

NITORI Holdings Co., Ltd.
Financial Results Presentation for the FY2021

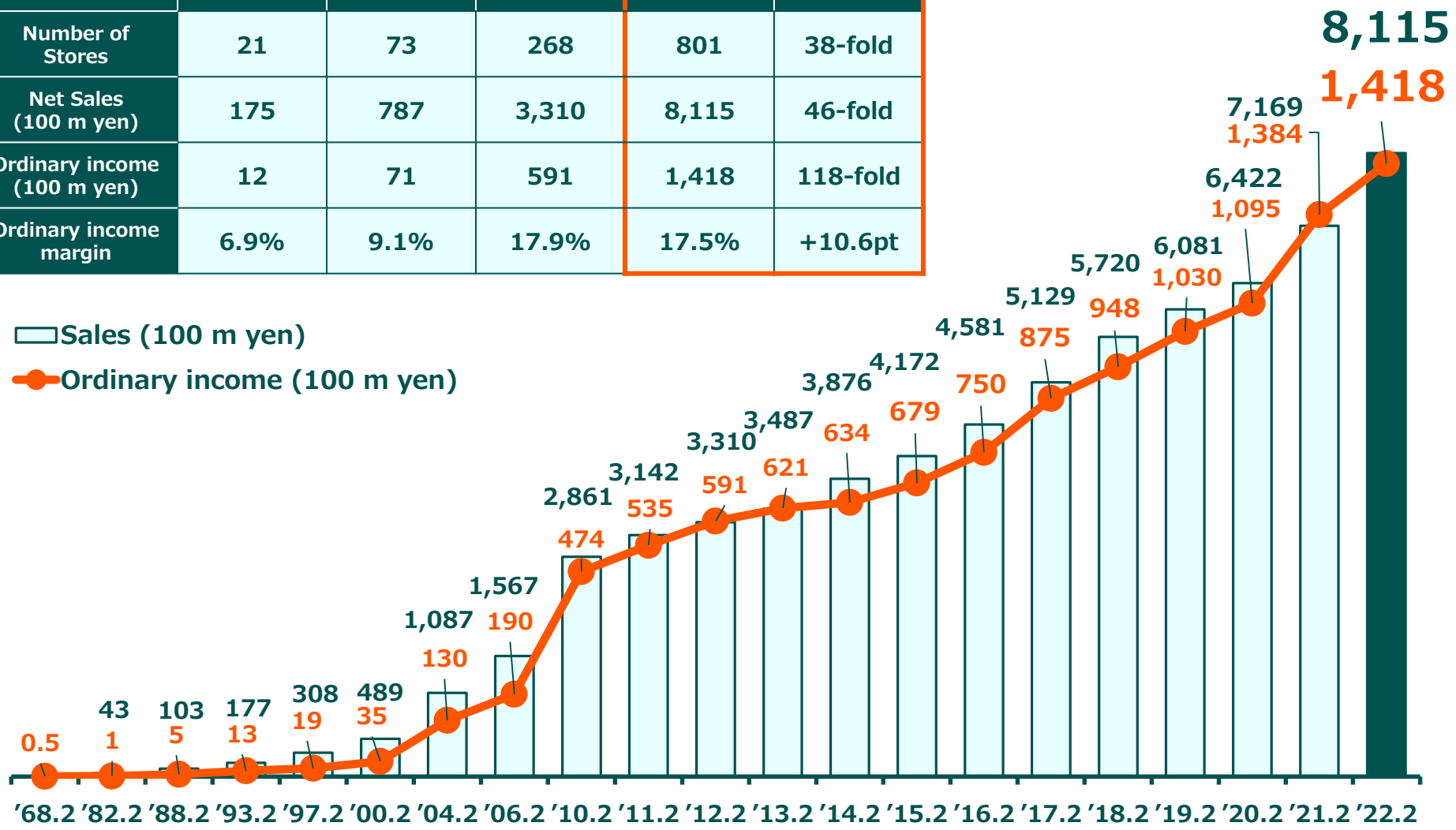
March 31 , 2022

TSE1st.&Sapporo Code : 9843

Achieved growth both in sales and profit for the 35th consecutive fiscal year



	FY1991	FY2001	FY2011	FY2021	
	Results	Results	Results	Results	Compare to FY1991
Number of Stores	21	73	268	801	38-fold
Net Sales (100 m yen)	175	787	3,310	8,115	46-fold
Ordinary income (100 m yen)	12	71	591	1,418	118-fold
Ordinary income margin	6.9%	9.1%	17.9%	17.5%	+10.6pt



Overview of Consolidated Financial Results



(100 million Yen)

	FY2021		FY2020		Prior Period Comparison	
	Actual	to sales	Actual	to sales	change	YOY
Net sales	8,115	-	7,169	-	946	113.2%
Gross profit	4,258	52.5%	4,117	57.4%	141	103.4%
SG&A expenses	2,876	35.4%	2,741	38.2%	135	104.9%
Operating income	1,382	17.0%	1,376	19.2%	5	100.4%
Ordinary income	1,418	17.5%	1,384	19.3%	34	102.5%
Profit attributable to owners of parent	967	11.9%	921	12.8%	46	105.0%

Summary of Financial Results by Reporting Segment



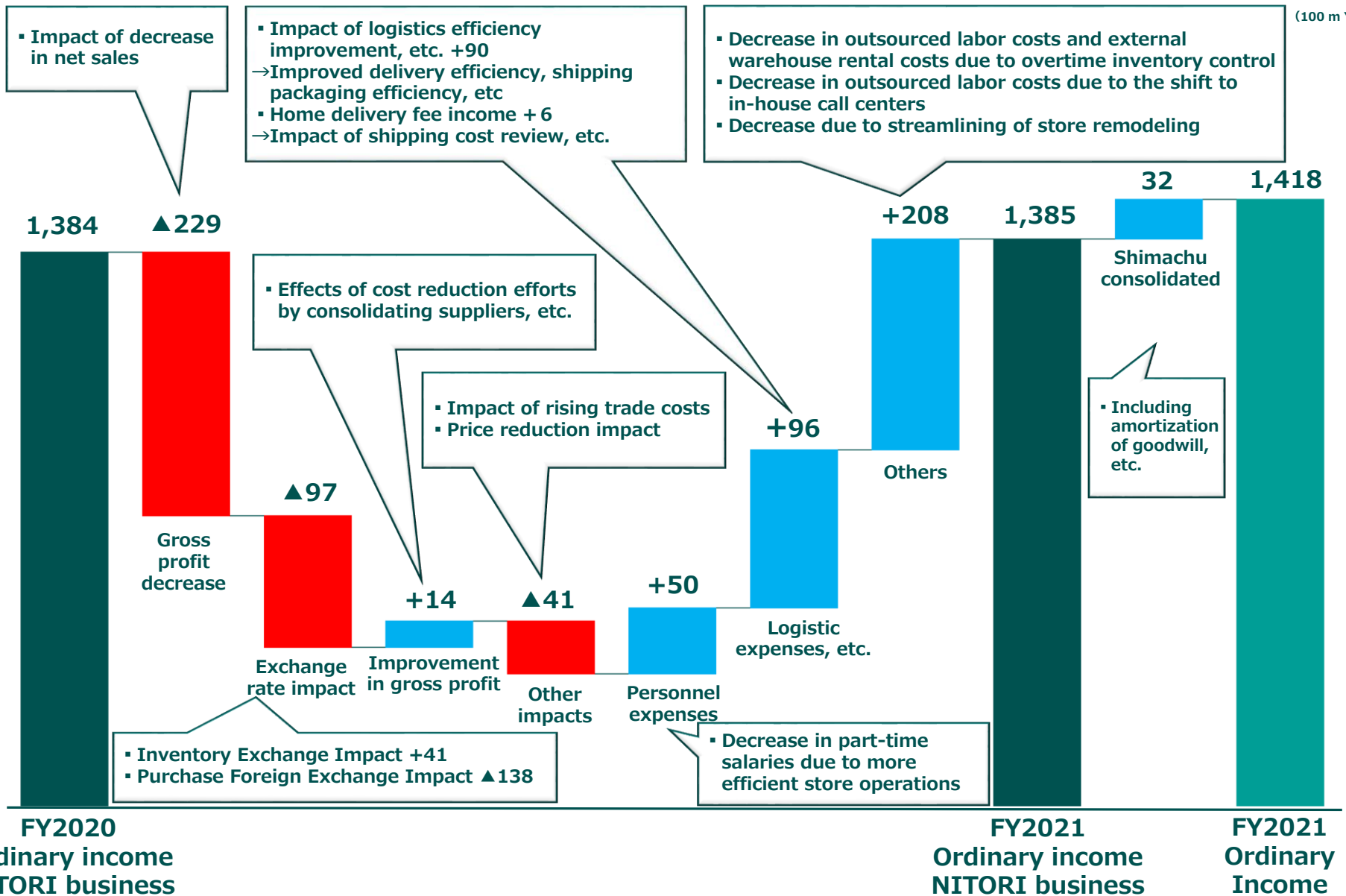
(100 million Yen)

		FY2021		FY2020			FY2019		
		Actual	to sales	Actual	to sales	Compared to FY2021	Actual	to sales	Compared to FY2021
NITORI business	Net sales	6,792	-	7,169	▲376	94.7%	6,422	369	105.8%
	Ordinary income	1,385	20.4%	1,384	1	100.1%	1,095	290	126.5%
Shimachu business	Net sales	1,370	-	-	1,370	-	-	1,370	-
	Ordinary income	32	2.4%	-	32	-	-	32	-

Consolidated ordinary income (YOY)



(100 m Yen)



