

**Translation**

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results  
for the Year Ended February 28, 2021  
(Based on Japanese GAAP)**

April 13, 2021

Company name: IZUMI CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 8273 URL <https://www.izumi.co.jp/>  
 Representative: President and Representative Director Yasuaki Yamanishi  
 Director and Senior Managing Executive  
 Inquiries: Officer and Administration Division Manager Tatsuya Mikamoto TEL +81-82-264-3211  
 Scheduled date of ordinary general meeting of shareholders: May 26, 2021  
 Scheduled date to file Securities Report: May 27, 2021  
 Scheduled date to commence dividend payments: May 27, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (For institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2021 (from March 1, 2020 to February 28, 2021)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2021	679,778	(8.7)	35,781	12.2	36,078	12.8	23,053	15.5
Year ended February 29, 2020	744,349	1.7	31,888	(9.6)	31,979	(8.9)	19,953	(15.1)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2021	321.72	–	10.3	7.4	5.5
Year ended February 29, 2020	278.45	–	9.6	6.6	4.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2021	489,692	245,411	47.5	3,244.56
As of February 29, 2020	490,106	226,264	43.7	2,991.24

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2021	48,320	(6,633)	(25,361)	25,306
Year ended February 29, 2020	57,681	(16,693)	(40,142)	8,982

2. Cash dividends

	Annual dividends per share					Total cash dividends (Full year)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 29, 2020	–	40.00	–	40.00	80.00	5,732	28.7	2.8
Year ended February 28, 2021	–	40.00	–	43.00	83.00	5,947	25.8	2.7
Year ending February 28, 2022 (Forecast)	–	43.00	–	43.00	86.00		26.2	

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2021	354,300	8.6	17,500	6.3	17,700	6.4	11,900	11.4	166.07
Full year	721,400	6.1	36,700	2.6	36,800	2.0	23,500	1.9	327.95

4. Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of February 28, 2021	71,665,200 shares	As of February 29, 2020	71,665,200 shares
-------------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of February 28, 2021	8,106 shares	As of February 29, 2020	7,346 shares
-------------------------	--------------	-------------------------	--------------

Average number of shares during the period

Year ended February 28, 2021	71,657,606 shares	Year ended February 29, 2020	71,658,190 shares
------------------------------	-------------------	------------------------------	-------------------

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,982	25,306
Notes and accounts receivable - trade	46,392	42,497
Merchandise and finished goods	25,780	21,661
Work in process	13	20
Raw materials and supplies	535	458
Other	17,242	17,717
Allowance for doubtful accounts	(644)	(550)
<b>Total current assets</b>	<b>98,302</b>	<b>107,112</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	399,826	400,335
Accumulated depreciation	(238,153)	(245,053)
Buildings and structures, net	161,672	155,281
Machinery, equipment and vehicles	10,062	11,242
Accumulated depreciation	(6,683)	(7,185)
Machinery, equipment and vehicles, net	3,379	4,057
Land	163,240	163,136
Leased assets	117	84
Accumulated depreciation	(106)	(64)
Leased assets, net	10	20
Construction in progress	1,552	497
Other	42,148	42,840
Accumulated depreciation	(34,556)	(35,294)
Other, net	7,591	7,545
<b>Total property, plant and equipment</b>	<b>337,447</b>	<b>330,539</b>
<b>Intangible assets</b>		
Goodwill	3,172	2,441
Other	8,307	8,249
<b>Total intangible assets</b>	<b>11,479</b>	<b>10,690</b>
<b>Investments and other assets</b>		
Investment securities	11,039	9,876
Long-term loans receivable	1,563	1,542
Deferred tax assets	8,326	9,244
Leasehold and guarantee deposits	17,722	16,909
Other	4,783	4,322
Allowance for doubtful accounts	(558)	(546)
<b>Total investments and other assets</b>	<b>42,877</b>	<b>41,350</b>
<b>Total non-current assets</b>	<b>391,804</b>	<b>382,580</b>
<b>Total assets</b>	<b>490,106</b>	<b>489,692</b>

(Millions of yen)

