



GIFT HOLDINGS INC. Securities Code 9279

Results Briefing Materials for the Fiscal Year Ended October 31, 2023



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 Fiscal Year
Ended October 31, 2023**



Net sales

22,982 million yen

YoY: **+35.1%**

Operating profit

2,352 million yen

YoY: **+49.7%**

Ordinary profit

2,424 million yen

YoY: **-0.7%**

Overview of financial results

Achieved full-year plan thanks to successful aggressive business expansion in the current post-COVID-19 environment without behavioral restrictions

Quality enhancement at each store

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

Strengthening production systems

In addition to launching a **noodle factory** that will begin production operations in the next fiscal year, strengthening our production system to **expand the range of items produced**

Strengthening overseas store openings

Opened new stores in **Vietnam, Thailand, and New York**. Making 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 fiscal year ended October 31, 2023



Growth and Profitability

Net sales growth

35.1%

(Annual goal: 20.5%)

Operating profit margin

10.2%

(Annual goal: 10.0%)

YoY Change in Net Sales of Company-owned Stores

All company-owned stores in Japan

135.1%

Existing company-owned stores in Japan

117.0%

(Annual goal: 104.7%)

Stores Opened in the Period

Company-owned stores

28 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

6,210 yen

(Same period of the previous year: 5,976 yen)

Labor cost rate

24.5%

(Same period of the previous year: 26.0%)

Recruitment and Retention

Hiring employees

Newly hired **140** mid-career employees
Hired **49** new graduates

Retirement rate

18.3% **26.8%**

(Same period of the previous year: 17.0%)

Industry average*

— Results vs. KPIs for the fiscal year ended October 31, 2023



	KPI	Targets	FYE Oct. 31, 2023 Results	
Growth	1. Net sales growth	20% or above	<input type="radio"/>	35.1%
Profitability	2. Operating profit margin	10% or above	<input type="radio"/>	10.2%
Gain on investments	3. ROA (ordinary profit to total assets)	15% or above	<input type="radio"/>	21.6%
	4. ROE (net profit to shareholders' equity)	15% or above	<input type="radio"/>	26.2%
Returns to shareholders	5. Dividend payout ratio	20% or above	<input type="radio"/>	20.6%

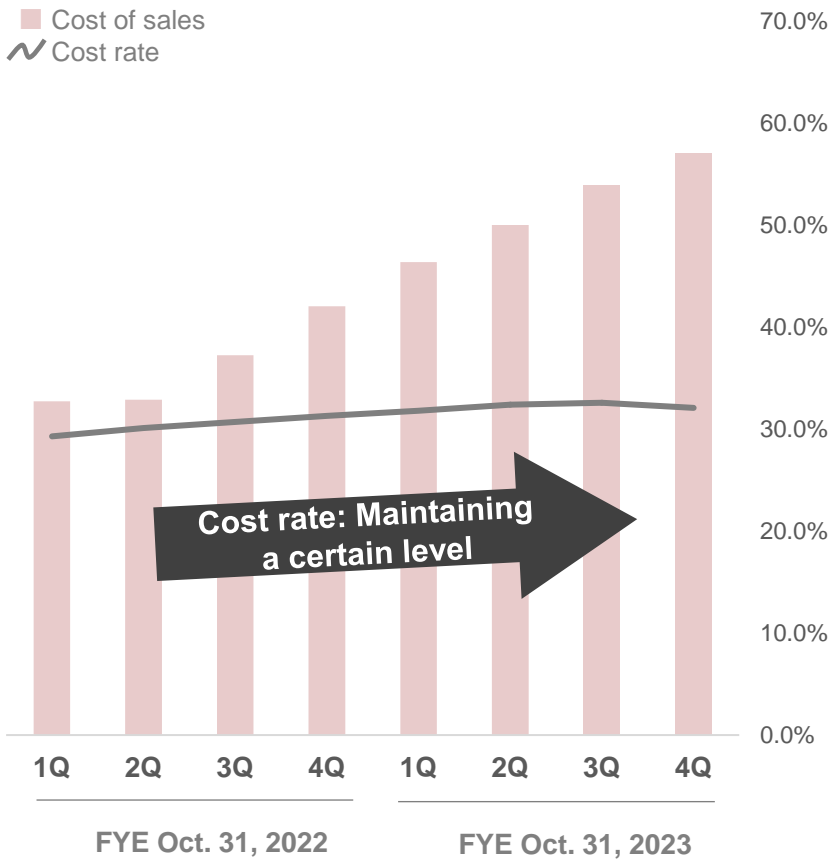
Maintained high profitability

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

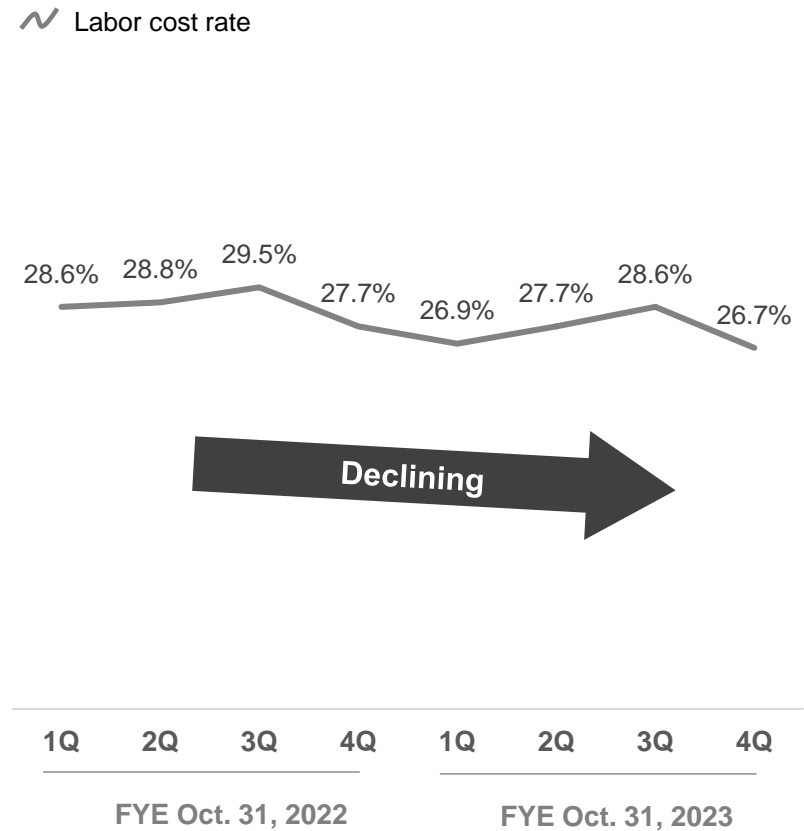
Cost of sales: Maintained a certain level despite the rising cost rate due to the policy of transferring increased costs to price.

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

Cost of sales



Labor cost

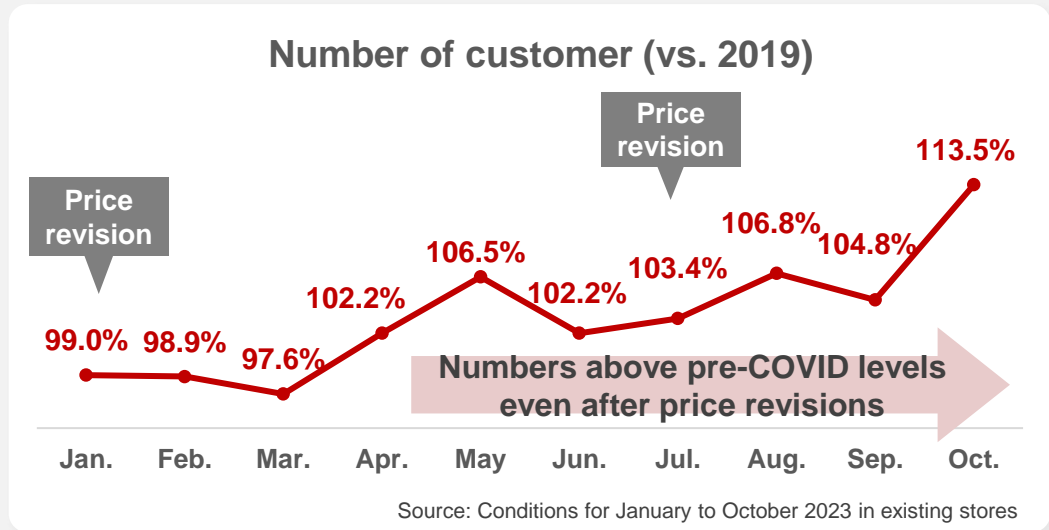


Impact of price revisions

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.



