

Financial Results for the First Nine Months of the Fiscal Year Ending February 28, 2025

IZUMI CO., LTD
[Stock code: 8273]

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First Nine Months of FY2024

- Due to damages from a ransomware attack that occurred in February last year, order placement, purchasing and other operations were impeded, leading to some confusion that affected in-store services, stocking and other areas. In the first quarter, there was an impact on operating profit due to lost sales opportunities and other factors (approximately 2.9 billion yen)
- From the second quarter onwards, the Company prioritized regaining the number of customers, and the results steadily recovered. "Creative recovery" efforts are currently underway
- In August, the Company pursued PMI of the SUNNY Business (Kyushu-based business taken over from Seiyu). At the same time, in September Youme Mall Itsukaichi reopened after redevelopment (scrap & build). In this way, the Company's major revitalization efforts proceeded as planned.
- Looking at sales from existing stores year on year, in the first quarter sales at directly operated stores were impacted due to system trouble, but business performance was supported by tenants. In the second and third quarters, performance was strong, reflecting recovering customer numbers

Outlook for the fourth quarter and beyond

- To address the ongoing inflationary environment, the Company will implement price measures and strengthen sales promotions, recovery from problematic price decreases and inventory management issues, and enhance store competitiveness
- Implementation of private brand development project and focus on PMI for the SUNNY business, etc.

Recovery from the the impact of ransomware damages and increased revenue from transfer of the SUNNY business

- Operating revenue From the second quarter onwards, the Company worked to return customer numbers to normal from the impact of the ransomware attack, and integrated M&A activities (SUNNY business, SunLife)
Operating revenue increased in the first half (+2.3%) and jumped significantly in the third quarter (+20.7%). Operating revenue increased 8.2% year on year for the first nine months.
- Operating profit The gross profit margin on sales declined 1.7 percentage points year on year for the first nine months. The SG&A expense ratio was on par with the previous year, while the operating profit margin fell 1.7 percentage points year on year to 4.6%
- Ordinary profit The ordinary profit margin for the first nine months declined 1.9 percentage points year on year to 4.6%, reflecting higher interest expenses and other factors
- Profit The net profit margin for the first nine months declined 1 percentage point year on year to 3.2%, in part reflecting gains on the sale of investment securities

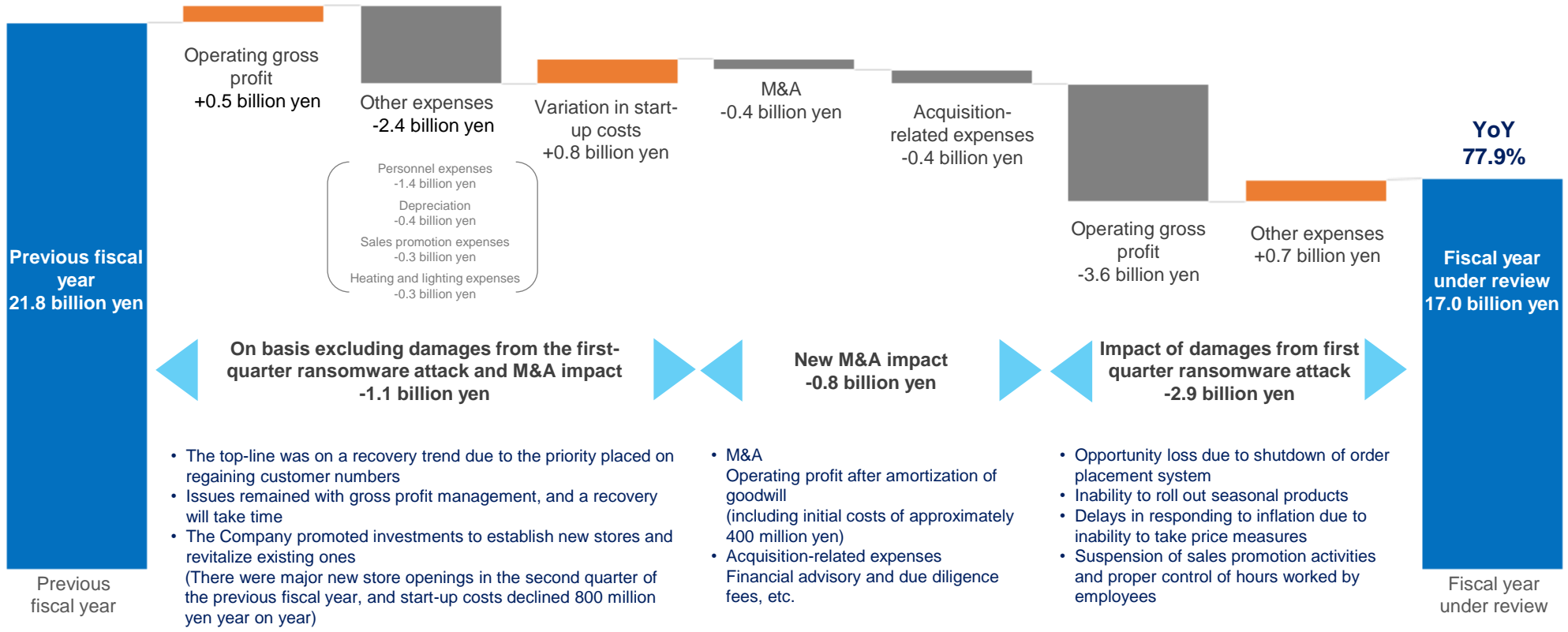
(Million yen)	Consolidated						
	H1 FY2024 (Mar.- Aug.)		3Q FY2024 (Sep.- Nov.)		First Nine Months of FY2024 (Mar.-Nov.)		
	Result	YoY	Result	YoY	Result	% of operating revenue	YoY
Operating revenue	238,670	102.3%	134,596	120.7%	373,266	100.0%	108.2%
Net sales	210,541	102.4%	120,633	123.3%	331,175	88.7%	109.1%
Gross profit	68,042	98.0%	38,618	117.7%	106,660	28.6%	104.3%
Operating revenue	28,128	101.6%	13,962	102.5%	42,090	11.3%	101.9%
Operating gross profit	96,170	99.0%	52,580	113.3%	148,751	39.9%	103.6%
SG&A expenses	84,141	103.1%	47,604	118.7%	131,746	35.3%	108.3%
Operating profit	12,029	77.5%	4,975	78.8%	17,005	4.6%	77.9%
Non-operating income and expenses	319	108.8%	-151	—	168	0.0%	34.4%
Ordinary profit	12,348	78.1%	4,824	74.1%	17,173	4.6%	76.9%
Extraordinary income and losses	723	—	1,686	—	2,410	0.6%	—
Profit*	8,156	78.0%	3,702	91.1%	11,858	3.2%	81.6%

