

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Non-Consolidated Financial Results
for the Nine Months Ended May 31, 2019
(Based on Japanese GAAP)**

July 11, 2019

Company name: SHIMACHU CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 8184 URL <http://www.shimachu.co.jp/>
 Representative: President and Representative Director Takaaki Okano
 Director, General Manager of Corporate Planning Kazuya Orimoto TEL 048(623)7711
 Scheduled date to file Quarterly Securities Report: July 12, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the nine months ended May 31, 2019 (from September 1, 2018 to May 31, 2019)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended May 31, 2019	109,906	0.3	7,041	(15.4)	7,120	(18.8)	4,908	(17.7)
Nine months ended May 31, 2018	109,562	(1.3)	8,319	7.8	8,769	2.7	5,961	0.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended May 31, 2019	112.64		–	
Nine months ended May 31, 2018	130.00		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of May 31, 2019	235,355		187,442		79.6	
As of August 31, 2018	241,650		194,288		80.4	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended August 31, 2018	–	40.00	–	40.00	80.00
Year ending August 31, 2019	–	40.00	–	–	–
Year ending August 31, 2019 (Forecast)	–	–	–	40.00	80.00

3. Forecast of non-consolidated financial results for the year ending August 31, 2019 (from September 1, 2018 to August 31, 2019)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	148,389	1.4	9,014	(8.8)	9,279	(12.0)	6,310	46.7	139.57

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of May 31, 2019	47,889,104 shares	As of August 31, 2018	47,889,104 shares
--------------------	-------------------	-----------------------	-------------------

Number of treasury shares at the end of the period

As of May 31, 2019	5,381,195 shares	As of August 31, 2018	2,680,550 shares
--------------------	------------------	-----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended May 31, 2019	43,574,538 shares	Nine months ended May 31, 2018	45,851,471 shares
--------------------------------	-------------------	--------------------------------	-------------------

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of August 31, 2018	As of May 31, 2019
Assets		
Current assets		
Cash and deposits	22,057	8,816
Notes and accounts receivable - trade	5,474	6,731
Securities	7,567	7,518
Merchandise and finished goods	18,042	19,793
Other	3,937	4,091
Allowance for doubtful accounts	(1)	(3)
Total current assets	57,078	46,948
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	65,656	68,380
Land	95,742	95,553
Other, net	4,679	4,455
Total property, plant and equipment	166,078	168,389
Intangible assets	420	468
Investments and other assets		
Other	18,277	19,733
Allowance for doubtful accounts	(203)	(184)
Total investments and other assets	18,073	19,548
Total non-current assets	184,572	188,406
Total assets	241,650	235,355
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,687	22,737
Income taxes payable	1,686	828
Provision for bonuses	877	467
Business restructuring reserves	641	454
Other	7,785	8,410
Total current liabilities	32,677	32,897
Non-current liabilities		
Provision for retirement benefits	4,214	3,373
Asset retirement obligations	7,007	7,268
Other	3,463	4,372
Total non-current liabilities	14,685	15,014
Total liabilities	47,362	47,912

(Millions of yen)

	As of August 31, 2018	As of May 31, 2019
Net assets		
Shareholders' equity		
Capital stock	16,533	16,533
Capital surplus	19,344	19,344
Retained earnings	167,549	168,949
Treasury shares	(8,505)	(16,642)
Total shareholders' equity	194,922	188,184
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(633)	(742)
Total valuation and translation adjustments	(633)	(742)
Total net assets	194,288	187,442
Total liabilities and net assets	241,650	235,355

Non-consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended May 31, 2018	Nine months ended May 31, 2019
Net sales	105,047	105,208
Cost of sales	69,697	69,577
Gross profit	35,349	35,631
Operating revenue		
Rent income of real estate	4,514	4,698
Operating gross profit	39,864	40,329
Selling, general and administrative expenses	31,544	33,288
Operating profit	8,319	7,041
Non-operating income		
Interest income	90	11
Dividend income	7	7
Commission fee	169	102
Vending machine commission	98	113
Other	233	130
Total non-operating income	600	366
Non-operating expenses		
Loss on investments in partnership	–	8
Foreign exchange losses	67	–
Rental payments	48	216
Other	35	62
Total non-operating expenses	150	287
Ordinary profit	8,769	7,120
Extraordinary income		
Gain on sales of non-current assets	–	60
Gain on revision of retirement benefit plan	–	24
Asset retirement obligations reversal of gains	5	–
Other	–	0
Total extraordinary income	5	85
Extraordinary losses		
Loss on sales and retirement of non-current assets	9	7
Total extraordinary losses	9	7
Profit before income taxes	8,765	7,198
Income taxes	2,804	2,289
Profit	5,961	4,908