

Investors' Guide

May-2020

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	May-2019			Feb-2020			May-2020			Feb-2021 Forecast		
	Amount	Comp	YOY	Amount	Comp	YOY	Amount	Comp	YOY	Amount	Comp	YOY
Net Sales	133,648	100.0	97.1	521,982	100.0	95.6	106,987	100.0	80.1	519,260	100.0	99.5
Shimamura	101,295	75.8	96.2	401,525	76.9	94.6	78,728	73.6	77.7	396,230	76.3	98.7
Avail	13,010	9.7	100.6	50,013	9.6	98.3	9,548	8.9	73.4	49,300	9.5	98.6
Birthday	15,301	11.4	101.1	54,019	10.3	100.1	14,988	14.0	98.0	57,000	11.0	105.5
Chambre	2,639	2.0	100.7	9,784	1.9	100.2	2,501	2.4	94.7	10,070	1.9	102.9
Divalo	200	0.2	107.7	724	0.1	105.6	128	0.1	63.9	660	0.1	91.0
CHINA TAIWAN	1,107	0.8	83.2	5,566	1.1	99.0	1,062	1.1	95.9	5,700	1.1	102.4
CHINA(Shanghai)	93	0.1	62.2	347	0.1	63.2	30	0.0	33.0	300	0.1	86.3
Cost of goods sold	90,553	67.8	97.5	352,307	67.5	94.7	74,275	69.4	82.0	347,490	66.9	98.6
Gross Profit	43,094	32.2	96.2	169,675	32.5	97.6	32,712	30.6	75.9	171,769	33.1	101.2
Other operating income	225	0.2	95.5	912	0.2	96.1	198	0.2	88.1	905	0.2	99.3
Operating Gross Profit	43,320	32.4	96.2	170,587	32.7	97.6	32,911	30.8	76.0	172,675	33.3	101.2
SG & A expenses	37,727	28.2	99.7	147,602	28.3	98.9	34,192	32.0	90.6	149,269	28.8	101.1
Operating Profit or Loss(△)	5,592	4.2	77.9	22,985	4.4	90.3	△1,281	—	—	23,405	4.5	101.8
Non-operating income	228	0.2	107.4	888	0.2	96.8	264	0.3	115.5	946	0.2	106.6
Non-operating expenses	54	0.1	—	18	0.0	14.9	75	0.1	139.4	4	0.0	23.7
Ordinary Profit or Loss(△)	5,767	4.3	78.1	23,855	4.6	90.9	△1,092	—	—	24,348	4.7	102.1
Extraordinary losses	36	0.0	43.9	3,061	0.6	167.8	349	0.3	—	3,000	0.6	98.0
Pretax Profit or Loss(△)	5,730	4.3	78.5	20,793	4.0	85.1	△1,441	—	—	21,348	4.1	102.7
Tax	1,937	1.4	76.9	7,667	1.5	91.0	△220	—	—	6,480	1.2	84.5
Net Profit or Loss(△)	3,793	2.8	79.3	13,125	2.5	82.1	△1,221	—	—	14,868	2.9	113.3

(2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

Subject	May-2019			Feb-2020			May-2020			Feb-2021 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	14,555	10.9	99.8	58,962	11.3	99.8	14,198	13.3	97.5	62,032	11.9	105.2
Personal expenses	17,134	12.8	99.6	69,947	13.4	99.7	16,885	15.8	98.5	73,404	14.1	104.9
Advertising expenses	5,051	3.8	108.3	14,876	2.8	92.9	2,321	2.2	45.9	13,314	2.6	89.5
Selling expenses	6,488	4.8	105.1	20,609	4.0	95.1	3,612	3.4	55.7	18,711	3.6	90.8
Non-durable goods	207	0.2	51.8	956	0.2	84.9	258	0.2	124.6	886	0.2	92.6
Display total	258	0.2	53.0	1,000	0.2	83.0	211	0.2	82.1	966	0.2	96.5
Operating expenses	1,722	1.3	80.6	7,690	1.4	106.4	1,769	1.7	102.8	7,498	1.5	97.5
Rental expenses	8,447	6.3	103.1	33,857	6.5	101.6	8,230	7.7	97.4	33,968	6.5	100.3
Depreciation	1,361	1.0	96.6	5,367	1.0	93.8	1,336	1.2	98.1	5,419	1.0	101.0
Facilities cost	11,368	8.5	100.7	45,449	8.7	98.4	11,020	10.3	96.9	45,624	8.8	100.4
General expenses	1,013	0.8	97.5	3,906	0.8	97.1	905	0.8	89.4	4,031	0.8	103.2
SG & A expenses	37,727	28.2	99.7	147,602	28.3	98.9	34,192	32.0	90.6	149,269	28.8	101.1

