Investors' Guide

Novemver-2014

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-2013			Feb-2014			Nov-2014			Feb-2015 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	376,263	100.0	102.9	501,898	100.0	102.2	383,824	100.0	102.0	528,000	100.0	105.2
Shimamura	305,544	81.2	102.3	407,029	81.1	101.8	311,164	81.0	101.8	425,000	80.5	104.4
Avail	39,487	10.5	99.4	52,831	10.5	98.3	37,243	9.7	94.3	54,000	10.2	102.2
Birthday	20,126	5.4	114.1	26,772	5.3	113.5	23,441	6.1	116.5	31,500	6.0	117.7
Chambre	7,423	2.0	104.8	9,896	2.0	102.5	7,265	1.9	97.9	10,500	2.0	106.1
Divalo	600	0.2	131.3	786	0.2	129.4	678	0.2	112.9	1,000	0.2	127.2
CHINA TAIWAN	2,882	0.8	129.4	4,263	0.8	114.0	3,728	1.0	129.4	4,900	0.9	114.9
CHINA(Shanghai)	199	0.0	—	317	0.1	—	302	0.1	151.7	1,100	0.2	346.7
Cost of goods sold	252,836	67.2	103.4	339,735	67.7	102.8	259,895	67.7	102.8	355,388	67.3	104.6
Gross profit	123,426	32.8	101.8	162,162	32.3	100.9	123,929	32.3	100.4	172,612	32.7	106.4
Other operating income	764	0.2	99.9	1,003	0.2	99.7	705	0.2	92.3	902	0.2	89.8
Operating Gross Profit	124,191	33.0	101.8	163,166	32.5	100.9	124,634	32.5	100.4	173,514	32.9	106.3
SG & A expenses	91,257	24.2	105.3	121,297	24.2	104.4	94,740	24.7	103.8	127,814	24.2	105.4
Operating Profit	32,934	8.8	93.4	41,868	8.3	91.9	29,893	7.8	90.8	45,700	8.7	109.2
Non-operating income	1,516	0.4	113.1	2,204	0.5	101.7	1,609	0.4	106.1	1,610	0.2	73.0
Non-operating expenses	43	0.1	65.8	56	0.0	55.8	42	0.0	97.6	110	0.0	193.5
Ordinary Profit	34,407	9.1	94.1	44,016	8.8	92.4	31,461	8.2	91.4	47,200	8.9	107.2
Extraordinary profit	10	0.0	9.8	44	0.0	41.0	8	0.0	78.9	—	—	—
Extraordinary losses	231	0.0	79.3	292	0.1	85.3	356	0.1	153.9	500	0.1	170.9
Pretax profit	34,186	9.1	94.0	43,768	8.7	92.4	31,112	8.1	91.0	46,700	8.8	106.7
Tax	13,475	3.6	88.4	17,185	3.4	86.5	12,198	3.2	90.5	18,400	3.4	107.1
Net Profit	20,710	5.5	98.1	26,583	5.3	96.6	18,914	4.9	91.3	28,300	5.4	106.5

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

Subject	Nov-2013			Feb-2014			Nov-2014			Feb-2015 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	35,763	9.5	104.2	47,631	9.5	103.6	36,807	9.6	102.9	49,600	9.4	104.1
Personal expenses	42,150	11.2	104.6	56,314	11.2	103.9	43,503	11.3	103.2	58,853	11.1	104.5
Advertising expenses	10,015	2.7	101.2	13,107	2.6	101.1	10,385	2.7	103.7	13,601	2.6	103.8
Selling expenses	12,665	3.3	102.8	16,766	3.3	102.4	13,479	3.5	106.4	17,699	3.4	105.6
Non-durable goods	1,144	0.3	103.1	1,387	0.3	98.0	1,206	0.3	105.4	1,415	0.3	102.0
Display total	1,089	0.3	178.0	1,173	0.2	153.2	990	0.3	90.9	1,335	0.3	113.7
Operating expenses	4,428	1.2	116.5	5,421	1.1	109.9	4,450	1.2	100.5	5,787	1.1	106.7
Rental expenses	19,756	5.3	105.3	26,518	5.3	105.1	20,713	5.4	104.8	27,978	5.3	105.5
Depreciation	3,768	1.0	101.3	5,092	1.0	100.9	3,803	1.0	100.9	5,177	1.0	101.7
Facilities cost	29,777	7.9	106.0	39,863	8.0	105.5	31,226	8.1	104.9	42,392	8.0	106.3
General expenses	2,235	0.6	104.1	2,931	0.6	103.3	2,080	0.6	93.1	3,083	0.6	105.2
SG & A expenses	91,257	24.2	105.3	121,297	24.2	104.4	94,740	24.7	103.8	127,814	24.2	105.4

