

KOMEHYO GROUP

**Earnings Results
Briefing for the First Quarter
of the Fiscal Year Ending
March 31, 2020**

August 13, 2019

KOMEHYO Co., Ltd.

Securities code: 2780

(Second Section, Tokyo and Nagoya Stock Exchanges)

Corporate Planning Department IR strategy group

Phone +81-52-249-5366

FY 2020 1Q Financial Summary

KOMEHYO GROUP

【Performance Highlights】

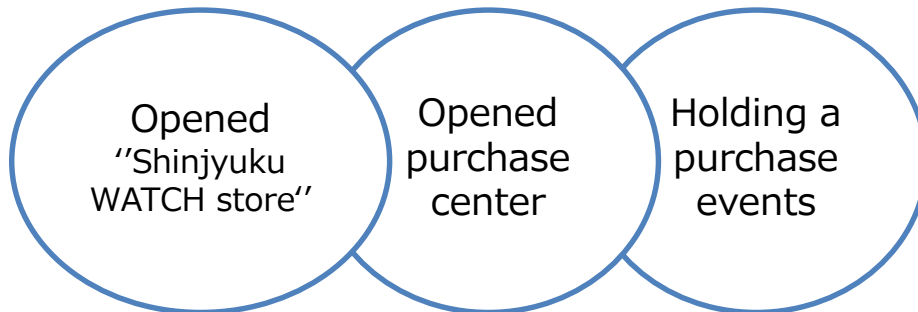
Net Sales (Consolidated)	YoY110.4%
Amount of purchase from individual customers (Non-consolidated)	YoY116.9%

Both are making
good progress

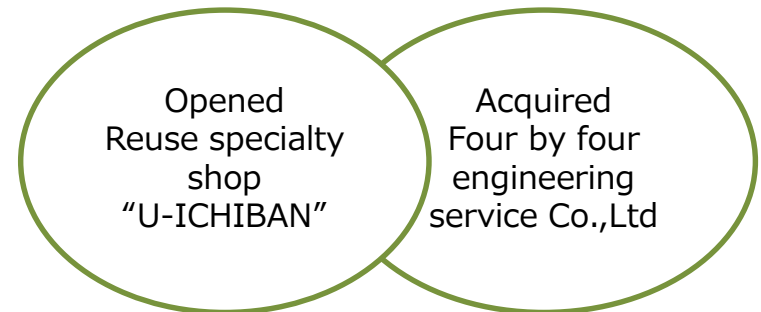
※ reference Full-year consolidated sales plan YoY110.7%

