Financial Results for the Fiscal Year Ended February 28, 2026 (FY2025)

IZUMI CO., LTD
[Stock code: 8273]

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Consolidated Summary for the Fiscal Year Ended February 28, 2026 (FY2025)

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YoY Comparison:

- **Operating profit increased, reaching a record high. It was driven by the full operation of the SUNNY business, which was acquired, and other initiatives from the beginning of the fiscal year.**
- **Profit increased significantly, mainly due to the recovery from last year's ransomware damages.**

Vs. Plan:

- **Despite aggressive low-price initiatives amid the increase in consumer frugality, operating revenue came in slightly below the revised plan, mainly due to weather-related factors.**
- **Meanwhile, effective control of the gross profit ratio and expenses resulting in profit at each stage exceeding the plan.**

Consolidated *1	FY2025		FY2024		Forecast (Revised plan on Oct. 14)	
(Million yen)	**Result**	YoY	Result	YoY	Forecast	YoY
Operating revenue	**569,312**	108.6%	524,142	111.2%	570,300	108.8%
Operating profit	**27,236**	105.8%	25,735	81.9%	26,400	102.6%
Ordinary profit	**27,361**	105.2%	26,009	80.5%	26,100	100.3%
Profit *2	**16,834**	136.8%	12,304	60.1%	15,200	123.5%
Total assets	**595,383**		575,963	(FY-end result)		
Net assets	**307,939**		299,603	(FY-end result)		
(Reference)Total operating revenue *3	847,950	106.6%	795,503	109.5%	852,100	107.1%
Earnings per share *4	**79.40 yen**		57.33 yen		71.73 yen	
Net assets per share *4	**1,399.38 yen**		1,331.90 yen	(FY-end result)	-	
Equity ratio	**49.4%**		49.6%	(FY-end result)	-	

*1 In the first six months of the fiscal year ending February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. The relevant for the fiscal year ended February 28, 2025 reflect the finalized accounting treatment for the business combination.
*2 Profit is profit attributable to owners of parent.
*3 The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of FY2022. Operating revenue reclassified to the figures before applying the accounting standard and relevant ASBJ regulations is presented as “Total operating revenue” for reference.
*4 The Company conducted a three-for-one split of its common shares on March 1, 2026. Earnings per share, and net assets per share are calculated assuming the stock split was implemented at the beginning of FY2024.

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Consolidated Profit/Loss for the Fiscal Year Ended February 28, 2026 (FY2025)

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Both revenue and profits increased. This was mainly a rebound from the previous fiscal year's ransomware damages and M&A activities.
The targets for all of the stages of profit in the revised profit plan were achieved.

- Operating revenue: Revenue increased, driven by a rebound from last year's ransomware attack, M&A (the SUNNY business and SUNLIFE), and measures taken in response to heightened consumer frugality.
- Operating profit: The operating gross profit margin was 39.1%, down 0.5 points YoY. The SG&A expense ratio stood at 34.3%, down 0.4 points YoY. The operating profit margin fell 0.1 points YoY, to 4.8%.
- Ordinary profit: The ordinary profit margin declined 0.1 points YoY to 4.8%, reflecting higher interest expenses and other factors.
- Profit: Profit was 3.0%, up 0.7 points YoY, mainly due to the significant decrease in extraordinary losses (impairment losses: 7.7 billion yen in the previous fiscal year and 1.7 billion yen in the fiscal year under review).

Consolidated *1	3Q (Mar.-Nov.)		4Q (Dec.-Feb.)		FY2025 Full-year (Mar.-Feb.)		
(Million yen)	Result	YoY	Result	YoY	Result	% of operating revenue	YoY
Operating revenue	**416,987**	**111.7%**	**152,325**	**101.0%**	**569,312**	**100.0%**	**108.6%**
Net sales	**373,597**	112.8%	**137,344**	100.9%	**510,942**	89.7%	109.3%
Gross profit	**119,684**	112.2%	**44,354**	100.5%	**164,039**	28.8%	108.8%
Operating revenue	**43,389**	103.1%	**14,980**	101.9%	**58,369**	10.3%	102.8%
Operating gross profit	**163,073**	**109.6%**	**59,335**	**100.8%**	**222,409**	**39.1%**	**107.1%**
SG&A expenses	**145,472**	110.6%	**49,700**	98.8%	**195,172**	34.3%	107.3%
Operating profit	**17,601**	**102.4%**	**9,635**	**112.7%**	**27,236**	**4.8%**	**105.8%**
Non-operating income and expenses	**-3**	–	**129**	116.4%	**125**	0.0%	45.7%
Ordinary profit	**17,597**	**101.4%**	**9,764**	**112.7%**	**27,361**	**4.8%**	**105.2%**
Extraordinary income and losses	**-39**	**–**	**-792**	**–**	**-832**	-0.1%	**–**
Profit *2	**11,102**	**91.9%**	**5,732**	**2558.6%**	**16,834**	**3.0%**	**136.8%**

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*2 Profit is profit attributable to owners of parent.

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Consolidated Profit/Loss for the Fiscal Year Ended February 28, 2026 (FY2025)

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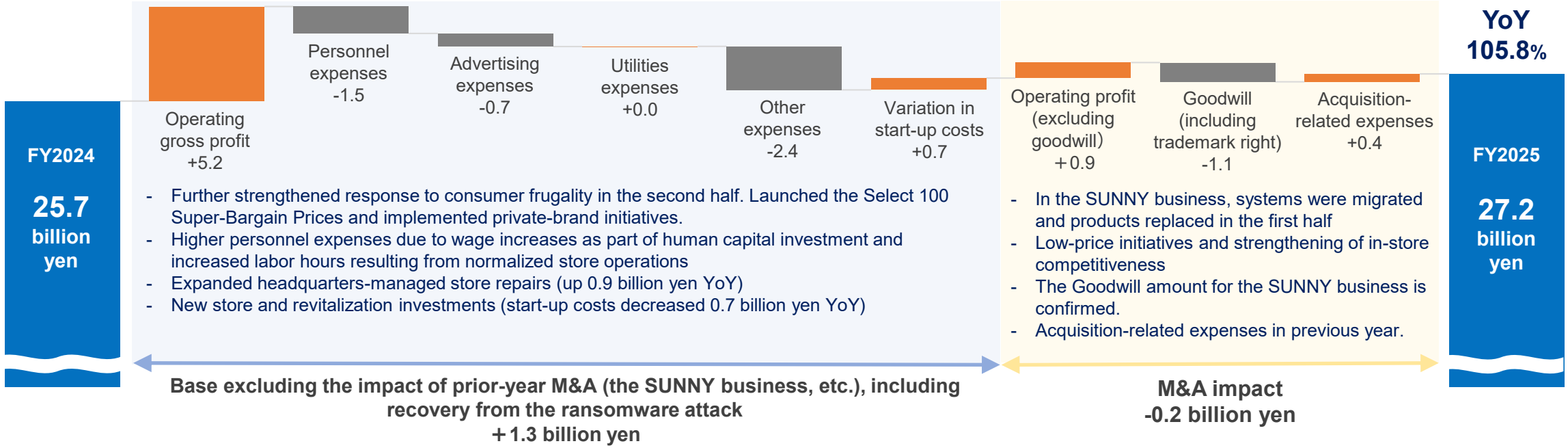
Operating profit came to 27.2 billion yen, up 5.8% YoY. EBITDA rose 48.6 billion yen (6.1% YoY)

- Recovery from the ransomware attack and promotion of initiatives aligned with heightened frugality drove a substantial increase in operating gross profit, while overall expenses remained within plan.
- As an investment in human capital, wages were raised at a higher rate than in the previous year to address a tighter labor market and rising prices driven by inflation.
- Start-up costs for new stores and the revitalization of existing stores rose by 0.7 billion yen YoY. Repairs at headquarters-managed stores were undertaken to enhance their amenities and safety.
- For the SUNNY business, the first half focused on system migration and the rollout of the private-brand (PB) line Kurashi More. In the second half, following the shift to standalone operations, efforts centered on strengthening in-store competitiveness and establishing a solid operational base.

Changes in operating profit *1



Fluctuation in EBITDA

FY2024: 45.8 billion yen → **FY2025: 48.6 billion yen**

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

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Consolidated Profit/Loss for the Fiscal Year Ended February 28, 2026 (FY2025) – Segment Information

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Revenue increased due to the recovery in retail operations sales.Revenue and profits from retail-peripheral operations also increased, driven mainly by Izumi Techno.

- Youme Mart Kumamoto (excluding the SUNNY business) showed a recovery trend. Youme Mart Kitakyushu opened Youme Mart Sone in September, with start-up costs of 0.14 billion yen.
- The SUNNY business completed system migration and the rollout of the PB line, Kurashi More, in the first half. Sales in the third quarter remained steady, though cost structure remains a challenge. While gross profit and cost control continue to be challenges, there was a steady improvement trend in 4Q.
- Yours recorded strong sales of the Group's private brand Youme-Ichi, returning to profitability on an operating basis excluding start-up costs for new stores (0.07 billion yen).
- Izumi Techno's construction and designated administration departments were strong. While Youme Card and Izumi Food Service performed well operationally, full-year profits declined mainly due to strengthened promotions and higher personnel expenses from wage increases.

(Million yen)		Operating revenue						Operating profit					
		3Q (Mar.-Nov.)		4Q (Dec.-Feb.)		FY2025 (Mar.-Feb.)		3Q (Mar.-Nov.)		4Q (Dec.-Feb.)		FY2025 (Mar.-Feb.)	
		Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY
Retail operations		**403,156**	111.9%	**147,873**	100.7%	**551,029**	108.7%	**12,911**	99.4%	**7,871**	112.5%	**20,782**	104.0%
Retail-peripheral operations		**39,882**	114.8%	**14,040**	106.4%	**53,922**	112.5%	**4,305**	109.8%	**1,691**	106.4%	**5,997**	108.8%
Others and adjustments		**△26,052**	–	**△9,588**	–	**△35,640**	–	**384**	–	**72**	–	**456**	–
Consolidated total		**416,987**	111.7%	**152,325**	101.0%	**569,312**	108.6%	**17,601**	102.4%	**9,635**	112.7%	**27,236**	105.8%
Retail operations	Izumi	**277,461**	102.8%	**103,754**	100.9%	**381,215**	102.2%	**13,977**	98.1%	**7,494**	106.7%	**21,471**	101.0%
	Youme Mart Kumamoto	**80,423**	168.8%	**28,285**	98.6%	**108,709**	142.3%	**△164**	–	**330**	863.4%	**165**	172.0%
	(Including the SUNNY business)	**(59,769)**	(210.9%)	**(20,749)**	(97.1%)	**(80,517)**	(162.0%)	**(△725)**	–	**(-38)**	(–)	**(△763)**	(–)
	Youme Mart Kitakyushu	**18,751**	103.5%	**6,640**	103.3%	**25,391**	103.5%	**131**	485.9%	**106**	77.7%	**237**	145.0%
	Yours	**17,797**	107.8%	**6,229**	106.3%	**24,027**	107.4%	**△63**	–	**127**	100.1%	**63**	105.3%
Retail-peripheral operations	Youme Card	**6,362**	103.9%	**2,308**	110.4%	**8,670**	105.6%	**954**	92.6%	**445**	116.0%	**1,400**	98.9%
	Izumi Techno	**16,389**	116.3%	**5,639**	96.3%	**22,029**	110.5%	**1,969**	118.7%	**658**	87.5%	**2,628**	109.0%
	Izumi Food Service	**6,007**	105.7%	**2,087**	103.3%	**8,095**	105.1%	**308**	70.8%	**144**	109.0%	**453**	79.7%

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Non-consolidated Profit/Loss for the Fiscal Year Ended February 28, 2026 (FY2025)

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Operating revenue exceeded the revised plan. Additionally, effective control of expenses made it possible for operating profit and net profit to exceed the plan.

- Operating revenue: Revenue increased 2.2%.
- Operating profit: The SG&A expense ratio increased 2.1%, and the percent (%) of operating revenue remained almost flat YoY at 37.0%. The operating profit margin fell 0.1 points to 5.6%.
- Ordinary profit: Interest expenses increased chiefly due to a rise in interest-bearing debt and a hike in interest rates. The ordinary profit margin declined 0.1 points YoY to 5.6%
- Profit: Profit was 3.6%, up 1.0 points YoY, mainly due to the significant decrease in extraordinary losses (impairment losses: 7.4 billion yen in the previous fiscal year and 1.0 billion yen in the fiscal year under review).

Non-consolidated	3Q (Mar.-Nov.)		4Q (Dec.-Feb.)		FY2025 Full-year (Mar.-Feb.)		
(Million yen)	Result	YoY	Result	YoY	Result	% of operating revenue	YoY
Operating revenue	**277,461**	**102.8%**	**103,754**	**100.9%**	**381,215**	**100.0%**	**102.2%**
Net sales	**235,438**	102.9%	**89,218**	100.7%	**324,657**	85.2%	102.2%
Gross profit	**76,924**	102.8%	**28,852**	99.2%	**105,777**	27.7%	101.8%
Operating revenue	**42,022**	102.3%	**14,535**	102.2%	**56,558**	14.8%	102.3%
Operating gross profit	**118,947**	**102.6%**	**43,388**	**100.2%**	**162,335**	**42.6%**	**101.9%**
SG&A expenses	**104,970**	103.2%	**35,894**	98.9%	**140,864**	37.0%	102.1%
Operating profit	**13,977**	**98.1%**	**7,494**	**106.7%**	**21,471**	**5.6%**	**101.0%**
Non-operating income and expenses	**-232**	–	**91**	145.9%	**-141**	-0.0%	–
Ordinary profit	**13,744**	**95.9%**	**7,585**	**107.1%**	**21,330**	**5.6%**	**99.6%**
Extraordinary income and losses	**-146**	**–**	**-1,081**	**–**	**-1,228**	-0.3%	**–**
Profit	**9,485**	**95.4%**	**4,328**	**–**	**13,813**	**3.6%**	**143.4%**

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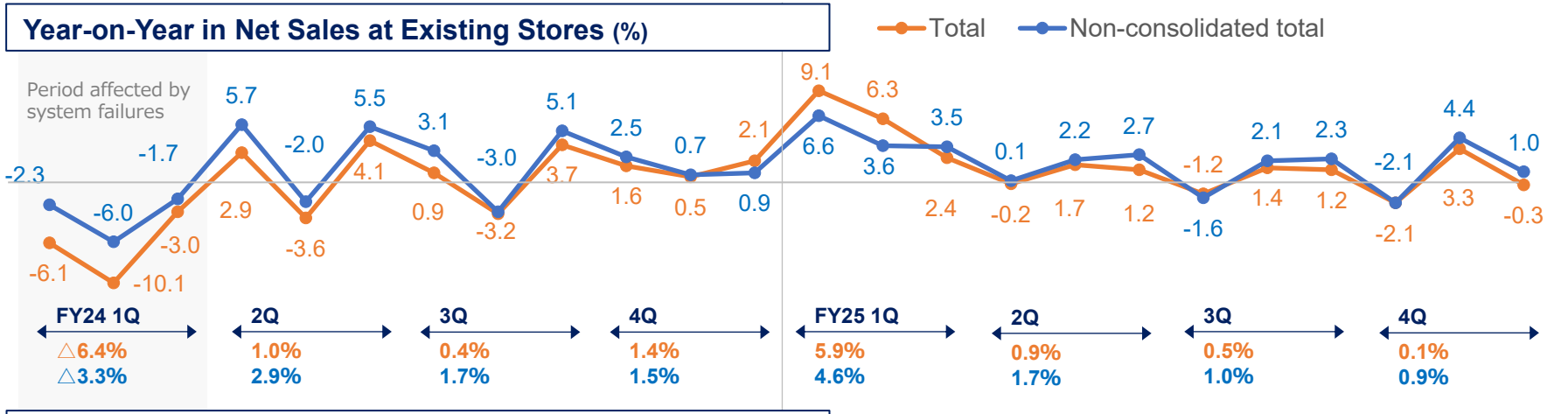
Non-consolidated Profit/Loss for the Fiscal Year Ended February 28, 2026 (FY2025)
- Year-on-Year Change in Net Sales at Existing Stores

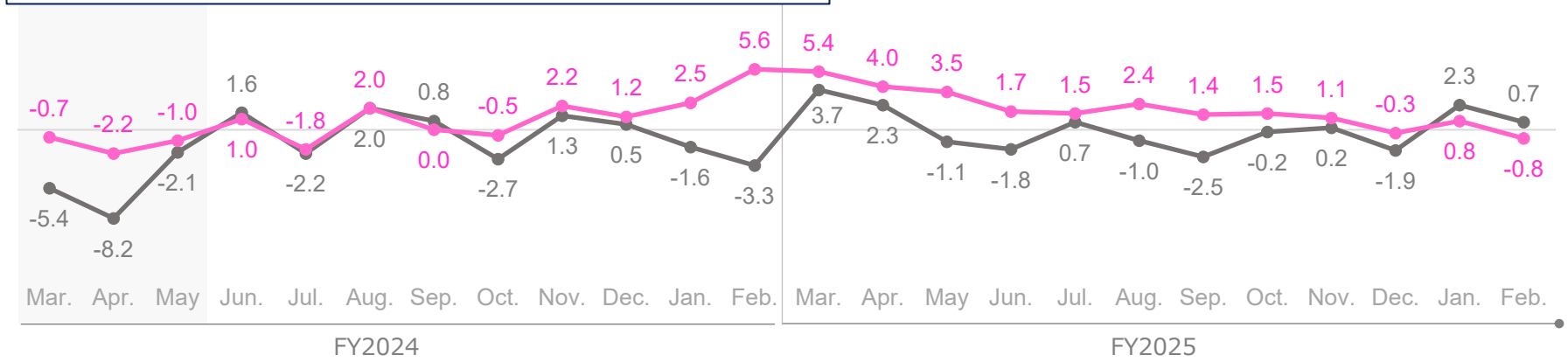
The results of directly operated stores were in line with the revised plan. This mainly reflected heightened consumer frugality and the impact of temperatures.

