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Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

July 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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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	109,253	1.7	10,007	5.8	10,110	4.7	6,882	4.9
June 30, 2024	107,449	3.2	9,462	12.1	9,659	15.0	6,562	16.1

Note: Comprehensive income For the three months ended June 30, 2025: ¥ 6,933 million [6.3 %]
 For the three months ended June 30, 2024: ¥ 6,524 million [11.9 %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	145.08	—
June 30, 2024	137.75	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	389,482	252,032	64.7
March 31, 2025	386,661	246,316	63.7

Reference: Equity
 As of June 30, 2026: ¥ 252,032 million
 As of March 31, 2025: ¥ 246,316 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	27.00	—	27.00	54.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)	—	28.00	—	28.00	56.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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	215.05
Full year	391,000	3.1	23,500	4.9	23,700	6.5	14,600	6.4	307.82

Note: Revisions to the forecast of financial results most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: 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 June 30, 2025	54,409,168 shares	As of March 31, 2025	54,409,168 shares
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(ii) Number of treasury shares at the end of the period

As of June 30, 2025	6,952,325 shares	As of March 31, 2025	6,979,171 shares
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(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	47,442,547 shares	Three months ended June 30, 2024	47,642,483 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) (406,600 shares as of June 30, 2025 / 433,500 shares as of March 31, 2025 / 519,500 shares as of June 30, 2024).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise to achieve such statements. In addition, actual results may differ significantly from these forecasts due to various factors.

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of operating results

1) Business environment for the three months ended June 30, 2025

During the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025), the Japanese economy experienced a gradual recovery on the back of an improvement of employment and income conditions. On the other hand, the outlook for the Japanese economy remained uncertain due to the effects of U.S. tariff policies, the sluggish Chinese economy, and persistently high energy and raw material prices..

In the retail industry, the business environment remained tough due to rising consumer awareness of protecting their livelihoods against the backdrop of continuous price rises, as well as intensifying competition across industries and business categories. In addition, labor costs, logistics costs, and construction costs for store operations are rising, so there is a need for more productive store operations. Under these circumstances, the Group has implemented the following initiatives.

2) Operating results for the three months ended June 30, 2025

The major operating results for the three months ended June 30, 2025 are as follows

(Millions of yen)

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent
Three months ended June 30, 2025	109,253	10,007	10,110	6,882
Year-on-year comparison	101.7%	105.8%	104.7%	104.9%

As for business overview, sales of agricultural materials and other products for farmers, which is the Company's main category, remained strong. Additionally, sales of products used by construction companies, such as work sheets and electrical materials, have driven revenue. In April to May, sales of gardening supplies such as flower seedlings, soil, garden gravel, and camping goods such as barbecue stoves and leisure chairs remained sluggish due to unstable weather on many weekends. On the other hand, the average temperature in June was the highest ever since statistics began, so sales of cooling and shading products were strong. In addition, with the mandatory implementation of heat stroke prevention measures that began on June 1, 2025, sales of fan-equipped clothing and other products were expanded, and sales of heat stroke prevention products were strong. With the early end of the rainy season mainly in western Japan, products for weed control such as herbicides, brush cutters, and weed control sheets, as well as Insect repellents and insecticides, also maintained steady sales.

Regarding PB (private brand) products, the car supplies brand 'CRUZARD' and the 'SOLVIC' brand of work clothing that combines simplicity and functionality contributed to the increase in sales and profits.

3) Operating results by major product category

The sales of the product category and main Increase/decrease factors for the three months ended June 30, 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	18,669	102.5	<ul style="list-style-type: none"> • Sales of work sheets, electrical materials, etc. for professionals were strong. • Sales of fan-equipped clothing, etc. were strong due to the mandatory measures against heat stroke.
Remodeling and Exterior materials	15,251	99.3	<ul style="list-style-type: none"> • Sales amount declined due to a decrease in the unit price of plywood, etc.
Gardening, agriculture, and pet supplies	42,300	101.1	<ul style="list-style-type: none"> • Sales of agricultural materials remained strong. • Sales of weed control products such as herbicides, brush cutters, and weed control sheets were strong.
Commodities, home appliances, car supplies, and leisure goods	18,369	102.8	<ul style="list-style-type: none"> • Sales of air conditioners remained strong. • Sales of the car supplies brand "CRUZARD" remained strong.
Interior goods, household goods, and office supplies	8,277	98.9	<ul style="list-style-type: none"> • Following the rebound from last year's poor plum harvest, sales of cooking supplies have recovered. • Sales of storage cases, etc. remained sluggish due to the delay in seasonal change of clothing
Fuel, etc.	1,506	135.3	<ul style="list-style-type: none"> • In April and May, sales of kerosene increased due to the large difference in temperature.
Other	3,838	106.1	—
Home Center business total	108,214	101.7	—
Other business	1,038	97.4	—
Total operating revenue	109,253	101.7	—