As of February 29, 2020

As of February 28, 2021

Liabilities	As of February 29, 2020	As of February 28, 2021
Current liabilities		
Notes and accounts payable - trade	49,977	47,367
Short-term borrowings	2,000	1,300
Current portion of long-term borrowings	19,925	19,756
Accounts payable - other	15,653	14,076
Income taxes payable	5,089	7,983
Provision for bonuses	2,206	2,204
Provision for bonuses for directors (and other officers)	27	36
Provision for point card certificates	2,695	2,416
Provision for loss on recollection of gift certificates	81	115
Provision for loss on building demolition	-	117
Asset retirement obligations	13	39
Other	16,291	18,183
Total current liabilities	113,962	113,596
Non-current liabilities		
Long-term borrowings	106,991	88,335
Lease obligations	5	17
Long-term leasehold and guarantee deposits received	23,498	22,552
Provision for retirement benefits for directors (and other officers)	1,002	915
Provision for loss on interest repayment	114	146
Provision for loss on building demolition	-	436
Retirement benefit liability	8,514	8,852
Deferred tax liabilities	1,413	980
Asset retirement obligations	8,099	8,267
Other	237	180
Total non-current liabilities	149,879	130,684
Total liabilities	263,841	244,281
Net assets		
Shareholders' equity		
Share capital	19,613	19,613
Capital surplus	22,267	22,545
Retained earnings	171,751	189,072
Treasury shares	(27)	(30)
Total shareholders' equity	213,604	231,200
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	753	1,171
Remeasurements of defined benefit plans	(12)	123
Total accumulated other comprehensive income	741	1,294
Non-controlling interests	11,918	12,915
Total net assets	226,264	245,411
Total liabilities and net assets	490,106	489,692

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Year ended February 29, 2020	Year ended February 28, 2021
Net sales	709,455	645,672
Cost of sales	553,351	498,204
Gross profit	156,103	147,467
Operating revenue	34,893	34,105
Operating gross profit	190,997	181,573
Selling, general and administrative expenses		
Advertising and promotion expenses	16,430	9,643
Distribution expenses	8,215	8,152
Provision of allowance for doubtful accounts	230	184
Employees' salaries and bonuses	54,998	53,319
Provision for bonuses	2,011	2,119
Welfare expenses	10,456	10,522
Retirement benefit expenses	1,295	1,213
Rent expenses	11,855	11,526
Utilities expenses	8,471	7,482
Depreciation	15,672	15,243
Provision for retirement benefits for directors (and other officers)	61	(57)
Other	29,409	26,441
Total selling, general and administrative expenses	159,108	145,791
Operating profit	31,888	35,781
Non-operating income		
Interest and dividend income	250	243
Purchase discounts	291	183
Share of profit of entities accounted for using equity method	9	84
Penalty income	164	149
Other	768	1,232
Total non-operating income	1,484	1,893
Non-operating expenses		
Interest expenses	818	700
Compensation expenses	142	115
Other	433	781
Total non-operating expenses	1,393	1,597
Ordinary profit	31,979	36,078

(Millions of yen)

	Year ended February 29, 2020	Year ended February 28, 2021
Extraordinary income		
Gain on sales of non-current assets	329	57
Gain on sales of investment securities	9	3,115
Subsidy income	310	25
Income from insurance	–	412
Other	19	–
Total extraordinary income	669	3,610
Extraordinary losses		
Loss on sales of non-current assets	21	1
Loss on retirement of non-current assets	333	121
Impairment loss	1,146	1,641
Loss on valuation of investment securities	486	–
Loss on store closings	419	38
Loss on changes in construction project	213	–
Loss related to infectious disease	–	2,074
Loss on disaster	–	222
Provision for loss on building demolition	–	556
Other	183	179
Total extraordinary losses	2,803	4,835
Profit before income taxes	29,845	34,852
Income taxes - current	9,685	11,788
Income taxes - deferred	(179)	(1,482)
Total income taxes	9,505	10,306
Profit	20,339	24,546
Profit attributable to non-controlling interests	385	1,493
Profit attributable to owners of parent	19,953	23,053

**Consolidated statements of comprehensive income**

(Millions of yen)

	Year ended February 29, 2020	Year ended February 28, 2021
Profit	20,339	24,546
Other comprehensive income		
Valuation difference on available-for-sale securities	233	287
Remeasurements of defined benefit plans, net of tax	195	126
Share of other comprehensive income of entities accounted for using equity method	—	12
Total other comprehensive income	429	425
Comprehensive income	20,769	24,972
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,164	23,607
Comprehensive income attributable to non-controlling interests	604	1,365