- Net sales at existing stores:
  Sales recovered in the first quarter due to a rebound from the prior year's ransomware attack, but struggled from May through June amid heightened consumer frugality. Following a review of low-price initiatives, sales gradually recovered from July through August; however, prolonged late-summer heat and warm winter weighed on apparel sales in September and December.
- Number of customers and average sales per customer:
  The number of customers recovered in the beginning of the fiscal year but decreased year on year in May and June. In September, customer traffic declined, particularly in the lifestyle category. It stabilized at the level of the previous year from October onward and was trending toward a recovery in January and February, partly due to a review of low-price initiatives and the effect of the sales of the private brand Youme-Ichi.

Year-on-Year in Net Sales at Existing Stores (%)



Number of Customers and Average Sales per Customer (%)



	FY2025
Lifestyle	98.4%
Foods	103.1%
Total	**101.7%**
Tenants	102.3%
Non-consolidated Total	**102.0%**

* Breakdown of total directly operated stores

Number of customers	100.1%
Average sales per customers	101.7%
Average spent per item	102.5%
Number of purchases	99.3%

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Non-consolidated Profit/Loss for the Fiscal Year Ended February 28, 2026 (FY2025)
- Net Sales and Gross Profit by Division

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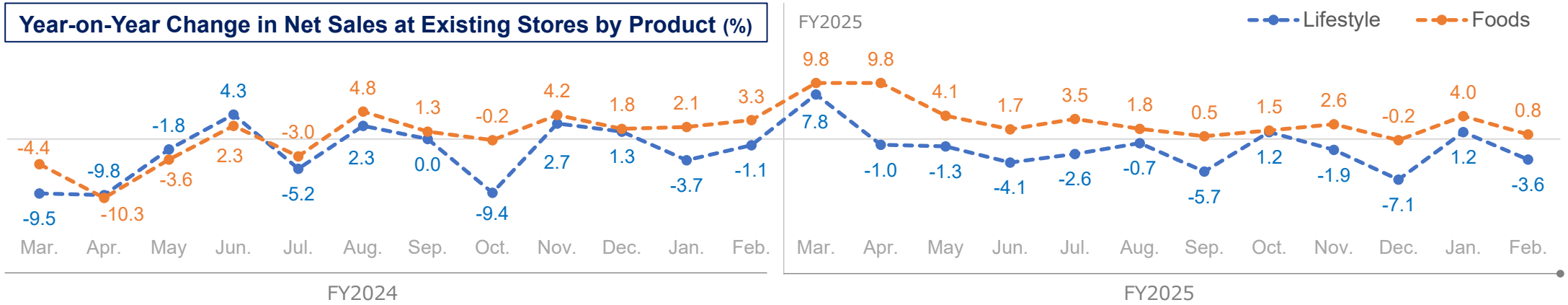
Low-price initiatives began to be enhanced in the second half in response to heightened consumer frugality. Both sales and gross profit were in line with the revised plan.

- Lifestyle: Sales of seasonal items, particularly apparel, struggled due to heightened consumer frugality and delayed responses to weather conditions, resulting in YoY sales declines on a cumulative basis.
  Gross profit was in line with the prior year in the first half, down 0.2 points in the fourth-quarter period and down 0.1 points on a cumulative basis.
- Foods: Low-price initiatives began to be enhanced in the second half with the launch of Select 100 Super-Bargain Prices and other initiatives.
  The private brand Youme-Ichi, which was launched in September, continued to perform strongly, exceeding the plan.
  While the gross profit declined 0.3 points YoY in the fourth-quarter period, it was in line with the plan and down 0.1 points on a cumulative basis.

(Million yen)		3Q FY2025 (Mar.-Nov.)		4Q FY2025 (Dec.-Feb.)		FY2025 Full-year (Mar.-Feb.)	
		Result	YoY/difference	Result	YoY/difference	Result	YoY/difference
Sales	Lifestyle	62,210	99.1%	21,323	96.6%	83,534	98.4%
	Foods	173,227	104.3%	67,895	102.0%	241,122	103.6%
	Total	**235,438**	**102.9%**	**89,218**	**100.7%**	**324,657**	**102.2%**
Gross profit margin	Lifestyle	35.5%	-0.1pt	33.6%	-1.0pt	35.1%	-0.2pt
	Foods	31.6%	+0.0pt	31.9%	-0.3pt	31.7%	-0.1pt
	Total	**32.7%**	**+0.0pt**	**32.3%**	**-0.5pt**	**32.6%**	**-0.1pt**

Year-on-Year Change in Net Sales at Existing Stores by Product (%)



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Non-consolidated Profit/Loss for the Fiscal Year Ended February 28, 2026 (FY2025)
- SG&A Expenses

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SG&A expenses decreased 1.1% in the fourth quarter. They increased 2.1% on a cumulative basis but were within the planned range. The full-year percent (%) of operating revenue was 37.0%, which is on par with the previous year..

- Personnel expenses: Personnel expenses increased due to wage hikes and the running costs of new stores; however, with appropriate control of labor hours, the decrease of 0.9 points in the fourth quarter.
- Utilities expenses: Despite higher unit costs from renewable energy surcharges and other factors, utilities expenses recorded a 3.4-point decrease in the third quarter due to effective usage control.
- Advertising expenses: While advertising expenses increased due to a rebound from the prior year's ransomware impact in the first half and stepped-up promotions to address inflation, effective control measures took hold in the second half.
- Other: Start-up costs for new store openings and existing store revitalization decreased.
  (An decrease of approx. 0.7 billion yen from 1.9 billion yen in the previous fiscal year to 1.2 billion yen in the current fiscal year)
  The Company increased investments in store repairs and maintenance to enhance safety and amenities.

Non-consolidated	3Q FY2025 (Mar.-Nov.)			4Q FY2025 (Dec.-Feb.)			FY2025 Full-year (Mar.-Feb.)		
(Million yen)	Result	% of operating revenue	YoY	Result	% of operating revenue	YoY	Result	% of operating revenue	YoY
Operating revenue	277,461	100.0%	102.8%	103,754	100.0%	100.9%	**381,215**	100.0%	102.2%
Operating gross profit	188,947	42.9%	102.6%	43,388	41.8%	100.2%	162,335	42.6%	101.9%
SG&A expenses	**104,970**	**37.8%**	**103.2%**	**35,894**	**34.6%**	**98.9%**	**140,864**	**37.0%**	**102.1%**
Personnel expenses	**38,074**	13.7%	101.9%	**13,190**	12.7%	99.1%	**51,264**	13.4%	101.2%
Depreciation	**9,835**	3.5%	97.4%	**3,407**	3.3%	97.8%	**13,243**	3.5%	97.5%
Rent expenses	**7,171**	2.6%	98.4%	**2,462**	2.4%	98.8%	**9,633**	2.5%	98.5%
Store management expenses	**10,666**	3.8%	109.7%	**4,022**	3.9%	109.5%	**14,689**	3.9%	109.7%
Utilities expenses	**10,424**	3.8%	100.8%	**2,981**	2.9%	96.6%	**13,406**	3.5%	99.8%
Advertising expenses	**6,886**	2.5%	110.1%	**2,293**	2.2%	99.9%	**9,179**	2.4%	107.4%
Other	**21,911**	7.9%	106.3%	**7,535**	7.3%	94.7%	**29,447**	7.7%	103.1%

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Consolidated Balance Sheet for the Fiscal Year Ended February 28, 2026 (FY2025)

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Total assets increased 19.4 billion yen due to new store openings and the revitalization of existing stores.

- Total assets: Total investments, primarily in new store openings and the revitalization, including prior investments, stood at 21.7 billion yen.
  Cash and deposits increased 12.3 billion yen due to factors including a bank holiday.
  Notes and accounts receivable - trade, and contract assets increased 2.5 billion yen, chiefly due to a rise in credit transaction value.
- Liabilities: The final day of the fiscal period fell on a bank holiday, which led to an increase of 28.2 billion yen in notes and accounts payable - trade and a decrease in interest-bearing liabilities by 17.1 billion yen.
- Net assets: In April 2025 and January 2026, the Company bought treasury shares valued at total 4.9 billion yen. The shareholders' equity ratio declined 0.2 points YoY to 49.4%.

Consolidated *	End of FY2025			Finalization of provisional accounting for business combinations * End of FY2024		
(Million yen)	Result	% of total	Amount	Before confirmation	After confirmation	Amount
Total assets	**595,383**	**100.0%**	**+19,420**	569,611	575,963	+6,351
Cash and deposits	**28,088**	4.7%	+12,370	15,717	15,717	
Note and accounts receivable-trade, and contract assets	**61,794**	10.4%	+2,534	59,259	59,259	
Property, plant and equipment	**357,808**	60.1%	+5,330	344,469	352,478	+8,008
Goodwill	**34,207**	5.7%	-2,212	55,722	36,419	-19,303
Other	**113,485**	19.1%	+1,396	94,441	112,088	+17,646
Liabilities	**287,444**	**48.3%**	**+11,084**	270,392	276,359	+5,966
Notes and accounts payable-trade	**57,289**	9.6%	+28,265	29,024	29,024	
Interest-bearing liabilities	**123,225**	20.7%	-17,184	139,456	140,410	+953
Other	**106,928**	18.0%	+3	101,911	106,925	+5,013
Net assets	**307,939**	**51.7%**	**+8,335**	299,218	299,603	+384
Equity	**294,008**	49.4%	+8,100	285,522	285,907	+384
Non-controlling interests	13,930	2.3%	+234	13,696	13,696	

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Consolidated Cash Flows for the Fiscal Year Ended February 28, 2026 (FY2025)

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The final day of the fiscal period fell on a bank holiday, which led to an increase in notes and accounts payable - trade.
In April 2025 and January 2026, the Company bought treasury shares valued at total 4.9 billion yen.

- Cash flows from operating activities: Cash flows provided from operating activities amounting to 64.5 billion yen, driven in part by profit before income taxes.
- Cash flow from investing activities: Cash used in investing activities stood at 19.5 billion yen, primarily reflecting investments in new store openings, revitalizing existing stores, and digital transformation (cash outflows totaling 19.6 billion yen).
- Cash flows from financing activities: Cash used in financing activities came to 32.5 billion yen, chiefly due to the purchase of treasury shares amounting to 4.9 billion yen, dividends paid of 6.3 billion yen, and repayments of borrowings of 21.1 billion yen.

(Million yen)	FY2025	FY2024 *
Cash flows from operating activities	**64,515**	**40,323**
Profit before income taxes	**26,529**	**20,800**
Non-cash loss/gain (depreciation, etc.)	**23,660**	**27,965**
Increase/decrease in claims obligations related to operating activities	**22,889**	**4,332**
Income taxes and interest income	**-9,795**	**-10,058**
Other	**1,231**	**-2,715**
Cash flows from investing activities	**-19,613**	**-91,636**
Capital investment related	**-20,829**	**-18,787**
Other	**1,215**	**-72,849**
Cash flows from financing activities	**-32,531**	**55,032**
Interest-bearing liabilities related	**-21,104**	**61,523**
Other	**-11,427**	**-6,491**
Increase/decrease in cash and cash equivalents	**12,370**	**3,719**

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

* Fiscal year under review: Purchase of treasury shares valued at 4.9 billion yen (3.1 billion yen in April 2025 and 1.8 billion yen in January 2026)

* In the first six months of the fiscal year ending February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. The relevant for the fiscal year ended February 28, 2025 reflect the finalized accounting treatment for the business combination.

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Business Forecast for the Fiscal Year Ending February 28, 2027 (FY2026)

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The first fiscal year of the Third Medium-term Management Plan is positioned as the first year of structural reforms for transforming our business model to achieve our FY2030 targets.

- In response to the prolonged inflation, initiatives to address consumer frugality will be continued, and product strategies will be aligned with consumer behaviors. Sales promotion activities for the private brand Youme-Ichi will be strengthened.
- In the SUNNY business, which we began operating in-house in the previous fiscal year, we will drive the sales promotion and low-cost operation activities of Kurashi More, a private brand of Nichiryu, and our private brand Youme-Ichi, to stabilize business operations.
- One new store is planned—one operated by subsidiaries. We will also operate pilot stores for the new SM model (stores with an enhanced lineup of perishable items), aiming to develop expertise in the operation of these stores.
- We will review our governance structure and appoint a new outside director to build a solid foundation for the implementation of the Third Medium-term Management Plan.

(Million yen)	Consolidated				Non-consolidated			
	Full year		H1		Full year		H1	
	Plan	YoY	Plan	YoY	Plan	YoY	Plan	YoY
Operating revenue	**587,100**	**103.1%**	290,800	103.5%	**392,800**	**103.0%**	193,000	102.7%
Operating profit	**29,000**	**106.5%**	14,200	111.9%	**21,500**	**100.1%**	10,500	103.9%
Ordinary profit	**28,400**	**103.8%**	13,900	110.2%	**21,000**	**98.5%**	10,200	101.9%
Profit *1	**17,400**	**103.4%**	9,400	116.3%	**13,900**	**100.6%**	7,000	100.3%
EBITDA *2	**49,400**	**101.6%**	–	–	**–**	**–**	–	–

*1 Consolidated profit is profit attributable to owners of parent.

*2 EBITDA = Operating profit + Depreciation + Amortization of goodwill

Earnings per share *3	**82.82 yen**	
Dividend per share *3	**30.00 yen**	
Extraordinary income and losses	**-1.1 billion yen**	* Non-consolidated -0.7 billion yen
Capital investment (construction basis)	**21.0 billion yen**	* Non-consolidated 16.5 billion yen

*3 The Company conducted a three-for-one split of its common shares on March 1, 2026. Earnings per share, and net assets per share are calculated assuming the stock split was implemented at the beginning of FY2024.

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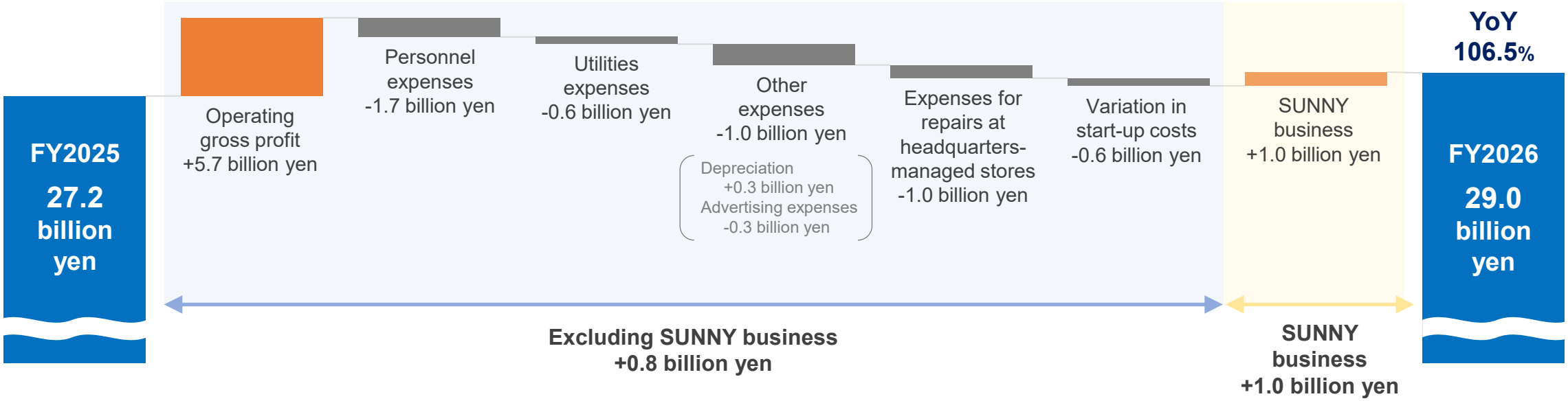
Operating profit is projected to increase by 6.5% to 29.0 billion yen.

- We have begun the Third Medium-term Management Plan for achieving the 2035 Long-term Vision, and we are aiming to build a community-based comprehensive life industry[A6.1] in the western Japan area.
- We will proactively develop the private brand Youme-Ichi to address consumer frugality and cater to diversifying consumer needs.
- We will stabilize the operations of the SUNNY business, which faced significant operational challenges in the previous year. We will return to profitability, aiming for YoY growth of 1.0 billion yen.
- We will push forward with aggressive investments in stores to achieve growth. We expect start-up costs will increase by 600 million yen and expenses for repairs at headquarters-managed stores (repair and maintenance expenses) will increase by 1.0 billion yen.

