

Investors' Guide

August-2017

Shimamura Co., Ltd.

I. Shimamura Co., Ltd. (Consolidated)

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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 | Aug-2016 | | | Feb-2017 | | | Aug-2017 | | | Feb-2018 Forecast | | |
|------------------------|----------|------------|-------|----------|------------|-------|----------|------------|-------|-------------------|------------|-------|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Net Sales | 281,085 | 100.0 | 105.8 | 565,469 | 100.0 | 103.6 | 284,103 | 100.0 | 101.1 | 593,000 | 100.0 | 104.9 |
| Shimamura | 225,315 | 80.2 | 104.7 | 451,937 | 79.9 | 102.4 | 225,317 | 79.3 | 100.0 | 467,000 | 78.8 | 103.3 |
| Avail | 25,999 | 9.3 | 105.0 | 50,377 | 8.9 | 101.8 | 25,901 | 9.1 | 99.6 | 53,800 | 9.1 | 106.8 |
| Birthday | 22,035 | 7.8 | 127.7 | 46,882 | 8.3 | 121.6 | 24,931 | 8.8 | 113.1 | 54,200 | 9.1 | 115.6 |
| Chambre | 4,763 | 1.7 | 95.1 | 9,521 | 1.7 | 94.9 | 4,815 | 1.7 | 101.1 | 10,300 | 1.7 | 108.2 |
| Divalo | 376 | 0.1 | 74.6 | 611 | 0.1 | 62.3 | 263 | 0.1 | 70.0 | 700 | 0.1 | 114.6 |
| CHINA TAIWAN | 2,316 | 0.8 | 87.1 | 5,571 | 1.0 | 109.0 | 2,615 | 0.9 | 112.9 | 6,300 | 1.1 | 113.1 |
| CHINA(Shanghai) | 279 | 0.1 | 77.5 | 567 | 0.1 | 77.9 | 258 | 0.1 | 92.7 | 700 | 0.1 | 123.4 |
| Cost of goods sold | 187,745 | 66.8 | 103.0 | 377,852 | 66.8 | 101.1 | 187,910 | 66.1 | 100.1 | 392,848 | 66.2 | 104.0 |
| Gross profit | 93,340 | 33.2 | 111.8 | 187,616 | 33.2 | 108.9 | 96,193 | 33.9 | 103.1 | 200,152 | 33.8 | 106.7 |
| Other operating income | 522 | 0.2 | 106.9 | 1,041 | 0.2 | 108.0 | 516 | 0.1 | 98.9 | 1,004 | 0.1 | 96.4 |
| Operating Gross Profit | 93,862 | 33.4 | 111.8 | 188,658 | 33.4 | 108.9 | 96,709 | 34.0 | 103.0 | 201,156 | 33.9 | 106.6 |
| SG & A expenses | 68,685 | 24.4 | 104.0 | 139,863 | 24.8 | 105.0 | 72,838 | 25.6 | 106.0 | 149,956 | 25.3 | 107.2 |
| Operating Profit | 25,176 | 9.0 | 140.6 | 48,794 | 8.6 | 122.3 | 23,871 | 8.4 | 94.8 | 51,200 | 8.6 | 104.9 |
| Non-operating income | 665 | 0.2 | 86.3 | 1,299 | 0.3 | 115.2 | 544 | 0.2 | 81.8 | 980 | 0.2 | 75.4 |
| Non-operating expenses | 161 | 0.1 | — | 14 | 0.0 | 4.4 | 38 | 0.0 | 24.1 | 15 | 0.0 | 103.0 |
| Ordinary Profit | 25,680 | 9.1 | 137.7 | 50,079 | 8.9 | 123.0 | 24,376 | 8.6 | 94.9 | 52,165 | 8.8 | 104.2 |
| Extraordinary profit | — | — | — | 0 | 0.0 | 13.2 | — | — | — | — | — | — |
| Extraordinary losses | 358 | 0.1 | 86.3 | 868 | 0.2 | 55.4 | 385 | 0.2 | 107.5 | 1,015 | 0.2 | 116.9 |
| Pretax profit | 25,321 | 9.0 | 138.9 | 49,211 | 8.7 | 125.7 | 23,991 | 8.4 | 94.7 | 51,150 | 8.6 | 103.9 |
| Tax | 8,624 | 3.1 | 127.4 | 16,349 | 2.9 | 113.6 | 7,726 | 2.7 | 89.6 | 16,350 | 2.7 | 100.0 |
| Net Profit | 16,696 | 5.9 | 145.6 | 32,862 | 5.8 | 132.8 | 16,265 | 5.7 | 97.4 | 34,800 | 5.9 | 105.9 |

(2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

| Subject | Aug-2016 | | | Feb-2017 | | | Aug-2017 | | | Feb-2018 Forecast | | |
|----------------------|----------|------------|-------|----------|------------|-------|----------|------------|-------|-------------------|------------|-------|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Wages | 26,473 | 9.4 | 105.1 | 54,064 | 9.6 | 106.1 | 28,322 | 10.0 | 107.0 | 57,926 | 9.8 | 107.1 |
| Personal expenses | 31,386 | 11.2 | 104.9 | 64,095 | 11.4 | 105.9 | 33,594 | 11.8 | 107.0 | 68,711 | 11.6 | 107.2 |
| Advertising expenses | 7,091 | 2.5 | 102.3 | 13,995 | 2.5 | 102.5 | 8,340 | 2.9 | 117.6 | 15,650 | 2.6 | 111.8 |
| Selling expenses | 9,697 | 3.4 | 105.0 | 19,316 | 3.4 | 104.8 | 11,023 | 3.9 | 113.7 | 21,361 | 3.6 | 110.6 |
| Non-durable goods | 875 | 0.3 | 94.0 | 1,587 | 0.3 | 88.8 | 607 | 0.2 | 69.3 | 1,513 | 0.3 | 95.3 |
| Display total | 1,576 | 0.6 | 181.5 | 3,129 | 0.6 | 171.9 | 1,631 | 0.6 | 103.5 | 3,465 | 0.6 | 110.7 |
| Operating expenses | 4,032 | 1.4 | 109.9 | 8,400 | 1.5 | 117.1 | 4,112 | 1.5 | 102.0 | 8,586 | 1.5 | 102.2 |
| Rental expenses | 15,000 | 5.3 | 104.1 | 30,380 | 5.4 | 104.3 | 15,550 | 5.5 | 103.7 | 32,249 | 5.4 | 106.1 |
| Depreciation | 2,896 | 1.0 | 101.8 | 5,907 | 1.0 | 101.0 | 2,814 | 1.0 | 97.2 | 6,040 | 1.0 | 102.2 |
| Facilities cost | 21,831 | 7.8 | 100.0 | 44,650 | 7.9 | 101.0 | 22,008 | 7.7 | 100.8 | 47,048 | 7.9 | 105.4 |
| General expenses | 1,738 | 0.6 | 123.1 | 3,400 | 0.6 | 115.7 | 2,099 | 0.7 | 120.8 | 4,248 | 0.7 | 124.9 |
| SG & A expenses | 68,685 | 24.4 | 104.0 | 139,863 | 24.8 | 105.0 | 72,838 | 25.6 | 106.0 | 149,956 | 25.3 | 107.2 |

