FY2/26

SHIMAMURA Co.,Ltd.

Q2 Financial Results

September 30, 2025

しまむらグループ

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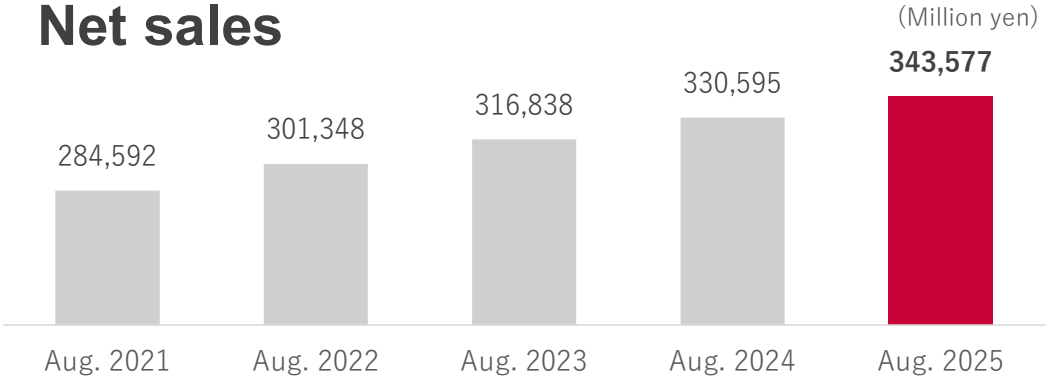
FY2/26 Q2 Summary (Consolidated)

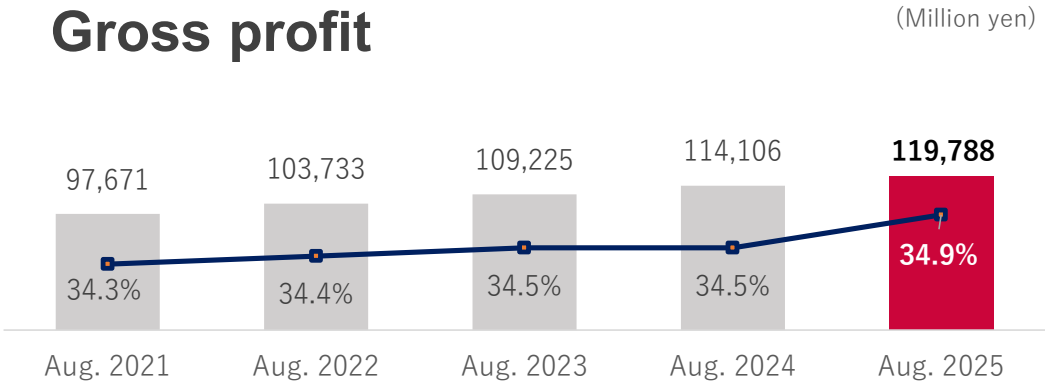
■ **Net sales, gross profit, operating income, and net income all reached record highs for the first half.**

While the gross profit margin increased by 0.4pt YoY, the operating margin declined by 0.3pt due to a higher SG&A ratio.

