Investors' Guide

Novemver-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	Nov-2014			Feb-2015			Nov-2015			Feb-2016 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	383,824	100.0	102.0	511,893	100.0	102.0	408,984	100.0	106.6	548,000	100.0	107.1
Shimamura	311,164	81.0	101.8	414,121	80.9	101.7	331,055	81.0	106.4	441,800	80.6	106.7
Avail	37,243	9.7	94.3	49,960	9.8	94.6	37,004	9.1	99.4	50,200	9.2	100.5
Birthday	23,441	6.1	116.5	31,222	6.1	116.6	28,351	6.9	120.9	38,500	7.0	123.3
Chambre	7,265	1.9	97.9	9,818	1.9	99.2	7,448	1.8	102.5	10,200	1.9	103.9
Divalo	678	0.2	112.9	883	0.2	112.3	760	0.2	112.2	1,000	0.2	113.2
CHINA TAIWAN	3,728	1.0	129.4	5,363	1.0	125.8	3,840	0.9	103.0	5,600	1.0	104.4
CHINA(Shanghai)	302	0.1	151.7	522	0.1	164.5	522	0.1	172.6	700	0.1	134.1
Cost of goods sold	259,895	67.7	102.8	349,459	68.3	102.9	278,067	68.0	107.0	374,530	68.3	107.2
Gross profit	123,929	32.3	100.4	162,433	31.7	100.2	130,916	32.0	105.6	173,470	31.7	106.8
Other operating income	705	0.2	92.3	935	0.2	93.2	732	0.2	103.8	990	0.1	105.8
Operating Gross Profit	124,634	32.5	100.4	163,369	31.9	100.1	131,649	32.2	105.6	174,460	31.8	106.8
SG & A expenses	94,740	24.7	103.8	126,545	24.7	104.3	100,753	24.6	106.3	133,960	24.4	105.9
Operating Profit	29,893	7.8	90.8	36,823	7.2	88.0	30,896	7.6	103.4	40,500	7.4	110.0
Non-operating income	1,609	0.4	106.1	1,830	0.3	83.0	893	0.2	55.5	1,430	0.2	78.1
Non-operating expenses	42	0.0	97.6	53	0.0	93.9	70	0.0	166.7	130	0.0	243.5
Ordinary Profit	31,461	8.2	91.4	38,601	7.5	87.7	31,718	7.8	100.8	41,800	7.6	108.3
Extraordinary profit	8	0.0	78.9	7	0.0	17.8	—	—	—	—	—	—
Extraordinary losses	356	0.1	153.9	448	0.0	153.5	733	0.2	206.0	1,100	0.2	245.0
Pretax profit	31,112	8.1	91.0	38,160	7.5	87.2	30,984	7.6	99.6	40,700	7.4	106.7
Tax	12,198	3.2	90.5	14,871	3.0	86.5	11,534	2.8	94.6	15,050	2.7	101.2
Net Profit	18,914	4.9	91.3	23,288	4.5	87.6	19,450	4.8	102.8	25,650	4.7	110.1

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

Subject	Nov-2014			Feb-2015			Nov-2015			Feb-2016 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	36,807	9.6	102.9	49,140	9.6	103.2	38,164	9.3	103.7	51,670	9.5	105.1
Personal expenses	43,503	11.3	103.2	58,237	11.4	103.4	45,216	11.1	103.9	61,240	11.3	105.2
Advertising expenses	10,385	2.7	103.7	13,598	2.7	103.7	10,788	2.6	103.9	13,732	2.5	101.0
Selling expenses	13,479	3.5	106.4	17,829	3.5	106.3	14,329	3.5	106.3	18,107	3.3	101.6
Non-durable goods	1,206	0.3	105.4	1,554	0.3	112.1	1,391	0.3	115.3	1,535	0.3	98.7
Display total	990	0.3	90.9	1,164	0.2	99.2	1,606	0.4	162.2	1,568	0.3	134.7
Operating expenses	4,450	1.2	100.5	5,670	1.1	104.6	5,733	1.4	128.8	6,543	1.2	115.4
Rental expenses	20,713	5.4	104.8	27,816	5.4	104.9	21,729	5.3	104.9	29,273	5.4	105.2
Depreciation	3,803	1.0	100.9	5,285	1.0	103.8	4,331	1.1	113.9	5,592	1.0	105.8
Facilities cost	31,226	8.1	104.9	42,108	8.2	105.6	33,310	8.1	106.7	45,083	8.3	107.1
General expenses	2,080	0.6	93.1	2,699	0.5	92.1	2,163	0.5	104.0	2,984	0.5	110.6
SG & A expenses	94,740	24.7	103.8	126,545	24.7	104.3	100,753	24.6	106.3	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	134,050	100.0	105.1	143,286	100.0	110.0			
Cost of goods sold	90,167	68.5	104.9	92,056	68.7	106.6	95,843	66.9	109.4			
Gross profit	41,479	31.5	103.7	41,994	31.3	101.8	47,442	33.1	111.2			
Other operatingincome	236	0.2	102.7	251	0.2	105.1	244	0.2	103.7			
OperatingGross Profit	41,716	31.7	103.7	42,246	31.5	101.8	47,687	33.3	111.2			
SG & A expenses	33,018	25.1	104.4	33,123	24.7	106.9	34,779	24.3	107.6			
Operating Profit	8,697	6.6	100.9	9,122	6.8	86.7	12,907	9.0	122.2			
Ordinary Profit	9,058	6.9	102.2	9,593	7.2	84.2	13,066	9.1	116.7			
Net Profit	5,535	4.2	105.6	5,930	4.4	85.5	7,983	5.6	118.6			

