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Consolidated Financial Results for the Six Months Ended August 20, 2022 [Japanese GAAP]

September 30, 2022

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 Executive Officer, General Manager, Accounting and Finance Division
 Phone: 03-6741-1204
 Scheduled date of filing quarterly securities report: September 30, 2022
 Scheduled date of commencing dividend payments: October 18, 2022
 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, 2022 (February 21, 2022 to August 20, 2022)

(1) Consolidated Operating Results (% 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, 2022 | 423,072 | 2.1 | 69,045 | (10.9) | 70,430 | (10.9) | 51,462 | (4.5) |
| August 20, 2021 | 414,563 | 14.4 | 77,515 | (3.8) | 79,078 | (2.5) | 53,891 | 8.3 |

(Note) Comprehensive income: Six months ended August 20, 2022: ¥ 61,661 million [5.0%]
 Six months ended August 20, 2021: ¥ 58,705 million [16.1%]

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| Six months ended August 20, 2022 | Yen 455.53 | Yen - |
| August 20, 2021 | 477.42 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|-----------------------|--------------------------|------------------------|------------------------|
| As of August 20, 2022 | Million yen 1,012,462 | Million yen 788,129 | % 77.8 |
| February 20, 2022 | 983,840 | 732,813 | 74.5 |

(Reference) Equity: As of August 20, 2022: ¥ 788,129 million
 As of February 20, 2022: ¥ 732,813 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, 2022 | - | 70.00 | - | 70.00 | 140.00 |
| Fiscal year ending March 31, 2023 | - | 73.00 | | | |
| Fiscal year ending March 31, 2023 (Forecast) | | | - | 74.00 | 147.00 |

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (February 21, 2022 to March 31, 2023)

(% 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 | 963,600 | 18.7 | 150,600 | 8.9 | 153,000 | 7.9 | 104,000 | 7.5 | 920.26 |

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended August 20, 2022

(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: Yes

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, 2022: 114,443,496 shares

February 20, 2022: 114,443,496 shares

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

August 20, 2022: 1,431,601 shares

February 20, 2022: 1,521,865 shares

3) Average number of shares during the period:

Six months ended August 20, 2022: 112,974,285 shares

Six months ended August 20, 2021: 112,881,235 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 20,2022 | As of August 20,2022 |
|--|------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 130,435 | 93,695 |
| Notes and accounts receivable - trade | 39,206 | 40,751 |
| Merchandise and finished goods | 78,917 | 88,007 |
| Work in process | 428 | 543 |
| Raw materials and supplies | 6,593 | 7,052 |
| Forward exchange contracts | - | 93 |
| Other | 22,794 | 18,537 |
| Allowance for doubtful accounts | (8) | (1) |
| Total current assets | 278,367 | 248,680 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 185,812 | 185,696 |
| Land | 339,139 | 368,431 |
| Other, net | 35,529 | 51,417 |
| Total property, plant and equipment | 560,481 | 605,546 |
| Intangible assets | | |
| Goodwill | 22,391 | 21,111 |
| Other | 15,724 | 15,226 |
| Total intangible assets | 38,116 | 36,338 |
| Investments and other assets | | |
| Investment securities | 26,585 | 37,818 |
| Long-term loans receivable | 618 | 592 |
| Guarantee deposits | 18,890 | 18,108 |
| Leasehold deposits | 28,987 | 29,679 |
| Deferred tax assets | 17,495 | 21,029 |
| Other | 14,369 | 14,740 |
| Allowance for doubtful accounts | (72) | (72) |
| Total investments and other assets | 106,875 | 121,896 |
| Total non-current assets | 705,472 | 763,781 |
| Total assets | 983,840 | 1,012,462 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 39,765 | 38,443 |
| Short-term borrowings | 35,068 | 35,068 |
| Lease obligations | 1,663 | 1,731 |
| Accounts payable - other | 28,594 | 22,145 |
| Income taxes payable | 20,330 | 23,790 |
| Contract liabilities | - | 17,363 |
| Provision for bonuses | 4,482 | 5,375 |
| Provision for point card certificates | 3,113 | 11 |
| Provision for shareholder benefit program | 428 | 272 |
| Provision for loss on business liquidation | - | 226 |
| Other | 29,735 | 9,939 |
| Total current liabilities | 163,181 | 154,369 |

