Nitori Holdings Co., Ltd.

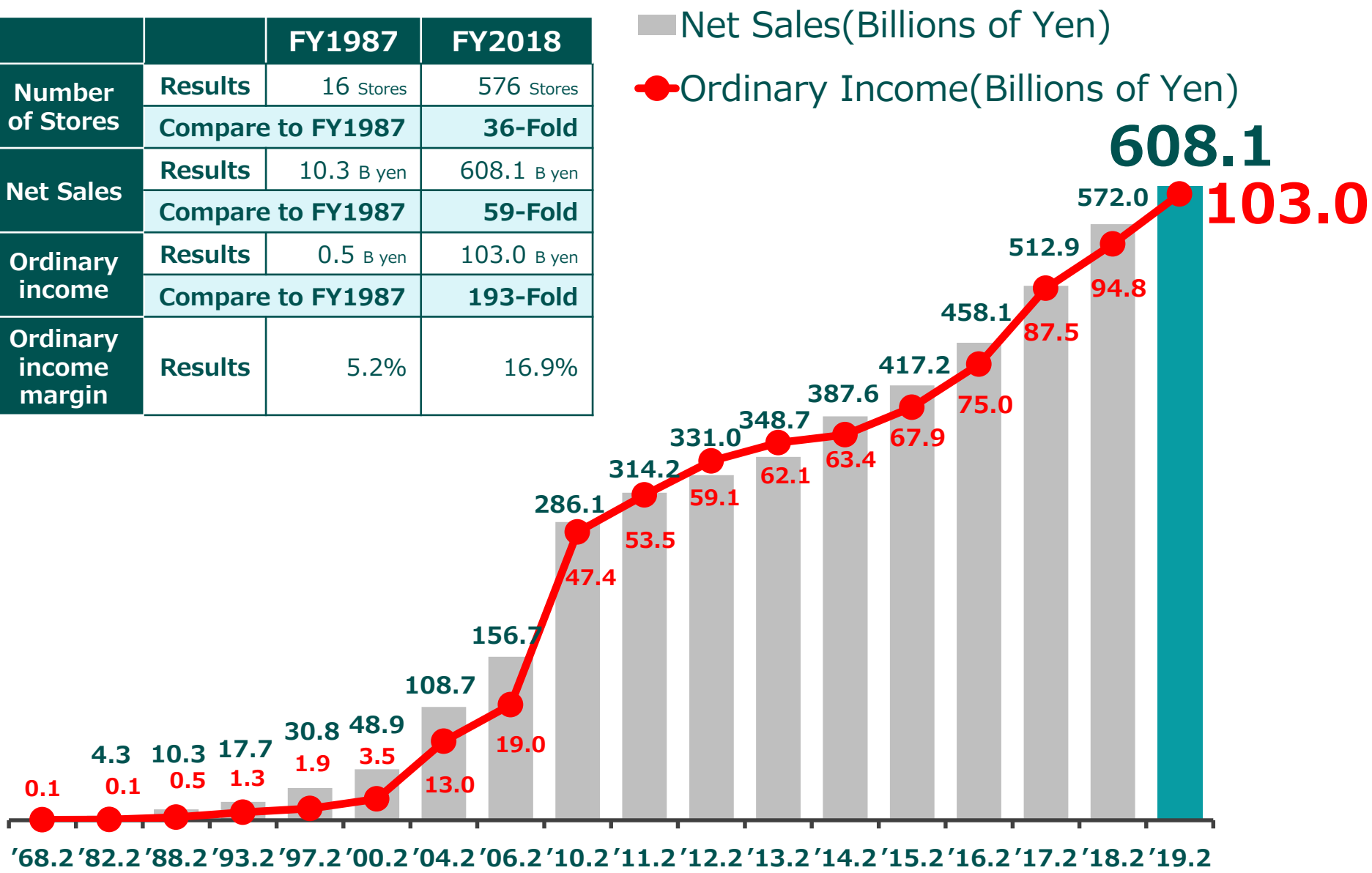
Financial Results Presentation for the Fiscal Year 2018

April 8 , 2019

TSE1st.&Sapporo Code : 9843

achieved growth both in sales and profit for 32 consecutive fiscal years

		FY1987	FY2018
Number of Stores	Results	16 Stores	576 Stores
	Compare to FY1987		36-Fold
Net Sales	Results	10.3 B yen	608.1 B yen
	Compare to FY1987		59-Fold
Ordinary income	Results	0.5 B yen	103.0 B yen
	Compare to FY1987		193-Fold
Ordinary income margin	Results	5.2%	16.9%



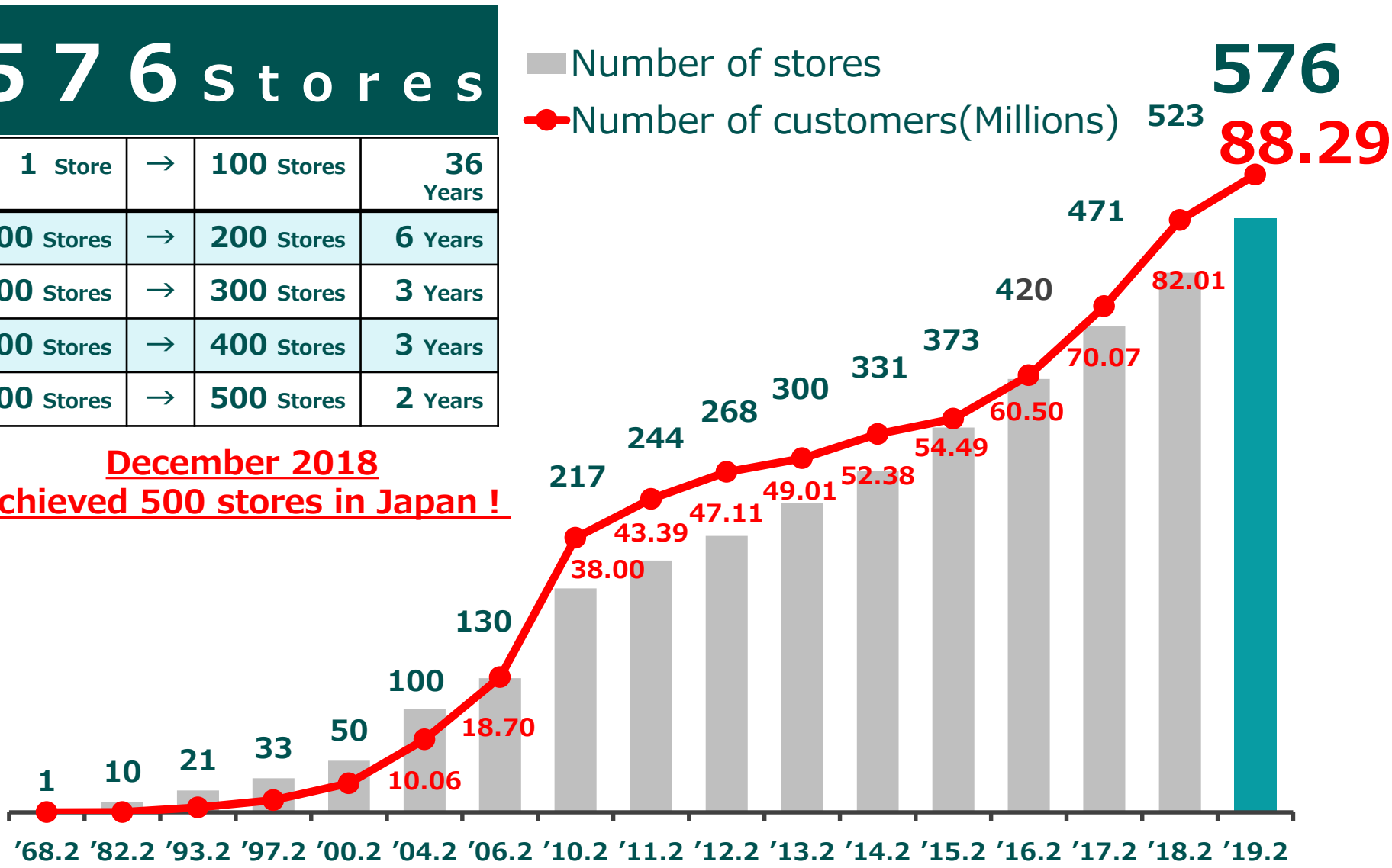
Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Number of stores, customers

