

Financial Results for the First Three Months of the Fiscal Year Ending February 28, 2026

IZUMI CO., LTD.

[Stock code: 8273]

**I. Summary of Financial Results for the First Three Months
of the Fiscal Year Ending February 28, 2026 (FY2025)**

Slide No.

1. Consolidated Summary	3
2. Consolidated Profit and Loss Statement (Results)	4
3. Non-consolidated Profit and Loss Statement (Results)	7
4. Consolidated Balance Sheet and Non-consolidated Balance Sheet	11
5. Consolidated Cash Flows	12

II. Appendix

14

- Operating revenue, operating profit, and profit increased, chiefly due to higher sales following a decline caused by the ransomware attack and the acquisition of the SUNNY business.
- Focused on post-merger integration (PMI) after the acquisition of the SUNNY business in August last year and laying a foundation for independent operations.
- Stepped up measures to meet the need for low prices, which has arisen from increased budget consciousness due to prolonged inflation.
- Opened two new stores in the new Hiroshima station building in March and continued remodeling existing stores.

(Million yen)	Comsolidated			
	FY2025 1Q		Previous fiscal year 1Q	
	Result	YoY	Result	YoY
Operating revenue	136,538	125.5%	108,784	95.2%
Operating profit	6,161	106.0%	5,811	71.3%
Ordinary profit	6,056	99.9%	6,063	72.8%
Profit *1	4,045	102.8%	3,933	71.1%
Total assets	582,015		569,611	(FY-end result)
Net assets	269,926		299,218	(FY-end result)
(Reference)				
Total operating revenue *2	206,707	118.0%	175,146	98.1%
Earning per share	56.92 yen		55.00 yen	
Net assets per share	4,011.72 yen		3,990.31 yen	(FY-end result)
Equity ratio	48.7%		50.1%	(FY-end result)

*1 Profit is profit attributable to owners of parent.

*2 The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of FY2022. Operating revenue reclassified to the figures before applying the accounting standard and relevant ASBJ regulations is presented as "Total operating revenue" for reference.

Sales rose significantly after a decline due to last year's ransomware attack. M&A also had a positive impact.

- Operating revenue Sales increased after previously falling due to last year's ransomware attack. M&A (SUNNY business and Sunlife) contributed to the increase.
In 4Q alone, revenue rose significantly by 19.4%, resulting in a full-year increase of 11.2%.
- Operating profit The operating gross profit margin declined by 1.8 points. The SG&A expense ratio fell by 1.0 point. The operating profit margin stood at 4.5%, down 0.8 points YoY.
- Ordinary profit The ordinary profit margin declined 1.2 points YoY to 4.4%, reflecting higher interest expenses and other factors.
- Profit The profit margin stood at 3.0%, down 0.6 points YoY.

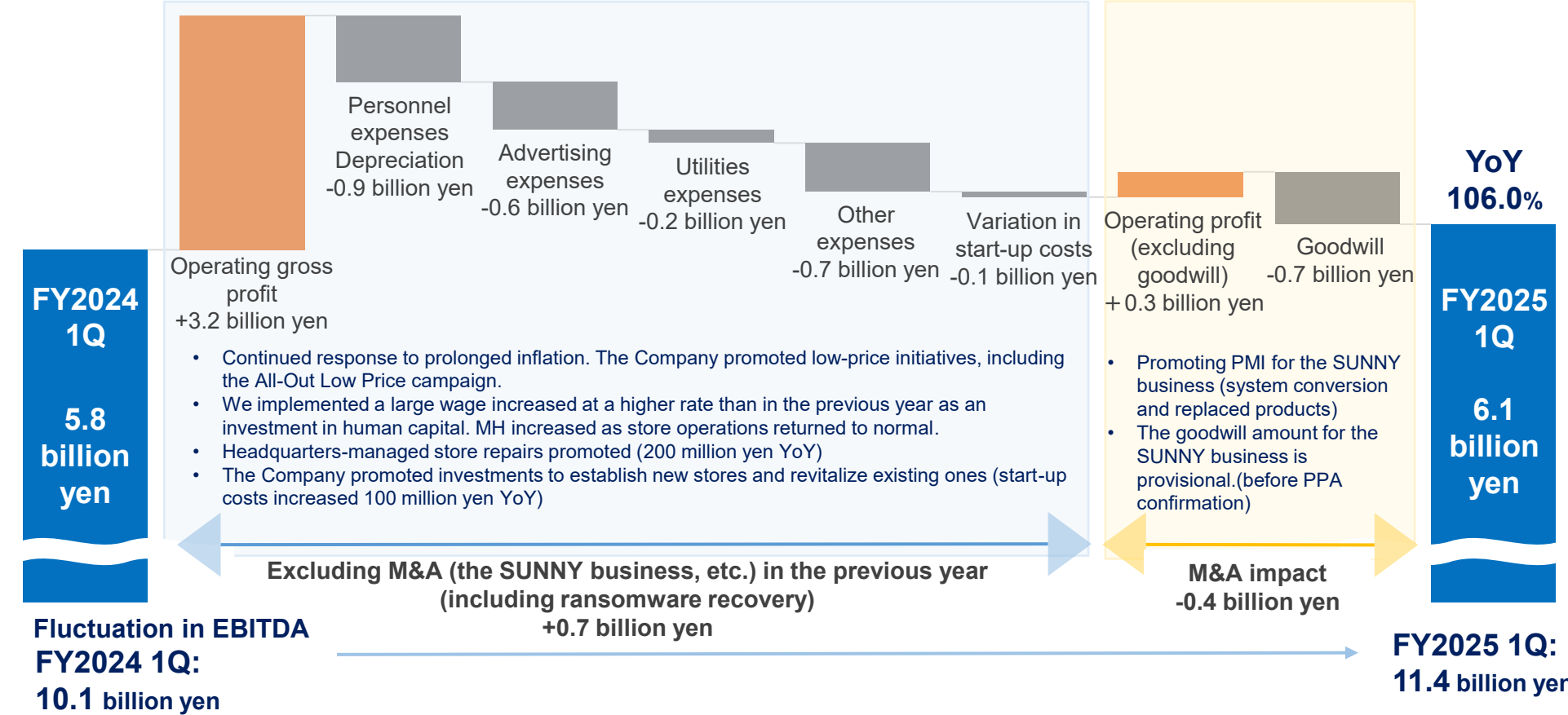
(Million yen)	Consolidated				
	FY2025 1Q			Previous fiscal year 1Q	
	Result	% of operating revenue	YoY	Result	% of operating revenue
Operating revenue	136,538	100.0%	125.5%	108,784	100.0%
Net sales	122,057	89.4%	128.7%	94,812	87.2%
Gross profit	39,242	28.7%	127.6%	30,765	28.3%
Operating revenue	14,480	10.6%	103.6%	13,972	12.8%
Operating gross profit	53,723	39.3%	120.1%	44,738	41.1%
SG&A expenses	47,561	34.8%	122.2%	38,926	35.8%
Operating profit	6,161	4.5%	106.0%	5,811	5.3%
Non-operating income and losses	-104	-0.1%	—	252	0.2%
Ordinary profit	6,056	4.4%	99.9%	6,063	5.6%
Extraordinary income and losses	-22	-0.0%	—	-263	-0.2%
Profit *	4,045	3.0%	102.8%	3,933	3.6%

