

Consolidated Financial Results for the Second Quarter of FY2013

(from March 1,2013 to August 31,2013)

Izumi Co., Ltd.

(Millions of yen)

	2Q / FY2012 Six Months (Mar.1,2012 – Aug.31,2012)		2Q / FY2013 Six Months (Mar.1,2013 – Aug.31,2013)	
		YOY		YOY
Revenues	260,344	3.9%	272,528	4.7%
Operating Income	13,037	10.2%	14,635	12.3%
Ordinary Income	12,558	9.9%	14,243	13.4%
Net Income	7,809	59.3%	9,171	17.4%
Net Income per Share	¥ 97.81		¥ 123.44	
Notes : Comprehensive income	7,980	6.7%	9,687	21.4%

(Millions of yen)

	Feb.28,2013 (End of FY2012)	Aug.31,2013 (End of 2QFY2013)
Total Assets	379,824	400,287
Net Assets	126,139	130,704
Owners' Equity Ratio	30.4%	29.9%

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	Aug.31,2013
Assets		
Current assets		
Cash and deposits	6,862	15,536
Notes and accounts receivable-trade	22,134	24,932
Merchandise and finished goods	21,384	21,973
Work in process	16	180
Raw materials and supplies	286	301
Other	14,350	15,061
Allowance for doubtful accounts	△661	△633
Total current assets	64,372	77,351
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	131,862	129,271
Land	131,876	135,881
Other, net	10,948	16,201
Total property, plant and equipment	274,687	281,354
Intangible assets		
Investments and other assets	7,012	7,045
Other	34,172	34,956
Allowance for doubtful accounts	△421	△420
Total investments and other assets	33,751	34,536
Total noncurrent assets	315,451	322,936
Total assets	379,824	400,287
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,517	39,481
Short-term loans payable	41,625	30,285
Current portion of long-term loans payable	23,579	25,690
Income taxes payable	6,541	5,455
Provision for bonuses	1,466	1,868
Provision for directors' bonuses	59	23
Provision for point card certificates	1,655	1,804
Provision for loss on recollection of gift certificates	58	57
Asset retirement obligations	740	741
Other	14,636	23,930
Total current liabilities	111,881	129,338
Noncurrent liabilities		
Long-term loans payable	101,625	100,228
Provision for retirement benefits	6,358	6,426
Provision for directors' retirement benefits	1,203	1,211
Provision for loss on interest repayment	403	349
Asset retirement obligations	6,399	6,439
Other	25,810	25,588
Total noncurrent liabilities	141,802	140,243
Total liabilities	253,684	269,582
Net assets		
Shareholders' equity		
Capital stock	19,613	19,613
Capital surplus	22,282	22,282
Retained earnings	80,942	87,781
Treasury stock	△7,770	△10,540
Total shareholders' equity	115,067	119,137
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	583	815
Foreign currency translation adjustment	△270	△262
Total accumulated other comprehensive income	312	552
Minority interests	10,759	11,014
Total net assets	126,139	130,704
Total liabilities and net assets	379,824	400,287

Consolidated Quarterly Financial Statements
CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	2Q / FY2012 (Mar.1,2012 – Aug.31,2012)	2Q / FY2013 (Mar.1,2013 – Aug.31,2013)
Net sales	247,992	259,691
Cost of sales	194,826	204,165
Gross profit	53,165	55,526
Operating revenue	12,351	12,836
Operating gross profit	65,517	68,363
Selling, general and administrative expenses	52,479	53,727
Operating income	13,037	14,635
Non-operating income		
Interest income	86	72
Purchase discounts	185	187
Other	316	381
Total non-operating income	589	640
Non-operating expenses		
Interest expenses	948	849
Other	120	183
Total non-operating expenses	1,068	1,033
Ordinary income	12,558	14,243
Extraordinary income		
Gain on sales of noncurrent assets	32	693
Gain on negative goodwill	745	—
Other	48	61
Total extraordinary income	826	754
Extraordinary loss		
Loss on retirement of noncurrent assets	230	292
Other	342	47
Total extraordinary losses	573	340
Income before income taxes and minority interests	12,810	14,657
Income taxes—current	4,283	5,331
Income taxes—deferred	465	△43
Total income taxes	4,748	5,287
Income before minority interests	8,062	9,369
Minority interests in income	253	197
Net income	7,809	9,171

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	2Q / FY2012 (Mar.1,2012 – Aug.31,2012)	2Q / FY2013 (Mar.1,2013 – Aug.31,2013)
Income before minority interests	8,062	9,369
Other comprehensive income		
Valuation difference on available-for-sale securities	△68	310
Foreign currency translation adjustment	△13	7
Total other comprehensive income	△81	317
Comprehensive income	7,980	9,687
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	7,683	9,411
Comprehensive income attributable to minority interests	297	275

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

	2Q / FY2012 (Mar.1,2012 – Aug.31,2012)	2Q / FY2013 (Mar.1,2013 – Aug.31,2013)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	12,810	14,657
Depreciation and amortization	6,621	6,096
Gain on negative goodwill	△745	—
Amortization of goodwill	—	57
Increase (decrease) in allowance for doubtful accounts	△73	△28
Interest and dividends income	△124	△117
Interest expenses	948	849
Equity in (earnings) losses of affiliates	△10	△10
Loss (gain) on sales of noncurrent assets	116	△661
Loss on retirement of noncurrent assets	230	292
Decrease (increase) in notes and accounts receivable-trade	△1,518	△2,797
Decrease (increase) in inventories	156	△768
Increase (decrease) in notes and accounts payable-trade	2,966	17,963
Other, net	682	4,753
Subtotal	22,061	40,286
Interest and dividends income received	122	119
Interest expenses paid	△941	△772
Income taxes (paid) refund	△5,858	△6,376
Net cash provided by (used in) operating activities	15,384	33,256
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	△16,011	△10,703
Proceeds from sales of property, plant and equipment	342	1,513
Purchase of intangible assets	△178	△535
Purchase of investment securities	△259	△265
Purchase of investments in subsidiaries	△413	—
Decrease (increase) in short-term loans receivable	81	9
Other, net	199	329
Net cash provided by (used in) investing activities	△16,237	△9,651
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	12,825	△11,340
Proceeds from long-term loans payable	7,500	10,000
Repayment of long-term loans payable	△13,205	△9,286
Purchase of treasury stock	△3,368	△2,769
Purchase of treasury stock of subsidiaries in consolidation	△1,701	—
Cash dividends paid	△970	△1,497
Cash dividends paid to minority shareholders	△20	△20
Other, net	△134	△16
Net cash provided by (used in) financing activities	924	△14,929
Effect of exchange rate change on cash and cash equivalents	△1	△1
Net increase (decrease) in cash and cash equivalents	69	8,674
Cash and cash equivalents at beginning of period	6,260	6,862
Cash and cash equivalents at end of period	6,330	15,536