GIFT

GIFT HOLDINGS INC. Securities Code 9279

Results Briefing Materials for the Fiscal Year Ended October 31, 2024

Table of Contents

01 Financial Highlights for the Fiscal Year Ended October 31, 2024

Financial Summary

Net sales	Operating profit	Ordinary profit
28,472 million yen	2,909 million yen	2,972 million yen
Year-on-year: +23.9%	Year-on-year: +23.7%	Year-on-year: +22.6%

Overview of financial results

Leading one-time expenses because of the increase in closed days accompanying the aggressive store refurbishment. Meanwhile, existing stores show a strong performance and opening company-owned stores have also exceeded our target so we have achieved a significant increase in sales and profits.

Strong-performing existing stores

Monthly sales per company-owned store hit **a record-high** thanks to continuous store QSCA enhancement. **Refurbishing to improve product quality** was also implemented.

Head office relocation

Relocated head office to Shibuya to **recruit human resources** in a timely and appropriate manner.

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 Fiscal Year Ended October 31, 2024

Growth and Profitability

Net sales growth

23.9%

(Annual goal: 20.0%)

Operating profit margin

10.2%

(Annual goal: 9.5%)

YoY Change in Net Sales of Company-owned Stores

All company-owned stores in Japan

125.2%

Existing company-owned stores in Japan

Full business day **109.0%** (Annual goal: 105.0%)

Excludes refurbished stores **110.7%**

Stores Opened in the Period

Company-owned stores

42 stores

(Annual goal: 41 stores)

Produced & franchise stores

26 stores

(Annual goal: net increase of 48 stores)

Man-hour Productivity

Net sales per man-hour

Consolidated **6,501** yen (Same period of the previous year: 6,497 yen)

Company-owned stores **6,396** yen (Same period of the previous year: 6,210 yen)

Labor cost rate

Consolidated **26.8%** (Same period of the previous year: 26.5%)

Company-owned stores **24.4%** (Same period of the previous year: 24.5%)

Recruitment and Retention

Hiring employees

Newly hired **104** mid-career employees

Hired **48** new graduates

Number of employees **643** people

Retirement rate

15.4% (Same period of the previous year: 18.3%)

26.6% Industry average*

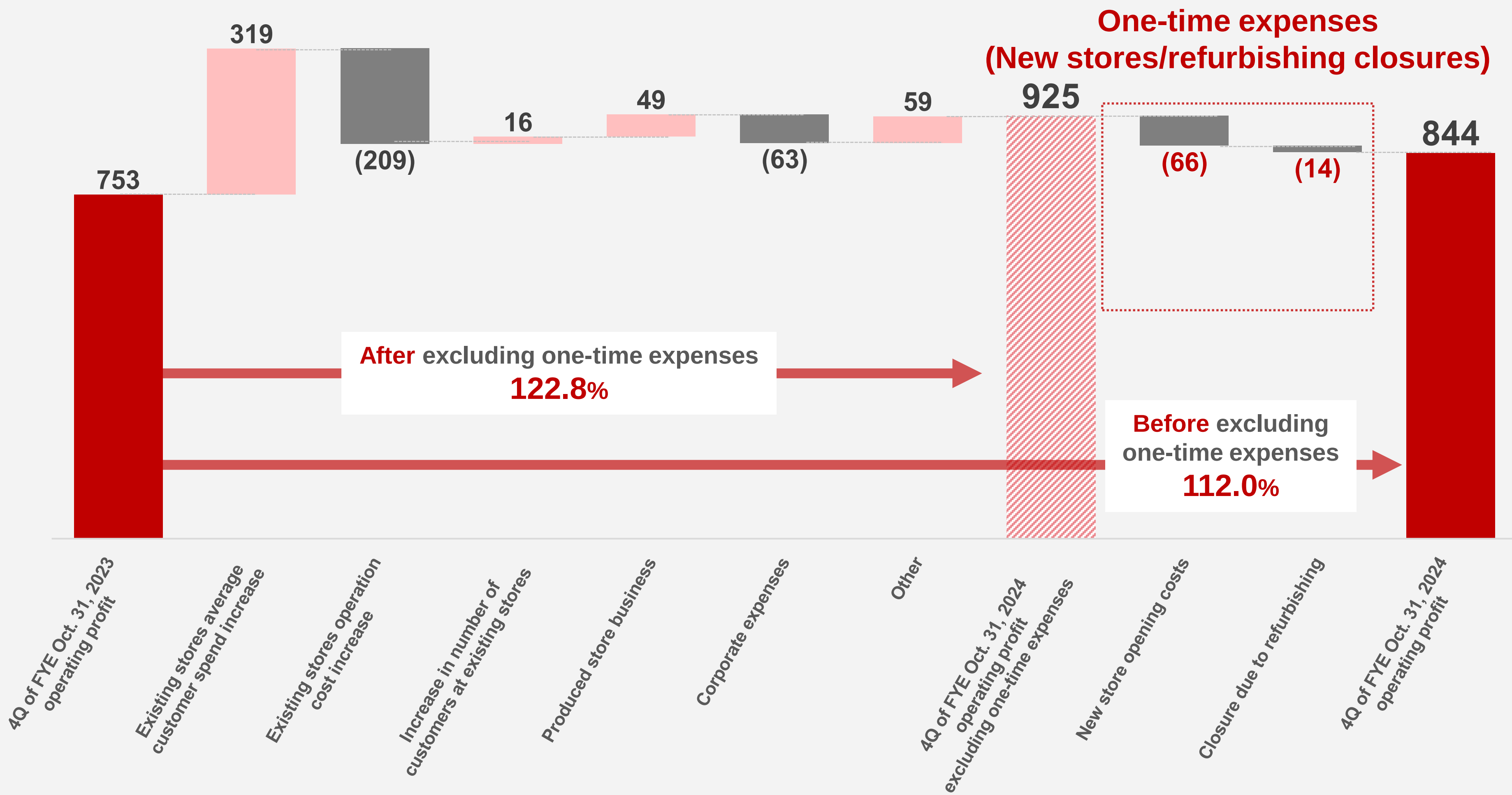
*Source: Summary of 2023 Employment Trends Survey Results (Ministry of Health, Labour and Welfare)

Results vs. KPIs for the Fiscal Year Ended October 31, 2024

	KPI	Targets	FYE Oct. 31, 2024 Results	
Growth	1. Net sales growth	**20%** or above	○	**23.9%**
Profitability	2. Operating profit margin	**9.5%** or above	○	**10.2%**
Gain on investments	3. ROA (ordinary profit to total assets)	**20%** or above	○	**20.1%**
	4. ROE (net profit to shareholders' equity)	**20%** or above	○	**24.8%**
Returns to shareholders	5. Dividend payout ratio	**20%** or above		**19.2%**