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

Tools, Hardware and Working supplies	Tools, building construction hardware, paint, repair goods, work clothing, etc.
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 supplies, 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

In the three months ended June 30, 2025, the Company opened one store as follows.

	Total	Power	PRO	H & G	AT
Results of store opening	1	0	1	0	0
Closed (including change of store format and relocation)	0	0	0	0	0
Number of stores	1,229	114	20	1,091	4

■ Renovation

- We strive to improve productivity by periodically renovating stores in order to respond to changes in the external environment of each store and to spread best practices across the board.
- We aim to renovate 10% of our total sales floor area each year, and renovated 21 stores during the three months ended June 30, 2025.

■ 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 response to the 2024 logistics problem, each logistics center is striving to reduce the waiting time for vehicles by designating the time for delivery vehicles, mainly large shipments. In addition, we have developed a dedicated app for delivery and started introducing it at some centers.
- The current Kansai logistics Center will be relocated and expanded, and the "Komeri (new) Kansai logistics Center" will begin operation in the spring of 2026. When this center begins operations, it will become the largest among our group's 12 domestic logistics bases, and the introduction of a new system will contribute to improving the efficiency of in-facility operations and store work.

■ Development of private brand product

- In the development of private brand products, we strive to ensure an environment in which products can be procured from the world's best sources by utilizing more than 1,200 standardized stores and 12 logistics bases and overseas bases in Japan.
- Sales of the car supplies brand "CRUZARD" and leisure goods brand "Natural Season" remained strong as a result of focusing sales that included branding commercials and social media. As a result, the Net sales composition ratio of PB products was 51.2% (up 0.9% year-on-year).

■ Remodeling business

- Remodeling business that comprehensively solves customers' housing problems has established a reception system at over 1,200 stores nationwide, and Net sales remained strong at 100.8% year-on-year.
- "Jyukyuban Installation," which involves the installation and replacement of housing equipment, and "Jyukyuban Service," which includes termite and pest control and garden maintenance, are now available for request at all Komeri stores nationwide, and sales of these services were strong, up 9.0% year-on-year.
- Aiming to acquire more specialized knowledge, 81.4% of all store employees (up 9.8% year-on-year) have been certified as Reform Meister Level 2, and we strive to further strengthen our system to solve customers' problems nationwide.

■ E-commerce business

- Utilizing the network of over 1,200 stores and the system environment, we strive to create a system that enables mutual customer transfer between online and physical stores. We are promoting a BOPIS (Buy Online Pick-up in Store) service that enables customers to receive products ordered on the EC site "KOMERI.COM" at stores near them, without paying shipping costs. The in-store pickup ratio exceeds 80%.

- Sales of the e-commerce business remained strong at 115.1% year-on-year.

■ Card business

- We issue six types of own-brand card to meet the diverse payment needs of individuals, agricultural business operators, sole proprietors, corporate companies, and public organizations. As of the end of June 2025, the number of cardholders totaled 5.37 million (up 140,000 year-on-year).
- We have introduced FSP (Frequent Shoppers Program) which is a measure to give preferential points based on customers' annual shopping Amount.

■ DX initiatives

- The Company strives to maximize profits to our customers by promoting further low-price operation. As a part of these efforts, we are working to reduce the waiting time of our customers at the cash register and strengthen customer service hours for employees by introducing self-checkout, and encouraging cashless payment.
- Self-service registers have been installed in 130 stores, mainly large stores, with an average of 6 registers per store.
- In order to respond to the need for more diverse payment methods, in addition to the smartphone payment service "Kokko Pay" that links KOMERI CARD with an app, we have also introduced various code payment services from June.

■ Initiatives in the agricultural sector

- We have newly launched an early reservation service for autumn agricultural supplies, striving to improve convenience for agricultural business operators.
- Collaboration with JA Yamanashi mirai began in June, and as of the end of June 2025, there were 6 JA collaborations (JA Yamanashi mirai, JA KAMIINA, JA Yamagata Okitama, JA Wakayama Kinoshita Regional Headquarters, JA Ise, and JA TAKIGUN). In addition, the number of our stores that handle JA products is 39.

