

To whom it may concern

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Notice Concerning Discrepancy between Full-Year Consolidated Earnings Forecasts and Actual Values and the Recognition of Impairment Losses

TORIDOLL Holdings Corporation (the “Company”) hereby announces that a discrepancy has arisen between the full-year consolidated earnings forecasts for the fiscal year ended March 31, 2026, as announced on May 15, 2025, and the actual results announced today, and that impairment losses have been recognized, as described below.

1. Discrepancy between the full-year consolidated earnings forecasts and the actual values

(1) The discrepancy between the full-year consolidated earnings forecasts for the fiscal year ended March 31, 2026 and the actual values (April 1, 2025 - March 31, 2026)

	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)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Initial Forecast (A)	282,000	19,600	14,600	12,100	6,100	5,500	58.23
Actual results (B)	278,715	21,460	10,578	8,089	2,748	2,311	21.65
Difference (B-A)	(3,285)	+1,860	(4,022)	(4,011)	(3,352)	(3,189)	
Increased/Decreased Ratio (%)	(1.2)	+9.5	(27.5)	(33.2)	(55.0)	(58.0)	
(Reference) Previous fiscal year results	268,228	18,205	8,674	5,332	2,188	1,874	16.95

(Note 1) Business profit: revenue - cost of sales - selling, general and administrative expenses

(Note 2) Operating profit: business profit - impairment losses + other operating income - other operating expenses

(2) Reasons for the discrepancy between the full-year consolidated earnings forecasts and the actual results

Regarding full-year results for the fiscal year ended March 31, 2026, revenue came in at 278,715 million yen, 1.2% below the previously announced forecast of 282,000 million yen, while business profit increased by 9.5% from 19,600 million yen to 21,460 million yen, with both reaching record highs. Business profit in the Marugame Seimen segment was generally in line with the plan, achieving a record high, as increased revenue offset higher costs including food ingredients costs. Meanwhile, business profit in the Other Domestic segment fell below the plan, as increased revenue was not sufficient to fully offset increases in food ingredients and labor costs. Business profit in the Overseas Business segment significantly exceeded the plan and reached a record high due to contributions from strong Asia operations and progress in business restructuring through selection and concentration in overseas operations, although the recovery of the UK business has taken time.

In addition, as a result of promoting selection and concentration of businesses through a review of the portfolio in overseas operations, impairment losses totaling 11,408 million yen were recognized, primarily due to impairment losses on unprofitable stores and goodwill affected by market conditions in the UK, and operating profit decreased by 27.5% from the previously announced forecast of 14,600 million yen to 10,578 million yen.

Furthermore, foreign exchange gains were recognized on foreign currency receivables within the group as the exchange rate at the end of the fiscal year moved to a weaker yen, and a loss on valuation of shares of overseas equity-method affiliates was recognized. On the other hand, in addition to increased profitability in domestic operations, taxable income increased due to a portion of impairment losses being non-deductible for tax purposes, resulting in an increase in income tax expense.

As a result, profit attributable to owners of the parent decreased by 58.0% from the initial forecast of 5,500 million yen to 2,311 million yen.

(Reference) Full-year forecast by segment for the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Unit: million yen)

Revenue	FY3/26 Results	FY3/26 Plan	FY3/26 Results vs. Plan	
			Difference	Change
Marugame Seimen	137,193	137,000	+193	+0.1%
Other Domestic	39,626	39,000	+626	+1.6%
Overseas Business	101,895	106,000	(4,105)	(3.9)%
Consolidated	278,715	282,000	(3,285)	(1.2)%

(Unit: million yen)

Business profit	FY3/26 Results	FY3/26 Plan	FY3/26 Results vs. Plan	
			Difference	Change
Marugame Seimen	21,955	22,100	(145)	(0.7)%
Other Domestic	4,152	4,900	(748)	(15.3)%
Overseas Business	5,285	3,600	+1,685	+46.8%
Adjustments (Note 3)	(9,933)	(11,000)	+1,067	—
Consolidated	21,460	19,600	+1,860	+9.5%

(Note 3) Adjustments represent corporate expenses that are not allocated to any reportable segment.

2. Impairment losses

In the UK, where Fulham Shore, consolidated in July 2023, operates, inflation has remained elevated in recent years, driven by rising energy and food prices as well as higher labor costs due to increases in the minimum wage. As a result, the operating environment for the foodservice industry has remained more challenging than initially expected. While the Company has implemented various measures to improve profitability, it has taken time to respond to rapid changes in the external environment, and the recovery in profitability has been slower than initially anticipated.

In light of these recent changes in the UK business environment, the Company reassessed enterprise value and carefully reviewed future profitability, and as a result decided to recognize impairment losses on unprofitable store assets and goodwill in this area.

In other areas and brands as well, the Company continuously assesses the recoverability of investments in property and equipment by applying impairment accounting, treating each store as the smallest cash-generating unit that generates independent cash flows. These initiatives also have strategic significance in that they facilitate early identification of low-profitability assets and promote reallocation of resources to growth areas through portfolio optimization, thereby contributing to enhancement of enterprise value over the medium to long term.

The major breakdown of full-year consolidated impairment losses for the fiscal year ended March 31, 2026 is as follows.

(Unit: million yen)

Segment	Main area	Item	Impairment losses
Marugame Seimen	Japan	Property and equipment; right-of-use assets	358
Other Domestic	Japan	Property and equipment; right-of-use assets	399
Overseas Business			10,652
	UK and Asia	Property and equipment; right-of-use assets	2,609
	UK	Intangible assets and goodwill	8,042
Total			11,408

For details, please refer to the “Financial Results Presentation Materials for the Fiscal Year Ended March 31, 2026” posted on our website (<https://www.toridoll.com/ir/>).