

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2023 (Based on Japanese GAAP)

January 9, 2024

Company name: IZUMI CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 8273 URL <https://www.izumi.co.jp/>
 Representative: President and Representative Director Yasuaki Yamanishi
 General Manager of Finance & Accounting
 Inquiries: Department Manabu Tanabe TEL +81-82-264-3211
 Scheduled date to file Quarterly Securities Report: January 10, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (For institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2023	344,819	3.3	21,836	(1.6)	22,325	(0.8)	14,525	(4.8)
Nine months ended November 30, 2022	333,922	–	22,198	–	22,496	–	15,264	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2023	203.13	–
Nine months ended November 30, 2022	213.52	–

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2021) and relevant ASBJ regulations from the beginning of the fiscal year ended February 28, 2023, and each figure for the first nine months of the fiscal year ended February 28, 2023 and for the first nine months of the fiscal year ending February 29, 2024 is the figure after applying the accounting standard and relevant ASBJ regulations. The percentage of year-on-year change for the first nine months of the fiscal year ended February 28, 2023 is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2023	495,201	287,179	55.3
As of February 28, 2023	478,541	278,104	55.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2023	–	43.00	–	44.00	87.00
Year ending February 29, 2024	–	44.00	–		
Year ending February 29, 2024 (Forecast)				44.00	88.00

3. Forecast of consolidated financial results for the fiscal year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	476,600	3.6	31,000	(7.9)	31,000	(9.9)	19,100	(17.6)	267.15

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2023	71,665,200 shares	As of February 28, 2023	71,665,200 shares
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Number of treasury shares at the end of the period

As of November 30, 2023	146,889 shares	As of February 28, 2023	168,894 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2023	71,509,466 shares	Nine months ended November 30, 2022	71,488,844 shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	10,331	9,409
Notes and accounts receivable - trade, and contract assets	47,493	54,880
Merchandise and finished goods	23,741	28,713
Work in process	82	144
Raw materials and supplies	564	573
Other	18,376	14,707
Allowance for doubtful accounts	(522)	(572)
Total current assets	100,067	107,855
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	144,492	154,891
Land	166,207	166,924
Other, net	17,509	14,833
Total property, plant and equipment	328,209	336,648
Intangible assets		
Goodwill	1,375	976
Other	10,455	10,471
Total intangible assets	11,831	11,447
Investments and other assets		
Other	38,894	39,826
Allowance for doubtful accounts	(460)	(576)
Total investments and other assets	38,433	39,250
Total non-current assets	378,474	387,346
Total assets	478,541	495,201

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,076	29,548
Short-term borrowings	7,590	19,900
Current portion of long-term borrowings	18,430	15,087
Accounts payable - other	14,133	18,797
Income taxes payable	6,124	2,400
Provision for bonuses	2,251	4,384
Provision for bonuses for directors (and other officers)	79	10
Contract liabilities	6,970	9,341
Provision for loss on building demolition	–	213
Provision for loss on lease contracts	32	32
Other	25,374	25,187
Total current liabilities	107,064	124,904
Non-current liabilities		
Long-term borrowings	50,517	39,423
Long-term leasehold and guarantee deposits received	21,843	21,985
Provision for retirement benefits for directors (and other officers)	68	78
Provision for loss on interest repayment	241	263
Provision for loss on lease contracts	391	366
Provision for loss on building demolition	–	209
Retirement benefit liability	8,841	9,207
Asset retirement obligations	9,484	9,608
Other	1,983	1,974
Total non-current liabilities	93,372	83,117
Total liabilities	200,437	208,021
Net assets		
Shareholders' equity		
Share capital	19,613	19,613
Capital surplus	22,753	22,753
Retained earnings	221,682	229,892
Treasury shares	(720)	(625)
Total shareholders' equity	263,329	271,634
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,041	1,646
Remeasurements of defined benefit plans	664	570
Total accumulated other comprehensive income	1,706	2,217
Non-controlling interests	13,068	13,328
Total net assets	278,104	287,179
Total liabilities and net assets	478,541	495,201

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
Quarterly consolidated statements of income