(3) Consolidated quarterly Profit and loss statement

(Units : Millions of yen, %)

| Subject | May-2017 | | | Aug-2017 | | | Nov-2017 | | | Feb-2018 | | |
|------------------------|----------|------------|-------|----------|------------|-------|----------|------------|-----|----------|------------|-----|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Net Sales | 138,070 | 100.0 | 98.3 | 146,033 | 100.0 | 103.8 | | | | | | |
| Cost of goods sold | 91,406 | 66.2 | 97.0 | 96,503 | 66.1 | 103.2 | | | | | | |
| Gross profit | 46,663 | 33.8 | 101.1 | 49,530 | 33.9 | 105.0 | | | | | | |
| Other operating income | 247 | 0.2 | 99.2 | 268 | 0.2 | 98.7 | | | | | | |
| Operating Gross Profit | 46,910 | 34.0 | 101.1 | 49,798 | 34.1 | 104.9 | | | | | | |
| SG & A expenses | 36,398 | 26.4 | 105.9 | 36,471 | 25.0 | 106.1 | | | | | | |
| Operating Profit | 10,512 | 7.6 | 87.3 | 13,327 | 9.1 | 101.8 | | | | | | |
| Ordinary Profit | 10,708 | 7.8 | 86.9 | 13,668 | 9.4 | 102.4 | | | | | | |
| Net Profit | 7,109 | 5.1 | 89.1 | 9,155 | 6.3 | 105.1 | | | | | | |

(4) Consolidated Balance Sheets

(Units : Millions of yen, %)

| | Aug-2016 | | | Feb-2017 | | | Aug-2017 | | |
|----------------------------|----------------|--------------|--------------|----------------|--------------|--------------|----------------|--------------|--------------|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Current assets | 203,756 | 54.5 | 108.8 | 208,044 | 54.8 | 114.4 | 225,933 | 57.0 | 110.9 |
| Noncurrent assets | 170,074 | 45.5 | 105.6 | 171,642 | 45.2 | 101.4 | 170,559 | 43.0 | 100.3 |
| Total assets | 373,831 | 100.0 | 107.3 | 379,686 | 100.0 | 108.1 | 396,492 | 100.0 | 106.1 |
| Current liabilities | 51,795 | 13.8 | 114.1 | 43,577 | 11.5 | 103.2 | 48,646 | 12.3 | 93.9 |
| Noncurrent liabilities | 4,330 | 1.2 | 65.5 | 4,754 | 1.2 | 113.1 | 4,939 | 1.2 | 114.0 |
| Total liabilities | 56,126 | 15.0 | 107.9 | 48,331 | 12.7 | 104.1 | 53,585 | 13.5 | 95.5 |
| Total shareholder's equity | 315,357 | 84.4 | 107.8 | 327,910 | 86.4 | 108.5 | 339,267 | 85.6 | 107.6 |
| Valuation difference | 2,347 | 0.6 | 61.5 | 3,444 | 0.9 | 138.6 | 3,639 | 0.9 | 155.0 |
| Total net assets | 317,705 | 85.0 | 107.2 | 331,354 | 87.3 | 108.7 | 342,906 | 86.5 | 107.9 |
| Total assets | 373,831 | 100.0 | 107.3 | 379,686 | 100.0 | 108.1 | 396,492 | 100.0 | 106.1 |

(5) Consolidated Major Financial Indicators

| | Aug-2013 | Aug-2014 | Aug-2015 | Aug-2016 | Aug-2017 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Capital adequacy ratio | 83.4% | 83.9% | 85.1% | 85.0% | 86.5% |
| ROE | 5.5% | 4.4% | 3.9% | 5.4% | 4.8% |
| ROA | 4.6% | 3.8% | 3.4% | 4.6% | 4.2% |
| Ordinary profit to total assets | 7.6% | 6.3% | 5.5% | 7.1% | 6.3% |
| Total assets turnover ratio | 0.83times | 0.79times | 0.78times | 0.78times | 0.73times |
| Interest-bearing debt ratio | 1.9% | 1.7% | 1.1% | 0.5% | — |
| Gross profit ratio | 32.5% | 32.1% | 31.4% | 33.2% | 33.9% |
| SG & A expenses ratio | 23.9% | 24.6% | 24.9% | 24.4% | 25.6% |
| Operating profit ratio | 8.8% | 7.6% | 6.7% | 9.0% | 8.4% |
| Ordinary profit ratio | 9.2% | 8.0% | 7.0% | 9.1% | 8.6% |
| Net assets per share | 7,055.00yen | 7,577.39yen | 8,063.78yen | 8,643.90yen | 9,329.70yen |
| EPS | 379.37yen | 331.36yen | 311.94yen | 454.26yen | 442.54yen |

2. Number of Stores by Region

| Store Type Prefecture | Shimamura | | | | Avail | | | | Birthday | | | | Chambre | | | | Divalo | | | | Shimamura Group | | | |
|--------------------------|-------------|----------|-----------|---------------|-------------|----------|-----------|---------------|-------------|----------|-----------|---------------|-------------|----------|-----------|---------------|-------------|----------|-----------|---------------|-----------------|----------|-----------|---------------|
| | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End |
| Hokkaido | 65 | 1 | | 66 | 20 | | | 20 | 15 | | | 15 | 10 | | | 10 | 1 | | | 1 | 111 | 1 | | 112 |
| Aomori | 23 | | | 23 | 6 | | | 6 | 2 | | | 2 | 4 | | | 4 | | | | | 35 | | | 35 |
| Iwate | 19 | 1 | | 20 | 7 | | | 7 | 3 | | | 3 | 1 | | | 1 | | | | | 30 | 1 | | 31 |
| Miyagi | 35 | | | 35 | 10 | | | 10 | 8 | | | 8 | 3 | | | 3 | | | | | 56 | | | 56 |
| Akita | 17 | | | 17 | 7 | | | 7 | 4 | | | 4 | 2 | | | 2 | | | | | 30 | | | 30 |
| Yamagata | 16 | | | 16 | 6 | | | 6 | 5 | | | 5 | 3 | | | 3 | | | | | 30 | | | 30 |
| Fukushima | 40 | | | 40 | 9 | | | 9 | 5 | | | 5 | 5 | | | 5 | | | | | 59 | | | 59 |
| Hokkaido Tohoku Area | 215 | 2 | | 217 | 65 | | | 65 | 42 | | | 42 | 28 | | | 28 | 1 | | | 1 | 351 | 2 | | 353 |
| Ibaraki | 56 | | | 56 | 14 | | | 14 | 12 | | | 12 | 4 | | | 4 | 1 | | | 1 | 87 | | | 87 |
| Tochigi | 35 | | | 35 | 9 | | | 9 | 10 | | | 10 | 8 | | | 8 | | | | | 62 | | | 62 |
| Gunma | 38 | | | 38 | 11 | | | 11 | 7 | | | 7 | 5 | | | 5 | | | | | 61 | | | 61 |
| Saitama | 103 | | | 103 | 24 | | | 24 | 16 | | | 16 | 6 | | | 6 | 2 | | | 2 | 151 | | | 151 |
| Chiba | 74 | 1 | | 75 | 17 | | | 17 | 19 | | | 19 | 3 | | | 3 | | | | | 113 | 1 | | 114 |
| Tokyo | 60 | 1 | | 61 | 5 | | | 5 | 8 | | | 8 | 2 | | | 2 | 1 | | | 1 | 76 | 1 | | 77 |
| Kanagawa | 58 | 1 | | 59 | 11 | | | 11 | 8 | | | 8 | 1 | | | 1 | 1 | | | 1 | 79 | 1 | | 80 |
| Yamanashi | 14 | | | 14 | 5 | | | 5 | 2 | | | 2 | 1 | | | 1 | | | | | 22 | | | 22 |
| Nagano | 40 | | | 40 | 10 | | | 10 | 4 | | | 4 | 4 | | | 4 | | | | | 58 | | | 58 |
| Kanto Koshin Area | 478 | 3 | | 481 | 106 | | | 106 | 86 | | | 86 | 34 | | | 34 | 5 | | | 5 | 709 | 3 | | 712 |
| 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 | | | 88 | 17 | | | 17 | 13 | | | 13 | 4 | | | 4 | 0 | | | 0 | 122 | | | 122 |
| Gifu | 27 | | | 27 | 1 | | | 1 | 3 | | | 3 | | | | | | | | | 31 | | | 31 |
| Shizuoka | 41 | 1 | | 42 | 7 | | | 7 | 8 | 1 | | 9 | 3 | | | 3 | | | | | 59 | 2 | | 61 |
| Aichi | 60 | 2 | | 62 | 7 | | | 7 | 4 | 2 | | 6 | | | | | | | | | 71 | 4 | | 75 |
| Mie | 22 | | | 22 | 7 | | | 7 | 2 | | | 2 | 1 | | | 1 | | | | | 32 | | | 32 |
| Tokai Area | 150 | 3 | | 153 | 22 | | | 22 | 17 | 3 | | 20 | 4 | | | 4 | 0 | | | 0 | 193 | 6 | | 199 |

