

# H2O RETAILING CORPORATION

## Financial Results

FY2018

May 15,2018

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## I . Consolidated

### 1. Overview of consolidated statements of income

#### (1) Operating results

(Millions of yen)

	Amount	YoY	increase (decrease)	versus forecast	increase (decrease)
Net sales	921,871	+ 2.3%	+ 20,649	+ 0.8%	+ 6,871
Gross profit	266,224	+ 1.1%	+ 2,840	/	/
Gross profit / Net sales	28.88%	—	(0.35Pt)		
Selling, general and administrative expenses SG & A	243,459	+ 1.1%	+ 2,617	/	/
/ Net sales	26.41%	—	(0.31Pt)		
Operating income	22,765	+ 1.0%	+ 222	+ 0.3%	+ 65
Operating income / Net sales	2.47%	—	(0.03Pt)	—	(0.01Pt)
Ordinary income	24,272	+ 11.7%	+ 2,547	+ 5.1%	+ 1,172
Ordinary income / Net sales	2.63%	—	+0.22Pt	—	+0.11Pt
Net income	14,636	+ 2.4%	+ 338	+ 0.9%	+ 136
Net income / Net sales	1.59%	—	+0.00Pt	—	+0.00Pt

#### Reference : Changes of operating results

(Millions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018
Net sales	576,852	844,819	915,690	901,221	921,871
YoY	+ 9.8%	+ 46.5%	+ 8.4%	(1.6%)	+ 2.3%
Gross profit	156,949	241,417	266,363	263,384	266,224
YoY	+ 10.1%	+ 53.8%	+ 10.3%	(1.1%)	+ 1.1%
Selling, general and administrative expenses	139,635	220,059	242,538	240,841	243,459
YoY	+ 5.9%	+ 57.6%	+ 10.2%	(0.7%)	+ 1.1%
Operating income	17,313	21,358	23,825	22,542	22,765
YoY	+ 62.3%	+ 23.4%	+ 11.5%	(5.4%)	+ 1.0%
Ordinary income	18,160	21,219	23,060	21,725	24,272
YoY	+ 60.2%	+ 16.8%	+ 8.7%	(5.8%)	+ 11.7%
Net income	295	11,586	14,053	14,298	14,636
YoY	(95.2%)	+ 3,819.5%	+ 21.3%	+ 1.7%	+ 2.4%

## (2) Segment information

(Millions of yen)

		1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total		
		Amount	YoY	Amount	YoY	Amount	YoY	Amount	YoY	Amount	YoY	versus forecast
Department Store Business	Net sales	99,712	+ 4.5%	106,775	+ 5.1%	125,563	+ 4.4%	114,174	+ 3.5%	446,225	+ 4.3%	+ 1.2%
	Operating income	3,319	+ 39.3%	2,817	+ 20.2%	7,728	+ 10.4%	4,154	(2.6%)	18,020	+ 12.7%	+ 6.0%
Kobe・Takatsuki Business	Net sales	-	-	-	-	12,682	-	10,696	-	23,379	-	+ 16.9%
	Operating income	-	-	-	-	508	-	94	-	603	-	-
Supermarket Business	Net sales	96,478	(6.6%)	97,329	(4.9%)	102,621	(6.8%)	90,124	(3.9%)	386,552	(5.6%)	(1.0%)
	Operating income	(703)	-	(373)	-	1,891	(22.5%)	290	-	1,104	(72.2%)	+ 10.5%
Shopping Center Business	Net sales	3,301	+ 44.5%	2,377	(2.8%)	2,310	(7.8%)	2,378	(13.0%)	10,367	+ 4.0%	(5.9%)
	Operating income	1,552	+ 156.4%	1,237	(16.1%)	1,096	(23.0%)	1,097	(28.4%)	4,985	(1.1%)	(5.9%)
Other Business	Net sales	12,827	(1.2%)	13,199	+ 0.2%	14,028	(0.9%)	15,291	+ 10.4%	55,346	+ 2.2%	+ 4.8%
	Operating income	2,525	+ 12.7%	86	-	826	+ 50.1%	(340)	-	3,098	+ 8.2%	(25.3%)
Consolidation adjustment	Net sales	-	-	-	-	-	-	-	-	-	-	-
	Operating income	(3,091)	-	(391)	-	(1,056)	-	(507)	-	(5,047)	-	-
Total	Net sales	212,319	(0.8%)	219,681	+ 0.0%	257,205	+ 4.1%	232,664	+ 5.5%	921,871	+ 2.3%	+ 0.8%
	Operating income	3,601	+ 19.8%	3,376	(6.7%)	10,997	+ 4.6%	4,790	(11.4%)	22,765	+ 1.0%	+ 0.3%

※1 Net sales refer to sales to external customers.

