

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: a multiemployer plan, a multiple-employer plan, a single-employer plan, a DFE, etc.
B This return/report is: the first return/report, the final return/report, an amended return/report, a short plan year return/report, etc.
C If the plan is a collectively-bargained plan, check here.
D Check box if filing under: Form 5558, automatic extension, the DFVC program, special extension, etc.
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.

Part II Basic Plan Information—enter all requested information

1a Name of plan: ROY'S HOLDING'S, INC. EMPLOYEE STOCK OWNERSHIP PLAN
1b Three-digit plan number (PN): 002
1c Effective date of plan: 01/01/2018
2a Plan sponsor's name, mailing address, city or town, state or province, country, and ZIP or foreign postal code.
2b Employer Identification Number (EIN): 99-0341036
2c Plan Sponsor's telephone number: 808-396-7697
2d Business code (see instructions): 722511

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN	
	<b>3c</b> Administrator's telephone number	
<b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN	
	<b>4d</b> PN	
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	507
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year ..... <b>b</b> Retired or separated participants receiving benefits..... <b>c</b> Other retired or separated participants entitled to future benefits ..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> ..... <b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) ..... <b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) ..... <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b>	432
	<b>6a(2)</b>	346
	<b>6b</b>	3
	<b>6c</b>	63
	<b>6d</b>	412
	<b>6e</b>	2
	<b>6f</b>	414
	<b>6g(1)</b>	405
	<b>6g(2)</b>	393
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
2I 2P 2Q 3I

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

<b>9a</b> Plan funding arrangement (check all that apply)	<b>9b</b> Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<b>a Pension Schedules</b>	<b>b General Schedules</b>
(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)
(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)
(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> <b>A</b> (Insurance Information) – Number Attached _____
(4) <input type="checkbox"/> <b>DCG</b> (Individual Plan Information) – Number Attached _____	(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)
(5) <input type="checkbox"/> <b>MEP</b> (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

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**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

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**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

If "Yes" is checked, complete lines 11b and 11c.

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**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

**11c** Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

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<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).  ▶ <b>File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning <b>01/01/2024</b> and ending <b>12/31/2024</b>	
<b>A</b> Name of plan <b>ROY'S HOLDING'S, INC. EMPLOYEE STOCK OWNERSHIP PLAN</b>	<b>B</b> Three-digit plan number (PN) ▶ <b>002</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>ROY'S HOLDINGS, INC.</b>	<b>D</b> Employer Identification Number (EIN) <b>99-0341036</b>

<b>Part I</b>	<b>Asset and Liability Statement</b>
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**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

		(a) Beginning of Year	(b) End of Year
<b>Assets</b>			
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>	500	6135
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>		
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other .....	<b>1b(3)</b>	41110	
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>		
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other .....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>		
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>	-38	-38

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	17600000	17800000
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	17641572	17806097
<b>Liabilities</b>			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	17744993	16717135
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	17744993	16717135
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	-103421	1088962

**Part II Income and Expense Statement**

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	1655967	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		1655967
<b>b Earnings on investments:</b>			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)	200000	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	<b>2b(10)</b>		
<b>c</b> Other income .....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		1855967

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	<b>2e(1)</b>	132859	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other.....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		132859
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		530575
<b>i</b> Administrative expenses:			
(1) Salaries and allowances .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Recordkeeping fees .....	<b>2i(3)</b>		
(4) IQPA audit fees .....	<b>2i(4)</b>		
(5) Investment advisory and investment management fees .....	<b>2i(5)</b>		
(6) Bank or trust company trustee/custodial fees .....	<b>2i(6)</b>	150	
(7) Actuarial fees .....	<b>2i(7)</b>		
(8) Legal fees .....	<b>2i(8)</b>		
(9) Valuation/appraisal fees .....	<b>2i(9)</b>		
(10) Other trustee fees and expenses .....	<b>2i(10)</b>		
(11) Other expenses.....	<b>2i(11)</b>		
(12) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(11)</b> .....	<b>2i(12)</b>		150
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		663584

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		1192383
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1)  Unmodified (2)  Qualified (3)  Disclaimer (4)  Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1)  DOL Regulation 2520.103-8 (2)  DOL Regulation 2520.103-12(d) (3)  neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **CW ASSOCIATES, CPAS**

