



Nitori Holdings Co., Ltd.

Financial Results Presentation

for the Third Quarter of FY2018

27 December 2018

TSE1st.&Sapporo Code : 9843

Overview of Consolidated Financial Results



(Billions of Yen)

	Q1-Q3 FY2018 21 Feb-20 Nov 2018 (to sales)		Q1-Q3 FY2017 21 Feb-20 Nov 2017 (to sales)		Change (YOY)	
Net sales	448.5	-	422.7	-	25.8	106.1%
Gross profit	244.7	54.6%	230.2	54.5%	14.5	106.3%
SG&A expenses	166.7	37.2%	159.8	37.8%	6.8	104.3%
Operating income	78.0	17.4%	70.4	16.7%	7.6	110.8%
Ordinary income	79.6	17.8%	71.5	16.9%	8.1	111.4%
Profit attributable to owners of parent	52.0	11.6%	51.2	12.1%	0.7	101.5%

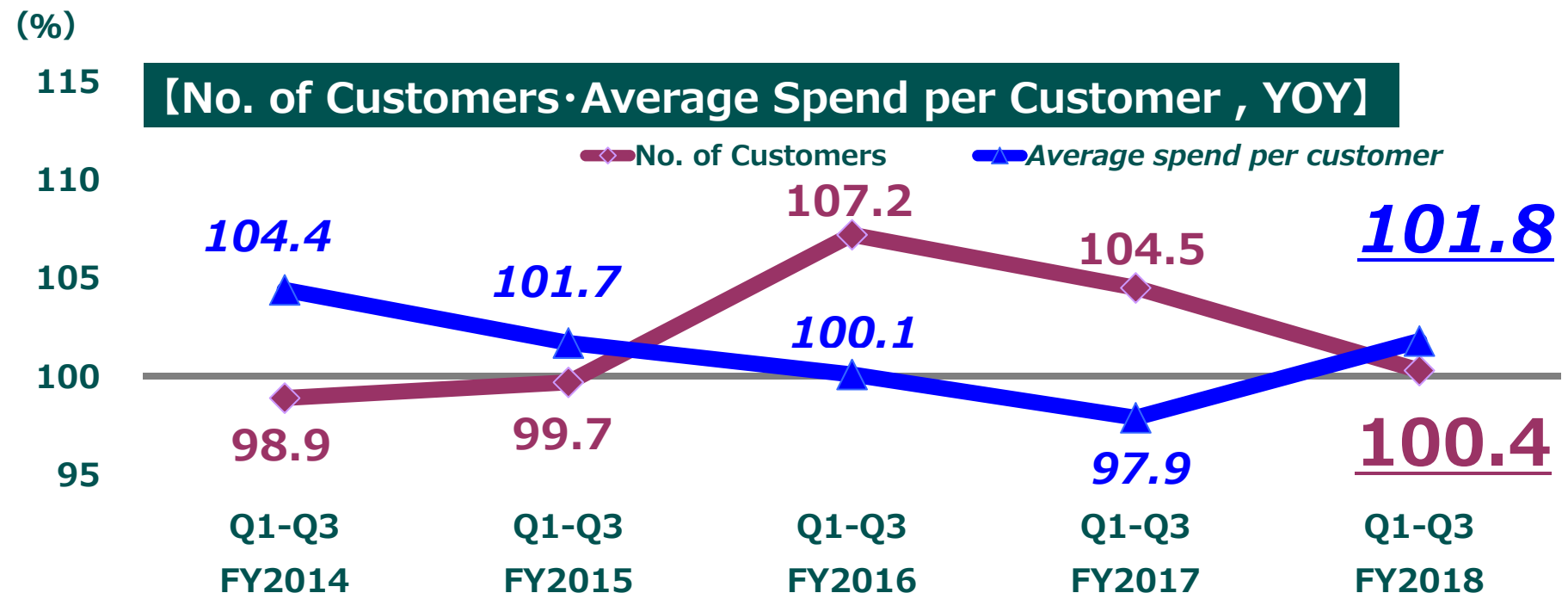
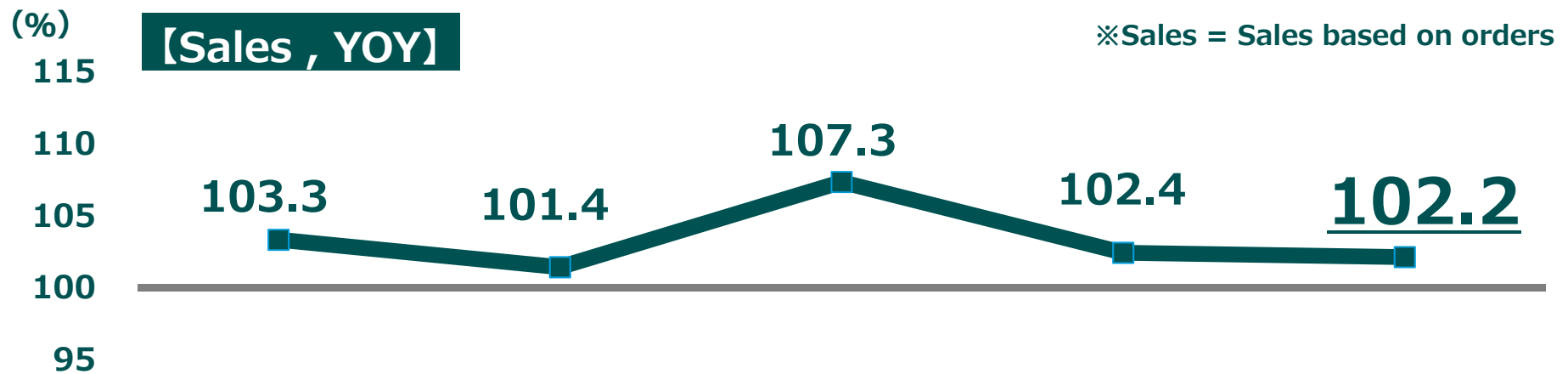
Consolidated Balance Sheets