(2) Explanation of financial position

(Asset)

Current assets as of June 30, 2025 were 183,173 million yen, up 1,688 million yen from the previous fiscal year-end. Mainly Merchandise and finished goods decreased by 6,218 millions yen. This was due to increases in notes and accounts receivable - trade, and contract assets of 1,191 million yen, deposits included in others of 5,223 million yen, and prepaid expenses of 1,685 million yen, respectively. Non-current assets were 206,308 million yen, up 1,131 million yen from the previous fiscal year-end. Mainly Buildings and structures decreased by 2,088 million yen. This was due to an increase of 3,073 million yen Construction in progress included in others in Property, plant and equipment.

As a result, total assets were 389,482 million yen, up 2,820 million yen from the previous fiscal year-end.

(Liabilities)

Total current liabilities as of June 30, 2025 were 100,384 million yen, up 5,355 million yen from the previous fiscal year-end. Mainly electronically recorded obligations - operating increased by 7,895 millions yen. This was due to decreases in notes and accounts payable - trade of 6,935 million yen, in Short-term borrowings of 6,000 million yen, respectively. Non-current liabilities were 37,065 million yen, up 2,460 million yen from the previous fiscal year-end. This was mainly due to an increase of 2,396 Millions of yen in Long-term borrowings.

As a result, total liabilities were 137,450 million yen, up 2,894 million yen from the previous fiscal year-end.

(Net assets)

Total net assets as of June 30, 2025 were 252,032 million yen, up 5,715 million yen from the previous fiscal year-end. Mainly due to the dividends of surplus, it decreased by 1,292 million yen. This was mainly due to an increase in retained earnings as a result of the recording of profit attributable to owners of parent of 6,882 million yen.

As a result, the Equity-to-asset ratio was 64.7% (63.7% at the previous fiscal year-end)

(3) Explanation of consolidated financial results forecasts and other forward-looking information

Regarding the consolidated financial results forecasts, there are no changes to the consolidated financial results forecasts for the fiscal year ending March 2026 announced on April 22, 2025.

(4) 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. 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, sustainable growth, and improvement of corporate value over the medium to long term, through the process of sourcing raw materials, manufacturing, production, logistics, sales, and consumption.

The major sustainability initiatives for the three months ended June 30, 2025 are as follows.

1) Disclosure of ESG Databook

- In June, the Company disclosed the “ESG Data book 2025” as a means of concisely communicating sustainability information to stakeholders. (<https://www.komeri.bit.or.jp/ir/report/>).

2) Promotion of human capital investment and women's active participation

- The Company aims to secure an environment in which employees can work safely, securely, and healthily through the development of core human resources and the provision of an environment in which employees can feel "work satisfaction" through planned job rotations and diverse educational systems.
- In our store manager positions, opportunities for women are expanding as a result of labor-saving measures in store operations, and as of the end of June 2025, there are 109 women in this position (Power: 1, H&G: 108).

3) Development of 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 promotes the development of products that are environmentally friendly.
- We are expanding our environmentally friendly PB products that use certified materials such as PEFC, such as copy paper and other papers, 2×4 materials. We are also moving towards using recycled paper and paper packaging made from certified materials.
- The Company is expanding sales of PB products using domestic timber, such as plywood for Akita cedar conifers. Active use of domestic timber, which has reached the appropriate age for felling, will lead to the activation of the forestry industry that "cuts, uses, plants, and grows trees". In addition, trees absorb CO2 as they grow, and when this carbon-fixed wood is used for long-term purposes such as in housing, it helps reduce greenhouse gas emissions, thereby helping to combat global warming.

4) Corporate Governance Activities

- The Company has established an appropriate environment for the exercise of voting rights at general shareholders' meetings, and the rate of voting rights exercised at the 64th Ordinary General Meeting of Shareholders held in June was 91.8%.
- At the 64th Ordinary General Meeting of Shareholders held in June, two new female directors were elected, resulting in a total of 3 female Directors (27% female Director ratio).

5) Social Contribution Activities

- In September 2005, the Company established the KOMERI Disaster Management Center (Non-profit Organization), as a foundation for activities to permanently deliver disaster prevention measures. With grants from Komeri Green Fund, we are building a network to supply supplies in the event of a disaster, providing information related to disaster prevention measures, and conducting disaster prevention awareness activities.

