Financial Results Presentation for the First Half of the Fiscal Year Ending February 28, 2027 (FY2026)

IZUMI CO., LTD
[Stock code: 8273]

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Consolidated Summary for the First Half of the Fiscal Year Ended February 28, 2027 (FY2026)

youme

YoY Comparison:

- **In March, we opened youme Mall Nakagawa (Fukuoka Prefecture), a neighborhood shopping center (NSC). In July, we opened Yours Hirose-kita (Hiroshima City), an urban SM model store. We renovated Youme Town Miyuki and Youme Mart Yahata as pilot destination stores under the new SM model. (See p.13 for further details.)**

Vs. Plan

- **While we continued measures to strengthen sales, the top line fell short of the forecast due to the Kumamoto Earthquake and weather-related factors.**
- **We implemented initiatives to improve the gross profit ratio and control expenses in the second quarter, but they did not compensate for the earthquake's impact. As a result, profit was below the forecast at each level.**

Consolidated	FY2026 2Q			FY2025 2Q		Forecast	
(Million yen)	Result	YoY	Vs. Plan	Result	YoY	Forecast	YoY
Operating revenue	**283,437**	100.9%	97.5%	281,037	117.8%	290,800	103.5%
Operating profit	**13,271**	104.6%	93.5%	12,685	105.1%	14,200	111.9%
Ordinary profit	**13,293**	105.4%	95.6%	12,614	101.8%	13,900	110.2%
Profit *1	**8,426**	104.2%	89.6%	8,084	98.5%	9,400	116.3%
Total assets	**592,731**			595,383	(FY-end result)		
Net assets	**314,069**			307,939	(FY-end result)		
(Reference)Total operating revenue *2	423,213	101.0%		419,045	112.8%		
Earnings per share *3	**40.10 yen**			38.02 yen			
Net assets per share *3	**1,427.42 yen**			1,399.38 yen	(FY-end result)		
Equity ratio	**50.6%**			49.4%	(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.

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Consolidated Profit/Loss for the First Half of the Fiscal Year Ended February 28, 2027 (FY2026)

The gross profit ratio improved in the second quarter, mainly due to the strengthening of pricing and the expansion of sales of high value-added products. Profits increased due to measures to control SG&A expenses.

- Operating revenue: Revenue decreased 0.9% YoY in the second quarter due to the impact of the Kumamoto Earthquake, but cumulative revenue for the first half of the fiscal year increased 0.9% YoY due to higher sales in the first quarter.
- Operating profit: The operating gross profit margin was 39.2%, up 0.1 points YoY. The SG&A expense ratio stood at 34.5%, down 0.1 points YoY. The operating profit margin fell 0.2 points YoY, to 4.7%.
- Ordinary profit: The ordinary profit margin was 4.7%, rising 0.2 points from the previous year.
- Profit: A loss on disaster (extraordinary losses) of 0.42 billion yen attributed to the Kumamoto Earthquake was posted, and the profit margin was 3.0%, up 0.1 points YoY.

Consolidated	1Q FY2026 (Mar.-May.)		2Q FY2026 (Jun.-Aug.)		1H FY2026 (Mar.-Aug.)			
(Million yen)	Result	YoY	Result	YoY	Result	% of operating revenue	YoY	Vs. Plan
Operating revenue	**140,309**	**102.8%**	**143,128**	**99.1%**	**283,437**	**100.0%**	**100.9%**	**97.5%**
Net sales	**125,235**	102.6%	**128,671**	99.1%	**253,907**	89.6%	100.8%	
Gross profit	**39,931**	101.8%	**41,688**	100.4%	**81,619**	28.8%	101.1%	
Operating revenue	**15,073**	104.1%	**14,456**	98.9%	**29,530**	10.4%	101.5%	
Operating gross profit	**55,004**	**102.4%**	**56,145**	**100.0%**	**111,150**	**39.2%**	**101.2%**	
SG&A expenses	**48,144**	101.5%	**49,734**	100.0%	**97,879**	34.5%	100.7%	
Operating profit	**6,860**	**108.9%**	**6,410**	**100.3%**	**13,271**	**4.7%**	**104.6%**	**93.5%**
Non-operating income and expenses	**-24**	–	**46**	126.4%	**22**	0.0%	–	
Ordinary profit	**6,835**	**110.5%**	**6,457**	**100.5%**	**13,293**	**4.7%**	**105.4%**	**95.6%**
Extraordinary income and losses	**245**	**–**	**-451**	**–**	**-206**	-0.1%	**–**	
Profit *	**4,528**	**107.5%**	**3,898**	**100.7%**	**8,426**	**3.0%**	**104.2%**	**89.6%**

* Profit is profit attributable to owners of parent.

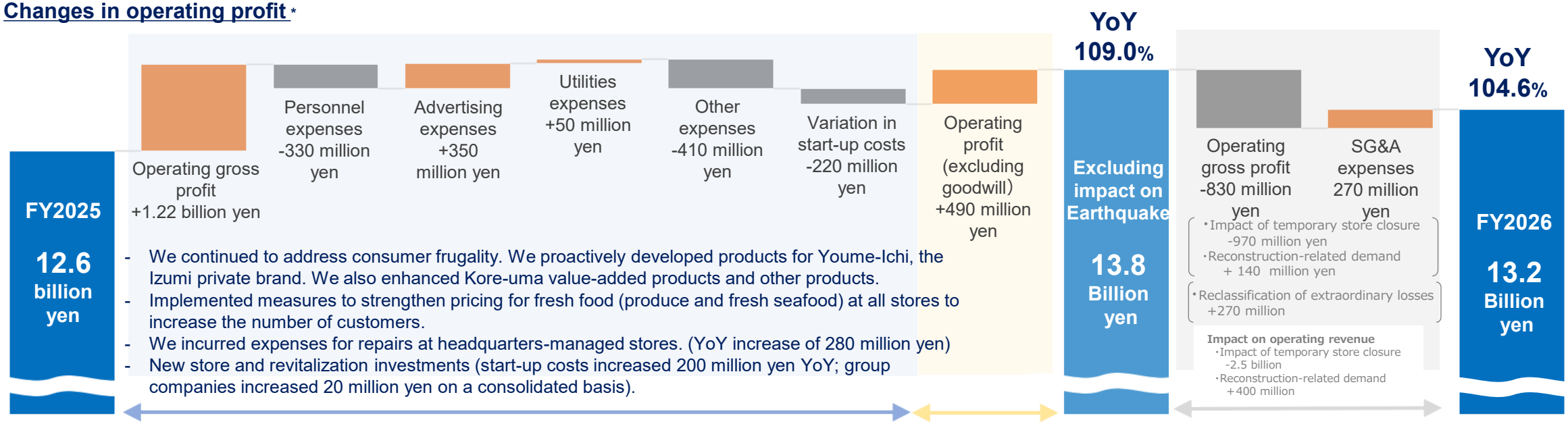
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Consolidated Profit/Loss for the First Half of the Fiscal Year Ended February 28, 2027 (FY2026)

Operating profit came to 13.2 billion yen, up 4.6% YoY. EBITDA 23.3 billion yen (up 0.5% YoY)

- In addition to addressing consumer frugality, we strengthened our proposal of value-added products. Operating gross profit excluding the impact of the Kumamoto Earthquake increased. Expenses were managed and kept within the forecast range.
- Start-up costs associated with new stores and revitalization were up 220 million yen YoY. We continued promoting repair investment to improve store environments in terms of comfort and safety, etc.
- In the SUNNY business, operating profit after goodwill amortization rose 0.49 billion yen year on year, becoming positive and reflecting the continued efforts to improve in-store competitiveness and lay the foundation for expense management, etc.
- The Kumamoto Earthquake had a net profit impact of -560 million, reflecting store closure losses of -970 million, reconstruction-related demand of +140 million, and a +270 million impact from the reclassification of fixed costs to extraordinary losses. (Breakdown of impact on profits: a 460 million yen decrease on a non-consolidated basis and a 100 million yen decrease at Group companies)

Changes in operating profit *



- We continued to address consumer frugality. We proactively developed products for Youme-Ichi, the Izumi private brand. We also enhanced Kore-uma value-added products and other products.
- Implemented measures to strengthen pricing for fresh food (produce and fresh seafood) at all stores to increase the number of customers.
- We incurred expenses for repairs at headquarters-managed stores. (YoY increase of 280 million yen)
- New store and revitalization investments (start-up costs increased 200 million yen YoY; group companies increased 20 million yen on a consolidated basis).