【Business Topics】

Brand · Fashion business



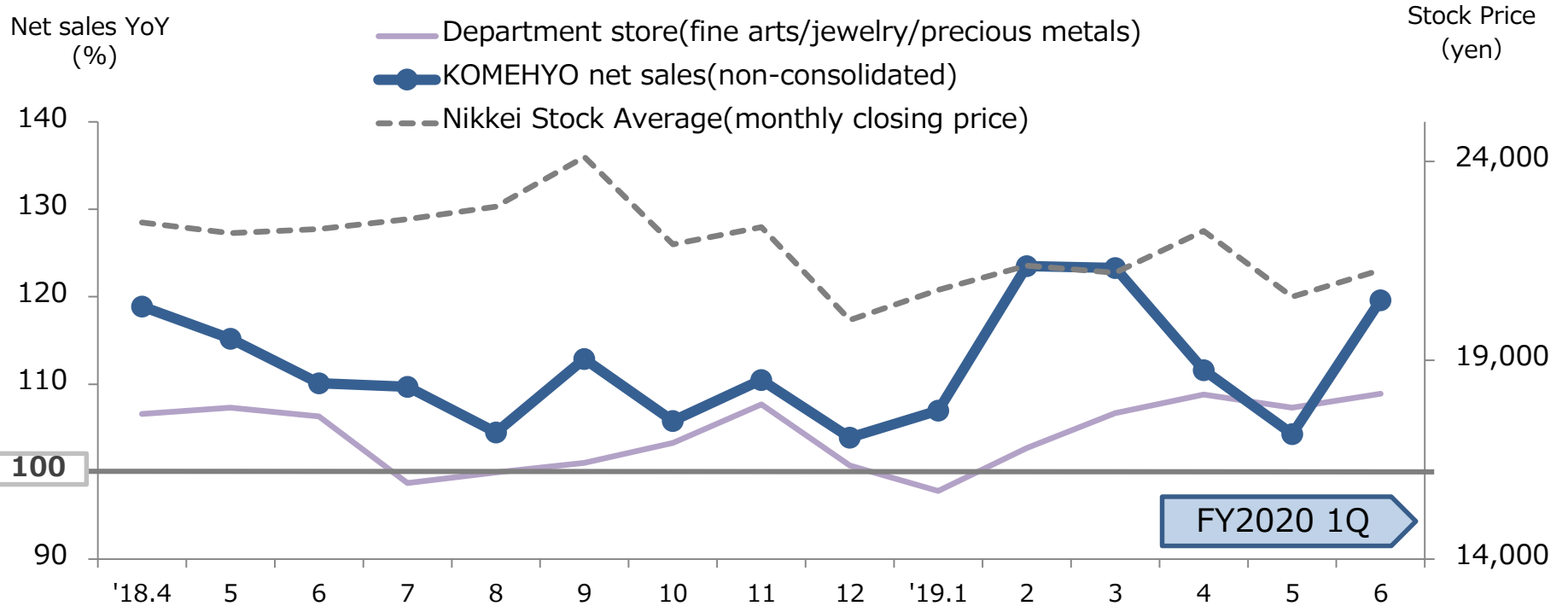
Tire and Wheel business



Economic Trend

KOMEHYO GROUP

The economic environment remains on a moderate recovery



(Source : JAPAN DEPARTMENT STORES ASSOCIATION website)

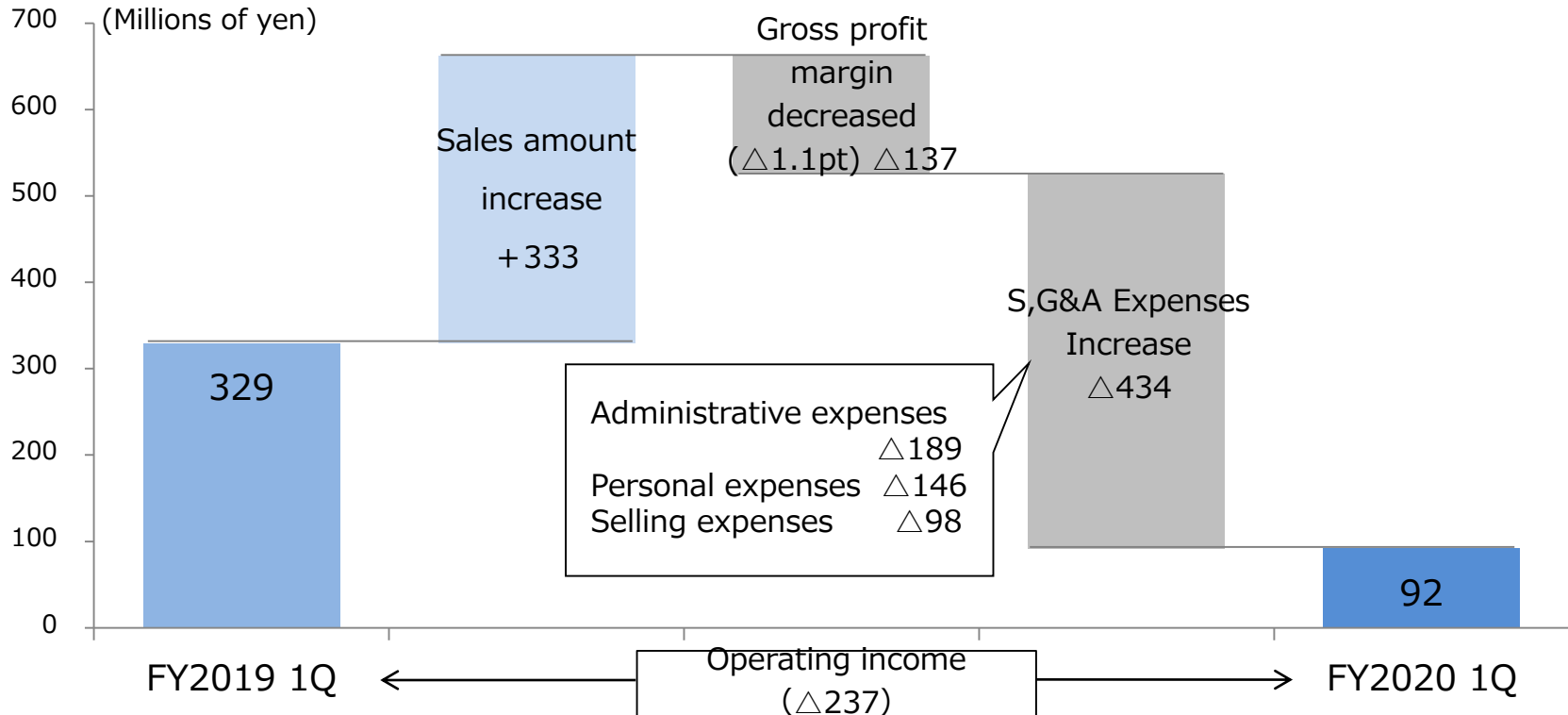
Overview of Income Statement KOMEHYO GROUP

