Translation

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

October 2, 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
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Scheduled date to file Quarterly Securities Report: October 3, 2023
Scheduled date to commence dividend payments: October 31, 2023
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)

T1.1 1. Consolidated financial results for the six months ended August 20, 2023 (from February 21, 2023 to August 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	%
Six months ended August 20, 2023	316,838	5.1	30,173	4.3	30,725	3.5	20,954	1.6
Six months ended August 20, 2022	301,348	5.9	28,919	14.1	29,680	14.9	20,620	18.3

T1.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 20, 2023	570.15	–
Six months ended August 20, 2022	561.08	–

T1.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 20, 2023	523,040	456,657	87.3
As of February 20, 2023	502,552	440,048	87.6

T1.4

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 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

T1.5

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

T3.1

4. Notes

(1) Changes in significant subsidiaries during the six months ended August 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

T3.2

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of August 20, 2023	36,913,299 shares	As of February 20, 2023	36,913,299 shares

Number of treasury shares at the end of the period

As of August 20, 2023	161,696 shares	As of February 20, 2023	162,885 shares

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

Six months ended August 20, 2023	36,751,650 shares	Six months ended August 20, 2022	36,751,173 shares

T5.1

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 20, 2023	As of August 20, 2023
Assets		
Current assets		
Cash and deposits	186,157	196,446
Accounts receivable - trade	10,217	12,371
Securities	77,000	75,500
Merchandise	54,266	52,810
Other	4,775	7,078
Total current assets	332,416	344,208
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,515	85,372
Land	49,170	49,171
Other, net	2,627	2,774
Total property, plant and equipment	137,314	137,319
Intangible assets		
Other	928	943
Total intangible assets	928	943
Investments and other assets		
Guarantee deposits	17,144	16,489
Other	14,792	24,095
Allowance for doubtful accounts	(44)	(16)
Total investments and other assets	31,893	40,569
Total non-current assets	170,135	178,832
Total assets	502,552	523,040
Liabilities		
Current liabilities		
Accounts payable - trade	24,285	25,881
Income taxes payable	9,252	10,562
Provision for bonuses	4,268	2,789
Provision executive officers' bonuses	–	22
Other	14,691	16,921
Total current liabilities	52,498	56,177
Non-current liabilities		
provision for part-time employees retirement	1,138	1,154
Provision for retirement benefits for directors (and other officers)	119	122
Provision for executive officers' retirement benefits	231	286
Retirement benefit liability	1,814	1,863
Asset retirement obligations	6,255	6,335
Other	444	444
Total non-current liabilities	10,005	10,206
Total liabilities	62,503	66,383

T7.1

(Millions of yen)

	As of February 20, 2023	As of August 20, 2023
Net assets		
Shareholders' equity		
Share capital	17,086	17,086
Capital surplus	18,645	18,655
Retained earnings	402,112	417,921
Treasury shares	(1,409)	(1,403)
Total shareholders' equity	436,434	452,259
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,005	4,817
Deferred gains or losses on hedges	4	8
Foreign currency translation adjustment	(265)	(304)
Remeasurements of defined benefit plans	(130)	(123)
Total accumulated other comprehensive income	3,614	4,397
Total net assets	440,048	456,657
Total liabilities and net assets	502,552	523,040

T9.1

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended August 20, 2022	Six months ended August 20, 2023
Net sales	301,348	316,838
Cost of sales	197,614	207,612
Gross profit	103,733	109,225
Operating revenue	702	711
Operating gross profit	104,435	109,937
Selling, general and administrative expenses	75,516	79,763
Operating profit	28,919	30,173
Non-operating income		
Interest income	61	76
Dividend income	117	133
Gain on sales of packaging materials	79	76
Compensation income	11	13
Foreign exchange gains	409	144
Miscellaneous income	84	111
Total non-operating income	764	556
Non-operating expenses		
Loss on processed gift certificates	0	0
Miscellaneous losses	1	3
Total non-operating expenses	2	4
Ordinary profit	29,680	30,725
Extraordinary income		
Subsidies for employment adjustment	1	16
Total extraordinary income	1	16
Extraordinary losses		
Loss on sale and retirement of non-current assets	37	52
Impairment losses	140	154
Loss on disaster	70	7
Loss on valuation of investment securities	78	–
Other	20	–
Total extraordinary losses	348	213
Profit before income taxes	29,334	30,528
Income taxes	8,713	9,574
Profit	20,620	20,954
Profit attributable to owners of parent	20,620	20,954

T11.1

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 20, 2022	Six months ended August 20, 2023
Profit	20,620	20,954
Other comprehensive income		
Valuation difference on available-for-sale securities	257	811
Deferred gains or losses on hedges	(8)	3
Foreign currency translation adjustment	(94)	(39)
Remeasurements of defined benefit plans, net of tax	(3)	6
Total other comprehensive income	151	783
Comprehensive income	20,771	21,737
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,771	21,737
Comprehensive income attributable to non-controlling interests	–	–

T13.1

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 20, 2022	Six months ended August 20, 2023
Cash flows from operating activities		
Profit before income taxes	29,334	30,528
Depreciation	2,928	2,916
Impairment losses	140	154
Increase (decrease) in provision for bonuses	(1,319)	(1,480)
Increase(decrease)in provision for executive officer's bonuses	27	22
increase(decrease) in provision for part-time employees retirement	12	15
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	2
Increase(decrease)in provision for executive officer's retirement benefits	34	54
Increase (decrease) in retirement benefit liability	57	49
Interest and dividend income	(178)	(210)
Foreign exchange losses (gains)	(397)	(135)
Loss (gain) on sale and retirement of non-current assets	37	52
Loss (gain) on valuation of investment securities	78	–
Decrease (increase) in trade receivables	(1,691)	(2,154)
Decrease (increase) in inventories	(421)	1,474
Decrease (increase) in other current assets	(1,786)	(2,458)
Increase (decrease) in trade payables	(2,203)	1,588
Increase (decrease) in other current liabilities	2,463	2,217
Other, net	401	508
Subtotal	27,519	33,147
Interest and dividends received	135	159
Income taxes paid	(7,967)	(8,427)
Net cash provided by (used in) operating activities	19,687	24,879

T15.1

(Millions of yen)

	Six months ended August 20, 2022	Six months ended August 20, 2023
Cash flows from investing activities		
Payments into time deposits	(8,000)	–
Proceeds from withdrawal of time deposits	8,000	–
Purchase of securities	(81,000)	(150,999)
Proceeds from redemption of securities	58,000	122,000
Purchase of property, plant and equipment	(2,251)	(2,982)
Proceeds from sale of property, plant and equipment	0	0
Purchase of investment securities	–	(9,106)
Payments of guarantee deposits	(1,336)	(586)
Proceeds from refund of guarantee deposits	1,412	1,267
Other, net	(40)	(48)
Net cash provided by (used in) investing activities	(25,215)	(40,456)
Cash flows from financing activities		
Purchase of treasury shares	(6)	(11)
Dividends paid	(4,773)	(5,141)
Net cash provided by (used in) financing activities	(4,780)	(5,153)
Effect of exchange rate change on cash and cash equivalents	55	19
Net increase (decrease) in cash and cash equivalents	(10,252)	(20,710)
Cash and cash equivalents at beginning of period	182,427	217,157
Cash and cash equivalents at end of period	172,175	196,446