Investors' Guide

May-2016

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-2015			Feb-2016			May-2016			Feb-2017 Forecast		
	Amount	Comp	YOY	Amount	Comp	YOY	Amount	Comp	YOY	Amount	Comp	YOY
Net Sales	131,647	100.0	104.5	546,058	100.0	106.7	140,405	100.0	106.7	574,200	100.0	105.2
Shimamura	105,097	79.8	103.7	441,152	80.8	106.5	110,730	78.9	105.4	456,300	79.5	103.4
Avail	12,592	9.6	98.6	49,500	9.1	99.1	13,281	9.4	105.5	52,000	9.1	105.0
Birthday	9,640	7.3	120.6	38,552	7.1	123.5	12,328	8.8	127.9	46,100	8.0	119.6
Chambre	2,642	2.0	102.8	10,031	1.8	102.2	2,546	1.8	96.4	11,500	2.0	114.6
Divalo	259	0.2	110.8	980	0.2	111.0	254	0.2	97.9	600	0.1	61.2
CHINA TAIWAN	1,259	1.0	135.4	5,113	0.9	95.3	1,102	0.8	87.5	5,800	1.0	113.4
CHINA(Shanghai)	155	0.1	185.1	728	0.1	139.5	163	0.1	105.1	1,900	0.3	260.9
Cost of goods sold	90,167	68.5	104.9	373,854	68.5	107.0	94,249	67.1	104.5	387,851	67.5	103.7
Gross profit	41,479	31.5	103.7	172,204	31.5	106.0	46,155	32.9	111.3	186,348	32.5	108.2
Other operating income	236	0.2	102.7	964	0.2	103.1	249	0.2	105.6	993	0.1	103.0
Operating Gross Profit	41,716	31.7	103.7	173,168	31.7	106.0	46,405	33.1	111.2	187,341	32.6	108.2
SG & A expenses	33,018	25.1	104.4	133,254	24.4	105.3	34,358	24.5	104.1	141,141	24.6	105.9
Operating Profit	8,697	6.6	100.9	39,913	7.3	108.4	12,046	8.6	138.5	46,200	8.0	115.8
Non-operating income	380	0.3	142.6	1,127	0.2	61.6	319	0.2	84.1	990	0.2	87.8
Non-operating expenses	19	0.0	83.6	332	0.0	—	39	0.0	204.2	310	0.0	93.3
Ordinary Profit	9,058	6.9	102.2	40,709	7.5	105.5	12,326	8.8	136.1	46,880	8.2	115.2
Extraordinary profit	—	—	—	1	0.0	18.3	—	—	—	—	—	—
Extraordinary losses	298	0.2	209.5	1,568	0.3	—	232	0.2	77.8	1,020	0.2	65.0
Pretax profit	8,759	6.7	100.4	39,142	7.2	102.6	12,094	8.6	138.1	45,860	8.0	117.2
Tax	3,223	2.5	92.7	14,395	2.7	96.8	4,112	2.9	127.6	15,260	2.7	106.0
Net Profit	5,535	4.2	105.6	24,747	4.5	106.3	7,982	5.7	144.2	30,600	5.3	123.7

