FY2/25

# SHIMAMURA Co.,Ltd.

## Year-end Financial Results Briefing

April 1, 2025

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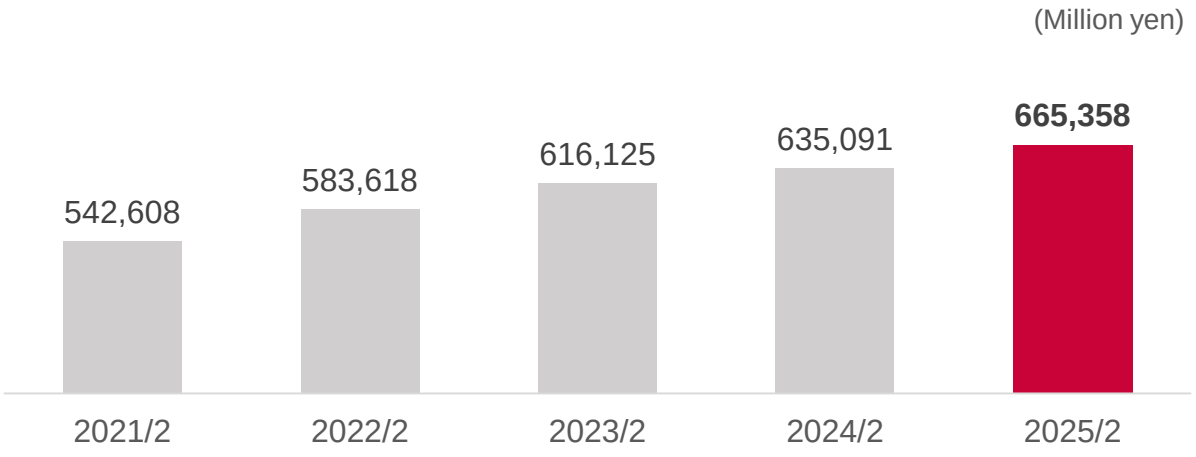
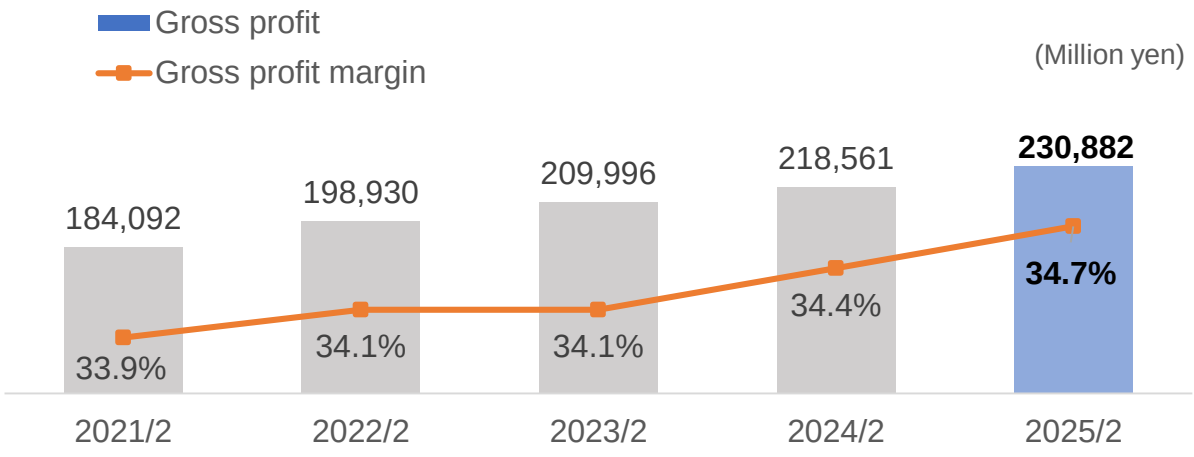
# FY2/25 Summary (Consolidated)

