



GIFT HOLDINGS INC.

Securities Code 9279

Results Briefing Materials for the Cumulative Third Quarter of the Fiscal Year Ending October 31, 2023



IR website

<https://en.gift-group.co.jp/en/ir>

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.

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**01 Financial Highlights for the Cumulative Third Quarter
of the Fiscal Year Ending October 31, 2023**



— Financial summary

Net sales

16,632 million yen

YoY: **+36.1%**

Operating profit

1,598 million yen

YoY: **+42.5%**

Ordinary profit

1,652 million yen

YoY: **-8.5%**

Overview of financial results

Despite the COVID-19 pandemic, we proactively expanded our business without slackening the pace, achieving **a significant increase in revenue and operating profit** while maintaining and even stronger growth trajectory. **We are making steady progress** toward our full-year plan.

Quality enhancement at each store

Achieved **record-high monthly sales per company-owned store** thanks to continuous QSCA enhancement and carrying out refurbishments.

Implementation of price revisions on July 1

Implemented **price revisions** on July 1 in anticipation of rising raw material prices and wage increases. **Customer traffic has not been impacted.**

Strengthening overseas store openings

Opened new stores in Vietnam, Thailand, and New York. Made steady progress in securing new contracts with franchisees in other countries and areas, strengthening store openings in North America, East Asia, and Southeast Asia, etc.

Financial highlights for the cumulative third quarter of the fiscal year ending October 31, 2023



Growth and Profitability

Sales growth

36.1%

(Annual goal: 20.5%)

Operating profit margin

9.6%

(Annual goal: 10.0%)

YoY Change in Net Sales of Company-owned Stores

All company-owned stores in Japan

136.5%

Existing company-owned stores in Japan

117.5%

(Annual goal: 104.7%)

Stores Opened in the Period

Company-owned stores

24 stores

(Annual goal: 40 stores)

Produced stores

37 stores

(Annual goal: net increase of 23 stores)

Man-hour Productivity (company-owned stores)

Net sales per man-hour

6,133 yen

(Same period of the previous year: 5,913 yen)

Labor cost rate

24.7%

(Same period of the previous year: 26.3%)

Recruitment and Retention

Hiring employees

Newly hired **117** mid-career employees.

Hired **49** new graduates

Retirement rate

18.3%

(Same period of the previous year: 17.5%)

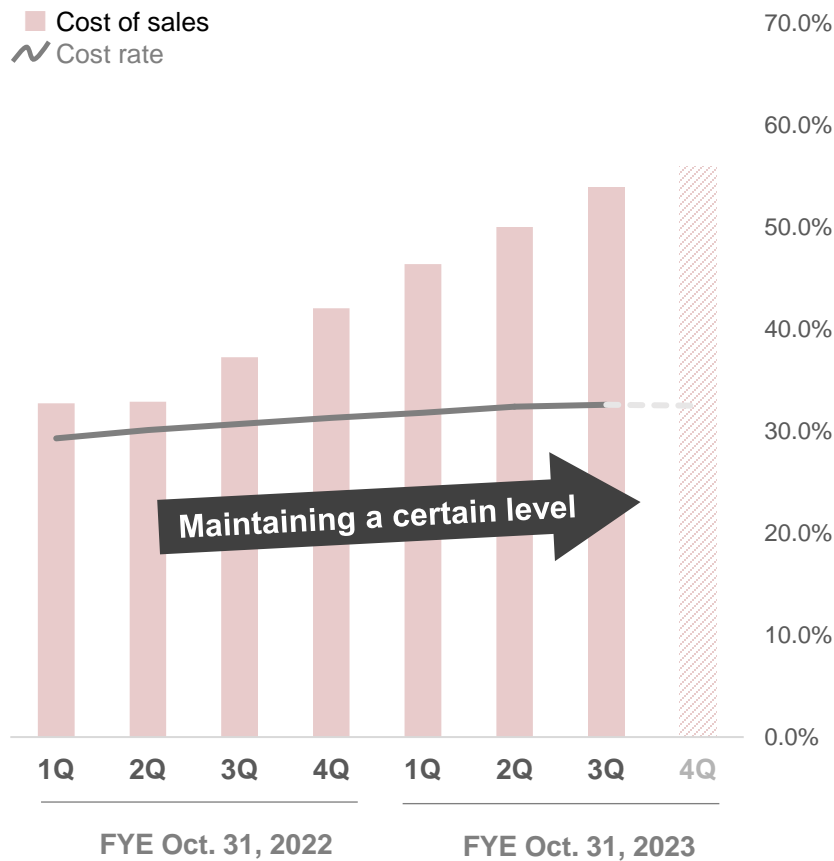
Maintained high profitability

Maintained high profitability by controlling both cost of sales and labor costs in response to inflation.

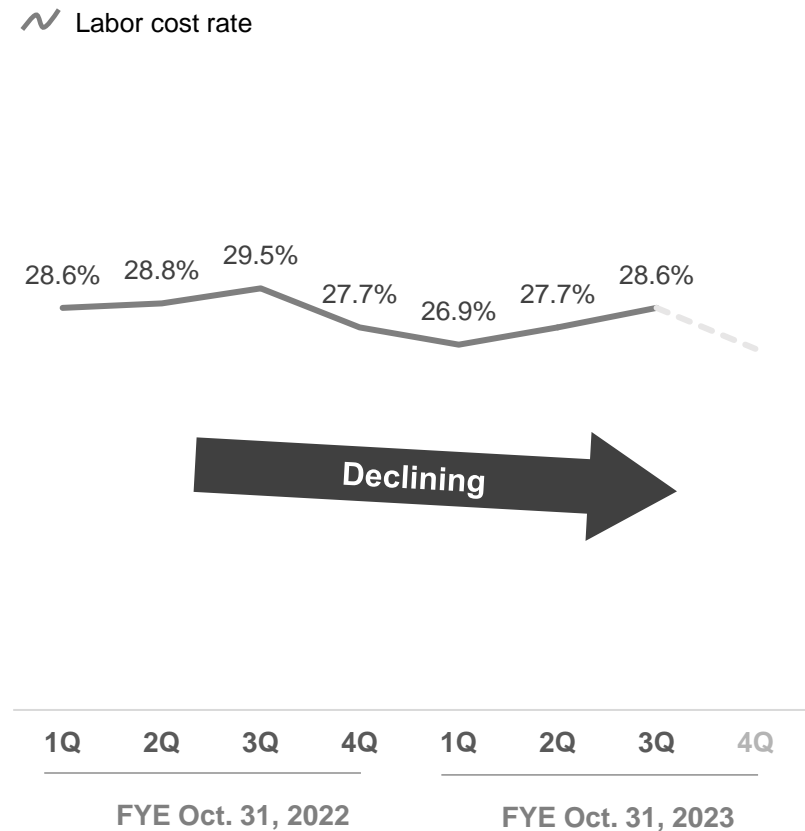
Cost of sales: Maintained at a certain level despite the rising cost rate due to the policy of transferring increased costs to price.

Labor cost: The labor cost rate is decreasing due to price revisions not having impact on customer traffic.

Cost of sales



Labor cost



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

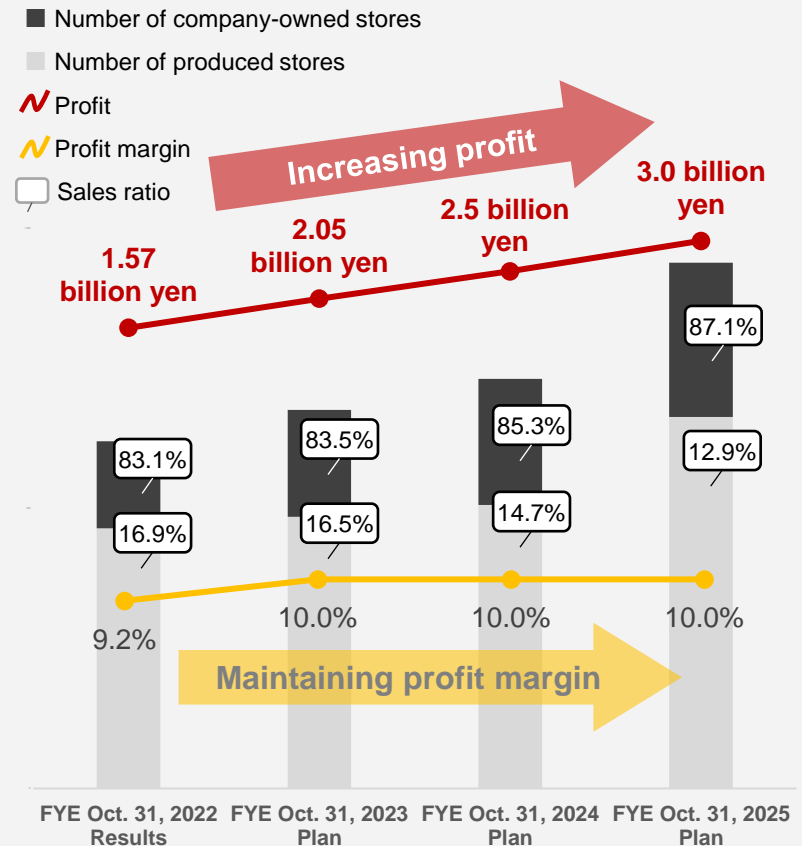
Aim to maximize net sales and profit

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



Improving QSCA and productivity through refurbishment

We are sequentially refurbishing our stores to improve product quality and productivity. Sales have been strong at refurbished stores.

