



Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023 [Japanese GAAP]

November 14, 2022

Company name Komehyo Holdings Co., Ltd. Stock exchange listings TOKYO, NAGOYA
 Code number 2780 URL <https://komehyohds.com>
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 Quarterly securities report filing date (as planned) November 14, 2022
 Dividend payable date (as planned) November 28, 2022
 Availability of supplementary briefing material on quarterly financial results : Available
 Schedule of quarterly 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 Second Quarter of the Fiscal Year Ending March 31, 2023
 (April 1, 2022 to September 30, 2022)

(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, 2022	39,220	28.0	1,744	57.0	1,709	51.8	1,091	51.0
Six months ended September 30, 2021	30,635	—	1,110	—	1,125	—	722	—

(Note) Comprehensive income Six months ended Sep 30, 2022 1,539 Million yen (92.2%) Six months ended Sep 30, 2021 801 Million yen (—%)

	basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	99.64	—
Six months ended September 30, 2021	65.98	—

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2022	45,209	22,055	48.1	1,984.22
As of March 31, 2022	39,667	20,700	51.5	1,865.42

(Reference) Equity As of Sep 30, 2022 21,739 Million yen As of March 31, 2022 20,438 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, 2022	—	12.00	—	20.00	32.00
Fiscal year ending March 31, 2023	—	25.00	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	—	—	25.00	50.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023
 (April 1, 2022 to March 31, 2023)

(% 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	82,500	16.0	4,350	17.1	4,350	15.3	2,830	25.3	258.30

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

* Notes

- (1) Changes in significant subsidiaries during the Six months ended September 30, 2022
(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 : 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)	Six months ended September 30, 2022	11,257,000shares	March 31, 2022	11,257,000shares
② Total number of treasury shares at the end of the period	Six months ended September 30, 2022	300,628shares	March 31, 2022	300,628shares
③ Average number of shares during the period:	Six months ended September 30, 2022	10,956,372shares	Six months ended September 30, 2021	10,956,446shares

* 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	9,080,005	9,706,580
Accounts receivable - trade	1,709,180	1,886,563
Inventories	15,308,225	18,813,788
Other	3,356,480	3,655,058
Total current assets	29,453,891	34,061,991
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,415,308	3,403,046
Land	1,646,267	1,646,267
Construction in progress	11,904	123,203
Other, net	685,159	681,651
Total property, plant and equipment	5,758,640	5,854,168
Intangible assets		
Goodwill	444,658	568,288
Leased assets	395,277	407,191
Other	1,026,637	1,306,258
Total intangible assets	1,866,573	2,281,738
Investments and other assets	2,588,182	3,011,698
Total non-current assets	10,213,396	11,147,606
Total assets	39,667,287	45,209,597
Liabilities		
Current liabilities		
Accounts payable - trade	527,778	473,749
Short-term borrowings	8,360,000	13,475,200
Current portion of bonds payable	72,000	78,000
Current portion of long-term borrowings	1,023,299	700,923
Lease liabilities	262,515	292,249
Accounts payable - other	1,212,763	1,043,218
Income taxes payable	1,006,884	599,147
Contract liabilities	507,074	535,265
Provision for bonuses	761,069	752,530
Provision for merchandise warranties	9,456	8,840
Provision for point card certificates	60,616	65,413
Asset retirement obligations	-	6,160
Other	427,528	277,149
Total current liabilities	14,230,986	18,307,846
Non-current liabilities		
Bonds payable	212,000	182,000
Long-term borrowings	3,429,894	3,443,991
Lease liabilities	159,900	143,686
Provision for retirement benefits for directors (and other officers)	23,598	23,598
Provision for merchandise warranties	390	519
Provision for point card certificates	94,577	125,095
Retirement benefit liability	101,967	120,925
Asset retirement obligations	629,910	688,179
Contract liabilities	32,535	52,684
Other	50,740	65,945
Total non-current liabilities	4,735,515	4,846,625
Total liabilities	18,966,501	23,154,472

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
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	17,513,261
Treasury shares	△80,494	△80,494
Total shareholders' equity	20,273,902	21,146,418
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,292	20,002
Foreign currency translation adjustment	144,049	573,469
Total accumulated other comprehensive income	164,341	593,471
Non-controlling interests	262,541	315,235
Total net assets	20,700,786	22,055,125
Total liabilities and net assets	39,667,287	45,209,597

