

KOMERI CO., LTD.

The 4th Medium-Term Management Plan

(FY26/3 – FY28/3)



<https://www.komeri.bit.or.jp/>



April 23, 2025

Prime Market of Tokyo Stock Exchange (8218)

Review of the 3rd Medium-Term Management Plan



	FY22/3 (Results)		FY25/3 (Target)	FY25/3 (Results)	Evaluati on	View
Operating revenue	376 billion yen	⇒	418 billion yen	379.1 billion yen	×	<ul style="list-style-type: none"> Continued high prices, refraining from buying durable consumer goods due to decline in real wages The growth rate of operating revenue is sluggish due to the impact of reviewing the store opening plan due to soaring construction costs
Operating profit	27.8 billion yen	⇒	32 billion yen	22.3 billion yen	×	<ul style="list-style-type: none"> Rough profit margins declined due to the impact of cost push inflation and yen depreciation *Effect of exchange rate fluctuation ± 1 yen ⇒ gross profit ± 0.2 billion yen The PB sales ratio increased to 48.3% (+2.9%), but the gross profit margin declined due to higher import costs than expected
ROA	8.0%	⇒	8.0% or more	5.9%	×	
ROE	8.6%	⇒	8.0% or more	5.7%	×	
New store opening	1,214 stores	⇒	+ 100 stores	74 stores opened (Net increase is +14 stores)	×	<ul style="list-style-type: none"> Revised store opening plan due to soaring construction costs Actively implement the change of store format, scrap and build
Renovation of existing stores	Total sales floor area Just over 10%	⇒	Total sales floor area (Every year) just over 10%	Total sales floor area (Every year) just over 10%	◎	<ul style="list-style-type: none"> Implementation as planned by securing personnel and thoroughly dividing labor
Logistics Center	11	⇒	2 New Center Equipment enhancement	1 New Center Equipment enhancement	○	<ul style="list-style-type: none"> Shizuoka Logistics Center opened as planned Operation of New Kansai Logistics Center has been postponed by one year due to system and layout considerations
			Investment amount 80 billion yen	Investment amount 40.8 billion yen	×	<ul style="list-style-type: none"> Mainly due to the revision of the store opening plan, there will be a difference

Financial targets (FY26/3 – FY28/3)



	FY25/3 Results	FY28/3 Target
Operating revenue	379.1 billion yen	450 billion yen
Operating profit	22.3 billion yen	32 billion yen
ROA*	5.9%	8.0% or more
ROE	5.7%	8.0% or more

* ROA: (Ordinary Profit Ratio of Total Capital)

Investment plan (FY26/3 – FY28/3)



	Fiscal year ended March 31, 2025 Operating results	>>	Fiscal year ending March 31, 2028 Capital investment plan	
New store opening	Current situation 1,228 stores	>>	Opening 100 stores	55 billion yen
Renovation of existing stores, etc.	of sales floor area Just over 10%	>>	of sales floor area every year Just over 10%	7 billion yen
Logistics Center	Existing Center Functional enhancement	>>	New Center Existing Center Functional enhancement	13 billion yen
Various systems Investment		>>	System introduction	7 billion yen
ESG investment			Solar panel installation	3 billion yen
Total (Growth Base Investment)				85 billion yen

■ "Clothes, food, and housing" \Rightarrow to "Housing, food, and Clothes "

The most common complaints from customers are in the **housing-related field**.