(4) Consolidated Balance Sheets (Units：Millions of yen,%)

	Nov-2014			Feb-2015			Nov-2015		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	192,308	54.9	109.9	172,954	52.2	108.9	199,039	53.7	103.5
Noncurrent assets	158,198	45.1	103.5	158,653	47.8	104.1	171,629	46.3	108.5
Total assets	350,507	100.0	106.9	331,608	100.0	106.6	370,669	100.0	105.8
Current liabilities	61,184	17.5	112.5	37,586	11.3	112.3	65,278	17.6	106.7
Noncurrent liabilities	6,747	1.9	66.9	6,983	2.1	83.9	4,644	1.3	68.8
Total liabilities	67,931	19.4	105.3	44,570	13.4	106.6	69,923	18.9	102.9
Total shareholder's equity	280,011	79.9	106.8	284,379	85.8	106.1	297,068	80.1	106.1
Valuation difference	2,567	0.7	211.9	2,659	0.8	210.8	3,677	1.0	143.2
Total net assets	282,579	80.6	107.3	287,038	86.6	106.6	300,745	81.1	106.4
Total assets	350,510	100.0	106.9	331,608	100.0	106.6	370,669	100.0	105.8

(5) Consolidated Major Financial Indicators

	Nov-2011	Nov-2012	Nov-2013	Nov-2014	Nov-2015
Capital adequacy ratio	69.8%	78.3%	80.3%	80.6%	81.1%
ROE	8.5%	9.0%	8.1%	6.9%	6.6%
ROA	6.3%	7.2%	6.6%	5.7%	5.5%
Ordinary profit to total assets	11.4%	12.5%	11.0%	9.5%	9.0%
Total assets turnover ratio	1.19times	1.25times	1.20times	1.16times	1.16times
Interest-bearing debt ratio	4.1%	2.5%	1.8%	1.7%	0.5%
Gross profit ratio	32.8%	33.1%	32.8%	32.3%	32.0%
SG & A expenses ratio	23.6%	23.8%	24.2%	24.7%	24.6%
Operating profit ratio	9.4%	9.6%	8.8%	7.8%	7.6%
Ordinary profit ratio	9.6%	10.0%	9.1%	8.2%	7.8%
Net assets per share	5,937.51yen	6,566.51yen	7,163.23yen	7,686.91yen	8,182.03yen
EPS	491.31yen	574.35yen	563.26yen	514.51yen	529.14yen

2. Number of Stores by Region

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
Prefecture	2015 End	Open	Close	Nov-15 End	2015 End	Open	Close	Nov-15 End	2015 End	Open	Close	Nov-15 End	2015 End	Open	Close	Nov-15 End	2015 End	Open	Close	May-15 End	2015 End	Open	Close	Nov-15 End
Hokkaido	62	1		63	20			20	13			13	9	1		10	1			1	105	2		107
Aomori	23			23	6			6	2			2	4			4					35			35
Iwate	19			19	6	1		7	2			2	1			1					28	1		29
Miyagi	34			34	10			10	7	1		8	4		1	3					55	1	1	55
Akita	17			17	7			7	2	1		3		1		1					26	2		28
Yamagata	16			16	6			6	3			3	2			2					27			27
Fukushima	40			40	9			9	3			3	4			4					56			56
Hokkaido Tohoku Area	211	1	0	212	64	1	0	65	32	2	0	34	24	2	1	25	1	0	0	1	332	6	1	337
Ibaraki	54			54	14			14	10			10	4			4	1			1	83			83
Tochigi	35			35	9			9	10			10	7			7					61			61
Gunma	38			38	12		1	11	5	1		6	4			4					59	1	1	59
Saitama	101	1	1	101	25		3	22	11	3		14	6			6	1	1		2	144	5	4	145
Chiba	73	1	1	73	17			17	16	2		18	3			3	2			2	111	3	1	113
Tokyo	55	2		57	5			5	5	2		7	1	1		2	3			3	69	5		74
Kanagawa	54	2		56	9			9	4	2		6		1		1	3			3	70	5		75
Yamanashi	14			14	5			5	2			2	1			1					22			22
Nagano	40			40	9			9	3			3	3			3					55			55
Kanto Koshin Area	464	6	2	468	105	0	4	101	66	10	0	76	29	2	0	31	10	1	0	11	674	19	6	687
Niigata	36			36	11		1	10	5	1		6	2			2					54	1	1	54
Toyama	22			22	3			3	2			2									27			27
Ishikawa	18			18	2			2	2	1		3									22	1		23
Fukui	12			12	2			2	2			2	1	1		2					17	1		18
Hokuriku Area	88	0	0	88	18	0	1	17	11	2	0	13	3	1	0	4	0	0	0	0	120	3	1	122
Gifu	26	1		27	1			1	2			2									29	1		30
Shizuoka	40			40	6			6	4	1		5	3			3					53	1		54
Aichi	59			59	7	1	1	7	3	1		4									69	2	1	70
Mie	21			21	7			7	1			1	1			1					30			30
Tokai Area	146	1	0	147	21	1	1	21	10	2	0	12	4	0	0	4	0	0	0	0	181	4	1	184

