GIFT HOLDINGS INC. Securities Code 9279

Results Briefing Materials for the Cumulative Third Quarter of the Fiscal Year Ending October 31, 2024

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01 Financial Highlights for the Cumulative Third Quarter of the Fiscal Year Ending October 31, 2024

Financial Summary

Net sales	Operating profit	Ordinary profit
20,592 million yen	**2,065** million yen	**2,120** million yen
Year-on-year: **+23.8%**	Year-on-year: **+29.2%**	Year-on-year: **+28.4%**

Overview of financial results

In the 3Q (3 months), although sales increased and profit decreased year on year due to one-time expenses of 68 million yen from refurbishing and 89 million yen from new stores, the foundation for future earnings was secured. In the 3Q (nine-month cumulative period), a significant increase in sales and profit was achieved.

Quality enhancement	**Monthly sales per company-owned store** hit **a record-high** thanks to continuous store QSCA enhancement. **Refurbishing to improve product quality** was also implemented.
Implementation of price revisions	**Implemented price revisions on July 1** in response to rising raw material prices and other factors. **No impact on customer traffic** after the revision.
Strengthening production systems	Aiming to strengthen production systems against growing demand by **starting operation at a new noodle factory at the beginning of this period**.

Financial Highlights for the Cumulative Third Quarter of the Fiscal Year Ending October 31, 2024

Growth and Profitability

Net sales growth

23.8%
(Annual goal: 20.0%)

Operating profit margin

10.0%
(Annual goal: 9.5%)

YoY Change in Net Sales of Company-owned Stores

All company-owned stores in Japan

124.5%

Existing company-owned stores in Japan

Full business day
109.4%
(Annual goal: 105.0%)

Excludes refurbished stores
111.5%

Stores Opened in the Period

Company-owned stores

26 stores
(Annual goal: 41 stores)

Produced & franchise stores

28 stores
(Annual goal: net increase of 48 stores)

Man-hour Productivity (company-owned stores)

Net sales per man-hour

6,329 yen
(Same period of the previous year: 6,133 yen)

Labor cost rate

24.5%
(Same period of the previous year: 24.7%)

Recruitment and Retention

Hiring employees

Newly hired **85** mid-career employees
Hired **48** new graduates

Number of employees
650 people

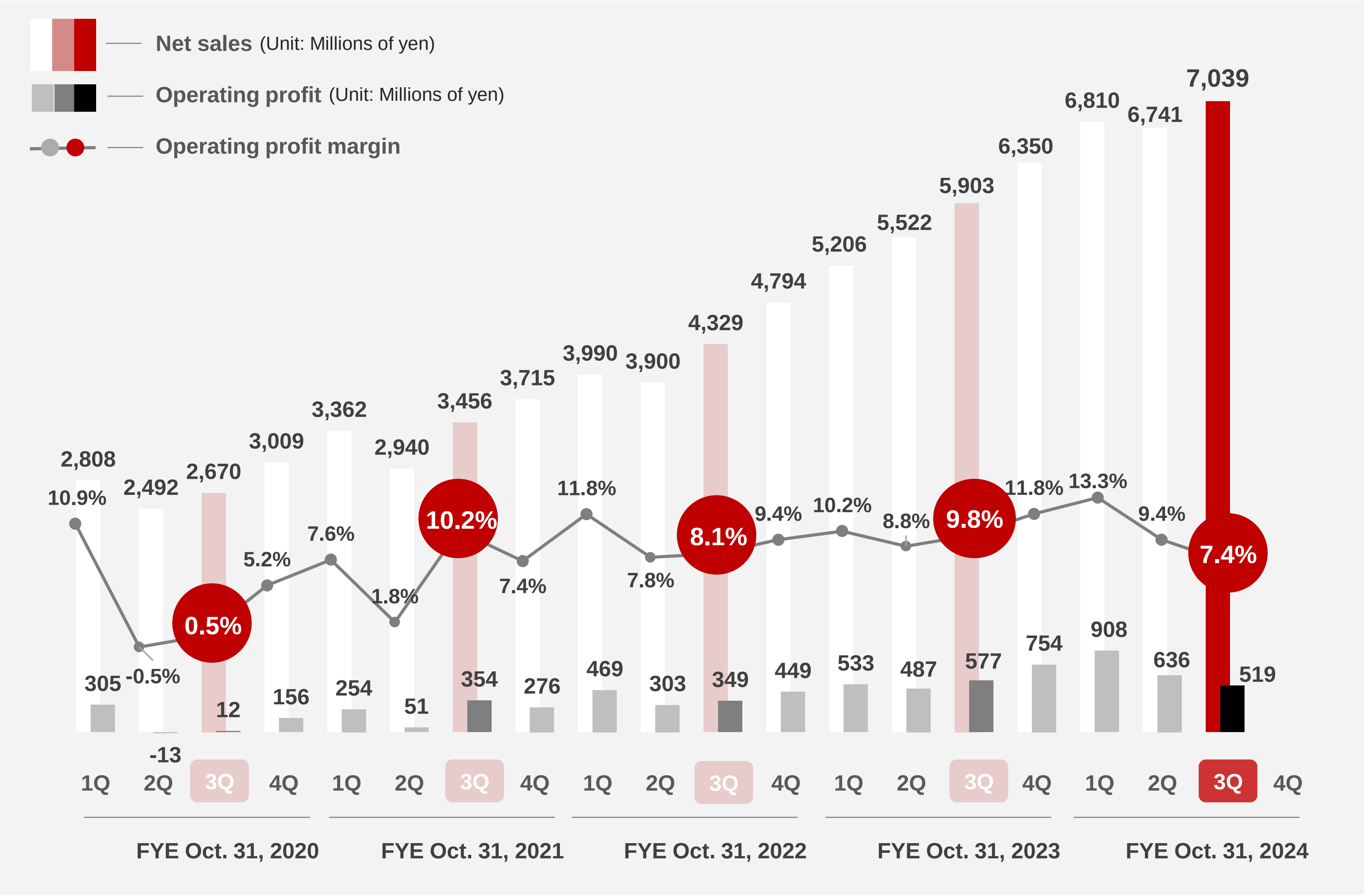
Retirement rate

16.1%
(Same period of the previous year: 18.3%)

26.8%
Industry average*

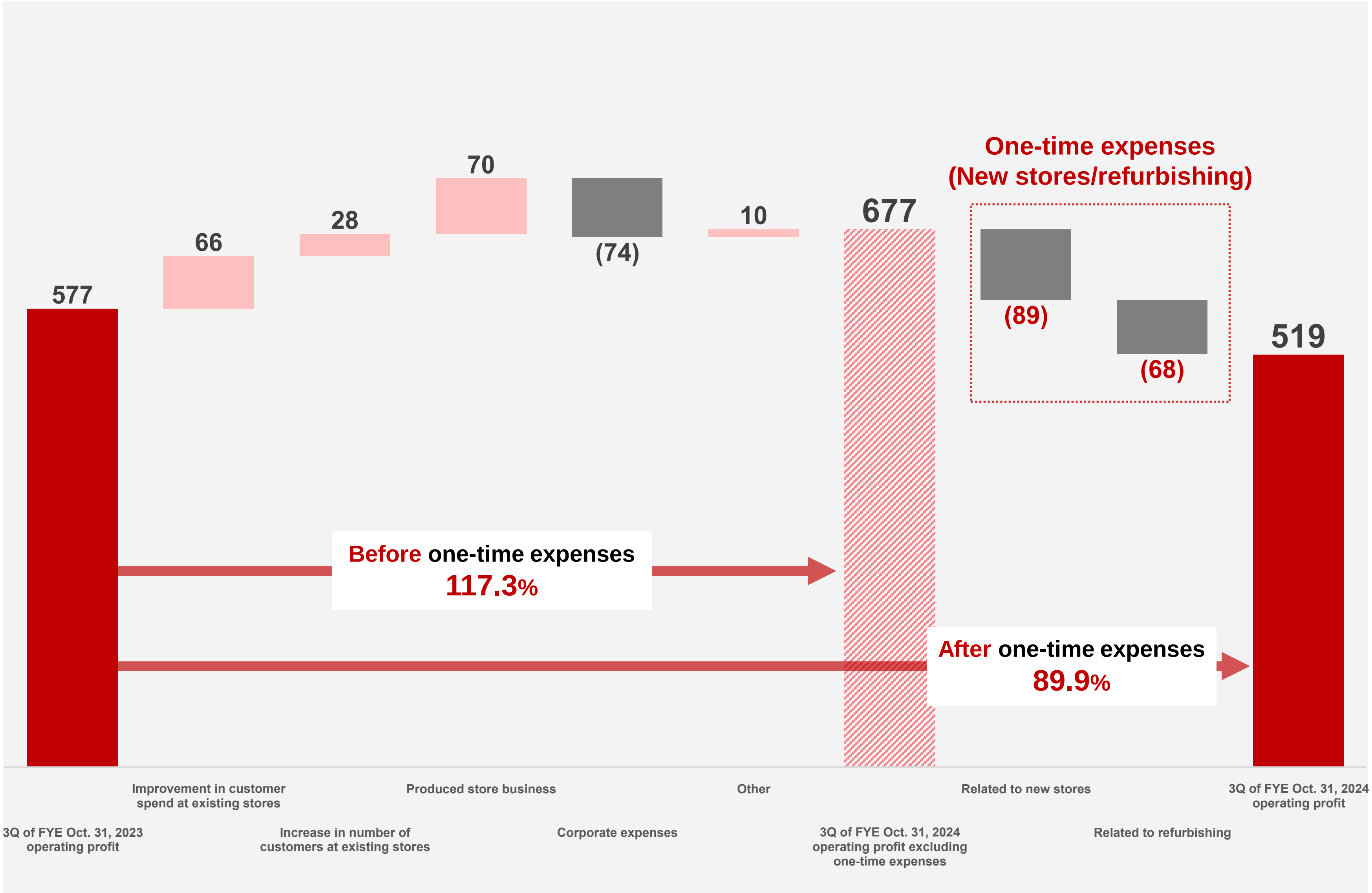
*Source: Summary of 2022 Employment Trends Survey Results (Ministry of Health, Labour and Welfare)

Quarterly Trends in Net Sales and Operating Profit



Analysis of Changes in Operating Profit (3Q, Quarterly Accounting Period)

Operating profit increased +17.3% year on year in 3Q (quarterly accounting period), excluding one-time expenses, due to strong performance of existing stores.