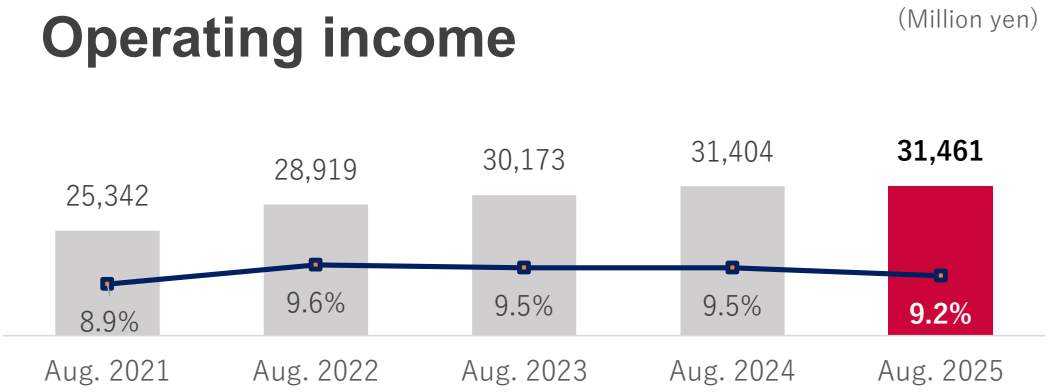
Net sales



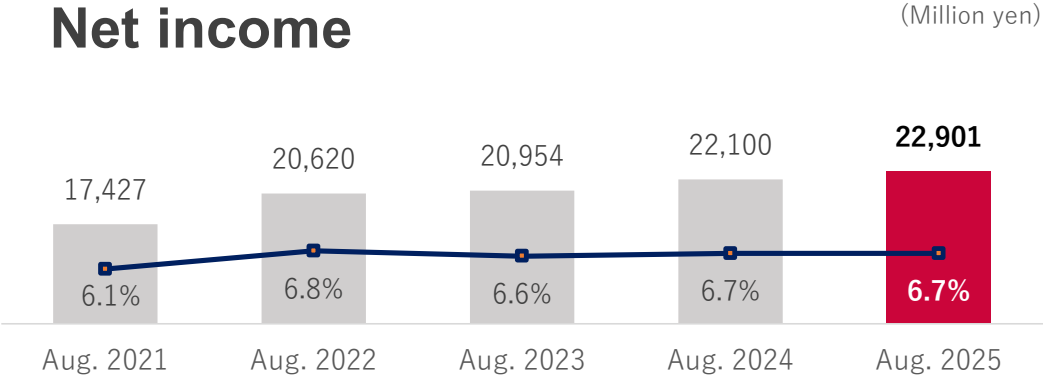
Gross profit



Operating income



Net income



Consolidated Results: Income Statement

■ All figures were generally in line with plans, with sales and profits exceeding those of the previous year.

Gross profit margin was 34.9%, as planned. Selling, general and administrative expenses were also generally in line with plan.
However, as net sales fell short of plan, the SG&A ratio increased. As a result, the operating margin came in 0.2pt below plan at 9.2%.

(Million yen/%)

	FY2/26 H1	Ratio to sales	YoY	FY2/25 H1	Ratio to sales	YoY
Net sales	**343,577**	**100.0**	**103.9**	330,595	100.0	104.3
Gross profit	**119,788**	**34.9**	**105.0**	114,106	34.5	104.5
SG&A	**89,010**	**25.9**	**106.7**	83,409	25.2	104.6
Operating income	**31,461**	**9.2**	**100.2**	31,404	9.5	104.1
Ordinary income	**32,556**	**9.5**	**101.8**	31,987	9.7	104.1
Net income attributable to owners of parent	**22,901**	**6.7**	**103.6**	22,100	6.7	105.5
Net income per share	**311.56円**	—	—	300.67円	—	—

Consolidated Results: SG&A Expenses

■ **SG&A expenses were generally in line with the plan. Growth initiatives such as salaries,renovations, and display equipment were strengthened.**

Personnel expenses increased 8.4% year on year due to wage increases and strengthened training and recruitment, etc. Advertising expenses increased 7.0% year on year due to expanded digital sales promotions and strengthened events, etc. we also invested in renovations and improved store operation efficiency.

(Million yen/%)

	FY2/26 H1	Ratio to sales	YoY	FY2/25 H1	Ratio to sales	YoY
Salary	39,819	11.6	108.3	36,762	11.1	107.5
Total personnel expenses	46,780	13.6	108.4	43,135	13.0	107.9
Advertising expenses	5,769	1.7	107.0	5,390	1.6	99.2
Total selling expenses	10,363	3.0	107.6	9,632	2.9	102.1
Supplies expenses/ Display fixtures expenses	1,491	0.4	125.6	1,186	0.4	105.6
EDP expenses	911	0.3	81.1	1,123	0.3	84.1
Total operating expenses	5,026	1.5	109.2	4,604	1.4	102.4
Rents	16,590	4.8	101.0	16,424	5.0	100.7
Depreciation and amortization	3,242	0.9	109.3	2,966	0.9	101.7
Total equipment cost	24,301	7.1	103.4	23,498	7.1	100.3
Total general expenses	2,538	0.7	100.0	2,538	0.8	104.7
Total SG&A expenses	89,010	25.9	106.7	83,409	25.2	104.6

Consolidated Results: Balance Sheets

- Assets: Total assets increased 5.9% compared to the end of the same period last year due to an expansion in fund management and an increase in new stores and renovations.
- Liabilities: This represents a 4.9% increase compared to the end of the same period last year, due to factors such as an increase in unpaid expenses resulting from wage increases and an increase in the reserve for meritorious retirement of regular employees.

