

# Investors' Guide

February-2017

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	Feb-2016			Feb-2017			Aug-2017 Forecast			Feb-2018 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	546,058	100.0	106.7	565,469	100.0	103.6	298,500	100.0	106.2	610,000	100.0	107.9
Shimamura	441,152	80.8	106.5	451,937	79.9	102.4	234,920	78.7	104.3	478,500	78.5	105.9
Avail	49,500	9.1	99.1	50,377	8.9	101.8	29,151	9.8	112.1	57,500	9.4	114.1
Birthday	38,552	7.1	123.5	46,882	8.3	121.6	25,235	8.4	114.5	54,500	9.0	116.2
Chambre	10,031	1.8	102.2	9,521	1.7	94.9	5,723	1.9	120.2	11,700	1.9	122.9
Divalo	980	0.2	111.0	611	0.1	62.3	271	0.1	72.1	800	0.1	130.9
CHINA TAIWAN	5,113	0.9	95.3	5,571	1.0	109.0	2,870	1.0	123.9	6,300	1.0	113.1
CHINA(Shanghai)	728	0.1	139.5	567	0.1	77.9	330	0.1	118.5	700	0.1	123.4
Cost of goods sold	373,854	68.5	107.0	377,852	66.8	101.1	197,489	66.2	105.2	404,348	66.3	107.0
Gross profit	172,204	31.5	106.0	187,616	33.2	108.9	101,011	33.8	108.2	205,652	33.7	109.6
Other operating income	964	0.2	103.1	1,041	0.2	108.0	552	0.2	105.7	1,004	0.2	96.4
Operating Gross Profit	173,168	31.7	106.0	188,658	33.4	108.9	101,563	34.0	108.2	206,656	33.9	109.5
SG & A expenses	133,254	24.4	105.3	139,863	24.8	105.0	73,063	24.5	106.4	149,956	24.6	107.2
Operating Profit	39,913	7.3	108.4	48,794	8.6	122.3	28,500	9.5	113.2	56,700	9.3	116.2
Non-operating income	1,127	0.2	61.6	1,299	0.3	115.2	475	0.2	71.4	980	0.2	75.4
Non-operating expenses	332	0.0	—	14	0.0	4.4	7	0.0	4.3	15	0.0	103.0
Ordinary Profit	40,709	7.5	105.5	50,079	8.9	123.0	28,968	9.7	112.8	57,665	9.5	115.1
Extraordinary profit	1	0.0	18.3	0	0.0	13.2	—	—	—	—	—	—
Extraordinary losses	1,568	0.3	—	868	0.2	55.4	500	0.2	139.4	1,015	0.2	116.9
Pretax profit	39,142	7.2	102.6	49,211	8.7	125.7	28,468	9.5	112.4	56,650	9.3	115.1
Tax	14,395	2.7	96.8	16,349	2.9	113.6	9,068	3.0	105.1	18,150	3.0	111.0
Net Profit	24,747	4.5	106.3	32,862	5.8	132.8	19,400	6.5	116.2	38,500	6.3	117.2

## (2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

Subject	Feb-2016			Feb-2017			Aug-2017 Forecast			Feb-2018 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	50,956	9.3	103.7	54,064	9.6	106.1	28,267	9.5	106.8	57,926	9.5	107.1
Personal expenses	60,503	11.1	103.9	64,095	11.4	105.9	33,514	11.2	106.8	68,711	11.3	107.2
Advertising expenses	13,649	2.5	100.4	13,995	2.5	102.5	7,722	2.6	108.9	15,650	2.6	111.8
Selling expenses	18,435	3.4	103.4	19,316	3.4	104.8	10,464	3.5	107.9	21,361	3.5	110.6
Non-durable goods	1,787	0.3	114.9	1,587	0.3	88.8	804	0.3	91.9	1,513	0.2	95.3
Display total	1,821	0.3	156.4	3,129	0.6	171.9	1,727	0.6	109.5	3,465	0.6	110.7
Operating expenses	7,171	1.3	126.5	8,400	1.5	117.1	4,285	1.5	106.3	8,586	1.4	102.2
Rental expenses	29,115	5.3	104.7	30,380	5.4	104.3	15,749	5.3	105.0	32,249	5.3	106.1
Depreciation	5,849	1.1	110.7	5,907	1.0	101.0	2,900	1.0	100.2	6,040	1.0	102.2
Facilities cost	44,205	8.1	105.0	44,650	7.9	101.0	22,709	7.6	104.0	47,048	7.7	105.4
General expenses	2,938	0.5	108.9	3,400	0.6	115.7	2,088	0.7	120.2	4,248	0.7	124.9
SG & A expenses	133,254	24.4	105.3	139,863	24.8	105.0	73,063	24.5	106.4	149,956	24.6	107.2

## (3) Consolidated quarterly Profit and loss statement

(Units : Millions of yen, %)

Subject	May-2016			Aug-2016			Nov-2016			Feb-2017		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	140,405	100.0	106.7	140,679	100.0	104.9	147,376	100.0	102.9	137,006	100.0	100.0
Cost of goods sold	94,249	67.1	104.5	93,495	66.5	101.6	96,439	65.4	100.6	93,667	68.4	97.8
Gross profit	46,155	32.9	111.3	47,184	33.5	112.4	50,937	34.6	107.4	43,339	31.6	105.0
Other operating income	249	0.2	105.6	272	0.2	108.0	265	0.1	108.6	254	0.2	109.9
Operating Gross Profit	46,405	33.1	111.2	47,456	33.7	112.3	51,202	34.7	107.4	43,593	31.8	105.0
SG & A expenses	34,358	24.5	104.1	34,361	24.4	103.7	36,833	25.0	105.9	34,368	25.1	105.7
Operating Profit	12,046	8.6	138.5	13,094	9.3	143.5	14,369	9.7	111.3	9,225	6.7	102.3
Ordinary Profit	12,326	8.8	136.1	13,353	9.5	139.2	14,847	10.1	113.6	9,552	7.0	106.3
Net Profit	7,982	5.7	144.2	8,714	6.2	146.9	9,727	6.6	121.8	6,438	4.7	121.6

