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Consolidated Financial Results for the Six Months Ended August 20, 2021 [Japanese GAAP]

September 30, 2021

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: October 01, 2021
 Scheduled date of commencing dividend payments: October 19, 2021
 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 Six Months Ended August 20, 2021 (February 21, 2021 to August 20, 2021)

(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	%
Six months ended August 20, 2021	414,563	14.4	77,515	(3.8)	79,078	(2.5)	53,891	8.3
August 20, 2020	362,481	12.7	80,596	45.0	81,067	43.4	49,764	35.1

(Note) Comprehensive income: Six months ended August 20, 2021: ¥ 58,705 million [16.1%]
 Six months ended August 20, 2020: ¥ 50,544 million [43.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended August 20, 2021	Yen 477.42	Yen -
August 20, 2020	441.70	441.31

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of August 20, 2021	Million yen 959,174	Million yen 694,430	72.4%
February 20, 2021	936,683	642,096	68.5

(Reference) Equity: As of August 20, 2021: ¥ 694,430 million
 As of February 20, 2021: ¥ 642,096 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, 2021	-	57.00		66.00	123.00
Fiscal year ending February 20, 2022	-	70.00			
Fiscal year ending February 20, 2022 (Forecast)			-	70.00	140.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2022 (February 21, 2021 to February 20, 2022)

(% 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
Full year	873,600	21.9	143,900	4.5	146,400	5.8	98,600	7.0	873.17

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended August 20, 2021

(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):

August 20, 2021: 114,443,496 shares

February 20, 2021: 114,443,496 shares

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

August 20, 2021: 1,521,705 shares

February 20, 2021: 1,619,063 shares

3) Average number of shares during the period:

Six months ended August 20, 2021: 112,881,235 shares

Six months ended August 20, 2020: 112,667,430 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 20,2021	As of August 20,2021
Assets		
Current assets		
Cash and deposits	158,577	187,916
Notes and accounts receivable - trade	37,806	38,388
Securities	7,791	-
Merchandise and finished goods	76,133	68,299
Work in process	200	273
Raw materials and supplies	4,403	4,252
Other	17,843	20,154
Allowance for doubtful accounts	(5)	(4)
Total current assets	302,750	319,280
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	182,503	178,817
Land	271,613	282,840
Other, net	28,377	29,132
Total property, plant and equipment	482,494	490,790
Intangible assets		
Goodwill	25,590	23,670
Other	17,083	16,479
Total intangible assets	42,673	40,150
Investments and other assets		
Investment securities	25,727	25,947
Long-term loans receivable	665	642
Guarantee deposits	19,858	19,008
Leasehold deposits	28,945	29,181
Deferred tax assets	18,639	19,065
Other	14,999	15,181
Allowance for doubtful accounts	(72)	(72)
Total investments and other assets	108,765	108,953
Total non-current assets	633,933	639,894
Total assets	936,683	959,174
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,554	38,760
Short-term borrowings	48,715	35,779
Lease obligations	1,570	1,593
Accounts payable - other	82,607	21,679
Income taxes payable	30,351	25,793
Provision for bonuses	5,120	5,160
Provision for point card certificates	2,669	3,716
Provision for shareholder benefit program	463	208
Other	39,388	27,238
Total current liabilities	255,440	159,928

(Million yen)

	As of February 20,2021	As of August 20,2021
Non-current liabilities		
Long-term borrowings	2,000	67,932
Lease obligations	5,875	5,951
Provision for retirement benefits for directors (and other officers)	228	228
Retirement benefit liability	5,186	5,398
Asset retirement obligations	14,910	14,682
Other	10,945	10,622
Total non-current liabilities	39,146	104,815
Total liabilities	294,587	264,744
Net assets		
Shareholders' equity		
Share capital	13,370	13,370
Capital surplus	26,255	26,814
Retained earnings	612,082	657,840
Treasury shares	(8,971)	(7,768)
Total shareholders' equity	642,737	690,257
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	690	1,185
Foreign currency translation adjustment	(1,122)	3,170
Remeasurements of defined benefit plans	(208)	(183)
Total accumulated other comprehensive income	(640)	4,173
Total net assets	642,096	694,430
Total liabilities and net assets	936,683	959,174

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended August 20,2020	For the six months ended August 20,2021
Net sales	362,481	414,563
Cost of sales	157,124	194,963
Gross profit	205,356	219,599
Selling, general and administrative expenses	124,760	142,084
Operating profit	80,596	77,515
Non-operating income		
Interest income	259	199
Dividend income	28	37
Share of profit of entities accounted for using equity method	-	481
Foreign exchange gains	75	60
Subsidy income	158	367
Penalty income	149	-
Vending machine income	122	185
Gain on sales of goods	95	102
Other	215	485
Total non-operating income	1,105	1,921
Non-operating expenses		
Interest expenses	148	190
Share of loss of entities accounted for using equity method	183	-
Other	302	168
Total non-operating expenses	634	358
Ordinary profit	81,067	79,078
Extraordinary income		
Gain on sales of non-current assets	0	9
Gain on reversal of share acquisition rights	12	-
Gain on cancellation of leasehold contracts	395	-
Total extraordinary income	408	9
Extraordinary losses		
Loss on sales and retirement of non-current assets	2	2
Impairment loss	7,804	100
Loss on change in equity	20	25
Total extraordinary losses	7,827	128
Profit before income taxes	73,647	78,959
Income taxes	23,883	25,067
Profit	49,764	53,891
Profit attributable to owners of parent	49,764	53,891

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

(Million yen)

	For the six months ended August 20,2020	For the six months ended August 20,2021
Profit	49,764	53,891
Other comprehensive income		
Valuation difference on available-for-sale securities	(256)	495
Deferred gains or losses on hedges	1,719	-
Foreign currency translation adjustment	(705)	4,293
Remeasurements of defined benefit plans, net of tax	22	25
Total other comprehensive income	779	4,814
Comprehensive income	50,544	58,705
Comprehensive income attributable to		
Owners of parent	50,544	58,705