

Translation

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**Summary of Consolidated Financial Results
for the Year Ended February 20, 2024
(Based on Japanese GAAP)**

April 1, 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: Manager Yoshiteru Tsujiguchi TEL 048-631-2131
 Scheduled date of ordinary general meeting of shareholders: May 17, 2024
 Scheduled date to file Securities Report: May 20, 2024
 Scheduled date to commence dividend payments: May 20, 2024
 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 year ended February 20, 2024 (from February 21, 2023 to February 20, 2024)

(1) Consolidated operating results

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	%
Year ended February 20, 2024	635,091	3.1	55,308	3.8	56,716	4.3	40,084	5.4
Year ended February 20, 2023	616,125	5.6	53,302	7.9	54,383	7.5	38,021	7.3

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 20, 2024	545.35	–	8.8	10.9	8.7
Year ended February 20, 2023	517.28	–	8.9	11.1	8.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 20, 2024	533,807	471,408	88.3	6,413.61
As of February 20, 2023	502,552	440,048	87.6	5,986.99

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 20, 2024	41,162	(87,198)	(9,944)	161,235
Year ended February 20, 2023	41,552	2,325	(9,198)	217,157

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 20, 2023	–	120.00	–	140.00	260.00	9,555	25.1	2.2
Year ended February 20, 2024	–	130.00	–	150.00	280.00	10,290	25.7	2.3
Year ending February 20, 2025 (Forecast)	–	95.00	–	95.00	190.00		34.7	

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
Six months ending August 20, 2024	327,593	3.4	28,774	(4.6)	29,438	(4.2)	20,204	(3.6)	274.87
Full year	659,622	3.9	56,362	1.9	57,694	1.7	40,194	0.3	546.83

4. Notes

(1) Changes in significant subsidiaries during the year ended February 20, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(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 February 20, 2024	73,826,598 shares	As of February 20, 2023	73,826,598 shares
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Number of treasury shares at the end of the period

As of February 20, 2024	325,332 shares	As of February 20, 2023	325,770 shares
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Average number of shares during the period

Year ended February 20, 2024	73,502,781 shares	Year ended February 20, 2023	73,501,913 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2023	As of February 20, 2024
Assets		
Current assets		
Cash and deposits	186,157	161,235
Accounts receivable - trade	10,217	12,349
Securities	77,000	109,600
Merchandise	54,266	57,146
Other	4,775	4,555
Total current assets	332,416	344,887
Non-current assets		
Property, plant and equipment		
Buildings and structures	179,078	183,617
Accumulated depreciation	(93,563)	(97,894)
Buildings and structures, net	85,515	85,723
Machinery, equipment and vehicles	11,957	11,972
Accumulated depreciation	(10,705)	(10,998)
Machinery, equipment and vehicles, net	1,251	973
Tools, furniture and fixtures	3,955	3,853
Accumulated depreciation	(3,208)	(3,123)
Tools, furniture and fixtures, net	747	729
Land	49,170	49,941
Construction in progress	628	958
Total property, plant and equipment	137,314	138,326
Intangible assets		
Other	928	983
Total intangible assets	928	983
Investments and other assets		
Investment securities	10,437	29,384
Deferred tax assets	3,537	3,691
Guarantee deposits	17,144	15,932
Other	817	616
Allowance for doubtful accounts	(44)	(14)
Total investments and other assets	31,893	49,609
Total non-current assets	170,135	188,919
Total assets	502,552	533,807

(Millions of yen)

	As of February 20, 2023	As of February 20, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	24,285	24,625
Income taxes payable	9,252	9,293
Provision for bonuses	4,268	3,564
Other	14,691	14,668
Total current liabilities	52,498	52,151
Non-current liabilities		
Provision for part-time employees retirement	1,138	1,161
Provision for retirement benefits for directors (and other officers)	119	114
Provision for executive officer's retirement benefits	231	286
Retirement benefit liability	1,814	1,841
Asset retirement obligations	6,255	6,400
Other	444	443
Total non-current liabilities	10,005	10,247
Total liabilities	62,503	62,398
Net assets		
Shareholders' equity		
Share capital	17,086	17,086
Capital surplus	18,645	18,655
Retained earnings	402,112	432,274
Treasury shares	(1,409)	(1,418)
Total shareholders' equity	436,434	466,596
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,005	5,226
Deferred gains or losses on hedges	4	-
Foreign currency translation adjustment	(265)	(365)
Remeasurements of defined benefit plans	(130)	(48)
Total accumulated other comprehensive income	3,614	4,811
Total net assets	440,048	471,408
Total liabilities and net assets	502,552	533,807

