

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 26, 2022

Company name: KOMERI CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 8218 URL <https://www.komeri.bit.or.jp>
 Representative: President, CEO and COO Yuichiro Sasage
 Inquiries: Director and Managing Executive Officer Hiroshi Hayakawa TEL 025-371-4111
 Scheduled date of ordinary general meeting of shareholders: June 24, 2022
 Scheduled date to file Securities Report: June 24, 2022
 Scheduled date to commence dividend payments: June 27, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	376,094	—	27,825	—	28,248	—	17,897	—
Year ended March 31, 2021	385,700	10.7	30,326	64.2	30,369	63.1	20,402	70.9

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2022	360.22	—	8.6	8.0	7.4
Year ended March 31, 2021	410.25	—	10.7	8.9	7.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	354,788	213,840	60.3	4,361.66
As of March 31, 2021	348,159	200,561	57.6	4,032.90

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	25,856	(11,260)	(12,476)	19,201
Year ended March 31, 2021	36,553	(14,232)	(14,569)	17,082

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	22.00	—	23.00	45.00	2,243	11.0	1.2
Year ended March 31, 2022	—	23.00	—	23.00	46.00	2,276	12.8	1.1
Year ending March 31, 2023 (Forecast)	—	25.00	—	25.00	50.00		13.5	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	203,000	3.1	18,300	3.1	18,300	2.4	12,500	3.9	254.96
Full year	385,000	2.4	28,500	2.4	28,600	1.2	18,100	1.1	369.18

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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:

Yes

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2022	54,409,168 shares	As of March 31, 2021	54,409,168 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	5,381,744 shares	As of March 31, 2021	4,677,861 shares
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Average number of shares during the period

Year ended March 31, 2022	49,684,524 shares	Year ended March 31, 2021	49,731,747 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	17,303	19,422
Notes and accounts receivable - trade	20,935	—
Notes and accounts receivable - trade, and contract assets	—	23,232
Merchandise and finished goods	114,131	115,646
Raw materials and supplies	259	246
Prepaid expenses	2,051	1,707
Other	4,100	4,621
Allowance for doubtful accounts	(668)	(784)
Total current assets	158,114	164,092
Non-current assets		
Property, plant and equipment		
Buildings and structures	247,537	253,939
Accumulated depreciation	(130,555)	(136,400)
Buildings and structures, net	116,981	117,539
Machinery, equipment and vehicles	14,952	14,968
Accumulated depreciation	(12,392)	(12,786)
Machinery, equipment and vehicles, net	2,560	2,182
Land	35,340	36,033
Leased assets	8,034	8,657
Accumulated depreciation	(4,136)	(4,391)
Leased assets, net	3,897	4,265
Construction in progress	1,504	881
Other	13,932	14,648
Accumulated depreciation	(11,587)	(12,297)
Other, net	2,345	2,350
Total property, plant and equipment	162,629	163,252
Intangible assets		
Leasehold interests in land	5,783	5,804
Other	2,835	3,130
Total intangible assets	8,618	8,934
Investments and other assets		
Investment securities	1,909	1,638
Long-term prepaid expenses	1,072	1,054
Deferred tax assets	7,742	7,269
Leasehold and guarantee deposits	7,268	7,432
Other	806	1,114
Allowance for doubtful accounts	(2)	(0)
Total investments and other assets	18,796	18,508
Total non-current assets	190,044	190,695
Total assets	348,159	354,788

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,687	28,703
Electronically recorded obligations - operating	29,800	31,741
Current portion of long-term borrowings	12,569	13,933
Accounts payable - other	8,852	9,837
Accrued expenses	278	250
Lease liabilities	1,436	1,529
Income taxes payable	6,923	3,623
Accrued consumption taxes	2,280	1,813
Contract liabilities	—	800
Provision for bonuses	1,956	1,850
Provision for bonuses for directors (and other officers)	20	21
Provision for point card certificates	814	139
Provision for loss on disaster	38	208
Notes payable - facilities	694	1,273
Other	4,740	5,841
Total current liabilities	100,094	101,568
Non-current liabilities		
Long-term borrowings	27,870	19,937
Lease liabilities	2,900	3,128
Deferred tax liabilities	61	39
Provision for retirement benefits for directors (and other officers)	124	120
Provision for share awards for directors (and other officers)	183	184
Retirement benefit liability	5,768	6,161
Long-term guarantee deposits	1,483	1,466
Asset retirement obligations	7,718	7,735
Other	1,391	605
Total non-current liabilities	47,502	39,379
Total liabilities	147,597	140,947
Net assets		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	166,934	182,463
Treasury shares	(11,241)	(13,197)
Total shareholders' equity	199,756	213,327
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	461	347
Deferred gains or losses on hedges	5	11
Remeasurements of defined benefit plans	338	154
Total accumulated other comprehensive income	805	513
Total net assets	200,561	213,840
Total liabilities and net assets	348,159	354,788

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	373,253	362,630
Cost of sales	248,782	244,234
Gross profit	124,471	118,395
Operating revenue		
Rent income of real estate and other	12,447	13,463
Operating gross profit	136,918	131,859
Selling, general and administrative expenses		
Advertising expenses	3,652	2,605
Sales supplies expenses	610	642
Provision for point card certificates	814	139
Salaries and allowances	35,651	35,790
Bonuses	1,996	2,058
Welfare expenses	6,616	6,566
Provision for bonuses	1,956	1,850
Provision for bonuses for directors (and other officers)	20	21
Retirement benefit expenses	771	707
Supplies expenses	2,296	1,024
Utilities expenses	3,732	4,055
Taxes and dues	3,109	3,011
Enterprise tax	1,062	1,023
Rent expenses	12,981	13,238
Depreciation	11,485	11,774
Store maintenance expenses	2,011	2,102
Other	17,821	17,422
Total selling, general and administrative expenses	106,591	104,034
Operating profit	30,326	27,825
Non-operating income		
Interest income	15	19
Dividend income	92	119
Subsidy income	51	409
Other	186	266
Total non-operating income	344	815
Non-operating expenses		
Interest expenses	134	113
Foreign exchange losses	50	221
Expenses of soil pollution measures	53	—
Other	64	56
Total non-operating expenses	302	391
Ordinary profit	30,369	28,248

