

FY2/26

SHIMAMURA Co.,Ltd.

Q1 Financial Results

June 30, 2025

しまむらグループ



My name is Tsujiguchi, Director and Executive Officer.
Thank you very much for taking the time to join our financial results
briefing today.

1	Summary for FY2/26 Q1 Financial Summary	P3 P4-
2	Initiatives by Business	P10-
3	Consolidated Business Forecasts for FY2/26	P21

Here is today’s agenda.

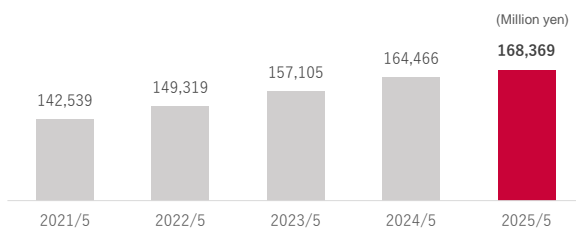
First, I will provide an overview of the financial results for Q1 of the fiscal year ending February 2026.

Then, President Takahashi will discuss the initiatives in each business and our consolidated earnings forecast for this fiscal year.

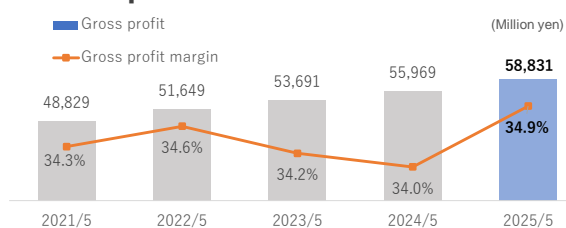
FY2/26 Q1 Summary (Consolidated)

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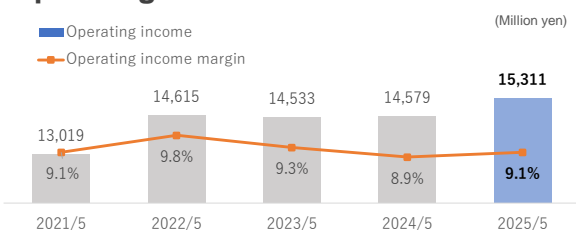
Net sales



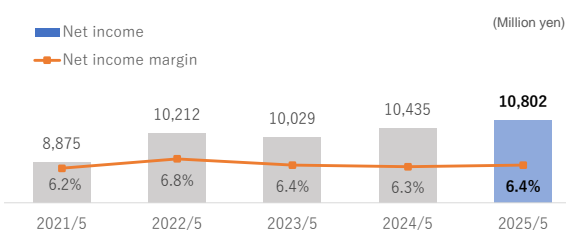
Gross profit



Operating income



Net income



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Let me begin with a summary of the financial results.

Net sales were JPY168.3 billion, gross profit was JPY58.8 billion with a gross profit margin of 34.9%. Operating income was JPY15.3 billion with an operating margin of 9.1%, and net income was JPY10.8 billion with a net margin of 6.4%.

Consolidated Results: Income Statement

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- Net sales and all profit items reached record highs.
- SG&A ratio: 26.0% (+0.7pt YoY). Generally in line with plan. The main factor behind the increase was labor costs.

(Million yen/%)

	FY2/26 Q1	Ratio to sales	YoY	FY2/25 Q1	Ratio to sales	YoY
Net sales	168,369	100.0	102.4	164,466	100.0	104.7
Gross profit	58,831	34.9	105.1	55,969	34.0	104.2
SG&A	43,845	26.0	105.1	41,730	25.3	105.7
Operating income	15,311	9.1	105.0	14,579	8.9	100.3
Ordinary income	15,812	9.4	104.3	15,161	9.2	102.8
Net income attributable to owners of parent	10,802	6.4	103.5	10,435	6.3	104.0
Net income per share	146.96yen	—	—	141.97yen	—	—

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This is an overview of the consolidated results for Q1 of the fiscal year ending February 2026.

The actual figures are shown here.

First, let us review the external factors.

In the domestic consumption environment, although the rate of wage increases improved, rising raw material costs led to higher prices for food and daily necessities, putting pressure on household budgets. As a result, consumers remained cost-conscious, and overall consumption, including apparel sales, continued to face challenging conditions.

