

**Consolidated Financial Results
for the First Quarter of FY 2012**

(from March 1,2011 to May 31,2011)

Izumi Co.,Ltd.

(Millions of yen)

	1Q of FY 2011 (2010.3.1~2010.5.31)		1Q of FY 2012 (2011.3.1~2011.5.31)	
		YOY		YOY
Revenues	121,379	0.2%	123,822	2.0%
Operating Income	4,905	-13.2%	5,885	20.0%
Ordinary Income	4,665	-15.7%	5,688	21.9%
Net Income	2,011	-27.9%	1,918	-4.6%
Net Income per Share	¥ 21.12		¥ 20.14	

	Feb 28, 2011 (End of FY2011)	May 31, 2011 (End of 1Q/FY2012)
Total Assets	368,584	371,065
Net Assets	132,513	133,595
Owners' Equity Ratio	33.2%	32.6%
Net Assets per Share	¥ 1,286.20	¥ 1,269.86

Dividends

	FY2011	FY2012(forecast)
1Q	-	-
2Q	¥ 8.00	¥ 8.00
3Q	-	-
4Q	¥ 8.00	¥ 8.00
Annual	¥ 16.00	¥ 16.00

Consolidated Quarterly Financial Statements
CONSOLIDATED BALANCE SHEETS

(Millions of yen)

May 31,2011 February 28,2011

	May 31,2011	February 28,2011
Assets		
Current assets		
Cash and deposits	10,384	12,316
Notes and accounts receivable–trade	20,545	18,456
Merchandise and finished goods	21,686	20,726
Work in process	14	68
Raw materials and supplies	264	273
Other	13,850	15,642
Allowance for doubtful accounts	△995	△940
Total current assets	65,750	66,542
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	136,615	134,771
Land	119,046	119,080
Other, net	10,408	9,446
Total property, plant and equipment	266,071	263,297
Intangible assets	7,147	7,178
Investments and other assets		
Other	32,883	32,347
Allowance for doubtful accounts	△786	△781
Total investments and other assets	32,096	31,565
Total noncurrent assets	305,315	302,041
Total assets	371,065	368,584
Liabilities		
Current liabilities		
Notes and accounts payable–trade	22,362	20,773
Short–term loans payable	38,475	35,890
Current portion of long–term loans payable	21,487	22,178
Income taxes payable	2,089	5,180
Provision for bonuses	2,634	1,525
Provision for directors' bonuses	1	23
Provision for point card certificates	1,227	1,209
Provision for loss on recollection of gift certificates	54	54
Other	11,468	12,846
Total current liabilities	99,800	99,682
Noncurrent liabilities		
Long–term loans payable	98,599	102,675
Provision for retirement benefits	5,886	5,836
Provision for directors' retirement benefits	840	830
Provision for loss on interest repayment	526	565
Asset retirement obligations	5,746	—
Other	26,070	26,481
Total noncurrent liabilities	137,670	136,389
Total liabilities	237,470	236,071
Net assets		
Shareholders' equity		
Capital stock	19,613	19,613
Capital surplus	22,282	22,282
Retained earnings	79,121	96,743
Treasury stock	△2	△16,262
Total shareholders' equity	121,014	122,377
Valuation and translation adjustments		
Valuation difference on available–for–sale securities	282	472
Foreign currency translation adjustment	△317	△312
Total valuation and translation adjustments	△34	159
Minority interests	12,615	9,976
Total net assets	133,595	132,513
Total liabilities and net assets	371,065	368,584

CONSOLIDATED STATEMENTS OF INCOME

	(Millions of yen)	
	1Q of FY 2011 Three Months (March 1,2010 – May 31,2010)	1Q of FY 2012 Three Months (March 1,2011 – May 31,2011)
Net sales	115,565	117,973
Cost of sales	91,184	92,387
Gross profit	24,381	25,586
Operating revenue	5,814	5,849
Operating gross profit	30,195	31,435
Selling, general and administrative expenses	25,290	25,550
Operating income	4,905	5,885
Non-operating income		
Interest income	52	56
Purchase discounts	101	99
Other	406	368,584
Total non-operating income	559	363
Non-operating expenses		
Interest expenses	565	493
Other	233	67
Total non-operating expenses	799	561
Ordinary income	4,665	5,688
Extraordinary income		
Reversal of provision for directors' retirement benefits	103	—
Gain on sales of securities	2,546	2,518
Other	13	22
Total extraordinary income	2,663	2,540
Extraordinary loss		
Loss on sales of noncurrent assets	53	0
Impairment loss	46	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,844
Other	55	160
Total extraordinary losses	155	2,005
Income before income taxes and minority interests	7,174	6,223
Income taxes—current	2,308	2,024
Income taxes—deferred	111	△388
Total income taxes	2,419	1,635
Income before minority interests	—	4,588
Minority interests in income	2,743	2,669
Net income	2,011	1,918

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	1Q of FY 2011 Three Months (March 1,2010 – May 31,2010)	1Q of FY 2012 Three Months (March 1,2011 – May 31,2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,174	6,223
Depreciation and amortization	3,550	3,304
Impairment loss	46	—
Loss on adjustment for changes of accounting standard for asset re	—	1,844
Increase (decrease) in allowance for doubtful accounts	31	59
Interest and dividends income	△78	△84
Interest expenses	565	493
Loss (gain) on valuation of investment securities	87	—
Loss (gain) on sales of securities	△2,546	△2,518
Equity in (earnings) losses of affiliates	△13	△12
Loss (gain) on sales of noncurrent assets	53	368584
Loss on retirement of noncurrent assets	7	103
Decrease (increase) in notes and accounts receivable-trade	△1,095	△2,088
Decrease (increase) in inventories	54	△898
Increase (decrease) in notes and accounts payable-trade	△9,492	1,589
Other, net	△2,749	1,123
Subtotal	△4,403	9,139
Interest and dividends income received	78	78
Interest expenses paid	△587	△400
Income taxes (paid) refund	△6,051	△5,034
Net cash provided by (used in) operating activities	△10,964	3,783
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	△5,331	△3,010
Proceeds from sales of property, plant and equipment	77	0
Purchase of intangible assets	△84	△143
Purchase of investment securities	△0	△0
Decrease (increase) in short-term loans receivable	—	590
Other, net	381	△57
Net cash provided by (used in) investing activities	△4,959	△2,621
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	17,955	2,585
Proceeds from long-term loans payable	—	900
Repayment of long-term loans payable	△4,332	△5,666
Purchase of treasury stock	△0	△0
Cash dividends paid	△762	△762
Cash dividends paid to minority shareholders	△20	△20
Other, net	△129	△129
Net cash provided by (used in) financing activities	12,711	△3,093
Effect of exchange rate change on cash and cash equivalents	0	△0
Net increase (decrease) in cash and cash equivalents	△3,211	△1,931
Cash and cash equivalents at beginning of period	15,490	12,316
Cash and cash equivalents at end of period	12,279	10,384