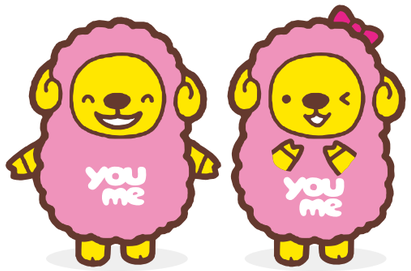
IZUMI CO., LTD.

3-3-1 Futabanosato, Higashi-ku, Hiroshima, 732-8555, Japan
https://www.izumi.co.jp/(in Japanese)



Yu-kun **Me-chan**

"Yu-kun & Me-chan" the original character of Youme Town
https://www.izumi.jp/lp/yukun_mechan(in Japanese)

Our IR website
https://www.izumi.co.jp/ir/en/
(in English)

Our sustainability website
https://izumi.co.jp/sustainability/
(in Japanese)

Integrated Report 2025

IZUMI CO., LTD.

The Izumi Group

01 Contents and Editorial Policy
03 Core Values
05 History of Our Ventures
07 Three Strengths We Have Developed
09 Business Activities that Inspire
11 Izumi Group by the Numbers

Value Creation Strategy

13 Value Creation Model
15 Message from the President
19 Long-term Vision and Medium-Term Management Plan Results and Progress
21 Business Strategy
25 Special Feature 1: "Youme Town Mixed Layout"
27 Special Feature 2: Product Strategy — "Addressing Consumption Polarization"
29 Financial Strategy

Foundation Supporting Value Creation

31 Message from Our Outside Directors
33 Corporate Governance
36 Risk Management
37 List of Executives
39 Materiality and Structure for Sustainability
41 Environment
43 Talent
46 DX

Business and Stock Information

47 11-Year Summary
49 Business and Stock Information

Key Points of the 2025 Integrated Report

2025 marked the 64th anniversary of the Izumi Group's founding and saw major changes in our corporate structure as we had the first change in president in 32 years. In the "Message from the President" on pages 15-18, our new president discusses his thoughts on the occasion of being appointed as president and thoughts about achieving our vision of being "at the heart of our communities," as well as the long-term vision and tasks for that vision. This year's edition of the Integrated Report (below, "this report") has been edited with a conscious effort to present the roadmap toward the Third Medium-Term Plan under the new structure. In addition, "Special Feature 1" on pages 25–26 introduces the unique characteristics of our GMS store development, one of the Company's key strengths, while "Special Feature 2" on pages 27–28 highlights specific product strategies in response to polarized consumer trends. We hope that this report plays at least some role in helping you understand the Company's Group a little better.

Editorial Policy

Our Integrated Report 2025 provides a comprehensive summary of our medium- to long-term growth strategy as well as sustainability-related and other non-financial data, all aimed at achieving our 2030 Long-Term Vision and our goal of positioning the Company at the heart of our communities. As part of our efforts to further increase our corporate value, the Izumi Group will continue to work toward closer communication with our shareholders, investors, and other stakeholders.

Reporting Period

March 1, 2024 – February 28, 2025 (including some activities after March 2025)

Reference Guidelines

- The IFRS Foundation, International Integrated Reporting Framework
- GRI Sustainability Reporting Standards
- Ministry of Economy, Trade and Industry, Guidance for Collaborative Value Creation 2.0

Points of Caution regarding Future Outlook

The information published on this report is intended to help readers understand the Company's business, management policy, management plans, and financial position, etc. We take great care when publishing the information but do not provide any guarantee as to its accuracy, completeness, utility, or any other matters. Some of the information published on this report contains forward-looking statements based on the Company's judgements in light of information available at the present time.Please note that actual business results may differ due to various factors.

Management Philosophy

Management Philosophy

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

Vision

Four Dreams Local communities, customers, employees, and tenants

2030 Long-Term Vision (P. 19)

Action Plan

1. We prioritize our *sense of gratitude*.
2. We carry out our work *with pride*.
3. We carry out our work *both quickly and carefully*.
4. We promise *safety and security*.
5. We are there for our *customers*.

Our DNA

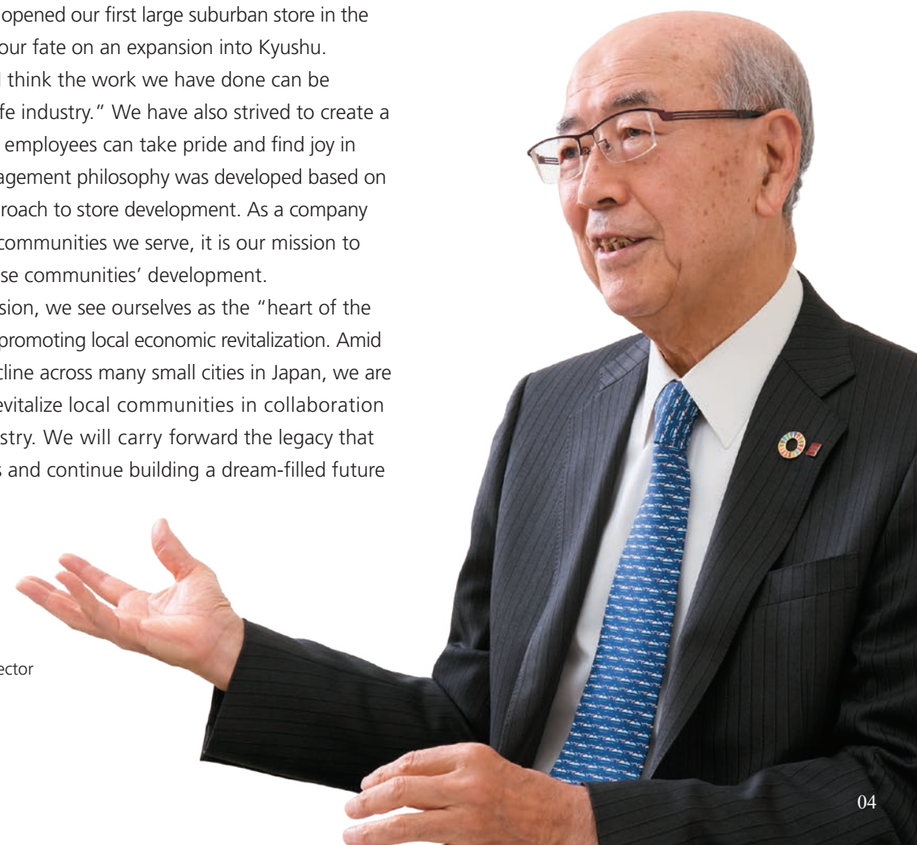
Innovation, Challenge, and Speed

Driving the revitalization of our communities, striving to create a future filled with "you me (dreams)"

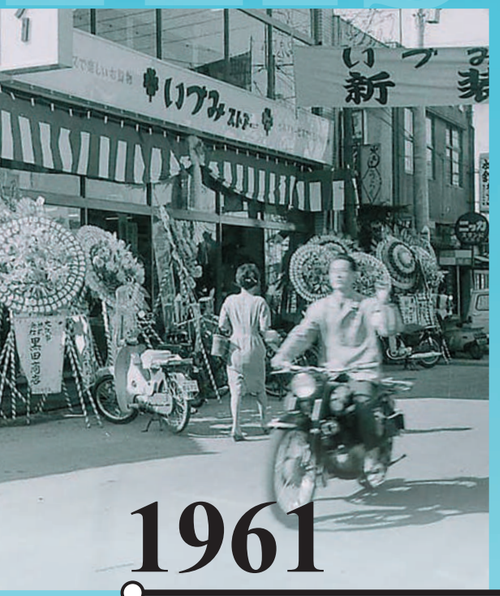
This year marks the 65th anniversary of the opening of our first store, after our founder, Yoshimasa Yamanishi, started a wholesale clothing business in Hiroshima after World War II and then expanded into retail. Looking back, we have seen many turning points as the times have changed, and at each stage we have carved out a new future by staying true to the "innovation, challenge, and speed" that have been our DNA since our founding. We opened our first large suburban store in the Chugoku region and staked our fate on an expansion into Kyushu. Looking back at our history, I think the work we have done can be summed up in the words "life industry." We have also strived to create a work environment where all employees can take pride and find joy in their work. Our current management philosophy was developed based on this community-oriented approach to store development. As a company with deep roots in the local communities we serve, it is our mission to continue contributing to these communities' development.

In our 2030 Long-Term Vision, we see ourselves as the "heart of the community" and a force for promoting local economic revitalization. Amid population and economic decline across many small cities in Japan, we are making steady progress to revitalize local communities in collaboration with government and industry. We will carry forward the legacy that has been passed down to us and continue building a dream-filled future for local communities.

Yasuaki Yamanishi
Chairman and Representative Director



History



1961

Izumi Co., Ltd. Established
First supermarket opened

After establishing the clothing wholesaler Yamanishi Shoten Co., Ltd. in 1950, founder Yoshimasa Yamanishi looked ahead to the future and ventured into the unknown field of retail. The establishment of Izumi Co., Ltd. was followed by the opening of the first Izumi stores, which were full-service supermarkets in the Chugoku and Shikoku regions. The first store was renovated and expanded five times to meet local needs, which has led to the current strategy of revitalizing stores with aim of becoming the "top store in the region."

1973

Suburban shopping center
Gion store opened

Anticipating the advent of the automobile-centric society, the Company committed to the concept of "from urban centers to suburban areas," and opened the Izumi Gion Shopping Center (now Youme Terrace Gion), a large suburban store of a kind rarely seen in Japan at the time. This undertaking was an endeavor to create a new style of store.

1990

Youme Town launched

With the cooperation of the local government and city residents, "Youme Town Higashihiroshima" (Hiroshima Prefecture) was opened as a shopping center contributing to regional revitalization. The name "Youme Town" represents the idea of a shopping center that inspires dreams in "you and me." Rather than just being a store that sells products, we have embarked on the challenge of creating a new business model that will help create a town for community members to gather.

1995

Conducted first M&A,
and took over the business of Nikonikodo Co., Ltd.

We entered into a business partnership with Nikonikodo Co., Ltd., a struggling supermarket chain in Kumamoto Prefecture. Large stores were renovated and reopened as "Youme Towns," while smaller stores were rebuilt under Yuai Mart Co., Ltd. (now Youme Mart Kumamoto Co., Ltd.), a company we newly established. Although differences of corporate culture initially presented barriers, listening carefully to feedback from employees and suppliers allowed us to build relationships of trust and become an important fixture in the local community.

2002

Expanded into new territory: Kyushu

In order to consider new regions in which to implement our dominant strategy, we compared data such as population density, competitive environment, and construction costs, and decided to shift our focus from Okayama and Hyogo, which were initially considered as candidates, to Kyushu, which had better prospects. Starting with the first Kyushu store, Youme Town Onga (Fukuoka Prefecture), we have since opened stores in Oita, Saga, and Nagasaki prefectures. Although the going was hard at first, implementing a community-oriented approach to store development allowed us to eventually build the foundation for this Youme Town in Kyushu.

2024

Took over the SUNNY's business
of Seiyu Co., Ltd. in Kyushu

We have taken over the Kyushu business ("SUNNY's business") of Seiyu Co., Ltd., which has enjoyed great popularity among local customers for over 60 years. The number of SUNNY stores has since grown significantly, particularly in the city of Fukuoka, Kyushu's largest market. Leveraging synergies through economies of scale, we will spread the SUNNY business's low-cost operational know-how throughout the Group as we attempt new and even more profitable models for our supermarket (SM) business (see page 21 for details).

We will continue to take on new challenges
for the sake of communities and customers, both now and in the future

We aim to be the top store in the region by leveraging our three strengths

Over the course of more than half a century since our founding, we have acquired and nurtured three strengths that support our growth: regional infrastructure, on-site capabilities, and ability to respond to change. In the future, we will continue to further refine our three strengths in order to become the top store in the region.

The top store in the region

The Group's main business is retailing, and we have expanded our store network from Hiroshima to western Japan, which includes Kyushu and Shikoku. From the beginning, we have always been focused on making our locations the top store in the region. We want to build not just the largest stores in the best locations in the city, but also the stores that are most relied upon and loved by that community. We want Youme Towns and their environs to become the heart of the city. Becoming the top store in the region is our ultimate goal.

Regional Infrastructure

We are working to increase our brand power and maximize our market share in the Chugoku, Shikoku, and Kyushu regions by developing stores through our dominant strategy. We will continue to strengthen our regional infrastructure through collaboration with local governments, as well as new store openings, M&A, and alliances.

Yuji Seta
Manager, External Relations Department, Development Division

After having worked as a store manager, I am currently in charge of new store openings. My motto has remained the same since I was the store manager: "close to the community." Based on an understanding of the role expected of Izumi based on repeated dialogue with local residents and local governments, we are pursuing a dominance strategy by developing community-based stores. The coming years will see us expand our coverage area by opening more supermarkets to satisfy high demand in rural areas.

On-site Capabilities

With a mission to become the top store in the region, we flexibly and rapidly update our product lineup and expand our services according to the local environment and needs. To this end, we have established a structure that allows store employees to operate autonomously and in ways appropriate to each region.

Yumi Fujii
Store Manager, Youme Town Chofu

To give employees a sense of fulfillment in their work, we strive to create a system that allows employees who interact with customers on a daily basis to think proactively and provide product selections, events, and services that meet the needs of the local community and social environment. We are also strengthening our collaboration with external organizations such as government agencies and the Self-Defense Forces to enhance regional emergency preparedness capabilities, with the goal of becoming the "top store in the region" in the Shimonoseki area, including the area surrounding Youme Town Chofu (Yamaguchi Prefecture).

Ability to Respond to Change

We respond to the ever-changing and diverse needs of our customers, such as location and environment. We will continue to invest in revitalizing existing stores and implementing scrap-and-build strategies. We will also create stores that are in tune with the times and advance our merchandising strategy to provide new value to our customers.

Hirokazu Taura
Sales Planning Division
Section Manager, Marketing Section, Sales Planning Department

I see retail as an industry that adapts to change. It can be challenging to identify significant environmental changes when engaging with customers in person. To address this challenge, the Marketing Department organizes the information it obtains and disseminates it to the entire Company. Furthermore, we strive to act as a liaison between front-line employees and management by furnishing management with customer feedback obtained through customer satisfaction surveys (NPS surveys) and other means to inform decision-making.

With retail as our core business, we are developing businesses that are closely aligned with local lifestyles

Retail Business

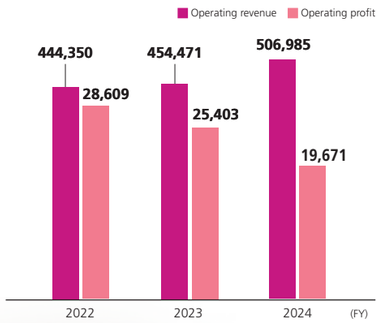
We sell clothing, food, and household goods through shopping centers (SC), general merchandising stores (GMS), supermarkets, and other formats.

Major Group Companies

- Youme Mart Kumamoto Co., Ltd.
- Youme Mart Kitakyushu Co., Ltd.
- Yours Co., Ltd.
- Dailymart Co., Ltd.

Operating revenue*1
506,985 Million Yen

Operating profit*1
19,671 Million Yen



Shopping Center (SC/GMS)

61 stores*2

A large commercial facility designed to be a fun and comfortable space for three generations of families to enjoy. In addition to offering a wide range of products and services that include food, daily necessities, fashion, restaurants, and amusement facilities, our SCs also prioritize experiential consumption through events and activities. We operate as "community-based stores" that not only provide products, services, and hours that are optimal for each region, but also offer enhanced community functions within those regions. In recent years, we have formed partnership agreements with local governments in the areas where we operate. Together, we are working to resolve regional issues and revitalize local economies, beginning with emergency preparedness.

Youme Town

LECT

"LECT" is an acronym for Living, Eating, Culture, and Town/Time. This shopping center offers customers unique experiences centered on three key areas: knowledge, food, and housing. Here we create a "third place" that stands apart from the familiar environments of home, work, or school, offering a space filled with unexpected discoveries and a sense of ease.

LECT

Supermarkets (SM)

198 stores*2

Supermarkets handle daily necessities such as food, daily necessities, and underwear. Our stores range in size from about 990–1,300 m², and are primarily located in small commercial areas within urban centers. We offer a diverse selection of store sizes, catering to various customer needs. Our small stores are well-suited for daily essentials, while our larger establishments, with about 1,650 m² and up, are ideally positioned in suburban areas to provide a wider array of products and services. Each store offers a selection of products tailored to the characteristics of that community, and this business model is expected to be a growth driver in the Company's future dominance strategies.

Youme Mart

Neighborhood Shopping Center (NSC)

6 stores*2

This open-air shopping center revolves around the directly operated Youme Mart supermarket and features a variety of specialty stores selling useful items such as clothing, daily necessities, medicine, and food. Depending on the size of the site, as a developer, we also promote the entry of facilities that attract customers from a wide area, such as home improvement stores, electronics retailers, and sporting goods stores. As a commercial facility where one can purchase daily necessities quickly and in one place, we aim to create a new community hub for everyday shopping and weekend outings.

Youme Mall

Retail Peripheral Business

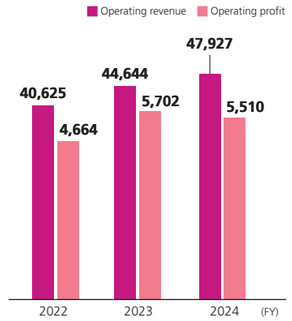
Operating revenue*1
47,927 Million Yen

Operating profit*1
5,510 Million Yen

We are engaged in businesses that complement retail operations, such as credit card handling, store facility management, and food services.

Major Group Companies

- Youme Card Co., Ltd.
- Izumi Techno Co., Ltd.
- Izumi Food Service Co., Ltd.
- Youme Delica Co., Ltd.



Izumi Techno Co., Ltd.

Izumi Food Service Co., Ltd.

Other Businesses

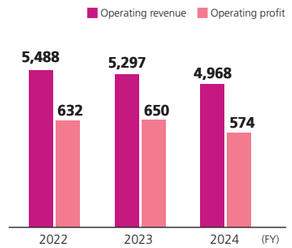
Operating revenue*1
4,968 Million Yen

Operating profit*1
574 Million Yen

In addition to our original wholesale business, we are also engaged in the real estate leasing business.

Major Group Companies

- Yamanishi Co., Ltd.
- Izumi Real Estate Co., Ltd.



