

Translation

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## Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (Based on Japanese GAAP)

April 14, 2025

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 Stock code: 8273 URL: <https://www.izumi.co.jp/>  
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 Date of ordinary general meeting of shareholders: May 28, 2025  
 Commencement date of dividend payments: May 29, 2025  
 Scheduled date to file Securities Report: May 29, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and securities analysts)

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

### 1. Consolidated financial results for the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

#### (1) Consolidated financial results Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2025	524,142	11.2	25,425	(19.1)	25,708	(20.5)	11,919	(41.8)
February 29, 2024	471,166	2.4	31,425	(6.6)	32,322	(6.0)	20,485	(11.7)

(Note) Comprehensive income: Year ended February 28, 2025: 11,357 million yen (-49.3%)

Year ended February 29, 2024: 22,382 million yen (-6.0%)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/ total assets	Operating profit/ operating revenue
Year ended	Yen	Yen	%	%	%
February 28, 2025	166.60	—	4.2	4.9	4.9
February 29, 2024	286.47	—	7.5	6.7	6.7

(For reference) Share of profit (loss) of entities accounted for using equity method:

Year ended February 28, 2025: -20 million yen

Year ended February 29, 2024: 52 million yen

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2025	569,611	299,218	50.1	3,990.31
February 29, 2024	489,509	294,233	57.3	3,922.84

(For reference) Equity: As of February 28, 2025: 285,522 million yen

As of February 29, 2024: 280,554 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2025	40,282	(91,636)	55,073	15,717
February 29, 2024	31,563	(24,747)	(5,149)	11,997

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Full year)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 29, 2024	—	44.00	—	45.00	89.00	6,365	31.1	2.3
Year ended February 28, 2025	—	45.00	—	45.00	90.00	6,439	54.0	2.3
Year ending February 28, 2026 (Forecast)	—	45.00	—	45.00	90.00		35.2	

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	294,200	23.3	15,700	30.5	15,500	25.5	9,700	18.9	135.56
Full year	590,100	12.6	30,700	20.7	30,400	18.2	18,300	53.5	255.75

Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement of prior period financial statements: None

(3) Number of issued shares (common shares)

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

As of February 28, 2025 71,665,200 shares As of February 29, 2024 71,665,200 shares

Number of treasury shares at the end of the period

As of February 28, 2025 111,165 shares As of February 29, 2024 146,909 shares

Average number of shares during the period

Year ended February 28, 2025 71,543,105 shares Year ended February 29, 2024 71,511,503 shares

(For reference) Non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(1) Non-consolidated financial results

Percentages indicate year-on-year changes

Year ended	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	372,839	0.0	21,267	(12.1)	21,420	(14.0)	9,635	(40.2)
February 29, 2024	372,782	2.7	24,202	(12.2)	24,905	(11.7)	16,121	(18.5)

Year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2025	134.68	—
February 29, 2024	225.44	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2025	500,687	228,189	45.6	3,189.06
February 29, 2024	426,448	224,555	52.7	3,139.83

(For reference) Equity: As of February 28, 2025: 228,189 million yen As of February 29, 2024: 224,555 million yen

2. Forecast of non-consolidated financial results for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	195,300	7.6	12,200	18.4	12,000	12.9	7,800	7.5	109.01
Full year	394,900	5.9	23,500	10.5	23,100	7.8	14,500	50.5	202.64

\* These financial results are outside the scope of review by a certified public accountant or an auditing corporation.

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

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. Actual results may differ materially, depending on a range of factors. See "1. Overview of Operating Results, etc. (4) Future outlook" on page 10 of the attached document for the conditions on which financial results forecasts are based and the notes on the use of these forecasts.

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## 1. Overview of Operating Results, etc.

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

### (1) Overview of Operating Results

In the fiscal year ended February 28, 2025, the Japanese economy achieved a moderate recovery, driven by an improvement in employment and income levels. However, consumers became more cost-conscious regarding daily necessities due to prolonged inflation stemming from the rising prices of raw materials and energy and the weaker yen. The business environment in the retail industry continued to be unclear due to challenges in recruitment and increasing costs.

In this environment, the Izumi Group, guided by its management philosophy of instilling pride and joy in its employees while contributing to the enhancement of the lives of communities and our customers, has set the long-term goal of creating livable communities and fostering the growth of the population. The Group has been implementing the strategies set out in the Second Medium-term Management Plan formulated in April 2021 (the strategies and target figures were updated in April 2023).

The growth strategy focuses on reducing the number of new store openings and investing in existing stores to revitalize them while expanding into new business areas through mergers, acquisitions and alliances. The Group aims to achieve both organic and inorganic growth to realize its long-term vision. To rapidly execute these initiatives, Izumi Co., Ltd. established the Investment Promotion Division reporting directly to the Executive Vice President in May. This division is responsible for overseeing mergers and acquisitions as well as developing new operations. Additionally, the Company hired external experts to enhance its organizational structure and support the implementation of the initiatives.

In May, the Company made Sunlife Co., Ltd. (Oita, Oita) a wholly owned subsidiary. Sunlife is a community-based food supermarket that has maintained a presence in a small trade area for a long time. Sunlife operates four stores primarily in Oita, an area not served by the existing store network. The Company believes that the acquisition of Sunlife will assist the Group in executing its area strategy such as entering a new market and expanding its market share.

In June, the Company and Maruyoshi Center Inc. (Takamatsu, Kagawa) began integrating their product procurement, logistics, and other systems in the Shikoku region under their capital and business alliance agreement. This integration allows the Company to streamline business processes and reduce costs in the Shikoku region. The Company aims to improve customer service by developing its logistics and delivery system, ensuring that goods are delivered promptly and accurately.

In August, consolidated subsidiary Youme Mart Kumamoto Co., Ltd. (Higashi-ku, Kumamoto) took over the supermarket business of by Seiyu Co., Ltd. (Musashino, Tokyo) in the Kyushu region through a company split (absorption-type company split). Youme Mart Kumamoto aims to establish dominance primarily in Fukuoka prefecture, achieve economies of scale in product procurement, promote sales, and streamline logistics. The Group will utilize the knowledge of efficient operations gained in the supermarket business that Youme Mart Kumamoto has taken over to establish a new profitable supermarket business. The goal of this initiative is to enhance the profitability of the entire Group.

The Company has been steadily implementing initiatives to achieve its environmental KPIs in its Basic Sustainability Policy. For more information about sustainability and the current status of the Company's sustainability activities, please visit the sustainability webpage. Sustainability website

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

In June, the Company announced initiatives for implementing management practices that take into account the cost of capital and the stock price. This announcement includes the Company's analysis of its current cost of capital and return on capital and its policy on improvement initiatives. For details, please refer to:

<https://www.izumi.co.jp/corp/ir/pdf/2024/0704news.pdf>

In its core retail business, system failures were caused by a ransomware attack that occurred on February 15, 2024. The ransomware attack impacted the ordering system, making it difficult to provide certain products. Some sales promotions and services were temporarily suspended, including the distribution of insert fliers from individual stores, the delivery of Youme App coupons, the e-commerce site Youme Online and the online supermarket Youme Delivery. The Company resolved these problems, the systems were restored and services returned to normal by May 1, with some exceptions. The Company then instituted measures to increase the number of customers, which had declined following the ransomware attack. To prepare for rising electricity prices, the Company

undertook a company-wide initiative aimed at reducing electricity usage to cut costs. At the same time, the Company actively invested in growth, specifically in the opening of new stores, renovations and mergers and acquisitions.