Gross profit · SG&A expenses



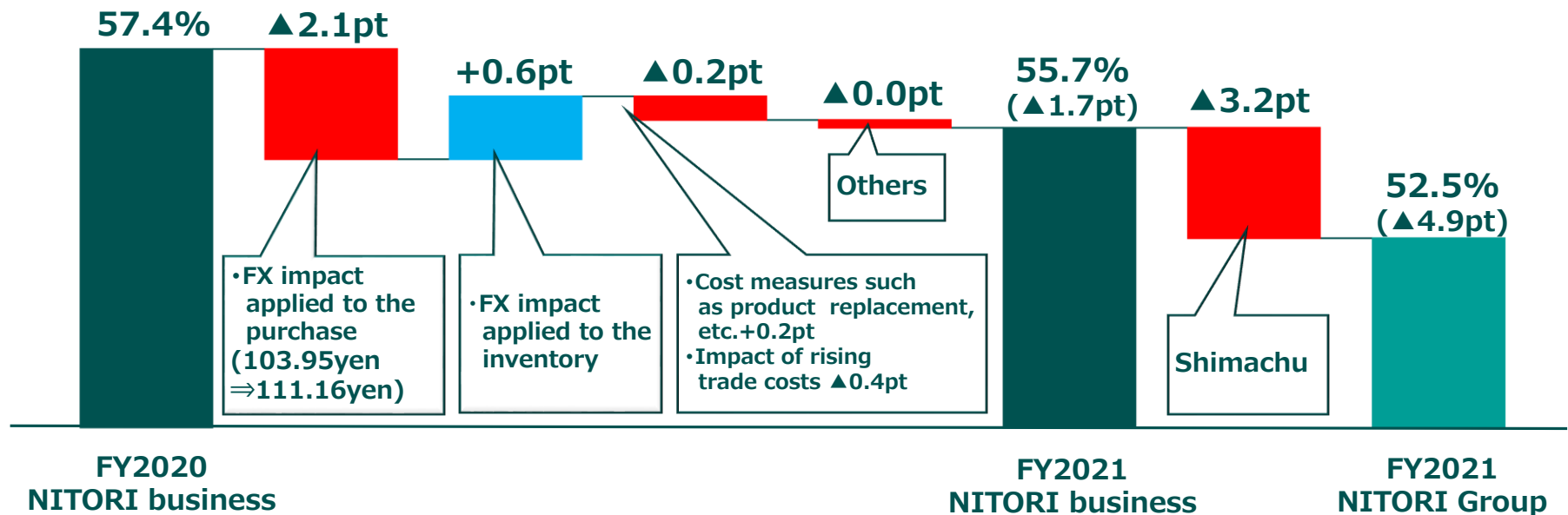
SG&A expenses	Amount	YOY	Ratio to sales	Change
Personnel expenses	909	114.0%	11.2%	+0.1pt
Rents	464	120.9%	5.7%	+0.4pt
Shipping and delivery costs	250	85.6%	3.1%	▲1.0pt
Advertising expenses	165	96.3%	2.0%	▲0.4pt

SG&A expenses	Amount	YOY	Ratio to sales	Change
Outsourcing expenses	181	85.3%	2.2%	▲0.7pt
Depreciation	204	128.4%	2.5%	+0.3pt

Capital investment, etc.	
Capital Investment	1,014

(100 million Yen)

Gross profit margin ratio



Consolidated Balance Sheets



(100 million Yen)

Accounts		20 Feb. 2022	20 Feb. 2021	Change	Major factors on changes
Current assets		2,783	3,027	▲ 243	
	Cash and deposits	1,304	1,585	▲ 281	
	Inventory	859	807	52	
Non-Current assets		7,054	6,281	773	
	Property, plant and equipment	5,604	4,824	779	Land +675
	Investments and other assets	381	368	12	
Total assets		9,838	9,308	529	
Current liabilities		1,631	2,063	▲ 431	Income taxes payable ▲ 100
	Accounts payable - trade	397	445	▲ 47	
	Short-term loans payable	350	487	▲ 136	
Non-Current liabilities		878	391	486	
	Long-term loans payable	503	20	483	
Total liabilities		2,510	2,454	55	
Total net assets		7,328	6,853	474	Retained earnings +806
Total liabilities and net assets		9,838	9,308	529	

Note: The business combination with Shimachu Co., Ltd. was provisionally accounted for in the previous consolidated fiscal year, but it has been finalized in the consolidated fiscal year 2021.

Consolidated Cash Flows

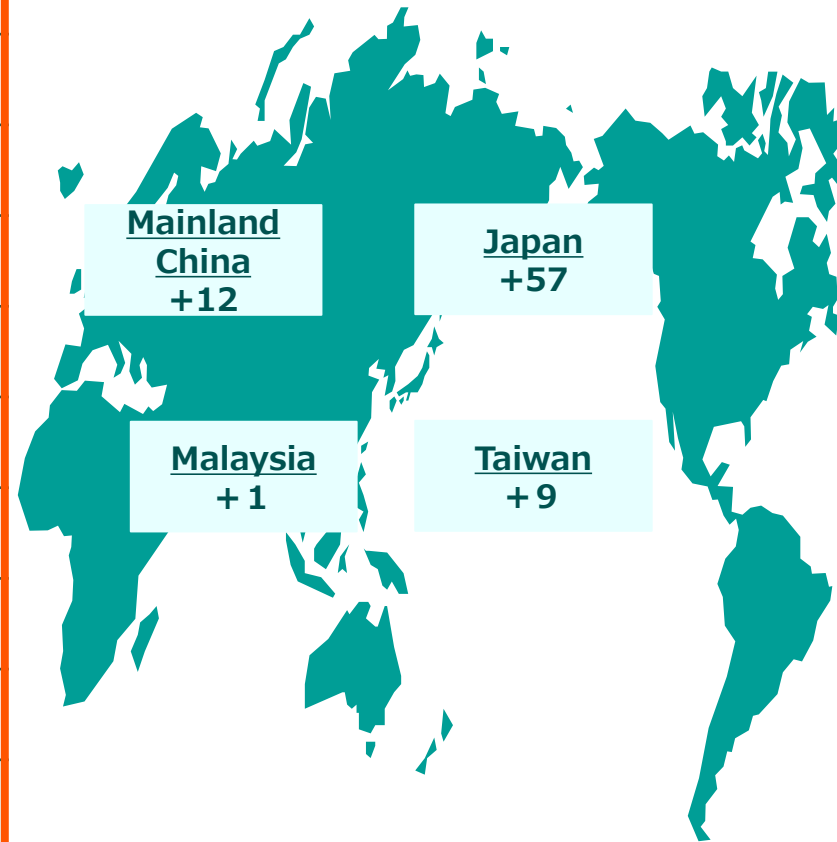


(100 million Yen)

	FY2021	FY2020	Change	Major factors on changes
Operating activities	855	1,508	▲ 653	Profit before income taxes 1,417 Income taxes paid ▲ 615
Investing Activities	▲ 1,199	▲ 1,959	760	Purchase of property, plant and equipment ▲ 1,015 Purchase of shares of subsidiaries ▲ 489
Financing activities	177	303	▲ 125	Proceeds from long-term and short-term borrowings 1,490 Repayments of long-term and short-term borrowings ▲ 1,142
Other	29	▲ 5	34	
Net increase (decrease) in cash and cash equivalents	▲ 137	▲ 153	15	
Increase (decrease) due to change in fiscal year end of consolidated subsidiaries	153	-	153	
Cash and cash equivalents at end of year	1,270	1,254	15	
Free cash flow	▲ 344	▲ 451	106	

Number of stores as of 20 Feb. 2022

- Total at end of period: 801 stores
- Compared to the end of the previous fiscal year: +79 stores



		End of FY2020	Net increase	End of FY2021
J A P A N	NITORI	450	22	472
	EXPRESS	17	5	22
	DECOHOME	106	34	140
	N plus	17	1	18
	Shimachu	61	▲5	56
	Subtotal	651	57	708
O V E R S E A S	Taiwan	35	9	44
	Mainland China	34	12	46
	USA	2	0	2
	Malaysia	0	1	1
	Subtotal	71	22	93
	Total	722	79	801

Major indicators of management efficiency (1)



G R O U P	No.	Indicator	unit	Target		2022.2	2021.2	2020.2	2019.2	2018.2
	1	Return on assets	%	Over 15%	×	14.8	18.4	16.8	17.6	18.3
	2	Total asset turnover	Times	Over 2	×	0.85	0.94	0.99	1.04	1.10
	3	Ordinary income Margin	%	Over 10%	○	17.5	19.5	17.1	16.9	16.6
	4	Earnings per share	¥	Over ¥100	○	856.71	825.25	635.42	608.05	574.49
	5	Return on equity	%	Over 15%	×	14.1	15.5	13.5	14.5	15.4
	6	Equity ratio	%	Over 60%	○	74.5	76.8	82.0	80.7	80.1
	7	Interest coverage	Times	Over 20	○	654	1,465	1,031	998	1,350
	8	Sales growth rate	%	Over 10%	○	13.2	11.6	5.6	6.3	11.5
	9	Ordinary income growth rate	%	Over 10%	×	2.5	27.9	6.3	8.6	8.3
	10	Ratio of gross profit to sales	%	Over 48%	○	52.5	57.4	55.2	54.5	55.0
11	Ratio of break-even point to sales	%	Under 80%	○	63.8	62.6	65.8	65.6	66.5	

※ Results of Shimachu Corporation are included from fiscal year 2021.

