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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

April 22, 2025

Company name: KOMERI CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 8218  
 URL: <https://www.komeri.bit.or.jp>  
 Representative: President and CEO Yuichiro Sasage  
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 Telephone: +81-25-371-4111  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2025  
 Scheduled date to commence dividend payments: June 27, 2025  
 Scheduled date to file annual securities report: June 25, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

#### (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	%
Fiscal year ended March 31, 2025	379,192	2.3	22,396	1.4	22,248	0.2	13,719	0.1
Fiscal year ended March 31, 2024	370,752	(2.3)	22,081	(15.2)	22,214	(13.9)	13,712	(19.8)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥14,330 million [4.4%]  
 For the fiscal year ended March 31, 2024: ¥13,731 million [(19.1)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	289.12	—	5.7	5.9	5.9
Fiscal year ended March 31, 2024	286.06	—	5.9	6.1	6.0

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥ — million

For the fiscal year ended March 31, 2024: ¥ — million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	386,661	246,316	63.7	5,193.27
As of March 31, 2024	372,851	236,248	63.4	4,935.94

Reference: Equity

As of March 31, 2025: ¥246,316 million

As of March 31, 2024: ¥236,248 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 end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	23,120	(18,200)	(5,250)	16,216
Fiscal year ended March 31, 2024	21,364	(15,433)	(3,289)	16,547

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	26.00	—	26.00	52.00	2,516	18.2	1.1
Fiscal year ended March 31, 2025	—	27.00	—	27.00	54.00	2,584	18.7	1.1
Fiscal year ending March 31, 2026 (Forecast)	—	28.00	—	28.00	56.00		18.2	

## 3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	204,000	2.6	15,100	1.9	15,300	5.1	10,200	6.7	205.05
Full year	391,000	3.1	23,500	4.9	23,700	6.5	14,600	6.4	307.82

### \* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: Yes
  - (iv) Restatement: None

### (3) Number of issued shares (common shares)

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

As of March 31, 2025	54,409,168 shares	As of March 31, 2024	54,409,168 shares
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#### (ii) Number of treasury shares at the end of the period

As of March 31, 2025	6,979,171 shares	As of March 31, 2024	6,546,320 shares
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#### (iii) Average number of shares during the period

Year ended March 31, 2025	47,452,114 shares	Year ended March 31, 2024	47,935,065 shares
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Note: The number of treasury shares to be deducted from the calculation of the number of treasury shares at the end of the period and the average number of shares during the period includes the Company's share held by Custody Bank of Japan, Ltd. (Trust Account E) (433,500 shares as of March 31, 2025 / 540,600 shares as of March 31, 2024).

## [Reference] Overview of non-consolidated financial results

### .Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	368,103	2.3	19,402	1.0	19,682	(1.2)	12,192	(1.4)
Fiscal year ended March 31, 2024	359,911	(2.4)	19,218	(15.6)	19,921	(14.4)	12,364	(21.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	256.94	—
Fiscal year ended March 31, 2024	257.94	—

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	348,455	208,987	60.0	4,406.23
As of March 31, 2024	335,985	201,033	59.8	4,200.20

Reference: Equity

As of March 31, 2025: ¥208,987 million

As of March 31, 2024: ¥201,033 million

## 1. Overview of operating results and others

### (1) Overview of operating results for the year ended March 31, 2025

#### 1) Business environment for the year ended March 31, 2025

During the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025), the Japanese economy saw a gradual recovery under the improvement of the employment and income environment. However, the outlook for the Japanese economy remained uncertain due to the prolonged deterioration in the situation in Ukraine and the Middle East, policy trends in the United States, and the prolonged depreciation of the yen.

In the retail industry, the rise in consumer prices has not been accompanied by an increase in real wages, and consumers' consumer awareness of protecting their livelihood remained high. In addition, in corporate management, rising costs such as labor and logistics costs, construction costs, and utilities, as well as competition that transcends the boundaries of industries and business categories, continue to create a challenging business environment. Under these circumstances, the Group has been implementing various initiatives with the mission of solving "problems related to housing" for local residents.

#### 2) Operating results for the year ended March 31, 2025

Major operating results for the fiscal year ended March 31, 2024 are as follows.

	(Millions of yen)			
	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ended March 31, 2025	379,192	22,396	22,248	13,719
Year-on-year comparison	102.3%	101.4%	100.2%	100.1%

The business overview is as follows.

##### First quarter

The weather stabilized in early spring. As a result, the core categories such as fertilizers, agrochemicals, string trimmers, and home gardening materials drove sales. In addition, due to the late start of the rainy season nationwide, the movement of summer items such as air conditioners and light shielding supplies began quickly, and sales bottomed out.

##### Second quarter

The need for disaster prevention supplies such as furniture-fixing poles, flashlights, batteries, and curing tape has increased due to the announcement of the Nankai Trough Earthquake Temporary Information in August and the occurrence of Typhoon no. 10. On the other hand, since September, sales of supplies related to home gardens have been delayed due to the effects of record-breaking summer heat, and demand for gardening supplies such as flower seedlings and culture soil has decreased.

##### Third quarter

Even after October, sales of heating supplies such as oil fan heaters were delayed due to high temperatures continuing, but in December, the temperature dropped, and demand began to recover. In addition, there have been reports of robbery damage caused by illegal part-time job, and demand for crime prevention products such as sensor lights and window aid locks has also increased.

