GIFT HOLDINGS INC. Securities Code 9279

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

Company Overview

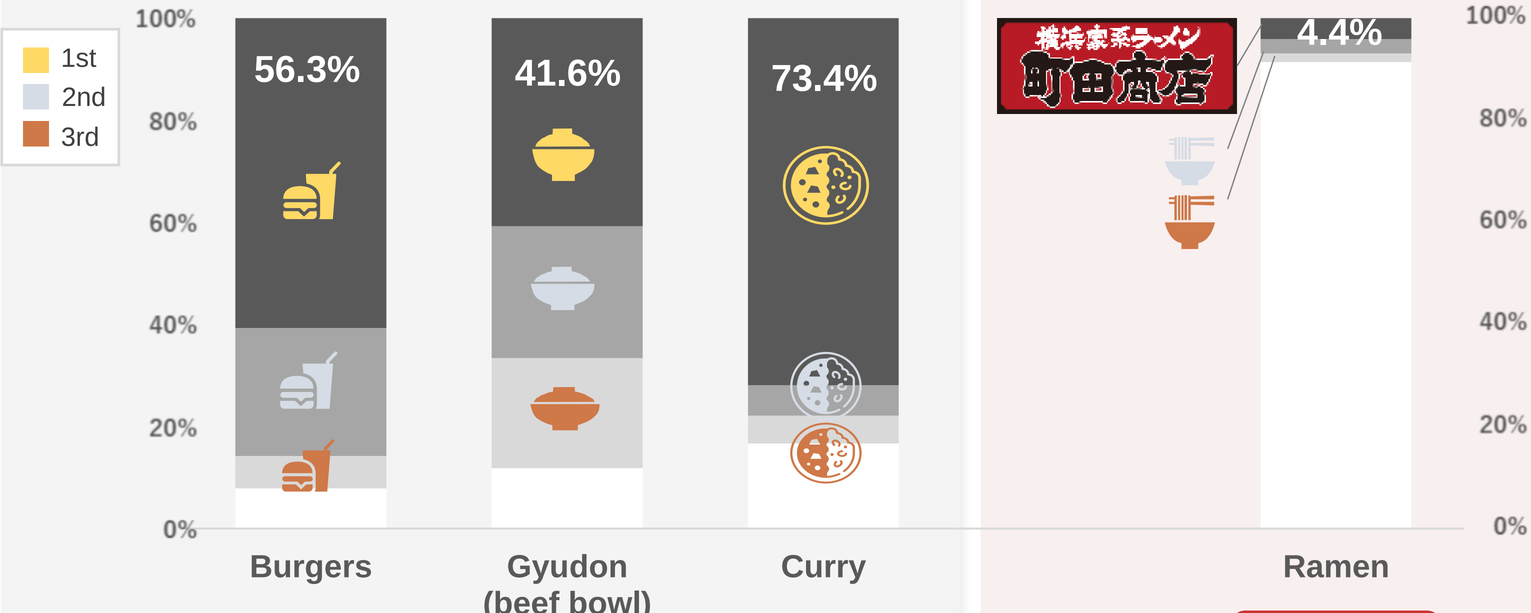
Company name	GIFT HOLDINGS INC.
Business details	Restaurant operation
Head office address	Shibuya Tower 36F, Shibuya Sakura Stage, 1-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
Company factories	Noodle factories: Hiratsuka, Yokohama 1st, Kamisu, Tamba-Sasayama Chasiu factory: Ayase Soup factory: Yokohama 2nd
Established	December 7, 2009 (Founded in January 2008)
Representative	President & Representative Director: Sho Tagawa
End of fiscal year	October
Share capital	825 million yen (as of October 31, 2024)
Group employees	643 employees, 5,596 part-time and casual workers (as of October 31, 2024)
Affiliates	Fourteen 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.

Markets where oligopolization has progressed

Market with much room for expansion



	Burgers	Gyudon (beef bowl)	Curry	Ramen
Top 3	87.6%	89.6%	84.7%	10.1%
Market size	960.0 billion yen	500.0 billion yen	100.0 billion yen	600.0 billion yen

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

Brand List (1/2)

Machida Shoten — IEKEI

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 — Hearty type

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 — Oil noodles

“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

“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 — Soy sauce tonkotsu

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

Brand List (2/2)

NAGAOKA SHOKUDO **Chinese Soba**

“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**

“Miso based ramen” with plenty of flavor of stir fried vegetables.