* Profit is profit attributable to owners of parent.

Operating profit came to 6.1 billion yen, up 6.0% YoY. EBITDA rose 1.3 billion yen (13.6%) YoY.

- The Group implemented sales strategies, primarily to combat inflation, aiming to recover from the damage done by the ransomware attack. Operating gross profit increased significantly, while total expenses were within the planned range.
- As an investment in human capital, wages were raised at a higher rate than in the previous year to address a tighter labor market and rising prices driven by inflation.
- Start-up costs for new stores and the revitalization of existing stores rose by 100 million yen YoY. Repairs at headquarters-managed stores were undertaken to enhance their amenities and safety.
- The Group acquired the SUNNY business in the previous fiscal year through a carve-out transaction. During the first quarter, the Group implemented PMI, including system conversion, focusing on laying a foundation for independent operations.

Changes in operating profit



Sales recovered in retail operations. In retail-peripheral operations, Youme Card and Izumi Techno took an upturn. Both sales and profit increased.

- In retail operations, both sales and profit increased due to the absence of the effects of last year's ransomware attack and M&A (for non-consolidated performance information, please refer to the pages following this one.)
- Sales for supermarket subsidiaries increased as Izumi Co., Ltd. Youme Mart Kumatomo (excluding the SUNNY business) and Youme Mart Kitakyushu turned profitable. Yours was profitable, excluding start-up costs for new stores.
- The SUNNY business conducted a system conversion and replaced Seiyu's private brand products with the Kurashi More brand.
- Youme Card and Izumi Techno recorded an increase in both sales and profit as retail operations returned to normal. Izumi Food Service reported an increase in sales but a decline in profit, reflecting strong sales and increased personnel expenses due to a wage increase.

(Million yen)	Consolidated operating revenue					Consolidated operating profit				
	FY2025			Previous fiscal year		FY2025			Previous fiscal year	
	Result	% of total	YoY	Result	% of total	Result	% of total	YoY	Result	% of total
Retail operations	131,966	96.7%	126.3%	104,474	96.0%	4,682	76.0%	105.1%	4,456	76.7%
Retail-peripheral operations	12,492	9.1%	115.2%	10,842	10.0%	1,356	22.0%	110.5%	1,227	21.1%
Others and adjustments	-7,921	-5.8%	—	-6,532	-6.0%	122	2.0%	—	127	2.2%
Consolidated total	136,538	100.0%	125.5%	108,784	100.0%	6,161	100.0%	106.0%	5,811	100.0%
Retail operations										
Izumi Co., Ltd. (Non-consolidated)	90,442	66.2%	105.4%	85,823	78.9%	5,169	83.9%	104.1%	4,966	85.5%
Youme Mart Kumamoto Co., Ltd.	26,663	19.5%	452.0%	5,899	5.4%	-237	-3.9%	—	-40	-0.7%
(including the SUNNY business)	(20,080)	(14.7%)	—	—	—	(-364)	(-5.9%)	—	—	—
Youme Mart Kitakyushu Co., Ltd.	6,083	4.5%	105.0%	5,793	5.3%	79	1.3%	—	-21	-0.4%
Yours Co., Ltd.	5,842	4.3%	111.6%	5,233	4.8%	-39	-0.6%	—	-106	-1.8%
Retail-peripheral operations										
Youme Card Co., Ltd.	2,205	1.6%	105.9%	2,082	1.9%	424	6.9%	113.5%	373	6.4%
Izumi Techno Co., Ltd.	5,044	3.7%	123.3%	4,090	3.8%	554	9.0%	125.3%	442	7.6%
Izumi Food Service Co., Ltd.	1,946	1.4%	108.0%	1,801	1.7%	85	1.4%	56.3%	151	2.6%

The Company recovered from a decline caused by the ransomware attack and took measures to address prolonged inflation. SG&A expenses were controlled effectively and were approximately aligned with the planned budget.

- Operating revenue Sales increased 5.4%. The percentage of operating gross profit in operating revenue rose 0.2 percentage points.
- Operating profit The ratio of gross profit to operating sales increased 0.2 points. The SG&A expense ratio stood at 6.0%, up 0.3 points. The operating profit margin fell 0.1 points to 5.7%.
- Ordinary profit Interest expenses increased chiefly due to a rise in interest-bearing debt and a hike in interest rates. The ordinary profit margin declined 0.4 points YoY to 5.7%
- Profit The profit margin stood at 4.0%, down 0.2 points YoY.