Regarding weather conditions, although the average temperature was in line with historical norms, there were large fluctuations throughout the period. In particular, May saw frequent rainfall on weekends, making it difficult to drive sales of summer clothing.

In response to these external factors, we enhanced our product appeal and sales power, leading to record-high net sales and profits for Q1.

Consolidated Results: SG&A Expenses

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- Personnel expenses: Up 7.6% YoY due to wage increases.
- Total selling expenses: Increased 3.0% YoY, mainly due to higher transaction fees associated with the growing ratio of cashless payments.

(Million yen/%)

	FY2/26 Q1	Ratio to sales	YoY	FY2/25 Q1	Ratio to sales	YoY
Salary	19,564	11.6	107.7	18,167	11.0	107.4
Total personnel expenses	22,959	13.6	107.6	21,339	13.0	108.0
Advertising expenses	3,105	1.8	100.8	3,081	1.9	103.2
Total selling expenses	5,332	3.1	103.0	5,175	3.1	104.8
Supplies expenses/ Display fixtures expenses	578	0.3	111.9	516	0.3	109.4
EDP expenses	468	0.3	78.6	596	0.4	124.6
Total operating expenses	2,490	1.5	107.0	2,327	1.4	114.7
Rents	8,280	4.9	101.0	8,195	5.0	100.8
Depreciation and amortization	1,565	0.9	106.5	1,469	0.9	101.4
Total equipment cost	11,771	7.0	101.3	11,616	7.0	100.6
Total general expenses	1,291	0.8	101.4	1,273	0.8	104.4
Total SG&A expenses	43,845	26.0	105.1	41,730	25.3	105.7

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

Total personnel expenses increased 7.6% YoY, reflecting the impact of wage hikes implemented in April.

Total selling expenses rose 3.0% YoY. Advertising expenses increased only 0.8% YoY, as we promoted digital marketing and began producing content in-house. Meanwhile, sales commissions climbed, driven by a higher cashless payment ratio.

Total operating expenses were up 7.0% YoY. This was attributable to increased travel and transportation costs stemming from rising freight charges and gasoline prices, as well as higher spending on supplies and display fixtures for new store openings and renovations.

Total facility expenses grew 1.3% YoY, caused by a 6.8% rise in utility costs following electricity price hikes by some power companies.

Consolidated Results: Balance Sheets

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- Assets: Cash and deposits, accounts receivable, and marketable securities increased 6.8% YoY.
- Liabilities: Income taxes payable increased by 6.3% YoY.

(Million yen/%)

	End-May 2025	Composition ratio	YoY	End-May 2024	Composition ratio
Current assets	384,992	65.8	106.4	361,772	65.3
Noncurrent assets	199,696	34.2	103.9	192,258	34.7
Total assets	584,689	100.0	105.5	554,030	100.0
Current liabilities	69,303	11.9	103.9	66,699	12.1
Noncurrent liabilities	10,805	1.8	106.3	10,161	1.8
Total liabilities	80,109	13.7	104.2	76,861	13.9
Total shareholder's equity	499,128	85.4	105.8	471,550	85.1
Accumulated other comprehensive income	5,451	0.9	97.0	5,619	1.0
Total net assets	504,579	86.3	105.7	477,169	86.1
Total liabilities and net assets	584,689	100.0	105.5	554,030	100.0

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This section provides a breakdown of the consolidated balance sheet.

Total assets increased 5.5% YoY. The main driver was a 14.1% YoY rise in marketable securities, reflecting expanded fund management through jointly managed designated money trusts and corporate bonds.

Total liabilities rose 4.2% YoY. The increase was primarily attributable to a 6.3% YoY rise in income taxes payable, following higher pretax profits.

Sales by Business

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- Sales in all domestic and overseas businesses exceeded the previous year's result.
- Domestic net sales rose 2.3% YoY, supported by the evolution of PB (Private Brand) and JB (Joint Development Brand) products, the expansion of collaborative projects, diversified promotional methods, and region-specific marketing initiatives.