## (4) Consolidated Balance Sheets

(Units : Millions of yen, %)

	Feb-2016			Aug-2016			Feb-2017		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	181,934	51.8	105.2	203,756	54.5	108.8	208,044	54.8	114.4
Noncurrent assets	169,349	48.2	106.7	170,074	45.5	105.6	171,642	45.2	101.4
<b>Total assets</b>	<b>351,283</b>	<b>100.0</b>	<b>105.9</b>	<b>373,831</b>	<b>100.0</b>	<b>107.3</b>	<b>379,686</b>	<b>100.0</b>	<b>108.1</b>
Current liabilities	42,236	12.0	112.4	51,795	13.8	114.1	43,577	11.5	103.2
Noncurrent liabilities	4,202	1.2	60.2	4,330	1.2	65.5	4,754	1.2	113.1
<b>Total liabilities</b>	<b>46,439</b>	<b>13.2</b>	<b>104.2</b>	<b>56,126</b>	<b>15.0</b>	<b>107.9</b>	<b>48,331</b>	<b>12.7</b>	<b>104.1</b>
Total shareholder's equity	302,358	86.1	106.3	315,357	84.4	107.8	327,910	86.4	108.5
Valuation difference	2,485	0.7	93.5	2,347	0.6	61.5	3,444	0.9	138.6
<b>Total net assets</b>	<b>304,843</b>	<b>86.8</b>	<b>106.2</b>	<b>317,705</b>	<b>85.0</b>	<b>107.2</b>	<b>331,354</b>	<b>87.3</b>	<b>108.7</b>
<b>Total assets</b>	<b>351,283</b>	<b>100.0</b>	<b>105.9</b>	<b>373,831</b>	<b>100.0</b>	<b>107.3</b>	<b>379,686</b>	<b>100.0</b>	<b>108.1</b>

## (5) Consolidated Major Financial Indicators

	Feb-2013	Feb-2014	Feb-2015	Feb-2016	Feb-2017
Capital adequacy ratio	83.7%	86.6%	86.6%	86.8%	87.3%
ROE	11.6%	10.3%	8.4%	8.4%	10.3%
ROA	9.6%	8.7%	7.2%	7.2%	9.0%
Ordinary profit to total assets	16.6%	14.5%	12.0%	11.9%	13.7%
Total assets turnover ratio	1.71times	1.65times	1.59times	1.60times	1.55times
Interest-bearing debt ratio	2.6%	1.9%	1.2%	0.6%	0.0%
Gross profit ratio	32.7%	32.3%	31.7%	31.5%	33.2%
SG & A expenses ratio	23.6%	24.2%	24.7%	24.4%	24.8%
Operating profit ratio	9.3%	8.3%	7.2%	7.3%	8.6%
Ordinary profit ratio	9.7%	8.8%	7.5%	7.5%	8.9%
Net assets per share	6,750.58yen	7,327.03yen	7,808.33yen	8,293.63yen	9,015.46yen
EPS	748.46yen	723.04yen	633.48yen	673.25yen	894.09yen

## 2. Number of Stores by Region

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2016 End	Op en	clo se	2017 End	2016 End	Op en	clo se	2017 End	2016 End	Op en	clo se	2017 End	2016 End	Op en	clo se	2017 End	2016 End	Op en	clo se	2017 End	2016 End	Op en	clo se	2017 End
Hokkaido	63	2		65	20			20	13	2		15	10			10	1			1	107	4		111
Aomori	23			23	6			6	2			2	4			4					35			35
Iwate	19			19	7			7	2	1		3	1			1					29	1		30
Miyagi	34	1		35	10			10	8			8	3			3					55	1		56
Akita	17			17	7			7	3	1		4	1	1		2					28	2		30
Yamagata	16			16	6			6	4	1		5	2	1		3					28	2		30
Fukushima	40			40	9			9	5			5	5			5					59			59
Hokkaido Tohoku Area	212	3	0	215	65	0	0	65	37	5	0	42	26	2	0	28	1	0	0	1	341	10	0	351
Ibaraki	54	2		56	14			14	11	1		12	4			4	1			1	84	3		87
Tochigi	35			35	9			9	10			10	7	1		8					61	1		62
Gunma	38			38	11			11	6	1		7	4	1		5					59	2		61
Saitama	101	2		103	24			24	15	1		16	6			6	2			2	148	3		151
Chiba	73	1		74	17			17	18	1		19	3			3	2		2	0	113	2	2	113
Tokyo	58	2		60	5			5	7	1		8	2			2	3		2	1	75	3	2	76
Kanagawa	56	2		58	10	1		11	6	2		8	1			1	3		2	1	76	5	2	79
Yamanashi	14			14	5			5	2			2	1			1					22			22
Nagano	40			40	9	1		10	3	1		4	3	1		4					55	3		58
Kanto Koshin Area	469	9	0	478	104	2	0	106	78	8	0	86	31	3	0	34	11	0	6	5	693	22	6	709
Niigata	36			36	10			10	6			6	2			2					54			54
Toyama	22			22	3			3	2			2									27			27
Ishikawa	18			18	2			2	3			3									23			23
Fukui	12			12	2			2	2			2	2			2					18			18
Hokuriku Area	88	0	0	88	17	0	0	17	13	0	0	13	4	0	0	4	0	0	0	0	122	0	0	122
Gifu	27			27	1			1	3			3									31			31
Shizuoka	41			41	6	1		7	5	3		8	3			3					55	4		59
Aichi	60			60	7			7	4			4									71			71
Mie	21	1		22	7			7	1	1		2	1			1					30	2		32
Tokai Area	149	1	0	150	21	1	0	22	13	4	0	17	4	0	0	4	0	0	0	0	187	6	0	193

