

GIFT HOLDINGS INC.

Securities Code 9279

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



IR website

<https://www.gift-group.co.jp/english/>

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 Second Quarter of
the Fiscal Year Ending October 31, 2023**

Net sales

10,729 million yen

YoY: **+36.0%**

Operating profit

1,021 million yen

YoY: **+32.1%**

Ordinary profit

1,051 million yen

YoY: **-12.2%**

Overview of financial results

Despite the COVID-19 pandemic, we proactively expanded our business without slackening the pace, and achieved **a significant increase in net sales and operating profit**. **We achieved our first-half plan and 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 maintaining business as usual.

Implementation of price revisions

While **flexible price revisions** were made to address rising raw material prices and expected wage increases, these **have not had a noticeable impact on customer traffic**.

Logistics centers supporting all stores

We opened a new **Kitakanto/Tohoku logistics center** and are establishing systems to make large-scale improvements to logistics efficiency, costs, and distribution times from an SCM perspective **in all company-owned stores**.

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



Growth and Profitability

Sales growth

36.0%

(Annual goal: 20.5%)

Operating profit margin

9.5%

(Annual goal: 10.0%)

YoY Change in Sales of Company-owned Stores

All company-owned stores in Japan

136.3%

Existing company-owned stores in Japan

117.9%

(Annual goal: 104.7%)

Stores Opened in the Period

Company-owned stores

17 stores

(Annual goal: 40 stores)

Produced stores

33 stores

(Annual goal: net increase of 23 stores)

Man-hour Productivity (company-owned stores)

Net sales per man-hour

6,211 yen

(Same period of the previous year: 5,987 yen)

Labor cost rate

24.4%

(Same period of the previous year: 26.3%)

Recruitment and Retention

Hiring employees

Newly hired **74** mid-career employees.

Hired **49** new graduates

Retirement rate

20.1%

(Same period of the previous year: 22.2%)

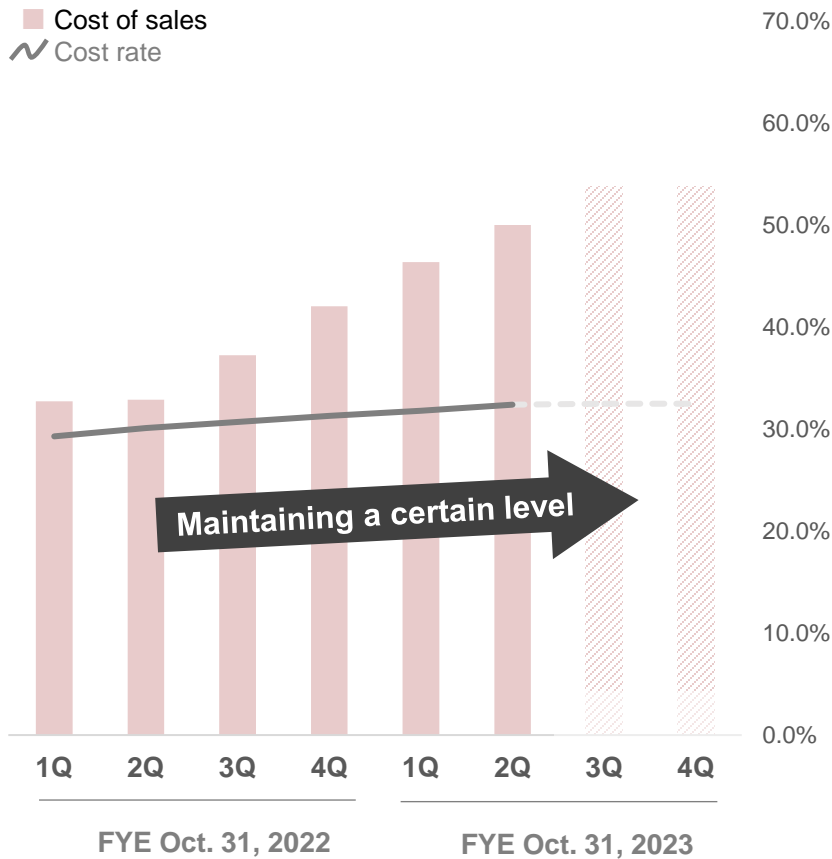
Maintained high profitability

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

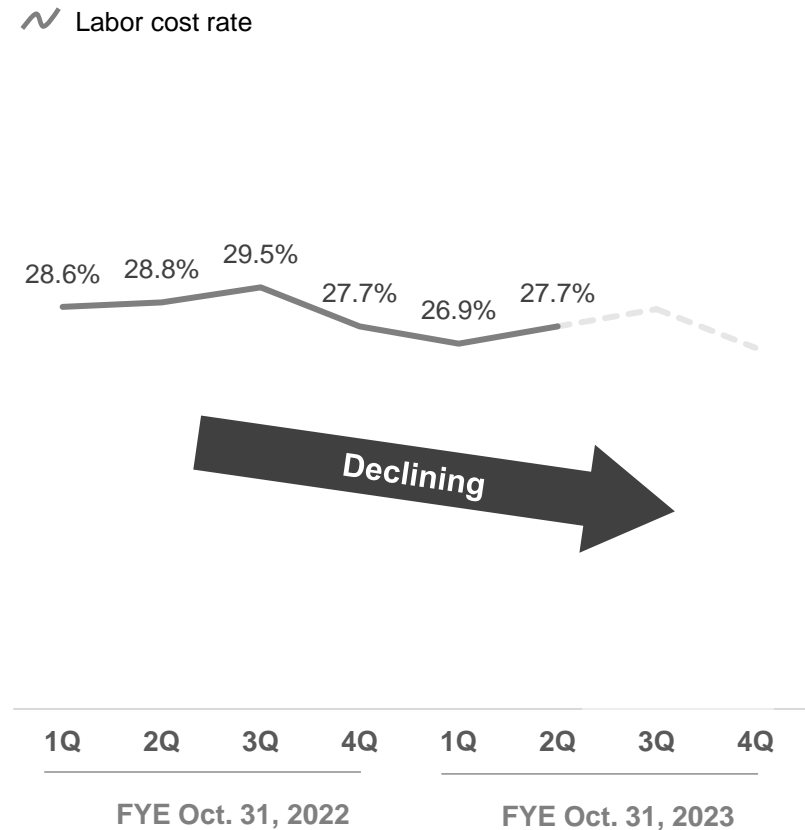
Cost of sales: Maintained at a certain level despite the rising cost rate due to the policy of transferring increased costs to price.

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

Cost of sales



Labor cost

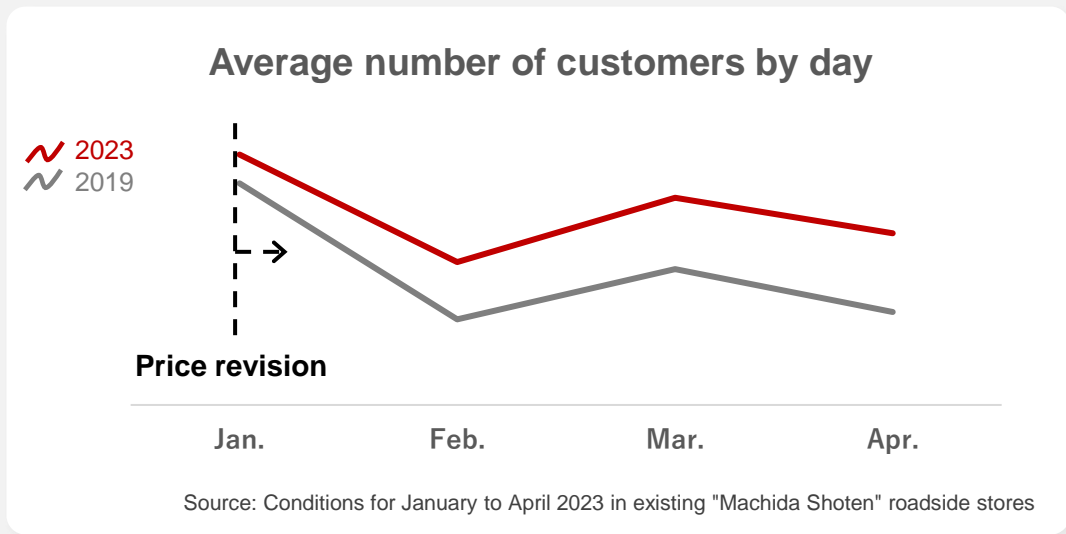


Impact of price revisions

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

Implemented price revision in January 2023

A decrease in the number of customers due to the price revision was not seen, and more customers are visiting stores than in 2019 prior to COVID-19



