



G I F T

Securities Code 9279

GIFT INC.

Results Briefing Materials for the Fiscal Year Ended October 31, 2020

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Actual performance and results may differ significantly due to changes in a variety of factors.

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Overview of Financial Results for the Fiscal Year Ended October 31, 2020

Financial Summary

Resolved the labor shortage that was the greatest management issue, utilizing the strength of "daily meals"

Accelerated business expansion toward 1,000 stores in Japan



Store openings

- **Even faced with the significant impact of COVID-19, with plans to increase directly operated stores and Produced Stores, where we support for creation of busy stores according to the requests of owners (cf. p. 49) ; the same shall apply hereafter, by a total of 54, the net increase was +70 stores (+27 directly operated stores and +43 produced stores).**
- **The first "NAGAOKA SHOKUDO" ginger and soy sauce ramen was launched as a new business type.**

During the COVID-19 Pandemic

Business Policy

Prevent the spread of infection and maintain the employment of employees

Implement 3 reforms, "product reform," "operation reform" and "manufacturing & logistics reform" with the aim of reaching 1,000 stores

- Take sound steps to prevent infection and ensure almost no suspension of business
- Accelerate home delivery and take-out, and launch an e-commerce site
- Strongly promote property acquisition and acquisition of personnel
- Promote the implementation of systems (standardization and simplification) aimed at the operation of many stores

Response to COVID-19

* Comparison of fiscal year ended Oct 2019 → fiscal year ended Oct 2020

Offense

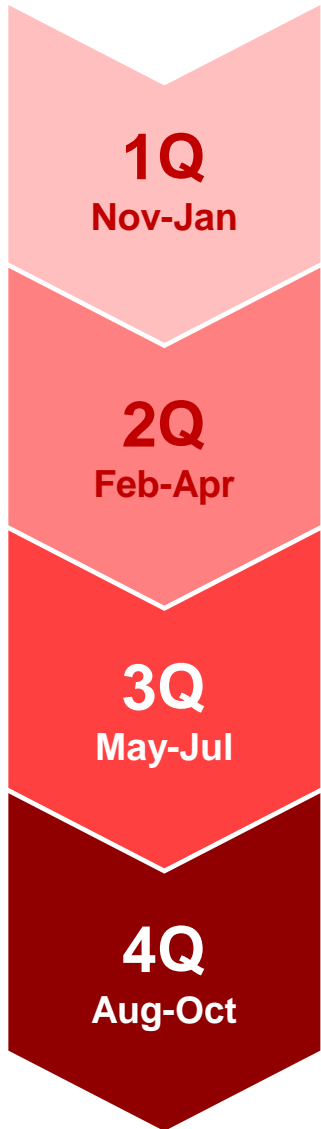
- ✓ **Hiring of full-time employees** 164 → **182** [including **26** referrals]
- ✓ **Hiring of part-time workers** Cost per hire 38,000 yen → **32,000 yen**
- ✓ **Store openings**..... 27 stores → **30 stores**
- ✓ **Home delivery**..... Preparation stage → **500 million yen**
- ✓ **E-commerce site**..... **Launch**

- ✓ **Thorough measures to prevent the spread of infection**
- ✓ **Promotion of telework and online meetings**
..... Online meeting rate: 0% → **26.3%**
- ✓ **Maintaining employment** (compensation for employees' loss of wages in stores that suspended business due to COVID-19)
..... Job retention rate **100%**

Defense

Financial Summary

Existing stores



- The number of customers decreased slightly year on year due to the warm winter and the impact of the increase in prices associated with the tax hike. Average customer spend rose.

Year-on-year comparison of net sales ▶ 98.0%

- In response to the impact of the spread of COVID-19, the Company shortened business hours and started home delivery and take-out, securing 75.6% of sales compared to the same month of the previous year even in April, which was the month most affected by refraining from doing business.

Year-on-year comparison of net sales ▶ 86.2%

- After the state of emergency was lifted in May, the number of customers quickly recovered due to being daily meals and a restaurant type requiring little time in the store.

Year-on-year comparison of net sales ▶ 90.4%

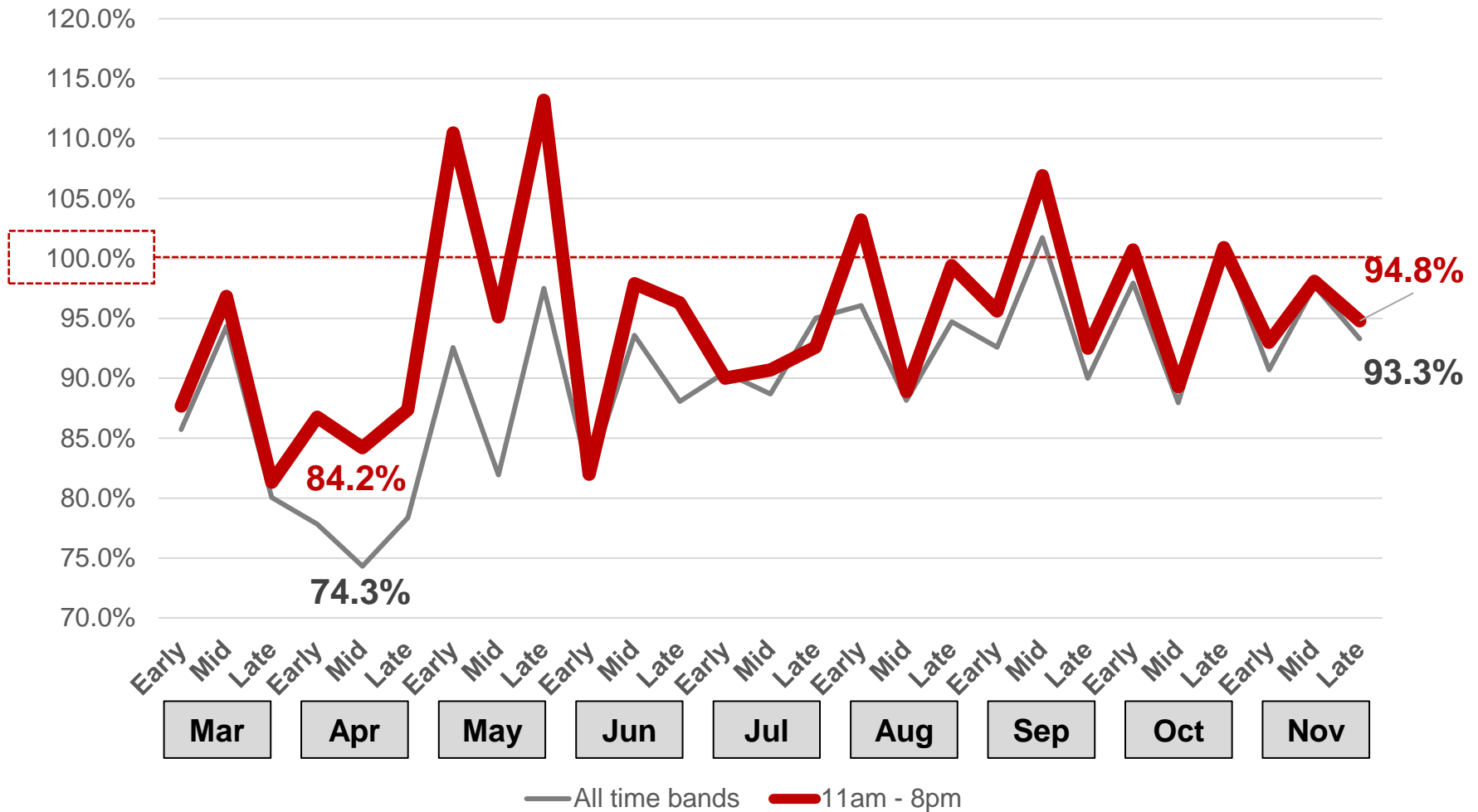
- In addition to various restrictions being lifted, customers came back mainly in roadside stores, and the demand for going out and eating out is on a path of recovery due to the impact of the Go To Campaign.

Year-on-year comparison of net sales ▶ 95.1%

Sales by Location and Time Band during the COVID-19 Pandemic

Total for all areas

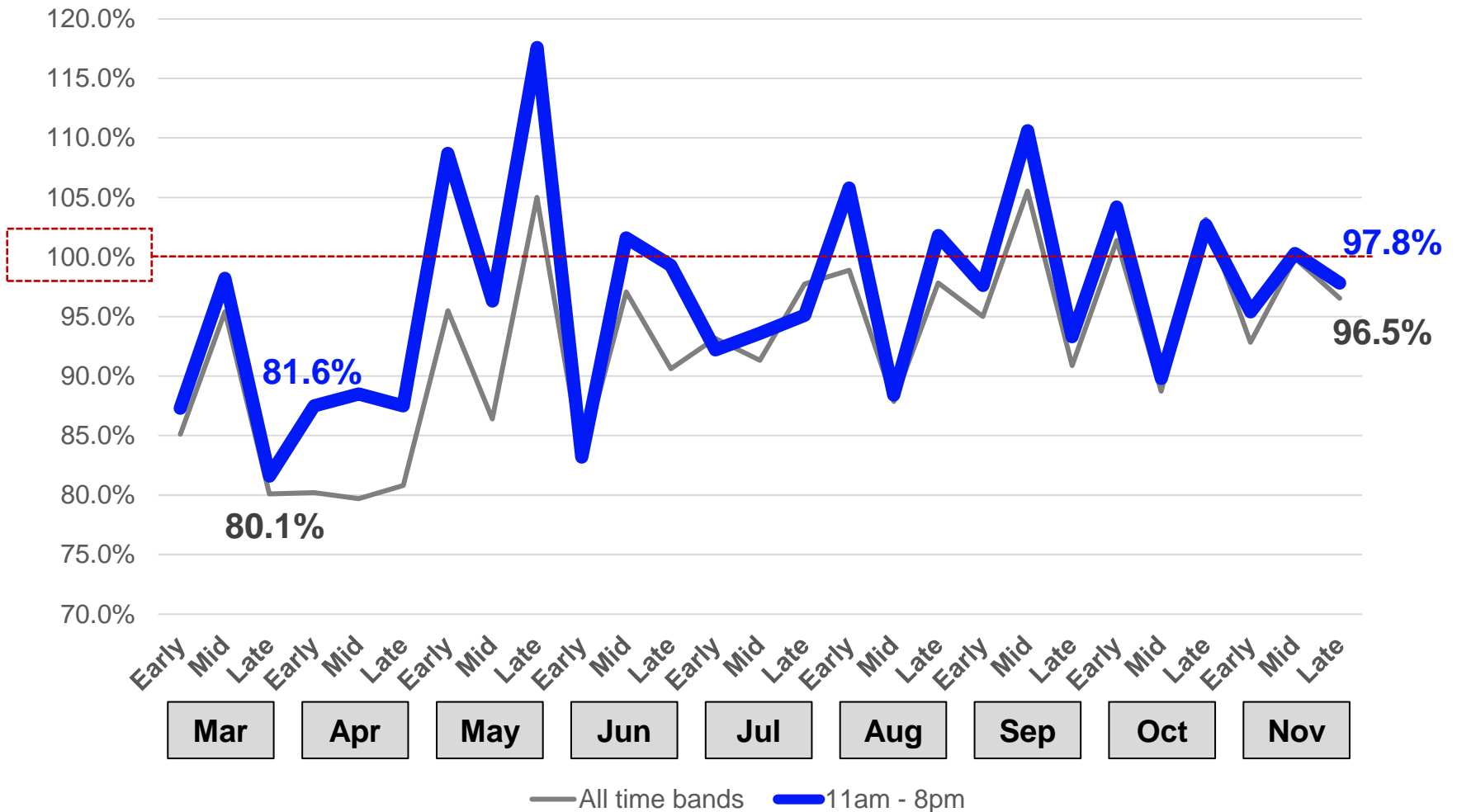
Year-on-year comparison of existing stores



