

Financial Results for the Fiscal Year Ended February 28, 2025

IZUMI CO., LTD.

[Stock code: 8273]

I. Summary of Financial Results for the Fiscal Year Ended February 28, 2025 (FY2024)	Slide No.
1. Consolidated Summary	3
2. Consolidated Profit and Loss Statement (Results)	4
3. Non-consolidated Profit and Loss Statement (Results)	7
4. Consolidated Balance Sheet and Non-consolidated Balance Sheet	11
5. Consolidated Cash Flows	12
6. Business Forecast	13

II. Management Policies	16
1. Progress of the Revised Second Medium-term Management Plan and Revisions to the Final Year Plan	18
2. Growth Strategy: Direction from FY2025 Onward	24

III. Appendix	43
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- YoY Comparison: Operating revenue increased due to the acquisition of new businesses, reaching a record high. Profit declined due to the ransomware attack, ongoing inflation and start-up losses from the SUNNY business.
- Vs. Plan: Operating revenue fell short of the plan, impacted by the extended period of the recovery from the ransomware attack and adverse weather conditions. Operating and ordinary profit exceeded the non-consolidated plan. However, the SUNNY business fell significantly short of its initial plan, resulting in an overall shortfall.

(Million yen)	Consolidated					
	FY2024		Previous fiscal year		Forecast	
	Result	YoY	Result	YoY	Forecast	YoY
Operating revenue	524,142	111.2%	471,166	102.4%	527,300	111.9%
Operating profit	25,425	80.9%	31,425	93.4%	26,500	84.3%
Ordinary profit	25,708	79.5%	32,322	94.0%	26,300	81.4%
Profit*1	11,919	58.2%	20,485	88.3%	14,400	70.3%
Total assets	569,611		489,509	(FY-end result)		
Net assets	299,218		294,233	(FY-end result)		
(Reference) Total operating revenue*2	795,503	109.5%	726,281	103.6%	798,300	109.9%
Earnings per share	166.60 yen		286.47 yen		201.35 yen	
ROE (return on equity)	4.2%		7.5%		-	
Net assets per share	3,990.31 yen		3,922.84 yen	(FY-end result)	-	
Equity ratio	50.1%		57.3%	(FY-end result)	-	

*1 Profit is profit attributable to owners of parent.

*2 The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and relevant ASBJ regulations from the beginning of FY2022. Operating revenue reclassified to the figures before applying the accounting standard and relevant ASBJ regulations is presented as "Total operating revenue" for reference.

3

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Recovery from the the impact of ransomware damages and increased revenue from transfer of the SUNNY business

- Operating revenue From 2Q onwards, the Company worked to return customer numbers to normal from the impact of the ransomware attack, and integrated M&A activities (SUNNY business, SunLife)
In 4Q alone, revenue rose significantly by 19.4%, resulting in a full-year increase of 11.2%.
- Operating profit Full-year operating gross profit margin declined by 1.9 points, while the SG&A expense ratio remaining flat compared to the previous fiscal year. As a result, the operating profit margin stood at 4.9%, down 1.8 points YoY.
- Ordinary profit The full-year ordinary profit margin declined 2.0 points YoY to 4.9%, reflecting higher interest expenses and other factors
- Profit Due to the recognition of impairment losses totaling 7.7 billion yen, the full-year profit margin fell by 2.0 points YoY to 2.3%.

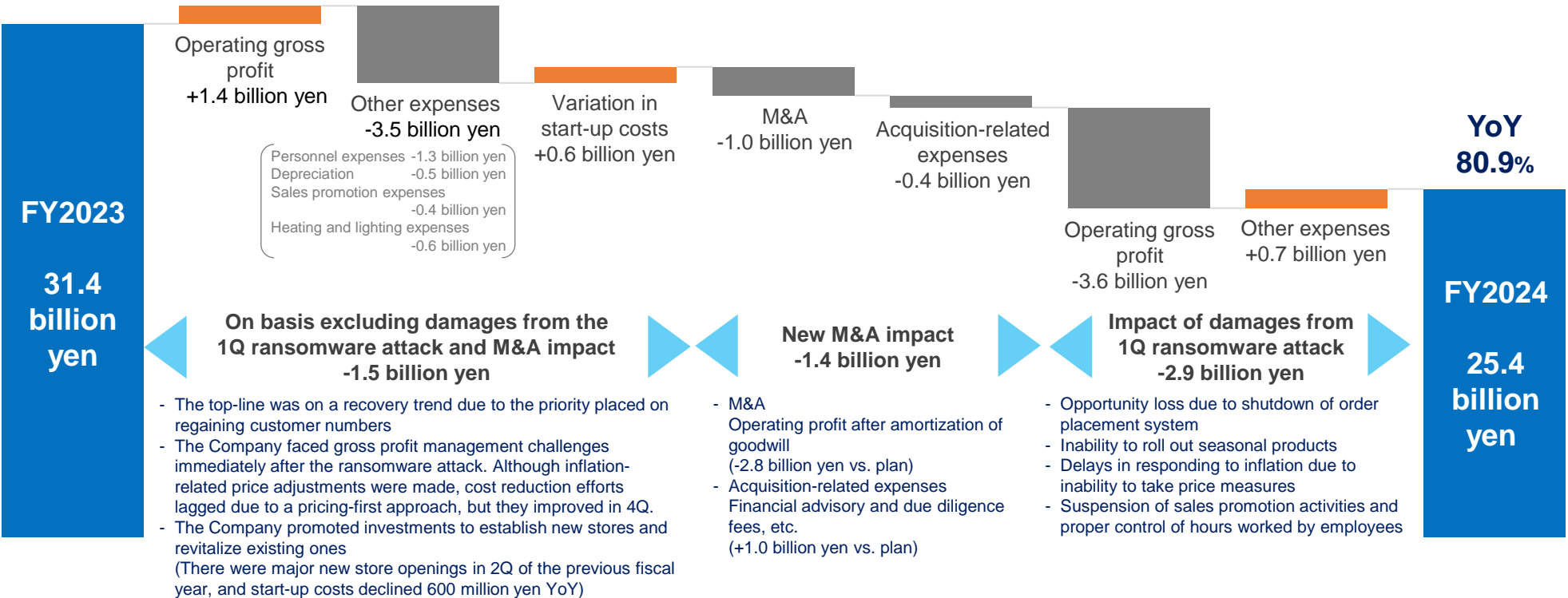
(Million yen)	Consolidated						
	First Nine Months (Mar.-Nov.)		4Q (Dec.-Feb.)		FY2024 Full-year (Mar.- Feb.)		
	Result	YoY	Result	YoY	Result	% of operating revenue	YoY
Operating revenue	373,266	108.2%	150,876	119.4%	524,142	100.0%	111.2%
Net sales	331,175	109.1%	136,169	121.4%	467,345	89.2%	112.4%
Gross profit	106,660	104.3%	44,143	117.4%	150,804	28.8%	107.8%
Operating revenue	42,090	101.9%	14,707	103.5%	56,797	10.8%	102.3%
Operating gross profit	148,751	103.6%	58,850	113.5%	207,602	39.6%	106.3%
SG&A expenses	131,746	108.3%	50,431	119.4%	182,177	34.8%	111.1%
Operating profit	17,005	77.9%	8,419	87.8%	25,425	4.9%	80.9%
Non-operating income and expenses	168	34.4%	114	28.2%	283	0.1%	31.6%
Ordinary profit	17,173	76.9%	8,534	85.4%	25,708	4.9%	79.5%
Extraordinary income and losses	2,410	—	-7,619	—	-5,209	-1.0%	—
Profit*	11,858	81.6%	60	1.0%	11,919	2.3%	58.2%

* Profit is profit attributable to owners of parent.

Operating profit: While recovery from the ransomware attack progressed, new M&A-related performance fell short of the plan.

- In response to the impact of the ransomware attack in 1Q, restoring customer numbers was the top priority from 2Q onward. Price adjustments in response to inflation—delayed due to system failures—were implemented.
- While base wages were raised, incentive payouts decreased. The Company invested in three newly established stores and large-scale revitalization (start-up costs of 1.9 billion yen).
- Prioritizing a smooth post-acquisition transition, new M&A performance fell 2.7 billion yen short of the plan, reducing operating profit by 1.4 billion yen.
- The approximately 2.9 billion yen impact of the ransomware attack in 1Q was a one-off factor (operating revenue: -0.1 billion yen, gross profit: -3.5 billion yen, expenses: +0.7 billion yen).

Changes in operating profit (billion yen)



Fluctuation in EBITDA (billion yen)

FY2023: 48.5 billion yen

FY2024: 45.7 billion yen

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

As the recovery of sales progressed in retail operations, Techno in retail-peripheral operations also improved, leading to increased profit.

- Supermarket subsidiaries were more affected by the ransomware incident but there were signs of a recovery starting in 4Q. Youme Mart Kumamoto recorded 140 million yen in new store start-up costs.
- Due to the SUNNY business being a carve-out project and in the initial stages following business succession, a priority was placed on ensuring a smooth transition.
As a result, in addition to initial costs, it proved difficult to control cost and expenses, leading to start-up losses.
- In retail-peripheral operations, Izumi Techno's profit increased and Izumi Food Service continued to perform strongly.

(Million yen)	Consolidated operating revenue					Consolidated operating profit				
	FY2024			Previous fiscal year		FY2024			Previous fiscal year	
	Result	% of total	YoY	Result	% of total	Result	% of total	YoY	Result	% of total
Retail operations	506,985	96.7%	111.6%	454,471	96.5%	19,671	77.4%	77.4%	25,403	80.8%
Retail-peripheral operations	47,927	9.1%	107.4%	44,644	9.5%	5,510	21.7%	96.6%	5,702	18.1%
Others and adjustments	-30,769	-5.9%	—	-27,949	-5.9%	242	1.0%	—	319	1.0%
Consolidated total	524,142	100.0%	111.2%	471,166	100.0%	25,425	100.0%	80.9%	31,425	100.0%

Retail operations

Izumi Co., Ltd. (Non-consolidated)	372,839	71.1%	100.0%	372,782	79.1%
Youme Mart Kumamoto Co., Ltd.	76,369	14.6%	290.8%	26,261	5.6%
(including the SUNNY business)	(49,705)	(9.5%)	—	—	—
Youme Mart Kitakyushu Co., Ltd.	24,535	4.7%	96.2%	25,499	5.4%
Yours Co., Ltd.	22,373	4.3%	99.2%	22,548	4.8%

Retail-peripheral operations

Youme Card Co., Ltd.	8,212	1.6%	99.6%	8,244	1.7%
Izumi Techno Co., Ltd.	19,942	3.8%	108.8%	18,332	3.9%
Izumi Food Service Co., Ltd.	7,705	1.5%	109.6%	7,031	1.5%

Note: Operating profit figures for each company shown are before goodwill amortization.

21,267	83.6%	87.9%	24,202	77.0%
-214	-0.8%	-18.2%	1,177	3.7%
(-705)	(-2.8%)	—	—	—
163	0.6%	28.0%	584	1.9%
59	0.2%	18.4%	325	1.0%
1,415	5.6%	75.6%	1,871	6.0%
2,412	9.5%	104.4%	2,310	7.4%
569	2.2%	113.5%	501	1.6%

There was steady progress in the recovery from the ransomware incident, and measures were taken to address the prolonged inflationary pressure.

- Operating revenue After a 0.6% decline in 3Q, revenue turned positive in 4Q with a 1.6% increase, resulting in a slight full-year increase.
- Operating profit The ratio of full-year gross profit to operating revenue fell 0.4 points, while the SG&A expense ratio increased 0.4 points, and operating profit margin fell 0.8 points to 5.7%.
- Ordinary profit Interest expenses increased due to a rise in interest-bearing debt and higher interest rates. The ordinary profit margin declined by 1.0 points to 5.7%.
- Profit Impairment losses of 7.4 billion yen were recorded after reviewing the recoverability of assets, such as the Iizuka store. As a result, the full-year profit margin was 2.6%, down 1.7 points YoY.

