

# Investors' Guide

February-2018

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-2017			Feb-2018			Aug-2018 Forecast			Feb-2019 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	565,469	100.0	103.6	565,102	100.0	99.9	288,891	100.0	101.7	587,500	100.0	104.0
Shimamura	451,937	79.9	102.4	446,141	78.9	98.7	226,039	78.3	100.3	458,330	78.0	102.7
Avail	50,377	8.9	101.8	50,782	9.0	100.8	27,625	9.6	106.7	55,000	9.4	108.3
Birthday	46,882	8.3	121.6	51,362	9.1	109.6	26,095	9.0	104.7	55,000	9.4	107.1
Chambre	9,521	1.7	94.9	9,688	1.7	101.8	5,295	1.8	109.9	10,760	1.8	111.1
Divalo	611	0.1	62.3	537	0.1	88.0	400	0.1	152.2	910	0.1	169.2
CHINA TAIWAN	5,571	1.0	109.0	5,987	1.1	107.5	2,971	1.0	113.6	6,500	1.1	108.6
CHINA(Shanghai)	567	0.1	77.9	601	0.1	106.0	465	0.2	179.8	1,000	0.2	166.4
Cost of goods sold	377,852	66.8	101.1	375,631	66.5	99.4	190,111	65.8	101.2	387,653	66.0	103.2
Gross profit	187,616	33.2	108.9	189,470	33.5	101.0	98,779	34.2	102.7	199,847	34.0	105.5
Other operating income	1,041	0.2	108.0	1,001	0.2	96.1	520	0.2	100.8	1,003	0.2	100.2
Operating Gross Profit	188,658	33.4	108.9	190,472	33.7	101.0	99,299	34.4	102.7	200,850	34.2	105.4
SG & A expenses	139,863	24.8	105.0	147,575	26.1	105.5	73,401	25.4	100.8	149,845	25.5	101.5
Operating Profit	48,794	8.6	122.3	42,896	7.6	87.9	25,898	9.0	108.5	51,005	8.7	118.9
Non-operating income	1,299	0.3	115.2	1,043	0.2	80.3	534	0.2	98.2	1,010	0.2	96.8
Non-operating expenses	14	0.0	4.4	20	0.0	140.9	6	0.0	17.7	15	0.0	73.1
Ordinary Profit	50,079	8.9	123.0	43,920	7.8	87.7	26,426	9.1	108.4	52,000	8.9	118.4
Extraordinary profit	0	0.0	13.2	—	—	—	—	—	—	—	—	—
Extraordinary losses	868	0.2	55.4	1,511	0.3	174.0	500	0.2	129.7	1,020	0.2	67.5
Pretax profit	49,211	8.7	125.7	42,408	7.5	86.2	25,926	9.0	108.1	50,980	8.7	120.2
Tax	16,349	2.9	113.6	12,691	2.2	77.6	8,436	2.9	109.2	15,980	2.7	125.9
Net Profit	32,862	5.8	132.8	29,717	5.3	90.4	17,490	6.1	107.5	35,000	6.0	117.8

## (2) Selling, General and Administrative Expenses

(Units : Millions of yen, %)

Subject	Feb-2017			Feb-2018			Aug-2018 Forecast			Feb-2019 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	54,064	9.6	106.1	57,665	10.2	106.7	28,899	10.0	102.0	59,622	10.1	103.4
Personal expenses	64,095	11.4	105.9	68,419	12.1	106.7	34,293	11.9	102.1	70,785	12.0	103.5
Advertising expenses	13,995	2.5	102.5	15,760	2.8	112.6	8,395	2.9	100.6	15,642	2.7	99.2
Selling expenses	19,316	3.4	104.8	21,284	3.8	110.2	11,225	3.9	101.8	21,596	3.7	101.5
Non-durable goods	1,587	0.3	88.8	1,275	0.2	80.4	593	0.2	97.6	1,192	0.2	93.4
Display total	3,129	0.6	171.9	3,058	0.5	97.7	873	0.3	53.5	1,489	0.3	48.7
Operating expenses	8,400	1.5	117.1	8,597	1.5	102.3	3,288	1.1	80.0	6,324	1.1	73.6
Rental expenses	30,380	5.4	104.3	31,600	5.6	104.0	15,912	5.5	102.3	33,538	5.7	106.1
Depreciation	5,907	1.0	101.0	5,695	1.0	96.4	2,868	1.0	101.9	6,106	1.0	107.2
Facilities cost	44,650	7.9	101.0	45,239	8.0	101.3	22,293	7.7	101.3	46,683	7.9	103.2
General expenses	3,400	0.6	115.7	4,034	0.7	118.7	2,302	0.8	109.7	4,457	0.8	110.5
SG & A expenses	139,863	24.8	105.0	147,575	26.1	105.5	73,401	25.4	100.8	149,845	25.5	101.5

