

FY2/27

SHIMAMURA Co., Ltd.

Q2 Financial Results

September 29, 2026



* The image was generated using generative AI

1	Q2 FY2/27 Summary	P 3
2	Initiatives by Business	P10
3	ESG Initiatives	P26
4	Consolidated Business Forecasts for FY2/27	P29

Now, as you can see, here is what I'll be covering today.

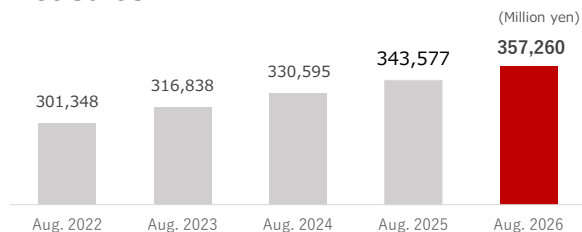
First, I will present the summary of Q2 and the financial results for the fiscal year ending February 2027.

Next, President Takahashi will discuss the initiatives in each business segment, our ESG efforts, and the consolidated earnings forecast for the fiscal year ending February 2027.

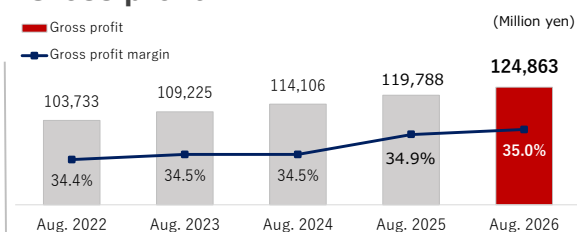
Q2 FY2/27 Summary (Consolidated)

しまむらグループ

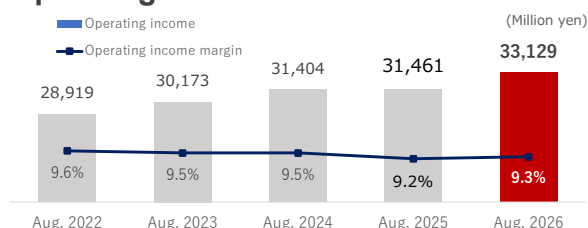
Net sales



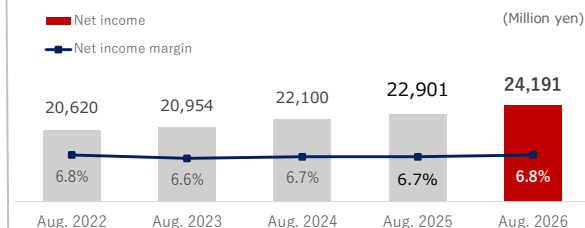
Gross profit



Operating income



Net income



3

First, I'd like to provide a summary of H1.

Revenue, gross profit, operating profit, and net profit all set new records for H1 of the fiscal year.

The gross profit margin rose 0.1 percentage point from the previous period to 35%, and the operating profit margin rose 0.1 percentage point from the previous period to 9.3%. The net profit margin rose by 0.1 percentage point from the previous period to 6.8%.

We will discuss the factors on the following pages.

Consolidated Results: Income Statement

しまむらグループ

- Record highs achieved in net sales and all profit categories.
- SG&A expense ratio: 25.8% (down 0.1 pt YoY), generally controlled in line with the plan.

(Million yen/%)

	Q2 FY2/27	Ratio to sales	YoY	Q2 FY2/26	Ratio to sales	YoY
Net sales	357,260	100.0	104.0	343,577	100.0	103.9
Gross profit	124,863	35.0	104.2	119,788	34.9	105.0
SG&A	92,392	25.8	103.8	89,010	25.9	106.7
Operating income	33,129	9.3	105.3	31,461	9.2	100.2
Ordinary income	34,948	9.8	107.3	32,556	9.5	101.8
Net income attributable to owners of parent	24,191	6.8	105.6	22,901	6.7	103.6
Net income per share	116.51yen	—	—	103.85 yen	—	—

* The Company conducted a 3-for-1 stock split of its common shares effective February 21, 2026. Accordingly, "Net income per share" have been calculated assuming that the stock split had taken place at the beginning of FY2/26.

4

Next, I will discuss our consolidated financial results for H1 of the fiscal year. As you can see, here are the actual figures for each metric.

First, let's take a look at external factors.

In the domestic consumer market, personal consumption gradually recovered as wages continued to rise. On the other hand, consumer sentiment remained cautious due to rising food and import prices, as well as concerns about future price increases.