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group				
	2016 End	Op en	Cl ose	2017 End	2016 End	Op en	Cl ose	2017 End	2016 End	Op en	Cl ose	2017 End	2016 End	Op en	Cl ose	2017 End	2016 End	Op en	Cl ose	2017 End	2016 End	Op en	Cl ose	2017 End	
Shiga	19			19	3			3	3	1		4	1			1					26	1		27	
Kyoto	16	1		17	3			3	1	1		2									20	2		22	
Oosaka	42	2		44	13			13	7	3		10	1			1	2		1	1	65	5	1	69	
Hyougo	40	1		41	10			10	4	2		6	2			2	1			1	57	3		60	
Nara	15			15	6			6	3			3	3			3					27			27	
Wakayama	14			14	1			1	1			1	1			1					17			17	
<b>Kinki Area</b>	<b>146</b>	<b>4</b>	<b>0</b>	<b>150</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>36</b>	<b>19</b>	<b>7</b>	<b>0</b>	<b>26</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>212</b>	<b>11</b>	<b>1</b>	<b>222</b>	
Tottori	7			7	2			2	2			2	2			2					13			13	
Shimane	9			9	2			2	3			3	2			2	1			1	17			17	
Okayama	22			22	4			4	4			4									30			30	
Hiroshima	23		1	22	3			3	3			3	1			1	1			1	31		1	30	
Yamaguchi	20			20	4			4	2	1		3				1		1	0	0	27	1	1	27	
<b>Chugoku Area</b>	<b>81</b>	<b>0</b>	<b>1</b>	<b>80</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>15</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>118</b>	<b>1</b>	<b>2</b>	<b>117</b>	
Tokushima	9			9	2			2	1			1									12			12	
Kagawa	13			13	2			2	2			2	1			1					18			18	
Ehime	17			17	4			4	3	1		4	2			2	1			1	27	1		28	
Kochi	12			12	1	1		2		1		1									13	2		15	
<b>Shikoku Area</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>51</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>10</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>70</b>	<b>3</b>	<b>0</b>	<b>73</b>	
Fukuoka	44	3		47	12	1		13	13	2		15	2			2	1		1	0	72	6	1	77	
Saga	12			12					1			1									13			13	
Nagasaki	11	1		12	3			3	3			3	3			3					20	1		21	
Kumamoto	21			21	2			2	3			3	1			1					27			27	
Ooita	16			16	3			3	3			3	1			1					23			23	
Miyazaki	17			17	2			2	1	1		2									20	1		21	
Kagoshima	18			18	4			4	2			2	2			2					26			26	
Okinawa	10			10	3			3	4			4	1			1					18			18	
<b>Kyusyu Okinawa Area</b>	<b>149</b>	<b>4</b>	<b>0</b>	<b>153</b>	<b>29</b>	<b>1</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>3</b>	<b>0</b>	<b>33</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>219</b>	<b>8</b>	<b>1</b>	<b>226</b>	
<b>Japan Total</b>	<b>1,345</b>	<b>21</b>	<b>1</b>	<b>1,365</b>	<b>296</b>	<b>5</b>	<b>0</b>	<b>301</b>	<b>210</b>	<b>30</b>	<b>0</b>	<b>240</b>	<b>91</b>	<b>5</b>	<b>0</b>	<b>96</b>	<b>20</b>	<b>0</b>	<b>9</b>	<b>11</b>	<b>1,962</b>	<b>61</b>	<b>10</b>	<b>2,013</b>	
<b>CHINA TAIWAN</b>																						<b>39</b>	<b>3</b>	<b>0</b>	<b>42</b>
<b>CHINA(Shanghai)</b>																						<b>14</b>	<b>0</b>	<b>3</b>	<b>11</b>
<b>T o t a l</b>	<b>1,345</b>	<b>21</b>	<b>1</b>	<b>1,365</b>	<b>296</b>	<b>5</b>	<b>0</b>	<b>301</b>	<b>210</b>	<b>30</b>	<b>0</b>	<b>240</b>	<b>91</b>	<b>5</b>	<b>0</b>	<b>96</b>	<b>20</b>	<b>0</b>	<b>9</b>	<b>11</b>	<b>2,015</b>	<b>64</b>	<b>13</b>	<b>2,066</b>	

### 3. Store operation

#### (1) Store openings

		Feb-2014	Feb-2015	Feb-2016	Feb-2017	Feb-2018 Forecast
Shimamura	New store openings	26	24	26	21	26
	Closures	1	2	2	1	3
	Renovation	66	99	88	71	86
	Scrap & rebuild	1	3	6	6	3
	Year-end total	1,299	1,321	1,345	1,365	1,388
Avail	New store openings	9	12	13	5	15
	Closures	1	2	6	0	0
	Scrap & rebuild	0	0	0	2	1
	Year-end total	279	289	296	301	316
Birthday	New store openings	11	25	36	30	30
	Closures	0	1	0	0	2
	Scrap & rebuild	0	0	0	0	0
	Year-end total	150	174	210	240	268
Chambre	New store openings	2	8	9	5	5
	Closures	1	0	2	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	76	84	91	96	101
Divalo	New store openings	2	2	2	0	9
	Closures	0	0	0	9	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	16	18	20	11	20
CHINA TAIWAN Shimamura	New store openings	1	1	2	3	3
	Closures	0	0	0	0	0
	Scrap & rebuild	0	1	1	0	0
	Year-end total	36	37	39	42	45
CHINA(Shanghai) Shimamura	New store openings	2	4	7	0	2
	Closures	0	0	1	3	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	4	8	14	11	12
Shimamura Group	New store openings	53	76	95	64	90
	Closures	3	5	11	13	6
	Scrap & rebuild	0	4	7	8	4
	Year-end total	1,860	1,931	2,015	2,066	2,150



