



Support Documentation about the Consolidated Financial Results for the Second Quarter of the Year Ending February 29, 2020 (FY2019)

1. Summary of Financial Results

1) Consolidated Financial Results

(Unit: millions of yen)

	FY2018		FY2019	
	2Q	Full Term	2Q	Full Term Forecast
Operating revenue	358,626	732,136	369,814	756,100
(YoY)	99.7%	100.3%	103.1%	103.3%
Operating profit	16,788	35,273	14,163	33,900
(YoY)	98.2%	91.7%	84.4%	96.1%
Ordinary profit	16,833	35,099	14,164	33,800
(YoY)	99.1%	91.9%	84.1%	96.3%
Profit attributable to owners of parent	10,786	23,488	8,966	20,500
(YoY)	94.9%	87.2%	83.1%	87.3%
Earnings per share	¥150.52	¥327.79	¥125.13	¥286.08
Total assets	487,160	484,876	502,156	
Net assets	202,793	211,546	217,732	
Net assets per share	¥2,661.79	¥2,789.58	¥2,874.95	
Equity ratio	39.2%	41.2%	41.0%	
Total number of issued shares at the end of period (incl. treasury shares)	71,665,200	71,665,200	71,665,200	
Number of treasury shares at the end of period	6,451	6,700	6,976	
Average number of shares during the period (excl. treasury shares)	71,659,234	71,658,940	71,658,352	
Number of consolidated subsidiaries	16	15	14	
Number of equity-method affiliates	4	3	4	

2) Non-consolidated Financial Results

(Unit: millions of yen)

	FY2018		FY2019	
	2Q	Full Term	2Q	Full Term Forecast
Operating revenue	335,954	686,991	347,690	711,600
(YoY)	99.7%	100.5%	103.5%	103.6%
Operating profit	13,739	29,141	11,253	27,900
(YoY)	98.2%	91.0%	81.9%	95.7%
Ordinary profit	13,873	29,177	11,326	27,900
(YoY)	99.2%	91.4%	81.6%	95.6%
Profit	9,129	20,466	7,317	17,300
(YoY)	95.1%	87.6%	80.1%	84.5%
Dividends per share	¥40.00	¥80.00	¥40.00	¥80.00
Total assets	404,336	414,350	432,737	
Net assets	157,958	166,105	170,321	
Equity ratio	39.1%	40.1%	39.4%	

2. Consolidated Statements of Income

(Unit: millions of yen)

	FY2018 2Q (Mar-Aug)		FY2019 2Q (Mar-Aug)			FY2018 Full Term (Mar-Feb)	
	Amount	% of Sales	Amount	% of Sales	YoY	Amount	% of Sales
Operating revenue	358,626	—	369,814	—	103.1%	732,136	—
Net sales	341,652	100.0%	352,432	100.0%	103.2%	697,679	100.0%
Gross profit	75,461	22.1%	77,178	21.9%	102.3%	153,571	22.0%
Operating revenue	16,973	5.0%	17,381	4.9%	102.4%	34,457	4.9%
Operating gross profit	92,434	27.1%	94,560	26.8%	102.3%	188,028	27.0%
Selling, general and administrative expenses	75,646	22.1%	80,396	22.8%	106.3%	152,754	21.9%
Personnel expenses	33,421	9.8%	35,529	10.1%	106.3%	66,811	9.6%
Depreciation	7,419	2.2%	7,615	2.2%	102.6%	15,357	2.2%
Amortization of goodwill	443	0.1%	402	0.1%	90.7%	822	0.1%
Rental expenses	5,725	1.7%	5,930	1.7%	103.6%	11,556	1.7%
Utilities expenses	4,428	1.3%	4,520	1.3%	102.1%	8,639	1.2%
Advertising expenses	7,181	2.1%	8,230	2.3%	114.6%	14,864	2.1%
Other	17,027	5.0%	18,168	5.2%	106.7%	34,702	5.0%
Operating profit	16,788	4.9%	14,163	4.0%	84.4%	35,273	5.1%
Non-operating income	815	0.2%	731	0.2%	89.7%	1,518	0.2%
Interest and dividend income	140	0.0%	136	0.0%	97.3%	258	0.0%
Non-operating expenses	771	0.2%	731	0.2%	94.8%	1,692	0.2%
Interest expenses	474	0.1%	425	0.1%	89.7%	919	0.1%
Ordinary profit	16,833	4.9%	14,164	4.0%	84.1%	35,099	5.0%
Extraordinary income	174	0.1%	558	0.2%	320.7%	1,480	0.2%
Extraordinary losses	922	0.3%	984	0.3%	106.7%	3,085	0.4%
Profit before income taxes	16,085	4.7%	13,738	3.9%	85.4%	33,495	4.8%
Total income taxes	5,115	1.5%	4,507	1.3%	88.1%	9,894	1.4%
Profit attributable to non-controlling interests	183	0.1%	263	0.1%	143.9%	111	0.0%
Profit attributable to owners of parent	10,786	3.2%	8,966	2.5%	83.1%	23,488	3.4%

