



Consolidated Financial Results the Fiscal Year Ended March 31, 2023 [Japanese GAAP]

May 15, 2023

Company name Komehyo Holdings Co., Ltd. Stock exchange listings TOKYO, NAGOAYA
 Code number 2780 URL <https://komehyohds.com>
 Representative (Title) President and Representative Director (Name) Takuji Ishihara
 Inquiries (Title) General Manager of IR・PR Department (Name) Hiroyuki Yoshida Phone +81-52-249-5366
 Date of general shareholders' meeting (as planned) June 27, 2023 Dividend payable date (as planned) June 28, 2023
 Annual securities report filing date (as planned) June 27, 2023
 Availability of supplementary briefing material on financial results : Available
 Schedule of annual financial results briefing session : Scheduled (Video of results presentation will be posted on the Company's website)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

(April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	86,113	21.0	5,168	39.1	5,406	43.3	3,706	64.1
Fiscal year ended March 31, 2022	71,148	—	3,714	529.1	3,772	774.6	2,259	—

(Note) Comprehensive income Fiscal year ended March 31, 2023 4,235 Million yen (74.9%) Fiscal year ended March 31, 2022 2,421 Million yen (—%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	338.30	—	16.7	12.5	6.0
Fiscal year ended March 31, 2022	206.19	—	11.7	9.8	5.2

(Reference) Equity in earnings (losses) of affiliates Fiscal year ended March 31, 2023 — Million yen Fiscal year ended March 31, 2022 — Million yen

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	46,753	24,247	51.2	2,184.37
As of March 31, 2022	39,667	20,700	51.5	1,865.42

(Reference) Equity As of March 31, 2023 23,932 Million yen As of March 31, 2022 20,438 Million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2023	1,536	△1,951	1,849	12,283
Fiscal year ended March 31, 2022	1,134	△529	△1,895	10,738

2. Dividends

	Annual dividends					Total dividend (Total)	Payout ratio (Consolidated)	Net asset dividend rate (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ending March 31, 2022	—	12.00	—	20.00	32.00	350	15.5	1.8
Fiscal year ending March 31, 2023	—	25.00	—	35.00	60.00	657	17.7	3.0
Fiscal year ending March 31, 2024 (Forecast)	—	38.00	—	38.00	76.00		20.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024
(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	48,000	22.4	2,250	29.0	2,250	31.6	1,600	46.6	146.03
Full year	100,000	16.1	5,800	12.2	5,800	7.3	4,000	7.9	365.08

* Notes

(1) Changes in significant subsidiaries during the period under review

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

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

① Changes in accounting policies due to the revision of accounting standards : Yes

② Changes in accounting policies other than ① above : No

③ Changes in accounting estimates : No

④ Retrospective restatement : No

(4) Total number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury stock)

March 31, 2023	11,257,000shares	March 31, 2022	11,257,000shares
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② Total number of treasury shares at the end of the period

March 31, 2023	300,628shares	March 31, 2022	300,628shares
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③ Average number of shares during the period:

March 31, 2023	10,956,372shares	March 31, 2022	10,956,411shares
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* These quarterly financial results are outside the scope of audit.

* Explanation of the proper use of financial results forecast and other notes

(Notes on the earnings forecasts and other forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on data currently available to the Company and certain assumptions that the Company believes are reasonable, and the Company has no intention of guaranteeing the achievability of them. Actual results may differ significantly from these forecasts due to various factors.

(How to obtain supplementary presentation materials for quarterly financial results)

Earnings Results Briefing Materials for Financial Results will be posted on the company's website immediately after the financial results are announced to the Tokyo Stock Exchange.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	9,080,005	10,382,235
Accounts receivable - trade	1,709,180	2,257,704
Merchandise	15,277,006	18,669,096
Supplies	31,218	36,371
Deposits paid	1,658,948	1,901,261
Other	1,697,531	2,076,003
Total current assets	29,453,891	35,322,672
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,034,073	8,610,866
Accumulated depreciation	△4,618,764	△4,831,257
Buildings and structures, net	3,415,308	3,779,608
Land	1,646,267	1,644,961
Leased assets	116,709	113,584
Accumulated depreciation	△96,585	△101,471
Leased assets, net	20,124	12,112
Construction in progress	11,904	33,530
Other	2,077,288	2,249,869
Accumulated depreciation	△1,412,253	△1,475,565
Other, net	665,035	774,304
Total property, plant and equipment	5,758,640	6,244,516
Intangible assets		
Goodwill	444,658	528,720
Leased assets	395,277	273,934
Other	1,026,637	1,353,425
Total intangible assets	1,866,573	2,156,080
Investments and other assets		
Deferred tax assets	1,015,139	1,135,358
Retirement benefit asset	40,709	4,882
Guarantee deposits	1,325,851	1,646,422
Other	206,482	243,544
Total investments and other assets	2,588,182	3,030,208
Total non-current assets	10,213,396	11,430,805
Total assets	39,667,287	46,753,478

