Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 31, 2015 (Based on Japanese GAAP)

July 8, 2015

Company name: IZUMI CO., LTD.

Stock exchange listing: Tokyo

Stock code: 8273 URL http://www.izumi.co.jp/

Representative: President Yasuaki Yamanishi

Executive Officer and General Manager of Inquiries:

Finance & Accounting Department

Masami Kawanishi

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Scheduled date to file Quarterly Securities Report: July 14, 2015

Scheduled date to commence dividend payments: - Preparation of supplementary material on quarterly financial results: Yes Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for three months ended May 31, 2015 (from March 1, 2015 to May 31, 2015)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2015	151,590	7.9	8,089	20.6	7,964	17.4	4,443	8.4
Three months ended May 31, 2014	140,481	4.4	6,709	(6.6)	6,784	(3.1)	4,097	(1.4)

	Net income per share	Diluted net income per share
	Y	Yen Yen
Three months ended May 31, 2015	61	.84
Three months ended May 31, 2014	57	7.03

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2015	440,006	149,430	31.5
As of February 28, 2015	432,416	145,709	31.2

2. Cash dividends

2. Cush dividends								
		Annual dividends per share						
	1st quarter-end	1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end T						
	Yen	Yen	Yen	Yen	Yen			
Year ended February 28, 2015	_	23.00	_	28.00	51.00			
Year ending February 29, 2016	_							
Year ending February 29, 2016 (Forecast)		28.00	-	28.00	56.00			

3. Forecast of consolidated financial results for the fiscal year ending February 29, 2016 (from March 1, 2015 to February 29, 2016)

Percentages indicate year-on-year changes

	Operating rev	enue	Operating inc	ome	Ordinary inco	ome	Net incom	e	Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2015	309,500	9.2	14,600	6.0	14,300	4.5	8,100	(4.9)	112.72
Full year	648,200	11.8	33,300	9.8	32,100	7.8	18,100	4.3	251.89

4. Notes

(1) Changes in significant subsidiaries during the three months ended May 31, 2015 (changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements:

No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

Changes in accounting policies due to other reasons:

No
Changes in accounting estimates:

No
Restatement of prior period financial statements:

No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

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As of May 31, 2015	78,861,920 shares	As of February 28, 2015	!	78,861,920 shares
Number of treasury shares at the end of the	period			
As of May 31, 2015	7,005,819 shares	As of February 28, 2015	-	7,005,563 shares
Average number of shares during the perio	d (cumulative from the beg	ginning of the fiscal year)		
Three months ended May 31, 2015	71,856,197 shares	Three months ended May 31, 2014	İ	71,857,100 shares

(Millions of yen)

	As of February 28, 2015	As of May 31, 2015
Assets		
Current assets		
Cash and deposits	13,380	12,824
Notes and accounts receivable - trade	28,540	31,705
Merchandise and finished goods	24,517	24,531
Work in process	85	190
Raw materials and supplies	383	372
Other	16,413	18,353
Allowance for doubtful accounts	(627)	(653)
Total current assets	82,692	87,322
Non-current assets	·	,
Property, plant and equipment		
Buildings and structures, net	136,677	136,088
Land	147,469	147,746
Other, net	20,015	23,460
Total property, plant and equipment	304,162	307,295
Intangible assets	7,985	8,040
Investments and other assets	,	,
Other	37,971	37,740
Allowance for doubtful accounts	(395)	(393)
Total investments and other assets	37,575	37,347
Total non-current assets	349,723	352,683
Total assets	432,416	440,006
Liabilities	· · · · · · · · · · · · · · · · · · ·	·
Current liabilities		
Notes and accounts payable - trade	40,564	46,039
Short-term loans payable	20,387	22,451
Current portion of long-term loans payable	25,888	25,584
Income taxes payable	6,987	2,666
Provision for bonuses	1,491	2,628
Provision for directors' bonuses	37	10
Provision for point card certificates	2,017	2,219
Provision for loss on recollection of gift certificates	81	81
Other	36,640	36,019
Total current liabilities	134,096	137,699
Non-current liabilities		
Long-term loans payable	110,876	112,662
Provision for directors' retirement benefits	1,405	1,450
Provision for loss on interest repayment	273	257
Net defined benefit liability	8,193	6,716
Asset retirement obligations	6,723	6,751
Other	25,138	25,038
Total non-current liabilities	152,610	152,876
Total liabilities	286,706	290,576

