

**Consolidated Financial Results**  
**for the Second Quarter of FY 2010**

(from June 1, 2009 to August 31, 2009)

**Izumi Co., Ltd.**

(Millions of yen)

	2009.2Q Three Months (Jun 1, 2009 – Aug 31, 2009)		2008.2Q Three Months (Jun 1, 2008 – Aug 31, 2008)	
		YOY		YOY
Revenues	121,404	-2.5%	124,495	—
Operating Income	4,167	1.0%	4,128	—
Ordinary Income	3,865	-7.0%	4,156	—
Net Income	1,832	7.7%	1,700	—
Net Income per Share	¥ 19.24		¥ 17.97	

	2009.2Q Six Months (Mar 1, 2009 – Aug 31, 2009)		2008.2Q Six Months (Mar 1, 2008 – Aug 31, 2008)	
		YOY		YOY
Revenues	242,545	-1.8%	247,019	6.9%
Operating Income	9,819	-4.5%	10,287	-14.7%
Ordinary Income	9,400	-6.8%	10,086	-14.5%
Net Income	4,621	-2.1%	4,721	-26.6%
Net Income per Share	¥ 48.51		¥ 49.87	

	Aug 31, 2009 (End of 2Q/FY2010)	Feb 31, 2009 (End of FY2009)
Total Assets	385,719	385,159
Net Assets	120,592	116,667
Owners' Equity Ratio	29.5%	28.6%
Net Assets per Share	¥ 1,195.95	¥ 1,154.70

Dividends

	FY2009 (forecast)	FY2008
1Q	—	—
2Q	¥ 8.00	¥ 8.00
3Q	—	—
4Q	¥ 8.00	¥ 8.00
Annual	¥ 16.00	¥ 16.00

**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

	August 31,2009	February 28,2009
<b>( Assets )</b>		
<b>Current assets</b>	68,176	69,940
Cash and deposits	11,699	9,751
Notes and accounts receivable–trade	16,066	15,365
Merchandise and finished goods	22,121	25,120
Work in process	64	44
Raw materials and supplies	257	260
Other	18,964	20,381
Allowance for doubtful accounts	(996)	(983)
<b>Noncurrent assets</b>	317,542	315,218
<b>Property, plant and equipment</b>	273,845	271,740
Buildings and structures, net	136,328	140,589
Land	119,617	119,659
Other, net	17,899	11,491
<b>Intangible assets</b>	7,854	8,125
<b>Investments and other assets</b>	35,842	35,352
Other	37,046	36,581
Allowance for doubtful accounts	(1,204)	(1,228)
<b>Total assets</b>	<b>385,719</b>	<b>385,159</b>
<b>( Liabilities )</b>		
<b>Current liabilities</b>	99,077	112,818
Notes and accounts payable–trade	21,746	29,778
Short–term loans payable	31,860	22,543
Current portion of convertible bonds	–	19,075
Current portion of long–term loans payable	16,742	12,012
Income taxes payable	4,231	781
Provision for bonuses	2,156	1,540
Provision for directors' bonuses	1	10
Provision for point card certificates	1,025	953
Provision for loss on recollection of gift certificates	54	56
Provision for loss on demolition buildings	137	518
Other	21,121	25,548
<b>Noncurrent liabilities</b>	166,048	155,673
Long–term loans payable	129,497	119,024
Provision for retirement benefits	5,354	5,259
Provision for directors' retirement benefits	1,141	1,262
Provision for loss on guarantees	1,100	1,100
Provision for loss on interest repayment	890	342
Other	28,065	28,683
<b>Total liabilities</b>	<b>265,126</b>	<b>268,491</b>
<b>( Net assets )</b>		
<b>Shareholders' equity</b>	113,206	109,343
Capital stock	19,613	19,613
Capital surplus	22,377	22,377
Retained earnings	103,920	100,061
Treasury stock	(32,705)	(32,708)
<b>Valuation and translation adjustments</b>	734	665
Valuation difference on available–for–sale securities	941	791
Foreign currency translation adjustment	(206)	(126)
<b>Minority interests</b>	6,651	6,659
<b>Total net assets</b>	<b>120,592</b>	<b>116,667</b>
<b>Total liabilities and net assets</b>	<b>385,719</b>	<b>385,159</b>