Improving QSCA and Productivity Through Refurbishment

We are introducing heaters (IH) to stabilize product quality, and are currently refurbishing to a new layout to improve productivity.

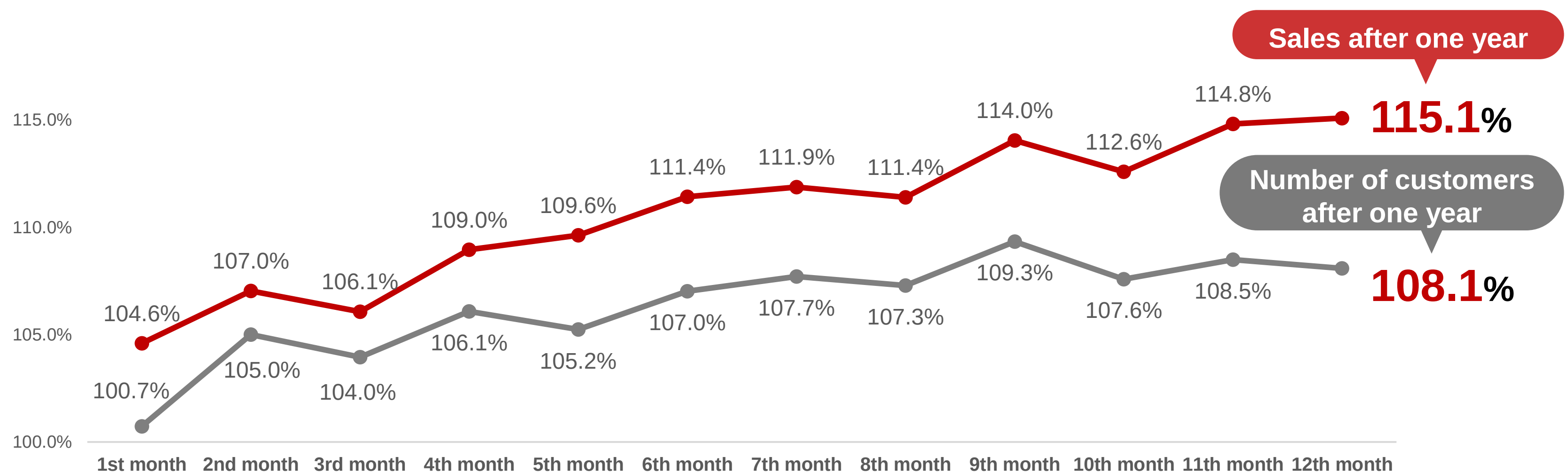
The investment effects from the refurbishing appeared immediately after the reopening of stores, leading to an increase in net sales and number of customers.

Effect of refurbishment

- **Maintaining consistent soup quality** due to consistent warming temperature from heaters (IH)
- **Improving productivity** due to a new layout
- **CO_2 emissions were reduced** by switching gas to IH.

Average annual CO_2 emissions 10% reduction

Net sales and customer growth rate after refurbishing (%)
(Compared to the average three months before refurbishing)



Forecast of Investment Effect of Refurbishing

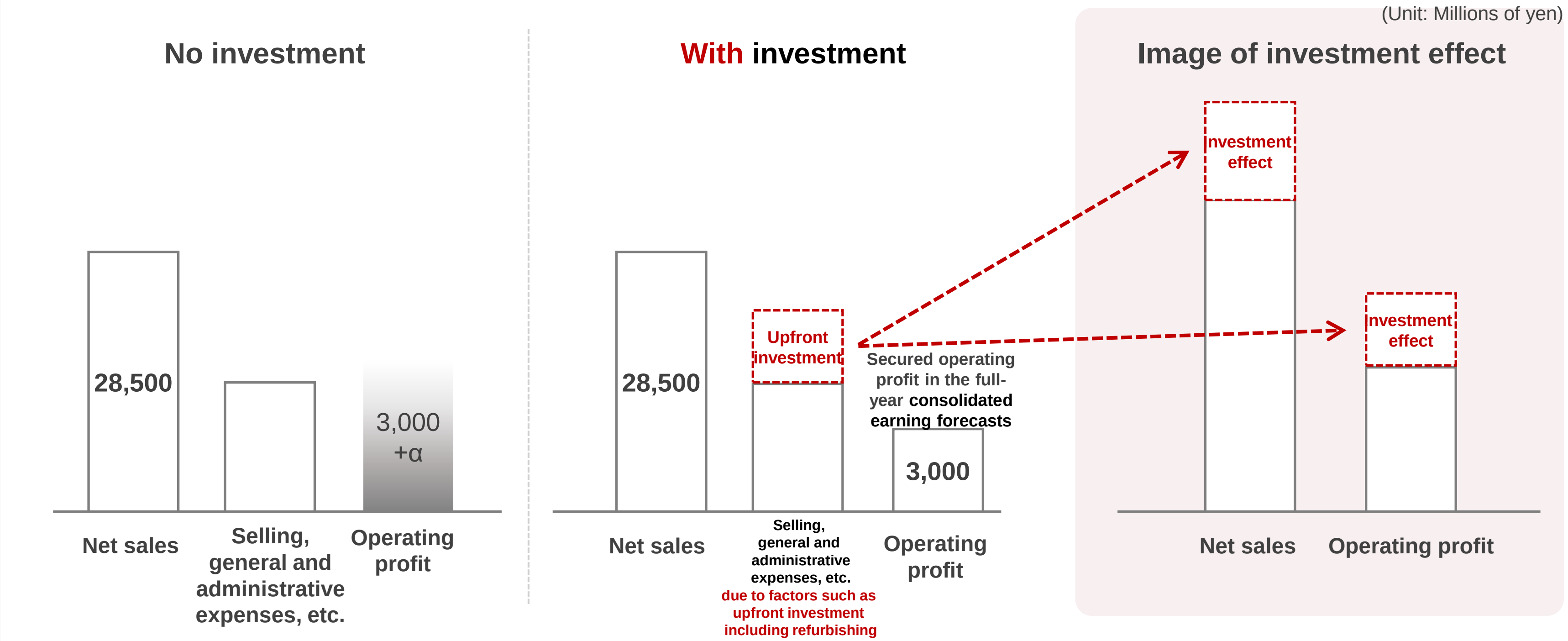
Impact of refurbishing is particularly significant in 3Q.

For the fiscal year ending October 31, 2024, we managed costs and secured the projected profit figures, and investment effects are expected to appear from the next fiscal year onward.

Total number of months closed due to refurbishing closures			
1Q	2Q	3Q	4Q (forecast)
1.9 months	8.0 months	17.7 months	6.5 months

Impact on operating profit	
3Q non-consolidated	-68 million yen
Full year (projection)	-98 million yen

FYE Oct. 31, 2024	FYE Oct. 31, 2025



Impact of Price Revisions

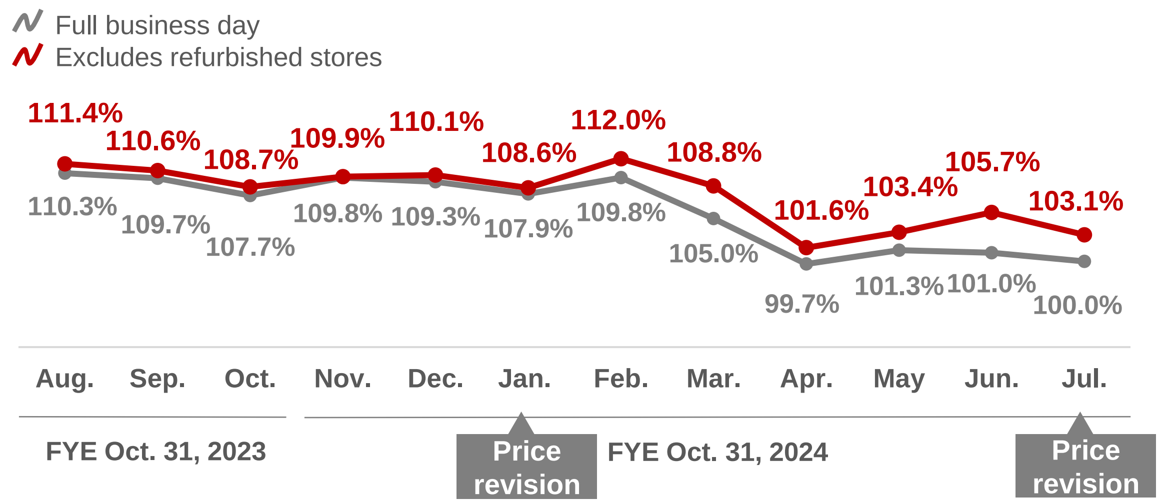
Customer traffic is steady even after the price revision. There is still room to implement flexible price revisions.

Price revisions have not caused customer numbers to decline. Sales and customer numbers are both steady.