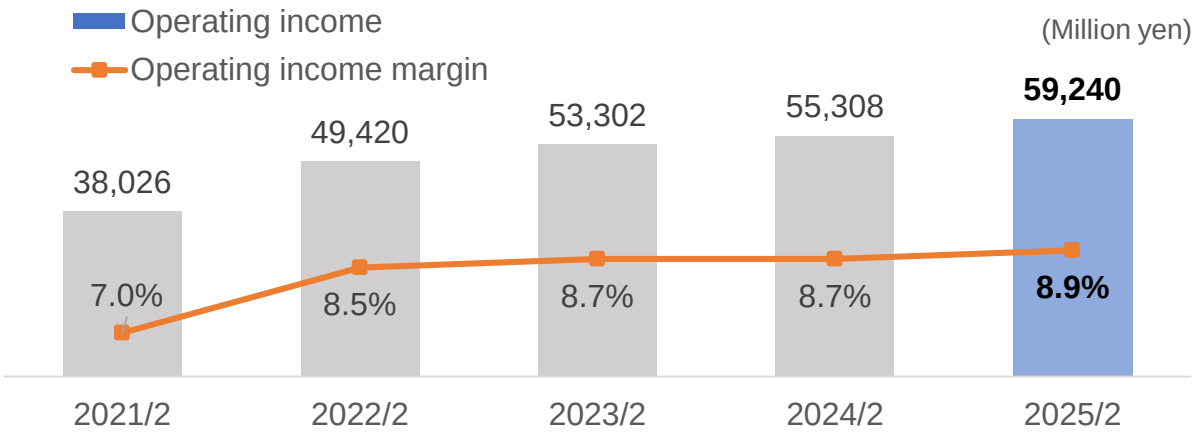
## Net sales



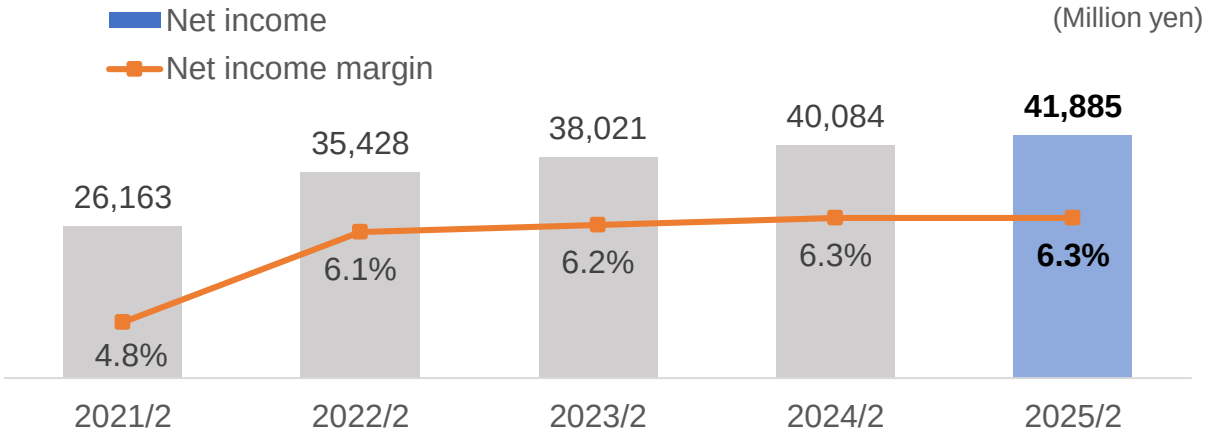

## Gross profit




## Operating income




## Net income



# Consolidated Results: Income Statement

- Net sales: 665.3 billion yen (+ 4.8pt YoY). Resulting in record-high sales and profit for the current fiscal year-to-date period.
- SG&A ratio: 26.0% (+0.1pt YoY). It was generally in line with the plan through effective cost control for the full year.

(Million yen/%)

| | FY2/25 | Ratio to sales | YoY | H1 | YoY | H2 | YoY |
|---|---|---|---|---|---|---|---|
| Net sales | **665,358** | **100.0** | **104.8** | 330,595 | 104.3 | 334,762 | 105.2 |
| Gross profit | **230,882** | **34.7** | **105.6** | 114,106 | 104.5 | 116,776 | 106.8 |
| SG&A | **173,026** | **26.0** | **105.1** | 83,409 | 104.6 | 89,616 | 105.6 |
| Operating income | **59,240** | **8.9** | **107.1** | 31,404 | 104.1 | 27,835 | 110.7 |
| Ordinary income | **60,596** | **9.1** | **106.8** | 31,987 | 104.1 | 28,608 | 110.1 |
| Net income attributable to owners of parent | **41,885** | **6.3** | **104.5** | 22,100 | 105.5 | 19,784 | 103.4 |
| Net income per share | **569.83yen** | — | — | 300.67yen | — | — | — |

# Consolidated Results: SG&A Expenses

- Personnel expenses: Up 7.4% YoY due to wage increases. Sales rose at stores where personnel shortages had been resolved, mainly in urban areas.
- Advertising expenses: Decreased by 3.7% YoY due to a review of the number of flyers distributed and a shift to digital sales promotions.

(Million yen/%)

| | FY2/25 | Ratio to sales | YoY | FY2/24 | Ratio to sales | YoY |
|---|---|---|---|---|---|---|
| Salary | **75,665** | **11.4** | **107.1** | 70,650 | 11.1 | 105.6 |
| Total personnel expenses | **89,329** | **13.4** | **107.4** | 83,180 | 13.1 | 105.9 |
| Advertising expenses | **11,509** | **1.7** | **96.3** | 11,949 | 1.9 | 102.8 |
| Total selling expenses | **20,307** | **3.1** | **101.4** | 20,031 | 3.2 | 104.1 |
| Supplies expenses/Display fixtures expenses | **2,545** | **0.4** | **114.3** | 2,226 | 0.4 | 108.3 |
| EDP expenses | **2,253** | **0.3** | **93.5** | 2,409 | 0.4 | 110.6 |
| Total operating expenses | **10,137** | **1.5** | **107.0** | 9,477 | 1.5 | 110.2 |
| Rents | **33,016** | **5.0** | **100.8** | 32,745 | 5.2 | 100.2 |
| Depreciation and amortization | **6,105** | **0.9** | **103.2** | 5,918 | 0.9 | 100.5 |
| Total equipment cost | **48,264** | **7.3** | **101.9** | 47,343 | 7.4 | 100.9 |
| Total general expenses | **4,987** | **0.7** | **107.7** | 4,629 | 0.7 | 97.9 |
| Total SG&A expenses | **173,026** | **26.0** | **105.1** | 164,662 | 25.9 | 104.2 |

# Consolidated Results: Balance Sheets

- Assets: Cash and deposits, accounts receivable, and marketable securities increased 9.7% YoY.
- Liabilities: Income taxes payable increased by 15.1% YoY.

(Million yen/%)

| | End-Feb 2025 | Composition ratio | YoY | End-Feb 2024 | Composition ratio |
|---|---|---|---|---|---|
| Current assets | **370,429** | **65.3** | **107.4** | 344,887 | 64.6 |
| Noncurrent assets | **196,715** | **34.7** | **104.1** | 188,919 | 35.4 |
| Total assets | **567,144** | **100.0** | **106.2** | 533,807 | 100.0 |
| Current liabilities | **55,605** | **9.8** | **106.6** | 52,151 | 9.8 |
| Noncurrent liabilities | **10,562** | **1.9** | **103.1** | 10,247 | 1.9 |
| Total liabilities | **66,168** | **11.7** | **106.0** | 62,398 | 11.7 |
| Total shareholder’s equity | **496,008** | **87.4** | **106.3** | 466,596 | 87.4 |
| Accumulated other comprehensive income | **4,968** | **0.9** | **103.2** | 4,811 | 0.9 |
| Total net assets | **500,976** | **88.3** | **106.3** | 471,408 | 88.3 |
| Total liabilities and net assets | **567,144** | **100.0** | **106.2** | 533,807 | 100.0 |

# Sales by Business

- Domestic sales increased 4.7% yoy due to implemented measures such as evolving our private brands (PB) and brands developed jointly with suppliers (JB), strengthening of collaboration projects with influencers and characters, and elastic sales promotion plans.

