

# Investors' Guide

November -2019

Shimamura Co., Ltd.

**I . Shimamura Co., Ltd. (Consolidated)**

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I. Shimamura Co., Ltd. (Consolidated)

1. Consolidated Financial Summary and Forecast

(1) Consolidated Profit and loss statement

(Units : Millions of yen、%)

Subject	Nov-2018			Feb-2019			Nov-2019			Feb-2020 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	409,936	100.0	96.0	545,996	100.0	96.6	394,318	100.0	96.2	528,090	100.0	96.7
Shimamura	318,592	77.7	94.5	424,558	77.8	95.2	303,843	77.1	95.4	407,000	77.1	95.9
Avail	37,722	9.2	98.4	50,880	9.3	100.2	37,481	9.5	99.4	50,400	9.6	99.1
Birthday	41,300	10.1	105.1	53,945	9.9	105.0	41,086	10.4	99.5	54,200	10.3	100.5
Chambre	7,234	1.8	101.4	9,763	1.8	100.8	7,222	1.8	99.8	9,700	1.8	99.4
Divalo	527	0.1	136.6	686	0.1	127.6	567	0.1	107.7	760	0.1	110.7
CHINA TAIWAN	4,156	1.0	100.2	5,622	1.0	93.9	3,862	1.0	92.9	5,450	1.0	96.9
CHINA(Shanghai)	411	0.1	106.8	549	0.1	91.0	255	0.1	62.0	580	0.1	105.5
Cost of goods sold	277,263	67.6	98.3	372,219	68.2	99.1	264,042	67.0	95.2	355,100	67.2	95.4
Gross profit	132,672	32.4	91.6	173,776	31.8	91.7	130,275	33.0	98.2	172,990	32.8	99.5
Other operating income	723	0.1	94.9	948	0.2	94.8	696	0.2	96.2	1,003	0.1	105.7
Operating Gross Profit	133,396	32.5	91.6	174,725	32.0	91.7	130,971	33.2	98.2	173,993	32.9	99.6
SG & A expenses	112,788	27.5	102.0	149,274	27.3	101.2	112,024	28.4	99.3	148,093	28.0	99.2
Operating Profit	20,607	5.0	58.7	25,451	4.7	59.3	18,947	4.8	91.9	25,900	4.9	101.8
Non-operating income	695	0.2	78.7	917	0.1	87.9	613	0.1	88.2	792	0.1	86.4
Non-operating expenses	41	0.0	—	123	0.0	—	93	0.0	225.0	72	0.0	58.7
Ordinary Profit	21,261	5.2	59.1	26,245	4.8	59.8	19,467	4.9	91.6	26,620	5.0	101.4
Extraordinary losses	461	0.1	78.8	1,825	0.3	120.8	481	0.1	104.3	2,575	0.4	141.1
Pretax profit	20,800	5.1	58.8	24,420	4.5	57.6	18,986	4.8	91.3	24,045	4.6	98.5
Tax	7,057	1.7	61.9	8,423	1.6	66.4	6,343	1.6	89.9	7,940	1.6	94.3
Net Profit	13,743	3.4	57.3	15,996	2.9	53.8	12,643	3.2	92.0	16,105	3.0	100.7

## (2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

Subject	Nov-2018			Feb-2019			Nov-2019			Feb-2020 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	44,546	10.9	103.3	59,085	10.8	102.5	44,371	11.3	99.6	59,012	11.2	99.9
Personal expenses	52,779	12.9	103.4	70,163	12.9	102.5	52,498	13.3	99.5	70,045	13.3	99.8
Advertising expenses	12,215	3.0	101.8	16,005	2.9	101.6	12,200	3.1	99.9	15,201	2.9	95.0
Selling expenses	16,395	4.0	101.4	21,677	4.0	101.8	16,375	4.2	99.9	20,818	4.0	96.0
Non-durable goods	917	0.2	91.9	1,126	0.2	88.3	739	0.2	80.5	938	0.2	83.3
Display total	1,108	0.3	42.6	1,206	0.2	39.4	862	0.2	77.8	1,060	0.2	87.8
Operating expenses	5,772	1.4	84.6	7,224	1.3	84.0	5,921	1.5	102.6	7,504	1.3	103.9
Rental expenses	24,881	6.1	106.1	33,327	6.1	105.5	25,372	6.4	102.0	33,890	6.4	101.7
Depreciation	4,305	1.1	101.1	5,719	1.0	100.4	4,118	1.0	95.6	5,455	1.0	95.4
Facilities cost	34,771	8.5	104.2	46,186	8.5	102.1	34,268	8.7	98.6	45,658	8.6	98.9
General expenses	3,069	0.7	97.3	4,022	0.7	99.7	2,960	0.7	96.4	4,068	0.8	101.1
SG & A expenses	112,788	27.5	102.0	149,274	27.3	101.2	112,024	28.4	99.3	148,093	28.0	99.2