Price revision during the current fiscal year

January 2024: approximately 1%
July 2024: approximately 5%

Number of customers (year-on-year comparison)



Source: Conditions for August 2023 to July 2024 in existing stores

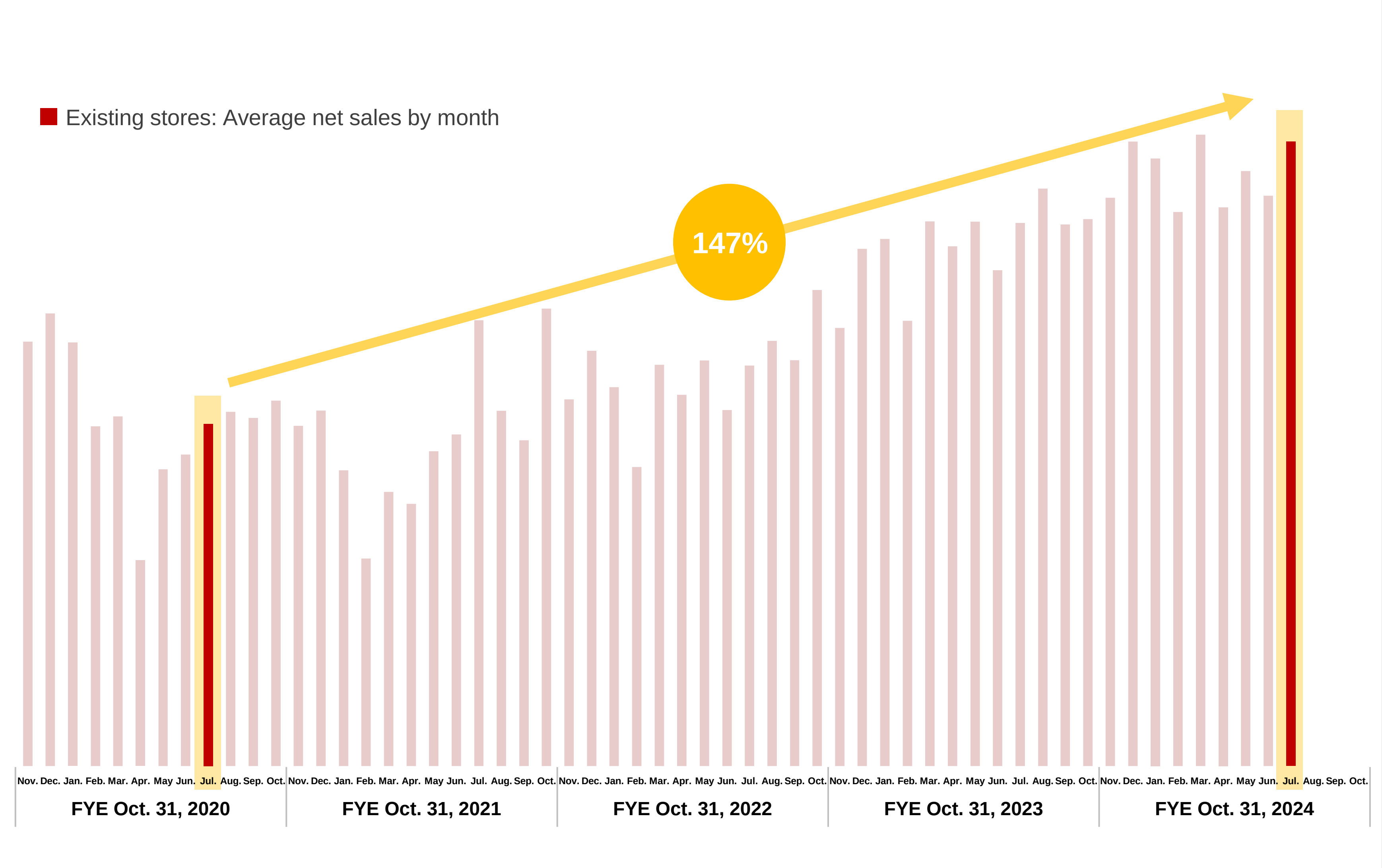
Year-on-year % change (compared to 3Q of FYE Oct. 31, 2023)

	Net sales (yen)	Number of customers (persons)	Average customer spend (yen)
Full business day	105.6%	100.7%	104.8%
Excludes refurbished stores	109.0%	104.0%	104.7%

Source: Conditions for May 2024 to July 2024 in company-owned existing stores

Existing Company-owned Domestic Stores: Average Net Sales per Store

Hitting record-high average monthly sales per company-owned domestic store thanks to initiatives to continuously improve store QSCA.
***Hit a record-high most recently in March 2024**



Progress of Human Resource Recruitment Measures

We have been actively recruiting human resources to achieve the medium-term business plan.

Implemented

- ✓ Recruitment website update
- ✓ **Promote cast to regular employees**
  - **Results** — **FYE Oct. 31, 2024 3Q cumulative total** — **16** people
- ✓ **Recruit overseas**
  - **Planned** — **April 2025** — **10** people
- ✓ Increased wage levels in January 2024
- ✓ **Head office relocated** in June 2024

▲ Promoting cast to regular employees (President seminar)

Planned initiatives

- Consider further increasing wage levels
- Create a human resources development program for overseas
- Implement diverse recruitment methods

JPX-Nikkei Mid and Small Cap Index

Selected as a component of the JPX-Nikkei Mid and Small Cap Index for FY2024 (August 30, 2024 to August 28, 2025)

Selected as a component of the JPX-Nikkei Mid and Small Cap Index for FY2024

JPX-NIKKEI Mid Small

JPX-Nikkei Mid and Small Cap Index

The JPX-Nikkei Mid and Small Cap Index is a stock index consisting of 200 companies engaged in capital-efficient management with investors in mind, applying the same concept as the JPX-Nikkei Index 400, which includes companies that are highly attractive to investors.

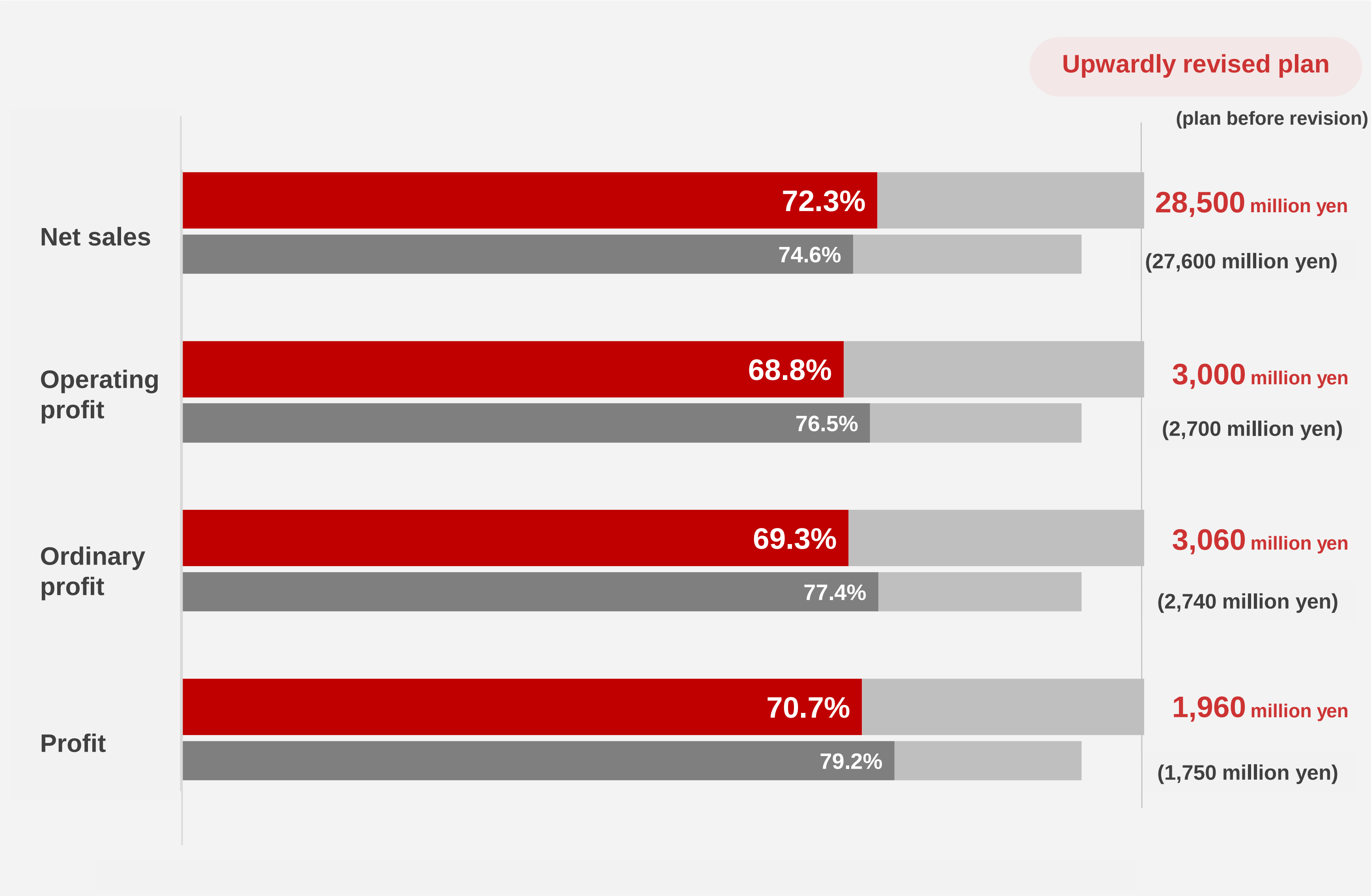
02 Overview of Financial Results for the Cumulative Third Quarter of the Fiscal Year Ending October 31, 2024

Statements of Income

(Unit: Millions of yen)	First nine months of FYE Oct. 31, 2023 Amount	First nine months of FYE Oct. 31, 2023 Percentage to sales	First nine months of FYE Oct. 31, 2024 Amount	First nine months of FYE Oct. 31, 2024 Percentage to sales	First nine months of FYE Oct. 31, 2024 Year-on-year % change	Compared to plan Full-year plan after upward revision	Compared to plan Progress
Net sales	16,632	-	**20,592**	**-**	**+23.8%**	28,500	72.3%
Cost of sales	5,370	32.3%	6,651	32.3%	+23.9%	-	-
Gross profit	11,261	67.7%	**13,940**	**67.7%**	**+23.8%**	-	-
Selling, general and administrative expenses	9,662	58.1%	11,875	57.7%	+22.9%	-	-
Operating profit	1,598	9.6%	**2,065**	**10.0%**	**+29.2%**	3,000	68.8%
Ordinary profit	1,652	9.9%	**2,120**	**10.3%**	**+28.4%**	3,060	69.3%
Quarterly profit attributable to owners of parent	1,129	6.8%	**1,385**	**6.7%**	**+22.6%**	1,960	70.7%

