



I am Tsujiguchi, the Head of the Planning Section.
Thank you very much for taking time out of your busy schedule to attend today's financial results briefing.

Contents

1. FY2/25 Q2 Financial Summary	P. 3 - 9
2. Initiatives by Business	P. 10 - 17
3. Store Openings in FY2/25	P18
4. Initiatives for ESG Issues	P. 19 - 20
5. Consolidated Business Forecasts for FY2/25	P. 21

Please see today's description.

First, I will give an overview of the financial results for Q2 of the fiscal year ending February 2025.

Later, President Suzuki will explain the initiatives of each business and the consolidated earnings forecast for the fiscal year ending February 2025.

FY2/25 H1 Summary

しまむらグループ

▽ Sales of all domestic and overseas businesses surpassed the previous year's results, and both net sales and profits reached record highs.

▽ Net increase of 9 stores in H1. In H2, we plan to open 28 new stores, close 13 stores, resulting in net increase of 15 stores.

FY2/25 H1 Consolidated Results				
■ Net sales	■ Gross profit	■ Operating income	■ Net income	
330.5 bn	114.1 bn	31.4 bn	22.1 bn	
+4.3% YoY	+4.5% YoY	+4.1% YoY	+5.5% YoY	
Stores Opening/Closing			EC Business	
■ Opened	■ Closed	■ Number of stores	■ Sales	■ In-store pickup ratio
16 stores	7 stores	2,236 stores	6.13 bn	83.9 %
			+94.9% YoY	-4.1pt YoY
FY2/25 Forecasts and Store Opening and Closing Plans (Consolidated)				
■ Net sales	■ Operating income	■ Opened	■ Closed	■ Number of stores at the end of period
659.6 bn	56.3 bn	44 stores	20 stores	2,251 stores
+3.9% YoY	+1.9% YoY			

3

First, I will explain a summary of the financial results.

As a result of promoting the strengthening of product appeal and sales power in each of our domestic and overseas businesses, we were able to achieve record highs in sales and each of our profit figures for H1 of the fiscal year ending February 2025.

As for store openings, 16 stores were opened. For new store openings, we carefully selected sites, relocated existing stores, increased the number of fashion mall-style store openings with stores from multiple businesses, and promoted the opening of new stores with high profitability.

In the e-commerce business, sales grew significantly YoY due to the expansion of products handled and pre order sales. The store receipt ratio declined slightly due to an increase in pre-order sales and home delivery but remained high at 83.9% in the current quarter.

Consolidated Results: Income Statement

しまむらグループ

▽ Net sales increased by 4.3% YoY. Record-high sales for H1.

▽ SG&A-to-sales ratio was 25.2% (+0.0ppt. YoY). Personnel and utilities expenses rose, but this was generally in line with the plan.

▽ Operating income amounted to 31.4 billion yen (rate: 9.5%). Record operating income in the first half of the year.

(Million yen/%)

	FY2/25 H1	Ratio to sales	YoY	FY2/24 H1	Ratio to sales	YoY
Net sales	330,595	100.0	104.3	316,838	100.0	105.1
Gross profit	114,106	34.5	104.5	109,225	34.5	105.3
SG&A	83,409	25.2	104.6	79,763	25.2	105.6
Operating income	31,404	9.5	104.1	30,173	9.5	104.3
Ordinary income	31,987	9.7	104.1	30,725	9.7	103.5
Net income attributable to owners of parent	22,100	6.7	105.5	20,954	6.6	101.6
Net income Per share	300.67yen	—	—	285.07yen	—	—

*We conducted a 2-for-1 stock split on February 21, 2024. "Net income per share" is calculated based on the assumption that the stock split was conducted at the beginning of FY2/24.

4

Next, I would like to explain the consolidated financial results for Q2 of the fiscal year ending February 2025.

The actual results for each figure are shown here.

First, in terms of external factors, consumer spending turned positive in July for the first time in three months, but the situation of thrifty spending against the backdrop of high prices continues. Real wages increased YoY in July for the second month in a row, but the prescribed payrolls were lower than the rate of increase in prices.

In addition, the consumer price index rose 2.7% in July as subsidies on electricity and gas prices temporarily ended.

Regarding weather, June saw the start of the rainy season later than normal nationwide. Temperatures were above normal and atmospheric conditions were unstable in many areas, with heavy rain and thunderstorms observed. In early July, many extremely hot days were recorded in the Kanto area and westward, but from mid-July onward, localized heavy rains were frequent. By early August, the rainy season had ended throughout Japan, and many extremely hot days were again recorded in the Kanto area and westward.