*1 Operating revenue and operating profit for each business include inter-segment adjustments. *2 Number of stores (as of the end of February 2025)

Building dominance by expanding our store network in western Japan

Operating revenue

524.1 billion yen

Operating profit / Operating profit margin

25.4 billion yen / 4.9%

(FY2/2025)

Profit attributable to owners of parent / Profit margin

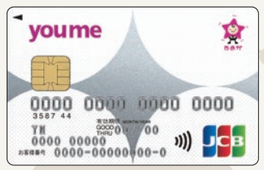
11.9 billion yen / 2.3%

Agreements with local governments*1
142

Tenants
Approx. 4,800 stores

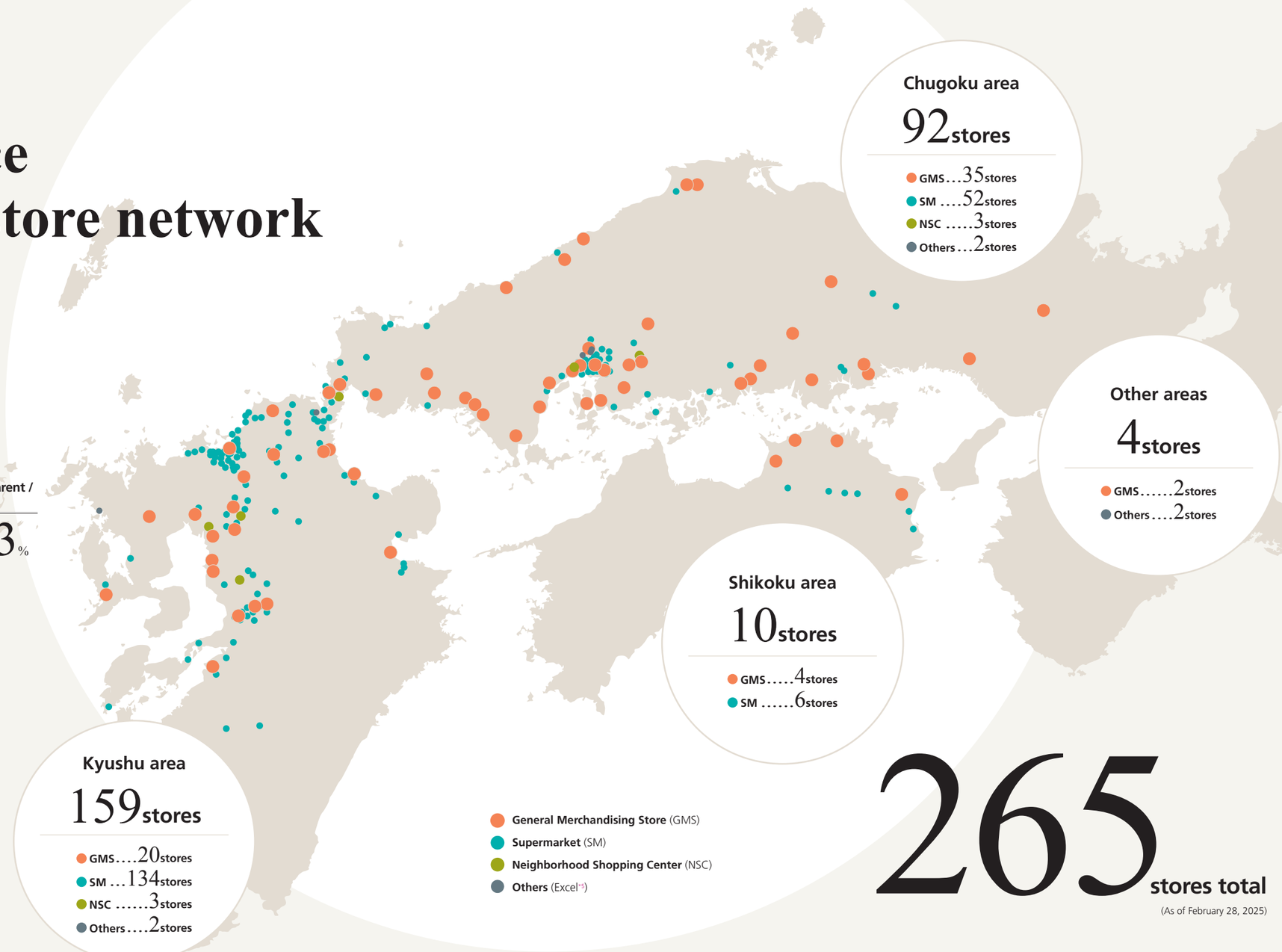
Total annual customers (consolidated)*2 *3
171 million people

Number of App members*1
2.31 million users



Number of Youme Card holders*1
8.24 million holders

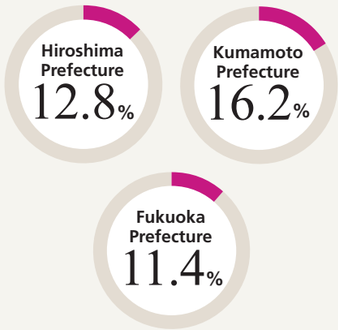
Number of consolidated employees*1
Full-time 4,938 People
Part-time*4 12,496 People



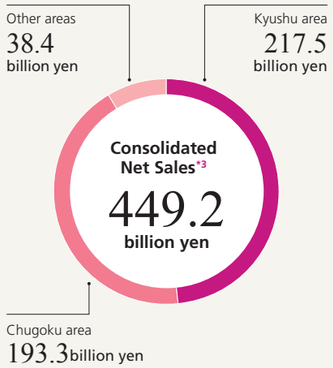
- General Merchandising Store (GMS)
- Supermarket (SM)
- Neighborhood Shopping Center (NSC)
- Others (Excel*5)

265 stores total
(As of February 28, 2025)

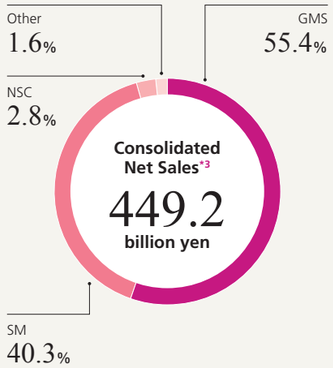
Food Sales Share by Major Area*6



Net Sales Ratio by Retail Business Area



Breakdown of Sales by Retail Format



*1 As of February 28, 2025 *2 Number of customers making purchases at directly-operated stores (excluding SUNNY stores) *3 FY2/2025
*4 Part-time workers are calculated as the annual average number of employees based on an 8-hour workday.
*5 Import brand shops operated by the Company *6 (Reference) 2024 Supermarket Almanac

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

Materiality

Local communities and customers
Creating enriched lives together with local communities and customers

Environment
Making effective use of resources to realize a decarbonized society

Safety and security
Creating value by providing safety and security, and through products and services

Diversity
Creating an environment where diverse human resources can thrive

Management capital

Financial capital
High stability, ample cash flow from operating activities.
- Equity ratio: 50.1%
- CFO: 402 billion yen

Manufactured capital
Market dominance and brand power in the Chugoku, Shikoku, and Kyushu regions
- Number of stores: 265
- Number of plants: 4

Intellectual capital
Utilizing our own brand and card/app data
- In-house manufactured brand "zehi"
- Number of Youme Card members: 8.24 million
- Number of Youme App members: 2.31 million

Human capital
- Number of consolidated employees
  - Full-time: 4,938
  - Part-time employees: 12,496 (full-time equivalent)
- Ratio of women in managerial positions: 11.8%

Social and relationship capital
- Revitalizing local communities through collaboration with government and industry
- Number of agreements signed with local governments: 142

Natural capital
Promoting community-based sustainability management
- CO_2 emissions from store operations: 166,000 t-CO_2*1 (compared to FY2013)
- Food loss reduction rate: 64.1%*1 (compared to FY2018)

*1 FY2024
(As of the end of February 28, 2025)

Business activities / Business model

Retail Business
GMS Business | SM Business

Identifying issues and creating ideas
We identify issues based on results of analysis, and our stores and Head Office organizations will work together to foster ideas for resolving issues.

Market research and analysis of current conditions
We collect and analyze what local customers need based on customer feedback obtained through customer service and customer satisfaction surveys.

Service construction and provision
By changing our product lineup reconditioning or rebuilding our stores, we will create the kinds of shopping areas and new services that our customers need. We aim to solve issues in the community.

Retail Peripheral Business

Other Businesses

Three Strengths
- Regional Infrastructure
- On-site Capabilities
- Ability to Respond to Change

Growth Strategies

- Area Strategy ➡P. 21
- M&A Strategy ➡P. 21
- Store Strategy ➡P. 21
- Product Strategy ➡P. 24
- Financial Strategy ➡P. 29
- Strengthening Human Capital ➡P. 43
- Carrying out DX ➡P. 46

The value that the Group creates
(FY2/2025)

Operating revenue
524.1 billion yen

Operating profit
25.4 billion yen

Operating profit margin
4.9%

ROA*2
4.9%
*2 Return on assets (ROA)

ROIC
3.9%

ROE
4.2%

2030 Long-Term Vision

Achieve a 300-store network centered on the Chugoku, Shikoku and Kyushu regions,

and take on the challenge of co-creation with local communities overflowing in "you me (dreams)"

Numerical targets

Total operating revenue
(after application of Revenue Recognition Standard)
1 trillion yen (740 billion yen)

Ratio of operating profit to total operating revenue
(after application of Revenue Recognition Standard)
5.5% (7.1%)

Value creation model

Shigeki Machida
President and Representative Director

Message from the President

Challenge

While working to establish a new growth trajectory, we will run our businesses with a view to bringing joy to communities and customers.

Message from the New President

Carrying on the founding spirit and creating a foundation for new growth

I am Shigeki Machida, the newly appointed president and representative director of Izumi Co., Ltd. Our Company was founded 64 years ago in 1961. The founder and first president, Yoshimasa Yamanishi, served as president for 32 years, followed by the second president, Yasuaki Yamanishi (current chairman), who also served for 32 years. I am now the third president.

Since joining the Company in 1991 I have held various positions that include Head Office buyer, store operations and apparel department manager, and Corporate Planning Department manager. I believe the most important things I've learned at the Company have been the attitude and mindset of the two previous presidents with regard to management. The words of our first president are still deeply engraved in my heart: "Business is not about making money, but about making customers happy. The money will come later." Additionally, Chairman Yamanishi has constantly told us at weekly management meetings to "think hard on how we can make our customers smile." It is this management philosophy that has guided me since the beginning. In the years to come, we will continue to support our local customers, employees, and tenants, always keeping in mind the DNA of the Group: "Innovation, challenge, and speed."

The retail industry is currently undergoing a period of major change. With Japan's 30-year deflationary economy rapidly shifting toward inflation, consumer behavior is changing and causing retailers to have to quickly adapt. Meanwhile, with the declining birthrate and aging population causing a continuing decline in the population in rural areas, another important aspect of our mission is to strengthen our role as the "heart of the community" and be the infrastructure that supports the community and brings people together.I recognize that my greatest mission as the new president is to lay the foundation for the Group to succeed in this new era.

FY2024 Review

A year of hard work to recover creatively from ransomware damage

Fiscal 2024 (ending February 2025) was an extremely difficult year due to the ransomware attack that occurred on February 15, 2024. We achieved a record high revenue of 524.1 billion yen (up 11.2% year on year) due to a significant increase in the number of stores following the acquisition of SUNLIFE Co., Ltd., which operates community-based supermarkets in Oita Prefecture, as a wholly owned subsidiary, and the succession of the SUNNY food supermarket business operated by Seiyu Co., Ltd. in the Kyushu area ("SUNNY's business"). However, operating profit and other profit items ended up lower than the previous year, underscoring an unfavorable outcome.

The factors behind this decrease in profit included an increase in personnel expenses and acquisition-related expenses associated with the succession of the SUNNY's business, and the impact of a 7.7 billion yen impairment loss on some of the fixed assets held in the fourth quarter, but the biggest factor was the impact of the ransomware attack. The suspension of our inventory management and ordering systems not only made it difficult to provide some products, it also left us to make appropriate price adjustments to keep up with rapidly advancing inflation. In terms of promotional activities and services, we were forced to temporarily suspend the distribution of inserts at each store, discontinue app coupons, and shut down e-commerce sites and online supermarkets. Although the system was restored in May, it was not restored to the same state. Due to system configuration changes that emphasized "defense," such as revamping the internal email system, information transmission and management were significantly impacted for over six months.

On the other hand, considerable progress has been made in terms of growth strategies. This includes implementing large-scale revitalization measures for 18 emphasized "defense," such as revamping the internal email system, information transmission and management

were significantly impacted for over six months.

On the other hand, considerable progress has been made in terms of growth strategies. This includes implementing large-scale revitalization measures for 18 stores and integrating logistics and systems in the Shikoku area, and was done based on a capital and business alliance with Maruyoshi Center Inc. in Kagawa Prefecture. In particular, we believe that the acquisition of the SUNNY's business, which has a strong dominant position in the Fukuoka area in particular, was a significant step forward for the future growth of the Group.

Outlook for FY2025

Steadily improving the PMI of the SUNNY's Business in preparation for the next medium-term management plan

Fiscal year 2025 (ending February 2026) marks the final year of our second medium-term management plan, which we have been implementing for the past four years. While we expect to achieve our operating revenue targets, we revised our operating profit targets in April 2025, partly due to a reduction in the number of new store openings and store revitalization investments from our original plan. We curtailed store openings and revitalization efforts because the recent rise in construction and material costs has more than doubled our initial investment costs, making it difficult to recoup our investments under our previous plans. For these reasons, we are positioning FY2025 as a year of steady preparation for a new leap forward under our next medium-term management plan. The PMI of the SUNNY's business holds the key to this end.

There is no doubt that the SUNNY's business will have a

significant impact on the evolution of our group. The addition of this business, which operates 70 stores primarily in prime locations in Fukuoka will significantly expand our dominance in the Kyushu region and also enable us to leverage economies of scale to streamline purchasing, logistics, and promotional activities. Furthermore, we hope to apply other businesses the knowledge and know-how that SUNNY has cultivated, such as its ability to procure fresh food and the efficient operations it has achieved as a 24-hour urban supermarket. This would be highly effective in creating a new format for our SM business and strengthening the competitiveness of our GMS' food departments.

However, this will first require ensuring that SUNNY's PMI steadily improves. This business succession is a carve-out project in which we will take over facilities such as stores, employees, logistics centers, and central kitchens without a head office. Our top priority is to optimally integrate this with our group's organization and systems, and we are making quick progress on this front.

Another initiative we have begun as part of our preparations for the future is launching our own private brands. Until now, our private brand strategy has consisted of Seven Premium from Seven & i Holdings Co., Ltd. and KURASHI-MORE from Nihon Ryutsu Sangyo Co., Ltd., but this will be our first attempt at full-scale private brand development. We are currently working with manufacturers and packaging companies to develop new products in areas not covered by the above two brands, and plan to release the first batch in the second half of FY2025. In the future, we hope to increase the percentage of private brand sales from the current 5% to around 10% for the three brands combined.

Medium- to Long-term Growth Strategy

Positioning New SM Business as a New Growth Driver and Expanding to a Network 300 Stores Structure

For our GMS business going forward, rather than increasing the number of stores, we believe our primary focus should be on maximizing the profitability of existing stores and becoming the heart of the community. Along with continuing to invest in rejuvenating aging stores, we will steadily implement measures tailored to the market characteristics and anticipated trends of each region, which includes converting medium-sized stores into NSCs and bringing in large tenants, which are not currently present in the area. Furthermore, to remain a vital part of the community, it will also be important for us to strengthen collaboration with local governments that have the same awareness as we do about social issues such as population decline and aging. This May, a local council of social welfare opened a location at Youme Town Yame in Fukuoka and began providing resident services such as elderly care and support for those who are socially withdrawn. We intend to continue expanding such collaborations with local governments at GMS stores in each area, creating opportunities to support the community in a wide range of areas.

Meanwhile, our top priority for the SM business is to enhance its profitability as a pillar supporting the Group going forward. Currently, the top 20% of our Group's GMS stores account for 80% of our total profits. However, by leveraging synergies with our SUNNY's business to create a highly profitable new SM business, we aim to develop it into a pillar of our business akin to GMS. Based on this policy, we have set a new goal of eventually establishing 300 SM stores. Since the Group currently has approximately 200 SM stores, including those of the SUNNY's business, we aim to increase this by 100 stores in the future through our continued aggressive M&A strategy and new store openings.

As mentioned above, the most important point in strengthening our SM business is expanding synergies with the SUNNY's business, but this does not mean changing everything to the SUNNY model. We will adapt our operation and development processes to suit the location of each store and the differences in regional consumer needs (see pages 21–24). Broadly speaking, we will divide our stores into urban stores with floor space of about 990–1,300m² located in urban areas such as Hiroshima, Fukuoka, and Kumamoto, and suburban/other stores with floor space of about 1,650–1,980m² located in suburban and other areas, with the latter taking a strong community-based approach to its operations. By developing stores tailored to the needs of each community and reforming operations, we aim to improve the profitability of the entire SM business.

Details of the above-mentioned medium- to long-term growth strategy will be announced in the spring of 2026 as part of our Third Medium-Term Management Plan, which is currently being formulated. While it will likely take some time for the PMI of the SUNNY's business to progress and for the synergies to be reflected in the Group's performance, we aim to achieve a network of 300 supermarkets as soon as possible and put the Group on a new growth trajectory.

Message to Stakeholders

As a business rooted in everyday life, we aim to energize our communities and bring more joy and value to our customers.

To me, the sustainability of local communities and customers, which is also one of our materialities, is the most important aspect of sustainable management. As a

company that has grown as a part of the lifestyle industry, which is closely rooted in each community, we view our employees, customers, and local communities as an integrated whole. We recognize that the environmental and social challenges facing these communities are directly linked to the management issues of the Group.

For example, in addressing environmental issues, we take a community-wide approach to resource circulation. Initiatives include bringing our food drives to all stores to reduce food waste and promoting the efficient use of resources, as well as replacing plastic shopping bags with paper alternatives. These efforts are carried out not only within our own operations but also in collaboration with suppliers and producers. In the same way, we are systematically working to create a workplace where diverse local talent can thrive and to cultivate an organizational culture that supports employees' daily well-being and a sense of fulfillment in their work.

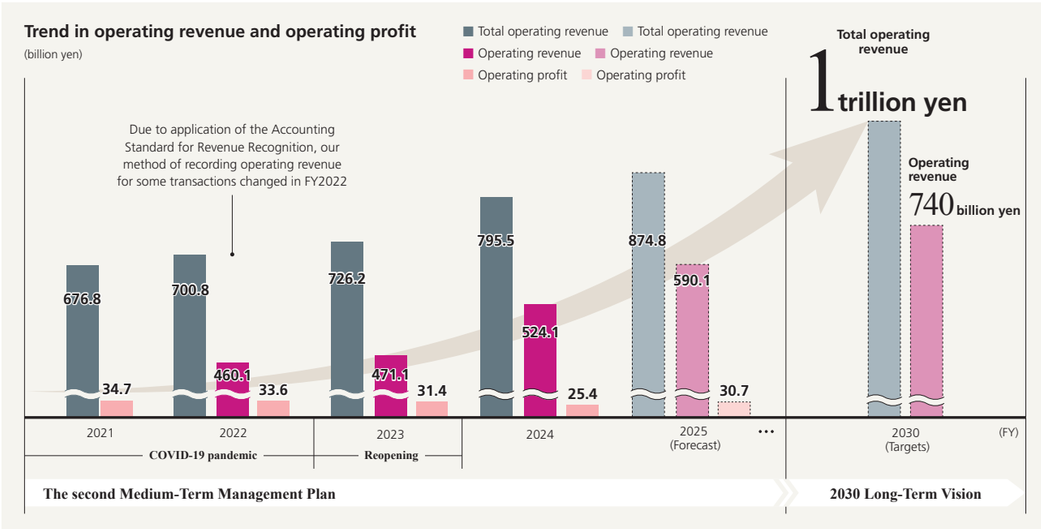
Looking ahead, we will continue to listen earnestly to insights from our customers, employees, business partners, and other stakeholders, while forging a new growth trajectory by advancing initiatives that enrich people's lives and invigorate local communities. We ask for your continued support as we take on new challenges from a medium- to long-term perspective.