(Million yen/%)

	End-Aug. 2025	Composition ratio	YoY	End-Aug. 2024	Composition ratio
Current assets	**376,579**	**64.4**	**105.3**	357,606	64.8
Noncurrent assets	**208,058**	**35.6**	**106.9**	194,597	35.2
Total assets	**584,637**	**100.0**	**105.9**	552,203	100.0
Current liabilities	**56,350**	**9.6**	**104.7**	53,801	9.7
Noncurrent liabilities	**10,859**	**1.9**	**105.7**	10,270	1.9
Total liabilities	**67,210**	**11.5**	**104.9**	64,071	11.6
Total shareholder's equity	**511,218**	**87.4**	**105.8**	483,212	87.5
Accumulated other comprehensive income	**6,208**	**1.1**	**126.2**	4,919	0.9
Total net assets	**517,426**	**88.5**	**106.0**	488,131	88.4
Total liabilities and net assets	**584,637**	**100.0**	**105.9**	552,203	100.0

Sales by Business

■ **Net Sales: All businesses exceeded the prior-year level, supported by efforts to reduce reliance on temperature-sensitive demand.**

Shimamura: Maintained solid performance thanks to successful product development and flexible promotions.
Avail: Sales were constrained by unstable weekend weather and the absence of major fashion megatrends.
Birthday: Fell short of plan as customer traffic in Q1 failed to increase.

(Million yen/%)

Business	FY2/26 H1	Composition ratio	YoY	FY2/25 H1	Composition ratio	YoY
Shimamura	**255,149**	**74.3**	**103.4**	246,705	74.6	104.0
Avail	**34,875**	**10.1**	**103.3**	33,766	10.2	106.8
Birthday	**40,151**	**11.7**	**105.4**	38,079	11.5	104.8
Chambre	**8,283**	**2.4**	**108.7**	7,623	2.3	101.4
Divalo	**538**	**0.2**	**112.6**	478	0.2	109.3
Shimamura (non-consolidated)	**338,999**	**98.7**	**103.8**	326,654	98.8	104.3
Si meng le (Taiwan)	**4,577**	**1.3**	**116.1**	3,941	1.2	110.2
Shimamura (consolidated)	**343,577**	**100.0**	**103.9**	330,595	100.0	104.3

Same-store Sales, Customer Traffic, and Average Spending per Customer (YoY)

■ **Same-store sales exceeded the prior-year level across all businesses, supported by higher customer traffic and an increase in average unit price.**

Sales of value-for-money products during key promotional events, carefully curated assortments tailored to regional characteristics, and the impact of renovated stores drove customer traffic growth across all businesses. Expansion of higher value-added, premium-priced items lifted average unit price by 2–3% YoY.

(%)

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
	FY2/26 Q2	105.4	105.0	104.4	100.6	98.7	101.8
	FY2/26 H1	103.6	103.4	102.3	101.1	98.7	102.3
Avail	FY2/26 Q1	104.2	105.3	102.8	102.5	99.2	103.3
	FY2/26 Q2	100.6	101.4	97.5	104.0	99.6	104.3
	FY2/26 H1	102.3	103.3	100.0	103.3	99.5	103.9
Birthday	FY2/26 Q1	99.1	102.3	101.7	100.6	97.2	103.4
	FY2/26 Q2	107.1	109.7	108.2	101.4	96.9	104.6
	FY2/26 H1	102.4	105.4	104.6	100.8	97.1	103.9

Gross Profit, Price Reduction, Inventory YoY

■ **In the Shimamura Business, gross margin rose 0.5pt YoY, reflecting narrowing of price reductions and improved markup rate.**

In the Birthday Business, gross margin declined 0.3pt YoY, due to clearance of slow-moving inventory and earlier-than-usual price reductions on summer items.

