



Nitori Holdings Co., Ltd. Financial Results Presentation for the Fiscal Year 2020



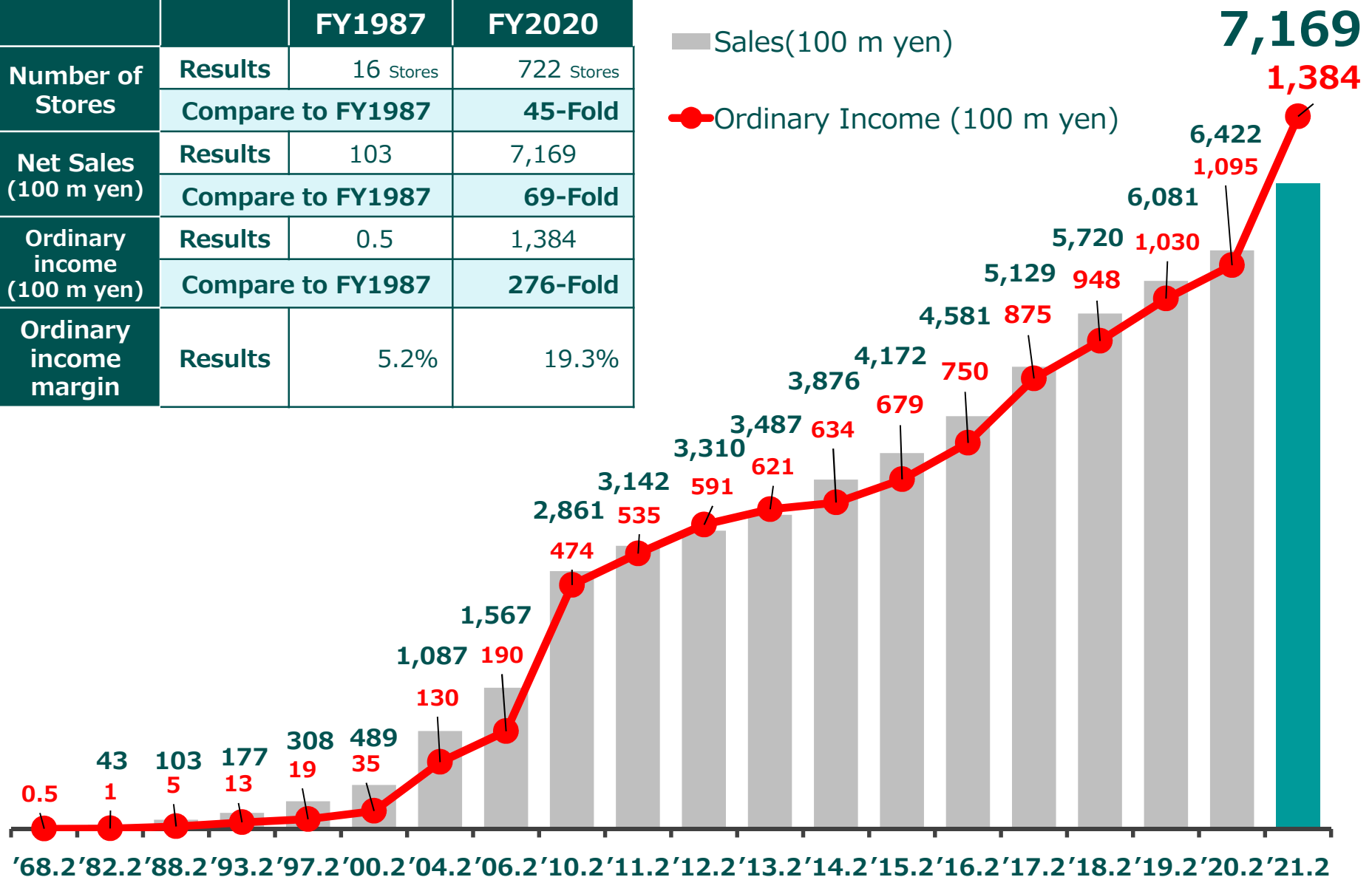
March 31, 2021

TSE1st.&Sapporo Code : 9843

achieved growth both in sales and profit for 34 consecutive fiscal years



		FY1987	FY2020
Number of Stores	Results	16 Stores	722 Stores
	Compare to FY1987	45-Fold	
Net Sales (100 m yen)	Results	103	7,169
	Compare to FY1987	69-Fold	
Ordinary income (100 m yen)	Results	0.5	1,384
	Compare to FY1987	276-Fold	
Ordinary income margin	Results	5.2%	19.3%



Overview of Consolidated Financial Results



(100 million yen)

	FY2020		FY2019		Change	
	Actual	(tosales)	Actual	(tosales)	(YOY)	
Net sales	7,169	-	6,422	-	746	111.6%
Gross profit	4,117	57.4%	3,543	55.2%	574	116.2%
SG&A expenses	2,741	38.2%	2,468	38.4%	272	111.0%
Operating income	1,376	19.2%	1,074	16.7%	302	128.1%
Ordinary income	1,384	19.3%	1,095	17.1%	289	126.4%
Profit attributable to owners of parent	921	12.8%	713	11.1%	207	129.0%

Consolidated Balance Sheets



(100 million yen)

	20 Feb. 2021	20 Feb. 2020	Change	Major factors on changes
Current assets	3,027	2,635	391	
(Cash and deposits)	1,585	1,591	▲6	
(Inventory)	807	655	152	
Non-Current assets	6,242	4,196	2,046	
(Property, plant and equipment)	4,600	3,073	1,526	
(Investments and other assets)	487	245	241	
Total assets	9,270	6,832	2,438	
Current liabilities	2,063	970	1,092	
(Accounts payable - trade)	445	197	247	
(Short-term loans payable)	487	27	459	
Non-Current liabilities	388	253	135	
(Long-term loans payable)	20	40	▲20	
Total liabilities	2,451	1,223	1,228	
Total net assets	6,818	5,608	1,209	
Total liabilities and net assets	9,270	6,832	2,438	