(Billions of Yen)

	20 Nov 2018	20 Feb 2018	Change	Major factors on changes
Current assets	191.9	164.0	27.9	
(Cash and deposits)	80.2	63.3	16.9	
(Inventory)	56.0	52.7	3.2	
Non-Current assets	399.8	386.4	13.3	
(Property, plant and equipment)	300.5	291.3	9.1	
(Investments and other assets)	17.5	13.8	3.6	
Total assets	591.8	550.5	41.3	
Current liabilities	83.0	83.4	(0.4)	
(Accounts payable - trade)	19.2	19.6	(0.3)	
(Short-term loans payable)	2.6	2.0	0.6	
Non-Current liabilities	23.7	25.4	(1.6)	
(Long-term loans payable)	6.0	8.0	(1.9)	
Total liabilities	106.7	108.8	(2.0)	
Total net assets	485.0	441.6	43.4	Net income +52.0
Total liabilities and net assets	591.8	550.5	41.3	

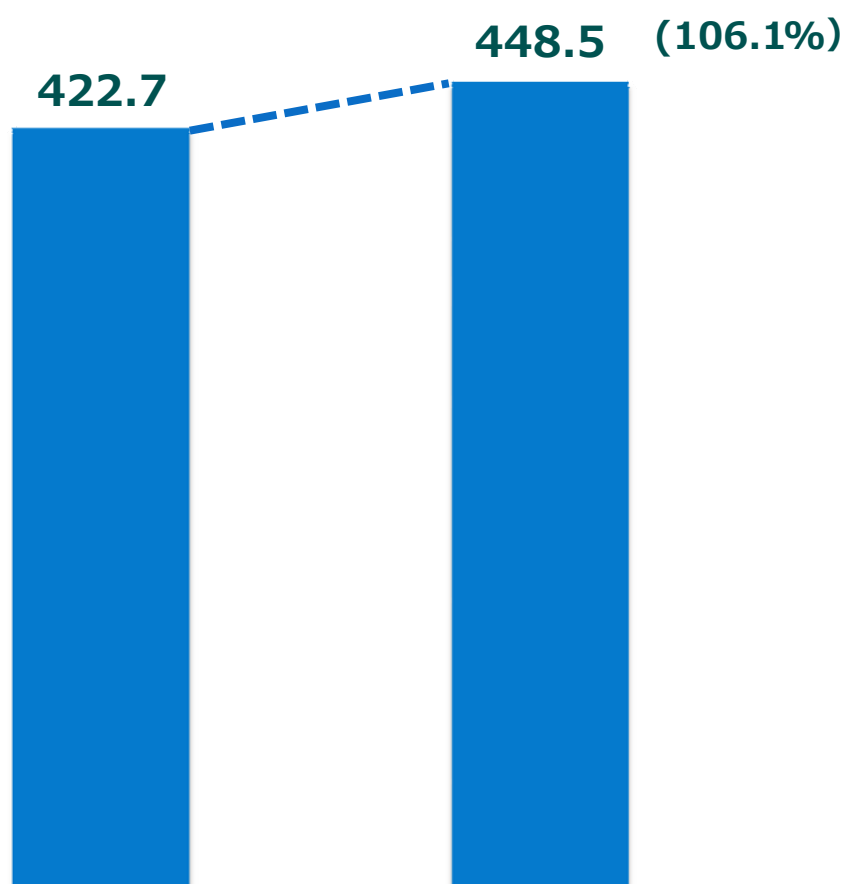
Trend in YOY changes in comparable stores 【Q1-Q3】