(Million yen/%)

Business	FY2/26 Q1	Composition ratio	YoY	FY2/25 Q1	Composition ratio	YoY
Shimamura	121,923	72.4	101.7	119,843	72.9	104.6
Avail	17,256	10.3	105.3	16,390	10.0	105.2
Birthday	22,464	13.3	102.3	21,962	13.3	104.2
Chambre	4,400	2.6	106.6	4,128	2.5	101.0
Divalo	261	0.2	109.1	239	0.1	108.0
Shimamura (non-consolidated)	166,306	98.8	102.3	162,563	98.8	104.5
Si meng le (Taiwan)	2,063	1.2	108.4	1,902	1.2	124.3
Shimamura (consolidated)	168,369	100.0	102.4	164,466	100.0	104.7

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This is net sales by business segment.

Net sales increased YoY across all domestic and overseas businesses.

To strengthen our product appeal in each business, we advanced the development of our private brands (PB) and joint development brands (JB) in collaboration with suppliers. We also expanded collaboration projects with influencers and character-based content that are less affected by temperature fluctuations.

On the sales power front, we enhanced digital promotions through social media while also implementing region-specific measures tailored to customer demographics and store characteristics. As a result, net sales in Japan rose 2.3% YoY.

Details on each business segment's initiatives are provided from page 10 onward.

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

- Growth in same-store sales: Same-store sales exceeded the previous year for the Shimamura and Avail businesses, while the Birthday business fell below the previous year.
- Number of customers: Increased YoY across all three businesses.
- Spending per customer: Spending per customer and unit price per item increased across all three businesses, while the number of items purchased per customer declined.

(%)

Business	Period	Net sales		Number of customers	Spending per customer	Number of items purchased	Unit price per item
		Existing stores	All stores				
Shimamura	FY2/26 Q1	101.7	101.7	100.0	101.8	98.7	102.9
	FY2/25 Q1	104.7	104.6	103.6	100.9	98.4	102.7
Avail	FY2/26 Q1	104.2	105.3	102.8	102.5	99.2	103.3
	FY2/25 Q1	105.8	105.2	106.1	99.2	99.6	99.6
Birthday	FY2/26 Q1	99.1	102.3	101.7	100.6	97.2	103.4
	FY2/25 Q1	101.5	104.2	103.7	100.4	96.8	103.7

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Next, we will provide an overview of the Q1 results for net sales at existing stores, as well as the number of customers and spending per customer at all stores.

Net sales at existing stores increased YoY in the Shimamura and Avail businesses but declined in the Birthday business.

The number of customers, spending per customer, and unit price per item all exceeded the previous year's levels across all three businesses.

Gross profit, Price reduction, Inventory YoY

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- Gross profit: All three businesses posted higher gross profits than the previous year. In particular, the Shimamura business saw success thanks to the expansion of its private brands and the use of production in ASEAN.
- Price reductions: Shimamura's first quarter price cuts were lower than the previous year due to the reduction in winter inventory at the end of the previous fiscal year.

(%, pt)

Business	Period	Gross profit			Price reduction			Inventory
		Gross profit YoY	Gross margin		Discount price YoY	Discount rate		Inventory YoY (3-month average)
				YoY			YoY	
Shimamura	FY2/26 Q1	105.6	34.3	+ 1.3	86.7	7.2	− 1.3	104.2
	FY2/25 Q1	103.7	33.0	− 0.3	118.6	8.5	+ 1.0	102.3
Avail	FY2/26 Q1	105.6	37.9	+ 0.1	111.0	16.6	+ 0.9	102.3
	FY2/25 Q1	106.4	37.8	+ 0.4	100.6	15.7	− 0.7	101.0
Birthday	FY2/26 Q1	101.8	34.8	− 0.1	107.1	4.6	+ 0.2	104.4
	FY2/25 Q1	104.6	34.9	+ 0.1	95.7	4.4	− 0.4	105.7

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This is the Shimamura business results for Q1, focusing on gross profit, price reductions, and inventory.

Gross profit increased by 5.6% YoY, with the margin rising by 1.3 percentage points. The improvement was driven by securing higher initial markups through the expansion of private brands and increasing production in ASEAN countries.