Excluding impact of SUNNY business and Kumamoto Earthquake : Up 660 million yen

SUNNY Business: Up 490 million yen

Impact of the Kumamoto Earthquake: 560 million yen

Fluctuation in EBITDA

FY2025: 23.2 billion yen → **FY2026: 23.3 billion yen**

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

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Consolidated Profit/Loss for the First Half of the Fiscal Year Ended February 28, 2027 (FY2026)
– Segment Information

In retail operations, revenue and profits declined in the second quarter mainly due to the earthquake, but cumulative total revenue and profits for the first six months increased. In retail-peripheral operations, gains were achieved in revenue and profits as the performance of Youme Card and Izumi Food Service remained strong.

- Revenue decreased, but profits increased at Youme Mart Kumamoto (excluding SUNNY business) due to the impact of the Kumamoto Earthquake. Youme Mart Kitakyushu moved into the black due to the improvement of the gross profit ratio and the control of expenses.
- SUNNY business moved into the black, with operating profit for the first half reaching 62 million yen. In addition to the growth in revenue, improvements in sales floor operations and the management of expenses contributed to the increase. Performance remained nearly in line with the forecast.
- Yours achieved increases in revenue and profits in the first six months, despite incurring expenses to begin the operation of Yours Hirose-kita, which was opened in July (67 million yen). They were more than offset by the improved gross profit ratio and effects of efforts to control expenses.
- At Izumi Techno, the performance of construction and designated administration departments was strong, but profits decreased due to the temporary closure of stores affected by the earthquake. The strong performance of Youme Card and Izumi Food Service continued, and revenue and profits increased.

(Million yen)		Operating revenue						Operating profit					
		1Q (Mar.-May.)		2Q (Jun.-Aug.)		1H (Mar.-Aug.)		1Q (Mar.-May.)		2Q (Jun.-Aug.)		1H (Mar.-Aug.)	
		Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY
Retail operations		**135,418**	102.6%	**138,219**	98.8%	**273,638**	100.7%	**5,157**	107.1%	**4,668**	99.1%	**9,826**	103.1%
Retail-peripheral operations		**13,997**	112.0%	**13,983**	101.4%	**27,980**	106.4%	**1,578**	116.4%	**1,635**	105.4%	**3,213**	110.5%
Others and adjustments		**-9,106**	–	**-9,074**	–	**-18,180**	–	**123**	–	**107**	–	**230**	–
Consolidated total		**140,309**	102.8%	**143,128**	99.1%	**283,437**	100.9%	**6,860**	108.9%	**6,410**	100.3%	**13,271**	104.6%
Retail operations	Izumi	**93,520**	103.4%	**95,715**	98.2%	**189,235**	100.7%	**5,190**	100.4%	**4,178**	84.6%	**9,369**	92.7%
	Youme Mart Kumamoto	**26,873**	100.8%	**27,214**	100.7%	**54,087**	100.8%	**127**	–	**549**	860.5%	**677**	–
	├Youme Mart Kumamoto (Excluding the SUNNY business)	**(6,829)**	(103.7%)	**(6,667)**	(91.2%)	**(13,496)**	(97.1%)	**(231)**	183.5%	**(383)**	146.7%	**(614)**	158.7%
	└The SUNNY business	**(20,043)**	(99.8%)	**(20,546)**	(104,3%)	**(40,590)**	(102.0%)	**(-103)**	–	**(166)**	(–)	**(62)**	(–)
	Youme Mart Kitakyushu	**6,384**	105.0%	**6,564**	103.6%	**12,948**	104.3%	**-11**	–	**73**	105.0%	**62**	41.7%
	Yours	**5,998**	102.7%	**6,014**	99.5%	**12,013**	101.1%	**56**	–	**1**	6.5%	**57**	–
Retail-peripheral operations	Youme Card	**2,232**	101.2%	**2,116**	104.1%	**4,349**	102.6%	**465**	109.8%	**418**	155.4%	**883**	127.5%
	Izumi Techno	**5,839**	115.8%	**5,480**	98.6%	**11,320**	106.8%	**592**	106.9%	**623**	93.2%	**1,216**	99.4%
	Izumi Food Service	**2,093**	107.5%	**2,364**	107.3%	**4,457**	107.4%	**139**	163.6%	**246**	116.9%	**386**	130.4%

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Non-consolidated Profit/Loss for the First Half of the Fiscal Year Ended February 28, 2027 (FY2026)

In the second quarter, profits decreased in part due to a decrease in revenue and also gross profit, which was attributed mainly to the closure of stores affected by the earthquake

- Operating revenue: Revenue decreased in the second quarter due to the earthquake. Revenue for the first six months grew 0.7%. The percentage of operating gross profit in operating revenue fell 0.3 points YoY to 42.5%.
- Operating profit: The SG&A expense ratio rose 1.1% and the percent (%) of operating revenue rose 0.1 points YoY to 37.5%. The operating profit margin fell 0.4 points YoY to 5.0%. (Including an earthquake-related impact of -460 million yen)
- Ordinary profit: Interest expenses increased chiefly due to an increase in interest rates. The ordinary profit margin declined 0.5 points YoY to 4.8%.
- Profit: A loss on disaster (extraordinary losses) of 0.32 billion yen attributed to the Kumamoto Earthquake was posted, and the profit margin was 3.2%, down 0.5 points YoY.

Non-consolidated	1Q (Mar.-May)		2Q (Jun.-Aug.)		H1 (Mar.-Aug.)			
(Million yen)	Result	YoY	Result	YoY	Result	% of operating revenue	YoY	Vs,. Plan
Operating revenue	**93,520**	**103.4%**	**95,715**	**98.2%**	**189,235**	**100.0%**	**100.7%**	**98.0%**
Net sales	**78,892**	103.4%	**81,671**	98.0%	**160,563**	84.8%	100.6%	
Gross profit	**25,342**	100.9%	**26,401**	97.7%	**51,743**	27.3%	99.2%	
Operating revenue	**14,628**	103.7%	**14,043**	99.5%	**28,671**	15.2%	101.6%	
Operating gross profit	**39,971**	**101.9%**	**40,444**	**98.3%**	**80,415**	**42.5%**	**100.0%**	
SG&A expenses	**34,780**	102.1%	**36,266**	100.2%	**71,046**	37.5%	101.1%	
Operating profit	**5,190**	**100.4%**	**4,178**	**84.6%**	**9,369**	**5.0%**	**92.7%**	**89.2%**
Non-operating income and expenses	**-126**	–	**-102**	–	**-228**	-0.1%	–	
Ordinary profit	**5,064**	**98.9%**	**4,075**	**83.4%**	**9,140**	**4.8%**	**91.3%**	**89.6%**
Extraordinary income and losses	**-56**	**–**	**-400**	**–**	**-456**	**-0.2%**	**–**	
Profit	**3,537**	**98.4%**	**2,545**	**75.3%**	**6,083**	**3.2%**	**87.2%**	**86.9%**

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Non-consolidated Profit/Loss for the First Half of the Fiscal Year Ended February 28, 2027 (FY2026)
- Year-on-Year Change in Net Sales at Existing Stores, Net Sales and Gross Profit by Division

The number of customers increased, reflecting low-price initiatives and the strengthening of pricing for fresh produce. Gross profit, which declined in the first quarter, recovered to -0.1 points YoY in the second quarter.

- Lifestyle: In March and April, temperatures were lower than usual, and sales, especially apparel sales, struggled. In May, temperatures rose and sales recovered. Sales for the first quarter were up YoY on a cumulative basis. We struggled with sales from June to the middle of July due in part to weather-related factors. Gross profit decreased due to inventory checks implemented to review MDs in the lifestyle reform.
- Foods: We continued to implement low-price initiatives, including the Select 100 Super-Bargain Prices introduced in September last year. Our private brand Youme-Ichi performed strongly, with sales exceeding the plan. Gross profit improved +0.1 points YoY in the second quarter due to enhancement of measures to secure gross profit, including the expansion of sales of value-added products.