	Number of refurbished stores
FYE Oct. 31, 2021	5
FYE Oct. 31, 2022	14
FYE Oct. 31, 2023 (Until end of 3Q)	13
Cumulative total	32



Effect of refurbishment

- **More consistent soup quality** due to induction heating (IH)
- **Improved productivity** due to new layout
- **Reduction in CO₂ emissions**

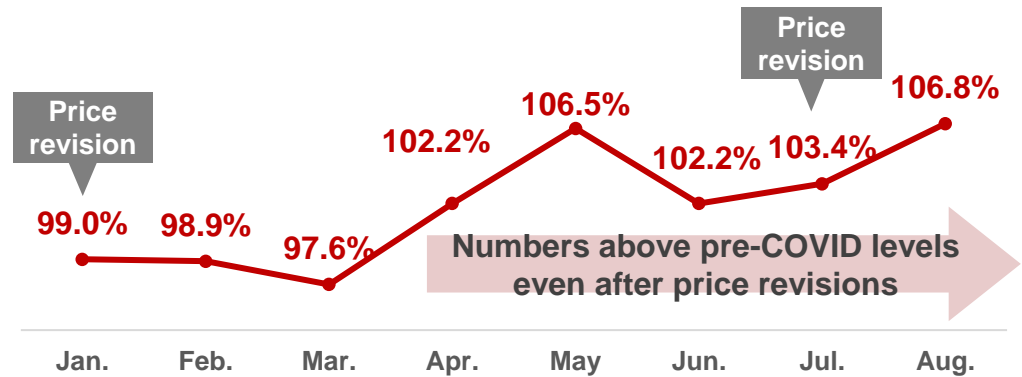
Impact of price revisions

Customer traffic exceeds the level prior to COVID-19 even after price revisions, and there is room for future price revisions

Implemented price revisions in January and July 2023

Price revisions have not caused customer numbers to decline. Sales and customer numbers are above pre-COVID levels.

Number of customer (vs. 2019)



Source: Conditions for January to August 2023 in existing stores

Vs. 2019

Net sales (yen)



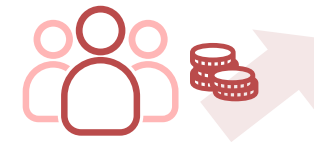
114.0%

Number of customers (persons)



102.3%

Average customer spend (yen)



111.5%

Source: Conditions for January to August 2023 in existing stores

Strengthening overseas store openings

Opening of a franchise store in a second overseas country in Ho Chi Minh City, Vietnam



Franchise store

MACHIDA SHOTEN

(Second store in Vietnam) Thao Dien



Grand Opening
July 9, 2023




MAX Ramen
188,000 VND
(≈ 1,200 yen)


Located in a stylish restaurant area popular among locals and foreign residents.


Store name: Machida Shoten Thao Dien
Address: 14n Đ. Quốc Hương, Thảo Điền, Quận 2, Thành phố Hồ Chí Minh, Vietnam
Business hours: 10:30–23:30


* Business hours may change in the future.


Overseas store openings for FYE Oct. 31, 2023

- 
 November 1, 2022 Produced store
 Hanoi (First store in Vietnam)

- 
 November 18, 2022 Company-owned store
 Penn Station (Third store in New York)

- 
 January 23, 2023 Franchise store
 Phuket (First store in Thailand)

- 
 July 9, 2023 Franchise store
 Ho Chi Minh City (Second store in Vietnam)

- 
 August 26, 2023 Franchise store
 Ho Chi Minh City (Third store in Vietnam)

Number of overseas stores as of July 31, 2023 18 stores

We will continue to expand overseas while leveraging our expertise in ramen store management that we have cultivated in Japan and abroad.

— Initiatives to secure human resources

We will relocate our head office and create a more comfortable working environment.

A space design conducive to more comfortable



Image of office after relocation

Greater expression of **creativity**

Improved **productivity**

Fostering team **unity**

New location	Shibuya Sakura Stage, Shibuya Tower
Address	123, Sakuragaoka-cho, Shibuya-ku, Tokyo
Floor	36
Relocation period	Spring 2024 (planned)

Strengthening recruitment

**Increase number of job applicants
+ Increase rate of job offers**

- Head office relocation
- Conversions (converting casual or part-time staff to full-time employee positions)
- Alumni recruitment (including from graduate networks and referrals)
- Strengthening corporate branding
- Holding events during recruitment / improving efficiency of recruitment phases, etc.

Reducing the turnover rate

**Comfortable work
+ Rewarding work**

- Improvement of benefits
- Offering a variety of opportunities for career advancement
- Improvement of the working environment
- Training to eliminate the difference in understanding before and after company entry
- Proactively promoting young employees (fast-track shop manager promotion)
- Providing appropriate evaluations

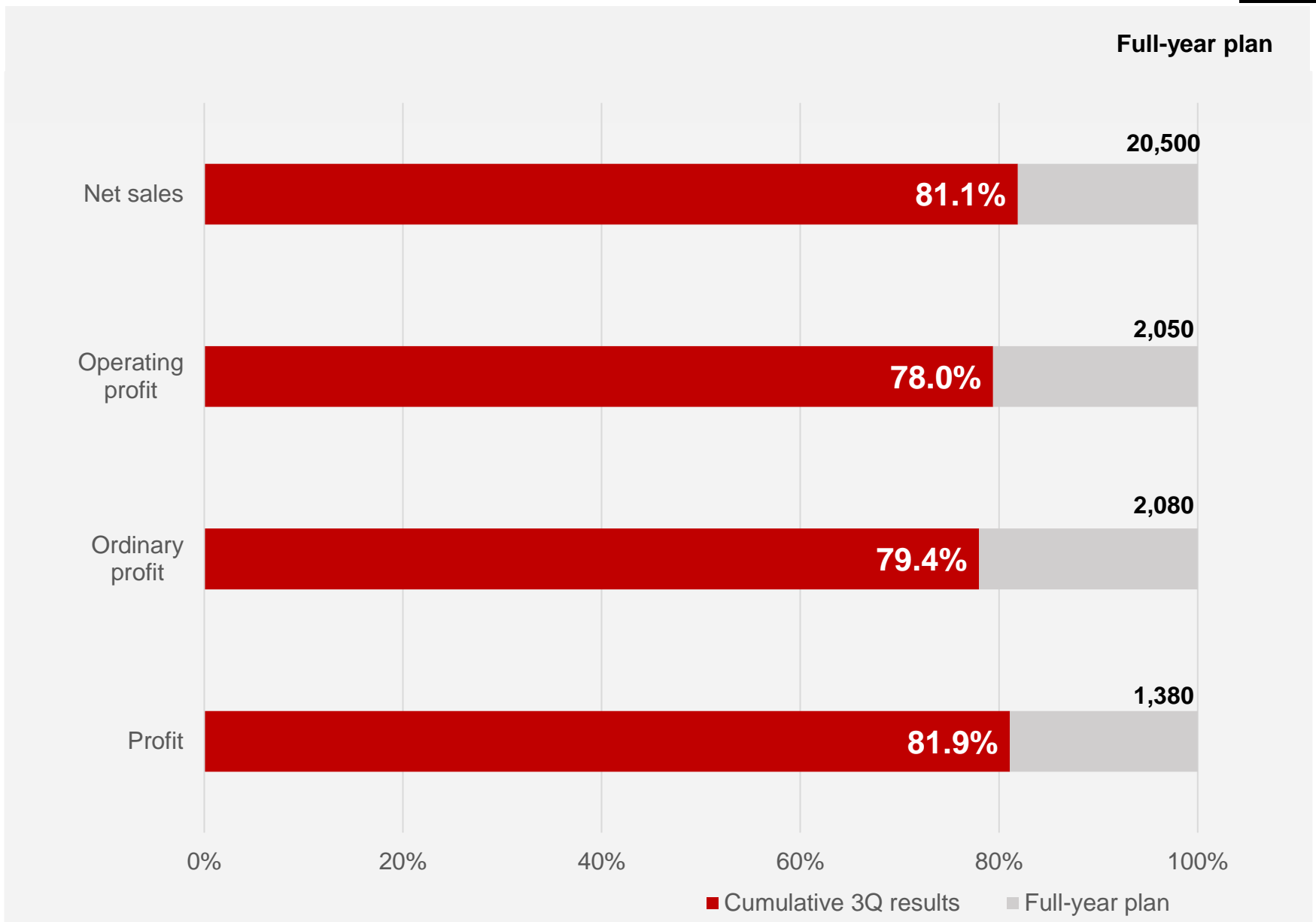
02 Overview of Financial Results for the Cumulative Third Quarter of the Fiscal Year Ending October 31, 2023