* Profit: Profit attributable to owners of parent

Operating profit: Despite an impact on the sales side due to lingering summer heat, steady progress was made responding to environmental changes, and operating profit fell in line with the plan

- Operating profit was 17.0 billion yen, 77.9% compared with the same period in the previous fiscal year. In the first quarter the Company was impacted by the ransomware attack, then prioritized recovering customer numbers in the second quarter, and in the third quarter dealt with environmental changes, such as inflation.
- Personnel expenses rose due to the implementation of wage hikes and other factors, and electricity rates increased due to renewable energy surcharges, but expenses were controlled in line with the Company's plans.
- The Company invested in three newly established stores and large-scale revitalization (start-up costs of 1.9 billion yen). In relation to M&A activities, the Company prioritized smooth post-acquisition transitions.
- The impact due to damages from the ransomware attack in the first quarter of approximately 2.9 billion yen was a one-off factor.
(Operating revenue approximately 100 million yen, impact on gross profit of approximately 3.5 billion yen, decline in expenses of approximately 700 million yen)

Changes in operating profit (billion yen)



- The top-line was on a recovery trend due to the priority placed on regaining customer numbers
- Issues remained with gross profit management, and a recovery will take time
- The Company promoted investments to establish new stores and revitalize existing ones
(There were major new store openings in the second quarter of the previous fiscal year, and start-up costs declined 800 million yen year on year)

- M&A
Operating profit after amortization of goodwill (including initial costs of approximately 400 million yen)
- Acquisition-related expenses
Financial advisory and due diligence fees, etc.

- Opportunity loss due to shutdown of order placement system
- Inability to roll out seasonal products
- Delays in responding to inflation due to inability to take price measures
- Suspension of sales promotion activities and proper control of hours worked by employees

Totals may not match exactly as figures have been rounded.

- Segment Information

The Company worked to recover sales in retail operations, and managed a turnaround in performance in the Youme Card and Izumi Techno areas of retail-peripheral operations.

- Supermarket subsidiaries suffered a further decline in customer numbers due to the impact of the ransomware attack but showed signs of recovery. Youme Mart Kumamoto incurred start-up costs of 140 million yen, primarily due to the opening of a new store
- Due to the SUNNY business being a carve-out project and in the initial stages following business succession, a priority was placed on ensuring a smooth transition. As a result, in addition to start-up costs, it was difficult to control costs and expenses, leading to a start-up deficit.
- During the third quarter Youme Card and Izumi Techno returned to increased profit, while Izumi Food Service continued its strong performance.

(Million yen)	Consolidated operating revenue					Consolidated operating profit				
	FY2024 Nine month			FY2023 Nine month		FY2024 Nine month			FY2023 Nine month	
	Result	% of total	YoY	Result	% of total	Result	% of total	YoY	Result	% of total
Retail operations	360,150	96.5%	108.4%	332,304	96.4%	12,805	75.3%	73.0%	17,537	80.3%
Retail-peripheral operations	34,732	9.3%	106.0%	32,759	9.5%	3,920	23.1%	97.9%	4,005	18.3%
Others and adjustments	-21,616	-5.8%	—	-20,244	-5.9%	279	1.6%	—	293	1.3%
Consolidated total	373,266	100.0%	108.2%	344,819	100.0%	12,805	75.3%	73.0%	17,537	80.3%

Retail operations

Izumi Co., Ltd. (Non-consolidated)	270,001	72.3%	99.4%	271,557	78.8%	14,247	83.8%	86.1%	16,542	75.8%
Youme Mart Kumamoto Co., Ltd. (including the SUNNY business)	47,691	12.8%	246.0%	19,389	5.6%	-100*	-0.6%	—	860	3.9%
	(28,344)	(7.6%)	—	—	—	(-262)	(-1.5%)	—	—	—
Youme Mart Kitakyushu Co., Ltd.	18,108	4.9%	95.3%	19,009	5.5%	26	0.2%	6.0%	446	2.0%
Yours Co., Ltd.	16,514	4.4%	97.9%	16,872	4.9%	-66	-0.4%	—	243	1.1%

Retail-peripheral operations

Youme Card Co., Ltd.	6,121	1.6%	100.4%	6,095	1.8%	1,031	6.1%	82.0%	1,257	5.8%
Izumi Techno Co., Ltd.	14,088	3.8%	104.5%	13,482	3.8%	1,659	9.8%	97.7%	1,698	7.8%
Izumi Food Service Co., Ltd.	5,684	1.5%	111.7%	5,089	1.5%	436	2.6%	135.9%	320	1.5%

* Operating profit for Youme Mart Kumamoto Co., Ltd. and the SUNNY business is after the recovering of expenses associated with the SUNNY business succession (goodwill amortization and initial costs).