| Store Type | Shimamura | | | | Avail | | | | Birthday | | | | Chambre | | | | Divalo | | | | Shimamura Group | | | |
|------------------------|--------------|-----------|-----------|---------------|-------------|----------|-----------|---------------|-------------|----------|-----------|---------------|-------------|----------|-----------|---------------|-------------|----------|-----------|---------------|-----------------|-----------|-----------|---------------|
| | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End | 2016 End | Op en | Clo se | Aug-17 End |
| Shiga | 19 | | | 19 | 3 | | | 3 | 4 | | | 4 | 1 | | | 1 | | | | | 27 | | | 27 |
| Kyoto | 17 | 1 | | 18 | 3 | | | 3 | 2 | | | 2 | | | | | | | | | 22 | 1 | | 23 |
| Oosaka | 44 | 1 | | 45 | 13 | 1 | | 14 | 10 | 2 | | 12 | 1 | | | 1 | 1 | | | 1 | 69 | 4 | | 73 |
| Hyougo | 41 | 1 | | 42 | 10 | | | 10 | 6 | | | 6 | 2 | | | 2 | 1 | | | 1 | 60 | 1 | | 61 |
| Nara | 15 | 1 | | 16 | 6 | | | 6 | 3 | | | 3 | 3 | | | 3 | | | | | 27 | 1 | | 28 |
| Wakayama | 14 | | | 14 | 1 | 1 | | 2 | 1 | 1 | | 2 | 1 | | | 1 | | | | | 17 | 2 | | 19 |
| Kinki Area | 150 | 4 | | 154 | 36 | 2 | | 38 | 26 | 3 | | 29 | 8 | | | 8 | 2 | | | 2 | 222 | 9 | | 231 |
| 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 | 22 | | | 22 | 3 | | | 3 | 3 | | | 3 | 1 | | | 1 | 1 | | | 1 | 30 | | | 30 |
| Yamaguchi | 20 | | | 20 | 4 | | | 4 | 3 | 2 | | 5 | | | | | | | | | 27 | 2 | | 29 |
| Chugoku Area | 80 | | | 80 | 15 | | | 15 | 15 | 2 | | 17 | 5 | | | 5 | 2 | | | 2 | 117 | 2 | | 119 |
| 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 | 4 | | | 4 | 2 | | | 2 | 1 | | | 1 | 28 | | | 28 |
| Kochi | 12 | | | 12 | 2 | | | 2 | 1 | | | 1 | | | | | | | | | 15 | | | 15 |
| Shikoku Area | 51 | | | 51 | 10 | | | 10 | 8 | | | 8 | 3 | | | 3 | 1 | | | 1 | 73 | | | 73 |
| Fukuoka | 47 | | | 47 | 13 | | | 13 | 15 | | | 15 | 2 | | | 2 | | | | | 77 | | | 77 |
| Saga | 12 | | | 12 | | | | | 1 | | | 1 | | | | | | | | | 13 | | | 13 |
| Nagasaki | 12 | | | 12 | 3 | | | 3 | 3 | | | 3 | 3 | | | 3 | | | | | 21 | | | 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 | 2 | | | 2 | | | | | | | | | 21 | | | 21 |
| Kagoshima | 18 | | | 18 | 4 | | | 4 | 2 | | | 2 | 2 | | | 2 | | | | | 26 | | | 26 |
| Okinawa | 10 | 1 | | 11 | 3 | | | 3 | 4 | | | 4 | 1 | | | 1 | | | | | 18 | 1 | | 19 |
| Kyusyu Okinawa Area | 153 | 1 | | 154 | 30 | | | 30 | 33 | | | 33 | 10 | | | 10 | 0 | | | 0 | 226 | 1 | | 227 |
| Japan Total | 1,365 | 13 | | 1,378 | 301 | 2 | | 303 | 240 | 8 | | 248 | 96 | | | 96 | 11 | | | 11 | 2,013 | 23 | | 2,036 |
| CHINA TAIWAN | | | | | | | | | | | | | | | | | | | | | 42 | 1 | | 43 |
| CHINA(Shanghai) | | | | | | | | | | | | | | | | | | | | | 11 | 0 | | 11 |
| T o t a l | 1,365 | 13 | | 1,378 | 301 | 2 | | 303 | 240 | 8 | | 248 | 96 | | | 96 | 11 | | | 11 | 2,066 | 24 | | 2,090 |

