



G I F T

Securities Code 9279

GIFT INC.

Results Briefing Materials for the Fiscal Year Ended October 31, 2021

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.

- **Overview of Financial Results for the Fiscal Year Ended October 31, 2021**
- **Forecast for the Fiscal Year Ending October 31, 2022**
- **Medium-term Business Plan (FYE Oct. 31, 2022 to FYE Oct. 31, 2024)**
- **Reference Materials: Company Overview**





Overview of Financial Results for the Fiscal Year Ended October 31, 2021

Sales and profit increased compared to the previous fiscal year. Strong performance maintained.

Net sales

13,474 million yen

Year-on-year change: **+22.7%**

Ordinary profit

1,748 million yen

Year-on-year change: **+241.4%**

Three points of our initiatives

Improvement in profitability

Improved man-hour productivity through the implementation of 3 reforms.

Recruitment and retention of human resources

Made progress in proactively securing human resources **while reducing recruitment costs**. **Improved the retention rate of human resources** by creating a comfortable working environment, and made progress in opening new stores.

- ✓ **Number of recruits: Hiring of employees 180** (183 in the previous fiscal year)
Of which, **new graduates 35** (20 in the previous fiscal year)
- ✓ **Retirement rate: 16.4%** (18.1% in the previous fiscal year)
- ✓ **Cost per hire: Employees (mid-career) 665,000 yen** (732,000 yen in the previous fiscal year)
Employees (new graduate) 1,140,000 yen (1,732,000 yen in the previous fiscal year)
Part-time worker 19,000 yen (32,000 yen in the previous fiscal year)

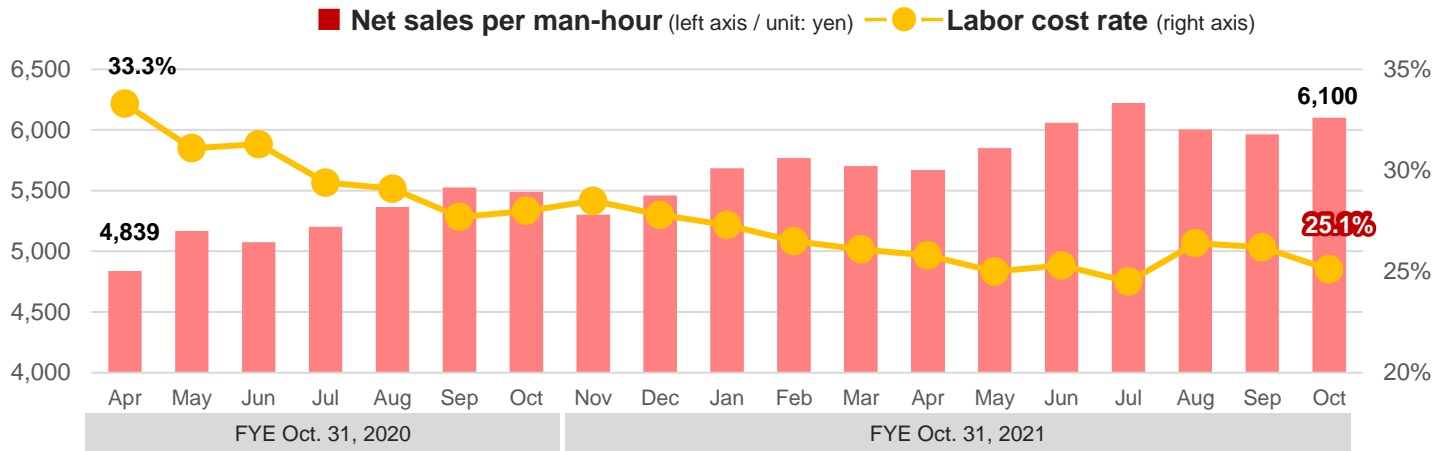
Continued to open new stores in favorable locations

In addition to roadside locations where the impact of requests to stay at home is less, **opened new stores in prime locations near train stations and downtown area in central Tokyo.**

Improved profitability through the implementation of 3 reforms



➤ Improved man-hour productivity



October 2021

Net sales per man-hour
6,100 yen

Labor cost rate
25.1%

➤ Control of appropriate employee time sheets

With the introduction of RPA, we visualized the difference between appropriate employee time sheets and actual employee time sheets in real time.

This enabled the company to operate stores without excesses or shortages of labor cost.

➤ Reduced preparation time outside of business hours

Standardization and simplification of store operations and reduction of processes were achieved through the construction of a new roast pork factory, common use of toppings, and batch delivery from distribution centers. They have made it possible to reduce preparation time outside of business hours.

➤ Optimization of home delivery service

Order control of home delivery services was implemented based on the level of congestion in the stores.

Continued to open new stores in favorable locations



- Steady progress in securing human resources enabled us to open new stores largely as planned.
- Aggressively opened new stores in prime locations in central Tokyo (Shibuya/Miyamasuzaka, Tabata, Jimbocho, Sengakuji, Asakusa, Suidobashi, Gotanda).



▲Miyamasuzaka Store



▲Asakusa Shoten

The Shibuya/Miyamasuzaka Store is located between central Shibuya and Aoyama Gakuin University near the Miyamasuzaka-ue intersection. It is an environment that is easy to use for students and working people who work in nearby offices.

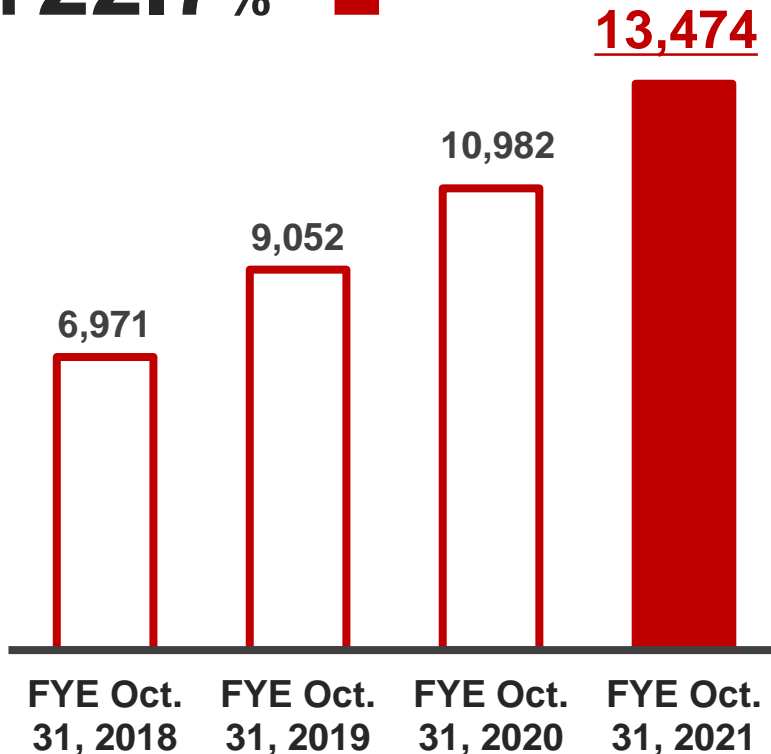
The Asakusa Shoten is located near the Sensoji Temple Kaminarimon, a sightseeing hub. There are many tourists not only on weekends but also on weekdays in this area.

Net sales have been growing as we continue to aggressively open new stores. Despite the impact of requests to shorten business hours, ordinary profit increased substantially due to improved profitability and the receiving of subsidies for cooperating with requests to shorten business hours. (Millions of yen)