The Company steadily recovered from damages due to the ransomware attack, and successfully managed expenses

- Operating revenue Operating revenue went from a 1.3% decline in the first half of the year to a 1.0% increase in the third quarter, limiting the decline over the first nine months to just 0.6%.
- Operating profit The ratio of gross profit to operating revenue for the first nine months fall 0.5 points, while the SG&A expense ratio increased 0.4 points, and operating profit margin fall 0.8 points to 5.3%.
- Ordinary profit Interest expenses rose in part due to an increase in interest-bearing debt. The ordinary profit margin declined by 1.0 points to 5.3%.
- Profit Profit margin for the first nine months fell 0.5 points to 3.7%, and extraordinary income improved due to the elimination of the provision for loss on building demolition recorded in the previous fiscal year

(Million yen)	Non-Consolidated						
	H1 FY2024 (Mar.- Aug.)		3Q FY2024 (Sep.- Nov.)		First Nine Months of FY2024 (Mar.-Nov.)		
	Result	YoY	Result	YoY	Result	% of operating revenue	YoY
Operating revenue	181,460	98.7%	88,541	101.0%	270,001	100.0%	99.4%
Net sales	153,908	98.3%	75,005	101.0%	228,914	84.8%	99.2%
Gross profit	50,002	95.4%	24,842	100.3%	74,844	27.7%	97.0%
Operating revenue	27,551	100.9%	13,535	100.7%	41,087	15.2%	100.8%
Operating gross profit	77,554	97.3%	38,377	100.5%	115,932	42.9%	98.3%
SG&A expenses	67,248	98.8%	34,436	103.3%	101,685	37.7%	100.3%
Operating profit	10,305	88.1%	3,941	81.3%	14,247	5.3%	86.1%
Non-operating income and expenses	327	127.9%	-237	—	90	0.0%	18.6%
Ordinary profit	10,633	89.0%	3,704	72.9%	14,337	5.3%	84.2%
Extraordinary income and losses	-46	—	246	—	200	0.1%	—
Profit	7,257	89.9%	2,685	83.9%	9,942	3.7%	88.2%

Due to the impact from damages caused by the ransomware attack in the first quarter, from the second quarter onwards the Company priorities regaining customer numbers and showed signs of recovery

- Lifestyle Despite a difficult sales environment due to system failures and weather effects, the Company made efforts to control gross profit and held the gross profit margin in the third quarter to to ± 0 points year on year
- Foods Despite suffering opportunity losses due to damages from the ransomware attack in the first quarter, sales steadily recovered as a result of efforts to increase customer numbers
- Gross profit In the third quarter gross profit fell slightly short of plan with a 0.2 point decline year on year, but management capabilities were steadily regained from the first half of the year, showing a recovery trend
For the first nine months, gross profit declined 0.7 percentage points year on year, impacted by delays in responding to inflation due to system failures in the first half, and difficulties with inventory control

(Million yen)	Non-consolidated net sales								
	H1 FY2024 (Mar.- Aug.)			3Q FY2024 (Sep.- Nov.)			First Nine Months of FY2024 (Mar.-Nov.)		
	Result	% of total	YoY	Result	% of total	YoY	Result	% of total	YoY
Lifestyle	41,978	27.3%	96.4%	20,795	27.7%	96.9%	62,773	27.4%	96.6%
Foods	111,930	72.7%	99.0%	54,210	72.3%	102.7%	166,140	72.6%	100.2%
Total	153,908	100.0%	98.3%	75,005	100.0%	101.0%	228,914	100.0%	99.2%

Starting from FY2022, the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. has been applied. In addition, regarding sales composition, starting from the first half of FY2022 figures for the X-SELL Department have been included under Lifestyle.