## (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	130,745	100.0	94.7	129,924	100.0	96.7			
Cost of goods sold	90,553	67.8	97.5	85,780	65.6	91.6	87,708	67.5	96.6			
Gross profit	43,094	32.2	96.2	44,965	34.4	101.3	42,215	32.5	97.0			
Other operating income	225	0.2	95.5	240	0.2	93.0	229	0.2	100.7			
Operating Gross Profit	43,320	32.4	96.2	45,206	34.6	101.3	42,445	32.7	97.0			
SG & A expenses	37,727	28.2	99.7	36,443	27.9	97.2	37,852	29.1	101.1			
Operating Profit	5,592	4.2	77.9	8,762	6.7	122.7	4,592	3.6	73.0			
Ordinary Profit	5,767	4.3	78.1	8,826	6.8	120.0	4,873	3.8	74.7			
Net Profit	3,793	2.8	79.3	5,819	4.5	123.2	3,030	2.3	71.5			

## (4) Consolidated Balance Sheets

(Units : Millions of yen, %)

	Nov-2018			Feb-2019			Nov-2019		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	238,936	57.7	99.5	223,446	56.2	99.2	259,289	60.3	108.5
Noncurrent assets	174,972	42.3	100.7	173,978	43.8	101.0	170,680	39.7	97.5
<b>Total assets</b>	<b>413,908</b>	<b>100.0</b>	<b>100.0</b>	<b>397,425</b>	<b>100.0</b>	<b>100.0</b>	<b>429,969</b>	<b>100.0</b>	<b>103.9</b>
Current liabilities	51,545	12.4	83.2	33,747	8.5	86.0	60,018	14.0	116.4
Noncurrent liabilities	4,852	1.2	104.9	4,601	1.1	88.4	4,880	1.1	100.6
<b>Total liabilities</b>	<b>56,397</b>	<b>13.6</b>	<b>84.7</b>	<b>38,348</b>	<b>9.6</b>	<b>86.3</b>	<b>64,899</b>	<b>15.1</b>	<b>115.1</b>
Total shareholder's equity	353,143	85.3	103.0	355,393	89.4	102.0	361,412	84.1	102.3
Valuation difference	4,367	1.1	96.2	3,682	1.0	78.8	3,658	0.8	83.8
<b>Total net assets</b>	<b>357,511</b>	<b>86.4</b>	<b>102.9</b>	<b>359,076</b>	<b>90.4</b>	<b>101.7</b>	<b>365,070</b>	<b>84.9</b>	<b>102.1</b>
<b>Total assets</b>	<b>413,908</b>	<b>100.0</b>	<b>100.0</b>	<b>397,425</b>	<b>100.0</b>	<b>100.0</b>	<b>429,969</b>	<b>100.0</b>	<b>103.9</b>

## (5) Consolidated Major Financial Indicators

	Nov-2015	Nov-2016	Nov-2017	Nov-2018	Nov-2019
Capital adequacy ratio	81.2%	74.1%	83.9%	86.4%	84.9%
ROE	6.6%	8.4%	7.1%	3.9%	3.5%
ROA	5.5%	6.7%	6.0%	3.4%	3.1%
Ordinary profit to total assets	9.0%	10.3%	9.1%	5.2%	4.7%
Total assets turnover ratio	1.17times	1.09times	1.08times	1.01times	0.95times
Interest-bearing debt ratio	0.5%	—	—	—	—
Gross profit ratio	32.0%	33.7%	33.9%	32.4%	33.0%
SG & A expenses ratio	24.6%	24.7%	25.9%	27.5%	28.4%
Operating profit ratio	7.6%	9.2%	8.2%	5.0%	4.8%
Ordinary profit ratio	7.8%	9.5%	8.4%	5.2%	4.9%
Net assets per share	8,182.03yen	8,821.01yen	9,448.96yen	9,727.57yen	9,933.62yen
EPS	529.14yen	718.91yen	652.30yen	373.93yen	344.01yen

