



Explanatory Documentation about the Consolidated Financial Results for FY2015

1. Summary of Financial Results

1) Consolidated financial results

(Unit: millions of yen)

	FY2014	FY2015	FY2016 Forecast
Operating revenue	579,739	668,784	726,400
(YoY)	104.1%	115.4%	108.6%
Operating income	30,330	31,912	34,700
(YoY)	104.2%	105.2%	108.7%
Ordinary income	29,767	31,102	33,800
(YoY)	104.6%	104.5%	108.7%
Net income	17,360	18,766	21,100
(YoY)	99.9%	108.1%	112.4%
Net income per share	¥241.60	¥261.96	¥294.45
Total assets	432,416	468,026	/
Net assets	145,709	157,851	
Net assets per share	¥1,876.22	¥2,060.44	
Equity ratio	31.2%	31.5%	
Total number of shares at the end of period (excl. treasury shares)	71,856,356	71,658,647	/
Average number of shares during the period (excl. treasury shares)	71,856,803	71,640,370	
Number of consolidated subsidiaries	13	16	/
Number of equity-method affiliates	5	7	

2) Non-consolidated financial results

(Unit: millions of yen)

	FY2014	FY2015	FY2016 Forecast
Operating revenue	557,074	609,032	671,800
(YoY)	104.0%	109.3%	110.3%
Operating income	25,899	28,212	29,500
(YoY)	104.5%	108.9%	104.6%
Ordinary income	25,058	27,355	28,600
(YoY)	104.7%	109.2%	104.6%
Net income	14,761	17,811	18,400
(YoY)	94.9%	120.7%	103.3%
Dividends per share	¥51.00	¥64.00	¥66.00
Total assets	360,536	371,093	/
Net assets	110,950	123,302	
Equity ratio	30.8%	33.2%	

2. Consolidated Statements of Income

(Unit: millions of yen)

	FY2014		FY2015		
	Amount	% of Sales	Amount	% of Sales	YoY
Operating revenue	579,739	-	668,784	-	115.4%
Net sales	552,746	100.0%	638,754	100.0%	115.6%
Gross profit	116,930	21.2%	137,408	21.5%	117.5%
Operating revenue	26,992	4.9%	30,029	4.7%	111.3%
Operating gross profit	143,923	26.0%	167,438	26.2%	116.3%
Selling, general and administrative expenses	113,592	20.6%	135,525	21.2%	119.3%
Personnel expenses	48,516	8.8%	58,085	9.1%	119.7%
Depreciation	12,474	2.3%	14,631	2.3%	117.3%
Rental expenses	9,337	1.7%	10,980	1.7%	117.6%
Utilities expenses	6,720	1.2%	7,560	1.2%	112.5%
Other	36,544	6.6%	44,267	6.9%	121.1%
Operating income	30,330	5.5%	31,912	5.0%	105.2%
Non-operating income	1,473	0.3%	1,431	0.2%	97.2%
Interest and dividend income	249	0.0%	235	0.0%	94.6%
Non-operating expenses	2,036	0.4%	2,242	0.4%	110.1%
Interest expenses	1,614	0.3%	1,587	0.2%	98.4%
Ordinary income	29,767	5.4%	31,102	4.9%	104.5%
Extraordinary income	37	0.0%	1,446	0.2%	3888.2%
Extraordinary losses	1,292	0.2%	2,164	0.3%	167.4%
Income before income taxes and minority interests	28,511	5.2%	30,384	4.8%	106.6%
Total income taxes	10,943	2.0%	12,004	1.9%	109.7%
Minority interests in income	207	0.0%	-386	-0.1%	-186.6%
Net income	17,360	3.1%	18,766	2.9%	108.1%

1) Segment Information

	FY2014		FY2015		
	Amount	% of Total	Amount	% of Total	YoY
(Operating revenue)					
Retail operations	557,928	96.2%	648,575	97.0%	116.2%
Retail-peripheral operations	48,972	8.4%	72,205	10.8%	147.4%
Other	4,865	0.8%	4,887	0.7%	100.5%
Adjustment	-32,027	-5.5%	-56,884	-8.5%	-
Total	579,739	100.0%	668,784	100.0%	115.4%
(Operating income)					
Retail operations	26,182	86.3%	27,686	86.8%	105.7%
Retail-peripheral operations	3,581	11.8%	3,796	11.9%	106.0%
Other	758	2.5%	739	2.3%	97.6%
Adjustment	-191	-0.6%	-309	-1.0%	-
Total	30,330	100.0%	31,912	100.0%	105.2%

* Since reporting segments have been partially revised as of 1Q FY2015, year-on-year amounts and ratios for FY2014 have been recalculated based on the segment classifications used in FY2015.