## (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	142,809	100.0	96.9	138,189	100.0	100.9
Cost of goods sold	91,406	66.2	97.0	96,503	66.1	103.2	94,091	65.9	97.6	93,629	67.8	100.0
Gross profit	46,663	33.8	101.1	49,530	33.9	105.0	48,717	34.1	95.6	44,559	32.2	102.8
Other operating income	247	0.2	99.2	268	0.2	98.7	245	0.2	92.6	239	0.2	94.0
Operating Gross Profit	46,910	34.0	101.1	49,798	34.1	104.9	48,963	34.3	95.6	44,798	32.4	102.8
SG & A expenses	36,398	26.4	105.9	36,471	25.0	106.1	37,749	26.4	102.5	36,987	26.8	107.6
Operating Profit	10,512	7.6	87.3	13,327	9.1	101.8	11,214	7.9	78.0	7,811	5.7	84.7
Ordinary Profit	10,708	7.8	86.9	13,668	9.4	102.4	11,586	8.1	78.0	7,956	5.8	83.3
Net Profit	7,109	5.1	89.1	9,155	6.3	105.1	7,709	5.4	79.3	5,743	4.2	89.2

## (4) Consolidated Balance Sheets

(Units : Millions of yen, %)

	Feb-2017			Aug-2017			Feb-2018		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Current assets	208,044	54.8	114.4	225,933	57.0	110.9	225,303	56.7	108.3
Noncurrent assets	171,642	45.2	101.4	170,559	43.0	100.3	172,231	43.3	100.3
<b>Total assets</b>	<b>379,686</b>	<b>100.0</b>	<b>108.1</b>	<b>396,492</b>	<b>100.0</b>	<b>106.1</b>	<b>397,534</b>	<b>100.0</b>	<b>104.7</b>
Current liabilities	43,577	11.5	103.2	48,646	12.3	93.9	39,240	9.9	90.0
Noncurrent liabilities	4,754	1.2	113.1	4,939	1.2	114.0	5,202	1.3	109.4
<b>Total liabilities</b>	<b>48,331</b>	<b>12.7</b>	<b>104.1</b>	<b>53,585</b>	<b>13.5</b>	<b>95.5</b>	<b>44,443</b>	<b>11.2</b>	<b>92.0</b>
Total shareholder's equity	327,910	86.4	108.5	339,267	85.6	107.6	348,420	87.6	106.3
Valuation difference	3,444	0.9	138.6	3,639	0.9	155.0	4,671	1.2	135.6
<b>Total net assets</b>	<b>331,354</b>	<b>87.3</b>	<b>108.7</b>	<b>342,906</b>	<b>86.5</b>	<b>107.9</b>	<b>353,091</b>	<b>88.8</b>	<b>106.6</b>
<b>Total assets</b>	<b>379,686</b>	<b>100.0</b>	<b>108.1</b>	<b>396,492</b>	<b>100.0</b>	<b>106.1</b>	<b>397,534</b>	<b>100.0</b>	<b>104.7</b>

## (5) Consolidated Major Financial Indicators

	Feb-2014	Feb-2015	Feb-2016	Feb-2017	Feb-2018
Capital adequacy ratio	86.6%	86.6%	86.8%	87.3%	88.8%
ROE	10.3%	8.4%	8.4%	10.3%	8.7%
ROA	8.7%	7.2%	7.2%	9.0%	7.6%
Ordinary profit to total assets	14.5%	12.0%	11.9%	13.7%	11.3%
Total assets turnover ratio	1.65times	1.59times	1.60times	1.55times	1.45times
Interest-bearing debt ratio	1.9%	1.2%	0.6%	0.0%	0.0%
Gross profit ratio	32.3%	31.7%	31.5%	33.2%	33.5%
SG & A expenses ratio	24.2%	24.7%	24.4%	24.8%	26.1%
Operating profit ratio	8.3%	7.2%	7.3%	8.6%	7.6%
Ordinary profit ratio	8.8%	7.5%	7.5%	8.9%	7.8%
Net assets per share	7,327.03yen	7,808.33yen	8,293.63yen	9,015.46yen	9,606.97yen
EPS	723.04yen	633.48yen	673.25yen	894.09yen	808.56yen

