



Explanatory Documentation about the Consolidated Financial Results for the Second Quarter of FY2015

1. Summary of Financial Results

1) Consolidated financial results

(Unit: millions of yen)

	FY2014		FY2015	
	2Q	Full Term	2Q	Full Term Forecast
Operating revenue	283,405	579,739	310,579	648,200
(YoY)	104.0%	104.1%	109.6%	111.8%
Operating income	13,770	30,330	14,761	33,300
(YoY)	94.1%	104.2%	107.2%	109.8%
Ordinary income	13,690	29,767	14,421	32,100
(YoY)	96.1%	104.6%	105.3%	107.8%
Net income (for the term)	8,515	17,360	9,258	18,100
(YoY)	92.8%	99.9%	108.7%	104.3%
Net income per share (for the term)	¥118.51	¥241.60	¥129.04	¥251.89
Total assets	419,032	432,416	436,837	
Net assets	137,452	145,709	151,380	
Net assets per share	¥1,773.17	¥1,876.22	¥1,967.56	
Equity ratio	30.4%	31.2%	32.2%	
Total number of issued shares at the end of period (incl. treasury shares)	78,861,920	78,861,920	78,861,920	
Number of treasury shares at the end of period	7,005,099	7,005,563	7,378,179	
Average number of shares during the period (excl. treasury shares)	71,856,998	71,856,803	71,749,758	
Number of consolidated subsidiaries	14	13	12	
Number of equity-method affiliates	6	5	5	

2) Non-consolidated financial results

(Unit: millions of yen)

	FY2014		FY2015	
	2Q	Full Term	2Q	Full Term Forecast
Operating revenue	273,628	557,074	294,616	596,800
(YoY)	104.7%	104.0%	107.7%	107.1%
Operating income	11,278	25,899	12,616	27,800
(YoY)	90.7%	104.5%	111.9%	107.3%
Ordinary income	10,790	25,058	12,209	26,500
(YoY)	90.4%	104.7%	113.2%	105.8%
Net income	6,441	14,761	8,056	15,400
(YoY)	78.6%	94.9%	125.1%	104.3%
Dividends per share	¥23.00	¥51.00	¥31.00	¥62.00
Total assets	354,748	360,536	365,703	
Net assets	103,781	110,950	115,723	
Equity ratio	29.3%	30.8%	31.6%	

2. Consolidated Statements of Income

(Unit: millions of yen)

	FY2014 2Q (Mar-Aug)		FY2015 2Q (Mar-Aug)			FY2014 Full Term (Mar-Feb)	
	Amount	% of Sales	Amount	% of Sales	YoY	Amount	% of Sales
Operating revenue	283,405	-	310,579	-	109.6%	579,739	-
Net sales	270,138	100.0%	296,543	100.0%	109.8%	552,746	100.0%
Gross profit	57,745	21.4%	63,562	21.4%	110.1%	116,930	21.2%
Operating revenue	13,266	4.9%	14,035	4.7%	105.8%	26,992	4.9%
Operating gross profit	71,012	26.3%	77,598	26.2%	109.3%	143,923	26.0%
Selling, general and administrative expenses	57,242	21.2%	62,837	21.2%	109.8%	113,592	20.6%
Personnel expenses	24,056	8.9%	26,954	9.1%	112.0%	48,516	8.8%
Depreciation	6,101	2.3%	6,641	2.2%	108.9%	12,474	2.3%
Rental expenses	4,639	1.7%	4,908	1.7%	105.8%	9,337	1.7%
Utilities expenses	3,532	1.3%	3,726	1.3%	105.5%	6,720	1.2%
Other	18,911	7.0%	20,605	6.9%	109.0%	36,544	6.6%
Operating income	13,770	5.1%	14,761	5.0%	107.2%	30,330	5.5%
Non-operating income	928	0.3%	679	0.2%	73.1%	1,473	0.3%
Interest and dividend income	117	0.0%	126	0.0%	107.8%	249	0.0%
Non-operating expenses	1,009	0.4%	1,019	0.3%	101.0%	2,036	0.4%
Interest expenses	830	0.3%	765	0.3%	92.2%	1,614	0.3%
Ordinary income	13,690	5.1%	14,421	4.9%	105.3%	29,767	5.4%
Extraordinary income	22	0.0%	1,311	0.4%	5931.8%	37	0.0%
Extraordinary losses	232	0.1%	261	0.1%	112.6%	1,292	0.2%
Income before income taxes and minority interests	13,479	5.0%	15,470	5.2%	114.8%	28,511	5.2%
Minority interests in income	96	0.0%	-75	0.0%	-77.8%	207	0.0%
Net income	8,515	3.2%	9,258	3.1%	108.7%	17,360	3.1%

