



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, 2017 (IFRS)

October 11, 2017

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, Corporate Officer (TEL) +81-52-936-8880
 Filing date of quarterly security report (as planned) : October 12, 2017
 Dividend payable date (as planned) : November 27, 2017
 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, 2017

(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, 2017	12,988	12.4	3,502	2.3	3,443	4.9	2,358	7.2	2,358	7.2	2,347	6.7
August 31, 2016	11,558	9.7	3,423	4.9	3,283	3.2	2,199	7.9	2,199	7.9	2,199	7.7

	Basic earnings per share	Diluted earnings per share
Six months ended August 31, 2017	(Yen) 53.15	(Yen) 51.75
August 31, 2016	50.20	48.60

The Company conducted a 150-for-1 share split of the common stock on April 20, 2016. Accordingly, the basic earnings per share and diluted earnings per share are calculated assuming that the share split came into effect at the beginning of the fiscal year ended February 28, 2016

(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, 2017	(Millions of yen) 61,508	(Millions of yen) 25,728	(Millions of yen) 25,728	% 41.8
February 28, 2017	60,981	24,225	24,225	39.7

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
Fiscal year ended February 28, 2017	(Yen) —	(Yen) 25.00	(Yen) —	(Yen) 25.00	(Yen) 50.00
Fiscal year ending February 28, 2018	—	25.00			
Fiscal year ending February 28, 2018 (Forecasted)			—	25.00	50.00

(Note) Revision of dividend forecast: None

3. Forecasts on the Consolidated Financial Results for the Fiscal Year Ending February 28, 2018 (March 1, 2017 - February 28, 2018)

(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 28, 2018	26,047	8.3	7,243	5.2	7,119	6.8	4,876	8.2	4,876	8.2	110.30

* Notes

Revision of forecasts on the dividends: 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)

(ii) Number of treasury stock

(iii) Average number of issued shares during the period

As of August 31, 2017	44,811,600	As of February 28, 2017	44,206,050
As of August 31, 2017	-	As of February 28, 2017	-
Six months ended August 31, 2017	44,370,696	Six months ended August 31, 2016	43,815,342

* Notes

The Company conducted a 150-for-1 share split of the common stock on April 20, 2016. Accordingly, the number of issued share (common stock) is calculated assuming that the share split came into effect at the beginning of the fiscal year ended February 28, 2016

*** 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.

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Condensed Interim Consolidated Financial Statements

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

	(Thousands of yen)	
	As of	
	February 28, 2017	August 31, 2017
Assets		
Current assets		
Cash and cash equivalents	7,243,860	7,815,975
Trade and other receivables	3,043,706	3,278,716
Other financial assets	369,773	270,170
Inventories	211,577	221,575
Other current assets	579,912	309,057
Total current assets	<u>11,448,828</u>	<u>11,895,493</u>
Non-current assets		
Property, plant and equipment	5,343,165	5,271,509
Goodwill	38,312,892	38,312,892
Other intangible assets	63,002	55,688
Trade and other receivables	3,296,714	3,350,947
Other financial assets	2,189,983	2,293,202
Deferred tax assets	115,638	120,991
Other non-current assets	211,259	206,945
Total non-current assets	<u>49,532,653</u>	<u>49,612,174</u>
Total assets	<u><u>60,981,481</u></u>	<u><u>61,507,667</u></u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	975,494	1,161,545
Short-term borrowings	1,797,497	1,897,294
Income tax payable	1,025,887	1,172,677
Other financial liabilities	1,349,213	848,552
Other current liabilities	1,199,041	986,872
Total current liabilities	<u>6,347,132</u>	<u>6,066,940</u>
Non-current liabilities		
Long-term debt	23,372,957	22,393,170
Other financial liabilities	6,520,617	6,820,953
Deferred tax liabilities	28,622	2,387
Provisions	77,528	77,930
Other non-current liabilities	410,030	418,238
Total non-current liabilities	<u>30,409,754</u>	<u>29,712,678</u>
Total liabilities	36,756,886	35,779,618
Equity		
Common stock	177,558	320,343
Capital surplus	12,823,350	12,941,960
Retained earnings	11,213,808	12,466,892
Other components of equity	9,879	(1,146)
Equity attributable to owners of the parent	<u>24,224,595</u>	<u>25,728,049</u>
Total equity	<u>24,224,595</u>	<u>25,728,049</u>
Total liabilities and equity	<u><u>60,981,481</u></u>	<u><u>61,507,667</u></u>

(2) Condensed Interim Consolidated Statements of Income (Unaudited)

	(Thousands of yen)	
	Six months ended August 31,	
	2016	2017
Revenue	11,557,930	12,987,652
Cost of sales	(6,664,200)	(7,732,247)
Gross profit	4,893,730	5,255,405
Other operating income	12,026	25,482
Selling, general and administrative expenses	(1,379,103)	(1,760,211)
Other operating expenses	(103,293)	(18,469)
Operating profit	3,423,360	3,502,207
Interest income	9,055	15,040
Interest expense	(149,142)	(74,065)
Income before income taxes	3,283,273	3,443,182
Income taxes	(1,083,809)	(1,084,947)
Net income	2,199,464	2,358,235
Net income attributable to:		
Owners of the parent	2,199,464	2,358,235
Net income	2,199,464	2,358,235
Interim earnings per share		
Basic (Yen)	50.20	53.15
Diluted (Yen)	48.60	51.75

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

	(Thousands of yen)	
	Six months ended August 31,	
	2016	2017
Cash flows from operating activities		
Income before income taxes	3,283,273	3,443,182
Depreciation and amortization	205,751	231,877
Interest income	(9,055)	(15,040)
Interest expense	149,142	74,065
Decrease (increase) in trade and other receivables	38,129	(178,132)
Decrease (increase) in guarantee deposits and construction assistance fund receivables	(113,265)	(114,599)
Decrease (increase) in other financial assets	(65,665)	(41,642)
Increase (decrease) in trade payables	(11,378)	186,051
Increase (decrease) in guarantee deposits received and construction assistance fund received	346,758	234,588
Increase (decrease) in other financial liabilities	(20,490)	(469,508)
Others	125,661	(236,443)
Subtotal	3,929,050	3,114,700
Interest received	453	1,281
Interest paid	(77,800)	(30,776)
Income taxes paid	(1,112,134)	(1,013,998)
Income taxes refunded	—	358,653
Net cash provided by operating activities	2,739,569	2,429,860
Cash flows from investing activities		
Purchase of property, plant and equipment	(406,444)	(217,432)
Proceeds from sales of property, plant and equipment	504	102
Purchase of intangible assets	(11,177)	(7,010)
Proceeds from redemption of securities	144,292	150,475
Collection of loans receivable	1,148	1,201
Net cash used in investing activities	(271,677)	(72,664)
Cash flows from financing activities		
Repayment of long-term debt	(900,000)	(900,000)
Repayments of lease obligations	(23,715)	(28,415)
Proceeds from issuance of common stock	17,785	249,353
Cash dividends paid to owners of the parent	—	(1,102,371)
Net cash used in financing activities	(905,930)	(1,781,433)
Effect of exchange rate changes on cash and cash equivalents	(32,994)	(3,648)
Net increase (decrease) in cash and cash equivalents	1,528,968	572,115
Cash and cash equivalents at beginning of period	4,488,716	7,243,860
Cash and cash equivalents at end of period	6,017,684	7,815,975