

Consolidated Financial Results for the Third Quarter of FY2013

(from March 1,2013 to November 30,2013)

Izumi Co., Ltd.

(Millions of yen)

| | 3Q / FY2012 Nine Months (Mar.1,2012 – Nov.30,2012) | | 3Q / FY2013 Nine Months (Mar.1,2013 – Nov.30,2013) | |
|------------------------------|--|-------|--|------|
| | | YOY | | YOY |
| Revenues | 387,924 | 4.4% | 404,788 | 4.3% |
| Operating Income | 19,124 | 13.7% | 20,308 | 6.2% |
| Ordinary Income | 18,405 | 13.6% | 19,739 | 7.3% |
| Net Income | 11,084 | 45.9% | 11,907 | 7.4% |
| Net Income per Share | ¥ 139.97 | | ¥ 160.81 | |
| Notes : Comprehensive income | 11,543 | 11.8% | 12,423 | 7.6% |

(Millions of yen)

| | Feb.28,2013 (End of FY2012) | Nov.30,2013 (End of 3QFY2013) |
|----------------------|--------------------------------|----------------------------------|
| Total Assets | 379,824 | 413,412 |
| Net Assets | 126,139 | 127,141 |
| Owners' Equity Ratio | 30.4% | 28.4% |

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 | November 30,2013 |
|---|------------------|------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,862 | 8,196 |
| Notes and accounts receivable-trade | 22,134 | 28,595 |
| Merchandise and finished goods | 21,384 | 26,634 |
| Work in process | 16 | 99 |
| Raw materials and supplies | 286 | 333 |
| Other | 14,350 | 16,295 |
| Allowance for doubtful accounts | △661 | △638 |
| Total current assets | 64,372 | 79,515 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 131,862 | 133,781 |
| Land | 131,876 | 145,576 |
| Other, net | 10,948 | 11,102 |
| Total property, plant and equipment | 274,687 | 290,459 |
| Intangible assets | 7,012 | 7,350 |
| Investments and other assets | | |
| Other | 34,172 | 36,505 |
| Allowance for doubtful accounts | △421 | △419 |
| Total investments and other assets | 33,751 | 36,086 |
| Total noncurrent assets | 315,451 | 333,896 |
| Total assets | 379,824 | 413,412 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 21,517 | 42,550 |
| Short-term loans payable | 41,625 | 31,731 |
| Current portion of long-term loans payable | 23,579 | 25,984 |
| Income taxes payable | 6,541 | 2,486 |
| Provision for bonuses | 1,466 | 2,818 |
| Provision for directors' bonuses | 59 | 1 |
| Provision for point card certificates | 1,655 | 1,967 |
| Provision for loss on recollection of gift certificates | 58 | 57 |
| Asset retirement obligations | 740 | 705 |
| Other | 14,636 | 28,703 |
| Total current liabilities | 111,881 | 137,005 |
| Noncurrent liabilities | | |
| Long-term loans payable | 101,625 | 109,576 |
| Provision for retirement benefits | 6,358 | 6,469 |
| Provision for directors' retirement benefits | 1,203 | 1,226 |
| Provision for loss on interest repayment | 403 | 327 |
| Asset retirement obligations | 6,399 | 6,471 |
| Other | 25,810 | 25,192 |
| Total noncurrent liabilities | 141,802 | 149,264 |
| Total liabilities | 253,684 | 286,270 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 19,613 | 19,613 |
| Capital surplus | 22,282 | 22,282 |
| Retained earnings | 80,942 | 89,040 |
| Treasury stock | △7,770 | △14,362 |
| Total shareholders' equity | 115,067 | 116,573 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 583 | 937 |
| Foreign currency translation adjustment | △270 | △261 |
| Total accumulated other comprehensive income | 312 | 676 |
| Minority interests | 10,759 | 9,891 |
| Total net assets | 126,139 | 127,141 |
| Total liabilities and net assets | 379,824 | 413,412 |