(2) EIN: **26-1659234**

**d** The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1)  This form is filed for a CCT, PSA, DCG or MTIA. (2)  It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
<b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
<b>e</b> Was this plan covered by a fidelity bond?	X		1000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan?		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  Yes  No  
If "Yes," enter the amount of any plan assets that reverted to the employer this year \_\_\_\_\_.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

<b>5b(1)</b> Name of plan(s)	<b>5b(2)</b> EIN(s)	<b>5b(3)</b> PN(s)

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) .....  Yes  No  Not determined  
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year \_\_\_\_\_.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

<b>A</b> Name of plan <u>ROY'S HOLDING'S, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>ROY'S HOLDINGS, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>99-0341036</u>	

<b>Part I</b>	<b>Distributions</b>
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**All references to distributions relate only to payments of benefits during the plan year.**

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	
<b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>33-6134835</u>		
<b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....	3	

<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....  Yes  No  N/A  
**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_  
**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	6a	
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	6b	
<b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? .....  Yes  No  N/A

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .....  Yes  No  N/A

<b>Part III</b>	<b>Amendments</b>
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**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....  Increase  Decrease  Both  No

<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....  Yes  No

**11 a** Does the ESOP hold any preferred stock? .....  Yes  No

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....  Yes  No

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? .....  Yes  No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

<b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14b</b>	
<b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14c</b>	

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	<b>16b</b>	

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment .....

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment .....

**19** If the total number of participants is 1,000 or more, complete lines (a) and (b):

**a** Enter the percentage of plan assets held as:  
 Public Equity: \_\_\_\_\_% Private Equity: \_\_\_\_\_% Investment-Grade Debt and Interest Rate Hedging Assets: \_\_\_\_\_%  
 High-Yield Debt: \_\_\_\_\_% Real Assets: \_\_\_\_\_% Cash or Cash Equivalents: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:  
 0-5 years  5-10 years  10-15 years  15 years or more

**20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero?  Yes  No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:  
 Yes.  
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.  
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.  
 No. Other. Provide explanation: \_\_\_\_\_

**Part VII IRS Compliance Questions**

**21a** Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?  Yes  No

**21b** If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).  
 Design-based safe harbor method  
 "Prior year" ADP test  
 "Current year" ADP test  
 N/A

**22** If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter \_\_\_/\_\_\_/\_\_\_\_ (MM/DD/YYYY) and the Opinion Letter serial number \_\_\_\_\_.

**ROY'S HOLDINGS, INC. EMPLOYEE STOCK  
OWNERSHIP PLAN**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024,  
With Supplemental Schedule for 2024**





## INDEPENDENT AUDITOR'S REPORT

Roy's Holdings, Inc. Employee Stock Ownership Plan:

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Roy's Holdings, Inc. Employee Stock Ownership Plan (Plan), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2024 and 2023, and the related statement of changes in net assets (deficit) available for benefits for the year ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of December 31, 2024 and 2023, and the changes in net assets (deficit) available for benefits for the year ended December 31, 2024 in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). 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 required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

## Other Matter – Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Form 5500, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2024 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended (ERISA). Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.



Other Matter – Supplemental Schedule Required by ERISA (continued)

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.

*CW Associates, CPAs*

CW Associates, CPAs  
Honolulu, Hawaii  
October 8, 2025



**ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENTS OF  
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS**

As of December 31, 2024 and 2023

	2024		2023	
	<u>Allocated</u>	<u>Unallocated</u>	<u>Allocated</u>	<u>Unallocated</u>
<b>ASSETS</b>				
Investment in common stock of				
Roy's Holdings, Inc., at estimated fair value	\$ 5,949,223	\$ 11,850,777	\$ 4,989,792	\$ 12,610,208
Distribution refund receivable	-	-	41,110	-
Noninterest-bearing cash	6,135	-	500	-
<b>Total assets</b>	<u>5,955,358</u>	<u>11,850,777</u>	<u>5,031,402</u>	<u>12,610,208</u>
		<u>17,806,135</u>		<u>17,641,610</u>
<b>LIABILITIES</b>				
Distributions payable	38	-	38	-
Note payable to Roy's Holdings, Inc.	-	16,717,135	-	17,744,993
<b>Total liabilities</b>	<u>38</u>	<u>16,717,135</u>	<u>38</u>	<u>17,744,993</u>
<b>NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS</b>	<u>\$ 5,955,320</u>	<u>\$ (4,866,358)</u>	<u>\$ 5,031,364</u>	<u>\$ (5,134,785)</u>
		<u>\$ 1,088,962</u>		<u>\$ (103,421)</u>

See accompanying notes to the financial statements.

**ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENT OF  
CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS**

**For the Year Ended December 31, 2024**

	2024		
	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
<b>ADDITIONS TO NET ASSETS</b>			
Contributions from Roy's Holdings, Inc.	\$ 97,534	\$ 1,558,433	\$ 1,655,967
Investment income			
Net appreciation in estimated fair value of investment in common stock of Roy's Holdings, Inc.	56,701	143,299	200,000
Allocation of shares of common stock of Roy's Holdings, Inc., at estimated fair value	<u>902,729</u>	<u>-</u>	<u>902,729</u>
Total additions to net assets	<u>1,056,964</u>	<u>1,701,732</u>	<u>2,758,696</u>
<b>DEDUCTIONS FROM NET ASSETS</b>			
Interest expense	-	530,576	530,576
Fee expense	150	-	150
Distributions to participants	132,858	-	132,858
Allocation of shares of common stock of Roy's Holdings, Inc., at estimated fair value	<u>-</u>	<u>902,729</u>	<u>902,729</u>
Total deductions from net assets	<u>133,008</u>	<u>1,433,305</u>	<u>1,566,313</u>
<b>CHANGES IN NET ASSETS</b>	923,956	268,427	1,192,383
<b>NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS</b>			
Beginning of year	<u>5,031,364</u>	<u>(5,134,785)</u>	<u>(103,421)</u>
End of year	<u>\$ 5,955,320</u>	<u>\$(4,866,358)</u>	<u>\$ 1,088,962</u>

See accompanying notes to the financial statements.

## ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

### NOTES TO THE FINANCIAL STATEMENTS

As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024

#### NOTE A – DESCRIPTION OF PLAN

##### General

The following brief description of the Roy's Holdings, Inc. Employee Stock Ownership Plan (Plan) provides information for general purposes only. Participants should refer to the plan agreement for a complete description of the Plan's provisions.

Roy's Holdings, Inc. (Roy's Holdings) was incorporated in the State of Hawaii in February 1999. It is authorized 20,000,000 shares of common stock having no par value, of which 10,000,000 shares were issued and outstanding at December 31, 2024 and 2023. Roy's Holdings, through its wholly owned subsidiaries, owns and operates upscale, casual, and family-oriented restaurants throughout Hawaii featuring the *Hawaiian Fusion* cuisine of Chef Roy Yamaguchi (Chef Roy). In addition, Roy's Holdings, alone or together with Chef Roy, franchises restaurants under the *Roy's* trade name in Guam and the U.S. Mainland, and provides certain other services, including consultations, training, and personal appearances.

Roy's Holdings established the Plan on October 10, 2018 with an effective date of January 1, 2018. The Plan consists of two portions, a profit-sharing plan portion and an employee stock ownership plan portion, and is intended to satisfy the applicable requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended (IRC), Section 409 and Section 4975(e)(7) in connection with the employee stock ownership plan portion, and Section 407(d)(6) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), in connection with the employee stock ownership plan portion. The assets of the Plan that are not invested in the common stock of Roy's Holdings and which Roy's Holdings does not intend to be used to repay the note payable to Roy's Holdings or otherwise be used in the ESOP portion constitute the Profit-Sharing Plan portion of the Plan. The Plan is administered by a Trustee and an ESOP Committee, the members of which are appointed by the Board of Directors of Roy's Holdings. Immediately prior to the establishment of the Plan, the stockholders of Roy's Holdings elected to terminate their election to be taxed as an S corporation, and Roy's Holdings became a C corporation for income tax reporting purposes.

On October 10, 2018, the Plan purchased 10,000,000 shares of common stock of Roy's Holdings, which comprised all of the issued and outstanding shares of common stock of Roy's Holdings at that date, in exchange for a \$23,207,000 note payable to Roy's Holdings (see Note E). The common stock was purchased at its estimated fair value of \$2.32 per share, for an aggregate purchase price of \$23,207,000, based on an independent valuation.