- During the three months ended June 30,2025, we concluded agreements with 17 new local governments. As of the end of June 2025, we have concluded agreements with 1,168 local governments and other organizations regarding the supply of supplies in the event of a disaster.

2. Quarterly consolidated financial statements and significant notes

(1) Quarterly Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,342	16,704
Notes and accounts receivable - trade, and contract assets	29,574	30,766
Merchandise and finished goods	130,116	123,897
Raw materials and supplies	303	286
Others	6,284	12,643
Allowance for doubtful accounts	(1,137)	(1,124)
Total current assets	181,484	183,173
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	122,862	120,774
Land	38,004	38,004
Leased assets, net	4,893	4,917
Other, net	12,497	15,453
Total property, plant and equipment	178,258	179,150
Intangible assets	9,120	9,155
Investments and other assets		
Investment securities	1,699	1,817
Deferred tax assets	7,162	7,283
Leasehold and guarantee deposits	7,073	7,052
Other	2,667	2,655
Allowance for doubtful accounts	(805)	(805)
Total investments and other assets	17,797	18,002
Total non-current assets	205,176	206,308
Total assets	386,661	389,482

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,979	22,044
Electronically recorded obligations - operating	30,168	38,064
Short-term borrowings	14,500	8,500
Current portion of long-term borrowings	6,302	6,202
Lease liabilities	1,811	1,803
Income taxes payable	3,919	3,639
Provision for bonuses	1,422	2,248
Provision Bonuses for directors (and other officers)	23	5
Provision for point card certificates	188	195
Provision for loss on disaster	0	0
Other	18,424	17,680
Total current liabilities	105,740	100,384
Non-current liabilities		
Long-term borrowings	8,959	11,355
Lease liabilities	3,359	3,371
Provision for retirement benefits for directors (and other officers)	120	120
Provision for share awards for directors (and other officers)	247	244
Retirement benefit liability	5,928	5,961
Asset retirement obligations	14,125	14,162
Other	1,863	1,849
Total non-current liabilities	34,604	37,065
Total liabilities	140,345	137,450
Net assets		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	219,570	225,160
Treasury shares	(18,328)	(18,253)
Total shareholders' equity	245,304	250,969
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	408	486
Remeasurements of defined benefit plans	603	576
Total accumulated other comprehensive income	1,011	1,062
Total net assets	246,316	252,032
Total liabilities and net assets	386,661	389,482

(2) Quarterly Consolidated statements of income and Consolidated statements of comprehensive income
(Consolidated statements of income)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	103,825	105,409
Cost of sales	71,290	72,057
Gross profit	32,534	33,352
Operating revenue	3,624	3,843
Operating gross profit	36,158	37,195
Selling, general and administrative expenses	26,696	27,188
Operating profit	9,462	10,007
Non-operating income		
Interest income	11	8
Dividend income	51	49
Foreign exchange gain	113	28
Hoard Profit Of Prepaid Card	31	21
Other	59	48
Total non-operating income	266	157
Non-operating expenses		
Interest expenses	24	40
Other	44	13
Total non-operating expenses	69	54
Ordinary profit	9,659	10,110
Extraordinary income		
Insurance claim income	12	13
Total extraordinary income	12	13
Extraordinary losses		
Loss on disposal of non-current assets	39	3
Loss on disaster	32	8
Impairment losses	—	59
Total extraordinary losses	71	71
Profit before income taxes	9,600	10,052
Income taxes - current	3,126	3,319
Income taxes - deferred	(88)	(149)
Total income taxes	3,037	3,169
Profit	6,562	6,882
Profit attributable to owners of parent	6,562	6,882

(Quarterly Consolidated statements of comprehensive income)**(Millions of yen)**

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	6,562	6,882
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	77
Remeasurements of defined benefit plans, net of tax	(16)	(26)
Total other comprehensive income	(38)	50
Comprehensive income	6,524	6,933
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,524	6,933
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to quarterly consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Notes to the quarterly consolidated statement of cash flows)

Consolidated statement of cash flows for the three months ended June 30, 2025 is not prepared. Depreciation expenses (including amortization expenses on intangible fixed assets excluding goodwill) for the three months ended June 30, 2025 are as follows.

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	3,060 million yen	3,241 millions yen

(Notes to segment information, etc.)

【Segment information】

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