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
Prefecture	2015 End	Open	Close	Nov-15 End	2015 End	Open	Close	Nov-15 End	2015 End	Open	Close	Nov-15 End	2015 End	Open	Close	Nov-15 End	2015 End	Open	Close	Nov-15 End	2015 End	Open	Close	Nov-15 End
Shiga	19			19	2	1		3	3			3	1			1					25	1		26
Kyoto	15	1		16	2			2	1			1									18	1		19
Oosaka	35	5		40	10	2		12	5	1		6	1			1	2			2	53	8		61
Hyougo	37	2		39	10			10	3	1		4	2			2	1			1	53	3		56
Nara	15			15	6			6	3			3	3			3					27			27
Wakayama	14			14	1			1	1			1	1			1					17			17
Kinki Area	135	8	0	143	31	3	0	34	16	2	0	18	8	0	0	8	3	0	0	3	193	13	0	206
Tottori	7			7	2			2	2			2	2			2					13			13
Shimane	8	1		9	2			2	1	2		3	1	1		2		1		1	12	5		17
Okayama	22			22	4			4	2	2		4									28	2		30
Hiroshima	23			23	3			3	3			3	1			1	1			1	31			31
Yamaguchi	20			20	4			4	2			2					1			1	27			27
Chugoku Area	80	1	0	81	15	0	0	15	10	4	0	14	4	1	0	5	2	1	0	3	111	7	0	118
Tokushima	9			9	2			2		1		1	1		1						12	1	1	12
Kagawa	13			13	2			2	2			2	1			1					18			18
Ehime	16			16	4			4	2	1		3	2			2	1			1	25	1		26
Kochi	12			12	1			1													13			13
Shikoku Area	50	0	0	50	9	0	0	9	4	2	0	6	4	0	1	3	1	0	0	1	68	2	1	69
Fukuoka	43	1		44	11	1		12	10	3		13	1	1		2	1			1	66	6		72
Saga	12			12					1			1									13			13
Nagasaki	11			11	3			3	3			3	3			3					20			20
Kumamoto	21			21	2			2	3			3	1			1					27			27
Ooita	16			16	2			2	1	1		2	1			1					20	1		21
Miyazaki	17			17	2			2	1			1									20			20
Kagoshima	17	1		18	4			4	2			2	2			2					25	1		26
Okinawa	10			10	2	1		3	4			4		1		1					16	2		18
Kyusyu Okinawa Area	147	2	0	149	26	2	0	28	25	4	0	29	8	2	0	10	1	0	0	1	207	10	0	217
Japan Total	1,321	19	2	1,338	289	7	6	290	174	28	0	202	84	8	2	90	18	2	0	20	1,886	64	10	1,940
CHINA TAIWAN																					37	2	0	39
CHAINA(Shanghai)																					8	5	1	12
Total	1,321	19	2	1,338	289	7	6	290	174	28	0	202	84	8	2	90	18	2	0	20	1,931	71	11	1,991