Consolidated (Millions of yen)	FY2018 1Q	FY2019 1Q	FY2020 1Q	Change	YoY
Net sales	9,849	11,271	12,439	+1,167	110.4%
Gross profit	2,940	3,224	3,421	+196	106.1%
Gross profit margin	29.9%	28.6%	27.5%	△1.1pt	—
SG&A expenses	2,767	2,894	3,328	+434	115.0%
Operating income	173	329	92	△237	28.1%
Ordinary income	185	326	81	△244	25.1%
Net income attributable to owners of parent	100	211	49	△161	23.6%

Operating income increase and decrease factor (Consolidated)

KOMEHYO GROUP

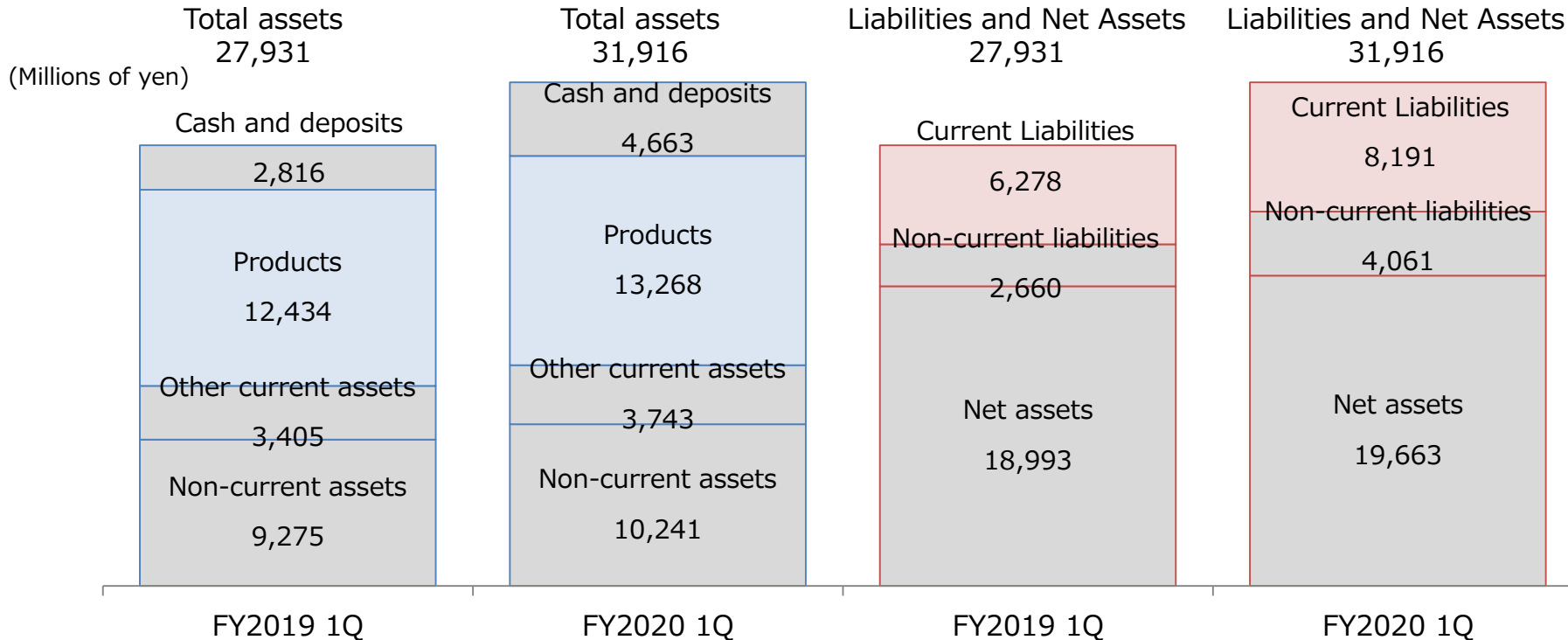
Decrease in operating income
due to increased expenses such as Rent and Personal expenses



Overview of Balance Sheet (Consolidated)

KOMEHYO GROUP

Increase in Total assets by opening new stores and subsidiary Shellman



By Segment

KOMEHYO GROUP

(Millions of yen)		FY2018 1Q	FY2019 1Q	FY2020 1Q	Change	YoY
Brand Fashion	Net sales	8,827	10,374	11,701	1,326	112.8%
	Operating income	157	343	184	△158	53.8%
	Operating margin	1.8%	3.3%	1.6%	△1.7Pt	—
Tire and Wheel	Net sales	997	879	716	△162	81.5%
	Operating income	1	△23	△95	△72	—
	Operating margin	0.1%	△2.7%	△13.4%	△10.7pt	—
Others	Net sales	38	31	24	△7	77.5%
	Operating income	15	10	3	△6	37.6%
	Operating margin	39.4%	32.0%	15.5%	△16.5pt	—

Individual purchases remained strong due to purchase events, etc.

