



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 Year Ended February 29, 2020 (IFRS)

April 10, 2020

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
 Date of the ordinary general shareholders' meeting : May 28, 2020
 Filing date of security report (as planned) : May 29, 2020
 Dividend payable date (as planned) : May 13, 2020
 Supplemental material of financial results : Yes
 Convening briefing of financial results : Yes

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

1. Consolidated Financial Results for the Year Ended February 29, 2020

(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)	%
Fiscal year ended												
February 29, 2020	31,219	2.9*	7,878	4.1	7,775	4.2	5,369	5.0	5,376	5.0	5,369	5.4
February 28, 2019	30,335	16.7	7,568	5.0	7,461	5.3	5,115	4.3	5,117	4.3	5,096	3.9

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

Revenue was 33,318 million yen (increased by 9.8%, on a YoY basis) under the previous accounting standard. However, as a result of adopting IFRS16, revenue decreased by 2,099 million yen.

	Basic earnings per share	Diluted earnings per share	Ratio of net income to equity attributable to owners of the parent	Ratio of income before income taxes to total assets	Ratio of operating profit to revenue
Fiscal year ended	(Yen)	(Yen)	(%)	(%)	(%)
February 29, 2020	117.27	116.69	17.2	9.4	25.2
February 28, 2019	113.35	111.94	18.0	11.5	24.9

(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	Equity per share attributable to owners of parent
As of	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	(Yen)
February 29, 2020	98,438	33,213	33,186	33.7	719.89
February 28, 2019	66,377	29,478	29,445	44.4	647.64

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
Fiscal year ended	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
February 29, 2020	9,318	(1,372)	(7,169)	6,609
February 28, 2019	6,212	(2,559)	(3,240)	5,841

2. Dividends

	Dividends per share					Total dividends	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent (Consolidated)
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Fiscal year ended February 28, 2019	—	25.00	—	25.00	50.00	2,263	44.1	8.0
Fiscal year ended February 29, 2020	—	25.00	—	26.00	51.00	2,349	43.5	7.5
Fiscal year ending February 28, 2021 (Forecasted)	—	—	—	—	—		—	

* Note: Dividend per share for the fiscal year ending February 28, 2021 is not determined at present.

3. Forecasts on the Consolidated Financial Results for the Fiscal Year Ending February 28, 2021 (March 1, 2020 - February 28, 2021)

The consolidated financial forecasts for the fiscal year ending February 28, 2021 has not been determined because it is difficult to reasonably estimate the impacts on our business by the coronavirus (COVID-19) at this stage. We will timely announce the financial forecasts once it becomes possible to disclose.

- (1) Changes in status of significant subsidiaries during the year
(changes in specified subsidiaries accompanying changes in : No scope of consolidation)

The number of newly consolidated subsidiary

- (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 February 28, 2019	46,083,600	As of February 28, 2018	45,875,100
(ii) Number of treasury stock	As of February 28, 2019	3,977	As of February 28, 2018	452,560
(iii) Average number of issued shares during the year	Fiscal year ended February 28, 2019	45,838,444	Fiscal year ended February 28, 2018	45,145,725

* This report is not subject to audit procedures.

* The consolidated financial forecast for the fiscal year ending February 28, 2021 has not been determined because it is difficult to reasonably estimate the impacts on our business by the coronavirus (COVID-19) at this stage. We will timely announce the financial forecast once it becomes possible to disclose.

* Method of obtaining supplemental materials

Supplementary materials will be published on the website of KOMEDA Holdings Co., Ltd. on April 15, 2020.

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Consolidated Financial Statements

(1) Consolidated Statements of Financial Position (Unaudited)