3. Store operation

(1) Store openings

| | | Feb-2016 | Aug-2016 | Feb-2017 | Aug-2017 | Feb-2018 Forecast |
|------------------------------|--------------------|----------|----------|----------|----------|-------------------|
| Shimamura | New store openings | 26 | 10 | 21 | 13 | 26 |
| | Closures | 2 | 1 | 1 | 0 | 3 |
| | Renovation | 88 | 46 | 71 | 40 | 86 |
| | Scrap & rebuild | 6 | 3 | 6 | 3 | 3 |
| | Year-end total | 1,345 | 1,354 | 1,365 | 1,378 | 1,388 |
| Avail | New store openings | 13 | 2 | 5 | 2 | 15 |
| | Closures | 6 | 0 | 0 | 0 | 0 |
| | Scrap & rebuild | 0 | 2 | 2 | 0 | 1 |
| | Year-end total | 296 | 298 | 301 | 303 | 316 |
| Birthday | New store openings | 36 | 15 | 30 | 8 | 30 |
| | Closures | 0 | 0 | 0 | 0 | 2 |
| | Scrap & rebuild | 0 | 0 | 0 | 0 | 0 |
| | Year-end total | 210 | 225 | 240 | 248 | 268 |
| Chambre | New store openings | 9 | 2 | 5 | 0 | 5 |
| | Closures | 2 | 0 | 0 | 0 | 0 |
| | Scrap & rebuild | 0 | 0 | 0 | 0 | 0 |
| | Year-end total | 91 | 93 | 96 | 96 | 101 |
| Divalo | New store openings | 2 | 0 | 0 | 0 | 9 |
| | Closures | 0 | 9 | 9 | 0 | 0 |
| | Scrap & rebuild | 0 | 0 | 0 | 0 | 0 |
| | Year-end total | 20 | 11 | 11 | 11 | 20 |
| CHINA TAIWAN Shimamura | New store openings | 2 | 0 | 3 | 1 | 3 |
| | Closures | 0 | 0 | 0 | 0 | 0 |
| | Scrap & rebuild | 1 | 0 | 0 | 0 | 0 |
| | Year-end total | 39 | 39 | 42 | 43 | 45 |
| CHINA(Shanghai) Shimamura | New store openings | 7 | 0 | 0 | 0 | 2 |
| | Closures | 1 | 2 | 3 | 0 | 1 |
| | Scrap & rebuild | 0 | 0 | 0 | 0 | 0 |
| | Year-end total | 14 | 12 | 11 | 11 | 12 |
| Shimamura Group | New store openings | 95 | 29 | 64 | 24 | 90 |
| | Closures | 11 | 12 | 13 | 0 | 6 |
| | Scrap & rebuild | 7 | 5 | 8 | 3 | 4 |
| | Year-end total | 2,015 | 2,032 | 2,066 | 2,090 | 2,150 |

(2) Retail Floor Space

(Units : m²)

| Store Type | Feb-2016 | Aug-2016 | Feb-2017 | Aug-2017 | Feb-2018 Forecast |
|----------------------------|-----------|-----------|-----------|-----------|-------------------|
| Shimamura | 1,399,306 | 1,410,718 | 1,422,010 | 1,435,192 | 1,450,000 |
| Avail | 293,602 | 295,258 | 297,993 | 309,196 | 312,000 |
| Birthday | 195,120 | 208,115 | 222,192 | 229,166 | 248,000 |
| Chambre | 87,278 | 89,439 | 92,259 | 94,938 | 97,000 |
| Divalo | 6,497 | 4,163 | 4,163 | 4,163 | 9,000 |
| CHINA TAIWAN Shimamura | 37,759 | 37,759 | 40,212 | 41,160 | 43,000 |
| CHINA (Shanghai) Shimamura | 12,473 | 11,025 | 10,142 | 10,142 | 11,000 |
| Shimamura Group | 2,032,035 | 2,056,477 | 2,088,971 | 2,123,957 | 2,170,000 |

4. Number of Employees

(Units : person, %)

| | | Aug-2016 | | Feb-2017 | | Aug-2017 | | Feb-2018 Forecast | |
|-------------------------------|-----------|----------|-------|----------|-------|----------|-------|-------------------|-------|
| | | Person | YOY | Person | YOY | Person | YOY | Person | YOY |
| Shimamura Non-consolidated | Full-time | 2,497 | 102.1 | 2,487 | 102.3 | 2,596 | 104.0 | 2,590 | 104.1 |
| | Part-time | 12,057 | 104.0 | 12,307 | 104.3 | 12,412 | 102.9 | 12,800 | 104.0 |
| | Total | 14,554 | 103.7 | 14,794 | 104.0 | 15,008 | 103.1 | 15,390 | 104.0 |
| Subsidiary | Full-time | 122 | 117.3 | 128 | 107.6 | 135 | 110.7 | 130 | 101.6 |
| | Part-time | 385 | 119.9 | 399 | 111.5 | 412 | 107.0 | 430 | 107.8 |
| | Total | 507 | 119.3 | 527 | 110.5 | 547 | 107.9 | 560 | 106.3 |
| Shimamura Group Total | Full-time | 2,619 | 102.7 | 2,615 | 102.6 | 2,731 | 104.3 | 2,720 | 104.0 |
| | Part-time | 12,442 | 104.4 | 12,706 | 104.5 | 12,824 | 103.1 | 13,230 | 104.1 |
| | Total | 15,061 | 104.1 | 15,321 | 104.2 | 15,555 | 103.3 | 15,950 | 104.1 |

5. Capital Expenditures

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

(Until : Millions of yen, %)

| | Aug-2016 | YOY | Feb-2017 | YOY | Aug-2017 | YOY | Feb-2018 Forecast | YOY |
|----------------------------|----------|-------|----------|-------|----------|-------|-------------------|-------|
| Buildings | 2,590 | 75.7 | 6,368 | 86.2 | 2,338 | 90.3 | 6,760 | 106.2 |
| Structures | 452 | 93.6 | 982 | 108.5 | 337 | 74.5 | 800 | 81.4 |
| Machine | — | — | 245 | 281.8 | — | — | 10 | 4.1 |
| Equipment | 210 | 121.1 | 285 | 71.2 | 69 | 33.2 | 380 | 133.1 |
| Land | 1,223 | — | 1,223 | 11.5 | 532 | 43.5 | 2,000 | 163.5 |
| Construction in progress | 136 | 87.3 | 53 | — | 149 | 109.1 | 1,200 | — |
| Tangible fixed assets | 4,613 | 101.7 | 9,158 | 47.2 | 3,427 | 74.3 | 11,150 | 121.7 |
| Deposits for rent | 950 | 93.9 | 1,842 | 105.0 | 949 | 99.9 | 2,000 | 108.6 |
| Lease deposits | 9 | 104.1 | 27 | 124.1 | 108 | — | 20 | 73.5 |
| Total capital expenditures | 5,573 | 100.3 | 11,027 | 52.0 | 4,484 | 80.5 | 13,170 | 119.4 |
| Depreciation | 2,801 | 101.7 | 5,724 | 100.8 | 2,719 | 97.0 | 5,840 | 102.0 |

(2) Subsidiary

(Units : Millions of yen, %)

| | Aug-2016 | YOY | Feb-2017 | YOY | Aug-2017 | YOY | Feb-2018 Forecast | YOY |
|----------------------------|----------|-------|----------|-------|----------|-------|-------------------|-------|
| Total capital expenditures | 166 | 57.6 | 444 | 98.1 | 125 | 75.3 | 500 | 112.4 |
| Depreciation | 94 | 103.1 | 183 | 109.1 | 95 | 101.7 | 200 | 109.2 |