Price reductions decreased by 13.3% YoY, while the discount rate fell by 1.3 percentage points. This was largely the result of lower markdowns in Q1, as winter inventory was well-controlled at the end of the previous fiscal year.

Shimamura Business ①

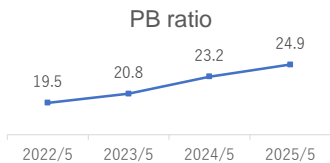
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Strengthening product appeal

- PB ratio was 24.9%, and sales increased by 8.9% YoY.
- Key products such as FIBER DRY from core PB brand CLOSSH, along with new projects not offered last year, performed strongly.

Q1 PB Highlights

Series	YoY
Overall PB	108.9%
FIBER DRY	114.5%
Heavy Rotation	NEW
Rakutto!	NEW
Dokodemo-tto!	NEW
Ikiiki Labo	NEW



PB Development

Featured in women's magazine Nikkei Woman

I am Takahashi, President. I will explain the initiatives in each business. In the Shimamura business, we expanded the lineup of PB and JB products to strengthen our product appeal.

Within the PB line, CLOSSH FIBER DRY, which has achieved cumulative sales of 115 million pieces, continued to perform strongly.

New initiatives that did not exist last year also contributed to driving sales, including the long-lasting Hebirote series, the Rakutto! series designed to make family life easier, and the Dokodemotto! series, which is suited for both everyday and special occasions.

In response to rising health awareness in recent years, we also launched Ikiiki Labo, a new line to support healthy lifestyles. Among these, posture-supporting underwear became a hit product with over 50,000 units sold within the first month of its launch.

As a result, PB net sales rose 8.9% YoY, and PB accounted for 24.9% of total net sales.

Strengthening product appeal

- JB ratio was 9.6%, and sales increased by 13.9% YoY.
- High value-added products with carefully selected materials and design details, as well as seasonal projects, performed strongly.

JB: SEASON REASON



In the JB category, SEASON REASON continued to enjoy steady sales growth.

The products made with natural materials, such as cotton and linen, along with those featuring detailed embroidery and lace, performed well even at higher price points. As a result, the unit price per item for SEASON REASON rose 4.4% YoY.

Seasonal campaigns, including a spring bottoms collection and a summer T-shirt trend feature, also contributed to strong results.

As a result, JB net sales increased 13.9% YoY and accounted for 9.6% of total net sales.

Shimamura Business ③

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Strengthening sales power

- Regional marketing initiatives: Implemented promotions tailored to customer segments and individual store characteristics.
- Online store promotion: Through various fairs and made-to-order sales, we have been able to ensure sales that are less affected by temperature.

Regional marketing initiatives

限定トレンドアイテム
取扱い店舗

mako

賢く!お得に!
生活応援

店舗限定

カップ付
インナー 各種
M-L-LL
¥590円

Online store promotion

しまむら
add COLOR
受注再販決定!

しまむら
オンラインストア

夏トレンド
5.3(土)
- 5.11(日)
フェア

大人気
インフルエンサーも
コラボ!!

店舗受取送料無料

今すぐチェック

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To strengthen the sales power, we not only launched projects featuring influencers and character collaborations but also implemented region-specific initiatives tailored to customer demographics and store characteristics.

In our online store, we secured stable sales less affected by temperature fluctuations by enhancing trend-driven and baby/kids-themed fairs, as well as expanding made-to-order sales of popular items.

As a result, net sales for the Shimamura business rose 1.7% YoY.

Avail Business ①

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Strengthening product appeal and sales power

- Enhancement of trend-proposal capabilities and brand awareness: Expanded collaborations with models and influencers; strengthened promotional activities via social media.
- Strengthening of character-themed projects: Expanded initiatives linked to popular characters' birthdays and movie tie-ins, as well as projects aligned with everyday lifestyle needs.

Promoted trend-driven proposals centered on JB's



Strengthening of character-themed projects



Expanding line-robbing initiatives



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Next, I will explain the Avail business.

In this segment, we focused on promoting trend-driven offerings centered on JB, enhancing character collaborations, and expanding our product variations.

