

Investors' Guide

May-2015

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-2014			Feb-2015			May-2015			Feb-2016 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	125,946	100.0	104.8	511,893	100.0	102.0	131,647	100.0	104.5	544,000	100.0	106.3
Shimamura	101,365	80.5	105.0	414,121	80.9	101.7	105,097	79.8	103.7	433,800	79.7	104.8
Avail	12,771	10.1	96.7	49,960	9.8	94.6	12,592	9.6	98.6	53,500	9.8	107.1
Birthday	7,991	6.4	117.9	31,222	6.1	116.6	9,640	7.3	120.6	38,000	7.0	121.7
Chambre	2,569	2.0	97.3	9,818	1.9	99.2	2,642	2.0	102.8	10,600	2.0	108.0
Divalo	234	0.2	129.6	883	0.2	112.3	259	0.2	110.8	1,100	0.2	124.6
CHINA TAIWAN	930	0.7	112.8	5,363	1.0	125.8	1,259	1.0	135.4	5,900	1.1	109.9
CHINA(Shanghai)	83	0.1	225.4	522	0.1	164.5	155	0.1	185.1	1,100	0.2	210.7
Cost of goods sold	85,938	68.2	106.3	349,459	68.3	102.9	90,167	68.5	104.9	365,030	67.1	104.5
Gross profit	40,007	31.8	101.7	162,433	31.7	100.2	41,479	31.5	103.7	178,970	32.9	110.2
Other operating income	230	0.1	96.0	935	0.2	93.2	236	0.2	102.7	990	0.2	105.8
Operating Gross Profit	40,238	31.9	101.7	163,369	31.9	100.1	41,716	31.7	103.7	179,960	33.1	110.2
SG & A expenses	31,616	25.1	105.5	126,545	24.7	104.3	33,018	25.1	104.4	133,960	24.6	105.9
Operating Profit	8,621	6.8	89.8	36,823	7.2	88.0	8,697	6.6	100.9	46,000	8.5	124.9
Non-operating income	266	0.2	48.4	1,830	0.3	83.0	380	0.3	142.6	1,430	0.2	78.1
Non-operating expenses	23	0.0	143.4	53	0.0	93.9	19	0.0	83.6	30	0.0	56.2
Ordinary Profit	8,864	7.0	87.4	38,601	7.5	87.7	9,058	6.9	102.2	47,400	8.7	122.8
Extraordinary profit	—	—	—	7	0.0	17.8	—	—	—	—	—	—
Extraordinary losses	142	0.1	141.7	448	0.0	153.5	298	0.2	209.5	500	0.1	111.4
Pretax profit	8,722	6.9	86.9	38,160	7.5	87.2	8,759	6.7	100.4	46,900	8.6	122.9
Tax	3,478	2.7	87.3	14,871	3.0	86.5	3,223	2.5	92.7	17,350	3.2	116.7
Net Profit	5,244	4.2	86.6	23,288	4.5	87.6	5,535	4.2	105.6	29,550	5.4	126.9

(2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

Subject	May-2014			Feb-2015			May-2015			Feb-2016 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	12,050	9.6	102.4	49,140	9.6	103.2	12,489	9.5	103.6	51,670	9.5	105.1
Personal expenses	14,144	11.2	102.7	58,237	11.4	103.4	14,701	11.2	103.9	61,240	11.3	105.2
Advertising expenses	3,888	3.1	112.7	13,598	2.7	103.7	3,912	3.0	100.6	13,732	2.5	101.0
Selling expenses	4,918	3.9	113.7	17,829	3.5	106.3	5,033	3.8	102.3	18,107	3.3	101.6
Non-durable goods	483	0.4	103.4	1,554	0.3	112.1	474	0.4	98.0	1,535	0.3	98.7
Display total	383	0.3	115.1	1,164	0.2	99.2	386	0.3	101.0	1,568	0.3	134.7
Operating expenses	1,655	1.3	107.2	5,670	1.1	104.6	1,992	1.5	120.3	6,543	1.2	115.4
Rental expenses	6,801	5.4	104.7	27,816	5.4	104.9	7,156	5.4	105.2	29,273	5.4	105.2
Depreciation	1,217	1.0	99.1	5,285	1.0	103.8	1,400	1.1	115.0	5,592	1.0	105.8
Facilities cost	10,168	8.1	105.9	42,108	8.2	105.6	10,619	8.1	104.4	45,083	8.3	107.1
General expenses	728	0.6	99.1	2,699	0.5	92.1	672	0.5	92.3	2,984	0.5	110.6
SG & A expenses	31,616	25.1	105.5	126,545	24.7	104.3	33,018	25.1	104.4	133,960	24.6	105.9