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended February 20, 2023	Fiscal year ended February 20, 2024
Net sales	616,125	635,091
Cost of sales	406,129	416,529
Gross profit	209,996	218,561
Operating revenue	1,394	1,408
Operating gross profit	211,391	219,970
Selling, general and administrative expenses	158,088	164,662
Operating profit	53,302	55,308
Non-operating income		
Interest income	128	184
Dividend income	190	223
Gain on sale of investment securities	–	2
Foreign exchange gains	290	362
Gain on sales of packaging materials	167	165
Compensation income	52	176
Miscellaneous income	259	298
Total non-operating income	1,088	1,414
Non-operating expenses		
Loss on processed gift certificates	1	1
Miscellaneous losses	5	5
Total non-operating expenses	7	6
Ordinary profit	54,383	56,716
Extraordinary income		
Subsidies for employment adjustment	45	16
Total extraordinary income	45	16
Extraordinary losses		
Loss on sale and retirement of non-current assets	136	229
Impairment losses	405	841
Loss on disaster	215	95
disaster relief funds	–	10
Other	33	13
Total extraordinary losses	790	1,190
Profit before income taxes	53,638	55,542
Income taxes - current	15,649	16,173
Income taxes - deferred	(32)	(715)
Total income taxes	15,617	15,457
Profit	38,021	40,084
Profit attributable to owners of parent	38,021	40,084

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 20, 2023	Fiscal year ended February 20, 2024
Profit	38,021	40,084
Other comprehensive income		
Valuation difference on available-for-sale securities	419	1,220
Deferred gains or losses on hedges	(7)	(4)
Foreign currency translation adjustment	(69)	(100)
Remeasurements of defined benefit plans, net of tax	(127)	81
Total other comprehensive income	215	1,197
Comprehensive income	38,236	41,282
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	38,236	41,282
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

Fiscal year ended February 20, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,086	18,641	373,278	(1,409)	407,595
Changes during period					
Dividends of surplus			(9,187)		(9,187)
Profit attributable to owners of parent			38,021		38,021
Purchase of treasury shares				(16)	(16)
Disposal of treasury shares		3		16	20
Net changes in items other than shareholders' equity					
Total changes during period	-	3	28,833	0	28,838
Balance at end of period	17,086	18,645	402,112	(1,409)	436,434

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,586	11	(196)	(2)	3,399	410,995
Changes during period						
Dividends of surplus						(9,187)
Profit attributable to owners of parent						38,021
Purchase of treasury shares						(16)
Disposal of treasury shares						20
Net changes in items other than shareholders' equity	419	(7)	(69)	(127)	215	215
Total changes during period	419	(7)	(69)	(127)	215	29,053
Balance at end of period	4,005	4	(265)	(130)	3,614	440,048

Fiscal year ended February 20, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,086	18,645	402,112	(1,409)	436,434
Changes during period					
Dividends of surplus			(9,922)		(9,922)
Profit attributable to owners of parent			40,084		40,084
Purchase of treasury shares				(26)	(26)
Disposal of treasury shares		9		17	27
Net changes in items other than shareholders' equity					
Total changes during period	-	9	30,162	(9)	30,162
Balance at end of period	17,086	18,655	432,274	(1,418)	466,596

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,005	4	(265)	(130)	3,614	440,048
Changes during period						
Dividends of surplus						(9,922)
Profit attributable to owners of parent						40,084
Purchase of treasury shares						(26)
Disposal of treasury shares						27
Net changes in items other than shareholders' equity	1,220	(4)	(100)	81	1,197	1,197
Total changes during period	1,220	(4)	(100)	81	1,197	31,360
Balance at end of period	5,226	-	(365)	(48)	4,811	471,408

