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For Immediate Release

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Notice of Formulation of the Third Medium-Term Management Plan

Izumi Co., Ltd. (the "Company") announces the formulation of the Izumi Group (the "Group")'s Third Medium-Term Management Plan for the five-year period from FY2026 (fiscal year ending February 28, 2027) to FY2030 (fiscal year ending February 28, 2031), which was approved by the Company's Board of Directors at its meeting held today.

Overview of the Third Medium-term Management Plan

The Company formulated the plan to uncompromisingly pursue a business model focused on supporting local communities, a strength of the Group, and developing the most trusted community-based comprehensive life industry for local customers by transforming the structure of its business in response to changes in the environment.

(1) 2025 Long-term Vision

At the Izumi Group, we aim to build a community-based comprehensive lifestyle industry, which is dedicated to individual communities and relied upon by local customers in western Japan.

Basic policy

- Be more dedicated to local customers than anyone else
- Build a system for growing together with local communities
- Be a pillar supporting local people

(2) Outline of the Third Medium-Term Management Plan

The Company has formulated three basic strategies under a policy of uncompromisingly implementing a community-based approach.

- Creating New SM business (achieving the growth of both sales and profit)
- Transforming GMS (creating sources of growth for Izumi as a whole)
- Strengthening retail-peripheral operations and new operations (developing them into a third core revenue source)

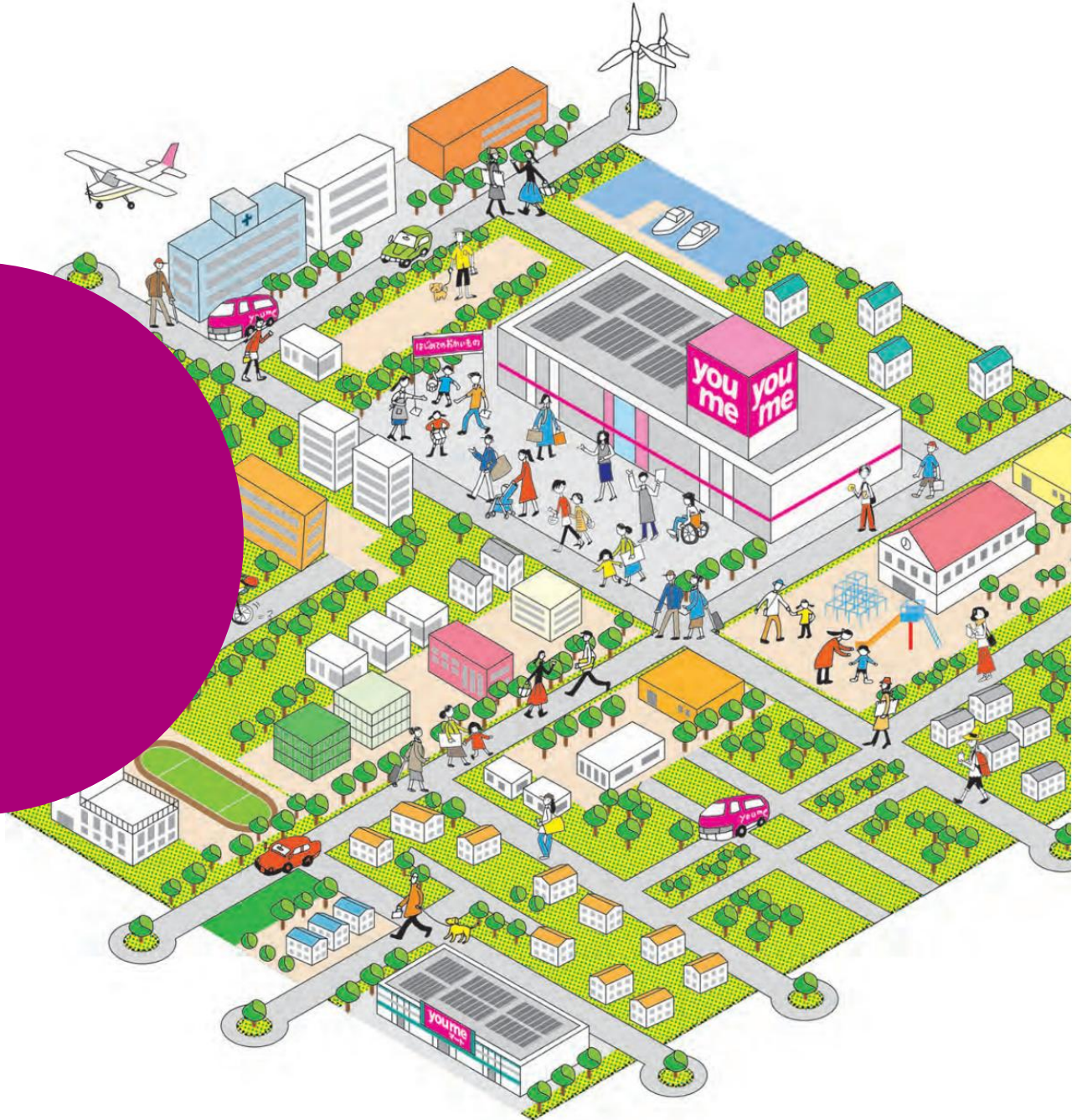
*For the details of this Medium-term Management Plan, please see the attached materials.

(Note) 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.

youme

3rd Medium-Term Management Plan (FY2026-FY2030)

Izumi Co., Ltd.



1. Review of 2nd Medium-Term Management Plan
2. 3rd Medium-Term Management Plan
 - Business Strategy
 - Financial, Talent, and Sustainability Strategy

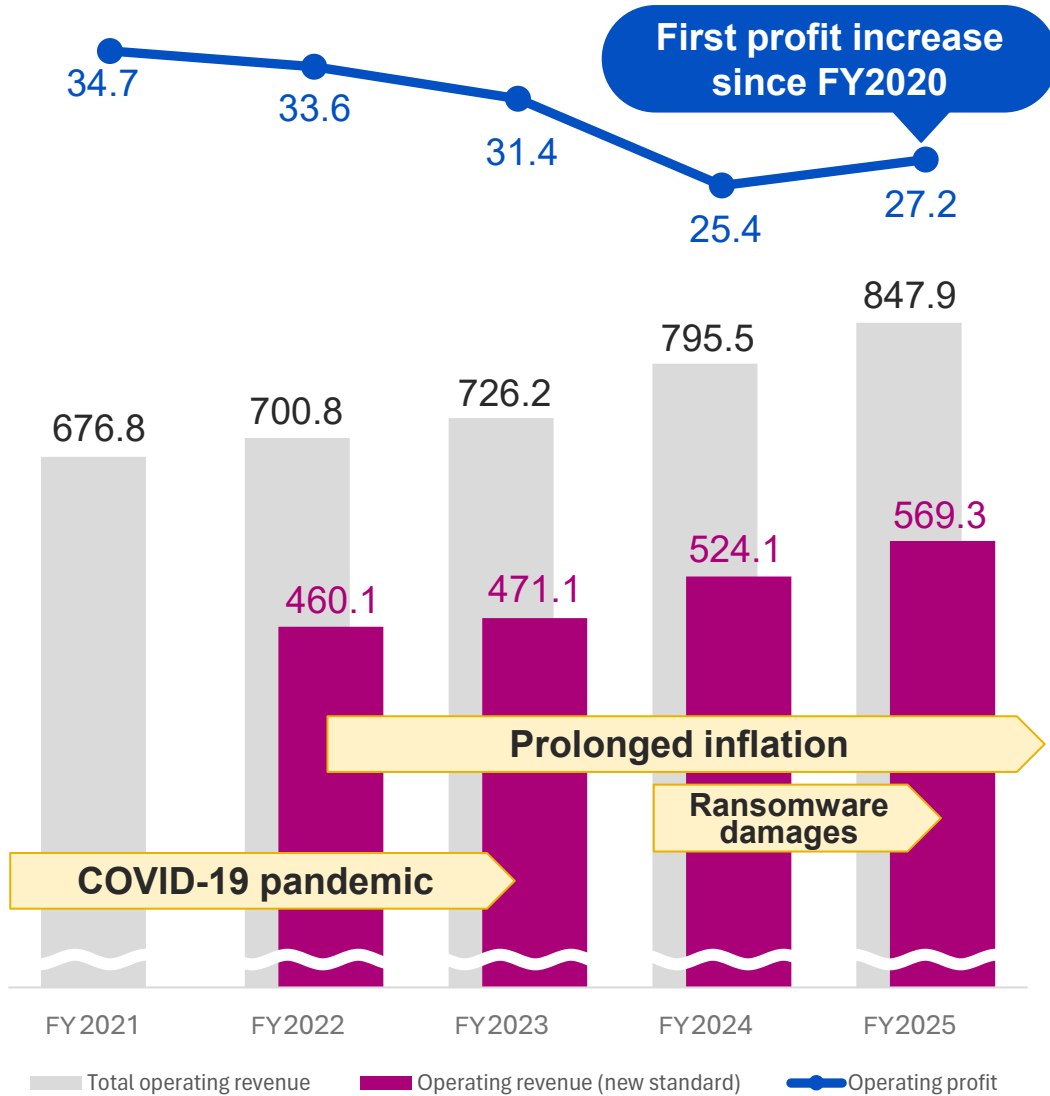
1. Review of 2nd Medium-Term Management Plan

2. 3rd Medium-Term Management Plan

- Business Strategy
- Financial, Talent, and Sustainability Strategy

Review of 2nd Medium-Term Management Plan

Performance trends of the 2nd Medium-Term Management Plan (billion yen)



■ FY2021

- Thanks to driving structural reforms through cost optimization amidst the need for adaptability to the “new normal” under the impact of the COVID-19 pandemic, Izumi achieved an increase in profit compared to before the pandemic (FY2019), despite a decline in sales

■ FY2022-2023

- Although performance recovered quickly thanks to leveraging changes in people flow and recovery of demand that accompanied the full transition to the new normal, Izumi formulated and released a revised mid-term plan to respond to sudden changes in the environment such as higher energy costs caused by the Ukraine invasion

■ FY2024-2025

- A system failure caused by ransomware damages in February 2024 created confusion in business operations and store management, so after restoring the system Izumi prioritized recovering the number of customers, but business performance took longer to recover than expected due to the slow response to inflation and failing to achieve new store and activation goals
- In addition, Izumi took over SUNLIFE in May 2024 and Seiyu’s Kyushu business in August 2024, but downwardly revised the business forecast in October 2025 due to expecting to not achieve operating profit targets resulting from factors such as the impact of ransomware

Summary :

Due to drastic changes in the external environment and other factors, the second mid-term plan saw a downward trend in profits, resulting in figures that fell significantly short of the initial profit targets; however, profits rebounded in the final year.

Review of 2nd Medium-Term Management Plan: Efforts and issues in key initiatives

Key initiatives	Main implemented items	Issues	For the 3rd Mid-Term Plan
Growth Strategy	<ul style="list-style-type: none"> New store openings: 17 <ul style="list-style-type: none"> SM: 10 NSC: 4 GMS: 1 Other: 2 Large-scale store revitalization: 55 Unprofitable stores closed: 13 Strengthened competitiveness with makeovers of food products, etc. Rejuvenated stores with renovations 	<ul style="list-style-type: none"> Responding to increases in various costs High dependence on seniors Decline in sales in family demographic Establishment of successful model for lifestyle category Attracting tenants that are appealing to the local community 	
DX Promotion	<ul style="list-style-type: none"> Personalized sales promotions via Youme App Expanded sales of Youme Online Expanded store network for Youme Delivery 	<ul style="list-style-type: none"> Effective way to approach to new customers 	
Customer satisfaction	<ul style="list-style-type: none"> Increased productivity with DX Developed capabilities of employees during their spare time by improving productivity 	<ul style="list-style-type: none"> Reducing headcount to withstand pace of increase in personnel expenses 	
Productivity improvement	<ul style="list-style-type: none"> Manager development (103 people completed Izumi University) Created environment for self-learning (e.g., e-learning, video manuals) 	<ul style="list-style-type: none"> Developing talent for new SM format Talent development aligned with management strategy 	
Talent development & capability development	<ul style="list-style-type: none"> Expanded food market share with M&A Strengthened existing businesses (e.g., facility management business, FC store openings) 	<ul style="list-style-type: none"> Curbing external outflow of cash Expanding revenue via external store openings and strengthening of external sales 	
Strengthening group management			

Review of 2nd Medium-Term Management Plan: GMS

■ Revitalized large stores



- Activated food sales spaces in 46 out of activated 55 stores
- Created lineup that met local customer needs and improved added value of stores by expanding food sales spaces of directly-operated stores and bringing in food sales tenants

Sales growth rate from large store activation

Figure in parentheses indicates results of large-type nonactivated stores

Store total	16.9%	(3.4%)
Directly-operated total	10.2%	(-0.1%)
Food total	8.3%	(0.9%)

Compared to mid-term plan period (Feb 2021 - Feb 2026)
Note: Large store activation (investment of over 0.1 billion yen by Izumi + activation of group companies)

■ Strengthened community functions



Aro City Library

- Opened Aro City Library in Youme Town City Mall in partnership with Aro City government
- Serving as a local lifestyle hub, it contributed to creating a space for spreading info and relaxing



Furusato Company Grand Prize

- Received 2022 Furusato Company Grand Prize (Minister of Internal Affairs and Communications Award) in recognition for creating jobs in Youme Town Hatsukaichi and for community contribution activities such as establishing a nursery school

■ Improved appeal of lifestyle category (new FC business)



- Expanded FC business to transform lifestyle category
- Enhanced products and services targeting child-rearing households and youth demographic

FC business sales	FY2020	FY2025
	¥0.97 B	▶ ¥3.16 B

■ Rejuvenated stores



- Renovated customer restrooms, play areas, employee break areas, etc.
- Efforts to improve store value are still underway

Employee break room

Review of 2nd Medium-Term Management Plan: NSC (Neighborhood Shopping Center)

- NSCs are open-air shopping centers made up of a wide variety of specialty stores such as household goods stores, restaurants, and home appliance stores, including new stores opening for the first time in the region and for Izumi. The facilities are centered around Youme Mart, a food supermarket operated by Izumi
- They have an open-air format in which the specialty stores surround a parking lot so customers can park near the stores, enabling shopping that is convenient, painless, and fast

The Saijo/Sanyo model attracts customers with fresh food, and has increased sales in all categories thanks to customers going from store to store to shop

Attracting younger customers

Improving Attraction of Younger Customers by Responding to Trends Through Fresh Food-Focused Supermarkets and Tenants

Revenue Breakdown by Customers Aged 40 and Under
(Comparison of Izumi's Standalone SM Average Values)

+9.8%

High profitability compared to SM

Optimizing Revenue Through Customer Flow Synergies and Tenant Mix

NSC's adjusted EBITDA ^{*2}
(Comparison of Izumi's Standalone SM Average Values)

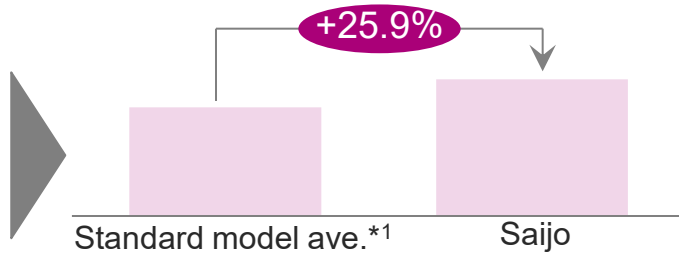
+3.1%

Oct. 2022 Youme Mall Saijo (Hiroshima City, Hiroshima)