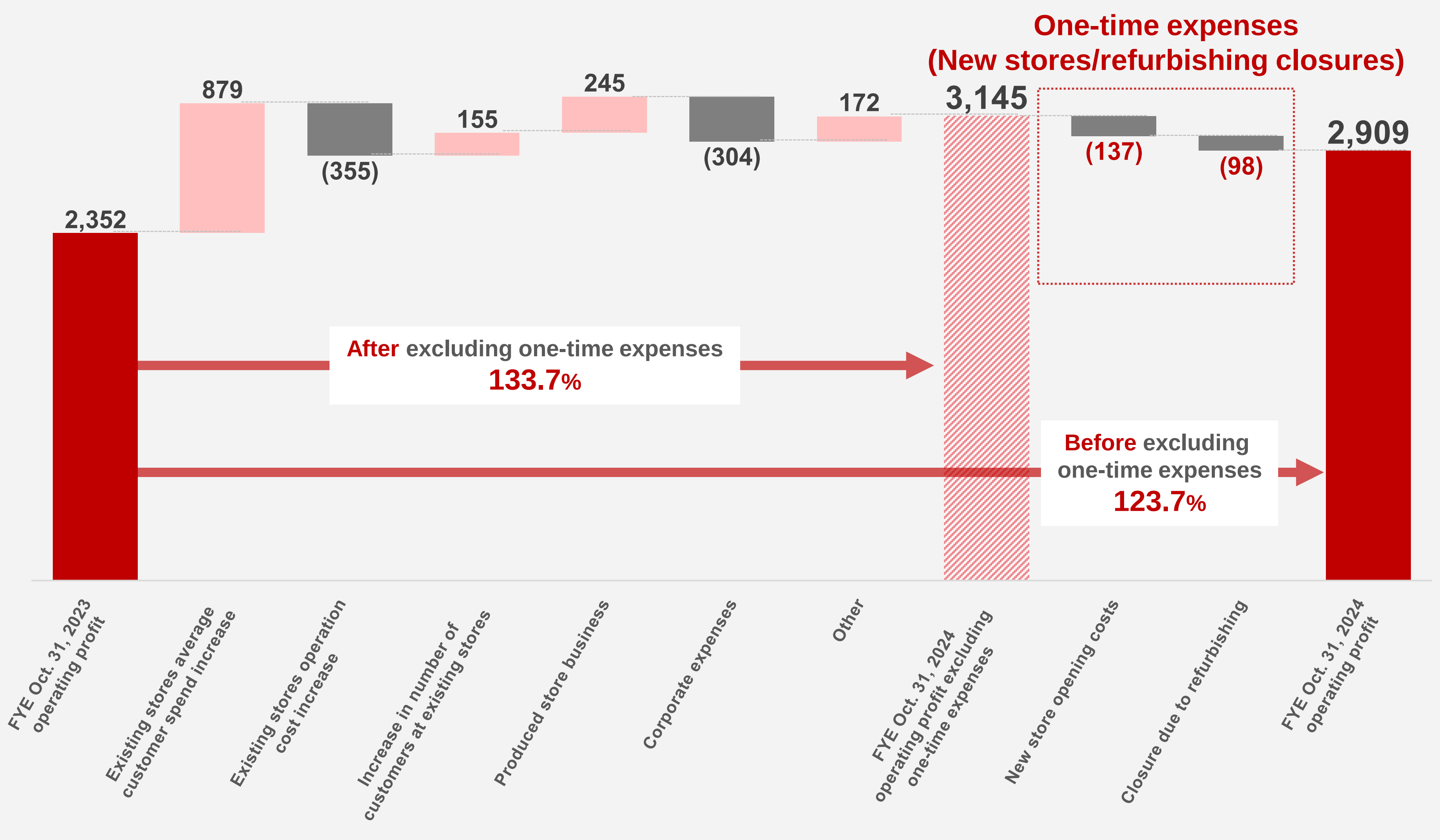
Analysis of Changes in Operating Profit (4Q, 3-months)

Operating profit increased 22.8% year on year in 4Q (quarterly accounting period), excluding one-time expenses, due to strong performance of existing stores.



Analysis of Changes in Operating Profit (Full-year, 12-months)

Operating profit increased 33.7% year on year excluding one-time expenses, due to strong performance of existing stores throughout the year.



Impact on Operating Profit due to Refurbishing Closures and New Store Opening

- For FYE Oct. 31, 2024, a total of 23 stores have been refurbished, affecting operating profit by -147 million yen. (-98 million yen year on year)
- We are planning to refurbish 16 stores for FYE Oct. 31, 2025.

FYE Oct. 31, 2023

	1Q	2Q	3Q	4Q	Total
Number of refurbishing closure months/stores	0.9 1	5.5 5	1.7 2	3.3 5	11.3 months 13 stores
Number of New Stores	8	9	7	4	28 stores

Impact on operating profit	
Full-year	-49 million yen
Full-year	-207 million yen*

FYE Oct. 31, 2024

	1Q	2Q	3Q	4Q	Total
Number of refurbishing closure months/stores	1.9 1	8.0 4	17.7 13	7.1 5	34.7 months 23 stores
Number of New Stores	6	8	12	16	42 stores

Impact on operating profit	
Full-year	-147 million yen YoY -98 million yen
Full-year	-345 million yen* YoY -137 million yen

FYE Oct. 31, 2025 (projection)

	1Q	2Q	3Q	4Q	Total
Number of refurbishing closure months/stores	Pending				23.1 months 16 stores
Number of New Stores	Pending				52 stores

Impact on operating profit	
Full-year (projection)	-101 million yen YoY +45 million yen
Full-year (projection)	-427 million yen* YoY -82 million yen

*New store opening costs

Effect of Refurbishment

Sales and number of customers increased due to refurbishments

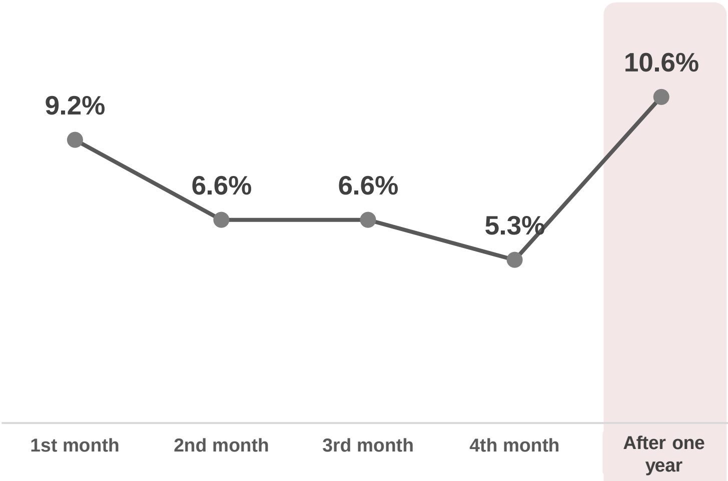
- Operation efficiency has improved due to the new layout, and customer seating turnover rate has increased.
- The improved soup quality has made a positive impact on customer traffic.