(Million yen)		1Q (Mar.-May)		2Q (Jun.-Aug.)		H1 (Mar.-Aug.)	
		Result	YoY/difference	Result	YoY/difference	Result	YoY/difference
Sales	Lifestyle	21,350	102.2%	19,660	93.9%	41,011	98.0%
	Foods	57,541	103.8%	62,010	99.4%	119,552	101.5%
Total		**78,892**	**103.4%**	**81,671**	**98.0%**	**160,563**	**100.6%**
Gross profit margin	Lifestyle	35.4%	-0.6pt	34.3%	-0.7pt	34.9%	-0.6pt
	Foods	30.9%	-0.8pt	31.7%	0.1pt	31.3%	-0.4pt
Total		**32.1%**	**-0.8pt**	**32.3%**	**-0.1pt**	**32.2%**	**-0.5pt**

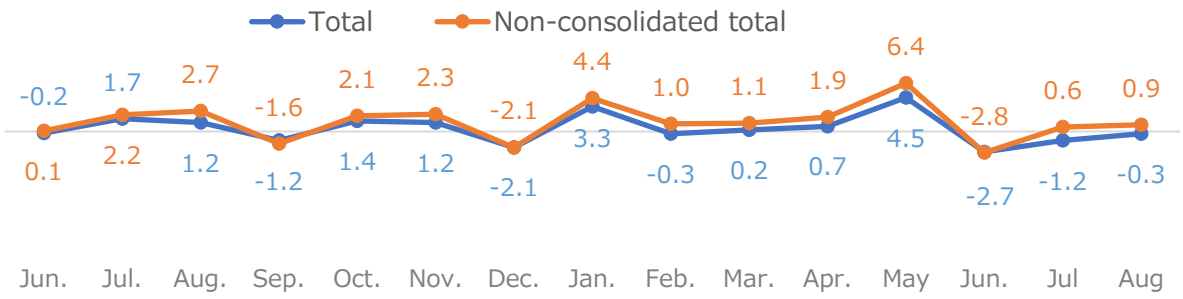
Year-on-Year Change in Net Sales at Existing Stores

	FY2026 1Q
Lifestyle	98.0%
Foods	101.0%
Total	**100.2%**
Tenants	103.0%
Non-consolidated Total	**101.4%**

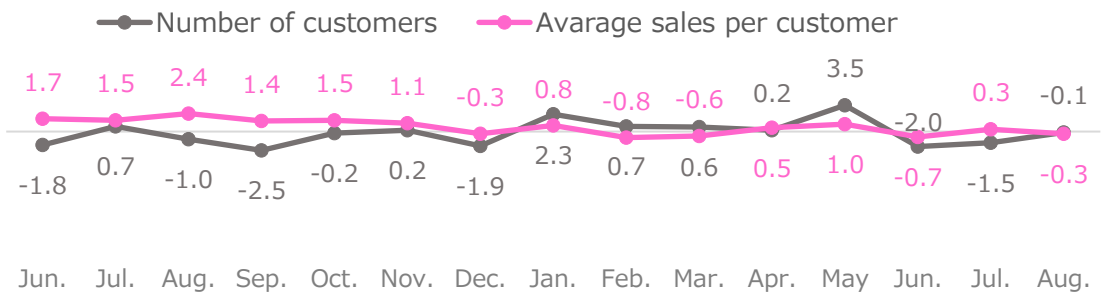
*** Breakdown of total directly operated stores**

Number of customers	100.2%
Average sales per customers	100.0%
Average spent per item	100.4%
Number of purchases	99.6%

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



Number of Customers and Average Sales per Customer (%)



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Non-consolidated Profit/Loss for the First Half of the Fiscal Year Ended February 28, 2027 (FY2026)
- SG&A Expenses

SG&A expenses increased 1.1%, and the percent (%) of operating revenue rose 0.1 points YoY to 37.5%.

- Personnel expenses: We limited the increase in expenses to 1.2% YoY by continuing to control labor hours while wages and the running costs of new stores increased.
- Store management expenses: We continued implementing repairs at headquarters-managed stores to improve the store environment in terms of comfort and safety. (Up 280 million yen YoY)
- Utilities expenses: We limited expenses to 0.7% below the previous year by taking advantage of increased government subsidies and managing usage to absorb the impact of renewable energy surcharges and other factors.
- Other: Start-up costs for new store openings and existing store revitalization increased. (An increase of approx. 200 million yen from 1 billion yen in the previous fiscal year to 1.2 billion yen in the current fiscal year)

Non-consolidated (Million yen)	1Q (Mar.-May.)			2Q (Jun.-Aug.)			H1 (Mar.-Aug.)		
	Result	% of operating revenue	YoY	Result	% of operating revenue	YoY	Result	% of operating revenue	YoY
Operating revenue	93,520	100.0%	103.4%	95,715	100.0%	98.2%	189,235	100.0%	100.7%
Operating gross profit	39,971	42.7%	101.9%	40,444	42.3%	98.3%	80,415	42.5%	100.0%
SG&A expenses	**34,780**	**37.2%**	**102.1%**	**36,266**	**37.9%**	**100.2%**	**71,046**	**37.5%**	**101.1%**
Personnel expenses	**12,726**	13.6%	100.3%	**13,095**	13.7%	102.0%	**25,822**	13.6%	101.2%
Depreciation	**3,204**	3.4%	99.7%	**3,236**	3.4%	98.8%	**6,441**	3.4%	99.3%
Rent expenses	**2,469**	2.6%	101.9%	**2,410**	2.5%	101.4%	**4,879**	2.6%	101.7%
Store management expenses	**3,613**	3.9%	110.4%	**3,562**	3.7%	99.6%	**7,176**	3.8%	104.8%
Utilities expenses	**3,022**	3.2%	100.3%	**3,976**	4.2%	98.5%	**6,998**	3.7%	99.3%
Advertising expenses	**2,379**	2.5%	99.5%	**1,981**	2.1%	88.6%	**4,360**	2.3%	94.2%
Other	**7,363**	7.9%	104.3%	**8,003**	8.4%	101.6%	**15,367**	8.1%	102.9%

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Consolidated Balance Sheet for the First Half of the Fiscal Year Ending February 28, 2027 (FY2026)

Total assets decreased 2.6 billion yen from the end of the previous fiscal year as cash and deposits and accounts payable - trade decreased mainly due to the impact of bank holidays.

- Total assets: Total investments, primarily in new store openings and the revitalization, including prior investments, stood at 10.8 billion yen.
  Notes and accounts receivable - trade, and contract assets increased 6.1 billion yen, chiefly due to a rise in credit transaction value.
- Liabilities: The final day of the previous fiscal year fell on a bank holiday, which led to a decrease of 19.6 billion yen in notes and accounts payable - trade and an increase of 14.3 billion yen in short-term and long-term borrowings.
- Net assets: Retained earnings increased by 5.2 billion yen due to the buildup of internal reserves. The shareholders' equity ratio increased 1.2 points YoY to 50.6%.

Consolidated	End of 2Q FY2027		
(Million yen)	Result	% of total	Amount
Total assets	**592,731**	**100.0%**	**+2,652**
Cash and deposits	**18,864**	3.2%	-9,223
Note and accounts receivable-trade, and contract assets	**67,956**	11.5%	+6,162
Property, plant and equipment	**359,878**	60.7%	+2,070
Goodwill	**33,256**	5.6%	-950
Other	**112,775**	19.0%	-710
Liabilities	**278,662**	**47.0%**	**-8,782**
Notes and accounts payable-trade	**37,655**	6.3%	+19,634
Interest-bearing liabilities	**137,603**	23.2%	+14,378
Other	**103,403**	17.4%	-3,525
Net assets	**314,069**	**53.0%**	**+6,130**
Equity	**300,050**	50.6%	+6,042
Non-controlling interests	**14,019**	2.4%	+88

The end of February 2026 was a bank holiday, while the end of August 2026 was a business day. Accordingly, cash and deposits, notes and accounts payable - trade, and balance of interest-bearing liabilities include the impact of differences in the timing of cash settlements.

	End of Feb.	End of Aug.
FY2026	Saturday	Monday

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Consolidated Cash Flows for the First Half of the Fiscal Year Ending February 28, 2027 (FY2026)

There were bank holidays at the end of February this year and at the end of August the previous fiscal year. Cash flows from operating activities and cash flows from financing activities include the impact of the timing of cash settlement.