(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	127,591	100.0	97.4	130,286	100.0	104.1			
Cost of goods sold	85,938	68.2	106.3	86,331	67.7	97.4	87,626	67.3	105.1			
Gross profit	40,007	31.8	101.7	41,260	32.3	97.5	42,660	32.7	102.1			
Other operatingincome	230	0.1	96.0	239	0.2	88.1	235	0.2	93.4			
OperatingGross Profit	40,238	31.9	101.7	41,500	32.5	97.5	42,896	32.9	102.0			
SG & A expenses	31,616	25.1	105.5	30,959	24.2	102.8	32,332	24.8	103.8			
Operating Profit	8,621	6.8	89.8	10,541	8.3	84.7	10,563	8.1	97.1			
Ordinary Profit	8,864	7.0	87.4	11,396	8.9	87.7	11,199	8.6	99.3			
Net Profit	5,244	4.2	86.6	6,937	5.4	87.9	6,732	5.2	99.6			

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

	Nov-2013			Feb-2014			Nov-2014		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	175,012	53.4	111.6	158,799	51.0	109.2	192,308	54.9	109.9
Noncurrent assets	152,840	46.6	100.9	152,367	49.0	100.7	158,198	45.1	103.5
Total assets	327,853	100.0	106.3	311,166	100.0	104.9	350,507	100.0	106.9
Current liabilities	54,408	16.6	95.4	33,474	10.7	86.7	61,184	17.5	112.5
Noncurrent liabilities	10,079	3.1	102.6	8,323	2.7	84.3	6,747	1.9	66.9
Total liabilities	64,487	19.7	96.5	41,798	13.4	86.2	67,931	19.4	105.3
Total shareholder's equity	262,153	79.9	108.6	268,106	86.2	108.2	280,011	79.9	106.8
Valuation difference	1,211	0.4	—	1,261	0.4	259.1	2,567	0.7	211.9
Total net assets	263,365	80.3	109.1	269,368	86.6	108.5	282,579	80.6	107.3
Total assets	327,853	100.0	106.3	311,166	100.0	104.9	350,510	100.0	106.9

(5) Consolidated Major Financial Indicators

	Nov-2010	Nov-2011	Nov-2012	Nov-2013	Nov-2014
Capital adequacy ratio	67.9%	69.8%	78.3%	80.3%	80.6%
ROE	9.5%	8.5%	9.0%	8.1%	6.9%
ROA	6.6%	6.3%	7.2%	6.5%	5.7%
Ordinary profit to total assets	11.4%	11.4%	12.5%	11.0%	9.5%
Total assets turnover ratio	1.22times	1.19times	1.25times	1.20 回	1.16 回
Interest-bearing debt ratio	5.0%	4.1%	2.5%	1.8%	1.7%
Gross profit ratio	32.9%	32.8%	33.1%	32.8%	32.3%
SG & A expenses ratio	23.8%	23.6%	23.8%	24.2%	24.7%
Operating profit ratio	9.3%	9.4%	9.6%	8.8%	7.8%
Ordinary profit ratio	9.5%	9.6%	10.0%	9.1%	8.2%
Net assets per share	5,424.13yen	5,937.51yen	6,566.51yen	7,163.23yen	7,686.91yen
EPS	490.68yen	491.31yen	574.35yen	563.26yen	514.51yen

