Investors' Guide

May-2014

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

Ⅰ. Shimamura Co., Ltd. (Consolidated)

1. Consolidated Financial Summary and Forecast

(1) Consolidated Profit and loss statement

(Units : Millions of yen, %)

Subject	May-2013			Feb-2014			May-2014			Feb-2015 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	120,170	100.0	103.8	501,898	100.0	102.2	125,946	100.0	104.8	540,000	100.0	107.6
Shimamura	96,506	80.3	103.3	407,029	81.1	101.8	101,365	80.5	105.0	431,000	79.8	105.9
Avail	13,201	11.0	99.8	52,831	10.5	98.3	12,771	10.1	96.7	59,500	11.0	112.6
Birthday	6,779	5.6	116.1	26,772	5.3	113.5	7,991	6.4	117.9	31,000	5.8	115.8
Chambre	2,639	2.2	108.6	9,896	2.0	102.5	2,569	2.0	97.3	11,500	2.1	116.2
Divalo	180	0.2	124.4	786	0.2	129.4	234	0.2	129.6	1,000	0.2	127.1
CHINA TAIWAN	824	0.7	126.5	4,263	0.8	114.0	930	0.7	112.8	4,900	0.9	114.9
CHINA(Shanghai)	37	0.0	—	317	0.1	—	83	0.1	225.4	1,100	0.2	—
Cost of goods sold	80,832	67.3	104.2	339,735	67.7	102.8	85,938	68.2	106.3	361,698	67.0	106.5
Gross profit	39,337	32.7	103.0	162,162	32.3	100.9	40,007	31.8	101.7	178,301	33.0	110.0
Other operating income	240	0.2	102.8	1,003	0.2	99.7	230	0.1	96.0	1,001	0.2	99.8
Operating Gross Profit	39,577	32.9	103.0	163,166	32.5	100.9	40,238	31.9	101.7	179,303	33.2	109.9
SG & A expenses	29,974	24.9	106.8	121,297	24.2	104.4	31,616	25.1	105.5	128,586	23.8	106.0
Operating Profit	9,602	8.0	92.7	41,868	8.3	91.9	8,621	6.8	89.8	50,717	9.4	121.1
Non-operating income	550	0.4	141.9	2,204	0.5	101.7	266	0.2	48.4	1,610	0.3	73.0
Non-operating expenses	16	0.0	29.6	56	0.0	55.8	23	0.0	143.4	107	0.0	188.3
Ordinary Profit	10,137	8.4	94.8	44,016	8.8	92.4	8,864	7.0	87.4	52,220	9.7	118.6
Extraordinary profit	1	0.0	2.1	44	0.0	41.0	—	—	—	—	—	—
Extraordinary losses	100	0.0	20.6	292	0.1	85.3	142	0.1	141.7	500	0.1	170.9
Pretax profit	10,037	8.4	97.9	43,768	8.7	92.4	8,722	6.9	86.9	51,720	9.6	118.2
Tax	3,984	3.4	91.1	17,185	3.4	86.5	3,478	2.7	87.3	20,300	3.8	118.1
Net Profit	6,053	5.0	102.9	26,583	5.3	96.6	5,244	4.2	86.6	31,420	5.8	118.2

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

Subject	May-2013			Feb-2014			May-2014			Feb-2015 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	11,767	9.8	105.5	47,631	9.5	103.6	12,050	9.6	102.4	50,400	9.3	105.8
Personal expenses	13,767	11.4	105.8	56,314	11.2	103.9	14,144	11.2	102.7	59,803	11.1	106.2
Advertising expenses	3,450	2.9	108.9	13,107	2.6	101.1	3,888	3.1	112.7	13,601	2.5	103.8
Selling expenses	4,326	3.6	109.6	16,766	3.3	102.4	4,918	3.9	113.7	17,587	3.2	104.9
Non-durable goods	467	0.4	103.6	1,387	0.3	98.0	483	0.4	103.4	1,414	0.3	102.0
Display total	333	0.3	215.3	1,173	0.2	153.2	383	0.3	115.1	1,585	0.3	135.1
Operating expenses	1,545	1.3	119.5	5,421	1.1	109.9	1,655	1.3	107.2	6,025	1.1	111.1
Rental expenses	6,496	5.4	105.8	26,518	5.3	105.1	6,801	5.4	104.7	27,966	5.2	105.5
Depreciation	1,228	1.0	101.6	5,092	1.0	100.9	1,217	1.0	99.1	5,176	1.0	101.7
Facilities cost	9,600	8.0	105.7	39,863	8.0	105.5	10,168	8.1	105.9	42,017	7.8	105.4
General expenses	735	0.6	102.2	2,931	0.6	103.3	728	0.6	99.1	3,152	0.6	107.6
SG & A expenses	29,974	24.9	106.8	121,297	24.2	104.4	31,616	25.1	105.5	128,586	23.8	106.0