(Million yen)	Non-Consolidated				
	FY2025 1Q			Previous fiscal year 1Q	
	Result	% of operating revenue	YoY	Result	% of operating revenue
Operating revenue	90,442	100.0%	105.4%	85,823	100.0%
Net sales	76,333	84.4%	105.9%	72,070	84.0%
Gross profit	25,120	27.8%	107.6%	23,336	27.2%
Operating revenue	14,109	15.6%	102.6%	13,752	16.0%
Operating gross profit	39,229	43.4%	105.8%	37,089	43.2%
SG&A expenses	34,060	37.7%	106.0%	32,123	37.4%
Operating profit	5,169	5.7%	104.1%	4,966	5.8%
Non-operating income and expenses	-50	-0.1%	—	240	0.3%
Ordinary profit	5,119	5.7%	98.3%	5,206	6.1%
Extraordinary income and losses	-168	-0.2%	—	-4	-0.0%
Profit	3,595	4.0%	100.6%	3,574	4.2%

At directly-operated stores, both net sales and gross profit recovered from the impact of last year's system failure.

- Lifestyle Temperatures were below normal, leading to weak spring and summer sales, particularly in clothing. Net sales rose from a year ago, but gross profit declined 0.2 points.
- Foods In response to heightened budget awareness, the Company reduced prices and added value. Consequently, the gross profit margin increased 0.8 points YoY.
- Gross profit Gross profit rose 0.5 points from a year ago. Last year, controlling inventories was difficult due to a system failure.

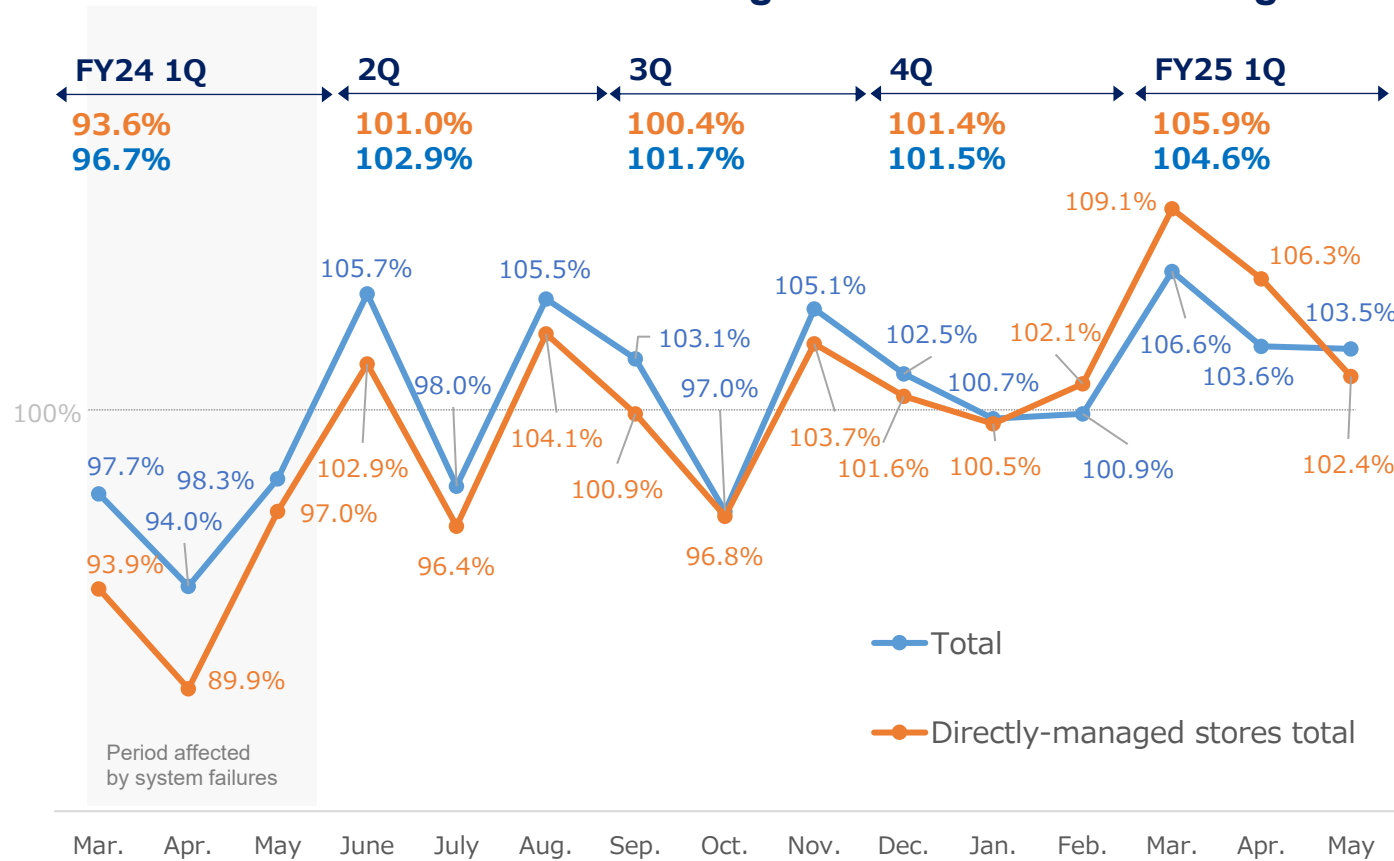
(Million yen)	Non-consolidated net sales					
	FY2025 1Q			Previous fiscal year 1Q		
	Result	% of total	YoY	Result	% of total	YoY
Lifestyle	20,897	27.4%	102.0%	20,492	28.4%	92.5%
Foods	55,436	72.6%	107.5%	51,578	71.6%	95.7%
Total	76,333	100.0%	105.9%	72,070	100.0%	94.7%

(Million yen)	Non-consolidated gross profit margin			
	FY2025 1Q		前期 1Q	
	Result	YoY	Result	YoY
Lifestyle	36.0%	△0.2pt	36.2%	+0.2pt
Foods	31.7%	+0.8pt	30.9%	-1.4pt
Total	32.9%	+0.5pt	32.4%	-1.0pt

The Company recovered from the impact of last year's ransomware attack and focused on addressing increased budget consciousness and weather conditions.