3. Store operation

(1) Store openings

		Feb-2014	Nov-2014	Feb-2015	Nov-2015	Feb-2016 Forecast
Shimamura	New store openings	26	15	24	19	25
	Closures	1	1	2	2	3
	Renovation	66	99	99	88	93
	Scrap & rebuild	1	1	3	6	6
	Year-end total	1,299	1,313	1,321	1,338	1,343
Avail	New store openings	9	11	12	7	15
	Closures	1	2	2	6	6
	Scrap & rebuild	0	0	0	0	0
	Year-end total	279	288	289	290	298
Birthday	New store openings	11	14	25	28	30
	Closures	0	0	1	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	150	164	174	202	204
Chambre	New store openings	2	6	8	8	5
	Closures	1	0	0	2	2
	Scrap & rebuild	0	0	0	0	0
	Year-end total	76	82	84	90	87
Divalo	New store openings	2	1	2	2	5
	Closures	0	0	0	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	16	17	18	20	23
CHINA TAIWAN Shimamura	New store openings	1	1	1	2	2
	Closures	0	0	0	0	0
	Scrap & rebuild	0	0	1	0	0
	Year-end total	36	37	37	39	39
CHINA(Shanghai) Shimamura	New store openings	2	4	4	5	8
	Closures	0	0	0	1	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	4	8	8	12	15
Shimamura Group	New store openings	53	52	76	71	90
	Closures	3	3	5	11	12
	Scrap & rebuild	1	1	4	6	6
	Year-end total	1,860	1,909	1,931	1,991	2,009

(2) Retail Floor Space (Units：㎡)

Store Type	Feb-2014	Nov-2014	Feb-2015	Nov-2015	Feb-2016 Forecast
Shimamura	1,351,404	1,367,356	1,375,537	1,392,144	1,399,930
Avail	276,420	284,764	286,981	288,649	297,300
Birthday	140,871	152,993	162,343	187,924	190,330
Chambre	73,466	79,026	81,381	86,398	85,230
Divalo	4,918	5,234	5,658	6,497	7,230
CHINA TAIWAN Shimamura	35,269	36,224	36,224	37,759	38,180
CHINA (Shanghai) Shimamura	3,492	6,948	6,881	10,442	13,760
Shimamura Group	1,885,840	1,932,545	1,955,005	2,009,813	2,031,960

4. Number of Employees

(Units：person、%)

		Nov-2014		Feb-2015		Nov-2015		Feb-2016 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,390	104.3	2,371	104.7	2,455	102.7	2,445	103.1
	Part-time	11,494	100.7	11,521	100.8	11,732	102.1	11,935	103.6
	Total	13,884	101.3	13,892	101.5	14,187	102.2	14,380	103.5
Subsidiary	Full-time	102	107.4	104	111.8	111	108.8	115	110.6
	Part-time	306	107.0	314	107.9	341	111.4	375	119.4
	Total	408	107.1	418	108.9	452	110.8	490	117.2
Shimamura Group Total	Full-time	2,492	104.4	2,475	105.0	2,566	103.0	2,560	103.4
	Part-time	11,800	100.8	11,835	101.0	12,073	102.3	12,310	104.0
	Total	14,292	101.4	14,310	101.7	14,639	102.4	14,870	103.9

5. Capital Expenditures

(1) Shimamura Co,. Ltd.(Non-consolidated) (Until：Millions of yen,%)

	Nov-2014	YOY	Feb-2015	YOY	Nov-2015	YOY	Feb-2016 Forecast	YOY
Buildings	7,278	188.6	9,122	213.4	6,551	90.0	8,415	92.2
Structures	837	179.4	995	192.8	809	96.6	540	54.2
Machine	84	—	2,165	—	85	101.2	220	10.2
Equipment	167	92.2	208	94.3	289	172.7	465	222.8
Land	133	5.4	136	5.1	9,525	—	10,580	—
Construction in progress	776	—	△835	—	△51	—	1,800	—
Tangible fixed assets	9,278	130.0	11,793	137.9	17,210	185.5	22,020	186.7
Deposits for rent	1,979	155.6	2,352	155.5	1,448	73.2	1,400	59.5
Lease deposits	39	141.1	52	176.0	15	38.4	55	104.7
Total capital expenditures	11,296	133.9	14,199	140.6	18,674	165.3	23,475	165.3
Depreciation	3,690	100.2	5,137	103.3	4,202	113.9	5,463	106.3

(2) Subsidiary (Units：Millions of yen,%)

	Nov-2014	YOY	Feb-2015	YOY	Nov-2015	YOY	Feb-2016 Forecast	YOY
Total capital expenditures	262	131.0	344	168.2	361	137.4	600	174.2
Depreciation	112	132.8	148	126.5	128	113.9	129	87.1

(3) Shimamura Co,. Ltd.(consolidated) (Units：Millions of yen,%)

	Nov-2014	YOY	Feb-2015	YOY	Nov-2015	YOY	Feb-2016 Forecast	YOY
Total capital expenditures	11,559	133.9	14,543	141.2	19,035	164.7	24,075	165.5
Depreciation	3,803	100.9	5,285	103.8	4,331	113.9	5,592	105.8