Consolidated Financial Results

for the First Quarter of FY2013

(from Mar.1,2012 to May 31,2012)

Izumi Co.,Ltd.

(Millions of yen)

	1Q / FY2012 (Mar.1,2011 - May 31,2011)		1Q / FY2013 (Mar.1,2012 - May 31,2012)	
		YOY		YOY
Revenues	123,822	2.0%	128,078	3.4%
Operating Income	5,885	20.0%	6,349	7.9%
Ordinary Income	5,688	21.9%	6,125	7.7%
Net Income	1,918	-4.6%	3,718	93.8%
Net Income per Share	¥ 20.14		¥ 46.15	

	Feb.29,2012 (End of FY2012)	May 31,2012 (End of 1QFY2013)
Total Assets	370,377	379,809
Net Assets	125,389	125,841
Owners' Equity Ratio	30.3%	29.7%

Dividends

	FY2012	FY2013(forecast)
1Q	-	-
2Q	¥ 8.00	¥ 12.00
3Q	-	-
4Q	¥ 12.00	¥ 12.00
Annual	¥ 20.00	¥ 24.00

Consolidated Quarterly Financial Statements CONSOLIDATED BALANCE SHEETS

		(Millions of yen)
	February 29,2012	May 31,2012
Assets		
Current assets		
Cash and deposits	6,260	6,385
Notes and accounts receivable-trade	20,323	22,282
Merchandise and finished goods	20,677	21,966
Work in process	17	24
Raw materials and supplies	267	272
Other	14,324	13,498
Allowance for doubtful accounts	△830	△818
Total current assets	61,040	63,611
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	139,428	137,307
Land	121,051	128,049
Other, net	8,410	10,522
Total property, plant and equipment	268,891	275,880
Intangible assets	7,059	6,861
Investments and other assets		
Other	34,172	34,232
Allowance for doubtful accounts	△786	△776
Total investments and other assets	33,385	33,456
Total noncurrent assets	309,336	316,197
Total assets	370,377	379,809
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,715	22,901
Short-term loans payable	32,025	44,065
Current portion of long-term loans payable	23,969	23,250
Income taxes payable	6,179	2,142
Provision for bonuses	1,482	2,572
Provision for directors' bonuses	62	0
Provision for point card certificates	1,584	1,659
Provision for loss on recollection of gift certificates	53	53
Other	15,851	12,240
Total current liabilities	102,924	108,886
Noncurrent liabilities		
Long-term loans payable	101,605	104,849
Provision for retirement benefits	6,070	6,093
Provision for directors' retirement benefits	962	1,155
Provision for loss on interest repayment	482	456
Asset retirement obligations	6,796	6,829
Other	26,145	25,696
Total noncurrent liabilities	142,063	145,081
Total liabilities	244,987	253,967
Net assets	,	,
Shareholders' equity		
Capital stock	19,613	19,613
Capital surplus	22,282	22,282
Retained earnings	87,555	72,670
Treasury stock	△17,043	∆1,502
Total shareholders' equity	112,407	113,063
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214	∆98
Foreign currency translation adjustment	$\triangle 319$	△330
Total accumulated other comprehensive income	∆105	∆429
Minority interests	13,087	13,207
Total net assets	125,389	125,841
	120,000	379,809