Following the ransomware attack, the entire Group is reviewing its business processes and developing systems to increase productivity under the theme, “creative restoration.”

As a result, operating results for the fiscal year under review were as shown below.

	Amount	YoY
Operating revenue	524,142 million yen	11.2%
[Net sales]	[467,345 million yen]	12.4%
[Operating income]	[56,797 million yen]	2.3%
Operating profit	25,425 million yen	(19.1%)
Ordinary profit	25,708 million yen	(20.5%)
Profit attributable to owners of parent	11,919 million yen	(41.8%)

### **Key factors contributing to operating results**

#### (i) Operating revenue and operating gross profit

Operating revenue rose 52,976 million yen (11.2%) year on year to 524,142 million yen. This is primarily due to consolidated subsidiary Youme Mart Kumamoto taking over the supermarket business of Seiyu Co., Ltd. in the Kyushu region.

Operating gross profit was 207,602 million yen (up 12,238 million yen year on year). This is 39.6% of operating revenue, a decrease of 1.9 percentage points from one year ago.

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

Selling, general and administrative expenses increased 18,238 million yen (11.1%) year on year to 182,177 million yen. This increase was primarily due to increased personnel expenses and other selling expenses related to the acquisition of the supermarket business. This is 34.8% of operating revenue, remaining flat compared to the previous fiscal year.

Consequently, operating profit declined 6,000 million yen (19.1%) to 25,425 million yen. This is 4.9% of operating revenue, a 1.8 percentage point decrease from the previous year.

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

Non-operating income declined by 79 million yen (5.9%) year on year, to 1,272 million yen. Non-operating expenses climbed 533 million yen (117.3%) to 989 million yen, primarily due to increased interest expenses connected to a syndicated loan arrangement.

As a result, ordinary profit decreased 6,613 million yen (20.5%) year on year, to 25,708 million yen. This is 4.9% of operating revenue, a decrease of 2.0 percentage point from the previous year.

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

Extraordinary income stood at 3,028 million yen (an increase of 1,608 million yen from the previous year), reflecting gain on sale of investment securities of 2,343 million yen due to the sale of cross-shareholdings. Extraordinary losses came to 8,238 million yen (an increase of 3,983 million yen from the previous year), reflecting impairment losses of 7,755 million yen.

Income taxes amounted to 7,745 million yen (a decrease of 1,111 million yen from a year ago).

Profit attributable to non-controlling interests was 834 million yen (an increase of 689 million yen from a year ago), chiefly due to gain on sale of investment securities recorded by consolidated subsidiaries.

As a consequence, profit attributable to owners of parent declined 8,566 million yen (41.8%) year on year to 11,919 million yen. This is 2.3% of operating revenue, a decrease of 2.0 percentage point from the previous year.

## Performance by Segment

### ■ Operating revenue

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025	Change	Change (%)
Retail operations	454,471 million yen	506,985 million yen	52,513 million yen	11.6%
Retail-peripheral operations	44,644 million yen	47,927 million yen	3,283 million yen	7.4%
Other	5,297 million yen	4,968 million yen	(329 million yen)	(6.2%)
Adjusted amount	(33,247 million yen)	(35,738 million yen)	(2,490 million yen)	—
Total	471,166 million yen	524,142 million yen	52,976 million yen	11.2%

### ■ Operating profit

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025	Change	Change (%)
Retail operations	25,403 million yen	19,671 million yen	(5,731 million yen)	(22.6%)
Retail-peripheral operations	5,702 million yen	5,510 million yen	(192 million yen)	(3.4%)
Other	650 million yen	574 million yen	(75 million yen)	(11.7%)
Adjusted amount	(331 million yen)	(331 million yen)	(0 million yen)	—
Total	31,425 million yen	25,425 million yen	(6,000 million yen)	(19.1%)

#### (i) Retail operations

In its core retail business, system failures were caused by a ransomware attack that occurred on February 15, 2024. The ransomware attack impacted the ordering system, making it difficult to provide certain products. Some sales promotions and services were temporarily suspended, including the distribution of insert fliers from individual stores, the delivery of Youme App coupons, the e-commerce site Youme Online, and the online supermarket Youme Delivery. The Company quickly addressed these failures, and the systems and most services were returned to normal by May 1, with a few exceptions. The Company then instituted measures to increase the number of customers, which had declined following the ransomware attack.

While working to restore the systems, the Company sought to ensure its ability to supply products to minimize the customer inconvenience caused by the impact the ordering system failure had on the product line. By May 1, the Company had arranged to consistently supply products. It then focused on responding to the increasing polarization of consumption.

The Company also stepped up its collaboration in product procurement with the Nichiryu Group (Fukushima-ku, Osaka), which it joined in February 2024. In the lifestyle division, which the Company manages directly, it is introducing high-value-added, price-competitive products. The Company plans to increase the number of these products from the next fiscal year. In September, Youme Mart Kumamoto Co., Ltd. introduced Kurashi More, a private brand of the Nichiryu Group. Through these initiatives, the Group will improve its ability to meet the demand for low-priced products which is increasing due to prolonged inflation.

In April, Youme Mart Shin-Omura opened in Omura, Nagasaki. This store is located in Sakura Mirai Shin Omura, a complex that includes a Muji which provides offering household goods, a Starbucks Coffee café, and condominiums. It aims to provide “the pleasure of everyday visits” as a supportive space for everyday life and fostering connections within the local community. The Group is opening Youme Mall neighborhood shopping centers. In May, it opened Youme Mall Koshi (Koshi, Kumamoto). In September, it rebuilt Youme Town Itsukaichi (Saeki-ku, Hiroshima) and opened Youme Mall Itsukaichi (Saeki-ku, Hiroshima). Youme Malls are retail facilities that includes Youme Mart, a supermarket, and specialty tenants, such as apparel shops and restaurants. The key phrase there is “a place where people visit, meet, and rest.” The Group aims to create malls that are hubs for local communities and environmentally friendly, convenient, and comfortable community-based malls designed to support healthy lifestyles.

The Group remodeled existing stores. In March, Sundrug became a tenant of Youme Town Hirajima (Higashi-ku, Okayama). In April, Muji became a tenant of Youme Town Gakuen (Higashihiroshima, Hiroshima). The Group solicits reputable tenants for its medium-term general merchandise stores to enhance their ability to attract customers. The Group added value to its large general merchandise stores by strengthening the food and beauty and drug sections of Youme Town Takamatsu (Takamatsu, Kagawa) and Youme Town Hakata (Higashi-ku, Fukuoka) in October and November, respectively. The Group expanded the sales floors that it directly operates to better meet the needs of local customers. Additionally, it solicited new food tenants to enhance the food section

as a whole. The Group consolidated its beauty and health floors into the beauty and drug section and created new sales floors and product lines to attract new customers.