1) Segment Information

	FY2014 2Q (Mar-Aug)		FY2015 2Q (Mar-Aug)			FY2014 Full Term (Mar-Feb)	
	Amount	% of Total	Amount	% of Total	YoY	Amount	% of Total
(Operating revenue)							
Retail operations	273,029	96.3%	300,592	96.8%	110.1%	557,928	96.2%
Retail-peripheral operations	23,439	8.3%	31,579	10.2%	134.7%	48,972	8.4%
Other	2,296	0.8%	2,257	0.7%	98.3%	4,865	0.8%
Adjustment	-15,360	-5.4%	-23,848	-7.7%	-	-32,027	-5.5%
Total	283,405	100.0%	310,579	100.0%	109.6%	579,739	100.0%
(Operating income)							
Retail operations	11,462	83.2%	12,695	86.0%	110.8%	26,182	86.3%
Retail-peripheral operations	2,130	15.5%	1,890	12.8%	88.7%	3,581	11.8%
Other	310	2.3%	314	2.1%	101.2%	758	2.5%
Adjustment	-133	-1.0%	-138	-0.9%	-	-191	-0.6%
Total	13,770	100.0%	14,761	100.0%	107.2%	30,330	100.0%

*Reporting segment classifications have been partially changed since FY2015 1Q, and regarding the previous year's amounts and percentages. FY2014 2Q and full term figures have been reclassified into reporting segment classifications used in FY2015 2Q and calculated accordingly.

2) Financial Results of Major Subsidiaries (Year-on-year in parentheses)

Company	Business / Segment		FY2014 2Q (Mar-Aug)	FY2015 2Q (Mar-Aug)		FY2014 Full Term (Mar-Feb)
Youme Card Co., Ltd.	Finance	Operating revenue	3,994	4,101	(102.7%)	8,083
		Operating income	1,091	844	(77.4%)	1,872
Izumi Techno Co., Ltd.	Store management	Operating revenue	5,582	5,688	(101.9%)	11,992
		Operating income	593	634	(106.9%)	959
Izumi Food Service Co., Ltd.	Food services	Operating revenue	2,938	2,860	(97.4%)	5,662
		Operating income	229	157	(68.6%)	314
Yume Mart Co., Ltd.	Retail	Operating revenue	9,534	10,459	(109.7%)	19,281
		Operating income	143	324	(226.3%)	500

3) Change in consolidated operating income by quarter

	FY2013		FY2014		FY2015	
		YoY		YoY		YoY
1Q (Mar-May)	7,184	113.1%	6,709	93.4%	8,089	120.6%
2Q (Jun-Aug)	7,451	111.4%	7,060	94.8%	6,672	94.5%
First half total (Mar-Aug)	14,635	112.3%	13,770	94.1%	14,761	107.2%
3Q (Sep-Nov)	5,672	93.2%	6,808	120.0%	-	-
Three quarters total (Mar-Nov)	20,308	106.2%	20,579	101.3%	-	-
4Q (Dec-Feb)	8,792	99.6%	9,750	110.9%	-	-
Annual total (Mar-Feb)	29,100	104.1%	30,330	104.2%	Forecast 33,300	109.8%

3. Consolidated Balance Sheets

(Unit: millions of yen)