2) Financial Results of Major Subsidiaries

Company	Business / Segment		FY2014	FY2015	YoY
Youme Card Co., Ltd.	Finance	Operating revenue	8,083	8,027	99.3%
	Retail-peripheral operations	Operating income	1,872	1,783	95.3%
Izumi Techno Co., Ltd.	Store management	Operating revenue	11,992	12,118	101.1%
	Retail-peripheral operations	Operating income	959	1,305	136.1%
Izumi Food Service Co., Ltd.	Food services	Operating revenue	5,662	5,675	100.2%
	Retail-peripheral operations	Operating income	314	260	82.9%
youme Mart Co., Ltd. *1	Retail	Operating revenue	22,385	26,053	116.4%
	Retail operations	Operating income	322	702	218.0%
Super Daiei Co., Ltd. *2	Retail	Operating revenue	-	24,686	-
	Retail operations	Operating income	-	-336	-
Yours Co., Ltd. *2	Retail	Operating revenue	-	24,306	-
	Retail operations	Operating income	-	-535	-

*1. Koei Co., Ltd., a consolidated subsidiary, was absorbed and merged with youme Mart Co., Ltd. on September 1, 2015, and accordingly, Koei's results were incorporated into the above.

*2. Super Daiei Co., Ltd. became a wholly owned subsidiary in February 2015, and Yours Co., Ltd. became a wholly owned subsidiary in October 2015.

3. Consolidated Balance Sheets

(Unit: millions of yen)

	As of Feb. 28, 2015		As of Feb. 29, 2016		
	Amount	% of Total	Amount	% of Total	Change
Total assets	432,416	100.0%	468,026	100.0%	+ 35,610
Cash and deposits	13,380	3.1%	13,844	3.0%	+ 464
Notes and accounts receivable-trade	28,540	6.6%	31,387	6.7%	+ 2,847
Merchandise and finished goods	24,517	5.7%	26,597	5.7%	+ 2,079
Property, plant and equipment	304,162	70.3%	325,308	69.5%	+ 21,146
Deposits and guarantees	17,477	4.0%	19,672	4.2%	+ 2,195
Investment securities	8,563	2.0%	6,800	1.5%	- 1,762
Other	35,775	8.3%	44,416	9.5%	+ 8,641
Liabilities	286,706	66.3%	310,175	66.3%	+ 23,468
Notes and accounts payable-trade	40,564	9.4%	33,479	7.2%	- 7,085
Interest-bearing liabilities	157,922	36.5%	193,018	41.2%	+ 35,096
Other	88,219	20.4%	83,677	17.9%	- 4,542
Net assets	145,709	33.7%	157,851	33.7%	+ 12,142
Treasury shares	-16,763	-3.9%	-18,483	-3.9%	- 1,720
Other	151,581	35.1%	166,131	35.5%	+ 14,549
Minority interests	10,890	2.5%	10,203	2.2%	- 687

*Change in the number of issued shares

		FY2014	FY2015
Total number of issued shares	at the beginning of the period	78,861,920	78,861,920
	at the end of the period (A)	78,861,920	78,861,920
Treasury shares, etc.	at the beginning of the period	7,004,785	7,005,563
	at the end of the period (B)	7,005,563	7,203,273
	(Acquired during the period)	778	373,031
	(Shares exchanged during the period)	0	175,321
	(Cancelled during the period)	0	0
A—B		71,856,356	71,658,647
(Average during the period)		71,856,803	71,640,370