## (2) Retail Floor Space

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

Store Type	Feb-2014	Feb-2015	Feb-2016	Feb-2017	Feb-2018 Forecast
Shimamura	1,351,404	1,375,537	1,399,306	1,422,010	1,450,000
Avail	276,420	286,981	293,602	297,993	312,000
Birthday	140,871	162,343	195,120	222,192	248,000
Chambre	73,466	81,381	87,278	92,259	97,000
Divalo	4,918	5,658	6,497	4,163	9,000
CHINA TAIWAN Shimamura	35,269	36,224	37,759	40,212	43,000
CHINA (Shanghai) Shimamura	3,492	6,881	12,473	10,142	11,000
Shimamura Group	1,885,840	1,955,005	2,032,035	2,088,971	2,170,000

## 4. Number of Employees

(Units : person, %)

		Feb-2015		Feb-2016		Feb-2017		Feb-2018 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,371	104.7	2,430	102.5	2,487	102.3	2,590	104.1
	Part-time	11,521	100.8	11,801	102.4	12,307	104.3	12,800	104.0
	Total	13,892	101.5	14,231	102.4	14,794	104.0	15,390	104.0
Subsidiary	Full-time	104	111.8	119	114.4	128	107.6	130	101.6
	Part-time	314	107.9	358	114.0	399	111.5	430	107.8
	Total	418	108.9	477	114.1	527	110.5	560	106.3
Shimamura Group Total	Full-time	2,475	105.0	2,549	103.0	2,615	102.6	2,720	104.0
	Part-time	11,835	101.0	12,159	102.7	12,706	104.5	13,230	104.1
	Total	14,310	101.7	14,708	102.8	15,321	104.2	15,950	104.1

## 5. Capital Expenditures

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

(Until : Millions of yen, %)

	Feb-2015	YOY	Feb-2016	YOY	Feb-2017	YOY	Feb-2018 Forecast	YOY
Buildings	9,122	213.4	7,387	81.0	6,368	86.2	6,760	106.2
Structures	995	192.8	905	91.0	982	108.5	800	81.4
Machine	2,165	—	87	4.0	245	281.8	10	4.1
Equipment	208	94.3	400	192.1	285	71.2	380	133.1
Land	136	5.1	10,635	—	1,223	11.5	2,000	163.5
Construction in progress	△835	—	△2	0.2	53	—	1,200	—
Tangible fixed assets	11,793	137.9	19,413	164.6	9,158	47.2	11,150	121.7
Deposits for rent	2,352	155.5	1,754	74.6	1,842	105.0	2,000	108.6
Lease deposits	52	176.0	21	41.7	27	124.1	20	73.5
Total capital expenditures	14,199	140.6	21,189	149.2	11,027	52.0	13,170	119.4
Depreciation	5,137	103.3	5,681	110.6	5,724	100.8	5,840	102.0

### (2) Subsidiary

(Units : Millions of yen, %)

	Feb-2015	YOY	Feb-2016	YOY	Feb-2017	YOY	Feb-2018 Forecast	YOY
Total capital expenditures	344	168.2	453	131.7	444	98.1	500	112.4
Depreciation	148	126.5	167	113.1	183	109.1	200	109.2

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

(Units : Millions of yen, %)

	Feb-2015	YOY	Feb-2016	YOY	Feb-2017	YOY	Feb-2018 Forecast	YOY
Total capital expenditures	14,543	141.2	21,643	148.8	11,472	53.0	13,670	119.2
Depreciation	5,285	103.8	5,849	110.7	5,907	101.0	6,040	102.2

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

### 1. Non-consolidated Financial Summary and Forecast

#### (1) Non-consolidated profit and loss statement

(Units : Millions of yen, %)

	Feb-2016			Feb-2017			Aug-2018 Forecast			Feb-2018 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	540,216	100.0	106.8	559,329	100.0	103.5	295,300	100.0	106.0	603,000	100.0	107.8
Cost of goods sold	370,045	68.5	107.0	373,920	66.9	101.0	195,500	66.2	105.1	400,000	66.3	107.0
Gross profit	170,171	31.5	106.2	185,409	33.1	109.0	99,800	33.8	108.0	203,000	33.7	109.5
Other operating income	961	0.2	103.1	1,038	0.2	108.0	550	0.2	105.7	1,000	0.1	96.3
Operating Gross Profit	171,132	31.7	106.2	186,447	33.3	108.9	100,350	34.0	108.0	204,000	33.8	109.4
SG & A expenses	130,665	24.2	105.3	137,229	24.5	105.0	71,650	24.3	106.1	147,000	24.3	107.1
Operating Profit	40,466	7.5	109.1	49,217	8.8	121.6	28,700	9.7	113.0	57,000	9.5	115.8
Non-operating income	1,223	0.2	59.8	1,217	0.2	99.5	505	0.2	82.0	1,010	0.1	83.0
Non-operating expenses	299	0.0	—	11	0.0	3.8	5	0.0	3.1	10	0.0	87.6
Ordinary Profit	41,391	7.7	105.9	50,423	9.0	121.8	29,200	9.9	112.9	58,000	9.6	115.0
Extraordinary profit	1	0.0	—	0	0.0	13.2	—	—	—	—	—	—
Extraordinary losses	2,303	0.5	211.6	715	0.1	31.1	500	0.2	147.8	1,000	0.1	139.7
Pretax profit	39,088	7.2	102.9	49,707	8.9	127.2	28,700	9.7	112.5	57,000	9.5	114.7
Tax	14,292	2.6	97.1	16,414	2.9	114.8	9,000	3.0	103.4	18,000	3.0	109.7
Net Profit	24,796	4.6	106.5	33,293	6.0	134.3	19,700	6.7	117.1	39,000	6.5	117.1

