



G I F T

GIFT HOLDINGS INC. Securities Code 9279

**Medium-term Business Plan
(FYE Oct. 31, 2024 to FYE Oct. 31, 2026)**



The opinions and forecasts contained in these materials are the judgments of the Company at the time of preparation of the materials, and do not guarantee the accuracy of the information therein. Actual performance and results may differ significantly due to changes in a variety of factors.

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



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

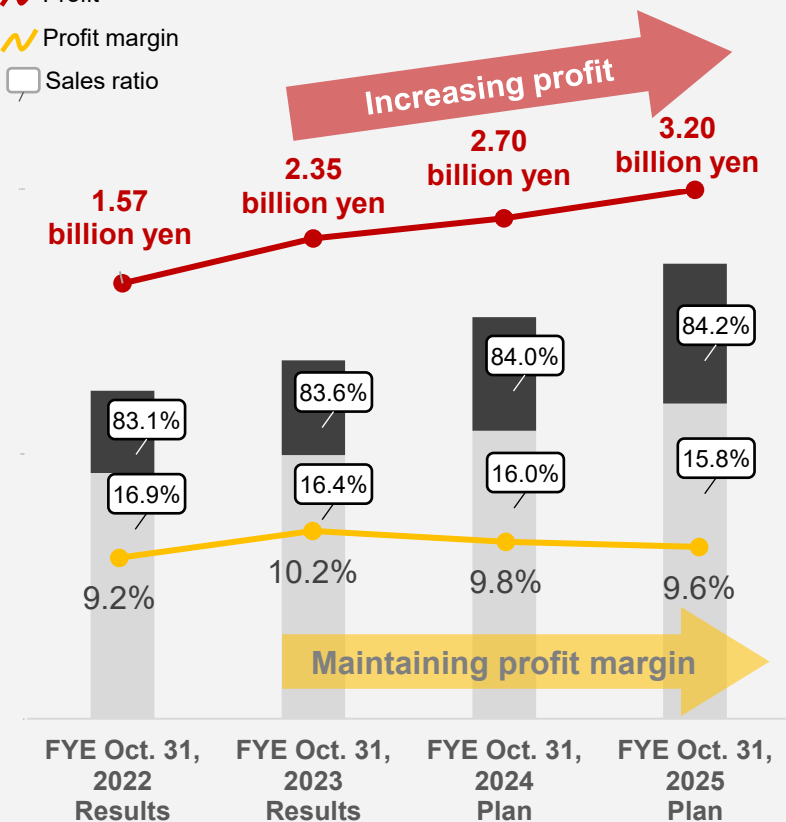
■ Number of company-owned stores

■ Number of produced stores

~ Profit

~ Profit margin

□ Sales ratio



Medium-term business plan (FYE October 31, 2024 to FYE October 31, 2026) / Quantitative plan



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)	27.6 (billion yen)	33.2 (billion yen)	40.0 (billion yen)
Operating profit	1.57 (billion yen)	2.35 (billion yen)	2.70 (billion yen)	3.20 (billion yen)	3.80 (billion yen)
Ordinary profit	2.44 (billion yen)	2.42 (billion yen)	2.74 (billion yen)	3.25 (billion yen)	3.86 (billion yen)