As a result of these initiatives, sales trends were as follows.

In March and April, sales activities were limited due to failures in the ordering system, which led to problems with merchandise and the suspension of activities such as the distribution of insert fliers and the delivery of app coupons. This meant fewer customers in the food and lifestyle departments directly managed by the Group, resulting in a decrease in sales. In May, the systems were restored and sales activities normalized. As a result, the number of customers increased and sales increased. The impact of the system failures on tenants was limited, and restaurants and other services performed well.

In June, the Group launched its “All-out low prices” campaign, offering discounts of up to 30% on 60 daily necessities. The goal of this initiative was to attract more customers and address the growing demand for low-priced goods due to the prolonged inflation. At the same time, the Group responded to the polarization of consumption by promoting sales of products under its own manufacturing brand Zehi as well as high value-added items, including those carefully selected in an internal evaluation process under the Kore-uma brand. These and other Group initiatives led to a further rebound in customer numbers.

Starting the beginning of fall, clothing sales in the directly managed lifestyle department were sluggish, as the drop in temperatures was delayed, resulting in persistent heat. In the directly managed food department, the Group took steps to address the polarization of consumption with a focus on low-priced products. As a result, the number of customers increased, and sales were strong. Like the directly managed lifestyle department, clothing tenants faced challenges. Meanwhile, tenants in the food and leisure categories, including restaurants and amusement facilities, had their sales increase significantly.

In the winter, as temperatures fell, in the directly managed lifestyle department, sales of underwear and clothing for women were brisk and sales of pharmaceuticals grew significantly. In the directly managed food department, customers’ budget-minded behaviors intensified amid the continued rise of prices of processed food items and the increase of prices of fresh food items. There were fewer same-store customers than in the previous fiscal year. At the same time, average sales per customer rose, which helped achieve a year-on-year increase in same-store sales.

As a consequence, same-store sales (including specialty tenants’ sales) in the fiscal year under review increased 0.7% year on year (before the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29)). Same-store sales, excluding tenant sales, declined 0.8% year on year.

Costs were affected by a company-wide review of business processes and system development aimed at enhancing productivity under the theme “creative restoration” following the system failures. The Company has made active investments in growth, including store openings, renovations, and mergers and acquisitions while implementing a company-wide initiative aimed at reducing electricity usage to prepare for rising electricity prices.

As a result, operating revenue stood at 506,985 million yen (up 11.6% year on year) and operating profit was 19,671 million yen (down 22.6% year on year).

#### (ii) Retail-peripheral operations

In retail-peripheral operations, the financial business and facility management business, in particular, were significantly affected by the system failures caused by the ransomware attack. However, revenue rose as the systems were restored.

In the financial business, Youme Card Co., Ltd. suffered a revenue slide, due mainly to a sales drop in the retail business following the system failures and to a contraction in fee revenue reflecting a decline in the ratio of payments using the Youme Card electronic money. The cumulative number of Youme Cards issued increased to 10,670,000 at the end of the fiscal year under review from 10,230,000 at the end of the previous fiscal year.

In the facility management business, the system failures delayed the start of renovations at Group companies. However, a major recovery in and after the second half allowed Izumi Techno Co., Ltd. to achieve an increase in revenue and profit.

Operating revenue at Izumi Food Service Co., Ltd., which operates restaurant businesses, rose compared with the previous year, when operating revenue exceeded the level in FY2019, before the COVID-19 pandemic, reflecting the progress in the normalization of social and economic activity. Sales of key brands such as Mister Donut and BR 31 Ice Cream continued to be brisk, leading to the growth of profit.

As a result, operating revenue stood at 47,927 million yen (up 7.4% year on year) and operating profit was 5,510 million yen (down 3.4% year on year).

(iii) Other businesses

In the wholesale business, sales were weak, and the cost of sales increased chiefly due to the weak yen. Rental income in the real estate lease business was stable.

As a result, operating revenue amounted to 4,968 million yen (down 6.2% year on year) and operating profit was 574 million yen (down 11.7% year on year).

(2) Overview of Financial Position

Total assets, liabilities, and net assets at the end of the fiscal year ended February 28, 2025, year-on-year changes and major factors for the changes are as stated below.

	As of February 29, 2024	As of February 28, 2025	Change
Total assets	489,509 million yen	569,611 million yen	80,102 million yen
Liabilities	195,276 million yen	270,392 million yen	75,116 million yen
Net assets	294,233 million yen	299,218 million yen	4,985 million yen

Total assets

- Goodwill increased 54,879 million yen primarily due to the acquisition of the supermarket business operated by Seiyu Co., Ltd. in the Kyushu region. As allocation of the acquisition costs has not been completed, the amounts of goodwill are provisional estimates.
- Capital expenditures during the fiscal year under review reached 14,976 million yen, chiefly due to investments in new store openings, the revitalization of existing stores, and digital transformation. Property, plant and equipment increased 10,025 million yen after depreciation, principally due to the acquisition of the said business.
- Notes and accounts receivable - trade, and contract assets rose 7,256 million yen, mainly due to an increase in the credit transaction volume.

Liabilities

- Short-term and long-term borrowings increased 61,726 million yen, primarily due to financing for the acquisition.
- Other current liabilities increased 6,349 million yen, chiefly due to increases in accrued consumption taxes and sales deposits received from specialty tenants.

Net assets

- Retained earnings rose 5,446 million yen, indicating an increase in internal reserves.
- As a result, the equity ratio was 50.1%, a 7.2 percentage point decline from 57.3% at the end of the previous fiscal year.

### (3) Overview of Cash Flows

The cash flow situation in the fiscal year under review are as follows:

	Year ended February 29, 2024	Year ended February 28, 2025	Change
Cash flows from operating activities	31,563 million yen	40,282 million yen	8,719 million yen
Cash flows from investing activities	(24,747 million yen)	(91,636 million yen)	(66,889 million yen)
Cash flows from financing activities	(5,149 million yen)	55,073 million yen	60,222 million yen

#### Cash flows from operating activities

- The main cash inflows were profit before income taxes of 20,499 million yen, depreciation of 18,109 million yen and impairment losses of 7,755 million yen.
- The major cash outflows were income taxes paid of 9,929 million yen and an increase in accounts receivable - trade and contract assets of 7,200 million yen.

#### Cash flows from investing activities

- The primary cash outflows were 77,676 million yen related to an absorption-type company split and purchase of property, plant and equipment totaling 17,745 million yen. The purchase of property, plant and equipment mainly involved investments in new store openings, the revitalization of existing stores, and digital transformation.

#### Cash flows from financing activities

- The main cash inflows were proceeds from long-term borrowings of 79,500 million yen. This cash inflow was due chiefly to a syndicated loan arrangement associated with the business acquisition.
- The major cash outflows were repayments of long-term borrowings of 15,573 million yen and dividends paid of 6,438 million yen.