(%, pt)

Business	Period	Gross profit			Price reduction			Inventory
		Gross profit YoY	Gross margin		Discount price YoY	Discount rate		Inventory YoY (Monthly avg.)
				YoY			YoY	
Shimamura	FY2/26 Q1	105.6	34.3	+1.3	86.7	7.2	−1.3	−
	FY2/26 Q2	104.4	34.3	−0.2	105.5	5.3	+0.1	−
	FY2/26 H1	105.0	34.3	+0.5	94.1	6.2	−0.6	105.7
Avail	FY2/26 Q1	105.6	37.9	+0.1	111.0	16.6	+0.9	−
	FY2/26 Q2	100.7	39.5	−0.3	115.7	13.0	+1.6	−
	FY2/26 H1	103.0	38.7	−0.1	113.1	14.7	+1.2	109.2
Birthday	FY2/26 Q1	101.8	34.8	−0.1	107.1	4.6	+0.2	−
	FY2/26 Q2	108.5	31.3	−0.4	129.8	8.9	+1.4	−
	FY2/26 H1	104.4	33.3	−0.3	119.7	6.5	+0.8	108.9

2. Initiatives by Business

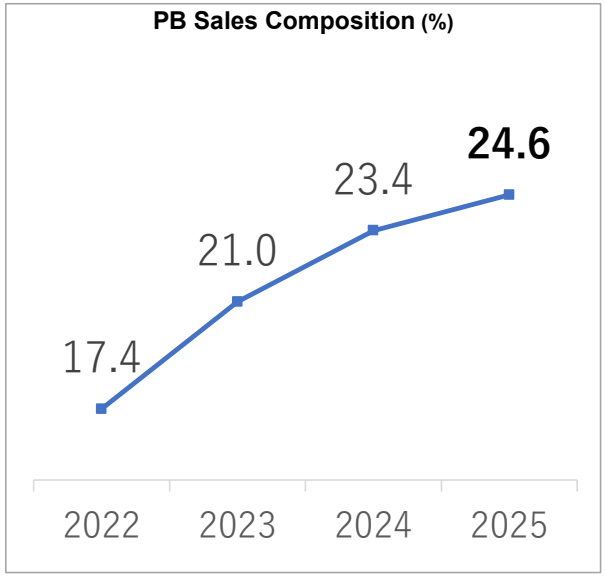
Shimamura Business (1)

Evolution and development of private brand (PB) products progressed steadily. Sales of FIBER DRY (FD) rose 13.4% YoY.

PB items with moisture-absorbing, quick-drying, and cooling functions performed strongly, supported by the hot summer. The “Ikiiki Lab” series, developed in response to rising health awareness, also showed strong sales. In JB, higher-priced products with a focus on materials and functionality, as well as collaboration projects, maintained solid performance.

PB Performance in H1

- PB sales: **+8.8% YoY**
- FD sales: **+13.4% YoY**



PB product development progressed steadily

Enhanced planning capabilities at JB

Shimamura Business (2)

■ In H1, we launched the first-ever “Super Surprise Sale.” Customer traffic on the opening day exceeded 1.06 million.

■ The online store further established a model for generating sales less susceptible to weather conditions, through exclusive promotions and made-to-order sales.

Significant increase in customer traffic from the Super Surprise Sale

Online store driven by exclusive campaigns and made-to-order sales

Avail Business

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■ **Key promotional events and campaigns performed strongly. Character-related sales rose 22.2% YoY, supported by the expansion of original projects.**

Major events such as the Key Event “Avail Summer Festival” and participation in Tokyo Girls Collection (TGC) were successful. Strong character sales helped establish a sales structure less dependent on weather conditions. Line expansion initiatives continued to attract new customers. However, frequent unfavorable weekend weather caused sales to fall short of plan.

“Avail Summer Festival” (Key Event)

