Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 31, 2026 (Based on Japanese GAAP)

July 14, 2026

Company name: IZUMI CO., LTD.
Stock exchange listing: Tokyo
Stock code: 8273
URL https://www.izumi.co.jp/
Representative: Shigeki Machida, President and Representative Director
Inquiries: Takashi Mukai, General Manager of Finance & Accounting Department TEL: +81-82-264-3211
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and securities analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated financial results for three months ended May 31, 2026 (from March 1, 2026 to May 31, 2026)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	140,309	2.8	6,860	8.9	6,835	10.5	4,528	7.5
May 31, 2025	136,538	25.5	6,296	8.3	6,187	2.0	4,212	7.1

(Note) Comprehensive income: Three months ended May 31, 2026: 4,625 million yen (8.1%)
Three months ended May 31, 2025: 4,278 million yen (19.6%)

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2026	21.55	–
May 31, 2025	19.75	–

(Note) 1. In the first six months of the fiscal year ended February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. Figures for the three months ended May 31, 2025 reflect the finalized accounting treatment for the business combination.

(Note) 2. The Company conducted a three-for-one split of its common stock, effective March 1, 2026. Earnings per share were calculated assuming the stock split was implemented at the beginning of the fiscal year ended February 28, 2026.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
May 31, 2026	599,073	309,379	49.3
February 28, 2026	595,383	307,939	49.4

(For reference) Equity: As of May 31, 2026: 295,409 million yen As of February 28, 2026: 294,008 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2026	–	45.00	–	45.00	90.00
Year ending February 28, 2027	–				
Year ending February 28, 2027 (Forecast)		15.00	–	15.00	30.00

(Note) Revisions to dividend forecasts published most recently: None

(Note) The Company conducted a three-for-one split of its common stock, effective March 1, 2026. The stock split was accounted for when calculating annual dividends per share for the fiscal year ending February 28, 2027 (forecast). If annual dividends per share for the fiscal year ending February 28, 2027 (forecast) were calculated without accounting for the stock split, they would be 90.00 yen.

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	290,800	3.5	14,200	11.9	13,900	10.2	9,400	16.3	44.74
Full year	587,100	3.1	29,000	6.5	28,400	3.8	17,400	3.4	82.82

(Note) Revisions to business forecasts published most recently: None

(Note) Earnings per share were calculated to reflect the stock split stated in the note in “2. Cash dividends.”

Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	None
Changes in accounting policies due to other reasons:	None
Changes in accounting estimates:	None
Restatement of prior period financial statements:	None

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2026	214,995,600 shares	As of February 28, 2026	214,995,600 shares

Number of treasury shares at the end of the period

As of May 31, 2026	4,897,626 shares	As of February 28, 2026	4,897,260 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2026	210,098,125 shares	Three months ended May 31, 2025	213,222,876 shares

(Note) The Company conducted a three-for-one split of its common stock, effective March 1, 2026. The number of issued shares (common shares) is calculated assuming the stock split was implemented at the beginning of the fiscal year ended February 28, 2026.

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing corporation: None

* Explanation regarding appropriate use of business forecasts and other special instructions

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ materially, depending on a range of factors. See “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” in the section, “1. Qualitative Information on Quarterly Financial Results for the Period under Review,” on page 8 of the attached material for the assumptions used in the financial results forecast and precautions for using the financial results forecast.

○ Contents of the attached document

1. Qualitative Information on Quarterly Financial Results for the Period under Review

The forward-looking statements herein are based on the judgments of the Group as of the end of the first quarter under review.

Regarding the absorption-type company split pertaining to the food supermarket business of Seiyu Co., Ltd., which was implemented on August 1, 2024, provisional accounting treatment was applied in the first three months of the previous consolidated fiscal year. However, because the provisional accounting treatment was finalized in the first six months of the fiscal year ended February 28, 2026, values revised based on the finalization of the provisional accounting treatment were used for comparative analysis with values for the first three months of the previous consolidated fiscal year.

(1) Explanation of Operating Results

In the first three months of the fiscal year under review, the Japanese economy recovered moderately on the back of improvement in employment and income levels. However, with Middle East tensions putting upward pressure on prices, consumers remained cautious due to concern over the impact of rising prices on household finances and the uncertain outlook.

