

Translation

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

June 30, 2016

Company name: Nitori Holdings Co., Ltd.
 Stock exchange listing: Tokyo, Sapporo
 Stock code: 9843 URL <http://www.nitorihd.co.jp/>
 Representative: President Toshiyuki Shirai
 General Manager, Fumiki Takeda
 Inquiries: Accounting and Finance Division TEL 03-6741-1204
 Scheduled date to file Quarterly Securities Report: July 1, 2016
 Scheduled date to commence dividend payments: –
 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 three months ended May 20, 2016 (from February 21, 2016 to May 20, 2016)

(1) Consolidated financial 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	%
Three months ended May 20, 2016	137,033	14.9	27,256	30.9	27,658	29.4	16,921	42.9
Three months ended May 20, 2015	119,226	1.7	20,825	(5.3)	21,381	(4.4)	11,839	(1.3)

(Note) Comprehensive income:

Three months ended May 20, 2016 12,576 million yen(2.4%) Three months ended May 20, 2015 12,283 million yen(19.1%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended May 20, 2016	152.88		151.59	
Three months ended May 20, 2015	107.34		106.44	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of May 20, 2016	433,012		341,404		78.5	
As of February 20, 2016	414,541		330,968		79.5	

(Reference) Equity:

As of May 20, 2016 340,072 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
Year ended February 20, 2016	–	30.00	–	35.00	65.00
Year ending February 20, 2017	–	–	–	–	–
Year ending February 20, 2017 (Forecast)	–	35.00	–	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
Six months ending August 20, 2016	241,000	8.5	39,500	7.6	40,000	5.9	24,800	8.3	223.87
Full year	500,000	9.1	79,000	8.2	80,000	6.7	51,400	9.4	463.98

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 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 May 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 May 20, 2016	3,662,771 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)

Three months ended May 20, 2016	110,684,729 shares	Three months ended May 20, 2015	110,298,142 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 May 20, 2016
Assets		
Current assets		
Cash and deposits	42,327	47,340
Notes and accounts receivable - trade	15,258	19,818
Merchandise and finished goods	43,079	37,642
Work in process	90	238
Raw materials and supplies	2,247	2,271
Other	26,994	31,481
Allowance for doubtful accounts	(8)	(8)
Total current assets	129,989	138,786
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	88,225	99,677
Land	115,504	118,718
Other, net	21,134	13,454
Total property, plant and equipment	224,863	231,851
Intangible assets	11,209	11,702
Investments and other assets		
Guarantee deposits	15,362	14,922
Lease deposits	18,079	18,137
Other	15,046	17,623
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	48,478	50,673
Total non-current assets	284,551	294,226
Total assets	414,541	433,012
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,356	16,125
Short-term loans payable	1,504	2,000
Accounts payable - other	16,195	13,185
Income taxes payable	14,929	12,283
Provision for bonuses	3,024	4,977
Provision for point card certificates	1,031	1,530
Provision for special benefits to shareholders	191	181
Other	15,364	25,255
Total current liabilities	67,597	75,539
Non-current liabilities		
Long-term loans payable	625	-
Provision for directors' retirement benefits	228	228
Net defined benefit liability	2,279	2,342
Asset retirement obligations	3,902	3,941
Other	8,937	9,556
Total non-current liabilities	15,974	16,069
Total liabilities	83,572	91,608

(Millions of yen)

	As of February 20, 2016	As of May 20, 2016
Net assets		
Shareholders' equity		
Common stock	13,370	13,370
Capital surplus	14,411	15,430
Retained earnings	308,854	321,905
Treasury stock	(13,392)	(12,726)
Total shareholders' equity	323,244	337,979
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	289	451
Deferred gains or losses on hedges	4,165	875
Foreign currency translation adjustment	2,301	1,068
Remeasurements of defined benefit plans	(305)	(302)
Total accumulated other comprehensive income	6,450	2,093
Subscription rights to shares	1,174	1,221
Non-controlling interests	98	110
Total net assets	330,968	341,404
Total liabilities and net assets	414,541	433,012

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended May 20, 2015	Three months ended May 20, 2016
Net sales	119,226	137,033
Cost of sales	56,786	62,422
Gross profit	62,440	74,611
Selling, general and administrative expenses	41,614	47,354
Operating income	20,825	27,256
Non-operating income		
Interest income	115	94
Foreign exchange gains	213	–
Vending machine Income	51	55
Gain on sales of goods	68	72
Construction revenue from tenant	–	138
Facility use revenue	21	148
Other	104	99
Total non-operating income	576	608
Non-operating expenses		
Interest expenses	19	14
Foreign exchange losses	–	166
Other	0	25
Total non-operating expenses	20	206
Ordinary income	21,381	27,658
Special income		
Gain on sales of non-current assets	0	2
Subsidy income	–	80
Gain on reversal of subscription rights to shares	2	2
Total special income	2	84
Special losses		
Loss on sales and retirement of non-current assets	2	2
Penalty for the scrap & build of outlets	–	9
cancellation penalty	–	107
Other	4	78
Total special losses	7	198
Income before income taxes and minority interests	21,376	27,544
Income taxes	9,522	10,610
Net income	11,853	16,933
Profit attributable to non-controlling interests	14	11
Profit attributable to owners of parent	11,839	16,921

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 20, 2015	Three months ended May 20, 2016
Net income	11,853	16,933
Other comprehensive income		
Valuation difference on available-for-sale securities	207	161
Deferred gains or losses on hedges	409	(3,289)
Foreign currency translation adjustment	(185)	(1,232)
Remeasurements of defined benefit plans, net of tax	(0)	2
Total other comprehensive income	429	(4,357)
Comprehensive income	12,283	12,576
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,269	12,564
Comprehensive income attributable to non-controlling interests	14	11