



This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements.

Consolidated Financial Report For the Six Months Ended August 31, 2019 (IFRS)

October 9, 2019

Company Name : KOMEDA Holdings Co., Ltd. Stock Exchange Listing : Tokyo and Nagoya
 Securities Code : 3543 URL : <http://www.komeda-holdings.co.jp/index.html>
 Representative : Okitane Usui, President & CEO
 Contact for enquiries Seiji Shintani, Director (TEL) +81-52-936-8880
 Filing date of quarterly security report (as planned) : October 10, 2019
 Dividend payable date (as planned) : November 25, 2019
 Supplemental material of quarterly financial results : Yes
 Convening briefing of quarterly financial results : Yes

(Millions of yen; amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended August 31, 2019

(1) Consolidated Operating Results (Percentages represent year-on-year changes)

	Revenue		Operating profit		Income before income taxes		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Six months ended August 31, 2019	15,328*	3.2*	3,932	6.4	3,874	6.3	2,658	6.3	2,658	6.4	2,651	6.0
August 31, 2018	14,850	14.3	3,695	5.5	3,643	5.8	2,499	6.0	2,499	6.0	2,502	6.6

(Note) Impact of accounting change by the adoption of IFRS16 "Lease"

Revenue was 16,357 million yen (increased by 10.1%, on a YoY basis) under the previous accounting standard.

However, as a result of adopting IFRS16, which is effective March 1, 2019, revenue decreased by 1,029 million yen.

	Basic earnings per share	Diluted earnings per share
Six months ended August 31, 2019	(Yen) 58.25	(Yen) 57.91
August 31, 2018	55.53	54.81

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
As of August 31, 2019	(Millions of yen) 94,986	(Millions of yen) 31,658	(Millions of yen) 31,628	% 33.3
February 28, 2019	66,377	29,478	29,445	44.4

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
Fiscal year ended February 28, 2019	(Yen) —	(Yen) 25.00	(Yen) —	(Yen) 25.00	(Yen) 50.00
Fiscal year ending February 29, 2020	—	25.00			
Fiscal year ending February 29, 2020 (Forecasted)			—	26.00	51.00

(Note) Revision of dividend forecast: None

3. Forecasts on the Consolidated Financial Results for the Fiscal Year Ending February 29, 2020 (March 1, 2019 - February 29, 2020)

(Percentages represent year-on-year changes)

	Revenue		Operating profit		Income before income taxes		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Fiscal year ending February 29, 2020	30,638	1.0	7,869	4.0	7,753	3.9	5,318	4.0	5,313	3.8	116.97

(Notes) Revision of forecasts: No

(1) Changes in status of significant subsidiaries during the period

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

(2) Changes in accounting policies and accounting estimates

- (i) Changes in accounting policies required by IFRSs : Yes
- (ii) Changes in accounting policies other than those in (i) : No
- (iii) Changes in accounting estimates : No

(3) Number of issued shares (common stock)

(i) Number of issued shares (including treasury stock)	As of August 31, 2019	46,033,200	As of February 28, 2019	45,875,100
(ii) Number of treasury stock	As of August 31, 2019	3,057	As of February 28, 2019	452,560
(iii) Average number of issued shares during the period	Six months ended August 31, 2019	45,639,067	Six months ended August 31, 2018	45,007,886

* This report is not subject to quarterly review procedures.

* Notes for using forecasted information and other matters

The forecasts above are based on information available at the date of this report and certain assumptions deemed to be reasonable. The Company does not provide any assurance as to achievement of these forecasts. In addition, the actual results may vary materially from the forecasts due to various uncertainties.

Supplementary materials will be posted on our web site on October 11, 2019

(Appendix)

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Interim Consolidated Financial Statements

(1) Interim Consolidated Statements of Financial Position (Unaudited)