As a result, the balance of cash and cash equivalents increased 3,719 million yen from the end of the previous fiscal year, to 15,717 million yen.

(Reference) Trends in cash flows-related indicators

	Year ended February 29, 2024	Year ended February 28, 2025
Equity ratio	57.3%	50.1%
Equity ratio based on market value	50.7%	38.5%
Debt repayment period	2.0 years	3.9 years
Interest coverage ratio	117.5	119.7

(Notes) 1. Individual indicators are calculated using the following methods.

Equity ratio: Equity/total assets

Equity ratio based on market value: Market capitalization/total assets

Debt repayment period: Interest-bearing liabilities/cash flow

Interest coverage ratio: Cash flow/interest paid

2. All the indicators are calculated using consolidated financial figures.

3. The total market value of shares are calculated on the basis of the number of issued shares excluding treasury shares.

4. The cash flow used in the above calculation is the value calculated by subtracting increases and decreases in receivables and payables arising from operating activities from cash flows from operating activities in the consolidated statement of cash flows. The interest paid used in the above calculation is that stated in the consolidated statement of cash flows.

#### (4) Future Outlook

In the future, the economy is expected to recover moderately following the continued improvement of the employment and income situations. However, in view of the continued rise of the prices of goods, consumers will be increasingly cost-conscious. Regarding corporate activities, the increase in the cost of construction, logistics, procurement and other expenses makes stricter cost management necessary. There is a concern that the business environment will remain difficult.

In these circumstances, the Group announced it would revise its Second Medium-term Management Plan (from the fiscal year ended February 28, 2022 to the fiscal year ending February 28, 2026) in April 2023 and it has since implemented this revised plan. This plan defines investments in the revitalization of existing stores and initiatives for mergers, acquisitions and alliances as pillars of the growth strategy. The Group will step up these initiatives to increase its presence in the region and address social issues through its business activities. In doing this, the Group will practice its management philosophy, instilling pride and joy in its employees while contributing to the enhancement of the lives of communities and our customers. In addition to continuing to strengthen the GMS business, its main source of revenue, the Group will introduce the knowledge of efficient operations and other matters possessed by the SUNNY business, which it took over from Seiyu Co., Ltd. in August 2024, in its existing SM business to create a new highly profitable SM business. The Group will thus increase the profitability of its operations as a whole.

Through these initiatives, the Group will achieve customer satisfaction and continuously expand and strengthen its dominance in regional markets with a view toward increasing management efficiency and continuing to grow as a corporation.

#### (5) Basic Policy for Profit Distribution and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Company's basic policy on dividends of surplus is to have a payout ratio of 30% or more and pay progressive dividends, paying dividends twice a year as an interim dividend and a year-end dividend. Interim dividends are paid in line with a resolution by the Board of Directors and year-end dividends are paid in line with a resolution at a General Meeting of Shareholders. The Company stipulates in its articles of incorporation that it may pay interim dividends as prescribed in paragraph (5) of Article 454 of the Companies Act.

Regarding the dividends of surplus in the fiscal year under review, the Company paid an interim dividend of 45 yen per share (44 yen per share in the previous fiscal year) and it has determined that it will pay a year-end dividend of 45 yen per share (45 yen per share in the previous fiscal year) in comprehensive consideration of the financial results for the fiscal year under review, future business conditions and other factors. This totals an annual dividend of 90 yen per share (89 yen per share in the previous fiscal year).

Regarding retained earnings, the Company will maintain fiscal discipline and respond to shareholders' expectations by investing in growing areas for the medium- and long-term growth of corporate value and shareholder return. In the next fiscal year, the Company expects to pay an interim dividend of 45 yen per share and a year-end dividend of 45 yen per share, totaling an annual dividend of 90 yen per share.

## 2. Management Policies

### (1) Basic Corporate Management Policy

The Group's management philosophy is instilling pride and joy in its employees while contributing to the enhancement of the lives of communities and our customers. The Group believes that the fastest way to live up to the expectations of all of its stakeholders is to serve the regions and customers that are the sources of its revenue in accordance with the above philosophy to make sure that its employees can feel pride and joy in their work. The markets that the Group serves are becoming mature and the competition is intensifying. In this environment, the Group will develop organizations and personnel to respond properly to changes in customers' needs and selectively place its management resources in fields where the Group has competitive advantages to create unique added value and achieve the steady growth of its corporate value. As a community-based business, the Group will contribute to the economy, employment, the environment and culture.

### (2) Target Management Indicators

On April 13, 2021, the Group announced the formulation of the Second Medium-term Management Plan for the five-year period from its 61st to 65th fiscal years (from the fiscal year ended February 28, 2022 to the fiscal year ending February 28, 2026).

As stated in "(4) Future Outlook" in "1. Overview of Operating Results, etc.," the Group announced the revision of the Second Medium-term Management Plan on April 11, 2023. However, the Company faced a ransomware attack and shut down all its servers, including those for order placements, purchases and other functions in February 2024. That resulted in a partial disruption to its operations. After restoring the system, the Company prioritized efforts to regain customers, eventually delaying measures against the persistent inflation. Meanwhile, consumers are becoming increasingly budget-minded as real wages continue to fall. Under these conditions, the Company conducted another revision to the target figures, given that the fiscal year ending February 28, 2026 is the final fiscal year of the Second Medium-term Management Plan and that the Company would aim to enhance its structure towards realizing its 2030 Long-Term Vision. According to the consolidated financial results targets after this revision for the fiscal year ending February 28, 2026 as the final fiscal year of the Second Medium-term Management Plan, the operating revenue target is 590.1 billion yen and the operating profit target 30.7 billion yen.

### (3) The Company's Medium- to Long-term Management Strategy and the Issues That the Company Needs to Address

The Group will implement the management measures below to achieve customer satisfaction and increase corporate value.

#### Aiming to be the leader in customer satisfaction

- The Group will propose an array of items and introduce tenants to satisfy the wide-ranging needs of three generations and provide comfortable spaces that enable families to spend time together to create more appealing commercial facilities.
- The Group will strive to develop products, reduce costs and reduce losses to realize the "good things at low prices" concept, providing local customers with high quality, safe, secure and fresh products at low prices in individual product categories.
- The Group will ensure an open store-based atmosphere to help its employees act independently and develop their capabilities and construct a system for evaluating their achievements against clear goals to increase job satisfaction in its workplaces.

#### For sustainable growth

- The Group set numerical targets for 2030 in the Youme MIRAI (future) Declaration. It also made the commitments shown below.