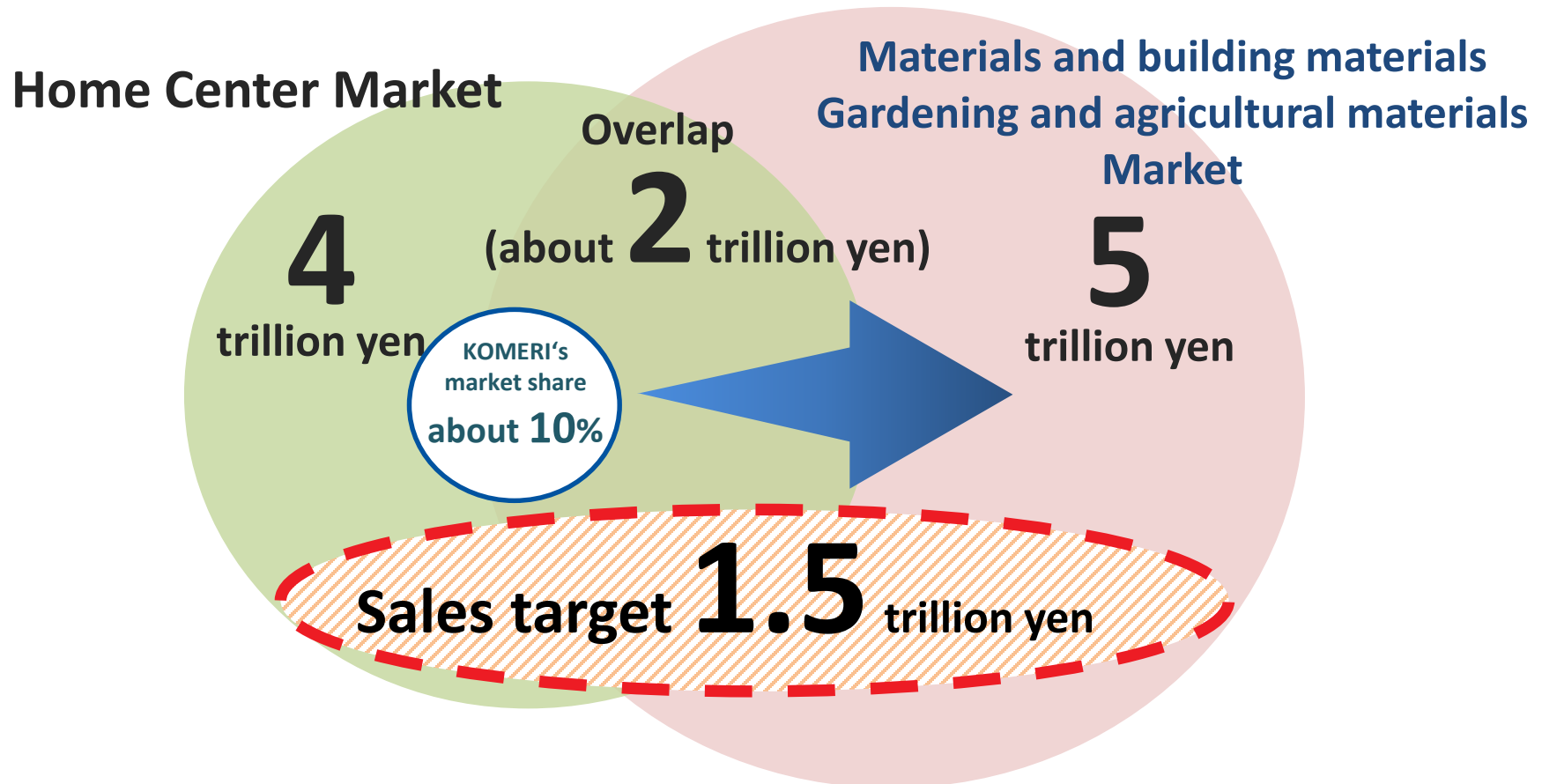
- "Clothes / food" is enough, but "housing" is not enough.
- The key to expanding aggregate demand is to respond to potential demand in the housing sector.
- Modernization of logistics in housing-related sector

→ Coordination from production to sales



■ Modernization of logistics in lagging sectors

→ Komeri's Challenge in the 7-Trillion-Yen Market



Source: Estimates from the Ministry of Economy, Trade and Industry's "Market Dynamics Survey", Ministry of Internal Affairs and Communications' Statistics Bureau's "National Household Structure Survey", Ministry of Agriculture, Forestry and Fisheries' "Census of Agriculture and Forestry" and "Management Statistics by Type of Farming"

Differentiation shown by Komeri's core category

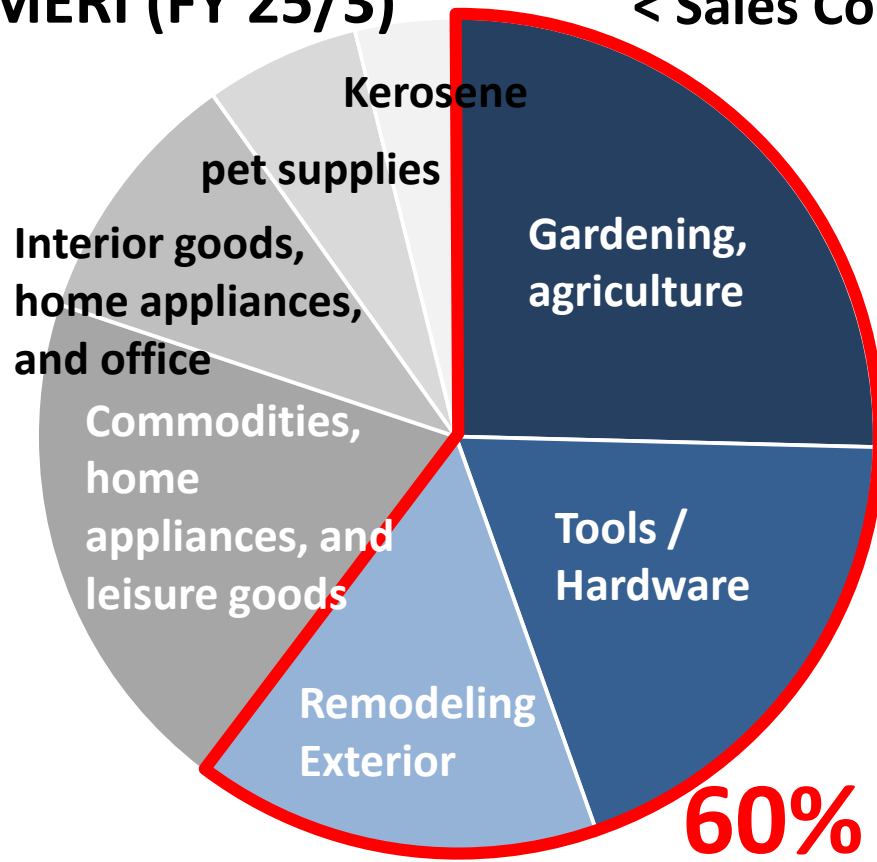


- Differentiation from other companies in materials and building materials, and gardening and agricultural