※2 On 1st July 2016, Izumiya Co., Ltd. was reorganized and divided into a retail business (Izumiya Co., Ltd.) and a real estate business (H2O Asset Management Co., Ltd.).

※3 On 1st October 2017, the company acquired business of Sogo Kobe & Seibu Takatsuki stores.

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## (3) Selling, general and administrative expenses

(Millions of yen)

	Amount	YoY	increase (decrease)
Personnel expenses	95,930	+ 0.6%	+ 578
Rent expenses	38,210	+ 3.1%	+ 1,137
Advertising and decoration expenses	14,266	(7.4%)	(1,142)
Depreciation	15,251	+ 1.9%	+ 288
Business consignment expenses	19,086	(2.5%)	(484)
Sales commission	13,229	+ 34.3%	+ 3,381
Transportation costs	14,496	+ 0.3%	+ 36
Others	32,987	(3.4%)	(1,177)
Total	243,459	+ 1.1%	+ 2,617

## (4) Non-operating income and expenses

(Millions of yen)

	Amount	YoY	increase (decrease)
Non-operating income	4,508	+ 49.3%	+ 1,489
Interest income	198	+ 116.0%	+ 106
Dividends income	1,230	+ 29.6%	+ 281
Gain on adjustment of accounts payable	1,256	+ 5.8%	+ 68
Gain on valuation of forward exchange contracts	485	-	+ 485
Others	1,337	+ 69.2%	+ 546
Non-operating expenses	3,000	(21.8%)	(834)
Interest expense	1,003	(7.2%)	(78)
Loss on provision for redemption of gift certificates	913	(21.3%)	(247)
Loss on valuation of forward exchange contracts	-	-	(159)
Others	1,082	(24.5%)	(350)

## (5) Extraordinary income and losses

(Millions of yen)

	Amount	main contents
Extraordinary income	5,243	
Gain on bargain purchase	2,010	
Gain on sales of property, plant and others	1,787	Izumiya Kemigawahama, Izumiya Suminodo
Gain on revision of retirement benefit plan	1,445	Izumiya
Extraordinary losses	6,296	
Impairment losses	3,479	some Hankyu Oasis stores some Izumiya stores
Loss on closing of stores and others	1,639	Izumiya Saikudani
Loss on disposal of property, plant, equipment and intangibles	1,177	some department stores some Izumiya stores

## (6) Income taxes

(Millions of yen)

	Amount	FY2016	increase (decrease)
Income before income taxes	23,219	20,005	+ 3,214
Income taxes - current	7,780	6,326	+ 1,454
Income taxes - deferred	803	(619)	+ 1,422
Profit attributable to owners of parent	14,636	14,298	+ 338

## 2. Overview of consolidated Balance Sheet

(Millions of yen)

main subjects	FY2018	FY2017	increase (decrease)
Cash and deposits	67,150	83,481	(16,330)
Notes and accounts receivable-trade	46,939	43,588	+ 3,350
Total current assets	166,377	178,318	(11,940)
Buildings and structures, net	108,692	108,262	+ 429
Land	149,550	134,591	+ 14,958
Investment securities	114,544	103,031	+ 11,513
Guarantee deposits	70,079	69,060	+ 1,018
Deferred tax assets	8,729	9,960	(1,230)
Total non-current assets	495,495	462,225	+ 33,270
Total assets	661,873	640,543	+ 21,330