Amid these circumstances, the apparel market continued to face challenging conditions, with price competition and a strong focus on saving money remaining deeply entrenched.

As for the weather, the rainy season from June through mid-July, combined with a succession of typhoons, led to a slowdown in demand for summer merchandise. After the rainy season ended, a nationwide heat wave set in, and in August, sudden downpours and thunderstorms occurred frequently in various regions.

In response to these external factors, we strived to improve our product appeal and sales power, resulting in record highs for sales and all profit figures for H1 of the fiscal year.

Consolidated Results: SG&A Expenses

しまむらグループ

- Salary: Up 5.4% YoY due to wage increases.
- Advertising expenses: Down 6.9% YoY due to the promotion of digital marketing and the in-house production of content.

(Million yen/%)

	Q2 FY2/27	Ratio to sales	YoY	Q2 FY2/26	Ratio to sales	YoY
Salary	41,955	11.7	105.4	39,819	11.6	108.3
Total personnel expenses	49,279	13.8	105.3	46,780	13.6	108.4
Advertising expenses	5,371	1.5	93.1	5,769	1.7	107.0
Total selling expenses	10,438	2.9	100.7	10,363	3.0	107.6
Supplies expenses/ Display fixtures expenses	1,821	0.5	122.1	1,491	0.4	125.6
EDP expenses	1,137	0.3	124.8	911	0.3	81.1
Total operating expenses	4,881	1.3	97.1	5,026	1.5	109.2
Rents	16,920	4.7	102.0	16,590	4.8	101.0
Depreciation and amortization	3,878	1.1	119.6	3,242	0.9	109.3
Total equipment cost	24,984	7.0	102.8	24,301	7.1	103.4
Total general expenses	2,808	0.8	110.6	2,538	0.7	100.0
Total SG&A expenses	92,392	25.8	103.8	89,010	25.9	106.7

5

I will discuss the breakdown of consolidated selling, general, and administrative expenses.

Total labor costs increased by 5.3% compared to the previous year. This was due to a 5.4% increase in wages resulting from a pay raise.

Total sales costs increased by 0.7% compared to the previous year. This was due to a 6.9% YoY decrease in advertising and promotional expenses resulting from the promotion of digital marketing and the shift to in-house content creation, offset by an increase in sales commissions driven by a rise in the proportion of cashless transactions.

Total operating expenses decreased by 2.9% compared to the previous year. Although expenses for display fixtures and EDP increased due to new store openings and renovations, freight costs declined as a result of revising the delivery-operation cooperation payments, leading to a 2.9% YoY decrease in operating expenses.

Total equipment costs increased by 2.8% compared to the previous year. This was due to a 19.6% YoY increase in depreciation expenses resulting from renovations and the installation of automated change dispensers and other equipment.

As a result, total selling, general, and administrative expenses increased by 3.8% YoY to JPY92.3 billion, in line with our plan.

Consolidated Results: Balance Sheets

しまむらグループ

- Assets: Current assets decreased 16.1% due to share repurchases and growth investments.
Non-current assets increased 25.4% due mainly to land purchases.

(Million yen%)

	End-Aug 2026	Composition ratio	YoY	End-Aug 2025	Composition ratio
Current assets	315,939	54.8	83.9	376,579	64.4
Noncurrent assets	260,982	45.2	125.4	208,058	35.6
Total assets	576,922	100.0	98.7	584,637	100.0
Current liabilities	60,764	10.5	107.8	56,350	9.6
Noncurrent liabilities	11,417	2.0	105.1	10,859	1.9
Total liabilities	72,181	12.5	107.4	67,210	11.5
Total shareholder's equity	496,050	86.0	97.0	511,218	87.4
Accumulated other comprehensive income	8,690	1.5	140.0	6,208	1.1
Total net assets	504,740	87.5	97.5	517,426	88.5
Total liabilities and net assets	576,922	100.0	98.7	584,637	100.0

6

Next, I will discuss the breakdown of the consolidated balance sheet.
Total assets decreased by 1.3% compared to the end of the same period last year due to the repurchase of treasury stock in January.

Sales by Business

しまむらグループ

- Net sales exceeded the previous year's levels across all businesses in Japan and overseas.
- Domestic net sales increased 3.8% YoY, driven by the evolution of PB and JB products, an expanded lineup of character products, and more diverse promotional methods.

