



## 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	—	26.00			
Fiscal year ending February 28, 2023 (Forecasted)			—	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 August 31, 2022	46,171,650	As of February 28, 2022	46,164,900
(ii) Number of treasury stock	As of August 31, 2022	45,933	As of February 28, 2022	22,323
(iii) Average number of issued shares during the period	Six months ended August 31, 2022	46,116,742	Six months ended August 31, 2021	46,088,889

\* 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 October 14, 2022.

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# 1. Summary of Operating Results and Financial Position

## (1) Overview of Operating Results

During the second quarter cumulative period ended August 31, 2022, the business environment for the Japanese food service industry, including cafés and restaurants, continued to be extremely uncertain and severe. The government's Priority Measures to Prevent the Spread of COVID-19 were fully lifted on March 21, 2022, and despite signs of normalization in economic and social activity, along with an upturn in the economy, the seventh wave of COVID-19 infections from July had an adverse impact. Conditions were further strained by supply chain disruptions due to the situation in Ukraine and the recent rapid depreciation of the yen, which has led to increases in food material prices and energy 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 Value, and (3) Enhancing Financial Value, as well as to promote recovery in business performance affected by the COVID-19 pandemic.

KOMEDA has implemented comprehensive infection prevention measures to ensure the health and safety of customers. However, some locations have been forced to shorten business hours or temporarily suspend operations due to infections among staff members or close contact with infected persons. Further, in response to rising prices for food material such as coffee beans and flour, as well as higher energy costs, the Company increased menu prices at stores from April 2022, while maintaining wholesale prices to franchisees at the previous level through the end of August 2022.

In response to these store 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 added value of breakfast specials. As a result, for the subject second quarter cumulative period, same-store wholesale sales to franchise stores increased 4.0% from the same period of the previous fiscal year (up 1.9% compared to the same period of FY2019), with all-store sales increasing 7.9%, exceeding the level for wholesale sales prior to the COVID-19 crisis for a second consecutive quarter.

In terms of the number of stores, Komeda's Coffee opened a total of 14 new stores, mainly 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 amounted to 965 stores as of the end of the subject period (August 31, 2022).

Brand	Area	At February 28, 2022	Newly Opened	Closed	At August 31, 2022
Komeda's Coffee	East	293 (21)	4 (–)	– (–)	297 (21)
	Central	310 (3)	– (–)	6 (–)	304 (3)
	West	308 (9)	5 (–)	– (–)	313 (9)
	Overseas	29 (11)	5 (1)	– (–)	34 (12)
Okagean	All	12 (6)	– (–)	– (–)	12 (6)
BAKERY ADEMOK KOMEDA is <input type="checkbox"/> Dai-An-Kichi-Jitsu	All	4 (4)	1 (1)	– (–)	5 (5)
Total		956 (54)	15 (2)	6 (–)	965 (56)

\*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 Komeda's Coffee company-owned store was changed to a franchise store, and one franchise store was changed to a company-owned store.

As a result, revenue during the subject period amounted to 18,111 million yen (an increase of 10.5% from the same period of the previous fiscal year). Operating profit amounted to 3,756 million yen (down 1.1%) due to the increase in food material prices and energy costs, with income before income taxes of 3,807 million yen (up 1.3%), and net income attributable to owners of the parent of 2,585 million yen (up 1.1%).

KOMEDA Holdings Group has classified items of materiality under the four themes of (1) Customer-related Activities, (2) People and Work, (3) Environment, and (4) Community. The principal initiatives for each theme conducted during the subject second quarter cumulative period are as follows. (Items in bold are new initiatives implemented between June and August 2022.)

<b>Customer-related Activities</b>	
Ensuring safe and reliable products and services	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.
	<b>Strengthened safety inspections for outdoor advertising, replacing or repairing facilities as necessary.</b>
	<b>Expanded QC Circle activities and KAIZEN BASE to all plants .</b>
Commitment to diversified consumer needs	Enhanced QSC activities to increase the number of customers based on this year's company policy of "More comfortable place for <i>Kutsurogi</i> ." <b>In particular, operations contests were conducted with the aim of maintaining and improving quality.</b>
	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."
	<b>Launched rich-flavored, espresso sauce and cheese drink "JelyCo Tiramisu."</b>
	<b>Launched five types of cream soda as part of the "Colorful Cream Soda" campaign.</b>
	Launched seasonal products "Ogura-Noir" with Komeda's original Ogura-An, "Shiro-Noir Waka," "Kuro-Neige Waka," <b>"Milk-Noir," "Milkuro-Neige," "Shiro-Noir Matcha Caramel," and "Kuro-Neige Matcha Caramel."</b>
	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.
	<b>Held the Curry Festival for a second consecutive year, launching new "Cheese Curry Hotdog."</b>
	<b>Conducted a campaign giving away special discount group tickets to encourage customers to visit stores with family and friends, even after price increases.</b>
	<b>Launched "Coffee An-Butter" as the third product in Komeda's popular "Ogura-An-Butter" series.</b>
	Launched packaged ice cream "KOMEDA's Coffee Frozen Coffee Float" as a collaboration with Morinaga & Co., Ltd.
	Launched packaged drink "Komeda's Coffee Lemonade" and <b>"Coffee Soft Cream Drink"</b> 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.	