1) Segment Information

	FY2018 2Q (Mar-Aug)		FY2019 2Q (Mar-Aug)			FY2018 Full Term (Mar-Feb)	
	Amount	% of Total	Amount	% of Total	YoY	Amount	% of Total
(Operating revenue)							
Retail operations	348,778	97.3%	359,117	97.1%	103.0%	712,410	97.3%
Retail-peripheral operations	48,525	13.5%	47,400	12.8%	97.7%	96,924	13.2%
Other	2,559	0.7%	2,628	0.7%	102.7%	5,332	0.7%
Adjustment	-41,237	-11.5%	-39,332	-10.6%	—	-82,530	-11.3%
Total	358,626	100.0%	369,814	100.0%	103.1%	732,136	100.0%
(Operating profit)							
Retail operations	14,221	84.7%	11,411	80.6%	80.2%	30,224	85.7%
Retail-peripheral operations	2,097	12.5%	2,250	15.9%	107.3%	4,183	11.9%
Other	548	3.3%	562	4.0%	102.5%	1,086	3.1%
Adjustment	-79	-0.5%	-60	-0.4%	—	-220	-0.6%
Total	16,788	100.0%	14,163	100.0%	84.4%	35,273	100.0%

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

Company	Business / Segment		FY2018 2Q (Mar-Aug)	FY2019 2Q (Mar-Aug)	FY2018 Full Term (Mar-Feb)
YOU-ME CARD CO., LTD.	Finance	Operating revenue	4,503	4,823 (107.1%)	9,132
	Retail-peripheral operations	Operating profit	1,025	1,156 (112.9%)	1,790
IZUMI TECHNO Co., Ltd.	Store management	Operating revenue	6,165	6,698 (108.6%)	13,180
	Retail-peripheral operations	Operating profit	526	608 (115.5%)	1,488
IZUMI FOOD SERVICE CO., LTD.	Food services	Operating revenue	2,972	3,032 (102.0%)	5,779
	Retail-peripheral operations	Operating profit	213	209 (98.0%)	286
Youme Mart Kumamoto Co., Ltd.	Retail	Operating revenue	13,911	13,683 (98.4%)	27,674
	Retail operations	Operating profit	372	292 (78.4%)	763
Youme Mart Kitakyushu Co., Ltd.	Retail	Operating revenue	8,134	13,577 (166.9%)	15,912
	Retail operations	Operating profit	189	82 (43.3%)	328
YOURS Co., Ltd.	Retail	Operating revenue	19,993	12,238 (61.2%)	39,486
	Retail operations	Operating profit	325	191 (58.8%)	649

*As of March 1, 2019, Yume Mart Co., Ltd. changed its name to Youme Mart Kumamoto Co., Ltd. and Super Daiji Co., Ltd. to Youme Mart Kitakyushu Co., Ltd. respectively. In addition, 14 stores of YOURS Co., Ltd. have been transferred to Youme Mart Kitakyushu Co., Ltd. as of March 1, 2019.

3) Change in Consolidated Operating Profit by Quarter

(Unit: millions of yen)

	FY2017		FY2018		FY2019	
		YoY		YoY		YoY
1Q (Mar-May)	7,462	95.9%	8,090	108.4%	6,592	81.5%
2Q (Jun-Aug)	9,639	101.7%	8,698	90.2%	7,570	87.0%
First half total (Mar-Aug)	17,102	99.1%	16,788	98.2%	14,163	84.4%
3Q (Sep-Nov)	8,587	128.3%	6,822	79.5%	—	—
Three quarters total (Mar-Nov)	25,689	107.3%	23,611	91.9%	—	—
4Q (Dec-Feb)	12,797	109.2%	11,662	91.1%	—	—
Annual total (Mar-Feb)	38,487	107.9%	35,273	91.7%	Forecast 33,900	96.1%