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 20, 2023	Fiscal year ended February 20, 2024
Cash flows from operating activities		
Profit before income taxes	53,638	55,542
Depreciation	5,891	5,918
Impairment losses	405	841
Foreign exchange losses (gains)	(291)	(349)
Loss (gain) on sale and retirement of non-current assets	135	229
Loss (gain) on sale of investment securities	–	(2)
Increase (decrease) in provision for bonuses	339	(708)
Increase(decrease) in provision for part-time employees retirement	29	22
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	(5)
Increase(decrease)in provision for executive officer's retirement benefits	56	54
Increase (decrease) in retirement benefit liability	129	124
Interest and dividend income	(318)	(408)
Decrease (increase) in trade receivables	(1,706)	(2,132)
Decrease (increase) in inventories	(1,629)	(2,831)
Decrease (increase) in other current assets	2,040	100
Increase (decrease) in trade payables	(4,153)	321
Increase (decrease) in other current liabilities	1,410	(53)
Other, net	561	538
Subtotal	56,540	57,202
Interest and dividends received	225	291
Income taxes paid	(15,214)	(16,332)
Net cash provided by (used in) operating activities	41,552	41,162
Cash flows from investing activities		
Payments into time deposits	(8,000)	–
Proceeds from withdrawal of time deposits	16,000	–
Purchase of securities	(166,000)	(344,999)
Proceeds from redemption of securities	164,000	281,999
Purchase of property, plant and equipment	(4,384)	(7,636)
Proceeds from sale of property, plant and equipment	0	18
Purchase of investment securities	–	(17,807)
Proceeds from sale of investment securities	–	9
Payments for guarantee deposits, advances of construction	(1,933)	(1,099)
Proceeds from collection of guarantee deposits, advances of construction	2,780	2,499
Other, net	(137)	(182)
Net cash provided by (used in) investing activities	2,325	(87,198)
Cash flows from financing activities		
Purchase of treasury shares	(16)	(26)
Dividends paid	(9,182)	(9,917)
Net cash provided by (used in) financing activities	(9,198)	(9,944)
Effect of exchange rate change on cash and cash equivalents	49	57
Net increase (decrease) in cash and cash equivalents	34,729	(55,921)
Cash and cash equivalents at beginning of period	182,427	217,157
Cash and cash equivalents at end of period	217,157	161,235

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of February 20, 2023	As of February 20, 2024
Assets		
Current assets		
Cash and deposits	185,281	160,516
Accounts receivable - trade	10,217	12,349
Securities	77,000	109,600
Merchandise	53,660	56,440
Prepaid expenses	1,013	1,062
Current portion of guarantee deposits	2,084	1,648
Other	1,689	1,834
Total current assets	330,946	343,451
Non-current assets		
Property, plant and equipment		
Buildings	151,957	155,149
Accumulated depreciation	(72,626)	(76,136)
Buildings, net	79,330	79,013
Structures	22,474	23,105
Accumulated depreciation	(18,124)	(18,566)
Structures, net	4,350	4,538
Machinery and equipment	11,733	11,740
Accumulated depreciation	(10,514)	(10,804)
Machinery and equipment, net	1,218	936
Vehicles	96	94
Accumulated depreciation	(80)	(73)
Vehicles, net	16	20
Tools, furniture and fixtures	3,747	3,631
Accumulated depreciation	(3,034)	(2,935)
Tools, furniture and fixtures, net	713	695
Land	49,170	49,941
Construction in progress	514	610
Total property, plant and equipment	135,313	135,757
Intangible assets		
Leasehold interests in land	926	983
Total intangible assets	926	983

(Millions of yen)

	As of February 20, 2023	As of February 20, 2024
Investments and other assets		
Investment securities	10,437	29,384
Shares of subsidiaries and associates	0	0
Investments in capital	0	0
Long-term loans receivable from subsidiaries and associates	4,297	4,646
Distressed receivables	26	–
Long-term prepaid expenses	781	606
Deferred tax assets	3,480	5,307
Guarantee deposits	16,848	15,678
Advances of construction	88	25
Other	5	5
Allowance for doubtful accounts	(1,631)	(1,725)
Total investments and other assets	34,334	53,929
Total non-current assets	170,574	190,670
Total assets	501,521	534,122
Liabilities		
Current liabilities		
Accounts payable - trade	24,063	24,376
Accounts payable - other	3,247	3,332
Accrued expenses	6,605	6,946
Income taxes payable	9,252	9,293
Deposits received	425	463
Unearned revenue	21	20
Provision for bonuses	4,216	3,486
Other	4,142	3,604
Total current liabilities	51,976	51,523
Non-current liabilities		
Provision for retirement benefits	1,529	1,683
Provision for part-time employees retirement	1,138	1,161
Provision for retirement benefits for directors (and other officers)	119	114
Provision for executive officer's retirement benefits	231	286
Asset retirement obligations	6,255	6,400
Guarantee deposits received	443	443
Total non-current liabilities	9,719	10,089
Total liabilities	61,695	61,612

(Millions of yen)