President and Representative Director

Shigeki Machida

Grow profits through the two pillars of GMS and SM to realize our long-term vision

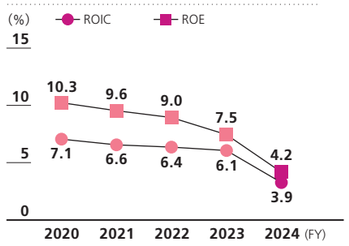
Under the theme "creative recovery" following the ransomware attack that occurred on February 15, 2024, we have been working to build a system focused on high productivity, and have also implemented measures to address prolonged inflation. In addition, revenue increased due to revitalizing existing stores and the M&A of SUNNY and SUNLIFE.



Results and Progress of our second Medium-Term Management Plan

In order to respond to changes in the external environment, such as the prolonged COVID-19 pandemic, rapid price increases, and rising construction costs, we revised our strategies and plans in April 2023. As part of our growth strategy, we narrowed down our store opening plans and utilized our investment budget to revitalize existing stores and pursue M&A, thereby enhancing large stores such as Youme Town Kurume (Fukuoka Prefecture) and Youme Town Hakata (Fukuoka Prefecture). In 2024, SUNLIFE Co., Ltd. became a wholly owned subsidiary in May, and we took over Seiyu Co., Ltd.'s Kyushu business "SUNNY" in August. In April 2025, we revised our plans again, taking into account efforts to strengthen our organizational structure to achieve our 2030 Long-Term Vision.

ROIC*1／ROE



Revised numerical plan

	2025 Revised Plan		2025 Revised Plan (2nd Edition)
Total operating revenue (after application of Revenue Recognition Standard)	830 billion yen (590 billion yen)	▶	874.8 billion yen (590.1 billion yen)
Operating profit	41 billion yen	▶	30.7 billion yen
Return on assets (ROA)	7.7%	▶	5.3%
ROIC*1	6.9%	▶	4.8%
ROE	8.7%	▶	6.4%

*1 Operating profit after tax / (Interest-bearing liabilities + Equity capital + Non-controlling shareholder interest)

2030 Long-Term Vision

Achieve a 300-store network centered on the Chugoku, Shikoku, and Kyushu regions, and take on the challenge of co-creation with local communities that embody the "you me (dreams)" concept

Total operating revenue	1 trillion yen
After application of Revenue Recognition Standard	740 billion yen
Ratio of operating profit to total operating trevenue (sales ratio)	5.5%
Operating revenue ratio after application of Revenue (Recognition Standard)	7.1%

Course of action for the "Third Medium-Term Management Plan" to achieve goals

To realize our 2030 Long-term Vision, we will nurture the SM business as a growth driver and ultimately build a network of 300 stores, making the business a pillar of revenue alongside the GMS business. We aim to create a new and highly-profitable SM business by combining quantitative expansion with qualitative improvement through a combination of low-cost, Head Office-led urban stores as well as store-led, community-based suburban and other stores depending on the area.
In the GMS business, our goal is to maintain and enhance our presence by making existing stores the heart of the community. This will involve fostering a greater presence and profitability among large stores, and evolving our medium-sized stores in line with market trends, which will include converting them into NSCs through a scrap-and-build process. In order to quickly implement these strategies, we overhauled our management structure in April 2025. Going forward, we aim to advance our dominance strategy in key areas such as Hiroshima, Fukuoka, and Kumamoto, and expand the "you me" brand.

Approximate operating profit growth for each business

	Present / Future	
GMS Business	61 stores → 61 stores plus others	● Maintaining and improving stores' presence as the heart of the community ・Large stores: As the top store in the region, we aim to have an overwhelming presence in the area and improve profitability through revitalization and other measures. ・Medium-sized stores: Evolve in response to future market trends such as population and competition (Aiming to be the top store in the region, attracting new customers, converting to NSC)
SM Business	198 stores → 300 stores	● Make use of SUNNY business expertise at existing stores and create a highly profitable "new SM business" ・Low cost operation ・Head Office-led management structure ● Actively promoting M&A
Retail Peripheral Business		● Expanding scale in line with growth of retail business ● Expanding business opportunities, such as transactions with external parties
New business		● Initiatives for new businesses (including opening new stores for existing businesses) In March 2025, we opened our first standalone variety cosmetics shop, En Fleur Petit, in the new Hiroshima station building minamoa.

Achieving further growth through store reforms and product development

Daisuke Yamanishi
Deputy President and Director

Overview of Strategy

Accumulating individual store capabilities is how the Group grows

As Head of Sales Operations starting this fiscal year, I oversee a variety of functions that includes the management of GMS and SM stores and logistics as well as the Group's product development and merchandising, tenant leasing and operations, promotional activities, marketing, and branding. I see it as my mission to both raise the level of each of these functions and to maximize their combined impact so as drive sustainable growth.

The foundation of growth in the retail business lies in strengthening each individual store—what we call "individual store capability." Customers come to our stores because they like the store itself, or because they value the products and services we provide. The accumulation of these individual store capabilities is, in my view, what constitutes the Group's overall operating revenue and profit. As a Group, we aim to maximize the many elements that make up this individual store capability, including product offerings and assortment, logistics, tenants, store design, and talent development.

Area Strategy and M&A Strategy

Expanding store network beyond key areas

Another important aspect of a local chain's growth strategy is its area strategy—deciding which regions to enter and what types of stores to open there.

Up until now, the Group has positioned Hiroshima, Kumamoto, Fukuoka, and Yamaguchi Prefectures as key areas, pursuing a dominance strategy through new store openings and active M&A. However, in recent years, rising construction costs and other factors have made new store development more challenging, leading to a somewhat slower pace of openings. In FY2024, the M&A of the SUNNY's business drove a significant increase in the number of SM stores. Yet, in order to achieve our target of operating 300 SM stores, I believe that we will need to simultaneously advance M&A and broaden our focus to regions outside our current priority areas.

Going forward, our M&A targets will be companies located in areas that fit our dominance strategy and that share our philosophy of valuing the community. I believe that we need about three more chains with around 20 stores each. As for new development areas, we are considering markets with growth potential where there has been relatively little industry consolidation among competitors.

Store Strategy

Improve profitability through store format changes

In our future SM business, we plan to consolidate stores into several types, depending on factors such as scale and location. At present, within the Group, subsidiaries such as Yours Co., Ltd. (operating mainly in Hiroshima), Youme Mart Kumamoto Co., Ltd. and Youme Mart Kitakyushu Co., Ltd. each operate their own SM chains independently of Izumi Co., Ltd. As a result, each area currently has a mix of stores in various sizes and formats. Going forward, we will streamline these into two main formats and standardize them, with the aim of strengthening profitability (see diagram on the right).

The first format is the suburban store. These will be relatively large outlets located in suburban areas, typically around 1,650–2,000 m² in size with annual sales of about 2 billion yen. Making use of their spacious layout, they will feature in-store processing of meat and fish. Our goal here is to cultivate loyal local customers by highlighting freshness—offering freshly cut meat and fish, as well as prepared dishes made on-site. For pricing, we will employ a "high & low strategy" that may include running daily specials or awarding extra points on certain days. Model cases include Youme Mart Shin-Omura (Nagasaki Prefecture) and Youme Mall Itsukaichi (Hiroshima Prefecture), both of which opened in FY2024. At these locations, the sales ratio of fresh foods and prepared dishes is 3–5% higher than average, and both revenue and profit are progressing as planned.

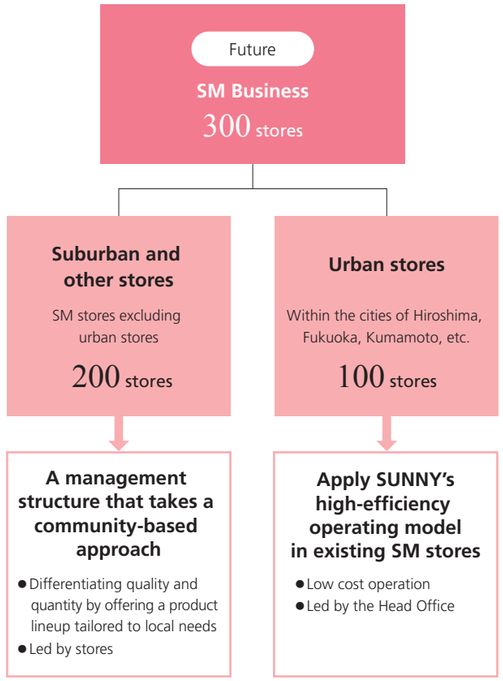
The other format is the urban store, modeled after the SUNNY's business. These are generally smaller stores of about 990–1,320 m² located in urban areas, with some operating 24 hours depending on location. With this format, the Head Office leads operations, with meat and fish processed at central facilities and delivered to each store, and we use an "everyday low price" strategy with minimal price fluctuations to achieve good efficiency and productivity. This store model has never been used before in the Group's supermarkets. While the range of items offered is narrower than at suburban stores, by leveraging the convenience of urban locations to raise visit frequency, we believe even small stores can readily achieve around 1.5 billion yen in annual sales.

By standardizing supermarket formats in this way, we aim to facilitate personnel exchange within the Group, strengthen collaboration among product organizations, and integrate back-office functions such as accounting, general affairs, and logistics—ultimately reducing costs and enhancing overall profitability. The top priority for achieving this is to first put the SUNNY's business on a growth trajectory. Once that is accomplished, we will introduce SUUNY's expertise to the entire Group while pursuing an aggressive store development strategy.

Conducting Revitalization Investment and Scrap-And-Build

In the GMS business, rising construction costs and a lack of favorable locations are making it difficult to open new stores, so we believe that revitalization investment will become our main growth strategy going forward. Rather than simply renovating aging stores one by one, we will make comprehensive judgments based on factors such as location, scale, local role, and competitive

Vision for the SM Business



Clarifying SUNNY's Strengths and Driving Growth Across the Group

My role is to serve as a bridge between SUNNY, which we took over from Seiyu Co., Ltd., and our Group companies, and to establish a framework that enables stable and sustainable business operations. Looking ahead, I am also working to build a foundation for future growth with a view to eventually expanding the Group's business model to our entire supermarket business in Kyushu.

In my career, I have held positions as a buyer, store manager, and head of various Head Office departments. When we launched Youme Town Fukuyama (Hiroshima Prefecture), a store we acquired from Ito-Yokado Co., Ltd., I felt my sense of responsibility for "taking care of our talent" grow particularly strong. Since then, I have been committed to the belief that "people are assets" and have worked to create an environment where employees can find purpose and motivation in their work.

Being responsible for all of the talent working at SUNNY's 70 stores does come with pressure. To foster a sense of unity among them, in 2024 I focused on engaging in repeated dialogue with store managers to share and instill our management philosophy. These conversations also helped us identify a possible issue: that low-cost operations may be affecting employee motivation. To address this, we are working to create an environment where employees feel comfortable voicing their opinions and are implementing an inverted pyramid model of management centered on listening closely to feedback from the frontline. Because each store faces unique challenges, we are delegating authority to individual store managers and creating a system where strengths can be shared and managers can learn from one another. I place great importance on working together to overcome any challenges that arise.

My ultimate goal is to make the SUNNY's business with the largest sales volume in the Kyushu area. By establishing a model that can be rolled out across all stores while staying rooted in the local community, I hope to play a part in revitalizing all Group companies in Kyushu.

Hideo Kouchiyama
Executive Officer
Izumi Executive Officer status Director and
SUNNY Business Division Manager of Youme Mart Kumamoto Co., Ltd.,
and Manager in charge of the SUNNY Business of Izumi Co., Ltd.

environment, and implement revitalization measures tailored to each location.

The highest priority in GMS revitalization investments will be around 10 large-scale stores, which will form the backbone of business profitability. Each occupies a prime location and is positioned as the top store in the region that will attract even department store tenants. By further upgrading these locations, we aim to enhance their appeal and develop them into the top store in the region. In FY2024, major revitalization projects at Youme Town Takamatsu (Kagawa Prefecture) and Youme Town Hakata (Fukuoka Prefecture) will fall into this category, and both are steadily delivering strong performance.

Another direction for revitalization investment is targeted support for medium-sized GMS. This will only happen after carefully assessing whether renovation will add meaningful value. Successful examples from FY 2024 include Youme Town Takeo (Saga Prefecture) and Youme Town Chofu (Yamaguchi Prefecture), both of which increased sales and customer numbers by, for example, bringing in large tenants that did not previously exist in those areas. Following these, Youme Town Nakatsu (Oita Prefecture), which opened in June 2025, underwent a redesign that cost roughly 800 million yen — about twice our usual revitalization investment. To meet new needs among local customers, a pet shop operated by a competitor and a popular secondhand goods shop joined us at one of our stores, marking a first for the Company. These new tenants have high expectations for the location, which we regard as a model case for future mid-sized stores revitalizations.

For aging GMS where such renovations are not likely to be as impactful, we will take a more fundamental approach that may include scrap-and-build (S&B). For example, Youme Mall Sanyo (Okayama Prefecture), which opened in June 2025, was redeveloped as a neighborhood shopping center (NSC) that makes use of its large site, a decision that was made after considering the local market environment and investment return prospects. This allowed us to attract popular tenants that did not exist in the GMS era and helped broaden our customer base.

We also plan to look closely at opening in pre-fitted premises, as this keeps initial investment costs relatively low. Leveraging the tenant-leasing expertise we have developed in the GMS business will let us transform the contents of these "boxes" into more attractive offerings. We expect to find properties like this among not only private commercial facilities but also elsewhere in regional areas, and will proceed based on careful evaluation of candidate site potential.

Meanwhile, we will strengthen collaboration with local governments with a view to making our GMS locations the heart of the community. Since revitalizing local communities is also a key challenge for municipalities, the Group has already built trusting relationships by entering into comprehensive partnership agreements with many of the municipalities where we operate. Our next step is advancing concrete initiatives currently underway in various regions. In April 2025, a facility operated by the local council of social welfare was opened inside Youme Town Minami-Yukuhashi (Fukuoka Prefecture), and in FY2026, an indoor play facility funded by the local government is slated to be built within Youme Town Ube (Yamaguchi Prefecture). Since operating such facilities would be difficult for the private sector alone due to profitability concerns, these projects have been made possible precisely through collaboration with municipalities that share the desire to create more livable communities and attract younger generations. We aim to extend these efforts to other regions while continuing to strive for growth together with local communities.

Example of scrap and Build (S&B) : Youme Mall Sanyo

The store that originally opened in Okayama Prefecture in 1998 as Youme Town Sanyo (then called Izumi Sanyo Store) had pre-fitted premises, but after more than 30 years the building had become outdated. In response to local expectations for greater everyday convenience and regional economic revitalization, it was completely rebuilt through a scrap-and-build (S&B) project and reopened in June 2025 as Youme Mall Sanyo. With a focus on younger generations, tenants were carefully selected to provide things the community had never had before, generating considerable buzz even before it opened. With one of its goals being to become No.1 in sales share within a five-minute market area, the store took steps to strengthen its pricing appeal and competitive edge, while retaining its traditional strengths in product variety, safety, and reliability. Sales of directly operated food products are performing well at approximately 110%* of the sales plan, and sales are expected to be about double compared to before the S&B.Ahead of the opening, we also signed a comprehensive partnership agreement with the city of Akaiwa, aiming to establish the store as the new heart of the community.

*June – July 2025

Top: Youme Town Sanyo Bottom: Youme Mall Sanyo at the time of its opening

Product Strategy

Launching Our Original Private Brand to Support Daily Living

In our product strategy, we have so far responded to increasingly polarized consumer demand by simultaneously pursuing both value-added appeal and low-price strategies. This fiscal year, however, we embarked on a new initiative: the development of our own original private brand (PB).

Until now, our merchandising strategy has centered on national brands (NBs). From the perspective of our suppliers, our strong commitment to selling NB products has made us a valuable partner, allowing us to procure goods under favorable purchasing conditions. However, with inflation driving up costs across all products, the effectiveness of this approach has been diminishing. In response, we decided to create new value through the development of a Group-original PB product line called Youme-Ichi.

There is another important aim behind developing Youme-Ichi That is to put into practice our management philosophy: to be a company that fills our employees with pride and joy as we continue contributing to communities and our customers' lives. While sales may not impress at first, employees will take pride in PB products bearing our own mark, which in turn will naturally boost their enthusiasm to sell. Particularly for employees newly joining us from SUNNY, participating in the planning and sales of Youme-Ichi will impart a strong sense of having truly become part of the Group.

To advance the Youme-Ichi strategy, we have partnered with external specialists who are extremely well-versed in the field, and have launched a year-long special training program for our supermarket buyers. This program will foster PB product development expertise and teach the organizational requirements for success, which we will then incorporate into an Izumi-style PB strategy. What has been striking to me is how energetic and motivated the buyers are. I can really feel the passion they have for bringing ideas to life and creating original products. I find myself once again acknowledging that the product development process is a powerful driver of human resource development, as well.

The first Youme-Ichi is scheduled to be released in September 2025. Starting with low-priced food products, we plan to gradually expand into high-value-added products, which are our specialty. Looking ahead, we would like to expand our Youme-Ichi range to include household goods and apparel-related products as well, taking a different approach from our existing products.

Example of medium-sized store revitalization project: Youme Town Takeo

Entering its 26th year, Youme Town Takeo (Saga Prefecture) underwent a revitalization in October 2024 that reflected feedback from local customers. Responding to strong demand from Gen Z and families with children, the store welcomed MUJI as well as 3COINS+plus—the second store of its kind in Saga Prefecture—leading to an increase in customers in their 20s to 40s.

The store also renovated its food sales area to strengthen its market area and attract new customers from a wider area. The frozen food area was expanded by 50%, with a wider selection of locally produced frozen foods and an expanded lineup of Saga-branded meats, greatly reinforcing the focus on local production for local consumption. These efforts have led to the store broadening its appeal among customers in their 30s and 40s, while also retaining its core customer base of those in their 60s and above. As a result, sales increased 4.3%* in customer numbers went up 6.1%*. This initiative serves as a model case for revitalizing medium-sized store and will be rolled out to other existing locations.