As a result of our efforts to strengthen product appeal and sales power in response to these external factors, sales reached a record high for H1 of the fiscal year.

Sales by Business

しまむらグループ

▽ Sales in all domestic businesses rose 4.3% YoY due to further development of private brand (PB) and joint brand (JB) products, improved customer drawing power through **priority events** and fairs, and strengthened response to regional and individual stores.

▽ Si meng le (Taiwan) saw a significant 10.2% YoY increase in sales backed by the increase of original products, the expansion of new products handled, and the strengthening of digital sales promotion, reaching record-high sales for H1.

(Million yen/%)

Business	FY2/25 H1	Composition ratio	YoY	FY2/24 H1	Composition ratio	YoY
Shimamura	246,705	74.6	104.0	237,325	74.9	105.4
Avail	33,766	10.2	106.8	31,626	10.0	106.9
Birthday	38,079	11.5	104.8	36,350	11.5	101.1
Chambre	7,623	2.3	101.4	7,521	2.4	104.2
Divalo	478	0.2	109.3	437	0.1	115.5
Shimamura (non-consolidated)	326,654	98.8	104.3	313,261	98.9	105.0
Si meng le (Taiwan)	3,941	1.2	110.2	3,577	1.1	118.3
Shimamura (consolidated)	330,595	100.0	104.3	316,838	100.0	105.1

5

This is a breakdown of the sales by business.

Sales in all domestic businesses increased YoY due to an expanded lineup of self-developed private brands (PB) and brands developed jointly with suppliers (JB), as well as diversification of sales promotion methods.

The Si Meng Le business in Taiwan also achieved significant sales growth by promoting the expansion of original products and digital sales promotions.

The initiatives of each project are described on the pages that follow.

Consolidated Results: SG&A Expenses

しまむらグループ

▽ Personnel expenses: Up 7.9% YoY due to wage increases. Sales rose at stores where personnel shortages had been resolved, mainly in urban areas.

▽ Advertising expenses: Reviewed circulation of flyers and switched to digital sales promotions. As a result, the ratio of advertising expenses to sales was 1.6%, decreasing by 0.8% YoY.

(Million yen/%)

	FY2/25 H1	Ratio to sales	YoY	FY2/24 H1	Ratio to sales	YoY
Salary	36,762	11.1	107.5	34,189	10.8	106.8
Total personnel expenses	43,135	13.0	107.9	39,974	12.6	106.9
Advertising expenses	5,390	1.6	99.2	5,432	1.7	102.8
Total selling expenses	9,632	2.9	102.1	9,438	3.0	105.9
Supplies expenses/Display fixtures expenses	1,186	0.4	105.6	1,124	0.3	105.5
EDP expenses	1,123	0.3	84.1	1,336	0.4	160.9
Total operating expenses	4,604	1.4	102.4	4,496	1.4	118.5
Rents	16,424	5.0	100.7	16,312	5.1	99.7
Depreciation and amortization	2,966	0.9	101.7	2,916	0.9	99.6
Total equipment cost	23,498	7.1	100.3	23,429	7.4	101.5
Total general expenses	2,538	0.8	104.7	2,424	0.8	103.6
Total SG&A expenses	83,409	25.2	104.6	79,763	25.2	105.6

6

Next, we will discuss the breakdown of consolidated SG&A expenses.

Personnel expenses increased 7.9% over the previous year due to the April wage increase. Stores that hired more part-time employees as a result of wage hikes experienced an improvement in work delays, resulting in higher sales.

Advertising expenses decreased 0.8% from the previous year. This was due to the expansion of digital sales promotions and other efforts.

On the other hand, total selling expenses increased by 2.1% YoY due to an increase in sales commissions resulting from the rising cashless ratio.

Operating expenses increased 2.4% YoY. This is due to higher shipping rates against the backdrop of the 2024 problem and increased travel and transportation expenses for overseas business trips, etc. due to the conclusion of COVID-19.

Equipment costs increased 0.3% YoY. Utility expenses increased 5.6% from the previous year due to the elimination of long-term discounts, price hikes by some electric power companies, and a rise in the renewable energy levy.

Total SG&A expenses increased 4.6% from the previous year but were generally in line with the plan.

Consolidated Results: Balance Sheets

しまむらグループ

▽ Assets: Cash and deposits, accounts receivable, and marketable securities increased 5.5% YoY.

▽ Liabilities: Accounts payable **decrease** 11.0% YoY.

