



## 2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
Fiscal year ended February 28, 2022	(Yen) —	(Yen) 25.00	(Yen) —	(Yen) 26.00	(Yen) 51.00
Fiscal year ending February 28, 2023	—				
Fiscal year ending February 28, 2023 (Forecasted)		26.00	—	26.00	52.00

(Note) Revision of dividend forecast: No

## 3. Forecasts on the Consolidated Financial Results for the Fiscal Year Ending February 28, 2023 (March 1, 2022 - February 28, 2023)

(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, 2023	37,000	11.1	8,000	9.5	7,930	10.5	5,400	9.2	5,360	8.6	116.16

(Notes) Revision of forecasts: No

(1) Changes in status of significant subsidiaries during the period : Yes  
(changes in specified subsidiaries accompanying changes in scope of consolidation) (PT KOMEDA COFFEE INDONESIA was newly consolidated.)

(2) Changes in accounting policies and accounting estimates  
(i) Changes in accounting policies required by IFRSs : No  
(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, 2022	46,164,900	As of February 28, 2022	46,164,900
(ii) Number of treasury stock	As of May 31, 2022	67,853	As of February 28, 2022	22,323
(iii) Average number of issued shares during the period	Three months ended May 31, 2022	46,121,590	Three months ended May 31, 2021	46,086,425

\* 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 13, 2022.

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# 1. Summary of Operating Results and Financial Position

## (1) Overview of Operating Results

During the three months ended May 31, 2022, the business environment for the Japanese food service industry, including cafés and restaurants, continued to be extremely uncertain and severe. Although the Priority Measures to Prevent the Spread of COVID-19 were completely lifted on March 21, 2022, and there were signs of normalization in economic and social activity, as well as an upturn in the economy, the end of COVID-19 is still not in sight, and supply chain disruptions due to the situation in Ukraine, and the recent rapid depreciation of the yen, has led to increases in raw material and utility costs.

In such a business environment, KOMEDA Holdings Co., Ltd. (“KOMEDA” or “the Company”), in accordance with its medium-term business plan “VALUES 2025” through the fiscal year ending February 28, 2026 (FY2025), under the slogan “Link People, Communities, and Society through *KUTSUROGI*,” is working to achieve sustainable growth by (1) Expanding Komeda’s Model, (2) Creating New Values and (3) Enhancing Financial Values, as well as to promote recovery in business performance affected by the COVID-19 pandemic.

KOMEDA operates a franchise business, while taking thorough measures for infection prevention to protect the health of customers in stores. Due to a rise in costs caused by soaring prices for raw materials such as coffee beans and flour, as well as higher energy costs, the Company raised menu prices at stores from April 2022, while keeping wholesale prices to franchisees unchanged. In response to these menu price increases, the Company is taking steps to boost QSC (quality, service, and cleanliness) to provide a better store experience for customers, such as by enhancing the value of breakfast specials. As a result, for the subject first quarter period, same-store wholesale sales to franchise stores increased 5.2% from the same period of the previous fiscal year (up 3.4% compared to FY2019), with all-store sales up 9.6%, exceeding the level prior to the COVID-19 crisis.

In terms of the number of stores, Komeda’s Coffee opened a total of 11 new stores through aggressive market penetration in the east and west areas of Japan, as well as overseas. In addition, the Company opened a take-away style *obanyaki* store “Dai-An-Kichi-Jitsu” as a new format. As a result, the total number of stores reached 966 as of May 31, 2022, as outlined in the following chart.

Brand	Area	February 28, 2022	Newly opened	Closed	May 31, 2022
Komeda’s Coffee	East	293 (21)	3 (-)	- (-)	296 (22)
	Central	310 (3)	- (-)	2 (-)	308 (3)
	West	308 (9)	4 (-)	- (-)	312 (9)
	Overseas	29 (11)	4 (1)	- (-)	33 (12)
Okagean	All	12 (6)	- (-)	- (-)	12 (6)
BAKERY ADEMOK KOMEDA is □ Dai-An-Kichi-Jitsu	All	4 (4)	1 (1)	- (-)	5 (5)
Total		956 (54)	12 (2)	2 (-)	966 (57)

\*1. Figures in parenthesis are the number of company-owned stores, and are included in the total.

2. In the east area of Japan, one franchise store was transferred to company-owned store.

As a result, revenue during the subject period amounted to 8,959 million yen (an increase of 9.0% from the same period of the previous fiscal year). Operating profit amounted to 1,861 million yen (down 7.2%) due to the increase in costs of raw materials, with income before income taxes of 1,911 million yen (down 3.9%), and net income attributable to owners of the parent of 1,296 million yen (down 3.8%).