— Statements of income



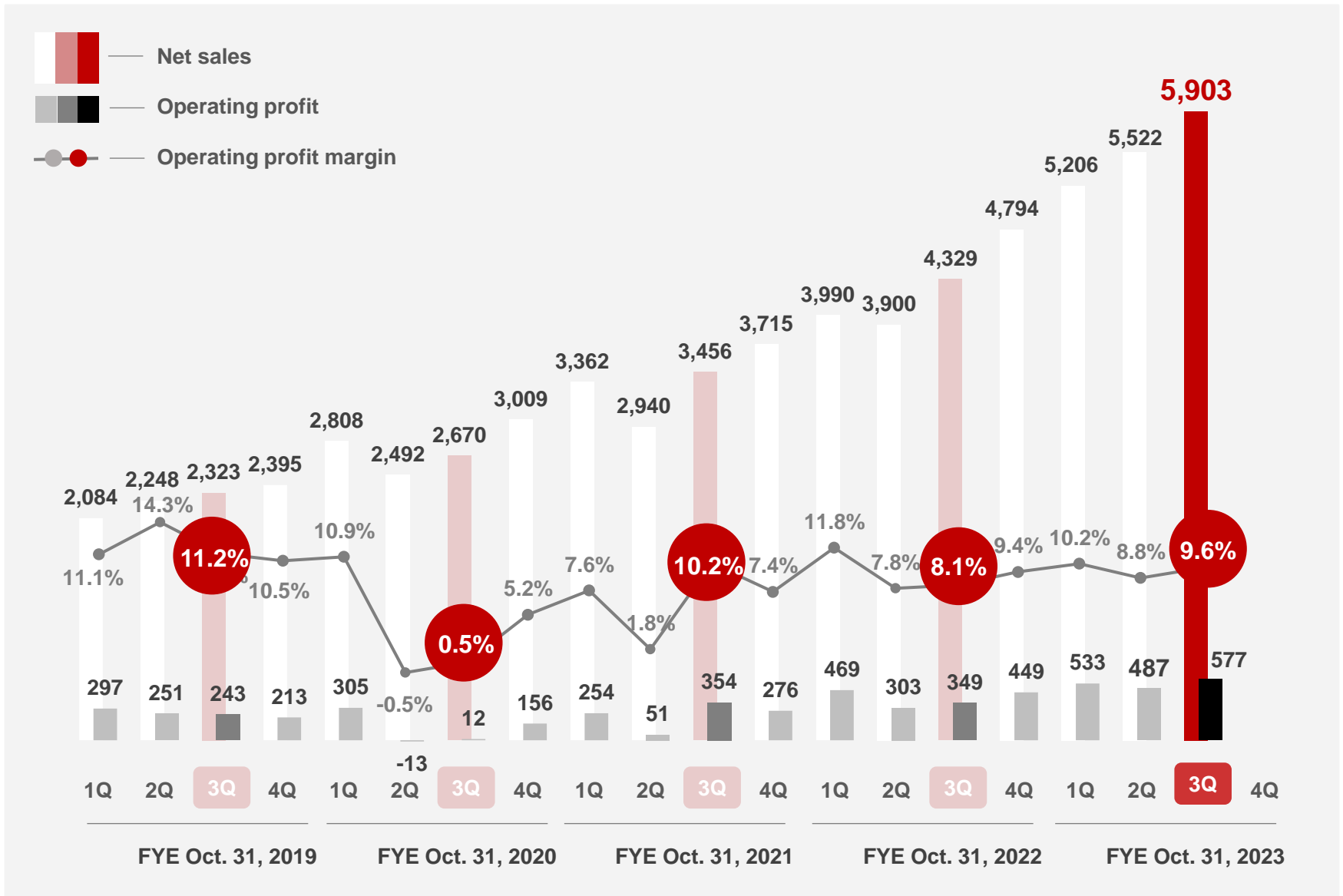
	Cumulative 3Q in FYE Oct. 31, 2022		Cumulative 3Q in FYE Oct. 31, 2023			Change		Compared to plan	
	Amount	Percentage to sales	Amount	Percentage to sales	YoY % change	Full-year plan	Progress		
Net sales	12,220	-	16,632	-	+36.1%	20,500	81.1%		
Cost of sales	3,673	30.1%	5,370	32.3%	+46.2%	-	-		
Gross profit	8,546	69.9%	11,261	67.7%	+31.8%	-	-		
Selling, general and administrative expenses	7,424	60.8%	9,662	58.1%	+30.2%	-	-		
Operating profit	1,222	9.2%	1,598	9.6%	+42.5%	2,050	78.0%		
Ordinary profit	1,805	14.8%	1,652	9.9%	(8.5%)	2,080	79.4%		
Quarterly profit attributable to owners of parent	1,234	10.1%	1,129	6.8%	(8.5%)	1,380	81.9%		

Progress rate vs. plan





Quarterly trends in net sales and operating profit (fiscal period)



Open up stores



+59 stores compared to the end of the previous fiscal year

*Annual plan: +62 stores



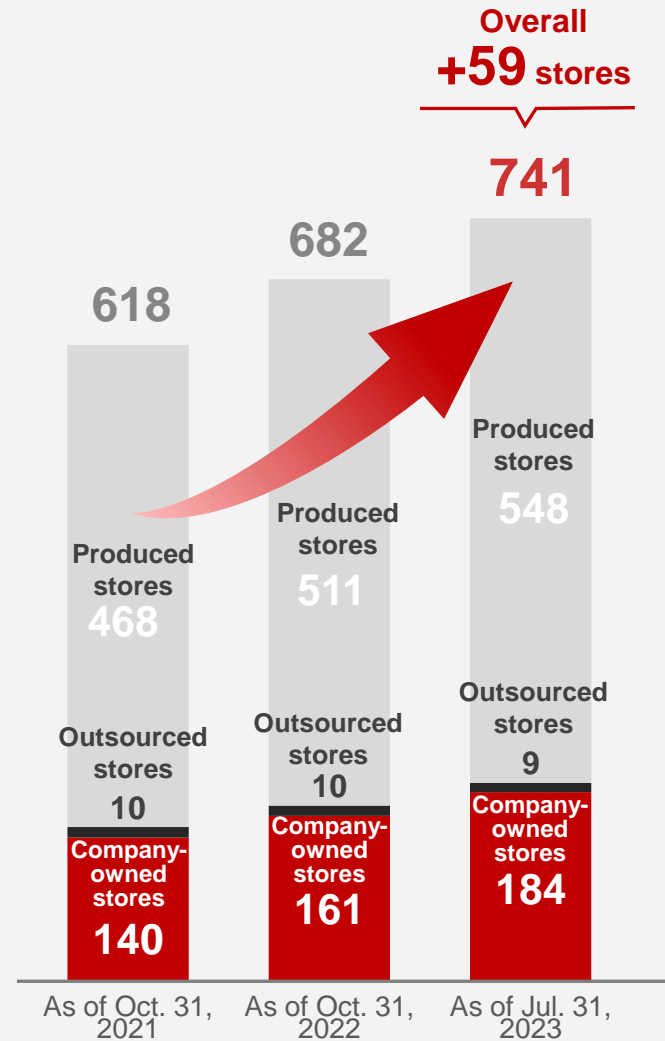
As of Oct. 31, 2022 **As of Jul. 31, 2023**

Produced stores **511** stores **»» 548** stores

Company-owned stores **171** stores **»» 193** stores



(Including outsourced stores)



Total number of stores
682 stores **»» 741** stores



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



Brand					
Number of stores as of July 31, 2023	128	27	5	1	4
Change (compared to October 31, 2022)	+12	+6	-	-	-2

