GIFT

GIFT HOLDINGS INC. Securities Code 9279

Results Briefing Materials for the Three Months Ended January 31, 2025

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Actual performance and results may differ significantly due to changes in a variety of factors.

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01 Financial Highlights for the Three Months Ended January 31, 2025

Financial Summary

Net sales	Operating profit	Ordinary profit
8,504 million yen	774 million yen	773 million yen
Year-on-year: +24.9%	YoY: -14.7%	YoY: -16.1%

Overview of financial results

Leading one-time expenses because of the increase in unexpected cost increases, particularly for cabbage and rice as well as aggressive store openings. Also, there was excessive revenue during the same period of the previous year from the deviation in the timing of the price revision. However, this fell during the current period, resulting in a significant increase in sales but a decrease in profit.

Steady store openings	The majority of **lease agreement** for the annual store opening target of company-owned stores have been **concluded**. We will proceed with securing human resources and continue opening stores in a steady manner during the current fiscal year as well.
Recruitment	Implemented **substantial wage increases** in January while proceeding with promoting cast to regular employees to **secure human resources** in a timely and appropriate manner.
Strengthening production systems	We are strengthening our production system to **improve the in-house production ratio** while strengthening the production system against increasing demand.

Financial Highlights for the Three Months Ended January 31, 2025

Growth and Profitability

Net sales growth

24.9%
(Annual goal: 20.0%)

Operating profit margin

9.1%
(Annual goal: 10.0%)

YoY Change in Net Sales of Company-owned Stores

All company-owned stores in Japan

128.3%

Existing company-owned stores in Japan

Full business day
106.8%
(Annual goal: 105.0%)

Excludes refurbished stores
107.3%

Stores Opened in the Period

Company-owned stores

10 stores
(Annual goal: 52 stores)

Produced & franchise stores

12 stores
(Annual goal: net increase of 52 stores)

Man-hour Productivity

Net sales per labor hour

Consolidated
6,566 yen
(Same period of the previous year: 6,713 yen)

Company-owned stores
6,642 yen
(Same period of the previous year: 6,492 yen)

Labor cost rate

Consolidated
26.7%
(Same period of the previous year: 25.8%)

Company-owned stores
23.8%
(Same period of the previous year: 23.4%)

Recruitment and Retention

Hiring employees

Newly hired 17 mid-career employees
Plan to hire 60 new graduates

Number of employees
641 people

Retirement rate

11.9%
(Same period of the previous year: 14.7%)

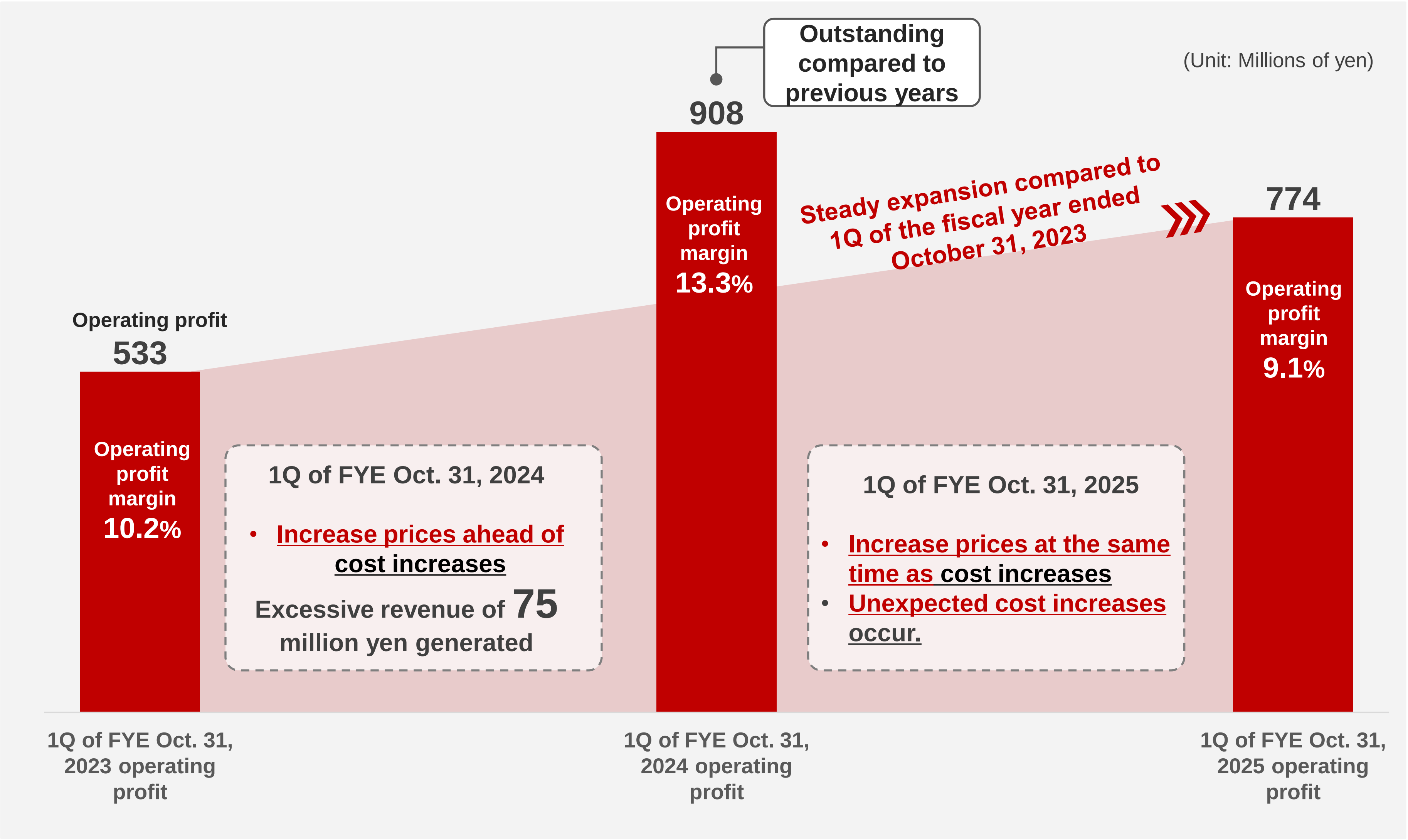
26.6% Industry average*

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

Analysis of Changes in Operating Profit (3 Years)

After anticipating increased costs in the previous 1Q, we have increased prices in advance, which generated excessive revenue.

Costs increased during this 1Q while we increased prices at the same time. There were also unexpected cost increases.

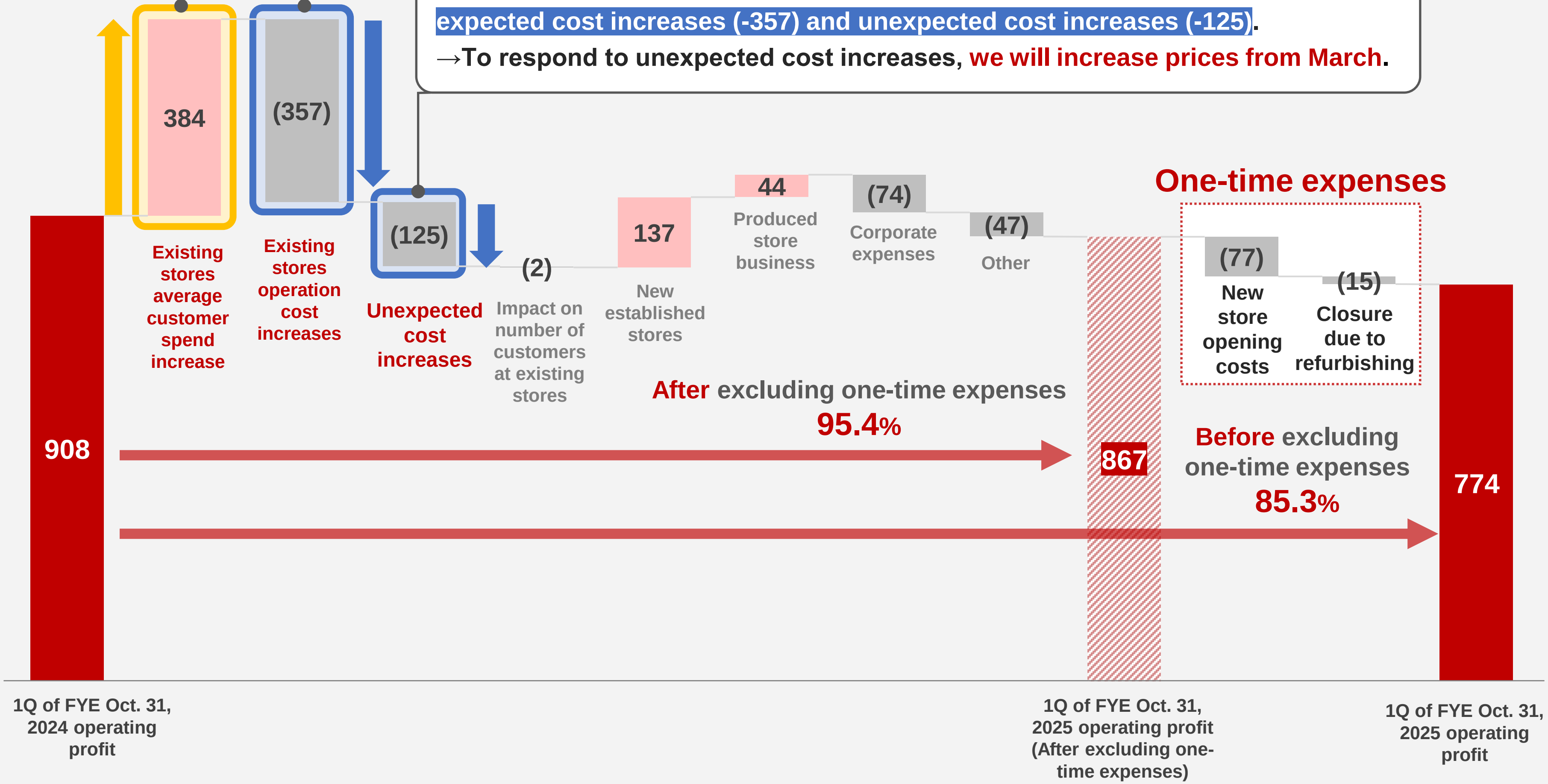


Analysis of Changes in Operating Profit (1Q, 3-months)