	As of Feb. 28, 2015		As of Aug. 31, 2015		
	Amount	% of Total	Amount	% of Total	Change
Total assets	432,416	100.0%	436,837	100.0%	+ 4,421
Cash and deposits	13,380	3.1%	10,076	2.3%	- 3,303
Notes and accounts receivable-trade	28,540	6.6%	30,584	7.0%	+ 2,044
Merchandise and finished goods	24,517	5.7%	23,845	5.5%	- 671
Property, plant and equipment	304,162	70.3%	310,446	71.1%	+ 6,284
Deposits and guarantees	17,477	4.0%	17,230	3.9%	- 246
Investment securities	8,563	2.0%	7,555	1.7%	- 1,007
Other	35,775	8.3%	37,098	8.5%	+ 1,323
Liabilities	286,706	66.3%	285,457	65.3%	- 1,249
Notes and accounts payable-trade	40,564	9.4%	31,678	7.3%	- 8,885
Interest-bearing liabilities	157,922	36.5%	172,331	39.4%	+ 14,409
Other	88,219	20.4%	81,446	18.6%	- 6,773
Net assets	145,709	33.7%	151,380	34.7%	+ 5,671
Treasury shares	-16,763	-3.9%	-18,931	-4.3%	- 2,168
Minority interests	10,890	2.5%	10,729	2.5%	- 160

* Change in the number of issued shares

	FY2014 (Mar-Feb)	FY2015 2Q
Total number of issued shares at the beginning of the period	78,861,920	78,861,920
at the end of 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 period (B)	7,005,563	7,378,179
(Acquired during the period)	778	372,616
(Retirement during the period)	0	0
A - B	71,856,357	71,483,741
(Average during the period)	71,856,803	71,749,758

4. Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2014 2Q (Mar-Aug)	FY2015 2Q (Mar-Aug)	FY2014 Full Term (Mar-Feb)
Cash flows from operating activities	+ 38,359	- 36	+ 52,246
Income before income taxes and minority interests	+ 13,479	+ 15,470	+ 28,511
Non-cash loss/gain (depreciation, etc.)	+ 6,247	+ 7,265	+ 13,850
Increase/decrease in claims and obligations related to operating activities	+ 22,873	- 16,004	+ 18,530
Income taxes and interest income	- 5,811	- 7,161	- 10,859
Other	+ 1,570	+ 392	+ 2,213
Cash flows from investing activities	- 11,506	- 13,334	- 20,897
Capital investment related	- 9,968	- 14,888	- 19,832
Other	- 1,538	+ 1,553	- 1,065
Cash flows from financing activities	- 20,066	+ 10,067	- 25,159
Interest bearing liabilities related	- 18,384	+ 14,276	- 21,722
Other	- 1,682	- 4,208	- 3,436
Increase/decrease in cash and cash equivalents	+ 6,786	- 3,303	+ 6,189

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

1) Statement of Income

(Unit: millions of yen)

	FY2014 2Q (Mar-Aug)		FY2015 2Q (Mar-Aug)			FY2014 Full Term (Mar-Feb)	
	Amount	% of Sales	Amount	% of Sales	YoY	Amount	% of Sales
Operating revenue	273,628	-	294,616	-	107.7%	557,074	-
Net sales	260,481	100.0%	280,836	100.0%	107.8%	530,507	100.0%
Gross profit	51,020	19.6%	53,788	19.2%	105.4%	104,288	19.7%
Operating revenue	13,147	5.0%	13,780	4.9%	104.8%	26,566	5.0%
Real estate lease revenue	3,369	1.3%	3,548	1.3%	105.3%	6,842	1.3%
Distribution center revenue	3,885	1.5%	3,980	1.4%	102.4%	7,811	1.5%
Store lease joint management expense revenue	4,067	1.6%	4,282	1.5%	105.3%	8,182	1.5%
Other	1,824	0.7%	1,969	0.7%	107.9%	3,730	0.7%
Operating gross profit	64,167	24.6%	67,568	24.1%	105.3%	130,855	24.7%
Selling, general and administrative expenses	52,889	20.3%	54,951	19.6%	103.9%	104,955	19.8%
Personnel expenses	19,370	7.4%	20,259	7.2%	104.6%	38,744	7.3%
Depreciation	5,681	2.2%	5,856	2.1%	103.1%	11,522	2.2%
Rental expenses	4,890	1.9%	4,783	1.7%	97.8%	9,757	1.8%
Store management expenses	4,468	1.7%	4,501	1.6%	100.7%	8,606	1.6%
Utilities expenses	3,135	1.2%	3,086	1.1%	98.4%	5,882	1.1%
Advertising expenses	4,336	1.7%	4,772	1.7%	110.0%	8,784	1.7%
Other	11,005	4.2%	11,691	4.2%	106.2%	21,658	4.1%
Operating income	11,278	4.3%	12,616	4.5%	111.9%	25,899	4.9%
Non-operating income	504	0.2%	571	0.2%	113.3%	1,114	0.2%
Interest and dividend income	137	0.1%	139	0.0%	101.8%	266	0.1%
Non-operating expenses	992	0.4%	978	0.3%	98.6%	1,955	0.4%
Interest expenses	844	0.3%	759	0.3%	89.9%	1,628	0.3%
Ordinary income	10,790	4.1%	12,209	4.3%	113.2%	25,058	4.7%
Extraordinary income	2	0.0%	1,154	0.4%	51192.9%	2	0.0%
Extraordinary losses	196	0.1%	90	0.0%	46.1%	743	0.1%
Income before income taxes and minority interests	10,595	4.1%	13,273	4.7%	125.3%	24,318	4.6%
Net income	6,441	2.5%	8,056	2.9%	125.1%	14,761	2.8%