(Million yen)	Non-Consolidated						
	First Nine Months (Mar.-Nov.)		4Q (Dec.-Feb.)		FY2024 Full-year (Mar.- Feb.)		
	Result	YoY	Result	YoY	Result	% of operating revenue	YoY
Operating revenue	270,001	99.4%	102,837	101.6%	372,839	100.0%	100.0%
Net sales	228,914	99.2%	88,620	101.6%	317,534	85.2%	99.9%
Gross profit	74,844	97.0%	29,096	101.5%	103,941	27.9%	98.2%
Operating revenue	41,087	100.8%	14,216	101.3%	55,304	14.8%	100.9%
Operating gross profit	115,932	98.3%	43,313	101.4%	159,245	42.7%	99.1%
SG&A expenses	101,685	100.3%	36,293	103.5%	137,978	37.0%	101.1%
Operating profit	14,247	86.1%	7,020	91.7%	21,267	5.7%	87.9%
Non-operating income and expenses	90	18.6%	62	28.5%	152	0.0%	21.7%
Ordinary profit	14,337	84.2%	7,083	89.9%	21,420	5.7%	86.0%
Extraordinary income and losses	200	—	-7,412	—	-7,212	—	—
Profit	9,942	88.2%	-306	—	9,635	2.6%	59.8%

Due to the impact from damages caused by the ransomware attack, from 2Q onwards the Company prioritized regaining customer numbers and showed signs of recovery The measures to address inflation continued.

- Lifestyle Sales struggled due to system failures and weather conditions. However, gross profit was effectively managed, resulting in a 0.3-point YoY improvement in the gross profit margin in 4Q.
- Foods Sales steadily recovered, supported by efforts to facilitate a customer number recovery, while the measures to address inflation continued. The full-year gross profit margin declined by 0.7 points YoY.
- Gross profit Gross profit management continued to improve in 4Q following a 0.2-point decline in 3Q, with the margin narrowing the gap to a 0.1-point decrease YoY—nearly on par with the previous year.
For the full year, the margin declined by 0.6 points YoY due to the impact of the ransomware attack in H1, customer number recovery efforts and pricing strategies implemented to address inflation.

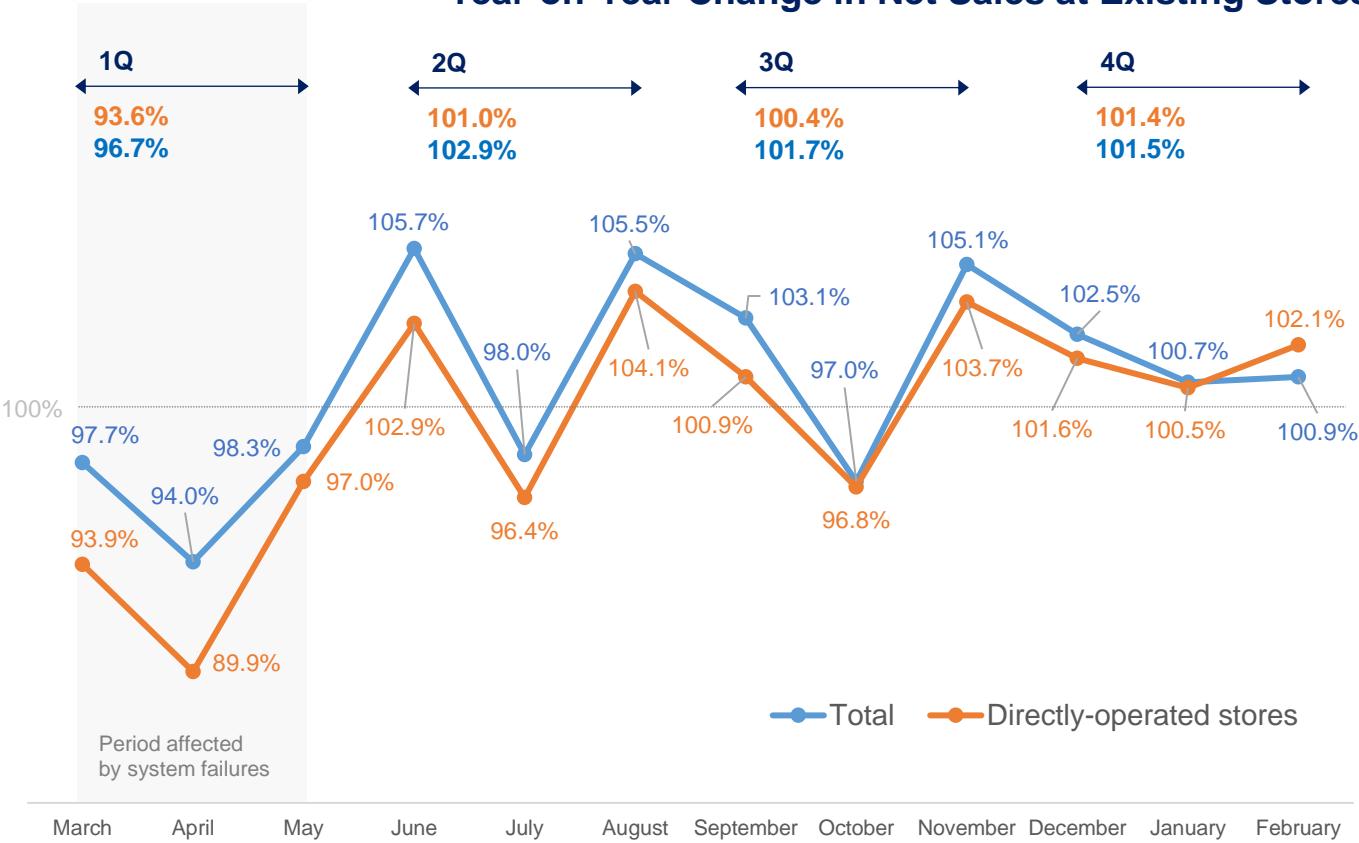
(Million yen)	Non-consolidated net sales								
	First Nine Months (Mar.-Nov.)			4Q (Dec.-Feb.)			FY2024 Full-year (Mar.- Feb.)		
	Result	% of total	YoY	Result	% of total	YoY	Result	% of total	YoY
Lifestyle	62,773	27.4%	96.6%	22,083	24.9%	98.4%	84,856	26.7%	97.1%
Foods	166,140	72.6%	100.2%	66,537	75.1%	102.8%	232,677	73.3%	100.9%
Total	228,914	100.0%	99.2%	88,620	100.0%	101.6%	317,534	100.0%	99.9%

(Million yen)	Non-consolidated gross profit margin						
	First Nine Months (Mar.-Nov.)		4Q (Dec.-Feb.)		FY2024 Full-year (Mar.- Feb.)		
	Result	YoY difference	Result	YoY difference	Result	YoY difference	
Lifestyle	35.6%	-0.2pt	34.6%	0.3pt	35.3%	-0.1pt	
Foods	31.6%	-0.9pt	32.2%	-0.2pt	31.8%	-0.7pt	
Total	32.7%	-0.7pt	32.8%	-0.1pt	32.7%	-0.6pt	

The recovery continued in 4Q, despite the results of February being impacted by the previous year being a leap year, supported by initiatives addressing polarized consumption trends.

- Lifestyle Sales recovered in 4Q to near the levels in the previous year thanks to cooler weather and effective promotional campaigns.
- Foods While continuing to promote value-added products, low-price initiatives, such as the All-Out Low Prices campaign, were also maintained as part of delayed inflationary countermeasures. Customer numbers steadily increased beginning in H2, particularly in supermarkets, with both general merchandise stores and supermarkets posting strong sales in 4Q.
- Tenants Despite the results of February being impacted by the previous year being a leap year, apparel sales recovered. Prepared food and restaurant tenants remained consistently strong.

Year-on-Year Change in Net Sales at Existing Stores



FY2024	Nine Months	Full year
Lifestyle	96.8%	97.4%
Foods	99.1%	100.0%
Directly managed stores total	98.4%	99.2%
Tenants	103.2%	102.7%
Non-consolidated Total	100.4%	100.7%

* Breakdown of total for directly operated stores

Number of customers	98.3%	98.4%
Average sales per customer	100.0%	100.7%
Average spent per item	100.9%	101.6%
Number of purchases	99.0%	99.2%

Total SG&A expenses were 101.1% YoY indicating a slight rise, but fell within the plan. The ratio of SG&A expenses to operating revenue ratio rose 0.4 points to 37.0%

- Personnel expenses While wages increased and new store running costs rose, incentive-based payments declined.
- Depreciation Increased due to the operation of large and revitalized stores opened in the previous year.
- Utilities expenses Although usage was managed carefully, expenses increased due to renewable energy surcharges and prolonged summer heat.
- Other Start-up costs for new store openings and existing store revitalization decreased by approximately 0.8 billion yen (from 2.7 billion yen in the previous year to 1.9 billion yen in the current year).
Store repairs and maintenance were carried out as planned to ensure safety and comfort.

(Million yen)	Non-consolidated				
	FY2024			FY2023	
	Result	% of operating revenue	YoY	Result	% of operating revenue
Operating revenue	372,839	100.0%	100.0%	372,782	100.0%
Operating gross profit	159,245	42.7%	99.1%	160,648	43.1%
SG&A expenses	137,978	37.0%	101.1%	136,445	36.6%
Personnel expenses	50,671	13.6%	100.3%	50,501	13.5%
Depreciation	13,587	3.6%	102.3%	13,284	3.6%
Rent expenses	9,777	2.6%	100.4%	9,735	2.6%
Store management expenses	13,393	3.6%	104.1%	12,867	3.5%
Utilities expenses	13,431	3.6%	103.1%	13,024	3.5%
Advertising expenses	8,550	2.3%	99.8%	8,569	2.3%
Other	28,566	7.7%	100.4%	28,463	7.6%

Productivity Indicators			
(Thousand yen)	FY2024		FY2023
	Result	YoY	Result
Sales per employee	25,556	100.4%	25,443
Gross profit per employee	8,365	98.8%	8,470
Personnel expenses per employee	4,078	100.9%	4,041
Personnel expenses/sales ratio	16.0%	+0.1pt	15.9%
Personnel expenses/gross profit ratio	48.8%	+1.1pt	47.7%

Total assets increased in part due to succession off the SUNNY business and opening of new stores

- **Total assets** Total investments, including the establishment of new stores, revitalization of existing stores and DX, amounted to 14.6 billion yen
Total assets increased 80.1 billion yen, in part reflecting an increase in goodwill of 54.8 billion yen from succession of the SUNNY business, etc.
- **Liabilities** Liabilities increased by 75.1 billion yen, in part due to interest-bearing debt increasing by 61.7 billion yen to fund acquisitions.
- **Net assets** Net assets increased due to the accumulation of retained earnings. Note that the shareholders' equity ratio declined 7.2 points YoY to 50.1%.

(Million yen)	Consolidated			Non-consolidated		
	End of FY2024			End of FY2024		
	Result	% of total	Amount	Result	% of total	Amount
Total assets	569,611	100.0%	+80,102	500,687	100.0%	+74,238
Cash and deposits	15,717	2.8%	+3,719	9,525	1.9%	-469
Notes and accounts receivable - trade, and contract assets	59,259	10.4%	+7,256	10,642	2.1%	+703
Property, plant and equipment	344,161	60.4%	+9,717	268,159	53.6%	-9,802
Goodwill*	55,722	9.8%	+54,879	—	—	—
Other	94,749	16.6%	+4,528	212,359	42.4%	+83,807
Liabilities	270,392	47.5%	+75,116	272,497	54.4%	+70,604
Notes and accounts payable – trade	29,024	5.1%	+4,884	20,298	4.1%	+3,404
Interest-bearing liabilities	139,456	24.5%	+61,725	172,756	34.5%	+65,229
Other	101,911	17.9%	+8,506	79,442	15.9%	-1,969
Net assets	299,218	52.5%	+ 4,985	228,189	45.6%	+3,634
Equity	285,522	50.1%	+4,967	228,189	45.6%	+3,634
Non-controlling interests	13,696	2.4%	+17	—	—	—

* As allocation of the acquisition costs has not been completed, the amounts of goodwill are provisional estimates.

Expenditures and financing (syndicated loan arrangements) were implemented in connection with succession of the SUNNY business

- Cash flows from operating activities Cash flows provided from operating activities amounted to 40.2 billion yen, driven in part by profit before income taxes.
- Cash flow from investing activities Outflows included 77.6 billion yen associated with succession of the SUNNY business, and 17.4 billion yen connected to the establishment of new stores, revitalization of existing stores, DX investment and so on
- Cash flows from financing activities An inflow of 78.5 billion yen occurred from financing (syndicated loan) in connection with the SUNNY business succession, with cash flows amounting to 55.0 billion yen.