- Hiroshima Prefecture's first Youme Mall
- Contains 29 tenants, including those that have never opened a store in Chugoku, centered around Youme Mart

Food sales per *tsubo* (3.3m²)

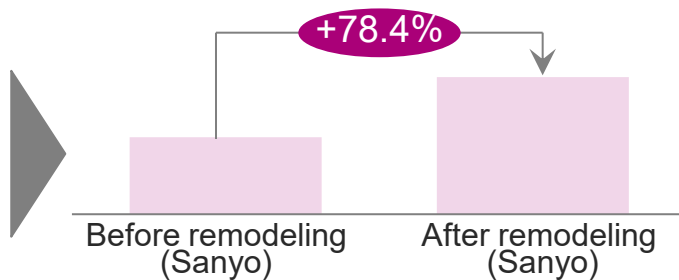


Jun. 2025 Youme Mall Sanyo (Akaiwa City, Okayama)



- Okayama Prefecture's first Youme Mall
- Opened stores based on scrap-and-build strategy
- Contains 13 tenants centered around Youme Mart

A New Supermarket Model That Attracts Customers with Fresh Produce and Boosts Sales Through Cross-Shopping



Others: Youme Mall Koshi (Koshi City, Kumamoto) May 2024, Youme Mall Itsukaichi (Saeki-ku, Hiroshima City) Sep. 2024

*1 Average sales for standard-sized SMs of the same scale







*2 Adjusted EBITDA = Operating profit + Depreciation + Variation in start-up costs

Review of 2nd Medium-Term Management Plan: PB* ゆめイチ

- Izumi's private brand **Youme-Ichi** was launched at all Izumi Group stores in Sep. 2025
- “Regular” and “Premium” products are being launched sequentially, with of focus on the low-price range “Price” products

Ratio to sales of food

2.8%
(as of Mar. 2026)

	Lineup	Items launched (as of Feb. 2026)	List of products
↑ Top	<p>Premium Premium quality ensured by buyers' uncompromising criteria</p> <p> A high-end lineup of products focused on outstanding quality (ingredients, production process, and taste) and developed in pursuit of added value and quality</p>	1 item	<p>Look here for a list of products currently in stores</p> <p> Izumi private brand, Youme-Ichi</p>
Mid	<p>Regular Most recommended products with satisfactory quality and prices</p> <p> A standard lineup focused on the balance between quality and prices</p>	22 items	
↓ Low	<p>Price Affordability that is ideal for daily consumption</p> <p> A lineup of products focused on low prices to help customers save money for food for daily consumption</p>	140 items	
		Total: 163 items	

*PB: Private Brand

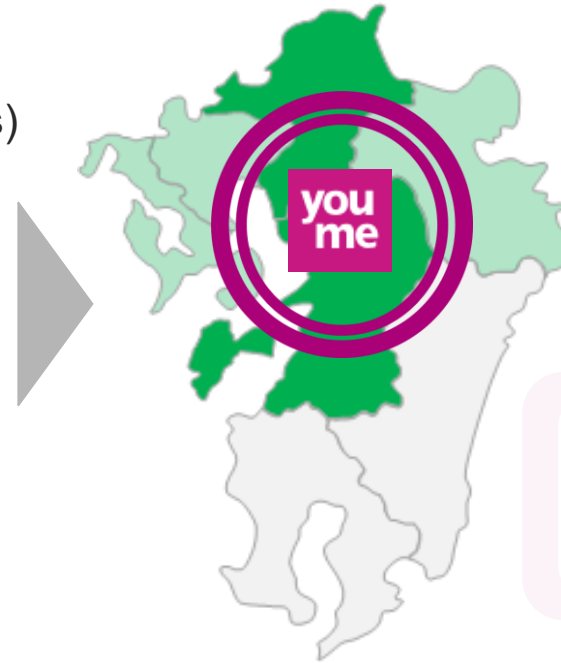
Review of 2nd Medium-Term Management Plan: M&A, SUNNY Business

■ M&A

May 2024
SUNLIFE Co., Ltd.



Aug. 2024
Seiyu Co., Ltd. Operations in the Kyushu Region (SUNNY business)

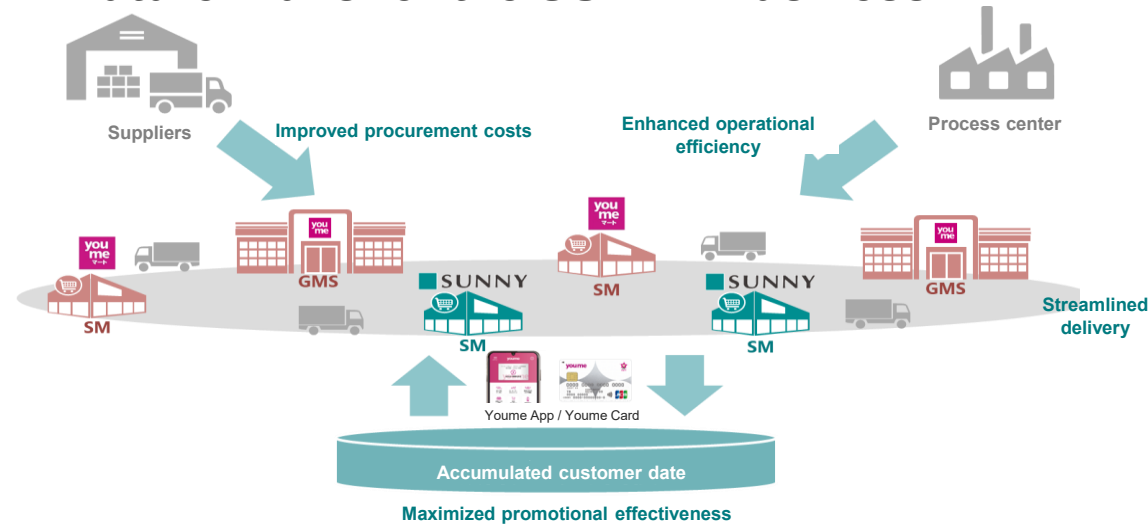


Achieved stronger domination of Kyushu

Kyushu:
159 stores

All stores:
266 store network

■ Future Plans for the SUNNY Business



- SUNNY business switched to being operated exclusively by Izumi in FY2025
- Customer support for KURASHI-MORE gradually expanded to **5.3% of total sales** (As of the end of February 2026)
- Going forward, Izumi will maximize synergy across the entire group by achieving economies of scale and solid domination

1. Review of 2nd Medium-Term Management Plan

2. 3rd Mid-Term Business Plan

- **Business Strategy**
- Financial, Talent, and Sustainability Strategy

Understanding the External Environment: Opportunities & challenges based on our strengths

	Macroenvironment	Competitive environment	Consumer environment	
Opportunities	<ul style="list-style-type: none"> • The existence of areas such as Fukuoka, Hiroshima, and Kumamoto, which are attractive in terms of future population and GDP. • Growing demand for basic infrastructure to maintain public facilities in depopulating areas. • Leveraging AI to improve productivity and create cost advantages. 	<ul style="list-style-type: none"> • Increase in M&A opportunities driven by the need to survive and remain competitive. • Growing demand for high-value-added domains, such as selection and quality, in response to the backlash against the shift toward lower pricing. 	<ul style="list-style-type: none"> • As consumers become more budget-conscious amid inflation, the demand for quick & easy meals is growing as consumers return to home meal replacements. • Underlying strength of one-stop shopping needs in lifestyles centered around car travel. • Growing consumer attachment to local businesses in contrast with nationwide chains. 	<p>Izumi's strengths</p> <ul style="list-style-type: none"> • Prime location of GMS in major urban areas • One of the region's largest customer bases, with 11 million customers*, built using GMS <small>*Number of Youme Card members</small> • Product development capabilities, including Youme-Ichi, zehi, and SHUCA. • On-site capabilities in creating store-led sales floors tailored to local needs • Adaptability to meet evolving needs through diverse formats* <small>*GMS, NSC, and SM</small>
Challenges	<ul style="list-style-type: none"> • As the population declines, the restructuring of the food market is accelerating in regions outside of some urban areas such as Fukuoka, Hiroshima, and Kumamoto. • Against the backdrop of rising labor costs, the shift toward higher-value-added and more efficient store operations is accelerating. 	<ul style="list-style-type: none"> • Emergence of food retailers that compete using low pricing, such as discount stores and drugstore operators. • Accelerating expansion of nationwide chains into the Hiroshima and Fukuoka areas. 	<ul style="list-style-type: none"> • Decline in customer numbers and spending due to aging among primary customer segment. • Accelerating aging mainly in rural areas is leading to reduced shopping activity • Diversifying customer needs 	

The Izumi Group's Vision: Long-Term Vision for 2035

Management Philosophy

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

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.

Basic policies

Be more committed to local customers than anyone else

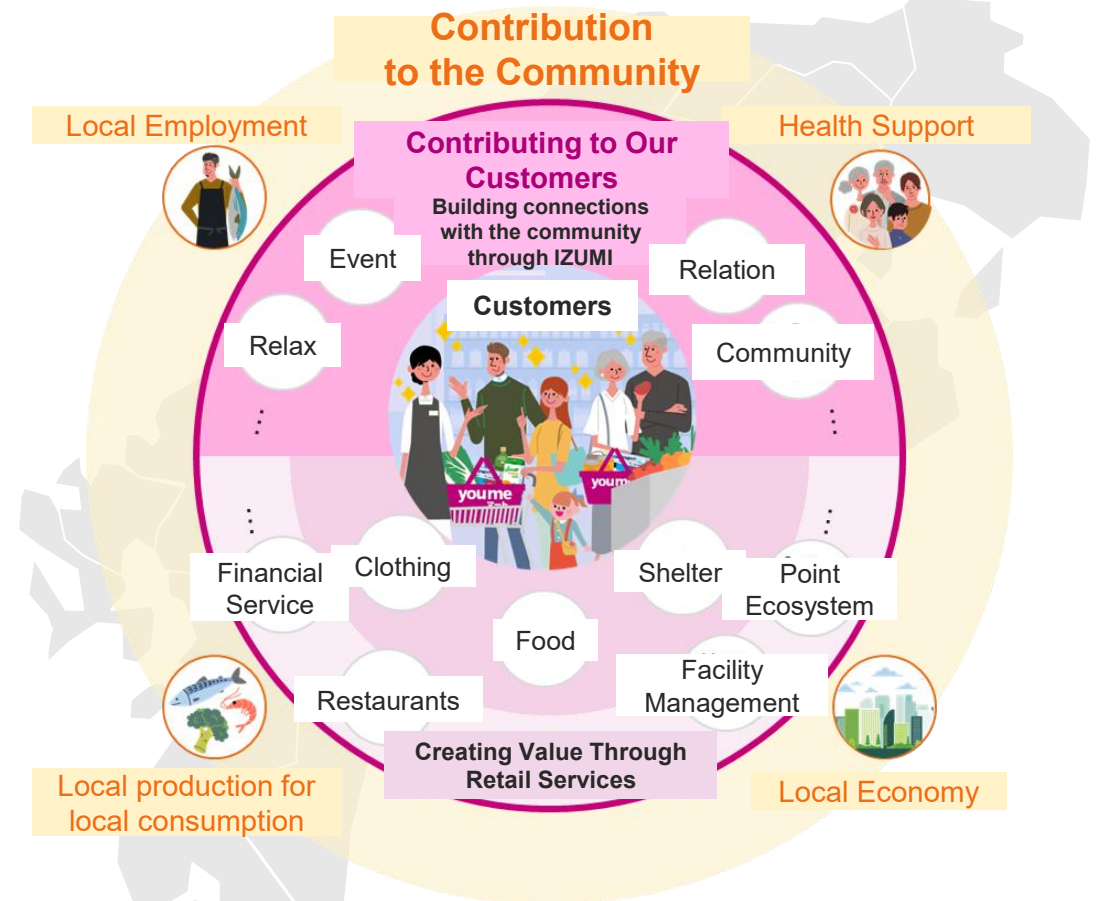
Build a framework for growing together with local communities

Become a cornerstone for the daily lives of local residents





Future Direction

- Operating revenue: Over 1 trillion yen (new revenue recognition standard)
- Customer engagement score: Sustained improvement each term
- Employee engagement score: 70 points or higher

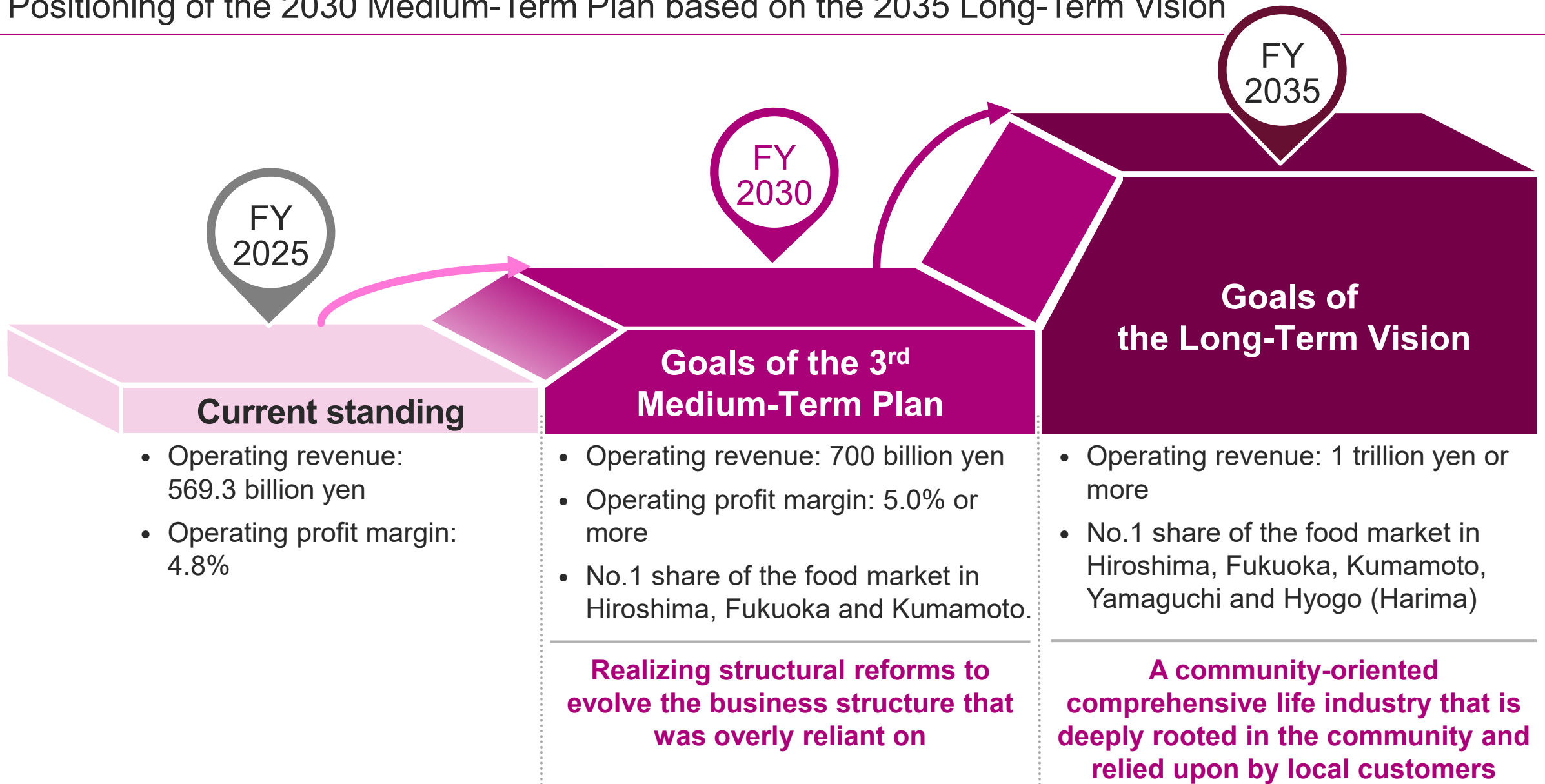
Creating comfortable and lively communities



