

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 Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 25, 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 to file Quarterly Securities Report: November 14, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	197,888	0.5	17,076	(3.8)	16,508	(7.6)	11,302	(6.0)
Six months ended September 30, 2021	196,943	–	17,743	–	17,866	–	12,029	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	232.33		–	
Six months ended September 30, 2021	241.88		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	354,238	222,576	62.8
As of March 31, 2022	354,788	213,840	60.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	23.00	–	23.00	46.00
Year ending March 31, 2023	–	25.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	25.00	50.00

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

	Net sales		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
Full year	385,000	2.4	28,500	2.4	28,600	1.2	18,100	1.1	372.42

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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: Yes
- 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 September 30, 2022	54,409,168 shares	As of March 31, 2022	54,409,168 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2022	5,856,060 shares	As of March 31, 2022	5,381,744 shares
--------------------------	------------------	----------------------	------------------

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

Six months ended September 30, 2022	48,649,411 shares	Six months ended September 30, 2021	49,734,082 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	19,422	18,253
Notes and accounts receivable - trade, and contract assets	23,232	23,848
Merchandise and finished goods	115,646	115,914
Raw materials and supplies	246	249
Other	6,328	7,645
Allowance for doubtful accounts	(784)	(835)
Total current assets	164,092	165,075
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	117,539	115,561
Land	36,033	36,033
Leased assets, net	4,265	4,215
Other, net	5,414	6,130
Total property, plant and equipment	163,252	161,940
Intangible assets	8,934	8,917
Investments and other assets		
Investment securities	1,638	1,518
Deferred tax assets	7,269	7,330
Leasehold and guarantee deposits	7,432	7,301
Other	2,169	2,155
Allowance for doubtful accounts	(0)	(1)
Total investments and other assets	18,508	18,305
Total non-current assets	190,695	189,162
Total assets	354,788	354,238

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,703	22,441
Electronically recorded obligations - operating	31,741	37,358
Current portion of long-term borrowings	13,933	11,831
Lease liabilities	1,529	1,518
Income taxes payable	3,623	5,805
Provision for bonuses	1,850	1,890
Provision for bonuses for directors (and other officers)	21	9
Provision for point card certificates	139	178
Provision for loss on disaster	208	149
Other	19,817	17,383
Total current liabilities	101,568	98,567
Non-current liabilities		
Long-term borrowings	19,937	13,601
Lease liabilities	3,128	3,068
Provision for retirement benefits for directors (and other officers)	120	120
Provision for share awards for directors (and other officers)	184	194
Retirement benefit liability	6,161	6,288
Asset retirement obligations	7,735	7,778
Other	2,111	2,044
Total non-current liabilities	39,379	33,094
Total liabilities	140,947	131,661
Net assets		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	182,463	192,619
Treasury shares	(13,197)	(14,488)
Total shareholders' equity	213,327	222,192
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	347	269
Deferred gains or losses on hedges	11	–
Remeasurements of defined benefit plans	154	114
Total accumulated other comprehensive income	513	383
Total net assets	213,840	222,576
Total liabilities and net assets	354,788	354,238

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	190,011	190,890
Cost of sales	126,906	128,034
Gross profit	63,105	62,855
Operating revenue	6,932	6,998
Operating gross profit	70,037	69,853
Selling, general and administrative expenses		
Provision for point card certificates	154	178
Salaries and allowances	18,274	17,931
Provision for bonuses	2,016	1,890
Provision for bonuses for directors (and other officers)	10	9
Provision of allowance for doubtful accounts	105	162
Retirement benefit expenses	355	368
Other	31,377	32,236
Total selling, general and administrative expenses	52,293	52,777
Operating profit	17,743	17,076
Non-operating income		
Interest income	10	11
Dividend income	79	59
Hoard profit of prepaid card	0	48
Subsidy income	64	20
Other	86	67
Total non-operating income	240	207
Non-operating expenses		
Interest expenses	59	43
Foreign exchange losses	41	678
Other	16	53
Total non-operating expenses	118	774
Ordinary profit	17,866	16,508
Extraordinary income		
Insurance claim income	66	343
Total extraordinary income	66	343
Extraordinary losses		
Loss on disposal of non-current assets	158	58
Loss on disaster	39	157
Impairment losses	53	47
Total extraordinary losses	252	262
Profit before income taxes	17,680	16,589
Income taxes - current	5,257	5,322
Income taxes - deferred	393	(35)
Total income taxes	5,651	5,286
Profit	12,029	11,302
Profit attributable to owners of parent	12,029	11,302

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	12,029	11,302
Other comprehensive income		
Valuation difference on available-for-sale securities	142	(78)
Deferred gains or losses on hedges	(2)	(11)
Remeasurements of defined benefit plans, net of tax	(49)	(39)
Total other comprehensive income	90	(129)
Comprehensive income	12,120	11,173
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,120	11,173
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	17,680	16,589
Depreciation	5,792	5,800
Impairment losses	53	47
Loss on disaster	39	157
Insurance claim income	(66)	(345)
Increase (decrease) in provision for bonuses	59	39
Increase (decrease) in provision for share awards for directors (and other officers)	(0)	9
Increase (decrease) in retirement benefit liability	51	69
Increase (decrease) in provision for point card certificates	(769)	39
Interest and dividend income	(89)	(70)
Interest expenses	59	43
Loss (gain) on disposal of property, plant and equipment	158	58
Decrease (increase) in trade receivables	(584)	(615)
Decrease (increase) in inventories	5,425	(332)
Decrease (increase) in accounts receivable - other	(76)	(42)
Decrease (increase) in deposits paid	(29)	(186)
Decrease (increase) in prepaid expenses	(880)	(905)
Increase (decrease) in trade payables	(3,985)	(644)
Increase (decrease) in accounts payable - other	(1,295)	(706)
Increase (decrease) in accrued consumption taxes	527	332
Other, net	900	178
Subtotal	22,970	19,516
Interest and dividends received	81	63
Interest paid	(59)	(49)
Proceeds from insurance income	66	49
Proceeds from compensation	1	–
Subsidies received	76	112
Payments associated with disaster loss	(53)	(164)
Income taxes paid	(6,487)	(3,203)
Net cash provided by (used in) operating activities	16,594	16,324
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,791)	(5,272)
Purchase of intangible assets	(445)	(422)
NetDecrease (increase) in lease and guarantee deposits	(26)	130
Other, net	(116)	(253)
Net cash provided by (used in) investing activities	(4,380)	(5,817)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,000	–
Repayments of long-term borrowings	(7,284)	(8,438)
Repayments of lease liabilities	(808)	(862)
Purchase of treasury shares	(0)	(1,500)
Proceeds from disposal of treasury shares	–	209
Dividends paid	(1,146)	(1,146)
Net cash provided by (used in) financing activities	(5,240)	(11,738)
Effect of exchange rate change on cash and cash equivalents	–	0
Net increase (decrease) in cash and cash equivalents	6,973	(1,231)
Cash and cash equivalents at beginning of period	17,082	19,201
Cash and cash equivalents at end of period	24,056	17,969