(Million yen/%)

| Business | FY2/25 | Composition ratio | YoY | H1 | YoY | H2 | YoY |
|---|---|---|---|---|---|---|---|
| Shimamura | **497,709** | **74.8** | **104.4** | 246,705 | 104.0 | 251,003 | 104.7 |
| Avail | **65,980** | **9.9** | **107.0** | 33,766 | 106.8 | 32,213 | 107.2 |
| Birthday | **76,507** | **11.5** | **105.2** | 38,079 | 104.8 | 38,428 | 105.7 |
| **Chambre** | **15,453** | **2.3** | **104.2** | 7,623 | 101.4 | 7,829 | 107.0 |
| Divalo | **897** | **0.2** | **108.9** | 478 | 109.3 | 418 | 108.4 |
| Shimamura (non-consolidated) | **656,547** | **98.7** | **104.7** | 326,654 | 104.3 | 329,893 | 105.1 |
| **Si meng le** (Taiwan) | **8,810** | **1.3** | **109.1** | 3,941 | 110.2 | 4,868 | 108.3 |
| Shimamura (consolidated) | **665,358** | **100.0** | **104.8** | 330,595 | 104.3 | 334,762 | 105.2 |

# Same-store sales, Number of customers, Spending per customer YoY

- Growth in same-store sales: Continued to strengthen product appeal and sales power, worked to meet regional and individual store needs.
- Strengthening of promotions for priority events, fairs, and collaboration projects, etc., led to growth in customer numbers.
- Unit price per item: Enhancing our high-price product lineup in both PB and JB categories, while striving to strike a balance between value and price.

(%)

| Business | Period | Net sales | | Number of customers | Number of items purchased | Spending per customer | Unit price per item |
|---|---|---|---|---|---|---|---|
| | | Existing stores | All stores | | | | |
| Shimamura | H1 | 103.9 | 104.0 | 102.7 | 98.7 | 101.3 | 102.6 |
| | H2 | 104.6 | 104.7 | 103.1 | 98.0 | 101.7 | 103.8 |
| | **Full-year total** | 104.3 | 104.4 | 102.9 | 98.3 | 101.4 | 103.2 |
| Avail | H1 | 106.9 | 106.8 | 108.6 | 99.2 | 98.3 | 99.1 |
| | H2 | 106.3 | 107.2 | 109.2 | 98.3 | 98.1 | 99.8 |
| | **Full-year total** | 106.6 | 107.0 | 108.9 | 98.8 | 98.2 | 99.4 |
| Birthday | H1 | 101.8 | 104.8 | 103.6 | 98.2 | 101.2 | 103.0 |
| | H2 | 101.9 | 105.7 | 106.0 | 98.1 | 99.7 | 101.5 |
| | **Full-year total** | 101.9 | 105.2 | 104.8 | 98.1 | 100.4 | 102.3 |

# Gross profit, Price reduction, Inventory YoY

- Gross profit: Gross profit increased YoY due to expansion of PB and utilization of ASEAN production.
- Inventory: Price reduction and inventory...Shimamura's price reduction rate decreased by 0.1%, while inventory turnover rate increased from the previous year.

(%)

| Business | Period | Gross profit | | | Discount | | | Inventory | |
|---|---|---|---|---|---|---|---|---|---|
| | | Gross Profit YoY | Gross margin | | Discount price YoY | Discount rate | | Inventory turnover | |
| | | | | YoY | | | YoY | | YoY |
| Shimamura | H1 | 104.2 | 33.8 | +0.1 | 111.4 | 6.8 | +0.4 | | |
| | H2 | 106.9 | 34.3 | +0.7 | 95.0 | 6.0 | −0.6 | | |
| | **Full-year total** | 105.6 | 34.1 | +0.4 | 103.0 | 6.4 | −0.1 | 7.4 | +0.2 |
| Avail | H1 | 107.7 | 38.8 | +0.3 | 103.8 | 13.5 | −0.3 | | |
| | H2 | 108.2 | 39.6 | +0.4 | 104.6 | 12.3 | −0.3 | | |
| | **Full-year total** | 108.0 | 39.2 | +0.4 | 104.2 | 12.9 | −0.3 | 4.8 | +0.1 |
| Birthday | H1 | 103.3 | 33.6 | −0.4 | 112.2 | 5.7 | +0.4 | | |
| | H2 | 104.5 | 33.5 | −0.4 | 110.7 | 4.8 | +0.3 | | |
| | **Full-year total** | 103.9 | 33.5 | −0.4 | 111.5 | 5.2 | +0.3 | 4.4 | ±0.0 |