Vs. 2019

Net sales (yen)



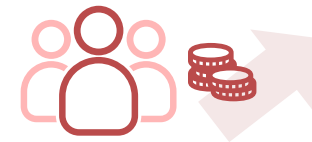
113.7%

Number of customers (persons)



103.1%

Average customer spend (yen)



110.2%

Source: Conditions for January to April 2023 in existing "Machida Shoten" roadside stores

Recruitment

To ensure we have the human resources needed to open new stores, we will increase the number of recruits and work to lower the retirement rate.

Increase new recruits



Decrease retirement rate

Increase number of job applicants + Increase rate of job offers

Marketing/Branding

We will increase opportunities to catch the attention of potential applicants by utilizing listing ads and revamping our recruitment site.

Reducing applicant withdrawals during recruitment / Increasing the rate of job offers

Improving events during the recruitment process / Improving efficiency of recruitment phases to prevent withdrawals

Our advantages:

- **High level of wages**
- **Diverse opportunities for career advancement**

Comfortable work + Rewarding work

Comfortable work

- Training to **eliminate the difference in understanding** before and after company entry
- Optimum employee allocation and working environment creation
- **Improve employee treatment** by enhancing benefits, etc.

Rewarding work

- **Appropriate employee placement** to suit career ambitions
- Boosting motivation by **giving fair appraisals**
- Proactively promoting young employees (fast-track store manager promotion)

We will implement effective measures to reduce the retirement rate by collecting and utilizing data that correlates ages and job positions with reasons for resignation.

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

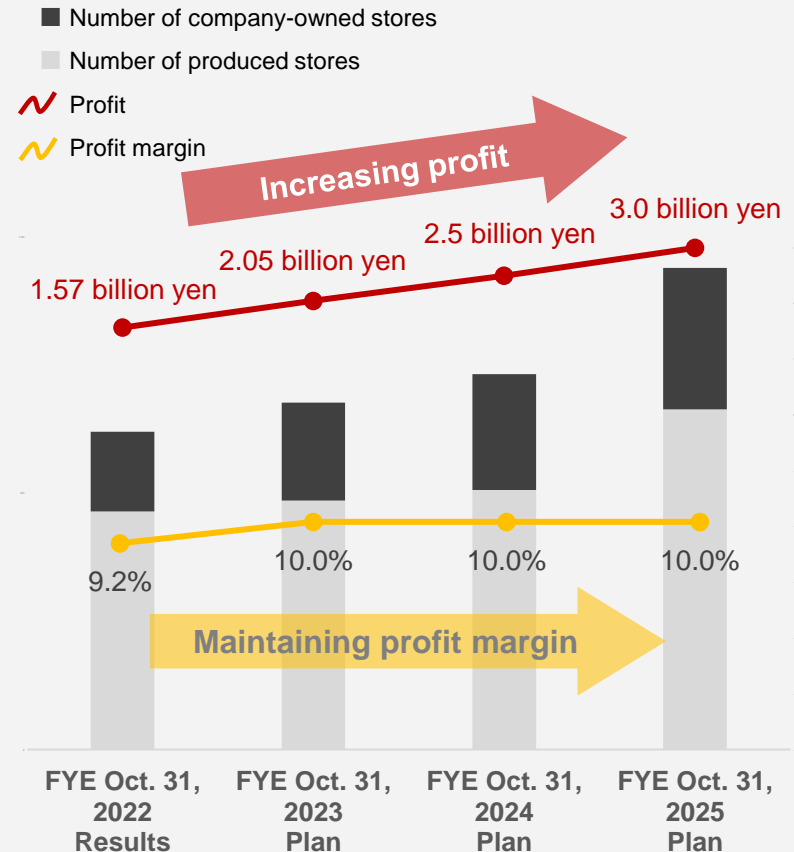
Aim to maximize net sales and profit

Produced stores

Open stores in regional areas

Aim to maximize profit margin

Percentage of stores (company-owned stores and produced stores) and the amount of profit and profit margin



Progress of medium-term business plan: Renewal of BUTAYAMA app



The BUTAYAMA app was renewed to support all stores.

We aim to increase opportunities to visit stores by locking in customers.



Main functions of new app

Store visit stamp

One stamp is given each time a store is visited, and stamps can be exchanged for coupons according to the number of stamps

Coupons

List of coupons that can be exchanged for stamps

Store search

Enables keyword search and store search using GPS

Notices

Information such as events and valuable information for members is provided using push notifications

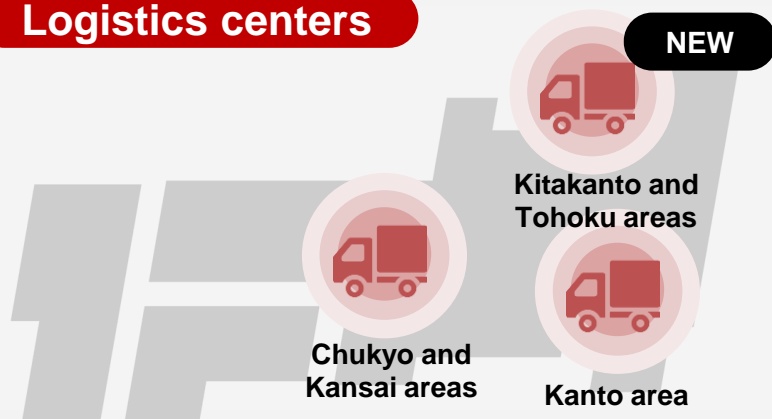
Supporting online shopping

Progress of medium-term business plan: New operation of Kitakanto/Tohoku logistics center



Operation of the logistics center covering the Kitakanto and Tohoku area commenced on April 1, 2023, enabling deliveries from logistics centers to all company-owned stores.

Logistics centers



- Optimization of logistics costs
- Stockout risk control
- Improvement of distribution frequency and distribution quality (year-round next-day delivery)
- Bulk distribution to stores
- Improved quality and reduced costs of ingredients by scaling up purchasing

Logistics expenses

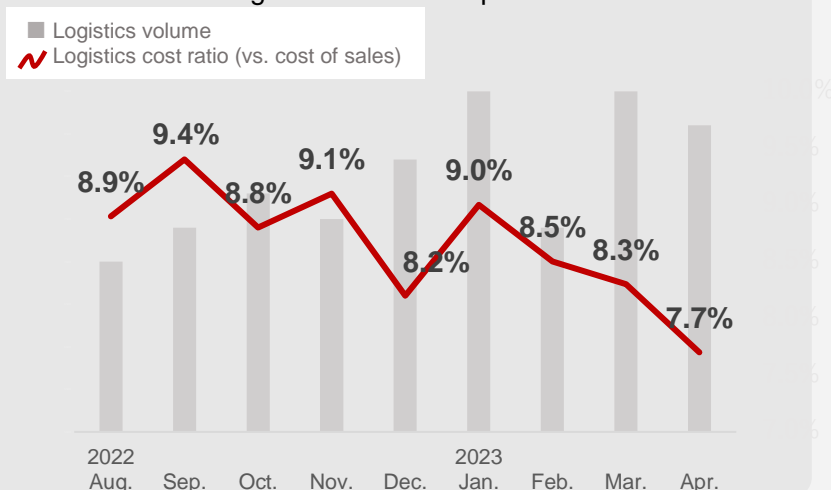
Reduction of logistics costs

Logistics cost ratio has decreased in the Kanto and Chukyo/Kansai logistics centers that are already in operation