Sales by Location and Time Band during the COVID-19 Pandemic

Residential areas + roadside

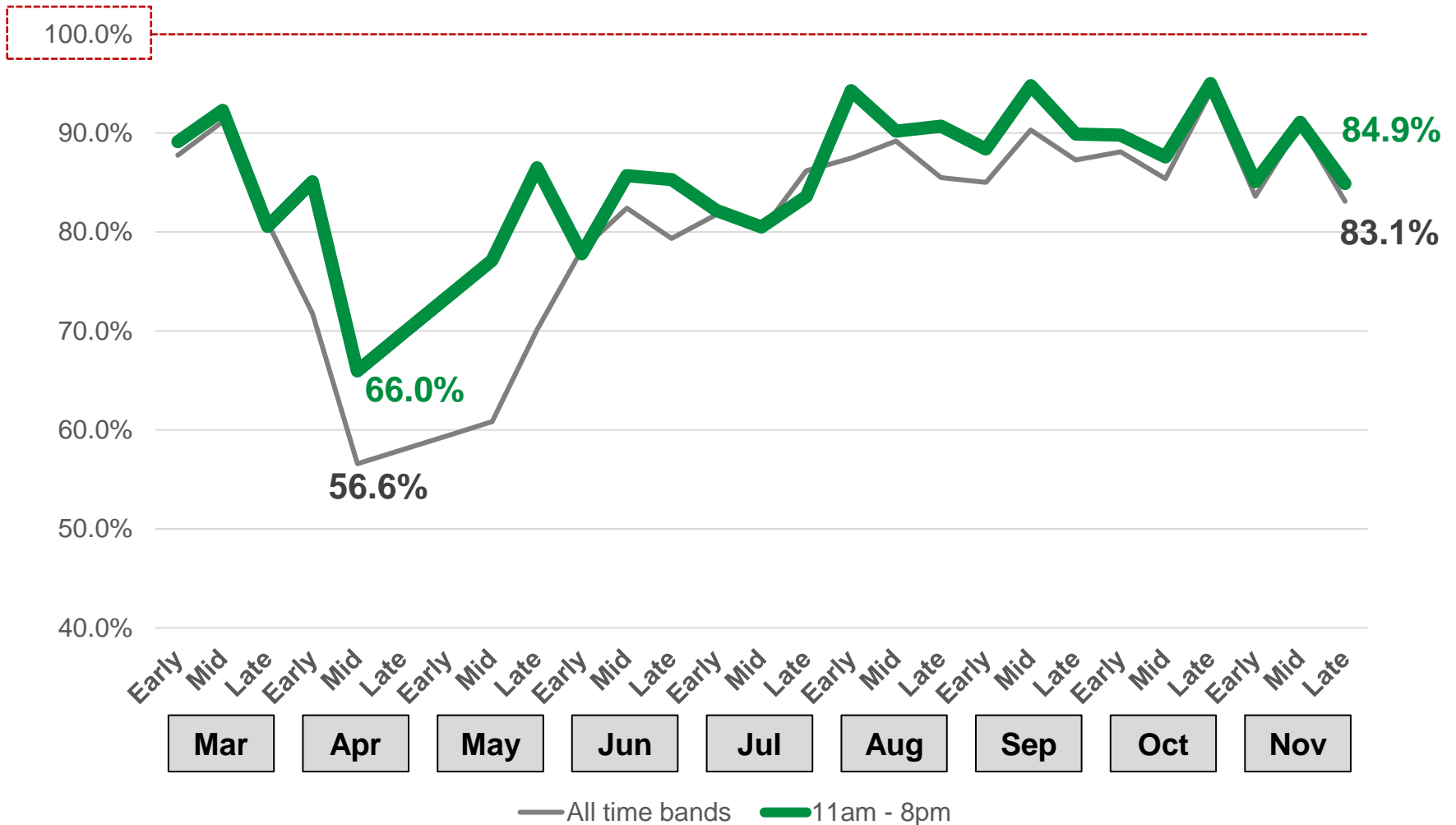
Year-on-year comparison of existing stores



Sales by Location and Time Band during the COVID-19 Pandemic

Business districts + downtown areas

Year-on-year comparison of existing stores

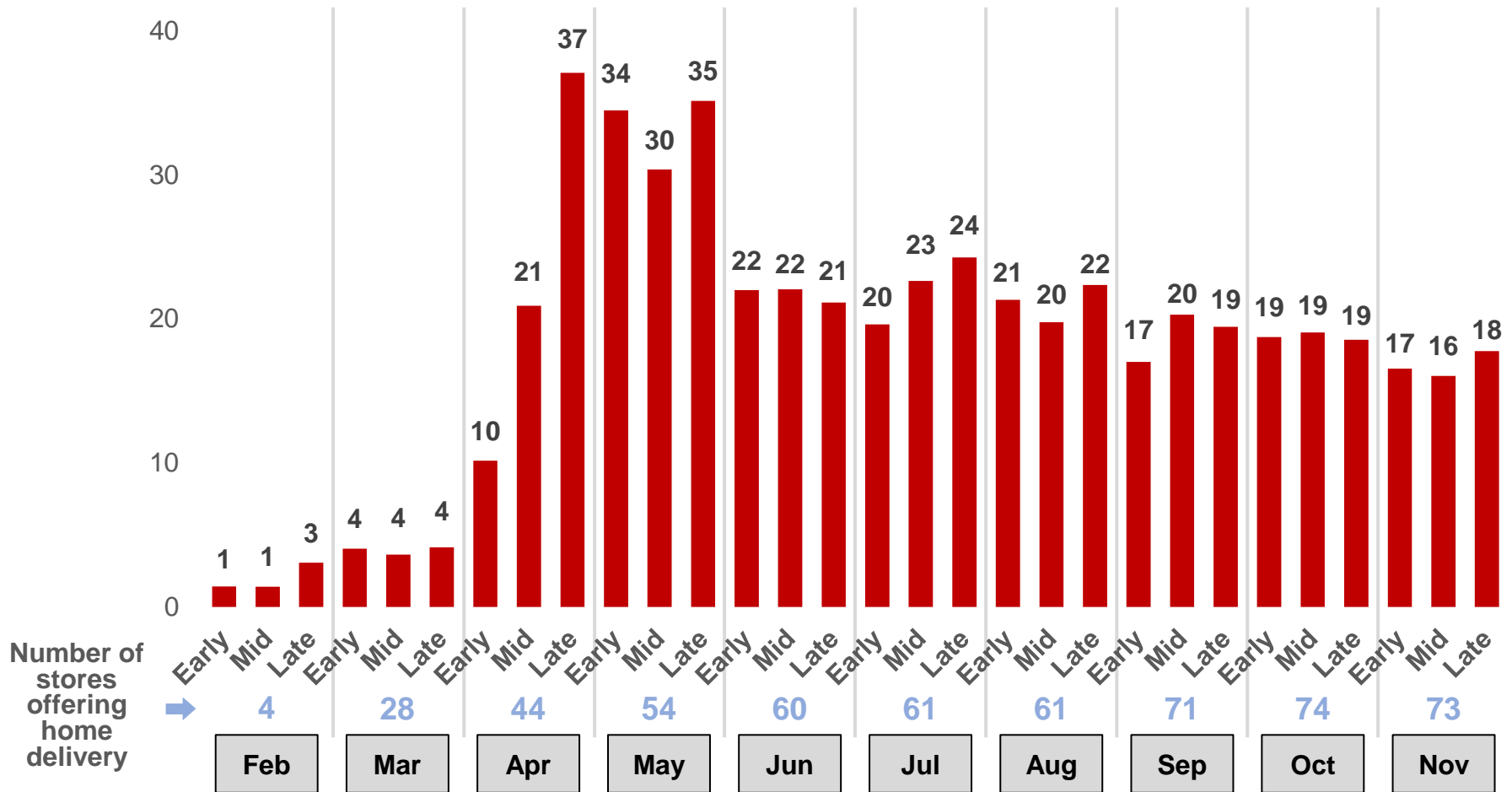


Home Delivery Sales since the Spread of COVID-19

Home delivery services fully deployed during the stay-at-home period and provided underlying support for store sales.

After the stay-at-home period, although home delivery sales decreased due to an increase in in-store sales, the use of home delivery became established.

(Millions of yen) ■ Total home delivery sales



Reaffirmation of the Strength of the Company's Business during the COVID-19 Pandemic



Specialization in ramen



Location portfolio



Home delivery and take-out

- Ramen is a "**daily meal.**" It was used as a necessity even during the stay-at-home period, and although the shortened business hours had an impact, there was almost no other impact.
- Short time eating, few people eating together and mainly using a counter
 - ➔ The impact of the request to stay at home had little impact.

- Sales in residential areas and roadside stores increased significantly and absorbed the impact of the constraint in business districts and downtown areas.

- Home delivery and take-out business increased significantly.



➔ Amid difficult conditions faced in the restaurant industry as a whole, the decrease in sales was kept within the anticipated range, and sales quickly recovered

Financial Highlights

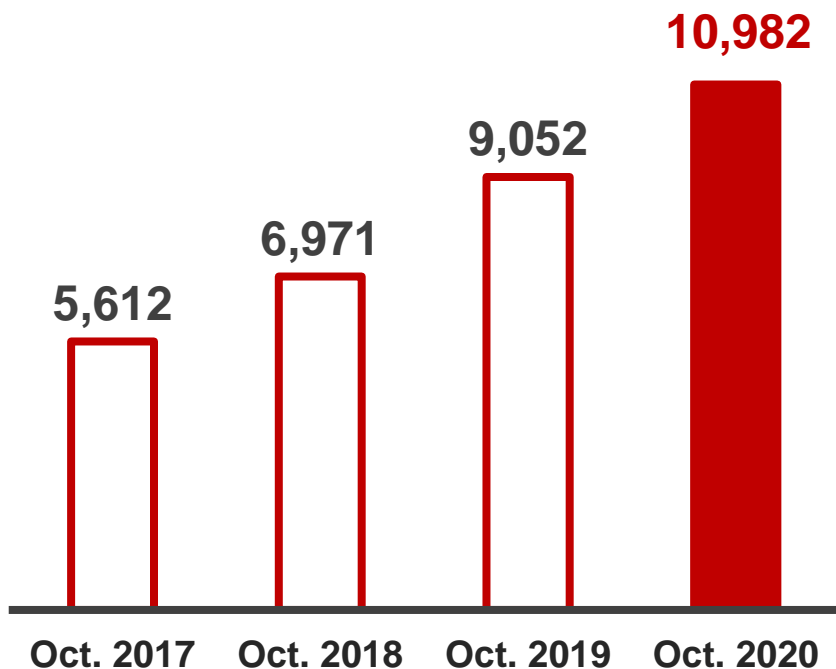
Revenues increased by 21.3% in a difficult business environment. Secured ordinary profit of approximately 500 million yen

(Millions of yen)

