

FY2/26

SHIMAMURA Co.,Ltd.

Full-year Financial Results

March 31, 2026



I am Tsujiguchi, Director and Executive Officer. Thank you for taking time out of your busy schedule to attend our financial results briefing today.

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I will provide a summary and financial overview for the fiscal year ended February 20, 2026.

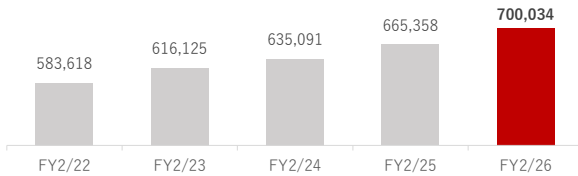
President Takahashi will explain the initiatives of each business, ESG initiatives, consolidated financial forecasts for the fiscal year ending February 20, 2027, and the updated numerical targets of the mid-term management plan 2027.

FY2/26 Summary (Consolidated)

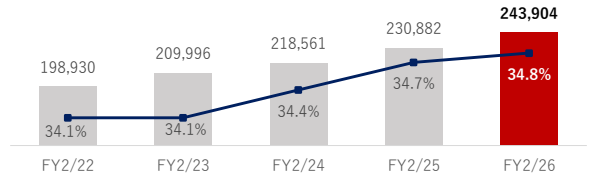
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■ Net sales, gross profit, operating income, and net income all reached record highs.

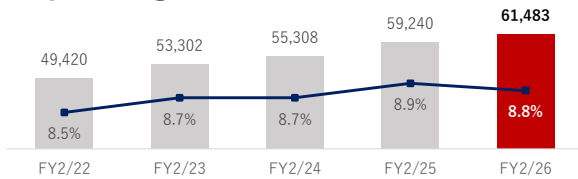
Net sales (Million yen)



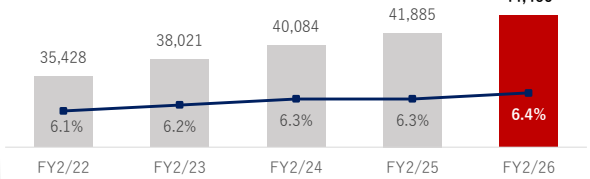
Gross profit (Million yen)



Operating income (Million yen)



Net income (Million yen)



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This section provides a summary of the financial results.

Net sales totaled JPY700 billion, gross profit was JPY243.9 billion, operating income was JPY61.4 billion, and net income was JPY44.4 billion, all record highs.

Consolidated Results: Income Statement

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■ Net sales and all profit line items achieved the plan.

Gross profit margin improved, driven by better pricing. The SG&A ratio was generally controlled in line with the plan, despite increases in personnel expenses and freight costs.

(Million yen/%)

	FY2/26	Ratio to sales	YoY	H1	YoY	H2	YoY
Net sales	700,034	100.0	105.2	343,577	103.9	356,457	106.5
Gross profit	243,904	34.8	105.6	119,788	105.0	124,116	106.3
SG&A	183,771	26.2	106.2	89,010	106.7	94,761	105.7
Operating income	61,483	8.8	103.8	31,461	100.2	30,022	107.9
Ordinary income	63,672	9.1	105.1	32,556	101.8	31,116	108.8
Net income attributable to owners of parent	44,460	6.4	106.1	22,901	103.6	21,558	109.0
Net income per share	202.36yen	—	—	103.85yen	—	—	—

* The Company conducted a 3-for-1 stock split on February 21, 2026. Accordingly, net income per share for FY2/26 has been calculated assuming that these stock splits were effected at the beginning of the fiscal year.

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This table shows the consolidated results for the fiscal year ended February 20, 2026.

The actual results for each number are what you can see here.

First, we look back at external factors. In the domestic consumption environment, while inbound consumption by visitors to Japan was at a record high level and there was an increase in activity for high-priced goods and experience-based products on the back of higher wages, intermittent price hikes for daily necessities were a burden on households.

The environment remained challenging for apparel sales as consumers remained thrifty and increasingly scrutinized value and price.

The weather conditions were affected by the record-breaking heat wave that lasted into early fall.

This resulted in strong sales of summer goods, but delayed the start of fall and early winter goods.

However, due to the drop in temperatures from November onward, winter goods started moving earlier than last year, and demand for winter goods—especially winter protective goods—remained strong thereafter.

In response to these external factors, the Company promoted the strengthening of its product appeal and sales power, resulting in a 5.2% YoY increase in net sales to JPY700 billion for the fiscal year under review.

Consolidated Results: SG&A Expenses

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■ SG&A expenses were generally controlled in line with the plan.

Personnel expenses increased by 8.1% YoY, mainly due to wage increases. Advertising expenses increased by 2.7% YoY, reflecting the strengthening of key promotional campaigns.