2. Number of Stores by Region

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
Prefecture	2014 End	Open	Close	Nov-14 End	2014 End	Open	Close	Nov-14 End	2014 End	Open	Close	Nov-14 End	2014 End	Open	Close	Nov-14 End	2014 End	Open	Close	May-14 End	2014 End	Open	Close	Nov-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		1	10	7			7	4			4					56		1	55
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			64	30	1		31	23	1		24	0			0	328	3	1	330
Ibaraki	54			54	14			14	10			10	3	1		4		1			81	2		83
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	2		73	16	1		17	14	1		15	3			3	2			2	106	4		110
Tokyo	50	4		54	3	2		5	4	1		5	1			1	3			3	61	7		68
Kanagawa	48	4		52	9			9	3	1		4					3			3	63	5		68
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	11		461	102	4	1	105	60	5		65	26	2		28	9	1		10	647	23	1	669
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	1	1		2									27	2		29
Shizuoka	40			40	6			6	2			2	3			3					51			51
Aichi	59			59	7			7	3			3									69			69
Mie	21			21	6	1		7	1			1	1			1					29	1		30
Tokai Area	146			146	19	2		21	7	1		8	4			4	0			0	176	3		179

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
Prefecture	2014 End	Open	Close	Nov-14 End	2014 End	Open	Close	Nov-14 End	2014 End	Open	Close	Nov-14 End	2014 End	Open	Close	Nov-14 End	2014 End	Open	Close	Nov-14 End	2014 End	Open	Close	Nov-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	2		36	7	2		9	2	1		3	1	1		2	1			1	45	6		51
Nara	14	1		15	6			6	1			1	3			3					24	1		25
Wakayama	14			14	1			1		1		1		1		1					15	2		17
Kinki Area	129	3		132	28	2		30	11	2		13	6	2		8	3			3	177	9		186
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					1			1	25	1		26
Chugoku Area	80			80	15			15	7	1		8	4			4	2			2	108	1		109
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			2	1			1	24	1		25
Kochi	11			11	1			1													12			12
Shikoku Area	50		1	49	9			9	3	1		4	4			4	1			1	67	1	1	67
Fukuoka	43			43	10	1		11	9	1		10	1			1	1			1	64	2		66
Saga	12			12					1			1									13			13
Nagasaki	11			11	2	1		3	2	1		3	2	1		3					17	3		20
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	3		26	21	3		24	7	1		8	1			1	198	7		205
Japan Total	1,299	15	1	1,313	279	11	2	288	150	14		164	76	6		82	16	1		17	1,820	47	3	1,864
CHINA TAIWAN																					36	1		37
CHAINA(Shanghai)																					4	4		8
Total	1,299	15	1	1,313	279	11	2	288	150	14		164	76	6		82	16	1		17	1,860	52	3	1,909

3. Store operation

(1) Store openings

		Feb-2013	Nov-2013	Feb-2014	Nov-2014	Feb-2015 Forecast
Shimamura	New store openings	39	20	26	15	25
	Closures	2	1	1	1	1
	Renovation	11	66	66	99	105
	Scrap & rebuild	7	1	1	1	4
	Year-end total	1,274	1,293	1,299	1,313	1,323
Avail	New store openings	12	9	9	11	15
	Closures	1	0	1	2	2
	Scrap & rebuild	0	0	0	0	1
	Year-end total	271	280	279	288	292
Birthday	New store openings	13	8	11	14	20
	Closures	1	0	0	0	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	139	147	150	164	169
Chambre	New store openings	5	2	2	6	7
	Closures	0	1	1	0	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	75	76	76	82	82
Divalo	New store openings	1	2	2	1	3
	Closures	0	0	0	0	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	14	16	16	17	18
CHINA TAIWAN Shimamura	New store openings	2	1	1	1	3
	Closures	2	0	0	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	35	36	36	37	39
CHINA(Shanghai) Shimamura	New store openings	—	2	2	4	6
	Closures	—	0	0	0	0
	Scrap & rebuild	—	0	0	0	0
	Year-end total	—	4	4	8	10
Shimamura Group	New store openings	72	44	53	52	79
	Closures	6	2	3	3	6
	Scrap & rebuild	7	1	1	1	5
	Year-end total	1,808	1,852	1,860	1,909	1,933