(Million yen)	FY2024	FY2023
Cash flows from operating activities	40,282	31,563
Profit before income taxes	20,499	29,488
Non-cash loss/gain (depreciation, etc.)	28,225	19,099
Increase/decrease in claims and obligations related to operating activities	4,332	-7,724
Income taxes and interest income	-10,049	-11,122
Other	-2,725	1,822
Cash flow from investing activities	-91,636	-24,747
Capital investment related	-18,787	-28,441
Other	-72,849	3,693
Cash flows from financing activities	55,073	-5,149
Interest-bearing liabilities related	61,564	1,178
Other	-6,491	-6,327
Increase/decrease in cash and cash equivalents	3,719	1,666

Operating revenue is projected to grow by 12.6%, with efforts focused on addressing prolonged inflation and stabilizing SUNNY operations.

- In response to continued inflationary pressures, product strategies will be aligned with consumer behaviors. Private-brand (PB) products in the low-price range are scheduled to launch in H2.
- The SUNNY business will focus on stable operations through the deployment of systems and low-cost operations. Kurashi More, a private-brand product line from Nichiryu*, will be introduced. *Nihon Ryutsu Sangyo Co., Ltd.
- Five new stores are planned—three directly operated and two operated by subsidiaries. En Fleur, a directly operated cosmetics and lifestyle store, will open in Minamoa in Hiroshima Station.
- The Company will review its governance structure in preparation for the Third Medium-term Management Plan starting in FY2026, ensuring that it has a solid foundation for its implementation.

(Million yen)	Consolidated				Non-consolidated			
	FY2025				FY2025			
	Full year		H1		Full year		H1	
	Plan	YoY	Plan	YoY	Plan	YoY	Plan	YoY
Operating revenue*1	590,100	112.6%	294,200	123.3%	394,900	105.9%	195,300	107.6%
Operating profit	30,700	120.7%	15,700	130.5%	23,500	110.5%	12,200	118.4%
Ordinary profit	30,400	118.2%	15,500	125.5%	23,100	107.8%	12,000	112.9%
Profit*2	18,300	153.5%	9,700	118.9%	14,500	150.5%	7,800	107.5%
EBITDA*3	52,400	107.7%	—	—	—	—	—	—

*1 Total operating revenue874,800110.0%433,700116.8%798,400114.0%390,200114.3%

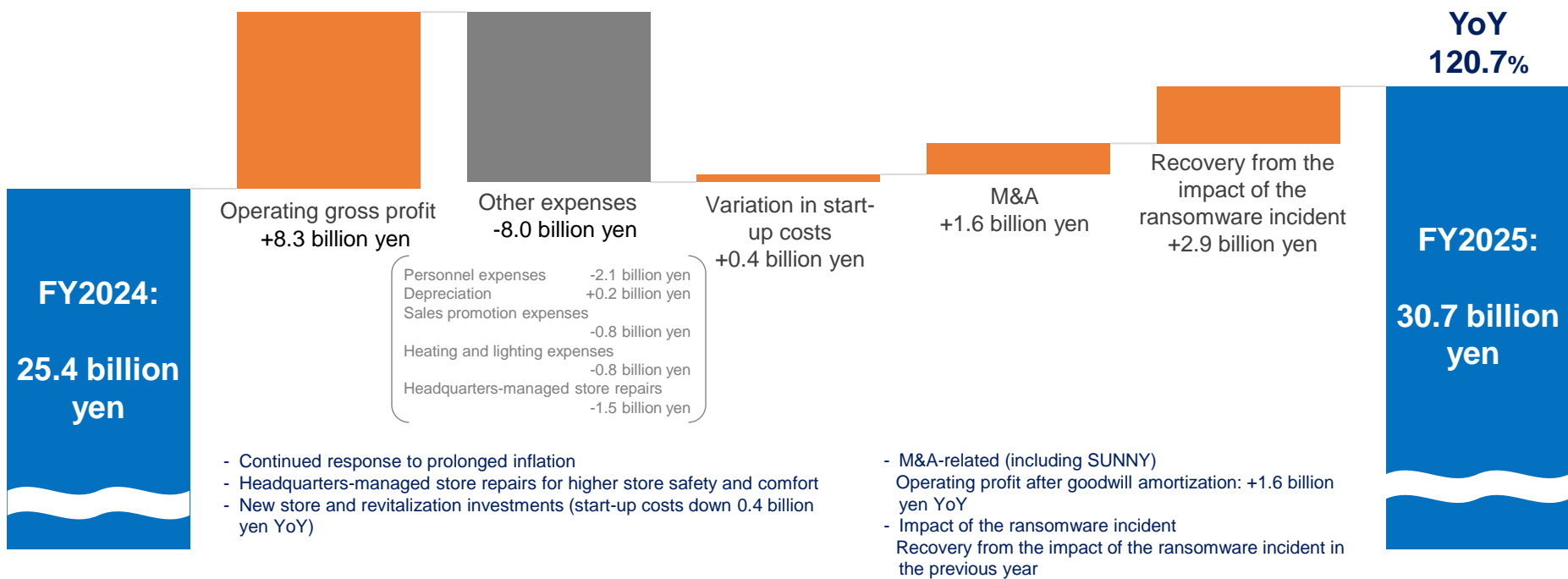
*2 Consolidated profit is profit attributable to owners of parent.*3 EBITDA = Operating profit + Depreciation + Amortization of goodwill

Earnings per share	255.75 yen	
Dividend per share	90.00 yen	
Extraordinary income and losses	-1.5 billion yen	* Non-consolidated -1.5 billion yen
Capital investment (construction basis)	17.0 billion yen	*Non-consolidated 11.0 billion yen

Operating profit is projected to increase by 20.7% to 30.7 billion yen.

- A 2.9 billion yen recovery is expected following the impact of the ransomware incident in the previous year. In parallel, proactive measures will be taken to address prolonged inflation and quickly respond to consumer needs.
- The SUNNY business, which faced significant operational challenges in the previous year, will focus on stabilizing operations and it aims to return to profitability, with a 1.6 billion yen increase in M&A-related performance.
- As an investment in human capital, wages will be 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 are expected to decline by 0.4 billion yen YoY (from 2.2 billion yen to 1.8 billion yen), while headquarters-managed store repairs will be proactively promoted (+1.5 billion yen).

Changes in operating profit (billion yen)



Fluctuation in EBITDA (billion yen)



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

Assumptions for Izumi on a non-consolidated basis

Fiscal year ending February 28, 2026 (FY2025)			
New stores	En Fleur Petit Minamoa Hiroshima (March 2025, Minami Ward, Hiroshima) Youme Mall Sanyo (Planned in 2025, Akaiwa, Okayama) RECRE (* Name TBD, Planned in 2025, Kure, Hiroshima)		
Main increases in floor area and revitalization	General merchandise stores: 5 * No increases in floor area		
Unique factors	Start-up costs declined 400 million yen YoY (initial plan: 1.5 billion yen, results in the previous fiscal year: 1.9 billion yen)		
	Full year	H1	H2
Net sales	336.3 billion yen	166.4 billion yen	169.9 billion yen
Year-on-Year Change in Net Sales at Existing Stores	105.5%	106.7%	104.4%
	Directly managed stores total	105.7%	107.5%
Gross profit margin (Ratio to sales)	Current FY: 32.8% Previous FY: 32.7%	Current FY: 32.7% Previous FY: 32.5%	Current FY: 32.9% Previous FY: 33.0%
Personnel expenses	52.5 billion yen (Previous FY: 50,670 million yen, up 3.7% YoY)		
Depreciation	13.3 billion yen (Previous FY: 13,572 million yen, down 1.8% YoY)		
Labor productivity * Gross profit per employee	9.25 million yen (Previous FY: 8.63 million yen, up 7.2% YoY) * Based on Izumi non-consolidated accounting and directly-operated / existing stores as of the end of FY2024		

Year-on-Year Change in Net Sales at Existing Stores	
	FY2025 March results
Lifestyle	107.8%
Foods	109.8%
Directly managed stores total	109.1%
Tenants	103.8%
Izumi Total	106.6%

* Breakdown of total for directly operated stores

Number of customers	103.7%
Average sales per customer	105.4%
Average spent per item	105.4%
Number of purchases	100.0%

* 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.

FY2025 Management Policy Overview

IZUMI CO., LTD.

- Progress of the Revised Second Medium-term Management Plan* and Revisions to the Final Year Plan ■ ■ ■ 18

* FY2021–FY2025, revised plan formulated and announced in FY2023

- Growth Strategy: Direction from FY2025 Onward ■ ■ ■ 24

Progress of the Revised Second Medium-term Management Plan and Revisions to the Final Year Plan

- **FY2021:** Launched the Second Medium-term Management Plan (FY2021–FY2025)
- **FY2023:** Formulated and announced a revised Medium-term Management Plan in response to the rapid environmental changes caused by record inflation beginning in 2022

Experienced system failures due to a ransomware attack on February 15

- **FY2024:** Faced disruptions to ordering and procurement due to system failure, resulting in confusion at the store level, affecting both service and product availability

After system recovery in May, efforts were focused on restoring customer numbers. However, delayed response to prolonged inflation resulted in a slower-than-expected recovery

M&A: In May, acquired SUNLIFE Co., Ltd.; in August, acquired SUNNY, a Kyushu-based supermarket chain formerly operated by Seiyu Co., Ltd., further strengthening market dominance in Kyushu and laying the foundation for new high-profit supermarket businesses.

- Final year of the revised plan: Operating revenue is expected to be achieved, but operating profit is projected to fall short.
- In response, numerical targets in the plan will be revised.

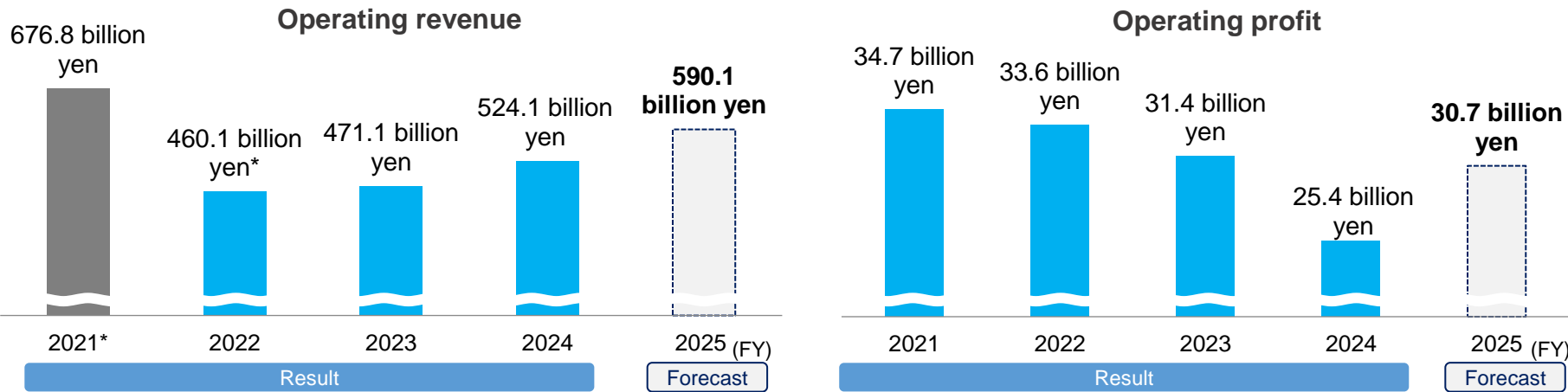
FY2025 (Final Year) Outlook—Revised Second Medium-term Management Plan

	Operating revenue (Total operating revenue)	Operating profit	Growth potential (CAGR from FY2021 to FY2025)		Efficiency		
			Operating revenue (Comparison before application of the Accounting Standards for Revenue Recognition)	Operating profit	ROA	ROIC*	ROE
KPI	590.0 billion yen (830.0 billion yen)	41.0 billion yen	+4.0%	+2.8%	7.7%	6.9%	8.7%
2025 Forecast	590.1 billion yen (874.8 billion yen)	30.7 billion yen	+5.2%	▲3.0%	5.3%	4.8%	6.4%
vs. Plan	+0.1 billion yen (+44.8 billion yen)	-10.3 billion yen	+1.2%	▲5.8%	▲2.4%	▲2.1%	▲2.3%

* ROIC = After-tax operating profit / (Interest-bearing debt + Equity + Non-controlling interests)

Changes in Operating Revenue and Operating Profit

* The Accounting Standards for Revenue Recognition and related standards have been applied since the beginning of FY2022.



