

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended November 20, 2021 (Based on Japanese GAAP)

December 27, 2021

Company name: SHIMAMURA Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8227 URL <https://www.shimamura.gr.jp/>  
 Representative: President and Representative Director Makoto Suzuki  
 Inquiries: Planning Section General Manager Makoto Oota TEL 048-631-2131  
 Scheduled date to file Quarterly Securities Report: December 28, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 20, 2021 (from February 21, 2021 to November 20, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 20, 2021	436,817	8.0	38,785	24.5	39,729	24.3	26,926	24.9
Nine months ended November 20, 2020	404,453	2.6	31,161	64.5	31,968	64.2	21,551	70.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 20, 2021	732.70		–	
Nine months ended November 20, 2020	586.44		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 20, 2021	481,115	402,682	83.7
As of February 20, 2021	451,798	384,388	85.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 20, 2021	–	100.00	–	120.00	220.00
Year ending February 20, 2022	–	110.00	–		
Year ending February 20, 2022 (Forecast)				110.00	220.00

3. Forecast of consolidated financial results for the year ending February 20, 2022 (from February 21, 2021 to February 20, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	570,520	5.1	45,684	20.1	46,647	18.4	31,239	19.4	850.04

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 20, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of November 20, 2021	36,913,299 shares	As of February 20, 2021	36,913,299 shares
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Number of treasury shares at the end of the period

As of November 20, 2021	162,988 shares	As of February 20, 2021	163,942 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 20, 2021	36,749,968 shares	Nine months ended November 20, 2020	36,750,194 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 20, 2021	As of November 20, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	18,486	184,379
Accounts receivable - trade	6,622	13,637
Securities	193,000	38,500
Merchandise	50,612	63,021
Other	7,649	8,502
Total current assets	276,371	308,041
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	87,868	87,801
Land	49,148	49,170
Other, net	2,642	2,340
Total property, plant and equipment	139,659	139,312
Intangible assets		
Other	903	901
Total intangible assets	903	901
Investments and other assets		
Guarantee deposits	19,733	18,217
Other	16,333	15,792
Allowance for doubtful accounts	(1,201)	(1,149)
Total investments and other assets	34,865	32,860
Total non-current assets	175,427	173,074
Total assets	451,798	481,115
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	24,024	43,772
Income taxes payable	10,996	6,121
Provision for bonuses	4,760	55
Provision executive officers' bonuses	–	33
Provision for point card certificates	333	17
Other	18,510	19,188
Total current liabilities	58,625	69,188
Non-current liabilities		
provision for part-time employees retirement	1,071	1,111
Provision for retirement benefits for directors (and other officers)	115	116
Provision for executive officers' retirement benefits	137	166
Retirement benefit liability	1,332	1,423
Asset retirement obligations	5,824	5,979
Other	304	447
Total non-current liabilities	8,785	9,244
Total liabilities	67,410	78,433

(Millions of yen)

	As of February 20, 2021	As of November 20, 2021
Net assets		
Shareholders' equity		
Share capital	17,086	17,086
Capital surplus	18,637	18,641
Retained earnings	346,301	364,776
Treasury shares	(1,411)	(1,405)
Total shareholders' equity	380,614	399,098
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,912	3,767
Deferred gains or losses on hedges	16	3
Foreign currency translation adjustment	(132)	(192)
Remeasurements of defined benefit plans	(22)	5
Total accumulated other comprehensive income	3,773	3,584
Total net assets	384,388	402,682
Total liabilities and net assets	451,798	481,115

