



Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024 [Japanese GAAP]

November 14, 2023

Company name Komehyo Holdings Co., Ltd. Stock exchange listings TOKYO, NAGOYA
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 Quarterly securities report filing date (as planned) November 14, 2023
 Dividend payable date (as planned) November 28, 2023
 Availability of supplementary briefing material on quarterly financial results : Available
 Schedule of quarterly financial results briefing session : Scheduled
 (Live streaming for analysts and institutional investors and video posting on our website)

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

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024
 (April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	52,764	34.5	3,210	84.1	3,271	91.4	2,137	95.8
Six months ended September 30, 2022	39,220	28.0	1,744	57.0	1,709	51.8	1,091	51.0

(Note) Comprehensive income Six months ended Sep 30, 2023 2,512 Million yen (63.2%) Six months ended Sep 30, 2022 1,539 Million yen (92.2%)

	basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	195.05	—
Six months ended September 30, 2022	99.64	—

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2023	58,254	26,398	44.7	2,377.68
As of March 31, 2023	46,753	24,247	51.2	2,184.37

(Reference) Equity As of Sep 30, 2023 26,050 Million yen As of March 31, 2023 23,932 Million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2023	—	25.00	—	35.00	60.00
Fiscal year ending March 31, 2024	—	44.00	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	—	—	44.00	88.00

(Note) Revision to the forecast for dividends announced most recently : No

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
Full year	106,000	23.1	7,200	39.3	7,230	33.7	4,820	30.0	439.93

(Note) Revision to the financial results forecast announced most recently : No

* Notes

- (1) Changes in significant subsidiaries during the Six months ended September 30, 2023
(changes in specified subsidiaries resulting in changes in scope of consolidation) : No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements : Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- ① Changes in accounting policies due to the revision of accounting standards : No
 - 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)	Six months ended September 30, 2023	11,257,000shares	March 31, 2023	11,257,000shares
② Total number of treasury shares at the end of the period	Six months ended September 30, 2023	300,668shares	March 31, 2023	300,628shares
③ Average number of shares during the period:	Six months ended September 30, 2023	10,956,360shares	Six months ended September 30, 2022	10,956,372shares

* 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)

Supplementary presentation materials for quarterly financial results will be published on the Komehyo Holdings' website as soon as the financial results are reported to the Tokyo Stock Exchange.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	10,382,235	11,689,185
Accounts receivable - trade	2,257,704	3,009,671
Inventories	18,705,467	25,837,780
Other	3,977,265	5,159,312
Total current assets	35,322,672	45,695,949
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,779,608	3,822,103
Land	1,644,961	1,644,961
Construction in progress	33,530	340,418
Other, net	786,416	887,406
Total property, plant and equipment	6,244,516	6,694,889
Intangible assets		
Goodwill	528,720	489,153
Leased assets	273,934	471,149
Other	1,353,425	1,650,889
Total intangible assets	2,156,080	2,611,192
Investments and other assets	3,030,208	3,252,483
Total non-current assets	11,430,805	12,558,565
Total assets	46,753,478	58,254,515
Liabilities		
Current liabilities		
Accounts payable - trade	686,781	979,309
Short-term borrowings	12,515,000	20,882,100
Current portion of bonds payable	72,000	72,000
Current portion of long-term borrowings	366,724	2,816,726
Lease liabilities	236,828	364,678
Accounts payable - other	1,182,045	1,617,343
Income taxes payable	984,694	1,052,359
Contract liabilities	619,554	559,671
Provision for bonuses	955,310	847,468
Provision for merchandise warranties	9,024	9,282
Provision for point card certificates	101,636	106,678
Asset retirement obligations	-	3,284
Other	296,924	474,171
Total current liabilities	18,026,525	29,785,075
Non-current liabilities		
Bonds payable	140,000	104,000
Long-term borrowings	3,113,170	463,150
Lease liabilities	54,929	191,040
Provision for retirement benefits for directors (and other officers)	23,598	23,598
Provision for merchandise warranties	558	604
Provision for point card certificates	127,681	150,769
Retirement benefit liability	116,737	121,407
Asset retirement obligations	763,616	829,724
Contract liabilities	69,921	89,857
Other	69,629	96,524
Total non-current liabilities	4,479,842	2,070,677
Total liabilities	22,506,367	31,855,752

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,803,780	1,803,780
Capital surplus	1,909,872	1,909,872
Retained earnings	19,854,230	21,607,827
Treasury shares	△80,494	△80,681
Total shareholders' equity	23,487,388	25,240,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,720	50,339
Foreign currency translation adjustment	414,662	759,473
Total accumulated other comprehensive income	445,383	809,812
Non-controlling interests	314,338	348,152
Total net assets	24,247,110	26,398,762
Total liabilities and net assets	46,753,478	58,254,515