Increased brand recognition through TGC participation

Expansion of original character projects

New customer acquisition through line expansion

Birthday Business

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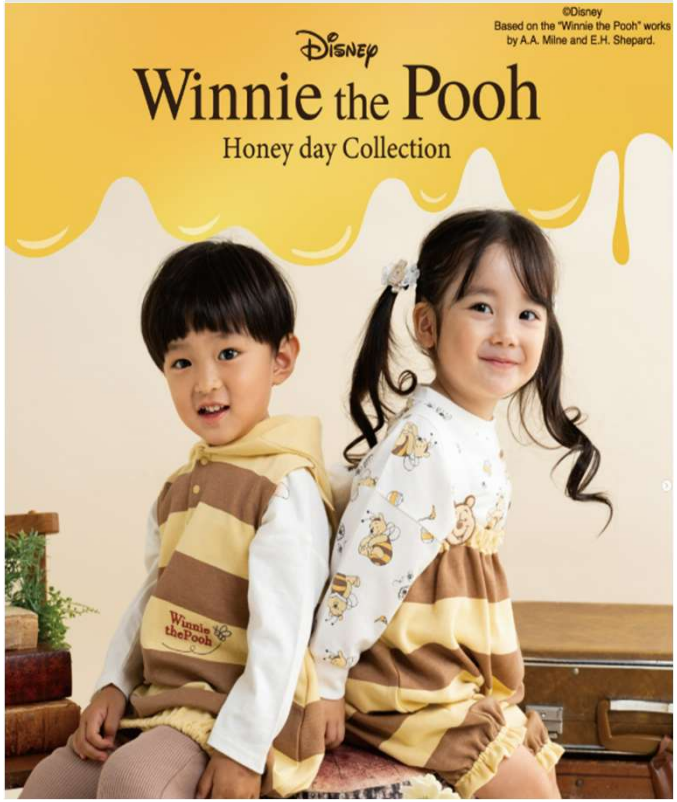
■ **The 25th Anniversary Campaign boosted customer traffic, while revitalized events enhanced brand awareness.**

Character-related sales rose 15.4% YoY. large-scale store layout changes (90 stores) were implemented, and pop-up shops opened successfully. In 1Q, summer products struggled due to bad weather. On the other hand, the 25th anniversary project was a success, increasing the number of customers and driving sales higher than the previous year.

25th Anniversary Campaign (from May 21)

Pop-up store

Sales structure less dependent on temperature fluctuations



Chambre and Divalo Business

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- In the Chambre Business, sales increased, driven by the success of the 25th Anniversary Campaign and the strong performance of new-layout stores. Synergies from the rollout of new layouts and expanded line expansion initiatives contributed to significant growth in sales of spring gifts and Mother's Day gifts.
- In the Divalo Business, hands-free shoes and waterproof products performed well. The newly opened Kikuta FM store posted record-high sales.

Chambre Business

Divalo Business

Si meng le (Taiwan) Business

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- Sales rose 8.8% YoY, supported by strengthened influencer collaborations, enhanced original initiatives such as PB and JB products, and the positive impact of urban store renovations. In particular, strong performance of Japan-originated products lifted average spending per customer to 1.5x the level of five years ago.

Strengthened influencer projects

Expansion of PB/JB original projects

Renovation of urban-format stores

3. Growth Strategy Initiatives

Store Openings and Renovations (Japan)

■ Store Openings: 10 stores in H1, 40 stores in H2, totaling 50 stores for the year, progressing in line with plan.

In H2, we will focus on developing high-traffic store formats, including in-shop locations, compact urban stores, and 5-business-format (FM) stores.

● In-shop

- Shimamura Ito-Yokado Misato (Saitama, September) → First-ever opening inside an Ito-Yokado
- Shimamura Seiyu Omori (Tokyo, late October) → Full-lineup store in an urban area (sales floor: 1,800㎡)

● Compact Urban Stores

- Avail Omori Ekimae (Tokyo, mid-December) → New format for urban openings (sales floor: 590㎡)

● 5-Business FM / Remote Islands

- Beppu FM store (Oita, mid-December) → first 5-business-format store
- Shimamura Tsushima (Nagasaki, mid-December) → Also playing a role as a clothing infrastructure on remote islands

■ Store Renovations: 52 stores in H1, 62 stores in H2, totaling 114 stores for the year, exceeding plan.

Renovation effects have met expectations, and the pace of renovations will be maintained through H2 and beyond.

Expansion of E-Commerce Business

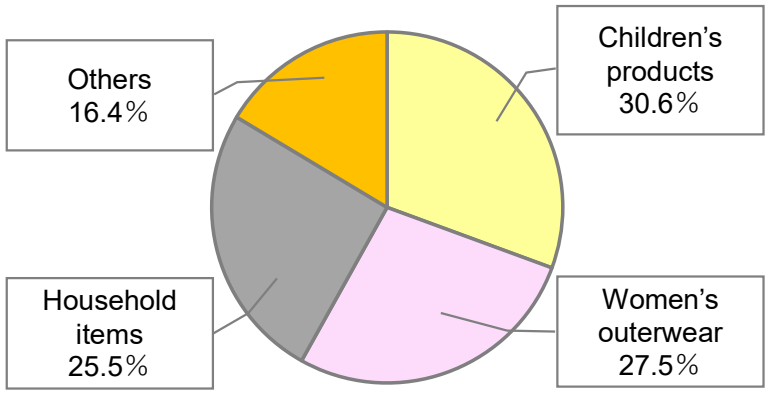
■ **H1 EC sales reached 8.8 billion yen, up 43.5% YoY. Children's products performed particularly well.**

In July, we launched a B2B EC site, and in October, we opened the integrated group EC site "Shimamura Park."