(Million yen/%)

Business	Q2 FY2/27	Ratio to net sales	YoY	Q2 FY2/26	Ratio to net sales	YoY
Shimamura	262,976	73.6	103.1	255,149	74.3	103.4
Avail	37,493	10.5	107.5	34,875	10.1	103.3
Birthday	40,883	11.4	101.8	40,151	11.7	105.4
Chambre	9,896	2.8	119.5	8,283	2.4	108.7
Divalo	556	0.2	103.2	538	0.2	112.6
Shimamura (non-consolidated)	351,807	98.5	103.8	338,999	98.7	103.8
Si meng le (Taiwan)	5,452	1.5	119.1	4,577	1.3	116.1
Shimamura (consolidated)	357,260	100.0	104.0	343,577	100.0	103.9

7

Next, here are the sales figures by business segment, as shown.

Revenue exceeded the previous year's level across all domestic and international business operations.

In each business segment, domestic sales increased by 3.8% due to the evolution of our in-house brands, hereinafter referred to as PB, and co-developed brands, hereinafter referred to as JB, the expansion of character products, and the diversification of sales promotion methods.

I will cover the initiatives for each business segment starting on page 10.

Gross Profit, Price Reduction, Inventory YoY

しまむらグループ

- Gross profit: Gross profit increased YoY in all three businesses. The gross profit margin declined YoY in the Birthday business due to weak summer apparel sales..
- Markdowns: Markdowns increased YoY in the Birthday business due to weak sales of summer outerwear in Q2.

(%/ppt)

Business	Period	Gross profit			Price reduction			Inventory
		Gross profit YoY	Gross margin		Price reduction YoY	Price reduction rate		Inventory YoY (Monthly avg.)
				YoY			YoY	
Shimamura	Q1 FY2/27	107.1	34.2	- 0.1	107.9	7.3	+ 0.1	102.8
	Q2 FY2/27	99.3	34.4	+ 0.1	96.0	5.1	- 0.2	109.9
	H1 FY2/27	103.0	34.3	+ 0.0	102.6	6.2	± 0.0	106.2
Avail	Q1 FY2/27	109.9	38.0	+ 0.1	109.4	16.5	- 0.1	104.3
	Q2 FY2/27	107.0	40.1	+ 0.6	97.5	12.0	- 1.0	111.9
	H1 FY2/26	108.4	39.0	+ 0.3	104.1	14.3	- 0.4	107.9
Birthday	Q1 FY2/27	105.4	34.5	- 0.3	129.2	5.6	+ 1.0	104.8
	Q2 FY2/27	95.5	31.1	- 0.2	108.7	10.0	+ 1.1	106.0
	H1 FY2/26	101.3	33.1	- 0.2	116.9	7.4	+ 0.9	105.3

8

I will now discuss the H1 results of the Shimamura business, focusing on gross profit, price reduction, and inventory.

Gross sales increased by 3% YoY, and the gross profit margin remained the same as last year.

The total value of price reductions increased by 2.6% YoY, and the rate remained the same as last year.

In Q1, price reductions increased as a result of optimizing winter merchandise inventory and lowering prices on all-season items.

In Q2, we were able to limit price reductions thanks to strong sales of summer and all-season items in Q1.

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

しまむらグループ

- Same-store Sales: Exceeded the previous year's levels in the Shimamura and Avail businesses.
- Customer Traffic: Exceeded the previous year's levels in all three businesses.
- Price per Item: Fell below the previous year's levels in the Shimamura and Avail businesses due to strong sales of character goods. (%)

Business	Period	Net sales		Number of customers	Spending per customer	Number of items purchased	Unit price per item
		Existing stores	All stores				
Shimamura	Q1 FY2/27	107.2	107.5	106.4	101.0	101.5	99.3
	Q2 FY2/27	98.9	99.3	97.5	101.8	102.2	99.4
	H1 FY2/27	102.8	103.2	101.7	101.5	102.0	99.4
Avail	Q1 FY2/27	107.4	109.8	113.3	96.9	99.3	97.3
	Q2 FY2/27	103.2	105.5	106.4	98.8	99.6	99.0
	H1 FY2/26	105.3	107.6	109.8	97.9	99.7	98.2
Birthday	Q1 FY2/27	103.5	106.4	107.6	98.9	96.4	102.4
	Q2 FY2/27	93.8	96.3	95.7	100.6	99.8	100.8
	H1 FY2/26	99.3	102.0	102.0	99.9	98.1	101.7

The figures do not reflect the impact of the new membership program (points-based system) introduced in March 2026.