(Millions of yen)

main subjects	FY2018	FY2017	increase (decrease)
Notes and accounts payable-trade	62,794	59,394	+ 3,400
Commercial papers	-	2,000	(2,000)
Current portion of bonds	-	6,600	(6,600)
Current portion of long-term debt	42,561	29,585	+ 12,976
Income taxes payable	6,324	4,744	+ 1,579
Accounts payable-other	19,162	14,329	+ 4,833
Gift certificates	33,881	23,846	+ 10,035
Total current liabilities	201,569	189,202	+ 12,367
Bonds	10,000	10,000	-
Long-term debt	96,931	108,593	(11,662)
Deferred tax liabilities	27,023	21,521	+ 5,502
Total long-term liabilities	179,496	187,017	(7,521)
Total liabilities	381,065	376,219	+ 4,845
Retained earnings	135,057	125,490	+ 9,567
Net unrealised holding gains on securities	37,662	31,227	+ 6,435
Total net assets	280,807	264,323	+ 16,484
Total liabilities and net assets	661,873	640,543	+ 21,330

### 3. Overview of consolidated Cash Flow statements

(Millions of yen)

main subjects	Amount	FY2016	increase (decrease)
Cash flows from operating activities	32,739	38,742	(6,002)
Income before income taxes	23,219	20,005	+ 3,214
Depreciation and amortisation	16,223	15,857	+ 366
Decrease(increase) in notes and accounts receivable	(2,248)	3,196	(5,444)
Increase (decrease) in notes and accounts payable	833	(3,033)	+ 3,867
Cash flows from investing activities	(35,492)	(25,325)	(10,167)
Purchases of property, plant and equipment	(19,197)	(23,983)	+ 4,786
Proceeds from sales of property, plant and equipment	3,259	5,827	(2,568)
Purchase of intangible assets	(4,009)	(3,340)	(669)
Cash flows from financing activities	(13,812)	21,703	(35,516)
Proceeds from long-term loans payable	30,150	38,000	(7,849)
Repayments of long-term loans payable	(29,578)	(10,777)	(18,800)
Cash and cash equivalents	67,150	83,462	(16,311)

Reference : Changes of Cash Flows

(Millions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018
Cash flows from operating activities	33,415	25,468	24,539	38,742	32,739
Cash flows from investing activities	(9,628)	(49,162)	5,852	(25,325)	(35,492)
Cash flows from financing activities	(3,557)	24,161	(26,207)	21,703	(13,812)
Cash and cash equivalents	35,383	44,334	48,492	83,462	67,150

### 4. Others

(1) Capital investment

(Millions of yen)

	Amount	main subjects
Department Store Business	9,618	Renovation of Hankyu Main store and Hakata Hankyu, Rebuilding of Hanshin Umeda Main store
Kobe・Takatsuki Business	260	
Supermarket Business	9,226	New stores opening of Hankyu Oasis ,Renovation of Izumiya stores
Shopping Center Business	1,558	Rebuilding of Izumiya stores
Other Business	5,873	Software development
Consolidation adjustment	(95)	
Total	26,443	

(2) Number of employees

	FY 2018		FY 2017	
Department Store Business	2,938	(1,792)	2,942	(1,853)
Kobe・Takatsuki Business	320	(443)	-	-
Supermarket Business	3,576	(11,495)	3,593	(12,566)
Shopping Center Business	347	(1,097)	352	(1,200)
Other Business	1,687	(2,965)	1,641	(2,989)
Total	8,868	(17,792)	8,528	(18,608)

※1 The number of employees is on the operation staff basis. (excluding employees seconded to other company, and including employees seconded from other company and operating officers)

※2 ( ) means the number of temporary employees. (the average of the fiscal period)

## 5. Forecast of FY2019

### (1) Consolidated

(Millions of yen)

	1st・2nd Quarter		3rd・4th Quarter		FY2019	
	Forecast	YoY	Forecast	YoY	Forecast	YoY
Net sales	451,800	+ 4.6%	493,700	+ 0.8%	945,500	+ 2.6%
Operating income	4,700	(32.6%)	13,700	(13.2%)	18,400	(19.2%)
Ordinary income	5,400	(35.7%)	13,800	(13.1%)	19,200	(20.9%)
Net income	1,600	(72.1%)	8,800	(1.1%)	10,400	(28.9%)

### (2) Segment information

(Millions of yen)

