

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 20, 2016 (Based on Japanese GAAP)

December 22, 2016

Company name: Nitori Holdings Co., Ltd.
 Stock exchange listing: Tokyo, Sapporo
 Stock code: 9843 URL <http://www.nitorihd.co.jp/>
 Representative: President and Chief Operating Officer Toshiyuki Shirai
 General Manager, Fumiki Takeda
 Accounting and Finance Division TEL 03-6741-1204
 Scheduled date to file Quarterly Securities Report: December 27, 2016
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 20, 2016 (from February 21, 2016 to November 20, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 20, 2016	379,016	13.2	70,206	28.3	71,175	26.1	47,595	35.7
Nine months ended November 20, 2015	334,701	7.8	54,725	4.2	56,429	5.2	35,067	10.1

(Note) Comprehensive income:

Nine months ended November 20, 2016 46,113 million yen[63.4%] Nine months ended November 20, 2015 28,220 million yen[(51.7)%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended November 20, 2016	429.58	425.64
Nine months ended November 20, 2015	317.48	314.70

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 20, 2016	461,839	372,128	80.3
As of February 20, 2016	414,541	330,968	79.5

(Reference) Equity:

As of November 20, 2016 370,778 million yen As of February 20, 2016 329,695 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 20, 2016	–	30.00	–	35.00	65.00
Year ending February 20, 2017	–	35.00	–	–	–
Year ending February 20, 2017 (Forecast)	–	–	–	35.00	70.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast of consolidated financial results for the year ending February 20, 2017 (from February 21, 2016 to February 20, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	500,000	9.1	79,000	8.2	80,000	6.7	51,400	9.4	463.03

(Note) Revisions to financial forecasts published most recently: None

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 20, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of November 20, 2016	114,443,496 shares	As of February 20, 2016	114,443,496 shares
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Number of treasury shares at the end of the period

As of November 20, 2016	3,434,538 shares	As of February 20, 2016	3,854,468 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 20, 2016	110,793,843 shares	Nine months ended November 20, 2015	110,458,588 shares
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*Notice regarding quarterly review procedures for the quarterly financial results

This quarterly financial results statement is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results statement, the quarterly review procedure based upon the Financial Instruments and Exchange Act has not been completed.

*Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the information currently available to the Company and certain reasonable assumptions. Actual results may differ from these forecasts for a variety of reasons.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2016	As of November 20, 2016
Assets		
Current assets		
Cash and deposits	42,327	56,832
Notes and accounts receivable - trade	15,258	22,647
Merchandise and finished goods	43,079	40,877
Work in process	90	120
Raw materials and supplies	2,247	1,855
Other	26,994	29,059
Allowance for doubtful accounts	(8)	(7)
Total current assets	129,989	151,386
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	88,225	101,488
Land	115,504	122,052
Other, net	21,134	18,036
Total property, plant and equipment	224,863	241,578
Intangible assets	11,209	13,023
Investments and other assets		
Guarantee deposits	15,362	14,307
Lease deposits	18,079	18,931
Other	15,046	22,623
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	48,478	55,851
Total non-current assets	284,551	310,453
Total assets	414,541	461,839
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,356	16,898
Short-term loans payable	1,504	750
Accounts payable - other	16,195	16,106
Income taxes payable	14,929	13,923
Provision for bonuses	3,024	5,159
Provision for point card certificates	1,031	2,257
Provision for special benefits to shareholders	191	80
Other	15,364	18,033
Total current liabilities	67,597	73,209
Non-current liabilities		
Long-term loans payable	625	-
Provision for directors' retirement benefits	228	228
Net defined benefit liability	2,279	2,436
Asset retirement obligations	3,902	4,232
Other	8,937	9,604
Total non-current liabilities	15,974	16,502
Total liabilities	83,572	89,711

(Millions of yen)

	As of February 20, 2016	As of November 20, 2016
Net assets		
Shareholders' equity		
Common stock	13,370	13,370
Capital surplus	14,411	15,707
Retained earnings	308,854	348,699
Treasury shares	(13,392)	(11,934)
Total shareholders' equity	323,244	365,843
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	289	692
Deferred gains or losses on hedges	4,165	6,127
Foreign currency translation adjustment	2,301	(1,600)
Remeasurements of defined benefit plans	(305)	(284)
Total accumulated other comprehensive income	6,450	4,934
Subscription rights to shares	1,174	1,216
Non-controlling interests	98	133
Total net assets	330,968	372,128
Total liabilities and net assets	414,541	461,839

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2015	Nine months ended November 20, 2016
Net sales	334,701	379,016
Cost of sales	157,880	171,836
Gross profit	176,820	207,179
Selling, general and administrative expenses	122,095	136,973
Operating income	54,725	70,206
Non-operating income		
Interest income	344	308
Dividends income	23	26
Foreign exchange gains	692	–
Vending machine income	169	182
Gain on sales of goods	203	217
Construction revenue from tenants	–	147
Facility use revenue	21	148
Other	317	205
Total non-operating income	1,772	1,237
Non-operating expenses		
Interest expenses	59	41
Foreign exchange losses	–	193
Other	8	32
Total non-operating expenses	68	267
Ordinary income	56,429	71,175
Special income		
Gain on sales of non-current assets	3	650
Subsidy income	431	80
Gain on reversal of subscription rights to shares	7	7
Other	–	79
Total special income	442	817
Special losses		
Loss on sales and retirement of non-current assets	14	47
Loss on reduction of non-current assets	431	–
Penalty for the scrap and build of outlets	35	30
Cancellation penalty	–	190
Special retirement expenses	–	37
Impairment loss	240	–
Other	5	3
Total special losses	728	309
Income before income taxes and minority interests	56,143	71,683
Income taxes	21,050	24,054
Net income	35,092	47,629
Profit attributable to non-controlling interests	24	34
Profit attributable to owners of parent	35,067	47,595

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2015	Nine months ended November 20, 2016
Net income	35,092	47,629
Other comprehensive income		
Valuation difference on available-for-sale securities	150	402
Deferred gains or losses on hedges	(5,945)	1,962
Foreign currency translation adjustment	(1,078)	(3,901)
Remeasurements of defined benefit plans, net of tax	0	20
Total other comprehensive income	(6,872)	(1,515)
Comprehensive income	28,220	46,113
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,195	46,079
Comprehensive income attributable to non-controlling interests	24	34