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## Consolidated Financial Results for the Year Ended February 20, 2022 [Japanese GAAP]

March 31, 2022

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: Masaomi Zenji General Manager, Accounting and Finance Division  
 Phone: 03-6741-1204  
 Scheduled date of Annual General Meeting of Shareholders: May 19, 2022  
 Scheduled date of commencing dividend payments: April 28, 2022  
 Scheduled date of filing annual securities report: May 20, 2022  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: 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, 2022 (February 21, 2021 to February 20, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 20, 2022	811,581	13.2	138,270	0.4	141,847	2.5	96,724	5.0
February 20, 2021	716,900	11.6	137,687	28.1	138,426	26.4	92,114	29.0

(Note) Comprehensive income: Fiscal year ended February 20, 2022: ¥ 104,995 million [ 15.5%]  
 Fiscal year ended February 20, 2021: ¥ 90,944 million [ 29.1%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended February 20, 2022	Yen 856.71	Yen -	% 14.1	% 14.8	% 17.0
February 20, 2021	817.01	816.66	15.3	17.2	19.2

(Reference) Equity in net income of affiliates: Fiscal year ended February 20, 2022: ¥ 1,435 million  
 Fiscal year ended February 20, 2021: ¥ 566 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of February 20, 2022	Million yen 983,840	Million yen 732,813	% 74.5	Yen 6,489.57
February 20, 2021	930,884	685,392	69.0	5,691.11

(Reference) Equity: As of February 20, 2022: ¥ 732,813 million  
 As of February 20, 2021: ¥ 642,096 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, 2022	Million yen 85,565	Million yen (119,980)	Million yen 17,729	Million yen 127,076
February 20, 2021	150,879	(195,985)	30,309	125,487

## 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, 2021	-	57.00	-	66.00	123.00	13,907	15.1	2.3
February 20, 2022	-	70.00	-	70.00	140.00	15,833	16.3	2.3
Fiscal year ending March 31, 2023 (Forecast)	-	73.00	-	74.00	147.00		16.0	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2023 (February 21, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended August 20, 2022	436,900	5.4	72,700	(6.2)	73,700	(6.8)	50,000	(7.2)	442.78
Full year	963,600	18.7	150,600	8.9	153,000	7.9	104,000	7.5	920.99

### \* 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, 2022: 114,443,496 shares

February 20, 2021: 114,443,496 shares

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

February 20, 2022: 1,521,865 shares

February 20, 2021: 1,619,063 shares

3) Average number of shares during the period:

Fiscal Year ended February 20, 2022: 112,901,484 shares

Fiscal Year ended February 20, 2021: 112,745,933 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 20, 2022 (February 21, 2021 to February 20, 2022)

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

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
February 20, 2022	59,546	112.1	24,959	-	39,555	641.4	37,387	-
February 20, 2021	28,080	(7.7)	(8,903)	-	5,335	(46.4)	(1,562)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
February 20, 2022	330.59		-	
February 20, 2021	(13.83)		-	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	Net assets per share
	Million yen		Million yen		%	Yen
As of						
February 20, 2022	526,468		424,847		80.7	3,756.41
February 20, 2021	469,507		402,206		85.7	3,557.30

(Reference) Equity: As of February 20, 2022: ¥ 424,847 million  
As of February 20, 2021: ¥ 402,206 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 20,2021	As of February 20,2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	158,577	130,435
Notes and accounts receivable - trade	37,806	39,206
Securities	7,791	-
Merchandise and finished goods	76,133	78,917
Work in process	200	428
Raw materials and supplies	4,403	6,593
Other	17,843	22,794
Allowance for doubtful accounts	(5)	(8)
<b>Total current assets</b>	<b>302,750</b>	<b>278,367</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	373,221	389,745
Accumulated depreciation	(190,717)	(203,933)
Buildings and structures, net	182,503	185,812
Machinery, equipment and vehicles	13,811	18,371
Accumulated depreciation	(10,188)	(11,790)
Machinery, equipment and vehicles, net	3,623	6,581
Tools, furniture and fixtures	24,554	26,613
Accumulated depreciation	(15,430)	(16,900)
Tools, furniture and fixtures, net	9,124	9,713
Land	271,613	339,139
Leased assets	4,384	4,420
Accumulated depreciation	(2,189)	(2,555)
Leased assets, net	2,194	1,865
Right of use assets	6,015	6,741
Accumulated depreciation	(2,342)	(2,900)
Right of use assets, net	3,673	3,841
Construction in progress	9,762	13,527
<b>Total property, plant and equipment</b>	<b>482,494</b>	<b>560,481</b>
<b>Intangible assets</b>		
Goodwill	19,791	22,391
Software	9,296	7,088
Software in progress	517	931
Leasehold interests in land	7,178	7,615
Other	89	89
<b>Total intangible assets</b>	<b>36,874</b>	<b>38,116</b>
<b>Investments and other assets</b>		
Investment securities	25,727	26,585
Long-term loans receivable	665	618
Guarantee deposits	19,858	18,890
Leasehold deposits	28,945	28,987
Deferred tax assets	18,639	17,495
Other	14,999	14,369
Allowance for doubtful accounts	(72)	(72)
<b>Total investments and other assets</b>	<b>108,765</b>	<b>106,875</b>
<b>Total non-current assets</b>	<b>628,134</b>	<b>705,472</b>
<b>Total assets</b>	<b>930,884</b>	<b>983,840</b>