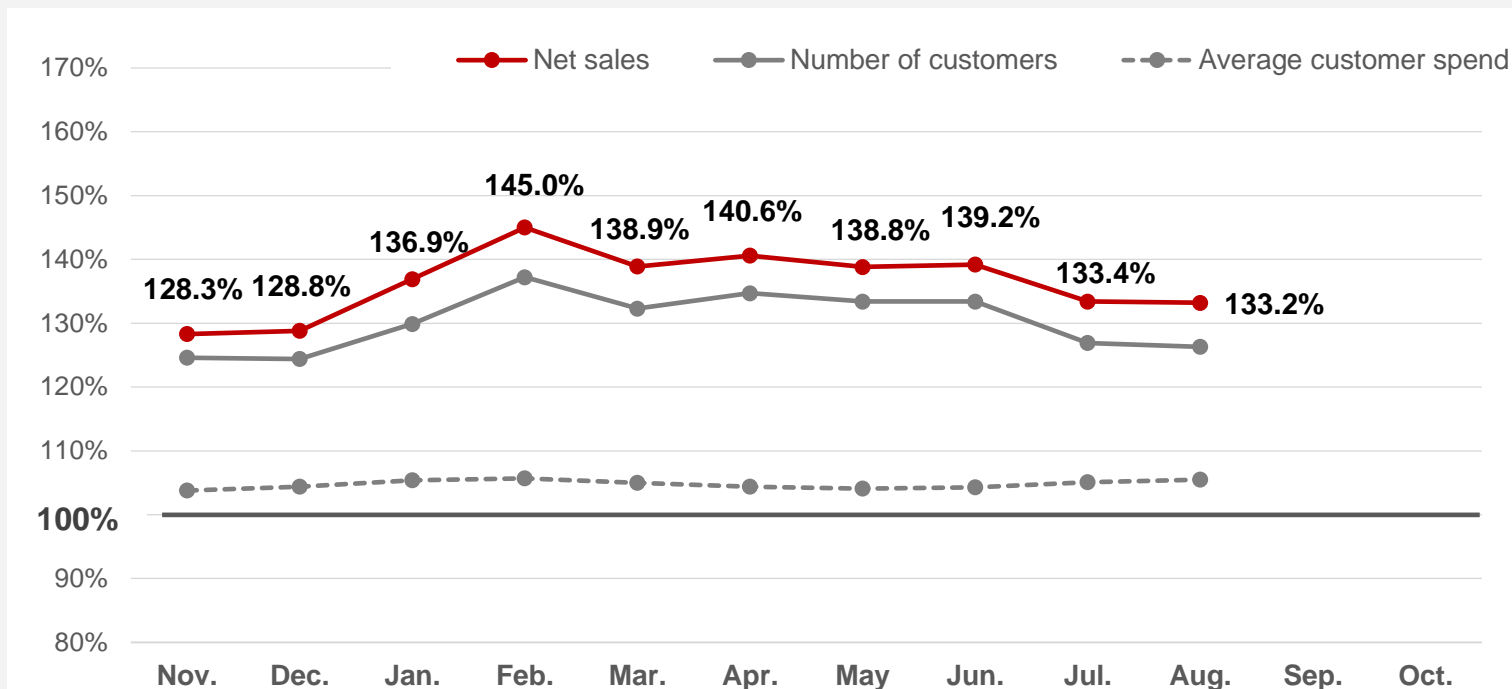
Brand				International  E. A. K. RAMEN	Other
Number of stores as of July 31, 2023	3	8	1	3	4
Change (compared to October 31, 2022)	-	+4	-	+1	+2

— Status of stores (breakdown of change)



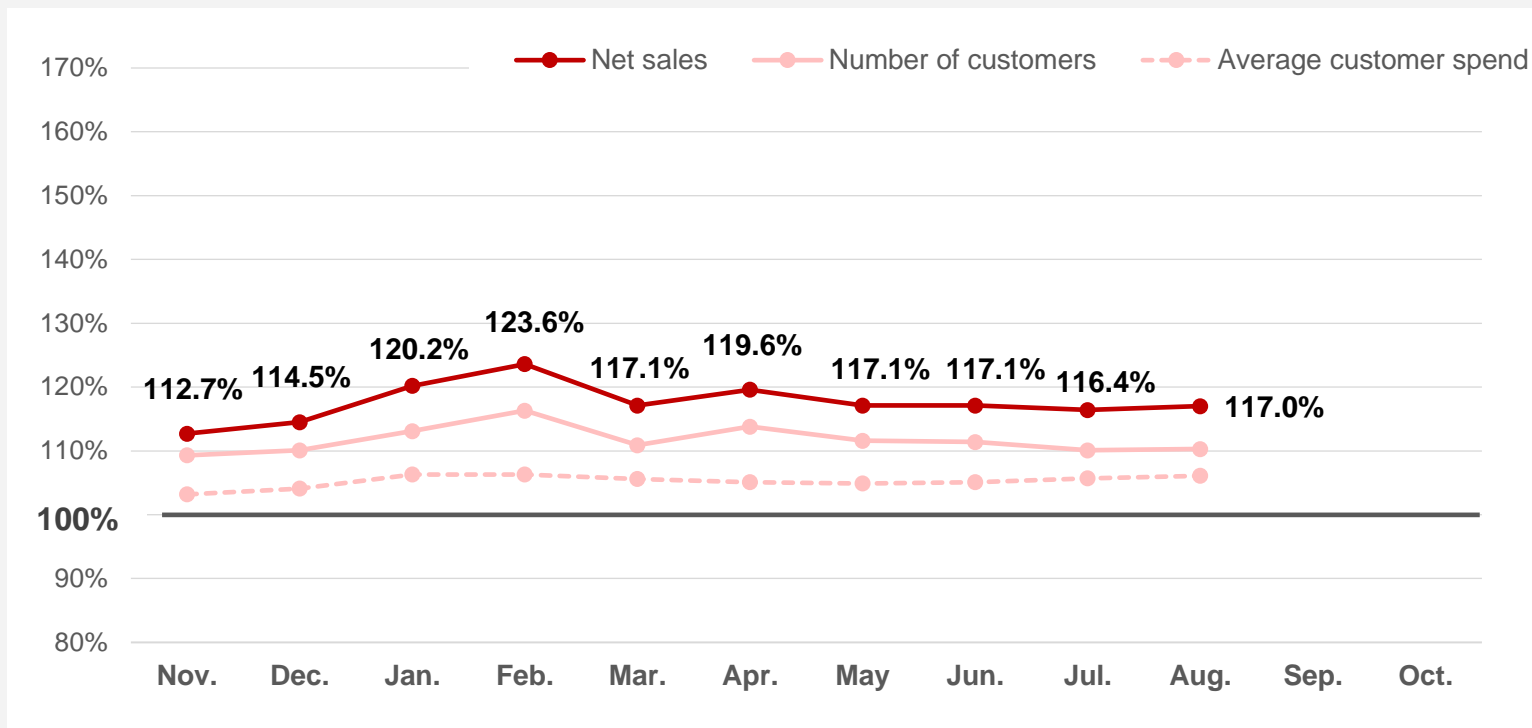
(Number of stores)		Number of stores as of October 31, 2022	Number of stores as of July 31, 2023	Change
Company-owned store business	Kanto	104	116	+12
	East Japan (other than Kanto)	36	44	+8
	West Japan	19	21	+2
	International	2	3	+1
	Subtotal	161	184	+23
Net sales	13,890 million yen	10	9	-1
	Outsourced stores			
	Total	171	193	+22
Produced stores	Kanto	306	316	+10
	East Japan (other than Kanto)	107	116	+9
	West Japan	83	101	+18
	International	15	15	0
	Total	511	548	+37
	Net sales	2,741 million yen		
Total number of stores		682	741	+59

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.	Cumulative total
Net sales	128.3%	128.8%	136.9%	145.0%	138.9%	140.6%	138.8%	139.2%	133.4%	133.2%			136.2%
Number of customers	124.6%	124.4%	129.9%	137.2%	132.3%	134.7%	133.4%	133.4%	126.9%	126.3%			130.2%
Average customer spend	103.8%	104.4%	105.4%	105.7%	105.0%	104.4%	104.1%	104.3%	105.1%	105.5%			104.6%

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.	Cumulative total
Net sales	112.7%	114.5%	120.2%	123.6%	117.1%	119.6%	117.1%	117.1%	116.4%	117.0%			117.5%
Number of customers	109.3%	110.1%	113.1%	116.3%	110.9%	113.8%	111.6%	111.4%	110.1%	110.3%			111.6%
Average customer spend	103.2%	104.1%	106.3%	106.3%	105.6%	105.1%	104.9%	105.1%	105.7%	106.1%			105.2%