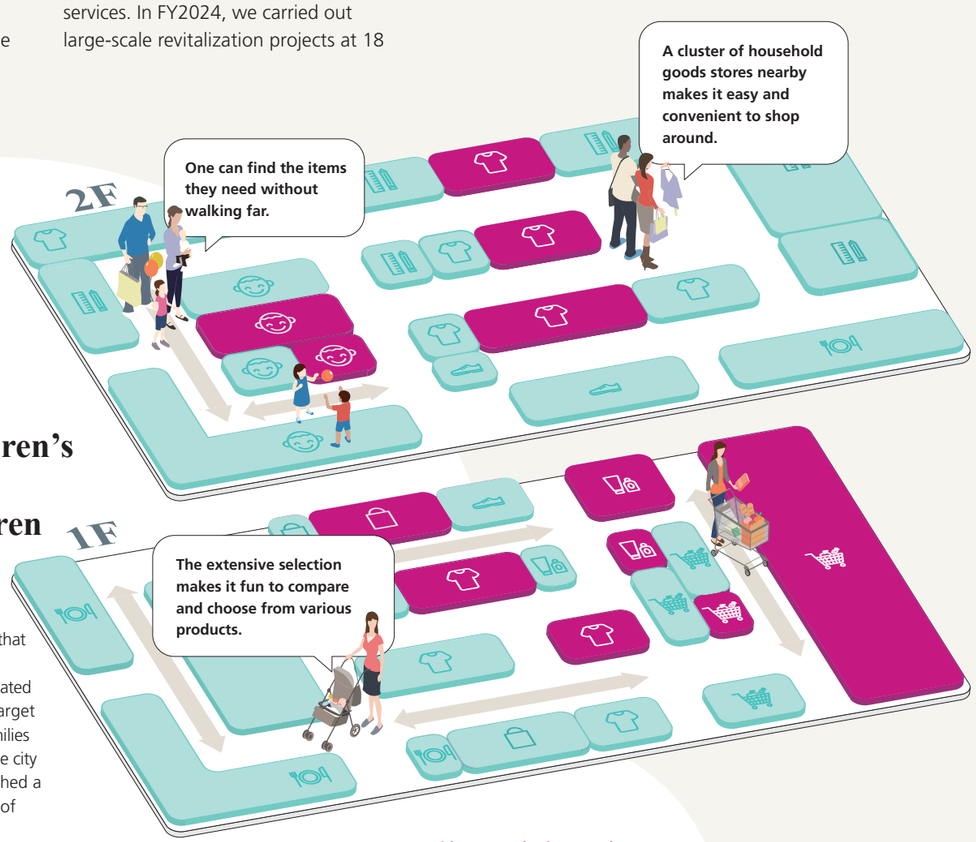
*Results from November 2024, the month following revitalization, to June 2025

Creating Stores That Are Easy to Shop Around in and That Align with Customer Needs

At our Youme Towns, many of our stores adopt a "mixed" layout that combines directly operated sections and tenant shops, with sales areas organized by product category. By consolidating in this way, customers can easily compare products according to the purpose of their shopping and shop more efficiently, especially in large store spaces.

In revitalizing stores to match the evolving needs of each community, we are not bound by the distinction between directly operated sections and tenant shops. We flexibly adjust floor space and layouts, enabling us to welcome first-to-market or highly talked-about tenants, which allows us to continually offer new products and services. In FY2024, we carried out large-scale revitalization projects at 18 stores, achieving a +5%* increase in sales. Going forward, we will conduct further community-based revitalization by first evaluating the results of each initiative in order to improve the likelihood of success.

* Total performance of each store February 2025, starting from the month following store revitalization



01 [Youme Town Kurume] store locations*

Expanding the children's play area to Attract Families with Children

At Youme Town Kurume (Fukuoka Prefecture), the first floor features a Food Zone with a grocery section and specialty shops, as well as a Beauty Zone that brings together directly-operated and tenant-operated cosmetics and beauty-related stores, arranged to match the needs of target customers. In March 2025, to attract families with children who had been going into the city of Fukuoka for shopping, the store launched a new revitalization initiative. About 20% of the second floor's sales floor space was expanded to include children's items, new tenants were brought in, and renovations were made. In addition to areas selling clothing, miscellaneous goods, toys, and other items, the store also added paid and free play areas. The facility also opened Little Planet, the first directly operated franchise store of this next-generation theme park in the Fukuoka–Chikugo area, creating a reimagined kids'park where children can enjoy hands-on learning experiences.

Kid's Zone sales increased

9.5% (year-on-year)

(Actual results from March to June 2025) Thanks to the synergistic effect with tenants, total store sales increased 3.0% relative to the previous year.

The adjacent Yumesakura Park is also popular as a place of relaxation for the local community

Youme Jungle Nursery School, also available to employees

02 Creating stores in [Youme Town Hatsukaichi]

Attracting Young Families through Community-Oriented Revitalization

Youme Town Hatsukaichi (Hiroshima Prefecture) is located in the city's Civic Core District, an area designated for the development of a compact city, and serves as a large commercial facility supporting the daily lives of local residents. In addition to housing a civic hall and a park, the store has also contributed to the community by establishing an on-site childcare center to create a more worker-friendly environment. In recognition of these efforts, Izumi received the 2022 Furusato Enterprise Award (Minister of Internal Affairs and Communications Award). During a store revitalization in April 2022, data analysis revealed that, despite being located in an area with many families with children, Youme Town Hatsukaichi had not been adequately catering to their needs. In response, it welcomed tenants popular among younger generations, such as MUJI, and expanded baby and childcare sections with stores like Akachan Honpo. As a result, the store successfully attracted a new base of young families, achieving significant growth in both membership and directly-operated store sales. Going forward, it will continue to adapt to local needs while further strengthening collaboration with the municipal government.

Average growth rate of

+8.4%

The store has continued to grow from 2022, when revitalization was completed, through to 2024.

03 Creating stores in [Youme Town Hakata]

Boosting Sales by Expanding a Community-based Food Zone

At Youme Town Hakata (Fukuoka Prefecture), revitalization efforts were launched under the concept of "one-stop shop for locally sourced daily necessities," targeting the many single-person and dual-income households in the area. In October 2024, the store opened a roughly 660m² specialty section called Hakata Umaka Kaido. Along with local tenants, the section welcomed new brands popular among younger customers. The food pavilion renovation focused on expanding its Food Zone to become the leading destination in the area. This included opening a directly-operated bakery to meet strong local demand for convenient and ready-to-eat items, as well as expanding the range of small-portion prepared foods. In addition, the lifestyle goods section was consolidated, and a recommendation-based Beauty & Health Zone was created—all aimed at attracting new customers by tailoring to the characteristics of the local market.

Food section as the main driver of sales growth (year on year)

13%

(December 2024 - June 2025) Prepared meals saw a significant increase of 25.5% compared to the previous year, with a total increase for all stores of 3.1%.

Hakata Umaka Kaido draws many visitors seeking both local delicacies and newly opened restaurants

We will satisfy a wide range of needs

by offering and improving on our value-added, low-priced products

In response to increasing consumer frugality due to prolonged inflation, we are refining our lineup of budget products and implementing low-price measures such as launching our All-Out Low Prices campaign in 2024. Furthermore, in February 2024, we joined Nihon Ryutsu Sangyo Co., Ltd. (Nichiryu Group) and introduced the private brand KURASHI-MORE. We are also working to offer low-priced products and reduce costs through joint purchasing, leveraging economies of scale. These efforts will enable us to strengthen our price appeal.

In the meantime, we are working to increase the appeal of our high-value-added products, such as our in-house manufactured brand, zehi, which specializes in prepared meals. In recent years, changing lifestyles have led to more diverse customer needs. In response, we will meet the demand for high-quality and health-conscious products by remaining focused on taste and quality, while also expanding sales of products that satisfy consumer demand for quick and easy meals.

In order to improve overall profitability, we believe it is important to generate the capital for promoting low-price appeal through high-value-added strategies, and to further increase our ability to attract customers through price cutting measures. We plan to launch our first private brand product in September 2025. Beginning with low-priced items, we will then gradually expand our product lineup to meet customer needs.

1 zehi

Our in-house manufactured brand of prepared meals and fresh processed foods. We focus on ingredients and cooking methods, pursuing the great flavor that only in-house production can deliver.

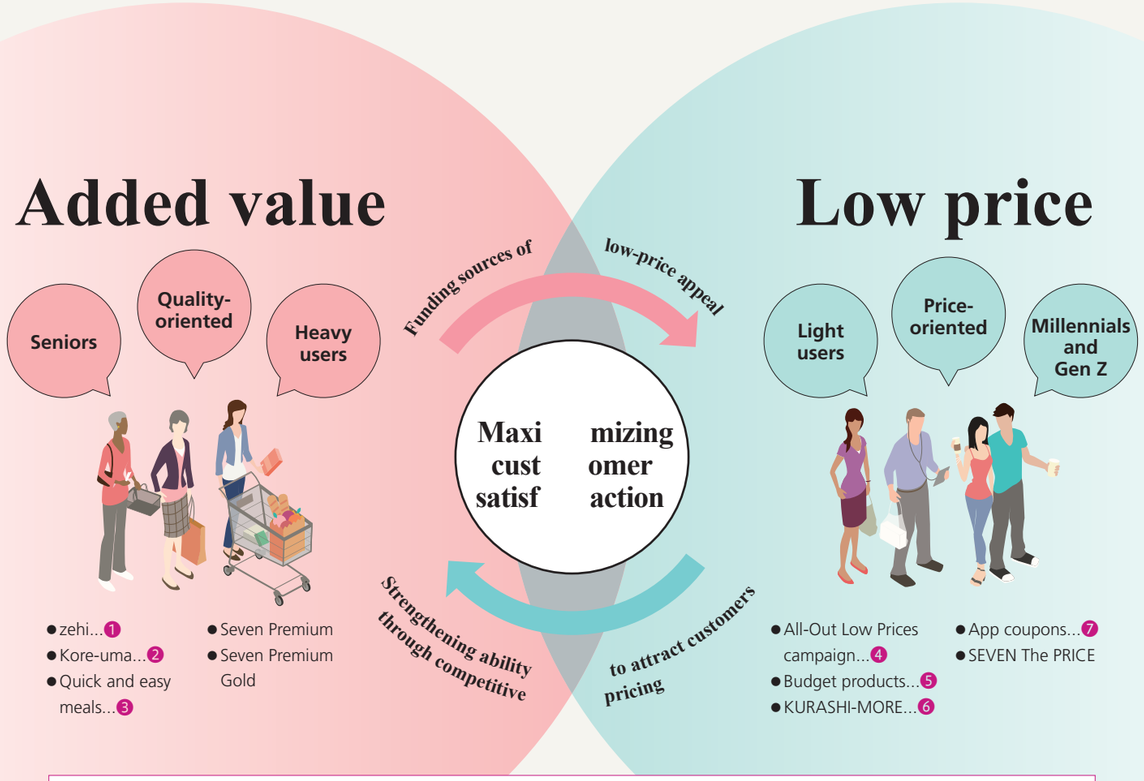
Number of items: 76
(As of July 2025)
FY2024 sales:
11.61 billion yen
(Entire Group)

2 Kore-uma

Recommended products carefully selected by buyers. We are committed to taste, and only products that pass our internal screening process are certified.

3 Quick and easy meals

In addition to prepared meals and other ready-to-eat foods, we offer the value of delicious, hassle-free eating with our fresh foods, as well.



Scheduled for launch in September 2025 (available at all Group stores)

Izumi private brands「ゆめイチ」

Brand concept

Only the best for you. Our top pick.

Both in price and quality, we aim to be the best for you. Our mission is to deliver the most recommended products to your dining table and community.

Since this is the newest brand on the block, we want to make it our best.

Premium
A dish perfected for ultimate deliciousness

Regular
Providing products at affordable prices, with a commitment to quality

Price
Committed to offering products at more affordable prices

Three product lineups, starting with Youme-Ichi | Price.

4 All-Out Low Prices campaign

Monthly rotating selection of groceries and daily necessities discounted up to 30% off regular prices. From March 2025, the scope will be expanded to 100 items per month.

5 Budget products

We develop products in collaboration with local manufacturers. Both product count and sales have increased due to rising demand for low prices.

6 KURASHI-MORE

A private brand of the Nichiryu Group. Groceries will begin to be sold at Youme Mart Kumamoto Co., Ltd. in September 2024, and at SUNNY stores in April 2025.

7 App coupons

We are expanding the use of app coupons as a way to protect one's livelihood from rising prices. We issue around 400 types of coupons each month, mainly for food products, and are also enhancing our specialty store coupons in an effort to attract younger customers.

Continue to Pursue Optimization of Business Structure and Enhancement of Capital Efficiency

Hideki Tahara
Director, Senior Managing Executive Officer and Administration Division Manager

Summary of FY2/2025 and Prospects for FY2/2026

Devoting efforts to recovery in business performance as we head into the 3rd Medium-term Management Plan

Operating revenue for FY2024 (FY2/2025) reached a record high of 524.1 billion yen, as we also saw an increase in number of stores and stores through M&A. Regarding the ransomware attack in February 2024, even though we accounted for it in the initial plan, its effects dragged on beyond our expectations, yielding poor results as nearly 3.0 billion yen of the planned value was unmet. As for profit, due to the ransomware attack and subsequent delay in infrastructure response, increasing costs such as in personnel, utilities, promotions, etc., and the ballooning PMI costs of SUNNY's business inherited in August last year, operating profit was 25.4 billion yen (19.1% decrease from last year). Pure profit dropped significantly to 11.9 billion yen (41.8% decrease from last year) as impairment loss was calculated to be 7.7 billion yen.

As for the balance sheet, interest-bearing debt increased by about 62.0 billion yen from the previous year, as large-scale M&A capital was procured as debt. Equity ratio dropped roughly 7% from the previous year, hitting 50.1%, but we recognize that there is more than sufficient leeway in our financial foundation, so we want you to think of the debt increase as an expression of management's focus on forward-looking investment that will serve as leverage moving into the future.

FY2025 is the final year of the 2nd Medium-term Management Plan (current plan), and we have revised the target for operating profit down to 30.7 billion yen (from 41.0 billion yen in the original Plan released in April 2023) based on current conditions.

Operating profit margin is now 5.2%, but we believe that, compared to other companies in the industry, we are maintaining a high rate here as before. We expect that difficult business conditions will continue, so we are thoroughly investigating any issues apparent in the current plan while steadily moving forward with SUNNY's business PMIs. Furthermore, heading into the 3rd Medium-Term Management Plan beginning next year, we aim for a recovery of business performance in FY2025 and want all employees to come together as one with a strong will as we advance our growth strategies.

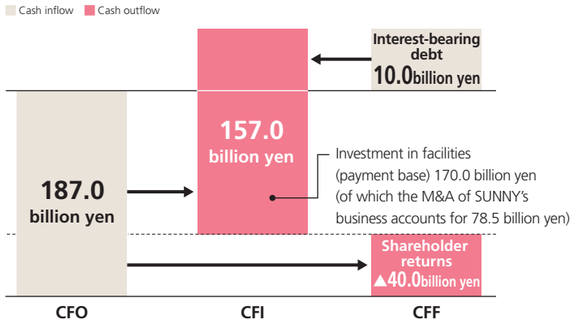
Cash Allocation

Emphasis on Balance of Investment for Growth and Shareholder Returns

In cash allocation, our basic policy is to allocate funds coming mainly from the operating cash flow generated from business so as to balance shareholder returns with M&A, new store openings, revitalization of existing stores, promotion of DX, and other investments for growth and investments in facilities. In the current plan, our five-year cumulative operating cash flow is expected to be 187.0 billion yen. Of that, we intend to allocate 157.0 billion yen to investment for growth, investment in facilities, and M&A investment. However, we do not restrict our amount of investment in M&A. As with SUNNY's business recently, we will also consider procuring more external capital depending on the situation.

We believe that shareholder returns is one of the most important items in cash allocation, so we make efforts to achieve stable and continuous shareholder returns. Our current basic policy is "a dividend payout ratio of over 30% with progressive dividends," but we are also considering raising the dividend payout ratio or introducing DOE as an indicator moving forward into the 3rd Medium-Term Management Plan. In line with this, our strategy is to continuously fine-tune as we also watch the timing of treasury stock acquisition.

Cash flow allocation



Shareholder returns	● Dividends	Dividend payout ratio: 30% or more (progressive dividend)
	● Treasury stock	Carrying out repurchases in the aim of achieving optimal capital structure & implementing flexible capital strategy
Financing	● Financing through Company funds & interest-bearing liabilities	
	● Net D/E ratio: goal of 0.5–1.0	
	● Equity ratio: 50% (for the present)	

Basic Policy on M&A Investment

Steadily Advance PMIs and Strengthen M&A

As stated above, one of the factors causing the large decrease in profit for FY2024 was that SUNNY's business did not become profitable fast enough. We believe that the main reason PMIs did not advance as planned was that this was the Company's first "carved-out" M&A, and we were not able to accurately grasp the PMI issues of a business separated from the Company. We are humbly reflecting on our naive judgement in this case of a retail business with many stores, where the Company had to absorb a great deal of the on-site costs.

However, we firmly believe that this M&A was not a mistake, as we head forward in the direction of growth. As more stores open in Fukuoka's appealing urban areas, and as well-regarded SUNNY's business sees advancing PMIs, we will recover and get a return matching our investment. We also clearly foresee a highly synergistic effect for existing supermarket business due to the acquisition of new know-how, such as in low-cost operation, which we have not had in the Group to this point.

Moving forward, M&A will retain its position as a key growth strategy for the Group. In the middle of dramatic changes in the retail landscape, we expect industry integration and restructuring to continue, and believe there is a high likelihood that M&A opportunities fitting the Company's area strategy and store strategy will emerge. We are set on rapidly returning SUNNY's business to a growth track and continuing to pursue a proactive M&A strategy.

Capital Efficiency and PBR Enhancement

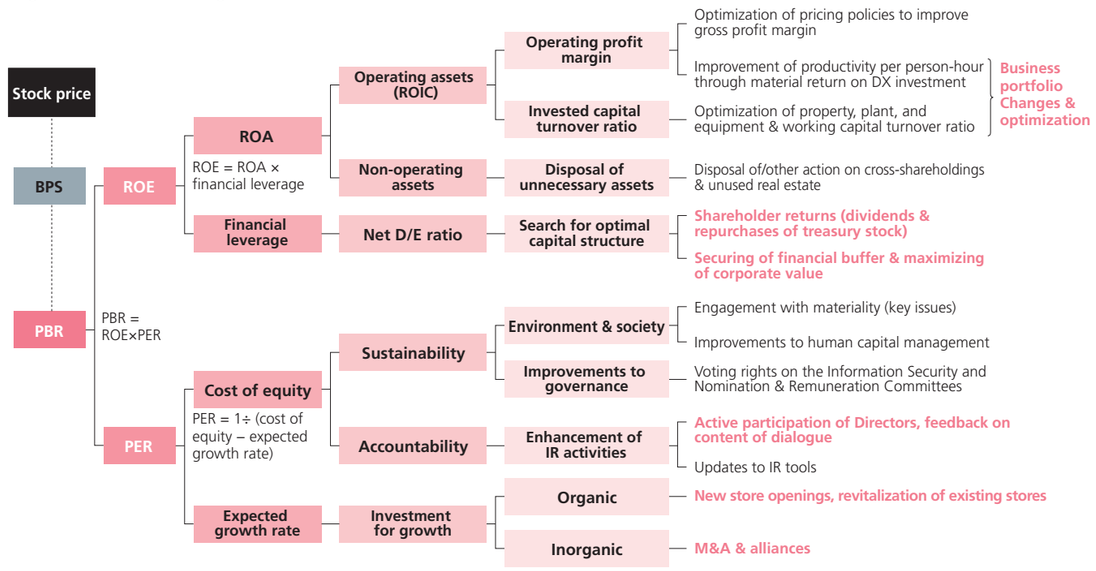
Pursuing Capital Efficiency while Becoming a Force for Daring Management Decisions

As a corporation listed on the prime stock market, I want to emphasize composition of capital/debt in the balance sheet and proper distribution of assets, in order to move forward with management that considers capital costs and stock price. Currently, the business environment is changing at a dizzying pace, and I believe that we must fully recognize the costs of capital procurement and move towards management that emphasizes a balance sheet that pursues highly-efficient returns, and away from management of the past that emphasized profits and losses. My policy is to promote a revolution of on-site employees' awareness of capital costs and returns.