(Million yen/%)

	FY2/26	Ratio to sales	YoY	FY2/25	Ratio to sales	YoY
Salary	81,825	11.7	108.1	75,665	11.4	107.1
Total personnel expenses	96,521	13.8	108.1	89,329	13.4	107.4
Advertising expenses	11,816	1.7	102.7	11,509	1.7	96.3
Total selling expenses	21,356	3.0	105.2	20,307	3.1	101.4
Supplies expenses/ Display fixtures expenses	3,235	0.5	127.1	2,545	0.4	114.3
EDP expenses	1,684	0.2	74.8	2,253	0.3	93.5
Total operating expenses	11,059	1.6	109.1	10,137	1.5	107.0
Rents	33,407	4.8	101.2	33,016	5.0	100.8
Depreciation and amortization	6,996	1.0	114.6	6,105	0.9	103.2
Total equipment cost	49,771	7.1	103.1	48,264	7.3	101.9
Total general expenses	5,062	0.7	101.5	4,987	0.7	107.7
Total SG&A expenses	183,771	26.2	106.2	173,026	26.0	105.1

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Next is a breakdown of consolidated SG&A expenses.

Personnel expenses increased by 8.1% from the previous year due to investments in human resources, including wage increases and hiring.

Specifically, wages increased by 4.37% for full-time employees and by 4.1% for regular employees (part-timers), while the number of employees rose reflecting the success of our staff shortage measures.

Advertising expenses increased by 2.7% from the previous fiscal year due to the reinforcement of priority events.

Operating expenses grew by 9.1% YoY on higher expenses for consumable supplies and display fixtures, due to an increase in the number of new and remodeled stores and the purchase of equipment to improve the efficiency of display operations.

These expenses are a reinforcement of our aggressive efforts to grow even in a difficult environment.

As a result of the above, total SG&A expenses increased by 6.2% from the previous year to JPY183.7 billion, but were generally controlled as planned.

Consolidated Results: Balance Sheets

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- **Assets:** Total assets decreased by 2.2% YoY, mainly due to share repurchases.
- **Liabilities:** Total liabilities decreased by 0.1% YoY, due to an increase in accounts payable associated with higher procurement, partially offset by a decrease in retirement benefit obligations.

(Million yen/%)

	End-Feb 2026	Composition ratio	YoY	End-Feb 2025	Composition ratio
Current assets	321,887	58.0	86.9	370,429	65.3
Noncurrent assets	232,779	42.0	118.3	196,715	34.7
Total assets	554,667	100.0	97.8	567,144	100.0
Current liabilities	56,806	10.2	102.2	55,605	9.8
Noncurrent liabilities	9,315	1.7	88.2	10,562	1.9
Total liabilities	66,121	11.9	99.9	66,168	11.7
Total shareholder's equity	479,749	86.5	96.7	496,008	87.4
Accumulated other comprehensive income	8,796	1.6	177.1	4,968	0.9
Total net assets	488,545	88.1	97.5	500,976	88.3
Total liabilities and net assets	554,667	100.0	97.8	567,144	100.0

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Now, here is the consolidated balance sheet.

Total assets decreased by 2.2% from the end of the same period last year. The main factor was the repurchase of treasury stock conducted on January 27.

Total liabilities slipped by 0.1% from the end of the same period last year.

The main factors were an increase in accounts payable due to expanded purchases and a decrease in liabilities for retirement benefits.

Sales by Business

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■ Net sales exceeded the previous year across all businesses, both in Japan and overseas. Domestic net sales increased by 5.0% YoY.

(Million yen/%)

Business	FY2/26	Composition ratio	YoY	H1	YoY	H2	YoY
Shimamura	519,658	74.2	104.4	255,149	103.4	264,508	105.4
Avail	70,352	10.1	106.6	34,875	103.3	35,477	110.1
Birthday	81,394	11.6	106.4	40,151	105.4	41,242	107.3
Chambre	17,254	2.5	111.7	8,283	108.7	8,970	114.6
Divalo	1,042	0.1	116.2	538	112.6	503	120.2
Shimamura (non-consolidated)	689,702	98.5	105.0	338,999	103.8	350,702	106.3
Si meng le (Taiwan)	10,332	1.5	117.3	4,577	116.1	5,754	118.2
Shimamura (consolidated)	700,034	100.0	105.2	343,577	103.9	356,457	106.5

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This section describes sales by business segment.

Net sales increased by 5% in all domestic businesses and 17.3% in Taiwan's Si meng le business, resulting in YoY growth in all domestic and overseas businesses.

The initiatives of each project are explained on page 10 and beyond.

Same-store Sales, Customer Traffic, and Average Spending per Customer (YoY)



■ Same-store sales at the three core businesses exceeded the previous year, driven by higher customer traffic.

Strengthened promotional events and product offerings less sensitive to temperature fluctuations led to an increase in customer traffic across all businesses. Although the number of items per purchase declined YoY, this was offset by higher customer traffic. (%)

Business	Period	Net sales		Number of customers	Spending per customer	Number of items purchased	Unit price per item
		Existing stores	All stores				
Shimamura	H1	103.6	103.4	102.3	101.1	98.7	102.3
	H2	105.3	105.4	105.9	99.5	99.4	99.8
	Full year	104.4	104.4	104.1	100.3	99.0	101.2
Avail	H1	102.3	103.3	100.0	103.3	99.5	103.9
	H2	108.1	110.1	112.1	98.1	100.4	97.8
	Full year	105.1	106.6	105.8	100.8	99.8	101.1
Birthday	H1	102.4	105.4	104.6	100.8	97.1	103.9
	H2	105.0	107.3	109.7	97.8	93.8	104.1
	Full year	103.7	106.4	107.1	99.3	95.3	104.0

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Next, we will explain the year-to-date results for existing store sales plus the number of customers and average spend per customer for all stores in the three main businesses.