The response to inflation was delayed, and new store openings and revitalization plans were not fully achieved.

■ Outlook for the Final Year of the Revised Second Medium-term Management Plan: Key Factors
<Total operating revenue>

	vs. Plan	Key Factors (vs. Plan)
Consolidated	+44.8 billion yen	New stores: 17 (-3 vs. plan), revitalizations: 56 (-18 vs. plan)
Izumi Co., Ltd. (Non-consolidated)	-26.5 billion yen	Delays in inflation response and shortfalls in new store and revitalization plans New stores: 11 (-3 vs. plan), revitalizations: 36 (-14 vs. plan)
Subsidiaries (Including consolidation adjustments)	+71.3 billion yen	Sales increase from the acquisition of the SUNNY business Plan achievement by other subsidiaries (excluding SUNNY)

<Operating profit>

	vs. Plan	Key Factors
Consolidated	-10.3 billion yen	Non-consolidated underperformance
Izumi Co., Ltd. (Non-consolidated)	-8.4 billion yen	Profit compression due to increased cost pass-through challenges Higher headquarters-managed repair costs
Subsidiaries (Including consolidation adjustments)	-1.9 billion yen	Lower gross profit and higher SG&A expenses in retail-peripheral operations (e.g., Youme Card)

- Operating cash flow: On track with the plan
- Investing cash flow: M&A executed as planned, but new store openings and revitalization fell short of the plan
- Financing cash flow: Treasury shares purchased as a part of shareholder return measures

■ Cumulative Cash Flow Outlook for FY2021–FY2025 (5-Year Total)

	Plan	Forecast	Remarks
Cash flows from operating activities	180.0 billion yen	187.0 billion yen	Working capital increased due to day-of-week calendar effects in the final year Positive contribution of the SUNNY business
Cash flow from investing activities	-200.0 billion yen	-157.0 billion yen	Capital investment (on a payment basis): 170 billion yen New stores: 17, Major revitalizations: 56 M&A: SUNNY, SUNLIFE
Cash flows from financing activities	Shareholder returns -40.0 billion yen	-40.0 billion yen	Dividend payout ratio of 30% or higher with a progressive dividend policy Plan to purchase up to 1,000,000 treasury shares
	Interest-bearing liabilities 60.0 billion yen	10.0 billion yen	78.5 billion yen raised to fund the SUNNY business acquisition

Enhancing shareholder returns through the revision of the dividend policy (introduction of progressive dividends) and the purchase of treasury shares

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

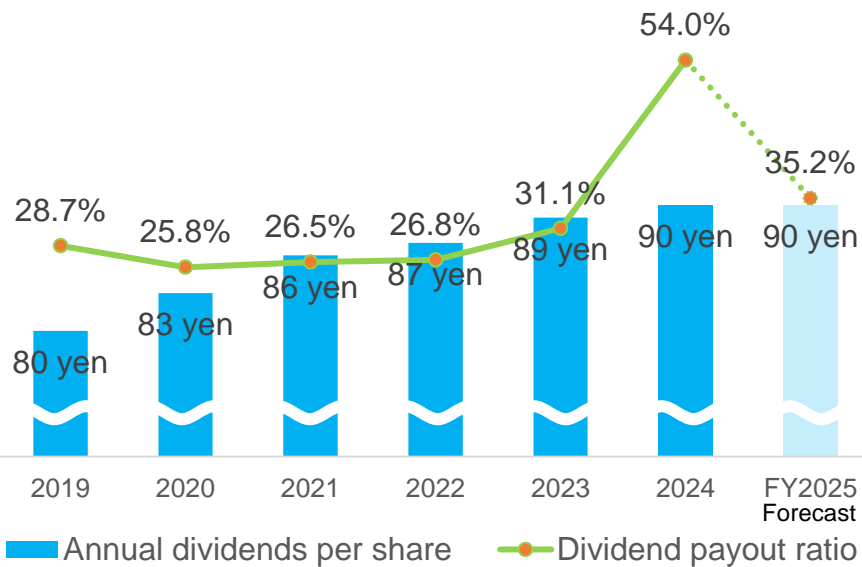
Dividend

Shifted from a 30% payout target to a 30%+ policy last year, introducing a progressive dividend to enhance shareholder returns.

Purchase of treasury shares

Aiming to enhance corporate value by reducing cross-shareholdings, strengthening shareholder returns and improving capital efficiency.

Changes in annual dividend and payout ratio



Method

- Repurchase of treasury shares through the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)

Details

(1)	Class of shares to be acquired	Common shares of the Company
(2)	Total number of shares able to be acquired	1,000,000 shares (maximum)
(3)	Announcement of result of acquisition	The result of acquisition will be announced after the closing of trading at 8:45 a.m. on April 15, 2025.

Growth Strategy

Direction from FY2025 Onward

Management Philosophy

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

Become a company that always provides peace of mind, an enjoyable experience and a personal touch, continuing our progress together with the communities around us.

Support our employees to achieve personal development through exercising their own individuality while continuing to connect with local communities.

Action Plan (Established)

1. We prioritize our *sense of gratitude*.

2. We carry out our work *with pride*.

3. We carry out our work *both quickly and carefully*.
4. We promise *safety and security*.

5. We are there for our *customers*.

2030 Long-term Vision

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

Operating revenue

(Before application of the Accounting Standard for Revenue Recognition and other related standards)

1 trillion yen

(After application of the Accounting Standard for Revenue Recognition and related standards)

740.0 billion yen)

Operating profit ratio

(Before application of the Accounting Standard for Revenue Recognition and other related standards)

5.5% of sales revenue

(After application of the Accounting Standard for Revenue Recognition and related standards)

7.1% of operating revenue)

Market environment

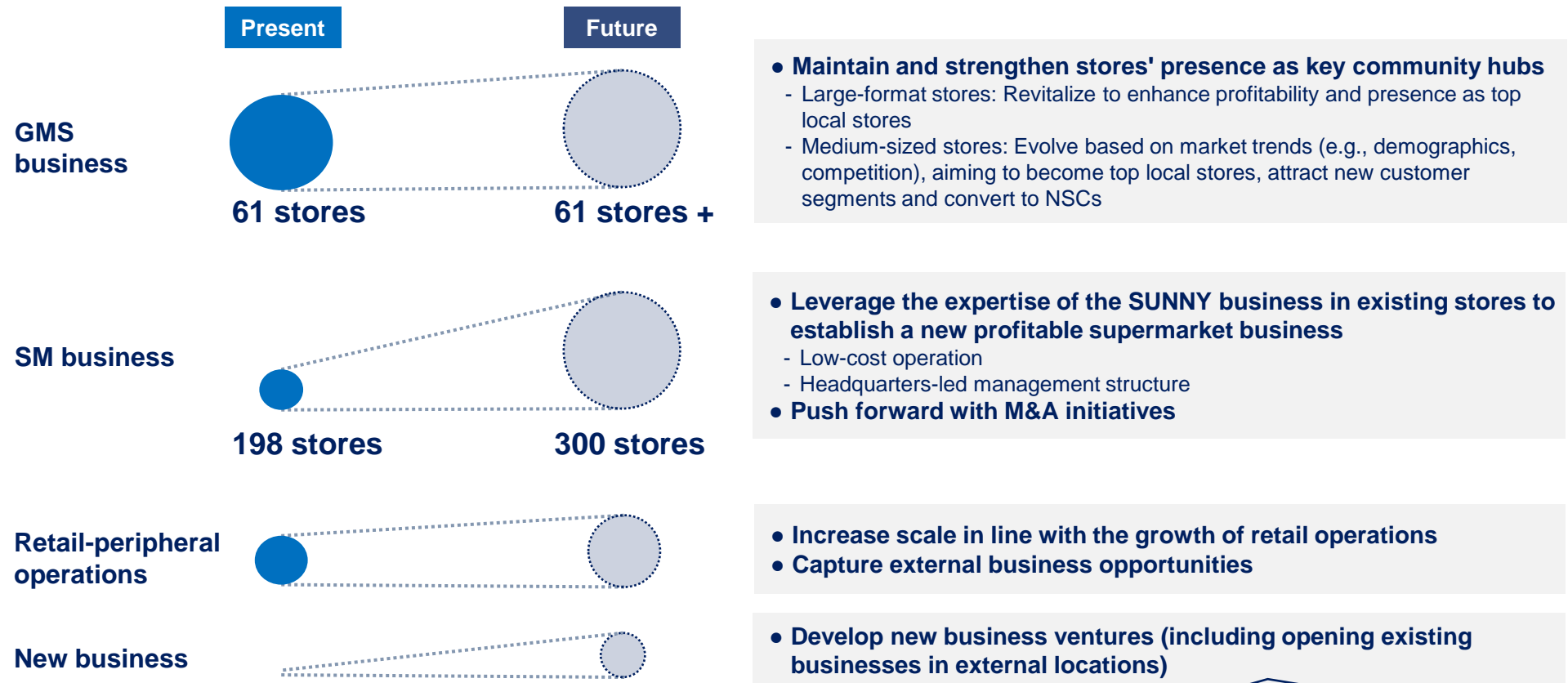
1. Declining population: Shrinking labor force and customer base
2. Prolonged inflation: Continued increase of personnel, construction, utility and raw material costs
3. Intensifying competition: Not only from existing players in the market but also new entrants, such as drug stores
4. Rise of e-commerce

■ General Merchandise Stores (GMS) & Supermarkets (SM) — Current Status and Challenges

	Current status (As of February 28, 2025)	Challenges
GMS	<ul style="list-style-type: none">• Number of stores: 61• Main profit driver, accounting for 80% of consolidated ordinary profit, the majority from large-format stores• Large-format stores, centered on regional flagship stores, serve as key community hubs with a strong presence	<ul style="list-style-type: none">• Limited potential for new store openings• Difficulty in hiring employees• Sustainability of medium-sized stores• Aging store infrastructure
SM	<ul style="list-style-type: none">• Number of stores: 198 (Izumi: 39/Group: 159)• SM accounts for 76% of the Group’s 259 stores (excluding X-SELL)• Acquired the SUNNY business (69 stores*) in August 2024 <p>*Currently 70 stores</p>	<ul style="list-style-type: none">• Difficulty in hiring employees• Need to shift away from GMS-style departmental profit management to improve profitability• Aging store infrastructure

Establish a new profitable supermarket business as a growth driver and develop it into a core source of earnings alongside the GMS business.

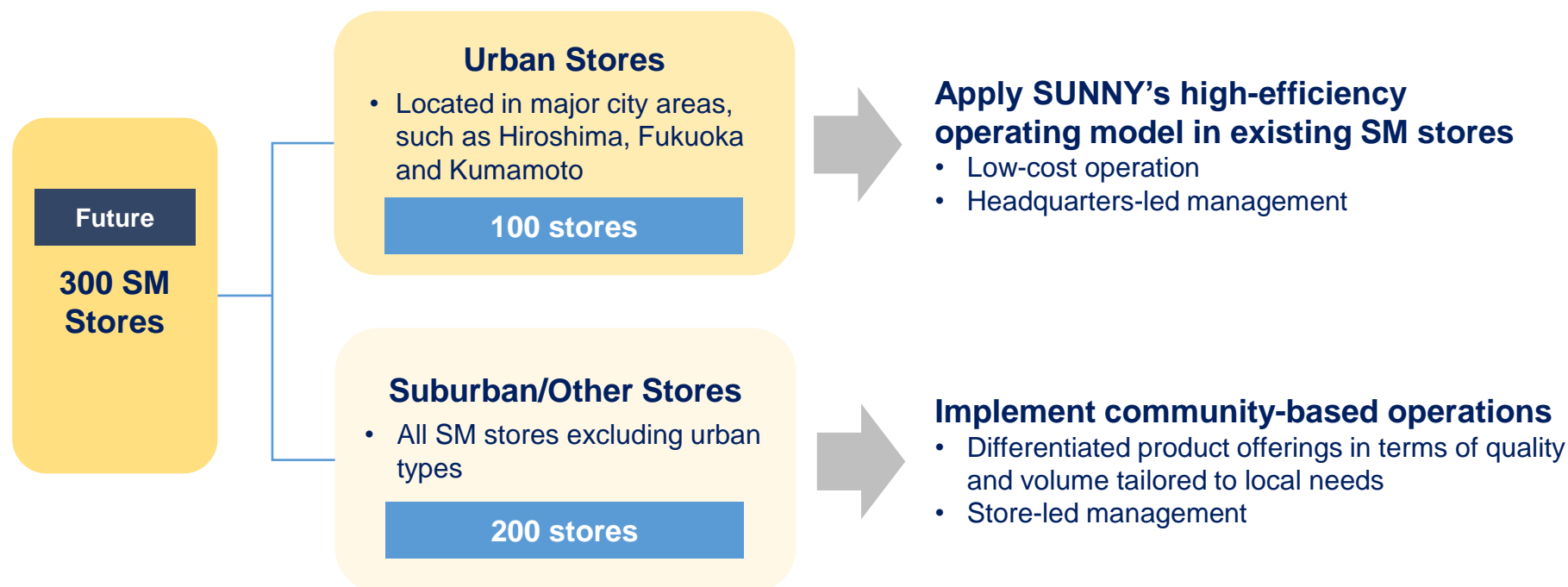
■ Operating Profit by Business Segment (For Illustrative Purposes)



Opened our first stand-alone cosmetics and lifestyle store, En Fleur Petit, in Minamoa, the new Hiroshima station building, in March 2025.