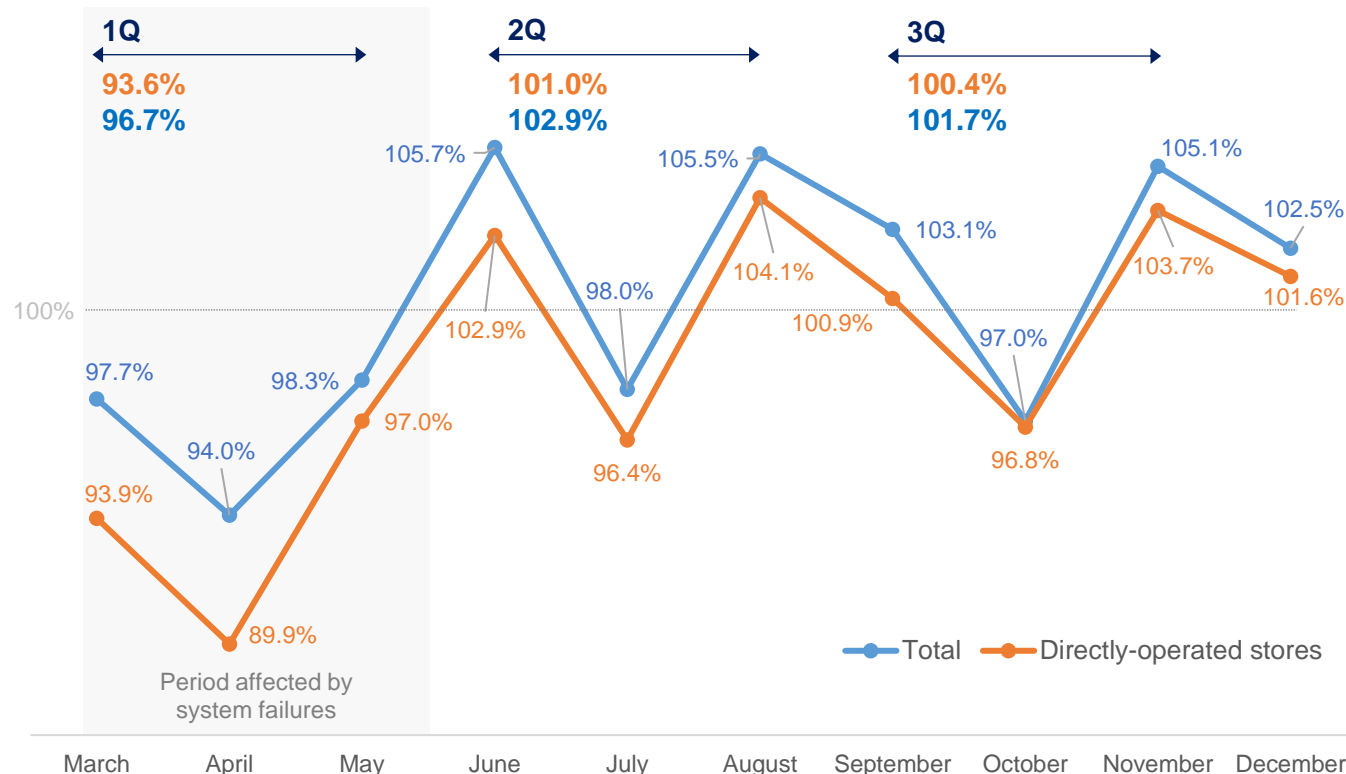
(Million yen)	Non-consolidated gross profit margin					
	H1 FY2024 (Mar.- Aug.)		3Q FY2024 (Sep.- Nov.)		First Nine Months of FY2024 (Mar.-Nov.)	
	Result	Year-on-year difference	Result	Year-on-year difference	Result	Year-on-year difference
Lifestyle	35.5%	-0.3pt	35.8%	0.0pt	35.6%	-0.2pt
Foods	31.4%	-1.2pt	32.1%	-0.3pt	31.6%	-0.9pt
Total	32.5%	-1.0pt	33.1%	-0.2pt	32.7%	-0.7pt

Starting from FY2022, the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. has been applied. In addition, regarding gross profit, starting from the first quarter of FY2023 figures for the X-SELL Department have been included under Lifestyle.

In the third quarter, despite effects from the lingering summer heat up to October, performance returned to a recovery track as a result of various measures and falling temperatures

- **Lifestyle** Due to prolonged summer weather sales of clothing was particularly sluggish, but from November onwards falling temperatures and successful sales promotional campaigns led to strong performance
- **Foods** In October the lingering effects of summer weather caused difficulties, customer numbers steadily recovered particularly at supermarkets due to consumption polarization strategies with a focus on low prices, such as "All-out low prices" campaigns, and in November sales showed a turnaround at both general merchandising stores and supermarkets.
- **Tenants** Apparel tenants faced similar difficulties to the Company's directly operated stores, but overall performance was strong, particularly among food, beverage and amusement tenants.

Year-on-Year Change in Net Sales at Existing Stores



FY2024	1H Results	Nine Months
Lifestyle	96.5%	96.8%
Foods	97.8%	99.1%
Directly managed stores total	97.4%	98.4%
Tenants	103.1%	103.2%
Non-consolidated Total	99.8%	100.4%

* Breakdown of total for directly operated stores

Number of customers	97.6%	98.3%
Average sales per customer	99.6%	100.0%
Average spent per item	100.8%	100.9%
Number of purchases	98.9%	99.0%

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of FY2022, but the figures are presented based on those preceding application of the standards.

Total SG&A expenses were 100.3% year on year indicating a slight rise, but fell within the plan. The ratio of SG&A expenses to operating revenue ratio rose 0.4 points to 37.7%

- Personnel expenses There were wage hikes and increases in running costs for new stores, but the Company strived to properly control the hours worked by employees based on sales
- Utilities expenses Despite rising utility expenses due to renewable energy surcharges and prolonged summer heat, the Company worked to appropriately control and reduce utility usage
- Advertising expenses In the first quarter it was not possible to use sales promotional campaigns such as flyers and direct mail due to impact from the ransomware attack, but from the second quarter onwards these activities were controlled according to plan
- Other The opening of new stores and revitalization of existing stores proceeded largely according to plan. The timings for some store repairs and maintenance activities were revised
In this category start-up costs declined (decline of approximately 1.0 billion yen. previous period: approx. 2.7 billion yen, current period: approx. 1.7 billion yen)

(Million yen)	Non-consolidated					Productivity Indicators			
	FY2024 Nine month			FY2023 Nine month		Unit: thousand yen	FY2024 Nine month		First Nine Months of FY2023
	Result	% of operating revenue	YoY	Result	% of operating revenue		Result	YoY	
Operating revenue	270,001	100.0%	99.4%	271,557	100.0%	Sales per employee	18,593	100.1%	18,568
Operating gross profit	115,932	42.9%	98.3%	117,934	43.4%	Gross profit per employee	6,079	97.9%	6,209
SG&A expenses	101,685	37.7%	100.3%	101,392	37.3%	Personnel expenses per employee	3,035	102.1%	2,971
Personnel expenses	37,365	13.8%	101.2%	36,932	13.6%	Personnel expenses/sales ratio	16.3%	+0.3pt	16.0%
Depreciation	10,101	3.7%	103.1%	9,798	3.6%	Personnel expenses/gross profit ratio	49.9%	+2.1pt	47.8%
Rent expenses	7,284	2.7%	100.2%	7,273	2.7%				
Store management expenses	9,721	3.6%	102.0%	9,534	3.5%				
Utilities expenses	10,345	3.8%	101.3%	10,212	3.8%				
Advertising expenses	6,255	2.3%	98.9%	6,328	2.3%				
Other	20,609	7.6%	96.7%	21,312	7.8%				