Effect of refurbishment on sales

+10.6 pt

*The difference between refurbished and non-refurbished stores after one year following the refurbishment

Difference in sales increase rate between refurbished and non-refurbished stores

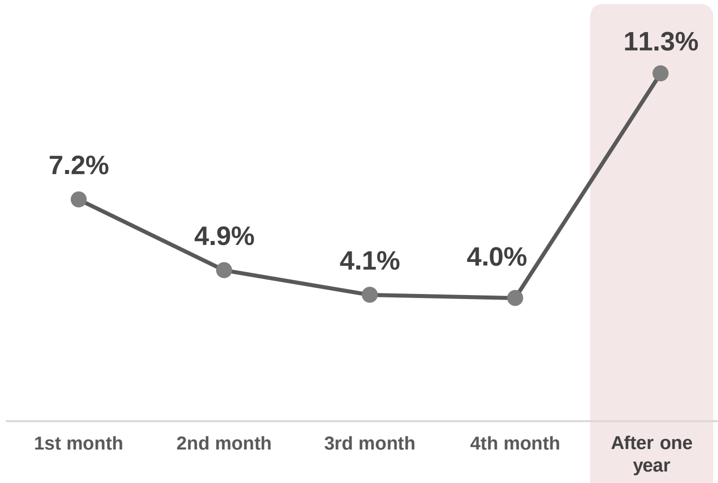


Effect of refurbishment on number of customers

+11.3 pt

*The difference between refurbished and non-refurbished stores after one year following the refurbishment

Difference in customer number increase rate between refurbished and non-refurbished stores



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 November 2023 to October 2024 in existing stores

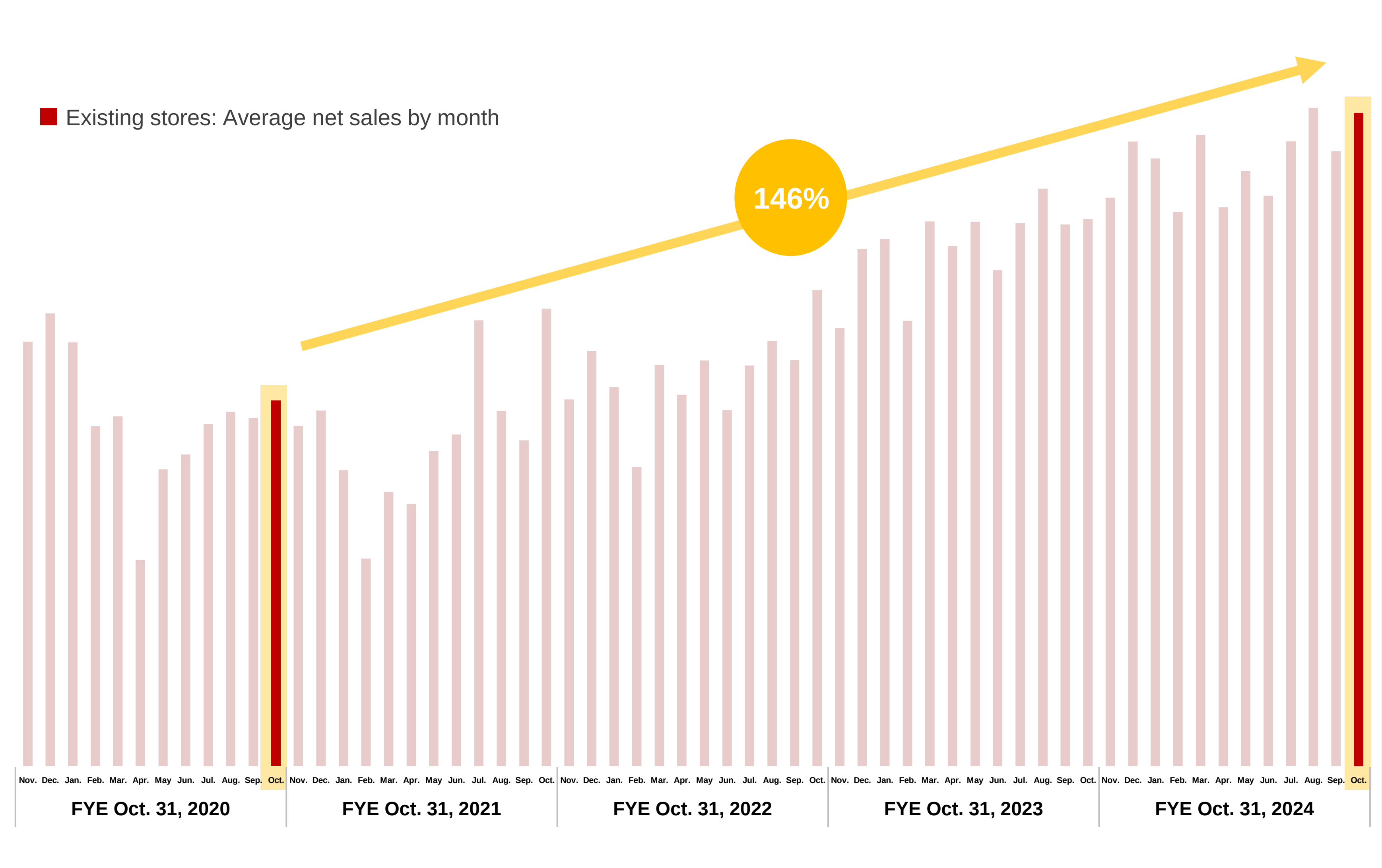
Year-on-year (compared to FYE Oct. 31, 2023)

	Net sales (yen)	Number of customers (persons)	Average customer spend (yen)
Full business day	109.0%	103.8%	105.0%
Excludes refurbished stores	110.7%	105.4%	105.0%

Source: Conditions for November 2023 to October 2024 in company-owned existing stores

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

Average monthly sales per company-owned domestic store continue to advance and expand thanks to initiatives to continuously improve store QSCA.
***Hit a record-high most recently in August 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 cumulative total** **21** people

- ✓ **Recruit overseas**

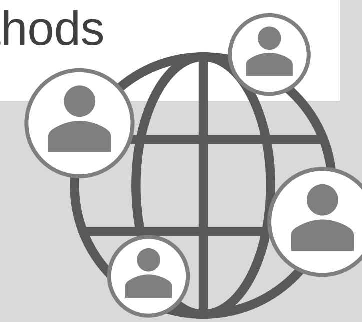
Planned **April 2025** **8** people

- ✓ 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



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

Accelerated also for the opening of "BUTAYAMA" and "GANSO ABURADO" stores.