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

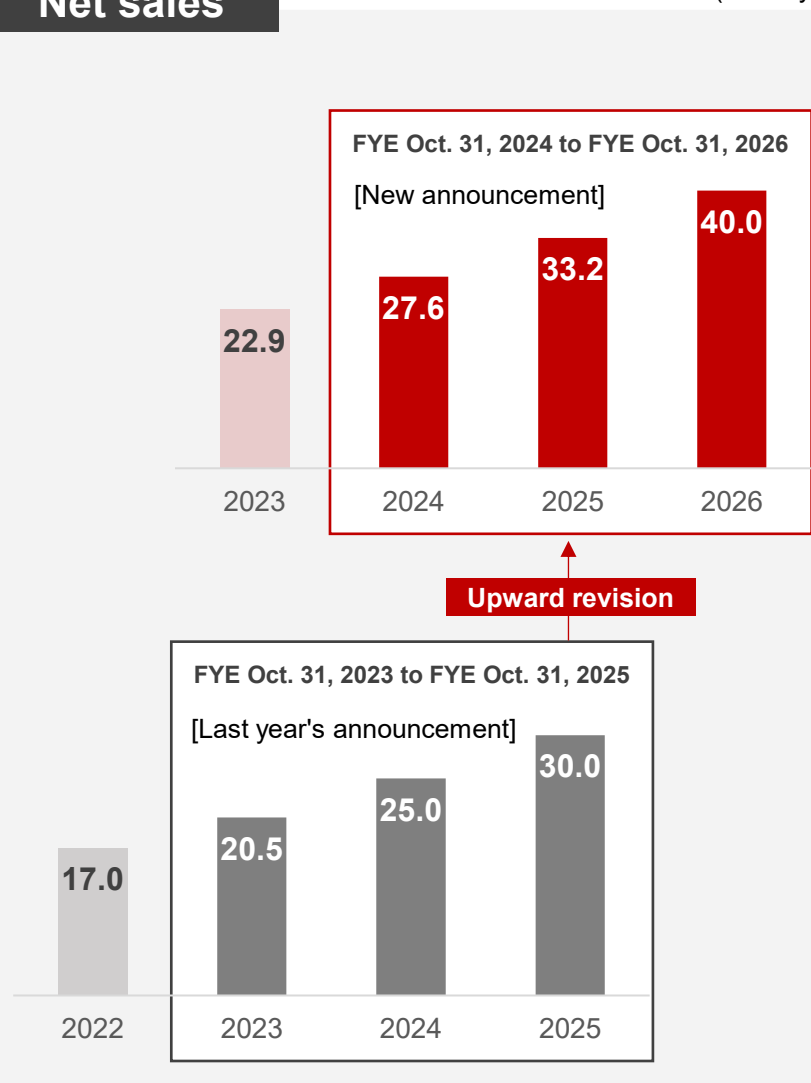


Upwardly revised due to strong performance of existing stores, etc.

Targets of 30.0 billion yen in net sales, 3.0 billion yen in operating profit to be achieved ahead of schedule

