

# Translation

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## Summary of Non-Consolidated Financial Results for the Three Months Ended November 30, 2017 (Based on Japanese GAAP)

January 11, 2018

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  
 Inquiries: TEL 048(623)7711  
 Scheduled date to file Quarterly Securities Report: January 12, 2018  
 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, 2017 (from September 1, 2017 to November 30, 2017)

#### (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, 2017	34,911	(3.1)	2,609	9.8	2,870	(1.7)	1,947	(2.1)
Three months ended November 30, 2016	36,023	(8.1)	2,376	(24.0)	2,918	(14.8)	1,989	(16.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended November 30, 2017	41.60	–
Three months ended November 30, 2016	41.35	–

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2017	242,565	197,247	81.3
As of August 31, 2017	243,353	199,860	82.1

### 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 August 31, 2017	–	40.00	–	40.00	80.00
Year ending August 31, 2018	–				
Year ending August 31, 2018 (Forecast)		40.00	–	40.00	80.00

### 3. Forecast of non-consolidated financial results for the year ending August 31, 2018 (from September 1, 2017 to August 31, 2018)

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 28, 2018	73,043	1.1	4,869	9.3	5,180	0.0	3,590	(1.3)	75.78
Full year	147,338	0.9	10,319	5.3	10,852	0.8	7,522	19.8	158.75

#### 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, 2017	:	47,889,104 shares	As of August 31, 2017	:	51,389,104 shares
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Number of treasury shares at the end of the period

As of November 30, 2017	:	1,686,589 shares	As of August 31, 2017	:	4,336,257 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, 2017	:	46,815,203 shares	Three months ended November 30, 2016	:	48,101,883 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Millions of yen)

	As of August 31, 2017	As of November 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	18,781	17,275
Notes and accounts receivable - trade	5,517	5,764
Securities	12,226	12,273
Merchandise and finished goods	20,671	21,659
Other	4,766	4,922
Allowance for doubtful accounts	(1)	(1)
Total current assets	61,961	61,894
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,154	70,432
Land	95,793	95,793
Other, net	1,892	1,895
Total property, plant and equipment	168,840	168,121
Intangible assets	285	355
Investments and other assets		
Other	12,471	12,400
Allowance for doubtful accounts	(206)	(206)
Total investments and other assets	12,265	12,193
Total non-current assets	181,391	180,671
Total assets	243,353	242,565
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,812	22,730
Income taxes payable	1,443	1,033
Provision for bonuses	634	309
Asset retirement obligations	—	49
Other	5,503	6,954
Total current liabilities	29,394	31,077
Non-current liabilities		
Provision for retirement benefits	3,932	4,003
Asset retirement obligations	7,023	6,982
Other	3,141	3,254
Total non-current liabilities	14,098	14,240
Total liabilities	43,492	45,318

	(Millions of yen)	
	As of August 31, 2017	As of November 30, 2017
Net assets		
Shareholders' equity		
Capital stock	16,533	16,533
Capital surplus	19,344	19,344
Retained earnings	177,484	167,004
Treasury shares	(13,046)	(5,199)
Total shareholders' equity	200,315	197,682
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(454)	(435)
Total valuation and translation adjustments	(454)	(435)
Total net assets	199,860	197,247
Total liabilities and net assets	243,353	242,565

**Non-consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended November 30, 2016	Three months ended November 30, 2017
Net sales	34,590	33,410
Cost of sales	22,965	22,075
Gross profit	11,624	11,334
Operating revenue		
Rent income of real estate	1,433	1,500
Operating gross profit	13,057	12,835
Selling, general and administrative expenses	10,681	10,226
Operating profit	2,376	2,609
Non-operating income		
Interest income	6	43
Dividend income	–	0
Foreign exchange gains	365	64
Commission fee	58	55
Other	142	108
Total non-operating income	572	272
Non-operating expenses		
Commission for purchase of treasury shares	3	2
Rental payments	15	0
Other	11	8
Total non-operating expenses	30	11
Ordinary profit	2,918	2,870
Extraordinary losses		
Loss on sales and retirement of non-current assets	4	0
Total extraordinary losses	4	0
Profit before income taxes	2,914	2,869
Income taxes	925	921
Profit	1,989	1,947