ichi,” “International Business,” and “Others”, were separated. However, under the management approach that takes account for business growth, “Café” which had been included in the “Others” segment has now been separated and “TORIDOLL” has been included into the “Others” segment so from the current fiscal year onwards, the segments are changed to “MARUGAME SEIMEN,” “Café,” “Butaya Ton-Ichi,” “International Business,” and “Others”.

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 35 MARUGAME SEIMEN stores (23 roadside locations and 12 shopping mall locations) and 44 stores of other brands in Japan. As a result, a total of 79 company-owned stores were newly opened. The Group opened 27 company-owned overseas stores in Hong Kong, Taiwan, and the US.

3 Financing activities

In this fiscal year, the Group allocated funds on hand and a total of ¥11,100 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)			
	27th consolidated Year ended March 31, 2017	28th consolidated Year ended March 31, 2018	29th consolidated Year ended March 31, 2019	30th consolidated Year ended March 31, 2020 (current fiscal year under review)
Total trading transactions	101,779	116,504	145,022	156,478
Profit before tax	8,466	7,175	1,337	2,837
Profit for the year attributable to owners of the parent	5,631	4,665	267	1,956
Comprehensive income for the year attributable to owners of the parent	5,086	3,019	902	1,626
Basic earnings per share (yen)	64.95	53.72	3.11	21.21
Total assets	64,011	111,525	117,979	209,978
Equity attributable to owners of the parent	34,203	36,242	33,979	45,427
Profit ratio to equity attributable to owners of the parent (%)	17.5	13.2	0.8	4.9

- (Note) 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, 2017.
2. At the end of current fiscal year under review, total assets increased by ¥91,999 million from the end of the previous fiscal year to ¥209,978 million. This increase mainly reflected an ¥11,403 million increase in cash and cash equivalents and a ¥78,773 million increase in right-of-use assets due to the application of IFRS 16 “Leases,” compared with the previous fiscal year.
3. “Basic earnings per share” are calculated by deducting the amount not attributable to the Company’s common shareholders from “Profit 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 \$2,640,364 thousand	100%	Administration and management of overseas business
TORIDOLL TAIWAN CORPORATION	NT \$52,500 thousand	100%	Restaurant management, etc.
TORIDOLL Japan Inc.	JPY ¥10 million	100%	Restaurant management, etc.
Tokyo Table Holdings, LLC	USD \$313 thousand	100%	Restaurant management, etc.
Active Source Inc.	JPY ¥90 million	80%	Restaurant management, etc.
ZUND	JPY ¥30 million	80%	Restaurant management, etc.
Tam Jai International Co. Limited	HKD \$20 thousand	100%	Restaurant management, etc.
SONOKO Co., Ltd.	JPY ¥100 million	100%	Sales of beauty cosmetics, etc.
TORIDOLL KOREA CORPORATION	KRW 4,910,000 thousand	100%	Restaurant management, etc.
Wok to Walk Franchise B.V.	EUR 18 thousand	60%	Franchise restaurant operations, etc.
INAMINO FARM CORPORATION	JPY ¥10 million	70%	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. The Company's subsidiary, Collective Inc., was liquidated this fiscal year.
 2. Effective April 1, 2020, TORIDOLL Japan Inc. conducted an absorption-type company split in which the Company's subsidiary, NIKU-NO-YAMAKI SHOTEN Corporation (previously NIKU-NO-YAMAKI SHOTEN Corporation Successor Preparatory Company), and TORIDOLL Japan Inc. (previously TORIDOLL Japan Inc. Successor Preparatory Company) succeeded a portion of its restaurant business.
 3. Effective April 1, 2020, TORIDOLL Japan Inc. changed its trade name to MARUGAME SEIMEN Corporation.
 4. On April 1, 2020, the Company acquired 39 shares of Active Source Inc. through a share exchange, making it a wholly-owned subsidiary.
 5. On April 1, 2020, the Company acquired 70 shares of ZUND through a share exchange, making it a wholly-owned subsidiary.
 6. The Company conducted an absorption-type merger of Tam Jai International Co. Limited and BEST NEW MANAGEMENT LIMITED, effective September 30, 2019, in which BEST NEW MANAGEMENT LIMITED was the absorbed company and Tam Jai International Co. Limited was the surviving company.

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

* On September 1, 2019, the Company relocated its headquarters to the above address from 7-1-1 Onoedori, Chuo-ku, Kobe, Hyogo.

(ii) TORIDOLL Japan Inc.