(2) Retail Floor Space (Units : ㎡)

Store Type	Feb-2013	Nov-2013	Feb-2014	Nov-2014	Feb-2015 Forecast
Shimamura	1,324,273	1,346,095	1,351,404	1,367,356	1,376,600
Avail	268,585	277,364	276,420	284,764	289,200
Birthday	131,645	138,264	140,871	152,993	158,700
Chambre	72,225	73,466	73,466	79,026	79,500
Divalo	3,828	4,918	4,918	5,234	5,700
CHINA TAIWAN Shimamura	34,433	35,269	35,269	36,224	38,200
CHINA (Shanghai) Shimamura	—	3,492	3,492	6,948	8,700
Shimamura Group	1,834,989	1,878,868	1,885,840	1,932,545	1,956,600

4. Number of Employees

(Units : person、%)

		Nov-2013		Feb-2014		Nov-2014		Feb-2015 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,292	103.0	2,265	102.4	2,390	104.3	2,330	102.9
	Part-time	11,415	102.9	11,427	102.3	11,494	100.7	11,830	103.5
	Total	13,707	102.9	13,692	102.3	13,884	101.3	14,160	103.4
Subsidiary	Full-time	95	131.9	93	129.2	102	107.4	105	112.9
	Part-time	286	124.3	291	124.9	306	107.0	355	122.0
	Total	381	126.2	384	125.9	408	107.1	460	119.8
Shimamura Group Total	Full-time	2,387	103.9	2,358	103.3	2,492	104.4	2,435	103.3
	Part-time	11,701	103.3	11,718	102.8	11,800	100.8	12,185	104.0
	Total	14,088	103.4	14,076	102.9	14,292	101.4	14,620	103.9

5. Capital Expenditures

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

(Until : Millions of yen, %)

	Nov-2013	YOY	Feb-2014	YOY	Nov-2014	YOY	Feb-2015 Forecast	YOY
Buildings	3,858	93.1	4,275	82.8	7,278	188.6	9,300	217.5
Structures	466	88.0	516	79.2	837	179.4	700	135.6
Machine	4	66.3	4	8.0	84	—	2,000	—
Equipment	181	134.6	221	72.7	167	92.2	370	167.2
Land	2,461	—	2,706	—	133	5.4	1,000	36.9
Construction in progress	162	—	830	—	776	—	300	36.1
Tangible fixed assets	7,135	136.7	8,553	128.3	9,278	130.0	13,670	159.8
Deposits for rent	1,271	94.5	1,512	104.2	1,979	155.6	2,100	138.8
Lease deposits	27	62.9	29	71.6	39	141.1	30	100.5
Total capital expenditures	8,434	127.6	10,096	123.7	11,296	133.9	15,800	156.5
Depreciation	3,683	100.4	4,974	100.1	3,690	100.2	5,040	101.3

(2) Subsidiary

(Units : Millions of yen, %)

	Nov-2013	YOY	Feb-2014	YOY	Nov-2014	YOY	Feb-2015 Forecast	YOY
Total capital expenditures	200	177.2	204	160.3	262	131.0	500	244.2
Depreciation	85	162.2	117	148.2	112	132.8	135	115.5

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

(Units : Millions of yen, %)

	Nov-2013	YOY	Feb-2014	YOY	Nov-2014	YOY	Feb-2015 Forecast	YOY
Total capital expenditures	8,635	128.4	10,301	124.3	11,559	133.9	16,300	158.2
Depreciation	3,768	101.3	5,092	100.9	3,803	100.9	5,176	101.7