		1st・2nd Quarter		3rd・4th Quarter		FY2019	
		Forecast	YoY	Forecast	YoY	Forecast	YoY
Department Store Business	Net sales	205,452	(0.5%)	236,274	(1.4%)	441,726	(1.0%)
	Operating income	4,500	(26.7%)	9,500	(20.1%)	14,000	(22.3%)
Kobe・Takatsuki Business	Net sales	20,041	-	23,834	+ 1.9%	43,875	+ 87.7%
	Operating income	(182)	-	582	(3.5%)	400	(33.7%)
Supermarket Business	Net sales	193,548	(0.1%)	198,242	+ 2.9%	391,791	+ 1.4%
	Operating income	(437)	-	2,537	+ 16.3%	2,100	+ 90.1%
Shopping Center Business	Net sales	5,169	(9.0%)	5,043	+ 7.6%	10,212	(1.5%)
	Operating income	1,946	(30.3%)	1,653	(24.6%)	3,600	(27.8%)
Other Business	Net sales	27,588	+ 6.0%	30,305	+ 3.4%	57,894	+ 4.6%
	Operating income	3,189	+ 22.1%	1,018	+ 109.4%	4,208	+ 35.8%
Consolidation adjustment	Net sales	-	-	-	-	-	-
	Operating income	(4,315)	-	(1,592)	-	(5,908)	-
Total	Net sales	451,800	+ 4.6%	493,700	+ 0.8%	945,500	+ 2.6%
	Operating income	4,700	(32.6%)	13,700	(13.2%)	18,400	(19.2%)

※1 Net sales refer to sales to external customers.

### (3) Capital investment

(Millions of Yen)

	Forecast	main subjects
Department Store Business	12,265	Rebuilding of Hanshin Umeda Main store, Renovation of HANKYU MEN'S TOKYO, Hankyu Main store
Kobe・Takatsuki Business	187	
Supermarket Business	7,890	Renovation of Izumiya stores, New stores opening of Hankyu Oasis
Shopping Center Business	6,310	Rebuilding of Izumiya stores
Other Business	6,101	New stores opening, Software development
Consolidation adjustment	-	
Total	32,754	

## II. Non-consolidated

### 1. Hankyu Hanshin Department Stores, Inc.

#### (1) Operating results

(Millions of yen)

	Aomout	YoY	increase (decrease)	versus forecast	increase (decrease)
Net sales	446,070	+ 4.3%	+ 18,536	+ 1.3%	+ 5,750
Gross profit	108,881	+ 3.9%	+ 4,109		
Gross profit / Net sales	24.41%	-	(0.10Pt)		
Other operating revenue	689	+ 7.6%	+ 48		
Selling, general and administrative expenses	91,337	+ 2.2%	+ 1,997		
SG & A / Net sales	20.48%	-	(0.42Pt)		
Operating income	18,232	+ 13.4%	+ 2,160	+ 7.3%	+ 1,232
Operating income / Net sales	4.09%	-	+0.33Pt	-	+0.23Pt

#### ① Sales, Number of customers and Sales area

(Millions of yen)

	Sales	YoY	Number of customers (thousand)	YoY	Sales area
Hankyu Main Store ※1	240,300	+ 9.0%	50,566	+ 2.8%	98,281m <sup>2</sup>
Hanshin Umeda Main Store	55,522	(0.6%)	28,014	(1.2%)	33,429m <sup>2</sup>
Senri Hankyu	16,283	(0.7%)	4,974	(0.6%)	13,902m <sup>2</sup>
Sakai Kitahanada Hankyu ※2	3,809	(53.0%)	1,987	(64.1%)	-
Kawanishi Hankyu	16,024	(1.6%)	6,262	(1.1%)	15,528m <sup>2</sup>
Takarazuka Hankyu	7,678	(0.8%)	※3 -	-	6,148m <sup>2</sup>
Nishinomiya Hankyu	25,835	+ 2.2%	13,295	+ 2.3%	25,099m <sup>2</sup>
Sanda Hankyu	1,423	+ 0.1%	※3 -	-	2,143m <sup>2</sup>
Hakata Hankyu	47,410	+ 6.7%	27,518	(0.2%)	41,835m <sup>2</sup>
HANKYU MEN'S TOKYO	14,369	+ 2.4%	2,575	(2.6%)	11,445m <sup>2</sup>
Oi Hankyu Food Hall	4,578	(1.7%)	5,641	(1.7%)	2,042m <sup>2</sup>
Tsuzuki Hankyu	4,835	(3.4%)	3,826	(1.0%)	6,736m <sup>2</sup>
Amagasaki Hanshin	2,913	+ 4.7%	※3 -	-	2,855m <sup>2</sup>
Hanshin Nishinomiya	4,546	+ 1.6%	4,074	+ 0.5%	4,998m <sup>2</sup>
Hanshin Mikage	539	(3.0%)	4,902	(4.6%)	804m <sup>2</sup>
Total of branch stores	150,248	(0.6%)	75,058	(4.8%)	133,534m <sup>2</sup>
Total stores	446,070	+ 4.3%	153,639	(1.8%)	265,243m <sup>2</sup>
Existing stores ※4	442,260	+ 5.4%	151,652	+ 0.5%	

