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Consolidated Financial Results for the Nine Months Ended November 20, 2022 [Japanese GAAP]

December 23, 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 Executive Officer, General Manager, Accounting and Finance Division
 Phone: 03-6741-1204
 Scheduled date of filing quarterly securities report: December 23, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly 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 Nine Months Ended November 20, 2022 (February 21, 2022 to November 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	%
Nine months ended November 20, 2022	631,769	4.2	95,047	(12.0)	97,564	(11.7)	66,535	(12.2)
Nine months ended November 20, 2021	606,159	12.2	107,968	(8.9)	110,480	(7.7)	75,740	(1.3)

(Note) Comprehensive income: Nine months ended November 20, 2022: ¥ 74,013 million [(9.3)%]
 Nine months ended November 20, 2021: ¥ 81,594 million [7.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
November 20, 2022	588.88	-
November 20, 2021	670.90	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
November 20, 2022	1,092,841	792,230	72.5
February 20, 2022	983,840	732,813	74.5

(Reference) Equity: As of November 20, 2022: ¥ 792,230 million
 As of February 20, 2022: ¥ 732,813 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, 2022	-	70.00	-	70.00	140.00
Fiscal year ending March 31, 2023		73.00			
Fiscal year ending March 31, 2023 (Forecast)				74.00	147.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 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
Full year	963,600	18.7	150,600	8.9	153,000	7.9	104,000	7.5	920.26

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended November 20, 2022

(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: Yes
- 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, 2022: 114,443,496 Shares
 February 20, 2022: 114,443,496 Shares

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

November 20, 2022: 1,431,681 Shares
 February 20, 2022: 1,521,865 Shares

3) Average number of shares during the period:

Nine months ended November 20, 2022: 112,986,808 Shares
 Nine months ended November 20, 2021: 112,894,747 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 20,2022	As of November 20,2022
Assets		
Current assets		
Cash and deposits	130,435	132,039
Notes and accounts receivable - trade	39,206	46,795
Merchandise and finished goods	78,917	106,688
Work in process	428	718
Raw materials and supplies	6,593	7,216
Other	22,794	23,333
Allowance for doubtful accounts	(8)	(9)
Total current assets	278,367	316,783
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	185,812	204,345
Land	339,139	370,114
Other, net	35,529	43,721
Total property, plant and equipment	560,481	618,180
Intangible assets		
Goodwill	22,391	20,472
Other	15,724	15,034
Total intangible assets	38,116	35,506
Investments and other assets		
Investment securities	26,585	39,359
Long-term loans receivable	618	581
Guarantee deposits	18,890	17,616
Leasehold deposits	28,987	30,009
Deferred tax assets	17,495	19,755
Other	14,369	15,121
Allowance for doubtful accounts	(72)	(72)
Total investments and other assets	106,875	122,370
Total non-current assets	705,472	776,058
Total assets	983,840	1,092,841
Liabilities		
Current liabilities		
Notes and accounts payable - trade	39,765	42,558
Short-term borrowings	35,068	104,068
Lease obligations	1,663	1,758
Accounts payable - other	28,594	30,336
Income taxes payable	20,330	11,310
Contract liabilities	-	17,539
Provision for bonuses	4,482	8,387
Provision for point card certificates	3,113	12
Provision for shareholder benefit program	428	203
Provision for loss on business liquidation	-	240
Other	29,735	14,211
Total current liabilities	163,181	230,627

(Million yen)

	As of February 20,2022	As of November 20,2022
Non-current liabilities		
Long-term borrowings	50,398	32,864
Lease obligations	5,605	5,285
Provision for retirement benefits for directors (and other officers)	228	228
Retirement benefit liability	5,741	5,906
Asset retirement obligations	15,256	14,748
Other	10,614	10,949
Total non-current liabilities	87,845	69,983
Total liabilities	251,027	300,611
Net assets		
Shareholders' equity		
Share capital	13,370	13,370
Capital surplus	26,814	26,814
Retained earnings	692,768	743,149
Treasury shares	(7,771)	(6,213)
Total shareholders' equity	725,181	777,121
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,227	1,788
Deferred gains or losses on hedges	-	(4,769)
Foreign currency translation adjustment	6,591	18,199
Remeasurements of defined benefit plans	(187)	(109)
Total accumulated other comprehensive income	7,631	15,108
Total net assets	732,813	792,230
Total liabilities and net assets	983,840	1,092,841

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended November 20,2021	For the nine months ended November 20,2022
Net sales	606,159	631,769
Cost of sales	286,103	309,800
Gross profit	320,056	321,969
Selling, general and administrative expenses	212,087	226,921
Operating profit	107,968	95,047
Non-operating income		
Interest income	333	401
Dividend income	37	40
Share of profit of entities accounted for using equity method	949	471
Foreign exchange gains	-	793
Subsidy income	605	201
Vending machine income	283	256
Gain on sales of goods	140	205
Other	757	682
Total non-operating income	3,108	3,052
Non-operating expenses		
Interest expenses	289	279
Foreign exchange losses	59	-
Other	247	256
Total non-operating expenses	596	535
Ordinary profit	110,480	97,564
Extraordinary income		
Gain on sale of non-current assets	300	15
Total extraordinary income	300	15
Extraordinary losses		
Loss on sale and retirement of non-current assets	5	28
Impairment losses	294	706
Loss on change in equity	27	30
Provision for loss on business liquidation	-	212
Total extraordinary losses	327	977
Profit before income taxes	110,454	96,602
Income taxes	34,713	30,066
Profit	75,740	66,535
Profit attributable to owners of parent	75,740	66,535

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

(Million yen)

	For the nine months ended November 20,2021	For the nine months ended November 20,2022
Profit	75,740	66,535
Other comprehensive income		
Valuation difference on available-for-sale securities	461	560
Deferred gains or losses on hedges	-	(4,769)
Foreign currency translation adjustment	5,372	11,607
Remeasurements of defined benefit plans, net of tax	19	77
Total other comprehensive income	5,853	7,477
Comprehensive income	81,594	74,013
Comprehensive income attributable to		
Owners of parent	81,594	74,013