KOMEHYO



Earnings Results Briefing for the First Quarter of the Fiscal Year Ending March 31, 2018

August,2017

KOMEHYO Co., Ltd.
Securities code: 2780
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Overview of Income Statement

Consolidated (Millions of yen)	FY2017 1Q	FY2018 1Q	Change	YoY
Net sales	9,153	9,849	+696	107.6%
Gross profit	2,539	2,940	+401	115.8%
Gross profit margin	27.7%	29.9%	+2.2pt	–
SG&A expenses	2,595	2,767	+171	106.6%
Operating income	△55	173	+229	–
Ordinary income	△68	185	+254	–
Net income attributable to owners of parent	△58	100	+158	–

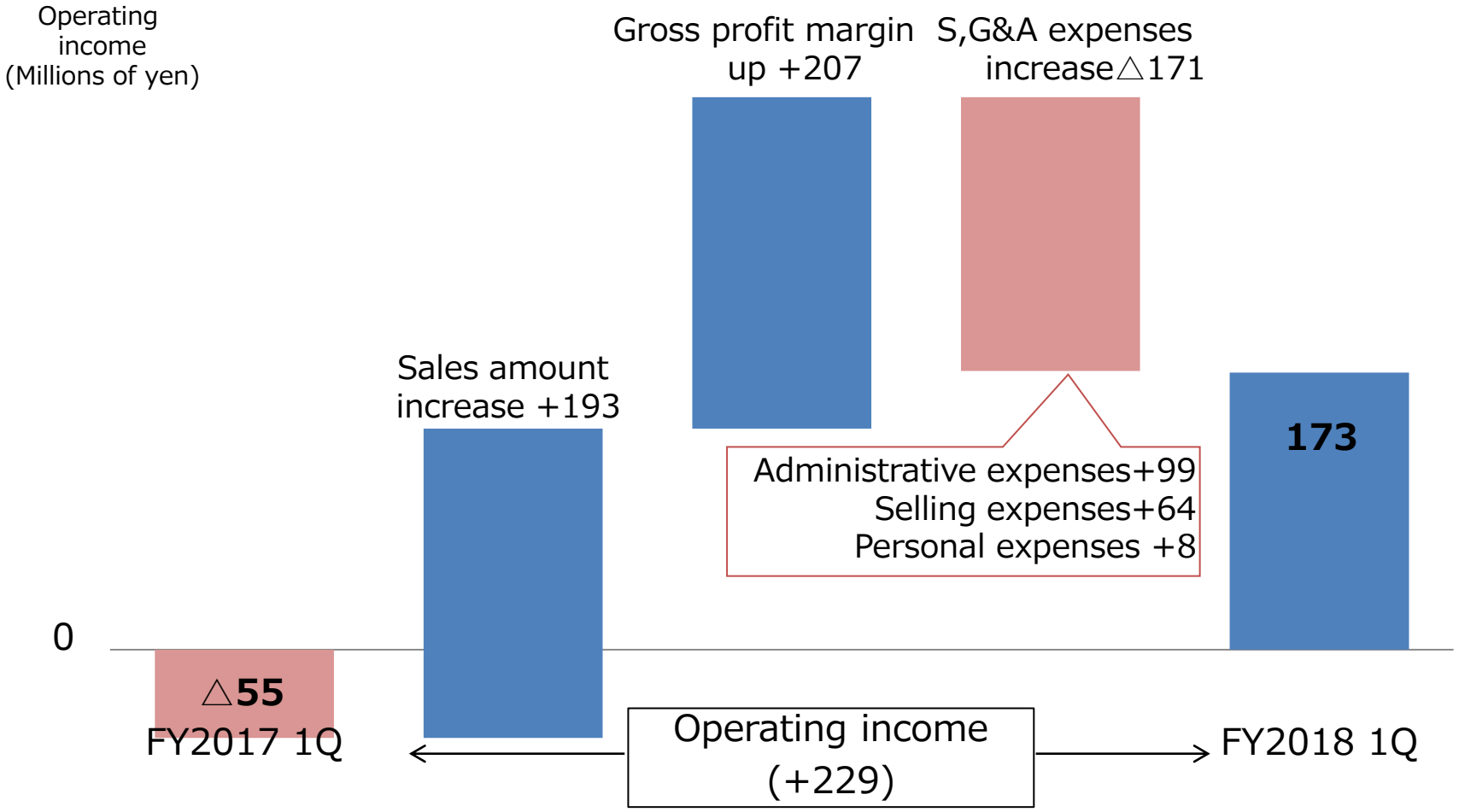
Overview of Income Statement

Non-consolidated (Millions of yen)	FY2017 1Q	FY2018 1Q	Change	YoY
Net sales	8,052	8,673	+621	107.7%
Gross profit	2,154	2,499	+344	116.0%
Gross profit margin	26.8%	28.8%	+2.0pt	–
SG&A expenses	2,225	2,401	+176	107.9%
Operating income	△70	97	+168	–
Ordinary income	△77	226	※ +304	–
Net income	△57	168	+226	–