	(Thousands of yen)	
	As of	
	February 28, 2019	August 31, 2019
Assets		
Current assets		
Cash and cash equivalents	5,841,323	5,835,520
Trade and other receivables	3,452,502	6,635,350
Other financial assets	4,113,217	4,124,450
Inventories	175,400	171,847
Other current assets	774,807	393,747
Total current assets	<u>14,357,249</u>	<u>17,160,914</u>
Non-current assets		
Property, plant and equipment	6,745,457	10,164,339
Goodwill	38,353,524	38,353,524
Other intangible assets	53,129	44,235
Trade and other receivables	3,679,348	25,891,353
Other financial assets	2,812,893	2,887,473
Deferred tax assets	158,307	228,262
Other non-current assets	217,474	256,007
Total non-current assets	<u>52,020,132</u>	<u>77,825,193</u>
Total assets	<u>66,377,381</u>	<u>94,986,107</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and payables	1,232,589	1,534,053
Short-term borrowings	3,117,801	3,106,887
Lease liabilities	91,949	2,775,696
Income tax payable	1,319,316	1,216,795
Other financial liabilities	1,654,042	943,764
Other current liabilities	908,495	1,016,398
Total current liabilities	<u>8,324,192</u>	<u>10,593,593</u>
Non-current liabilities		
Long-term debt	20,521,561	18,985,175
Lease liabilities	1,409,704	27,096,094
Other financial liabilities	6,039,638	6,041,396
Provisions	172,397	205,967
Other non-current liabilities	431,949	405,430
Total non-current liabilities	<u>28,575,249</u>	<u>52,734,062</u>
Total liabilities	<u>36,899,441</u>	<u>63,327,655</u>
Equity		
Common stock	562,453	598,081
Capital surplus	13,109,010	13,074,694
Retained earnings	16,754,568	17,975,841
Treasury stock	(973,107)	(8,201)
Other components of equity	(8,096)	(12,587)
Equity attributable to owners of the parent	<u>29,444,828</u>	<u>31,627,828</u>
Non-controlling interests	33,112	30,624
Total equity	<u>29,477,940</u>	<u>31,658,452</u>
Total liabilities and equity	<u>66,377,381</u>	<u>94,986,107</u>

(2) Interim Consolidated Statements of Income (Unaudited)

	(Thousands of yen)	
	Six months ended August 31,	
	2018	2019
Revenue	14,850,163	15,327,921
Cost of sales	(9,211,534)	(9,378,939)
Gross profit	5,638,629	5,948,982
Other operating income	43,814	115,472
Selling, general and administrative expenses	(1,979,645)	(2,107,623)
Other operating expenses	(7,992)	(25,031)
Operating profit	3,694,806	3,931,800
Financial income	17,214	16,094
Financial expense	(68,648)	(73,558)
Income before income taxes	3,643,372	3,874,336
Income taxes	(1,144,019)	(1,216,542)
Net income	2,499,353	2,657,794
Net income attributable to:		
Owners of the parent	2,499,353	2,658,346
Non-controlling interests	—	(552)
Net income	2,499,353	2,657,794
Interim earnings per share		
Basic (Yen)	55.53	58.25
Diluted (Yen)	54.81	57.91

(3) Interim Consolidated Statements of Cash Flows (Unaudited)

	(Thousands of yen)	
	Six months ended August 31,	
	2018	2019
Cash flows from operating activities		
Income before income taxes	3,643,372	3,874,336
Depreciation and amortization	289,620	543,032
Financial income	(17,214)	(16,094)
Financial expense	68,648	73,558
Decrease (increase) in trade and other receivables	(456,385)	(24,080)
Decrease (increase) in guarantee deposits and construction assistance fund receivables	(94,696)	(59,756)
Decrease (increase) in other financial assets	17,018	(10,905)
Increase (decrease) in trade payables	196,756	302,461
Increase (decrease) in guarantee deposits received and construction assistance fund received	183,360	(35,675)
Increase (decrease) in other financial liabilities	(288,331)	(67,574)
Others	25,294	(24,156)
Subtotal	3,567,442	4,555,147
Interest received	1,359	2,758
Interest paid	(32,371)	(31,758)
Income taxes paid	(1,055,680)	(1,287,556)
Income taxes refunded	424,377	488,696
Net cash provided by operating activities	2,905,127	3,727,287
Cash flows from investing activities		
Purchase of property, plant and equipment	(770,275)	(654,205)
Purchase of intangible assets	(9,455)	(2,245)
Acquisition of a subsidiary	(42,011)	—
Others	315	(1,692)
Net cash used in investing activities	(821,426)	(658,142)
Cash flows from financing activities		
Proceeds from long-term debt	2,500,000	—
Repayment of long-term debt	(1,243,992)	(1,562,428)
Repayments of lease obligations	(31,347)	(1,330,656)
Proceeds from issuance of common stock	177,158	62,099
Purchase of treasury stock	(1,000,076)	—
Proceeds from disposal of treasury stock	—	897,840
Cash dividends paid to owners of the parent	(1,126,039)	(1,129,569)
Net cash used in financing activities	(724,296)	(3,062,714)
Effect of exchange rate changes on cash and cash equivalents	6,606	(12,234)
Net increase (decrease) in cash and cash equivalents	1,366,011	(5,803)
Cash and cash equivalents at beginning of period	5,429,765	5,841,323
Cash and cash equivalents at end of period	6,795,776	5,835,520