Overseas

E.A.K. RAMEN

E.A.K. RAMEN **IEKEI**

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

Overseas

MACHIDA SHOTEN JAPANESE RAMEN

Machida Shoten **IEKEI**

“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.

Business Details

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

Company-owned stores

236 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

574 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).

Company-owned stores → Provision of operating expertise → Produced stores

Company factories / Contracted factories → Supply of PB products → Produced stores

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

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	-	-	

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

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

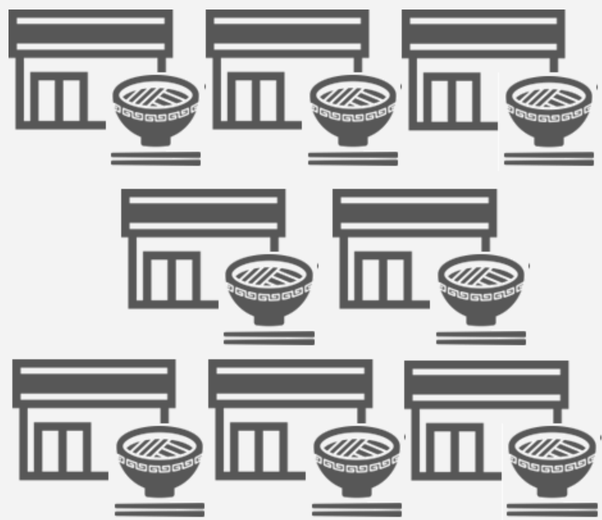
- Maintain high level of sales for existing stores
- Effectively zero store closures since establishment

Company factories Contracted factories

Supply of PB products

Noodles, sauce, soup, dumplings, chasiu, 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

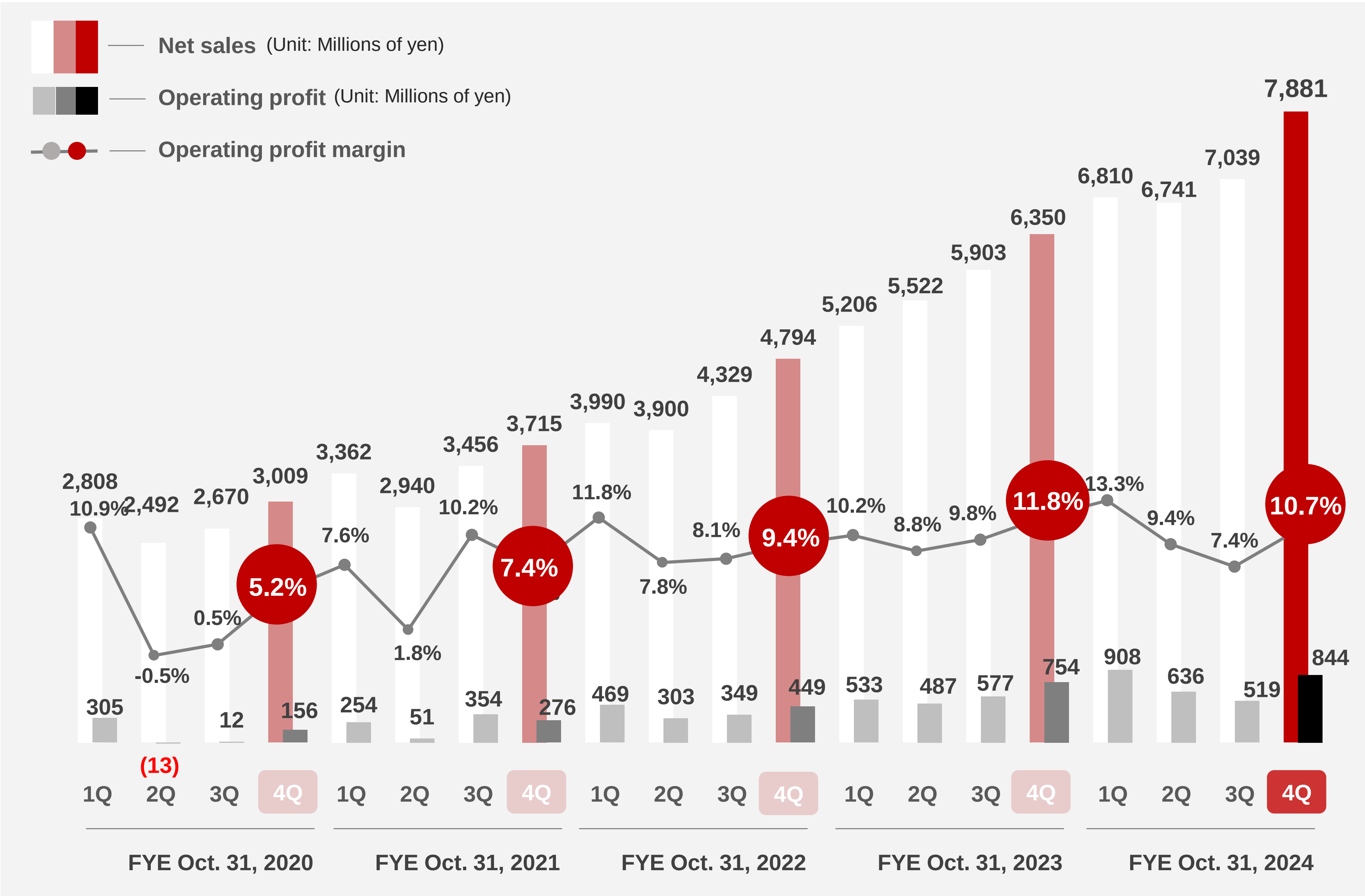
	Franchise stores	Produced stores
Trade name	Not selectable	**Freely selectable**
Membership fee	1-5 million yen	**0 yen**
Royalties	Approx. 5% of monthly sales	**0 yen**
Freedom of store operation and menu development	×	**○**
Risk of overall ripple effect of damage to brand by a member store	Large	**Small**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

