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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 10, 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: November 10, 2023
 Scheduled date of commencing dividend payments: December 5, 2023
 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 September 30, 2023 (April 1, 2023 to September 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	416,814	(1.5)	55,173	(20.1)	56,921	(19.2)	38,043	(26.1)
August 20, 2022	423,072	2.1	69,045	(10.9)	70,430	(10.9)	51,462	(4.5)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 48,090 million [(22.0) %]
 Six months ended August 20, 2022: ¥ 61,661 million [5.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2023	Yen 336.63	Yen -
August 20, 2022	455.53	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2023	Millions of yen 1,155,523	Millions of yen 857,941	% 74.2
March 31, 2023	1,133,771	818,096	72.2

(Reference) Equity: As of September 30, 2023: ¥ 857,941 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	-	75.00			
Fiscal year ending March 31, 2024 (Forecast)			-	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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
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 six months ended September 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):

September 30, 2023: 114,443,496 shares

March 31, 2023: 114,443,496 shares

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

September 30, 2023: 1,431,548 shares

March 31, 2023: 1,431,761 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 113,011,856 shares

Six months ended August 20, 2022: 112,974,285 shares

*Quarterly financial results 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

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	131,928	134,819
Notes and accounts receivable - trade	57,408	42,320
Merchandise and finished goods	112,401	105,653
Work in process	479	556
Raw materials and supplies	7,496	5,846
Other	20,641	18,009
Allowance for doubtful accounts	(1)	(1)
Total current assets	330,353	307,205
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	203,356	205,665
Land	377,009	397,129
Other, net	69,113	93,682
Total property, plant and equipment	649,479	696,478
Intangible assets		
Goodwill	19,619	18,339
Other	13,386	13,421
Total intangible assets	33,005	31,761
Investments and other assets		
Investment securities	39,089	40,560
Long-term loans receivable	562	540
Guarantee deposits	16,893	16,824
Leasehold deposits	30,313	30,572
Deferred tax assets	21,765	20,167
Other	12,379	11,485
Allowance for doubtful accounts	(72)	(72)
Total investments and other assets	120,932	120,078
Total non-current assets	803,417	848,317
Total assets	1,133,771	1,155,523
Liabilities		
Current liabilities		
Notes and accounts payable - trade	38,459	42,502
Short-term borrowings	83,068	83,938
Lease obligations	1,602	1,559
Accounts payable – other	24,058	37,976
Income taxes payable	28,351	20,235
Contract liabilities	23,774	19,351
Provision for bonuses	8,380	5,661
Provision for point card certificates	11	12
Provision for shareholder benefit program	422	230
Provision for loss on business liquidation	220	-
Other	13,419	14,775
Total current liabilities	221,769	226,243

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Non-current liabilities		
Long-term borrowings	57,330	35,000
Lease obligations	4,598	4,207
Provision for retirement benefits for directors (and other officers)	228	228
Retirement benefit liability	5,886	5,914
Asset retirement obligations	14,800	14,885
Other	11,060	11,102
Total non-current liabilities	93,905	71,338
Total liabilities	315,674	297,582
Net assets		
Shareholders' equity		
Share capital	13,370	13,370
Capital surplus	30,711	30,715
Retained earnings	771,743	801,536
Treasury shares	(10,111)	(10,111)
Total shareholders' equity	805,714	835,511
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,769	3,434
Deferred gains or losses on hedges	(1,829)	-
Foreign currency translation adjustment	12,479	19,063
Remeasurements of defined benefit plans	(36)	(67)
Total accumulated other comprehensive income	12,382	22,429
Total net assets	818,096	857,941
Total liabilities and net assets	1,133,771	1,155,523

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

(Millions of yen)

	For the six months ended August 20, 2022	For the six months ended September 30, 2023
Net sales	423,072	416,814
Cost of sales	205,887	205,090
Gross profit	217,185	211,723
Selling, general and administrative expenses	148,139	156,550
Operating profit	69,045	55,173
Non-operating income		
Interest income	261	868
Dividend income	40	269
Foreign exchange gains	552	30
Subsidy income	165	59
Vending machine income	168	175
Gain on sales of goods	129	134
Other	465	783
Total non-operating income	1,783	2,322
Non-operating expenses		
Interest expenses	179	240
Share of loss of entities accounted for using equity method	55	237
Other	163	95
Total non-operating expenses	399	573
Ordinary profit	70,430	56,921
Extraordinary income		
Gain on sale of non-current assets	13	6
Gain on change in equity	-	22
Total extraordinary income	13	29
Extraordinary losses		
Loss on sale and retirement of non-current assets	11	11
Impairment losses	479	345
Loss on change in equity	6	-
Provision for loss on business liquidation	204	-
Total extraordinary losses	702	357
Profit before income taxes	69,741	56,594
Income taxes	18,278	18,550
Profit	51,462	38,043
Profit attributable to owners of parent	51,462	38,043

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

(Millions of yen)

	For the six months ended August 20, 2022	For the six months ended September 30, 2023
Profit	51,462	38,043
Other comprehensive income		
Valuation difference on available-for-sale securities	356	1,664
Deferred gains or losses on hedges	65	1,829
Foreign currency translation adjustment	9,800	6,583
Remeasurements of defined benefit plans, net of tax	(23)	(31)
Total other comprehensive income	10,198	10,047
Comprehensive income	61,661	48,090
Comprehensive income attributable to		
Owners of parent	61,661	48,090