(3) Consolidated quarterly Profit and loss statement

(Units : Millions of yen, %)

Subject	May-2015			Aug-2015			Nov-2015			Feb-2016		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	131,647	100.0	104.5									
Cost of goods sold	90,167	68.5	104.9									
Gross profit	41,479	31.5	103.7									
Other operating income	236	0.2	102.7									
Operating Gross Profit	41,716	31.7	103.7									
SG & A expenses	33,018	25.1	104.4									
Operating Profit	8,697	6.6	100.9									
Ordinary Profit	9,058	6.9	102.2									
Net Profit	5,535	4.2	105.6									

(4) Consolidated Balance Sheets

(Units : Millions of yen, %)

	May-2014			Feb-2015			May-2015		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	178,223	53.7	113.8	172,954	52.2	108.9	191,264	54.5	107.3
Noncurrent assets	153,855	46.3	101.5	158,653	47.8	104.1	159,775	45.5	103.8
Total assets	332,079	100.0	107.8	331,608	100.0	106.6	351,039	100.0	105.7
Current liabilities	52,719	15.9	113.5	37,586	11.3	112.3	55,107	15.7	104.5
Noncurrent liabilities	8,390	2.5	84.2	6,983	2.1	83.9	6,240	1.8	74.4
Total liabilities	61,110	18.4	108.4	44,570	13.4	106.6	61,347	17.5	100.4
Total shareholder's equity	269,668	81.2	107.7	284,379	85.8	106.1	286,675	81.7	106.3
Valuation difference	1,300	0.4	103.8	2,659	0.8	210.8	3,016	0.8	231.9
Total net assets	270,969	81.6	107.6	287,038	86.6	106.6	289,691	82.5	106.9
Total assets	332,079	100.0	107.8	331,608	100.0	106.6	351,039	100.0	105.7

(5) Consolidated Major Financial Indicators

	May-2011	May-2012	May-2013	May-2014	May-2015
Capital adequacy ratio	76.8%	71.8%	81.7%	81.6%	82.5%
ROE	1.8%	2.6%	2.4%	1.9%	1.9%
ROA	1.4%	2.0%	2.0%	1.6%	1.6%
Ordinary profit to total assets	3.0%	3.6%	3.4%	2.8%	2.7%
Total assets turnover ratio	0.39times	0.39times	0.40times	0.39times	0.39times
Interest-bearing debt ratio	5.5%	2.4%	1.9%	1.7%	1.1%
Gross profit ratio	32.3%	33.0%	32.7%	31.8%	31.5%
SG & A expenses ratio	25.0%	24.3%	24.9%	25.1%	25.1%
Operating profit ratio	7.5%	8.9%	8.0%	6.8%	6.6%
Ordinary profit ratio	7.6%	9.2%	8.4%	7.0%	6.9%
Net assets per share	5,607.70yen	6,224.35yen	6,846.17yen	7,370.72yen	7,880.83yen
EPS	101.25yen	159.99yen	164.62yen	142.65yen	150.59yen