Changes in operating profit



Fluctuation in EBITDA

48.6 billion yen → **49.4 billion yen**

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

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Assumptions for Izumi on a non-consolidated basis

	Fiscal year ending February 28, 2027 (FY2026)		
New stores	**Youme Mall Nakagawa** (March 2026, Nakagawa, Fukuoka)		
Main increases in floor area and revitalization	**General merchandise stores: 10** * No increases in floor area		
Unique factors	Start-up costs declined 700 million yen YoY (initial plan: 1.9 billion yen, results in the previous fiscal year: 1.2 billion yen)		
	Full year	H1	H2
Net sales	**334.7 billion yen**	**164.1 billion yen**	**170.6 billion yen**
Year-on-Year Change in Net Sales at Existing Stores	102.9%	102.1%	103.7%
Directly managed stores total	102.9%	102.1%	103.6%
Gross profit margin (Ratio to sales)	**Current FY: 32.4%** Previous FY: 32.6%	**Current FY: 32.5%** Previous FY: 32.7%	**Current FY: 32.3%** Previous FY: 32.5%
Personnel expenses	52.4 billion yen (Previous FY: 51,264 million yen, up 2.2% YoY)		
Depreciation	13.0 billion yen (Previous FY: 13,243 million yen, down 1.8% YoY)		
Labor productivity * Gross profit per employee	9.06 million yen (Previous FY: 8.82 million yen, up 2.8% YoY) * Based on Izumi non-consolidated accounting and directly-operated / existing stores as of the end of FY2025		

Year-on-Year Change in Net Sales at Existing Stores	FY2026 March Results
Lifestyle	99.1%
Foods	100.7%
Directly managed store total	**100.2%**
Tenants	102.1%
Izumi Total	**101.1%**

* Breakdown of total directly operated stores

Number of customers	100.6%
Average sales per customers	99.4%
Average spent per item	99.4%
Number of purchases	100.0%

Impact of day-of-week differences
Number of holidays: -1
(about a 0.4% decline)

* The year-on-year change in net sales from existing stores is shown as figures on a gross operating revenue basis before the application of the Accounting Standards for Revenue Recognition.

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Medium-Term Management Plan

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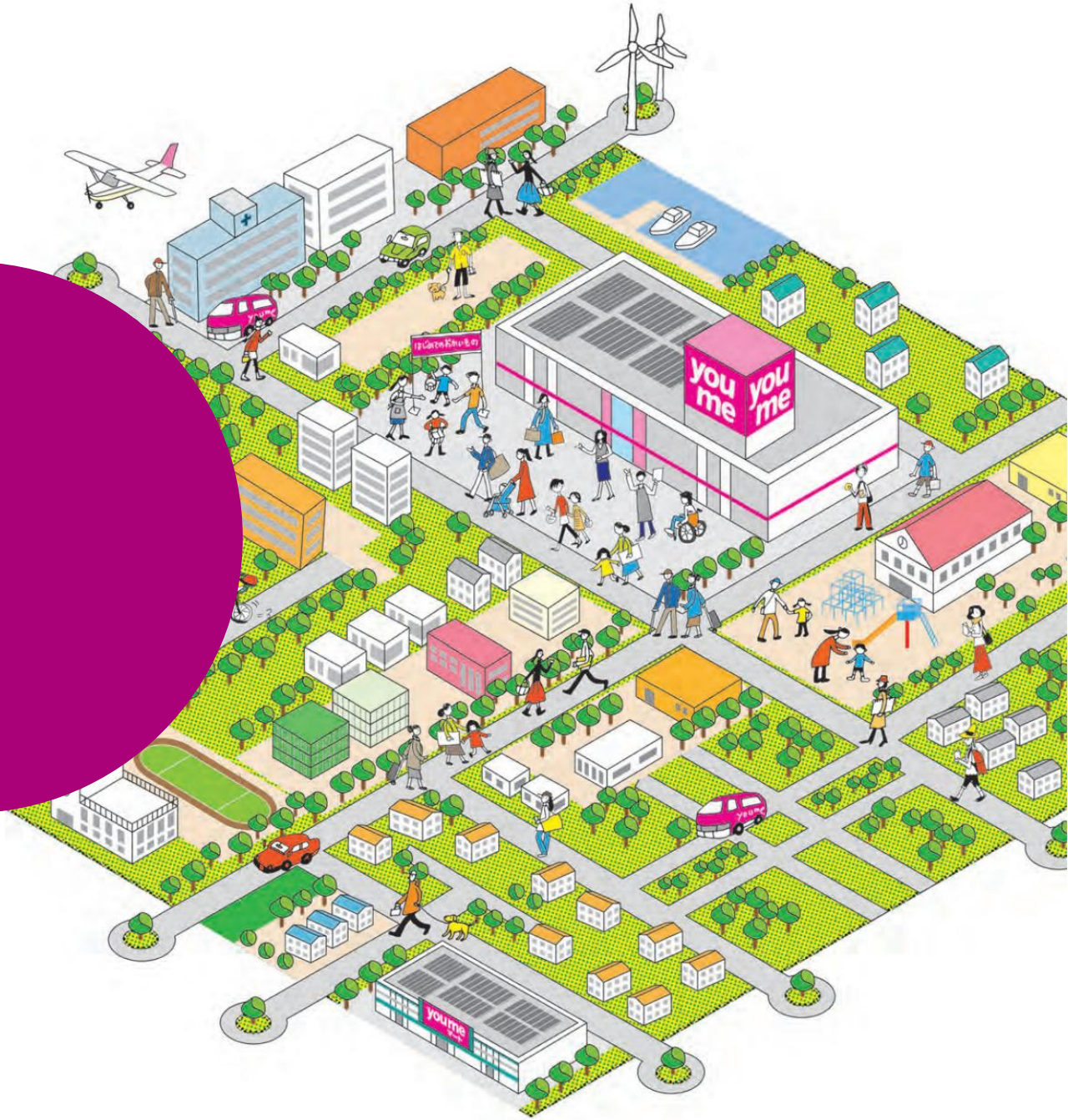
3rd Medium-Term Management Plan
(FY2026-FY2030)



Contents

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

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

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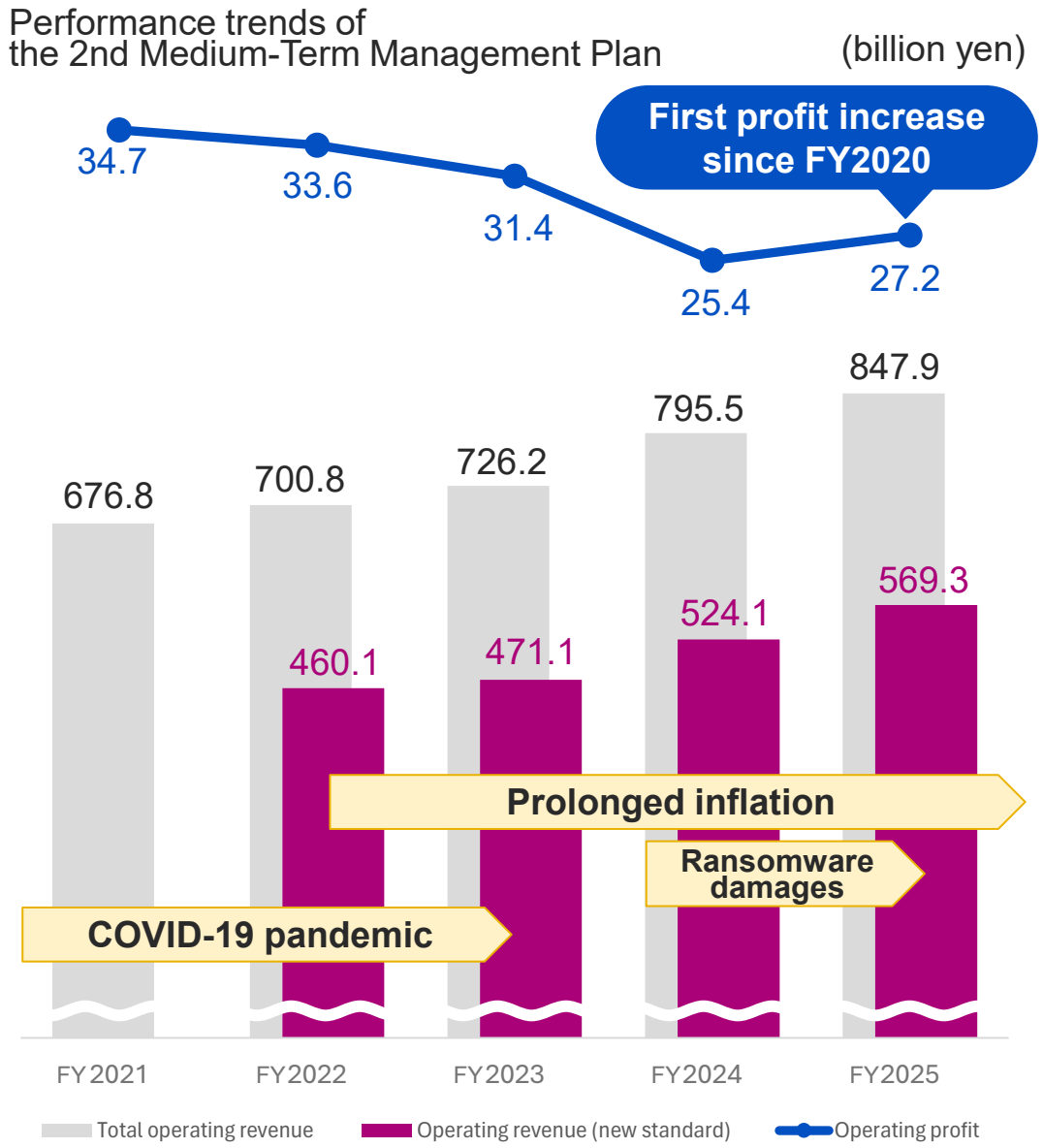
Review of 2nd Medium-Term Management Plan



■ FY2021

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

■ FY2022-2023

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

■ FY2024-2025

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

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

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

Key initiatives	Main implemented items	Issues
Growth Strategy	• New store openings: 17 └ SM: 10 └ NSC: 4 └ GMS: 1 └ Other: 2 • Large-scale store revitalization: 55 • Unprofitable stores closed: 13 • Strengthened competitiveness with makeovers of food products, etc. • Rejuvenated stores with renovations	• Responding to increases in various costs • High dependence on seniors • Decline in sales in family demographic • Establishment of successful model for lifestyle category • Attracting tenants that are appealing to the local community
DX Promotion — Customer satisfaction	• Personalized sales promotions via Youme App • Expanded sales of Youme Online • Expanded store network for Youme Delivery	• Effective way to approach to new customers
DX Promotion — Productivity improvement	• Increased productivity with DX • Developed capabilities of employees during their spare time by improving productivity	• Reducing headcount to withstand pace of increase in personnel expenses
Talent development & capability development	• Manager development (103 people completed Izumi University) • Created environment for self-learning (e.g., e-learning, video manuals)	• Developing talent for new SM format • Talent development aligned with management strategy
Strengthening group management	• Expanded food market share with M&A • Strengthened existing businesses (e.g., facility management business, FC store openings)	• Curbing external outflow of cash • Expanding revenue via external store openings and strengthening of external sales

For the 3rd Mid-Term Plan

- **Establish winning model for SM**
- **Respond to stagnating lifestyle category**
- **Establish model for winning pattern revitalization**
- **Strengthen approach to human capital**
- **Create synergy throughout entire group**

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Review of 2nd Medium-Term Management Plan: GMS

■ Revitalized large stores

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

Sales growth rate from large store activation

Figure in parentheses indicates results of large-type nonactivated stores

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

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

■ Strengthened community functions

Arao City Library

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

Furusato Company Grand Prize

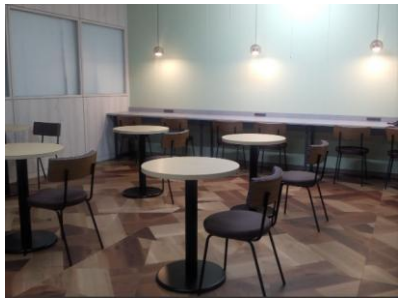
- Received 2022 Furusato Company Grand Prize (Minister of Internal Affairs and Communications Award) in recognition for creating jobs in Youme Town Hatsukaichi and for community contribution activities such as establishing a nursery school

■ Improved appeal of lifestyle category (new FC business)

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

FC business sales	FY2020	FY2025
	¥0.97 B	¥3.16 B

■ Rejuvenated stores



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

Employee break room

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

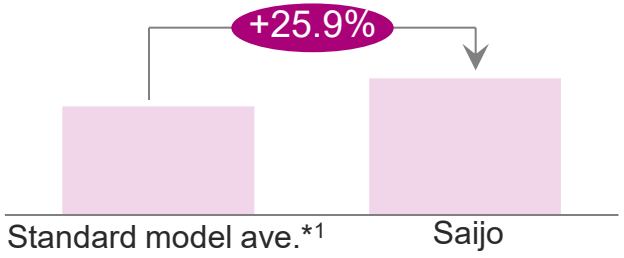
- NSCs are open-air shopping centers made up of a wide variety of specialty stores such as household goods stores, restaurants, and home appliance stores, including new stores opening for the first time in the region and for Izumi. The facilities are centered around Youme Mart, a food supermarket operated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

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

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

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

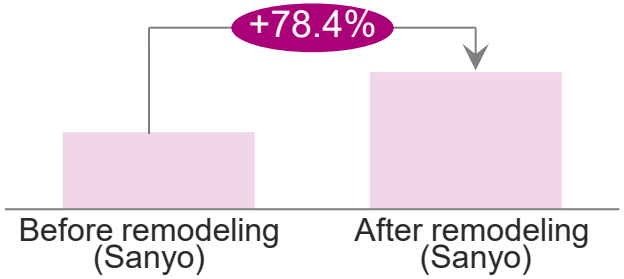
Food sales per *tsubo* (3.3m²)



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

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

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



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

*1 Average sales for standard-sized SMs of the same scale *2 Adjusted EBITDA = Operating profit + Depreciation + Variation in start-up costs

Attracting younger customers

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

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

+9.8%

High profitability compared to SM

Optimizing Revenue Through Customer Flow Synergies and Tenant Mix

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

+3.1%

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

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

Ratio to sales of food 2.8% (as of Mar. 2026)

	Lineup	Items launched (as of Feb. 2026)
Top	**Premium** — **Premium quality ensured by buyers' uncompromising criteria** A high-end lineup of products focused on outstanding quality (ingredients, production process, and taste) and developed in pursuit of added value and quality	**1** item
Mid	**Regular** — **Most recommended products with satisfactory quality and prices** A standard lineup focused on the balance between quality and prices	**22** items
Low	**Price** — **Affordability that is ideal for daily consumption** A lineup of products focused on low prices to help customers save money for food for daily consumption	**140** items
		Total: **163** items

*PB: Private Brand

List of products

Look here for a list of products currently in stores

Izumi private brand, Youme-Ichi

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

■ M&A

May 2024
SUNLIFE Co., Ltd.