## 2. Number of Stores by Region

Store Type Prefecture	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group			
	2017 End	Op en	clo se	2018 End	2017 End	Op en	clo se	2018 End	2017 End	Op en	clo se	2018 End	2017 End	Op en	clo se	2018 End	2017 End	Op en	clo se	2018 End	2017 End	Op en	clo se	2018 End
Hokkaido	65	2		67	20			20	15			15	10			10	1			1	111	2		113
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	3	0	218	65	0	0	65	42	0	0	42	28	0	0	28	1	0	0	1	351	3	0	354
Ibaraki	56			56	14			14	12		1	11	4			4	1			1	87		1	86
Tochigi	35			35	9			9	10			10	8			8					62			62
Gunma	38	1		39	11			11	7	1		8	5			5					61	2		63
Saitama	103			103	24			24	16			16	6			6	2			2	151			151
Chiba	74	2		76	17	1		18	19			19	3			3					113	3		116
Tokyo	60	3	1	62	5			5	8	1		9	2			2	1			1	76	4	1	79
Kanagawa	58	5		63	11			11	8	2		10	1			1	1	1		2	79	8		87
Yamanashi	14			14	5			5	2			2	1			1					22			22
Nagano	40	1		41	10	1		11	4	1		5	4			4		1		1	58	4		62
Kanto Koshin Area	478	12	1	489	106	2	0	108	86	5	1	90	34	0	0	34	5	2	0	7	709	21	2	728
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	2		43	7	1		8	8	3		11	3			3					59	6		65
Aichi	60	5		65	7	1		8	4	3		7					1		1	71	10		81	
Mie	22			22	7			7	2			2	1		1						32		1	31
Tokai Area	150	7	0	157	22	2	0	24	17	6	0	23	4	0	1	3	0	1	0	1	193	16	1	208

Store Type	Shimamura				Avail				Birthday				Chambre				Divalo				Shimamura Group				
	2017 End	Op en	Cl <sub>o</sub> se	2018 End	2017 End	Op en	Cl <sub>o</sub> se	2018 End	2017 End	Op en	Cl <sub>o</sub> se	2018 End	2017 End	Op en	Cl <sub>o</sub> se	2018 End	2017 End	Op en	Cl <sub>o</sub> se	2018 End	2017 End	Op en	Cl <sub>o</sub> se	2018 End	
Shiga	19	1	1	19	3			3	4		1	3	1			1					27	1	2	26	
Kyoto	17	3		20	3	1		4	2	2		4					1		1		22	7		29	
Oosaka	44	9	1	52	13	4		17	10	5		15	1			1	1			1	69	18	1	86	
Hyougo	41	1		42	10			10	6	1		7	2	1		3	1			1	60	3		63	
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	
<b>Kinki Area</b>	<b>150</b>	<b>15</b>	<b>2</b>	<b>163</b>	<b>36</b>	<b>6</b>	<b>0</b>	<b>42</b>	<b>26</b>	<b>9</b>	<b>1</b>	<b>34</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>222</b>	<b>32</b>	<b>3</b>	<b>251</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	22			22	3			3	3			3	1			1	1			1	30			30	
Yamaguchi	20			20	4			4	3	2		5									27	2		29	
<b>Chugoku Area</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>80</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>2</b>	<b>0</b>	<b>17</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>117</b>	<b>2</b>	<b>0</b>	<b>119</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	4			4	2			2	1			1	28			28	
Kochi	12			12	2			2	1			1									15			15	
<b>Shikoku Area</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>51</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>8</b>	<b>0</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>73</b>	<b>0</b>	<b>0</b>	<b>73</b>	
Fukuoka	47	1	1	47	13	1		14	15	1		16	2	1		3		1		1	77	5	1	81	
Saga	12			12		1		1	1			1									13	1		14	
Nagasaki	12	1		13	3			3	3			3	3			3					21	1		22	
Kumamoto	21			21	2			2	3			3	1			1					27			27	
Ooita	16			16	3			3	3			3	1	1		2					23	1		24	
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	3	1	155	30	2	0	32	33	1	0	34	10	2	0	12	0	1	0	1	226	9	1	234	
<b>Japan Total</b>	<b>1,365</b>	<b>40</b>	<b>4</b>	<b>1,401</b>	<b>301</b>	<b>12</b>	<b>0</b>	<b>313</b>	<b>240</b>	<b>23</b>	<b>2</b>	<b>261</b>	<b>96</b>	<b>3</b>	<b>1</b>	<b>98</b>	<b>11</b>	<b>5</b>	<b>0</b>	<b>16</b>	<b>2,013</b>	<b>83</b>	<b>7</b>	<b>2,089</b>	
<b>CHINA TAIWAN</b>																						<b>42</b>	<b>3</b>	<b>0</b>	<b>45</b>
<b>CHINA(Shanghai)</b>																						<b>11</b>	<b>1</b>	<b>1</b>	<b>11</b>
<b>T o t a l</b>	<b>1,365</b>	<b>40</b>	<b>4</b>	<b>1,401</b>	<b>301</b>	<b>12</b>	<b>0</b>	<b>313</b>	<b>240</b>	<b>23</b>	<b>2</b>	<b>261</b>	<b>96</b>	<b>3</b>	<b>1</b>	<b>98</b>	<b>11</b>	<b>5</b>	<b>0</b>	<b>16</b>	<b>2,066</b>	<b>87</b>	<b>8</b>	<b>2,145</b>	

