GIFT HOLDINGS INC.

Financial Results Briefing for the Fiscal Year Ended October 2023

December 21, 2023

Presentation

Tagawa: Hello, everyone. I am Tagawa, Representative Director. Thank you very much for taking time out of your busy schedule today to join our online financial results presentation. Today, I am pleased to present our full-year results for the fiscal year ended October 31, 2023, as well as our new medium-term management plan.

Now, I would like to explain the performance highlights for 2023.

Financial summary

Net sales	Operating profit	Ordinary profit
22,982 million yen	2,352 million yen	2,424 million yen
YoY: +35.1%	YoY: +49.7%	YoY: -0.7%

Overview of financial results

Achieved full-year plan thanks to successful aggressive business expansion in the current post-COVID-19 environment without behavioral restrictions

Quality enhancement at each store	Continuing to mark **record-high monthly sales per company -owned store** thanks to continuous store QSCA enhancement and carrying out refurbishments.
Strengthening production systems	In addition to launching a **noodle factory** that will begin production operations in the next fiscal year, strengthening our production system to **expand the range of items produced**
Strengthening overseas store openings	Opened new stores in **Vietnam, Thailand, and New York**. Making steady progress in securing new contracts with franchisees in other countries and areas, strengthening store openings in North America, East Asia, and Southeast Asia, etc.

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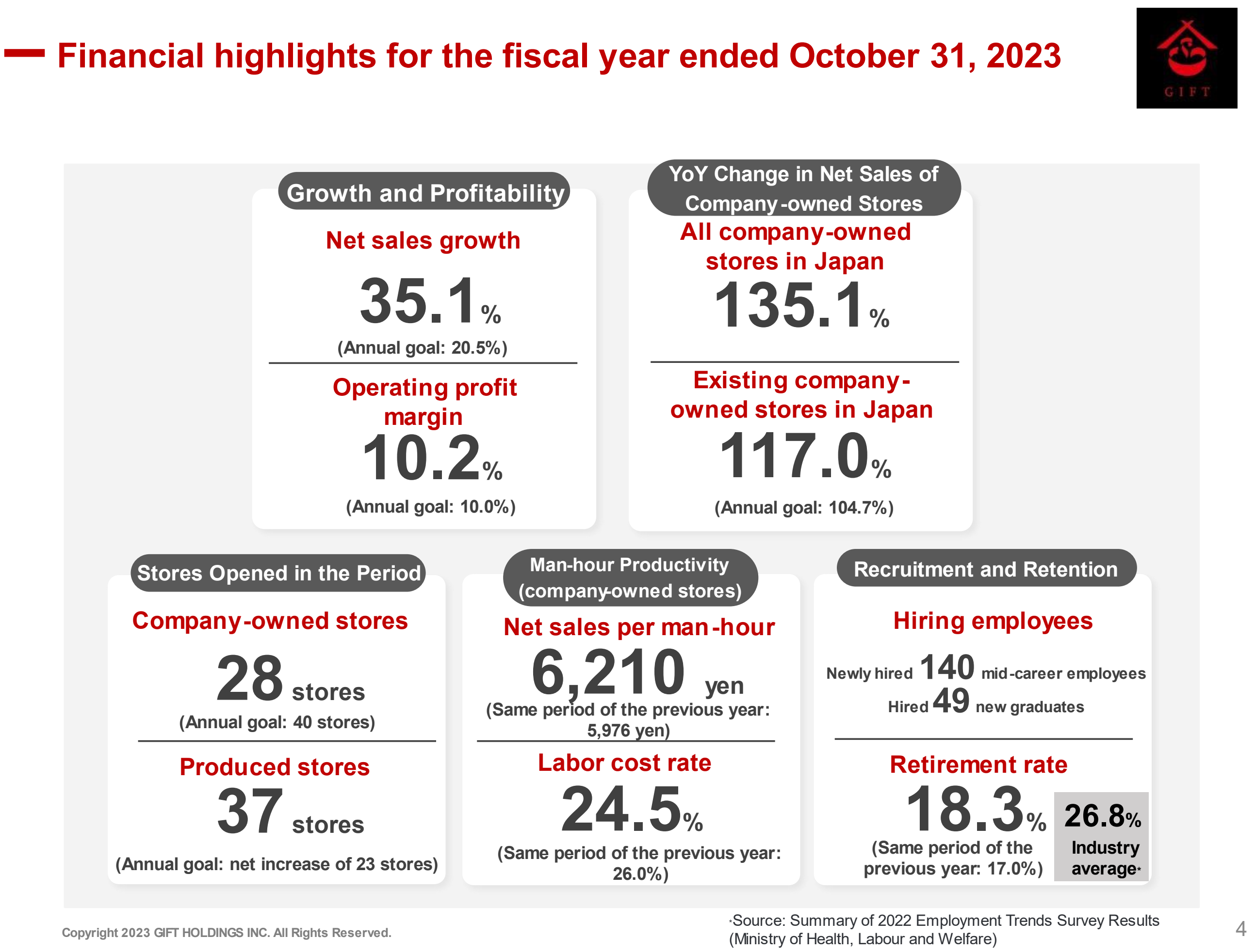
In the fiscal year ended October 31, 2023, while the situation was finally called post-COVID-19, the business environment was characterized by soaring raw material prices, yen depreciation, and inflation due to wage hikes, but we were able to achieve our full-year plan with record high sales and operating income.

We have been operating under a policy of adjusting our prices for inflation to reflect cost increases. Due in part to ongoing efforts to improve quality per store, customer traffic has not been affected by the price revisions, and monthly sales at directly managed stores continue to be strong, with existing stores continuing to post record high monthly sales. In addition, 2023 was a year in which we began to plant the seeds for full-scale overseas store openings.



Key indicators other than business performance are described here.

Although we achieved our annual target for new store openings for both company-owned and produced stores, we fell short of our plan for new store openings at company-owned stores. Since COVID-19, we had been negotiating very strict conditions for opening new stores, which resulted in a large number of properties that did not close in response to applications. Currently, we are negotiating in light of market conditions, and the closing rate is increasing.

Results vs. KPIs for the fiscal year ended October 31, 2023

	KPI	Targets	FYE Oct. 31, 2023 Results	
Growth	1. Net sales growth	20% or above	○	35.1%
Profitability	2. Operating profit margin	10% or above	○	10.2%
Gain on investments	3. ROA (ordinary profit to total assets)	15% or above	○	21.6%
	4. ROE (net profit to shareholders' equity)	15% or above	○	26.2%
Returns to shareholders	5. Dividend payout ratio	20% or above	○	20.6%

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This is the actual performance against the KPI targets of the medium-term plan presented last year.

The 10% operating margin was a high target, but we were able to achieve it thanks to continued strong sales after the April price revision. As for dividends, we have decided to increase dividends since we were able to achieve our earnings forecast. From the above, we were able to meet the KPI targets in all categories.

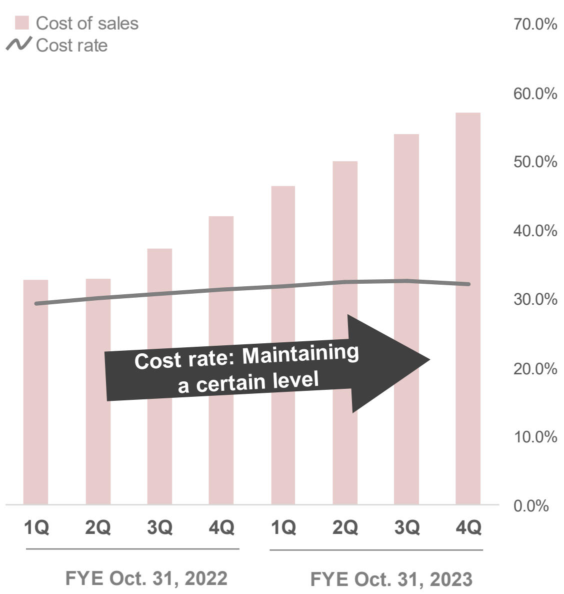
Maintained high profitability

Maintained high profitability by controlling both cost of sales and labor costs in response to inflation.

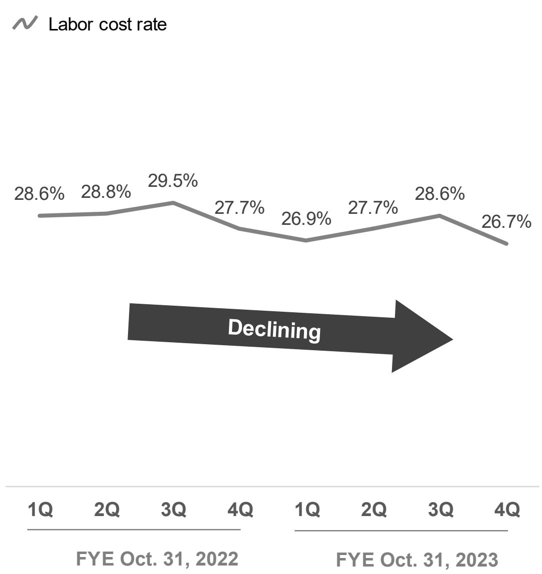
Cost of sales: Maintained a certain level despite the rising cost rate due to the policy of transferring increased costs to price.