Net sales

Year-on-year change

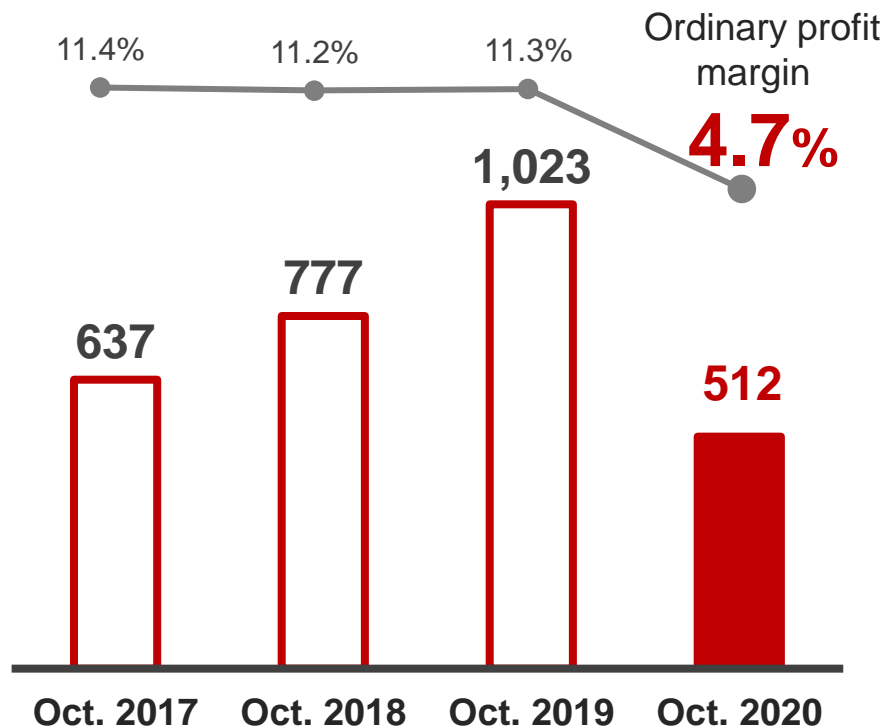
+21.3%



Ordinary profit margin

Year-on-year change

(50.0)%



Statements of Income

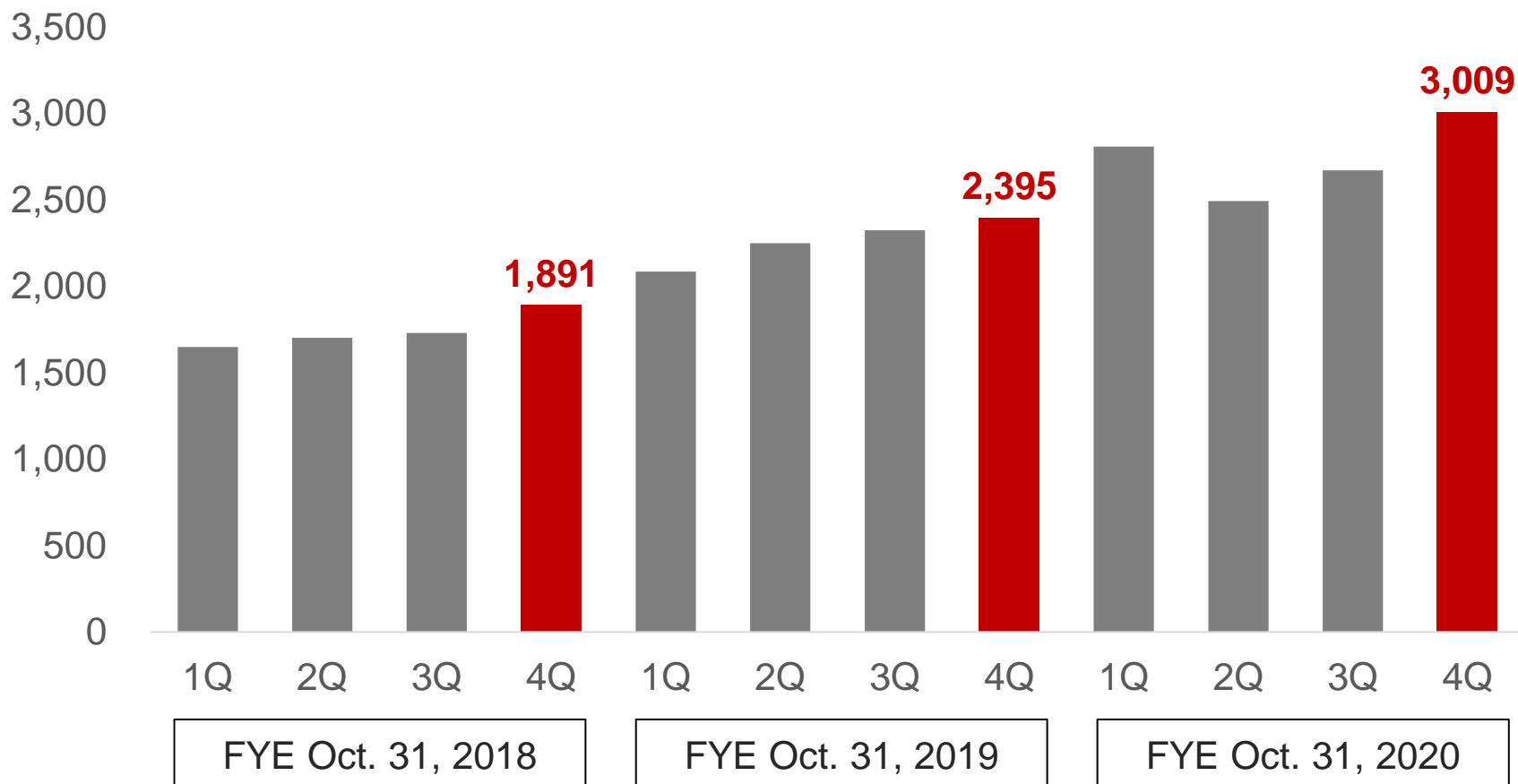
Ensured profit due to controlling store operation times, costs and selling, general and administrative expenses

(Millions of yen)	FYE Oct. 31, 2019		FYE Oct. 31, 2020		Year-on-year change	Comparison with revised plan dated June 5	
	Amount	Percentage of sales	Amount	Percentage of sales	Change	FYE Oct. 31, 2020 Revised forecast	Level of achievement
Net sales	9,052	-	10,982	-	+21.3%	10,880	+0.9%
Cost of sales	2,729	30.2%	3,212	29.3%	+17.7%	-	-
Gross profit	6,322	69.8%	7,769	70.7%	+22.9%	-	-
Selling, general and administrative expenses	5,315	58.7%	7,308	66.5%	+37.5%	-	-
Operating profit	1,006	11.1%	461	4.2%	(54.2)%	569	(18.9)%
Ordinary profit	1,023	11.3%	512	4.7%	(50.0)%	616	(16.9)%
Profit	524	5.8%	112	1.0%	(78.5)%	132	(14.7)%

Net Sales by Quarter

In addition to minimizing the impact of COVID-19 mainly in 2Q, sales recovered toward the end of the year

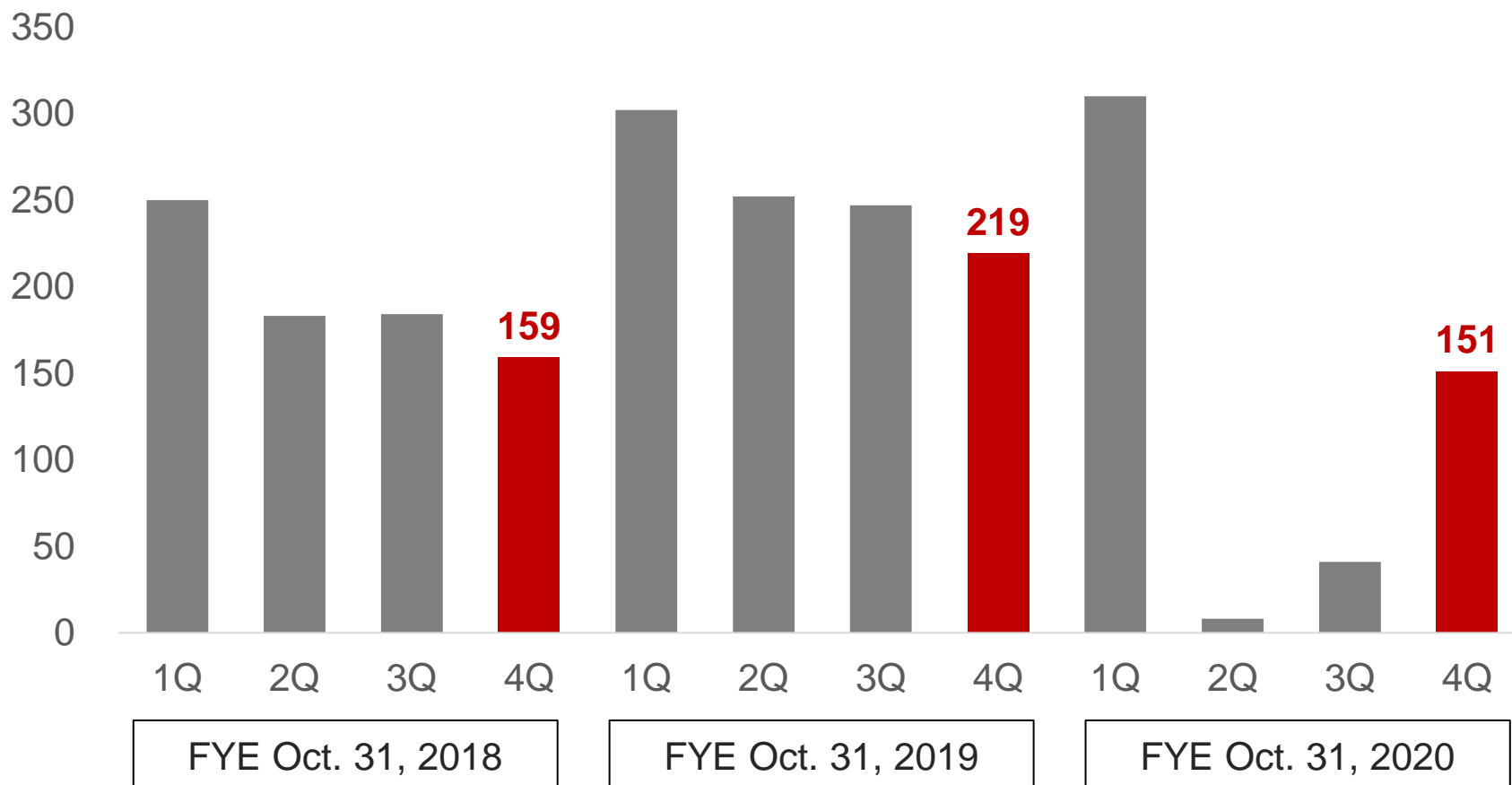
(Millions of yen)



Ordinary Profit by Quarter

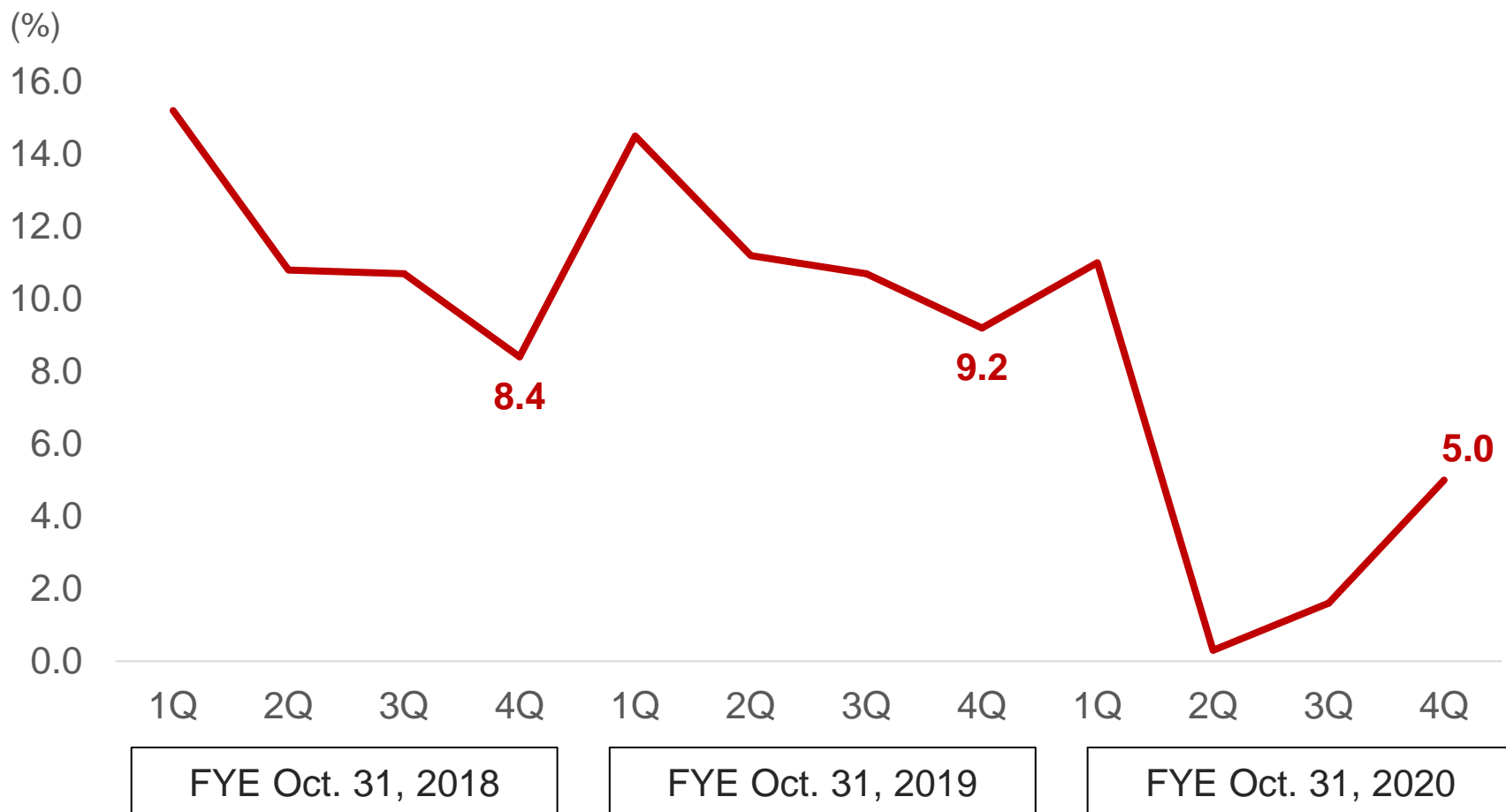
A profit was secured even in 2Q and 3Q when sales slumped significantly due to the request to stay at home, and profit levels recovered toward the end of the period