Total assets increased in part due to succession off the SUNNY business and opening of new stores

- Total assets Total investments, including the establishment of new stores, revitalization of existing stores and DX, amounted to 10.4 billion yen
Total assets increased 96.6 billion yen, in part reflecting an increase in goodwill from succession of the SUNNY business.
- Liabilities Liabilities increased by 91.6 billion yen, in part due to interest-bearing debt increasing by 48.2 billion yen to fund acquisitions.
- Net assets Net assets increased due to the accumulation of retained earnings. Note that the shareholders' equity ratio declined 8.6% year on year to 48.7%.

(Million yen)	Consolidated			Non-consolidated		
	End of 3Q FY2024			End of 3Q FY2024		
	Result	% of total	Amount	Result	% of total	Amount
Total assets	586,126	100.0%	+96,616	515,151	100.0%	+88,703
Cash and deposits	15,594	2.7%	+3,596	10,226	2.0%	+231
Property, plant and equipment	63,445	10.8%	+11,443	13,534	2.6%	+3,595
Property, plant and equipment	352,085	60.1%	+17,640	275,654	53.5%	-2,307
Other	155,000	26.5%	+63,936	215,735	41.9%	+87,183
Liabilities	286,947	49.0%	+91,671	286,774	55.7%	+84,881
Notes and accounts payable – trade	50,832	8.7%	+26,691	40,678	7.9%	+23,785
Interest-bearing liabilities	125,941	21.5%	+48,210	157,854	30.6%	+50,327
Other	110,173	18.8%	+16,768	88,240	17.1%	+10,768
Net assets	299,178	51.0%	+4,944	228,377	44.3%	+3,821
Equity	285,429	48.7%	+4,874	228,377	44.3%	+3,821
Non-controlling interests	13,748	2.3%	+70	–	–	–

Expenditures and financing (syndicated loan arrangements) were implemented in connection with succession of the SUNNY business

- Cash flows from operating activities Cash flows provided from operating activities amounting to 48.6 billion yen, driven in part by profit before income taxes.
- Cash flow from investing activities Outflows included 77.6 billion yen associated with succession of the SUNNY business, and 13.3 billion yen connected to the establishment of new stores, revitalization of existing stores, DX investment and so on
- Cash flows from financing activities An inflow of 78.5 billion yen occurred from financing (syndicated loan) in connection with the SUNNY business succession, with cash flows amounting to 41.5 billion yen.

(Million yen)	3Q FY2024	FY2023 Nine month
Cash flows from operating activities	48,650	23,448
Profit before income taxes	19,583	21,748
Non-cash loss/gain (depreciation, etc.)	14,979	13,388
Increase/decrease in claims and obligations related to operating activities	24,936	-3,228
Income taxes and interest income	-10,278	-11,116
Other	-571	2,657
Cash flow from investing activities	-86,631	-15,915
Capital investment	-13,328	-16,856
Other	-73,302	941
Cash flows from financing activities	41,577	-8,454
Interest-bearing liabilities	48,049	-2,127
Other	-6,471	-6,327
Increase/decrease in cash and cash equivalents	3,596	-921

Management Philosophy

Filling our employees with pride and joy as we continue contributing to communities and our customers' lives.

This document contains descriptions of the future plans and strategies of the Company and its affiliates, as well as predictions and forward-looking statements regarding business performance. It also includes risks and uncertainties related to economic trends, personal consumption, market conditions, taxation, and various systems and regulations. Please take into account that actual results may differ from these forward-looking statements.



[Integrated Report 2024](#)
(English and Japanese)



[Environmental Sustainability Report 2024](#)



[▶ Sustainability section on the IZUMI website](#)



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Supplementary Material

III. Appendix	Slide No.
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Competitiveness of Existing Stores (Year-on-Year Change in Net Sales at Existing Stores)	19
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The Company plans operating revenue growth of 11.9%, early recovery from damage due to the ransomware attack, and PMI for the Kyushu-based businesses acquired from Seiyu

- The Company will strengthen sales measures to swiftly response to changing consumer behavior under an ongoing inflationary environment, while incurring upfront costs through proactive investments
- The Company will incorporate the Kyushu-based outlets of Seiyu Co., Ltd. into its consolidated operations and amortize goodwill
- The Company plans to open four stores (three of which have already been opened)

*1. Starting from the fiscal year ended February 28, 2022, the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. has been applied. Operating revenue reclassified to the figures before applying the accounting standard and relevant ASBJ regulations is presented outside of the table as "Total operating revenue" for reference.

(Million yen)	Consolidated				Non-consolidated			
	FY2024				FY2024			
	Full year		1H		Full year		1H	
	Plan	YoY	Plan	YoY	Plan	YoY	Plan	YoY
Operating revenue*1	527,300	111.9%	238,300	102.1%	374,500	100.5%	182,100	99.0%
Operating profit	26,500	84.3%	11,700	75.4%	19,700	81.4%	9,700	83.0%
Ordinary profit	26,300	81.4%	11,900	75.3%	19,400	77.9%	9,900	82.9%
Profit*2	14,400	70.3%	7,300	69.8%	11,100	68.9%	6,600	81.7%
EBITDA*3	47,200	97.1%	-	-	-	-	-	-
*1 Total operating revenue	798,300	109.9%	370,900	103.6%	699,000	102.7%	341,000	101.8%

*2 Consolidated profit is profit attributable to owners of parent.