Labor cost: The labor cost rate is decreasing due to price revisions not having impact on customer traffic.

Cost of sales



Labor cost



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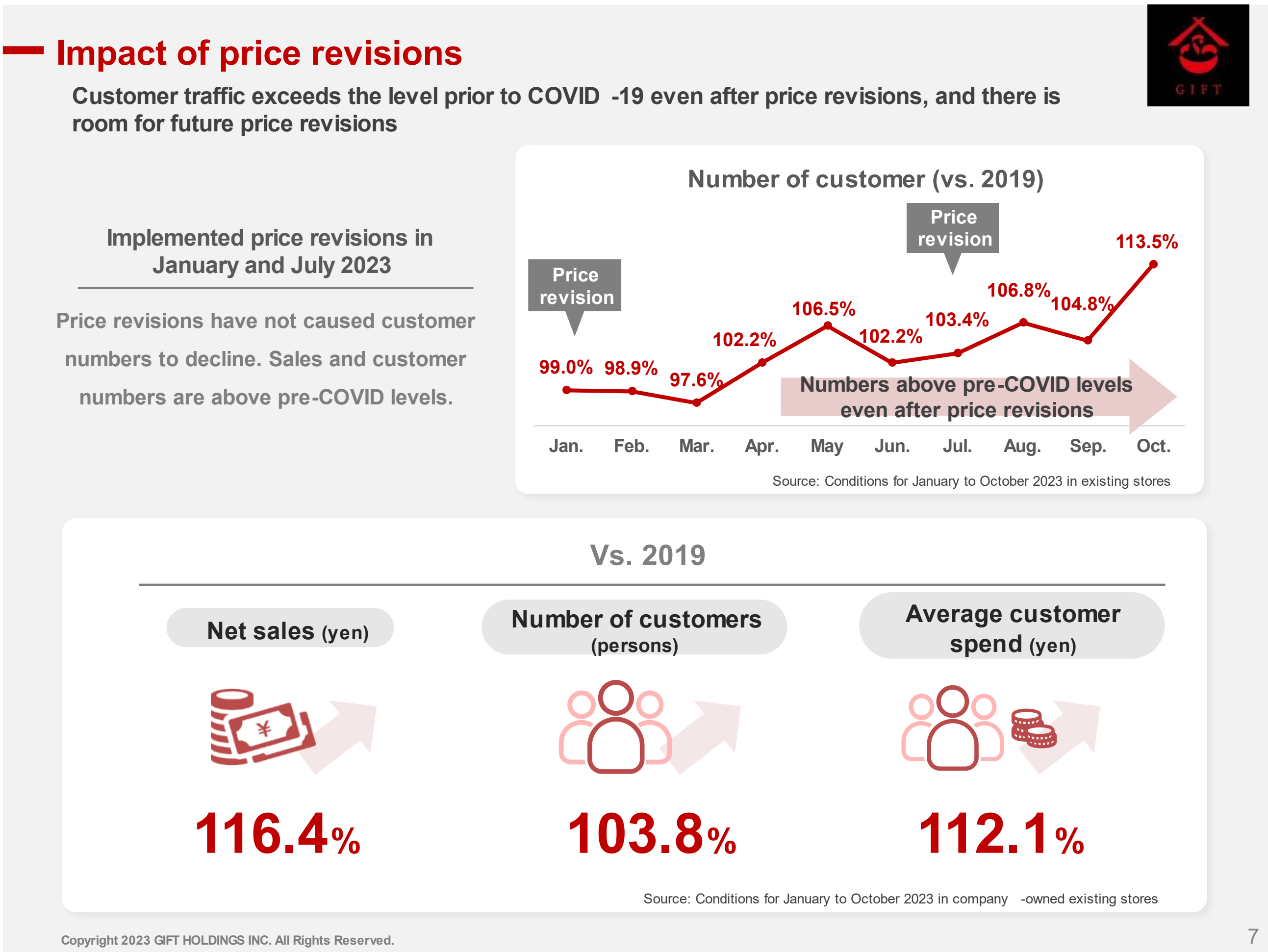
I will continue by explaining the impact of inflation.

We have responded to inflation with the idea of controlling both cost and labor costs. The cost of sales ratio was on an upward trend due to our policy of revising prices to reflect cost increases. On the other hand, there was no impact on customer traffic, and the labor cost ratio was on a downward trend, enabling us to maintain a profit margin. We believe that we are in control of inflation in terms of both cost and labor cost ratios.



Next, I will explain the impact of price revisions.

In company-owned stores, we implemented price revisions twice last year and twice this year. Neither of the price revisions had any impact on customer traffic, and since April we have had more customers than before COVID-19.

Improving QSCA and productivity through refurbishment

We are sequentially refurbishing our stores to improve product quality and productivity.

Sales have been strong at refurbished stores.

	Number of refurbished stores
FYE Oct. 31, 2021	5
FYE Oct. 31, 2022	14
FYE Oct. 31, 2023	18
Cumulative total	**37**


Machida Shoten Taiheitori Store


Machida Shoten Nakamachidai Store


Machida Shoten Tokorozawa Store

Effect of refurbishment

- **Maintaining consistent soup quality**due to consistent warming temperature from induction heating (IH)
- **Improving productivity** due to new layout
- **Reduction in CO_2 emissions**

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We will continue with an explanation of our efforts to improve QSCA and increase productivity through renovations.

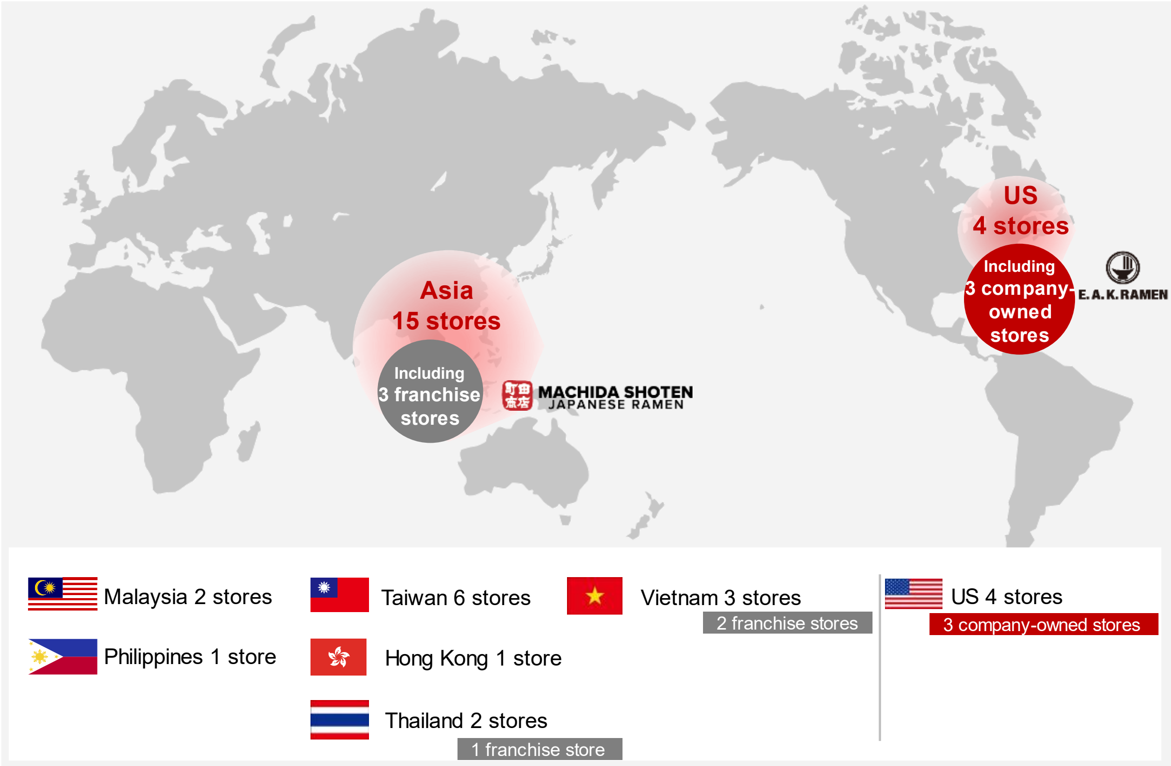
As a result of in-house verification, we found that keeping the soup at a constant temperature stabilizes the soup quality. The use of IH rather than gas for storing soups makes it easier to maintain a constant soup temperature and reduces CO2 emissions.

Machida Shoten, our mainstay restaurant, has been installing IH since the opening of new stores, and existing stores are being renovated at a rate of about one per month, with construction to install IH and the latest layouts being carried out sequentially. We are working to stabilize soup quality through the use of IH and to increase productivity through the use of the latest layout.

Overseas expansion

Currently operating 19 overseas stores (including 3 company -owned stores and 3 franchise stores)

Accelerating franchise expansion under the Machida Shoten brand



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Next, I will explain our overseas expansion.