576 stores

1 Store	→	100 Stores	36 Years
100 Stores	→	200 Stores	6 Years
200 Stores	→	300 Stores	3 Years
300 Stores	→	400 Stores	3 Years
400 Stores	→	500 Stores	2 Years

December 2018
Achieved 500 stores in Japan !



Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Overview of Consolidated Financial Results

(Billions of Yen)

	FY2018 Actual	(to sales)	FY2017 Actual	(to sales)	Change	(YOY)
Net sales	608.1	-	572.0	-	36.0	106.3%
Gross profit	331.4	54.5%	314.7	55.0%	16.6	105.3%
SG&A expenses	230.6	37.9%	221.4	38.7%	9.2	104.2%
Operating income	100.7	16.6%	93.3	16.3%	7.4	107.9%
Ordinary income	103.0	16.9%	94.8	16.6%	8.1	108.6%
Profit attributable to owners of parent	68.1	11.2%	64.2	11.2%	3.9	106.2%

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Consolidated Balance Sheets

(Billions of Yen)

	20 Feb. 2019	20 Feb. 2018	Change	Major factors on changes
Current assets	216.5	164.0	52.5	
(Cash and deposits)	102.3	63.3	39.0	
(Inventory)	62.9	52.7	10.1	
Non-Current assets	402.7	386.4	16.2	
(Property, plant and equipment)	302.0	291.3	10.7	Buildings +8.4
(Investments and other assets)	18.8	13.8	4.9	
Total assets	619.2	550.5	68.7	
Current liabilities	95.0	83.4	11.5	Accounts payable-nontrade+5.4 Income taxes payable+2.0
(Accounts payable - trade)	20.9	19.6	1.3	
(Short-term loans payable)	2.6	2.0	0.6	
Non-Current liabilities	24.0	25.4	(1.3)	
(Long-term loans payable)	6.0	8.0	(1.9)	
Total liabilities	119.0	108.8	10.2	
Total net assets	500.1	441.6	58.5	Net income +68.1
Total liabilities and net assets	619.2	550.5	68.7	

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

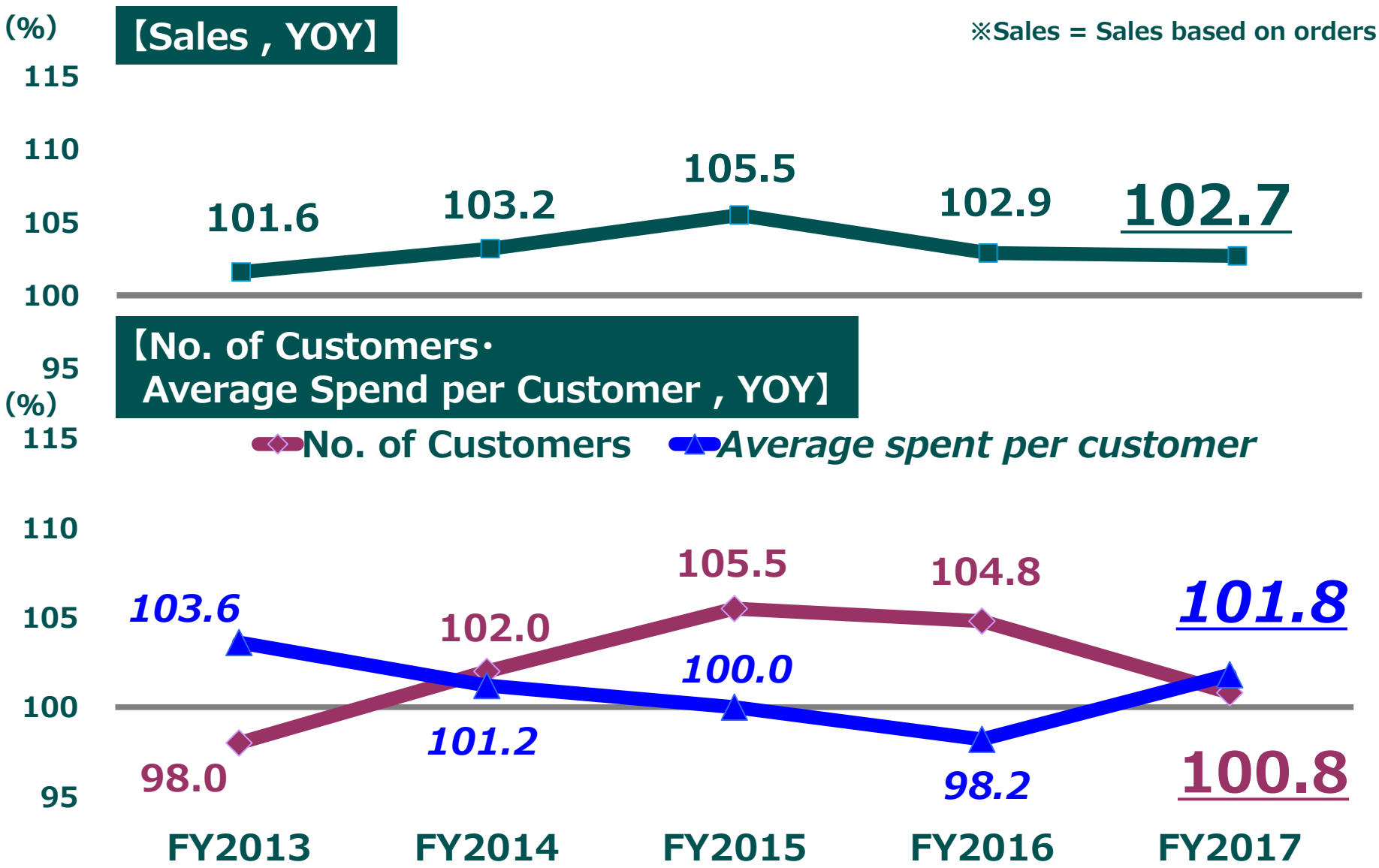
Consolidated Cash Flows

(Billions of Yen)

