

Investors' Guide

May-2019

Shimamura Co., Ltd.

I . Shimamura Co., Ltd. (Consolidated)

1 . Consolidated Financial Summary and Forecast	
(1) Consolidated Profit and loss statement	1
(2) Selling, General and Administrative Expenses	2
(3) Consolidated quarterly Profit and loss statement	2
(4) Consolidated Balance Sheets	3
(5) Consolidated Major Financial Indicators	3
2 . Number of Stores by Region	4
3 . Store operation	6
4 . Number of Employees	7
5 . Capital Expenditures	8

I. Shimamura Co., Ltd. (Consolidated)

1. Consolidated Financial Summary and Forecast

(1) Consolidated Profit and loss statement

(Units : Millions of yen, %)

Subject	May-2018			Feb-2019			May-2019			Feb-2020 Forecast		
	Amount	Comp	YOY	Amount	Comp	YOY	Amount	Comp	YOY	Amount	Comp	YOY
Net Sales	137,618	100.0	99.7	545,996	100.0	96.6	133,648	100.0	97.1	563,000	100.0	103.1
Shimamura	105,259	76.5	98.4	424,558	77.8	95.2	101,295	75.8	96.2	434,770	77.2	102.4
Avail	12,935	9.4	98.8	50,880	9.3	100.2	13,010	9.7	100.6	52,700	9.4	103.6
Birthday	15,136	11.0	108.2	53,945	9.9	105.0	15,301	11.4	101.1	58,000	10.3	107.5
Chambre	2,621	1.9	102.9	9,763	1.8	100.8	2,639	2.0	100.7	10,100	1.8	103.4
Divalo	186	0.1	141.9	686	0.1	127.6	200	0.2	107.7	930	0.2	135.5
CHINA TAIWAN	1,331	1.0	112.6	5,622	1.0	93.9	1,107	0.8	83.2	5,920	1.0	105.3
CHINA(Shanghai)	147	0.1	135.0	549	0.1	91.0	93	0.1	62.9	580	0.1	105.5
Cost of goods sold	92,836	67.5	101.6	372,219	68.2	99.1	90,553	67.8	97.5	377,276	67.0	101.4
Gross profit	44,781	32.5	96.0	173,776	31.8	91.7	43,094	32.2	96.2	185,724	33.0	106.9
Other operating income	236	0.2	95.3	948	0.2	94.8	225	0.2	95.5	1,003	0.2	105.7
Operating Gross Profit	45,018	32.7	96.0	174,725	32.0	91.7	43,320	32.4	96.2	186,727	33.2	106.9
SG & A expenses	37,842	27.5	104.0	149,274	27.3	101.2	37,727	28.2	99.7	151,992	27.0	101.8
Operating Profit	7,175	5.2	68.3	25,451	4.7	59.3	5,592	4.2	77.9	34,735	6.2	136.5
Non-operating income	213	0.2	107.4	917	0.1	87.9	228	0.2	107.4	1,009	0.1	109.9
Non-operating expenses	2	0.0	108.3	123	0.0	—	54	0.1	—	34	0.0	27.4
Ordinary Profit	7,386	5.4	69.0	26,245	4.8	59.8	5,767	4.3	78.1	35,710	6.3	136.1
Extraordinary losses	83	0.1	69.4	1,825	0.3	120.8	36	0.0	43.9	1,005	0.1	55.1
Pretax profit	7,302	5.3	69.0	24,420	4.5	57.6	5,730	4.3	78.5	34,705	6.2	142.1
Tax	2,519	1.8	72.5	8,423	1.6	66.4	1,937	1.4	76.9	11,225	2.0	133.3
Net Profit	4,782	3.5	67.3	15,996	2.9	53.8	3,793	2.8	79.3	23,480	4.2	146.8

(2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

Subject	May-2018			Feb-2019			May-2019			Feb-2020 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	14,585	10.6	104.9	59,085	10.8	102.5	14,555	10.9	99.8	60,838	10.8	103.0
Personal expenses	17,202	12.5	105.2	70,163	12.9	102.5	17,134	12.8	99.6	72,432	12.9	103.2
Advertising expenses	4,665	3.4	104.3	16,005	2.9	101.6	5,051	3.8	108.3	15,431	2.7	96.4
Selling expenses	6,175	4.5	105.8	21,677	4.0	101.8	6,488	4.8	105.1	21,511	3.8	99.2
Non-durable goods	400	0.3	132.2	1,126	0.2	88.3	207	0.2	51.8	1,143	0.2	101.5
Display total	487	0.4	54.4	1,206	0.2	39.4	258	0.2	53.0	1,483	0.3	122.9
Operating expenses	2,135	1.5	93.7	7,224	1.3	84.0	1,722	1.3	80.6	7,655	1.3	106.0
Rental expenses	8,190	6.0	105.7	33,327	6.1	105.5	8,447	6.3	103.1	34,362	6.1	103.1
Depreciation	1,409	1.0	100.7	5,719	1.0	100.4	1,361	1.0	96.6	5,695	1.0	99.6
Facilities cost	11,288	8.2	103.8	46,186	8.5	102.1	11,368	8.5	100.7	46,588	8.3	100.9
General expenses	1,039	0.8	98.6	4,022	0.7	99.7	1,013	0.8	97.5	3,806	0.7	94.6
SG & A expenses	37,842	27.5	104.0	149,274	27.3	101.2	37,727	28.2	99.7	151,992	27.0	101.8

