FY2/26

SHIMAMURA Co.,Ltd.

Q2 Financial Results

September 30, 2025

しまむらグループ

Good morning, everyone.

I am Tsujiguchi, Director and Executive Officer.

Thank you very much for taking time out of your busy schedule to attend today's financial results briefing.

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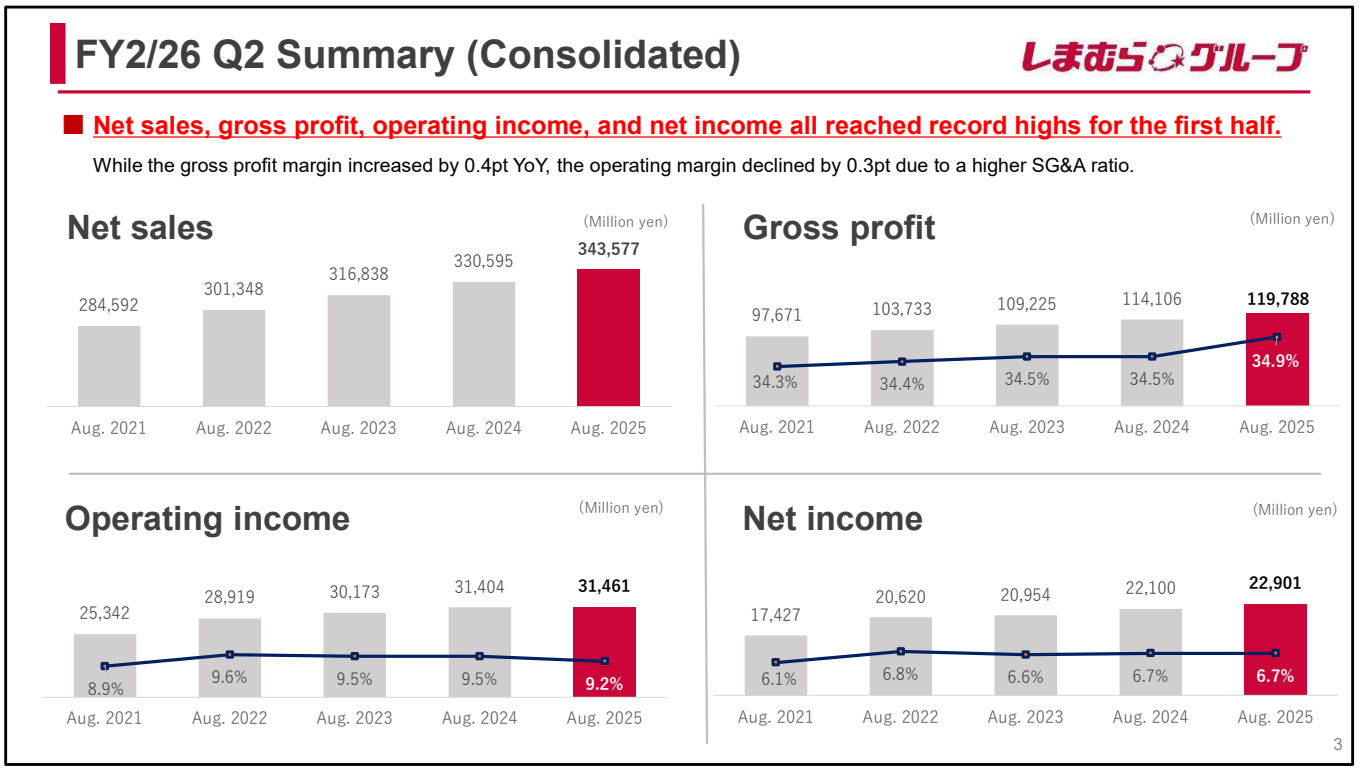
Here are topics we will explain today.

I will provide a summary and overview of the financial results for Q2 of the fiscal year ending February 20, 2026.

Next, President Takahashi will explain the initiatives of each business, growth strategy, ESG initiatives, and consolidated business forecasts for the fiscal year ending February 2026.



First, I will provide a summary of H1.

Net sales, gross profit, operating income, and net income all reached record highs.