## 2. Number of Stores by Region

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End
Hokkaido	68	1		69	20			20	16	1		17	9		1	8	1			1	114	2	1	115
Aomori	23			23	6	1		7	2			2	4			4					35	1		36
Iwate	20			20	7			7	4			4	1			1					32			32
Miyagi	35	1		36	10			10	8			8	3			3					56	1		57
Akita	17			17	7			7	4			4	2			2					30			30
Yamagata	16			16	6			6	5			5	3			3					30			30
Fukushima	40		1	39	9			9	6			6	5			5					60		1	59
Hokkaido Tohoku Area	219	2	1	220	65	1	0	66	45	1	0	46	27	0	1	26	1	0	0	1	357	4	2	359
Ibaraki	56			56	14			14	11			11	4			4	1			1	86			86
Tochigi	36			36	10			10	10			10	8		1	7					64		1	63
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	1		78	18			18	19			19	3			3					117	1		118
Tokyo	67	3		70	5			5	11			11	2			2	1			1	86	3		89
Kanagawa	64	1	1	64	10			10	11			11	1			1	2			2	88	1	1	88
Yamanashi	14			14	5			5	2			2	1			1					22			22
Nagano	41		1	40	11			11	5	1	1	5	4			4	1		1		62	1	3	60
Kanto Koshin Area	498	6	2	502	105	0	0	105	95	3	1	97	34	0	1	33	7	0	1	6	739	9	5	743
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	1		14	3			3					68	1		69
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	1	0	27	3	0	0	3	1	0	0	1	216	1	0	217

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End	2018 End	Op en	Clo se	Nov-19 End
Shiga	19			19	4			4	3	1		4	1			1	1			1	28	1		29
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	1		5	3		1	2					30	1	1	30
Wakayama	14			14	2			2	2			2	1			1					19			19
Kinki Area	176	1	0	177	45	0	0	45	40	3	0	43	9	0	1	8	4	0	0	4	274	4	1	277
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	1		23	4			4	4			4									30	1		31
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	1	0	81	16	0	0	16	18	0	0	18	5	0	0	5	3	0	0	3	122	1	0	123
Tokushima	9			9	2			2	1			1									12			12
Kagawa	13			13	2			2	2	1		3	1			1					18	1		19
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	1	0	9	3	0	0	3	1	0	0	1	73	1	0	74
Fukuoka	47		1	46	15			15	16			16	3			3	1			1	82		1	81
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	2	155	34	0	1	33	37	0	0	37	12	0	1	11	1	0	0	1	241	0	4	237
Japan Total	1,428	10	5	1,433	320	1	1	320	284	9	1	292	97	0	4	93	18	0	1	17	2,147	20	12	2,155
CHINA TAIWAN																					47	1	0	48
CHINA(Shanghai)																					11	0	3	8
T o t a l	1,428	10	5	1,433	320	1	1	320	284	9	1	292	97	0	4	93	18	0	1	17	2,205	21	15	2,211

### 3. Store operation

#### (1) Store openings

		Feb-2018	Nov-2018	Feb-2019	Nov-2019	Feb-2020 Forecast
Shimamura	New store openings	40	22	27	10	12
	Closures	4	0	0	5	7
	Renovation	110	72	72	50	50
	Scrap & rebuild	3	2	2	0	0
	Year-end total	1,401	1,423	1,428	1,433	1,433
Avail	New store openings	12	8	11	1	1
	Closures	0	2	4	1	2
	Scrap & rebuild	1	0	0	0	0
	Year-end total	313	319	320	320	319
Birthday	New store openings	23	18	23	9	15
	Closures	2	0	0	1	2
	Scrap & rebuild	0	0	0	0	0
	Year-end total	261	279	284	292	297
Chambre	New store openings	3	0	0	0	0
	Closures	1	1	1	4	4
	Scrap & rebuild	0	0	0	0	0
	Year-end total	98	97	97	93	93
Divalo	New store openings	5	3	3	0	0
	Closures	0	1	1	1	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	16	18	18	17	17
CHINA TAIWAN Shimamura	New store openings	3	3	3	1	1
	Closures	0	1	1	0	0
	Scrap & rebuild	0	0	0	1	2
	Year-end total	45	47	47	48	48
CHINA(Shanghai) Shimamura	New store openings	1	0	1	0	0
	Closures	1	1	1	3	3
	Scrap & rebuild	0	0	0	0	0
	Year-end total	11	10	11	8	8
Shimamura Group	New store openings	87	54	68	21	29
	Closures	8	6	8	15	19
	Scrap & rebuild	4	2	2	1	2
	Year-end total	2,145	2,193	2,205	2,211	2,215