※1 including HANKYU MEN'S OSAKA

※2 closed on July 31,2017

※3 not counting the number of customers

※4 not including Sakai Kitahanada Hankyu (closed on July 31,2017)



## ② Monthly Sales

(YoY)

	April	May	June	July	August	September	1st・2nd Quarter
Hankyu Main Store ※1	+ 5.4%	+ 8.4%	+ 8.3%	+ 8.0%	+ 10.0%	+ 14.4%	+ 9.0%
Hanshin Umeda Main Store	(3.5%)	+ 1.6%	(3.8%)	(4.3%)	(0.2%)	+ 6.1%	(0.7%)
Senri Hankyu	(0.7%)	(0.8%)	(1.6%)	(1.9%)	(2.2%)	(2.1%)	(1.6%)
Sakai Kitahanada Hankyu ※2	(1.9%)	+ 48.2%	+ 40.7%	+ 76.6%	-	-	(1.2%)
Kawanishi Hankyu	(0.8%)	(1.1%)	(1.7%)	(3.5%)	+ 0.0%	(1.2%)	(1.5%)
Takarazuka Hankyu	(1.5%)	(1.5%)	(1.3%)	(4.6%)	(2.0%)	(3.6%)	(2.5%)
Nishinomiya Hankyu	+ 2.4%	+ 3.9%	+ 2.7%	+ 0.2%	+ 1.9%	+ 4.4%	+ 2.4%
Sanda Hankyu	(0.8%)	(3.1%)	(5.8%)	(3.1%)	(2.0%)	+ 0.9%	(2.5%)
Hakata Hankyu	+ 5.2%	+ 1.4%	+ 5.5%	+ 0.2%	+ 1.6%	+ 5.0%	+ 3.0%
HANKYU MEN'S TOKYO	(0.5%)	(7.6%)	+ 0.7%	+ 1.4%	+ 5.4%	+ 10.0%	+ 1.2%
Oi Hankyu Food Hall	(1.9%)	(1.5%)	(2.0%)	(1.5%)	(2.5%)	(0.1%)	(1.6%)
Tsuzuki Hankyu	+ 0.9%	+ 2.2%	+ 4.0%	(0.5%)	(3.7%)	(5.4%)	(0.3%)
Amagasaki Hanshin	+ 7.5%	+ 5.2%	+ 3.5%	+ 4.3%	+ 5.7%	+ 6.9%	+ 5.5%
Hanshin Nishinomiya	+ 1.3%	+ 0.1%	+ 0.9%	(0.5%)	+ 1.1%	+ 2.9%	+ 0.9%
Hanshin Mikage	(10.7%)	(3.8%)	(2.2%)	(2.9%)	+ 1.1%	(2.7%)	(3.4%)
Total of branch stores	+ 1.6%	+ 2.8%	+ 4.0%	+ 3.4%	(5.1%)	(2.7%)	+ 0.9%
Total stores	+ 2.9%	+ 5.4%	+ 5.1%	+ 4.7%	+ 3.1%	+ 7.4%	+ 4.8%
Existing stores ※3	-	-	-	-	+ 5.4%	+ 9.4%	+ 4.9%

