



Nitori Holdings Co., Ltd.

Financial Results Presentation for the First Quarter of FY2020



NITORI

June 25 , 2020

TSE1st.&Sapporo Code : 9843

Overview of Consolidated Financial Results



(Billions of Yen)

	Q1 FY2020 21 Feb-20 May 2020		Q1 FY2019 21 Feb-20 May 2019		Change	
		(to sales)		(to sales)		(YOY)
Net sales	173.7	-	167.3	-	6.4	103.9%
Gross profit	97.7	56.3%	90.1	53.9%	7.5	108.4%
SG&A expenses	60.5	34.8%	59.7	35.7%	0.7	101.3%
Operating income	37.2	21.4%	30.4	18.2%	6.7	122.3%
Ordinary income	37.3	21.5%	30.7	18.4%	6.6	121.6%
Profit attributable to owners of parent	25.5	14.7%	20.3	12.2%	5.1	125.4%

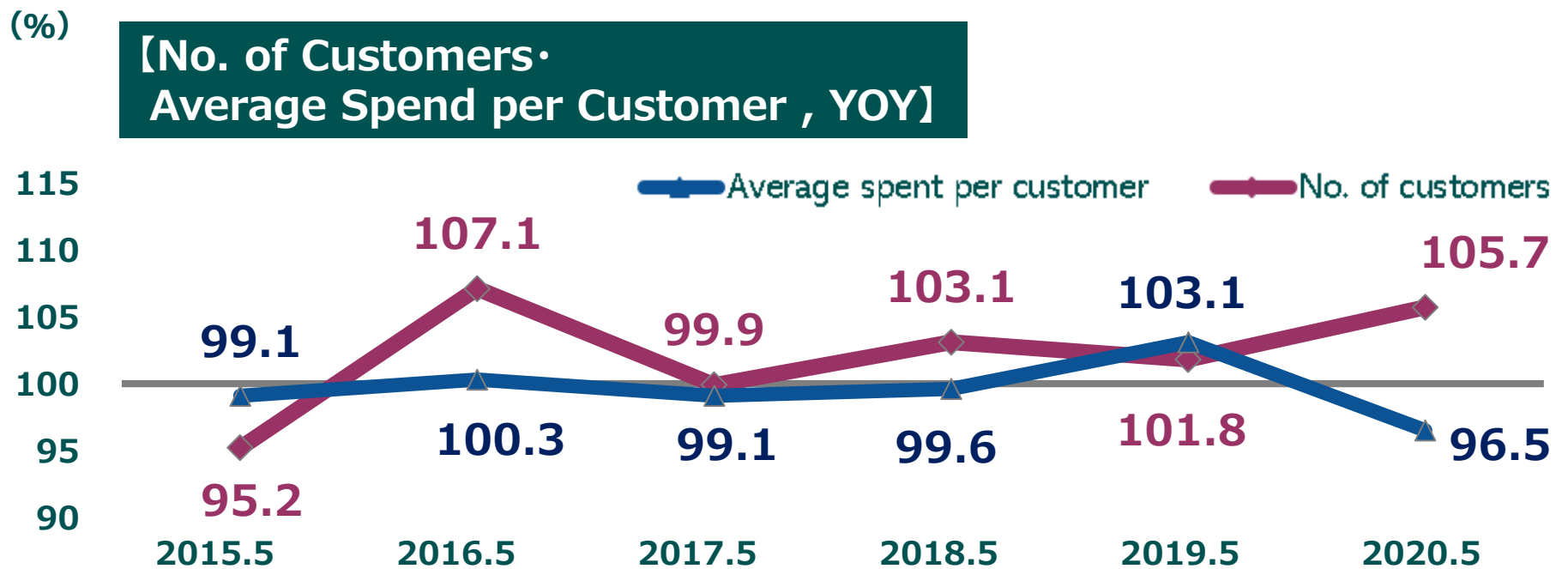
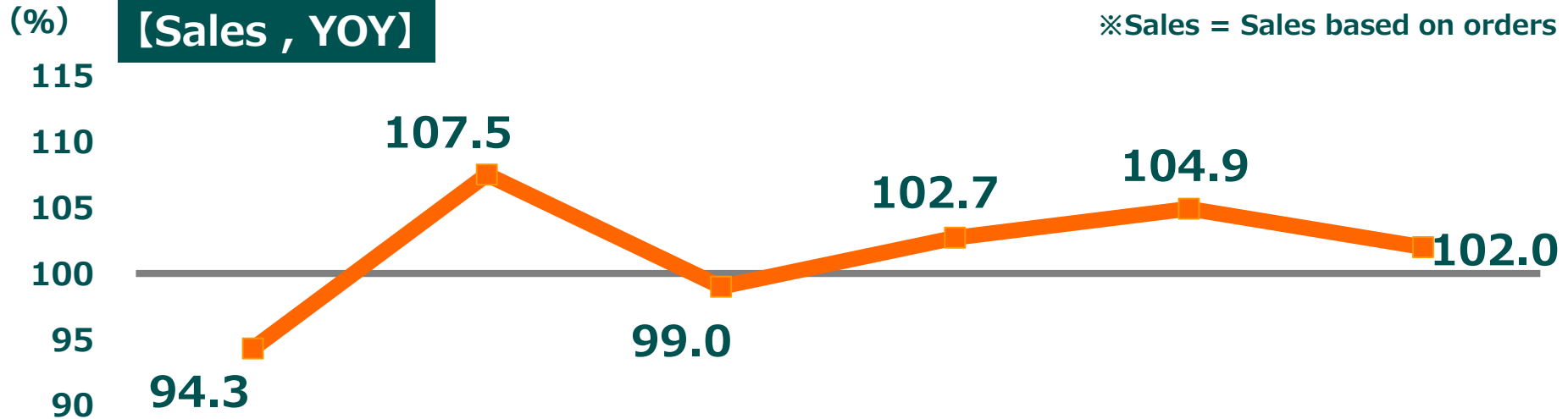
Consolidated Balance Sheets