About the Customer and Employee Engagement Score

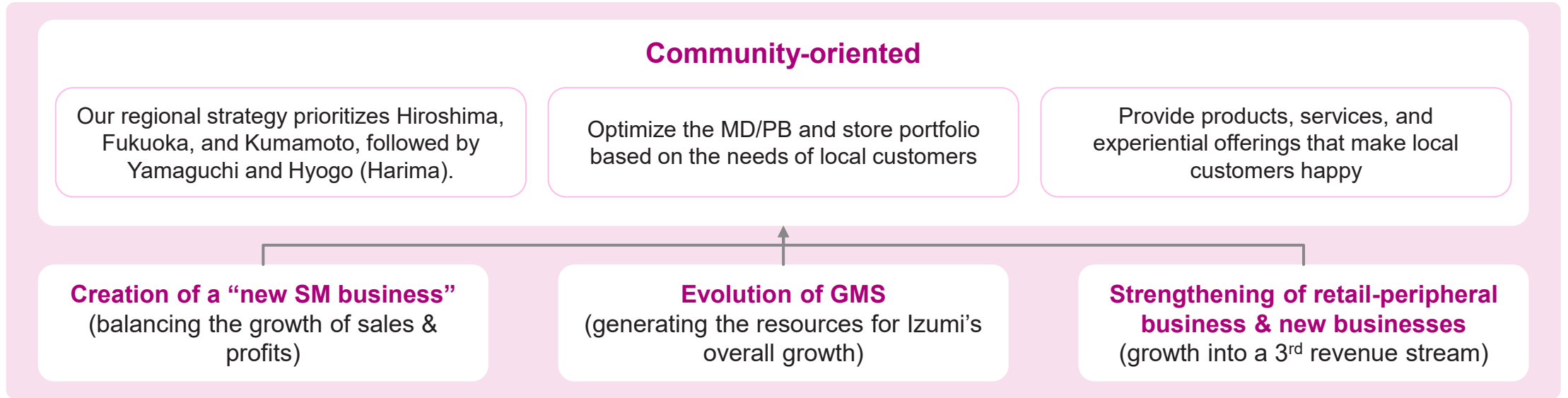
	Customer engagement score	Employee engagement score
Aim 	<ul style="list-style-type: none"> Continuously optimizing products and store environments from the customer's perspective <ul style="list-style-type: none"> Visualizing how much customers have become "fans" of our company 	<ul style="list-style-type: none"> Increasing the number of employees who feel a sense of pride and joy, and as a result, improving business performance through increased productivity. <ul style="list-style-type: none"> Visualizing how much employees have become "fans" of our company
The score's significance 	<ul style="list-style-type: none"> Visualizing how satisfied customers are with our products and services Visualizing the effectiveness of our initiatives and building a foundation for a customer-oriented PDCA cycle by tracking metrics by store/category 	<ul style="list-style-type: none"> Visualizing how much our employees resonate with our philosophy and strategy, and how much they embody our philosophy. Also visualizing whether our company is successfully creating and providing a workplace where employees can work with peace of mind from the perspective of employees.
How scores are calculated 	<ul style="list-style-type: none"> By conducting surveys of our app members (approx. 2 million members) on 18 items related to store layout improvement <ul style="list-style-type: none"> Category: Produce, fresh seafood, meat, ready-made foods, groceries, LS, household goods, etc. MD: Price, selection, quality/freshness Environment: Customer service, cleanliness, adequacy of events, etc. 	<ul style="list-style-type: none"> The survey is conducted six times a year for full-time employees. Response rate: 95% or higher (based on the 2025 survey results) <ul style="list-style-type: none"> Philosophy & strategy: Resonating with our mission & vision Growth: Sense of accomplishment & opportunities for growth Health: Workload & stress Organizational culture: A culture of taking on challenges & collaborating across departmental boundaries
Current score 	<ul style="list-style-type: none"> 72.4 (Jan. 2026 survey results) 	<ul style="list-style-type: none"> Average score of 64.3 across the 4 items considered important (Mar. 2026 survey results)

Positioning of the 2030 Medium-Term Plan based on the 2035 Long-Term Vision

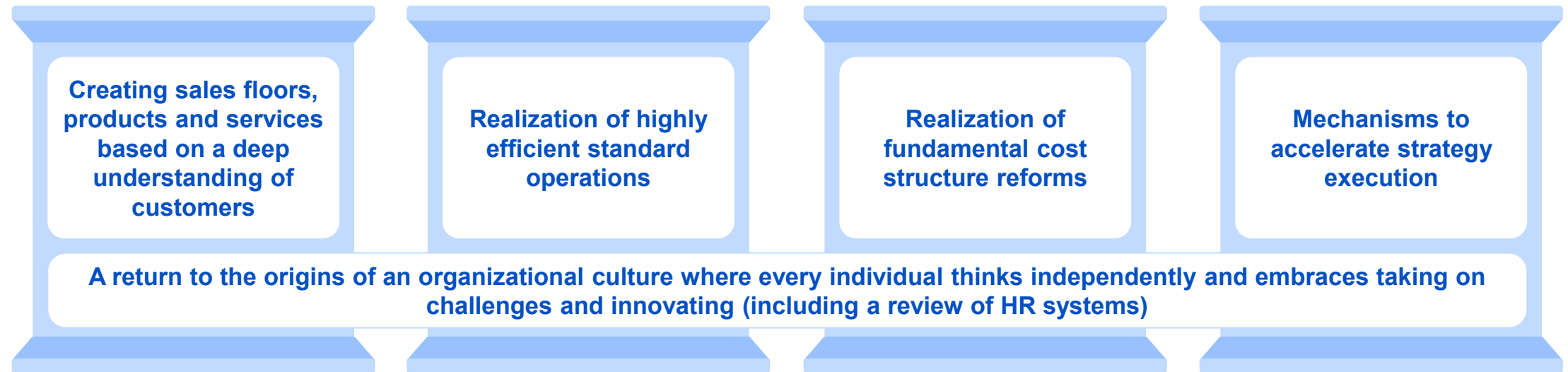


3rd Medium-Term Management Plan: Key strategies & initiatives

Basic strategy



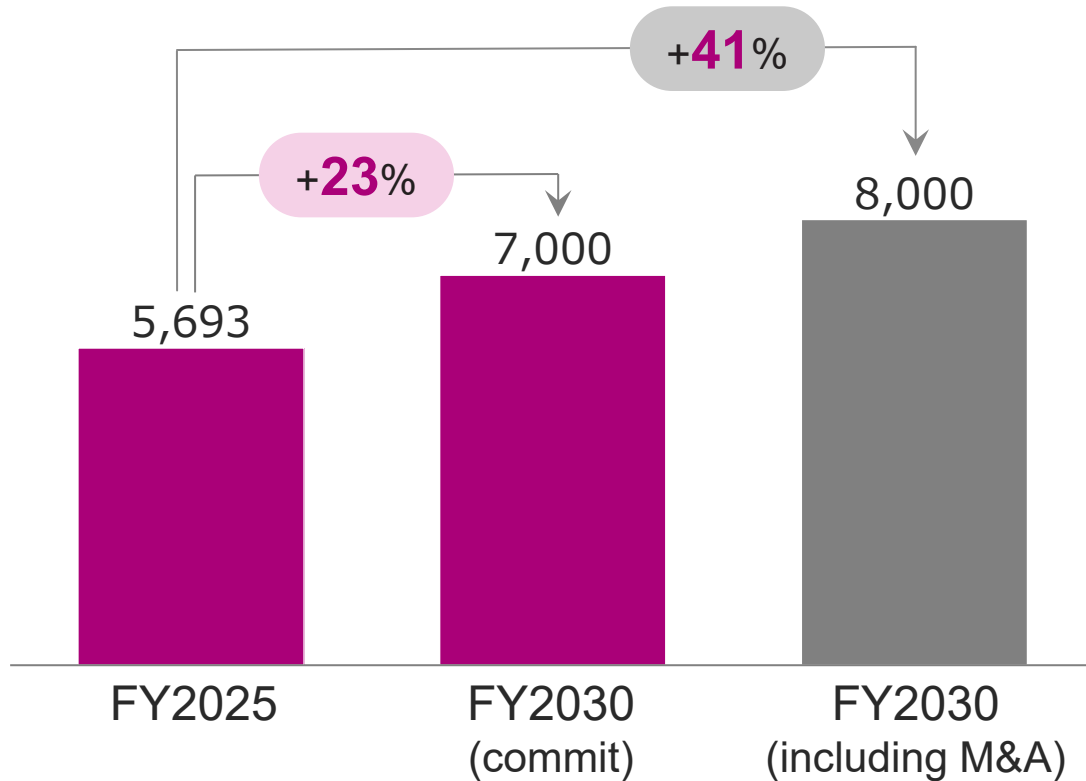
Key initiatives



3rd Medium-Term Management Plan: Target figures (overall)

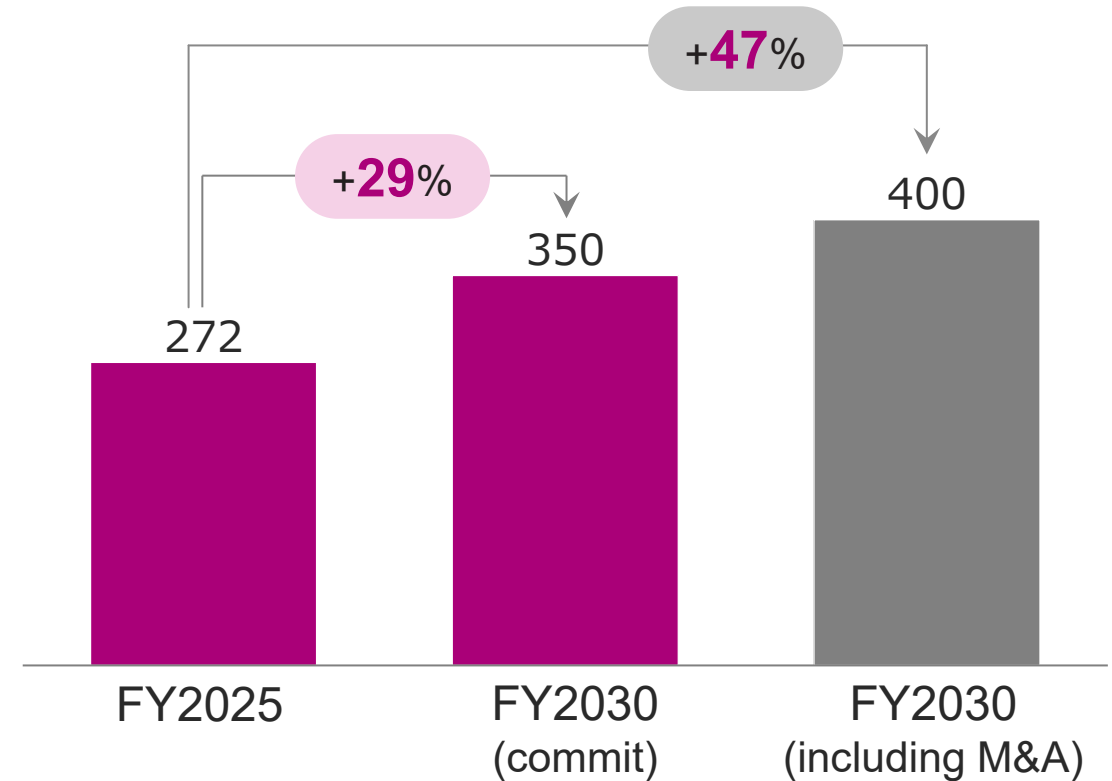
Operating revenue

(100 millions of yen)



Operating profit

(100 millions of yen)



Operating Profit margin

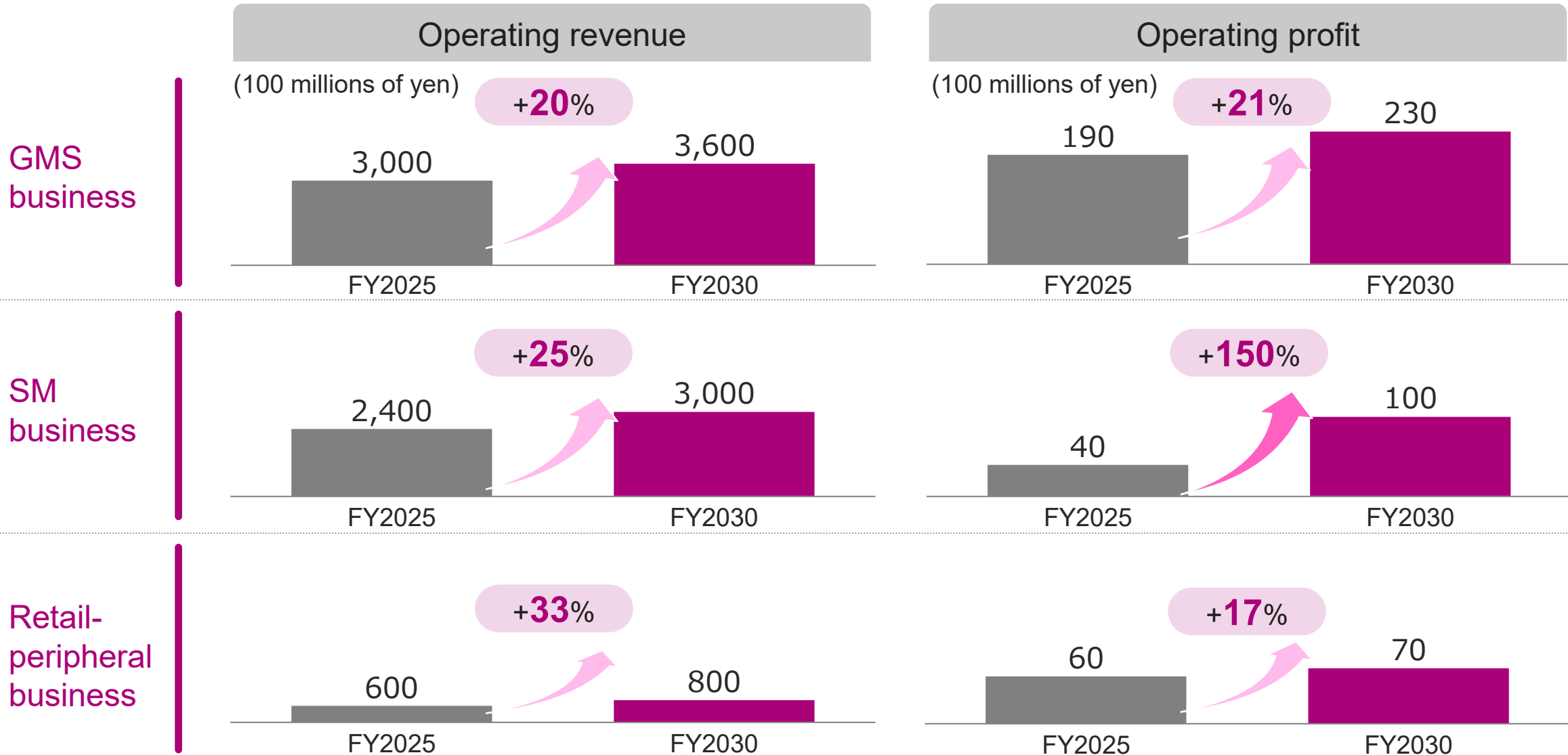
4.8%

5.0%

5.0%*

* Assuming that the winning model for the new SM will be finalized and rolled out to the acquired companies by fiscal year 2030

