Investors' Guide

November-2013

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	Nov-2012			Feb-2013			Nov-2013			Feb-2014 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	365,670	100.0	107.2	491,091	100.0	105.3	376,263	100.0	102.9	520,000	100.0	105.9
Shimamura	298,536	81.7	106.5	399,775	81.4	104.6	305,544	81.2	102.3	419,000	80.6	104.8
Avail	39,716	10.9	108.2	53,730	10.9	105.9	39,487	10.5	99.4	58,150	11.2	108.2
Birthday	17,644	4.8	116.5	23,582	4.8	115.5	20,126	5.4	114.1	27,500	5.3	116.6
Chambre	7,086	1.9	104.7	9,655	2.0	104.5	7,423	2.0	104.8	10,800	2.1	111.9
Divalo	457	0.1	115.4	607	0.1	118.2	600	0.2	131.3	750	0.1	123.4
CHINA TAIWAN	2,228	0.6	108.9	3,739	0.8	115.2	2,882	0.8	129.4	3,800	0.7	101.5
CHINA(Shanghai)	—	—	—	—	—	—	199	0.0	—	—	—	—
Cost of goods sold	244,465	66.9	106.6	330,404	67.3	105.1	252,836	67.2	103.4	348,350	67.0	105.4
Gross profit	121,204	33.1	108.4	160,686	32.7	105.6	123,426	32.8	101.8	171,650	33.0	106.8
Other operating income	765	0.3	106.0	1,006	0.2	105.2	764	0.2	99.9	1,070	0.2	106.3
Operating Gross Profit	121,970	33.4	108.4	161,693	32.9	105.6	124,191	33.0	101.8	172,720	33.2	106.8
SG & A expenses	86,697	23.8	107.5	116,138	23.6	106.4	91,257	24.2	105.3	121,720	23.4	104.8
Operating Profit	35,272	9.6	110.4	45,555	9.3	103.6	32,934	8.8	93.4	51,000	9.8	112.0
Non-operating income	1,340	0.4	126.8	2,167	0.4	136.4	1,516	0.4	113.1	1,640	0.3	75.7
Non-operating expenses	66	0.0	19.0	101	0.0	36.4	43	0.1	65.8	140	0.0	137.5
Ordinary Profit	36,547	10.0	111.9	47,620	9.7	105.2	34,407	9.1	94.1	52,500	10.1	110.2
Extraordinary profit	104	0.0	16.0	109	0.0	17.8	10	0.0	9.8	—	—	—
Extraordinary losses	291	0.1	12.8	342	0.1	13.9	231	0.0	79.3	700	0.1	204.1
Pretax profit	36,359	9.9	117.2	47,386	9.6	109.1	34,186	9.1	94.0	51,800	10.0	109.3
Tax	15,238	4.1	117.6	19,863	4.0	109.1	13,475	3.6	88.4	20,500	3.9	103.2
Net Profit	21,121	5.8	116.9	27,523	5.6	109.2	20,710	5.5	98.1	31,300	6.0	113.7

(2) Selling, General and Administrative Expenses (Units : Millions of yen, %)

Subject	Nov-2012			Feb-2013			Nov-2013			Feb-2014 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	34,311	9.4	105.7	45,983	9.4	104.0	35,763	9.5	104.2	48,024	9.2	104.4
Personal expenses	40,307	11.0	106.0	54,181	11.0	104.3	42,150	11.2	104.6	56,757	10.9	104.8
Advertising expenses	9,900	2.7	111.5	12,967	2.6	110.6	10,015	2.7	101.2	12,655	2.4	97.6
Selling expenses	12,324	3.4	112.3	16,370	3.3	111.7	12,665	3.3	102.8	16,215	3.1	99.1
Non-durable goods	1,110	0.3	125.1	1,415	0.3	124.4	1,144	0.3	103.1	1,483	0.3	104.8
Display total	612	0.2	131.5	766	0.2	136.5	1,089	0.3	178.0	1,018	0.2	132.9
Operating expenses	3,802	1.1	113.1	4,935	1.0	113.5	4,428	1.2	116.5	5,508	1.1	111.6
Rental expenses	18,769	5.1	107.0	25,242	5.1	106.8	19,756	5.3	105.3	26,901	5.2	106.6
Depreciation	3,720	1.0	100.9	5,047	1.0	100.7	3,768	1.0	101.3	4,846	0.9	96.0
Facilities cost	28,090	7.7	107.4	37,778	7.7	106.9	29,777	7.9	106.0	40,311	7.7	106.7
General expenses	2,146	0.6	102.1	2,836	0.6	98.3	2,235	0.6	104.1	2,928	0.6	103.2
SG & A expenses	86,697	23.8	107.5	116,138	23.6	106.4	91,257	24.2	105.3	121,720	23.4	104.8