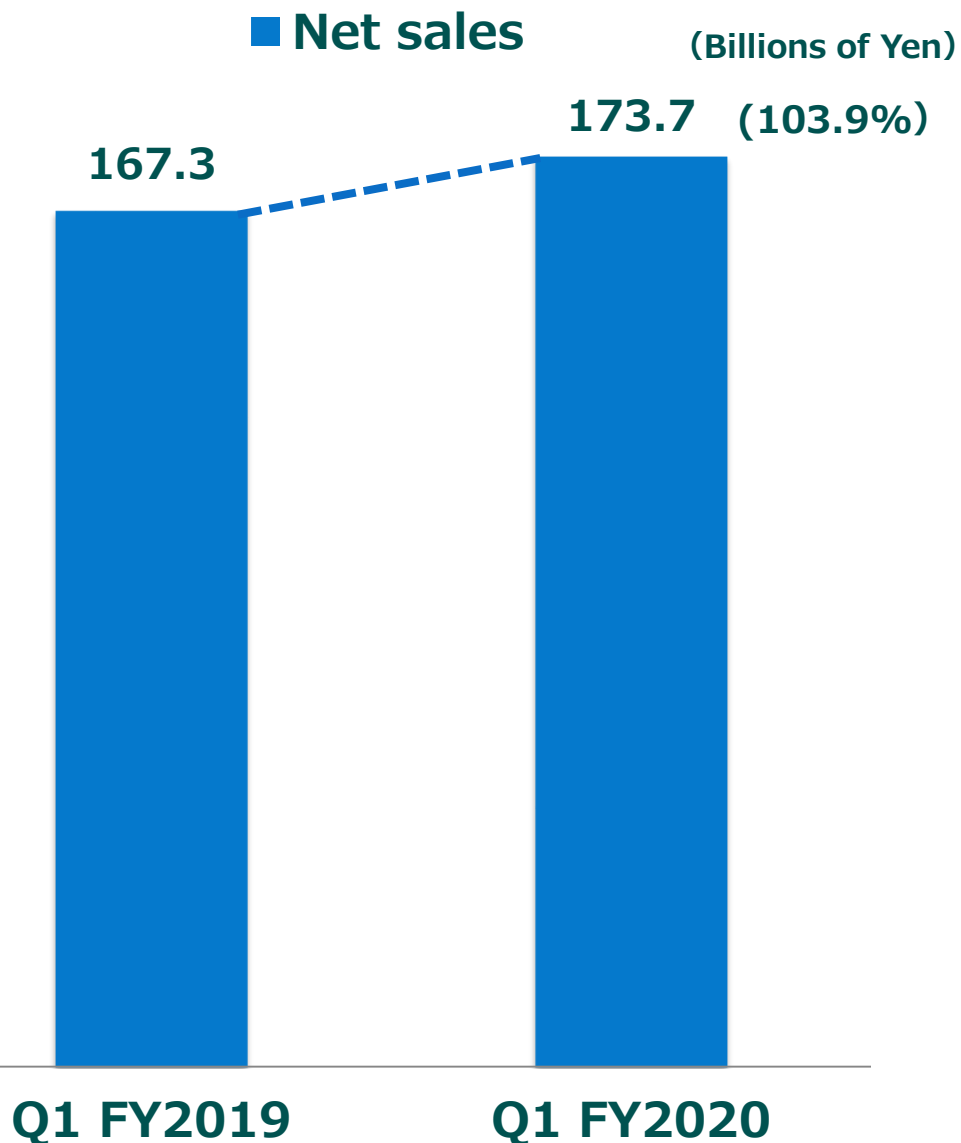
(Billions of Yen)

