



Consolidated Financial Results for the Nine Months Ended November 20, 2017 [Japanese GAAP]

December 22, 2017

Company name: Nitori Holdings Co., Ltd.
 Stock exchange listing: Tokyo, Sapporo
 Code number: 9843
 URL: <http://www.nitorihd.co.jp/>
 Representative: Toshiyuki Shirai President and Chief Operating Officer
 Contact: Fumiki Takeda General Manager, Accounting and Finance Division
 Phone: 03-6741-1204
 Scheduled date of filing quarterly securities report: December 28, 2017
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended November 20, 2017 (February 21, 2017 to November 20, 2017)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|-------------------------------------|-------------|------|------------------|------|-----------------|------|---|------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended November 20, 2017 | 422,712 | 11.5 | 70,425 | 0.3 | 71,500 | 0.5 | 51,245 | 7.7 |
| November 20, 2016 | 379,016 | 13.2 | 70,206 | 28.3 | 71,175 | 26.1 | 47,595 | 35.7 |

(Note) Comprehensive income: Nine months ended November 20, 2017: ¥ 45,218 million [(1.9)%]
 Nine months ended November 20, 2016: ¥ 46,113 million [63.4%]

| | Net income per share | Diluted net income per share |
|-------------------|----------------------|------------------------------|
| Nine months ended | Yen | Yen |
| November 20, 2017 | 458.60 | 456.23 |
| November 20, 2016 | 429.58 | 425.64 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|-------------------|--------------|-------------|--------------|
| As of | Million yen | Million yen | % |
| November 20, 2017 | 531,269 | 432,344 | 81.2 |
| February 20, 2017 | 487,814 | 394,778 | 80.7 |

(Reference) Equity: As of November 20, 2017: ¥ 431,585 million
 As of February 20, 2017: ¥ 393,693 million

2. Dividends

| | Annual dividends | | | | |
|--|------------------|-----------------|-----------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended February 20, 2017 | - | 35.00 | - | 47.00 | 82.00 |
| Fiscal year ending February 20, 2018 | - | 45.00 | - | | |
| Fiscal year ending February 20, 2018 (Forecast) | | | | 47.00 | 92.00 |

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2018 (February 21, 2017 to February 20, 2018)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating income | | Ordinary income | | Net income to owners of parent | | Net income per share |
|-----------|-------------|------|------------------|------|-----------------|------|--------------------------------|------|----------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 568,000 | 10.7 | 99,000 | 15.4 | 100,000 | 14.2 | 68,500 | 14.2 | 612.28 |

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended November 20, 2017

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New - (Company name: -)

Exclusion: 1 (Company name: Shanghai Liqiao Industrial Co., Ltd)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

November 20, 2017: 114,443,496 shares

February 20, 2017: 114,443,496 shares

2) Total number of treasury shares at the end of the period:

November 20, 2017: 2,566,338 shares

February 20, 2017: 2,931,758 shares

3) Average number of shares during the period:

Nine months ended November 20, 2017: 111,743,070 shares

Nine months ended November 20, 2016: 110,793,843 shares

*Quarterly financial results reports are not required to be subjected to quarterly reviews.

*Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

| | As of February 20,2017 | As of November 20,2017 |
|--|------------------------|------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 70,560 | 48,573 |
| Notes and accounts receivable - trade | 18,486 | 26,078 |
| Merchandise and finished goods | 46,520 | 44,236 |
| Work in process | 92 | 210 |
| Raw materials and supplies | 2,354 | 2,029 |
| Deferred tax assets | 1,001 | 3,341 |
| Forward exchange contracts | 15,002 | 5,701 |
| Other | 16,174 | 22,713 |
| Allowance for doubtful accounts | (9) | - |
| Total current assets | 170,182 | 152,885 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 103,763 | 102,626 |
| Land | 126,923 | 161,467 |
| Other, net | 17,408 | 20,472 |
| Total property, plant and equipment | 248,094 | 284,566 |
| Intangible assets | 13,732 | 14,495 |
| Investments and other assets | | |
| Investment securities | 3,531 | 26,663 |
| Long-term loans receivable | 856 | 817 |
| Guarantee deposits | 15,720 | 14,854 |
| Lease deposits | 20,515 | 21,869 |
| Deferred tax assets | 2,952 | 3,576 |
| Other | 12,239 | 11,542 |
| Allowance for doubtful accounts | (9) | (0) |
| Total investments and other assets | 55,804 | 79,322 |
| Total non-current assets | 317,631 | 378,384 |
| Total assets | 487,814 | 531,269 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 16,001 | 18,227 |
| Short-term loans payable | 625 | 2,000 |
| Lease obligations | 187 | 187 |
| Accounts payable - other | 19,291 | 16,314 |
| Income taxes payable | 15,630 | 11,002 |
| Deferred tax liabilities | 564 | - |
| Provision for bonuses | 3,751 | 4,599 |
| Provision for point card certificates | 1,301 | 2,615 |
| Provision for special benefits to shareholders | 214 | 100 |
| Asset retirement obligations | 44 | 9 |
| Other | 18,112 | 18,461 |
| Total current liabilities | 75,724 | 73,517 |