9

I will discuss the results of the Shimamura business in terms of sales, number of customers, and average transaction value.

The number of customers increased by 1.7% for H1 thanks to significant growth in Q1, although it dipped in Q2 due to chilly weather caused by unfavorable conditions.

The increase in the number of customers was the result of our successful initiatives. We increased the number of major events and expanded the distribution reach of our digital flyers. We also ramped up promotions featuring popular characters and implemented strategies utilizing our app to encourage store visits.

However, the average unit price per customer fell below last year's level due to strong sales of low-priced items such as character products.

2. Initiatives by Business

Takahashi: This is Takahashi, President of SHIMAMURA. I will discuss the initiatives in each business segment.

Shimamura Business (1)

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

Evolution of our PB CLOSSHI and CLOSSHI PREMIUM

Launched "Shima Voice," an initiative to incorporate customer feedback into products

■ YoY change in FIBER DRY series sales

■ YoY change in PB sales

Up **2.1** %

Up **2.8** %



11

First, in the Shimamura business, as a result of our efforts to enhance product appeal, sales remained strong for products primarily from the flagship private-label brands CLOSSHI and CLOSSHI PREMIUM that combine excellent functionality with comfort.

In particular, our sponsorship of the Toward Zero Heat Stroke project promoted by the Japan Weather Association, as well as the hiring of the popular group Monaki, helped raise awareness of our private label and expand our customer base.

As a result, sales of the FIBER DRY series increased by 2.1% YoY, while private-label sales rose by 2.8%.

In addition, as part of our efforts to further evolve our private-label products, THE SUPER COOL series under CLOSSHI PREMIUM featured collaborative products with our existing private-label lines, Vitality Lab and Good Sleep Lab, both of which performed well.

As part of our new initiatives, starting this fiscal year, we launched Shima Voice, a customer-participation project designed to incorporate feedback from customers and employees into our product development.

The Market Research Department will incorporate feedback from customers and employees into our products to drive better product development.

Shimamura Business (2)

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

Popular Character Promotions and Original Product Development

■ YoY change in character product sales

Up **13.4** %



12

Next, to offer products that are less affected by temperature fluctuations, we focused on the development of popular character products and expanded our lineup of original products.

In addition to popular characters, such as Stitch and those in *Toy Story*, we launched new character products featuring *Hokuto No Ken*, or *Fist of the North Star*, which led to high digestibility.

In addition, collaboration products, such as the hugely popular GariGarikun by Akagi Nyugyo and the BLUE SEAL products featured in the Okinawa Summer Fair, helped raise brand awareness among customers with whom we had previously had little contact and encouraged them to visit our stores.

As a result of these efforts, the number of customers who favor these characters and brands increased, and sales of character products rose 13.4% compared to the same period last year.

Shimamura Business (3)

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

Growth in App Membership

■ Number of members (cumulative)

12 million



Promotion of Personalized Marketing (Email Newsletters)

■ Email newsletter open rate

51.2%



Flyers

■ Number of store visits by email newsletter openers

4.42 million



Motivation

■ Purchase rate among email newsletter openers

20.2%



Characters



13

To strengthen our sales power, we sent out email newsletters by utilizing customer data, such as member demographics and purchase histories, available from our Shimamura Park app, which surpassed 12 million members in September.

The email newsletter open rate was 51.2%. 4.42 million customers visited our stores in H1 of the fiscal year, and the purchase rate was 20.2%. We maintained a consistently high open rate, which led to an increase in both customer visits and sales.

We will continue to utilize Shimamura Park to promote a marketing approach tailored to individual customers. In particular, we will work to increase sales by stepping up our outreach to customers who visit our stores less frequently.

Shimamura Business (4)

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

Held a new product presentation



Promoted "Iki-Iki Lab" recovery loungewear



Set up a product display area at the head office



14

In addition, on September 16, we held a product launch event at our headquarters, inviting media representatives and influencers, with the aim of raising awareness of the CLOSSH brand.

On the day of the event, we welcomed Taiyo Sugiura and Nozomi Tsuji as guests. They are the husband-and-wife duo starring in this season's FIBER HEAT web commercial.

We also set up themed booths for FIBER HEAT, as well as a booth featuring Kazuyoshi Miura and Homare Sawa, who star in the web commercial for the CLOSSH Vitality Lab fatigue-recovery loungewear currently on sale.