(3) Consolidated quarterly Profit and loss statement (Units : Millions of yen, %)

Subject	May-2013			Aug-2013			Nov-2013			Feb-2014		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	120,170	100.0	103.8	130,933	100.0	104.1	125,160	100.0	100.8			
Cost of goods sold	80,832	67.3	104.2	88,631	67.7	103.7	83,372	66.6	102.4			
Gross profit	39,337	32.7	103.0	42,301	32.3	105.1	41,787	33.4	97.7			
Other operatingincome	240	0.2	102.8	272	0.2	100.6	252	0.2	96.5			
OperatingGross Profit	39,577	32.9	103.0	42,573	32.5	105.1	42,040	33.6	97.7			
SG & A expenses	29,974	24.9	106.8	30,123	23.0	102.8	31,159	24.9	106.2			
Operating Profit	9,602	8.0	92.7	12,450	9.5	111.1	10,880	8.7	79.4			
Ordinary Profit	10,137	8.4	94.8	12,989	9.9	109.3	11,280	9.0	80.8			
Net Profit	6,053	5.0	102.9	7,896	6.0	110.4	6,761	5.4	83.6			

(4) Consolidated Balance Sheets （単位：百万円、%）

	Nov-2012			Feb-2013			Nov-2013		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	156,764	50.8	97.6	145,367	49.0	115.0	175,012	53.4	111.6
Noncurrent assets	151,541	49.2	99.4	151,363	51.0	100.1	152,840	46.6	100.9
Total assets	308,306	100.0	98.5	296,730	100.0	106.9	327,853	100.0	106.3
Current liabilities	57,014	18.5	68.5	38,625	13.0	95.6	54,408	16.6	95.4
Noncurrent liabilities	9,823	3.2	86.1	9,873	3.3	84.9	10,079	3.1	102.6
Total liabilities	66,837	21.7	70.6	48,499	16.3	93.2	64,487	19.7	96.5
Total shareholder's equity	241,349	78.3	110.6	247,744	83.5	109.9	262,153	79.9	108.6
Valuation difference	119	0.0	131.3	486	0.2	249.5	1,211	0.4	－
Total net assets	241,468	78.3	110.6	248,231	83.7	110.0	263,365	80.3	109.1
Total assets	308,306	100.0	98.5	296,730	100.0	106.9	327,853	100.0	106.3

(5) Consolidated Major Financial Indicators

	Nov-2009	Nov-2010	Nov-2011	Nov-2012	Nov-2013
Capital adequacy ratio	71.4%	67.9%	69.8%	78.3%	80.3%
ROE	9.4%	9.5%	8.5%	9.0%	8.1%
ROA	6.9%	6.6%	6.3%	7.2%	6.5%
Ordinary profit to total assets	12.2%	11.4%	11.4%	12.5%	11.0%
Total assets turnover ratio	1.34times	1.20times	1.19times	1.25times	1.20 回
Interest-bearing debt ratio	8.3%	5.4%	4.1%	2.5%	1.8%
Gross profit ratio	32.0%	32.9%	32.8%	33.1%	32.8%
SG & A expenses ratio	23.4%	23.8%	23.6%	23.8%	24.2%
Operating profit ratio	8.9%	9.3%	9.4%	9.6%	8.8%
Ordinary profit ratio	9.1%	9.5%	9.6%	10.0%	9.1%
Net assets per share	4,929.89yen	5,424.13yen	5,937.51yen	6,566.51yen	7,163.23yen
EPS	449.67yen	490.68yen	491.31yen	574.35yen	563.26yen