Although there was a profit effect due to the increase in prices, profit was approximately minus 15% year-on-year because of the increase in raw materials and labor costs which exceeded this.

(Unit: Millions of yen)

The profit effect due to the increase in prices (+384) was unable to cover the expected cost increases (-357) and unexpected cost increases (-125).
→To respond to unexpected cost increases, we will increase prices from March.



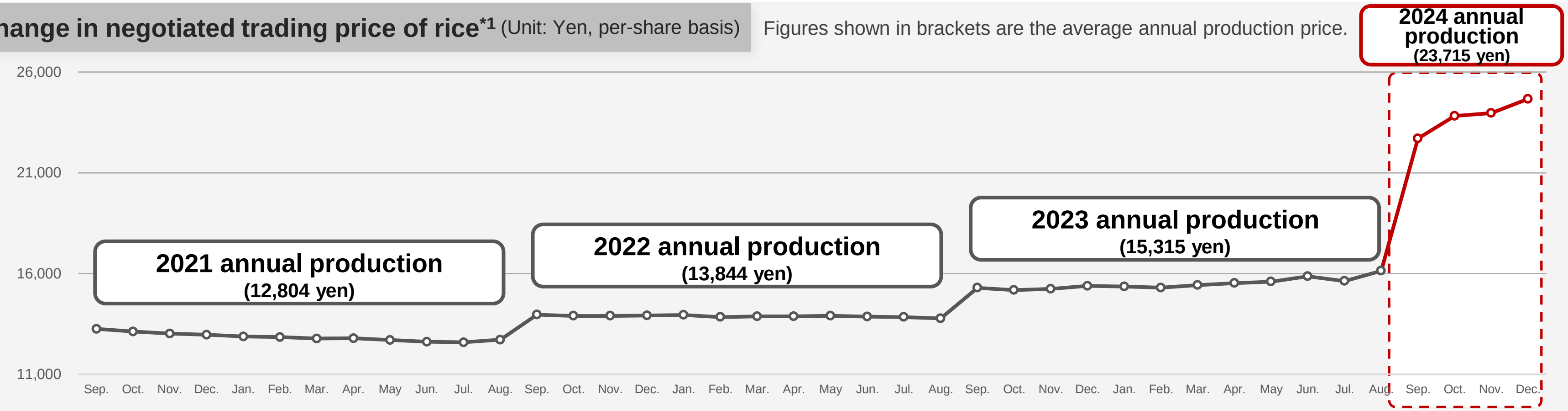
Unexpected Cost Increases

Rice, cabbage and labor cost increased unexpectedly.

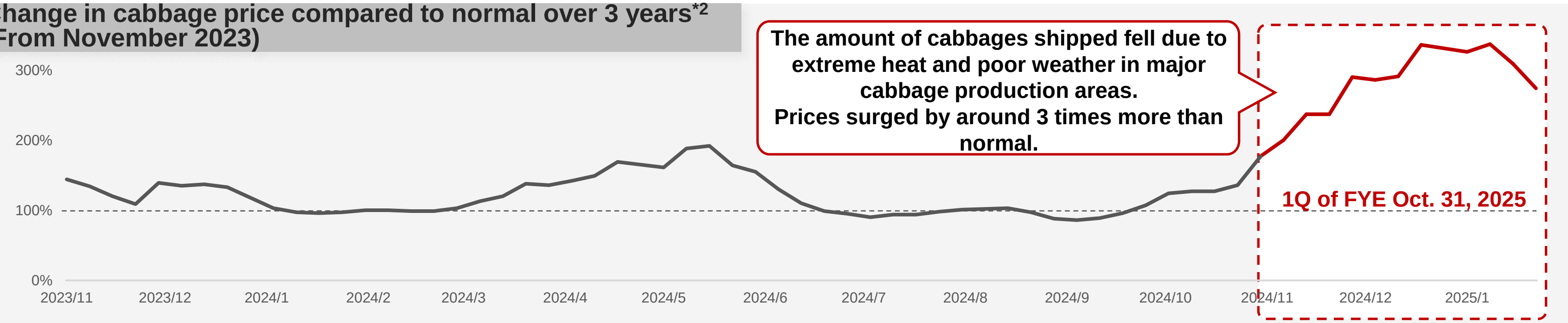
Rice remains high but cabbage is forecast to stabilize.

Raw materials		Labor cost		Total
-48 million yen	+	**-76 million yen**	=	**-125 million yen**

Change in negotiated trading price of rice[*1] (Unit: Yen, per-share basis) Figures shown in brackets are the average annual production price.



Change in cabbage price compared to normal over 3 years[*2] **(From November 2023)**



*1: The average annual production price of 1st grade rice including shipping fees, packing costs and consumption tax equivalent based on the Ministry of Agriculture, Forestry and Fisheries "Report on Rice Trade" is the average price for the full year from the supply of the relevant annual production until October of the following year (2024 annual production is a preliminary figure from supply until December 2024).
*2: Ministry of Agriculture, Forestry and Fisheries "Food Price Trend Survey (normal year comparison)"

Impact on Operating Profit due to Refurbishing Closures and New Stores

From 2Q of the current fiscal year, the impact of refurbishing closures is expected to contribute positively to operating profit.

30 stores have not yet been refurbished and the refurbishment is expected to be completed for 16 stores during the current fiscal year and for 14 stores during the next fiscal year.

FYE Oct. 31, 2023

	1Q	2Q	3Q	4Q	Total
Refurbishing closure	0.9 months (1 store)	5.5 months (5 stores)	1.7 months (2 stores)	3.3 months (5 stores)	11.3 months (13 stores)
New stores	8 stores	9 stores	7 stores	4 stores	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
Refurbishing closure	1.9 months (1 store)	8.0 months (4 stores)	17.7 months (13 stores)	7.1 months (5 stores)	34.7 months (23 stores)
New stores	6 stores	8 stores	12 stores	16 stores	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 (1Q is actual results, 2Q and later is projection)

	1Q	2Q	3Q	4Q	Total
Number of refurbishing closure months	5.3 months (3 stores)	*Approx. 6.0 months/Q forecast			23.1 months (16 stores)
New stores	10 stores	Pending	Pending	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

*The impact on operating profit for new stores is the cost involved in opening stores.

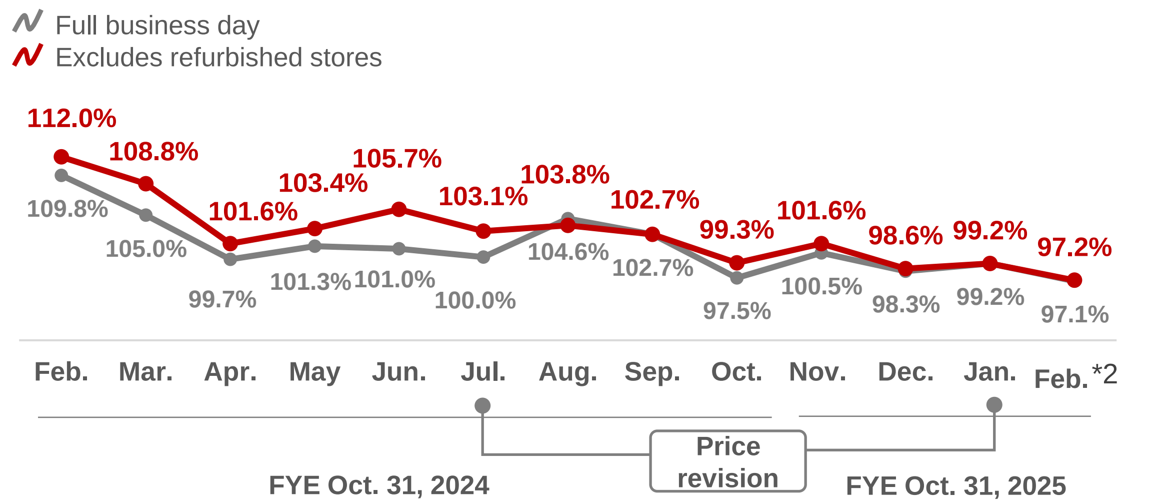
Impact of Price Revisions

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 significantly. Sales and customer numbers are both steady.

