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Consolidated Financial Results for the Nine Months Ended November 20, 2018 [Japanese GAAP]

December 27, 2018

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: Fumiki Takeda General Manager, Accounting and Finance Division
 Phone: 03-6741-1204
 Scheduled date of filing quarterly securities report: December 28, 2018
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Nine Months Ended November 20, 2018 (February 21, 2018 to November 20, 2018)

(1) Consolidated Operating Results (Cumulative) (% 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	%
Nine months ended November 20, 2018	448,536	6.1	78,033	10.8	79,655	11.4	52,023	1.5
Nine months ended November 20, 2017	422,712	11.5	70,425	0.3	71,500	0.5	51,245	7.7

(Note) Comprehensive income: Nine months ended November 20, 2018: ¥ 51,821 million [14.6%]
 Nine months ended November 20, 2017: ¥ 45,218 million [(1.9)%]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
November 20, 2018	464.06	462.42
November 20, 2017	458.60	456.23

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
November 20, 2018	591,846	485,083	81.9
February 20, 2018	550,507	441,668	80.1

(Reference) Equity: As of November 20, 2018: ¥ 484,577 million
 As of February 20, 2018: ¥ 440,991 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, 2018	-	45.00	-	47.00	92.00
Fiscal year ending February 20, 2019	-	47.00	-		
Fiscal year ending February 20, 2019 (Forecast)				50.00	97.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2019 (February 21, 2018 to February 20, 2019)

(% 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	614,000	7.3	99,000	6.0	100,000	5.4	68,000	5.9	606.13

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended November 20, 2018

(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: 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):

November 20, 2018: 114,443,496 shares

February 20, 2018: 114,443,496 shares

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

November 20, 2018: 2,255,818 shares

February 20, 2018: 2,485,358 shares

3) Average number of shares during the period:

Nine months ended November 20, 2018: 112,105,065 shares

Nine months ended November 20, 2017: 111,743,070 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 20,2018	As of November 20,2018
Assets		
Current assets		
Cash and deposits	63,339	80,285
Notes and accounts receivable - trade	22,458	30,191
Merchandise and finished goods	49,690	53,284
Work in process	56	107
Raw materials and supplies	2,985	2,623
Deferred tax assets	5,309	4,787
Other	20,191	20,707
Total current assets	164,031	191,988
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	107,258	113,806
Land	167,153	170,859
Other, net	16,903	15,834
Total property, plant and equipment	291,315	300,500
Intangible assets	13,887	17,526
Investments and other assets		
Investment securities	26,472	26,532
Long-term loans receivable	804	791
Guarantee deposits	14,813	14,130
Lease deposits	21,880	22,950
Deferred tax assets	5,447	5,696
Other	11,854	11,729
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	81,273	81,830
Total non-current assets	386,476	399,857
Total assets	550,507	591,846
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,607	19,279
Short-term loans payable	2,000	2,656
Lease obligations	187	187
Accounts payable - other	18,323	18,235
Income taxes payable	17,399	12,531
Provision for bonuses	3,395	5,546
Provision for point card certificates	1,625	3,226
Provision for special benefits to shareholders	290	125
Asset retirement obligations	4	55
Other	20,592	21,171
Total current liabilities	83,425	83,014

(Million yen)

	As of February 20,2018	As of November 20,2018
Non-current liabilities		
Long-term loans payable	8,000	6,030
Lease obligations	2,143	2,003
Deferred tax liabilities	4	0
Provision for directors' retirement benefits	228	228
Net defined benefit liability	2,713	2,924
Asset retirement obligations	4,950	5,205
Other	7,373	7,354
Total non-current liabilities	25,413	23,747
Total liabilities	108,839	106,762
Net assets		
Shareholders' equity		
Common stock	13,370	13,370
Capital surplus	18,232	19,795
Retained earnings	415,108	456,539
Treasury stock	(8,640)	(7,845)
Total shareholders' equity	438,072	481,860
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	796	1,101
Unrealized gain (loss) from hedging instruments	(704)	-
Foreign currency translation adjustment	3,105	1,755
Remeasurements of defined benefit plans	(279)	(139)
Total accumulated other comprehensive income	2,918	2,716
Subscription rights to shares	677	505
Total net assets	441,668	485,083
Total liabilities and net assets	550,507	591,846

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

(Million yen)

	For the nine months ended November 20,2017	For the nine months ended November 20,2018
Net sales	422,712	448,536
Cost of sales	192,430	203,749
Gross profit	230,281	244,787
Selling, general and administrative expenses	159,856	166,754
Operating income	70,425	78,033
Non-operating income		
Interest income	303	367
Dividend income	27	28
Equity in net income of affiliates	-	276
Foreign exchange gains	-	140
Vending machine income	188	184
Gain on sales of goods	251	281
Other	564	596
Total non-operating income	1,334	1,874
Non-operating expenses		
Interest expenses	42	75
Equity in losses of affiliates	0	-
Foreign exchange losses	186	-
Other	31	176
Total non-operating expenses	260	252
Ordinary income	71,500	79,655
Special gains		
Gain on sales of non-current assets	8	7
Gain on reversal of subscription rights to shares	48	9
Gain on sales of shares of subsidiaries and associates	3,827	-
Penalty income	-	16
Settlement received	-	24
Other	28	-
Total special gains	3,914	57
Special losses		
Loss on disaster	-	674
Provision for loss on disaster	-	431
Loss on change in equity	42	269
Loss on sales and disposal of non-current assets	106	22
Penalty for the scrap and build of outlets	37	321
Impairment loss	453	481
Special retirement expenses	354	-
Other	46	24
Total special losses	1,043	2,225
Income before income taxes	74,371	77,487
Income taxes	23,126	25,464
Net income	51,245	52,023
Net income attributable to owners of parent	51,245	52,023

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

(Million yen)

	For the nine months ended November 20,2017	For the nine months ended November 20,2018
Net income	51,245	52,023
Other comprehensive income		
Unrealized holding gain (loss) on securities	(78)	304
Unrealized gain (loss) from hedging instruments	(6,427)	704
Foreign currency translation adjustment	359	(1,350)
Remeasurements of defined benefit plans, net of tax	120	139
Total other comprehensive income	(6,026)	(201)
Comprehensive income	45,218	51,821
Total comprehensive income attributable to		
Owners of parent	45,218	51,821