Within JB, we attracted a broad range of customers by swiftly introducing SUREVE and responding to the rising popularity of gal fashion. Among these efforts, a collaboration with models from egg, a fashion magazine popular among gal-style fans, achieved particularly strong sales.

As part of our efforts to strengthen character collaborations, we expanded initiatives, such as birthday-themed promotions for popular characters and tie-ins with movies.

Avail Business ②

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Strengthening product appeal and sales power

- Customer acquisition through key sales events: Daily time-limited promotions, happy bags, and featured popular character campaigns drove strong customer traffic.
- Online store expansion: Expanded online fairs and made-to-order sales.

Achieved record-high single-day sales during key promotional events



Online store promotion



Next, I will explain our customer acquisition efforts through key promotional events.

In the Avail business, we highlighted the Avail Golden Week Festival through prominent flyer promotions during the major holiday period in May, which successfully drew more customers. The event featured daily time-limited sales, Happy Bags, and promotions tied to popular characters. As a result, net sales on Sunday, April 27, marked the highest single-day total in our history.

In the online store, as with the Shimamura business, we boosted sales by holding various themed fairs and strengthening made-to-order sales.

As a result, net sales in the Avail business increased 5.3% YoY.

Birthday Business ①

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Strengthening product appeal and sales power

- Product planning enhancement: In addition to strengthening JB and PB, seasonal items and character-themed projects were reinforced.
- A new line of products developed in collaboration with a popular gyaru-style influencer contributed to a notable increase in sales.

Expanded JB and PB product lineup



Strengthened seasonal offerings and collaboration projects



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Next, I will explain the Birthday business.

In the JB category, MY LITTLE WONDER, launched last year, helped address the shortage of casual-style items and contributed to increased sales.

Within the PB line BIRTHDAY PLUS, the kiteiko series, featuring child-friendly functions, such as contact cooling and quick-drying fabric, performed strongly. The Smile tech series, which offers parent-friendly features, such as resistance to pilling, also posted solid sales.

For seasonal products, we launched school supplies in line with the kindergarten and elementary school entrance season. We also promoted swimwear via flyers to capture demand for outdoor activities. Sales of these featured items exceeded year-ago levels.

As for the influencer project, a collaboration with a kids' gal model was well received. By expanding the product lineup to include not only girls' outerwear but also swimwear, yukata, and even boys' items, we achieved further sales growth.

Birthday Business ②

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Strengthening product appeal and sales power

- Diversification of promotional initiatives: In addition to utilizing social media and digital marketing, we promoted in-store events to enhance customer engagement.
- Expansion of online store operations: Expanded fairs, made-to-order, and pre-order sales through the online store, and introduced universal design product lines.

Diversified promotion strategies



Promotion of online store



To strengthen sales power, we promoted coordinated sales efforts linking in-store events with our online store in addition to digital marketing activities, such as SNS promotions.

As part of our SNS promotions, we began sharing a wide range of information beyond product details for maternity, childcare, and school supplies, including solutions to parenting mothers' concerns.

During the spring holiday period, the Saitama Shin-Toshin store hosted a KOGYARU in-store event, which attracted over 300 customers and was very successful.

At the online store, similar to the Shimamura and Avail businesses, we held various fairs and strengthened made-to-order sales.

EC Business

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Q1 Results

■ Sales

4.1 billion yen

■ Sales YoY

Up **43.3%**

■ EC ratio

2.5%

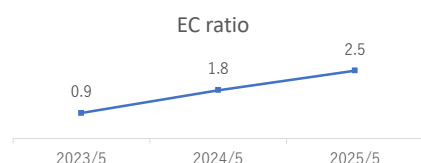
■ In-store pickup ratio

84.8%

EC performance by business

事業	前年比
Shimamura	128.6%
Avail	189.8%
Birthday	175.8%
Chambre	249.2%

Trends in EC ratio



EC ratio at Tokyo metropolitan area stores



Next, I will explain our initiatives in the EC business.

Net sales in the EC business increased 43.3% YoY to JPY4.1 billion in Q1.

By business segment, net sales grew 28.6% YoY for Shimamura, 89.8% for Avail, 75.8% for Birthday, and 149.2% for Chambre.