Consolidated Quarterly Financial Statements
CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

| | 3Q / FY2012 (Mar.1,2012 – Nov.30,2012) | 3Q / FY2013 (Mar.1,2013 – Nov.30,2013) |
|--|--|--|
| Net sales | 369,369 | 385,524 |
| Cost of sales | 290,554 | 303,511 |
| Gross profit | 78,814 | 82,013 |
| Operating revenue | 18,555 | 19,263 |
| Operating gross profit | 97,369 | 101,277 |
| Selling, general and administrative expenses | 78,244 | 80,968 |
| Operating income | 19,124 | 20,308 |
| Non-operating income | | |
| Interest income | 103 | 108 |
| Purchase discounts | 288 | 268 |
| Other | 445 | 606 |
| Total non-operating income | 837 | 983 |
| Non-operating expenses | | |
| Interest expenses | 1,392 | 1,288 |
| Other | 164 | 263 |
| Total non-operating expenses | 1,557 | 1,552 |
| Ordinary income | 18,405 | 19,739 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 32 | 693 |
| Gain on negative goodwill | 745 | — |
| Other | 48 | 100 |
| Total extraordinary income | 826 | 794 |
| Extraordinary loss | | |
| Loss on retirement of noncurrent assets | 411 | 377 |
| Impairment loss | — | 1,535 |
| Other | 186 | 209 |
| Total extraordinary losses | 597 | 2,121 |
| Income before income taxes and minority interests | 18,634 | 18,412 |
| Income taxes—current | 6,997 | 7,634 |
| Income taxes—deferred | 191 | △1,257 |
| Total income taxes | 7,189 | 6,376 |
| Income before minority interests | 11,445 | 12,035 |
| Minority interests in income | 360 | 128 |
| Net income | 11,084 | 11,907 |

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

| | 3Q / FY2012 (Mar.1,2012 – Nov.30,2012) | 3Q / FY2013 (Mar.1,2013 – Nov.30,2013) |
|---|--|--|
| Income before minority interests | 11,445 | 12,035 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 84 | 378 |
| Foreign currency translation adjustment | 14 | 9 |
| Total other comprehensive income | 98 | 388 |
| Comprehensive income | 11,543 | 12,423 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 11,104 | 12,270 |
| Comprehensive income attributable to minority interests | 439 | 152 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of yen)

| | 3Q / FY2012 (Mar.1,2012 – Nov.30,2012) | 3Q / FY2013 (Mar.1,2013 – Nov.30,2013) |
|---|--|--|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes and minority interests | 18,634 | 18,412 |
| Depreciation and amortization | 9,999 | 9,375 |
| Impairment loss | — | 1,535 |
| Amortization of goodwill | — | 86 |
| Gain on negative goodwill | △745 | — |
| Increase (decrease) in allowance for doubtful accounts | △64 | △24 |
| Interest and dividends income | △156 | △164 |
| Interest expenses | 1,392 | 1,288 |
| Equity in (earnings) losses of affiliates | △13 | △23 |
| Loss (gain) on sales of noncurrent assets | 118 | △684 |
| Loss on retirement of noncurrent assets | 411 | 377 |
| Decrease (increase) in notes and accounts receivable-trade | △4,514 | △6,509 |
| Decrease (increase) in inventories | △3,443 | △5,379 |
| Increase (decrease) in notes and accounts payable-trade | 4,530 | 21,207 |
| Other, net | 800 | 4,812 |
| Subtotal | 26,949 | 44,308 |
| Interest and dividends income received | 146 | 164 |
| Interest expenses paid | △1,310 | △1,070 |
| Income taxes (paid) refund | △10,218 | △11,566 |
| Net cash provided by (used in) operating activities | 15,566 | 31,835 |
| Net cash provided by (used in) investing activities | | |
| Purchase of property, plant and equipment | △17,656 | △21,229 |
| Proceeds from sales of property, plant and equipment | 343 | 1,540 |
| Purchase of intangible assets | △335 | △1,143 |
| Purchase of investment securities | △335 | △326 |
| Purchase of investments in subsidiaries | △413 | — |
| Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation | 218 | — |
| Decrease (increase) in short-term loans receivable | △1,208 | △256 |
| Other, net | 121 | 468 |
| Net cash provided by (used in) investing activities | △19,265 | △20,948 |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 18,725 | △9,894 |
| Proceeds from long-term loans payable | 18,300 | 25,100 |
| Repayment of long-term loans payable | △17,884 | △14,743 |
| Purchase of treasury stock | △10,207 | △6,591 |
| Purchase of treasury stock of subsidiaries in consolidation | △1,701 | — |
| Cash dividends paid | △2,390 | △2,974 |
| Cash dividends paid to minority shareholders | △20 | △20 |
| Other, net | △246 | △124 |
| Net cash provided by (used in) financing activities | 4,575 | △9,248 |
| Effect of exchange rate change on cash and cash equivalents | 1 | △0 |
| Net increase (decrease) in cash and cash equivalents | 877 | 1,638 |
| Cash and cash equivalents at beginning of period | 6,260 | 6,862 |
| Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation | — | △304 |
| Cash and cash equivalents at end of period | 7,137 | 8,196 |