# Shimamura Business ①

## Strengthening product appeal

### Evolution of "CLOSSHI" and "CLOSSHI PREMIUM"

■ PB sales YoY

Up **13.6**%

■ PB ratio

**24.3**%

### Development of new product categories

# Shimamura Business ②

しまむらグループ

## Strengthening product appeal

### Developing joint brand (JB)

■ JB sales YoY

Up **12.1**%

■ JB ratio

**8.4**%

# Shimamura Business ③

しまむらグループ

## Strengthening sales power

### Strengthening promotions for items less affected by temperature fluctuations

# Shimamura Business ④

しまむらグループ

## Strengthening sales power

### Enhancement of major sales events: “Shimamura Super Surprise Sale” achieved record-high sales

# Avail Business ①

## Strengthening product appeal and sales power

### Improvement of proposal ability for trendy products and increase of brand awareness

■JB sales YoY

Up **6.6**%

■JB ratio

**43.8**%

### Expansion of high-price product offerings

# Avail Business ②

## Strengthening product appeal and sales power

### Expansion of line-robbing strategies

### Strengthening of character-themed projects

# Birthday Business ①

しまむらグループ

## Strengthening product appeal and sales power

### Enhancement of product planning capabilities in JB

■JB sales YoY

Up **5.0**%

■JB ratio

**24.5**%

MY LITTLE WONDER

futafuta

Cottoli

# Birthday Business ②

しまむらグループ

## Strengthening product appeal and sales power

### Expansion of new and target customer segments

■Character-themed products

YoY: **Up by 13.1 %**

インフルエンサー
@rikunana_disney
プロデュース

YouTube チャンネルは こちら!▶▶▶

■Junior wear

YoY: **Up by 8.8 %**

# Chambre Business

しまむらグループ

## Strengthening product appeal and sales power

### Develop its product lineup

### Development of new layout stores

# Divalo Business

## Strengthening product appeal and sales power

### Establishment of sales floor design

### Improvement of customer service skills

Lectures by shoe fitters

Role-playing of fitting scenarios

# Si meng le Business (Taiwan)

## Strengthening product appeal and sales power

### Responding to local needs through expansion of original product offerings

### Enhancing brand awareness and customer traffic

# EC Business

## Expansion of EC sales strategies

■Composition of annual sales
**12.9** billion yen

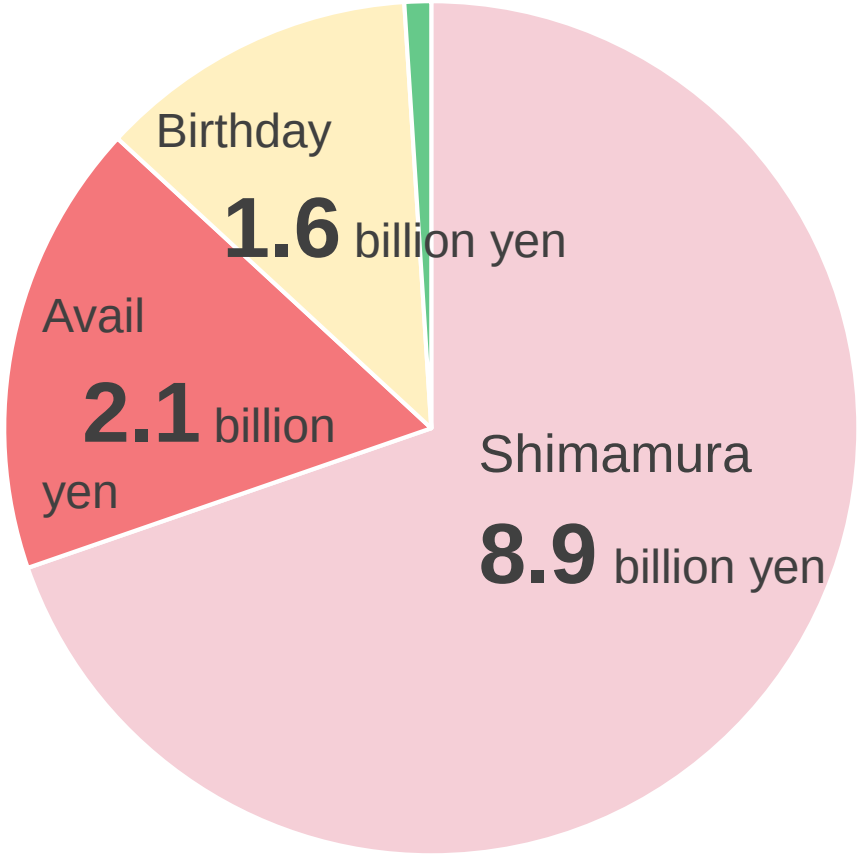
■Sales YoY
Up **79.0**%

■EC ratio
**2.0**%

■In-store pickup ratio
**83.7**%

■Bulk purchase ratio
**41.7**%

EC sales by business



# Consolidated Business Forecasts for FY2/26

- Net sales (plan): Up 4.1% YoY, Operating income (plan): Up 2.4% YoY
- SG&A (plan): Up 4.6% YoY. Personnel expenses increased 6.0% yoy, and repair expenses are also planned to increase due to existing store renovations.
- Dividend per share (plan): Annual dividend is expected to be 205 yen.

(Million yen/%)

| | FY2/26 Forecast | YoY | Ratio to sales | FY2/25 Result | Ratio to sales |
|---|---|---|---|---|---|
| Net sales | 692,640 | 104.1 | 100.0 | 665,358 | 100.0 |
| Gross profit | 240,188 | 104.0 | 34.7 | 230,882 | 34.7 |
| SG&A | 181,036 | 104.6 | 26.1 | 173,026 | 26.0 |
| Operating income | 60,690 | 102.4 | 8.8 | 59,240 | 8.9 |
| Ordinary income | 61,990 | 102.3 | 8.9 | 60,596 | 9.1 |
| Net income attributable to owners of parent | 42,858 | 102.3 | 6.2 | 41,885 | 6.3 |
| Net income per share | 583.07yen | — | — | 569.83yen | — |
| Dividend per share | 205yen | — | — | 200yen | — |

# FY2/26 Management Policy

## A Unified Theme "Next Challenge 2nd: Reach Greater Limits And Reach Even Greater Heights"

Last year, we took a scalpel to each of these areas that had previously been taken for granted. This year, we will continue to push the limits upward through various challenges.

| | |
|---|---|
| **Strengthening product appeal** | ● Enhance brand power through development of hit products, evolution of our private brands, and refinement of planned merchandise<br>● Expand target customer segments through improved line-robbing strategies<br>● Uncover new product opportunities and optimize product assortments with sophisticated data analysis |
| **Strengthening sales power** | ● Diversify promotional methods and enhance digitalization.<br>● Refine product offerings, sales floors, and promotions based on store and regional characteristics<br>● Digitalize in-store improvisation and improve visual merchandising (VMD)<br>● Enhance customer service skills and create easier-to-navigate sales corners to boost store loyalty |
| **Strengthening the base and foundation** | ● Rebuild store operations through digitalization<br>● Strengthen urban store openings, expand relocations, renovations, and conversions to fashion malls<br>● Reconstruct a risk-hedged, competitive, and sustainable supply chain<br>● Promote human resource strategies to realize [good company] with a good work environment and decent work<br>● Promote sustainable Shimamura-style ESG through core business<br>● Unify e-commerce platforms to improve user convenience and expand Di (digital integration) business<br>● Explore new business opportunities and overseas expansion |

# FY2/26 Stores Opening/Closing and Renovation Plan

- Group total: open 52 new stores, close 19 stores. (net increase of 33 stores)

  Improve store profitability by expanding relocation and fashion mall format store openings.