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
Number of stores as of October 31, 2024	**153**	**39**	**20**	**6**	**4**
Change compared to end of the previous fiscal year	+22	+6	+10	-	-

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 October 31, 2024	**2**	**1**	**3**	**10**	**9**
Change compared to end of the previous fiscal year	-	-	-	+7	+4

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

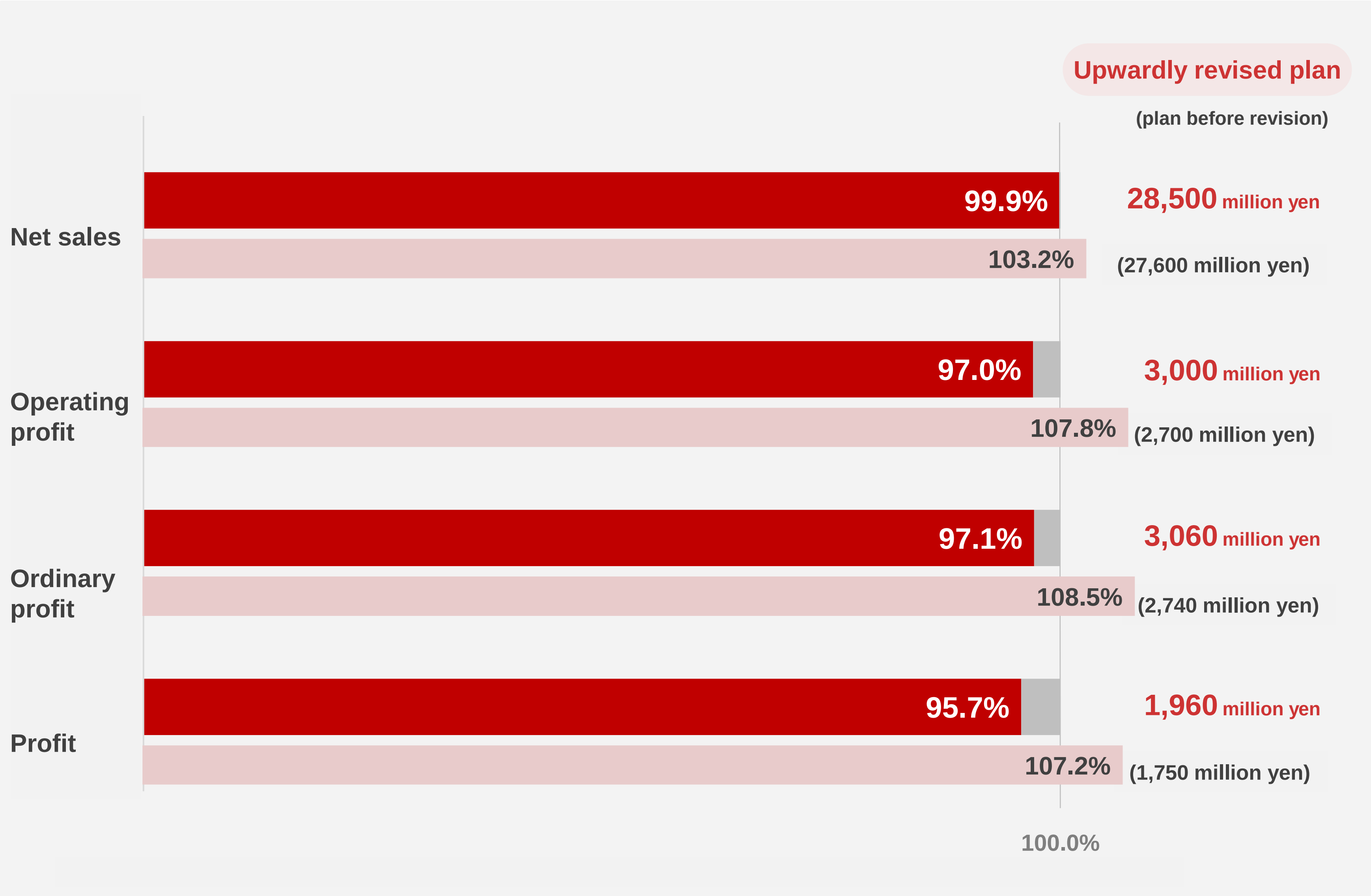
02 Overview of Financial Results for the Fiscal Year Ended October 31, 2024

Statements of Income

(Unit: Millions of yen)	FYE Oct. 31, 2023		FYE Oct. 31, 2024			Compared to plan	
	Amount	Percentage to sales	Amount	Percentage to sales	Year-on-year % change	Full-year plan after upward revision	Level of achievement
Net sales	22,982	-	**28,472**	**-**	**+23.9%**	28,500	99.9%
Cost of sales	7,409	32.2%	9,145	32.1%	+23.4%	-	-
Gross profit	15,572	67.8%	**19,327**	**67.9%**	**+24.1%**	-	-
Selling, general and administrative expenses	13,220	57.5%	16,417	57.7%	+24.2%	-	-
Operating profit	2,352	10.2%	**2,909**	**10.2%**	**+23.7%**	3,000	97.0%
Ordinary profit	2,424	10.5%	**2,972**	**10.4%**	**+22.6%**	3,060	97.1%
Quarterly profit attributable to owners of parent	1,597	6.9%	**1,875**	**6.6%**	**+17.4%**	1,960	95.7%

Achievement Rates vs. Full-year Plan

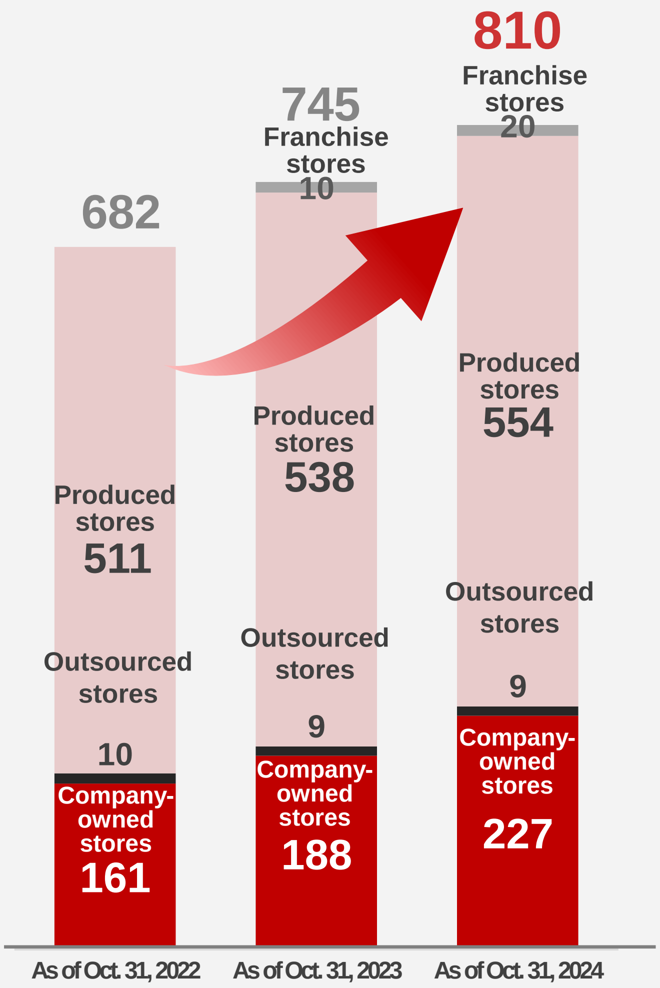
Although we were slightly short of the revised plan, we securely achieved the previous forecast.