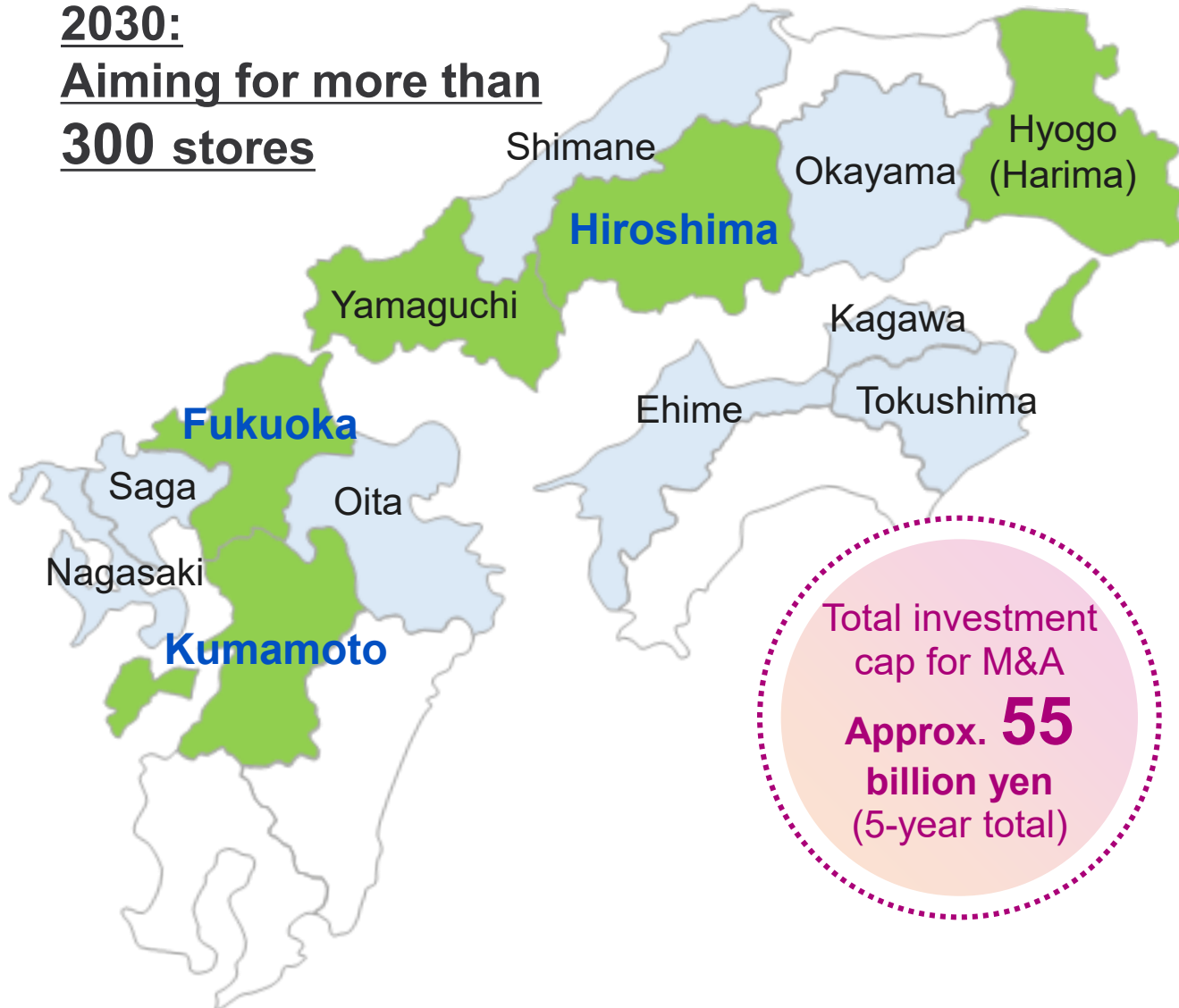
3rd Medium-Term Management Plan: Target figures (by business)



* All of the above figures are management accounting figures calculated on a simplified basis using new standards and do not take into account internal transactions.

Clarify area strategy in Western Japan region

2030:
Aiming for more than
300 stores



Key areas	<p>Define the regions where the market size is significant and where we already hold a certain level of the market share in—namely Hiroshima, Kumamoto, Fukuoka, and Yamaguchi—along with the newly added Hyogo (Harima) as “key areas.” In particular, prioritize Hiroshima, Fukuoka and Kumamoto, and in addition to store openings and revitalization efforts, accelerate our dominant strategy through M&A.</p>
Other store opening areas	<p>For “Other store locations (Oita, Shikoku, etc.),” adopt M&A as our main strategy and expand the “you me” brand’s area by increasing our market share.</p>
Areas without stores	<p>—</p>

Regional strategy: Dominant deep-dive pattern

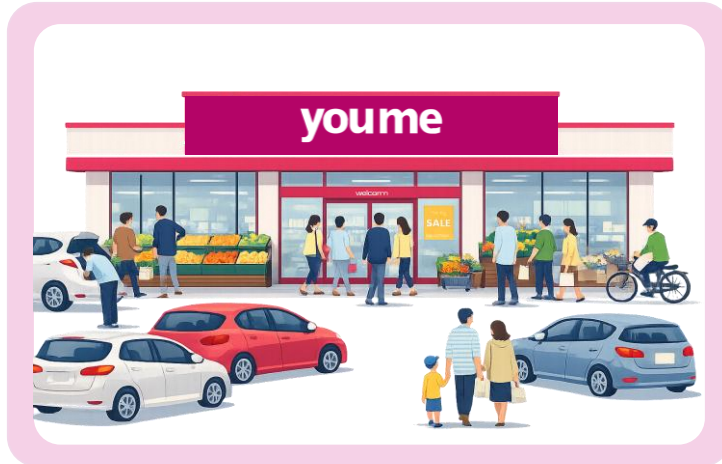
GMS + SM	
Aim	By surrounding GMS with SM stores, we aim to meet the needs of both everyday use and special occasions on weekends , thereby increasing our share of customers' spending.
Regional characteristic	Areas that already have GMS assets (most of the areas that have Izumi stores) <ul style="list-style-type: none"> Hiroshima City, Kumamoto City, Yamaguchi City, Himeji City, etc.

Hiroshima City

NSC + SM	
Aim	Meet the needs of specific areas and establish a dominant presence by deploying multiple NSCs and SMs with different shopping missions.
Regional characteristic	Areas (urban areas) where there is no room for GMS to open new stores <ul style="list-style-type: none"> Fukuoka City, Kitakyushu City, etc.

Fukuoka City

SM strategy: Concept of creating a New SM business



Each format leverages characteristics to create **stores where customers shop most often** in the community

(increase frequency of customer store visits & purchase amount)

- Stores with a standard-level format or higher **are used as main locations**
- Stores with a small urban format **are used for everyday needs**



For customers who cook, we have established the positioning that **Izumi is the place to buy seasonal produce at great prices by greatly expanding our fresh food offerings.**

For urban customers, we have established the positioning that **Izumi is the place to buy convenient, easy, and delicious food by strengthening time-efficient consumption (quick & easy meals).**

Based on the premise of reducing the number of staff in stores, including grocery stores, we have established a **high-profit structure** by **thoroughly implementing and standardizing low-cost operations.**

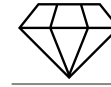
SM strategy: Target & Value offered



Business model



Target



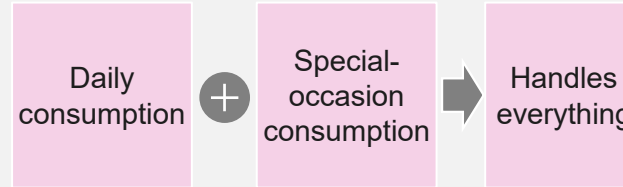
Value offered

Large
(600 tsubo or more)



- Attract customers with our wide selection of products, as well as produce (freshness & affordability), fresh seafood (freshness & liveliness), and ready-made foods (deliciousness).
- Securing profits by increasing the number of items purchased through shopping around.

Families who cook



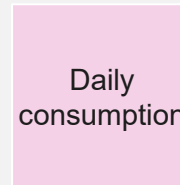
Provides a one-stop solution that combines the fun, peace of mind, and convenience of making choices, supporting a “slightly better everyday life” for each person in the community.

Standard *
(400-600 tsubo)



- Attract customers with produce (freshness & affordability), fresh seafood (freshness & liveliness), and ready-made foods (deliciousness).
- Strengthen staff in the produce and fresh seafood sections and advancing the shift toward chain stores/promoting labor-saving measures for processed food/daily items and meat.

Families who cook



Supports local households' daily meals with affordable produce, processed foods, and daily items, as well as high-quality fresh fish and ready-made food.

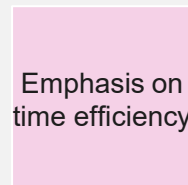


Compact urban
(up to 400 tsubo)



- Emphasize convenience (quick & easy meals)
- Low-cost operation store centered on out-pack goods that can work even in urban areas.

Dual-income households & single-person households in urban areas



Offers tasty, time-saving solutions for busy people's everyday meals with a complete, no-compromise product lineup.

*Including suburban stores of 400 tsubo or less

SM strategy: MD policy & operational policy

MD policy

Operational policy

Future numerical targets

Large
(600 tsubo or more)

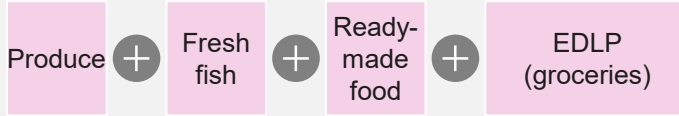


- Building on the standardization of processed food/daily items, **Izumi provides unmatched variety and depth while boasting its strength in fresh produce and ready-made foods.**

- Although labor-saving initiatives are being driven by headquarters for processed food/daily items, **competitiveness is being enhanced with a focus on produce**
- **In-store operations and store-led sales floor development will continue**

- **Sales productivity: +45%**
- **Labor cost-to-sales ratio: -4%pt**

Standard*
(400-600 tsubo)

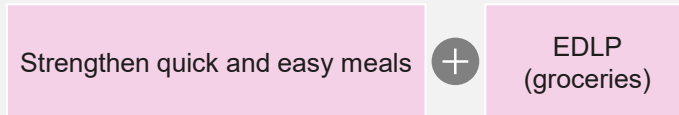


- Strengthen ability to attract customers by highlighting **the pricing of produce and the quality/selection of fresh fish**
- Flagship products boldly emphasize discounts and drugstore-level pricing

- A chain store that is managed, in principle, by headquarters. However, it differentiates itself by strengthening its personnel, including in-store staff, **for destination produce, fresh fish, and signature ready-made foods.**

- **Sales productivity: +40%**
- **Labor cost-to-sales ratio: -4%pt**

Compact urban
(up to 400 tsubo)



- Quick and easy meals offer a **wide selection of delicious items**
- Does not carry an excessive range of products

- External packaging and mainly headquarters-led **operations focused on efficiency that minimizes labor hours** (in-store is limited to fried ready-made foods only)

- **Sales productivity: +10%**
- **Labor cost-to-sales ratio: -0.5%pt**

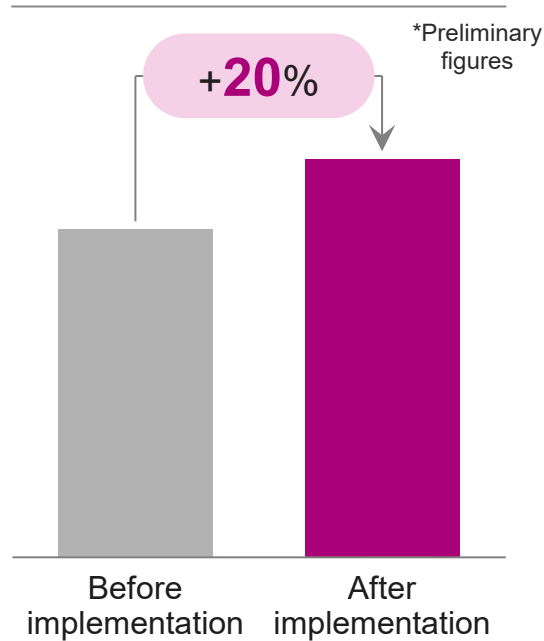
*If standards are raised to match those of the benchmark model store

*Including suburban stores of 400 tsubo or less

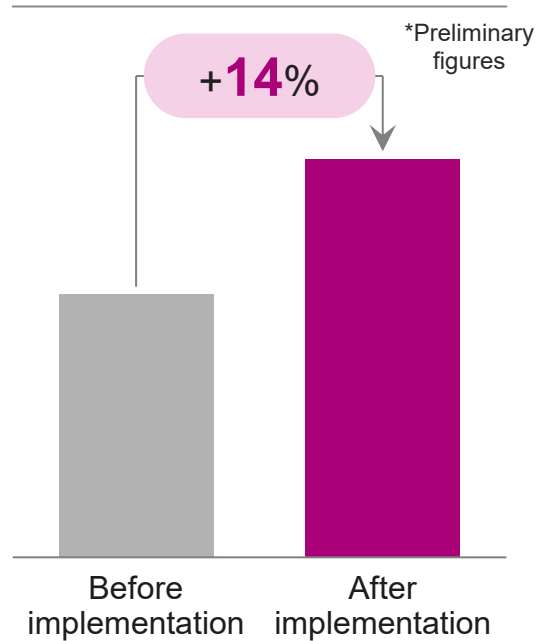
SM strategy: Progress of the Large Format (produce strengthening) pilot store: Youme Town Miyuki

- Produce and fresh fish have become the destination for customers, and with food sales up by 20% and customer traffic up by 14%, the first pilot store is off to a strong start.