The increase in logistics volume have been seen to have the effect of reducing the logistics cost ratio

Logistics volume and logistics cost ratio in logistics centers in operation



Source: Logistics volume and logistics costs ratio in Kanto Logistics Center

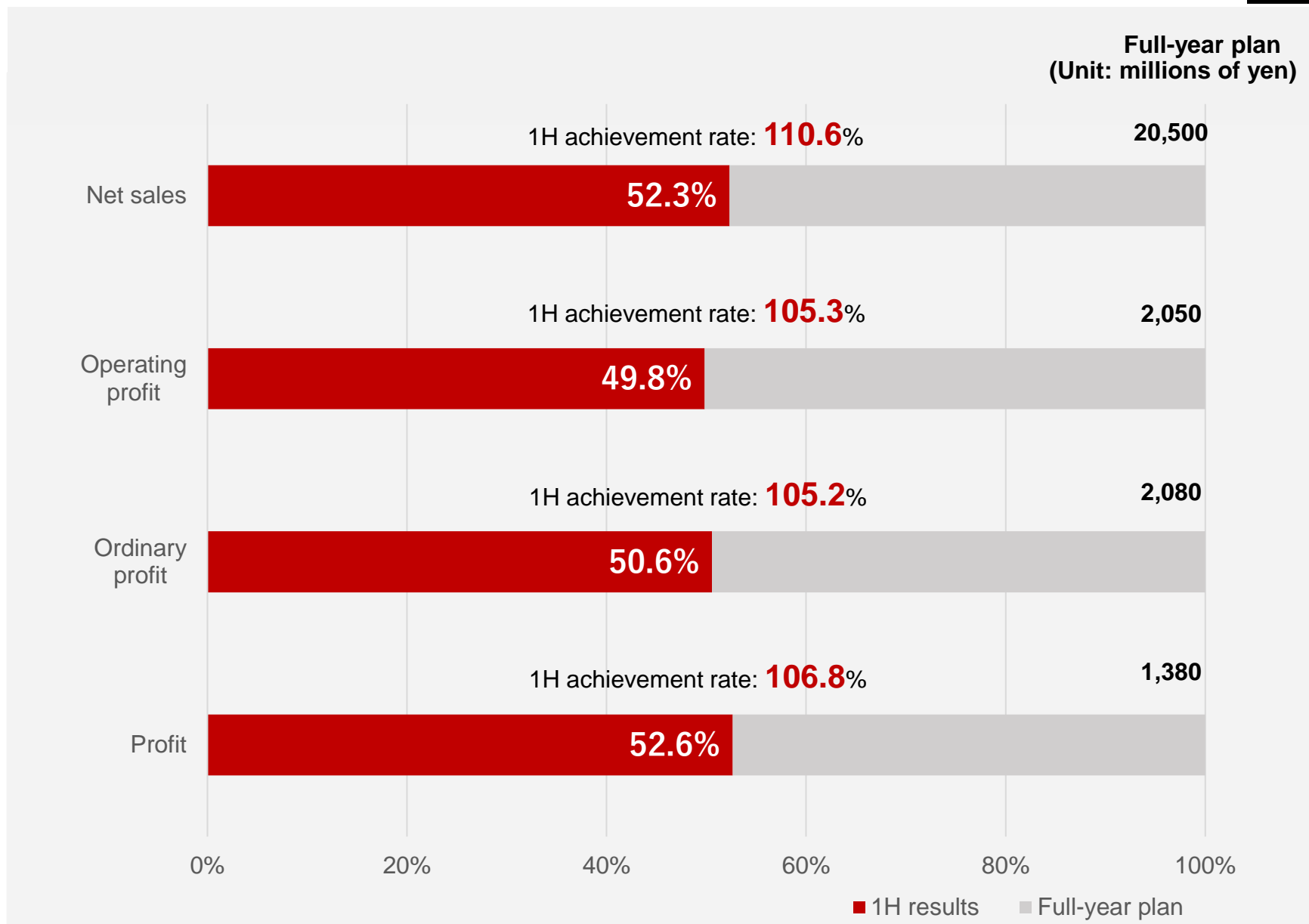
02 Overview of Financial Results for the Cumulative Second Quarter of the Fiscal Year Ending October 31, 2023