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary income		
Insurance claim income	152	94
Gain on reversal of asset retirement obligations	—	201
Total extraordinary income	152	296
Extraordinary losses		
Loss on disposal of non-current assets	323	552
Impairment losses	249	1,282
Loss on disaster	235	386
Total extraordinary losses	808	2,221
Profit before income taxes	29,712	26,322
Income taxes - current	9,336	7,805
Income taxes - deferred	(26)	619
Total income taxes	9,310	8,425
Profit	20,402	17,897
Profit attributable to owners of parent	20,402	17,897

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	20,402	17,897
Other comprehensive income		
Valuation difference on available-for-sale securities	388	(113)
Deferred gains or losses on hedges	(22)	6
Remeasurements of defined benefit plans, net of tax	(52)	(184)
Total other comprehensive income	314	(292)
Comprehensive income	20,716	17,605
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,716	17,605
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,802	25,260	148,676	(11,239)	181,499
Cumulative effects of changes in accounting policies					
Restated balance	18,802	25,260	148,676	(11,239)	181,499
Changes during period					
Dividends of surplus			(2,143)		(2,143)
Profit attributable to owners of parent			20,402		20,402
Disposal of treasury shares					
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	18,258	(1)	18,256
Balance at end of period	18,802	25,260	166,934	(11,241)	199,756

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	72	27	390	491	181,990
Cumulative effects of changes in accounting policies					
Restated balance	72	27	390	491	181,990
Changes during period					
Dividends of surplus					(2,143)
Profit attributable to owners of parent					20,402
Disposal of treasury shares					
Purchase of treasury shares					(1)
Net changes in items other than shareholders' equity	388	(22)	(52)	314	314
Total changes during period	388	(22)	(52)	314	18,570
Balance at end of period	461	5	338	805	200,561

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,802	25,260	166,934	(11,241)	199,756
Cumulative effects of changes in accounting policies			(76)		(76)
Restated balance	18,802	25,260	166,858	(11,241)	199,680
Changes during period					
Dividends of surplus			(2,293)		(2,293)
Profit attributable to owners of parent			17,897		17,897
Disposal of treasury shares		0		15	15
Purchase of treasury shares				(1,972)	(1,972)
Net changes in items other than shareholders' equity					
Total changes during period		0	15,604	(1,956)	13,647
Balance at end of period	18,802	25,260	182,463	(13,197)	213,327

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	461	5	338	805	200,561
Cumulative effects of changes in accounting policies					(76)
Restated balance	461	5	338	805	200,485
Changes during period					
Dividends of surplus					(2,293)
Profit attributable to owners of parent					17,897
Disposal of treasury shares					15
Purchase of treasury shares					(1,972)
Net changes in items other than shareholders' equity	(113)	6	(184)	(292)	(292)
Total changes during period	(113)	6	(184)	(292)	13,355
Balance at end of period	347	11	154	513	213,840

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	29,712	26,322
Depreciation	11,485	11,774
Impairment losses	249	1,282
Loss on disaster	235	386
Insurance claim income	(152)	(94)
Gain on reversal of asset retirement obligations	—	(201)
Increase (decrease) in provision for bonuses	138	(106)
Increase (decrease) in provision for bonuses for directors (and other officers)	1	0
Increase (decrease) in provision for share awards for directors (and other officers)	30	13
Increase (decrease) in retirement benefit liability	278	127
Increase (decrease) in provision for point card certificates	75	(784)
Increase (decrease) in allowance for doubtful accounts	134	114
Interest and dividend income	(107)	(138)
Interest expenses	134	113
Loss (gain) on disposal of property, plant and equipment	323	552
Decrease (increase) in trade receivables	(1,114)	(2,296)
Decrease (increase) in inventories	(4,826)	(1,597)
Decrease (increase) in accounts receivable - other	594	52
Decrease (increase) in deposits paid	37	(151)
Increase (decrease) in trade payables	5,020	957
Increase (decrease) in accounts payable - other	844	(77)
Increase (decrease) in accrued consumption taxes	(441)	(466)
Other, net	(355)	951
Subtotal	42,297	36,734
Interest and dividends received	109	132
Interest paid	(134)	(114)
Income taxes paid	(5,862)	(11,069)
Proceeds from compensation	37	24
Subsidies received	47	164
Proceeds from insurance income	152	94
Payments associated with disaster loss	(93)	(109)
Net cash provided by (used in) operating activities	36,553	25,856

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,438)	(9,425)
Proceeds from sale of property, plant and equipment	196	292
Purchase of intangible assets	(1,444)	(1,250)
Net Decrease (increase) in lease and guarantee deposits	19	(163)
Other, net	(564)	(712)
Net cash provided by (used in) investing activities	(14,232)	(11,260)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,500)	—
Proceeds from long-term borrowings	2,000	6,000
Repayments of long-term borrowings	(4,369)	(12,569)
Repayments of lease liabilities	(1,556)	(1,641)
Purchase of treasury shares	(1)	(1,972)
Proceeds from disposal of treasury shares	—	0
Dividends paid	(2,142)	(2,293)
Net cash provided by (used in) financing activities	(14,569)	(12,476)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	7,751	2,118
Cash and cash equivalents at beginning of period	9,330	17,082
Cash and cash equivalents at end of period	17,082	19,201