  Plan to open stores in central Tokyo and strengthen surveys of store opening locations in the Chukyo area.
- Renovation plan: 101 stores. Store loyalty will be improved, and environmental consideration will be promoted by replacing with the latest equipment.

| Business | End-FY2/25 Number of stores | Planned opening stores | Planned closing stores | End-FY2/26 Number of stores (Plan) | Number of renovation plan |
|---|---|---|---|---|---|
| Shimamura | 1,416 | 16 | 8 | 1,424 | 76 |
| Avail | 316 | 12 | 3 | 325 | 15 |
| Birthday | 336 | 12 | 6 | 342 | 6 |
| **Chambre** | 123 | 5 | 1 | 127 | 3 |
| Divalo | 16 | 5 | 0 | 21 | 0 |
| Shimamura (non-consolidated) | 2,207 | 50 | 18 | 2,239 | 100 |
| **Si meng le** (Taiwan) | 44 | 2 | 1 | 45 | 1 |
| Shimamura (consolidated) | 2,251 | 52 | 19 | 2,284 | 101 |

# Medium-term Management Plan 2027: Revisions to Numerical Targets

## Medium-term Management Plan: Numerical Target

### Consolidated Net Sales

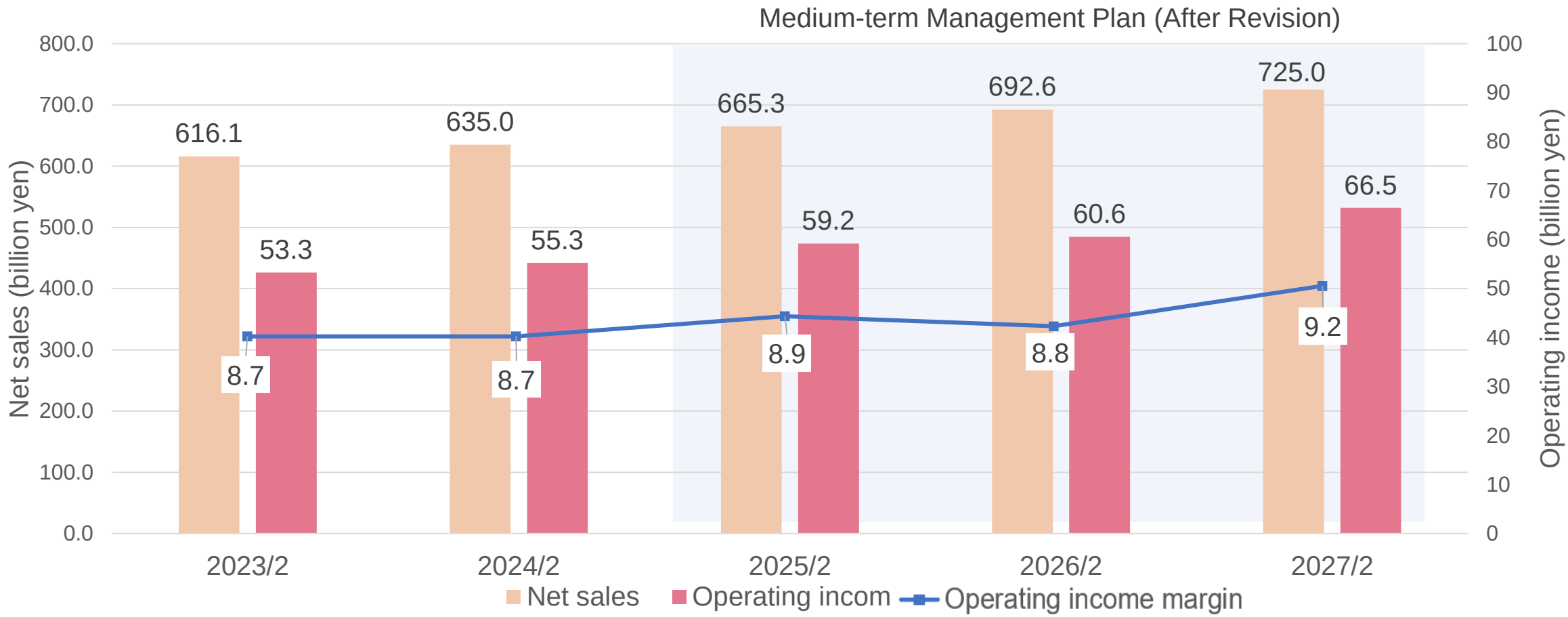
Initial Plan **719.0** billion yen → Revised Plan **725.0** billion yen (+6 billion yen)

### Consolidated Operating Income

Initial Plan **66.0** billion yen → Revised Plan **66.5** billion yen (+0.5 billion yen)

