Financial Results for the Six Months Ended August 31, 2025

IZUMI CO., LTD.

［Stock code: 8273］

youme

YoY Comparison:

- **Sales recovered from the impact of last year's ransomware attack. Opened three new stores, including Youme Mall Sanyo (S&B) in June.**
- **In addition, due to the Sunny business and other operations being fully active from the beginning of the fiscal year, there was a significant increase in revenue and higher operating and ordinary profits. Net profit, however, decreased.**

Vs. Plan:

- **Operating revenue fell short due to the need to further strengthen responses to low-price demand amid growing cost-consciousness, combined with weather-related factors. Each level of profit fell short of the plan.**
- **Expenses were controlled and kept within the planned range but did not compensate for the failure to achieve the sales plan.**

(Million yen)	Consolidated *3					
	FY2025 2Q		Previous fiscal year 2Q		Forecast	
	Result	YoY	Result	YoY	Forecast	YoY
Operating revenue	**281,037**	117.8%	238,670	102.3%	294,200	123.3%
Operating profit	**12,685**	105.1%	12,074	77.8%	15,700	130.0%
Ordinary profit	**12,614**	101.8%	12,392	78.4%	15,500	125.1%
Profit *1	**8,084**	98.5%	8,211	78.5%	9,700	118.1%
Total assets	**597,259**		575,963	(FY-end result)		
Net assets	**301,902**		299,603	(FY-end result)		
(Reference) Total operating revenue *2	419,045	112.8%	371,373	103.8%	433,700	116.8%
Earning per share	**114.05 yen**		114.79 yen			
Net assets per share	**4,078.92 yen**		3,995.69 yen	(FY-end result)		
Equity ratio	**48.2%**		49.6%	(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.
*3 In the first six months of the fiscal year ending February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. The relevant first six months and full-year figures for the fiscal year ending February 28, 20256 reflect the finalized accounting treatment for the business combination.

Revenue rose after a decline associated with last year's ransomware attack, with M&A also having a positive impact, but the profit plan was unachieved primarily due to the failure to achieve the sales plan.

- Operating revenue: Revenue increased after previously falling due to last year's ransomware attack. M&A (SUNNY business and Sunlife) contributed to the increase.
- Operating profit: The operating gross profit margin was 39.1%, down 1.2 points YoY. The SG&A expense ratio stood at 34.6%, downup 0.6 points YoY. The operating profit margin fell 0.5 points YoY, to 4.5%.
- Ordinary profit: The ordinary profit margin declined 0.7 points YoY to 4.5%, reflecting higher interest expenses and other factors.
- Profit: The profit margin stood at 2.93.2%, down 0.52 points YoY.

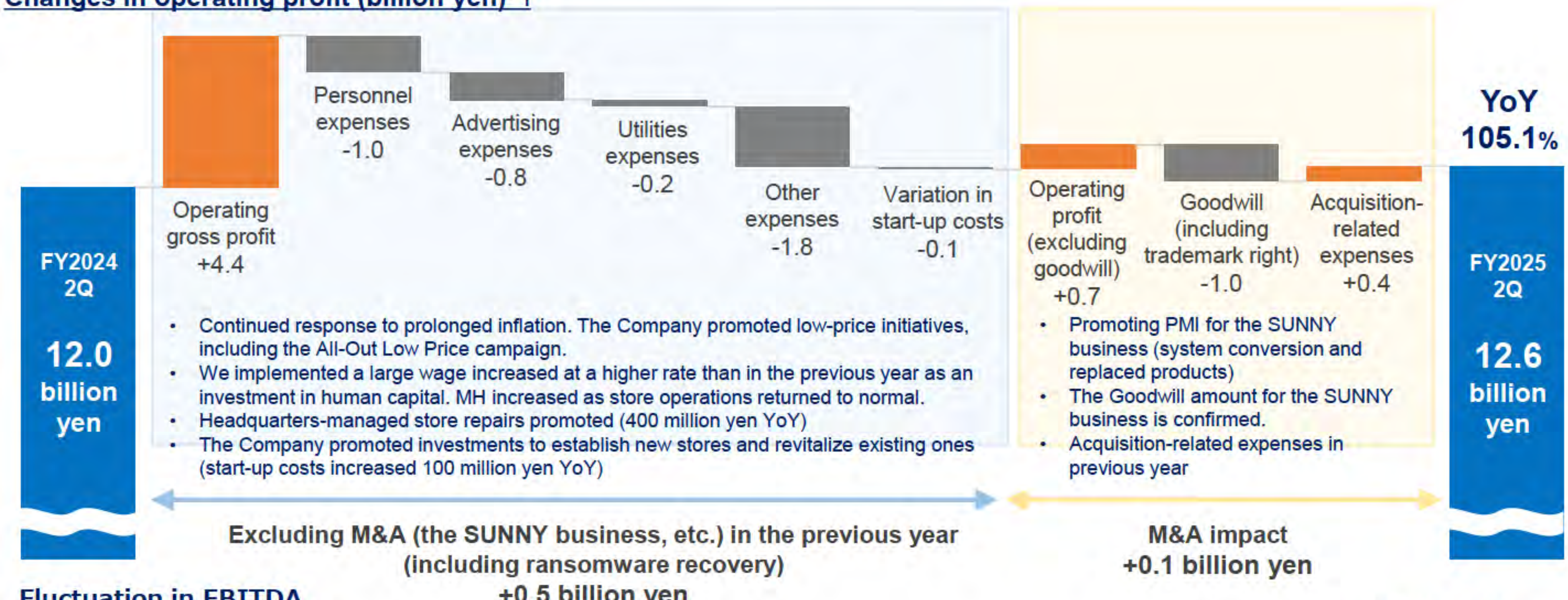
(Million yen)	Consolidated *1							
	1Q (Mar.-May)		**2Q** (Jun.-Aug.)		**Six Months of FY2025** (Mar.-Aug.)			
	Result	YoY	**Result**	YoY	**Result**	% of operating revenue	YoY	Forecast
Operating revenue	**136,538**	**125.5%**	**144,499**	**111.3%**	**281,037**	**100.0%**	**117.8%**	**294,200**
Net sales	**122,057**	128.7%	**129,875**	112.2%	**251,932**	89.6%	119.7%	
Gross profit	**39,242**	127.6%	**41,512**	111.4%	**80,754**	28.7%	118.7%	
Operating revenue	**14,480**	103.6%	**14,624**	103.3%	**29,105**	10.4%	103.5%	
Operating gross profit	**53,723**	**120.1%**	**56,136**	**109.1%**	**109,859**	**39.1%**	**114.2%**	
SG&A expenses	**47,430**	121.8%	**49,743**	110.1%	**97,173**	34.6%	115.6%	
Operating profit	**6,292**	**108.3%**	**6,392**	**102.1%**	**12,685**	**4.5%**	**105.1%**	**15,700**
Non-operating income and expenses	**-104**	–	**33**	50.1%	**-71**	-0.0%	–	
Ordinary profit	**6,187**	**102.0%**	**6,426**	**101.5%**	**12,614**	**4.5%**	**101.8%**	**15,500**
Extraordinary income and losses	**-22**	**–**	**24**	**2.5%**	**1**	0.0%	**0.3%**	
Profit *	**4,212**	**107.1%**	**3,872**	**90.5%**	**8,084**	**2.9%**	**98.5%**	**9,700**

*1::In the first six months of the fiscal year ending February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. The relevant first six months and full-year figures for the fiscal year ending February 28, 20256 reflect the finalized accounting treatment for the business combination.
*2: Profit is profit attributable to owners of parent.

Operating profit came to 12.6 billion yen, up 5.1% YoY. EBITDA rose 2.1 billion yen (10.4%) 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.
- In the SUNNY business, which is now operated independently by Izumi, the Group drove PMI including system-related PMI and the replacement of private-brand (PB) products in the first quarter, in its efforts to lay a foundation.

Changes in operating profit (billion yen) *1



Fluctuation in EBITDA
FY2024 2Q: 21.0 billion yen → **FY2025 2Q: 23.2 billion yen**

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

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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 revenue 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.)
- Revenue for supermarket (SM) subsidiaries also increased. Youme Mart Kumamoto (excluding the SUNNY business) and Youme Mart Kitakyushu turned profitable. Yours turned profitable, excluding new store start-up costs (75 million yen).
- 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 revenue and profit as retail operations returned to normal. Izumi Food Service reported an increase in revenue but a decline in profit, reflecting strong sales and increased personnel expenses due to a wage increase.

