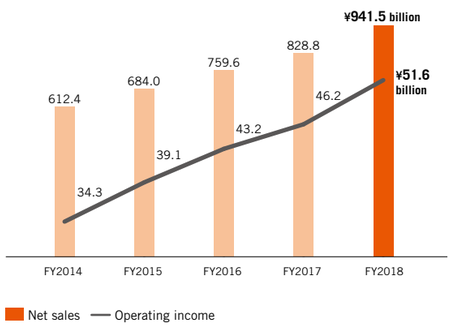
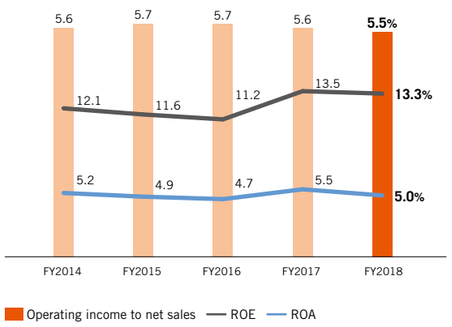
Financial Highlights

Net Sales / Operating Income



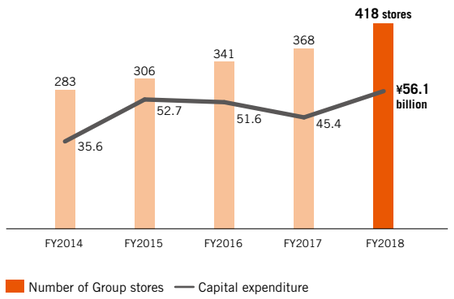
We were able to increase our wallet share among domestic customers through products and proposals matched to customer needs. Coupled with high growth in tax-free sales on the back of higher inbound travelers to Japan, these factors contributed to year-on-year increases of 13.6% in net sales, to ¥941.5 billion, and 11.7% in operating income, to ¥51.6 billion.

Operating Income to Net Sales / ROE / ROA



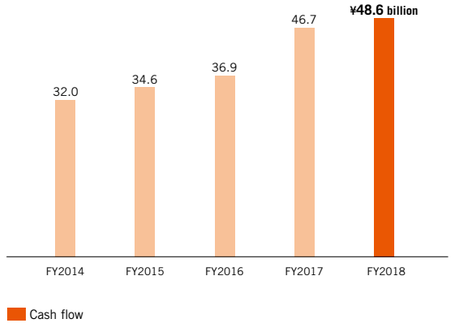
Return on equity (ROE) decreased 0.2 percentage point year on year, to 13.3%; return on assets (ROA) was down 0.5 percentage point, to 5.0%; and operating income to net sales edged down 0.1 percentage point, to 5.5%. The Company will continue to operate its business in a manner that pursues higher capital efficiency.

Number of Group Stores / Capital Expenditure



A total of 31 new stores were opened, mainly in properties vacated by other operators. Meanwhile, five stores were closed as a result of land readjustment projects and other reasons, bringing the Group's network to 418 stores on June 30, 2018. Capital expenditures totaled ¥56.1 billion due in part to new store openings in the fiscal year ended June 30, 2018 and the acquisition of sites for future stores.

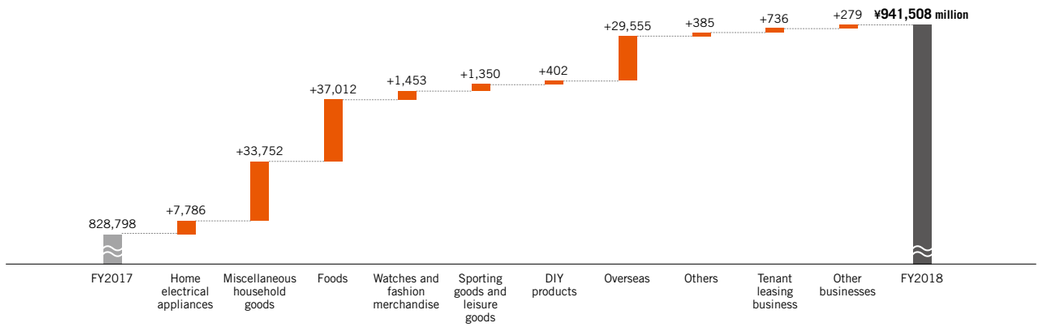
Cash Flow



Cash flow amounted to ¥48.6 billion primarily as a result of higher profit attributable to owners of parent and an increase in depreciation and amortization. Proactive capital investments resulted in a negative free cash flow (cash flow less capital expenditure) of ¥7.5 billion.

Note: Cash flow = Profit attributable to owners of parent + Depreciation and amortization + Extraordinary loss – Cash dividends paid

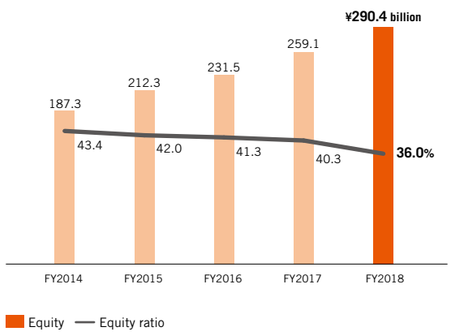
Net Sales by Product Category



There was strong demand for daily necessities among domestic customers. Pharmaceuticals and cosmetics were popular among tourists. This demand drove strong growth in sales of foods and miscellaneous household goods, supporting overall sales.

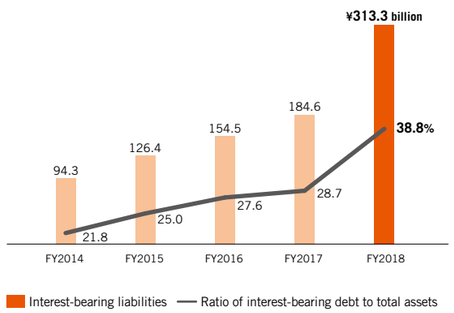
We also saw sales contributions from non-food categories, such as home electrical appliances. For example, our private brand 4K television garnered attention. The consolidation of QSI, Inc. contributed to massive increases in sales in our overseas operations.

Equity / Equity Ratio



Equity amounted to ¥290.4 billion, a year-on-year increase of ¥31.3 billion, underpinning stable business operation. The equity ratio declined 4.3 percentage points, to 36.0%, but this level indicates sustained corporate financial strength and stability.

Interest-Bearing Liabilities / Ratio of Interest-Bearing Debt to Total Assets



Funds were procured through subordinated loans to strengthen our financial position and support ongoing growth strategies, and long-term debt increased. As a result, interest-bearing liabilities rose ¥128.8 billion year on year, to ¥313.3 billion, and the ratio of interest-bearing debt to total assets came to 38.8%.