	FY2018	FY2017	Change	Major factors on changes
Operating activities	81.6	76.8	4.8	・Income before income taxes +100.4 ・Depreciation and amortization +14.2 ・Income taxes paid (31.3)
Investing activities	(30.4)	(82.7)	52.3	・Purchase of property,plant and equipment (22.3) ・Purchase of Intangible assets (5.7)
Financing activities	(11.3)	0.6	(11.9)	
Net increase in cash & cash equivalents	39.1	(5.1)	44.2	
Cash & cash equivalents at end of the year	100.0	60.9	39.1	
Free cash flow	51.2	(5.9)	57.1	(CF from Operating activities +CF from Investing activities)

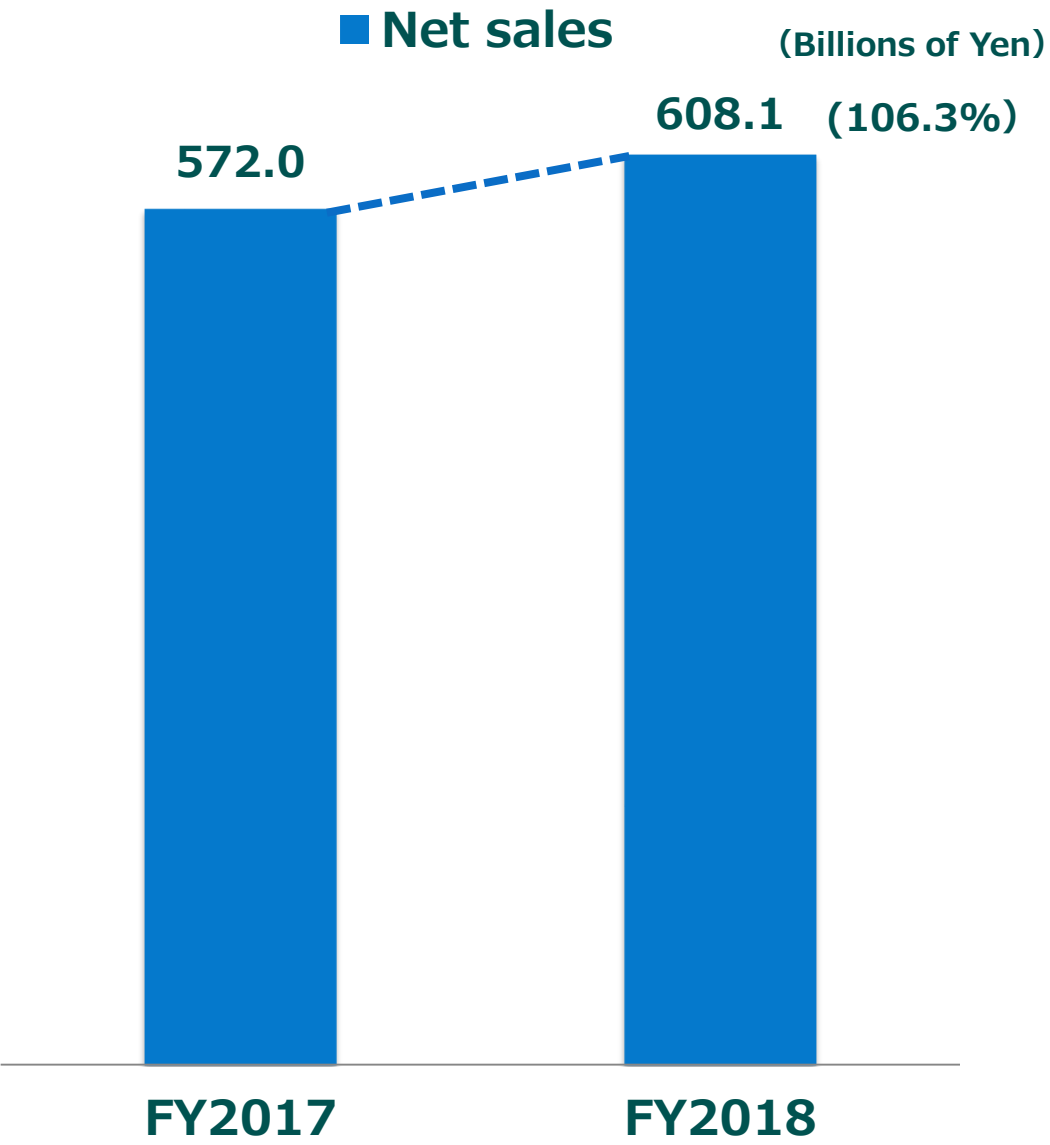
Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

YOY changes in comparable stores



Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Consolidated Sales



【Net sales】	Amount	YOY
Store sales(Global)	¥545.8bil.	105.1%
E-commerce	¥38.9bil.	127.3%
B to B	¥4.5bil.	121.0%
Renovation sales	¥5.0bil.	93.8%
Rent income	¥7.3bil.	103.9%
Others	¥6.4bil.	105.1%
Total	¥608.1bil.	106.3%

Sales comp. by region

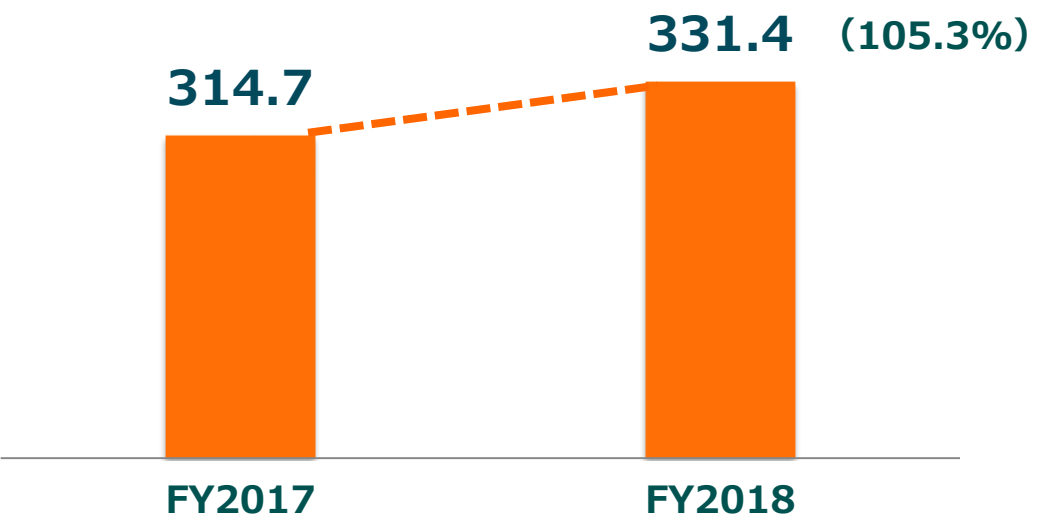
Hokkaido	4.5%	(0.1)pt	Chugoku &Shikoku	7.4%	+0.1pt
Tohoku	5.5%	+0.0pt	Kyusyu& Okinawa	8.4%	(0.2)pt
Kanto	30.8%	(0.6)pt	EC	6.4%	+1.0pt
Hokuriku &Koshin etsu	5.3%	+0.0pt	B to B & Renovati on	1.6%	(0.0)pt
Chubu& Tokai	10.1%	(0.2)pt	Overseas	2.9%	+0.3pt
Kinki	14.9%	(0.2)pt	Others	2.2%	(0.1)pt