4 stores

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

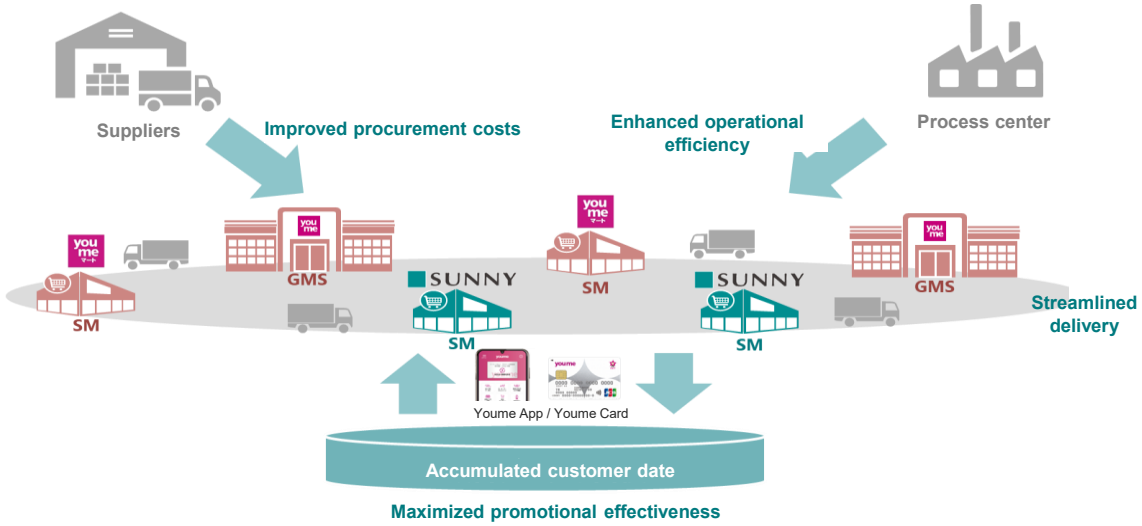
70 stores

Achieved stronger domination of Kyushu

Kyushu:
159 stores

All stores:
266 store network

■ Future Plans for the SUNNY Business



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

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1. Review of 2nd Medium-Term Management Plan

2. 3rd Mid-Term Business Plan

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

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

	Macroenvironment	Competitive environment	Consumer environment
Opportunities	• **The existence of areas** such as Fukuoka, Hiroshima, and Kumamoto, **which are attractive** in terms of future population and GDP. • **Growing demand for basic infrastructure** to maintain public facilities in depopulating areas. • **Leveraging AI to improve productivity and create cost advantages.**	• **Increase in M&A opportunities** driven by the need to survive and remain competitive. • **Growing demand for high-value-added domains,** such as selection and quality, in response to the backlash against the shift toward lower pricing.	• As consumers become more budget-conscious amid inflation, **the demand for quick & easy meals is growing as consumers return to home meal replacements.** • **Underlying strength of one-stop shopping needs** in lifestyles centered around car travel. • **Growing consumer attachment to local businesses** in contrast with nationwide chains.
Challenges	• As the population declines, the **restructuring of the food market is accelerating in regions outside of some urban areas** such as Fukuoka, Hiroshima, and Kumamoto. • Against the backdrop of risking labor costs, **the shift toward higher-value-added and more efficient store operations is accelerating.**	• **Emergence of food retailers that compete using low pricing, such as discount stores and drugstore operators.** • **Accelerating expansion of nationwide chains into the Hiroshima and Fukuoka areas.**	• **Decline in customer numbers and spending due to aging among primary customer segment.** • Accelerating **aging** mainly in rural areas **is leading to reduced shopping activity** • **Diversifying customer needs**

Izumi's strengths

- **Prime location of GMS in major urban areas**
- **One of the region's largest customer bases, with 11 million customers*, built using GMS**
  *Number of Youme Card members
- **Product development capabilities, including Youme-Ichi, zehi, and SHUCA.**
- **On-site capabilities in creating store-led sales floors tailored to local needs**
- **Adaptability to meet evolving needs through diverse formats***
  *GMS, NSC, and SM

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

Management Philosophy

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

Vision

At the Izumi Group, we strive to be a community-oriented comprehensive life industry that is the most deeply connected to and trusted by customers in western Japan.

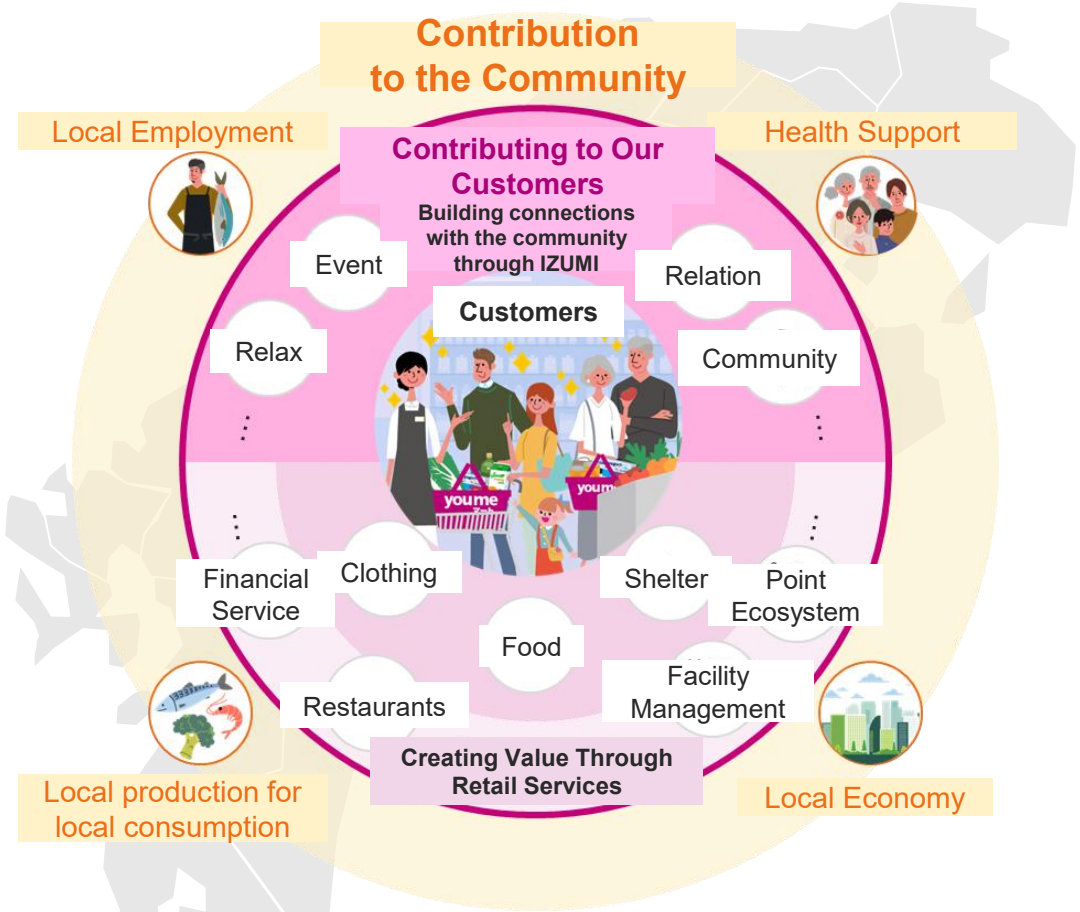
Basic policies

- Be more committed to local customers than anyone else
- Build a framework for growing together with local communities
- Become a cornerstone for the daily lives of local residents

Future Direction

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

Creating comfortable and lively communities



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About the Customer and Employee Engagement Score

	Customer engagement score	Employee engagement score
Aim	• **Continuously optimizing products and store environments from the customer's perspective** – Visualizing how much customers have become "fans" of our company	• **Increasing the number of employees who feel a sense of pride and joy, and as a result, improving business performance through increased productivity.** – Visualizing how much employees have become "fans" of our company
The score's significance	• **Visualizing how satisfied customers are with our products and services** • **Visualizing the effectiveness of our initiatives and building a foundation for a customer-oriented PDCA cycle by tracking metrics by store/category**	• **Visualizing how much our employees resonate with our philosophy and strategy, and how much they embody our philosophy.** • **Also visualizing whether our company is successfully creating and providing a workplace where employees can work with peace of mind from the perspective of employees.**
How scores are calculated	• **By conducting surveys of our app members (approx. 2 million members) on 18 items related to store layout improvement** – Category: Produce, fresh seafood, meat, ready-made foods, groceries, LS, household goods, etc. – MD: Price, selection, quality/freshness – Environment: Customer service, cleanliness, adequacy of events, etc.	• **The survey is conducted six times a year for full-time employees.** **Response rate: 95% or higher** (based on the 2025 survey results) **4 items considered to be particularly important** – Philosophy & strategy: Resonating with our mission & vision – Growth: Sense of accomplishment & opportunities for growth – Health: Workload & stress – Organizational culture: A culture of taking on challenges & collaborating across departmental boundaries
Current score	• **72.4** (Jan. 2026 survey results)	• **Average score of 64.3 across the 4 items considered important** (Mar. 2026 survey results)

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

FY 2025

Current standing

- Operating revenue: 569.3 billion yen
- Operating profit margin: 4.8%

FY 2030

Goals of the 3rd Medium-Term Plan

- Operating revenue: 700 billion yen
- Operating profit margin: 5.0% or more
- No.1 share of the food market in Hiroshima, Fukuoka and Kumamoto.

Realizing structural reforms to evolve the business structure that was overly reliant on

FY 2035

Goals of the Long-Term Vision

- Operating revenue: 1 trillion yen or more
- No.1 share of the food market in Hiroshima, Fukuoka, Kumamoto, Yamaguchi and Hyogo (Harima)

A community-oriented comprehensive life industry that is deeply rooted in the community and relied upon by local customers

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

Basic strategy

Community-oriented

- Our regional strategy prioritizes Hiroshima, Fukuoka, and Kumamoto, followed by Yamaguchi and Hyogo (Harima).
- Optimize the MD/PB and store portfolio based on the needs of local customers
- Provide products, services, and experiential offerings that make local customers happy

Creation of a "new SM business" (balancing the growth of sales & profits)

Evolution of GMS (generating the resources for Izumi's overall growth)

Strengthening of retail-peripheral business & new businesses (growth into a 3rd revenue stream)

Key initiatives

- **Creating sales floors, products and services based on a deep understanding of customers**
- **Realization of highly efficient standard operations**
- **Realization of fundamental cost structure reforms**
- **Mechanisms to accelerate strategy execution**

A return to the origins of an organizational culture where every individual thinks independently and embraces taking on challenges and innovating (including a review of HR systems)

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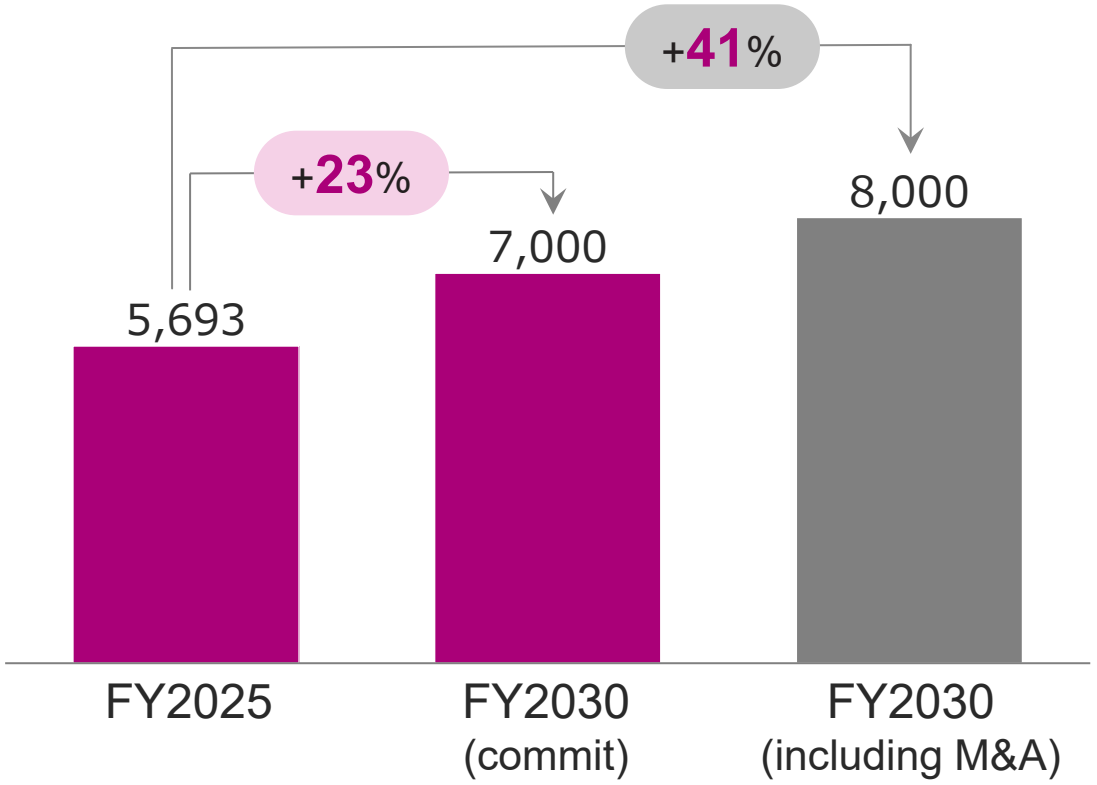
3rd Medium-Term Management Plan: Target figures (overall)

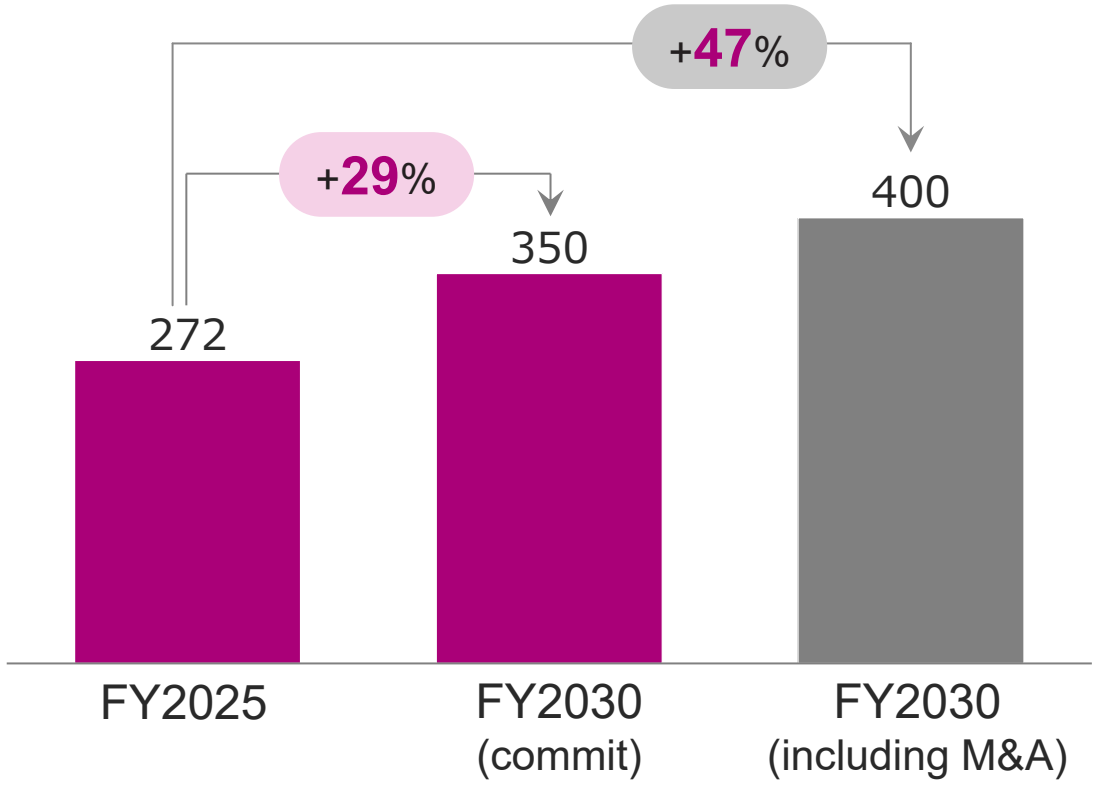
Operating revenue

(100 millions of yen)



Operating profit

(100 millions of yen)



	FY2025	FY2030 (commit)	FY2030 (including M&A)
Operating Profit margin	**4.8%**	**5.0%**	**5.0%***

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

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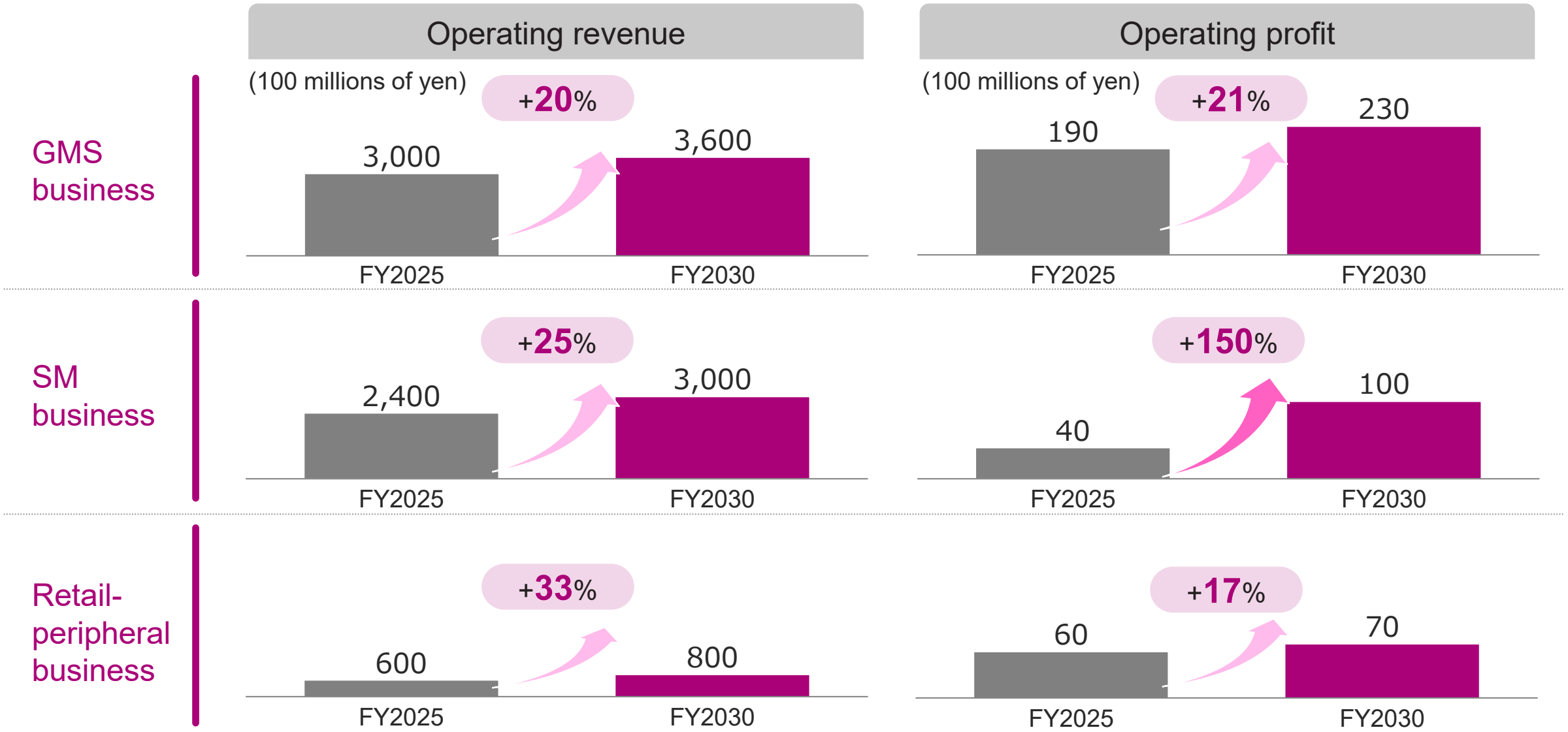
3rd Medium-Term Management Plan: Target figures (by business)