Most recent price revision
July 2024: approximately 5%
January 2025: approximately 2%

Number of customers (year-on-year comparison)*1



*1 Conditions for February 2024 to February 2025 in existing stores
*2 There was one less business day in February 2025, due to the absence of a leap day, compared to February 2024.

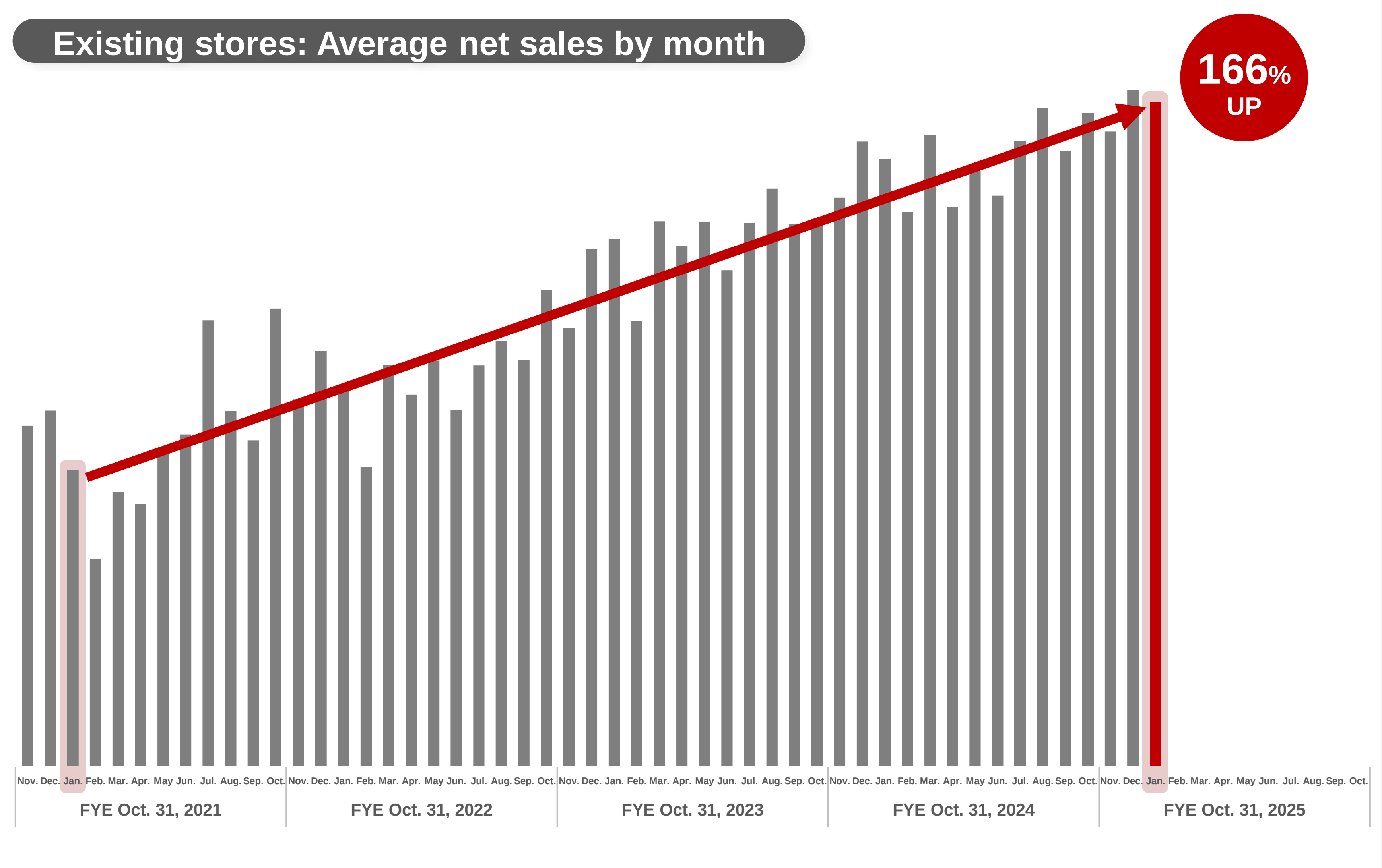
Year-on-year % change (compared to 1Q of FYE Oct. 31, 2024)*

	Net sales (yen)	Number of customers (persons)	Average customer spend (yen)
Full business day	106.8%	99.3%	107.5%
Excludes refurbished stores	107.3%	99.8%	107.5%

*Conditions for November 2024 to January 2025 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.



Overseas Expansion

Mainly opened company-owned stores in North America, which has a significant food service market.

Mainly opened franchise stores in Asia.

Total number of stores overseas **30 stores**

Company-owned stores 4 stores	
US	3 stores
China	1 store

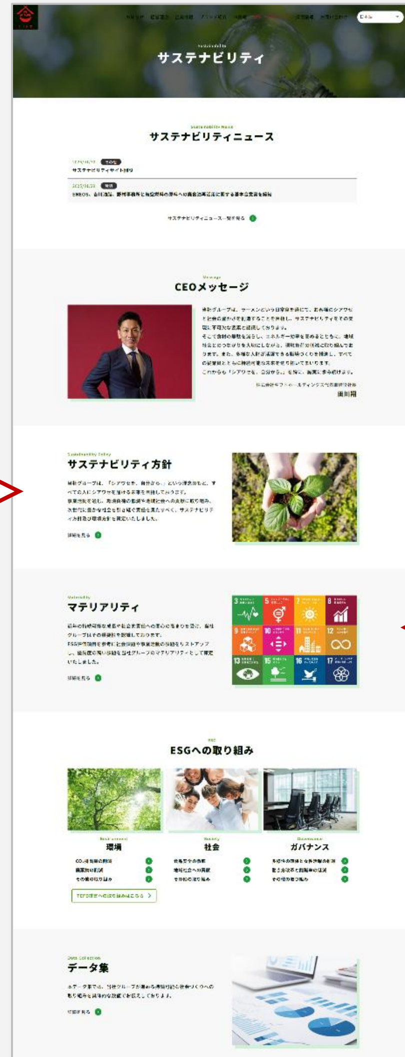
Franchise stores 12 stores	
Thailand	1 store
Vietnam	4 stores
Cambodia	1 store
Philippines	2 stores
Korea	2 stores
Hong Kong	1 store
Mongolia	1 store

Produced stores 14 stores	
US	1 store
Malaysia	2 stores
Philippines	2 stores
Taiwan	6 stores
Hong Kong	1 store
Thailand	1 store
Vietnam	1 store

Establishing a Sustainability Website

In addition to activities for local communities and initiatives to reduce the environmental burden through business activities, the website provides information on the three important issues (materiality) and various types of policies to achieve sustainability.

Sustainability policy



Materiality

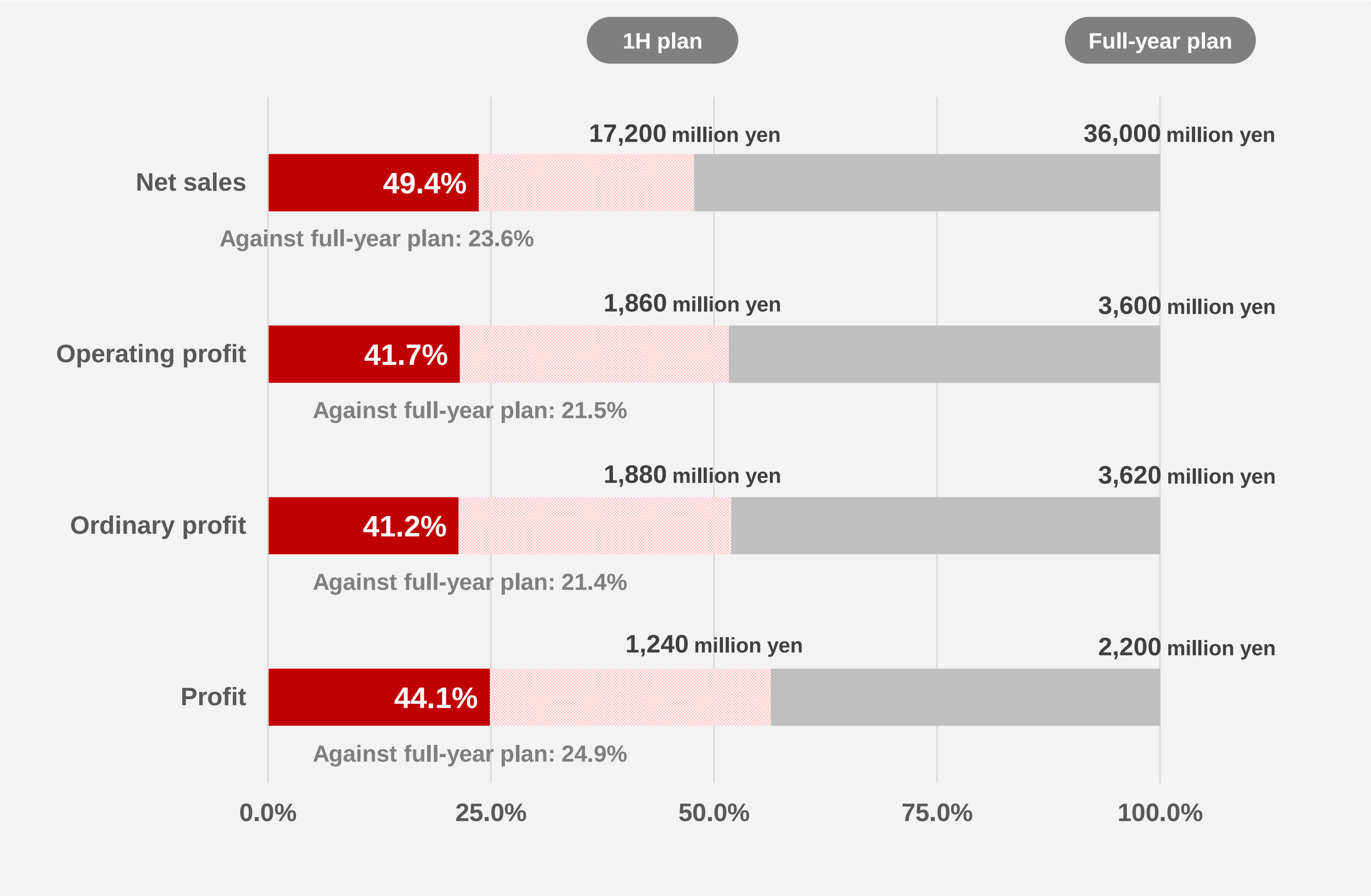
[Click here to view the sustainability website.]

