



Explanatory Documentation about the Consolidated Financial Results for FY2014

1. Summary of Financial Results

1) Consolidated financial results

(Unit: millions of yen)

	FY2013	FY2014	FY2015 Forecast
Operating revenue	556,852	579,739	648,200
(YoY)	104.0%	104.1%	111.8%
Operating income	29,100	30,330	33,300
(YoY)	104.1%	104.2%	109.8%
Ordinary income	28,446	29,767	32,100
(YoY)	105.0%	104.6%	107.8%
Net income	17,384	17,360	18,100
(YoY)	107.4%	99.9%	104.3%
Net income per share	¥236.55	¥241.60	¥251.89
Total assets	397,071	432,416	
Net assets	130,178	145,709	
Net assets per share	¥1,672.92	¥1,876.22	
Equity ratio	30.3%	31.2%	
Total number of shares at the end of period (excl. treasury shares)	71,857,134	71,856,356	
Average number of shares during the period (excl. treasury shares)	73,490,095	71,856,803	
Number of consolidated subsidiaries	13	13	
Number of equity-method affiliates	5	5	

2) Non-consolidated financial results

(Unit: millions of yen)

	FY2013	FY2014	FY2015 Forecast
Operating revenue	535,492	557,074	596,800
(YoY)	104.2%	104.0%	107.1%
Operating income	24,785	25,899	27,800
(YoY)	105.8%	104.5%	107.3%
Ordinary income	23,941	25,058	26,500
(YoY)	106.7%	104.7%	105.8%
Net income	15,549	14,761	15,400
(YoY)	124.3%	94.9%	104.3%
Dividends per share	¥43.00	¥51.00	¥56.00
Total assets	337,700	360,536	
Net assets	98,684	110,950	
Equity ratio	29.2%	30.8%	

2. Consolidated Statements of Income

(Unit: millions of yen)

	FY2013		FY2014		
	Amount	% of Sales	Amount	% of Sales	YoY
Operating revenue	556,852	-	579,739	-	104.1%
Net sales	530,871	100.0%	552,746	100.0%	104.1%
Gross profit	112,193	21.1%	116,930	21.2%	104.2%
Operating revenue	25,981	4.9%	26,992	4.9%	103.9%
Operating gross profit	138,175	26.0%	143,923	26.0%	104.2%
Selling, general and administrative expenses	109,074	20.5%	113,592	20.6%	104.1%
Personnel expenses	46,333	8.7%	48,516	8.8%	104.7%
Depreciation	12,403	2.3%	12,474	2.3%	100.6%
Rental expenses	9,273	1.7%	9,337	1.7%	100.7%
Utilities expenses	6,301	1.2%	6,720	1.2%	106.7%
Other	34,762	6.5%	36,544	6.6%	105.1%
Operating income	29,100	5.5%	30,330	5.5%	104.2%
Non-operating income	1,428	0.3%	1,473	0.3%	103.2%
Interest and dividend income	216	0.0%	249	0.0%	114.9%
Non-operating expenses	2,082	0.4%	2,036	0.4%	97.8%
Interest expenses	1,716	0.3%	1,614	0.3%	94.1%
Ordinary income	28,446	5.4%	29,767	5.4%	104.6%
Extraordinary income	2,213	0.4%	37	0.0%	1.7%
Extraordinary losses	2,704	0.5%	1,292	0.2%	47.8%
Income before income taxes and minority interests	27,955	5.3%	28,511	5.2%	102.0%
Total income taxes	10,392	2.0%	10,943	2.0%	105.3%
Minority interests in income	178	0.0%	207	0.0%	116.2%
Net income	17,384	3.3%	17,360	3.1%	99.9%