(Millions of yen)



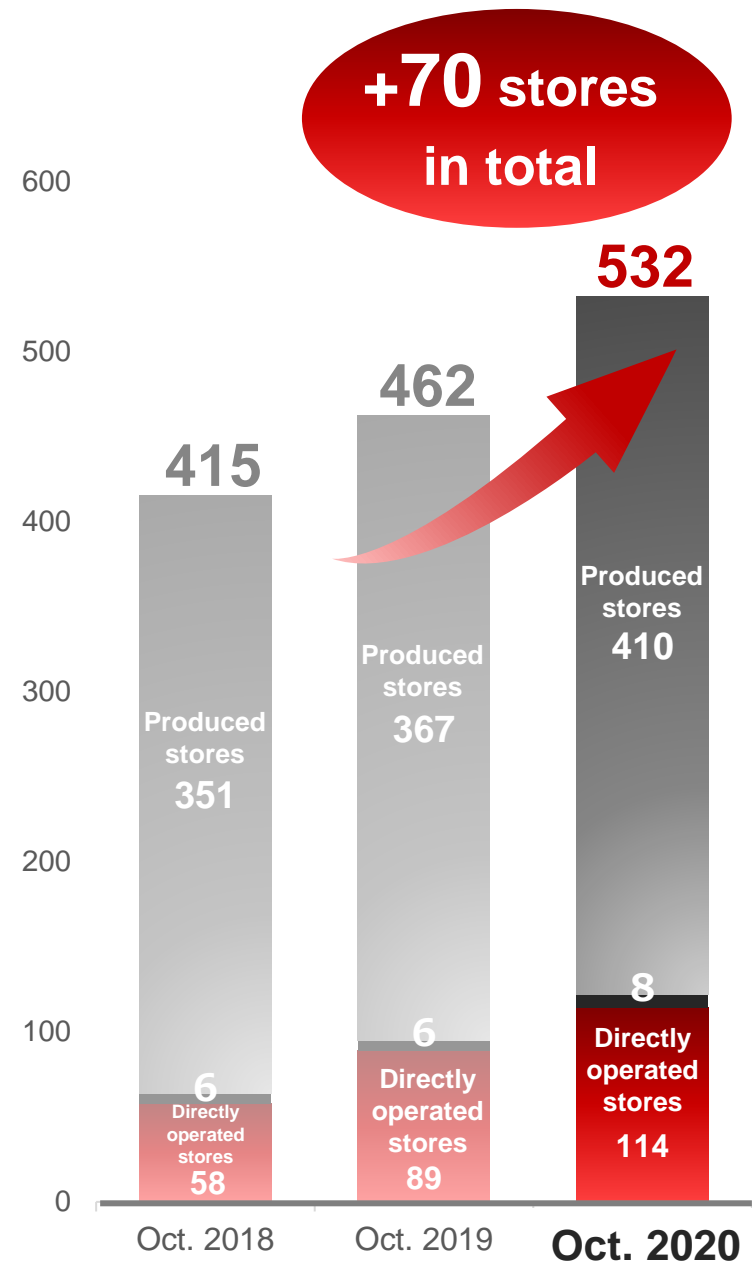
Ordinary Profit Margin by Quarter

Although the profit margin decreased compared to other years due to the decline in sales, it improved significantly toward the end of the period



Store Openings

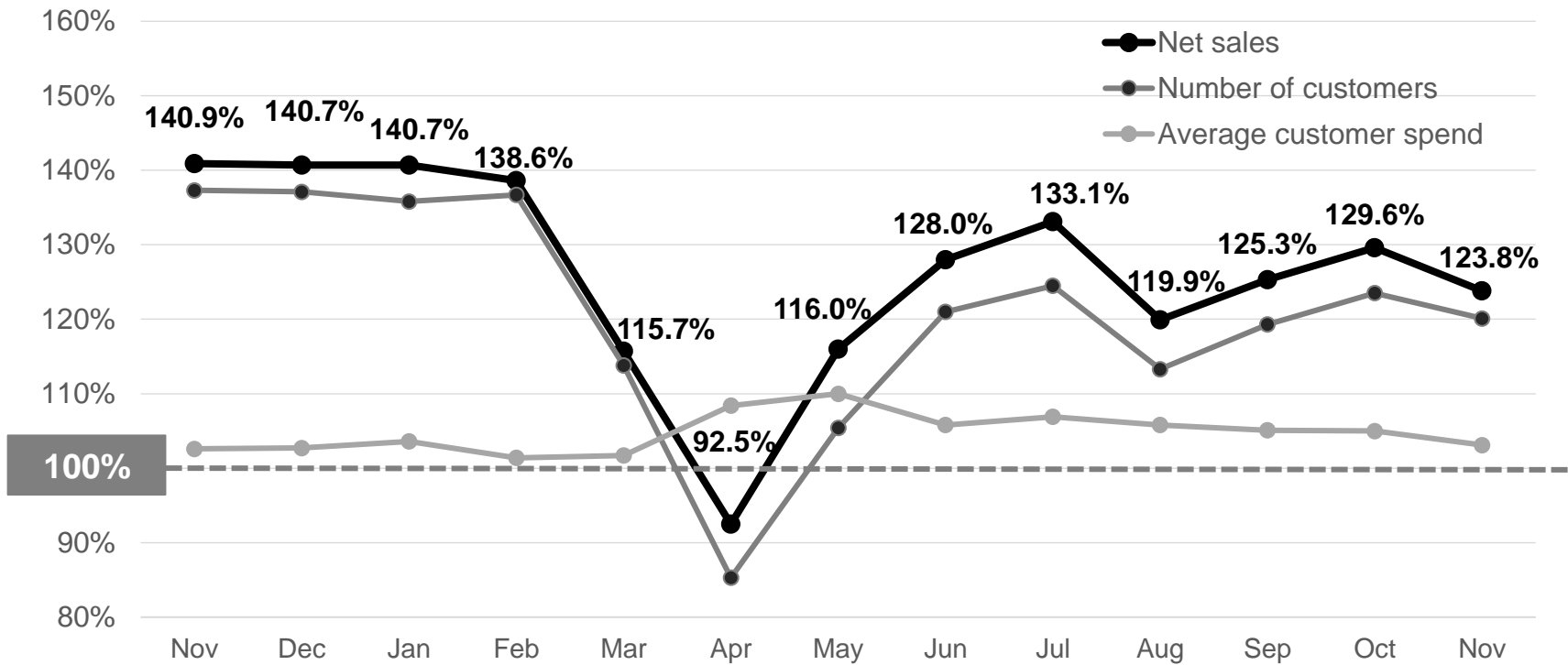
New stores continued to be launched and the increase in stores was **70**, outstripping the plan for 54



Status of Stores (Breakdown of Change)

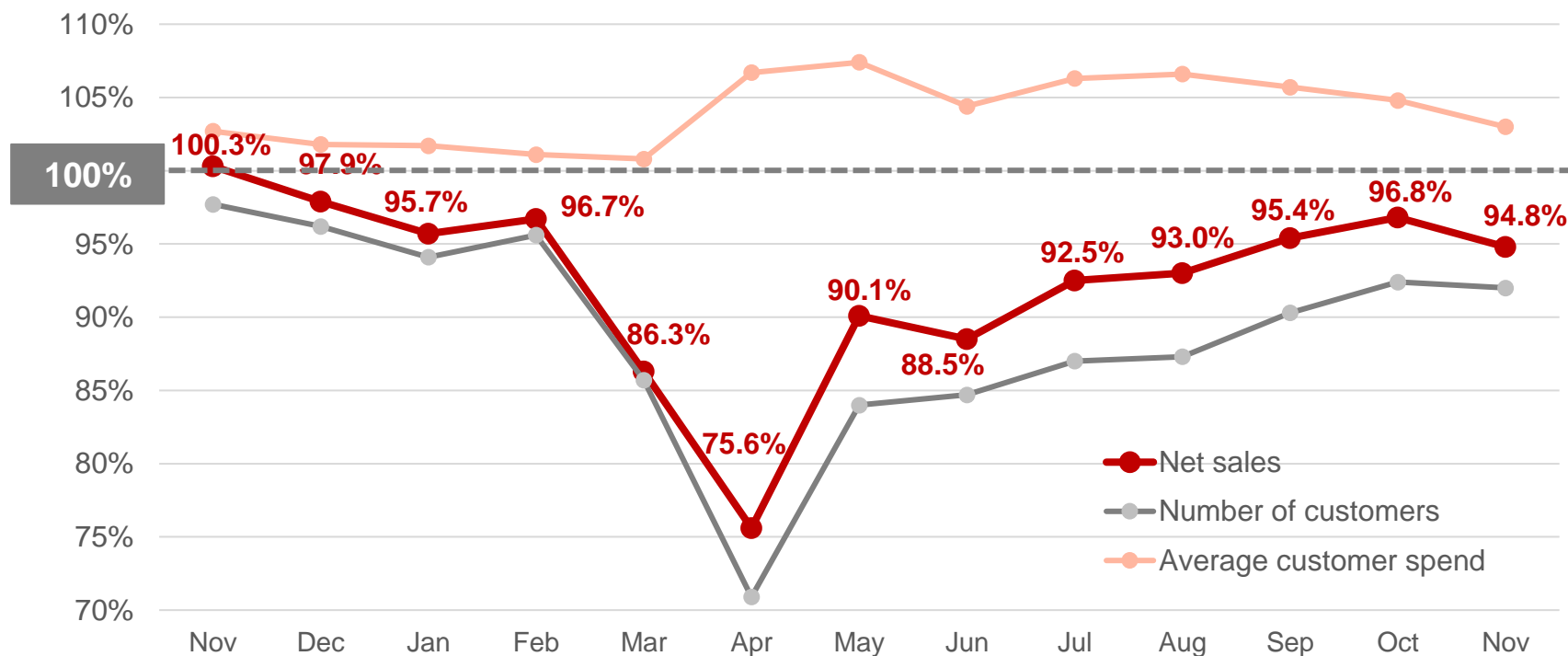
		Number of Stores as of Oct. 31, 2019	Number of Stores as of Oct. 31, 2020	Change
Directly operated store business	Kanto	55	70	+15
	East Japan (excluding Kanto)	12	22	+10
	West Japan	19	19	0
	Overseas	3	3	0
	Subtotal	89	114	+25
	Outsourced stores	6	8	+2
	Total	95	122	+27
Produced store business	Kanto	266	276	+10
	East Japan (excluding Kanto)	59	72	+13
	West Japan	35	52	+17
	Overseas	7	10	+3
	Total	367	410	+43
Total number of stores		462	532	+70