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Second quarter consolidated cumulative period)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	39,220,447	52,764,117
Cost of sales	29,409,969	39,472,694
Gross profit	9,810,478	13,291,422
Selling, general and administrative expenses	8,066,196	10,080,807
Operating profit	1,744,282	3,210,615
Non-operating income		
Interest income	636	8,045
Dividend income	10,784	11,510
Foreign exchange gains	93,693	53,861
Commission income	3,322	2,284
Insurance claim income	1,086	3,907
Compensation income	58,997	—
Other	15,752	22,185
Total non-operating income	184,273	101,794
Non-operating expenses		
Interest expenses	25,947	32,046
Rent expenses on store (construct in progress)	183,349	4,610
Other	9,873	4,687
Total non-operating expenses	219,171	41,345
Ordinary profit	1,709,384	3,271,064
Extraordinary income		
Gain on sale of non-current assets	—	823
Subsidy income	6,993	—
Total extraordinary income	6,993	823
Extraordinary losses		
Loss on retirement of non-current assets	3,004	26,454
Loss on cancellation of rental contracts	600	542
Impairment losses	52,211	39,643
Loss due to temporary closure	4,185	—
Total extraordinary losses	60,001	66,639
Profit before income taxes	1,656,376	3,205,247
Income taxes	545,801	1,057,131
Profit	1,110,575	2,148,115
Profit attributable to non-controlling interests	18,931	11,046
Profit attributable to owners of parent	1,091,643	2,137,069

(Quarterly Consolidated Statements of Comprehensive Income)
(Second quarter consolidated cumulative period)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,110,575	2,148,115
Other comprehensive income		
Valuation difference on available-for-sale securities	△289	19,618
Foreign currency translation adjustment	429,420	344,810
Total other comprehensive income	429,130	364,428
Comprehensive income	1,539,705	2,512,544
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,554,535	2,478,729
Comprehensive income attributable to non-controlling interests	△14,829	33,814

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,656,376	3,205,247
Depreciation	576,166	769,090
Impairment losses	52,211	39,643
Amortization of goodwill	28,687	39,567
Increase (decrease) in provision for bonuses	△10,338	△111,441
Increase (decrease) in provision for merchandise warranties-OpeCF	△486	302
Increase (decrease) in provision for point card certificates	35,315	26,758
Increase (decrease) in retirement benefit liability	59,500	△48,422
Increase (decrease) in contract liabilities	48,339	△43,903
Interest and dividend income	△11,420	△19,555
Interest expenses	25,947	32,046
Foreign exchange losses (gains)	△16,226	△4,996
Loss (gain) on sale of property, plant and equipment and intangible assets	—	△823
Loss on retirement of property, plant and equipment and intangible assets	3,004	18,852
Decrease (increase) in trade receivables	△154,089	△732,338
Decrease (increase) in inventories	△3,174,398	△6,910,960
Decrease (increase) in accounts receivable - other	153,700	△385,415
Increase (decrease) in trade payables	△104,433	237,793
Increase (decrease) in accrued consumption taxes	△203,863	△8,799
Increase (decrease) in accounts payable - other	△204,941	173,094
Other, net	△304,897	△65,015
Subtotal	△1,545,843	△3,789,271
Interest and dividends received	9,920	19,097
Interest paid	△31,332	△34,342
Income taxes paid	△956,100	△982,410
Income taxes refund	3,092	7,368
Net cash provided by (used in) operating activities	△2,520,264	△4,779,557
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△777,639	△1,028,233
Proceeds from sale of property, plant and equipment and intangible assets	—	823
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△26,131	—
Payments of guarantee deposits	△371,472	△126,221
Proceeds from refund of guarantee deposits	756	20,497
Other, net	△2,622	△5,629
Net cash provided by (used in) investing activities	△1,177,110	△1,138,763

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,080,000	8,359,000
Repayments of long-term borrowings	△684,576	△200,018
Repayments of lease liabilities	△156,876	△174,093
Purchase of treasury shares	—	△187
Redemption of bonds	△36,000	△36,000
Dividends paid	△219,204	△383,674
Net cash provided by (used in) financing activities	3,983,343	7,565,026
Effect of exchange rate change on cash and cash equivalents	416,940	191,628
Net increase (decrease) in cash and cash equivalents	702,909	1,838,333
Cash and cash equivalents at beginning of period	10,738,954	12,283,497
Cash and cash equivalents at end of period	11,441,864	14,121,831