

Translation

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Summary of Consolidated Financial Results for the Three Months Ended January 31, 2022 (Based on Japanese GAAP)

March 14, 2022

Company name: GIFT HOLDINGS INC.
 Stock exchange listing: Tokyo
 Stock code: 9279 URL <https://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: March 14, 2022
 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 three months ended January 31, 2022 (from November 1, 2021 to January 31, 2022)

(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	%
Three months ended January 31, 2022	3,390	18.7	469	84.8	816	212.1	542	220.0
Three months ended January 31, 2021	3,362	19.7	254	(16.8)	261	(15.8)	169	(7.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended January 31, 2022	54.53		54.36	
Three months ended January 31, 2021	17.07		16.99	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of January 31, 2022	8,511		4,469		52.5	
As of October 31, 2021	8,277		4,116		49.7	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended October 31, 2021	–	0.00	–	20.00	20.00
Year ending October 31, 2022	–				
Year ending October 31, 2022 (Forecast)		12.00	–	13.00	25.00

3. Forecast of consolidated financial results for the year ending October 31, 2022 (from November 1, 2021 to October 31, 2022)

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
Six months ending April 30, 2022	8,070	28.0	830	171.2	960	73.4	610	71.7	61.28
Full year	17,000	26.2	1,700	81.6	2,000	14.4	1,280	18.9	128.59

4. Notes

- (1) Changes in significant subsidiaries during the Three months ended January 31, 2022
(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: Yes
- 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 January 31, 2022	9,953,967 shares	As of October 31, 2021	9,953,967 shares
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Number of treasury shares at the end of the period

As of January 31, 2022	157 shares	As of October 31, 2021	157 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended January 31, 2022	9,953,810 shares	Three months ended January 31, 2021	9,934,890 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of October 31, 2021	As of January 31, 2022
Assets		
Current assets		
Cash and deposits	1,871,492	1,738,502
Accounts receivable - trade	262,090	262,245
Merchandise and finished goods	50,484	63,906
Raw materials and supplies	49,488	58,494
Other	180,348	243,614
Allowance for doubtful accounts	(127)	(113)
Total current assets	2,413,776	2,366,650
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,900,522	4,096,479
Accumulated depreciation	(888,499)	(944,047)
Buildings and structures, net	3,012,022	3,152,432
Land	141,782	141,782
Other	1,472,062	1,545,674
Accumulated depreciation	(609,438)	(618,311)
Other, net	862,623	927,362
Total property, plant and equipment	4,016,429	4,221,577
Intangible assets		
Goodwill	124,727	119,530
Other	10,696	16,136
Total intangible assets	135,423	135,666
Investments and other assets		
Leasehold and guarantee deposits	870,911	900,733
Other	841,350	887,641
Allowance for doubtful accounts	(435)	(435)
Total investments and other assets	1,711,827	1,787,939
Total non-current assets	5,863,680	6,145,184
Total assets	8,277,456	8,511,834

As of October 31, 2021 As of January 31, 2022

Liabilities		
Current liabilities		
Accounts payable - trade	389,490	369,735
Short-term borrowings	—	138,340
Current portion of long-term borrowings	534,834	555,935
Income taxes payable	445,611	308,655
Provision for bonuses	103,435	63,300
Provision for point card certificates	5,965	—
Other	1,060,401	869,044
Total current liabilities	2,539,738	2,305,010
Non-current liabilities		
Long-term borrowings	1,274,648	1,367,478
Asset retirement obligations	341,636	365,697
Other	5,045	3,653
Total non-current liabilities	1,621,329	1,736,829
Total liabilities	4,161,068	4,041,839
Net assets		
Shareholders' equity		
Share capital	790,287	790,287
Capital surplus	1,042,415	1,042,415
Retained earnings	2,281,161	2,613,468
Treasury shares	(324)	(324)
Total shareholders' equity	4,113,540	4,445,847
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,847	24,147
Total accumulated other comprehensive income	2,847	24,147
Total net assets	4,116,387	4,469,994
Total liabilities and net assets	8,277,456	8,511,834

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended January 31, 2021	Three months ended January 31, 2022
Net sales	3,362,584	3,990,481
Cost of sales	959,625	1,169,087
Gross profit	2,402,958	2,821,394
Selling, general and administrative expenses	2,148,873	2,351,726
Operating profit	254,084	469,667
Non-operating income		
Interest income	1,818	2,447
Foreign exchange gains	13	697
Commission income	5,101	409
Subsidy income	1,199	336,360
Other	1,173	7,931
Total non-operating income	9,305	347,846
Non-operating expenses		
Interest expenses	1,101	953
Other	770	337
Total non-operating expenses	1,872	1,291
Ordinary profit	261,518	816,223
Extraordinary income		
Gain on sale of non-current assets	—	1,100
Total extraordinary income	—	1,100
Extraordinary losses		
Loss on retirement of non-current assets	94	7,466
Total extraordinary losses	94	7,466
Profit before income taxes	261,423	809,857
Income taxes	91,813	267,078
Profit	169,609	542,778
Profit attributable to owners of parent	169,609	542,778

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended January 31, 2021	Three months ended January 31, 2022
Profit	169,609	542,778
Other comprehensive income		
Foreign currency translation adjustment	201	21,300
Total other comprehensive income	201	21,300
Comprehensive income	169,811	564,078
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	169,811	564,078