Net sales

Year-on-year change

+22.7% 



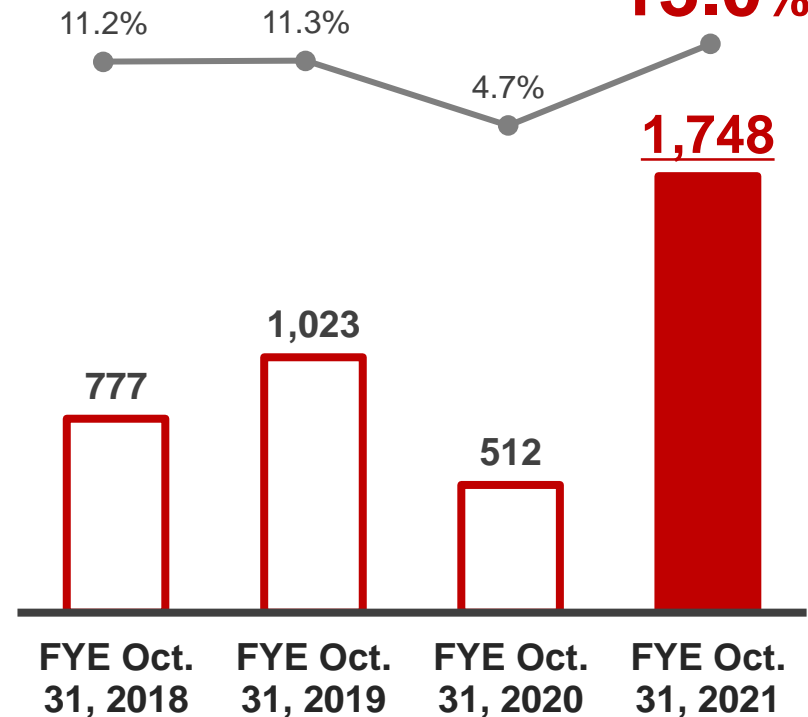
Ordinary profit margin

Year-on-year change

+8.3 pts 

Ordinary profit margin

13.0%

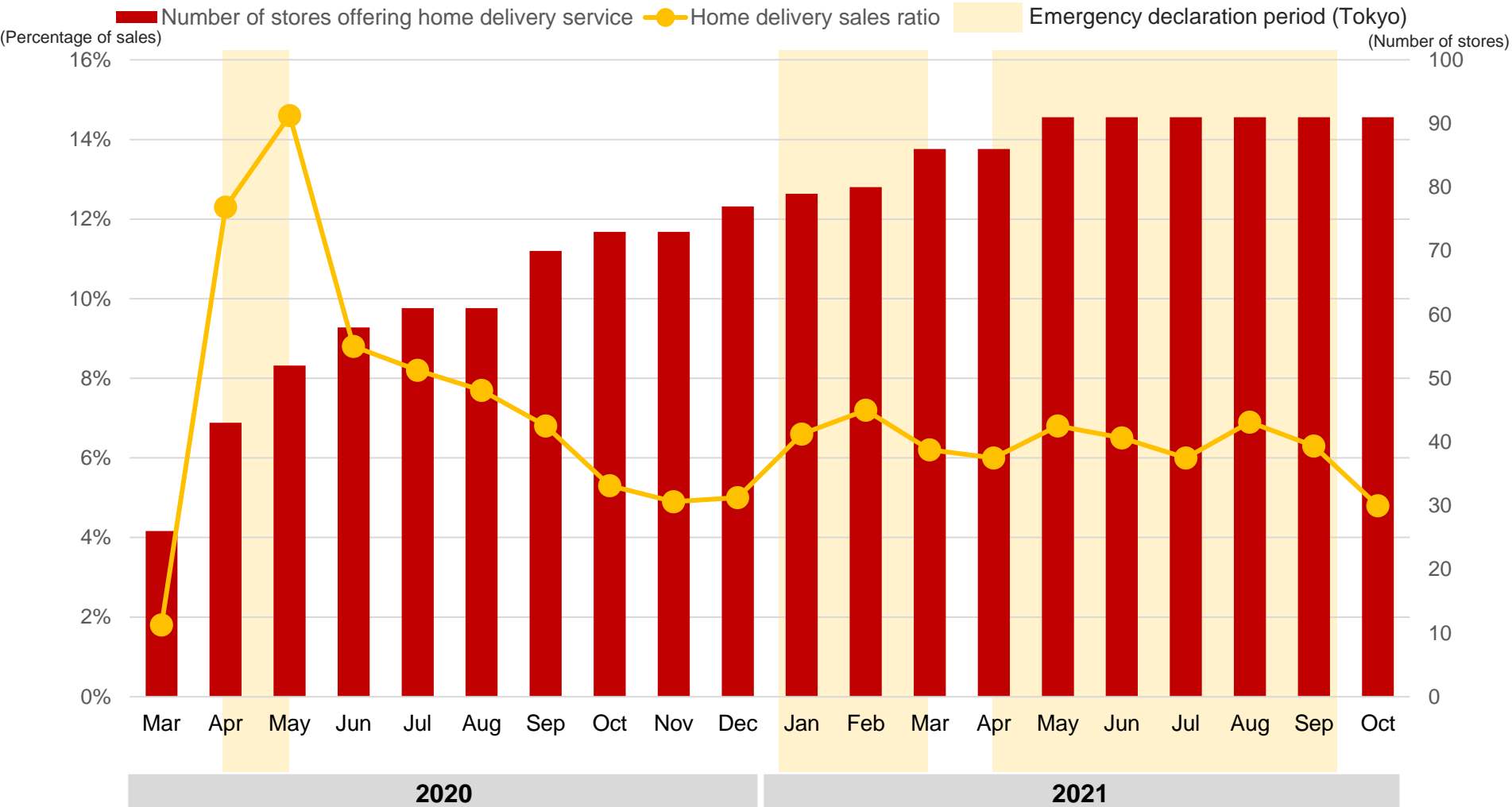


Change in the percentage of home delivery sales after the spread of COVID-19



The percentage of home delivery sales increased when people refrained from going out of their homes due to the declaration of a state of emergency.

After the state of emergency was lifted, in-store sales recovered as the flow of people returned.



Statements of income



We continued to aggressively open new stores, and despite the impact of requests to shorten business hours, we achieved a significant increase in sales and profits compared to the previous fiscal year due to improved profitability and the receiving of subsidies for cooperating with requests to shorten business hours.

(Millions of yen)	FYE Oct. 31, 2020		FYE Oct. 31, 2021		Change	Compared to plan	
	Amount	Percentage of sales	Amount	Percentage of sales	Year-on-year change	Initial plan for FYE Oct. 31, 2021	Level of achievement
Net sales	10,982	-	13,474	-	+22.7%	15,150	88.9%
Cost of sales	3,212	29.3%	3,762	27.9%	+17.1%	-	-
Gross profit	7,769	70.7%	9,712	72.1%	+25.0%	-	-
Selling, general and administrative expenses	7,308	66.5%	8,776	65.1%	+20.1%	-	-
Operating profit	461	4.2%	936	6.9%	+102.9%	1,080	86.7%
Ordinary profit	512	4.7%	1,748	13.0%	+241.4%	1,130	154.7%
Profit attributable to owners of parent	112	1.0%	1,076	8.0%	+855.3%	590	182.4%

The Company has shortened the business hours of stores in response to requests from local governments to shorten the business hours of restaurants, etc. The Company is applying for subsidies for cooperating with early closing-hour requests and employment adjustment and **recognizing revenue when the payment is decided**.

In the fiscal year ended October 31, 2021, the Company posted in subsidy income under non-operating income.

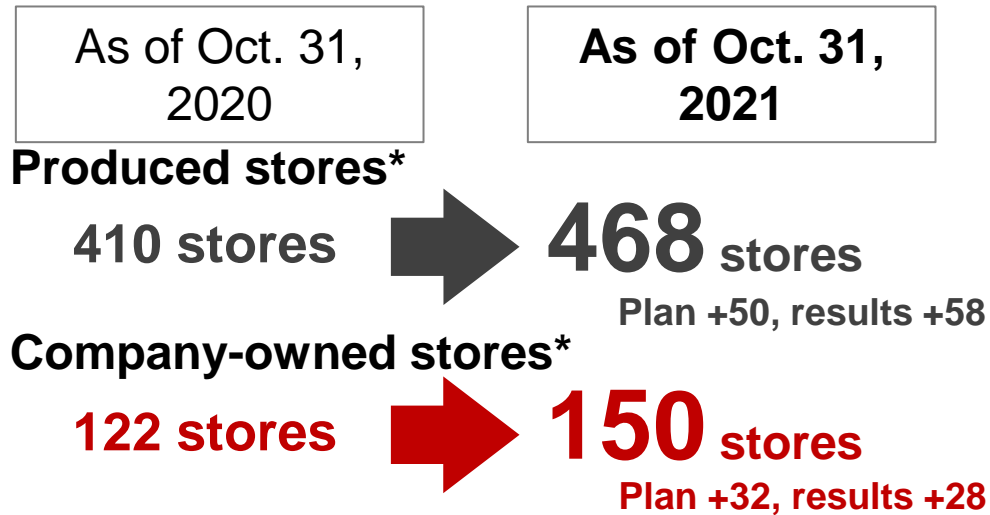
(Reference) Status of applications and payments for subsidies for cooperating with requests to shorten business hours and subsidies for employment adjustment

		by October 31 Paid	After November 1			Total	Grand total
			Applied for and already decided	Applied for but undecided	To be applied for		
Subsidies for cooperating with requests to shorten business hours	Number of shortened business hours (days)	12,252 (3,619)	1,682 (1,682)	2,397 (2,397)	0 (0)	4,079 (4,079)	16,331 (7,698)
	Amount (Thousand yen)	558,519	153,960	Note 2	—	Note 2	Note 2
Subsidies for employment adjustment	Amount (Thousand yen)	50,720	5,225	Note 2	—	Note 2	Note 2

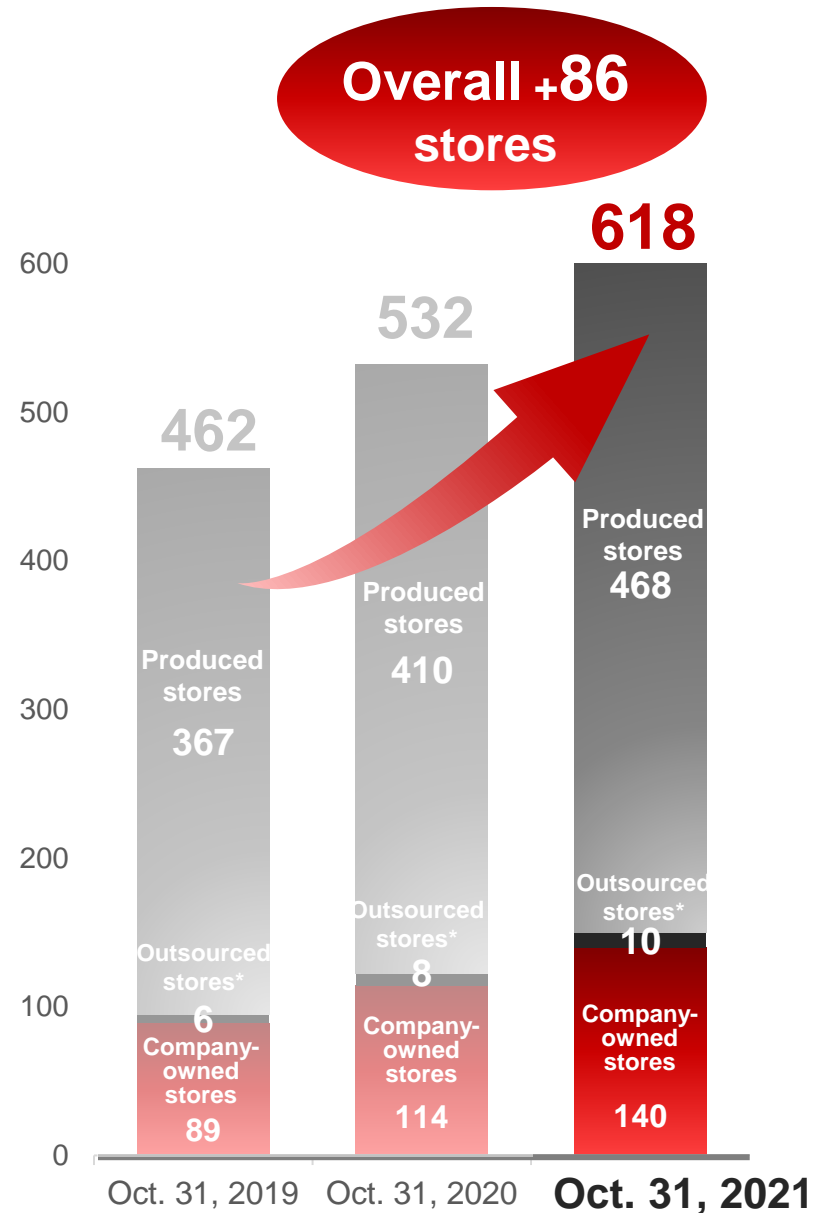
(Note 1) The number of shortened business hours in parentheses represents the number of shortened business hours based on the reduced net sales amount method, etc.