	October	November	December	January	February	March	3rd・4th Quarter	Total
Hankyu Main Store ※1	+ 10.1%	+ 12.6%	+ 6.5%	+ 7.3%	+ 8.4%	+ 9.6%	+ 8.9%	+ 9.0%
Hanshin Umeda Main Store	+ 0.2%	+ 0.6%	+ 0.4%	(1.5%)	(1.5%)	(0.6%)	(0.4%)	(0.6%)
Senri Hankyu	+ 0.5%	+ 2.3%	(1.8%)	(0.1%)	(1.2%)	+ 0.7%	+ 0.0%	(0.7%)
Sakai Kitahanada Hankyu ※2	-	-	-	-	-	-	-	(53.0%)
Kawanishi Hankyu	(6.1%)	+ 1.0%	(1.5%)	(1.5%)	(2.9%)	(0.5%)	(1.8%)	(1.6%)
Takarazuka Hankyu	(2.8%)	+ 0.0%	+ 0.9%	+ 1.2%	+ 1.6%	+ 4.5%	+ 0.9%	(0.8%)
Nishinomiya Hankyu	(0.4%)	+ 6.4%	+ 1.4%	(0.3%)	(0.2%)	+ 4.8%	+ 2.0%	+ 2.2%
Sanda Hankyu	(3.3%)	+ 6.6%	+ 4.5%	(0.9%)	(1.3%)	+ 6.8%	+ 2.4%	+ 0.1%
Hakata Hankyu	+ 4.4%	+ 12.2%	+ 11.4%	+ 6.6%	+ 12.3%	+ 12.0%	+ 9.9%	+ 6.7%
HANKYU MEN'S TOKYO	+ 0.9%	+ 4.9%	+ 5.3%	+ 1.2%	+ 1.5%	+ 6.7%	+ 3.4%	+ 2.4%
Oi Hankyu Food Hall	(4.8%)	(0.4%)	+ 0.3%	(1.1%)	(1.6%)	(4.0%)	(1.7%)	(1.7%)
Tsuzuki Hankyu	(6.3%)	(5.9%)	(4.5%)	(6.1%)	(7.0%)	(7.1%)	(6.1%)	(3.4%)
Amagasaki Hanshin	+ 7.2%	+ 7.4%	+ 5.4%	(2.3%)	+ 3.2%	+ 3.7%	+ 4.1%	+ 4.7%
Hanshin Nishinomiya	+ 3.9%	+ 3.9%	+ 2.2%	(1.3%)	+ 1.9%	+ 3.7%	+ 2.3%	+ 1.6%
Hanshin Mikage	(3.8%)	(1.0%)	(1.4%)	(3.9%)	(1.1%)	(5.2%)	(2.7%)	(3.0%)
Total of branch stores	(4.7%)	+ 0.5%	(1.6%)	(3.9%)	(2.3%)	+ 0.3%	(1.9%)	(0.6%)
Total stores	+ 3.6%	+ 6.9%	+ 3.0%	+ 2.1%	+ 3.4%	+ 5.1%	+ 4.0%	+ 4.3%
Existing stores ※3	+ 5.5%	+ 8.8%	+ 4.9%	+ 4.3%	+ 5.3%	+ 7.0%	+ 5.9%	+ 5.4%

※1 including HANKYU MEN'S OSAKA

※2 closed on July 31,2017

※3 not including Sakai Kitahanada Hankyu (closed on July 31,2017)

## ③ Sales of each category

(Millions of yen)

	Amount	YoY	increase (decrease)	Share
Men's clothing	40,394	+ 6.7%	+ 2,521	9.1%
Women's clothing	65,964	(0.3%)	(221)	14.8%
Children's clothing	10,445	+ 0.7%	+ 76	2.3%
Other clothing	12,353	+ 1.0%	+ 118	2.8%
Clothing	129,158	+ 2.0%	+ 2,494	29.0%
Accessories, bags and others	82,680	+ 6.6%	+ 5,096	18.5%
Household merchandise	13,713	+ 2.8%	+ 378	3.1%
Foods	130,755	(0.5%)	(644)	29.3%
Restaurants & cafés	9,287	+ 1.8%	+ 166	2.1%
General merchandise	77,064	+ 16.6%	+ 10,960	17.3%
Service	1,892	+ 5.3%	+ 95	0.4%
Other	1,518	(0.8%)	(11)	0.3%
Total	446,070	+ 4.3%	+ 18,536	100.0%