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

Statements of Income

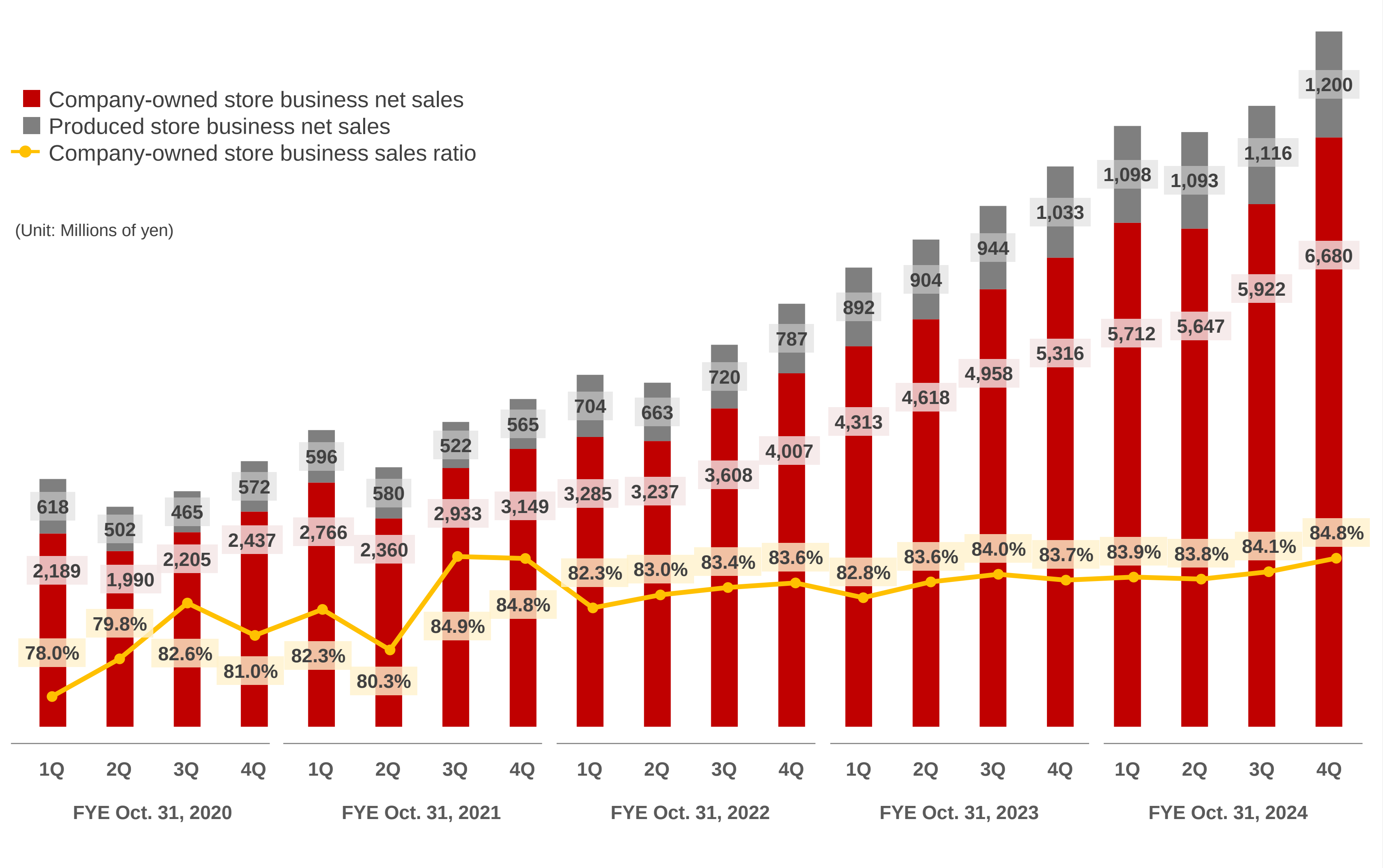
(Unit: Millions of yen)	FYE Oct. 31, 2023 Amount	FYE Oct. 31, 2023 Percentage to sales	FYE Oct. 31, 2024 Amount	FYE Oct. 31, 2024 Percentage to sales	FYE Oct. 31, 2024 Year-on-year % change	Compared to plan: Full-year plan after upward revision	Compared to plan: Level of achievement
Net sales	22,982	-	**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%

