

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 29, 2019

Company name: KOMERI CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 8218 URL <http://www.komeri.bit.or.jp>  
 Representative: President, CEO and COO Yuichiro Sasage  
 Director and Executive Officer of the  
 Inquiries: Company, General Manager of Strategic Planning Office Hiroshi Hayakawa TEL 025-371-4111  
 Scheduled date to file Quarterly Securities Report: February 14, 2019  
 Scheduled date to commence dividend payments: –  
 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

#### (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	%
Nine months ended December 31, 2018	273,355	2.4	17,491	12.9	17,544	13.2	11,642	11.8
Nine months ended December 31, 2017	267,009	3.4	15,488	1.1	15,503	0.9	10,411	3.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	229.85		229.59	
Nine months ended December 31, 2017	205.55		205.35	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	324,279	174,350	53.7
As of March 31, 2018	319,681	164,958	51.6

### 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, 2018	–	19.00	–	20.00	39.00
Year ending March 31, 2019	–	20.00	–		
Year ending March 31, 2019 (Forecast)				20.00	40.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Full year	358,000	4.7	18,700	10.2	18,800	10.0	11,700	7.3	230.99

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018  
(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 December 31, 2018	54,409,168 shares	As of March 31, 2018	54,409,168 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	3,756,745 shares	As of March 31, 2018	3,756,596 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	50,652,457 shares	Nine months ended December 31, 2017	50,650,059 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	7,124	5,630
Notes and accounts receivable - trade	16,078	17,538
Merchandise and finished goods	107,941	102,582
Raw materials and supplies	264	243
Other	5,906	10,790
Allowance for doubtful accounts	(242)	(271)
Total current assets	137,073	136,514
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	111,349	117,255
Land	31,077	31,527
Leased assets, net	4,113	4,163
Other, net	8,497	7,882
Total property, plant and equipment	155,038	160,830
Intangible assets	7,613	7,782
Investments and other assets		
Investment securities	2,092	1,471
Deferred tax assets	7,728	7,589
Lease and guarantee deposits	8,505	8,416
Other	1,629	1,674
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	19,955	19,152
Total non-current assets	182,608	187,765
Total assets	319,681	324,279

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	27,026	27,378
Electronically recorded obligations - operating	23,403	30,302
Short-term loans payable	200	70
Current portion of long-term loans payable	17,169	12,169
Lease obligations	1,604	1,604
Income taxes payable	3,589	2,777
Provision for bonuses	1,573	751
Provision for directors' bonuses	19	14
Provision for loss on store closing	44	44
Provision for point card certificates	656	830
Provision for loss on disaster	9	37
Other	17,234	17,538
<b>Total current liabilities</b>	<b>92,530</b>	<b>93,520</b>
<b>Non-current liabilities</b>		
Long-term loans payable	39,479	32,945
Lease obligations	3,205	3,174
Provision for directors' retirement benefits	124	124
Net defined benefit liability	10,950	11,412
Asset retirement obligations	6,286	6,723
Other	2,145	2,028
<b>Total non-current liabilities</b>	<b>62,192</b>	<b>56,408</b>
<b>Total liabilities</b>	<b>154,723</b>	<b>149,929</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	129,901	139,518
Treasury shares	(9,126)	(9,126)
<b>Total shareholders' equity</b>	<b>164,838</b>	<b>174,453</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	586	176
Deferred gains or losses on hedges	(9)	–
Remeasurements of defined benefit plans	(580)	(422)
<b>Total accumulated other comprehensive income</b>	<b>(3)</b>	<b>(246)</b>
Share acquisition rights	123	142
<b>Total net assets</b>	<b>164,958</b>	<b>174,350</b>
<b>Total liabilities and net assets</b>	<b>319,681</b>	<b>324,279</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	258,456	264,387
Cost of sales	176,653	180,037
Gross profit	81,802	84,350
Operating revenue	8,552	8,967
Operating gross profit	90,355	93,317
Selling, general and administrative expenses	74,867	75,826
Operating profit	15,488	17,491
Non-operating income		
Interest income	14	12
Dividend income	156	224
Other	284	219
Total non-operating income	454	456
Non-operating expenses		
Interest expenses	207	170
Foreign exchange losses	17	136
Other	214	96
Total non-operating expenses	440	403
Ordinary profit	15,503	17,544
Extraordinary income		
Insurance income	69	628
Compensation income	288	-
Total extraordinary income	357	628
Extraordinary losses		
Loss on disposal of non-current assets	136	95
Loss on disaster	63	741
Impairment loss	101	55
Total extraordinary losses	301	893
Profit before income taxes	15,559	17,280
Income taxes - current	4,992	5,487
Income taxes - deferred	155	150
Total income taxes	5,148	5,637
Profit	10,411	11,642
Profit attributable to owners of parent	10,411	11,642

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	10,411	11,642
Other comprehensive income		
Valuation difference on available-for-sale securities	751	(410)
Deferred gains or losses on hedges	59	9
Remeasurements of defined benefit plans, net of tax	164	158
Total other comprehensive income	975	(242)
Comprehensive income	11,386	11,399
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,386	11,399
Comprehensive income attributable to non-controlling interests	—	—