

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended May 20, 2023 (Based on Japanese GAAP)

June 26, 2023

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 27, 2023  
 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, 2023 (from February 21, 2023 to May 20, 2023)

#### (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, 2023	157,105	5.2	14,533	(0.6)	14,741	(1.5)	10,029	(1.8)
Three months ended May 20, 2022	149,319	4.8	14,615	12.3	14,959	12.5	10,212	15.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 20, 2023	272.90	–
Three months ended May 20, 2022	277.87	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 20, 2023	518,327	445,373	85.9
As of February 20, 2023	502,552	440,048	87.6

### 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, 2023	–	120.00	–	140.00	260.00
Year ending February 20, 2024	–	–	–	–	–
Year ending February 20, 2024 (Forecast)	–	130.00	–	140.00	270.00

### 3. Forecast of consolidated financial results for the year ending February 20, 2024 (from February 21, 2023 to February 20, 2024)

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, 2023	311,106	3.2	28,171	(2.6)	28,647	(3.5)	19,317	(6.3)	525.62
Full year	635,088	3.1	54,571	2.4	55,522	2.1	39,522	3.9	1,075.41

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 20, 2023  
 (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, 2023	36,913,299 shares	As of February 20, 2023	36,913,299 shares
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Number of treasury shares at the end of the period

As of May 20, 2023	161,288 shares	As of February 20, 2023	162,885 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, 2023	36,751,528 shares	Three months ended May 20, 2022	36,751,017 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 20, 2023	As of May 20, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	186,157	169,377
Accounts receivable - trade	10,217	18,143
Securities	77,000	80,100
Merchandise	54,266	68,153
Other	4,775	8,099
Total current assets	332,416	343,873
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,515	85,135
Land	49,170	49,171
Other, net	2,627	2,884
Total property, plant and equipment	137,314	137,191
Intangible assets		
Other	928	921
Total intangible assets	928	921
Investments and other assets		
Guarantee deposits	17,144	16,823
Other	14,792	19,534
Allowance for doubtful accounts	(44)	(16)
Total investments and other assets	31,893	36,341
Total non-current assets	170,135	174,454
Total assets	502,552	518,327
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	24,285	36,595
Income taxes payable	9,252	5,109
Provision for bonuses	4,268	5,405
Provision executive officers' bonuses	–	11
Other	14,691	15,730
Total current liabilities	52,498	62,851
Non-current liabilities		
provision for part-time employees retirement	1,138	1,145
Provision for retirement benefits for directors (and other officers)	119	121
Provision for executive officers' retirement benefits	231	266
Retirement benefit liability	1,814	1,827
Asset retirement obligations	6,255	6,298
Other	444	444
Total non-current liabilities	10,005	10,103
Total liabilities	62,503	72,954

(Millions of yen)

	As of February 20, 2023	As of May 20, 2023
Net assets		
Shareholders' equity		
Share capital	17,086	17,086
Capital surplus	18,645	18,655
Retained earnings	402,112	406,996
Treasury shares	(1,409)	(1,397)
Total shareholders' equity	436,434	441,340
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,005	4,426
Deferred gains or losses on hedges	4	9
Foreign currency translation adjustment	(265)	(276)
Remeasurements of defined benefit plans	(130)	(126)
Total accumulated other comprehensive income	3,614	4,032
Total net assets	440,048	445,373
Total liabilities and net assets	502,552	518,327

**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, 2022	Three months ended May 20, 2023
Net sales	149,319	157,105
Cost of sales	97,669	103,414
Gross profit	51,649	53,691
Operating revenue	336	339
Operating gross profit	51,986	54,030
Selling, general and administrative expenses	37,371	39,497
Operating profit	14,615	14,533
Non-operating income		
Interest income	30	35
Dividend income	35	38
Gain on sales of packaging materials	38	38
Foreign exchange gains	181	42
Miscellaneous income	59	55
Total non-operating income	345	209
Non-operating expenses		
Loss on processed gift certificates	0	0
Miscellaneous losses	0	1
Total non-operating expenses	1	1
Ordinary profit	14,959	14,741
Extraordinary income		
Subsidies for employment adjustment	1	7
Total extraordinary income	1	7
Extraordinary losses		
Loss on sale and retirement of non-current assets	18	22
Impairment losses	3	110
Loss on disaster	18	0
Other	8	-
Total extraordinary losses	49	133
Profit before income taxes	14,911	14,615
Income taxes	4,699	4,585
Profit	10,212	10,029
Profit attributable to owners of parent	10,212	10,029

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended May 20, 2022	Three months ended May 20, 2023
Profit	10,212	10,029
Other comprehensive income		
Valuation difference on available-for-sale securities	(51)	420
Deferred gains or losses on hedges	(13)	4
Foreign currency translation adjustment	(41)	(11)
Remeasurements of defined benefit plans, net of tax	(1)	3
Total other comprehensive income	(108)	418
Comprehensive income	10,103	10,447
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,103	10,447
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of cash flows

(Millions of yen)

	Three months ended May 20, 2022	Three months ended May 20, 2023
Cash flows from operating activities		
Profit before income taxes	14,911	14,615
Depreciation	1,453	1,448
Impairment losses	3	110
Increase (decrease) in provision for bonuses	794	1,136
Increase(decrease)in provision for executive officer's bonuses	13	11
increase (decrease) in provision for part-time employees retirement	3	6
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	2
Increase(decrease)in provision for executive officer's retirement benefits	24	34
Increase (decrease) in retirement benefit liability	32	14
Interest and dividend income	(66)	(74)
Foreign exchange losses (gains)	(174)	(38)
Loss (gain) on sale and retirement of non-current assets	18	22
Decrease (increase) in trade receivables	(4,423)	(7,925)
Decrease (increase) in inventories	(9,245)	(13,881)
Decrease (increase) in other current assets	1,324	(3,383)
Increase (decrease) in trade payables	8,065	12,307
Increase (decrease) in other current liabilities	1,321	993
Other, net	(216)	(348)
Subtotal	13,842	5,050
Interest and dividends received	39	48
Income taxes paid	(7,952)	(8,264)
Net cash provided by (used in) operating activities	5,929	(3,165)
Cash flows from investing activities		
Purchase of securities	(27,000)	(80,000)
Proceeds from redemption of securities	22,000	46,000
Purchase of property, plant and equipment	(1,242)	(1,423)
Proceeds from sale of property, plant and equipment	0	0
Purchase of investment securities	-	(4,502)
Payments of guarantee deposits	(1,191)	(281)
Proceeds from refund of guarantee deposits	798	715
Other, net	(17)	(19)
Net cash provided by (used in) investing activities	(6,651)	(39,511)
Cash flows from financing activities		
Purchase of treasury shares	(2)	(5)
Dividends paid	(4,729)	(5,101)
Net cash provided by (used in) financing activities	(4,731)	(5,107)
Effect of exchange rate change on cash and cash equivalents	23	4
Net increase (decrease) in cash and cash equivalents	(5,431)	(47,779)
Cash and cash equivalents at beginning of period	182,427	217,157
Cash and cash equivalents at end of period	176,996	169,377