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## Consolidated Financial Results for the Year Ended February 20, 2019 [Japanese GAAP]

April 08, 2019

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 Annual General Meeting of Shareholders: May 16, 2019  
 Scheduled date of commencing dividend payments: April 25, 2019  
 Scheduled date of filing annual securities report: May 17, 2019  
 Availability of supplementary briefing material on annual financial results: Yes  
 Holding of annual 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 Fiscal Year Ended February 20, 2019 (February 21, 2018 to February 20, 2019)

#### (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	%
Fiscal year ended February 20, 2019	608,131	6.3	100,779	7.9	103,053	8.6	68,180	6.2
February 20, 2018	572,060	11.5	93,378	8.9	94,860	8.3	64,219	7.0

(Note) Comprehensive income: Fiscal year ended February 20, 2019: ¥ 66,742 million [ 23.5%]  
 Fiscal year ended February 20, 2018: ¥ 54,037 million [ (19.0)%]

	Net income per share	Diluted net income per share	Rate of return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
Fiscal year ended February 20, 2019	Yen 608.05	Yen 606.03	% 14.5	% 17.6	% 16.6
February 20, 2018	574.49	571.63	15.4	18.3	16.3

(Reference) Equity in net income of affiliates: Fiscal year ended February 20, 2019: ¥ 511 million  
 Fiscal year ended February 20, 2018: ¥ 37 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of February 20, 2019	Million yen 619,286	Million yen 500,192	% 80.7	Yen 4,452.99
February 20, 2018	550,507	441,668	80.1	3,938.89

(Reference) Equity: As of February 20, 2019: ¥ 499,721 million  
 As of February 20, 2018: ¥ 440,991 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended February 20, 2019	Million yen 81,664	Million yen (30,424)	Million yen (11,340)	Million yen 100,053
February 20, 2018	76,840	(82,751)	655	60,923

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
February 20, 2018	-	45.00	-	47.00	92.00	10,309	16.0	2.5
February 20, 2019	-	47.00	-	50.00	97.00	10,892	16.0	2.3
Fiscal year ending February 20, 2020 (Forecast)	-	54.00	-	54.00	108.00		17.0	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2020 (February 21, 2019 to February 20, 2020)

(% 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
Six months ended August 20, 2019	323,200	7.1	53,100	(5.0)	54,300	(4.3)	36,200	(4.6)	322.58
Full year	643,000	5.7	104,000	3.2	106,000	2.9	71,500	4.9	637.13

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: - )  
 Exclusion: - (Company name: - )

(2) 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

(3) Total number of issued shares (common shares)

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

February 20, 2019: 114,443,496 shares  
 February 20, 2018: 114,443,496 shares

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

February 20, 2019: 2,221,818 shares  
 February 20, 2018: 2,485,358 shares

3) Average number of shares during the period:

Fiscal Year ended February 20, 2019: 112,128,785 shares  
 Fiscal Year ended February 20, 2018: 111,785,304 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 20, 2019 (February 21, 2018 to February 20, 2019)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 20, 2019	87,071	(2.8)	57,370	(6.5)	65,032	(3.9)	56,788	(12.2)
February 20, 2018	89,556	26.2	61,335	46.8	67,643	33.4	64,696	40.3

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
February 20, 2019	505.98	504.30
February 20, 2018	577.85	574.98

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
February 20, 2019	441,827	416,955	94.3	3,708.07
February 20, 2018	396,386	369,490	93.0	3,289.38

(Reference) Equity: As of February 20, 2019: ¥ 416,484 million  
As of February 20, 2018: ¥ 368,813 million

\* Financial results reports are not subjected to 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 of the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of February 20,2018	As of February 20,2019
<b>Assets</b>		
Current assets		
Cash and deposits	63,339	102,345
Notes and accounts receivable - trade	22,458	24,818
Merchandise and finished goods	49,690	59,184
Work in process	56	153
Raw materials and supplies	2,985	3,570
Deferred tax assets	5,309	5,518
Other	20,191	20,969
Total current assets	164,031	216,561
Non-current assets		
Property, plant and equipment		
Buildings and structures	192,364	210,723
Accumulated depreciation	(85,105)	(94,855)
Buildings and structures, net	107,258	115,868
Machinery, equipment and vehicles	10,426	12,435
Accumulated depreciation	(6,153)	(8,746)
Machinery, equipment and vehicles, net	4,273	3,689
Tools, furniture and fixtures	15,626	17,489
Accumulated depreciation	(9,446)	(9,446)
Tools, furniture and fixtures, net	6,179	8,042
Land	167,153	171,342
Leased assets	3,697	3,697
Accumulated depreciation	(1,366)	(1,554)
Leased assets, net	2,330	2,143
Construction in progress	4,120	955
Total property, plant and equipment	291,315	302,041
Intangible assets		
Software	6,093	7,088
Software in progress	543	4,573
Leasehold right	7,235	7,111
Other	15	83
Total intangible assets	13,887	18,857
Investments and other assets		
Investment securities	26,472	26,103
Long-term loans receivable	804	778
Guarantee deposits	14,813	14,268
Lease deposits	21,880	22,908
Deferred tax assets	5,447	6,386
Other	11,854	11,380
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	81,273	81,826
Total non-current assets	386,476	402,725
Total assets	550,507	619,286