(Million yen)	Consolidated operating revenue *				
	FY2025 Six month			FY2024 Six month	
	Result	% of total	YoY	Result	% of total
Retail operations	**271,830**	96.7%	118.2%	**230,030**	96.4%
Retail-peripheral operations	**26,289**	9.4%	116.8%	**22,499**	9.4%
Others and adjustments	**-17,082**	-6.1%	–	**-13,860**	-5.8%
Consolidated total	**281,037**	100.0%	117.8%	**238,670**	100.0%
Retail operations					
Izumi Co., Ltd. (Non-consolidated)	**187,879**	66.9%	103.5%	**181,460**	76.0%
Youme Mart Kumamoto Co., Ltd.	**53,676**	19.1%	261.1%	**20,554**	8.6%
(Including the SUNNY business)	**(39,782)**	(14.2%)	(517.1%)	**(7,693)**	(3.2%)
Youme Mart Kitakyushu Co., Ltd.	**12,419**	4.4%	102.7%	**12,096**	5.1%
Yours Co., Ltd.	**11,888**	4.2%	108.3%	**10,974**	4.6%
Retail-peripheral operations					
Youme Card Co., Ltd.	**4,239**	1.5%	104.5%	**4,057**	1.7%
Izumi Techno Co., Ltd.	**10,603**	3.8%	122.9%	**8,627**	3.6%
Izumi Food Service Co., Ltd.	**4,150**	1.5%	106.8%	**3,887**	1.6%

(Million yen)	Consolidated operating profit *				
	FY2025 Six month			FY2024 Six month	
	Result	% of total	YoY	Result	% of total
Retail operations	**9,530**	**75.1%**	**101.7%**	**9,367**	77.6%
Retail-peripheral operations	**2,907**	22.9%	116.7%	**2,491**	20.6%
Others and adjustments	**246**	1.9%	–	**215**	1.8%
Consolidated total	**12,685**	100.0%	105.1%	**12,074**	100.0%
Retail operations					
Izumi Co., Ltd. (Non-consolidated)	**10,107**	79.5%	98.1%	**10,305**	85.5%
Youme Mart Kumamoto Co., Ltd.	**-38**	-0.3%	–	**103**	0.9%
(Including the SUNNY business)	**(-426)**	(-3.4%)	–	**(-33)**	(-0.3%)
Youme Mart Kitakyushu Co., Ltd.	**149**	1.2%	32,820.1%	**0**	0.0%
Yours Co., Ltd.	**-18**	-0.1%	–	**-59**	-0.5%
Retail-peripheral operations					
Youme Card Co., Ltd.	**693**	5.5%	108.7%	**637**	5.3%
Izumi Techno Co., Ltd.	**1,223**	9.6%	133.4%	**917**	7.6%
Izumi Food Service Co., Ltd.	**296**	2.3%	78.1%	**379**	3.2%

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Non-consolidated Profit/Loss for the First Six Months of the Fiscal Year Ending February 28, 2026 (FY2025)

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Gross profit ratio and SG&A expenses were controlled and kept within the planned range but gross profit did not offset an increase in expenses due to the failure to achieve the sales plan, with the result that profit declined.

- Operating revenue: Revenue increased 3.5%. The percentage of operating gross profit in operating revenue rose 0.1 points.
- Operating profit: The SG&A expense ratio stood at 4.5% and the ratio of SG&A expenses to operating revenue ratio rose 0.3 points to 37.4%. The operating profit margin fell 0.3 points to 5.4%
- 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 0.6 points YoY to 5.3%
- Profit: The profit margin stood at 3.7%, down 0.3 points YoY

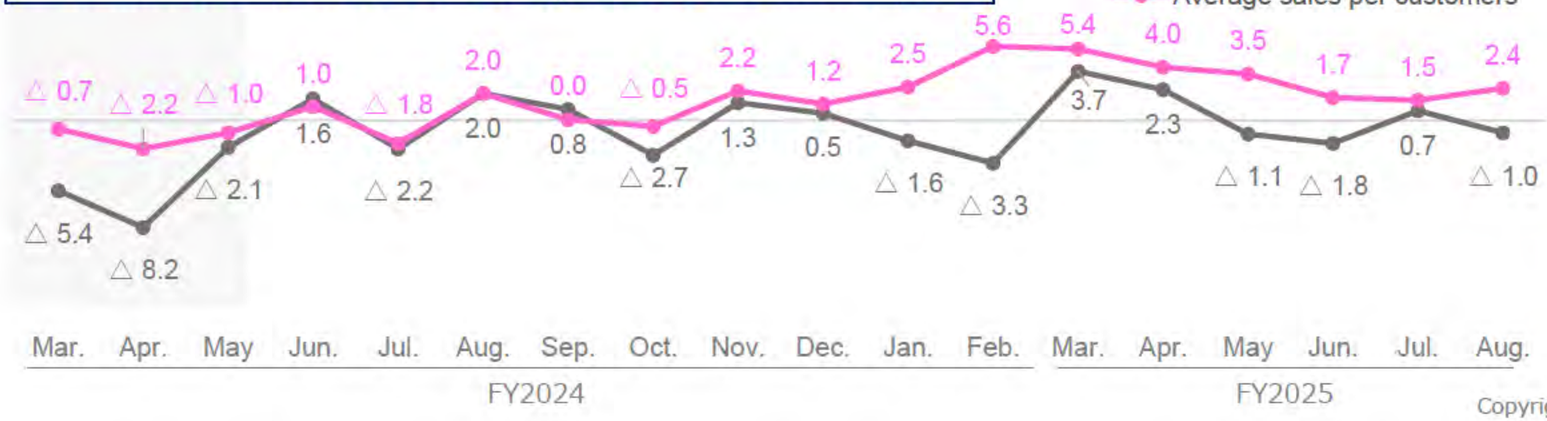
(Million yen)	Non-consolidated						
	FY2025 2Q (Mar.-Aug.)			**FY2024 2Q** (Mar.-Aug.)		Forecast	
	Result	% of operating revenue	YoY	Result	% of operating revenue	Forecast	YoY
Operating revenue	**187,879**	**100.0%**	**103.5%**	**181,460**	**100.0%**	**195,300**	**107.6%**
Net sales	**159,650**	85.0%	103.7%	**153,908**	84.8%		
Gross profit	**52,150**	27.8%	104.3%	**50,002**	27.6%		
Operating revenue	**28,228**	15.0%	102.5%	**27,551**	15.2%		
Operating gross profit	**80,379**	**42.8%**	**103.6%**	**77,554**	**42.7%**		
SG&A expenses	**70,271**	37.4%	104.5%	**67,248**	37.1%		
Operating profit	**10,107**	**5.4%**	**98.1%**	**10,305**	**5.7%**	**12,200**	**118.4%**
Non-operating income and expenses	**-102**	-0.1%	-	**327**	0.2%		
Ordinary profit	**10,005**	**5.3%**	**94.1%**	**10,633**	**5.9%**	**12,000**	**112.9%**
Extraordinary income and losses	**-103**	-0.1%	**-**	**△46**	-0.0%		
Profit	**6,978**	**3.7%**	**96.2%**	**7,257**	**4.0%**	**7,800**	**107.5%**

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

- Net sales at existing stores:
  Sales recovered from the impact of last year's ransomware attack in the first quarter but struggled in May and June due to the further growth of budget consciousness. A gradual recovery was achieved in July and August by reviewing the low-price initiatives and tapping into the demand related to special/anniversary days during summer holidays.
- Number of customers and average sales per customer:
  The number of customers recovered in the beginning of the fiscal year but decreased year on year in May and June. Countermeasures such as review of the low-price initiatives were taken in response.

Year-on-Year in Net sales at existing stores (%)

Number of customers and average sales per customer (%)



	FY2025 H1
Lifestyle	99.6%
Foods	104.9%
Total	**103.3%**
Tenants	102.9%
Non-consolidated Total	**103.1%**

* Breakdown of total directly operated stores

Number of customers	100.4%
Average sales per customers	103.0%
Average spent per item	103.9%
Number of purchases	99.1%

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In the first quarter, both net sales and gross profit recovered from the impact of last year's system failure. Looking at the cumulative total for the first half, both net sales and gross profit at directly-operated stores recovered.

- Lifestyle: The impact of temperatures led to weak sales of seasonal products, particularly in clothing, resulting in a year-on-year decline in cumulative total sales for the first half.
  Gross profit declined 0.2 points YoY in the first quarter but rose 0.2 points above the year-ago level in the second quarter.
  The cumulative total for the first half was on par with the year-ago level.
- Foods: In response to heightened budget awareness, the Company implemented low-price initiatives such as the All-Out Low Prices campaign, which resulted in steady sales.
  Cumulative total gross profit for the first half rose 0.3 points from a year ago due to the enhancement of value-added products and recovery from the impact of last year's ransomware attack.

