

# Investors' Guide

November -2020

Shimamura Co., Ltd.

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I. Shimamura Co., Ltd. (Consolidated)

1. Consolidated Financial Summary and Forecast

(1) Consolidated Profit and loss statement

(Units : Millions of yen, %)

Subject	Nov-2019			Feb-2020			Nov-2020			Feb-2021 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	394,318	100.0	96.2	521,982	100.0	95.6	404,453	100.0	102.6	528,663	100.0	101.3
Shimamura	303,843	77.1	95.4	401,525	76.9	94.6	306,958	75.9	101.0	404,274	76.5	100.7
Avail	37,481	9.5	99.4	50,013	9.6	98.3	36,976	9.2	98.7	49,274	9.3	98.5
Birthday	41,086	10.4	99.5	54,019	10.3	100.1	47,473	11.7	115.5	57,830	10.9	107.1
Chambre	7,222	1.8	99.8	9,784	1.9	100.2	8,514	2.1	117.9	10,760	2.1	110.0
Divalo	567	0.1	107.7	724	0.1	105.6	514	0.1	90.6	665	0.1	91.8
CHINA TAIWAN	3,862	1.0	92.9	5,566	1.1	99.0	3,858	1.0	99.9	5,700	1.1	102.4
CHINA(Shanghai)	255	0.1	62.0	347	0.1	63.2	158	0.0	61.9	158	0.0	45.5
Cost of goods sold	264,042	67.0	95.2	352,307	67.5	94.7	266,491	65.9	100.9	350,954	66.4	99.6
Gross profit	130,275	33.0	98.2	169,675	32.5	97.6	137,961	34.1	105.9	177,708	33.6	104.7
Other operating income	696	0.2	96.2	912	0.2	96.1	716	0.2	103.0	905	0.2	99.3
Operating Gross Profit	130,971	33.2	98.2	170,587	32.7	97.6	138,678	34.3	105.9	178,614	33.8	104.7
SG & A expenses	112,024	28.4	99.3	147,602	28.3	98.9	107,517	26.6	96.0	147,724	28.0	100.1
Operating Profit	18,947	4.8	91.9	22,985	4.4	90.3	31,161	7.7	164.5	30,889	5.8	134.4
Non-operating income	613	0.1	88.2	888	0.2	96.8	872	0.2	142.2	947	0.2	106.6
Non-operating expenses	93	0.0	225.0	18	0.0	14.9	65	0.0	70.1	33	0.0	181.3
Ordinary Profit	19,467	4.9	91.6	23,855	4.6	90.9	31,968	7.9	164.2	31,802	6.0	133.3
Extraordinary profit	—	—	—	—	—	—	398	0.1	—	—	—	—
Extraordinary losses	481	0.1	104.3	3,061	0.6	167.8	702	0.2	145.9	3,150	0.6	102.9
Pretax profit	18,986	4.8	91.3	20,793	4.0	85.1	31,664	7.8	166.8	28,652	5.4	137.8
Tax	6,343	1.6	89.9	7,667	1.5	91.0	10,112	2.5	159.4	9,446	1.8	123.2
Net Profit	12,643	3.2	92.0	13,125	2.5	82.1	21,551	5.3	170.5	19,206	3.6	146.3

## (2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

Subject	Nov-2019			Feb-2020			Nov-2020			Feb-2021 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	44,371	11.3	99.6	58,962	11.3	99.8	44,545	11.0	100.4	61,752	11.7	104.7
Personal expenses	52,498	13.3	99.5	69,947	13.4	99.7	52,330	12.9	99.7	72,642	13.7	103.9
Advertising expenses	12,200	3.1	99.9	14,876	2.8	92.9	7,876	1.9	64.6	12,564	2.4	84.5
Selling expenses	16,375	4.2	99.9	20,609	4.0	95.1	12,575	3.1	76.8	18,385	3.5	89.2
Non-durable goods	739	0.2	80.5	956	0.2	84.9	888	0.2	120.2	932	0.2	97.5
Display total	862	0.2	77.8	1,000	0.2	83.0	761	0.2	88.3	908	0.2	90.7
Operating expenses	5,921	1.5	102.6	7,690	1.4	106.4	5,953	1.5	100.5	7,235	1.4	94.1
Rental expenses	25,372	6.4	102.0	33,857	6.5	101.6	24,921	6.2	98.2	33,761	6.4	99.7
Depreciation	4,118	1.0	95.6	5,367	1.0	93.8	4,074	1.0	98.9	5,456	1.0	101.7
Facilities cost	34,268	8.7	98.6	45,449	8.7	98.4	33,502	8.3	97.8	45,361	8.6	99.8
General expenses	2,960	0.7	96.4	3,906	0.8	97.1	3,154	0.8	106.6	4,099	0.8	104.9
SG & A expenses	112,024	28.4	99.3	147,602	28.3	98.9	107,517	26.6	96.0	147,724	28.0	100.1