## (2) Forecast of FY2019

(Millions of yen)

	1st•2nd Quarter		3rd•4th Quarter		Total	
	Forecast	YoY	Forecast	YoY	Forecast	YoY
Hankyu Main Store ※1	114,450	+ 5.0%	136,608	+ 4.0%	251,058	+ 4.5%
Hanshin Umeda Main Store	21,000	(20.0%)	19,999	(31.7%)	41,000	(26.2%)
Senri Hankyu	7,586	(1.1%)	8,534	(0.9%)	16,120	(1.0%)
Kawanishi Hankyu	7,438	(2.0%)	8,425	(0.1%)	15,863	(1.0%)
Takarazuka Hankyu	3,652	(0.5%)	4,025	+ 0.5%	7,678	+ 0.0%
Nishinomiya Hankyu	12,172	+ 0.8%	13,922	+ 1.2%	26,094	+ 1.0%
Sanda Hankyu	653	(0.5%)	769	+ 0.4%	1,423	+ 0.0%
Hakata Hankyu	23,617	+ 11.7%	27,416	+ 4.4%	51,034	+ 7.6%
HANKYU MEN'S TOKYO	6,479	+ 2.6%	7,101	(11.8%)	13,580	(5.5%)
Oi Hankyu Food Hall	2,146	(1.0%)	2,386	(1.0%)	4,532	(1.0%)
Tsuzuki Hankyu	2,191	(5.0%)	2,498	(1.2%)	4,690	(3.0%)
Amagasaki Hanshin	1,366	(0.3%)	1,547	+ 0.2%	2,913	+ 0.0%
Hanshin Nishinomiya	2,131	+ 0.2%	2,461	+ 1.7%	4,592	+ 1.0%
Hanshin Mikage	248	(2.5%)	279	(1.5%)	528	(2.0%)
Total of branch stores	69,683	(2.1%)	79,369	+ 0.4%	149,052	(0.8%)
Net sales	205,134	(0.6%)	235,976	(1.5%)	441,110	(1.1%)
Net sales(exisiting stores) ※2	205,134	+ 1.3%	235,976	(1.5%)	441,110	(0.3%)
Operating income	4,500	(27.1%)	9,500	(21.2%)	14,000	(23.2%)

※1 including HANKYU MEN'S OSAKA

※2 not including Sakai Kitahanada Hankyu (Closed on July 31,2017)

## 2. Izumiya Co., Ltd.

### (1) Operating results

(Millions of yen)

	Amount	YoY	increase (decrease)	versus forecast	increase (decrease)
Net sales	232,865	(9.7%)	(24,938)	(0.5%)	(1,120)
Gross profit	61,812	(8.4%)	(5,675)		
Gross profit / Net sales	26.54%	-	+0.37Pt		
Other operating revenue	14,726	(5.6%)	(876)		
Selling, general and administrative expenses	76,128	(6.7%)	(5,450)		
SG & A / Net sales	32.69%	-	+1.05Pt		
Operating income	411	(72.8%)	(1,101)	-	524
Operating income / Net sales	0.18%	-	(0.41Pt)	-	-

### ① Sales of each category

(Millions of yen)

	Amount	YoY	increase (decrease)
Foods	153,225	(8.5%)	(14,287)
Clothing	28,602	(10.4%)	(3,332)
Household goods	37,278	(14.9%)	(6,518)
Total	219,106	(9.9%)	(24,138)

### ② Monthly Sales

(YoY)

	April	May	June	July	August	September	1st·2nd Quarter
Total stores	(8.5%)	(12.4%)	(12.5%)	(12.1%)	(8.3%)	(7.6%)	(10.3%)
Existing stores	(1.8%)	(5.4%)	(4.8%)	(5.0%)	(1.6%)	(1.7%)	(3.6%)

  

	October	November	December	January	February	March	3rd·4th Quarter	Total
Total stores	(13.7%)	(10.3%)	(8.9%)	(9.3%)	(8.7%)	(7.0%)	(9.7%)	(10.0%)
Existing stores	(6.4%)	(1.8%)	(0.4%)	(2.1%)	(3.4%)	(2.1%)	(2.6%)	(3.2%)

