KOMEHYO

Earnings Results Briefing for the First Quarter of the Fiscal Year Ending March 31, 2019

August 10,2018

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Overview of Income Statement

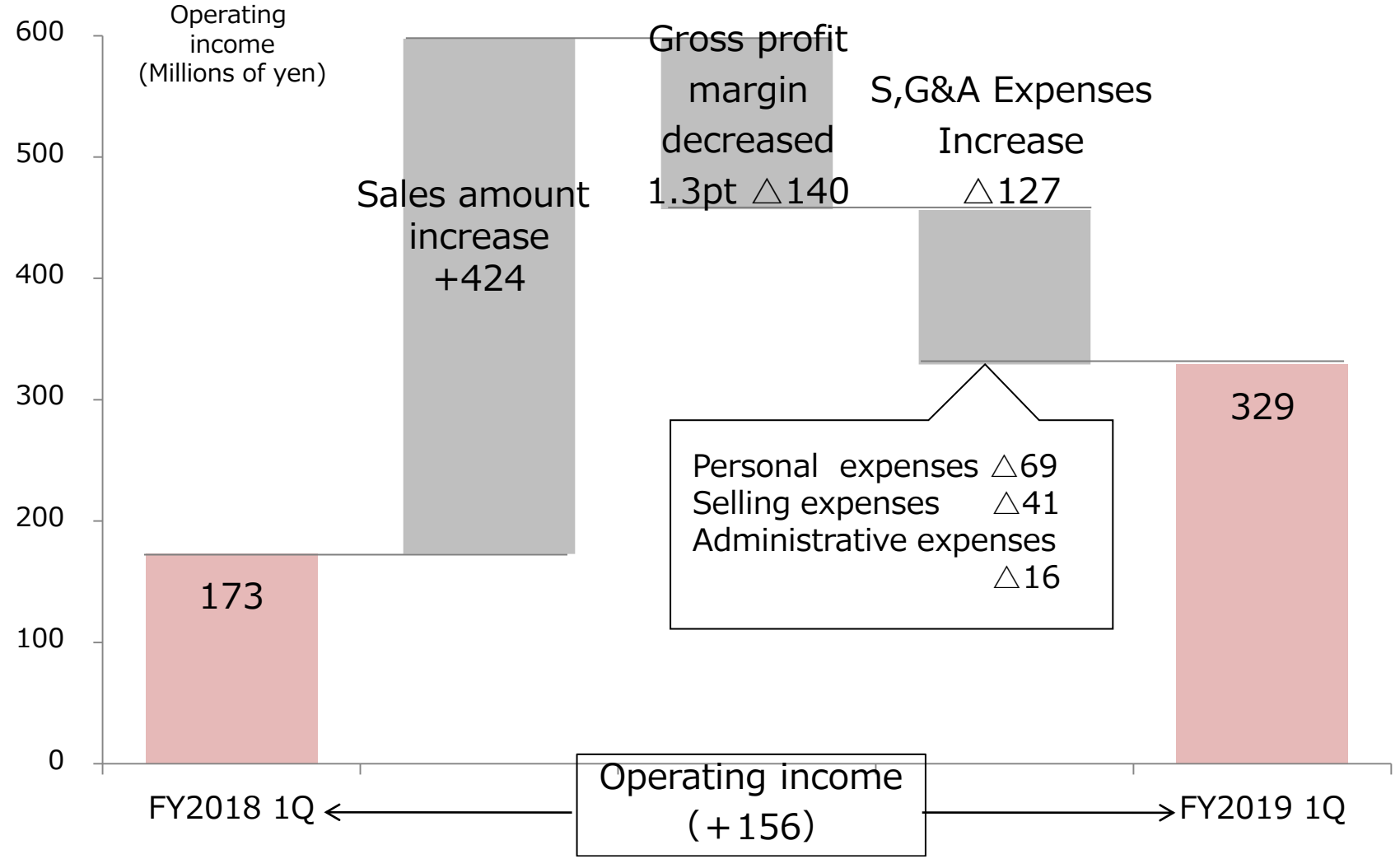
Consolidated (Millions of yen)	FY2017 1Q	FY2018 1Q	FY2019 1Q	Change	YoY
Net sales	9,153	9,849	11,271	+1,422	114.4%
Gross profit	2,539	2,940	3,224	+283	109.7%
Gross profit margin	27.7%	29.9%	28.6%	△1.3pt	–
SG&A expenses	2,595	2,767	2,894	+127	104.6%
Operating income	△55	173	329	156	190.3%
Ordinary income	△68	185	326	+140	176.2%
Net income attributable to owners of parent	△58	100	211	+110	210.5%

Overview of Income Statement

Non-consolidated (Millions of yen)	FY2017 1Q	FY2018 1Q	FY2019 1Q	Change	YoY
Net sales	8,052	8,673	9,934	+1,261	114.5%
Gross profit	2,154	2,499	2,735	+236	109.5%
Gross profit margin	26.8%	28.8%	27.5%	△1.3pt	–
SG&A expenses	2,225	2,401	2,445	+44	101.8%
Operating income	△70	97	289	+192	296.5%
Ordinary income	△77	226	292	+66	129.1%
Net income	△57	168	196	+28	116.6%