- Target 300 SM stores in the future (198 stores as of the end of February 2025)
- Establish operating models tailored to the store location (urban and suburban/other stores)

■ Future Vision for Supermarket Stores



The 300-SM store concept is based on expected improvements in profitability through structural reforms, including the effects of synergy due to the ongoing post-merger integration (PMI) process for the SUNNY model. By combining the expansion of volume with the improvements of quality, the goal of the plan is to enhance overall profitability across the Izumi Group, including GMS.

* The timeline for achieving 300 stores will be announced alongside the Third Medium-term Management Plan in April next year after due consideration.

- Shifting to a more agile structure to accelerate the execution of the Third Medium-term Management Plan
- The Company aims to achieve sustainable growth for the Izumi Group and enhance its corporate value under the new management structure.

Revamped the management structure
Changes in Representative Directors

Chairman and Representative Director
Yasuaki Yamanishi
(Previous title: President and Representative Director)

President and Representative Director
Shigeki Machida
(Previous title: Deputy President and Director)

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.

Build a Framework for a New Profitable Supermarket Business

Accelerate growth investments
(including M&A activities and new businesses)

Investment Promotion Division
established
(in FY2024)

Build a future-oriented structure
of the SM business, a growth driver

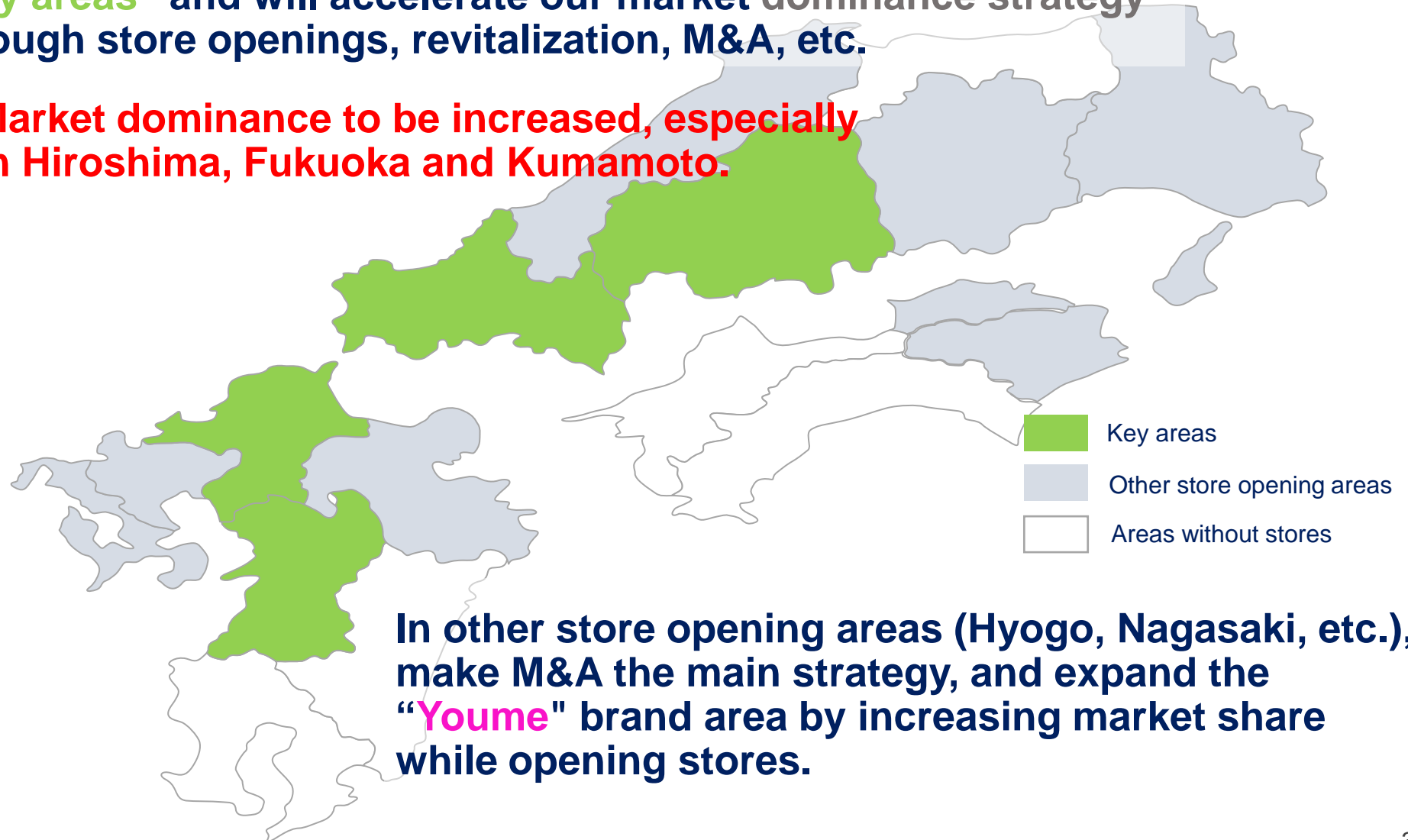
Establish the New Supermarket(SM)
Merchandising Department under
the Food Division

Launch projects to execute the
PB strategy

To accelerate the development
and realization of PB products

With significant market size and established market share, we position “**Hiroshima, Kumamoto, Fukuoka and Yamaguchi**” as “**key areas**” and will accelerate our market dominance strategy through store openings, revitalization, M&A, etc.

→ **Market dominance to be increased, especially in Hiroshima, Fukuoka and Kumamoto.**



New Store Openings

- 17 stores opened during the Second Medium-term Management Plan (of 20 initially planned).
- A larger than expected rise in construction costs and other hurdles have increased the difficulty of opening new stores.

FY2024 Results

Youme Mart Shinomura



Nagasaki

Store area
Approx. 2,190 m²

Youme Mall Koshi



Kumamoto

Store area
Approx. 5,400 m²

Youme Mall Itsukaichi (S&B*)



Hiroshima

Store area
Approx. 5,500 m²

SUNNY Kyudai-Gakkentoshi Store



Fukuoka

Sales floor space
Approx. 1,500 m²

FY2024

FY2025

FY2026 and beyond

FY2025 Plan

Avance Minamoa Hiroshima



Hiroshima

Sales floor space
Approx. 900 m²

Youme Mall Sanyo (S&B*)



Okayama

Store area
Approx. TBD

Youme Mart Sone (S&B*)



Fukuoka

Total floor area
Approx. 2,500 m²

En Fleur Petit Minamoa Hiroshima



Hiroshima

Sales floor space
Approx. 110 m²

- First external location of the En Fleur brand, previously only at Youme Town, opened in the new Hiroshima station building
- First achievement of the New Business Project launched in FY2023

RECRE (Store name: TBD)

RECRE, located on municipal land south of JR Kure Station, to be taken over

Hiroshima

Total floor area
Approx. 10,000 m²

FY2026 and Beyond (Examples)

Youme Mall Nakagawa (tentative)



Fukuoka

Sales floor space
TBD

Other store opening projects are currently underway

*S&B: Scrap and build

- There are plans for the large-scale revitalization of 56 stores under the Second Medium-term Management Plan, compared with the original target of 74.
- Rising costs and delays due to the ransomware attack that impacted implementation.

■ FY2024 Large-Scale Revitalization Results

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

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

Large-Scale Revitalizations

18 stores

Sales Growth Rate
Cumulative results from the month following revitalization through February 2025

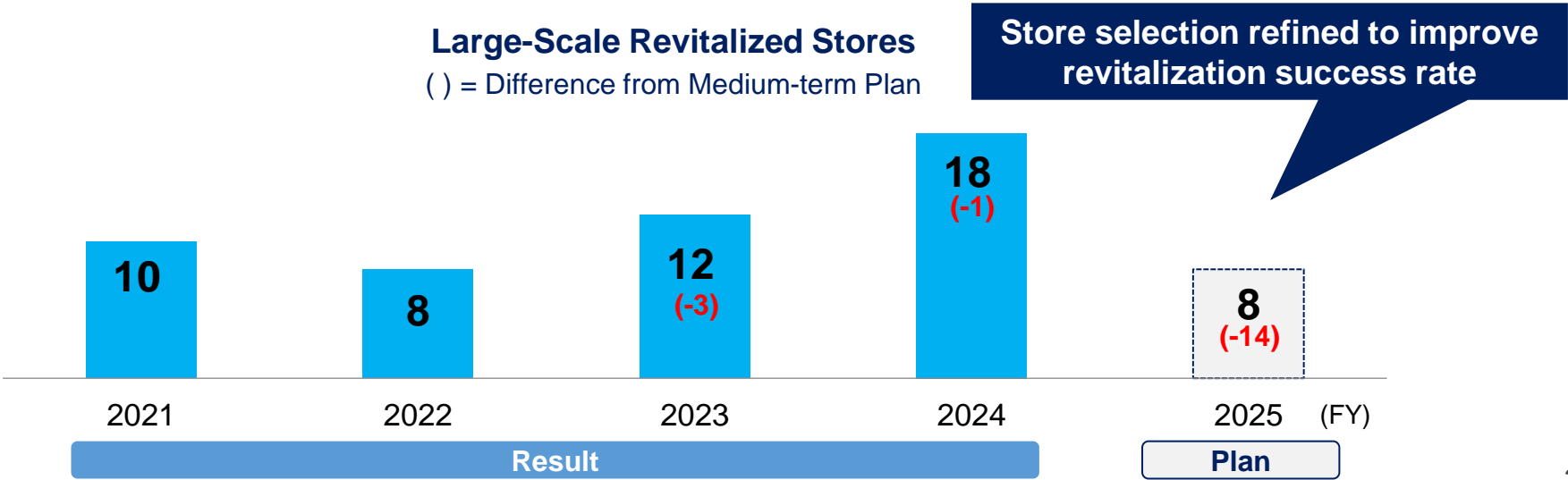
Total stores: +5%
(97% vs. Plan)
Directly operated stores: +3%
(97% vs. Plan)

- Contribution of the revitalized stores to the growth of sales (Izumi non-consolidated, total stores)
(June 2024 - February 2025)

YoY growth of sales for existing stores: +2.0%
Contribution of revitalized stores* (61 stores): +2.0%

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

* Includes all stores revitalized in FY2023 and FY2024, regardless of amount invested



As a carve-out and newly transferred business, SUNNY is operated under a TSA with Seiyu Co., Ltd., prioritizing a smooth transition. As a result, in addition to initial costs, unexpected increases in operating costs and expenses occurred due to Izumi lacking full operational control, leading to a significant shortfall vs. the plan.

■ FY2024 Results (Before Goodwill Amortization)

	Plan	Result	vs. Plan	Reference: Excluding one-off factors
Operating revenue	49.3 billion yen	49.7 billion yen	+0.4 billion yen	49.7 billion yen
Operating profit	3.5 billion yen	0.9 billion yen	-2.6 billion yen	2.8 billion yen
EBITDA	4.4 billion yen	1.8 billion yen	-2.6 billion yen	3.7 billion yen

■ Summary of FY2024 Results

- TSA signed with Seiyu and PMI efforts carried out jointly.
- While Seiyu provided significant support, a lack of full control of operating costs and expenses led to unexpected costs and underperformance.
- System-related investments, changes in depreciation methods, and size-based corporate taxes (approx. 500 million yen) were not included in the August 2023 plan.