※ Includes dividend income from subsidiaries of 130 million yen

Operating income increase and decrease factor (Consolidated)

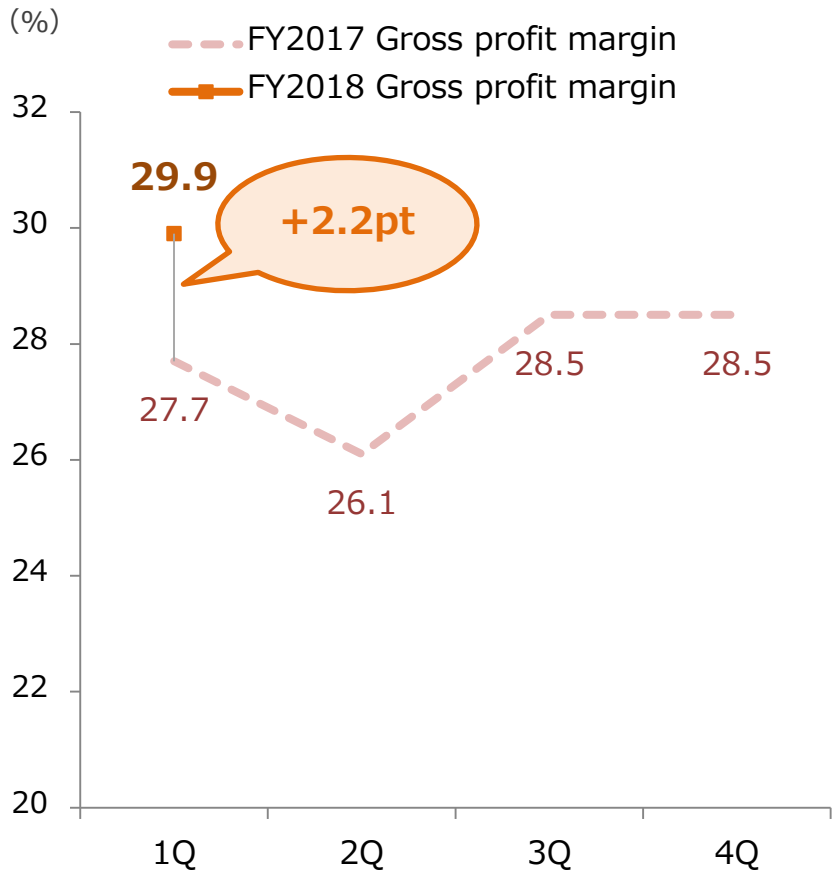
Operating income increased due to an increase in net sales and a 2.2 point improvement in gross profit margin