2. Number of Stores by Region

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
Prefecture	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End
Hokkaido	61	1		62	18	2		20	12			12	7	2		9					98	5		103
Aomori	23			23	6			6	2			2	4			4					35			35
Iwate	18	1		19	6			6	2			2	1			1					27	1		28
Miyagi	34			34	11			11	7			7	4			4					56			56
Akita	17			17	7			7	2			2									26			26
Yamagata	16			16	6			6	3			3	2			2					27			27
Fukushima	39			39	9			9	2			2	3			3					53			53
Hokkaido Tohoku Area	208	2		210	63	2		65	30			30	21	2		23	0			0	322	6		328
Ibaraki	55		1	54	14			14	10			10	3			3					82		1	81
Tochigi	34			34	9			9	7	1		8	6			6					56	1		57
Gunma	37			37	12			12	5			5	4			4					58			58
Saitama	101	1		102	26			26	10			10	5			5	1			1	143	1		144
Chiba	68	1		69	16			16	13	1		14	3			3	2			2	102	2		104
Tokyo	45	4		49	3			3	3	1		4	1			1	3			3	55	5		60
Kanagawa	45	3		48	8	1		9	2	1		3					3			3	58	5		63
Yamanashi	14			14	5			5	2			2	1			1					22			22
Nagano	40			40	9			9	4			4	3			3					56			56
Kanto Koshin Area	439	9	1	447	102	1		103	56	4		60	26			26	9			9	632	14	1	645
Niigata	36			36	11			11	5			5	2			2					54			54
Toyama	22			22	2	1		3	2			2									26	1		27
Ishikawa	18			18	2			2	2			2									22			22
Fukui	12			12	2			2	1			1									15			15
Hokuriku Area	88			88	17	1		18	10			10	2			2	0			0	117	1		118
Gifu	26			26						1		1									26	1		27
Shizuoka	39			39	6			6	1	1		2	3			3					49	1		50
Aichi	58	1		59	6	1		7	3			3									67	2		69
Mie	21			21	6			6	1			1	1			1					29			29
Tokai Area	144	1		145	18	1		19	5	2		7	4			4	0			0	171	4		175

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
Prefecture	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End	2013 End	Open	Close	Nov-13 End
Shiga	18			18	2			2	2			2	1			1					23			23
Kyoto	13			13	2			2	1			1									16			16
Oosaka	30	4		34	9	1		10	2	2		4	2		1	1	1	1		2	44	8	1	51
Hyougo	34			34	7			7	2			2	1			1	1			1	45			45
Nara	14			14	6			6	1			1	3			3					24			24
Wakayama	14			14	1			1													15			15
Kinki Area	123	4		127	27	1		28	8	2		10	7		1	6	2	1		3	167	8	1	174
Tottori	7			7	2			2	2			2	2			2					13			13
Shimane	8			8	2			2					1			1					11			11
Okayama	22			22	4			4	2			2									28			28
Hiroshima	23			23	3			3	3			3	1			1	1			1	31			31
Yamaguchi	19	1		20	3	1		4									1			1	23	2		25
Chugoku Area	79	1		80	14	1		15	7			7	4			4	2			2	106	2		108
Tokushima	9			9	2			2					1			1					12			12
Kagawa	14			14	2			2	2			2	1			1					19			19
Ehime	16			16	4			4	1			1	2			2	1			1	24			24
Kochi	11			11	1			1													12			12
Shikoku Area	50			50	9			9	3			3	4			4	1			1	67			67
Fukuoka	42	1		43	9	1		10	8			8	1			1		1		1	60	3		63
Saga	12			12					1			1									13			13
Nagasaki	11			11	2			2	2			2	2			2					17			17
Kumamoto	21			21	1			1	2			2	1			1					25			25
Ooita	16			16	2			2	1			1	1			1					20			20
Miyazaki	16	1		17	2			2	1			1									19	1		20
Kagoshima	16	1		17	4			4	2			2	2			2					24	1		25
Okinawa	9			9	1	1		2	3			3									13	1		14
Kyusyu Okinawa Area	143	3		146	21	2		23	20			20	7			7	0	1		1	191	6		197
Japan Total	1,274	20	1	1,293	271	9		280	139	8		147	75	2	1	76	14	2		16	1,773	41	2	1,812
CHINA TAIWAN																					35	1		36
CHAINA(Shanghai)																						2		4
Total	1,274	20	1	1,293	271	9		280	139	8		147	75	2	1	76	14	2		16	1,808	44	2	1,852