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Gross profit・ SG&A expenses

【Gross profit】

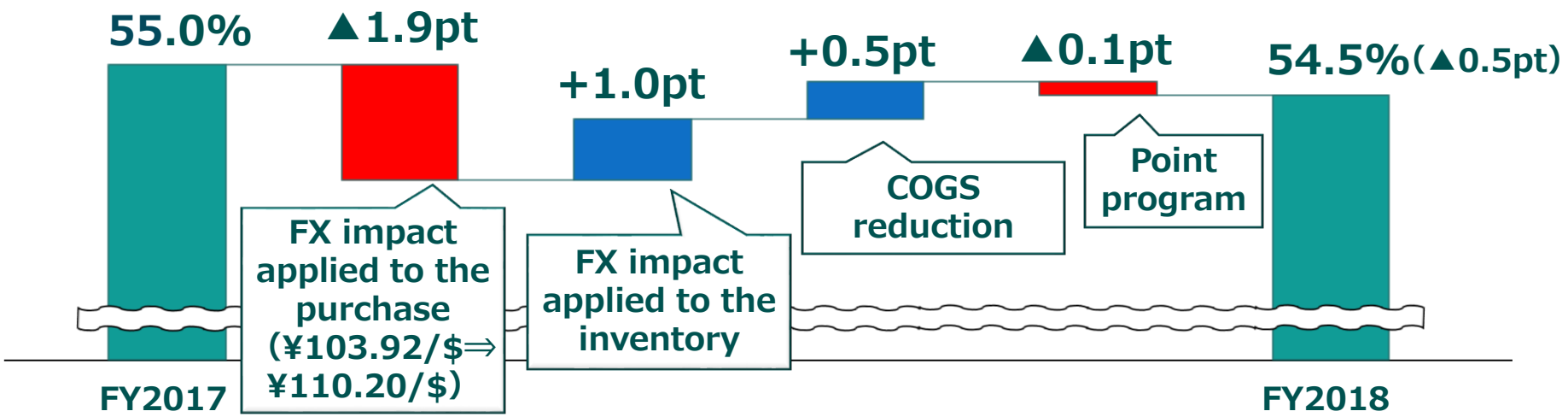
(Billions of Yen)



【SG&A】	Amount	YOY	Ratio to sales	Change
Personnel	¥68.9bil.	107.2%	11.3%	+0.1pt
Rents	¥36.5bil.	108.9%	6.0%	+0.1pt
Delivery charge	¥26.2bil.	99.3%	4.3%	(0.3)pt
Advertising	¥16.6bil.	99.6%	2.7%	(0.2)Pt
Outsourcing	¥16.5bil.	117.9%	2.7%	+0.2Pt
Store fixtures expense	¥2.8bil.	34.7%	0.5%	(0.9)Pt

Depreciation	¥12.3bil.
Capital investment	¥32.2bil.

【Gross profit margin】



Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

No. of stores as of 20 Feb. 2019

576 Stores (+53)

ニトリ NITORI	415
ニトリ 宜得利家居 (Taiwan)	31
ニトリ EXPRESS	12
AKi-HOME (USA)	3
デコホーム ニトリ DECO HOME	78
NITORI 家具&家居 (China)	37

Prefecture	No. of stores	Prefecture	No. of stores	Prefecture	No. of stores
Hokkaido	22 (+1)	Yamanashi	3	Shimane	2
Hokkaido	22 (+1)	Ishikawa	5	Hiroshima	14 (+2)
Aomori	6	Toyama	4	Yamaguchi	6
Akita	5	Fukui	3 (+1)	Kagawa	4 (±0)
Iwate	4 (+1)	Hokuriku & Koshinetsu	34 (+3)	Tokushima	3 (+1)
Yamagata	5	Shizuoka	14 (+1)	Kochi	3
Miyagi	7	Aichi	26	Ehime	6
Fukushima	6 (+1)	Mie	7	Chugoku & Shikoku	47 (+4)
Tohoku	33 (+2)	Gifu	10 (±0)	Fukuoka	22 (+3)
Tokyo	49 (+3)	Chubu & Tokai	57(+1)	Oita	5
Kanagawa	28 (+2)	Osaka	33 (+2)	Miyazaki	4 (+1)
Saitama	31 (+1)	Kyoto	12	Saga	4 (+1)
Chiba	25 (+2)	Nara	6 (+1)	Nagasaki	4 (+1)
Gunma	7 (+1)	Hyogo	30 (+2)	Kumamoto	7 (+1)
Tochigi	8	Shiga	8 (+1)	Kagoshima	7
Ibaraki	13	Wakayama	5	Okinawa	4
Kanto	161 (+9)	Kinki	94 (+11)	Kyushu & Okinawa	57 (+7)
Niigata	9 (+1)	Tottori	2	Japan	576 (+53)
Nagano	10 (+1)	Okayama	7 (+1)		

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Major indicators of management efficiency（1）

Scope	Number	Indicator	unit	Target		2019.2	2018.2	2017.2	2016.2	2015.2
Group (Twelve months)	1	Return on assets	%	Over 15%	○	17.6	18.3	19.4	18.3	18.7
	2	Total asset turnover	Times	Over 2	×	1.04	1.10	1.14	1.12	1.15
	3	Ordinary income margin	%	Over 10%	○	16.9	16.6	17.1	16.4	16.3
	4	Earnings per share	¥	Over ¥100	○	608.05	574.49	540.93	425.10	376.14
	5	Return on equity	%	Over 15%	×	14.5	15.4	16.6	14.7	14.9
	6	Equity ratio	%	Over 60%	○	80.7	80.1	80.7	79.5	76.4
	7	Interest coverage	Times	Over 20	○	998	1,350	1,457	967	676
	8	Sales growth rate	%	Over 10%	×	6.3	11.5	12.0	9.8	7.7
	9	Ordinary income growth rate	%	Over 10%	×	8.6	8.3	16.7	10.4	7.0
	10	Ratio of gross profit to sales	%	Over 48%	○	54.5	55.0	54.2	53.2	52.3
	11	Ratio of break-even point to sales	%	Under 80%	○	65.6	66.5	65.0	65.6	65.3