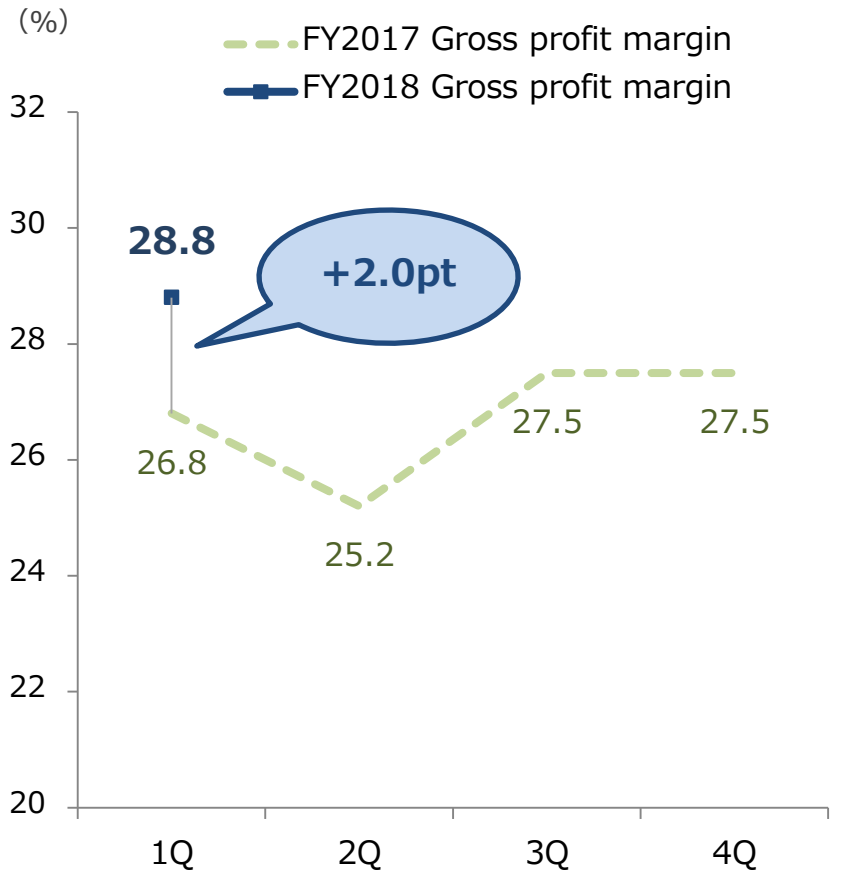
Change of the Gross profit margin

Gross profit margin (1Q) :
Achieved a significant year-on-year improvement

Consolidated



Non-consolidated



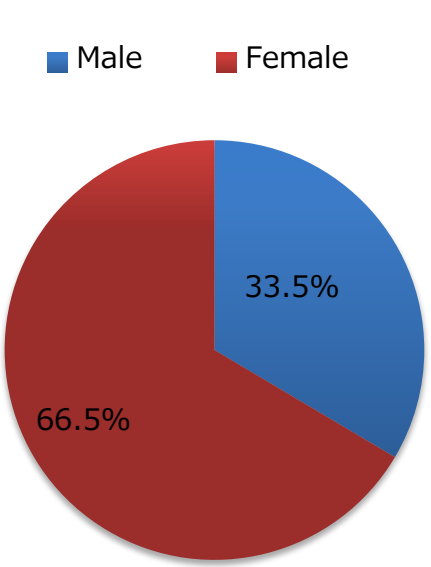
By Segment

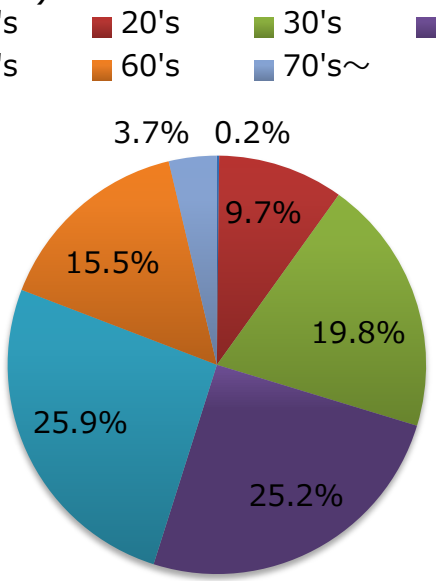
	(Millions of yen)	FY2017 1Q	FY2018 1Q	YoY
Brand Fashion	Net sales	8,181	8,827	107.9%
	Operating income	△39	157	–
	Operating margin	△0.5%	1.8%	2.3pt
Tire and Wheel	Net sales	948	997	105.2%
	Operating income	△21	1	–
	Operating margin	△2.3%	0.1%	2.4pt
Others	Net sales	34	38	110.2%
	Operating income	5	15	285.3%
	Operating margin	15.2%	39.4%	24.2pt

New store(1)
KOMEHYO Umeda store (‘17.2)

Projected an upscale image and won favor of women
in their 40s and 50s who are looking for high-priced items

