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Consolidated Financial Results for the Three Months Ended May 20, 2020 [Japanese GAAP]

June 25, 2020

Company name: Nitori Holdings Co., Ltd.
 Stock exchange listing: Tokyo, Sapporo
 Code number: 9843
 URL: <https://www.nitorihd.co.jp/>
 Representative: Toshiyuki Shirai President and Chief Operating Officer
 Contact: Masaomi Zenji General Manager, Accounting and Finance Division
 Phone: 03-6741-1204
 Scheduled date of filing quarterly securities report: June 30, 2020
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Three Months Ended May 20, 2020 (February 21, 2020 to May 20, 2020)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended May 20, 2020	173,780	3.9	37,216	22.3	37,361	21.6	25,519	25.4
May 20, 2019	167,332	6.1	30,431	0.0	30,722	0.1	20,348	3.2

(Note) Comprehensive income: Three months ended May 20, 2020: ¥ 28,011 million [34.4%]
 Three months ended May 20, 2019: ¥ 20,847 million [8.4%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 20, 2020	226.73	226.42
May 20, 2019	181.24	180.81

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
May 20, 2020	696,196	584,689	84.0
February 20, 2020	683,247	560,861	82.0

(Reference) Equity: As of May 20, 2020: ¥ 584,508 million
 As of February 20, 2020: ¥ 560,571 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, 2020	-	54.00	-	54.00	108.00
Fiscal year ending February 20, 2021	-				
Fiscal year ending February 20, 2021 (Forecast)		57.00	-	58.00	115.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2021 (February 21, 2020 to February 20, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended August 20, 2020	318,900	(0.8)	57,700	3.8	57,900	2.4	39,100	6.1	347.07
Full year	653,200	1.7	112,200	4.4	113,300	3.4	75,700	6.0	671.96

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended May 20, 2020

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: -)

Exclusion: - (Company name: -)

(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):

May 20, 2020: 114,443,496 shares

February 20, 2020: 114,443,496 shares

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

May 20, 2020: 1,787,317 shares

February 20, 2020: 1,975,782 shares

3) Average number of shares during the period:

Three months ended May 20, 2020: 112,552,732 shares

Three months ended May 20, 2019: 112,270,194 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 20,2020	As of May 20,2020
Assets		
Current assets		
Cash and deposits	159,190	167,538
Notes and accounts receivable - trade	27,880	38,927
Merchandise and finished goods	61,203	54,434
Work in process	182	168
Raw materials and supplies	4,127	3,348
Forward exchange contracts	-	5,793
Other	11,010	10,114
Allowance for doubtful accounts	(4)	(4)
Total current assets	263,589	280,322
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	111,548	109,420
Land	173,010	173,060
Other, net	22,827	22,977
Total property, plant and equipment	307,387	305,457
Intangible assets	24,599	24,847
Investments and other assets		
Investment securities	25,535	24,747
Long-term loans receivable	732	701
Guarantee deposits	13,987	13,715
Leasehold deposits	23,756	23,808
Deferred tax assets	13,246	11,520
Other	10,429	11,077
Allowance for doubtful accounts	(18)	(0)
Total investments and other assets	87,670	85,569
Total non-current assets	419,657	415,874
Total assets	683,247	696,196
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,774	18,710
Short-term borrowings	2,787	2,705
Lease obligations	1,554	1,490
Accounts payable - other	22,923	16,443
Income taxes payable	20,224	12,645
Provision for bonuses	4,020	5,733
Provision for point card certificates	2,076	2,869
Provision for shareholder benefit program	282	220
Other	23,420	27,060
Total current liabilities	97,063	87,877

(Million yen)

	As of February 20,2020	As of May 20,2020
Non-current liabilities		
Long-term borrowings	4,000	3,019
Lease obligations	6,714	6,043
Provision for retirement benefits for directors (and other officers)	228	228
Retirement benefit liability	1,343	1,454
Asset retirement obligations	5,673	5,729
Other	7,361	7,154
Total non-current liabilities	25,322	23,630
Total liabilities	122,385	111,507
Net assets		
Shareholders' equity		
Share capital	13,370	13,370
Capital surplus	25,074	25,738
Retained earnings	532,471	551,917
Treasury shares	(10,875)	(9,540)
Total shareholders' equity	560,042	581,486
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	750	466
Deferred gains on hedges	-	4,019
Foreign currency translation adjustment	161	(1,093)
Remeasurements of defined benefit plans	(382)	(371)
Total accumulated other comprehensive income	529	3,021
Share acquisition rights	289	180
Total net assets	560,861	584,689
Total liabilities and net assets	683,247	696,196

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

(Million yen)

	For the three months ended May 20,2019	For the three months ended May 20,2020
Net sales	167,332	173,780
Cost of sales	77,136	76,006
Gross profit	90,195	97,774
Selling, general and administrative expenses	59,764	60,557
Operating profit	30,431	37,216
Non-operating income		
Interest income	115	134
Share of profit of entities accounted for using equity method	7	-
Foreign exchange gains	-	222
Subsidy income	50	87
Penalty income	1	141
Vending machine income	55	55
Gain on sales of goods	93	48
Other	111	97
Total non-operating income	436	786
Non-operating expenses		
Interest expenses	69	75
Share of loss of entities accounted for using equity method	-	327
Foreign exchange losses	52	-
Other	23	238
Total non-operating expenses	145	641
Ordinary profit	30,722	37,361
Extraordinary income		
Gain on cancellation of leasehold contracts	-	400
Gain on sales of non-current assets	312	-
Gain on reversal of share acquisition rights	1	0
Total extraordinary income	314	400
Extraordinary losses		
Loss on sales and retirement of non-current assets	13	-
Impairment loss	160	622
Loss on change in equity	98	14
Total extraordinary losses	272	636
Profit before income taxes	30,764	37,124
Income taxes	10,416	11,605
Profit	20,348	25,519
Profit attributable to owners of parent	20,348	25,519

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

(Million yen)

	For the three months ended May 20,2019	For the three months ended May 20,2020
Profit	20,348	25,519
Other comprehensive income		
Valuation difference on available-for-sale securities	105	(283)
Deferred gains or losses on hedges	-	4,019
Foreign currency translation adjustment	384	(1,255)
Remeasurements of defined benefit plans, net of tax	9	11
Total other comprehensive income	499	2,491
Comprehensive income	20,847	28,011
Comprehensive income attributable to		
Owners of parent	20,847	28,011