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Major indicators of management efficiency (2)

Scope	Number	Indicator	unit	Target		2019.2	2018.2	2017.2	2016.2	2015.2
Sale of furniture and home furnishing	12	Sales per tsubo	K	Over ¥950K	○	103.4	101.7	98.1	93.8	91.5
	13	Stock turnover	Times	Over 9	×	5.3	5.6	5.5	5.4	5.5
	14	Operating assets turnover	Times	Over 2.9	○	3.6	3.9	4.0	4.0	4.1
	15	Ratio of profit distribution	%	Over 20%	○	31.0	30.5	31.3	30.2	30.6
	16	Ratio of real estate cost to gross profit	%	Under 25%	○	21.6	21.7	21.1	21.7	22.5
	17	Ratio of sales promotion cost to gross profit	%	Under 6%	×	6.2	6.3	6.2	6.1	6.4
	18	Labor productivity	M	Over ¥10M	○	1,922	1,875	1,899	1,843	1,847
	19	Sales floor per labor	Tsubo	Over 60	×	34.7	34.3	36.6	38.2	39.6
	20	Operating income per tsubo	K	Over 150K	○	16.0	15.5	15.1	13.4	13.1
	21	Stock per tsubo	K	Under 90K	○	8.9	8.2	8.1	8.1	7.9
	22	Average age of labor		30～35	○	33.6	33.4	33.4	33.3	32.8
	Results （○won/×lost）					○15×7	○17×5	○18×4	○14×8	○13×9

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

TOPICS

Product Development

GOOD DESIGN N-CLICK BOX

Ncool＆Nwarm

Season Coordinate project

“Home appliance set”

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Opening stores in Japan

Chitose(Hokkaido)

1993（old）

2018（new）

Itano(Tokushima)

Sasayama(Hyogo)

Higashi-Omi(Shiga)

Kurashiki(Okayama)

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Opening stores overseas

California(USA)

Chengdu(China)

Taichung(Taiwan)

Nanjing(China)

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

E-Commerce

Good reputation

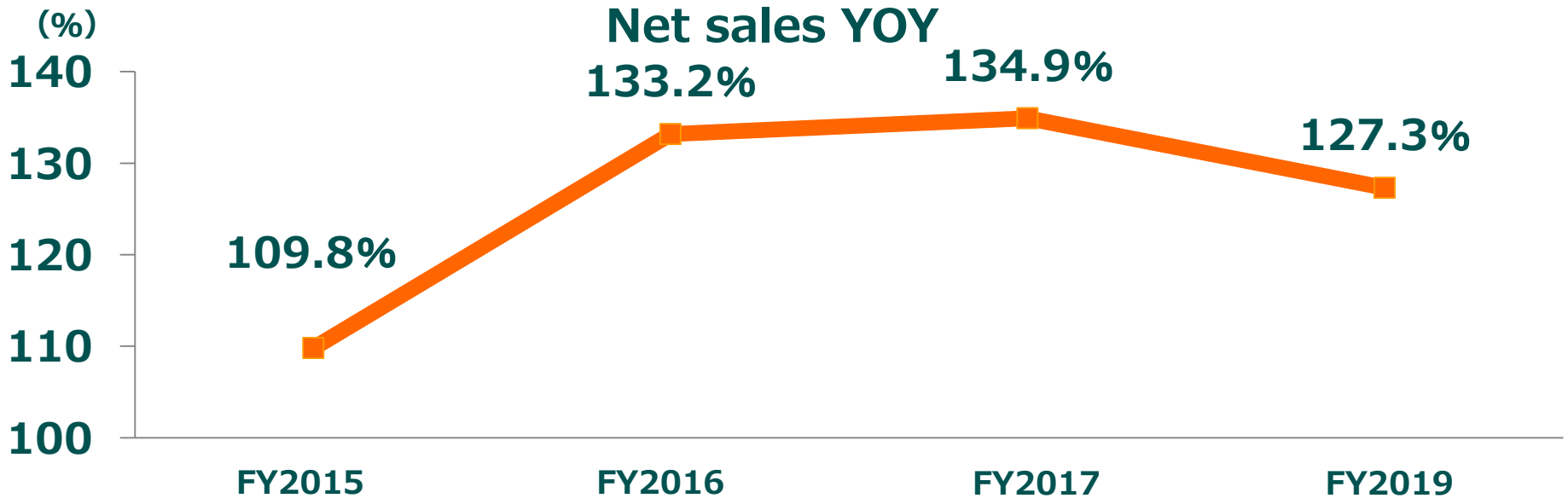
Limited color
(“N-warm” series
blanket)

Custom size
furniture

Improvement of recommendation

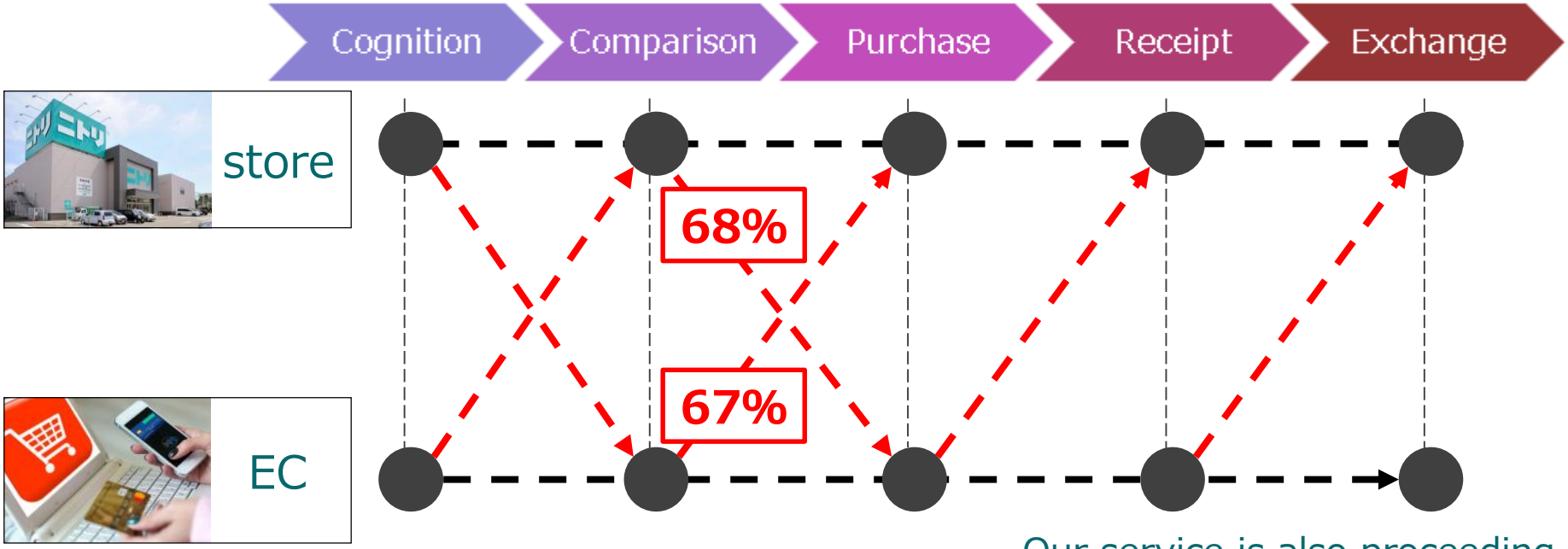
- Sales composition of E-Commerce about 20% via recommendation
- Improve the recommendation conditions increase the overall buying rate and sales

