

**Translation**

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**Summary of Consolidated Financial Results  
for the Nine Months Ended November 30, 2015  
(Based on Japanese GAAP)**

January 7, 2016

Company name: IZUMI CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 8273 URL <http://www.izumi.co.jp/>  
 Representative: President Yasuaki Yamanishi  
 Executive Officer and General Manager of  
 Inquiries: Finance & Accounting Department Masami Kawanishi TEL +81-82-264-3211  
 Scheduled date to file Quarterly Securities Report: January 14, 2016  
 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 nine months ended November 30, 2015 (from March 1, 2015 to November 30, 2015)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2015	465,234	10.0	21,701	5.5	21,204	4.3	13,487	8.8
Nine months ended November 30, 2014	423,117	4.5	20,579	1.3	20,320	2.9	12,397	4.1

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended November 30, 2015	188.19	–
Nine months ended November 30, 2014	172.53	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2015	478,853	153,433	29.8
As of February 28, 2015	432,416	145,709	31.2

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, 2015	–	23.00	–	28.00	51.00
Year ending February 29, 2016	–	31.00	–	–	–
Year ending February 29, 2016 (Forecast)	–	–	–	31.00	62.00

3. Forecast of consolidated financial results for the fiscal year ending February 29, 2016 (from March 1, 2015 to February 29, 2016)

Percentages indicate year-on-year changes

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	648,200	11.8	33,300	9.8	32,100	7.8	18,100	4.3	251.89

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2015  
(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 November 30, 2015	78,861,920 shares	As of February 28, 2015	78,861,920 shares
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Number of treasury shares at the end of the period

As of November 30, 2015	7,378,301 shares	As of February 28, 2015	7,005,563 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2015	71,669,933 shares	Nine months ended November 30, 2014	71,856,901 shares
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**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

(Millions of yen)

	As of February 28, 2015	As of November 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	13,380	15,653
Notes and accounts receivable - trade	28,540	33,861
Merchandise and finished goods	24,517	28,133
Work in process	85	221
Raw materials and supplies	383	539
Other	16,413	19,749
Allowance for doubtful accounts	(627)	(775)
Total current assets	82,692	97,383
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	136,677	157,719
Land	147,469	156,729
Other, net	20,015	12,179
Total property, plant and equipment	304,162	326,628
Intangible assets		
Goodwill	554	7,109
Other	7,430	8,368
Total intangible assets	7,985	15,478
Investments and other assets		
Other	37,971	39,754
Allowance for doubtful accounts	(395)	(391)
Total investments and other assets	37,575	39,363
Total non-current assets	349,723	381,470
Total assets	432,416	478,853
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	40,564	38,982
Short-term loans payable	20,387	38,101
Current portion of long-term loans payable	25,888	32,254
Income taxes payable	6,987	3,656
Provision for bonuses	1,491	3,202
Provision for directors' bonuses	37	15
Provision for point card certificates	2,017	2,547
Provision for loss on recollection of gift certificates	81	81
Other	36,640	34,419
Total current liabilities	134,096	153,259
Non-current liabilities		
Long-term loans payable	110,876	128,340
Provision for directors' retirement benefits	1,405	1,499
Provision for loss on interest repayment	273	203
Net defined benefit liability	8,193	6,852
Asset retirement obligations	6,723	7,395
Other	25,138	27,868
Total non-current liabilities	152,610	172,160
Total liabilities	286,706	325,420

(Millions of yen)

As of February 28, 2015

As of November 30, 2015

	As of February 28, 2015	As of November 30, 2015
Net assets		
Shareholders' equity		
Capital stock	19,613	19,613
Capital surplus	22,282	22,282
Retained earnings	108,283	118,506
Treasury shares	(16,763)	(18,931)
Total shareholders' equity	133,416	141,470
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,785	1,504
Remeasurements of defined benefit plans	(383)	(333)
Total accumulated other comprehensive income	1,402	1,171
Minority interests	10,890	10,791
Total net assets	145,709	153,433
Total liabilities and net assets	432,416	478,853