Vs. 2019

Net sales (yen)



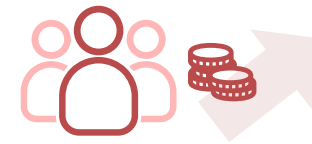
116.4%

Number of customers (persons)



103.8%

Average customer spend (yen)



112.1%

Source: Conditions for January to October 2023 in company-owned existing stores

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	18
Cumulative total	37



Effect of refurbishment

- **Maintaining consistent soup quality** due to consistent warming temperature from induction heating (IH)
- **Improving productivity** due to new layout
- **Reduction in CO₂ emissions**


Overseas expansion


Currently operating 19 overseas stores (including 3 company-owned stores and 3 franchise stores)

Accelerating franchise expansion under the Machida Shoten brand




 Malaysia 2 stores

 Taiwan 6 stores

 Vietnam 3 stores
2 franchise stores

 US 4 stores
3 company-owned stores

 Philippines 1 store

 Hong Kong 1 store

 Thailand 2 stores
1 franchise store

Opened roadside BUTAYAMA stores (new ramen business development)

Began opening roadside stores of the BUTAYAMA chain, as well as franchising BUTAYAMA and GANSO ABURADO stores



BUTAYAMA Hachioji Kitano Store



BUTAYAMA Kan-ni Shimonagaya Store

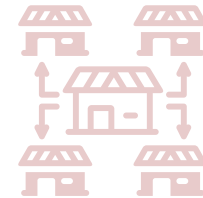
Also launched expansion of franchise stores



元祖油堂
油そば



Launched partial franchise expansion



02 Overview of Financial Results for the Fiscal Year Ended October 31, 2023

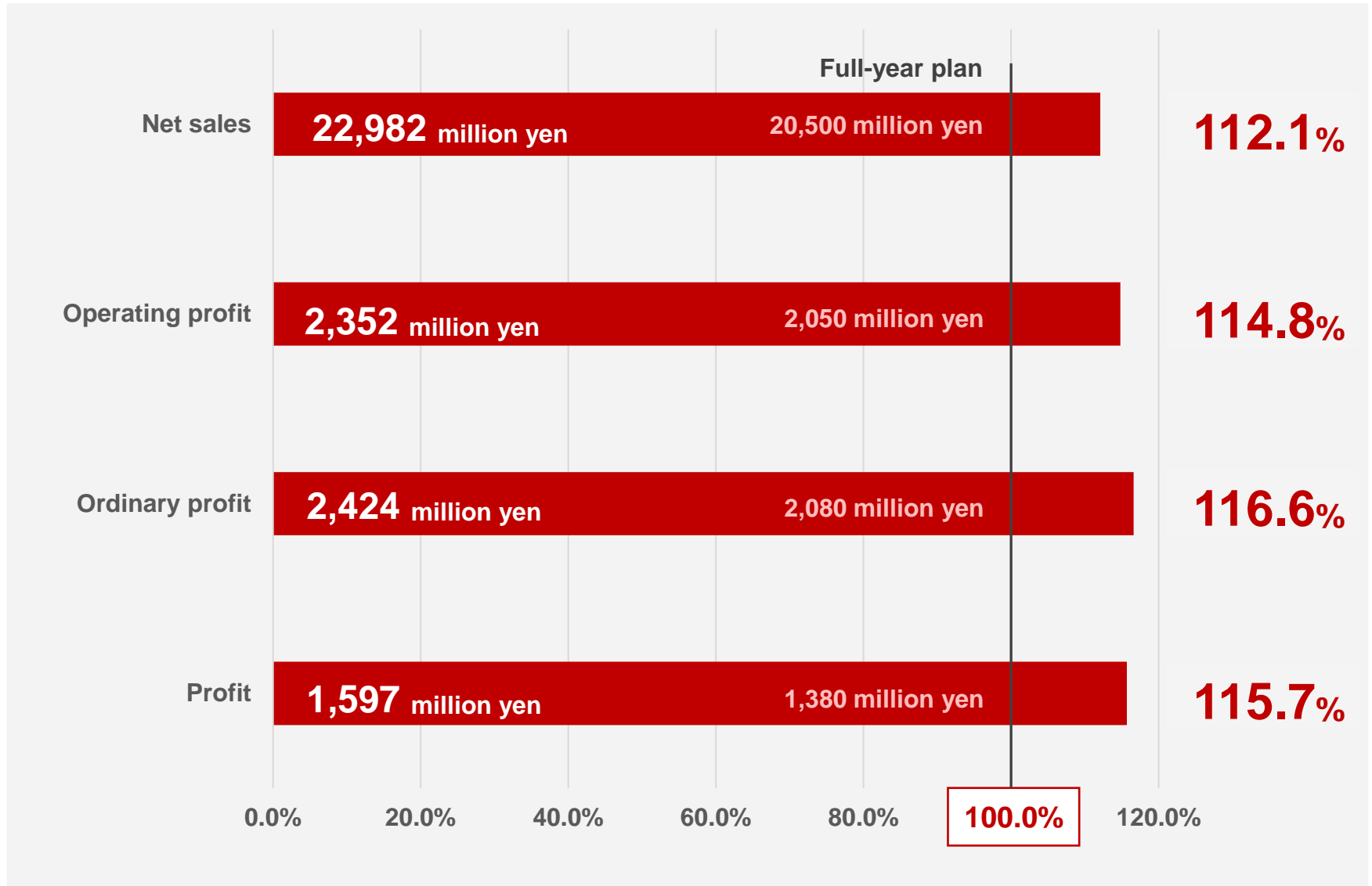
Statements of income



	FYE Oct. 31, 2022		FYE Oct. 31, 2023			Change		Compared to plan	
	(Millions of yen)	Amount	Percentage to sales	Amount	Percentage to sales	YoY % change	Full-year plan	Level of achievement	
Net sales	17,015	-	22,982	-	+35.1%	20,500	112.1%		
Cost of sales	5,176	30.4%	7,409	32.2%	+43.2%	-	-		
Gross profit	11,839	69.6%	15,572	67.8%	+31.5%	-	-		
Selling, general and administrative expenses	10,267	60.3%	13,220	57.5%	+28.8%	-	-		
Operating profit	1,571	9.2%	2,352	10.2%	+49.7%	2,050	114.8%		
Ordinary profit	2,442	14.4%	2,424	10.5%	(0.7%)	2,080	116.6%		
Profit attributable to owners of parent	1,538	9.0%	1,597	6.9%	3.8%	1,380	115.7%		