##### Fourth quarter

In February, heavy snowfall led to an increase in demand for heating products and snow removal supplies. On the other hand, since March, temperatures have risen, and sales of supplies for farmers such as fertilizers, agrochemicals, and agricultural materials have driven sales. Sales of car accessories (CRUZARD) and leisure goods (Natural Season), which are strengthening the branding of private brand, have also been strong.

### 3) Operating results by major product category

The sales of the product category and main Increase/decrease factors for the fiscal year ended March 31, 2025 are as follows.

Product category	Net sales (Millions of yen)	Year-on-year comparison (%)	The main Increase/decrease factors
Tools, Hardware and Working supplies	68,612	102.8	<ul style="list-style-type: none"> <li>Sales of consumables for professionals, such as screws and electrical materials, were steady</li> <li>Demand for furniture-fixing poles, etc. has increased due to heightened awareness of disaster prevention</li> </ul>
Remodeling and Exterior materials	55,190	100.4	<ul style="list-style-type: none"> <li>Sales of basic materials such as cement were strong due to the demand for restoration from the Noto Peninsula Earthquake.</li> <li>Orders for services such as installation of housing equipment and extermination of white ants increased</li> </ul>
Gardening, agriculture, and pet supplies	112,622	102.0	<ul style="list-style-type: none"> <li>Sales of gardening supplies were strong in early spring, but were weak in autumn due to lingering summer heat</li> <li>Sales of fertilizers, agrochemicals, and string trimmers for farmers remained strong.</li> <li>Demand for gift-giving rice bags and brown rice coolers increased due to the impact of rice shortage</li> <li>Sales of pet supplies were weak due to a reaction in the previous fiscal year's price revision</li> </ul>
Commodities, home appliances, car accessories, and leisure goods	74,482	104.6	<ul style="list-style-type: none"> <li>Due to the intense heat, sales of seasonal summer items such as air conditioners and fans were strong.</li> <li>Sales of disaster prevention supplies such as water cans were strong due to an increase in demand for disaster prevention</li> <li>Sales of sensor lights, etc. were strong due to the growing demand for crime prevention</li> <li>Sales of car and leisure goods, which are strengthening the development of private brand, were strong.</li> </ul>
Interior goods, household goods, and office supplies	34,127	98.0	<ul style="list-style-type: none"> <li>Sales of light bedding such as laying pads were strong for both summer and winter items.</li> <li>Due to the impact of revisions to the Food Sanitation Act, sales of pickles-related supplies were weak.</li> <li>Sales of home ink cartridges were weak due to a return to the office</li> </ul>
Fuel, etc.	15,418	108.4	<ul style="list-style-type: none"> <li>Sales volume of kerosene increased due to low winter temperatures</li> </ul>
Other	14,096	102.2	
Home Center business total	374,551	102.3	
Other business	4,640	99.8	
Total operating revenue	379,192	102.3	

(Notes) The respective contents by product are as follows.

Tools, Hardware and Working supplies	Tools, building construction hardware, paint, repair goods, work clothing, etc.
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Remodeling and Exterior materials	Building materials, plumbing materials, lumber, housing equipment, exterior goods, etc.
Gardening, agriculture, and pet supplies	Gardening goods, fertilizers and agrochemicals, agricultural materials, plants, pet supplies, etc.
Commodities, home appliances, car accessories, and leisure goods	Daily consumables, health and beauty care, home appliances, car, leisure, cycle goods, foods, etc.
Interior goods, household goods, and office supplies	Interior furnishings, furniture and storage containers, cleaning supplies, kitchen goods, stationery, etc.

#### 4) Results of Initiatives for Priority Measures

##### ■ Opening stores

The Company opened 26 new stores as follows, for the year ended March 31, 2025.

	Total	Power	PRO	H & G	AT
Results of store opening	26	12	4	10	0
Closed (including change of	18	0	0	18	0
Number of stores	1,228	114	19	1,091	4

- The number of Hard & Green stores decreased by 18 stores, but 16 of them have been the change of store format to 10 stores and the relocation of more floors to 6 stores for the purpose of acquiring a new trading area.

##### ■ Logistics

HOKUSEI SANGYO Co., Ltd., a consolidated subsidiary of the Group, is responsible for logistics with the aim of reducing social costs from manufacturing to sales.

- In June 2024, in order to strengthen store openings and improve logistics efficiency in the Tokai area, the "Komeri Shizuoka Logistics Center", the 12th new logistics center in Japan, began operation.
- in June 2024, Construction of the "New Komeri Kansai Logistics Center" began . The new center will be the largest ever of the Group's 12 logistics centers.

##### ■ Development of private brand product

- In the development of private brand products, we have promoted product development from the world's best sources by taking advantage of more than 1,200 standardized stores and logistics and information systems. As a result, the Net sales composition ratio of private brand products was 48.3% (up 0.6% year on year).
- The "CRUZARD" car accessory brand and the "Natural Season" leisure accessory brand contributed significantly to sales of 104.6% year on year by product category as a result of airing branding commercials and focused sales activities involving social media.

##### ■ Remodeling business

- The remodeling business remained strong with Net sales of 101.6% Year-on-year comparison. Both the "Jukyuban Installation," which installs and replaces housing equipment and equipment, and the "Jukyuban Service," which includes pest control and garden tree maintenance, can be accepted at Komeri stores nationwide, and orders for these services have been steadily increasing.
- The number of orders for insulated inner windows has increased significantly, partly due to the government's "Housing Energy Conservation 2024 Campaign".
- Aiming to acquire more specialized knowledge, 81.3% of the store's employees have been certified as Remodel Meister 2nd Class. In addition, we have started a new "Remodel Meister Level 1" curriculum, and are working on creating a system that can solve customers' problems at all stores.