Statements of income

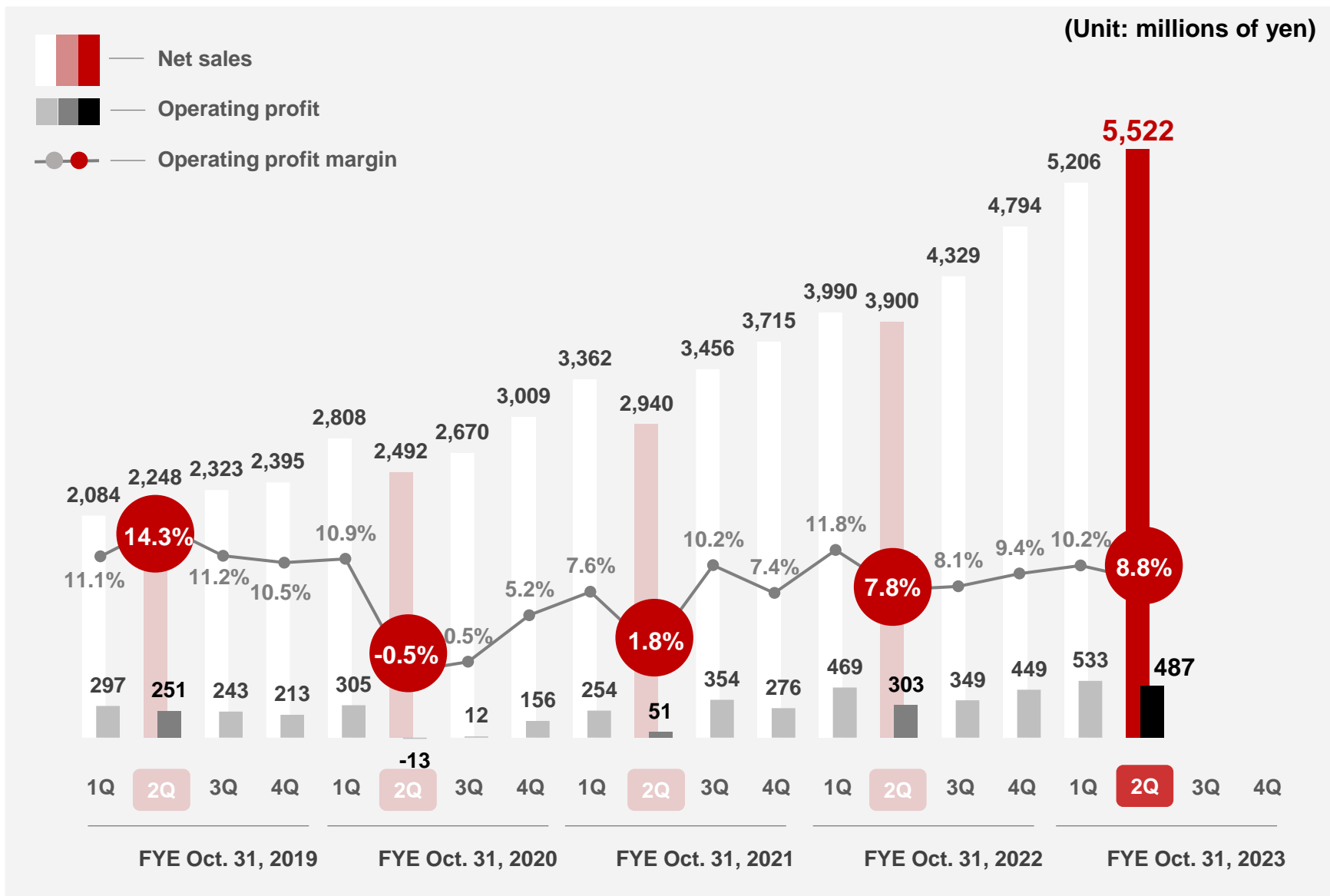


(Unit: millions of yen)	FYE Oct. 31, 2022 1H		FYE Oct. 31, 2023 1H			Compared to plan			
	Amount	Percentage of sales	Amount	Percentage of sales	YoY % change	1H plan	Level of achievement	Full-year plan	Progress
Net sales	7,891	-	10,729	-	+36.0%	9,700	110.6%	20,500	52.3%
Cost of sales	2,343	29.7%	3,444	32.1%	+46.9%	-	-	-	-
Gross profit	5,547	70.3%	7,285	67.9%	+31.3%	-	-	-	-
Selling, general and administrative expenses	4,774	60.5%	6,263	58.4%	+31.2%	-	-	-	-
Operating profit	773	9.8%	1,021	9.5%	+32.1%	970	105.3%	2,050	49.8%
Ordinary profit	1,197	15.2%	1,051	9.8%	(12.2%)	1,000	105.2%	2,080	50.6%
Quarterly profit attributable to owners of parent	816	10.4%	726	6.8%	(11.1%)	680	106.8%	1,380	52.6%

Progress rate vs. plan



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



Open up stores

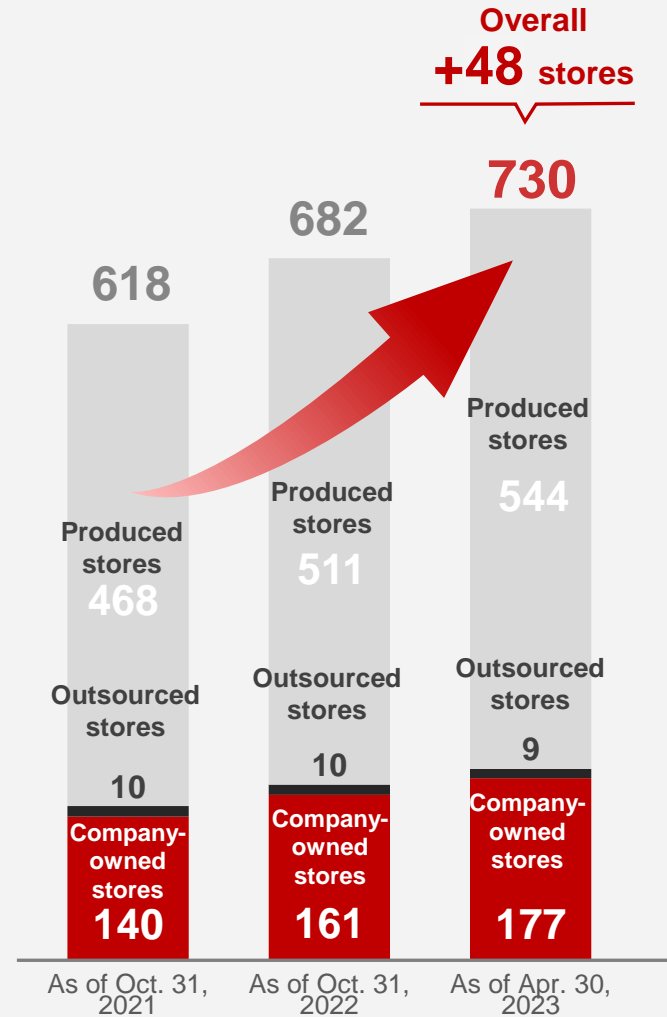


+48 stores compared to the end of the previous fiscal year

*Annual plan: +62 stores












	As of Oct. 31, 2022	As of Apr. 30, 2023
Produced stores	511 stores	544 stores
Company-owned stores (Including outsourced stores)	171 stores	186 stores
Total number of stores	682 stores	730 stores



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



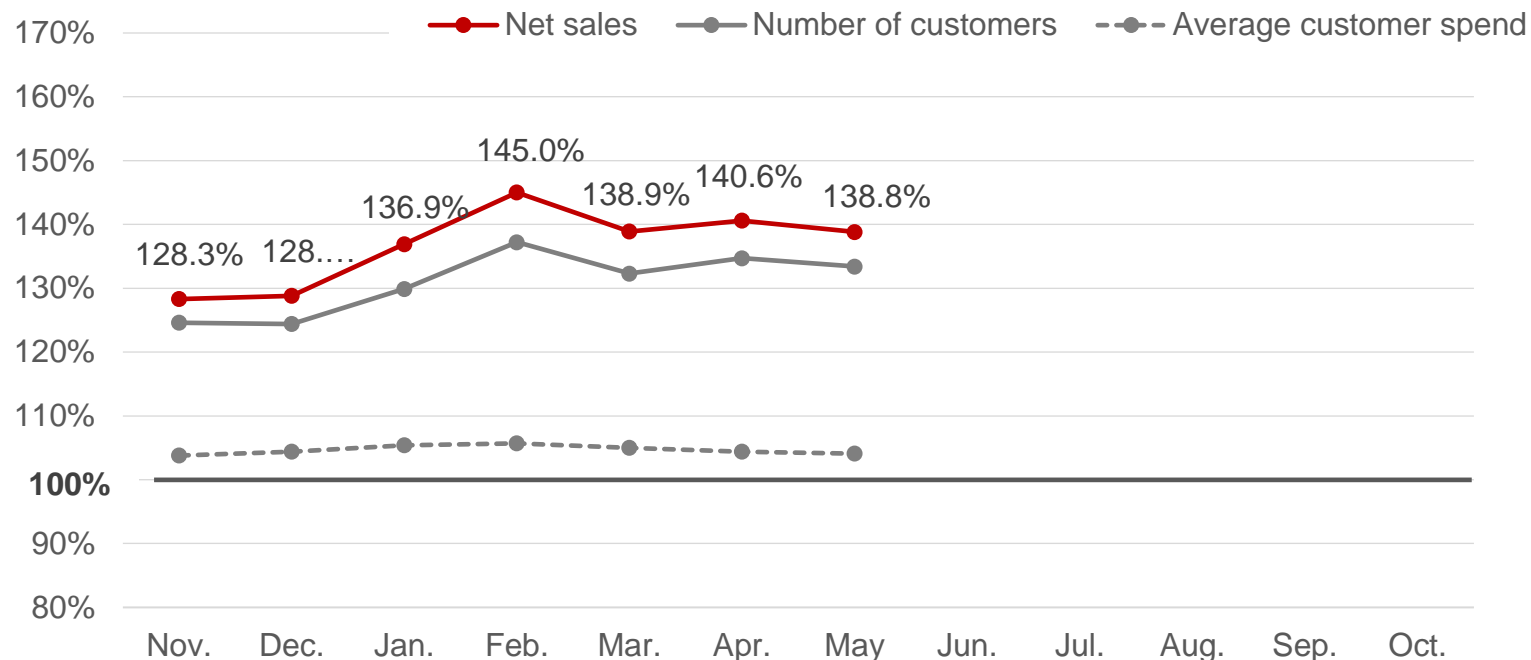
Brand					
Number of Stores as of April 30, 2023	124	25	5	1	5
Change (compared to October 31, 2022)	+8	+4	-	-	-1
Brand				International 	Other
Number of Stores as of April 30, 2023	3	6	1	3	4
Change (compared to October 31, 2022)	-	+2	-	+1	+2