02 Overview of Financial Results for the Three Months Ended January 31, 2025

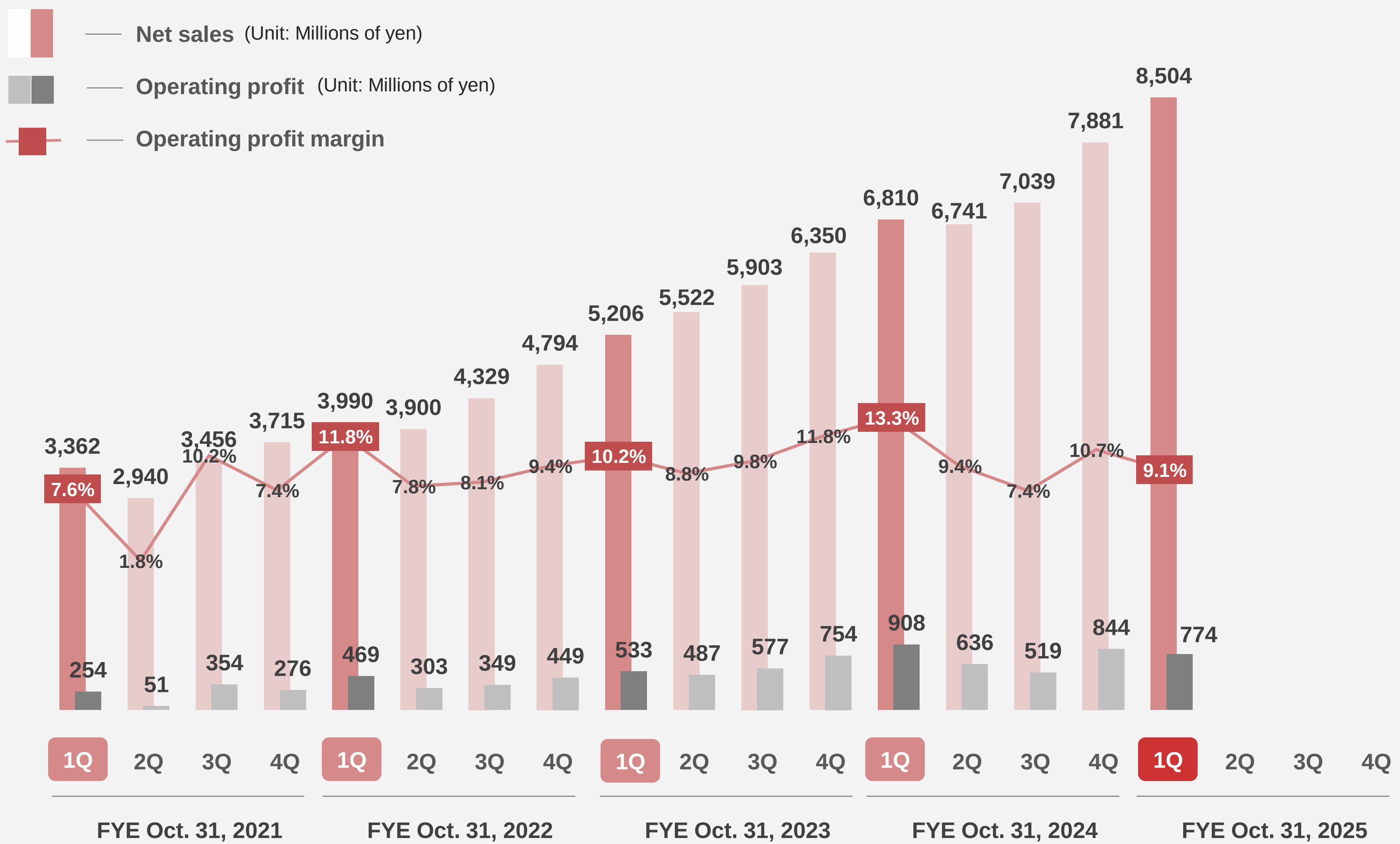
Statements of Income

(Unit: Millions of yen)	Three months ended January 31, 2024 Amount	Percentage to sales	Three months ended January 31, 2025 Amount	Percentage to sales	Year-on-year % change	Compared to plan 1H plan	Progress	Full-year plan	Progress
Net sales	6,810	-	**8,504**	**-**	**+24.9%**	17,200	49.4%	36,000	23.6%
Cost of sales	2,210	32.5%	2,861	33.6%	+29.4%	-	-	-	-
Gross profit	4,600	67.5%	**5,642**	**66.4%**	**+22.7%**	-	-	-	-
Selling, general and administrative expenses	3,691	54.2%	4,868	57.2%	+31.9%	-	-	-	-
Operating profit	908	13.3%	**774**	**9.1%**	**(14.7%)**	1,860	41.7%	3,600	21.5%
Ordinary profit	921	13.5%	**773**	**9.1%**	**(16.1%)**	1,880	41.2%	3,620	21.4%
Quarterly profit attributable to owners of parent	620	9.1%	**547**	**6.4%**	**(11.8%)**	1,240	44.1%	2,200	24.9%

Progress Rate vs. Plan (1H progress)



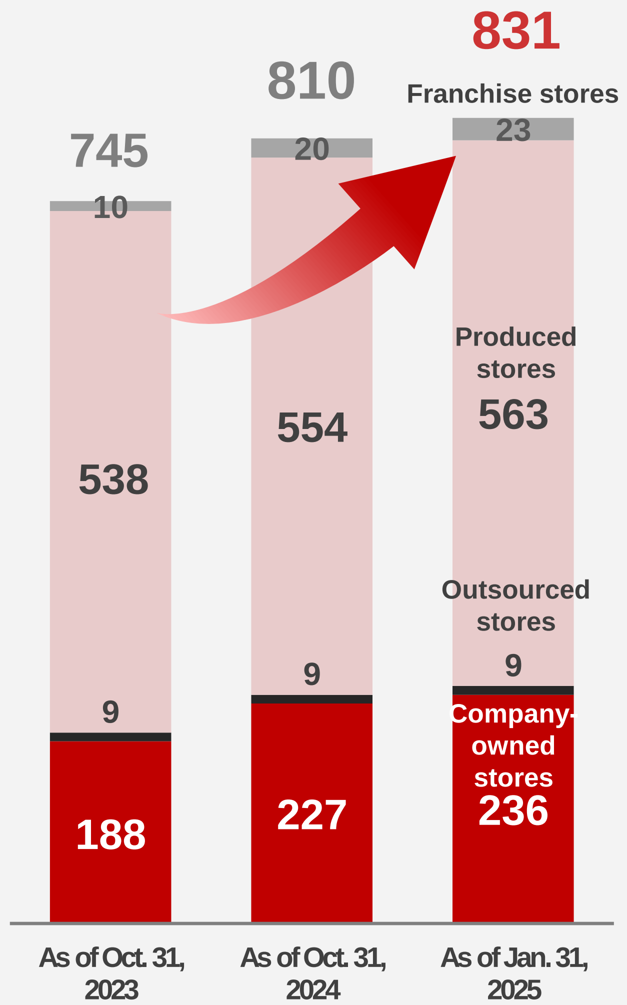
Quarterly Trends in Net Sales and Operating Profit