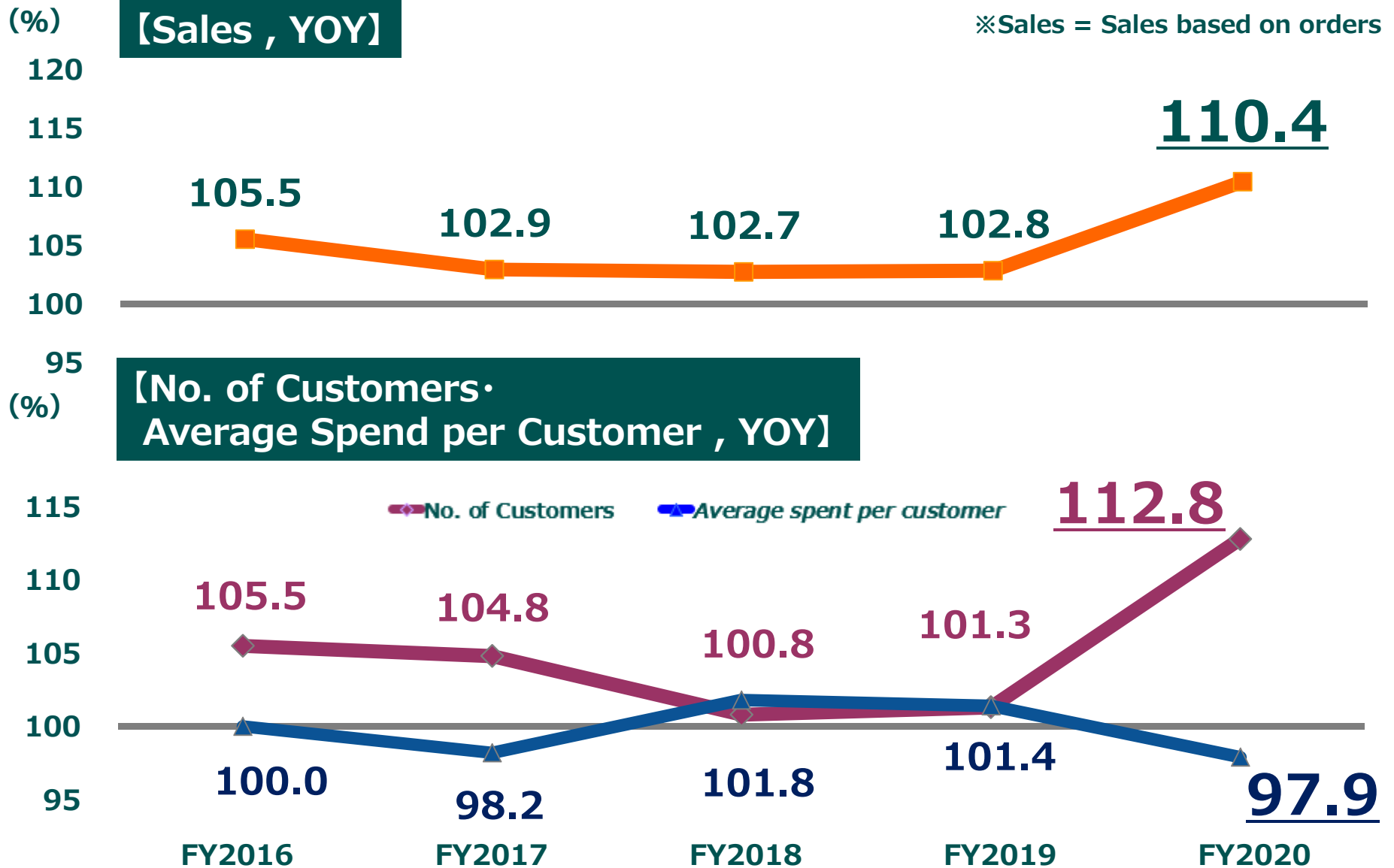
Consolidated Cash Flows



(100 million yen)

	FY2020	FY2019	Change	Major factors on changes
Operating activities	1,508	993	515	
Investing activities	▲ 1,959	▲ 444	▲ 1,514	
Financing activities	303	▲ 138	441	
Net increase in cash & cash equivalents	▲ 153	407	▲ 560	
Cash & cash equivalents at end of the year	1,254	1,407	▲ 153	
Free cash flow	▲ 451	548	▲ 999	

