GIFT

GIFT HOLDINGS INC. Securities Code 9279

Medium-term Business Plan (FYE Oct. 31, 2025 to FYE Oct. 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

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

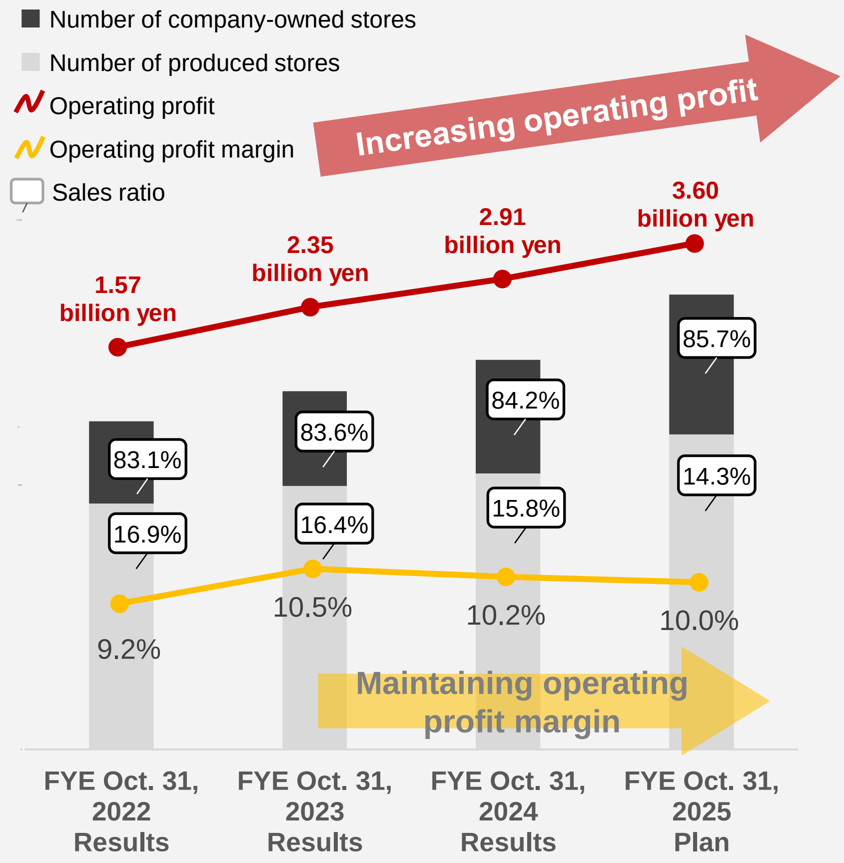
Aim to **maximize net sales and profit**

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)

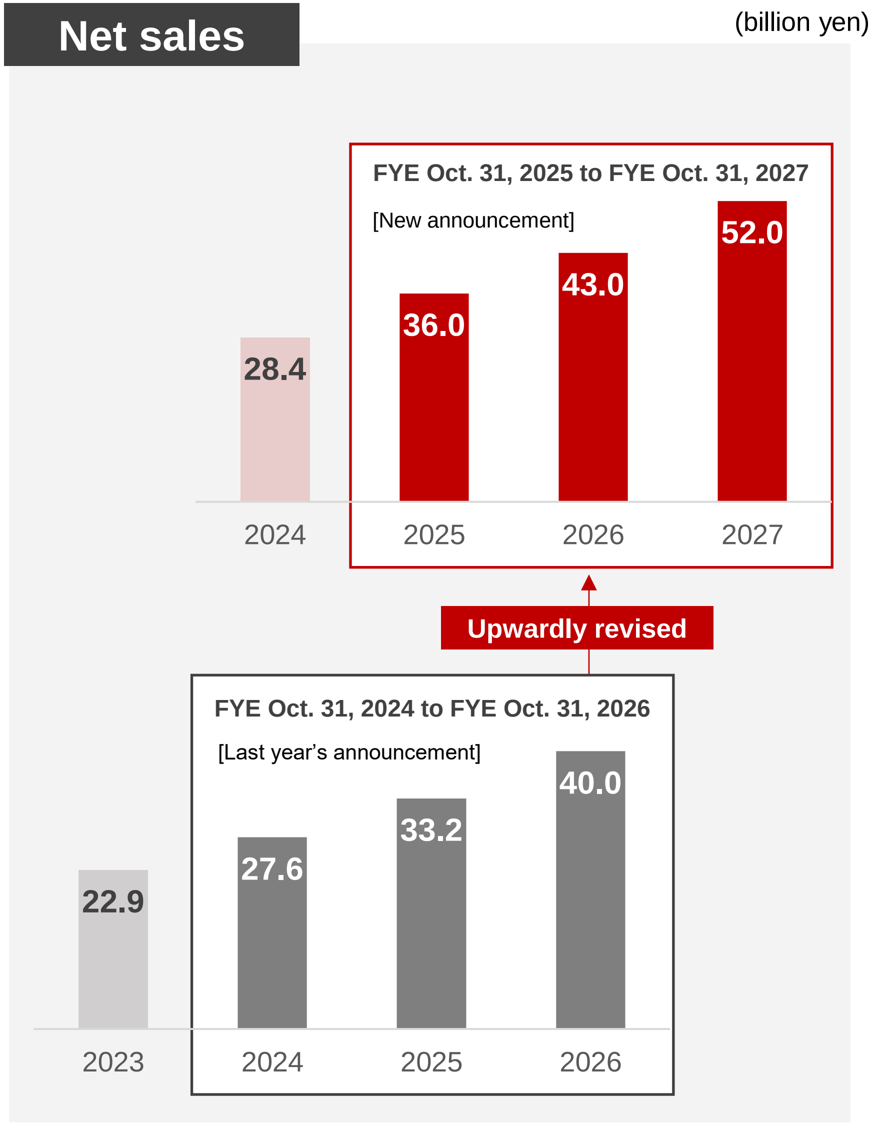
*For FYE October 31, 2026 and 2027, planned figures assume that existing store sales is 100% YoY.