	20 May 2020	20 Feb 2020	Change	Major factors on changes
Current assets	280.3	263.5	16.7	Accounts receivable +11.0
(Cash and deposits)	167.5	159.1	8.3	
(Inventory)	57.9	65.5	▲7.5	
Non-Current assets	415.8	419.6	▲3.7	
(Property, plant and equipment)	305.4	307.3	▲1.9	
(Investments and other assets)	24.8	24.5	0.2	
Total assets	696.1	683.2	12.9	
Current liabilities	87.8	97.0	▲9.1	Accounts payable - other (6.4) Income taxes payable (7.5)
(Accounts payable - trade)	18.7	19.7	▲1.0	
(Short-term loans payable)	2.7	2.7	0.0	
Non-Current liabilities	23.6	25.3	▲1.6	
(Long-term loans payable)	3.0	4.0	▲0.9	
Total liabilities	111.5	122.3	▲10.8	
Total net assets	584.6	560.8	23.8	Net income +25.5
Total liabilities and net assets	696.1	683.2	12.9	

YOY changes in comparable stores



Consolidated Sales



【Net sales】	Amount	YOY
Store sales(Global)	¥150.8bil.	101.1%
E-commerce	¥16.8bil.	140.9%
B to B & Renovation Sales	¥3.0bil.	103.0%
Rent income	¥1.8bil.	102.5%
Others	¥1.2bil.	84.5%
Total	¥173.7bil.	103.9%

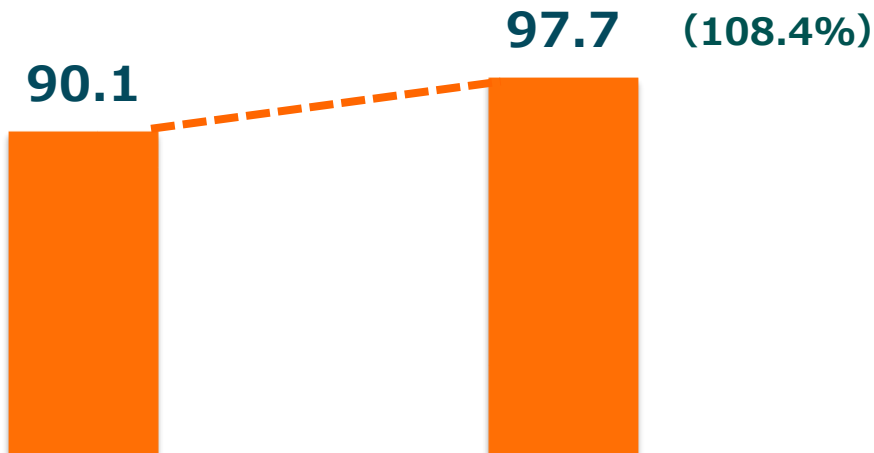
Sales comp. by region

Hokkaido	4.5%	(0.3)pt	Chugoku & Shikoku	7.7%	+0.0pt
Tohoku	5.6%	(0.1)pt	Kyusyu & Okinawa	9.0%	+0.1pt
Kanto	27.9%	(1.6)pt	EC	9.7%	+2.5pt
Hokuriku & Koshinetsu	5.3%	(0.1)pt	B to B & Renovation	1.7%	0.0pt
Chubu & Tokai	9.9%	+0.1pt	Overseas	2.3%	(0.6)pt
Kinki	14.6%	+0.1pt	Others	1.8%	(0.2)pt

Gross profit · SG&A expenses

【Gross profit】

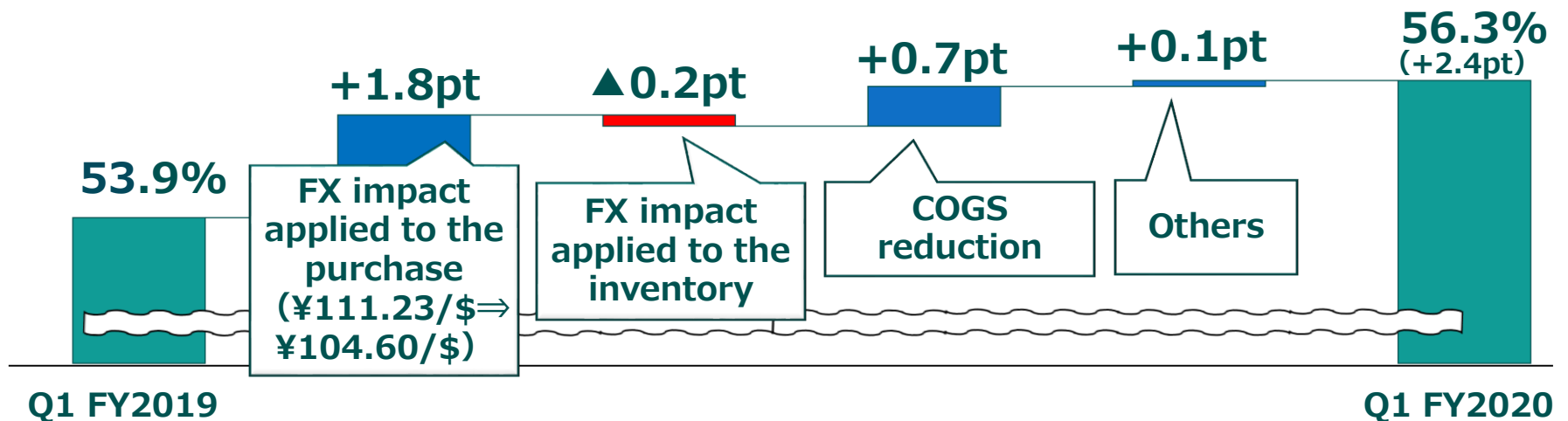
(Billions of Yen)



