

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2020
(Based on Japanese GAAP)**

July 28, 2020

Company name: KOMERI CO., LTD.
 Stock exchange listing: Tokyo
 Code number: 8218 URL <https://www.komeri.bit.or.jp>
 Representative: Yuichiro Sasage President, CEO and COO Director and Executive Officer of the
 Contact person: Hiroshi Hayakawa Company, General Manager of Strategic Planning Office
 Phone 025-371-4111
 Scheduled date to file Quarterly Securities Report: August 14, 2020
 Scheduled date of payment of cash dividends: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	111,805	15.8	12,411	74.3	12,414	73.1	8,512	76.0
Three months ended June 30, 2019	96,524	1.0	7,118	0.1	7,171	1.8	4,836	2.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	171.18		–	
Three months ended June 30, 2019	95.48		95.36	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	344,034	189,656	55.1
As of March 31, 2020	331,140	181,990	55.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	21.00	–	21.00	42.00
Year ending March 31, 2021	–				
Year ending March 31, 2021 (Forecast)		21.00	–	21.00	42.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2020	185,000	(0.6)	12,000	(6.1)	12,100	(6.3)	8,150	(6.1)	163.88
Full year	353,000	1.3	19,000	2.9	19,100	2.6	11,300	(5.4)	227.22

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2020	54,409,168 shares	As of March 31, 2020	54,409,168 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2020	4,677,243 shares	As of March 31, 2020	4,677,174 shares
---------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	49,731,956 shares	Three months ended June 30, 2019	50,652,406 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	9,625	22,586
Notes and accounts receivable - trade	19,821	20,995
Merchandise and finished goods	109,119	104,962
Raw materials and supplies	512	276
Other	7,106	8,488
Allowance for doubtful accounts	(534)	(544)
Total current assets	145,651	156,764
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	112,353	112,302
Land	34,355	34,355
Leased assets, net	3,515	3,552
Other, net	8,282	9,514
Total property, plant and equipment	158,505	159,724
Intangible assets	8,043	8,007
Investments and other assets		
Investment securities	1,322	1,650
Deferred tax assets	7,820	8,093
Leasehold and guarantee deposits	8,218	8,239
Other	1,579	1,557
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	18,939	19,538
Total non-current assets	185,489	187,270
Total assets	331,140	344,034

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,012	28,098
Electronically recorded obligations - operating	26,454	37,089
Short-term borrowings	8,500	–
Current portion of long-term borrowings	4,169	4,169
Lease obligations	1,370	1,361
Income taxes payable	3,438	4,336
Provision for bonuses	1,818	2,897
Provision for bonuses for directors (and other officers)	19	5
Provision for loss on store closings	44	4
Provision for point card certificates	739	896
Provision for loss on disaster	4	2
Other	16,471	17,706
Total current liabilities	91,044	96,568
Non-current liabilities		
Long-term borrowings	38,640	38,191
Lease obligations	2,618	2,659
Provision for retirement benefits for directors (and other officers)	124	124
Provision for share-based remuneration for directors (and other officers)	152	156
Retirement benefit liability	5,414	5,494
Asset retirement obligations	7,071	7,171
Other	4,083	4,011
Total non-current liabilities	58,105	57,809
Total liabilities	149,149	154,378
Net assets		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	148,676	156,142
Treasury shares	(11,239)	(11,239)
Total shareholders' equity	181,499	188,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	72	290
Deferred gains or losses on hedges	27	13
Remeasurements of defined benefit plans	390	387
Total accumulated other comprehensive income	491	690
Total net assets	181,990	189,656
Total liabilities and net assets	331,140	344,034

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	93,636	108,502
Cost of sales	64,159	73,264
Gross profit	29,476	35,238
Operating revenue	2,888	3,302
Operating gross profit	32,365	38,540
Selling, general and administrative expenses	25,246	26,129
Operating profit	7,118	12,411
Non-operating income		
Interest income	3	3
Foreign exchange gains	65	6
Other	75	51
Total non-operating income	143	60
Non-operating expenses		
Interest expenses	47	37
Loss on cancellation of rental contracts	–	12
Burial cultural asset investigation expense	30	–
Other	13	7
Total non-operating expenses	91	57
Ordinary profit	7,171	12,414
Extraordinary income		
Insurance claim income	5	11
Total extraordinary income	5	11
Extraordinary losses		
Loss on disposal of non-current assets	33	22
Loss on disaster	9	12
Impairment loss	–	4
Total extraordinary losses	43	40
Profit before income taxes	7,134	12,385
Income taxes - current	2,489	4,247
Income taxes - deferred	(191)	(374)
Total income taxes	2,297	3,872
Profit	4,836	8,512
Profit attributable to owners of parent	4,836	8,512

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	4,836	8,512
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	217
Deferred gains or losses on hedges	–	(14)
Remeasurements of defined benefit plans, net of tax	491	(3)
Total other comprehensive income	484	199
Comprehensive income	5,321	8,712
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,321	8,712
Comprehensive income attributable to non-controlling interests	–	–