CO2 emissions:	50% reduction (from the FY2013 level)
Plastic containers and packaging:	80% reduction (from the FY2018 level)
Food waste and recycling:	50% reduction (from the FY2018 level) and a food recycling rate of 70%

#### Our Commitments

- Creating hubs trusted by communities
- Actions to mitigate climate change
- Products that are kind to people and planet
- Building communities that everyone can enjoy
- Creating rewarding workplaces

- With an eye toward the proactive opening of Youme Town wide-area shopping centers, Youme Mall neighborhood shopping centers and Youme Mart food supermarkets in the future, the Group aims to build up its financial position to increase its capacity to generate cash flow, invest in the revitalization of existing stores and carry out a scrap-and-build strategy continuously for rejuvenating its stores. The Group will work to increase its market share in the region and thereby achieve its corporate growth.
- The Group will actively pursue its M&A strategy to solidify its foundation for regional dominance and secure competitive advantages in product procurement and other areas. The Group will also work to develop the regional economy and maintain and increase the number of jobs.
- The Group will conduct activities to radically improve labor productivity by streamlining store operations and training staff to have multiple skills. Then, the Group will share these achievements with all its stores to increase productivity. The Group will also push ahead with the digitalization of operations to reduce labor and improve the working environment for employees. The Group will utilize the surplus time generated this way to enhance services to achieve customer satisfaction.
- To increase corporate value over the medium and long term, the Group will strive to improve corporate governance through dialogue with shareholders and investors.
- The Group will effectively use the cash flows it generates by appropriating cash to investments for growth and shareholder return. The Group will maintain and improve its high capital efficiency and achieve an optimal capital composition to increase corporate value as well as shareholder value.

### 3. Basic Approach to Selection of Accounting Standards

The Group currently operates its business in Japan only and to date it has no plans to expand its business into overseas markets. The Group is therefore using the Japanese generally accepted accounting principles (GAAP) for the time being.

Regarding the application of the international financial reporting standards (IFRS), the Group will take appropriate actions in consideration of the future trend in the ratio of shares owned by non-Japanese nationals and various situations inside and outside the country.

#### 4. Consolidated Financial Statements and Primary Notes

##### (1) Consolidated Balance Sheet

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	11,997	15,717
Notes and accounts receivable - trade, and contract assets	52,002	59,259
Merchandise and finished goods	25,496	29,231
Work in process	101	72
Raw materials and supplies	663	771
Other	14,422	15,384
Allowance for doubtful accounts	(531)	(586)
Total current assets	104,153	119,851
Non-current assets		
Property, plant and equipment		
Buildings and structures	427,017	449,516
Accumulated depreciation	(274,064)	(299,527)
Buildings and structures, net	152,953	149,989
Machinery, equipment and vehicles	12,982	14,435
Accumulated depreciation	(9,258)	(10,366)
Machinery, equipment and vehicles, net	3,724	4,068
Land	167,901	179,274
Leased assets	16	16
Accumulated depreciation	(3)	(4)
Leased assets, net	12	11
Construction in progress	1,933	2,125
Other	44,723	51,059
Accumulated depreciation	(36,803)	(42,058)
Other, net	7,920	9,001
Total property, plant and equipment	334,444	344,469
Intangible assets		
Goodwill	843	55,722
Other	10,096	9,522
Total intangible assets	10,939	65,245
Investments and other assets		
Investment securities	10,540	4,667
Long-term loans receivable	79	59
Deferred tax assets	11,775	15,712
Leasehold and guarantee deposits	15,056	16,782
Other	3,088	2,992
Allowance for doubtful accounts	(568)	(168)
Total investments and other assets	39,972	40,045
Total non-current assets	385,356	449,760
Total assets	489,509	569,611

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	24,140	29,024
Short-term borrowings	26,700	24,500
Current portion of long-term borrowings	15,573	18,711
Accounts payable - other	13,109	13,141
Income taxes payable	5,540	4,946
Provision for bonuses	2,325	2,389
Provision for bonuses for directors (and other officers)	57	4
Contract liabilities	7,190	7,398
Provision for loss on building demolition	213	261
Provision for loss on lease contracts	32	32
Provision for expenses for handling system failures	1,001	–
Other	20,188	26,538
<b>Total current liabilities</b>	<b>116,074</b>	<b>126,950</b>
<b>Non-current liabilities</b>		
Long-term borrowings	35,444	96,232
Lease liabilities	12	11
Long-term leasehold and guarantee deposits received	21,850	22,021
Provision for retirement benefits for directors (and other officers)	81	53
Provision for loss on interest repayment	255	274
Provision for loss on building demolition	209	–
Provision for loss on lease contracts	358	325
Retirement benefit liability	9,267	10,361
Deferred tax liabilities	1,209	612
Asset retirement obligations	9,641	12,708
Other	871	840
<b>Total non-current liabilities</b>	<b>79,202</b>	<b>143,442</b>
<b>Total liabilities</b>	<b>195,276</b>	<b>270,392</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	19,613	19,613
Capital surplus	22,753	22,739
Retained earnings	235,852	241,299
Treasury shares	(625)	(473)
<b>Total shareholders' equity</b>	<b>277,594</b>	<b>283,180</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,380	1,935
Remeasurements of defined benefit plans	579	407
<b>Total accumulated other comprehensive income</b>	<b>2,960</b>	<b>2,342</b>
<b>Non-controlling interests</b>	<b>13,678</b>	<b>13,696</b>
<b>Total net assets</b>	<b>294,233</b>	<b>299,218</b>
<b>Total liabilities and net assets</b>	<b>489,509</b>	<b>569,611</b>

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

## Consolidated Statement of Income

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Operating revenue	471,166	524,142
Net sales	415,633	467,345
Cost of sales	275,802	316,540
Gross profit	139,831	150,804
Operating revenue	55,532	56,797
Operating gross profit	195,363	207,602
Selling, general and administrative expenses		
Advertising and promotion expenses	9,479	9,924
Distribution expenses	9,117	10,023
Provision of allowance for doubtful accounts	218	267
Employees' salaries and bonuses	55,109	60,594
Provision for bonuses	2,209	2,280
Welfare expenses	11,646	12,538
Retirement benefit expenses	958	966
Rent expenses	11,208	13,067
Utilities expenses	14,970	16,542
Depreciation	15,823	17,307
Other	33,198	38,664
Total selling, general and administrative expenses	163,938	182,177
Operating profit	31,425	25,425
Non-operating income		
Interest and dividend income	214	174
Purchase discounts	221	204
Gain on adjustment of accounts payable	68	62
Share of profit of entities accounted for using equity method	52	—
Contribution income	147	10
Other	647	819
Total non-operating income	1,352	1,272
Non-operating expenses		
Interest expenses	310	617
Commission for syndicated loans	—	161
Share of loss of entities accounted for using equity method	—	20
Other	144	189
Total non-operating expenses	455	989
Ordinary profit	32,322	25,708

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Extraordinary income		
Gain on sale of non-current assets	1,157	2
Gain on sale of investment securities	15	2,343
Subsidy income	247	–
Insurance income	–	516
Other	–	166
Total extraordinary income	1,420	3,028
Extraordinary losses		
Loss on sale of non-current assets	882	–
Loss on retirement of non-current assets	228	177
Impairment losses	1,408	7,755
Loss on store closings	261	129
Expenses for handling system failures	1,039	–
Provision for loss on building demolition	422	150
Other	9	23
Total extraordinary losses	4,254	8,238
Profit before income taxes	29,488	20,499
Income taxes – current	10,426	9,435
Income taxes – deferred	(1,568)	(1,689)
Total income taxes	8,857	7,745
Profit	20,630	12,753
Profit attributable to non-controlling interests	144	834
Profit attributable to owners of parent	20,485	11,919