■ Strengths and Challenges Identified After the Transition

Strengths

- Many stores located in prime central urban areas
- Solid dominance established in Fukuoka City
- Operational expertise required for 24-hour store management
- Proven low-cost operations

Challenges

- Loss of some customers due to reduced product selection implemented since early last year
- Limited local product assortment
- Aging facilities of some stores
- End of Seiyu's PB product supply

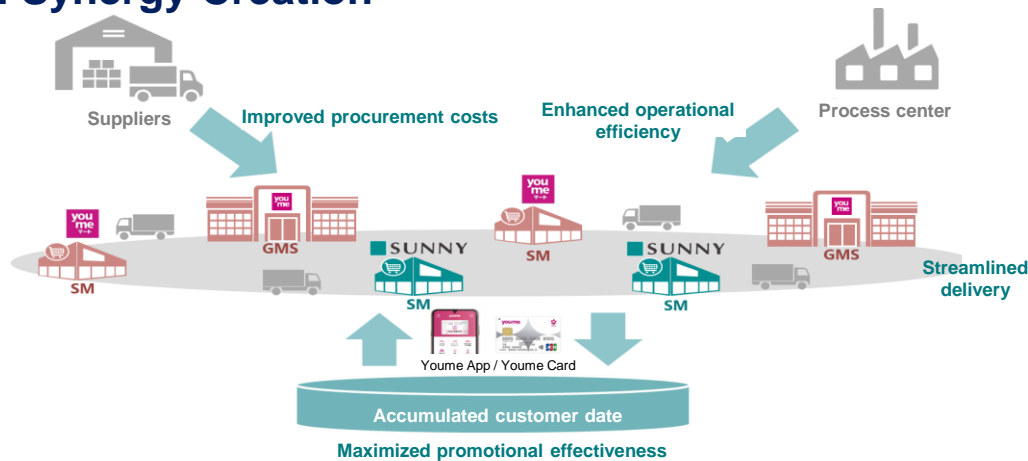
- TSA to end; Izumi to begin independent operations.
- Cost and expense control expected to normalize as initial cost burden subsides.
- This fiscal year, pursue cost reduction and expense optimization to move toward SUNNY’s original profitability potential.

■ FY2025 Plan and Future Outlook (Before Goodwill Amortization)

	FY2025 Plan		Future Outlook*2 (Based on the current store count of 70)
Operating revenue	84.1 billion yen	➔	90.0 billion yen
Operating profit*1	2.7 billion yen		5.5 billion yen
EBITDA	4.7 billion yen		6.5 billion yen

*1 Operating profit is provisional and may change depending on goodwill allocation.
*2 It is expected the future outlook will be realized during the next Medium-term Plan period.

■ Synergy Creation



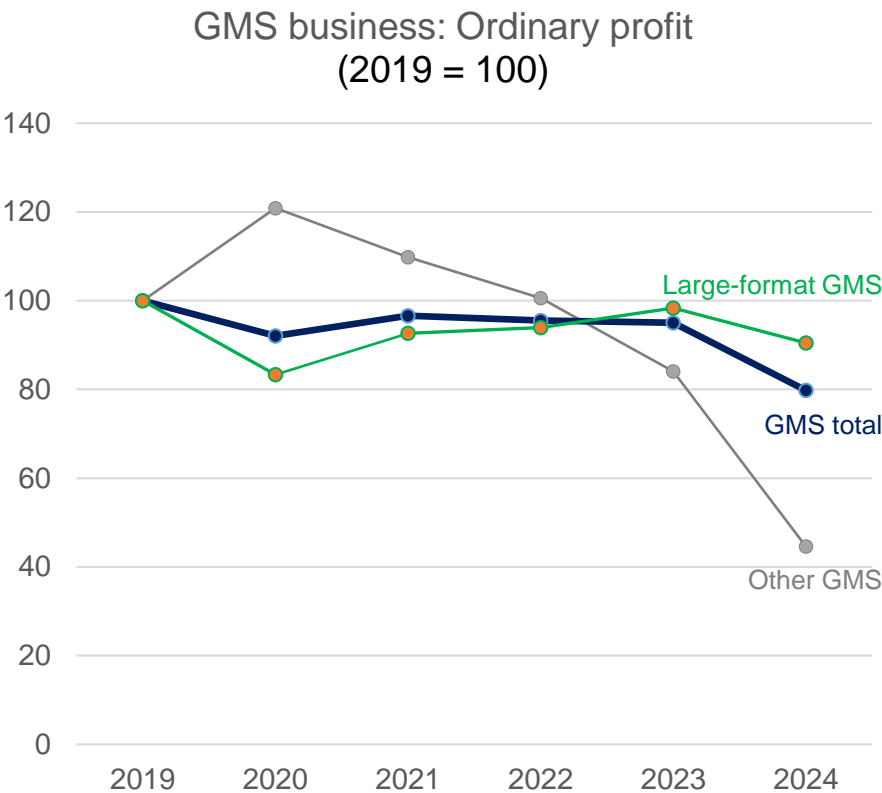
- SUNNY’s 70 stores to join Izumi Group, creating a 265-store network (As of the end of February 2025, including X-SELL)
- Increasing scale and dominance to maximize group-wide synergy

The **GMS business** will continue to be a core earnings driver through the ongoing implementation of investments to remain essential to local communities.

GMS Business: Ordinary Profit Trend*

* Based on management accounting, excluding Iizuka store

Although impacted by the ransomware attack in 1H, large-format stores maintained a profit level on par with the pre-COVID level.



Enhancing Competitiveness Through Store Revitalization

■ **Youme Town Takamatsu (October 2024)**

Major Initiatives

- Expansion of the food section (expanded the selection of local vegetables, ready-to-eat meals, frozen foods and alcoholic beverages)
- Expansion of the food tenant area
- Renovation of the drug and beauty sections



Sales Result
(November 2024 - February 2025)

+6% YoY

■ **Youme Town Hakata (November 2024)**

Major Initiatives

- Expansion of the food section (bakery added; ready-to-eat, convenient and single-serve items strengthened)
- New specialty brand section
- Renovation of the drug and beauty sections



Sales Result
(December 2024 - February 2025)

+3% YoY

- Invest in the revitalization of aging medium-sized stores.
- Strengthen competitiveness by introducing large tenants not found in the area and renovating food sections.
- Refresh the store image by renovating customer restrooms and lounge areas.

Youme Town Takeo (revitalized in October 2024)
<Store Age : 28years>

Youme Town Chofu(revitalized in November 2024)
<Store Age : 33years>

Major
Initiatives

- Introduced MUJI and expanded ABC-Mart
- Upgraded food sections with enhanced ready-to-eat offerings
- Downsized lifestyle section and renewed beauty area

Major
Initiatives

- Introduced MUJI and relocated/expanded the amusement zone
- Upgraded food sections with stronger offerings for ready-to-eat, convenient and single-serve meals
- Created new kids and sports zone

Sales
Result
(November 2024
- February 2025)

+12% YoY

Sales
Result
(December 2024
- February 2025)

+19% YoY



■ Collaboration with Local Authorities

- In April 2025, Youme Town Yame (Yame City, Fukuoka Prefecture) to introduce the Yame City Social Welfare Council

- **Contribute to a livable community**

- **Strengthen store loyalty**

[Case 2]

- In 2026, Youme Town Minami-Yukuhashi (Yukuhashi City, Fukuoka Prefecture) to introduce an indoor playground for children operated by the city

- **Contribute to regional revitalization**

- **Attract new customer segments**

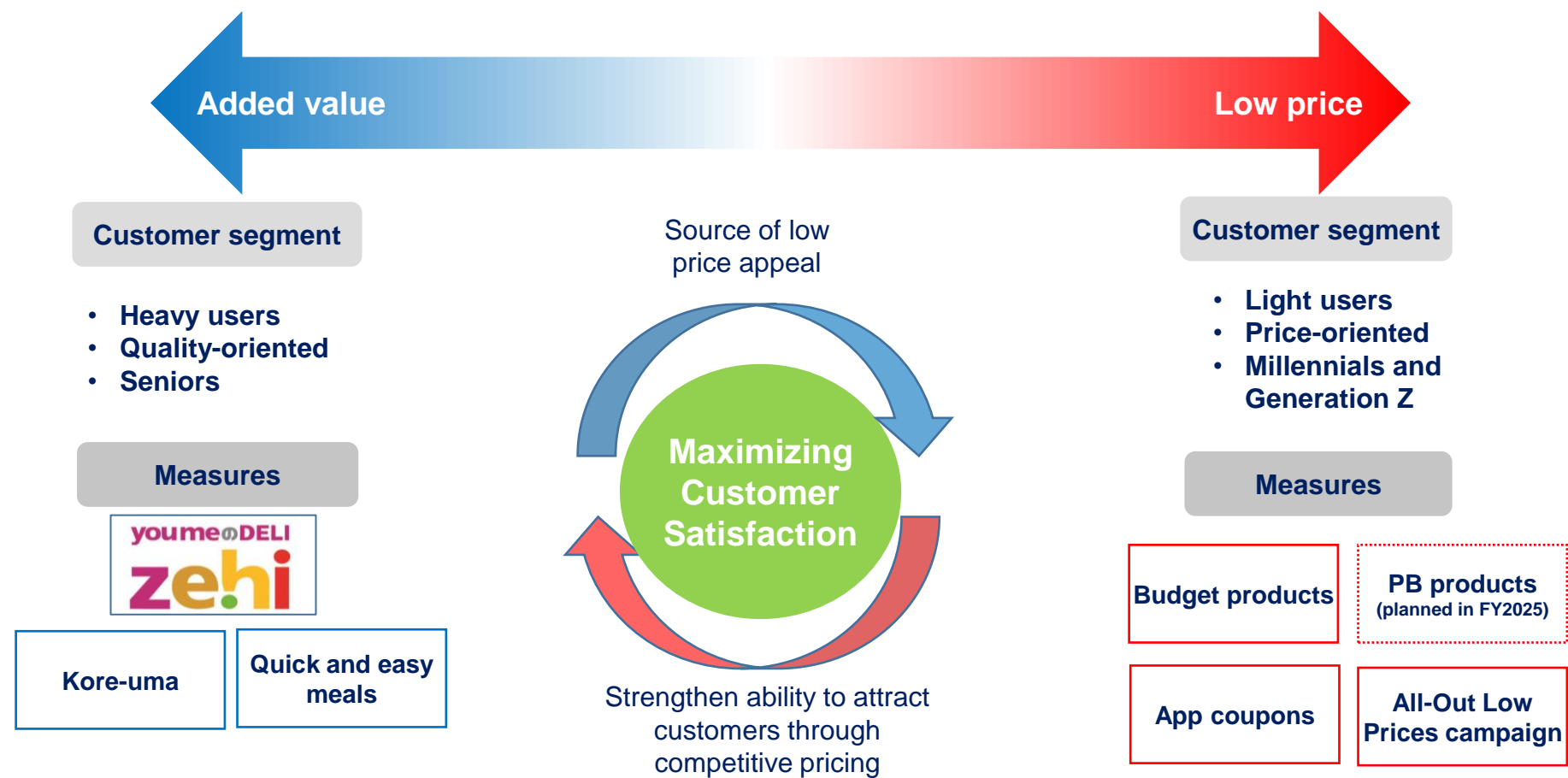
- In May 2023, Youme Town Ube (Ube City, Yamaguchi Prefecture) opened a childcare support center operated by the city