## (3) Consolidated quarterly Profit and loss statement

(Units : Millions of yen, %)

Subject	May-2020			Aug-2020			Nov-2020			Feb-2021		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	106,987	100.0	80.1	147,266	100.0	112.6	150,199	100.0	115.6			
Cost of goods sold	74,275	69.4	82.0	94,984	64.5	110.7	97,231	64.7	110.9			
Gross profit	32,712	30.6	75.9	52,281	35.5	116.3	52,968	35.3	125.5			
Other operating income	198	0.2	88.1	267	0.2	111.2	250	0.1	108.9			
Operating Gross Profit	32,911	30.8	76.0	52,548	35.7	116.2	53,218	35.4	125.4			
SG & A expenses	34,192	32.0	90.6	35,290	24.0	96.8	38,033	25.3	100.5			
Operating Profit	△1,281	—	—	17,257	11.7	197.0	15,185	10.1	—			
Ordinary Profit	△1,092	—	—	17,464	11.9	197.9	15,597	10.4	—			
Net Profit	△1,221	—	—	11,747	8.0	201.8	11,026	7.3	—			

## (4) Consolidated Balance Sheets

(Units : Millions of yen, %)

	Nov-2019			Feb-2020			Nov-2020		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	259,289	60.3	108.5	240,113	58.9	107.5	286,068	62.5	110.3
Noncurrent assets	170,680	39.7	97.5	167,868	41.1	96.5	171,566	37.5	100.5
<b>Total assets</b>	<b>429,969</b>	<b>100.0</b>	<b>103.9</b>	<b>407,981</b>	<b>100.0</b>	<b>102.7</b>	<b>457,634</b>	<b>100.0</b>	<b>106.4</b>
Current liabilities	60,018	14.0	116.4	37,158	9.1	110.1	68,709	15.0	114.5
Noncurrent liabilities	4,880	1.1	100.6	4,921	1.2	106.9	8,733	1.9	178.9
<b>Total liabilities</b>	<b>64,899</b>	<b>15.1</b>	<b>115.1</b>	<b>42,079</b>	<b>10.3</b>	<b>109.7</b>	<b>77,443</b>	<b>16.9</b>	<b>119.3</b>
Total shareholder's equity	361,412	84.1	102.3	361,890	88.7	101.8	376,008	82.2	104.0
Valuation difference	3,658	0.8	83.8	4,011	1.0	108.9	4,182	0.9	114.3
<b>Total net assets</b>	<b>365,070</b>	<b>84.9</b>	<b>102.1</b>	<b>365,901</b>	<b>89.7</b>	<b>101.9</b>	<b>380,190</b>	<b>83.1</b>	<b>104.1</b>
<b>Total assets</b>	<b>429,969</b>	<b>100.0</b>	<b>103.9</b>	<b>407,981</b>	<b>100.0</b>	<b>102.7</b>	<b>457,634</b>	<b>100.0</b>	<b>106.4</b>