Open up Stores

+65 stores compared to the end of the previous fiscal year

	As of Oct. 31, 2023		As of Oct. 31, 2024
Produced stores	538 stores	≫	554 stores
Franchise stores	10 stores	≫	20 stores
Outsourced stores	9 stores	≫	9 stores
Company-owned stores	188 stores	≫	227 stores
Total number of stores	745 stores	≫	810 stores



03 Consolidated Earning Forecasts for the Fiscal Year Ending October 31, 2025

Consolidated Earning Forecasts for the Fiscal Year Ending October 31, 2025

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

(Unit: Millions of yen)	FYE Oct. 31, 2024 Results		FYE Oct. 31, 2025 Forecast		Change (%)
	Amount	Percentage to sales	Amount	Percentage to sales	
Net sales	28,472	-	36,000	-	+26.4%
Operating profit	2,909	10.2%	3,600	10.0%	+23.7%
Ordinary profit	2,972	10.4%	3,620	10.1%	+21.8%
Profit attributable to owners of parent	1,875	6.6%	2,200	6.1%	+17.3%

Assumptions Behind Forecast for the Fiscal Year Ending October 31, 2025

Existing stores sales

Company-owned stores

105.0%

(Number of customers 100.7%, average customer spend 104.3%)

Produced stores

105.0%

Store opening plan

Company-owned stores

50 stores in Japan

2 overseas stores

Net increase of **51** stores

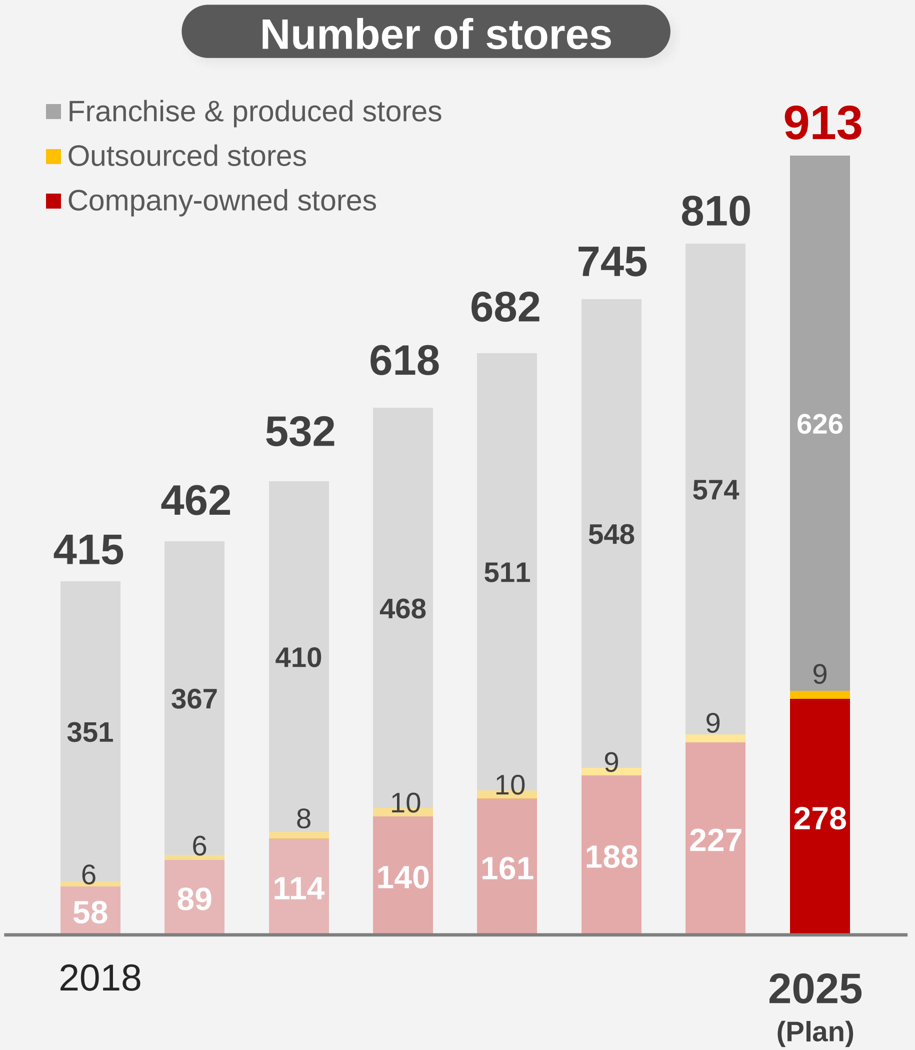
Franchise & produced stores

40 stores in Japan

12 stores overseas

Net increase of **52** stores

Store Opening Plan



Number of stores as of Oct. 31, 2025 (plan)