2. Number of Stores by Region

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End
Hokkaido	62			62	20			20	13			13	9	1		10	1			1	105	1		106
Aomori	23			23	6			6	2			2	4			4	0			0	35			35
Iwate	19			19	6			6	2			2	1			1	0			0	28			28
Miyagi	34			34	10			10	7			7	4			4	0			0	55			55
Akita	17			17	7			7	2			2	0			0	0			0	26			26
Yamagata	16			16	6			6	3			3	2			2	0			0	27			27
Fukushima	40			40	9			9	3			3	4			4	0			0	56			56
Hokkaido Tohoku Area	211	0	0	211	64	0	0	64	32	0	0	32	24	1	0	25	1	0	0	1	332	1	0	333
Ibaraki	54			54	14			14	10			10	4			4	1			1	83			83
Tochigi	35			35	9			9	10			10	7			7	0			0	61			61
Gunma	38			38	12			12	5			5	4			4	0			0	59			59
Saitama	101		1	100	25		3	22	11	2		13	6			6	1	1		2	144	3	4	143
Chiba	73		1	72	17			17	16	1		17	3			3	2			2	111	1	1	111
Tokyo	55	1		56	5			5	5			5	1			1	3			3	69	1		70
Kanagawa	54	1		55	9			9	4	1		5	0			0	3			3	70	2		72
Yamanashi	14			14	5			5	2			2	1			1	0			0	22			22
Nagano	40			40	9			9	3			3	3			3	0			0	55			55
Kanto Koshin Area	464	2	2	464	105	0	3	102	66	4	0	70	29	0	0	29	10	1	0	11	674	7	5	676
Niigata	36			36	11		1	10	5			5	2			2	0			0	54		1	53
Toyama	22			22	3			3	2			2	0			0	0			0	27			27
Ishikawa	18			18	2			2	2			2	0			0	0			0	22			22
Fukui	12			12	2			2	2			2	1	1		2	0			0	17	1		18
Hokuriku Area	88	0	0	88	18	0	1	17	11	0	0	11	3	1	0	4	0	0	0	0	120	1	1	120
Gifu	26			26	1			1	2			2	0			0	0			0	29			29
Shizuoka	40			40	6			6	4			4	3			3	0			0	53			53
Aichi	59			59	7		1	6	3			3	0			0	0			0	69		1	68
Mie	21			21	7			7	1			1	1			1	0			0	30			30
Tokai Area	146	0	0	146	21	0	1	20	10	0	0	10	4	0	0	4	0	0	0	0	181	0	1	180

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End	2015 End	Op en	Clo se	May-15 End
Shiga	19			19	2			2	3			3	1			1	0			0	25			25
Kyoto	15			15	2			2	1			1	0			0	0			0	18			18
Oosaka	35	2		37	10	2		12	5	1		6	1			1	2			2	53	5		58
Hyougo	37			37	10			10	3			3	2			2	1			1	53			53
Nara	15			15	6			6	3			3	3			3	0			0	27			27
Wakayama	14			14	1			1	1			1	1			1	0			0	17			17
Kinki Area	135	2	0	137	31	2	0	33	16	1	0	17	8	0	0	8	3	0	0	3	193	5	0	198
Tottori	7			7	2			2	2			2	2			2	0			0	13			13
Shimane	8			8	2			2	1			1	1			1	0			0	12			12
Okayama	22			22	4			4	2			2	0			0	0			0	28			28
Hiroshima	23			23	3			3	3			3	1			1	1			1	31			31
Yamaguchi	20			20	4			4	2			2	0			0	1			1	27			27
Chugoku Area	80	0	0	80	15	0	0	15	10	0	0	10	4	0	0	4	2	0	0	2	111	0	0	111
Tokushima	9			9	2			2	0			0	1		1	0	0			0	12		1	11
Kagawa	13			13	2			2	2			2	1			1	0			0	18			18
Ehime	16			16	4			4	2			2	2			2	1			1	25			25
Kochi	12			12	1			1	0			0	0			0	0			0	13			13
Shikoku Area	50	0	0	50	9	0	0	9	4	0	0	4	4	0	1	3	1	0	0	1	68	0	1	67
Fukuoka	43			43	11			11	10	1		11	1			1	1			1	66	1		67
Saga	12			12	0			0	1			1	0			0	0			0	13			13
Nagasaki	11			11	3			3	3			3	3			3	0			0	20			20
Kumamoto	21			21	2			2	3			3	1			1	0			0	27			27
Ooita	16			16	2			2	1			1	1			1	0			0	20			20
Miyazaki	17			17	2			2	1			1	0			0	0			0	20			20
Kagoshima	17	1		18	4			4	2			2	2			2	0			0	25	1		26
Okinawa	10			10	2			2	4			4	0			0	0			0	16			16
Kyusyu Okinawa Area	147	1	0	148	26	0	0	26	25	1	0	26	8	0	0	8	1	0	0	1	207	2	0	209
Japan Total	1,321	5	2	1,324	289	2	5	286	174	6	0	180	84	2	1	85	18	1	0	19	1,886	16	8	1,894
CHINA TAIWAN																					37	1	0	38
CHINA(Shanghai)																					8	0	0	8
T o t a l	1,321	5	2	1,324	289	2	5	286	174	6	0	180	84	2	1	85	18	1	0	19	1,931	17	8	1,940