(Million yen)		1Q FY2025 (Mar.-may)		2Q FY2025 (Jun.-Aug.)		H1 FY2025 (Mar.-Aug.)	
		Result	YoY/difference	Result	YoY/difference	Result	YoY/difference
Sales	Lifestyle	20,897	102.0%	20,930	97.4%	41,827	99.6%
	Foods	55,436	107.5%	62,386	103.4%	117,822	105.3%
	Total	**76,333**	**105.9%**	**83,317**	**101.8%**	**159,650**	**103.7%**
Gross profit margin	Lifestyle	36.0%	-0.2pt	35.0%	+0.2pt	35.5%	+0.0pt
	Foods	31.7%	+0.8pt	31.6%	-0.2pt	31.7%	+0.3pt
	Total	**32.9%**	**+0.5pt**	**32.4%**	**-0.2pt**	**32.7%**	**+0.2pt**

■ Year-on-Year Change in Net Sales at Existing Stores (By product)

Non-consolidated Profit/Loss for the First Six Months of the Fiscal Year Ending February 28, 2026 (FY2025) - SG&A Expenses

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Total SG&A expenses rose 4.5% YoY. The ratio of SG&A expenses to operating sales ratio rose 0.3 points to 37.4%.

- 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: Expenses increased due to renewable energy surcharges and other factors, more than offsetting the Company's efforts to effectively manage usage and partial support by subsidies.
- Advertising expenses: Advertising expenses rose due to ransomware attack in the first quarter of last year, 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.
(An increase of approx. 0.1 billion yen from 0.9 billion yen in the previous fiscal year to 1.0 billion yen in the current fiscal year)
The Company increased investments in store repairs and maintenance to enhance safety and amenities.

(Million yen)	Non-consolidated								
	1Q FY2025 (Mar.-May)			**2Q** FY2025 (Jun.-Aug.)			**Six Months** of FY2025 (Mar.-Aug.)		
	Result	% of operating revenue	YoY	**Result**	% of operating revenue	YoY	**Result**	% of operating revenue	YoY
Operating revenue	90,442	100.0%	105.4%	97,436	100.0%	101.9%	**187,879**	100.0%	103.5%
Operating gross profit	39,229	43.4%	105.8%	41,149	42.2%	101.7%	80,379	42.8%	103.6%
SG&A expenses	**34,060**	**37.7%**	**106.0%**	**36,211**	**37.2%**	**103.1%**	**70,271**	**37.4%**	**104.5%**
Personnel expenses	**12,684**	14.0%	104.3%	**12,832**	13.2%	100.3%	**25,517**	13.6%	102.3%
Depreciation	**3,214**	3.6%	96.2%	**3,275**	3.4%	97.8%	**6,489**	3.5%	97.0%
Rent expenses	**2,422**	2.7%	100.0%	**2,377**	2.4%	98.2%	**4,799**	2.6%	99.1%
Store management expenses	**3,272**	3.6%	104.6%	**3,576**	3.7%	116.5%	**6,848**	3.6%	110.5%
Utilities expenses	**3,012**	3.3%	105.4%	**4,037**	4.1%	100.6%	**7,050**	3.8%	102.6%
Advertising expenses	**2,393**	2.6%	133.7%	**2,235**	2.3%	106.2%	**4,628**	2.5%	118.8%
Other	**7,060**	7.8%	109.9%	**7,875**	8.1%	106.7%	**14,936**	7.9%	108.2%

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Total assets increased 21.2 billion yen due to new store openings and the revitalization of existing stores.

- Total assets: Total investments, primarily in new store openings and the revitalization, including prior investments, stood at 11.5 billion yen.
  Cash and deposits increased 6.9 billion yen due to factors including a bank holiday.
  Notes and accounts receivable - trade, and contract assets increased 6.8 billion yen, chiefly due to a rise in credit transaction value.
- Liabilities: The final day of the fiscal period fell on a bank holiday, which led to an increase of 32.9 billion yen in notes and accounts payable - trade and a decrease in interest-bearing liabilities by 17.5 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 48.2%.

(Million yen)	Consolidated *			Finalization of provisional accounting for business combinations		
	End of 2Q FY2025			End of FY2024		
	Result	% of total	Amount	Before confirmation	After confirmation	Amount
Total assets	**597,259**	**100.0%**	**+21,295**	569,611	575,963	＋6,351
Cash and deposits	**22,689**	3.8%	+6,971	15,717	15,717	
Note and accounts receivable-trade, and contract assets	**66,068**	11.1%	+6,809	59,259	59,259	
Property, plant and equipment	**358,286**	60.0%	+5,808	344,469	352,478	＋8,008
Goodwill	**35,202**	5.9%	-1,216	55,722	36,419	-19,303
Other	**115,012**	19.3%	+2,923	94,441	112,088	＋17,646
Liabilities	**295,356**	**49.5%**	**+18,996**	270,392	276,359	＋5,966
Notes and accounts payable-trade	**61,933**	10.4%	+32,909	29,024	29,024	
Interest-bearing liabilities	**122,869**	20.6%	-17,540	139,456	140,410	＋953
Other	**110,553**	18.5%	+3,628	101,911	106,925	＋5,013
Net assets	**301,902**	**50.5%**	**＋2,298**	299,218	299,603	＋384
Equity	**288,105**	48.2%	+2,198	285,522	285,907	＋384
Non-controlling interests	13,796	2.3%	＋100	13,696	13,696	

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The final day of the fiscal period fell on a bank holiday, which led to an increase in notes and accounts payable - trade.
In April, the Company bought treasury shares valued at 3.1 billion yen.

- Cash flows from operating activities — Cash flows provided from operating activities amounting to 44.7 billion yen, driven in part by profit before income taxes.
- Cash flow from investing activities — Cash used in investing activities stood at 9.9 billion yen, primarily reflecting investments in new store openings, revitalizing existing stores, and digital transformation (cash outflows totaling 10.70 billion yen).
- Cash flows from financing activities — Cash used in financing activities came to 27.7 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 11.8 billion yen.

(Million yen)	2Q FY2025	2Q FY2024 *
Cash flows from operating activities	**44,755**	**45,912**
Profit before income taxes	12,615	13,115
Non-cash loss/gain (depreciation, etc.)	10,814	9,308
Increase/decrease in claims obligations related to operating activities	25,444	29,867
Income taxes and interest income	-5,033	-5,114
Other	913	-1,264
Cash flows from investing activities	**-9,915**	**-86,762**
Capital investment related	-10,764	-9,707
Other	848	-77,055
Cash flows from financing activities	**-27,868**	**45,172**
Interest-bearing liabilities related	-21,443	48,425
Other	-6,424	-3,252
Increase/decrease in cash and cash equivalents	**6,971**	**4,322**

* Previous fiscal year: SUNNY business acquired for 78.5 billion yen (with interest-bearing debt financing for the entire amount)

* Current fiscal year: Purchase of treasury shares valued at 3.1 billion yen

* In the first six months of the fiscal year ending February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. The relevant first six months and full-year figures for the fiscal year ending February 28, 20256 reflect the finalized accounting treatment for the business combination.

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Revised downward the business forecast for the fiscal year ending February 2026

- The main reason was that the non-consolidated top line fell short in the first half of the fiscal year.
- From the second half of the fiscal year, we will start selling our private brand Youme-Ichi and strengthen our response to the demand for low prices.
- We will strengthen measures to recover the top line while further tightening the control of selling, general and administrative expenses.

(Million yen)	Consolidated				Non-consolidated			
	FY2025				FY2025			
	Revised plan (on October 14)		Initial plan (on April 14)		**Revised plan (on October 14)**		Initial plan (on April 14)	
	Plan	YoY *	Plan	YoY *	Plan	YoY	Plan	YoY
Operating revenue*1	**570,300**	**108.8%**	590,100	112.6%	**380,900**	**102.2%**	394,900	105.9%
Operating profit	**26,400**	**102.6%**	30,700	119.3%	**20,200**	**95.0%**	23,500	110.5%
Ordinary profit	**26,100**	**100.3%**	30,400	116.9%	**19,800**	**92.4%**	23,100	107.8%
Profit*2	**15,200**	**123.5%**	18,300	148.7%	**12,300**	**127.7%**	14,500	150.5%
EBITDA*3	**48,200**	**105.2%**	52,400	114.4%	**–**	**–**	–	–
Total operating revenue	852,100	107.1%	874,800	110.0%	776,400	110.9%	798,400	114.0%

*1 Consolidated profit is profit attributable to owners of parent. *2 EBITDA = Operating profit + Depreciation + Amortization of goodwil
*3 In the first six months of the fiscal year ending February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. The relevant first six months and full-year figures for the fiscal year ending February 28, 20256 reflect the finalized accounting treatment for the business combination.