And it is my policy moving forward as someone responsible for our financial situation to strictly analyze and investigate each asset accumulated by the Company, including businesses and stores, and maintain a strict standard for management's decision to either keep or to abandon and sell decaying low-profit assets, after attempting to bolster profits for a time. This does not mean we will restrict investments blindly, but rather, we will go all-in when we have rationally decided something is worth the challenge. This is the presence I would like to be, one that promotes bold decision-making by top management.

Logic Tree for Increasing PBR

Stock price = PBR × BVPS (net assets per share)



Promote ESG Management and Achieve Further Growth

Masahiro Nishikawa
Director [Outside and Independent Director]

Q. What do you think are Izumi Group's strengths and management issues?

I strongly feel that each store, rather than being profit-first, has a deeply-rooted awareness of its co-existence with the local community. Also, as expressed by the concept "a corporation is its people," I think a unique feature is our stance of devoting effort to initiatives in fostering personnel, starting with Izumi College (see p. 44) and proactively investing in people. Additionally, I think another one of the Company's strengths would have to be the rapid decision-making of management, centered around Chairman Yamanishi and President Machida.

On the other hand, I believe challenges we face include reforming supermarket business to automate stores, and how speedily we can reform distribution, partly in order to benefit from SUNNY, which we took over from Seiyu Co., Ltd.

Q. What are your impressions of the initiatives aimed at enhancing quality and guaranteeing safety of Izumi Group's products and services, and the challenges therein?

The key to enhancing quality and guaranteeing safety of products and services is securing a good work-life balance for employees and improving employee engagement scores.I believe that, through these, each and every employee will find the vitality to work, and we can encourage a sense of solidarity with the Company. Moving forward, I would like to visit many stores, and engage the employees in dialogue, so I can see how well I can absorb opinions from workers on-site.

Q. What are you are working on to improve governance moving forward?

Promoting management from the entire perspective of ESG is crucial, not only from governance. Regarding the environment, there are our challenges in becoming a decarbonized corporation and in minimizing waste. As for society, we are working on promoting diversity, encouraging a good work-life balance, health management, and enhancing employee engagement scores. Lastly, in governance, there are initiatives in thorough-going compliance education centered around antitrust laws, improving CSR evaluations by external evaluating institutions, strengthening cybersecurity, and human rights due diligence in the supply chain. I intend to engage in discussions regarding these matters in meetings with executives and at other opportunities.

Reason for Appointment

As chairman of the board of NISHIKAWA RUBBER CO., LTD., a Hiroshima-based company that manufactures and sells automotive parts and other products globally, he has extensive experience and a track record in corporate management. His wealth of knowledge and experience as a corporate manager in the manufacturing industry, which is different from the Company, would greatly contribute to the Company's quality control and productivity improvement. Therefore, the Company has determined that he is an appropriate person to supervise the execution of the Company's business, and has appointed him as an outside director.

Continuing to be a presence that supports the local community

Izumi Yano
Director [Outside and Independent Director]

Q. What some challenges and initiatives going forward regarding Izumi Group's organizational management?

The Company originally grew based on GMS Business, but we have struck forward with a policy of making SM Business another major pillar, as we devote ourselves to strengthening that business. The key to the success of those efforts will be full operation of the SUNNY's business. I believe that in order to grow this business, we must look not only to establishing normal quantitative management indicators, but also to clarify targets for our business activity foundation, such as in store operations, ordering system, and logistics, as we aim for Group-wide organizational improvement through internalization of SUNNY's business.

Q. What is the importance of collaboration with local communities and corporations from the perspective of a university president?

The retail industry brings life to market streets, and has fulfilled a significant role as a member of local communities for a long time, such as by participating in events in collaboration with schools, etc. There was a period of time where large-scale chain stores increased throughout the country and small retail became sparse in local communities, but our Group has always continued to watch these communities with care. Not only do we contribute to stable supply of quality goods and job creation in the local community, but by holding events such as festivals and jointly establishing public facilities in our stores, we have also helped to build up social functionality for communities where promotion or continuation of such functionality proved difficult for the residents and local governments alone. These activities have fostered affection for us in these communities, and I believe that our Group can become a presence beloved and supported by all.

Q. What are your insights into changes in consumer behavior and food trends?

In recent years there was an increased focus on healthy foods, which was reflected in consumer behavior, but beginning last year, there has been a strengthening of consumer focus on economy. Most food items, which are necessities, are products with little price elasticity of demand. Therefore, when food prices are trending upward, consumers do not stop buying food, but actively seek out more economical versions of products, while also trying to maintain an awareness of health. I expect our Group to strengthen its strategy, devote efforts to developing products, such as with private brands, and increasing real buying power, as we make the most of the opportunities presented to us.

Reason for Appointment

In her role as president of Hiroshima Shudo University, she is involved in many aspects of university administration, and possesses extensive experience in organizational management and a wide-ranging network. While her direct involvement in corporate management is limited to her experience in the position of director at The Hiroshima Shinkin Bank, she can boast profound knowledge of food distribution (with a focus on agricultural and marine products) through her academic research and other supplemental activities, including the succession of committee positions she has held, in various regions, relating to the management of central wholesale markets (city or prefectural markets operating with the authorization of the Minister of Agriculture, Forestry and Fisheries). Her considerable expertise and experience in food safety, food waste recycling, and similar topics will make significant contributions to improving Izumi's quality control, the expansion of our food-focused business, and other areas. Based on all of these and other factors, the Company has judged that she is well-qualified to supervise the execution of our business, and has duly appointed her as an outside director.

Contributing to enhancement of corporate value through consumer-aware proposals

Naomi Aoyama
Director [Outside and Independent Director]

Q. What insights do you have into the changes in consumer purchasing behavior?

Consumers' purchasing habits have been changing greatly these past few years. In particular, there has more complexity in family composition, with the rise of single individuals, dual income households, and elderly households, making for more diverse, individualized food needs. Additionally, there has been a clear trend towards focusing on products with high cost-performance and shopping around efficiently, as prices continue to rise. The Company has begun to flexibly respond to these changes, utilizing its strengths in consumer-perspective sales floor offerings and product lineup rooted in local communities. As an outside director, I will continue offer support such that we can continue to evolve in concert with customers' lifestyles and offer a purchasing experience filled with discoveries and everyday safety.

Q. What are some initiatives and results in creating a organizational landscape in which diverse individuals can play an active role?

There have been steady appointments of people with diverse careers to positions in management, as we are increasing the quality and pervasiveness of our decision-making. In the Nomination and Remuneration Committee, we hold annual meetings with presidents and executive officers from related companies, wherein I strongly believe you can see that everyone maintains an awareness of challenges and is dedicated to making improvements. Additionally, since my appointment, I have made proposals in various forms regarding appointment of women, and we have had many discussions in meetings of the Board of Directors. The appointment of our first female executive officer in spring of this year has been a symbol of change and a wonderful first step, as the Company can be said to be entering a transition period of these reforms. The source of a corporation's value comes from a culture where individuals can take on challenges as they wish based on opportunities and evaluations they acknowledge while they genuinely feel the reality of their own growth. I will continue to offer support across "All Izumi," including related companies, such that our organizational landscape allows diverse personnel to play an active role.

Q. What contributions are being made to the omni-channel strategy that merges online and offline efforts?

The Company has, to this point, mostly leveraged its strength of local community attachment with real stores as a base to build a relationship of trust with the customer. However, I feel that we can still have room to grow with digital arrangements and utilities such as online supermarkets and "Youme App." Omni-channels, such as hubs for pre-/post-purchase information, and enhancing convenience through collaboration between stores and online sales, are the key to raising the Company's value as lifestyle infrastructure in the local community even higher. I would like to continue supporting advancements in this area through realistic, consumer-perspective advice.

Reason for Appointment

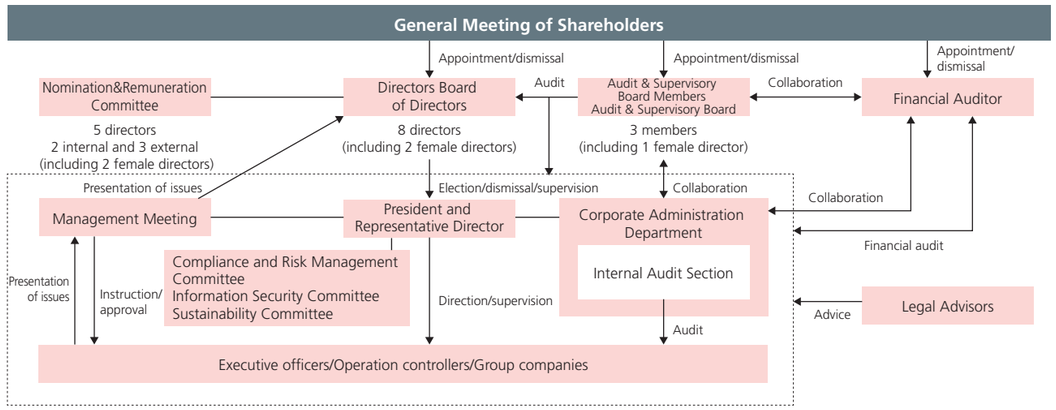
She established Stylebis Inc. and engaged in the consulting business for e-commerce and other areas. Based on her wealth of experience and knowledge in marketing from a consumer perspective, she has provided opinions and proposals for the Medium-Term Management Plan especially on the promotion of digital investment strategies, diversity, and the SDGs, as well as ESG perspectives in business. Therefore, the Company has determined that she is an appropriate person to supervise the business execution of the Company, and has appointed her as an outside director.

Corporate Governance

Our basic stance

We aim to maximize our corporate value by achieving customer satisfaction while fulfilling our social responsibilities in line with high ethical standards, allowing us to meet the expectations of our customers, employees, business partners, local communities, and other stakeholders. Furthermore, in order to increase our corporate value over the medium to long term, we place great importance on increasing the transparency, fairness, and productivity of our corporate activities, and will work to reform our management organization, develop various systems, and enhance our internal control system. We will continue to promote compliance management in this manner to achieve corporate governance that our stakeholders can trust.

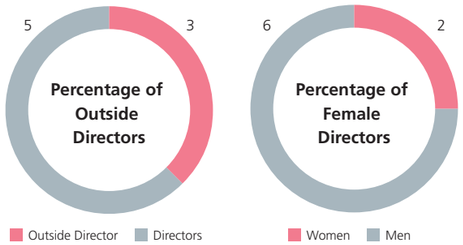
Corporate governance structure (As of May 31, 2025)



Board of Directors

The Company's Board of Directors is composed of eight directors, including three independent outside directors (two of whom are women). We have set the term of office to one year, and are striving to achieve transparent business execution and clarified management responsibilities. The Board of Directors generally meets once a month to fully deliberate and supervise the execution of director duties. In addition to what is stipulated in laws and regulations and our Articles of Incorporation, decisions are made on important matters related to our business in accordance with the rules of the Board of Directors. In FY2024, the Board of Directors' meetings were held 17 times, with an average meeting time of 1 hour and 41 minutes.

Composition of the Board of Directors (after the Ordinary General Meeting of Shareholders to be held in May 2025)



Key subjects for resolution brought before the Board of Directors in FY2024

		Key agenda items
Resolutions	49	Includes approving business reporting, financial statements, securities reports, corporate governance reports, and other documents; approving internal control plans; determining director remuneration; deciding store openings and closures; and disclosure of information relating to our management, which is practiced with a regard for the cost of capital and stock price.
Reports	34	Includes monthly performance and other sustainability-related issues, issues relating to information security, progress on properties connected to store openings, results of questionnaires evaluating the effectiveness of the Board of Directors, and response to cyber attacks.
Discussions	5	Management policy of the Board of Directors, measures to achieve management that takes into account matters such as capital costs and stock prices, future business direction.

Analysis and evaluation of effectiveness of the Board of Directors

In order to analyze and evaluate the overall effectiveness of our Board of Directors, the Izumi Group surveys all directors and Audit & Supervisory Board members by means of a questionnaire. Based on the results of this questionnaire, the Board of Directors discusses the Board's composition, matters discussed therein, its management, and response to any issues raised.

FY2024 process for evaluating effectiveness

Event date	Contents
August 2024	Questionnaire evaluating the effectiveness of the Board of Directors was given to a total of 11 directors and Audit & Supervisory Board members Key factors in evaluation ● Composition of the Board of Directors ● Operation of the Board of Directors ● Deliberations of the Board of Directors ● Response to the issues in previous years' surveys
October 2024	Report on the results of the questionnaire and sharing of issues with the Board of Directors
October – December 2024	Discussions on issues at meeting of the Board of Directors

Next steps following evaluation

We believe the following issues are important to discuss: the future, growth strategies, a review of medium-term management plans, the establishment of M&A-related systems, the strengthening of product competitiveness, establishing plans to develop successors, issues related to the appointment of female executives from within the Company, group governance, IT risk management, and our BCP response. In FY2024, we actively discussed the future direction of our business, our Company's value, and the appointment of female managers.

Purpose and activities of each organization

Audit & Supervisory Board

To ensure the legality and appropriateness of our business operations, we appoint outside auditors who are specialists that include Company managers with experience working at major auditing firms as certified public accountants and tax accountants. These auditors are responsible for auditing management issues through an auditing system that the Company has established with the support of internal departments.

Main topics of discussion

1) Matters concerning audit policy, audit plan, and audit methods
2) Determination of whether to reappoint financial auditors
3) Establishment of audit standards for auditors

Nomination&Remuneration Committee

This committee deliberates on matters resolved at General Meetings of Shareholders, such as the appointment and dismissal of directors, the appointment and dismissal of the representative director, director remuneration, and succession plans, which includes director training, as well as the formulation and revision of related policies and standards, and reports these to the Board of Directors.

Main topics of discussion

1) Matters concerning representative director succession
2) Executive personnel matters
3) Determination of remuneration and performance-based bonuses for directors and representative directors of major subsidiaries

Information Security Committee

This committee ascertains security risks to the information assets of the entire Group and responds appropriately. It also educates employees about and promotes awareness of security risks at the Company level.

Main topics of discussion

1) Progress reports on security response
2) Status of response to vulnerabilities identified during the period
3) Explanation and education concerning new rules and solutions

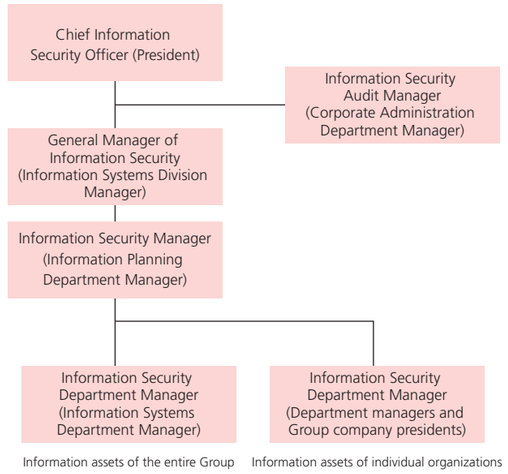
Creative recovery from ransomware attacks

As part of our defensive DX, we are strengthening our defenses against ever-evolving cyberattacks through machine-based defense (systems-related measures) and people-based defense (education-related measures). The Information Security Committee regularly shares information among Group companies and promotes improved collaboration.

Regarding machine-based defense, in addition to updating systems, we are enhancing various vulnerability countermeasures, including multi-factor authentication and EDR(Endpoint Detection and Response), which address the three steps of information security: keep attackers out, stop damage from spreading, and enable rapid recovery.

With respect to people-based defense, we have clarified the role of the chief information security officer (CISO) and established an incident response team called the CSIRT with the view that information security is a management issue. Through information security education and regular training, we have enabled a swift response in the event of an incident.

Information security structure



Compliance and Risk Management Committee

This committee aims to maintain a compliance structure for the entire Izumi Group, to respond appropriately to management risks, and to minimize the damage and impact if such risks materialize.

Main topics of discussion

1. Raising awareness by disseminating updated information on legislation reforms and reporting on the current status of responses
2. Reporting on risk response activities
3. Sharing of and countermeasures for compliance violations that have occurred at other companies

Director remuneration

Remuneration for the Company's directors and executive officers consists of basic remuneration, performance-based remuneration, and stock-based remuneration, as outlined below.

Overview of Remuneration Structure

Type of Remuneration	Performance / non-performance based	Method of payment	Pay mix
Basic compensation	Fixed	Cash	60%
Performance-based remuneration	Performance-based	Cash	25%
Non-financial compensation	Performance-based	Stock	15%

Details and calculation method for remuneration

Basic compensation	The Company's basic remuneration for directors comprises a monthly fixed remuneration, set in consideration of a comprehensive range of factors, including position, working responsibilities, and the Company's financial situation.
Performance-based remuneration	It comprises a sum calculated on the basis of individual evaluation and the degree to which target figures for ordinary profit and other metrics in each fiscal year are met, awarded each year as an end-of-year bonus during a fixed period following the end of the fiscal year in question. Target KPIs and their figures are set in the planning stage, in conformity with the Company's Medium-Term Management Plan, and are reviewed if necessary to adapt to changes in circumstances with consideration of the reporting of the Nomination & Remuneration Committee.
Non-financial compensation	Remuneration is in the form of restricted stock, and is granted at a specific time each year. The number of shares allotted to an individual director is determined by multiplying a standard level of stock compensation (calculated by multiplying the sum of the individual director's fixed remuneration by a coefficient determined by his or her position) by a coefficient (0.90 to 1.10) expressing the degree to which the Company's performance targets were met, which the sum is divided by the share value at the time of allocation.

Amount of Remuneration, etc. for each Officer Category (FY2024)

Officer Category	Total remuneration, etc. (million yen)	Total remuneration, etc. by type (million yen)			Number of eligible officers
		Basic compensation	Performance-based remuneration, etc.	Non-financial Basic remuneration compensation, etc.	
Directors (excluding outside officers)	313	252	0	61	5
Audit & Supervisory Board Members	14	14	—	—	1
Outside officers	36	36	—	—	6

Cross-shareholdings

As a general rule, it is the Company's policy not to hold cross-shareholdings, and we will continue to gradually reduce those we currently hold. The Board of Directors will consider, as necessary and from the perspective of our medium-term management plan, whether it is advisable to retain any shares held, and disclose the results of this review. Exercising the voting rights attached to shares held is carried out on the basis of judgments as to whether the proposals in question will contribute to sustainable growth and medium-to long-term improvements in corporate value for the Company concerned, and whether they could damage shareholder value.