Major indicators of management efficiency (2)



S A L E O F F U R N I T U R E A N D H O M E F U R N I S H I N G	No.	Indicator	unit	Target		2022.2	2021.2	2020.2	2019.2	2018.2
	12	Sales per tsubo	K	Over ¥950K	○	101.9	113.8	105.5	103.4	101.7
	13	Stock turnover	Times	Over 9	×	5.4	5.5	5.0	5.3	5.6
	14	Operating assets turnover	Times	Over 2.9	○	3.4	3.6	3.4	3.6	3.9
	15	Ratio of profit distribution	%	Over 20%	○	37.1	33.8	30.3	31.0	30.5
	16	Ratio of real estate cost to gross profit	%	Under 25%	○	22.7	18.9	21.2	21.6	21.7
	17	Ratio of sales promotion cost to gross profit	%	Under 6%	○	4.3	4.8	5.7	6.2	6.3
	18	Labor productivity	M	Over ¥10M	○	2,069	2,271	1,980	1,922	1,875
	19	Sales floor per labor	Tsubo	Over 60	×	37.5	35.6	34.8	34.7	34.3
	20	Operating income per tsubo	K	Over 150K	○	19.2	20.6	16.0	16.0	15.5
	21	Stock per tsubo	K	Under 90K	○	8.5	8.9	9.5	8.9	8.2
	22	Average age of labor	Age	30~35	○	33.5	33.5	33.7	33.6	33.4
Results (○ won / × lost)						○16 × 6	○19 × 3	○15 × 7	○15 × 7	○17 × 5

NITORI Business Topics



Results of 4Q sales (4Q sales YOY by month)



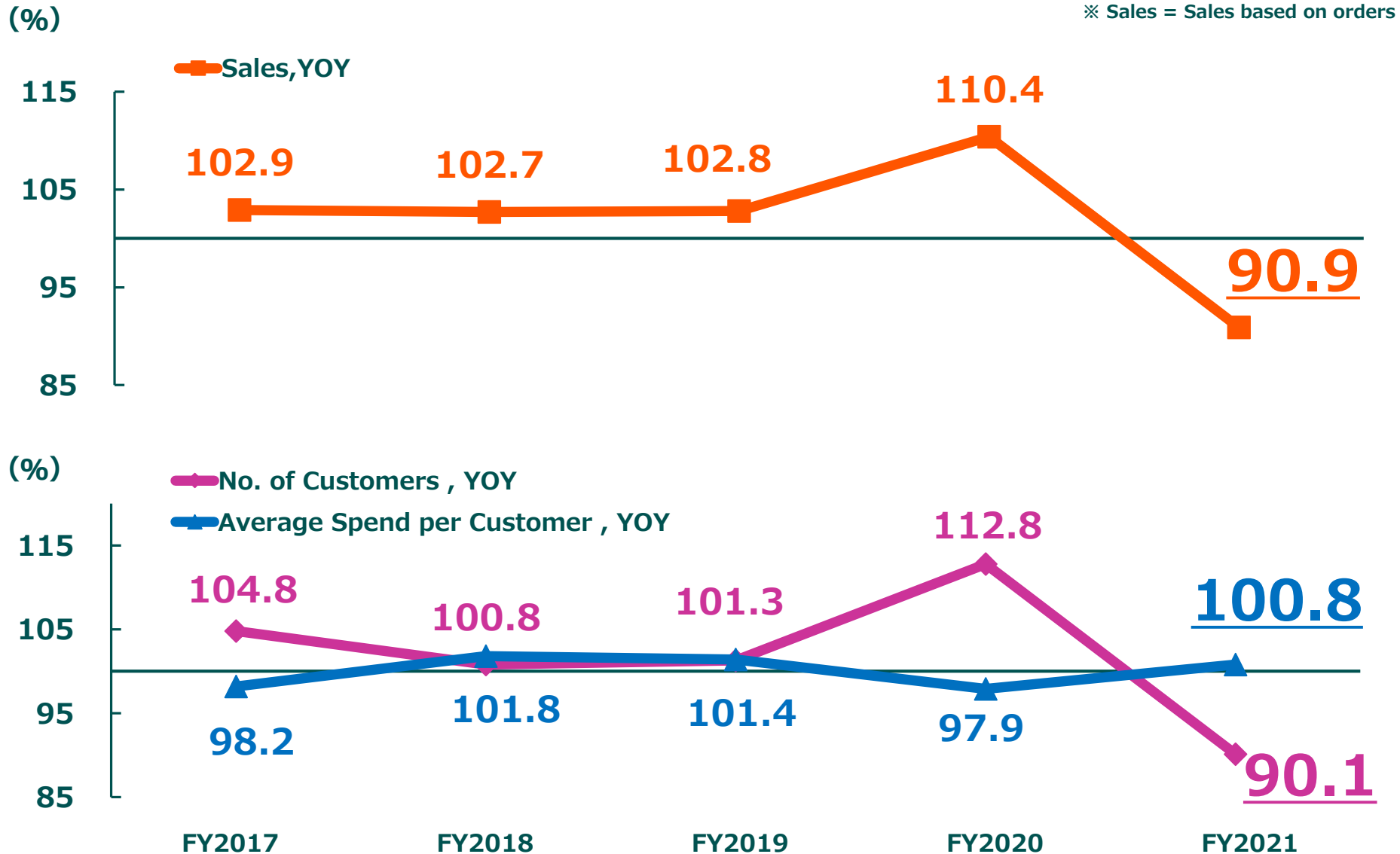
Sales were strong during the period due to a total of two price reduction campaigns to support consumers' lifestyles. However, due to the impact of repeated declarations of a state of emergency and priority measures to prevent the spread of the disease, sales in the current fiscal year were 90.9% of the previous year's level at existing stores and 93.4% of the previous year's level at all stores.

	Sales			Numbers of Customers		Average spend per customers	
	Compared to FY2020		Compared to FY2019	Compared to FY2020		Compared to FY2020	
	Existing Stores	All Stores	Existing Stores	Existing Stores	All Stores	Existing Stores	All Stores
Dec.	89.9%	92.2%	107.3%	88.4%	92.4%	101.7%	99.8%
Jan.	102.5%	105.6%	99.1%	99.1%	104.3%	103.5%	101.2%
Feb.	99.0%	101.9%	109.3%	94.8%	100.4%	104.4%	101.5%
Dec - Feb	96.6%	99.3%	104.9%	93.8%	98.7%	103.0%	100.6%
Total of 4Q	90.9%	93.4%	100.3%	90.1%	94.3%	100.8%	99.0%

※ Sales = Sales based on orders

※ Aggregate Targets : NITORI・DECOHOME・EC

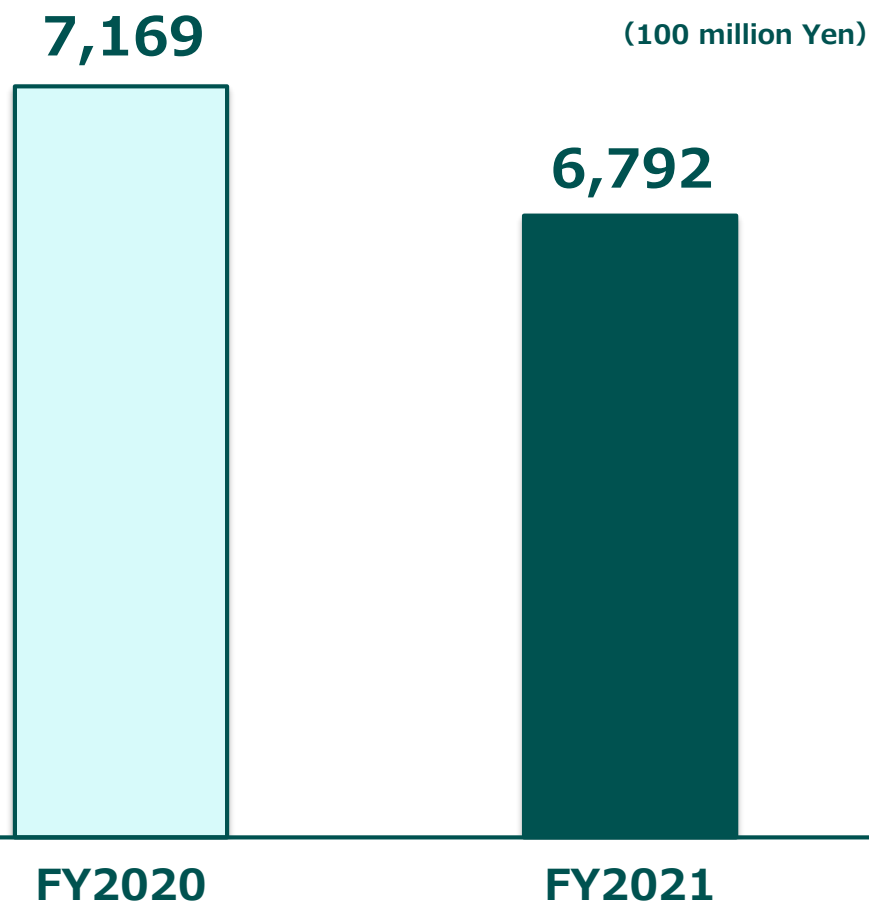
YOY changes in comparable stores



NITORI business sales (Net sales)



NITORI business sales: 679.2 billion yen
 Compared to FY2020 : 94.7%
 Compared to FY2019 : 105.8%



Net sales		Amount	YOY
Store sales (including overseas)		5,802	93.0%
Sales outside stores (including overseas)	E-commerce	716	101.5%
	B to B Renovation	103	110.7%
Rent income		75	101.5%
Others		94	164.9%
Total		6,792	94.7%

Sales composition by region					
Hokkaido	4.3%	▲0.1pt	Chugoku & Shikoku	7.1%	▲0.1pt
Tohoku	5.1%	▲0.2pt	Kyusyu & Okinawa	8.7%	+0.0pt
Kanto	28.1%	▲1.2pt	EC	10.5%	+0.6pt
Hokuriku & Koshinetsu	5.1%	+0.0pt	B to B & Renovation	1.5%	+0.2pt
Chubu & Tokai	9.5%	▲0.3pt	Overseas	3.5%	+0.8pt
Kinki	14.1%	▲0.4pt	Others	2.5%	+0.7pt

- Strengthened development of home appliances for a new way of living. Sales are steadily increasing compared with the plan.
- We propose a learning space that matches the family structure and children's growth with our multifunctional loft beds.

Appliances for New life



Multifunctional loft beds



Sales Promotion Measures

- With the desire to "make the time at home more comfortable for as many customers as possible," we conducted a total of two price reduction campaigns in support of daily life.
- The first periodic price reductions were implemented in November 2021. (Permanent price reductions on 1,389 home goods items and 264 furniture items)
- Second price reduction in January 2022. (520 home goods items added since the first price reduction)

おうち時間を、さらに快適に過ごしていただきたくて。

生活 応援

店舗・ニトリネット 同時開催

最大 **1653 アイテム** **お値下げ!**
(家具は期間限定です)

期間限定 **11/13(土)~1/11(火)**

1 家具 配送無料!