Operating income increase and decrease factor（ Consolidated ）

Gross profit margin decreased 1.3pt、but increased due to higher net sales



By Segment

Mainstay brand fashion business : significant increases in income and profit

	(Millions of yen)	FY2017 1Q	FY2018 1Q	FY2019 1Q	Change	YoY
Brand Fashion	Net sales	8,181	8,827	10,374	+1,547	117.5%
	Operating income	△39	157	343	+185	218.3%
	Operating margin	△0.5%	1.8%	3.3%	+1.5pt	–
Tire and Wheel	Net sales	948	997	879	△118	88.1%
	Operating income	△21	1	△23	△24	–
	Operating margin	△2.3%	0.1%	△2.7%	–	–
Others	Net sales	34	38	31	△6	82.4%
	Operating income	5	15	10	△5	66.9%
	Operating margin	15.2%	39.4%	32.0%	△7.4pt	–

Store Type

Expanding 33 stores in Japan

KOMEHYO 26 stores



Large-scale

Nagoya Store, Meieki Store, Shinjuku Store/ANNEX, Ginza Store, Umeda Store
Sales/Purchase
Jewelry, precious metals, watches,bags,clothing,etc.

6 stores



Mid-scale

Aoyama Store, Shinsaibashi Store, Kobe Sannomiya Store
Sales/Purchase

3 stores

Small-scale

Jiyugaoka Store, Omiya-higashiguchi Store, etc.
Sales/Purchase

9 stores



Purchasing Center

Yurakucho, Ikebukuro-nishiguchi, shibuya,etc.
Purchase only

7 stores

LINK SMILE by KOMEHYO 5 stores



Sales/Purchase ※
Ladies casual clothing, bags, accessories

USED MARKET by KOMEHYO 3 stores



Sales/Purchase ※
clothing in the low price range, bags, accessories

(※ Some stores only as for the sale)

Total 33 stores ('18.6)

Large stores

1st anniversary of large three stores opening

	Umeda store	Shinjyuku store ANNEX	Meieki store
Opening time	‘17.2	‘17.5	‘17.5
Location	Shibata2-2-1, Kita-ku,Osaka city OSAKA UK･GATE 1-3F	Shinjyuku3-19-7 Shinjyuku-ku Ranzan BLD B1-5F	Meieki4-8-24 Nakamura-ku Nagoya city MEI CLASSY BLD 1-2F





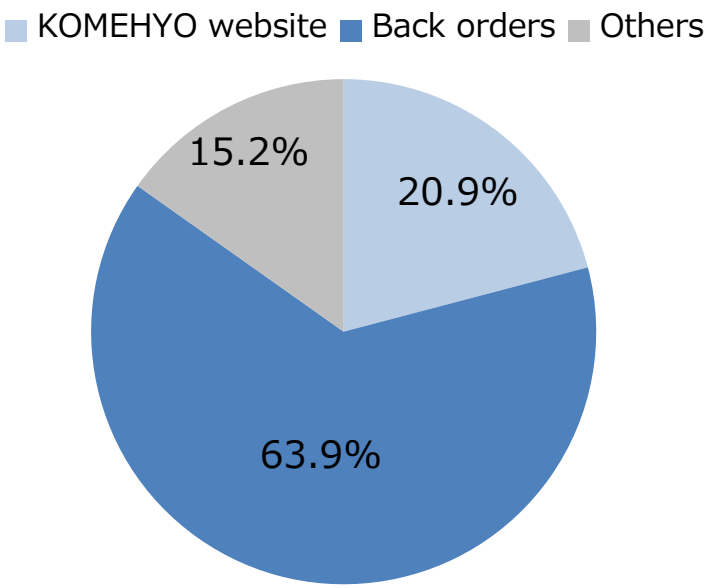


E-commerce-induced sales

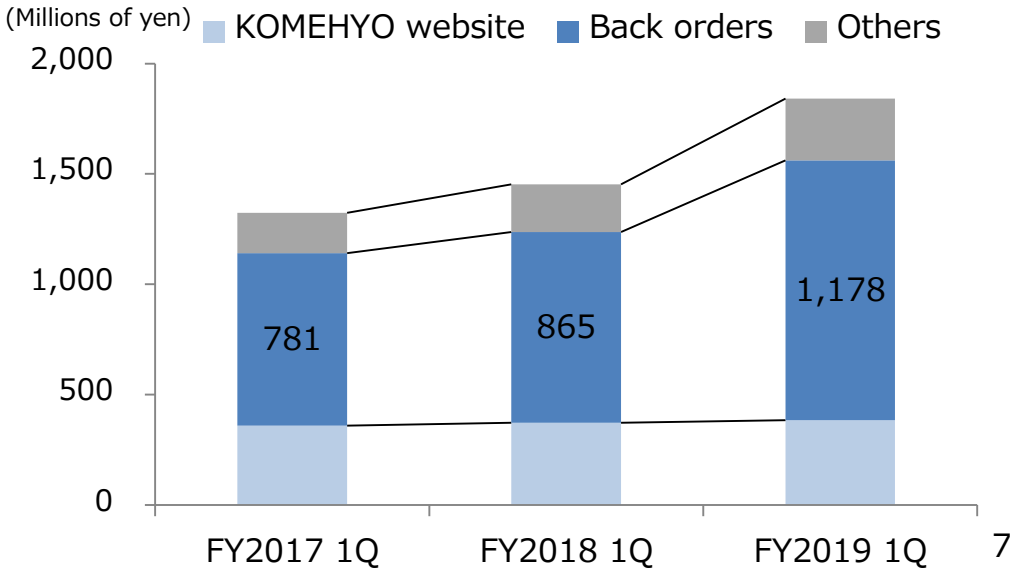
"Buy Online and Pick up in Store," connecting brick-and-mortar stores with e-commerce sites, is on an upward trend

