

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2024 (Based on Japanese GAAP)

October 15, 2024

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: Department Takashi Mukai TEL +81-82-264-3211
 Scheduled date to file Semi-annual Securities Report: October 15, 2024
 Scheduled date to commence dividend payments: November 19, 2024
 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 six months ended August 31, 2024 (from March 1, 2024 to August 31, 2024)

(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	%
Six months ended August 31, 2024	238,670	2.3	12,029	(22.5)	12,348	(21.9)	8,156	(22.0)
Six months ended August 31, 2023	233,320	4.1	15,518	(1.1)	15,812	(0.6)	10,460	(1.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2024	114.02	–
Six months ended August 31, 2023	146.29	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2024	587,496	299,191	48.6
As of February 29, 2024	489,509	294,233	57.3

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 29, 2024	–	44.00	–	45.00	89.00
Year ending February 28, 2025	–	45.00			
Year ending February 28, 2025 (Forecast)			–	45.00	90.00

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

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
Full year	527,300	11.9	26,500	(15.7)	26,300	(18.6)	14,400	(29.7)	201.35

4. Notes

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Application of special accounting methods for preparing semi-annual 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: No
- 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 August 31, 2024	71,665,200 shares	As of February 29, 2024	71,665,200 shares
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Number of treasury shares at the end of the period

As of August 31, 2024	111,047 shares	As of February 29, 2024	146,909 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2024	71,533,683 shares	Six months ended August 31, 2023	71,505,654 shares
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Semi-annual consolidated financial statements
Semi-annual consolidated balance sheets

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	11,997	16,320
Notes and accounts receivable - trade, and contract assets	52,002	61,265
Merchandise and finished goods	25,496	28,632
Work in process	101	237
Raw materials and supplies	663	809
Other	14,422	18,194
Allowance for doubtful accounts	(531)	(545)
Total current assets	104,153	124,915
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	152,953	157,225
Land	167,901	180,654
Other, net	13,589	15,614
Total property, plant and equipment	334,444	353,494
Intangible assets		
Goodwill	843	57,433
Other	10,096	9,653
Total intangible assets	10,939	67,087
Investments and other assets		
Other	40,540	42,567
Allowance for doubtful accounts	(568)	(568)
Total investments and other assets	39,972	41,999
Total non-current assets	385,356	462,581
Total assets	489,509	587,496

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,140	52,210
Short-term borrowings	26,700	82,000
Current portion of long-term borrowings	15,573	14,287
Accounts payable - other	13,109	18,410
Income taxes payable	5,540	4,465
Provision for bonuses	2,325	3,032
Provision for bonuses for directors (and other officers)	57	5
Contract liabilities	7,190	7,897
Provision for loss on building demolition	213	330
Provision for loss on lease contracts	32	32
Provision for system failure response costs	1,001	–
Other	20,188	28,931
Total current liabilities	116,074	211,605
Non-current liabilities		
Long-term borrowings	35,444	29,861
Long-term leasehold and guarantee deposits received	21,850	22,163
Provision for retirement benefits for directors (and other officers)	81	48
Provision for loss on interest repayment	255	260
Provision for loss on lease contracts	358	342
Provision for loss on building demolition	209	209
Retirement benefit liability	9,267	10,112
Asset retirement obligations	9,641	12,036
Other	2,093	1,664
Total non-current liabilities	79,202	76,700
Total liabilities	195,276	288,305
Net assets		
Shareholders' equity		
Share capital	19,613	19,613
Capital surplus	22,753	22,753
Retained earnings	235,852	240,756
Treasury shares	(625)	(472)
Total shareholders' equity	277,594	282,651
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,380	2,339
Remeasurements of defined benefit plans	579	513
Total accumulated other comprehensive income	2,960	2,852
Non-controlling interests	13,678	13,687
Total net assets	294,233	299,191
Total liabilities and net assets	489,509	587,496

Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income
Semi-annual consolidated statements of income