913 stores

Plan for **+103** stores year on year

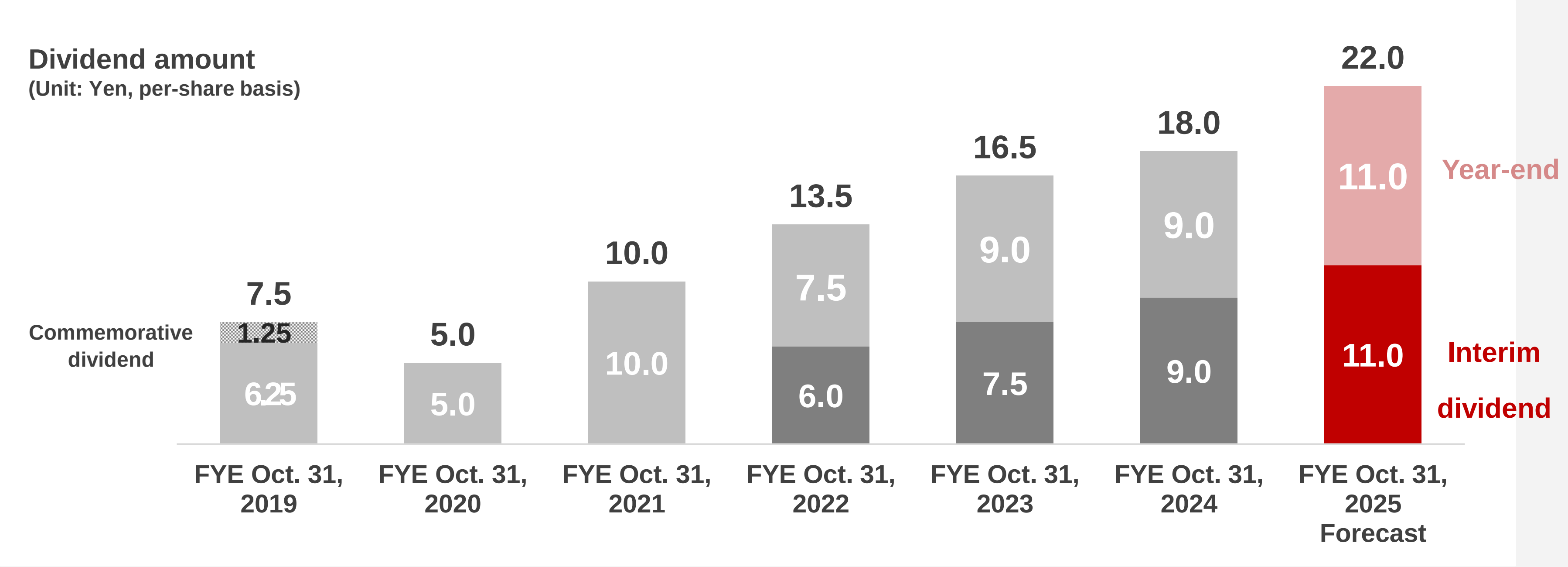
Company-owned stores: **+51** stores

Produced & franchise stores: **+52** stores

Returns to Shareholders

Consecutive increase in dividend accompanying expanded performance. For FYE October 31, 2025, at this point both interim and year-end will be 11.0 yen each, with annual dividend of 22.0 yen planned.

Aiming for a payout ratio of 20.0% or more.



Dividend payout ratio	28.0%	88.0%	18.5%	17.5%	20.6%	19.2%	20.0%

Note: 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.

04 Medium-term Business Plan (Fiscal Year Ending October 31, 2025 to Fiscal Year Ending October 31, 2027)

Medium to Long-term Target

We are aiming to be a "company that can serve the best ramen in the world" as a medium to long-term target by growing the organic business in Japan and aggressively expanding our business overseas.

FYE Oct. 31, 2024	FYE Oct. 31, 2025 to FYE Oct. 31, 2027	Medium to Long-term Target
	Strengthen overseas business based on stable growth of our business in Japan.	Also grow our overseas business as a revenue source.

Aiming to be a "company that can serve the best ramen in the world"

FYE Oct. 31, 2027

Net sales: 52.0 billion yen
Operating profit: 5.2 billion yen
Number of stores: 1,156

FYE Oct. 31, 2024

Net sales: 28.4 billion yen
Operating profit: 2.9 billion yen
Number of stores: 810

Overseas business

Business in Japan

Overseas Expansion

Invest revenue and experience earned from business in Japan into overseas business in an effective manner.

Business in Japan

Cash and Expertise acquired from business in Japan.

Invest

Overseas business

and more...

Steadily promote overseas expansion
❶Establish a model for thriving stores
❷Expand horizontally to various location types
❸Accelerate store openings

Basic Strategy - Aspirations and Approach

Targets to be achieved in FYE October 31, 2027

Net sales 52.0 billion yen

Operating profit 5.2 billion yen

Expansion of business and strengthening of structure

+

Promotion of digital transformation (DX)

KPIs

Raise operating profit margin by 0.5 points from the target for FYE Oct. 31, 2024.

	KPI	Targets
Growth	1. Net sales growth	**20%** or above
Profitability	2. Operating profit margin	**10.0%** or above
Gain on investments	3. ROE (net profit)	**20%** or above
Returns to shareholders	4. Dividend payout ratio	**20%** or above

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.

Company-owned stores

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

Strengthening store openings

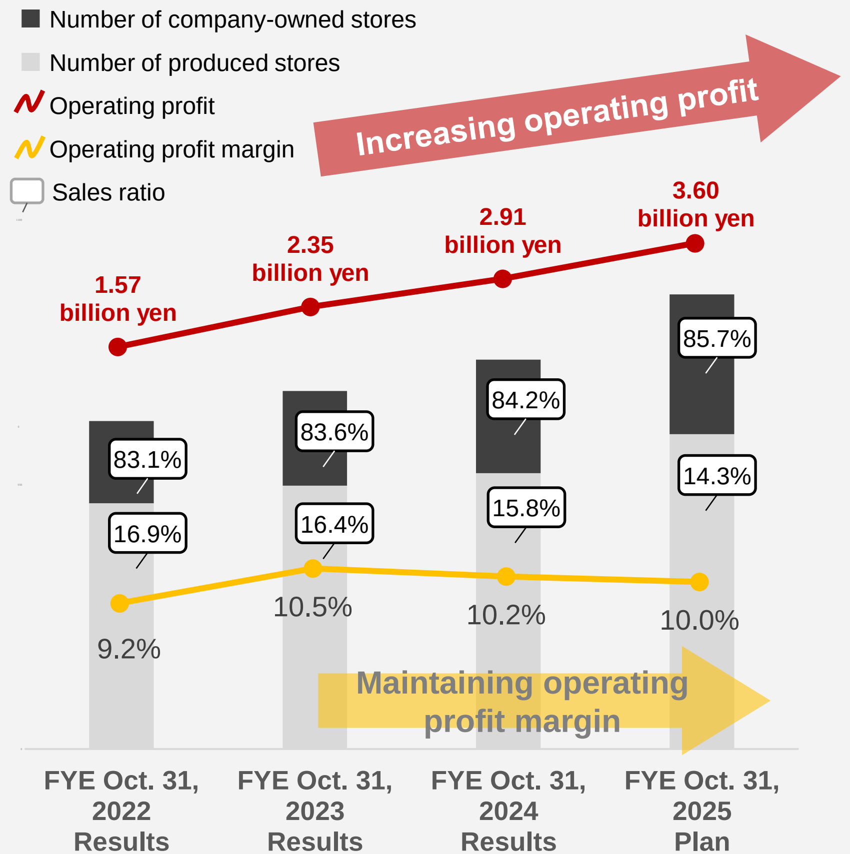
Aim to **maximize net sales and profit**

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, 2025 to FYE October 31, 2027) / Quantitative Plan

Created a new three-year plan using the rolling method.

Aiming for operating profit of over 5 billion yen in 2027.