Dialogue with shareholders and investors

The Company aims to achieve sustainable growth and increase corporate value over the medium to long term through constructive dialogue with shareholders. This dialogue is supervised by the president and representative director, with the basic principle of having senior management participate in meetings within a reasonable scope, taking into account the wishes of shareholders and the main matters of interest. For example, opinions and concerns raised by shareholders are fed back to management via means that include reports at meetings of the Board of Directors.

The Corporate Planning Department is in charge of IR, cooperating with the General Affairs Department and other related departments, and disseminating information to individual shareholders and institutional investors. In FY2024, the Company held a briefing session for analysts and institutional investors summarizing our financial results and management policies after the semi-annual and annual announcements of our financial results. In addition, communication is actively promoted through exchanges at opportunities that include one-on-one meetings, conferences held regularly by securities companies, site visits, and briefings for individual investors.

Major IR and SR Activity Results in FY2024

Item	Frequency
Annual General Meeting of Shareholders	1
Financial results briefings (Large meetings)	4
Small meetings	13
Individual meetings, etc.	103(total)
Overseas investor conferences	13
Overseas roadshows	6
Site visits	4
Briefings for individual investors	1

Risk Management

Policy and Structure

The Compliance and Risk Management Committee is administered by the Corporate Administration Department, which is independent from other divisions, and meets once a month. Compliance and Risk Management Committee members selected from each division of the Company and each of our Group companies attend these meetings to report on and discuss the Group's overall compliance training and risk management monitoring activities. The results of these discussions are reported to our directors and Audit & Supervisory Board members. In addition, to ensure full compliance with the law in our business activities and raise awareness around this issue, the Company has set up an internal reporting system, the Izumi Hotline. The Company is also committed to preventative measures against the various risks that may be faced by the Company and our Group companies. To handle such risks as may arise in our business activities, we have set up a Company-wide communication structure with the primary aims of securing the safety of our customers and minimizing damages and other losses. This structure puts in place a system allowing an emergency task force to be established immediately in the event of an earthquake or other

Business Risks

The major risks that the president and representative director recognizes as potentially having a significant impact on the Group's financial position, operating results, and cash flows are as follows.

Major Risks and Responses*

Item	Major Risks	Major Response
Information Security	● Diversifying and sophisticated computer viruses, cyber attacks, management errors by employees and contractors	● Established an Information Security Committee that aims to prevent risks such as the loss, destruction, falsification, or leaking of information; appointed information security managers as well as administrators from each division; built and are operating a system able to guarantee effective information security measures ● Worked to strengthen our information by establishing the position of chief information security officer (CISO), building a defense-in-depth security framework, and enhancing our monitoring system
Food Safety	● Food accidents such as food poisoning or foreign matter contamination or food labeling errors	● Strengthen the organization in charge of quality control and product labeling ● Thorough hygiene management and food labeling in accordance with HACCP ● Regular microbial testing of in-store prepared food
Natural Disasters	● Impacts on our business activities as a result of breakdowns in societal infrastructure ● Loss of community and societal trust and damage to our brand if we do not enact the aforementioned disaster-response measures	● Introduced a safety monitoring system to immediately check in on the personal safety of our employees and their families in the event of a disaster ● Formation of a disaster-response headquarters in the event of a disaster
Personnel and Labor	● Changes in personnel and labor-related laws and regulations and systems, labor supply and demand due to the progress of the low birthrate and aging population, and other changes in the business environment	● Created working environments and human resource training giving employees the option to choose flexible ways of working tailored to their individual circumstances and allowing all employees to thrive based on their drive and abilities, without reference to their gender, age, educational background, or related factors
M&A	● Increase in amortization expenses due to new goodwill and recognized intangible assets arising from acquisitions ● Impairment of goodwill, recognized intangible assets, and stock acquisition costs due to failure to achieve initially expected profits and effects, and the occurrence of unexpected contingent liabilities and unrecognized liabilities	● Conducted detailed due diligence on target companies' financial details and contractual relationships
Asset Holding	● The Company's financial position and business performance may be affected if changes such as deviations between actual results and the investment plan at the time of decision-making, or a decline in store profitability, materially reduce the recoverable amount and make impairment accounting necessary	● In applying the accounting standards and related guidance on the impairment of fixed assets, the store was adopted as the basic unit, representing the smallest unit generating cash flows, and revenue was managed on a store-by-store basis
Business Continuity	● In the event of a large-scale natural disaster that exceeds expectations, damage to buildings and equipment of business hubs such as stores, interruption of various infrastructures, suspension of information systems, disruption of supply chains and absence of decision makers, etc.	● Formulated basic policies in the event of a large-scale disaster in the regions where our business hubs are located ● Formulated business continuity plans (BCPs) and established business continuity management (BCM) systems at each business hub
Market Fluctuations	● Influence of weather, economic conditions, personal consumption trends, competition with other retail companies, etc. ● Losses due to lower profits from existing stores and new stores in the future, or store closures due to these fluctuations ● Impact of higher-than-expected fluctuations in interest rates, foreign exchange rates, stock prices, etc.	● Capital investment through the procurement of interest-bearing liabilities
Regulatory and Institutional Trends	● Impact of official regulations, loss of liability for damages, etc., and loss of customer confidence resulting from a situation such as the sale of problematic products due to an unforeseen reason ● Due to revisions to the Act on the Measures by Large-Scale Retail Stores for Preservation of Living Environment, City Planning Act, and Building Standards Act, as well as changes in regulations established by prefectures, etc., difficulty in opening new stores or renovating existing ones, and a decreased number of potential store openings in the future	● Compliance with various legal regulations such as the Antimonopoly Act, consumer protection-related acts, environmental and recycling-related acts, and the Personal Information Protection Act

*Matters concerning the future and major response measures are based on the judgments made by the Group as of August 31, 2025, and the risks to our business and other areas are not limited to those listed in the table above.

List of Executives

Directors

	Yasuaki Yamanishi	Shigeki Machida	Daisuke Yamanishi	Hideki Tahara	Takayuki Aoki
	Chairman and Representative Director	President and Representative Director	Deputy President and Director	Director	Director
Date of birth	July 31, 1946	April 23, 1967	September 25, 1979	August 25, 1968	July 18, 1967
Main career history	Dec. 1977 Joined the Company May 1981 Director of the Company May 1982 Managing Director of the Company Apr. 1984 Senior Managing Director of the Company May 1988 Representative Senior Managing Director of the Company May 1991 Deputy President and Representative Director of the Company Mar. 1993 President and Representative Director of the Company Apr. 2025 Chairman and Representative Director (current position)	Apr. 1991 Joined the Company Jun. 2013 Executive Officer and Department Manager of Kyushu zone of the Company Feb. 2014 Executive Officer and Clothing Business Department Manager of the Company May 2021 Director and Corporate Planning Department Manager of the Company Mar. 2022 Director and Senior Managing Executive Officer and Corporate Planning Department Manager of the Company Mar. 2023 Deputy President and Director of the Company Apr. 2025 President and Representative Director (current position)	Aug. 2005 Joined the Company Sep. 2017 General Affairs Department Manager of the Company Mar. 2020 Executive Officer and Chuo Business Department Manager of the Company Mar. 2021 Executive Officer and Operating Process Reform Division Manager of the Company Mar. 2022 Senior Executive Officer and Administration Division Manager of the Company May 2023 Director and Corporate Planning Division Manager of the Company Apr. 2025 Deputy President and Director (current position)	Apr. 1991 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Apr. 2020 Executive Officer and General Manager of Public Relations Department of Sumitomo Mitsui Banking Corporation , and Executive Officer and General Manager of Public Relations Department of Sumitomo Mitsui Financial Group Apr. 2022 Executive Officer and Deputy Head of Corporate Advisory Division of Sumitomo Mitsui Banking Corporation May 2024 Senior Managing Executive Officer and Administrative Division Manager of the Company May 2025 Director, Senior Managing Executive Office and Administration Division Manager of the Company (current position)	Apr. 1990 Joined Sumitomo Corporation Oct. 2019 General Manager of the Real Estate Investment & Development Department of Sumitomo Corporation Apr. 2024 Managing Executive Officer, Development Division Vice Manager and Tenant Division Manager of the Company Apr. 2025 Managing Executive Officer and Development Division Manager of the Company May 2025 Director, Managing Executive Officer and Development Division Manager of the Company (current position)
Rate of Attendance at Board of Directors Meetings (FY2/2025)	17/17	16/17	17/17	—*1	—*1
Rate of Attendance at Audit & Supervisory Board Meetings (FY2/2025)	—	—	—	—	—
Number of Shares Held (thousands of shares)	1,971,833	18,967	743,083	2,378	1,839

*1 Mr. Hideki Tahara and Mr. Takayuki Aoki were appointed at the ordinary general meeting of shareholders on May 28, 2025, and have attended every meeting of the Board of Directors since being appointed.

Audit & Supervisory Board Members

	Masahiro Nishikawa	Izumi Yano	Naomi Aoyama	Hideaki Hisanaga	Tomoko Horikawa	Hirotaka Okada
	Director (Outside Director / Independent Director)	Director (Outside Director / Independent Director)	Director (Outside Director / Independent Director)	Audit & Supervisory Board Member (Full-time)	Audit & Supervisory Board Member (Outside Auditor / Independent Auditor)	Audit & Supervisory Board Member (Outside Auditor / Independent Auditor)
Date of birth	December 9, 1948	Apr. 14, 1967	May 27, 1966	January 11, 1961	March 9, 1966	February 15, 1957
Main career history	Apr. 1972 Joined NISHIKAWA RUBBER CO., LTD. Jun. 1979 Director of NISHIKAWA RUBBER CO., LTD. Mar. 1985 Senior Managing Director of NISHIKAWA RUBBER CO., LTD. Oct. 1986 Representative Director President & Chief Executive Officer of NISHIKAWA RUBBER CO., LTD. Jun. 2006 Outside Audit & Supervisory Board Member of Utsumiya Co., Ltd. (current position) Jun. 2017 Chairman and Representative Director of NISHIKAWA RUBBER CO., LTD. May 2023 Outside Director of the Company (current position) Apr. 2025 Chairman of the Board of NISHIKAWA RUBBER CO., LTD. (current position)	Apr. 1996 Lecturer of Faculty of Commercial Sciences of Hiroshima Shudo University Apr. 2015 Professor of the Faculty of Commercial Sciences of Hiroshima Shudo University (current position) Apr. 2020 Vice President of Hiroshima Shudo University Head of Center for the Co-Creation of Hiroshima's Future of Hiroshima Shudo University Director (current position) and Councilor of SHUDO GAKUEN Apr. 2022 President of Hiroshima Shudo University (current position) Jun. 2023 Director of The Hiroshima Shinkin Bank (current position) May 2024 Outside Director of the Company (current position)	Apr. 1989 Joined Toshiba Corporation Apr. 2000 Joined eLife Inc., General Manager of New Business Development Department Jun. 2004 Established Stylebis Inc., Representative Director (current position) May 2021 Outside Director of the Company (current position) Aug. 2022 Outside Director of ASKUL Corporation (current position) May 2023 Visiting Professor at iU Professional University of Information and Management for Innovation (current position)	Apr. 1984 Joined the Company Nov. 2010 General Manager of the Company's Takamatsu store Oct. 2012 Department Manager of Chuo and Sanin zones of the Company Sep. 2017 Kaizen Promotion Department Manager of the Company Jun. 2021 General Manager of Yumesaito of the Company Mar. 2023 Associate Director of Audit & Supervisory Board Member's Office of the Company May 2023 Audit & Supervisory Board Member of the Company (current position)	Oct. 1991 Certified public accountant, joined Century Audit Corporation Mar. 1999 Retired from Century Audit Corporation Joined Chugoku Mokuzai Co., Ltd., Audit & Supervisory Board Member (full-time) Apr. 2012 Managing Director, Division Manager of the Corporate Planning Division, and General Manager of President's Office Feb. 2015 President May 2020 Audit & Supervisory Board Member of the Company (current position) Oct. 2022 Chairman and Representative Director of Chugoku Mokuzai Co., Ltd. Oct. 2024 Chairman of the Board of Chugoku Mokuzai Co., Ltd. (current position)	Jul. 2009 District Director of Takehara Tax Office Jul. 2014 Chief Internal Inspector, Hiroshima Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency Jul. 2016 Assistant Regional Commissioner, Large Enterprise and Criminal Investigation Department, Hiroshima Regional Taxation Bureau Jul. 2017 Retired from Large Enterprise and Criminal Investigation Department, Hiroshima Regional Taxation Bureau Aug. 2017 Established a tax accountant office (current position) May 2020 Audit & Supervisory Board Member of the Company (current position)
Rate of Attendance at Board of Directors Meetings (FY2/2025)	17/17	12 / 13*2	16/17	17/17	10/17	17/17
Rate of Attendance at Audit & Supervisory Board Meetings (FY2/2025)	—	—	—	19/19	13/19	19/19
Number of Shares Held (thousands of shares)	—	—	100	350	—	—

*2 Ms. Izumi Yano was appointed at the ordinary general meeting of shareholders on May 29, 2024, and these numbers indicate her attendance at meetings of the Board of Directors since her appointment.

Possessed Experience and Skills

Areas in which our directors and Audit & Supervisory Board members have (●) or are developing (○) expertise or experience

Name	Position	Business management Management Strategy	Ability to respond to change	Retail Experience	Product development Merchandising	Store opening strategy	Financial accounting Finance	Governance Risk management Legal affairs	Personnel & labor Capacity Building	ESG Sustainability	IT Promoting digital transformation
Yasuaki Yamanishi	Representative Director	●	●	●		●		●	●	●	○
Shigeki Machida	Representative Director	●	●	●	●	●	●	○	○	●	○
Daisuke Yamanishi	Director	●	●	●	○	○	●	○	●	●	○
Hideki Tahara	Director	●	●			○	●	●	●	●	○
Takayuki Aoki	Director	○	●			●			●	○	
Masahiro Nishikawa	Outside Director	●	●				●	●		●	
Izumi Yano	Outside Director	●	●	●	○			●		●	
Naomi Aoyama	Outside Director	●		●					●	●	●
Hideaki Hisanaga	Audit & Supervisory Board Member (Full-time)	○	●	●	●			○		○	
Tomoko Horikawa	Outside Audit & Supervisory Board Member	●	●				●	●	●	●	
Hirotaka Okada	Outside Audit & Supervisory Board Member						●	●			

Executive Officers

Susumu Mizoguchi
Senior Executive Officer and Group Management Division Manager

Tomohiro Kawasaki
Senior Executive Officer and Food Supermarket Division Manager

Mutsuo Abe
Senior Executive Officer and President and Representative Director of Youme Mart Kitakyushu Co., Ltd.

Masamichi Yamano
Senior Executive Officer, Food Division Manager and PB Project Leader

Atsushi Kobayashi
Senior Executive Officer and Corporate Planning Division Manager

Keishi Okamoto
Executive Officer and Information Systems Division Manager

Tadatoshi Yanai
Executive Officer and Delica Division Manager

Manabu Tanabe
Executive Officer and GMS Division Manager

Kenji Miura
Executive Officer and Tenant Division Manager

Shin Katayama
Executive Officer and Sales Planning Division Manager

Hideki Umeda
Executive Officer and Lifestyle Division Manager

Kiminari Taira
Executive Officer and Corporate Planning Department Manager

Kozo Okubo
Executive Officer and Investment Promotion Business Department Manager

Taikou Miyatsugu
Executive Officer and Personnel Department Manager

Shinsaku Hirose
Executive Officer and President and Representative Director of Izumi Food Service Co., Ltd.

Tomohiro Teramoto
Executive Officer and President and Representative Director of Youme Mart Kumamoto Co., Ltd.

Akiko Jiromaru
Executive Officer and Manager of General Affairs Department of Administrative Division

Naoko Tomachi
Executive Officer and Manager of Capacity Building Department of Administrative Division

Hideo Kouchiyama
Izumi Executive Officer status Director and SUNNY Business Division Manager of Youme Mart Kumamoto Co., Ltd., and Manager in charge of the SUNNY Business of Izumi Co., Ltd.

Creating new value and pursuing sustainability together with local communities and wider society

We formulated our Basic Sustainability Policy in October 2021 in order to adapt to the changing times and respond to societal needs. We are promoting sustainability management that allows us to create new value for society through our business activities and pursue mutual sustainability for society, local communities, and our Company.

Basic Sustainability Policy

1. We will formulate a forward-looking long-term vision and work to solve social issues through our business.
2. We will build strong relationships of trust with all of our stakeholders and fulfill our social responsibilities together through dialogue.
3. We will engage in community-based activities and provide long-term value through activities for the improvement and maintenance of better living environments in order to develop alongside our local communities.

Materiality

We identified the materiality of various issues in May 2022, considering both social issues and issues relevant to our business activities, and taking into account the degree of importance of each issue. Our societies and the environments in which we do business are changing dramatically. Against this backdrop, we will continue to work toward increasing our sustainable corporate value.

Materiality Identification Process

Step1
Issue Identification
Referred to GRI standards, ISO 26000, and SDGs to identify issues in society and in our Group.

Step2
Issue Analysis
Created a materiality matrix using the level of impact on society and our Group's business based on the issues identified.

Step3
Selection of Materiality Candidate
Selected 11 materiality candidates based on their importance to society and perceived importance to our Group.

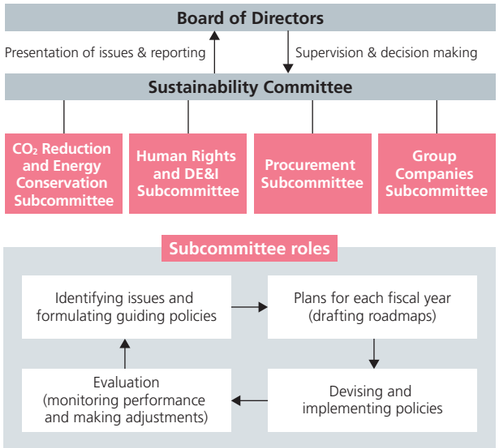
Step4
Materiality Identification
Identified materiality and initiatives with final approval by the Board of Directors in May 2022.

Structure for sustainability promotion

The Sustainability Committee is a structure we have established to promote sustainability. This Company-wide organization is chaired by the president and representative director and deliberates on initiatives aimed at resolving sustainability issues. The Board of Directors receives reports on the matters deliberated on by the Sustainability Committee, provides oversight, and makes decisions.

In FY2024, the committee met four times to discuss progress toward climate change targets and develop countermeasures, policies related to solar power generation facilities and renewable energy use, and measures to resolve major human capital issues. In FY2025, it will check progress and identify issues in line with the roadmap, while working toward making the Company better equipped to achieve the related KPIs.