- Lifestyle In March, net sales were higher than the previous year, but seasonal items, particularly clothing, performed poorly as temperatures were colder than usual.
- Foods The Company promoted low-price initiatives, including the All-Out Low Prices campaign, and increased the number of items available at All-Out Low Prices from 60 to 100. This led to a rise in customers, which resulted in strong performance.
- Tenants Certain apparel tenants were adversely affected by lower temperatures. However, sales of household goods were firm, and prepared food and restaurant tenants remained consistently strong.

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



	FY2025 1Q
Lifestyle	101.8%
Foods	107.8%
Directly managed stores total	105.9%
Tenants	103.0%
Non-consolidated Total	104.6%

*Breakdown of total for directly operated stores

Number of customers	101.6%
Average sales per Customer	104.3%
Average spent per Item	104.4%
Number of purchases	100.0%

Total SG&A expenses rose 6.0% YoY. The ratio of SG&A expenses to operating sales ratio rose 0.3 points to 37.7%.

- Personnel expenses The Company strived to effectively control employee work hours. However, personnel expenses rose due to wage hikes and running costs for new stores.
- Utilities expenses The Company worked to effectively manage usage, but expenses increased due to renewable energy surcharges, among other factors.
- Advertising expenses Advertising expenses rose due to last year's ransomware attack, which made promotions through circulars and direct mail impossible, along with this year's promotions addressing inflation.
- Other Start-up costs for new store openings and existing store revitalization increased by approximately 0.1 billion yen (from 0.5 billion yen in the previous year to 0.6 billion yen in the current year).
The Company increased investments in store repairs and maintenance to enhance safety and amenities.

(Million yen)	Non-consolidated					Productivity Indicators			
	FY2025 1Q			FY2024 1Q		(Thousand yen)	FY2025 1Q		FY2024 1Q
	Result	% of operating revenue	YoY	Result	% of operating revenue		Result	YoY	Result
Operating revenue	90,442	100.0%	105.4%	85,823	100.0%	Sales per employee	6,401	106.8%	5,993
Operating gross profit	39,229	43.4%	105.8%	37,089	43.2%	Gross profit per employee	2,106	108.5%	1,941
SG&A expenses	34,060	37.7%	106.0%	32,123	37.4%	Personnel expenses per employee	1,064	105.2%	1,011
Personnel expenses	12,684	14.0%	104.3%	12,157	14.2%	Personnel expenses/sales ratio	16.6%	-0.3pt	16.9%
Depreciation	3,214	3.6%	96.2%	3,341	3.9%	Personnel expenses/gross profit ratio	50.5%	-1.6pt	52.1%
Rent expenses	2,422	2.7%	100.0%	2,423	2.8%				
Store management expenses	3,272	3.6%	104.6%	3,127	3.6%				
Utilities expenses	3,012	3.3%	105.4%	2,858	3.3%				
Advertising expenses	2,393	2.6%	133.7%	1,790	2.1%				
Other	7,060	7.8%	109.9%	6,424	7.5%				

Consolidated Balance Sheet and Non-consolidated Balance Sheet for the First Three Months of the Fiscal Year Ending February 28, 2026 (FY2025)

Total assets increased 12.4 billion yen due to new store openings and the revitalization of existing stores.

- **Total assets** Total investments, primarily in new store openings, the revitalization of existing stores, and digital transformation, including prior investments, stood at 6.4 billion yen. Notes and accounts receivable - trade, and contract assets increased 4.2 billion yen, chiefly due to a rise in credit transaction value.
- **Liabilities** The final day of the fiscal year fell on a bank holiday, which led to an increase of 28.0 billion yen in notes and accounts payable - trade and a rise in liabilities by 14.6 billion yen.
- **Net assets** In April, the Company bought treasury shares valued at 3.1 billion yen. The shareholders' equity ratio declined 1.4 points YoY to 48.7%.

(Million yen)	Consolidated			Non-consolidated		
	End of FY2025			End of FY2025		
	Result	% of total	Amount	Result	% of total	Amount
Total assets	582,015	100.0%	+12,403	514,141	100.0%	+13,453
Cash and deposits	13,444	2.3%	-2,273	6,765	1.3%	-2,760
Notes and accounts receivable - trade, and contract assets	63,536	10.9%	+4,276	13,034	2.5%	+2,392
Property, plant and equipment	349,445	60.0%	+4,975	272,389	53.0%	+4,229
Goodwill*	54,885	9.4%	-857	—	—	—
Other	100,723	17.3%	+6,282	221,952	43.2%	+9,592
Liabilities	285,088	49.0%	+14,695	288,775	56.2%	+16,278
Notes and accounts payable – trade	57,045	9.8%	+28,021	46,943	9.1%	+26,645
Interest-bearing liabilities	127,152	21.8%	-12,304	159,155	31.0%	-13,601
Other	100,890	17.3%	-1,020	82,676	16.1%	+3,234
Net assets	296,926	51.0%	-2,292	225,365	43.8%	-2,824
Equity	283,205	48.7%	-2,316	225,365	43.8%	-2,824
Non-controlling interests	13,720	2.4%	+24	—	—	—

* As allocation of the acquisition costs has not been completed, the amounts of goodwill are provisional estimates.

The final day of the fiscal year fell on a bank holiday, which led to an increase in notes and accounts payable – trade. In April, we acquired 3.1 billion yen of our own shares.