## (5) Consolidated Major Financial Indicators

	Nov-2016	Nov-2017	Nov-2018	Nov-2019	Nov-2020
Capital adequacy ratio	74.1%	83.9%	86.4%	84.9%	83.1%
ROE	8.4%	7.1%	3.9%	3.5%	5.8%
ROA	6.7%	6.0%	3.4%	3.1%	5.0%
Ordinary profit to total assets	10.3%	9.1%	5.2%	4.7%	7.4%
Total assets turnover ratio	1.09times	1.08times	1.01times	0.95times	0.93times
Interest-bearing debt ratio	—	—	—	—	—
Gross profit ratio	33.7%	33.9%	32.4%	33.0%	34.1%
SG & A expenses ratio	24.7%	25.9%	27.5%	28.4%	26.6%
Operating profit ratio	9.2%	8.2%	5.0%	4.8%	7.7%
Ordinary profit ratio	9.5%	8.4%	5.2%	4.9%	7.9%
Net assets per share	8,821.01yen	9,448.96yen	9,727.57yen	9,933.62yen	10,345.37yen
EPS	718.91yen	652.30yen	373.93yen	344.01yen	586.44yen

## 2. Number of Stores by Region

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2019 End	Op en	Clo se	Nov-20 End	2019 End	Op en	Clo se	Nov-20 End	2019 End	Op en	Clo se	Nov-20 End	2019 End	Op en	Clo se	Nov-20 End	2019 End	Op en	Clo se	Nov-20 End	2019 End	Op en	Clo se	Nov-20 End
Hokkaido	69			69	20			20	17			17	8		1	7	1			1	115		1	114
Aomori	23			23	7			7	4	1		5	4			4					38	1		39
Iwate	20			20	7			7	4	1		5	1			1					32	1		33
Miyagi	36			36	10			10	9			9	3			3					58			58
Akita	17			17	7			7	4			4	2			2					30			30
Yamagata	16			16	6			6	6			6	3			3					31			31
Fukushima	39			39	9			9	6			6	5			5					59			59
Hokkaido Tohoku Area	220	0	0	220	66	0	0	66	50	2	0	52	26	0	1	25	1	0	0	1	363	2	1	364
Ibaraki	56			56	14			14	11			11	4			4	1			1	86			86
Tochigi	36			36	10			10	10			10	7			7					63			63
Gunma	39		1	38	11		1	10	9			9	5			5					64		2	62
Saitama	105			105	21			21	20			20	6			6	2			2	154			154
Chiba	78			78	18		1	17	19		1	18	3			3					118		2	116
Tokyo	69			69	5			5	11			11	2			2	1			1	88			88
Kanagawa	64		1	63	10			10	11		1	10	1			1	2			2	88		2	86
Yamanashi	14			14	5			5	2			2	1			1					22			22
Nagano	39			39	11			11	5			5	4			4					59			59
Kanto Koshin Area	500	0	2	498	105	0	2	103	98	0	2	96	33	0	0	33	6	0	0	6	742	0	6	736
Niigata	36	1		37	10	1	1	10	6	1		7	2			2					54	3	1	56
Toyama	22			22	4			4	4			4									30			30
Ishikawa	18			18	2			2	3			3									23			23
Fukui	12			12	2			2	2			2	2			2					18			18
Hokuriku Area	88	1	0	89	18	1	1	18	15	1	0	16	4	0	0	4	0	0	0	0	125	3	1	127
Gifu	28			28	3			3	3			3									34			34
Shizuoka	43			43	9		1	8	14			14	3		1	2					69		2	67
Aichi	66			66	8			8	7			7					1			1	82			82
Mie	22			22	7			7	3			3									32			32
Tokai Area	159	0	0	159	27	0	1	26	27	0	0	27	3	0	1	2	1	0	0	1	217	0	2	215

