

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Three Months Ended May 20, 2019 [Japanese GAAP]

July 03, 2019

Company name: Nitori Holdings Co., Ltd.
 Stock exchange listing: Tokyo, Sapporo
 Code number: 9843
 URL: <https://www.nitorihd.co.jp/>
 Representative: Toshiyuki Shirai President and Chief Operating Officer
 Contact: Masaomi Zenji General Manager, Accounting and Finance Division
 Phone: 03-6741-1204
 Scheduled date of filing quarterly securities report: July 03, 2019
 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, 2019 (February 21, 2019 to May 20, 2019)

(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, 2019	167,332	6.1	30,431	0.0	30,722	0.1	20,348	3.2
May 20, 2018	157,648	6.9	30,426	18.3	30,678	17.9	19,720	3.4

(Note) Comprehensive income: Three months ended May 20, 2019: ¥ 20,847 million [8.4%]
 Three months ended May 20, 2018: ¥ 19,234 million [20.3%]

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
May 20, 2019	181.24	180.81
May 20, 2018	176.05	175.33

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
May 20, 2019	626,038	516,506	82.4
February 20, 2019	619,286	500,192	80.7

(Reference) Equity: As of May 20, 2019: ¥ 516,065 million
 As of February 20, 2019: ¥ 499,721 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, 2019	-	47.00	-	50.00	97.00
Fiscal year ending February 20, 2020	-				
Fiscal year ending February 20, 2020 (Forecast)		54.00	-	54.00	108.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2020 (February 21, 2019 to February 20, 2020)

(% 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, 2019	323,200	7.1	53,100	(5.0)	54,300	(4.3)	36,200	(4.6)	322.30
Full year	643,000	5.7	104,000	3.2	106,000	2.9	71,500	4.9	636.59

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended May 20, 2019
(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: Yes

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, 2019: 114,443,496 shares

February 20, 2019: 114,443,496 shares

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

May 20, 2019: 2,125,718 shares

February 20, 2019: 2,221,818 shares

3) Average number of shares during the period:

Three months ended May 20, 2019: 112,270,194 shares

Three months ended May 20, 2018: 112,018,694 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 20,2019	As of May 20,2019
Assets		
Current assets		
Cash and deposits	102,345	101,404
Notes and accounts receivable - trade	24,818	31,900
Merchandise and finished goods	59,184	54,126
Work in process	153	210
Raw materials and supplies	3,570	3,300
Other	20,969	22,507
Total current assets	211,042	213,448
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,868	114,384
Land	171,342	171,672
Other, net	14,830	20,235
Total property, plant and equipment	302,041	306,291
Intangible assets	18,857	19,942
Investments and other assets		
Investment securities	26,103	26,168
Long-term loans receivable	778	766
Guarantee deposits	14,268	13,875
Lease deposits	22,908	23,207
Deferred tax assets	11,905	11,113
Other	11,380	11,223
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	87,344	86,355
Total non-current assets	408,244	412,589
Total assets	619,286	626,038
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,956	17,412
Short-term loans payable	2,639	2,741
Lease obligations	187	1,320
Accounts payable - other	23,752	16,307
Income taxes payable	19,472	10,528
Provision for bonuses	4,206	5,350
Provision for point card certificates	2,014	2,541
Provision for special benefits to shareholders	343	250
Other	21,444	25,536
Total current liabilities	95,016	81,988

(Million yen)

	As of February 20,2019	As of May 20,2019
Non-current liabilities		
Long-term loans payable	6,028	5,027
Lease obligations	1,956	6,320
Provision for directors' retirement benefits	228	228
Net defined benefit liability	3,202	3,292
Asset retirement obligations	5,365	5,433
Other	7,296	7,240
Total non-current liabilities	24,078	27,543
Total liabilities	119,094	109,532
Net assets		
Shareholders' equity		
Common stock	13,370	13,370
Capital surplus	19,841	20,614
Retained earnings	472,755	487,492
Treasury stock	(7,727)	(7,393)
Total shareholders' equity	498,240	514,084
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	947	1,052
Foreign currency translation adjustment	901	1,285
Remeasurements of defined benefit plans	(367)	(357)
Total accumulated other comprehensive income	1,481	1,980
Subscription rights to shares	470	441
Total net assets	500,192	516,506
Total liabilities and net assets	619,286	626,038

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 20,2018	For the three months ended May 20,2019
Net sales	157,648	167,332
Cost of sales	70,638	77,136
Gross profit	87,010	90,195
Selling, general and administrative expenses	56,584	59,764
Operating income	30,426	30,431
Non-operating income		
Interest income	116	115
Equity in net income of affiliates	-	7
Subsidy income	83	50
Vending machine income	54	55
Gain on sales of goods	94	93
Other	104	113
Total non-operating income	452	436
Non-operating expenses		
Interest expenses	21	69
Equity in losses of affiliates	2	-
Foreign exchange losses	50	52
Other	126	23
Total non-operating expenses	200	145
Ordinary income	30,678	30,722
Special gains		
Gain on sales of non-current assets	6	312
Gain on reversal of subscription rights to shares	6	1
Penalty income	12	-
Settlement received	24	-
Total special gains	49	314
Special losses		
Loss on change in equity	171	98
Loss on sales and disposal of non-current assets	8	13
Impairment loss	0	160
Other	16	-
Total special losses	196	272
Income before income taxes	30,530	30,764
Income taxes	10,810	10,416
Net income	19,720	20,348
Net income attributable to owners of parent	19,720	20,348

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

(Million yen)

	For the three months ended May 20,2018	For the three months ended May 20,2019
Net income	19,720	20,348
Other comprehensive income		
Unrealized holding gain (loss) on securities	238	105
Unrealized gain (loss) from hedging instruments	1,263	-
Foreign currency translation adjustment	(1,997)	384
Remeasurements of defined benefit plans, net of tax	9	9
Total other comprehensive income	(485)	499
Comprehensive income	19,234	20,847
Total comprehensive income attributable to:		
Owners of parent	19,234	20,847