Net sales YOY



Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

O2O～More convenient “shopping”～



“Tebura de shopping”
(no need to carry packages)

22,000Usages

※FY2018

Mobile Application

Number of members : 3.5 million

※at Februauy,2019

Our service is also proceeding that ordering on website and receiving an item at all shop

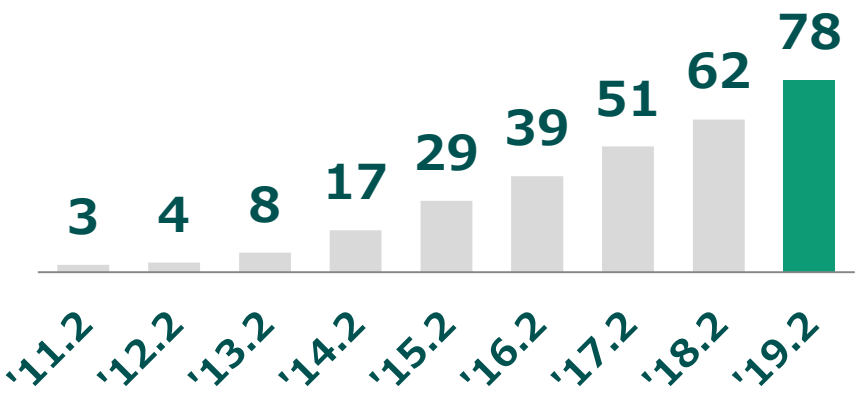
160,000 orders

※FY2018

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

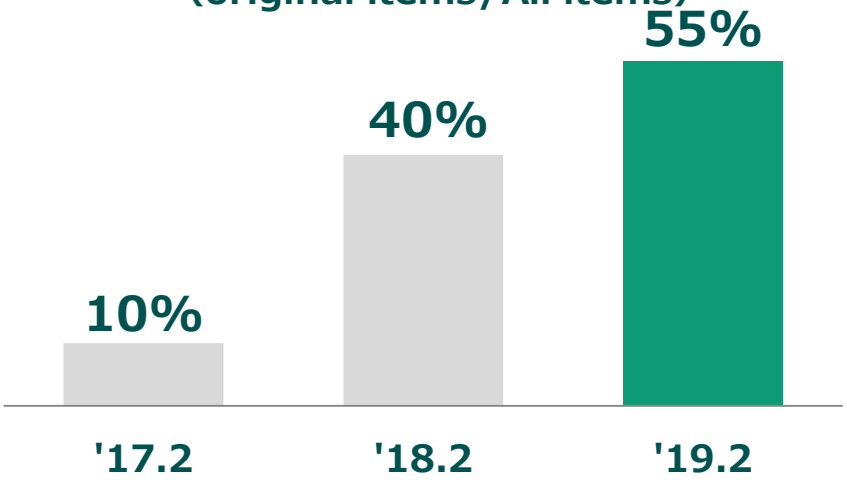
DECO HOME

Number of stores



Ratio of original products

(original items/All items)



Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Nitori Business （B to B）

NITORI BUSINESS Starting a show room at Shibuya store

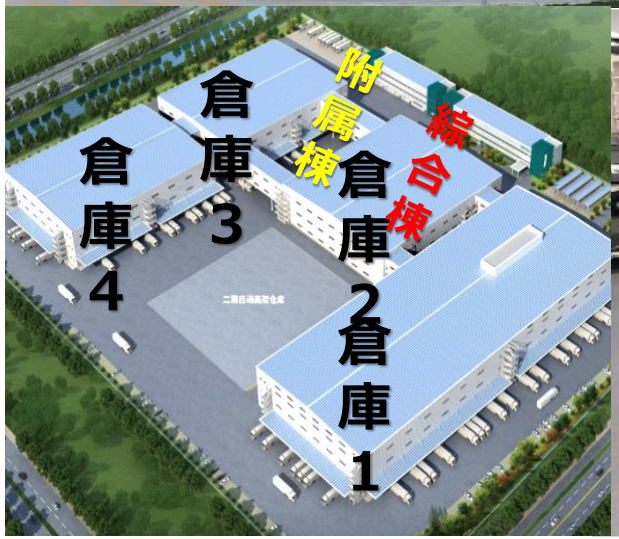
Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Plan to establish new DC

Sendai DC
at Miyagi

Goka DC
at Ibaraki

Taicang DC
in China



Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Trade & Industry Best Contributor to Product Safety Award

Awarded “The Minister Award” 2 times in a row

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Global supply chain management

Ba Ria-Vung Tau plant

●Manufacturing of the dining set in addition to mattress

Thailand plant

●Manufacturing the carpet with recycled polyester fiber, making from pet bottles by owned our technology

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Otaru Art Village Louis Comfort Tiffany Stained Glass Gallery

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Main measures of FY2019

Operational goals toward 2022

A. To establish group growth curve and to try new challenges

B. To provide prosperous lifestyles to customers through products, stores, and services

C. To reform system and structures that support our global chain system

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Establishment of Nitori Coordination

Connection of styles and colors between

DAY&Value
&Style

Coordination product composition ratio
(Number of items)

FY2018 50%

FY2019 60%

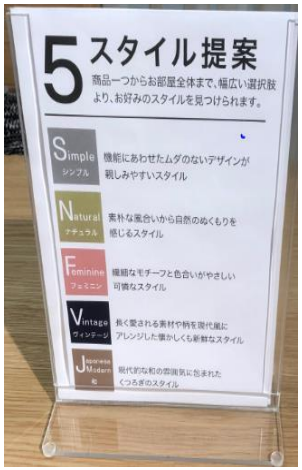
Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Prototype sales floor (Niiza store renovation)

Evolution of sales floor

Coordination proposal by style classification room

Interior consultation corner



Evolution of buying

Digital catalog

Self cash register

Self order

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Deco Home ~Creation of New Branding second year~