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

(Units : Millions of yen, %)

| | Aug-2016 | YOY | Feb-2017 | YOY | Aug-2017 | YOY | Feb-2018 Forecast | YOY |
|----------------------------|----------|-------|----------|-------|----------|------|-------------------|-------|
| Total capital expenditures | 5,740 | 98.2 | 11,472 | 53.0 | 4,609 | 80.3 | 13,670 | 119.2 |
| Depreciation | 2,896 | 101.8 | 5,907 | 101.0 | 2,814 | 97.2 | 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, %)

| | Aug-2016 | | | Feb-2017 | | | Aug-2017 | | | Feb-2018 Forecast | | |
|------------------------|----------|------------|-------|----------|------------|-------|----------|------------|-------|-------------------|------------|-------|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Net Sales | 278,490 | 100.0 | 106.0 | 559,329 | 100.0 | 103.5 | 281,228 | 100.0 | 101.0 | 586,000 | 100.0 | 104.8 |
| Cost of goods sold | 186,079 | 66.8 | 103.2 | 373,920 | 66.9 | 101.0 | 186,081 | 66.2 | 100.0 | 388,500 | 66.3 | 103.9 |
| Gross profit | 92,410 | 33.2 | 112.2 | 185,409 | 33.1 | 109.0 | 95,146 | 33.8 | 103.0 | 197,500 | 33.7 | 106.5 |
| Other operating income | 520 | 0.2 | 106.9 | 1,038 | 0.2 | 108.0 | 514 | 0.2 | 98.9 | 1,000 | 0.2 | 96.3 |
| Operating Gross Profit | 92,930 | 33.4 | 112.2 | 186,447 | 33.3 | 108.9 | 95,661 | 34.0 | 102.9 | 198,500 | 33.9 | 106.5 |
| SG & A expenses | 67,524 | 24.3 | 104.3 | 137,229 | 24.5 | 105.0 | 71,536 | 25.4 | 105.9 | 147,000 | 25.1 | 107.1 |
| Operating Profit | 25,406 | 9.1 | 140.0 | 49,217 | 8.8 | 121.6 | 24,124 | 8.6 | 95.0 | 51,500 | 8.8 | 104.6 |
| Non-operating income | 616 | 0.2 | 81.0 | 1,217 | 0.2 | 99.5 | 536 | 0.2 | 87.0 | 1,010 | 0.2 | 83.0 |
| Non-operating expenses | 163 | 0.0 | — | 11 | 0.0 | 3.8 | 45 | 0.0 | 27.6 | 10 | 0.0 | 87.6 |
| Ordinary Profit | 25,859 | 9.3 | 136.9 | 50,423 | 9.0 | 121.8 | 24,616 | 8.8 | 95.2 | 52,500 | 9.0 | 104.1 |
| Extraordinary profit | — | — | — | 0 | 0.0 | 13.2 | — | — | — | — | — | — |
| Extraordinary losses | 338 | 0.1 | 82.1 | 715 | 0.1 | 31.1 | 229 | 0.1 | 67.9 | 2,000 | 0.3 | 279.4 |
| Pretax profit | 25,520 | 9.2 | 138.1 | 49,707 | 8.9 | 127.2 | 24,386 | 8.7 | 95.6 | 50,500 | 8.6 | 101.6 |
| Tax | 8,702 | 3.2 | 126.5 | 16,414 | 2.9 | 114.8 | 7,722 | 2.8 | 88.7 | 16,000 | 2.7 | 97.5 |
| Net Profit | 16,818 | 6.0 | 145.0 | 33,293 | 6.0 | 134.3 | 16,663 | 5.9 | 99.1 | 34,500 | 5.9 | 103.6 |

(2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

| | Aug-2016 | | | Feb-2017 | | | Aug-2017 | | | Feb-2018 Forecast | | |
|----------------------|----------|------------|-------|----------|------------|-------|----------|------------|-------|-------------------|------------|-------|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Wages | 26,113 | 9.4 | 105.3 | 53,207 | 9.5 | 106.0 | 27,871 | 9.9 | 106.7 | 57,000 | 9.7 | 107.1 |
| Personal expenses | 30,956 | 11.1 | 105.1 | 63,076 | 11.3 | 105.8 | 33,060 | 11.8 | 106.8 | 67,600 | 11.6 | 107.2 |
| Advertising expenses | 7,034 | 2.5 | 102.9 | 13,868 | 2.5 | 102.9 | 8,278 | 2.9 | 117.7 | 15,500 | 2.6 | 111.8 |
| Selling expenses | 9,557 | 3.5 | 105.7 | 18,998 | 3.4 | 105.1 | 10,875 | 3.9 | 113.8 | 21,000 | 3.6 | 110.5 |
| Non-durable goods | 871 | 0.3 | 94.5 | 1,576 | 0.3 | 89.2 | 602 | 0.2 | 69.2 | 1,500 | 0.3 | 95.2 |
| Display total | 1,553 | 0.6 | 187.5 | 3,074 | 0.5 | 177.8 | 1,609 | 0.6 | 103.6 | 3,400 | 0.6 | 110.6 |
| Operating expenses | 3,950 | 1.4 | 110.3 | 8,232 | 1.4 | 117.8 | 4,047 | 1.4 | 102.5 | 8,400 | 1.4 | 102.0 |
| Rental expenses | 14,703 | 5.3 | 104.7 | 29,688 | 5.3 | 104.3 | 15,191 | 5.4 | 103.3 | 31,500 | 5.4 | 106.1 |
| Depreciation | 2,801 | 1.0 | 101.7 | 5,724 | 1.0 | 100.8 | 2,719 | 1.0 | 97.0 | 5,840 | 1.0 | 102.0 |
| Facilities cost | 21,367 | 7.7 | 100.5 | 43,607 | 7.8 | 101.0 | 21,478 | 7.6 | 100.5 | 45,900 | 7.8 | 105.3 |
| General expenses | 1,693 | 0.6 | 124.8 | 3,315 | 0.6 | 117.7 | 2,075 | 0.7 | 122.6 | 4,100 | 0.7 | 123.7 |
| SG & A expenses | 67,524 | 24.3 | 104.3 | 137,229 | 24.5 | 105.0 | 71,536 | 25.4 | 105.9 | 147,000 | 25.1 | 107.1 |

2. Sales and Gross profit

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

(Units : %)

| Feb-2018 1st half | | Mar | Apr | May | 1st quarter | Jun | Jul | Aug | 2nd quarter | 1st half |
|------------------------|-----------------|------|-------|-------|-------------|-------|-------|-------|-------------|----------|
| Net sales | Existing stores | 92.5 | 97.0 | 95.5 | 95.3 | 96.4 | 106.4 | 102.4 | 101.7 | 98.5 |
| | All stores | 93.6 | 98.5 | 97.0 | 96.6 | 97.7 | 108.1 | 103.9 | 103.2 | 100.0 |
| Customer numbers | All Stores | 94.3 | 100.0 | 100.8 | 98.7 | 100.6 | 109.3 | 106.3 | 105.4 | 102.2 |
| Spending per customers | | 99.3 | 98.5 | 96.3 | 97.9 | 97.1 | 98.9 | 97.8 | 97.9 | 97.9 |

| Feb-2018 2nd half | | Sep | Oct | Nov | 3rd quarter | Dec | Jan | Feb | 4th quarter | 2nd half | Year total |
|------------------------|-----------------|------|-----|-----|-------------|-----|-----|-----|-------------|----------|------------|
| Net sales | Existing stores | 95.7 | | | | | | | | | |
| | All stores | 97.1 | | | | | | | | | |
| Customer numbers | All Stores | 98.9 | | | | | | | | | |
| Spending per customers | | 98.2 | | | | | | | | | |

| 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 |

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

| | Aug-2013 | | Aug-2014 | | Aug-2015 | | Aug-2016 | | Aug-2017 | |
|------------------------------------|----------|-------|----------|-------|----------|-------|----------|-------|----------|-------|
| | Amount | YOY | Amount | YOY | Amount | YOY | Amount | YOY | Amount | YOY |
| Net store sales(Millions of yen) | 204,489 | 103.4 | 206,478 | 101.0 | 215,152 | 104.2 | 225,315 | 104.7 | 225,317 | 100.0 |
| Customer of number(Thousands) | 82,227 | 101.9 | 81,208 | 98.8 | 82,738 | 101.9 | 84,592 | 102.2 | 86,430 | 102.2 |
| Items purchased customer | 3.2 | 99.1 | 3.2 | 99.4 | 3.1 | 97.8 | 3.0 | 98.3 | 3.0 | 99.1 |
| Average spending Per customer(Yen) | 2,487 | 101.5 | 2,543 | 102.2 | 2,600 | 102.3 | 2,664 | 102.4 | 2,607 | 97.9 |
| Average price per item sold(Yen) | 783 | 102.4 | 805 | 102.9 | 843 | 104.6 | 878 | 104.2 | 867 | 98.8 |