(Note 2) We plan to recognize revenue from subsidies for cooperating with requests to shorten business hours and subsidies for employment adjustment that have been applied for but not yet determined as of the date of submission of the financial statements when they are determined.

Continued to aggressively open new stores, resulting in a net increase of **86** stores compared to the plan of 82 stores.



*For details of store types, please refer to "Business details" on the page 38.








Status of stores (breakdown of change by region)






(Number of stores)	Region	As of Oct. 31, 2020	As of Oct. 31, 2021	Change
Company-owned stores	Kanto	70	87	+17
	East Japan (other than Kanto)	22	32	+10
	West Japan	19	18	-1
	Foreign countries	3	3	0
	Subtotal	114	140	+26
	Outsourced stores	8	10	+2
	Total	122	150	+28
Produced stores	Kanto	276	293	+17
	East Japan (other than Kanto)	72	95	+23
	West Japan	52	67	+15
	Foreign countries	10	13	+3
	Total	410	468	+58
Total number of stores		532	618	+86

Status of stores (company-owned stores / breakdown of change by brand type)

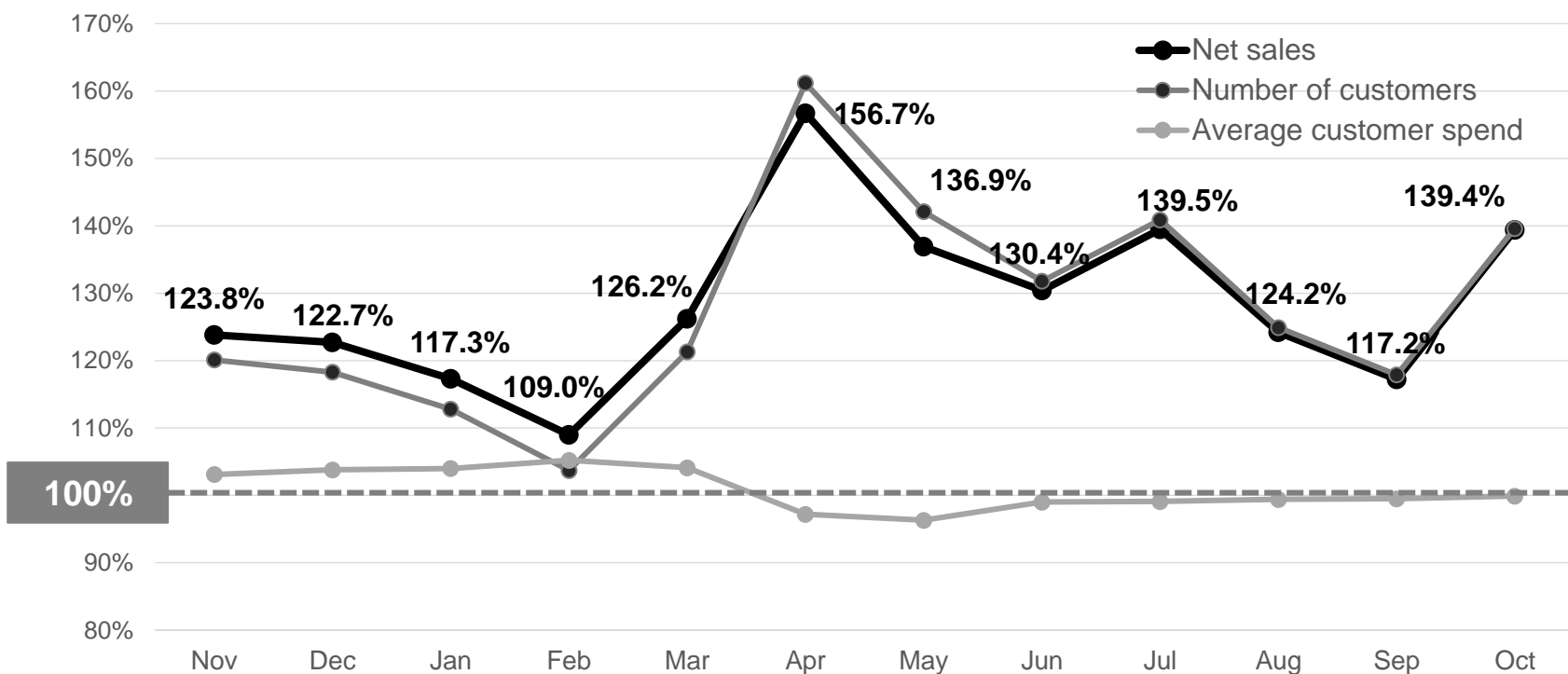


Brand type	Yokohama IEKEI Ramen MACHIDA SHOTEN 	BUTAYAMA 	KAMATAKI TONKOTSU BATTEN Ramen/GATTON 	SHI-TEN-NOH 	GANSO AKAMISOYA 
Number of Stores as of October 31, 2021	108	16	2	1	6
Change (compared to October 31, 2020)	+22	+2	—	-1	—

Brand type	NAGAOKA SHOKUDO 中華そば  長岡食堂	GANSO ABURADO New 元祖油堂 	Foreign countries  E. A. K. RAMEN	Other
Number of Stores as of October 31, 2021	1	2	3	1
Change (compared to October 31, 2020)	—	+2	—	+1

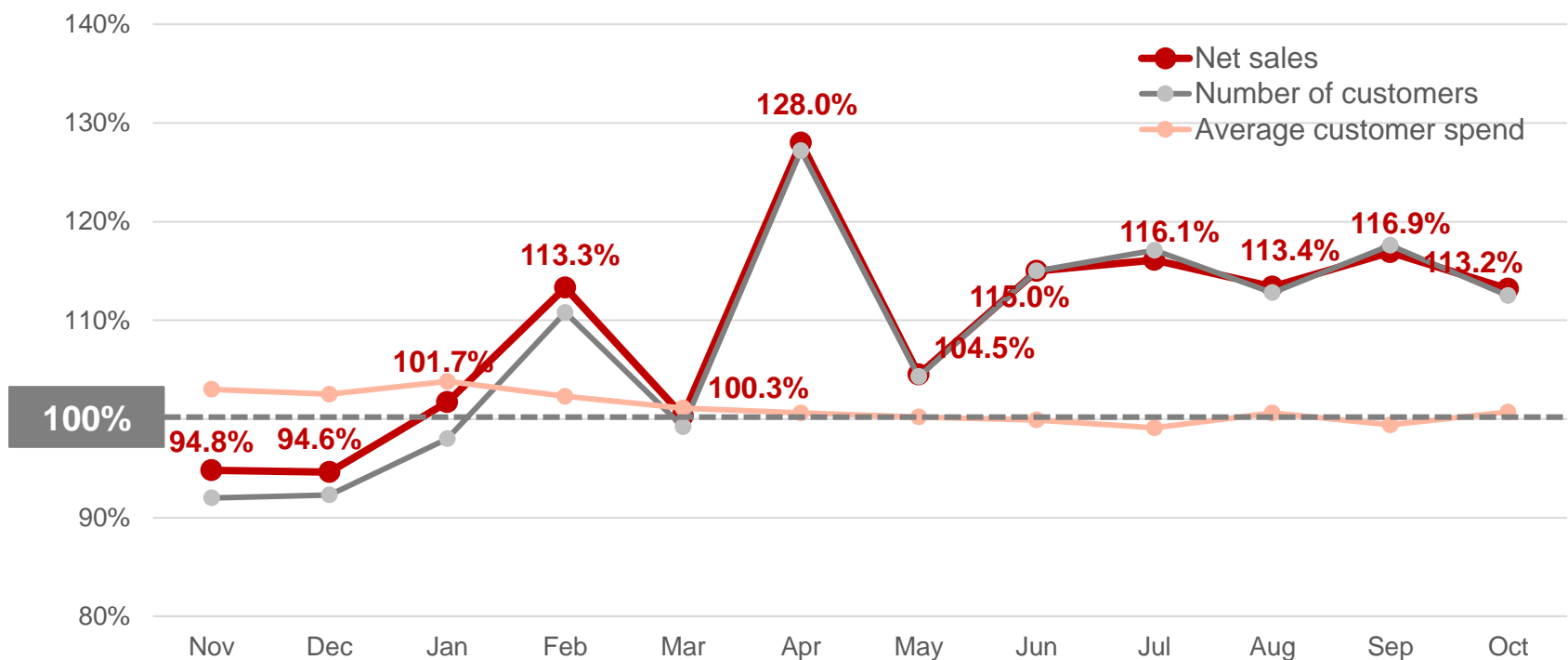
*For details of brands, please refer to “List of brands of company-owned stores” on the page 37.