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

Segment	Number of stores by region (stores)			
MARUGAME SEIMEN	Hokkaido	27	Kinki	166
	Tohoku	40	Chugoku	66
	Kanto	278	Shikoku	22
	Chubu	167	Kyushu	79
			Subtotal	845
Café	Hokkaido	1	Chugoku	2
	Kanto	16	Shikoku	2
	Chubu	5	Kyushu	7
	Kinki	8		
			Subtotal	41
Butaya Ton-Ichi	Tohoku	2	Chugoku	3
	Kanto	16	Shikoku	3
	Chubu	7	Kyushu	7
	Kinki	17		
		Subtotal	55	
Others	Hokkaido	1	Kinki	50
	Tohoku	2	Chugoku	3
	Kanto	48	Shikoku	4
	Chubu	8	Kyushu	2
		Subtotal	118	
Total number of stores				1,059

(iii) Subsidiaries (excluding TORIDOLL Japan Inc.)

Company name	Location	Number of stores (stores)
MARUGAME UDON USA, LLC	Delaware	9
TORIDOLL KOREA CORPORATION	Seoul	5
TORIDOLL TAIWAN CORPORATION	Taipei	34
GEORGE'S CORPORATION	Honolulu	1
Tokyo Table Holdings, LLC	Los Angeles	1
WOK TO WALK INTERNATIONAL, SOCIEDAD LIMITADA	Barcelona	116
SONOKO Co., Ltd.	Tokyo	1
Active Source Inc.	Tokyo	45
ZUND	Himeji	48
Tam Jai International Co. Limited	Hong Kong	126
TORIDOLL (CAMBODIA) COMPANY LIMITED	Phnom Penh	1
MC GROUP PTE. LTD.	Singapore	13
Total number of stores		400

(iv) Overseas franchise restaurants

Region name/country name	Number of stores (stores)
China (including Hong Kong)	75
Malaysia	49
Indonesia	66
United States	52
Others	80
Total number of stores	322
Total number of all stores	1,781

8 Employees

Number of employees (persons)	Changes from the end of the previous fiscal year (persons)
4,139	+268
[15,358]	[+2,274]

- 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	16,650
MUFG Bank, Ltd.	13,982
Mizuho Bank, Ltd.	13,975
Development Bank of Japan Inc.	9,693
The San-in Godo Bank, Ltd.	2,806
Sumitomo Mitsui Trust Bank, Limited	2,802
Fuyo General Lease Co., Ltd.	2,000

2 Shares of the Company

1 Number of Shares Authorized for Issue:

Common shares 115,200,000 shares

2 Total number of issued shares:

Common shares 43,571,676 shares (including 902,822 treasury shares)

Note: The total number of issued shares increased 82,100 shares by exercising stock options.

3 Number of shareholders

83,505

4 Major Shareholders

Shareholder name	No. of shares owned (shares)	Ratio of ownership (%)
Takaya Awata	13,786,244	32.31
T&T inc.	5,580,000	13.07
SMBC Trust Bank Ltd., Designated Securities Trust	1,868,000	4.38
Japan Trustee Services Bank, Ltd. (Trust Account)	990,400	2.32
The Master Trust Bank of Japan, Ltd. (Trust Account)	807,700	1.89
Japan Trustee Services Bank, Ltd. (Trust Account 5)	494,700	1.16
ARIAKE JAPAN Co., Ltd.	300,000	0.70
Japan Trustee Services Bank, Ltd. (Trust Account 1)	255,200	0.60
Japan Trustee Services Bank, Ltd. (Trust Account 2)	227,900	0.53
Toridoll Group Employee Shareholding Association	202,200	0.47

Notes: 1. The Company holds 902,822 shares of treasury shares, but these are not included in the above major shareholders.

2. Ratio of ownership is calculated excluding treasury shares.

5 Other important matters relating to shares

At the Board of Directors meeting held on February 13, 2020, the Company decided to execute a 2-for-1 stock split of common shares effective April 1, 2020. As of this date, the Company changed the total number of shares authorized for issue set in the Articles of Incorporation.

As a result, the total number of shares authorized for issue became 230,400,000 shares, and the total number of issued shares became 87,143,352 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	
Managing Director	Kimihiro Tanaka	General Manager of Japan Business Division In charge of International Business and Store Development Divisions
Managing Director	Hiroyuki Kobayashi	General Manager of Administration Division In charge of IT Division
Director	Masatoshi Kamihara	General Manager of Supply Chain Management Division and General Manager of Product Development Department
Director (Audit & Supervisory Committee Member)	Toshiyasu Umeki	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	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	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 Department and assists in the duties of the Audit & Supervisory Committee.