	As of February 28, 2015	As of May 31, 2015
Net assets		
Shareholders' equity		
Capital stock	19,613	19,613
Capital surplus	22,282	22,282
Retained earnings	108,283	111,678
Treasury shares	(16,763)	(16,764)
Total shareholders' equity	133,416	136,810
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,785	2,152
Remeasurements of defined benefit plans	(383)	(375)
Total accumulated other comprehensive income	1,402	1,777
Minority interests	10,890	10,842
Total net assets	145,709	149,430
Total liabilities and net assets	432,416	440,006

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income Quarterly consolidated statements of income

(Millions	of yen)
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	Three months ended May 31, 2014	Three months ended May 31, 2015
Net sales	133,928	144,753
Cost of sales	106,084	113,891
Gross profit	27,843	30,862
Operating revenue	6,553	6,836
Operating gross profit	34,396	37,698
Selling, general and administrative expenses	27,687	29,609
Operating income	6,709	8,089
Non-operating income		
Interest income	36	37
Purchase discounts	80	72
Share of profit of entities accounted for using equity method	287	18
Other	201	223
Total non-operating income	605	351
Non-operating expenses		
Interest expenses	420	385
Other	109	91
Total non-operating expenses	530	476
Ordinary income	6,784	7,964
Extraordinary income		
Gain on sales of non-current assets	1	2
Gain on bargain purchase	19	_
Subsidy income	_	20
Total extraordinary income	21	22
Extraordinary losses		
Loss on sales of non-current assets	41	17
Loss on retirement of non-current assets	50	80
Impairment loss	_	83
Other	9	36
Total extraordinary losses	101	218
Income before income taxes and minority interests	6,704	7,769
Income taxes - current	2,155	2,609
Income taxes - deferred	411	754
Total income taxes	2,566	3,363
Income before minority interests	4,138	4,405
Minority interests in income (loss)	40	(38)
Net income	4,097	4,443

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended May 31, 2014	Three months ended May 31, 2015
Income before minority interests	4,138	4,405
Other comprehensive income		
Valuation difference on available-for-sale securities	46	383
Foreign currency translation adjustment	(0)	_
Remeasurements of defined benefit plans, net of tax	_	14
Share of other comprehensive income of entities accounted for using equity method	(2)	-
Total other comprehensive income	43	397
Comprehensive income	4,181	4,803
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,185	4,819
Comprehensive income attributable to minority interests	(3)	(16)

(Millions of yen)

	Three months ended May 31, 2014	(Millions of yen Three months ended May 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	6,704	7,769
Depreciation	3,122	3,209
Impairment loss	_	83
Amortization of goodwill	28	42
Gain on bargain purchase	(19)	_
Increase (decrease) in allowance for doubtful accounts	1	54
Interest and dividend income	(53)	(46)
Interest expenses	420	385
Share of (profit) loss of entities accounted for using equity method	(287)	(18)
Loss (gain) on sales of non-current assets	39	14
Loss on retirement of non-current assets	50	80
Decrease (increase) in notes and accounts receivable - trade	(3,346)	(3,164)
Decrease (increase) in inventories	(122)	(108)
Increase (decrease) in notes and accounts payable - trade	16,601	5,474
Other, net	5,370	(2,136)
Subtotal	28,510	11,639
Interest and dividend income received	59	53
Interest expenses paid	(270)	(338)
Income taxes (paid) refund	(5,164)	(6,847)
Net cash provided by (used in) operating activities	23,135	4,507
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,657)	(6,005)
Proceeds from sales of property, plant and equipment	39	90
Purchase of intangible assets	(162)	(272)
Purchase of investment securities	(300)	(487)
Decrease (increase) in short-term loans receivable	(219)	(210)
Other, net	(191)	356
Net cash provided by (used in) investing activities	(5,490)	(6,529)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(14,828)	2,063
Proceeds from long-term loans payable	6,700	6,402
Repayments of long-term loans payable	(4,412)	(4,920)
Purchase of treasury shares	(0)	(1)
Cash dividends paid	(1,652)	(2,012)
Cash dividends paid to minority shareholders	(28)	(28)
Other, net	(8)	(37)
Net cash provided by (used in) financing activities	(14,230)	1,466
Effect of exchange rate change on cash and cash equivalents	(0)	-
Net increase (decrease) in cash and cash equivalents	3,413	(555)
Cash and cash equivalents at beginning of period	6,800	12,990
Cash and cash equivalents at end of period	10,213	12,434