— Status of stores (breakdown of change)



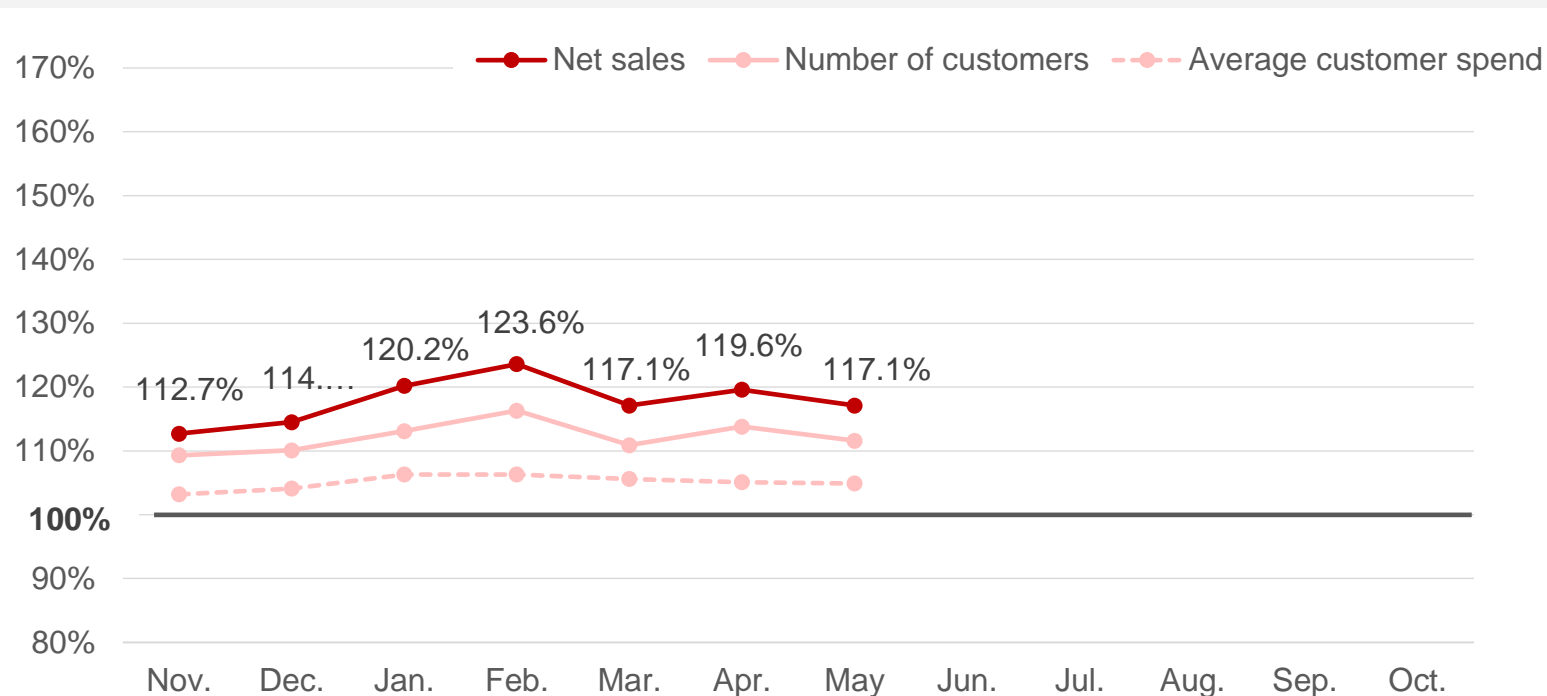
(Number of stores)		As of Oct. 31, 2022 Number of stores	As of Apr. 30, 2023 Number of stores	Change	
Company-owned store business	Kanto	104	111	+7	
	East Japan (other than Kanto)	36	43	+7	
	West Japan	19	20	+1	
	International	2	3	+1	
	Subtotal	161	177	+16	
Net sales	8,931 million yen	Outsourced stores	10	9	-1
		Total	171	186	+15
Produced stores	Kanto	306	316	+10	
	East Japan (other than Kanto)	107	114	+7	
	West Japan	83	96	+13	
	International	15	18	+3	
	Total	511	544	+33	
		Total number of stores	682	730	+48

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%						136.7%
Number of customers	124.6%	124.4%	129.9%	137.2%	132.3%	134.7%	133.4%						130.9%
Average customer spend	103.8%	104.4%	105.4%	105.7%	105.0%	104.4%	104.1%						104.4%

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%						117.8%
Number of customers	109.3%	110.1%	113.1%	116.3%	110.9%	113.8%	111.6%						112.1%
Average customer spend	103.2%	104.1%	106.3%	106.3%	105.6%	105.1%	104.9%						105.1%