【KOMEHYO card members(‘17.6)】









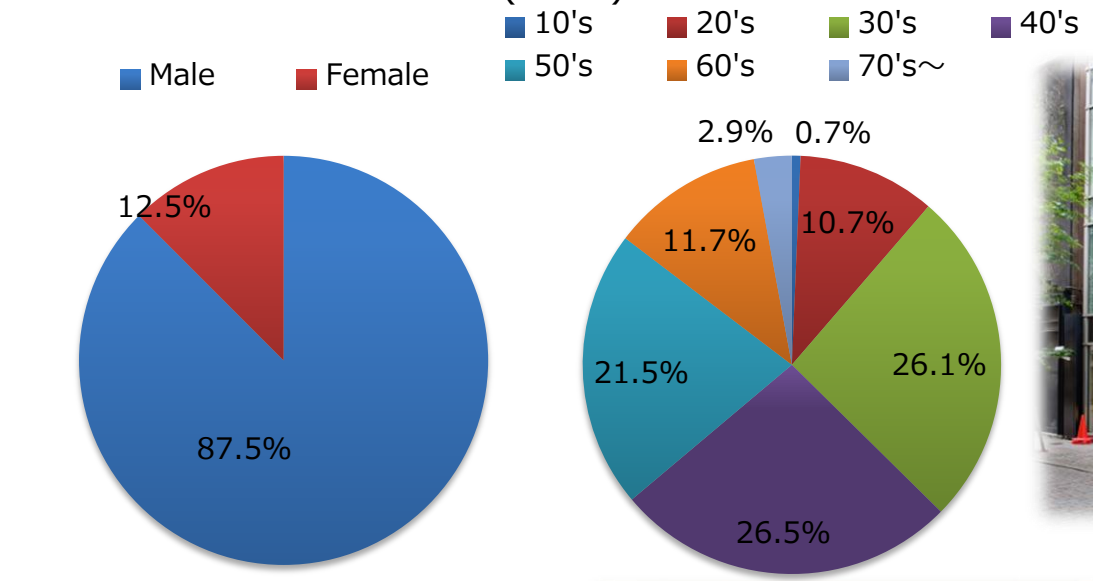




New store(2)
KOMEHYO Shinjyuku store ANNEX ('17.5)

Men's Store handles men's clothing items ranging from casual clothes to business suits and accessories

【KOMEHYO card members('17.6)】







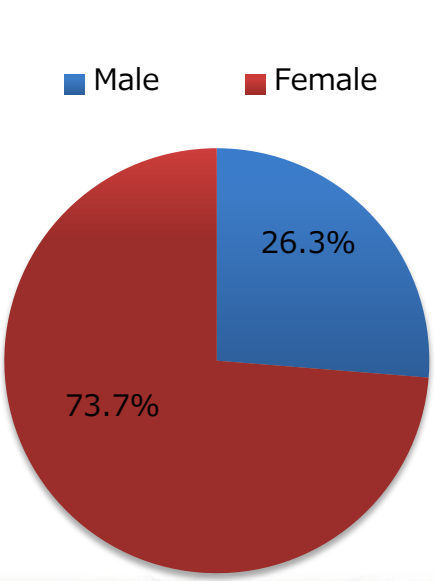


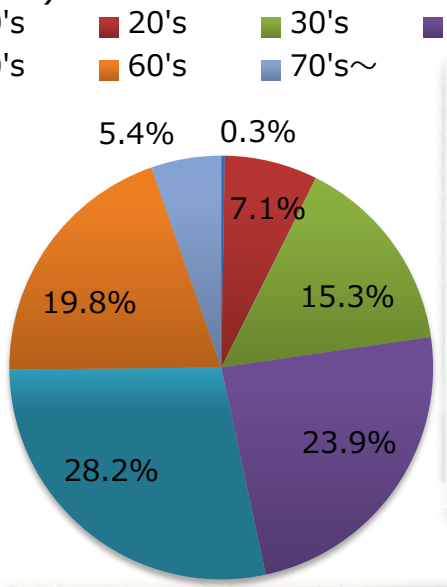


New store(3)
KOMEHYO Meieki store (‘17.5)

Visited by many customers who are doing shopping around Nagoya Station

【KOMEHYO card members(‘17.6)】













Renewal store
UM Inazawa store・LS Uedayama store

Establishment of Purchasing Center
—Enhancement of purchases from individual customers

【USED MARKET Inazawa store】(‘17.4.1～)



【LINK SMILE Uedayama store】(‘17.7.1～)





Store Type

KOMEHYO 28 stores (‘17.6)



Large-scale

Nagoya Store, Meieki Store, Shinjuku Store/ANNEX, Ginza Store, Umeda Store

Sales/Purchase

Jewelry, precious metals, watches, bags, clothing , etc.