2) Sales Information

	FY2014 2Q (Mar-Aug)		FY2015 2Q (Mar-Aug)			FY2014 Full Term (Mar-Feb)	
	Amount	% of Total	Amount	% of Total	YoY	Amount	% of Total
(By Product)							
Clothing	34,319	13.2%	34,858	12.4%	101.6%	67,861	12.8%
Household goods	21,319	8.2%	21,681	7.7%	101.7%	42,976	8.1%
Foods	91,071	35.0%	96,306	34.3%	105.7%	185,984	35.1%
Directly managed stores total	146,710	56.3%	152,846	54.4%	104.2%	296,823	56.0%
Tenants	96,219	36.9%	103,017	36.7%	107.1%	196,153	37.0%
Excel division	8,566	3.3%	7,770	2.8%	90.7%	18,112	3.4%
Product supply, etc.	8,985	3.4%	17,202	6.1%	191.4%	19,418	3.7%
Total	260,481	100.0%	280,836	100.0%	107.8%	530,507	100.0%
(By Region)							
Chugoku	118,496	45.5%	133,686	47.6%	112.8%	239,180	45.1%
Kyushu	109,538	42.1%	114,438	40.7%	104.5%	224,521	42.3%
Other	32,446	12.5%	32,711	11.6%	100.8%	66,805	12.6%
Total	260,481	100.0%	280,836	100.0%	107.8%	530,507	100.0%

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

	FY2014 2Q (Mar-Aug)	FY2015 2Q (Mar-Aug)	FY2014 Full Term (Mar-Feb)
Clothing	99.0%	100.0%	98.5%
Household goods	101.0%	99.4%	99.7%
Foods	102.5%	103.2%	103.0%
Directly managed stores total	101.4%	101.9%	101.4%
Tenants	102.7%	100.2%	102.4%
Total	101.9%	101.3%	101.8%
Chugoku	101.8%	102.8%	101.7%
Kyushu	101.6%	99.5%	101.6%
Number of customers	97.4%	98.9%	97.9%
Average spent per customer	104.1%	103.1%	103.6%
Average spent per item	103.6%	103.2%	103.2%
Number of purchases	100.5%	99.9%	100.4%

4) Gross Profit Ratio

	FY2014 2Q (Mar-Aug)	FY2015 2Q (Mar-Aug)	FY2014 Full Term (Mar-Feb)
Clothing	36.6%	37.0%	36.3%
Household goods	31.5%	31.7%	31.7%
Foods	24.2%	24.7%	24.8%
Directly managed stores total	28.2%	28.5%	28.4%
Tenants	8.0%	8.0%	7.8%
Excel division	25.2%	25.4%	25.2%
Product supply, etc.	-1.3%	0.3%	-0.4%
Total	19.6%	19.2%	19.7%
(Loss rate)			
Clothing	9.1%	9.0%	9.5%
Household goods	2.8%	2.9%	2.9%
Foods	2.8%	2.8%	2.8%
Directly managed stores total	4.3%	4.2%	4.4%
(Inventory turnover in days)			
Clothing	62.0	64.4	63.2
Household goods	79.1	81.0	79.6
Foods	9.5	9.5	9.5
Directly managed stores total	31.8	32.0	31.7

