

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 20, 2024 (Based on Japanese GAAP)

September 30, 2024

Company name: SHIMAMURA Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8227 URL <https://www.shimamura.gr.jp/>
 Representative: President and Representative Director Makoto Suzuki
 Director and Planning Section General
 Inquiries: Yoshiteru Tsujiguchi TEL 048-631-2131
 Manager
 Scheduled date to file Semi-annual Securities Report: October 1, 2024
 Scheduled date to commence dividend payments: October 31, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 20, 2024 (from February 21, 2024 to August 20, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 20, 2024	330,595	4.3	31,404	4.1	31,987	4.1	22,100	5.5
Six months ended August 20, 2023	316,838	5.1	30,173	4.3	30,725	3.5	20,954	1.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended August 20, 2024	300.67		-	
Six months ended August 20, 2023	285.07		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 20, 2024	552,203	488,131	88.4
As of February 20, 2024	533,807	471,408	88.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 20, 2024	-	130.00	-	150.00	280.00
Year ending February 20, 2025	-	95.00	-	-	-
Year ending February 20, 2025 (Forecast)	-	-	-	95.00	190.00

3. Forecast of consolidated financial results for the year ending February 20, 2025 (from February 21, 2024 to February 20, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	659,622	3.9	56,362	1.9	57,694	1.7	40,194	0.3	546.83

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended August 20, 2024: No
- (2) Application of special accounting methods for preparing interim consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of August 20, 2024	73,826,598 shares	As of February 20, 2024	73,826,598 shares
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Number of treasury shares at the end of the period

As of August 20, 2024	322,290 shares	As of February 20, 2024	325,332 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 20, 2024	73,504,056 shares	Six months ended August 20, 2023	73,503,301 shares
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Interim consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2024	As of August 20, 2024
Assets		
Current assets		
Cash and deposits	161,235	155,530
Accounts receivable - trade	12,349	15,248
Securities	109,600	129,200
Merchandise	57,146	52,363
Other	4,555	5,264
Total current assets	344,887	357,606
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,723	86,482
Land	49,941	51,171
Other, net	2,661	2,709
Total property, plant and equipment	138,326	140,363
Intangible assets		
Other	983	982
Total intangible assets	983	982
Investments and other assets		
Guarantee deposits	15,932	15,560
Other	33,692	37,703
Allowance for doubtful accounts	(14)	(13)
Total investments and other assets	49,609	53,251
Total non-current assets	188,919	194,597
Total assets	533,807	552,203
Liabilities		
Current liabilities		
Accounts payable - trade	24,625	23,047
Income taxes payable	9,293	10,471
Provision for bonuses	3,564	2,907
Provision executive officers' bonuses	–	22
Other	14,668	17,352
Total current liabilities	52,151	53,801
Non-current liabilities		
provision for part-time employees retirement	1,161	1,173
Provision for retirement benefits for directors (and other officers)	114	48
Provision for executive officers' retirement benefits	286	278
Retirement benefit liability	1,841	1,839
Asset retirement obligations	6,400	6,483
Other	443	446
Total non-current liabilities	10,247	10,270
Total liabilities	62,398	64,071

(Millions of yen)

	As of February 20, 2024	As of August 20, 2024
Net assets		
Shareholders' equity		
Share capital	17,086	17,086
Capital surplus	18,655	18,673
Retained earnings	432,274	448,862
Treasury shares	(1,418)	(1,410)
Total shareholders' equity	466,596	483,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,226	5,284
Foreign currency translation adjustment	(365)	(318)
Remeasurements of defined benefit plans	(48)	(45)
Total accumulated other comprehensive income	4,811	4,919
Total net assets	471,408	488,131
Total liabilities and net assets	533,807	552,203