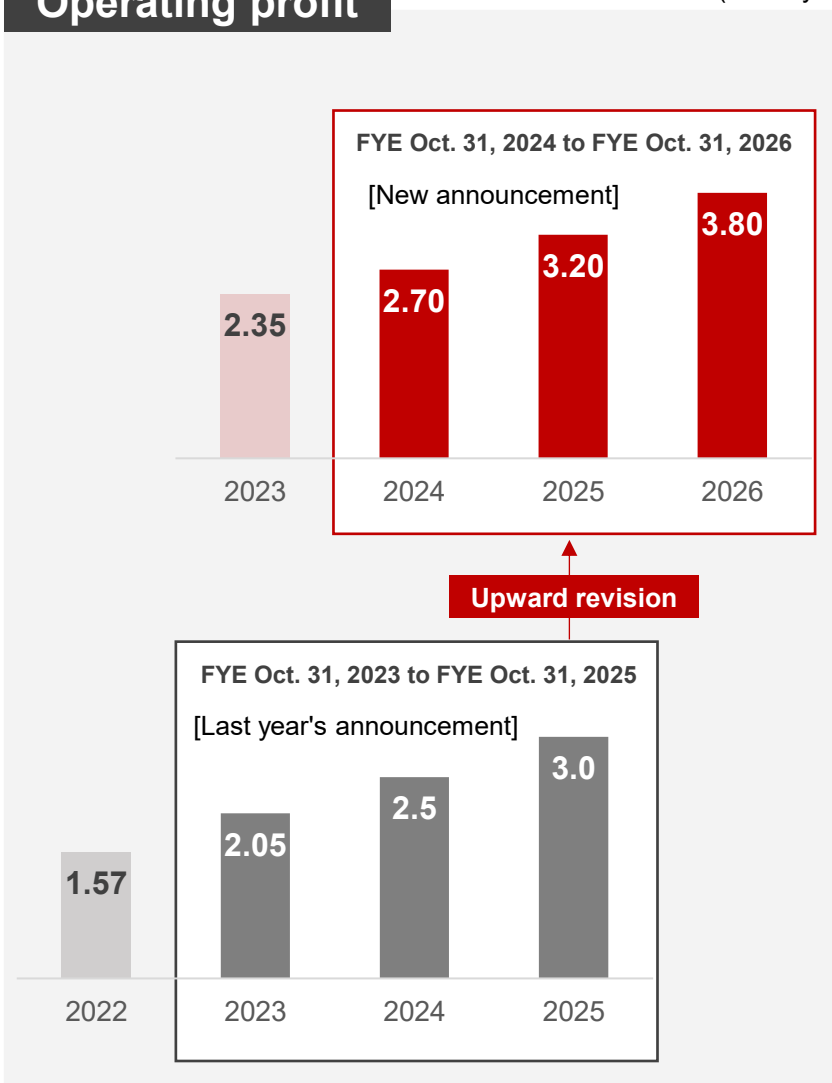
Net sales

(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 developing a new ramen business (8) Development of new business through aggressive M&A ◎ (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

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



仕事を知る

町田商店 店長の仕事 1日の流れを教えてくださいました



人を知る

Interview
株式会社ギフトホールディングス
専務取締役 藤井誠二
周囲と自分のシアワセのために、さらなる高みを目指してほしい 株式会社ギフトホールディングス 専務取締役 藤井 誠二

(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)

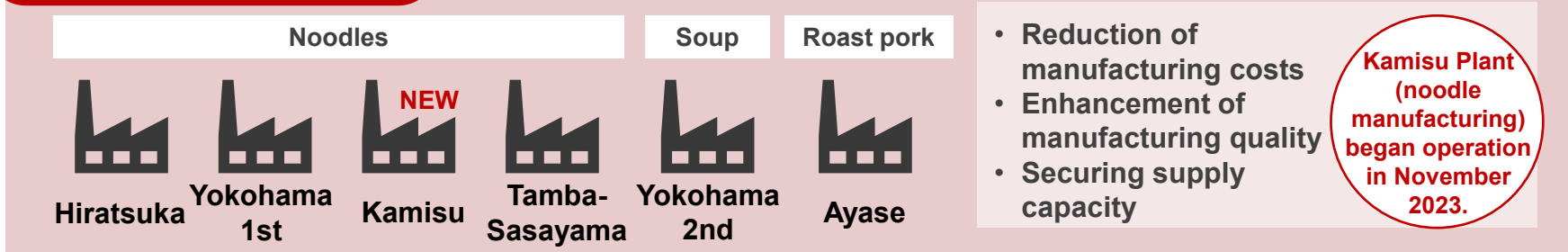
— Medium-term business plan details

PICK UP

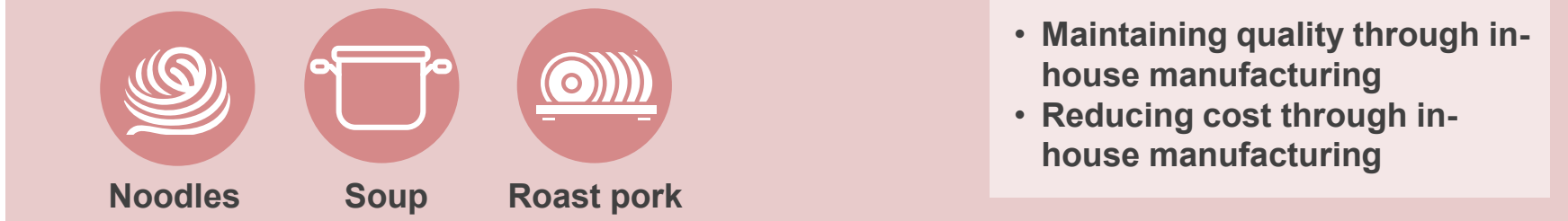
**Strengthening of
manufacturing system**

**Establishment of manufacturing system to
accommodate increased number of stores**

Stable supply system



Expansion of items produced

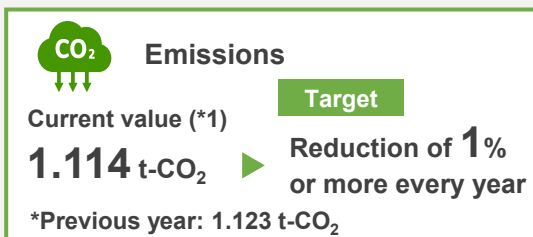


**Securing manufacturing capacity and expanding of
manufacturing items, building and strengthening a system
to accommodate aggressive store openings**

PICK UP

Sustainability

Launch of the Sustainability Committee



*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

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>

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.