Open up Stores

+21 stores compared to the end of the previous fiscal year

	As of Oct. 31, 2024		As of Jan. 31, 2025
Produced stores	554 stores	›››	563 stores
Franchise stores	20 stores	›››	23 stores
Outsourced stores	9 stores	›››	9 stores
Company-owned stores	227 stores	›››	236 stores
Total number of stores	810 stores	›››	831 stores



03 Forecasts for the Fiscal Year Ending October 31, 2025 (Unchanged)

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 stores overseas

Net increase of **51** stores

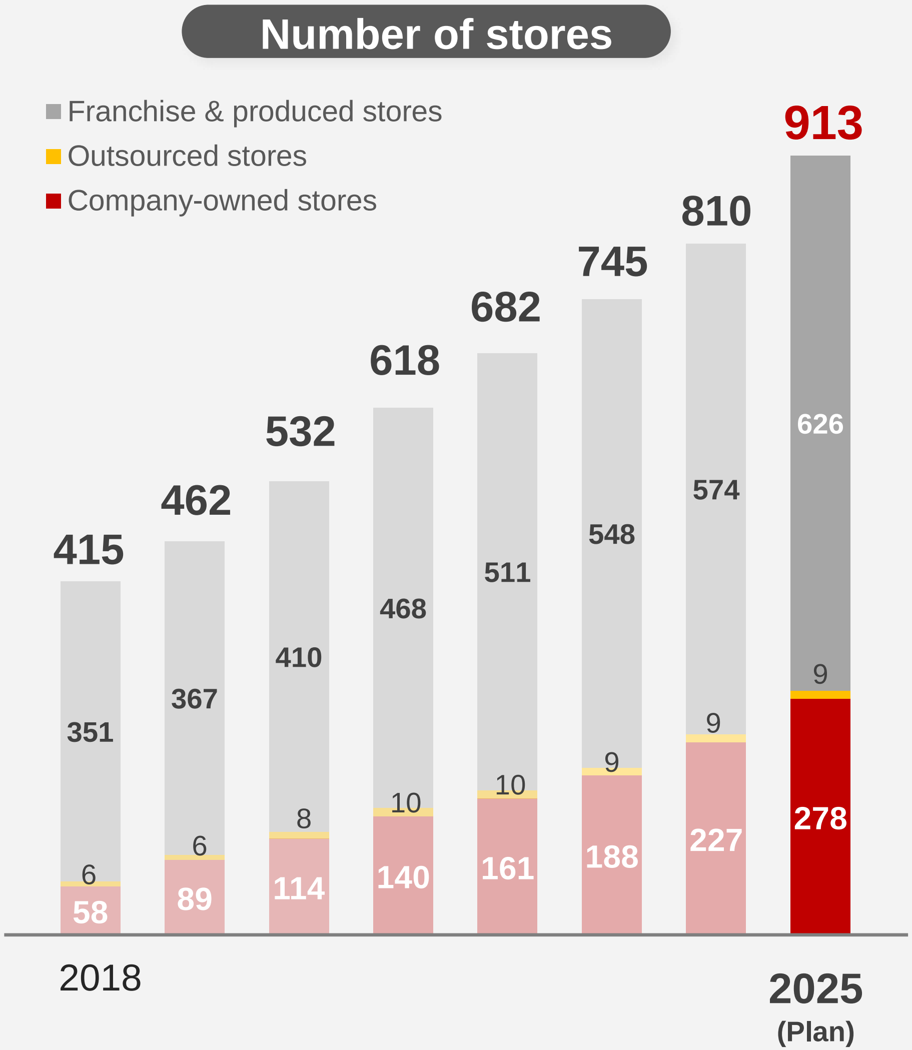
Franchise & produced stores

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

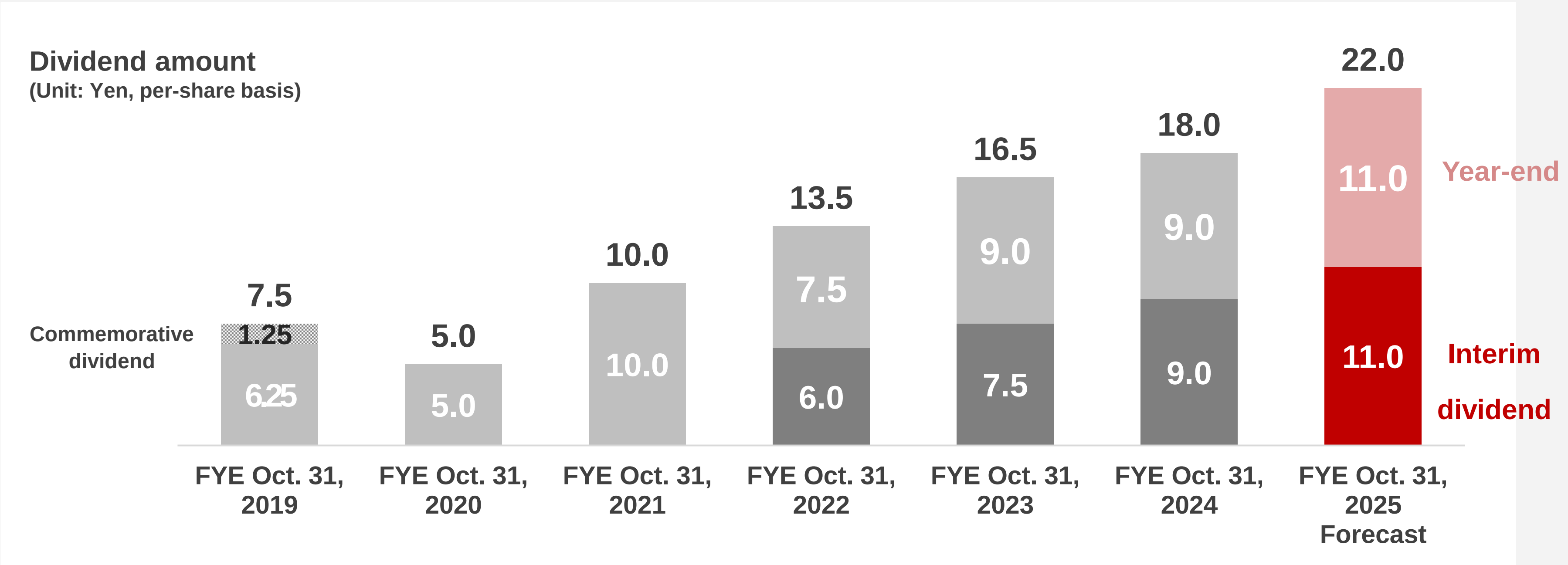
Company-owned stores: **+51** stores

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, 2024	FYE Oct. 31, 2027	
Net sales: 28.4 billion yen Operating profit: 2.9 billion yen Number of stores: 810	Net sales: 52.0 billion yen Operating profit: 5.2 billion yen Number of stores: 1,156	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

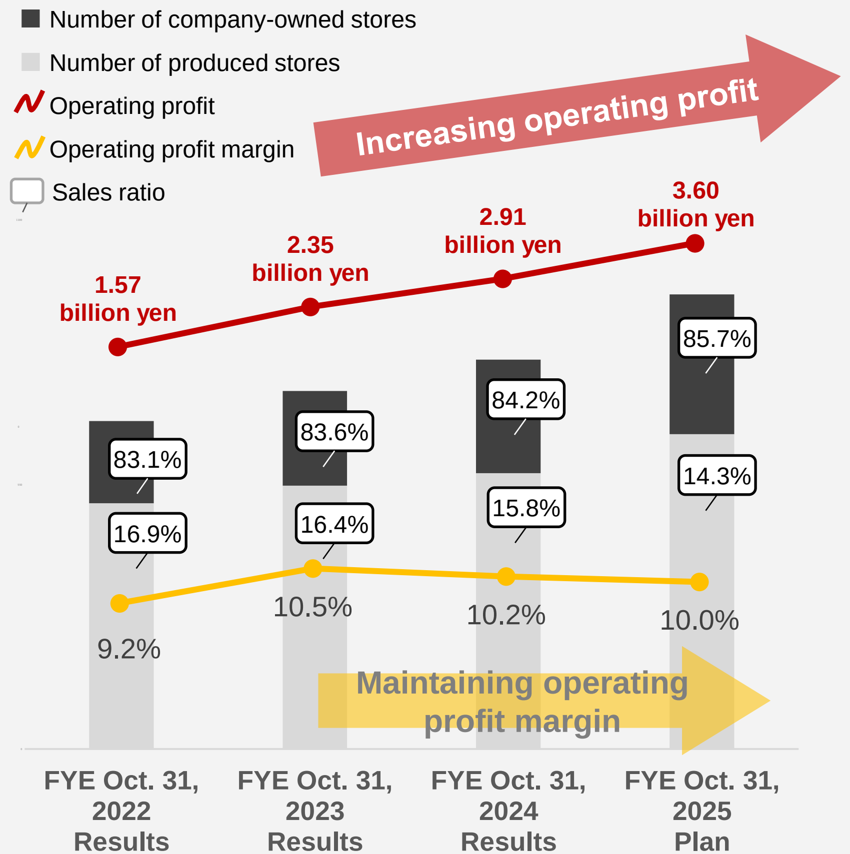
Aim to **maximize net sales and profit**

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.