平日配達合計50,000円(税込)以上の大型家具(システムキッチンを除く)が対象です。土・日・祝日配送は最大2,200円(税込)の値引きとなります。前払仲借料は別途見積りいたします。
※求人票、応募要領は11月13日(土)~11月14日(日)の期間限定です。

2 ニトリアプリ会員限定 110円(税込)につき 3 ポイント!

おうち時間を、さらに快適に過ごしていただきたくて。

生活 応援

店舗・ニトリネット 同時開催

大好評につき **第2弾**

期間限定 **1/26(水)~2/14(月)**

家具

1 お値下げ! 174 アイテム

2 配送無料!

平日配達合計50,000円(税込)以上の大型家具(システムキッチンを除く)が対象です。土・日・祝日配送は最大2,200円(税込)の値引きとなります。前払仲借料は別途見積りいたします。
※求人票、応募要領は1/26(水)~2/14(月)の期間限定です。

インテリア用品 **最大 1440 アイテム** **お値下げ!**

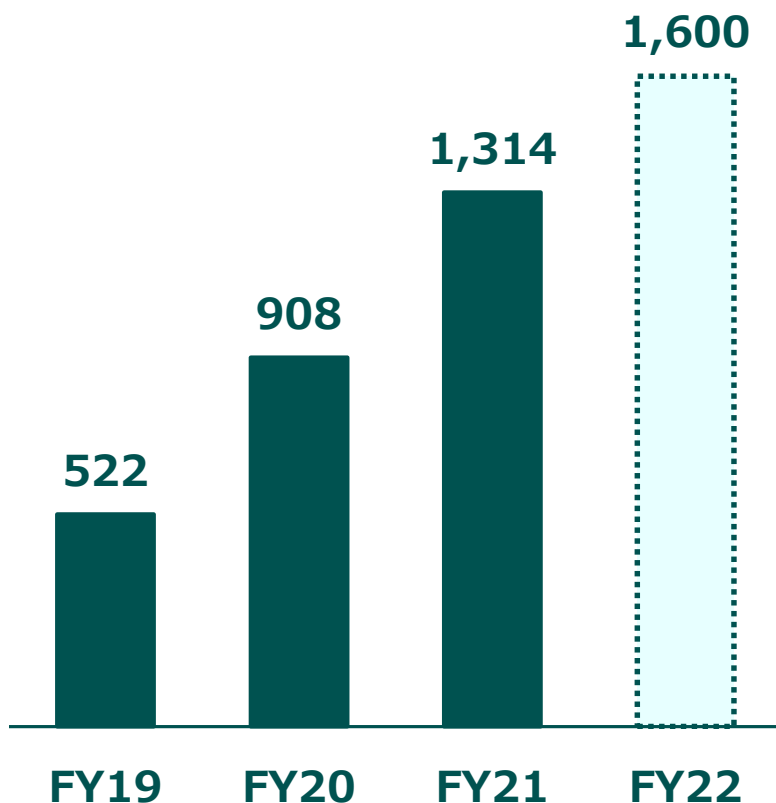
2021年11月12日(金)から2022年1月25日(火)まで順次行っておりました値下げをまえ、1月26日(水)時点でニトリネットで購入可能な商品の種アイテム数となります。

Number of app members

- With the increase in the number of app members, the number of customers using both the store and E-commerce increased.
- Improve convenience for customers shopping through measures that integrate online and offline shopping by using app.

Number of app members

(10 thousand people)



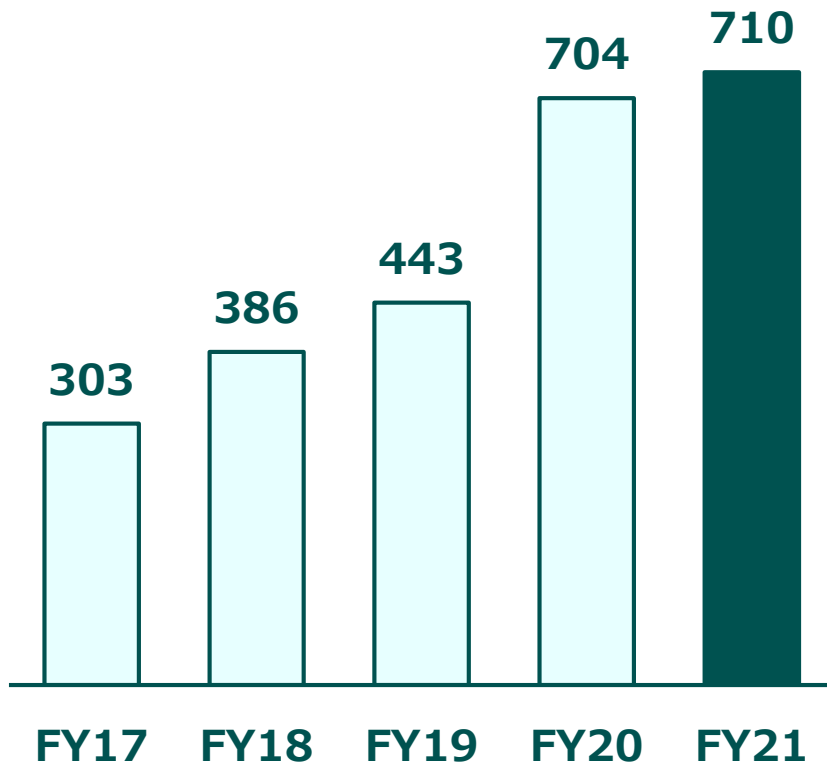
Number of app members

- FY 2021 Results
13.14 million people
- First quarter ratio
+4.06 million people (144.7%)
- FY2022 plan
16 million people

- Domestic online shop sales at the end of FY2021 will be 71.0 billion yen. (100.8% compared to FY2020, 160.1% compared to FY2019)
- As an expansion of new sales channels, we implemented "Insta-live," sales via live commerce.

Domestic E-Commerce sales

(100 million Yen)

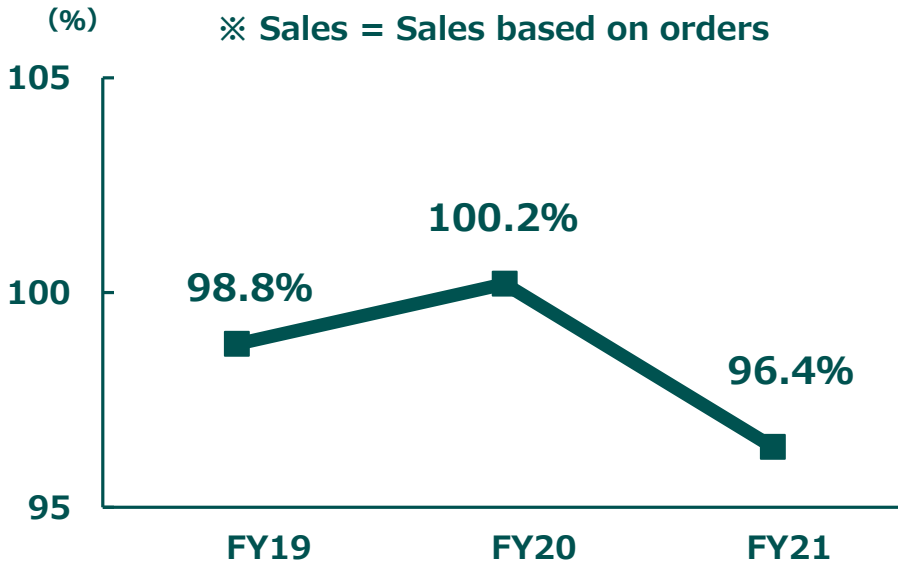


Live on Instagram, "Insta-live"
 Held a total of 9 times (as of February 20, 2022). The information will be archived on the NITORI E-commerce site and used as customer service content.

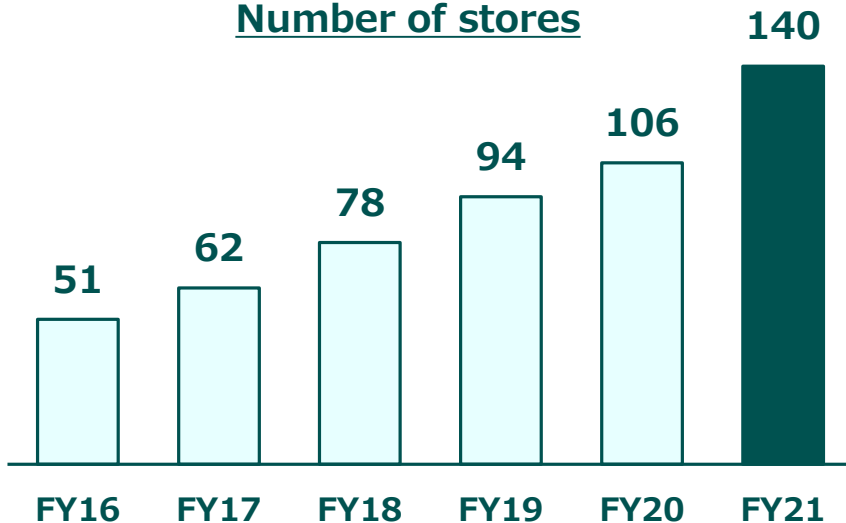


Existing stores generated sales YoY

※ Sales = Sales based on orders



Number of stores



- 140 stores at the end of the period (+34 stores)
- Ratio of DECOHOME original products increased.





2022 SPRING COLLECTION
New spring catalog published

OCCASION COLLECTION
Coordinates for spring dressing,
whether for the office or for a day
off.

“Magic Belt Stretch Pant”
N+ basic product
Stretchable elastic along the waist
Comfortable to wear with stretch
material

Taiwan



New store openings, new format business
(N Sleep Shop; specializing in bedding)

No. stores at the end of the period: 44 (+9)

Sales at N Sleep Shops increases steadily

Strengthen E-Commerce business

Open stores on "momo" EC site

→ Increase EC conversion rate

Started airing common TV commercials in Japan

Increased sales of seasonal bedding products
(N-COOL, N-WARM), etc.