##### ■ E-commerce business

- The e-commerce business remained strong, and Net sales were 110.8% year on year. Sales increased mainly for products such as air conditioners and brown rice refrigerators that require installation services, as well as generators

linked to disaster prevention features as preparations for emergencies, and their proportion of total sales increased to 6.1% (up 0.5% year on year).

- Utilizing the advantages of the Group's store network of over 1,200 stores and the system environment, the Group is implementing BOPIS (Buy Online Pick-up In Store) initiatives to increase the percentage of in-store pickups to 80%, and is striving to promote sales in a way that links stores, the Internet, and apps to improve customer convenience.

#### ■ Card business

- The number of cardholders of the Komeri Card (with credit card function), Aqua Card (with prepaid function), and other cards issued by the Group increased to 5.28 million (up 270,000 year on year).
- We have introduced the FSP (Frequent Shoppers Program), which is a measure to give preferential treatment to the point rate of customers who visit our stores frequently, and we return points up to 7 times for the amount paid in cash.
- In March 2025, the company card for corporate membership cards was released, bringing the total number of card types to 6 to meet the payment needs of general customers, farmers, sole proprietors, corporations, and public organizations.

#### ■ DX initiatives

- As a labor-saving effort, we have promoted the introduction of self-checkout, with 112 stores (an average of 6 units per store), mainly large stores.
- By introducing self-checkout and speeding up the payment process by increasing the cashless ratio, we are working to reduce the waiting time at the tills, as well as to give employees time to serve customers.

#### ■ Initiatives in the agricultural sector

- Regarding collaboration with Agricultural Cooperatives (JA), the Company has been working with five JAs (JA KAMIINA, JA Yamagata Okitama, JA Kinosato, JA Ise, and JA TAKIGUN) to achieve three-way satisfaction among farmers, JAs and the Company. As of the end of December 2024, 35 Komeri stores are selling JA products.
- In October 2024, we started discussions with JA Yamanashi Mirai in Yamanashi Prefecture for collaboration.
- In November 2024, we started discussions to collaborate with JA Akita Obakoto in Akita Prefecture.

### 5) Outlook for the year ending March 31, 2026

For the year ending March 31, 2026, the Group expects operating revenue to be 391.0 billion yen (up 3.1% year-on-year), operating profit to be 23.5 billion yen (up 4.9% year-on-year), ordinary profit to be 23.7 billion yen (up 6.5% year-on-year), and profit attributable to owners of parent to be 14.6 billion yen (up 6.4% year-on-year).

As for opening of new stores, the Group plans to open a total of 35 stores, 8 Power stores, 8 PRO stores, and 19 Hard & Green stores, and will work to further increase stores in the future.

As for renovation of existing stores, in order to continue responding to the changing needs of our customers, we plan to renovate more than 10% of the total sales floor area..

## (2) Overview of financial position for the year ended March 31, 2024

### 1) Assets, liabilities and net assets

Total assets at the end of the fiscal year under review increased by 13,810 million yen from the previous end of the fiscal year to 38,661 million yen. This was mainly due to increases in notes and accounts receivable - trade and contract assets of 2,146 million yen, and property, plant and equipment of 11,149 million yen.

Liabilities increased by 3,741 million yen from the previous fiscal year-end to 140.345 billion yen. Mainly, Electronically recorded obligations - operating decreased by 2,358 Millions of yen. Long-term borrowings including current repayments within one year decreased by 5,097 million yen. On the other hand, Short-term borrowings increased by 6 billion yen and Asset retirement obligations increased by 5,956 Millions of yen.

Net assets increased by 10,068 million yen from the previous end of the fiscal year to 246,316 million yen. This was mainly due to a decrease of 2,049 million yen due to the purchase of treasury stock and 2,550 million yen due to dividends on surplus, but this was due to an increase in retained earnings due to the recording of profit attributable to owners of parent of 13,719 million yen.

### 2) Consolidated cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Increase (decrease)
Net cash provided by operating activities	21,364	23,120	1,755
Net cash used in investing activities	(15,433)	(18,200)	(2,766)
Net cash used in financing activities	(3,289)	(5,250)	(1,961)
Increase (decrease) in cash and cash equivalents	2,641	(330)	(2,972)
Cash and cash equivalents at end of period	16,547	16,216	(330)

Cash and cash equivalents (“cash”) at the end of the fiscal year under review totaled 16,216 million yen. Factors affecting cash flows include the following:

(Net cash provided by operating activities)

Net cash provided by operating activities increased by 8.2% from the previous fiscal year to 23,120 million yen. The main sources of cash provided were profit before income taxes of 20,634 million yen in addition to depreciation of 12,648 million yen. The main reasons for cash usage were income taxes paid of 7,034 million yen, an increase in trade receivables of 2,146 million yen, and a decrease in trade payables of 1,754 million yen.

( Net cash used in investing activities )

Net cash used in investing activities increased 17.9% from the previous fiscal year to 18.2 billion yen. The main reason for cash usage was purchase of property, plant and equipment.

( Net cash used in financing activities )

Net cash used in financing activities increased 59.6% from the previous fiscal year to 5,250 million yen. The main source of cash provided were a net increase in short-term borrowings of 6.0 billion yen and proceeds from long-term borrowings of 3.0 billion yen. The main reason for cash usage was repayments of long-term borrowings of 8,097 million yen, purchase of treasury shares of 2,049 million yen, and dividend payments of 2,551 million yen.