Existing store sales and customer numbers were up YoY in all three businesses. This was due to the strengthening of priority events, as well as successful product development that is less influenced by temperatures—such as influencer collaborations and character projects.

The unit price per item in the Shimamura business increased by 1.2% YoY in the fiscal year-to-date, although it was lower than last year in H2 of the year due to an increase in the number of sales of low unit price knickknacks and other items.

The enhanced development of high-priced in-house developed brands, private brands (PB), CLOSSHI PREMIUM, and jointly developed brands (JB) with suppliers led to steady sales of products that pursue a balance between value and price.

This resulted in an increase in the unit price per item for the fiscal year-to-date period.

The number of items purchased was lower than last year in all businesses. This was due to continued reluctance to buy amidst rising prices.

Gross Profit, Price Reduction, Inventory YoY

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■ In the Shimamura Business, gross profit increased by 4.7% due to reduced markdowns and improved pricing.

In the Birthday Business, gross profit margin improved by 0.2% YoY, reflecting enhanced product assortments.

Business	Period	Gross profit			Price reduction			Inventory
		Gross profit YoY	Gross margin		Discount price YoY	Discount rate		Inventory YoY (Monthly avg.)
				YoY			YoY	
Shimamura	H1	105.0	34.3	+0.5	94.1	6.2	-0.6	-
	H2	104.4	34.0	-0.3	107.6	6.1	+0.1	-
	Full year	104.7	34.1	+0.0	100.5	6.2	-0.2	105.6
Avail	H1	103.0	38.7	-0.1	113.1	14.7	+1.2	-
	H2	109.3	39.3	-0.3	119.9	13.4	+1.1	-
	Full year	106.1	39.0	-0.2	116.3	14.1	+1.2	109.5
Birthday	H1	104.4	33.3	-0.3	119.7	6.5	+0.8	-
	H2	109.5	34.1	+0.6	103.0	4.6	-0.2	-
	Full year	107.0	33.7	+0.2	112.1	5.5	+0.3	109.3

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Next, the results of the Shimamura business with respect to gross profit, price reductions, and inventory.

Gross profit increased by 4.7% YoY, the same rate as last year. Price reductions increased by 0.5% over the previous year and decreased by 0.2 point on a percentage basis.

The H1 price reduction rate was below the previous year's level due to steady digestion of winter goods at the beginning of the period. In H2 of the year, price reductions in summer goods in Q3 boosted the price reduction rate, but the annual rate was 0.2 percentage point below the previous year's level.

2. Initiatives by Business

Takahashi: I am Takahashi, President of SHIMAMURA.
I will then explain the initiatives of each project of the Company.

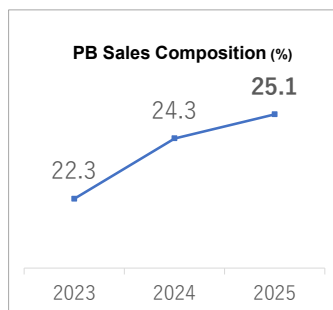
Shimamura Business (1): Strengthening Product Appeal しまむらグループ

■ Private-brand (PB) products drove sales. FIBER HEAT sales increased by 28.6% YoY.

PB products performed strongly, led by the premium-priced “CLOSSHI PREMIUM” line and the high-functionality Fiber series. The “Iki-Iki Labo” wellness-focused series was selected for Nikkei MJ’s “2025 Hit Products Ranking.”

PB Performance in 2025

Net sales **+7.7% YoY**



High-value and high-functionality PB products drove sales

Sales by PB category

Category	YoY
CLOSSHI	Up2.1%
CLOSSHI PREMIUM	Up6.5%
FIBER DRY	Up12.9%
FIBER HEAT	Up28.6%

The “Iki-Iki Labo” series ranked among hit products



This section describes the Shimamura business.

In strengthening product appeal, sales of products that combine superior functionality and comfort—centered on the mainstay PB and CLOSSHI products—progressed.

In particular, sales of the high-priced CLOSSHI PREMIUM and high-performance FIBER HEAT products were driven by the addition of new functions and the introduction of character collaboration products, which led to the development of a new customer base.

In addition, the Ikiiki Labo series, which focuses on wellness, has been a factor in strong sales, with the posture support brassiere being selected as a hit in the Nikkei MJ.

Shimamura Business (2): Strengthening Sales Power

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■ Sales grew, supported by enhanced “Super Surprise Sales” and product offerings less affected by temperature fluctuations.

The “Super Surprise Sales” were held twice a year, with improved content driving increases in both sales and customer traffic. During off-peak periods, sales were supported through timely character merchandise and various promotional campaigns.

Sales growth driven by “Super Surprise Sales” during peak demand periods

Stable sales generation during off-peak periods, less dependent on temperature



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In strengthening our sales power, we held super surprise sales twice a year, selling special deals and limited-quantity Happy Bags.

The contents were brushed up from last year, such as hosting a pre-event festival and strengthening character promotions, leading to an increase in sales and the number of customers.

During the off-season, we secured sales by merchandising seasonal characters, holding various fairs such as baby and kids fairs focusing on specific categories, and collaborating with influencers to create trends, which are less susceptible to temperature fluctuations.

Avail Business (1): Strengthening Product Appeal

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■ JB products were driven by “CHIP CLIP” and collaboration items with Korean brands.

