

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2021
(Based on Japanese GAAP)**

April 27, 2021

Company name: KOMERI CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 8218 URL <https://www.komeri.bit.or.jp>
 Representative: President, CEO Yuichiro Sasage
 Director and Executive Officer of the
 Inquiries: Company, General Manager of Strategic Planning Office Hiroshi Hayakawa TEL 025-371-4111
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Scheduled date to commence dividend payments: June 28, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

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	%
Year ended March 31, 2021	385,700	10.7	30,326	64.2	30,369	63.1	20,402	70.9
Year ended March 31, 2020	348,573	0.5	18,469	1.9	18,625	2.1	11,941	9.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2021	410.25	–	10.7	8.9	7.9
Year ended March 31, 2020	236.58	236.36	6.7	5.7	5.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	348,159	200,561	57.6	4,032.90
As of March 31, 2020	331,140	181,990	55.0	3,659.43

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	36,553	(14,232)	(14,569)	17,082
Year ended March 31, 2020	24,475	(9,816)	(9,039)	9,330

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	21.00	–	21.00	42.00	2,110	17.8	1.2
Year ended March 31, 2021	–	22.00	–	23.00	45.00	2,243	11.0	1.2
Year ending March 31, 2022 (Forecast)	–	23.00	–	23.00	46.00		13.2	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	209,000	2.7	19,200	(6.8)	19,300	(7.0)	12,800	(9.3)	257.38
Full year	382,000	0.0	27,500	(8.6)	27,600	(8.4)	17,300	(14.6)	347.87

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	∴	54,409,168 shares	As of March 31, 2020	∴	54,409,168 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	∴	4,677,861 shares	As of March 31, 2020	∴	4,677,174 shares
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Average number of shares during the period

Year ended March 31, 2021	∴	49,731,747 shares	Year ended March 31, 2020	∴	50,474,190 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	9,625	17,303
Notes and accounts receivable - trade	19,821	20,935
Merchandise and finished goods	109,119	114,131
Raw materials and supplies	512	259
Prepaid expenses	1,624	2,051
Other	5,481	4,100
Allowance for doubtful accounts	(534)	(668)
Total current assets	145,651	158,114
Non-current assets		
Property, plant and equipment		
Buildings and structures	236,612	247,537
Accumulated depreciation	(124,258)	(130,555)
Buildings and structures, net	112,353	116,981
Machinery, equipment and vehicles	14,773	14,952
Accumulated depreciation	(11,923)	(12,392)
Machinery, equipment and vehicles, net	2,850	2,560
Land	34,355	35,340
Leased assets	8,391	8,034
Accumulated depreciation	(4,876)	(4,136)
Leased assets, net	3,515	3,897
Construction in progress	3,141	1,504
Other	13,251	13,932
Accumulated depreciation	(10,960)	(11,587)
Other, net	2,290	2,345
Total property, plant and equipment	158,505	162,629
Intangible assets		
Leasehold interests in land	5,349	5,783
Other	2,694	2,835
Total intangible assets	8,043	8,618
Investments and other assets		
Investment securities	1,322	1,909
Long-term prepaid expenses	1,016	1,072
Deferred tax assets	7,820	7,742
Leasehold and guarantee deposits	8,218	7,268
Other	563	806
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	18,939	18,796
Total non-current assets	185,489	190,044
Total assets	331,140	348,159

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,012	29,687
Electronically recorded obligations - operating	26,454	29,800
Short-term borrowings	8,500	–
Current portion of long-term borrowings	4,169	12,569
Accounts payable - other	7,728	8,852
Accrued expenses	268	278
Lease obligations	1,370	1,436
Income taxes payable	3,438	6,923
Accrued consumption taxes	2,722	2,280
Provision for bonuses	1,818	1,956
Provision for bonuses for directors (and other officers)	19	20
Provision for loss on store closings	44	–
Provision for point card certificates	739	814
Provision for loss on disaster	4	38
Notes payable - facilities	1,652	694
Other	4,100	4,740
Total current liabilities	91,044	100,094
Non-current liabilities		
Long-term borrowings	38,640	27,870
Lease obligations	2,618	2,900
Deferred tax liabilities	–	61
Provision for retirement benefits for directors (and other officers)	124	124
Provision for share awards for directors (and other officers)	152	183
Retirement benefit liability	5,414	5,768
Long-term guarantee deposits	1,558	1,483
Asset retirement obligations	7,071	7,718
Other	2,524	1,391
Total non-current liabilities	58,105	47,502
Total liabilities	149,149	147,597
Net assets		
Shareholders' equity		
Share capital	18,802	18,802
Capital surplus	25,260	25,260
Retained earnings	148,676	166,934
Treasury shares	(11,239)	(11,241)
Total shareholders' equity	181,499	199,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	72	461
Deferred gains or losses on hedges	27	5
Remeasurements of defined benefit plans	390	338
Total accumulated other comprehensive income	491	805
Total net assets	181,990	200,561
Total liabilities and net assets	331,140	348,159

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	337,326	373,253
Cost of sales	229,170	248,782
Gross profit	108,155	124,471
Operating revenue		
Real estate lease revenue	11,247	12,447
Operating gross profit	119,402	136,918
Selling, general and administrative expenses		
Advertising expenses	3,766	3,652
Sales supplies expenses	600	610
Provision for point card certificates	739	814
Salaries and allowances	34,397	35,651
Bonuses	1,753	1,996
Welfare expenses	6,461	6,616
Provision for bonuses	1,818	1,956
Provision for bonuses for directors (and other officers)	19	20
Retirement benefit expenses	1,029	771
Supplies expenses	1,248	2,296
Utilities expenses	3,932	3,732
Taxes and dues	2,857	3,109
Enterprise tax	1,006	1,062
Rent expenses	12,559	12,981
Depreciation	11,350	11,485
Store maintenance expenses	1,876	2,011
Other	15,516	17,821
Total selling, general and administrative expenses	100,933	106,591
Operating profit	18,469	30,326
Non-operating income		
Interest income	14	15
Dividend income	95	92
Foreign exchange gains	82	–
Other	297	237
Total non-operating income	490	344
Non-operating expenses		
Interest expenses	170	134
Foreign exchange losses	–	50
Expenses of soil pollution measures	–	53
Burial cultural asset investigation expense	69	11
Loss On Processed Gift Certificates	44	4
Other	49	47
Total non-operating expenses	334	302
Ordinary profit	18,625	30,369