( Trends in cash flow indices )

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity-to-asset ratio (%)	62.9	63.4	63.7
Equity ratio based on market prices (%)	36.8	44.4	36.3
Interest-bearing debt to cash flows ratio (years)	1.4	1.5	1.5
Interest coverage ratio (times)	276.0	410.8	208.3

(Notes) 1. The calculation formulas are as follows::

Equity ratio: shareholders' equity/total assets

Equity ratio based on market prices: market capitalization/total assets

Interest-bearing debt to cash flows ratio: interest-bearing debt/operating cash flow

Interest coverage ratio: operating cash flow/interest payments

2. Each of the foregoing indices is calculated on the basis of consolidated financial data..

3. "Market capitalization" is calculated by multiplying the share price on the final day of the fiscal year by the number of issued shares on the same day (excluding treasury shares).

4. For "operating cash flow," we use the figure of "Net cash provided by (used in) operating activities" in the consolidated statement of cash flows.

5. Interest-bearing liabilities" refers to all liabilities on the consolidated balance sheet on which interest payments are made. For "interest payments," we use the figure of "interest expense" in the consolidated statement of cash flows.

In addition, 1,196 Millions of yen the borrowings from financial institutions in trust accounts associated with the introduction of Stock Benefit Trust (Employee Stock Ownership Plan Appropriation Type) included in Long-term borrowings is excluded from interest-bearing liabilities.

### (3)Basic policy on distribution of profits and dividends for the fiscal year under review and the next fiscal year

The Group believes that the modernization of distribution in the materials, building materials, and gardening and agricultural materials markets will contribute to the improvement of corporate value over the medium to long term and an increase in shareholder returns. As for the distribution of profits, the Group's basic policy is to pay dividends stably and continuously while securing internal reserves in preparation for future business plans and growth-based investment to improve corporate value.

Internal reserves will be used for investments in growth base to further strengthen the management base. Such investments include new store openings and renovations of existing stores, new and expanded logistics centers, development of the system environment in line with the expansion of the remodeling and e-commerce businesses, development of the training environment for human resource development, and investments to promote digital transformation (DX) aimed at simultaneous pursuit of increase in customer convenience and improvement in operational productivity of employees. Through such investments, we will enhance our sustainable growth and medium- to long-term corporate value.

We will pay a year-end dividend of 27 yen per share, as announced on April 23, 2024. As a result, the annual dividend will be 54 yen per shares including an interim dividend of 27 yen.

For the year ending March 31, 2026, we plan to pay an annual dividend of 56 yen per share, consisting of an interim dividend of 28 yen per share and a year-end dividend of 28 yen per share.

### (4) Issues to address

The Group aims to modernize logistics in lagging sectors, such as building materials, hardware and tools, and gardening and agricultural supplies, where outdated logistics methods remain, while at the same time realizing a sustainable society by solving social issues, primarily environmental and social issues, through the group's business. In this way, we aim to achieve further growth and increase our corporate value in the medium to long term.



### **1) Expansion of store openings**

- We will open stores using the “fleet method” in various formats, such as Power, PRO, and Hard & Green.
- By opening highly productive stores, we will form a dominant area and increase our share of sales within the trade area.

### **2) Expansion of logistics functions**

- By taking advantage of the mass production of store infrastructure and distribution centers nationwide, we will provide total production of the entire supply chain, from production to sales, and strive to modernize logistics.
- The Group will expand 12 logistics centers in Japan, bringing logistics in-house, improving the efficiency, and lowering the cost of store operations.
- We will continue to address the 2024 Problem in Logistics and strive to improve productivity throughout the supply chain.

### **3) Strengthen product capabilities and expand various services**

- We will promote the development of products that protects and nurtures the lives of customers, as well as promoting EDLP measures.
- We will cultivate and further strengthen our category brands to increase the market advantage of private brand products to differentiate ourselves from other companies.
- The Company will expand its services centered on remodeling and “Jyukyuban,” which are based on a reception system at all stores, and will provide a proposal-type service that responds to the needs for improving the living environment that have emerged as a result of changes in the social environment and other factors.
- Leveraging the strengths of our infrastructure of over 1,200 stores, we will strive to improve customer convenience and reduce the social costs associated with delivery by integrating stores and the Internet, such as by in-store pickup of Internet orders and last-mile distribution (expansion of areas covered by Kokko-bin).
- We will work together with KOMERI CAPITAL Co., Ltd., a consolidated subsidiary, to expand the number of cardholders, mainly for Komeri Card. We will work to help improve customer convenience through improvement of the frequency of customer visits to increase the number of fixed customers and to promote the diversification of payment methods.

### **4) Initiative to capture professional demand in the materials and building materials area and the agricultural sector**

- We will promote the opening of Power and PRO stores to help improve convenience for construction companies and others, and reduce social costs related to procurement of materials and building materials.
- We will support the industrialization of Japanese agriculture through initiatives that contribute to the promotion of agriculture and regional promotion. In addition, the Company will build a new sustainable agricultural support model, including collaboration with JAs in various regions, and reduce social costs related to food production.

### **5) Expansion of investments in human capital and DX (Digital Transformation)**

Based on Komeri's management philosophy that "people are the most important pillar of a business," we will invest in human capital based on an educational curriculum centered on "Kenwa Juku" and strive to secure and develop human resources, who are an important management resource.