EC sales by business (H1)

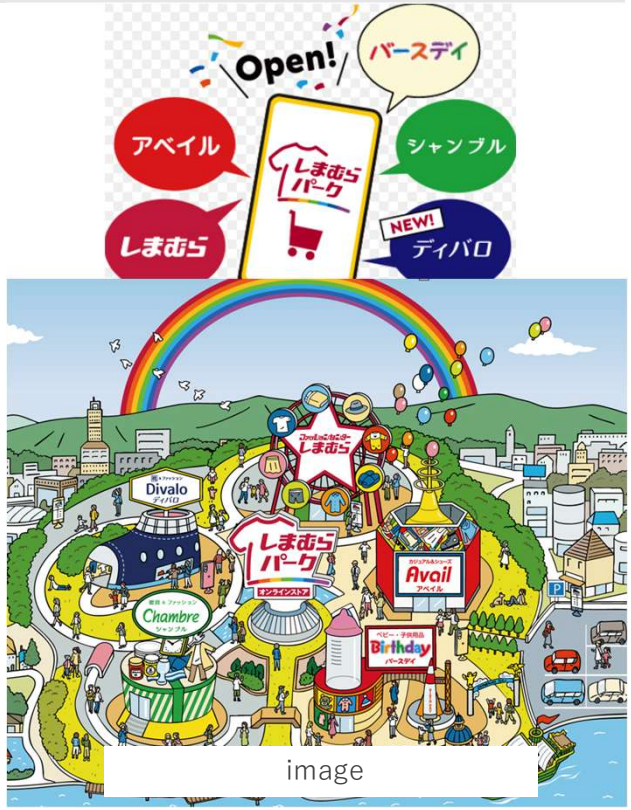
Business	YoY
Shimamura	Up 40.9%
Avail	Up 20.2%
Birthday	Up 85.1%
Chambre	Up 135.8%

EC sales composition by category (H1)



Launch of B2B EC site

Integration of EC platforms to "Shimamura Park"



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Entry into New Overseas Business

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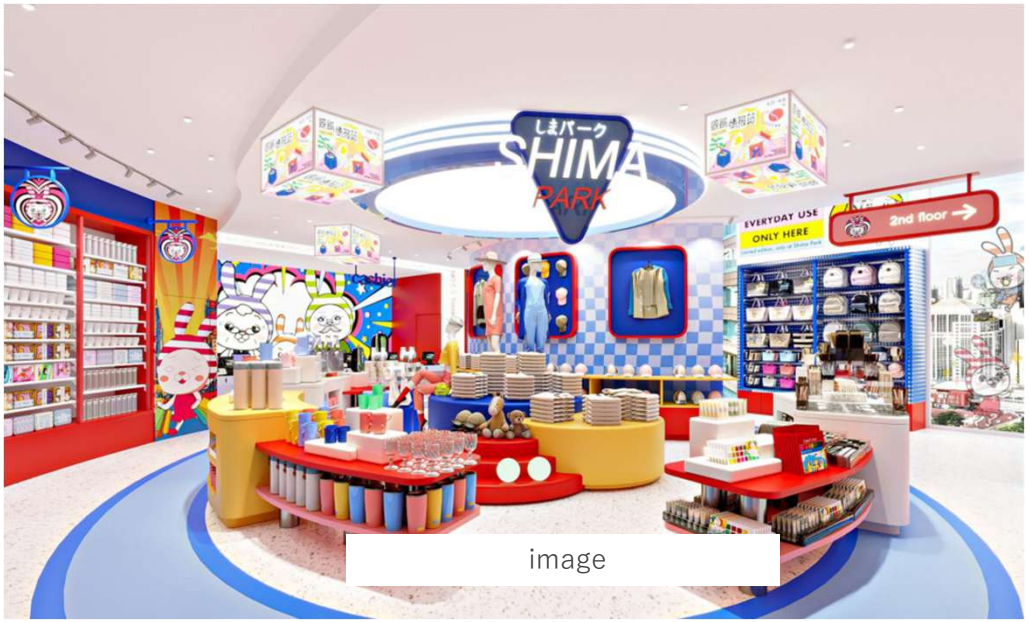
Opened a pop-up store in a major shopping mall in Bangkok, Thailand.