Progress Rate vs. Full-year Plan

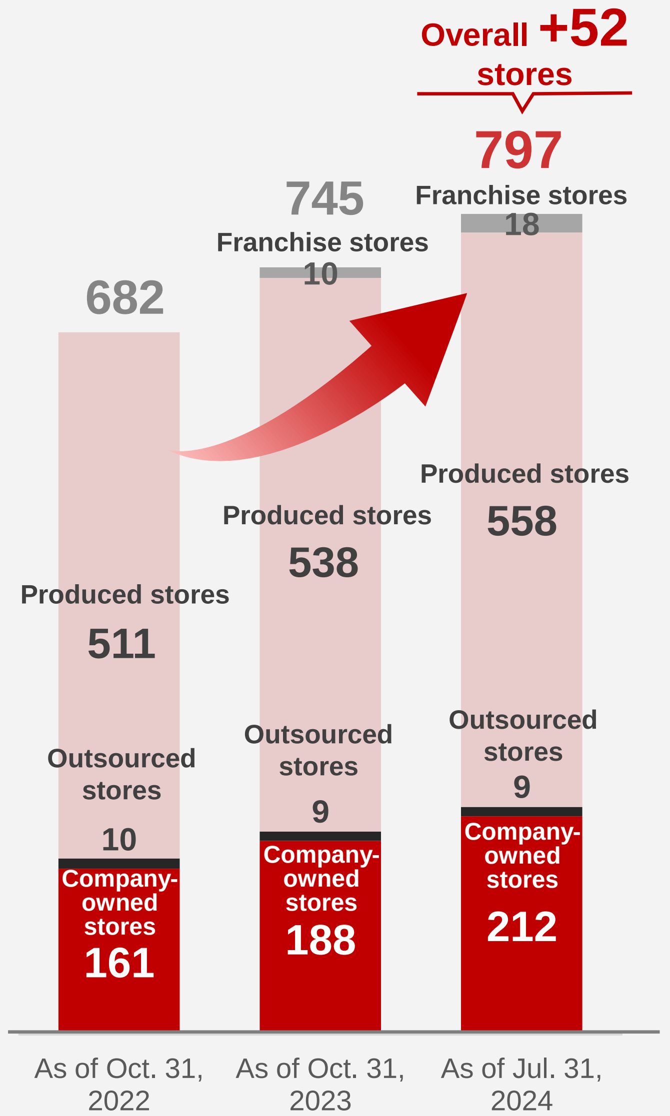
We are making steady progress toward our plan, despite store refurbishing expenses.



Open up Stores

+52 stores compared to the end of the previous fiscal year

	As of Oct. 31, 2023	As of Jul. 31, 2024
Produced stores	538 stores	558 stores
Franchise stores	10 stores	18 stores
Outsourced stores	9 stores	9 stores
Company-owned stores	188 stores	212 stores
Total number of stores	745 stores	797 stores



Status of Stores (Breakdown of Change)

(Number of stores)

		Number of stores as of October 31, 2023	Number of stores as of July 31, 2024	Change
Company-owned stores	Kanto	119	138	＋19
	East Japan (other than Kanto)	45	50	+5
	West Japan	21	21	-
	Overseas	3	3	-
	Subtotal	**188**	**212**	**＋24**
Net sales 17,282 million yen	**Outsourced stores**	**9**	**9**	**-**
	Total	**197**	**221**	**＋24**
Produced stores	Kanto	309	314	+5
	East Japan (other than Kanto)	117	119	+2
	West Japan	99	111	＋12
	Overseas	13	14	+1
	Subtotal	**538**	**558**	**+20**
	Franchise stores in Japan	**7**	**10**	**+3**
Net sales 3,309 million yen	**Franchise stores overseas**	**3**	**8**	**+5**
	Total	**548**	**576**	**＋28**
	Total number of stores	**745**	**797**	**＋52**

Status of Stores (Company-owned Stores + Franchise Stores / Breakdown of Change by Brand)

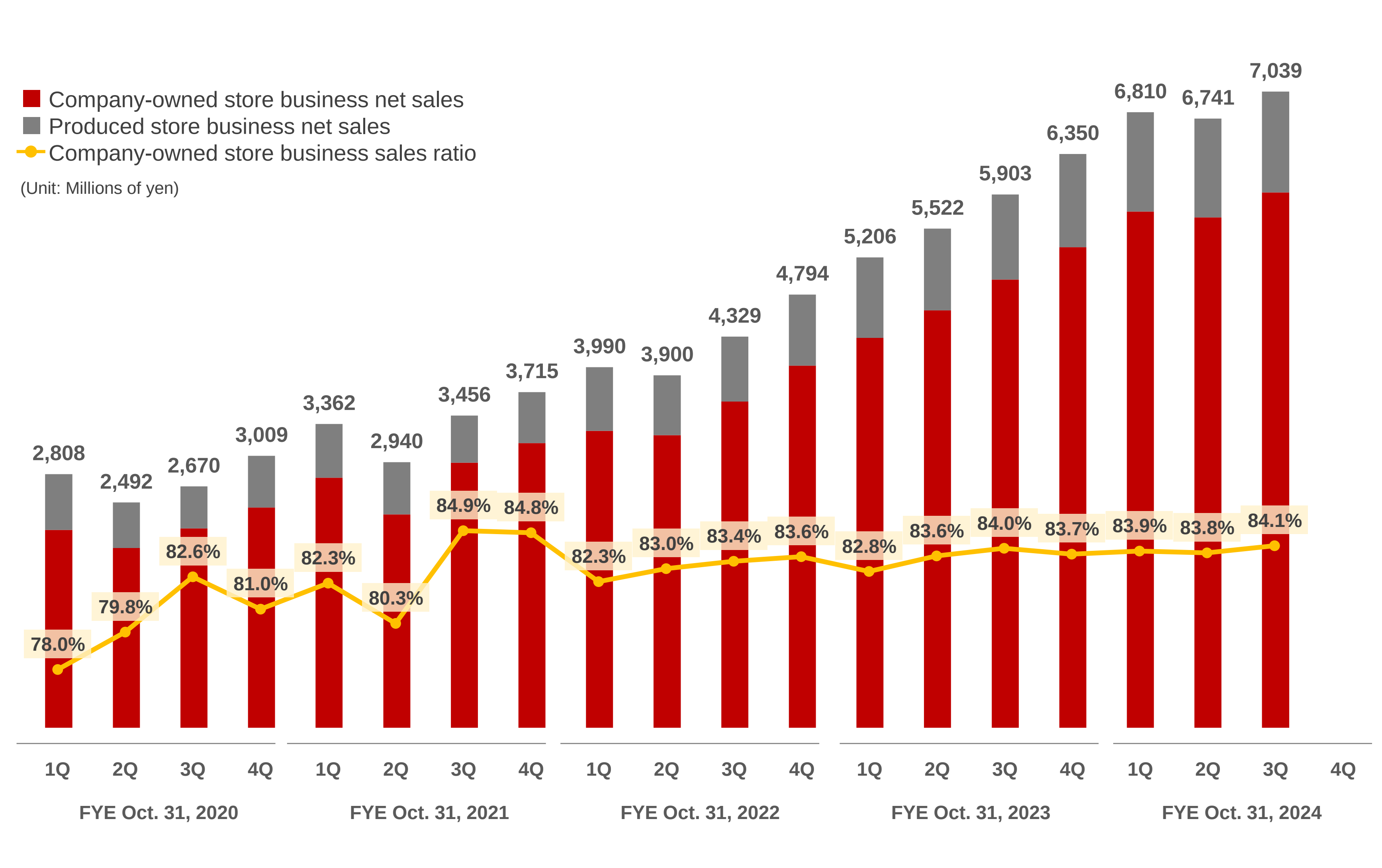
*The number of franchise stores has been added to the number of stores from the third quarter of the fiscal year ending October 31, 2024.

Brand	横浜家系ラーメン 町田商店	豚山	元祖油堂 油そば	釜焼きとんこつ がっとん	元祖 赤みそ家 麺
Number of stores as of July 31, 2024	**144**	**37**	**15**	**6**	**4**
Change compared to end of the previous fiscal year	+13	+4	+5	-	-

Brand	中華そば 長岡食堂	四天王	Overseas E. A. K. RAMEN	Overseas MACHIDA SHOTEN JAPANESE RAMEN	Other
Number of stores as of July 31, 2024	**2**	**1**	**3**	**8**	**10**
Change compared to end of the previous fiscal year	-	-	-	+5	+5

Quarterly Net Sales in Company-owned Store Business and Produced Store Business

The sales ratio of the company-owned store business is increasing.