The Company has identified 13 items of materiality covering the four themes of (1) Customer-related Activities, (2) People and Work, (3) Environment, and (4) Community, deemed important from an ESG perspective. Activities to enhance the Company's financial strength and contribute to solving social issues during FY2022 are as follows.

Customer-related Activities	
Distribution of safe and secure products	Started arrangement to obtain the type B of JFS standard (*) at Kanto Coffee plant. * JFS standard: a certification/conformity assessment standard for food safety management developed and operated by Japan Food Safety Management Association.
Commitment to diversified consumer needs	Enhanced QSC activities to increase the number of customers based on this year's company policy "More comfortable place for <i>Kutsurogi</i> ."
	Added a new choice of bread called "l'aube" to the morning set menu to enrich the customer experience and counterbalance menu price increases at stores.
	Launched "Pinky Chocolate Wiener," "Pinky Berry Kuro-neige" and "Pinky Berry Shake" as the PINKY COLLECTION using Ruby Chocolate.
	Launched seasonal Jelly-Co "Ruby Chocolate" and "Chocolate Banana."
	Re-released "Ogura-noir" as a seasonal product using <i>ogura an</i> produced by the Company.
	Launched "Shiro-noir Waka" and "Kuro-neige Waka" offering rich soybean flour and black sesame flavor.
	Launched shaved ice "Caramel au lait," "Aloe Muscat," "Fruits Mix," "Uji-Macha" and "Strawberry."
	Launched special cake "Salty Caramel Mille Crepe" and "Milk Tea Mille Crepe" developed under supervision from "chez Shibata," in East and West area of Japan.
	Launched "Kome-Jang Chicken Katsu Bread" with a spicy sauce to stimulate the appetite.
	Launched packaged ice cream "KOMEDA's Coffee Frozen Coffee Float" as a collaboration with Morinaga & Co., Ltd.
	Launched packaged drink "Komeda's Coffee Lemonade" as a collaboration with Toyo Beverage Co., Ltd.
	Renewed Komeda's official website to improve customer convenience and experience.
Opened take-away style <i>obanayaki</i> store "Dai-An-Kichi-Jitsu" as a new format in Nagoya.	
People and Work	
Recruitment and training of human resources	Distributed short video of "Komeda DX strategy" to all store staff.
	Conducted improvement activities such as expansion of QC circle and digitalization of production control data at own plants.
	Installed mobile POS system at certain FC stores with functionality for Mobile Ordering and Congestion Monitoring.
Diversity of human capital	Started "Diversity Promotion Program" for all employees regardless of age, gender or title.
	Female president was appointed at an overseas subsidiary.
	Started immigration process to Japan for employees who graduated from Komeda Training Center in Myanmar.

Environment	
Response to climate change	Replaced plastic muddlers with wood muddlers to comply with the Law for Recycling Plastic Materials.
	Downsized the packaging of peanuts to reduce the use of plastic material.
	Replaced paper napkins with FSC certified napkins.
	Number of locations with renewable energy systems reached 22 (15 stores and 7 offices/plants) at the end of May 2022.
Consideration for the environment and society in the supply chain	Started the renovation of the Flagship Store (Honten) using lumber from Komeda's forest.
	Started project to support Women's Coffee to female coffee producers through "Sustainable Kutsurogi Voting."
Community	
Contribution to local communities	Started preparations for new store openings in Hong Kong and Indonesia.
	Started sponsorship with MEIJO University women's Ekiden team.
	Began selling a charm suggested by the members of Komeda Club, comprising Komeda fans.
	Started after-school program "Tera-Koya Komeda" at Yokohama Eda store and Ukima Park store.
	Komeda Kitchen Car started its operation to deliver Komeda's "Kutsurogi" throughout Japan.
	Held various type of events at 22 stores (Company-owned 8, FC 14) to connect customers and regional communities.

## (2) Overview of Financial Position

Analysis of assets, liabilities, and equity for the consolidated fiscal year under review is summarized as follows:

Current assets decreased 1,833 million yen from the end of FY2021 to 13,562 million yen, mainly due to the decrease in cash and cash equivalents. Non-current assets decreased 18 million yen from the end of FY2021 to 82,018 million yen mainly due to the decrease in property, plant and equipment. As a result, total assets decreased 1,851 million yen from the end of FY2021 to 95,580 million yen.

