

**Translation**

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**Summary of Consolidated Financial Results  
for the Six Months Ended August 20, 2016  
(Based on Japanese GAAP)**

September 27, 2016

Company name: Nitori Holdings Co., Ltd.  
 Stock exchange listing: Tokyo, Sapporo  
 Stock code: 9843 URL <http://www.nitorihd.co.jp/>  
 Representative: President and Chief Operating Officer Toshiyuki Shirai  
 General Manager, Fumiki Takeda  
 Inquiries: Accounting and Finance Division TEL 03-6741-1204  
 Scheduled date to file Quarterly Securities Report: September 30, 2016  
 Scheduled date to commence dividend payments: October 25, 2016  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 20, 2016 (from February 21, 2016 to August 20, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 20, 2016	254,763	14.7	49,170	34.0	49,845	32.0	32,828	43.3
Six months ended August 20, 2015	222,185	5.4	36,706	(2.1)	37,771	(1.1)	22,905	3.4

(Note) Comprehensive income:

Six months ended August 20, 2016 13,199 million yen[(46.8)%] Six months ended August 20, 2015 24,800 million yen[9.7%]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended August 20, 2016	296.45	293.72
Six months ended August 20, 2015	207.46	205.62

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 20, 2016	444,128	342,268	76.8
As of February 20, 2016	414,541	330,968	79.5

(Reference) Equity:

As of August 20, 2016 340,879 million yen As of February 20, 2016 329,695 million yen

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 February 20, 2016	–	30.00	–	35.00	65.00
Year ending February 20, 2017	–	35.00			
Year ending February 20, 2017 (Forecast)			–	35.00	70.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast of consolidated financial results for the year ending February 20, 2017 (from February 21, 2016 to February 20, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	500,000	9.1	79,000	8.2	80,000	6.7	51,400	9.4	463.81

(Note) Revisions to financial forecasts published most recently: None

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 20, 2016  
(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 August 20, 2016	114,443,496 shares	As of February 20, 2016	114,443,496 shares
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Number of treasury shares at the end of the period

As of August 20, 2016	3,622,026 shares	As of February 20, 2016	3,854,468 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 20, 2016	110,740,707 shares	Six months ended August 20, 2015	110,408,960 shares
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\*Notice regarding quarterly review procedures for the quarterly financial results

This quarterly financial results statement is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results statement, the quarterly review procedure based upon the Financial Instruments and Exchange Act has not been completed.

\*Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the information currently available to the Company and certain reasonable assumptions. Actual results may differ from these forecasts for a variety of reasons.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 20, 2016	As of August 20, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	42,327	62,963
Notes and accounts receivable - trade	15,258	15,395
Merchandise and finished goods	43,079	34,835
Work in process	90	112
Raw materials and supplies	2,247	1,886
Other	26,994	26,658
Allowance for doubtful accounts	(8)	(7)
Total current assets	129,989	141,845
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	88,225	100,151
Land	115,504	122,459
Other, net	21,134	16,018
Total property, plant and equipment	224,863	238,628
Intangible assets	11,209	12,472
Investments and other assets		
Guarantee deposits	15,362	14,603
Lease deposits	18,079	18,284
Other	15,046	18,303
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	48,478	51,181
Total non-current assets	284,551	302,282
Total assets	414,541	444,128
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,356	13,730
Short-term loans payable	1,504	875
Accounts payable - other	16,195	14,252
Income taxes payable	14,929	19,314
Provision for bonuses	3,024	3,387
Provision for point card certificates	1,031	1,939
Provision for special benefits to shareholders	191	121
Other	15,364	30,191
Total current liabilities	67,597	83,811
Non-current liabilities		
Long-term loans payable	625	-
Provision for directors' retirement benefits	228	228
Net defined benefit liability	2,279	2,338
Asset retirement obligations	3,902	4,038
Other	8,937	11,441
Total non-current liabilities	15,974	18,047
Total liabilities	83,572	101,859

(Millions of yen)

	As of February 20, 2016	As of August 20, 2016
Net assets		
Shareholders' equity		
Common stock	13,370	13,370
Capital surplus	14,411	15,484
Retained earnings	308,854	337,812
Treasury shares	(13,392)	(12,586)
Total shareholders' equity	323,244	354,081
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	289	391
Deferred gains or losses on hedges	4,165	(12,008)
Foreign currency translation adjustment	2,301	(1,293)
Remeasurements of defined benefit plans	(305)	(291)
Total accumulated other comprehensive income	6,450	(13,202)
Subscription rights to shares	1,174	1,265
Non-controlling interests	98	123
Total net assets	330,968	342,268
Total liabilities and net assets	414,541	444,128

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended August 20, 2015	Six months ended August 20, 2016
Net sales	222,185	254,763
Cost of sales	105,208	115,229
Gross profit	116,976	139,534
Selling, general and administrative expenses	80,270	90,363
Operating income	36,706	49,170
Non-operating income		
Interest income	237	193
Dividends income	23	26
Foreign exchange gains	377	–
Vending machine income	108	117
Gain on sales of goods	141	147
Construction revenue from tenants	–	147
Facility use revenue	21	148
Other	194	141
Total non-operating income	1,105	922
Non-operating expenses		
Interest expenses	39	33
Foreign exchange losses	–	187
Other	1	25
Total non-operating expenses	40	246
Ordinary income	37,771	49,845
Special income		
Gain on sales of non-current assets	3	649
Subsidy income	–	80
Gain on reversal of subscription rights to shares	5	10
Total special income	8	739
Special losses		
Loss on sales and retirement of non-current assets	12	11
Penalty for the scrap and build of outlets	28	9
Cancellation penalty	–	107
Special retirement expenses	–	38
Other	4	3
Total special losses	45	170
Income before income taxes and minority interests	37,733	50,414
Income taxes	14,812	17,561
Net income	22,921	32,853
Profit attributable to non-controlling interests	16	24
Profit attributable to owners of parent	22,905	32,828

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

(Millions of yen)

	Six months ended August 20, 2015	Six months ended August 20, 2016
Net income	22,921	32,853
Other comprehensive income		
Valuation difference on available-for-sale securities	349	101
Deferred gains or losses on hedges	1,449	(16,173)
Foreign currency translation adjustment	79	(3,594)
Remeasurements of defined benefit plans, net of tax	(0)	13
Total other comprehensive income	1,878	(19,653)
Comprehensive income	24,800	13,199
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,784	13,175
Comprehensive income attributable to non-controlling interests	16	24