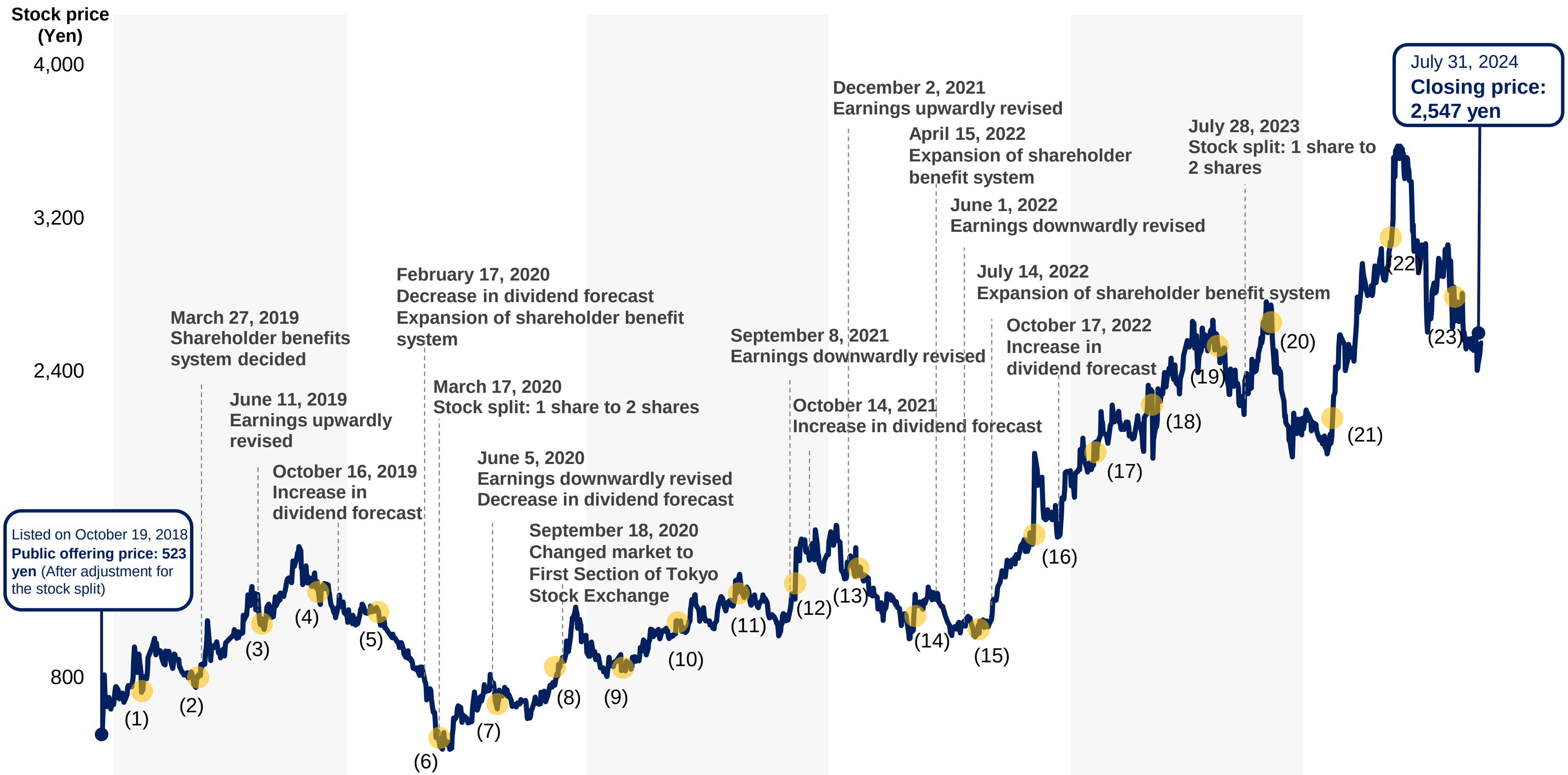
B/S Summary

(Unit: Millions of yen)	As of Oct. 31, 2023	As of Jul. 31, 2024	Change
Current assets	**3,552**	**4,168**	**+616**
Cash and deposits	2,220	2,397	+177
Accounts receivable - trade	547	656	+109
Other	784	1,114	+329
Non-current assets	**8,974**	**11,414**	**+2,439**
Property, plant and equipment	6,007	8,295	+2,287
Intangible assets	271	245	(25)
Investments and other assets	2,696	2,874	+177
Total assets	**12,527**	**15,583**	**+3,056**

(Unit: Millions of yen)	As of Oct. 31, 2023	As of Jul. 31, 2024	Change
Current liabilities	**3,777**	**5,469**	**+1,691**
Accounts payable - trade	697	838	+140
Short-term borrowings	25	1,083	+1,058
Current portion of long-term borrowings	699	875	+175
Other	2,354	2,671	+316
Non-current liabilities	**1,977**	**2,196**	**+218**
Long-term borrowings	1,574	1,690	+115
Other	402	506	+103
Total liabilities	**5,755**	**7,665**	**+1,910**
Total net assets	**6,772**	**7,917**	**+1,145**
Share capital	797	824	+27
Capital surplus	1,049	1,052	+3
Retained earnings	4,761	5,788	+1,026
Treasury shares	(0)	(1)	(0)
Accumulated other comprehensive income	160	248	+88
Non-controlling interests	4	5	+0
Total liabilities and net assets	**12,527**	**15,583**	**+3,056**

Stock Price Trends (from listing to July 31, 2024)

The stock price has risen by approximately 5 times since listing.



Announcement of financial results

FYE Oct. 31, 2019	FYE Oct. 31, 2020	FYE Oct. 31, 2021	FYE Oct. 31, 2022	FYE Oct. 31, 2023	FYE Oct. 31, 2024
(1) Year-end: December 14, 2018 Increase in dividend forecast New shareholder benefit system	(5) Year-end: December 13, 2019	(9) Year-end: December 15, 2020	(13) Year-end: December 15, 2021	(17) Year-end: December 15, 2022	(21) Year-end: December 15, 2023 Increase in dividend
(2) 1Q: March 14, 2019 Increase in dividend forecast	(6) 1Q: March 16, 2020	(10) 1Q: March 12, 2021	(14) 1Q: March 14, 2022	(18) 1Q: March 15, 2023	(22) 1Q: March 15, 2024
(3) 2Q: June 14, 2019	(7) 2Q: June 12, 2020	(11) 2Q: June 14, 2021	(15) 2Q: June 14, 2022	(19) 2Q: June 14, 2023 Expansion of shareholder benefit system	(23) 2Q: June 14, 2024 Earnings upwardly revised
(4) 3Q: September 13, 2019	(8) 3Q: September 14, 2020	(12) 3Q: September 14, 2021	(16) 3Q: September 14, 2022	(20) 3Q: September 14, 2023	

03 Consolidated Earning Forecasts for the Fiscal Year Ending October 31, 2024 (unchanged from 2Q)

Upward Revision of the Full-year Consolidated Earning Forecasts

Since we have made steady progress with the full-year plan, the forecast had been revised to take into account our current performance on June 14th.

	FYE Oct. 31, 2023	FYE Oct. 31, 2024 previous forecast （A)	FYE Oct. 31, 2024 revised forecast （B)	Change (%) (B)/(A)	Change (B)-(A)
Net sales	22,982	27,600	**28,500**	+3.3%	+900
Operating profit	2,352	2,700	**3,000**	+11.1%	30.0
Ordinary profit	2,424	2,740	**3,060**	+11.7%	+320
Profit attributable to owners of parent	1,597	1,750	**1,960**	+12.0%	+210

Assumptions Behind Forecasts for the Fiscal Year Ending October 31, 2024

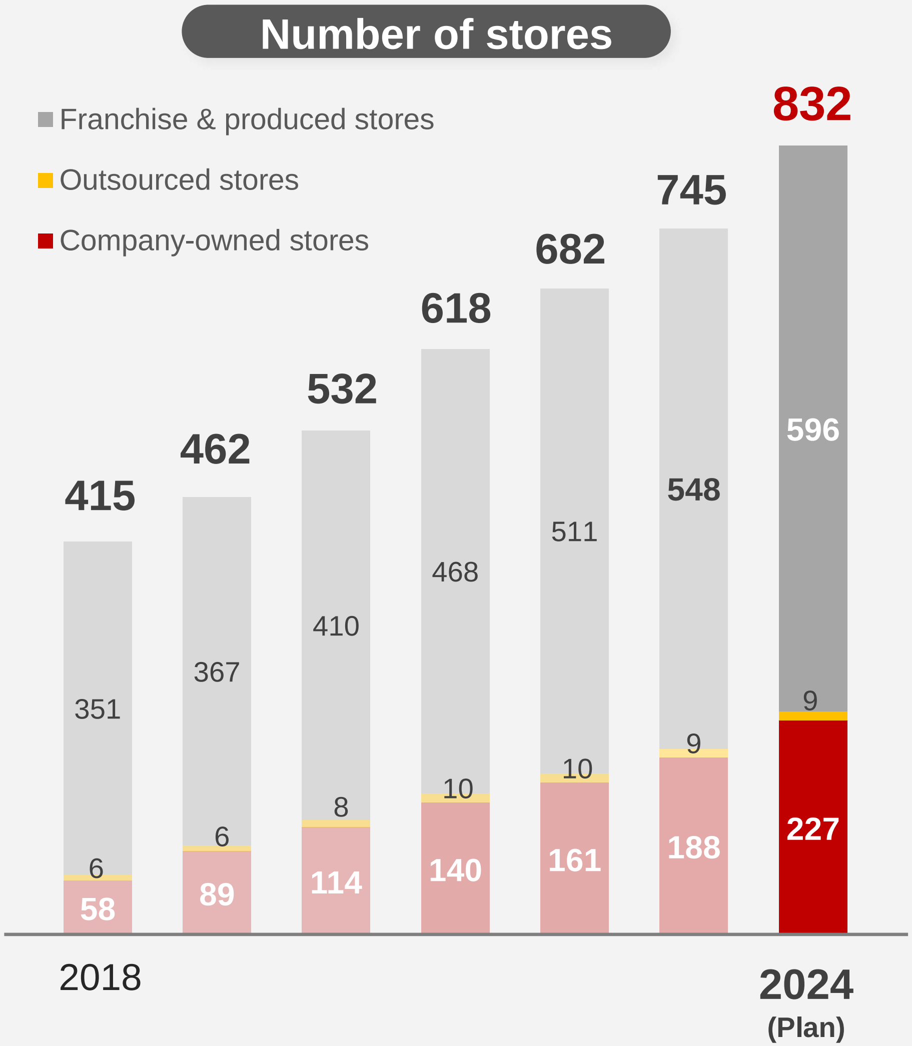
Sales of company-owned domestic stores and existing stores

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** stores overseas
Net increase of 39 stores	Net increase of 48 stores

Store Opening Plan



Number of stores as of Oct. 31, 2024 (plan)

832 stores

Plan for +87 stores year on year

Company-owned stores	+39 stores
Produced & franchise stores	+48 stores

04 Medium-term Business Plan (unchanged from 2Q)

Basic Strategy - Aspirations and Approach

Targets to be achieved in FYE October 31, 2026

Net sales **40.0** billion yen

Operating profit **3.8** billion yen

Expansion of business and strengthening of structure

+

Promotion of digital transformation (DX)

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

Relationship Between Store Opening Strategy and Sales, Profit and Profit Margin (Only October 2024 Period Had Changed)

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.