- Cash flows from operating activities Cash flows provided from operating activities amounting to 25.8 billion yen, driven in part by profit before income taxes.
- Cash flow from investing activities Cash used in investing activities stood at 5.0 billion yen, primarily reflecting investments in new store openings, revitalizing existing stores, and digital transformation (cash outflows totaling 5.3 billion yen).
- Cash flows from financing activities Cash used in financing activities came to 23.0 billion yen, chiefly due to the purchase of treasury shares amounting to 3.1 billion yen, dividends paid of 3.2 billion yen, and repayments of borrowings of 16.5 billion yen.

(Million yen)	FY2025 1Q	FY2024 1Q
Cash flows from operating activities	25,822	14,441
Profit before income taxes	6,033	5,800
Non-cash loss/gain (depreciation, etc.)	5,442	4,500
Increase/decrease in claims and obligations related to operating activities	17,190	-3,336
Income taxes and interest income	-4,808	-732
Other	1,963	1,536
Cash flow from investing activities	-5,083	-7,740
Capital investment related	-5,820	-6,236
Other	736	-1,504
Cash flows from financing activities	-23,012	-8,518
Interest-bearing liabilities related	-16,588	-5,267
Other	-6,423	-3,251
Increase/decrease in cash and cash equivalents	-2,273	-1,817

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](#)
(Japanese only)



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



<Contact>

Corporate Planning Section, Corporate Planning Department, Izumi Co., Ltd.

Tel: +81-82-264-5994 / Fax: +81-82-261-5895

Appendix

III. Appendix	Slide No.
Business Forecast for the Fiscal Year Ending February 28, 2026 (FY2025)	15
Group Store Network Dominance Strategy	18
Competitiveness of Existing Stores (Year-on-Year Change in Net Sales at Existing Stores)	19
ESG (environment, Society, Governance)	20

Operating revenue is projected to grow by 12.6%, with efforts focused on addressing prolonged inflation and stabilizing SUNNY operations.

- In response to continued inflationary pressures, product strategies will be aligned with consumer behaviors. Private-brand (PB) products in the low-price range are scheduled to launch in H2.
- The SUNNY business will focus on stable operations through the deployment of systems and low-cost operations. Kurashi More, a private-brand product line from Nichiryu*, will be introduced. *Nihon Ryutsu Sangyo Co., Ltd.
- Five new stores are planned—three directly operated and two operated by subsidiaries. En Fleur, a directly operated cosmetics and lifestyle store, will open in Minamoa in Hiroshima Station.
- The Company will review its governance structure in preparation for the Third Medium-term Management Plan starting in FY2026, ensuring that it has a solid foundation for its implementation.

(Million yen)	Consolidated				Non-consolidated			
	FY2025				FY2025			
	Full year		H1		Full year		H1	
	Plan	YoY	Plan	YoY	Plan	YoY	Plan	YoY
Operating revenue*1	590,100	112.6%	294,200	123.3%	394,900	105.9%	195,300	107.6%
Operating profit	30,700	120.7%	15,700	130.5%	23,500	110.5%	12,200	118.4%
Ordinary profit	30,400	118.2%	15,500	125.5%	23,100	107.8%	12,000	112.9%
Profit*2	18,300	153.5%	9,700	118.9%	14,500	150.5%	7,800	107.5%
EBITDA*3	52,400	107.7%	—	—	—	—	—	—

*1 Total operating revenue874,800110.0%433,700116.8%798,400114.0%390,200114.3%

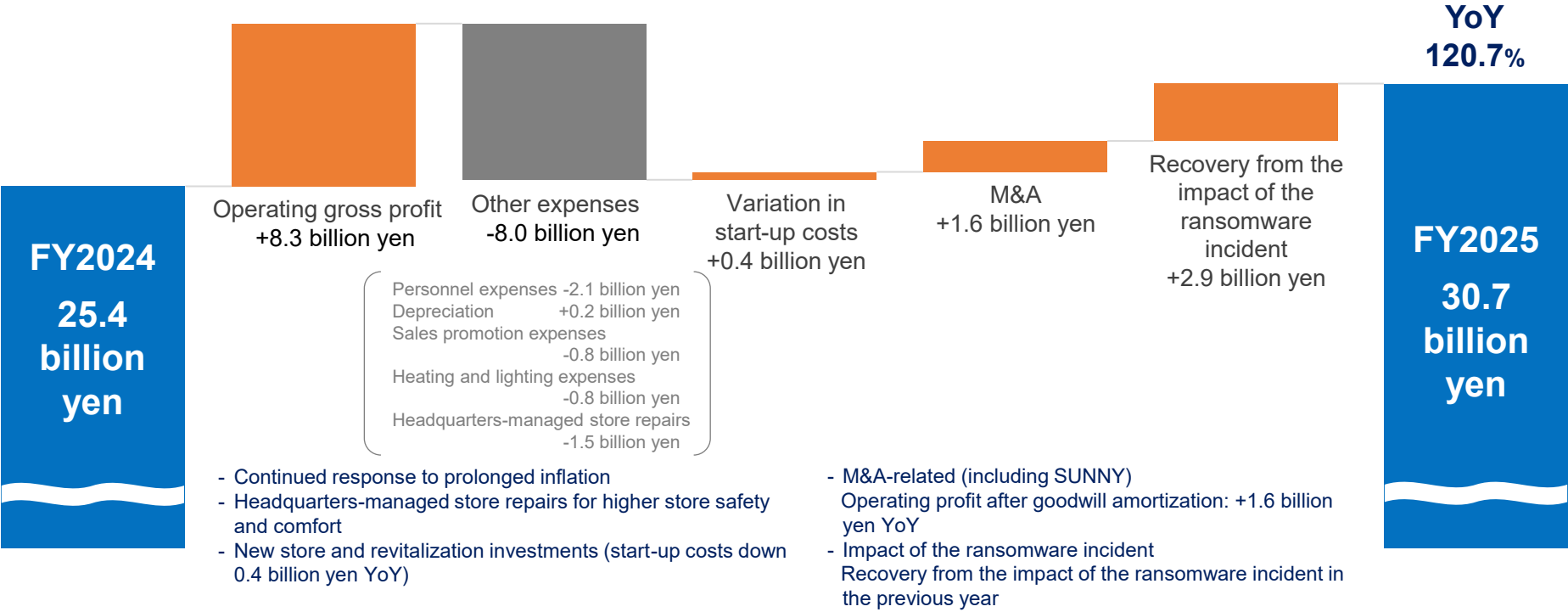
*2 Consolidated profit is profit attributable to owners of parent.*3 EBITDA = Operating profit + Depreciation + Amortization of goodwill