3. Store operation

(1) Store openings

		Feb-2012	Nov-2012	Feb-2013	Nov-2013	Feb-2014 Forecast
Shimamura	New store openings	42	33	39	20	30
	Closures	5	2	2	1	1
	Renovation	8	11	11	66	19
	Scrap & rebuild	7	6	7	1	1
	Year-end total	1,237	1,268	1,274	1,293	1,303
Avail	New store openings	16	8	12	9	17
	Closures	0	0	1	0	0
	Scrap & rebuild	2	0	0	0	0
	Year-end total	260	268	271	280	288
Birthday	New store openings	8	8	13	8	15
	Closures	2	1	1	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	127	134	139	147	154
Chambre	New store openings	2	3	5	2	5
	Closures	1	0	0	1	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	70	73	75	76	79
Divalo	New store openings	1	0	1	2	3
	Closures	1	0	0	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	13	13	14	16	17
CHINA TAIWAN Shimamura	New store openings	4	2	2	1	2
	Closures	0	2	2	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	35	35	35	36	37
CHINA(Shanghai) Shimamura	New store openings	—	—	—	2	—
	Closures	—	—	—	0	—
	Scrap & rebuild	—	—	—	0	—
	Year-end total	—	—	—	4	—
Shimamura Group	New store openings	73	54	72	44	72
	Closures	9	5	6	2	2
	Scrap & rebuild	9	6	7	1	1
	Year-end total	1,742	1,791	1,808	1,852	1,878

(2) Retail Floor Space (Units : ㎡)

Store Type	Feb-2012	Nov-2012	Feb-2013	Nov-2013	Feb-2014 Forecast
Shimamura	1,283,920	1,318,578	1,324,273	1,346,095	1,354,400
Avail	256,827	264,884	268,585	277,364	285,400
Birthday	121,050	127,033	131,645	138,264	145,900
Chambre	67,350	70,172	72,225	73,466	76,300
Divalo	3,403	3,403	3,828	4,918	4,600
CHINA TAIWAN Shimamura	34,373	34,433	34,433	35,269	36,400
CHINA (Shanghai) Shimamura	—	—	—	3,492	—
Shimamura Group	1,766,923	1,818,503	1,834,989	1,878,868	1,903,000

4. Number of Employees

(Units : person、%)

		Nov-2012		Feb-2013		Nov-2013		Feb-2014 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,226	102.9	2,211	102.9	2,292	103.0	2,280	103.1
	Part-time	11,097	104.8	11,167	104.8	11,415	102.9	11,590	103.8
	Total	13,323	104.5	13,378	104.5	13,707	102.9	13,870	103.7
Subsidiary	Full-time	72	102.9	72	102.9	95	131.9	75	104.2
	Part-time	230	105.5	233	103.1	286	124.3	245	105.2
	Total	302	104.9	305	103.0	381	126.2	320	104.9
Shimamura Group Total	Full-time	2,298	102.9	2,283	102.9	2,387	103.9	2,355	103.2
	Part-time	11,327	104.8	11,400	104.7	11,701	103.3	11,835	103.8
	Total	13,625	104.5	13,683	104.4	14,088	103.4	14,190	103.7

5. Capital Expenditures

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

(Until : Millions of yen, %)

	Nov-2012	YOY	Feb-2013	YOY	Nov-2013	YOY	Feb-2014 Forecast	YOY
Buildings	4,142	78.6	5,164	94.5	3,858	93.1	4,200	81.3
Structures	530	122.7	651	130.1	466	88.0	700	107.4
Machine	6	0.3	51	2.2	4	66.3	30	58.0
Equipment	135	84.8	304	108.3	181	134.6	140	46.0
Land	540	—	586	117.1	2,461	—	2,000	—
Construction in progress	△134	5.8	△93	4.4	162	—	300	—
Tangible fixed assets	5,219	88.9	6,665	95.9	7,135	136.7	7,370	110.6
Deposits for rent	1,345	102.6	1,452	84.3	1,271	94.5	2,200	151.5
Lease deposits	44	132.5	41	103.6	27	62.9	30	71.9
Total capital expenditures	6,609	91.6	8,159	93.6	8,434	127.6	9,600	117.7
Depreciation	3,668	100.8	4,968	100.5	3,683	100.4	4,770	96.0

(2) Subsidiary

(Units : Millions of yen, %)

	Nov-2012	YOY	Feb-2013	YOY	Nov-2013	YOY	Feb-2014 Forecast	YOY
Total capital expenditures	113	104.7	127	112.0	200	177.2	200	156.6
Depreciation	52	110.3	79	118.1	85	162.2	76	96.2

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

(Units : Millions of yen, %)

	Nov-2012	YOY	Feb-2013	YOY	Nov-2013	YOY	Feb-2014 Forecast	YOY
Total capital expenditures	6,723	91.8	8,286	93.9	8,635	128.4	9,800	118.3
Depreciation	3,720	100.9	5,047	100.7	3,768	101.3	4,846	96.0