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	527,778	686,781
Short-term borrowings	8,360,000	12,515,000
Current portion of bonds payable	72,000	72,000
Current portion of long-term borrowings	1,023,299	366,724
Lease liabilities	262,515	236,828
Accounts payable - other	1,212,763	1,182,045
Income taxes payable	1,006,884	984,694
Contract liabilities	507,074	619,554
Provision for bonuses	761,069	955,310
Provision for merchandise warranties	9,456	9,024
Provision for point card certificates	60,616	101,636
Other	427,528	296,924
Total current liabilities	14,230,986	18,026,525
Non-current liabilities		
Bonds payable	212,000	140,000
Long-term borrowings	3,429,894	3,113,170
Lease liabilities	159,900	54,929
Provision for retirement benefits for directors (and other officers)	23,598	23,598
Provision for merchandise warranties	390	558
Provision for point card certificates	94,577	127,681
Retirement benefit liability	101,967	116,737
Asset retirement obligations	629,910	763,616
Contract liabilities	32,535	69,921
Other	50,740	69,629
Total non-current liabilities	4,735,515	4,479,842
Total liabilities	18,966,501	22,506,367
Net assets		
Shareholders' equity		
Share capital	1,803,780	1,803,780
Capital surplus	1,909,872	1,909,872
Retained earnings	16,640,745	19,854,230
Treasury shares	△80,494	△80,494
Total shareholders' equity	20,273,902	23,487,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,292	30,720
Foreign currency translation adjustment	144,049	414,662
Total accumulated other comprehensive income	164,341	445,383
Non-controlling interests	262,541	314,338
Total net assets	20,700,786	24,247,110
Total liabilities and net assets	39,667,287	46,753,478

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	71,148,431	86,113,626
Cost of sales	52,733,020	63,571,465
Gross profit	18,415,410	22,542,160
Selling, general and administrative expenses	14,700,709	17,373,200
Operating profit	3,714,701	5,168,959
Non-operating income		
Interest income	1,154	2,402
Dividend income	14,544	11,971
Foreign exchange gains	66,159	5,056
Commission income	5,854	5,828
Insurance claim income	1,305	3,240
Compensation income	—	540,806
Other	31,281	34,045
Total non-operating income	120,300	603,353
Non-operating expenses		
Interest expenses	52,019	60,761
Rent expenses on store(construct in progress)	—	282,098
Other	10,897	22,795
Total non-operating expenses	62,917	365,655
Ordinary profit	3,772,084	5,406,657
Extraordinary income		
Gain on sale of non-current assets	12,189	4,088
Subsidy income	23,095	29,366
Gain on reversal of asset retirement obligations	13,126	—
Other	—	917
Total extraordinary income	48,412	34,372
Extraordinary losses		
Loss on retirement of non-current assets	152,270	12,164
Loss on cancellation of rental contracts	—	600
Impairment losses	327,275	102,733
Loss due to temporary closure	14,674	6,704
Total extraordinary losses	494,220	122,202
Profit before income taxes	3,326,275	5,318,827
Income taxes - current	1,269,794	1,680,675
Income taxes - deferred	△215,418	△90,948
Total income taxes	1,054,375	1,589,726
Profit	2,271,900	3,729,101
Profit attributable to non-controlling interests	12,813	22,578
Profit attributable to owners of parent	2,259,086	3,706,522

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	2,271,900	3,729,101
Other comprehensive income		
Valuation difference on available-for-sale securities	6,457	10,428
Foreign currency translation adjustment	142,828	496,175
Total other comprehensive income	149,285	506,604
Comprehensive income	2,421,185	4,235,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,407,140	4,183,908
Comprehensive income attributable to non-controlling interests	14,045	51,796

