

Strong start to the final year of the MTP High value-added environmentally friendly products rising

RESULTS SUMMARY

- SHIMOJIMA reported 1H FY26/3 results at 15:30 on November 10. Topline figures were: net sales +4.9%, operating profit +27.5%, ordinary profit +32.3% and profit attributable to owners of parent +28.0%. This was a strong start to the final year of the MTP. Seasonally, 2H is always stronger than the 1H as it includes the Christmas / year-end shopping season. FY25/3 was a tale of two halves. In addition to logistics and personnel costs increasing due to base pay hikes, GPM deteriorated in Q2 due to the sharp weak yen causing raw materials price hikes. SHIMOJIMA was able to successfully pass on price hikes, largely in Q3, showing a weak 1H and recovered 2H. The trend toward reducing plastic is accelerating, and environmentally friendly products are expanding. GPM improved due the stable forex rate keeping raw materials costs stable (see right).
- By sales channel, **Marketing and Sales** continued to benefit from high value-added environmentally friendly products. **Store Sales** saw sales growth driven by event-related demand and inbound tourism demand, particularly the increased demand related to Osaka Kansai EXPO 2025. **Online (EC) Sales** saw net sales decrease slightly due to the exclusion of Globalbrand Inc. (Aichi, Nagoya) from the scope of consolidation. However, the underlying trend remains favorable against the backdrop of SHIMOJIMA Online Shop SKU's exceeding 1.4 million listed items, and strengthened internet advertising aimed at directing new customers to the site. By segment, **Plastic Products & Packaging Materials** increased +6.8% YoY, **In-Store Equipment & Supplies** increased by +0.3%, and **Paper Products** increased by +4.2%, with all segments growing YoY (see below).

SHIMOJIMA Consolidated 1H FY26/3 Earnings and FY26/3 Forecasts

JPY mn, % [J-GAAP]	FY22/3 1H act	FY23/3 1H act	FY24/3 1H act	FY25/3 1H act	FY26/3 1H act	FY26/3 init CE
Net sales	22,427	26,017	28,130	29,265	30,707	63,500
YoY	(1.2)	16.0	8.1	4.0	4.9	4.6
<i>by Business Segment</i>						
Plastic Products & Packaging Materials	12,677	15,115	16,854	17,863	19,086	
YoY	1.6	19.2	11.5	6.0	6.8	
In-Store Equipment & Supplies	5,648	6,330	6,519	6,757	6,780	
YoY	(14.5)	12.1	3.0	3.7	0.3	
Paper Products	4,100	4,572	4,757	4,644	4,840	
YoY	13.6	11.5	4.0	(2.4)	4.2	
Gross profit	6,995	8,126	9,338	9,275	9,947	
GPM %	31.2%	31.2%	33.2%	31.7%	32.4%	
SG&A expenses	7,331	7,695	7,718	8,210	8,589	
ratio to sales	32.7%	29.6%	27.4%	28.1%	28.0%	
Operating profit	(335)	431	1,620	1,065	1,357	3,575
YoY	—	—	275.9	(34.3)	27.4	19.7
OPM %	-1.5%	1.7%	5.8%	3.6%	4.4%	5.6%
Ordinary Profit	(171)	594	1,809	1,178	1,560	3,800
Profit attributable to owners of parent	(107)	434	1,187	821	1,051	2,500

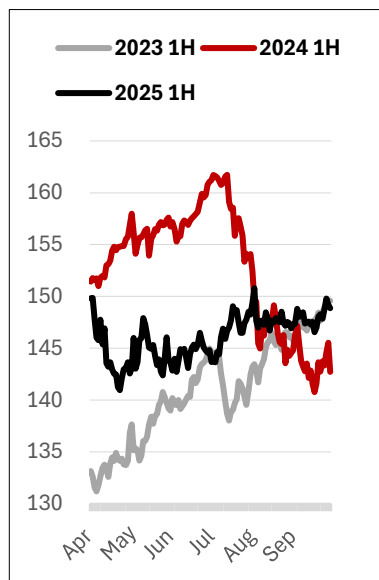
Source: compiled by SIR from Financia; Results Summaries (tanshin financial statements).

Note: figures may differ from the Company's materials due to differences in SIR's financial data processing and the Company's reporting standards.

Q2 Flash



USD – JPY 1H Trend



Source: compiled by SIR from SPEEDA price database.

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