Company-owned stores

Store openings in **population concentration areas and areas with high ramen consumption**

Strengthening store openings

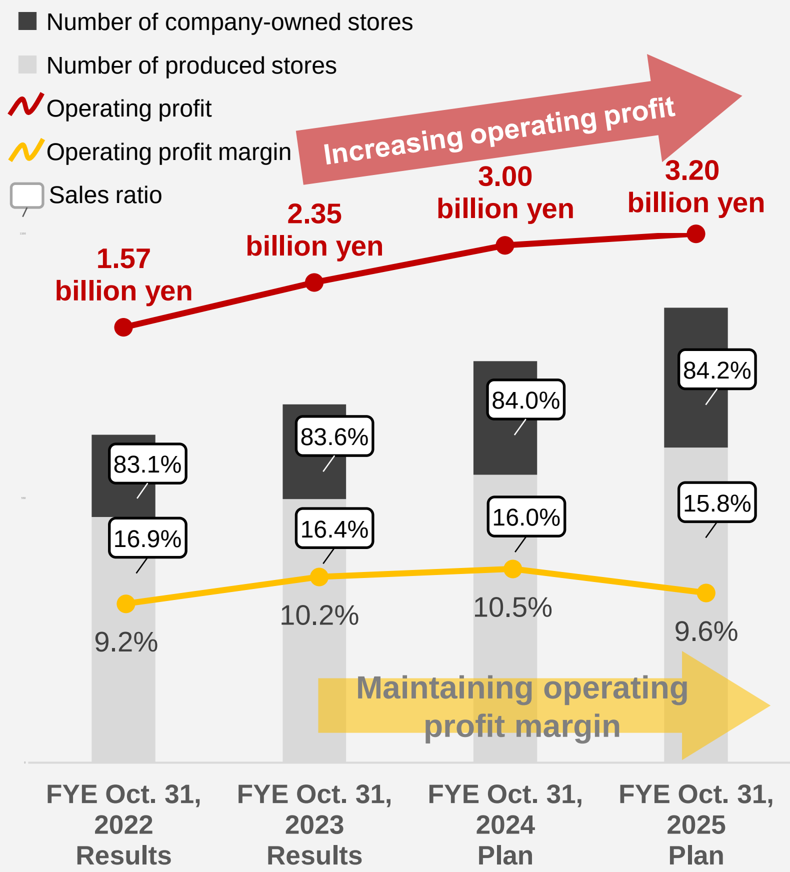
Aim to **maximize net sales and profit**

Franchise & produced stores

Open stores in **regional areas**

Aim to **maximize profit margin**

Percentage of stores (company-owned stores and produced stores), sales ratio, and the amount of profit and profit margin



Medium-term Business Plan (FYE October 31, 2024 to FYE October 31, 2026) / Quantitative Plan (Only 2024 Had Changed)

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)	**28.5 (billion yen)**	**33.2 (billion yen)**	**40.0 (billion yen)**
Operating profit	1.57 (billion yen)	2.35 (billion yen)	**3.00 (billion yen)**	**3.20 (billion yen)**	**3.80 (billion yen)**
Ordinary profit	2.44 (billion yen)	2.42 (billion yen)	**3.06 (billion yen)**	**3.25 (billion yen)**	**3.86 (billion yen)**

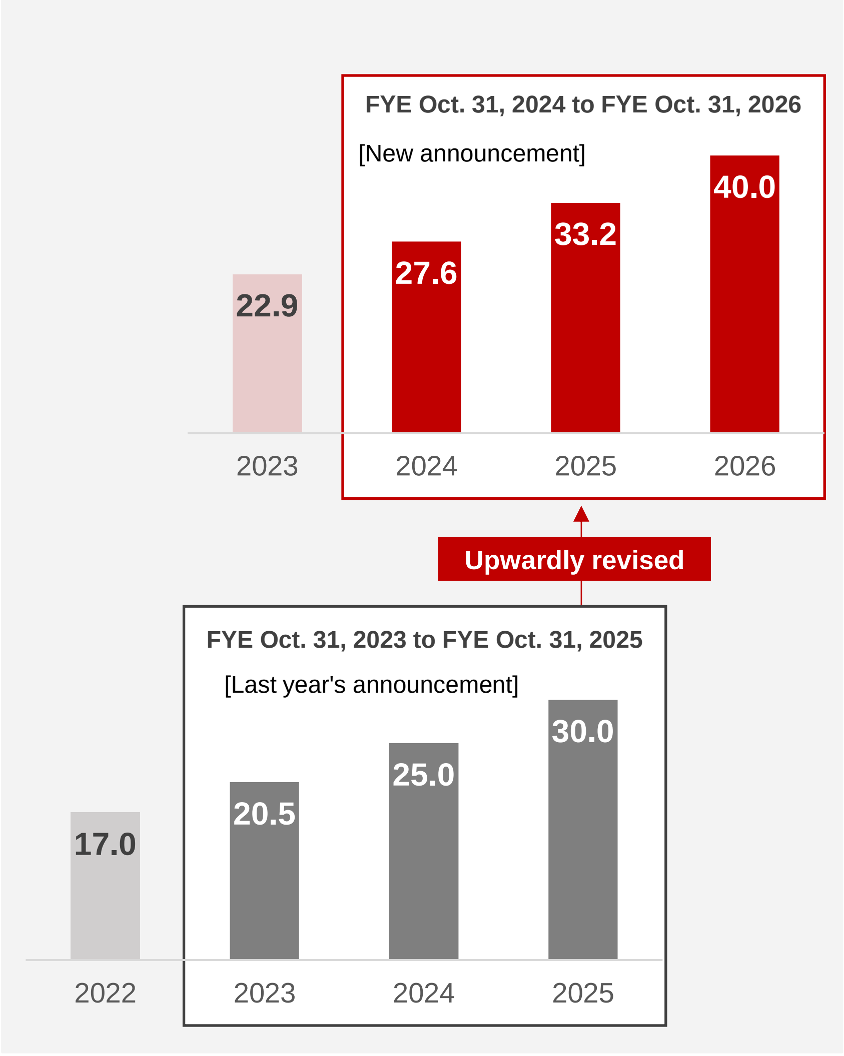
		2022	2023	2024	2025	2026
Japan	**Total number of stores**	**665 stores**	**726 stores**	**805 stores**	**903 stores**	**1,000 stores**
	Company-owned stores	169 stores	194 stores	233 stores	284 stores	332 stores
	Franchise & produced stores	496 stores	532 stores	572 stores	619 stores	668 stores
Overseas	**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

Variance Against the Previously Announced Medium-term Business Plan (Only 2024 Had Changed)

Consolidated Earning Forecasts for the Fiscal Year Ending October 31, 2024, had been revised due to strong performance of existing stores, etc. on June 14th.
Targets of 30.0 billion yen in net sales, 3.0 billion yen in operating profit to be achieved ahead of schedule

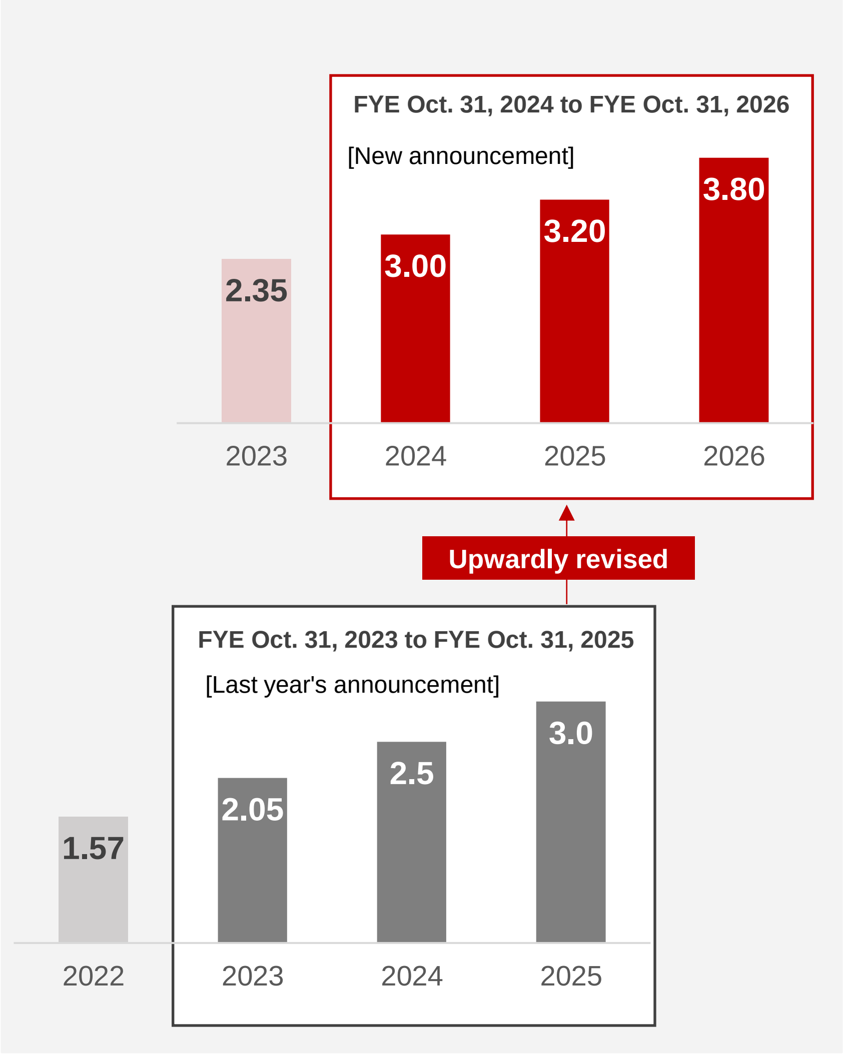
Net sales

(billion yen)



Operating profit

(billion yen)



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 opening business development stores (8) Aggressive M&A and development of new brand ◎ **(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 manufacturing system 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**

◎ indicates items changed since the previous announcement.