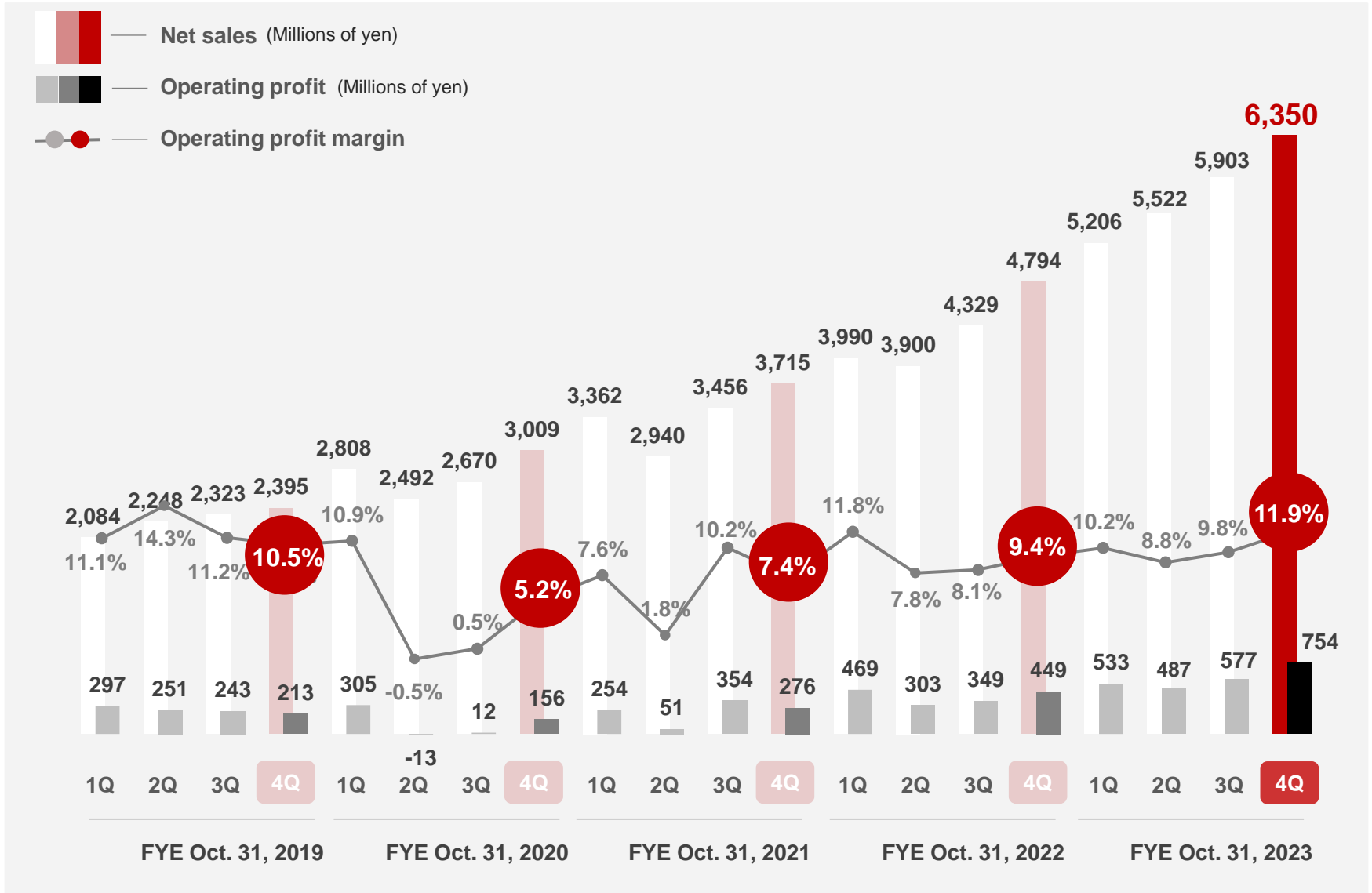
Achievement rates vs. plan

Securely achieved performance above plan for all items





Quarterly trends in net sales and operating profit



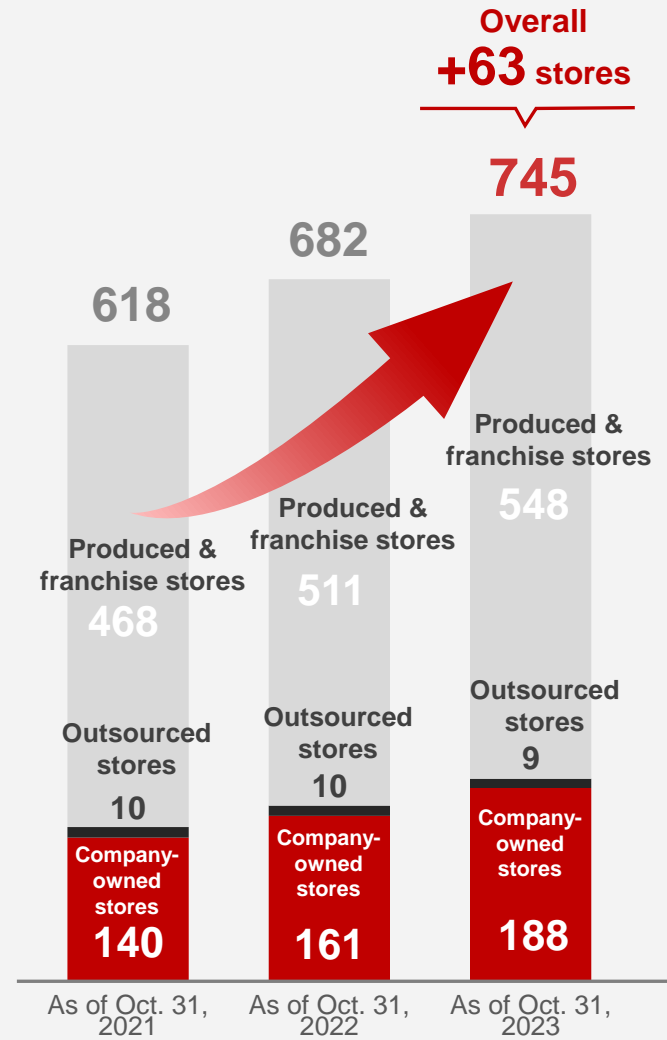
Open up stores

+63 stores compared to the end of the previous fiscal year



*Annual plan: +62 stores

	As of Oct. 31, 2022	As of Oct. 31, 2023
Produced & franchise stores	511 stores	548 stores
Outsourced stores	10 stores	9 stores
Company-owned stores	161 stores	188 stores
Total number of stores	682 stores	745 stores



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



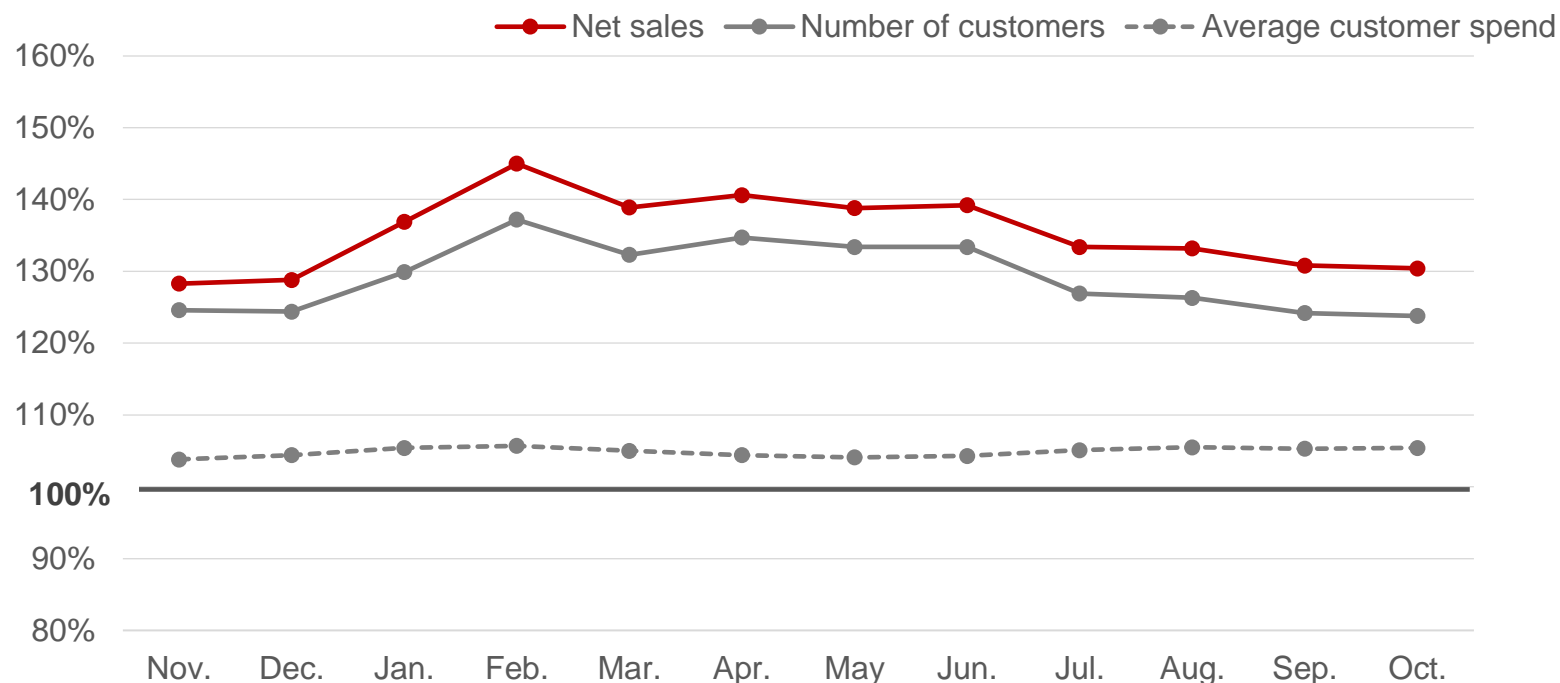
Brand					
Number of stores as of October 31, 2023	131	28	8	6	4
Change (compared to October 31, 2022)	+15	+7	+4	+1	-2

Brand				Overseas	Other
Number of stores as of October 31, 2023	2	1	1	3	4
Change (compared to October 31, 2022)	-1	-	-	+1	+2

— Status of stores (breakdown of change)