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Profit	20,630	12,753
Other comprehensive income		
Valuation difference on available-for-sale securities	1,831	(1,224)
Remeasurements of defined benefit plans, net of tax	(84)	(164)
Share of other comprehensive income of entities accounted for using equity method	5	(7)
Total other comprehensive income	1,752	(1,396)
Comprehensive income	22,382	11,357
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,739	11,301
Comprehensive income attributable to non-controlling interests	642	55

## (3) Consolidated Statement of Changes in Equity

Year ended February 29, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,613	22,753	221,682	(720)	263,329
Changes during period					
Dividends of surplus			(6,292)		(6,292)
Profit attributable to owners of parent			20,485		20,485
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		(22)		97	74
Transfer from other capital surplus to retained earnings		22	(22)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	14,170	94	14,265
Balance at end of period	19,613	22,753	235,852	(625)	277,594

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,041	664	1,706	13,068	278,104
Changes during period					
Dividends of surplus					(6,292)
Profit attributable to owners of parent					20,485
Purchase of treasury shares					(3)
Disposal of treasury shares					74
Transfer from other capital surplus to retained earnings					–
Net changes in items other than shareholders' equity	1,338	(84)	1,253	609	1,863
Total changes during period	1,338	(84)	1,253	609	16,129
Balance at end of period	2,380	579	2,960	13,678	294,233

Year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,613	22,753	235,852	(625)	277,594
Changes during period					
Dividends of surplus			(6,438)		(6,438)
Profit attributable to owners of parent			11,919		11,919
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(34)		153	119
Transfer from other capital surplus to retained earnings		34	(34)		0
Purchase of shares of consolidated subsidiaries		(13)			(13)
Net changes in items other than shareholders' equity					
Total changes during period	–	(13)	5,446	152	5,585
Balance at end of period	19,613	22,739	241,299	(473)	283,180

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,380	579	2,960	13,678	294,233
Changes during period					
Dividends of surplus					(6,438)
Profit attributable to owners of parent					11,919
Purchase of treasury shares					(1)
Disposal of treasury shares					119
Transfer from other capital surplus to retained earnings					0
Purchase of shares of consolidated subsidiaries					(13)
Net changes in items other than shareholders' equity	(445)	(172)	(617)	17	(599)
Total changes during period	(445)	(172)	(617)	17	4,985
Balance at end of period	1,935	407	2,342	13,696	299,218

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Cash flows from financing activities		
Profit before income taxes	29,488	20,499
Depreciation	16,641	18,109
Share-based payment expenses	68	108
Amortization of goodwill	532	2,234
Increase (decrease) in allowance for doubtful accounts	116	(348)
Interest and dividend income	(214)	(174)
Interest expenses	310	617
Commission for syndicated loans	–	161
Share of loss (profit) of entities accounted for using equity method	(52)	20
Subsidy income	(247)	–
Insurance income	–	(516)
Loss (gain) on sale of non-current assets	(274)	(2)
Loss on retirement of non-current assets	228	177
Loss (gain) on sale of investment securities	(15)	(2,343)
Impairment losses	1,408	7,755
Loss on store closings	261	129
Expenses for handling system failures	1,039	–
Increase (decrease) in provision for loss on building demolition	422	–
Increase (decrease) in provision for loss on lease contracts	(32)	(32)
Decrease (increase) in accounts receivable - trade, and contract assets	(4,509)	(7,200)
Decrease (increase) in inventories	(1,872)	(1,322)
Increase (decrease) in trade payables	(1,935)	4,532
Increase (decrease) in deposits received	(4,645)	656
Increase (decrease) in retirement benefit liability	484	360
Other, net	5,273	7,348
Subtotal	42,476	50,772
Interest and dividend received	221	180
Interest paid	(334)	(300)
Subsidies received	247	–
Proceeds from insurance income	–	516
Expenses paid to address system failures	(38)	(957)
Income taxes refund (paid)	(11,009)	(9,929)
Net cash provided by (used in) operating activities	31,563	40,282
Cash flows from investing activities		
Purchase of property, plant and equipment	(27,010)	(17,745)
Proceeds from sale of property, plant and equipment	2,469	15
Purchase of intangible assets	(1,430)	(1,041)
Purchase of investment securities	(3)	–
Proceeds from sale of investment securities	21	5,744
Payments for absorption-type company split	–	(77,676)
Other, net	1,206	(933)
Net cash provided by (used in) investing activities	(24,747)	(91,636)

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	19,110	(2,200)
Proceeds from long-term borrowings	500	79,500
Repayments of long-term borrowings	(18,430)	(15,573)
Purchase of treasury shares	(2)	(1)
Dividends paid	(6,292)	(6,438)
Dividends paid to non-controlling interests	(32)	(32)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(19)
Payments of commissions for syndicated loans	–	(161)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(5,149)	55,073
Net increase (decrease) in cash and cash equivalents	1,666	3,719
Cash and cash equivalents at beginning of period	10,331	11,997
Cash and cash equivalents at end of period	11,997	15,717

## (5) Notes to the Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Notes on segment information, etc.)

[Segment information]

### 1. Overview of reportable segments

The Group's reportable segments are constituents of the Group regarding which separate financial information is available, and which are subject to regular reviews to help management make decisions regarding the allocation of management resources and assess performance.

The Group has operating companies in charge of the products and services it offers. Individual operating companies formulate their independent comprehensive strategies for the implementation of their business activities. This means that the Group is composed of business segments specific to particular product and service categories based on operating companies. According to details of the products and services, they are grouped into several business segments. Thus, the Group has set retail operations and retail-peripheral operations as reportable segments.

Retail operations are centered on the sale of clothing, household goods, food and other products through shopping centers, general merchandizing stores (GMS), supermarkets and stores with other formats. Retail-peripheral operations are composed mainly of businesses that complement retail operations, such as the credit sales business.

### 2. Method for calculating operating revenue, profit (loss), assets and other items for each reportable segment

The accounting policies of the reportable segments are generally consistent with those stated in "Significant matters that serve as the basis for the preparation of consolidated financial statements."

Reportable segment profit represents operating profit. Inter-segment internal revenues and transfers are based on prevailing market prices.