Year-on year comparison of net sales of all company-owned stores in Japan



All stores	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Average
Net sales	123.8%	122.7%	117.3%	109.0%	126.2%	156.7%	136.9%	130.4%	139.5%	124.2%	117.2%	139.4%	128.6%
Number of customers	120.1%	118.3%	112.8%	103.7%	121.3%	161.2%	142.1%	131.8%	140.9%	124.9%	117.9%	139.6%	127.9%
Average customer spend	103.1%	103.8%	104.0%	105.2%	104.1%	97.2%	96.3%	99.0%	99.1%	99.4%	99.5%	99.9%	100.9%

Year-on year comparison of net sales of existing company-owned stores in Japan



Existing stores	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Average
Net sales	94.8%	94.6%	101.7%	113.3%	100.3%	128.0%	104.5%	115.0%	116.1%	113.4%	116.9%	113.2%	109.3%
Number of customers	92.0%	92.3%	98.0%	110.8%	99.2%	127.2%	104.3%	115.0%	117.1%	112.8%	117.6%	112.5%	108.2%
Average customer spend	103.0%	102.5%	103.8%	102.3%	101.1%	100.6%	100.2%	99.9%	99.1%	100.6%	99.4%	100.7%	101.1%

New company-owned stores (Nov. 2020 - Oct. 2021)



Opening of
company-owned store stores
30 stores

■ : MACHIDA SHOTEN ■ : BUTAYAMA ■ : NAGAOKA SHOKUDO
  
 GANSO ABURADO 油, and others

Tohoku region **5** stores

- Yamagata pref. 3 stores ■ 3
- Iwate pref. 1 store ■ 1
- Fukushima pref. 1 store ■ 1

Kansai region **2** stores

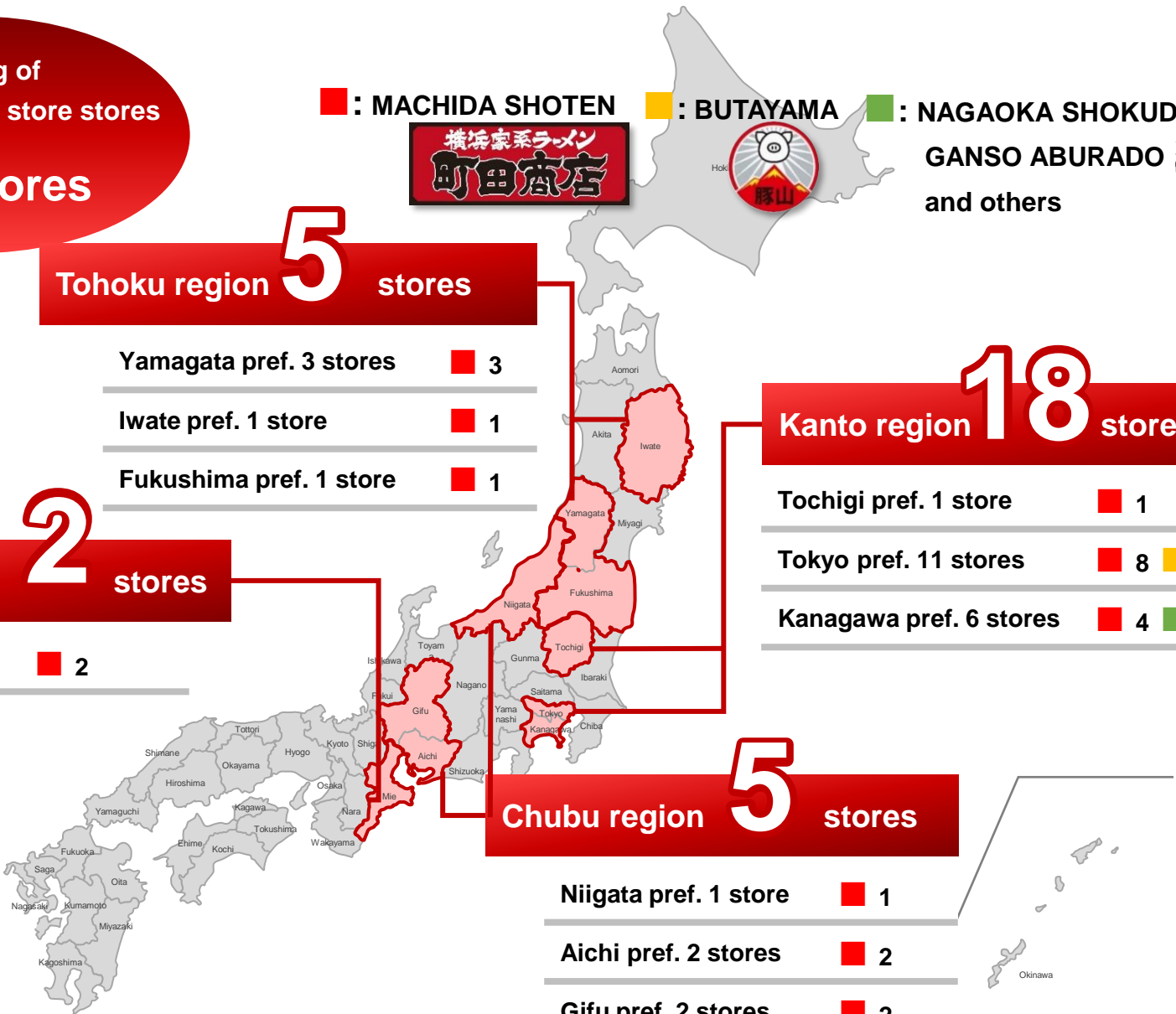
- Mie pref. 2 stores ■ 2

Kanto region **18** stores

- Tochigi pref. 1 store ■ 1
- Tokyo pref. 11 stores ■ 8 ■ 2 ■ 1
- Kanagawa pref. 6 stores ■ 4 ■ 2

Chubu region **5** stores

- Niigata pref. 1 store ■ 1
- Aichi pref. 2 stores ■ 2
- Gifu pref. 2 stores ■ 2



(Millions of yen)	Oct. 31, 2020	Oct. 31, 2021	Change
Current assets	2,253	2,413	+160
Cash and deposits	1,791	1,871	+79
Accounts receivable - trade	232	262	+29
Other	228	280	+51
Non-current assets	4,618	5,863	+1,244
Property, plant and equipment	3,025	4,016	+990
Intangible assets	169	135	-34
Investments and other assets	1,423	1,711	+288
Total assets	6,872	8,277	+1,405

(Millions of yen)	Oct. 31, 2020	Oct. 31, 2021	Change
Current liabilities	2,402	2,539	+137
Accounts payable - trade	298	389	+91
Short-term borrowings	754	—	-754
Current portion of long-term borrowings	547	534	-12
Other	802	1,615	+813
Non-current liabilities	1,361	1,621	+259
Long-term borrowings	1,093	1,274	+181
Other	268	346	+78
Total liabilities	3,764	4,161	+396
Total net assets	3,107	4,116	+1,008
Share capital	786	790	+3
Capital surplus	1,038	1,042	+3
Retained earnings	1,304	2,281	+976
Treasury shares	-0	-0	-0
Accumulated other comprehensive income	-21	2	+24
Total liabilities and net assets	6,872	8,277	+1,405

(Millions of yen)

	FYE Oct. 31, 2020	FYE Oct. 31, 2021	Change
Net cash provided by (used in) operating activities	409	2,402	+1,992
Net cash provided by (used in) investing activities	(1,564)	(1,707)	(143)
Net cash provided by (used in) financing activities	1,089	(639)	(1,729)
Effect of exchange rate change on cash and cash equivalents	(18)	24	+43
Cash and cash equivalents at end of period	1,791	1,871	+79

Main content of FYE Oct. 31, 2021

■ Cash flows from operating activities

Profit before income taxes: 1,545 million yen
 Depreciation: 395 million yen
 Income taxes paid: -169 million yen

■ Cash flows from investing activities

Purchase of property, plant and equipment: -1,414 million yen
 Payments of leasehold and guarantee deposits: -187 million yen

■ Cash flows from financing activities

Proceeds from long-term borrowings: 987 million yen
 Net change in short-term borrowings: -755 million yen
 Repayments of long-term borrowings: -774 million yen
 Dividends paid: -99 million yen



Forecast for the Fiscal Year Ending October 31, 2022

Plan significant increases in revenue and profit by steadily implementing the Medium-term Business Plan.

(Millions of yen)

	FYE Oct. 31, 2021 Results		FYE Oct. 31, 2022 Forecast		Change
	Amount	Percentage of sales	Amount	Percentage of sales	
Net sales	13,474	-	17,000	—	+26.2%
Operating profit	936	6.9%	1,700	10.0%	+81.6%
Ordinary profit	1,748	13.0%	2,000	11.8%	+14.4%
Profit attributable to owners of parent	1,076	8.0%	1,280	7.5%	+18.9%

Sales of existing company-owned domestic stores

114.4% compared to the fiscal year ended October 31, 2021
(101.0% compared to the fiscal year ended October 31, 2019)

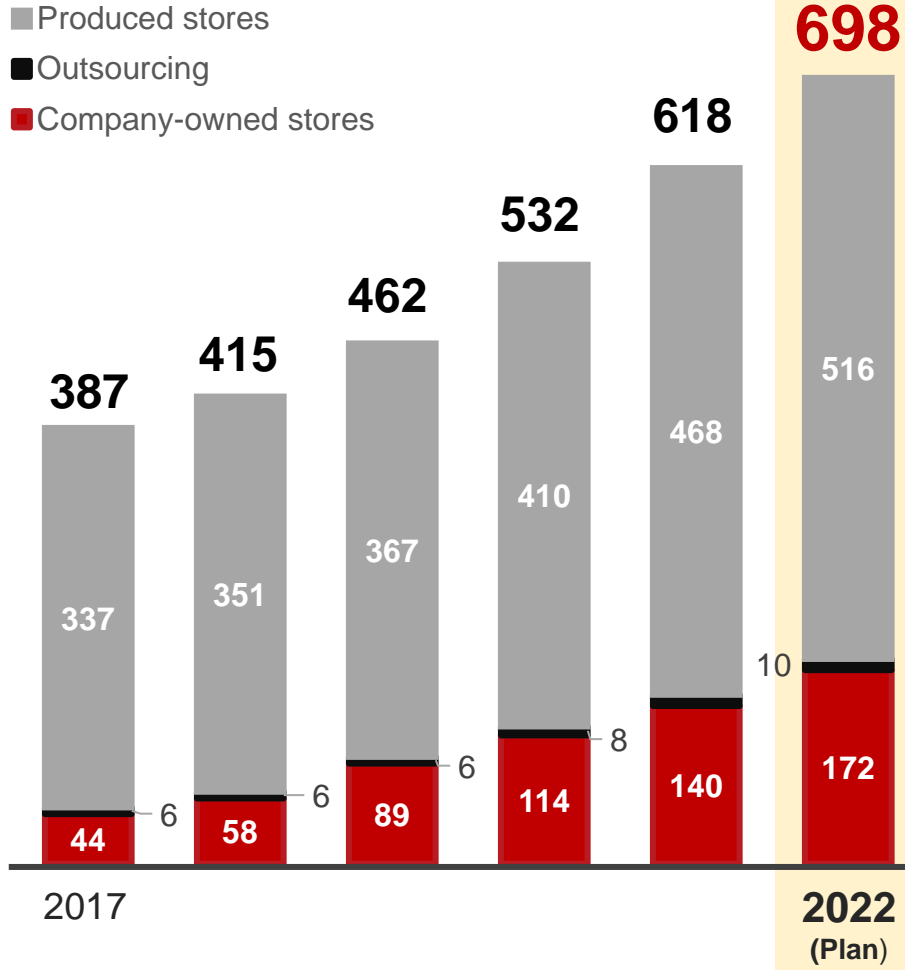
Open up stores

35 company-owned stores (net increase of + **31** stores)

Company-owned foreign stores **1** store

Produced stores **48** stores (domestic **45** stores, foreign **3** stores)

Number of stores



Number of stores as of
Oct. 31, 2022 (Plan)

698 stores

Plan for **+80 stores** year on year

Company-owned stores **+32** stores

Produced stores **+48** stores

Appeal ramen as a daily meal in all brand categories and expand our business in other areas.