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

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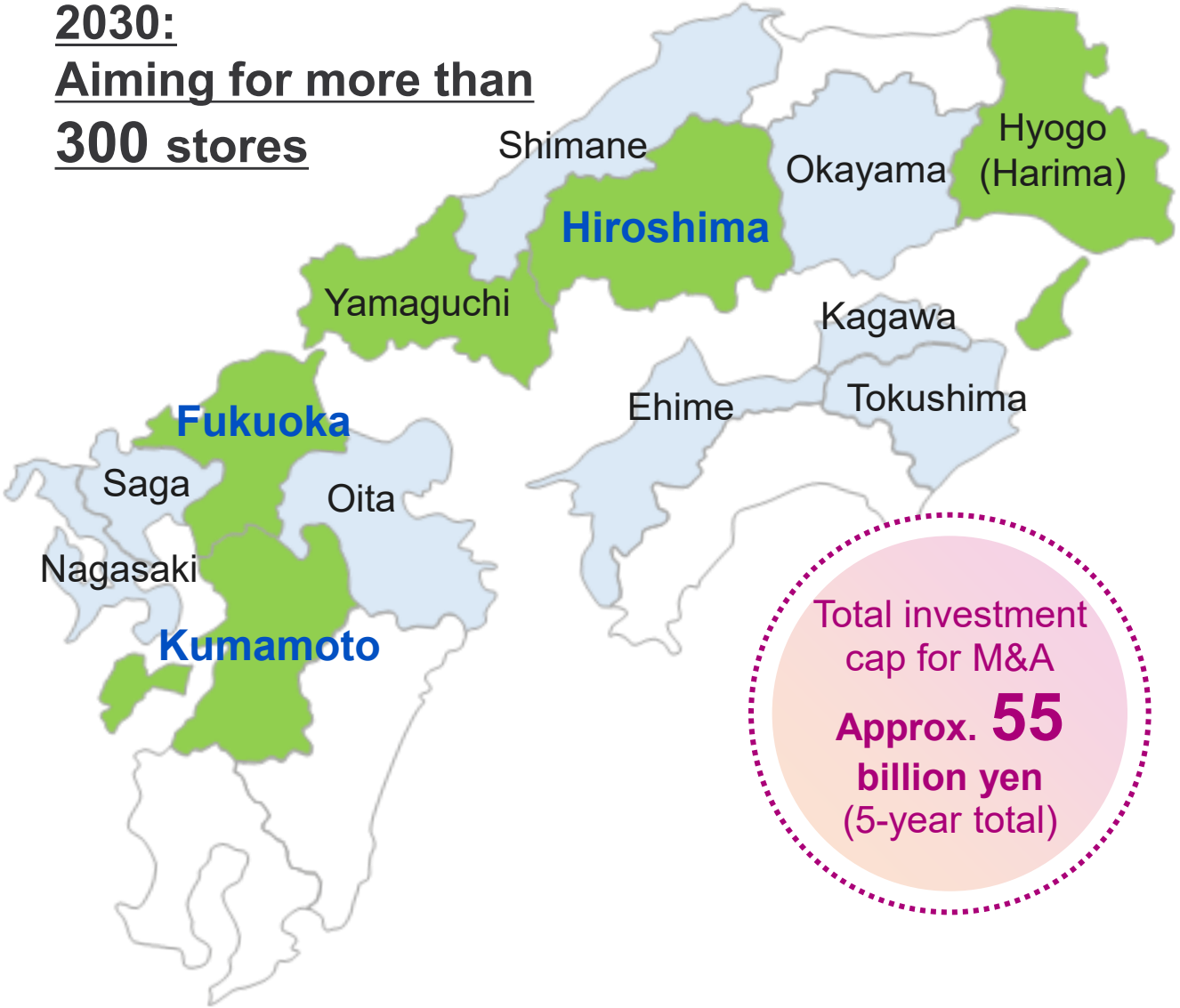
Clarify area strategy in Western Japan region

2030:
Aiming for more than
300 stores



Total investment cap for M&A
Approx. 55 billion yen
(5-year total)

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

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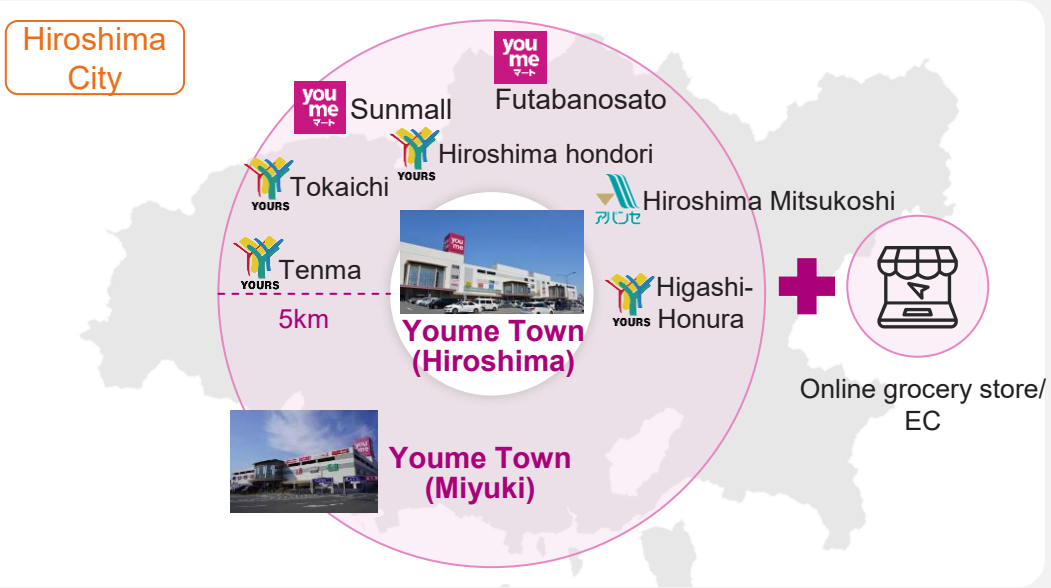
Regional strategy: Dominant deep-dive pattern

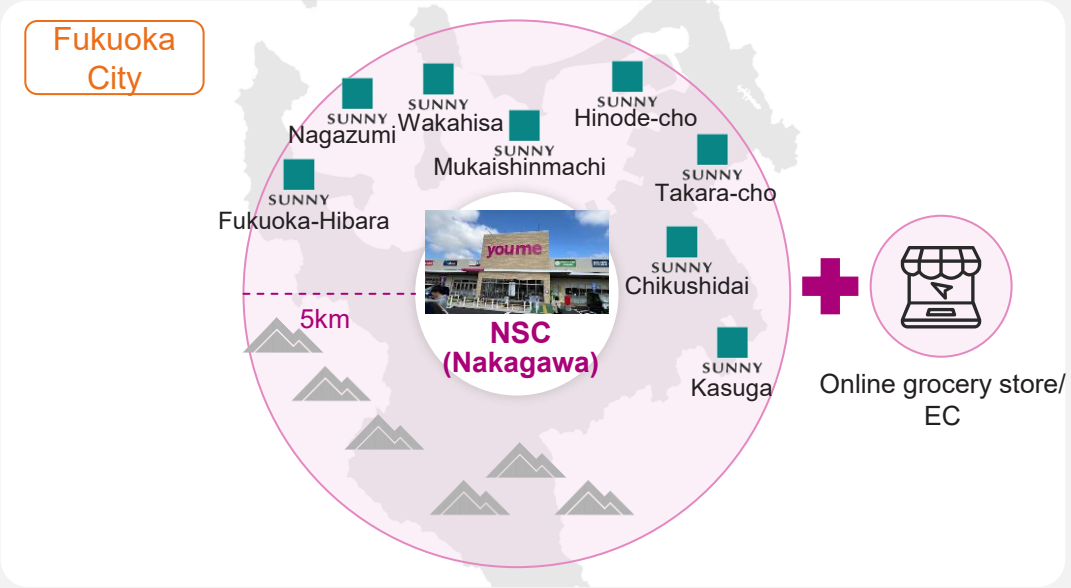
GMS + SM

Aim	By surrounding GMS with SM stores, we aim to **meet the needs of both everyday use and special occasions on weekends**, thereby increasing our share of customers' spending.
Regional characteristic	**Areas that already have GMS assets** (most of the areas that have Izumi stores) • Hiroshima City, Kumamoto City, Yamaguchi City, Himeji City, etc.



NSC + SM

Aim	**Meet the needs of specific areas** and establish a dominant presence **by deploying multiple NSCs and SMs** with different shopping missions.
Regional characteristic	**Areas** (urban areas) **where there is no room for GMS to open new stores** • Fukuoka City, Kitakyushu City, etc.



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SM strategy: Concept of creating a New SM business

Each format leverages characteristics to create stores where customers shop most often in the community
(increase frequency of customer store visits & purchase amount)

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

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

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

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

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SM strategy: Target & Value offered

	Business model	Target	Value offered
Large (600 tsubo or more) 	• Attract customers with our wide selection of products, as well as produce (freshness & affordability), fresh seafood (freshness & liveliness), and ready-made foods (deliciousness). • Securing profits by increasing the number of items purchased through shopping around.	Families who cook Daily consumption + Special-occasion consumption → Handles everything	Provides a one-stop solution that combines the fun, peace of mind, and convenience of making choices, supporting a “slightly better everyday life” for each person in the community.
Standard * (400-600 tsubo) 	• Attract customers with produce (freshness & affordability), fresh seafood (freshness & liveliness), and ready-made foods (deliciousness). • Strengthen staff in the produce and fresh seafood sections and advancing the shift toward chain stores/promoting labor-saving measures for processed food/daily items and meat.	Families who cook Daily consumption	Supports local households’ daily meals with affordable produce, processed foods, and daily items, as well as high-quality fresh fish and ready-made food.
Compact urban (up to 400 tsubo) 	• Emphasize convenience (quick & easy meals) • Low-cost operation store centered on out-pack goods that can work even in urban areas.	Dual-income households & single-person households in urban areas Emphasis on time efficiency	Offers tasty, time-saving solutions for busy people’s everyday meals with a complete, no-compromise product lineup.

*Including suburban stores of 400 tsubo or less

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SM strategy: MD policy & operational policy

	MD policy	Operational policy	Future numerical targets
Large (600 tsubo or more) 	• Building on the standardization of processed food/daily items, Izumi provides unmatched variety and depth while boasting its strength in fresh produce and ready-made foods.	• Although labor-saving initiatives are being driven by headquarters for processed food/daily items, competitiveness is being enhanced with a focus on produce • In-store operations and store-led sales floor development will continue	• **Sales productivity: +45%** • **Labor cost-to-sales ratio: -4%pt**
Standard * (400-600 tsubo) 	Produce + Fresh fish + Ready-made food + EDLP (groceries) • Strengthen ability to attract customers by highlighting the pricing of produce and the quality/selection of fresh fish • Flagship products boldly emphasize discounts and drugstore-level pricing	• A chain store that is managed, in principle, by headquarters. However, it differentiates itself by strengthening its personnel, including in-store staff, for destination produce, fresh fish, and signature ready-made foods.	• **Sales productivity: +40%** • **Labor cost-to-sales ratio: -4%pt**
Compact urban (up to 400 tsubo) 	Strengthen quick and easy meals + EDLP (groceries) • Quick and easy meals offer a wide selection of delicious items • Does not carry an excessive range of products	• External packaging and mainly headquarters-led operations focused on efficiency that minimizes labor hours (in-store is limited to fried ready-made foods only)	• **Sales productivity: +10%** • **Labor cost-to-sales ratio: -0.5%pt** *If standards are raised to match those of the benchmark model store

*Including suburban stores of 400 tsubo or less

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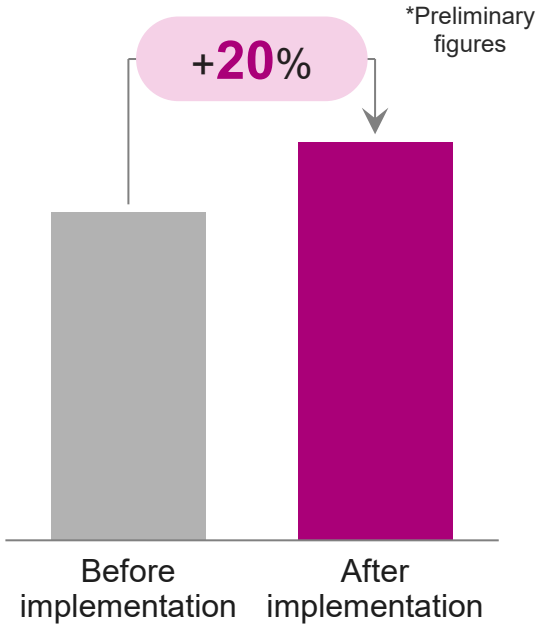
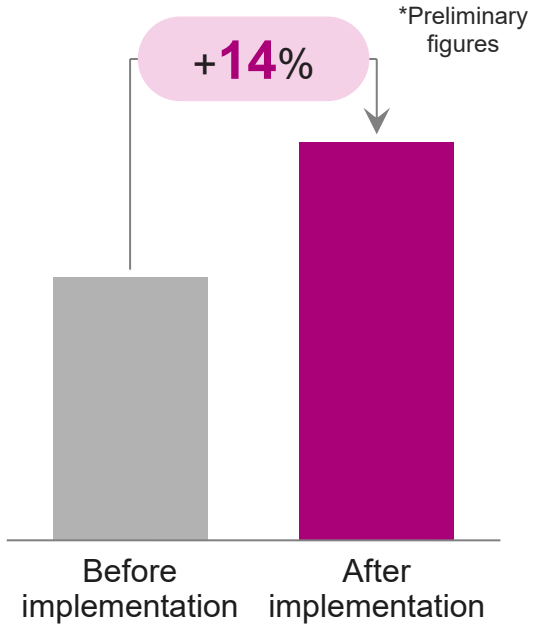
SM strategy: Progress of the Large Format (produce strengthening) pilot store: Youme Town Miyuki

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

First-2weeks sales of food section



Number of customers in the first 2weeks of food section



Growth rate of produce sales: +44%

Growth rate of fresh fish sales: +48%

Produce: Emphasizing “freshness” and “price”

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

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

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

FY2026 | FY2027 | FY2028-FY2030

① Rebuild → ② Enhance value → ③ Shift to New SM

Restore SUNNY business to its former state through MD policies (reviewing and strengthening pricing and product assortment) and cost control

Resolving immediate MD and operational challenges

Raising standards to the benchmark level within SUNNY business

Convert some stores into destination stores

Transition to an urban format with a focus on urban stores in Fukuoka City

Operating revenue
80.5 billion yen
Operating profit before goodwill amortization
1.7 billion yen (2.1%)

Standardization of operations

Enhanced support for ready-made foods of PB (Youme-Ichi) and Izumi

Improvement in gross profit through a review of pricing and product assortment for KVI/non-KVI

Strengthen Izumi's ready-made food sales along with the expansion of the Youme Delica's Yame Factory

Operating revenue
100 billion yen
Operating profit before goodwill amortization
5 billion yen (5.0%)

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

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GMS strategy: Concept behind the GMS reform

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

Make customers and MD look 20 years younger

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

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

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

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GMS strategy: Way of thinking regarding basic measures by format

Comprehensive life industry that GMS aims for = Want to visit × want to shop around × want to buy

Optimal
- Assortment
- Retail space
- Optimizing personnel management

Comfortable
- Space
- Function
- Service

Gathering place
- Excitement
- Community inclusiveness
- Government collaboration

