

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2019
(Based on Japanese GAAP)**

January 29, 2020

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
 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, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	273,081	(0.1)	16,753	(4.2)	16,872	(3.8)	11,855	1.8
Nine months ended December 31, 2018	273,355	2.4	17,491	12.9	17,544	13.2	11,642	11.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	234.31		234.09	
Nine months ended December 31, 2018	229.85		229.59	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	325,890	183,848	56.4
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	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	20.00	–	20.00	40.00
Year ending March 31, 2020	–	21.00	–		
Year ending March 31, 2020 (Forecast)				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
Full year	349,300	0.7	18,150	0.1	18,250	0.1	11,300	3.3	223.41

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2019	3,877,025 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)

Nine months ended December 31, 2019	50,595,263 shares	Nine months ended December 31, 2018	50,652,457 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	4,004	6,716
Notes and accounts receivable - trade	17,698	19,464
Merchandise and finished goods	109,805	101,608
Raw materials and supplies	275	426
Other	6,379	11,013
Allowance for doubtful accounts	(357)	(449)
Total current assets	137,806	138,779
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,830	114,307
Land	32,976	34,493
Leased assets, net	4,122	3,618
Other, net	7,765	7,645
Total property, plant and equipment	160,694	160,064
Intangible assets	7,801	7,980
Investments and other assets		
Investment securities	1,820	1,932
Deferred tax assets	8,290	7,191
Leasehold and guarantee deposits	8,379	8,357
Other	1,642	1,586
Allowance for doubtful accounts	(0)	(2)
Total investments and other assets	20,133	19,065
Total non-current assets	188,629	187,110
Total assets	326,435	325,890

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,762	26,038
Electronically recorded obligations - operating	25,863	30,320
Short-term borrowings	10,000	30
Current portion of long-term borrowings	12,169	4,169
Lease obligations	1,579	1,426
Income taxes payable	3,736	2,170
Provision for bonuses	1,681	813
Provision for bonuses for directors (and other officers)	19	14
Provision for loss on store closings	44	44
Provision for point card certificates	682	916
Provision for loss on disaster	0	36
Other	14,922	16,719
Total current liabilities	96,462	82,700
Non-current liabilities		
Long-term borrowings	32,309	39,346
Lease obligations	3,116	2,687
Provision for retirement benefits for directors (and other officers)	124	270
Retirement benefit liability	11,503	5,742
Asset retirement obligations	6,862	7,022
Other	2,087	4,271
Total non-current liabilities	56,004	59,341
Total liabilities	152,466	142,042
Net assets		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	138,811	148,589
Treasury shares	(9,126)	(9,382)
Total shareholders' equity	173,747	183,269
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	401	475
Remeasurements of defined benefit plans	(328)	103
Total accumulated other comprehensive income	72	578
Share acquisition rights	148	–
Total net assets	173,968	183,848
Total liabilities and net assets	326,435	325,890

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, 2018	Nine months ended December 31, 2019
Net sales	264,387	264,600
Cost of sales	180,037	180,659
Gross profit	84,350	83,941
Operating revenue	8,967	8,480
Operating gross profit	93,317	92,422
Selling, general and administrative expenses	75,826	75,668
Operating profit	17,491	16,753
Non-operating income		
Interest income	12	11
Dividend income	224	74
Other	219	291
Total non-operating income	456	377
Non-operating expenses		
Interest expenses	170	130
Foreign exchange losses	136	-
Burial cultural asset investigation expense	-	52
Other	96	76
Total non-operating expenses	403	258
Ordinary profit	17,544	16,872
Extraordinary income		
Insurance claim income	628	106
Gain on reversal of share acquisition rights	-	154
Gain on transition of retirement benefit plan	-	1,157
Total extraordinary income	628	1,418
Extraordinary losses		
Loss on disposal of non-current assets	95	79
Loss on disaster	741	348
Impairment loss	55	130
Provision for share-based remuneration for directors (and other officers)	-	133
Total extraordinary losses	893	692
Profit before income taxes	17,280	17,599
Income taxes - current	5,487	4,769
Income taxes - deferred	150	974
Total income taxes	5,637	5,743
Profit	11,642	11,855
Profit attributable to owners of parent	11,642	11,855

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	11,642	11,855
Other comprehensive income		
Valuation difference on available-for-sale securities	(410)	74
Deferred gains or losses on hedges	9	–
Remeasurements of defined benefit plans, net of tax	158	432
Total other comprehensive income	(242)	506
Comprehensive income	11,399	12,361
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,399	12,361
Comprehensive income attributable to non-controlling interests	–	–