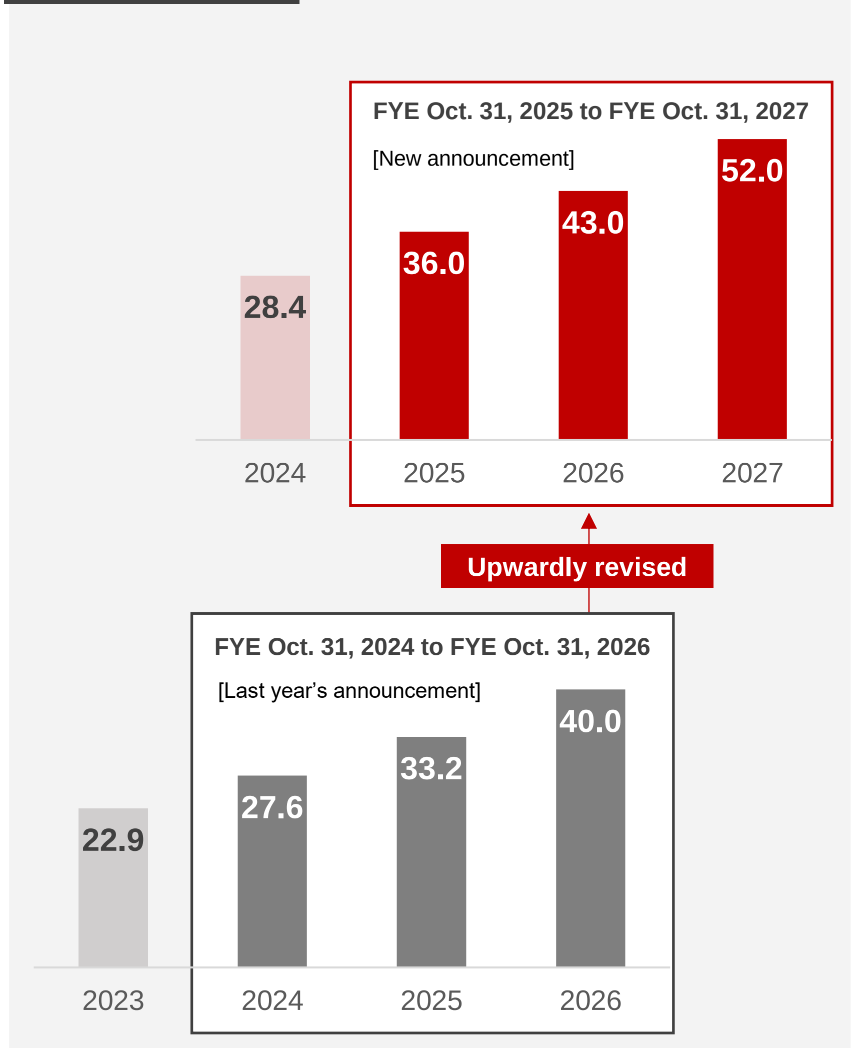
		2023	2024	2025	2026	2027
Japan	Total number of stores	726 stores	783 stores	873 stores	973 stores	1,083 stores
	Company-owned stores	194 stores	232 stores	282 stores	342 stores	412 stores
	Franchise & produced stores	532 stores	551 stores	591 stores	631 stores	671 stores
Overseas	Total number of stores	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.

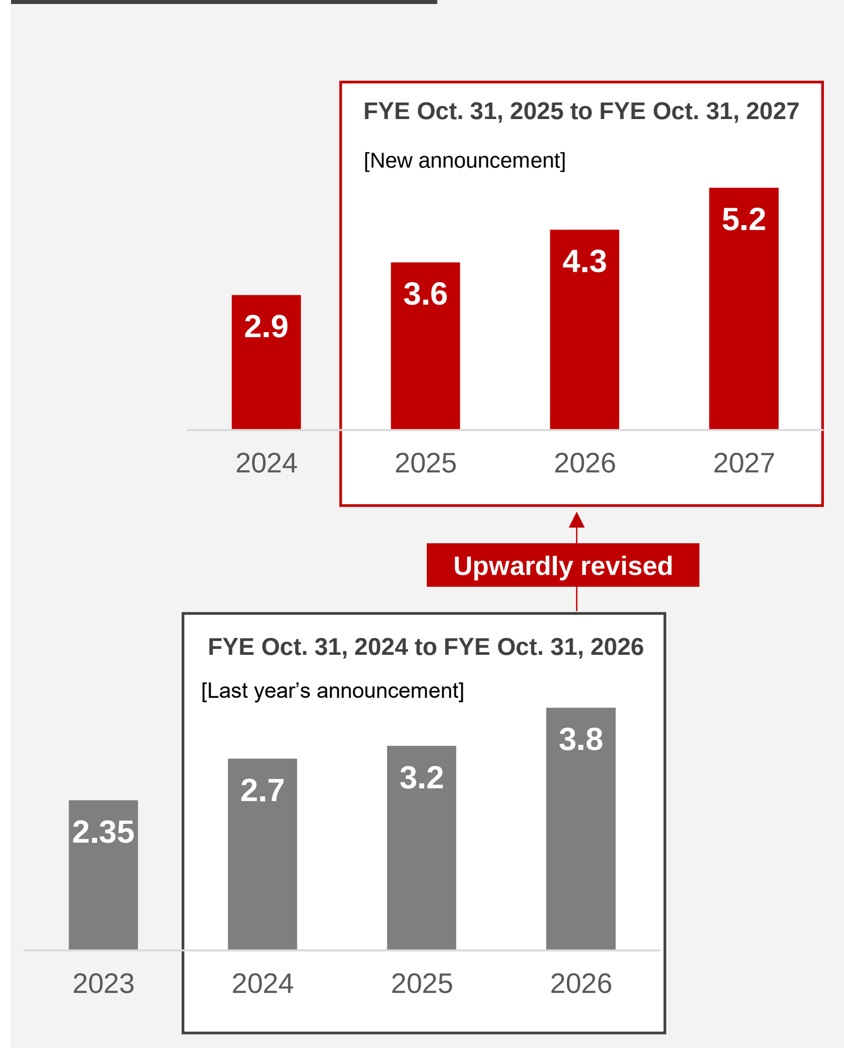
Net sales

(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

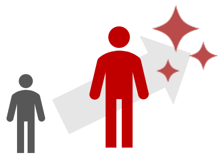
PICK UP **Recruitment** Initiatives to secure human resources

■ Strengthening recruitment capability

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

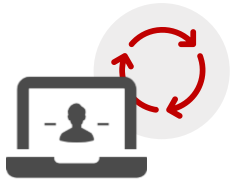
■ Measures to reduce turnover

✓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

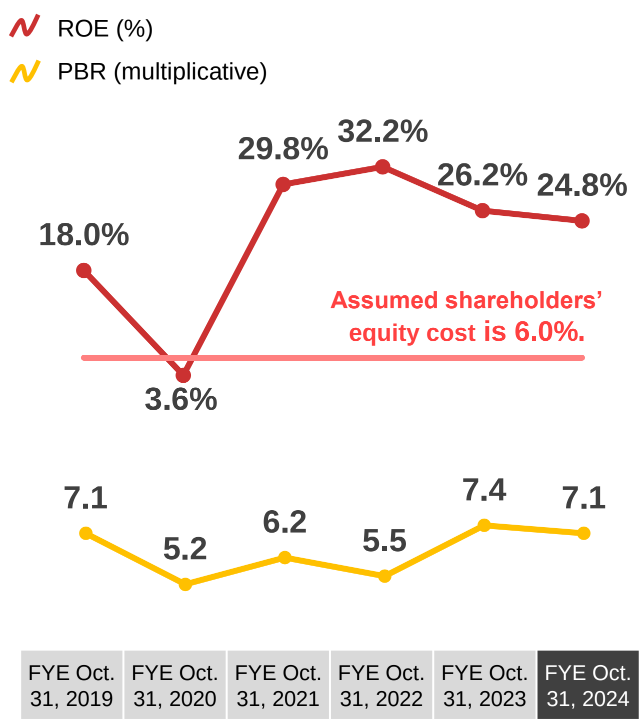
Improve distribution quality at less cost

- 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	Assumes 2 to 3% by adding our company's growth rate to the long-term economic growth rate.
Risk free rate	Refer to the standard 10-year Japanese bond yield.
Stocks β	Sensitivity of our stocks and TOPIX volatility

Management Initiatives That Consider the Capital Cost

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

Dialogue situation (annual)

