

**Translation**

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**Summary of Consolidated Financial Results  
for the Six Months Ended September 30, 2023  
(Based on Japanese GAAP)**

October 24, 2023

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  
 Inquiries: Director and Managing Executive Officer Hiroshi Hayakawa TEL 025(371)4111  
 Scheduled date to file Quarterly Securities Report: November 14, 2023  
 Scheduled date to commence dividend payments: December 1, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	194,277	(1.8)	13,827	(19.0)	13,817	(16.3)	9,242	(18.2)
Six months ended September 30, 2022	197,888	0.5	17,076	(3.8)	16,508	(7.6)	11,302	(6.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	192.40	–
Six months ended September 30, 2022	232.33	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	357,707	233,038	65.1
As of March 31, 2023	361,387	227,347	62.9

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, 2023	–	25.00	–	25.00	50.00
Year ending March 31, 2024	–	26.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	26.00	52.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		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	379,500	0.0	21,800	(16.3)	21,800	(15.5)	13,600	(20.5)	283.81

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(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 September 30, 2023	54,409,168 shares	As of March 31, 2023	54,409,168 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	6,608,339 shares	As of March 31, 2023	5,779,475 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	48,036,922 shares	Six months ended September 30, 2022	48,649,411 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,111	12,526
Notes and accounts receivable - trade, and contract assets	25,527	25,297
Merchandise and finished goods	124,468	119,216
Raw materials and supplies	238	279
Other	6,542	7,741
Allowance for doubtful accounts	(872)	(982)
Total current assets	170,014	164,079
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,992	116,600
Land	37,337	38,483
Leased assets, net	4,403	4,607
Other, net	6,296	6,560
Total property, plant and equipment	164,029	166,253
Intangible assets	9,423	9,321
Investments and other assets		
Investment securities	1,544	1,894
Deferred tax assets	6,861	6,811
Leasehold and guarantee deposits	7,275	7,098
Other	2,238	2,250
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	17,919	18,053
Total non-current assets	191,372	193,628
Total assets	361,387	357,707

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	29,158	22,074
Electronically recorded obligations - operating	32,179	34,396
Short-term borrowings	6,000	8,500
Current portion of long-term borrowings	6,775	6,275
Lease liabilities	1,558	1,616
Income taxes payable	4,492	4,897
Provision for bonuses	1,687	1,574
Provision for bonuses for directors (and other officers)	19	11
Provision for point card certificates	161	187
Provision for loss on disaster	0	0
Other	19,460	17,893
<b>Total current liabilities</b>	<b>101,492</b>	<b>97,427</b>
<b>Non-current liabilities</b>		
Long-term borrowings	12,761	6,922
Lease liabilities	3,193	3,320
Provision for retirement benefits for directors (and other officers)	120	120
Provision for share awards for directors (and other officers)	207	214
Retirement benefit liability	6,401	6,579
Asset retirement obligations	7,878	8,048
Other	1,984	2,036
<b>Total non-current liabilities</b>	<b>32,547</b>	<b>27,242</b>
<b>Total liabilities</b>	<b>134,039</b>	<b>124,669</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	197,180	205,190
Treasury shares	(14,276)	(16,788)
<b>Total shareholders' equity</b>	<b>226,966</b>	<b>232,464</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	288	521
Remeasurements of defined benefit plans	93	52
<b>Total accumulated other comprehensive income</b>	<b>381</b>	<b>573</b>
<b>Total net assets</b>	<b>227,347</b>	<b>233,038</b>
<b>Total liabilities and net assets</b>	<b>361,387</b>	<b>357,707</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	190,890	187,262
Cost of sales	128,034	127,760
Gross profit	62,855	59,501
Operating revenue	6,998	7,015
Operating gross profit	69,853	66,517
Selling, general and administrative expenses		
Provision for point card certificates	178	187
Salaries and allowances	17,931	18,317
Provision for bonuses	1,890	1,574
Provision for bonuses for directors (and other officers)	9	11
Provision of allowance for doubtful accounts	162	244
Retirement benefit expenses	368	427
Other	32,236	31,926
Total selling, general and administrative expenses	52,777	52,689
Operating profit	17,076	13,827
Non-operating income		
Interest income	11	13
Dividend income	59	117
Hoard profit of prepaid card	48	59
Other	88	85
Total non-operating income	207	275
Non-operating expenses		
Interest expenses	43	26
Foreign exchange losses	678	89
Card reissue fee	–	82
Other	53	86
Total non-operating expenses	774	285
Ordinary profit	16,508	13,817
Extraordinary income		
Insurance claim income	343	29
Total extraordinary income	343	29
Extraordinary losses		
Loss on disposal of non-current assets	58	113
Loss on disaster	157	85
Impairment losses	47	9
Total extraordinary losses	262	208
Profit before income taxes	16,589	13,638
Income taxes - current	5,322	4,382
Income taxes - deferred	(35)	13
Total income taxes	5,286	4,396
Profit	11,302	9,242
Profit attributable to owners of parent	11,302	9,242

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	11,302	9,242
Other comprehensive income		
Valuation difference on available-for-sale securities	(78)	232
Deferred gains or losses on hedges	(11)	–
Remeasurements of defined benefit plans, net of tax	(39)	(40)
Total other comprehensive income	(129)	192
Comprehensive income	11,173	9,434
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,173	9,434
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	16,589	13,638
Depreciation	5,800	6,021
Impairment losses	47	9
Loss on disaster	157	84
Insurance claim income	(345)	(29)
Increase (decrease) in provision for bonuses	39	(113)
Increase (decrease) in provision for share awards for directors (and other officers)	9	6
Increase (decrease) in retirement benefit liability	69	119
Increase (decrease) in provision for point card certificates	39	26
Interest and dividend income	(70)	(130)
Interest expenses	43	26
Loss (gain) on disposal of property, plant and equipment	58	110
Decrease (increase) in trade receivables	(615)	230
Decrease (increase) in inventories	(332)	5,153
Decrease (increase) in accounts receivable - other	(42)	114
Decrease (increase) in deposits paid	(186)	(180)
Decrease (increase) in prepaid expenses	(905)	(1,045)
Increase (decrease) in trade payables	(644)	(4,865)
Increase (decrease) in accounts payable - other	(706)	(60)
Increase (decrease) in accrued consumption taxes	332	1,437
Other, net	178	(1,029)
Subtotal	19,516	19,524
Interest and dividends received	63	121
Interest paid	(49)	(26)
Proceeds from insurance income	49	29
Subsidies received	112	25
Payments associated with disaster loss	(164)	(32)
Income taxes paid	(3,203)	(3,993)
Net cash provided by (used in) operating activities	16,324	15,649
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,272)	(8,323)
Purchase of intangible assets	(422)	(408)
Net Decrease (increase) in lease and guarantee deposits	130	177
Other, net	(253)	(260)
Net cash provided by (used in) investing activities	(5,817)	(8,815)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	2,500
Repayments of long-term borrowings	(8,438)	(6,338)
Repayments of lease liabilities	(862)	(895)
Purchase of treasury shares	(1,500)	(2,700)
Proceeds from disposal of treasury shares	209	189
Dividends paid	(1,146)	(1,232)
Net cash provided by (used in) financing activities	(11,738)	(8,478)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(1,231)	(1,644)
Cash and cash equivalents at beginning of period	19,201	13,905
Cash and cash equivalents at end of period	17,969	12,261