XXX : Labor cost ratio

	Main target: Young (Up to early 30s)	Main target: Families (Mid 30s-50s)	Main target: Seniors (60s and up)	Optimal	Comfortable	Gathering place
Mega (20 billion yen or more)	○	◎	○	Change how Lifestyle's directly managed existing stores are used to enhance services and shopping environments. -1-2%	Convenient shopping services, spaces, and functions that meet the needs of three generations, with a focus on families.	Strengthening Izumi's signature exciting events, content, and entertainment that connect with the local community
Large (10-20 billion yen)	○	◎	○	Lifestyle will downsize its directly managed stores to an optimal size, thereby creating room to enhance services and shopping environments. -1-2%		
Standard (5-10 billion yen)	△	◎	○	Lifestyle's directly managed stores generate profits through significant downsizing & streamlining -1-2%	Services, spaces, and functions designed to make shopping easier for families and seniors.	Creating spaces where local residents can naturally gather and connect, with a focus on food and drinks.
Small (Up to 5 billion yen)	△	◎	△	Lifestyle is radically downsizing its directly managed stores and improving efficiency by focusing on the everyday use segment. -1-2%	Services and functions that meet everyday one-stop shopping/government service needs	Creating spaces where local residents can gather as part of the community's daily infrastructure

A new enhanced fresh produce food model
*Streamlining grocery operations

Thorough tenant recruitment that meets customer needs

Improving public services

◎ :a full product lineup in all categories. ○ :a full product lineup in key categories. △ :Depends on the store's size and location

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GMS strategy: Basic MD policies by format

	Lifestyle (clothing/household goods)	Tenant
Mega (Over 20 billion yen) **Large** (10-20Bbillion yen)	• Prioritize sales per tsubo **to ensure our assortment of products meets customers' one-stop shopping needs.** • MD, trends, and information dissemination that combines **local uniqueness** (such as products from local companies and MD tailored to school events) with **practicality** and **fun**, addressing both the practical needs of daily life and the desire for enjoyment.	**Industries and services that encompass the things, experiences, and connections of three generations.** • Civic center/entertainment & event spaces • Local tenants • Trendy shops • Touchdown space • Children's playground • Shared kitchen/grocerant • Entertainment (cultural classes & karaoke) • Social Welfare Council, etc.
Standard (5-10 billion yen)	Clothing: • Thorough standard product lineup • **MD that maximizes shopping efficiency by combining the basic demographic of customers in their 40s and 50s + function + bulk purchases.** Household goods: • Bold reduction in product lineup • **Expand selection of household goods and drugs that are likely to be purchased alongside groceries**	**Increase the proportion of retail spaces suitable for places where people gather and connect,** with a focus on food and beverage establishments.
Small (up to 5 billion yen)	Clothing: • **Limited to certain products** (such as underwear, children's clothing, children's shoes and school supplies**)** **purchased alongside groceries by families (in their 40s and 50s)** Household goods: • **Limited to certain items such as household goods, drugs, and cosmetics, which are likely to be purchased alongside groceries**	**Importance is placed on tenants that are likely to attract impulse purchases alongside food items,** such as at dollar stores and drugstores**, as well as tenants offering essential public services for daily life.** • Government branch offices, bank branches, and post offices • Clinics, barber shops, welfare facilities, etc.

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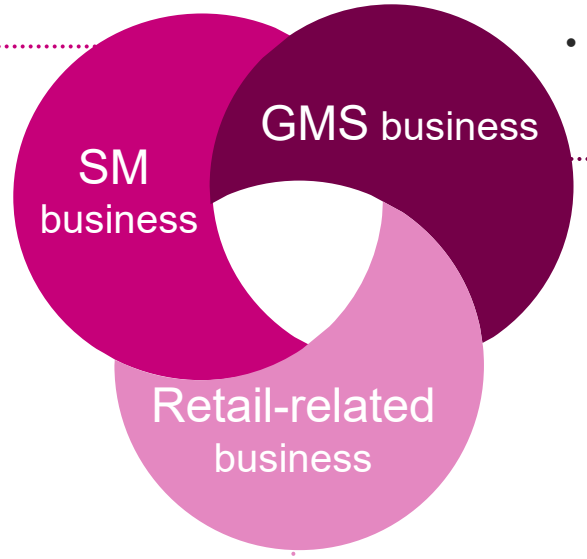
NSC strategy: Concept

Creation of NSC by leveraging Izumi's business foundation

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

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



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

NSC that leverage's Izumi's strengths

Food SM tailored to meet local needs

×

Attracting tenants to meet local needs

||

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

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

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Strategy for Retail-pripheral businesses (group companies)

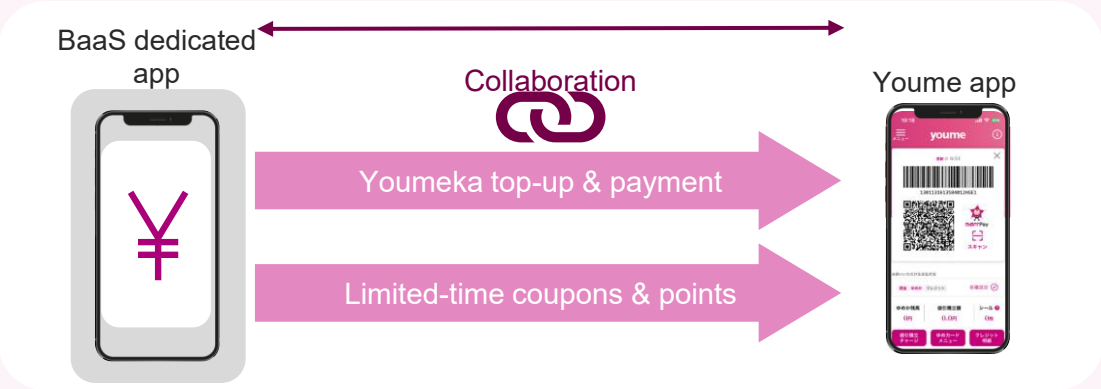
- Provide services that support the daily lives and infrastructure of local customers through collaboration with retail businesses.

BaaS business

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

Purpose

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



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

Restaurant business

Izumi Food Service Co., Ltd.

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

Designated Management Services and Facility Construction Services

Izumi Techno Co., Ltd.

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

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

Delica Business

Youme Delica Co., Ltd.

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

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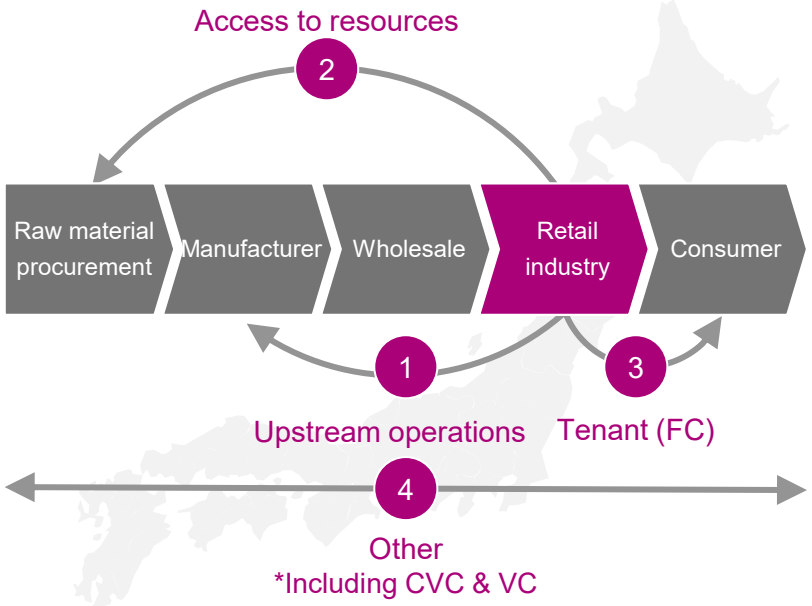
New business strategy: M&A

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

Target sectors for new business (M&A) investments

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



An example of business expansion through M&A

1 Upstream operations

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

2 Access to resources

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

3 Tenant (FC)

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

4 Other *Including CVC & VC

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

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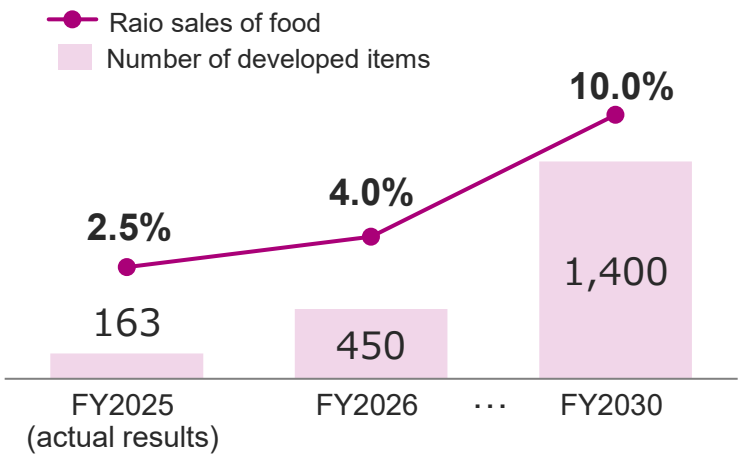
Strengthening of PB

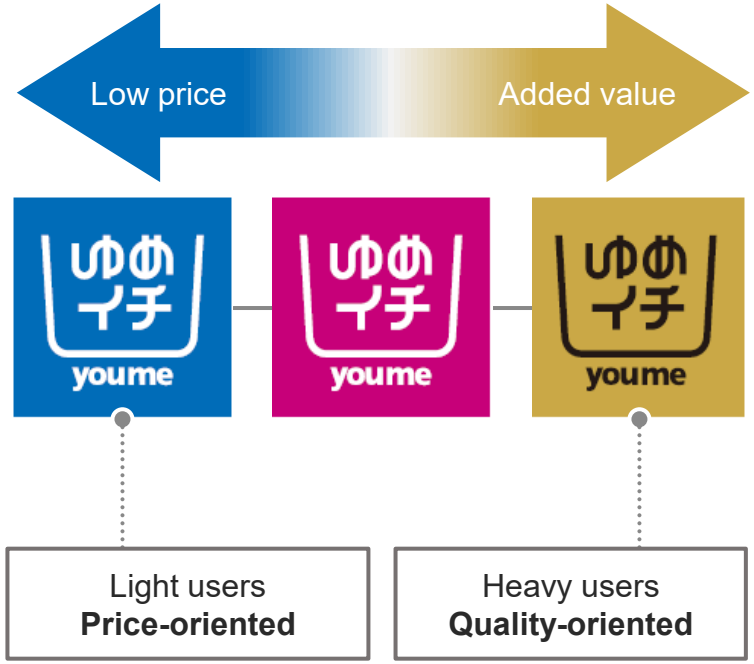
- The Izumi Group's PB, "Youme-Ichi," is positioned as a key driver of the growth strategy aimed at creating New SM businesses and will help to strengthen the competitiveness of the entire group.
- We provide our customers with safety and peace of mind by consistently managing every step of the process—from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

Purpose of PB development

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



Positioning of each product line



For developing more attractive products

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

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SCM restructuring: Restructuring of DC & Enhancement of PC

Restructuring of DC

Izumi

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

Considering the establishment of new locations to expand capacity

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

SUNNY Business

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

Considering the consolidation of three scattered locations

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

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

Enhancement of PC

Aim

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

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

	Current			Future (2030)		
	In-store	Our PC	Outsourced	In-store	Our PC	Outsourced
Hiroshima (Honshu)	80%	-	20%	20%	70%	10%
Kyushu	50%	35%	15%	15%	75%	10%

Establishing our PC in Hiroshima

PC strengthening by SUNNY business

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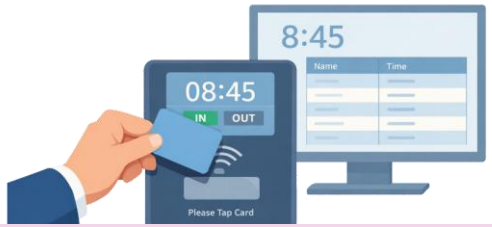
Promotion of DX (AI): Overview

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

Overview of DX initiatives

Location

Target	Back office	Store
Customer	**Digital customer management** Establishing systems that support relationships with customers from behind the scenes	**Improvement of shopping experience** Improving the customer's shopping experience
Employee	**SSC & back-office DX**  Streamlining the administrative tasks of employees	**Compact SM & operation DX** Reducing employee workload and operating with a smaller number of employees

Improving customer satisfaction

Design the shopping experience to make it easy for customers to shop, integrating both in-store and digital elements.

Reducing fixed costs DX strategy

Standardization, automation and personnel expenses saving measures in operations have led to a drastic reduction in fixed costs, primarily labor costs.

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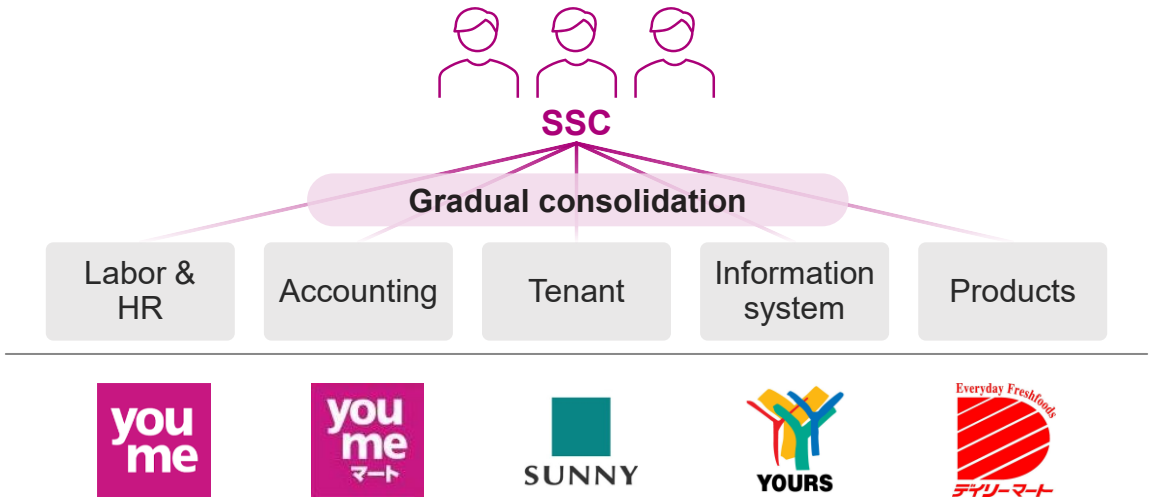
Promotion of DX (AI): DX for reducing fixed costs

Business restructuring via SSC (Shared Service Center)

Aim

To improve productivity in administrative functions across the entire Izumi Group

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



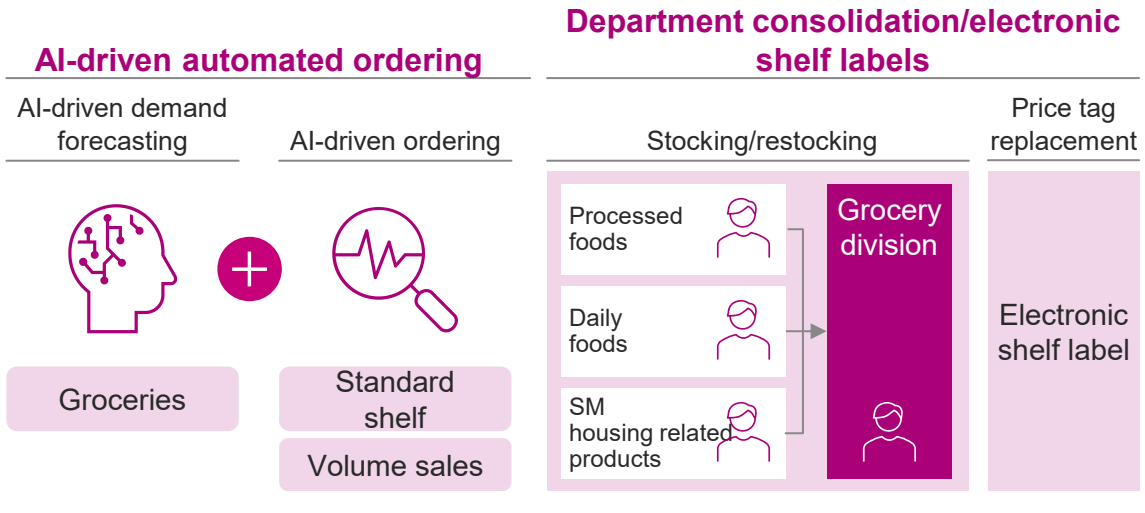
- Enhance both productivity and leadership simultaneously through standardization, automation, and centralized management.
- Accelerate decision making by management through cross-group data integration.