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Operating revenue	333,922	344,819
Net sales	294,625	303,500
Cost of sales	196,575	201,284
Gross profit	98,049	102,216
Operating revenue	39,296	41,319
Operating gross profit	137,346	143,535
Selling, general and administrative expenses	115,148	121,698
Operating profit	22,198	21,836
Non-operating income		
Interest and dividend income	169	146
Purchase discounts	153	172
Share of profit of entities accounted for using equity method	–	54
Other	565	586
Total non-operating income	888	960
Non-operating expenses		
Interest expenses	334	243
Share of loss of entities accounted for using equity method	18	–
Other	236	227
Total non-operating expenses	589	471
Ordinary profit	22,496	22,325
Extraordinary income		
Gain on sale of non-current assets	255	332
Gain on sale of investment securities	90	15
Subsidy income	13	156
Subsidy income	83	–
Other	26	–
Total extraordinary income	469	504
Extraordinary losses		
Loss on retirement of non-current assets	155	92
Impairment losses	28	356
Loss on store closings	148	198
Provision for loss on building demolition	–	422
Other	1	10
Total extraordinary losses	334	1,081
Profit before income taxes	22,631	21,748
Income taxes - current	7,529	7,559
Income taxes - deferred	(357)	(493)
Total income taxes	7,171	7,066
Profit	15,459	14,681
Profit attributable to non-controlling interests	195	156
Profit attributable to owners of parent	15,264	14,525

Quarterly consolidated statements of comprehensive income

	(Millions of yen)	
	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Profit	15,459	14,681
Other comprehensive income		
Valuation difference on available-for-sale securities	(247)	737
Remeasurements of defined benefit plans, net of tax	23	(93)
Share of other comprehensive income of entities accounted for using equity method	(4)	3
Total other comprehensive income	(229)	647
Comprehensive income	15,230	15,329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,165	15,036
Comprehensive income attributable to non-controlling interests	65	292

Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Cash flows from operating activities		
Profit before income taxes	22,631	21,748
Depreciation	11,738	12,267
Share-based payment expenses	48	43
Amortization of goodwill	399	399
Increase (decrease) in allowance for doubtful accounts	32	165
Interest and dividend income	(169)	(146)
Interest expenses	334	243
Share of loss (profit) of entities accounted for using equity method	18	(54)
Subsidy income	(13)	(156)
Subsidy income	(83)	–
Loss (gain) on sale of non-current assets	(254)	(331)
Loss on retirement of non-current assets	155	92
Loss (gain) on sale of investment securities	(90)	(15)
Impairment losses	28	356
Loss on store closings	148	198
Increase (decrease) in provision for loss on building demolition	(357)	422
Decrease (increase) in trade receivables and contract assets	(7,337)	(7,386)
Decrease (increase) in inventories	(4,973)	(5,041)
Increase (decrease) in trade payables	(823)	3,471
Increase (decrease) in deposits received	11,411	146
Other, net	1,909	7,986
Subtotal	34,755	34,408
Interest and dividends received	174	153
Interest paid	(366)	(269)
Subsidies received	13	156
Subsidies received	83	–
Income taxes refund (paid)	(11,150)	(11,000)
Net cash provided by (used in) operating activities	23,509	23,448
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,800)	(15,823)
Proceeds from sale of property, plant and equipment	942	803
Purchase of intangible assets	(1,177)	(1,033)
Proceeds from sale of investment securities	204	21
Other, net	130	116
Net cash provided by (used in) investing activities	(7,699)	(15,915)

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,570	12,310
Proceeds from long-term borrowings	–	500
Repayments of long-term borrowings	(15,137)	(14,936)
Purchase of treasury shares	(1)	(2)
Dividends paid	(6,147)	(6,292)
Dividends paid to non-controlling interests	(32)	(32)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(560)	–
Other, net	(3)	(0)
Net cash provided by (used in) financing activities	(19,313)	(8,454)
Net increase (decrease) in cash and cash equivalents	(3,503)	(921)
Cash and cash equivalents at beginning of period	11,621	10,331
Cash and cash equivalents at end of period	8,117	9,409