(Million yen/%)

	End-Aug 2024	Composition ratio	YoY	End-Aug 2023	Composition ratio
Current assets	357,606	64.8	103.9	344,208	65.8
Noncurrent assets	194,597	35.2	108.8	178,832	34.2
Total assets	552,203	100.0	105.6	523,040	100.0
Current liabilities	53,801	9.7	95.8	56,177	10.7
Noncurrent liabilities	10,270	1.9	100.6	10,206	2.0
Total liabilities	64,071	11.6	96.5	66,383	12.7
Total shareholder's equity	483,212	87.5	106.8	452,259	86.5
Accumulated other comprehensive income	4,919	0.9	111.9	4,397	0.8
Total net assets	488,131	88.4	106.9	456,657	87.3
Total liabilities and net assets	552,203	100.0	105.6	523,040	100.0

Next, I will explain the breakdown of the consolidated balance sheet.

Total assets increased 5.6% YoY. The main factor was a 71.1% increase in marketable securities compared to the end of the same period last year.

Total liabilities decreased by 3.5% YoY. The main reason was an 11.0% decrease in accounts payable from the end of the previous year.

Same-store Sales, Number of customers, Spending per customer YoY

しまむらグループ

- ▽ Growth in same-store sales: Continued to strengthen product appeal and sales power, worked to meet regional and individual store needs.
- ▽ Increase in customer numbers: As we stepped up efforts to launch priority events, various fairs, and collaboration projects and campaigns with influencers, customer numbers increased.
- ▽ Unit price per item: Promoted expansion of high-priced PB and JB products, and sales of these products are strong.

(%)

Business	Period	Net sales		Number of customers	Number of items purchased	Spending per customer	Unit price per item
		Existing stores	All stores				
Shimamura	FY2/25 Q1	104.7	104.6	103.6	98.4	100.9	102.7
	FY2/25 Q2	103.2	103.4	101.8	99.0	101.6	102.4
	FY2/25 H1	103.9	104.0	102.7	98.7	101.3	102.6
Avail	FY2/25 Q1	105.8	105.2	106.1	99.6	99.2	99.6
	FY2/25 Q2	108.0	108.3	111.0	98.8	97.5	98.7
	FY2/25 H1	106.9	106.8	108.6	99.2	98.3	99.1
Birthday	FY2/25 Q1	101.5	104.2	103.7	96.8	100.4	103.7
	FY2/25 Q2	102.4	105.6	103.4	100.0	102.2	102.1
	FY2/25 H1	101.8	104.8	103.6	98.2	101.2	103.0

Next is an explanation of the Q2 results for existing store sales, customer counts for all stores and average spending per customer.

Existing store sales and customer counts were up from the previous year in all three businesses, while average spend per customer was almost on par with the previous year.

The Shimamura business saw a 2.6% increase in the cost unit price per item compared to the previous year. This was mainly due to the expansion of CLOSSHI PREMIUM, a high-priced PB product line, as well as the raising of the price range of products that focus on materials such as JB SEASON REASON.

The unit price per item cost of the Avail business decreased 0.9% from the previous year. This was due to a large increase in sales of character sundries, which have relatively low unit prices.

Gross profit, Price reduction, Inventory YoY

しまむらグループ

- ▽ Gross profit rose from the previous year due to the revision of the schedule for the development of summer goods in preparation for the remaining hot weather in each business.
- ▽ The inventory was improved by controlling the discount of summer goods and systematically carrying out the sale of staying inventory. (% , pt)

Business	Period	Gross profit			Discount			Inventory
		Gross Profit YoY	Gross margin		Discount price YoY	Discount rate		Inventory YoY
				YoY			YoY	
Shimamura	FY2/25 Q1	103.7	33.0	− 0.3	118.6	8.5	+ 1.0	101.7
	FY2/25 Q2	104.6	34.5	+ 0.4	102.0	5.2	− 0.1	97.4
	FY2/25 H1	104.2	33.8	+ 0.1	111.4	6.8	+ 0.4	
Avail	FY2/25 Q1	106.4	37.8	+ 0.4	100.6	15.7	− 0.7	105.2
	FY2/25 Q2	108.8	39.8	+ 0.2	108.3	11.4	± 0.0	101.8
	FY2/25 H1	107.7	38.8	+ 0.3	103.8	13.5	− 0.3	
Birthday	FY2/25 Q1	104.6	34.9	+ 0.1	95.7	4.4	− 0.4	108.2
	FY2/25 Q2	101.4	31.7	− 1.3	130.2	7.5	+ 1.4	101.3
	FY2/25 H1	103.3	33.6	− 0.4	112.2	5.7	+ 0.4	

9

Next, I will explain the results of the SHIMAMURA business in terms of gross profit, price reduction, and inventory.