6stores



Mid-scale

Opening stores in large major cities

Sales/Purchase

3stores



Small-scale

Opening stores in major cities

Sales/Purchase

12stores ※1

Purchasing Center

Opening stores in major cities

Purchase only

7店舗

(※1 ‘17.7～8 Scheduled to close 2 Small-Scale stores)

LINK SMILE by KOMEHYO 5 Stores (‘17.6)



Sales/Purchase ※2

Ladies casual clothing, bags, accessories

USED MARKET by KOMEHYO 3 Stores (‘17.6)



Sales/Purchase ※2

clothing in the low price range, bags, accessories

(※2 Some stores only as for the sale)

Purchase from Individual Customers

Strengthened purchases through “Rukuten point card” and “Purchase Promotion Campaign”

Amount of purchase from individual customers	FY2017 1Q	FY2018 1Q	YoY
Purchasing Center	4,067	4,359	107.2%
Home delivery Purchasing	222	210	94.4%
Total (Millions of yen)	4,290	4,570	106.5%

【Launched partnership with the Rakuten Point Card program】

Rakuten Super Points can be used and earned from April 2017



【Purchase Promotion Campaign】

Rolled out a campaign of increasing purchase prices for brands and items of the month

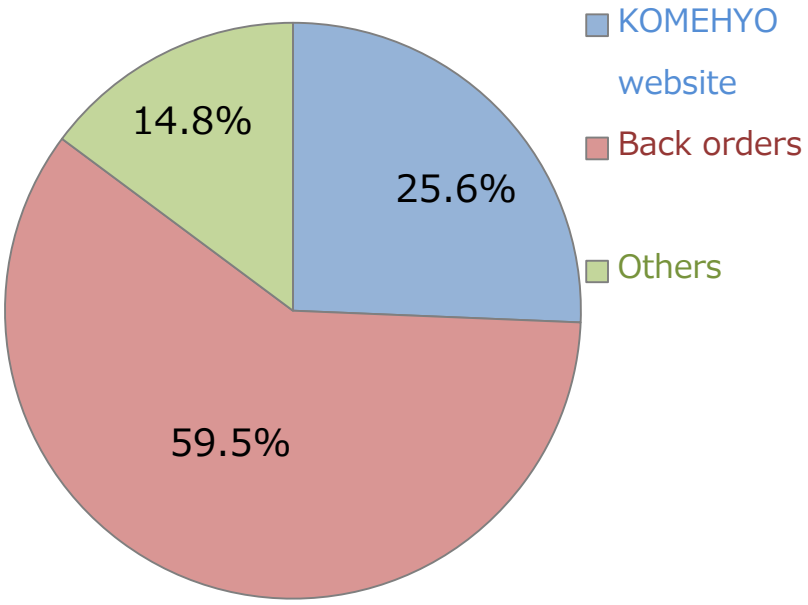


Online Sales

Leveraging omni channel retailing, leading customers from online stores to physical stores and vice versa

FY2018 1Q	Net sales (Millions of yen)	Net sales YoY	No. of products sold YoY
All online stores	1,453	109.6%	111.6%

【Percentage of online sales by channel】



【Roles of smartphone e-commerce sites】

Omni channel retailing

Initiative1:Enabling delivery to physical stores
Initiative2:installment payment estimation services
Initiative3:enhanced product inquiry services

Apps: Obtaining detailed product information using bar-code readers

FY2018 plan

Upward revision of earnings forecast

Consolidated (Millions of yen)	Pre-revision H1 plan	Revised H1 plan	YoY	Pre-revision FY2018 plan	Revised FY2018 Plan	YoY
Net sales	19,400	19,900	104.9%	42,800	43,300	107.9%
Operating income	80	240	–	1,230	1,330	159.8%
Ordinary income	80	240	–	1,230	1,330	163.1%
Net income attributable to owners of parent	80	130	–	750	800	224.8%

Non-consolidated (Millions of yen)	Pre-revision H1 plan	Revised H1 plan	YoY	Pre-revision FY2018 plan	Revised FY2018 Plan	YoY
Net sales	17,300	17,800	104.9%	37,400	37,900	108.6%
Operating income	20	150	–	840	900	179.0%
Ordinary income	130	270	–	950	1,000	204.1%
Net income	80	190	–	580	620	420.8%

Subsidiary(1)Auction、HONG KONG

Sales to secondhand dealers in Japan and abroad

【KOMEHYO Auction】

Develop and operate an auction-based platform for secondhand dealers

→ Help to expand sales channels and strengthen purchases of secondhand goods and enhance information-gathering within the industry

[Auction scale]

Trade volume : JPY1,400million／month

[No. of member companies]

762



【KOMEHYO HONG KONG】

Develop sales channels overseas to leverage them to strengthen purchases of secondhand goods in Japan

→ Expand B2B business in Hong Kong and establish relations with overseas buyers

(HK Jewelry show)



Subsidiary(2)Craft, Auto Parts Japan

Sale of tires, wheels, and vehicle parts

【Craft】

[Only one custom]

Combine tires and wheels with your favorite size and color, to one car in the world

[Craft member system(Store limited)]

Issuing member cards with various benefits such as price guarantee and service guarantee



