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## Consolidated Financial Results for the Six Months Ended August 20, 2020 [Japanese GAAP]

October 02, 2020

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 02, 2020  
 Scheduled date of commencing dividend payments: October 20, 2020  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: 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, 2020 (February 21, 2020 to August 20, 2020)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended August 20, 2020	362,481	12.7	80,596	45.0	81,067	43.4	49,764	35.1
August 20, 2019	321,598	6.6	55,577	(0.6)	56,540	(0.4)	36,847	(2.9)

(Note) Comprehensive income: Six months ended August 20, 2020: ¥ 50,544 million [ 43.7%]  
 Six months ended August 20, 2019: ¥ 35,176 million [ (5.7)%]

	Basic earnings per share	Diluted earnings per share
Six months ended August 20, 2020	Yen 441.70	Yen 441.31
August 20, 2019	328.10	327.34

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of August 20, 2020	Million yen 744,994	Million yen 608,139	81.6%
February 20, 2020	683,247	560,861	82.0

(Reference) Equity: As of August 20, 2020: ¥ 608,139 million  
 As of February 20, 2020: ¥ 560,571 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, 2020	-	54.00		54.00	108.00
Fiscal year ending February 20, 2021	-	57.00			
Fiscal year ending February 20, 2021 (Forecast)			-	58.00	115.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2021 (February 21, 2020 to February 20, 2021) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	702,600	9.4	132,900	23.7	134,100	22.4	85,300	19.5	756.04

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

### \* Notes:

(1) Changes in significant subsidiaries during the six months ended August 20, 2020

(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):

August 20, 2020: 114,443,496 shares

February 20, 2020: 114,443,496 shares

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

August 20, 2020: 1,619,057 shares

February 20, 2020: 1,975,782 shares

3) Average number of shares during the period:

Six months ended August 20, 2020: 112,667,430 shares

Six months ended August 20, 2019: 112,308,336 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 20,2020	As of August 20,2020
<b>Assets</b>		
Current assets		
Cash and deposits	159,190	233,059
Notes and accounts receivable - trade	27,880	37,139
Merchandise and finished goods	61,203	48,060
Work in process	182	219
Raw materials and supplies	4,127	3,415
Forward exchange contracts	-	2,477
Other	11,010	10,889
Allowance for doubtful accounts	(4)	(3)
<b>Total current assets</b>	<b>263,589</b>	<b>335,258</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	111,548	109,568
Land	173,010	173,280
Other, net	22,827	22,908
<b>Total property, plant and equipment</b>	<b>307,387</b>	<b>305,756</b>
Intangible assets	24,599	17,625
Investments and other assets		
Investment securities	25,535	24,603
Long-term loans receivable	732	689
Guarantee deposits	13,987	13,421
Leasehold deposits	23,756	23,819
Deferred tax assets	13,246	12,423
Other	10,429	11,395
Allowance for doubtful accounts	(18)	(0)
<b>Total investments and other assets</b>	<b>87,670</b>	<b>86,352</b>
<b>Total non-current assets</b>	<b>419,657</b>	<b>409,735</b>
<b>Total assets</b>	<b>683,247</b>	<b>744,994</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,774	18,642
Short-term borrowings	2,787	2,751
Lease obligations	1,554	1,437
Accounts payable - other	22,923	19,688
Income taxes payable	20,224	25,378
Provision for bonuses	4,020	6,115
Provision for point card certificates	2,076	3,671
Provision for shareholder benefit program	282	176
Other	23,420	35,574
<b>Total current liabilities</b>	<b>97,063</b>	<b>113,435</b>

(Million yen)

	As of February 20,2020	As of August 20,2020
<b>Non-current liabilities</b>		
Long-term borrowings	4,000	3,000
Lease obligations	6,714	5,859
Provision for retirement benefits for directors (and other officers)	228	228
Retirement benefit liability	1,343	1,474
Asset retirement obligations	5,673	5,734
Other	7,361	7,121
Total non-current liabilities	25,322	23,418
Total liabilities	122,385	136,854
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	13,370	13,370
Capital surplus	25,074	26,253
Retained earnings	532,471	576,163
Treasury shares	(10,875)	(8,957)
Total shareholders' equity	560,042	606,830
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	750	494
Deferred gains on hedges	-	1,719
Foreign currency translation adjustment	161	(544)
Remeasurements of defined benefit plans	(382)	(359)
Total accumulated other comprehensive income	529	1,309
Share acquisition rights	289	-
Total net assets	560,861	608,139
Total liabilities and net assets	683,247	744,994

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 20,2019	For the six months ended August 20,2020
Net sales	321,598	362,481
Cost of sales	147,595	157,124
Gross profit	174,003	205,356
Selling, general and administrative expenses	118,425	124,760
Operating profit	55,577	80,596
Non-operating income		
Interest income	226	259
Dividends income	28	28
Share of profit of entities accounted for using equity method	219	-
Foreign exchange gains	-	75
Subsidy income	104	158
Penalty income	-	149
Vending machine income	117	122
Gain on sales of goods	194	95
Other	293	215
Total non-operating income	1,183	1,105
Non-operating expenses		
Interest expenses	145	148
Share of loss of entities accounted for using equity method	-	183
Foreign exchange losses	5	-
Other	70	302
Total non-operating expenses	221	634
Ordinary profit	56,540	81,067
Extraordinary income		
Gain on cancellation of leasehold contracts	-	395
Gain on sales of non-current assets	315	0
Gain on reversal of share acquisition rights	1	12
Total extraordinary income	317	408
Extraordinary losses		
Loss on sales and retirement of non-current assets	24	2
Impairment loss	1,120	7,804
Loss on change in equity	114	20
Compensation for damage	85	-
Provision for loss on cancellation	648	-
Total extraordinary losses	1,993	7,827
Profit before income taxes	54,864	73,647
Income taxes	18,016	23,883
Profit	36,847	49,764
Profit attributable to owners of parent	36,847	49,764

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

(Million yen)

	For the six months ended August 20,2019	For the six months ended August 20,2020
Profit	36,847	49,764
Other comprehensive income		
Valuation difference on available-for-sale securities	(374)	(256)
Deferred gains or losses on hedges	277	1,719
Foreign currency translation adjustment	(1,593)	(705)
Remeasurements of defined benefit plans, net of tax	19	22
Total other comprehensive income	(1,671)	779
Comprehensive income	35,176	50,544
Comprehensive income attributable to		
Owners of parent	35,176	50,544