■ Character products increased by 22.4% YoY, supported by line expansion and the introduction of new characters.

Strong performance of “CHIP CLIP” driven by Korean collaborations



Character products grew through line expansion and new character development



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This section describes the Avail business.

In strengthening product appeal, we promoted trend proposals centered on JB and aggressively expanded our lineup of character products with the aim of creating sales that are less affected by temperatures.

In the strong JB and CHIP CLIP, collaborations with Haru, a Korean influencer, led to increased brand awareness and sales.

In character products, line lobbying of car goods and other products and new development led to a 22.4% increase in character products sales over the previous year, attracting a new customer base.

Avail Business (2): Strengthening Sales Power

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- Six key promotional events were held during the year, successfully driving customer traffic and sales during peak demand periods.
- In-store VMD enhancements improved customer flow and product visibility, contributing to sales growth.

Customer traffic boosted through six key promotional events annually



VMD aligned with event demand



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To strengthen sales power, the Company held key events to increase the number of weekday customers, and improved its visibility through projects linking SNS, sales promotion materials, and in-store background music, as well as participation in fashion events, to attract a wide range of customers.

In particular, the Company successfully increased the number of customers during the actual demand period by holding six key events a year, such as the Avail Festival, which led to increased sales.

In stores, sales growth was also due to improved customer circulation and visibility as well as product appeal through enhanced VMD, or visual merchandising.

Birthday Business (1): Strengthening Product Appeal

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■ In JB products, “Cottoli” performed strongly, with sales increasing by 11.2% YoY.

■ Character costume items featuring Disney and Sanrio characters gained strong traction in e-commerce.

Strong performance of “Cottoli” in JB products



Character costume items, including dresses and rompers, gained popularity



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In the Birthday business, as our effort to strengthen the product appeal, in addition to the mainstay JB and PB products, we aggressively promoted the development of new brands in line with the latest trends and the expansion of character products to attract a wide range of target customers.

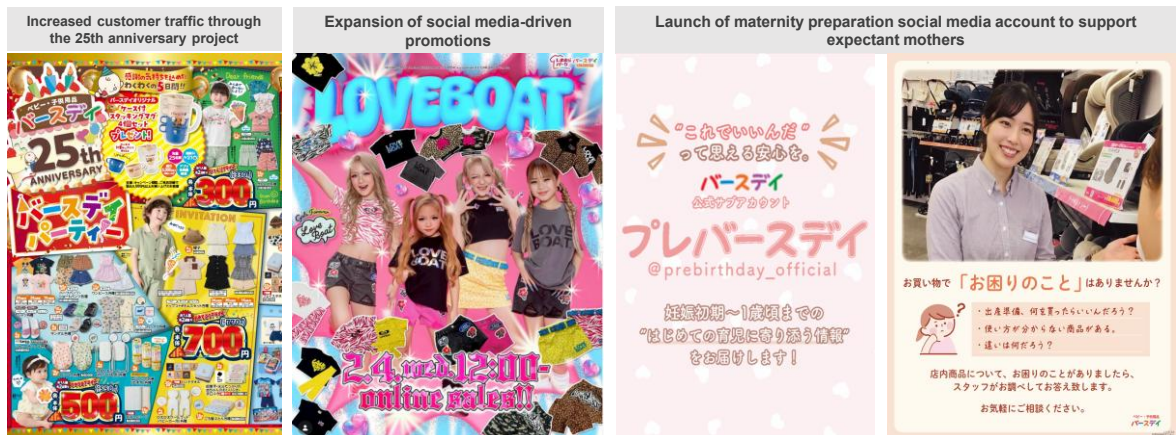
In JB, Cottoli, a brand for newborns with an elegant French style, gained new customers with an 11.2% increase over the previous year by broadening its product lineup, including products for motivation. In addition, the e-commerce received a great response to the costume-style products, which allow customers to feel as if they were characters from Disney, Sanrio, and other popular characters.

Birthday Business (2): Strengthening Sales Power

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■ Sales were supported by strengthened promotional events and expanded social media marketing (EC sales increased by 112.0% YoY).

■ A new social media account for maternity preparation was launched to enhance support for expectant mothers.



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In strengthening sales power, the holding of 25th anniversary events to commemorate the anniversary year contributed significantly to the increase in the number of customers.

Moreover, progress in attracting customers to e-commerce through enhanced SNS sales promotions and efforts to sell reservations led to a significant increase in e-commerce sales.

Birthday's Instagram account has grown by 175,000 followers over the previous year, topping the one million mark year-to-date.

Meanwhile, the opening of a birth preparation Instagram account, Pre-Birthday—as a measure to attract pre-birth mothers to become Birthday fans—and the strengthening of the customer support system by store employees led to further customer attraction and sales growth.

Chambre Business: Strengthening Product Appeal and Sales Power

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■ Sales increased, driven by new product initiatives and the 25th anniversary campaign.

Net sales increased by 11.7% YoY, supported by strengthened gift offerings centered on motivational themes and the successful anniversary campaign. Introduction of a new layout, exterior improvements, and enhanced VMD led to the acquisition of new customers.

Strengthened gift offerings



Anniversary campaign contributed to customer traffic



New store layouts and exterior redesigns



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Next, this section describes the Chambre business.