### ROE

Initial Plan Around **8.0** % → Revised Plan **9.0** % or higher

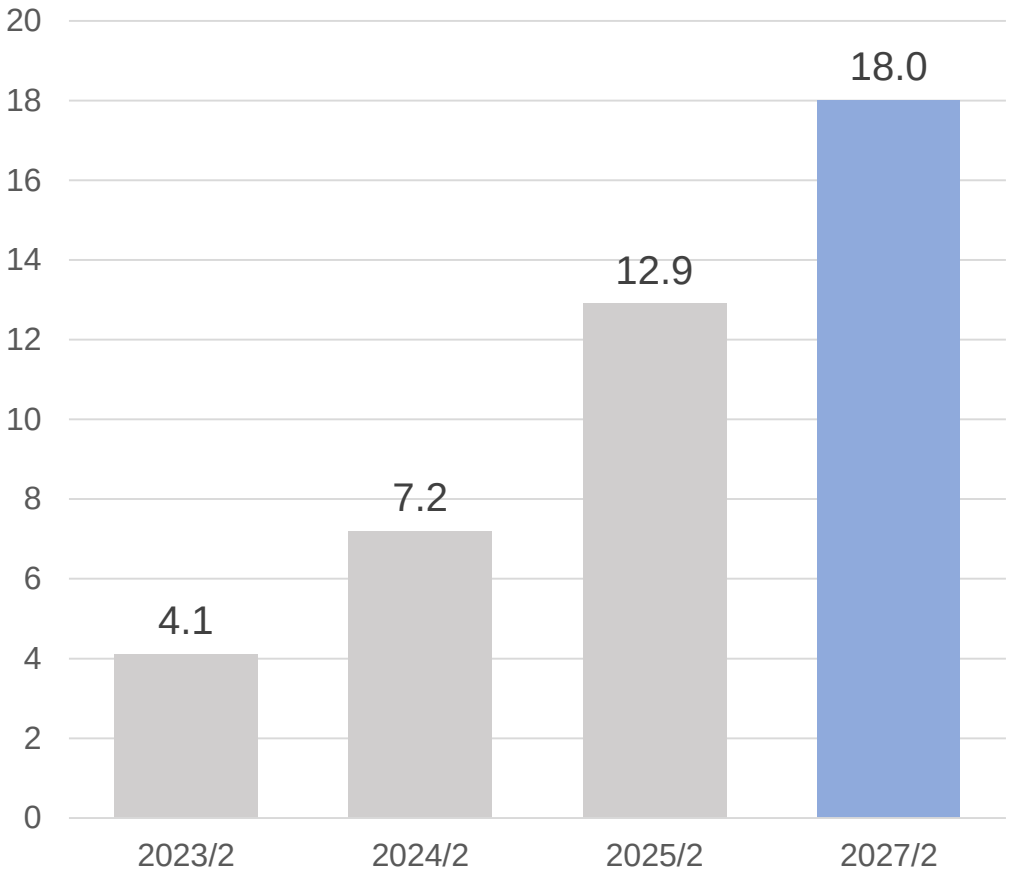


# Medium-term Management Plan 2027: Revisions to Numerical Targets

## Medium-term Management Plan: Numerical Target

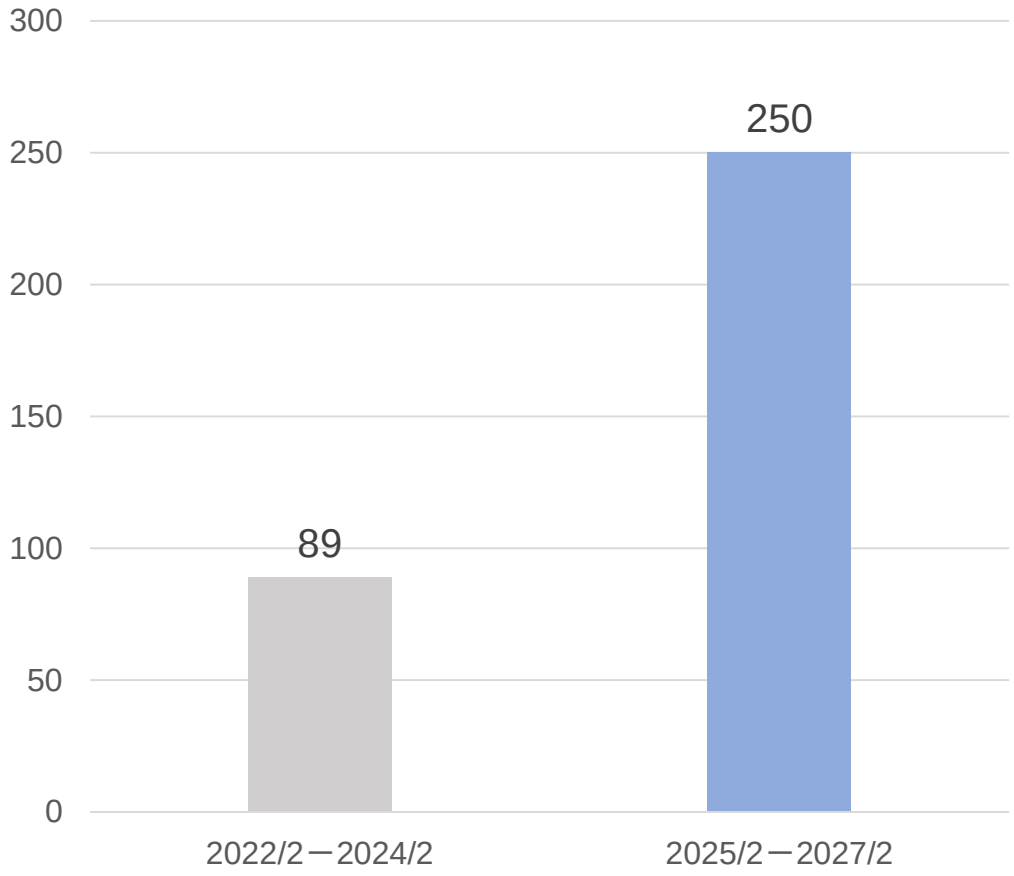
### EC Sales

Initial Plan: **11.0** billion yen → Revised Plan: **18.0** billion yen (+7 billion yen)




### Number of Renovated Stores (3-year total)

Initial Plan: **150** stores → Revised Plan: **250** stores (+100 stores)



## Growth investment

### Growth investment policy

■We will expand growth investment to achieve sustainable growth.

■Based on investment to expand business scale, we will improve our business performance by improving the quality of stores, products, human resources, and DX and raising productivity, thereby contributing to our entire stakeholders.

■Approximately 50% of management resources will be allocated to growth investment as investments for sustainable growth.