*3 EBITDA = Operating profit + Depreciation + Amortization of goodwill

Earnings per share	201.35 yen	
Dividend per share	90.00 yen	
Extraordinary income and losses	-2.8 billion yen	*Non-consolidated -2.5 billion yen
Capital investment (construction basis)	18.5 billion yen	*Non-consolidated 16.5 billion yen

Items Impacted by Accounting Standards on Revenue Recognition

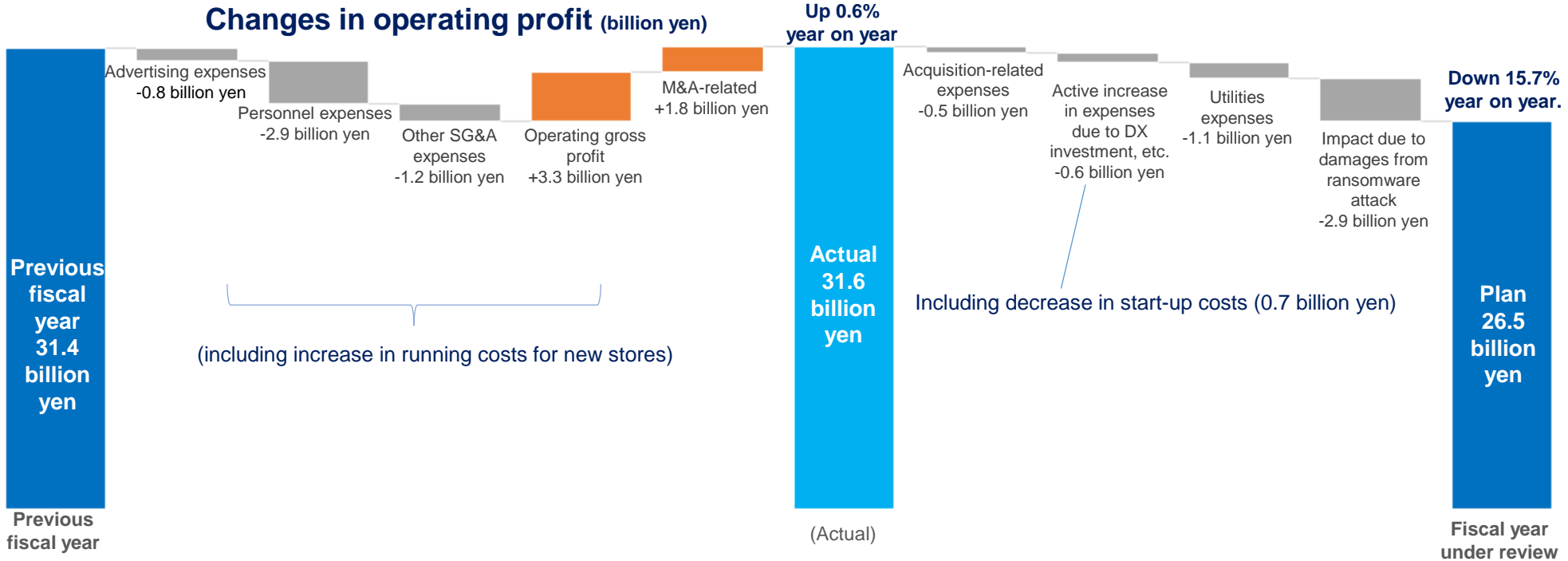
- Tenant sales: recorded as operating revenue instead of gross profit
- Sold-through purchases: recorded as operating revenue instead of gross profit
- Center fees: recorded as gross profit instead of operating revenue
- Revenue from electricity fees: recorded as operating revenue instead of SG&A expenses (return)
- Other

* Items recorded on a net basis instead of a gross basis as agent transactions 15

The FY2024 plan is to recover from the damages of the ransomware attack and lay foundations ahead of the final year of the Second Medium-term Management Plan

- Give top priority to the top-line recovery by reversing the impact that the ransomware attack had on customer numbers. The recovery of management will take time.
- Implement wage increases to deal with the ongoing inflationary environment. For product strategy, further respond to inflation in the second half of the year, following the recovery period from damages due to the ransomware attack.
- Promote PMI for acquisition projects. Open new stores as scheduled, invest in the revitalization of existing stores accelerated since the previous year, aiming for sustained growth.
- In the second half of the year, place a greater focus on fundamental price appeal and product strategies such as action on Nichiryu*, which was delayed due to the ransomware attack, thereby laying a solid foundation for the last year of the Medium-term Management Plan.

* Nihon Ryutsu Sangyo Co., Ltd.



Fluctuation in EBITDA (billion yen)



• Totals may not match exactly as figures have been rounded.

* On basis excluding impact due to damages from ransomware attack

Assumptions for Izumi on a non-consolidated basis

Reference

The figures for the fiscal year ending February 28, 2023 (FY2022) are amounts after application of the Accounting Standards for Revenue Recognition and other relevant standards. Note that for operating revenue, amounts based on gross operating revenue before application of these standards are shown within parentheses for reference purposes.