2 Summary of details of limited liability agreement

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

3 Amount of remuneration, etc. of Directors

Director (excluding Audit & Supervisory Committee Member)	Four Directors	¥132 million (including ¥0 million for zero Outside Directors)
Director (Audit & Supervisory Committee Member)	Three Directors	¥13 million (including ¥13 million for three Outside Directors)
Total	Seven Directors	¥146 million (including ¥13 million for three Outside Directors)

- Notes:
1. The amount of remuneration listed above includes the expenses incurred during this fiscal year related to share acquisition rights issued as stock options (¥2 million for Directors (excluding Audit & Supervisory Committee Member) and ¥0 million for Directors (Audit & Supervisory Committee Member)) 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 (¥7 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, and the Board of Directors meeting held on July 9, 2019.
 2. All three Outside Directors who are Audit & Supervisory Committee Members have discussed with the Representative Director and President regarding the remuneration, etc., of Directors (excluding Directors who are Audit & Supervisory Committee Members). As a result, the Audit & Supervisory Committee has determined that said remuneration, etc. is appropriate, taking into consideration, topics such as the fairness of its calculations and its link with performance.

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 SFC Brain Consulting Inc. IPO Audit & Co.	Director Representative Director Representative Partner
Director (Audit & Supervisory Committee Member)	Hiroaki Umeda	Hiroaki Umeda Certified Public Accountant Office Fujiseiki Co., Ltd. E-serve Co., Ltd. IPO Audit & Co.	Director Outside Audit & Supervisory Board Member Representative Director 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	Status of principal activities
Director (Audit & Supervisory Committee Member)	Toshiyasu Umeki	During this fiscal year, Toshiyasu Umeki attended 20 of 20 Board of Directors meetings and 18 of 18 Audit & Supervisory Committee meetings. He made appropriate and necessary statements during proposal deliberations, etc., utilizing his deep insight as a certified public accountant.
Director (Audit & Supervisory Committee Member)	Hiroaki Umeda	During this fiscal year, Hiroaki Umeda attended 20 of 20 Board of Directors meetings and 18 of 18 Audit & Supervisory Committee meetings. He made appropriate and necessary statements during proposal deliberations, etc., utilizing his deep insight as a certified public accountant.
Director (Audit & Supervisory Committee Member)	Maki Kataoka	During this fiscal year, Maki Kataoka attended 20 of 20 Board of Directors meetings and 18 of 18 Audit & Supervisory Committee meetings. She made appropriate and necessary statements during proposal deliberations, etc., utilizing her deep insight as an attorney.

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	¥84 million	¥—million
Consolidated subsidiaries	¥—million	¥—million
Total	¥84 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	¥—million	¥25 million
Consolidated subsidiaries	¥17 million	¥4 million
Total	¥17 million	¥29 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. 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 25, 2020.

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
¥12.50
Total payment
¥533 million

- (iii) Effective date of dividends of surplus
June 12, 2020

Note: Effective April 1, 2020, the Company conducted a 2-for-1 stock split of common shares. However, the amount displayed for the per share dividend is based on status before this stock split.

Consolidated Financial Statements

Consolidated Statement of Financial Position (as of March 31, 2020)

(Amounts shown in millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	32,536	Current liabilities	42,694
Cash and cash equivalents	25,801	Trade and other payables	10,855
Trade and other receivables	3,967	Short-term loans payable	29
Inventories	836	Current portion of long-term loans payable	12,424
Other current assets	1,931	Lease obligations	13,625
Non-current assets	177,443	Income taxes payable	794
Property, plant and equipment	34,581	Provisions	727
Right-of-use assets	78,773	Other current liabilities	4,240
Intangible assets and goodwill	40,257	Non-current liabilities	120,719
Investments accounted for using the equity method	4,770	Long-term loans payable	45,578
Other financial assets	14,698	Lease obligations	70,079
Deferred tax assets	3,464	Provisions	2,807
Other non-current assets	900	Deferred tax liabilities	1,475
		Other non-current liabilities	780
		Total liabilities	163,414
		Equity	
		Equity attributable to owners of the parent	45,427
		Capital stock	4,159
		Capital surplus	3,848
		Other equity instruments	10,847
		Retained earnings	29,503
		Treasury shares	(2,124)
		Other components of equity	(806)
		Non-controlling interests	1,138
		Total equity	46,565
Total assets	209,978	Total liabilities and equity	209,978