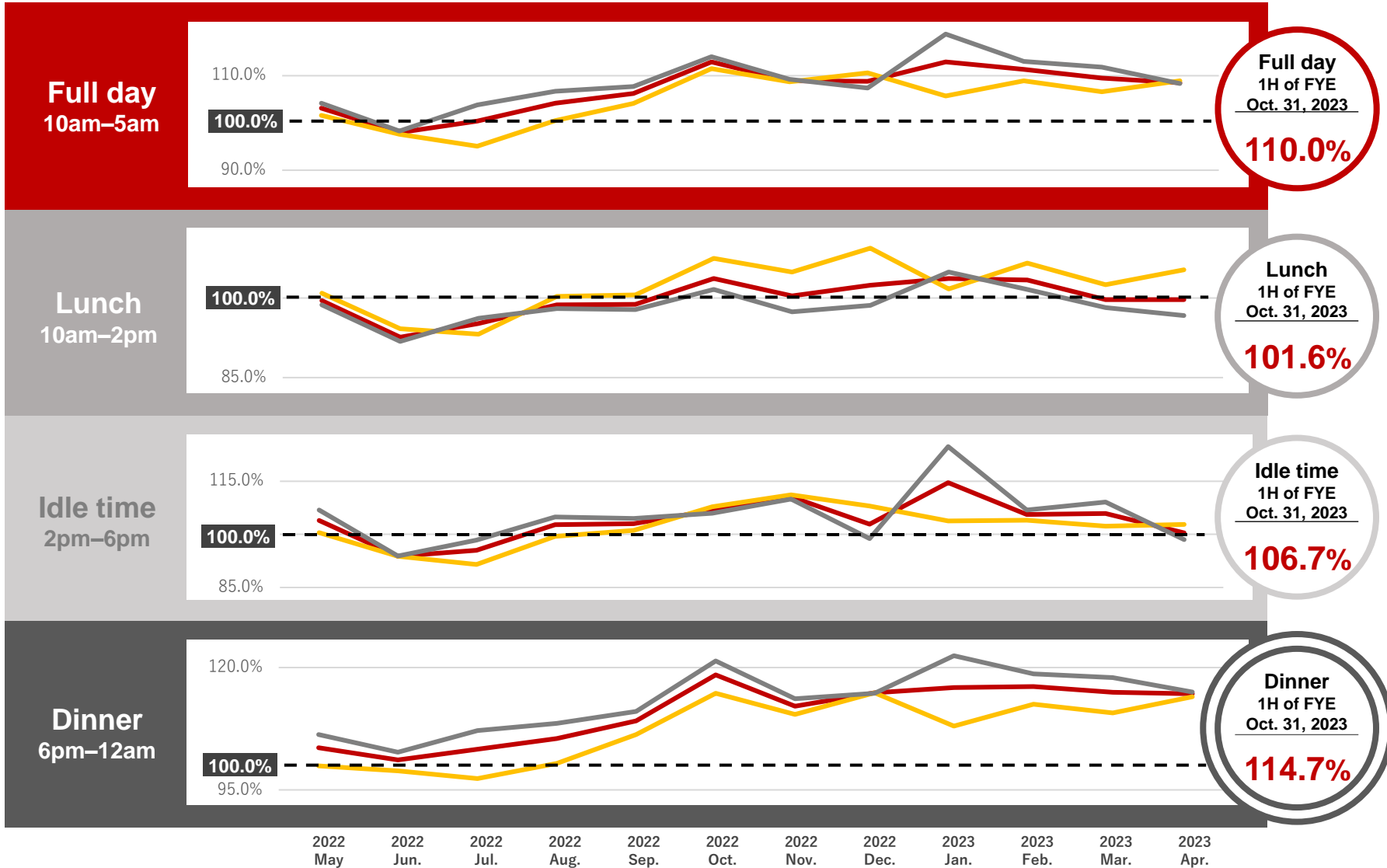
Comparing sales to pre-COVID

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)	FYE Oct. 31, 2022	1H FYE Oct. 31, 2023	Change	(Millions of yen)	FYE Oct. 31, 2022	1H FYE Oct. 31, 2023	Change
Current assets	3,026	3,147	+120	Current liabilities	2,937	3,391	+453
Cash and deposits	2,007	1,819	(187)	Accounts payable - trade	544	708	+163
Accounts receivable - trade	405	486	+80	Short-term borrowings	42	34	(7)
Other	613	840	+227	Current portion of long-term borrowings	512	612	+99
Non-current assets	6,878	8,172	+1,294	Other	1,838	2,036	+197
Property, plant and equipment	4,756	5,521	+764	Non-current liabilities	1,535	1,932	+396
Intangible assets	122	263	+140	Long-term borrowings	1,195	1,552	+357
Investments and other assets	1,999	2,387	+388	Other	339	379	+39
Total assets	9,905	11,319	+1,414	Total liabilities	4,473	5,323	+850
				Total net assets	5,432	5,995	+563
				Share capital	793	797	+3
				Capital surplus	1,045	1,049	+3
				Retained earnings	3,463	4,040	+576
				Treasury shares	(0)	(0)	-
				Accumulated other comprehensive income	130	105	(24)
				Non-controlling interests	-	3	+3
				Total liabilities and net assets	9,905	11,319	+1,414

C/F summary



(Millions of yen)	FYE Oct. 31, 2022 1H	FYE Oct. 31, 2023 1H	Change
Net cash provided by (used in) operating activities	962	1,016	+54
Net cash provided by (used in) investing activities	(890)	(1,845)	(954)
Net cash provided by (used in) financing activities	(148)	303	+451
Effect of exchange rate change on cash and cash equivalents	28	5	(22)
Cash and cash equivalents at end of period	1,823	1,487	(335)

Main details

■ Cash flows from operating activities

Profit before income taxes: 1,066 million yen
 Depreciation: 276 million yen
 Income taxes paid: -494 million yen

■ Cash flows from investing activities

Purchase of property, plant and equipment: -828 million yen
 Payments of leasehold and guarantee deposits: -94 million yen

■ Cash flows from financing activities

Net change in short-term borrowings: -7 million yen
 Proceeds from long-term borrowings: 760 million yen
 Repayments of long-term borrowings: -302 million yen
 Dividends paid: -151 million yen

**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 of sales	Amount	Percentage of 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

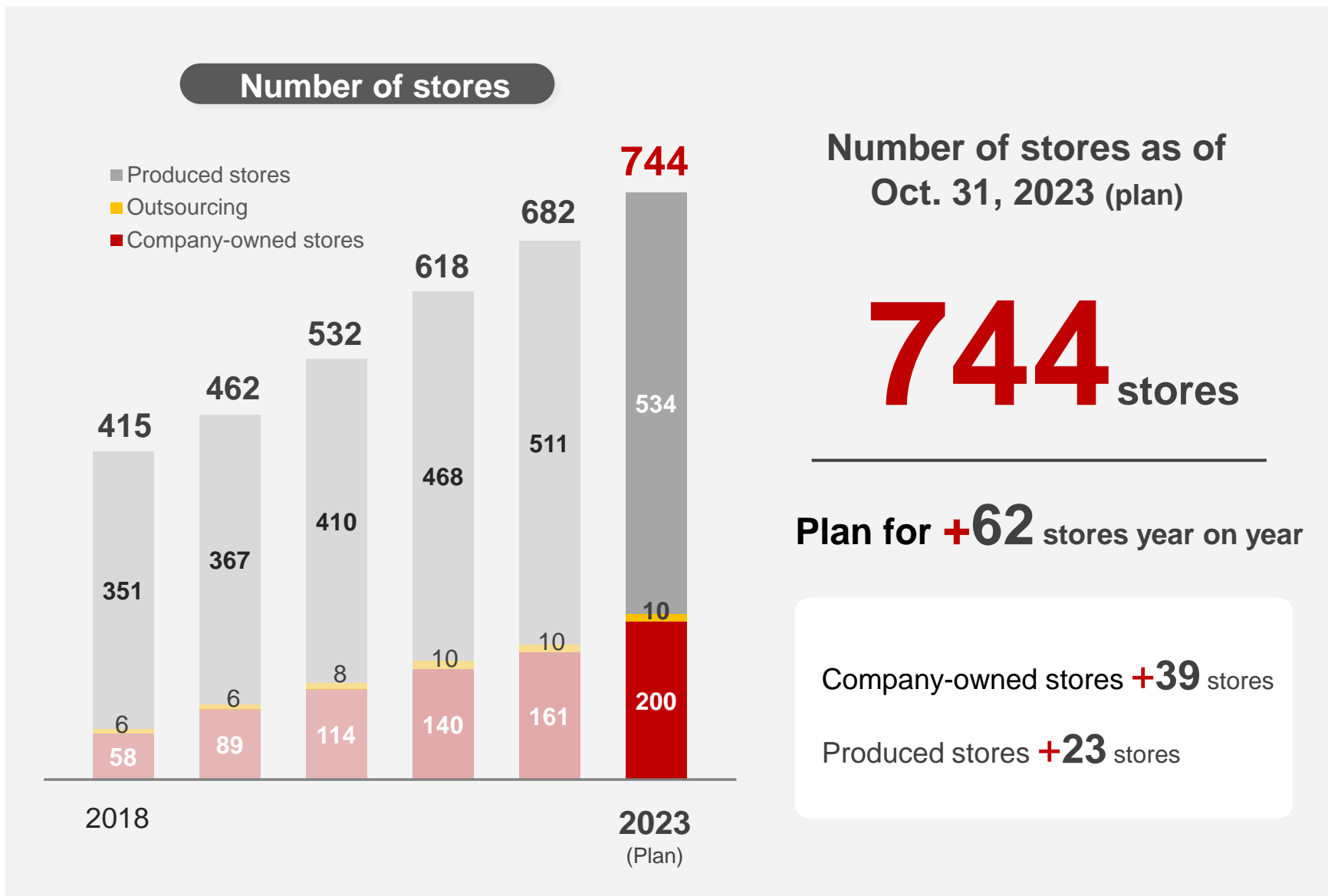
1 store

Produced stores

23 stores

20 domestic stores
3 foreign stores

— Store opening plan (unchanged)



Returns to shareholders (unchanged): Stock split announced on June 14, 2023 not taken in



