



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, 2017 (IFRS)

July 12, 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)	: July 13, 2017	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, 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)	%
Three months ended												
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
May 31, 2016	5,599	10.4	1,688	6.0	1,625	3.5	1,082	7.2	1,082	7.2	1,082	7.2

	Basic earnings per share	Diluted earnings per share
Three months ended	(Yen)	(Yen)
May 31, 2017	27.44	26.66
May 31, 2016	24.70	24.37

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	(Millions of yen)	(Millions of yen)	(Millions of yen)	%
May 31, 2017	59,739	24,336	24,336	40.7
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					
Fiscal year ending February 28, 2018 (Forecasted)		25.00		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)
Six months ending August 31, 2017	12,749	10.3	3,475	1.5	3,411	3.9	2,336	6.2	2,336	6.2	52.85
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)	As of May 31, 2017	44,220,450	As of February 28, 2017	44,206,050
(ii) Number of treasury stock	As of May 31, 2017	-	As of February 28, 2017	-
(iii) Average number of issued shares during the period	Three months ended May 31, 2017	44,211,375	Three months ended May 31, 2016	43,800,000

* Notes

The Company conducted a 150-for-1 share split of the common stock on April 20, 2016. Accordingly, the numbers of issued shares (common stock) are 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)

	As of	
	February 28, 2017	May 31, 2017
(Thousands of yen)		
Assets		
Current assets		
Cash and cash equivalents	7,243,860	5,984,345
Trade and other receivables	3,043,706	3,044,056
Other financial assets	369,773	296,710
Inventories	211,577	152,258
Other current assets	579,912	647,561
Total current assets	<u>11,448,828</u>	<u>10,124,930</u>
Non-current assets		
Property, plant and equipment	5,343,165	5,323,473
Goodwill	38,312,892	38,312,892
Other intangible assets	63,002	61,138
Trade and other receivables	3,296,714	3,328,637
Other financial assets	2,189,983	2,266,279
Deferred tax assets	115,638	110,361
Other non-current assets	211,259	211,752
Total non-current assets	<u>49,532,653</u>	<u>49,614,532</u>
Total assets	<u>60,981,481</u>	<u>59,739,462</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	975,494	980,460
Short-term borrowings	1,797,497	1,847,366
Income tax payable	1,025,887	517,259
Other financial liabilities	1,349,213	1,184,616
Other current liabilities	1,199,041	788,931
Total current liabilities	<u>6,347,132</u>	<u>5,318,632</u>
Non-current liabilities		
Long-term debt	23,372,957	22,883,136
Other financial liabilities	6,520,617	6,645,934
Deferred tax liabilities	28,622	63,942
Provisions	77,528	77,729
Other non-current liabilities	410,030	414,488
Total non-current liabilities	<u>30,409,754</u>	<u>30,085,229</u>
Total liabilities	36,756,886	35,403,861
Equity		
Common stock	177,558	180,600
Capital surplus	12,823,350	12,833,104
Retained earnings	11,213,808	11,321,610
Other components of equity	9,879	287
Equity attributable to owners of the parent	<u>24,224,595</u>	<u>24,335,601</u>
Total equity	<u>24,224,595</u>	<u>24,335,601</u>
Total liabilities and equity	<u>60,981,481</u>	<u>59,739,462</u>

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

	(Thousands of yen)	
	For the three months ended May 31	
	2016	2017
Revenue	5,598,917	6,412,039
Cost of sales	(3,220,660)	(3,782,772)
Gross profit	2,378,257	2,629,267
Other operating income	9,715	5,318
Selling, general and administrative expenses	(662,740)	(832,180)
Other operating expenses	(37,198)	(2,796)
Operating profit	1,688,034	1,799,609
Interest income	4,199	9,553
Interest expense	(66,956)	(38,169)
Income before income taxes	1,625,277	1,770,993
Income taxes	(543,218)	(558,040)
Net income	1,082,059	1,212,953
Net income attributable to:		
Owners of the parent	1,082,059	1,212,953
Net income	1,082,059	1,212,953
Interim earnings per share		
Basic (Yen)	24.70	27.44
Diluted (Yen)	24.37	26.66

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

	(Thousands of yen)	
	For the three months ended May 31	
	2016	2017
Cash flows from operating activities		
Income before income taxes	1,625,277	1,770,993
Depreciation and amortization	100,378	115,528
Loss (gain) on disposal of non-current assets	(287)	-
Increase (decrease) in provisions	191	201
Interest income	(4,199)	(9,553)
Interest expense	66,956	38,169
Decrease (increase) in trade and other receivables	238,369	(10,052)
Decrease (increase) in guarantee deposits and construction assistance fund receivables	(138,864)	(88,947)
Decrease (increase) in other financial assets	43,621	(31,594)
Increase (decrease) in trade payables	(121,841)	4,966
Increase (decrease) in guarantee deposits received and construction assistance fund received	172,613	134,109
Increase (decrease) in other financial liabilities	(131,295)	(302,890)
Other	127,552	(414,464)
Subtotal	1,978,471	1,206,466
Interest income	50	623
Interest paid	(123)	(15,507)
Income taxes paid	(1,116,006)	(1,013,638)
Net cash provided by operating activities	862,392	177,944
Cash flows from investing activities		
Purchase of property, plant and equipment	(113,033)	(113,472)
Proceeds from sales of property, plant and equipment	595	-
Purchase of intangible assets	(6,307)	(6,450)
Proceeds from redemption of securities	139,026	111,346
Collection of loans receivable	572	597
Net cash provided by (used in) investing activities	20,853	(7,979)
Cash flows from financing activities		
Repayment of long-term debt	-	(450,000)
Repayments of lease obligations	(20,242)	(14,008)
Proceeds from issuance of common stock	-	4,810
Cash dividends paid to owners of the parent	-	(967,551)
Net cash used in financing activities	(20,242)	(1,426,749)
Effect of exchange rate changes on cash and cash equivalents	(6,697)	(2,731)
Net increase (decrease) in cash and cash equivalents	856,306	(1,259,515)
Cash and cash equivalents at the beginning of period	4,488,716	7,243,860
Cash and cash equivalents at the end of period	5,345,022	5,984,345