#### (2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

	Feb-2016			Feb-2017			Aug-2018 Forecast			Feb-2018 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	50,215	9.3	103.7	53,207	9.5	106.0	27,840	9.4	106.6	57,000	9.5	107.1
Personal expenses	59,615	11.0	103.9	63,076	11.3	105.8	33,000	11.2	106.6	67,600	11.2	107.2
Advertising expenses	13,479	2.5	100.4	13,868	2.5	102.9	7,650	2.6	108.7	15,500	2.6	111.8
Selling expenses	18,081	3.4	103.4	18,998	3.4	105.1	10,290	3.5	107.7	21,000	3.5	110.5
Non-durable goods	1,766	0.3	114.5	1,576	0.3	89.2	800	0.3	91.8	1,500	0.2	95.2
Display total	1,728	0.3	155.9	3,074	0.5	177.8	1,700	0.6	109.5	3,400	0.6	110.6
Operating expenses	6,988	1.3	125.9	8,232	1.4	117.8	4,190	1.4	106.1	8,400	1.4	102.0
Rental expenses	28,453	5.3	104.9	29,688	5.3	104.3	15,370	5.2	104.5	31,500	5.2	106.1
Depreciation	5,681	1.1	110.6	5,724	1.0	100.8	2,800	0.9	99.9	5,840	1.0	102.0
Facilities cost	43,164	8.0	105.1	43,607	7.8	101.0	22,145	7.5	103.6	45,900	7.6	105.3
General expenses	2,815	0.5	109.2	3,315	0.6	117.7	2,025	0.7	119.6	4,100	0.6	123.7
SG & A expenses	130,665	24.2	105.3	137,229	24.5	105.0	71,650	24.3	106.1	147,000	24.3	107.1

## 2. Sales and Gross profit

### (1) Monthly sales, customer numbers and per customer spending (Shimamura)

(Units : %)

Feb-2017 1st half		Mar	Apr	May	1st quarter	Jun	Jul	Aug	2nd quarter	1st half
Net sales	Existing stores	111.8	104.5	98.3	103.8	107.5	105.4	94.5	102.6	103.2
	All stores	113.7	106.2	99.7	105.4	109.2	106.9	95.7	104.1	104.7
Customer numbers	All Stores	111.7	101.4	97.5	102.5	105.5	105.0	95.5	102.0	102.2
Spending per customers		101.8	104.7	102.3	102.8	103.5	101.9	100.2	102.1	102.4

Feb-2017 2nd half		Sep	Oct	Nov	3rd quarter	Dec	Jan	Feb	4th quarter	2nd half	Year total
Net sales	Existing stores	86.2	94.6	116.4	100.2	94.5	101.9	97.6	97.7	99.0	101.1
	All stores	87.1	95.8	118.2	101.6	95.6	103.1	98.8	98.9	100.3	102.4
Customer numbers	All Stores	90.9	95.3	115.1	100.9	97.4	103.3	99.2	99.9	100.4	101.3
Spending per customers		95.8	100.6	102.7	100.7	98.2	99.7	99.5	99.0	99.9	101.1

Feb-2016 1st half		Mar	Apr	May	1st quarter	Jun	Jul	Aug	2nd quarter	1st half
Net sales	Existing stores	100.3	93.1	112.3	102.0	100.4	103.0	106.3	103.1	102.6
	All stores	101.9	94.7	114.2	103.7	102.2	104.4	107.7	104.7	104.2
Customer numbers	All Stores	102.8	93.7	108.6	101.4	99.6	101.6	105.9	102.3	101.9
Spending per customers		99.1	101.1	105.2	102.2	102.7	102.8	101.7	102.4	102.3

Feb-2016 2nd half		Sep	Oct	Nov	3rd quarter	Dec	Jan	Feb	4th quarter	2nd half	Year total
Net sales	Existing stores	116.8	112.7	99.9	108.6	108.5	99.0	108.6	105.1	106.9	104.7
	All stores	118.8	114.8	102.0	110.7	110.8	100.4	110.4	106.9	108.8	106.5
Customer numbers	All Stores	109.5	106.2	98.1	104.2	109.8	101.1	105.6	105.7	104.9	103.4
Spending per customers		108.4	108.1	104.0	106.3	100.9	99.4	104.5	101.2	103.8	103.0

### (2) Net sales, Customer numbers, Items purchased customer, Average spending per customer, Average price per item sold (Shimamura)