The third New York store, which opened in New York's Penn Station, differed from previous entries in the market in that it was located in a food court inside a train station, and was opened as a ramen specialty restaurant. We have received a large number of customers so far and feel that we are responding well to the expansion of our store openings in the US.

In Asia, we have begun to develop as a franchise store of Machida Shoten, rather than in the form of a produce store as in the past. We have received a large number of customers here as well, and we are feeling a positive response to the expansion of our store openings in Asia.

Opened roadside BUTAYAMA stores (new ramen business development)

Began opening roadside stores of the BUTAYAMA chain, as well as franchising BUTAYAMA and GANSO ABURADO stores

BUTAYAMA Hachioji Kitano Store

BUTAYAMA Kan -ni Shimonagaya Store

Also launched expansion of franchise stores

豚山 元祖油堂 油そば

Launched partial franchise expansion

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I will continue with an explanation of our model development efforts.

So far, we have been opening new stores near train stations, but we have also opened roadside stores on a trial basis, and as expected, many customers have come to visit our stores.

We have also started some franchise development in Butayama and Aburadou. We believe that franchise stores can be opened in smaller trade areas than company-owned stores, and that more stores can be opened than company-owned stores alone.

I will now turn the floor over to Mr. Enoki and present a summary of the full-year financial results.

Statements of income

(Millions of yen)	FYE Oct. 31, 2022 Amount	FYE Oct. 31, 2022 Percentage to sales	FYE Oct. 31, 2023 Amount	FYE Oct. 31, 2023 Percentage to sales	Change YoY % change	Compared to plan Full-year plan	Compared to plan Level of achievement
Net sales	17,015	-	**22,982**	**-**	**+35.1%**	20,500	112.1%
Cost of sales	5,176	30.4%	7,409	32.2%	+43.2%	-	-
Gross profit	11,839	69.6%	**15,572**	**67.8%**	**+31.5%**	-	-
Selling, general and administrative expenses	10,267	60.3%	13,220	57.5%	+28.8%	-	-
Operating profit	1,571	9.2%	**2,352**	**10.2%**	**+49.7%**	2,050	114.8%
Ordinary profit	2,442	14.4%	**2,424**	**10.5%**	**(0.7%)**	2,080	116.6%
Profit attributable to owners of parent	1,538	9.0%	**1,597**	**6.9%**	**3.8%**	1,380	115.7%

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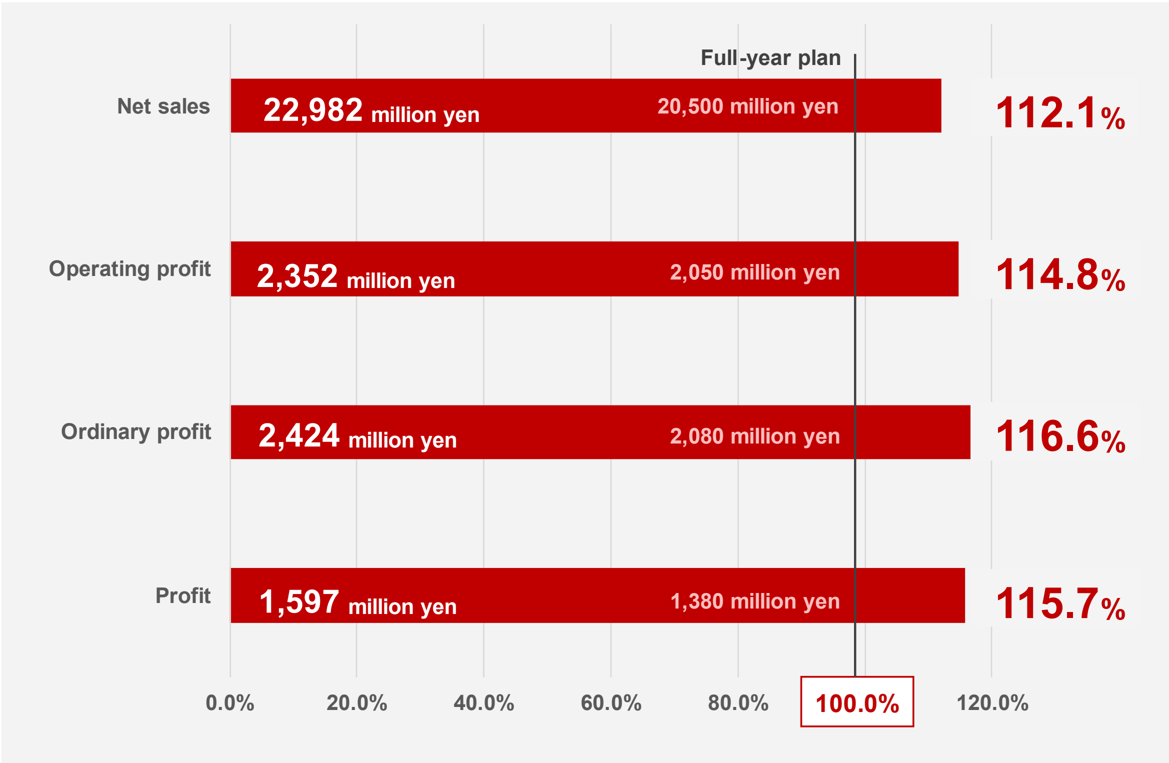
Enoki: My name is Enoki, I am in charge of IR. I would like to explain our full-year business results.

Net sales were JPY22.9 billion, up 35.1% YoY. Operating income was JPY2.35 billion, an increase of 49.7% YoY.

Last year, there was approximately JPY840 million in subsidy income from time-shortening cooperation funds and other subsidies, which boosted ordinary income. On the other hand, despite the fact that the short-time cooperation payment was reduced to almost zero in the current period, ordinary income was at the same level as the previous period, and net income for the current period exceeded the previous period.

Achievement rates vs. plan

Securely achieved performance above plan for all items



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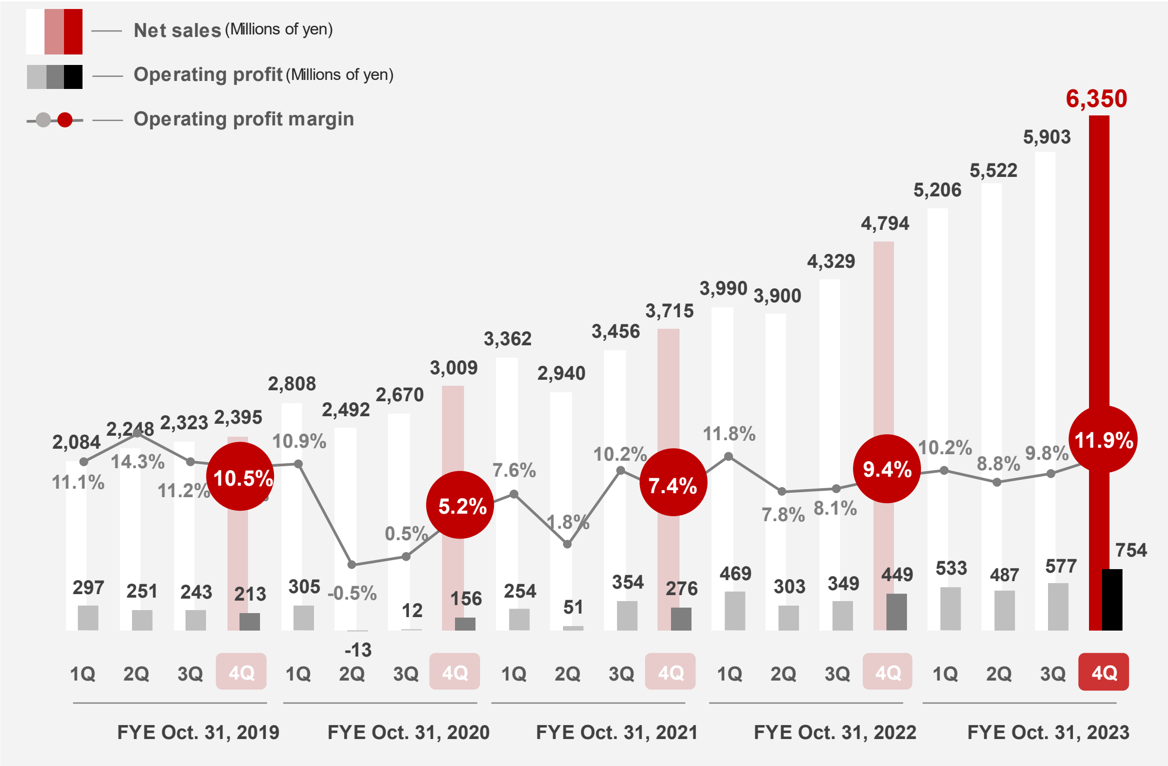
I will now explain the percentage of achievement against the full-year plan.

Against the full-year plan, we were able to achieve the plan in all areas, including net sales, operating income, ordinary income, and net income.

Quarterly trends in net sales and operating profit



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Next, I will explain the quarterly trends in net sales and operating income.