Segment sales increased by 11.7% YoY as a result of aggressive implementation of measures to meet customer needs and motivations, such as the 25th anniversary and Valentine's Day projects.

In addition, the introduction of a new layout, changes in appearance, and enhanced VMD—implemented as part of the branding measures undertaken since the previous fiscal year—were successful, resulting in higher sales at existing stores.

Divalo Business: Strengthening Product Appeal and Sales Power

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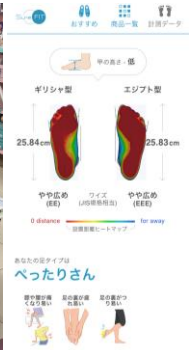
■ Sales increased, driven by expanded offerings of hands-free shoes and functional products.

Handing of shoes and functional products, supported by an expanded product lineup, drove sales. Net sales increased by 16.2% YoY. At the newly opened Beppu FM store, the foot measurement service was well received, with approximately 40% of customers who used it making purchases.

Product assortment expanded; functional products performing well



Foot measurement service driving purchase conversion



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This section describes the Divalo business.

The Divalo business saw sales increase by 16.2% YoY as the Company expanded its handling of shoes that can be worn while standing and waterproof functional products to strengthen its product appeal.

In addition, as a new trial, we offered a foot measurement service at the new Beppu FM store and some other stores, and approximately 40% of customers who used the service made a purchase.

**Si meng le (Taiwan) Business:
Strengthening Product Appeal and Sales Power**



Sales increased, driven by expanded Japan-developed products and influencer marketing.

Net sales increased by 17.3% YoY, supported by the expansion of Japan-developed products, including PB and JB items, as well as the impact of influencer promotions. The newly opened Zhongshan North Road store in central Taipei recorded the highest-ever opening-period sales.

Sales growth driven by Japan-developed products and influencer marketing



Record-high opening sales at Zhongshan North Road store in urban Taipei



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This section describes the Taiwan Si meng le business.

For Si meng le business in Taiwan, sales grew significantly, up 17.3% YoY, thanks to the expansion of Japan-planned products such as PB and JB and the effect of sales promotion by local influencers.

Two new stores were opened, with the Zhongshan North Road store in central Taipei City, the flagship store in the city center, receiving a particularly strong response—including media coverage—and recording record sales.

Expansion of Store Openings, Relocations, and Renovations **しまむらグループ**

■ **Store openings: 52 stores opened during the year, in line with the plan.**

Opened high-profitability formats, including five-business FM stores, relocations, and urban-format stores.

■ **Renovations: 115 stores renovated, exceeding the plan.**

First five-business FM store opened



Relocations optimized the dominant strategy



This section describes the growth strategy initiatives.

Store openings proceeded as planned with 52 stores opened during the year. We expanded profitable store openings such as the Beppu FM store in Oita Prefecture, which became our first five-business FM (fashion mall), and the Shimamura Seiyu Omori store in Tokyo, which became the largest sales floor area in Tokyo due to relocation.

The Avail Shimonakano store in Okayama Prefecture and the Avail Omori Ekimae store in Tokyo are examples of successful store openings associated with the relocation of the Shimamura business by relocating the Shimamura business and opening other businesses in the vacated space.

Renovations proceeded at a faster pace than planned, with 115 stores renovated per year.

Expansion of E-Commerce Business

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■ Sales amounted to 19.6 billion yen, up 51.7% YoY. The integration of the online stores in October enhanced customer acquisition capabilities.

EC sales by business (Full year)

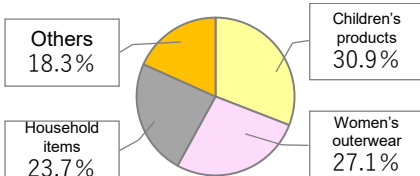
Business	YoY
Shimamura	Up 42.5%
Avail	Up 35.1%
Birthday	Up 112.0%
Chambre	Up 158.1%
Divalo	NEW

Increased site sessions following online store integration

E-commerce Platforms by Business



EC sales composition by category (Full year)



Impact of Online Store Integration

- Website traffic: approx. 3 x increase
- Sales: increased Up 58.2% YoY

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Next, sales of the EC business segment.

Cumulative EC sales increased by 51.7% YoY to JPY19.6 billion. EC utilization expanded in all businesses, and all businesses posted YoY growth. By clothing type, children's products accounted for 30.9% of EC sales, higher than that of women's outerwear.

In late October, we integrated the online stores of each business and opened Shimamura Park.

After the opening of Shimamura Park, the number of visitors to each business using Shimamura as a gateway increased.

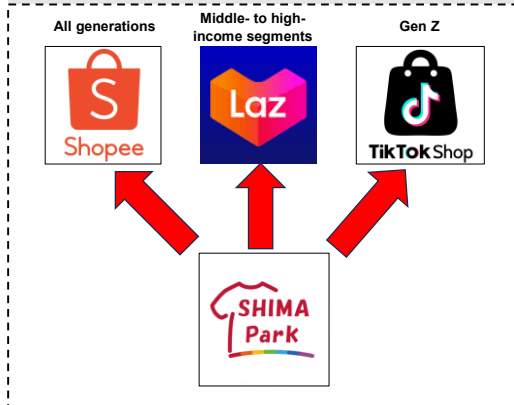
The number of visitors to the EC site was approximately three times the number before Shimamura Park was established, and sales grew by 58.2% YoY, clearly showing the positive effects of the online store integration.