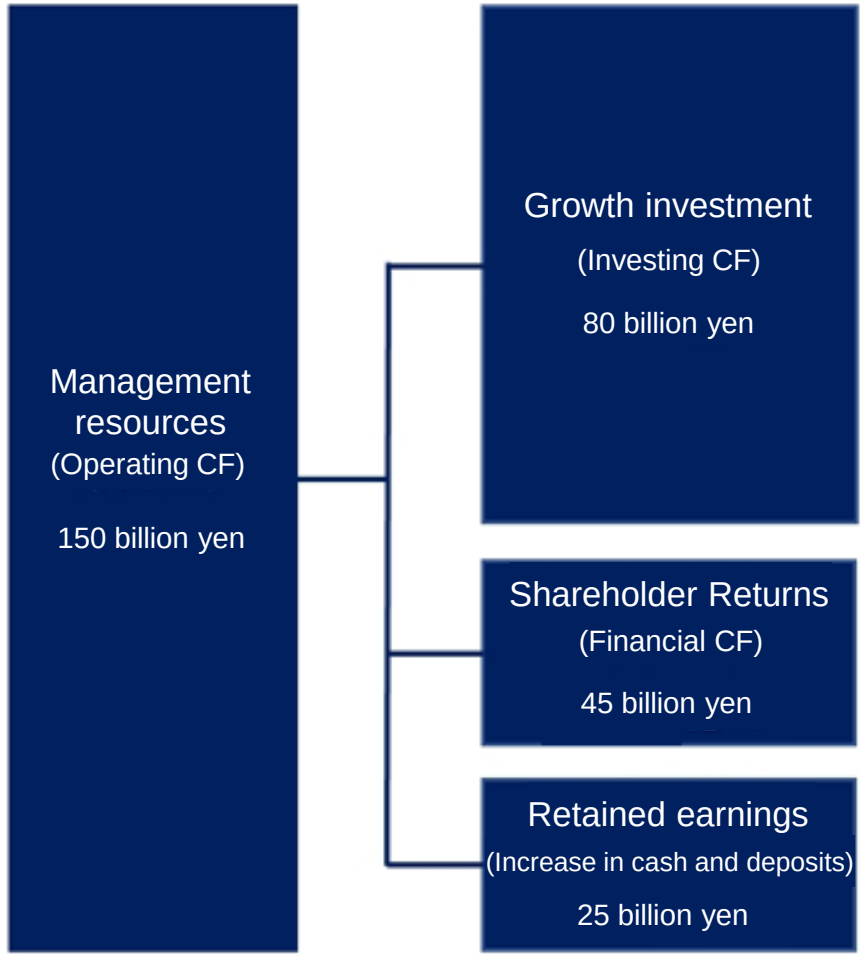
### Definition of management resources

■Management resources represent cash provided by operating activities (operating CF).

■ Over the three years of the Medium-term Management Plan 2027, we expect management resources to total approximately 150 billion yen, and we will allocate more than half of that, 80 billion yen, to growth investment.

### Allocation of management resources (FY2024-FY2026 cumulative)

*Estimated amount

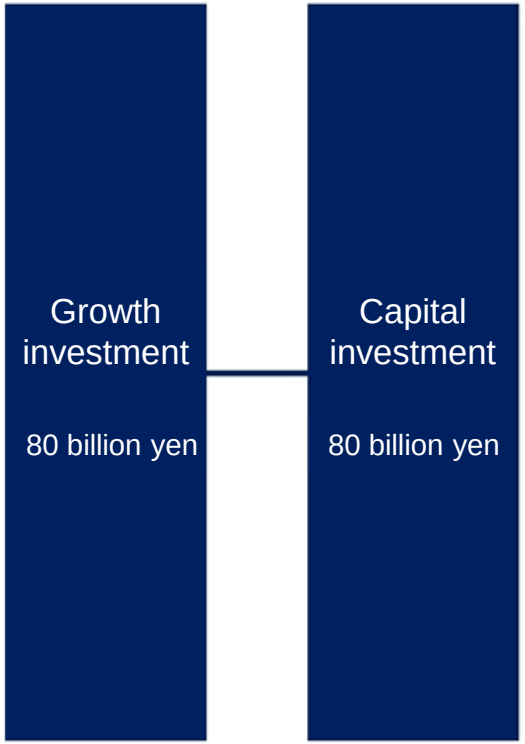


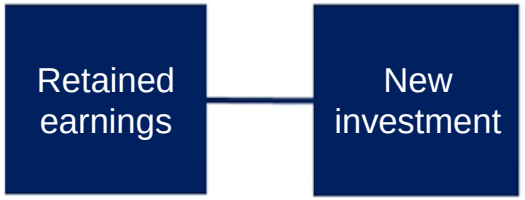
# Medium-term Management Plan 2027　Growth Investment②

## Growth investment

### Allocation of growth investment (FY2024-FY2026)

*Estimated amount is approximate




**New store openings**

- Buildings 27 billion yen ･･･ **150 Store** × Buildings 0.18 billion yen
- Land 8 billion yen ･･･ 4 Store × 2 billion yen (1,000 Tsubo × Unit price 2 million yen)

**Renovation**

- Renovation 10 billion yen ･･･ **250 Store** × Buildings 0.04 billion yen

**Product center**

- Tenri 13.5 billion yen ･･･ Buildings, land, and facilities *Core center
- Toyokawa 13 billion yen ･･･ Buildings, land, and facilities *Core center
- Fukuyama 2.5 billion yen ･･･ Buildings and facilities *Regional center

**Furniture, fixtures and others**

- All sorts 6 billion yen ･･･ Automatic change machine, digital signage, digital signage, cleaning robots, security cameras, host replacement, etc.