- We will respect the human rights of our employees, and create a working environment where diverse human resources, regardless of gender, nationality, age, can demonstrate their abilities and play an active role.
- Through the expansion of DX investment, together with the consolidated subsidiary BIT-A Co., Ltd., the Company aims to further advance the operations flow and organization at stores and the Store Support Center (head office), and increase business productivity and enhance our ability to make proposals to customers, thereby further increasing sales at existing stores and establish a highly profitable structure by improving productivity and enhancing the ability to make proposals to customers.

### **6) Further strengthening corporate governance**

- We will strengthen the auditing functions of the Board of Directors, accelerate decision-making, and strengthen our corporate governance system as a Company with Audit and Supervisory Committee.

- We will strive for information disclosures in a timely and appropriate manner and English disclosures, and to engage in constructive dialogue with our stakeholders for the purpose of realizing sustainable growth of the Group and increasing corporate value over the medium to long term.
- In our efforts to improve corporate value over the medium to long term, we will make various investment decisions, taking into consideration the cost of shareholders' equity calculated based on the CAPM (Capital Asset Pricing Model) and stock market expectation levels.

## 7) Responding to sustainability

- We will work to enhance labor-saving and streamlining in all processes from merchandise production through sales, including products, store operation and logistics, and we will make efforts to solve environmental and social issues.
- We aim to develop businesses that are responsive to change by identifying future risks and business opportunities due to climate change, and we will work to realize a decarbonized society.

## (5) Explanation of sustainability initiatives

The Group aims to contribute to society through the modernization of logistics in the lagging sectors such as materials and building materials, hardware and tools, and gardening and agricultural supplies, where the old distribution style remains. Through the process of sourcing of raw materials, manufacturing and production, logistics, sales, and consumption, the Group's business itself will contribute to solving various social issues related to sustainability, and will lead to the realization of a sustainable society, continuous growth and improvement of corporate value in the medium to long term.

Major sustainability initiatives during the fiscal year ended March 31, 2025 are as follows.

### 1) Establishment of the system

As of the end of March 2025, the Managing Executive Officer in charge of corporate planning is responsible for promoting sustainability. Employees in charge of public relations and others assist in this task, and they have established a system to share information and coordinate with various departments at the head office, stores, and affiliated companies regarding important issues and various initiatives.

### 2) Promotion of human capital investment and women's active participation, and support for work-life balance

The Group has established the educational system called "Kenwa-juku" with the aim of cultivating human resources capable of practicing the spirit of "unchanging and ever-changing" (fuekiryuko). In addition to knowledge of products and store operation, we have established various curricula to acquire the management philosophy, founding spirit, principles of management, and improve management skills. From a medium to long-term perspective, we are developing human resources for the next generation of executive candidates.

Regarding the position of female store managers in the company, due to the achievement of labor-saving efforts in store operations, the opportunities for female employees have expanded. As a result, 103 female store managers are currently playing active roles as follows. Among them, in June 2024, the first female store manager of the Power store will be appointed to the Komeri Power Yamaga store.

	Total	Power	PRO	H & G	AT
As of the end of March 2025	103	1	0	102	0

- Management training was held for Power store managers, and 101 employees participated during the period from April to September 2024. In the future, we plan to hold executive candidate training and mid-career management training.
- In October 2024, we held our original overseas training program in the United States, which had been canceled due to the impact of the COVID-19 pandemic, for the first time in five years.
- On May 21, 2024, the Company received "Kurumin Certification", certified by the Minister of Health, Labour and Welfare as a child-rearing support company based on the Act on Measures to Support Raising Next Generation Children. In the fiscal year ended March 31, 2025, 100% of female employees and 33% of male employees took childcare leave. We will continue to strive to ensure an environment in which employees can work safely, securely,

and healthily, and feel "work satisfaction".

<Figures related to human capital>

Percentage of female workers in managerial positions:	10.2%
Male employees taking childcare leave:	33.3%
Gender wage gap:	83.7%

\*Figures for the Company's general positions

### 3) Approach to Customer Harassment

The Group takes seriously the opinions, requests, complaints, inquiries, etc. from our customers related to products and services, and strives to solve any problems that customers may have. On the other hand, there are a few actions that may cause damage to the human rights and working environment of employees.

In order to maintain a working environment in which all employees can work safely, securely, and healthily, the Group has established an internal consultation desk. In the case of customer complaints and behavior that exceed the scope of social norms and are customer harassment that may cause damage to the working environment of employees, we will take a firm stance as an organization.

In addition, based on the recognition that customer harassment is also a problem in business-to-business transactions, we will make it known through internal training so that we do not engage in customer harassment against business partners.

### 4) Addressing the 2024 Problem in Logistics HOKUSEI SANGYO Co., Ltd., Ltd., a consolidated subsidiary

- At each logistics center, we are working to reduce the waiting time and cargo handling time by specifying the time for delivery vehicles at some large delivery lines.
- From April 2024, we are launching a dedicated app and working on further reducing wait times for logistics providers.
- "KALNET", a joint delivery system that collects products from our business partners in bulk and delivers them to the logistics center by dedicated vehicles, is an effort that will reduce the number of vehicles and improve delivery efficiency. Currently, the transaction Amount is favorable compared to the previous year.

### 5) The main initiatives to reduce CO2 emissions

- As a response to climate change, we consider that reducing CO2 emissions in our business activities is one of the most important issues. In addition, the Government's Headquarters for Global Warming Management announced the "Plan for Global Warming Management (draft)" on December 27, 2024. Here, it is indicated that in FY2035, it will decrease by 60% from FY2013 levels, and in FY2040, it will decrease by 73%.