The note payable is collateralized by the unallocated shares of common stock. Roy's Holdings has no rights against shares of common stock once they are allocated under the ESOP. Accordingly, the accompanying financial statements of the Plan present separately the assets and liabilities and the changes therein pertaining to the accounts of employees with vested rights in allocated common stock (allocated) and common stock not yet allocated to employees (unallocated).

## ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024

#### NOTE A – DESCRIPTION OF PLAN (Continued)

##### Eligibility

The employees of Roy's Holdings are eligible to participate in the Plan, provided they have completed one year of service, attained age 21, and are not leased employees or members of a labor union with which Roy's Holdings has negotiated in good faith concerning retirement benefits; provided, however, that the one year of service requirement was waived for the plan year ended December 31, 2018. Effective January 1, 2020, employees who were previously excluded from the Plan because they did not meet the hours of service requirement or were not employed on the last day of the plan year were added to the Plan. Within each category, employees with the longest period of service were added to the Plan first.

##### Employer Contributions

Roy's Holdings is obligated to make contributions to the Plan at least in the amount sufficient to meet the Plan's obligation on the note payable to Roy's Holdings. Such contributions may be paid in cash, shares of common stock, or forgiveness of indebtedness. In addition to its contributions, Roy's Holdings may pay cash or other property to the Plan in the form of dividends or distributions. The Plan does not permit participant voluntary contributions, but does permit participants to make rollover contributions to the Plan.

##### Payment of Benefits

Distributions on account of death, disability, or retirement are made during the plan year following the plan year in which such events occur. Distributions for other separations from service commence no later than the last day of the sixth plan year following the plan year in which the service terminates. Participants may elect to receive their distributions in a single lump sum; a direct rollover; or substantially equal, annual installments over a period not exceeding five years, except that distributions to participants with account balances less than \$7,000 (\$1,000 prior to January 1, 2024) are made in a single lump sum.

The amount to be distributed is based upon the immediately preceding valuation date. Prior to January 1, 2023, distributions could be made in shares of common stock of Roy's Holdings plus cash for any fractional share of common stock or, if a participant elects, in the form of cash. Effective January 1, 2023, Roy's Holdings became an S corporation and such distributions are generally made only in the form of cash.

##### Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to the participant's account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of plan participants and beneficiaries.

## ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024

#### NOTE A – DESCRIPTION OF PLAN (Continued)

##### Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees as of the last day of the plan year receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated based upon the ratio of the participant's account balance to all participants' beginning of the year account balances.

##### Vesting

If a participant's employment with Roy's Holdings ends for any reason other than retirement, permanent disability, or death, the participant will vest in the balances in his/her account based on total years of service with Roy's Holdings. Participants are 20% vested after two years of service, 40% vested after three years of service, 60% after four years of service, 80% after five years of service, and 100% after six or more years of service. The Plan takes into account all of a participant's years of service after the effective date of the Plan.

##### Put Option

Under federal income tax regulations, employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the employer buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current appraised value of the stock. The employer may pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash for the shares of common stock.

##### Diversification

Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in common stock of Roy's Holdings into investments that are more diversified. Participants who attain the age of 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their accounts. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, participants may diversify up to 25% of the number of shares allocated to their account, less any shares previously diversified. In the sixth year, the percentage changes to 50%.

## ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024

#### NOTE A – DESCRIPTION OF PLAN (Continued)

##### Forfeitures

Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeitures of terminated non-vested account balances allocated to remaining participants amounted to \$280,267 for the year ended December 31, 2024.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

##### Use of Estimates

U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, and the changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates, it is reasonably possible that such estimates may change within the near term, and such differences could be material to the financial statements.

##### Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock (allocated) and (b) stock not yet allocated to employees (unallocated), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is paid.

##### Investment Valuation and Appreciation Recognition

The investment in the common stock of Roy's Holdings is stated at estimated fair value as determined by an independent appraisal. See Note D for discussion of fair value measurements. Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Net appreciation in the Plan's investment in the common stock of Roy's Holdings is recognized annually. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

##### Expenses

Expenses are recognized when paid.

**ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024**

**NOTE C – INVESTMENT IN COMMON STOCK OF ROY'S HOLDINGS, INC.**

At December 31, 2024, the Plan's investment in the common stock of Roy's Holdings, Inc. consisted of the following:

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Number of shares	3,342,260	6,657,740	10,000,000
Cost	\$ 7,754,043	\$ 15,452,957	\$ 23,207,000
Estimated fair value	\$ 5,949,223	\$ 11,850,777	\$ 17,800,000

At December 31, 2023, the Plan's investment in the common stock of Roy's Holdings, Inc. consisted of the following:

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Number of shares	2,835,109	7,164,891	10,000,000
Cost	\$ 6,577,453	\$ 16,629,547	\$ 23,207,000
Estimated fair value	\$ 4,989,792	\$ 12,610,208	\$ 17,600,000

The estimated fair values of the common stock at December 31, 2024 and 2023 of \$1.780 and \$1.760 per share, respectively, for an aggregate estimated fair value of \$17,800,000 and \$17,600,000 at December 31, 2024 and 2023, respectively, were based on independent valuations.

**NOTE D – FAIR VALUE MEASUREMENTS**

U.S. GAAP provides a hierarchy that prioritizes the inputs to the valuation methodologies used to measure fair value. There are three levels of the fair value hierarchy. Level 1 inputs consist of unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs are unobservable and significant to the fair value measurement. The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation methodologies used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024**

**NOTE D – FAIR VALUE MEASUREMENTS (Continued)**

The estimated fair value of the Plan's investment in the common stock of Roy's Holdings is determined annually by an independent appraisal that is based on a combination of the market and income valuation approaches, a Level 3 measurement. The independent appraiser considers, after a risk analysis, the historical and projected cash flow and net earnings of Roy's Holdings, as well as the weighted average cost of capital, debt, market comparisons, and applicable discounts and premiums. There are no investments valued using Level 1 or 2 inputs.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following sets forth by level, within the fair value hierarchy, the Plan's investment at estimated fair value as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment in common stock of Roy's Holdings, Inc.	\$ -	\$ -	\$ 17,800,000	\$ 17,800,000
Total investment at estimated fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,800,000</u>	<u>\$ 17,800,000</u>

The following sets forth by level, within the fair value hierarchy, the Plan's investment at estimated fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment in common stock of Roy's Holdings, Inc.	\$ -	\$ -	\$ 17,600,000	\$ 17,600,000
Total investment at estimated fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,600,000</u>	<u>\$ 17,600,000</u>

For the year ended December 31, 2024, the change in the fair value measurement of the Plan's investment in the common stock of Roy's Holdings, for which Level 3 measurements were required, consisted of the following:

Estimated fair value, beginning of year	\$ 17,600,000
Net appreciation in estimated fair value of investment in common stock of Roy's Holdings, Inc.	<u>200,000</u>
Estimated fair value, end of year	<u>\$ 17,800,000</u>

**ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024**

NOTE E – NOTE PAYABLE TO ROY’S HOLDINGS, INC.

At December 31, 2024 and 2023, the Plan’s note payable to Roy’s Holdings, Inc. consisted of the following:

	<u>2024</u>	<u>2023</u>
\$23,207,000 note payable to Roy's Holdings, Inc. in one installment of \$152,213 for interest only on December 31, 2019, followed by 19 installments of \$1,558,433 for principal and interest on December 31st of each year thereafter through the year 2037, and one installment of \$1,554,849 for principal and interest on October 10, 2038. The installments include interest at 2.990%. The note payable is collateralized by unallocated shares of Roy's Holdings, Inc.	<u>\$ 16,717,135</u>	<u>\$ 17,744,993</u>
Total note payable	<u>\$ 16,717,135</u>	<u>\$ 17,744,993</u>

At December 31, 2024, scheduled maturities of the note payable to Roy’s Holdings, Inc. are as follows:

Years Ending December 31st	
2025	\$ 1,058,591
2026	1,090,243
2027	1,122,841
2028	1,156,414
2029	1,190,991
Thereafter (cumulative)	<u>11,098,055</u>
Total	<u>\$ 16,717,135</u>

NOTE F – ADMINISTRATION OF PLAN ASSETS

The Plan’s assets are held by the Trustee. Contributions from Roy’s Holdings are held and managed by the Trustee and the ESOP Committee, who are responsible for administering the Plan’s assets and making distributions to participants. They also administer the payment of interest and principal on the note payable to Roy’s Holdings, which is reimbursed through contributions from Roy’s Holdings.