In the retail industry, the polarization of consumption patterns required retailers to increase the high added value appeal of their products for differentiation, in addition to offering products, mainly essential goods, at affordable prices. Meanwhile, selective consumption also appeared to grow even stronger, with consumers being more value-driven in their spending, rather than being indiscriminately frugal. Furthermore, the management environment also remained challenging, as rising personnel expenses, logistics expenses and other costs continued to create conditions where action to ensure profitability was even more important.

In this environment, the Izumi Group, guided by its management philosophy of instilling pride and joy in our employees while contributing to the enhancement of the lives of communities and our customers, announced its Third Medium-term Management Plan in April, with a view to achieving the goal of creating livable communities and fostering the growth of the population. In accordance with the 2035 Long-term Vision “At the Izumi Group, we strive to be a community-oriented comprehensive life industry, that is the most deeply connected to and trusted by customers in western Japan,” the Group focused on contributing to creating comfortable and lively communities. With “Creation of a New SM business,” “Evolution of GMS” and “Strengthening of retail-peripheral business and new businesses” as three basic strategies, the Group will drive structural reforms to evolve the business structure. The Group will further pursue the community-based business model that is its strength and translate this into further value creation by transforming the business structure in response to environmental changes.

The Group also sought to strengthen its organizational structure to accelerate operations for realization of the Group’s growth strategy and structural reforms. The Company established the CSM (Chain Store Management) Promotion Department as an organization that reports directly to the President. The purpose of the new department is to coordinate all operations for “creation of a new SM business,” including product measures, store operations and back-office operations. The Company also reorganized groceries and deli into the Food Division to strengthen product strategy in the SM sector. In addition, the Company created the Shared Service Center (SSC) Department to reinforce the management foundation by consolidating and standardizing the indirect operations of the whole Izumi Group.

For details of the Third Medium-term Management Plan, please refer to the Company’s website.

https://www.izumi.co.jp/ir/management/

Further, the Group has been steadily implementing initiatives to achieve its environmental KPIs in its Basic Sustainability Policy. As part of these efforts, the Group reviewed its materiality matrix to coincide with formulation of the Third Medium-term Management Plan. The Group reassessed the content and scope of activities and degree of materiality for each materiality and updated initiatives in response to changes in the external environment since formulation. For more information about sustainability and the current status of the Company’s sustainability activities, please visit the sustainability website.

Sustainability website

https://www.izumi.co.jp/sustainability/

As a result, financial results for the first three months of the fiscal year under review were as shown below.

	Three months ended May 31, 2025	Three months ended May 31, 2026	Change	Change (%)
Operating revenue	136,538 million yen	140,309 million yen	3,771 million yen	2.8%
[Net sales]	[122,057 million yen]	[125,235 million yen]	[3,178 million yen]	[2.6%]
[Operating revenue]	[14,480 million yen]	[15,073 million yen]	[592 million yen]	[4.1%]
Operating profit	6,296 million yen	6,860 million yen	563 million yen	8.9%
Ordinary profit	6,187 million yen	6,835 million yen	647 million yen	10.5%
Profit attributable to owners of parent	4,212 million yen	4,528 million yen	316 million yen	7.5%

Key factors contributing to operating results

(i) Operating revenue and operating gross profit

Operating revenue rose 3,771 million yen (2.8%) year on year to 140,309 million yen. This was primarily due to the operation of new stores as well as an increase in the number of customers due to the implementation of low-price initiatives and the promotion of high value added products.

Operating gross profit was 55,004 million yen (up 1,281 million yen year on year). This is 39.2% of operating revenue, a decrease of 0.1 percentage points from one year ago, due to the impact of low-price initiatives.

(ii) Selling, general and administrative expenses and operating profit

Selling, general and administrative expenses increased 718 million yen (1.5%) year on year to 48,144 million yen. This increase was primarily due to increased personnel expenses and repair expenses for existing stores, which offset efforts to control expenditure such as utility expenses. This is 34.3% of operating revenue, a decrease of 0.4 percentage points from one year ago, reflecting the effect of expenditure control.