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Operating revenue	233,320	238,670
Net sales	205,627	210,541
Cost of sales	136,213	142,499
Gross profit	69,414	68,042
Operating revenue	27,693	28,128
Operating gross profit	97,107	96,170
Selling, general and administrative expenses	81,589	84,141
Operating profit	15,518	12,029
Non-operating income		
Interest and dividend income	119	101
Purchase discounts	112	86
Share of profit of entities accounted for using equity method	54	–
Other	323	414
Total non-operating income	610	601
Non-operating expenses		
Interest expenses	170	157
Share of loss of entities accounted for using equity method	–	5
Other	145	119
Total non-operating expenses	316	282
Ordinary profit	15,812	12,348
Extraordinary income		
Gain on sale of non-current assets	332	34
Gain on sale of investment securities	15	1,003
Subsidy income	156	–
Total extraordinary income	503	1,037
Extraordinary losses		
Loss on retirement of non-current assets	57	29
Impairment losses	179	146
Loss on store closings	197	0
Provision for loss on building demolition	209	117
Other	–	20
Total extraordinary losses	644	314
Profit before income taxes	15,671	13,072
Income taxes - current	4,893	4,028
Income taxes - deferred	196	407
Total income taxes	5,089	4,436
Profit	10,581	8,635
Profit attributable to non-controlling interests	121	479
Profit attributable to owners of parent	10,460	8,156

Semi-annual consolidated statements of comprehensive income

	(Millions of yen)	
	Six months ended August 31, 2023	Six months ended August 31, 2024
Profit	10,581	8,635
Other comprehensive income		
Valuation difference on available-for-sale securities	574	(476)
Remeasurements of defined benefit plans, net of tax	(62)	(66)
Share of other comprehensive income of entities accounted for using equity method	0	(2)
Total other comprehensive income	513	(545)
Comprehensive income	11,095	8,090
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,880	8,048
Comprehensive income attributable to non-controlling interests	214	42

Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	15,671	13,072
Depreciation	7,996	8,509
Share-based payment expenses	31	48
Amortization of goodwill	266	520
Increase (decrease) in allowance for doubtful accounts	99	10
Interest and dividend income	(119)	(101)
Interest expenses	170	157
Share of loss (profit) of entities accounted for using equity method	(54)	5
Subsidy income	(156)	–
Loss (gain) on sale of non-current assets	(332)	(34)
Loss on retirement of non-current assets	57	29
Loss (gain) on sale of investment securities	(15)	(1,003)
Impairment losses	179	146
Loss on store closings	197	0
Increase (decrease) in provision for loss on building demolition	209	117
Decrease (increase) in trade receivables and contract assets	(4,519)	(9,206)
Decrease (increase) in inventories	(2,053)	(926)
Increase (decrease) in trade payables	3,753	27,718
Increase (decrease) in deposits received	(1,018)	2,878
Other, net	6,154	10,032
Subtotal	26,518	51,977
Interest and dividends received	125	107
Interest paid	(182)	(122)
Subsidies received	156	–
System failure response costs paid	–	(957)
Income taxes refund (paid)	(5,647)	(5,097)
Net cash provided by (used in) operating activities	20,970	45,906
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,213)	(9,262)
Proceeds from sale of property, plant and equipment	790	47
Purchase of intangible assets	(809)	(445)
Proceeds from sale of investment securities	21	2,111
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,564)
Expenditure due to absorption-type split	–	(77,676)
Other, net	39	26
Net cash provided by (used in) investing activities	(7,171)	(86,762)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,090)	55,300
Proceeds from long-term borrowings	500	–
Repayments of long-term borrowings	(9,634)	(6,868)
Purchase of treasury shares	(1)	(1)
Dividends paid	(3,145)	(3,218)
Dividends paid to non-controlling interests	(32)	(32)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(15,405)	45,178
Net increase (decrease) in cash and cash equivalents	(1,606)	4,322
Cash and cash equivalents at beginning of period	10,331	11,997
Cash and cash equivalents at end of period	8,724	16,320