(3) Consolidated quarterly Profit and loss statement

(Units : Millions of yen, %)

Subject	May-2019			Aug-2019			Nov-2019			Feb-2020		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	133,648	100.0	97.1									
Cost of goods sold	90,553	67.8	97.5									
Gross profit	43,094	32.2	96.2									
Other operating income	225	0.2	95.5									
Operating Gross Profit	43,320	32.4	96.2									
SG & A expenses	37,727	28.2	99.7									
Operating Profit	5,592	4.2	77.9									
Ordinary Profit	5,767	4.3	78.1									
Net Profit	3,793	2.8	79.3									

(4) Consolidated Balance Sheets

(Units : Millions of yen, %)

	May-2018			Feb-2019			May-2019		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	283,489	62.0	109.6	223,446	56.2	99.2	242,705	58.4	85.6
Noncurrent assets	174,076	38.0	100.5	173,978	43.8	101.0	172,601	41.6	99.2
Total assets	457,565	100.0	106.0	397,425	100.0	100.0	415,307	100.0	90.8
Current liabilities	99,115	21.7	106.0	33,747	8.5	86.0	50,828	12.3	51.3
Noncurrent liabilities	5,198	1.1	114.6	4,601	1.1	88.4	4,681	1.1	90.1
Total liabilities	104,314	22.8	106.4	38,348	9.6	86.3	55,509	13.4	53.2
Total shareholder's equity	348,603	76.2	105.6	355,393	89.4	102.0	356,244	85.8	102.2
Valuation difference	4,647	1.0	127.8	3,682	1.0	78.8	3,553	0.8	76.4
Total net assets	353,251	77.2	105.8	359,076	90.4	101.7	359,797	86.6	101.9
Total assets	457,565	100.0	106.0	397,425	100.0	100.0	415,307	100.0	90.8

(5) Consolidated Major Financial Indicators

	May-2015	May-2016	May-2017	May-2018	May-2019
Capital adequacy ratio	82.6%	83.6%	77.3%	77.2%	86.6%
ROE	1.9%	2.6%	2.1%	1.4%	1.1%
ROA	1.6%	2.2%	1.8%	1.1%	0.9%
Ordinary profit to total assets	2.7%	3.4%	2.6%	1.7%	1.4%
Total assets turnover ratio	0.39 回	0.39 回	0.34 回	0.32 回	0.33 回
Interest-bearing debt ratio	1.1%	0.5%	0.0%	0.0%	0.0%
Gross profit ratio	31.5%	32.9%	33.8%	32.5%	32.2%
SG & A expenses ratio	25.1%	24.5%	26.4%	27.5%	28.2%
Operating profit ratio	6.6%	8.6%	7.6%	5.2%	4.2%
Ordinary profit ratio	6.9%	8.8%	7.8%	5.4%	4.3%
Net assets per share	7,880.83 円	8,424.42 円	9,082.08 円	9,611.42 円	9,789.94 円
EPS	150.59 円	217.17 円	193.44 円	130.12 円	103.21 円