Our first product launch event generated significant buzz in the media, and sales of the Vitality Lab fatigue-recovery loungewear are off to a strong start.

Avail Business (1)

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

Strengthened trend-driven product proposals centered on JB

■ YoY change in JB sales

Up **4.5** %

■ JB ratio

Up **39.9** %



Strengthened character-related initiatives

■ YoY change in character product sales

Up **14.6** %



15

Next, I will discuss the Avail business.

In the Avail business, we focused on growing trend-focused merchandising, especially for the co-developed brands.

For the JB brands CHIP CLIP and SUREVE, we launched products co-developed with SHIBUYA109 lab., a marketing institute that analyzes real youth trends.

In addition, the Company was quick to capitalize on Gen Z trends through collaborations with South Korean influencers and the Heisei-era gal magazine *egg*.

As a result, JB sales rose 4.5% YoY, and the JB ratio stood at 39.9%, reflecting robust performance.

As part of our efforts to enhance our character products lineup, we launched Sanrio character products exclusive to the Avail brand and offered a range of products tailored to customer preferences, such as insulated bags and cooling products. This resulted in a 14.6% YoY increase in character products sales.

Avail Business (2)

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

Increased net sales through enhanced promotional activities

■ YoY change in sales

■ Customer Traffic YoY

Up **7.5** %

Up **9.8** %



Improved in-store VMD



16

Next, I will discuss our sales promotion and e-commerce initiatives.

In the Avail business, efforts to intensify sales promotions, such as holding Avail Week once a month and the Avail Fest, a quarterly event featuring bargain items, proved successful, resulting in an increase in customer traffic.

In addition, we participated in TGC Teen, an interactive fashion event featuring popular social media influencers, and by coordinating our in-store visual merchandising and promotional activities with the event, we were able to boost brand awareness and drive sales.

In addition, on the e-commerce platform, we launched fall and winter trend products, Halloween-themed merchandise, and other products that get a head start on the season.

As a result of these initiatives, sales increased by 7.5% YoY, and the number of customers rose by 9.8% YoY.

Birthday Business (1)

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

Enhanced PB product lineup

■ YoY change in PB sales

up **21.8** %



Expanded DAILY LINE and &mignon



Strengthened character-related initiatives



17

Next, I will discuss the Birthday business.

In the Birthday business, sales of our private-label brand BIRTHDAY PLUS, which features carefully selected materials, remained strong.

Sales of private-label products, particularly kiteiko and FIBER DRY undergarments, which feature functions such as a cool-to-the-touch feel and quick-drying properties that ensure children's comfort, saw a 21.8% YoY increase.

In addition, we increased sales by expanding our stylish and basic JB brand, DAILY LINE futafuta, as well as &mignon, a brand that expresses fun and individuality through an earth-tone color palette.

In addition, we launched Magical Palette, a Disney-themed brand exclusive to the Birthday business, and simultaneously opened a pop-up shop in Aoyama, Minato Ward, which helped raise brand awareness and expand its customer base.

Looking ahead to H2, in addition to examining our existing JB lineup, we will launch products that strike a balance between value and price to drive sales growth.

Birthday Business (2)

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

Strengthened in-store customer service



Strengthened e-commerce



Nicole Fujita appointed as brand ambassador



18

To further enhance our sales power, we held the Outing Support Fair to share product information with store employees and help them assist customers in selecting products tailored to their individual needs.

On the e-commerce platform, we linked our online store with the official Instagram account, which has 1.11 million followers, and sold matching items for parents and children as well as online-exclusive products, which led to increased sales.

In addition, as part of our efforts to strengthen our sales power for H2, we have appointed celebrity Nicole Fujita as our brand ambassador.

We will strive to develop and promote original design products to ensure strong sales results.

Chambre Business

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

■ YoY change in sales

■ YoY change in customer Traffic

■ YoY change in JB sales

■ YoY change in character product sales

Up 19.5 %

Up 24.5 %

Up 5.8 %

Up 68.6 %



19

Next, I will discuss the Chambre business.

In the Chambre business, sales performed well, rising 19.5% YoY, and customer traffic increased by 24.5%, as we expanded the lineup of outerwear and character products, especially among the co-developed products, while strengthening initiatives aimed at increasing store visit frequency.

In the outerwear category, sales grew 5.8% YoY thanks to collaborations between existing co-developed brands, such as Clasiiki and tsukuru&Lin., and influencers, as well as an expansion of the size range.