	(Thousands of yen)	
	As of	
	February 28, 2019	February 29, 2020
Assets		
Current assets		
Cash and cash equivalents	5,841,323	6,608,680
Trade and other receivables	3,452,502	6,340,820
Other financial assets	4,113,217	4,133,370
Inventories	175,400	201,077
Other current assets	774,807	936,499
Total current assets	<u>14,357,249</u>	<u>18,220,446</u>
Non-current assets		
Property, plant and equipment	6,745,457	12,161,989
Goodwill	38,353,524	38,353,524
Other intangible assets	53,129	162,523
Trade and other receivables	3,679,348	25,932,278
Other financial assets	2,812,893	3,004,211
Deferred tax assets	158,307	298,170
Other non-current assets	217,474	305,181
Total non-current assets	<u>52,020,132</u>	<u>80,217,876</u>
Total assets	<u>66,377,381</u>	<u>98,438,322</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and payables	1,232,589	1,549,819
Short-term borrowings	3,117,801	3,095,418
Lease liabilities	91,949	2,291,565
Income tax payable	1,319,316	1,221,911
Other financial liabilities	1,654,042	1,739,762
Other current liabilities	908,495	1,374,154
Total current liabilities	<u>8,324,192</u>	<u>11,272,629</u>
Non-current liabilities		
Long-term debt	20,521,561	17,451,661
Lease liabilities	1,409,704	29,752,828
Other financial liabilities	6,039,638	6,129,028
Provisions	172,397	225,321
Other non-current liabilities	431,949	393,608
Total non-current liabilities	<u>28,575,249</u>	<u>53,952,446</u>
Total liabilities	<u>36,899,441</u>	<u>65,225,075</u>
Equity		
Common stock	562,453	613,416
Capital surplus	13,109,010	13,095,890
Retained earnings	16,754,568	19,495,462
Treasury stock	(973,107)	(10,101)
Other components of equity	(8,096)	(8,361)
Equity attributable to owners of the parent	<u>29,444,828</u>	<u>33,186,306</u>
Non-controlling interests	33,112	26,941
Total equity	<u>29,477,940</u>	<u>33,213,247</u>
Total liabilities and equity	<u>66,377,381</u>	<u>98,438,322</u>

(2) Consolidated Statements of Income (Unaudited)

	(Thousands of yen)	
	For the year ended	
	February 28, 2019	February 29, 2020
Revenue	30,334,757	31,219,038
Cost of sales	(19,033,578)	(19,131,556)
Gross profit	11,301,179	12,087,482
Other operating income	142,707	165,796
Selling, general and administrative expenses	(3,793,413)	(4,300,940)
Other operating expenses	(82,153)	(74,255)
Operating profit	7,568,320	7,878,083
Financial income	26,207	21,440
Financial expense	(133,174)	(124,706)
Income before income taxes	7,461,353	7,774,817
Income taxes	(2,346,275)	(2,405,794)
Net income	5,115,078	5,369,023
Net income attributable to:		
Owners of the parent	5,117,185	5,375,548
Non-controlling interests	(2,107)	(6,525)
Net income	5,115,078	5,350,023
Interim earnings per share		
Basic (Yen)	113.35	117.27
Diluted (Yen)	111.94	116.69

(3) Consolidated Statements of Cash Flows (Unaudited)

	(Thousands of yen)	
	For the year ended	
	February 28, 2019	February 29, 2020
Cash flows from operating activities		
Income before income taxes	7,461,353	7,774,817
Depreciation and amortization	620,952	1,113,581
Financial income	(26,207)	(21,440)
Financial expense	133,174	124,706
Decrease (increase) in trade and other receivables	(137,857)	290,256
Decrease (increase) in guarantee deposits and construction assistance fund receivables	(238,464)	(174,565)
Decrease (increase) in other financial assets	21,751	(13,917)
Increase (decrease) in trade payables	66,379	316,311
Increase (decrease) in guarantee deposits received and construction assistance fund received	279,629	22,035
Increase (decrease) in other financial liabilities	326,192	2,193,206
Others	62,565	343,422
Subtotal	8,569,467	11,968,412
Interest received	4,078	5,247
Interest paid	(62,457)	(63,147)
Income taxes paid	(2,723,124)	(3,080,919)
Income taxes refunded	424,377	488,695
Net cash provided by operating activities	6,212,341	9,318,288
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,000,000)	—
Purchase of property, plant and equipment	(1,402,232)	(1,270,220)
Purchase of intangible assets	(25,521)	(105,285)
Acquisition of a subsidiary	(132,011)	—
Others	491	3,860
Net cash used in investing activities	(2,559,273)	(1,371,645)
Cash flows from financing activities		
Proceeds from long-term debt	2,500,000	—
Repayment of long-term debt	(2,715,559)	(3,121,229)
Repayments of lease liabilities	(110,490)	(2,752,729)
Proceeds from issuance of common stock	298,090	89,268
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	(2,249,800)	(2,282,611)
Net cash used in financing activities	(3,240,258)	(7,169,461)
Effect of exchange rate changes on cash and cash equivalents	(1,252)	(9,825)
Net increase (decrease) in cash and cash equivalents	411,558	767,357
Cash and cash equivalents at beginning of period	5,429,765	5,841,323
Cash and cash equivalents at end of period	5,841,323	6,608,680