Q1 FY2019

Q1 FY2020

【Gross profit margin】



Q1 FY2019

Q1 FY2020

【SG&A】	Amount	YOY	Ratio to sales	Change
Personnel	¥18.3bil.	105.5%	10.6%	+0.2pt
Rents	¥9.2bil.	98.7%	5.3%	(0.3)pt
Delivery charge	¥7.8bil.	99.7%	4.5%	(0.2)pt
Advertising	¥3.8bil.	90.0%	2.2%	(0.3)pt
Outsourcing	¥4.9bil.	103.0%	2.9%	(0.0)pt
Store fixtures expense	¥0.5bil.	122.1%	0.3%	0.0pt

Depreciation **¥3.6bil.**

Capital investment **¥3.6bil.**

No. of stores as of 20 Mar. 2020



619
Stores
(+8)



(Taiwan)

436

30



(USA)

15

2



(China)

DECO HOME

98

34



4

Prefecture	No. of stores	Prefecture	No. of stores	Prefecture	No. of stores
Hokkaido	23	Yamanashi	3	Shimane	2
Hokkaido	23	Ishikawa	5	Hiroshima	15
Aomori	6	Toyama	4	Yamaguchi	8 (+1)
Akita	6	Fukui	3	Kagawa	4
Iwate	4	Hokuriku & Koshinetsu	34	Tokushima	3
Yamagata	5	Shizuoka	15 (+1)	Kochi	3
Miyagi	10	Aichi	28	Ehime	5
Fukushima	7	Mie	9	Chugoku & Shikoku	49 (+1)
Tohoku	38	Gifu	10	Fukuoka	24
Tokyo	49	Chubu & Tokai	62 (+1)	Oita	5
Kanagawa	31	Osaka	40 (+2)	Miyazaki	4
Saitama	34	Kyoto	14	Saga	5
Chiba	31 (+1)	Nara	7 (+1)	Nagasaki	4
Gunma	8	Hyogo	32 (+1)	Kumamoto	8
Tochigi	10	Shiga	10 (+1)	Kagoshima	7
Ibaraki	14	Wakayama	5	Okinawa	5
Kanto	177 (+1)	Kinki	108 (+5)	Kyushu & Okinawa	62
Niigata	9	Tottori	2	Japan	553 (+8)
Nagano	10	Okayama	7		

Major indicators of management efficiency (1)

Scope	Number	Indicator	Unit	Target		2020.5	2019.5	2018.5	2017.5	2016.5
Group (Three months)	1	Return on assets	%	Over 3.75%	○	5.4	4.9	5.5	5.2	6.5
	2	Total asset turnover	Times	Over 0.5	×	0.25	0.27	0.28	0.30	0.32
	3	Ordinary income margin	%	Over 10%	○	21.5	18.4	19.5	17.6	20.2
	4	Earnings per share	¥	Over ¥25	○	226.7	181.2	176.0	170.9	152.9
	5	Return on equity	%	Over 3.75%	○	4.5	4.0	4.4	4.8	5.1
	6	Equity ratio	%	Over 60%	○	84.0	82.4	80.4	80.7	78.5
	7	Interest coverage	Times	Over 20	○	1,717	1,203	1,431	1,559	1,843
	8	Sales growth rate	%	Over 10%	×	3.9	6.1	6.9	7.6	14.9
	9	Ordinary income growth rate	%	Over 10%	○	21.6	0.1	17.9	△6.0	29.4
	10	Ratio of gross profit to sales	%	Over 48%	○	56.3	53.9	55.2	53.3	54.4
	11	Ratio of break-even point to sales	%	Under 80%	○	57.6	61.9	60.8	62.8	58.5

Major indicators of management efficiency (2)



Scope	Number	Indicator	Unit	Target		2020.5	2019.5	2018.5	2017.5	2016.5
Sale of furniture and home furnishing	12	Sales per tsubo	K	Over ¥950K	○	112.4	111.3	109.4	107.1	108.1
	13	Stock turnover	Times	Over 9	×	5.5	5.7	6.0	6.2	6.6
	14	Operating assets turnover	Times	Over 2.9	○	3.4	3.7	3.9	4.3	4.5
	15	Ratio of profit distribution	%	Over 20%	○	38.0	34.6	35.0	32.8	37.3
	16	Ratio of real estate cost to gross profit	%	Under 25%	○	19.2	20.6	20.0	20.3	18.8
	17	Ratio of sales promotion cost to gross profit	%	Under 6%	○	4.7	5.7	6.7	6.4	6.0
	18	Labor productivity	M	Over ¥10M	○	2,210	1,979	2,016	1,847	2,064
	19	Sales floor per labor	Tsubo	Over 60	×	36.0	33.9	34.1	33.3	36.1
	20	Operating income per tsubo	K	Over 150K	○	22.0	18.9	19.5	17.0	20.0
	21	Stock per tsubo	K	Under 90K	○	9.0	9.1	8.2	8.0	7.5
	22	Average age of labor		30~35	○	32.8	32.8	32.6	32.6	32.6
	Results (○won/×lost)						○18×4	○16×6	○17×5	○16×6

TOPICS



Summary

Mar: The furniture and home appliances for new life were good results.
April and May: 110 stores were temporarily closed.
 The results of not closed stores and EC biz covered the closed stores more than enough.