Gross profit increased 4.2% over the previous year, up 0.1 percentage points in percentage terms. This was due to the expansion of high-priced products and the use of Import Department purchases to secure value.

Price reduction increased by 11.4% YoY and by 0.4 percentage points in percentage terms. This is due to the implementation of appropriate price reductions and in line with the policy of increasing inventory turnover to ensure gross profit.

Inventory levels have remained largely unchanged from the previous year, maintaining proper inventory management.

Strengthening product appeal and sales power

▽ Further enhancement of brand power: PB ratio was 23.4%, up 15.5% YoY.

- High-priced PB "CLOSSHI PREMIUM": H1 sales up 19.6% YoY. The performance was strong aided by the temperature.
- Expansion of PB x Influencer projects: Strong sales due to increased sensitivity and recognition of PB.

■ Expansion of high-priced PB "CLOSSHI PREMIUM"



■ Expansion of PB × influencer projects



This is President Suzuki. I will now describe future initiatives for each of our businesses.

In the Shimamura business, efforts were made to evolve brand strength as a means of strengthening product appeal.

In PBs, we expanded the lineup of CLOSSHI PREMIUM, a high-priced private brand. Products with enhanced functionality, such as the FIBER DRY series Suhada Suzuyaka pants and slippers, and THE SUPER COOL series underwear and arm covers, were hot sellers. As a result, CLOSSHI PREMIUM sales increased 19.6% YoY.

We also expanded our collaboration projects with influencers for PB CLOSSHI. Women's wear Shimadeni launched a trend-setting product line. In the "FIBER DRY" series, we developed products that are not only functional but also well-designed. In addition, influencers' social media accounts were used to communicate particular points of interest, which led to increased awareness and sales.

As a result of the above, PB sales in H1 increased 15.5% from the previous year and accounted for 23.4% of total sales.

Strengthening product appeal and sales power

▽ Strengthen product development in JB: JB sales ratio was 8.2%, up 3.5% YoY.

- "SEASON REASON": High-priced products using natural materials such as cotton and hemp continued to perform well.
- "LOGOS DAYS": The character collaboration project launched for the third anniversary was highly appreciated.
- New JB "VEHEMENT..": Developed highly trending products targeting the younger generation.



This section describes JBs in the Shimamura business.

In JB, sales increased by 3.5% YoY, and JB as a percentage of sales was 8.2%.

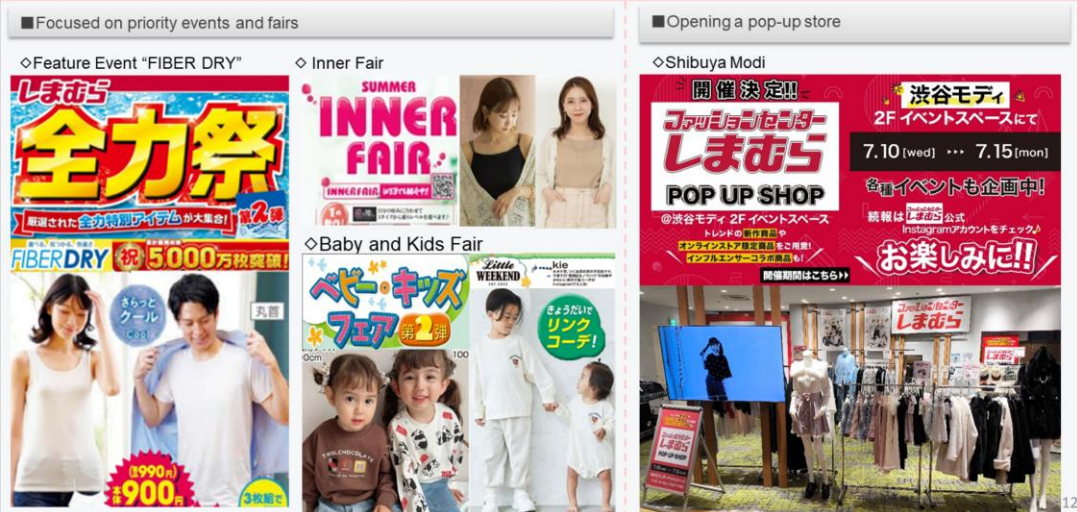
For SEASON REASON, we expanded the development of high-priced products made of natural materials such as cotton and linen. In addition, lace and sheer fabrics were added, and products with trendy elements were hot sellers.