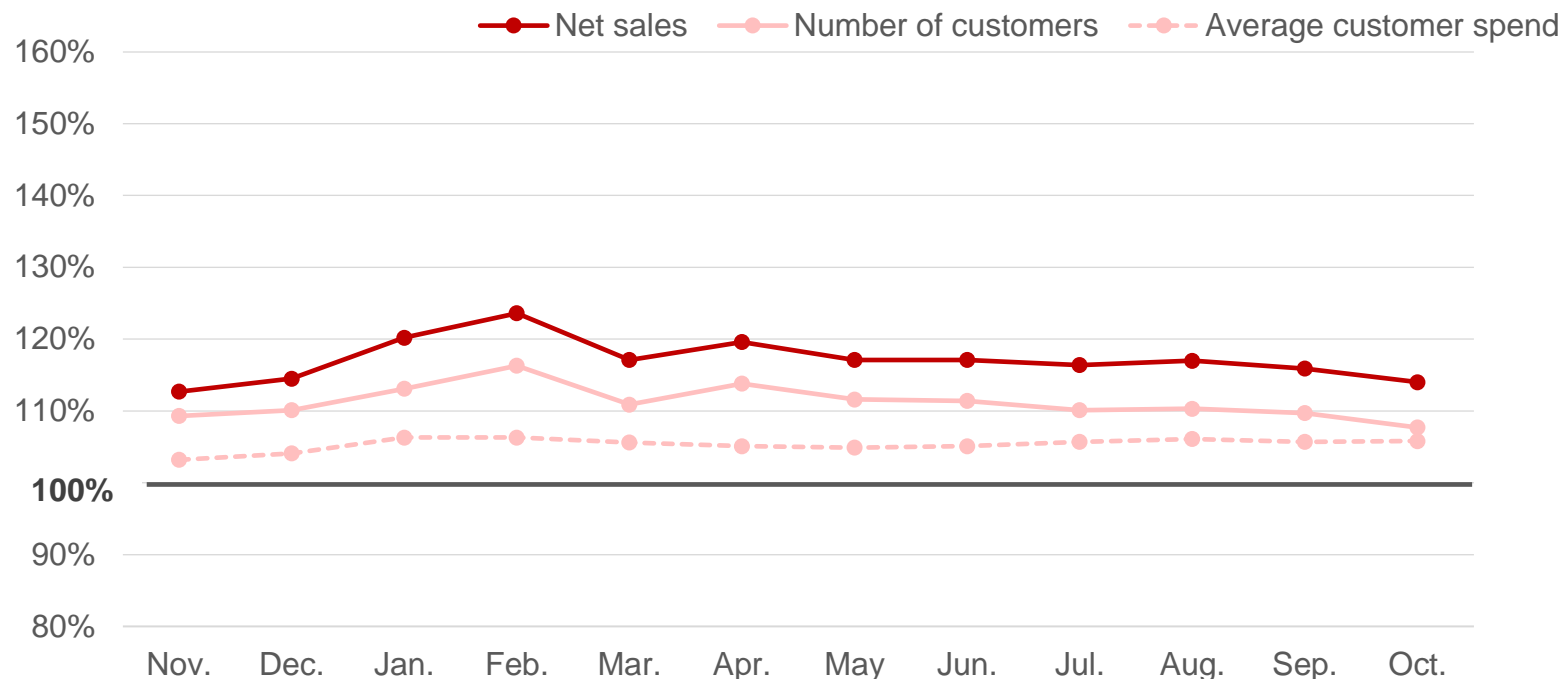
(Number of stores)		Number of stores as of October 31, 2022	Number of stores as of October 31, 2023	Change	
Company-owned stores	Kanto	104	119	+15	
	East Japan (other than Kanto)	36	45	+9	
	West Japan	19	21	+2	
	Overseas	2	3	+1	
	Subtotal	161	188	+27	
Net sales	19,207 million yen	Outsourced stores	10	9	-1
		Total	171	197	+26
Produced stores	Kanto	306	309	+3	
	East Japan (other than Kanto)	107	117	+10	
	West Japan	83	99	+16	
	Overseas	15	13	-2	
	Subtotal	511	538	+27	
Net sales	3,775 million yen	Franchise stores in Japan		7	+7
		Franchise stores overseas		3	+3
		Total	511	548	+37
Total number of stores		682	745	+63	

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%	130.8%	130.4%	135.1%
Number of customers	124.6%	124.4%	129.9%	137.2%	132.3%	134.7%	133.4%	133.4%	126.9%	126.3%	124.2%	123.8%	129.0%
Average customer spend	103.8%	104.4%	105.4%	105.7%	105.0%	104.4%	104.1%	104.3%	105.1%	105.5%	105.3%	105.4%	104.7%

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%	115.9%	114.0%	117.0%
Number of customers	109.3%	110.1%	113.1%	116.3%	110.9%	113.8%	111.6%	111.4%	110.1%	110.3%	109.7%	107.7%	111.0%
Average customer spend	103.2%	104.1%	106.3%	106.3%	105.6%	105.1%	104.9%	105.1%	105.7%	106.1%	105.7%	105.8%	105.3%