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

Subject	May-2015			Feb-2016			May-2016			Feb-2017 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	12,489	9.5	103.6	50,956	9.3	103.7	13,090	9.3	104.8	53,527	9.3	105.0
Personal expenses	14,701	11.2	103.9	60,503	11.1	103.9	15,371	11.0	104.6	63,217	11.0	104.5
Advertising expenses	3,912	3.0	100.6	13,649	2.5	100.4	4,170	3.0	106.6	14,422	2.5	105.7
Selling expenses	5,033	3.8	102.3	18,435	3.4	103.4	5,502	3.9	109.3	19,429	3.4	105.4
Non-durable goods	474	0.4	98.0	1,787	0.3	114.9	328	0.2	69.2	1,594	0.3	89.2
Display total	386	0.3	101.0	1,821	0.3	156.4	715	0.5	184.9	4,132	0.7	226.9
Operating expenses	1,992	1.5	120.3	7,171	1.3	126.5	1,939	1.4	97.3	9,075	1.6	126.6
Rental expenses	7,156	5.4	105.2	29,115	5.3	104.7	7,473	5.3	104.4	30,644	5.3	105.2
Depreciation	1,400	1.1	115.0	5,849	1.1	110.7	1,438	1.0	102.8	5,845	1.0	99.9
Facilities cost	10,619	8.1	104.4	44,205	8.1	105.0	10,705	7.6	100.8	45,950	8.0	103.9
General expenses	672	0.5	92.3	2,938	0.5	108.9	839	0.6	125.0	3,468	0.6	118.0
SG & A expenses	33,018	25.1	104.4	133,254	24.4	105.3	34,358	24.5	104.1	141,141	24.6	105.9

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

Subject	May-2016			Aug-2016			Nov-2016			Feb-2017		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	140,405	100.0	106.7									
Cost of goods sold	94,249	67.1	104.5									
Gross profit	46,155	32.9	111.3									
Other operatingincome	249	0.2	105.6									
OperatingGross Profit	46,405	33.1	111.2									
SG & A expenses	34,358	24.5	104.1									
Operating Profit	12,046	8.6	138.5									
Ordinary Profit	12,326	8.8	136.1									
Net Profit	7,982	5.7	144.2									

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

	May-2015			Feb-2016			May-2016		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	191,264	54.5	107.3	181,934	51.8	105.2	199,929	54.0	104.5
Noncurrent assets	159,775	45.5	103.8	169,349	48.2	106.7	170,392	46.0	106.6
Total assets	351,039	100.0	105.7	351,283	100.0	105.9	370,321	100.0	105.5
Current liabilities	55,107	15.7	104.5	42,236	12.0	112.4	56,415	15.2	102.4
Noncurrent liabilities	6,240	1.8	74.4	4,202	1.2	60.2	4,259	1.2	68.3
Total liabilities	61,347	17.5	100.4	46,439	13.2	104.2	60,675	16.4	98.9
Total shareholder's equity	286,675	81.7	106.3	302,358	86.1	106.3	306,657	82.8	107.0
Valuation difference	3,016	0.8	231.9	2,485	0.7	93.5	2,988	0.8	99.1
Total net assets	289,691	82.5	106.9	304,843	86.8	106.2	309,646	83.6	106.9
Total assets	351,039	100.0	105.7	351,283	100.0	105.9	370,321	100.0	105.5

(5) Consolidated Major Financial Indicators

	May-2012	May-2013	May-2014	May-2015	May-2016
Capital adequacy ratio	71.8%	81.7%	81.6%	82.5%	83.6%
ROE	2.6%	2.4%	1.9%	1.9%	2.6%
ROA	2.0%	2.0%	1.6%	1.6%	2.2%
Ordinary profit to total assets	3.6%	3.4%	2.8%	2.7%	3.4%
Total assets turnover ratio	0.39times	0.40times	0.39times	0.39times	0.39times
Interest-bearing debt ratio	2.4%	1.9%	1.7%	1.1%	0.5%
Gross profit ratio	33.0%	32.7%	31.8%	31.5%	32.9%
SG & A expenses ratio	24.3%	24.9%	25.1%	25.1%	24.5%
Operating profit ratio	8.9%	8.0%	6.8%	6.6%	8.6%
Ordinary profit ratio	9.2%	8.4%	7.0%	6.9%	8.8%
Net assets per share	6,224.35yen	6,846.17yen	7,370.72yen	7,880.83yen	8,424.42yen
EPS	159.99yen	164.62yen	142.65yen	150.59yen	217.17yen