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group				
	2019 End	Op en	Cl se	Nov-20 End	2019 End	Op en	Cl se	Nov-20 End	2019 End	Op en	Cl se	Nov-20 End	2019 End	Op en	Cl se	Nov-20 End	2019 End	Op en	Cl se	Nov-20 End	2019 End	Op en	Cl se	Nov-20 End	
Shiga	19			19	4			4	4			4	1			1	1			1	29			29	
Kyoto	22			22	4			4	5			5		1		1	1			1	32	1		33	
Oosaka	56			56	17			17	17		1	16	1			1	1			1	92		1	91	
Hyougo	49			49	11			11	9	1	1	9	3			3	1			1	73	1	1	73	
Nara	17		1	16	6			6	5			5	2			2					30		1	29	
Wakayama	14			14	2			2	2			2	1			1					19			19	
<b>Kinki Area</b>	<b>177</b>	<b>0</b>	<b>1</b>	<b>176</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>44</b>	<b>42</b>	<b>1</b>	<b>2</b>	<b>41</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>275</b>	<b>2</b>	<b>3</b>	<b>274</b>	
Tottori	7			7	2			2	3			3	2			2					14			14	
Shimane	9			9	2			2	3			3	2			2	1			1	17			17	
Okayama	23			23	4			4	5			5									32			32	
Hiroshima	22			22	4			4	3			3	1			1	2			2	32			32	
Yamaguchi	20			20	4			4	5			5									29			29	
<b>Chugoku Area</b>	<b>81</b>	<b>0</b>	<b>0</b>	<b>81</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>124</b>	<b>0</b>	<b>0</b>	<b>124</b>	
Tokushima	10			10	2			2	1			1									13			13	
Kagawa	13			13	2			2	3			3	1	1		2					19	1		20	
Ehime	17			17	4			4	4			4	2			2	1			1	28			28	
Kochi	12			12	2			2	1			1									15			15	
<b>Shikoku Area</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>52</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>75</b>	<b>1</b>	<b>0</b>	<b>76</b>	
Fukuoka	46			46	15			15	16			16	3			3	1			1	81			81	
Saga	12			12	1	2		3	1	1		2									14	3		17	
Nagasaki	14			14	3			3	4			4	3			3					24			24	
Kumamoto	21			21	2			2	3			3	1	1		2					27	1		28	
Ooita	15			15	2			2	3			3	1			1					21			21	
Miyazaki	17			17	2			2	2			2		1		1					21	1		22	
Kagoshima	19			19	4			4	3	1		4	2			2					28	1		29	
Okinawa	11			11	4			4	5			5	1			1					21			21	
Kyusyu Okinawa Area	155	0	0	155	33	2	0	35	37	2	0	39	11	2	0	13	1	0	0	1	237	6	0	243	
<b>Japan Total</b>	<b>1,432</b>	<b>1</b>	<b>3</b>	<b>1430</b>	<b>319</b>	<b>3</b>	<b>4</b>	<b>318</b>	<b>297</b>	<b>6</b>	<b>4</b>	<b>299</b>	<b>93</b>	<b>4</b>	<b>2</b>	<b>95</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>2,158</b>	<b>14</b>	<b>13</b>	<b>2,159</b>	
<b>CHINA TAIWAN</b>																						<b>48</b>	<b>0</b>	<b>3</b>	<b>45</b>
<b>CHINA(Shanghai)</b>																						<b>8</b>	<b>0</b>	<b>4</b>	<b>4</b>
<b>T o t a l</b>	<b>1,432</b>	<b>1</b>	<b>3</b>	<b>1430</b>	<b>319</b>	<b>3</b>	<b>4</b>	<b>318</b>	<b>297</b>	<b>6</b>	<b>4</b>	<b>299</b>	<b>93</b>	<b>4</b>	<b>2</b>	<b>95</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>2,214</b>	<b>14</b>	<b>20</b>	<b>2,208</b>	

### 3. Store operation

#### (1) Store openings

		Feb-2019	Nov-2019	Feb-2020	Nov-2020	Feb-2021 Forecast
Shimamura	New store openings	27	10	12	1	2
	Closures	0	5	8	3	4
	Renovation	72	50	50	10	10
	Scrap & rebuild	2	0	0	0	0
	Year-end total	1,428	1,433	1,432	1,430	1,430
Avail	New store openings	11	1	1	3	4
	Closures	4	1	2	4	8
	Scrap & rebuild	0	0	0	0	1
	Year-end total	320	320	319	318	315
Birthday	New store openings	23	9	15	6	7
	Closures	0	1	2	4	6
	Scrap & rebuild	0	0	0	0	0
	Year-end total	284	292	297	299	298
Chambre	New store openings	0	0	0	4	5
	Closures	1	4	4	2	3
	Scrap & rebuild	0	0	0	0	0
	Year-end total	97	93	93	95	95
Divalo	New store openings	3	0	0	0	0
	Closures	1	1	1	0	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	18	17	17	17	16
CHINA TAIWAN Shimamura	New store openings	3	1	1	0	0
	Closures	1	0	0	3	3
	Scrap & rebuild	0	1	2	0	0
	Year-end total	47	48	48	45	45
CHINA(Shanghai) Shimamura	New store openings	1	0	0	0	0
	Closures	1	3	3	4	8
	Scrap & rebuild	0	0	0	0	0
	Year-end total	11	8	8	4	0
Shimamura Group	New store openings	68	21	29	14	18
	Closures	8	15	20	20	33
	Scrap & rebuild	2	1	2	0	1
	Year-end total	2,205	2,211	2,214	2,208	2,199