- Significantly increase IEKEI stores focused on roadside and continue to open BUTAYAMA stores.
- Start to open many stores in the KAMATAKI TONKOTSU type and soy sauce type

IEKEI




Accelerate opening of roadside stores and stores near train stations centered on the Tokyo metropolitan area, Kitakanto and Tohoku

Residential area Roadside	Business districts Downtown areas*
20 stores	5 stores

*Including inside stations, shopping centers, and food courts

BUTAYAMA



Accelerate opening of stores near the train stations in Kanto region. Open stores in properties to have returns faster on investment.

Business districts, downtown areas

5 stores

Other

KAMATAKI TONKOTSU BATTEN
Ramen/GATTON



NAGAOKA SHOKUDO
(soy sauce type)



Start to open many stores for GATTON (KAMATAKI TONKOTSU type) and NAGAOKA SHOKUDO (soy sauce type)

Tonkotsu



Soy sauce



+

Start to open many stores in GANSO ABURADO, an oil noodle type

5

 stores
 

Dividends policy

To return profits to our shareholders, we comprehensively consider our operating results, financial position, and pay close attention to the dividend payout ratio with a basic stance of stable and continuous return of profits, while paying attention to strengthening our financial base and invest for business expansion.

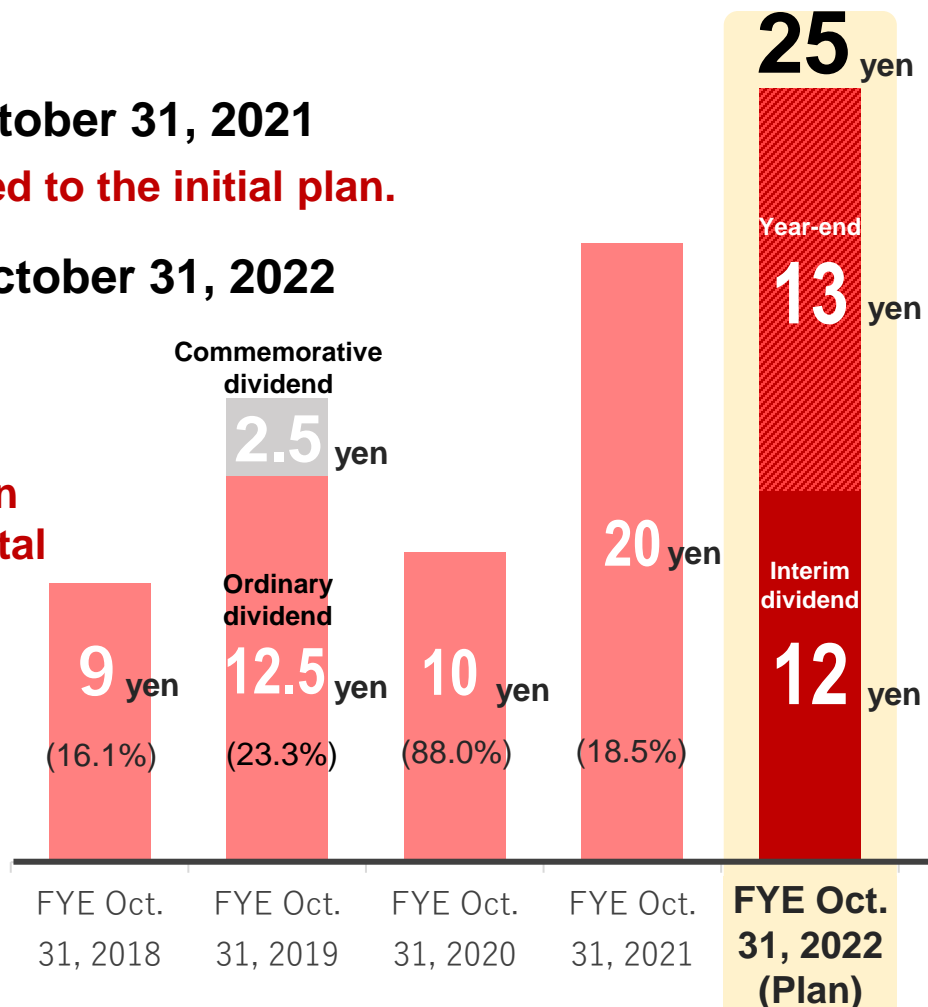
Dividends for the fiscal year ended October 31, 2021

Increased the dividend by 5 yen compared to the initial plan.

Dividends for the fiscal year ending October 31, 2022

- **Start to pay interim dividends**
- **Target a payout ratio of 20% or more**

We plan to pay an interim dividend of **12 yen** and a year-end dividend of **13 yen**, for **a total of 25 yen**, an **increase of 5 yen**.



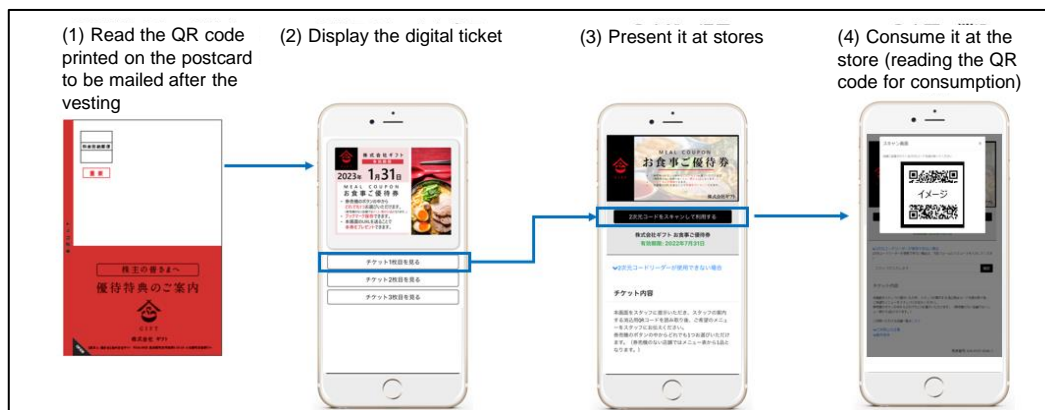
* The dividends on the right show figures taking into account the share split.

Returns to shareholders



From January 2022, meal coupons will be converted to digital tickets (no change in the benefit details).

- As part of our ESG management and promotion of SDGs, go paperless and contribute to resource conservation.
- Make it possible to send digital tickets as a gift to a loved one who is far away from you via smartphones
- Enable flexible expansion of the shareholder benefit program in the future



Number of shares held	Benefit details	Scheduled to be sent in July every year (For shareholders as of the end of April)	Scheduled to be sent in January every year (For shareholders as of the end of October)
		Validity period: 12 months (excluding the month of dispatch)	
100 shares or more	2 meal coupons (4 per year)	Valid until the end of July of the following year after receipt of the coupon	Valid until the end of January of the following year after receipt of the coupon
200 shares or more	3 meal coupons (6 per year)		

- Meal coupons can be used to choose any item free of charge from the ticket vending machine. One item from the menu is free at restaurants without ticket vending machines.
They can also be used for take-out*. At Ramen BUTAYAMA, after selecting a button, you can change to soupless or tsukemen.
 - They can also be used for set items with a value of 1,000 yen or more.
 - Meal coupons can be used in the Company's company-owned domestic stores. This service is also available at stores in the new brand, the GANSO ABURADO. information will be provided separately on the stores where they can be used.
- *This service is not available for frozen take-out products such as IEKEI Ramen Set sold at some stores.



Medium-term Business Plan (FYE Oct. 31, 2022 to FYE Oct. 31, 2024)

FYE October 31, 2024: Targets to be achieved

Net sales
25 billion yen

Ordinary profit
2.5 billion yen



**Expansion of
business**

1. Business expansion of existing businesses
2. Development of new brand types and new businesses



Reformation

1. Promotion of standardization and simplification
2. Promotion of DX and diversity
3. Establishment of a global platform





Set 5 target KPIs

Growth	1. Net sales growth rate	20% or above
Profitability	2. Ordinary profit margin	10% or above
	3. ROA (ordinary profit to total assets)	15% or above
Gain on investments	4. ROE (net profit to shareholders' equity)	15% or above
	5. Dividend payout ratio	20% or above



		2020	2021	2022	2023	2024	2025
Net sales		11.0 (billion yen)	13.4 (billion yen)	17.0 (billion yen)	20.5 (billion yen)	25.0 (billion yen)	30.0 (billion yen)
Ordinary profit		0.5 (billion yen)	1.7 (billion yen)	2.0 (billion yen)	2.1 (billion yen)	2.5 (billion yen)	3.0 (billion yen)
Japan	Total number of stores	519 stores	602 stores	678 stores	754 stores	830 stores	1,000 stores
	Company-owned stores	119 stores	147 stores	178 stores	209 stores	240 stores	300 stores
	Produced stores	400 stores	455 stores	500 stores	545 stores	590 stores	700 stores
International	Total number of stores	13 stores	16 stores	20 stores	23 stores	26 stores	
	Company-owned stores	3 stores	3 stores	4 stores	4 stores	4 stores	
	Produced stores	10 stores	13 stores	16 stores	19 stores	22 stores	
Total	Total number of stores	532 stores	618 stores	698 stores	777 stores	856 stores	
	Company-owned stores	122 stores	150 stores	182 stores	213 stores	244 stores	
	Produced stores	410 stores	468 stores	516 stores	564 stores	612 stores	

Maximize the amount of profit and maintain high profit margin by opening new stores based on a balanced combination of company-owned stores and produced stores.