Amount of purchase from individual customers (Millions of yen)	FY2018 1Q	FY2019 1Q	FY2020 1Q	Change	YoY
Purchase center (Includes purchase events)	4,359	4,949	5,818	+868	117.6%
Home delivery Purchasing	210	248	260	+11	104.7%
Total	4,570	5,198	6,078	+880	116.9%



1. KAITORI GO
Establishment of specialized departments, department stores, etc.
Focusing on alliances and events with other companies
2. Open stores specializing in purchasing

【Purchase event at the Komeda Coffee Store Yokohama Eda Store】

Brand · Fashion Events

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Partial amendment of the Secondhand Articles Dealer Act,
we went to "Customer's usual location" to make reuse more accessible.

Main Event Partners	period
Komeda Coffee Store Yokohama Eda store	'19.05.09~05.21
Jaguar Land Rover Tenpaku	'19.05.23~05.25
MOZO Wonder City	'19.05.25~06.09
RAKUDA bookstore honten	'19.06.14~06.30
MARUHIRO department store Kawagoe store	'19.07.17~07.30
TAKASHIMAYA Gate Tower Mall	'19.07.17~08.19



【Purchase event at the RAKUDA bookstore honten】

Brand · Fashion New stores

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Opened a large watch specialty store and purchase specialty store in Kanto area※

【KOMEHYO Shinjuku WATCH store '19.4】



【Purchase center Shinkoiwa-minamiguchi '19.5】



【Purchase center Gakugeidaigaku-nishiguchi '19.7】

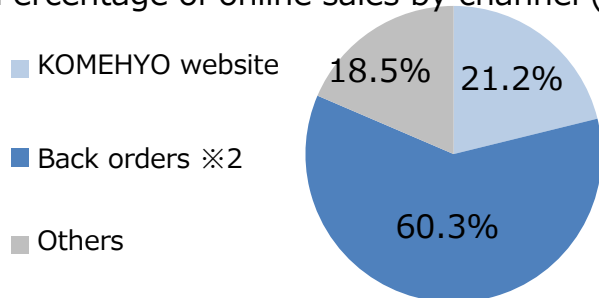


※ Moved the watch section from the Shinjuku store. Convert the old watch section of Shinjuku store to the jewelry section.

Although sales declined,
the number of products sold increased due to increased handling of clothing, etc.

(Millions of yen)	FY2018 1Q	FY2019 1Q	FY2020 1Q	Net sales YoY	No. of products sold YoY
E-commerce-induced sales	1,453	1,866	1,765	94.6%	108.3%
E-commerce-induced sales rate(※1)	24.4%	28.5%	27.3%	—	—

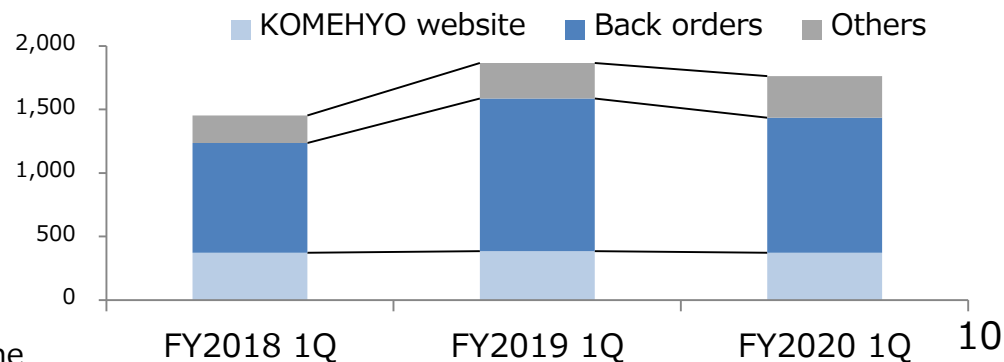
【Percentage of online sales by channel (FY2020 1Q)】



※1 EC Sales as a Percentage of Retail Sales

※2 Customers specify a store to do back orders online

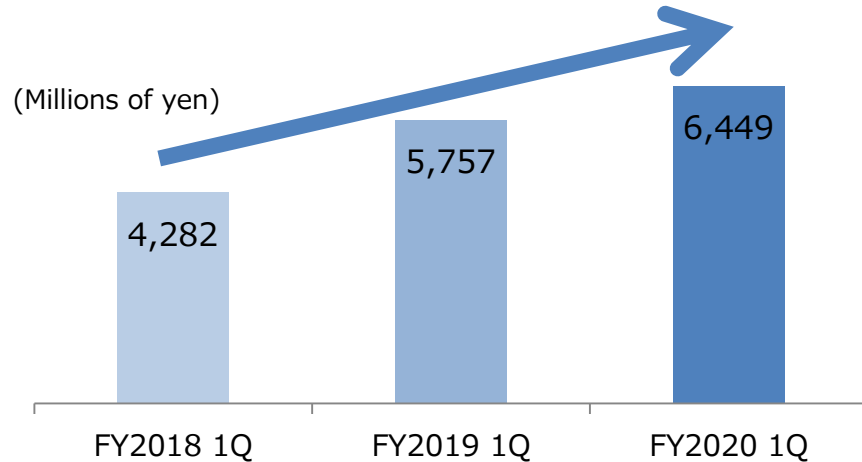
【 Online sales trend by channel 】



Auction Trade volume for domestic corporations is expanding trend

	Trade volume (Millions of yen)	YoY	No. of member companies
FY2020 1Q	6,449	112.0%	965 ※100companies increased this term