### 3. Information regarding operating revenue, profit (loss), assets and other items and a breakdown of revenue for each reportable segment

Year ended February 29, 2024

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjusted amount	Amount in consolidated financial statements (Note 5)
	Retail operations	Retail- peripheral operations	Total				
Operating revenue							
Revenue from contracts with customers	433,978	11,748	445,726	3,265	448,992	—	448,992
Other revenue	19,342	2,758	22,101	72	22,173	—	22,173
Operating revenue from external customers	453,321	14,506	467,828	3,338	471,166	—	471,166
Inter-segment internal revenues or transfers	1,150	30,137	31,288	1,959	33,247	(33,247)	—
Total	454,471	44,644	499,116	5,297	504,413	(33,247)	471,166
Segment profit	25,403	5,702	31,105	650	31,756	(Note 2) (331)	31,425
Segment assets	431,124	93,664	524,789	22,941	547,730	(Note 3) (58,220)	489,509
Other items							
Depreciation	15,231	1,391	16,622	268	16,891	(249)	16,641
Increase in property, plant and equipment and intangible assets	27,489	1,270	28,760	203	28,963	(Note 4) (522)	28,441

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

(Note 2) The segment profit adjustment, -331 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) The segment assets adjustment, -58,220 million yen, includes corporate assets of 4,929 million yen and inter-segment

elimination and others of -63,150 million yen. Corporate assets are primarily land and building of the head office which do not fall under any of the reportable segments.

(Note 4) The adjustment of increase in property, plant and equipment and intangible assets of -522 million yen includes inter-segment elimination and others.

(Note 5) Segment profit is reconciled with operating profit in the consolidated statement of income.

Fiscal year ended February 28, 2025

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjusted amount	Amount in consolidated financial statements (Note 5)
	Retail operations	Retail- peripheral operations	Total				
Operating revenue							
Revenue from contracts with customers	486,616	12,478	499,095	3,001	502,096	–	502,096
Other revenue	19,191	2,782	21,973	72	22,046	–	22,046
Operating revenue from external customers	505,808	15,260	521,069	3,073	524,142	–	524,142
Inter-segment internal revenues or transfers	1,177	32,666	33,843	1,894	35,738	(35,738)	–
Total	506,985	47,927	554,912	4,968	559,881	(35,738)	524,142
Segment profit	19,671	5,510	25,182	574	25,756	(Note 2) (331)	25,425
Segment assets	514,341	101,109	615,450	22,482	637,933	(Note 3) (68,321)	569,611
Other items							
Depreciation	16,674	1,425	18,099	296	18,396	(286)	18,109
Increase in property, plant and equipment and intangible assets	17,901	1,028	18,929	251	19,181	(Note 4) (393)	18,787

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

(Note 2) The segment profit adjustment, -331 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) The segment assets adjustment, -68,321 million yen, includes corporate assets of 4,835 million yen and inter-segment elimination and others of -73,156 million yen. Corporate assets are primarily land and building of the head office which do not fall under any of the reportable segments.

(Note 4) The adjustment of increase in property, plant and equipment and intangible assets of -393 million yen includes inter-segment elimination and others.

(Note 5) Segment profit is reconciled with operating profit in the consolidated statement of income.

[Related information]

Year ended February 29, 2024

#### 1. Information by product or service

Information is omitted because the same information is included in the segment information section.

#### 2. Information by region

##### (1) Net sales

Description is omitted because net sales towards outside customers in Japan exceed 90% of the net sales indicated in the consolidated statement of income.

##### (2) Property, plant and equipment

There are no property, plant and equipment outside Japan.

### 3. Information by major customer

No information is presented because net sales to any particular outside customer do not account for 10% or more of net sales on the consolidated statement of income.

Year ended February 28, 2025

#### 1. Information by product or service

Information is omitted because the same information is included in the segment information section.

#### 2. Information by region

##### (1) Net sales

Description is omitted because net sales towards outside customers in Japan exceed 90% of the net sales indicated in the consolidated statement of income.

##### (2) Property, plant and equipment

There are no property, plant and equipment outside Japan.

### 3. Information by major customer

No information is presented because net sales to any particular outside customer do not account for 10% or more of net sales on the consolidated statement of income.

[Information on impairment losses in non-current assets by reportable segment]

Year ended February 29, 2024

(Millions of yen)

	Reportable segment			Other	Elimination or corporate (Note)	Total
	Retail operations	Retail-peripheral operations	Total			
Impairment losses	1,455	–	1,455	–	(46)	1,408

(Note) The elimination or corporate figure represents the amount of elimination of unrealized gains related to property, plant and equipment.

Year ended February 28, 2025

(Millions of yen)

	Reportable segment			Other	Elimination or corporate (Note)	Total
	Retail operations	Retail-peripheral operations	Total			
Impairment losses	7,738	1	7,740	41	(25)	7,755

(Note) The elimination or corporate figure represents the amount of elimination of unrealized gains related to property, plant and equipment.

[Information on the amortization of goodwill and the balance of unamortized goodwill by reportable segment]

Year ended February 29, 2024

(Millions of yen)

	Reportable segment			Other	Elimination or corporate	Total
	Retail operations	Retail-peripheral operations	Total			
Amortization during period	532	–	532	–	–	532
Balance at end of period	843	–	843	–	–	843

Year ended February 28, 2025

(Millions of yen)

	Reportable segment			Other	Elimination or corporate	Total
	Retail operations	Retail-peripheral operations	Total			
Amortization during period	2,234	–	2,234	–	–	2,234
Balance at end of period	55,722	–	55,722	–	–	55,722

[Information on gain on bargain purchase by reportable segment]

Year ended February 29, 2024

Not applicable.

Year ended February 28, 2025

Not applicable.

(Per share information)

	Year ended February 29, 2024	Year ended February 28, 2025
Net assets per share	3,922.84 yen	3,990.31 yen
Earnings per share	286.47 yen	166.60 yen

(Notes) 1. Diluted earnings per share are not stated as there are no dilutive shares.

2. Net assets per share are calculated based on the following.

	As of February 29, 2024	As of February 28, 2025
Total net assets (million yen)	294,233	299,218
Amount deducted from the total net assets (million yen)	13,678	13,696
(of which non-controlling interests (million yen))	(13,678)	(13,696)
Net assets at the end of the period attributable to common shares (million yen)	280,554	285,522
Number of common shares at the end of the period used for calculating net assets per share (thousand shares)	71,518	71,554

3. Earnings per share are calculated based on the following.

	Year ended February 29, 2024	Year ended February 28, 2025
Profit attributable to owners of parent (million yen)	20,485	11,919
Profit attributable to owners of parent related to common shares (million yen)	20,485	11,919
Average number of common shares outstanding during the period (thousand shares)	71,511	71,543

(Significant subsequent events)

Not applicable.