Current liabilities decreased 1,524 million yen from the end of FY2021 to 10,170 million yen mainly due to the decrease in income tax payable. Non-current liabilities decreased 343 million yen from the end of FY2021 to 47,779 million yen mainly due to the decrease in borrowings. As a result, total liabilities decreased 1,867 million yen from the end of FY2021 to 57,949 million yen.

Total equity increased 16 million yen from the end of FY2021 to 37,631 million yen. This mainly reflected dividends paid of 1,200 million yen, acquisition of treasury stocks of 100 million yen, and the booking of net income of 1,301 million yen.

## (3) Overview of Cash Flows

During the three months ended May 31, 2022, cash and cash equivalents decreased 1,796 million yen from the end of FY2021 to 4,409 million yen. The breakdown of cash flows by activities and underlying factors for this quarter is as follows.

### (Cash flows from operating activities)

Cash provided by operating activities totaled 1,238 million yen (compared to cash used of 702 million yen in FY2021). This mainly reflected the booking of income before income tax of 1,911 million yen (decrease of 77 million yen compared to FY2021) and increase in other financial liabilities of 528 million yen (increase of 374 million yen compared to FY2021), and the payment of income taxes amounting to 1,409 million yen (decrease of 1,114 million yen compared to FY2021).

### (Cash flows from investing activities)

Cash used in investing activities amounted to 258 million yen (compared to cash provided of 9,745 million yen in FY2021). This was mainly due to acquisition of property, plant and equipment of 196 million yen (decrease of 48 million yen compared to FY2021).

### (Cash flows from financing activities)

Cash used in financing activities amounted to 2,812 million yen (decrease of 9,751 million yen compared to FY2021). This mainly reflected 867 million yen in repayments of borrowings (decrease of 10,015 million yen compared to FY2021), 867 million yen of repayments of lease liabilities (increase of 30 million yen compared to FY2021), and 1,174 million yen in cash dividends paid to owners of the parent (increase of 234 million yen compared to FY2021).

## (4) Explanation of Consolidated Earnings Projections and Other Projections

The Company has made no changes to the full-year consolidated earnings projections as announced April 13, 2022.

## 2. Consolidated Financial Statements

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

	(Millions of yen)	
	February 28, 2022	May 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,205	4,409
Trade and other receivables	5,074	5,061
Other financial assets	3,152	3,151
Inventories	276	278
Other current assets	688	663
Total current assets	15,395	13,562
<b>Non-current assets</b>		
Property, plant and equipment	13,679	13,549
Goodwill	38,354	38,354
Other intangible assets	261	302
Trade and other receivables	25,890	26,022
Other financial assets	3,227	3,288
Deferred tax assets	414	294
Other non-current assets	211	209
Total non-current assets	82,036	82,018
<b>Total assets</b>	97,431	95,580
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	1,524	1,687
Borrowings	2,169	1,971
Lease liabilities	3,356	3,398
Income tax payable	1,557	548
Other financial liabilities	1,746	1,378
Other current liabilities	1,342	1,188
Total current liabilities	11,694	10,170
<b>Non-current liabilities</b>		
Borrowings	12,077	11,592
Lease liabilities	29,021	29,078
Other financial liabilities	6,307	6,376
Provisions	360	364
Other non-current liabilities	357	369
Total non-current liabilities	48,122	47,779
Total liabilities	59,816	57,949
<b>Equity</b>		
Share capital	639	639
Capital surplus	13,099	13,106
Retained earnings	23,870	23,966
Treasury stock	(53)	(153)
Other components of equity	4	8
Equity attributable to owners of the parent	37,559	37,566
Non-controlling interests	56	65
Total equity	37,615	37,631
<b>Total liabilities and equity</b>	97,431	95,580



## 2. Consolidated Financial Statements (continued)

### (2) Consolidated Statements of Income (Unaudited)

	(Millions of yen)	
	Three Months ended May 31,	
	2021	2022
Revenue	8,221	8,959
Cost of sales	(5,141)	(5,795)
Gross profit	3,080	3,164
Other operating income	124	101
Selling, general and administrative expenses	(1,196)	(1,403)
Other operating expenses	(3)	(1)
Operating profit	2,005	1,861
Financial income	16	66
Financial expense	(33)	(16)
Income before income taxes	1,988	1,911
Income taxes	(636)	(610)
Net income	1,352	1,301
<b>Net income attributable to:</b>		
Owners of the parent	1,347	1,296
Non-controlling interests	5	5
Net income	1,352	1,301
<b>Interim earnings per share</b>		
Basic (Yen)	29.23	28.11
Diluted (Yen)	29.15	28.05