For the third anniversary project of LOGOS DAYS, a collaboration project with characters, was launched in a big way, and the corresponding products were highly consumed.

Also in July, targeting women in their late teens and early 20s, the JB "VEHEMENT.." was newly launched. Collaborations with dance vocal groups and the opening of pop-up stores helped attract new customers.

Strengthening product appeal and sales power

- ▽ Focused on priority events and fairs: Sold carefully selected items at special prices for priority events, attracting customers. Thematic presentations were strengthened at fairs. Sales grew through linkage with online stores.
- ▽ Opening pop-up stores: Increased awareness and acquired new customers by opening stores in urban areas.



This section describes the strengthening of sales power of the Shimamura business.

Through flyers, the launches of the Zenryoku Festival and the Inner Fair were very effective in attracting customers.

At the Zenryoku Festival, selected items, including the FIBER DRY series, were sold at special prices, and the relevant products were highly consumed.

Through the innerwear fair, we launched collaborative projects with underwear manufacturers and influencers, and sales in the women's underwear category reached a record high for H1 of the fiscal year.

Through the Baby and Kids Fair, collaboration projects with Sanrio characters and influencers for JB Little WEEKEND were highly consumed. In addition, sales through the online store in conjunction with the Baby And Kids Fair greatly increased sales.

In addition, pop-up stores were opened five times in H1. The opening of new stores in commercial facilities in urban areas such as Shibuya MODI and Laforet Harajuku led to increased awareness of Shimamura's business and the acquisition of new customers.

Strengthening product appeal and sales power

▽ JB sales up 12.7% YoY, and JB ratio was 44.1%.

Strengthening initiatives through collaborative planning with JB x Influencer and model.

▽ Expanded product lineups through line robbing. Expanded character merchandise boosts in-store and e-commerce sales.

■ Strengthen launch of trendy products in JB

◇ JB "CHIP CLIP"

CHIP CLIP



◇ JB "SUREVE"

SUREVE



■ Promotion of line robbing

◇ Car goods



◇ Travel goods



◇ Bedding



■ Expansion of character projects

日焼け
シリーズ

Avail



This next section describes the Avail business.

In the area of product appeal, we worked to strengthen our JB's ability to propose trends and increase its recognition.

In terms of trend products, sports-style items known as blokette core, vintage-style pullovers, and denim pants were hot sellers. JB's CHIP CLIP and SUREVE strengthened the launch of collaboration projects with influencers and models. As a result, JB sales increased by 12.7% over the previous year and accounted for 44.1% of total sales.

To promote the taking of market share from other companies and other business categories, we expanded our lineup of household goods and bedding. In household sundries, we started handling car accessories and travel goods, which generated new sales. In bedding, we expanded our lineup of mattress pads and other products, and sales were strong for both seasonable and cold-feeling materials.

In character products, we strengthened thematic launches, and the relevant products were highly consumed both in stores and on the e-commerce platform.

In strengthening sales power, we strengthened information dissemination of JB's through social media. On Instagram, measures to collaborate with influencers on posts led to an increase in views and followers.

Strengthening product appeal and sales power

- ▽ JB sales up 4.4% YoY and JB ratio was 24.5%.
- ▽ Strengthened product appeal: Expanded original products and created sales that are less susceptible to temperature through collaboration projects.
- ▽ Strengthened sales power: Flyer sales promotion of maternity and childcare preparation products increased recognition of products handled.

Expansion of original products

◇JB "MY LITTLE WONDER"



Strengthening collaboration projects

◇Hello Kitty 50th Anniversary collaboration



◇JB "futafuta" × "Peko"



Distribution of leaflets on products prepared for childbirth and childcare

◇Child car seats and baby strollers



Next, we will discuss the Birthday business.

To strengthen our product appeal, we worked to expand our original products. For JB, we started to roll out MY LITTLE WONDER and strengthened casual styles, which have been lacking in the product lineup. In the fall and early winter items, we launched collaboration projects with characters and confectionery with JB, which were highly consumed even during the extremely hot summer days.

In strengthening sales power, we launched a new flyer promotion for different applications in preparation for first births and childcare. As an example, in the special feature on child seats and strollers, the functions and uses of the products were clearly expressed, and the relevant products saw a significant increase in sales during the flyer period.