### ③ Number of stores

31st March, 2017	Opening 2 stores	Closing 4 stores	31st March, 2018
86 stores	Abiko (Osaka) Yamadanishi (Osaka)	Kemigawahama (Chiba) Saikudani (Osaka) Hanazono (Osaka) Fushimi (Kyoto)	84 stores

### (2) Forecast for FY2019

(Millions of yen)

	1st·2nd Quarter		3rd·4th Quarter		Total	
	Amount	YoY	Forecast	YoY	Forecast	YoY
Net sales	113,621	(2.9%)	116,822	+ 0.8%	230,443	(1.0%)
Operating income	(760)	-	1,240	(0.8%)	480	+ 16.6%

Reference : H2O Asset Management Co., Ltd.

### ① Operating result

	Amount	YoY	increase (decrease)
Net sales	9,346	+ 29.3%	+ 2,119
Operating income	3,853	+ 26.6%	+ 809

※1 not including Sogo Kobe and Seibu Takatsuki (the company acquired business on October 1,2017)

### ② Forecast for FY2019

(Millions of yen)

	1st·2nd Quarter		3rd·4th Quarter		Total	
	Amount	YoY	Forecast	YoY	Forecast	YoY
Net sales	4,627	(1.8%)	4,644	+ 0.3%	9,272	(0.8%)
Operating income	1,803	(8.9%)	1,650	(11.9%)	3,454	(10.4%)

※1 not including Sogo Kobe and Seibu Takatsuki (the company acquired business on October 1,2017)

### 3. Hankyu Oasis Co., Ltd.

#### (1) Operating results

(Millions of yen)

	Amount	YoY	increase (decrease)	versus forecast	increase (decrease)
Net sales	116,798	+ 1.7%	+ 1,947	(1.0%)	(1,209)
Gross profit	30,058	+ 0.8%	+ 246		
Gross profit / Net sales	25.74%	-	(0.22Pt)		
Other operating revenue	7,007	+ 12.9%	+ 800		
Selling, general and administrative expenses	36,464	+ 5.3%	+ 1,849		
SG & A / Net sales	31.22%	-	+1.08Pt		
Operating income	602	(57.1%)	(802)	+ 2.0%	11
Operating income / Net sales	0.52%	-	(0.71Pt)	-	+0.02Pt

#### ① Monthly Sales

(YoY)

	April	May	June	July	August	September	1st•2nd Quarter
Total stores	+ 4.6%	+ 3.9%	+ 1.3%	+ 2.7%	+ 3.7%	+ 4.3%	+ 3.4%
Existing stores	+ 1.4%	(0.8%)	(1.4%)	(1.9%)	(1.4%)	(0.8%)	(0.7%)

  

	October	November	December	January	February	March	3rd•4th Quarter	Total
Total stores	(0.7%)	(0.1%)	+ 1.1%	+ 1.3%	+ 0.2%	(1.9%)	+ 0.0%	+ 1.7%
Existing stores	(2.7%)	(0.8%)	(0.1%)	(0.3%)	(1.2%)	(2.5%)	(1.2%)	(0.9%)

#### ② Number of stores

31st March, 2017	Opening 3 stores	Closing 8 store	31st March, 2018
83 stores	Himejima (Osaka) Itami Koyahigashi (Hyogo) Itami Konoike (Hyogo)	Sumiyoshi (Osaka) Miyakojima (Osaka) Ibaraki Ekimae (Osaka) Shouwa-cho (Osaka) Shirakawadori (Kyoto) Seimeidori (Osaka) Kyobashi (Osaka) Kawaraya-cho (Osaka)  ※ Qanat Co., Ltd. acquired business of Sumiyoshi, Miyakojima and Seimeidori.	78 stores

#### (2) Forecast for FY2019

(Millions of yen)

	1st•2nd Quarter		3rd•4th Quarter		Total	
	Amount	YoY	Forecast	YoY	Forecast	YoY
Net sales	59,285	+ 0.8%	60,477	+ 4.3%	119,763	+ 2.5%
Operating income	89	-	753	+ 1.0%	842	+ 40.0%