【Transition of auction Trade volume for domestic corporations】



【Auctions are held twice a month】



Tire and Wheel New Stores

KOMEHYO GROUP

Opened highly profitable reuse specialty store "U-ICHIBAN"

【Omiya Baipasu store '19.4
Convert from craft】



【Toyohashi store '19.5
Convert from craft】



【Yokkaichi store '19.5
Convert from craft】



【Okazaki store '19.6
New store】



Planned progress rate for the FY 2020 (consolidated)

KOMEHYO GROUP

Net sales have remained steady

Consolidated (Millions of yen)	H1 plan	YoY	1Q Progress rate	FY2020 plan	YoY
Net sales	27,000	115.8%	46.1%	56,400	110.7%
Operating income	458	93.5%	20.2%	1,329	71.4%
Ordinary income	427	85.7%	19.1%	1,261	69.0%
Net income attributable to owners of parent	243	75.6%	20.5%	727	72.0%

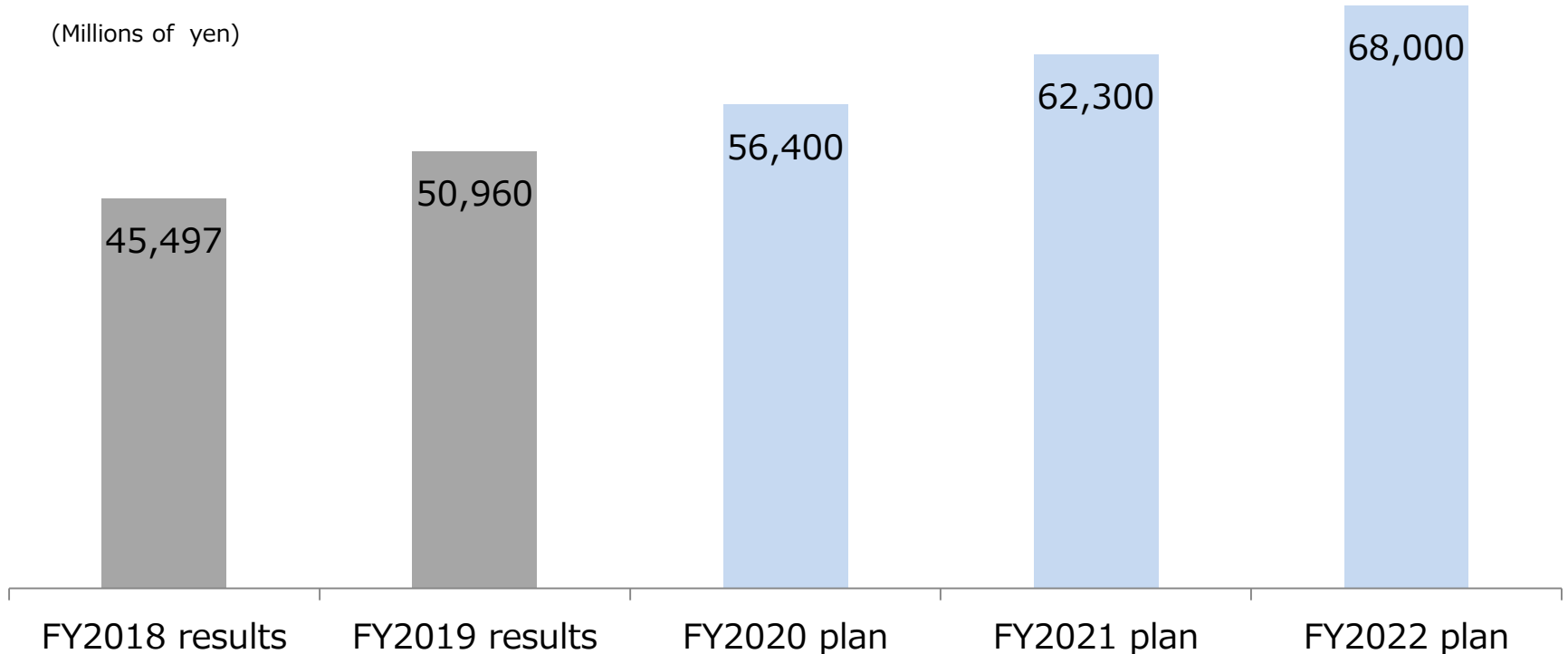
※Profits are expected to decline in the first half and full year due to increased Rents for opening of the Shinjuku WATCH store and Personal expenses associated with business expansion.

