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## Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 09, 2023

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 Annual General Meeting of Shareholders: June 22, 2023  
 Scheduled date of commencing dividend payments: June 05, 2023  
 Scheduled date of filing annual securities report: June 23, 2023  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual 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 Fiscal Year Ended March 31, 2023 (February 21, 2022 to March 31, 2023)

#### (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	%
Fiscal year ended March 31, 2023	948,094	16.8	140,076	1.3	144,085	1.6	95,129	(1.6)
February 20, 2022	811,581	13.2	138,270	0.4	141,847	2.5	96,724	5.0

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 99,881 million [ (4.9) %]  
 Fiscal year ended February 20, 2022: ¥ 104,995 million [ 15.5 %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	841.90	-	12.3	13.6	14.8
February 20, 2022	856.71	-	14.1	14.8	17.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 929 million  
 Fiscal year ended February 20, 2022: ¥ 1,435 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2023	1,133,771	818,096	72.2	7,239.04
February 20, 2022	983,840	732,813	74.5	6,489.57

(Reference) Equity: As of March 31, 2023: ¥ 818,096 million  
 As of February 20, 2022: ¥ 732,813 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	91,398	(132,538)	36,903	125,115
February 20, 2022	85,565	(119,980)	17,729	127,076

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
February 20, 2022	-	70.00	-	70.00	140.00	15,833	16.3	2.3
March 31, 2023	-	73.00	-	73.00	146.00	16,534	17.3	2.1
Fiscal year ending								
March 31, 2024 (Forecast)	-	75.00	-	75.00	150.00		17.0	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% 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 September 30, 2023	440,200	4.0	64,100	(7.2)	65,000	(7.7)	44,500	(13.5)	393.76
Full year	932,000	(1.7)	145,100	3.6	147,000	2.0	100,000	5.1	884.86

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )  
 Exclusion: - (Company name: )

(2) 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

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

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

March 31, 2023: 114,443,496 shares  
 February 20, 2022: 114,443,496 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 1,431,761 shares  
 February 20, 2022: 1,521,865 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 112,994,490 shares  
 Fiscal Year ended February 20, 2022: 112,901,484 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (February 21, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	32,078	(46.1)	(6,997)	-	8,983	(77.3)	2,426	(93.5)
February 20, 2022	59,546	112.1	24,959	-	39,555	641.4	37,387	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	21.45	-
February 20, 2022	330.59	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2023	595,267	416,523	70.0	3,673.07
February 20, 2022	526,468	424,847	80.7	3,756.41

(Reference) Equity: As of March 31, 2023: ¥ 416,523 million  
As of February 20, 2022: ¥ 424,847 million

\* Financial results reports are not subjected to 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.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of February 20,2022	As of March 31,2023
<b>Assets</b>		
Current assets		
Cash and deposits	130,435	131,928
Notes and accounts receivable - trade	39,206	57,408
Merchandise and finished goods	78,917	112,401
Work in process	428	479
Raw materials and supplies	6,593	7,496
Other	22,794	20,641
Allowance for doubtful accounts	(8)	(1)
Total current assets	278,367	330,353
Non-current assets		
Property, plant and equipment		
Buildings and structures	389,745	422,887
Accumulated depreciation	(203,933)	(219,531)
Buildings and structures, net	185,812	203,356
Machinery, equipment and vehicles	18,371	20,792
Accumulated depreciation	(11,790)	(13,978)
Machinery, equipment and vehicles, net	6,581	6,813
Tools, furniture and fixtures	26,613	29,773
Accumulated depreciation	(16,900)	(18,417)
Tools, furniture and fixtures, net	9,713	11,356
Land	339,139	377,009
Leased assets	4,420	4,414
Accumulated depreciation	(2,555)	(2,894)
Leased assets, net	1,865	1,519
Right of use assets	6,741	15,333
Accumulated depreciation	(2,900)	(4,203)
Right of use assets, net	3,841	11,129
Construction in progress	13,527	38,294
Total property, plant and equipment	560,481	649,479
Intangible assets		
Goodwill	22,391	19,619
Software	7,088	5,267
Software in progress	931	1,740
Leasehold interests in land	7,615	6,272
Other	89	107
Total intangible assets	38,116	33,005
Investments and other assets		
Investment securities	26,585	39,089
Long-term loans receivable	618	562
Guarantee deposits	18,890	16,893
Leasehold deposits	28,987	30,313
Deferred tax assets	17,495	21,765
Other	14,369	12,379
Allowance for doubtful accounts	(72)	(72)
Total investments and other assets	106,875	120,932
Total non-current assets	705,472	803,417
Total assets	983,840	1,133,771

(Million yen)