YOY changes in comparable stores

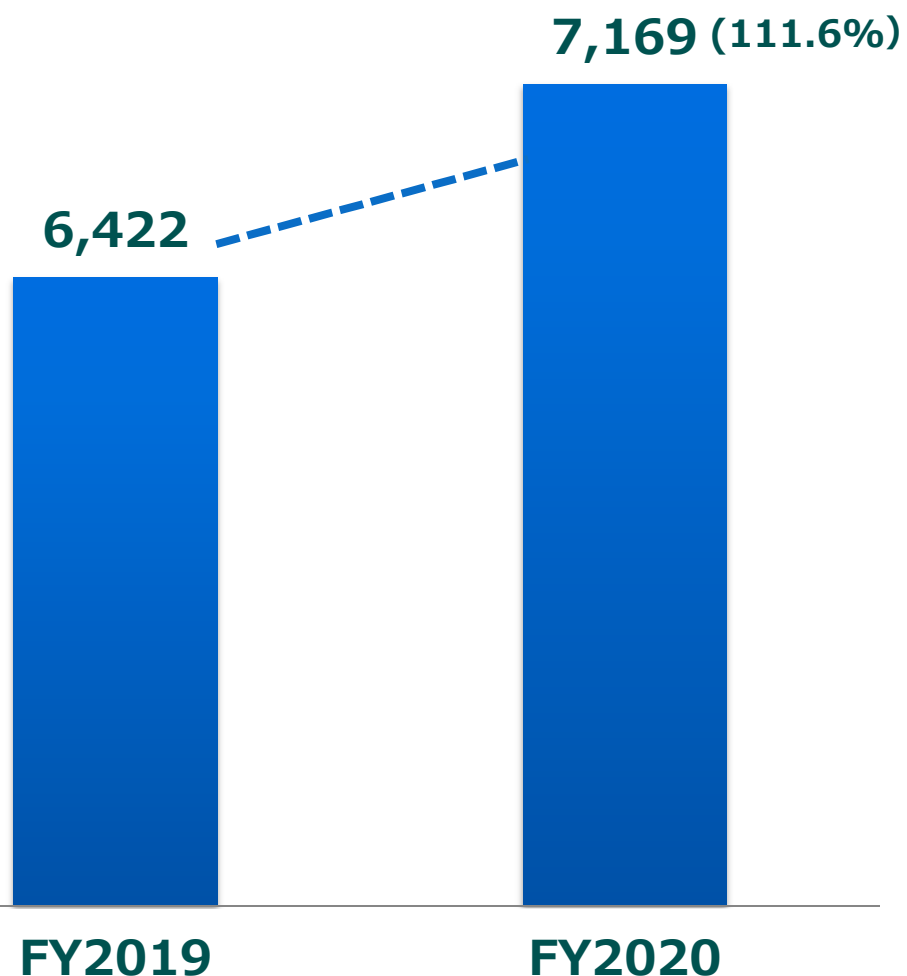


Consolidated Sales



■ Net sales

(100 million yen)



[Net sales]		Amount	YOY
Store sales(Global)		6,238	108.6%
Not stores	E-commerce	705	159.2%
	B to B	93	90.4%
Rent income		74	100.5%
Others		57	103.5%
Total		7,169	111.6%

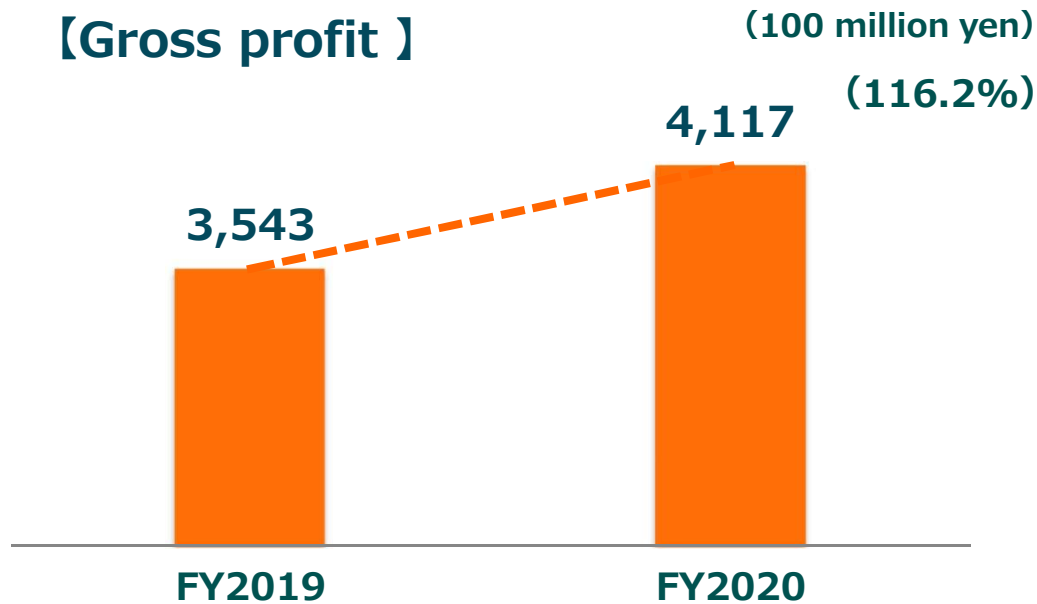
Sales comp. by region

Hokkai do	4.4%	▲0.2pt	Chugoku & Shikoku	7.2%	▲0.1pt
Tohoku	5.3%	▲0.2pt	Kyusyu & Okinawa	8.7%	+0.2pt
Kanto	29.3%	▲1.2pt	EC	9.8%	+2.9pt
Hokuriku & Koshinetsu	5.1%	▲0.1pt	B to B & Renovation	1.3%	▲0.3pt
Chubu & Tokai	9.8%	▲0.1pt	Overseas	2.7%	▲0.3pt
Kinki	14.6%	▲0.3pt	Others	1.8%	▲0.3pt