CONSOLIDATED STATEMENTS OF INCOME

IQ / FY 2012 IQ / FY 2013 (Mar.1.2011 - May 31.2011) (Mar.1.2012 - May 31.2012) Net sales 117,973 121,961 Cost of sales 92,387 96,099 Gross profit 25,586 25,861 Operating revenue 5,849 6,117 Operating gooss profit 31,435 31,979 Selling gooral and administrative expenses 25,550 25,629 Operating income 5,885 6,62,98 Non-operating income 5,685 6,349 Non-operating income 56 38 Purchase discounts 99 96 Other 206 174 Total non-operating income 363 3039 Non-operating expenses 561 533 Other 67 53 Total non-operating expenses 561 533 Ordinary income 2,540 26 Extraordinary income 2,540 26 Extraordinary income 2,540 26 Extoardinary income 2,54			(Millions of yen)
May 31,2011) May 31,2012) Net sales 117,973 121,961 Cost of sales 92,387 96,099 Gross profit 25,586 25,861 Operating revenue 5,849 6,117 Operating gross profit 31,435 31,979 Selling, general and administrative expenses 25,550 25,529 Operating income 5,885 6,349 Non-operating income 56 38 Purchase discounts 99 96 Other 206 174 Total non-operating income 363 3009 Non-operating expenses 493 479 Other 67 53 Total non-operating expenses 561 533 Ordinary income 5,688 6,125 Extraordinary income 2,518 Gain on sales of noncurrent assets 21 Gain on sales of noncurrent assets 103 70 Loss on retirement of noncurrent assets 103 70		1Q / FY 2012	1Q / FY 2013
Cost of sales 92.387 96.099 Gross profit 25.586 25.861 Operating revenue 5.849 6.117 Operating gross profit 31.435 31.979 Selling, general and administrative expenses 25.550 25.629 Operating income 5.885 6.349 Non-operating income 5 33 Interest income 56 38 Purchase discounts 99 96 Other 206 174 Total non-operating expenses 493 309 Interest expenses 4933 479 Other 67 53 Total non-operating expenses 561 533 Ordinary income 5.688 6,125 Extraordinary income 2,518 Gain on sales of noncurrent assets 21 Gain on sales of securities 2,518 Other 22 4 Total extraordinary loss 1.844 Loss on retirement of noncurrent			
Gross profit 25,586 25,881 Operating revenue 5,849 6,117 Operating gross profit 31,435 31,979 Selling, general and administrative expenses 25,550 25,629 Operating income 5,885 6,349 Non-operating income 5,6 38 Purchase discounts 99 96 Other 206 174 Total non-operating income 363 3009 Non-operating expenses 493 479 Other 67 53 Total non-operating expenses 561 533 Ordinary income 5,688 6,125 Extraordinary income 2,540 26 Extraordinary losse	Net sales	117,973	121,961
Operating revenue5.8496.117Operating gross profit31.43531.979Selling, general and administrative expenses25.55025.629Operating income5.8856.349Non-operating income5.638Purchase discounts9996Other206174Total non-operating expenses3633009Non-operating expenses493479Other6753Total non-operating expenses561533Ordinary income5.6886.125Extraordinary income5.6886.125Extraordinary income2.54026Extraordinary income2.54026Extraordinary income2.54026Extraordinary income2.54026Extraordinary loss1.844-Cother58125Income before income taxes of accounting standard for asset retirement obligations1.844Other5812Income taxes-current2.0241.900Income taxes-current2.0241.900Income taxes-deferredΔ.388311Total income taxes1.6352.212Income before minority interests4.5883.856Minority interests4.5883.856Minority interests4.5683.856	Cost of sales	92,387	96,099
Operating gross profit 31,435 31,979 Selling, general and administrative expenses 25,550 25,629 Operating income 5,885 6,349 Non-operating income 56 38 Purchase discounts 99 96 Other 206 174 Total non-operating expenses 363 309 Non-operating expenses 493 479 Other 67 53 Total non-operating expenses 561 533 Ordinary income 5,688 6,125 Extraordinary income 2,518 - Gain on sales of noncurrent assets 2 2 Other 22 4 Total extraordinary income 2,540 26 Extraordinary income 2,540 26 Extraordinary income 2,540 26 Extraordinary loss 103 70 Loss on retirement of noncurrent assets 103 70 Loss on adjustment for changes of accounting standard for asset retirement obligations 1,844	Gross profit	25,586	25,861
Selling, general and administrative expenses25,55025,629Operating income5,8856,349Non-operating income5638Purchase discounts9996Other206174Total non-operating expenses363309Non-operating expenses493479Other6753Total non-operating expenses561533Ordinary income5,6886,125Extraordinary income5,6886,125Extraordinary income2,518-Gain on sales of noncurrent assets2,518-Other2244Total extraordinary income2,54026Extraordinary income2,54026Extraordinary income5,8812Cost on retirement of noncurrent assets10370Loss on retirement of changes of accounting standard for asset retirement obligations1,844-Other581212Total extraordinary losse2,0058312Income taxes-current2,0241,9001,008Income taxes-deferred4,38831111Total income taxes1,6352,2121,000Income taxes1,6352,2121,000Income taxes in income2,669137	Operating revenue	5,849	6,117
Operating income5,8856,349Non-operating income5638Interest income5638Purchase discounts9996Other206174Total non-operating income363309Non-operating expenses493479Interest expenses493479Other6753Total non-operating expenses561533Ordinary income5,6886,125Extraordinary income2,518-Gain on sales of noncurrent assets-21Gain on sales of securities2,518-Other224Total extraordinary income2,54026Extraordinary loss1,844-Cother5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-deferred Δ 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Operating gross profit	31,435	31,979
Non-operating incomeInterest income5638Purchase discounts9996Other206174Total non-operating income363309Non-operating expenses16753Interest expenses561533533Ordinary income5,6886,1255Extraordinary income5,6886,125Gain on sales of noncurrent assets21Gain on sales of securities2,518Other224Total extraordinary income2,54026Extraordinary loss21Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844Other581212Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-deferred \triangle 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Selling, general and administrative expenses	25,550	25,629
Interest income5638Purchase discounts9996Other206174Total non-operating income363309Non-operating expenses493479Other6753Total non-operating expenses561533Ordinary income5,6886,125Extraordinary income2,518−Gain on sales of noncurrent assets−21Gain on sales of securities2,518−Other2244Total extraordinary income2,54026Extraordinary loss10370Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844−Other581212Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes1,6352,212Income before minority interests4,5883,856Minority interests4,5883,856Minority interests in income2,669137	Operating income	5,885	6,349
Purchase discounts9996Other206174Total non-operating income363309Non-operating expenses493479Other6753Total non-operating expenses561533Ordinary income5,6886,125Extraordinary income24Gain on sales of noncurrent assets-21Gain on sales of securities2,518-Other224Total extraordinary income2,54026Extraordinary income1.844-Other2812Total extraordinary income1.844-Cother5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-current2,0241,900Income taxes1,6352,212Income before minority interests4,5883,856Minority interests4,5883,856Minority interests in income2,669137	Non-operating income		