Structure for sustainability promotion



Structure (subcommittees)	Role
CO_2 Reduction and Energy Conservation Subcommittee	● Tracking progress on climate change-related targets and drafting measures in this area ● Discussing measures for the use of photovoltaic systems and renewable energies ● Drafting plans for and implementing the installation of energy-saving equipment in our stores and beyond
Human Rights and DE&I Subcommittee	● Creating and operating human rights due diligence mechanisms ● Evaluating potential impacts, drafting improvement measures, and providing education relating to human rights risks ● Action on statutory disclosure
Procurement Subcommittee	● Setting targets and drafting measures relating to sustainable procurement ● Explaining Izumi's procurement policy to our business partners ● Engaging with suppliers using the Global Compact Network Japan's CSR/Sustainable Procurement Self-Assessment Questionnaire
Group Companies Subcommittee	● Sharing sustainability-related information among Group companies ● Checking each Group company's sustainability measures and progress on targets

Materiality	Social Issues	Risks	Opportunities	Business Strategy	Initiatives	Targets	Key initiatives in FY2024
Local communities and customers Creating enriched lives together with local communities and customers	● Declining birthrate and aging population ● Population decline ● Frequent natural and human-made disasters	● Reduced sales opportunities due to population decline, societal aging, and other factors ● nsufficient collaboration with local communities leading to inability to open new stores as planned	● Increased sales opportunities due to regional revitalization ● Building trust through increased awareness of our role as part of regional infrastructure	● Expanding new store openings ● Comprehensive agreements and agreements for the provision of emergency supplies with governmental bodies	● Providing customers with convenient ways to shop (expansion of online supermarket services) ● Providing products and services that consider various customers, such as senior citizens and single-person households ● Signing comprehensive agreements and agreements for the supply of goods during disasters ● Providing places for customers in local communities to gather	● Build a 300-store network (FY2030) ● Promote last-mile solutions, with 5.0 billion yen in e-commerce transactions (FY2025)	● Open 3 new stores (11 new stores in total from FY2021 to FY2024) 1 SM store, 1 NSC (neighborhood shopping center), 1 rebuilding of an aging store (S&B) ● 2.2 billion yen in e-commerce transactions (our e-commerce website Youme Online + our online supermarket Youme Delivery)
Environment Achieving a decarbonized society and efficiently using resources	● Impacts of climate change ● Effective use of resources ● Reduction of food loss	● Physical damages due to rise in natural disasters ● Surge in purchasing costs due to extreme weather events and rising costs of raw materials	● Cost reductions through energy conservation, waste reduction, recycling, etc. ● Improving our corporate brand as a leading company for environmental sustainability	● Reduce CO_2 emissions associated with store operations ● Promotion of recycling ● Reduction of food waste	● Reduce CO_2 emissions associated with store operations ● Reduction of plastic containers and packaging, and effective resource use ● Reduction of food waste and waste generated by stores ● Implementation of food recycling	● Reduce CO_2 emissions associated with store operations by 50% (relative to FY2013) (FY2030) ● Net zero CO_2 emissions from store operations (FY2050)	● Reduce CO_2 emissions associated with store operations by 32.4% (relative to FY2013) ● Implement on-site and off-site PPA measures ● Consider CO_2 reduction measures, including for Group companies
Safety and security Creating value by providing safety and security, and through products and services	● Sales of sustainable products ● Sales of safe and secure products	● Customer attrition due to product-related accidents and similar ● Loss of trust due to infringement of laws and regulations relating to quality control, quality labeling, etc.	● Increased customer loyalty ● Increased sales opportunities through provision of products that meet customer needs	● Expansion of sales of sustainable products ● Thorough hygiene management	● Thorough hygiene management ● Expansion of health-conscious and allergen-free products ● Sustainable procurement of marine and agricultural products	● Proportion of products categorized as sustainable (FY2030) Food Division 8.4% Delica Division 5.0% Lifestyle Division 5.6%	● Progress management for sustainable procurement roadmap ● Prepare to obtain MEL certification, a fisheries eco-labelling certification
Diversity Creating an environment where diverse human resources can thrive	● Shrinking workforce ● Empowering women in the workplace ● Employee engagement	● Worsened company image, customer attrition, decrease in employee engagement ● Difficulty in retaining human resources, exodus of employees to other companies	● Enhancing our competitive edge through diversity ● Increased engagement, talent acquisition	● Providing spaces that allow diverse human resources to thrive ● Creating working environments that empower women	● Ratio of women in managerial positions and employment rate of people with disabilities ● Gender equality, and support for the young, elderly, and others in playing active roles ● Creation of a working environment that suits different life stages	● 14.0% of women in managerial positions (FY2025) ● 100.0% of eligible male employees taking childcare leave, etc. (FY2025)	● 11.8% of women in managerial positions ● 106.5% of eligible male employees took childcare leave, etc. ● Review employee awareness through unconscious bias training, leadership development training for female employees, and LGBTQ training

Contributing to the environment and society through business activities

In our aim to be a sustainable company that contributes to both local communities and our planet, we have established our "you me MIRAI (future) Action" plan, which sets out the vision we hope to achieve by 2050. As part of this process, we have established numerical targets and an action plan, and are working toward these at a Group-wide level.

Vision	Specific initiatives	FY2024 results	2030 targets	2050 vision
Decarbonized Society	Reduction of CO_2 emissions	Reduce CO_2 emissions associated with store operations by 32.4% (relative to FY2013)	Reduce CO_2 emissions associated with store operations by 50% (relative to FY2013)	Net zero CO_2 emissions from store operations
			Reduce not only our own CO_2 emissions (Scopes 1 and 2) but also Scope 3 emissions, for reductions throughout our supply chains	
Recycling Oriented Society	Action on plastics	Plastic bag usage reduction rate of 71.5% (relative to FY2018)	Plastic bag usage reduction rate of 80% (relative to FY2018) Switch to biomass and similar materials for grocery bags	Reduce use of plastic bags to zero
	Measures for cutting food loss and food waste recycling	Cut food loss by 64.1% (relative to FY2018)	Cut food loss by 50% (relative to FY2018)	Cut food loss by 80% (relative to FY2018)
		Recycle 57.3% of food waste	Recycle 70% of food waste	Recycle 100% of food waste
A Society in Harmony with Nature	Protection of biodiversity	Analyze presence of and impact on biodiversity	Expand provision of sustainable products and promote ethical consumption	

Contributing to a decarbonized society

Information disclosure based on TCFD recommendations

We recognize the importance of the impact of climate change on business activities and the sustainability of local communities and society, and have expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Based on the TCFD recommendations, we disclose our climate change response efforts in four areas: governance, strategy, risk management, and metrics and targets.

Expanding the use of renewable energy

We have been installing solar power panels at our locations since 2015, and introduced a PPA (Power Purchase Agreement) model in 2021. In July 2024, we worked with Chugoku Electric Power Co., Ltd. to establish a system to cover all electricity usage at five stores in the Chugoku region with renewable energy. Currently, 10 stores, including Youme Town Hiroshima (Hiroshima Prefecture), are operating entirely on 100% renewable energy.

Financial impact of significant transition risks

The Company has estimated the financial impact of risks and opportunities in 2030 as follows.

Important parameters	Scope	Expected medium-term financial impact (minimum)	Expected medium-term financial impact (maximum)	Explanation	Parameters used
Costs of introducing a carbon tax and emissions trading	Group*	2,270 (million yen)	2,270 (million yen)	Increased costs due to carbon tax (calculated at 13,000 yen/t-CO_2 based on the 1.5°C scenario. (Not introduced in the 4°C scenario)	IEA WEO2021
Electricity charges after efforts to save energy	Group*	385 (million yen)	1,494 (million yen)	Increased procurement costs for electricity from renewables	IEA WEO2019

Financial impact of significant physical risks and opportunities

Important parameters	Scope	Expected medium-term financial impact (minimum)	Expected medium-term financial impact (maximum)	Explanation	Parameters used
Losses from floods, storm surges, etc.	Group*	1,330 (million yen)	2,298 (million yen)	Losses were calculated based on the number of employees at each location, multiplied by the probability of flooding and storm surges as derived from flood control plans	Ministry of Land, Infrastructure, Transport and Tourism: Manual for Economic Evaluation of Flood Control
Losses from business suspension	Group*	306 (million yen)	540 (million yen)	Losses were calculated based on the flood depth at each location, multiplied by the probability of flood occurrence as derived from flood control plans.	Ministry of Land, Infrastructure, Transport and Tourism: Manual for Economic Evaluation of Flood Control

*The Group consists of Izumi Co., Ltd., Youme Mart Kumamoto Co., Ltd., Youme Mart Kitakyushu Co., Ltd., Yours Co., Ltd., Izumi Food Service Co., Ltd., and Youme Delica, Co. Ltd.

Acting on the shift toward a recycling-oriented society

Reduction of food loss

In order to make effective use of food waste, we practice thorough sorting management and recycle fish offal and kitchen waste into animal feed and fertilizer. Some stores also recycle vegetable scraps into organic fertilizer. As a result of these efforts, our food waste recycling rate for FY2024 was 57.3%.

With the aim of reducing food loss, we run the Mogumogu Challenge at all of our stores. With this initiative, products close to their best-before or use-by date are labelled with a Moguni sticker and customers who purchase these items can collect the stickers for entry into prize draws or trade them in to donate 1 yen per sticker to volunteer-run cafeterias providing free or low-cost meals to children. We are also contributing to reducing household food loss through initiatives like food drives, held at all stores, in which we accept customer donations of their households' unused food items and deliver these to those who need them. In 2024, we collected and donated about 51,000 items (approximately 25 tons), helping to curb household food waste. In October 2024, we received a certificate of commendation from the city of Hiroshima for these efforts.

Items such as snacks and condiments were donated

Action on plastics

In FY2024, we will strive to further reduce plastic use, including by switching to paper shopping bags in the clothing and household goods departments. Our current target is to reduce plastic bag use by 80% by FY2030 (relative to FY2018), and we reduced use by 71.5% in FY2024.

In addition to our current resource collection using recycling boxes, in October 2022 we began installing automatic PET bottle and aluminum can collection machines as bases for promoting horizontal recycling, which involves collecting used PET bottles and recycling them into new PET bottles. As of February 2025, these machines have been installed in 41 stores. In FY2024, approximately 18.2 million PET bottles were collected.

Recycled boxes and collection machines for plastic bottles and aluminum cans

Efforts to reduce water usage

Large amounts of water are used at each of our Youme Town, Youme Mart, and other stores, including in customer restrooms. We strive to conserve water on a daily basis, and have installed water-saving devices (flow restrictors) on our water facilities to reduce water usage. These flow restrictors are designed to be attached to water faucets to reduce water usage while maintaining a comfortable water flow.

We also continue to make effective use of water resources by using rainwater, well water, and industrial water depending on the store's location and building shape.

Rainwater is used as flushing water in the toilets at our Head Office and Youme Mart Futabanosato after it is filtered and sterilized. Tap water is used in the hand washing area.

Sustainable procurement

We have formulated a procurement policy as part of our aim to be a company that fills our employees with pride and joy as we continue contributing to communities and our customers' lives. Establishing this policy will help Izumi and everyone involved in our business—from our executives and employees to our business partners—fulfill the social responsibilities associated with our product manufacturing processes.

In FY2024, we confirmed progress made with our roadmap and KPIs for sustainable product procurement, and also identified issues. We have set 2030 targets of 8.4% of Food Division products, 5.0% of Delica Division products, and 5.6% of Lifestyle Division products being categorized as sustainable.

Izumi and our business partners share the goal of encouraging CSR procurement for a more sustainable society. In the aim of furthering this goal, we surveyed business partners attending the Izumi Conference, using the Global Compact Network Japan's CSR/Sustainable Procurement Self-Assessment Questionnaire, in October 2023.

Procurement policy

1. Provision of safe, secure products
2. Compliance with laws and regulations
3. Respect for human rights
4. Improving working conditions
5. Fair trading
6. Data protection
7. Environmental protection
8. Contribution to local communities
9. Building and operation of systems geared toward practical use

For further details on our action on climate change, please see our sustainability website (in Japanese).
https://izumi.co.jp/sustainability/environment/

Our goal in human capital management

Based on our philosophy of "Filling our employees with pride and joy as we continue contributing to communities and our customers' lives," we express our vision for the future with the words "the heart of the community." Our goal is to become a central driving force in revitalizing local communities by creating a place where residents can gather and relax, while working with local governments and industries to enhance these communities' appeal. To achieve this vision, it is important to strengthen each type capital and perpetuate our value creation model.

Human capital, in particular, is an area we aim to strengthen as a key management issue. To enhance the value of our human capital, it is essential that our vision be adopted throughout the Company and that we enable each employee to achieve personal growth while demonstrating their own strengths. To this end, we will manage human capital by making planned investments and creating an environment that maximizes the value of our workforce.

Gap between our vision and the current situation

	As is	Gap	To be
Group Management Strategy	**GMS Business:** 61 stores ● Accounts for 80% of consolidated ordinary profit Large stores account for the majority of profits **SM Business:** 198 stores ● Accounts for 76% of the entire Group's stores **Retail Peripheral Business** Complementing retail business **New Business** Project start	**GMS Business** Presence **SM Business** ● Potential for profit expansion ● Profitability **Retail Peripheral Business** External revenue-generating capacity **New Business** Initiatives	**GMS Business** ● Value enhancement (61 stores and elsewhere) ● Enhancing presence as the "heart of the community" **SM Business** ● Business expansion (300 stores) ● Improving profitability, becoming a pillar of revenue alongside GMS **Retail Peripheral Business** ● Expanding business opportunities, such as transactions with external parties **New Business** ● Business-related initiatives ● M&A ● Monetization of new businesses
Our Human Resources Strategy	**Talent** Strong capability for carrying out indicated policies **Organization** A strong organization sharing the same ideas and approaches **Skills** High retail skills (store operations, product display, customer service, product procurement,merchandising) "As is" staffing example	**Talent** Talent who takes on challenges in new areas **Organization** ● Diversity ● Cross-organizational connections **Skills** Non-retail skills	**Talent** Independent an curious individuals willing to build on their current strengths and take on challenges in new fields **Organization** Organizations wherein employees with diverse values can build on their current strengths, demonstrate their individuality, and thrive in their own way **Skills** Retail skills as well as a variety of other skills (recruitment, DX, sanitation management, marketing, compliance, product development, etc.) "To be" staffing example

Inadequate allocation of skills and talent

Gap

Skills and talent are optimally allocated according to strategy

Action plan to close the gap

1) Human resource development: Instilling our philosophy, fostering the necessary skills, and revamping our talent management system
2) Enhancing employee engagement: Monitoring engagement survey scores and taking action toward improvement
3) Hiring & retention: Strengthening mid-career recruitment and designing systems to meet employee needs
4) Diversity, equity and inclusion: Increased ratio of women in managerial positions, reviewing unconscious bias, and establishing flexible working styles
5) Promoting health management: reducing total working hours and fostering health awareness
6) Compliance: Raising awareness of legal compliance

Human resources development

We believe that human resource development is important to realizing our vision for Izumi's future, Long-term Vision, and medium-term management plan. Therefore, we systematically develop our employees and create an environment where diverse talent can thrive. By maximizing our employees' capabilities, we will achieve sustainable Company growth.

Developing management talent

Izumi University is the Company's program for training future management executives. Selected employees participate in a two-year program that includes external training. This program is designed to equip employees with the skills necessary for organizational change and to broaden their knowledge base for management roles. The program allows employees to hone qualities necessary for executive management, such as leadership and strategic thinking. In FY2024, the total number of participants at Izumi University stood at 103. The Company has also established a Graduate College for individuals who have completed the training, and we are now transitioning from a focus on increasing management talent to a phase where we will refine their skills even further.

Improving engagement

We believe that the satisfaction that employees feel in contributing to the community and the lives of customers, as well as the personal growth they achieve through their work, will lead to a better future for our employees and the Group.

Personnel transfer policy designed to support employees' life plans

We have launched a new HR system to reduce the mental, physical, and financial burden on employees who transfer with or without their family members. Under the new system, the scope of transfers has been redefined to allow employees to choose the right fit for their life plans, and the amount of allowances paid when transferring has been revised. Furthermore, amid diversifying work objectives, desired work styles, and values concerning one's career, we aim to create an environment in which employees with diverse backgrounds can choose flexible work styles according to their individual ideas and circumstances, and can thrive according to their motivation and abilities, regardless of gender, age, or educational background.

Conducting training based on engagement surveys

We conduct engagement surveys to gauge employees' enthusiasm for their work and their drive to contribute, and hold training sessions to help them effectively utilize survey results. By increasing employee motivation, we are working to improve productivity and reduce turnover.

Hiring & retention

In order to retain our talent, we are working to prevent turnover among young people. We believe it is necessary to promote a sense of "work-in-life" and create a secure work environment. To that end, we provide a hometown and homecoming travel subsidy, rent subsidies, and support for student loan repayment. Turnover within the first three years of employment is a management indicator that we check and evaluate on an annual basis.

Implementing diverse recruitment methods

As recruiting talent becomes more difficult every year, we are diversifying our recruitment methods. In particular, by hiring year-round mid-career employees, hiring specialists for specific positions, and hiring temporary workers for stores, we are able to incorporate the new ideas and value that diverse talent brings, which helps strengthen our competitiveness.

Diversity, equity, & inclusion

We believe that our competitive strength stems from employees with diverse values and backgrounds being able to express their individuality and expertise. An environment in which each employee can demonstrate their abilities to the fullest will lead to innovation and the creation of corporate value.This is why we have made diversity, equity, and inclusion a key management priority and are advancing our initiatives in this area.

Cooperation with special needs schools

We actively accept work experience training for students from special needs schools who are considering employment, and have achieved an employment rate of people with disabilities of 2.89%, which exceeds the legal minimum. In 2024, we received the Shimane Prefecture Governor's Award for our cooperation with and contribution to vocational education at special needs schools and employment for graduates. In 2025, 12 students from special needs schools joined the Company and are now working at our offices.

Increased ratio of women in managerial positions

The Youme Can Project, launched in 2014 to support women's advancement, has steadily increased the number of female employees becoming store managers and assistant managers. Our Women's Leadership Development Training aims to encourage a greater attention on one's career by improving skills, strengthening horizontal connections, and eliminating concerns about promotion. We also conduct Unconscious Bias Training to promote a reevaluation of gender role stereotypes. These initiatives have increased the Company's ratio of women in managerial positions, and in April 2025, they helped strategically advance women into higher-level positions such as decision-making and executive roles. As a result, two new female executive officers have been appointed from among regular employees.

Wellness management

More than 95% of our employees are local residents, and we believe that protecting our employees' wellness leads to protecting the community's wellness. This is why we support efforts to improve and maintain employee wellness and strive to help extend healthy life expectancies in the community. In recognition of our commitment in this area, we were certified as a 2025 Health and Productivity Management Excellent Corporation (Large Corporation Category).