- ✓ Improving an average spend per customer: The people who decided what to buy came to the store.
- ✓ Improving a purchasing ratio via nitori website: Contributed to increase awareness and omni-channel strategy implementation.

1st quarter Monthly sales status

	Sales (%)		Number of Customers (%)		Average spend per Customer (%)	
	Comparable stores	All stores	Comparable stores	All stores	Comparable stores	All stores
Mar.	110.9%	114.0%	113.1%	118.3%	98.1%	96.4%
Apr.	96.0%	98.1%	99.0%	102.0%	97.0%	96.2%
May.	100.6%	101.9%	106.7%	107.6%	94.3%	94.7%
Total	102.0%	104.1%	105.7%	108.5%	96.5%	96.0%

Notes :Including in the store which temporarily closed or shorten business hours.

Restricted biz hours

ご案内
営業時間変更のお知らせ

4/29(水)~5/31(日)

平日
11:00~19:00

土・日・祝日
11:00~19:00

ご不便をおかけしますが
何卒、ご理解のほど
よろしくお願い申し上げます

✓ Declared a state of emergency for COVID-19

- Starting a Call-Center at AM11
- Providing the information by SMS

Social distancing

お客様へ



こちらで
お待ちください



お客様同士、間隔をあけてお並びいただけますようお願いいたします

お客様へご協力のお願い

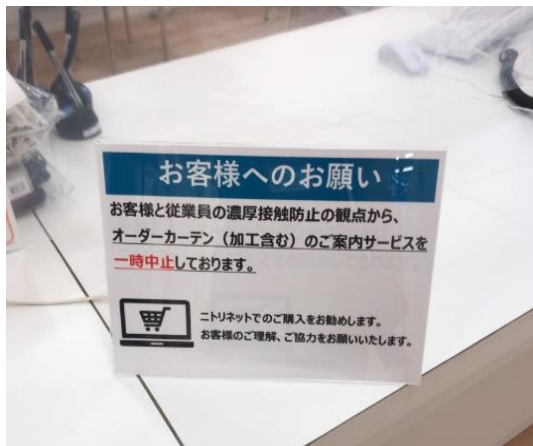
1. 従業員による「レジでの発声・読み上げ」を控えさせていただきます。
2. 現金でのお支払いのお客様へ「金銭トレーを使用した現金の受け渡し」にご協力をお願いいたします。

お客様のご理解、ご協力の程よろしくお願いたします。

Regulation at store

- ✓ Putting on a mask
- ✓ Visiting people 2 or less

Limited Service



- Temporarily stopped of customize a curtain
- Restrictive providing the item information

Promotion of ordering on EC website

Retailer exists for customers

The extension of the nationwide state of emergency

Allowance for employee

For all part-time employee in japan

- Special benefit (Term: April 7th~May 31st)
- Special benefit (When it is not possible to work at a nearby other store)

For all full-time employee in japan

- Paid leave (Max 5 days)
- Providing a mask (50 per person)

Helping from H/Q for store

Ongoing, almost all member at H/Q support the operations of the store.