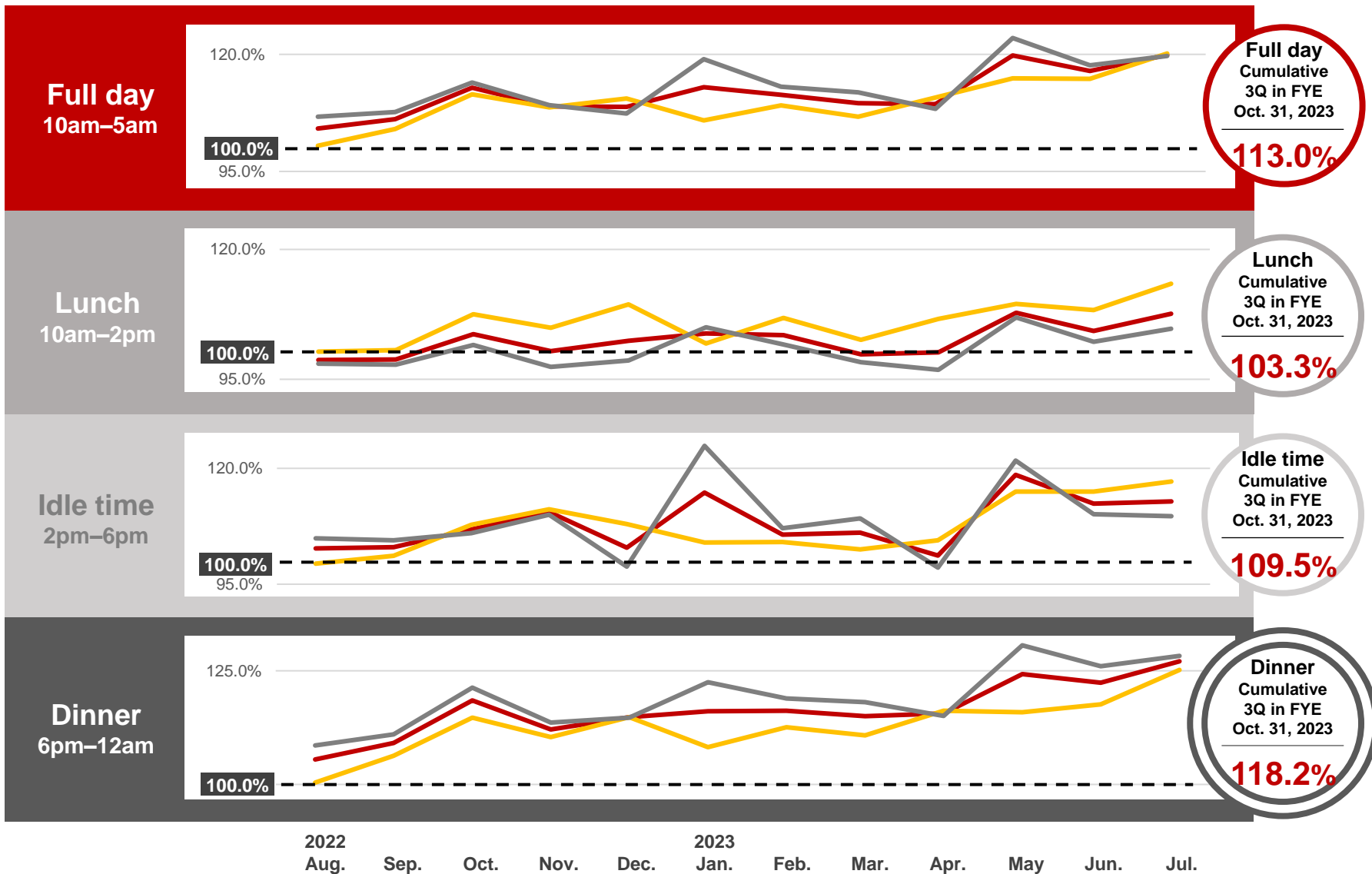
Comparing sales to pre-COVID

Vs. FYE Oct. 31, 2019 (existing company-owned stores, including home delivery sales)



Net sales level exceeding 2019 in all time bands

~ All stores
 ~ Location near train stations
 ~ Roadside



B/S summary



(Millions of yen)	As of Oct. 31, 2022	As of Jul. 31, 2023	Change
Current assets	3,026	3,185	+159
Cash and deposits	2,007	1,808	(199)
Accounts receivable - trade	405	507	+101
Other	613	870	+256
Non-current assets	6,878	8,643	+1,765
Property, plant and equipment	4,756	5,774	+1,017
Intangible assets	122	270	+147
Investments and other assets	1,999	2,599	+599
Total assets	9,905	11,829	+1,924

(Millions of yen)	As of Oct. 31, 2022	As of Jul. 31, 2023	Change
Current liabilities	2,937	3,431	+493
Accounts payable - trade	544	648	+103
Short-term borrowings	42	300	+257
Current portion of long-term borrowings	512	699	+187
Other	1,838	1,783	(54)
Non-current liabilities	1,535	2,128	+593
Long-term borrowings	1,195	1,749	+554
Other	339	379	+39
Total liabilities	4,473	5,560	+1,087
Total net assets	5,432	6,268	+836
Share capital	793	797	+3
Capital surplus	1,045	1,049	+3
Retained earnings	3,463	4,294	+830
Treasury shares	(0)	(0)	(0)
Accumulated other comprehensive income	130	124	(5)
Non-controlling interests	-	4	+4
Total liabilities and net assets	9,905	11,829	+1,924

**03 Forecasts for the Fiscal Year Ending October 31, 2023
(unchanged)**

— Forecasts for the fiscal year ending October 31, 2023 (unchanged)

Plan significant increases in net sales and operating profit by steadily implementing the Medium-term Business Plan.

(Millions of yen)	FYE Oct. 31, 2022 Results		FYE Oct. 31, 2023 Forecast		Change
	Amount	Percentage to sales	Amount	Percentage to sales	
Net sales	17,015	-	20,500	-	+20.5%
Operating profit	1,571	9.2%	2,050	10.0%	+30.4%
Ordinary profit	2,442	14.4%	2,080	10.1%	(14.9%)
Profit attributable to owners of parent	1,538	9.0%	1,380	6.7%	(10.3%)

Assumptions behind forecasts for the fiscal year ending October 31, 2023 (unchanged)



