

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 | △319 | △330 |
| Total accumulated other comprehensive income | △105 | △429 |
| Minority interests | 13,087 | 13,207 |
| Total net assets | 125,389 | 125,841 |
| Total liabilities and net assets | 370,377 | 379,809 |

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

| | 1Q / FY 2012 (Mar.1,2011 – May 31,2011) | 1Q / FY 2013 (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 gross profit | 31,435 | 31,979 |
| Selling, general and administrative expenses | 25,550 | 25,629 |
| Operating income | 5,885 | 6,349 |
| Non-operating income | | |
| Interest income | 56 | 38 |
| Purchase discounts | 99 | 96 |
| Other | 206 | 174 |
| Total non-operating income | 363 | 309 |
| Non-operating expenses | | |
| Interest expenses | 493 | 479 |
| Other | 67 | 53 |
| Total non-operating expenses | 561 | 533 |
| Ordinary income | 5,688 | 6,125 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | — | 21 |
| Gain on sales of securities | 2,518 | — |
| Other | 22 | 4 |
| Total extraordinary income | 2,540 | 26 |
| Extraordinary loss | | |
| Loss on retirement of noncurrent assets | 103 | 70 |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | 1,844 | — |
| Other | 58 | 12 |
| Total extraordinary losses | 2,005 | 83 |
| Income before income taxes and minority interests | 6,223 | 6,068 |
| Income taxes—current | 2,024 | 1,900 |
| Income taxes—deferred | △388 | 311 |
| Total income taxes | 1,635 | 2,212 |
| Income before minority interests | 4,588 | 3,856 |
| Minority interests in income | 2,669 | 137 |
| Net income | 1,918 | 3,718 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

| | 1Q / FY 2012 (Mar.1,2011 – May 31,2011) | 1Q / FY 2013 (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 | △95 |
| Purchase of investment securities | △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 | △20 | △20 |
| Other, net | △129 | △129 |
| Net cash provided by (used in) financing activities | △3,093 | 11,352 |
| Effect of exchange rate change on cash and cash equivalents | △0 | △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 |