First-2weeks sales of food section



Number of customers in the first 2weeks of food section



Growth rate of produce sales: +44%
 Growth rate of fresh fish sales: +48%

Produce: Emphasizing “freshness” and “price”

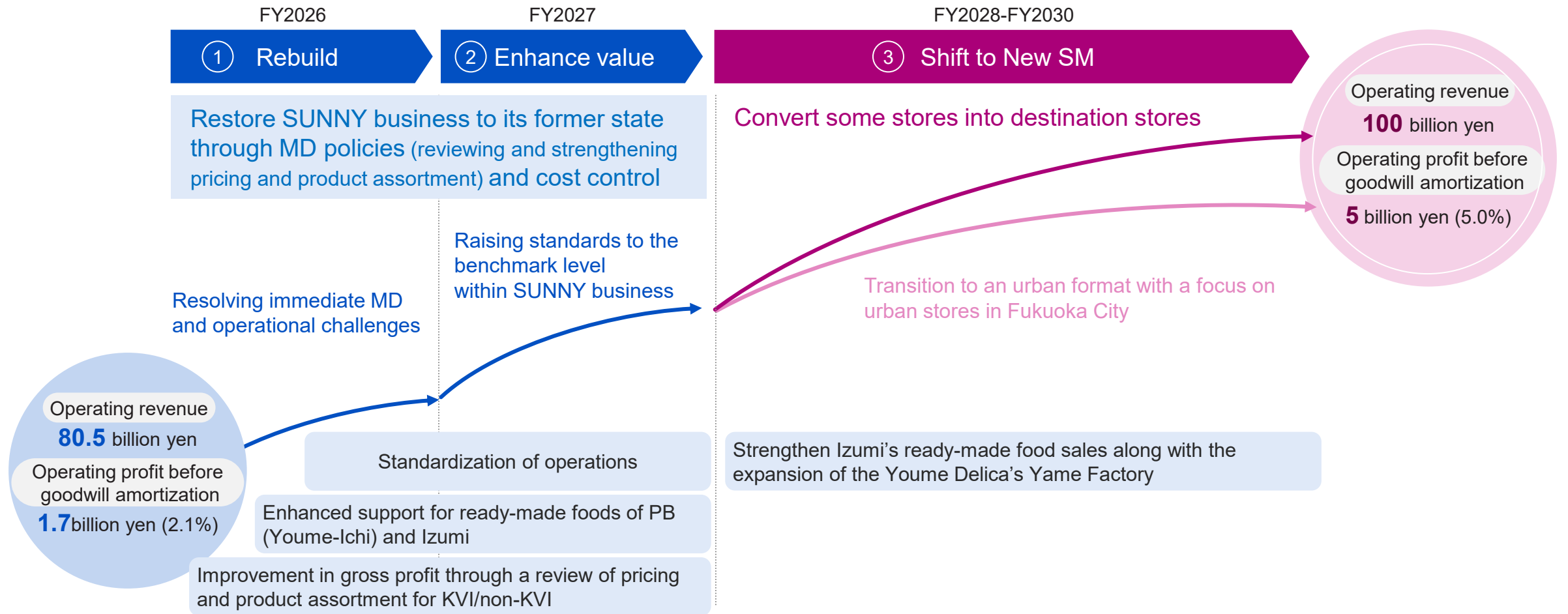


Fresh fish: Attracting customers with “freshness” and “liveliness” strongly promoted by in-store sales staff



SM strategy: SUNNY Business's PMI & value-enhancement approach

- SUNNY business is pursuing a two-stage strategy. First, it will focus on its MD policy to restore the company to its original state during the first two years of the 3rd Medium-Term Plan. Then, starting in FY2028, it will aim for further growth by transitioning to a New SM model. The company is aiming to achieve an operating revenue of 100 billion yen and an operating profit of 5 billion yen.



* Operating profit before goodwill amortization = Operating profit + Amortization of goodwill + Amortization of trademark right

GMS strategy: Concept behind the GMS reform



Attracting customers through food by transforming the store into a food destination through enhanced fresh food offerings
(comply, in principle, to the strategies for large-format stores | the SM strategy)



Make customers and MD look 20 years younger

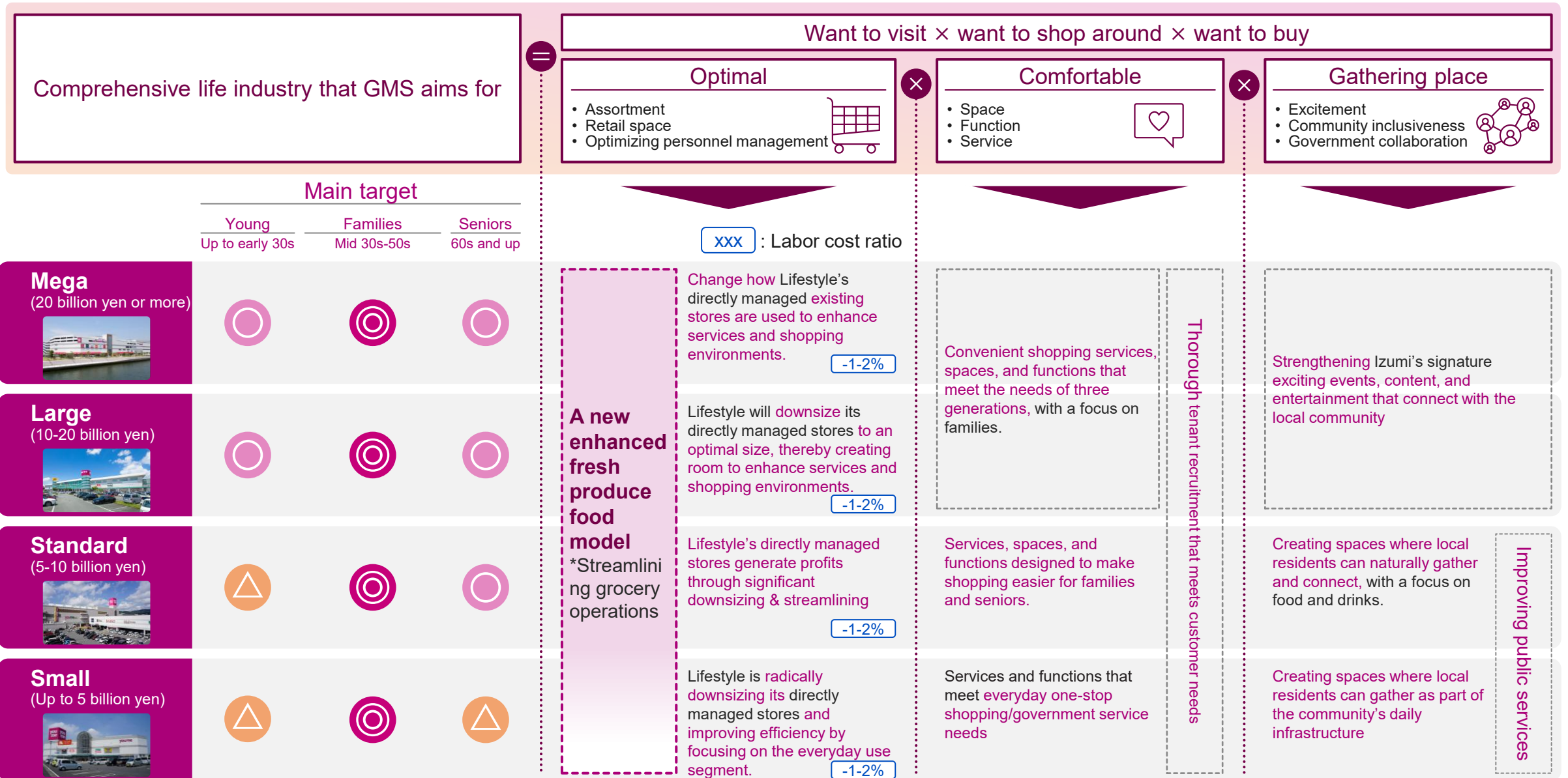
(mainly targeting the needs and consumption of the baby boomer junior/family segment—who will be the main drivers of future consumption—and optimizing products, assortment, services, and the shopping environment)



Aiming to be a store that local customers want to visit and shop at, we will define the value we provide as a **comprehensive lifestyle industry** for each format in order to be an **“ideal,” “comfortable,”** and **“gathering place”** for our primary target customers.

On top of that, we will generate profits amid rising labor costs as the foundation of the Izumi Group’s overall profitability and establish operations/systems.

GMS strategy: Way of thinking regarding basic measures by format



◎ : a full product lineup in all categories.

○ : a full product lineup in key categories.

△ : Depends on the store's size and location

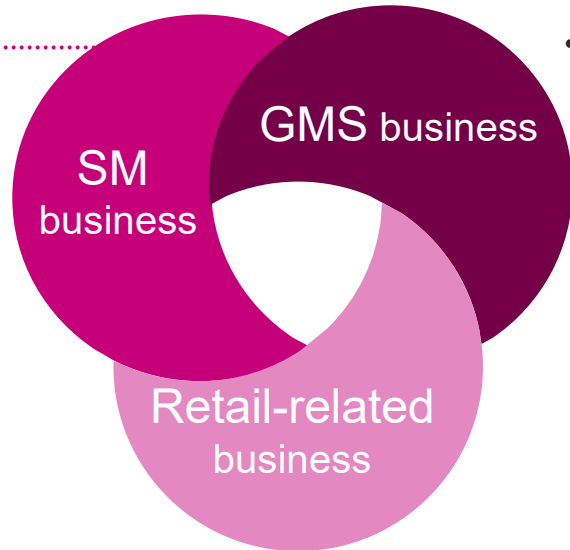
GMS strategy: Basic MD policies by format

	Lifestyle (clothing/household goods)	Tenant
Mega (Over 20 billion yen)	<ul style="list-style-type: none"> Prioritize sales per tsubo to ensure our assortment of products meets customers' one-stop shopping needs. MD, trends, and information dissemination that combines local uniqueness (such as products from local companies and MD tailored to school events) with practicality and fun, addressing both the practical needs of daily life and the desire for enjoyment. 	<p>Industries and services that encompass the things, experiences, and connections of three generations.</p> <ul style="list-style-type: none"> Civic center/entertainment & event spaces Local tenants Trendy shops Touchdown space Children's playground Shared kitchen/grocerant Entertainment (cultural classes & karaoke) Social Welfare Council, etc.
Large (10-20Bbillion yen)	<ul style="list-style-type: none"> Thorough standard product lineup MD that maximizes shopping efficiency by combining the basic demographic of customers in their 40s and 50s + function + bulk purchases. 	<p>Increase the proportion of retail spaces suitable for places where people gather and connect, with a focus on food and beverage establishments.</p>
Standard (5-10 billion yen)	<p>Clothing</p> <ul style="list-style-type: none"> Thorough standard product lineup MD that maximizes shopping efficiency by combining the basic demographic of customers in their 40s and 50s + function + bulk purchases. <p>Household goods</p> <ul style="list-style-type: none"> Bold reduction in product lineup Expand selection of household goods and drugs that are likely to be purchased alongside groceries 	
Small (up to 5 billion yen)	<p>Clothing</p> <ul style="list-style-type: none"> Limited to certain products (such as underwear, children's clothing, children's shoes and school supplies) purchased alongside groceries by families (in their 40s and 50s) <p>Household goods</p> <ul style="list-style-type: none"> Limited to certain items such as household goods, drugs, and cosmetics, which are likely to be purchased alongside groceries 	

NSC strategy: Concept

Creation of NSC by leveraging Izumi's business foundation

- SM with enhanced produce & ready-made foods
- Assortment of products tailored to meet local needs
- Format expansion in line with shopping needs



- Proposal of optimal lifestyles through the editing and reconstruction of clothing, housing, and food segments.
- Tenant leasing/management capabilities
- Collaboration with local governments/administrative bodies

- Building an economic ecosystem through the use of points and apps
- Expansion of restaurant business to need local needs
- NSC operations managed by facility management

NSC that leverage's Izumi's strengths

Food SM tailored to meet local needs



Attracting tenants to meet local needs



Realize No.1 local NSC as an optimal and comfortable local community

March 2026 Youme Mall Nakagawa
(Nakagawa City, Fukuoka Prefecture)



Strategy for Retail-peripheral businesses (group companies)

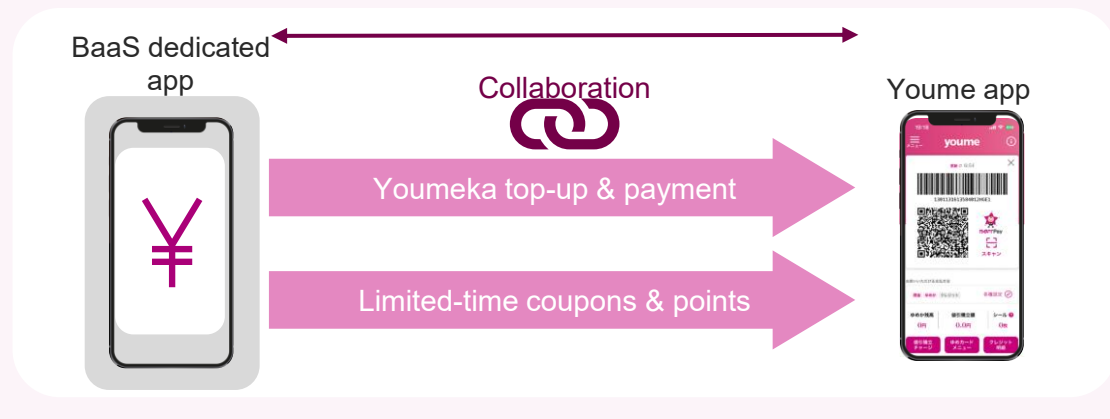
- Provide services that support the daily lives and infrastructure of local customers through collaboration with retail businesses.

BaaS business

- Entry into the banking agency business* through a joint venture between Izumi and Youme Card.
- By linking the Youme app with the dedicated new app, we are able to provide **banking services (deposits, financing, foreign exchange)**, including Youmeka top-up.
- Release in the second half of fiscal year 2026

Purpose

- ✓ In response to cashless payments, increase the number of members/customers.
- ✓ Achieve higher LTV through improved customer satisfaction
- ✓ Generate new revenue through new businesses



* This initiative will be implemented on the condition that it is approved by the Prime Minister (Director-General of the Local Finance Bureau with jurisdiction)

Restaurant business

Izumi Food Service Co., Ltd.



- Aims to expand external revenue & enhance store value by actively opening stores in street-level stores and other shopping centers/strengthening FC.
- Is expanding scale & business sectors through M&A, and is enhancing the appeal of SC.

Designated Management Services and Facility Construction Services

Izumi Techno Co., Ltd.



- Supports local infrastructure by applying the expertise Izumi has cultivated through its GMS operations to designated management services.
- Aims to boost consolidated revenue by strengthening in-house construction capabilities across Group companies

Secured the designated management contract for the Yamato Museum (Kure City, Hiroshima Prefecture), a leading tourist attraction in Hiroshima Prefecture

Delica Business

Youme Delica Co., Ltd.



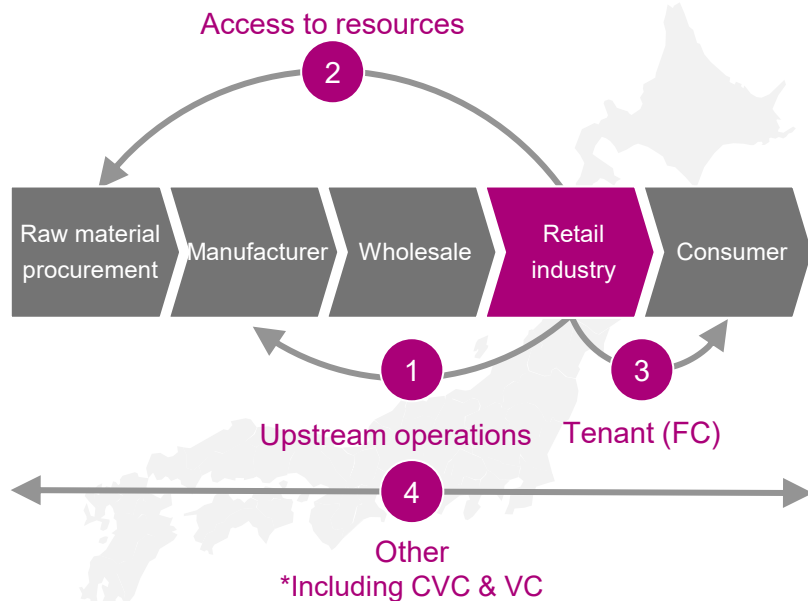
- By expanding production capacity—including the expansion of the Yame Plant in Kyushu—we aim to strengthen our ability to supply prepared food products, primarily through SUNNY, to the Kyushu region.

