

**Translation**

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## Summary of Consolidated Financial Results for the Three Months Ended May 31, 2022 (Based on Japanese GAAP)

July 12, 2022

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  
 General Manager of Finance & Accounting  
 Inquiries: Kazunori Nishimoto TEL +81-82-264-3211  
 Department  
 Scheduled date to file Quarterly Securities Report: July 13, 2022  
 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, 2022 (from March 1, 2022 to May 31, 2022)

#### (1) Consolidated financial results (cumulative)

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	%
Three months ended May 31, 2022	110,112	–	7,868	–	7,940	–	5,295	–
Three months ended May 31, 2021	164,954	10.7	7,832	24.2	8,050	26.1	5,081	52.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2022	74.09	–
Three months ended May 31, 2021	70.97	–

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ending February 28, 2023, and each figure for the first three months of the fiscal year ending February 28, 2023 is the figure after applying the accounting standard and relevant ASBJ regulations. The percentage of year-on-year change is not shown. If the accounting standard and relevant ASBJ regulations had not been applied, operating revenue would have been ¥170,394 million (up 3.3% year on year).

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2022	472,567	262,430	52.7
As of February 28, 2022	468,798	262,433	53.0

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and each figure for the first three months of the fiscal year ending February 28, 2023, is the figure after applying the accounting standard and relevant ASBJ regulations.

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2022	–	43.00	–	43.00	86.00
Year ending February 28, 2023	–				
Year ending February 28, 2023 (Forecast)		43.00	–	43.00	86.00

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

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, 2022	223,800	—	15,100	—	15,100	—	9,900	—	138.50
Full year	454,300	—	32,600	—	32,600	—	20,900	—	292.40

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of the fiscal year ending February 28, 2023, and each figure for the financial results forecasts for the fiscal year ending February 28, 2023, is the figure after applying the accounting standard and relevant ASBJ regulations. The percentage of year-on-year change is not shown. If the accounting standard and relevant ASBJ regulations had not been applied, the forecast for operating revenue would have been ¥341,500 million (up 2.9% year on year) for the six months ending August 31, 2022 (cumulative) and ¥697,100 million (up 3.0% year on year) for the full year.

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2022  
(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: Yes
- 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)

As of May 31, 2022	∴	71,665,200 shares	As of February 28, 2022	∴	71,665,200 shares
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Number of treasury shares at the end of the period

As of May 31, 2022	∴	187,968 shares	As of February 28, 2022	∴	187,562 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2022	∴	71,477,411 shares	Three months ended May 31, 2021	∴	71,607,042 shares
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**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

(Millions of yen)

	As of February 28, 2022	As of May 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	11,621	9,912
Notes and accounts receivable - trade, and contract assets	–	48,106
Notes and accounts receivable - trade	42,794	–
Merchandise and finished goods	20,381	22,365
Work in process	95	104
Raw materials and supplies	681	655
Other	13,803	13,526
Allowance for doubtful accounts	(511)	(509)
<b>Total current assets</b>	<b>88,867</b>	<b>94,161</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	149,504	148,232
Land	166,542	166,558
Other, net	13,320	13,750
<b>Total property, plant and equipment</b>	<b>329,367</b>	<b>328,540</b>
<b>Intangible assets</b>		
Goodwill	1,908	1,775
Other	9,325	9,249
<b>Total intangible assets</b>	<b>11,234</b>	<b>11,024</b>
<b>Investments and other assets</b>		
Other	39,791	39,302
Allowance for doubtful accounts	(462)	(462)
<b>Total investments and other assets</b>	<b>39,329</b>	<b>38,840</b>
<b>Total non-current assets</b>	<b>379,931</b>	<b>378,405</b>
<b>Total assets</b>	<b>468,798</b>	<b>472,567</b>

(Millions of yen)

	As of February 28, 2022	As of May 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	29,697	28,679
Short-term borrowings	10,220	10,400
Current portion of long-term borrowings	19,800	19,625
Income taxes payable	6,135	2,847
Provision for bonuses	2,246	3,854
Provision for bonuses for directors (and other officers)	26	7
Contract liabilities	–	6,623
Provision for point card certificates	2,496	–
Provision for loss on recollection of gift certificates	201	–
Provision for loss on building demolition	357	193
Provision for loss on lease contracts	32	32
Other	22,619	31,022
<b>Total current liabilities</b>	<b>93,835</b>	<b>103,287</b>
<b>Non-current liabilities</b>		
Long-term borrowings	69,327	63,807
Provision for retirement benefits for directors (and other officers)	69	61
Provision for loss on interest repayment	204	184
Provision for loss on lease contracts	424	415
Retirement benefit liability	9,251	9,340
Asset retirement obligations	9,143	9,178
Other	24,109	23,861
<b>Total non-current liabilities</b>	<b>112,529</b>	<b>106,849</b>
<b>Total liabilities</b>	<b>206,364</b>	<b>210,136</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	19,613	19,613
Capital surplus	22,580	22,580
Retained earnings	206,121	206,893
Treasury shares	(800)	(802)
<b>Total shareholders' equity</b>	<b>247,515</b>	<b>248,286</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,028	516
Remeasurements of defined benefit plans	145	152
<b>Total accumulated other comprehensive income</b>	<b>1,173</b>	<b>668</b>
<b>Non-controlling interests</b>	<b>13,744</b>	<b>13,475</b>
<b>Total net assets</b>	<b>262,433</b>	<b>262,430</b>
<b>Total liabilities and net assets</b>	<b>468,798</b>	<b>472,567</b>