1) Segment Information

	FY2013		FY2014		
	Amount	% of Total	Amount	% of Total	YoY
(Operating revenue)					
Retail operations	556,857	100.0%	582,788	100.5%	104.7%
Retail-peripheral operations	32,246	5.8%	31,020	5.4%	96.2%
Other	4,874	0.9%	4,865	0.8%	99.8%
Adjustment	-37,125	-6.7%	-38,935	-6.7%	-
Total	556,852	100.0%	579,739	100.0%	104.1%
(Operating income)					
Retail operations	24,924	85.7%	26,254	86.6%	105.3%
Retail-peripheral operations	3,577	12.3%	3,509	11.6%	98.1%
Other	683	2.3%	758	2.5%	111.0%
Adjustment	-84	-0.3%	-191	-0.6%	-
Total	29,100	100.0%	30,330	100.0%	104.2%

2) Financial Results of Major Subsidiaries

Company	Business / Segment		FY2013	FY2014	YoY
Yume Card Co., Ltd.	Finance	Operating revenue	7,407	8,083	109.1%
	Retail-peripheral operations	Operating income	1,465	1,872	127.8%
Izumi Techno Co., Ltd.	Store management	Operating revenue	10,771	11,992	111.3%
	Retail-peripheral operations	Operating income	1,271	959	75.5%
Izumi Food Service Co., Ltd.	Food services	Operating revenue	5,865	5,662	96.5%
	Retail-peripheral operations	Operating income	353	314	88.9%
Yume Mart Co., Ltd.	Retail	Operating revenue	18,980	19,281	101.6%
	Retail operations	Operating income	52	500	961.7%

※Yume Mart Co., Ltd. absorbed and merged with Seiko Co., Ltd. as of June 1, 2014. FY2013 full term results simply add in Seiko for comparison purposes.

3. Consolidated Balance Sheets

(Unit: millions of yen)

	As of Feb. 28, 2014		As of Feb. 28, 2015		
	Amount	% of Total	Amount	% of Total	Change
Total assets	397,071	100.0%	432,416	100.0%	+ 35,345
Cash and deposits	6,800	1.7%	13,380	3.1%	+ 6,579
Notes and accounts receivable-trade	25,482	6.4%	28,540	6.6%	+ 3,057
Merchandise and finished goods	24,125	6.1%	24,517	5.7%	+ 391
Property, plant and equipment	284,033	71.5%	304,162	70.3%	+ 20,128
Deposits and guarantees	16,965	4.3%	17,477	4.0%	+ 511
Investment securities	6,164	1.6%	8,563	2.0%	+ 2,399
Other	33,498	8.4%	35,775	8.3%	+ 2,276
Liabilities	266,892	67.2%	286,706	66.3%	+ 19,814
Notes and accounts payable-trade	23,191	5.8%	40,564	9.4%	+ 17,373
Interest-bearing liabilities	173,999	43.8%	157,922	36.5%	- 16,077
Other	69,701	17.6%	88,219	20.4%	+ 18,518
Net assets	130,178	32.8%	145,709	33.7%	+ 15,530
Treasury shares	-16,761	-4.2%	-16,763	-3.9%	- 2
Other	136,971	34.5%	151,581	35.1%	+ 14,609
Minority interests	9,966	2.5%	10,890	2.5%	+ 923

*Change in the number of issued shares

		FY2013	FY2014
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	4,003,716	7,004,785
	at the end of the period (B)	7,004,785	7,005,563
	(Acquired during the period)	3,001,070	778
	(Cancelled during the period)	0	0
A - B		71,857,134	71,856,356
(Average during the period)		73,490,095	71,856,803

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

	FY2013	FY2014
Cash flows from operating activities	+ 25,683	+ 52,246
Income before income taxes and minority interests	+ 27,955	+ 28,511
Non-cash loss/gain (depreciation, etc.)	+ 15,217	+ 13,850
Increase/decrease in claims and obligations related to operating activities	- 4,313	+ 18,530
Income taxes and interest income	- 13,050	- 10,859
Other	- 125	+ 2,213
Cash flows from investing activities	- 19,948	- 20,897
Capital investment related	- 26,996	- 19,832
Other	+ 7,047	- 1,065
Cash flows from financing activities	- 5,501	- 25,159
Interest bearing liabilities related	+ 6,583	- 21,722
Other	- 12,084	- 3,436
Increase/decrease in cash and cash equivalents	+ 233	+ 6,189