	2023	2024	2025	2026	2027
Net sales	22.9 (billion yen)	28.5 (billion yen)	36.0 (billion yen)	43.0 (billion yen)	52.0 (billion yen)
Operating profit	2.35 (billion yen)	2.90 (billion yen)	3.6 (billion yen)	4.3 (billion yen)	5.2 (billion yen)

*For FYE October 31, 2026 and 2027, planned figures assume that existing store sales is 100% YoY.

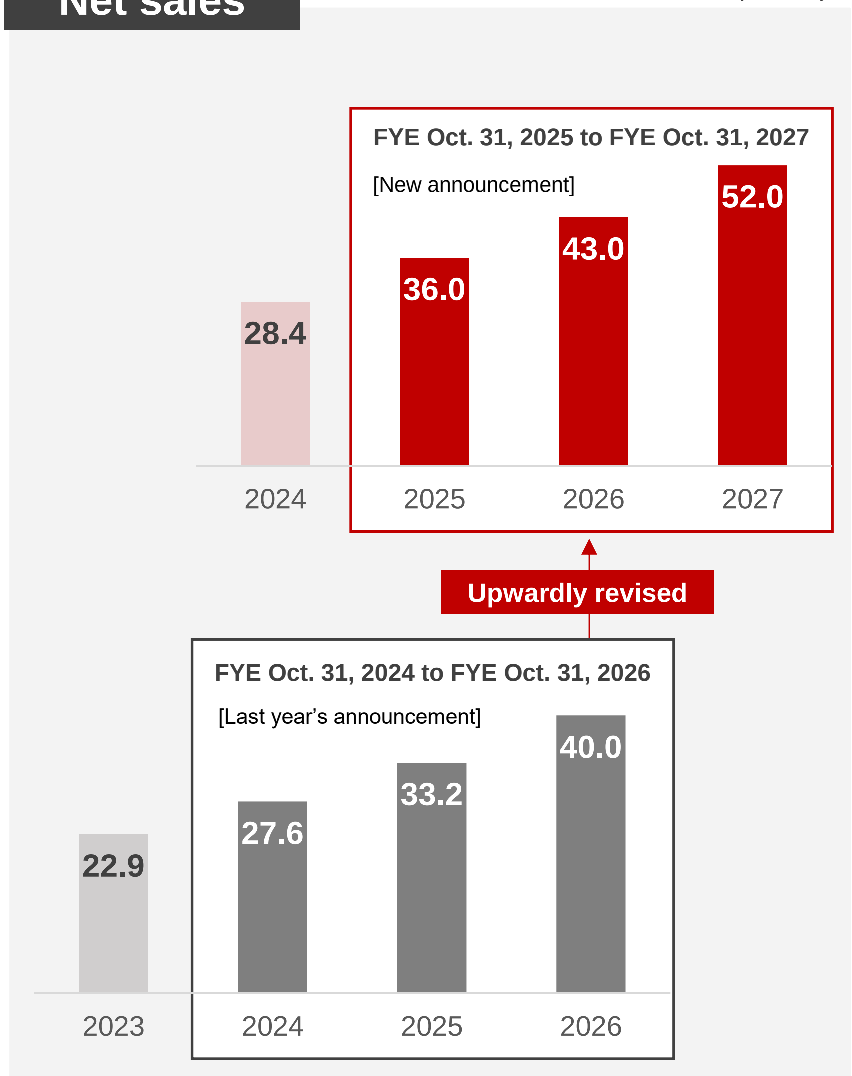
		2023	2024	2025	2026	2027
Japan	**Total number of stores**	726 stores	783 stores	873 stores	973 stores	1,083 stores
	Company-owned stores	194 stores	232 stores	282 stores	342 stores	412 stores
	Franchise & produced stores	532 stores	551 stores	591 stores	631 stores	671 stores
Overseas	**Total number of stores**	19 stores	27 stores	40 stores	54 stores	73 stores
	Company-owned stores	3 stores	4 stores	5 stores	5 stores	5 stores
	Franchise & produced stores	16 stores	23 stores	35 stores	49 stores	68 stores
Total	**Total number of stores**	745 stores	810 stores	913 stores	1,027 stores	1,156 stores
	Company-owned stores	197 stores	236 stores	287 stores	347 stores	417 stores
	Franchise & produced stores	548 stores	574 stores	626 stores	680 stores	739 stores

Variance Against the Previously Announced Medium-term Business Plan

Upwardly revised from the previous announcement, backed by the achievement of the store opening plan and strong existing stores.

