



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 Nine Months Ended November 30, 2019 (IFRS)

January 10, 2020

Company Name : KOMEDA Holdings Co., Ltd. Stock Exchange Listing : Tokyo and Nagoya
 Securities Code : 3543 URL : <http://www.komeda-holdings.co.jp/en/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) : January 10, 2020
 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 Nine Months Ended November 30, 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)	%
Nine months ended November 30, 2019	23,147	3.8	5,905	5.8	5,831	5.9	4,000	5.9	4,003	6.0	4,003	6.2
November 30, 2018	22,292	16.8	5,580	4.9	5,505	5.2	3,776	4.8	3,776	4.8	3,769	4.8

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

Revenue was 24,726 million yen (increased by 10.9%, 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 1,578 million yen.

	Basic earnings per share	Diluted earnings per share
	(Yen)	(Yen)
Nine months ended November 30, 2019	87.45	86.99
November 30, 2018	83.78	82.61

(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
	(Millions of yen)	(Millions of yen)	(Millions of yen)	%
As of November 30, 2019	94,414	31,868	31,838	33.7
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
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended February 28, 2019	—	25.00	—	25.00	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 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)	As of November 30, 2019	46,044,000	As of February 28, 2019	45,875,100
(ii) Number of treasury stock	As of November 30, 2019	3,787	As of February 28, 2019	452,560
(iii) Average number of issued shares during the period	Nine months ended November 30, 2019	45,770,268	Nine months ended November 30, 2018	45,077,038

*** 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 website on January 10, 2020.

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Interim Consolidated Financial Statements

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

	(Thousands of yen)	
	As of	
	February 28, 2019	November 30, 2019
Assets		
Current assets		
Cash and cash equivalents	5,841,323	5,173,829
Trade and other receivables	3,452,502	6,139,729
Other financial assets	4,113,217	4,126,494
Inventories	175,400	173,859
Other current assets	774,807	357,264
Total current assets	14,357,249	15,971,175
Non-current assets		
Property, plant and equipment	6,745,457	10,434,572
Goodwill	38,353,524	38,353,524
Other intangible assets	53,129	144,869
Trade and other receivables	3,679,348	26,127,079
Other financial assets	2,812,893	2,919,300
Deferred tax assets	158,307	208,176
Other non-current assets	217,474	255,376
Total non-current assets	52,020,132	78,442,896
Total assets	66,377,381	94,414,071
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and payables	1,232,589	1,354,336
Short-term borrowings	3,117,801	3,102,968
Lease liabilities	91,949	2,206,694
Income tax payable	1,319,316	627,328
Other financial liabilities	1,654,042	982,226
Other current liabilities	908,495	1,012,021
Total current liabilities	8,324,192	9,285,573
Non-current liabilities		
Long-term debt	20,521,561	18,215,122
Lease liabilities	1,409,704	28,332,640
Other financial liabilities	6,039,638	6,105,842
Provisions	172,397	208,881
Other non-current liabilities	431,949	397,854
Total non-current liabilities	28,575,249	53,260,339
Total liabilities	36,899,441	62,545,912
Equity		
Common stock	562,453	600,803
Capital surplus	13,109,010	13,082,766
Retained earnings	16,754,568	18,169,408
Treasury stock	(973,107)	(9,708)
Other components of equity	(8,096)	(5,665)
Equity attributable to owners of the parent	29,444,828	31,837,604
Non-controlling interests	33,112	30,555
Total equity	29,477,940	31,868,159
Total liabilities and equity	66,377,381	94,414,071

(2) Interim Consolidated Statements of Income (Unaudited)

	(Thousands of yen)	
	Nine months ended November 30,	
	2018	2019
Revenue	22,291,991	23,147,386
Cost of sales	(13,930,210)	(14,160,040)
Gross profit	8,361,781	8,987,346
Other operating income	55,393	137,180
Selling, general and administrative expenses	(2,822,831)	(3,158,587)
Other operating expenses	(14,515)	(60,602)
Operating profit	5,579,828	5,905,337
Financial income	26,368	21,327
Financial expense	(101,330)	(95,510)
Income before income taxes	5,504,866	5,831,154
Income taxes	(1,728,528)	(1,830,982)
Net income	3,776,338	4,000,172
Net income attributable to:		
Owners of the parent	3,776,338	4,002,666
Non-controlling interests	—	(2,494)
Net income	3,776,338	4,000,172
Interim earnings per share		
Basic (Yen)	83.78	87.45
Diluted (Yen)	82.61	86.99

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

		(Thousands of yen)	
		Nine months ended November 30,	
		2018	2019
Cash flows from operating activities			
Income before income taxes		5,504,866	5,831,154
Depreciation and amortization		452,982	858,515
Financial income		(26,368)	(21,327)
Financial expense		101,330	95,511
Decrease (increase) in trade and other receivables		(3,556)	204,169
Decrease (increase) in guarantee deposits and construction assistance fund receivables		(164,651)	(92,863)
Decrease (increase) in other financial assets		18,480	(11,920)
Increase (decrease) in trade payables		76,664	121,367
Increase (decrease) in guarantee deposits received and construction assistance fund received		227,506	12,046
Increase (decrease) in other financial liabilities		(318,836)	1,030,907
Others		(63,981)	(508,978)
Subtotal		5,804,436	7,518,581
Interest received		2,531	8,219
Interest paid		(56,767)	(71,710)
Income taxes paid		(2,144,157)	(1,977,859)
Income taxes refunded		424,377	488,696
Net cash provided by operating activities		4,030,420	5,965,927
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,123,309)	(957,877)
Purchase of intangible assets		(23,241)	(84,278)
Acquisition of a subsidiary		(132,011)	—
Others		402	(605)
Net cash used in investing activities		(1,278,159)	(1,042,760)
Cash flows from financing activities			
Proceeds from long-term debt		2,500,000	—
Repayment of long-term debt		(2,030,314)	(2,318,678)
Repayments of lease liabilities		(47,807)	(2,026,997)
Proceeds from issuance of common stock		247,416	66,925
Purchase of treasury stock		(1,000,076)	—
Proceeds from disposal of treasury stock		—	897,840
Proceeds from non-controlling interest		37,577	—
Cash dividends paid to owners of the parent		(2,170,067)	(2,209,775)
Net cash used in financing activities		(2,463,271)	(5,590,685)
Effect of exchange rate changes on cash and cash equivalents		7,190	24
Net increase (decrease) in cash and cash equivalents		296,180	(667,494)
Cash and cash equivalents at beginning of period		5,429,765	5,841,323
Cash and cash equivalents at end of period		5,725,945	5,173,829