(Million yen)

| | As of February 20,2017 | As of November 20,2017 |
|---|------------------------|------------------------|
| Non-current liabilities | | |
| Long-term loans payable | - | 8,000 |
| Lease obligations | 2,330 | 2,190 |
| Deferred tax liabilities | 3 | 4 |
| Provision for directors' retirement benefits | 228 | 228 |
| Net defined benefit liability | 2,634 | 2,590 |
| Asset retirement obligations | 4,565 | 4,951 |
| Other | 7,548 | 7,442 |
| Total non-current liabilities | 17,310 | 25,408 |
| Total liabilities | 93,035 | 98,925 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 13,370 | 13,370 |
| Capital surplus | 16,306 | 17,984 |
| Retained earnings | 361,103 | 402,075 |
| Treasury stock | (10,188) | (8,920) |
| Total shareholders' equity | 380,592 | 424,511 |
| Accumulated other comprehensive income | | |
| Unrealized holding gain (loss) on securities | 884 | 805 |
| Unrealized gain (loss) from hedging instruments | 10,369 | 3,942 |
| Foreign currency translation adjustment | 2,243 | 2,602 |
| Remeasurements of defined benefit plans | (396) | (275) |
| Total accumulated other comprehensive income | 13,100 | 7,074 |
| Subscription rights to shares | 940 | 758 |
| Non-controlling interests | 144 | - |
| Total net assets | 394,778 | 432,344 |
| Total liabilities and net assets | 487,814 | 531,269 |

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

| | For the nine months ended November 20,2016 | For the nine months ended November 20,2017 |
|---|---|---|
| Net sales | 379,016 | 422,712 |
| Cost of sales | 171,836 | 192,430 |
| Gross profit | 207,179 | 230,281 |
| Selling, general and administrative expenses | 136,973 | 159,856 |
| Operating income | 70,206 | 70,425 |
| Non-operating income | | |
| Interest income | 308 | 303 |
| Dividends income | 26 | 27 |
| Vending machine income | 182 | 188 |
| Gain on sales of goods | 217 | 251 |
| Construction revenue from tenants | 147 | - |
| Facility use revenue | 148 | - |
| Other | 205 | 564 |
| Total non-operating income | 1,237 | 1,334 |
| Non-operating expenses | | |
| Interest expenses | 41 | 42 |
| Foreign exchange losses | 193 | 186 |
| Share of loss of entities accounted for using equity method | - | 0 |
| Other | 32 | 31 |
| Total non-operating expenses | 267 | 260 |
| Ordinary income | 71,175 | 71,500 |
| Special gains | | |
| Gain on sales of non-current assets | 650 | 8 |
| Subsidy income | 80 | - |
| Gain on reversal of subscription rights to shares | 7 | 48 |
| Gain on sales of shares of subsidiaries and associates | - | 3,827 |
| Other | 79 | 28 |
| Total special gains | 817 | 3,914 |
| Special losses | | |
| Loss on sales and disposal of non-current assets | 47 | 106 |
| Penalty for the scrap and build of outlets | 30 | 37 |
| Impairment loss | - | 453 |
| Special retirement expenses | 37 | 354 |
| Cancellation penalty | 190 | - |
| Loss on change in equity | - | 42 |
| Other | 3 | 46 |
| Total special losses | 309 | 1,043 |
| Income before income taxes | 71,683 | 74,371 |
| Income taxes | 24,054 | 23,126 |
| Net income | 47,629 | 51,245 |
| Net income attributable to non-controlling interests | 34 | - |
| Net income attributable to owners of parent | 47,595 | 51,245 |

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

| | For the nine months ended November 20,2016 | For the nine months ended November 20,2017 |
|---|---|---|
| Net income | 47,629 | 51,245 |
| Other comprehensive income | | |
| Unrealized holding gain (loss) on securities | 402 | (78) |
| Unrealized gain (loss) from hedging instruments | 1,962 | (6,427) |
| Foreign currency translation adjustment | (3,901) | 359 |
| Remeasurements of defined benefit plans, net of tax | 20 | 120 |
| Total other comprehensive income | (1,515) | (6,026) |
| Comprehensive income | 46,113 | 45,218 |
| Total comprehensive income attributable to : | | |
| Owners of parent | 46,079 | 45,218 |
| Non-controlling interests | 34 | - |