5) Average Number of
Employees during the Period

	FY2014 2Q (Mar-Aug)	FY2015 2Q (Mar-Aug)	FY2014 Full Term (Mar-Feb)
Full employees	2,421	2,416	2,399
Semi-full employees (8-hour equivalent)	4,789	4,936	4,832
Part-time employees (8-hour equivalent)	4,550	4,573	4,664
Total	11,760	11,925	11,895
(% of Total)			
Full employees	20.6%	20.3%	20.2%
Semi-full employees (8-hour equivalent)	40.7%	41.4%	40.6%
Part-time employees (8-hour equivalent)	38.7%	38.3%	39.2%
Total	100.0%	100.0%	100.0%
(Indicators: Directly managed stores and Excel division)			
Net sales per employee	13,204 thousand yen	13,468 thousand yen	26,476 thousand yen
Gross profit per employee	3,697 thousand yen	3,818 thousand yen	7,480 thousand yen
Personnel expenses per employee	1,647 thousand yen	1,699 thousand yen	3,257 thousand yen
Personnel expenses/sales ratio	12.5%	12.6%	12.3%
Personnel expenses/gross profit ratio	44.6%	44.5%	43.5%

Non-Consolidated

6) Stores and Capital Investment

	As of Aug. 31, 2014	As of Aug. 31, 2015	As of Feb. 28, 2015
New stores	3	2	3
(Excel stores)	0	0	0
Stores closed	1	2	2
Stores at the end of period	104	103	103
(Excel stores)	13	10	12
Sales floor area at the end of period	1,005,093m ²	1,044,141m ²	999,088m ²
Capital investment (construction basis)	12,834 million yen	14,352 million yen	23,909 million yen
Capital investment (payment basis)	7,525 million yen	15,488 million yen	16,113 million yen

*New Stores Opened during the First Half of FY2015

Month Opened	Store Name	Location	Store Area
2015/6	You Me Town Hatsukaichi	Hatsukaichi, Hiroshima Pref.	Approx. 46,000 m ²
2015/8	You Me Mart Saga	Saga, Saga Pref.	Approx. 2,700 m ²

*New Stores Scheduled to Open During the Second Half of FY2015

Month Open	Store Name	Location	Store Area
2015/Fall	You Me Mall Chikugo	Chikugo, Fukuoka Pref.	Approx. 5,600 m ²
2015/Fall	You Me Mart Suwano	Kurume, Fukuoka Pref.	TBD

7) Store Information as of August 31, 2015 (Excluding Excel stand-alone type stores)

	Stores	Sales Share
(By Store Area)		
20,000m ² or more	17	53.2%
Up to 20,000m ²	21	25.2%
Up to 10,000m ²	31	15.6%
Less than 3,000m ²	24	6.1%
Total	93	100.0%
(By Store Age)		
10 years or less	27	34.8%
20 years or less	31	46.2%
30 years or less	23	13.4%
More than 30 years	12	5.5%
Total	93	100.0%

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

	As of Aug. 31, 2014	As of Aug. 31, 2015	As of Feb. 28, 2015
(Number of shareholders)			
Financial instruments traders	25	27	26
Foreign investors	191	230	202
Financial institutions	37	48	37
Other domestic companies	248	247	242
Individuals, etc.	3,055	2,985	2,795
Total	3,556	3,537	3,302
(Percentage held)			
Financial instruments traders	0.3%	0.6%	0.6%
Foreign investors	13.0%	13.4%	12.4%
Financial institutions	22.1%	22.3%	22.9%
Other domestic companies	40.2%	39.3%	40.1%
Individuals and treasury shares	24.4%	24.4%	24.0%
Total	100.0%	100.0%	100.0%