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

1) Statement of Income

(Unit: millions of yen)

	FY2013		FY2014		
	Amount	% of Sales	Amount	% of Sales	YoY
Operating revenue	535,492	-	557,074	-	104.0%
Net sales	509,897	100.0%	530,507	100.0%	104.0%
Gross profit	100,482	19.7%	104,288	19.7%	103.8%
Operating revenue	25,594	5.0%	26,566	5.0%	103.8%
Real estate lease revenue	6,556	1.3%	6,842	1.3%	104.4%
Distribution center revenue	7,455	1.5%	7,811	1.5%	104.8%
Store lease joint management expense revenue	8,111	1.6%	8,182	1.5%	100.9%
Other	3,470	0.7%	3,730	0.7%	107.5%
Operating gross profit	126,076	24.7%	130,855	24.7%	103.8%
Selling, general and administrative expenses	101,291	19.9%	104,955	19.8%	103.6%
Personnel expenses	36,703	7.2%	38,744	7.3%	105.6%
Depreciation	11,495	2.3%	11,522	2.2%	100.2%
Rental expenses	9,613	1.9%	9,757	1.8%	101.5%
Store management expenses	9,076	1.8%	8,606	1.6%	94.8%
Utilities expenses	5,453	1.1%	5,882	1.1%	107.9%
Advertising expenses	7,814	1.5%	8,784	1.7%	112.4%
Other	21,135	4.1%	21,658	4.1%	102.5%
Operating income	24,785	4.9%	25,899	4.9%	104.5%
Non-operating income	1,197	0.2%	1,114	0.2%	93.1%
Interest and dividend income	228	0.0%	266	0.1%	117.1%
Non-operating expenses	2,041	0.4%	1,955	0.4%	95.8%
Interest expenses	1,745	0.3%	1,628	0.3%	93.3%
Ordinary income	23,941	4.7%	25,058	4.7%	104.7%
Extraordinary income	2,294	0.5%	2	0.0%	0.1%
Extraordinary losses	1,919	0.4%	743	0.1%	38.7%
Income before income taxes and minority interests	24,316	4.8%	24,318	4.6%	100.0%
Net income	15,549	3.0%	14,761	2.8%	94.9%

2) Sales Information

	FY2013		FY2014		
	Amount	% of Total	Amount	% of Total	YoY
(By Product)					
Clothing	68,710	13.5%	67,861	12.8%	98.8%
Household goods	42,532	8.3%	42,976	8.1%	101.0%
Foods	170,871	33.5%	185,984	35.1%	108.8%
Directly managed stores total	282,114	55.3%	296,823	56.0%	105.2%
Tenants	189,871	37.2%	196,153	37.0%	103.3%
Excel division	20,334	4.0%	18,112	3.4%	89.1%
Product supply, etc.	17,578	3.4%	19,418	3.7%	110.5%
Total	509,897	100.0%	530,507	100.0%	104.0%
(By Region)					
Chugoku	230,613	45.2%	239,180	45.1%	103.7%
Kyushu	213,818	41.9%	224,521	42.3%	105.0%
Other	65,465	12.8%	66,805	12.6%	102.0%
Total	509,897	100.0%	530,507	100.0%	104.0%

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

	FY2013	FY2014
Clothing	100.0%	98.5%
Household goods	101.6%	99.7%
Foods	103.7%	103.0%
Directly managed stores total	102.4%	101.4%
Tenants	103.0%	102.4%
Total	102.7%	101.8%
Chugoku	102.7%	101.7%
Kyushu	102.0%	101.6%
Number of customers	100.5%	97.9%
Average spent per customer	101.9%	103.6%
Average spent per item	100.8%	103.2%
Number of purchases	101.2%	100.4%