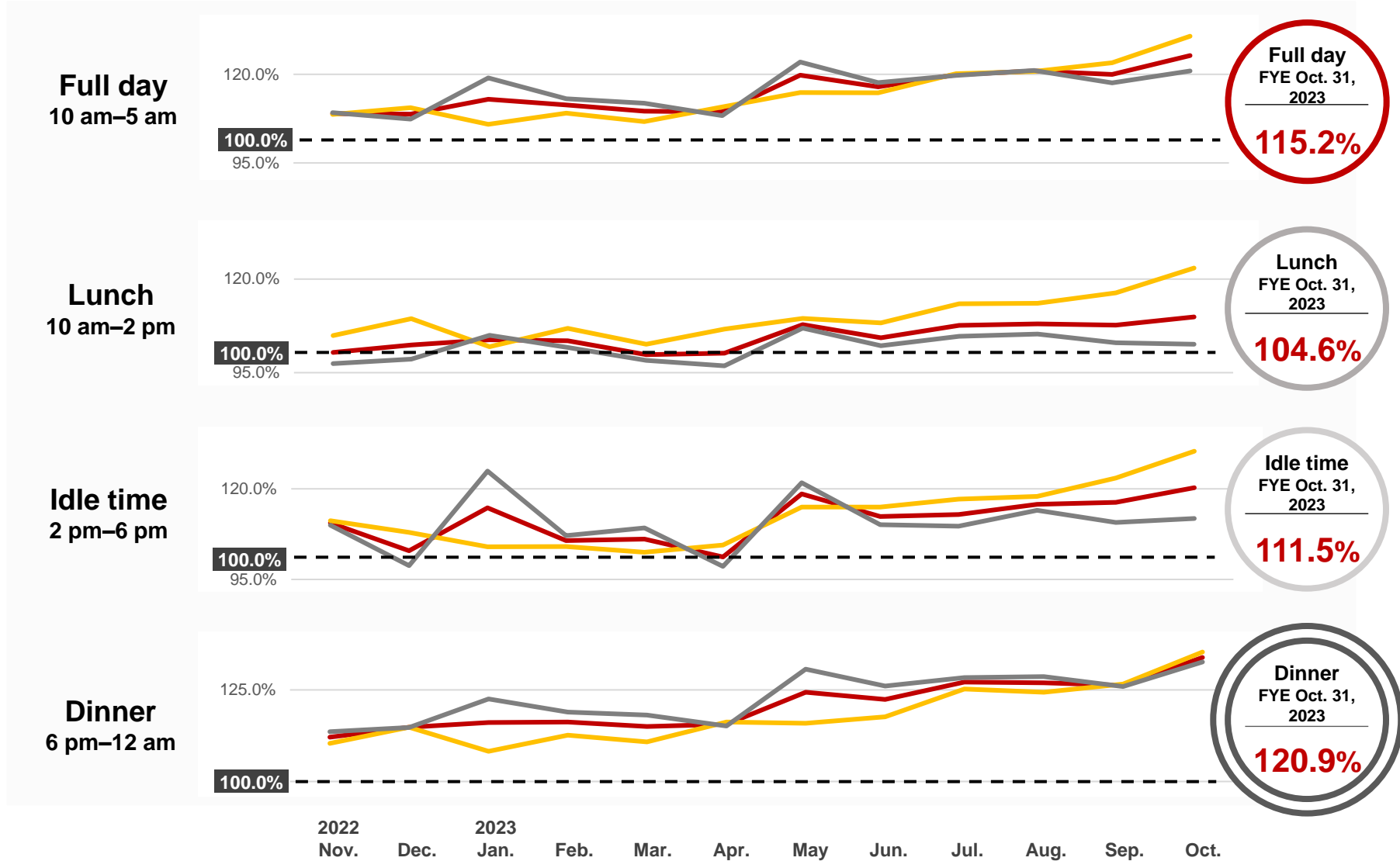
Comparing sales to pre-COVID

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



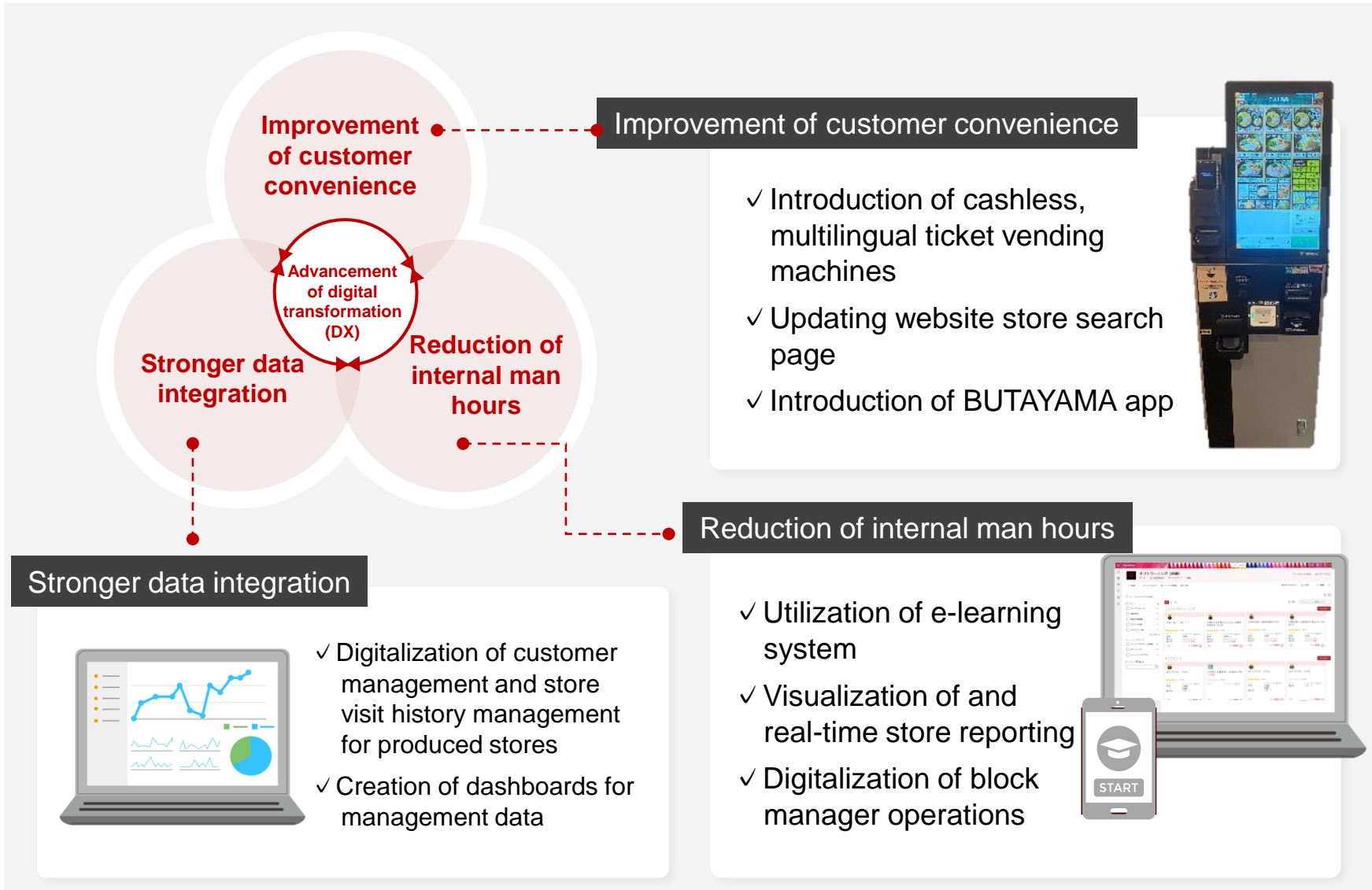
Net sales exceeding 2019 levels in all time bands. Achieved 115.2% of sales (111.7% in average customer spend, 103.1% in number of customers) for the full year.

~ All stores
 ~ Locations near train stations
 ~ Roadside



— Advancing DX

Advancing various DX measures to improve customer convenience, reduce internal man hours, and strengthen data integration



B/S summary



(Millions of yen)	As of Oct. 31, 2022	As of Oct. 31, 2023	Change
Current assets	3,026	3,552	+525
Cash and deposits	2,007	2,220	+212
Accounts receivable - trade	405	547	+141
Other	613	784	+171
Non-current assets	6,878	8,974	+2,096
Property, plant and equipment	4,756	6,007	+1,250
Intangible assets	122	271	+148
Investments and other assets	1,999	2,696	+696
Total assets	9,905	12,527	+2,622

(Millions of yen)	As of Oct. 31, 2022	As of Oct. 31, 2023	Change
Current liabilities	2,937	3,777	+839
Accounts payable - trade	544	697	+153
Short-term borrowings	42	25	(17)
Current portion of long-term borrowings	512	699	+187
Other	1,838	2,354	+516
Non-current liabilities	1,535	1,977	+442
Long-term borrowings	1,195	1,574	+379
Other	339	402	+63
Total liabilities	4,473	5,755	+1,282
Total net assets	5,432	6,772	+1,339
Share capital	793	797	+3
Capital surplus	1,045	1,049	+3
Retained earnings	3,463	4,761	+1,298
Treasury shares	(0)	(0)	(0)
Accumulated other comprehensive income	130	160	+29
Non-controlling interests	-	4	+4
Total liabilities and net assets	9,905	12,527	+2,622

C/F summary



(Millions of yen)	FYE Oct. 31, 2022	FYE Oct. 31, 2023	Change
Net cash provided by (used in) operating activities	2,149	2,534	+384
Net cash provided by (used in) investing activities	(1,808)	(2,956)	(1,147)
Net cash provided by (used in) financing activities	(315)	252	+568
Effect of exchange rate change on cash and cash equivalents	109	17	(92)
Cash and cash equivalents at end of period	2,007	1,855	(152)

Main content of
FYE Oct. 31,
2023

■ Net cash provided by (used in) operating activities

Profit before income taxes: 2,291 million yen
 Depreciation: 617 million yen
 Income taxes paid: (855 million yen)

■ Net cash provided by (used in) investing activities

Purchase of property, plant and equipment:
 (1,608 million yen)
 Payments of leasehold and guarantee deposits:
 (399 million yen)

■ Net cash provided by (used in) financing activities

Net change in short-term borrowings: (17 million yen)
 Proceeds from long-term borrowings: 1,210 million yen
 Repayments of long-term borrowings: (642 million yen)
 Dividends paid: (301 million yen)



— Shareholder benefit program

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).

Number of shares held before stock split	Before change		Number of 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	—	—	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)

New category

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

03 Forecast for the Fiscal Year Ending October 31, 2024



Forecast for the fiscal year ending October 31, 2024

Plan significant increases in net sales and operating profit by steadily implementing the medium-term business plan.

(Millions of yen)	FYE Oct. 31, 2023 Results		FYE Oct. 31, 2024 Forecast		Change
	Amount	Percentage to sales	Amount	Percentage to sales	
Net sales	22,982	-	27,600	-	+20.1%
Operating profit	2,352	10.2%	2,700	9.8%	+14.8%
Ordinary profit	2,424	10.5%	2,740	9.9%	+13.0%
Profit attributable to owners of parent	1,597	6.9%	1,750	6.3%	+9.6%

