

# Consolidated Financial Results for the Third Quarter of FY2013

(from March 1,2013 to November 30,2013)

Izumi Co., Ltd.

(Millions of yen)

	3Q / FY2012 Nine Months (Mar.1,2012 – Nov.30,2012)		3Q / FY2013 Nine Months (Mar.1,2013 – Nov.30,2013)	
		YOY		YOY
Revenues	387,924	4.4%	404,788	4.3%
Operating Income	19,124	13.7%	20,308	6.2%
Ordinary Income	18,405	13.6%	19,739	7.3%
Net Income	11,084	45.9%	11,907	7.4%
Net Income per Share	¥ 139.97		¥ 160.81	
Notes : Comprehensive income	11,543	11.8%	12,423	7.6%

(Millions of yen)

	Feb.28,2013 (End of FY2012)	Nov.30,2013 (End of 3QFY2013)
Total Assets	379,824	413,412
Net Assets	126,139	127,141
Owners' Equity Ratio	30.4%	28.4%

## Dividends

	FY2012	FY2013
1Q	–	–
2Q	¥ 18.00	¥ 20.00
3Q	–	–
4Q	¥ 20.00	¥ 20.00 (forecast)
Annual	¥ 38.00	¥ 40.00 (forecast)

Consolidated Quarterly Financial Statements  
**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	February 28, 2013	November 30, 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,862	8,196
Notes and accounts receivable-trade	22,134	28,595
Merchandise and finished goods	21,384	26,634
Work in process	16	99
Raw materials and supplies	286	333
Other	14,350	16,295
Allowance for doubtful accounts	△661	△638
Total current assets	64,372	79,515
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	131,862	133,781
Land	131,876	145,576
Other, net	10,948	11,102
Total property, plant and equipment	274,687	290,459
<b>Intangible assets</b>	7,012	7,350
<b>Investments and other assets</b>		
Other	34,172	36,505
Allowance for doubtful accounts	△421	△419
Total investments and other assets	33,751	36,086
Total noncurrent assets	315,451	333,896
<b>Total assets</b>	<b>379,824</b>	<b>413,412</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	21,517	42,550
Short-term loans payable	41,625	31,731
Current portion of long-term loans payable	23,579	25,984
Income taxes payable	6,541	2,486
Provision for bonuses	1,466	2,818
Provision for directors' bonuses	59	1
Provision for point card certificates	1,655	1,967
Provision for loss on recollection of gift certificates	58	57
Asset retirement obligations	740	705
Other	14,636	28,703
Total current liabilities	111,881	137,005
<b>Noncurrent liabilities</b>		
Long-term loans payable	101,625	109,576
Provision for retirement benefits	6,358	6,469
Provision for directors' retirement benefits	1,203	1,226
Provision for loss on interest repayment	403	327
Asset retirement obligations	6,399	6,471
Other	25,810	25,192
Total noncurrent liabilities	141,802	149,264
Total liabilities	253,684	286,270
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,613	19,613
Capital surplus	22,282	22,282
Retained earnings	80,942	89,040
Treasury stock	△7,770	△14,362
Total shareholders' equity	115,067	116,573
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	583	937
Foreign currency translation adjustment	△270	△261
Total accumulated other comprehensive income	312	676
<b>Minority interests</b>	10,759	9,891
<b>Total net assets</b>	<b>126,139</b>	<b>127,141</b>
<b>Total liabilities and net assets</b>	<b>379,824</b>	<b>413,412</b>

Consolidated Quarterly Financial Statements  
**CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