Consolidated Sales



■ Net sales (Billions of Yen)



Q1-Q3 FY2017 Q1-Q3 FY2018

【Net sales】	Amount	YOY
Store sales(Global)	¥402.4bil.	104.9%
E-commerce	¥28.2bil.	128.2%
B to B	¥3.4bil.	121.2%
Renovation sales	¥3.8bil.	92.7%
Rent income	¥5.4bil.	104.8%
Others	¥5.0bil.	107.9%
Total	¥448.5bil.	106.1%

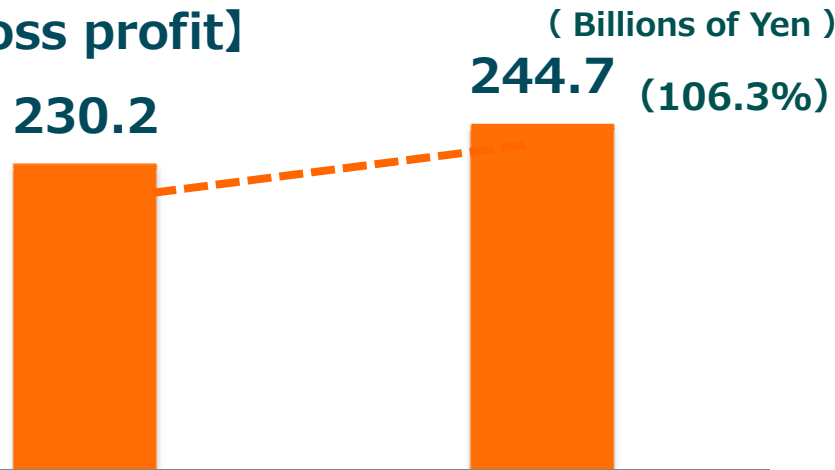
Sales comp. by region

Hokkaido	4.6%	(0.1)pt	Chugoku & Shikoku	7.4%	+0.0pt
Tohoku	5.5%	(0.1)pt	Kyusyu & Okinawa	8.4%	(0.2)pt
Kanto	30.7%	(0.6)pt	EC	6.3%	+1.1pt
Hokuriku & Koshinetsu	5.3%	(0.1)pt	B to B & Renovation	1.7%	(0.0)pt
Chubu & Tokai	10.1%	(0.0)pt	Overseas	2.8%	+0.3pt
Kinki	14.9%	(0.3)pt	Others	2.3%	+0.0pt