In parallel, a local EC site is scheduled to launch during the same period.



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4. ESG Initiatives

ESG Initiatives (1) (Environment)

- Collected used apparel at 400 stores in April and 900 stores in July, with total collection volume reaching 103.5 tons in H1, steadily expanding.
- Recycled collected items from last year into new products. In April, distributed a flyer promoting sustainable products, with another round planned for H2.

Expansion of apparel collection program

【衣料品回収のお知らせ】

2025/06/30

しまむらグループでは、「MUDAZERO」プロジェクトと連携し、衣料品のリサイクルを実施します！
みなさまのご自宅に不要な衣料品はありませんか…？

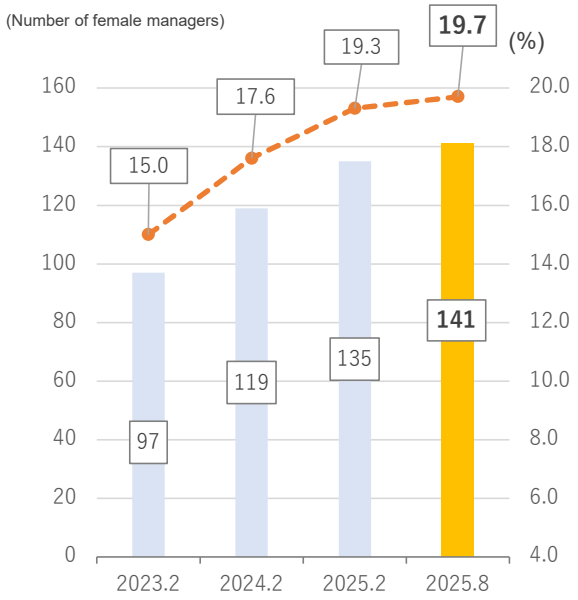
Nationwide promotion (excluding Okinawa)

Launch of sustainable product flyer campaign

ESG Initiatives (2) (Society)

- Promoting diversity: The ratio of female managers rose to 19.7%. Also held in-house discussion sessions for employees raising children.
- Expansion of “Shima Sapo” shopping assistance service: Awareness has increased, leading to more usage and positive feedback from many users.

Promoting diversity



Number and ratio of female managers (trend)

In-house discussion sessions held

Expansion of “Shima Sapo” shopping assistance services

Types of services	Number of cases in H1
On-site sales	111 (46 last year)
Shopping tours	101 (63 last year)

On-site sales (special nursing home)

Distribution of promotional flyers

5. Consolidated Business Forecasts for FY2/26

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. An increase in consumables and display equipment is also planned in line with 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	**583.07円**	—	—	569.83円	—
Dividend per share	**205円**	—	—	200円	—

Information Disclosure

Financial Results Materials (Disclosed on the corporate website)

▽ Financial Results Briefing Materials (with comments): Tuesday, September 30

▽ Financial Results (Summary of Question and Answer Session): Wednesday, October 1

▽ Financial Results Briefing (English): Thursday, October 2

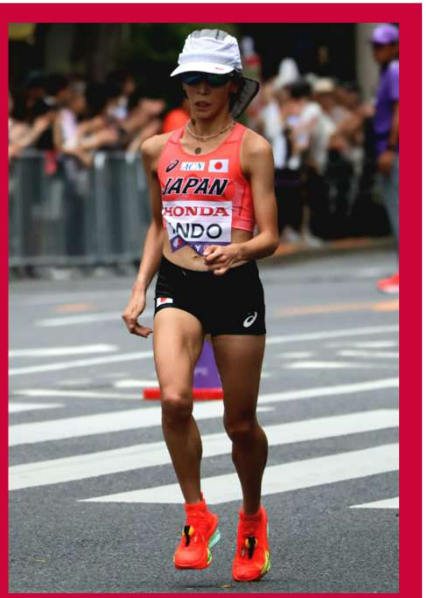
Shimamura Group Integrated Report 2025

Please refer to the following URL:
＜https://www.shimamura.gr.jp/en/ir/library/integratedreport/＞

Shimamura Women's Athletic Team

Yuka Ando

Thank you for your support at the 2025
World Athletics Championships
Women's Marathon



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.