Consequently, operating profit rose 563 million yen (8.9%) to 6,860 million yen, reflecting higher revenue and expenditure control. This is 4.9% of operating revenue, a 0.3 percentage point increase from the previous year.

(iii) Non-operating income and expenses and ordinary profit

Non-operating income declined by 14 million yen (4.1%) year on year, to 344 million yen. Meanwhile, non-operating expenses fell 98 million yen (21.1%) to 369 million yen, mainly due to lower interest expenses.

As a result, ordinary profit increased 647 million yen (10.5%) year on year, to 6,835 million yen. This is 4.9% of operating revenue, an increase of 0.4 percentage point from the previous year.

(iv) Extraordinary income and losses, income taxes, profit attributable to non-controlling interests, and profit attributable to owners of parent

Extraordinary income stood at 390 million yen (an increase of 361 million yen from the previous year), reflecting compensation income related to a public construction works project of 316 million yen and gain on sale of non-current assets of 73 million yen.

Extraordinary losses came to 145 million yen (an increase of 93 million yen from the previous year), chiefly reflecting impairment losses of 46 million yen.

Total income taxes amounted to 2,477 million yen (an increase of 581 million yen from a year ago), reflecting the increase in profit before income taxes.

Profit attributable to non-controlling interests was 75 million yen (an increase of 17 million yen from a year ago).

As a consequence, profit attributable to owners of parent increased 316 million yen (7.5%) year on year to 4,528 million yen. This is 3.2% of operating revenue, an increase of 0.1 percentage point from the previous year.

Performance by Segment

■ Operating revenue

	Three months ended May 31, 2025	Three months ended May 31, 2026	Change	Change (%)
Retail operations	131,966 million yen	135,418 million yen	3,452 million yen	2.6%
Retail-peripheral operations	12,492 million yen	13,997 million yen	1,504 million yen	12.0%
Other	1,294 million yen	1,324 million yen	30 million yen	2.3%
Adjusted amount	(9,216 million yen)	(10,431 million yen)	(1,215 million yen)	—
Total	136,538 million yen	140,309 million yen	3,771 million yen	2.8%

■ Operating profit

	Three months ended May 31, 2025	Three months ended May 31, 2026	Change	Change (%)
Retail operations	4,817 million yen	5,157 million yen	340 million yen	7.1%
Retail-peripheral operations	1,356 million yen	1,578 million yen	221 million yen	16.4%
Other	201 million yen	179 million yen	(21 million yen)	(10.8%)
Adjusted amount	(78 million yen)	(55 million yen)	23 million yen	—
Total	6,296 million yen	6,860 million yen	563 million yen	8.9%

(i) Retail operations

In the core retail operations, sales remained firm, due to growth in the number of customers at directly-operated stores.

On the product front, the Group implemented low-price initiatives, mainly for essential goods, while also focusing on increasing added value in response to even greater polarization of consumption patterns.

To meet needs for low prices, this fiscal year, the Group is continuing to focus on its “Select 100 Super-Bargain Prices” campaign through which it makes 90 everyday essential food items and 10 household items available at a discount price. Especially in fresh produce sections, the Group sought to increase the number of customers coming into stores through stepping up the promotion of low prices and also put effort into seafood sections, including strengthening face-to-face sales corners in all stores. With food prices going up one after another and customers adopting defensive spending behaviors, sales have remained strong.

The Group also gradually expanded products under its private brand, “Youme-Ichi,” launched in September last year, starting with the Price line of products focused on low prices. As of the end of May 2026, the Company has released a total of 203 items as of the end of May 2026: 166 Price items, 36 Regular items, and one Premium item. The Group also newly added Youme Review, a product review function, to the Youme app, with a view to using customer feedback in future product development and product promotions. Customers can leave reviews and comments about products they have purchased and the Group will improve existing products based on this qualitative data. Additionally, sales remained firm due to expansion in the number of product items and expansion in sales at stores, and the Group’s policy going forward is to develop a total of 800 items by 2035 and increase the ratio of sales of PB products to total food sales to 10% by 2030.