Earnings per share	255.75 yen	
Dividend per share	90.00 yen	
Extraordinary income and losses	-1.5 billion yen	* Non-consolidated -1.5 billion yen
Capital investment (construction basis)	17.0 billion yen	*Non-consolidated 11.0 billion yen

Operating profit is projected to increase by 20.7% to 30.7 billion yen.

- A 2.9 billion yen recovery is expected following the impact of the ransomware incident in the previous year. In parallel, proactive measures will be taken to address prolonged inflation and quickly respond to consumer needs.
- The SUNNY business, which faced significant operational challenges in the previous year, will focus on stabilizing operations and it aims to return to profitability, with a 1.6 billion yen increase in M&A-related performance.
- As an investment in human capital, wages will be raised at a higher rate than in the previous year to address a tighter labor market and rising prices driven by inflation.
- Start-up costs are expected to decline by 0.4 billion yen YoY (from 2.2 billion yen to 1.8 billion yen), while headquarters-managed store repairs will be proactively promoted (+1.5 billion yen).

Changes in operating profit (billion yen)



Fluctuation in EBITDA (billion yen)

FY2024: 45.7 billion yen

FY2025: 52.4 billion yen

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

Assumptions for Izumi on a non-consolidated basis

Fiscal year ending February 28, 2026 (FY2025)			
New stores	En Fleur Petit Minamoa Hiroshima (March 2025, Minami Ward, Hiroshima) Youme Mall Sanyo (June 2025, Akaiwa, Okayama) RECRE (* Name TBD, July 2025, Kure, Hiroshima) * The grand opening is scheduled for October 2025.		
Main increases in floor area and revitalization	General merchandise stores: 5 * No increases in floor area		
Unique factors	Start-up costs declined 400 million yen YoY (initial plan: 1.5 billion yen, results in the previous fiscal year: 1.9 billion yen)		
	Full year	H1	H2
Net sales	336.3 billion yen	166.4 billion yen	169.9 billion yen
Year-on-Year Change in Net Sales at Existing Stores	105.5%	106.7%	104.4%
	Directly managed stores total	105.7%	107.5%
		104.0%	
Gross profit margin (Ratio to sales)	Current FY: 32.8% Previous FY: 32.7%	Current FY: 32.7% Previous FY: 32.5%	Current FY: 32.9% Previous FY: 33.0%
Personnel expenses	52.5 billion yen (Previous FY: 50,670 million yen, up 3.7% YoY)		
Depreciation	13.3 billion yen (Previous FY: 13,572 million yen, down 1.8% YoY)		
Labor productivity * Gross profit per employee	9.25 million yen (Previous FY: 8.63 million yen, up 7.2% YoY) * Based on Izumi non-consolidated accounting and directly-operated / existing stores as of the end of FY2024		

Year-on-Year Change in Net Sales at Existing Stores	
	FY2025 June results
Lifestyle	95.9%
Foods	101.7%
Directly managed stores total	99.8%
Tenants	100.4%
Izumi Total	100.1%

* Breakdown of total for directly operated stores

Number of customers	98.2%
Average sales per customer	101.7%
Average spent per item	103.6%
Number of purchases	98.1%

* 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.

265 stores mainly in the Chugoku, Shikoku and Kyushu regions

(As of May 31, 2025)

Main companies, etc.	Headquarters	Main business types	Number of stores 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	19	-	-	33
		Other	2	3	-	1	6
		Subtotal	39	60	4	3	106
Yours	Hiroshima Ctiy	SM (Yours, etc.)	-	26	-	-	26
Youme Mart Kumamoto	Kumamoto City	SM (Youme Mart) ^{※2}	23	-	-	-	23
		SM, etc. (SUNNY business)	70	-	-	-	70
Youme Mart Kitakyushu	Kitakyushu City	SM (Youme Mart)	23	7	-	-	30
Other	-	SM	4	-	6	-	10
Total			159	93	10	3	265

* 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 FY2015 (%)

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

	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25
Izumi	101.4	101.5	99.2	99.4	99.1	89.7	101.1	103.5	103.0	100.7	103.4
Nationwide	101.3	98.8	99.6	99.2	98.8	100.7	103.1	101.0	103.0	102.1	
Deviation	+0.1	+2.7	-0.4	+0.2	+0.3	-11.0	-2.0	+2.5	±0	-1.4	

FY2025 by month (%)

	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Full year
Izumi	106.6	103.6	103.5	100.1									103.4
Nationwide	102.2	103.4	104.6										
Deviation	+4.4	+0.2	-1.1										

* 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

28 stores

(As of February 2025)

◀ Youme Mart Shin-Omura



3. Reducing Environmental Impact Due to Plastics



Plastic bottle collection machines have begun operating in Kagawa prefecture.

In April 2025, Youme Town Mitoyo and Youme Town Marugame initiated horizontal recycling practices where they transform plastic bottles used by consumers into new plastic bottles. This process is called "Bottle-to-Bottle" recycling. A total of 41 stores have installed plastic bottle collection machines. We plan to add these machines to 12 more stores by the end of FY2025. We also plan to install machines to collect and recycle aluminum cans, reducing waste and cherishing our limited resources.