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)

Medium-term Business Plan Details

PICK UP

Strengthening of manufacturing system

Establishment of manufacturing system to accommodate increased number of stores

Stable supply systems

Noodles				Soup	Roast pork
Hiratsuka	Yokohama 1st	NEW Kamisu	Tamba-Sasayama	Yokohama 2nd	Ayase

- Reduction of manufacturing costs
- Enhancement of manufacturing quality
- Securing supply capacity

Kamisu Factory (noodle manufacturing) began operation in November 2023.

Expansion of items produced

Noodles

Soup

Roast pork

- Maintaining quality through in-house manufacturing
- Reducing cost through in-house manufacturing

Securing manufacturing capacity and expanding of manufacturing items, building and strengthening a system to accommodate aggressive store openings

Medium-term Business Plan Details

PICK UP **Sustainability**

Launch of the Sustainability Committee

Emissions

Current value (*1)
1.114 t-CO_2
*Previous year: 1.123 t-CO_2

Target
Reduction of **1**% or more every year

*1 April 2022 to March 2023 per hour of business hours

ENVIRONMENT

- Measures to address global warming
- Effective utilization of energy and resources
- Utilization of environmentally friendly products
- Waste and recycling

GOVERNANCE

- Strengthening of corporate governance
- Creation of risk management system
- Ensuring compliance
- Strengthening information security and protection of privacy
- IR activities (constructive dialogue with investors)
- Dynamic renewal of governance system

SOCIAL

- Planning and development of products with high added value
- Consumer peace of mind and safety
- Fair marketing and advertising
- Protection of personal information
- Compliance with fair trade and internal dissemination
- Supply chain management
- Personnel and welfare
- Promotion of employee health
- Promotion of work-life balance
- Business reform utilizing ICT, AI, RPA, etc.
- Promotion of respect for human rights and self-development of human rights
- Promotion of diversity and active participation by women
- Human resource development, hiring and retention
- Strengthening of coordination with local government policies and implementation of regional revitalization activities
- Company open to local communities
- Next-generation support

IR website, IR news distribution service, and Machida Shoten site

IR website

Other investor relations (IR) materials are available on our English IR website:

https://en.gift-group.co.jp/en/ir

IR news distribution service

The IR news distribution service delivers IR information e-mails to those registered for the service:

https://www.magicalir.net/9279/mail/index_en.php

Machida Shoten

For details of our main brand Machida shoten, please refer to the following website:

https://us.machidashoten.com

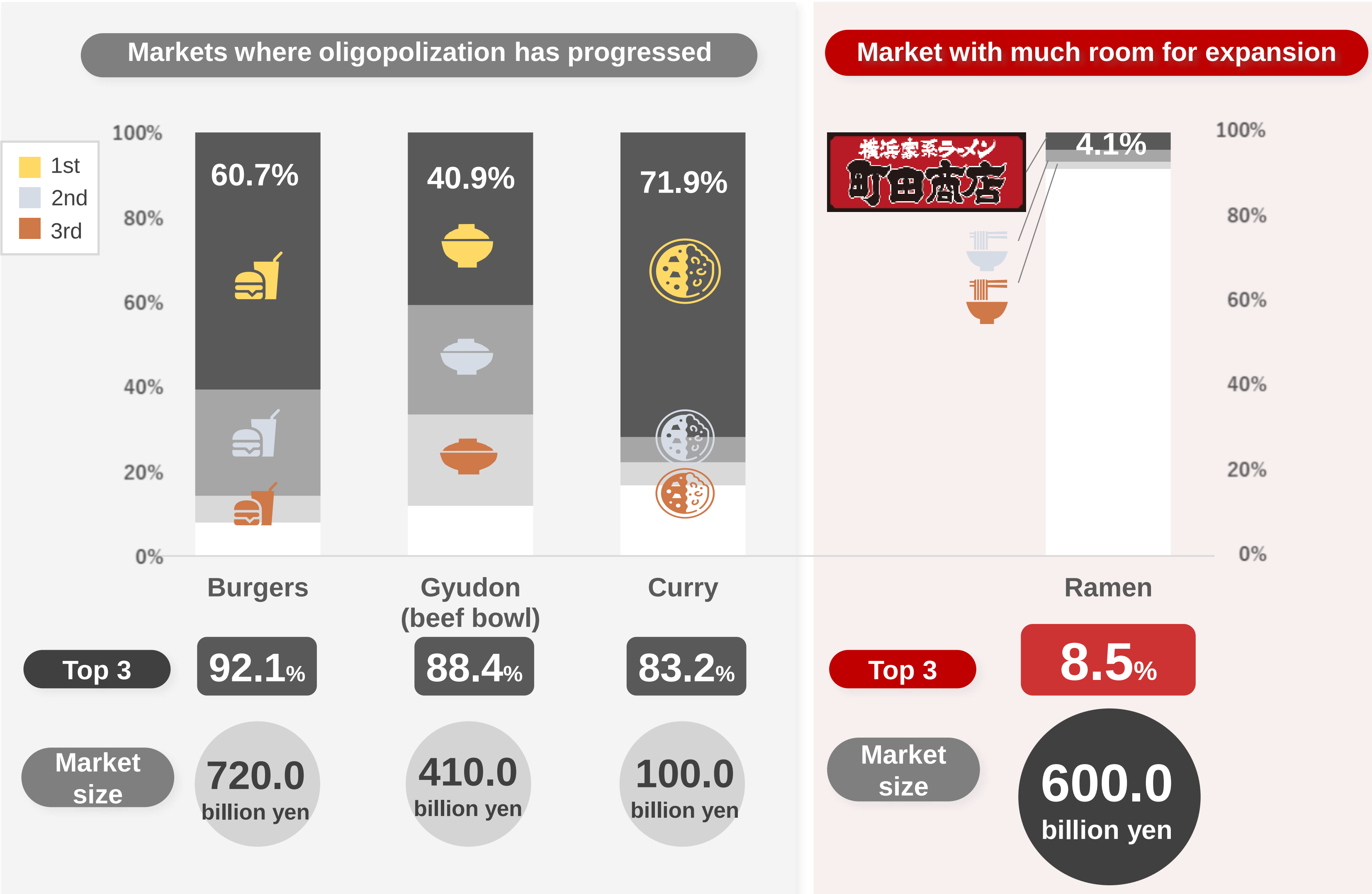
05 Reference Materials: Company Overview

Company overview

Company name	GIFT HOLDINGS INC.
Business details	Restaurant operation
Head office address	36F Shibuya Tower, Shibuya Sakura Stage, 1-1 Sakuragaoka-cho, Shibuya-ku, Tokyo, 150-6236, Japan
Company factories	Noodle factories: Hiratsuka, Yokohama 1st, Kamisu, Tamba-Sasayama Chasiu factory: Ayase Soup factory: Yokohama 2nd
Established	December 7, 2009 (Founded in January 2008)
Representative	President & Representative Director: Sho Tagawa
End of fiscal year	October 31
Share capital	824 million yen (as of July 31, 2024)
Group employees	605 employees, 4,161 part-time and casual workers (as of October 31, 2023)
Affiliates	Fourteenth consolidated subsidiaries (Names of major consolidated subsidiaries) GIFT INC. Ramen TENKA K.K. GIFT FOODS MATERIAL K.K. GIFT USA INC.

Characteristics of Main Restaurant Industries and Ramen Market in Japan

As opposed to items such as burgers, gyudon (beef bowl), and curry, which are concentrated on major companies, a large portion of the ramen market is taken up by individual stores, offering significant room for chain stores to expand their share.



Source: Calculated in-house based on Economic Conditions Survey of Ministry of Internal Affairs and Communications and respective corporate websites

Brand Expansion

The ramen market has a variety of flavor genres and is a different market type from other food service markets.
We will increase market share in the ramen market by developing various types of brands.

Brand List (1/2)

Core brand

Machida Shoten

IEKEI Ramen characterized by creamy soup that you never tire of. A popular chain with over 100 stores nationwide offering a lively and transcendent space.

BUTAYAMA

A "wild pork mountain ramen" characterized by thick and tender pork and a plentiful helping of vegetables. The powerful soup combined with the sweet soy sauce and chewy "washiwashi" noodles provide a filling experience!

GANSO ABURADO

"Soupless ramen" using carefully made custom noodles that can be customized for your own original taste with tabletop condiments. The stylish atmosphere of the stores is also popular with women, and arrangements of flavor are limitless!

GATTON

"Kyushu tonkotsu ramen" characterized by soup matured by hours of cooking. The specially ordered ultra-thin noodles sought to match the rich and deeply flavored soup provide the ultimate flavor.

SHI-TEN-NOH

Very popular with visitors from foreign countries.
"Pork bone broth ramen" characterized by its light richness.

Brand List (2/2)

NAGAOKA SHOKUDO

"Chinese soba" with ginger soy sauce that is popular as a local ramen in Nagaoka City in Niigata. Popular with men and women of all ages due to the deep flavor of the light soup using carefully selected ingredients.

AKAMISOYA

"Miso based ramen" with plenty of flavor of stir fried vegetables.

Overseas

E.A.K RAMEN

Providing a flavor to match local needs based on "IEKEI Ramen."

Overseas

Machida Shoten

The ever-popular Machida Shoten can be tasted overseas as well! Our carefully selected flavors and vibrancy are still alive and well outside Japan.