	Feb-2013		Feb-2014		Feb-2015		Feb-2016		Feb-2017	
	Amount	YOY	Amount	YOY	Amount	YOY	Amount	YOY	Amount	YOY
Net store sales(Millions of yen)	399,775	104.6	407,029	101.8	414,121	101.7	441,152	106.5	451,937	102.4
Customer of number(Thousands)	160,827	102.4	160,885	100.0	160,615	99.8	166,035	103.4	168,209	101.3
Items purchased customer	3.1	100.7	3.1	98.9	3.1	98.6	3.0	97.9	3.0	98.5
Average spending Per customer(Yen)	2,486	102.1	2,530	101.8	2,578	101.9	2,657	103.0	2,687	101.1
Average price per item sold(Yen)	791	101.4	814	102.9	841	103.4	886	105.3	910	102.7

## (3) Monthly sales, customer numbers and per customer spending (Avail)

(Units : %)

Feb-2017 1st half		Mar	Apr	May	1st quarter	Jun	Jul	Aug	2nd quarter	1st half
Net sales	Existing stores	111.6	100.5	98.7	102.7	105.0	101.4	100.5	102.3	102.5
	All stores	114.9	103.5	101.0	105.5	108.0	103.4	102.5	104.6	105.0
Customer numbers	All Stores	105.5	90.6	94.7	96.2	101.1	98.8	101.2	100.4	98.3
Spending per customers		108.9	114.3	106.6	109.7	106.8	104.7	101.3	104.2	106.9

Feb-2017 2nd half		Sep	Oct	Nov	3rd quarter	Dec	Jan	Feb	4th quarter	2nd half	Year total
Net sales	Existing stores	90.9	93.2	108.6	97.9	92.3	96.6	99.5	95.4	96.7	99.6
	All stores	93.0	95.6	111.0	100.2	93.5	98.0	101.3	96.8	98.5	101.8
Customer numbers	All Stores	95.2	97.4	110.1	100.8	99.8	102.1	108.1	102.5	101.6	99.9
Spending per customers		97.7	98.1	100.8	99.5	93.7	96.0	93.7	94.5	96.9	101.9

Feb-2016 1st half		Mar	Apr	May	1st quarter	Jun	Jul	Aug	2nd quarter	1st half
Net sales	Existing stores	91.8	91.1	104.9	96.0	99.5	99.3	95.8	98.2	97.1
	All stores	94.8	93.2	107.6	98.6	101.9	101.6	97.1	100.1	99.3
Customer numbers	All Stores	95.1	90.3	100.1	95.0	96.8	95.4	91.9	94.5	94.8
Spending per customers		99.7	103.3	107.5	103.8	105.3	106.6	105.6	105.9	104.8

Feb-2016 2nd half		Sep	Oct	Nov	3rd quarter	Dec	Jan	Feb	4th quarter	2nd half	Year total
Net sales	Existing stores	107.1	99.3	91.0	98.2	99.0	89.3	103.5	95.8	97.0	97.0
	All stores	108.4	100.3	92.3	99.4	102.0	91.4	105.6	98.3	98.8	99.1
Customer numbers	All Stores	99.7	89.1	86.9	91.6	94.9	84.5	92.7	90.2	90.9	92.9
Spending per customers		108.7	112.6	106.1	108.5	107.4	108.2	113.9	108.9	108.7	106.6

## (4) Net sales, Customer numbers, Items purchased customer, Average spending per customer, Average price per item sold (Avail)

	Feb-2013		Feb-2014		Feb-2015		Feb-2016		Feb-2017	
	Amount	YOY	Amount	YOY	Amount	YOY	Amount	YOY	Amount	YOY
Net store sales(Millions of yen)	53,730	105.9	52,831	98.3	49,960	94.6	49,500	99.1	50,377	101.8
Customer of number(Thousands)	18,584	105.6	18,167	97.8	17,139	94.3	15,926	92.9	15,902	99.9
Items purchased customer	2.4	102.1	2.4	100.3	2.4	98.1	2.3	94.8	2.3	99.9
Average spending Per customer(Yen)	2,891	100.3	2,908	100.6	2,915	100.2	3,108	106.6	3,168	101.9
Average price per item sold(Yen)	1,192	98.2	1,196	100.3	1,222	102.2	1,374	112.5	1,402	102.0

## (5) Sales and Gross profit Breakdown by Product Line

(Units : Millions of yen, %)

	Feb-2015					Feb-2016					Feb-2017				
	Amount	YOY	Comp ratio	Margin	YOY	Amount	YOY	Comp ratio	Margin	YOY	Amount	YOY	Comp ratio	Margin	YOY
Woman's wear	129,861	103.3	31.4	29.9	0.0	141,521	109.0	32.1	30.5	0.6	146,984	103.9	32.5	32.1	1.6
Underwear	107,756	101.4	26.0	34.4	△1.0	108,865	101.0	24.7	33.6	△0.8	109,324	100.4	24.2	36.6	3.0
Bedclothes	46,005	101.8	11.1	30.6	△0.2	46,414	100.9	10.5	30.7	0.1	48,909	105.4	10.8	32.7	2.0
Men's wear	33,124	102.5	8.0	29.2	△0.2	36,101	109.0	8.2	28.9	△0.3	39,559	109.6	8.8	30.7	1.8
Baby & Kid's	27,893	96.9	6.7	26.6	△0.5	29,727	106.6	6.7	26.1	△0.5	30,977	104.2	6.9	28.4	2.3
Accessories	27,559	104.0	6.7	30.8	0.5	31,688	115.0	7.2	30.1	△0.7	30,024	94.7	6.6	32.4	2.3
Interior	23,352	99.4	5.6	30.2	△1.2	24,272	103.9	5.5	31.4	1.2	24,553	101.2	5.4	34.1	2.7
Shoes	18,569	99.0	4.5	32.2	0.1	22,561	121.5	5.1	32.3	0.1	21,603	95.8	4.8	33.8	1.5
Shimamura	414,121	101.7	100.0	31.0	△0.4	441,152	106.5	100.0	31.0	0.0	451,937	102.4	100.0	33.1	2.1
Woman's wear	18,754	94.1	37.5	35.7	△2.1	19,778	105.5	39.9	35.8	0.1	20,536	103.8	40.8	34.7	△1.1
Shoes	11,784	96.2	23.6	39.0	△1.3	11,877	100.8	24.0	37.6	△1.4	12,542	105.6	24.9	38.0	0.4
Men's & Kid's	13,932	94.4	27.9	34.3	△2.2	12,907	92.6	26.1	32.5	△1.8	12,467	96.6	24.7	28.1	△4.4
Underwear	5,489	93.2	11.0	35.0	△1.8	4,936	89.9	10.0	36.1	1.1	4,831	97.9	9.6	37.8	1.7
Avail	49,960	94.6	100.0	36.0	△1.9	49,500	99.1	100.0	35.4	△0.6	50,377	101.8	100.0	34.2	△1.2
Birthday	31,222	116.6	-	31.7	0.2	38,552	123.5	-	31.3	△0.4	46,882	121.6	-	33.0	1.7
Chambre	9,818	99.2	-	36.5	△3.5	10,031	102.2	-	36.1	△0.4	9,521	94.9	-	30.5	△5.6
Divalo	883	112.3	-	29.5	△0.5	980	111.0	-	32.0	2.5	611	62.3	-	28.4	△3.6
Total	506,007	101.7	-	31.7	△0.6	540,216	106.8	-	31.5	△0.2	559,329	103.5	-	33.1	1.6