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended August 20, 2023	Six months ended August 20, 2024
Net sales	316,838	330,595
Cost of sales	207,612	216,488
Gross profit	109,225	114,106
Operating revenue	711	707
Operating gross profit	109,937	114,814
Selling, general and administrative expenses	79,763	83,409
Operating profit	30,173	31,404
Non-operating income		
Interest income	76	145
Dividend income	133	150
Gain on sale of investment securities	–	190
Gain on sales of packaging materials	76	82
Compensation income	13	143
Foreign exchange gains	144	–
Miscellaneous income	111	100
Total non-operating income	556	813
Non-operating expenses		
Foreign exchange losses	–	229
Loss on processed gift certificates	0	0
Miscellaneous losses	3	0
Total non-operating expenses	4	230
Ordinary profit	30,725	31,987
Extraordinary income		
Subsidies for employment adjustment	16	–
Total extraordinary income	16	–
Extraordinary losses		
Loss on sale and retirement of non-current assets	52	105
Impairment losses	154	116
Loss on disaster	7	11
Other	–	18
Total extraordinary losses	213	251
Profit before income taxes	30,528	31,735
Income taxes	9,574	9,635
Profit	20,954	22,100
Profit attributable to owners of parent	20,954	22,100

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 20, 2023	Six months ended August 20, 2024
Profit	20,954	22,100
Other comprehensive income		
Valuation difference on available-for-sale securities	811	58
Deferred gains or losses on hedges	3	—
Foreign currency translation adjustment	(39)	47
Remeasurements of defined benefit plans, net of tax	6	2
Total other comprehensive income	783	107
Comprehensive income	21,737	22,208
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,737	22,208
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 20, 2023	Six months ended August 20, 2024
Cash flows from operating activities		
Profit before income taxes	30,528	31,735
Depreciation	2,916	2,966
Impairment losses	154	116
Increase (decrease) in provision for bonuses	(1,480)	(653)
Increase(decrease)in provision for executive officer's bonuses	22	22
increase(decrease) in provision for part-time employees retirement	15	11
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	(65)
Increase(decrease)in provision for executive officer's retirement benefits	54	(7)
Increase (decrease) in retirement benefit liability	49	11
Interest and dividend income	(210)	(296)
Foreign exchange losses (gains)	(135)	194
Loss (gain) on sale and retirement of non-current assets	52	105
Loss (gain) on sale of investment securities	–	(190)
Decrease (increase) in trade receivables	(2,154)	(2,898)
Decrease (increase) in inventories	1,474	4,753
Decrease (increase) in other current assets	(2,458)	(791)
Increase (decrease) in trade payables	1,588	(1,567)
Increase (decrease) in other current liabilities	2,217	2,676
Other, net	508	203
Subtotal	33,147	36,327
Interest and dividends received	159	237
Income taxes paid	(8,427)	(8,519)
Net cash provided by (used in) operating activities	24,879	28,045

	(Millions of yen)	
	Six months ended August 20, 2023	Six months ended August 20, 2024
Cash flows from investing activities		
Purchase of securities	(150,999)	(219,000)
Proceeds from redemption of securities	122,000	209,500
Purchase of property, plant and equipment	(2,982)	(5,163)
Proceeds from sale of property, plant and equipment	0	17
Purchase of investment securities	(9,106)	(5,198)
Proceeds from sale of investment securities	–	1,249
Payments of guarantee deposits	(586)	(603)
Proceeds from refund of guarantee deposits	1,267	1,071
Other, net	(48)	(105)
Net cash provided by (used in) investing activities	<u>(40,456)</u>	<u>(18,232)</u>
Cash flows from financing activities		
Purchase of treasury shares	(11)	(9)
Dividends paid	(5,141)	(5,512)
Net cash provided by (used in) financing activities	<u>(5,153)</u>	<u>(5,522)</u>
Effect of exchange rate change on cash and cash equivalents	19	5
Net increase (decrease) in cash and cash equivalents	<u>(20,710)</u>	<u>4,295</u>
Cash and cash equivalents at beginning of period	<u>217,157</u>	<u>161,235</u>
Cash and cash equivalents at end of period	<u>196,446</u>	<u>165,530</u>