- Cash flows from operating activities: While there was profit before income taxes and other cash flows provided from operating activities, 8.6 billion yen of cash was used in operating activities, mainly due to an increase in working capital attributed to bank holidays.
- Cash flow from investing activities: Cash used in investing activities stood at 11.7 billion yen, primarily reflecting investments in new store openings, revitalizing existing stores, and digital transformation (cash outflows totaling 11.7 billion yen).
- Cash flows from financing activities: Cash flows provided from financing activities were 11.1 billion yen, mainly reflecting dividends paid of 3.1 billion yen and an increase of 14.3 billion yen in interest-bearing liabilities.

(Million yen)	FY2026	FY2025 *
Cash flows from operating activities	**-8,647**	**44,755**
Profit before income taxes	**13,086**	**12,615**
Non-cash loss/gain (depreciation, etc.)	**10,272**	**10,814**
Increase/decrease in claims obligations related to operating activities	**-26,962**	**25,444**
Income taxes and interest income	**-5,888**	**-5,033**
Other	**844**	**913**
Cash flows from investing activities	**-11,768**	**-9,915**
Capital investment related	**-11,753**	**-10,764**
Other	**-15**	**848**
Cash flows from financing activities	**11,192**	**-27,868**
Interest-bearing liabilities related	**14,377**	**-21,443**
Other	**-3,184**	**-6,424**
Increase/decrease in cash and cash equivalents	**-9,223**	**6,971**

There were bank holidays at the end of August 2025 in the previous fiscal year and at the end of February 2026. Accordingly, cash flows from operating activities and cash flows from financing activities include the impact of differences in the timing of cash settlements.

	End of Feb.	End of Aug.
FY2026	Saturday	Monday
FY2025	Friday	Sunday

* Previous fiscal year: We bought treasury shares valued at 3.1 billion yen in April.

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Full-year Business Forecast and Impact of the Kumamoto Earthquake

- In the first half, operating revenue and each level of profit fell short of the forecast, mainly due to the impact of the temporary closure and shorter opening hours of stores due to the Kumamoto Earthquake and unseasonable weather on sales. However, they increased on a year-on-year basis.
- In the second half, we will proceed steadily with measures under the Third Medium-Term Management Plan and work to achieve both the strengthening of our price competitiveness and the expansion of sales of value-added products. We are uncompromisingly committed to improving the gross profit margin and managing expenses through the expansion of our private brand “Youme-Ichi” development and enhanced sales efforts.
- While there will continue to be an impact from the temporary closure of stores and the loss of sales opportunities due to the Kumamoto Earthquake, it has been confirmed that sales have increased at stores that have resumed operations, mainly reflecting reconstruction-related demand. We are examining expenses related to restoration of stores in addition to the scale of their impact and how long they will persist. Accordingly, it is currently difficult to reasonably estimate their impact on our full-year business performance.
- We have decided to leave the full-year business forecast unchanged at present.
- We will carefully monitor the status of our examination of the impacts of the earthquake, future consumption trends, and performance trends in the second half. If we determine that it is necessary to revise the business forecast, we will announce the revision promptly.

(Million yen)	Consolidated		Non-consolidated	
	Full year		Full year	
	Plan	YoY	Plan	YoY
Operating revenue	**587,100**	**103.1%**	**392,800**	**103.0%**
Operating profit	**29,000**	**106.5%**	**21,500**	**100.1%**
Ordinary profit	**28,400**	**103.8%**	**21,000**	**98.5%**
Profit *1	**17,400**	**103.4%**	**13,900**	**100.6%**
EBITDA *2	**49,400**	**101.6%**	**–**	**–**

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

Year-on-Year Change in Net Sales at Existing Stores	FY2026 Sep. Results
Lifestyle	**99.8%**
Foods	**102.9%**
Directly managed store total	**102.1%**
Tenants	**108.6%**
Izumi Total	**104.8%**

* Breakdown of total directly operated stores	
Number of customers	**99.9%**
Average sales per customers	**102.2%**
Average spent per item	**102.5%**
Number of purchases	**99.7%**

Impact of day-of-week differences
Number of holidays: +1 (about a 1.3% increase)

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Business Strategies for the Second Half of the Fiscal Year Ending February 28, 2027

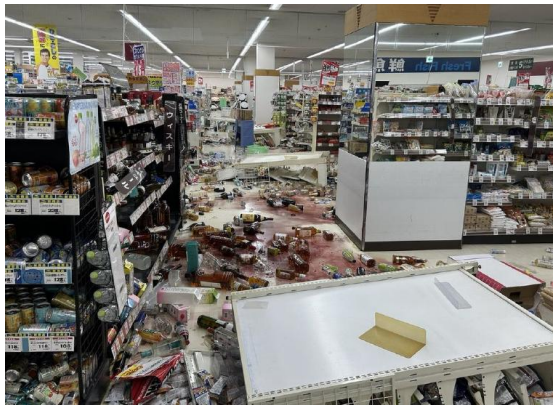
Ⅱ Business Strategies for the Second Half of the Fiscal Year Ending February 28, 2027	Slide No.
1. Impact of the 2026 Kumamoto Earthquake and Our Response	14
2. First Half Summary and Second Half Directions	15
3. Progress in the Third Medium-Term Management Plan	16

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- **Izumi Group stores were seriously damaged by the July 28 earthquake. We evacuated stores and took actions to resume operations and other actions with the safety of our customers and employees as our top priority.**
- **As a part of the local infrastructure used in everyday life, we remain committed to the reconstruction efforts, and we will fulfill our mission of supporting local customers in their everyday lives.**

▼ Initiatives taken since the disaster occurred

July 28 **Earthquake occurs at around 16:27**





July 29
- **35 stores** in Kumamoto Prefecture **temporarily close**
- Actions to respond to government requests for aid begin

Aid supplies donated as of early August include the following:

Water:	Approx. 17,000 bottles (2 L bottles)
Rice balls:	Approx. 76,000 servings
Bread:	Approx. 36,000 servings

July 30 Operations resume on the repaired sales floors of **19 stores** one by one







August and after
- Stores resume operations one by one after safety is confirmed and repairs are completed
- Safety inspections for gas equipment, disaster prevention equipment, etc. are conducted at affected stores
- The BCP manual is reviewed and enhanced with a focus on rules regarding reentering stores after a disaster
- Stores excluding Youme Town Matsubase and Youme Town Yatsushiro resume operations

* As of October 13

We are studying the impact of this earthquake on our full-year business performance.
If there are any events whose timely disclosure is required, we will promptly do so.

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■ First Half Summary

- **As consumers were increasingly more budget-minded due to the continued rise of prices and the sluggish growth of real wages, demand for high value-added products remained strong, consumption patterns became increasingly polarized and selective, and value-driven consumption has taken root.**
- **Given the significant impact of the Kumamoto Earthquake on our operations, we reaffirmed the challenges that need to be overcome to ensure business continuity, and we strived to restore store functions as quickly as possible.**

Foods	• We increased price competitiveness by low-price initiatives and differentiated ourselves by proposing value-added products. • We also achieved steady progress in initiatives for medium- to long-term growth, including the enhancement of our lineup of fresh foods and the verification of new SM models.
Lifestyle	• While there continued to be issues that need to be overcome to achieve the plan due to temperatures and consumers' budget mindedness, we launched a pilot project for the establishment of an MD reform model.