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Global Product Headquarters

Task of FY2018

- Global product commonality rate target 70%
- Pursuit of scale merit
  (Promotion of global level vertical merchandising)

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Globalization of quality control

ニトリ NITORI

Establishing a product safety system across the entire group

⇒To be a global company providing rich living in the world

To a higher product safety system

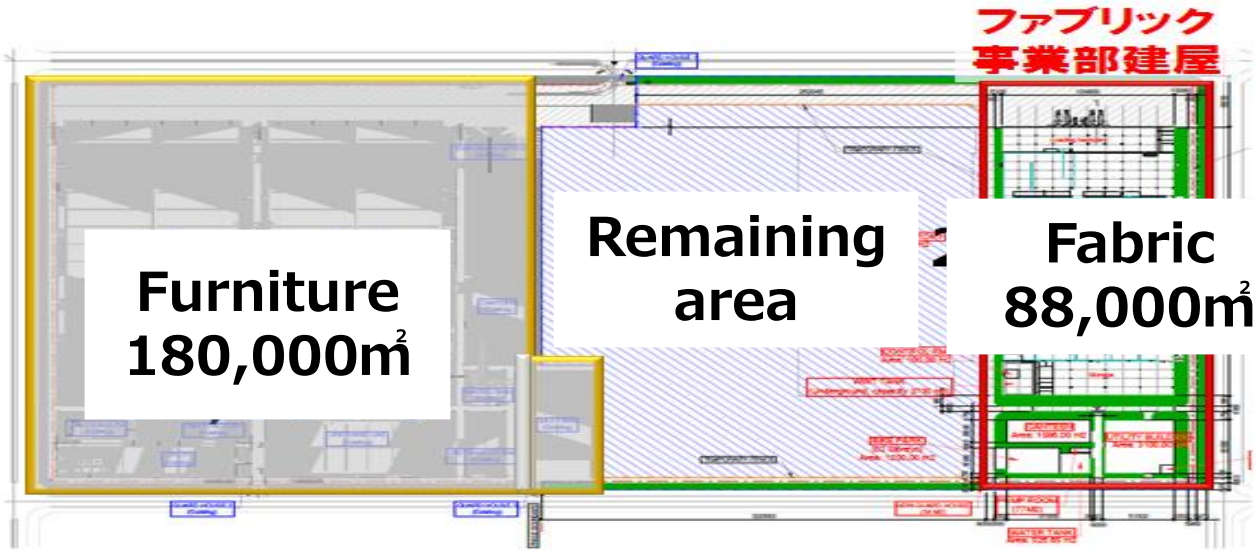
To better service

Product accident

Customer opinion

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Ba Ria-Vung Tau ～Fabric business～



Total site area 400,000㎡

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Japan&China Global Business Development Project

Make China business a success

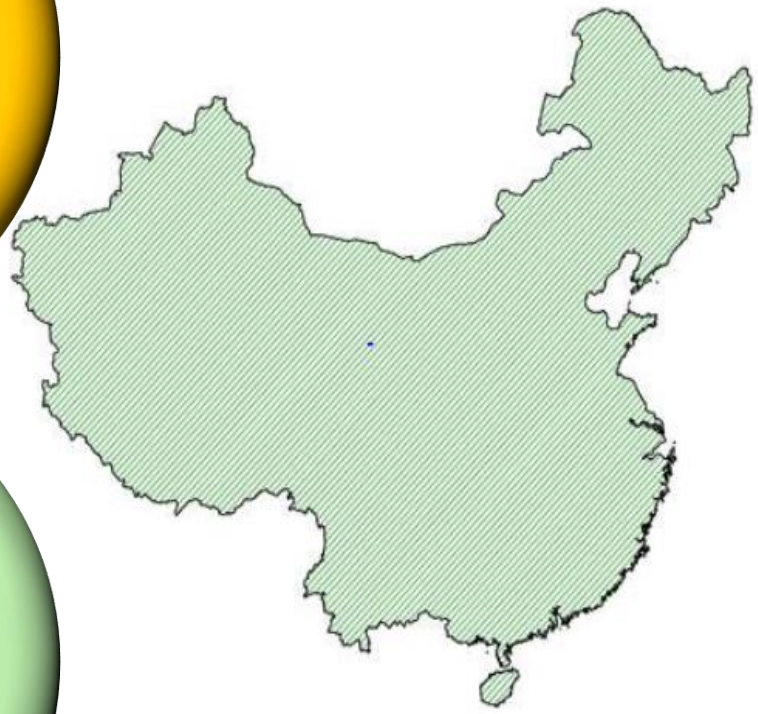
Main issues to lead

Explaining characterized a store

・Standardization of sales floor
・Promotional standard

Human resource development

・Securing talented people
・Education system



Sales measures

・Improving product power through product commonality
・Store opening standard

Product supply system

・Logistics base policy
・Accurate ordering

Implementation of improvement measures and phase of know-how creation

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Project

Toward establishing a global chain

Japan & China Global Business

Development PJ

Japan & China Global Business

Development PJ

new product supply system PJ

Ba Ria-Vung Tau PJ

Established Satte DC PJ

Centrally manage product images PJ

Global new system design PJ

Ba Ria-Vung Tau

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Recruitment of human resources

Domestic **580** overseas **64**

ニトリ NITORI	504	China	60
ホームロジ	70	Taiwan	2
NITORI PUBLIC	6	Vietnam	2

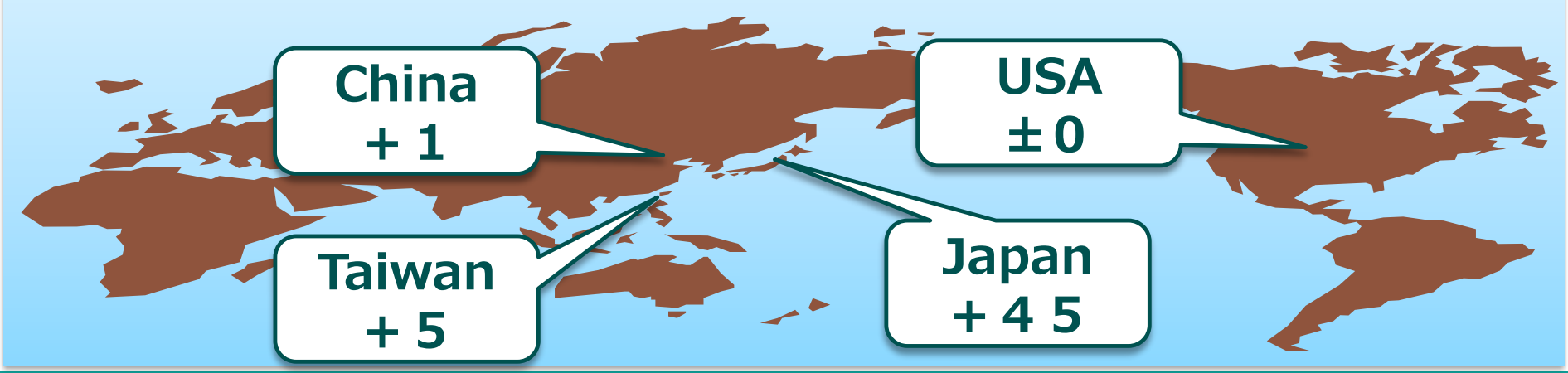
Recruiting new graduates

- **Japan**
  Recruited 580 new graduates
- **Overseas**
  recruitment 64 people
  Experienced studying abroad in Japan
- **Planning**
  To be hiring the same number of new graduates next term