In addition, the JB tete a tete held fan meetings to expand the natural-style fan base.

Strengthening product appeal and sales power

- ▽ Chambre Business: Sales up 1.4% YoY. Launched new JB. Cosmetics-related sales grew.
- ▽ Divalo Business: Sales up 9.3% YoY. Promoted line robbing. Expanded in-store and SNS sales promotions to strengthen sales of total coordination.

Chambre Business		Divalo Business	
◇ New JB "Clasiiki" 		◇ Sales area for shoes you can wear while standing 	
◇ Growth in cosmetics-related sales ◇ Sleeping gifts are selling well  		◇ In-store promotions (LOOKBOOK) ◇ Social media promotions  	

Next, I will explain the Chambre business.

To strengthen product appeal, we have begun to roll out the JB Clasiiki. Based on classics, we offer mode natural dressing with attention to detail. We aim to differentiate ourselves from existing JBs and attract new customers.

In addition, sales of cosmetics and gift-oriented confectionery were strong sellers, and sales in the relevant departments increased significantly.

In strengthening sales power, we worked to enhance gift proposals, and products designed to improve the quality of sleep, known as "minkatsu," became hot sellers.

Next, I will explain the Divalo business.

To strengthen product appeal, we expanded our lineup of shoes that can be put on while standing. In addition, samples were placed in the try-on area on the sales floor to promote sales. As a result, customers appreciated the value of the product, and it became a sales-driving item.

To strengthen sales power, we utilized LOOKBOOK, which offers suggestions for seasonal outfits, and Instagram and TikTok for social media sales promotions. As a result, the number of followers on social media increased more than initially planned, leading to increased awareness of the products we handle.

Strengthening product appeal and sales power

- ▽ Strengthened product appeal: Expanding the lineup of original products to make sales less susceptible to temperature fluctuations. Started to develop products that are popular in Japan, and have expanded the product lineup to differentiate itself from other companies.
- ▽ Strengthened sales power: Attracted more customers through priority events. Sophistication of sales promotion using influencers.

Expansion of product lineup to differentiate from other companies

◇Korean taste



◇"Jirai-kei" (Japanese emo-like)



◇Started selling punk-style products in



Strengthening of sales power

◇Record-high H1 sales due to priority events



◇Appointment of popular family-related influencers



Next is a description of Si Meng Le business in Taiwan.

In addition to PBs and JBs, which are Japanese-planned products, the Si Meng Le business, which operates in Taiwan, expanded its original PB lineup. As a result, the combined ratio of PBs and JBs planned in Japan and Taiwan was 64.7%, and their sales increased 9.7% over the previous year.

To strengthen product appeal, we expanded original products such as trendy Korean styles, punk series, and Jirai Kei series. Due to the differentiation from other companies and the development of products that are less susceptible to temperature fluctuations, sales in the Si Meng Le business reached a record high for H1 of the fiscal year.

To strengthen our sales power, we implemented priority events and stepped up social media sales promotions. In key events, there are semi-annual events, and the Chinese New Year's special sale featured bargain item products and recorded the highest weekly sales ever in H1 of the fiscal year.


For social media sales promotions, we appointed popular family-oriented influencers to disseminate product and store information. As a result, the number of views on social media increased significantly, leading to increased awareness of Si Meng Le and the acquisition of new customers.

Expand EC business and improve convenience

- ▽ H1 sales were 6.1 billion yen (EC ratio: 1.9%): Sales up 94.9% YoY. Percentage of in-store pickup: 83.9%.
- ▽ Expanding pre-order and build-to-order production: Expand sales with influencers, characters, and hot-selling products. In outerwear, the company started advance sales of fall/winter items and received many orders even under high temperature conditions.
- ▽ Expansion of products handled: Online store-only sizes and new character products.

Expansion of custom-made and reservation sales

◇ Expansion of reservation and custom-made production for collaboration projects with influencers and characters




レディース ニットカー
ディガン (kano)
1,790円+税 2508

レディース ポケットブ
ルバッグ (Disney)
2,200円+税 1572

Expansion of products handled

◇ Began pre-order sales of autumn/winter



カジュアル
アイテム編

しまむら
オンラインストア先取り
トレンドフェア
本日17:00スタート!!

インフルエンサーコラボ販売アイテムを
ちよつとだけご紹介


◇ Expansion of online store limited size



5L / 予約受付中 1,990円
575-0603 (税込 2,189円)

6L / 予約受付中 1,990円
575-0604 (税込 2,189円)

◇ Development of new character



KERORO GUNSO



KERORO GUNSO

Next, I will explain the e-commerce business.