4) Gross Profit Ratio

	FY2013	FY2014
Clothing	36.1%	36.3%
Household goods	31.6%	31.7%
Foods	24.5%	24.8%
Directly managed stores total	28.4%	28.4%
Tenants	7.9%	7.8%
Excel division	25.9%	25.2%
Product supply, etc.	0.4%	-0.4%
Total	19.7%	19.7%
(Loss rate)		
Clothing	10.9%	9.5%
Household goods	3.0%	2.9%
Foods	2.6%	2.8%
Directly managed stores total	4.6%	4.4%
(Inventory turnover in days)		
Clothing	63.4	63.2
Household goods	77.3	79.6
Foods	9.1	9.5
Directly managed stores total	32.5	31.7

5) Average Number of
Employees during the Period

	FY2013	FY2014
Full employees	2,383	2,399
Semi-full employees (8-hour equivalent)	4,631	4,832
Part-time employees (8-hour equivalent)	4,322	4,664
Total	11,336	11,895
(% of Total)		
Full employees	21.0%	20.2%
Semi-full employees (8-hour equivalent)	40.9%	40.6%
Part-time employees (8-hour equivalent)	38.1%	39.2%
Total	100.0%	100.0%
(Indicators: Directly managed stores and Excel division)		
Net sales per employee	26,681 thousand yen	26,476 thousand yen
Gross profit per employee	7,539 thousand yen	7,480 thousand yen
Personnel expenses per employee	3,238 thousand yen	3,257 thousand yen
Personnel expenses/sales ratio	12.1%	12.3%
Personnel expenses/gross profit ratio	42.9%	43.5%

6) Stores and
Capital Investment

	As of Feb. 28, 2014	As of Feb. 28, 2015
New stores	11	3
Stores closed	1	2
Stores at the end of period	102	103
Sales floor area at the end of period	990,130 m ²	999,088 m ²
Capital investment (construction basis)	28,325 million yen	23,909 million yen
Capital investment (payment basis)	24,728 million yen	16,113 million yen

7) Store Information
as of February 28, 2015
(Excluding Excel stand-
alone type stores)

	Stores	Sales Share
(By Store Area)		
20,000m ² or more	16	52.1%
Up to 20,000m ²	21	26.2%
Up to 10,000m ²	31	15.7%
Less than 3,000m ²	23	6.0%
Total	91	100.0%
(By Store Age)		
10 years or less	27	39.5%
20 years or less	35	44.9%
30 years or less	18	10.4%
More than 30 years	11	5.2%
Total	91	100.0%

8) New Stores
(Opened During FY2014)

Month Opened	Store Name	Location	Store Area
2014/03	youme Mart Matsubase	Uki, Kumamoto Pref.	Approx. 4,900 m ²
2014/06	youme Town Ohe	Chuo-ku, Kumamoto	Approx. 7,100 m ²
2014/07	youme Mall Yanagawa	Yanagawa, Fukuoka Pref.	Approx. 12,000 m ²

(Planned for FY2015)

Planned Opening	Store Name	Location	Store Area
2015/06	youme Town Hatsukaichi	Hatsukaichi, Hiroshima Pref.	Approx. 46,000 m ²
Summer 2015	youme Mart Saga Chuo (tent.)	Saga, Saga Pref.	Approx. 2,680 m ²
Winter 2015	youme Mall Chikugo (tent.)	Chikugo, Fukuoka Pref.	Approx. 5,700 m ²

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

	As of Feb. 28, 2014	As of Feb. 28, 2015
(Number of shareholders)		
Financial instruments traders	22	26
Foreign investors	198	202
Financial institutions	38	37
Other domestic companies	260	242
Individuals, etc.	3,177	2,795
Total	3,695	3,302
(Percentage held)		
Financial instruments traders	0.3%	0.6%
Foreign investors	14.4%	12.4%
Financial institutions	20.1%	22.9%
Other domestic companies	40.6%	40.1%
Individuals and treasury shares	24.6%	24.0%
Total	100.0%	100.0%