4. Consolidated Statements of Cash Flows (Unit: millions of yen)

	FY2014	FY2015
Cash flows from operating activities	+ 52,246	+ 13,553
Income before income taxes and minority interests	+ 28,511	+ 30,384
Non-cash loss/gain (depreciation, etc.)	+ 13,850	+ 16,802
Increase/decrease in claims and obligations related to operating activities	+ 18,530	- 21,860
Income taxes and interest income	- 10,859	- 12,952
Other	+ 2,213	+ 1,180
Cash flows from investing activities	- 20,897	- 26,071
Capital investment related	- 19,832	- 28,285
Other	- 1,065	+ 2,213
Cash flows from financing activities	- 25,159	+ 12,956
Interest bearing liabilities related	- 21,722	+ 19,484
Other	- 3,436	- 6,527
Increase/decrease in cash and cash equivalents	+ 6,189	+ 439

5. Izumi Co., Ltd.: Income Statement and Other Financial Information

1) Statement of Income

(Unit: millions of yen)

	FY2014		FY2015		
	Amount	% of Sales	Amount	% of Sales	YoY
Operating revenue	557,074	-	609,032	-	109.3%
Net sales	530,507	100.0%	580,576	100.0%	109.4%
Gross profit	104,288	19.7%	110,959	19.1%	106.4%
Operating revenue	26,566	5.0%	28,455	4.9%	107.1%
Real estate lease revenue	6,842	1.3%	7,424	1.3%	108.5%
Distribution center revenue	7,811	1.5%	8,177	1.4%	104.7%
Store lease joint management expense revenue	8,182	1.5%	8,785	1.5%	107.4%
Other	3,730	0.7%	4,067	0.7%	109.0%
Operating gross profit	130,855	24.7%	139,414	24.0%	106.5%
Selling, general and administrative expenses	104,955	19.8%	111,201	19.2%	106.0%
Personnel expenses	38,744	7.3%	40,902	7.0%	105.6%
Depreciation	11,522	2.2%	12,532	2.2%	108.8%
Rental expenses	9,757	1.8%	9,512	1.6%	97.5%
Store management expenses	8,606	1.6%	9,321	1.6%	108.3%
Utilities expenses	5,882	1.1%	5,678	1.0%	96.5%
Advertising expenses	8,784	1.7%	10,014	1.7%	114.0%
Other	21,658	4.1%	23,239	4.0%	107.3%
Operating income	25,899	4.9%	28,212	4.9%	108.9%
Non-operating income	1,114	0.2%	1,167	0.2%	104.7%
Interest and dividend income	266	0.1%	238	0.0%	89.4%
Non-operating expenses	1,955	0.4%	2,024	0.3%	103.5%
Interest expenses	1,628	0.3%	1,491	0.3%	91.6%
Ordinary income	25,058	4.7%	27,355	4.7%	109.2%
Extraordinary income	2	0.0%	1,175	0.2%	41914.0%
Extraordinary losses	743	0.1%	565	0.1%	76.1%
Income before income taxes and minority interests	24,318	4.6%	27,964	4.8%	115.0%
Net income	14,761	2.8%	17,811	3.1%	120.7%

2) Sales Information

	FY2014		FY2015		
	Amount	% of Total	Amount	% of Total	YoY
(By Product)					
Clothing	67,861	12.8%	69,330	11.9%	102.2%
Household goods	42,976	8.1%	44,542	7.7%	103.6%
Foods	185,984	35.1%	198,363	34.2%	106.7%
Directly managed stores total	296,823	56.0%	312,236	53.8%	105.2%
Tenants	196,153	37.0%	215,334	37.1%	109.8%
Excel division	18,112	3.4%	16,937	2.9%	93.5%
Product supply, etc.	19,418	3.7%	36,068	6.2%	185.7%
Total	530,507	100.0%	580,576	100.0%	109.4%
(By Region)					
Chugoku	239,180	45.1%	276,325	47.6%	115.5%
Kyushu	224,521	42.3%	237,319	40.9%	105.7%
Other	66,805	12.6%	66,931	11.5%	100.2%
Total	530,507	100.0%	580,576	100.0%	109.4%

3) YoY Sales at Existing Stores
(Excludes Excel division)

	FY2014	FY2015
Clothing	98.5%	99.8%
Household goods	99.7%	100.9%
Foods	103.0%	103.0%
Directly managed stores total	101.4%	102.0%
Tenants	102.4%	100.6%
Total	101.8%	101.4%
Chugoku	101.7%	101.7%
Kyushu	101.6%	101.1%
Number of customers	97.8%	99.4%
Average spent per customer	103.7%	102.7%
Average spent per item	103.2%	103.0%
Number of purchases	100.5%	99.7%