In any quarter of the fiscal year ended October 31, 2023, sales and profits have increased YoY.

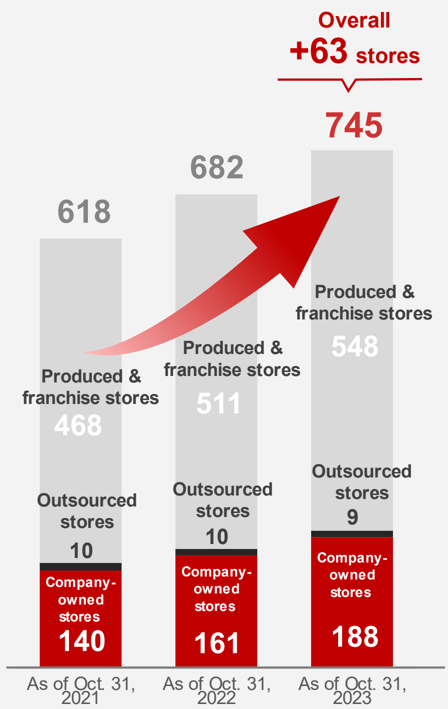
Profit margins are usually higher in Q1 and Q2 during the cold season. However, due to a higher roadside ratio and the impact of the July price revision, we were able to maintain high profit margins in Q3 and Q4 for the fiscal year ended October 31, 2023.

Open up stores

+63 stores compared to the end of the previous fiscal year

*Annual plan: +62 stores

	As of Oct. 31, 2022	As of Oct. 31, 2023
Produced & franchise stores	511 stores	548 stores
Outsourced stores	10 stores	9 stores
Company-owned stores	161 stores	188 stores
Total number of stores	682 stores	745 stores



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Next, I will explain the status of store openings.

We were able to achieve our annual plan with a net increase of 63 stores compared to our plan of a net increase of 62 stores for the full year.

Status of stores (company-owned stores / breakdown of change by brand)

Brand	横浜家系ラーメン 町田商店	豚山	元祖油堂 油そば	釜焚きとんこつ がっとん	元祖 赤みそ家 麺
Number of stores as of October 31, 2023	131	28	8	6	4
Change (compared to October 31, 2022)	+15	+7	+4	+1	-2

Brand	中華そば 長岡食堂	四天王	いと井	Overseas E.A.K. RAMEN	Other
Number of stores as of October 31, 2023	2	1	1	3	4
Change (compared to October 31, 2022)	-1	-	-	+1	+2

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Next, I will explain the number of company-owned stores by brand and the number of new stores opened.

We are expanding the number of Butayama and the original Aburadou stores as our second brand after Machida Shoten.

Status of stores (breakdown of change)

(Number of stores)		Number of stores as of October 31, 2022	Number of stores as of October 31, 2023	Change
Company-owned stores	Kanto	104	119	+15
	East Japan (other than Kanto)	36	45	+9
	West Japan	19	21	+2
	Overseas	2	3	+1
	Subtotal	**161**	**188**	**+27**
Net sales 19,207 million yen	**Outsourced stores**	**10**	**9**	**-1**
	Total	**171**	**197**	**+26**
Produced stores	Kanto	306	309	+3
	East Japan (other than Kanto)	107	117	+10
	West Japan	83	99	+16
	Overseas	15	13	-2
	Subtotal	**511**	**538**	**+27**
Net sales 3,775 million yen	**Franchise stores in Japan**		**7**	**+7**
	Franchise stores overseas		**3**	**+3**
	Total	**511**	**548**	**+37**
	Total number of stores	**682**	**745**	**+63**

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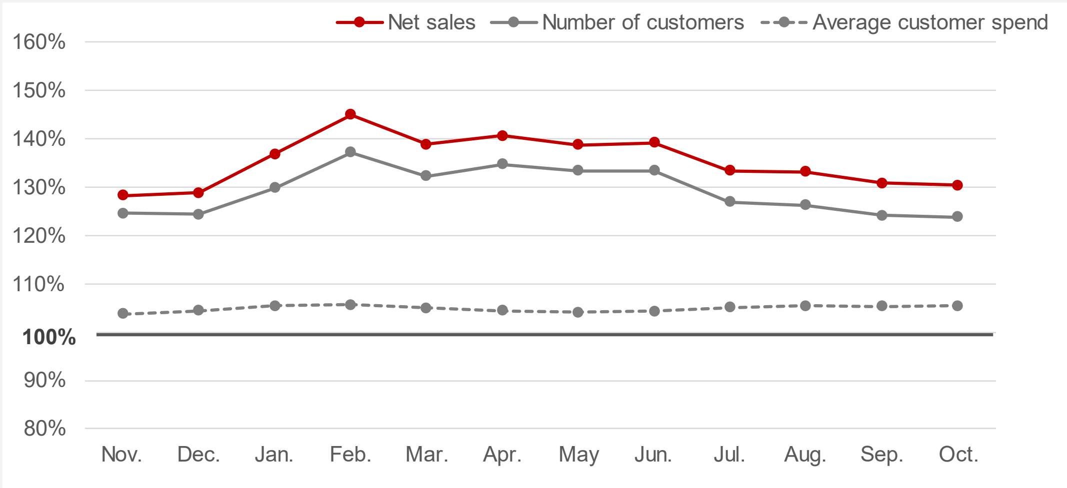
Next, I will explain the status of sales revenue by region.

We have been able to open company-owned restaurants in areas with high population concentration and high ramen consumption and produce restaurants in regional areas in line with our strategy, achieving a good balance throughout the country.

Sales in the company-owned store business amounted to JPY19.2 billion, up 35.8% YoY, and sales in the produce business amounted to JPY3.77 billion, up 31.3% YoY.

Year-on-year comparison of net sales of all company-owned stores in Japan



All stores	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Cumulative total
Net sales	128.3%	128.8%	136.9%	145.0%	138.9%	140.6%	138.8%	139.2%	133.4%	133.2%	130.8%	130.4%	135.1%
Number of customers	124.6%	124.4%	129.9%	137.2%	132.3%	134.7%	133.4%	133.4%	126.9%	126.3%	124.2%	123.8%	129.0%
Average customer spend	103.8%	104.4%	105.4%	105.7%	105.0%	104.4%	104.1%	104.3%	105.1%	105.5%	105.3%	105.4%	104.7%

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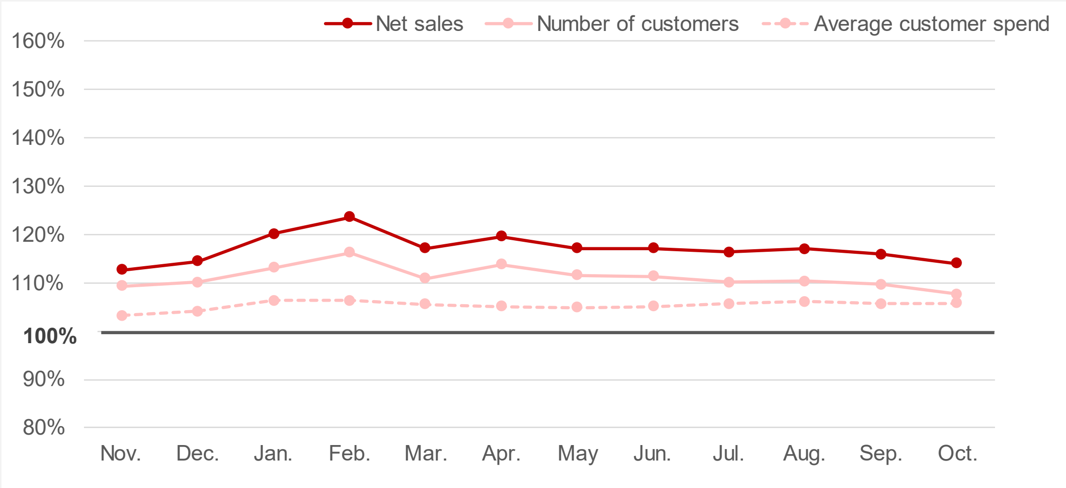
The following chart shows sales, number of customers, and average spend per customer for all company-owned restaurants in Japan compared to the previous year. This is as shown in the slide.