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

(Units : %)

| Feb-2018 1st half | | Mar | Apr | May | 1st quarter | Jun | Jul | Aug | 2nd quarter | 1st half |
|------------------------|-----------------|-------|-------|-------|-------------|-------|-------|-------|-------------|----------|
| Net sales | Existing stores | 96.1 | 93.0 | 102.7 | 97.4 | 96.0 | 102.7 | 98.6 | 99.1 | 98.2 |
| | All stores | 97.1 | 94.2 | 104.2 | 98.6 | 97.3 | 104.5 | 100.2 | 100.7 | 99.6 |
| Customer numbers | All Stores | 101.4 | 100.7 | 108.9 | 103.8 | 101.2 | 111.7 | 103.1 | 105.3 | 104.6 |
| Spending per customers | | 95.8 | 93.6 | 95.7 | 95.0 | 96.1 | 93.5 | 97.2 | 95.6 | 95.3 |

| Feb-2018 2nd half | | Sep | Oct | Nov | 3rd quarter | Dec | Jan | Feb | 4th quarter | 2nd half | Year total |
|------------------------|-----------------|-------|-----|-----|-------------|-----|-----|-----|-------------|----------|------------|
| Net sales | Existing stores | 102.6 | | | | | | | | | |
| | All stores | 103.9 | | | | | | | | | |
| Customer numbers | All Stores | 106.0 | | | | | | | | | |
| Spending per customers | | 98.1 | | | | | | | | | |

| 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 |

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

| | Aug-2013 | | Aug-2014 | | Aug-2015 | | Aug-2016 | | Aug-2017 | |
|------------------------------------|----------|-------|----------|-------|----------|-------|----------|-------|----------|-------|
| | Amount | YOY | Amount | YOY | Amount | YOY | Amount | YOY | Amount | YOY |
| Net store sales(Millions of yen) | 26,773 | 101.1 | 24,919 | 93.1 | 24,755 | 99.3 | 25,999 | 105.0 | 25,901 | 99.6 |
| Customer of number(Thousands) | 9,542 | 101.9 | 8,882 | 93.1 | 8,417 | 94.8 | 8,271 | 98.3 | 8,651 | 104.6 |
| Items purchased customer | 2.5 | 101.7 | 2.5 | 99.2 | 2.4 | 95.8 | 2.3 | 98.1 | 2.3 | 102.5 |
| Average spending Per customer(Yen) | 2,806 | 99.2 | 2,805 | 100.0 | 2,941 | 104.8 | 3,143 | 106.9 | 2,994 | 95.3 |
| Average price per item sold(Yen) | 1,127 | 97.6 | 1,136 | 100.8 | 1,243 | 109.5 | 1,355 | 109.0 | 1,259 | 93.0 |

(5) Sales and Gross profit Breakdown by Product Line

(Units : Millions of yen, %)

| | Aug-2016 | | | | | Feb-2017 | | | | | Aug-2017 | | | | |
|---------------|----------|-------|------------|--------|------|----------|-------|------------|--------|------|----------|-------|------------|--------|------|
| | Amount | YOY | Comp ratio | Margin | YOY | Amount | YOY | Comp ratio | Margin | YOY | Amount | YOY | Comp ratio | Margin | YOY |
| Woman's wear | 76,833 | 107.3 | 34.1 | 32.6 | 2.4 | 146,984 | 103.9 | 32.5 | 32.1 | 1.6 | 76,232 | 99.2 | 33.8 | 33.3 | 0.7 |
| Underwear | 53,925 | 100.8 | 23.9 | 36.7 | 2.8 | 109,324 | 100.4 | 24.2 | 36.6 | 3.0 | 53,606 | 99.4 | 23.8 | 36.7 | 0.0 |
| Bedclothes | 21,336 | 105.8 | 9.5 | 33.1 | 4.2 | 48,909 | 105.4 | 10.8 | 32.7 | 2.0 | 21,142 | 99.1 | 9.4 | 33.7 | 0.6 |
| Men's wear | 19,300 | 111.7 | 8.6 | 31.4 | 2.7 | 39,559 | 109.6 | 8.8 | 30.7 | 1.8 | 20,772 | 107.6 | 9.2 | 31.2 | △0.2 |
| Baby & Kid's | 15,827 | 111.8 | 7.0 | 27.3 | 1.3 | 30,024 | 94.7 | 6.6 | 32.4 | 2.3 | 15,556 | 98.3 | 6.9 | 28.4 | 1.1 |
| Accessories | 15,218 | 97.3 | 6.8 | 32.1 | 1.3 | 30,977 | 104.2 | 6.9 | 28.4 | 2.3 | 15,463 | 101.6 | 6.9 | 32.9 | 0.8 |
| Interior | 11,534 | 100.3 | 5.1 | 34.3 | 4.8 | 24,553 | 101.2 | 5.4 | 34.1 | 2.7 | 11,559 | 100.2 | 5.1 | 34.8 | 0.5 |
| Shoes | 11,339 | 100.5 | 5.0 | 34.4 | 2.2 | 21,603 | 95.8 | 4.8 | 33.8 | 1.5 | 10,985 | 96.9 | 4.9 | 34.5 | 0.1 |
| Shimamura | 225,315 | 104.7 | 100.0 | 33.3 | 2.6 | 451,937 | 102.4 | 100.0 | 33.1 | 2.1 | 225,317 | 100.0 | 100.0 | 33.7 | 0.4 |
| | | | | | | | | | | | | | | | |
| Woman's wear | 10,785 | 110.5 | 41.5 | 35.1 | △1.2 | 20,536 | 103.8 | 40.8 | 34.7 | △1.1 | 10,715 | 99.3 | 41.4 | 35.5 | 0.4 |
| Shoes | 6,571 | 109.0 | 25.3 | 38.1 | 0.2 | 12,542 | 105.6 | 24.9 | 38.0 | 0.4 | 6,569 | 100.0 | 25.4 | 37.7 | △0.4 |
| Men's & Kid's | 6,231 | 96.4 | 23.9 | 26.1 | △7.0 | 12,467 | 96.6 | 24.7 | 28.1 | △4.4 | 6,092 | 97.8 | 23.5 | 31.4 | 5.3 |
| Underwear | 2,410 | 96.1 | 9.3 | 37.5 | 1.6 | 4,831 | 97.9 | 9.6 | 37.8 | 1.7 | 2,523 | 104.7 | 9.7 | 38.7 | 1.2 |
| Avail | 25,999 | 105.0 | 100.0 | 33.9 | △1.9 | 50,377 | 101.8 | 100.0 | 34.2 | △1.2 | 25,901 | 99.6 | 100.0 | 35.4 | 1.5 |
| | | | | | | | | | | | | | | | |
| Birthday | 22,035 | 127.7 | - | 32.5 | 1.3 | 46,882 | 121.6 | - | 33.0 | 1.7 | 24,931 | 113.1 | - | 32.8 | 0.3 |
| Chambre | 4,763 | 95.1 | - | 28.6 | △9.5 | 9,521 | 94.9 | - | 30.5 | △5.6 | 4,815 | 101.1 | - | 35.9 | 7.3 |
| Divalo | 376 | 74.6 | - | 28.6 | △3.8 | 611 | 62.3 | - | 28.4 | △3.6 | 263 | 70.0 | - | 33.6 | 5.0 |
| | | | | | | | | | | | | | | | |
| Total | 278,490 | 106.0 | - | 33.2 | 1.8 | 559,329 | 103.5 | - | 33.1 | 1.6 | 281,228 | 101.0 | - | 33.8 | 0.6 |

