

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) Revisions to 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

Revisions to forecasts: None

- (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 November 30, 2017	45,079,500	As of February 28, 2017	44,206,050
(ii) Number of treasury stock	As of November 30, 2017	-	As of February 28, 2017	-
(iii) Average number of issued shares during the period	Nine months ended November 30, 2017	44,562,840	Nine months ended November 30, 2016	43,870,545

* 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, 2017

*** 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.

* Method of obtaining supplemental materials

Supplementary results materials will be published on the website of KOMEDA Holdings Co., Ltd. on January 10, 2018.

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Condensed Interim Consolidated Financial Statements

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

	As of	
	February 28, 2017	November 30, 2017
(Thousands of yen)		
Assets		
Current assets		
Cash and cash equivalents	7,243,860	7,433,691
Trade and other receivables	3,043,706	2,866,686
Other financial assets	369,773	249,210
Inventories	211,577	238,739
Other current assets	579,912	269,436
Total current assets	<u>11,448,828</u>	<u>11,057,762</u>
Non-current assets		
Property, plant and equipment	5,343,165	5,256,936
Goodwill	38,312,892	38,312,892
Other intangible assets	63,002	50,564
Trade and other receivables	3,296,714	3,404,043
Other financial assets	2,189,983	2,324,201
Deferred tax assets	115,638	84,650
Other non-current assets	211,259	203,073
Total non-current assets	<u>49,532,653</u>	<u>49,636,359</u>
Total assets	<u>60,981,481</u>	<u>60,694,121</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	975,494	969,150
Short-term borrowings	1,797,497	1,947,214
Income tax payable	1,025,887	524,830
Other financial liabilities	1,349,213	1,002,887
Other current liabilities	1,199,041	867,629
Total current liabilities	<u>6,347,132</u>	<u>5,311,710</u>
Non-current liabilities		
Long-term debt	23,372,957	21,821,328
Other financial liabilities	6,520,617	6,994,596
Deferred tax liabilities	28,622	96,844
Provisions	77,528	79,932
Other non-current liabilities	410,030	423,810
Total non-current liabilities	<u>30,409,754</u>	<u>29,416,510</u>
Total liabilities	36,756,886	34,728,220
Equity		
Common stock	177,558	380,412
Capital surplus	12,823,350	12,989,903
Retained earnings	11,213,808	12,590,330
Other components of equity	9,879	5,256
Equity attributable to owners of the parent	<u>24,224,595</u>	<u>25,965,901</u>
Total equity	<u>24,224,595</u>	<u>25,965,901</u>
Total liabilities and equity	<u>60,981,481</u>	<u>60,694,121</u>

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

	(Thousands of yen)	
	Nine months ended November 30,	
	2016	2017
Revenue	17,637,128	19,079,767
Cost of sales	(10,257,151)	(11,355,098)
Gross profit	7,379,977	7,724,669
Other operating income	24,514	39,958
Selling, general and administrative expenses	(2,101,980)	(2,418,347)
Other operating expenses	(106,109)	(29,601)
Operating profit	5,196,402	5,316,679
Interest income	13,430	20,272
Interest expense	(188,952)	(105,341)
Income before income taxes	5,020,880	5,231,610
Income taxes	(1,656,891)	(1,629,647)
Net income	3,363,989	3,601,963
Net income attributable to:		
Owners of the parent	3,363,989	3,601,963
Net income	3,363,989	3,601,963
Interim earnings per share		
Basic (Yen)	76.68	80.83
Diluted (Yen)	74.30	78.90

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

	(Thousands of yen)	
	Nine months ended November 30,	
	2016	2017
Cash flows from operating activities		
Income before income taxes	5,020,880	5,231,610
Depreciation and amortization	315,697	347,763
Financial income	(13,430)	(20,272)
Financial expense	188,952	105,341
Decrease (increase) in trade and other receivables	356,478	203,025
Decrease (increase) in guarantee deposits and construction assistance fund receivables	(246,084)	(134,357)
Decrease (increase) in other financial assets	(58,211)	(20,495)
Increase (decrease) in trade payables	24,772	(6,344)
Increase (decrease) in guarantee deposits received and construction assistance fund received	531,395	404,449
Increase (decrease) in other financial liabilities	(14,898)	(421,574)
Others	199,103	(402,129)
Subtotal	6,304,654	5,287,017
Interest received	529	2,017
Interest paid	(93,718)	(45,647)
Income taxes paid	(2,217,739)	(2,068,538)
Income taxes refunded	—	358,652
Net cash provided by operating activities	3,993,726	3,533,501
Cash flows from investing activities		
Payments into time deposits	(351,215)	—
Purchase of property, plant and equipment	(578,139)	(348,050)
Proceeds from sales of property, plant and equipment	846	122
Payments for retirement of property, plant and equipment	—	(400)
Purchase of intangible assets	(15,627)	(7,010)
Proceeds from redemption of securities	154,980	150,475
Collection of loans receivable	1,732	1,812
Net cash used in investing activities	(787,423)	(203,051)
Cash flows from financing activities		
Repayments of long-term debt	(1,350,000)	(1,350,000)
Repayments of lease obligations	(36,249)	(57,457)
Proceeds from issuance of common stock	80,160	353,912
Cash dividends paid to owners of the parent	(995,864)	(2,086,264)
Net cash used in financing activities	(2,301,953)	(3,139,809)
Effect of exchange rate changes on cash and cash equivalents	(33,200)	(810)
Net increase (decrease) in cash and cash equivalents	871,150	189,831
Cash and cash equivalents at beginning of period	4,488,716	7,243,860
Cash and cash equivalents at end of period	5,359,866	7,433,691