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

	(Millions of yen)	
	Nine months ended November 30, 2014	Nine months ended November 30, 2015
Net sales	403,086	443,874
Cost of sales	317,509	349,367
Gross profit	85,576	94,507
Operating revenue	20,031	21,359
Operating gross profit	105,608	115,867
Selling, general and administrative expenses	85,028	94,166
Operating income	20,579	21,701
Non-operating income		
Interest income	110	111
Purchase discounts	235	247
Share of profit of entities accounted for using equity method	299	25
Other	561	620
Total non-operating income	1,206	1,004
Non-operating expenses		
Interest expenses	1,230	1,148
Other	235	353
Total non-operating expenses	1,465	1,501
Ordinary income	20,320	21,204
Extraordinary income		
Gain on sales of non-current assets	3	13
Gain on sales of investment securities	–	931
Gain on bargain purchase	19	18
Subsidy income	–	369
Total extraordinary income	22	1,333
Extraordinary losses		
Loss on sales of non-current assets	70	17
Loss on retirement of non-current assets	227	183
Impairment loss	2	99
Other	29	92
Total extraordinary losses	330	394
Income before income taxes and minority interests	20,012	22,143
Income taxes - current	7,649	8,385
Income taxes - deferred	(212)	413
Total income taxes	7,437	8,798
Income before minority interests	12,575	13,345
Minority interests in income (loss)	177	(142)
Net income	12,397	13,487

**Quarterly consolidated statements of comprehensive income**

	(Millions of yen)	
	Nine months ended November 30, 2014	Nine months ended November 30, 2015
Income before minority interests	12,575	13,345
Other comprehensive income		
Valuation difference on available-for-sale securities	798	(250)
Foreign currency translation adjustment	0	–
Remeasurements of defined benefit plans, net of tax	–	55
Share of other comprehensive income of entities accounted for using equity method	5	–
Total other comprehensive income	804	(194)
Comprehensive income	13,379	13,151
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,089	13,256
Comprehensive income attributable to minority interests	289	(105)

Quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended November 30, 2014	Nine months ended November 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	20,012	22,143
Depreciation	9,576	10,651
Impairment loss	2	99
Amortization of goodwill	109	127
Gain on bargain purchase	(19)	(18)
Increase (decrease) in allowance for doubtful accounts	(46)	133
Interest and dividend income	(169)	(168)
Interest expenses	1,230	1,148
Share of (profit) loss of entities accounted for using equity method	(299)	(25)
Subsidy income	-	(369)
Loss (gain) on sales of investment securities	11	(914)
Loss (gain) on sales of non-current assets	67	3
Loss on retirement of non-current assets	227	183
Decrease (increase) in notes and accounts receivable - trade	(7,148)	(5,141)
Decrease (increase) in inventories	(932)	(2,491)
Increase (decrease) in notes and accounts payable - trade	21,793	(7,491)
Other, net	6,996	(2,945)
Subtotal	51,411	14,926
Interest and dividend income received	173	165
Interest expenses paid	(1,104)	(1,166)
Proceeds from subsidy income	-	369
Income taxes (paid) refund	(9,525)	(11,713)
Net cash provided by (used in) operating activities	40,954	2,580
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,213)	(19,615)
Proceeds from sales of property, plant and equipment	108	164
Purchase of intangible assets	(707)	(1,384)
Purchase of investment securities	(452)	(907)
Proceeds from sales of investment securities	48	2,289
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	1,173
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(623)	(1,103)
Decrease (increase) in short-term loans receivable	(460)	(363)
Other, net	(478)	250
Net cash provided by (used in) investing activities	(16,780)	(19,497)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(15,168)	15,633
Proceeds from long-term loans payable	19,400	29,450
Repayments of long-term loans payable	(17,538)	(19,337)
Purchase of treasury shares	(1)	(2,168)
Cash dividends paid	(3,305)	(4,228)
Cash dividends paid to minority shareholders	(29)	(28)
Other, net	(128)	(231)
Net cash provided by (used in) financing activities	(16,771)	19,089
Effect of exchange rate change on cash and cash equivalents	0	-
Net increase (decrease) in cash and cash equivalents	7,403	2,173
Cash and cash equivalents at beginning of period	6,800	12,990
Cash and cash equivalents at end of period	14,204	15,163