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For Immediate Release

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Notice of Revision of Second Medium-term Management Plan

Izumi Co., Ltd. (the "Company") announces that its Board of Directors has decided to revise the Second Medium-term Management Plan (from the fiscal year ended February 28, 2022 to the fiscal year ending February 28, 2026) at a meeting held today. Details are as follows.

1. Revision of Medium-term Management Plan figures

FY2025 consolidated KPIs

	Previous revised plan ¹	Revised plan	Difference
Operating revenue (before application of the Revenue Recognition Standard) ²	590.0 billion yen (830.0 billion yen)	590.1 billion yen (874.8 billion yen)	+0.1 billion yen (+44.8 billion yen)
Operating profit	41.0 billion yen	30.7 billion yen	-10.3 billion yen
ROA (return on assets)	7.7%	5.3%	-2.4%
ROIC ³	6.9%	4.8%	-2.1%
ROE	8.7%	6.4%	-2.3%

2. Reasons for the revision

Under the management philosophy of "instilling pride and joy in its employees while contributing to the enhancement of the lives of communities and our customers," the Izumi Group has been working with local stakeholders to create a vision of where we want to be in 10 years, which we have set as our long-term vision for 2030. We have also been working on the Second Medium-term Management Plan (from the fiscal year ended February 28, 2022 to the fiscal year ending February 28, 2026), which was announced in April 2021, with the aim of achieving corporate growth by taking advantage of the difficult business environment in the retail industry.

¹ Notice of Revision of the Second Medium-term Management Plan released on April 11, 2023.

² Accounting Standard for Revenue Recognition (ASEB Statement No. 29)

³ ROIC = Operating profit after tax / (Equity + Non-controlling interests)

Since the announcement, trends have changed much more than expected, including the prolonged impact of the spread of the COVID-19 infection on human flow trends, the sharp rise in resource prices triggered by the conflict in Ukraine, and the rapid increase in prices, especially for electricity, food, and daily necessities, due to the depreciation of the yen. In addition, rising construction costs have reduced the profitability of the originally formulated investment plan for new store openings, creating a gap between the assumptions initially set and the current business environment. To best respond to these rapid changes in the business environment, we have revised our strategies and planned figures, and on April 11, 2023, we announced the "Notice of Revision of the Second Medium-term Management Plan" to address these issues.

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, we prioritized efforts to regain customers, eventually delaying measures against the persistent inflation. Meanwhile, consumers are becoming increasingly conscious of saving as real wages continue to fall. In August 2024, we took over the business in the Kyushu region (SUNNY business) operated by Seiyu Co., Ltd. to further strengthen our dominance in Kyushu and "create a new SM business" with high profitability. In this environment, we have once again revised our plan figures in light of the fact that the fiscal year ending February 28, 2026 is the final year of our Second Medium-term Management Plan and that we will strengthen our structure to achieve our long-term vision for 2030.

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