Further, the Group made improvements to 16 items under its manufacturing brand of deli and fresh processed items “zehi,” focusing mainly on products in the “Balance” line of products for health-conscious customers among the five product lineups, which also include “Premium” and “Season” product lines. The Group also implemented initiatives such as expanding sales of freshly made products during the evening timeslot when demand is strongest.

In terms of stores, the Group opened Youme Mall Nakagawa (Nakagawa, Fukuoka) in March. With “a place Nakagawa can rely on” as the tagline, the mall aims to be a community-based shopping mall centered on commerce, transport and health, which lends itself to serving as a community lifestyle hub. Under a comprehensive cooperation agreement with Nakagawa City, the mall promotes local production for local consumption and offers an extensive lineup of agricultural produce and processed foods grown in Nakagawa. Going forward, Youme Mall Nakagawa will continue to offer the “Fun of visiting it every day” as a food supermarket that supports everyday convenience and comfort.

The Group remodeled existing stores.

In March, Youme Town Yamaguchi (Yamaguchi, Yamaguchi) welcomed a large family fashion tenant as a new tenant and also saw the renovation of its directly-operated food counters and lifestyle counters. In addition to further enhancing products and services to meet the needs of a wide range of generations, the Group sought to create stores that will support the lives of local customers.

Furthermore, at Youme Town Minami-Yukuhashi (Yukuhashi, Fukuoka), the Group opened “Asoboccha,” an indoor children’s playground installed by Yukuhashi City. The playground has all kinds of play equipment that allows children to have fun and play safely whatever the weather while also fostering the development of their physical skills, social skills, imagination and learning according to their age. At Youme Town Minami-Yukuhashi, the Group also sought to improve convenience for customers with children by renovating the mall’s toilet facilities to coincide with the opening of “Asoboccha.”

In April, Youme Town Ube (Ube, Yamaguchi) opened Machi Library @ Youme Town Ube, which is operated under the leadership of Ube City. Machi Library @ Youme Town is a community library where users bring in donated books or donate books with messages on the shelves. It is one of the largest community libraries in west Japan. The library functions as a third place where people can escape their daily routines and feel free to stop by. The Group expects that many different generations will form loose connections through books, giving rise to new activities and community connections. Meanwhile, at Youme Town Hikarinomori (Kikuchi-gun, Kumamoto), the Company established its second Little Planet franchise. Going forward, the Company will continue striving to enhance its store value by offering young parents customers opportunities to shop and enjoy new experiences.

Given the above initiatives, same-store sales (including specialty tenants’ sales) in the first three months increased 3.1% year on year (before the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29)). Same-store sales, excluding tenant sales, increased 1.8% year on year (on the same basis).

As a result, operating revenue increased 2.6% year on year, to 135,418 million yen, and operating profit increased 7.1% year on year, to 5,157 million yen.

(ii) Retail-peripheral operations

In the retail-peripheral operations, both sales and profit rose, reflecting strong sales in retail operations.

At Youme Card Co., Ltd., the financial business experienced strong fee revenue due mainly to an increase in credit card transaction value. At the end of the first quarter under review, the cumulative number of Youme Cards issued rose to 11,290,000, up from 11,170,000 at the end of the previous fiscal year. Youme Card Co., Ltd. also announced the launch of new financial services in April. By realizing entry to the Banking-as-a-Service (BaaS) market, Youme Card Co., Ltd. aims to offer more convenient services including financial services such as deposits, loans and foreign exchange through a dedicated app and their integration with the Group’s payment, points and sales promotion functions.

In the facility management business, Izumi Techno Co., Ltd. saw strong construction orders in addition to an increase in facilities that it administers as the designated administrator, and both sales and profit increased.

At Izumi Food Service Co., Ltd., which operates restaurant businesses, both sales and profits rose due to strong performances of key brands, including Mister Donut and BR 31 Ice Cream.

As a result, operating revenue increased 12.0% year on year, to 13,997 million yen, and operating profit increased 16.4% year on year, to 1,578 million yen.

(iii) Other businesses

In the wholesale business, sluggish sales and an increase in the cost of sales due to a weaker yen than a year earlier resulted in lower profit. Rental income in the real estate lease business was stable.