Gross profit · SG&A expenses



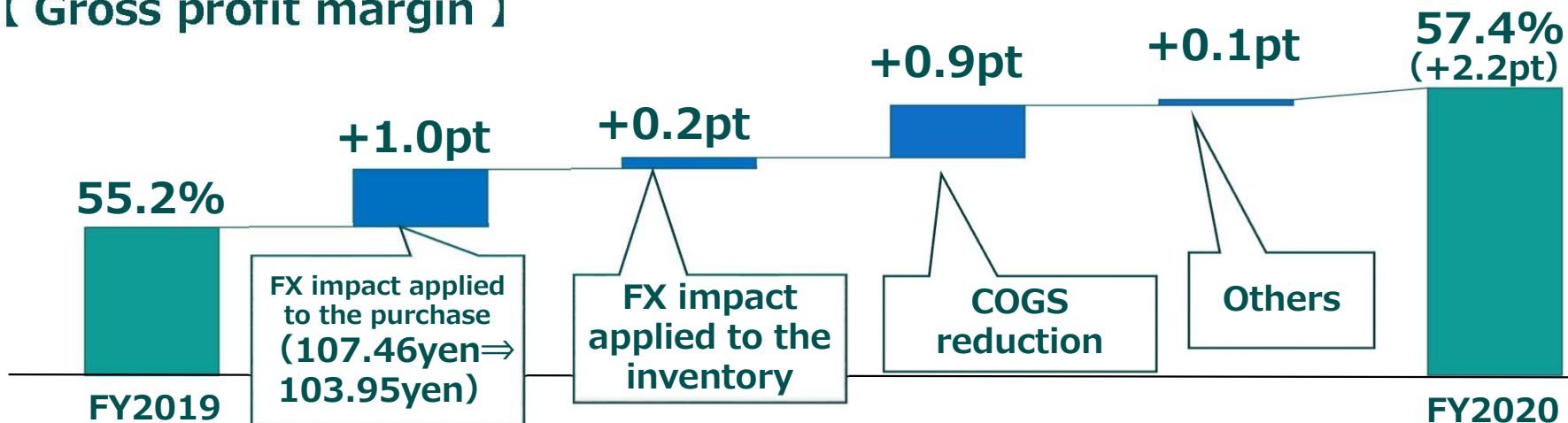
【Gross profit】



【SG&A】	Amount	YOY	Ratio to sales	Change
Personnel	797	110.7%	11.1%	▲0.1pt
Rents	384	103.2%	5.4%	▲0.4pt
Delivery charge	292	104.6%	4.1%	▲0.3pt
Advertising	171	101.7%	2.4%	▲0.2pt
Outsourcing	212	115.8%	3.0%	0.1pt

Depreciation	160
Capital investment	223

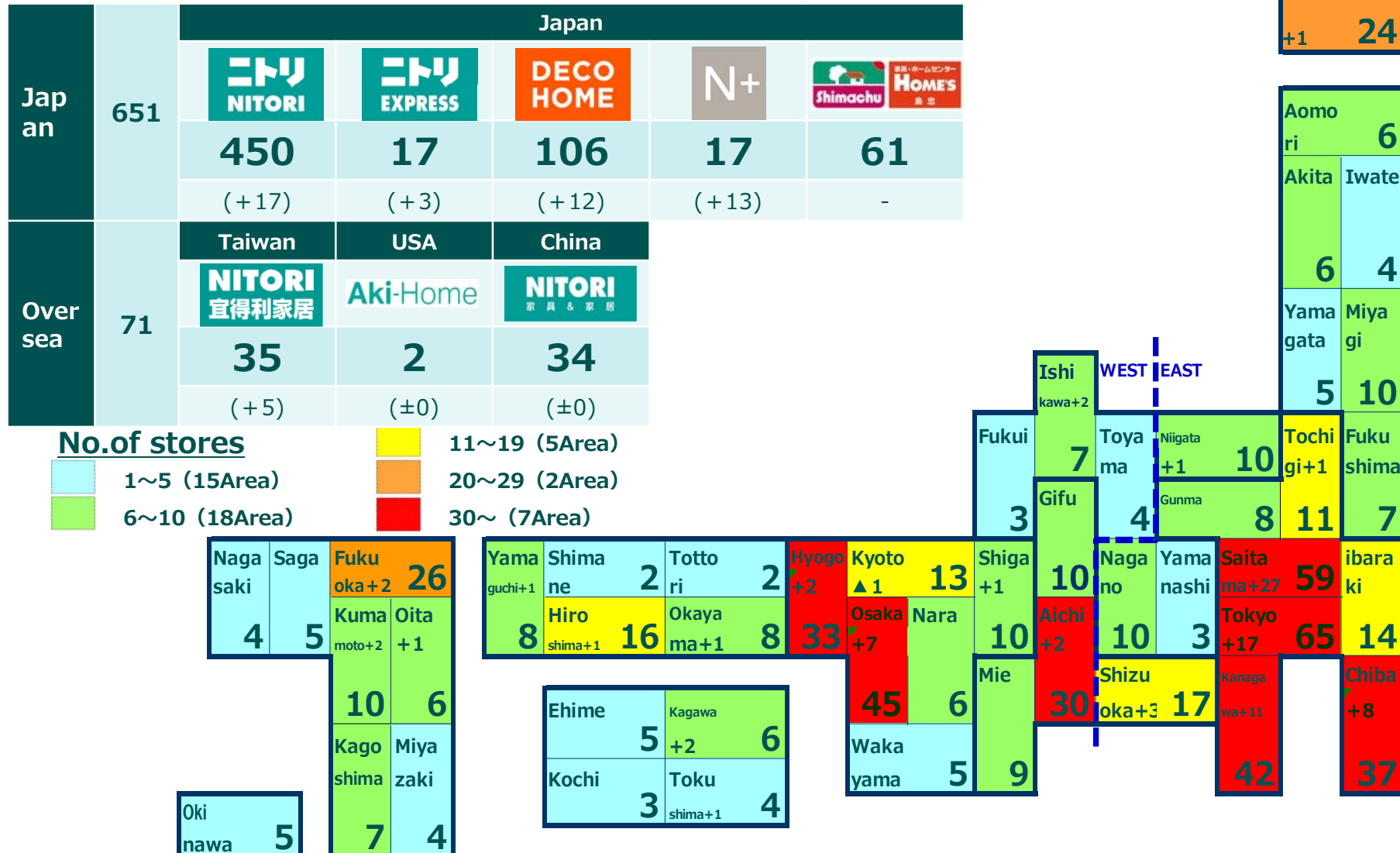
【Gross profit margin】



No. of stores as of 20 Feb. 2021



7 2 2 stores (+ 1 1 1 YOY)



Major indicators of management efficiency (1)

