

May 15, 2025

To whom it may concern

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Notice of Discrepancy Between the Full-Year Consolidated Financial Results Forecast and the Actual Values, and Impairment Losses

TORIDOLL Holding Corporation (the “Company”) would like to inform you, as set forth below, that a discrepancy has occurred between the full-year consolidated financial results forecast for the fiscal year ending March 2025, which was announced on November 14, 2024, and the actual values announced today, and that impairment losses have been recorded.

1. Discrepancy between the full-year consolidated financial results forecast and the actual values

(1) The discrepancy between the full-year consolidated financial results forecast for FY3/25 and the actual values (April 1, 2024 - March 31, 2025)

	Revenue	Business profit (Note 1)	Operating profit (Note 2)	Profit before tax	Profit for the year	Profit for the year attributable to owners of the parent	Earnings per share attributable to owners of the parent (basic)
Initial Forecast (A)	Millions of yen 265,000	Millions of yen 17,300	Millions of yen 11,600	Millions of yen 10,200	Millions of yen 5,400	Millions of yen 4,900	Yen 51.71
Actual Results (B)	268,228	18,205	8,674	5,332	2,188	1,874	16.95
Increased/Decreased Amount (B-A)	+3,328	+905	(2,926)	(4,368)	(3,212)	(3,026)	
Increased/Decreased Ratio (%)	+1.2%	+5.2%	(25.2) %	(47.7) %	(59.5)%	(61.8) %	
(Reference) FY3/24 Actual Results (Note 3)	231,952	14,289	11,389	10,551	5,987	5,459	58.21

(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

3: In the fiscal year ended March 31, 2025, the consolidated financial statements for the fiscal year ended March 31, 2024 were retroactively revised due to the finalization of the provisional accounting treatment for the business combination carried out in the fiscal year ended March 31, 2024.

(2) Reasons for the discrepancy between the full-year consolidated financial results forecast and the actual values

For the fiscal year ending March 31, 2025, revenue came in at ¥268,228 million, 1.2% higher than the initial forecast of ¥265,000 million, and business profit was 5.2% above the ¥17,300 million forecast, reaching ¥18,205 million. Both numbers represent record highs. Although the Marugame Seimen segment saw increases in raw material costs, labor costs, and utilities costs, these were absorbed by the increase in revenue, resulting in these record highs. The Other Domestic segment, on the other hand, saw mostly flat performance, in part due to higher expenses associated with openings. The Overseas segment saw a decline in business profit, impacted in part by deteriorating market conditions in certain regions.

In addition, due to recording impairment losses of ¥8,066 million on unprofitable stores and goodwill in the Overseas segment as a result of these deteriorating market conditions, operating profit decreased 25.2% from the initial forecast of ¥11,600 million to ¥8,674 million.

Furthermore, foreign exchange losses were incurred on currency-denominated lending (including inter-company lending) used to finance the acquisition of shares and other assets to make a consolidated subsidiary a wholly-owned subsidiary and to delist the company, and a ¥1,378 million loss on the valuation of shares in an overseas equity-method affiliate was also recorded. As a result, profit for the year attributable to owners of the parent declined to ¥1,874 million, 61.8% below the initial forecast of ¥4,900 million.

(Millions of yen)

Revenue	FY3/25 Results	FY3/25 Plan (Note 4)	FY3/25 Results vs Plan	
			Amount	Percentage
Marugame Seimen	128,142	127,000	+ 1,142	+ 0.9%
Other Domestic	35,412	33,000	+ 2,412	+ 7.3%
Overseas	104,674	105,000	(326)	(0.3) %
Consolidated	268,228	265,000	+ 3,228	+ 1.2%

(Note)

4: Revised on November 14, 2024

(Millions of yen)

Business profit	FY3/25 Results	FY3/25 Plan (Note 5)	FY3/25 Results vs Plan	
			Amount	Percentage
Marugame Seimen	20,896	21,000	(104)	(0.5) %
Other Domestic	4,447	4,300	+ 147	+ 3.4%
Overseas	2,524	2,200	+ 324	+ 14.7%
Adjustments (Note 5)	(9,662)	(10,200)	+ 538	—
Consolidated	18,205	17,300	+ 905	+ 5.2%

(Note)

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

2. Regarding impairment losses

Fulham Shore in the U.K., made a subsidiary company in July 2023, has developed two brands based in the U.K., the pizza brand “Franco Manca” and the Greek-food brand “THE REAL GREEK.” These brands have the potential to move a lot of customers through their customer experience value, strength of product, and value for money.

We have recorded impairment losses of ¥1,918 million in the fourth quarter of the fiscal year ending March 31, 2025 for a portion of the goodwill arising from this acquisition of the shares of Fulham Shore in the U.K. In the current UK business, profits have been lower than initially expected due to macroeconomic factors, including rising labor costs and a deteriorating consumer environment. In response to these changes in the business environment, a multifaceted review of asset quality was conducted as part of a reassessment of corporate value. As a result,

impairment losses were recorded on the company's goodwill and underperforming store assets.

For other regions and brands, each store is regarded as the lowest-level independent cashflow-producing unit, and impairment accounting is applied to assess the recoverability of investments in property, plant, and equipment used for business operations. These measures also have strategic significance in that they promote the redistribution of resources toward investments for growth through portfolio optimization and the early identification of assets with low profitability. As a result, store assets that have seen a significant decline in store profitability following changes in the business environment have been recorded as impairment losses.

The main impairment losses for the consolidated fiscal year ending March 31, 2025, are as follows.

(Millions of yen)

Segment	Main area(s)	Items	Impairment loss amount
Marugame Seimen business	Japan	Property, plant and equipment, Right-of-use assets	642
Other Domestic businesses	Japan	Property, plant and equipment, Right-of-use assets	303
Overseas business			7,122
	UK/US/Asia	Property, plant and equipment, Right-of-use assets	4,171
	UK/Continental Europe	Intangible Assets and Goodwill	2,951
Total			8,066

For further details, see Financial Results for the Fiscal Year ended March 2025 on the TORIDOLL Holdings Corporation website (<https://www.toridoll.com/en/ir/>).