Sales of existing company-owned domestic stores

vs. FYE Oct. 31, 2022: **104.7%**
vs. FYE Oct. 31, 2019: **102.0%**

Open up stores

Company-owned
domestic stores

39 stores

Net increase of **38** stores

Company-owned
foreign stores

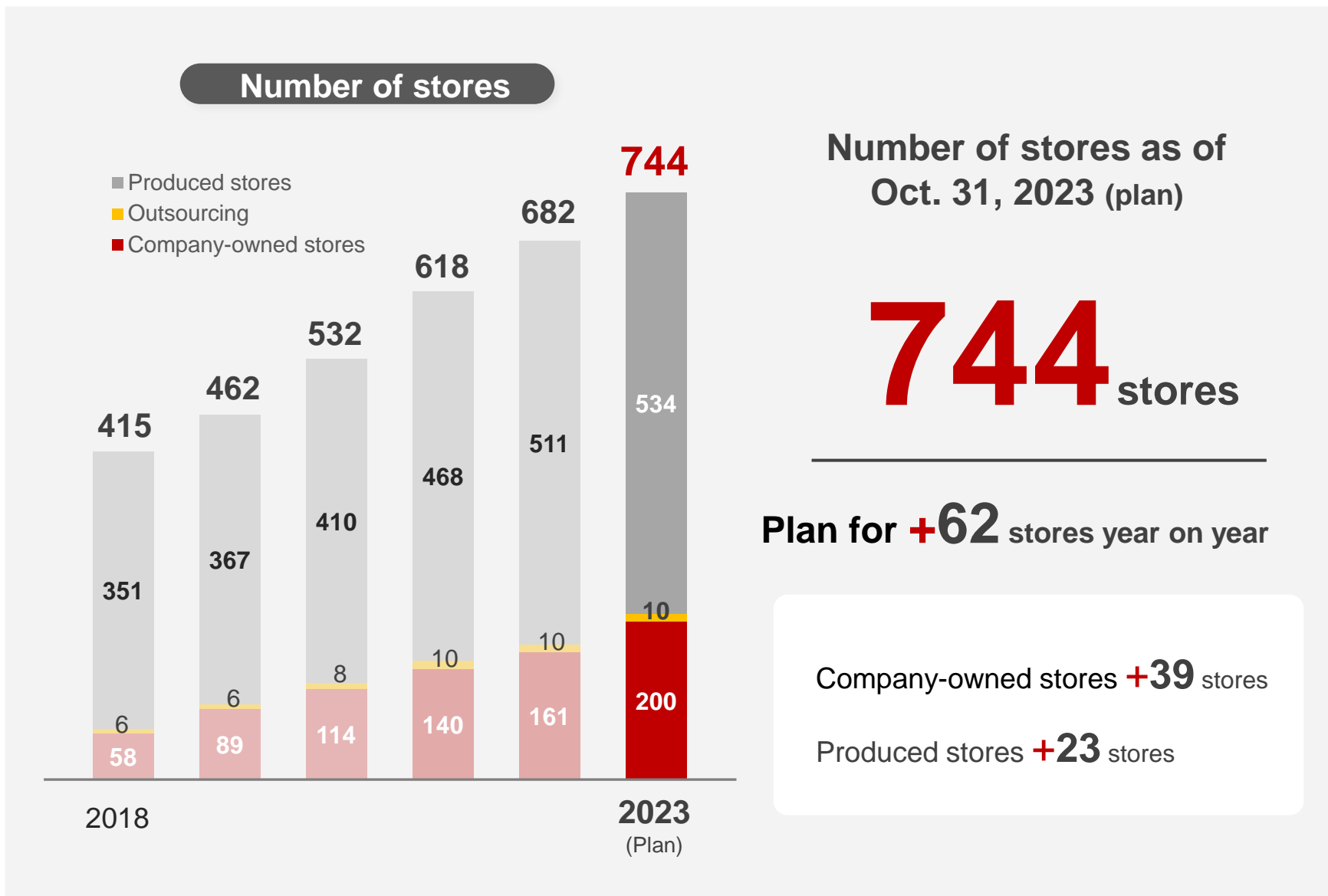
1 store

Produced stores

23 stores

20 domestic stores
3 foreign stores

— Store opening plan (unchanged)



Returns to shareholders

Implementation of stock split

We implemented a stock split with a ratio of 1:2 on August 1, 2023.

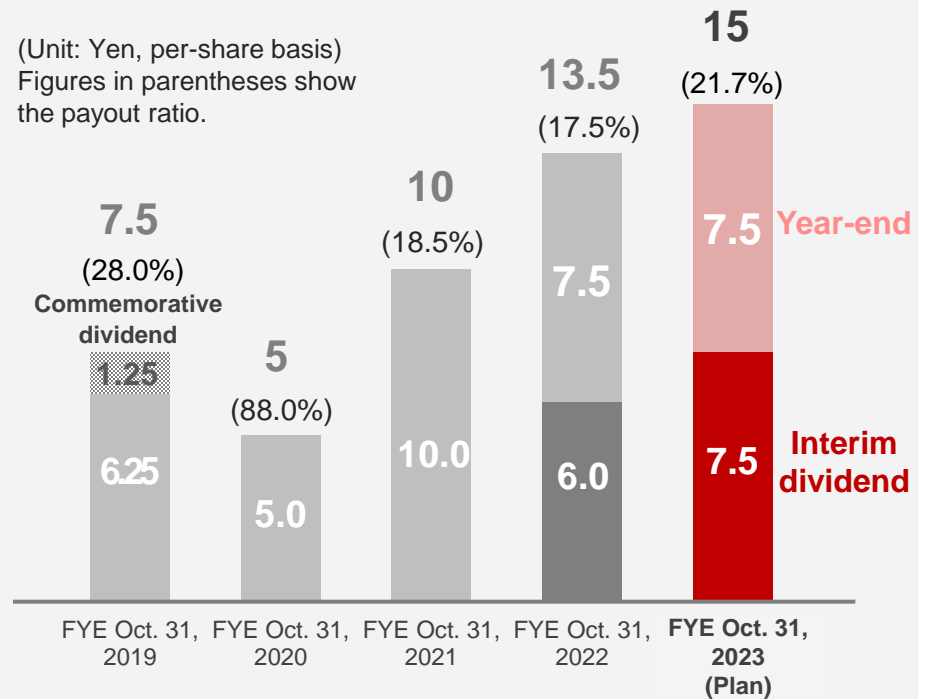
By lowering the amount per unit of investment, we aim to create an environment more conducive to investment, improve the liquidity of our stock, and expand our investor base.

Change in dividends

- **Implemented a stock split** with a ratio of 1:2 on August 1, 2023
- Plan to **increase dividend by 1.5 yen** compared to October 2022
- Target **a payout ratio of 20% or more**

→ 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 per share figures in this briefing material have therefore been calculated retroactively based on the stock splits.

(Unit: Yen, per-share basis)
Figures in parentheses show the payout ratio.





— Shareholder benefit

- The distribution standard for meal coupons has changed in conjunction with the stock split.
- **A new benefit category has been added for shareholders with 100–199 shares (shareholders who held 50–99 shares prior to the stock split).**

No. shares held before stock split	Before change		No. shares held after stock split	After change	
	Less than 1 year	1 year or more		Less than 1 year	1 year or more
50 shares or more	—	—	New category 100 shares or more	1 coupon (2 per year)	2 coupons (4 per year)
100 shares or more	2 coupons (4 per year)	3 coupons (6 per year)	200 shares or more	2 coupons (4 per year)	3 coupons (6 per year)
200 shares or more	3 coupons (6 per year)	4 coupons (8 per year)	400 shares or more	3 coupons (6 per year)	4 coupons (8 per year)
300 shares or more	4 coupons (8 per year)	5 coupons (10 per year)	600 shares or more	4 coupons (8 per year)	5 coupons (10 per year)
500 shares or more	5 coupons (10 per year)	6 coupons (12 per year)	1,000 shares or more	5 coupons (10 per year)	6 coupons (12 per year)

* Shareholders listed on the shareholder registry as of October 31, 2023, with 100 or more shares will be eligible for benefits.

04 Medium-term Business Plan (Unchanged)

Basic strategy - aspirations and approach



FYE October 31, 2025: Targets to be achieved*

Net sales **30.0**
billion yen

Operating profit **3.0**
billion yen



Expansion of business and strengthening of structure



Promotion of digital transformation (DX)

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

Medium-term business plan

(FYE October 31, 2023 to FYE October 31, 2025) / Quantitative plan



	2020	2021	2022	2023	2024	2025
Net sales	11.0	13.4	17.0	20.5	25.0	30.0
	(billion yen)	(billion yen)	(billion yen)	(billion yen)	(billion yen)	(billion yen)
Operating profit	0.46	0.93	1.57	2.05	2.5	3.0
	(billion yen)	(billion yen)	(billion yen)	(billion yen)	(billion yen)	(billion yen)
Ordinary profit	0.51	1.74	2.44	2.05	2.5	3.0
	(billion yen)	(billion yen)	(billion yen)	(billion yen)	(billion yen)	(billion yen)

Japan	Total number of stores	519 stores	602 stores	665 stores	723 stores	781 stores	1,000 stores
	Company-owned stores	119 stores	147 stores	169 stores	207 stores	245 stores	300 stores
	Produced stores	400 stores	455 stores	496 stores	516 stores	536 stores	700 stores
International	Total number of stores	13 stores	16 stores	17 stores	21 stores	24 stores	33 stores
	Company-owned stores	3 stores	3 stores	2 stores	3 stores	3 stores	3 stores
	Produced stores	10 stores	13 stores	15 stores	18 stores	21 stores	30 stores
Total	Total number of stores	532 stores	618 stores	682 stores	744 stores	805 stores	1,033 stores
	Company-owned stores	122 stores	150 stores	171 stores	210 stores	248 stores	303 stores
	Produced stores	410 stores	468 stores	511 stores	534 stores	557 stores	730 stores

— Medium-term business plan

Key themes	Overview of initiatives
Expansion of existing business	<p>(1) Quality enhancement at each store ← PICK UP</p> <p>(2) Human resource development and retention</p> <p>(3) Flexible response to inflation</p>
Operation of new business types	<p>(4) Acquisition of new business types through aggressive M&A ← PICK UP</p> <p>(5) Development and brush-up of additional business types</p>
Overseas expansion	<p>(6) Expansion of stores (Company-owned stores, franchise stores)</p> <p>(7) Creation of head office and sales functions supporting overseas expansion</p>
Strengthening of ability to open stores	<p>(8) Strengthening of model development ← PICK UP</p> <p>(9) Strengthening of property development capability</p>
<p>Strengthening of manufacturing, purchasing and logistics system</p> <p>PICK UP</p>	<p>(10) Reduction of manufacturing costs and enhancement of manufacturing quality</p> <p>(11) Creation of stable supply system by area</p> <p>(12) Utilization of logistics centers (cost optimization, stockout risk control)</p> <p>(13) Enhancement of logistics quality (frequency, quality)</p>
ESG	<p>(14) Promotion of ESG management ← PICK UP</p>
<p>(15) Promotion of DX ← PICK UP</p>	