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

Aim

To improve the productivity of store employees

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



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

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3rd Medium-Term Management Plan Steps

	Build New SM model (including GMS food departments) and generate investment funding		Accelerate growth and strengthen dominance led by New SM model (including GMS food departments)		
	FY2026	FY2027	FY2028	FY2029	FY2030
Goals and positioning	**New SM model experimentation and creation** **Perform Lifestyle sales area experimentation and create standard model** **Generate investment funding through rapid-fire launching of initiatives** (cost efficiency improvement/optimization, etc.)		• **Lateral roll-out of New SM model** • **Establish dominant position by combining multiple business types and formats** • **Turn retail-peripheral operations into a third pillar, led by the above revenue and assets**		
Key points for achieving goals	• Incorporate new model through experimentation • Create new model's mechanisms (logistics, DX, human resources, etc.) • GMS reforms and sweeping cost structure reforms		• Promote transition to New SM, open new stores, and carry out M&As, prioritizing Hiroshima, Fukuoka, and Kumamoto • Showcase different values offered by each New SM format and become the SM that people in the region use the most on a daily basis • Improve store productivity through internal AI/PC creation		
Ideals	**New store openings: 13 stores** **Store revitalization: 148 stores (47 GMS, 101 SM)**				
	• The winning models for each format of New SM have been worked out, the mechanisms used by the New SM model have been prepared, and preparations have been made for roll-out • The organization has been made lean and cash is being generated through revenue improvement and cost structure reform measures		• The New SM model is established and firmly in place, and the SM have the No.1 share of the food market in the strategic areas • Further GMS monetization has been achieved, producing revenue sources • Areas to turn into the next revenue pillars have been identified		

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3rd Medium-Term Management Plan Roadmap

: Experimentation/plan design

: Full fledged realization of measure outcomes

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

		Measures		FY2026	FY2027	FY2028	FY2029	FY2030
Business strategy	Creation of New SM business	Creation of new SM/GMS food departments and products	Winning model creation and roll out	Creation of high revenue model through experimentation		Lateral roll out of New SM model (including opening new stores)		
			PB reinforcement	Active roll out of private brands (target of 10% of total food sales in FY2030)				
		Development of high efficiency operations suited to SM	SCM reorganization	Kyushu area		Hiroshima area		
			DX promotion	AI experimentation and deployment		Improvement of store productivity and customer experience by using AI		
	Evolution of GMS	Reforms to directly-operated Lifestyle sales areas		Creation of high revenue model through experimentation		Lateral roll out of standard model		
	Reinforcement of retail-peripheral operations	Retail-peripheral operations/new business		Expansion of Group internal and external revenue				
				New business creation				
	Shared	Cost structure reforms	Stores/sales areas	Cost reduction		Reinforcement of category management		
			Head office			Improvement of head office productivity through use of AI		
		M&A/alliance reinforcement		Active and strategic search for M&A opportunities and implementation of M&As				
Organizational culture		Human resource strategy		System and mechanism design		System operation and embodiment of Izumi's DNA (Innovation, Challenges, and Speed)		

Over the course of two years, establish a model for increasing market share by tremendous amount and roll-out rapidly once the infrastructure is in place

Further grow existing business as a third pillar and build foundation of revenue base for new business

Work continuously for five years to enhance medium- and long-term competitiveness and reliably produce results

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KPI

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

Operating revenue

700.0 billion yen

+23.0% vs. FY2025

Operating profit

35.0 billion yen or more

+28.5% vs. FY2025

Operating profit before amortization of goodwill*1

37.5 billion yen

Operating profit ratio

5.0% or more

Result for FY2025: 4.8%

Operating profit ratio before amortization of goodwill

5.4%

Efficiency indicators

ROE

6.0% or more

Result for FY2025: 5.9%

ROIC*2

5.0% or more

Result for FY2025: 4.0%

*1 Operating profit before amortization of goodwill = operating profit + amortization of goodwill + trademark amortization cost
*2 ROIC = operating profit after tax ÷ (interest-bearing liabilities + equity + non-controlling interests)

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1. Review of 2nd Medium-Term Management Plan

2. 3rd Medium-Term Management Plan

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

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Financial strategies: Cash allocation (5-year total)

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

Cash in

Operating cash flow	**177.0** billion yen
• **Utilization of cash and deposits** • **Sales of owned assets** • **Interest-bearing liability procurement**	Approx. **28.0** billion yen

Cash out

Growth investment **165.0** billion yen	**Store investment**	**85.0** billion yen (Total investment: 137.0 billion yen)	• New store openings: 34.0 billion yen (including S&B) • Existing store revitalization: 16.0 billion yen Reinforcement of fresh food segment, right-sizing of Lifestyle sales areas • Store environment improvements: 35.0 billion yen Store rejuvenation, repair investment, etc.
	DX/system infrastructure	**25.0** billion yen (Total investment: 29.0 billion yen)	• DX and system-related investment: 11.0 billion yen Improvement of productivity through DX promotion and AI use, security measures • Logistics reforms: 14.0 billion yen Logistics restructuring, prepared food plant expansion and improvement, process center operation
	M&A/ newbusiness	**55.0** billion yen	• M&A-related investment: 55.0 billion yen Expansion of regional share by reinforcing dominance within the region Expansion into business areas with high levels of synergy New business development, growth through open innovation
Shareholder returns	Approx. **40.0** billion yen		• Consolidated dividend payout ratio: 30% or more (progressive dividends) • Share repurchases: we will carry out repurchases in the aim of achieving optimal capital structure & executing a flexible capital strategy

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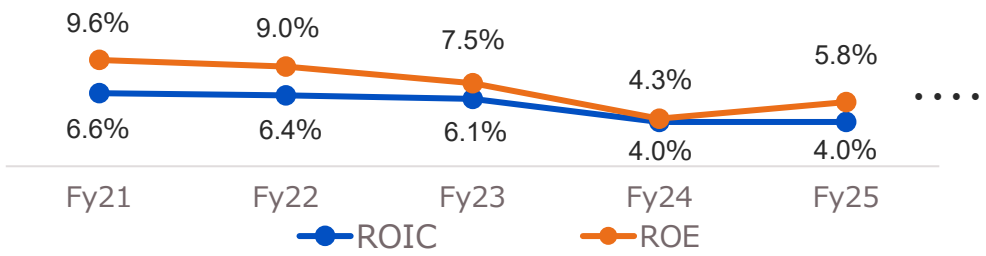
Financial strategies: ROE & ROIC

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

■ Positions of ROE and ROIC in 2030 KPI

Performance Trends



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

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

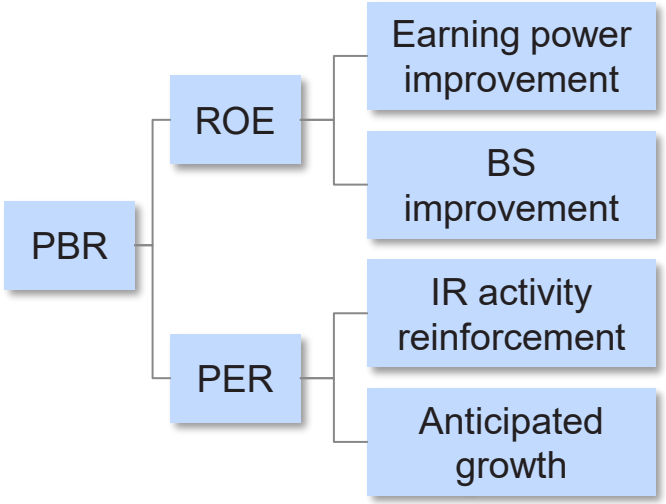
ROE	ROIC
6% or more	5% or more

Ideal | Begin recouping (long term)

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

ROE	ROIC
10% or more	7% or more

■ PBR improvement measures



- Earning power improvement through creation of New SM business
- Improvement of productivity through promotion of DX, etc.

- Disposal of cross-shareholdings and underutilized real estate
- Optimization of property, plant and equipment and operating capital turnover rates

- Expansion of number of individual investors (fan shareholders)
- Active involvement of directors
- Feedback regarding contents of dialogues

- M&As and alliances
- New business

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

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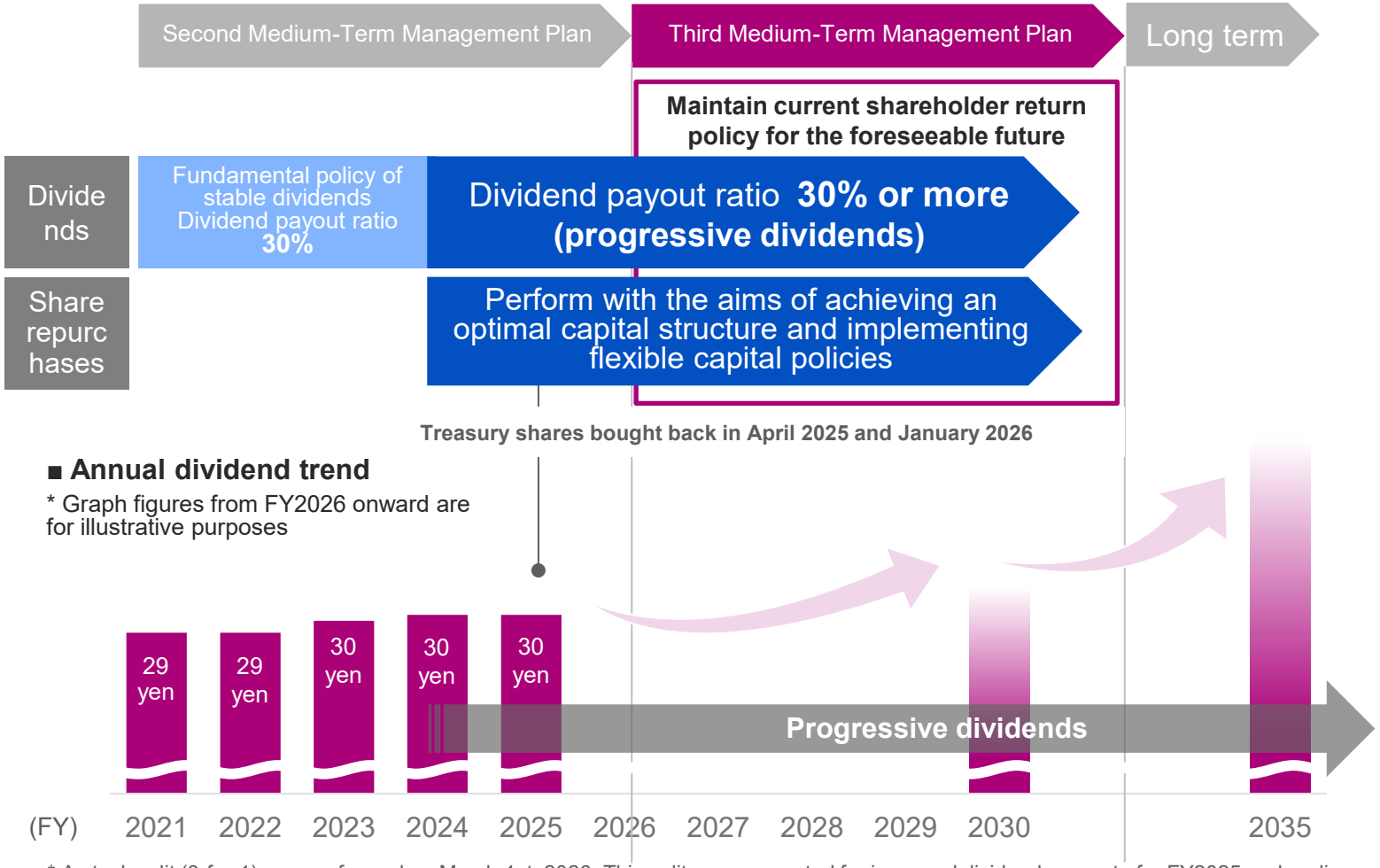
Financial strategies: Shareholder return policy

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



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

Shareholder return policy

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

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Financial strategies: Stock split

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

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

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

Reinforcement of investor relations directed at individual investors
Hold briefings, release videos, enrich web content, and use other measures to boost company recognition

Increase number of employee shareholders (shareholding association)
Retain stable shareholders, improve employee motivation, and enrich benefits

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

Our Ideals

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

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

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HR strategies: Human capital

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

Human resource development
- Development of next-generation leaders
- Develop specialized personnel
- Promote standard operation training
- Use DX in training reforms

Employee engagement improvement
- Use engagement surveys to address issues
- Reduce total working hours
- Promote employee health

Hiring and retention
- Diversify hiring methods
- Improve retention of younger employees

Attentive and aligned with the lives of regional customers

Employees

* Figures represent targets for FY2030

Employee engagement score

70 pt

Percentage of eligible males taking childcare leave

100.0%

Ratio of women in managerial positions

18.1%

Organization culture reforms
- Get back to basics by creating organization culture of taking on challenges and innovating
- Promote collaboration across department lines

Personnel system reforms aimed at achieving new medium-term plan
- Reform partner/part-time employee employment systems to match diverse workstyles
- Reform systems for building up specialist careers
- Reform evaluation/compensation systems to eliminate siloing

DE&I
- Promote active participation by diverse human resources (women, people with disabilities, the elderly, foreign nationals)
- Support active participation

Compliance
- Improve focus on legal and regulatory compliance
- Promote food safety

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Sustainability strategies: Basic policy and Material issues

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

■ Basic sustainability policy

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

■ Material issues and initiative contents

Business policy

① Be more closely attuned with local customers than any other company
② Build systems that will grow along with their communities
③ Be a cornerstone of the lives of people in the community

	Material issue	Initiative contents
Local communities and customers	Creating enriched lives together with local communities and customers	• Provide products and services that address the needs of diverse customers and design and implement convenient shopping methods • Provide spaces and opportunities for local customers to come together • Support regional revitalization and disaster response capabilities by coordinating with local governments and concluding comprehensive agreements, etc., with them
Environment	Achieving a decarbonized society and efficiently using resources	• Reduce CO_2 emissions and implement energy measures • Reduce amount of waste produced by stores • Reduce amount of plastic packaging • Effectively utilize resources
Safety and security	Creating value by providing safety ans security, and through products and services	• Practice thorough hygiene management • Appropriate handling and labeling of products, taking health and allergies into consideration • Sustainably procure seafood and produce, supply environmentally friendly products
Diversity & inclusion	Create an environment where diverse human resources can thrive	• Promote the active participation of women and raise the ratio of women in managerial positions • Provide support for the active participation of young people, senior citizens, foreign nationals, and people with disabilities • Create working environments that match different life stages

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Sustainability strategies: Long-Term Vision on Sustainability

■ Long-Term Vision

Ideals	Specific initiatives	Targets for 2030	Ideals for 2050
Decarbonized society	Reduction of CO_2 emissions	• Reduce CO_2 emissions associated with store operations by 50% (compared to FY2013) Most recent (FY 2024) results: 32.4% reduction (compared to FY2013) • Ensure that the electricity used in store operations at new stores is 100% renewable energy	• Net zero CO_2 emissions from store operations
		• Aim for 100% renewable energy in our store operations through the installation of solar panels at existing stores and the adoption of renewable energy • Reduce not only own emissions (Scopes 1 and 2) but also Scope 3 emissions, for reductions through our supply chains	
Recycling-oriented society	Action on plastics	• Plastic bags usage reduction rate of 80% (compared to FY2018) • Switch to biomass and similar materials for grocery bags Most recent (FY 2024) results: 71.5% reduction (compared to FY2018)	• Reduce use of plastic bags to zero
	Meaures for food loss	• Cut food loss by 50% (compared to FY2018) Most recent (FY2024) results: 64.1% reduction (compared to FY2018)	• Cut food loss by 80% (compared to FY2018)
	Measure for food recycling	• Recycle 70% of food waste Most recent (FY2024) result: 57.3	• Recycle 100% of food waste
A Society **in Harmony with Nature**	Protection of biodiversity	• Expand provision of sustainable products and promote ethical consumption	

youme MIRAI Action

See the site below for details
Izumi Sustainability Site

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Management Philosophy

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

This document is provided solely for the purpose of information disclosure to shareholders and investors and is not intended as a solicitation to buy or sell any securities. The financial forecasts and various plans presented herein are based on information currently available and on assumptions deemed reasonable by the Company, and do not constitute a guarantee of future performance. Furthermore, changes in external factors—including consumer trends, inflation, foreign exchange rates, raw material costs, labor costs, and energy prices—may significantly impact the underlying assumptions of the plan, particularly with respect to costs. The long-term vision for 2035 and the related numerical targets described herein represent the Company's strategic direction and aspirations, and do not constitute a guarantee of future performance.