※2021 excludes Shimachu



Scope	Number	Indicator	Unit	Target		2021.2	2020.2	2019.2	2018.2	2017.2
Group	1	Return on assets	%	Over 15%	○	18.4	16.8	17.6	18.3	19.4
	2	Total asset turnover	Times	Over 2	×	0.94	0.99	1.04	1.10	1.14
	3	Ordinary income margin	%	Over 10%	○	19.5	17.1	16.9	16.6	17.1
	4	Earnings per share	¥	Over ¥100	○	825.25	635.42	608.05	574.49	540.93
	5	Return on equity	%	Over 15%	○	15.5	13.5	14.5	15.4	16.6
	6	Equity ratio	%	Over 60%	○	76.8	82.0	80.7	80.1	80.7
	7	Interest coverage	Times	Over 20	○	1,465	1,031	998	1,350	1,457
	8	Sales growth rate	%	Over 10%	○	11.6	5.6	6.3	11.5	12.0
	9	Ordinary income growth rate	%	Over 10%	○	27.9	6.3	8.6	8.3	16.7
	10	Ratio of gross profit to sales	%	Over 48%	○	57.4	55.2	54.5	55.0	54.2
	11	Ratio of break-even point to sales	%	Under 80%	○	62.6	65.8	65.6	66.5	65.0

Major indicators of management efficiency (2)



Scope	Number	Indicator	Unit	Target		2021.2	2020.2	2019.2	2018.2	2017.2
Sale of furniture and home furnishing	12	Sales per tsubo	K	Over ¥950K	○	113.8	105.5	103.4	101.7	98.1
	13	Stock turnover	Times	Over 9	×	5.5	5.0	5.3	5.6	5.5
	14	Operating assets turnover	Times	Over 2.9	○	3.6	3.4	3.6	3.9	4.0
	15	Ratio of profit distribution	%	Over 20%	○	33.8	30.3	31.0	30.5	31.3
	16	Ratio of real estate cost to gross profit	%	Under 25%	○	18.9	21.2	21.6	21.7	21.1
	17	Ratio of sales promotion cost to gross profit	%	Under 6%	○	4.8	5.7	6.2	6.3	6.2
	18	Labor productivity	M	Over ¥10M	○	2,271	1,980	1,922	1,875	1,899
	19	Sales floor per labor	Tsubo	Over 60	×	35.6	34.8	34.7	34.3	36.6
	20	Operating income per tsubo	K	Over 150K	○	20.6	16.0	16.0	15.5	15.1
	21	Stock per tsubo	K	Under 90K	○	8.9	9.5	8.9	8.2	8.1
	22	Average age of labor	age	30~35	○	33.5	33.7	33.6	33.4	33.4
	Results (○won/×lost)						○15×7	○15×7	○17×5	○18×4

Main measures



Results of 4Q sales



※Sales = Sales based on orders

4Q sales YOY by month

	Sales		Numbers of Customers		Average spend per customers	
	Existing Stores	All Stores	Existing Stores	All Stores	Existing Stores	All Stores
Dec.	119.4%	122.1%	117.5%	121.2%	101.6%	100.7%
Jan.	96.6%	99.2%	95.4%	99.3%	101.2%	99.9%
Feb.	110.3%	112.5%	112.9%	116.7%	97.7%	96.4%
Total of 4Q	108.6%	111.0%	107.9%	111.7%	100.7%	99.4%

**Despite the state of emergency,
our business performance was strong.**

“LIFTY”



This table can be used as both a desk and a table. And has storage space under the top plate.

“ZIO”



This bed has multiple large and small drawers.

