

Consolidated Financial Results for the Second Quarter of FY2013

(from March 1,2012 to August 31,2012)

Izumi Co., Ltd.

(Millions of yen)

	2Q / FY2012 Six Months (Mar.1,2011 – Aug.31,2011)		2Q / FY2013 Six Months (Mar.1,2012 – Aug.31,2012)	
		YOY		YOY
Revenues	250,462	1.7%	260,344	3.9%
Operating Income	11,832	15.6%	13,037	10.2%
Ordinary Income	11,422	18.1%	12,558	9.9%
Net Income	4,901	1.8%	7,809	59.3%
Net Income per Share	¥ 51.96		¥ 97.81	
Notes : Comprehensive income	7,476	—	7,980	6.7%

(Millions of yen)

	Feb.29,2012 (End of FY2012)	Aug.31,2012 (End of 2QFY2013)
Total Assets	370,377	376,876
Net Assets	125,389	126,152
Owners' Equity Ratio	30.3%	30.7%

Dividends

	FY2012	FY2013(forecast)
1Q	—	—
2Q	¥ 8.00	¥ 18.00
3Q	—	—
4Q	¥ 12.00	¥ 18.00
Annual	¥ 20.00	¥ 36.00

Consolidated Quarterly Financial Statements
CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2012	August 31, 2012
Assets		
Current assets		
Cash and deposits	6,260	6,330
Notes and accounts receivable—trade	20,323	21,842
Merchandise and finished goods	20,677	20,493
Work in process	17	23
Raw materials and supplies	267	288
Other	14,324	13,396
Allowance for doubtful accounts	△ 830	△ 770
Total current assets	61,040	61,605
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	139,428	135,806
Land	121,051	128,045
Other, net	8,410	11,410
Total property, plant and equipment	268,891	275,261
Intangible assets	7,059	6,726
Investments and other assets		
Other	34,172	34,057
Allowance for doubtful accounts	△ 786	△ 773
Total investments and other assets	33,385	33,283
Total noncurrent assets	309,336	315,271
Total assets	370,377	376,876
Liabilities		
Current liabilities		
Notes and accounts payable—trade	21,715	24,682
Short-term loans payable	32,025	44,850
Current portion of long-term loans payable	23,969	19,951
Income taxes payable	6,179	4,572
Provision for bonuses	1,482	1,896
Provision for directors' bonuses	62	2
Provision for point card certificates	1,584	1,656
Provision for loss on recollection of gift certificates	53	52
Other	15,851	12,707
Total current liabilities	102,924	110,371
Noncurrent liabilities		
Long-term loans payable	101,605	99,918
Provision for retirement benefits	6,070	6,201
Provision for directors' retirement benefits	962	1,167
Provision for loss on interest repayment	482	432
Asset retirement obligations	6,796	7,039
Other	26,145	25,593
Total noncurrent liabilities	142,063	140,353
Total liabilities	244,987	250,724
Net assets		
Shareholders' equity		
Capital stock	19,613	19,613
Capital surplus	22,282	22,282
Retained earnings	87,555	73,984
Treasury stock	△ 17,043	△ 2
Total shareholders' equity	112,407	115,877
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214	101
Foreign currency translation adjustment	△ 319	△ 332
Total accumulated other comprehensive income	△ 105	△ 231
Minority interests	13,087	10,505
Total net assets	125,389	126,152
Total liabilities and net assets	370,377	376,876

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	2Q / FY 2012 (Mar.1,2011 – Aug.31,2011)	2Q / FY 2013 (Mar.1,2012 – Aug.31,2012)
Net sales	238,717	247,992
Cost of sales	186,447	194,826
Gross profit	52,269	53,165
Operating revenue	11,744	12,351
Operating gross profit	64,014	65,517
Selling, general and administrative expenses	52,182	52,479
Operating income	11,832	13,037
Non-operating income		
Interest income	99	86
Purchase discounts	181	185
Other	401	316
Total non-operating income	682	589
Non-operating expenses		
Interest expenses	976	948
Other	116	120
Total non-operating expenses	1,092	1,068
Ordinary income	11,422	12,558
Extraordinary income		
Gain on sales of noncurrent assets	11	32
Gain on sales of securities	2,518	—
Gain on negative goodwill	—	745
Other	44	48
Total extraordinary income	2,574	826
Extraordinary loss		
Loss on sales of noncurrent assets	0	149
Loss on retirement of noncurrent assets	466	230
Loss on valuation of investment securities	10	183
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,844	—
Other	221	9
Total extraordinary losses	2,542	573
Income before income taxes and minority interests	11,453	12,810
Income taxes—current	4,157	4,283
Income taxes—deferred	△419	465
Total income taxes	3,737	4,748
Income before minority interests	7,716	8,062
Minority interests in income	2,814	253
Net income	4,901	7,809

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	2Q / FY 2012 (Mar.1,2011 – Aug.31,2011)	2Q / FY 2013 (Mar.1,2012 – Aug.31,2012)
Income before minority interests	7,716	8,062
Other comprehensive income		
Valuation difference on available-for-sale securities	△203	△68
Foreign currency translation adjustment	△35	△13
Total other comprehensive income	△239	△81
Comprehensive income	7,476	7,980
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,675	7,683
Comprehensive income attributable to minority interests	2,801	297

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	2Q / FY 2012 (Mar.1,2011 – Aug.31,2011)	2Q / FY 2013 (Mar.1,2012 – Aug.31,2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	11,453	12,810
Depreciation and amortization	6,668	6,621
Gain on negative goodwill	—	△745
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,844	—
Increase (decrease) in allowance for doubtful accounts	△16	△73
Interest and dividends income	△146	△124
Interest expenses	976	948
Loss (gain) on valuation of investment securities	10	183
Loss (gain) on sales of securities	△2,518	—
Equity in (earnings) losses of affiliates	△16	△10
Loss (gain) on sales of noncurrent assets	△10	116
Loss on retirement of noncurrent assets	466	230
Decrease (increase) in notes and accounts receivable-trade	△1,385	△1,518
Decrease (increase) in inventories	755	156
Increase (decrease) in notes and accounts payable-trade	2,436	2,966
Other, net	△1,239	499
Subtotal	19,279	22,061
Interest and dividends income received	149	122
Interest expenses paid	△1,002	△941
Income taxes (paid) refund	△5,023	△5,858
Net cash provided by (used in) operating activities	13,402	15,384
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	△6,502	△16,011
Proceeds from sales of property, plant and equipment	31	342
Purchase of intangible assets	△364	△178
Purchase of investment securities	△2	△259
Purchase of investments in subsidiaries	—	△413
Decrease (increase) in short-term loans receivable	1,185	81
Other, net	361	199
Net cash provided by (used in) investing activities	△5,290	△16,237
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	5,230	12,825
Proceeds from long-term loans payable	3,000	7,500
Repayment of long-term loans payable	△10,913	△13,205
Purchase of treasury stock	△7,718	△3,368
Purchase of treasury stock of subsidiaries in consolidation	—	△1,701
Cash dividends paid	△762	△970
Cash dividends paid to minority shareholders	△20	△20
Other, net	△133	△134
Net cash provided by (used in) financing activities	△11,318	924
Effect of exchange rate change on cash and cash equivalents	△2	△1
Net increase (decrease) in cash and cash equivalents	△3,208	69
Cash and cash equivalents at beginning of period	12,316	6,260
Cash and cash equivalents at end of period	9,107	6,330