-



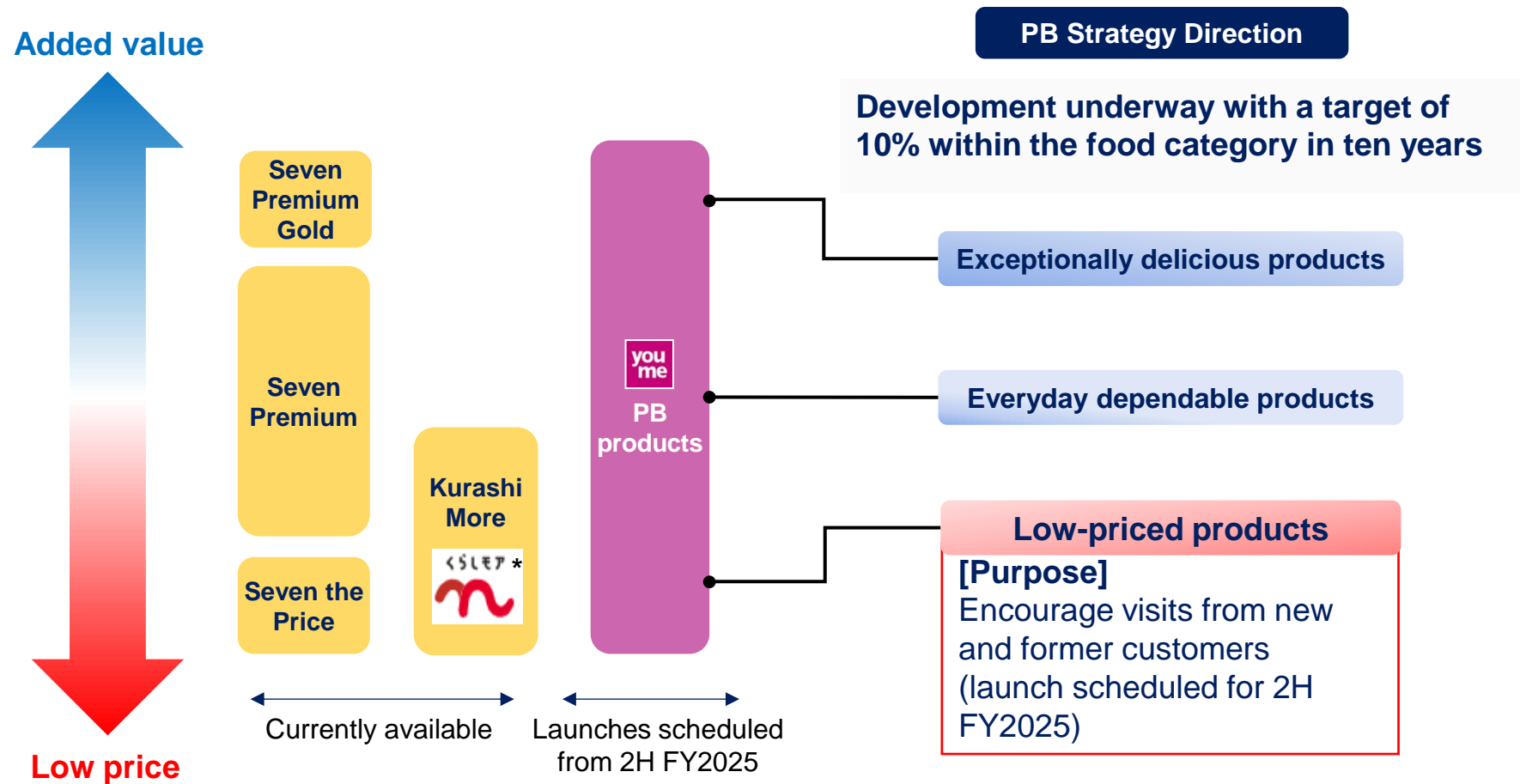
Secure gross profit through high-value-added products while attracting customers with competitive pricing

■ Response to price polarization (conceptual image)



Initiated PB development, with launches scheduled for 2H FY2025.

■ Positioning of Our Private Brands



* Kurashi More is currently available at Youme Mart Kumamoto.

- Steady growth of both app membership and sales contribution
- App coupons increasingly supported as a cost-saving measure amid rising food prices

App Membership

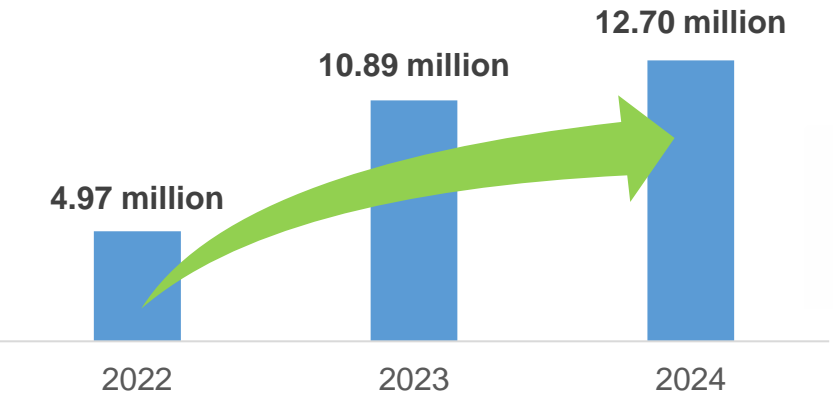
Membership has steadily increased by 200,000 since FY2023.

Number of App Members	FY2024 Actual 2.31 million	FY2025 Plan 2.50 million
% of Directly Operated Sales	FY2024 Actual 45%	FY2025 Plan 46%

App coupons

- App coupons seen as a cost-saving tool amid inflation
- Specialty store coupons enhanced to attract younger demographics

Number of App Coupons Used



Reasons for Expanding App Membership

- Increase in customer spending
App members spend 25% more per month compared to non-members.
- Streamlining of sales promotion
 - Allows for lower-cost customer engagement than print media.
 - Supports personalized coupons and promotions for each customer.
- Capturing younger customers
Effectively addresses our challenge of attracting customers in their 30s and 40s.

App Coupons (Examples)

Approximately 400 coupons issued monthly



【1回限り】直営売場1会計で
3,000円(税込)以上お買上で
100円引き



【サンマルクカフェ】お会計
から
5%OFF



明治 きのこの山・たけのこの里
70円引き



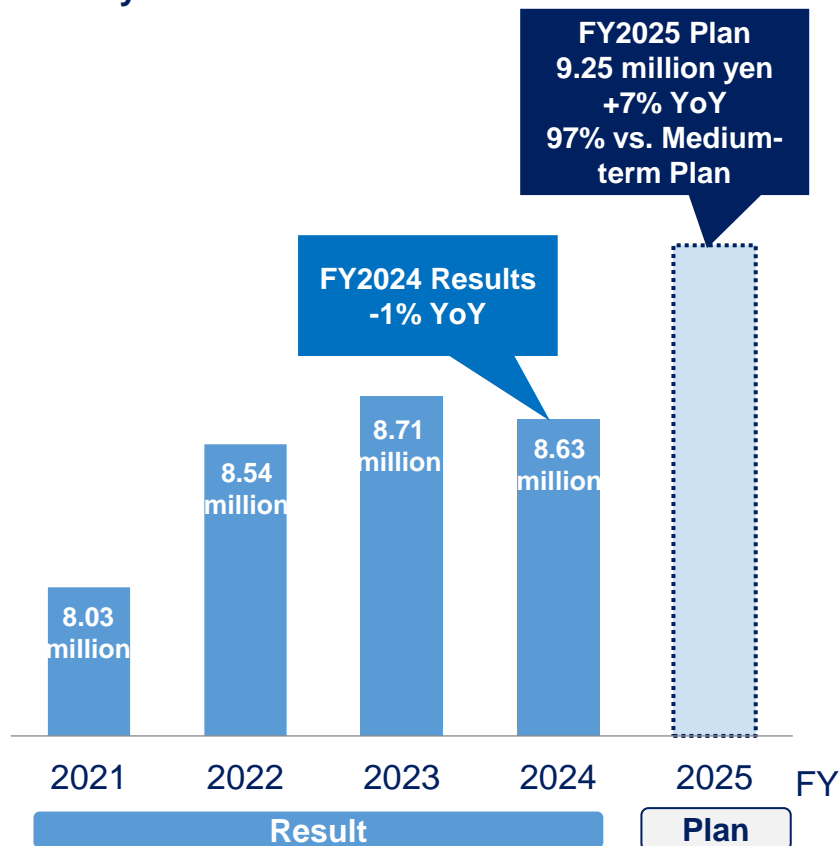
【グローバルワーク】and ST
会員様限定(新規登録も可)ゆめ
アプリクーポンご提示で
**全品5%OFF(セ
ール品も含む)**

Labor productivity

- Labor productivity*: 8.63 million yen in FY2024 (99% YoY), affected by ransomware attack
- Promoting process center utilization and operational efficiency in addition to digital transformation

■ Labor Productivity* Trends

It will likely fall short of the revised FY2025 target, 9.5 million yen.



Initiatives for Productivity Improvement

■ Improving checkout productivity

Promote efficiency by expanding self-checkout systems.

- Enhance efficiency of self- and semi-self checkout systems.
- Expand deployment of cashless-only self-checkout systems.
- Promote the adoption of cashless payments.

■ Promoting the use of process centers for prepared foods

Promote product development by Youme Delica, focusing on Japanese side dishes and rice-based meals => 4.7% reduction in person-hours.

- Increase sales and stabilize merchandising.
- Reduce person-hours in in-store production and reduce inventory by using fewer raw materials.

■ Implementing low-cost operation

Apply SUNNY's low-cost operational expertise in existing supermarkets to build a system that enables store operations with fewer staff.

- Centralize ordering and shelf allocation at headquarters to reduce store workload.
- Promote the multi-skilling of store staff.

* Labor productivity: Gross profit per employee, based on Izumi's non-consolidated management accounting (directly operated and existing stores, as of the end of FY2022)

Management Philosophy

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

This document contains descriptions of the future plans and strategies of the Company and its affiliates, as well as predictions and forward-looking statements regarding business performance. It also includes risks and uncertainties related to economic trends, personal consumption, market conditions, taxation, and various systems and regulations. Please take into account that actual results may differ from these forward-looking statements.



[Integrated Report 2024](#)
(English and Japanese)



[Environmental Sustainability Report 2024](#)
(Japanese only)



► [Sustainability section on the IZUMI website](#)



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Appendix

III. Appendix	Slide No.
Group Store Network Dominance Strategy	44
Competitiveness of Existing Stores (Year-on-Year Change in Net Sales at Existing Stores)	45
ESG (Environment, Society, Governance)	46

265 stores mainly in the Chugoku, Shikoku and Kyushu regions

(As of February 28, 2025)

Main companies, etc.	Headquarters	Main business types	Number of stores by region				
			Kyushu	Chugoku	Shikoku	Other	Total
Izumi	Hiroshima City	SC (Youme Town and LECT) ^{*1}	20	35	4	2	61
		NSC (Youme Mall)	3	3	-	-	6
		SM (Youme Mart)	14	20	-	-	34
		Other	2	2	-	2	6
		Subtotal	39	60	4	4	107
Yours	Hiroshima City	SM (Yours, etc.)	-	25	-	-	25
Youme Mart Kumamoto	Kumamoto City	SM (Youme Mart) ^{*2}	23	-	-	-	23
		SM, etc. (SUNNY business)	70	-	-	-	70
Youme Mart Kitakyushu	Kitakyushu City	SM (Youme Mart)	23	7	-	-	30
Other	-	SM	4	-	6	-	10
Total			159	92	10	4	265

* Youme Mart (store brand) as a subset of the above	63	30	-	-	93
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*1 Including 1 LECT store in the Chugoku region
*2 Including stores opened within Youme Mall Koshi by Youme Mart Kumamoto Co., Ltd.

Competitiveness of Existing Stores

Year-on-year change in sales at existing stores from FY2014 (%)

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

	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24
Izumi	101.8	101.4	101.5	99.2	99.4	99.1	89.7	101.1	103.5	103.0	100.7
Nationwide	99.1	101.3	98.8	99.6	99.2	98.8	100.7	103.1	101.0	103.0	102.1
Deviation	+2.7	+0.1	+2.7	-0.4	+0.2	+0.3	-11.0	-2.0	+2.5	±0	-1.4

FY2024 by month (%)

	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Full year
Izumi	97.7	94.0	98.3	105.7	98.0	105.5	103.1	97.0	105.1	102.5	100.7	100.9	100.7
Nationwide	109.3	100.4	100.1	104.7	99.0	103.8	101.0	98.7	103.5	103.0	100.9	99.7	102.1
Deviation	-11.6	-6.4	-1.8	+1.0	-1.0	+1.7	+2.1	-1.7	+1.6	-0.5	-0.2	+1.2	-1.4

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

1. Practicing Energy Creation with Solar Power Generation



Expand the use of renewable energy

Since 2015 we have been installing solar power generating panels, and since 2021 we have promoted the adoption of Power Purchase Agreements (PPA) models. At Youme Mall Saijo, Youme Town Iizuka and Youme Mart Shin-omura, 100% renewable energy is used.