Select areas opening stores while considering profitability on investment

Company-owned stores

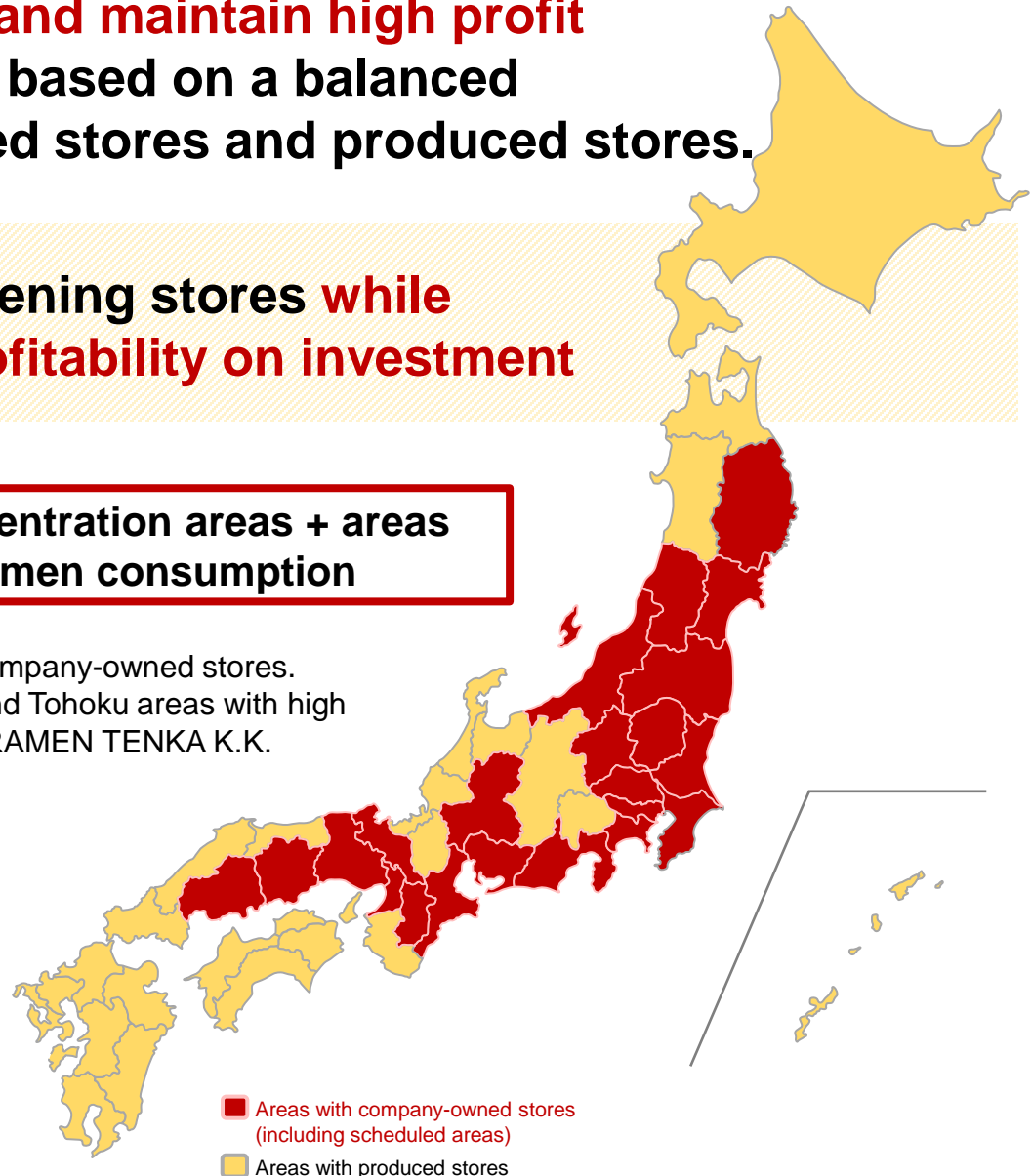
Population concentration areas + areas with high ramen consumption

- Continue to open stable, reliable and booming company-owned stores.
- Start to actively open stores in Northern Kanto and Tohoku areas with high ramen consumption, beginning with the M&A of RAMEN TENKA K.K.

Produced stores

Regional areas

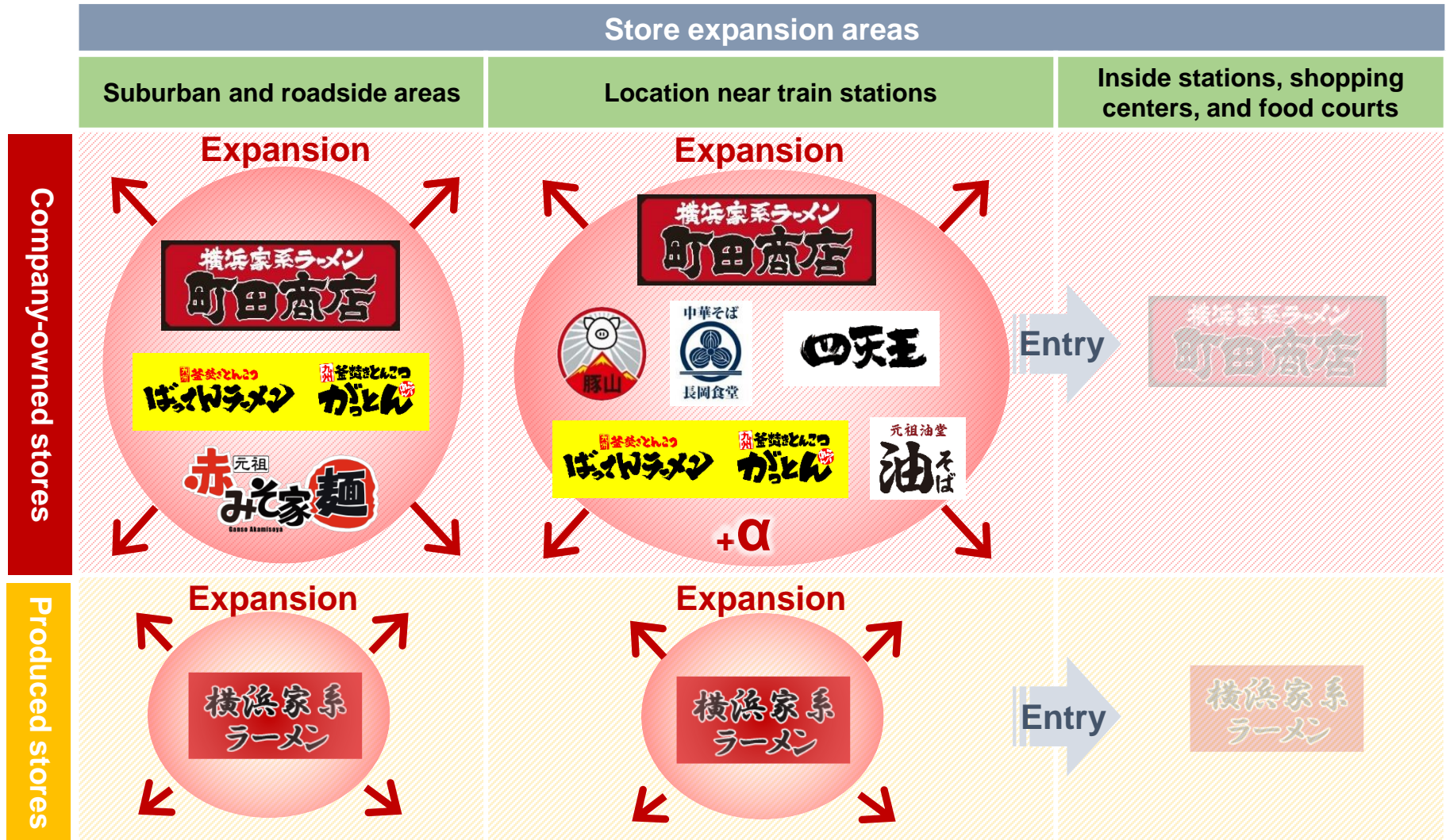
- Accelerate store development of partners by actively supporting and leveraging know-how of company-owned stores.



Growth strategy / business expansion - Business portfolio



Further expansion in zones where stores have already opened by development of new brand types and increase in the number of stores
 Accelerate expansion in zones where no stores have opened



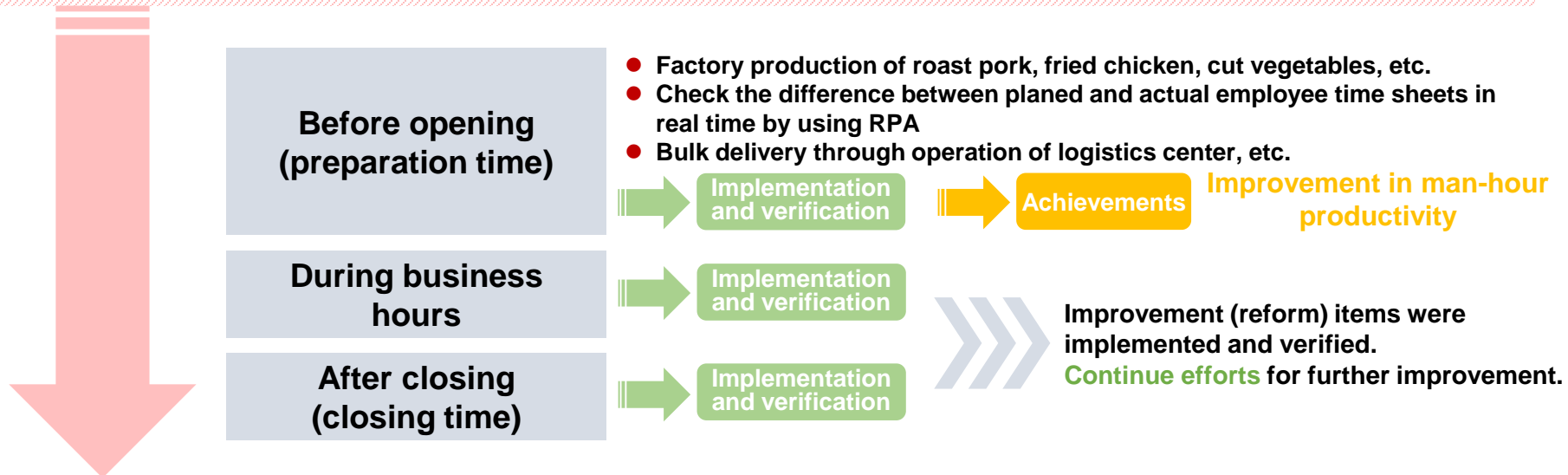
Implement 3 reforms to revolutionize ramen stores.
Accelerate the pursuit of quality and efficiency by combining the reforms.

