



May I offer my sincere thanks to all our shareholders for their kind support.

In the retail environment during the term, consumer morale gradually improved, under the influence of a corporate performance recovery powered by a cheap yen and buoyant stock markets, and some consumers shopped for enjoyment as well as going after low prices.

Continuing on from the last term, which saw us post our highest-ever profits, our Group has pursued customer satisfaction with a guiding policy of “Doing our all for our customers”, so as to lift our profits to the next level in this term. In particular, we have been pressing ahead with reviewing the quality, prices and provision methods of our goods and services from the customer’s point of view, without deference to past practices.

As regards our stores, we have worked to acquire candidate shop-opening sites for the future, and at the same time have newly constructed eight “youme Mart” small-trading-area stores and so forth, effecting a further strengthening that gives us predominance in our region. Also, the new Head Office, which is to serve as a new “command tower” for our Group, was completed and we moved into it in November.

Looking at our performance segment by segment, in the retail segment which is the core of our business we went on providing high added-value products at competitive prices under our slogan of “The Good Life, Inexpensively”. Also, we released priority merchandise in accordance with hypotheses of sales trends at the weekly level, and enhanced the enjoyability and freshness of shopping spaces so that the merchandise yielded sales increases.

In the tenant segment, we have replaced tenants with more prominent and popular ones, thereby enhancing the stores’ competitiveness.

Further, in order to benefit definitely from the fruits of our productivity improvements to date, we worked to entrench them in the various stores, and moreover we made a start with efforts for the next stage of activities with a view to the next level of improvements.

In the retail-peripheral operations segment, we moved ahead with promoting the use of credit cards by shoppers and expanding the use of electronic money in the form of the “youmeka” card. In particular, there has been a rapid increase in the number of cardholders (from 1.16 million last term to 3.50 million this term), not only resulting in an increase in revenue from handling commissions, but also contributing to improved customer-drawing power for the entire Izumi Group.

These results gave increased revenue and profits in our business results for this term – as you will see below – and have enabled us to achieve record-breaking profits. Hence, we are raising our dividend payments to 43 yen per share per year, so as to return these fruits to our shareholders.

For the next term, we will be making fine-grained responses to customers’ needs, as well as continuing with our efforts to make “The Good Life, Inexpensively” a reality – in spite of the forecasts of a slump in consumer spending from April onward as a reaction to the consumption tax hike. We are also planning to build three new small-trading-area stores as we achieve further expansion and company growth to a predominant position in our region.

I look forward to receiving continued guidance and encouragement from all our shareholders.