U.S.A

Expansion of sales channels

11 pop-up stores

Began opening stores on Amazon and Walmart Marketplace in addition to the company's own E-commerce site.

Mainland China



New store openings

No. stores at end of period: 46 (+12)

Strengthen E-Commerce business

Started opening stores on "Tmall" EC site

→ Increase in EC conversion rate

Increase in the number of customers due to expansion of sales channels

NITORI Brand Enhancement Measures

Common measures with Japan and Taiwan to improve recognition

Strengthening Sales of Custom-made Furniture

A custom-made furniture sales floor and corporate showroom were opened on the 6th floor of Shanghai XUJIAHUI Store.

A showroom with different styles of custom-made furniture is introduced for general customers.

- The first store opened in Malaysia (Kuala Lumpur) on January 20, 2022.



Store Name

NITORI LaLaport BUKIT BINTANG CITY CENTRE
Store area: approx. 2,650 sq. meters

Store Format

The "N Sleep Shop" specializing in bedding
Bedding items will be opened alongside the area that handles furniture and hfa.

Sales Trends

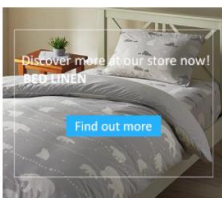
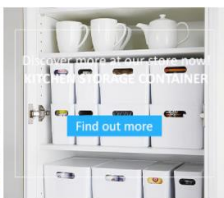
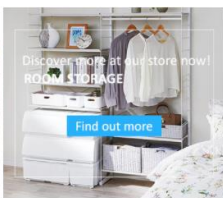
Sales are performing well in comparison with plans.
Kitchenware and bedding products, etc. are performing particularly well.

Sales Promotion

Open own E-commerce site in April 2021
Create own SNS account

Store Opening Plan

Plan to open 20 stores in 5 years



- The first store opened in Singapore (Orchard Road) on March 31, 2022.



Store Name

NITORI Orchard

Store area: approx. 2,510 sq. meters

Store Format

Promote coordination with a focus on the Hfa sales floor.

Sales Promotion

Open your own e-commerce site

Create own SNS account

Hold an event before opening

Store Opening Plan

Plan to open 10 stores in 5 years



- Formed alliance with Coupang, Korean largest e-commerce company, and began sales on its E-commerce site for the Korean market.
- Began market entry in South Korea, where there is no physical store, by leveraging online sales channels.
- Realize direct container purchasing from Mainland China to improve gross profit margin.



Start of sales January 12, 2022

Background of Expansion into South Korea
Korea's high e-commerce rate enables market entry into the country, which has no physical stores.

Direct container procurement from Mainland China is possible.

Handling goods

More than 120 products including bedding, cushions, slippers, kitchen mats, etc.
In the summer of 2022, the company plans to launch the "N Cool" series, which is tailored to Korean bed sizes.



- As part of the restructuring of domestic logistics bases, Nagoya DC[※] (Aichi Prefecture) and Satte DC[※] (Saitama Prefecture) were newly established.

Nagoya DC

The first DC established in this area as a logistics base covering the Tokai and Hokuriku areas, located approximately 7 km from the Port of Nagoya.

- Completion date: early November 2023
- Address: Tobishima Village, Aichi Prefecture
- Structure: 4 floors above ground
- Extended bed area: approx. 141,450 sq. meters



Satte DC

Located adjacent to the Satte Interchange on the Ken-O Expressway, it will be the largest area for a DC in Japan.

- Completion date: early March 2024
- Address: Satte City, Saitama Prefecture
- Structure: 4 floors above ground
- Extended bed area: approx. 210,400 sq. meters



※DC : Abbreviation for Distribution Center

Shimachu Business Topics

ニトリ
HOME'S

家具・ホームセンター

HOME'S

島忠

HOME'S

TAJIMA
RITS ME

HOME'S
サニタリ
センター

サニタリ
センター

上

島忠

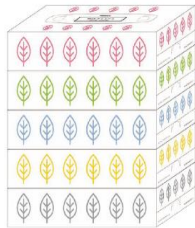
HOME'S

SAITAMA CHUO

Development of PB products

Improve gross profit margin by converting HC products into PB products through the NITORI Group's product development capabilities.

- FY2022 PB development plan for HC products
Approx. 16,000 SKUs
(equivalent to approximately 30% of HC product sales)
- Progress of development (as of March 20, 2022)
Developed: approx. 400 SKUs
Under development: approx. 3,100 SKUs
Progress rate: approx. 21.9%



NITORI Point

NITORI points can be used at Shimachu.

*Points will be awarded and used on the Shimachu EC site as soon as they are ready for use. ◦

島忠・ホームズで
ニトリポイントが
貯まる・使えるように
なりました。



商品により 貯まるポイントが異なります。

家具・ホームファッション商品

【対象商品例】ラグ・カーペット・カーテン・寝具・座イス・組立家具

100^{税抜}円
につき **1ポイント**

ホームセンター商品

【対象商品例】日用消耗品・ペット用品・家電・リフォーム・木材・工具・作業用品・自転車・園芸用品・文具・食品

200^{税抜}円
につき **1ポイント**

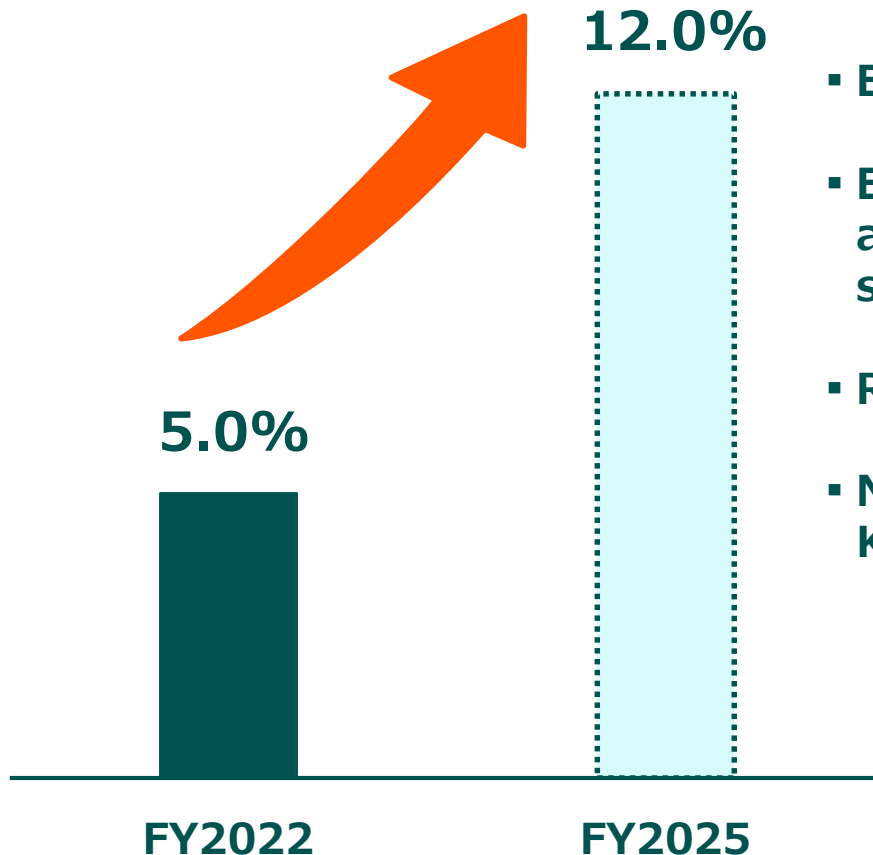
※一部ポイント付率が異なる商品がございます。詳しくはスタッフまでお尋ねください。
※送料、引当、切手はがき、地域指定ごみ袋、修理代など、ポイント対象外となる商品・サービスがございます。

T-POINT と一緒にご利用はできません。

※Tポイントは200円(税抜)につき1ポイントとなります。

- 2025 Plan Execute each measure to achieve 12% ordinary income margin.

2025 Plan Ordinary income ratio ※



Main measures

- Establish a differentiated Shimachu brand
- Establish the ideal product mix and appropriate sales floor space for each store and department.
- Renewal of existing stores
- New store openings in areas outside the Kanto and Kansai regions

*Amortization of goodwill, etc. associated with the business combination is not included.

FY2022 Main Measures



- **Pursue lower prices and increase the number of customers**
Gain further customer support as a destination store
- **Building a foundation and accelerating growth to realize the 2032 Vision**
Establish global supply chain and IT systems, accelerate store openings in countries and regions where we have not yet opened stores
- **To realize a wider product lineup than existing businesses (HC business) and maximize synergies**
- **Building a foundation to enable expansion in countries, regions and business areas**
- **Solving the world's problems and aiming for a better future along with the progress toward the realization of Romanticism**

FY2022 Main Measures NITORI Business (Domestic)



- Pursue lower prices and increase the number of customers
Gain further customer support as a destination store



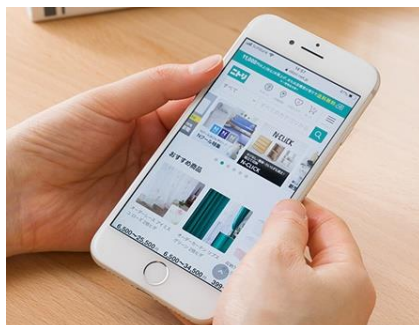
NITORI, NITORI EXPRESS

- Increase by 27 stores in the current fiscal year
→ Increase by 36 stores in the next fiscal year
- Expansion and contraction of product variety and efficient store remodeling
- Strengthen product development capabilities from the customer's perspective
- Improve the number of customers and sales volume by pursuing lower prices
- Improvement in operating income per tsubo through cost reductions, etc.