2. Number of Stores by Region

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
Prefecture	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End
Hokkaido	63			63	20			20	13			13	10			10	1			1	107			107
Aomori	23			23	6			6	2			2	4			4					35			35
Iwate	19			19	7			7	2			2	1			1					29			29
Miyagi	34			34	10			10	8			8	3			3					55			55
Akita	17			17	7			7	3			3	1			1					28			28
Yamagata	16			16	6			6	4	1		5	2			2					28	1		29
Fukushima	40			40	9			9	5			5	5			5					59			59
Hokkaido Tohoku Area	212	0	0	212	65	0	0	65	37	1	0	38	26	0	0	26	1	0	0	1	341	1	0	342
Ibaraki	54	1		55	14			14	11	1		12	4			4	1			1	84	2		86
Tochigi	35			35	9			9	10			10	7			7					61			61
Gunma	38			38	11			11	6			6	4			4					59			59
Saitama	101			101	24			24	15			15	6			6	2			2	148			148
Chiba	73			73	17			17	18			18	3			3	2		2		113		2	111
Tokyo	58			58	5			5	7			7	2			2	3		2	1	75		2	73
Kanagawa	56	1		57	10	1		11	6	1		7	1			1	3		2	1	76	3	2	77
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	469	2	0	471	104	1	0	105	78	2	0	80	31	0	0	31	11	0	6	5	693	5	6	692
Niigata	36			36	10			10	6			6	2			2					54			54
Toyama	22			22	3			3	2			2									27			27
Ishikawa	18			18	2			2	3			3									23			23
Fukui	12			12	2			2	2			2	2			2					18			18
Hokuriku Area	88	0	0	88	17	0	0	17	13	0	0	13	4	0	0	4	0	0	0	0	122	0	0	122
Gifu	27			27	1			1	3			3									31			31
Shizuoka	41			41	6	1		7	5			5	3			3					55	1		56
Aichi	60			60	7			7	4			4									71			71
Mie	21			21	7			7	1			1	1			1					30			30
Tokai Area	149	0	0	149	21	1	0	22	13	0	0	13	4	0	0	4	0	0	0	0	187	1	0	188

Store Type / Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End	2016 End	Open	Close	May-16 End
Shiga	19			19	3			3	3			3	1			1					26			26
Kyoto	16			16	3			3	1			1									20			20
Oosaka	42	1		43	13			13	7	2		9	1			1	2		1	1	65	3	1	67
Hyougo	40			40	10			10	4	2		6	2			2	1			1	57	2		59
Nara	15			15	6			6	3			3	3			3					27			27
Wakayama	14			14	1			1	1			1	1			1					17			17
Kinki Area	146	1	0	147	36	0	0	36	19	4	0	23	8	0	0	8	3	0	1	2	212	5	1	216
Tottori	7			7	2			2	2			2	2			2					13			13
Shimane	9			9	2			2	3			3	2			2	1			1	17			17
Okayama	22			22	4			4	4			4									30			30
Hiroshima	23		1	22	3			3	3			3	1			1	1			1	31		1	30
Yamaguchi	20			20	4			4	2			2					1		1		27		1	26
Chugoku Area	81	0	1	80	15	0	0	15	14	0	0	14	5	0	0	5	3	0	1	2	118	0	2	116
Tokushima	9			9	2			2	1			1									12			12
Kagawa	13			13	2			2	2			2	1			1					18			18
Ehime	17			17	4			4	3	1		4	2			2	1			1	27	1		28
Kochi	12			12	1			1													13			13
Shikoku Area	51	0	0	51	9	0	0	9	6	1	0	7	3	0	0	3	1	0	0	1	70	1	0	71
Fukuoka	44			44	12			12	13			13	2			2	1		1		72		1	71
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	3			3	3			3	1			1					23			23
Miyazaki	17			17	2			2	1			1									20			20
Kagoshima	18			18	4			4	2			2	2			2					26			26
Okinawa	10			10	3			3	4			4	1			1					18			18
Kyusyu Okinawa Area	149	0	0	149	29	0	0	29	30	0	0	30	10	0	0	10	1	0	1	0	219	0	1	218
Japan Total	1,345	3	1	1,347	296	2	0	298	210	8	0	218	91	0	0	91	20	0	9	11	1,962	13	10	1,965
CHINA TAIWAN																					39	0	0	39
CHAINA(Shanghai)																					14	0	2	12
Total	1,345	3	1	1,347	296	2	0	298	210	8	0	218	91	0	0	91	20	0	9	11	2,015	13	12	2,016