	As of February 20,2022	As of March 31,2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	39,765	38,459
Short-term borrowings	35,068	83,068
Lease obligations	1,663	1,602
Accounts payable - other	28,594	24,058
Income taxes payable	20,330	28,351
Contract liabilities	-	23,774
Provision for bonuses	4,482	8,380
Provision for point card certificates	3,113	11
Provision for shareholder benefit program	428	422
Provision for loss on business liquidation	-	220
Other	29,735	13,419
<b>Total current liabilities</b>	<b>163,181</b>	<b>221,769</b>
<b>Non-current liabilities</b>		
Long-term borrowings	50,398	57,330
Lease obligations	5,605	4,598
Provision for retirement benefits for directors (and other officers)	228	228
Retirement benefit liability	5,741	5,886
Asset retirement obligations	15,256	14,800
Other	10,614	11,060
<b>Total non-current liabilities</b>	<b>87,845</b>	<b>93,905</b>
<b>Total liabilities</b>	<b>251,027</b>	<b>315,674</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	13,370	13,370
Capital surplus	26,814	30,711
Retained earnings	692,768	771,743
Treasury shares	(7,771)	(10,111)
<b>Total shareholders' equity</b>	<b>725,181</b>	<b>805,714</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,227	1,769
Deferred gains or losses on hedges	-	(1,829)
Foreign currency translation adjustment	6,591	12,479
Remeasurements of defined benefit plans	(187)	(36)
<b>Total accumulated other comprehensive income</b>	<b>7,631</b>	<b>12,382</b>
<b>Total net assets</b>	<b>732,813</b>	<b>818,096</b>
<b>Total liabilities and net assets</b>	<b>983,840</b>	<b>1,133,771</b>

# Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Million yen)

	For the fiscal year ended February 20,2022	For the fiscal year ended March 31,2023
Net sales	811,581	948,094
Cost of sales	385,684	469,988
Gross profit	425,897	478,106
Selling, general and administrative expenses	287,627	338,029
Operating profit	138,270	140,076
Non-operating income		
Interest income	459	638
Dividend income	58	275
Foreign exchange gains	-	853
Share of profit of entities accounted for using equity method	1,435	929
Subsidy income	775	298
Vending machine income	365	363
Gain on sales of goods	209	303
Other	1,112	1,097
Total non-operating income	4,417	4,760
Non-operating expenses		
Interest expenses	387	401
Foreign exchange losses	77	-
Other	375	349
Total non-operating expenses	840	751
Ordinary profit	141,847	144,085
Extraordinary income		
Gain on sale of non-current assets	301	17
Reversal of provision for business restructuring	499	-
Total extraordinary income	800	17
Extraordinary losses		
Loss on sale and retirement of non-current assets	238	139
Impairment losses	579	4,769
Loss on change in equity	49	61
Provision for loss on business liquidation	-	218
Total extraordinary losses	868	5,189
Profit before income taxes	141,779	138,913
Income taxes - current	43,616	47,503
Income taxes - deferred	1,438	(3,720)
Total income taxes	45,054	43,783
Profit	96,724	95,129
Profit attributable to owners of parent	96,724	95,129

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended February 20,2022	For the fiscal year ended March 31,2023
Profit	96,724	95,129
Other comprehensive income		
Valuation difference on available-for-sale securities	536	542
Deferred gains or losses on hedges	-	(1,829)
Foreign currency translation adjustment	7,713	5,888
Remeasurements of defined benefit plans, net of tax	21	151
Total other comprehensive income	8,271	4,751
Comprehensive income	104,995	99,881
Comprehensive income attributable to		
Owners of parent	104,995	99,881

Consolidated Statements of Changes in Net Assets

For the fiscal year ended February 20,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,370	26,255	612,082	(8,971)	642,737
Changes during period					
Dividends of surplus			(15,350)		(15,350)
Profit attributable to owners of parent			96,724		96,724
Purchase of treasury shares				(9)	(9)
Disposal of treasury shares		558		1,209	1,768
Adjustments due to change in the fiscal period of consolidated subsidiaries			(687)		(687)
Net changes in items other than shareholders' equity					
Total changes during period	-	558	80,686	1,200	82,444
Balance at end of period	13,370	26,814	692,768	(7,771)	725,181

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	690	(1,122)	(208)	(640)	43,295	685,392
Changes during period						
Dividends of surplus						(15,350)
Profit attributable to owners of parent						96,724
Purchase of treasury shares						(9)
Disposal of treasury shares						1,768
Adjustments due to change in the fiscal period of consolidated subsidiaries						(687)
Net changes in items other than shareholders' equity	536	7,713	21	8,271	(43,295)	(35,024)
Total changes during period	536	7,713	21	8,271	(43,295)	47,420
Balance at end of period	1,227	6,591	(187)	7,631	-	732,813