Details of medium-term business plan

PICK UP (1) Quality enhancement at each store

Aim to create appealing stores in both company-owned stores and produced stores



1. Company-owned stores

Reallocate control of Company-owned foreign stores to Company-owned domestic stores

- ✓ Aim to balance QSCA enhancement and cost control by conducting operations in the same manner as Company-owned domestic stores

2. Produced stores

Supply of high-quality ingredients by maintaining freshness

- ✓ Supply the same ingredients as Company-owned domestic stores using the same logistics network
- ✓ Build a system enabling the provision of high-quality ramen by supplying high-quality ingredients and maintaining freshness

Details of medium-term business plan

PICK UP (4) Aggressive M&A



Aim to secure brand and locations, and enhance manufacturing capacity

M&A targets		Aim
Extremely successful stores		Expansion of brands
Chain stores		Securing advantageous locations and human resources
Factories		Enhancement of manufacturing capacity essential for expansion of stores

Proceed with property development while verifying the opening of stores

Verification of expansion in a variety of locations



元祖油堂
油そば



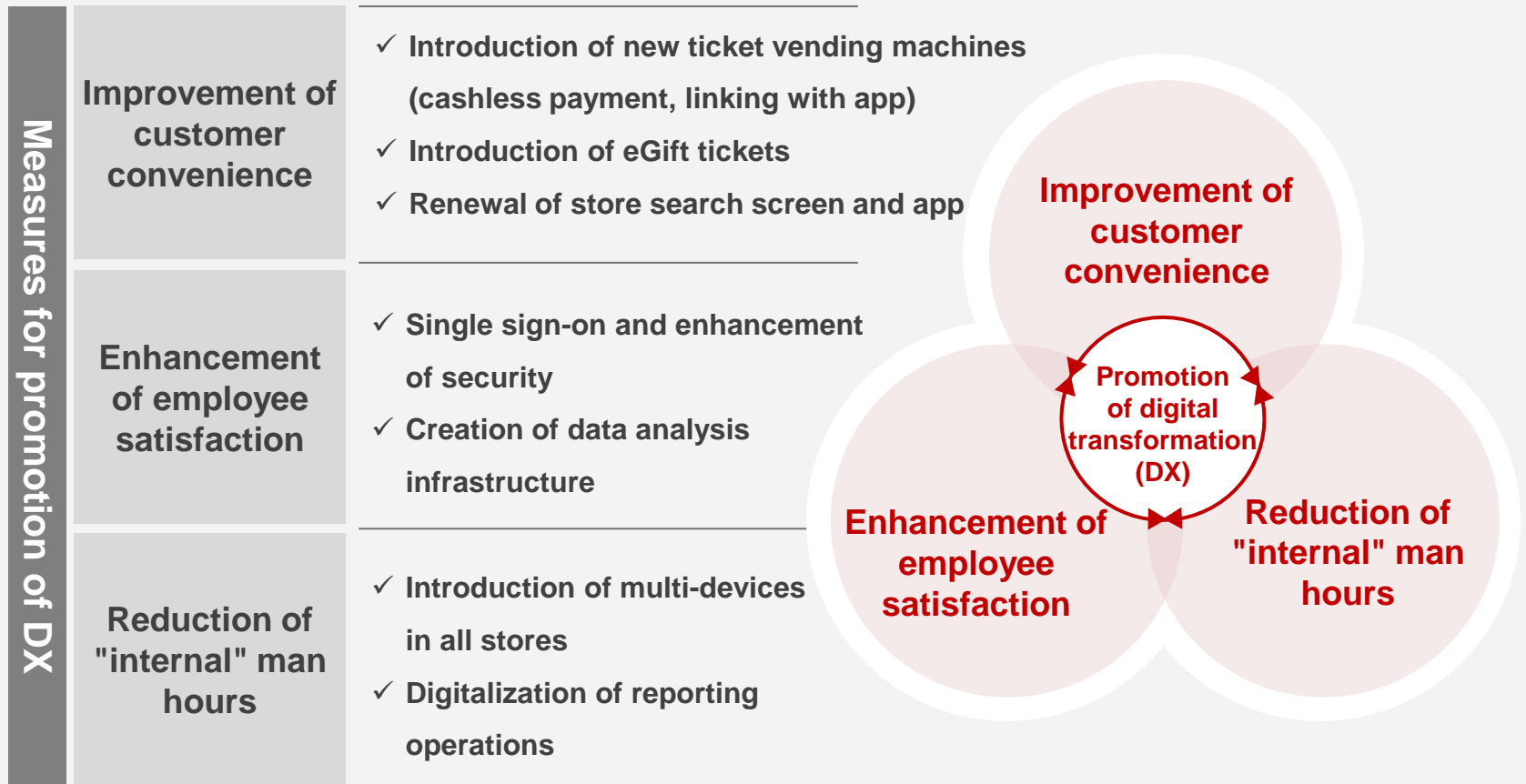
**Expansion of roadside stores
and franchise stores**



Food courts and service areas






Promotion of DX is a priority measure to take companywide

A virtuous cycle is created by DX promotion, providing returns in all directions.



Establishment of factories and logistics centers aimed at opening many stores and area expansion

Factories

Noodles		Soup		Roast pork
				
Hiratsuka	Yokohama Daiichi	Tamba-Sasayama	Yokohama Daini	Ayase

- Reduction of manufacturing costs
- Enhancement of manufacturing quality
- Securing supply capacity

Logistics centers

		
Kanto area	Kansai area	Chukyo area

- Optimization of logistics costs
- Stockout risk control
- Improvement of distribution frequency and distribution quality
- Bulk distribution to stores

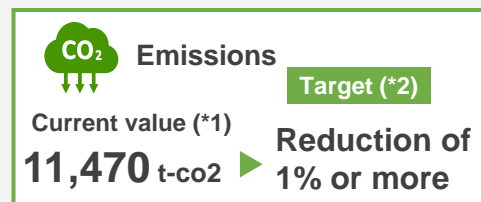
Receive the benefits of synergy effects throughout the Gift Group as a whole by building and operating a **manufacturing, purchasing and logistics platform**

Details of medium-term business plan

PICK UP (14) Promotion ESG management



In order to contribute to the creation of a sustainable society, the Company will engage in management emphasizing ESG (Environment, Social, Governance), and will conduct business activities with the aim of achieving the targets set out in the SDGs* adopted by the United Nations.



*1 April 2021 to March 2022
*2 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



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

- Strengthening information security and protection of privacy
- IR activities (constructive dialogue with investors)
- Dynamic renewal of governance system

IR website

Other investor relations (IR) materials are available on our English IR website:



<https://en.gift-group.co.jp/en/ir>

Machida Shoten

For details of our main brand Machida shoten, please refer to the following website:



<https://us.machidashoten.com>

05 Reference Materials: Company Overview

Company overview



Company name	GIFT HOLDINGS INC.
Business details	Restaurant operation
Head office address	3F Odakyu Machida Morino Building, 1-23-19 Morino, Machida-shi, Tokyo
Company factories	Noodle production factories: Hiratsuka, Yokohama Daiichi, Tamba-Sasayama Roast pork factory: Ayase Soup factory: 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	797 million yen (as of July 31, 2023)
Group employees	550 employees, 2,939 part-time and casual workers (as of October 31, 2022)
Affiliates	9 consolidated subsidiaries (Names of important consolidated subsidiaries) GIFT INC. Ramen TENKA K.K. GIFT FOODS MATERIAL K.K. GIFT USA INC.



