

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended July 31, 2021 (Based on Japanese GAAP)

September 14, 2021

Company name: GIFT INC.
 Stock exchange listing: Tokyo
 Stock code: 9279 URL <http://www.gift-group.co.jp/>
 Representative: President and Representative Director Sho Tagawa
 Managing Director & General Manager, Administration Division Norihiko Suehiro TEL 042-860-7182
 Scheduled date to file Quarterly Securities Report: September 14, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended July 31, 2021 (from November 1, 2020 to July 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended July 31, 2021	9,759	22.4	660	116.2	1,260	249.5	862	373.3
Nine months ended July 31, 2020	7,972	19.8	305	(61.5)	360	(55.1)	182	(63.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended July 31, 2021	86.77		86.41	
Nine months ended July 31, 2020	18.38		18.27	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of July 31, 2021	8,107		3,898		48.1	
As of October 31, 2020	6,872		3,107		45.2	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended October 31, 2020	–	0.00	–	10.00	10.00
Year ending October 31, 2021	–	0.00			
Year ending October 31, 2021 (Forecast)			–	15.00	15.00

3. Forecast of consolidated financial results for the year ending October 31, 2021 (from November 1, 2020 to October 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	13,730	25.0	930	101.6	1,480	189.1	790	601.2	79.37

4. Notes

- (1) Changes in significant subsidiaries during the Nine months ended July 31, 2021
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2021	9,953,967 shares	As of October 31, 2020	9,930,362 shares
---------------------	------------------	------------------------	------------------

Number of treasury shares at the end of the period

As of July 31, 2021	124 shares	As of October 31, 2020	62 shares
---------------------	------------	------------------------	-----------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended July 31, 2021	9,942,399 shares	Nine months ended July 31, 2020	9,914,449 shares
---------------------------------	------------------	---------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of October 31, 2020	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	1,791,976	1,926,540
Accounts receivable - trade	232,455	234,803
Merchandise and finished goods	50,358	53,272
Raw materials and supplies	39,489	44,672
Other	139,238	165,935
Allowance for doubtful accounts	△409	△408
Total current assets	2,253,109	2,424,816
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,869,600	3,639,457
Accumulated depreciation	△676,375	△834,356
Buildings and structures, net	2,193,224	2,805,100
Land	149,501	149,501
Other	1,205,528	1,514,159
Accumulated depreciation	△522,625	△633,226
Other, net	682,902	880,933
Total property, plant and equipment	3,025,629	3,835,536
Intangible assets		
Goodwill	145,515	207,101
Other	24,123	16,099
Total intangible assets	169,638	223,201
Investments and other assets		
Leasehold and guarantee deposits	733,594	832,336
Other	690,571	792,221
Allowance for doubtful accounts	△435	△435
Total investments and other assets	1,423,731	1,624,121
Total non-current assets	4,618,998	5,682,859
Total assets	6,872,108	8,107,675

(Thousands of yen)

	As of October 31, 2020	As of July 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	298,396	361,329
Short-term borrowings	754,861	688,090
Current portion of long-term borrowings	547,192	561,736
Income taxes payable	67,141	381,864
Provision for bonuses	68,166	59,705
Provision for point card certificates	—	5,034
Asset retirement obligations	1,251	—
Other	665,513	795,818
Total current liabilities	2,402,521	2,853,578
Non-current liabilities		
Long-term borrowings	1,093,332	1,036,756
Asset retirement obligations	241,030	299,585
Other	27,332	18,861
Total non-current liabilities	1,361,696	1,355,203
Total liabilities	3,764,217	4,208,782
Net assets		
Shareholders' equity		
Share capital	786,345	790,287
Capital surplus	1,038,473	1,042,415
Retained earnings	1,304,314	2,067,637
Treasury shares	△88	△229
Total shareholders' equity	3,129,044	3,900,110
Accumulated other comprehensive income		
Foreign currency translation adjustment	△21,154	△1,216
Total accumulated other comprehensive income	△21,154	△1,216
Total net assets	3,107,890	3,898,893
Total liabilities and net assets	6,872,108	8,107,675

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended July 31, 2020	Nine months ended July 31, 2021
Net sales	7,972,451	9,759,794
Cost of sales	2,352,750	2,696,561
Gross profit	5,619,700	7,063,233
Selling, general and administrative expenses	5,314,436	6,403,170
Operating profit	305,263	660,063
Non-operating income		
Interest income	6,308	6,219
Commission income	13,875	18,846
Foreign exchange gains	—	1,654
Subsidy income	33,906	455,969
Compensation income	—	80,000
Other	4,315	41,958
Total non-operating income	58,405	604,649
Non-operating expenses		
Interest expenses	1,785	3,545
Prepayment fee	1,150	—
Other	40	680
Total non-operating expenses	2,976	4,226
Ordinary profit	360,693	1,260,486
Extraordinary income		
Gain on liquidation of subsidiaries	10,771	—
Gain on insurance claims	9,331	—
Other	1,829	—
Total extraordinary income	21,932	—
Extraordinary losses		
Loss on retirement of non-current assets	4,982	7,081
Loss on sales of non-current assets	17,576	—
Loss on temporary closing of stores	6,374	—
Other	255	—
Total extraordinary losses	29,188	7,081
Profit before income taxes	353,438	1,253,404
Income taxes	171,161	390,731
Profit	182,276	862,673
Profit attributable to owners of parent	182,276	862,673

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended July 31, 2020	Nine months ended July 31, 2021
Profit	182,276	862,673
Other comprehensive income		
Foreign currency translation adjustment	△7,803	19,937
Total other comprehensive income	△7,803	19,937
Comprehensive income	174,473	882,610
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	174,473	882,610