In addition, in the character products category, sales increased significantly—up 68.6% YoY—supported by the expansion of Chambre's original product lines, including lunch boxes and tableware, and by the broader lineup of character-themed apparel and fashion accessories featuring miffy and Monchhichi.

At retail stores, enhancing the visual appeal of our promotional displays helped increase the number of items purchased per customer.

In addition, initiatives designed to attract customers, such as running a stamp card program, bringing in food trucks, and distributing birthday coupons via our app, led to an increase in customer traffic.

Si meng le Business

しまむらグループ

Strengthening Product Appeal and Sales Capabilities

■ YoY change in sales

Up **19.1** %

■ YoY change in customer traffic

Up **13.5** %

Expanded lineup of products planned in Japan



Opened pop-up stores in department stores



Promotional activities featuring popular influencers



Enhanced brand awareness through store openings in urban areas



Next, I will discuss the Si meng le (Taiwan) business.

In Si meng le (Taiwan), sales increased by 19.1% YoY, and customer traffic rose by 13.5%, driven by social media campaigns featuring popular influencers, as well as the expansion of Japanese-designed products, including private-label and joint-brand items.

In July, we opened a pop-up store in a department store in central Taipei. This pop-up store, along with the Zhongshan North Road store that opened last December, has been performing well, helping to raise brand awareness and contributing to the steady growth in overall sales for Si meng le (Taiwan).

E-Commerce Business

しまむらグループ

H1 Results

■ Net sales

11 billion yen

■ YoY changes in sales

Up **26.0** %

■ Store pickup ratio

87.2 %

E-commerce Sales by Business

Business	YoY
Shimamura	Up 0%
Avail	Up 0%
Birthday	Up 0%
Chambre	Up 0%
Divalo	—

Launched "Shima-pocha Marche," an online store specializing in plus-size apparel for women



21

Next, I will discuss our e-commerce initiatives.

The H1 sales for the e-commerce business totaled JPY11 billion, a 26% increase YoY, and the in-store pickup rate stood at 87.2%.

As in the previous period, cross-channel customer referrals between e-commerce and physical stores continued to drive sales growth. This was due to focused efforts across business segments, such as the continuation of cross-business initiatives and the launch and expansion of various fairs for the Avail business.

In addition, as part of a new initiative, we have launched Shimapochya Marche, a website specializing in plus-size women's clothing.

As a result, customers can now access the entire selection of plus-size women's clothing across the Group on a single website, and this improved convenience has led to increased sales.

In addition, we will plan a Shimapochya Marche pop-up store in October to further drive traffic to its e-commerce site.

Expansion of Store Openings and Renovations (Japan)

しまむらグループ

Expansion of Store Openings

■ Store Openings in H2 (All Businesses)

55 stores

Seiyu Machida Store, Machida City



■ Store Renovations in H2 (All Businesses)

31 stores

Tenjin Nishi-dori Store, Fukuoka City



Store Openings in SUMMIT Supermarkets (FY2027)



* The image was generated using generative AI.

22

While we opened 10 stores in H1, we plan to open a total of 55 stores across the Group in H2.

As a result, the projected number of new store openings for the year is expected to be 65, as planned.

As for new store openings in GMS, we plan to open the Shimamura Seiyu Machida store in November, and for new store openings in urban areas, we plan to open the Tenjin Nishidori store in December, featuring three brands: Shimamura, Avail, and Birthday.

In addition, as part of our efforts to widen our store expansion in urban areas, we acquired the business operations of 21 Colmopia stores from SUMMIT, Inc. With this, we will continue to expand our store network in urban areas.

Launch of the KYOTO Store Project

しまむらグループ

Joint Initiative across Businesses — Flagship Store Development —

Acquisition of land for flagship store development and further enhancement of brand awareness

- Address:
Shijo-Kawaramachi, Kyoto City
- Average Monthly Passengers at
Kyoto-Kawaramachi Station:
2.13 million passengers/month
- Scheduled Opening:
FY2029



Opening of pop-up stores ahead of the flagship store opening



* The store image was generated using generative AI.

Next, I'll discuss the KYOTO store project.

This fiscal year, our company acquired land in the Shijo-Kawaramachi area of Kyoto City. The nearest station, Kyoto Kawaramachi Station, handles 70,000 passengers per day and 2.13 million per month, making this a prime location with the potential for a high volume of foot traffic and inbound tourism.