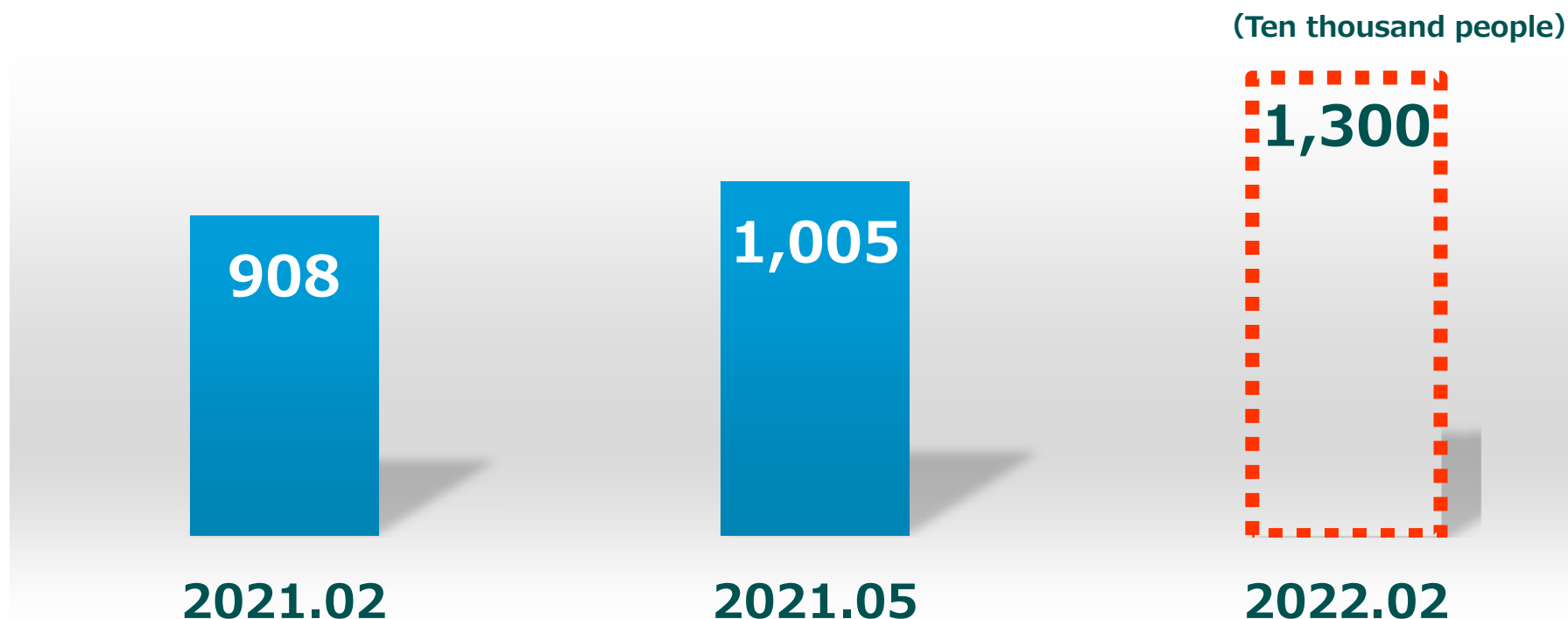
O2O-Online to Offline-



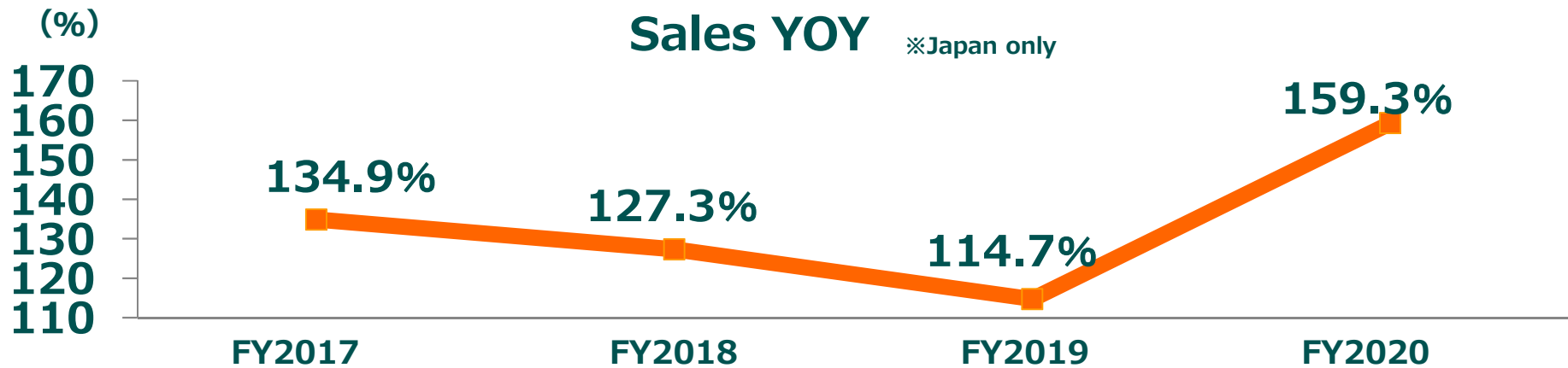
Number of app members

We are implementing various measures to increase the number of app members

Achieved 9 million people ➡ 13 million people target



E-Commerce



Popular products



Chest bed

Pocket coil
mattress

Nitori net

快適ワークスペースをつくろう

快適 ワークスペース



家で作業する時間が増える今後の生活には、
テレワークに集中したり、
趣味に没頭できる空間がほしいところ。
便利なアイテムが揃っているニトリで
つくってみましょう！



Promoting sales of products related
to working from home.

Spring planning "In Bloom"



FY2021 Initiatives to address growth



We actively increase destination stores.



■ Nitori in Japan

- Goals that exceed last year's performance
- E-Commerce
 - The target is 106% year-on-year
 - As a growing sector.
- Active opening of the stores
 - └ Nitori, deco home + 80 stores

• Implement app measures and analyze customers

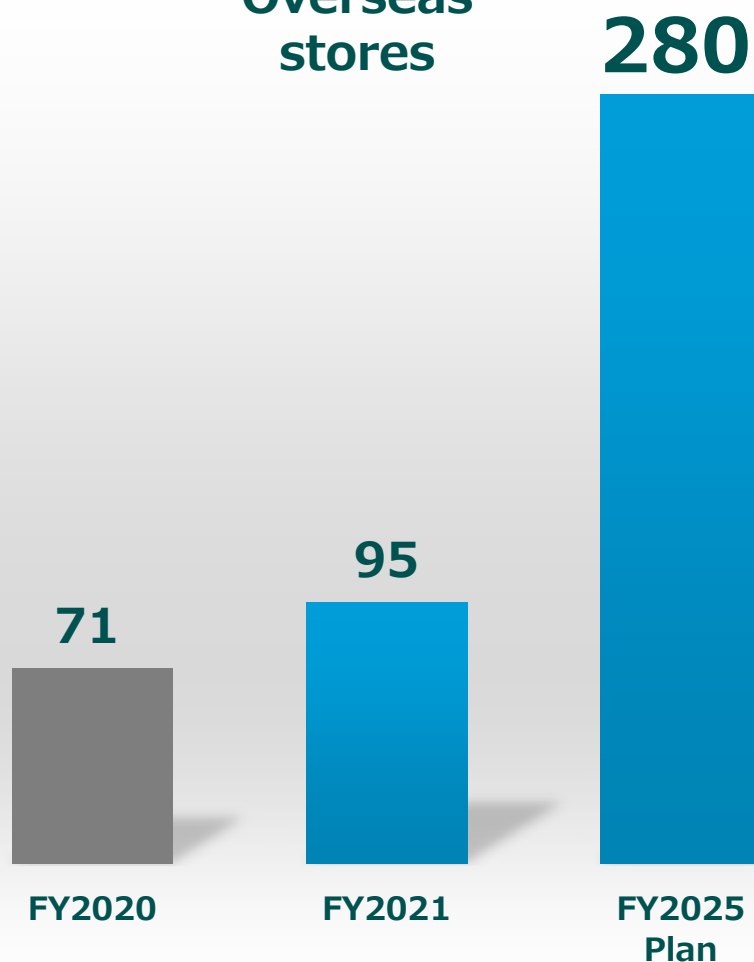
- └ 13 million people target
- We aim for:
 - Short time shopping, O2O,
 - BOPIS, store with few staff

FY 2021 NITORI ISSUES



Expansion of overseas business scale. Two years off is over.