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,803,780	1,909,872	14,600,787	△80,331	18,234,107
Changes during period					
Dividends of surplus			△219,128		△219,128
Profit (loss) attributable to owners of parent			2,259,086		2,259,086
Purchase of treasury shares				△162	△162
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,039,957	△162	2,039,794
Balance at end of period	1,803,780	1,909,872	16,640,745	△80,494	20,273,902

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	13,834	1,221	15,055	197,413	18,446,576
Changes during period					
Dividends of surplus					△219,128
Profit (loss) attributable to owners of parent					2,259,086
Purchase of treasury shares					△162
Net changes in items other than shareholders' equity	6,457	142,828	149,285	65,128	214,414
Total changes during period	6,457	142,828	149,285	65,128	2,254,209
Balance at end of period	20,292	144,049	164,341	262,541	20,700,786

Current consolidated fiscal year (April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,803,780	1,909,872	16,640,745	△80,494	20,273,902
Changes during period					
Dividends of surplus			△493,036		△493,036
Profit (loss) attributable to owners of parent			3,706,522		3,706,522
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,213,485	—	3,213,485
Balance at end of period	1,803,780	1,909,872	19,854,230	△80,494	23,487,388

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	20,292	144,049	164,341	262,541	20,700,786
Changes during period					
Dividends of surplus					△493,036
Profit (loss) attributable to owners of parent					3,706,522
Net changes in items other than shareholders' equity	10,428	270,613	281,041	51,796	332,838
Total changes during period	10,428	270,613	281,041	51,796	3,546,324
Balance at end of period	30,720	414,662	445,383	314,338	24,247,110

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,326,275	5,318,827
Depreciation	941,204	1,215,498
Impairment losses	327,275	102,733
Amortization of goodwill	78,793	68,255
Increase (decrease) in provision for bonuses	251,701	189,360
Increase (decrease) in provision for merchandise warranties-OpeCF	40	△263
Increase (decrease) in allowance for doubtful accounts	△79,934	-
Increase (decrease) in provision for point card certificates	△48,551	73,988
Increase (decrease) in retirement benefit liability	48,113	50,455
Increase (decrease) in contract liabilities	539,610	141,115
Interest and dividend income	△15,698	△14,374
Interest expenses	52,019	60,761
Foreign exchange losses (gains)	△6,698	11,293
Loss (gain) on sale of property, plant and equipment and intangible assets	△12,189	△4,088
Loss on retirement of property, plant and equipment and intangible assets	10,586	6,560
Decrease (increase) in trade receivables	△32,251	△518,776
Decrease (increase) in inventories	△2,619,039	△2,962,423
Decrease (increase) in accounts receivable - other	△74,350	△81,303
Increase (decrease) in trade payables	2,858	140,493
Increase (decrease) in accrued consumption taxes	△352,373	△140,289
Increase (decrease) in accounts payable - other	386,867	△98,102
Other, net	△869,577	△275,717
Subtotal	1,854,680	3,284,002
Interest and dividends received	14,621	13,394
Interest paid	△51,583	△60,900
Income taxes paid	△684,600	△1,710,295
Income taxes refund	1,087	10,724
Net cash provided by (used in) operating activities	1,134,205	1,536,926
Cash flows from investing activities		
Payments into time deposits	△23,000	-
Proceeds from withdrawal of time deposits	112,004	10,000
Purchase of property, plant and equipment and intangible assets	△628,023	△1,642,602
Proceeds from sale of property, plant and equipment and intangible assets	20,820	6,727
Payments of guarantee deposits	△257,633	△443,009
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	△26,131
Proceeds from refund of guarantee deposits	255,370	163,808
Other, net	△8,837	△20,001
Net cash provided by (used in) investing activities	△529,300	△1,951,209

Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△500,000	4,118,000
Repayments of long-term borrowings	△883,955	△1,349,596
Repayments of lease liabilities	△274,021	△342,472
Redemption of bonds	△72,000	△84,000
Purchase of treasury shares	△162	—
Dividends paid	△219,275	△492,930
Proceeds from share issuance to non-controlling shareholders	53,545	—
Net cash provided by (used in) financing activities	△1,895,869	1,849,000
Effect of exchange rate change on cash and cash equivalents	135,133	109,825
Net increase (decrease) in cash and cash equivalents	△1,155,830	1,544,542
Cash and cash equivalents at beginning of period	11,894,785	10,738,954
Cash and cash equivalents at end of period	10,738,954	12,283,497