In addition to the promotional benefits it offers as an advertising platform, this property enables us to analyze inbound demand by country using duty-free sales data. We can then utilize these insights to boost cross-border e-commerce sales and optimize our product lineup when expanding into overseas markets.

While the grand opening is scheduled for FY2029, we plan to open a pop-up store at the same location later this year.

Overseas Business Initiatives

しまむらグループ

Initiatives to enhance brand awareness

Opened a pop-up store in Pattaya, a popular resort destination



Exhibited at "NIPPON HAKU 2026," a comprehensive Japanese exhibition



24

Next, I will discuss the overseas business.

We opened SHIMA Park last year and added the second pop-up store at BigC Place PATTAYA KLANG, a hypermarket in the popular resort area in Pattaya, Thailand.

In Pattaya, we plan on shifting our product lineup away from character-themed items and toward private-label and joint-brand products from the Shimamura, Avail, and Birthday segments, offering merchandise tailored to local needs.

We also exhibited at NIPPON HAKU2026, one of Thailand's largest comprehensive Japanese trade shows, and welcomed many visitors.

Going forward, we will continue to open pop-up stores in Bangkok as well as in major cities across Thailand to expand our engagement with local customers and increase brand awareness.

In addition, we are currently considering potential locations for new stores in Taiwan, Thailand, and other locations.

Expansion of Tax-Free Stores

Expansion of Stores Offering Tax-Free Shopping and Its Impact

Tax-Free Store



Customer Traffic by Country and Future Initiatives



Next, I will discuss duty-free shops.
In June, we expanded the number of stores capable of handling duty-free transactions from 120 to 1,306.

Stores located in tourist areas, in particular, are seeing a large number of international visitors, with the top three countries of origin being China, Taiwan, and South Korea, in that order.

Since many customers who make duty-free purchases tend to buy in massive quantities, resulting in an average transaction value exceeding JPY10,000, we will expand duty-free services to all stores in H2 of the fiscal year to drive sales growth.

4. ESG Initiatives

Next, I would like to discuss our ESG initiatives.

ESG Initiatives (1)

しまむらグループ

Growing Adoption of "Shima-Sapo" Mobile Sales and Shopping Tours

Number of Mobile Sales Events Conducted

H1 FY2025

110



H1 FY2026

268

Number of Shopping Tours Conducted

H1 FY2025

101



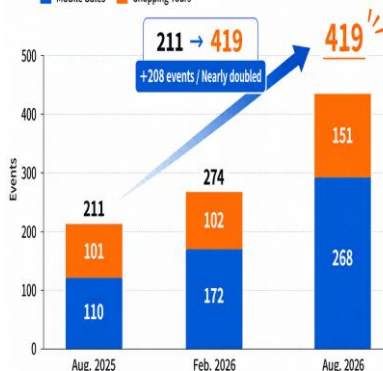
H1 FY2026

151

Progress of "Shima-Sapo"

Shima-Sapo Activities: Number of Events

■ Mobile Sales ■ Shopping Tours



Mobile Sales



Shopping Tours



27

Let me start with the shopping assistance service Shima-Sapo.

Shima-Sapo is a service launched in FY2024 to support people who have difficulty going out to shop. This includes residents of depopulated areas and people in long-term care facilities, facilities for people with disabilities, and other types of support facilities.

The number of mobile sales events, where employees visit local communities and care facilities to help residents enjoy shopping, totaled 268 in H1, more than double the number during the same period last year.

In addition, the number of shopping tours, where customers visit our stores and enjoy a private shopping experience, also reached 151, significantly exceeding the number held during the same period last year.

Shima-Sapo has become a meaningful program that is greatly appreciated by the care facility members, residents, and their families.

ESG Initiatives (2)



Results for the Ratio of Women in Management Positions and Employment Rate of Persons with Disabilities

Ratio of Women in Management Positions

Employment Rate of Persons with Disabilities

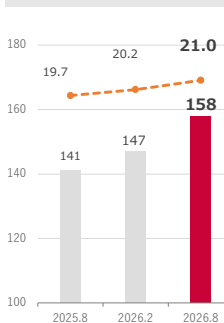
H1 FY2026

As of June 1, 2026

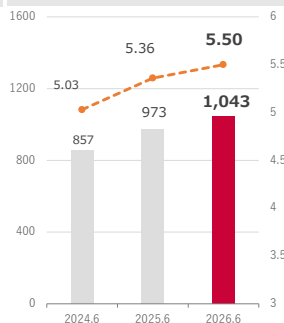
21.0 %

5.50 %

Trend in the Ratio of Women in Management Positions



Trend in the Employment Rate of Persons with Disabilities



Recycling Results

Improved Clothing Collection Methods and Expanded Number of Participating Stores

August 2026

Year-Round Clothing Collection Now Available at All Stores!