In the e-commerce business, influencer-project products and character products, which go well with online stores, performed well. In addition, sales were maximized by producing to-order products that were sold out in stores through the online store.

For Shimamura products, we launched a trend fair exclusively for the online store and sold pre-orders of fall and winter items. Many orders were received even under high temperature conditions, and sales were particularly strong for high-priced products made of high-quality materials, such as wool-blend knitwear from the influencer collaboration project.

In addition, the expansion of the sizes of wear and underwear handled exclusively by the online store and the development of new characters were also effective in increasing e-commerce sales.






In cross-border e-commerce, which started last December, orders from Hong Kong, Taiwan, the US, and Southeast Asia account for about 85% of sales, and products designed in collaboration with characters and influencers are doing well.

Store Openings in FY2/25

しまむらグループ

Examples of Store Openings in Urban Areas

▽ Opened "Shimamura Shimotakaido Store" (Suginami-ku, Tokyo) in May. ◦ Will continue to expand store openings in urban areas, including the opening of "Shimamura Seiyu Narimasu Store" (Itabashi-ku, Tokyo) in September.

■ Location	■ SHIMAMURA Shimotakaido Store	■ SHIMAMURA Seiyu Narimasu Store
<p>◇Location (Suginami-ku, Tokyo)</p> 	<p>◇Store appearance</p>  <p>◇Posters advertising the opening of the store</p> 	<p>◇Store appearance</p>  <p>◇Open Flyer</p> 

Next, I will discuss the results of store openings.

In H1, we opened 15 stores in Japan.

In urban areas, the Shimamura Shimotakaido store opened in Suginami City, Tokyo.

With a population of 570,000, Suginami City is the sixth most populous of Tokyo's 23 wards.

Nearby are Shimamura Miyamae store and Shimamura Sangenjaya store.



















Prior to the opening sale, posters announcing the opening featuring Almodels were placed in Shinjuku and Shimotakaido stations on the Keio Line. We also distributed flyers in front of the station to promote the opening of the Shimotakaido store. Embedded digital signage was installed in the store to improve the presentation of the sales floor and products.

The Company plans to open 26 new stores in Japan in H2 of the fiscal year, bringing the total to 41 stores for the fiscal year ending February 2025. Furthermore, in an urban area, the Shimamura Seiyu Narimasu store opened on September 19. We will continue to open new stores in urban areas.

Initiatives for ESG Issues ①

しまむらグループ

Mid-Term Management Plan 2027

	重点課題	取組み事項/計画	主に関連するSDGs
E	▶ サークュラーエコノミーの推進	ハンガーの完全循環型リサイクル比率 75.0%* ¹ ビニールの完全循環型リサイクル比率 50.0%* ²	   
	▶ GHG排出量の削減	商品廃棄ゼロの継続* ³ GHG排出量 (Scope1.2) 2013年比 60%削減	   
	▶ 持続可能な調達	サステナブル商品仕入比率 40.0%* ⁴ サプライヤーCoC遵守体制の継続と強化	   
	▶ 多様な人材活躍	女性管理職比率 23.0%* ⁵ 障がい者雇用率 5.0%	   
S	▶ 衣料品インフラの役割強化	売上計画 1.3億円* ⁶ 出張販売の実施、買い物ツアーの受け入れ実施 オンラインストアの拡大	 
	▶ ガバナンスの進化	成長戦略・資本政策の継続的な審議と実行 リスク管理の継続と進化 後継者の育成 取締役会の多様性と適性規模の確保	 

*¹ Plastic hangers of the color specified by our company that are attached to the product *² Transparent plastic (polypropylene material) used to protect the product during delivery

*³ Shimamura continues to eliminate product waste. We will continue to do so in the future. *⁴ Private brand products for all businesses *⁵ Ratio of female managers at the level of manager or above

*⁶ Total sales from traveling sales, shopping tours, and online stores for the elderly

19

Next, I will discuss our approach to ESG issues.

We have set new KPIs for ESG issues in our Medium-Term Management Plan 2027 and are continuing to work on them.

Initiatives for ESG Issues ②

しまむらグループ

Results for H1 (Environment and Society)

- ▽ Clothing collection experiment: A clothing collection experiment aiming for clothing-to-clothing recycling will begin in 2024. Identify issues in store and logistics operations, and aim to create a system for clothing collection.
- ▽ Shopping support service (Shima Sapo): Expand to all Shimamura stores from FY2024.