Assumptions behind forecast for the fiscal year ending October 31, 2024



Sales of company-owned stores in Japan and existing stores

vs. FYE Oct. 31, 2023: **105.0%**

Store opening plan

Company-owned stores

40 stores in Japan

1 overseas store

Net increase of **39** stores

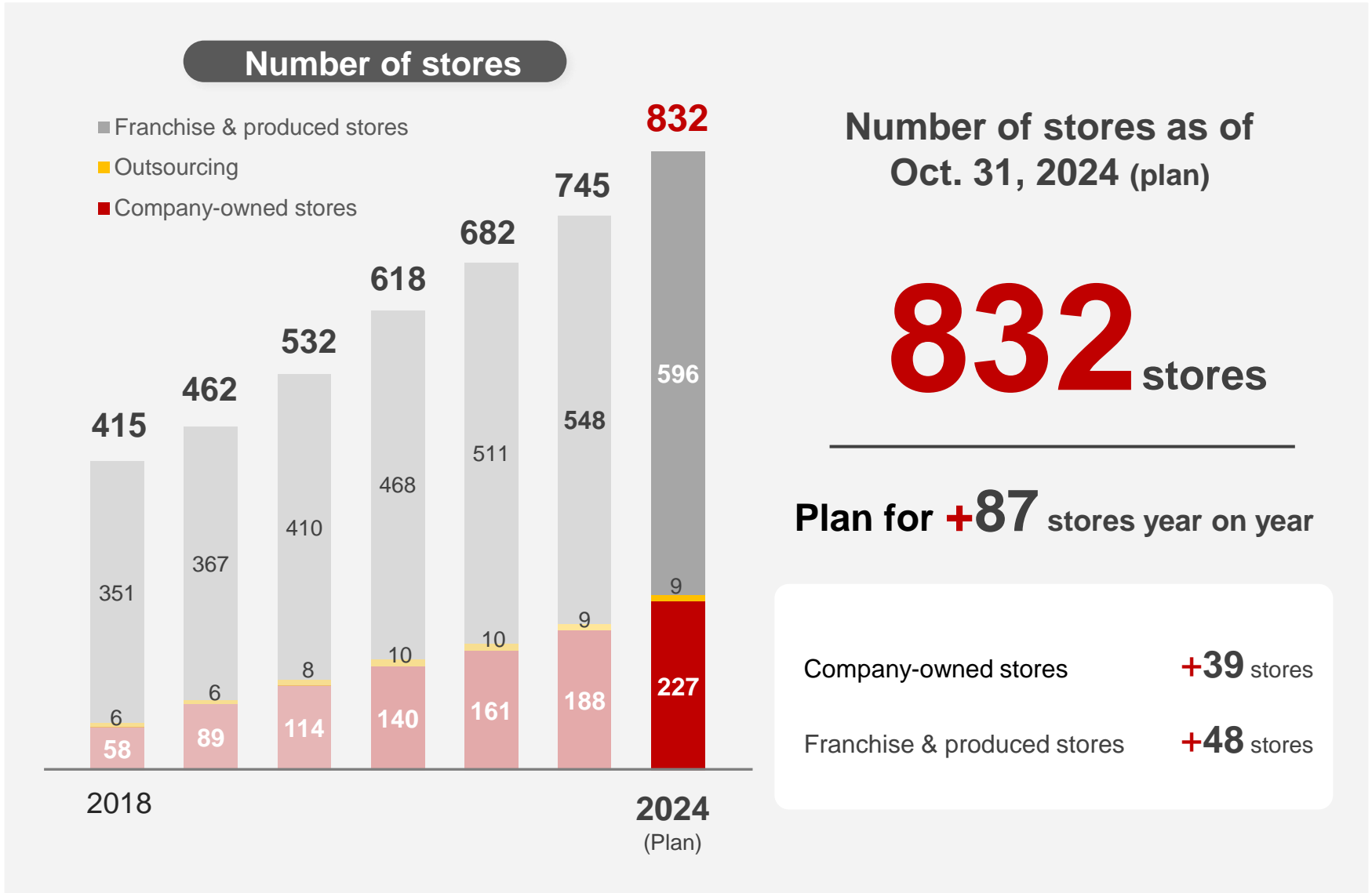
Franchise & produced stores

40 stores in Japan

8 overseas stores

Net increase of **48** stores

— Store opening plan



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.

Dividends for the fiscal year ended October 31, 2023

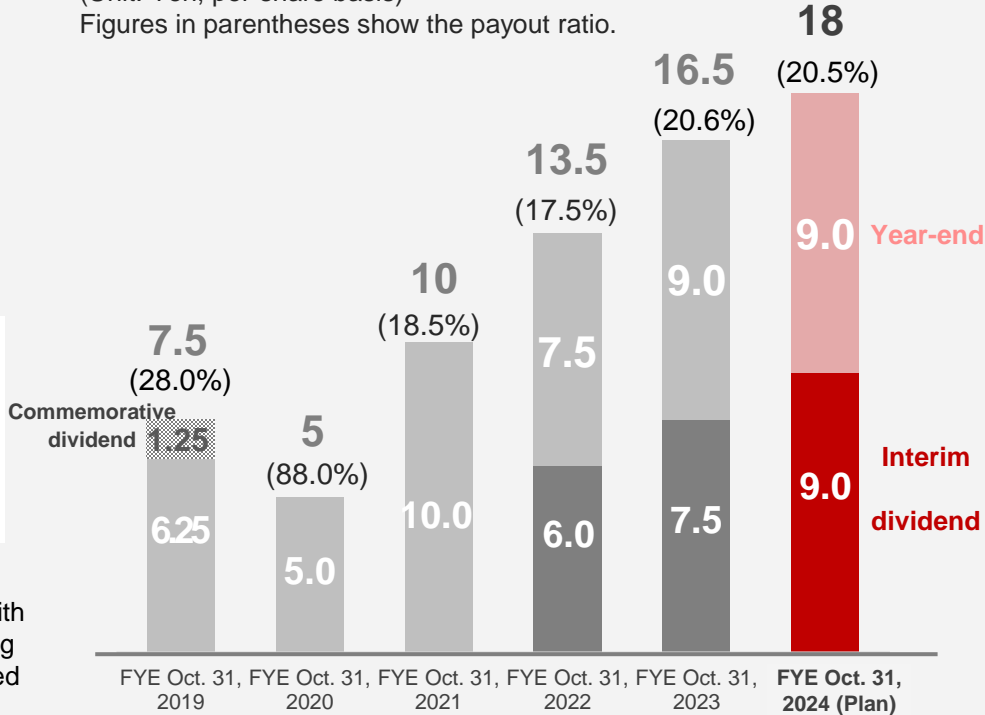
We decided to pay an interim dividend of **7.5 yen** and a year-end dividend of **9 yen**, for a total of **16.5 yen** per share, an increase of **1.5 yen**.

Dividends for the fiscal year ending October 31, 2024

We plan to maintain a **payout ratio of 20% or more**, paying an interim dividend of **9.0 yen** and a **year-end dividend of 9.0 yen**, for a total of **18 yen** per share, an increase of **1.5 yen**.

→ 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.

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



**04 Medium-term Business Plan (Fiscal Year Ending
October 31, 2024 to Fiscal Year Ending October 31, 2026)**

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

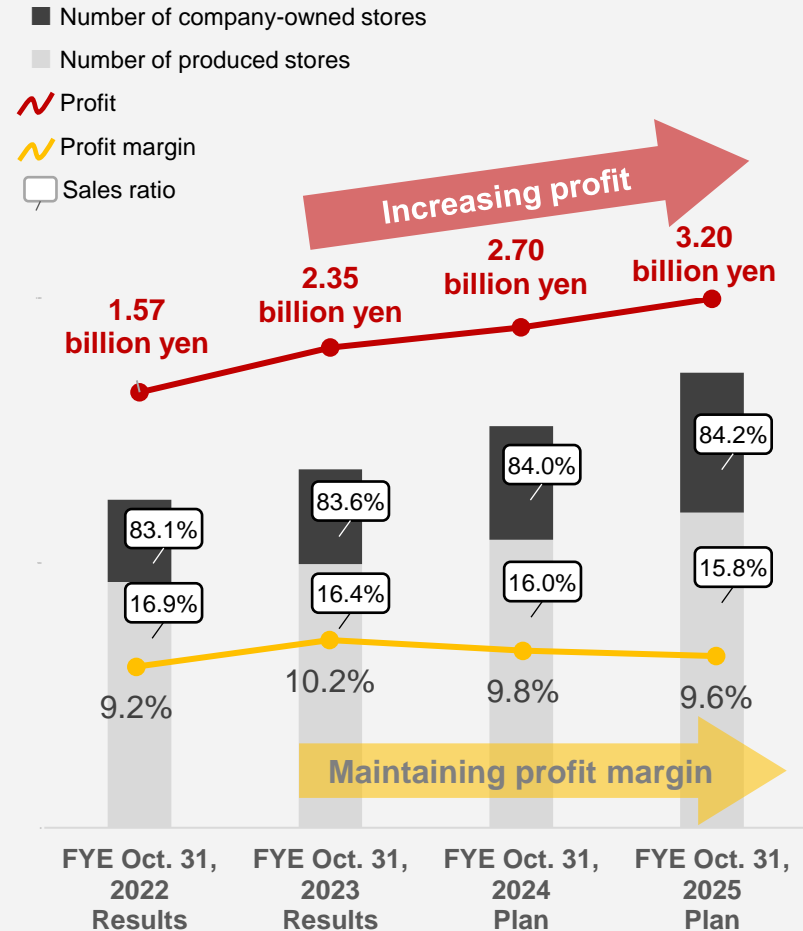
Strengthening store openings

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



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)