<b>People and Work</b>	
Recruitment and training of human resources	Distributed short video of "Komeda DX strategy" to all store
	Conducted improvement activities such as digitalization of production control data at own plants.
	<b>Expanded installation of mobile POS system with functionality for Mobile Ordering and Congestion Monitoring.</b>
Diversity of human capital	Conducted "Diversity Promotion Program" for all employees regardless of age, gender or title.
	Female president appointed at an overseas subsidiary, and <b>female Marketing Division Manager appointed at Komeda Co., Ltd.</b>
	Supported immigration to Japan for employees who graduated from Komeda Training Center in Myanmar, <b>and began on-the-job training.</b>
<b>Environment</b>	
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.
	Started the renovation of the Flagship Store (Honten) using lumber from Komeda's forest.
	<b>Disclosed CO<sub>2</sub> reduction targets in Komeda's first Integrated Report.</b>
	<b>Began preparations for disclosure based on TCFD recommendations.</b>
Consideration for the environment and society in the supply chain	Started project to support Women's Coffee to female coffee producers through "Sustainable Kutsurogi Voting."
<b>Community</b>	
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 delivered Komeda's "Kutsurogi" throughout Japan.
	Held various type of events to connect customers and regional communities, such as <b>collaboration events with elderly care homes and facilities for disabled persons.</b>

## (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 47 million yen from the end of FY2021 to 15,348 million yen, mainly due to the decrease in cash and cash equivalents. Non-current assets decreased 96 million yen from the end of FY2021 to 81,940 million yen mainly due to the decrease in property, plant and equipment. As a result, total assets decreased 143 million yen from the end of FY2021 to 97,288 million yen.

Current liabilities decreased 483 million yen from the end of FY2021 to 11,211 million yen mainly due to the decrease in other financial liabilities. Non-current liabilities decreased 985 million yen from the end of FY2021 to 47,137 million yen mainly due to the decrease in borrowings. As a result, total liabilities decreased 1,468 million yen from the end of FY2021 to 58,348 million yen.

Total equity increased 1,325 million yen from the end of FY2021 to 38,940 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 2,592 million yen.

## (3) Overview of Cash Flows

During the six months ended August 31, 2022, cash and cash equivalents decreased 1,600 million yen from the end of FY2021 to 4,605 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 4,611 million yen (increase of 1,674 million yen compared to FY2021). This mainly reflected the booking of income before income tax of 3,807 million yen (increase of 48 million yen compared to FY2021) and increase in other financial liabilities of 1,194 million yen (increase of 676 million yen compared to FY2021), and the payment of income taxes amounting to 1,415 million yen (decrease of 1,111 million yen compared to FY2021).

### (Cash flows from investing activities)

Cash used in investing activities amounted to 2,034 million yen (compared to cash provided of 8,400 million yen in FY2021). This mainly reflected 1,500 million yen in increase of time deposits (compared to withdrawal of 9,000 million yen in FY2021) and 400 million yen in acquisition of property, plant and equipment (decrease of 169 million yen compared to FY2021).

### (Cash flows from financing activities)

Cash used in financing activities amounted to 4,234 million yen (decrease of 9,887 million yen compared to FY2021). This mainly reflected 1,152 million yen in repayments of borrowings (decrease of 10,209 million yen compared to FY2021), 1,788 million yen of repayments of lease liabilities (increase of 85 million yen compared to FY2021), and 1,198 million yen in cash dividends paid to owners of the parent (increase of 231 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	August 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,205	4,605
Trade and other receivables	5,074	5,287
Other financial assets	3,152	4,628
Inventories	276	298
Other current assets	688	530
Total current assets	<u>15,395</u>	<u>15,348</u>
<b>Non-current assets</b>		
Property, plant and equipment	13,679	13,451
Goodwill	38,354	38,354
Other intangible assets	261	313
Trade and other receivables	25,890	25,838
Other financial assets	3,227	3,328
Deferred tax assets	414	372
Other non-current assets	211	284
Total non-current assets	<u>82,036</u>	<u>81,940</u>
<b>Total assets</b>	<u><u>97,431</u></u>	<u><u>97,288</u></u>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	1,524	1,869
Borrowings	2,169	1,963
Lease liabilities	3,356	3,528
Income tax payable	1,557	1,273
Other financial liabilities	1,746	1,310
Other current liabilities	1,342	1,268
Total current liabilities	<u>11,694</u>	<u>11,211</u>
<b>Non-current liabilities</b>		
Borrowings	12,077	11,106
Lease liabilities	29,021	28,842
Other financial liabilities	6,307	6,427
Provisions	360	389
Other non-current liabilities	357	373
Total non-current liabilities	<u>48,122</u>	<u>47,137</u>
Total liabilities	59,816	58,348
<b>Equity</b>		
Share capital	639	641
Capital surplus	13,099	13,071
Retained earnings	23,870	25,255
Treasury stock	(53)	(107)
Other components of equity	4	11
Equity attributable to owners of the parent	<u>37,559</u>	<u>38,871</u>
Non-controlling interests	56	69
Total equity	<u>37,615</u>	<u>38,940</u>
<b>Total liabilities and equity</b>	<u><u>97,431</u></u>	<u><u>97,288</u></u>