## (6) New store sales trend (Shimamura)

	Feb-2013	YOY	Feb-2014	YOY	Feb-2015	YOY	Feb-2016	YOY	Feb-2017	YOY
New store sales	8,637,274	88.9	5,332,119	61.7	4,179,749	78.4	4,551,318	108.9	3,622,232	79.6
Month in operation	293	96.7	178	60.8	155	87.1	160	103.2	139	86.9
New store sales per month	29,479	92.0	29,956	101.6	26,966	90.0	28,446	105.5	26,059	91.6
New store openings	39	92.9	26	66.7	24	92.3	26	108.3	21	80.8

### 3. Sales by prefecture and Retail floor space (Shimamura)

(Units: Millions of yen, m<sup>2</sup>, %)

Prefecture	Net sales	YOY (%)	Retail Space	YOY (%)	Number stores	Market Share
Hokkaido	20,953	101.6	71,575	102.7	65	7.2
Aomori	7,183	99.7	23,811	100.0	23	17.5
Iwate	6,447	99.3	19,428	100.0	19	11.3
Miyagi	10,156	100.4	36,856	101.6	35	9.9
Akita	5,177	96.9	17,460	100.0	17	14.4
Yamagata	5,495	99.8	17,248	100.8	16	13.2
Fukushima	12,268	99.2	40,930	100.0	40	13.2
Hokkaido Tohoku area	67,682	100.0	227,308	101.2	215	10.2
Ibaraki	16,386	103.9	58,753	103.1	56	11.6
Tochigi	10,671	100.9	35,242	100.0	35	11.2
Gunma	11,038	100.1	39,638	100.0	38	12.3
Saitama	35,078	102.4	108,833	102.1	103	8.2
Chiba	23,824	102.7	79,426	102.2	74	6.5
Tokyo	23,821	105.5	53,107	104.6	60	2.3
Kanagawa	23,375	103.7	63,118	104.4	58	4.2
Yamanashi	4,339	100.5	14,349	100.0	14	10.4
Nagano	11,700	99.4	41,381	100.0	40	12.5
Kanto Koshin Area	160,237	102.7	493,847	102.2	478	5.7
Niigata	10,651	100.5	38,386	100.0	36	11.1
Toyama	5,534	101.6	21,657	100.0	22	12.5
Ishikawa	4,632	101.5	18,573	100.0	18	8.6
Fukui	3,553	101.4	11,596	100.0	12	10.2
Hokuriku area	24,371	101.1	90,212	100.0	88	10.7
Gifu	7,836	102.9	27,017	100.5	27	8.5
Shizuoka	16,386	102.4	42,962	100.0	41	9.7
Aichi	22,887	102.5	61,016	100.0	60	5.9
Mie	6,501	103.9	23,213	104.4	22	6.9
Tokai Area	53,611	102.7	154,208	100.7	150	7.2
Shiga	5,595	101.6	19,142	100.0	19	7.2
Kyoto	6,577	105.4	17,908	105.8	17	4.5

Prefecture	Net sales	YOY (%)	Retail Space	YOY (%)	Number stores	Market Share
Oosaka	18,446	106.6	47,103	105.1	44	3.7
Hyougo	14,386	104.1	42,903	102.4	41	4.8
Nara	4,472	102.4	14,703	99.7	15	4.9
Wakayama	4,459	100.6	13,900	100.0	14	8.8
Kinki area	53,937	104.4	155,659	102.8	150	4.6
Tottori	2,875	99.6	8,056	100.0	7	12.0
Shimane	2,556	101.3	9,239	100.0	9	8.7
Okayama	7,557	100.8	23,070	100.0	22	7.4
Hiroshima	7,614	99.0	23,038	94.6	22	5.0
Yamaguchi	5,611	96.8	21,210	100.8	20	7.5
Chugoku area	26,215	99.3	84,613	98.6	80	6.8
Tokushima	2,899	102.9	9,202	99.9	9	7.1
Kagawa	3,538	102.6	13,426	100.0	13	6.4
Ehime	5,355	104.6	18,233	102.6	17	7.8
Kochi	3,642	99.9	12,213	100.0	12	9.7
Shikoku Area	15,436	102.7	53,074	100.9	51	7.6
Fukuoka	15,574	106.6	52,461	107.4	47	5.3
Saga	3,612	103.0	12,025	100.0	12	11.4
Nagasaki	4,262	103.4	13,206	109.5	12	6.9
Kumamoto	7,754	112.1	20,557	99.9	21	7.5
Ooita	4,977	101.0	18,191	100.0	16	9.4
Miyazaki	5,269	103.1	17,980	100.0	17	10.7
Kagoshima	5,862	101.5	18,274	100.0	18	7.2
Okinawa	3,130	102.7	10,395	100.0	10	7.1
Kyusyu Okinawa Area	50,444	105.1	163,089	103.0	153	7.0
Shimamura	451,937	102.4	1,422,010	101.6	1,365	6.5
Avail	50,377	101.8	297,993	101.5	301	-
Birthday	46,882	121.6	222,192	113.9	240	-
Chamble	9,521	94.9	92,259	105.7	96	-
Divalo	611	62.3	4,163	64.1	11	-

