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## Consolidated Financial Results for the Six Months Ended August 20, 2017 [Japanese GAAP]

September 27, 2017

Company name: Nitori Holdings Co., Ltd.  
 Stock exchange listing: Tokyo, Sapporo  
 Code number: 9843  
 URL: <http://www.nitorihd.co.jp/>  
 Representative: Toshiyuki Shirai President and Chief Operating Officer  
 Contact: Fumiki Takeda General Manager, Accounting and Finance Division  
 Phone: 03-6741-1204  
 Scheduled date of filing quarterly securities report: October 02, 2017  
 Scheduled date of commencing dividend payments: October 24, 2017  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Six Months Ended August 20, 2017 (February 21, 2017 to August 20, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended August 20, 2017	283,947	11.5	48,142	(2.1)	48,640	(2.4)	35,033	6.7
August 20, 2016	254,763	14.7	49,170	34.0	49,845	32.0	32,828	43.3

(Note) Comprehensive income: Six months ended August 20, 2017: ¥ 29,760 million [ 125.5%]  
 Six months ended August 20, 2016: ¥ 13,199 million [ (46.8)%]

	Net income per share	Diluted net income per share
Six months ended August 20, 2017	Yen 313.69	Yen 311.99
August 20, 2016	296.45	293.72

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of August 20, 2017	Million yen 511,486	Million yen 421,691	82.3%
February 20, 2017	487,814	394,778	80.7

(Reference) Equity: As of August 20, 2017: ¥ 420,888 million  
 As of February 20, 2017: ¥ 393,693 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, 2017	-	35.00	-	47.00	82.00
Fiscal year ending February 20, 2018	-	45.00			
Fiscal year ending February 20, 2018 (Forecast)			-	47.00	92.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2018 (February 21, 2017 to February 20, 2018) (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	568,000	10.7	99,000	15.4	100,000	14.2	68,500	14.2	612.51

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

### \* Notes:

(1) Changes in significant subsidiaries during the six months ended August 20, 2017

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New - (Company name: - )  
Exclusion: 1 (Company name: Shanghai Liqiao Industrial Co., Ltd. )

(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, 2017: 114,443,496 shares

February 20, 2017: 114,443,496 shares

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

August 20, 2017: 2,607,938 shares

February 20, 2017: 2,931,758 shares

3) Average number of shares during the period:

Six months ended August 20, 2017: 111,684,026 shares

Six months ended August 20, 2016: 110,740,707 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 20,2017	As of August 20,2017
<b>Assets</b>		
Current assets		
Cash and deposits	70,560	58,387
Notes and accounts receivable - trade	18,486	20,542
Merchandise and finished goods	46,520	39,772
Work in process	92	176
Raw materials and supplies	2,354	2,061
Deferred tax assets	1,001	2,572
Forward exchange contracts	15,002	7,644
Other	16,174	22,466
Allowance for doubtful accounts	(9)	-
Total current assets	170,182	153,624
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	103,763	103,068
Land	126,923	142,973
Other, net	17,408	18,512
Total property, plant and equipment	248,094	264,554
Intangible assets	13,732	14,123
Investments and other assets		
Investment securities	3,531	26,757
Long-term loans receivable	856	829
Guarantee deposits	15,720	15,138
Lease deposits	20,515	21,248
Deferred tax assets	2,952	3,576
Other	12,239	11,633
Allowance for doubtful accounts	(9)	(0)
Total investments and other assets	55,804	79,183
Total non-current assets	317,631	357,861
Total assets	487,814	511,486
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,001	15,600
Short-term loans payable	625	-
Lease obligations	187	187
Accounts payable - other	19,291	14,918
Income taxes payable	15,630	17,955
Deferred tax liabilities	564	-
Provision for bonuses	3,751	2,845
Provision for point card certificates	1,301	2,303
Provision for special benefits to shareholders	214	140
Asset retirement obligations	44	-
Other	18,112	18,586
Total current liabilities	75,724	72,536

(Million yen)

	As of February 20,2017	As of August 20,2017
<b>Non-current liabilities</b>		
Lease obligations	2,330	2,236
Deferred tax liabilities	3	4
Provision for directors' retirement benefits	228	228
Net defined benefit liability	2,634	2,501
Asset retirement obligations	4,565	4,796
Other	7,548	7,490
Total non-current liabilities	17,310	17,258
<b>Total liabilities</b>	<b>93,035</b>	<b>89,795</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	13,370	13,370
Capital surplus	16,306	17,856
Retained earnings	361,103	390,897
Treasury stock	(10,188)	(9,064)
Total shareholders' equity	380,592	413,060
<b>Accumulated other comprehensive income</b>		
Unrealized holding gain (loss) on securities	884	842
Unrealized gain (loss) from hedging instruments	10,369	5,285
Foreign currency translation adjustment	2,243	1,983
Remeasurements of defined benefit plans	(396)	(283)
Total accumulated other comprehensive income	13,100	7,828
Subscription rights to shares	940	803
Non-controlling interests	144	-
<b>Total net assets</b>	<b>394,778</b>	<b>421,691</b>
<b>Total liabilities and net assets</b>	<b>487,814</b>	<b>511,486</b>

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 20,2016	For the six months ended August 20,2017
Net sales	254,763	283,947
Cost of sales	115,229	131,061
Gross profit	139,534	152,885
Selling, general and administrative expenses	90,363	104,743
Operating income	49,170	48,142
Non-operating income		
Interest income	193	212
Dividends income	26	27
Vending machine Income	117	120
Gain on sales of goods	147	165
Construction revenue from tenants	147	-
Facility use revenue	148	-
Other	141	224
Total non-operating income	922	749
Non-operating expenses		
Interest expenses	33	24
Foreign exchange losses	187	195
Share of loss of entities accounted for using equity method	-	7
Other	25	23
Total non-operating expenses	246	251
Ordinary income	49,845	48,640
Special gains		
Gain on sales of non-current assets	649	8
Subsidy income	80	-
Gain on reversal of subscription rights to shares	10	45
Gain on sales of shares of subsidiaries and associates	-	3,819
Other	-	21
Total special gains	739	3,895
Special losses		
Loss on sales and disposal of non-current assets	11	61
Penalty for the scrap and build of outlets	9	0
Impairment loss	-	436
Special retirement expenses	38	355
Cancellation penalty	107	-
Other	3	-
Total special losses	170	854
Income before income taxes	50,414	51,681
Income taxes	17,561	16,647
Net income	32,853	35,033
Net income attributable to non-controlling interests	24	-
Net income attributable to owners of parent	32,828	35,033

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

(Million yen)

	For the six months ended August 20,2016	For the six months ended August 20,2017
Net income	32,853	35,033
Other comprehensive income		
Unrealized holding gain (loss) on securities	101	(41)
Unrealized gain (loss) from hedging instruments	(16,173)	(5,084)
Foreign currency translation adjustment	(3,594)	(259)
Remeasurements of defined benefit plans, net of tax	13	112
Total other comprehensive income	(19,653)	(5,272)
Comprehensive income	13,199	29,760
Total comprehensive income attributable to:		
Owners of parent	13,175	29,760
Non-controlling interests	24	-