

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2019
(Based on Japanese GAAP)**

July 30, 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: August 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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	%
Three months ended June 30, 2019	96,524	1.0	7,118	0.1	7,171	1.8	4,836	2.3
Three months ended June 30, 2018	95,609	1.8	7,112	2.0	7,046	1.8	4,727	1.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	95.48		95.36	
Three months ended June 30, 2018	93.34		93.24	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	332,507	178,282	53.6
As of March 31, 2019	326,435	173,968	53.2

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, 2019	–	20.00	–	20.00	40.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		21.00	–	21.00	42.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	190,000	5.5	15,100	22.9	15,100	22.2	10,200	23.8	201.37
Full year	358,000	3.2	20,000	10.4	20,000	9.7	11,700	7.0	230.99

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (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 June 30, 2019	54,409,168 shares	As of March 31, 2019	54,409,168 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	3,756,762 shares	As of March 31, 2019	3,756,762 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	50,652,406 shares	Three months ended June 30, 2018	50,652,490 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	4,004	8,901
Notes and accounts receivable - trade	17,698	18,260
Merchandise and finished goods	109,805	105,690
Raw materials and supplies	275	272
Other	6,379	10,860
Allowance for doubtful accounts	(357)	(398)
Total current assets	137,806	143,587
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,830	116,192
Land	32,976	34,074
Leased assets, net	4,122	3,929
Other, net	7,765	6,695
Total property, plant and equipment	160,694	160,891
Intangible assets	7,801	7,943
Investments and other assets		
Investment securities	1,820	1,810
Deferred tax assets	8,290	8,285
Leasehold and guarantee deposits	8,379	8,362
Other	1,642	1,625
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	20,133	20,084
Total non-current assets	188,629	188,920
Total assets	326,435	332,507

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,762	22,456
Electronically recorded obligations - operating	25,863	33,878
Short-term borrowings	10,000	8,570
Current portion of long-term borrowings	12,169	12,169
Lease obligations	1,579	1,530
Income taxes payable	3,736	2,651
Provision for bonuses	1,681	2,647
Provision for bonuses for directors (and other officers)	19	4
Provision for loss on store closings	44	44
Provision for point card certificates	682	783
Provision for loss on disaster	0	0
Other	14,922	14,544
Total current liabilities	96,462	99,280
Non-current liabilities		
Long-term borrowings	32,309	31,861
Lease obligations	3,116	2,943
Provision for retirement benefits for directors (and other officers)	124	124
Retirement benefit liability	11,503	10,978
Asset retirement obligations	6,862	6,970
Other	2,087	2,064
Total non-current liabilities	56,004	54,943
Total liabilities	152,466	154,224
Net assets		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	138,811	142,634
Treasury shares	(9,126)	(9,126)
Total shareholders' equity	173,747	177,570
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	401	394
Remeasurements of defined benefit plans	(328)	163
Total accumulated other comprehensive income	72	557
Share acquisition rights	148	154
Total net assets	173,968	178,282
Total liabilities and net assets	326,435	332,507

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	92,545	93,636
Cost of sales	63,414	64,159
Gross profit	29,131	29,476
Operating revenue	3,063	2,888
Operating gross profit	32,195	32,365
Selling, general and administrative expenses	25,083	25,246
Operating profit	7,112	7,118
Non-operating income		
Interest income	3	3
Foreign exchange gains	–	65
Gain on valuation of derivatives	32	–
Other	86	75
Total non-operating income	123	143
Non-operating expenses		
Interest expenses	60	47
Burial cultural asset investigation expense	–	30
Foreign exchange losses	79	–
Other	47	13
Total non-operating expenses	188	91
Ordinary profit	7,046	7,171
Extraordinary income		
Insurance claim income	12	5
Total extraordinary income	12	5
Extraordinary losses		
Loss on disposal of non-current assets	40	33
Loss on disaster	10	9
Impairment loss	19	–
Total extraordinary losses	69	43
Profit before income taxes	6,989	7,134
Income taxes - current	2,446	2,489
Income taxes - deferred	(184)	(191)
Total income taxes	2,261	2,297
Profit	4,727	4,836
Profit attributable to owners of parent	4,727	4,836

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	4,727	4,836
Other comprehensive income		
Valuation difference on available-for-sale securities	89	(6)
Deferred gains or losses on hedges	9	–
Remeasurements of defined benefit plans, net of tax	52	491
Total other comprehensive income	151	484
Comprehensive income	4,879	5,321
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,879	5,321
Comprehensive income attributable to non-controlling interests	–	–