Total **1,5000** people

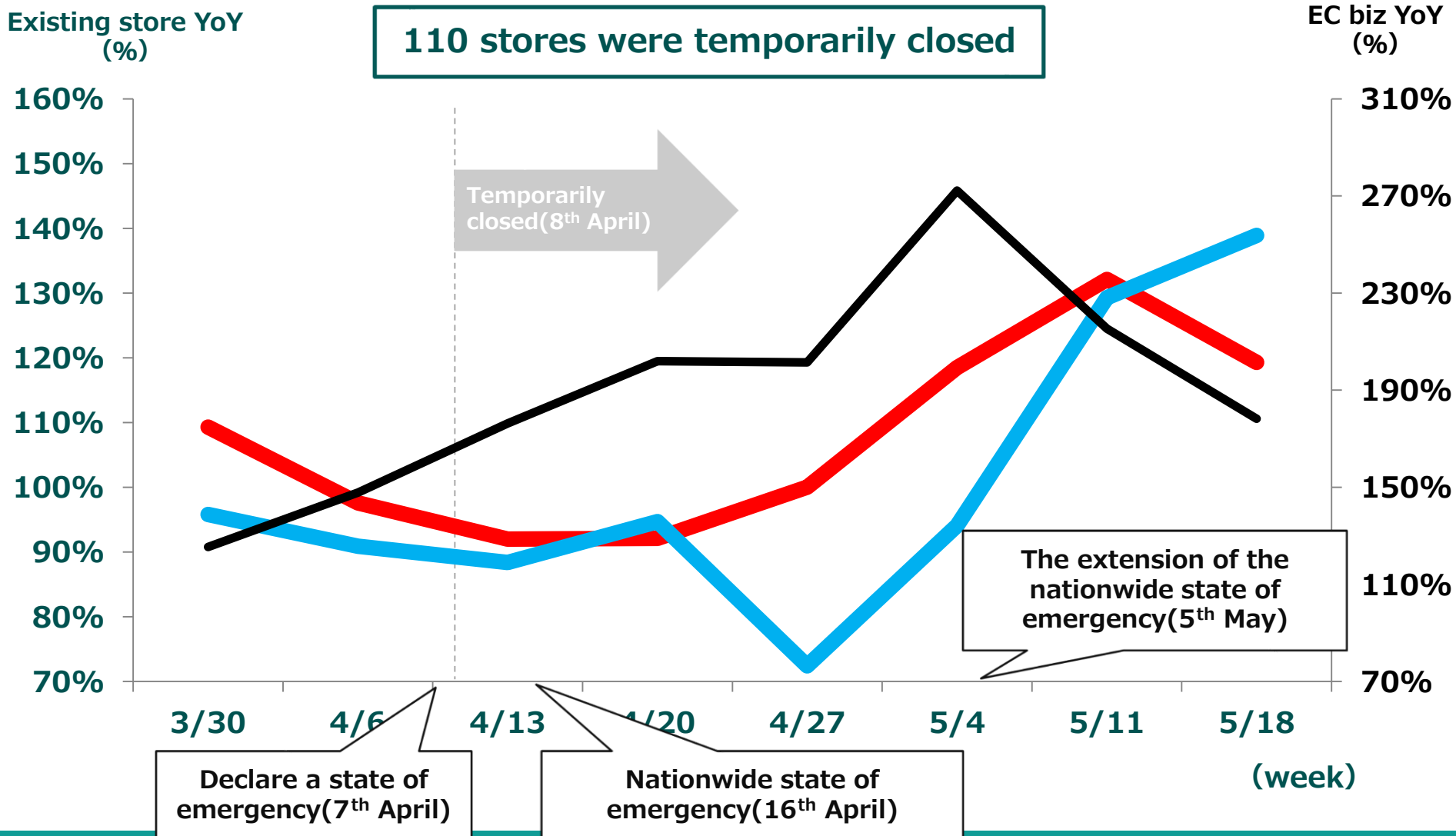
Remarks

Above a number include same people
Therefore, not uniqueness numbers

COVID-19 ~Sales trend by category~



Interior décor Furniture EC Biz



Home Office Furniture



The home office furniture that simply- design or easily to assemble it were popular.

Other features, the desk with a narrow width was preferred. (width 47")



In the chairs , The item that with comfortable seat or cool design were sold well.

In terms of price, both high price range and low price range were selected.

Simply-storage furniture



The item easily to assemble was popular.

N in BOX was so popular because of high-flexibilities to combine. So it is prepared in multiple colors is also a strength.



組み合わせ自由自在

全サイズ組み合わせ自在で
様々な置きかたができます



収納力たっぷり

幅較るスペースの少ない
状態で使えるからです



Dining and Kitchen item



Japanese dishes and Oven-safe dishes and Wood dishes were so popular.

Glass and Bottle and Tray with gripping were so popular.



All kitchen item was so popular.