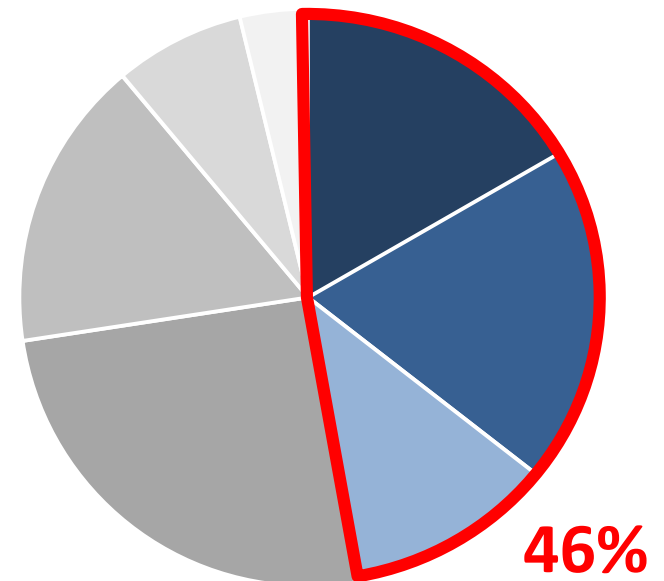
→ Further deepening of our core category

KOMERI (FY 25/3)

< Sales Composition Ratio by Category >



Average of Home Center industry



Source: Based on the Home Center Management Statistics 2023, compiled by the Company

Responding to changes in the external environment



Declining population
Declining birthrate and
aging population

Only Komari can open stores

**Strengthen store openings in regions
where it is difficult to obtain home center
products**

Competition for categories
across industries
and business categories

Differentiation in our core category

Further deepening of our core category

Digital evolution

Advantage brought by over 1,200 stores

**Integration of the Internet and
physical stores**

A format that can accommodate relatively small trading area



KOMERI Hard & Green

A unique format that allows one store to open in a 10,000-person trading area.

Although it is a small trading area format, it can be expanded to multiple stores.



KOMERI Power

A full-scale mega home center with a floor area of 10,000m²
Large trading area format

As a flagship store, it will coordinate with the surrounding Hard & Green



KOMERI PRO

Spin-out of Power's Materials Museum
Responding to professional customer needs

Stores that respond to professional needs
133 stores

Priority Measures -Strategy for opening stores-



- Strengthen store openings in regions where it is difficult to obtain home center products

<Standard location>



- Further deepening of our core category

- Strengthen the materials and building materials sector



PRO format
+50 stores

- Strengthen the agricultural materials sector



H & G store format
specialized in agricultural materials

Priority measures - Revitalization of existing stores -



■ Keep Young

Improved productivity due to renovations and the latest layout



■ Horizontal deployment of the prototype

Promotion of successful cases of the change of store format



■ Change of store format

Larger and more specialized according to the location



Priority measures - Strengthen product procurement capabilities -



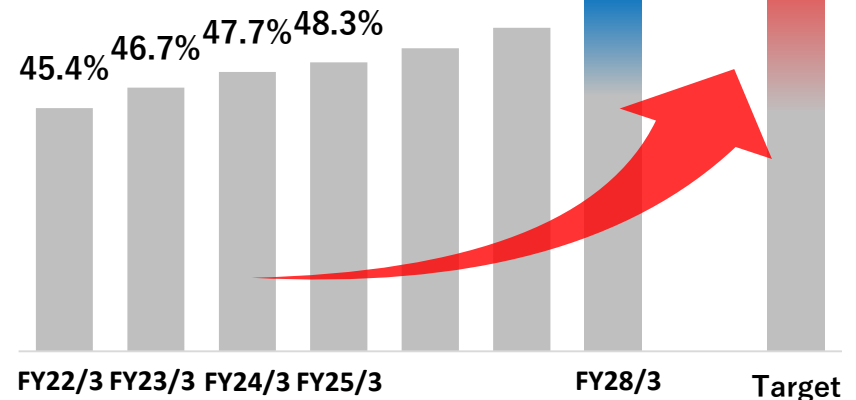
■ Strengthen product procurement capabilities and their sources

- No. 1 standardized number of stores in the industry
- Massification according to the above
- Produce products from the world's best sources and procure them

■ Strengthen category brand



Sales composition ratio
(excluding fuel)