Year-on Year Comparison of Sales of All Directly Operated Stores in Japan



All stores	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Average	Nov
Net sales	140.9%	140.7%	140.7%	138.6%	115.7%	92.5%	116.0%	128.0%	133.1%	119.9%	125.3%	129.6%	126.7%	123.8%
Number of customers	137.3%	137.1%	135.8%	136.7%	113.8%	85.3%	105.4%	121.0%	124.5%	113.3%	119.3%	123.5%	121.1%	120.1%
Average customer spend	102.6%	102.7%	103.6%	101.4%	101.7%	108.4%	110.0%	105.8%	106.9%	105.8%	105.1%	105.0%	104.9%	103.1%

Year-on Year Comparison of Sales of Existing Directly Operated Stores in Japan



Existing stores	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Average	Nov
Net sales	100.3%	97.9%	95.7%	96.7%	86.3%	75.6%	90.1%	88.5%	92.5%	93.0%	95.4%	96.8%	92.4%	94.8%
Number of customers	97.7%	96.2%	94.1%	95.6%	85.7%	70.9%	84.0%	84.7%	87.0%	87.3%	90.3%	92.4%	88.8%	92.0%
Average customer spend	102.7%	101.8%	101.7%	101.1%	100.8%	106.7%	107.4%	104.4%	106.3%	106.6%	105.7%	104.8%	104.2%	103.0%

New Directly Operated Stores (Nov. 2019 - Oct. 2020)

New directly operated stores
this period
30 stores

■ = MACHIDA SHOTEN ■ = BUTAYAMA ■ = NAGAOKA SHOKUDO



Tohoku 5 stores

Yamagata 1 store ■ 1

Miyagi 4 stores ■ 4

Kansai 3 stores

Osaka 2 stores ■ 1 ■ 1

Nara 1 store ■ 1

Kanto 17 stores

Tochigi 1 store ■ 1

Saitama 2 stores ■ 2

Tokyo 8 stores ■ 4 ■ 4

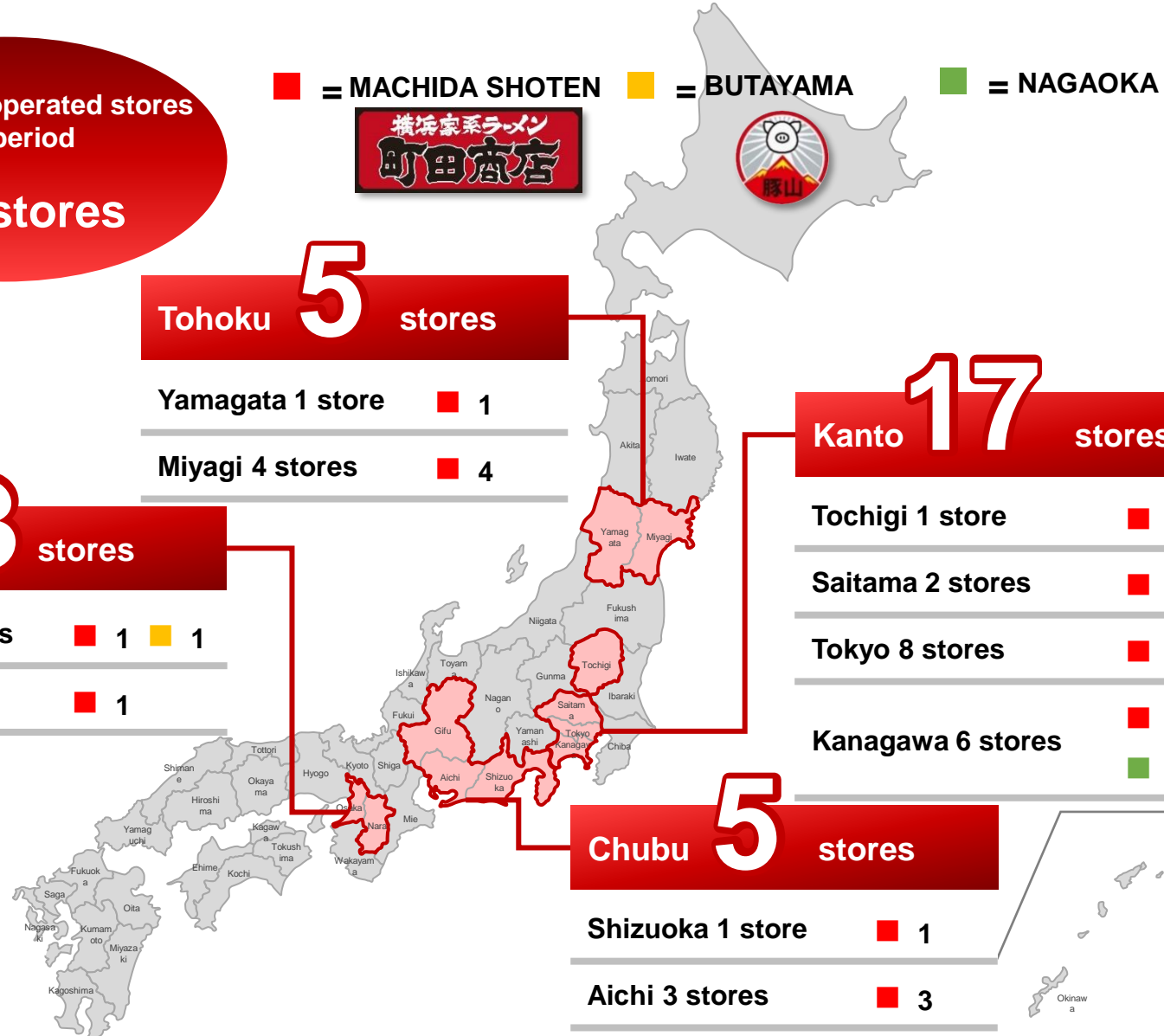
Kanagawa 6 stores ■ 2 ■ 3 ■ 1

Chubu 5 stores

Shizuoka 1 store ■ 1

Aichi 3 stores ■ 3

Gifu 1 store ■ 1



B/S Summary

(Millions of yen)

	FYE Oct. 31, 2019	FYE Oct. 31, 2020	Change
Current assets	2,304	2,253	(51)
Cash and deposits	1,875	1,791	(83)
Accounts receivable - trade	221	232	+11
Other	206	228	+21
Non-current assets	3,476	4,618	+1,142
Property, plant and equipment	2,132	3,025	+893
Intangible assets	192	169	(22)
Investments and other assets	1,152	1,423	+271
Total assets	5,781	6,872	+1,091

	FYE Oct. 31, 2019	FYE Oct. 31, 2020	Change
Current liabilities	2,122	2,402	+280
Accounts payable - trade	297	298	+0
Short-term borrowings	470	754	+284
Current portion of long-term borrowings	347	547	+199
Other	1,005	802	(203)
Non-current liabilities	517	1,361	+844
Long-term borrowings	332	1,093	+760
Other	184	268	+83
Total liabilities	2,639	3,764	+1,124
Total net assets	3,141	3,107	(33)
Share capital	776	786	+9
Capital surplus	1,028	1,038	+9
Retained earnings	1,340	1,304	(35)
Accumulated other comprehensive income	(3)	(21)	(17)
Total liabilities and net assets	5,781	6,872	+1,091

C/F Summary

(Millions of yen)

	FYE Oct. 31, 2019	FYE Oct. 31, 2020	Change
Net cash provided by (used in) operating activities	1,074	409	(664)
Net cash provided by (used in) investing activities	(1,253)	(1,564)	(310)
Net cash provided by (used in) financing activities	320	1,089	+768
Effect of exchange rate change on cash and cash equivalents, etc.	(5)	(18)	(13)
Cash and cash equivalents at end of period	1,875	1,791	(83)

Main content of FYE Oct. 31, 2020

■ Cash flows from operating activities

Profit before income taxes:	324 million yen
Depreciation:	290 million yen
Impairment loss:	173 million yen
Income taxes paid:	(445) million yen

■ Cash flows from investing activities

Purchase of property, plant and equipment:	(1,348) million yen
Payments of leasehold and guarantee deposits:	(156) million yen

■ Cash flows from financing activities

Proceeds from long-term borrowings:	1,372 million yen
Net change in short-term borrowings:	284 million yen
Repayments of long-term borrowings:	(410) million yen

Medium-term Management Plan and Future Initiatives

Medium-term Management Plan

The plan is for 1.9 times sales and 3.2 times ordinary profit in the fiscal year ending October 31, 2023 in operations aimed at 1,000 stores

		2020.10	2021.10	2022.10	2023.10	...	2025.10
	Net sales	11.0 billion yen	15.1 billion yen	18.0 billion yen	21.3 billion yen		
	Ordinary profit	0.5 billion yen	1.1 billion yen	1.8 billion yen	2.1 billion yen		
Number of stores in Japan	Total number of stores	519 stores	601 stores	683 stores	766 stores	...	1,000 stores
	Directly operated stores	119 stores	151 stores	183 stores	216 stores	...	300 stores
	Produced stores	400 stores	450 stores	500 stores	550 stores	...	700 stores

Implement **3 reforms** to revolutionize ramen restaurants

1. Product reform
2. Operation reform
3. Manufacturing & logistics reform

Implement **3 reforms** to revolutionize ramen restaurants

1. Product reform

- Factory production of roast pork, implementation of PB for fried chicken
 - Brush-up of menu based on ABC analysis
 - Brush-up of miso ramen business type
 - Development of more new business types
- ➔ Reduction of in-store preparation and knife work
 - ➔ Increased speed of provision
 - ➔ Diversification of store launches
 - ➔ Diversification of store launches

2. Operation reform

- New formation (RUN&GUN)
 - Simplification of cooking process, use of common toppings
 - Reduction of man hours for preparation for opening and closing outside of business hours
 - Thorough education system and well-developed evaluation and compensation system
- ➔ More consistent quality and increased speed of provision
 - ➔ More consistent quality and increased speed of provision
 - ➔ Cost reduction
 - ➔ Increased employee motivation

3. Manufacturing & logistics reform

- Year-round operation of noodle factories
 - In addition to Yokohama factory, commence operation of the Tamba-Sasayama factory.
 - Increase of internally produced items
 - Bulk delivery through operation of logistics center
- ➔ Increased freshness of noodles, increased manufacturing capacity, risk hedging
 - ➔ Secure 1.5 times existing production capacity
 - ➔ Improvement of quality, cost reduction
 - ➔ Reduction of inspection and ordering work



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

to ensure product quality does not decline while expanding the number of stores

3 reforms to revolutionize ramen restaurants

1.

Product reform

Reduction of in-store preparation and knife work

- In addition to noodles and dumplings, factory production of roast pork, implementation of PB for fried chicken

Increased speed of provision

- **Brush-up the menu based on ABC analysis and focus on core products** (cut time-consuming products with few orders)

➔ **Provide consistent quality through the standardization and simplification of products and cooking methods**

Brush-up of miso business type

- Apply expertise obtained from the operation of IEKEI and BUTAYAMA stores to the miso business



Development of more new business types

- Actively develop new business types (aim to develop two types per year)



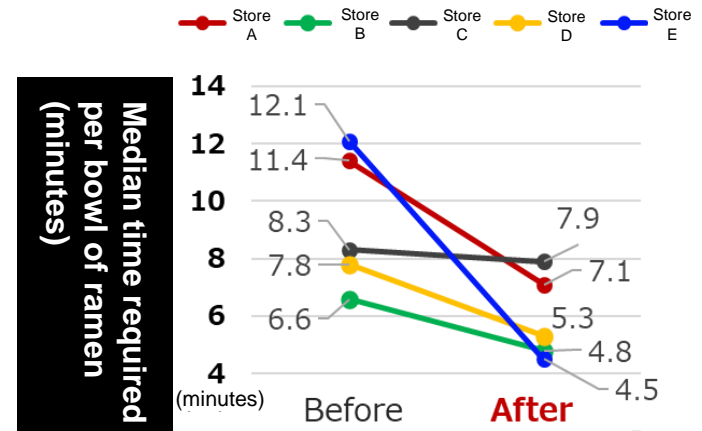
3 reforms to revolutionize ramen restaurants

2. Operation reform (1)

New formation "RUN & GUN"

Eliminate variations in speed of provision, and remove products that take far too long to provide

- Establish a new formation based on analysis using cameras. Maintain taste and quality while increasing the speed of provision of products.