Earnings per share	**215.20 yen**	
Dividend per share	**90.00 yen**	
Extraordinary income and losses	**-1.6 billion yen**	* Non-consolidated -1.4 billion yen
Capital investment (construction basis)	**17.0 billion yen**	*Non-consolidated 11.0 billion yen

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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** (July 2025, Kure, Hiroshima) We have inherited RECRE, which stands on city-owned land south of JR Kure Station.		
Main increases in floor area and revitalization	**General merchandise stores: 5** * No increases in floor area		
Unique factors	Start-up costs declined 600 million yen YoY (initial plan: 1.5 billion yen → revised plan: 1.3 billion yen, results in the previous fiscal year: 1.9 billion yen)		
	Full year	H1	H2
Net sales	**324.3 billion yen**	**159.6 billion yen**	**164.6 billion yen**
Year-on-Year Change in Net Sales at Existing Stores	Initial plan: 105.5% **Revised plan: 102.5%**	Initial plan: 106.7% **Result: 103.1%**	Initial plan: 104.4% **Revised plan: 101.9%**
Directly managed stores total	Initial plan: 105.7% **Revised plan: 101.7%**	Initial plan: 107.5% **Result: 103.3%**	Initial plan: 104.0% **Revised plan: 100.2%**
Gross profit margin (Ratio to sales)	Initial plan: 32.8% **Revised plan: 32.6%** Previous FY: 32.7%	Initial plan: 32.7 **Result: 32.7%** Previous FY: 32.5%	Initial plan: 32.9% **Result: 32.5%** Previous FY: 33.0%
Personnel expenses	51.7 billion yen (Previous FY: 50,671 million yen, up 2.0% YoY) Initial plan: 52.5 billion yen		
Depreciation	12.8 billion yen (Previous FY: 13,587 million yen, down 5.8% YoY) Initial plan: 13.3 billion yen		
Labor productivity * Gross profit per employee	8.74 million yen (Previous FY: 8.63 million yen, up 1.3% YoY) Initial plan: 9.25 million yen * 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 September Results
Lifestyle	94.3%
Foods	100.5%
Directly managed store total	**98.8%**
Tenants	97.8%
Izumi Total	**98.4%**

* Breakdown of total directly operated stores	
Number of customers	97.5%
Average sales per customers	101.4%
Average spent per item	101.2%
Number of purchases	100.2%

Impact of day-of-week differences
Number of holidays: -1
(about a 2% decline)

* 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.

Business Strategies for the Second Half of the Fiscal Year Ending February 28, 2026

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Year-on-year sales of existing stores for the first half of the fiscal year *1

＊ data is from the Japan Chain Stores

		1H	1Q	2Q	2H	
Non-consolidated total	**Initial plan**	**106.7%**	**108.6%**	**104.8%**	Initial plan	104.4%
	Result	**103.1%**	**104.6%**	**101.7%**	**Revised plan**	**101.9%**
Foods	**Initial plan**	107.9%	111.4%	104.8%	Initial plan	103.8%
	Result	104.9% (104.6%)	107.8% (105.8%)	102.3% (103.5%)	**Revised plan**	**101.7%**
Lifestyle	**Initial plan**	106.8%	109.8%	103.9%	Initial plan	104.7%
	Result	99.6% (100.5%)	101.8% (101.8%)	97.5% (99.1%)	**Revised plan**	**96.5%**
Tenant	**Initial plan**	105.5%	105.9%	105.1%	Initial plan	104.9%
	Result	102.9%	103.0%	102.8%	**Revised plan**	**104.1%**

	1H	1Q	2Q
GMS total	**102.9%**	**104.3%**	**101.6%**
SM total *2	**104.6%**	**107.3%**	**102.3%**
SM of Non-consolidated	104.7%	107.0%	102.6%
SM of 4 Group companies total	104.6%	107.5%	102.1%

*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.
*2 Excluding SUNNY business and SUNLIFE Co., Ltd.

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■ Initiatives in the First Half

Foods	• Increased the number of items available at discount prices under the All-Out Low Prices campaign from 60 to 100 • For zehi, the Company refined 27 existing items and released six new items, selling 90 items in total. (YoY: 115.0%) • Strengthened sales of value-added products such as those with the Kore-uma.
Lifestyle	• Strengthened sales of low-priced range products and Nichiryu products. • Expansion of character merchandise and popular products in the kids' corner. • Reviewed the age groups of customers as targets of SHUCA and release of a lineup of sundry goods.

■ First-half summary

- Regarding food, although sales at existing stores exceeded the previous year's level, the plan fell short due to insufficient measures against inflation and the polarization of consumer spending.
- Results in the lifestyle segment were weak, below the previous fiscal year's level, mainly due to insufficient response to inflation and polarized consumption trends.

■ Main reasons for the full-year earnings forecast revision downward based on first half results and the response policy for the second half

- With the prolonged inflationary environment, expenditures exceeding those of the previous year have occurred in a wide range of cost items, including raw material costs, electricity charges, labor costs, and logistics expenses.
- In addition, although measures to address inflation and the polarization of consumer spending were strengthened, the increased tendency to save due to heightened awareness of protecting daily life became conspicuous, resulting in sluggish growth in both the number of customers and the average spending per customer, causing the top-line to fall significantly short of the plan.

Going forward, we will implement further thorough cost management, and regarding food products, we will expand Izumi Group's first unified private brand products. In terms of lifestyle, we will strengthen product strategies that meet consumer needs, such as reinforcing the low-price segment of Nichiryu, which was a successful case in the first half, and creating dedicated sections for popular recovery wear.
In addition, by thoroughly expanding successful store examples across locations, we aim to lift the overall performance of all group stores and focus on achieving the targets set for the second half of the fiscal year.
In the second half of the fiscal year, we will work on establishing a format and conducting experiments for the new SM business, developing evolution plans for each store to enhance the value of the GMS business, implementing new PC and logistics strategies, executing DX/AI strategies to improve store operation efficiency, and reforming the cost structure across the entire group. We aim to build medium- to long-term strategies in the next medium-term management plan and further enhance corporate value.

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Advance initiatives in response to the polarized prices by showcasing value-added products, for instance the further evolving zehi, in addition to promotional pricing including Select 100 Super-Bargain Prices, a further upgrade to the All-Out Low Prices campaign.

▼ Response to the polarized prices (diagram)

Low price ⟷ **Added value**

Attract customers through promotional pricing

Source of funding for promotional pricing

Low price

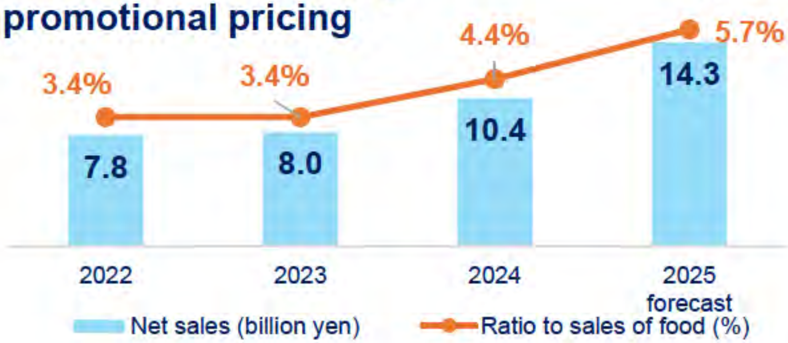
Customer base

- Light users
- Price-oriented
- Millennials and Generation Z

Measures

App coupons

Trends in sales reflecting promotional pricing



Added value

Customer base

- Heavy users
- Quality-oriented
- Seniors

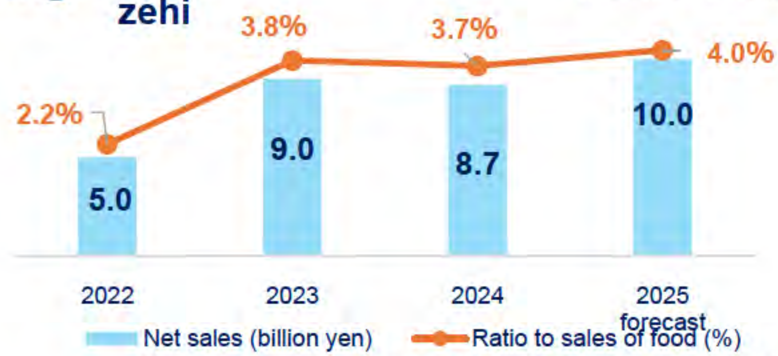
Measures

youmeのDELI zehi

バイヤーおすすめ商品 これは旨い!!