(Million yen)

	As of February 20,2021	As of February 20,2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	44,554	39,765
Short-term borrowings	48,715	35,068
Lease obligations	1,570	1,663
Accounts payable - other	33,512	28,594
Income taxes payable	30,351	20,330
Provision for bonuses	5,120	4,482
Provision for point card certificates	2,669	3,113
Provision for shareholder benefit program	463	428
Other	39,388	29,735
<b>Total current liabilities</b>	<b>206,345</b>	<b>163,181</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,000	50,398
Lease obligations	5,875	5,605
Provision for retirement benefits for directors (and other officers)	228	228
Retirement benefit liability	5,186	5,741
Asset retirement obligations	14,910	15,256
Other	10,945	10,614
<b>Total non-current liabilities</b>	<b>39,146</b>	<b>87,845</b>
<b>Total liabilities</b>	<b>245,492</b>	<b>251,027</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	13,370	13,370
Capital surplus	26,255	26,814
Retained earnings	612,082	692,768
Treasury shares	(8,971)	(7,771)
<b>Total shareholders' equity</b>	<b>642,737</b>	<b>725,181</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	690	1,227
Foreign currency translation adjustment	(1,122)	6,591
Remeasurements of defined benefit plans	(208)	(187)
<b>Total accumulated other comprehensive income</b>	<b>(640)</b>	<b>7,631</b>
Non-controlling interests	43,295	-
<b>Total net assets</b>	<b>685,392</b>	<b>732,813</b>
<b>Total liabilities and net assets</b>	<b>930,884</b>	<b>983,840</b>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended February 20,2021	For the fiscal year ended February 20,2022
Net sales	716,900	811,581
Cost of sales	305,109	385,684
Gross profit	411,791	425,897
Selling, general and administrative expenses	274,104	287,627
Operating profit	137,687	138,270
Non-operating income		
Interest income	501	459
Dividend income	38	58
Share of profit of entities accounted for using equity method	566	1,435
Subsidy income	212	775
Vending machine income	253	365
Gain on sales of goods	187	209
Other	603	1,112
Total non-operating income	2,363	4,417
Non-operating expenses		
Interest expenses	294	387
Commission expenses	1,000	-
Foreign exchange losses	6	77
Other	323	375
Total non-operating expenses	1,624	840
Ordinary profit	138,426	141,847
Extraordinary income		
Gain on sale of non-current assets	5	301
Reversal of provision for business restructuring	-	499
Gain on reversal of share acquisition rights	12	-
Gain on cancellation of leasehold contracts	397	-
Reversal of provision for loss on cancellation	352	-
Total extraordinary income	767	800
Extraordinary losses		
Loss on sale and retirement of non-current assets	63	238
Impairment losses	8,351	579
Loss on change in equity	81	49
Total extraordinary losses	8,497	868
Profit before income taxes	130,696	141,779
Income taxes - current	42,431	43,616
Income taxes - deferred	(3,848)	1,438
Total income taxes	38,582	45,054
Profit	92,114	96,724
Profit attributable to owners of parent	92,114	96,724

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 20,2021	For the fiscal year ended February 20,2022
Profit	92,114	96,724
Other comprehensive income		
Valuation difference on available-for-sale securities	(60)	536
Foreign currency translation adjustment	(1,283)	7,713
Remeasurements of defined benefit plans, net of tax	173	21
Total other comprehensive income	(1,169)	8,271
Comprehensive income	90,944	104,995
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	90,944	104,995

Consolidated Statements of Changes in Net Assets

For the fiscal year ended February 20,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,370	25,074	532,471	(10,875)	560,042
Changes during period					
Dividends of surplus			(12,504)		(12,504)
Profit attributable to owners of parent			92,114		92,114
Purchase of treasury shares				(21)	(21)
Disposal of treasury shares		1,181		1,924	3,105
Net changes in items other than shareholders' equity					
Total changes during period	-	1,181	79,610	1,903	82,694
Balance at end of period	13,370	26,255	612,082	(8,971)	642,737

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	750	161	(382)	529	289	-	560,861
Changes during period							
Dividends of surplus							(12,504)
Profit attributable to owners of parent							92,114
Purchase of treasury shares							(21)
Disposal of treasury shares							3,105
Net changes in items other than shareholders' equity	(60)	(1,283)	173	(1,169)	(289)	43,295	41,836
Total changes during period	(60)	(1,283)	173	(1,169)	(289)	43,295	124,531
Balance at end of period	690	(1,122)	(208)	(640)	-	43,295	685,392