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, 2022

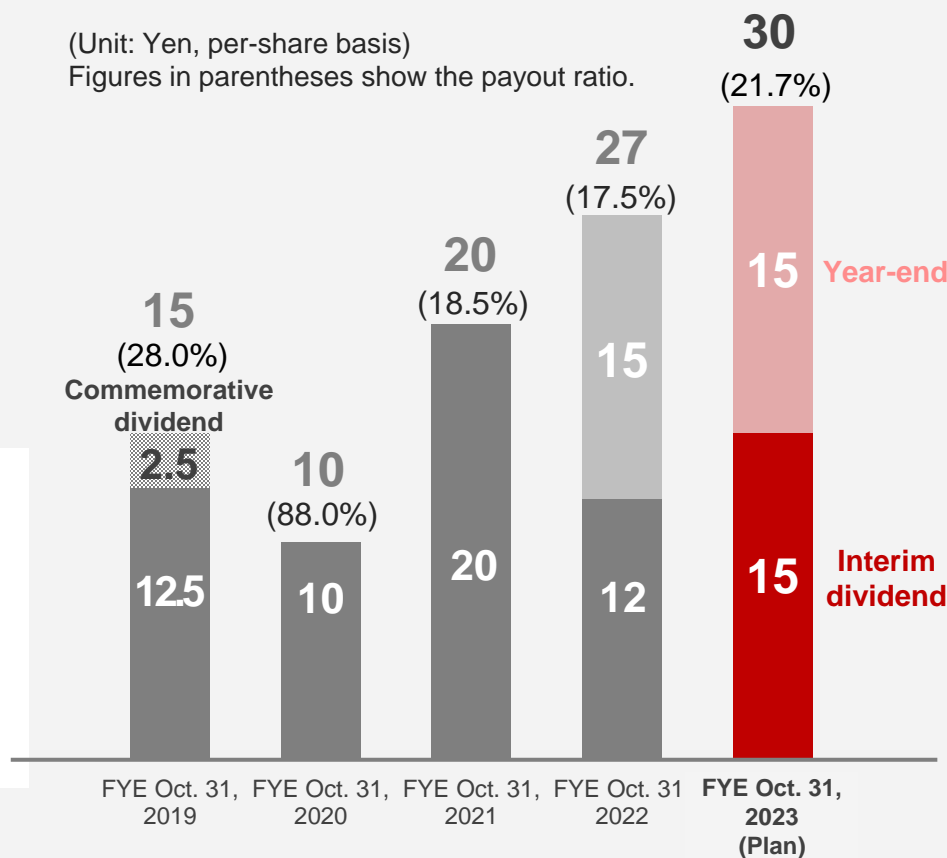
We decided to pay an interim dividend of **12 yen** per share and a year-end dividend of **15 yen**, for **a total of 27 yen**.

Dividends for the fiscal year ending October 31, 2023

- Target a payout ratio of 20% or more

We plan to pay an interim dividend of **15 yen** per share and a year-end dividend of **15 yen**, for **a total of 30 yen**, an **increase of 3 yen**.

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



04 Medium-term Business Plan (Unchanged)

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 (fiscal year ending October 31, 2023 to fiscal year ending 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>
Strengthening of manufacturing, purchasing and logistics system ← PICK UP	<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 style="text-align: center;">(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 busy 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**

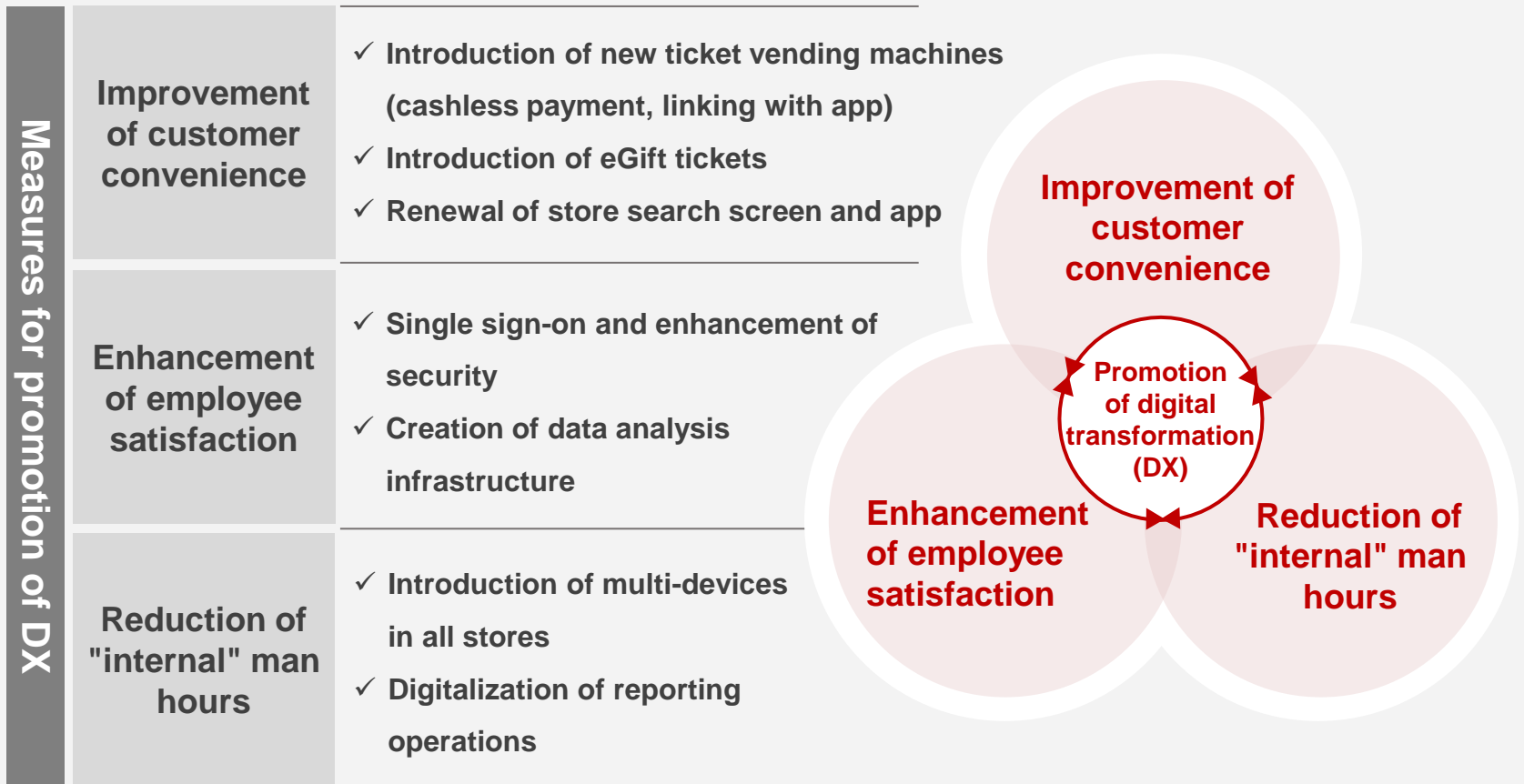


Food courts and service areas

PICK UP (15) Promotion of DX

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



Hiratsuka



Yokohama
Daiichi
Yokohama
Daini



Tamba-
Sasayama



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

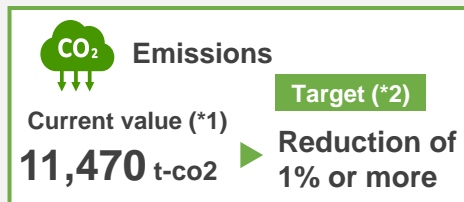
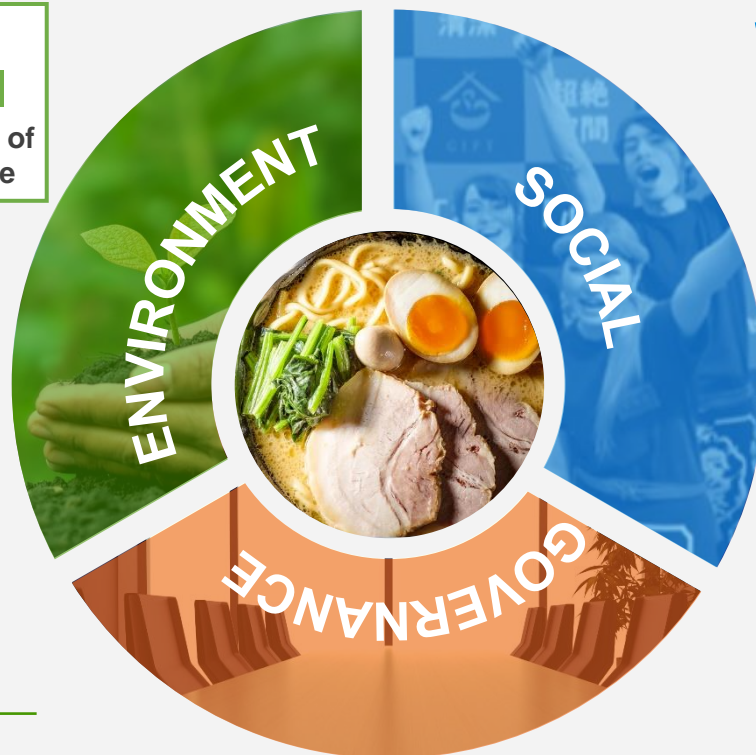
PICK UP (14) Promotion ESG management

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.