		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

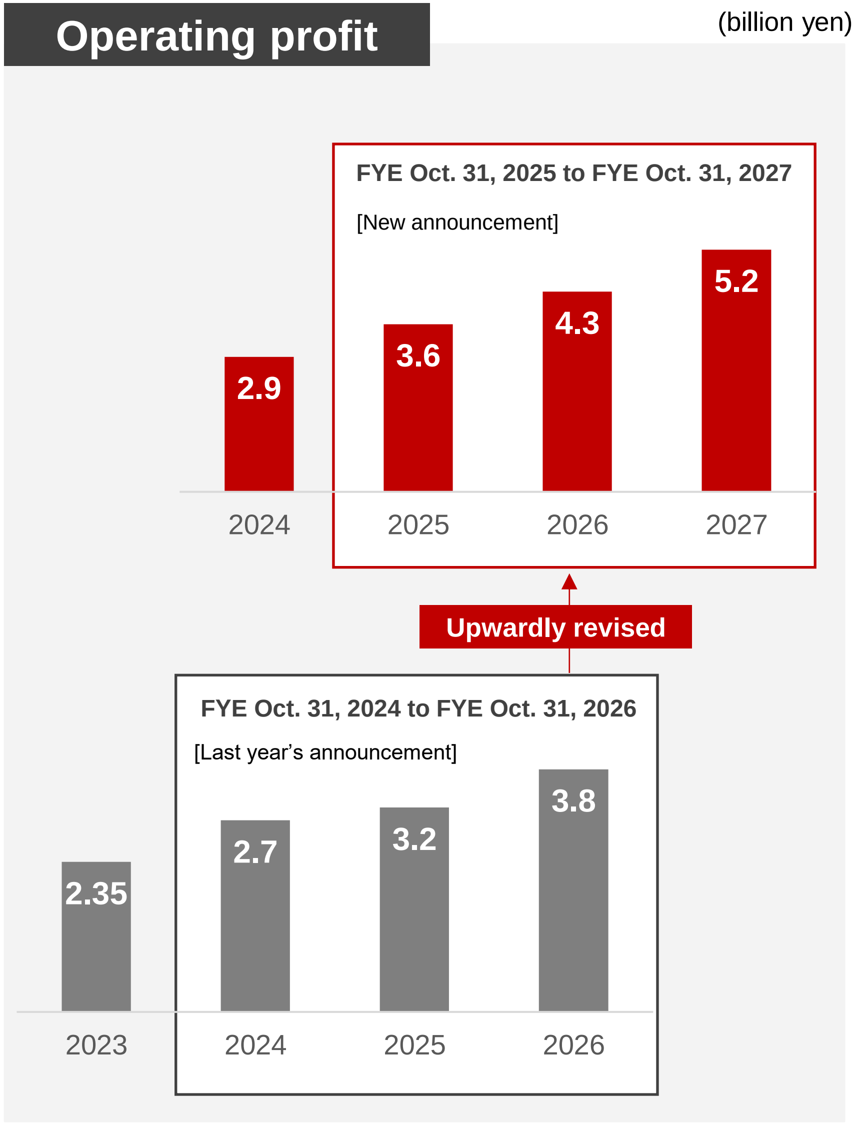
Variance Against the Previously Announced Medium-term Business Plan

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

Net sales



Operating profit



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

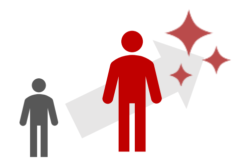
PICK UP **Recruitment** Initiatives to secure human resources

■ Strengthening recruitment capability

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

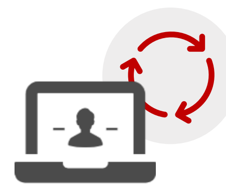
■ Measures to reduce turnover

✓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

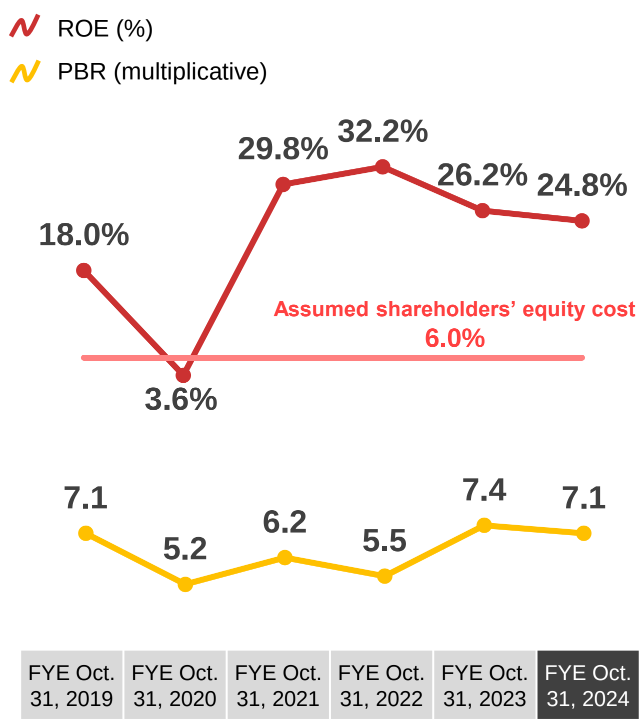
Improve distribution quality at less cost

- 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

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

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.

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