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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 8, 2023

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 Executive Officer, General Manager, Accounting and Finance Division
 Phone: +81-3-6741-1204
 Scheduled date of filing quarterly securities report: August 8, 2023
 Scheduled date of commencing dividend payments: -
 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.)

I. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (% 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	%
Three months ended June 30, 2023	218,504	0.9	32,973	(10.7)	33,518	(9.3)	22,913	(8.1)
May 20, 2022	216,648	0.6	36,917	(13.7)	36,971	(14.9)	24,942	(14.3)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 26,767 million [(18.8)%]
 Three months ended May 20, 2022: ¥ 32,959 million [(1.7)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	202.76	-
May 20, 2022	220.85	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2023	1,112,912	836,590	75.2
March 31, 2023	1,133,771	818,096	72.2

(Reference) Equity: As of June 30, 2023: ¥ 836,590 million
 As of March 31, 2023: ¥ 818,096 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 March 31, 2023	-	73.00	-	73.00	146.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		75.00	-	75.00	150.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% 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
Six months ending September 30, 2023	440,200	4.0	64,100	(7.2)	65,000	(7.7)	44,500	(13.5)	393.76
Full year	932,000	(1.7)	145,100	3.6	147,000	2.0	100,000	5.1	884.86

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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):

June 30, 2023: 114,443,496 shares

March 31, 2023: 114,443,496 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 1,431,541 shares

March 31, 2023: 1,431,761 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 113,011,758 shares

Three months ended May 20, 2022: 112,936,675 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 March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	131,928	127,734
Notes and accounts receivable - trade	57,408	43,727
Merchandise and finished goods	112,401	100,149
Work in process	479	682
Raw materials and supplies	7,496	6,440
Other	20,641	16,199
Allowance for doubtful accounts	(1)	(8)
Total current assets	330,353	294,925
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	203,356	205,224
Land	377,009	384,144
Other, net	69,113	76,422
Total property, plant and equipment	649,479	665,791
Intangible assets		
Goodwill	19,619	18,979
Other	13,386	13,300
Total intangible assets	33,005	32,279
Investments and other assets		
Investment securities	39,089	39,899
Long-term loans receivable	562	551
Guarantee deposits	16,893	16,869
Leasehold deposits	30,313	30,280
Deferred tax assets	21,765	20,518
Other	12,379	11,867
Allowance for doubtful accounts	(72)	(72)
Total investments and other assets	120,932	119,915
Total non-current assets	803,417	817,986
Total assets	1,133,771	1,112,912
Liabilities		
Current liabilities		
Notes and accounts payable - trade	38,459	32,758
Short-term borrowings	83,068	86,068
Lease obligations	1,602	1,600
Accounts payable - other	24,058	26,677
Income taxes payable	28,351	12,071
Contract liabilities	23,774	15,843
Provision for bonuses	8,380	10,141
Provision for point card certificates	11	11
Provision for shareholder benefit program	422	290
Provision for loss on business liquidation	220	221
Other	13,419	13,543
Total current liabilities	221,769	199,228

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Non-current liabilities		
Long-term borrowings	57,330	40,796
Lease obligations	4,598	4,218
Provision for retirement benefits for directors (and other officers)	228	228
Retirement benefit liability	5,886	5,827
Asset retirement obligations	14,800	14,952
Other	11,060	11,069
Total non-current liabilities	93,905	77,093
Total liabilities	315,674	276,322
Net assets		
Shareholders' equity		
Share capital	13,370	13,370
Capital surplus	30,711	30,715
Retained earnings	771,743	786,378
Treasury shares	(10,111)	(10,111)
Total shareholders' equity	805,714	820,353
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,769	3,142
Deferred gains or losses on hedges	(1,829)	-
Foreign currency translation adjustment	12,479	13,145
Remeasurements of defined benefit plans	(36)	(51)
Total accumulated other comprehensive income	12,382	16,236
Total net assets	818,096	836,590
Total liabilities and net assets	1,133,771	1,112,912

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, 2022	For the three months ended June 30, 2023
Net sales	216,648	218,504
Cost of sales	105,032	107,452
Gross profit	111,616	111,052
Selling, general and administrative expenses	74,698	78,078
Operating profit	36,917	32,973
Non-operating income		
Interest income	122	270
Dividend income	-	256
Foreign exchange gains	124	166
Subsidy income	79	53
Vending machine income	80	76
Gain on sales of goods	56	71
Other	281	309
Total non-operating income	744	1,203
Non-operating expenses		
Interest expenses	90	127
Share of loss of entities accounted for using equity method	474	496
Other	124	34
Total non-operating expenses	689	658
Ordinary profit	36,971	33,518
Extraordinary income		
Gain on sale of non-current assets	5	0
Total extraordinary income	5	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	8	11
Impairment losses	453	327
Loss on change in equity	1	-
Total extraordinary losses	463	339
Profit before income taxes	36,513	33,180
Income taxes	11,571	10,266
Profit	24,942	22,913
Profit attributable to owners of parent	24,942	22,913

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

(Million yen)

	For the three months ended May 20, 2022	For the three months ended June 30, 2023
Profit	24,942	22,913
Other comprehensive income		
Valuation difference on available-for-sale securities	36	1,373
Deferred gains or losses on hedges	4,664	1,829
Foreign currency translation adjustment	3,288	666
Remeasurements of defined benefit plans, net of tax	28	(15)
Total other comprehensive income	8,017	3,853
Comprehensive income	32,959	26,767
Comprehensive income attributable to		
Owners of parent	32,959	26,767