Quarterly Trends in Net Sales and Operating Profit



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

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



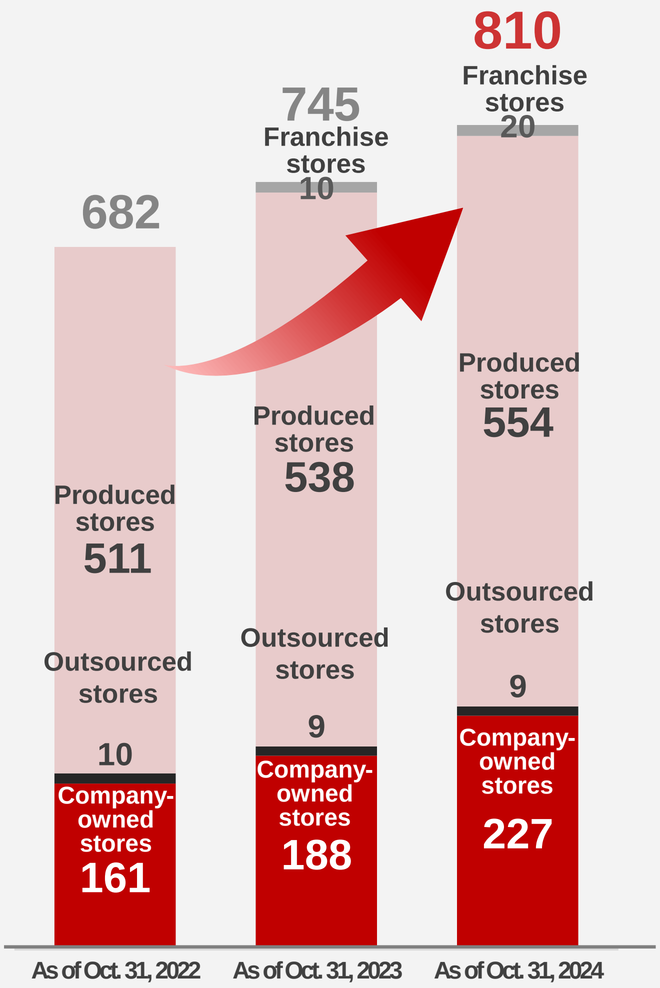
Other Quarterly Trends

		FYE Oct. 31, 2022				FYE Oct. 31, 2023				FYE Oct. 31, 2024			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Number of stores (stores)	**Overall**	**634**	**652**	**664**	**682**	**709**	**730**	**741**	**745**	**755**	**773**	**797**	**810**
	Company-owned in Japan	143	147	156	159	165	174	181	185	190	197	209	223
	Company-owned foreign	3	3	2	2	3	3	3	3	3	3	3	4
	Outsourced stores	10	10	10	10	9	9	9	9	9	9	9	9
	Produced & franchise	478	492	496	511	532	544	548	548	553	564	576	574
Cost of sales rate (%)		**29.3**	**30.1**	**30.7**	**31.3**	**31.8**	**32.4**	**32.6**	**32.1**	**32.5**	**32.0**	**32.5**	**31.6**
Labor cost rate (%)		**27.0**	**27.5**	**28.3**	**26.5**	**25.8**	**26.6**	**27.6**	**25.8**	**25.8**	**27.1**	**27.6**	**26.7**
Selling, general and administrative expenses rate (%)		**58.9**	**62.1**	**61.2**	**59.3**	**57.9**	**58.8**	**57.6**	**56.0**	**54.2**	**58.6**	**60.2**	**57.6**

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



Status of Stores (Breakdown of Change)

(Number of stores)		Number of stores as of October 31, 2023	Number of stores as of October 31, 2024	Change
Company-owned stores	Kanto	119	147	+28
	East Japan (other than Kanto)	45	54	+9
	West Japan	21	22	+1
	Overseas	3	4	+1
	Subtotal	**188**	**227**	**+39**
Net sales **23,962** million yen	**Outsourced stores**	**9**	**9**	**-**
	Total	**197**	**236**	**+39**
Produced Stores	Kanto	309	311	+2
	East Japan (other than Kanto)	117	119	+2
	West Japan	99	110	+11
	Overseas	13	14	+1
	Subtotal	**538**	**554**	**+16**
	Franchise stores in Japan	**7**	**11**	**+4**
Net sales **4,510** million yen	**Franchise stores overseas**	**3**	**9**	**+6**
	Total	**548**	**574**	**+26**
	Total number of stores	**745**	**810**	**+65**

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 ended 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	釜焚きとんこつ がっとん	元祖 赤みそ家麺