DECOHOME

- Increase by 34 stores in the current fiscal year
→ Increase by 44 stores in the next fiscal year
- Expanding the opening of small stores with floor space of 330.6 sq. meters
- Expansion of DECOHOME's original products



B to B & Remodeling Business

Improve operating margin and strengthen product development

E-Commerce

Expansion of EC-only products and addition of new features

N plus

- Increase by 1 store in the current fiscal year
→ Increase by 22 stores in the next fiscal year

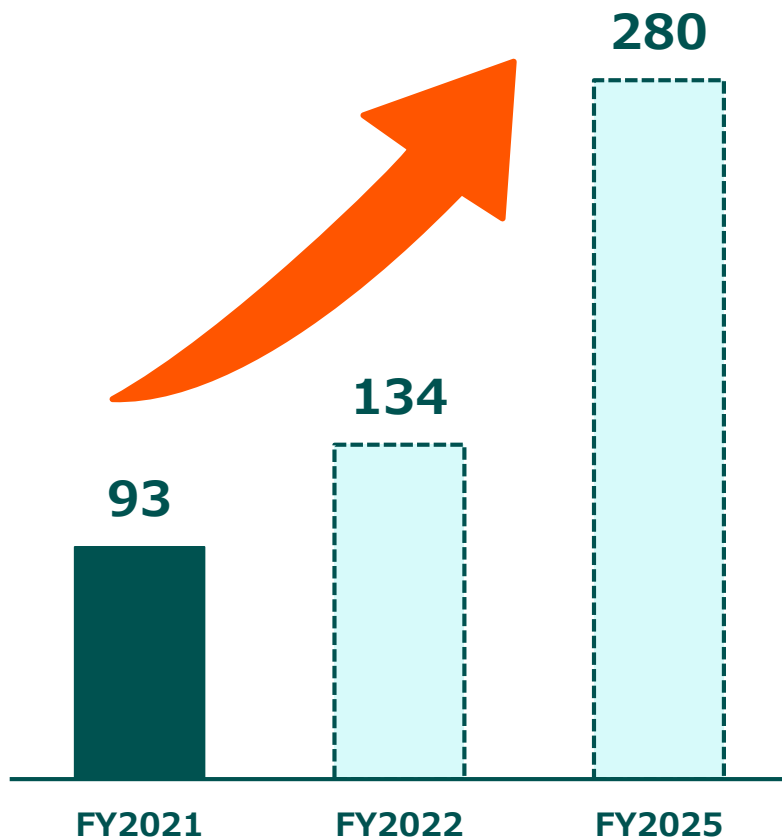
FY2022 Main Measures

NITORI Business (Overseas)



- Building a foundation and accelerating growth to realize the 2032 Vision
Establish global supply chain and IT systems, accelerate store openings in countries and regions where we have not yet opened stores

Number of overseas stores



Improve profitability of China business
China operations to return to profitability in a single fiscal year
Increase EC conversion rate, expand EC sales

Acceleration of overseas store openings
Taiwan +10 stores, China +26 stores
U.S.A. +1 store planned

Expansion into Southeast Asia
Malaysia +2 stores, Singapore +2 stores planned
Accelerate store openings through standardization

Expansion of overseas E-Commerce area
Exhibited in Korea EC (Coupang)
Expanding overseas EC to countries and regions where we have not yet opened stores
Sell products to countries and regions with high E-commerce rates

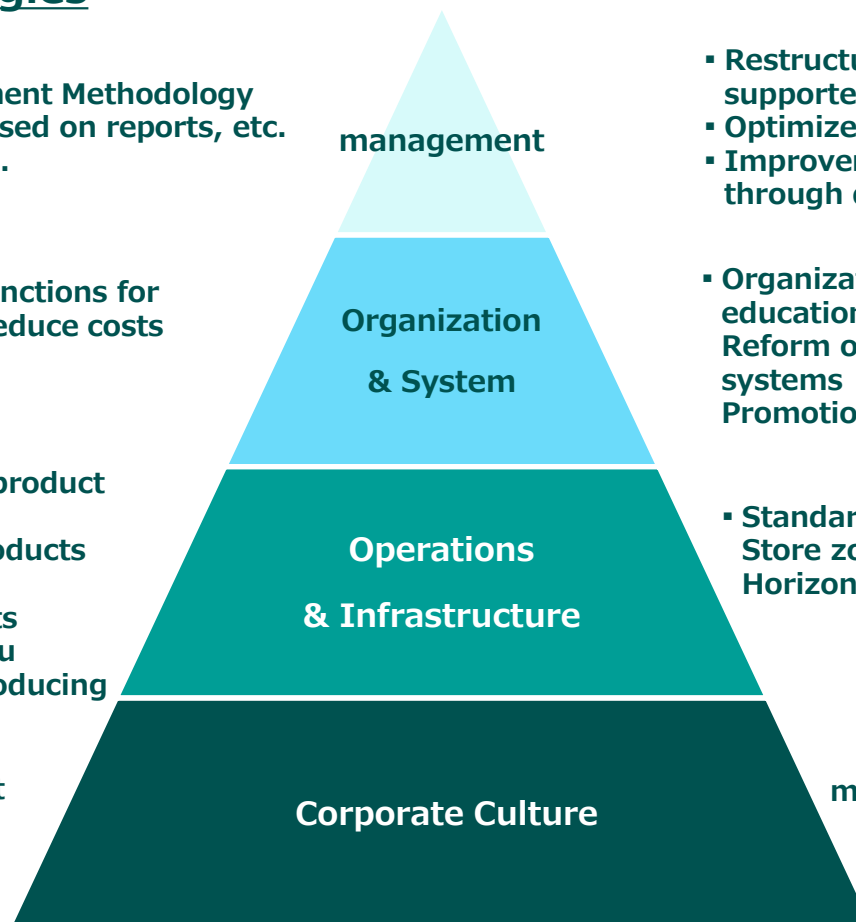
FY2022 Main Measures Shimachu Business



- To realize a wider product lineup than existing businesses (HC business) and maximize synergies

Realization of Synergies

- Reform of Shimachu Management Methodology
Conduct numerical analysis based on reports, etc.
Sales floor sales efficiency, etc.
- Organizational Integration
Consolidation of purchasing functions for consumable supplies, etc. to reduce costs and improve productivity
Human resource exchange
- Transformation of stores and product assortment
Conversion of home center products to PB
Mutual introduction of products between NITORI and Shimachu
Expand customer base by introducing high-priced furniture
- Human Resource Development
Chain Store Theory Training
2,000 people attended



Main Measures

- Restructuring of HC product assortment supported by local customers
- Optimize product composition
- Improvement of gross profit margin through development of PB products
- Organizational reform, reform of education system
Reform of evaluation and compensation systems
Promotion of human resource exchange
- Standardization and efficiency
Store zoning optimization
Horizontal development of model stores
- Further efforts to maximize synergies

FY2022 Main Measures

Business Infrastructure Development

- Establish a foundation to enable expansion in countries/regions and business areas. Coordination of supply chain, IT, and organization, and a backward-looking structure and system are necessary to realize the vision.

supply chain

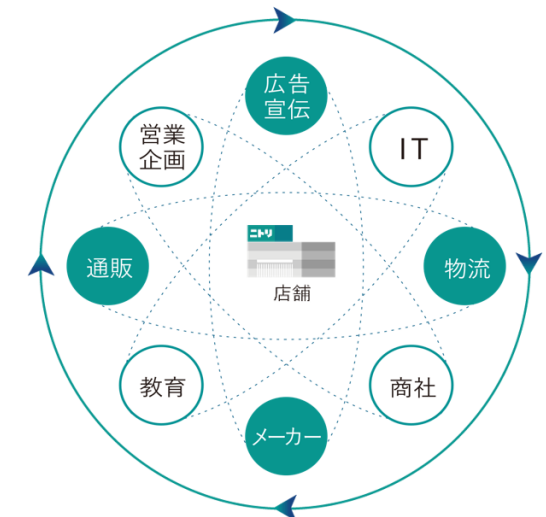
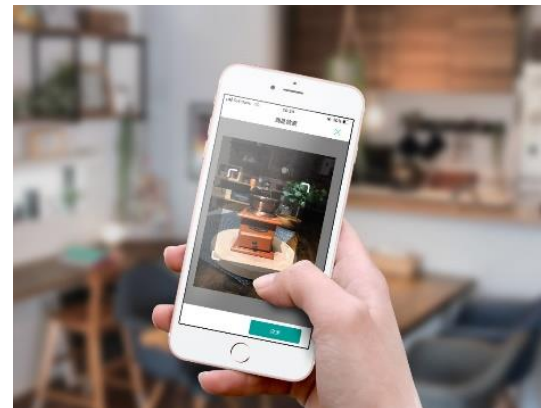
- In response to rising costs (raw material price hikes, yen depreciation, rising marine transportation costs, etc.), consolidate suppliers, shift production sites, purchase raw materials, etc., to promote cost reductions.
- Restructuring of logistics network

IT

- Establish systems and mechanisms to open new stores in countries and regions where we have not yet opened stores and to expand our business domain in cooperation with our supply chain.
- Accelerate further IT and DX promotion to improve operational efficiency

organization

- Design systems to promote employee success. (e.g., building a personnel system that does not cause delays in career advancement due to taking leave for life events such as childbirth or childcare)
- Selection and training of candidates for directors and executive officers



FY2022 Main Measures SDGs (1)

- Solving the world's problems and aiming for a better future along with the progress toward the realization of our mission



Main Measures

- Sustainable raw material procurement and a supply chain free of human rights violations
- Reduce waste and expand resource recycling
- Addressing Climate Change Issues
- Promoting Diversity
- Penetration of sustainability activities internally and externally

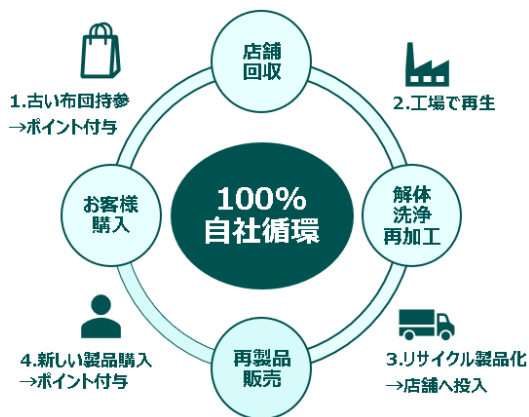
限りある資源だから捨てる。より、リサイクルという選択。

「捨てる」→「リサイクル」

ニトリグループでは循環型社会（サーキュラーエコノミー）に取り組みます。

限りある資源を使った羽毛ふとんは、回収し、ニトリの新しい羽毛ふとんに生まれ変わります。お客様のご協力が必要となります。

— 未来にいいこと、みんなにいいこと。 —



FY2022 Main Measures SDGs (2)

- We expressed support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).
- Participate in the TCFD Consortium, a forum for discussion among supporting companies and financial institutions.
- We will increase the ratio of female managers in our domestic group to around 40% in the 2030s.
- Expand the number of positions available for shorter working hours. Conduct questionnaires for all employees and periodic discussions with directors regarding the realization of more accessible support systems, etc.