■ Experiment on the collection of clothing

Term	From Monday, June 3 to Sunday, July 7
Stores	9 stores in Saitama Prefecture and surrounding areas
Collection method	Established a box exclusively for apparel

◇ Clothing collection box



■ Shopping Support Service (Shima Sapo)

Types of Shima Sapo	Number of implementation
Travel sales	46 times (13 times last year)
Shopping tour	63 times (5 times last year)

◇ Started at all stores in the Shimamura business



Travel sales (special nursing homes for the elderly)



20

In this context, we would like to introduce two new initiatives that we are undertaking this fiscal year.

The first is the collection of apparel. This is a system whereby used apparel is collected from our stores, recycled into fiber through our suppliers, and then reused as raw materials for apparel again. The nine stores that ran this experiment in H1 were able to collect over 5 tons of apparel in five weeks. We intend to expand the number of stores and increase the volume of collection.

The second is Shima Sapo, a shopping support service. The Shima Sapo service supports people who have difficulty going shopping, such as those living in areas with a rapidly declining population and residents of long-term care facilities and facilities for people with disabilities and has been expanded to all Shimamura business stores.

Shima Sapo offers two types of services: on-site sales, in which we visit communities and facilities, and shopping tours, in which customers visit a store and shop for an hour before the store opens. The program is greatly appreciated by the elderly, people with disabilities and their families, and the facility staff, and the employees who participate in the program can feel that they are making a social contribution to the community.

Consolidated Business Forecasts for FY2/25

しまむらグループ

▽ Net sales (plan): Up 3.9% YoY, Operating income (plan): Up 1.9% YoY

▽ SG&A (plan): Up 4.8% YoY. Personnel expenses are planned to increase 6.2% YoY.

▽ Dividend per share (plan): Annual dividend is expected to be 190 yen.

(Million yen/%)

	FY2/25 Forecast	YoY	Ratio to sales	FY2/24 Result	Ratio to sales
Net sales	659,622	103.9	100.0	635,091	100.0
Gross profit	227,448	104.1	34.5	218,561	34.4
SG&A	172,624	104.8	26.2	164,662	25.9
Operating income	56,362	101.9	8.5	55,308	8.7
Ordinary income	57,694	101.7	8.7	56,716	8.9
Net income attributable to owners of parent	40,194	100.3	6.1	40,084	6.3
Net income per share	546.83yen	—	—	545.35yen	—
Dividend per share	190yen	—	—	280yen	—

*We conducted a 2-for-1 stock split on February 21, 2024. "Net income per share" is calculated based on the assumption that the stock split was conducted at the beginning of FY2/24.
*Dividend per share" for FY2/24 is the actual amount before the stock split.

21

The numerical forecast of consolidated financial results is as shown.

There is no change in our plans for the fiscal year ending February 2025, which call for net sales of JPY659.6 billion, up 3.9% from the previous year, operating income of JPY56.3 billion, up 1.9% from the previous year, and an operating margin of 8.5%.

In the current fiscal year, we will continue to open, relocate, and renovate stores in Q3 and beyond in order to achieve the 150 store openings and 150 store renovations set forth in the Medium-Term Management Plan 2027 over the next three years.

Financial Results Materials (Disclosed on the corporate website)

- ▽ Financial Results Briefing Materials (with comments): October 1 (Tuesday)
- ▽ Summary of Financial Results (English): October 1 (Tuesday)
- ▽ Financial Results (Summary of Question and Answer Session): October 2 (Wednesday)
- ▽ Financial Results Briefing (English): October 3 (Thursday)

Shimamura Group Integrated Report 2024

Please check from URL below.

<<https://www.shimamura.gr.jp/en/assets-c/uploads/en/integratedreport2024en.pdf>>

Finally, this is our information disclosure.

The schedule for disclosing financial results on the corporate website is as shown.

Furthermore, in August of this year, we released our first Integrated Report. This report introduces our history of building a good company, our initiatives, medium- and long-term management plans, and information on ESG activities. Please take a look.

Cautionary Statement Regarding Forward-Looking Statements, etc.

The forward-looking statements, including business forecasts, contained in this document are based on judgments made in accordance with information available at the time of this document's release and are subject to a number of uncertainties.

Actual results may differ from these forecasts due to changes in business conditions and other factors.

23

This concludes the explanation of SHIMAMURA's business results for Q2 of the fiscal year ending February 2025 as well as its initiatives in each business segment and consolidated earnings forecasts.

Thank you for your attention.