



Consolidated Financial Results for the Six Months Ended August 20, 2019 [Japanese GAAP]

October 02, 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: October 03, 2019
 Scheduled date of commencing dividend payments: October 23, 2019
 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 Six Months Ended August 20, 2019 (February 21, 2019 to August 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	%
Six months ended August 20, 2019	321,598	6.6	55,577	(0.6)	56,540	(0.4)	36,847	(2.9)
August 20, 2018	301,694	6.3	55,890	16.1	56,759	16.7	37,958	8.3

(Note) Comprehensive income: Six months ended August 20, 2019: ¥ 35,176 million [(5.7)%
 Six months ended August 20, 2018: ¥ 37,306 million [25.4%]

	Net income per share	Diluted net income per share
Six months ended August 20, 2019	Yen 328.10	Yen 327.34
August 20, 2018	338.71	337.43

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of August 20, 2019	Million yen 641,867	Million yen 531,132	82.7%
February 20, 2019	619,286	500,192	80.7

(Reference) Equity: As of August 20, 2019: ¥ 530,745 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	-	54.00			
Fiscal year ending February 20, 2020 (Forecast)			-	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
Full year	643,000	5.7	104,000	3.2	106,000	2.9	71,500	4.9	636.28

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended August 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):

August 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:

August 20, 2019: 2,071,918 shares

February 20, 2019: 2,221,818 shares

3) Average number of shares during the period:

Six months ended August 20, 2019: 112,308,336 shares

Six months ended August 20, 2018: 112,068,726 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 August 20,2019
Assets		
Current assets		
Cash and deposits	102,345	139,110
Notes and accounts receivable - trade	24,818	27,728
Merchandise and finished goods	59,184	49,410
Work in process	153	194
Raw materials and supplies	3,570	3,216
Forward exchange contracts	-	399
Other	20,969	10,834
Total current assets	211,042	230,893
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,868	111,487
Land	171,342	171,846
Other, net	14,830	19,992
Total property, plant and equipment	302,041	303,326
Intangible assets	18,857	21,661
Investments and other assets		
Investment securities	26,103	25,333
Long-term loans receivable	778	754
Guarantee deposits	14,268	13,506
Lease deposits	22,908	23,128
Deferred tax assets	11,905	11,718
Other	11,380	11,544
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	87,344	85,985
Total non-current assets	408,244	410,973
Total assets	619,286	641,867
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,956	16,959
Short-term loans payable	2,639	2,746
Lease obligations	187	1,416
Accounts payable - other	23,752	16,489
Income taxes payable	19,472	19,044
Provision for bonuses	4,206	3,324
Provision for point card certificates	2,014	3,034
Provision for special benefits to shareholders	343	198
Asset retirement obligations	-	22
Other	21,444	22,384
Total current liabilities	95,016	85,619

(Million yen)

	As of February 20,2019	As of August 20,2019
Non-current liabilities		
Long-term loans payable	6,028	5,024
Lease obligations	1,956	6,204
Provision for directors' retirement benefits	228	228
Net defined benefit liability	3,202	1,075
Asset retirement obligations	5,365	5,428
Other	7,296	7,152
Total non-current liabilities	24,078	25,114
Total liabilities	119,094	110,734
Net assets		
Shareholders' equity		
Common stock	13,370	13,370
Capital surplus	19,841	20,779
Retained earnings	472,755	503,992
Treasury stock	(7,727)	(7,206)
Total shareholders' equity	498,240	530,935
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	947	572
Unrealized gain (loss) from hedging instruments	-	277
Foreign currency translation adjustment	901	(691)
Remeasurements of defined benefit plans	(367)	(348)
Total accumulated other comprehensive income	1,481	(189)
Subscription rights to shares	470	386
Total net assets	500,192	531,132
Total liabilities and net assets	619,286	641,867

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

(Million yen)

	For the six months ended August 20,2018	For the six months ended August 20,2019
Net sales	301,694	321,598
Cost of sales	136,018	147,595
Gross profit	165,676	174,003
Selling, general and administrative expenses	109,786	118,425
Operating income	55,890	55,577
Non-operating income		
Interest income	248	226
Dividends income	28	28
Equity in net income of affiliates	151	219
Foreign exchange gains	16	-
Vending machine Income	117	117
Gain on sales of goods	193	194
Other	339	398
Total non-operating income	1,095	1,183
Non-operating expenses		
Interest expenses	51	145
Foreign exchange losses	-	5
Other	174	70
Total non-operating expenses	225	221
Ordinary income	56,759	56,540
Special gains		
Gain on sales of non-current assets	6	315
Gain on reversal of subscription rights to shares	6	1
Penalty income	16	-
Settlement received	24	-
Total special gains	54	317
Special losses		
Loss on sales and disposal of non-current assets	8	24
Impairment loss	0	1,120
Loss on change in equity	167	114
Compensation for damage	-	85
Provision for loss on cancellation	-	648
Other	23	-
Total special losses	200	1,993
Income before income taxes	56,613	54,864
Income taxes	18,654	18,016
Net income	37,958	36,847
Net income attributable to owners of parent	37,958	36,847

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

(Million yen)

	For the six months ended August 20,2018	For the six months ended August 20,2019
Net income	37,958	36,847
Other comprehensive income		
Unrealized holding gain (loss) on securities	137	(374)
Unrealized gain (loss) from hedging instruments	704	277
Foreign currency translation adjustment	(1,513)	(1,593)
Remeasurements of defined benefit plans, net of tax	19	19
Total other comprehensive income	(652)	(1,671)
Comprehensive income	37,306	35,176
Total comprehensive income attributable to:		
Owners of parent	37,306	35,176