The gross profit margin rose 0.4 percentage points from the previous period to 34.9%, but the operating profit margin declined 0.3 percentage points to 9.2% due to an increase in SG&A expenses.

We will explain the factors in the following page and beyond.

Consolidated Results: Income Statement

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■ **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	–	–

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Next, we will explain the consolidated results for H1 of the fiscal year.
The actual results for each number are shown here.

First, looking back, we would like to talk about external factors.
In the domestic consumption environment, while the wage increases have been seen, the price of food and daily necessities continued to rise due to higher labor and logistics costs, as well as higher prices for raw materials.

As a result, real wages continue to decline and consumers remain thrifty, so consumer activities, including apparel products, remain challenging.

As for the weather from June to August, sales of summer products were favorable due to the sunny days. On the other hand, average temperatures reached record highs since the start of the statistics, especially in August, and people tended to stay indoors due to the extreme heat.

In response to these external factors, we promoted the strengthening of our product appeal and sales power, resulting in H1 sales of JPY343.5 billion, a 3.9% increase over the previous year.

Gross profit margin was 34.9%, in line with the plan, and SG&A expenses were generally in line with the plan. However, sales fell slightly short of plan, resulting in a higher SG&A-to-sales ratio and an operating income ratio of 9.2%, down 0.2 percentage points from the plan.

Consolidated Results: SG&A Expenses

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■ **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

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Next, I will explain the breakdown of consolidated SG&A expenses.

Personnel expenses increased 8.4% from the previous year, mainly due to wage increases and increased investment in training and recruitment.

Advertising expenses increased 7% from the previous fiscal year. This was due to the expansion of seasonal and scene-specific digital sales promotions and the opening of pop-up stores in urban areas to raise awareness.

Expenses for supply and display fixtures equipment increased 25.6% from the previous year due to an increase in the number of remodeled stores and the purchase of equipment to improve efficiency in transportation and display operations.

These expenses reflect our strong commitment to driving growth even in a challenging environment.

As a result, total SG&A expenses increased 6.7% from the previous year to JPY89 billion, but it is generally in line with the plan.

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

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

Total assets increased 5.9% from the end of the same period last year. The main factors were an increase in marketable securities from expanded fund management and an increase in buildings and other assets from new store openings and renovations.

Total liabilities increased 4.9% from the end of the same period last year. The main factor was a 7.3% increase in accrued expenses compared to the end of the same period last year. The provision for regular employee retirement service also increased.

Sales by Business

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■ **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

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This section describes sales by business segment. In each business, sales in all domestic and overseas operations exceeded the previous year's levels, thanks to the successful efforts to make sales less susceptible to temperature fluctuations.

First, in the Shimamura business, net sales rose 3.4% YoY to JPY255.1 billion, driven by stronger product development focused on self-developed brands centering PB, and solid performance at key events.

In the Avail business, sales increased 3.3% from the previous year to JPY34.8 billion, thanks to strong sales at key events and the creation of sales that are less susceptible to temperature fluctuations.

In the Birthday business, sales increased 5.4% YoY to JPY40.1 billion as the number of customers recovered in Q2 due to revised sales promotion measures, despite the poor performance due to unseasonable weather in Q1.

However, sales in the Avail business fell short of the H1 plan due to unstable weekend weather and the absence of megatrends. Similarly, sales in the Birthday business fell short of plan in Q1, as the number of customers did not increase.

Specific initiatives for each project are explained on page 10 and beyond.

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

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■ **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

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Next, we will explain H1 results for existing store sales, as well as customer numbers and average spend per customer across all stores.

The number of customers increased in all businesses due to the implementation of promotion events, careful selection of products tailored to local needs, and aggressive store remodeling.

In addition, the unit price per item increased due to the expansion of higher-priced items with higher added value.

As a result, store sales in all businesses were higher than the previous year.

Gross Profit, Price Reduction, Inventory YoY

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■ **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	YoY	Discount price YoY	Discount rate	YoY	Inventory YoY (Monthly avg.)
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

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Next, we will explain gross margin and price reduction.

In the Shimamura business, the gross profit margin rose 0.5 percentage points YoY to 34.3%, driven by fewer price reductions in Q1 and an improved markup ratio.