Gross profit · SG&A expenses



【Gross profit】



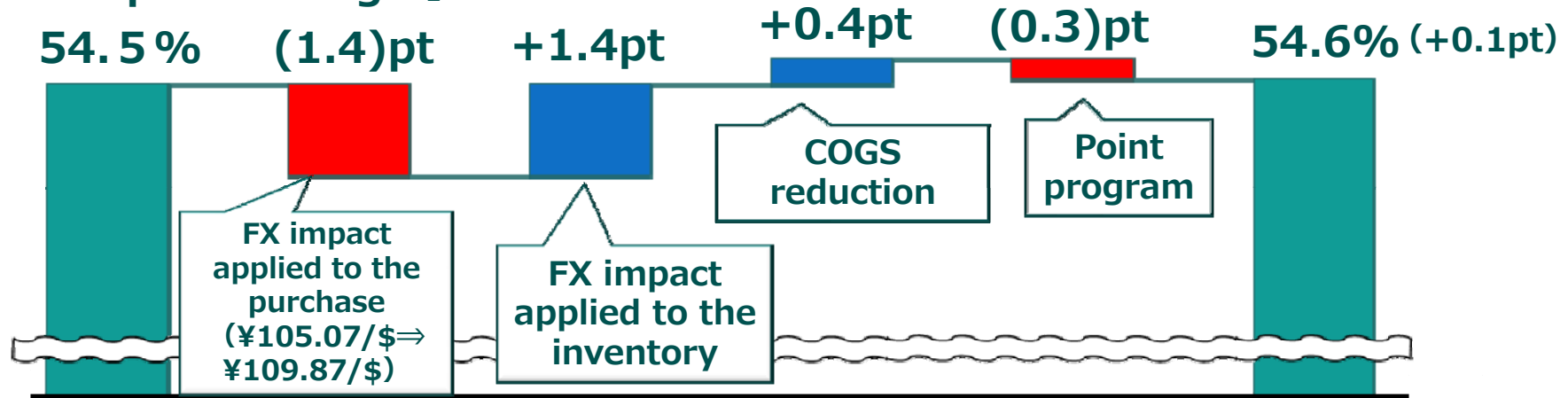
Q1-Q3 FY2017

Q1-Q3 FY2018

【SG&A】	Amount	YOY	Ratio to sales	Change
Personnel	¥50.2bil.	107.6%	11.2%	+0.2pt
Rents	¥27.0bil.	109.4%	6.0%	+0.2pt
Delivery charge	¥19.6bil.	98.7%	4.4%	(0.3)pt
Outsourcing	¥12.1bil.	120.3%	2.7%	+0.3pt
Advertising	¥12.2bil.	104.2%	2.7%	(0.1)pt
Store fixtures expense	¥1.6bil.	25.4%	0.4%	(1.1)pt

Depreciation	¥8.9bil.
Capital investment	¥24.9bil.

【Gross profit margin】



Q1-Q3 FY2017

Q1-Q3 FY2018

No. of stores as of 20 Nov 2018



**5 6 3
Stores
(+40)**

4 0 9
(+13)

3 0
(+3)

1 2
(+3)

AKI-HOME
5
(±0)

7 4
(+12)

3 3
(+9)

Prefecture	No. of stores	Prefecture	No. of stores	Prefecture	No. of stores
Hokkaido	21	Yamanashi	3	Shimane	2
Hokkaido	21	Ishikawa	5	Hiroshima	13 (+1)
Aomori	6	Toyama	4	Yamaguchi	6
Akita	5	Fukui	3 (+1)	Kagawa	4
Iwate	3	Hokuriku & Koshinetsu	33 (+2)	Tokushima	2
Yamagata	5	Shizuoka	14 (+1)	Kochi	3
Miyagi	7	Aichi	26	Ehime	6
Fukushima	6 (+1)	Mie	8 (+1)	Chugoku & Shikoku	45 (+2)
Tohoku	32 (+1)	Gifu	10 (±0)	Fukuoka	21 (+2)
Tokyo	49 (+3)	Chubu & Tokai	58 (+2)	Oita	5
Kanagawa	28 (+2)	Osaka	33 (+2)	Miyazaki	3
Saitama	31 (+1)	Kyoto	12	Saga	4 (+1)
Chiba	24 (+1)	Nara	6 (+1)	Nagasaki	4 (+1)
Gunma	6	Hyogo	29 (+6)	Kumamoto	7 (+1)
Tochigi	8	Shiga	7	Kagoshima	7
Ibaraki	13	Wakayama	5	Okinawa	4
Kanto	159 (+7)	Kinki	92 (+9)	Kyushu & Okinawa	55 (+5)
Niigata	8	Tottori	2	Japan	4 9 5 (+28)
Nagano	10 (+1)	Okayama	7 (+1)		

Major indicators of management efficiency (1)