Year-on-year comparison of net sales of existing company-owned stores in Japan



Existing stores	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Cumulative total
Net sales	112.7%	114.5%	120.2%	123.6%	117.1%	119.6%	117.1%	117.1%	116.4%	117.0%	115.9%	114.0%	117.0%
Number of customers	109.3%	110.1%	113.1%	116.3%	110.9%	113.8%	111.6%	111.4%	110.1%	110.3%	109.7%	107.7%	111.0%
Average customer spend	103.2%	104.1%	106.3%	106.3%	105.6%	105.1%	104.9%	105.1%	105.7%	106.1%	105.7%	105.8%	105.3%

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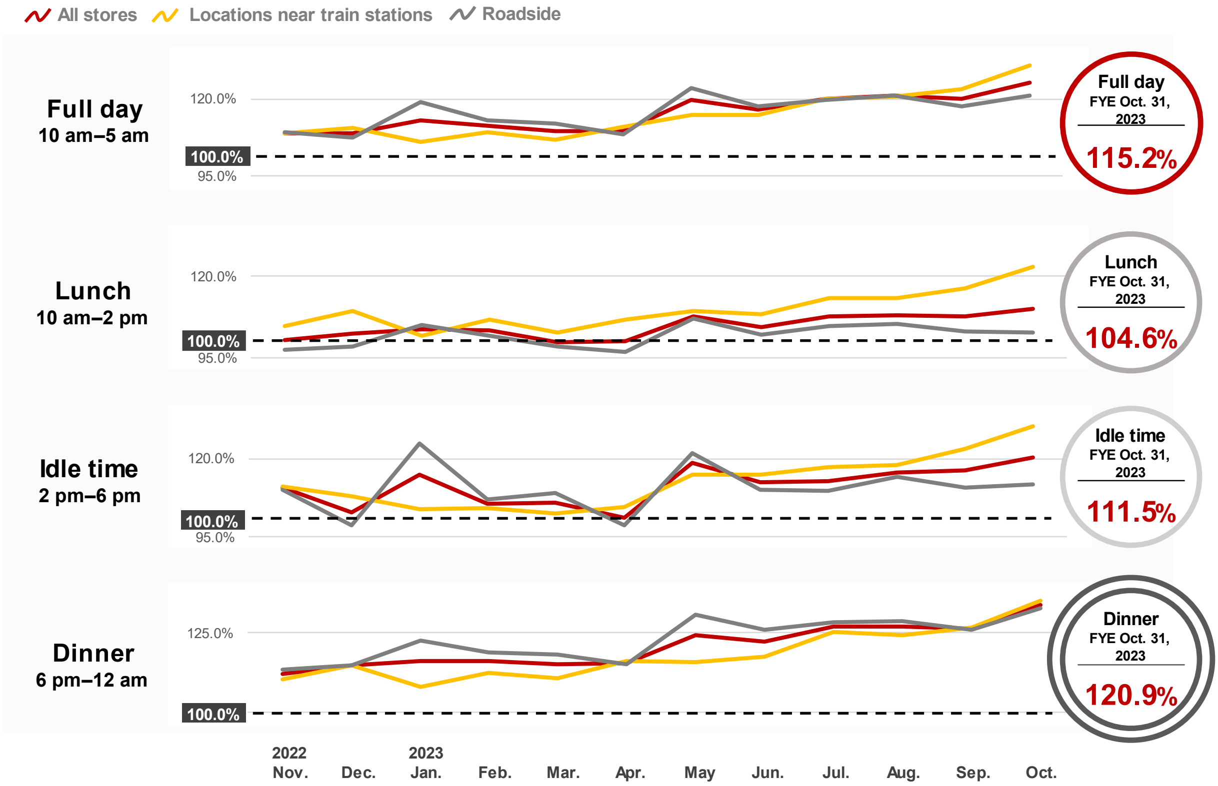
This chart shows YoY changes in sales, number of customers, and average spend per customer at existing company-owned stores in Japan. This is as shown in the slide.

Comparing sales to pre -COVID

Vs. FYE Oct. 31, 2019 (existing company-owned stores, including home delivery sales)

Net sales exceeding 2019 levels in all time bands. Achieved 115.2% of sales (111.7% in average customer spend, 103.1% in number of customers) for the full year.



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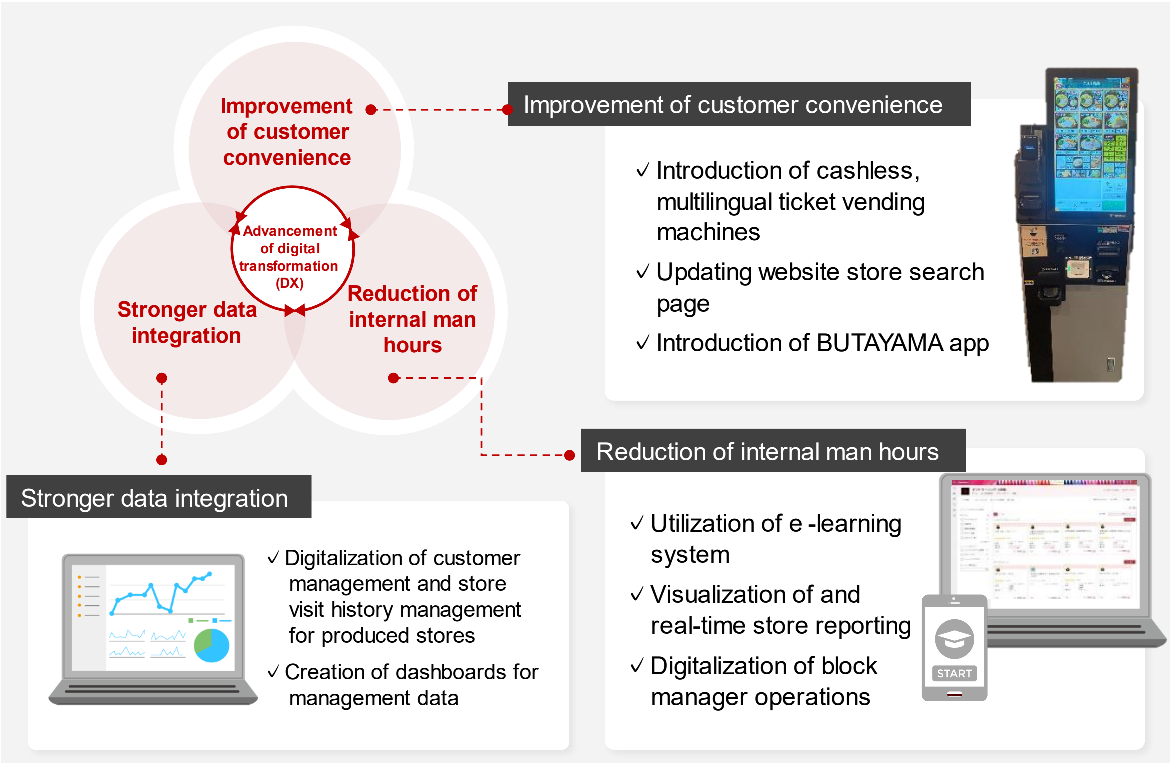
Next, I will explain the sales of company-owned stores by time of day and location.

Here is a graph showing the 2019 sales comparison for existing stores in Japan company-owned by the company. The data includes home delivery. For the full year, the 2019 ratio was 115.2%. Sales per customer were 111.7% and the number of customers was 103.1%.

In terms of location, in addition to the traditionally strong roadside business, there has been a recent recovery in the area near train stations. Sales have exceeded the pre-COVID-19 level in all time slots, especially during dinner hours when many customers visit the restaurant.

Advancing DX

Advancing various DX measures to improve customer convenience, reduce internal man hours, and strengthen data integration



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I will continue with an explanation of DX initiatives.

We are making company-wide efforts for DX in accordance with the DX Plan we drew up last year. We are working on the three goals of DX**:** improving customer convenience, reducing internal man-hours, and linking data.

As for our efforts in the fiscal year ended October 31, 2023, we first introduced cashless and multilingual ticket vending machines to improve customer convenience. Next, we revamped the store search page and improved it to allow users to search for stores by location and service offerings. Furthermore, the introduction of the Butayama app has been completed for all stores.

To reduce the number of man-hours required within the company, an e-learning system was first introduced, enabling detailed management of each employee's attendance at in-house training programs, thereby enhancing human resource education.

Next, reports from stores used to be submitted by e-mail or chat, but with the introduction of the system, they can now be checked in real time and at a glance, and the contents of the reports have been converted into data.

In this way, we are promoting a DX-enabled environment.

B/S summary

(Millions of yen)	As of Oct. 31, 2022	As of Oct. 31, 2023	Change
Current assets	**3,026**	**3,552**	**+525**
Cash and deposits	2,007	2,220	+212
Accounts receivable - trade	405	547	+141
Other	613	784	+171
Non-current assets	**6,878**	**8,974**	**+2,096**
Property, plant and equipment	4,756	6,007	+1,250
Intangible assets	122	271	+148
Investments and other assets	1,999	2,696	+696
Total assets	**9,905**	**12,527**	**+2,622**

(Millions of yen)	As of Oct. 31, 2022	As of Oct. 31, 2023	Change
Current liabilities	**2,937**	**3,777**	**+839**
Accounts payable-trade	544	697	+153
Short-term borrowings	42	25	(17)
Current portion of long-term borrowings	512	699	+187
Other	1,838	2,354	+516
Non-current liabilities	**1,535**	**1,977**	**+442**
Long-term borrowings	1,195	1,574	+379
Other	339	402	+63
Total liabilities	**4,473**	**5,755**	**+1,282**
Total net assets	**5,432**	**6,772**	**+1,339**
Share capital	793	797	+3
Capital surplus	1,045	1,049	+3
Retained earnings	3,463	4,761	+1,298
Treasury shares	(0)	(0)	(0)
Accumulated other comprehensive income	130	160	+29
Non-controlling interests	-	4	+4
Total liabilities and net assets	**9,905**	**12,527**	**+2,622**

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Next, I will explain the status of B/S.