In the Avail business, the gross profit margin declined 0.1 percentage points from the previous year to 38.7% due to the disposal of backlogged inventory, despite an improvement in the markup ratio.

In the Birthday business, the gross profit margin declined 0.3 percentage points from the previous year to 33.3% due to the disposal of backlogged inventory and accelerated price reductions for summer goods.

2. Initiatives by Business

Good morning, everyone. I am Takahashi, President.

Next, I will explain the initiatives of each project.

Shimamura Business (1)

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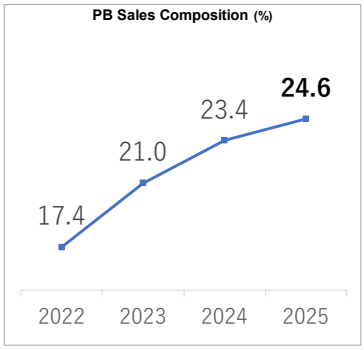
■ **Evolution and development of private brand (PB) products progressed steadily. Sales of FIBER DRY (FD) rose 13.4% YoY.**

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

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First, in the Shimamura business, evolution and development in PB ratio progressed steadily.

In particular, CLOSSHI’s FIBER DRY increased 13.4% over the previous year on the back of a hot summer.

The Ikiiki Laboratory series, developed in response to growing health consciousness, also achieved strong sales growth.

As a result of these product appeal, sales of PB increased 8.8% over the previous year, and the P/B ratio to total sales rose 1.2 percentage points to 24.6%.

In the jointly developed brand, JB and below, high-priced products with a focus on materials, functionality and silhouettes performed well.

In addition, influencer projects and collaborations with popular TV shows, which are less affected by temperature fluctuations, sold well, driving a 6.7% YoY increase in JB sales.

Shimamura Business (2)

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■ 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

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To strengthen sales, we held a “super surprise sale” for the first time in H1 of the fiscal year, which had a great response in H2 of the previous fiscal year.

The number of visitors on the first day exceeded 1,060,000, setting a new record for H1 of July.

In addition, online store sales were strong, driven by e-commerce-exclusive fairs, store-linked projects, and made-to-order sales.

Such differentiation and collaboration between online and physical stores are further advancing a sales system that is less affected by temperature fluctuations.

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

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Next, I will explain the Avail business.

In the Avail business, sales increased significantly due to the success of the key event, the Avail Summer Festival, held on June 21 and June 28.

In addition, our exhibit at TGC teen 2025 Summer had more than 1 million simultaneous viewers, leading to increased awareness among young people and in urban areas.

Sales of character products, which are less susceptible to temperature fluctuations, increased 22.2% YoY as the development of original projects by Avail expanded.

In addition, we made steady progress with line robbing initiatives, adding new product lines such as storage goods to attract new customers, along with developing regular sizes such as SS and 5L.

Although H1 sales fell slightly short of the plan, we aim to achieve the annual plan for H2 by taking measures to improve weekday customer numbers, strengthening priority events, and expanding the use of e-commerce.

Birthday Business

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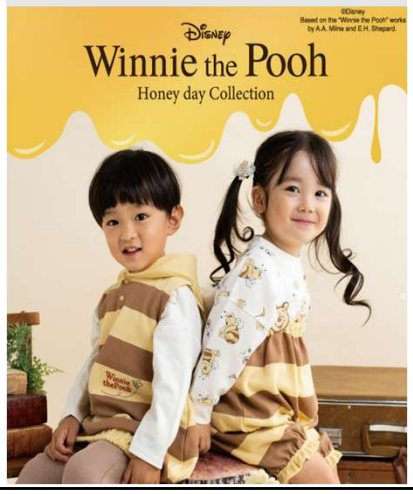
■ **The 25th Anniversary Campaign boosted customer traffic, while revitalized events enhanced brand awareness.**

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



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Next, I will explain the Birthday business.

In the Birthday business, the number of customers increased 8.2% YoY in Q2, driven by the success of the 25th anniversary campaign implemented from May 21.

Events included collaborations with new brands and influencers at pop-up stores, which helped to attract new customers and increase awareness in urban areas.