### 3. Store operation

#### (1) Store openings

		Feb-2015	Feb-2016	Feb-2017	Feb-2018	Feb-2019 Forecast
Shimamura	New store openings	24	26	21	40	40
	Closures	2	2	1	4	0
	Renovation	99	88	71	110	94
	Scrap & rebuild	3	6	6	3	2
	Year-end total	1,321	1,345	1,365	1,401	1,441
Avail	New store openings	12	13	5	12	25
	Closures	2	6	0	0	4
	Scrap & rebuild	0	0	2	1	0
	Year-end total	289	296	301	313	334
Birthday	New store openings	25	36	30	23	25
	Closures	1	0	0	2	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	174	210	240	261	286
Chambre	New store openings	8	9	5	3	2
	Closures	0	2	0	1	1
	Scrap & rebuild	0	0	0	0	0
	Year-end total	84	91	96	98	99
Divalo	New store openings	2	2	0	5	8
	Closures	0	0	9	0	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	18	20	11	16	24
CHINA TAIWAN Shimamura	New store openings	1	2	3	3	2
	Closures	0	0	0	0	0
	Scrap & rebuild	1	1	0	0	0
	Year-end total	37	39	42	45	47
CHINA(Shanghai) Shimamura	New store openings	4	7	0	1	0
	Closures	0	1	3	1	0
	Scrap & rebuild	0	0	0	0	0
	Year-end total	8	14	11	11	11
Shimamura Group	New store openings	76	95	64	87	102
	Closures	5	11	13	8	5
	Scrap & rebuild	4	7	8	4	2
	Year-end total	1,931	2,015	2,066	2,145	2,242



## (2) Retail Floor Space

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

Store Type	Feb-2015	Feb-2016	Feb-2017	Feb-2018	Feb-2019 Forecast
Shimamura	1,375,537	1,399,306	1,422,010	1,461,905	1,503,000
Avail	286,981	293,602	297,993	309,563	331,000
Birthday	162,343	195,120	222,192	241,670	265,000
Chambre	81,381	87,278	92,259	93,193	94,000
Divalo	5,658	6,497	4,163	6,562	10,000
CHINA TAIWAN Shimamura	36,224	37,759	40,212	42,813	45,000
CHINA (Shanghai) Shimamura	6,881	12,473	10,142	9,981	10,000
Shimamura Group	1,955,005	2,032,035	2,088,971	2,165,687	2,258,000

## 4. Number of Employees

(Units : person, %)

		Feb-2016		Feb-2017		Feb-2018		Feb-2019 Forecast	
		Person	YOY	Person	YOY	Person	YOY	Person	YOY
Shimamura Non-consolidated	Full-time	2,430	102.5	2,487	102.3	2,623	105.5	2,720	103.7
	Part-time	11,801	102.4	12,307	104.3	12,617	102.5	13,180	104.5
	Total	14,231	102.4	14,794	104.0	15,240	103.0	15,900	104.3
Subsidiary	Full-time	119	114.4	128	107.6	548	—	570	104.0
	Part-time	358	114.0	399	111.5	59	14.9	60	100.9
	Total	477	114.1	527	110.5	607	115.3	630	103.7
Shimamura Group Total	Full-time	2,549	103.0	2,615	102.6	3,171	121.3	3,290	103.8
	Part-time	12,159	102.7	12,706	104.5	12,677	99.8	13,240	104.4
	Total	14,708	102.8	15,321	104.2	15,848	103.4	16,530	104.3

## 5. Capital Expenditures

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

(Until : Millions of yen, %)

	Feb-2016	YOY	Feb-2017	YOY	Feb-2018	YOY	Feb-2019 Forecast	YOY
Buildings	7,387	81.0	6,368	86.2	6,152	96.6	7,600	123.5
Structures	905	91.0	982	108.5	721	73.5	1,000	138.5
Machine	87	4.0	245	281.8	—	—	10	—
Equipment	400	192.1	285	71.2	479	167.9	410	85.5
Land	10,635	—	1,223	11.5	532	43.5	6,000	—
Construction in progress	△2	0.2	53	—	89	165.9	4,000	—
<b>Tangible fixed assets</b>	<b>19,413</b>	<b>164.6</b>	<b>9,158</b>	<b>47.2</b>	<b>7,975</b>	<b>87.1</b>	<b>19,020</b>	<b>238.5</b>
Deposits for rent	1,754	74.6	1,842	105.0	2,178	118.2	2,700	124.0
Lease deposits	21	41.7	27	124.1	111	—	100	89.5
<b>Total capital expenditures</b>	<b>21,189</b>	<b>149.2</b>	<b>11,027</b>	<b>52.0</b>	<b>10,265</b>	<b>93.1</b>	<b>21,820</b>	<b>212.6</b>
Depreciation	5,681	110.6	5,724	100.8	5,529	96.6	5,900	106.7

### (2) Subsidiary

(Units : Millions of yen, %)

	Feb-2016	YOY	Feb-2017	YOY	Feb-2018	YOY	Feb-2019 Forecast	YOY
<b>Total capital expenditures</b>	<b>453</b>	<b>131.7</b>	<b>444</b>	<b>98.1</b>	<b>411</b>	<b>92.5</b>	<b>500</b>	<b>121.5</b>
Depreciation	167	113.1	183	109.1	166	90.7	167	100.5