### (3) Consolidated Statements of Comprehensive Income (Unaudited)

	(Millions of yen)	
	Three Months ended May 31,	
	2021	2022
Net income	1,352	1,301
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3	8
Other comprehensive income after taxes	3	8
Total comprehensive income	1,335	1,309
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	1,349	1,300
Non-controlling interests	6	9
Total comprehensive income	1,355	1,309

## 2. Consolidated Financial Statements (continued)

### (4) Consolidated Statements of Changes in Equity (Unaudited)

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury stock	Other componen ts of equity	Equity attributable to owners of the parent	Non- controlling interests	Total equity
Balance as of March 1, 2021	625	13,127	21,057	(17)	(0)	34,792	41	34,833
Net income			1,347			1,347	5	1,352
Other comprehensive income					2	2	1	3
Total comprehensive income	—	—	1,347	—	2	1,349	6	1,355
Exercise of subscription rights to shares	0	0				0		0
Share-based payment transactions		4				4		4
Dividends			(968)			(968)		(968)
Acquisition of treasury stock				(100)		(100)		(100)
Total transactions with owners	0	4	(968)	(100)	—	(1,064)	—	(1,064)
Balance as of May 31, 2021	625	13,131	21,436	(117)	2	35,077	47	35,124
Balance as of March 1, 2022	639	13,099	23,870	(53)	4	37,559	56	37,615
Net income			1,296			1,296	5	1,301
Other comprehensive income					4	4	4	8
Total comprehensive income	—	—	1,296	—	4	1,300	9	1,309
Share-based payment transactions		7				7		7
Dividends			(1,200)			(1,200)		(1,200)
Acquisition of treasury stock				(100)		(100)		(100)
Total transactions with owners	—	7	(1,200)	(100)	—	(1,293)	—	(1,293)
Balance as of May 31, 2022	639	13,106	23,966	(153)	8	37,566	65	37,631

## 2. Consolidated Financial Statements (continued)

### (5) Consolidated Statements of Cash Flows (Unaudited)

(Millions of yen)

	Three Months ended May 31,	
	2021	2022
<b>Cash flows from operating activities</b>		
Income before income taxes	1,988	1,911
Depreciation and amortization	382	397
Financial income	(16)	(66)
Financial expense	33	16
Decrease (increase) in trade and other receivables	131	(116)
Decrease (increase) in guarantee deposits and construction assistance fund receivables	(10)	(23)
Increase (decrease) in trade payables	(40)	158
Increase (decrease) in guarantee deposits received and construction assistance fund received	44	66
Increase (decrease) in other financial liabilities	154	528
Others	(817)	(199)
Subtotal	1,849	2,672
Interest received	2	0
Interest paid	(30)	(25)
Income taxes paid	(2,523)	(1,409)
Net cash provided by operating activities	(702)	1,238
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	10,000	—
Purchase of property, plant and equipment	(244)	(196)
Purchase of intangible assets	(11)	(57)
Others	0	(5)
Net cash provided by (used in) investing activities	9,745	(258)
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(10,686)	(671)
Repayments of lease liabilities	(837)	(867)
Proceeds from issuance of shares	0	—
Purchase of treasury stock	(100)	(100)
Cash dividends paid to owners of the parent	(940)	(1,174)
Net cash provided by (used in) financing activities	(12,563)	(2,812)
Effect of exchange rate changes on cash and cash equivalents	12	36
Net increase (decrease) in cash and cash equivalents	(3,508)	(1,796)
Cash and cash equivalents at beginning of period	7,301	6,205
Cash and cash equivalents at end of period	3,793	4,409

## 2. Consolidated Financial Statements (continued)

### (6) Notes to Consolidated Financial Statements (Unaudited)

Notes on Assumption of Going Concern

None

Segment Information

As the Company only has a single segment consisting of the cafe business, the description of segment information is omitted.

Earnings per Share

	Three Months ended May 31,2021	Three Months ended May 31,2022
Net income attributable to owners of the parent (millions of yen)	1,347	1,296
Weighted average number of ordinary shares (shares)	46086,425	46,121,590
Number of ordinary shares with dilutive effects Increase due to stock options (shares)	123,915	89,961
Weighted average number of ordinary shares after dilution (shares)	46,210,340	46,211,551
Basic earnings per share (yen)	29.23	28.11
Diluted earnings per share (yen)	29.15	28.05

Significant Subsequent Events

None