Scope	Number	Indicator	unit	Target		2018.11	2017.11	2016.11	2015.11	2014.11
Group (nine months)	1	Return on assets	%	Over 11.25%	○	13.9	14.0	16.2	13.6	15.0
	2	Total asset turnover	Times	Over 1.5	×	0.79	0.83	0.86	0.80	0.87
	3	Ordinary income margin	%	Over 10%	○	17.8	16.9	18.8	16.9	17.3
	4	Earnings per share	¥	Over ¥75	○	464.1	458.6	429.6	317.5	289.2
	5	Return on equity	%	Over 11.25%	×	11.24	12.4	13.6	10.9	11.6
	6	Equity ratio	%	Over 60%	○	81.9	81.2	80.3	77.9	76.5
	7	Interest coverage	Times	Over 20	○	1,037	1,676	1,689	918	750
	8	Sales growth rate	%	Over 10%	×	6.1	11.5	13.2	7.8	9.5
	9	Ordinary income growth rate	%	Over 10%	○	11.4	0.5	26.1	5.2	14.7
	10	Ratio of gross profit to sales	%	Over 48%	○	54.6	54.5	54.7	52.8	52.2
	11	Ratio of break-even point to sales	%	Under 80%	○	63.9	65.4	61.8	64.2	63.1

Major indicators of management efficiency (2)



Scope	Number	Indicator	unit	Target		2018.11	2017.11	2016.11	2015.11	2014.11
Sale of furniture and home furnishing	12	Sales per tsubo	K	Over ¥950K	○	1,024	1,011	980	922	918
	13	Stock turnover	Times	Over 9	×	5.5	5.9	5.8	5.4	5.7
	14	Operating assets turnover	Times	Over 2.9	○	3.6	3.9	3.9	3.9	4.1
	15	Ratio of profit distribution	%	Over 20%	○	32.4	30.9	34.1	31.0	32.3
	16	Ratio of real estate cost to gross profit	%	Under 25%	○	21.6	21.9	20.5	22.1	22.0
	17	Ratio of sales promotion cost to gross profit	%	Under 6%	×	6.2	6.0	5.9	6.2	6.2
	18	Labor productivity	M	Over ¥10M	○	19.05	18.36	19.29	18.03	18.55
	19	Sales floor per labor	Tsubo	Over 60	×	34.7	34.2	37.0	38.3	39.8
	20	Operating income per tsubo	K	Over ¥150K	○	166	155	167	135	139
	21	Stock per tsubo	K	Under ¥90K	○	84	78	77	81	77
	22	Average age of labor		30~35	○	33.2	33.1	33.2	33.0	32.6
	Results (○won/×lost)						○16×6	○17×5	○19×3	○13×9

TOPICS



N-CLICK

従来のカラーボックス



Nクリックなら組立て時間が
大幅に短縮!



*組立て時間は、おおよその目安であり、多少の個人差があります。

N-CLICK
3分



従来品
15分

“N-CLICK”

- It's not only easy to assemble, but also it gives you solidity.

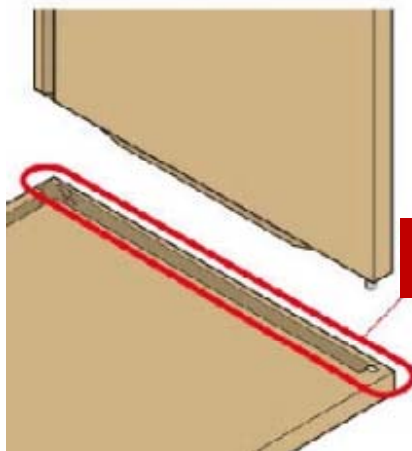
- No screw holes on site.

N-CLICK

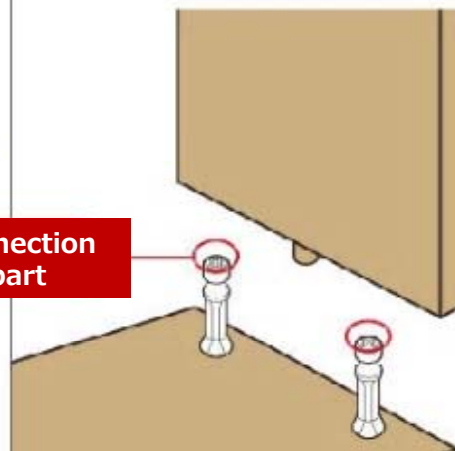
従来品

Storage box

Chest



Connection part



Product Development



Focused on 「Comfort」「Material」
「Design」
“NITORI STUDIO SOFA”



- Selectable seat height and hardness won the support from customer.