Results for FYE Oct. 31, 2024

Individual meetings for analysts and institutional investors

298 times

Of which in Japan 231 times

Of which overseas 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**

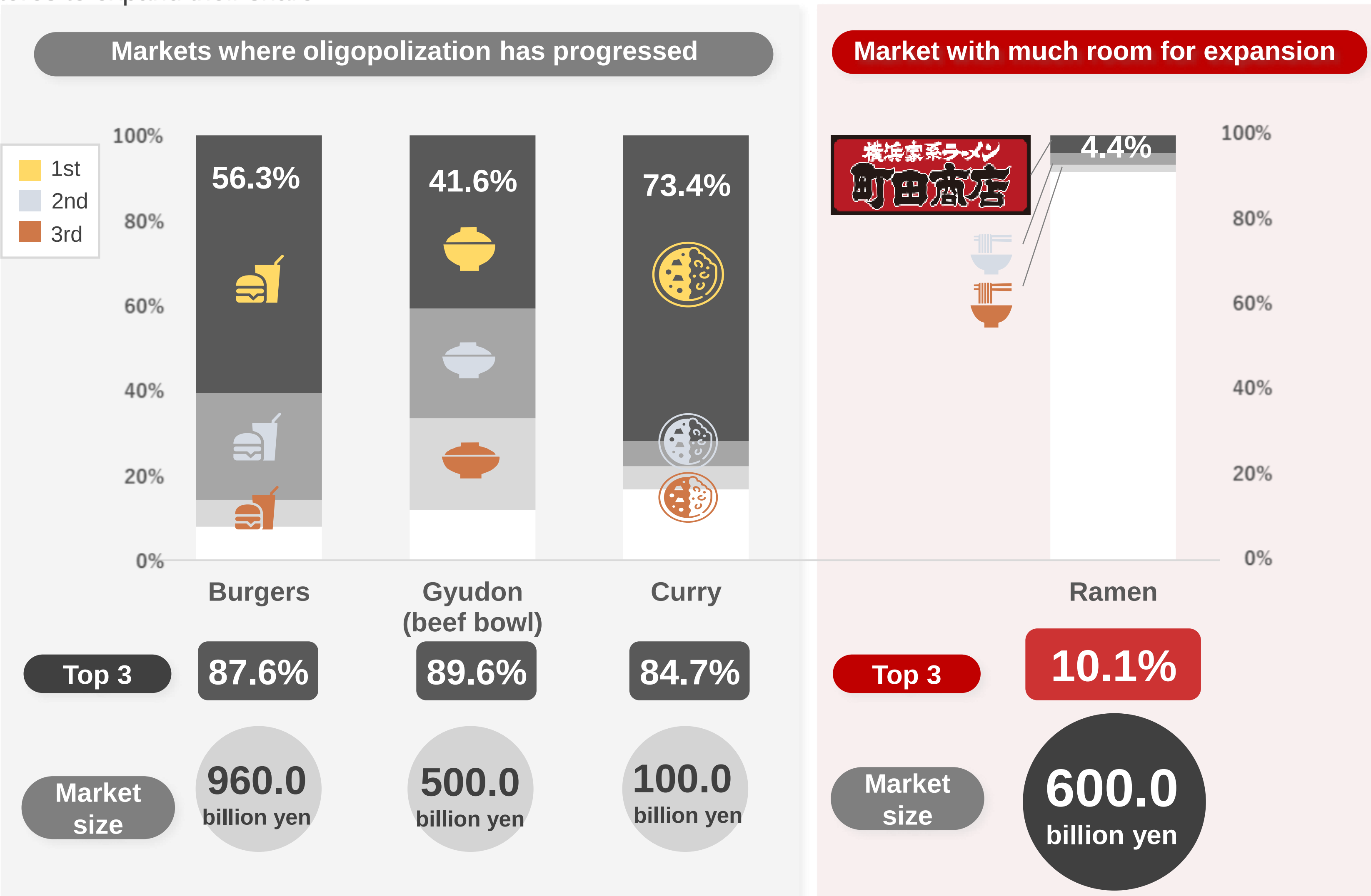
05 Appendix

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	824 million yen (as of January 31, 2025)
Group employees	641 employees, 5,976 part-time and casual workers (as of January 31, 2025)
Affiliates	15 consolidated subsidiaries (Names of major consolidated subsidiaries) GIFT INC. 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

Business Details

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

Company-owned stores

245 stores *Including outsourced stores

The Company operates stores under its own brands centered on EAK ramen brand Machida Shoten (Refer to the previous pages for other brands).

Produced stores

586 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 → Provide operating expertise → Produced stores

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

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

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**

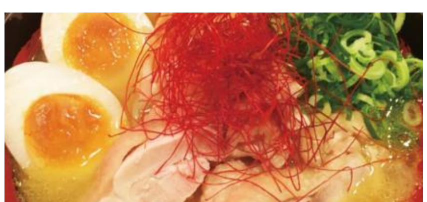
A “wild pork mountain ramen” characterized by thick and tender pork and a plentiful helping of vegetables. The powerful soup combined with the sweet soy sauce and chewy “washiwashi” noodles provide a filling experience!

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
IEKEI

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

Overseas

Machida Shoten
IEKEI

Provides “IEKEI” ramen overseas with the same quality as company-owned domestic stores in terms of taste, space and service!

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

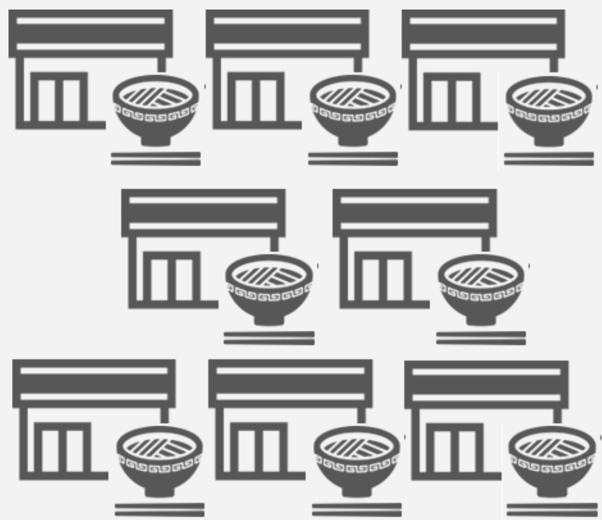
- Maintain high level of sales for existing stores
- Effectively zero store closures since establishment

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.

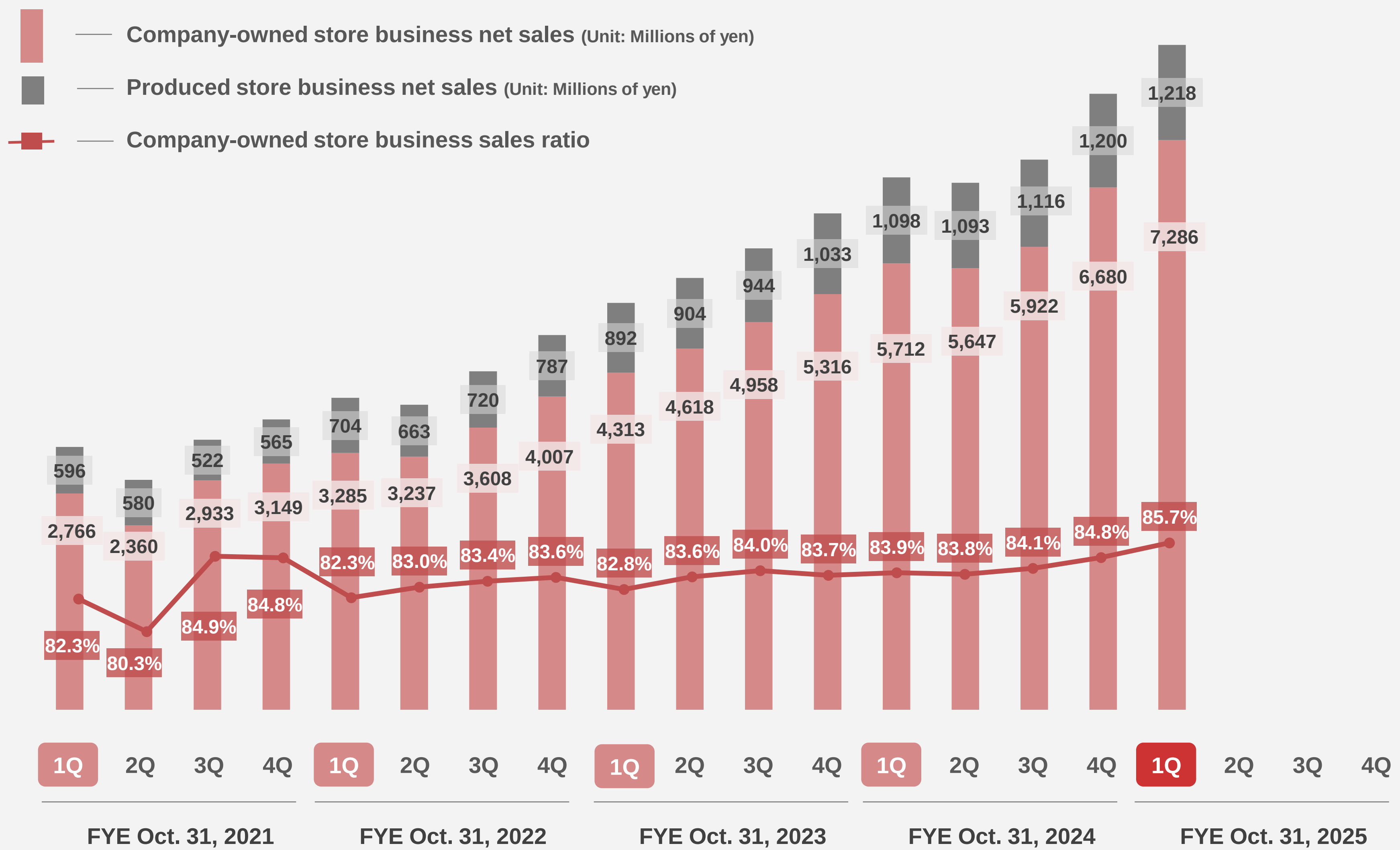
Differences Between Produced Stores and Franchise Stores