(6) New store sales trend (Shimamura)

| | Aug-2013 | YOY | Aug-2014 | YOY | Aug-2015 | YOY | Aug-2016 | YOY | Aug-2017 | YOY |
|---------------------------|-----------|-------|-----------|------|-----------|-------|----------|-------|-----------|-------|
| New store sales | 1,590,357 | 57.3 | 1,271,226 | 79.9 | 1,065,578 | 83.8 | 911,280 | 85.5 | 1,245,249 | 136.6 |
| Month in operation | 47 | 54.7 | 43 | 91.5 | 32 | 74.4 | 32 | 100.0 | 45 | 140.6 |
| New store sales per month | 33,837 | 104.8 | 29,563 | 87.4 | 33,299 | 112.6 | 28,477 | 85.5 | 27,672 | 97.2 |
| New store openings | 13 | 54.2 | 12 | 92.3 | 9 | 75.0 | 10 | 111.1 | 13 | 130.0 |

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

(Units: Millions of yen, m², %)

| Prefecture | Net sales | YOY (%) | Retail Space | YOY (%) | Number stores |
|----------------------|-----------|---------|--------------|---------|---------------|
| Hokkaido | 10,790 | 102.5 | 72,547 | 104.2 | 66 |
| Aomori | 3,570 | 100.1 | 23,811 | 100.0 | 23 |
| Iwate | 3,176 | 101.1 | 20,302 | 104.5 | 20 |
| Miyagi | 5,092 | 102.3 | 36,848 | 101.6 | 35 |
| Akita | 2,547 | 98.9 | 17,460 | 100.0 | 17 |
| Yamagata | 2,701 | 98.2 | 17,248 | 100.0 | 16 |
| Fukushima | 5,958 | 98.8 | 40,930 | 100.0 | 40 |
| Hokkaido Tohoku area | 33,837 | 100.8 | 229,146 | 101.9 | 217 |
| Ibaraki | 8,103 | 100.8 | 58,764 | 99.6 | 56 |
| Tochigi | 5,264 | 100.8 | 35,241 | 100.0 | 35 |
| Gunma | 5,415 | 100.2 | 39,638 | 100.0 | 38 |
| Saitama | 17,514 | 100.8 | 108,829 | 100.0 | 103 |
| Chiba | 12,029 | 101.9 | 80,390 | 103.0 | 75 |
| Tokyo | 12,086 | 101.0 | 54,207 | 106.1 | 61 |
| Kanagawa | 11,850 | 100.2 | 64,115 | 103.0 | 59 |
| Yamanashi | 2,126 | 99.7 | 14,350 | 100.0 | 14 |
| Nagano | 5,611 | 97.4 | 41,376 | 100.0 | 40 |
| Kanto Koshin Area | 80,002 | 100.6 | 496,910 | 101.5 | 481 |
| Niigata | 5,180 | 98.9 | 38,382 | 100.0 | 36 |
| Toyama | 2,676 | 97.9 | 21,657 | 100.0 | 22 |
| Ishikawa | 2,239 | 97.5 | 18,573 | 100.0 | 18 |
| Fukui | 1,692 | 95.5 | 11,596 | 100.0 | 12 |
| Hokuriku area | 11,789 | 97.9 | 90,208 | 100.0 | 88 |
| Gifu | 3,814 | 98.4 | 27,017 | 100.6 | 27 |
| Shizuoka | 8,163 | 98.1 | 43,959 | 102.3 | 42 |
| Aichi | 11,676 | 101.0 | 63,497 | 104.1 | 62 |
| Mie | 3,247 | 101.6 | 23,211 | 100.0 | 22 |
| Tokai Area | 26,902 | 99.8 | 157,684 | 102.4 | 153 |
| Shiga | 2,727 | 99.6 | 19,142 | 100.0 | 19 |
| Kyoto | 3,364 | 103.3 | 18,854 | 105.3 | 18 |

| Prefecture | Net sales | YOY (%) | Retail Space | YOY (%) | Number stores |
|---------------------|----------------|--------------|------------------|--------------|---------------|
| Oosaka | 9,240 | 99.6 | 48,509 | 103.0 | 45 |
| Hyougo | 7,190 | 100.5 | 43,711 | 104.6 | 42 |
| Nara | 2,252 | 101.8 | 15,469 | 104.9 | 16 |
| Wakayama | 2,142 | 96.4 | 13,900 | 100.0 | 14 |
| Kinki area | 26,917 | 100.2 | 159,585 | 103.2 | 154 |
| Tottori | 1,457 | 101.4 | 8,056 | 100.0 | 7 |
| Shimane | 1,243 | 96.4 | 9,239 | 100.0 | 9 |
| Okayama | 3,738 | 98.8 | 23,069 | 100.0 | 22 |
| Hiroshima | 3,767 | 97.8 | 23,038 | 100.0 | 22 |
| Yamaguchi | 2,858 | 102.5 | 21,205 | 100.7 | 20 |
| Chugoku area | 13,066 | 99.3 | 84,607 | 100.2 | 80 |
| Tokushima | 1,422 | 97.2 | 9,202 | 100.0 | 9 |
| Kagawa | 1,737 | 98.7 | 13,426 | 100.0 | 13 |
| Ehime | 2,662 | 99.1 | 18,233 | 100.0 | 17 |
| Kochi | 1,775 | 96.4 | 12,213 | 100.0 | 12 |
| Shikoku Area | 7,597 | 98.0 | 53,074 | 100.0 | 51 |
| Fukuoka | 7,891 | 101.9 | 52,461 | 104.3 | 47 |
| Saga | 1,816 | 100.3 | 12,021 | 100.0 | 12 |
| Nagasaki | 2,143 | 99.8 | 13,206 | 109.6 | 12 |
| Kumamoto | 3,621 | 92.2 | 20,557 | 100.0 | 21 |
| Ooita | 2,455 | 98.5 | 18,191 | 100.0 | 16 |
| Miyazaki | 2,649 | 99.9 | 17,980 | 100.0 | 17 |
| Kagoshima | 2,964 | 99.1 | 18,250 | 99.8 | 18 |
| Okinawa | 1,661 | 99.9 | 11,312 | 108.8 | 11 |
| Kyusyu Okinawa Area | 25,204 | 99.1 | 163,978 | 102.6 | 154 |
| Shimamura | 225,317 | 100.0 | 1,435,192 | 101.7 | 1,378 |
| Avail | 25,901 | 99.6 | 309,196 | 104.7 | 303 |
| Birthday | 24,931 | 113.1 | 229,166 | 110.1 | 248 |
| Chamble | 4,815 | 101.1 | 94,938 | 106.1 | 96 |
| Divalo | 263 | 70.0 | 4,163 | 100.0 | 11 |