(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, 2021	Six months ended September 30, 2022
Net sales	30,635,132	39,220,447
Cost of sales	22,434,431	29,409,969
Gross profit	8,200,700	9,810,478
Selling, general and administrative expenses	7,089,919	8,066,196
Operating profit	1,110,781	1,744,282
Non-operating income		
Interest income	557	636
Dividend income	13,456	10,784
Foreign exchange gains	18,870	93,693
Commission income	2,838	3,322
Insurance claim income	632	1,086
Compensation income	—	58,997
Other	7,544	15,752
Total non-operating income	43,900	184,273
Non-operating expenses		
Interest expenses	24,716	25,947
Foreign exchange losses	2,185	—
Rent expenses on store(construct in progress)	—	183,349
Other	1,806	9,873
Total non-operating expenses	28,708	219,171
Ordinary profit	1,125,973	1,709,384
Extraordinary income		
Gain on sale of non-current assets	4,908	—
Grant income	12,298	6,993
Total extraordinary income	17,207	6,993
Extraordinary losses		
Loss on retirement of non-current assets	4,462	3,004
Loss on cancellation of rental contracts	—	600
Impairment losses	—	52,211
Loss due to temporary closure	10,771	4,185
Total extraordinary losses	15,234	60,001
Profit before income taxes	1,127,946	1,656,376
Income taxes	394,471	545,801
Profit	733,475	1,110,575
Profit attributable to non-controlling interests	10,576	18,931
Profit attributable to owners of parent	722,898	1,091,643

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

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	733,475	1,110,575
Other comprehensive income		
Valuation difference on available-for-sale securities	1,566	△289
Foreign currency translation adjustment	66,206	429,420
Total other comprehensive income	67,773	429,130
Comprehensive income	801,248	1,539,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	790,490	1,554,535
Comprehensive income attributable to non-controlling interests	10,758	△14,829

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,127,946	1,656,376
Depreciation	457,002	576,166
Impairment losses	—	52,211
Amortization of goodwill	42,966	28,687
Increase (decrease) in provision for bonuses	134,012	△10,338
Increase (decrease) in provision for merchandise warranties-OpeCF	△716	△486
Increase (decrease) in provision for point card certificates	△68,644	35,315
Increase (decrease) in retirement benefit liability	6,617	59,500
Increase (decrease) in contract liabilities	93,906	48,339
Interest and dividend income	△14,014	△11,420
Interest expenses	24,716	25,947
Foreign exchange losses (gains)	△2,561	△16,226
Loss (gain) on sale of property, plant and equipment and intangible assets	△4,908	—
Loss on retirement of property, plant and equipment and intangible assets	3,246	3,004
Decrease (increase) in trade receivables	103,545	△154,089
Decrease (increase) in inventories	△2,411,801	△3,174,398
Decrease (increase) in accounts receivable - other	21,416	153,700
Increase (decrease) in trade payables	15,629	△104,433
Increase (decrease) in accrued consumption taxes	△531,704	△203,863
Increase (decrease) in accounts payable - other	△78,746	△204,941
Other, net	16,825	△304,897
Subtotal	△1,065,265	△1,545,843
Interest and dividends received	13,464	9,920
Interest paid	△24,255	△31,332
Income taxes paid	△428,640	△956,100
Income taxes refund	1,087	3,092
Net cash provided by (used in) operating activities	△1,503,609	△2,520,264
Cash flows from investing activities		
Payments into time deposits	△18,000	—
Proceeds from withdrawal of time deposits	64,002	—
Purchase of property, plant and equipment and intangible assets	△280,046	△777,639
Proceeds from sale of property, plant and equipment and intangible assets	9,636	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△26,131
Payments of guarantee deposits	△66,811	△371,472
Proceeds from refund of guarantee deposits	9,968	756
Other, net	△7,485	△2,622
Net cash provided by (used in) investing activities	△288,735	△1,177,110

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△190,000	5,080,000
Repayments of long-term borrowings	△466,030	△684,576
Repayments of lease liabilities	△132,762	△156,876
Purchase of treasury shares	△110	—
Redemption of bonds	△36,000	△36,000
Dividends paid	△87,625	△219,204
Net cash provided by (used in) financing activities	△912,529	3,983,343
Effect of exchange rate change on cash and cash equivalents	59,793	416,940
Net increase (decrease) in cash and cash equivalents	△2,645,080	702,909
Cash and cash equivalents at beginning of period	11,894,785	10,738,954
Cash and cash equivalents at end of period	9,249,704	11,441,864