

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 20, 2023 (Based on Japanese GAAP)

December 25, 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: December 26, 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 nine months ended November 20, 2023 (from February 21, 2023 to November 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	%
Nine months ended November 20, 2023	479,660	3.4	45,649	2.5	46,790	2.8	33,077	4.3
Nine months ended November 20, 2022	463,903	6.2	44,547	14.9	45,527	14.6	31,711	17.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 20, 2023	900.04		–	
Nine months ended November 20, 2022	862.86		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 20, 2023	542,593	464,081	85.5
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				
Year ended February 20, 2023	–	120.00	–	140.00	260.00
Year ending February 20, 2024	–	130.00	–		
Year ending February 20, 2024 (Forecast)				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
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 nine months ended November 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 November 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 November 20, 2023	162,020 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)

Nine months ended November 20, 2023	36,751,565 shares	Nine months ended November 20, 2022	36,751,094 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2023	As of November 20, 2023
Assets		
Current assets		
Cash and deposits	186,157	165,216
Accounts receivable - trade	10,217	20,697
Securities	77,000	90,100
Merchandise	54,266	72,035
Other	4,775	5,807
Total current assets	332,416	353,858
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,515	86,128
Land	49,170	49,954
Other, net	2,627	2,666
Total property, plant and equipment	137,314	138,750
Intangible assets		
Other	928	1,007
Total intangible assets	928	1,007
Investments and other assets		
Guarantee deposits	17,144	16,239
Other	14,792	32,752
Allowance for doubtful accounts	(44)	(15)
Total investments and other assets	31,893	48,976
Total non-current assets	170,135	188,734
Total assets	502,552	542,593
Liabilities		
Current liabilities		
Accounts payable - trade	24,285	40,586
Income taxes payable	9,252	6,140
Provision for bonuses	4,268	79
Provision executive officers' bonuses	—	35
Other	14,691	21,332
Total current liabilities	52,498	68,173
Non-current liabilities		
provision for part-time employees retirement	1,138	1,165
Provision for retirement benefits for directors (and other officers)	119	123
Provision for executive officers' retirement benefits	231	298
Retirement benefit liability	1,814	1,901
Asset retirement obligations	6,255	6,405
Other	444	443
Total non-current liabilities	10,005	10,338
Total liabilities	62,503	78,511

(Millions of yen)

	As of February 20, 2023	As of November 20, 2023
Net assets		
Shareholders' equity		
Share capital	17,086	17,086
Capital surplus	18,645	18,655
Retained earnings	402,112	425,267
Treasury shares	(1,409)	(1,408)
Total shareholders' equity	436,434	459,600
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,005	4,950
Deferred gains or losses on hedges	4	0
Foreign currency translation adjustment	(265)	(349)
Remeasurements of defined benefit plans	(130)	(120)
Total accumulated other comprehensive income	3,614	4,481
Total net assets	440,048	464,081
Total liabilities and net assets	502,552	542,593

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2022	Nine months ended November 20, 2023
Net sales	463,903	479,660
Cost of sales	304,103	312,974
Gross profit	159,800	166,685
Operating revenue	1,055	1,068
Operating gross profit	160,855	167,753
Selling, general and administrative expenses	116,308	122,103
Operating profit	44,547	45,649
Non-operating income		
Interest income	92	124
Dividend income	158	179
Gain on sale of investment securities	–	1
Gain on sales of packaging materials	120	117
Compensation income	14	176
Foreign exchange gains	392	306
Miscellaneous income	206	238
Total non-operating income	985	1,145
Non-operating expenses		
Loss on processed gift certificates	1	1
Miscellaneous losses	4	4
Total non-operating expenses	5	5
Ordinary profit	45,527	46,790
Extraordinary income		
Subsidies for employment adjustment	1	16
Total extraordinary income	1	16
Extraordinary losses		
Loss on sale and retirement of non-current assets	89	80
Impairment losses	166	233
Loss on disaster	183	9
Other	32	11
Total extraordinary losses	471	334
Profit before income taxes	45,057	46,471
Income taxes	13,345	13,393
Profit	31,711	33,077
Profit attributable to owners of parent	31,711	33,077

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2022	Nine months ended November 20, 2023
Profit	31,711	33,077
Other comprehensive income		
Valuation difference on available-for-sale securities	265	945
Deferred gains or losses on hedges	(48)	(4)
Foreign currency translation adjustment	(89)	(83)
Remeasurements of defined benefit plans, net of tax	(2)	9
Total other comprehensive income	123	866
Comprehensive income	31,835	33,944
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,835	33,944
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended November 20, 2022	Nine months ended November 20, 2023
Cash flows from operating activities		
Profit before income taxes	45,057	46,471
Depreciation	4,416	4,415
Impairment losses	166	233
Increase (decrease) in provision for bonuses	(3,865)	(4,192)
Increase(decrease) in provision for executive officer's bonuses	41	35
increase (decrease) in provision for part-time employees retirement	29	26
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	3
Increase(decrease) in provision for executive officers' retirement benefits	45	66
Increase (decrease) in retirement benefit liability	90	84
Interest and dividend income	(251)	(304)
Foreign exchange losses (gains)	(378)	(291)
Loss (gain) on sale and retirement of non-current assets	88	80
Loss (gain) on sale of investment securities	-	(1)
Decrease (increase) in trade receivables	(8,194)	(10,480)
Decrease (increase) in inventories	(18,849)	(17,727)
Decrease (increase) in other current assets	(1,801)	(1,173)
Increase (decrease) in trade payables	15,807	16,285
Increase (decrease) in other current liabilities	8,157	6,597
Other, net	187	59
Subtotal	40,750	40,188
Interest and dividends received	180	224
Income taxes paid	(15,231)	(16,289)
Net cash provided by (used in) operating activities	25,700	24,123
Cash flows from investing activities		
Payments into time deposits	(8,000)	-
Proceeds from withdrawal of time deposits	16,000	-
Purchase of securities	(121,000)	(239,999)
Proceeds from redemption of securities	98,000	196,499
Purchase of property, plant and equipment	(3,693)	(5,944)
Proceeds from sale of property, plant and equipment	0	1
Purchase of investment securities	-	(17,807)
Proceeds from sale of investment securities	-	1
Payments of guarantee deposits	(1,746)	(766)
Proceeds from refund of guarantee deposits	2,084	1,887
Other, net	(90)	(63)
Net cash provided by (used in) investing activities	(18,445)	(66,190)
Cash flows from financing activities		
Purchase of treasury shares	(10)	(16)
Dividends paid	(9,163)	(9,900)
Net cash provided by (used in) financing activities	(9,173)	(9,916)
Effect of exchange rate change on cash and cash equivalents	50	43
Net increase (decrease) in cash and cash equivalents	(1,869)	(51,940)
Cash and cash equivalents at beginning of period	182,427	217,157
Cash and cash equivalents at end of period	180,558	165,216