(Million yen)

| | As of February 20,2022 | As of August 20,2022 |
|--|------------------------|----------------------|
| Non-current liabilities | | |
| Long-term borrowings | 50,398 | 32,864 |
| Lease obligations | 5,605 | 5,527 |
| Provision for retirement benefits for directors (and other officers) | 228 | 228 |
| Retirement benefit liability | 5,741 | 5,953 |
| Asset retirement obligations | 15,256 | 14,459 |
| Other | 10,614 | 10,929 |
| Total non-current liabilities | 87,845 | 69,962 |
| Total liabilities | 251,027 | 224,332 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 13,370 | 13,370 |
| Capital surplus | 26,814 | 26,814 |
| Retained earnings | 692,768 | 736,326 |
| Treasury shares | (7,771) | (6,212) |
| Total shareholders' equity | 725,181 | 770,299 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,227 | 1,583 |
| Deferred gains or losses on hedges | - | 65 |
| Foreign currency translation adjustment | 6,591 | 16,392 |
| Remeasurements of defined benefit plans | (187) | (211) |
| Total accumulated other comprehensive income | 7,631 | 17,830 |
| Total net assets | 732,813 | 788,129 |
| Total liabilities and net assets | 983,840 | 1,012,462 |

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 20,2021 | For the six months ended August 20,2022 |
|---|--|--|
| Net sales | 414,563 | 423,072 |
| Cost of sales | 194,963 | 205,887 |
| Gross profit | 219,599 | 217,185 |
| Selling, general and administrative expenses | 142,084 | 148,139 |
| Operating profit | 77,515 | 69,045 |
| Non-operating income | | |
| Interest income | 199 | 261 |
| Dividend income | 37 | 40 |
| Share of profit of entities accounted for using equity method | 481 | - |
| Foreign exchange gains | 60 | 552 |
| Subsidy income | 367 | 165 |
| Vending machine income | 185 | 168 |
| Gain on sales of goods | 102 | 129 |
| Other | 485 | 465 |
| Total non-operating income | 1,921 | 1,783 |
| Non-operating expenses | | |
| Interest expenses | 190 | 179 |
| Share of loss of entities accounted for using equity method | - | 55 |
| Other | 168 | 163 |
| Total non-operating expenses | 358 | 399 |
| Ordinary profit | 79,078 | 70,430 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 9 | 13 |
| Total extraordinary income | 9 | 13 |
| Extraordinary losses | | |
| Loss on sale and retirement of non-current assets | 2 | 11 |
| Impairment losses | 100 | 479 |
| Loss on change in equity | 25 | 6 |
| Provision for loss on business liquidation | - | 204 |
| Total extraordinary losses | 128 | 702 |
| Profit before income taxes | 78,959 | 69,741 |
| Income taxes | 25,067 | 18,278 |
| Profit | 53,891 | 51,462 |
| Profit attributable to owners of parent | 53,891 | 51,462 |

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

(Million yen)

| | For the six months ended August 20,2021 | For the six months ended August 20,2022 |
|---|--|--|
| Profit | 53,891 | 51,462 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 495 | 356 |
| Deferred gains or losses on hedges | - | 65 |
| Foreign currency translation adjustment | 4,293 | 9,800 |
| Remeasurements of defined benefit plans, net of tax | 25 | (23) |
| Total other comprehensive income | 4,814 | 10,198 |
| Comprehensive income | 58,705 | 61,661 |
| Comprehensive income attributable to | | |
| Owners of parent | 58,705 | 61,661 |