Ready-to-eat and convenient meals

zehi



The Izumi Group positions Youme-Ichi, its PB*, as an important engine that will play a part in the growth strategy toward building a structure with 300 SM stores, with the result that the competitiveness of the overall Group improves.

* PB: private brand

Purposes of development of the PB

ゆめイチ

- Develop Izumi's unique **community-based brand** reflecting local characteristics and changing needs
- Differentiate the products thoroughly from other companies' in taste, price, specifications, etc.
- Encourage visits from new and former customers

Establish a new **PB Business Planning Department** to increase the speed of product development and improve the quality

Concept

Only the best for you. Our top pick.

▼ Three product lineups

Youme-Ichi Price

Affordability that is ideal for daily consumption

A lineup of products focused on low prices to help customers save money for food for daily consumption

Youme-Ichi Regular

Most recommended products with satisfactory quality and prices

A standard lineup focused on the balance between quality (ingredients, production process, and taste) and prices

Youme-Ichi Premium

Premium quality ensured by buyers' uncompromising criteria

A high-end lineup of products focused on outstanding quality (ingredients, production process, and taste) and developed in pursuit of high added value and quality

Drive the development of community-based products, which can be developed only by highly experienced buyers with knowledge of local products and food cultures

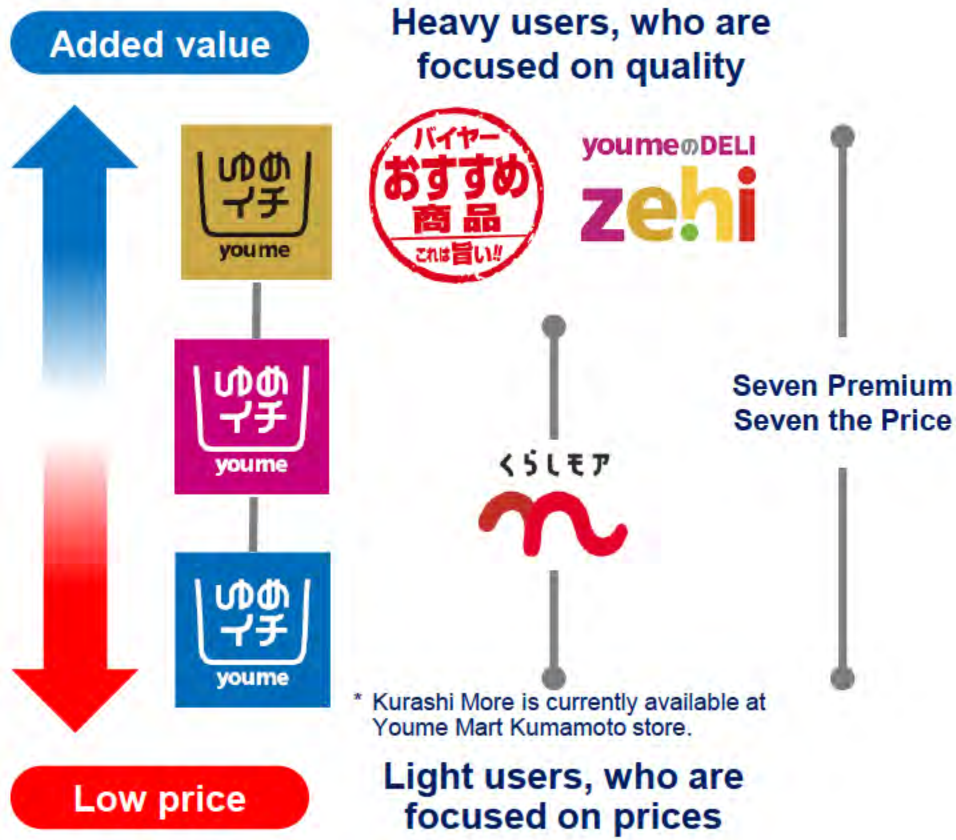
- Aim to increase the ratio of sales from PB business to sales of food to 5% by 2030 and 10% by 2035.
- Secure a source of funding for promotional pricing by also promoting the appeal of products with the Kore-uma, zehi, and others

Future vision of Youme-Ichi

▼**Sales status and future plans** (number of developed items)

	Sep. 2025	until Nov. 2025	until Feb. 2026	FY2025
	0	0	1	1
	2	9	13	24
	48	8	44	100
total	50	17	58	125

PBs supporting growth



Product Strategy | Food Product Strategy (4)

All 50 items (as of September 30, 2025) began to be offered at all Izumi Group stores.

▼ Mixed vegetables (frozen)

- The increased ratio of corns has added to the colorfulness.
- In response to the unstable vegetable market and the needs of consumers who cannot finish the vegetables they buy, the Company has set an affordable price and net volume that is good for daily use, allowing consumers to easily add color to dishes with this product.

▼ Fried tofu and fried tofu for sushi

Chugoku / Shikoku

Kyushu

In accordance with the local food cultures, the Company released rectangular fried tofu in Chugoku and Shikoku regions and square fried tofu for sushi in the Kyushu region.

▼ Whole milk

Left: Chugoku / Shikoku
Right: Kyushu

The milk features use of ingredients that are familiar for local people. In the Kyushu region, milk from Aso, Kumamoto has been commercialized.

▼ Wakame seaweed

- The entire process from the mixing of ingredients to final products is completed at the same factory, enabling low-cost manufacturing.
- Going forward, the Company will supply ingredients for deli and fresh fish in an attempt to expand the economies of scale further.

▼ Mixed nuts

- Unsalted roasted nuts intended for the needs of health-oriented customers and consumption as between-meal snacks, developed in pursuit of combination and taste that customers will never tire of, even if they eat the nuts every day.
- The nuts are purchased directly from production areas, not via trading companies, thus reducing the cost of procuring ingredients.

▼ Examples of products

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- **Enhance initiatives with Nichiryu by offering popular products as regular items and engaging in full-scale product development**
- **Review SHUCA, an in-house brand, and introduce new MD, aiming to increase the number of customers**

Joint initiatives with Nichiryu

▼ Successful examples

Established joint initiatives with Nichiryu by offering products, such as Cotton USA T-Shirts that were popular this summer, as regular items

Cotton USA T-shirts result (Mar-Aug)

50,000 items sold

57 million yen (101% vs. plan)

▼ Further sales expansion of low-priced products and functional products

Net sales of Nichiryu products in FY2025 will be expected to be roughly three times greater than the FY2024 result.

▼ Full-scale product development and development of buyers

The Company started joint product development with Nichiryu in earnest. The Company sees this as an opportunity to develop buyers at the same time as enhancing product appeal, and will also leverage the know-how in in-house product development.

Initiatives taken to increase the number of customers

▼ Introduction of new MD and offering of brands that are popular in e-commerce

Advanced initiatives on new MD, such as the creation of sections for recovery clothing, which is popular among customers with high health awareness and those with a high sensitivity to trends, and the provision of underwear that is popular in e-commerce

Recovery clothing result (Mar-Aug)

210 million yen (424% vs. plan)

▼ Development of Youme Craft

Rebuilt sales areas for kids, including Youme Craft where games and toys are sold, as well as a free play area.

Result of Youme Kids at stores where Youme Craft has been introduced (Mar-Aug)

350 million yen

(115% of the previous year's level)

▼ Review of SHUCA

Reviewed the age groups of customers as targets of SHUCA and changed the targets to customers in their 50s and 60s, for whom the product lineup in women's clothes sales areas was small.

The Company will also be proactive in selling collaboration products featuring popular characters.

SHUCA result (Mar.-Aug.)