Taking on New Overseas Business

■ Brand awareness of SHIMA Park continued to improve.

Expanded customer touchpoints and acquired new customers through store openings on major Thai e-commerce platforms and participation in local exhibitions.

Expansion into e-commerce malls targeting diverse customer segments



Exhibited at "JAPAN EXPO THAILAND," a Japanese culture event



This section describes new overseas business.

Last November, we opened the online store SHIMA Park for Thailand, and in December, we opened a pop-up store in a large commercial facility in Bangkok.

In addition, SHIMA Park opened a store in a popular Thai e-commerce mall and a store at Japan Expo Thailand, which is being held for the 11th time, in order to attract a wide range of customers.

This has expanded contact with local customers, leading to the acquisition of new customers and increased name recognition.

Strengthening Base and Foundation

■ Promoted digitalization to enhance productivity.

Strengthened the online store by leveraging customer data, while improving store productivity through digital initiatives.

Personalized marketing using customer data

Customer management system



- Gender
- Age group
- Purchase history

Personalized marketing initiatives



Personalized product recommendations

Digitalization of store operations to enhance productivity

Automated payment machines



390 Store

Cleaning robots



525 Store

Digital signage



509 Store

Digital POP displays



509 Store

This section describes the strengthening of foundation and infrastructure.

App membership information and online store information are integrated into the customer management system, and functions such as displaying recommended products to customers visiting the online store have been enhanced.

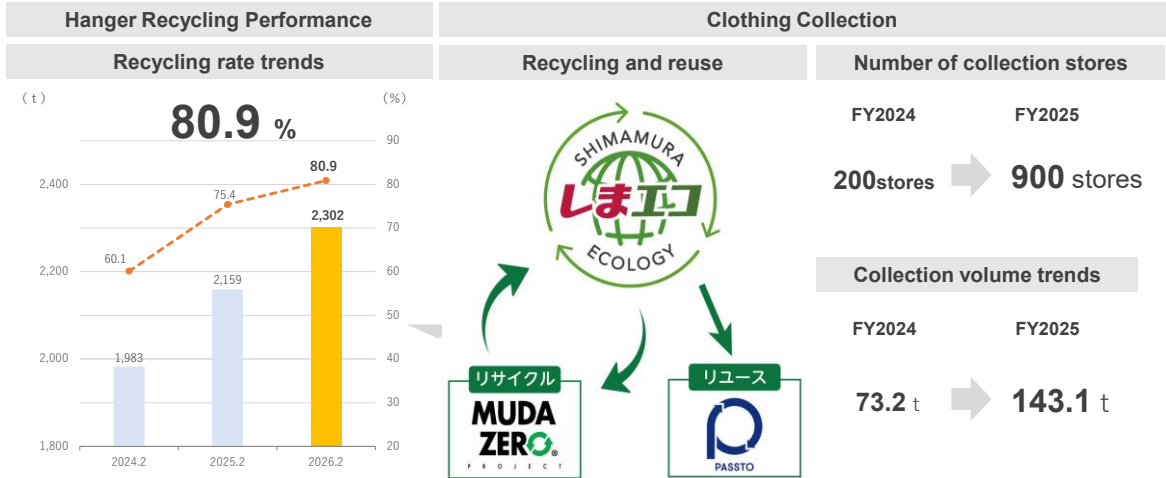
In addition, we are promoting the digitalization of store operations to improve productivity, and are introducing automatic change machines, floor-cleaning robots, digital POPs, etc., and will continue to expand the number of stores where these are introduced this fiscal year.

3. ESG Initiatives

Next, I will explain the ESG initiatives.

ESG Initiatives (1): Environment

- Hanger recycling has grown by 20.8% over the past two years, as a fully closed-loop recycling system was established.
- Clothing collection expanded to 900 stores. We are promoting the establishment of a clothing collection framework, with a view to rolling it out to all stores.



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The fully cyclical recycling ratio for hanger recycling was 80.9%, compared to a target of 80%.

In addition to making it possible to collect hangers at all product centers, we have standardized the materials used for bottoms hangers, which has led to an increase in the amount collected and an improvement in the recycling rate.

Clothing collection has been expanded from 200 to 900 stores, and the amount of clothing collected has doubled from last year to 143 tons.

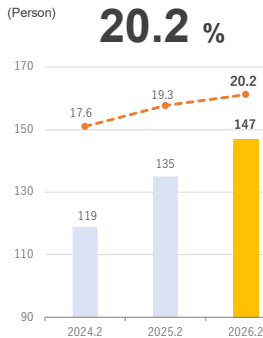
We will promote the systematization of apparel collection with a view to rolling it out to all stores this fiscal year.

ESG Initiatives (2): Social

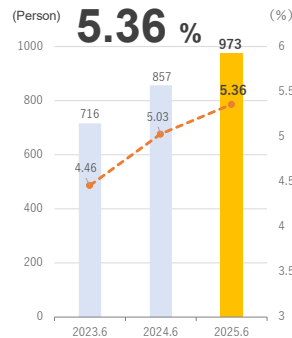
- The ratio of female managers and the employment rate of persons with disabilities both increased, reaching 20.2% and 5.36%, respectively.
- The number of mobile sales events and shopping tours increased. Optimized product assortments and introduced dedicated hangers to enhance operations.