Other206174Total non-operating income363309Non-operating expenses493479Other6753Total non-operating expenses5615333Ordinary income5.6886.125Extraordinary income2.518-Gain on sales of noncurrent assets-21Gain on sales of securities2.518-Other224Total extraordinary income2.54026Extraordinary loss1.844-Loss on retirement of noncurrent assets10370Loss on retirement obligations5812Total extraordinary losses2.00583Income before income taxes and minority interests6.2236.0688Income taxes-deferredA3883111Total income taxes1.6352.212Income before minority interests4.5883.856Minority interests in income2.669137	Interest income	56	38
Total non-operating income363309Non-operating expenses493479Interest expenses493479Other6753Total non-operating expenses5615333Ordinary income5.6886.125Extraordinary income2.518-Gain on sales of noncurrent assets-21Gain on sales of securities2.518-Other224Total extraordinary income2.54026Extraordinary loss10370Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1.844-Other5812Total extraordinary losses2.00583Income before income taxes and minority interests6.2236.0688Income taxes-deferred Δ 3883111Total income taxes1.6352.212Income before minority interests4.5883.856Minority interests in income2.669137	Purchase discounts	99	96
Non-operating expensesInterest expenses493479Other6753Total non-operating expenses561533Ordinary income5,6886,125Extraordinary income5,6886,125Gain on sales of noncurrent assets-21Gain on sales of securities2,518-Other224Total extraordinary income2,54026Extraordinary loss10370Loss on retirement of noncurrent assets10370Loss on retirement of changes of accounting standard for asset retirement obligations1,844-Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-deferred Δ 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Other	206	174
Interest expenses493479Other6753Total non-operating expenses561533Ordinary income5,6886,125Extraordinary income2Gain on sales of noncurrent assets—21Gain on sales of securities2,518—Other224Total extraordinary income2,54026Extraordinary loss10370Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844—Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Total non-operating income	363	309
Other6753Total non-operating expenses561533Ordinary income5,6886,125Extraordinary income21Gain on sales of noncurrent assets-21Gain on sales of securities2,518-Other224Total extraordinary income2,54026Extraordinary loss10370Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844-Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-deferred Δ 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Non-operating expenses		
Total non-operating expenses561533Ordinary income5,6886,125Extraordinary incomeGain on sales of noncurrent assets-21Gain on sales of securities2,518-Other224Total extraordinary income2,54026Extraordinary loss10370Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844-Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-deferred \triangle 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Interest expenses	493	479
Ordinary income5,6886,125Extraordinary incomeGain on sales of noncurrent assets—21Gain on sales of securities2,518—Other224Total extraordinary income2,54026Extraordinary lossLoss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844—Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Other	67	53
Extraordinary incomeGain on sales of noncurrent assets—21Gain on sales of securities2,518—Other224Total extraordinary income2,54026Extraordinary lossLoss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844—Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Total non-operating expenses	561	533
Gain on sales of noncurrent assets-21Gain on sales of securities2,518Other224Total extraordinary income2,54026Extraordinary lossLoss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-deferred \triangle 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Ordinary income	5,688	6,125
Gain on sales of securities2,518—Other224Total extraordinary income2,54026Extraordinary lossIncome taxes of accounting standard for asset retirement obligations10370Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844—Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-deferred Δ 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Extraordinary income		
Other224Total extraordinary income2,54026Extraordinary loss10370Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844—Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-deferred Δ 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Gain on sales of noncurrent assets	—	21
Total extraordinary income2,54026Extraordinary loss10370Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844—Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-deferredΔ388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Gain on sales of securities	2,518	—
Extraordinary loss10370Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844—Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-deferred $\triangle 388$ 311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Other	22	4
Loss on retirement of noncurrent assets10370Loss on adjustment for changes of accounting standard for asset retirement obligations1,844—Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-deferred \triangle 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Total extraordinary income	2,540	26
Loss on adjustment for changes of accounting standard for asset retirement obligations1,844—Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-deferred \triangle 388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Extraordinary loss		
for asset retirement obligations1,844Other5812Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-deferred△388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137		103	70
Total extraordinary losses2,00583Income before income taxes and minority interests6,2236,068Income taxes-current2,0241,900Income taxes-deferredΔ388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137		1,844	—
Income before income taxes and minority interests $6,223$ $6,068$ Income taxes-current $2,024$ $1,900$ Income taxes-deferred $\triangle 388$ 311 Total income taxes $1,635$ $2,212$ Income before minority interests $4,588$ $3,856$ Minority interests in income $2,669$ 137	Other	58	12
Income taxes-current2,0241,900Income taxes-deferred△388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Total extraordinary losses	2,005	83
Income taxes-deferred△388311Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Income before income taxes and minority interests	6,223	6,068
Total income taxes1,6352,212Income before minority interests4,5883,856Minority interests in income2,669137	Income taxes-current	2,024	1,900
Income before minority interests4,5883,856Minority interests in income2,669137	Income taxes-deferred	$\triangle 388$	311
Minority interests in income 2,669 137	Total income taxes	1,635	2,212
	Income before minority interests	4,588	3,856
Net income 1,918 3,718	Minority interests in income	2,669	137
	Net income	1,918	3,718