210 million yen (YoY 102.0%)

Number of customers: 106.0%

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- **There are plans for the large-scale revitalization of 56 stores under the Second Medium-term Management Plan, compared with the original target of 74.**
- **Impact of rising costs and delays in implementation of the plan attributed to ransomware damages**

▼ Large-scale revitalization results in the first half of FY2025

Large-scale revitalization: Izumi (which invested over 100 million yen) + Group SM companies

Large-Scale Revitalizations: **6** stores

Sales Growth Rate: **Total for all stores: 4.2%**
Directly-operated stores: 3.6%

Cumulative results from the month following revitalization through August 2025

Investing in revitalization is essential for maintaining a strong presence in each region

Store selection refined to improve revitalization success rate

■ **Number of large-scale revitalized stores**
( ) = Difference from Medium-term Plan

▼ **Examples of revitalization in the first half of FY2025**

Youme Town Otake Mer. 2025, Investment: 390 million yen

- Introduction of Muji (attracting more customers from a wider trade area)
- Strengthening of food (increasing share in the immediate trade area and introducing new MD)
- Consolidation of sales areas for kids (improving convenience and attracting more young customers)

Youme Town Nakatsu Jun. 2025, Investment: 750 million yen

- Introduction of new tenants (improving convenience)
- Renovation of food section (renewal of the section and introduction of new MD)
- Improvement of free play area, nursing rooms, and staff-only environment (improving customer satisfaction and employee engagement)

■ Actual growth rates (month following revitalization - Aug. 2025)

		Directly-operated stores	
	Total sales of all stores	**Sales**	**Number of customers**
Youme Town Otake	107.0%	103.2%	100.7%
Youme Town Nakatsu	113.1%	110.2%	113.0%
Existing GMS stores	103.0%	101.4%	99.2%

* Figures before application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) and other related standards

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Renew stores and create new added value in response to changing needs through a process of S&B and the revitalization of existing stores.

* S&B: Scrap and Build

New store openings in the first half of FY2025

En Fleur Petit Minamoa Hiroshima — New Store Openings

March

Hiroshima | Sales floor area: Approx. 110 m²

Avance Minamoa Hiroshima — New Store Openings

March

Hiroshima | Sales floor area: Approx. 900 m²

Youme Mall Sanyo — S&B

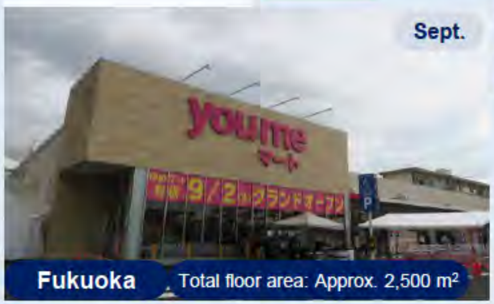
June

Hiroshima | Total floor area: Approx. 9,200 m2

FY2025 First Half → **FY2025 Second Half** → **FY2026**

FY2025 second half plan

Youme Mart Sone — S&B



Sept.

Fukuoka | Total floor area: Approx. 2,500 m²

Youme Town Fukuyama — Revitalization — Sept.

Hiroshima | Sales floor area: Approx. XX m²

- Introduction of local tenants
- Development of a health and beauty zone
- Revitalization of food section

Youme Town Kure RECRE — New Store Openings

Hiroshima | Total floor area: Approx. 10,000 m²

Scheduled to open in **October**

- Replacement of tenants, etc.

FY2026 store opening plan

Youme Mall Nakagawa — New Store Openings

March

Fukuoka | Sales floor area: Approx. 2,500 m²

Youme Mart Hirose Kita — New Store Openings

Scheduled to open in June 2026

YOURS

Fukuoka | Sales floor area: TBD

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- Finalization of the amount of goodwill of the SUNNY business, for which provisional accounting treatment was made (almost in line with the initial forecast)
- Izumi began independent operations of the SUNNY business. Going forward, the Company will aim to achieve high earning power.

Finalization of the amount of goodwill

Final amounts and annual amortization of goodwill and trademark rights after PPA confirmation

Goodwill (before revision)		Year of amortization	Annual amortization
56.3 billion yen	Goodwill: 36.4 billion yen	20 years	1.82 billion yen
	Trademark right: 18.9 billion yen	30 years	0.64 billion yen

* In addition to the above, there are rights such as leasehold rights for revising the allocation amount due to PPA confirmation. For details on the PPA confirmation, please refer to page 16 of the 'Financial Results Summary for the Second Quarter of the Fiscal Year Ending February 2026.

Outlook of the SUNNY business

- Operating profit after goodwill and trademark amortization is expected to be in the black in FY2026.
- Izumi's independent operation has officially started. After understanding and analyzing Sunny's strengths and challenges, the company plans to announce the future plans for the Sunny business again when the new medium-term management plan is disclosed next April.

	FY2025 H1 Plan	FY2025 H1 Result	FY2025 Initial plan	FY2025 Revised plan	Future *2 (announced in April 2025)
Operating revenue	41.6 billion yen	39.7 billion yen	84.1 billion yen	81.1 billion yen	90.0 billion yen
Operating profit (before amortization of goodwill and trademark rights)	1.18 billion yen	0.8 billion yen	2.75 billion yen	2.36 billion yen	5.5 billion yen
Operating profit (after amortization of goodwill and trademark rights)	-120 million yen	-420 million yen	250 million yen	-90 million yen	3 billion yen
EBITDA *1	2.17 billion yen	1.51 billion yen	4.74 billion yen	3.98 billion yen	6.5 billion yen

*1 EBITDA = Operating Profit + Depreciation (including trademark amortization) + Goodwill Amortization *2 Scheduled to be realized during the next medium-term management plan period

- **System migration was completed at all stores. The Company replaced products and fully introduced KURASHI-MORE.**
- **The Company also took steps to boost membership of Youme Card, etc., together with comprehensive measures to promote the appeal of the new SUNNY.**

Measures to increase visibility

▼ Promoted the appeal of the SUNNY brand multi-directionally, such as through advertisement takeover

■ Advertising signage at the Hakata Exit of JR Hakata Station: Aug-Sept

- Aug.-Sep. 2025
- With audio
- 90 inches

■ Subway ads: July

- From Jul. 2025
- Hanging advertisement
- Next to the door

■ TVCM

- From sep. 2025

■ MIZUHO PayPay Dome FUKUOKA (Jun), etc.

- From Jun. 9 to 15
- Gete signage
- Pillar jack advertisement

Measures to increase members

▼ Won mobile members from Youme app with programs such as the provision of app coupons and five times more points under the discount accumulation program

■ Number of Youme Card members (Apr-Aug 2025, including mobile members)

Approximately **35,000**

■ Youme Card usage rate (End of Aug. 2025)

Approximately **13.5%**

■ Number of Youme app members (Apr-Aug 2025)

Approximately **57,292**

Strengthening of sales

▼ Replaced products with KURASHI-More products, one by one

Ratio of KURASHI-MORE products among food products at all SUNNY stores (end of Aug)

FY2025 first half	FY2025 plan
5.0%	8.0%

Introduction of 800 items completed (Sept)

▼ Enhancement of deli

Replaced approx. 30% of products on sales floors with new ones with a focus on zehi products

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Develop loyal customers by further strengthening sales promotion using social media and expand the trade area by enhancing the app settlement service, so so as to improve the lifetime value further.

▼ Results of major KPIs in CRM strategies

■ Number of card members

FY2024 result	→	FY2025 first half	FY2025 plan
180 million (231万名)		194 million	199 million

■ % of directly operated sales

FY2024 result	→	FY2025 first half	FY2025 plan
45% *2		43.1%	44.3%

*1 The total number of members, including former Yume Mobile members, reached 2.31 million in fiscal year 2024.
*2 Composition ratio including former Yume Mobile members

▼ Code payment “ゆめかPay”

- Youme Card Pay, a code payment service that can be used on Youme app
- Improve customer convenience by increasing member stores

▼ Reasons for expanding app membership

■ **Increase average sales per customer**
App members spend 32.9% more per month compared to non-members.

■ **Streamlining sales promotion**
Realize sales promotion tailored to individual customers, enabling efficient sales promotion

■ **Capture younger customers**
Effectively address our challenge of attracting customers in their 30s and 40s.

▼ Approach measures using various social media

TikTok	LINE flyers	X	Instagram	LINE	Youme app
Videos for increasing visibility, including easy recipe videos	Delivery of store flyers	Event and campaign information	Posting up-to-date information from stores and authentic recipes	Acquisition of light users of stores and delivery of information	Developing loyal customers of Youme Town and Youme Mart

- Use a range of social media for sales promotion in accordance with the visibility to customers, so as to attract customers more effectively.
- Announce campaigns to potential customers in their teens to 20s as well via TikTok and X, encouraging them to apply on the Youme app.