In addition, sales of character products, which are less susceptible to temperature fluctuations, were strong, up 15.4% from the previous year.

On the other hand, sales of summer products struggled due to unstable weather and temperatures in Q1. Price reductions on stagnant inventories were made ahead of schedule, resulting in a lower gross profit margin than in the previous year.

Sales in H1 also fell short of the plan. For H2, we aim to achieve the annual plan by rebranding JB, developing new brands, strengthening the 25th anniversary project, and expanding the use of EC.

In addition, we implemented large-scale layout changes at 90 stores in H1 to improve ease of shopping and presentation. Stores that have adopted the new layout are seeing strong sales growth, and we plan to roll out the layout changes to more stores in H2 of the fiscal year.

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

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Next, I will explain the Chambre and Divalo businesses.

In the Chambre business, the 25th anniversary campaign and stores with the new layout to enhance VMD and visual merchandising proved successful.

In addition, the synergistic effects of stores with the new layout and expanded line robbing drove YoY sales growth of over 10% for spring gifts and Mother's Day gifts across all stores.

In the Divalo business, hands-free shoes and waterproof functional products performed well, supported by an expanded lineup across the women's, men's, and kids' categories.

In addition, the Kikuta FM store in Fukushima Prefecture, which opened in June, saw an increase in the number of customers due to size measurement sessions using a 3D foot measuring device, and sales for the opening period reached a record high.

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

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Next, I would like to explain about the Si meng le business in Taiwan.

Si meng le experienced severe weather conditions during July and August, including six typhoons.

However, strong sales were driven by the Company's efforts for influencer projects, promote original initiatives centered on PB and JB, and remodel urban stores.

In addition, the unit price per item has increased due to the strengthening of Japanese projects, and the price per customer has increased 1.5 times compared to five years ago.

As a result, net sales increased 8.8% from the previous year.

3. Growth Strategy Initiatives

Next, I will explain our growth strategy initiatives.

Store Openings and Renovations (Japan)

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■ **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.

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First, let me explain our domestic store openings and renovations.

Ten new stores were opened in H1. In H2, we expect to open 40 new stores, bringing the annual number of planned store openings to 50, in line with our plan.

In H2 of the fiscal year, Shimamura Ito-Yokado Misato opened on September 18, the first store in Ito-Yokado.

In addition, Shimamura Seiyu Omori, a large store with a sales floor area of 1,800 square meters, will open in October. We will set up a Birthday's pop-up store as an annex within this store as a new initiative.

As part of its urban expansion strategy, we will open the Avail Omori Ekimae store in a new format, with a sales floor area of approximately 590 square meters, smaller than the standard size.

In addition, we will open our first five business FM stores and open stores on remote islands.

Next, I will explain about store remodeling.

The number of remodeled stores in H1 reached 52. In H2, 62 stores are planned to be remodeled, bringing the total number of stores remodeled for the year to 114, more than planned.

Expansion of E-Commerce Business

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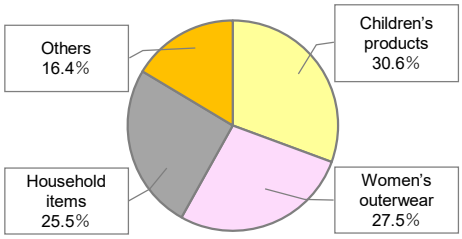
■ **H1 EC sales reached 8.8 billion yen, up 43.5% YoY. Children's products performed particularly well.**

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"

image

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Next, I will explain the H1 results and H2 plans for the EC business.

In H1, EC sales increased 43.5% from the previous year to JPY8.8 billion.

All businesses increased YoY due to expanded use of EC in each business and a high ratio of customers picking up orders in stores. In particular, children's wear from Shimamura and Birthday accounted for a strong 30.6% of EC sales, outperforming women's wear.

In addition, a B-to-B EC site, Shima Sapo Chokutoku-bin, was opened in July for the purpose of developing new customers. Shima Sapo Chokutoku-bin is an e-commerce site that was created, prompted by Shima Sapo, one of our ESG activities. Long term care facilities, daycare centers, and other businesses will be able to make bulk purchases at Shimamura's secure prices.