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

Subject	May-2014			Aug-2014			Nov-2014			Feb-2015		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	125,946	100.0	104.8									
Cost of goods sold	85,938	68.2	106.3									
Gross profit	40,007	31.8	101.7									
Other operatingincome	230	0.1	96.0									
OperatingGross Profit	40,238	31.9	101.7									
SG & A expenses	31,616	25.1	105.5									
Operating Profit	8,621	6.8	89.8									
Ordinary Profit	8,864	7.0	87.4									
Net Profit	5,244	4.2	86.6									

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

	May-2013			Feb-2014			May-2014		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	156,600	50.8	93.2	158,799	51.0	109.2	178,223	53.7	113.8
Noncurrent assets	151,530	49.2	100.5	152,367	49.0	100.7	153,855	46.3	101.5
Total assets	308,130	100.0	96.7	311,166	100.0	104.9	332,079	100.0	107.8
Current liabilities	46,432	15.1	57.9	33,474	10.7	86.7	52,719	15.9	113.5
Noncurrent liabilities	9,964	3.2	102.9	8,323	2.7	84.3	8,390	2.5	84.2
Total liabilities	56,397	18.3	62.8	41,798	13.4	86.2	61,110	18.4	108.4
Total shareholder's equity	250,479	81.3	109.6	268,106	86.2	108.2	269,668	81.2	107.7
Valuation difference	1,253	0.4	—	1,261	0.4	259.1	1,300	0.4	103.8
Total net assets	251,733	81.7	110.0	269,368	86.6	108.5	270,969	81.6	107.6
Total assets	308,130	100.0	96.7	311,166	100.0	104.9	332,079	100.0	107.8

(5) Consolidated Major Financial Indicators

	May-2010	May-2011	May-2012	May-2013	May-2014
Capital adequacy ratio	74.4%	76.8%	71.8%	81.7%	81.6%
ROE	2.5%	1.8%	2.6%	2.4%	1.9%
ROA	1.9%	1.4%	2.0%	2.0%	1.6%
Ordinary profit to total assets	3.4%	3.0%	3.6%	3.4%	2.8%
Total assets turnover ratio	0.42 回	0.39 回	0.39 回	0.40 回	0.39 回
Interest-bearing debt ratio	7.0%	5.5%	2.4%	1.9%	1.7%
Gross profit ratio	32.5%	32.3%	33.0%	32.7%	31.8%
SG & A expenses ratio	24.8%	25.0%	24.3%	24.9%	25.1%
Operating profit ratio	7.9%	7.5%	8.9%	8.0%	6.8%
Ordinary profit ratio	8.1%	7.6%	9.2%	8.4%	7.0%
Net assets per share	5,137.47yen	5,607.70yen	6,224.35yen	6,846.17yen	7,370.72yen
EPS	128.34yen	101.25yen	159.99yen	164.62yen	142.65yen

2. Number of Stores by Region

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
Prefecture	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End
Hokkaido	62			62	20			20	12			12	9			9					103			103
Aomori	23			23	6			6	2			2	4			4					35			35
Iwate	19			19	6			6	2			2	1			1					28			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	1		40	9			9	2	1		3	3	1		4					53	3		56
Hokkaido Tohoku Area	210	1		211	65			65	30	1		31	23	1		24	0			0	328	3		331
Ibaraki	54			54	14			14	10			10	3			3					81			81
Tochigi	34	1		35	9			9	8	1		9	6			6					57	2		59
Gunma	37			37	12			12	5			5	4			4					58			58
Saitama	102			102	25	1	1	25	10	1		11	5	1		6	1			1	143	3	1	145
Chiba	71	1		72	16			16	14			14	3			3	2			2	106	1		107
Tokyo	50	2		52	3	1		4	4			4	1			1	3			3	61	3		64
Kanagawa	48	1		49	9			9	3	1		4					3			3	63	2		65
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	450	5		455	102	2	1	103	60	3		63	26	1		27	9			9	647	11	1	657
Niigata	36			36	11			11	5			5	2			2					54			54
Toyama	22			22	3			3	2			2									27			27
Ishikawa	18			18	2			2	2			2									22			22
Fukui	12			12	2			2	2			2									16			16
Hokuriku Area	88			88	18			18	11			11	2			2	0			0	119			119
Gifu	26			26					1			1									27			27
Shizuoka	40			40	6			6	2			2	3			3					51			51
Aichi	59			59	7			7	3			3									69			69
Mie	21			21	6			6	1			1	1			1					29			29
Tokai Area	146			146	19			19	7			7	4			4	0			0	176			176