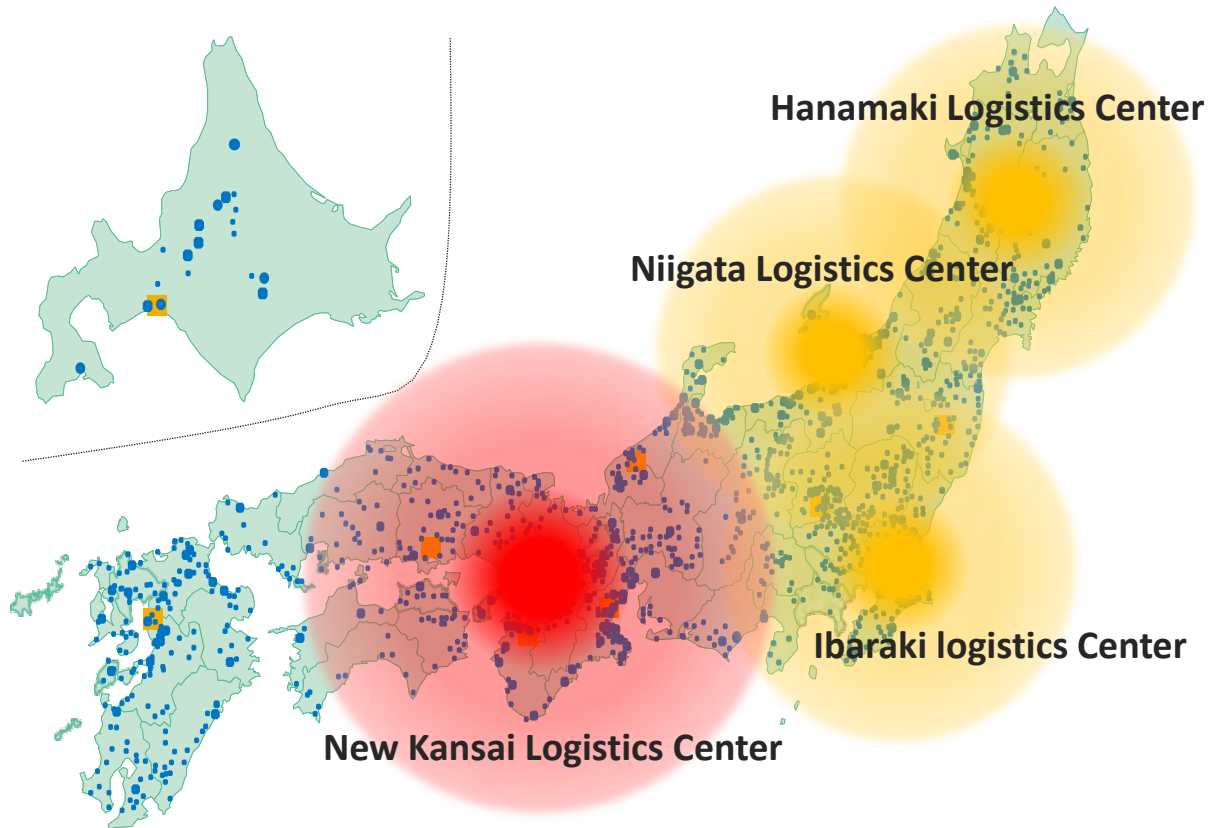
Priority measures - Promotion of FMC -



■ logistics and processing of cut flowers in-house

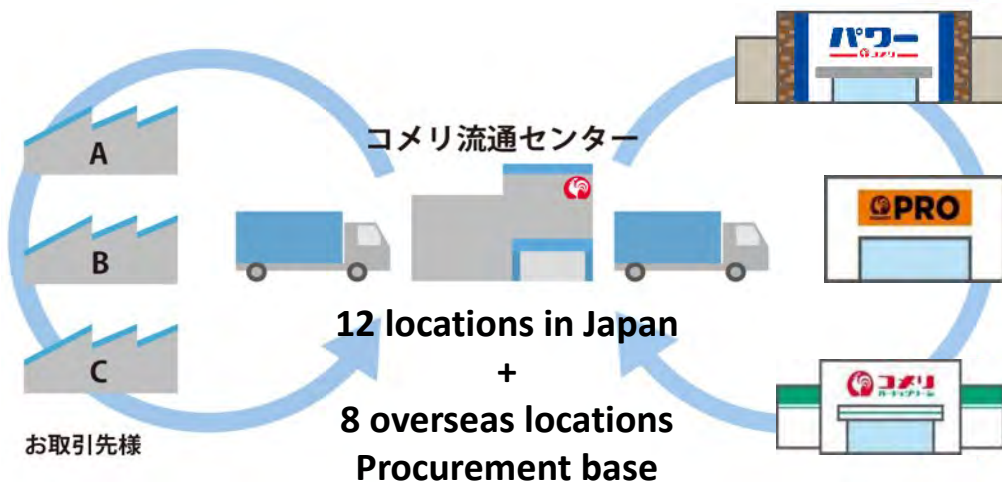
- "fresher and cheaper"

→ 4 FMC: Cover about 1,000 stores (coverage rate: 80%)



■ Global logistics that enables mass production

- Enable transactions with any supplier, including the manufacturer
- Small lot and reduced lead time
- Addressing the 2024 Problem in Logistics



< New Kansai Logistics Center Image >

Priority measures - Strengthening B2B -



- Creating a system that can meet the needs of professionals in the core category of "materials and hardware" and "agricultural materials"

Needs

- Large quotation
- Large quantity purchase
- Not available in stores



Creating systems



無料配達
大袋肥料
50袋~

ビジネスカード

ビジネスカード会員様限定!!