3. Store operation

(1) Store openings

		Feb-2014	May-2014	Feb-2015	May-2015	Feb-2016 Forecast
Shimamura	New store openings	26	6	24	5	25
	Closures	1	1	2	2	3
	Renovation	66	36	99	36	93
	Scrap & rebuild	1	0	3	2	6
	Year-end total	1,299	1,304	1,321	1,324	1,343
Avail	New store openings	9	3	12	2	15
	Closures	1	1	2	5	6
	Scrap & rebuild	0	0	0	0	0
	Year-end total	279	281	289	286	298
Birthday	New store openings	11	5	25	6	30
	Closures	0	0	1	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	150	155	174	180	204
Chambre	New store openings	2	2	8	2	5
	Closures	1	0	0	1	2
	Scrap & rebuild	0	0	0	0	0
	Year-end total	76	78	84	85	87
Divalo	New store openings	2	0	2	1	5
	Closures	0	0	0	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	16	16	18	19	23
CHINA TAIWAN Shimamura	New store openings	1	0	1	1	2
	Closures	0	0	0	0	0
	Scrap & rebuild	0	0	1	1	0
	Year-end total	36	36	37	38	39
CHINA(Shanghai) Shimamura	New store openings	2	0	4	0	8
	Closures	0	0	0	0	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	4	4	8	8	15
Shimamura Group	New store openings	53	16	76	17	90
	Closures	3	2	5	8	12
	Scrap & rebuild	1	0	4	3	6
	Year-end total	1,860	1,874	1,931	1,940	2,009

(2) Retail Floor Space

(Units : m²)

Store Type	Feb-2014	May-2014	Feb-2015	May-2015	Feb-2016 Forecast
Shimamura	1,351,404	1,357,051	1,375,537	1,379,474	1,399,930
Avail	276,420	278,391	286,981	284,275	297,300
Birthday	140,871	144,353	162,343	167,844	190,330
Chambre	73,466	75,338	81,381	82,283	85,230
Divalo	4,918	4,918	5,658	6,110	7,230
CHINA TAIWAN Shimamura	35,269	35,269	36,224	37,290	38,180
CHINA (Shanghai) Shimamura	3,492	3,492	6,881	6,881	13,760
Shimamura Group	1,885,840	1,898,812	1,955,005	1,964,157	2,031,960

4. Number of Employees

(Units : person, %)

		May-2014		Feb-2015		May-2015		Feb-2016 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,362	103.0	2,371	104.7	2,463	104.3	2,445	103.1
	Part-time	11,286	100.7	11,521	100.8	11,481	101.7	11,935	103.6
	Total	13,648	101.1	13,892	101.5	13,944	102.2	14,380	103.5
Subsidiary	Full-time	93	103.3	104	111.8	99	106.5	115	110.6
	Part-time	295	113.9	314	107.9	305	103.4	375	119.4
	Total	388	111.2	418	108.9	404	104.1	490	117.2
Shimamura Group Total	Full-time	2,455	103.0	2,475	105.0	2,562	104.4	2,560	103.4
	Part-time	11,581	101.0	11,835	101.0	11,786	101.8	12,310	104.0
	Total	14,036	101.4	14,310	101.7	14,348	102.2	14,870	103.9