

**Consolidated Financial Results  
for the First Quarter of FY 2011**

(from March 1,2010 to May 31,2010)

**Izumi Co.,Ltd.**

(Millions of yen)

	2009.1Q (2009.3.1~2009.5.31)		2010.1Q (2010.3.1~2010.5.31)	
		YOY		YOY
Revenues	121,140	-1.1%	121,379	0.2%
Operating Income	5,652	-8.2%	4,905	-13.2%
Ordinary Income	5,534	-6.7%	4,665	-15.7%
Net Income	2,788	-7.7%	2,011	-27.9%
Net Income per Share	¥ 29.27		¥ 21.12	

	Feb 28, 2010 (End of FY2010)	May 31, 2010 (End of 1Q/FY2011)
Total Assets	388,277	383,173
Net Assets	123,745	125,107
Owners' Equity Ratio	30.1%	30.2%
Net Assets per Share	¥ 1,228.70	¥ 1,213.37

Dividends

	FY2010	FY2011(forecast)
1Q	-	-
2Q	¥ 8.00	¥ 8.00
3Q	-	-
4Q	¥ 8.00	¥ 8.00
Annual	¥ 16.00	¥ 16.00

Consolidated Quarterly Financial Statements  
**CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

May 31,2010 February 28,2010

	May 31,2010	February 28,2010
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	12,279	15,490
Notes and accounts receivable-trade	18,627	17,531
Merchandise and finished goods	23,144	23,181
Work in process	51	69
Raw materials and supplies	289	288
Other	18,518	19,079
Allowance for doubtful accounts	△944	△930
Total current assets	71,966	74,711
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	140,984	143,237
Land	119,158	119,265
Other, net	11,494	10,938
Total property, plant and equipment	271,638	273,441
<b>Intangible assets</b>	7,476	7,654
<b>Investments and other assets</b>		
Other	32,934	33,293
Allowance for doubtful accounts	△841	△822
Total investments and other assets	32,093	32,470
Total noncurrent assets	311,207	313,565
<b>Total assets</b>	<b>383,173</b>	<b>388,277</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	20,835	30,328
Short-term loans payable	39,035	21,080
Current portion of long-term loans payable	22,059	20,724
Income taxes payable	2,357	6,100
Provision for bonuses	2,759	1,588
Provision for directors' bonuses	1	12
Provision for point card certificates	1,095	1,067
Provision for loss on recollection of gift certificates	53	53
Other	16,373	23,616
Total current liabilities	104,569	104,572
<b>Noncurrent liabilities</b>		
Long-term loans payable	118,587	124,253
Provision for retirement benefits	5,582	5,487
Provision for directors' retirement benefits	797	1,163
Provision for loss on interest repayment	661	692
Other	27,867	28,363
Total noncurrent liabilities	153,497	159,959
Total liabilities	258,066	264,531
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	19,613	19,613
Capital surplus	22,098	22,419
Retained earnings	89,760	107,288
Treasury stock	△16,261	△32,705
Total shareholders' equity	115,210	116,616
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	630	694
Foreign currency translation adjustment	△241	△251
Total valuation and translation adjustments	388	443
<b>Minority interests</b>	9,508	6,685
<b>Total net assets</b>	<b>125,107</b>	<b>123,745</b>
<b>Total liabilities and net assets</b>	<b>383,173</b>	<b>388,277</b>

**CONSOLIDATED STATEMENTS OF INCOME**

	(Millions of yen)	
	2009.1Q Three Months (March 1,2009 – May 31,2009)	2010.1Q Three Months (March 1,2010 – May 31,2010)
Net sales	115,228	115,565
<b>Cost of sales</b>	<b>90,130</b>	<b>91,184</b>
Gross profit	25,097	24,381
Operating revenue	5,912	5,814
Operating gross profit	31,010	30,195
<b>Selling, general and administrative expenses</b>	<b>25,357</b>	<b>25,290</b>
Operating income	5,652	4,905
<b>Non-operating income</b>		
Interest income	70	52
Purchase discounts	110	101
Other	443	406
Total non-operating income	625	559
<b>Non-operating expenses</b>		
Interest expenses	550	565
Other	193	233
Total non-operating expenses	743	799
Ordinary income	5,534	4,665
<b>Extraordinary income</b>		
Reversal of provision for directors' retirement benefits	127	103
Gain on sales of securities	—	2,546
Other	30	13
Total extraordinary income	157	2,663
<b>Extraordinary loss</b>		
Loss on sales of noncurrent assets	—	53
Impairment loss	545	46
Other	96	55
Total extraordinary losses	642	155
Income before income taxes and minority interests	5,048	7,174
Income taxes—current	2,670	2,308
Income taxes—deferred	△538	111
<b>Total income taxes</b>	<b>2,132</b>	<b>2,419</b>
Minority interests in income	127	2,743
Net income	2,788	2,011

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Millions of yen)

	2009.1Q Three Months (March 1,2009 – May 31,2009)	2010.1Q Three Months (March 1,2010 – May 31,2010)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	5,048	7,174
Depreciation and amortization	3,580	3,550
Impairment loss	545	46
Increase (decrease) in allowance for doubtful accounts	1	31
Interest and dividends income	△100	△78
Interest expenses	550	565
Loss (gain) on sales and valuation of investment securities	△149	—
Loss (gain) on valuation of investment securities	—	87
Loss (gain) on sales of securities	—	△2,546
Equity in (earnings) losses of affiliates	△77	△13
Loss (gain) on sales of property, plant and equipment	△0	—
Loss (gain) on sales of noncurrent assets	—	53
Loss on retirement of property, plant and equipment	87	—
Loss on retirement of noncurrent assets	—	7
Decrease (increase) in notes and accounts receivable—trade	△1,530	△1,095
Decrease (increase) in inventories	322	54
Increase (decrease) in notes and accounts payable—trade	2,341	△9,492
Other, net	2,502	△2,749
Subtotal	13,124	△4,403
Interest and dividends income received	94	78
Interest expenses paid	△419	△587
Income taxes (paid) refund	△762	△6,051
Net cash provided by (used in) operating activities	12,037	△10,964
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	△6,114	△5,331
Proceeds from sales of property, plant and equipment	0	77
Purchase of intangible assets	△95	△84
Purchase of investment securities	△8	△0
Proceeds from sales of investment securities	105	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	12	—
Other, net	26	381
Net cash provided by (used in) investing activities	△6,072	△4,959
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	6,939	17,955
Proceeds from long-term loans payable	2,550	—
Repayment of long-term loans payable	△2,372	△4,332
Purchase of treasury stock	△0	△0
Cash dividends paid	△762	△762
Cash dividends paid to minority shareholders	△20	△20
Other, net	△125	△129
Net cash provided by (used in) financing activities	6,209	12,711
Effect of exchange rate change on cash and cash equivalents	△1	0
Net increase (decrease) in cash and cash equivalents	12,171	△3,211
Cash and cash equivalents at beginning of period	9,751	15,490
<b>Cash and cash equivalents at end of period</b>	<b>21,922</b>	<b>12,279</b>