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

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Operating revenue	164,954	110,112
Net sales	156,624	96,976
Cost of sales	121,360	64,653
Gross profit	35,264	32,322
Operating revenue	8,330	13,135
Operating gross profit	43,594	45,458
Selling, general and administrative expenses	35,761	37,589
Operating profit	7,832	7,868
Non-operating income		
Interest and dividend income	55	55
Purchase discounts	52	50
Share of profit of entities accounted for using equity method	23	–
Other	368	208
Total non-operating income	499	313
Non-operating expenses		
Interest expenses	150	119
Share of loss of entities accounted for using equity method	–	6
Other	131	115
Total non-operating expenses	282	241
Ordinary profit	8,050	7,940
Extraordinary income		
Gain on sale of non-current assets	0	32
Subsidy income	–	83
Subsidy income	11	13
Other	0	–
Total extraordinary income	11	128
Extraordinary losses		
Loss on retirement of non-current assets	35	84
Impairment losses	233	–
Loss on store closings	79	–
Loss related to infectious disease	81	–
Other	13	1
Total extraordinary losses	442	86
Profit before income taxes	7,619	7,983
Income taxes - current	2,365	2,663
Income taxes - deferred	64	(59)
Total income taxes	2,429	2,604
Profit	5,189	5,378
Profit attributable to non-controlling interests	108	82
Profit attributable to owners of parent	5,081	5,295

**Quarterly consolidated statements of comprehensive income**

	(Millions of yen)	
	Three months ended May 31, 2021	Three months ended May 31, 2022
Profit	5,189	5,378
Other comprehensive income		
Valuation difference on available-for-sale securities	(198)	(827)
Remeasurements of defined benefit plans, net of tax	6	7
Share of other comprehensive income of entities accounted for using equity method	(1)	(4)
Total other comprehensive income	(193)	(823)
Comprehensive income	4,996	4,554
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,961	4,790
Comprehensive income attributable to non-controlling interests	34	(235)

Quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Cash flows from operating activities		
Profit before income taxes	7,619	7,983
Depreciation	3,888	3,799
Share-based payment expenses	–	22
Amortization of goodwill	133	133
Increase (decrease) in allowance for doubtful accounts	(0)	(1)
Interest and dividend income	(55)	(55)
Interest expenses	150	119
Share of loss (profit) of entities accounted for using equity method	(23)	6
Subsidy income	(11)	(13)
Subsidy income	–	(83)
Loss (gain) on sale of non-current assets	(0)	(31)
Loss on retirement of non-current assets	35	84
Impairment losses	233	–
Loss on store closings	79	–
Loss related to infectious disease	81	–
Decrease (increase) in trade receivables and contract assets	–	(5,187)
Decrease (increase) in trade receivables	(1,593)	–
Decrease (increase) in inventories	(583)	(1,967)
Increase (decrease) in trade payables	(15,941)	(1,017)
Increase (decrease) in deposits received	(212)	7,792
Other, net	(721)	3,309
Subtotal	(6,921)	14,893
Interest and dividends received	61	60
Interest paid	(212)	(140)
Subsidies received	11	13
Subsidies received	–	83
Income taxes refund (paid)	(7,383)	(5,685)
Net cash provided by (used in) operating activities	(14,445)	9,225
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,685)	(2,538)
Proceeds from sale of property, plant and equipment	0	421
Purchase of intangible assets	(592)	(252)
Other, net	(55)	59
Net cash provided by (used in) investing activities	(5,333)	(2,310)

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	13,500	180
Proceeds from long-term borrowings	700	–
Repayments of long-term borrowings	(8,293)	(5,695)
Purchase of treasury shares	(858)	(0)
Dividends paid	(3,081)	(3,073)
Dividends paid to non-controlling interests	(32)	(32)
Other, net	(8)	(1)
Net cash provided by (used in) financing activities	1,925	(8,623)
Net increase (decrease) in cash and cash equivalents	(17,853)	(1,708)
Cash and cash equivalents at beginning of period	25,306	11,621
Cash and cash equivalents at end of period	7,452	9,912