4) Gross Profit Ratio

	FY2014	FY2015
Clothing	36.3%	36.8%
Household goods	31.7%	31.8%
Foods	24.8%	25.1%
Directly managed stores total	28.4%	28.7%
Tenants	7.8%	7.9%
Excel division	25.2%	25.4%
Product supply, etc.	-0.4%	0.5%
Total	19.7%	19.1%
(Loss rate)		
Clothing	9.5%	9.7%
Household goods	2.9%	3.2%
Foods	2.8%	2.9%
Directly managed stores total	4.4%	4.4%
(Inventory turnover in days)		
Clothing	63.2	66.6
Household goods	79.6	80.6
Foods	9.5	9.6
Directly managed stores total	31.7	32.2

5) Average Number of
Employees during the Period

	FY2014	FY2015
Full employees	2,399	2,392
Semi-full employees (8-hour equivalent)	4,832	5,031
Part-time employees (8-hour equivalent)	4,664	4,798
Total	11,895	12,221
(% of Total)		
Full employees	20.2%	19.6%
Semi-full employees (8-hour equivalent)	40.6%	41.1%
Part-time employees (8-hour equivalent)	39.2%	39.3%
Total	100.0%	100.0%
(Indicators: Directly managed stores and Excel division)		
Net sales per employee	26,476 thousand yen	26,936 thousand yen
Gross profit per employee	7,480 thousand yen	7,676 thousand yen
Personnel expenses per employee	3,257 thousand yen	3,347 thousand yen
Personnel expenses/sales ratio	12.3%	12.4%
Personnel expenses/gross profit ratio	43.5%	43.6%

6) Stores and Capital Investment

	As of Feb. 28, 2015	As of Feb. 29, 2016
New stores	3	4
Stores closed	2	4
Stores at the end of period	103	103
Sales floor area at the end of period	999,088 m ²	1,046,130 m ²
Capital investment (construction basis)	23,909 million yen	21,817 million yen
Capital investment (payment basis)	16,113 million yen	26,508 million yen

7) Store Information as of February 29, 2016
(Excluding Excel stand-alone type stores)

	Stores	Sales Share
(By Store Area)		
20,000 m ² or more	17	53.9%
Up to 20,000 m ²	21	23.7%
Up to 10,000 m ²	31	16.2%
Less than 3,000 m ²	25	6.2%
Total	94	100.0%
(By Store Age)		
10 years or less	29	35.6%
20 years or less	31	46.0%
30 years or less	23	13.1%
More than 30 years	11	5.3%
Total	94	100.0%

8) New Stores

(Opened During FY2015)

Month Opened	Store Name	Location	Store Area
2015/06	youme Town Hatsukaichi	Hatsukaichi, Hiroshima Pref.	Approx. 46,000 m ²
2015/08	youme Mart Saga	Saga, Saga Pref.	Approx. 2,700 m ²
2015/11	youme Mart Suwano	Kurume, Fukuoka Pref.	Approx. 2,200 m ²
2015/11	youme Mall Chikugo	Chikugo, Fukuoka Pref.	Approx. 5,600 m ²

(Planned for FY2016)

Month Opening	Store Name	Location	Store Area
2016/Fall	youme Town Tokuyama (tent.)	Shunan, Yamaguchi Pref.	Approx. 14,600 m ²

(Planned for FY2017)

Month Opening	Store Name	Location	Store Area
2017/Spring	LECT	Nishi-ku, Hiroshima	Approx. 39,000 m ²

* West Hiroshima SC project was named "LECT."

9) Shareholder Information
(Excluding shares less than one unit)

	As of Feb. 28, 2015	As of Feb. 29, 2016
(Number of shareholders)		
Financial instruments traders	26	24
Foreign investors	202	245
Financial institutions	37	44
Other domestic companies	242	307
Individuals, etc.	2,795	3,273
Total	3,302	3,893
(Percentage held)		
Financial instruments traders	0.6%	0.6%
Foreign investors	12.4%	13.7%
Financial institutions	22.9%	22.0%
Other domestic companies	40.1%	39.4%
Individuals and treasury shares	24.0%	24.3%
Total	100.0%	100.0%