- **Ensure consistent quality and increase speed of provision** through the simplification of cooking processes and the use of common toppings

Other points to improve

- **Reduce costs** by reducing man hours outside business hours.
- ➔ **Create a culture of maximizing performance and accumulating excellent expertise**

2. Operation reform (2)

Thorough education system and well-developed evaluation and compensation system

Thorough operational education



- ◆ Standardization of manuals for operating busy stores
- ◆ Sharing of videos of cooking operations
- ◆ Well-developed OJT
- ◆ Implementation of various in-house training
- ◆ Improvement of system for support from head office

Progress management



Company-wide sharing (forum)



Well-developed evaluation and compensation system

Significant effect on increasing motivation

- ◆ Increased motivation through award system for employees and cast
- ◆ Incentive system for all employees and cast
- ◆ Set detailed evaluation items and establish an evaluation system
- ◆ Prepare for next step in career according to results based on effort
- ◆ Enable speedy career advancement. Become a store manager in one year from joining the company.
- ◆ Foster motivation of employees by providing high income for effort



* Cast: part-time workers

➔ Aim for more prosperous stores by sharing throughout the company in workshops and forums

3. Manufacturing & logistics reform

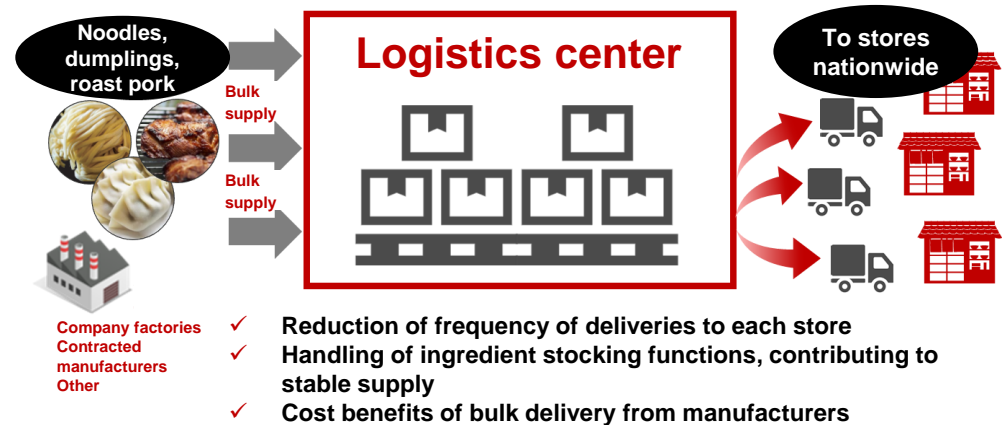
Manufacturing reform

- Year-round operation of noodle factories.
Aim to **increase freshness of noodles, increase manufacturing capacity and hedge risks.**
- Full-scale operation of the Tamba-Sasayama factory. **Secure 1.5 times existing manufacturing capacity.**
- **Improve quality and reduce costs** by increasing the internally produced items (dumplings and roast pork).



Logistics reform

- Establish a logistics center for supporting the operation of many stores. **Reduce delivery frequency through the cost benefits, stable supply and bulk delivery to each store** through bulk delivery from manufacturers.



➔ **Ensure stable supply and reduce costs by improving quality and production capacity, and also increasing delivery efficiency**

Store Opening Strategy (Fiscal Year Ending October 31, 2021)

Plan for launch of 35 directly operated stores and 50 produced stores

- Expand business types based on IEKEI Ramen
- Also continue to open BUTAYAMA stores with an eye to roadside business
- Commence operation of the new business type of "NAGAOKA SHOKUDO" ginger and soy sauce ramen
- Store ratio of roadside 7: station vicinity 3
- Accelerate the launch of stores in the Tohoku, Kitakanto and Hokuriku regions with high ramen consumption
- Accelerate nationwide expansion with a good balance of directly operated stores and produced stores



Store Opening Strategy

(Fiscal Year Ending October 31, 2021 - Directly Operated Stores in Japan)

Expand and highlight the appeal of ramen as a daily meal in many business categories and areas.

- Significantly increase IEKEI focused on roadside. Also continue to open BUTAYAMA stores
- Also seek to expand many stores in the "miso business type" and "soy sauce business type"

		<p>Accelerate opening of roadside stores and stores in the vicinity of stations centered on the Tokyo metropolitan area, Kitakanto and Tohoku</p>	<p>Residential, Roadside +25 stores</p>	<p>Business districts Downtown areas +5 stores</p>
		<p>Accelerate opening stores in the vicinity of stations in Kanto. Open stores in properties with existing facilities with faster investment recovery</p>	<p>+0 stores</p>	<p>+5 stores</p>

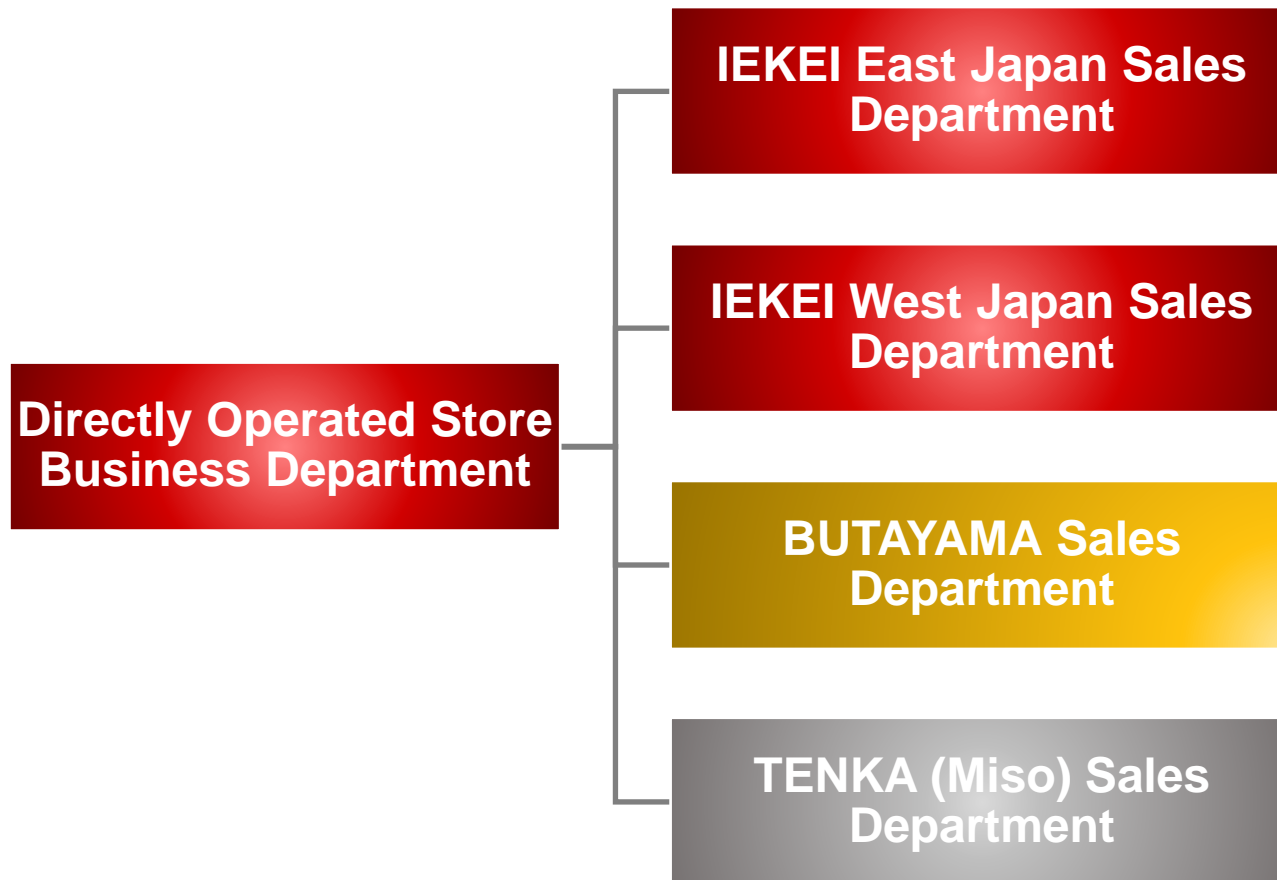
 <p>Miso business type Soy sauce business type</p>	<p>In addition to miso business type obtained through M&A, seek to expand many "NAGAOKA SHOKUDO" stores in the high-demand soy sauce business type</p>
 <p>New business type</p>	<p>Proceeding with the target of developing two new business types per year</p>



Store Opening Strategy

Restructuring of organization to further increase the speed of expanding the number of stores

- Establish three sales departments, and clarify responsibilities and authority
- Establish a sales department dedicated to the BUTAYAMA business type



Store Opening Strategy

Directly operated stores

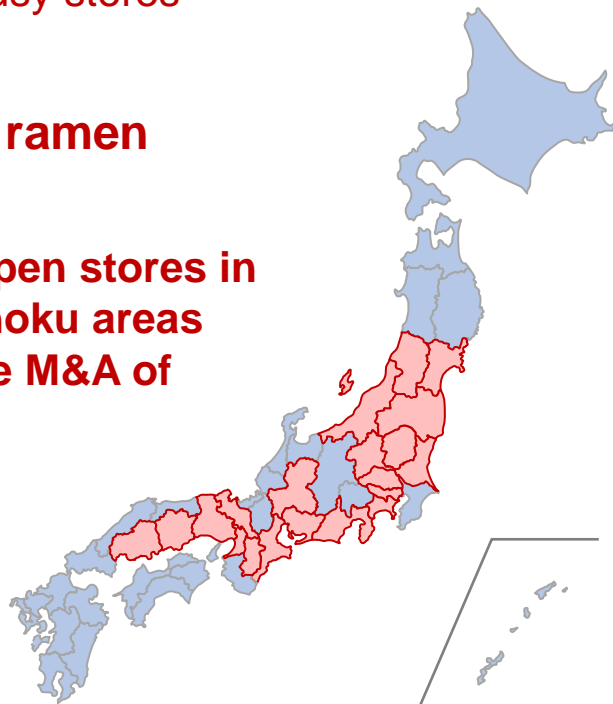
Areas with concentrated population

Continue to open stable and reliable directly operated busy stores



Areas with high ramen consumption

Start to actively open stores in Kitakanto and Tohoku areas beginning with the M&A of RAMEN TENKA



■ Areas with directly operated stores (including scheduled areas)

■ Areas with produced stores

Produced stores

Regional areas

Emphasize high-profitable full-support stores and utilize the reputation of directly operated stores to increase the number of stores.