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Extraordinary income		
Insurance claim income	400	152
Gain on reversal of share acquisition rights	154	–
Gain on transition of retirement benefit plan	1,157	–
Total extraordinary income	1,712	152
Extraordinary losses		
Loss on disposal of non-current assets	163	323
Impairment losses	1,607	249
Loss on disaster	427	235
Provision for share-based remuneration for directors (and other officers)	133	–
Total extraordinary losses	2,331	808
Profit before income taxes	18,006	29,712
Income taxes - current	5,810	9,336
Income taxes - deferred	254	(26)
Total income taxes	6,064	9,310
Profit	11,941	20,402
Profit attributable to owners of parent	11,941	20,402

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	11,941	20,402
Other comprehensive income		
Valuation difference on available-for-sale securities	(328)	388
Deferred gains or losses on hedges	27	(22)
Remeasurements of defined benefit plans, net of tax	719	(52)
Total other comprehensive income	418	314
Comprehensive income	12,359	20,716
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,359	20,716
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,802	25,260	138,811	(9,126)	173,747
Changes during period					
Dividends of surplus			(2,076)		(2,076)
Profit attributable to owners of parent			11,941		11,941
Purchase of treasury shares				(2,112)	(2,112)
Disposal of treasury shares		(0)		0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	9,864	(2,112)	7,752
Balance at end of period	18,802	25,260	148,676	(11,239)	181,499

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	401	-	(328)	72	148	173,968
Changes during period						
Dividends of surplus						(2,076)
Profit attributable to owners of parent						11,941
Purchase of treasury shares						(2,112)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	(328)	27	719	418	(148)	270
Total changes during period	(328)	27	719	418	(148)	8,022
Balance at end of period	72	27	390	491	-	181,990

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,802	25,260	148,676	(11,239)	181,499
Changes during period					
Dividends of surplus			(2,143)		(2,143)
Profit attributable to owners of parent			20,402		20,402
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period			18,258	(1)	18,256
Balance at end of period	18,802	25,260	166,934	(11,241)	199,756

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	72	27	390	491	181,990
Changes during period					
Dividends of surplus					(2,143)
Profit attributable to owners of parent					20,402
Purchase of treasury shares					(1)
Disposal of treasury shares					
Net changes in items other than shareholders' equity	388	(22)	(52)	314	314
Total changes during period	388	(22)	(52)	314	18,570
Balance at end of period	461	5	338	805	200,561

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	18,006	29,712
Depreciation	11,350	11,485
Impairment losses	1,607	249
Loss (gain) on valuation of derivatives	(29)	(27)
Loss on disaster	427	235
Insurance claim income	(400)	(152)
Compensation income	(68)	(37)
Gain on reversal of share acquisition rights	(154)	–
Increase (decrease) in provision for bonuses	136	138
Increase (decrease) in provision for bonuses for directors (and other officers)	0	1
Increase (decrease) in provision for share awards for directors (and other officers)	152	30
Increase (decrease) in retirement benefit liability	(5,054)	278
Increase (decrease) in provision for point card certificates	56	75
Increase (decrease) in allowance for doubtful accounts	178	134
Interest and dividend income	(110)	(107)
Interest expenses	170	134
Loss (gain) on disposal of property, plant and equipment	163	323
Decrease (increase) in trade receivables	(2,122)	(1,114)
Decrease (increase) in inventories	281	(4,826)
Decrease (increase) in accounts receivable - other	(674)	594
Decrease (increase) in deposits paid	396	37
Decrease (increase) in prepaid expenses	338	(411)
Increase (decrease) in trade payables	2,841	5,020
Increase (decrease) in accounts payable - other	241	844
Increase (decrease) in accrued consumption taxes	980	(441)
Other, net	1,601	119
Subtotal	30,314	42,297
Interest and dividends received	109	109
Interest paid	(169)	(134)
Income taxes paid	(6,112)	(5,862)
Proceeds from compensation	68	37
Subsidies received	45	47
Proceeds from insurance income	400	152
Payments associated with disaster loss	(181)	(93)
Net cash provided by (used in) operating activities	24,475	36,553

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Net decrease (increase) in time deposits	(0)	72
Purchase of property, plant and equipment	(8,691)	(12,438)
Proceeds from sale of property, plant and equipment	30	196
Purchase of intangible assets	(1,062)	(1,444)
Net Decrease (increase) in lease and guarantee deposits	160	19
Other, net	(253)	(637)
Net cash provided by (used in) investing activities	(9,816)	(14,232)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,430)	(8,500)
Proceeds from long-term borrowings	10,500	2,000
Repayments of long-term borrowings	(12,239)	(4,369)
Repayments of lease obligations	(1,682)	(1,556)
Purchase of treasury shares	(2,112)	(1)
Proceeds from disposal of treasury shares	0	–
Dividends paid	(2,075)	(2,142)
Net cash provided by (used in) financing activities	(9,039)	(14,569)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	5,620	7,751
Cash and cash equivalents at beginning of period	3,710	9,330
Cash and cash equivalents at end of period	9,330	17,082