3 reforms to revolutionize ramen restaurants

1. **Product reform**

2. **Operation reform**

3. **Manufacturing & logistics reform**

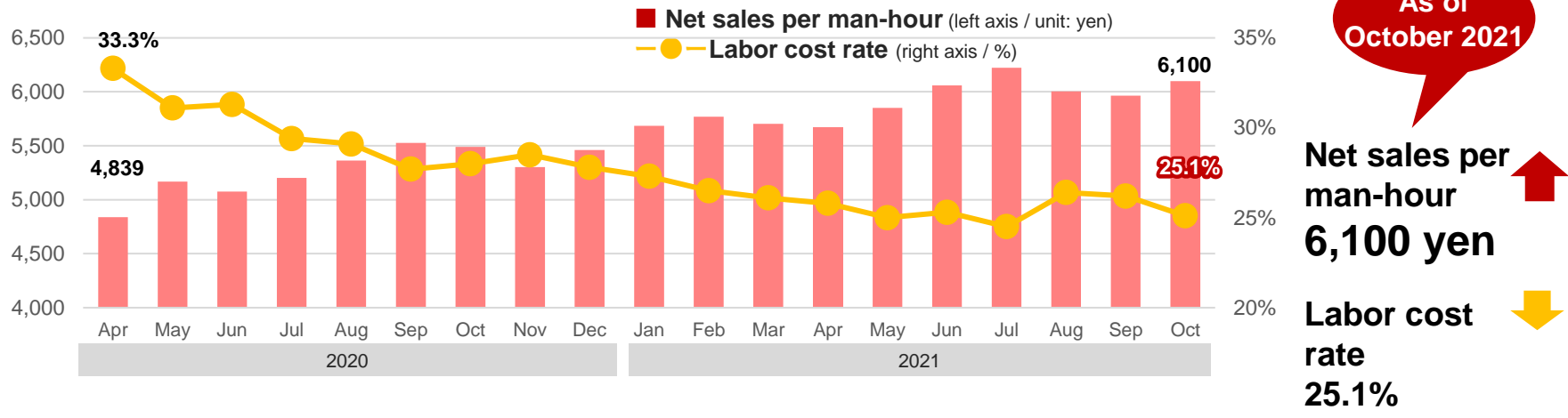


Establish PDCA cycle to improve productivity and quality through implementation of systems (standardization and simplification)

Promote standardization and simplification of operations by steadily implementing the 3 reforms

Examples of achievements

◆ Improved man-hour productivity



The results of the standardization and simplification of operations through the implementation of the 3 reforms (the “**profit package**”), including the improvement of man-hour productivity.



The “**profit package**” is expanded to include produced stores and back offices.

Establish the Gift DX Vision.

Promote digital transformation (DX) and diversity in stores, factories, produced stores, and back offices

Promotion of DX

● Digitization of shareholder benefit

Improve convenience by converting shareholder benefit certificates into coupons that can be read and used via QR codes.

● Promotion of cashless transactions

We will promote cashless transactions by accepting electronic payments. We will improve customer convenience.

● Introduction of an online waiting list and reservation system

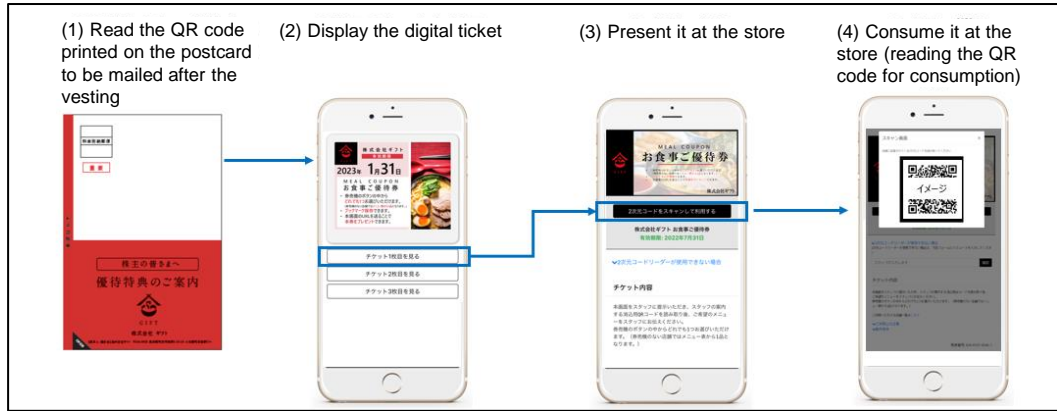
We will improve customer convenience by shortening and visualizing the waiting time, and also improve the efficiency of reception operations.

● Establishment of a back-office system that is not affected by the environment (cloud computing)

Promotion of diversity

● Setting an internal target for the ratio of female managers

● Active utilization of foreign workers



Digitalization of shareholder benefit coupons (image)

Monetization of foreign business

Create a platform for foreign development model (company-owned stores, produced stores/franchised stores)

US



Expand company-owned stores and produced stores/franchised stores in the US, where the restaurant market is three times larger than Japan's, the ramen market is a fraction of Japan's, and there is a large room for growth.

Company-owned stores (2 stores in New York, 1 store in Los Angeles)
Produced stores (1 store in San Francisco, 1 store in Hawaii)
Others (opened in cafeterias in several universities)



Los Angeles store



New York store No. 1



New York store No. 2



E. A. K. RAMEN

Outside the US
(Mainly in Asia)

Open mainly produced stores. Seek partnerships with local capital to expand produced stores and develop a franchised store platform.

Produced stores (2 stores in Shanghai, 7 stores in Taiwan, 1 store each in Manila and Cebu Island)



Reference Materials: Company Overview



Company name GIFT INC.

Business details Restaurant operation

Head office address 3F Odakyu Machida Morino Building,
1-23-19 Morino, Machida-shi, Tokyo

Company factories Noodle production: Hiratsuka, Yokohama
Daiichi, Tanba Sasayama
Roast pork: Yokohama Daini

Established December 7, 2009
(Founded in January 2008)

Representative President and Representative Director:
Sho Tagawa

End of fiscal year October 31

Share capital 790 million yen (as of October 31, 2021)

Group employees 486 employees, 2,220 part-time and casual
workers
(as of October 31, 2021)

Affiliates GIFT JAPAN K.K.
Ramen TENKA K.K.
GIFT FOODS MATERIAL K.K.
GIFT USA INC.
GIFT LOS ANGELES, LLC
GIFT NEW YORK, LLC
GIFT NEW YORK NO.2, LLC

Core brand



Yokohama IEKEI Ramen MACHIDA SHOTEN

Yokohama IEKEI Ramen characterized by creamy soup. Flavor that you never tire of.



BUTAYAMA

A hearty ramen with a pork bone broth based soy sauce soup dynamically topped with vegetables (sprouts and cabbage) and roast pork.



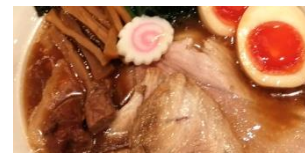
GANSO AKAMISOYA

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



KAMATAKI TONKOTSU BATTEN Ramen/GATTON

Pork bone broth ramen characterized by rich soup. Choose the hardness of noodles to suit your taste.



NAGAOKA SHOKUDO

A light yet deeply flavorful ginger and soy sauce ramen that is popular as a local ramen in Nagaoka City in Niigata.



SHI-TEN-NOH

Very popular with visitors from foreign countries. Kyushu tonkotsu ramen characterized by its light richness.



New brand type



GANSO ABURADO

This is an oil noodle with various toppings made by combining our originally developed special noodles with a mild soy sauce made with umami soy sauce.

Foreign countries



E. A. K. RAMEN

E.A.K

Providing a flavor to match local needs based on lekei ramen.

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

Company-owned stores

150 stores*

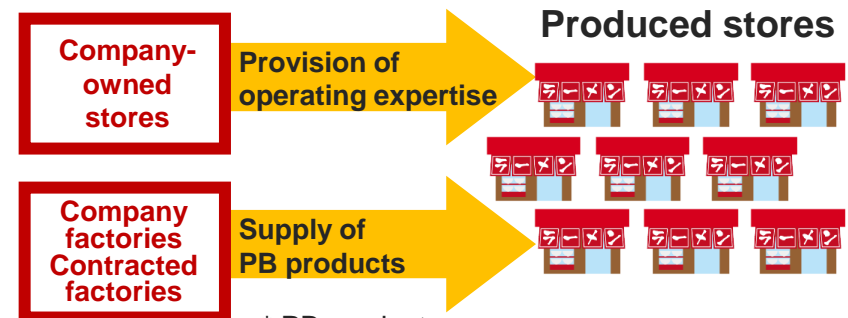
The Company operates stores under its own brands centered on **Yokohama IEKEI Ramen MACHIDA SHOTEN** (Refer to the previous page for other brands).

*Some of company-owned stores are operated by partners, which are called “outsourced stores.”

Produced stores

468 stores

The Company provides support for making stores owned and operated by partners popular by leveraging operating expertise of company-owned stores and supplying ingredients (PB products).