3. Consolidated Balance Sheets

(Unit: millions of yen)

	As of Feb. 28, 2019		As of Aug. 31, 2019		
	Amount	% of Total	Amount	% of Total	Change
Total assets	484,876	100.0%	502,156	100.0%	+ 17,280
Cash and deposits	8,136	1.7%	15,989	3.2%	+ 7,852
Notes and accounts receivable - trade	39,784	8.2%	45,220	9.0%	+ 5,435
Merchandise and finished goods	28,355	5.8%	28,496	5.7%	+ 141
Property, plant and equipment	338,121	69.7%	341,525	68.0%	+ 3,403
Leasehold and guarantee deposits	17,540	3.6%	18,092	3.6%	+ 551
Investment securities	10,396	2.1%	10,672	2.1%	+ 276
Other	42,541	8.8%	42,159	8.4%	- 381
Liabilities	273,329	56.4%	284,423	56.6%	+ 11,094
Notes and accounts payable - trade	31,275	6.5%	58,037	11.6%	+ 26,761
Interest-bearing liabilities	162,974	33.6%	136,543	27.2%	- 26,431
Other	79,079	16.3%	89,843	17.9%	+ 10,763
Net assets	211,546	43.6%	217,732	43.4%	+ 6,185
Treasury shares	-25	0.0%	-26	0.0%	-1
Other	199,922	41.2%	206,040	41.0%	+ 6,117
Non-controlling interests	11,649	2.4%	11,719	2.3%	+ 69

*Change in the number of issued shares

		FY2018 (Mar-Feb)	FY2019 2Q
Total number of issued shares	at the beginning of the period	71,665,200	71,665,200
	at the end of the period (A)	71,665,200	71,665,200
Treasury shares, etc.	at the beginning of the period	5,676	6,700
	at the end of the period (B)	6,700	6,976
	(Acquired during the period)	1,024	276
	(Cancelled during the period)	0	0
A-B		71,658,500	71,658,224
(Average during the period)		71,658,940	71,658,352

4. Consolidated Statements of Cash Flows

(Unit: millions of yen)

	FY2018	FY2019	FY2018
	2Q (Mar-Aug)	2Q (Mar-Aug)	Full Term (Mar-Feb)
Cash flows from operating activities	+ 21,452	+ 44,901	+ 33,642
Profit before income taxes	+ 16,085	+ 13,738	+ 33,495
Non-cash loss/gain (depreciation, etc.)	+ 8,423	+ 8,765	+ 18,976
Increase/decrease in claims and obligations related to operating activities	+ 3,116	+ 25,826	- 5,321
Income taxes and interest income	- 8,208	- 4,650	- 14,588
Other	+ 2,034	+ 1,221	+ 1,080
Cash flows from investing activities	- 12,932	- 7,388	- 19,101
Capital investment related	- 12,544	- 7,081	- 18,877
Other	- 387	- 307	- 224
Cash flows from financing activities	- 8,571	- 29,660	- 14,793
Interest-bearing liabilities related	- 5,665	- 26,731	- 9,019
Other	- 2,905	- 2,928	- 5,773
Increase/decrease in cash and cash equivalents	- 51	+ 7,852	- 252

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

1) Statement of Income

(Unit: millions of yen)