Make fiber from recycled plastic bottles
“N eco”

再生
×
カーペット・ラグ

普段は捨てられているペットボトルを、
加工し、繊維に変えることで
カーペットやラグに作り換えました。

500mlのペットボトル約100本で
6帖分のカーペットを再生でき、
約9kgのCO2が削減できます。

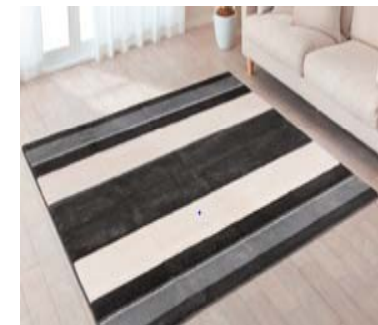
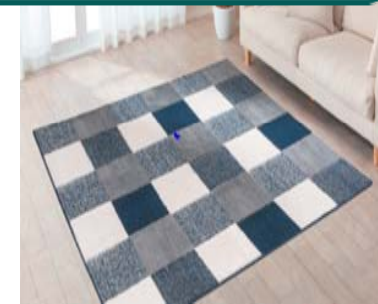
再生 × カーペット・ラグ = ECO
ニトリの地球に優しい考え方です。



環境にやさしい、ニトリの独自基準

※一部商品には、
このマークが付いています。

※写真はイメージです。 140204



- Recycle plastic bottles into fiber to make carpet and rugs.

N-CLICK BOX



Assemble without screws and reduced grate amount of assembly time.

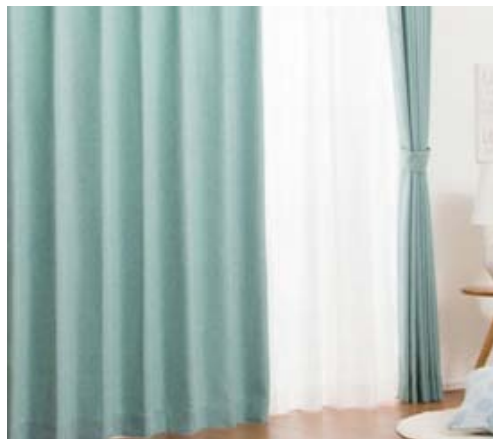
Light weight clay pot UKIGUMO



20% Lighter than existing models.

Solid by using more heat resistant ceramic.

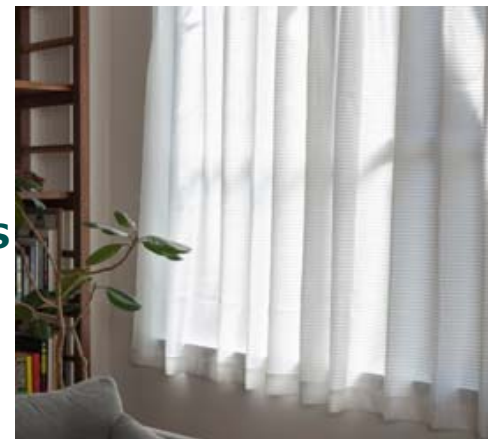
Curtain CATCH CLEAN



Catches double amount of pollen and dust.

Even after 100 times washing, it keeps its effectiveness.