The ratio of online store products picked up at physical stores has remained high at 84.8% since the launch. Particularly in urban stores, the e-commerce conversion rate reached the 6% to 8% range, which is three to four times higher than the overall average, further enhancing the mutual flow of customers between physical stores and the online store.

Pop-up Store Launches ①

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Shimamura Business

Kichijoji Marui



Pre-sales of
SEASON REASON (JB)

Machida MODI



Pre-sales of influencer
collaboration products

Kitasenju Marui



Sales of PB
"CLOSSHI FIBER DRY"

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Next, we will discuss the opening of pop-up stores.

The Shimamura Group is actively promoting pop-up store openings in urban areas to raise brand awareness.

In Q1, a total of five pop-up stores were opened across the Shimamura, Avail, and Birthday businesses.

In the Shimamura business, we opened stores at Kichijoji Marui, Machida Modi, and Kita-Senju Marui, where we sold JB, PB, and influencer collaboration items in coordination with the online store.

Additionally, we held various special events, including novelty giveaways, talk shows with models, and customer engagement events featuring influencers.

Pop-up Store Launches ②

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Joint Promotions: Avail & Shimamura Businesses

TOKYO BIG SIGHT TFT Hall 300



Pre-sale of la farfa model collaboration items

Birthday Business

Pacifico Yokohama



Sales of Joint Brand "Cottoli"

The Avail and Shimamura businesses jointly participated in an event hosted by la farfa, a fashion magazine targeting plus-size customers, held at Tokyo Big Sight.

The Birthday business also took part in the Maternity & Baby Festa event held at Pacifico Yokohama.

Going forward, we will continue to enhance brand awareness and strengthen our foundation for urban store openings through the expansion of pop-up stores.

Launch of Tax-Free Shopping Services

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Started April 21 at 17 stores

(located in parts of Tokyo, Kanagawa, Chiba, Kyoto, Fukuoka, and Okinawa)

* Progressively expanding from mid-June



Kyoto Avanti Store



Hakata Bus Terminal Store



Market Square Kawasaki East Store



Asakusa ROX・3G Store



NewCoast Shin-Urayasu Store



Chatan Store (Okinawa)



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Next, I will explain about our consumption tax-exempt stores.

Starting April 21, we began offering tax-free sales at 17 stores located in Tokyo, Kanagawa, Chiba, Kyoto, Fukuoka, and Okinawa.

Inbound sales have been strong, with demand exceeding expectations particularly at stores in Asakusa, Kyoto, and Hakata.

From mid-June, we plan to expand tax-free sales to 120 stores nationwide. While accurately capturing the benefits of inbound demand, we will continue to study products and sales floor layouts to further boost sales.

Consolidated Business Forecasts for FY2/26

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● 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 expenses for consumables and display equipment due to renovations of existing stores are also expected to increase.

● 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	—

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The numerical forecast for consolidated results is as follows.

There is no change to the plan for net sales of JPY692.6 billion, up 4.1% YoY, operating income of JPY60.6 billion, up 2.4% YoY, and an operating margin of 8.8% for the fiscal year ending February 2026.

From Q2 onward, we will continue to strengthen product appeal and sales power in each business to drive growth in existing store sales.

To secure the gross profit margin, we aim to improve the markup rate by expanding high-priced products, advancing fabric and production line contracts, reviewing production countries, and promoting product procurement through the Import Department.

Regarding SG&A expenses, increases in personnel and display fixtures expenses due to renovations of existing stores have already been incorporated into the plan.

Financial Results Materials (Disclosed on the corporate website)

- | | |
|---|--------------------|
| ▽ Financial Results Briefing Materials (with comments): | June 30 (Monday) |
| ▽ Financial Results (Summary of Question and Answer Session): | July 2 (Wednesday) |
| ▽ Financial Results Briefing (English): | July 3 (Thursday) |

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.

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Finally, I would like to provide information regarding disclosure. This is the disclosure schedule for the financial results available on the corporate website.

This concludes the presentation on Shimamura's Q1 results for the fiscal year ending February 2026 and the consolidated earnings forecast.

Thank you for your attention.