The outline and results of the Group's specific initiatives are as follows.

Initiatives	<ul style="list-style-type: none"><li>• Change to LED for lighting equipment</li><li>• Change to energy-saving type of air conditioner</li><li>• Further improving logistics efficiency between logistics centers and stores</li><li>• Efficiency of delivery routes for delivery trucks to stores and improvement of loading rate</li></ul>
Results	<ul style="list-style-type: none"><li>• CO2 emissions in the fiscal year ended March 31, 2025 decreased by 36.6% from the fiscal year ended March 31, 2013.</li></ul>

\* During the same period, the sales floor area increased by 37% due to store openings.

### 6) Installation of solar power generation equipment

- As of the end of March 2025, we have installed solar power generation equipment for the purpose of selling electricity at a total of 23 locations in stores and logistics centers.
- By the fiscal year ended March 31, 2027, we plan to install new solar power generation facilities for self-consumption at 61 stores and 4 logistics centers, bringing the cumulative total to 88 locations. Once the installation is complete, the Company's CO2 emissions will be reduced by 6,487 tons, which is approximately 10% of our total emissions. At the same time, we will contribute to a decarbonized society by supplying electricity for 6,884 households to the local community.

## **7) Initiatives to develop environmentally friendly products**

- In order to realize “Development of Products that Protect and Nurture Lives,” the Company strives to realize the latent needs of our customers in the development of products, and also promotes the development of products that are environmentally friendly.
- Our PB product "Sugi Eco Series" won the "Wood Design Award 2024" sponsored by the Japan Wood Design Association on October 9, 2024. This product utilizes knotted wood that would previously have been discarded, thereby increasing material yields and reducing wood loss by approximately 20% per cedar tree. Furthermore, by conducting logging, sawing, and processing of logs in domestic production areas, and utilizing Komeri's chain logistics for collection, distribution, and sales, we strive to reduce CO2 emissions and provide low-priced products.

## **8) Response as an infrastructure in the event of a disaster or disaster**

- Home improvement stores have established their position as important social infrastructure related to housing, as supply bases for materials needed for recovery and reconstruction in the event of a disaster. In addition, from the perspective of disaster prevention, we have established a system that can provide necessary products to local customers in a timely manner in case typhoons, heavy rain, floods, heavy snowfall, etc. are predicted.
- Regarding the "2024 Oku-Noto Heavy Rains" in September 2024, we supplied supplies necessary for recovery, such as bags for sand, portable toilets, dry batteries, and cardboard, through the KOMERI Disaster Management Center, a non-profit organization.
- The KOMERI Disaster Management Center, has established a network of local governments, Group Companies throughout the country to quickly and smoothly supply necessary supplies in the event of a disaster. As of the end of March 2025, the number of disaster support agreements concluded with local governments nationwide has reached 1,151 (an increase of 65 from the previous year).
- In March 2025, we concluded an agreement with the Hokuriku Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, a national institution. We believe that our 20 years of activity achievements and the development of the system have been highly evaluated, and we will continue to expand our support activities in the future.

## **2. Basic rationale for selecting the accounting standard**

As the Group is currently engaged in business within Japan, among other reasons, the Company's policy in the immediate term is to prepare its consolidated financial statements on the basis of Japanese GAAP.

The Company intends to examine the application of International Financial Reporting Standards (IFRS) in consideration of such factors as future business development and trends inside and outside Japan.

### 3. Consolidated financial statements

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	16,753	16,342
Notes and accounts receivable - trade, and contract assets	27,428	29,574
Merchandise and finished goods	128,500	130,116
Raw materials and supplies	327	303
Prepaid expenses	1,752	2,183
Other	4,483	4,101
Allowance for doubtful accounts	(1,050)	(1,137)
Total current assets	178,194	181,484
Non-current assets		
Property, plant and equipment		
Buildings and structures	266,800	279,514
Accumulated depreciation	(150,148)	(156,652)
Buildings and structures, net	116,652	122,862
Machinery, equipment and vehicles	15,386	15,779
Accumulated depreciation	(13,511)	(13,841)
Machinery, equipment and vehicles, net	1,875	1,937
Land	38,224	38,004
Leased assets	8,935	9,978
Accumulated depreciation	(4,361)	(5,084)
Leased assets, net	4,574	4,893
Construction in progress	3,404	8,155
Other	16,208	17,143
Accumulated depreciation	(13,829)	(14,738)
Other, net	2,378	2,404
Total property, plant and equipment	167,109	178,258
Intangible assets		
Leasehold interests in land	5,895	6,055
Other	3,345	3,064
Total intangible assets	9,241	9,120
Investments and other assets		
Investment securities	1,648	1,699
Long-term prepaid expenses	976	1,054
Deferred tax assets	7,320	7,162
Leasehold and guarantee deposits	7,072	7,073
Other	1,290	1,612
Allowance for doubtful accounts	(1)	(805)
Total investments and other assets	18,306	17,797
Total non-current assets	194,656	205,176
Total Asset	372,851	386,661