(Millions of yen)	FY2017 1Q	FY2018 1Q	FY2019 1Q	Net sales YoY
E-commerce-induced sales	1,325	1,453	1,842	126.8%
E-commerce-induced sales rate	16.5%	16.8%	18.5%	–

【 Percentage of online sales by channel (FY2019 1Q)】



【Online sales trend by channel】



Purchases from individual customers

Amounts in terms of purchases of used goods from individuals are highest ever owing to various measures

Amount of purchase from individual customers	FY2017 1Q	FY2018 1Q	FY2019 1Q	Change	YoY
Purchasing Center	4,067	4,359	4,949	+590	113.5%
Home delivery Purchasing	222	210	248	+38	118.1%
Total (Millions of yen)	4,290	4,570	5,198	+628	113.7%

【KOMEHYO Purchasing shop HOSHIGAOKA TERRACE】

Purchasing event held at Nagoya city's Shopping center(HOSHIGAOKA TERRACE) for limited time event space(HACO) (6/13~7/9)







FY2019 plan

Revenue and profit growth both on a consolidated and Non-consolidated basis

Consolidated (Millions of yen)	H1 plan	YoY	1Q Progress rate	FY2019 plan	YoY
Net sales	22,900	110.3%	49.2%	50,000	109.9%
Operating income	475	102.9%	69.5%	1,900	116.9%
Ordinary income	475	100.4%	68.6%	1,900	117.9%
Net income attributable to owners of parent	300	101.6%	70.4%	1,200	111.7%

Non-consolidated (Millions of yen)	H1 plan	YoY	1Q Progress rate	FY2019 plan	YoY
Net sales	20,400	110.1%	48.7%	43,000	108.4%
Operating income	400	126.6%	72.5%	1,500	130.1%
Ordinary income	400	90.0%	73.2%	1,500	119.3%
Net income	270	85.0%	72.9%	1,000	111.6%

Subsidiary(1) KOMEHYO Auction

To hold an auction twice a month

	Trade volume (Millions of yen)	YoY	No. of member companies
FY2019 1Q	5,757	113.3%	865

【To hold an auction twice a month】
From June 2018,we will hold jewelry, watch, bag auction twice a month to strengthen profitability.





【KOMEHYO Auction】

Subsidiary(2) KOMEHYO HONG KONG

Reuse business performance in Hong Kong has been relatively satisfactory

	Net sales	YoY
FY2019 1Q	381	154.1%

【Inter-trading transactions in Hong Kong】







Subsidiary(3)
Eve Corporation、Ark marketing japan

Aim for synergy with KOMEHYO apparel Business

Company name	Business activities	Established Capital	Head Office
Eve Corporation Co.,Ltd.	Wholesale and retail of imported apparel,bags,and accessories; Operation of mail-order sites "Mike MUSEUM" Purchase and sales of shoes, etc. Operation of mail-order sites "WORM TOKYO" Operation of the store of "WORM TOKYO"	May 2010 9 million yen	Shibuya Tokyo
Ark marketing japan Co.,Ltd.	Sales of shoe-care goods, shoe maintenance service, etc. Operation of mail-order site "SHOES MASTER"	August 2013 1 million yen	



※The above two companies are scheduled to merge management by merger with Eve Corporation on November 1, 2018.



Subsidiary(4) Craft、Auto Parts Japan

Opened reuse specialty shop “U-ICHIBAN”

Company name	Business activities	Established Capital	Location
CRAFT Co., Ltd.	Sale of passenger-car tires, aluminum wheels, auto accessories, and parts	April 1980 JPY72million	Nakagawa Nagoya city
AUTO PARTS JAPAN Co., Ltd.	Import, sale, and purchase of auto parts Operation of sales store ’U-ICHIBAN’	May 2013 JPY30million	

【EURO STYLE Craft】

Opened in Craft Nagoya Dome West store 2F in September 2017
Enhance customization of euro compact car



【URBAN OFF CRAFT】

Opened in Craft Nakagawa store in October 2017 and in Craft Hamamatsu store in July 2018
Proposing customization of Urban SUV



【U-ICHIBAN】

Opened in Craft Inazawa store and Ogaki store in April 2018
Strengthened sales and purchase of used products at Auto Parts Japan