With an equity ratio of 54%, we have achieved our target of 50%, and we intend to continue to invest in new store openings while maintaining our sound financial position.

Noncontrolling interests increased because a domestic subsidiary that is not wholly owned by the Company recorded a profit.

C/F summary

(Millions of yen)	FYE Oct. 31, 2022	FYE Oct. 31, 2023	Change
Net cash provided by (used in) operating activities	2,149	2,534	+384
Net cash provided by (used in) investing activities	(1,808)	(2,956)	(1,147)
Net cash provided by (used in) financing activities	(315)	252	+568
Effect of exchange rate change on cash and cash equivalents	109	17	(92)
Cash and cash equivalents at end of period	2,007	1,855	(152)

Main content of FYE Oct. 31, 2023

■ Net cash provided by (used in) operating activities

Profit before income taxes: 2,291 million yen
Depreciation: 617 million yen
Income taxes paid: (855 million yen)

■ Net cash provided by (used in) investing activities

Purchase of property, plant and equipment: (1,608 million yen)
Payments of leasehold and guarantee deposits: (399 million yen)

■ Net cash provided by (used in) financing activities

Net change in short-term borrowings: (17 million yen)
Proceeds from long-term borrowings: 1,210 million yen
Repayments of long-term borrowings: (642 million yen)
Dividends paid: (301 million yen)

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Next, let us look at the cash flow situation.

Operating cash flow was positive JPY2.5 billion and investing cash flow was negative JPY2.9 billion.

Shareholder benefit program

The distribution standard for meal coupons has changed in conjunction with the stock split.

A new benefit category has been added for shareholders with 100–199 shares (shareholders who held 50–99 shares prior to the stock split).

Number of shares held before stock split	Before change		Number of shares held after stock split	After change	
	Less than 1 year	1 year or more		Less than 1 year	1 year or more
50 shares or more	—	—	New category 100 shares or more	1 coupon (2 per year)	2 coupons (4 per year)
100 shares or more	2 coupons (4 per year)	3 coupons (6 per year)	200 shares or more	2 coupons (4 per year)	3 coupons (6 per year)
200 shares or more	3 coupons (6 per year)	4 coupons (8 per year)	400 shares or more	3 coupons (6 per year)	4 coupons (8 per year)
300 shares or more	4 coupons (8 per year)	5 coupons (10 per year)	600 shares or more	4 coupons (8 per year)	5 coupons (10 per year)
500 shares or more	5 coupons (10 per year)	6 coupons (12 per year)	1,000 shares or more	5 coupons (10 per year)	6 coupons (12 per year)

* Shareholders listed on the shareholder registry as of October 31, 2023 with 100 or more shares will be eligible for benefit s.

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As for shareholder benefits, a new 100-share class of benefits was established as a result of the stock split. We will continue to strive to make our stock more attractive to individual investors.

I will now hand over to Mr. Tagawa for the rest of the presentation.

Forecast for the fiscal year ending October 31, 2024

Plan significant increases in net sales and operating profit by steadily implementing the medium-term business plan.

(Millions of yen)	FYE Oct. 31, 2023 Results		FYE Oct. 31, 2024 Forecast		Change
	Amount	Percentage to sales	Amount	Percentage to sales	
Net sales	22,982	-	27,600	-	+20.1%
Operating profit	2,352	10.2%	2,700	9.8%	+14.8%
Ordinary profit	2,424	10.5%	2,740	9.9%	+13.0%
Profit attributable to owners of parent	1,597	6.9%	1,750	6.3%	+9.6%

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Tagawa: I will now explain the outlook for the next fiscal year.

For the next fiscal year, we forecast sales of JPY27.6 billion and operating income of JPY2.7 billion, a sales growth rate of more than 20%.

Assumptions behind forecast for the fiscal year ending October 31, 2024

Sales of company-owned stores in Japan and existing stores

vs. FYE Oct. 31, 2023: **105.0**%

Store opening plan

Company-owned stores	Franchise & produced stores
40 stores in Japan	**40** stores in Japan
1 overseas store	**8** overseas stores
Net increase of **39** stores	Net increase of **48** stores

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I would like to continue by explaining the assumptions underlying the forecast.

The same-store sales of company-owned stores in Japan are expected to be 105% based on the current monthly situation.

With respect to store openings, we expect to open 40 company-owned stores in Japan, one company-owned store overseas, 40 domestic franchise produce stores, and eight overseas franchise produce stores.

Returns to shareholders

Implementation of stock split

We implemented a stock split with a ratio of 1:2 on August 1, 2023.

By lowering the amount per unit of investment, we aim to create an environment more conducive to investment, improve the liquidity of our stock, and expand our investor base.

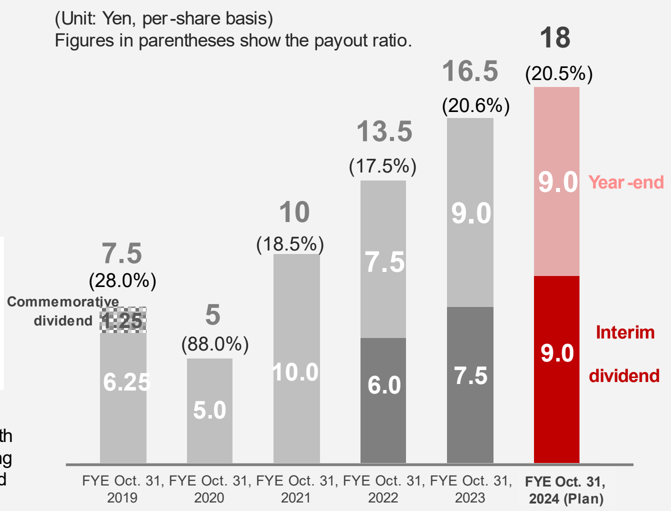
Dividends for the fiscal year ended October 31, 2023

We decided to pay an interim dividend of **7.5 yen** and a year-end dividend of **9 yen**, for **a total of 16.5 yen** per share, **an increase of 1.5 yen**.

Dividends for the fiscal year ending October 31, 2024

We plan to maintain **a payout ratio of 20% or more**, paying an interim dividend of **9.0 yen** and **a year-end dividend of 9.0 yen**, for **a total of 18 yen** per share, **an increase of 1.5 yen**.

➡ We implemented stock splits on March 19, 2020, and August 1, 2023, wherein our common shares were split with a ratio of 1:2. The dividend figures per share in this briefing material have therefore been calculated retroactively based on the stock splits.



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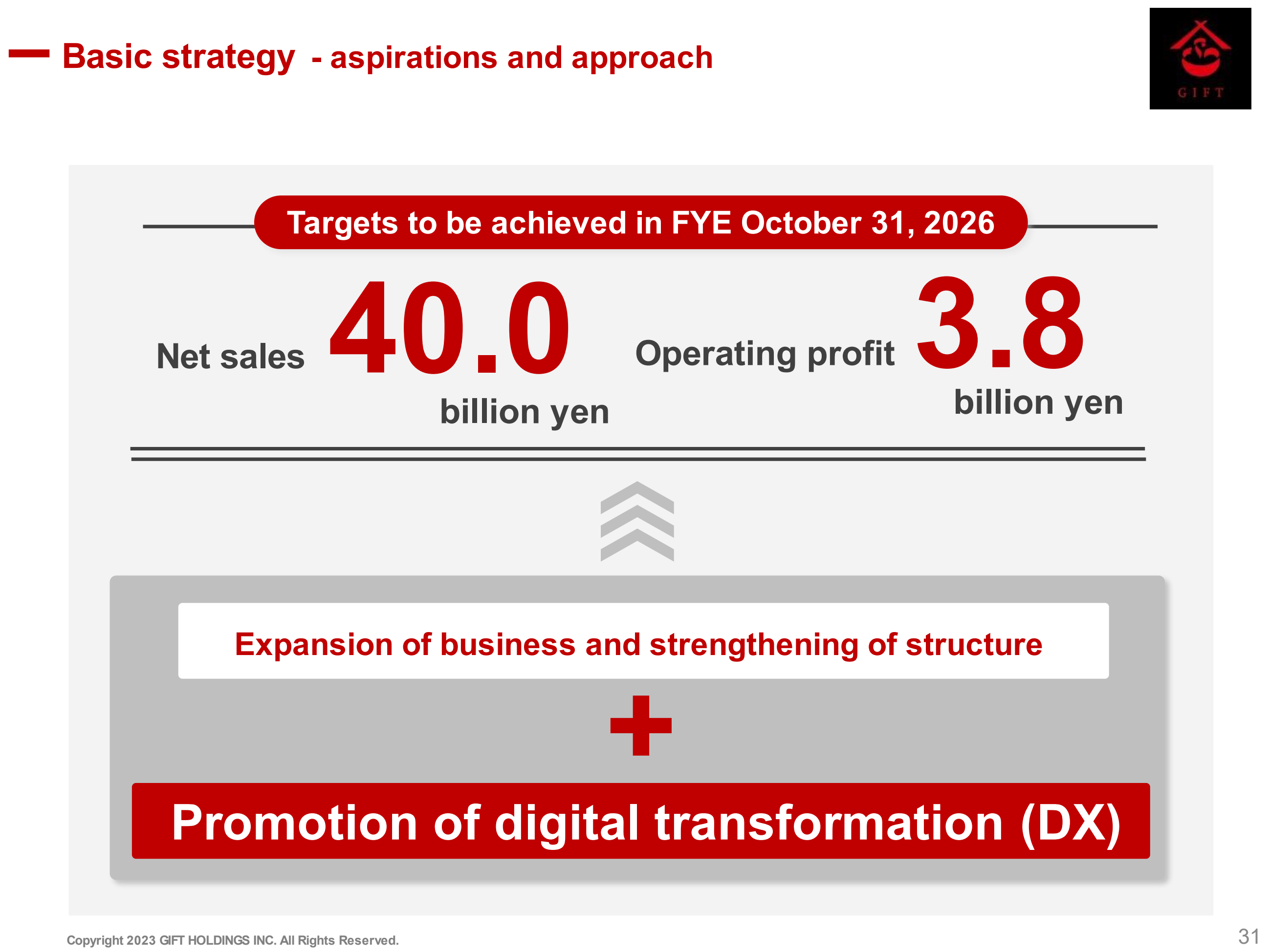
As for dividends, we plan to increase dividends by JPY1.5 to JPY18 per share, for a payout ratio of 20.5%, in anticipation of steady earnings growth.



