

**Consolidated Financial Results
for the Third Quarter of FY 2011**

(from September 1, 2010 to November 30, 2010)

Izumi Co., Ltd.

(Millions of yen)

	2009.3Q Three Months (Sep 1, 2009 – Nov 30, 2009)		2010.3Q Three Months (Sep 1, 2010 – Nov 30, 2010)	
		YOY		YOY
Revenues	114,218	-2.5%	119,083	4.3%
Operating Income	4,451	-6.0%	4,752	6.8%
Ordinary Income	4,130	2.7%	4,497	8.9%
Net Income	2,119	-56.2%	2,409	13.7%
Net Income per Share	¥ 22.25		¥ 25.29	

	2009.3Q Nine Months (Mar 1, 2009 – Nov 30, 2009)		2010.3Q Nine Months (Mar 1, 2010 – Nov 30, 2010)	
		YOY		YOY
Revenues	356,764	-2.0%	365,424	2.4%
Operating Income	14,271	-5.0%	14,985	5.0%
Ordinary Income	13,530	-4.1%	14,166	4.7%
Net Income	6,741	-29.5%	7,225	7.2%
Net Income per Share	¥ 70.76		¥ 75.84	

	Feb 28, 2010 (End of FY2010)	Nov 30, 2010 (End of 3Q/FY2011)
Total Assets	388,277	377,819
Net Assets	123,745	129,590
Owners' Equity Ratio	30.1%	31.7%
Net Assets per Share	¥ 1,228.70	¥ 1,256.75

Dividends

	FY2010	FY2011 (forecast)
1Q	-	-
2Q	¥ 8.00	¥ 8.00
3Q	-	-
4Q	¥ 8.00	¥ 8.00
Annual	¥ 16.00	¥ 16.00

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	November 30,2010	February 28,2010
Assets		
Current assets		
Cash and deposits	12,028	15,490
Notes and accounts receivable–trade	21,128	17,531
Merchandise and finished goods	22,955	23,181
Work in process	45	69
Raw materials and supplies	272	288
Other	16,058	19,079
Allowance for doubtful accounts	△987	△930
Total current assets	71,501	74,711
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	137,962	143,237
Land	119,844	119,265
Other, net	9,993	10,938
Total property, plant and equipment	267,800	273,441
Intangible assets	7,312	7,654
Investments and other assets		
Other	31,996	33,293
Allowance for doubtful accounts	△791	△822
Total investments and other assets	31,204	32,470
Total noncurrent assets	306,317	313,565
Total assets	377,819	388,277
Liabilities		
Current liabilities		
Notes and accounts payable–trade	23,723	30,328
Short–term loans payable	40,610	21,080
Current portion of long–term loans payable	22,087	20,724
Income taxes payable	2,404	6,100
Provision for bonuses	2,797	1,588
Provision for directors' bonuses	2	12
Provision for point card certificates	1,169	1,067
Provision for loss on recollection of gift certificates	54	53
Other	12,953	23,616
Total current liabilities	105,802	104,572
Noncurrent liabilities		
Long–term loans payable	108,370	124,253
Provision for retirement benefits	5,745	5,487
Provision for directors' retirement benefits	819	1,163
Provision for loss on interest repayment	589	692
Other	26,900	28,363
Total noncurrent liabilities	142,426	159,959
Total liabilities	248,228	264,531
Net assets		
Shareholders' equity		
Capital stock	19,613	19,613
Capital surplus	22,282	22,419
Retained earnings	94,027	107,288
Treasury stock	△16,262	△32,705
Total shareholders' equity	119,661	116,616
Valuation and translation adjustments		
Valuation difference on available–for–sale securities	365	694
Foreign currency translation adjustment	△295	△251
Total valuation and translation adjustments	70	443
Minority interests	9,859	6,685
Total net assets	129,590	123,745
Total liabilities and net assets	377,819	388,277

