

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended November 30, 2019 (Based on Japanese GAAP)

January 9, 2020

Company name: SHIMACHU CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 8184 URL <http://shimachu.co.jp/>
 Representative: President and Representative Director Takaaki Okano
 Director, General Manager of Corporate Planning Kazuya Orimoto TEL 048(851)7711
 Scheduled date to file Quarterly Securities Report: January 10, 2020
 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 three months ended November 30, 2019 (from September 1, 2019 to November 30, 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	%
Three months ended November 30, 2019	38,337	7.8	2,382	(13.5)	2,558	(7.7)	1,718	(9.1)
Three months ended November 30, 2018	35,578	1.9	2,754	5.5	2,773	(3.4)	1,890	(2.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended November 30, 2019	40.43		–	
Three months ended November 30, 2018	42.04		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2019	238,759	188,813	79.1
As of August 31, 2019	237,305	188,698	79.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2019	–	40.00	–	40.00	80.00
Year ending August 31, 2020	–	–	–	–	–
Year ending August 31, 2020 (Forecast)	–	50.00	–	50.00	100.00

3. Forecast of non-consolidated financial results for the year ending August 31, 2020 (from September 1, 2019 to August 31, 2020)

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
Six months ending February 29, 2020	73,931	3.0	4,548	7.6	4,764	11.9	3,239	10.4	76.19
Full year	150,771	3.0	10,577	17.6	11,018	20.5	7,492	23.9	176.25

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 November 30, 2019	42,609,104 shares	As of August 31, 2019	47,889,104 shares
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Number of treasury shares at the end of the period

As of November 30, 2019	101,694 shares	As of August 31, 2019	5,381,588 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended November 30, 2019	42,507,463 shares	Three months ended November 30, 2018	44,958,404 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of August 31, 2019	As of November 30, 2019
Assets		
Current assets		
Cash and deposits	12,509	11,513
Notes and accounts receivable - trade	6,346	6,423
Securities	7,539	7,625
Merchandise and finished goods	18,909	20,296
Other	4,732	4,705
Allowance for doubtful accounts	(3)	(1)
Total current assets	50,034	50,563
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	67,656	70,726
Land	95,483	95,483
Other, net	6,214	3,096
Total property, plant and equipment	169,355	169,305
Intangible assets	464	489
Investments and other assets		
Other	17,547	18,496
Allowance for doubtful accounts	(96)	(96)
Total investments and other assets	17,451	18,400
Total non-current assets	187,271	188,196
Total assets	237,305	238,759
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,687	23,760
Income taxes payable	1,461	921
Provision for bonuses	800	380
Business restructuring reserves	382	339
Other	9,397	9,479
Total current liabilities	33,729	34,880
Non-current liabilities		
Provision for retirement benefits	3,415	3,504
Asset retirement obligations	7,277	7,352
Other	4,185	4,208
Total non-current liabilities	14,877	15,065
Total liabilities	48,607	49,946

(Millions of yen)

	As of August 31, 2019	As of November 30, 2019
Net assets		
Shareholders' equity		
Share capital	16,533	16,533
Capital surplus	19,344	19,344
Retained earnings	170,089	153,778
Treasury shares	(16,643)	(314)
Total shareholders' equity	189,324	189,342
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(625)	(528)
Total valuation and translation adjustments	(625)	(528)
Total net assets	188,698	188,813
Total liabilities and net assets	237,305	238,759

Non-consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended November 30, 2018	Three months ended November 30, 2019
Net sales	34,046	36,630
Cost of sales	22,469	24,182
Gross profit	11,577	12,447
Operating revenue		
Real estate lease revenue	1,531	1,706
Operating gross profit	13,109	14,154
Selling, general and administrative expenses	10,355	11,771
Operating profit	2,754	2,382
Non-operating income		
Interest income	3	23
Dividend income	0	0
Commission income	35	35
Vending machine commission	42	44
Other	50	100
Total non-operating income	132	204
Non-operating expenses		
Loss on investments in investment partnerships	–	2
Rental payments	95	16
Other	17	9
Total non-operating expenses	113	28
Ordinary profit	2,773	2,558
Extraordinary losses		
Loss on sales and retirement of non-current assets	3	11
Loss on disaster	–	14
Total extraordinary losses	3	25
Profit before income taxes	2,770	2,533
Income taxes	879	814
Profit	1,890	1,718