Fiscal year ending February 2025 (FY2024)

New stores	Youme Mart Shin-Omura (opened April 2024 in Omura-shi, Nagano Prefecture with store area of 2,190m ²) Youme Mall Koshi (opened May 2024 in Koshi-shi, Kumamoto Prefecture with store area of 5,400m ² *) <small>* The area for Youme Mall Koshi includes the supermarket operated by Youme Mart Kumamoto Co., Ltd.</small> Youme Mall Itsukaichi (opened September 2024 in Saeki-ku, Hiroshima with store area of 5,500m ²)		
Main increases in floor area and revitalization	General merchandise stores: 10, Supermarkets: 1 * No increases in floor area		
Unique factors	Start-up costs declined 0.8 billion yen year on year (initial plan: 1.9 billion yen, results in the previous fiscal year: 2.7 billion yen)		
	Full year	1H	2H
Net sales	318.0 billion yen	154.1 billion yen	163.9 billion yen
Year-on-Year Change in Net Sales at Existing Stores	101.2%	99.8%	102.6%
	Directly managed stores total	99.8%	102.0%
Gross profit margin (Ratio to sales)	Current FY: 32.8% Previous FY: 33.3%	Current FY: 32.6% Previous FY: 33.5%	Current FY: 33.1% Previous FY: 33.1%
Personnel expenses	53.0 billion yen (Previous FY: 50,501 million yen, up 5.0% year on year)		
Depreciation	14.1 billion yen (Previous FY: 13,284 million yen, up 6.1% year on year)		
Labor productivity * Gross profit per employee	8.79 million yen (Previous FY: 8.71 million yen, up 0.9% year on year) <small>* Based on Izumi non-consolidated accounting and directly-operated / existing stores as of the end of FY2022</small>		

* The year-on-year change in net sales from existing stores is shown as figures on a gross operating revenue basis before the application of the Accounting Standards for Revenue Recognition.

Year-on-Year Change in Net Sales at Existing Stores

	Results for December FY2024
Lifestyle	101.3%
Foods	101.8%
Directly managed stores total	101.6%
Tenants	103.7%
Izumi Total	102.5%

* Breakdown of total for directly operated stores

Number of customers	100.5%
Average sales per customer	101.2%
Average spent per item	102.2%
Number of purchases	99.0%

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of FY2022, but the figures are presented based on those preceding application of the standards. In addition, with regard to YoY sales at existing stores, the figures for the X-SELL Department have been included in Lifestyle from FY2023 1Q

Group Store Network Dominance Strategy

264 stores in the Chugoku, Shikoku and Kyushu regions

(As of November 30, 2024)

Main companies, etc.	Headquarters	Main business types	Number of stores by region				
			Kyushu	Chugoku	Shikoku	Other	Total
IZUMI	Hiroshima City	SC (Youme Town and LECT)*1	20	35	4	2	61
		NSC (Youme Mall)	3	3	-	-	6
		SM (Youme Mart)	14	20	-	-	34
		Other	2	2	-	2	6
		Subtotal	39	60	4	4	107
Yours	Hiroshima City	SM (Yours, etc.)	-	25	-	-	25
Youme Mart Kumamoto	Kumamoto City	SM (Youme Mart)*2	23	-	-	-	23
		SM, etc. (SUNNY business)	69	-	-	-	69
Youme Mart Kitakyushu	Kitakyushu City	SM (Youme Mart)	23	7	-	-	30
Other	-	SM	4	-	6	-	10
Total			158	92	10	4	264

* Youme Mart (store brand) as a subset of the above

63 30 - - 93

*1 Including 1 LECT store in the Chugoku region

*2 Including stores opened within Youme Mall Koshi by Youme Mart Kumamoto Co., Ltd.

Competitiveness of Existing Stores

Year-on-year change in sales at existing stores from FY2014 (%)

* In the year-on-year comparison of net sales from FY2023, figures including results from X-SELL are included.

	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24
IZUMI	101.8	101.4	101.5	99.2	99.4	99.1	89.7	101.1	103.5	103.0	100.7
Nationwide	99.1	101.3	98.8	99.6	99.2	98.8	100.7	103.1	101.0	103.0	
Deviation	+2.7	+0.1	+2.7	-0.4	+0.2	+0.3	-11.0	-2.0	+2.5	±0	

FY2024 by month (%)

	March	April	May	June	July	August	September	October	November	December	Jan	Feb	Full year
IZUMI	97.7	94.0	98.3	105.7	98.0	105.5	103.1	97.0	105.1	102.5			100.7
Nationwide	109.3	100.4	100.1	104.7	99.0	103.8	101.0	98.7	103.5				
Deviation	-11.6	-6.4	-1.8	+1.0	-1.0	+1.7	+2.1	-1.7	+1.6				

* Source: National data is from the Japan Chain Stores Association, cumulative figures are compiled by the Company

1. Practicing Energy Creation with Solar Power Generation



Expand the use of renewable energy

Since 2015 we have been installing solar power generating panels, and since 2021 we have promoted the adoption of Power Purchase Agreements (PPA) models. At Youme Mall Saijo, Youme Town Iizuka and Youme Mart Shin-omura, 100% renewable energy is used.



Number of stores with solar panels installed

23 stores

(As of February 2024)

▶ Youme Mart Shin-Omura

2. Reducing Environmental Impact Due to Plastics



Horizontal recycling of PET bottles

We implement "bottle-to-bottle" horizontal recycling that recycles used PET bottles into new PET bottles. We increased the number of stores with collection equipment installed, and called on customers to cooperate with collection efforts.