**Consolidated statements of changes in net assets**

Fiscal year ended February 29, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,613	22,247	157,530	(25)	199,367
Changes during period					
Dividends of surplus			(5,732)		(5,732)
Profit attributable to owners of parent			19,953		19,953
Purchase of treasury shares				(2)	(2)
Purchase of shares of consolidated subsidiaries		19			19
Net changes in items other than shareholders' equity					
Total changes during period	–	19	14,220	(2)	14,237
Balance at end of period	19,613	22,267	171,751	(27)	213,604

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	737	(208)	529	11,649	211,546
Changes during period					
Dividends of surplus					(5,732)
Profit attributable to owners of parent					19,953
Purchase of treasury shares					(2)
Purchase of shares of consolidated subsidiaries					19
Net changes in items other than shareholders' equity	15	195	211	269	480
Total changes during period	15	195	211	269	14,717
Balance at end of period	753	(12)	741	11,918	226,264



	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,613	22,267	171,751	(27)	213,604
Changes during period					
Dividends of surplus			(5,732)		(5,732)
Profit attributable to owners of parent			23,053		23,053
Purchase of treasury shares				(2)	(2)
Purchase of shares of consolidated subsidiaries		278			278
Net changes in items other than shareholders' equity					
Total changes during period	–	278	17,320	(2)	17,596
Balance at end of period	19,613	22,545	189,072	(30)	231,200

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	753	(12)	741	11,918	226,264
Changes during period					
Dividends of surplus					(5,732)
Profit attributable to owners of parent					23,053
Purchase of treasury shares					(2)
Purchase of shares of consolidated subsidiaries					278
Net changes in items other than shareholders' equity	418	135	553	996	1,550
Total changes during period	418	135	553	996	19,146
Balance at end of period	1,171	123	1,294	12,915	245,411

**Consolidated statements of cash flows**

(Millions of yen)

	Year ended February 29, 2020	Year ended February 28, 2021
Cash flows from operating activities		
Profit before income taxes	29,845	34,852
Depreciation	16,164	15,872
Amortization of goodwill	785	737
Increase (decrease) in allowance for doubtful accounts	176	(106)
Interest and dividend income	(250)	(243)
Interest expenses	818	700
Share of loss (profit) of entities accounted for using equity method	(9)	(84)
Subsidy income	(310)	(25)
Income from insurance	–	(412)
Loss (gain) on sales of non-current assets	(308)	(55)
Loss on retirement of non-current assets	333	121
Loss (gain) on sales of investment securities	(9)	(3,115)
Loss (gain) on valuation of investment securities	486	–
Impairment loss	1,146	1,641
Loss on store closings	419	38
Loss on changes in construction project	213	–
Loss related to infectious disease	–	2,074
Loss on disaster	–	222
Increase (decrease) in provision for loss on building demolition	–	554
Decrease (increase) in trade receivables	(6,570)	3,895
Decrease (increase) in inventories	2,560	3,917
Increase (decrease) in trade payables	18,708	(2,610)
Increase (decrease) in retirement benefit liability	544	449
Other, net	1,938	904
Subtotal	66,683	59,328
Interest and dividends received	218	248
Interest paid	(812)	(742)
Subsidies received	1,040	115
Proceeds from insurance income	–	412
Payment of loss related to infectious disease	–	(1,888)
Payments associated with disaster loss	–	(104)
Income taxes (paid) refund	(9,448)	(9,049)
Net cash provided by (used in) operating activities	57,681	48,320
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,266)	(12,632)
Proceeds from sales of property, plant and equipment	864	1,835
Purchase of intangible assets	(1,330)	(1,289)
Purchase of investment securities	(476)	–
Proceeds from sales of investment securities	39	4,697
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(51)	–
Other, net	(472)	754
Net cash provided by (used in) investing activities	(16,693)	(6,633)

(Millions of yen)

	Year ended February 29, 2020	Year ended February 28, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(24,046)	(705)
Proceeds from long-term borrowings	11,000	1,100
Repayments of long-term borrowings	(21,259)	(19,925)
Purchase of treasury shares	(2)	(2)
Dividends paid	(5,732)	(5,732)
Dividends paid to non-controlling interests	(34)	(34)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(27)	(56)
Other, net	(40)	(5)
Net cash provided by (used in) financing activities	(40,142)	(25,361)
Net increase (decrease) in cash and cash equivalents	845	16,324
Cash and cash equivalents at beginning of period	8,136	8,982
Cash and cash equivalents at end of period	8,982	25,306