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



*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 information security and protection of privacy
- IR activities (constructive dialogue with investors)
- Dynamic renewal of governance system
- Strengthening of corporate governance
- Creation of risk management system
- Ensuring compliance

IR website

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



<https://www.gift-group.co.jp/english/>

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 April 30, 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.



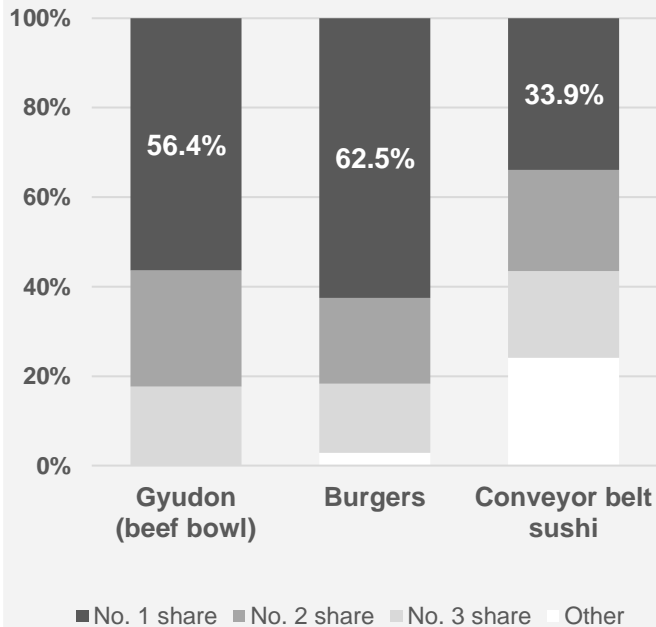
Characteristics of main restaurant industries and domestic ramen market



- 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

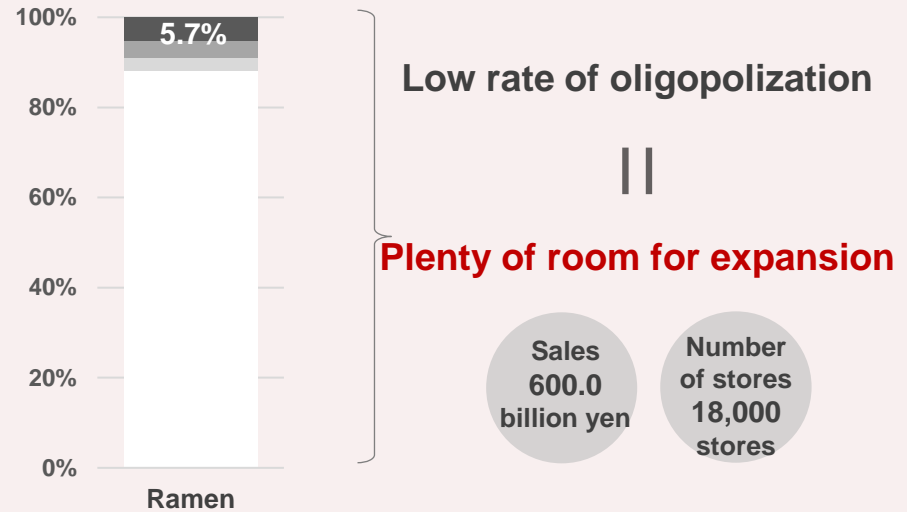
Share of top companies in main restaurant industries



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

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

"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.



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.

New brand



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

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

Business details

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

Company-owned stores

177 stores

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



Produced stores

544 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).

Company-owned stores

Provision of operating expertise



Company factories
Contracted factories

Supply of PB products

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

— Store opening strategy

Possible to operate a thriving restaurant 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

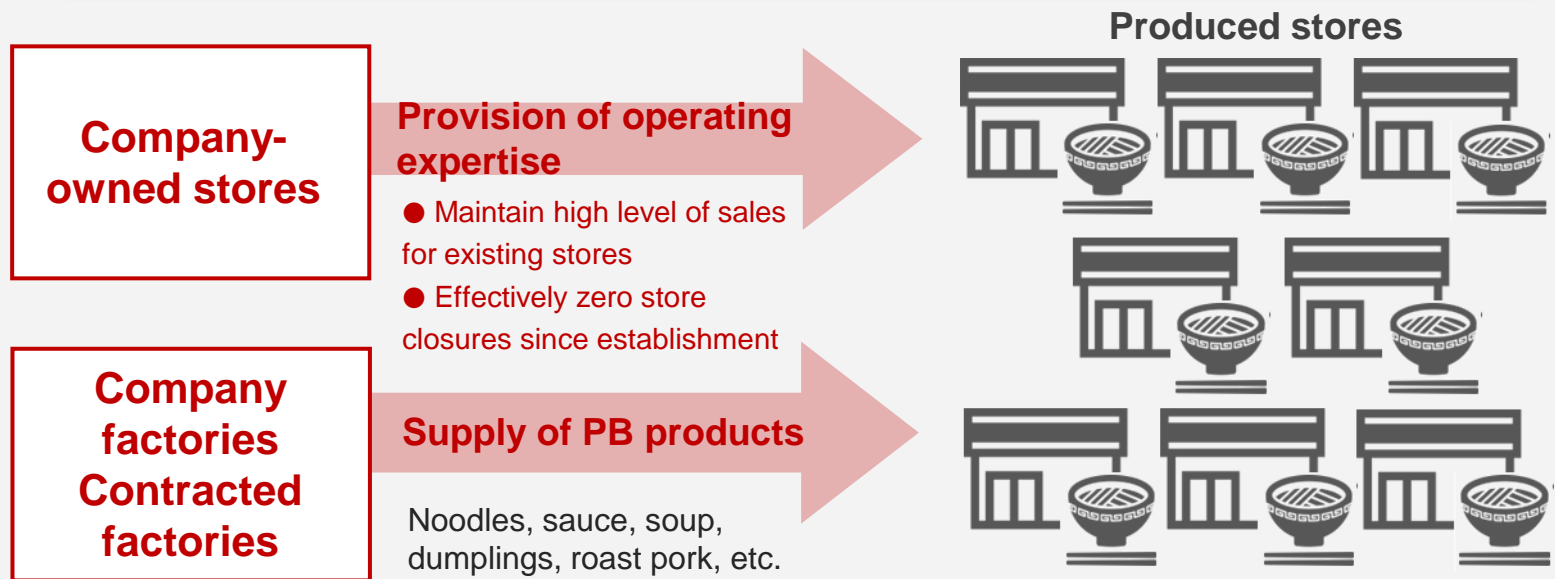
- Parking area (20-30 vehicles)
- Opening stores based on analysis of factors such as the state of competition, population of the trade area and traffic volume
- Creation of stores that can be enjoyed by families
- Improvement of menu for families
- Maintaining trend of increasing average customer spend
- Roadside stores are busier 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 popular 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.**
- 2022** 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.
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