As a result, operating revenue stood at 1,324 million yen (up 2.3% year on year) and operating profit was 179 million yen (down 10.8% year on year).

(2) Explanation of Financial Position

(i) Assets, liabilities and net assets

Total assets, liabilities, and net assets at the end of the first three months of the fiscal year ending February 28, 2027 are as stated below.

	As of February 28, 2026	As of May 31, 2026	Change
Total assets	595,383 million yen	599,073 million yen	3,690 million yen
Liabilities	287,444 million yen	289,693 million yen	2,249 million yen
Net assets	307,939 million yen	309,379 million yen	1,440 million yen

Total assets

- Notes and accounts receivable - trade, and contract assets rose 6,903 million yen, mainly due to an increase in the credit transaction volume.
- Capital expenditures during the first three months under review amounted to 6,497 million yen, chiefly due to renovations of existing stores, acquisition of land at existing stores, new store openings involving upfront investment, and investment in digital transformation. Property, plant and equipment rose 2,154 million yen after accounting for depreciation.
- Other current assets increased 3,007 million yen, chiefly due to increased sale deposits.
- Cash and deposits were down 8,376 million yen at the end of the period. For details, please refer to (2) Analysis of cash flow.

Liabilities

- Notes and accounts payable - trade rose 3,455 million yen, mainly due to an increase in the credit transaction volume.
- Provision for bonuses increased 1,245 million yen due to an additional provision for the payment period made during the first three months of the fiscal year under review.
- Short-term and long-term borrowings decreased 2,348 million yen.

Net assets

- Retained earnings rose 1,377 million yen, indicating an increase in internal reserves.
- As a result, the equity ratio was 49.3%, a 0.1 percentage point decline from 49.4% at the end of the previous fiscal year.

(ii) Analysis of cash flow

The cash flow situation in the first three months of the fiscal year under review are as follows:

	Three months ended May 31, 2025	Three months ended May 31, 2026	Change
Cash flows from operating activities	25,840 million yen	3,893 million yen	(21,946 million yen)
Cash flows from investing activities	(5,083 million yen)	(6,692 million yen)	(1,609 million yen)
Cash flows from financing activities	(23,030 million yen)	(5,577 million yen)	17,453 million yen

Cash flows from operating activities

- The main cash inflows were profit before income taxes of 7,080 million yen, depreciation of 4,555 million yen and an increase in trade payables of 3,455 million yen.
- The major cash outflows were an increase in accounts receivable - trade, and contract assets of 6,903 million yen and income taxes paid of 5,324 million yen.

Cash flows from investing activities

- The primary cash outflow was the purchase of property, plant and equipment totaling 6,049 million yen. The purchase of property, plant and equipment was mainly attributable to renovations of existing stores, acquisition of land at existing stores, new store openings involving upfront investment, and investment in digital transformation.

Cash flows from financing activities

- The main cash inflows were proceeds from short-term borrowings of 4,870 million yen.
- The major cash outflows were repayments of long-term borrowings of 7,218 million yen and dividends paid of 3,151 million yen.

As a result, the balance of cash and cash equivalents decreased 8,376 million yen from the end of the previous fiscal year, to 19,712 million yen.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There has been no revision to the consolidated forecasts for the fiscal year ending February 28, 2027, which were released on April 14, 2026.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	28,088	19,712
Notes and accounts receivable - trade, and contract assets	61,794	68,697
Merchandise and finished goods	30,242	30,882
Work in process	29	98
Raw materials and supplies	739	718
Other	16,747	19,755
Allowance for doubtful accounts	(561)	(537)
Total current assets	137,079	139,326
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	144,833	145,587
Land	191,261	193,262
Other, net	21,713	21,112
Total property, plant and equipment	357,808	359,962
Intangible assets		
Goodwill	34,207	33,731
Other	27,949	27,703
Total intangible assets	62,156	61,435
Investments and other assets		
Other	38,506	38,517
Allowance for doubtful accounts	(167)	(167)
Total investments and other assets	38,338	38,349
Total non-current assets	458,303	459,747
Total assets	595,383	599,073