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- **Shareholder return: FY2025 annual dividend forecast at 90 yen/share**
- **Safety: Even after executing large-scale M&A, financial discipline remains at a level that almost fulfills the Company's criteria.**

Shareholder return policy

・Dividend payout ratio: 30% or higher (progressive dividend)

- Purchase of treasury shares: To be implemented for optimizing the capital structure and implementing capital policy flexibly

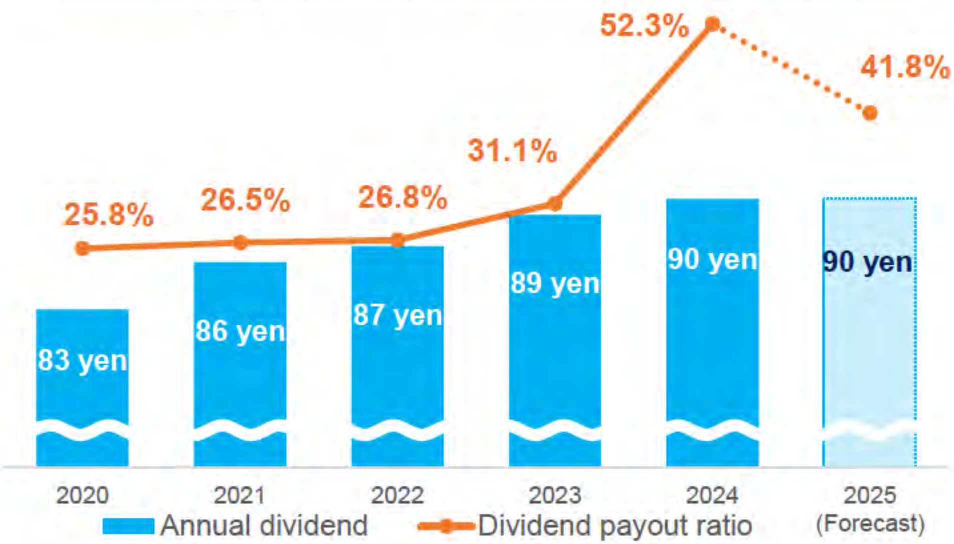
--> Purchased 959,400 shares in April 2025

Financial discipline policy

Published in June 2024: Action to Implement Management that is Conscious of Cost of Capital and Stock Price

- Net D/E ratio: 0.5 to 1.0 times as a rough target
- Equity ratio: 50% (immediate target)

Changes in annual dividend and payout ratio

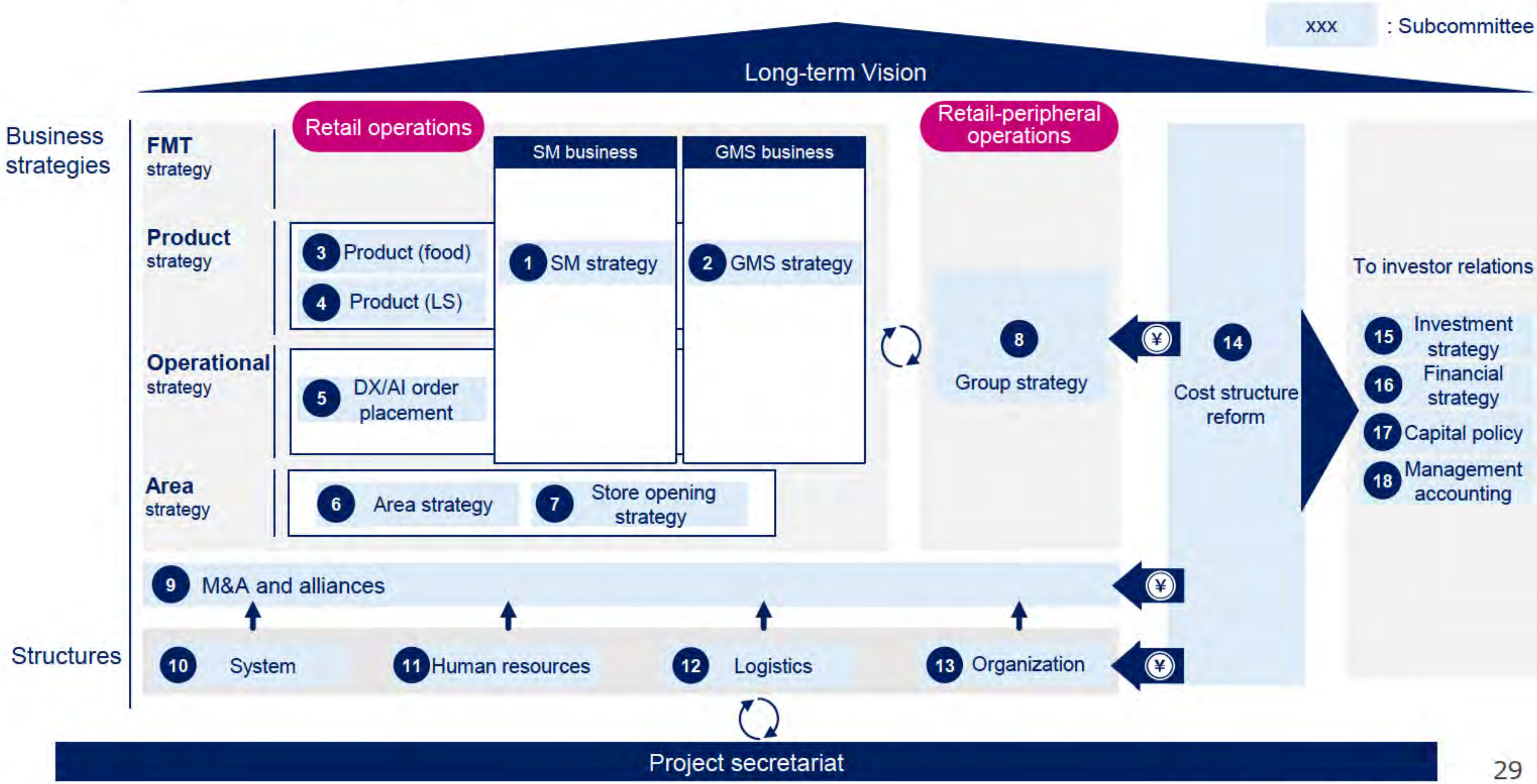


	End of August 2025
Net D/E ratio	0.4
Equity ratio	48.2%

* In the first six months of the fiscal year ending February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. The relevant first six months and full-year figures for the fiscal year ending February 28, 20256 reflect the finalized accounting treatment for the business combination.

Establish 18 subcommittees for formulating the Third Medium-term Management Plan to identify issues and reflect them in measures to achieve the Long-term Vision.

▼ Organizations for formulating the Third Medium-term Management Plan



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▼ Examples of matters being considered

Subcommittee	Matters being considered
SM strategy	New SM format
GMS strategy	Revitalization/S&B tailored to local needs
Product strategy	Pricing and lineup reforms tailored to customer needs
Operational strategy	Promotion of DX for streamlining store operations
Area strategy	Review of strategic areas and formulation of store-opening strategy based on the review
M&As	Alliance strategy including M&A
Logistics	PC and logistics strategies for optimal management of chain store operations
Group strategy	Strategy for retail-peripheral operations aimed for overall optimization of the Group
Cost cutting	Fundamental review of the overall Group's cost structure
Investment plan and financial strategy	Formulation of investment plan and financial strategy reflecting government policy

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

Enviromental Sustainability Report

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

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267 stores mainly in the Chugoku, Shikoku and Kyushu regions

(As of August 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	4	-	-	**7**
		SM (Youme Mart)	14	19	-	-	**33**
		Other	2	4	-	1	**7**
		Subtotal	**39**	**62**	**4**	**3**	**108**
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**	**95**	**10**	**3**	**267**
* Youme Mart (store brand) as a subset of the above			63	31	-	-	94

*1 Including 1 LECT store in the Chugoku region
*2 Including stores opened within Youme Mall Koshi by Youme Mart Kumamoto Co., Ltd.

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Year-on-year change in sales at existing stores from FY2015 (%)

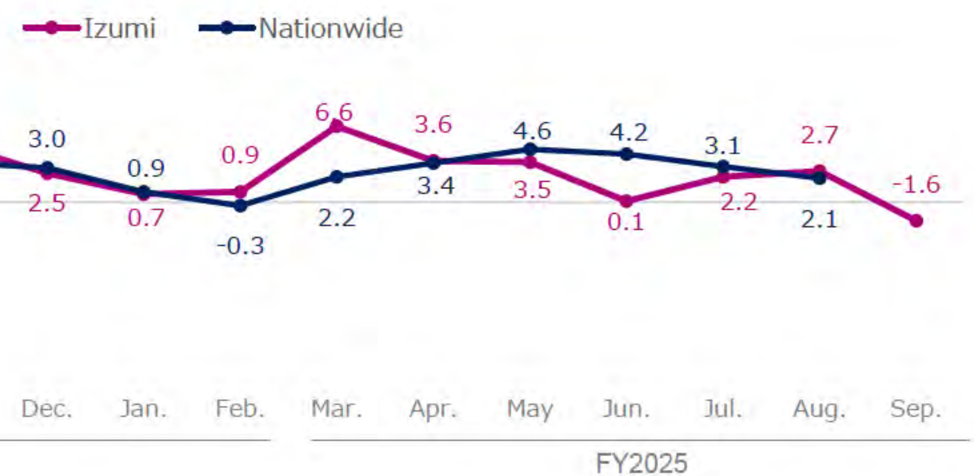
* In the year-on-year comparison of net sales from FY2023, figures including results from X-SELL are included.