Overseas stores



FY2021 Plan

China + 14 stores

Taiwan + 7 stores

USA + 1 stores,
E-Commerce

Southeast Asia + 2

Survey of other areas

➔ **Total + 24 stores**

FY2025 Plan

The number of store is 280

FY 2021 NITORI ISSUES



Reform of business foundation

-Logistics·Information technology·Organization-



■ logistics

- We reform logistics to reduce store costs.
- Reduction of logistics costs

■ Digital transformation

- We improve productivity by reforming our business processes.
- Take DX measures and move to a new business model.

FY 2021 NITORI ISSUES



NITORI Group's customer-oriented, unique business model that integrates manufacturing, distribution, IT, and retail
Resolving issues around the world through our business model



➡we create environmental, social, economic value to achieve the sustainable management that suits the characteristic of NITORI Group.

Business integration with Shimachu



Business integration with Shimachu quickly create a synergistic effect



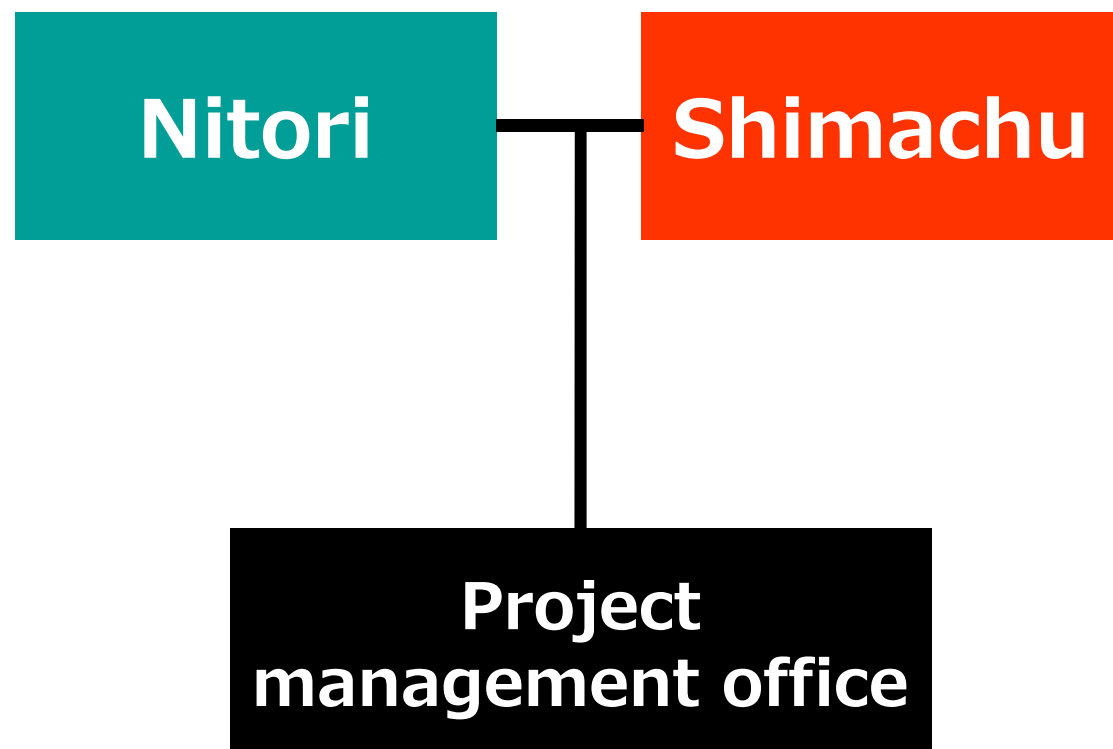
Making the best use of business model that integrates manufacturing, distribution, IT



Shimachu will evolve into a chain store, and their performance will improve.

➔ We will realize business development corresponding to various lifestyles

Established an integrated promotion committee



《 Subcommittee 》

- ① Opening a store
- ② Products
- ③ Store management
- ④ Logistics
- ⑤ Organization
- ⑥ information technology
- ⑦ Finance accounting
- ⑧ management plan
- ⑨ Governance

Identifying integration challenges

《Shimachu Plan in FY 2021》

(100 m yen)

	FY2021 plan (to sales)	
Net sales	1,500	–
Gross profit	525	35.0%
SG&A expenses	450	30.0%
Operating income	75	5.0%
Ordinary income	80	5.3%