Certain administrative functions are performed by officers or employees of Roy’s Holdings. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee’s fees may be paid either by Roy’s Holdings or the Plan. Expenses paid by Roy’s Holdings are not reflected in these financial statements.

## ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

**As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024**

#### NOTE G – TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated October 18, 2019, stating that the Plan is qualified under the IRC and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan has since been amended. The Trustee believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC. Therefore, the Trustee believes that the Plan was qualified and the related trust was tax exempt as of the financial statement date.

U.S. GAAP requires plan management to evaluate uncertain tax positions taken by the Plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The plan administrator evaluated the Plan's tax positions as of December 31, 2024 and 2023 and for the year ended December 31, 2024, and determined that the Plan had no uncertain tax positions required to be reported in accordance with U.S. GAAP. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

#### NOTE H – RELATED PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan's investment in the common stock of Roy's Holdings that is administered by the Trustee qualifies as a party in interest transaction. The Plan financed the purchase of its investment in the common stock of Roy's Holdings by way of a note payable to Roy's Holdings, which also qualifies as a party in interest transaction. As described above, Roy's Holdings may pay all Plan expenses. The Plan has a number of service providers, including an independent valuation specialist, which are considered parties in interest under ERISA.

#### NOTE I – TERMINATION

Although it has not expressed any intent to do so, Roy's Holdings has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to Plan provisions and the provisions of ERISA. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and ERISA. Upon termination of the Plan, Roy's Holdings would direct the Trustee to pay all liabilities and expenses of the trust fund and sell shares of financed common stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan. In the event of plan termination, all participants will become 100% vested in their accounts.

**ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**As of December 31, 2024 and 2023,  
And for the Year Ended December 31, 2024**

**NOTE J – RISKS AND UNCERTAINTIES**

The Plan is invested primarily in the common stock of Roy's Holdings, which is exposed to interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, or other such techniques. Due to the level of risk associated with the investment in the common stock of Roy's Holdings, it is reasonably possible that changes in the value of the common stock Roy's Holdings will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statements of net assets (deficit) available for benefits.

The Plan and Roy's Holdings operate primarily in the State of Hawaii. Local, national, and international events can have severe, adverse effects on economic conditions in Hawaii. These financial statements do not include the adjustments that would result if the Plan were to account for future appreciation (depreciation) in the value of the common stock of Roy's Holdings, if any, as the effects on the financial statements of the Plan from such changes in economic conditions are not presently determinable.

**NOTE K – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 8, 2025, which is the date the financial statements were available to be issued, and determined that the Plan did not have any subsequent events requiring adjustment to the financial statements or disclosure in the notes to the financial statements.

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**ROY'S HOLDINGS, INC. EMPLOYEE STOCK OWNERSHIP PLAN**

**SUPPLEMENTAL SCHEDULE – FORM 5500, SCHEDULE H, LINE 4i –  
SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

As of December 31, 2024

**Form 5500, Schedule H, Line 4i - Schedule of Assets (Held at End of Year)**

<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>(d)</u>	<u>(e)</u>
<b>Identity of issue, borrower, lessor, or similar party</b>	<b>Description of investment including maturity date, rate of interest, collateral, par, or maturity value</b>	<b>Cost</b>	<b>Current Value</b>	
	<u>Investment in common stock</u>			
*	Roy's Holdings, Inc.	10,000,000 shares of common stock	\$23,207,000	\$17,800,000
	<u>Noninterest-bearing cash</u>			
*	First Hawaiian Bank	Checking account	\$ 6,135	<u>6,135</u>
	Total assets held for investment purposes at year-end			<u><u>\$17,806,135</u></u>

**\*In column (a), if applicable, denotes party in interest to the Plan.**

**Plan Number 002  
Employer Identification Number 99-0341036**

**Federal Statements**FYE: 12/31/2024 **Roy's Holding's, Inc. Employee Stock Ownership  
Plan: 002****Assets Held for Investment**

<u>Party in Interest</u>	<u>Identity</u>	<u>Description</u>	<u>Cost</u>	<u>Current Value</u>
X	Roy's Holdings	10,000,000 common sh	\$ 23,207,000	\$ 17,800,000
	First Hawaiian Bank	Cash	6,135	6,135