

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended November 30, 2018 (Based on Japanese GAAP)

January 10, 2019

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 11, 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 three months ended November 30, 2018 (from September 1, 2018 to November 30, 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	%
Three months ended November 30, 2018	35,578	1.9	2,754	5.5	2,773	(3.4)	1,890	(2.9)
Three months ended November 30, 2017	34,911	(3.1)	2,609	9.8	2,870	(1.7)	1,947	(2.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended November 30, 2018	42.04	–
Three months ended November 30, 2017	41.60	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2018	238,383	191,730	80.4
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	Yen	Yen	Yen	Yen
Year ended August 31, 2018	–	40.00	–	40.00	80.00
Year ending August 31, 2019	–				
Year ending August 31, 2019 (Forecast)		40.00	–	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
Six months ending February 28, 2019	72,265	1.1	4,129	(15.5)	4,222	(18.1)	2,871	(17.9)	63.50
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 November 30, 2018	47,889,104 shares	As of August 31, 2018	47,889,104 shares
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Number of treasury shares at the end of the period

As of November 30, 2018	3,580,806 shares	As of August 31, 2018	2,680,550 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, 2018	44,958,404 shares	Three months ended November 30, 2017	46,815,203 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of August 31, 2018	As of November 30, 2018
Assets		
Current assets		
Cash and deposits	22,057	17,669
Notes and accounts receivable - trade	5,474	5,792
Securities	7,567	7,636
Merchandise and finished goods	18,042	19,539
Other	3,937	3,754
Allowance for doubtful accounts	(1)	(3)
Total current assets	57,078	54,388
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	65,656	64,887
Land	95,742	95,742
Other, net	4,679	4,937
Total property, plant and equipment	166,078	165,567
Intangible assets	420	415
Investments and other assets		
Other	18,277	18,215
Allowance for doubtful accounts	(203)	(203)
Total investments and other assets	18,073	18,012
Total non-current assets	184,572	183,994
Total assets	241,650	238,383
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,687	22,740
Income taxes payable	1,686	1,003
Provision for bonuses	877	370
Business restructuring reserves	641	588
Other	7,785	7,163
Total current liabilities	32,677	31,865
Non-current liabilities		
Provision for retirement benefits	4,214	4,253
Asset retirement obligations	7,007	7,016
Other	3,463	3,517
Total non-current liabilities	14,685	14,786
Total liabilities	47,362	46,652

	(Millions of yen)	
	As of August 31, 2018	As of November 30, 2018
Net assets		
Shareholders' equity		
Capital stock	16,533	16,533
Capital surplus	19,344	19,344
Retained earnings	167,549	167,631
Treasury shares	(8,505)	(11,184)
Total shareholders' equity	194,922	192,325
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(633)	(594)
Total valuation and translation adjustments	(633)	(594)
Total net assets	194,288	191,730
Total liabilities and net assets	241,650	238,383

Non-consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended November 30, 2017	Three months ended November 30, 2018
Net sales	33,410	34,046
Cost of sales	22,075	22,469
Gross profit	11,334	11,577
Operating revenue		
Rent income of real estate	1,500	1,531
Operating gross profit	12,835	13,109
Selling, general and administrative expenses	10,226	10,355
Operating profit	2,609	2,754
Non-operating income		
Interest income	43	3
Dividend income	0	0
Foreign exchange gains	64	—
Commission fee	55	35
Vending machine commission	36	42
Other	72	50
Total non-operating income	272	132
Non-operating expenses		
Commission for purchase of treasury shares	2	2
Rental payments	0	95
Other	8	14
Total non-operating expenses	11	113
Ordinary profit	2,870	2,773
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	3
Total extraordinary losses	0	3
Profit before income taxes	2,869	2,770
Income taxes	921	879
Profit	1,947	1,890