

Consolidated Financial Results for the Third Quarter of FY2012

(from September 1,2012 to November 30,2012)

Izumi Co., Ltd.

(Millions of yen)

	3Q / FY2011 Nine Months (Mar.1,2011 – Nov.30,2011)		3Q / FY2012 Nine Months (Mar.1,2012 – Nov.30,2012)	
		YOY		YOY
Revenues	371,609	1.7%	387,924	4.4%
Operating Income	16,821	12.3%	19,124	13.7%
Ordinary Income	16,204	14.4%	18,405	13.6%
Net Income	7,598	5.2%	11,084	45.9%
Net Income per Share	¥ 82.82		¥ 139.97	
Notes : Comprehensive income	10,326	—	11,543	11.8%

(Millions of yen)

	Feb.29,2012 (End of FY2011)	Nov.30,2012 (End of 3Q FY2012)
Total Assets	370,377	387,111
Net Assets	125,389	121,456
Owners' Equity Ratio	30.3%	28.6%

Dividends

	FY2011	FY2012
1Q	—	—
2Q	¥ 8.00	¥ 18.00
3Q	—	—
4Q	¥ 12.00	¥ 18.00 (forecast)
Annual	¥ 20.00	¥ 36.00 (forecast)

Consolidated Quarterly Financial Statements
CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	February 29, 2012	November 30, 2012
Assets		
Current assets		
Cash and deposits	6,260	7,137
Notes and accounts receivable—trade	20,323	24,869
Merchandise and finished goods	20,677	24,146
Work in process	17	53
Raw materials and supplies	267	291
Other	14,324	15,073
Allowance for doubtful accounts	△830	△769
Total current assets	61,040	70,803
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	139,428	134,502
Land	121,051	130,303
Other, net	8,410	10,507
Total property, plant and equipment	268,891	275,313
Intangible assets		
Investments and other assets	7,059	7,172
Other	34,172	34,606
Allowance for doubtful accounts	△786	△784
Total investments and other assets	33,385	33,822
Total noncurrent assets	309,336	316,308
Total assets	370,377	387,111
Liabilities		
Current liabilities		
Notes and accounts payable—trade	21,715	26,645
Short-term loans payable	32,025	50,750
Current portion of long-term loans payable	23,969	21,329
Income taxes payable	6,179	2,871
Provision for bonuses	1,482	2,859
Provision for directors' bonuses	62	1
Provision for point card certificates	1,584	1,776
Provision for loss on recollection of gift certificates	53	54
Other	15,851	13,643
Total current liabilities	102,924	119,931
Noncurrent liabilities		
Long-term loans payable	101,605	104,661
Provision for retirement benefits	6,070	6,283
Provision for directors' retirement benefits	962	1,188
Provision for loss on interest repayment	482	417
Asset retirement obligations	6,796	7,110
Other	26,145	26,062
Total noncurrent liabilities	142,063	145,723
Total liabilities	244,987	265,655
Net assets		
Shareholders' equity		
Capital stock	19,613	19,613
Capital surplus	22,282	22,282
Retained earnings	87,555	75,840
Treasury stock	△17,043	△6,841
Total shareholders' equity	112,407	110,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214	220
Foreign currency translation adjustment	△319	△305
Total accumulated other comprehensive income	△105	△85
Minority interests	13,087	10,647
Total net assets	125,389	121,456
Total liabilities and net assets	370,377	387,111

Consolidated Quarterly Financial Statements
CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	3Q / FY 2011 (Mar.1,2011 – Nov.30,2011)	3Q / FY 2012 (Mar.1,2012 – Nov.30,2012)
Net sales	353,998	369,369
Cost of sales	276,884	290,554
Gross profit	77,113	78,814
Operating revenue	17,611	18,555
Operating gross profit	94,724	97,369
Selling, general and administrative expenses	77,903	78,244
Operating income	16,821	19,124
Non-operating income		
Interest income	132	103
Purchase discounts	280	288
Other	652	445
Total non-operating income	1,066	837
Non-operating expenses		
Interest expenses	1,450	1,392
Other	232	164
Total non-operating expenses	1,683	1,557
Ordinary income	16,204	18,405
Extraordinary income		
Gain on sales of securities	2,518	—
Gain on negative goodwill	—	745
Other	147	81
Total extraordinary income	2,666	826
Extraordinary loss		
Loss on sales of noncurrent assets	1	151
Loss on retirement of noncurrent assets	484	411
Loss on valuation of investment securities	11	9
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,844	—
Other	218	25
Total extraordinary losses	2,560	597
Income before income taxes and minority interests	16,309	18,634
Income taxes—current	6,459	6,997
Income taxes—deferred	△735	191
Total income taxes	5,723	7,189
Income before minority interests	10,585	11,445
Minority interests in income	2,987	360
Net income	7,598	11,084

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	3Q / FY 2011 (Mar.1,2011 – Nov.30,2011)	3Q / FY 2012 (Mar.1,2012 – Nov.30,2012)
Income before minority interests	10,585	11,445
Other comprehensive income		
Valuation difference on available-for-sale securities	△231	84
Foreign currency translation adjustment	△27	14
Total other comprehensive income	△259	98
Comprehensive income	10,326	11,543
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,352	11,104
Comprehensive income attributable to minority interests	2,973	439

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	3Q / FY 2011 (Mar.1,2011 – Nov.30,2011)	3Q / FY 2012 (Mar.1,2012 – Nov.30,2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	16,309	18,634
Depreciation and amortization	10,169	9,999
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	6	△64
Interest and dividends income	△199	△156
Interest expenses	1,450	1,392
Loss (gain) on sales of securities	△2,518	—
Equity in (earnings) losses of affiliates	△17	△13
Loss (gain) on sales of noncurrent assets	△9	118
Loss on retirement of noncurrent assets	484	411
Decrease (increase) in notes and accounts receivable-trade	△3,934	△4,514
Decrease (increase) in inventories	△2,157	△3,443
Increase (decrease) in notes and accounts payable-trade	3,944	4,530
Other, net	△749	800
Subtotal	24,623	26,949
Interest and dividends income received	190	146
Interest expenses paid	△1,374	△1,310
Income taxes (paid) refund	△8,831	△10,218
Net cash provided by (used in) operating activities	14,608	15,566
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	△7,751	△17,656
Proceeds from sales of property, plant and equipment	38	343
Purchase of intangible assets	△770	△335
Purchase of investment securities	△66	△335
Purchase of investments in subsidiaries	—	△413
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	218
Decrease (increase) in short-term loans receivable	1,373	△1,208
Other, net	402	121
Net cash provided by (used in) investing activities	△6,774	△19,265
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	8,845	18,725
Proceeds from long-term loans payable	13,000	18,300
Repayment of long-term loans payable	△16,831	△17,884
Purchase of treasury stock	△15,635	△10,207
Purchase of treasury stock of subsidiaries in consolidation	—	△1,701
Cash dividends paid	△1,471	△2,390
Cash dividends paid to minority shareholders	△20	△20
Other, net	△238	△246
Net cash provided by (used in) financing activities	△12,352	4,575
Effect of exchange rate change on cash and cash equivalents	△2	1
Net increase (decrease) in cash and cash equivalents	△4,521	877
Cash and cash equivalents at beginning of period	12,316	6,260
Cash and cash equivalents at end of period	7,795	7,137