SPRING&SUMMER COLLECTION

SPRING20

カラフルな春色とフルーツモチーフで
スプリングコーディネート



SPRING&SUMMER COLLECTION

SUMMER20

海風を感じるモチーフとカラーで
リゾートスタイルコーディネート

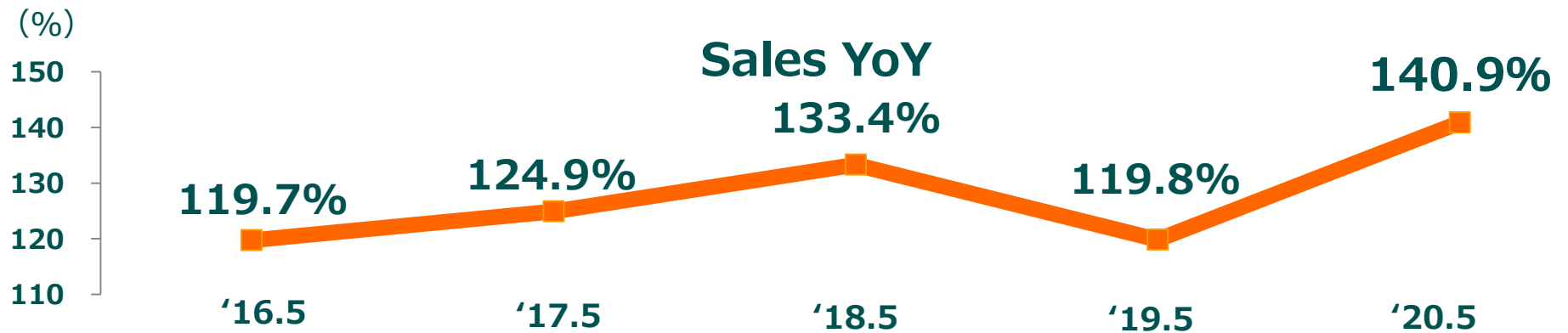


We launch two concept of spring & summer collection

Coordination to enjoy colorful colors

and

Coordination that combines N cool

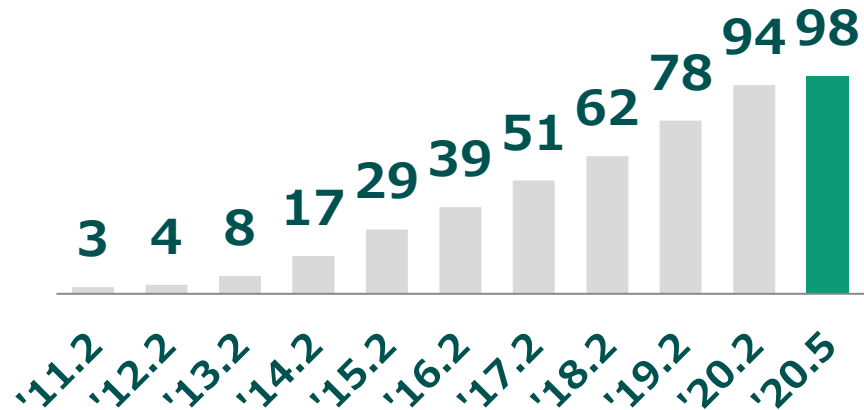


Below these were only website products that most popular sales expansion in 1Q



- Compact pocket coil couch sofa (width 5.6")
- Folding chair (no delivery fee)

Number of Store trend



For new life

Floral Romance
(to enjoy spring)

In the Breeze
(to enjoy summer's ray)



For working women

N+

テレワークの日の
華やか&
リラックスSTYLE



To turn out both
luxury and
relaxation

For all women

NITORIのクールウェアと同じ冷たさ

肌ざわり
なめらか

接触冷感
ひんやりインナー



Launching
The new inner
with cooling function
This material have a function
with touch the body cooling

Opening stores

Nabari (Mie Pref.)



Kaohsiung (Taiwan)



DH AEON-MALL Makuhari-New-city (Chiba Pref.)



DH Foleo Otsu-Ichiriyama (Shiga Pref.)



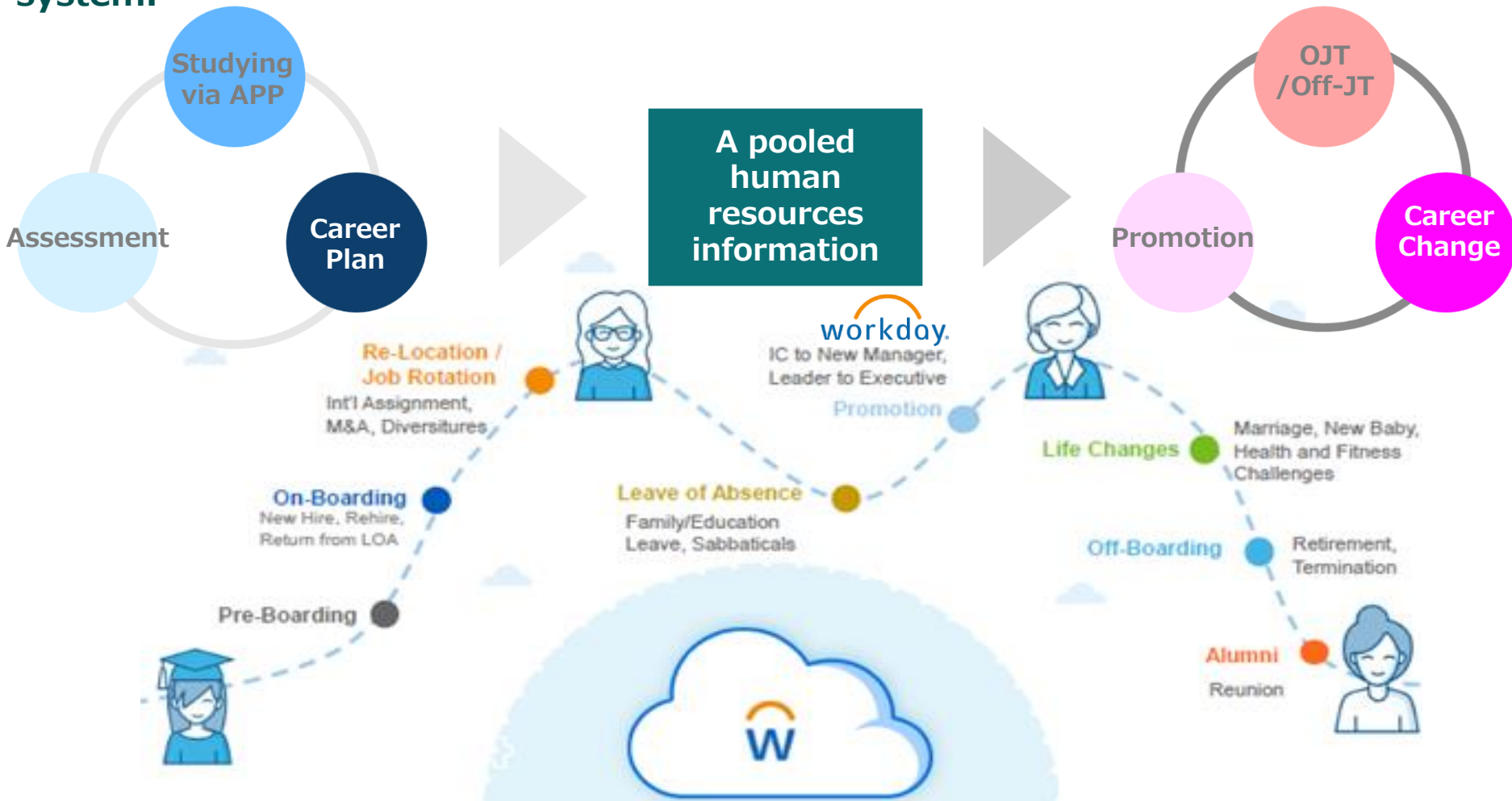
Nitori EXPRESS AEON-MALL-Koube-Kita (Hyogo Pref.)