- 1 Quickly respond to requests to increase stores and referrals from existing owners
- 2 Obtain new owners in regional areas
- 3 Hold intensive seminars in regional areas and strengthen customer attraction via website

September 18, 2020

**Changed market to First Section of
Tokyo Stock Exchange**

**We will continue to strive to further expand our business and
increase corporate value based on the business concept of
"making IEKEI a gift to the world!"**

Results Forecast for the Fiscal Year Ending October 31, 2021

Results Forecast for the Fiscal Year Ending October 31, 2021

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

(Millions of yen)

	Results for FYE October 2020		Forecast for October 2021		Change
	Amount	Percentage of sales	Amount	Percentage of sales	
Net sales	10,982	-	15,150	-	+37.9%
Operating profit	461	4.2%	1,080	7.1%	+134.1%
Ordinary profit	512	4.7%	1,130	7.5%	+120.7%
Profit attributable to owners of parent	112	1.0%	590	3.9%	+423.7%

Assumptions of the Consolidated Forecast for the Fiscal Year Ending October 31, 2021

Domestic Directly Operated Store Business Division / Sales of Existing Stores

107.1% compared to the fiscal year ended October 31, 2020
(**99.0%** compared to the fiscal year ended October 31, 2019)

Store Opening Plan

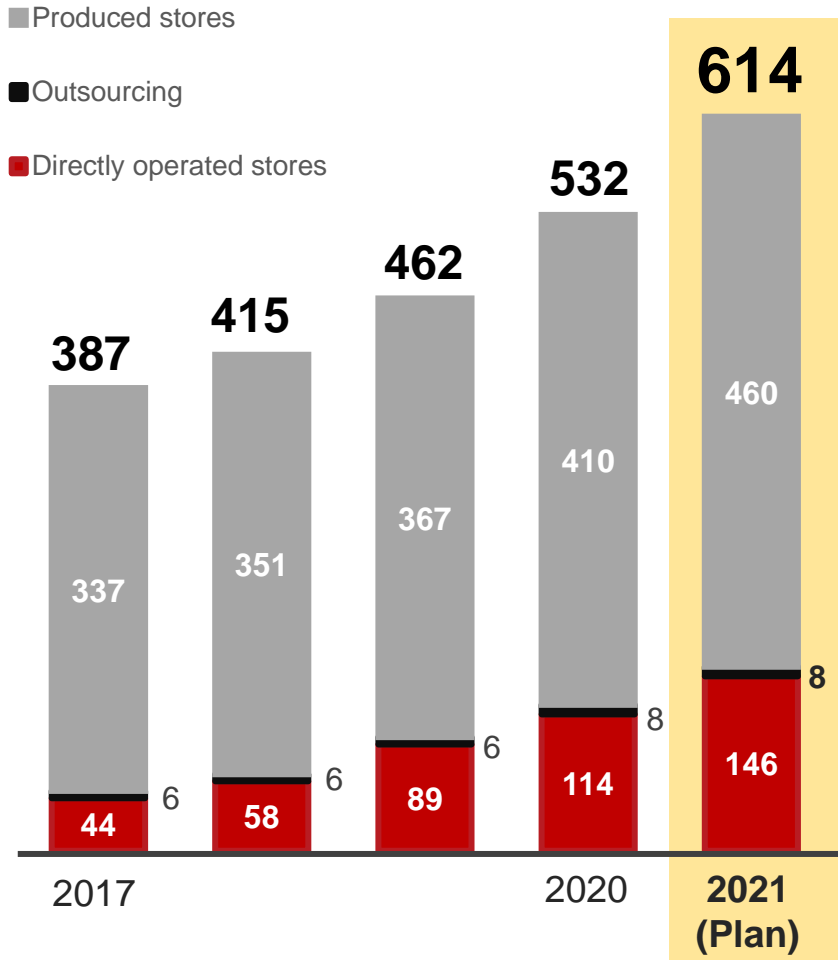
35 directly operated stores in Japan (net increase of **32** stores)
Net increase of **50** produced stores

The results forecast has been made based on comprehensive consideration of the state of the spread of COVID-19 and the policies of local governments that can currently be anticipated.

However, there may be cases in which these factors alter results and forecasts due to changes in the assumptions of results if the disease spreads more than anticipated or measures such as the request to stay at home and the shortening of business hours are implemented.

Store Opening Plan

Number of Stores



Number of Stores
as of Oct. 31, 2021 (Plan)

614 stores

Plan for

+82 stores year on year

Directly operated stores*

+32 stores year on year

Produced stores

+50 stores year on year

* Overseas stores are included in the number of directly operated stores

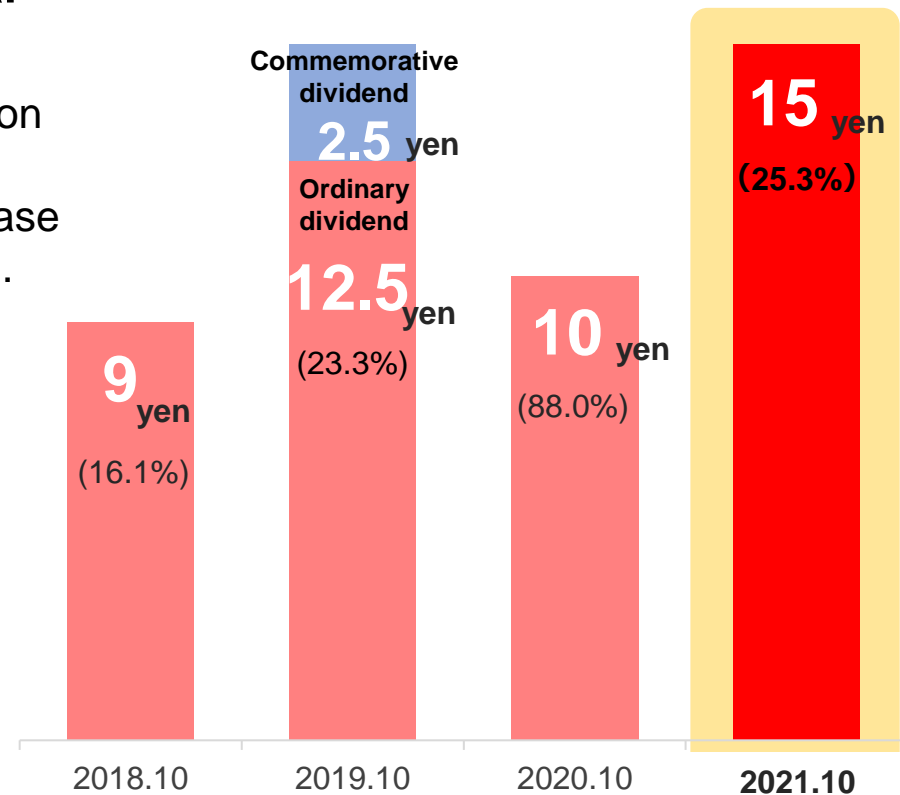
Shareholder Returns

Dividend Policy

Returns to shareholders are made by stably and continually returning profits to shareholders based on comprehensive determination of management performance, financial condition and the level of achievement of business plans, etc.

Dividends for the Fiscal Year Ending October 31, 2021

Based on comprehensive consideration of this basic policy and the results forecast, the Company plans to increase ordinary dividends by 5 yen to 15 yen. The dividend payout ratio is approximately 25%.



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

Shareholder Benefits

The shareholder benefit system was expanded from the fiscal year ended October 31, 2020 due to the share split

Number of shares held	Benefit details
100 shares or more	2 meal coupons (4 per year)
200 shares or more	3 meal coupons (6 per year)

- Meal coupons can be used to choose any item on the store menu for free. **They can also be used for take-out.**
- They can also be used for set items with a value of 1,000 yen or more.
- Shareholders as of April 30 record date ➡ To be sent in July each year
Shareholders as of October 31 record date ➡ To be sent in January each year
- Meal coupons can be used in the Group's directly operated stores nationwide. They can also be used for stores in new business types (Miso, NAGAOKA SHOKUDO). Separate information will be provided on the stores where they can be used.
- A 1:2 share split of common shares was performed with an effective date of March 19, 2020, but the conditions for shareholder benefits based on the number of shares held have not been changed.



Reference Materials: Company Overview

Company Overview



Company name	GIFT INC.
Business details	Restaurant operation
Head office address	3F Odakyu Machida Morino Building, 1-23-19 Morino, Machida-shi, Tokyo
Company factories	Hiratsuka Noodle Factory, Yokohama Noodle Factory, Yokohama Roast Pork Factory, Nasu Dumpling Factory, Tamba-Sasayama Noodle Factory
Established	December 7, 2009 (Founded in January 2008)
Representative	President and Representative Director: Sho Tagawa
End of fiscal year	October
Share capital	786 million yen (as of October 31, 2020)
Group employees	400 employees, 1,535 part-time workers (as of October 31, 2020)
Affiliates	GIFT USA INC. GIFT LOS ANGELES, LLC GIFT NEW YORK, LLC GIFT NEW YORK NO.2, LLC GIFT DENVER, LLC RAMEN TENKA INC. KIK FOODS INC.

List of Brands of Directly Operated Stores

Core Brand



YOKOHAMA IEKEI RAMEN

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



BUTAYAMA

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



KAMATAKI TONKOTSU BATTEN RAMEN/GATTON

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



SHI-TEN-NOH

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



MISO RAMEN

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



NAGAOKA SHOKUDO

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



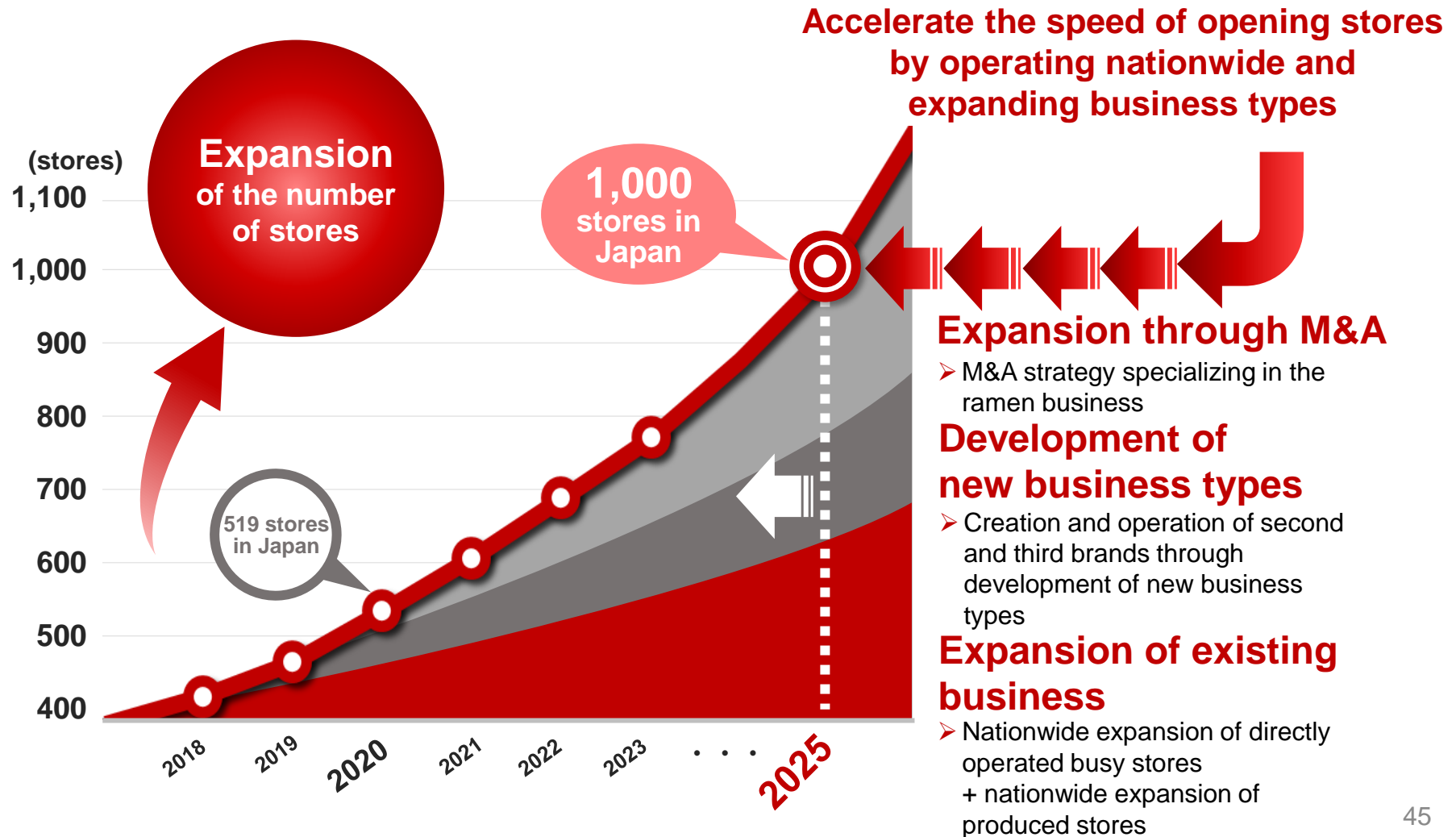
E.A.K.