## 5. Non-consolidated Financial Statements

### (1) Balance Sheet

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	9,995	9,525
Notes and accounts receivable - trade, and contract assets	9,938	10,642
Merchandise	22,435	23,343
Raw materials and supplies	399	298
Prepaid expenses	967	951
Short-term loans receivable	35,548	43,235
Deposits paid	745	669
Other	16,680	10,681
Allowance for doubtful accounts	(16)	(12)
Total current assets	96,694	99,333
Non-current assets		
Property, plant and equipment		
Buildings	126,332	118,532
Structures	5,851	5,337
Machinery and equipment	2,850	2,930
Vehicles	0	0
Tools, furniture and fixtures	5,337	5,270
Land	135,993	134,637
Construction in progress	1,594	1,449
Total property, plant and equipment	277,961	268,159
Intangible assets		
Leasehold interests in land	4,273	4,325
Software	2,524	1,860
Other	1,028	1,127
Total intangible assets	7,825	7,313
Investments and other assets		
Investment securities	3,108	3,566
Shares of subsidiaries and associates	12,979	93,722
Investments in capital	4	4
Long-term loans receivable	79	59
Long-term prepaid expenses	604	450
Deferred tax assets	9,904	11,362
Store opening in progress	119	123
Leasehold and guarantee deposits	15,522	14,553
Other	2,084	2,078
Allowance for doubtful accounts	(440)	(40)
Total investments and other assets	43,966	125,881
Total non-current assets	329,753	401,353
Total assets	426,448	500,687

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	16,893	20,298
Short-term borrowings	56,563	57,812
Current portion of long-term borrowings	15,519	18,711
Accounts payable - other	13,169	10,778
Accrued expenses	1,757	1,991
Income taxes payable	3,972	2,556
Accrued consumption taxes	240	4,440
Advances received	1,410	1,408
Deposits received	6,567	7,858
Provision for bonuses	1,760	1,783
Provision for bonuses for directors (and other officers)	53	—
Contract liabilities	7,087	7,303
Provision for loss on building demolition	213	261
Provision for loss on lease contracts	32	32
Provision for expenses for handling system failures	732	—
Other	309	460
<b>Total current liabilities</b>	<b>126,283</b>	<b>135,698</b>
<b>Non-current liabilities</b>		
Long-term borrowings	35,444	96,232
Long-term leasehold and guarantee deposits received	21,084	20,892
Provision for retirement benefits	8,860	9,020
Provision for loss on building demolition	209	—
Provision for loss on lease contracts	358	325
Asset retirement obligations	8,842	9,529
Other	809	798
<b>Total non-current liabilities</b>	<b>75,609</b>	<b>136,798</b>
<b>Total liabilities</b>	<b>201,892</b>	<b>272,497</b>

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Net assets		
Shareholders' equity		
Share capital	19,613	19,613
Capital surplus		
Legal capital surplus	22,282	22,282
Total capital surplus	22,282	22,282
Retained earnings		
Legal retained earnings	2,094	2,094
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	981	925
General reserve	49,736	49,736
Retained earnings brought forward	128,895	132,114
Total retained earnings	181,707	184,870
Treasury shares	(625)	(473)
Total shareholders' equity	222,978	226,293
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,577	1,896
Total valuation and translation adjustments	1,577	1,896
Total net assets	224,555	228,189
Total liabilities and net assets	426,448	500,687

## (2) Statement of Income

(Millions of yen)

	Year ended February 29, 2024	Year ended February 28, 2025
Operating revenue	372,782	372,839
Net sales	317,996	317,534
Cost of sales	212,134	213,593
Gross profit	105,861	103,941
Operating revenue	54,786	55,304
Operating gross profit	160,648	159,245
Selling, general and administrative expenses	136,445	137,978
Operating profit	24,202	21,267
Non-operating income		
Interest and dividend income	308	342
Purchase discounts	221	204
Gain on adjustment of accounts payable	67	62
Contribution income	147	–
Other	385	528
Total non-operating income	1,131	1,137
Non-operating expenses		
Interest expenses	385	756
Commission for syndicated loans	–	161
Other	42	67
Total non-operating expenses	428	984
Ordinary profit	24,905	21,420
Extraordinary income		
Gain on sale of non-current assets	1,062	–
Subsidy income	247	–
Insurance income	–	282
Special dividend	32	–
Gain on liquidation of subsidiaries and associates	–	162
Total extraordinary income	1,342	444
Extraordinary losses		
Loss on sale of non-current assets	881	–
Loss on retirement of non-current assets	139	134
Impairment losses	1,158	7,483
Loss on store closings	186	18
Expenses for handling system failures	762	–
Provision for loss on building demolition	422	–
Other	–	20
Total extraordinary losses	3,551	7,656
Profit before income taxes	22,695	14,207
Income taxes – current	7,957	6,170
Income taxes-deferred	(1,383)	(1,598)
Total income taxes	6,574	4,572
Profit	16,121	9,635

## (3) Statement of Changes in Equity

Year ended February 29, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
						Reserve for special depreciation	Reserve for tax purpose reduction entry of non-current assets
Balance at beginning of period	19,613	22,282	–	22,282	2,094	0	1,039
Changes during period							
Dividends of surplus							
Profit							
Reversal of reserve for special depreciation						(0)	
Reversal of reserve for tax purpose reduction entry of non-current assets							(57)
Purchase of treasury shares							
Disposal of treasury shares			(22)	(22)			
Transfer from other capital surplus to retained earnings			22	22			
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	(0)	(57)
Balance at end of period	19,613	22,282	–	22,282	2,094	–	981

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings		Total retained earnings					
	General reserve	Retained earnings brought forward						
Balance at beginning of period	49,736	119,031	171,901	(720)	213,077	896	896	213,973
Changes during period								
Dividends of surplus		(6,292)	(6,292)		(6,292)			(6,292)
Profit		16,121	16,121		16,121			16,121
Reversal of reserve for special depreciation		0	–		–			–
Reversal of reserve for tax purpose reduction entry of non-current assets		57	–		–			–
Purchase of treasury shares				(3)	(3)			(3)
Disposal of treasury shares				97	74			74
Transfer from other capital surplus to retained earnings		(22)	(22)		–			–
Net changes in items other than shareholders' equity						681	681	681
Total changes during period	–	9,863	9,805	94	9,900	681	681	10,581
Balance at end of period	49,736	128,895	181,707	(625)	222,978	1,577	1,577	224,555

Year ended February 28, 2025

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	
						Reserve for special depreciation	Reserve for tax purpose reduction entry of non-current assets
Balance at beginning of period	19,613	22,282	–	22,282	2,094	–	981
Changes during period							
Dividends of surplus							
Profit							
Reversal of reserve for special depreciation							
Reversal of reserve for tax purpose reduction entry of non-current assets							(55)
Purchase of treasury shares							
Disposal of treasury shares			(34)	(34)			
Transfer from other capital surplus to retained earnings			34	34			
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	–	(55)
Balance at end of period	19,613	22,282	–	22,282	2,094	–	925

	Shareholders' equity					Valuation and translation adjustments		Total net assets
	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Other retained earnings		Total retained earnings					
	General reserve	Retained earnings brought forward						
Balance at beginning of period	49,736	128,895	181,707	(625)	222,978	1,577	1,577	224,555
Changes during period								
Dividends of surplus		(6,438)	(6,438)		(6,438)			(6,438)
Profit		9,635	9,635		9,635			9,635
Reversal of reserve for special depreciation			–		–			–
Reversal of reserve for tax purpose reduction entry of non-current assets		55	–		–			–
Purchase of treasury shares				(1)	(1)			(1)
Disposal of treasury shares				153	119			119
Transfer from other capital surplus to retained earnings		(34)	(34)		–			–
Net changes in items other than shareholders' equity						318	318	318
Total changes during period	–	3,219	3,163	152	3,315	318	318	3,634
Balance at end of period	49,736	132,114	184,870	(473)	226,293	1,896	1,896	228,189