■ Second Half Directions

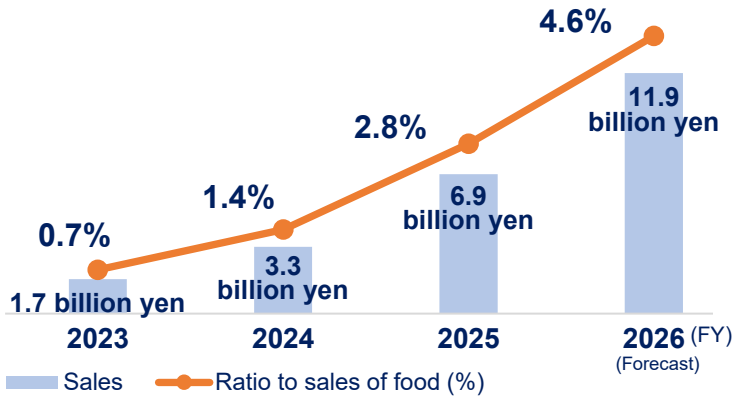
- **As consumers become increasingly budget-minded, we will accelerate sales of the Regular line of Youme-Ichi products, our private brand, using the low-priced Price line to achieve the growth of sales while the Regular line contributes to gross profit. Additionally, we will enhance our ability to propose value-added products. Through these efforts, we will strive to establish a winning model in consideration of the polarization of consumption patterns.**
- **Improving the reliability of the pilot formats we worked on while implementing the SM and GMS strategies in the first half**
- **Pushing forward with initiatives to develop customer touchpoints, including entering the banking agency business, to improve customer satisfaction and expand our trade area**
- **Proceeding with the integration of management in the Kyushu area to build a framework for transforming the structure of our business so that it is highly competitive**

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- **On the back of the polarization of consumption patterns that have taken root, we also enjoy strong sales of price-oriented products and those with added-value appeal.**
- **We are improving the balance of merchandise policies based on prices and value as two axes in our response to diversifying consumption behaviors.**

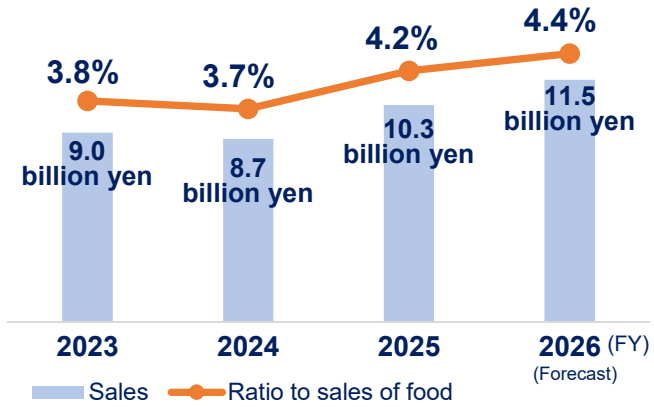
Catering to low-price needs ⟷ **Catering to needs for added value**

Trends in sales reflecting promotional pricing



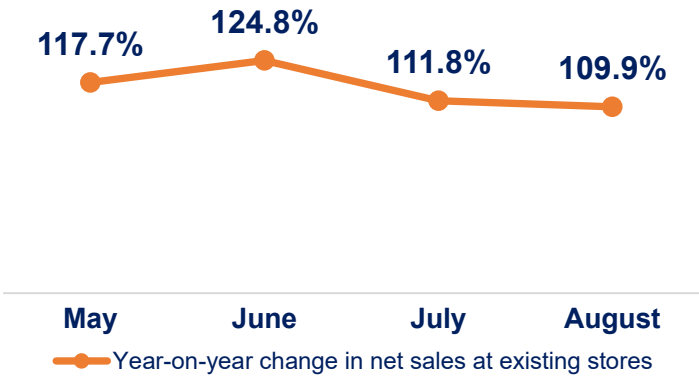
➡ In the second half of FY2025, we began to accelerate sales with the Price line of Youme-Ichi brand products and the Select 100 Super-Bargain Price campaign centering on daily goods.

Trends in zehi sales



➡ We renewed 32 items with a focus on the zehi Balance line of health-oriented products in which customers are highly interested.

Trends in the Kore-uma to food sales ratio



➡ We strengthened sales in May by redefining the certification criteria for Kore-uma items.
➡ Sales have remained strong and exceeded the previous year.

■ Progress of Youme-Ichi

- Approx. one year after the brand was launched, the total number of items sold has increased to 290.
- To increase visibility, we have expanded the lineup starting with the Price line, where customer demand is high.
- From the second half onward, we will expand the Regular line with a higher gross profit ratio, thus driving sales expansion.



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- **We will accelerate the launch of items in our Regular line through to the second half, thus further strengthening measures to cater to diversifying needs.**
- **We will achieve both sales growth with low-priced items in our Price line and contribution to gross profit with those in our Regular line, so as to strengthen our revenue base.**

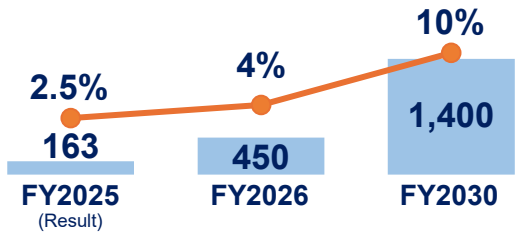
■ "Youme-Ichi" results (March-August 2026)

Sales of the entire Group against plan: 115.4%

Ratio to sales of food: 3.4%

Number of items rolled out	Aug. 2026 (difference from FY2025)	No. of items planned in FY2026 2H	Feb. 2027 (Plan)
Price	209 (+69)	72	281
Regular	79 (+57)	142	221
Premium	2 (+1)	3	5
Total	290 (+127)	217	507

■ Future vision of Youme-Ichi



We plan to increase the cumulative total number of released items to 507 by the end of FY2026, and we expect to achieve our target.

Ratio to sales of food

Cumulative total number of developed items

■ Initiatives to increase the appeal of products

- We added a Youme App feature which enables customers who have purchased Youme-Ichi products to post reviews.
- We worked to refresh products and develop new ones based on the opinions and other feedback about products that we received.



ゆめレビュー (Youme Review)

Good I liked it because it is tasty, easy to use, and affordable.

Fair The taste was good, but I felt it was oilier than other products.



Light Tuna Flakes with No Added Oil
288 yen (312 yen including tax)

Launched on October 5

We developed canned tuna with no added oil in consideration of opinions in posted reviews.

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- **We are building a model for shifting towards "destinations stores" at Youme Town Miyuki and Youme Mart Yahata.**
- **Approx. six months after the renovation of the sales floors, both sales and the number of customers have remained strong compared to other existing stores.Going forward, we will improve operations to establish a high-revenue model and work to improve the model's reliability.**

■ Roadmap for the creation of the new SM business

FY2026 → **FY2027** → **FY2028 onwards**

Using the pilot project to establish a high-revenue business model

Verifying sales, the number of customers, and operations by enhancing the lineup of fresh foods

Verifying the system for integrating groceries to generate profit

Increasing the number of pilot stores

Horizontal expansion of a winning model
(including the opening of new stores)

■ Shift towards “destination stores”: Seeking differentiation in terms of freshness, price and deliciousness, with emphasis on fresh produce and fresh seafood

Produce

- Emphasizing “low price” with the region's lowest EDLP
- Seeking improvement in turnover rates and freshness by selling items individually
- Achieving formidable expansion in volume



Year-on-year sales

Youme Town Miyuki (Mar.-Aug.)	130.7%
Youme Mart Yahata (Apr.-Aug.)	131.4%

Fresh fish

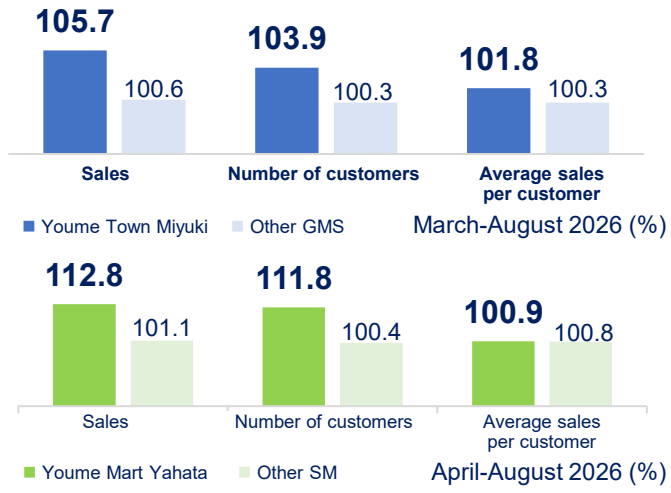
- Producing lively market-like counters through face-to-face sales
- Realizing a formidable level of freshness and an overwhelming lineup
- Selling out and reducing food loss through processing into prepared food



Year-on-year sales

Youme Town Miyuki (Mar.-Aug.)	123.0%
Youme Mart Yahata (Apr.-Aug.)	146.4%

Year-on-year food sales



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- **We are establishing a model for standard small urban store operations by absorbing SUNNY's expertise in low-cost operations.**
- **At the new Yours Hirose-kita store, we have implemented low-cost operations, including sales floor and backroom layout operations, in addition to the sales policy.**