Net Sales Plan (Consolidated)

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Generate JPY68 billion on a consolidated in the fiscal year ending March 31, 2022

(Millions of yen)



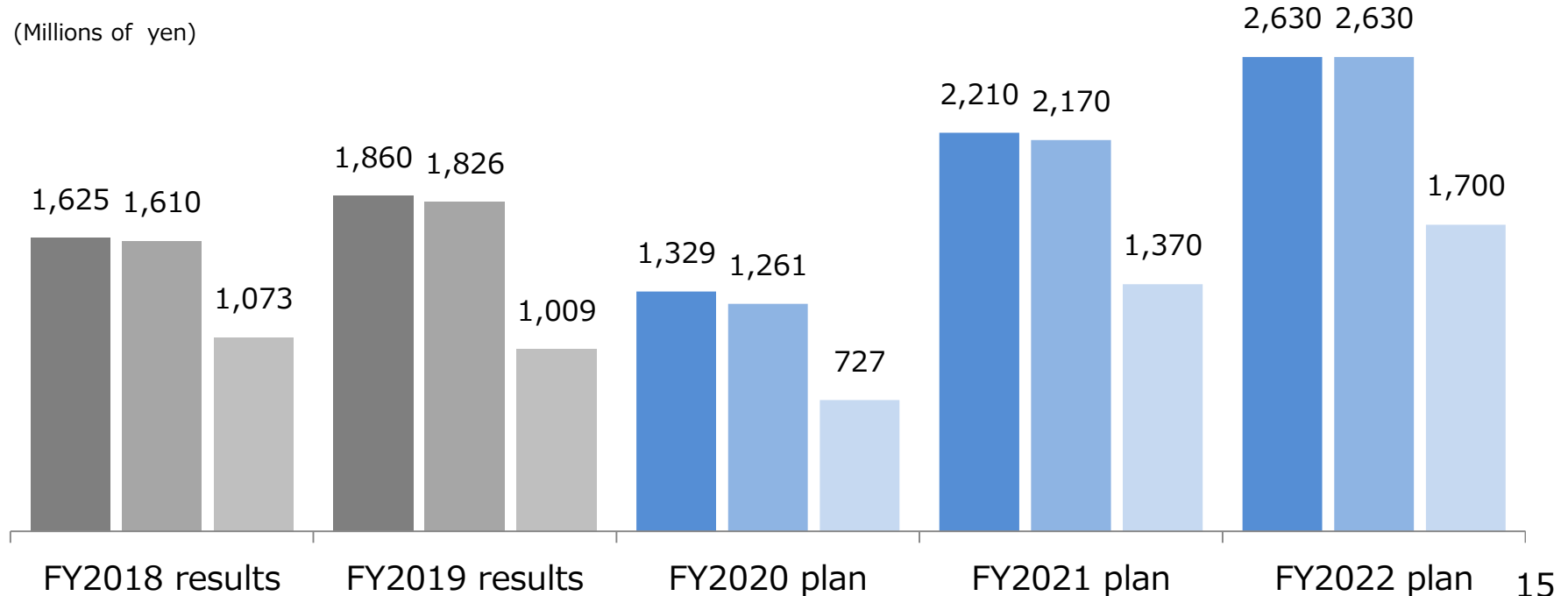
Profit Plan (Consolidated)

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Aim for medium- to long-term growth through strategic investment

■ Operating income ■ Ordinary income ■ Net income attributable to owners of parent