(Million yen)

	As of February 20,2018	As of February 20,2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,607	20,956
Short-term loans payable	2,000	2,639
Lease obligations	187	187
Accounts payable - other	18,323	23,752
Income taxes payable	17,399	19,472
Provision for bonuses	3,395	4,206
Provision for point card certificates	1,625	2,014
Provision for special benefits to shareholders	290	343
Asset retirement obligations	4	-
Other	20,592	21,444
<b>Total current liabilities</b>	<b>83,425</b>	<b>95,016</b>
Non-current liabilities		
Long-term loans payable	8,000	6,028
Lease obligations	2,143	1,956
Provision for directors' retirement benefits	228	228
Net defined benefit liability	2,713	3,202
Asset retirement obligations	4,950	5,365
Other	7,377	7,296
<b>Total non-current liabilities</b>	<b>25,413</b>	<b>24,078</b>
<b>Total liabilities</b>	<b>108,839</b>	<b>119,094</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	13,370	13,370
Capital surplus	18,232	19,841
Retained earnings	415,108	472,755
Treasury stock	(8,640)	(7,727)
<b>Total shareholders' equity</b>	<b>438,072</b>	<b>498,240</b>
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	796	947
Unrealized gain (loss) from hedging instruments	(704)	-
Foreign currency translation adjustment	3,105	901
Remeasurements of defined benefit plans	(279)	(367)
<b>Total accumulated other comprehensive income</b>	<b>2,918</b>	<b>1,481</b>
Subscription rights to shares	677	470
<b>Total net assets</b>	<b>441,668</b>	<b>500,192</b>
<b>Total liabilities and net assets</b>	<b>550,507</b>	<b>619,286</b>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended February 20,2018	For the fiscal year ended February 20,2019
Net sales	572,060	608,131
Cost of sales	257,281	276,709
Gross profit	314,778	331,421
Selling, general and administrative expenses	221,400	230,642
Operating income	93,378	100,779
Non-operating income		
Interest income	451	481
Dividends income	36	37
Foreign exchange gains	-	95
Vending machine income	249	246
Gain on sales of goods	356	390
Construction revenue from tenants	36	-
Equity in net income of affiliates	37	511
Gain on forgiveness of debts	206	-
Other	459	797
Total non-operating income	1,833	2,561
Non-operating expenses		
Interest expenses	69	101
Foreign exchange losses	235	-
Other	47	185
Total non-operating expenses	351	286
Ordinary income	94,860	103,053
Special gains		
Settlement received	-	31
Gain on sales of non-current assets	201	10
Penalty income	36	49
Gain on reversal of subscription rights to shares	49	11
Gain on sales of shares of subsidiaries and associates	3,842	-
Total special gains	4,129	102
Special losses		
Loss on disaster	-	1,268
Loss on change in equity	256	368
Loss on sales and disposal of non-current assets	130	94
Penalty for the scrap and build of outlets	46	255
Impairment loss	5,417	653
Special retirement expenses	354	-
Other	-	24
Total special losses	6,206	2,665
Income before income taxes	92,783	100,490
Income taxes - current	30,875	33,813
Income taxes - deferred	(2,310)	(1,504)
Total income taxes	28,564	32,309
Net income	64,219	68,180
Net income attributable to owners of parent	64,219	68,180

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 20,2018	For the fiscal year ended February 20,2019
Net income	64,219	68,180
Other comprehensive income		
Unrealized holding gain (loss) on securities	(87)	150
Unrealized gain (loss) from hedging instruments	(11,074)	704
Foreign currency translation adjustment	862	(2,204)
Remeasurements of defined benefit plans, net of tax	116	(88)
Total other comprehensive income	(10,182)	(1,437)
Comprehensive income	54,037	66,742
Total comprehensive income attributable to		
Owners of parent	54,037	66,742

## Consolidated Statements of Changes in Net Assets

For the fiscal year ended February 20,2018

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at February 20,2017	13,370	16,306	361,103	(10,188)	380,592
Changes of items during the year					
Dividends of surplus			(10,273)		(10,273)
Net income attributable to owners of parent			64,219		64,219
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		1,859		1,552	3,412
Change in ownership interest of parent due to transactions with non-controlling interests		66			66
Other			58		58
Net changes in items other than those in shareholders' equity					
Total changes of items during the year	-	1,926	54,004	1,548	57,479
Balance at February 20,2018	13,370	18,232	415,108	(8,640)	438,072

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gain (loss) on securities	Unrealized gain (loss) from hedging instruments	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at February 20,2017	884	10,369	2,243	(396)	13,100	940	144	394,778
Changes of items during the year								
Dividends of surplus								(10,273)
Net income attributable to owners of parent								64,219
Purchase of treasury stock								(3)
Disposal of treasury stock								3,412
Change in ownership interest of parent due to transactions with non-controlling interests								66
Other								58
Net changes in items other than those in shareholders' equity	(87)	(11,074)	862	116	(10,182)	(263)	(144)	(10,590)
Total changes of items during the year	(87)	(11,074)	862	116	(10,182)	(263)	(144)	46,889
Balance at February 20,2018	796	(704)	3,105	(279)	2,918	677	-	441,668