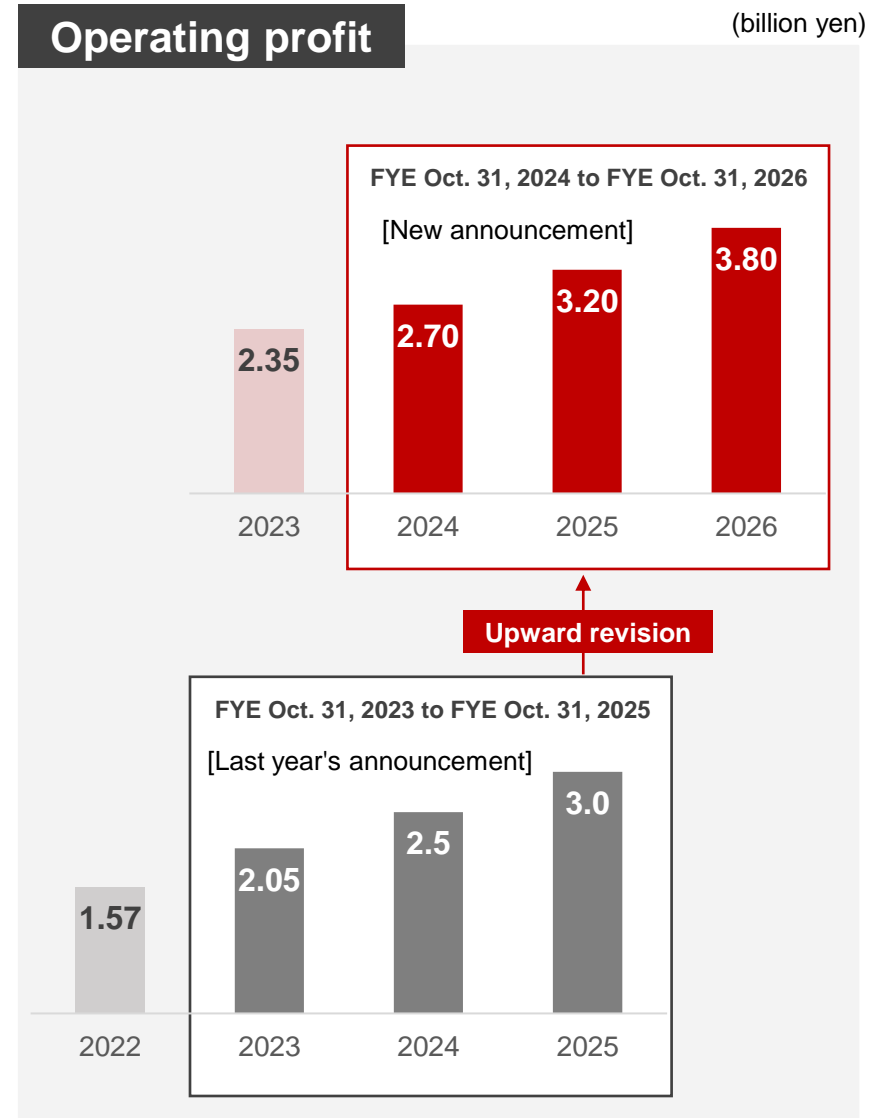
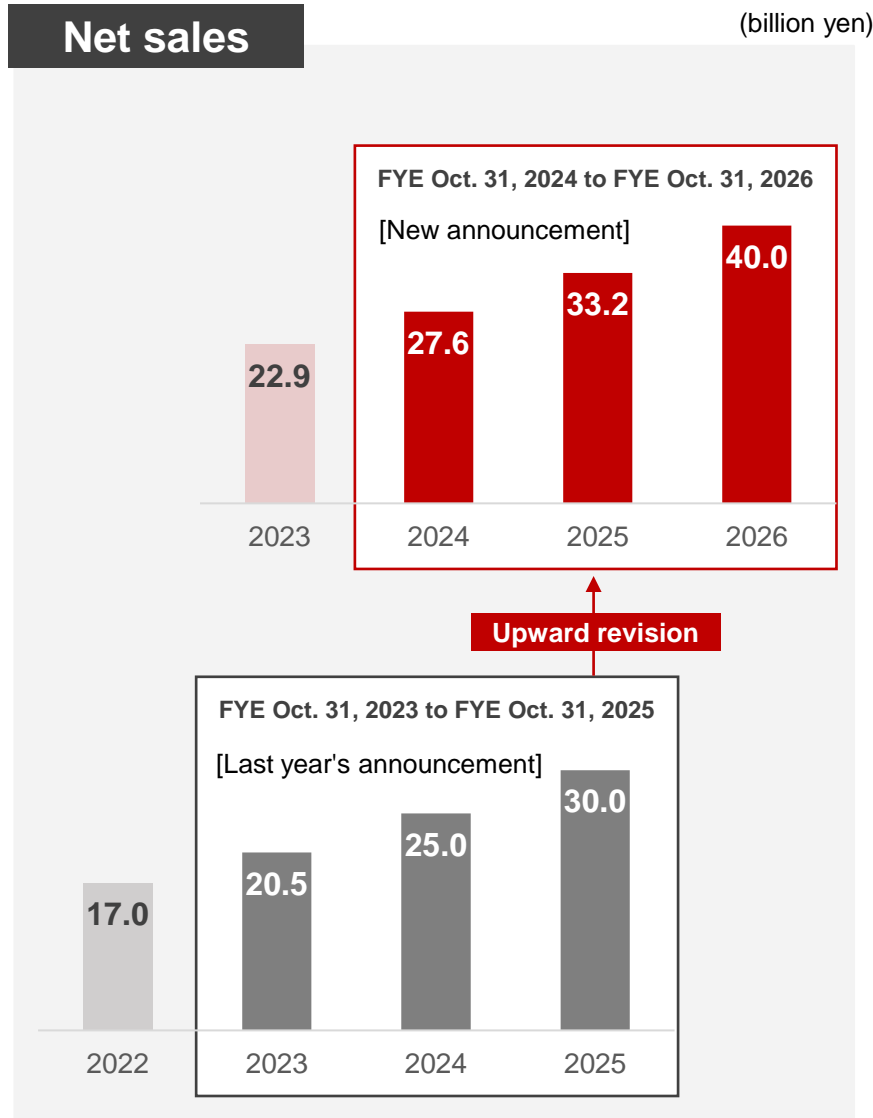
Japan	Total number of stores	665 stores	726 stores	805 stores	903 stores	1,000 stores
	Company-owned stores	169 stores	194 stores	233 stores	284 stores	332 stores
	Franchise & produced stores	496 stores	532 stores	572 stores	619 stores	668 stores
Overseas	Total number of stores	17 stores	19 stores	27 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



— 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

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

Noodles			Soup	Roast pork
				
Hiratsuka	Yokohama 1st	Kamisu	Tamba-Sasayama	Yokohama 2nd
				
				Ayase

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

Kamisu Plant (noodle manufacturing) began operation in November 2023.

Expansion of items produced

		
Noodles	Soup	Roast pork

- Maintaining quality through in-house manufacturing
- Reducing cost through in-house manufacturing