Consolidated Statement of Income (From April 1, 2019 to March 31, 2020)

(Amounts shown in millions of yen)

Item	Amount	
Total trading transactions		156,478
Cost of sales		(40,205)
Gross profit		116,273
Selling, general and administrative expenses	(107,392)	
Impairment loss	(3,818)	
Other operating income	1,011	
Other operating expenses	(1,707)	(111,906)
Operating profit		4,367
Finance income	215	
Finance costs	(1,267)	(1,052)
Share of profit (loss) of investments accounted for using the equity method		(478)
Profit before tax		2,837
Income tax expense		(895)
Profit for the year		1,941
Profit for the year attributable to		
Owners of the parent		1,956
Non-controlling interests		(15)

Non-consolidated Financial Statements
Balance Sheet (as of March 31, 2020)

(Amounts shown in millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	21,399	Current liabilities	27,769
Cash and deposits	11,370	Accounts payable - trade	2,544
Trade accounts receivable	7,650	Current portion of long-term borrowings	11,833
Raw materials and supplies	9	Lease obligations	228
Prepaid expenses	1,013	Accounts payable - other	6,683
Short-term loans receivable	483	Accrued expenses	402
Accounts receivable - other	489	Income taxes payable	63
Other	464	Deposits received	3,907
Allowance for doubtful accounts	(78)	Provision for bonuses	50
Non-current assets	101,516	Provision for loss on store closings	30
Property, plant and equipment	27,766	Accounts payable - facilities	2,008
Buildings	19,525	Other	22
Structures	1,447	Non-current liabilities	59,970
Vehicles	9	Long-term borrowings	55,035
Tools, furniture and fixtures	4,463	Lease obligations	2,691
Leased assets	1,928	Asset retirement obligations	2,171
Construction in progress	394	Other	74
Intangible assets	350	Total liabilities	87,739
Software	314	Net assets	
Telephone subscription right	1	Shareholders' equity	34,758
Trademark rights	2	Share capital	4,181
Software in progress	32	Capital surplus	4,239
Investments and other assets	73,401	Legal capital surplus	4,239
Shares of subsidiaries and associates	50,827	Retained earnings	28,453
Investments in capital of subsidiaries and associates	0	Legal retained earnings	8
Investment securities	9	Other retained earnings	28,445
Long-term loans receivable	10,173	General reserve	13,379
Long-term prepaid expenses	585	Retained earnings brought forward	15,066
Leasehold and guarantee deposits	6,536	Treasury shares	(2,115)
Construction assistance fund receivables	4,522	Share acquisition rights	418
Deferred tax assets	3,752		
Other	420		
Allowance for doubtful accounts	(3,423)	Total net assets	35,176
Total assets	122,915	Total liabilities and net assets	122,915

Statement of income (From April 1, 2019 to March 31, 2020)

(Amounts shown in millions of yen)

Item	Amount	
Net sales		78,728
Cost of sales		42,865
Gross profit		35,862
Selling, general and administrative expenses		32,433
Operating profit		3,429
Non-operating income		
Interest income	188	
Dividend income	1,476	
Other	149	1,813
Non-operating expenses		
Interest expenses	675	
Foreign exchange losses	175	
Other	432	1,282
Ordinary profit		3,960
Extraordinary income		
Gain on reversal of share acquisition rights	14	14
Extraordinary losses		
Impairment loss	1,290	
Loss on valuation of shares of subsidiaries and associates	1,465	
Provision of allowance for doubtful accounts for subsidiaries and associates	1,300	
Loss on retirement of non-current assets	152	
Other	7	4,214
Loss before income taxes		(240)
Income taxes - current	541	
Income taxes - deferred	(772)	(231)
Loss		(9)

Independent Auditor's Report

May 25, 2020

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
Takaaki Mitsui
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, 2019 to March 31, 2020, which comprises the consolidated statements of financial position, consolidated statements of comprehensive 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 Rules of 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.

Highlighted Matters

As noted in the Notes to the Consolidated Financial Statements (Notes concerning changes to accounting policies), the Company has adopted IFRS 16 "Lease" from the current fiscal year.

This matter does not have any impact on 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 Rules of 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 Rules of 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 Rules of 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 relevant 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 25, 2020

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
Takaaki Mitsui
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 30th fiscal year from April 1, 2019 to March 31, 2020.

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 Group 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 30th fiscal year, from April 1, 2019 to March 31, 2020. 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 auditing policies set by the Audit & Supervisory Committee 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 Corporate Accounting Rules) 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 25, 2020

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.