New business strategy: M&A

- With the aim of becoming a comprehensive life industry in local communities, we are expanding synergies with retail businesses through M&A and new business ventures.
- We will pursue a two-pronged approach: “horizontal expansion,” which involves acquiring retail businesses to expand our store network—a key growth driver—and “vertical expansion,” which leads to the strengthening of our sales floors.

Target sectors for new business (M&A) investments

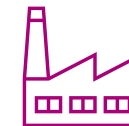
- The new business M&A initiatives we are pursuing are: ① “Upstream Operations.” By shifting to in-house production, we will ensure better food safety and use this to strengthen product appeal, secure gross profit ratios, and enhance our competitiveness on the sales floor through flexible pricing.
- We are also considering options such as “PC” (meat processing, fresh fish processing, etc.), ② “Resource Access,” ③ “Tenants (FC),” and ④ “Other.”
- For new businesses acquired through M&As, we will foster a culture of innovation within the company—for example, by recruiting dedicated personnel through internal job postings—and develop them into new pillars of revenue.



An example of business expansion through M&A

① Upstream operations

- Western-style sweets
- Break making
- Japanese sweets
- Food processing



② Access to resources

- Land-based aquaculture
- Vegetable factory
- Poultry farming, livestock farming
- Water sources



③ Tenant (FC)

- Filling vacant retail spaces
- Tools for attracting customers to restaurants



④ Other *Including CVC & VC

- Reuse
- Imported from overseas
- EC, D2C
- Startups
- Air conditioning, refrigeration, electrical work, etc.

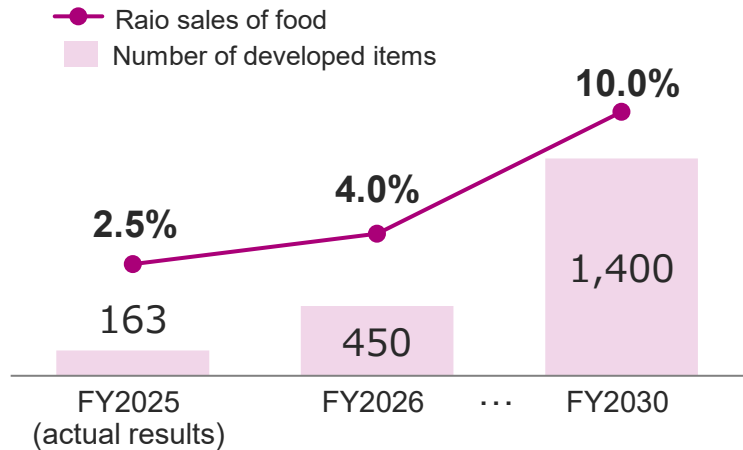


Strengthening of PB

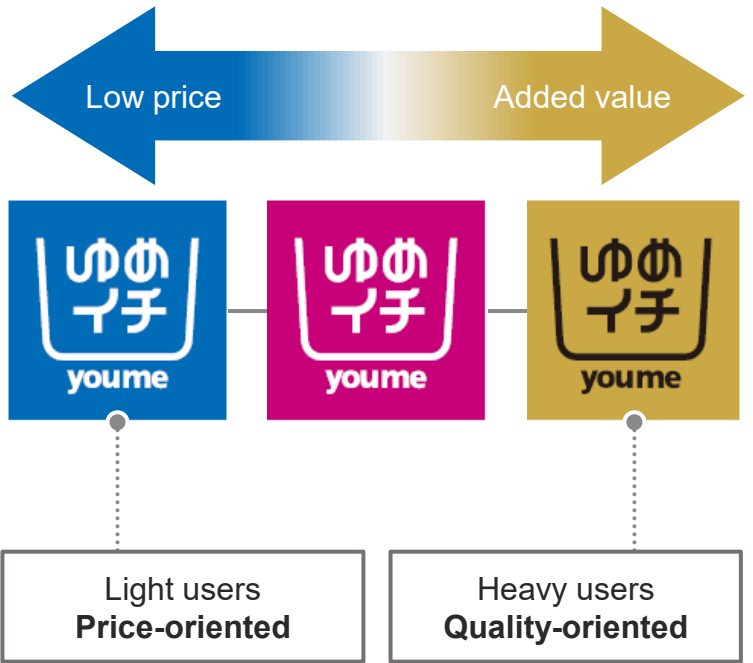
- The Izumi Group’s PB, “Youme-Ichi,” is positioned as a key driver of the growth strategy aimed at creating New SM businesses and will help to strengthen the competitiveness of the entire group.
- We provide our customers with safety and peace of mind by consistently managing every step of the process—from raw material selection to manufacturing, distribution, and sales—in accordance with our own standards.
- Initially upon launch, development focused primarily on the Price and Regular lines, but in the future, we will also accelerate the development of Premium products, our top line.
- Note that we will discontinue the sale of Seven Premium products as of February 2027.

Purpose of PB development

- Developing Izumi’s unique **community-based brand** reflecting local characteristics and changing need.
- Differentiate the products thoroughly from other companies’ in taste, price, specification, etc.
- Encouraging visits from new former customers.



Positioning of each product line



For developing more attractive products

- Collect customer reviews through the Youme app
- Listen to feedback from the community and promote product development that is closely tied to local food culture



SCM restructuring: Restructuring of DC & Enhancement of PC

Restructuring of DC

Izumi

Issue :

- Overlapping delivery areas
→ Increased delivery distance
- Many lateral deliveries
→ Cost/space constraints
→ Unable to handle the increased volume resulting from store expansion

Considering the establishment of new locations to expand capacity

Solution :

- ✓ Reduced number of lateral deliveries
- ✓ Reduced delivery costs through a review of delivery areas
- ✓ Improved loading and utilization rates
- ✓ Secured capacity for the future

SUNNY Business

Issue :

- Scattered locations
→ Receiving shipments at the store is a hassle
- Overlapping delivery areas
→ Increased delivery distance

Considering the consolidation of three scattered locations

Solution :

- ✓ Of the locations to be consolidated, one will be expanded to serve as PC
- ✓ Realized the synergistic effects with Izumi through improved utilization rates

Achieved costs savings of **500 million yen/year**

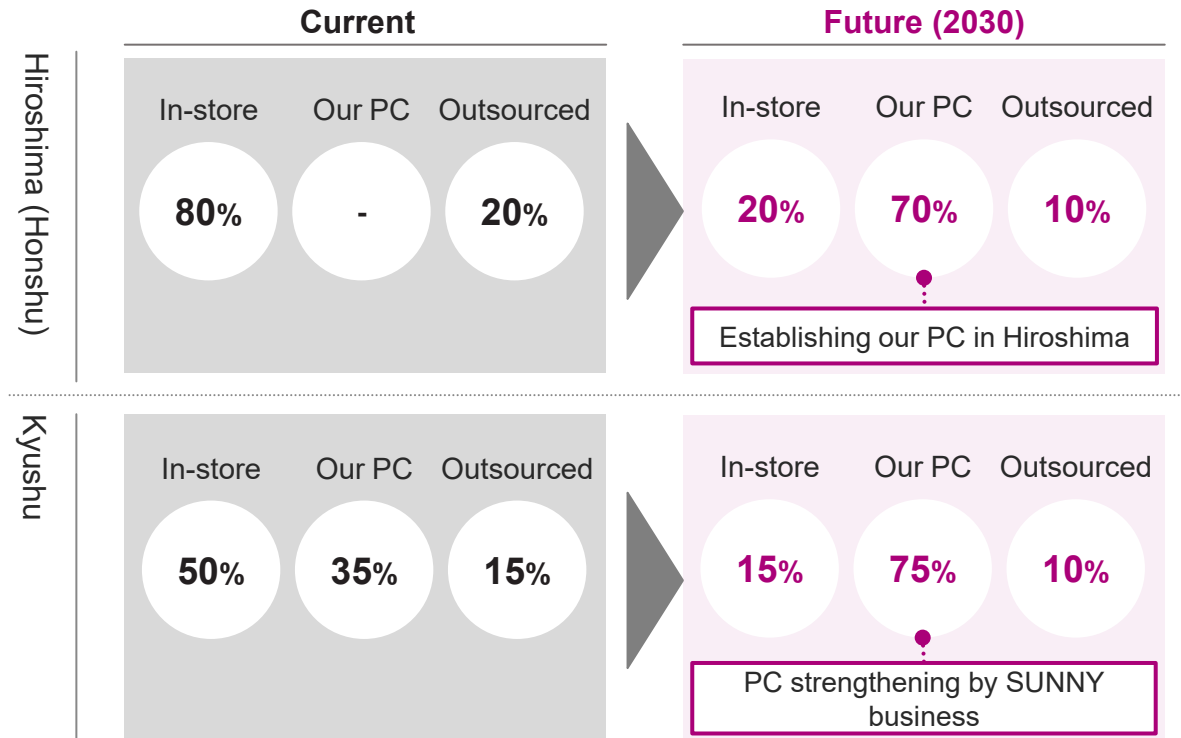
Enhancement of PC

Aim

Enhancing the competitiveness of externally packaged products (meat and ready-made foods)

- Strengthening product development capabilities in conjunction with in-house production of PCs which currently rely on external sources.
- Improving cost competitiveness by reducing store staffing through the promotion of externally packaged meat and ready-made foods.

■ Changes in the Proportion of Processed Meat at PC (Illustration)



Promotion of DX (AI): Overview

- We aim to enhance customer experience, employee experience, operational efficiency and corporate competitiveness through digital technology and business transformation, with the goal of achieving sustainable growth and strengthening our revenue structure.

Overview of DX initiatives



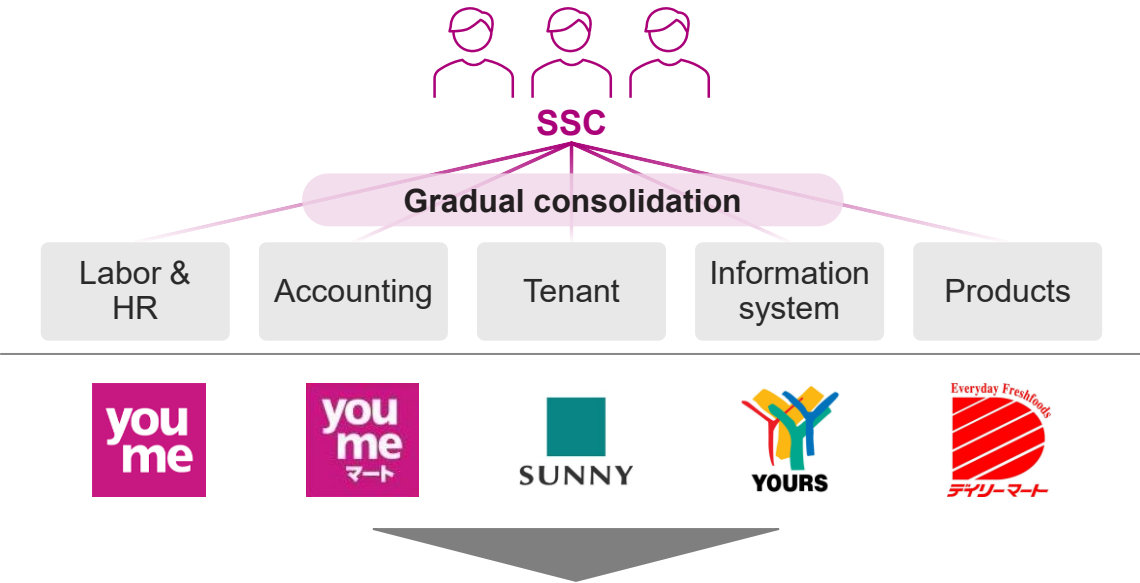
Promotion of DX (AI): DX for reducing fixed costs

Business restructuring via SSC (Shared Service Center)

Aim

To improve productivity in administrative functions across the entire Izumi Group

- Centralization of information & consolidation of shared operations
- In addition to sharing group information, standardizing processes and data and enhancing security.
- Restructuring the group & accelerating PMI based on SSC.



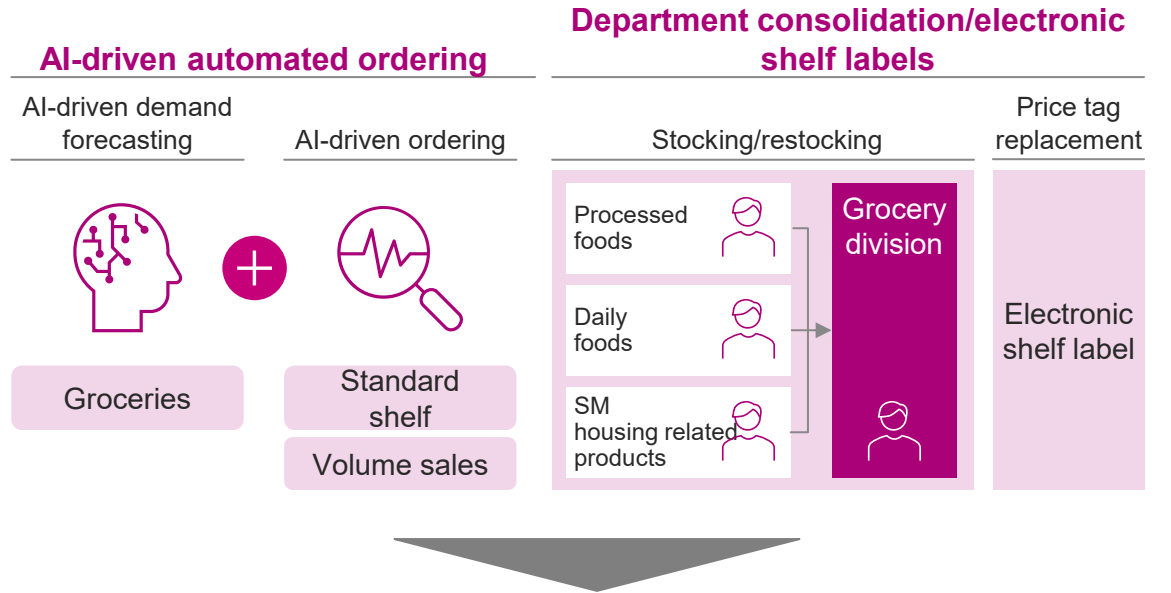
- Enhance both productivity and leadership simultaneously through standardization, automation, and centralized management.
- Accelerate decision making by management through cross-group data integration.