**CONSOLIDATED STATEMENTS OF INCOME**

(Millions of yen)

	Three Months (June 1,2009 – August 31,2009)	Six Months (March 1,2009 – August 31,2009)
Net sales	115,641	230,870
<b>Cost of sales</b>	<b>90,697</b>	<b>180,827</b>
Gross profit	24,944	50,042
Operating income	5,763	11,675
Operating gross profit	30,707	61,717
<b>Selling, general and administrative expenses</b>	<b>26,540</b>	<b>51,898</b>
Operating income	4,167	9,819
<b>Non-operating income</b>	<b>643</b>	<b>1,269</b>
Interest income	35	106
Purchase discounts	92	203
Other	515	958
<b>Non-operating expenses</b>	<b>945</b>	<b>1,688</b>
Interest expenses	568	1,119
Other	376	569
Ordinary income	3,865	9,400
<b>Extraordinary income</b>	<b>–</b>	<b>157</b>
Reversal of provision for directors' retirement benefits	–	127
Other	–	30
<b>Extraordinary loss</b>	<b>609</b>	<b>1,251</b>
Loss on retirement of property, plant and equipment	296	384
Impairment loss	240	786
Other	71	80
Income before income taxes	3,256	8,305
<b>Income taxes</b>	<b>1,379</b>	<b>3,511</b>
Income taxes–current	1,562	4,232
Income taxes–deferred	(182)	(721)
<b>Minority interests in income</b>	<b>44</b>	<b>172</b>
Net income	1,832	4,621

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

Six Months  
(March 1,2009 –  
August 31,2009)

<b>Net cash provided by (used in) operating activities</b>	
Income before income taxes	8,305
Depreciation and amortization	7,234
Impairment loss	786
Increase (decrease) in allowance for doubtful accounts	(10)
Interest and dividends income	(157)
Interest expenses	1,119
Loss (gain) on sales and valuation of investment securities	(154)
Equity in (earnings) losses of affiliates	(68)
Gain & loss on sales and retirement of property, plant and equipment	(0)
Loss on retirement of property, plant and equipment	384
Decrease (increase) in notes and accounts receivable-trade	(697)
Decrease (increase) in inventories	2,977
Increase (decrease) in notes and accounts payable-trade	(8,036)
Other, net	281
<b>Subtotal</b>	<b>11,963</b>
Interest and dividends income received	252
Interest expenses paid	(1,205)
Income taxes paid	(794)
<b>Net cash provided by (used in) operating activities</b>	<b>10,216</b>
<b>Net cash provided by (used in) investing activities</b>	
Purchase of property, plant and equipment	(12,981)
Proceeds from sales of property, plant and equipment	13
Purchase of intangible assets	(259)
Purchase of investment securities	(9)
Proceeds from sales of investment securities	259
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	7
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	12
Other, net	161
<b>Net cash provided by (used in) investing activities</b>	<b>(12,795)</b>
<b>Net cash provided by (used in) financing activities</b>	
Net increase (decrease) in short-term loans payable	9,316
Proceeds from long-term loans payable	21,550
Repayment of long-term loans payable	(6,346)
Redemption of convertible bonds	(19,070)
Purchase of treasury stock	(0)
Cash dividends paid	(762)
Cash dividends paid to minority shareholders	(20)
Other, net	(125)
<b>Net cash provided by (used in) financing activities</b>	<b>4,541</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(14)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,948</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>9,751</b>
<b>Cash and cash equivalents at end of year</b>	<b>11,699</b>