Integrated Report 2025

Enviromental Sustainability Report 2025

Sustainability section on the IZUMI website

▼Renewal in November 2025

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Appendix

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Competitiveness of Existing Stores (Year-on-Year Change in Net Sales at Existing Stores)	65
ESG (Environment, Society, Governance)	66

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youme

266 stores mainly in the Chugoku, Shikoku and Kyushu regions

(As of February 28, 2026)

Main companies, etc.	Headquarters	Main business types	Number of stores region				
			Kyushu	Chugoku	Shikoku	Other	**Total**
Izumi	Hiroshima City	SC (Youme Town and LECT) *1	20	35	4	2	**61**
		NSC (Youme Mall)	3	4	–	–	**7**
		SM (Youme Mart)	14	19	–	–	**33**
		Other	2	4	–	1	**7**
		Subtotal	**39**	**62**	**4**	**3**	**108**
Yours	Hiroshima City	SM (Yours, etc.)	–	26	–	–	**26**
Youme Mart Kumamoto	Kumamoto City	SM (Youme Mart) *2	23	–	–	–	**23**
		SM, etc. (SUNNY business)	70	–	–	–	**70**
Youme Mart Kitakyushu	Kitakyushu City	SM (Youme Mart)	23	7	–	–	**30**
Other	–	SM	4	–	5	–	**9**
Total			**159**	**95**	**9**	**3**	**266**
Youme Mart (store brand) as a subset of the above			63	30	–	–	93

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

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Year-on-Year Change in Sales at Existing Stores from FY2015 (%)

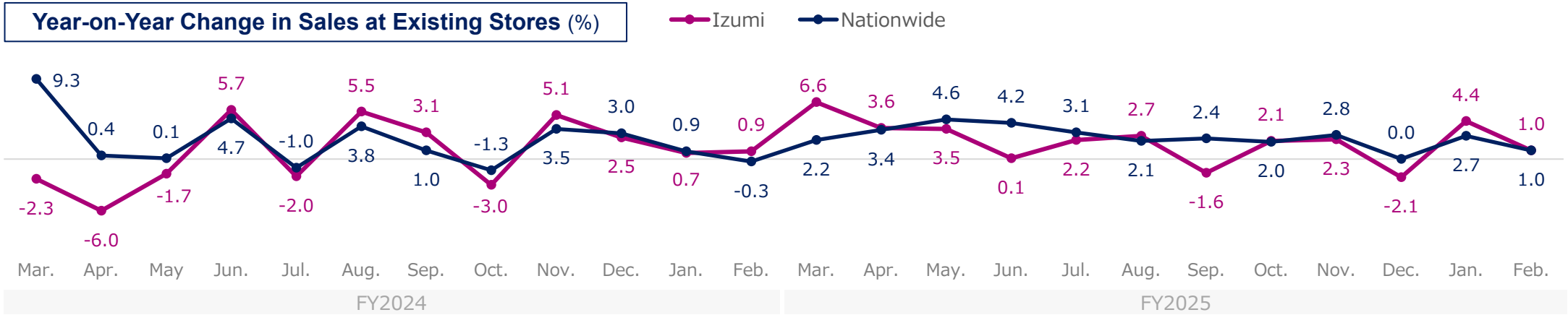
* In the year-on-year comparison of net sales from FY2023, figures including results from X-SELL are included.

	'15	’16	’17	’18	’19	’20	’21	’22	’23	’24	‘25
Izumi	101.4	101.5	99.2	99.4	99.1	89.7	101.1	103.5	103.0	100.7	102.0
Nationwide	101.3	98.8	99.6	99.2	98.8	100.7	103.1	101.0	103.0	102.1	102.5
Deviation	+0.1	+2.7	-0.4	+0.2	+0.3	-11.0	-2.0	+2.5	0.0	-1.4	-0.5

[FY2025 by month (%)]

	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Full year
Izumi	106.6	103.6	103.5	100.1	102.2	102.7	98.4	102.1	102.3	97.9	104.4	101.0	102.0
Nationwide	102.2	103.4	104.6	104.2	103.1	102.1	102.4	102.0	102.8	100.0	102.7	101.0	102.5
Deviation	+4.4	+0.2	-1.1	-3.1	-0.9	+0.6	-4.0	+0.1	-0.5	-2.1	+1.7	0.0	-0.5

Year-on-Year Change in Sales at Existing Stores (%)



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

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Steady Progress Toward Reducing CO_2 Emissions

Proactively installing solar power systems

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

Number of stores with solar panel installed

39 stores

(As of February 2026)

Effective Utilization of Resources and Promotion of Their Recycling and Reuse

Collection of used cooking oil at four stores in Fukuoka Prefecture

Since April 2025, Izumi has been collecting used cooking oil from households, in partnership with the cities of Fukuoka and Kitakyushu. We have installed collection boxes at four stores, including Youme Town Hakata, and the collected waste cooking oil is recycled into biodiesel fuel by a specialist contractor. Using cooking oil that would normally be thrown away as a diesel alternative helps reduce CO2 emissions.

Efforts to Reduce Food Loss

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

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

Number of items donated	51,020
Weight of food donations	25,421 kg
Number of organizations receiving donations	31 (FY2024)

Group Company Sustainability Activities

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

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

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

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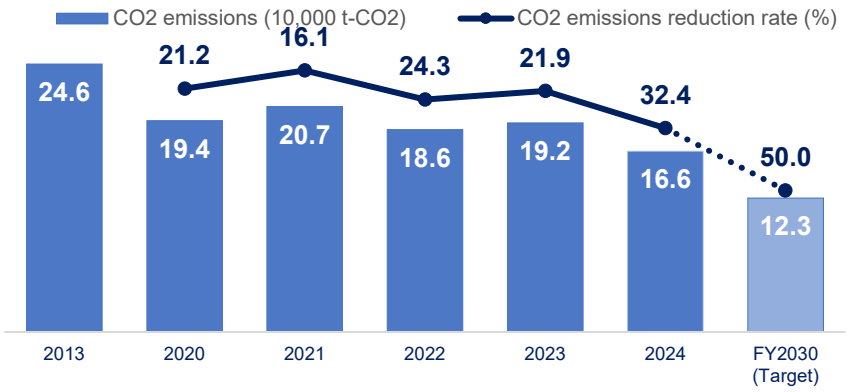
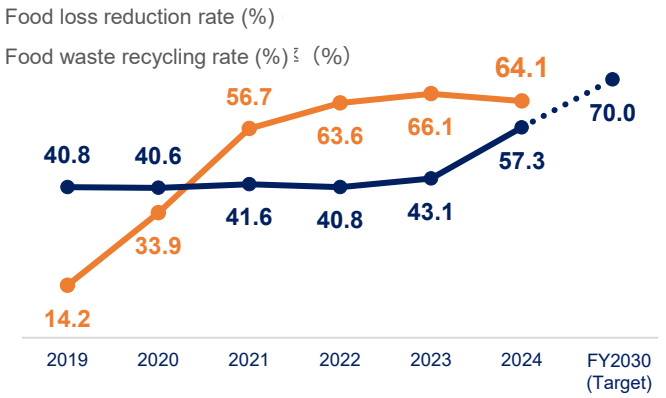
Steady Progress Toward FY2030 Environmental KPI Targets

■ Progress in Environmental KPIs

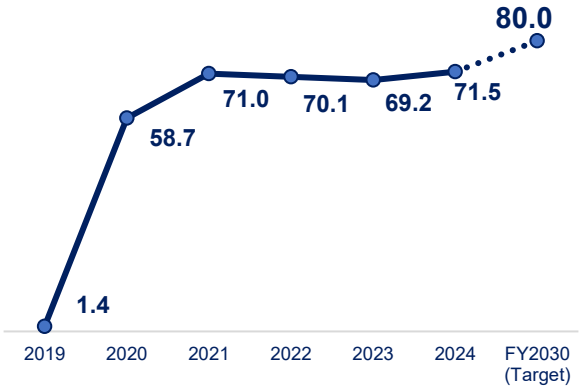
1. CO2 Emissions and
2. CO2 Emissions Reduction Rate (Compared to FY2013; Scope 1&2)



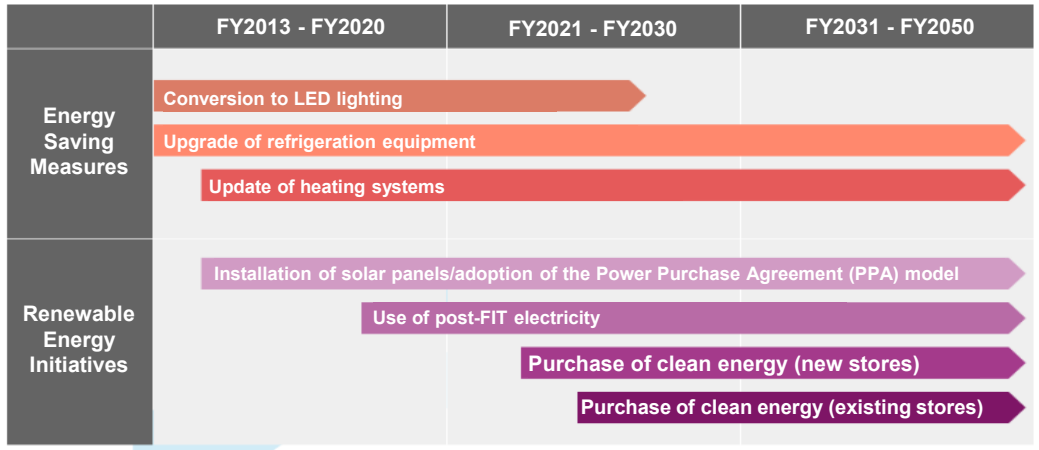
1. Food Waste Recycling Rate
2. Food Loss Reduction Rate (Compared to FY2018)



Plastic Shopping Bag Reduction Rate
(Compared to FY2018)



■ Roadmap for Reducing Emissions



■ Sustainability Committee: Activity Overview

CO2 Reduction and Energy Efficiency Subcommittee	• Discussion of solar power systems and the use of renewable energy • Assessment of CO2 emissions and review of reduction measures across the Group
Human Rights/DE&I Subcommittee	• Establishment and implementation of a human rights due diligence framework • Statutory disclosure of information in the securities report
Group Companies Subcommittee	• Sharing sustainability-related information between Group companies • Coordination for CO2 emissions assessments by each Group company
Procurement Subcommittee	• Communication of Izumi's procurement policy to suppliers • Planning and monitoring of progress toward sustainable procurement goals

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Bringing Energy and Vitality to Local Communities

Holding of Universal City Fest at Youme Town City Mall

On January 10, 2026, Izumi held the Universal City Fest, aimed at increasing understanding for diversity and disability through an event that is really enjoyable for everyone, regardless of disability. We also sought to raise awareness of universal communication and sport through opportunities to experience Braille and sign language in addition to sports such as boccia.

Working Together for Greater Progress

Participation in shopping support initiatives as a community-based supermarket

Youme Mart Kitakyushu participates in the Mile One Project in collaboration with companies commissioned by Shimonoseki City. As part of a demonstration project for an AI-driven, on-demand passenger-and-cargo transport service launched in Toyotacho, Shimonoseki, the initiative promotes logistics collaboration to support local shopping needs. By enabling efficient operations with fewer vehicles and drivers, it aims to deliver both community transportation and shopping support logistics in an integrated manner, contributing to the development of a sustainable regional mobility model.

Contributing to society through safe and secure products

Food safety qualification test for food handlers

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

▲ Checking the freshness and labels of fresh produce

Extend the Circle of Health maintenance and Improvement

Launch of community disaster management project ”No DISASTER MANAGEMENT, No LIFE”

As a member of Kyushu Distribution Sustainability Salon, which brings together retailers and distributors in Kyushu to tackle social issues, Izumi launched a new project aimed at raising disaster management awareness in the community (among consumers) and supporting the next generation (children) in learning about disaster management. The project aims to donate packs for learning about disaster management to a total of 500 schools over the coming five years and to expand the scope of community disaster management in the long term.

▶ The first phase is to expand disaster management-related products and implement awareness-raising activities to promote "running stock."

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Creating a Workplace Where Employees Can Work Energetically While Being Themselves

Extending the retirement age to 65 for full-time employees

Izumi has revised its retirement system for full-time employees reaching age 60 from FY2025 onward. The Company will gradually raise the retirement age by one year each year, ultimately allowing employees to continue working as full-time staff until age 65.
This revision respects employees' desire to continue working and aims to create a workplace where they can remain motivated and active. It also facilitates the transfer of accumulated skills and expertise to the next generation, supporting the growth of younger employees and enhancing organizational capabilities overall.

Supporting the Personal Development of Individuals with Many Learning Opportunities

Enhancing customer service skills through a company-wide role-playing competition

On October 7, 2025, the 9th Youme 1 Grand Prix—an annual role-playing competition for Youme Town specialty store staff—was held at Izumi's headquarters. Eleven finalists, selected through regional preliminaries, showcased their skills and learned from one another in pursuit of higher service quality.

▶ Participants engaged in customer service role-playing

Compliance and Risk Management Structure

Izumi Hotline Consultation Service

The Izumi Hotline was established with the aim of fostering an open organization. The hotline accepts and appropriately deals with consultations from employees and the employees of business partners.

Whistleblowing reports

FY2024 result	FY2030 target
130	200

Promoting Dialogue with Shareholders

Promoting IR communications

The Corporate Planning Division plays a central role in regularly engaging in dialogue with shareholders and investors regarding the Company's management strategy and performance. In addition to holding financial results briefing sessions for analysts and institutional investors four times a year, we also hold company briefings for individual investors and take part in individual investor seminars organized by securities firms.

■ Information Published on the Website
Monthly sales, financial results materials, performance trends, shareholder information, General Meeting of Shareholders, IR calendar, IR Information (English), press releases, Integrated Report

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

Sale of eco-friendly fish

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

▲ In-store promotional materials for MEL-certified products

Sales of beef from livestock raised with great care by high school students

On February 7, 2026, we sold beef from livestock raised by students from Okayama Prefectural Seto Minami High School at Youme Town Hirajima and Youme Town Sanyo. At Youme Town Hirajima, the students also conducted PR activities and tasting sessions. The Company is selling beef and pork from livestock raised by high school students and university students in each region as well as fruit grown by them in the Group's stores, because we want to encourage consumers to eat more local produce and promote local production for local consumption.

▲Activities of students from Okayama Prefectural Seto Minami High School

Launch of private brand products focused on rice grown in Kumamoto Prefecture

The Izumi Group launched an original brand rice product made from rice grown in Kumamoto under its private brand Youme-Ichi, which was launched in September 2025. The launch event for the rice, which is characterized by its distinctive soft and sticky texture and sweet taste, featured an introduction to rice produced in Kumamoto Prefecture by Kumamon, Kumamoto Prefecture's mascot, and an onigiri tasting session. Going forward, we will continue to promote local production for local consumption and contribute to the revitalization of regional industry, ensuring that products are available for local customers to buy at an affordable price.

ゆめイチ

*The image is for illustrative purposes only. (The actual product may differ.)

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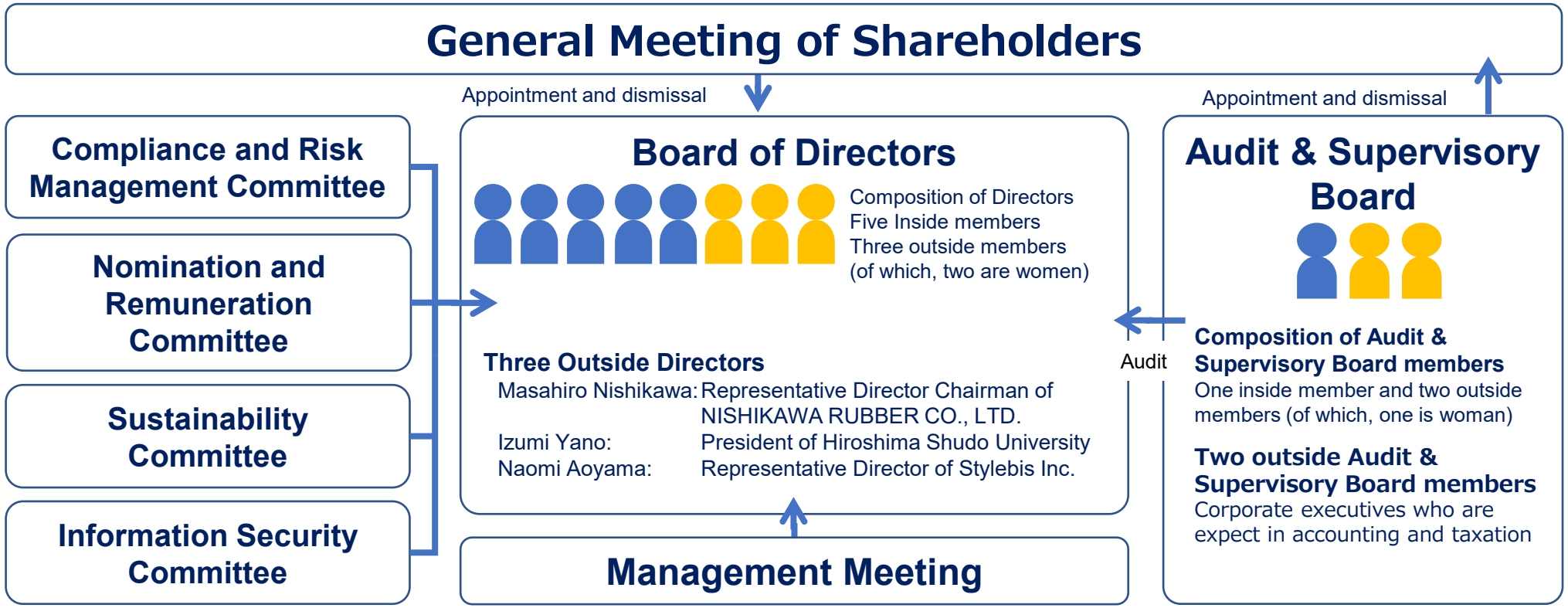
We will build an effective structure and sound and appropriate management.

- Strive to maximize corporate value by realizing customer satisfaction, in order to meet stakeholder expectations
- Fulfill our social responsibility with a high sense of ethics while contributing to local communities
- Develop a management organization and various systems, positioning enhanced transparency and fairness as key challenges
- Strengthen supervisory functions of the Board of Directors, ensure financial reliability and strive to improve the effectiveness and efficiency of business operations
- Form a Management Meeting and Nomination and Remuneration Committee to further enhance the effectiveness of delegated authority.

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



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