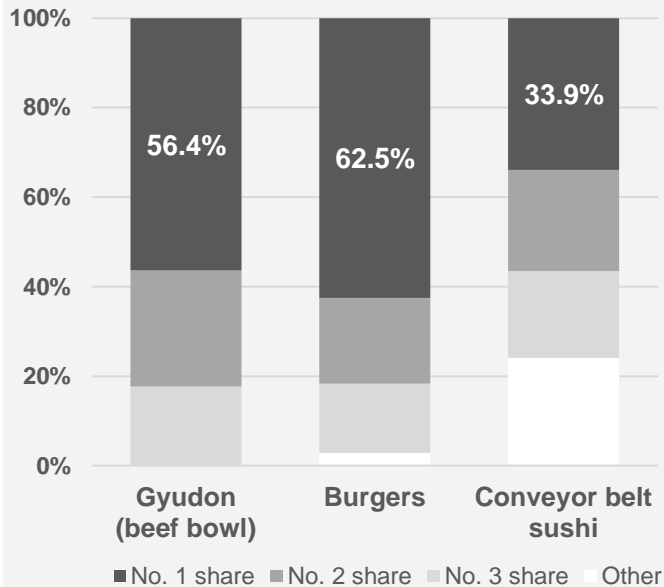
Characteristics of main restaurant industries and domestic ramen market



- As opposed to items such as gyudon (beef bowl), burger, and conveyor belt sushi, which are concentrated on major companies, the ramen market is flooded with small stores, and is an expanding market with plenty of potential for expansion of our share.

Markets where oligopolization has progressed

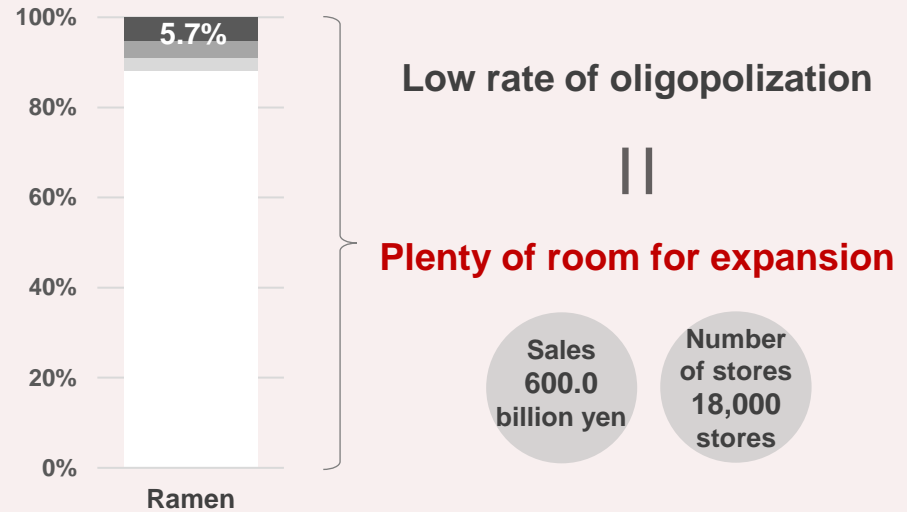
Share of top companies in main restaurant industries



Source: Calculated in-house based on Economic Conditions Survey of Ministry of Internal Affairs and Communications and financial information from each company

Market with much room for expansion

Share of ramen market



Expand share through **"appeal of individual stores"** where authentic ramen can be enjoyed and **"standardization and simplification"** of operations

Brand expansion

Opened multiple stores of the Company's ramen brands within the same area



Brand list



Core brand



Machida Shoten

EAK 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

A "hearty 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.



元祖油堂



GANSO ABURADO

"Oil noodles" 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 ramen" characterized by soup matured by hours of cooking.

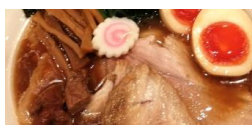
The specially ordered ultra-thin noodles sought to match the rich and deeply flavored soup provide the ultimate flavor.



SHI-TEN-NOH

Very popular with visitors from foreign countries.

"Pork bone broth ramen" characterized by its light richness.



中華そば



長岡食堂

NAGAOKA SHOKUDO

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



ITOI

Rich "miso ramen" with soup containing loads of flavor of pork bone, chicken bone and vegetables. The white miso, garlic and stir-fried crisp bean sprouts are amazing and a perfect match with rice!

International



E. A. K. RAMEN

E.A.K RAMEN

Providing a flavor to match local needs based on "EAK Ramen."

Business details

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

Company-owned stores

184 stores

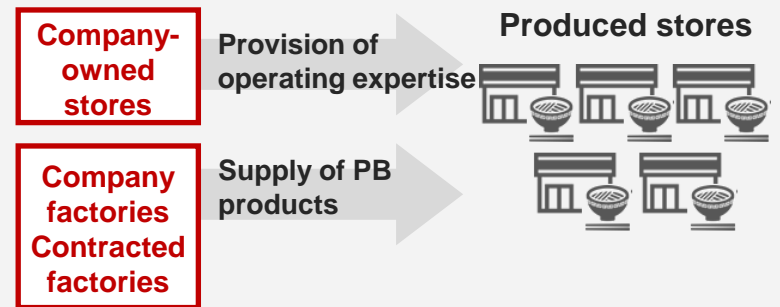
The Company operates stores under its own brands centered on Yokohama EAK Ramen Machida Shoten (Refer to the previous page for other brands).



Produced stores

548 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).



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

— Store opening strategy

Possible to operate successful stores both near train stations and roadside areas

Areas near train stations

Locally focused store operation

Akitsu Shoten



Sannomiya Shoten



Yoyogi Shoten



Tsunashima Shoten



Ogikubo Shoten



Roadside areas

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 Fujinomiya Store



— Roadside stores

Roadside stores are also popular with families

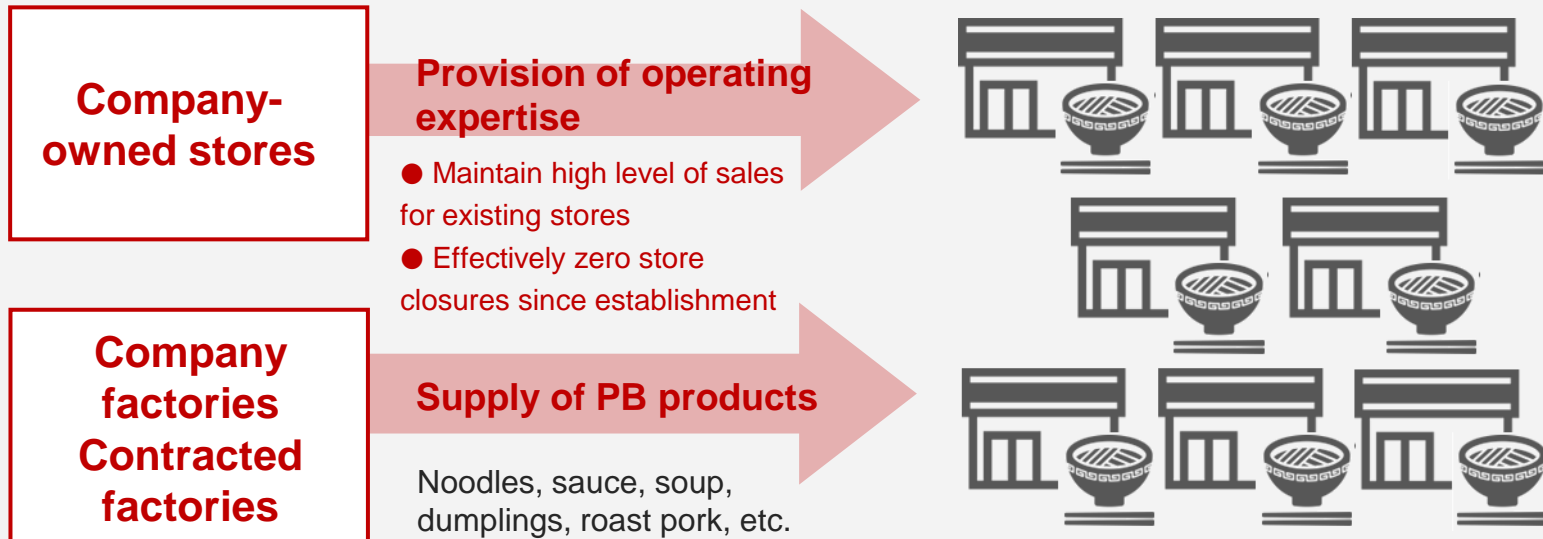
- Parking area (20-30 vehicles)
- Opening stores based on analysis of factors such as the state of competition, population of the trade area and traffic volume
- Creation of stores that can be enjoyed by families
- Improvement of menu for families
- Maintaining trend of increasing average customer spend
- 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).



* 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

History



- 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 the trade name to GIFT INC.** Established the first international subsidiary in Singapore
Nov. Reached 30 Company-owned stores in Japan
- 2016** Mar. Established 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**
- 2022** Mar. **Changed the trade name to GIFT HOLDINGS INC.**
Aug. **Established Ayase Factory (roast pork factory) in Ayase-shi, Kanagawa**



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.
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