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

B/S Summary

(Unit: Millions of yen)	As of Oct. 31, 2023	As of Oct. 31, 2024	Change
Current assets	**3,552**	**4,368**	**+815**
Cash and deposits	2,220	2,442	+222
Accounts receivable - trade	547	714	+167
Other	784	1,211	+426
Non-current assets	**8,974**	**12,731**	**+3,756**
Property, plant and equipment	6,007	9,450	+3,443
Intangible assets	271	236	(34)
Investments and other assets	2,696	3,044	+347
Total assets	**12,527**	**17,099**	**+4,572**

(Unit: Millions of yen)	As of Oct. 31, 2023	As of Oct. 31, 2024	Change
Current liabilities	**3,777**	**5,356**	**+1,579**
Accounts payable - trade	697	931	+233
Short-term borrowings	25	14	(10)
Current portion of long-term borrowings	699	1,198	+498
Other	2,354	3,212	+857
Non-current liabilities	**1,977**	**3,365**	**+1,387**
Long-term borrowings	1,574	2,786	+1,211
Other	402	578	+175
Total liabilities	**5,755**	**8,722**	**+2,966**
Total net assets	**6,772**	**8,377**	**+1,605**
Share capital	797	824	+27
Capital surplus	1,049	1,052	+3
Retained earnings	4,761	6,278	+1,516
Treasury shares	(0)	(1)	(0)
Accumulated other comprehensive income	160	217	+57
Non-controlling interests	4	5	+0
Total liabilities and net assets	**12,527**	**17,099**	**+4,572**

C/F summary

(Unit: Millions of yen)	FYE Oct. 31, 2023	FYE Oct. 31, 2024	Change
Cash flows from operating activities	2,534	3,276	+741
Cash flows from investing activities	(2,956)	(4,338)	(1,382)
Cash flows from financing activities	252	1,315	+ 1,062
Effect of exchange rate change on cash and cash equivalents	17	15	(1)
Cash and cash equivalents at end of period	1,855	2,123	+ 267

Main content of FYE Oct. 31, 2024

■ Cash flows from operating activities

Profit before income taxes: 2,735 million yen

Depreciation: 813 million yen

Income taxes paid: (708 million yen)

■ Cash flows from investing activities

Purchase of property, plant and equipment: (4,064 million yen)

Payments of leasehold and guarantee deposits: (340 million yen)