Labor-saving measures in stores through AI-driven ordering & department consolidation

Aim

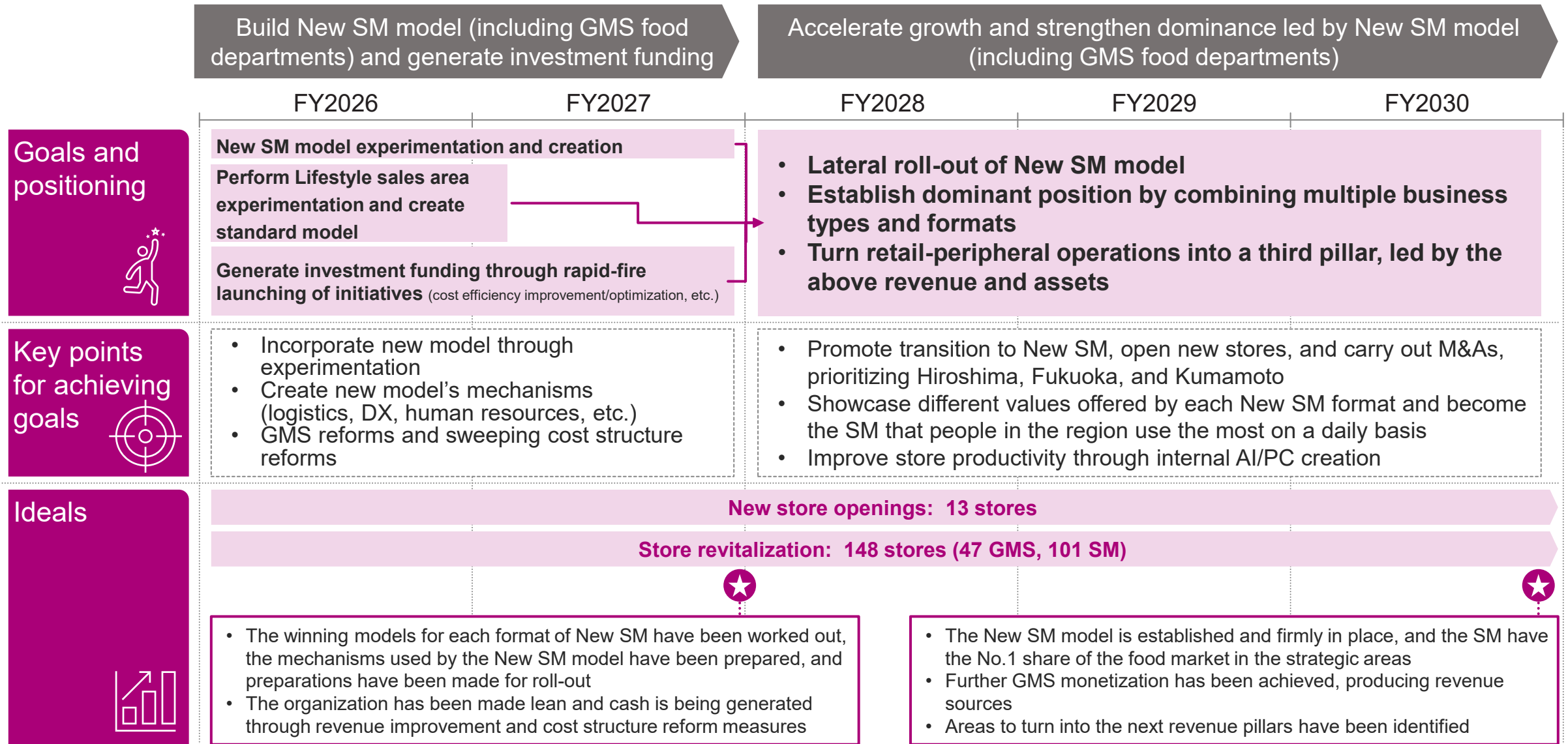
To improve the productivity of store employees

- Centralizing operations at headquarters and reducing store-level tasks through AI-driven demand forecasting and ordering.
- Integration of processed foods & daily products into the grocery section, and promoting labor-saving initiatives for stocking, restocking, and price tag replacement using electronic shelf labels.



- Promote labor-saving and improve gross profit productivity through AI-driven ordering process optimization.
- Labor-saving measures for stocking, restocking, and price tag replacement through departmental consolidation and electronic shelf labels.

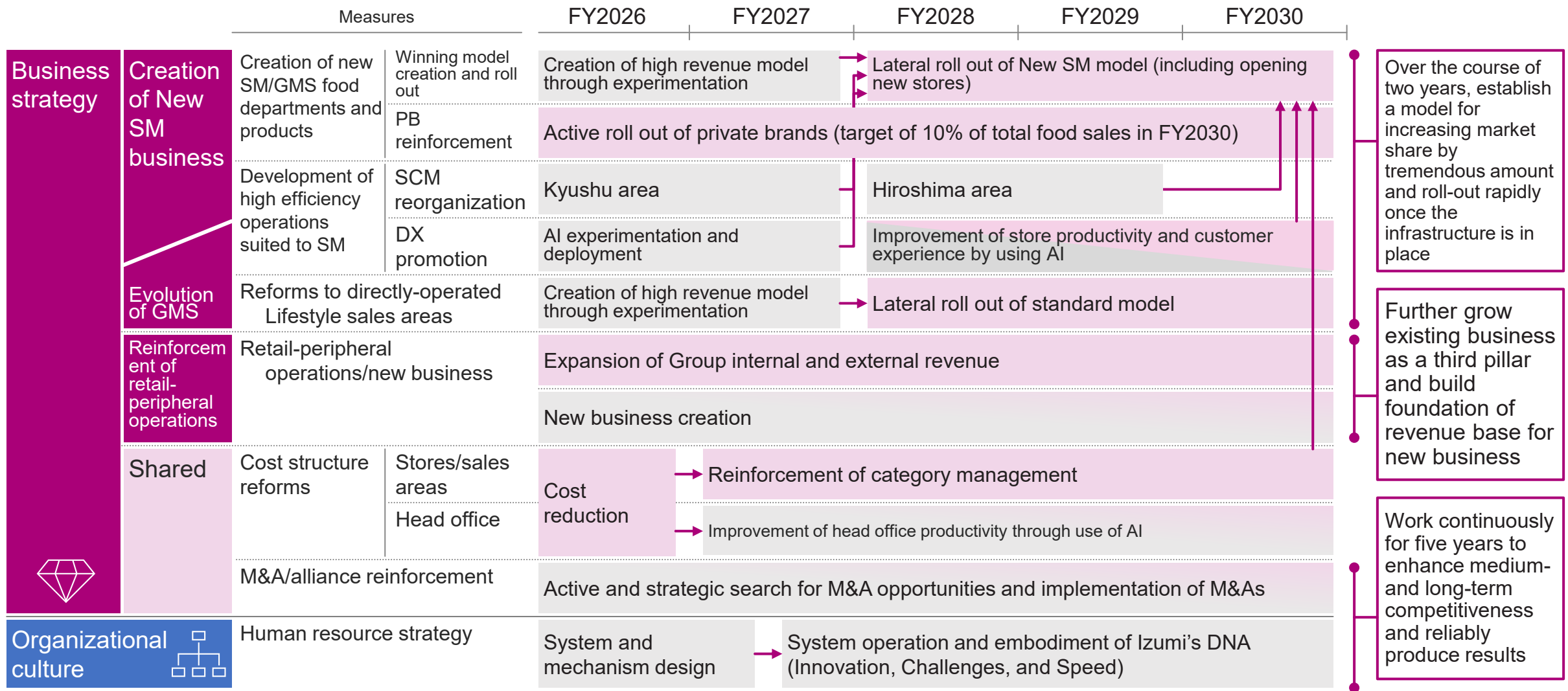
3rd Medium-Term Management Plan Steps



3rd Medium-Term Management Plan Roadmap

: Experimentation/plan design
 : Full fledged realization of measure outcomes

Creation of winning SM model and major monetization through GMS reforms and cost reductions
Acceleration of growth driven primarily by new SM model (establish dominance in Hiroshima, Fukuoka, and Kumamoto)



KPI

- New lease accounting standards are to be applied starting in the Third Medium-Term Management Plan period, so the impact is currently being calculated
- Once the impact has been determined, the KPI will be revised and announced

Operating revenue

700.0 billion yen

+23.0% vs. FY2025

Operating profit

35.0 billion yen or more

+28.5% vs. FY2025

Operating profit before
amortization of goodwill*1

37.5 billion yen

Operating profit ratio

5.0% or more

Result for FY2025: 4.8%

Operating profit ratio before
amortization of goodwill

5.4%

Efficiency indicators

ROE

6.0% or more

Result for FY2025: 5.9%

ROIC*2

5.0% or more

Result for FY2025: 4.0%

*1 Operating profit before amortization of goodwill = operating profit + amortization of goodwill + trademark amortization cost

*2 ROIC = operating profit after tax ÷ (interest-bearing liabilities + equity + non-controlling interests)

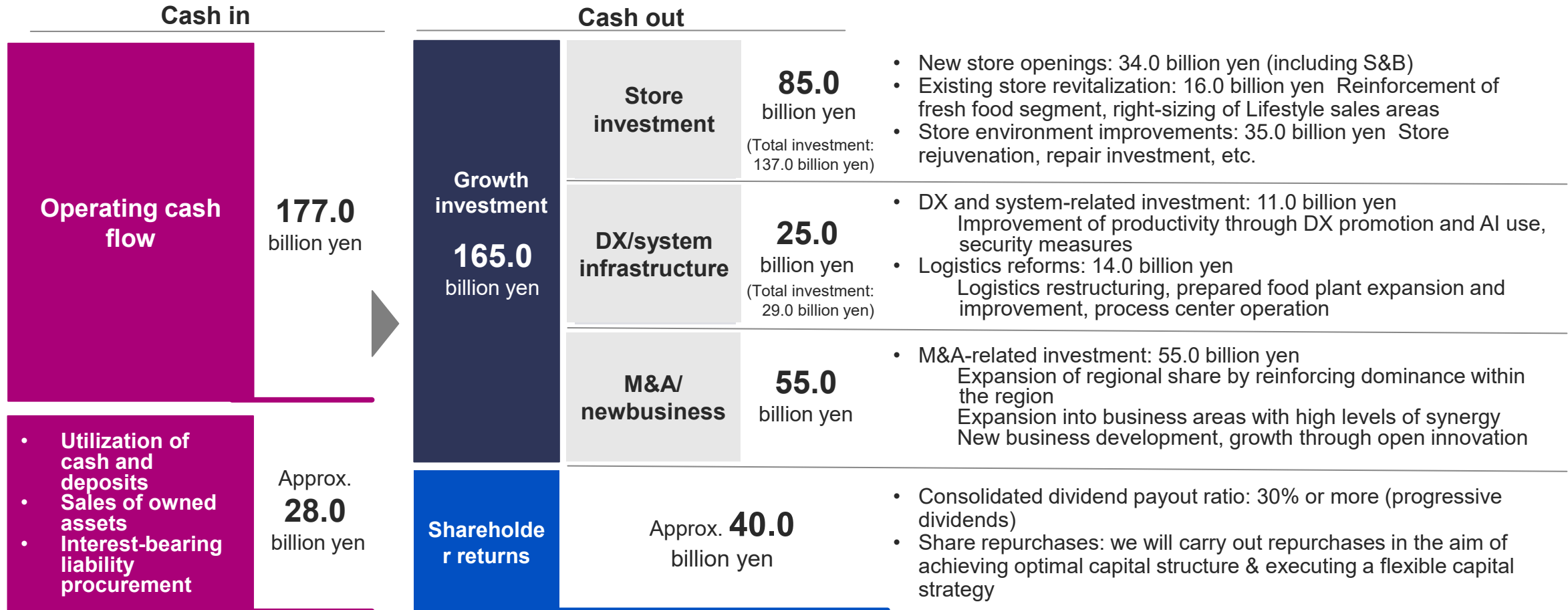
1. Review of 2nd Medium-Term Management Plan

2. 3rd Medium-Term Management Plan

- Business Strategy
- **Financial, Talent, and Sustainability Strategy**

Financial strategies: Cash allocation (5-year total)

- During the Third Medium-Term Management Plan period, the highest priority will be growth investment that increases future competitiveness
- With cash flows from operating activities as the linchpin, investment will be allocated strategically to stores, DX, logistics, and M&As
- At the same time, financial soundness will be maintained while continuing to provide stable shareholder returns

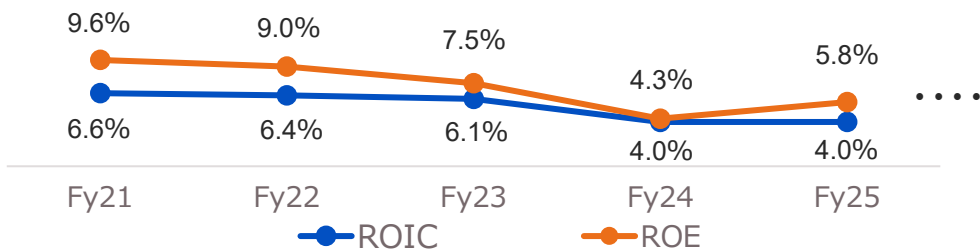


Financial strategies: ROE & ROIC

- Under the Third Medium-Term Management Plan, the investment in future growth and structural reforms are prioritized
- As a result, ROE and ROIC appear low during the plan period
- By recouping growth investment, the company will improve its medium- and long-term capital efficiency

■ Positions of ROE and ROIC in 2030 KPI

Performance Trends



Third Medium-Term Management Plan | Upfront Investment (~ 2030)

- Prioritize growth investment and structural reforms
- This will be a “preparation period” for ROE and ROIC

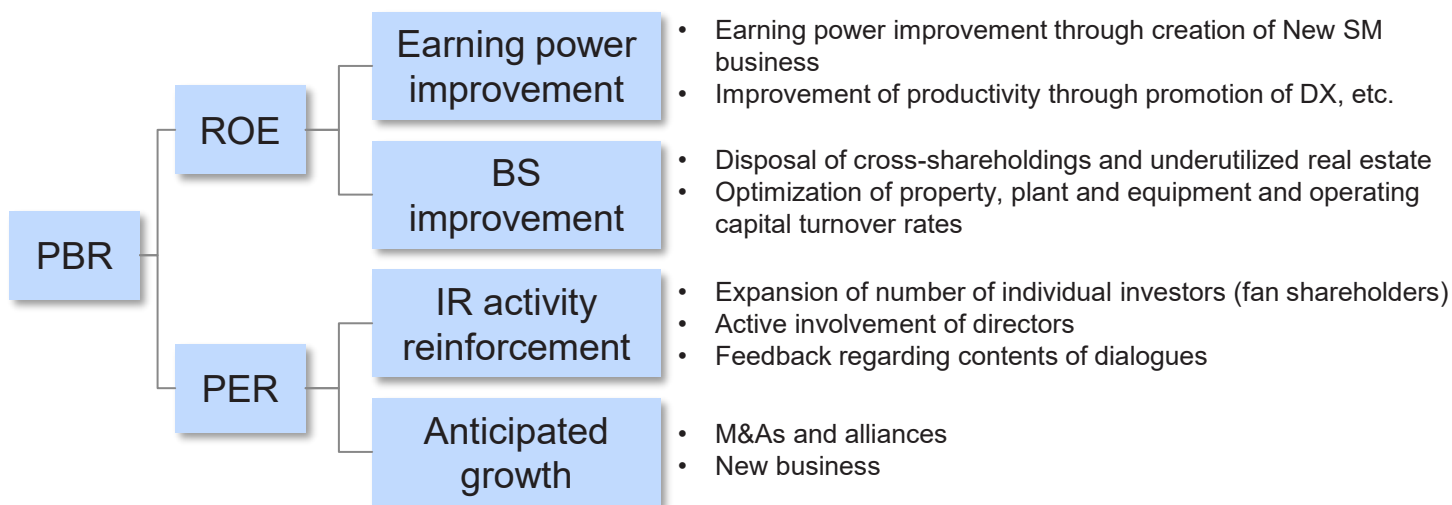
ROE	ROIC
6% or more	5% or more

Ideal | Begin recouping (long term)