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Store roll-out plan in FY 2019

Store	ニトリ / ニトリ EXPRESS	デコホーム ニトリ	ニトリ 宜得利家居 Taiwan	AKi-HOME USA	NITORI 家具&家居 China	合計
End of FY2018	427	78	31	3	37	576
Openings	+25	+20	+5	+1	+5	+56
closings	–	–	–	▲1	▲4	▲5
End of FY2019	452	98	36	3	38	627



Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Plan in FY 2019

(Billions of Yen)

	FY2019 Plan	(to sales)	FY2018 Actual	(to sales)	Change	(to actual)
Net sales	643.0	–	608.1	–	34.8	105.7%
Gross profit	354.0	55.1%	331.4	54.5%	22.5	106.8%
SG&A expenses	250.0	38.9%	230.6	37.9%	19.3	108.4%
Operating income	104.0	16.2%	100.7	16.6%	3.2	103.2%
Ordinary income	106.0	16.5%	103.0	16.9%	2.9	102.9%
Profit attributable to owners of parent	71.5	11.1%	68.1	11.2%	3.3	104.9%

【Assumption】

Sales in comparable stores YOY 102.3% (NITORI+DECOHOME+EC)
YOY 101.0% (NITORI)

FX rate 110yen/$

Capital investment: 31 billion yen

Depreciation expense: 13.3 billion yen

Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

Distribution of Profits to Shareholders

Shareholders dividends increase for consecutive 15 fiscal years

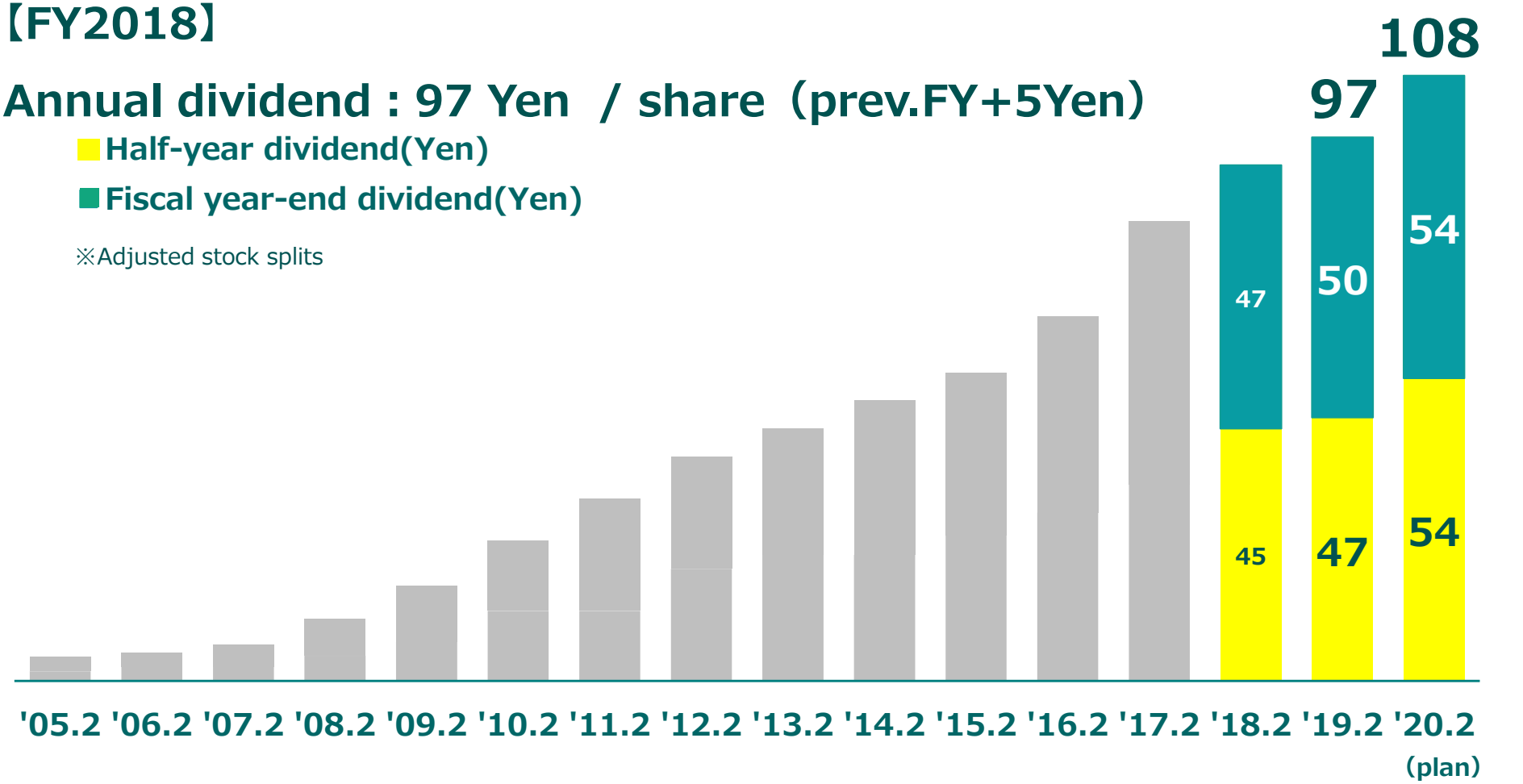
【FY2018】

Annual dividend : 97 Yen / share（prev.FY+5Yen）

■Half-year dividend(Yen)

■Fiscal year-end dividend(Yen)

※Adjusted stock splits



Copyright 2019 Nitori Holdings All Rights Reserved ■不許複製印刷配布

ニトリ
NITORI

【見通しに関する注意事項】
本資料では、当社および関係会社の将来についての計画や戦略、業績に関する予想および見通しの記述が含まれています。これらの記述は過去の事実ではなく、当社が現時点で把握可能な情報から判断した仮定および所信に基づく見込みです。また、経済動向や個人消費、市場需要、税制や諸制度などに関わるリスクや不確実性を含んでいます。それゆえ実際の業績は当社の見込みとは異なる可能性のあることをご承知おきください。
本資料には監査を受けていない参考数値が含まれており、金額は億円未満切捨て、それ以外を四捨五入で表示しております。