(3) Consolidated quarterly Profit and loss statement

(Units : Millions of yen, %)

Subject	May-2020			Aug-2020			Nov-2020			Feb-2021		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	106,987	100.0	80.1									
Cost of goods sold	74,275	69.4	82.0									
Gross profit	32,712	30.6	75.9									
Other operating income	198	0.2	88.1									
Operating Gross Profit	32,911	30.8	76.0									
SG & A expenses	34,192	32.0	90.6									
Operating Profit or Loss(△)	△1,281	—	—									
Ordinary Profit or Loss(△)	△1,092	—	—									
Net Profit or Loss(△)	△1,221	—	—									

(4) Consolidated Balance Sheets

(Units : Millions of yen, %)

	May-2019			Feb-2020			May-2020		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	242,705	58.4	85.6	240,113	58.9	107.5	239,250	58.3	98.6
Noncurrent assets	172,601	41.6	99.2	167,868	41.1	96.5	171,008	41.7	99.1
Total assets	415,307	100.0	90.8	407,981	100.0	102.7	410,259	100.0	98.8
Current liabilities	50,828	12.3	51.3	37,158	9.1	110.1	40,379	9.8	79.4
Noncurrent liabilities	4,681	1.1	90.1	4,921	1.2	106.9	8,451	2.1	180.5
Total liabilities	55,509	13.4	53.2	42,079	10.3	109.7	48,831	11.9	88.0
Total shareholder's equity	356,244	85.8	102.2	361,890	88.7	101.8	356,966	87.0	100.2
Valuation difference	3,553	0.8	76.4	4,011	1.0	108.9	4,461	1.1	125.6
Total net assets	359,797	86.6	101.9	365,901	89.7	101.9	361,427	88.1	100.5
Total assets	415,307	100.0	90.8	407,981	100.0	102.7	410,259	100.0	98.8

(5) Consolidated Major Financial Indicators

	May-2016	May-2017	May-2018	May-2019	May-2020
Capital adequacy ratio	83.6%	77.3%	77.2%	86.6%	88.1%
ROE	2.6%	2.1%	1.4%	1.1%	△0.3%
ROA	2.2%	1.8%	1.1%	0.9%	△0.3%
Ordinary profit to total assets	3.4%	2.6%	1.7%	1.4%	△0.3%
Total assets turnover ratio	0.39times	0.34times	0.32times	0.33times	0.26times
Interest-bearing debt ratio	0.5%	0.0%	0.0%	0.0%	0.0%
Gross profit ratio	32.9%	33.8%	32.5%	32.2%	30.6%
SG & A expenses ratio	24.5%	26.4%	27.5%	28.2%	32.0%
Operating profit ratio	8.6%	7.6%	5.2%	4.2%	—%
Ordinary profit ratio	8.8%	7.8%	5.4%	4.3%	—%
Net assets per share	8,424.42yen	9,082.08yen	9,611.42yen	9,789.94yen	9,834.69yen
EPS	217.17yen	193.44yen	130.12yen	103.21yen	△33.22yen