■ Absorption of SUNNY's low-cost operations

YOURS Yours Hirose-kita (Hiroshima) Opened in July

- **Open 24 hours a day**, with emphasis on convenience
- We created a model store where each employee performs multiple duties, including acting as cashier and restocker, **enabling operation with a small number of staff.**

Number of items

- Narrowed down to **85%** of what is provided by stores of the same scale

Capital investment



- Fully self-service checkout systems only
- Labor-reducing store equipment
- Electronic shelf labels

Physical operations

- Fresh food handling workload reduced using process centers and satellite kitchens
- Nighttime restocking

Workers

Operations are possible with **20%** fewer workers than other stores of the same scale

- Many existing IZUMI Group supermarkets are **small suburban stores that are not open 24 hours a day.** Accordingly, our future policy is to optimize the standard small urban store model and **establish a model for structurally generating profit.**

■ Expansion into the field of small suburban stores that are not open 24 hours a day

Youme Mart Yagi (Hiroshima)

✓ Not open 24 hours a day
✓ Multi-tasking model

MD

- Linking the value provided which is set by the store, sales promotion activities, the MD policy, and the labor needed within the store
- Attracting customers with produce (pricing policy)
- Narrowing down the number of items provided

System

- Electronic shelf labels
- Expansion of self-checkout

Products and shelf allocation

- A standard for small stores (with an area of up to approx. 1,320 m^2) established through optimization using decile/ABC analysis
- Shelf-allocation focused on everyday private brand products

Physical operations

- Divisions restructured into the **manufacturing division** and the **restocking division**
- In the restocking division, one employee is in charge of multiple departments (groceries and meat). We have secured the labor required at each time of day with the current number of workers, optimizing the productivity of the store as a whole.
- Review of service counter operations

➡ Horizontal expansion to model stores including the Group's supermarkets

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- **In line with the Evolution of GMS strategy under the Third Medium-Term Management Plan, we are driving the creation of places in which government services can be provided and people can interact and the introduction of facilities for families and young people.**
- **By enhancing the appeal of our stores as spaces where local residents can gather, we aim to attract new customers, increase the frequency with which customers visit our stores, and enhance overall customer attraction.**

Youme Town Minami-Yukuhashi (Fukuoka)

Opened in March



Asoboccha, an indoor children's playground

- Contributing to regional revitalization by improving the city's environment for raising children
- Working to attract new customers by encouraging families to visit stores

✓ **Increase in the number of customers in the childraising ages (in their 30s and 40s) at the Minami-Yukuhashi store**

YoY % change in customer foot traffic at the Minami-Yukuhashi store	YoY % change in the number of customers in their 30s and 40s
99%	**103%** (March-August)

Youme Town Ube (Yamaguchi)

Opened in April



Machi Library @ Youme Town Ube

- Encouraging young customers and families to visit stores
- Aiming to offer a third space in the community where local residents can escape the everyday and feel free to stop by as part of their daily lives

LECT (Hiroshima)

Opened in June



LECT FOOTBALL PARK

- Facilitating the revitalization of the local community through sports to enhance the store's roles as a community-based center of interaction
- Creating new incentives to visit the store to increase the appeal of the facility as a whole

■ Large-scale revitalization results in the first half of FY2026

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

Number of revitalized stores	Sales growth rate	
	Total for all stores: **5.2%** (Non-revitalized stores: 0.9%)	Directly-operated stores: **1.6%** (Non-revitalized stores: 0.2%)
12 stores		

Cumulative results from the month following revitalization through August 2026

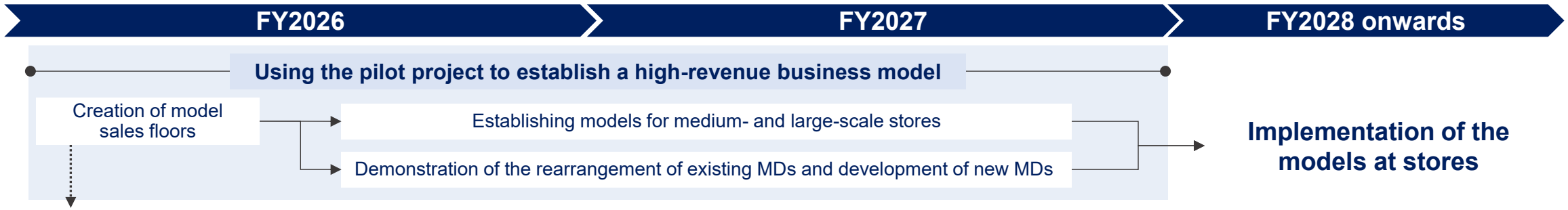
* Excluding new stores, closed stores, and stores excluded due to the earthquake

- Large-scale revitalization is not just the replacement of a facility but an important investment for creating new opportunities for customers to interface with products and services.
- We will continue to invest in revitalization in a well-planned manner to maintain and increase our market share in each trade area and achieve sustainable growth while responding to changes in the needs of local customers.

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- **In the lifestyle segment, we first renovated the sales floors at model stores to establish models for medium- and large-scale stores.**
- **We are focusing on the selection of products for the younger generations and the facilitation of movement on sales floors, aiming to evolve from a place for incidental purchases to sales floors that are relied on as the top stores in the region.**

■ Roadmap for sales floor reforms in the lifestyle segment



■ Lifestyle reform project

Lifestyle



Youme Town Gakuen (Hiroshima)

- Moving forward with the selection of products for the younger generations and selection and concentration of items focusing on trendy products
- Sales floor layout optimized to facilitate shopping by customers and management by employees
- While the overall company is struggling with sales, the fashion segment enjoys favorable trends in the number of customers in their 30s to 40s as the current target (up 25% YoY).

➡ Expanding the pilot project to Youme Town Hofu (Yamaguchi) and Youme Town Izumo (Shimane)

Household goods



Youme Town Kurose (Hiroshima)

- We have built a model health and beauty product sales floor for medium-scale stores.
- We have eliminated boundaries between departments and introduced cross-merchandising centered on the beauty products. This has resulted in a significant growth in the number of customers in their 30s, which are the target customers (up 56% YoY).

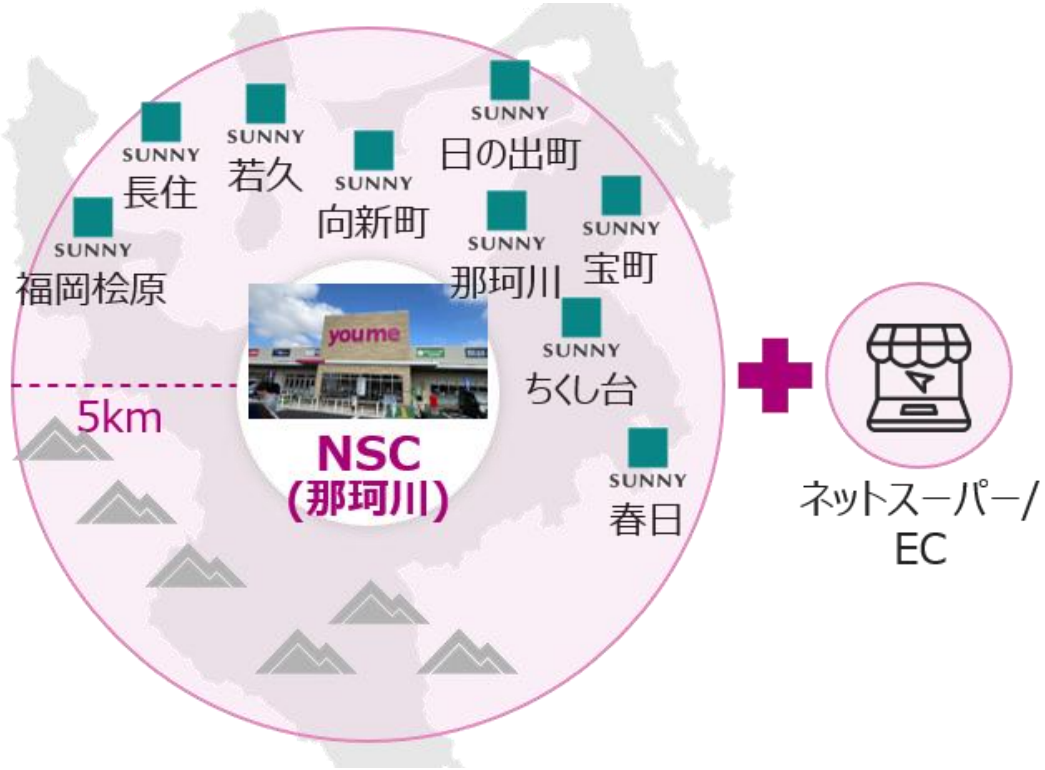
➡ Expanding the pilot project to Youme Town Hofu (Yamaguchi) and Youme Town Onga (Fukuoka)