	As of February 20, 2023	As of February 20, 2024
Net assets		
Shareholders' equity		
Share capital	17,086	17,086
Capital surplus		
Legal capital surplus	18,637	18,637
Other capital surplus	7	17
Total capital surplus	18,645	18,655
Retained earnings		
Legal retained earnings	1,005	1,005
Other retained earnings		
Reserve for tax purpose reduction entry	164	164
General reserve	360,420	388,420
Retained earnings brought forward	39,903	43,370
Total retained earnings	401,493	432,960
Treasury shares	(1,409)	(1,418)
Total shareholders' equity	435,815	467,283
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,005	5,226
Deferred gains or losses on hedges	4	–
Total valuation and translation adjustments	4,010	5,226
Total net assets	439,825	472,509
Total liabilities and net assets	501,521	534,122

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended February 20, 2023	Fiscal year ended February 20, 2024
Net sales	609,376	627,016
Cost of sales		
Beginning merchandise inventory	52,093	53,660
Cost of purchased goods	403,696	414,653
Total	455,789	468,313
Transfer to other account	16	30
Ending merchandise inventory	53,660	56,440
Cost of goods sold	402,112	411,843
Gross profit	207,263	215,173
Operating revenue		
Real estate lease revenue	771	776
Other operating revenue	671	694
Total operating revenue	1,443	1,471
Operating gross profit	208,706	216,644
Selling, general and administrative expenses	155,522	161,690
Operating profit	53,183	54,953
Non-operating income		
Interest income	165	176
Interest on securities	14	97
Dividend income	190	223
Gain on sale of investment securities	–	2
Foreign exchange gains	284	349
Gain on sales of packaging materials	167	165
Compensation income	52	176
Miscellaneous income	253	293
Total non-operating income	1,128	1,484
Non-operating expenses		
Provision of allowance for doubtful accounts	393	121
Miscellaneous losses	6	5
Total non-operating expenses	399	126
Ordinary profit	53,912	56,311
Extraordinary income		
Subsidies for employment adjustment	45	16
Total extraordinary income	45	16
Extraordinary losses		
Loss on sale and retirement of non-current assets	127	160
Impairment losses	145	839
Loss on disaster disaster relief funds	215	95
Other	–	10
Total extraordinary losses	10	13
Profit before income taxes	499	1,119
Income taxes - current	53,459	55,209
Income taxes - deferred	15,649	16,173
Total income taxes	(31)	(2,353)
Profit	15,617	13,819
	37,841	41,389

Non-consolidated statements of changes in equity

Fiscal year ended February 20, 2023

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings			
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward		
Balance at beginning of period	17,086	18,637	3	18,641	1,005	164	334,420	37,249	372,840
Changes during period									
Reversal of reserve for tax purpose reduction entry						(0)		0	-
Provision of general reserve							26,000	(26,000)	-
Dividends of surplus								(9,187)	(9,187)
Profit								37,841	37,841
Purchase of treasury shares									
Disposal of treasury shares			3	3					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	3	3	-	(0)	26,000	2,653	28,653
Balance at end of period	17,086	18,637	7	18,645	1,005	164	360,420	39,903	401,493

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,409)	407,158	3,586	11	3,598	410,756
Changes during period						
Reversal of reserve for tax purpose reduction entry		-				-
Provision of general reserve		-				-
Dividends of surplus		(9,187)				(9,187)
Profit		37,841				37,841
Purchase of treasury shares	(16)	(16)				(16)
Disposal of treasury shares	16	20				20
Net changes in items other than shareholders' equity			419	(7)	411	411
Total changes during period	0	28,657	419	(7)	411	29,069
Balance at end of period	(1,409)	435,815	4,005	4	4,010	439,825

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward	
Balance at beginning of period	17,086	18,637	7	18,645	1,005	164	360,420	39,903	401,493
Changes during period									
Reversal of reserve for tax purpose reduction entry						(0)		0	–
Provision of general reserve							28,000	(28,000)	–
Dividends of surplus								(9,922)	(9,922)
Profit								41,389	41,389
Purchase of treasury shares									
Disposal of treasury shares			9	9					
Net changes in items other than shareholders' equity									
Total changes during period	–	–	9	9	–	(0)	28,000	3,467	31,466
Balance at end of period	17,086	18,637	17	18,655	1,005	164	388,420	43,370	432,960

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,409)	435,815	4,005	4	4,010	439,825
Changes during period						
Reversal of reserve for tax purpose reduction entry		–				–
Provision of general reserve		–				–
Dividends of surplus		(9,922)				(9,922)
Profit		41,389				41,389
Purchase of treasury shares	(26)	(26)				(26)
Disposal of treasury shares	17	27				27
Net changes in items other than shareholders' equity			1,220	(4)	1,216	1,216
Total changes during period	(9)	31,467	1,220	(4)	1,216	32,683
Balance at end of period	(1,418)	467,283	5,226	–	5,226	472,509