	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

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, 2023				FYE Oct. 31, 2024				FYE Oct. 31, 2025			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Number of stores (stores)	**Overall**	**709**	**730**	**741**	**745**	**755**	**773**	**797**	**810**	**831**			
	Company-owned in Japan	165	174	181	185	190	197	209	223	232			
	Company-owned foreign	3	3	3	3	3	3	3	4	4			
	Outsourced stores	9	9	9	9	9	9	9	9	9			
	Produced & franchise	532	544	548	548	553	564	576	574	586			
Cost of sales rate (%)		**31.8**	**32.4**	**32.6**	**32.1**	**32.5**	**32.0**	**32.5**	**31.6**	**33.6**			
Selling, general and administrative expenses rate (%)		**57.9**	**58.8**	**57.6**	**56.0**	**54.2**	**58.6**	**60.2**	**57.6**	**57.2**			
Of which, Labor cost rate (%)		**25.8**	**26.6**	**27.6**	**25.8**	**25.8**	**27.1**	**27.6**	**26.7**	**26.7**			

Status of Stores (Breakdown of Change)

(Number of stores)		Number of stores as of October 31, 2024	Number of stores as of January 31, 2025	Change
Company-owned stores	Hokkaido	0	0	-
	Tohoku	22	24	+2
	Kanto and Koshin	147	153	+6
	Hokuriku	0	0	-
	Tokai	36	37	+1
Net sales 7,286 million yen	Kinki	17	17	-
	Chugoku and Shikoku	1	1	-
	Kyushu and Okinawa	0	0	-
	Overseas	4	4	-
	Subtotal	**227**	**236**	**+9**
	Outsourced stores	**9**	**9**	**-**
	Total	**236**	**245**	**+9**
Produced stores	Hokkaido	18	18	-
	Tohoku	18	18	-
	Kanto and Koshin	325	328	+3
	Hokuriku	14	14	-
	Tokai	59	62	+3
	Kinki	48	50	+2
Net sales 1,218 million yen	Chugoku and Shikoku	31	31	-
	Kyushu and Okinawa	27	28	+1
	Overseas	14	14	-
	Subtotal	**554**	**563**	**+9**
	Franchise stores in Japan	**11**	**11**	**-**
	Franchise stores overseas	**9**	**12**	**+3**
	Total	**574**	**586**	**+12**
	Total number of stores	**810**	**831**	**+21**

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

“Machida Shoten” and “GANSO ABURADO” are expanding.

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	赤 元祖 みそ家 麺
Number of stores	**158**	**40**	**23**	**5**	**4**
Change compared to end of the previous fiscal year	+5	+1	+3	(1)	-

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	**2**	**1**	**3**	**12**	**11**
Change compared to end of the previous fiscal year	-	-	-	+2	+2

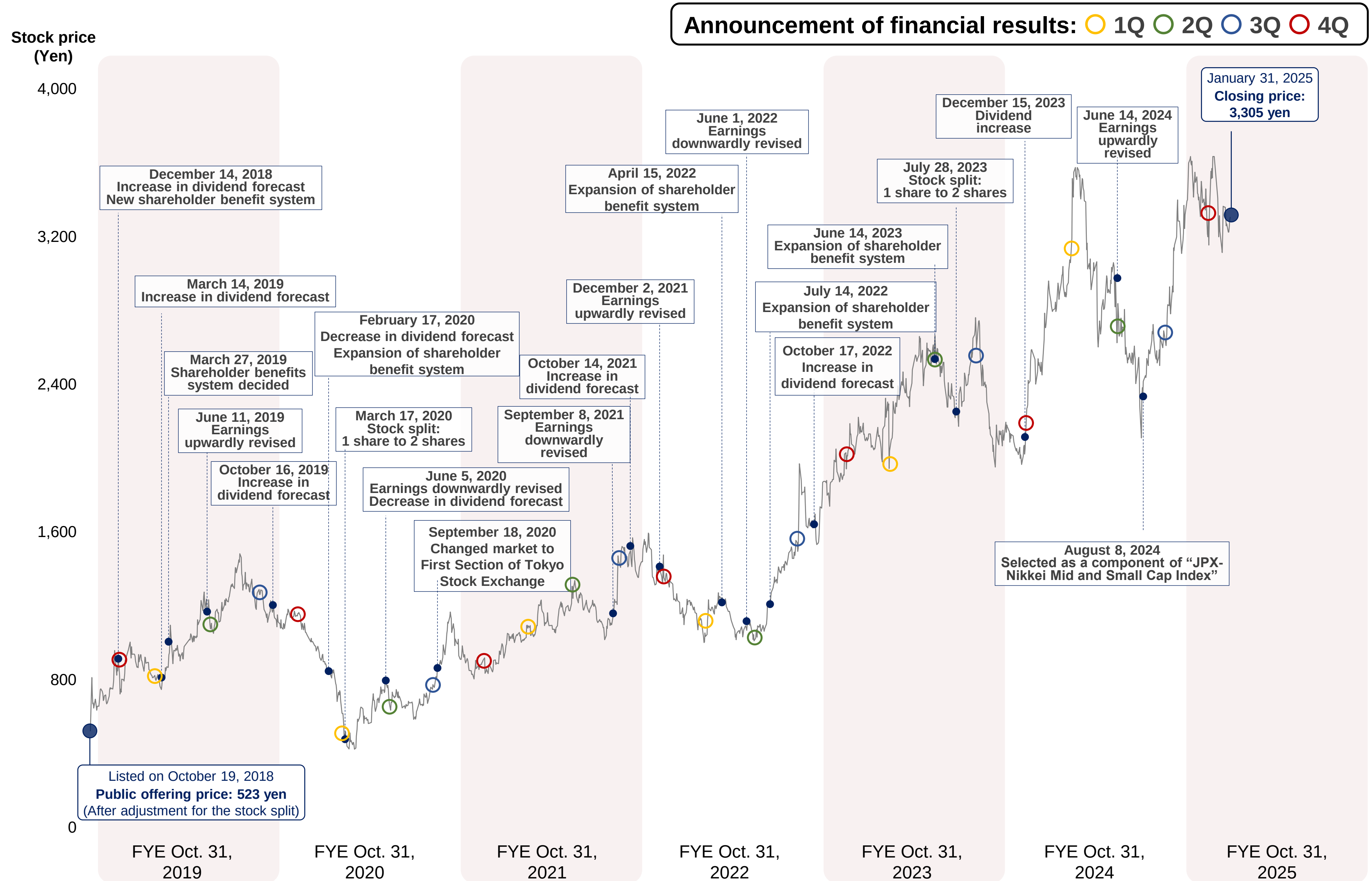
B/S Summary

(Unit: Millions of yen)	As of Oct. 31, 2024	As of Jan. 31, 2025	Change
Current assets	**4,368**	**4,511**	**+142**
Cash and deposits	2,442	2,447	+4
Accounts receivable - trade	714	761	+47
Other	1,211	1,301	+90
Non-current assets	**12,731**	**13,933**	**+1,202**
Property, plant and equipment	9,450	10,455	+1,004
Intangible assets	236	222	(13)
Investments and other assets	3,044	3,255	+211
Total assets	**17,099**	**18,444**	**+1,344**

(Unit: Millions of yen)	As of Oct. 31, 2024	As of Jan. 31, 2025	Change
Current liabilities	**5,356**	**5,865**	**+508**
Accounts payable - trade	931	885	(45)
Short-term borrowings	14	1128	+1,113
Current portion of long-term borrowings	1,198	1,294	+95
Other	3,212	2,556	(655)
Non-current liabilities	**3,365**	**3,693**	**+328**
Long-term borrowings	2,786	3,027	+240
Other	578	666	+87
Total liabilities	**8,722**	**9,559**	**+836**
Total net assets	**8,377**	**8,885**	**+507**
Share capital	824	824	+0
Capital surplus	1,052	1,052	+0
Retained earnings	6,278	6,645	+367
Treasury shares	(1)	(1)	-
Accumulated other comprehensive income	217	357	+140
Non-controlling interests	5	5	+0
Total liabilities and net assets	**17,099**	**18,444**	**+1,344**

Stock Price Trends (from Listing to January 31, 2025)

The stock price has risen by a little over 6 times since listing.



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_en.php

Disclaimer

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