2. Number of Stores by Region

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2018 End	Op en	Clo se	May-19 End	2018 End	Op en	Clo se	May-19 End	2018 End	Op en	Clo se	May-19 End	2018 End	Op en	Clo se	May-19 End	2018 End	Op en	Clo se	May-19 End	2018 End	Op en	Clo se	May-19 End
Hokkaido	68	1		69	20			20	16	1		17	9		1	8	1			1	114	2	1	115
Aomori	23			23	6			6	2			2	4			4					35			35
Iwate	20			20	7			7	4			4	1			1					32			32
Miyagi	35			35	10			10	8			8	3			3					56			56
Akita	17			17	7			7	4			4	2			2					30			30
Yamagata	16			16	6			6	5			5	3			3					30			30
Fukushima	40			40	9			9	6			6	5			5					60			60
Hokkaido Tohoku Area	219	1	0	220	65	0	0	65	45	1	0	46	27	0	1	26	1	0	0	1	357	2	1	358
Ibaraki	56			56	14			14	11			11	4			4	1			1	86			86
Tochigi	36			36	10			10	10			10	8			8					64			64
Gunma	39			39	11			11	8	1		9	5			5					63	1		64
Saitama	104	1		105	21			21	18	1		19	6			6	2			2	151	2		153
Chiba	77			77	18			18	19			19	3			3					117			117
Tokyo	67			67	5			5	11			11	2			2	1			1	86			86
Kanagawa	64			64	10			10	11			11	1			1	2			2	88			88
Yamanashi	14			14	5			5	2			2	1			1					22			22
Nagano	41			41	11			11	5			5	4			4	1			1	62			62
Kanto Koshin Area	498	1	0	499	105	0	0	105	95	2	0	97	34	0	0	34	7	0	0	7	739	3	0	742
Niigata	36			36	10			10	6			6	2			2					54			54
Toyama	22			22	4			4	4			4									30			30
Ishikawa	18			18	2			2	3			3									23			23
Fukui	12			12	2			2	2			2	2			2					18			18
Hokuriku Area	88	0	0	88	18	0	0	18	15	0	0	15	4	0	0	4	0	0	0	0	125	0	0	125
Gifu	28			28	3			3	3			3									34			34
Shizuoka	43			43	9			9	13			13	3			3					68			68
Aichi	66			66	8			8	7			7					1			1	82			82
Mie	22			22	7			7	3			3									32			32
Tokai Area	159	0	0	159	27	0	0	27	26	0	0	26	3	0	0	3	1	0	0	1	216	0	0	216

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2018 End	Op en	Cl se	May-19 End	2018 End	Op en	Cl se	May-19 End	2018 End	Op en	Cl se	May-19 End	2018 End	Op en	Cl se	May-19 End	2018 End	Op en	Cl se	May-19 End	2018 End	Op en	Cl se	May-19 End
Shiga	19			19	4			4	3			3	1			1	1			1	28			28
Kyoto	21			21	4			4	5			5				1				1	31			31
Oosaka	56	1		57	18			18	17	1		18	1			1	1			1	93	2		95
Hyougo	49			49	11			11	9			9	3			3	1			1	73			73
Nara	17			17	6			6	4			4	3			3					30			30
Wakayama	14			14	2			2	2			2	1			1					19			19
Kinki Area	176	1	0	177	45	0	0	45	40	1	0	41	9	0	0	9	4	0	0	4	274	2	0	276
Tottori	7			7	2			2	3			3	2			2					14			14
Shimane	9			9	2			2	3			3	2			2	1			1	17			17
Okayama	22			22	4			4	4			4									30			30
Hiroshima	22			22	4			4	3			3	1			1	2			2	32			32
Yamaguchi	20			20	4			4	5			5									29			29
Chugoku Area	80	0	0	80	16	0	0	16	18	0	0	18	5	0	0	5	3	0	0	3	122	0	0	122
Tokushima	9			9	2			2	1			1									12			12
Kagawa	13			13	2			2	2			2	1			1					18			18
Ehime	17			17	4			4	4			4	2			2	1			1	28			28
Kochi	12			12	2			2	1			1									15			15
Shikoku Area	51	0	0	51	10	0	0	10	8	0	0	8	3	0	0	3	1	0	0	1	73	0	0	73
Fukuoka	47			47	15			15	16			16	3			3	1			1	82			82
Saga	12			12	1			1	1			1									14			14
Nagasaki	14			14	3			3	4			4	3			3					24			24
Kumamoto	21			21	2			2	3			3	1			1					27			27
Ooita	16		1	15	3		1	2	3			3	2		1	1					24		3	21
Miyazaki	17			17	2			2	2			2									21			21
Kagoshima	19			19	4			4	3			3	2			2					28			28
Okinawa	11			11	4			4	5			5	1			1					21			21
Kyusyu Okinawa Area	157	0	1	156	34	0	1	33	37	0	0	37	12	0	1	11	1	0	0	1	241	0	3	238
Japan Total	1,428	3	1	1,430	320	0	1	319	284	4	0	288	97	0	2	95	18	0	0	18	2,147	7	4	2,150
CHINA TAIWAN																					47	0	0	47
CHINA(Shanghai)																					11	0	1	10
T o t a l	1,428	3	1	1,430	320	0	1	319	284	4	0	288	97	0	2	95	18	0	0	18	2,205	7	5	2,207

