

Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 20, 2021 (Based on Japanese GAAP)

June 28, 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: June 29, 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 three months ended May 20, 2021 (from February 21, 2021 to May 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	%
Three months ended May 20, 2021	142,539	33.2	13,019	–	13,299	–	8,875	–
Three months ended May 20, 2020	106,987	(19.9)	(1,281)	–	(1,092)	–	(1,221)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 20, 2021	241.51	–
Three months ended May 20, 2020	(33.22)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 20, 2021	455,130	388,920	85.5
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	Yen	Yen	Yen	Yen
Year ended February 20, 2021	–	100.00	–	120.00	220.00
Year ending February 20, 2022	–				
Year ending February 20, 2022 (Forecast)		110.00	–	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
Six months ending August 20, 2021	273,430	7.5	19,654	23.0	19,826	21.1	13,098	24.4	356.41
Full year	554,837	2.3	38,646	1.6	39,594	0.5	26,277	0.4	715.03

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 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 May 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 May 20, 2021	164,435 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)

Three months ended May 20, 2021	36,748,956 shares	Three months ended May 20, 2020	36,750,329 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of February 20, 2021	As of May 20, 2021
Assets		
Current assets		
Cash and deposits	18,486	27,071
Accounts receivable - trade	6,622	13,205
Securities	193,000	176,000
Merchandise	50,612	59,391
Other	7,649	4,309
Total current assets	276,371	279,978
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	87,868	88,406
Land	49,148	49,168
Other, net	2,642	2,403
Total property, plant and equipment	139,659	139,978
Intangible assets		
Other	903	888
Total intangible assets	903	888
Investments and other assets		
Guarantee deposits	19,733	19,273
Other	16,333	16,212
Allowance for doubtful accounts	(1,201)	(1,201)
Total investments and other assets	34,865	34,284
Total non-current assets	175,427	175,151
Total assets	451,798	455,130
Liabilities		
Current liabilities		
Accounts payable - trade	24,024	35,103
Income taxes payable	10,996	4,650
Provision for bonuses	4,760	4,532
Provision executive officers' bonuses	—	11
Provision for point card certificates	333	73
Other	18,510	12,968
Total current liabilities	58,625	57,340
Non-current liabilities		
provision for part-time employees retirement	1,071	1,081
Provision for retirement benefits for directors (and other officers)	115	115
Provision for executive officers' retirement benefits	137	147
Retirement benefit liability	1,332	1,356
Asset retirement obligations	5,824	5,862
Other	304	304
Total non-current liabilities	8,785	8,868
Total liabilities	67,410	66,209

	(Millions of yen)	
	As of February 20, 2021	As of May 20, 2021
Net assets		
Shareholders' equity		
Share capital	17,086	17,086
Capital surplus	18,637	18,637
Retained earnings	346,301	350,767
Treasury shares	(1,411)	(1,417)
Total shareholders' equity	380,614	385,074
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,912	4,006
Deferred gains or losses on hedges	16	7
Foreign currency translation adjustment	(132)	(154)
Remeasurements of defined benefit plans	(22)	(13)
Total accumulated other comprehensive income	3,773	3,846
Total net assets	384,388	388,920
Total liabilities and net assets	451,798	455,130

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended May 20, 2020	Three months ended May 20, 2021
Net sales	106,987	142,539
Cost of sales	74,275	93,710
Gross profit	32,712	48,829
Operating revenue	198	255
Operating gross profit	32,911	49,085
Selling, general and administrative expenses	34,192	36,065
Operating profit (loss)	(1,281)	13,019
Non-operating income		
Interest income	53	45
Dividend income	22	34
Gain on sales of investment securities	–	4
Gain on sales of packaging materials	26	31
Compensation income	140	6
Foreign exchange gains	–	121
Miscellaneous income	21	37
Total non-operating income	264	280
Non-operating expenses		
Loss on processed gift certificates	0	0
Foreign exchange losses	67	–
Miscellaneous loss	7	0
Total non-operating expenses	75	1
Ordinary profit (loss)	(1,092)	13,299
Extraordinary income		
Subsidies for employment adjustment	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	45	46
Impairment loss	48	92
Loss on disaster	78	22
Loss on valuation of investment securities	176	114
Total extraordinary losses	349	275
Profit (loss) before income taxes	(1,441)	13,024
Income taxes	(220)	4,149
Profit (loss)	(1,221)	8,875
Profit (loss) attributable to owners of parent	(1,221)	8,875

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 20, 2020	Three months ended May 20, 2021
Profit (loss)	(1,221)	8,875
Other comprehensive income		
Valuation difference on available-for-sale securities	453	94
Deferred gains or losses on hedges	(27)	(8)
Foreign currency translation adjustment	11	(22)
Remeasurements of defined benefit plans, net of tax	11	9
Total other comprehensive income	450	72
Comprehensive income	(770)	8,947
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(770)	8,947
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Three months ended May 20, 2020	Three months ended May 20, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(1,441)	13,024
Depreciation	1,345	1,478
Impairment loss	48	92
Increase (decrease) in provision for bonuses	2,210	(228)
Increase(decrease)in provision for executive officer's bonuses	(28)	11
increase (decrease) in provision for part-time employees retirement	7	10
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(21)	0
Increase(decrease)in provision for executive officer's retirement benefits	(64)	9
Increase (decrease) in retirement benefit liability	67	30
Increase (decrease) in provision for point card certificates	9	(260)
Interest and dividend income	(76)	(80)
Foreign exchange losses (gains)	73	(116)
Loss (gain) on sales and retirement of non-current assets	1	46
Loss (gain) on sales of investment securities	–	(4)
Loss (gain) on valuation of investment securities	176	114
Decrease (increase) in trade receivables	(3,889)	(6,582)
Decrease (increase) in inventories	(9,614)	(8,766)
Decrease (increase) in other current assets	(1,138)	3,254
Increase (decrease) in trade payables	5,767	11,071
Increase (decrease) in other current liabilities	(854)	(2,794)
Other, net	(358)	(315)
Subtotal	(7,781)	9,998
Interest and dividends received	29	45
Income taxes paid	(3,721)	(10,058)
Net cash provided by (used in) operating activities	(11,473)	(14)
Cash flows from investing activities		
Purchase of securities	(64,000)	(141,000)
Proceeds from redemption of securities	36,004	158,000
Purchase of property, plant and equipment	(728)	(4,614)
Proceeds from sales of property, plant and equipment	25	0
Payments of guarantee deposits	(134)	(283)
Purchase of investment securities	(295)	–
Proceeds from sales of investment securities	–	31
Proceeds from refund of guarantee deposits	920	863
Other, net	(0)	(45)
Net cash provided by (used in) investing activities	(28,209)	12,952
Cash flows from financing activities		
Purchase of treasury shares	(1)	(5)
Dividends paid	(3,623)	(4,366)
Net cash provided by (used in) financing activities	(3,624)	(4,372)
Effect of exchange rate change on cash and cash equivalents	(18)	19
Net increase (decrease) in cash and cash equivalents	(43,326)	8,584
Cash and cash equivalents at beginning of period	83,088	10,486
Cash and cash equivalents at end of period	39,762	19,071