I would like to explain our three-year medium-term business plan through the fiscal year ending October 31, 2026.

Due to the rapidly changing environment surrounding the management of the company, we are again using a rolling method of formulation.

We aim to achieve sales of JPY40 billion and operating income of JPY3.8 billion in the fiscal year ending October 31, 2026.

KPIs

Operating profit is expected to grow due to increased ratio of company-owned stores.
Profit margin target was reduced by 0.5 pt from the previous target.

ROA and ROE targets were each raised by 5.0 pt.

Growth	1. Net sales growth	20% or above
Profitability	2. Operating profit margin	9.5% or above
Gain on investments	3. ROA (ordinary profit to total assets)	20% or above
	4. ROE (net profit to shareholders' equity)	20% or above
Returns to shareholders	5. Dividend payout ratio	20% or above

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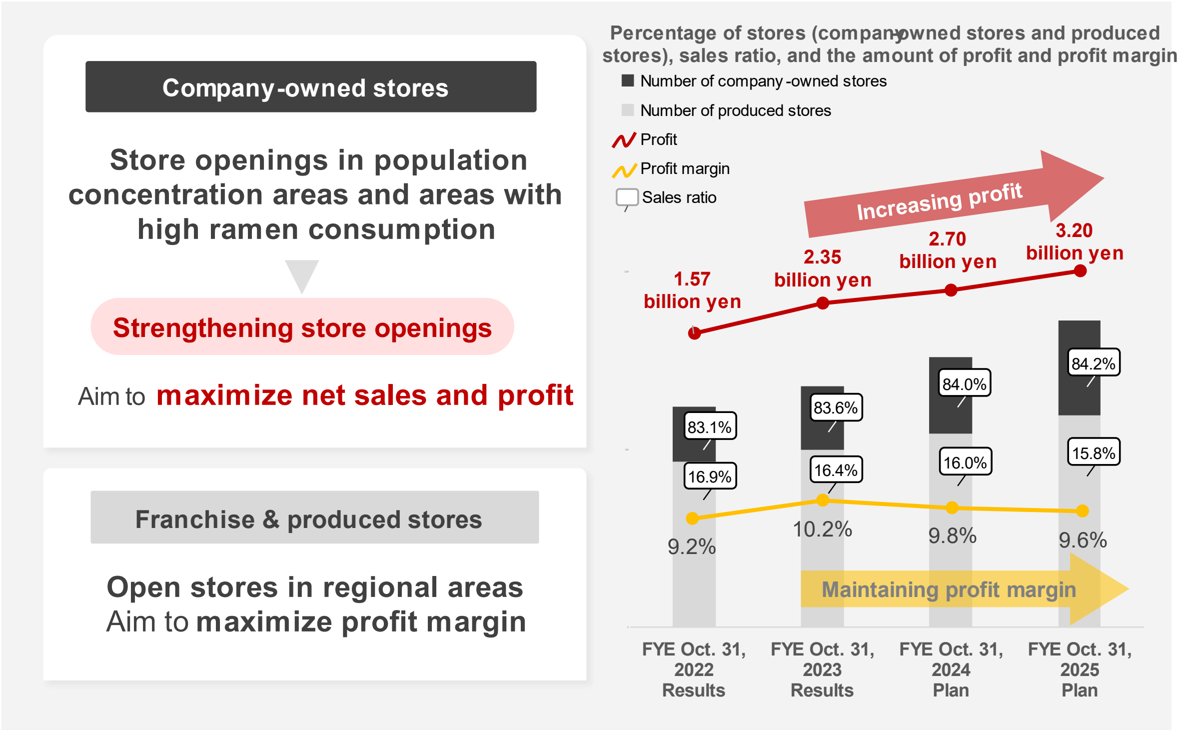
Here are the KPI targets for the medium-term business plan.

As in the previous year, we will work to achieve in all areas.

Relationship between store opening strategy and sales, profit and profit margin

By opening company-owned stores in areas with concentrated population that have large markets, and opening produced stores in regional areas, we aim to maximize net sales and profit and also maintain profit margin.



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I will continue by explaining the relationship between store opening strategies and sales, profits, and profit margins.

The Company is currently increasing the percentage of company-owned stores. By opening company-owned stores in areas with high population concentration and high ramen consumption, and opening franchise produce stores in other areas, we intend to maximize sales and profit amount while maintaining a high profit margin.

Medium-term business plan (FYE October 31, 2024 to FYE October 31, 2026) / Quantitative plan

Created a new three-year plan using the rolling method

	2022	2023	2024	2025	2026
Net sales	17.0 (billion yen)	22.9 (billion yen)	27.6 (billion yen)	33.2 (billion yen)	40.0 (billion yen)
Operating profit	1.57 (billion yen)	2.35 (billion yen)	2.70 (billion yen)	3.20 (billion yen)	3.80 (billion yen)
Ordinary profit	2.44 (billion yen)	2.42 (billion yen)	2.74 (billion yen)	3.25 (billion yen)	3.86 (billion yen)

		2022	2023	2024	2025	2026
Japan	Total number of stores	665 stores	726 stores	805 stores	903 stores	1,000 stores
	Company-owned stores	169 stores	194 stores	233 stores	284 stores	332 stores
	Franchise & produced stores	496 stores	532 stores	572 stores	619 stores	668 stores
Overseas	Total number of stores	17 stores	19 stores	27 stores	40 stores	57 stores
	Company-owned stores	2 stores	3 stores	3 stores	7 stores	14 stores
	Franchise & produced stores	15 stores	16 stores	24 stores	33 stores	43 stores
Total	Total number of stores	682 stores	745 stores	832 stores	943 stores	1,057 stores
	Company-owned stores	171 stores	197 stores	236 stores	291 stores	346 stores
	Franchise & produced stores	511 stores	548 stores	596 stores	652 stores	711 stores

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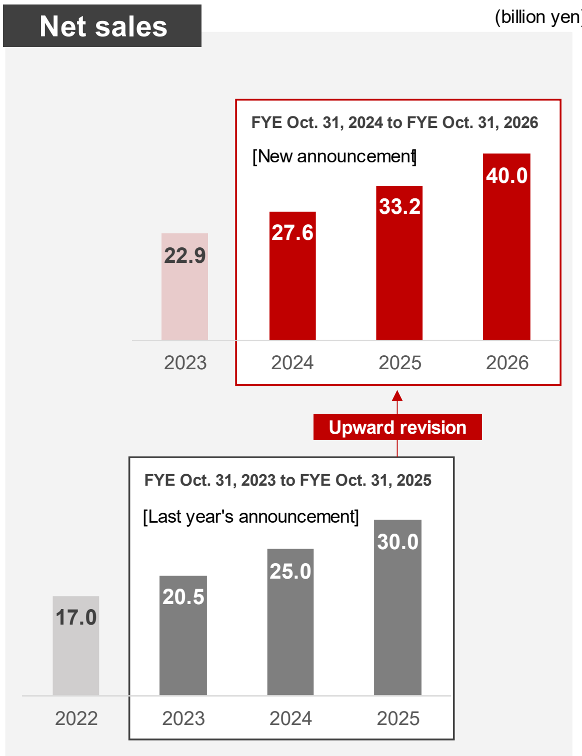
Here is the three-year plan for the number of stores in the profit-and-loss plan.

