

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended November 20, 2024 (Based on Japanese GAAP)

December 23, 2024

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
 Director and Planning Section General
 Inquiries: Yoshiteru Tsujiguchi TEL 048-631-2131
 Manager
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 2024 (from February 21, 2024 to November 20, 2024)

(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, 2024	497,803	3.8	46,559	2.0	47,752	2.1	33,649	1.7
Nine months ended November 20, 2023	479,660	3.4	45,649	2.5	46,790	2.8	33,077	4.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 20, 2024	457.78	–
Nine months ended November 20, 2023	450.02	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 20, 2024	576,603	493,095	85.5
As of February 20, 2024	533,807	471,408	88.3

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, 2024	–	130.00	–	150.00	280.00
Year ending February 20, 2025	–	95.00	–		
Year ending February 20, 2025 (Forecast)				95.00	190.00

3. Forecast of consolidated financial results for the year ending February 20, 2025 (from February 21, 2024 to February 20, 2025)

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	659,622	3.9	56,362	1.9	57,694	1.7	40,194	0.3	546.83

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended November 20, 2024: 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, 2024	73,826,598 shares	As of February 20, 2024	73,826,598 shares
-------------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of November 20, 2024	322,506 shares	As of February 20, 2024	325,332 shares
-------------------------	----------------	-------------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 20, 2024	73,504,081 shares	Nine months ended November 20, 2023	73,503,131 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2024	As of November 20, 2024
Assets		
Current assets		
Cash and deposits	161,235	145,527
Accounts receivable - trade	12,349	24,939
Securities	109,600	130,298
Merchandise	57,146	75,413
Other	4,555	3,969
Total current assets	344,887	380,148
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,723	89,223
Land	49,941	51,192
Other, net	2,661	2,593
Total property, plant and equipment	138,326	143,009
Intangible assets		
Other	983	1,015
Total intangible assets	983	1,015
Investments and other assets		
Guarantee deposits	15,932	15,523
Other	33,692	36,919
Allowance for doubtful accounts	(14)	(12)
Total investments and other assets	49,609	52,429
Total non-current assets	188,919	196,454
Total assets	533,807	576,603

(Millions of yen)

	As of February 20, 2024	As of November 20, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	24,625	44,028
Income taxes payable	9,293	6,025
Provision for bonuses	3,564	76
Provision executive officers' bonuses	—	33
Other	14,668	22,946
Total current liabilities	52,151	73,110
Non-current liabilities		
provision for part-time employees retirement	1,161	1,178
Provision for retirement benefits for directors (and other officers)	114	48
Provision for executive officers' retirement benefits	286	289
Retirement benefit liability	1,841	1,869
Asset retirement obligations	6,400	6,564
Other	443	446
Total non-current liabilities	10,247	10,397
Total liabilities	62,398	83,507
Net assets		
Shareholders' equity		
Share capital	17,086	17,086
Capital surplus	18,655	18,673
Retained earnings	432,274	453,428
Treasury shares	(1,418)	(1,411)
Total shareholders' equity	466,596	487,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,226	5,731
Foreign currency translation adjustment	(365)	(365)
Remeasurements of defined benefit plans	(48)	(45)
Total accumulated other comprehensive income	4,811	5,319
Total net assets	471,408	493,095
Total liabilities and net assets	533,807	576,603

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, 2023	Nine months ended November 20, 2024
Net sales	479,660	497,803
Cost of sales	312,974	324,323
Gross profit	166,685	173,480
Operating revenue	1,068	1,054
Operating gross profit	167,753	174,535
Selling, general and administrative expenses	122,103	127,975
Operating profit	45,649	46,559
Non-operating income		
Interest income	124	259
Dividend income	179	218
Gain on sale of investment securities	1	190
Gain on sales of packaging materials	117	123
Compensation income	176	143
Foreign exchange gains	306	–
Miscellaneous income	238	276
Total non-operating income	1,145	1,212
Non-operating expenses		
Foreign exchange losses	–	16
Loss on processed gift certificates	1	0
Miscellaneous losses	4	1
Total non-operating expenses	5	19
Ordinary profit	46,790	47,752
Extraordinary income		
Subsidies for employment adjustment	16	–
Total extraordinary income	16	–
Extraordinary losses		
Loss on sale and retirement of non-current assets	80	212
Impairment losses	233	167
Loss on disaster	9	16
Other	11	16
Total extraordinary losses	334	413
Profit before income taxes	46,471	47,339
Income taxes	13,393	13,690
Profit	33,077	33,649
Profit attributable to owners of parent	33,077	33,649

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 20, 2023	Nine months ended November 20, 2024
Profit	33,077	33,649
Other comprehensive income		
Valuation difference on available-for-sale securities	945	504
Deferred gains or losses on hedges	(4)	—
Foreign currency translation adjustment	(83)	—
Remeasurements of defined benefit plans, net of tax	9	3
Total other comprehensive income	866	507
Comprehensive income	33,944	34,157
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,944	34,157
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended November 20, 2023	Nine months ended November 20, 2024
Cash flows from operating activities		
Profit before income taxes	46,471	47,339
Depreciation	4,415	4,521
Impairment losses	233	167
Increase (decrease) in provision for bonuses	(4,192)	(3,487)
Increase(decrease) in provision for executive officer's bonuses	35	33
increase (decrease) in provision for part-time employees retirement	26	17
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	(65)
Increase(decrease) in provision for executive officers' retirement benefits	66	3
Increase (decrease) in retirement benefit liability	84	31
Interest and dividend income	(304)	(478)
Foreign exchange losses (gains)	(291)	9
Loss (gain) on sale and retirement of non-current assets	80	212
Loss (gain) on sale of investment securities	(1)	(190)
Decrease (increase) in trade receivables	(10,480)	(12,589)
Decrease (increase) in inventories	(17,727)	(18,266)
Decrease (increase) in other current assets	(1,173)	527
Increase (decrease) in trade payables	16,285	19,403
Increase (decrease) in other current liabilities	6,597	8,246
Other, net	59	(96)
Subtotal	40,188	45,337
Interest and dividends received	224	402
Income taxes paid	(16,289)	(16,562)
Net cash provided by (used in) operating activities	24,123	29,178
Cash flows from investing activities		
Purchase of securities	(239,999)	(353,000)
Proceeds from redemption of securities	196,499	333,600
Purchase of property, plant and equipment	(5,944)	(9,412)
Proceeds from sale of property, plant and equipment	1	19
Payments for retirement of property, plant and equipment	(64)	(182)
Purchase of investment securities	(17,807)	(5,198)
Proceeds from sale of investment securities	1	1,249
Payments of guarantee deposits	(766)	(991)
Proceeds from refund of guarantee deposits	1,887	1,542
Other, net	0	(31)
Net cash provided by (used in) investing activities	(66,190)	(32,405)
Cash flows from financing activities		
Purchase of treasury shares	(16)	(11)
Dividends paid	(9,900)	(12,476)
Net cash provided by (used in) financing activities	(9,916)	(12,488)
Effect of exchange rate change on cash and cash equivalents	43	6
Net increase (decrease) in cash and cash equivalents	(51,940)	(15,707)
Cash and cash equivalents at beginning of period	217,157	161,235
Cash and cash equivalents at end of period	165,216	145,527