Lace Curtain ECO NATURE



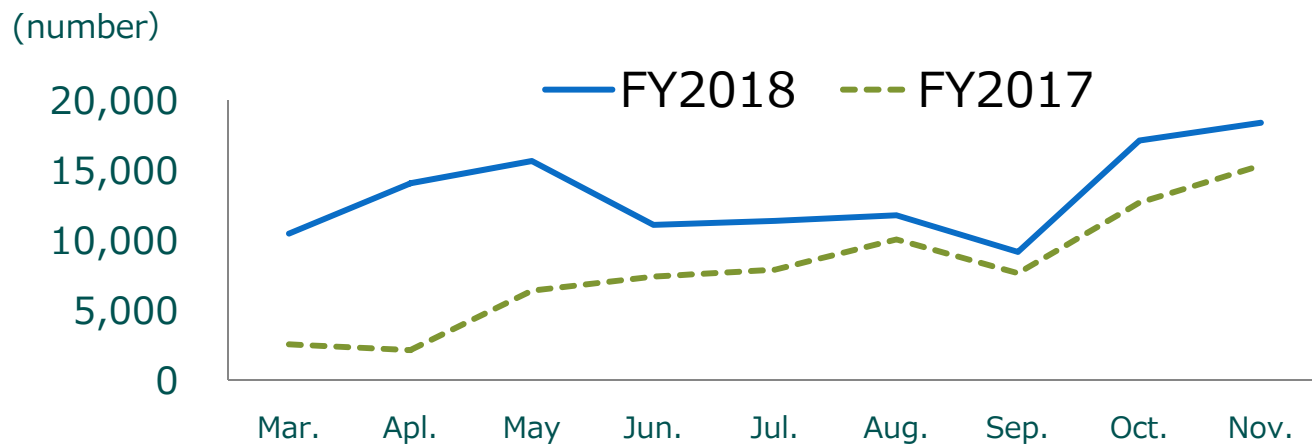
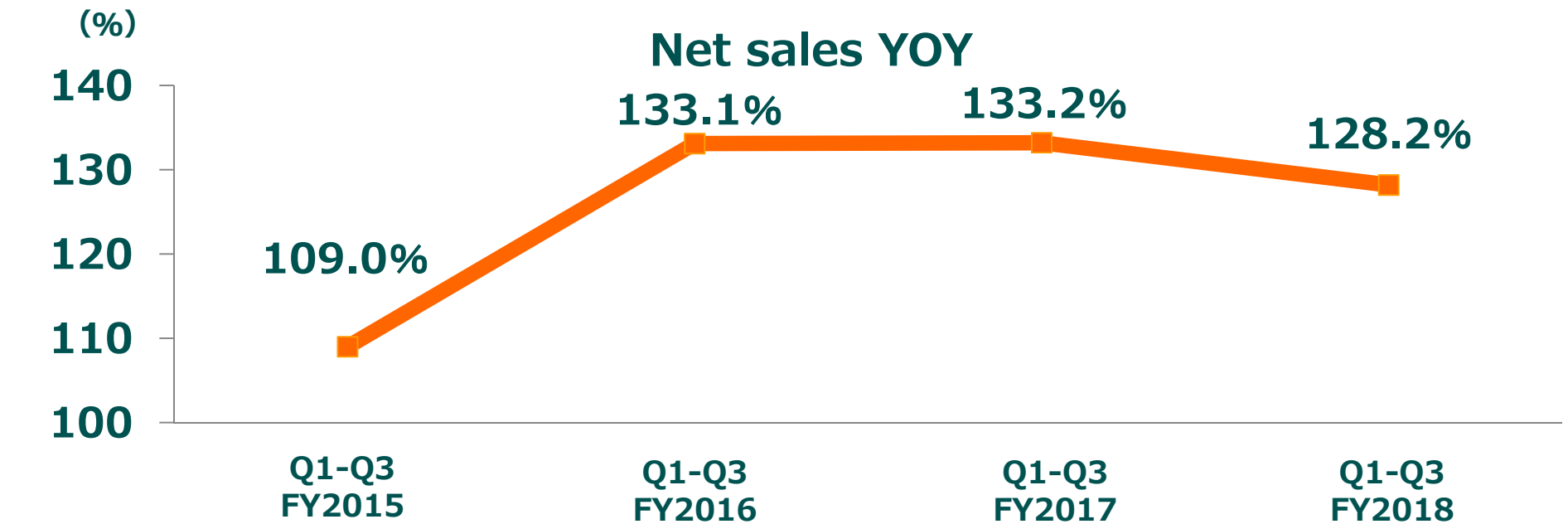
Lace curtain with all the effect of
「Cut Heat」
「Cut UV」
「Privacy」
「Light transparent」

Season Coordinate project



- Coordinate Proposal by combination 「DAY Value」
- Win customer support by combination Vintage and 「N warm」series.