2. Number of Stores by Region

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2019 End	Op en	Clo se	May-20 End	2019 End	Op en	Clo se	May-20 End	2019 End	Op en	Clo se	May-20 End	2019 End	Op en	Clo se	May-20 End	2019 End	Op en	Clo se	May-20 End	2019 End	Op en	Clo se	May-20 End
Hokkaido	69			69	20			20	17			17	8		1	7	1			1	115		1	114
Aomori	23			23	7			7	4			4	4			4					38			38
Iwate	20			20	7			7	4			4	1			1					32			32
Miyagi	36			36	10			10	9			9	3			3					58			58
Akita	17			17	7			7	4			4	2			2					30			30
Yamagata	16			16	6			6	6			6	3			3					31			31
Fukushima	39			39	9			9	6			6	5			5					59			59
Hokkaido Tohoku Area	220	0	0	220	66	0	0	66	50	0	0	50	26	0	1	25	1	0	0	1	363	0	1	362
Ibaraki	56			56	14			14	11			11	4			4	1			1	86			86
Tochigi	36			36	10			10	10			10	7			7					63			63
Gunma	39			39	11			11	9			9	5			5					64			64
Saitama	105			105	21			21	20			20	6			6	2			2	154			154
Chiba	78			78	18			18	19		1	18	3			3					118		1	117
Tokyo	69			69	5			5	11			11	2			2	1			1	88			88
Kanagawa	64			64	10			10	11		1	10	1			1	2			2	88		1	87
Yamanashi	14			14	5			5	2			2	1			1					22			22
Nagano	39			39	11			11	5			5	4			4					59			59
Kanto Koshin Area	500	0	0	500	105	0	0	105	98	0	2	96	33	0	0	33	6	0	0	6	742	0	2	740
Niigata	36			36	10		1	9	6			6	2			2					54		1	53
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	1	17	15	0	0	15	4	0	0	4	0	0	0	0	125	0	1	124
Gifu	28			28	3			3	3			3									34			34
Shizuoka	43			43	9		1	8	14			14	3		1	2					69		2	67
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	1	26	27	0	0	27	3	0	1	2	1	0	0	1	217	0	2	215

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2019 End	Op en	Cl se	May-20 End	2019 End	Op en	Cl se	May-20 End	2019 End	Op en	Cl se	May-20 End	2019 End	Op en	Cl se	May-20 End	2019 End	Op en	Cl se	May-20 End	2019 End	Op en	Cl se	May-20 End
Shiga	19			19	4			4	4			4	1			1	1			1	29			29
Kyoto	22			22	4			4	5			5				1				1	32			32
Oosaka	56			56	17			17	17			17	1			1	1			1	92			92
Hyougo	49			49	11			11	9			9	3			3	1			1	73			73
Nara	17			17	6			6	5			5	2			2					30			30
Wakayama	14			14	2			2	2			2	1			1					19			19
Kinki Area	177	0	0	177	44	0	0	44	42	0	0	42	8	0	0	8	4	0	0	4	275	0	0	275
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	23			23	4			4	5			5									32			32
Hiroshima	22			22	4			4	3			3	1			1	2			2	32			32
Yamaguchi	20			20	4			4	5			5									29			29
Chugoku Area	81	0	0	81	16	0	0	16	19	0	0	19	5	0	0	5	3	0	0	3	124	0	0	124
Tokushima	10			10	2			2	1			1									13			13
Kagawa	13			13	2			2	3			3	1			1					19			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	52	0	0	52	10	0	0	10	9	0	0	9	3	0	0	3	1	0	0	1	75	0	0	75
Fukuoka	46			46	15			15	16			16	3			3	1			1	81			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	15			15	2			2	3			3	1			1					21			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	155	0	0	155	33	0	0	33	37	0	0	37	11	0	0	11	1	0	0	1	237	0	0	237
Japan Total	1,432	0	0	1,432	319	0	2	317	297	0	2	295	93	0	2	91	17	0	0	17	2,158	0	6	2,152
CHINA TAIWAN																					48	0	1	47
CHINA(Shanghai)																					8	0	1	7
T o t a l	1,432	0	0	1,432	319	0	2	317	297	0	2	295	93	0	2	91	17	0	0	17	2,214	0	8	2,206