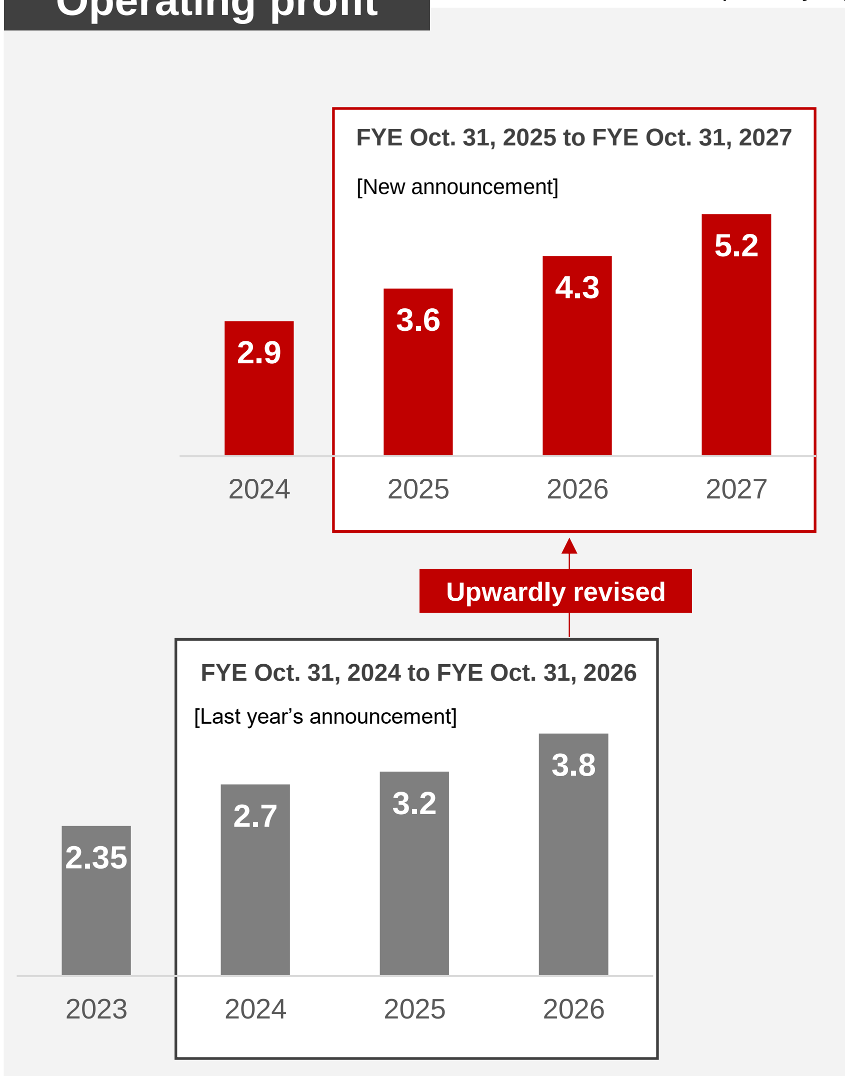
Net sales

(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) Improvements in store operation** NEW
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) Development of M&A and new business types
Overseas expansion	(9) Establishing an overseas promotion system (10) Recruitment and training of overseas human resources (11) Establishment of ingredient supply system overseas
Strengthening of manufacturing system	(12) Reduction of manufacturing costs (13) Enhancement of manufacturing quality **(14) Enhancement of in-house production ratio** NEW (15) Creation of stable supply systems (by area)
Strengthening of purchasing and logistics systems PICK UP	(16) Optimization of logistics costs (17) Stockout risk control (18) Improvement of distribution frequency and distribution quality (year-round next-day delivery) **(19) Establishment of a scheme for automated ordering** NEW (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	(24) Promotion and disclosure of sustainability management

Medium-term Business Plan

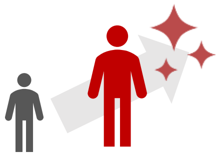
PICK UP **Recruitment** Initiatives to secure human resources

■ Strengthening recruitment capability

✓Measure effect of relocating head office, strengthen employee conversions, strengthen foreigner recruitment

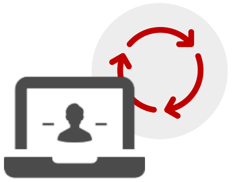
■ Measures to reduce turnover

✓Wage increases, improve in-store working environment, improve overtime system



■ Improvement of education system

✓Establish education system for foreigners in particular



■ Reexamination of store operation system

✓Examine number of employees per store

Medium-term Business Plan

PICK UP

Strengthening of purchasing and logistics systems

To also improve distribution efficiency accompanying store expansion

Improvement of distribution frequency and distribution quality (year-round next-day delivery)

Expand the number of stores

Increase purchasing volume
Improve distribution efficiency

Improve purchasing conditions
Reduce distribution costs

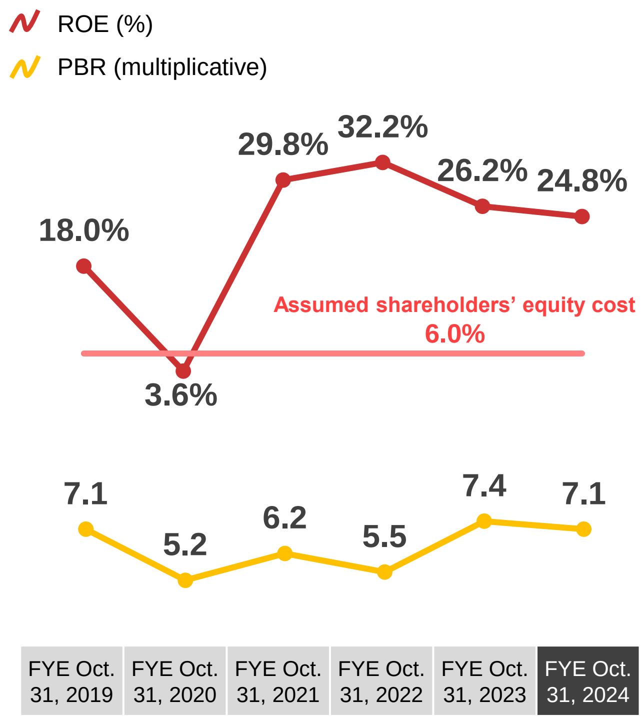
Improve distribution quality at less cost

- Improve cost performance
- Maintain and improve quality by increasing the distribution frequency
- Improve operation at stores with limited stocking space

Management Initiatives That Consider the Capital Cost

Maintain high ROE for the current capital cost of around 6%, and aim to control the shareholders' equity cost

The Company's ROE and PBR trends



Shareholders' equity costs based on the Company's PBR and ROE

$$\frac{\text{ROE - Expected growth rate}}{\text{Capital cost - Expected growth rate}} = \text{PBR} \longleftrightarrow \frac{\text{ROE - Expected growth rate}}{\text{PBR}} + \text{Expected growth rate} = \text{Capital cost}$$

ROE	PBR	Expected growth rate
24.8%	7.1 times	2 to 3%

»» **Capital cost**
5.2 to 6.0%

Shareholders' equity costs based on CAPM

Risk free rate + Stocks β × (Risk premium – Expected growth rate) = Capital cost

Risk free rate	Risk premium	Stocks β	Expected growth rate
0.95%	5%	0.97	2 to 3%

»» **Capital cost**
3.4 to 4.3%

Various assumptions

ROE	Use FYE Oct. 31, 2024 average
Expected growth rate	Assume 2 to 3% from the long-term economic growth rate and the Company's individual growth rate
Risk free rate	Refer to the standard 10-year Japanese bond yield
Stocks β	Refer to our Sensitivity of the Company's share price to volatility of TOPIX

Management Initiatives That Consider the Capital Cost

Create proper understanding of the business situation through appropriate information disclosure to investors and constructive dialogue, and aim to achieve improved corporate value by providing management with feedback from the dialogue contents.

Dialogue situation

Individual meetings for analysts and institutional investors
298 times
Of which are Japanese investors
231 times
Of which are overseas investors
67 times

Results Briefing for analysts and institutional investors
2 times, interim and year-end

Main responders
President & Representative Director
Director & Corporate Planning Office Manager

Feedback to Board of Directors about dialogue contents

Reflect dialogue contents

Foreign language support

- Simultaneous disclosure in English and Japanese of the Results Briefing Materials
- Increased scope of disclosure in English text

Enhanced disclosure contents

- Newly establish sustainability website, provide a wealth of descriptive content
- Restructure company website
- Create documents for new investors

Information for the IR Website, QA Station and IR News Distribution Service

IR website

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

https://www.gift-group.co.jp/english/

Machida Shoten

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

https://us.machidashoten.com

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.php

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.

- The Company has no obligation to update or revise the “forward-looking statements” contained in this announcement if new information arises or future events occur.

- 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.

- This document is neither a solicitation for the application of acquisition of securities nor a solicitation for the application of sale or application of purchase (“solicitation”), is not for solicitation and is not the basis for any contract or obligation.