即割 最大 2% 引き

使えば使うほど、レジにて割引が実現!

0.5%	1%	1.5%	2%
100円未満	100円~1000円未満	1000円~10000円未満	10000円以上

カードごとの購入商品明細発行 最大9枚発行

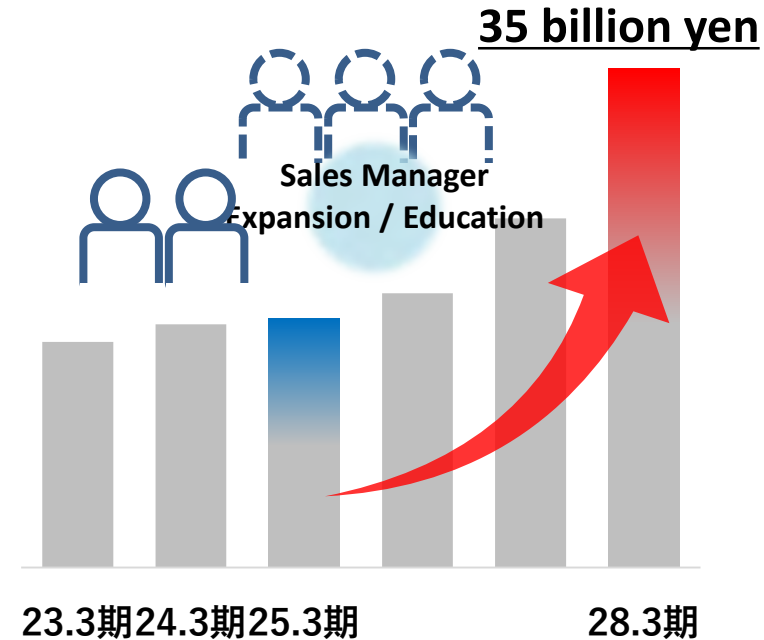
農業用品
予約受付中

Priority measures - Expansion of remodeling business



■ Chain remodeling that takes advantage of the number of bases

- Available at over 1,200 stores nationwide



FY25/3

- Sales Manager : 200 people
- Remodeling sales of 17.2 billion yen

FY28/3 Plan

- Sales Manager: 300 people
- Remodeling sales 35 billion yen



Utilizing the strength of over 1,200 physical stores



FY25/3

- EC sales Percentage: 6.1%
- EC sales: 22.1 billion yen

FY28/3 Plan

- EC sales Percentage: 10% or more
- EC sales: 50 billion yen

Priority measures - Promotion of fixed customers



■ Number of cardholders 5.28 million

- Improve the frequency of visits and unit price of customers

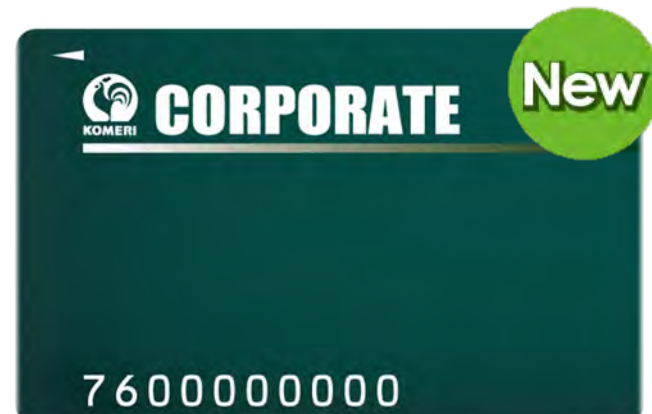
→ FSP system for customers

- CRM sales promotion to encourage repeat customers

→ Reservation for agricultural materials,
home delivery of kerosene,
Pet trimming, remodeling, etc.