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

(Units : Millions of yen, %)

	Feb-2016	YOY	Feb-2017	YOY	Feb-2018	YOY	Feb-2019 Forecast	YOY
<b>Total capital expenditures</b>	<b>21,643</b>	<b>148.8</b>	<b>11,472</b>	<b>53.0</b>	<b>10,677</b>	<b>93.1</b>	<b>22,320</b>	<b>209.0</b>
Depreciation	5,849	110.7	5,907	101.0	5,695	96.4	6,067	106.5

## 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-2017			Feb-2018			Aug-2018 Forecast			Feb-2019 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	559,329	100.0	103.5	558,513	100.0	99.9	285,454	100.0	101.5	580,000	100.0	103.8
Cost of goods sold	373,920	66.9	101.0	371,399	66.5	99.3	187,913	65.8	101.0	383,000	66.0	103.1
Gross profit	185,409	33.1	109.0	187,114	33.5	100.9	97,541	34.2	102.5	197,000	34.0	105.3
Other operating income	1,038	0.2	108.0	993	0.2	95.7	518	0.2	100.8	1,000	0.2	100.6
Operating Gross Profit	186,447	33.3	108.9	188,108	33.7	100.9	98,060	34.4	102.5	198,000	34.1	105.3
SG & A expenses	137,229	24.5	105.0	144,690	25.9	105.4	72,100	25.3	100.8	147,000	25.3	101.6
Operating Profit	49,217	8.8	121.6	43,417	7.8	88.2	25,960	9.1	107.6	51,000	8.8	117.5
Non-operating income	1,217	0.2	99.5	1,029	0.2	84.6	535	0.2	99.8	1,010	0.2	98.1
Non-operating expenses	11	0.0	3.8	35	0.0	—	5	0.0	11.1	10	0.0	28.6
Ordinary Profit	50,423	9.0	121.8	44,412	8.0	88.1	26,490	9.3	107.6	52,000	9.0	117.1
Extraordinary profit	0	0.0	13.2	—	—	—	—	—	—	—	—	—
Extraordinary losses	715	0.1	31.1	2,540	0.5	—	500	0.2	217.5	1,000	0.2	39.4
Pretax profit	49,707	8.9	127.2	41,871	7.5	84.2	25,990	9.1	106.6	51,000	8.8	121.8
Tax	16,414	2.9	114.8	12,282	2.2	74.8	8,000	2.8	103.6	15,500	2.7	126.2
Net Profit	33,293	6.0	134.3	29,589	5.3	88.9	17,990	6.3	108.0	35,500	6.1	120.0

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

(Units : Millions of yen, %)

	Feb-2017			Feb-2018			Aug-2018 Forecast			Feb-2019 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Wages	53,207	9.5	106.0	56,666	10.1	106.5	28,450	10.0	102.1	58,640	10.1	103.5
Personal expenses	63,076	11.3	105.8	67,236	12.0	106.6	33,761	11.8	102.1	69,624	12.0	103.6
Advertising expenses	13,868	2.5	102.9	15,572	2.8	112.3	8,333	2.9	100.7	15,460	2.7	99.3
Selling expenses	18,998	3.4	105.1	20,884	3.8	109.9	11,079	3.9	101.9	21,210	3.6	101.6
Non-durable goods	1,576	0.3	89.2	1,264	0.2	80.2	588	0.2	97.5	1,180	0.2	93.3
Display total	3,074	0.5	177.8	3,010	0.5	97.9	850	0.3	52.8	1,440	0.2	47.8
Operating expenses	8,232	1.4	117.8	8,454	1.5	102.7	3,224	1.2	79.7	6,184	1.1	73.1
Rental expenses	29,688	5.3	104.3	30,828	5.5	103.8	15,550	5.4	102.4	32,770	5.7	106.3
Depreciation	5,724	1.0	100.8	5,529	1.0	96.6	2,771	1.0	101.9	5,939	1.0	107.4
Facilities cost	43,607	7.8	101.0	44,140	7.9	101.2	21,758	7.6	101.3	45,587	7.9	103.3
General expenses	3,315	0.6	117.7	3,974	0.7	119.9	2,278	0.8	109.8	4,395	0.7	110.6
SG & A expenses	137,229	24.5	105.0	144,690	25.9	105.4	72,100	25.3	100.8	147,000	25.3	101.6

## 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	97.8	89.0	93.5	99.8	95.6	96.2	97.5	95.4	97.0
	All stores	97.1	99.3	90.7	95.1	102.5	98.0	98.7	100.0	97.4	98.7
Customer numbers	All Stores	98.9	100.5	94.5	97.7	103.1	101.1	102.1	102.2	99.9	101.0
Spending per customers		98.2	98.8	95.9	97.3	99.3	96.9	96.7	97.9	97.6	97.7

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)