Expresses support for TCFD's recommendations



Participated in TCFD Consortium



Ratio of female managers from 15% to 40

- Creating a system that allows people to choose how they work
- Fostering a corporate culture that maximizes diverse work styles
- To an environment that allows each individual to maximize his or her abilities



Store roll-out plan in FY2022

Area	Type	Feb. 21, 2022 No. stores	Net increase Planned No.	Mar. 31, 2023 No. stores
J A P A N	NITORI NITORI EX	494	36	530
	DECO HOME	140	44	184
	N plus	18	22	40
	Shimachu	56	▲2	54
	Subtotal	708	100	808
O V E R S E A S	Taiwan	44	10	54
	Mainland China	46	26	72
	U.S.A.	2	1	3
	Malaysia	1	2	3
	Singapore	0	2	2
	Subtotal	93	41	134
Total		801	141	942

Total 942 stores
Previous period-end ratio
(+141 stores)



Consolidated Financial Plan for FY2022



- For FY2022, 13 months and 11 days from February 21, 2022 to March 31, 2023 Increase/decrease amounts and percentage increase/decrease are provided for reference.
- Existing store sales YoY (NITORI + DECOHOME + E-commerce): 102.6% for the full year
- Exchange rate: 115 yen to the dollar, estimated capital investment: 89 billion yen

(100 million Yen)

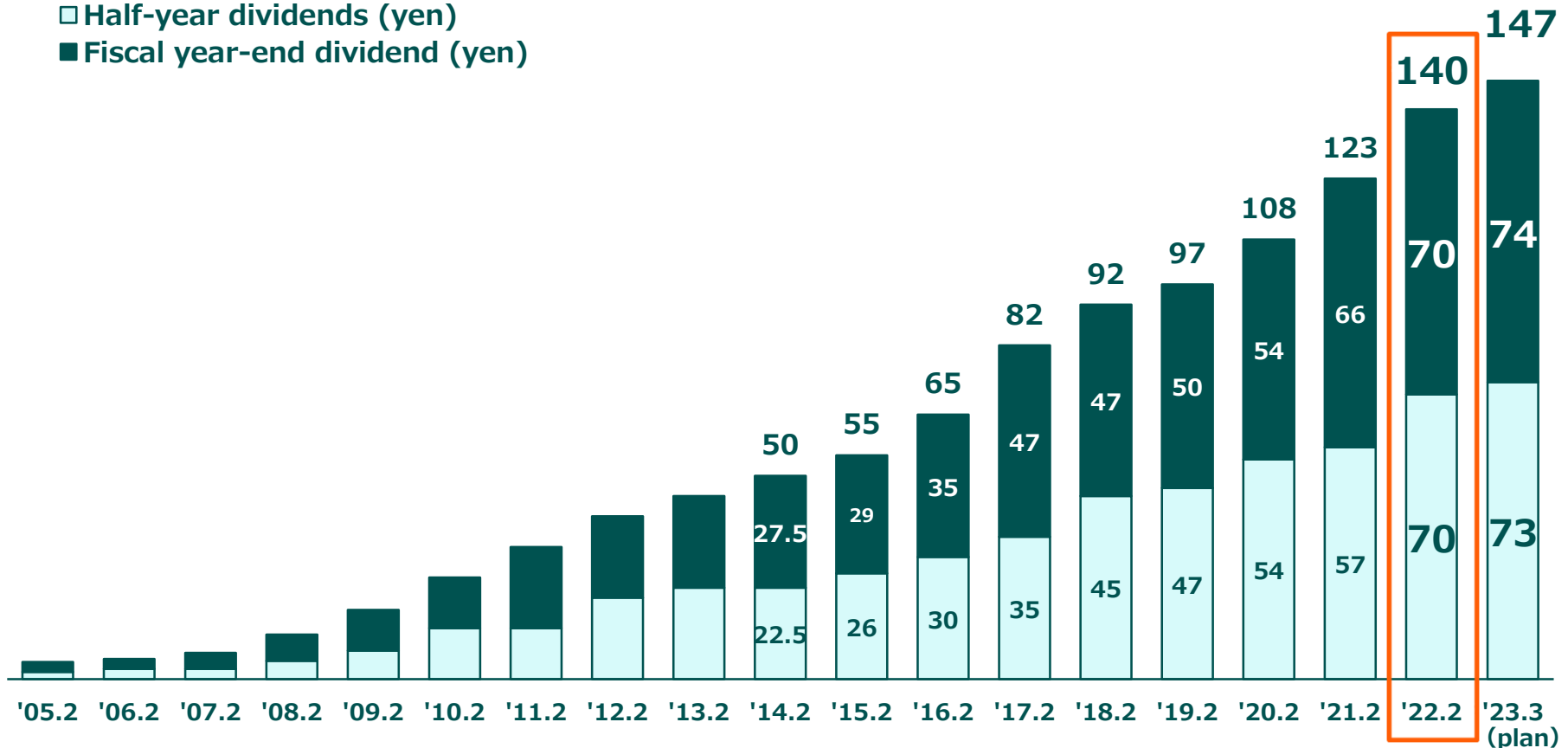
	FY2022 (Feb.21, 2022 ~ Mar.31 2023)		FY2021 (Feb.21 2021 ~ Feb.20 2022)		Prior Period Comparison	
	plan	to sales	Actual	to sales	change	YOY
Net sales	9,636	–	8,115	–	1,520	118.7%
Gross profit	5,068	52.6%	4,258	52.5%	809	119.0%
SG&A expenses	3,562	37.0%	2,876	35.4%	685	123.8%
Operating income	1,506	15.6%	1,382	17.0%	123	108.9%
Ordinary income	1,530	15.9%	1,418	17.5%	111	107.9%
Profit attributable to owners of parent	1,040	10.8%	967	11.9%	72	107.5%

Distribution of Profits to Shareholders

- FY2021 18th consecutive fiscal year of dividend increases
Annual dividend: 140 yen per share (+17 yen from the previous year)

Annual Dividends

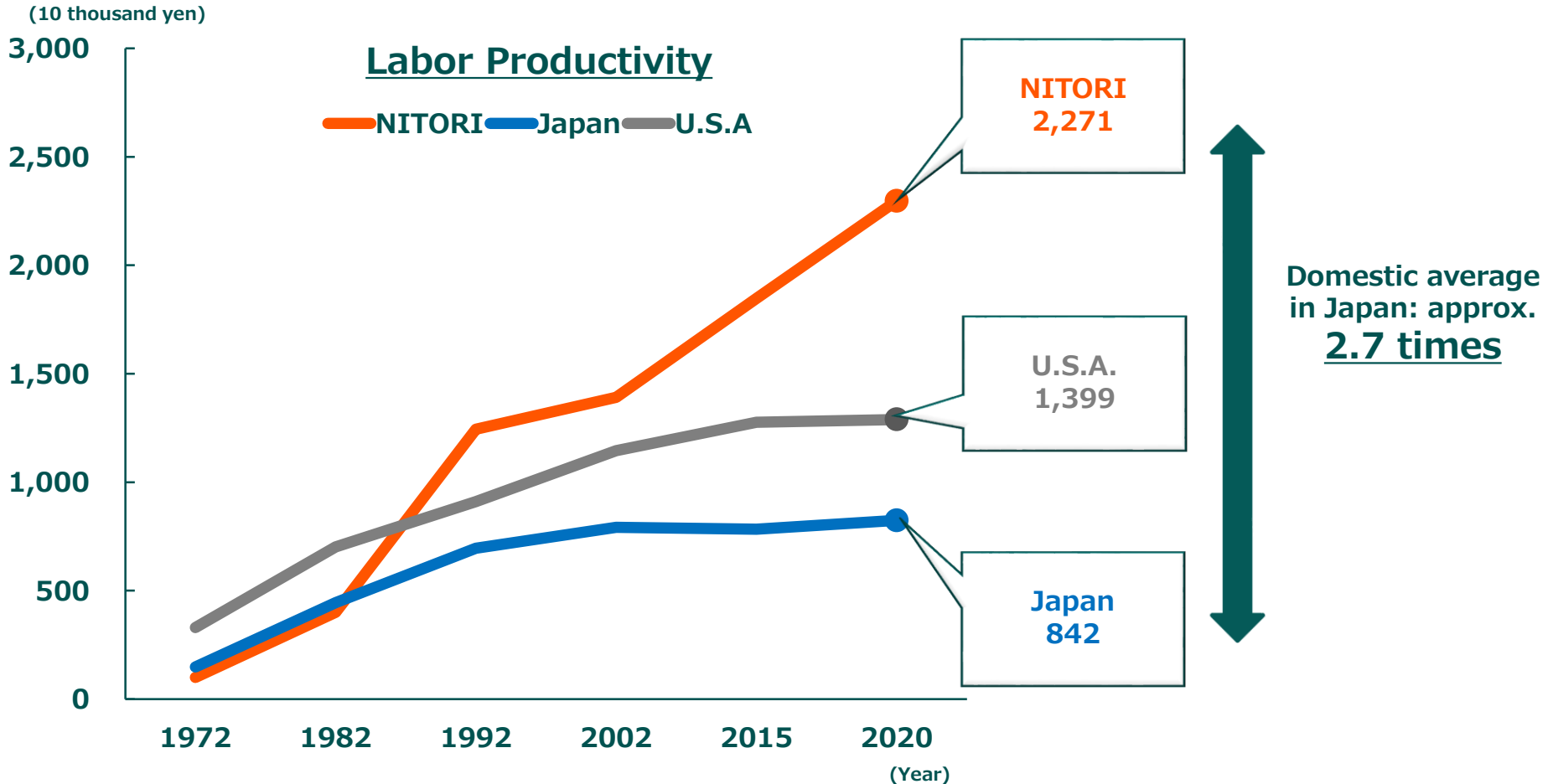
- Half-year dividends (yen)
- Fiscal year-end dividend (yen)



NITORI Group Labor Productivity



- NITORI's performance was significantly higher than the average amount of labor productivity in Japan, approximately 2.7 times.
- Growth in human resources enables high labor productivity and further future investment.