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	28,375	28,979
Electronically recorded obligations - operating	32,526	30,168
Short-term borrowings	8,500	14,500
Current portion of long-term borrowings	7,689	6,302
Accounts payable - other	9,415	8,663
Accrued expenses	276	6
Lease liabilities	1,666	1,811
Income taxes payable	3,911	3,919
Accrued consumption taxes	1,141	1,626
Contract liabilities	4,409	4,727
Provision for bonuses	1,525	1,422
Provision for bonuses for directors (and other officers)	23	23
Provision for point card certificates	177	188
Provision for loss on disaster	511	0
Notes payable - facilities	512	390
Other	2,960	3,009
Total current liabilities	103,623	105,740
Non-current liabilities		
Long-term borrowings	12,669	8,959
Lease liabilities	3,216	3,359
Provision for retirement benefits for directors (and other officers)	120	120
Provision for share awards for directors (and other officers)	228	247
Retirement benefit liability	6,681	5,928
Long-term guarantee deposits	1,418	1,424
Asset retirement obligations	8,169	14,125
Other	475	439
Total non-current liabilities	32,979	34,604
Total liabilities	136,603	140,345
<b>Net assets</b>		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	208,401	219,570
Treasury shares	(16,616)	(18,328)
Total shareholders' equity	235,847	245,304
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	376	408
Remeasurements of defined benefit plans	24	603
Total accumulated other comprehensive income	400	1,011
Total net assets	236,248	246,316
Total liabilities and net assets	372,851	386,661

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	356,940	365,074
Cost of sales	243,540	249,010
Gross profit	113,399	116,064
Operating revenue	13,811	14,117
Operating gross profit	127,211	130,181
Selling, general and administrative expenses		
Advertising expenses	1,817	1,694
Sales supplies expenses	940	745
Provision for point card certificates	177	188
Salaries and allowances	36,300	37,290
Bonuses	1,072	1,549
Welfare expenses	6,290	6,337
Provision for bonuses	1,525	1,422
Provision for bonuses for directors (and other officers)	23	23
Retirement benefit expenses	777	777
Supplies expenses	1,270	1,135
Utilities expenses	5,014	5,193
Taxes and dues	3,252	3,245
Enterprise tax	957	956
Rent expenses	13,433	13,677
Depreciation	12,208	12,648
Store maintenance expenses	2,189	2,290
Other	17,878	18,607
Total selling, general and administrative expenses	105,129	107,785
Operating profit	22,081	22,396
Non-operating income		
Interest income	25	43
Dividend income	166	149
Foreign exchange gain	-	241
Hoard Profit Of Prepaid Card	121	109
Compensation income	97	28
Other	229	319
Total non-operating income	639	891
Non-operating expenses		
Interest expenses	52	111
Provision of allowance for doubtful accounts	-	805
Foreign exchange losses	153	-
Card reissue fee	141	-
Other	159	121
Total non-operating expenses	507	1,038
Ordinary profit	22,214	22,248

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	53	-
Insurance claim income	129	26
Settlement income	498	-
Total extraordinary income	680	26
Extraordinary losses		
Loss on disposal of non-current assets	205	322
Impairment losses	1,361	1,244
Loss on disaster	698	73
Loss on litigation	49	-
Total extraordinary losses	2,316	1,640
Profit before income taxes	20,579	20,634
Income taxes - current	7,332	7,039
Income taxes - deferred	(465)	(124)
Total income taxes	6,866	6,915
Profit	13,712	13,719
Profit attributable to owners of parent	13,712	13,719



**(Consolidated statements of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	13,712	13,719
Other comprehensive income		
Valuation difference on available-for-sale securities	87	32
Remeasurements of defined benefit plans, net of tax	(68)	578
Total other comprehensive income	18	611
Comprehensive income	13,731	14,330
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,731	14,330
Comprehensive income attributable to non-controlling interests	-	-

**(3) Consolidated statements of changes in equity****Fiscal year ended March 31, 2024**

(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	197,180	(14,276)	226,966
Changes during period					
Dividends of surplus			(2,491)		(2,491)
Profit attributable to owners of parent			13,712		13,712
Disposal of treasury shares		0		362	362
Purchase of treasury shares				(2,702)	(2,702)
Net changes in items other than shareholders' equity					
Total changes during period	-	0	11,221	(2,339)	8,881
Balance at end of period	18,802	25,260	208,401	(16,616)	235,847

	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	288	-	93	381	227,347
Changes during period					
Dividends of surplus					(2,491)
Profit attributable to owners of parent					13,712
Disposal of treasury shares					362
Purchase of treasury shares					(2,702)
Net changes in items other than shareholders' equity	87	-	(68)	18	18
Total changes during period	87	-	(68)	18	8,900
Balance at end of period	376	-	24	400	236,248

**Fiscal year ended March 31, 2025**

(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	208,401	(16,616)	235,847
Changes during period					
Dividends of surplus			(2,550)		(2,550)
Profit attributable to owners of parent			13,719		13,719
Disposal of treasury shares		0		337	337
Purchase of treasury shares				(2,049)	(2,049)
Net changes in items other than shareholders' equity					
Total changes during period	-	0	11,168	(1,711)	9,457
Balance at end of period	18,802	25,260	219,570	(18,328)	245,304

	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	376	-	24	400	236,248
Changes during period					
Dividends of surplus					(2,550)
Profit attributable to owners of parent					13,719
Disposal of treasury shares					337
Purchase of treasury shares					(2,049)
Net changes in items other than shareholders' equity	32	-	578	611	611
Total changes during period	32	-	578	611	10,068
Balance at end of period	408	-	603	1,011	246,316

**(4) Consolidated statements of cash flows**

(Millions of yen)