## (2) Retail Floor Space

(Units : m<sup>2</sup>)

Store Type	Feb-2019	Nov-2019	Feb-2020	Nov-2020	Feb-2021 Forecast
Shimamura	1,489,931	1,494,706	1,493,558	1,491,941	1,491,000
Avail	316,874	316,845	316,109	315,179	313,000
Birthday	262,728	269,938	275,045	277,827	277,200
Chambre	92,185	88,125	88,125	89,345	89,300
Divalo	7,636	7,119	7,119	7,119	6,500
CHINA TAIWAN Shimamura	44,834	44,997	44,890	43,153	43,000
CHINA (Shanghai) Shimamura	8,326	5,386	5,386	2,458	—
Shimamura Group	2,222,514	2,227,116	2,230,232	2,227,022	2,220,000

## 4. Number of Employees

(Units : person, %)

		Nov-2019		Feb-2020		Nov-2020		Feb-2021 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,712	100.4	2,680	100.3	2,704	99.7	2,700	100.7
	Part-time	12,306	96.2	12,260	96.2	11,830	96.1	11,900	97.1
	Total	15,018	96.9	14,940	96.9	14,534	96.8	14,600	97.7
Subsidiary	Full-time	487	95.9	482	95.8	444	91.2	430	89.2
	Part-time	51	85.0	48	78.7	20	39.2	—	—
	Total	538	94.7	530	94.0	464	86.2	430	81.1
Shimamura Group Total	Full-time	3,199	99.7	3,162	99.6	3,148	98.4	3,130	99.0
	Part-time	12,357	96.1	12,308	96.1	11,850	95.9	11,900	96.7
	Total	15,556	96.8	15,470	96.8	14,998	96.4	15,030	97.2

## 5. Capital Expenditures

### (1) Shimamura Co., Ltd.(Non-consolidated)

(Until : Millions of yen, %)

	Nov-2019	YOY	Feb-2020	YOY	Nov-2020	YOY	Feb-2021 Forecast	YOY
Buildings	1,797	36.7	2,190	41.6	3,018	167.9	9,200	—
Structures	272	42.7	330	42.9	425	155.9	550	166.5
Machine	—	—	2	69.6	341	—	350	—
Equipment	225	80.4	259	84.4	89	39.7	130	50.1
Land	96	—	96	—	49	51.3	4,000	—
Construction in progress	73	4.2	269	7.3	1,779	—	430	159.5
Tangible fixed assets	2,465	32.4	3,148	31.3	5,703	231.3	14,660	—
Deposits for rent	897	55.0	1,162	66.4	407	45.4	400	34.4
Lease deposits	21	218.7	23	100.4	25	116.5	30	128.4
Total capital expenditures	3,384	36.6	4,335	36.6	6,135	181.3	15,090	—
Depreciation	4,002	96.0	5,217	93.9	3,965	99.1	5,315	101.9

### (2) Subsidiary

(Units : Millions of yen, %)

	Nov-2019	YOY	Feb-2020	YOY	Nov-2020	YOY	Feb-2021 Forecast	YOY
Total capital expenditures	109	43.5	138	47.0	10	9.4	10	7.2
Depreciation	115	85.5	149	91.3	108	94.2	141	94.7

### (3) Shimamura Co., Ltd.(consolidated)

(Units : Millions of yen, %)

	Nov-2019	YOY	Feb-2020	YOY	Nov-2020	YOY	Feb-2021 Forecast	YOY
Total capital expenditures	3,494	36.8	4,474	36.9	6,146	175.9	15,100	—
Depreciation	4,118	95.6	5,367	93.8	4,074	98.9	5,456	101.7