



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 Three-month Period Ended May 31, 2018 (IFRS)

July 11, 2018

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) :	July 12, 2018	Dividend payable date (as planned) :	—
Supplemental material of quarterly financial results :	Yes		
Convening briefing of quarterly financial results :	No		

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

1. Consolidated Financial Results for the Three Months Ended May 31, 2018

(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)	%
Three months ended												
May 31, 2018	6,974	8.8	1,839	2.2	1,812	2.3	1,243	2.5	1,243	2.5	1,244	3.4
May 31, 2017	6,412	14.5	1,800	6.6	1,771	9.0	1,213	12.1	1,213	12.1	1,203	11.2

	Basic earnings per share	Diluted earnings per share
Three months ended	(Yen)	(Yen)
May 31, 2018	27.58	27.17
May 31, 2017	27.44	26.66

(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	(Millions of yen)	(Millions of yen)	(Millions of yen)	%
May 31, 2018	63,804	26,695	26,695	41.8
February 28, 2018	62,831	27,295	27,295	43.4

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
Fiscal year ended February 28, 2018	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ending February 28, 2019		25.00		25.00	50.00
Fiscal year ending February 28, 2019 (Forecasted)		25.00		25.00	50.00

(Note) Revision of dividend forecast: No

3. Forecasts on the Consolidated Financial Results for the Fiscal Year Ending February 28, 2019 (March 1, 2018 - February 28, 2019)

(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, 2019	30,301	16.6	7,565	5.0	7,437	5.0	5,103	4.1	5,103	4.1	113.10

(Note) Revision of forecast: No

* Notes

(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 May 31, 2018	45,253,200	As of February 28, 2018	45,122,550
(ii) Number of treasury stock	As of May 31, 2018	359,900	As of February 28, 2018	-
(iii) Average number of issued shares during the period	Three months ended May 31, 2018	45,069,821	Three months ended May 31, 2017	44,211,375

*** 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 July 11, 2018.

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Interim Consolidated Financial Statements

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

	(Thousands of yen)	
	As of	
	February 28, 2018	May 31, 2018
Assets		
Current assets		
Cash and cash equivalents	5,429,765	5,340,613
Trade and other receivables	3,337,856	3,397,639
Other financial assets	3,125,797	3,330,868
Inventories	175,764	168,571
Other current assets	697,504	755,870
Total current assets	<u>12,766,686</u>	<u>12,993,561</u>
Non-current assets		
Property, plant and equipment	5,495,667	6,078,933
Goodwill	38,312,892	38,353,524
Other intangible assets	51,118	53,153
Trade and other receivables	3,520,829	3,414,626
Other financial assets	2,388,044	2,616,950
Deferred tax assets	93,290	89,058
Other non-current assets	202,126	204,120
Total non-current assets	<u>50,063,966</u>	<u>50,810,364</u>
Total assets	<u>62,830,652</u>	<u>63,803,925</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	1,136,442	1,024,626
Short-term borrowings	1,997,198	2,846,508
Income tax payable	1,103,797	518,335
Other financial liabilities	1,385,368	1,123,062
Other current liabilities	914,472	905,197
Total current liabilities	<u>6,537,277</u>	<u>6,417,728</u>
Non-current liabilities		
Long-term debt	21,330,458	22,939,070
Other financial liabilities	7,130,208	7,134,727
Deferred tax liabilities	25,577	69,651
Provisions	80,133	115,674
Other non-current liabilities	432,287	431,722
Total non-current liabilities	<u>28,998,663</u>	<u>30,690,844</u>
Total liabilities	35,535,940	37,108,572
Equity		
Common stock	391,500	423,246
Capital surplus	13,001,815	13,029,181
Retained earnings	13,893,007	14,008,149
Treasury stock	-	(774,093)
Other components of equity	8,390	8,870
Equity attributable to owners of the parent	<u>27,294,712</u>	<u>26,695,353</u>
Total equity	<u>27,294,712</u>	<u>26,695,353</u>
Total liabilities and equity	<u>62,830,652</u>	<u>63,803,925</u>

(2) Interim Consolidated Statements of Income (Unaudited)

	(Thousands of yen)	
	For the three months ended May 31,	
	2017	2018
Revenue	6,412,039	6,974,038
Cost of sales	(3,782,772)	(4,238,677)
Gross profit	2,629,267	2,735,361
Other operating income	5,318	35,614
Selling, general and administrative expenses	(832,180)	(930,332)
Other operating expenses	(2,796)	(1,487)
Operating profit	1,799,609	1,839,156
Interest income	9,553	7,589
Interest expense	(38,169)	(34,492)
Income before income taxes	1,770,993	1,812,253
Income taxes	(558,040)	(569,047)
Net income	1,212,953	1,243,206
Net income attributable to:		
Owners of the parent	1,212,953	1,243,206
Net income	1,212,953	1,243,206
Interim earnings per share		
Basic (Yen)	27.44	27.58
Diluted (Yen)	26.66	27.17

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

	(Thousands of yen)	
	For the three months ended May 31,	
	2017	2018
Cash flows from operating activities		
Income before income taxes	1,770,993	1,812,253
Depreciation and amortization	115,528	138,640
Interest income	(9,553)	(7,589)
Interest expense	38,169	34,492
Decrease (increase) in trade and other receivables	(10,052)	90,986
Decrease (increase) in guarantee deposits and construction assistance fund receivables	(88,947)	(36,656)
Decrease (increase) in other financial assets	(31,594)	(202,331)
Increase (decrease) in trade payables	4,966	(141,548)
Increase (decrease) in guarantee deposits received and construction assistance fund received	134,109	44,584
Increase (decrease) in other financial liabilities	(302,890)	(351,015)
Other	(414,464)	(102,200)
Subtotal	1,206,466	1,279,616
Interest income	623	1,042
Interest paid	(15,507)	(16,273)
Income taxes paid	(1,013,638)	(1,078,812)
Net cash provided by operating activities	177,944	185,573
Cash flows from investing activities		
Purchase of property, plant and equipment	(113,472)	(357,251)
Purchase of intangible assets	(6,450)	(6,785)
Proceeds from redemption of securities	111,346	-
Acquisition of a subsidiary	-	(42,011)
Others	597	228
Net cash used in investing activities	(7,979)	(405,819)
Cash flows from financing activities		
Proceeds from long-term debt	-	2,500,000
Repayment of long-term debt	(450,000)	(544,490)
Repayments of lease obligations	(14,008)	(15,284)
Proceeds from issuance of common stock	4,810	55,659
Purchase of treasury stock	-	(774,093)
Dividends paid to owners of the parent	(967,551)	(1,092,414)
Net cash (used in) provided by financing activities	(1,426,749)	129,378
Effect of exchange rate changes on cash and cash equivalents	(2,731)	1,716
Net increase (decrease) in cash and cash equivalents	(1,259,515)	(89,152)
Cash and cash equivalents at the beginning of period	7,243,860	5,429,765
Cash and cash equivalents at the end of period	5,984,345	5,340,613