- Corporate card debut

→ Corporate Credit Membership Card
Now Available



Priority measures -Investment in human resources development-



- Developing human resources who can solve customers' problems and creating an environment for that purpose

Mastery of job duties



E-learning
OffJT & OJT

Ability to make proposals



In-house qualification to improve customer service skills
Meister 2nd grade / 1st grade

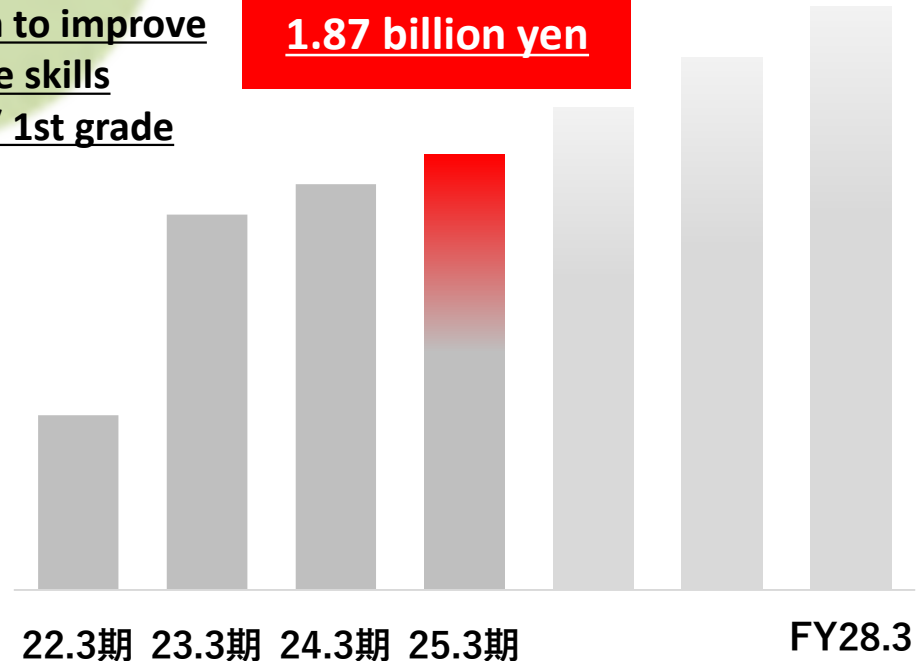
賢和塾

Human capital investment
Amount
1.87 billion yen

Management



Mid-career development training
Training for managers of large stores, etc.



Priority measures - Organizational development for the future -



Changes in the environment

- Declining birthrate and aging population
- Declining population
- Rising labor costs

Thorough division of labor

- Clarification of the unit of work
- Crossing the unit and clarifying duties
- Change duties and clarify positions