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

E. A. K. RAMEN

Medium-term Vision

Execute "product reform," "operation reform" and "manufacturing & logistics reform" to implement systems for operations and products with the aim of reaching 1,000 stores.



Business Details

Operation of restaurant business through the two channels of directly operated stores and produced stores

Directly operated stores

122 stores

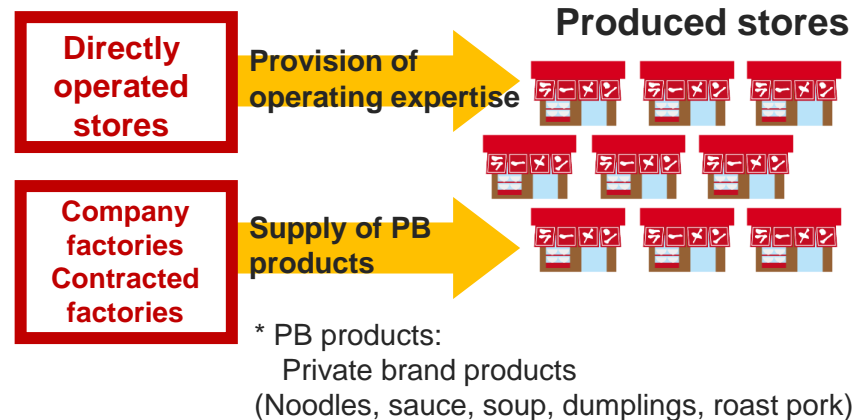
Operation of directly operated stores centered on Yokohama IEKEI Ramen



Produced stores

410 stores

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



Strength: Store Opening Strategy

Able to open stores in the vicinity of stations and roadside

Areas in the vicinity of stations

"Region name + Shoten"
Locally focused store operation

Akitsu Shoten



Sannomiya Shoten



Yoyogi Shoten



Tsunashima Shoten



Ogikubo Shoten



Roadside areas

"MACHIDA SHOTEN"

Chain store operation with fixed quality

MACHIDA SHOTEN
Himeji Store



MACHIDA SHOTEN
Nakamachidai Store



MACHIDA SHOTEN
Shimizu Interchange Store



MACHIDA SHOTEN
Kyoto-Higashi
Interchange Store



MACHIDA SHOTEN Kakogawa Store



Roadside Stores

IEKEI Ramen is also popular with families

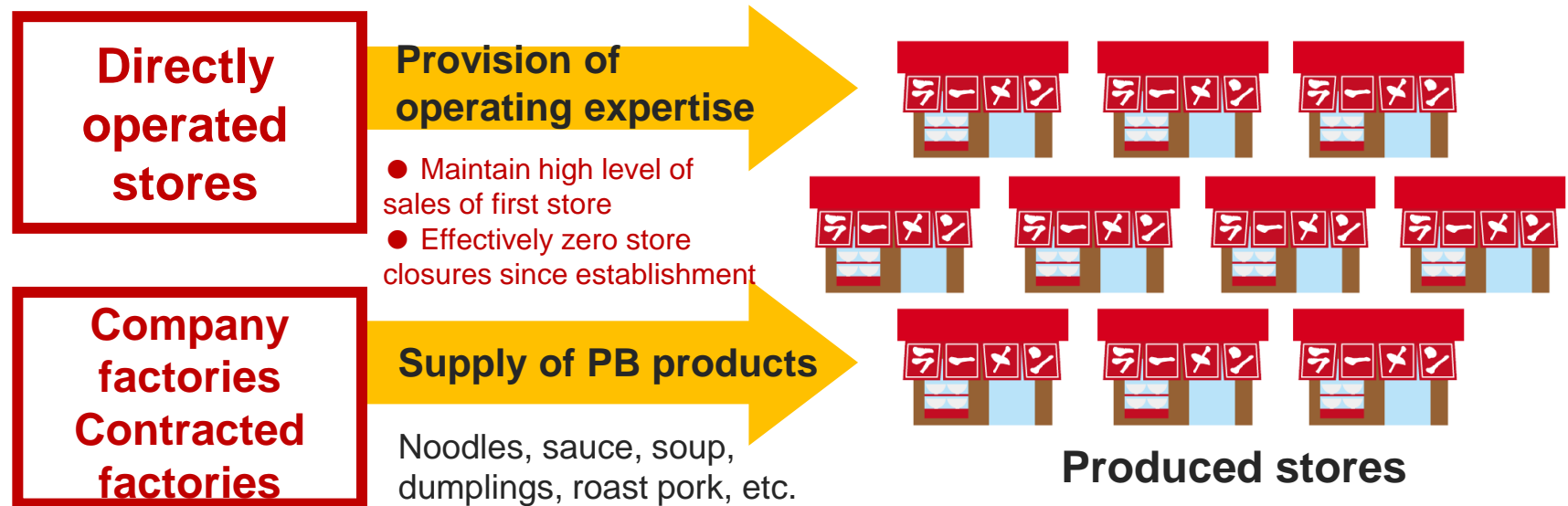
- Parking area (20-30 vehicles)
- Opening stores based on analysis of factors such as the state of competition, population of the trade area and traffic volume
- Creation of stores that can be enjoyed by families
- Improvement of menu for families
- Maintaining trend of increasing average customer spend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



Strength: Produced Store Business

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

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



* In contrast to a franchise system, no guarantee money, franchise membership fee or consulting fee (royalties) are required. The production of stores at the time of their launch based on operating expertise of directly operated stores is provided free of charge on the condition of purchase of ingredients.

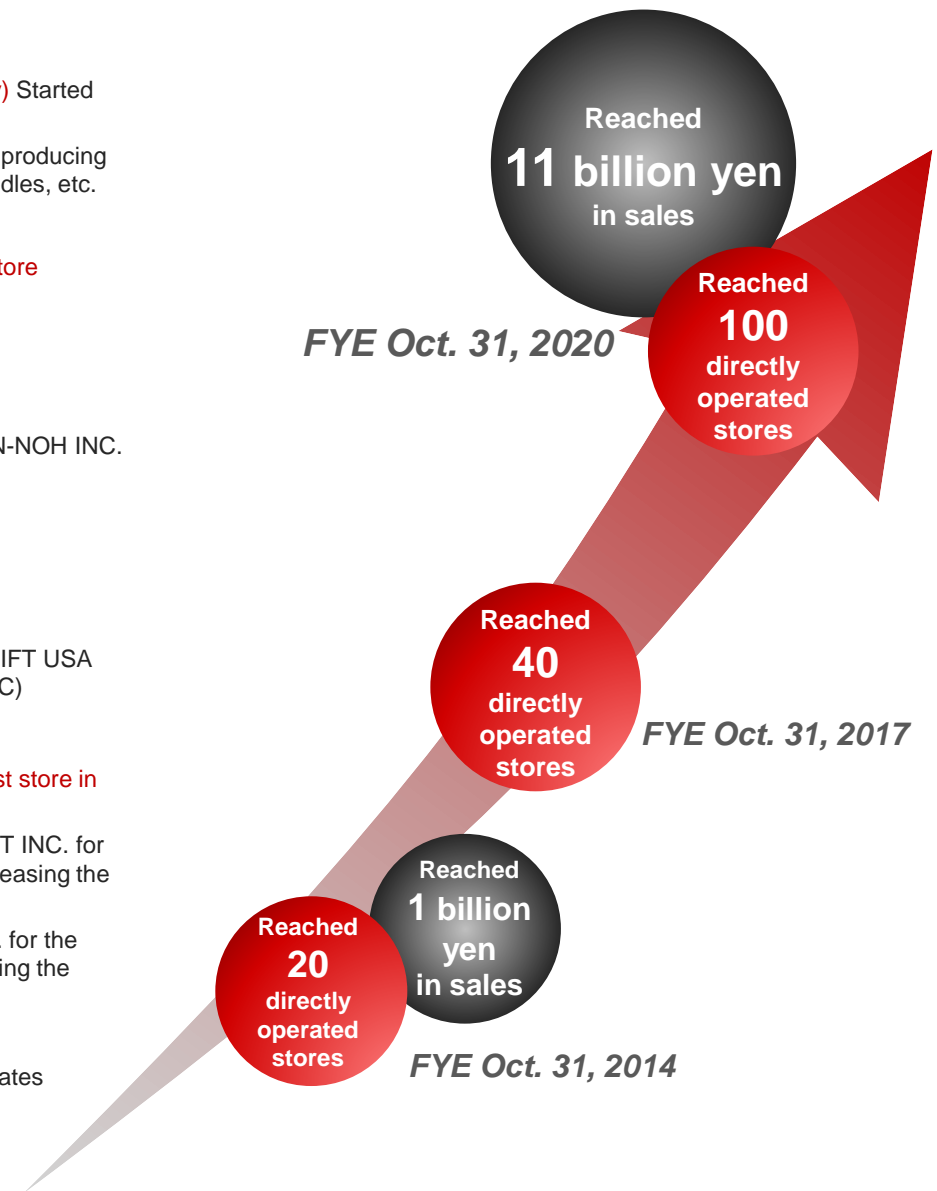
Differences between Produced Stores and Franchise Stores

	Franchise Stores	Produced stores
Trade name	Same	Free
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*	Yes	Yes

* Various support: Property development, store design, employee training, opening support

History

- 2008** Jan Opened MACHIDA SHOTEN main store
- 2009** Dec Established MACHIDA SHOTEN INC. (now the Company) Started operation of Directly Operated Store Business Division
- 2010** Jan Established FINAL THREE FEET INC. 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 directly operated store
- 2013** Nov Established a noodle factory in Hiratsuka-shi, Kanagawa
- 2014** Mar Reached 10 directly operated stores in Japan
- Dec Reached 20 directly operated stores in Japan
- 2015** Mar FINAL THREE FEET INC. acquired all shares of SHI-TEN-NOH INC. from COLOWIDE CO., LTD. to make it a subsidiary
- May Changed trade name to GIFT INC.
Established first overseas subsidiary in Singapore
- Nov Reached 30 directly operated stores in Japan
- 2016** Mar Established overseas subsidiaries in the United States (GIFT USA INC. / GIFT LOS ANGELES, LLC / GIFT NEW YORK, LLC)
- Jul Opened first directly operated overseas store (Singapore)
- Dec Reached 40 directly operated stores in Japan, opened first store in United States (LA)
- 2017** May Performed absorption-type merger of FINAL THREE FEET INC. for the purpose of improving management efficiency and increasing the speed of management decisions
- Aug Performed absorption-type merger of SHI-TEN-NOH INC. for the purpose of improving management efficiency and increasing the speed of management decisions
- Dec Reached 50 directly operated 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 INC. and KIK FOODS INC. to make them subsidiaries
- 2020** Sep Changed listing market to First Section of Tokyo Stock Exchange



Measures to Prevent the Spread of COVID-19 in Stores

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

Ensuring hand washing and alcohol disinfection by employees



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



Requiring employees to wear masks



Installation of vinyl sheets and acrylic partitions



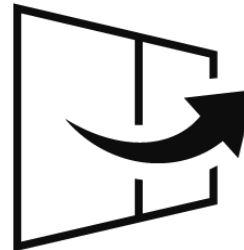
Periodic disinfection of store equipment with alcohol



Removal of certain condiments and spoons, etc. from tables



Recommending store ventilation



Provision of alcohol disinfectant for customers in stores



Measures to Prevent the Spread of COVID-19 in Stores

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



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



Disclaimer

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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