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- **In urban areas with no room to open new GMSs, we will establish an NSC and multiple SMs in each area to establish a dominant position.**
- **Since the opening of Youme Mall Nakagawa, sales have been strong at the Group's stores in the nearby area, with market share increasing in Nakagawa.**

■ Establishing a dominant deep-dive pattern with an NSC plus SMs

✓ The opening of Youme Mall Nakagawa has led to the expansion of the customer base in the surrounding area.
✓ With this NSC as a starting point, the user base of the Group's stores has expanded, which has led to more customers using nearby SUNNY stores. This has resulted in an increase in our competitiveness in the overall area.



● Changes in our share of the food market in the Nakagawa area

Market share of the 10 stores in the figure at left (March-August)

July-August 2025	July-August 2026
9.8%	12.1%

* Food market share figures are estimates by us.

● Growth in Youme Card and Youme App Membership in the Nakagawa area (Jul-Aug Results)

	YoY	Vs. Other Stores
Youme card members	156.2%	+19.4pt
Youme App members	182.1%	+22.4pt

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- **Strengthening the restaurant business by expanding the Izumi Food Service FC business and through mergers and acquisitions**

■ Opening of more stores in the FC business

Gong cha
Youme Town Hikarinomori



Opened in April

- Helping enhance the added value of the store
- Attracting younger customers to the store

Mister Donut
Tenmaya Happys Saidaiji Mall



To open in November

- First store to open in another company's shopping center

Expanding stores to external SCs in the future

■ Expansion of the restaurant business

● Acquisition of shares of King Factory Group Co., Ltd. (Transformation of the company into a sub-subsidiary)

- Izumi Food Service Co., Ltd., our consolidated subsidiary, acquired all shares of King Factory Group Co., Ltd.
- King Factory Group operates the Kingken brand of Soupless Tantanmen, which originated in Hiroshima, as well as Okonomi Tamashii Goku (21 restaurants across Japan).
- Net sales in the fiscal year ended October 31, 2025 were 380 million yen.
- Date of share acquisition: October 8, 2026



Aims

1 Brand power
A highly attractive local brand which originated in Hiroshima

2 Expertise in store operations and the FC business
Acquiring knowledge for future business expansion

Combination with the Izumi Group's store network and business foundation

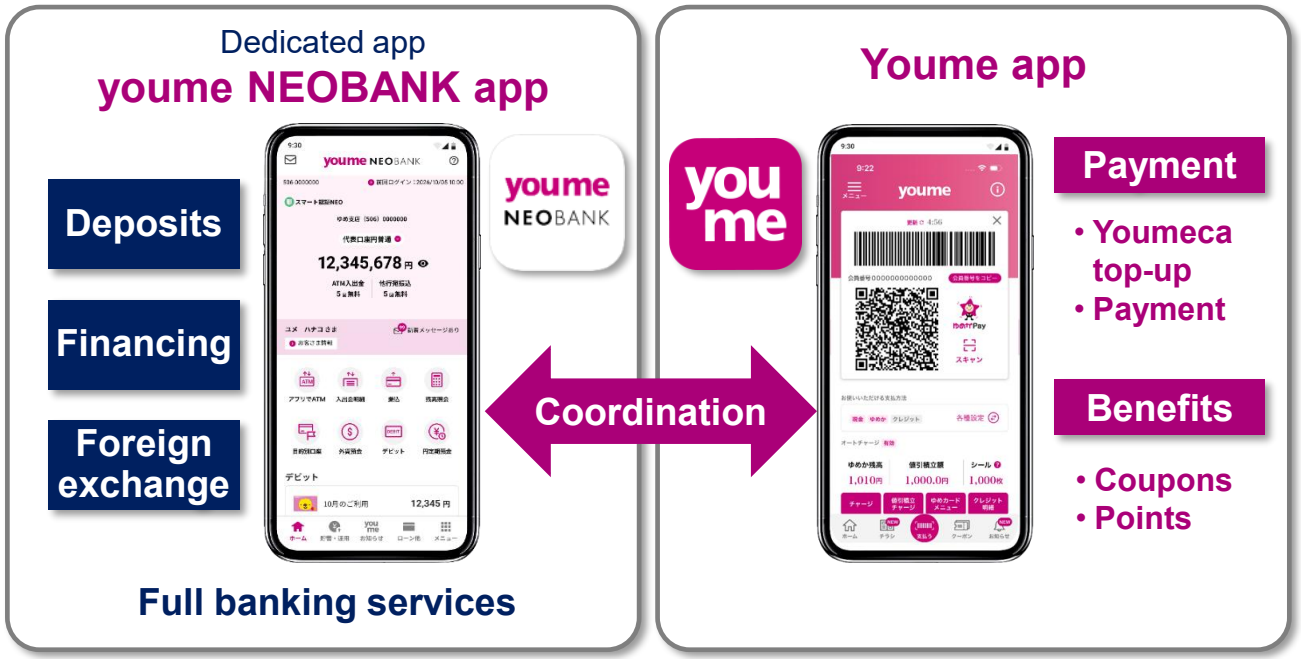
Growth of the restaurant business

Enhancing the value of the food provided by the Group as a whole

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- **On October 5, we began to provide the new youme NEOBANK banking service that links everyday shopping to financial services.**
- **With financial services as a new form of added value, we will help local customers enrich their lives, from daily activities to major life events.**

■ Overall picture of the youme NEOBANK service



- It is now possible to top-up Youmeca accounts via youme NEOBANK in addition to Youmeca Station and Youmeca Credit.
- When your balance is insufficient when making a payment, your Youmeca will be automatically charged with the amount of money needed in units of 1 yen.

■ Purpose

1. **Facilitating cashless payments**
   - Retaining younger customers
   - Increasing membership and the number of customers
2. **Generating new revenue by entering the new banking agency business.**
3. **Improving customer satisfaction and enhancing customer lifetime value (LTV)**

Target number of accounts to acquire in the first fiscal year: 45,000

More information about youme NEOBANK is available on our website.

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■ Featured benefits of youme NEOBANK

Benefit 1

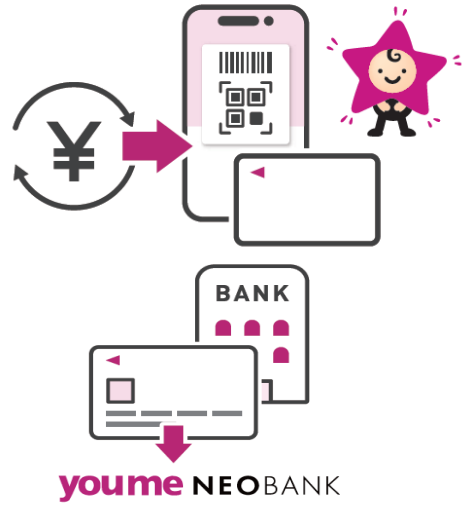
By topping up Youmeka accounts via youme NEOBANK, you will receive:

0.5% return

Benefit 2

By setting and using a youme NEOBANK account for Youme Card credit payments, you will receive:

0.5% return



Benefit 3

By using the debit service online or at the store you regularly visit, you will receive:

1% return



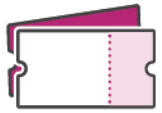
You can use the service at any of the stores of member brands that you visit, both physical and online stores, just as you use your normal card.

* Points are not granted for some transactions, including the use of railway services and top-ups
* One point is granted for every 100 yen spent in each individual transaction.

Benefit 4

Youme App coupons granted in line with the amount of yen deposited





To be delivered to **"Coupon"** on **Youme App**

* To be determined based on the current balance of your yen ordinary deposit account and yen time deposit account
* Available to people who have fulfilled the conditions on both the 15th and last days of the month.

