

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended July 31, 2019 (Based on Japanese GAAP)

September 13, 2019

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  
 Director & General Manager,  
 Administration Division Norihiko Suehiro TEL 042-860-7182  
 Scheduled date to file Quarterly Securities Report: September 13, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 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, 2019 (from November 1, 2018 to July 31, 2019)

#### (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, 2019	6,657	31.0	793	29.5	803	29.9	494	6.0
Nine months ended July 31, 2018	5,080	–	612	–	618	–	466	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended July 31, 2019	101.11	99.45
Nine months ended July 31, 2018	114.97	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2019	4,793	3,086	64.4
As of October 31, 2018	4,232	2,684	63.4

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended October 31, 2018	–	0.00	–	18.00	18.00
Year ending October 31, 2019	–	0.00	–		
Year ending October 31, 2019 (Forecast)				25.00	25.00

### 3. Forecast of consolidated financial results for the year ending October 31, 2019 (from November 1, 2018 to October 31, 2019)

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	8,630	23.8	865	11.5	870	11.8	500	9.7	102.34

#### 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended July 31, 2019  
(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, 2019	4,896,800 shares	As of October 31, 2018	4,885,600 shares
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Number of treasury shares at the end of the period

As of July 31, 2019	– shares	As of October 31, 2018	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended July 31, 2019	4,891,821 shares	Nine months ended July 31, 2018	4,059,000 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of October 31, 2018	As of July 31, 2019
Assets		
Current assets		
Cash and deposits	1,739,814	1,443,276
Accounts receivable - trade	183,279	218,159
Merchandise and finished goods	24,655	35,669
Raw materials and supplies	17,990	35,366
Other	78,013	113,196
Allowance for doubtful accounts	(2,929)	(2,208)
Total current assets	2,040,822	1,843,460
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,222,590	1,718,340
Accumulated depreciation	(172,994)	(245,978)
Buildings and structures, net	1,049,596	1,472,361
Land	639	639
Other	577,909	756,642
Accumulated depreciation	(216,746)	(271,629)
Other, net	361,162	485,012
Total property, plant and equipment	1,411,398	1,958,014
Intangible assets		
Other	33,288	27,515
Total intangible assets	33,288	27,515
Investments and other assets		
Lease and guarantee deposits	455,651	533,767
Other	291,868	431,286
Allowance for doubtful accounts	(588)	(588)
Total investments and other assets	746,931	964,465
Total non-current assets	2,191,619	2,949,995
Total assets	4,232,441	4,793,456

	(Thousands of yen)	
	As of October 31, 2018	As of July 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	201,094	253,910
Short-term loans payable	156,828	351,666
Current portion of long-term loans payable	236,384	164,110
Income taxes payable	229,297	163,799
Provision for bonuses	43,183	24,670
Other	332,806	487,169
Total current liabilities	1,199,595	1,445,326
Non-current liabilities		
Long-term loans payable	223,070	102,034
Asset retirement obligations	119,925	152,951
Other	5,451	7,084
Total non-current liabilities	348,446	262,070
Total liabilities	1,548,042	1,707,397
Net assets		
Shareholders' equity		
Capital stock	763,469	763,735
Capital surplus	1,015,597	1,015,863
Retained earnings	903,245	1,309,930
Total shareholders' equity	2,682,312	3,089,529
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,086	(3,470)
Total accumulated other comprehensive income	2,086	(3,470)
Total net assets	2,684,399	3,086,059
Total liabilities and net assets	4,232,441	4,793,456

**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, 2018	Nine months ended July 31, 2019
Net sales	5,080,032	6,657,330
Cost of sales	1,578,679	2,000,750
Gross profit	3,501,353	4,656,580
Selling, general and administrative expenses	2,888,374	3,862,818
Operating profit	612,979	793,762
Non-operating income		
Interest income	1,334	2,907
Commission income	6,576	9,509
Other	2,130	3,522
Total non-operating income	10,041	15,939
Non-operating expenses		
Interest expenses	2,612	1,227
Foreign exchange losses	568	5,053
Prepayment fee	1,123	—
Other	115	21
Total non-operating expenses	4,420	6,303
Ordinary profit	618,600	803,398
Extraordinary income		
Gain on sales of non-current assets	—	6,754
Total extraordinary income	—	6,754
Extraordinary losses		
Loss on retirement of non-current assets	5,351	19,528
Total extraordinary losses	5,351	19,528
Profit before income taxes	613,249	790,624
Income taxes	146,605	295,998
Profit	466,644	494,626
Profit attributable to owners of parent	466,644	494,626

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended July 31, 2018	Nine months ended July 31, 2019
Profit	466,644	494,626
Other comprehensive income		
Foreign currency translation adjustment	(11,158)	(5,557)
Total other comprehensive income	(11,158)	(5,557)
Comprehensive income	455,485	489,068
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	455,485	489,068