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
Prefecture	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End	2014 End	Open	Close	May-14 End
Shiga	19			19	2			2	3			3	1			1					25			25
Kyoto	13			13	2			2	1			1									16			16
Oosaka	35			35	10			10	4			4	1			1	2			2	52			52
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	129			129	28			28	11			11	6			6	3			3	177			177
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	20			20	4			4									1			1	25			25
Chugoku Area	80			80	15			15	7			7	4			4	2			2	108			108
Tokushima	9			9	2			2					1			1					12			12
Kagawa	14		1	13	2			2	2			2	1			1					19		1	18
Ehime	16			16	4			4	1			1	2			2	1			1	24			24
Kochi	11			11	1			1													12			12
Shikoku Area	50		1	49	9			9	3			3	4			4	1			1	67			66
Fukuoka	43			43	10			10	9			9	1			1	1			1	64			64
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		3	1			1					25	2		27
Ooita	16			16	2			2	1			1	1			1					20			20
Miyazaki	17			17	2			2	1			1									20			20
Kagoshima	17			17	4			4	2			2	2			2					25			25
Okinawa	9			9	2			2	3			3									14			14
Kyusyu Okinawa Area	146			146	23	1		24	21	1		22	7			7	1			1	198	2		200
Japan Total	1,299	6	1	1,304	279	3	1	281	150	5		155	76	2		78	16			16	1,820	16	2	1,834
CHINA TAIWAN																					36			36
CHAINA(Shanghai)																					4			4
Total	1,299	6	1	1,304	279	3	1	281	150	5		155	76	2		78	16			16	1,860	16	2	1,874

3. Store operation

(1) Store openings

		Feb-2013	May-2013	Feb-2014	May-2014	Feb-2015 Forecast
Shimamura	New store openings	39	5	26	6	25
	Closures	2	1	1	1	1
	Renovation	11	14	66	36	105
	Scrap & rebuild	7	0	1	0	4
	Year-end total	1,274	1,278	1,299	1,304	1,323
Avail	New store openings	12	1	9	3	15
	Closures	1	0	1	1	2
	Scrap & rebuild	0	0	0	0	1
	Year-end total	271	272	279	281	292
Birthday	New store openings	13	3	11	5	20
	Closures	1	0	0	0	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	139	142	150	155	169
Chambre	New store openings	5	0	2	2	7
	Closures	0	1	1	0	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	75	74	76	78	82
Divalo	New store openings	1	0	2	0	3
	Closures	0	0	0	0	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	14	14	16	16	18
CHINA TAIWAN Shimamura	New store openings	2	1	1	0	3
	Closures	2	0	0	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	35	36	36	36	39
CHINA(Shanghai) Shimamura	New store openings	—	0	2	0	6
	Closures	—	0	0	0	0
	Scrap & rebuild	—	0	0	0	0
	Year-end total	—	2	4	4	10
Shimamura Group	New store openings	72	10	53	16	79
	Closures	6	2	3	2	6
	Scrap & rebuild	7	0	1	0	5
	Year-end total	1,808	1,818	1,860	1,874	1,933

(2) Retail Floor Space (Units : ㎡)

Store Type	Feb-2013	May-2013	Feb-2014	May-2014	Feb-2015 Forecast
Shimamura	1,324,273	1,329,669	1,351,404	1,357,051	1,376,600
Avail	268,585	269,510	276,420	278,391	289,200
Birthday	131,645	134,195	140,871	144,353	158,700
Chambre	72,225	71,572	73,466	75,338	79,500
Divalo	3,828	4,205	4,918	4,918	5,700
CHINA TAIWAN Shimamura	34,433	35,322	35,269	35,269	38,200
CHINA (Shanghai) Shimamura	—	1,634	3,492	3,492	8,700
Shimamura Group	1,834,989	1,846,107	1,885,840	1,898,812	1,956,600

4. Number of Employees

(Units : person、%)

		May-2013		Feb-2014		May-2014		Feb-2015 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,294	102.5	2,265	102.4	2,362	103.0	2,330	102.9
	Part-time	11,203	103.5	11,427	102.3	11,286	100.7	11,830	103.5
	Total	13,497	103.3	13,692	102.3	13,648	101.1	14,160	103.4
Subsidiary	Full-time	90	132.4	93	129.2	93	103.3	105	112.9
	Part-time	259	116.1	291	124.9	295	113.9	355	122.0
	Total	349	119.9	384	125.9	388	111.2	460	119.8
Shimamura Group Total	Full-time	2,384	103.4	2,358	103.3	2,455	103.0	2,435	103.3
	Part-time	11,462	103.7	11,718	102.8	11,581	101.0	12,185	104.0
	Total	13,846	103.7	14,076	102.9	14,036	101.4	14,620	103.9