E-Commerce



Order by
Internet, pick
up at stores

165%
Compare to prior period

NITORI BUSINESS Open Shibuya show room



Christmas special event



Shibuya store





Awarded “The Minister Award” 2 times in a row



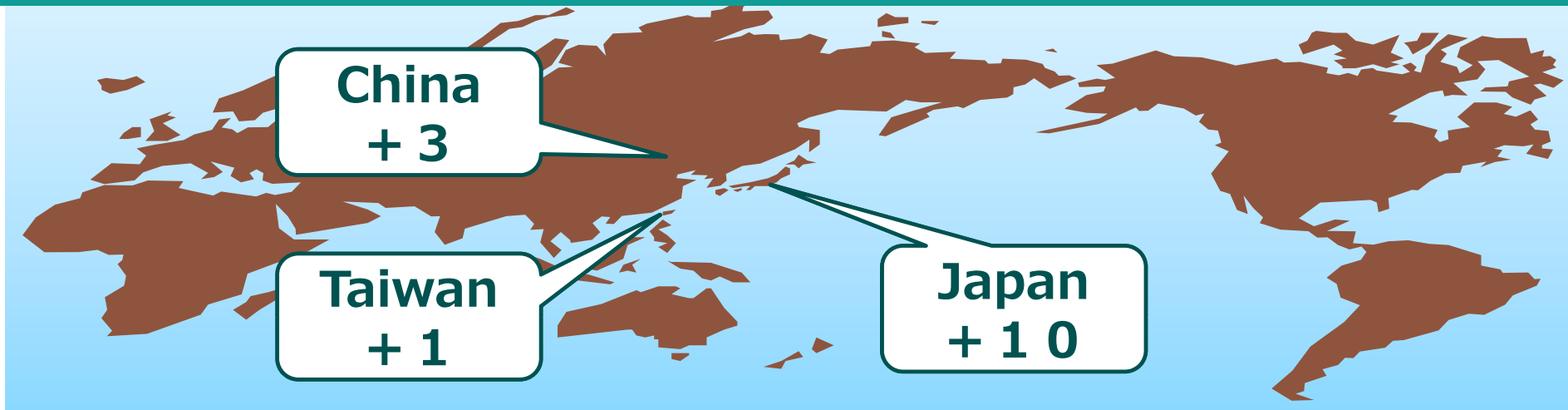


**Stipulation of NITORI
knowledge and transfer frame
work to overseas from China.**

Store roll-out plan in FY 2018



Store						合計
		デコホーム ニトリ	ニトリ 宜得利家居 台湾	AKI-HOME 米国	NITORI 家具 & 家居 中国	
End of Q3	4 2 1	7 4	3 0	5	3 3	5 6 3
Q4 Net increase	+ 6	+ 4	+ 1	(1)	+ 3	+ 1 3
End of FY2018	4 2 7	7 8	3 1	4	3 6	5 7 6



Plan in FY 2018



(Billions of yen)

	FY2018 Plan		FY2017		Change	
	(to sales)		(to sales)		(YOY)	
Net sales	614.0	–	572.0	–	42.0	107.3%
Gross profit	330.0	53.7%	314.7	55.0%	15.3	104.8%
SG&A expenses	231.0	37.6%	221.4	38.7%	9.6	104.3%
Operating income	99.0	16.1%	93.3	16.3%	5.7	106.0%
Ordinary income	100.0	16.3%	94.8	16.6%	5.2	105.4%
Profit attributable to owners of parent	68.0	11.1%	64.2	11.2%	3.8	105.9%

No change of plan



【見通しに関する注意事項】

本資料では、当社および関係会社の将来についての計画や戦略、業績に関する予想および見通しの記述が含まれています。これらの記述は過去の事実ではなく、当社が現時点で把握可能な情報から判断した仮定および所信に基づく見込みです。また、経済動向や個人消費、市場需要、税制や諸制度などに関わるリスクや不確実性を含んでいます。それゆえ実際の業績は当社の見込みとは異なる可能性のあることをご承知おきください。

本資料には監査を受けていない参考数値が含まれており、金額は億円未満切捨て、それ以外を四捨五入で表示しております。