Number of stores with solar panels installed

28 stores

(As of February 2025)

◀ Youme Mart Shin-Omura



3. Reducing Environmental Impact Due to Plastics



First in Japan: Takoyaki containers made of bagasse

Izumi Food Service Co., Ltd., in collaboration with Shingi Co., Ltd., has developed a takoyaki takeout container made from bagasse, a 100% plant-based, eco-friendly material derived from the residue left after the extraction of sugarcane juice. Bagasse absorbs excess moisture and releases it when reheated in a microwave, helping maintain the takoyaki's freshly made flavor. We are committed to providing products that delight our customers while contributing to a sustainable, circular society.



▶ Bagasse-based container introduced

2. Reducing Environmental Impact Due to Plastics



Food drive now in all stores!

Starting March 18, 2025, the food drive program has been expanded to an additional 25 stores. A food drive is an initiative aimed at reducing food waste and effectively using food resources by collecting unused items from households and donating them to local welfare organizations, facilities or food banks.

We aim to transform household mottainai (a Japanese concept expressing regret over waste) into a community thank you, contributing to a more sustainable society.

▶ In-store collection box



4. Reducing Environmental Impact Due to Plastics



Switching from plastic to paper shopping bags

On October 1, 2024, approximately 60 stores discontinued the use of plastic shopping bags in the apparel and household goods sections, switching to paper bags. Together with customers who cooperate by bringing reusable bags, this initiative is expected to reduce the number of plastic bags used by around 800,000 annually, equivalent to approximately 48 tons of CO2 emissions.

* Some items may still be provided in plastic bags.



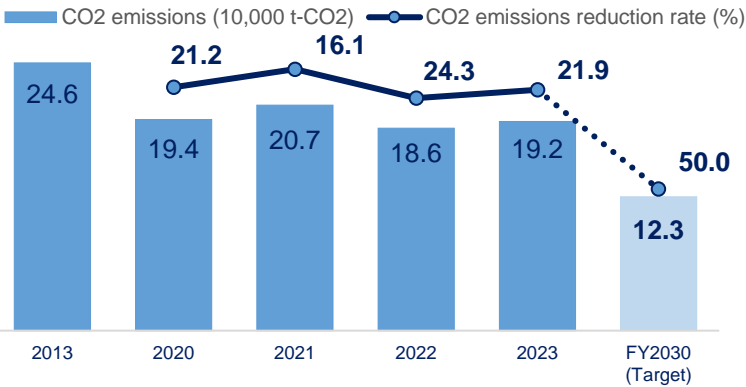
▲ New paper shopping bag

5. Steady Progress Toward FY2030 Environmental KPI Targets

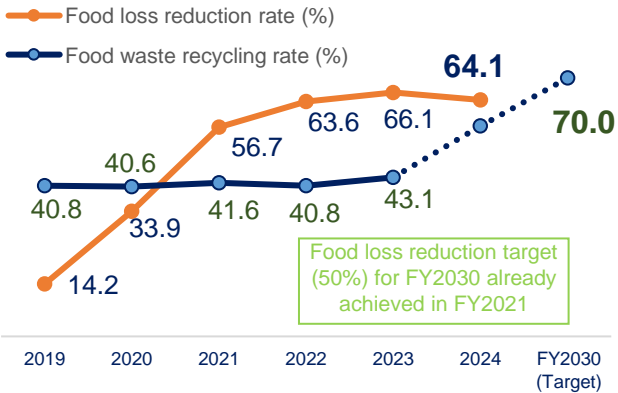


■ Progress on Environmental KPIs

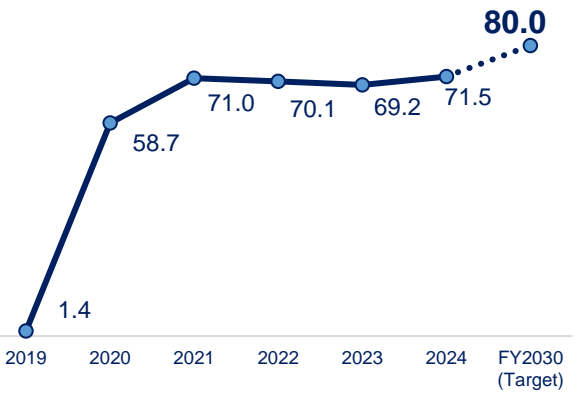
1. CO2 Emissions and
2. CO2 Emissions Reduction Rate
(Compared to FY2013; Scope 1 & 2)



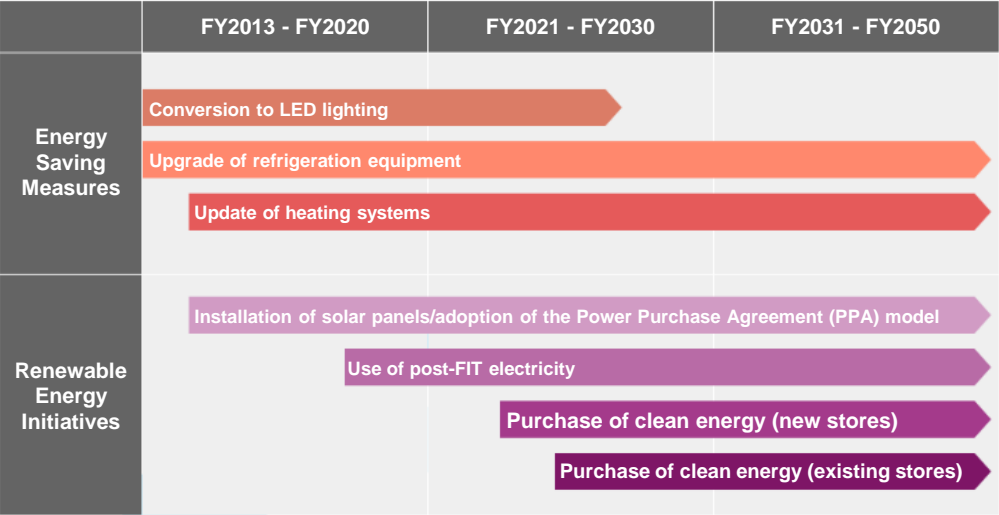
1. Food Waste Recycling Rate
2. Food Loss Reduction Rate
(Compared to FY2018)



Plastic Shopping Bag Reduction Rate
(Compared to FY2018)



■ Roadmap for Reducing CO2 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 (July 2024)

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

6. Circle of Resource Recycling Spanning the Community



Guest lecture delivered at an elementary school as part of an environmental education program

In October 2024, in collaboration with FP Corporation, we taught guest lessons at an elementary school in Yukuhashi City, Fukuoka Prefecture. Students learned about the importance of recycling and reducing food waste. We will continue awareness initiatives to encourage behavioral changes through industry-government-academia collaboration.



▲ Guest lecture at the elementary school

2. Contributing to Society through Safe and Secure Products



Store and the Izumi headquarters are working together to promote quality control that ensures safe and dependable food

We hold workshops covering topics such as labeling at stores. In addition, our food quality checkers check sales areas at 11 a.m. and 3 p.m. reach day to check information about the products on shelves including freshness, origin, and used by date. The Quality Control Inspection Office at our headquarters also conducts testing in an effort to assure the quality of our in-store merchandise.



▲ Quality Control Inspection Office at the headquarters

1. Bringing Energy and Vitality to Local Communities



Prepared foods jointly developed with Hiroshima Shudo University sold in stores

In November 2024, in-store tastings were held at 16 stores in Hiroshima Prefecture to introduce prepared foods co-developed with students from Hiroshima Shudo University. Over nine months, students participated in study sessions, product proposals, prototyping, tasting and refinement. Four final products were selected based on customer feedback and were commercialized with careful attention to not only flavor but also presentation and portion size.



► Student-led tasting event at LECT

3. Working Together for Greater Progress



8th Youme 1 Grand Prix competition held

On October 12, 2024, the Youme 1 Grand Prix, a company-wide role-playing competition for specialty store staff, was held at Izumi headquarters to enhance customer service skills. Eleven finalists, selected through regional qualifiers, participated and demonstrated heartfelt customer service.



► Participants in the 8th Youme 1 Grand Prix

4. Developing an Environment That Allows a Diverse Range of Employees to Succeed



Building systems that embrace people's diverse career values and backgrounds, aiming to enhance engagement and secure qualified talent.

■ Revision of the Work Area Classification System

Purpose

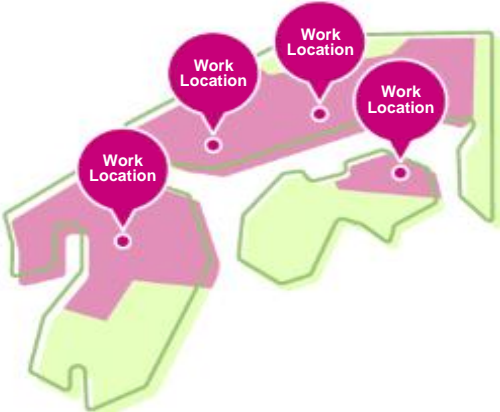
Employees can now choose their work area based on individual preferences and circumstances, enabling them to work in a way that best matches their motivation and capabilities.



- Improve employee engagement
- Secure qualified talent

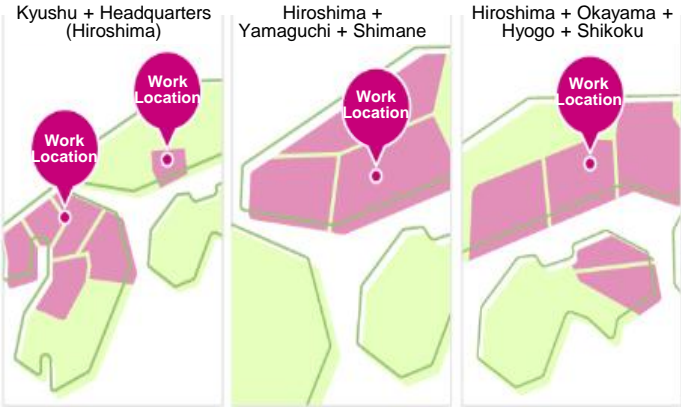
Employee Classifications

National Employees



Work Location: No restrictions
(headquarters + all store regions)

Regional Employees



Work Location: Area-based
(choose from three designated areas)

Field Employees



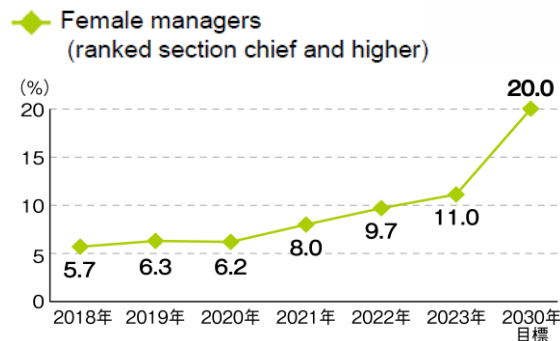
Work Location: Limited
(stores within a 30 km radius of home)

5. Developing an Environment That Allows a Diverse Range of Employees to Succeed



Steady rise in the percentage of female managers

As a result of the Youme Can Project, which was started in 2014 to promote the active participation of women, the number of female employees who have become store managers or assistant managers has steadily increased. In recognition of these steady efforts to support career advancement, in 2017 we received the highest 3-star "Eruboshi" certification as a company promoting the active participation of women.



6. Developing a Workplace Where Employees Can Work with Peace of Mind



The Izumi Group's policy on customer harassment

To ensure a safe and secure working environment for all employees of the Izumi Group, we have established a basic policy on customer harassment. While we respond sincerely and respectfully to customer feedback and concerns, we will take a firm and systematic approach to addressing any customer behavior that severely harms employee rights or working conditions.



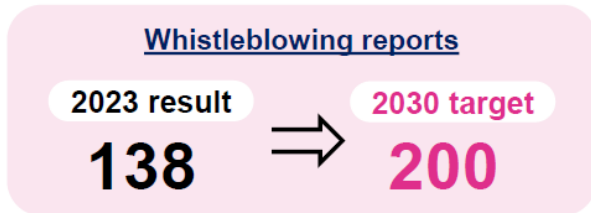
▶ Awareness posters displayed in stores

1. Compliance and Risk Management System



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.



2. 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 twice 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

We will build an effective structure and pursue 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.