■ Cash flows from financing activities

Net change in short-term borrowings: (12 million yen)

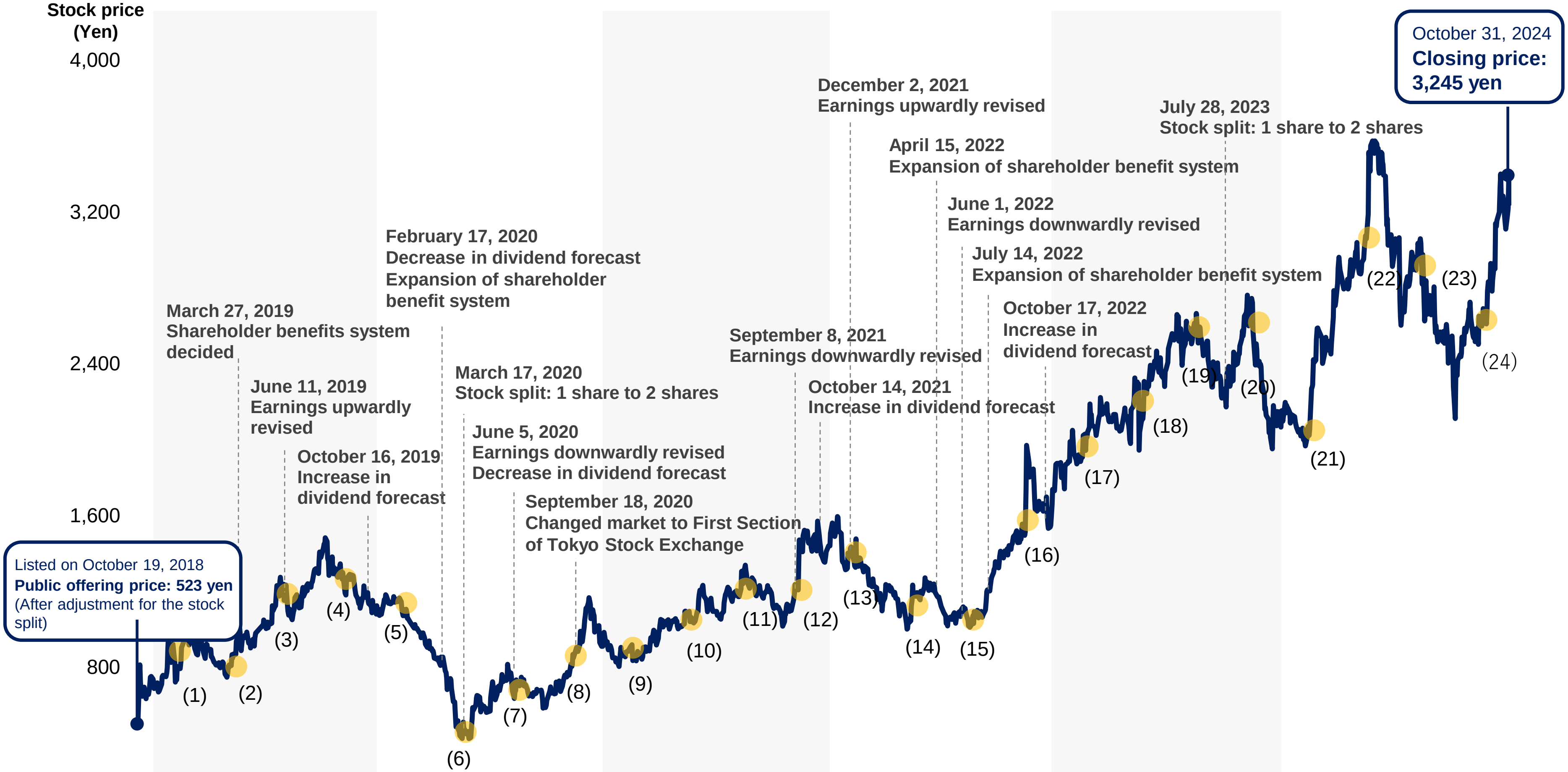
Proceeds from long-term borrowings: 2,520 million yen

Repayments of long-term borrowings: (809 million yen)

Dividends paid: (358 million yen)

Stock Price Trends (from Listing to October 31, 2024)

The stock price has risen by approximately 6 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 Dividend increase
(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	(24) 3Q	September 13, 2024

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.

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

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