	FY2018 2Q (Mar-Aug)		FY2019 2Q (Mar-Aug)			FY2018 Full Term (Mar-Feb)	
	Amount	% of Sales	Amount	% of Sales	YoY	Amount	% of Sales
Operating revenue	335,954	—	347,690	—	103.5%	686,991	—
Net sales	320,394	100.0%	331,617	100.0%	103.5%	655,328	100.0%
Gross profit	59,917	18.7%	62,186	18.8%	103.8%	122,806	18.7%
Operating revenue	15,560	4.9%	16,073	4.8%	103.3%	31,663	4.8%
Real estate lease revenue	4,011	1.3%	4,133	1.2%	103.0%	8,218	1.3%
Distribution center revenue	4,664	1.5%	4,856	1.5%	104.1%	9,503	1.5%
Store lease joint management expense revenue	4,530	1.4%	4,556	1.4%	100.6%	9,081	1.4%
Other	2,353	0.7%	2,526	0.8%	107.4%	4,859	0.7%
Operating gross profit	75,477	23.6%	78,259	23.6%	103.7%	154,469	23.6%
Selling, general and administrative expenses	61,738	19.3%	67,006	20.2%	108.5%	125,328	19.1%
Personnel expenses	23,505	7.3%	25,585	7.7%	108.8%	47,078	7.2%
Depreciation	6,321	2.0%	6,589	2.0%	104.2%	13,113	2.0%
Rental expenses	4,764	1.5%	5,046	1.5%	105.9%	9,637	1.5%
Store management expenses	4,713	1.5%	5,160	1.6%	109.5%	9,776	1.5%
Utilities expenses	3,363	1.0%	3,539	1.1%	105.2%	6,565	1.0%
Advertising expenses	6,132	1.9%	7,206	2.2%	117.5%	12,705	1.9%
Other	12,937	4.0%	13,878	4.2%	107.3%	26,451	4.0%
Operating profit	13,739	4.3%	11,253	3.4%	81.9%	29,141	4.4%
Non-operating income	778	0.2%	729	0.2%	93.7%	1,395	0.2%
Interest and dividend income	265	0.1%	204	0.1%	77.0%	378	0.1%
Non-operating expenses	645	0.2%	657	0.2%	101.8%	1,358	0.2%
Interest expenses	460	0.1%	424	0.1%	92.3%	898	0.1%
Ordinary profit	13,873	4.3%	11,326	3.4%	81.6%	29,177	4.5%
Extraordinary income	151	0.0%	88	0.0%	58.1%	1,371	0.2%
Extraordinary losses	783	0.2%	638	0.2%	81.5%	1,744	0.3%
Profit before income taxes	13,241	4.1%	10,775	3.2%	81.4%	28,804	4.4%
Profit	9,129	2.8%	7,317	2.2%	80.1%	20,466	3.1%

2) Sales Information

	FY2018 2Q (Mar-Aug)		FY2019 2Q (Mar-Aug)			FY2018 Full Term (Mar-Feb)	
	Amount	% of Total	Amount	% of Total	YoY	Amount	% of Total
(By Product)							
Clothing	35,039	10.9%	35,955	10.8%	102.6%	70,175	10.7%
Household goods	22,916	7.2%	23,883	7.2%	104.2%	46,956	7.2%
Foods	107,260	33.5%	112,780	34.0%	105.1%	220,819	33.7%
Directly managed stores total	165,216	51.6%	172,618	52.1%	104.5%	337,950	51.6%
Tenants	116,357	36.3%	122,064	36.8%	104.9%	238,689	36.4%
X-SELL Division	6,692	2.1%	6,634	2.0%	99.1%	15,328	2.3%
Product supply, etc.	32,128	10.0%	30,300	9.1%	94.3%	63,358	9.7%
Total	320,394	100.0%	331,617	100.0%	103.5%	655,328	100.0%
(By Region)							
Chugoku	128,884	40.2%	135,264	40.8%	105.0%	263,976	40.3%
Kyushu	127,399	39.8%	129,486	39.0%	101.6%	258,960	39.5%
Other	64,110	20.0%	66,866	20.2%	104.3%	132,391	20.2%
Total	320,394	100.0%	331,617	100.0%	103.5%	655,328	100.0%

			Non-Consolidated
3) YoY Sales at Existing Stores (Excluding X-SELL Division)	FY2018 2Q (Mar-Aug)	FY2019 2Q (Mar-Aug)	FY2018 Full Term (Mar-Feb)
Clothing	96.5%	99.3%	97.2%
Household goods	99.8%	101.7%	100.2%
Foods	100.9%	99.9%	100.4%
Directly managed stores total	99.8%	100.0%	99.7%
Tenants	98.9%	100.4%	98.9%
Total	99.4%	100.2%	99.4%
Chugoku	99.0%	100.5%	99.3%
Kyushu	99.5%	99.9%	99.1%
Number of customers	98.6%	99.0%	98.8%
Average spent per customer	101.2%	101.0%	101.0%
Average spent per item	99.4%	100.9%	99.8%
Number of purchases	101.8%	100.1%	101.1%