### III. CHINA TAIWAN Shimamura

#### 1. Financial Summary and Forecast

##### (1) Profit and loss statement

(Units : Millions of yen, %)

	Feb-2016			Feb-2017			Aug-2018 Forecast			Feb-2018 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	5,113	100.0	95.3	5,571	100.0	109.0	2,870	100.0	123.9	6,300	100.0	113.1
Cost of goods sold	3,279	64.1	98.3	3,542	63.6	108.0	1,790	62.4	121.7	3,939	62.5	111.2
Operating Gross Profit	1,837	35.9	90.4	2,033	36.5	110.6	1,081	37.7	127.7	2,364	37.5	116.3
SG & A expenses	1,705	33.3	98.6	1,940	34.8	113.8	1,021	35.6	126.2	2,185	34.7	112.6
Operating Profit	132	2.6	43.6	92	1.7	69.9	60	2.1	162.5	180	2.9	194.7
Ordinary Profit	125	2.5	42.6	101	1.8	80.8	52	1.8	139.0	165	2.6	162.9
Net Profit	125	2.5	41.7	60	1.1	48.0	43	1.5	185.7	136	2.2	227.4

Exchange rates (1NT\$)	3.40yen	3.65yen	3.60yen	3.60yen
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##### (2) Profit and loss statement

(Units : Millions of NT\$, %)

	Feb-2016			Feb-2017			Aug-2018 Forecast			Feb-2018 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	1,503	100.0	105.1	1,526	100.0	101.5	797	100.0	109.8	1,750	100.0	114.6
Cost of goods sold	964	64.1	108.5	970	63.6	100.6	497	62.4	107.8	1,094	62.5	112.7
Operating Gross Profit	540	35.9	99.7	557	36.5	103.1	300	37.7	113.3	657	37.5	117.9
SG & A expenses	501	33.3	108.8	531	34.8	106.0	283	35.6	111.9	607	34.7	114.2
Operating Profit	38	2.6	48.1	25	1.7	65.1	16	2.1	144.0	50	2.9	197.4
Ordinary Profit	36	2.5	47.0	27	1.8	75.3	14	1.8	123.2	45	2.6	165.1
Net Profit	36	2.5	46.0	16	1.1	44.7	12	1.5	164.5	38	2.2	230.5



#### IV. CHINA (Shanghai) Shimamura

##### 1. Financial Summary and Forecast

###### (1) Profit and loss statement

(Units : Millions of yen, %)

	Dec-2015			Dec-2016			Jun-2017 Forecast			Dec-2017 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	728	100.0	139.5	567	100.0	77.9	330	100.0	118.5	700	100.0	123.4
Cost of goods sold	530	72.8	153.2	389	68.7	73.5	199	60.4	103.0	410	58.5	105.2
Operating Gross Profit	198	27.2	112.6	177	31.3	89.7	131	39.6	153.9	290	41.5	163.3
SG & A expenses	878	120.6	119.8	684	120.6	77.9	385	116.4	110.6	770	110.1	112.6
Operating Profit	△680	—	122.1	△506	—	74.5	△253	—	96.6	△480	—	94.8
Ordinary Profit	△658	—	126.9	△495	—	75.2	△248	—	95.3	△470	—	94.9
Net Profit	△730	—	133.9	△624	—	85.4	△248	—	91.3	△485	—	77.7

Exchange rates (RMB)	18.64yen	17.06yen	17.50yen	17.50yen
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###### (2) Profit and loss statement

(Units : Millions of RMB, %)

	Dec-2015			Dec-2016			Jun-2017 Forecast			Dec-2017 Forecast		
	Sales	Comp ratio	YOY	Sales	Comp ratio	YOY	Sales	Comp ratio	YOY	Sales	Comp ratio	YOY
Net Sales	39	100.0	147.0	33	100.0	85.1	18	100.0	106.7	40	100.0	120.3
Cost of goods sold	28	72.8	161.4	22	68.7	80.3	11	60.4	92.7	23	58.5	102.5
Operating Gross Profit	10	27.2	118.6	10	31.3	98.0	7	39.6	138.6	16	41.5	159.2
SG & A expenses	47	120.6	126.3	40	120.6	85.1	22	116.4	99.6	44	110.1	109.7
Operating Profit	△36	—	128.7	△29	—	81.4	△14	—	87.0	△27	—	92.4
Ordinary Profit	△35	—	133.7	△29	—	82.2	△14	—	85.9	△26	—	92.6
Net Profit	△39	—	141.0	△36	—	93.3	△14	—	82.3	△27	—	75.8