- Monetize existing investment
- Improve ROE and ROIC through profit growth

ROE	ROIC
10% or more	7% or more

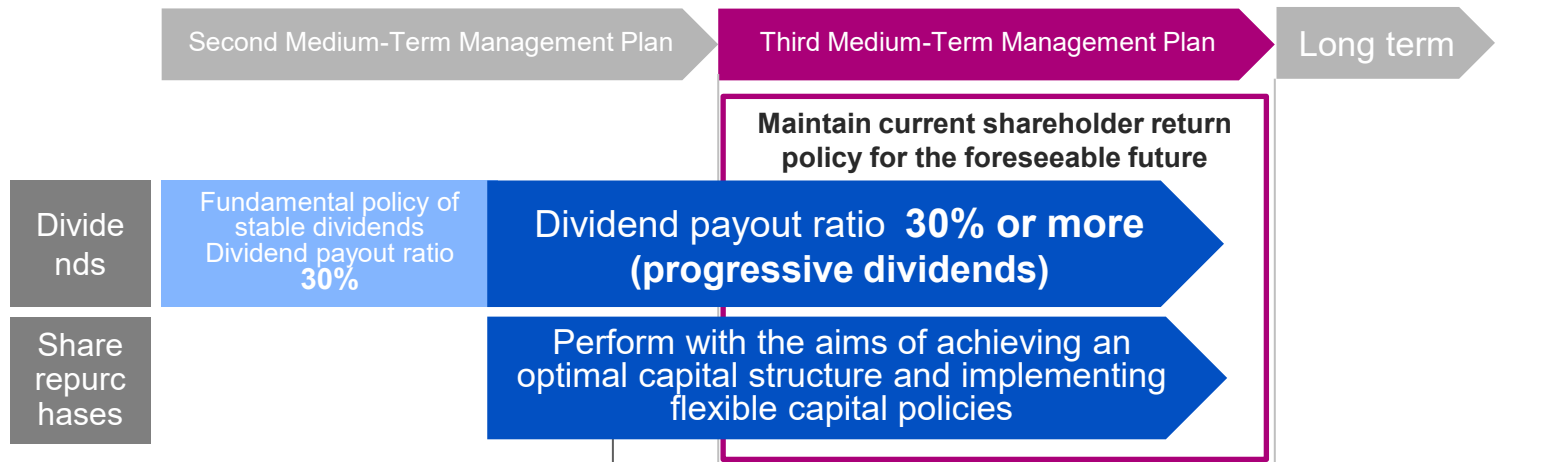
■ PBR improvement measures



We envision a structure in which the recouping of growth investments contributes to ROE and ROIC improvements

Financial strategies: Shareholder return policy

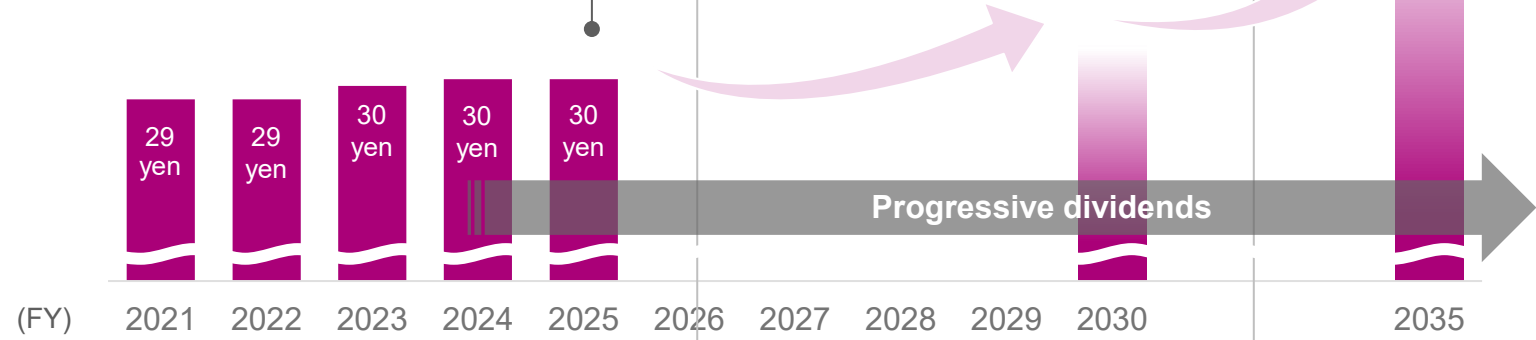
- Third Medium-Term Management Plan: Work to strengthen the foundation and make structural reforms to drive future growth, provide steady, continuous shareholder returns
- Aim to accelerate growth by realizing investment returns and further strengthen shareholder returns to increase corporate value over the long term



Treasury shares bought back in April 2025 and January 2026

Annual dividend trend

* Graph figures from FY2026 onward are for illustrative purposes



* A stock split (3-for-1) was performed on March 1st, 2026. This split was accounted for in annual dividend amounts for FY2025 and earlier.

Shareholder return policy

- The company's PBR remains below 1, and we recognize that there are those who hope to see stronger shareholder returns.
- The Third Medium-Term Management Plan prioritizes growth investment such as investment in SM reforms and logistics reforms aimed at future growth. While this will reduce profits over the short time, these investments will be the source of long-term growth.
- As the GMS recovery and New SM model development progresses, and the path to achieving greater profitability becomes clear, the shareholder return policy will be revised and strengthened.

Financial strategies: Stock split

Three-for-one stock split with a record date of February 28, 2026

- Strive to create an environment that is conducive to investment by lowering investment unit prices, **improve the company's stock liquidity**, and **further expand the investor base**
- Support the living infrastructure of the region as a **comprehensive consumer goods company** with close community ties, turn customers into shareholders, and build a system of growth in concert with the community



Strengthen measures for raising the number of retail shareholders and increasing liquidity

Reinforcement of investor relations directed at individual investors

Hold briefings, release videos, enrich web content, and use other measures to boost company recognition

Increase number of employee shareholders (shareholding association)

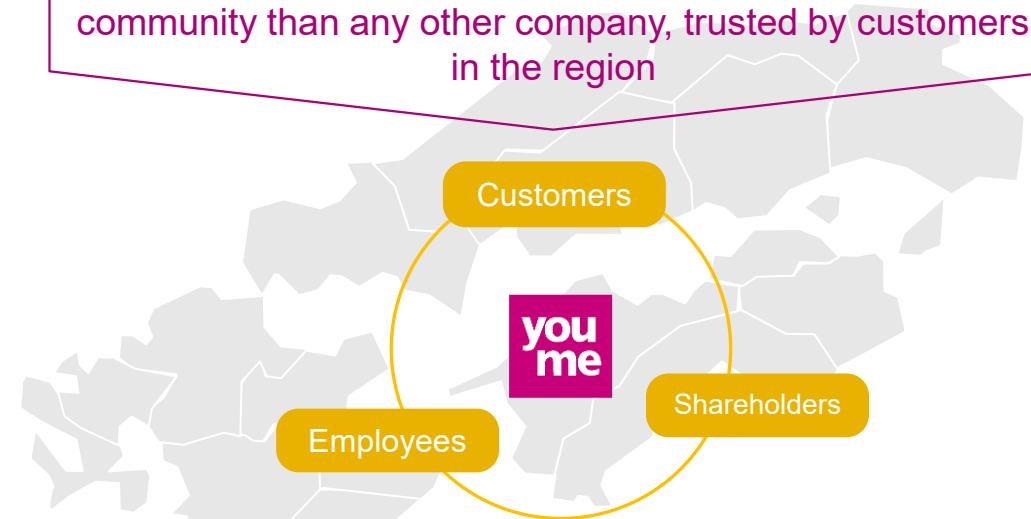
Retain stable shareholders, improve employee motivation, and enrich benefits

Review and revise shareholder benefit program

Switch to paperless versions of complimentary shareholder tickets, consider revisions to issuing standards, such as benefit standards, and the contents of shareholder benefits

Our Ideals

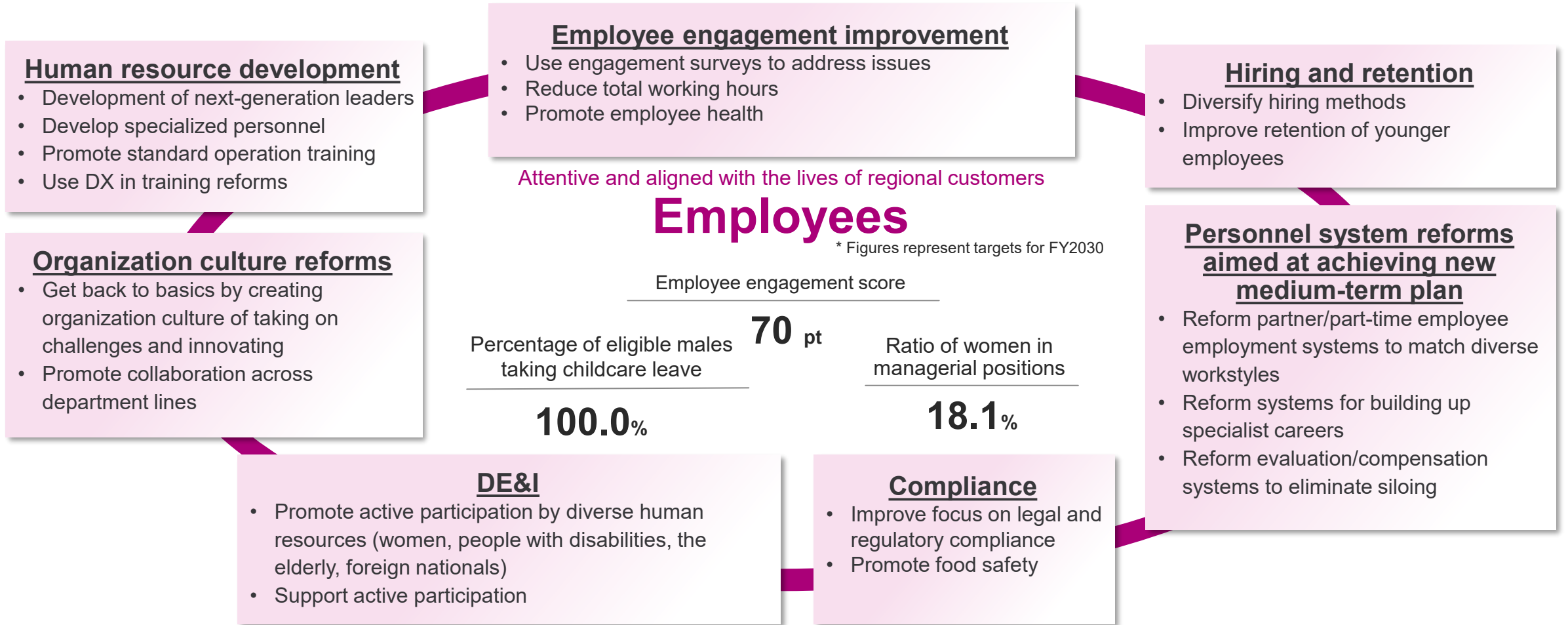
We in the Izumi Group aim to be a **community comprehensive consumer goods company** in the Western Japan area that is more attuned to the local community than any other company, trusted by customers in the region



- We will work to increase the corporate value of the Izumi Group and make it more appealing so that **regional customers become Izumi Fan Shareholders**
- We will also work to increase the number of employee shareholders through the shareholding association, etc., **motivating each and every employee to participate in the company's management** and contributing to the sustained growth of the Izumi Group

HR strategies: Human capital

- We will get back to basics by creating an organization culture in which each and every employee thinks for themselves, takes on challenges, and innovates in order to achieve their future vision. Using this culture as a foundation, we will promote collaboration across department lines and systematically invest in environments that leverage the specializations of diverse human resources. Through this, we will bring out the full value of our human resources and fulfill our role as a comprehensive consumer goods company closely attuned with the community.



Sustainability strategies: Basic policy and Material issues

- Ever since formulating our initiatives to address material issues in 2021, we have updated them to reflect changes in the external environment

■ Basic sustainability policy

1. We formulate long-term visions with an eye to the future and work to address social issues through our business.
2. We build positive relationships of trust with all of our stakeholders and, through dialogue, work together to satisfy our responsibilities to society.
3. To develop together with the local community, we engage in community-rooted activities and activities aimed at maintaining and improving high quality living environments. Through these activities, we provide long-term value.

■ Material issues and initiative contents

Business policy	Material issue	Initiative contents
① Be more closely attuned with local customers than any other company ② Build systems that will grow along with their communities ③ Be a cornerstone of the lives of people in the community	Local communities and customers	Creating enriched lives together with local communities and customers
	Environment	Achieving a decarbonized society and efficiently using resources
	Safety and security	Creating value by providing safety and security, and through products and services
	Diversity & inclusion	Create an environment where diverse human resources can thrive
		<ul style="list-style-type: none"> • Provide products and services that address the needs of diverse customers and design and implement convenient shopping methods • Provide spaces and opportunities for local customers to come together • Support regional revitalization and disaster response capabilities by coordinating with local governments and concluding comprehensive agreements, etc., with them • Reduce CO₂ emissions and implement energy measures • Reduce amount of waste produced by stores • Reduce amount of plastic packaging • Effectively utilize resources • Practice thorough hygiene management • Appropriate handling and labeling of products, taking health and allergies into consideration • Sustainably procure seafood and produce, supply environmentally friendly products • Promote the active participation of women and raise the ratio of women in managerial positions • Provide support for the active participation of young people, senior citizens, foreign nationals, and people with disabilities • Create working environments that match different life stages

Sustainability strategies: Long-Term Vision on Sustainability

■ Long-Term Vision

Ideals	Specific initiatives	Targets for 2030	Ideals for 2050
Decarbonized society	Reduction of CO ₂ emissions	<ul style="list-style-type: none"> Reduce CO₂ emissions associated with store operations by 50% (compared to FY2013) Most recent (FY 2024) results: 32.4% reduction (compared to FY2013) Ensure that the electricity used in store operations at new stores is 100% renewable energy Aim for 100% renewable energy in our store operations through the installation of solar panels at existing stores and the adoption of renewable energy Reduce not only own emissions (Scopes 1 and 2) but also Scope 3 emissions, for reductions through our supply chains 	<ul style="list-style-type: none"> Net zero CO₂ emissions from store operations
Recycling-oriented society	Action on plastics	<ul style="list-style-type: none"> Plastic bags usage reduction rate of 80% (compared to FY2018) Switch to biomass and similar materials for grocery bags Most recent (FY 2024) results: 71.5% reduction (compared to FY2018) 	<ul style="list-style-type: none"> Reduce use of plastic bags to zero
	Measures for food loss	<ul style="list-style-type: none"> Cut food loss by 50% (compared to FY2018) Most recent (FY2024) results: 64.1% reduction (compared to FY2018) 	<ul style="list-style-type: none"> Cut food loss by 80% (compared to FY2018)
	Measure for food recycling	<ul style="list-style-type: none"> Recycle 70% of food waste Most recent (FY2024) result: 57.3 	<ul style="list-style-type: none"> Recycle 100% of food waste
A Society in Harmony with Nature	Protection of biodiversity	<ul style="list-style-type: none"> Expand provision of sustainable products and promote ethical consumption 	



See the site below for details
[Izumi Sustainability Site](#)



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This document is provided solely for the purpose of information disclosure to shareholders and investors and is not intended as a solicitation to buy or sell any securities.

The financial forecasts and various plans presented herein are based on information currently available and on assumptions deemed reasonable by the Company, and do not constitute a guarantee of future performance.

This Medium-Term Management Plan is positioned as an investment-led plan aimed at building a foundation for sustainable growth. Accordingly, actual results may differ from the forecasts due to the progress of investments and the timing of the realization of their effects.

Furthermore, changes in external factors—including consumer trends, inflation, foreign exchange rates, raw material costs, labor costs, and energy prices—may significantly impact the underlying assumptions of the plan, particularly with respect to costs.

The long-term vision for 2035 and the related numerical targets described herein represent the Company's strategic direction and aspirations, and do not constitute a guarantee of future performance.



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