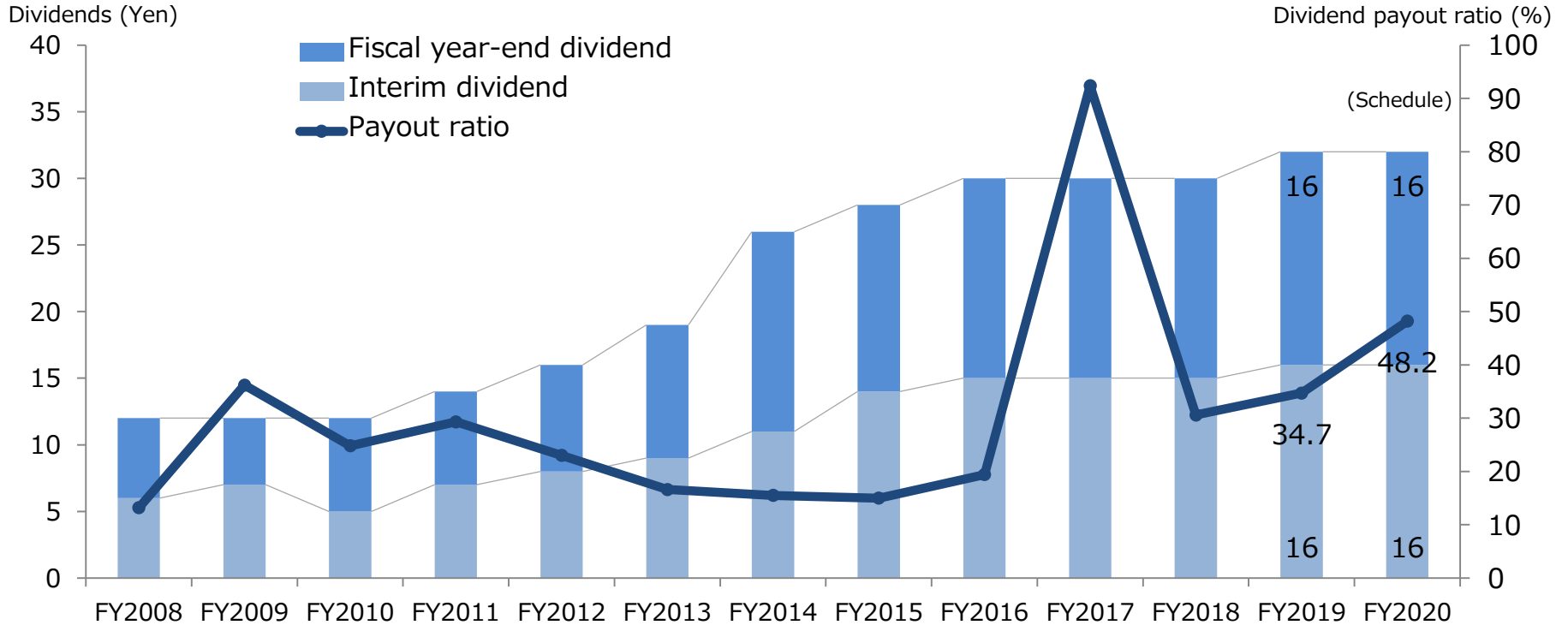
(Millions of yen)



Shareholder return

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Dividend changes



Corporate Profile

KOMEHYO GROUP

Company name	KOMEHYO Co., Ltd.
Established	May 1979
Head Office	3-25-31 Osu, Naka-ku, Nagoya
Representative	President, Representative Director: Takuji Ishihara
Capital	1,803 million yen
No. of employees	Consolidated: 689 (As of March 2019)
Business activities	Buying and selling used and new products including jewelry, precious metals, watches, bags, clothing, kimonos, cameras, and musical instruments, as well as real estate leasing
Fiscal year-end	March
Stock	Second Section, Tokyo and Nagoya Stock Exchanges (Securities code: 2780; Unit: 100 shares)

Store Type

KOMEHYO GROUP



28 stores



Large-scale

Nagoya Store, Meieki Store, Ginza Store, Umeda Store, Shinjuku store (including Shinjuku ANNEX and Shinjuku WATCH store)

Sales/Purchase

Jewelry, precious metals, watches, bags, clothing, etc.