- M&A and alliances
- New businesses and overseas business

➢ New investment will be allocated from **retained earnings**
(the liquidity ratio on hand will be maintained for 4 months)

# Medium-term Management Plan 2027: Growth Investment ③

## Examples Of DX

### Digital Signage/POP

**Digital POP**

# Medium-term Management Plan 2027: Growth Investment ④

## Examples Of DX

### Automatic change machine

### Cleaning robots

# Initiatives on ESG Issues ①

## Environmental Initiatives Implemented in FY2024

### Expansion of hanger recycling

■ Annual collection volume

**2,863** t

■ Recycling rate

**75.4**%

Recyclable hanger

- The number of recycling centers has increased, and recycling has been implemented at all stores.
- From FY2025, recyclable hanger types will be further introduced.
  ⇒ Recycling rates are expected to improve further.

### Apparel collection

■ Number of participating stores

**200** stores

■ Annual collection volume

**73.2** t

- Started apparel collection at some stores.
- Collection carried out at 200 stores, resulting in an annual total of 73.2 tons collected.
  ⇒ In the future, we will expand the number of stores with the aim of implementing the program at all stores.

# Initiatives on ESG Issues ②

## Social Initiatives Implemented in FY2024

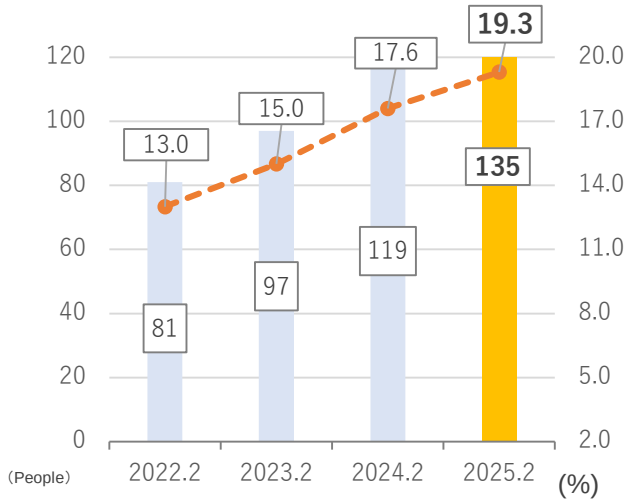
### Increase in female managers

■ Ratio of female managers

**19.3** %

■ Number of female managers

**135** managers



"Shimamura female's participation curriculum"

- Implemented a training curriculum for the development of female executive candidates.
- B.mgr candidate training curriculum is continuously implemented.

⇒ We will provide training for supervisors and senior managers to increase the number of female managers.

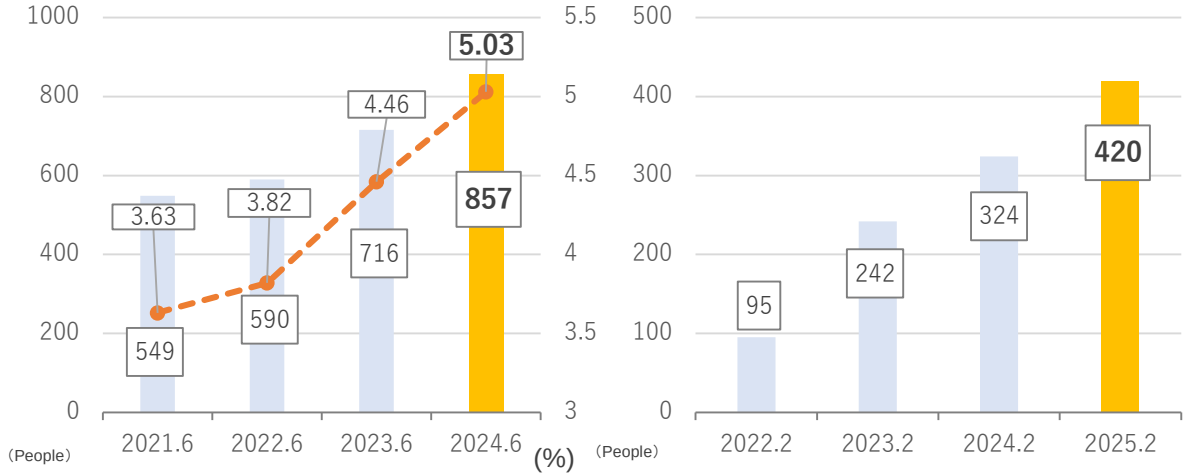
### Increase in employment of people with disabilities

■ Employment rate of people with disabilities

**5.03** %

■ Number of certified workplace counselors for employees with disabilities

**420** counselors




- best practices and increase employment rates beyond the Shimamura business.
- There are now more than 400 employees certified as vocational life counselors for people with disabilities.

⇒ Started creating an environment in which people with disabilities can work comfortably.

# Initiatives on ESG Issues ③

## Social Initiatives Implemented in FY2024

### Expansion of On-Site Sales

■ Number of events held

**127** times

■ Net sales

**40** million yen

Mobile sales (special nursing homes)

### Expansion of Shopping Tours

■ Number of events held

**152** times

■ Net sales

**15** million yen

Shopping tours (facilities for people with disabilities)

- Shopping support service is collectively called “Shima Sapo” and started operation at Shimamura business stores.
- The number of cases of shopping support services increased significantly, and the annual plan was achieved. The service was well received by users.

  ⇒ In addition to systemization and development of dedicated fixtures, collaboration with local governments will be strengthened to expand the service in the future.

# Information Disclosure

## Financial Results Materials (Disclosed on the corporate website)

▽ Summary of Financial Results (English): March 31 (Monday)

▽ Financial Results Briefing Materials (with comments): April 1 (Tuesday)

▽ Financial Results (Summary of Question and Answer Session): April 2 (Wednesday)

▽ Financial Results Briefing (English): April 3 (Thursday)

## Update Information on Corporate Website

▽ ESG-related (update information, Japanese and English): March 31 (Monday)

▽ Medium-term Management Plan (update information, Japanese and English): March 31 (Monday)

▽ Corporate Governance-related: Late-May

## Shimamura Women's Athletic Team

# Yuka Ando

## Selected to represent Japan in the marathon at the 2025 World Athletics Championships

**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.