《 challenges 》

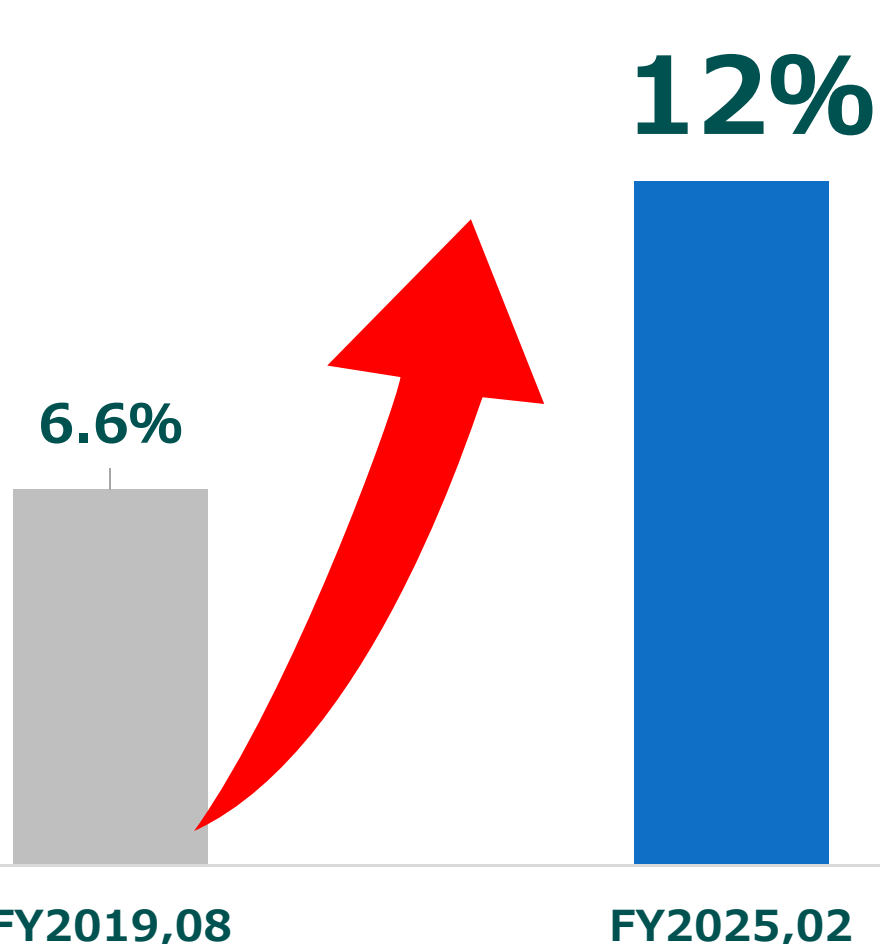
- Restructuring the organization
- PB product development
- Expanding the delivery area to the whole of Japan
- Systematizing product supply and store management
- Opening the joint management store of Nitori and Shimachu

Business integration with Shimachu



We made the 5-years plan to achieve our vision.

Ordinary income ratio



We plan to double the profit in 5 years.

We are implementing measures to achieve our plan.

Plan in FY2021



(100 m yen)

	FY2021 Plan		FY2020 Actual		Change	
		(to sales)		(to sales)		(to actual)
Net sales	8,736	-	7,169	-	1,566	121.9%
Gross profit	4,582	52.4%	4,117	57.4%	464	111.3%
SG&A expenses	3,143	36.0%	2,741	38.2%	401	114.7%
Operating income	1,439	16.5%	1,376	19.2%	62	104.5%
Ordinary income	1,464	16.8%	1,384	19.3%	79	105.8%
Profit attributable To owners of parent	986	11.3%	921	12.8%	64	107.0%

【 Assumption 】

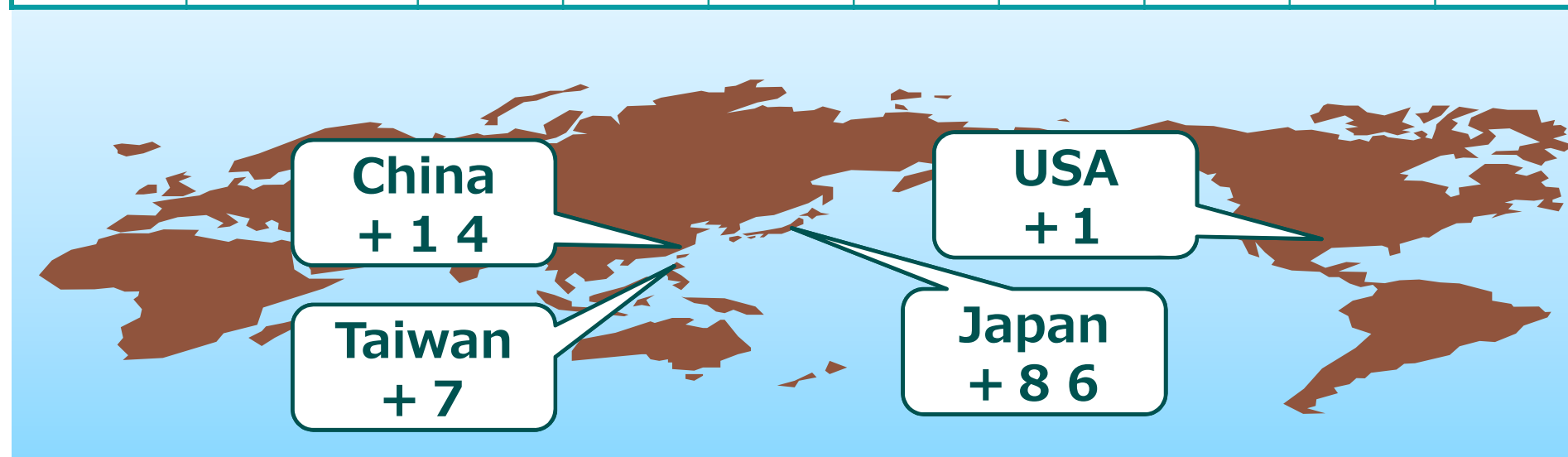
Sales in comparable stores YOY 97.2% (NITORI+DECOHOME+EC)

FX rate 110yen/\$ Capital investment 250 million yen

Store roll-out plan in FY 2021



Store				 Taiwan	 USA	 China		Other	Total
End of FY2020	4 6 7	1 0 6	1 7	3 5	2	3 4	6 1	-	7 2 2
Openings	4 0	4 0	5	7	1	1 4	1	2	1 1 0
End of FY2021	5 0 7	1 4 6	2 2	4 2	3	4 8	6 2	2	8 3 2



Distribution of Profits to Shareholders



Shareholders dividends increase for consecutive 17 fiscal years

【FY2020】

Annual dividend : 123 Yen / share (prev.FY+15Yen)

(Unit : Yen)

