

Translation

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Summary of Consolidated Financial Results for the Three Months Ended January 31, 2023 (Based on Japanese GAAP)

March 15, 2023

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 15, 2023
 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, 2023 (from November 1, 2022 to January 31, 2023)

(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, 2023	5,206	30.5	533	13.6	547	(32.9)	379	(30.0)
Three months ended January 31, 2022	3,990	18.7	469	84.8	816	212.1	542	220.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended January 31, 2023	38.13		38.04	
Three months ended January 31, 2022	54.53		54.36	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of January 31, 2023	10,615	5,733	54.0
As of October 31, 2022	9,905	5,432	54.8

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, 2022	–	12.00	–	15.00	27.00
Year ending October 31, 2023	–				
Year ending October 31, 2023 (Forecast)		15.00	–	15.00	30.00

3. Forecast of consolidated financial results for the year ending October 31, 2023 (from November 1, 2022 to October 31, 2023)

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, 2023	9,700	22.9	970	25.5	1,000	(16.5)	680	(16.8)	68.26
Full year	20,500	20.5	2,050	30.4	2,080	(14.9)	1,380	(10.3)	138.52

4. Notes

- (1) Changes in significant subsidiaries during the Three months ended January 31, 2023
(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 January 31, 2023	9,965,945 shares	As of October 31, 2022	9,962,745 shares
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Number of treasury shares at the end of the period

As of January 31, 2023	220 shares	As of October 31, 2022	220 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, 2023	9,962,838 shares	Three months ended January 31, 2022	9,953,810 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of October 31, 2022	As of January 31, 2023
Assets		
Current assets		
Cash and deposits	2,007,344	1,932,262
Accounts receivable - trade	405,756	413,984
Merchandise and finished goods	134,945	215,314
Raw materials and supplies	85,931	86,136
Other	392,658	615,171
Total current assets	3,026,635	3,262,869
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,687,326	5,001,034
Accumulated depreciation	(1,170,522)	(1,250,821)
Buildings and structures, net	3,516,804	3,750,212
Land	141,782	141,782
Other	1,843,810	2,064,982
Accumulated depreciation	(745,828)	(793,979)
Other, net	1,097,982	1,271,002
Total property, plant and equipment	4,756,569	5,162,998
Intangible assets		
Goodwill	103,939	98,742
Other	18,473	24,608
Total intangible assets	122,412	123,350
Investments and other assets		
Leasehold and guarantee deposits	1,027,083	1,085,352
Other	972,433	981,064
Total investments and other assets	1,999,516	2,066,417
Total non-current assets	6,878,498	7,352,765
Total assets	9,905,133	10,615,635

(Thousands of yen)

As of October 31, 2022 As of January 31, 2023

Liabilities		
Current liabilities		
Accounts payable - trade	544,863	571,686
Short-term borrowings	42,341	330,282
Current portion of long-term borrowings	512,375	576,347
Income taxes payable	526,749	185,715
Provision for bonuses	121,626	73,084
Provision for shareholder benefit program	6,546	5,441
Other	1,183,495	1,342,075
Total current liabilities	2,937,997	3,084,632
Non-current liabilities		
Long-term borrowings	1,195,284	1,443,371
Asset retirement obligations	334,796	348,710
Other	4,993	5,714
Total non-current liabilities	1,535,074	1,797,795
Total liabilities	4,473,072	4,882,428
Net assets		
Shareholders' equity		
Share capital	793,525	793,606
Capital surplus	1,045,652	1,045,734
Retained earnings	3,463,329	3,693,810
Treasury shares	(466)	(466)
Total shareholders' equity	5,302,040	5,532,684
Accumulated other comprehensive income		
Foreign currency translation adjustment	130,020	196,544
Total accumulated other comprehensive income	130,020	196,544
Non-controlling interests	—	3,978
Total net assets	5,432,061	5,733,207
Total liabilities and net assets	9,905,133	10,615,635

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, 2022	Three months ended January 31, 2023
Net sales	3,990,481	5,206,539
Cost of sales	1,169,087	1,657,260
Gross profit	2,821,394	3,549,278
Selling, general and administrative expenses	2,351,726	3,015,610
Operating profit	469,667	533,668
Non-operating income		
Interest income	2,447	5,655
Foreign exchange gains	697	451
Commission income	409	—
Subsidy income	336,360	1,181
Other	7,931	7,735
Total non-operating income	347,846	15,024
Non-operating expenses		
Interest expenses	953	842
Other	337	400
Total non-operating expenses	1,291	1,242
Ordinary profit	816,223	547,449
Extraordinary income		
Gain on sale of non-current assets	1,100	12,287
Total extraordinary income	1,100	12,287
Extraordinary losses		
Loss on retirement of non-current assets	7,466	1,191
Total extraordinary losses	7,466	1,191
Profit before income taxes	809,857	558,545
Income taxes	267,078	178,627
Profit	542,778	379,918
Profit attributable to owners of parent	542,778	379,918

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended January 31, 2022	Three months ended January 31, 2023
Profit	542,778	379,918
Other comprehensive income		
Foreign currency translation adjustment	21,300	66,524
Total other comprehensive income	21,300	66,524
Comprehensive income	564,078	446,442
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	564,078	446,442