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

Medium-term business plan details

PICK UP **Sustainability**

Launch of the Sustainability Committee

CO₂ Emissions

Current value (*1)	Target
1.114 t-CO ₂	Reduction of 1% or more every year

*Previous year: 1.123 t-CO₂

*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



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

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

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>

05 Reference Materials: Company Overview

Company overview



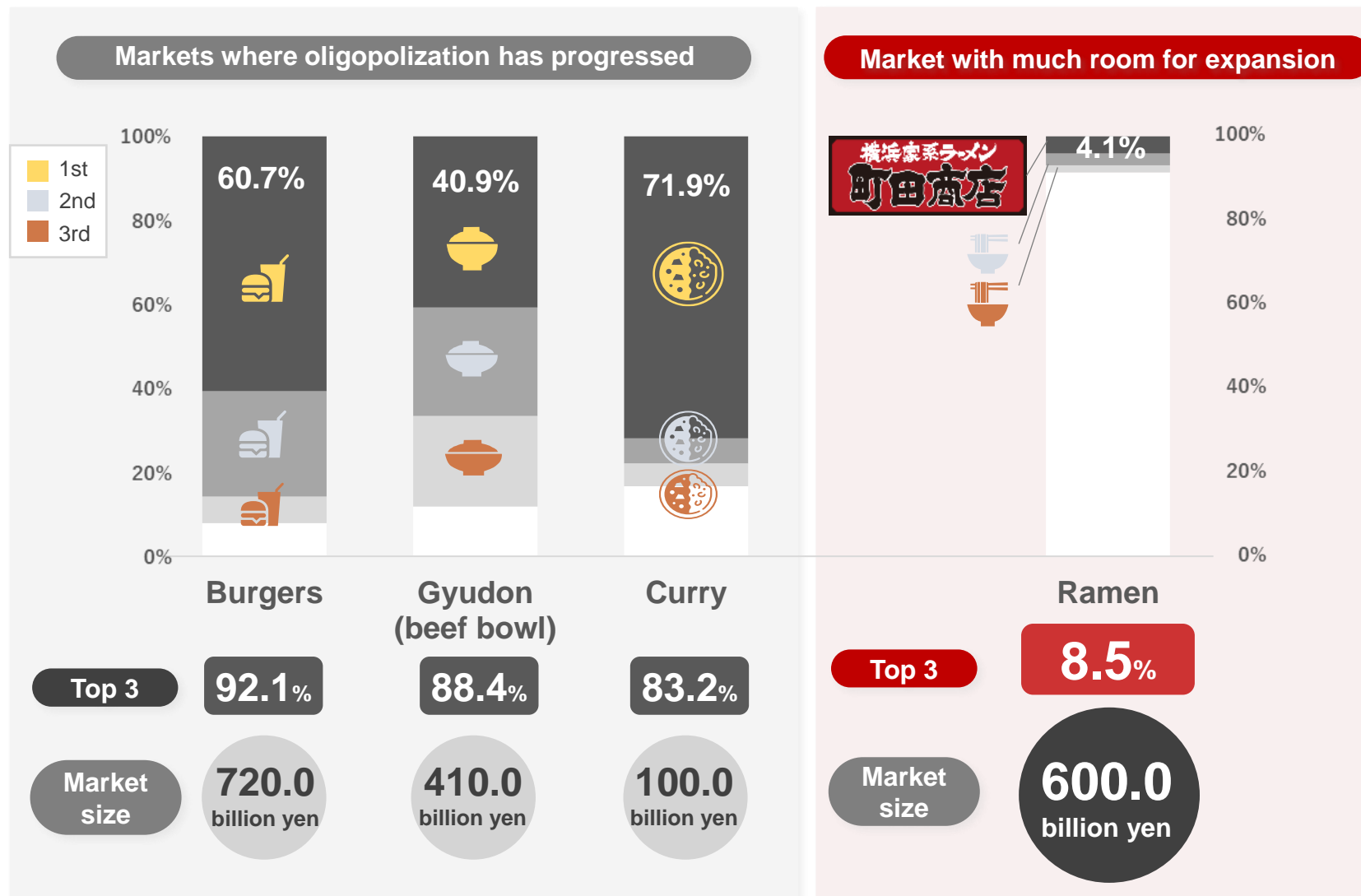
Company name	GIFT HOLDINGS INC.
Business details	Restaurant operation
Head office address	3F Odakyu Machida Morino Building, 1-23-19 Morino, Machida City, Tokyo
Company factories	Noodle factories: Hiratsuka, Yokohama 1st, Kamisu, Tamba-Sasayama Roast pork factory: Ayase Soup factory: Yokohama 2nd
Established	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 October 31, 2023)
Group employees	600 employees, 4,161 part-time and casual workers (as of October 31, 2023)
Affiliates	11 consolidated subsidiaries (Names of major consolidated subsidiaries) GIFT INC. Ramen TENKA K.K. 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

Brand expansion

The ramen market has a variety of flavor genres, and is a different market type from other food service markets.

We will increase market share in the ramen market by developing various types of brands.



Brand list (1/2)

Core brand



Machida Shoten

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

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.



GANSO ABURADO

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

Brand list (2/2)



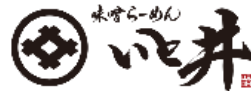
NAGAOKA SHOKUDO

"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!

Overseas



E.A.K RAMEN

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

Overseas



Machida Shoten

The ever-popular Machida Shoten can be tasted overseas as well! Our carefully selected flavors and vibrancy are still alive and well outside Japan.

Business details

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

Company-owned stores

197 stores

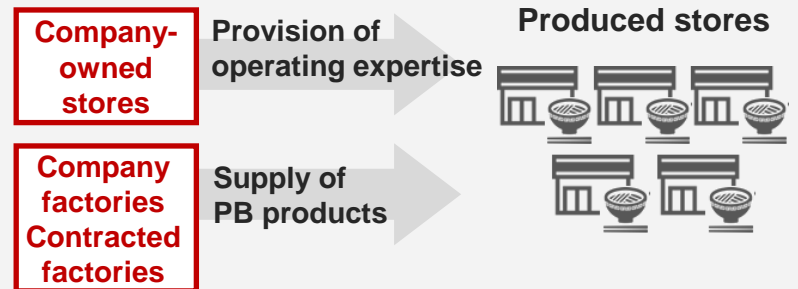
The Company operates stores under its own brands centered on Yokohama IEKEI Ramen Machida Shoten (Refer to the previous pages for other brands).



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

Downtown areas

Ikebukuro Store



Residential areas

Tsunashima Shoten



Business districts

Yotsuya Shoten



Shibuya Store



Kyodo Store



Suidobashi Store



Roadside areas

Roadside

Shimizu Interchange Store Nakamachidai Store



Kyoto-Higashi Interchange Store



Himeji Store










Fujinomiya Store



— Successful stores prosper in any location



	Locations near train stations		Roadside
	Downtown areas/ business districts	Residential areas	
			
Competitor C		-	-
Competitor H		-	-
Competitor M	-	-	
Competitor K	-	-	

— 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).

Company-owned stores

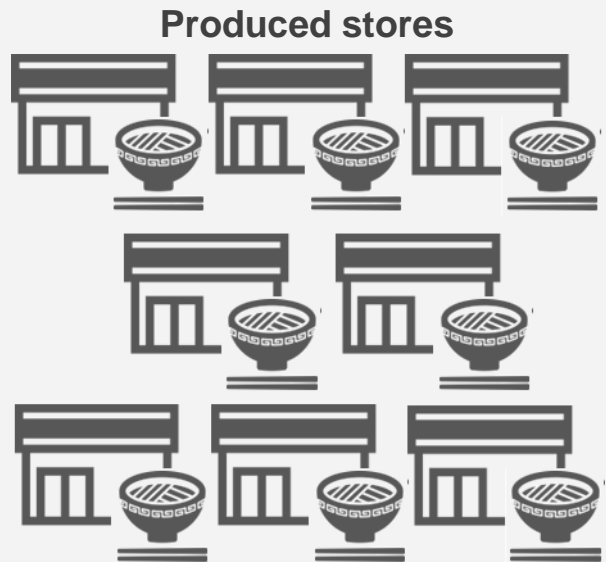
Provision of operating expertise

- 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, roast pork, etc.



* 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 Store 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.**
- 2013** Nov. **Established a noodle factory in Hiratsuka City, Kanagawa.**
- 2014** Mar. Reached 10 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 overseas subsidiary in Singapore.
- 2016** Mar. **Established subsidiaries in the United States (GIFT USA INC. / GIFT LOS ANGELES, LLC / GIFT NEW YORK, LLC).**
Jul. **Opened first company-owned overseas store (Singapore).**
Dec. **First store opened in the US (Los Angeles).**
- 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** Oct. **Listed shares on Tokyo Stock Exchange Mothers.**
- 2019** Apr. **Established Yokohama 1st Factory (noodle factory) in Yokohama City, Kanagawa.**
Aug. **Acquired all shares of Ramen TENKA K.K. and K.I.K. Foods K.K. (currently GIFT FOODS MATERIAL K.K.) to make them subsidiaries.**
- 2020** Jan. **Established Yokohama 2nd Factory (roast pork plant, currently a soup plant) in Yokohama City, Kanagawa.**
Sep. **Changed listing market to First Section of Tokyo Stock Exchange.** Reached 100 company-owned stores in Japan.
Oct. **Established Tamba-Sasayama Factory (noodle factory) in Tamba-Sasayama City, Hyogo.**
- 2021** Aug. **Transition to holding company structure.**
- 2022** Mar. **Changed the trade name to GIFT HOLDINGS INC.**
- 2022** Aug. **Established Ayase Factory (roast pork factory) in Ayase City, 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.
- 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.