Improve operational efficiency

Productivity improvement

● Focus on work that can only be done in stores



● Reduction of work due to the introduction of the system



■ Another Komeri in the Mekong Basin

- Exporting and expanding the entire chain store system to Thailand and Mekong

First store: to open in June 2021

Second store: Opening in May 2022

3rd store: Under planning



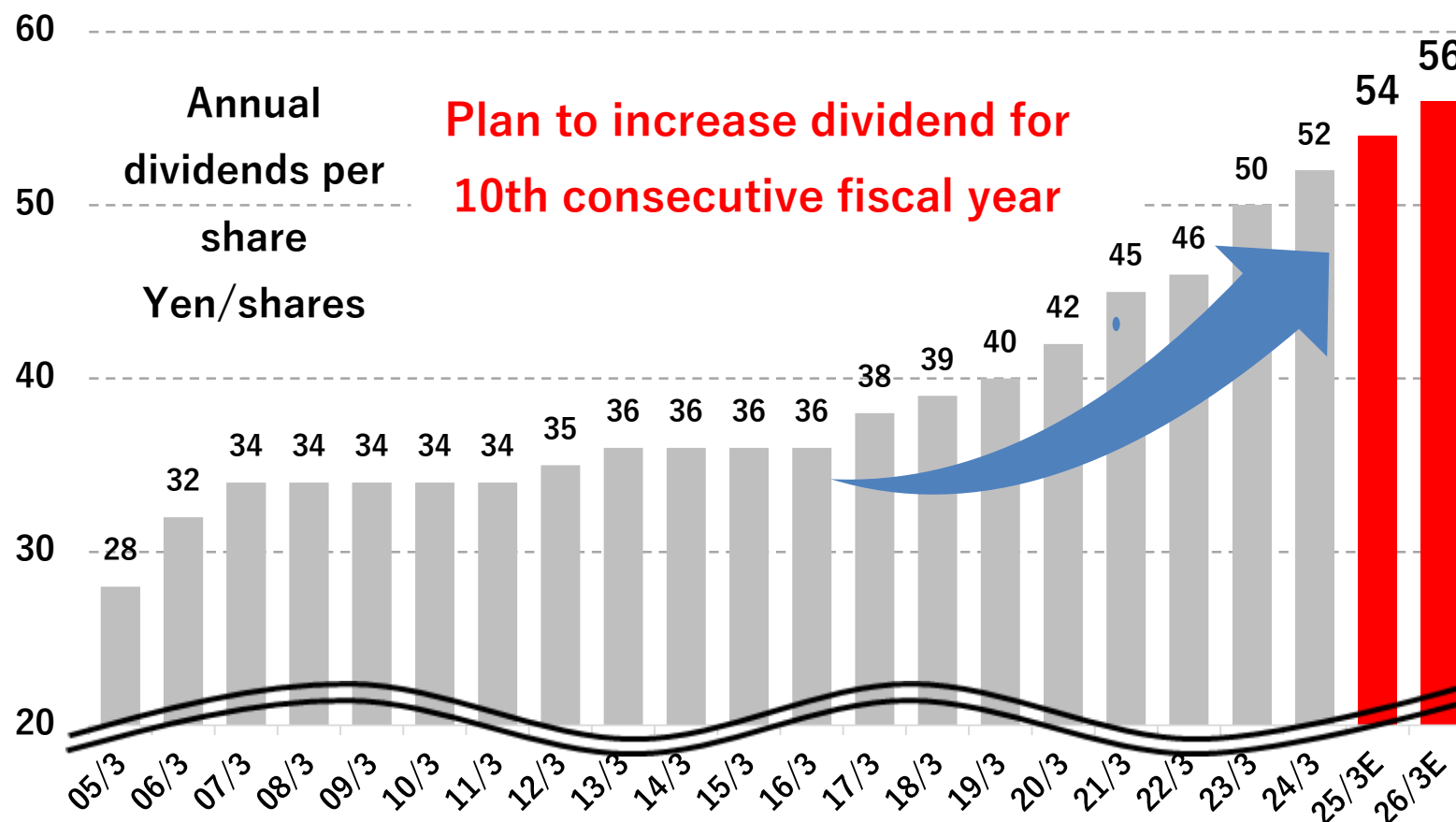
Shareholder Return Policy



■ Medium- to long-term management of the Company while balancing growth base investment and retained earnings

Based on the idea that the improvement of corporate value of the Group will contribute to the improvement of shares main profit

→ As a result, stable and continuous dividends are the basis

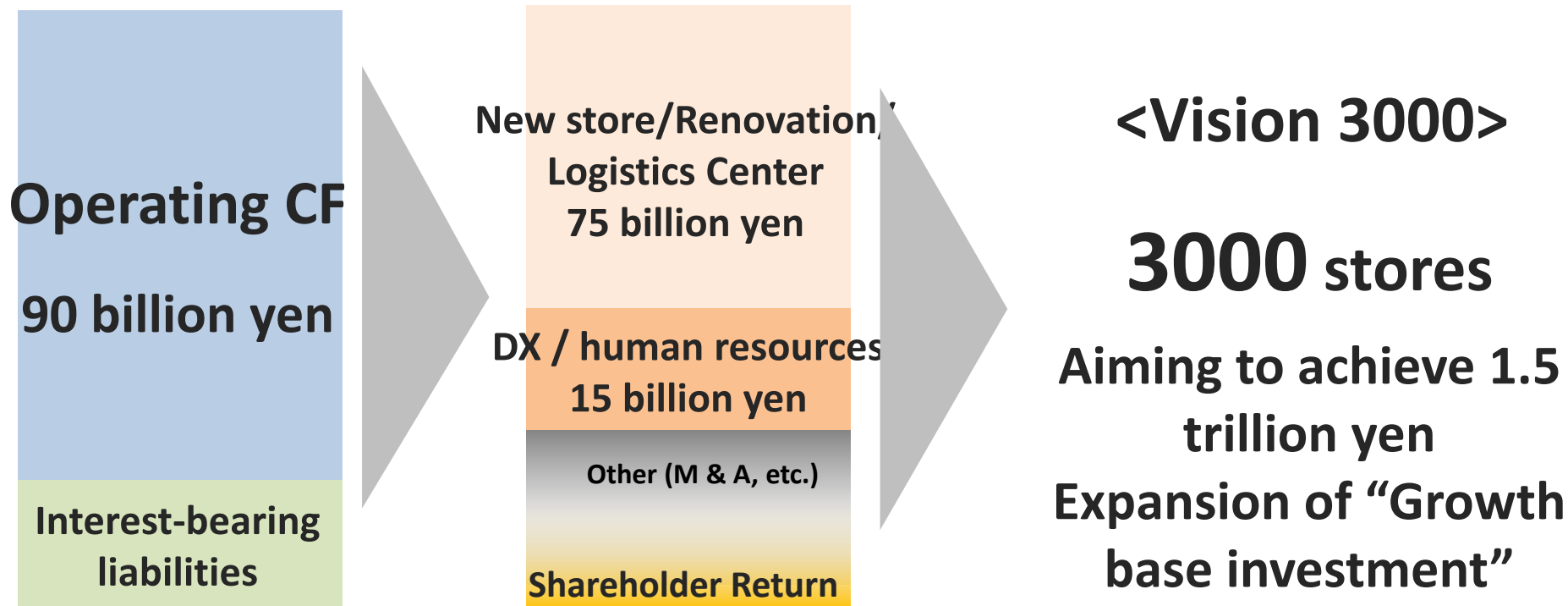


Capital allocation for growth



- Growth Base Investment to realize the modernization of logistics in lagging sectors
- DX / Human capital investment to improve sales productivity
- Preparatory funds for M & A investment that can be carried out flexibly
- Stable and continuous dividends

Be aware of
the cost of capital



Sustainability initiatives



■ Toward a decarbonized society

- Active use of domestic timber
- Expansion of solar panel installation



FY25/3

- Solar panel installation
→ 19 stores, 4 centers

Generating enough electricity for approximately 3,500 households.