3．Store operation

(1) Store openings

		Feb-2015	May-2015	Feb-2016	May-2016	Feb-2017 Forecast
Shimamura	New store openings	24	5	26	3	20
	Closures	2	2	2	1	1
	Renovation	99	36	88	26	70
	Scrap & rebuild	3	2	6	2	8
	Year-end total	1,321	1,324	1,345	1,347	1,364
Avail	New store openings	12	2	13	2	15
	Closures	2	5	6	0	1
	Scrap & rebuild	0	0	0	1	2
	Year-end total	289	286	296	298	310
Birthday	New store openings	25	6	36	8	30
	Closures	1	0	0	0	2
	Scrap & rebuild	0	0	0	0	0
	Year-end total	174	180	210	218	238
Chambre	New store openings	8	2	9	0	5
	Closures	0	1	2	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	84	85	91	91	96
Divalo	New store openings	2	1	2	0	0
	Closures	0	0	0	9	9
	Scrap & rebuild	0	0	0	0	0
	Year-end total	18	19	20	11	11
CHINA TAIWAN Shimamura	New store openings	1	1	2	0	2
	Closures	0	0	0	0	0
	Scrap & rebuild	1	1	1	0	0
	Year-end total	37	38	39	39	41
CHINA(Shanghai) Shimamura	New store openings	4	0	7	0	8
	Closures	0	0	1	2	2
	Scrap & rebuild	0	0	0	0	0
	Year-end total	8	8	14	12	20
Shimamura Group	New store openings	76	17	95	13	80
	Closures	5	8	11	12	15
	Scrap & rebuild	4	3	7	3	10
	Year-end total	1,931	1,940	2,015	2,016	2,080

(2) Retail Floor Space (Units：㎡)

Store Type	Feb-2015	May-2015	Feb-2016	May-2016	Feb-2017 Forecast
Shimamura	1,375,537	1,379,474	1,399,306	1,402,676	1,420,000
Avail	286,981	284,275	293,602	295,331	307,000
Birthday	162,343	167,844	195,120	201,899	222,000
Chambre	81,381	82,283	87,278	87,278	92,000
Divalo	5,658	6,110	6,497	4,163	4,000
CHINA TAIWAN Shimamura	36,224	37,290	37,759	37,759	40,000
CHINA (Shanghai) Shimamura	6,881	6,881	10,442	8,994	15,000
Shimamura Group	1,955,005	1,964,157	2,030,004	2,038,100	2,100,000

4. Number of Employees

(Units：person、%)

		May-2015		Feb-2016		May-2016		Feb-2017 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,463	104.3	2,430	102.5	2,514	102.1	2,480	102.1
	Part-time	11,481	101.7	11,801	102.4	11,935	104.0	12,190	103.3
	Total	13,944	102.2	14,231	102.4	14,449	103.6	14,670	103.1
Subsidiary	Full-time	99	106.5	117	112.5	115	116.2	130	111.1
	Part-time	305	103.4	358	114.0	384	125.9	410	114.5
	Total	404	104.1	475	113.6	499	123.5	540	113.7
Shimamura Group Total	Full-time	2,562	104.4	2,547	102.9	2,629	102.6	2,610	102.5
	Part-time	11,786	101.8	12,159	102.7	12,319	104.5	12,600	103.6
	Total	14,348	102.2	14,706	102.8	14,948	104.2	15,210	103.4