	Feb-2014		Feb-2015		Feb-2016		Feb-2017		Feb-2018	
	Amount	YOY	Amount	YOY	Amount	YOY	Amount	YOY	Amount	YOY
Net store sales(Millions of yen)	407,029	101.8	414,121	101.7	441,152	106.5	451,937	102.4	446,141	98.7
Customer of number(Thousands)	160,885	100.0	160,615	99.8	166,035	103.4	168,209	101.3	169,943	101.0
Items purchased customer	3.1	98.9	3.1	98.6	3.0	97.9	3.0	98.5	2.9	99.2
Average spending Per customer(Yen)	2,530	101.8	2,578	101.9	2,657	103.0	2,687	101.1	2,625	97.7
Average price per item sold(Yen)	814	102.9	841	103.4	886	105.3	910	102.7	896	98.5

## (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	98.1	98.8	99.6	98.5	100.2	98.0	99.1	99.3	98.8
	All stores	103.9	99.2	101.0	101.2	102.6	104.1	101.7	103.0	102.1	100.8
Customer numbers	All Stores	106.0	105.1	107.6	106.3	104.7	106.7	105.7	105.7	106.0	105.3
Spending per customers		98.1	94.4	93.8	95.2	98.0	97.5	96.2	97.4	96.3	95.8

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)

	Feb-2014		Feb-2015		Feb-2016		Feb-2017		Feb-2018	
	Amount	YOY	Amount	YOY	Amount	YOY	Amount	YOY	Amount	YOY
Net store sales(Millions of yen)	52,831	98.3	49,960	94.6	49,500	99.1	50,377	101.8	50,782	100.8
Customer of number(Thousands)	18,167	97.8	17,139	94.3	15,926	92.9	15,902	99.9	16,738	105.3
Items purchased customer	2.4	100.3	2.4	98.1	2.3	94.8	2.3	99.9	2.3	102.2
Average spending Per customer(Yen)	2,908	100.6	2,915	100.2	3,108	106.6	3,168	101.9	3,034	95.8
Average price per item sold(Yen)	1,196	100.3	1,222	102.2	1,374	112.5	1,402	102.0	1,314	93.7

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

(Units : Millions of yen, %)

	Feb-2016					Feb-2017					Feb-2018				
	Amount	YOY	Comp ratio	Margin	YOY	Amount	YOY	Comp ratio	Margin	YOY	Amount	YOY	Comp ratio	Margin	YOY
Woman's wear	141,521	109.0	32.1	30.5	0.6	146,984	103.9	32.5	32.1	1.6	144,592	98.4	32.4	32.3	0.2
Underwear	108,865	101.0	24.7	33.6	△0.8	109,324	100.4	24.2	36.6	3.0	108,479	99.2	24.3	36.5	△0.1
Bedclothes	46,414	100.9	10.5	30.7	0.1	48,909	105.4	10.8	32.7	2.0	45,282	92.6	10.2	33.6	0.9
Men's wear	36,101	109.0	8.2	28.9	△0.3	39,559	109.6	8.8	30.7	1.8	41,303	104.4	9.3	31.2	0.5
Baby & Kid's	29,727	106.6	6.7	26.1	△0.5	30,977	104.2	6.9	28.4	2.3	30,917	99.8	6.9	28.4	0.0
Accessories	31,688	115.0	7.2	30.1	△0.7	30,024	94.7	6.6	32.4	2.3	30,169	100.5	6.8	32.6	0.2
Interior	24,272	103.9	5.5	31.4	1.2	24,553	101.2	5.4	34.1	2.7	25,104	102.2	5.6	34.1	0.0
Shoes	22,561	121.5	5.1	32.3	0.1	21,603	95.8	4.8	33.8	1.5	20,291	93.9	4.5	33.7	△0.1
Shimamura	441,152	106.5	100.0	31.0	0.0	451,937	102.4	100.0	33.1	2.1	446,141	98.7	100.0	33.3	0.2
Woman's wear	19,778	105.5	39.9	35.8	0.1	20,536	103.8	40.8	34.7	△1.1	20,944	102.0	41.2	35.5	0.8
Men's & Kid's	12,907	92.6	26.1	32.5	△1.8	12,467	96.6	24.7	28.1	△4.4	12,546	100.6	24.7	33.4	5.3
Shoes	11,877	100.8	24.0	37.6	△1.4	12,542	105.6	24.9	38.0	0.4	12,278	97.9	24.2	36.0	△2.0
Underwear	4,936	89.9	10.0	36.1	1.1	4,831	97.9	9.6	37.8	1.7	5,012	103.8	9.9	37.7	△0.1
Avail	49,500	99.1	100.0	35.4	△0.6	50,377	101.8	100.0	34.2	△1.2	50,782	100.8	100.0	35.3	1.1
Birthday	38,552	123.5	-	31.3	△0.4	46,882	121.6	-	33.0	1.7	51,362	109.6	-	33.1	0.1
Chambre	10,031	102.2	-	36.1	△0.4	9,521	94.9	-	30.5	△5.6	9,688	101.8	-	36.6	6.1
Divalo	980	111.0	-	32.0	2.5	611	62.3	-	28.4	△3.6	537	88.0	-	32.7	4.3
Total	540,216	106.8	-	31.5	△0.2	559,329	103.5	-	33.1	1.6	558,513	99.9	-	33.5	0.4