For the fiscal year ended February 20,2019

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at February 20,2018	13,370	18,232	415,108	(8,640)	438,072
Changes of items during the year					
Dividends of surplus			(10,533)		(10,533)
Net income attributable to owners of parent			68,180		68,180
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		1,608		917	2,526
Net changes in items other than those in shareholders' equity					
Total changes of items during the year	-	1,608	57,646	912	60,168
Balance at February 20,2019	13,370	19,841	472,755	(7,727)	498,240

	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
	Unrealized holding gain (loss) on securities	Unrealized gain (loss) from hedging instruments	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at February 20,2018	796	(704)	3,105	(279)	2,918	677	441,668
Changes of items during the year							
Dividends of surplus							(10,533)
Net income attributable to owners of parent							68,180
Purchase of treasury stock							(4)
Disposal of treasury stock							2,526
Net changes in items other than those in shareholders' equity	150	704	(2,204)	(88)	(1,437)	(206)	(1,644)
Total changes of items during the year	150	704	(2,204)	(88)	(1,437)	(206)	58,524
Balance at February 20,2019	947	-	901	(367)	1,481	470	500,192

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 20,2018	For the fiscal year ended February 20,2019
<b>Cash flows from operating activities</b>		
Income before income taxes	92,783	100,490
Depreciation and amortization	13,030	14,218
Impairment loss	5,417	622
Increase (decrease) in allowance for doubtful accounts	(19)	(0)
Increase (decrease) in provision for bonuses	(355)	836
Increase (decrease) in net defined benefit liability	202	400
Increase (decrease) in provision for point card certificates	324	390
Loss (gain) on sales of shares of subsidiaries and associates	(3,842)	-
Interest and dividends income	(487)	(519)
Interest expenses	69	101
Share of loss (profit) of entities accounted for using equity method	(37)	(511)
Penalty for the scrap and build of outlets	46	255
Loss (gain) on sales and disposal of non-current assets	(70)	116
Loss (gain) on change in equity	256	368
Decrease (increase) in notes and accounts receivable - trade	(866)	(2,365)
Decrease (increase) in inventories	(3,743)	(10,014)
Increase (decrease) in notes and accounts payable - trade	2,544	1,061
Increase (decrease) in accrued consumption taxes	(520)	509
Other, net	(4,835)	(3,840)
<b>Subtotal</b>	<b>99,895</b>	<b>102,119</b>
Interest and dividends income received	435	569
Interest expenses paid	(55)	(98)
Payment of penalty for the scrap and build of outlets	(26)	(48)
Income taxes paid	(30,085)	(31,352)
Income taxes refund	6,677	10,474
<b>Net cash provided by operating activities</b>	<b>76,840</b>	<b>81,664</b>

(Million yen)

	For the fiscal year ended February 20,2018	For the fiscal year ended February 20,2019
<b>Cash flows from investing activities</b>		
Payments into time deposits	(6,320)	(1,694)
Proceeds from withdrawal of time deposits	8,372	1,679
Purchase of property, plant and equipment	(60,888)	(22,363)
Proceeds from sales of property, plant and equipment	292	239
Purchase of intangible assets	(3,084)	(5,788)
Purchase of short-term and long-term investment securities	(23,300)	(0)
Proceeds from sales of short-term and long-term investment securities	10	38
Proceeds from sales of stocks of subsidiaries and associates	4,473	-
Payments for guarantee deposits	(655)	(1,590)
Proceeds from collection of guarantee deposits	202	97
Purchase of stocks of subsidiaries and associates	-	(192)
Payments for lease deposits	(1,696)	(1,134)
Proceeds from collection of lease deposits	280	202
Proceeds from guarantee deposits received	-	145
Proceeds from deposits received	193	203
Repayments of deposits received	(138)	(33)
Purchase of long-term prepaid expenses	(361)	(122)
Payments of loans receivable	(170)	(132)
Proceeds from collection of loans receivable	38	35
Other payments	(11)	(15)
Other proceeds	13	-
<b>Net cash used in investing activities</b>	<b>(82,751)</b>	<b>(30,424)</b>
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	-	287
Repayments of long-term loans payable	(625)	(2,003)
Proceeds from long-term loans payable	10,000	-
Repayments of lease obligations	(187)	(187)
Purchase of treasury stock	(3)	(4)
Cash dividends paid	(10,272)	(10,527)
Proceeds from exercise of stock options	1,822	1,094
Other payments	(77)	-
<b>Net cash provided by (used in) financing activities</b>	<b>655</b>	<b>(11,340)</b>
Effect of exchange rate changes on cash and cash equivalents	143	(768)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,111)</b>	<b>39,130</b>
Cash and cash equivalents at beginning of the year	66,035	60,923
<b>Cash and cash equivalents at end of the year</b>	<b>60,923</b>	<b>100,053</b>