* PB products:
Private brand products
(Noodles, sauce, soup, roast pork)

Strength: Store opening strategy



Possible to operate a thriving restaurant both in the vicinity of stations and roadside areas

Areas in the vicinity of stations

"Region name + Shoten"
Locally focused store operation

Akitsu Shoten



Sannomiya Shoten



Yoyogi Shoten



Tsunashima Shoten



Ogikubo Shoten



Roadside areas

"Machida Shoten"

Chain store operation with fixed quality

Machida Shoten
Himeji Store



Machida Shoten
Nakamachidai Store



Machida Shoten
Shimizu Interchange Store



Machida Shoten
Kyoto-Higashi
Interchange Store



Machida Shoten Soka Store



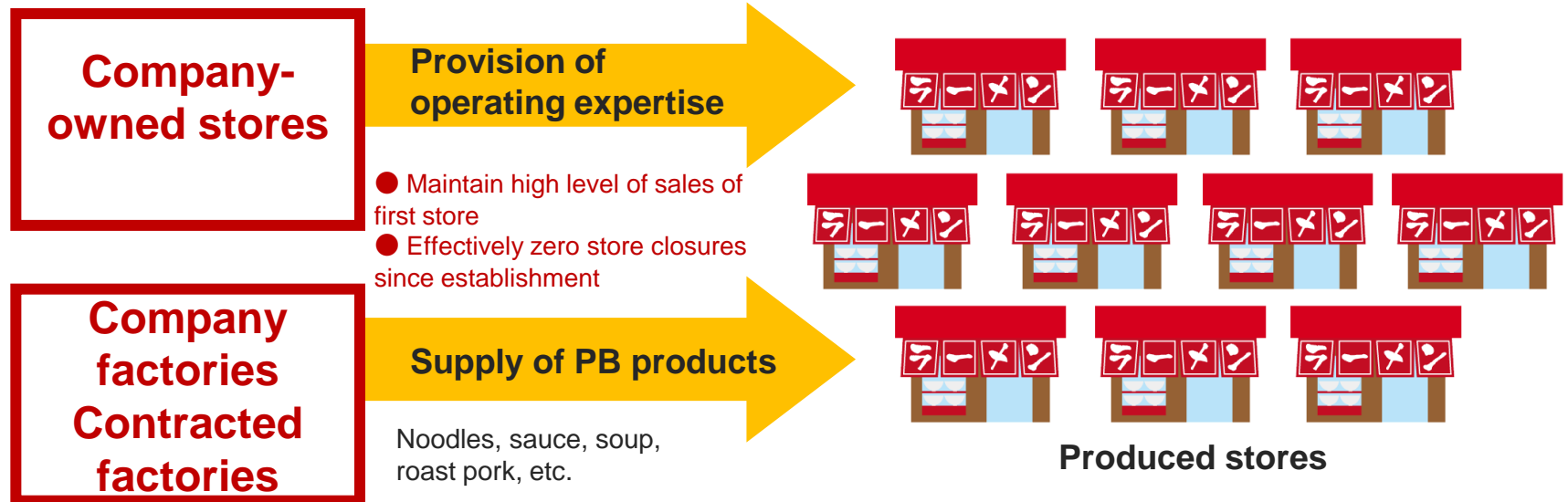
IEKEI Ramen is also popular with families

- 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 average customer spend
- Roadside stores are busier than stores in the vicinity of stations



<The Company's original channel> Operating scheme of produced stores

Support for creation of busy stores according to the requests of owners



* 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 on the condition of purchase of ingredients.

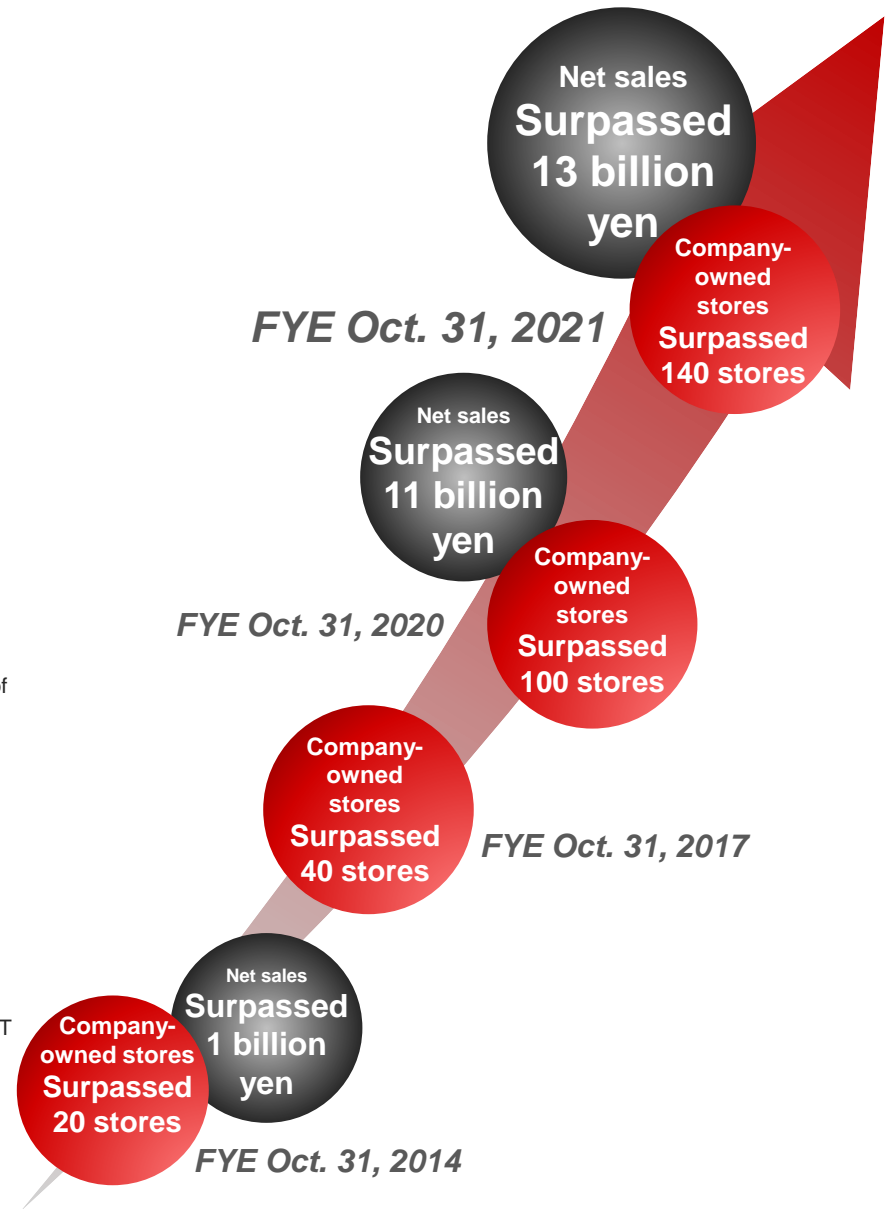
Differences between produced stores and franchise stores



	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

- 2008** Jan Opened Machida Shoten main store
- 2009** Dec Established Machida Shoten K.K. (now the Company) Started operation of Company-owned Stores Business Division
- 2010** Jan Established Final Three Feet K.K. for the purpose of producing ramen business, sale of PB products, manufacture of noodles, etc. Started operation of Produced Store Business Division
- Aug Opened Yoyogi Shoten as the second company-owned store
- 2013** Nov Established a noodle factory in Hiratsuka-shi, Kanagawa
- 2014** Mar Reached 10 company-owned stores in Japan
- Dec Reached 20 company-owned stores in Japan
- 2015** Mar Final Three Feet K.K. acquired all shares of SHI-TEN-NOH K.K. from COLOWIDE CO., LTD. to make it a subsidiary
- May Changed trade name to GIFT INC. Established first foreign subsidiary in Singapore
- Nov Reached 30 company-owned stores in Japan
- 2016** Mar Established foreign subsidiaries in the United States (GIFT USA INC. / GIFT LOS ANGELES, LLC / GIFT NEW YORK, LLC)
- Jul Opened first company-owned foreign store (Singapore)
- Dec Reached 40 company-owned stores in Japan, opened first store in United States (LA)
- 2017** May Performed absorption-type merger of Final Three Feet K.K. for the purpose of improving management efficiency and increasing the speed of management decisions
- Aug Performed absorption-type merger of SHI-TEN-NOH K.K. for the purpose of improving management efficiency and increasing the speed of management decisions
- Dec Reached 50 company-owned stores in Japan
- 2018** Feb Established GIFT NEW YORK No.2, LLC in the United States
- May Established GIFT DENVER LLC in the United States
- Oct Listed shares on Tokyo Stock Exchange Mothers
- 2019** Aug Acquired shares of Ramen TENKA K.K. and K.I.K. Foods K.K. (currently GIFT FOODS MATERIAL K.K.) to make them subsidiaries
- 2020** Sep Changed listing market to First Section of Tokyo Stock Exchange
- 2021** Aug Transition to holding company structure



Measures to prevent the spread of COVID-19 in stores



The Company's stores are taking steps to prevent infection in order to enable customers to come to our stores with peace of mind.

As part of the countermeasures against the COVID-19 infections, the Company has been participating in the Coronavirus Monitoring Inspection conducted by the Cabinet Secretariat since September 2021.

Ensuring hand washing and alcohol disinfection by employees



Checking the temperatures of employees upon arrival at work. Instructing them to stand by at home if there is a problem



Requiring employees to wear masks



Installation of vinyl sheets and acrylic partitions



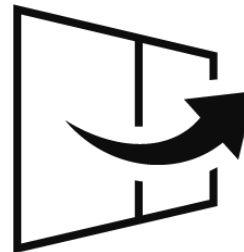
Periodic disinfection of store equipment with alcohol



Removal of certain condiments and spoons, etc. from tables



Recommending store ventilation



Provision of alcohol disinfectant for customers in stores



The Company's stores are taking steps to prevent infection in order to enable customers to come to our stores with peace of mind.



▼ Clear vinyl sheets and acrylic partitions are installed between seats. These enable customers to concentrate on their ramen without worrying about the spread of airborne droplets.



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.
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