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	57,289	60,745
Short-term borrowings	12,280	17,150
Current portion of long-term borrowings	17,620	17,238
Accounts payable - other	15,234	13,882
Income taxes payable	5,837	2,611
Provision for bonuses	2,337	3,582
Provision for bonuses for directors (and other officers)	41	6
Contract liabilities	8,016	8,578
Provision for loss on building demolition	–	19
Provision for loss on lease contracts	32	32
Other	24,283	27,844
Total current liabilities	142,973	151,690
Non-current liabilities		
Long-term borrowings	88,611	81,775
Long-term leasehold and guarantee deposits received	22,041	22,036
Provision for retirement benefits for directors (and other officers)	62	66
Provision for loss on interest repayment	316	307
Provision for loss on lease contracts	293	285
Retirement benefit liability	8,686	8,824
Asset retirement obligations	11,840	12,106
Other	12,617	12,601
Total non-current liabilities	144,470	138,003
Total liabilities	287,444	289,693
Net assets		
Shareholders' equity		
Share capital	19,613	19,613
Capital surplus	22,758	22,758
Retained earnings	252,115	253,492
Treasury shares	(5,337)	(5,338)
Total shareholders' equity	289,150	290,527
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,160	3,271
Remeasurements of defined benefit plans	1,697	1,611
Total accumulated other comprehensive income	4,857	4,882
Non-controlling interests	13,930	13,970
Total net assets	307,939	309,379
Total liabilities and net assets	595,383	599,073

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

First three months

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Operating revenue	136,538	140,309
Net sales	122,057	125,235
Cost of sales	82,814	85,304
Gross profit	39,242	39,931
Operating revenue	14,480	15,073
Operating gross profit	53,723	55,004
Selling, general and administrative expenses	47,426	48,144
Operating profit	6,296	6,860
Non-operating income		
Interest and dividend income	30	45
Purchase discounts	43	49
Share of profit of entities accounted for using equity method	11	9
Other	273	239
Total non-operating income	359	344
Non-operating expenses		
Interest expenses	354	318
Other	113	50
Total non-operating expenses	468	369
Ordinary profit	6,187	6,835
Extraordinary income		
Gain on sale of non-current assets	28	73
Compensation income	–	316
Total extraordinary income	28	390
Extraordinary losses		
Loss on retirement of non-current assets	38	21
Impairment losses	–	46
Other	13	77
Total extraordinary losses	51	145
Profit before income taxes	6,165	7,080
Income taxes – current	1,727	2,275
Income taxes – deferred	167	201
Total income taxes	1,895	2,477
Profit	4,269	4,603
Profit attributable to non-controlling interests	57	75
Profit attributable to owners of parent	4,212	4,528

Quarterly Consolidated Statement of Comprehensive Income

First three months

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Profit	4,269	4,603
Other comprehensive income		
Valuation difference on available-for-sale securities	(29)	104
Remeasurements of defined benefit plans, net of tax	37	(86)
Share of other comprehensive income of entities accounted for using equity method	1	4
Total other comprehensive income	8	22
Comprehensive income	4,278	4,625
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,221	4,553
Comprehensive income attributable to non-controlling interests	57	72