Female Manager Ratio / Employment Rate of Persons with Disabilities

Trends in female manager ratio



Trends in employment rate of persons with disabilities



Mobile Sales / Shopping Tours

Trends in mobile sales

FY2024
127 cases

→

FY2025
281 cases

Trends in shopping tours

FY2024
152 cases

→

FY2025
201 cases

Launch of EC site



This section describes the social initiatives.

The ratio of female managers increased steadily to 20.2%, the ratio of block managers in stores increased to 26%, and the ratio of general managers increased to 11%.

The employment rate of people with disabilities is 5.36%, well above the legally mandated rate of 2.5%.

Next, we will explain the shopping support service, Shimasapo.

This support service launched in FY2024 to support people who have difficulty going out for shopping, such as residents of depopulated areas, long-term care facilities, and facilities for the people with disabilities. There were 281 on-site sales and 201 shopping tours, far exceeding the number of sales conducted last year.

In addition, the launch of “Shimasapo Chottokubin”, a website for corporate customers that allows bulk purchases, has led to the expansion of new customers.

4. Consolidated Business Forecasts for FY2/27

Next, I will explain our consolidated results forecast for the fiscal year ending February 20, 2027

Consolidated Business Forecasts for FY2/27

しまむらグループ

- Net sales: expected to increase by 4.2% YoY / Operating income: expected to increase by 8.7% YoY
- SG&A expenses: expected to increase by 3.0% YoY. Personnel expenses are expected to increase by 4.2% YoY. Expenses for consumables and display fixtures are also expected to increase, reflecting renovations of existing stores.
- Dividend per share: expected to be 80 yen for the full year

(Million yen/%)

	FY2/27 Forecast	YoY	Ratio to sales	FY2/26 Result	Ratio to sales
Net sales	729,193	104.2	100.0	700,034	100.0
Gross profit	254,728	104.4	34.9	243,904	34.8
SG&A	189,292	103.0	26.0	183,771	26.2
Operating income	66,842	108.7	9.2	61,483	8.8
Ordinary income	68,825	108.1	9.4	63,672	9.1
Net income attributable to owners of parent	47,321	106.4	6.5	44,460	6.4
Net income per share	227.92yen	—	—	202.36yen	—
Dividend per share	80yen	—	—	215yen	—

* The Company conducted a 3-for-1 stock split on February 21, 2026. Accordingly, net income per share for FY2/26 has been calculated assuming that these stock splits were effected at the beginning of the fiscal year.

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The numerical forecast of consolidated results is as shown. We will promote the strengthening of product appeal and sales power in each business to increase existing store sales.

In addition, to secure gross profit margin, we will improve the markup rate by expanding high-priced products, promoting fabric contracts and production line contracts, reviewing countries of production, and promoting product procurement through our in-house import department.

As a result of the above actions, for the fiscal year ending February 20, 2027, we plan net sales of JPY729.1 billion, up 4.2% from the previous year, and operating income of JPY66.8 billion, up 8.7% from the previous year, with an operating margin of 9.2%.

The annual dividend per share is expected to be JPY80 share.

■ Unified Theme: “Next Challenge 3rd – Evolving Challenges”

Over the past two years, we have undertaken a wide range of initiatives. “Evolving Challenges” represents our commitment to not simply repeat past efforts, but to elevate each challenge into something greater and more valuable. We will continue to take on challenges that go one step further, driving the next stage of evolution for both our employees and the Group.

Strengthening Product Appeal	<ul style="list-style-type: none"> ● Enhancing brand value through the development of hit products, the evolution of in-house brands, and the creation of innovative product initiatives ● Expanding into new customer segments by challenging conventional boundaries in merchandising (line expansion) ● Creating new products and optimizing assortments through advanced data analytics
Strengthening Sales Power	<ul style="list-style-type: none"> ● Adopting innovative marketing methods and cutting-edge digital technologies ● Revising sales floors and promotions using customer data ● Evolving products, store layouts, and promotions in line with store and regional characteristics ● Advancing digital utilization in in-store operations and enhancing VMD ● Enhancing store loyalty through improved customer service and the creation of new shopping experiences
Strengthening Base and Foundation	<ul style="list-style-type: none"> ● Improving efficiency of store and head office operations through new digital technologies ● Expanding urban store strategies, relocations, renovations, and FM formats ● Building a proactive supply chain that ensures both competitive advantage and sustainability, beyond risk mitigation ● Evolving HR strategies to create a rewarding and comfortable workplace ● Promoting Shimamura-style ESG through core business activities ● Enhancing e-commerce platforms to meet increasingly diverse customer needs ● Pursuing new business opportunities and overseas expansion

This section describes the management policy for the fiscal year ending February 20, 2027. The unifying theme is “Next Challenge 3rd: Evolving Challenge”.

In the area of product appeal, the market research department will be expanded to further advance PB and JB products by analyzing customer feedback from monitoring surveys and roundtable discussions and reflecting customer needs.

In strengthening sales power, we will promote the structuring of sales promotions tailored to the needs of each individual customer by collecting and utilizing a large amount of customer data through the point system introduced this fiscal year.