For the fiscal year ended March 31,2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,370	26,814	692,768	(7,771)	725,181
Changes during period					
Dividends of surplus			(16,154)		(16,154)
Profit attributable to owners of parent			95,129		95,129
Purchase of treasury shares				(4,949)	(4,949)
Disposal of treasury shares		3,897		2,608	6,505
Net changes in items other than shareholders' equity					
Total changes during period	-	3,897	78,975	(2,340)	80,532
Balance at end of period	13,370	30,711	771,743	(10,111)	805,714

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,227	-	6,591	(187)	7,631	732,813
Changes during period						
Dividends of surplus						(16,154)
Profit attributable to owners of parent						95,129
Purchase of treasury shares						(4,949)
Disposal of treasury shares						6,505
Net changes in items other than shareholders' equity	542	(1,829)	5,888	151	4,751	4,751
Total changes during period	542	(1,829)	5,888	151	4,751	85,283
Balance at end of period	1,769	(1,829)	12,479	(36)	12,382	818,096

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended February 20,2022	For the fiscal year ended March 31,2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	141,779	138,913
Depreciation	23,785	26,186
Impairment losses	579	4,769
Amortization of goodwill	2,559	2,772
Increase (decrease) in allowance for doubtful accounts	2	(7)
Increase (decrease) in provision for bonuses	(1,032)	3,874
Increase (decrease) in retirement benefit liability	540	255
Increase (decrease) in provision for point card certificates	422	(3,116)
Interest and dividend income	(518)	(913)
Interest expenses	387	401
Share of loss (profit) of entities accounted for using equity method	(1,435)	(929)
Reversal of provision for business restructuring	(499)	-
Loss (gain) on sale and retirement of non-current assets	(62)	122
Loss (gain) on change in equity	49	61
Increase (decrease) in provision for loss on business liquidation	-	218
Decrease (increase) in trade receivables	2,294	(39,324)
Decrease (increase) in inventories	(4,058)	(33,301)
Increase (decrease) in trade payables	(9,185)	(414)
Increase (decrease) in contract liability	-	23,799
Increase (decrease) in accrued consumption taxes	(9,029)	1,463
Other, net	(2,309)	(628)
<b>Subtotal</b>	<b>144,270</b>	<b>124,202</b>
Interest and dividends received	1,361	1,736
Interest paid	(403)	(417)
Income taxes paid	(61,562)	(40,043)
Income taxes refund	1,899	5,919
<b>Net cash provided by (used in) operating activities</b>	<b>85,565</b>	<b>91,398</b>

(Million yen)

	For the fiscal year ended February 20,2022	For the fiscal year ended March 31,2023
Cash flows from investing activities		
Payments into time deposits	(56)	(5,789)
Proceeds from withdrawal of time deposits	30,185	2,502
Purchase of property, plant and equipment	(101,520)	(113,933)
Proceeds from sale of property, plant and equipment	1,918	17
Purchase of intangible assets	(1,642)	(2,471)
Purchase of short-term and long-term investment securities	(200)	(11,989)
Proceeds from sale of short-term and long-term investment securities	1	0
Payments of guarantee deposits	(857)	(546)
Proceeds from refund of guarantee deposits	1,620	2,010
Purchase of shares of subsidiaries	(48,942)	-
Payments of leasehold deposits	(1,082)	(2,681)
Proceeds from refund of leasehold deposits	599	308
Guarantee deposits received	-	12
Refund of guarantee deposits received	(255)	(247)
Proceeds from deposits received	322	957
Repayments of deposits received	(142)	(147)
Purchase of long-term prepaid expenses	(150)	(762)
Proceeds from collection of loans receivable	220	202
Other payments	-	18
Net cash provided by (used in) investing activities	(119,980)	(132,538)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(46,715)	40,000
Repayments of long-term borrowings	(18,534)	(35,068)
Proceeds from long-term borrowings	100,000	50,000
Repayments of lease liabilities	(1,651)	(1,961)
Purchase of treasury shares	(9)	(2)
Dividends paid	(15,360)	(16,064)
Net cash provided by (used in) financing activities	17,729	36,903
Effect of exchange rate change on cash and cash equivalents	2,936	2,276
Net increase (decrease) in cash and cash equivalents	(13,748)	(1,960)
Cash and cash equivalents at beginning of period	125,487	127,076
Increase/decrease in cash and cash equivalents due to changes in the accounting period of consolidated subsidiaries	15,337	-
Cash and cash equivalents at end of period	127,076	125,115