(Excluding some stores, including those on remote islands)

Permanent Installation of Clothing Collection Boxes

Volume of Clothing Collected



H1 FY2026

113.7 t

Next, I will discuss the percentage of female managers and the employment rate for people with disabilities.

The percentage of female managers stood at 21% and steadily increased. In particular, the percentage of female section managers at stores rose to 27.6%.

Our employment rate for people with disabilities stood at 5.5%, which continued to significantly exceed the statutory employment rate of 2.7%.

Next, I will discuss our environmental initiatives and our recycling track record. Starting in July, we expanded our apparel collection service to all stores, with the exception of some locations, such as those on remote islands, and began accepting donations on an ongoing basis.

By installing apparel collection boxes at our retail stores to make it easier for customers to drop off items, we maintained a steady collection volume of 113.7 metric tons.

We will continue to promote sustainable SHIMAMURA-style ESG activities through our core business and contribute to society.

5. Consolidated Business Forecasts for FY2/27

29

Next, I will discuss our consolidated earnings forecast for the fiscal year ending February 2027.

Consolidated Business Forecasts for FY2/27

しまむらグループ

- Net sales: Expected to increase by 4.2% YoY / Operating income: Expected to increase by 8.7% YoY
- SG&A expenses: Expected to increase by 3.0% YoY. Personnel expenses are expected to increase by 4.2% YoY. Expenses for consumables and display fixtures are also expected to increase, reflecting renovations of existing stores.
- Dividend per share: Expected to be 80 yen for the full year

(Million yen/%)

	FY2/27 Forecast	YoY	Ratio to sales	FY2/26 Result	Ratio to sales
Net sales	729,193	104.2	100.0	700,034	100.0
Gross profit	254,728	104.4	34.9	243,904	34.8
SG&A	189,292	103.0	26.0	183,771	26.2
Operating income	66,842	108.7	9.2	61,483	8.8
Ordinary income	68,825	108.1	9.4	63,672	9.1
Net income attributable to owners of parent	47,321	106.4	6.5	44,460	6.4
Net income per share	227.92 yen	-	-	202.36 yen	-
Dividend per share	80 yen	-	-	215 yen	-

* The Company conducted a 3-for-1 stock split of its common shares effective February 21, 2026. Accordingly, "Net income per share" have been calculated assuming that the stock split had taken place at the beginning of FY2/26. Dividend per share for FY2/26 is presented based on the actual dividend amount prior to the stock split.

30

The financial forecasts for our consolidated results are as shown. We will strive to enhance product appeal and sales power across all business segments to increase sales at existing stores.

In addition, to maintain our gross profit margin, we will work to improve our markup rate through measures such as the revision of price points and to reduce costs by enhancing the accuracy of our ordering and inventory control. We will continue to manage the SG&A ratio in accordance with our plan.

As a result of the measures outlined above, we project that for the fiscal year ending February 2027, net sales will total JPY729.1 billion, up 4.2% YoY,

operating profit will total JPY66.8 billion, up 8.7% YoY, and the operating margin will be 9.2%.

The dividend per share is expected to be JPY80 annually.

Financial Results Materials (Disclosed on the corporate website)

▽ Financial Results Briefing Materials (with comments):	Tuesday, September 29
▽ Financial Results (Summary of Question and Answer Session):	Thursday, October 1
▽ Financial Results Briefing (English):	Thursday, October 1

Medium-Term Management Plan 2030

▽ Medium-Term Management Plan Presentation:	Early February 2027 (Scheduled)
---	---------------------------------

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.

Next, I would like to provide an update regarding the disclosed information. The schedule for disclosing financial results on our corporate website is as shown.

We plan to hold a presentation on the Mid-term Management Plan 2030 in early February 2027. We will provide more details at a later date once the detailed schedule has been finalized.

This concludes my presentation on the financial results for Q2 of the fiscal year ending February 2027 and our consolidated earnings forecast for SHIMAMURA. Thank you for your attention.