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Consolidated Financial Results for the Three Months Ended May 20, 2018 [Japanese GAAP]

June 28, 2018

Company name: Nitori Holdings Co., Ltd.
 Stock exchange listing: Tokyo, Sapporo
 Code number: 9843
 URL: <http://www.nitorihd.co.jp/>
 Representative: Toshiyuki Shirai President and Chief Operating Officer
 Contact: Fumiki Takeda General Manager, Accounting and Finance Division
 Phone: 03-6741-1204
 Scheduled date of filing quarterly securities report: July 03, 2018
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended May 20, 2018 (February 21, 2018 to May 20, 2018)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended May 20, 2018	157,648	6.9	30,426	18.3	30,678	17.9	19,720	3.4
May 20, 2017	147,516	7.6	25,719	(5.6)	26,010	(6.0)	19,081	12.8

(Note) Comprehensive income: Three months ended May 20, 2018: ¥ 19,234 million [20.3%]
 Three months ended May 20, 2017: ¥ 15,983 million [27.1%]

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
May 20, 2018	176.05	175.33
May 20, 2017	170.93	169.99

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
May 20, 2018	568,138	457,160	80.4
February 20, 2018	550,507	441,668	80.1

(Reference) Equity: As of May 20, 2018: ¥ 456,542 million
 As of February 20, 2018: ¥ 440,991 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 February 20, 2018	-	45.00	-	47.00	92.00
Fiscal year ending February 20, 2019	-				
Fiscal year ending February 20, 2019 (Forecast)		47.00	-	50.00	97.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2019 (February 21, 2018 to February 20, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended August 20, 2018	304,400	7.2	52,900	9.9	53,400	9.8	35,600	1.6	317.64
Full year	614,000	7.3	99,000	6.0	100,000	5.4	68,000	5.9	606.72

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended May 20, 2018

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: -)

Exclusion: - (Company name: -)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

May 20, 2018: 114,443,496 shares

February 20, 2018: 114,443,496 shares

2) Total number of treasury shares at the end of the period:

May 20, 2018: 2,366,138 shares

February 20, 2018: 2,485,358 shares

3) Average number of shares during the period:

Three months ended May 20, 2018: 112,018,694 shares

Three months ended May 20, 2017: 111,630,611 shares

*Quarterly financial results reports are not required to be subjected to quarterly reviews.

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

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of February 20,2018	As of May 20,2018
Assets		
Current assets		
Cash and deposits	63,339	60,565
Notes and accounts receivable - trade	22,458	27,758
Merchandise and finished goods	49,690	49,416
Work in process	56	207
Raw materials and supplies	2,985	2,954
Deferred tax assets	5,309	4,506
Forward exchange contracts	-	805
Other	20,191	32,703
Total current assets	164,031	178,918
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	107,258	106,242
Land	167,153	168,410
Other, net	16,903	17,742
Total property, plant and equipment	291,315	292,396
Intangible assets	13,887	15,648
Investments and other assets		
Investment securities	26,472	26,637
Long-term loans receivable	804	815
Guarantee deposits	14,813	14,550
Lease deposits	21,880	22,117
Deferred tax assets	5,447	5,591
Other	11,854	11,462
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	81,273	81,175
Total non-current assets	386,476	389,219
Total assets	550,507	568,138
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,607	18,998
Short-term loans payable	2,000	2,352
Lease obligations	187	187
Accounts payable - other	18,323	14,985
Income taxes payable	17,399	11,648
Provision for bonuses	3,395	4,688
Provision for point card certificates	1,625	2,529
Provision for special benefits to shareholders	290	220
Asset retirement obligations	4	-
Other	20,592	30,857
Total current liabilities	83,425	86,468

(Million yen)

	As of February 20,2018	As of May 20,2018
Non-current liabilities		
Long-term loans payable	8,000	7,032
Lease obligations	2,143	2,096
Deferred tax liabilities	4	0
Provision for directors' retirement benefits	228	228
Net defined benefit liability	2,713	2,694
Asset retirement obligations	4,950	5,075
Other	7,373	7,380
Total non-current liabilities	25,413	24,508
Total liabilities	108,839	110,977
Net assets		
Shareholders' equity		
Common stock	13,370	13,370
Capital surplus	18,232	19,397
Retained earnings	415,108	429,568
Treasury stock	(8,640)	(8,228)
Total shareholders' equity	438,072	454,109
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	796	1,035
Unrealized gain (loss) from hedging instruments	(704)	558
Foreign currency translation adjustment	3,105	1,108
Remeasurements of defined benefit plans	(279)	(269)
Total accumulated other comprehensive income	2,918	2,433
Subscription rights to shares	677	618
Total net assets	441,668	457,160
Total liabilities and net assets	550,507	568,138

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended May 20,2017	For the three months ended May 20,2018
Net sales	147,516	157,648
Cost of sales	68,836	70,638
Gross profit	78,680	87,010
Selling, general and administrative expenses	52,961	56,584
Operating income	25,719	30,426
Non-operating income		
Interest income	101	116
Subsidy income	63	83
Vending machine income	56	54
Gain on sales of goods	77	94
Other	58	104
Total non-operating income	356	452
Non-operating expenses		
Interest expenses	16	21
Equity in losses of affiliates	-	2
Foreign exchange losses	37	50
Other	10	126
Total non-operating expenses	65	200
Ordinary income	26,010	30,678
Special gains		
Gain on sales of non-current assets	7	6
Gain on reversal of subscription rights to shares	44	6
Gain on sales of shares of subsidiaries and associates	3,836	-
Penalty income	-	12
Settlement received	-	24
Other	17	-
Total special gains	3,906	49
Special losses		
Loss on change in equity	-	171
Loss on sales and disposal of non-current assets	37	8
Impairment loss	440	0
Special retirement expenses	359	-
Other	0	16
Total special losses	838	196
Income before income taxes	29,079	30,530
Income taxes	9,997	10,810
Net income	19,081	19,720
Net income attributable to owners of parent	19,081	19,720

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

(Million yen)

	For the three months ended May 20,2017	For the three months ended May 20,2018
Net income	19,081	19,720
Other comprehensive income		
Unrealized holding gain (loss) on securities	(2)	238
Unrealized gain (loss) from hedging instruments	(2,715)	1,263
Foreign currency translation adjustment	(483)	(1,997)
Remeasurements of defined benefit plans, net of tax	104	9
Total other comprehensive income	(3,097)	(485)
Comprehensive income	15,983	19,234
Total comprehensive income attributable to		
Owners of parent	15,983	19,234