Business Details

Operation of restaurant business through the two channels of company-owned stores and produced stores

Company-owned stores

221 stores

*Including outsourced stores

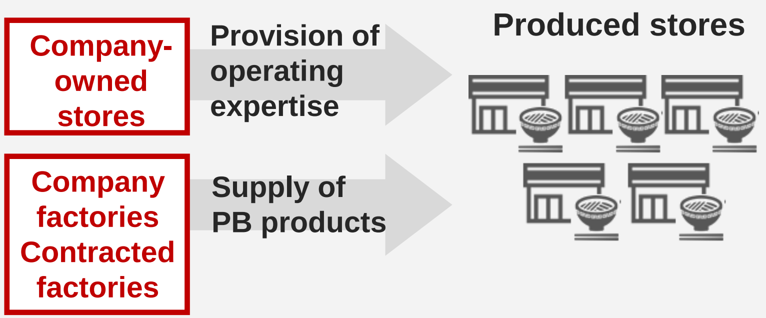
The Company operates stores under its own brands centered on Yokohama IEKEI Ramen “Machida Shoten” (Refer to the previous pages for other brands).

Produced stores

576 stores

*Including franchise stores

The Company provides support for making stores owned and operated by partners successful by leveraging operating expertise of company-owned stores and supplying ingredients (PB products).



* PB products: Private brand products (Noodles, sauce, soup, dumplings, roast pork)

Store Opening Strategy

Possible to operate successful stores both near train stations and roadside areas

Areas near train stations

Downtown areas

Ikebukuro Shoten

Shibuya Store

Residential areas

Tsunashima Shoten

Kyodo Store

Business districts

Yotsuya Shoten

Suidobashi Store

Roadside areas

Roadside

Shimizu Interchange Store

Nakamachidai Store

Kyoto-Higashi Interchange Store

Himeji Store

Fujinomiya Store

Making Successful Stores in Any Location

	Locations near train stations		Roadside
	Downtown areas/ business districts	Residential areas	
GIFT			
Competitor C		-	-
Competitor H		-	-
Competitor M	-	-	
Competitor K	-	-	

Roadside Stores

Roadside stores are also popular with families.

- Parking area (20-30 vehicles)
- Opening stores based on analysis of factors such as the state of competition, population of the trade area and traffic volume
- Creation of stores that can be enjoyed by families
- Improvement of menu for families
- Maintaining trend of increasing customer spend
- Roadside stores are more successful than stores near train stations.

Produced Stores

<The Company's original channel> Operating scheme of produced stores

The Company provides support for making stores owned and operated by partners successful by leveraging operating expertise of company-owned stores and supplying ingredients (PB products).

Company-owned stores

Provision of operating expertise

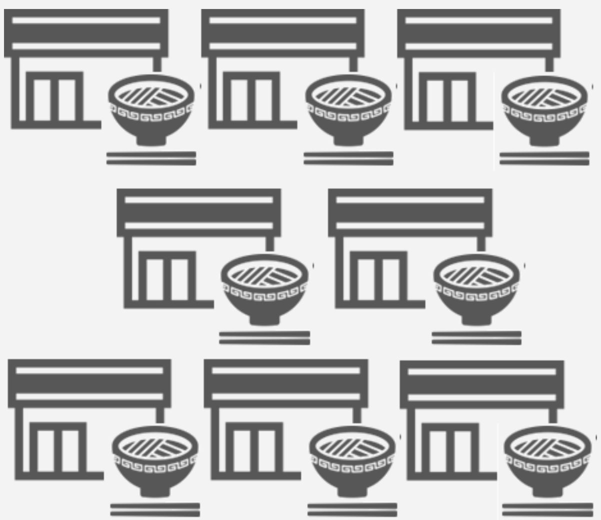
- Maintain high level of sales for existing stores
- Effectively zero store closures since establishment

Company factories Contracted factories

Supply of PB products

Noodles, sauce, soup, dumplings, roast pork, etc.

Produced stores



* In contrast to a franchise system, no guarantee money, franchise membership fee or consulting fee (royalties) are required. The production of stores at the time of their launch based on operating expertise of company-owned stores is provided free of charge as a general rule on the condition of purchase of ingredients.

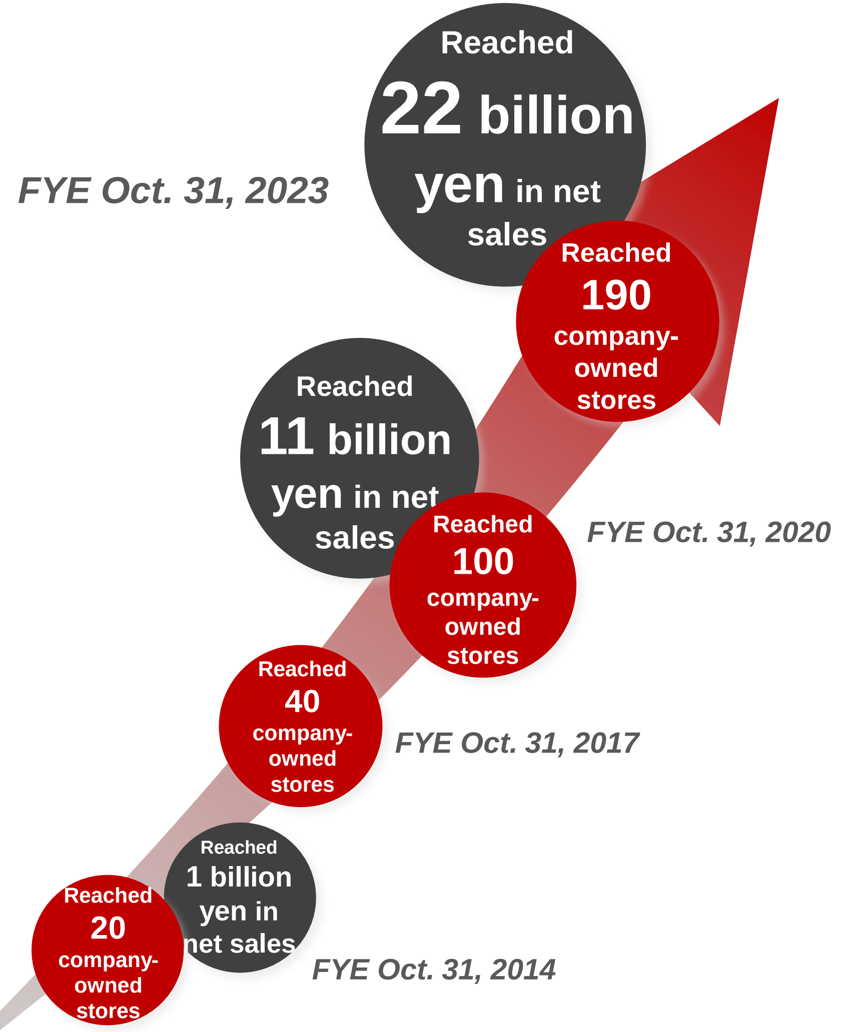
Differences Between Produced Stores and Franchise Stores

	Franchise stores	Produced stores
Trade name	Not selectable	**Freely selectable**
Membership fee	1-5 million yen	**0 yen**
Royalties	Approx. 5% of monthly sales	**0 yen**
Freedom of store operation and menu development	×	**○**
Risk of overall ripple effect of damage to brand by a member store	Large	**Small**
Various support*	Available	**Available**

* Various support: Property development, store design, employee training, opening support

History

2008	Jan.	Opened Machida Shoten main store.
2009	Dec.	Established Machida Shoten K.K. (now the Company). Started operation of Company-owned Store Business Division.
2010	Jan.	Established Final Three Feet K.K. for the purpose of producing ramen business, sale of PB products, manufacture of noodles, etc. Started operation of Produced Store Business Division.
2013	Nov.	Established a noodle factory in Hiratsuka City, Kanagawa.
2014	Mar.	Reached 10 company-owned domestic stores.
2015	Mar.	Final Three Feet K.K. acquired all shares of SHI-TEN-NOH K.K. from COLOWIDE CO., LTD. to make it a subsidiary.
	May	Changed the trade name to GIFT INC.
2016	Mar.	Established subsidiaries in the United States (GIFT USA INC. / GIFT LOS ANGELES, LLC / GIFT NEW YORK, LLC).
	Jul.	Opened first company-owned overseas store (Singapore).
	Dec.	First store opened in the US (Los Angeles).
2017	May	Performed absorption-type merger of Final Three Feet K.K. for the purpose of improving management efficiency and increasing the speed of management decisions.
	Aug.	Performed absorption-type merger of SHI-TEN-NOH K.K. for the purpose of improving management efficiency and increasing the speed of management decisions.
	Dec.	Reached 50 company-owned domestic stores.
2018	Oct.	Listed shares on Tokyo Stock Exchange Mothers.
2019	Apr.	Established Yokohama 1st Factory (noodle factory) in Yokohama City, Kanagawa.
	Aug.	Acquired all shares of Ramen TENKA K.K. and K.I.K. Foods K.K. (currently GIFT FOODS MATERIAL K.K.) to make them subsidiaries.
2020	Jan.	Established Yokohama 2nd Factory (roast pork factory, currently a soup factory) in Yokohama City, Kanagawa.
	Sep.	Changed listing market to First Section of Tokyo Stock Exchange. Reached 100 company-owned domestic stores.
	Oct.	Established Tamba-Sasayama Factory (noodle factory) in Tamba-Sasayama City, Hyogo.
2021	Aug.	Transition to holding company structure.
2022	Mar.	Changed the trade name to GIFT HOLDINGS INC.
	Aug.	Established Ayase Factory (roast pork factory) in Ayase City, Kanagawa.
	Nov.	Established GIFT SOUTHEAST ASIA (THAILAND) CO., LTD in Thailand.
2023	Feb.	Made Craft Co., Ltd. into a subsidiary.
	Nov.	Established Kamisu Factory (noodle factory) in Kamisu City, Ibaraki.



Disclaimer

Notice concerning forward-looking statements

- The materials and information provided in this announcement include so-called "forward-looking statements." These are based on assumptions associated with current projections, forecasts and risks and include uncertainty of causing results that substantially differ from these statements. These risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, interest rates and foreign exchange fluctuations.

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- The Company may not necessarily revise announcements on forecasts that have already been made regardless of the occurrence of future events except in cases required under disclosure rules.

- Information on companies other than the Company is based on publicly available information.

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