

# Translation

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## Summary of Non-Consolidated Financial Results for the Nine Months Ended May 31, 2018 (Based on Japanese GAAP)

July 12, 2018

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  
 Inquiries: TEL 048(623)7711  
 Scheduled date to file Quarterly Securities Report: July 13, 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 nine months ended May 31, 2018 (from September 1, 2017 to May 31, 2018)

#### (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, 2018	109,562	(1.3)	8,319	7.8	8,769	2.7	5,961	0.5
Nine months ended May 31, 2017	110,964	(6.7)	7,715	(23.6)	8,537	(18.4)	5,928	(14.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended May 31, 2018	130.00	–
Nine months ended May 31, 2017	124.86	–

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

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2018	243,321	195,878	80.5
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	–	40.00	–	–	–
Year ending August 31, 2018 (Forecast)	–	–	–	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
Full year	147,338	0.3	10,319	4.7	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 May 31, 2018	:	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 May 31, 2018	:	2,680,406 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)

Nine months ended May 31, 2018	:	45,851,471 shares	Nine months ended May 31, 2017	:	47,478,330 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Millions of yen)

	As of August 31, 2017	As of May 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	18,781	19,037
Notes and accounts receivable - trade	5,517	6,290
Securities	12,226	11,800
Merchandise and finished goods	20,671	21,245
Other	4,766	4,793
Allowance for doubtful accounts	(1)	(1)
Total current assets	61,961	63,166
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,154	68,454
Land	95,793	95,793
Other, net	1,892	3,250
Total property, plant and equipment	168,840	167,498
Intangible assets	285	431
Investments and other assets		
Other	12,471	12,431
Allowance for doubtful accounts	(206)	(206)
Total investments and other assets	12,265	12,225
Total non-current assets	181,391	180,155
Total assets	243,353	243,321
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,812	23,097
Income taxes payable	1,443	1,192
Provision for bonuses	634	389
Other	5,503	8,296
Total current liabilities	29,394	32,975
Non-current liabilities		
Provision for retirement benefits	3,932	4,132
Asset retirement obligations	7,023	6,999
Other	3,141	3,335
Total non-current liabilities	14,098	14,467
Total liabilities	43,492	47,442

	(Millions of yen)	
	As of August 31, 2017	As of May 31, 2018
Net assets		
Shareholders' equity		
Capital stock	16,533	16,533
Capital surplus	19,344	19,344
Retained earnings	177,484	169,209
Treasury shares	(13,046)	(8,504)
Total shareholders' equity	200,315	196,582
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(454)	(703)
Total valuation and translation adjustments	(454)	(703)
Total net assets	199,860	195,878
Total liabilities and net assets	243,353	243,321

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

(Millions of yen)

	Nine months ended May 31, 2017	Nine months ended May 31, 2018
Net sales	106,767	105,047
Cost of sales	71,210	69,697
Gross profit	35,556	35,349
Operating revenue		
Rent income of real estate	4,196	4,514
Operating gross profit	39,753	39,864
Selling, general and administrative expenses	32,037	31,544
Operating profit	7,715	8,319
Non-operating income		
Interest income	28	90
Dividend income	7	7
Foreign exchange gains	308	—
Commission fee	175	169
Other	347	332
Total non-operating income	866	600
Non-operating expenses		
Foreign exchange losses	—	67
Rental payments	15	48
Other	29	35
Total non-operating expenses	44	150
Ordinary profit	8,537	8,769
Extraordinary income		
Gain on sales of non-current assets	168	—
Asset retirement obligations reversal of gains	—	5
Total extraordinary income	168	5
Extraordinary losses		
Loss on sales and retirement of non-current assets	5	9
Total extraordinary losses	5	9
Profit before income taxes	8,700	8,765
Income taxes	2,771	2,804
Profit	5,928	5,961