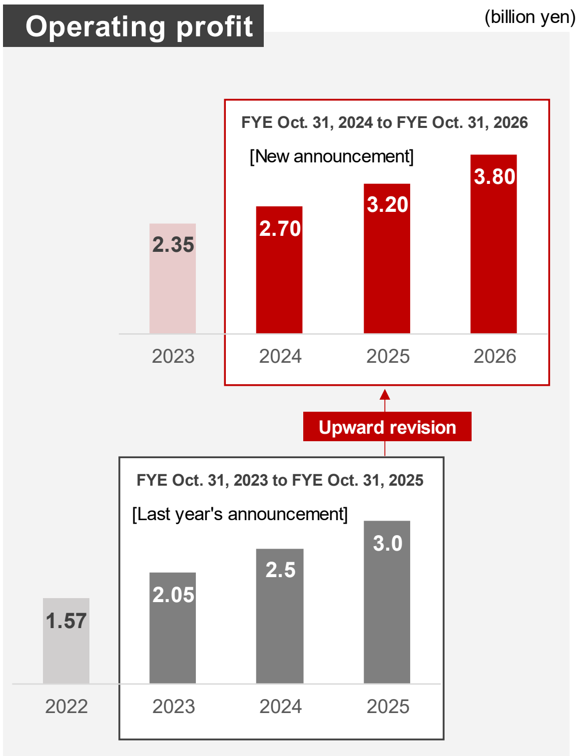
The current strong performance of existing stores has led to an upward revision of the plan from the previous one.

Variance against the previously announced medium -term business plan

Upwardly revised due to strong performance of existing stores, etc.

Targets of 30.0 billion yen in net sales, 3.0 billion yen in operating profit to be achieved ahead of schedule





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Here is a comparison with the previous medium-term business plan.

The plan is to achieve JPY33.2 billion in sales and JPY3.2 billion in profit by 2025, ahead of schedule.

Medium-term business plan

Key themes	Overview of initiatives
Expansion of existing business	(1) Quality enhancement at each store (2) Flexible response to inflation
Recruitment PICK UP	◎ (3) Strengthening recruitment capability ◎ (4) Measures to reduce turnover ◎ (5) Improvement of education system ◎ (6) Reexamination of store operation system
Strengthening of ability to open stores	(7) Advancement of developing a new ramen business (8) Development of new business through aggressive M&A ◎ (9) Review of product competition rules
Overseas expansion	(10) Establishing an overseas promotion system ◎ (11) Recruitment and training of overseas human resources ◎ (12) Establishment of ingredient supply system
Strengthening of manufacturingsystem PICK UP	(13) Reduction of manufacturing costs (14) Enhancement of manufacturing quality (15) Expansion of items produced (16) Creation of stable supply systems (by area)
Strengthening of purchasing and logistics systems	(17) Optimization of logistics costs (18) Stockout risk control (19) Improvement of distribution frequency and distribution quality, bulk distribution to stores (20) Improved quality and reduced costs of ingredients by scaling up purchasing
DX	(21) Improvement of customer convenience (22) Reduction of internal man hours and development of a secure work environment (23) Stronger data integration
Sustainability PICK UP	◎ (24) Establishing the Sustainability Committee

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◎ indicates items changed since the previous announcement.

This is a priority theme to be addressed in the medium-term business plan.

The following pages will provide more detailed information on securing human resources, strengthening the manufacturing system, and sustainability.

Medium-term business plan details

PICK UP **Recruitment** Initiatives to secure human resources

Strengthening recruitment capability

(1) Recruitment website update

- ✓ Curated and direct messaging
- ✓ New direct application page

(2) Diversification of recruitment methods

- ✓ Conversions (recruiting cast as regular employees)
- ✓ Alumni recruitment (re -employment of alumni)

Enhancement of employee satisfaction

(3) Head office relocation

Head office relocation to near Shibuya Station

Creating a good working environment

(4) Improvement of employee treatment

- ✓ Increasing wage levels
- ✓ Improvement of the working environment (overtime, store environment)

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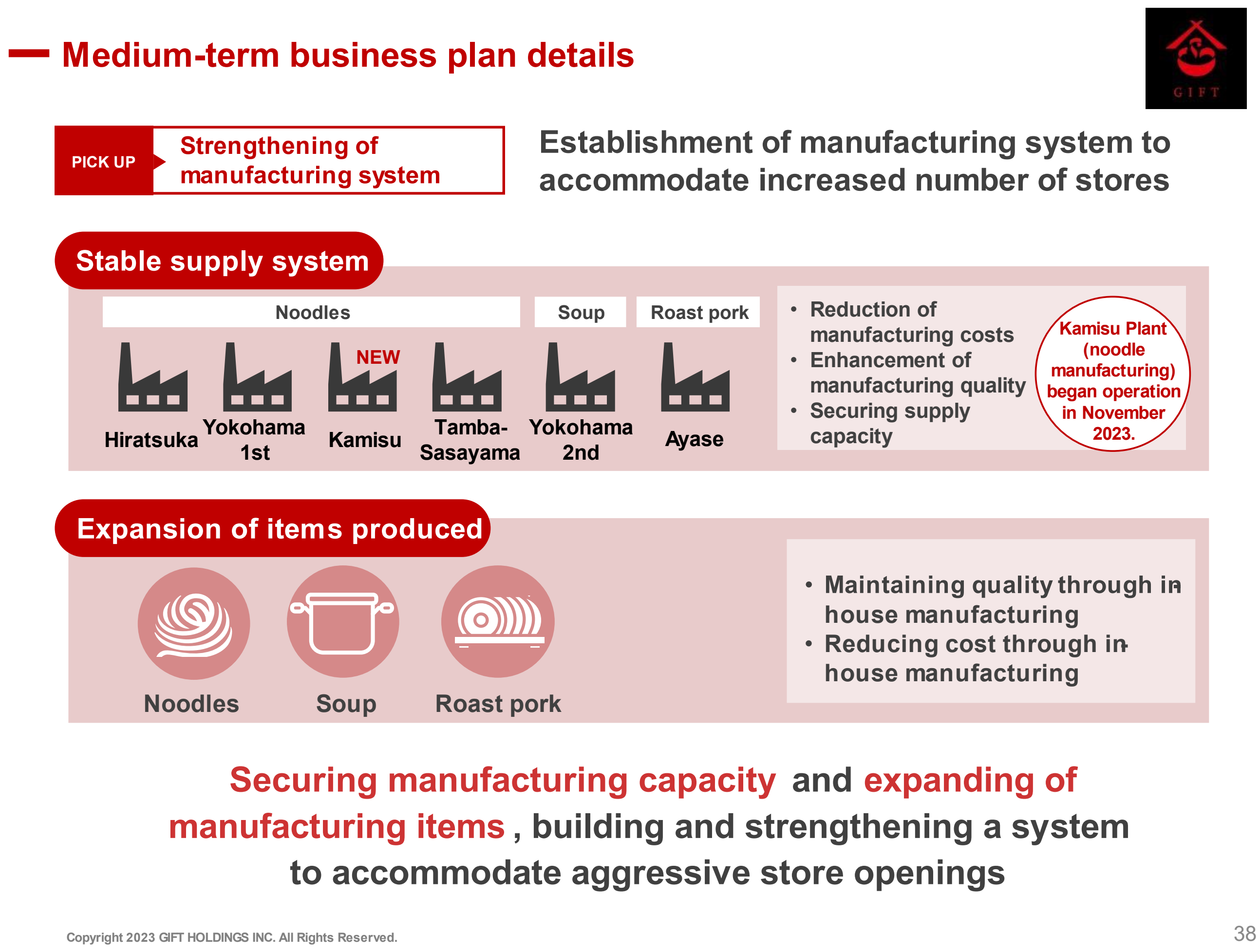
We will explain our efforts to secure human resources.

We recognize that securing human resources is a top-priority management issue, and we intend to do everything we can both to strengthen our recruiting capabilities and to reduce the turnover rate by improving employee satisfaction.

First, to strengthen our recruiting capabilities, we will revamp our recruiting website and diversify our recruiting methods. To improve employee satisfaction, we will relocate the head office and improve employee benefits.

In diversifying recruitment methods, we will work on Cantera and alumni recruitment. Cantera recruitment is the process of converting part-time workers into employees, and I would personally explain about the company to the cast members and directly convey the appeal of the company to them for recruitment. Alumni recruitment hopes to retain former employees and former cast members by providing them with useful information and benefits, and to re-employ them or fill in their shifts.

In terms of improving compensation, we intend to increase the salary level and improve the working environment, especially for younger workers.



Next, I will explain how we will strengthen our manufacturing system.

With the opening of strong existing and new stores and the expansion of wholesale items to produce stores, we need to continue to strengthen our manufacturing system. In November, a new noodle-making plant, Kamisu Plant, started operation.

In addition to noodles and chashu pork, we intend to maintain quality and reduce costs by producing soup and sauce in-house.

We have established a Sustainability Promotion Committee and intend to study measures and enhance disclosed information in order to contribute to the creation of a sustainable society.

That concludes our explanation of the financial results. We will continue to grow sustainably and meet expectations by delivering delicious ramen throughout the world, rather than chasing short-term growth and profits. Thank you very much for your attention.