CONSOLIDATED STATEMENTS OF INCOME : Three Months

	(Millions of yen)	
	2009.3Q	2010.3Q
	Three Months (September 1,2009 – November 30,2009)	Three Months (September 1,2010 – November 30,2010)
Net sales	108,518	113,311
Cost of sales	85,026	89,593
Gross profit	23,491	23,717
Operating revenue	5,700	5,772
Operating gross profit	29,192	29,490
Selling, general and administrative expenses	24,740	24,737
Operating income	4,451	4,752
Non-operating income		
Interest income	35	34
Purchase discounts	110	108
Penalty income	—	113
Other	131	117
Total non-operating income	277	373
Non-operating expenses		
Interest expenses	563	528
Other	34	100
Total non-operating expenses	598	629
Ordinary income	4,130	4,497
Extraordinary income		
Other	7	7
Total extraordinary income	7	7
Extraordinary loss		
Loss on retirement of noncurrent assets	35	49
Loss on cancellation of leasehold contracts	—	44
Other	52	19
Total extraordinary losses	88	113
Income before income taxes and minority interests	4,049	4,391
Income taxes-current	1,890	1,910
Income taxes-deferred	△143	△125
Total income taxes	1,747	1,785
Minority interests in income	182	197
Net income	2,119	2,409

CONSOLIDATED STATEMENTS OF INCOME : Nine Months

(Millions of yen)

	2009.3Q Nine Months (March 1,2009 – November 30,2009)	2010.3Q Nine Months (March 1,2010 – November 30,2010)
Net sales	339,388	348,016
Cost of sales	265,854	274,634
Gross profit	73,534	73,382
Operating revenue	17,375	17,407
Operating gross profit	90,910	90,789
Selling, general and administrative expenses	76,638	75,804
Operating income	14,271	14,985
Non-operating income		
Interest income	142	132
Purchase discounts	314	288
Other	1,090	950
Total non-operating income	1,547	1,371
Non-operating expenses		
Interest expenses	1,683	1,648
Other	604	541
Total non-operating expenses	2,287	2,190
Ordinary income	13,530	14,166
Extraordinary income		
Reversal of provision for directors' retirement benefits	127	103
Gain on sales of securities	—	2,546
Other	37	164
Total extraordinary income	164	2,814
Extraordinary loss		
Loss on retirement of noncurrent assets	419	257
Impairment loss	786	46
Other	133	151
Total extraordinary losses	1,339	455
Income before income taxes and minority interests	12,355	16,526
Income taxes—current	6,123	6,159
Income taxes—deferred	△864	28
Total income taxes	5,259	6,187
Minority interests in income	355	3,113
Net income	6,741	7,225

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	2009.3Q Nine Months (March 1,2009 – November 30,2009)	2010.3Q Nine Months (March 1,2010 – November 30,2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	12,355	16,526
Depreciation and amortization	10,990	10,823
Impairment loss	786	46
Increase (decrease) in allowance for doubtful accounts	△10	25
Interest and dividends income	△202	△314
Interest expenses	1,683	1,648
Loss (gain) on sales and valuation of investment securities	△44	—
Loss (gain) on valuation of investment securities	—	245
Loss (gain) on sales of securities	—	△2,546
Equity in (earnings) losses of affiliates	△65	△10
Loss (gain) on sales of property, plant and equipment	△1	—
Loss (gain) on sales of noncurrent assets	—	23
Loss on retirement of noncurrent assets	419	257
Decrease (increase) in notes and accounts receivable—trade	△2,994	△3,596
Decrease (increase) in inventories	△798	265
Increase (decrease) in notes and accounts payable—trade	△6,888	△6,604
Other, net	1,821	△4,576
Subtotal	17,051	12,212
Interest and dividends income received	286	306
Interest expenses paid	△1,670	△1,698
Income taxes (paid) refund	△2,762	△9,851
Net cash provided by (used in) operating activities	12,905	968
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	△17,538	△11,050
Proceeds from sales of property, plant and equipment	44	242
Purchase of intangible assets	△401	△443
Purchase of investment securities	△11	△3
Proceeds from sales of investment securities	253	911
Decrease (increase) in short-term loans receivable	—	2,332
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	7	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	12	—
Other, net	398	366
Net cash provided by (used in) investing activities	△17,234	△7,645
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	11,996	19,530
Proceeds from long-term loans payable	26,900	600
Repayment of long-term loans payable	△10,616	△15,120
Redemption of convertible bonds	△19,070	—
Purchase of treasury stock	△1	△1
Cash dividends paid	△1,524	△1,524
Cash dividends paid to minority shareholders	△20	△20
Other, net	△225	△237
Net cash provided by (used in) financing activities	7,438	3,225
Effect of exchange rate change on cash and cash equivalents	△36	△11
Net increase (decrease) in cash and cash equivalents	3,072	△3,462
Cash and cash equivalents at beginning of period	9,751	15,490
Cash and cash equivalents at end of period	12,824	12,028