In addition, by increasing the number of employees in the systems department, we will improve the convenience of the application and strengthen AI-based initiatives such as preventing opportunity loss through a demand forecast ordering system.

In strengthening the foundation and infrastructure, we will increase the number of stores with floor-cleaning robots and digital signage, which we have continued to do since last fiscal year, to improve the efficiency of store operations.

Furthermore, we will strengthen our urban store openings, leading to an expansion of relocations, renovations, and conversion to fashion malls.

FY2/27 Stores Opening/Closing and Renovation Plan



- Group total: 65 new store openings and 38 store closures (net increase of 27 stores).
Improved store profitability through expansion via relocations and fashion mall formats.
Accelerated store openings in urban areas (Tokyo and Keihanshin region).
- Renovation plan: 100 stores. Enhanced store loyalty while promoting environmental initiatives through the introduction of the latest equipment.

Business	End-FY2/26 Number of stores	Planned opening stores	Planned closing stores	End-FY2/27 Number of stores (Plan)	Number of renovation plan
Shimamura	1,423	25	18	1,430	73
Avail	323	15	9	329	14
Birthday	343	9	6	346	8
Chambre	125	11	3	133	5
Divalo	19	0	0	19	0
Shimamura (non-consolidated)	2,233	60	36	2,257	100
Si meng le (Taiwan)	45	5	2	48	0
Shimamura (consolidated)	2,278	65	38	2,305	100

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This section describes plans for store openings, closings, and renovations.

We plan to open 65 new stores and close 38 stores, for a net increase of 27 stores. As a result, the number of stores at the end of the fiscal year ending February 20, 2027 is expected to be 2,305.

5. Medium-term Management Plan 2027: Revisions to Numerical Targets

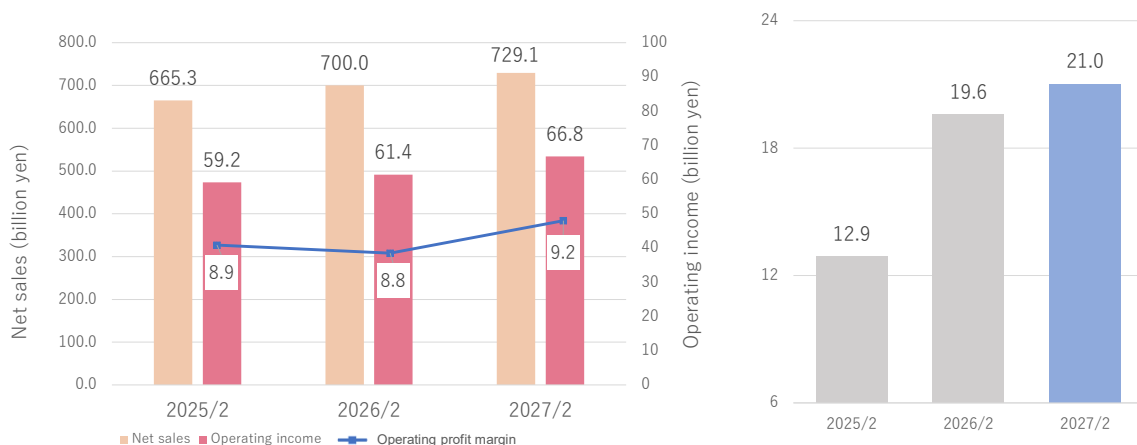
Next, I will explain the updated numerical targets for the medium-term management plan 2027.

Medium-term Management Plan 2027: Revisions to Numerical Targets



Medium-term Management Plan: Numerical Target

Consolidated net sales			Consolidated operating income			EC sales		
Initial Plan	Revised Plan		Initial Plan	Revised Plan		Initial Plan	Revised Plan	
725.0 billion yen	729.1 billion yen	(+4.1 billion yen)	66.5 billion yen	66.8 billion yen	(+0.3 billion yen)	18.0 billion yen	21.0 billion yen	(+3 billion yen)



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Here are three updates to the numerical targets of the medium-term management plan.

First, consolidated net sales for FY2025, the second year of the medium-term management plan, exceeded the initial plan.

Therefore, for FY2026, the final year of the plan, we have raised our sales target by JPY4.1 billion from the initial JPY725 billion to JPY729.1 billion.

Consolidated operating income will be JPY66.8 billion, up JPY0.3 billion from JPY66.5 billion. In addition, EC sales, which drove sales in FY2025, will be raised by JPY3 billion from JPY18 billion to JPY21 billion.

Financial Results Materials (Disclosed on the corporate website)

- Financial Results Briefing Materials (with comments): Tuesday, March 31
- Financial Results (Summary of Question and Answer Session): Wednesday, April 1
- Financial Results Briefing (English): Thursday, April 2

Cautionary Statement Regarding Forward-Looking Statements, etc.

The forward-looking statements, including business forecasts, contained in this document are based on judgments made in accordance with information available at the time of this document's release and are subject to a number of uncertainties.

Actual results may differ from these forecasts due to changes in business conditions and other factors.

Finally, we would like to inform you of the disclosure information.

The schedule for disclosing financial results on the corporate website is as shown below.

This concludes the explanation of SHIMAMURA's financial results for the fiscal year ended February 28, 2026, consolidated business forecast for the fiscal year ending February 20, 2027, and the updated numerical targets of the medium-term management plan 2027.

Thank you for listening.