	'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	102.5
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	102.2	102.7	98.4						102.5
Nationwide	102.2	103.4	104.6	104.2	103.1	102.1							
Deviation	+4.4	+0.2	-1.1	-3.1	-0.9	+0.6							

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



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

Practicing Energy Creation with Solar Power Generation

Proactively installing solar power systems

We have been installing solar power generation panels since 2015. We have installed solar power generation panels at all new stores since 2022. We succeeded in sourcing 100% of the electricity used at Youme Mart Itsukaichi, which opened in September 2024, from renewable sources of energy, including solar power generation systems and a power purchase agreement (PPA).

Number of stores with solar panel installed

29 stores

(As of February 2025)

Effective Utilization of Resources and Promotion of Their Recycling and Reuse

Promoting resource recycling including in-store recycling activities with customers

Collection boxes have been in place at our stores for more than 20 years. The number of customers who know that they exist has been increasing gradually, and the amount that we collect increases every year. Since 2022, we have also installed dedicated "Bottle-to-Bottle" horizontal recycling collection boxes for recycling used PET bottles into new PET bottles. Youme app members have 0.2 yen added to their discount accumulation program balance for each bottle they recycle using these collection boxes.

▲In-store collection box

Efforts to Reduce Food Loss

Food drive to contributing to food support activities and the effective use of food resources

The food drive program we launched in 2021 has been implemented at all stores since March 2025. The food drive is an initiative to provide unused food resources donated by customers to people who need them.

(FY2024)

Number of items donated	51,020
Weight of food donations	25,421kg
Number of organizations receiving donations	31

Group Company Sustainability Activities

Youme Mart Kumamoto and Youme Mart Kitakyushu | Implementation of the Mogu Mogu Challenge

All of the Youme Town and Youme Mart of Izumi stores implement the Mogu Mogu Challenge. We are expanding it to the Group's stores. The Mogu Mogu Challenge is an activity in which participants collect labels affixed to products whose best-before date or use-by date is coming soon. Through this program, one yen is donated to Kodomo Shokudo (Kids' Cafeteria) for each label collected, so it is one way that the Group companies contribute to society.

▶Youme Mart Kumamoto: Moguni stickers put up in a store

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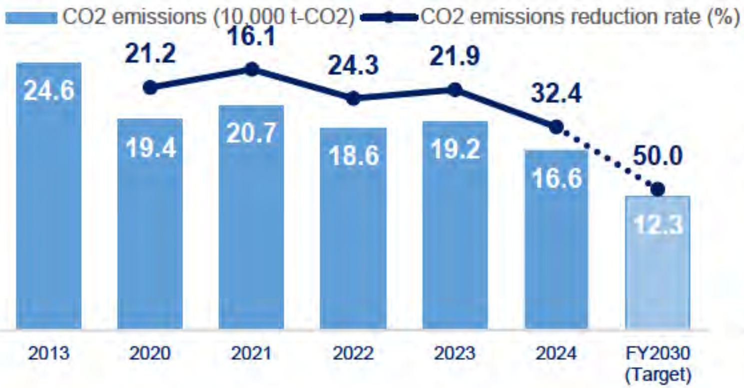
Steady Progress Toward FY2030 Environmental KPI Targets

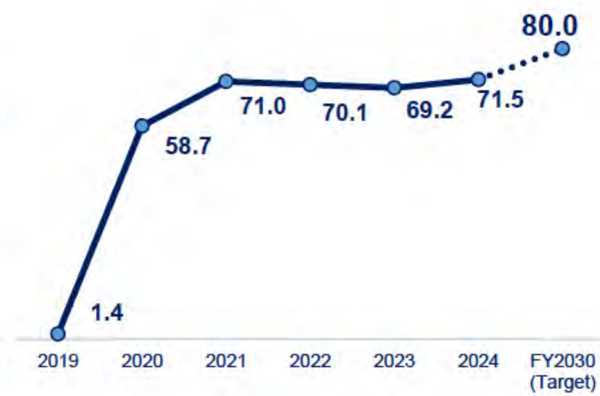
■ Progress in Environmental KPIs

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 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

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

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Bringing Energy and Vitality to Local Communities

Preserving the traditional Bon Odori (Bon dance) with people from the local community

In August 2025, we held a Bon Odori festival at Youme Terrace Gion. Local customers have participated in Bon Odori festival held at this location since the days of the Izumi Shopping Center, which opened in 1973. The Bon Odori festival is our traditional event. This year, we also held a stage event as a cultural exchange opportunity that involved our technical intern trainees from Vietnam and Myanmar. We will continue this initiative to aid the development of the local community.

▶ Bon Odori festival

Working Together for Greater Progress

Providing cooperation for loop bus services in Chikugo City

The pilot loop bus service program in Chikugo City, Fukuoka began in 2024, and full-scale services will begin in October 2025. The bus stops at Youme Mart Chikugo, other supermarkets, a hospital, and city hall. People find it useful in their everyday shopping and when they have to visit the hospital. At Youme Mart Chikugo, we implemented a campaign to promote the use of the bus services. We encouraged local people to use the services through a project that offered gift certificates as a perk.

▶ Opening ceremony

Contributing to society through safe and secure products

Food safety qualification test for food handlers

We provide food safety training to food handlers as an ongoing initiative. In FY2024, we began to use a video in the provision of the training program and we first had managers take a Food Safety License Test. To date, 432 people have passed it. We will enable our food handlers to acquire knowledge about freshness and temperature control, labeling management, and more, developing a framework for ensuring food safety.

▲ Checking the freshness and labels of fresh produce

Extend the Circle of Health maintenance and Improvement

Registered as Designated Cooling Shelters

Youme Town and Youme Mart have signed an agreement regarding their registration with the government as Designated Cooling Shelters to protect residents and others from the harm that heat stroke can do to their health. Our designated stores are open to the public as Designated Cooling Shelters during their business hours.

▶ Couches in a store that people who want to rest can use (Youme Town Kure)

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Supporting the Personal Development of Individuals with Many Learning Opportunities

College opened for Izumi University graduates

We opened Izumi University to develop the next generation of managers. In this two-year program, trainees acquire the skills that officers must have and the broad perspective that is needed when making business decisions.

We have also opened a new graduate college for people who completed Izumi University, with the goal of further improving their skills..

▶ Entrance ceremony for the third batch of trainees

Creating a Workplace Where Employees Can Work Energetically While Being Themselves

LGBTQ+ training to enable people to learn about diversity

In February 2024, we held a training session to increase employees' understanding of LGBTQ+ issues. The training session was provided for managers from stores and the headquarters. They learned how to create places where customers can shop with peace of mind and workplaces where people who identify as being a member of a LGBTQ+ group can work with a feeling of security.

▶ A lecture for managers

Compliance and Risk Management Structure

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

FY2024 result		FY2030 target
130	›	200

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 four times 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

Providing Sustainable Products in Consideration of the Environment, Society, and the Economy

Sale of eco-friendly fish

Marine Eco-Label Japan (MEL) is Japan's first eco-labeling certification program for fishery products. The certification is granted to business operators who engage in eco-friendly fisheries or aquaculture and their products. As a retailer, we proactively sell MEL-certified products. We display promotional materials in our stores to share with customers the appeals of these delicious foods that enable them to contribute to the establishment of a sustainable society.

▲ In-store promotional materials for MEL-certified products

Sale of meat from livestock raised by high school and university students

As a part of our local-production-for-local-consumption initiatives, we sold beef and pork from livestock raised lovingly by local high school and university students and fruit grown by them at IZUMI Group stores. The initiative also included tasting events run by students, which attract a large number of customers to the sales floors every day. We also exhibited panels showing the students working hard to fatten livestock and grow fruit. We are implementing this initiative in various regions to share information about the students' activities every day with customers and to encourage local residents to consume more local livestock products.

▲ Sale of pork from pigs raised by students of Kagawa Prefectural Kasada High School

Kaiju Lemon offered as shochu-based beverage

Bumpy, out-of-specification Setouchi lemons have been given the Kaiju Lemon brand name, evoking the image of kaiju monsters. We used their refreshing flavor to develop our original shochu-based chuhai beverage. We have released them with impactful packages to contribute to the reduction of food loss and the revitalization of local industry.

(Left) Kaiju Lemon Chuhai
(Right) Kaiju Hassaku Orange Chuhai

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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.