*From "Productivity Statistics" by Japan Productivity Center and "Furniture and Interior Sales Business" by Nitori HD: Pegasus Management Index

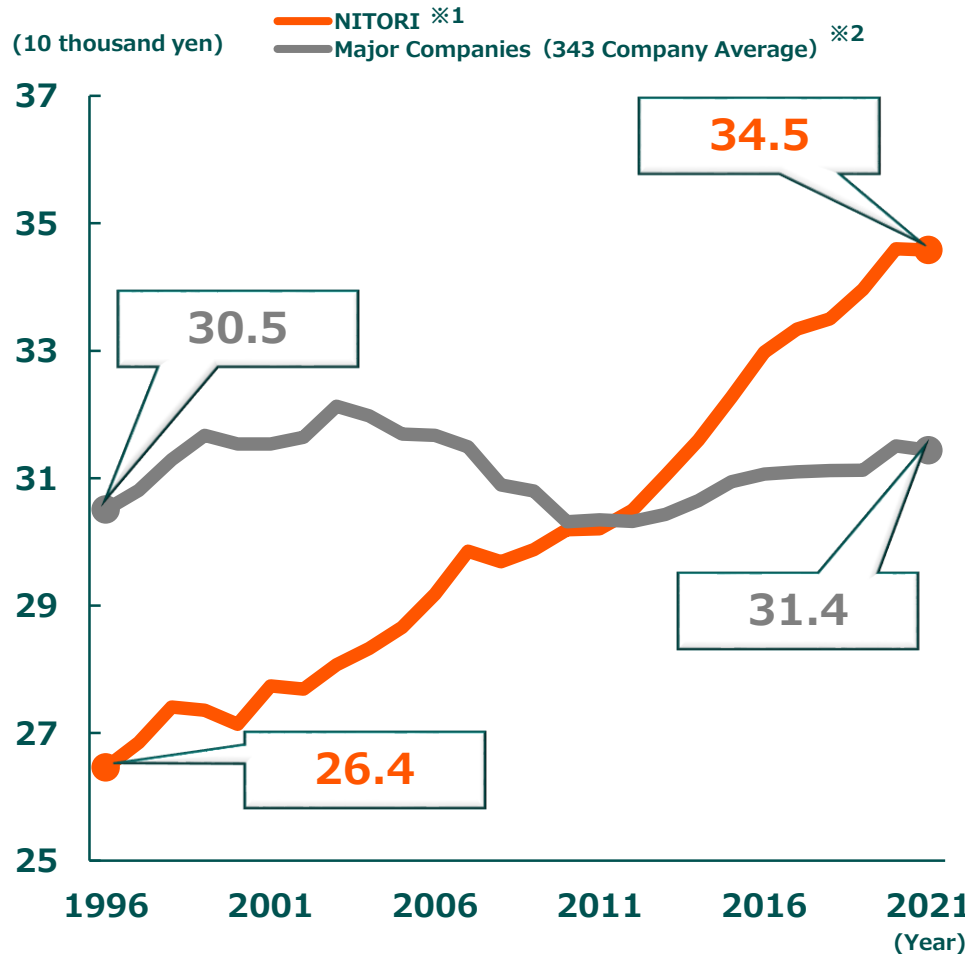
*Labor productivity = Gross profit / Average number of employees per year

Improvement of working conditions



▪ Average personnel expense of NITORI career-track employees increased by +30.7% compared to 1996.

Personnel Expense



personnel expense	2021	1996	1996 Comparison
NITORI ※1	345,786yen	264,578yen	+81,208yen +30.7%
Major Companies (343 Company Average) ※2	314,357yen	305,066yen	+9,291yen +3.0%
Keidanren Major Companies (251 Company Average) ※3	332,826yen	307,046yen	+25,780yen +8.4%
Japan Federation of Labour Unions (4,772 union average) ※4	290,680yen	290,707yen	▲27yen ▲0.1%

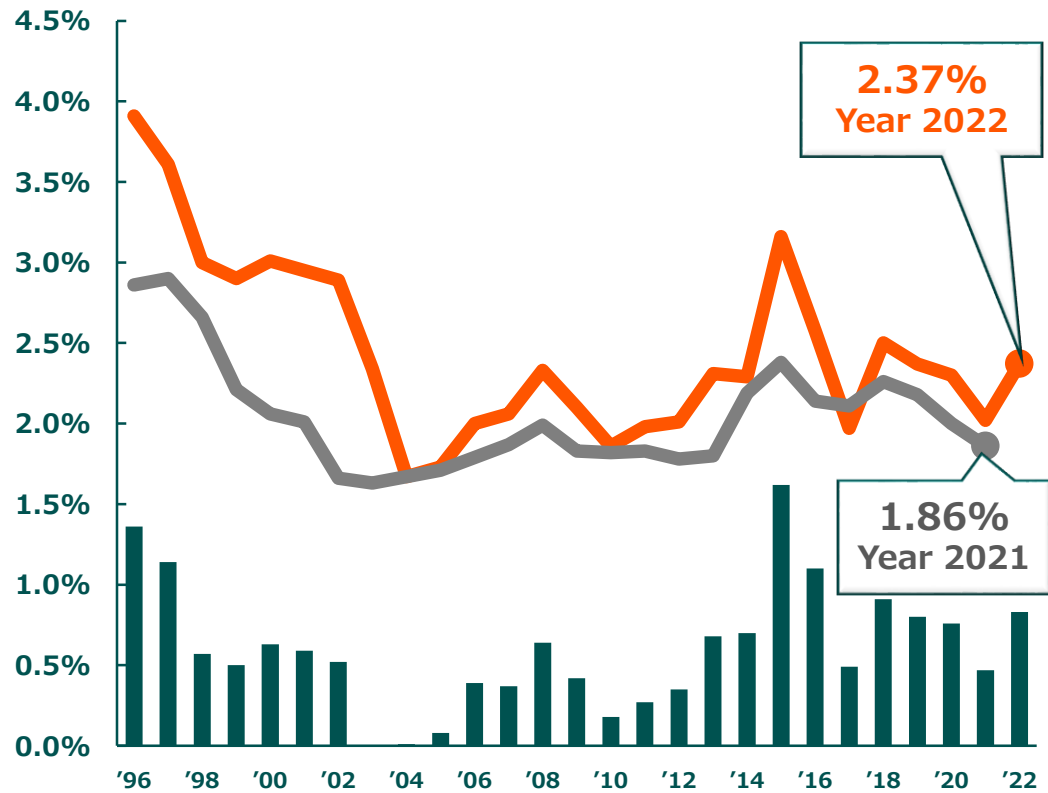
※1 Union members' standard personnel expense (excluding overtime pay, transportation, etc.)
 ※2 Major companies: Capital of 1 billion yen or more and 1,000 or more employees
 ※3 Major Keidanren companies: In principle, listed on the Tokyo Stock Exchange or the First Section with at least 500 employees
 ※4 Japan Federation of Trade Unions: includes 3,553 unions with less than 300 members

Results of Labor-Management Negotiations for Spring 2022



■ NITORI base salary increases for 19 consecutive years as wage revision for career-track employees (from FY02/04)

NITORI · Major companies Salary increase rate ※
 ■ Nitiri Base increase (other than regular salary increase)
 ■ NITORI Total Salary Increase
 ■ Major Companies Total Salary Increases



2022 Spring Labor-Management Negotiation Results

(NITORI, Shimachū career-track employees, average per person)

		Amount	Rate of increase	Change, Amount, Percentage
NTR	Regular salary raise	5,340yen	1.54%	▲6yen ▲0.2%
	salary increase	2,895yen	0.83%	+1,264yen +77.5%
	Total	8,235yen	2.37%	+1,258yen +18.0%
SMC	Regular salary raise	3,487yen	1.22%	+53yen +1.5%
	salary increase	1,474yen	0.52%	+860yen +139.8%
	Others	2,094yen	0.66%	+2,094yen -
	Total	7,055yen	2.40%	+3,006yen +74.2%

*Major companies: Aggregate of 343 major private-sector companies with labor unions (capital of at least 1 billion yen and at least 1,000 employees), as indexed by the Ministry of Health, Labor and Welfare.

Established a new IT company, NITORI DIGITAL BASE, Inc.



- Accelerate the NITORI Group's digital transformation by providing an attractive environment for IT and digital personnel to grow.

Newly established the office
where Engineers can perform at their best

(Meguro office, from June)



Attractive projects and environment

- Participation in global, large-scale projects
→ Realization of new purchasing experience
→ Global supply chain reform, etc.
- Use of innovative technology without being bound by precedent
- Pay a high level of compensation based on results.
- A way of working that allows you to focus on creative activities
→ Flexible work hours and remote work

Applications will be accepted from April 1.
Recruit "IT and digital human resources" and "data scientists" from around the world, transcending industry boundaries.

[Click here to access the site](https://www.nitorihd.co.jp/digital/)

<https://www.nitorihd.co.jp/digital/>





【Note on the outlook】

This material contains projections and forward-looking statements regarding the future plans, strategies and performance of the Company and its affiliates. These statements are not historical facts, but rather assumptions and beliefs based on information currently available to the Company. It also involves risks and uncertainties related to economic trends, consumer spending, market demand, and taxation and other systems. Therefore, please be aware that actual results may differ from our projections.

This material contains unaudited reference figures, and amounts are rounded down to the nearest 100 million yen and rounded up to the nearest million yen for all other amounts.