

November 13, 2025
NITORI Holdings Co., Ltd.

Summary of Q&A at the Financial Results Briefing for the First Half of the Fiscal Year
Ending March 2026

*This is a summary of the main questions and answers from the financial results briefing. Some parts have been supplemented or revised for clarity.

**【Part 1: Financial Results Presentation and Q&A Session for Analysts and
Institutional Investors】**

Q) Please tell us about the changes in the management structure and their impact on business performance. What will be the future management structure of the overseas business, which was led by Mr. Takeda (Director in charge of overseas business who resigned at the end of September)? Regarding the domestic management structure, is Chairman Nitori in charge of product development, while Mr. Nagai is responsible for store operations and marketing? What is the area you are currently focusing on most in business execution?

A) (Shirai) It is very regrettable that Mr. Takeda resigned before the end of his term. His resignation was due to personal reasons, and I had been consulted in advance. He will continue to work with us as an advisor and will maintain various points of contact with our company. Going forward, Chairman Nitori and I will directly oversee the overseas operations. In addition, executive officers who will lead NITORI in the future are responsible for each country, and overall, business performance is improving. Mr. Takeda's resignation will not delay our overseas expansion. Domestically, Chairman Nitori will continue to take the lead in driving improvements and reforms. Mr. Nagai will remain in charge of sales aspects such as store operations and e-commerce. There is no change from the previous structure.

Q) What are the areas you are currently focusing on as a manager?

A) (Nagai) Restoring the number of customers. That is all.

A) (Nitori) Currently, as a measure against the decline in customer numbers, we are especially focusing on developing new products. If we can increase the ratio of new products in our stores from the current 18% to 30%, or ideally even 35%, the sales floor will look completely different and will appear more vibrant and attractive to customers. We have reorganized the product department, eliminating the distinction between buyers and merchandisers and consolidating them into merchandisers, in order to create a team that can fully concentrate on product development. In addition to securing gross profit by reducing costs, we aim to increase both the quality and quantity of attractive new products, as well as the speed of development. We are also changing our methods of promotion in various ways. Since this summer, I have been leading product development myself, and I hope to have it on track by next year. I want to return to the basics of product creation and transform the product department.

Q) Please tell us about the foreign exchange for the next fiscal year.

A) (Kimura) At this point, we have not made any reservations for the next fiscal year. We have only reserved for the current fiscal year (147.65 yen).

Q) Please tell us about the profitability of new products. Although the effects of cost reduction have become apparent in the first half, if the number of new products increases, can we expect the cost reduction effects to continue in the second half as well?

A) (Shirai) The products we are currently developing are based on a cost structure assuming an exchange rate of 155 yen to the US dollar. We are also ensuring that the selling prices remain competitive. Products that will arrive as early as three months from now are being developed under these assumptions.

Q) Regarding products, which categories are expected to change?

A) (Nitori) We are accelerating new product development across all categories. Our research found that low-priced furniture, especially in e-commerce, has been losing market share to competitors. Our market share for furniture in e-commerce is currently low. To address this, we are developing products that can compete with other companies. In order to effectively promote our affordable, low-priced

products, we will not only launch them online but also showcase them in physical stores and feature them in TV commercials in January and February. Through these efforts, we aim to gain market share.

【Part 2: Q&A Session for the Media】

Q) What is the impact of yen depreciation on consumers? Are there any signs of consumers holding back on purchases due to rising prices?

A) (Nitori) With durable consumer goods, it is common for households to continue using them rather than replacing them, as they do not break easily. Since our company has a limited selection of low-priced products, I believe we need to focus more on discount consumption.

Q) Operating profit is expected to increase for the full year. What is the most important factor in achieving this target? What will be crucial for improving business performance in the second half?

A) (Nagai) The most important thing is measures to increase the number of customers and recover sales in the domestic market. The driving force behind this is new products. We are also working on cost measures for these products. We want to set attractive prices for new products and secure sufficient gross profit. In terms of impact on business performance, recovering customer numbers in the domestic market is more important than overseas business. We want to improve this fiscal year's figures as much as possible. In the end, it all comes down to product development.

A) (Nitori) This year, we are prioritizing profitability in our overseas operations. In mainland China, where the impact of the real estate downturn is significant, we are closing unprofitable stores and reducing store floor space. We plan to return to profitability from next fiscal year onward. In ASEAN countries, there are regions where we are close to breaking even. In every region, once we reach about 20 stores, economies of scale will lead to improved profitability. Ideally, we would like to open around 100 stores annually overseas. In the domestic market, our top priority is to ensure that new products are quickly delivered and sold. We expect to see a change in our numbers in the fourth quarter. We aim for increased sales and

profits. We hope to see some recovery in the third quarter and achieve positive growth in existing stores in the fourth quarter.

Q) Your company is so popular that one out of every 3.5 people applies. Under Chairman Nitori's leadership, is it necessary to work extremely hard, or how do you view work-life balance?

A) (Nitori) The workforce is 45% women and 55% men. In the past, many employees left the company due to marriage or childbirth, but now many men take six months of parental leave. We have also introduced the "My Area" system, and I believe the working environment is becoming more flexible.