4) Gross Profit Ratio	FY2018 2Q (Mar-Aug)	FY2019 2Q (Mar-Aug)	FY2018 Full Term (Mar-Feb)
Clothing	38.6%	38.3%	38.3%
Household goods	32.1%	31.9%	32.3%
Foods	25.9%	25.8%	26.0%
Directly managed stores total	29.4%	29.2%	29.5%
Tenants	8.1%	8.1%	8.0%
X-SELL Division	25.7%	25.1%	26.0%
Product supply, etc.	0.5%	0.6%	0.4%
Total	18.7%	18.8%	18.7%
(Loss rate)			
Clothing	9.4%	11.0%	10.5%
Household goods	3.0%	3.2%	3.2%
Foods	3.1%	3.2%	3.1%
Directly managed stores total	4.4%	4.8%	4.7%
(Inventory turnover in days)			
Clothing	73.2	72.2	72.3
Household goods	84.2	86.3	83.9
Foods	10.6	10.5	10.7
Directly managed stores total	33.8	33.7	33.3

5) Average Number of Employees during the Period	FY2018 2Q (Mar-Aug)	FY2019 2Q (Mar-Aug)	FY2018 Full Term (Mar-Feb)
Full employees	2,699	2,920	2,712
Semi-full employees (8-hour equivalent)	6,004	6,396	6,147
Part-time employees (8-hour equivalent)	4,091	4,280	4,309
Total	12,794	13,596	13,168
(% of Total)			
Full employees	21.1%	21.5%	20.6%
Semi-full employees (8-hour equivalent)	46.9%	47.0%	46.7%
Part-time employees (8-hour equivalent)	32.0%	31.5%	32.7%
Total	100.0%	100.0%	100.0%
(Indicators: Directly managed stores and X-SELL Division)			
Net sales per employee	13,437 thousand yen	13,184 thousand yen	26,828 thousand yen
Gross profit per employee	3,935 thousand yen	3,835 thousand yen	7,862 thousand yen
Personnel expenses per employee	1,837 thousand yen	1,882 thousand yen	3,575 thousand yen
Personnel expenses/sales ratio	13.7%	14.3%	13.3%
Personnel expenses/gross profit ratio	46.7%	49.1%	45.5%

6) Stores and Capital Investment

	As of Aug. 31, 2018	As of Aug. 31, 2019	Non-Consolidated As of Feb. 28, 2019
New stores	3	5	6
(X-SELL stand-alone type stores)	1	0	1
Stores closed	0	2	4
Number of stores at the end of the period	113	115	112
(X-SELL stand-alone type stores)	12	10	10
Sales floor area at the end of period	1,116,920㎡	1,158,457㎡	1,135,551㎡
Capital investment (construction basis)	11,722 million yen	9,706 million yen	18,907 million yen
Capital investment (payment basis)	10,900 million yen	5,484 million yen	16,186 million yen

*New Stores Opened during the First Half of FY2019

Month Opened	Store Name	Location	Store Area
2019/04	youme Mart Hita	Hita, Oita Pref.	Approx. 2,350 ㎡
2019/04	youme Mart Mitajiri	Hofu, Yamaguchi Pref.	Approx. 1,540 ㎡
2019/05	youme Mart Minamionoda	Sanyo-Onoda, Yamaguchi Pref.	Approx. 2,020 ㎡
2019/06	youme Town Fukuyama	Fukuyama, Hiroshima Pref.	Approx. 20,200 ㎡
2019/07	youme Mart Aoyama	Yahatanishi-ku, Kitakyushu	Approx. 2,000 ㎡

7) Store Information as of August 31, 2019
(Excluding X-SELL stand-alone type stores)

	Stores	Sales Share
(By Store Area)		
20,000 m ² or more	17	51.7%
Up to 20,000 m ²	27	28.1%
Up to 10,000 m ²	29	12.7%
Less than 3,000 m ²	32	7.5%
Total	105	100.0%
(By Store Age)		
10 years or less	35	25.2%
20 years or less	20	43.1%
30 years or less	36	25.7%
More than 30 years	14	6.0%
Total	105	100.0%

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

	As of Aug. 31, 2018	As of Aug. 31, 2019	As of Feb. 28, 2019
(Number of shareholders)			
Financial instruments traders	24	29	26
Foreign investors	274	255	269
Financial institutions	42	49	45
Other domestic companies	290	291	286
Individuals, etc.	3,172	4,172	3,635
Total	3,802	4,796	4,261
(Percentage held)			
Financial instruments traders	1.0%	1.8%	1.6%
Foreign investors	13.7%	13.1%	14.1%
Financial institutions	26.0%	25.5%	25.0%
Other domestic companies	43.0%	42.9%	43.0%
Individuals and treasury shares	16.3%	16.7%	16.3%
Total	100.0%	100.0%	100.0%