3. Store operation

(1) Store openings

		Feb-2019	May-2019	Feb-2020	May-2020	Feb-2021 Forecast
Shimamura	New store openings	27	3	12	0	2
	Closures	0	1	8	0	5
	Renovation	72	14	50	0	11
	Scrap & rebuild	2	0	0	0	0
	Year-end total	1,428	1,430	1,432	1,432	1,429
Avail	New store openings	11	0	1	0	4
	Closures	4	1	2	2	7
	Scrap & rebuild	0	0	0	0	0
	Year-end total	320	319	319	317	316
Birthday	New store openings	23	4	15	0	9
	Closures	0	0	2	2	7
	Scrap & rebuild	0	0	0	0	0
	Year-end total	284	288	297	295	299
Chambre	New store openings	0	0	0	0	5
	Closures	1	2	4	2	3
	Scrap & rebuild	0	0	0	0	0
	Year-end total	97	95	93	91	95
Divalo	New store openings	3	0	0	0	0
	Closures	1	0	1	0	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	18	18	17	17	16
CHINA TAIWAN Shimamura	New store openings	3	0	1	0	0
	Closures	1	0	0	1	3
	Scrap & rebuild	0	0	2	0	0
	Year-end total	47	47	48	47	45
CHINA(Shanghai) Shimamura	New store openings	1	0	0	0	0
	Closures	1	1	3	1	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	11	10	8	7	7
Shimamura Group	New store openings	68	7	29	0	20
	Closures	8	5	20	8	27
	Scrap & rebuild	2	0	2	0	0
	Year-end total	2,205	2,207	2,214	2,206	2,207

(2) Retail Floor Space

(Units : m²)

Store Type	Feb-2019	May-2019	Feb-2020	May-2020	Feb-2021 Forecast
Shimamura	1,489,931	1,491,697	1,493,558	1,493,558	1,490,000
Avail	316,874	315,849	316,109	314,150	313,000
Birthday	262,728	266,353	275,045	273,388	278,000
Chambre	92,185	90,291	88,125	86,162	90,000
Divalo	7,636	7,636	7,119	7,119	6,700
CHINA TAIWAN Shimamura	44,834	44,852	44,890	44,188	43,000
CHINA (Shanghai) Shimamura	8,326	7,485	5,386	4,806	4,800
Shimamura Group	2,222,514	2,224,163	2,230,232	2,223,371	2,225,500

4. Number of Employees

(Units : person, %)

		May-2019		Feb-2020		May-2020		Feb-2021 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,729	100.8	2,680	100.3	2,727	99.9	2,690	100.4
	Part-time	12,272	97.3	12,260	96.2	11,305	92.1	12,000	97.9
	Total	15,001	97.9	14,940	96.9	14,032	93.5	14,690	98.3
Subsidiary	Full-time	489	99.4	482	95.8	469	95.9	460	95.4
	Part-time	60	101.7	48	78.7	37	61.7	30	62.5
	Total	549	99.6	530	94.0	506	92.2	490	92.5
Shimamura Group Total	Full-time	3,218	100.6	3,162	99.6	3,196	99.3	3,150	99.6
	Part-time	12,332	97.3	12,308	96.1	11,342	92.0	12,030	97.7
	Total	15,550	98.0	15,470	96.8	14,538	93.5	15,180	98.1

5. Capital Expenditures

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

(Until : Millions of yen, %)

	May-2019	YOY	Feb-2020	YOY	May-2020	YOY	Feb-2021 Forecast	YOY
Buildings	457	23.1	2,190	41.6	1,091	238.7	3,500	159.7
Structures	74	25.3	330	42.9	81	110.4	350	106.0
Machine	—	—	2	69.6	250	—	250	—
Equipment	61	102.7	259	84.4	22	36.8	100	38.6
Land	96	—	96	—	—	—	4,000	—
Construction in progress	△9	4.2	269	7.3	△264	—	4,000	—
Tangible fixed assets	679	32.1	3,148	31.3	1,181	174.0	12,200	—
Deposits for rent	291	37.5	1,162	66.4	134	46.2	300	25.8
Lease deposits	11	—	23	100.4	0	7.9	24	102.7
Total capital expenditures	982	33.9	4,335	36.6	1,317	134.1	12,524	288.9
Depreciation	1,324	97.1	5,217	93.9	1,299	98.1	5,202	99.7

(2) Subsidiary

(Units : Millions of yen, %)

	May-2019	YOY	Feb-2020	YOY	May-2020	YOY	Feb-2021 Forecast	YOY
Total capital expenditures	—	—	138	47.0	1	—	137	98.6
Depreciation	37	83.7	149	91.3	36	97.8	148	98.9

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

(Units : Millions of yen, %)

	May-2019	YOY	Feb-2020	YOY	May-2020	YOY	Feb-2021 Forecast	YOY
Total capital expenditures	982	33.0	4,474	36.9	1,318	134.2	12,661	283.0
Depreciation	1,361	96.6	5,367	93.8	1,336	98.1	5,350	99.7