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

	Feb-2014	YOY	Feb-2015	YOY	Feb-2016	YOY	Feb-2017	YOY	Feb-2018	YOY
New store sales	5,332,119	61.7	4,179,749	78.4	4,551,318	108.9	3,622,232	79.6	5,725,786	158.1
Month in operation	178	60.8	155	87.1	160	103.2	139	86.9	224	161.2
New store sales per month	29,956	101.6	26,966	90.0	28,446	105.5	26,059	91.6	25,562	98.1
New store openings	26	66.7	24	92.3	26	108.3	21	80.8	40	190.5

### 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	20,759	99.1	73,434	102.6	67	7.5
Aomori	6,989	97.3	23,811	100.0	23	16.7
Iwate	6,351	98.5	20,307	104.5	20	12.1
Miyagi	10,039	98.9	36,848	100.0	35	9.4
Akita	5,070	97.9	17,460	100.0	17	16.6
Yamagata	5,317	96.8	17,248	100.0	16	11.5
Fukushima	11,975	97.6	40,926	100.0	40	15.1
Hokkaido Tohoku area	66,504	98.3	230,034	101.2	218	10.5
Ibaraki	16,228	99.0	58,764	100.0	56	11.7
Tochigi	10,616	99.5	35,241	100.0	35	11.8
Gunma	10,925	99.0	40,771	102.9	39	11.5
Saitama	34,543	98.5	108,838	100.0	103	7.9
Chiba	23,850	100.1	81,478	102.6	76	7.0
Tokyo	23,357	98.1	55,821	105.1	62	2.4
Kanagawa	23,262	99.5	68,609	108.7	63	4.5
Yamanashi	4,281	98.6	14,350	100.0	14	11.2
Nagano	11,376	97.2	42,404	102.5	41	12.1
Kanto Koshin Area	158,443	98.9	506,276	102.5	489	5.8
Niigata	10,295	96.7	38,378	100.0	36	12.3
Toyama	5,322	96.2	21,657	100.0	22	10.7
Ishikawa	4,427	95.6	18,569	100.0	18	7.4
Fukui	3,342	94.1	11,596	100.0	12	11.2
Hokuriku area	23,388	96.0	90,200	100.0	88	10.5
Gifu	7,637	97.5	27,017	100.0	27	8.1
Shizuoka	16,131	98.4	45,176	105.2	43	10.1
Aichi	23,093	100.9	67,000	109.8	65	5.8
Mie	6,445	99.1	23,211	100.0	22	6.9
Tokai Area	53,307	99.4	162,404	105.3	157	7.1
Shiga	5,515	98.6	19,309	100.9	19	7.5
Kyoto	6,766	102.9	21,560	120.4	20	4.8

Prefecture	Net sales	YOY (%)	Retail Space	YOY (%)	Number stores	Market Share
Oosaka	18,719	101.5	56,093	119.1	52	3.7
Hyougo	14,214	98.8	43,702	101.9	42	5.0
Nara	4,471	100.0	15,469	105.2	16	5.3
Wakayama	4,295	96.3	13,900	100.0	14	9.2
Kinki area	53,981	100.1	170,033	109.2	163	4.8
Tottori	2,863	99.6	8,056	100.0	7	14.5
Shimane	2,440	95.5	9,239	100.0	9	10.0
Okayama	7,448	98.6	23,069	100.0	22	8.5
Hiroshima	7,418	97.4	23,034	100.0	22	5.7
Yamaguchi	5,599	99.8	21,205	100.0	20	7.9
Chugoku area	25,769	98.3	84,603	100.0	80	7.8
Tokushima	2,809	96.9	9,202	100.0	9	3.9
Kagawa	3,481	98.4	13,426	100.0	13	8.3
Ehime	5,283	98.6	18,233	100.0	17	7.9
Kochi	3,531	97.0	12,213	100.0	12	9.7
Shikoku Area	15,105	97.9	53,074	100.0	51	7.0
Fukuoka	15,449	99.2	52,274	99.6	47	5.2
Saga	3,564	98.7	12,021	100.0	12	11.2
Nagasaki	4,310	101.1	14,696	111.3	13	7.1
Kumamoto	7,124	91.9	20,557	100.0	21	9.6
Ooita	4,913	98.7	18,191	100.0	16	8.3
Miyazaki	5,274	100.1	17,980	100.0	17	9.9
Kagoshima	5,796	98.9	18,250	99.9	18	7.7
Okinawa	3,205	102.4	11,312	108.8	11	7.5
Kyusyu Okinawa Area	49,640	98.4	165,281	101.3	155	7.1
Shimamura	446,141	98.7	1,461,905	102.8	1,401	6.7
Avail	50,782	100.8	309,563	103.9	313	-
Birthday	51,362	109.6	241,670	108.8	261	-
Chamble	9,688	101.8	93,193	101.0	98	-
Divalo	537	88.0	6,562	157.6	16	-