Fiscal year ended March 31, 2024    Fiscal year ended March 31, 2025

<b>Cash flows from operating activities</b>		
Profit before income taxes	20,579	20,634
Depreciation	12,208	12,648
Impairment losses	1,361	1,244
Loss on disaster	698	73
Insurance claim income	(129)	(26)
Settlement income	(498)	-
Increase (decrease) in provision for bonuses	(162)	(102)
Increase (decrease) in provision for bonuses for directors (and other officers)	3	0
Increase (decrease) in provision for share awards for directors (and other officers)	20	19
Increase (decrease) in retirement benefit liability	180	89
Increase (decrease) in provision for point card certificates	16	10
Increase (decrease) in allowance for doubtful accounts	178	890
Interest and dividend income	(191)	(192)
Interest expenses	52	111
Loss (gain) on disposal of property, plant and equipment	202	322
Decrease (increase) in trade receivables	(1,901)	(2,146)
Decrease (increase) in inventories	(4,192)	(1,594)
Decrease (increase) in accounts receivable - other	40	195
Decrease (increase) in deposits paid	42	86
Increase (decrease) in trade payables	(435)	(1,754)
Increase (decrease) in accounts payable - other	444	(112)
Increase (decrease) in accrued consumption taxes	353	484
Other	(336)	(354)
Subtotal	28,537	30,527
Interest and dividends received	191	190
Interest paid	(52)	(112)
Income taxes paid	(7,874)	(7,034)
Subsidies received	53	50
Proceeds from insurance income	130	25
Settlement received	498	-
Payments associated with disaster loss	(118)	(527)
Cash flows from operating activities	21,364	23,120
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(14,488)	(16,635)
Proceeds from sale of property, plant and equipment	25	32
Purchase of intangible assets	(843)	(952)
Net increase (decrease) in lease and guarantee deposits	202	(1)
Other	(329)	(642)
Cash flows from investing activities	(15,433)	(18,200)

(Millions of yen)

Fiscal year ended March 31, 2024 Fiscal year ended March 31, 2025

Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,500	6,000
Proceeds from long-term borrowings	8,000	3,000
Repayments of long-term borrowings	(7,177)	(8,097)
Repayments of lease liabilities	(1,781)	(1,889)
Purchase of treasury shares	(2,702)	(2,049)
Proceeds from disposal of treasury shares	362	337
Dividends paid	(2,490)	(2,551)
Net cash provided by (used in) financing activities	(3,289)	(5,250)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	2,641	(330)
Cash and cash equivalents at beginning of period	13,905	16,547
Cash and cash equivalents at end of period	16,547	16,216

## (5) Notes to consolidated financial statements

(Notes on premise of going concern)

Not applicable..

(Changes in accounting estimates)

(Change in Estimate of Asset retirement obligations)

In the fiscal year ended March 31, 2025, with the acquisition of new information on the cost of restoring the Asset retirement obligations that had been recorded as an obligation to restore them to their original state due to real estate lease agreements, we changed our estimates regarding the cost of restoring them to their original state and the estimated period of use required at the time of moving out.

The increase of 5,666 million yen due to this change in estimate was added to property, plant and equipment and asset retirement obligations.

The impact of this change in estimates on the statement of income for the consolidated fiscal year ended March 31, 2025 is immaterial.

(Segment information, etc.)

As the reportable segment of the Group is only the Home Center business, the segment information has been omitted.

(Per shares information)

Items	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Net assets per share (Yen)	4,935.94	5,193.27
Basic earnings per share(Yen)	286.06	289.22

(Notes) 1. Diluted earnings per share is not stated because there were no potentially dilutive shares.

2. The basis of the calculation of net assets per share is as follows..

	As of March 31, 2024	As of March 31, 2025
Total net assets (Millions of yen)	236,248	246,316
Amounts to be deducted from total net assets (Millions of yen)	—	—
Of the above, share acquisition rights (Millions of yen)	(—)	(—)
Net assets at the end of the period, related to common shares (Millions of yen)	236,248	246,316
Number of common shares at the end of the period used in the calculation of net assets per share (Thousand of shares)	47,862	47,429

(Notes) 3. The Company's share held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of Board Benefit Trust (BBT) and Stock Benefit Trust (Employee Stock Ownership Plan Appropriation Type) are included in treasury stock to be deducted from the total number shares issued at the end of the fiscal year based on the calculation of net assets per share (540 thousand shares previous , 433 thousand shares in the fiscal year under review).

In the calculation of net income per share, these shares are included in treasury stock, which is deducted from the average number of shares outstanding during the period (540 thousand shares in the previous fiscal year and 433 thousand shares in the fiscal year under review).

4. The basis of the calculation of diluted earnings per shares is as follows.

	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	13,712	13,719
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	13,712	13,719
Average number of shares during the period(Thousand of shares)	47,935	47,452

#### 4. Others

##### (1) Change in directors (and other officers)

###### 1)Change in Representative Director

Not applicable.

###### 2) Other changes in directors (and other officers)

- Candidates for new Outside Director (excluding Directors Serving as Audit and Supervisory Committee Member)  
Rieko Takekawa (President and CEO of AT-INTERIOR CO., LTD.)
- Candidates for new Outside Director Serving as Audit and Supervisory Committee Member  
Kaori Mitsuya (President of Mitsuya Accounting Partners LLC)
- Directors who are scheduled to retire  
Hiromu Wada Outside Director  
Katsushi Suzuki Director  
Toshiyuki Takeishi Outside Director Serving as Audit and Supervisory Committee Member

###### 3) Scheduled date of appointment and retirement

June 26, 2025