2. Reducing Environmental Impact Due to Plastics



Food drive now in all stores!

Starting March 18, 2025, the food drive program has been expanded to an additional 25 stores. A food drive is an initiative aimed at reducing food waste and effectively using food resources by collecting unused items from households and donating them to local welfare organizations, facilities or food banks.

We aim to transform household mottainai (a Japanese concept expressing regret over waste) into a community thank you, contributing to a more sustainable society.

▶ In-store collection box



4. Food Waste Recycling



Four stores in Fukuoka prefecture have begun collecting used cooking oil.

We support initiatives to collect cooking oil from households in Fukuoka and Kitakyushu. We have installed collection boxes at stores to reduce waste and promote a decarbonized society. The oil that is collected is processed and reused to produce bio diesel fuel (BDF). Using BDF as alternative fuel to diesel reduces CO2 emissions by 2.62 kg per liter of BDF.

▶ In-store collection box

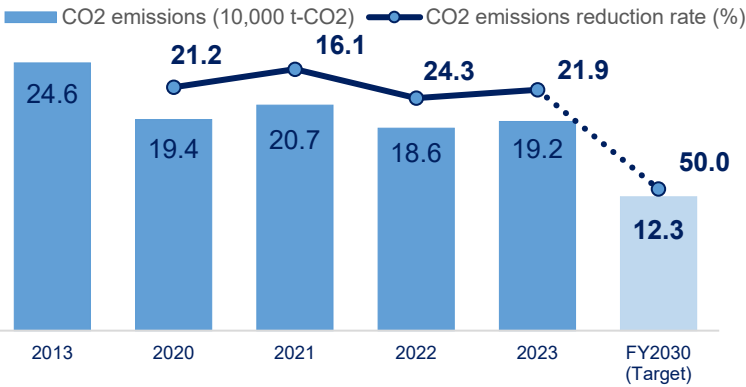


5. Steady Progress Toward FY2030 Environmental KPI Targets

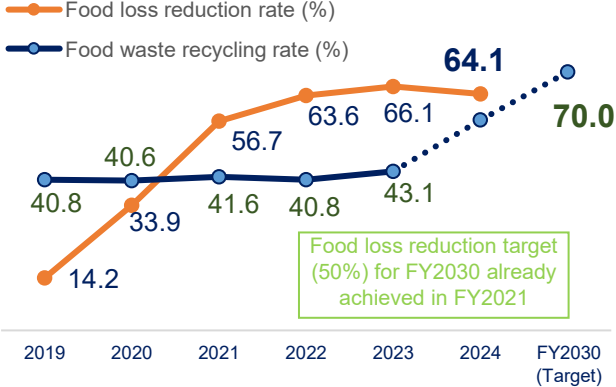


■ Progress on Environmental KPIs

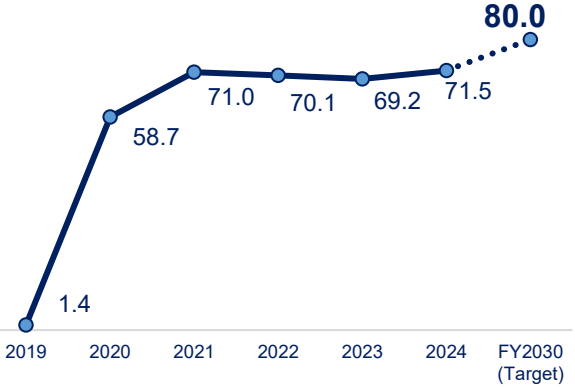
1. CO2 Emissions and
2. CO2 Emissions Reduction Rate
(Compared to FY2013; Scope 1 & 2)



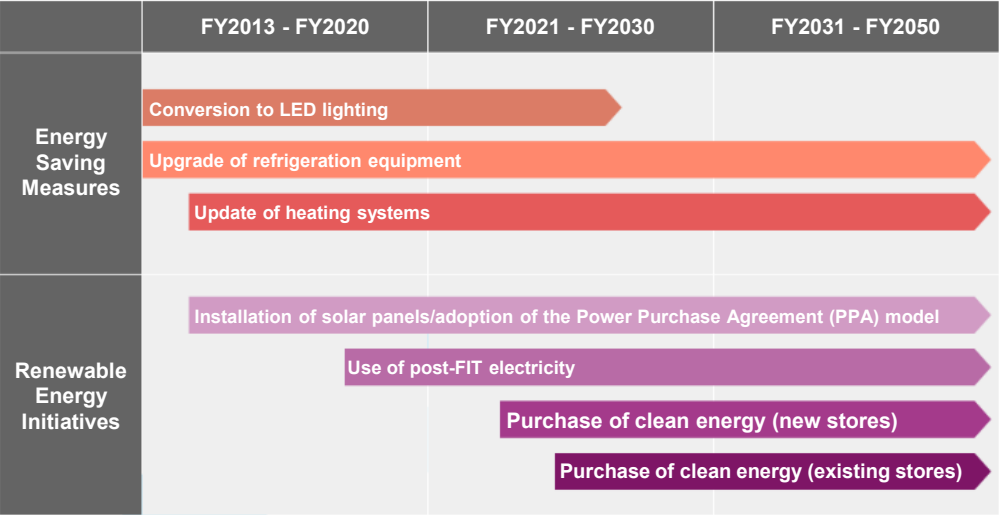
1. Food Waste Recycling Rate
2. Food Loss Reduction Rate
(Compared to FY2018)



Plastic Shopping Bag Reduction Rate
(Compared to FY2018)



■ Roadmap for Reducing CO2 Emissions



■ Sustainability Committee: Activity Overview

CO2 Reduction and Energy Efficiency Subcommittee

- Discussion of solar power systems and the use of renewable energy
- Assessment of CO2 emissions and review of reduction measures across the Group