3. Store operation

(1) Store openings

		Feb-2018	May-2018	Feb-2019	May-2019	Feb-2020 Forecast
Shimamura	New store openings	40	8	27	3	18
	Closures	4	0	0	1	3
	Renovation	110	31	72	14	51
	Scrap & rebuild	3	1	2	0	0
	Year-end total	1,401	1,409	1,428	1,430	1,443
Avail	New store openings	12	3	11	0	7
	Closures	0	1	4	1	1
	Scrap & rebuild	1	0	0	0	0
	Year-end total	313	315	320	319	326
Birthday	New store openings	23	9	23	4	22
	Closures	2	0	0	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	261	270	284	288	306
Chambre	New store openings	3	0	0	0	3
	Closures	1	0	1	2	3
	Scrap & rebuild	0	0	0	0	0
	Year-end total	98	98	97	95	97
Divalo	New store openings	5	1	3	0	5
	Closures	0	1	1	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	16	16	18	18	23
CHINA TAIWAN Shimamura	New store openings	3	1	3	0	1
	Closures	0	0	1	0	0
	Scrap & rebuild	0	0	0	0	1
	Year-end total	45	46	47	47	48
CHINA(Shanghai) Shimamura	New store openings	1	0	1	0	0
	Closures	1	0	1	1	3
	Scrap & rebuild	0	0	0	0	0
	Year-end total	11	11	11	10	8
Shimamura Group	New store openings	87	22	68	7	56
	Closures	8	2	8	5	10
	Scrap & rebuild	4	1	2	0	1
	Year-end total	2,145	2,165	2,205	2,207	2,251

(2) Retail Floor Space

(Units : m²)

Store Type	Feb-2018	May-2018	Feb-2019	May-2019	Feb-2020 Forecast
Shimamura	1,461,905	1,470,695	1,489,931	1,491,697	1,505,000
Avail	309,563	311,823	316,874	315,849	323,000
Birthday	241,670	249,760	262,728	266,353	283,000
Chambre	93,193	93,193	92,185	90,291	92,000
Divalo	6,562	6,378	7,636	7,636	10,000
CHINA TAIWAN Shimamura	42,813	43,793	44,834	44,852	46,000
CHINA (Shanghai) Shimamura	9,981	9,981	8,326	7,485	6,000
Shimamura Group	2,165,687	2,185,623	2,222,514	2,224,163	2,265,000

4. Number of Employees

(Units : person, %)

		May-2018		Feb-2019		May-2019		Feb-2020 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,707	102.7	2,671	101.8	2,729	100.8	2,720	101.8
	Part-time	12,613	102.8	12,742	101.0	12,272	97.3	13,030	102.3
	Total	15,320	102.8	15,413	101.1	15,001	97.9	15,750	102.2
Subsidiary	Full-time	492	—	503	91.8	489	99.4	500	99.4
	Part-time	59	14.4	61	102.0	60	101.7	60	98.9
	Total	551	101.8	564	92.8	549	99.6	560	99.3
Shimamura Group Total	Full-time	3,199	115.7	3,174	100.1	3,218	100.6	3,220	101.4
	Part-time	12,672	100.0	12,803	101.0	12,332	97.3	13,090	102.2
	Total	15,871	102.8	15,977	100.8	15,550	98.0	16,310	102.1

5. Capital Expenditures

(1) Shimamura Co., Ltd.(Non-consolidated)

(Until : Millions of yen, %)

	May-2018	YOY	Feb-2019	YOY	May-2019	YOY	Feb-2020 Forecast	YOY
Buildings	1,982	170.4	5,270	85.7	457	23.1	5,200	98.7
Structures	293	179.2	769	106.6	74	25.3	1,170	152.1
Machine	—	—	3	—	—	—	—	—
Equipment	59	108.7	306	64.0	61	102.7	300	97.7
Land	7	—	4	0.8	96	—	6,000	—
Construction in progress	△227	—	3,712	—	△9	4.2	4,000	107.8
Tangible fixed assets	2,115	147.8	10,066	126.2	679	32.1	16,670	165.6
Deposits for rent	778	143.1	1,752	80.4	291	37.5	1,500	85.6
Lease deposits	3	3.2	23	20.8	11	—	—	—
Total capital expenditures	2,897	139.5	11,842	115.4	982	33.9	18,170	153.4
Depreciation	1,364	101.0	5,555	100.5	1,324	97.1	5,500	99.0

(2) Subsidiary

(Units : Millions of yen, %)

	May-2018	YOY	Feb-2019	YOY	May-2019	YOY	Feb-2020 Forecast	YOY
Total capital expenditures	79	67.1	295	71.8	—	—	100	33.9
Depreciation	45	92.5	163	98.7	37	83.7	156	95.1

(3) Shimamura Co., Ltd.(consolidated)

(Units : Millions of yen, %)

	May-2018	YOY	Feb-2019	YOY	May-2019	YOY	Feb-2020 Forecast	YOY
Total capital expenditures	2,976	135.6	12,137	113.7	982	33.0	18,270	150.5
Depreciation	1,409	100.7	5,719	100.4	1,361	96.6	5,656	98.9