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended November 20, 2020	Nine months ended November 20, 2021
Net sales	404,453	436,817
Cost of sales	266,491	286,947
Gross profit	137,961	149,870
Operating revenue	716	827
Operating gross profit	138,678	150,697
Selling, general and administrative expenses	107,517	111,911
Operating profit	31,161	38,785
Non-operating income		
Interest income	159	131
Dividend income	148	156
Gain on sales of investment securities	218	5
Gain on sales of packaging materials	92	112
Compensation income	148	14
Foreign exchange gains	–	323
Miscellaneous income	104	216
Total non-operating income	872	961
Non-operating expenses		
Foreign exchange losses	59	–
Loss on processed gift certificates	2	1
Miscellaneous loss	3	15
Total non-operating expenses	65	17
Ordinary profit	31,968	39,729
Extraordinary income		
Subsidy income	–	217
Subsidies for employment adjustment	–	1
Gain on reversal of foreign currency translation adjustment	398	–
Total extraordinary income	398	219
Extraordinary losses		
Loss on sales and retirement of non-current assets	89	131
Impairment loss	172	225
Loss on store closings	118	–
Loss on disaster	106	98
Loss on valuation of investment securities	191	124
Other	24	3
Total extraordinary losses	702	583
Profit before income taxes	31,664	39,365
Income taxes	10,112	12,438
Profit	21,551	26,926
Profit attributable to owners of parent	21,551	26,926

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended November 20, 2020	Nine months ended November 20, 2021
Profit	21,551	26,926
Other comprehensive income		
Valuation difference on available-for-sale securities	574	(144)
Deferred gains or losses on hedges	(32)	(13)
Foreign currency translation adjustment	(402)	(60)
Remeasurements of defined benefit plans, net of tax	32	28
Total other comprehensive income	171	(189)
Comprehensive income	21,723	26,737
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,723	26,737
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of cash flows

(Millions of yen)

	Nine months ended November 20, 2020	Nine months ended November 20, 2021
Cash flows from operating activities		
Profit before income taxes	31,664	39,365
Depreciation	4,085	4,434
Impairment loss	172	225
Loss on store closings	118	-
Increase (decrease) in allowance for doubtful accounts	-	(52)
Increase (decrease) in provision for bonuses	(2,148)	(4,707)
Increase(decrease) in provision for executive officer's bonuses	(10)	33
Increase (decrease) in provision for point card certificates	168	(315)
increase (decrease) in provision for part-time employees retirement	28	40
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(18)	1
Increase(decrease) in provision for executive officers' retirement benefits	(42)	29
Increase (decrease) in retirement benefit liability	153	113
Interest and dividend income	(308)	(288)
Foreign exchange losses (gains)	21	(310)
Loss (gain) on sales and retirement of non-current assets	6	129
Loss (gain) on valuation of investment securities	191	124
Loss (gain) on sales of investment securities	(218)	(5)
Gain on reversal of foreign currency translation adjustment	(398)	-
Decrease (increase) in trade receivables	(5,521)	(7,014)
Decrease (increase) in inventories	(9,900)	(12,373)
Decrease (increase) in other current assets	(2,302)	(1,040)
Increase (decrease) in trade payables	23,098	19,727
Increase (decrease) in other current liabilities	7,923	3,146
Other, net	120	74
Subtotal	46,884	41,338
Interest and dividends received	172	186
Income taxes paid	(7,545)	(16,897)
Net cash provided by (used in) operating activities	39,511	24,627
Cash flows from investing activities		
Payments into time deposits	(8,000)	(8,000)
Proceeds from withdrawal of time deposits	8,000	8,000
Purchase of securities	(340,000)	(265,500)
Proceeds from redemption of securities	247,006	428,000
Purchase of property, plant and equipment	(5,556)	(6,663)
Proceeds from sales of property, plant and equipment	41	39
Purchase of investment securities	(295)	(39)
Proceeds from sales of investment securities	310	42
Payments of guarantee deposits	(412)	(418)
Proceeds from refund of guarantee deposits	2,384	2,253
Other, net	(6)	(62)
Net cash provided by (used in) investing activities	(96,528)	157,651

(Millions of yen)

	Nine months ended November 20, 2020	Nine months ended November 20, 2021
Cash flows from financing activities		
Purchase of treasury shares	(5)	(9)
Dividends paid	(7,333)	(8,428)
Net cash provided by (used in) financing activities	(7,338)	(8,437)
Effect of exchange rate change on cash and cash equivalents	31	51
Net increase (decrease) in cash and cash equivalents	(64,323)	173,893
Cash and cash equivalents at beginning of period	83,088	10,486
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(181)	–
Cash and cash equivalents at end of period	18,583	184,379