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Cash flows from operating activities		
Profit before income taxes	6,165	7,080
Depreciation	4,605	4,555
Share-based payment expenses	29	31
Amortization of goodwill	608	475
Increase (decrease) in allowance for doubtful accounts	16	(24)
Interest and dividend income	(30)	(45)
Interest expenses	354	318
Share of loss (profit) of entities accounted for using equity method	(11)	(9)
Loss (gain) on sale of non-current assets	(28)	(73)
Loss on retirement of non-current assets	38	21
Impairment losses	–	46
Increase (decrease) in provision for loss on building demolition	(101)	19
Decrease (increase) in accounts receivable - trade, and contract assets	(4,276)	(6,903)
Decrease (increase) in inventories	(2,245)	(687)
Increase (decrease) in trade payables	28,021	3,455
Increase (decrease) in deposits received	2,739	3,519
Compensation income	–	(316)
Other	(5,221)	(2,163)
Subtotal	30,663	9,299
Interest and dividend received	36	51
Interest paid	(526)	(424)
Income taxes refund (paid)	(4,322)	(5,324)
Proceeds from compensation	–	316
Other	(10)	(25)
Net cash provided by (used in) operating activities	25,840	3,893
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,354)	(6,049)
Proceeds from sale of property, plant and equipment	789	241
Purchase of intangible assets	(465)	(367)
Other	(52)	(517)
Net cash provided by (used in) investing activities	(5,083)	(6,692)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,800)	4,870
Repayments of long-term borrowings	(6,760)	(7,218)
Purchase of treasury shares	(3,171)	(0)
Dividends paid	(3,219)	(3,151)
Dividends paid to non-controlling interests	(32)	(32)
Other	(46)	(44)
Net cash provided by (used in) financing activities	(23,030)	(5,577)
Net increase (decrease) in cash and cash equivalents	(2,273)	(8,376)
Cash and cash equivalents at beginning of period	15,717	28,088
Cash and cash equivalents at end of period	13,444	19,712

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Note on significant changes in the amount of shareholders' equity)

Not applicable.

(Notes on segment information, etc.)

[Segment information]

I. Three months ended May 31, 2025

Operating revenue and profit (loss) for each reportable segment and the breakdown of sales

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjusted amount (Note 2)	Amount in quarterly consolidated financial statements (Note 3)
	Retail operations	Retail-peripheral operations	Total				
Operating revenue							
Sales from contracts with customers	126,876	3,318	130,195	778	130,973	–	130,973
Other sales	4,794	752	5,546	18	5,564	–	5,564
Operating revenue from external customers	131,670	4,070	135,741	796	136,538	–	136,538
Inter-segment internal operating revenue or transfers	295	8,422	8,717	498	9,216	(9,216)	–
Total	131,966	12,492	144,459	1,294	145,754	(9,216)	136,538
Segment profit	4,817	1,356	6,174	201	6,375	(78)	6,296

(Note 1) The Other category includes the clothing wholesale business.

(Note 2) The segment profit adjustment, -78 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) Segment profit is reconciled with operating profit in the quarterly consolidated statement of income.

(Note 4) As a result of significant revisions to the initial allocation of acquisition costs stated in (Significant revisions to the initial allocation of acquisition costs in comparative information) under (Notes on business combination, etc.), values reflecting the revisions are listed.

II. Three months ended May 31, 2026

Operating revenue and profit (loss) for each reportable segment and the breakdown of sales

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjusted amount (Note 2)	Amount in quarterly consolidated financial statements (Note 3)
	Retail operations	Retail-peripheral operations	Total				
Operating revenue							
Sales from contracts with customers	130,162	3,589	133,751	806	134,558	–	134,558
Other sales	4,945	786	5,732	19	5,751	–	5,751
Operating revenue from external customers	135,107	4,375	139,483	825	140,309	–	140,309
Inter-segment internal operating revenue or transfers	311	9,621	9,932	498	10,431	(10,431)	–
Total	135,418	13,997	149,416	1,324	150,741	(10,431)	140,309
Segment profit	5,157	1,578	6,736	179	6,915	(55)	6,860

(Note 1) The Other category includes the clothing wholesale business.

(Note 2) The segment profit adjustment, -55 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) Segment profit is reconciled with operating profit in the quarterly consolidated statement of income.

(Notes on business combination, etc.)

(Significant revisions to the initial allocation of acquisition costs in comparative information)

Regarding the absorption-type company split pertaining to the supermarket business (SUNNY Business) operated by Seiyu Co., Ltd. in the Kyushu region, which was implemented effective on August 1, 2024, provisional accounting treatment was made in the first three months of the previous consolidated fiscal year. However, the accounting treatment was finalized in the first six months of the fiscal year ended February 28, 2026, excluding certain acquisition costs that are being negotiated.

As a result of this finalization of the provisional accounting treatment, the comparative information in the quarterly consolidated financial statements for the first three months of the fiscal year under review reflected a significant review of initial allocation of the purchase price paid.

As a result, the effect of this change on the quarterly consolidated statement of income for the first three months of the previous fiscal year is minor.