	3Q / FY2012 (Mar.1,2012 – Nov.30,2012)	3Q / FY2013 (Mar.1,2013 – Nov.30,2013)
Net sales	369,369	385,524
Cost of sales	290,554	303,511
<b>Gross profit</b>	<b>78,814</b>	<b>82,013</b>
Operating revenue	18,555	19,263
<b>Operating gross profit</b>	<b>97,369</b>	<b>101,277</b>
Selling, general and administrative expenses	78,244	80,968
<b>Operating income</b>	<b>19,124</b>	<b>20,308</b>
<b>Non-operating income</b>		
Interest income	103	108
Purchase discounts	288	268
Other	445	606
Total non-operating income	837	983
<b>Non-operating expenses</b>		
Interest expenses	1,392	1,288
Other	164	263
Total non-operating expenses	1,557	1,552
<b>Ordinary income</b>	<b>18,405</b>	<b>19,739</b>
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	32	693
Gain on negative goodwill	745	—
Other	48	100
Total extraordinary income	826	794
<b>Extraordinary loss</b>		
Loss on retirement of noncurrent assets	411	377
Impairment loss	—	1,535
Other	186	209
Total extraordinary losses	597	2,121
<b>Income before income taxes and minority interests</b>	<b>18,634</b>	<b>18,412</b>
Income taxes—current	6,997	7,634
Income taxes—deferred	191	△1,257
<b>Total income taxes</b>	<b>7,189</b>	<b>6,376</b>
Income before minority interests	11,445	12,035
Minority interests in income	360	128
<b>Net income</b>	<b>11,084</b>	<b>11,907</b>

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Millions of yen)

	3Q / FY2012 (Mar.1,2012 – Nov.30,2012)	3Q / FY2013 (Mar.1,2013 – Nov.30,2013)
Income before minority interests	11,445	12,035
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	84	378
Foreign currency translation adjustment	14	9
<b>Total other comprehensive income</b>	<b>98</b>	<b>388</b>
<b>Comprehensive income</b>	<b>11,543</b>	<b>12,423</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	11,104	12,270
Comprehensive income attributable to minority interests	439	152

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

	3Q / FY2012 (Mar.1,2012 – Nov.30,2012)	3Q / FY2013 (Mar.1,2013 – Nov.30,2013)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	18,634	18,412
Depreciation and amortization	9,999	9,375
Impairment loss	—	1,535
Amortization of goodwill	—	86
Gain on negative goodwill	△745	—
Increase (decrease) in allowance for doubtful accounts	△64	△24
Interest and dividends income	△156	△164
Interest expenses	1,392	1,288
Equity in (earnings) losses of affiliates	△13	△23
Loss (gain) on sales of noncurrent assets	118	△684
Loss on retirement of noncurrent assets	411	377
Decrease (increase) in notes and accounts receivable-trade	△4,514	△6,509
Decrease (increase) in inventories	△3,443	△5,379
Increase (decrease) in notes and accounts payable-trade	4,530	21,207
Other, net	800	4,812
<b>Subtotal</b>	<b>26,949</b>	<b>44,308</b>
Interest and dividends income received	146	164
Interest expenses paid	△1,310	△1,070
Income taxes (paid) refund	△10,218	△11,566
<b>Net cash provided by (used in) operating activities</b>	<b>15,566</b>	<b>31,835</b>
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	△17,656	△21,229
Proceeds from sales of property, plant and equipment	343	1,540
Purchase of intangible assets	△335	△1,143
Purchase of investment securities	△335	△326
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	△1,208	△256
Other, net	121	468
<b>Net cash provided by (used in) investing activities</b>	<b>△19,265</b>	<b>△20,948</b>
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	18,725	△9,894
Proceeds from long-term loans payable	18,300	25,100
Repayment of long-term loans payable	△17,884	△14,743
Purchase of treasury stock	△10,207	△6,591
Purchase of treasury stock of subsidiaries in consolidation	△1,701	—
Cash dividends paid	△2,390	△2,974
Cash dividends paid to minority shareholders	△20	△20
Other, net	△246	△124
<b>Net cash provided by (used in) financing activities</b>	<b>4,575</b>	<b>△9,248</b>
Effect of exchange rate change on cash and cash equivalents	1	△0
Net increase (decrease) in cash and cash equivalents	877	1,638
Cash and cash equivalents at beginning of period	6,260	6,862
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	△304
<b>Cash and cash equivalents at end of period</b>	<b>7,137</b>	<b>8,196</b>