### III. CHINA TAIWAN Shimamura

#### 1. Financial Summary and Forecast

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

(Units : Millions of yen, %)

	Feb-2017			Feb-2018			Aug-2018 Forecast			Feb-2019 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	5,571	100.0	109.0	5,987	100.0	107.5	2,971	100.0	113.6	6,500	100.0	108.6
Cost of goods sold	3,542	63.6	108.0	3,827	63.9	108.0	1,894	63.7	114.6	4,033	62.0	105.4
Operating Gross Profit	2,033	36.5	110.6	2,167	36.2	106.6	1,079	36.3	112.0	2,470	38.0	114.0
SG & A expenses	1,940	34.8	113.8	2,153	36.0	110.9	1,017	34.2	102.7	2,178	33.5	101.2
Operating Profit	92	1.7	69.9	14	0.2	15.5	62	2.1	—	292	4.5	—
Ordinary Profit	101	1.8	80.8	2	0.0	2.3	54	1.8	—	277	4.3	—
Net Profit	60	1.1	48.0	△3	—	△5.1	45	1.5	—	230	3.5	—

Exchange rates (1NT\$)	3.65yen	3.68yen	3.65yen	3.65yen
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##### (2) Profit and loss statement

(Units : Millions of NT\$, %)

	Feb-2017			Feb-2018			Aug-2018 Forecast			Feb-2019 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	1,526	100.0	101.5	1,627	100.0	106.6	813	100.0	112.0	1,780	100.0	109.4
Cost of goods sold	970	63.6	100.6	1,040	63.9	107.2	518	63.7	112.9	1,104	62.0	106.2
Operating Gross Profit	557	36.5	103.1	588	36.2	105.7	295	36.3	110.4	676	38.0	114.9
SG & A expenses	531	34.8	106.0	585	36.0	110.0	278	34.2	101.2	596	33.5	102.0
Operating Profit	25	1.7	65.1	3	0.2	15.4	17	2.1	—	80	4.5	—
Ordinary Profit	27	1.8	75.3	0	0.0	2.2	15	1.8	—	76	4.3	—
Net Profit	16	1.1	44.7	0	—	△5.1	12	1.5	—	63	3.5	—



#### IV. CHINA (Shanghai) Shimamura

##### 1. Financial Summary and Forecast

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

(Units : Millions of yen, %)

	Dec-2016			Dec-2017			Jun-2018 Forecast			Dec-2018 Forecast		
	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY	Amount	Comp ratio	YOY
Net Sales	567	100.0	77.9	601	100.0	106.0	465	100.0	179.8	1,000	100.0	166.4
Cost of goods sold	389	68.7	73.5	404	67.3	103.8	304	65.4	174.4	620	62.0	153.3
Operating Gross Profit	177	31.3	89.7	200	33.3	112.7	160	34.6	190.9	380	38.0	189.9
SG & A expenses	684	120.6	77.9	724	120.6	105.9	284	61.1	92.9	666	66.7	92.0
Operating Profit	△506	—	74.5	△524	—	103.5	△123	—	55.6	△286	—	54.7
Ordinary Profit	△495	—	75.2	△513	—	103.8	△118	—	54.9	△280	—	54.5
Net Profit	△624	—	85.4	△637	—	102.1	△118	—	54.9	△300	—	47.1

Exchange rates (RMB)	17.06yen	17.60yen	16.67yen	16.67yen
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###### (2) Profit and loss statement

(Units : Millions of RMB, %)

	Dec-2016			Dec-2017			Jun-2018 Forecast			Dec-2018 Forecast		
	Sales	Comp ratio	YOY	Sales	Comp ratio	YOY	Sales	Comp ratio	YOY	Sales	Comp ratio	YOY
Net Sales	33	100.0	85.1	34	100.0	102.7	27	100.0	181.1	60	100.0	175.7
Cost of goods sold	22	68.7	80.3	22	67.3	100.6	18	65.4	175.7	37	62.0	161.9
Operating Gross Profit	10	31.3	98.0	11	33.3	109.2	9	34.6	192.3	22	38.0	200.5
SG & A expenses	40	120.6	85.1	41	120.6	102.6	17	61.1	93.5	40	66.7	97.1
Operating Profit	△29	—	81.4	△29	—	100.3	△7	—	56.0	△17	—	57.7
Ordinary Profit	△29	—	82.2	△29	—	100.6	△7	—	55.3	△16	—	57.5
Net Profit	△36	—	93.3	△36	—	99.0	△7	—	55.3	△18	—	49.7