III. CHINA TAIWAN Shimamura

1. Financial Summary and Forecast

(1) Profit and loss statement

(Units : Millions of yen, %)

| | Aug-2016 | | | Feb-2017 | | | Aug-2017 | | | Feb-2018 Forecast | | |
|------------------------|----------|------------|------|----------|------------|-------|----------|------------|-------|-------------------|------------|-------|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Net Sales | 2,316 | 100.0 | 87.1 | 5,571 | 100.0 | 109.0 | 2,615 | 100.0 | 112.9 | 6,300 | 100.0 | 113.1 |
| Cost of goods sold | 1,471 | 63.5 | 88.7 | 3,542 | 63.6 | 108.0 | 1,653 | 63.2 | 112.4 | 3,939 | 62.5 | 111.2 |
| Operating Gross Profit | 846 | 36.5 | 84.4 | 2,033 | 36.5 | 110.6 | 963 | 36.8 | 113.9 | 2,364 | 37.5 | 116.3 |
| SG & A expenses | 809 | 34.9 | 87.7 | 1,940 | 34.8 | 113.8 | 990 | 37.8 | 122.4 | 2,185 | 34.7 | 112.6 |
| Operating Profit | 36 | 1.6 | 46.1 | 92 | 1.7 | 69.9 | △26 | — | — | 180 | 2.9 | 194.7 |
| Ordinary Profit | 37 | 1.6 | 50.7 | 101 | 1.8 | 80.8 | △32 | — | — | 165 | 2.6 | 162.9 |
| Net Profit | 23 | 1.0 | 31.5 | 60 | 1.1 | 48.0 | △32 | — | — | 136 | 2.2 | 227.4 |

| | | | | |
|------------------------|---------|---------|---------|---------|
| Exchange rates (1NT\$) | 3.19yen | 3.65yen | 3.60yen | 3.60yen |
|------------------------|---------|---------|---------|---------|

(2) Profit and loss statement

(Units : Millions of NT\$, %)

| | Aug-2016 | | | Feb-2017 | | | Aug-2017 | | | Feb-2018 Forecast | | |
|------------------------|----------|------------|-------|----------|------------|-------|----------|------------|-------|-------------------|------------|-------|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Net Sales | 726 | 100.0 | 104.2 | 1,526 | 100.0 | 101.5 | 726 | 100.0 | 100.1 | 1,750 | 100.0 | 114.6 |
| Cost of goods sold | 461 | 63.5 | 106.2 | 970 | 63.6 | 100.6 | 459 | 63.2 | 99.6 | 1,094 | 62.5 | 112.7 |
| Operating Gross Profit | 265 | 36.5 | 101.1 | 557 | 36.5 | 103.1 | 267 | 36.8 | 100.9 | 657 | 37.5 | 117.9 |
| SG & A expenses | 253 | 34.9 | 105.1 | 531 | 34.8 | 106.0 | 275 | 37.8 | 108.4 | 607 | 34.7 | 114.2 |
| Operating Profit | 11 | 1.6 | 55.2 | 25 | 1.7 | 65.1 | △7 | — | — | 50 | 2.9 | 197.4 |
| Ordinary Profit | 11 | 1.6 | 60.8 | 27 | 1.8 | 75.3 | △9 | — | — | 45 | 2.6 | 165.1 |
| Net Profit | 7 | 1.0 | 37.7 | 16 | 1.1 | 44.7 | △9 | — | — | 38 | 2.2 | 230.5 |

IV. CHINA (Shanghai) Shimamura

1. Financial Summary and Forecast

(1) Profit and loss statement

(Units : Millions of yen, %)

| | Jun-2016 | | | Dec-2016 | | | Jun-2017 | | | Dec-2017 Forecast | | |
|------------------------|----------|------------|------|----------|------------|------|----------|------------|------|-------------------|------------|-------|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Net Sales | 279 | 100.0 | 77.5 | 567 | 100.0 | 77.9 | 258 | 100.0 | 92.7 | 700 | 100.0 | 123.4 |
| Cost of goods sold | 193 | 69.5 | 76.2 | 389 | 68.7 | 73.5 | 174 | 67.4 | 89.9 | 410 | 58.5 | 105.2 |
| Operating Gross Profit | 85 | 30.5 | 80.7 | 177 | 31.3 | 89.7 | 84 | 32.6 | 99.0 | 290 | 41.5 | 163.3 |
| SG & A expenses | 348 | 124.7 | 81.3 | 684 | 120.6 | 77.9 | 306 | 118.4 | 87.9 | 770 | 110.1 | 112.6 |
| Operating Profit | △263 | — | 81.5 | △506 | — | 74.5 | △211 | — | 84.4 | △480 | — | 94.8 |
| Ordinary Profit | △261 | — | 84.9 | △495 | — | 75.2 | △215 | — | 82.5 | △470 | — | 94.9 |
| Net Profit | △272 | — | 87.6 | △624 | — | 85.4 | △215 | — | 79.0 | △485 | — | 77.7 |

| | | | | |
|----------------------|----------|----------|----------|----------|
| Exchange rates (RMB) | 15.76yen | 17.06yen | 16.79yen | 17.50yen |
|----------------------|----------|----------|----------|----------|

(2) Profit and loss statement

(Units : Millions of RMB, %)

| | Jun-2016 | | | Dec-2016 | | | Jun-2017 | | | Dec-2017 Forecast | | |
|------------------------|----------|------------|-------|----------|------------|------|----------|------------|------|-------------------|------------|-------|
| | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY | Amount | Comp ratio | YOY |
| Net Sales | 17 | 100.0 | 98.5 | 33 | 100.0 | 85.1 | 15 | 100.0 | 87.0 | 40 | 100.0 | 120.3 |
| Cost of goods sold | 12 | 69.5 | 96.8 | 22 | 68.7 | 80.3 | 10 | 67.4 | 84.4 | 23 | 58.5 | 102.5 |
| Operating Gross Profit | 5 | 30.5 | 102.6 | 10 | 31.3 | 98.0 | 5 | 32.6 | 92.9 | 16 | 41.5 | 159.2 |
| SG & A expenses | 22 | 124.7 | 103.4 | 40 | 120.6 | 85.1 | 18 | 118.4 | 82.5 | 44 | 110.1 | 109.7 |
| Operating Profit | △16 | — | 103.7 | △29 | — | 81.4 | △13 | — | 79.2 | △27 | — | 92.4 |
| Ordinary Profit | △16 | — | 107.9 | △29 | — | 82.2 | △12 | — | 77.5 | △26 | — | 92.6 |
| Net Profit | △17 | — | 111.4 | △36 | — | 93.3 | △12 | — | 74.2 | △27 | — | 75.8 |