In addition, Shimamura Park, the SHIMAMURA Group's unified e-commerce site, will be launched in October. This is an e-commerce mall-type site that integrates the currently separate e-commerce sites of each business into one.

This will allow customers to select and order products across businesses. In addition, in-store pickup will become more convenient as customers can see and touch the products before paying for them at their local SHIMAMURA Group store.

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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Next, I will explain our overseas business.

Currently, our overseas stores are only in Taiwan, but we plan to open more stores in the Southeast Asian region in the future.

First, we plan to open a pop-up store in a major shopping center in Bangkok, Thailand. We are also planning to open our own e-commerce site for the local market and to open stores in external e-commerce marketplaces.

We will inform you of these plans through press releases and other media as soon as the details are finalized.

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4. ESG Initiatives

Next, I will explain our ESG initiatives.

ESG Initiatives (1) (Environment)

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- 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

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First, let me explain our environmental initiatives.

Apparel clothing was collected at 400 stores in April and 900 stores in July, with the total amount collected steadily increasing to 103.5 tons in H1.

In addition, some of the apparel clothing collected in the previous year were recycled and their yarns were used to make products. This item was featured in the April flyers of Shimamura, Birthday, and Chambre. In H2, we plan to sell sustainable products in four businesses, including Avail.

This apparel clothing collection also motivates customers to visit the store and will have a certain effect as a sustainable initiative.

ESG Initiatives (2) (Society)

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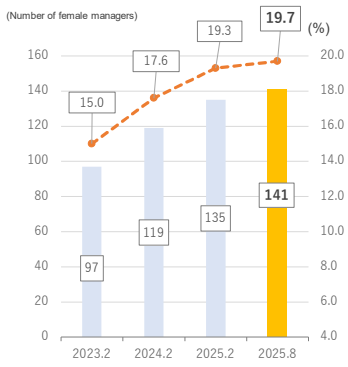
- Promoting diversity: The ratio of female managers rose to 19.7%. Also held in-house discussion sessions for employees raising children.
- Expansion of “Shima Sapo” shopping assistance service: Awareness has increased, leading to more usage and positive feedback from many users.

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

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Next, I will explain our social initiatives.

First, the ratio of female managers increased 0.4 percentage points from the end of the previous fiscal year to 19.7%.

In addition to promoting women to managerial positions, we have launched in-house opinion exchange meetings for the child-rearing generation, including men, and we will continue working to create an environment where both women and men can thrive.

Next, we will explain the shopping support service, Shima Sapo.

Shima Sapo is a service launched in FY2024 to support people who have difficulty going out for shopping, such as residents of depopulated areas, long-term care facilities, and facilities for the disabled people.

In H1, there were 111 on-site sales and 101 shopping tours offering in-store shopping assistance, representing a significant increase from the previous year. We keep receiving many inquiries and will continue to strengthen our capacity to support them.

5. Consolidated Business Forecasts for FY2/26

Next, I will explain the consolidated earnings forecast for the fiscal year ending February 2026.

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. 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	–

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The numerical forecast of consolidated financial results is as shown.

There is no change in our plans for the fiscal year ending February 2026, which call for net sales of JPY692.6 billion, up 4.1% from the previous year, operating income of JPY60.6 billion, up 2.4% from the previous year, and an operating margin of 8.8%.

In Q3 and beyond, we will continue to promote the strengthening of product appeal and sales power in each business to increase existing store sales.

In addition, to secure gross profit margin, we will improve the markup rate by expanding high-priced products, promoting fabric contracts and production line contracts, reviewing countries of production, and promoting product procurement through our import department.

The increase in SG&A expenses due to higher personnel expenses and display fixtures expenses resulting from the remodeling of existing stores has been factored into the plan.

Information Disclosure

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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/＞

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Finally, we will inform you of our disclosure information. The schedule for disclosing financial results on the corporate website is as shown.

This completes the explanation of SHIMAMURA Co., Ltd.'s business results for Q2 of the fiscal year ending February 20, 2026, and its consolidated business forecast.

Thank you for your attention.

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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.