Number of PET bottles collected for horizontal recycling

8,610,705 PET bottles

(FY2023)

▶ In-store collection unit



3. Efforts to reduce food loss



Expanding the range of stores running food drives

A food drive is an initiative to have customers donate unused food from their homes to provide it to those in need. Food drives have become increasingly recognized as activities that reduce food loss and enable social contributions, and the number of items donated has increased year after year.

Number of participating stores:

70

Number of organizations receiving donations:

28

(FY2023)

▶ Snacks, beverages and other items were donated



4. Promoting recycling activities in stores



Beginning testing of beverage label recycling

Working on a joint basis with the Mitsubishi Chemical Group, we have been conducting demonstrating testing of a horizontal "label-to-label" recycling program to turn used beverage labels into new ones. On October 2, 2023, we installed collection boxes at Youme Town Otake and Youme Mart Saijo, and have also been focusing on raising awareness of recycling activities.

▶ Messages from elementary school students on collection boxes



5.Circle of resource recycling spanning the community



Conducting collections of umbrellas and clothing

In June 2023, the first "umbrella replacement campaign" was carried out to accept umbrellas that are no longer needed from customers. We also conduct regular "Zero Clothing Waste Projects" to collect clothing from customers. Through both of these campaigns we provide participating customers with discount offers and coupons to support their taking part in our reuse and recycle initiatives.



▲ Umbrella Replacement Campaign sales area

2.Contributing to society through safe and secure products



Store and the IZUMI headquarters are working together to promote quality control that ensures safe and dependable food

We hold workshops covering topics such as labeling at stores. In addition, our food quality checkers check sales areas at 11 a.m. and 3 p.m. reach day to check information about the products on shelves including freshness, origin, and used by date. The Quality Control Inspection Office at our headquarters also conducts testing in an effort to assure the quality of our in-store merchandise.



▲ Quality Control Inspection Office at the head office

1.Bringing energy and vitality to local communities



Selling meat from livestock raised by high school students

As a part of local-production-for-local-consumption initiatives, beef and pork from livestock raised by local high school students is sold at IZUMI stores. The initiative is being implemented in various regions to teach customers about the daily activities of high school students leaning about how to raise livestock, and to encourage local residents to consume more of the meet produced locally.



▲ Sales area with POP displayed hand-written by high school students on display

3.Developing an environment that allows a diverse range of employees to succeed



Partner employees deliver case presentations

"Youme Inspiration Stories" are case presentation events providing a platform for partner employees to share the details of what they have accomplished in their own words. At the 52nd presentations, eight individuals including the representatives of Group companies reported on the activities they undertook with their colleagues. Promising initiatives are applied to actual store operations.



▲ Participants at the 52nd presentation event

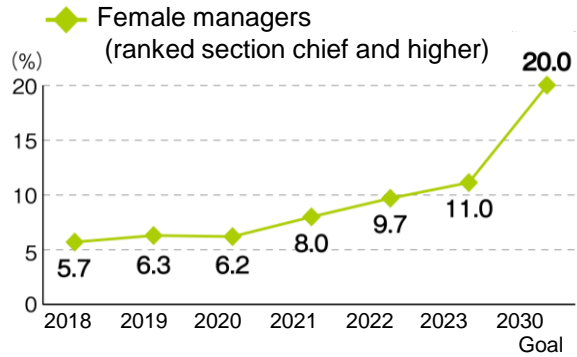
4. Developing an environment that allows a diverse range of employees to succeed



Steady rise in the percentage of female managers

As a result of the Youme Can Project, which was started in 2014 to promote the active participation of women, the number of female employees who have become store managers or assistant managers has steadily increased.

In recognition of these steady efforts to support career advancement, in 2017 we received the highest 3-star "Eruboshi" certification as a company promoting the active participation of women.



5. Promoting a healthy work-life balance



Increase in the number of eligible male employees taking childcare leave

From 2022, the "Postpartum Paternity Leave" provisions of the Child Care and Family Care Leave Act went into effect. There has been an increase in cases where employees combine "childbirth attendance leave" and "couple parenting leave" programs to go on leave. There has been growing momentum for men and women to share responsibilities both in work and parenting.



▲ Eligible male employees taking paternity leave

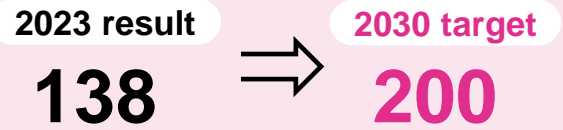
1. Compliance and risk management system



IZUMI Hotline Consultation Service

The IZUMI Hotline was established with the aim of fostering an open organization. The hotline accepts and appropriately deals with consultations from employees and the employees of business partners.

Whistleblowing reports



2. Promoting dialogue with shareholders



Promoting IR communications

The Corporate Planning Division plays a central role in regularly engaging in dialogue with shareholders and investors regarding the Company's management strategy and performance. In addition to holding financial results briefing sessions for analysts and institutional investors twice a year, we also hold company briefings for individual investors and take part in individual investor seminars organized by securities firms.

Information Published on the Website

Monthly sales, financial results materials, performance trends, shareholder information, General Meeting of Shareholders, IR calendar, IR Information (English), press releases, Integrated Report

We will build an effective structure and pursue sound and appropriate management.

- Strive to maximize corporate value by realizing customer satisfaction, in order to meeting stakeholder expectations
- Fulfill our social responsibility with a high sense of ethics while contributing to local communities
- Develop a management organization and various systems, positioning enhanced transparency and fairness as key challenges
- Strengthen supervisory functions of the Board of Directors, ensure financial reliability and strive to improve the effectiveness and efficiency of business operations
- Form a Management Meeting and Nomination & Compensation Committee to further enhance the effectiveness of delegated authority.