5 stores

Mid-scale

Opening stores in large major cities

Sales/Purchase

3 stores

Small-scale

Opening stores in major cities

Sales/Purchase

8 stores

Purchasing Center

Opening stores in major cities

Purchase only

12 stores



5 stores



**Sale and purchase *
Ladies**
casual clothing,
Bags, small items, etc.



3 stores



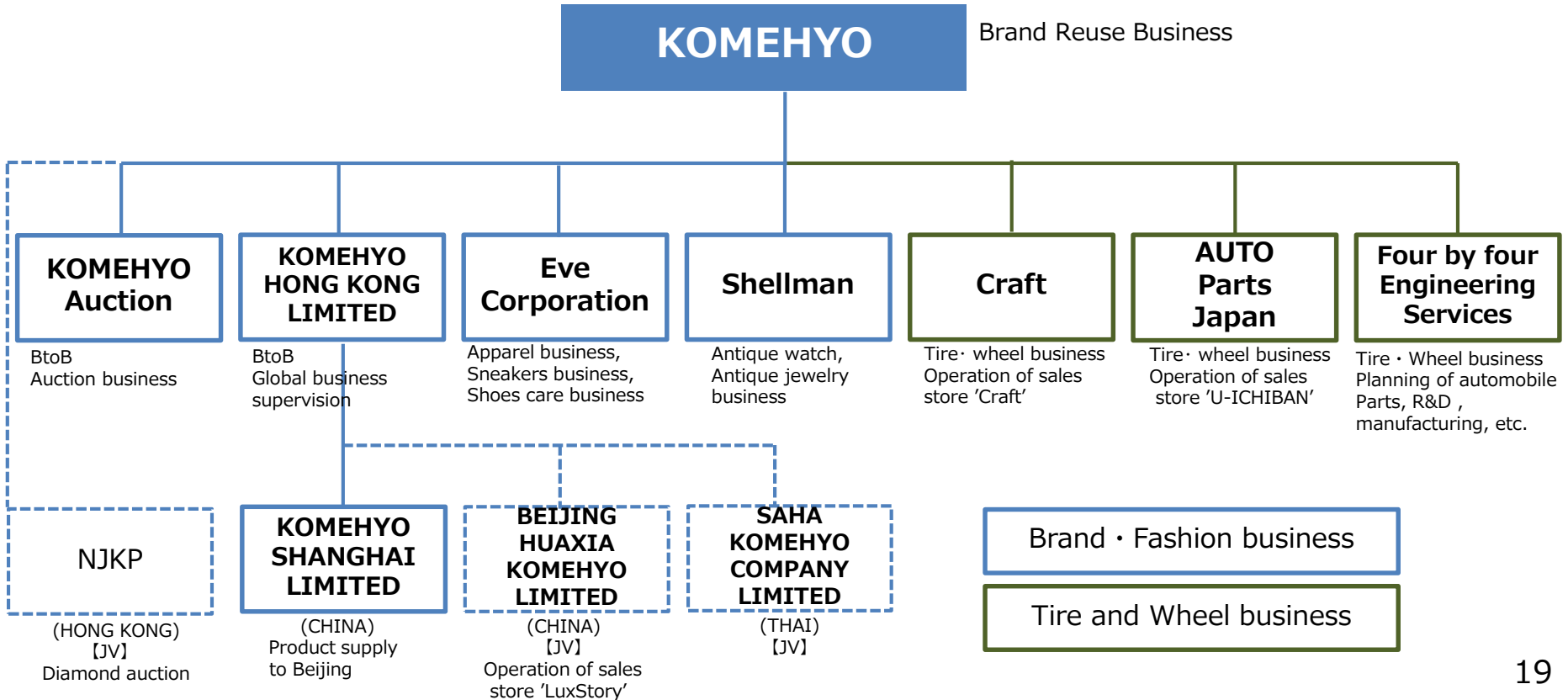
**Sale and purchase *
clothing at a lower
price point**
Bags, small items, etc.

*Some stores only sell

Total 36 stores ('19.6)

Group structure ('19.6)

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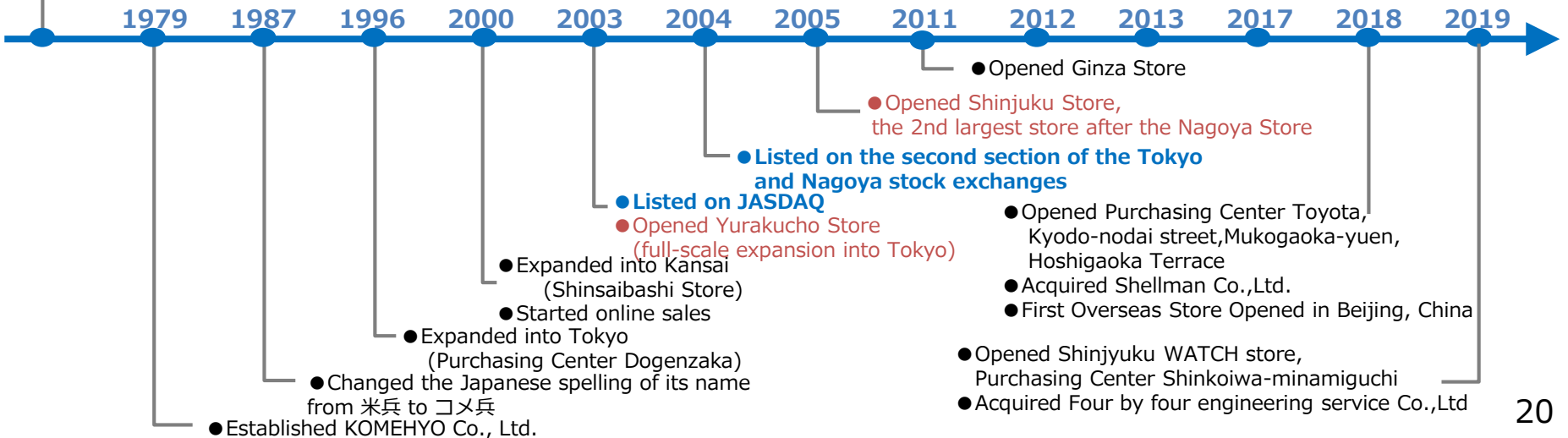


Corporate History

KOMEHYO GROUP



● Opened KOMEHYO Shoten, a 5-tsubo used clothing store, in Osu, Nagoya



Talented person fixation degree KOMEHYO GROUP

Staff turnover remained low , improving the stability of the work force