For the fiscal year ended February 20,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,370	26,255	612,082	(8,971)	642,737
Changes during period					
Dividends of surplus			(15,350)		(15,350)
Profit attributable to owners of parent			96,724		96,724
Purchase of treasury shares				(9)	(9)
Disposal of treasury shares		558		1,209	1,768
Adjustments due to change in the fiscal period of consolidated subsidiaries			(687)		(687)
Net changes in items other than shareholders' equity					
Total changes during period	-	558	80,686	1,200	82,444
Balance at end of period	13,370	26,814	692,768	(7,771)	725,181

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	690	(1,122)	(208)	(640)	43,295	685,392
Changes during period						
Dividends of surplus						(15,350)
Profit attributable to owners of parent						96,724
Purchase of treasury shares						(9)
Disposal of treasury shares						1,768
Adjustments due to change in the fiscal period of consolidated subsidiaries						(687)
Net changes in items other than shareholders' equity	536	7,713	21	8,271	(43,295)	(35,024)
Total changes during period	536	7,713	21	8,271	(43,295)	47,420
Balance at end of period	1,227	6,591	(187)	7,631	-	732,813

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 20,2021	For the fiscal year ended February 20,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	130,696	141,779
Depreciation	17,831	23,785
Impairment losses	8,351	579
Amortization of goodwill	-	2,559
Increase (decrease) in allowance for doubtful accounts	-	2
Increase (decrease) in provision for bonuses	701	(1,032)
Increase (decrease) in retirement benefit liability	389	540
Increase (decrease) in provision for point card certificates	591	422
Interest and dividend income	(539)	(518)
Interest expenses	294	387
Commission expenses	1,000	-
Share of loss (profit) of entities accounted for using equity method	(566)	(1,435)
Gain on cancellation of rental contracts	(397)	-
Reversal of provision for loss on cancellation	(352)	-
Reversal of provision for business restructuring	-	(499)
Loss (gain) on sale and retirement of non-current assets	58	(62)
Loss (gain) on change in equity	81	49
Decrease (increase) in trade receivables	(991)	2,294
Decrease (increase) in inventories	4,867	(4,058)
Increase (decrease) in trade payables	(99)	(9,185)
Increase (decrease) in accrued consumption taxes	6,486	(9,029)
Other, net	16,173	(2,309)
Subtotal	184,575	144,270
Interest and dividends received	1,098	1,361
Interest paid	(262)	(403)
Income taxes paid	(34,610)	(61,562)
Income taxes refund	79	1,899
Net cash provided by (used in) operating activities	150,879	85,565

(Million yen)

	For the fiscal year ended February 20,2021	For the fiscal year ended February 20,2022
<b>Cash flows from investing activities</b>		
Payments into time deposits	(15,267)	(56)
Proceeds from withdrawal of time deposits	534	30,185
Purchase of property, plant and equipment	(17,145)	(101,520)
Proceeds from sale of property, plant and equipment	40	1,918
Purchase of intangible assets	(3,094)	(1,642)
Purchase of short-term and long-term investment securities	-	(200)
Proceeds from sale of short-term and long-term investment securities	-	1
Payments of guarantee deposits	(1,289)	(857)
Proceeds from refund of guarantee deposits	108	1,620
Purchase of shares of subsidiaries	-	(48,942)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(158,304)	-
Payments of leasehold deposits	(1,417)	(1,082)
Proceeds from refund of leasehold deposits	421	599
Guarantee deposits received	40	-
Refund of guarantee deposits received	-	(255)
Proceeds from deposits received	66	322
Repayments of deposits received	(29)	(142)
Purchase of long-term prepaid expenses	(354)	(150)
Loan advances	(339)	-
Proceeds from collection of loans receivable	45	220
Net cash provided by (used in) investing activities	(195,985)	(119,980)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	46,000	49,000
Repayments of short-term borrowings	(30)	(95,715)
Repayments of long-term borrowings	(2,000)	(18,534)
Proceeds from long-term borrowings	-	100,000
Repayments of lease obligations	(1,588)	(1,651)
Purchase of treasury shares	(21)	(9)
Dividends paid	(12,497)	(15,360)
Proceeds from exercise of employee share options	1,447	-
Payment of commission	(1,000)	-
Net cash provided by (used in) financing activities	30,309	17,729
Effect of exchange rate change on cash and cash equivalents	(507)	2,936
Net increase (decrease) in cash and cash equivalents	(15,304)	(13,748)
Cash and cash equivalents at beginning of period	140,791	125,487
Increase/decrease in cash and cash equivalents due to changes in the accounting period of consolidated subsidiaries	-	15,337
Cash and cash equivalents at end of period	125,487	127,076