CONSOLIDATED STATEMENTS OF CASH FLOWS

		(Millions of yen)
	1Q / FY 2012	1Q / FY 2013
	(Mar.1,2011 − May 31,2011)	(Mar.1,2012 − May 31,2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	6,223	6,068
Depreciation and amortization	3,304	3,231
Loss on adjustment for changes of accounting standard for asset re	1,844	_
Increase (decrease) in allowance for doubtful accounts	59	△22
Interest and dividends income	△84	∆54
Interest expenses	493	479
Loss (gain) on sales of securities	△2,518	_
Equity in (earnings) losses of affiliates	∆12	∆12
Loss (gain) on sales of noncurrent assets	0	△21
Loss on retirement of noncurrent assets	103	70
Decrease (increase) in notes and accounts receivable-trade	△2,088	△1,959
Decrease (increase) in inventories	△898	△1,301
Increase (decrease) in notes and accounts payable-trade	1,589	1,186
Other, net	1,123	1,021
Subtotal	9,139	8,687
Interest and dividends income received	78	53
Interest expenses paid	△400	△364
Income taxes (paid) refund	△5,034	△5,845
Net cash provided by (used in) operating activities	3,783	2,530
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	△3,010	△13,224
Proceeds from sales of property, plant and equipment	0	307
Purchase of intangible assets	△143	$\triangle 95$
Purchase of investment securities	$\triangle 0$	△191
Decrease (increase) in short-term loans receivable	590	△200
Other, net	△57	△352
Net cash provided by (used in) investing activities	△2,621	△13,757
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	2,585	12,040
Proceeds from long-term loans payable	900	7,500
Repayment of long-term loans payable	△5,666	△4,975
Purchase of treasury stock	, ∆0	△2,092
Cash dividends paid	∆762	△970
Cash dividends paid to minority shareholders	△/02 △20	070 △20
Other, net	∆129	Δ129
Net cash provided by (used in) financing activities	△3,093	11,352
Effect of exchange rate change on cash and cash equivalents	<u>Δ0,000</u>	∆0
Net increase (decrease) in cash and cash equivalents	∆1,931	124
Cash and cash equivalents at beginning of period	12,316	6,260
Cash and cash equivalents at end of period	10,384	6,385