Developed human resources for the future



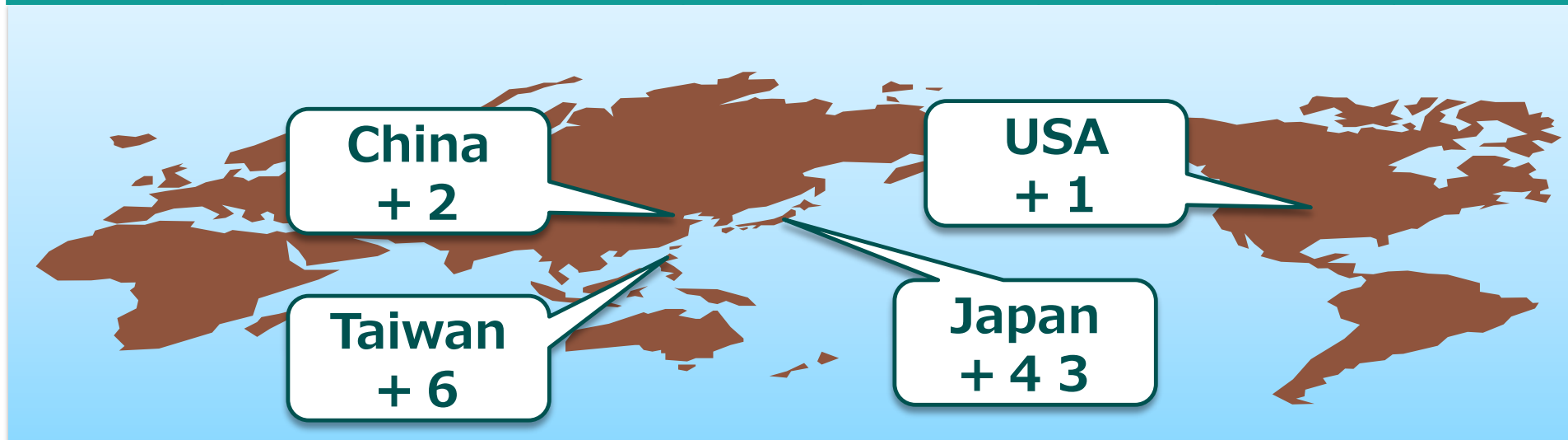
We have a long term mission and a vision which are basis of our growing. Human resources is KSF, he make it possible to advance to the next stage. Actually our plan is further acceleration through an autonomous career design system.



Store roll-out plan in FY 2020



Store				Taiwan	USA	China	Total
End of Q1 FY2020	4 5 1	9 8	4	3 0	2	3 4	6 1 9
Openings	+ 2 1	+ 1 6	+ 6	+ 6	+ 1	+ 2	+ 5 2
End of Q4 FY2020	4 7 2	1 1 4	1 0	3 6	3	3 6	6 7 1



Plan in FY 2020



(Billions of Yen)

	FY2020					
	1 st half of Plan			Annual Plan		
		(to Sales)	(YoY)		(to Sales)	(YoY)
Net sales	318.9	-	99.2%	653.2	-	101.7%
Gross profit	180.3	56.5%	103.6%	371.0	56.8%	104.7%
SG&A expenses	122.6	38.4%	103.5%	258.8	39.6%	104.8%
Operating income	57.7	18.1%	103.8%	112.2	17.2%	104.4%
Ordinary income	57.9	18.2%	102.4%	113.3	17.3%	103.4%
Profit attributable To owners of parent	39.1	12.3%	106.1%	75.7	11.6%	106.0%

No modification of plan



【見通しに関する注意事項】

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