## 2. Consolidated Financial Statements (continued)

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

	(Millions of yen)	
	Six Months ended August 31,	
	2021	2022
Revenue	16,385	18,111
Cost of sales	(10,418)	(11,831)
Gross profit	5,967	6,280
Other operating income	239	164
Selling, general and administrative expenses	(2,403)	(2,670)
Other operating expenses	(4)	(18)
Operating profit	3,799	3,756
Financial income	19	87
Financial expense	(59)	(36)
Income before income taxes	3,759	3,807
Income taxes	(1,202)	(1,215)
Net income	2,557	2,592
<b>Net income attributable to:</b>		
Owners of the parent	2,556	2,585
Non-controlling interests	1	7
Net income	2,557	2,592
<b>Interim earnings per share</b>		
Basic (Yen)	55.47	56.06
Diluted (Yen)	55.33	55.95

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

	(Millions of yen)	
	Six Months ended August 31,	
	2021	2022
Net income	2,557	2,592
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3	13
Other comprehensive income after taxes	3	13
Total comprehensive income	2,560	2,605
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	2,558	2,592
Non-controlling interests	2	13
Total comprehensive income	2,560	2,605

## 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			2,556			2,556	1	2,557
Other comprehensive income					2	2	1	3
Total comprehensive income	—	—	2,556	—	2	2,558	2	2,560
Exercise of subscription rights to shares	5	4				9		9
Share-based payment transactions		10				10		10
Dividends			(968)			(968)		(968)
Acquisition of treasury stock		1		(100)		(99)		(99)
Disposal of treasury stock		(65)		65		—		—
Total transactions with owners	5	(50)	(968)	(35)	—	(1,048)	—	(1,048)
Balance as of August 31, 2021	630	13,077	22,645	(52)	2	36,302	43	36,345
Balance as of March 1, 2022	639	13,099	23,870	(53)	4	37,559	56	37,615
Net income			2,585			2,585	7	2,592
Other comprehensive income					7	7	6	13
Total comprehensive income	—	—	2,585	—	7	2,592	13	2,605
Exercise of subscription rights to shares	2	2				4		4
Share-based payment transactions		16				16		16
Dividends			(1,200)			(1,200)		(1,200)
Acquisition of treasury stock		1		(101)		(100)		(100)
Disposal of treasury stock		(47)		47		—		—
Total transactions with owners	2	(28)	(1,200)	(54)	—	(1,280)	—	(1,280)
Balance as of August 31, 2022	641	13,071	25,255	(107)	11	38,871	69	38,940

## 2. Consolidated Financial Statements (continued)

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

(Millions of yen)

	Six Months ended August 31,	
	2021	2022
<b>Cash flows from operating activities</b>		
Income before income taxes	3,759	3,807
Depreciation and amortization	800	798
Financial income	(19)	(87)
Financial expense	59	36
Decrease (increase) in trade and other receivables	199	(155)
Decrease (increase) in guarantee deposits and construction assistance fund receivables	(5)	(58)
Increase (decrease) in trade payables	57	335
Increase (decrease) in guarantee deposits received and construction assistance fund received	69	123
Increase (decrease) in other financial liabilities	518	1,194
Others	(500)	(150)
Subtotal	4,937	5,843
Interest received	2	0
Interest paid	(44)	(49)
Income taxes paid	(2,526)	(1,415)
Income taxes refunded	568	232
Net cash provided by operating activities	2,937	4,611
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	9,000	(1,500)
Purchase of property, plant and equipment	(569)	(400)
Purchase of intangible assets	(34)	(96)
Others	3	(38)
Net cash provided by (used in) investing activities	8,400	(2,034)
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(11,361)	(1,152)
Repayments of lease liabilities	(1,703)	(1,788)
Proceeds from issuance of shares	10	4
Purchase of treasury stock	(100)	(100)
Cash dividends paid to owners of the parent	(967)	(1,198)
Net cash provided by (used in) financing activities	(14,121)	(4,234)
Effect of exchange rate changes on cash and cash equivalents	11	57
Net increase (decrease) in cash and cash equivalents	(2,773)	(1,600)
Cash and cash equivalents at beginning of period	7,301	6,205
Cash and cash equivalents at end of period	4,528	4,605

## 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

	Six Months ended August 31,2021	Six Months ended August 31,2022
Net income attributable to owners of the parent (millions of yen)	2,556	2,585
Weighted average number of ordinary shares (shares)	46,088,889	46,116,742
Number of ordinary shares with dilutive effects Increase due to stock options (shares)	118,356	89,879
Weighted average number of ordinary shares after dilution (shares)	46,207,245	46,206,621
Basic earnings per share (yen)	55.47	56.06
Diluted earnings per share (yen)	55.33	55.95

Significant Subsequent Events

None