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Consolidated Financial Results for the Nine Months Ended September 30, 2024 [Japanese GAAP]

November 14, 2024

Company name: giftee Inc.
Listing: Tokyo
Securities code: 4449
URL: https://giftee.co.jp
Representative: Mutsumi Ota Representative Director and CEO
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2024 (January 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		EBITDA※		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	6,860	29.4	1,776	11.0	1,385	9.7	1,297	2.9	697	61.0
September 30, 2023	5,303	56.5	1,600	135.5	1,263	259.5	1,260	259.1	432	159.9

(Note) Comprehensive income: Nine months ended September 30, 2024: ¥ 669 million [63.3%]
Nine months ended September 30, 2023: ¥ 410 million [41.5%]

* EBITDA = operating income + amortization of goodwill + depreciation and amortization + stock-based compensation expense+ interest expense

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2024	23.70	21.71
September 30, 2023	14.83	13.56

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	28,769	9,068	30.2
December 31, 2023	22,164	8,305	36.0

(Reference) Equity: As of September 30, 2024: ¥ 8,694 million
As of December 31, 2023: ¥ 7,972 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2024	-	0.00	-		
Fiscal year ending December 31, 2024 (Forecast)				10.00	10.00

(Note) Revision to the forecast for dividends announced most recently: Yes

Please refer to the "Notice of Change in Dividend Policy and Revision of Dividend Forecast (First Dividend)" announced today (November 14, 2024) for the dividend forecast for the fiscal year ending December 2024.

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending December 31, 2024 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024(January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA※		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,109	26.0	2,280	31.9	1,702	34.3	1,618	30.6	-		-

(Note) Revision to the financial results forecast announced most recently: None

(Note) Specific forecast figures for net income attributable to the parent company are not disclosed at this time due to the difficulty of elaborating such figures.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 29,471,602 shares

December 31, 2023: 29,399,302 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 200 shares

December 31, 2023: 200 shares

3) Average number of shares outstanding during the period:

Nine months ended September 30, 2024: 29,425,065 shares

Nine months ended September 30, 2023: 29,202,018 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document, and the Company makes no guarantees as to their achievement. Additionally, actual results may differ from these forecasts due to a wide range of factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	5,099	12,914
Notes and accounts receivable - trade, and contract assets	8,088	7,601
Inventories	118	131
Other	2,208	1,362
Allowance for doubtful accounts	(21)	(11)
Total current assets	15,493	21,997
Non-current assets		
Property, plant and equipment		
Buildings, net	167	157
Tools, furniture and fixtures, net	37	34
Total property, plant and equipment	204	191
Intangible assets		
Software	439	461
Software in progress	113	163
Trademark right	320	288
Goodwill	1,608	1,433
Other	0	0
Total intangible assets	2,482	2,347
Investments and other assets		
Investment securities	3,620	3,965
Leasehold and guarantee deposits	211	195
Deferred tax assets	149	68
Other	2	2
Total investments and other assets	3,983	4,232
Total non-current assets	6,670	6,771
Total assets	22,164	28,769

(Millions of yen)

	As of December 31, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,802	2,244
Short-term borrowings	-	5,000
Current portion of long-term borrowings	157	162
Accounts payable - other	447	192
Accrued expenses	175	180
Income taxes payable	452	321
Contract liabilities	129	114
Deposits received	2,394	2,324
Other	102	106
Total current liabilities	5,662	10,647
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	7,010	7,007
Long-term borrowings	991	1,869
Asset retirement obligations	71	72
Deferred tax liabilities	107	96
Other	14	6
Total non-current liabilities	8,196	9,053
Total liabilities	13,858	19,700
Net assets		
Shareholders' equity		
Share capital	3,207	3,232
Capital surplus	3,194	3,219
Retained earnings	1,519	2,216
Treasury shares	(0)	(0)
Total shareholders' equity	7,919	8,668
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	78	80
Foreign currency translation adjustment	(25)	(54)
Total accumulated other comprehensive income	53	26
Share acquisition rights	332	374
Total net assets	8,305	9,068
Total liabilities and net assets	22,164	28,769

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Net sales	5,303	6,860
Cost of sales	932	1,650
Gross profit	4,370	5,209
Selling, general and administrative expenses	3,106	3,823
Operating profit	1,263	1,385
Non-operating income		
Interest income	3	6
Foreign exchange gains	19	15
Other	7	4
Total non-operating income	30	26
Non-operating expenses		
Interest expenses	6	14
Share of loss of entities accounted for using equity method	-	70
Loss on investments in investment partnerships	27	30
Other	0	0
Total non-operating expenses	34	115
Ordinary profit	1,260	1,297
Extraordinary income		
Gain on reversal of share acquisition rights	19	13
Total extraordinary income	19	13
Extraordinary losses		
Loss on valuation of investment securities	329	-
Total extraordinary losses	329	-
Profit before income taxes	950	1,310
Income taxes - current	481	544
Income taxes - deferred	40	68
Total income taxes	521	613
Profit	428	697
Loss attributable to non-controlling interests	(4)	-
Profit attributable to owners of parent	432	697

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Profit	428	697
Other comprehensive income		
Valuation difference on available-for-sale securities	(28)	1
Foreign currency translation adjustment	10	(29)
Total other comprehensive income	(18)	(27)
Comprehensive income	410	669
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	414	669
Comprehensive income attributable to non-controlling interests	(4)	-