FY28/3 Plan

- Solar panel installation
→ Expansion of 100 stores and 8 centers

- Reduction of 8,000 tons of CO2 per year
- Generating enough electricity for about 7,000 households

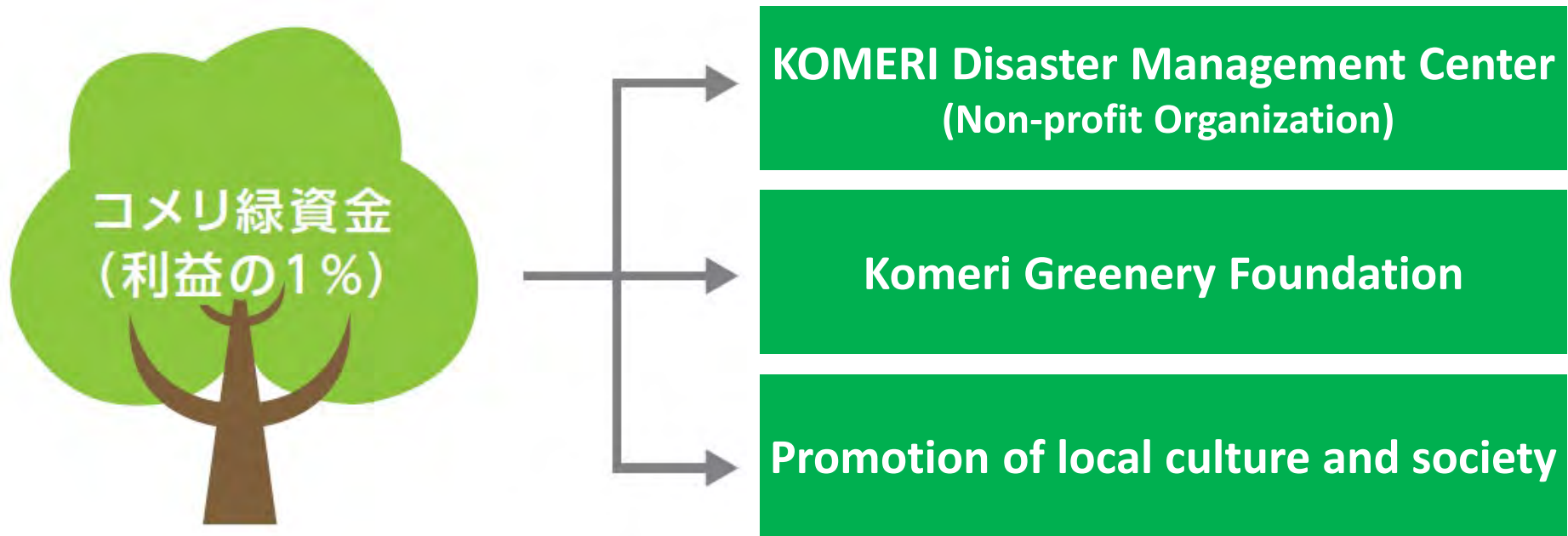
Investment
about 3 billion yen

Social contribution activities



■ Giving back to the local community "Komeri Greenery Fund"

- Since 1990, about 1% of profits have been returned to society every year.



The total amount of activities over 35 years is about 2.60 billion yen

Social contribution activities



NPO法人
コメリ災害対策センター



<Agreement concluded with Hokuriku Regional Development Bureau>



< Supplying supplies to temporary housing in Wajima City >

20th year of KOMERI Disaster Management Center activities

- Agreement concluded with Hokuriku Regional Development Bureau (first state agencies) → to the new stage
- Concluded a supply support agreement with 1,151 organizations (as of March 2025)

Social contribution activities



公益財団法人



緑育成財団

Grant from Komeri
Greenery Fund

Komeri Greenery Fund Volunteer

Promotion and support activities
for agriculture



Contributing to forest maintenance and activities to protect and nurture the natural environment

Public grants: 42 (21 prefectures)

Number of volunteer activities: 437

Social contribution activities

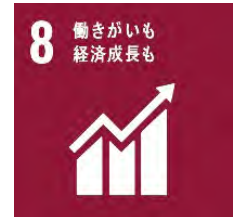


公益財団法人美術育成財団雪梁舎



雪梁舎美術館

SETSURYOSHA Museum of Art



Support for the development of young artists

* Firenze Awards Exhibition: Supporting talented artists to study abroad



[Notes to Outlook]

Some of the information disclosed by the Company may contain forward-looking statements. These statements are based on assumptions made based on information currently available to the Company, and involve various risks, uncertainties, and uncertainties. Therefore, actual financial results may be different from the Company's forecasts.