Health screenings

We analyze health screening results and recommend medical examinations for employees whose results fall outside our Company standards, as determined in consultation with our occupational physician. Our thorough implementation of these measures ensures that health issues are addressed promptly rather than left unaddressed. This has led to a reduction in the number of employees with severe health issues, as evaluated by our occupational physician. For employees at high risk for lifestyle-related diseases, we provide specific health guidance based on their health screening results. In FY2024, this guidance was received by 90% of our employees, which is significantly higher than the national average. In collaboration with the Izumi Group Health Insurance Coop, we are working Company-wide to facilitate this guidance by means that include scheduling sessions during work hours to make it easier for employees to receive counseling from public health nurses.

Compliance

We view compliance with laws and regulations as a corporate social responsibility and are committed to thorough compliance.

Compliance training

The number of employees who took compliance training in FY2024 was 6,157, an increase of 1,864 people compared to FY2023. In FY2025, we will continue working to raise compliance awareness with a view to creating stores where customers can shop with peace of mind and building a stable corporate foundation.

Human capital metrics and targets

Indicators	FY2022	FY2023	FY2024	FY2025 targets	FY2030 targets
Mid-career hires	35	39	16	50	60
Percentage of mid-career hires amongst management positions*	15.8	17.7	18.9	18.0	20.0
Employee turnover (after 3 years of employment)	20.5	25.2	21.7	30.0	25.0
Ratio of women in managerial positions	9.7	11.0	11.8	14.0	18.1
Rate of men taking childcare leave, etc.	101.6	90.4	106.5	100.0	100.0
Total actual working hours	2,137	2,115	2,089	2,056	1,900
Number of internal reports received	167	138	130	180	200

*Managerial positions are as defined by the Act on Promotion of Women's Participation and Advancement in the Workplace

We are working to strengthen our framework for upholding human rights while making ongoing improvements

In order to strengthen our efforts to respect human rights, the Izumi Group has established a Human Rights and DE&I Subcommittee, headed by the Administration Division Manager, as an organization belonging to the Sustainability Committee.
The subcommittee has built and operates a human rights due diligence mechanism based on the Izumi Group Human Rights Policy.It is continuously working to deepen understanding of human rights throughout the Group, assure compliance with the Human Rights Policy. It is also responsible for presentation of issues and reporting to the Board of Directors and the Sustainability Committee.

As a result of the human rights risk assessment, we have identified three themes as items that are directly related to the Group and have a potential risk: response to foreign workers across the Group, prevention of harassment in the workplace, and elimination of child labor and forced labor in the supply chain. Moving forward, we will regularly conduct impact assessments on these themes, and if human rights are impacted negatively in some way, we will work to prevent and mitigate this, evaluate the effectiveness of those efforts, and make continuous improvement based on the results.

*Please see our sustainability website for the Izumi Group Human Rights Policy.
https://izumi.co.jp/sustainability/social/

DX strategy that aims to achieve both profit growth and a better future

Policy

The Izumi Group is honing its competitive edge and achieving business growth and social contributions by advancing DX focused on customers, employees, and communities. We have also completed our recovery from the ransomware attack that occurred in February 2024, and will achieve creative recovery by promoting proactive DX and defensive DX.

Creating Added Value Accelerated by Proactive DX

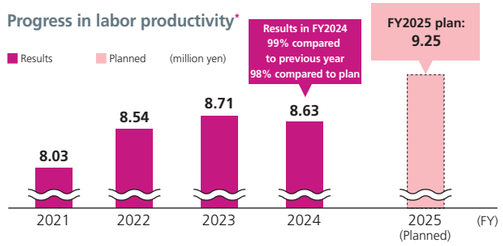
Through proactive DX, we aim to realize our management philosophy by improving customer satisfaction, increasing employee productivity, and contributing to local communities and society.

To enhance customer satisfaction, we will promote cashless payments to gather more accurate insights into purchasing habits, while furthering customer engagement through the digital shift in retail media. We will advance sales promotion activities and drive revenue growth by leveraging our customer relationship management (CRM) program to create touchpoints with customers and maintain ongoing connections.

To enhance employee productivity, we will develop systems and frameworks that are accessible to everyone, from new hires to veterans. At the same time, we will improve IT literacy among employees to ensure adoption and drive DX outcomes. We will also continue to pursue gross profit margin improvements by optimizing inventory levels and leveraging multifunctional terminals deployed across all stores. Additionally, we will actively pursue DX initiatives in accounting and labor management. The surplus time created will be allocated to improving on-site capabilities, creating additional value, and establishing a more comfortable working environment. We aim to work towards creating a cycle where this productivity improvement leads to better recruitment and employee retention.

As for contributing to communities and society, one way we help promote development of future DX talent is by introducing our company's DX and data utilization initiatives through lectures at Hiroshima University and Hiroshima Shudo University.

Progress in labor productivity*



*Gross profit per employee (non-consolidated management accounting, based on directly-operated and existing stores)

Simultaneously promoting both proactive and defensive DX

Overview of DX Strategy

Mission
We aim to achieve both profit growth and a better future

Proactive DX

Customers
Creating stores full of smiling faces

The Youme App, with a checkout feature, digital coupons, personalized sales promotions, and more

The Pipit (Beep) Self mobile checkout system, allowing users to scan products on their smartphones as they shop and reduce their checkout wait time

Youme Delivery, our online supermarket allowing customers to order online for home delivery or in-store pickup

Employees
Creating pleasant working environments

Multi-functional devices, a one-stop-shop for all previously computer-based tasks, saving time and contributing to operational efficiency

sinops
Our predictive supply ordering system, which uses AI to manage and optimize stock and reduce loss

Electronic shelf labels, which reduce time spent changing pricing labels and prevent pricing errors

Local communities
Creating systems for the future

2021 installation of solar panels through a PPA model, aimed at conserving and generating energy

HELPO
Company access to health advice app HELPO, allowing us to contribute to community health by promoting employee health

Contributing to the development of future DX talent by introducing our DX and data utilization initiatives at universities in Hiroshima Prefecture

Defensive DX

We have strengthened our defenses against cyberattacks by carrying out both machine-based defense (systems-related measures) and people-based defense (education-related measures). (For details on information security initiatives, see page 34)

2030
Towards achieving the Long-Term Vision

The "Accounting Standards for Revenue Recognition" (Corporate Accounting Standards No. 29 March 31, 2020) were applied from the start of the 62nd period (Feb. 2023), so the main management indicators following the 62nd period represent the values of the indicators after the relevant accounting standards, etc. have been applied

	FY2/2015	FY2/2016	FY2/2017	FY2/2018	FY2/2019	FY2/2020	FY2/2021	FY2/2022	FY2/2023	FY2/2024	FY2/2025
Operating results (units: million yen)											
Total operating revenue	—	—	—	—	—	—	—	—	700,824	726,281	795,503
Operating revenue	579,739	668,784	702,121	729,857	732,136	744,349	679,778	676,800	460,140	471,166	524,142
Net Sales	552,746	638,754	670,253	696,266	697,679	709,455	645,672	643,280	406,857	415,633	467,345
Operating profit	30,330	31,912	35,670	38,487	35,273	31,888	35,781	34,717	33,644	31,425	25,425
Ordinary profit	29,767	31,102	35,688	38,208	35,099	31,979	36,078	34,696	34,396	32,322	25,708
Profit attributable to owners of parent	17,360	18,766	17,015	26,932	23,488	19,953	23,053	23,204	23,188	20,485	11,919
Cash flow from operating activities	52,246	13,553	33,104	42,592	33,642	57,681	48,320	18,577	38,313	31,563	40,282
Cash flow from investing activities	(20,897)	(26,071)	(19,938)	(29,067)	(19,101)	(16,693)	(6,633)	(14,246)	(10,045)	(24,747)	(91,636)
Cash flow from financing activities	(25,159)	12,956	(16,252)	(15,477)	(14,793)	(40,142)	(25,361)	(18,016)	(29,557)	(5,149)	55,073
Cash and cash equivalents at end of period	12,990	13,429	10,342	8,389	8,136	8,982	25,306	11,621	10,331	11,997	15,717
Depreciation	12,902	15,044	15,691	16,171	15,862	16,164	15,872	16,138	15,997	16,641	18,109
Amortization of goodwill	151	454	1,078	997	822	785	737	532	532	532	2,234
EBITDA	43,384	47,412	52,440	55,657	51,959	48,840	52,392	51,388	50,174	48,599	45,770
Capital investment (construction base)	24,451	21,435	27,727	15,869	21,507	17,514	12,450	14,118	17,615	26,293	14,976
Financial status (units: million yen)											
Total assets	432,416	468,026	476,885	479,867	484,876	490,106	489,692	468,798	478,541	489,509	569,611
Net assets	145,709	157,851	171,963	194,851	211,546	226,264	245,411	262,433	278,104	294,233	299,218
Shareholders' equity	134,818	147,648	160,566	182,956	199,897	214,345	232,495	248,689	265,035	280,554	285,522
Interest-bearing liabilities	157,922	193,018	182,146	171,995	162,974	128,928	109,414	99,366	76,552	77,730	139,456
Financial indicators											
Operating profit margin to total operating revenue	—	—	—	—	—	—	—	—	4.8%	4.3%	3.2%
Operating revenue-operating profit margin	5.2%	4.8%	5.1%	5.3%	4.8%	4.3%	5.3%	5.1%	7.3%	6.7%	4.9%
Return on equity (ROE)	13.6%	13.3%	11.0%	15.7%	12.3%	9.6%	10.3%	9.6%	9.0%	7.5%	4.2%
Return on assets (ROA)	7.2%	6.9%	7.6%	8.0%	7.3%	6.6%	7.4%	7.2%	7.3%	6.7%	4.9%
Equity ratio	31.2%	31.5%	33.7%	38.1%	41.2%	43.7%	47.5%	53.0%	55.4%	57.3%	50.1%
Dividend payout ratio	21.1%	24.4%	27.8%	20.0%	24.4%	28.7%	25.8%	26.5%	26.8%	31.1%	54.0%
Per-share indicators (units: yen)											
Book-value per share (BPS)	1,876.22	2,060.44	2,240.66	2,553.14	2,789.58	2,991.24	3,244.56	3,479.26	3,706.99	3,922.84	3,990.31
Earnings per share (EPS)	241.6	261.96	237.45	375.83	327.79	278.45	321.72	324.45	324.36	286.47	166.6
Dividend per share (DPS)	51.00	64.00	66.00	75.00	80.00	80.00	83.00	86.00	87.00	89.00	90.00
Non-financial information											
Total number of outstanding shares at the end of period (unit: shares)	78,861,920	78,861,920	78,861,920	71,665,200	71,665,200	71,665,200	71,665,200	71,665,200	71,665,200	71,665,200	71,665,200
Number of treasury shares at end of period (unit: shares)	7,005,563	7,203,273	7,201,306	5,676	6,700	7,346	8,106	187,562	168,894	146,909	111,165
Number of stores at end of period (Group) (unit: stores)*1	156	217	198	200	202	197	194	194	190	190	265
Number of stores at end of period (Izumi Co., Ltd. only) (unit: stores)	103	103	105	110	112	111	109	107	105	105	107
Net sales of existing stores, year-on-year (Izumi Co., Ltd. only)*2	101.8%	101.4%	101.5%	99.2%	99.4%	99.1%	89.7%	101.1%	103.5%	103.0%	100.7%
Cumulative total of Yumeca (e-money) cards issued (unit: 10,000 cards)	475	551	617	684	752	811	852	899	974	1,023	1,067
Number of full-time employees (unit: individuals)	3,467	4,164	4,072	4,189	4,358	4,455	4,443	4,399	4,407	4,400	4,938
Part-time employees (unit: individuals)*3	8,503	10,225	10,761	11,263	11,234	11,457	11,149	10,945	10,930	11,048	12,496

*1 This is the sum total value of all shops from Izumi itself and four food supermarket subsidiaries. *2 We have applied the Accounting Standard for Revenue Recognition (ASBJ Statement No.29), but the ratio of net sales to the previous year for existing stores is the value prior to applying that accounting standard. *3 Part-time workers are calculated as the annual average number of employees based on an 8-hour workday.

Business Information

Company Information

(As of February 28, 2025)

Date of establishment October 27, 1961

Head office 3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan

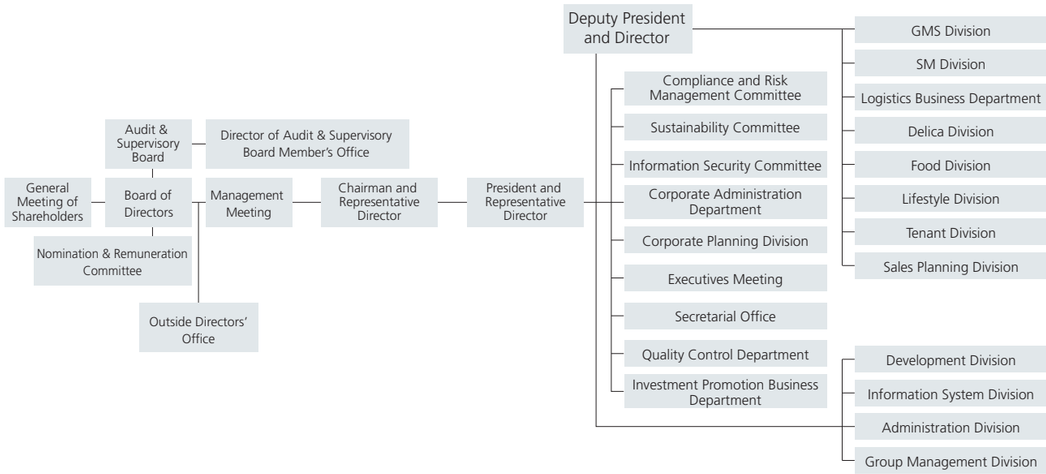
Paid-in capital 19,613 million yen

Number of employees (Consolidated) Full-time : 4,938
Part-time : 12,496 (full-time equivalent)

Number of malls and stores
265 stores (GMS/SC: 61, SM: 192, NSC: 6, Other: 6)
Chugoku area : 92 stores (GMS/SC: 35, SM: 52*, NSC: 3, Other: 2)
Kyushu area : 159 stores (GMS/SC: 20, SM: 134, NSC: 3, Other: 2)
Shikoku area : 10 stores (GMS/SC: 4, SM: 6)
Other areas : 4 stores (GMS/SC: 2, Other: 2)
* Includes the store opening at Youme Town Hatsukaichi by Yours Co., Ltd.

Organizational Chart

(As of April 30, 2025)



Izumi Group

Retail Business

Izumi Co., Ltd.
Sells and imports clothing, food, and household goods through shopping centers, general merchandising stores (GMS), supermarkets, and other formats

Dailymart Co., Ltd.
Operates "Dailymart" supermarkets in Tokushima Prefecture

Youme Mart Kumamoto Co., Ltd.
Operates "Youme Mart" supermarkets in the Kumamoto area, and "SUNNY" supermarkets mainly in Fukuoka

Watch Business Company Co., Ltd.
Sale, repair, wholesale, and product development of watches

Youme Mart Kitakyushu Co., Ltd.
Operates "Youme Mart" supermarkets mainly in Kitakyushu

SUNLIFE Co., Ltd.
Operates food supermarkets in Oita Prefecture

Yours Co., Ltd.
Operates "Yours" supermarkets and high-quality ingredient "Avance" supermarket mainly in Hiroshima Prefecture

Two other companies
Two entities accounted for using the equity method

Retail Peripheral Business

Youme Card Co., Ltd.
Credit card business, electronic money business, non-life insurance agency business, business related to life insurance solicitation, money lending business, travel business

Izumi Techno Co., Ltd.
Facility management, construction, security, and cleaning services

Izumi Food Service Co., Ltd.
Operation of restaurants including Okonomi Ichibanchi, Tako Ichiban, Aburi Ichiban, Hamburg Restaurant (Ishigamaya), Mister Donut, Baskin-Robbins, Osaka Ohsho, Italian restaurants, Japanese restaurants, Menya Ichiban

Youme Delica Co., Ltd.
Manufacture of prepared foods

Other Businesses

Yamanishi Co., Ltd.
Planning and sale of ladies' wear, nightwear, and innerwear

Four other companies
One entity accounted for using the equity method

Stock Information

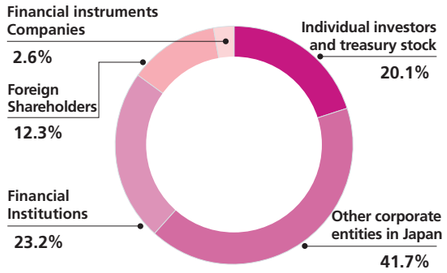
Current Stock Status

(As of February 28, 2025)

Total number of shares issued by the Company	195,243,000
Total number of outstanding shares	71,665,200
Number of shareholders	17,098

Distribution of Shares by Type of Shareholder

(As of February 28, 2025)



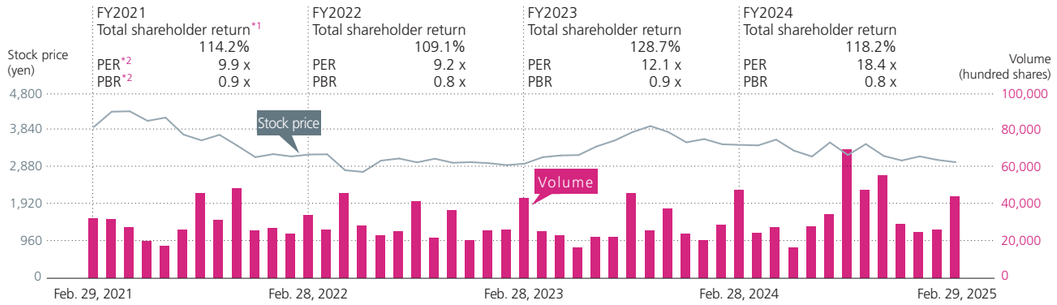
Major Shareholders

(As of February 28, 2025)

Name	Number of shares held (thousands)	Percentage of total shares(%)
Yamanishi World, Ltd.	19,935	27.9
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,249	7.3
DAIICHI FUDOUSAN CO., LTD.	4,208	5.9
Custody Bank of Japan, Ltd. (Trust Account)	3,147	4.4
The Hiroshima Bank, Ltd.	2,362	3.3
Nippon Life Insurance Co.	2,093	2.9
Yasuaki Yamanishi	1,971	2.8
Izumi Hiroshima Kyoeikai	1,896	2.7
CEP LUX-ORBIS SICAV	1,637	2.3
The Dai-ichi Life Insurance Co., Ltd.	1,624	2.3

*Percentage of total shares excludes treasury shares (111,165)

Stock Price and Trading Volume



*1 Total shareholder return is calculated by combining share price gains and cumulative dividends, using the share price from five years ago (February 28, 2020) as the baseline
*2 PER and PBR figures are calculated based on stock prices and financial data as of the end of the fiscal year

Inclusion in Indices & Third-Party Evaluations

Added to the MSCI Japan Empowering Women (WIN) Select Index

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Added to the S&P/JPX Carbon Efficient Index

Scored a B on the CDP climate change questionnaire

Certification as a "DX-Certified Operator" by the Ministry of Economy, Trade and Industry

Digital Transformation Certification

Received "Kurumin" certification

Received "Eruboshi" certification

"KENKO Investment for Health(Large Corporation)" certification