## (2) Retail Floor Space

(Units : m<sup>2</sup>)

Store Type	Feb-2018	Nov-2018	Feb-2019	Nov-2019	Feb-2020 Forecast
Shimamura	1,461,905	1,485,428	1,489,931	1,494,706	1,495,000
Avail	309,563	315,408	316,874	316,845	316,000
Birthday	241,670	258,070	262,728	269,938	275,000
Chambre	93,193	92,185	92,185	88,125	88,000
Divalo	6,562	7,358	7,636	7,119	7,000
CHINA TAIWAN Shimamura	42,813	44,834	44,834	44,997	45,000
CHINA (Shanghai) Shimamura	9,981	7,681	8,326	5,386	5,000
Shimamura Group	2,165,687	2,210,964	2,222,514	2,227,116	2,231,000

## 4. Number of Employees

(Units : person, %)

		Nov-2018		Feb-2019		Nov-2019		Feb-2020 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,701	102.0	2,671	101.8	2,712	100.4	2,680	100.3
	Part-time	12,795	101.8	12,742	101.0	12,306	96.2	12,330	96.8
	Total	15,496	101.8	15,413	101.1	15,018	96.9	15,010	97.4
Subsidiary	Full-time	508	98.8	503	91.8	487	95.9	490	97.4
	Part-time	60	105.3	61	102.0	51	85.0	50	82.0
	Total	568	99.5	564	92.8	538	94.7	540	95.7
Shimamura Group Total	Full-time	3,209	101.5	3,174	100.1	3,199	99.7	3,170	99.9
	Part-time	12,855	101.8	12,803	101.0	12,357	96.1	12,380	96.7
	Total	16,064	101.8	15,977	100.8	15,556	96.8	15,550	97.3

## 5. Capital Expenditures

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

(Until : Millions of yen, %)

	Nov-2018	YOY	Feb-2019	YOY	Nov-2019	YOY	Feb-2020 Forecast	YOY
Buildings	4,902	114.2	5,270	85.7	1,797	36.7	2,431	46.1
Structures	638	119.8	769	106.6	272	42.7	386	50.2
Machine	3	—	3	—	—	—	—	—
Equipment	280	125.1	306	64.0	225	80.4	242	78.8
Land	7	1.4	4	0.8	96	—	96	—
Construction in progress	1,768	—	3,712	—	73	4.2	100	2.7
Tangible fixed assets	7,600	125.7	10,066	126.2	2,465	32.4	3,255	32.3
Deposits for rent	4,632	281.9	1,752	80.4	897	55.0	1,100	62.8
Lease deposits	9	9.1	23	20.8	21	218.7	23	98.8
Total capital expenditures	12,243	157.0	11,842	115.4	3,384	36.6	4,378	37.0
Depreciation	4,170	101.4	5,555	100.5	4,002	96.0	5,249	94.5

### (2) Subsidiary

(Units : Millions of yen, %)

	Nov-2018	YOY	Feb-2019	YOY	Nov-2019	YOY	Feb-2020 Forecast	YOY
Total capital expenditures	252	87.0	295	71.8	109	43.5	120	40.6
Depreciation	135	92.8	163	98.7	115	85.5	116	70.7

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

(Units : Millions of yen, %)

	Nov-2018	YOY	Feb-2019	YOY	Nov-2019	YOY	Feb-2020 Forecast	YOY
Total capital expenditures	12,495	154.5	12,137	113.7	3,494	36.8	4,498	37.1
Depreciation	4,305	101.1	5,719	100.4	4,118	95.6	5,365	93.8