Human Rights/DE&I Subcommittee

- Establishment and implementation of a human rights due diligence framework
- Statutory disclosure of information in the securities report (July 2024)

Group Companies Subcommittee

- Sharing sustainability-related information between Group companies
- Coordination for CO2 emissions assessments by each Group company

Procurement Subcommittee

- Communication of Izumi's procurement policy to suppliers
- Planning and monitoring of progress toward sustainable procurement goals

1. Bringing Energy and Vitality to Familiar Communities



Sold Hiroshima Pasta, invented by an elementary school student for a limited time

In the summer of 2024, as part of the "Delicious Hiroshima" project, Kagome Co., Ltd. sought ideas for Hiroshima Pasta as a new local specialty. We commercialized pasta invented by an elementary school student, which won the grand prize and the livestock product utilization prize, and sold it at 30 Youme Town and Youme Mart stores from March 2025 for a limited time.



► Luxury Mixed Hiroshima Pasta

3. 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 headquarters

2. Working Together for Greater Progress



2. Working Together for Greater Progress

May 2025, the Yottekonkan hall, operated by the Yame City Council of Social Welfare, opened in Youme Town Yame. We aim to contribute to the local community by helping prevent frailty and addressing social withdrawal. In addition, we provide a resting area for shoppers. We plan to ask local volunteers to provide health activities for local residents and supervise children. We also plan to organize more shopping tours.



▲ People interacting with each other

4. Extend the Circle of Health Maintenance and Improvement



Promoting health and productivity management to protect the health of the community

Since more than 95% of the employees working for the Izumi Group live in the vicinity of our stores, we promote health and productivity management based on the idea that protecting the health of employees means protecting the health of the community. In March 2025, the company was recognized by the Ministry of Economy, Trade and Industry as a 2025 Certified KENKO Investment for Health Outstanding Organization.



4. Developing an Environment That Allows a Diverse Range of Employees to Succeed



Building systems that embrace people's diverse career values and backgrounds, aiming to enhance engagement and secure qualified talent.

■ Revision of the Work Area Classification System

Purpose

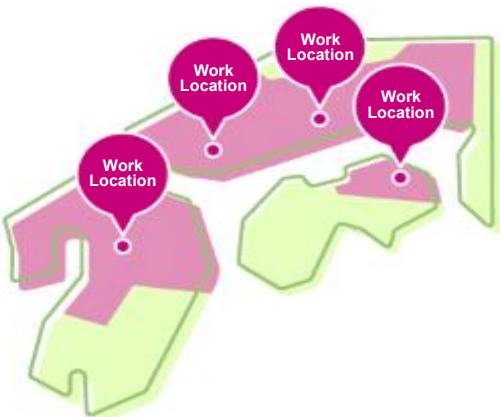
Employees can now choose their work area based on individual preferences and circumstances, enabling them to work in a way that best matches their motivation and capabilities.



- Improve employee engagement
- Secure qualified talent

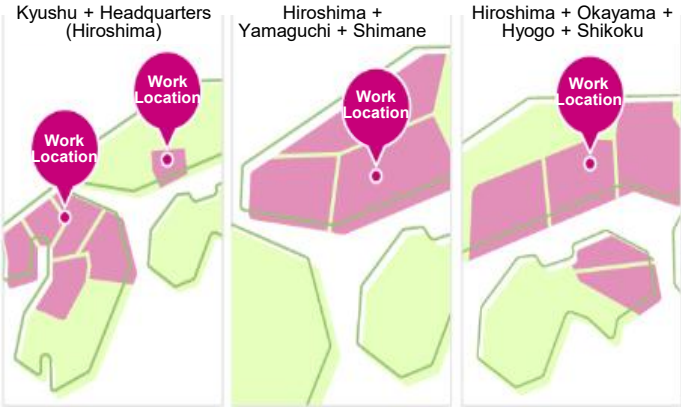
Employee Classifications

National Employees



Work Location: No restrictions
(headquarters + all store regions)

Regional Employees



Work Location: Area-based
(choose from three designated areas)

Field Employees



Work Location: Limited
(stores within a 30 km radius of home)

5. Developing an Environment That Allows a Diverse Range of Employees to Succeed.



A workplace environment where employees can be more like themselves

In July 2025, we revised our employment rules (appearance standards) to respect our employees' diversity, personality, and values in response to changing times. This change aims to create a workplace environment where employees can be their authentic selves and work with enthusiasm. We also aim to improve the recruitment environment. We will strive to increase employee satisfaction and motivation while securing and retaining the talent we need to build our future.

▶ A poster displayed in a store outlining updates to appearance standards



6. Developing a Workplace Where Employees Can Work with Peace of Mind



The Izumi Group's policy on customer harassment

To ensure a safe and secure working environment for all employees of the Izumi Group, we have established a basic policy on customer harassment. While we respond sincerely and respectfully to customer feedback and concerns, we will take a firm and systematic approach to addressing any customer behavior that severely harms employee rights or working conditions.

▶ Awareness posters displayed in stores

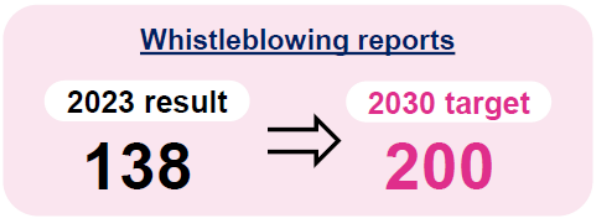


1. Compliance and Risk Management System



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.



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 sound and appropriate management.

- Strive to maximize corporate value by realizing customer satisfaction, in order to meet 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 and Remuneration Committee to further enhance the effectiveness of delegated authority.

Along with revamping the management structure, the term of office of directors has been shortened from two years to one to enhance governance to increase urgency and agility.