Benefit 5

By using youme NEOBANK's housing mortgage loan service and using a youme NEOBANK account to receive paychecks, you will receive the following at stores operated directly by Youme Town:

Available for 20 years!

When paying using Youme Credit

7% return

* Available only to Youme App members who make credit payments using Youme Card
* Granted only for payments in months when you receive a paycheck during the contract period of a housing mortgage loan

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- **SCM restructuring makes it possible to simultaneously reduce costs by streamlining logistics and enhance the competitiveness of products by building new PCs, and it is an important foundation supporting the profitability of the new SM model.**
- **Regarding DC, we are considering the establishment of a new hub with the goal of integrating scattered bases and increasing capacity.**

■ Reinforcing manufacturing foundation that supports initiatives on the dietary culture of Kyushu

Start of operation planned in the summer of 2027



Youme Delica's Yame Factory (ready-made food)

- We renovated existing equipment and increased manufacturing capacity in the first half of FY2026.
- We first began to supply newly available noodle products to SUNNY stores in July.

Enhancement of the production base

- We are building an extension to increase manufacturing capacity, achieve better tasting products, and strengthen quality control.
- Enhancing the quality of products and the stability of their supply throughout the Kyushu area to strengthen competitiveness.

■ Enhancing the SUNNY business's fresh fish processing capabilities

Start of operation planned in the spring of 2027



Fukuoka Fishery Process Center (fresh fish)

- Addressing the aging of store employees and the difficulty of human resource development reflecting the difficulty of recruitment
- Acquiring expertise for building PCs in the future
- Located adjacent to the SUNNY Fukuoka PS Center, this facility makes it possible to use existing logistics equipment for shipping.

Contributing to the enhancement of the product lineup at SUNNY stores



- Product supply to **40** SUNNY **stores**
- Supplying **sushi** in addition to **salmon and other fish fillets** and **sashimi** to achieve differentiation from competing convenience stores

■ Planning a new PC to reinforce supply infrastructure

Start of operation planned in the spring of 2030



New Hiroshima Process Center (meat and other deli goods)

- We have acquired a site for a new PC in Hatsukaichi City, Hiroshima Prefecture.
- By building a new PC, we will secure sufficient production capacity to respond to the future growth of demand.
- We will increase supply capacity, aiming to be able to stably supply products, reduce cost, and optimize personnel expenses in stores.

Visualization of changes in meat PC ratios (Honshu area)

	In-store PCs	In-house PCs	Outsourcing
Present	80%	-	20%
Future (2030)	20%	70%	10%

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- **In the first half of FY2026, we held a grand opening for Youme Town Kure RECRE (Hiroshima Prefecture) in addition to the opening of two new stores.**
- **In FY2027, we plan to open three new stores and further increase our market share in our business area.**

Youme Mall Nakagawa (Fukuoka)



Opened in March

- A community-based shopping mall with a home electronics shop, drugstore, and other shops centered on a food supermarket

Total floor area: Approx. 11,000 m²

Yours Hirose-kita (Hiroshima)



Opened in July

- A low-cost operation model store in which we have applied SUNNY's operational expertise

Total floor area: 1,584 m²
Store area: 1,203 m²

Youme Town Kure RECRE (Hiroshima)



Grand opening in July

- We took over the operations in July 2025. We have introduced new specialty stores and enhanced service features.
- The facility increases the activity in the area in front of the station, stimulates interactions between local residents, and functions as an information hub.

Total floor area: Approx. 10,000 m²

FY2026

Tentative name:
Youme Town Shikoku Chuo (Ehime)



To open in the spring of 2027

- Ehime Prefecture's first “Youme Town”
- **GMS reform business** involving large-sale renovation

Total floor area: 27,200 m²

FY2027

Tentative name:
SUNNY Fukuoka (Fukuoka)



To open in the spring of 2027

- 24-hour highly efficient new urban SM model store

Total floor area: 3,090 m²

FY2028

Tentative name:
Isahaya Project (Nagasaki)

To open in the spring of 2028

Youme Mart Ezu (Kumamoto)

To open in the spring of 2027

- Closed in May 2026
- Planned opening based on **scrap-and-build** strategy

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- **Integrating SM businesses in Kyushu to facilitate prompt decision making, the effective utilization of management resources, and the strengthening of governance, thus improving the effectiveness of area strategies and building a foundation for sustainable growth**

■ Scheme and effects of the merger

IZUMI CO., LTD.

100%

Youme Mart Kitakyushu Co., Ltd.
(merged corporation)

Absorption-type merger

100%

SUNLIFE Co., Ltd.
(merged corporation)

Absorption-type merger

100%

Youme Mart Kyushu Co., Ltd.

Youme Mart Kumamoto Co., Ltd. (SUNNY)
(merging corporation)

Aims

- ✓ **Strengthening the management foundation of the SM businesses in Kyushu**
  Operating SM businesses, which are dispersed throughout the Kyushu area, in an integrated manner to build a business foundation that makes it possible to address changes in the competitive environment
- ✓ **Strengthening sales capabilities**
  Sharing expertise in product procurement, sales promotion, store operations, and other activities, as well as human resources of the companies, to enhance sales support capabilities
- ✓ **Streamlining and advancing administrative capabilities**
  Consolidating redundant administrative operations to establish a more efficient operation system
- ✓ **Strengthening the Group's corporate governance**
  Unifying decision making and internal control system to enhance control over the Group as a whole

Size of sales

Simple sum of FY2025 results

Youme Mart Kumamoto	108.7 billion yen
Youme Mart Kitakyushu	25.4 billion yen
SUNLIFE	4.9 billion yen
Total	**139.0 billion yen**

Schedule

- October 13, 2026: Corporate decision
- March 1, 2027: Entry into force

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- **In the first half of FY2026, we worked to revise our training structure and system, visualize issues, and implement other initiatives. We achieved progress in the development of a foundation for making measures more concrete and expanding them company-wide.**

✓ Development of specialized human resources to drive SM strategies

	Required human resources and capabilities	Initiatives in the first half of FY2026	Future initiatives
Fresh food	• Expertise in fresh food skills and food safety • Human resources who will provide on-site practical training to achieve the shift towards destination stores	• Implemented an organizational change for on-site training (allocated supervisors to the Fresh Food Department)	• Establishment of a personnel system to support the active participation of specialized human resources • Allocating more human resources to fresh food departments
Groceries	• Human resources for on-site management who embody highly efficient operations (multitasking operations)	• Verification of multitasking operations at model stores	• Increasing the number of stores where multitasking operations are verified

✓ Transformation of the organizational culture into one of innovation and taking on challenges

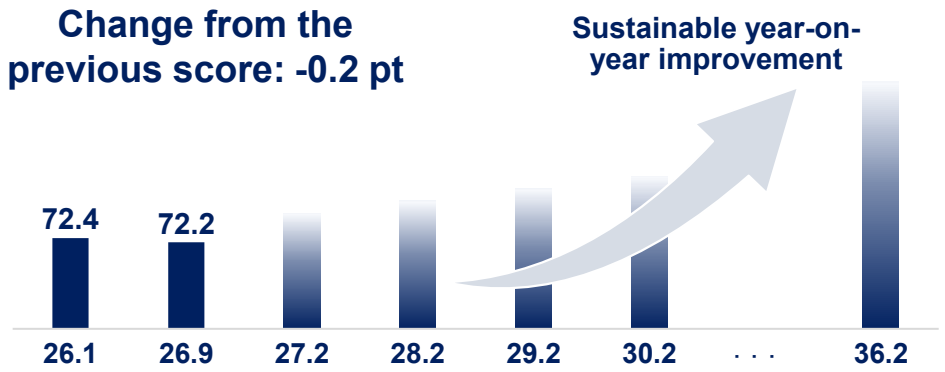
	The organization we aim to establish	Initiatives in the first half of FY2026	Future initiatives
Company as a whole	• An organization whose members cooperate and collaborate beyond the boundaries between departments without sectionalism	• We shifted from a bonus plan based on the evaluation of the achievements of individual departments and stores to one linked to the performance of the company as a whole, which incentivizes the maximization of the profit of the company as a whole.	• Interdepartmental cooperation to maximize customer convenience and both sales and profits.

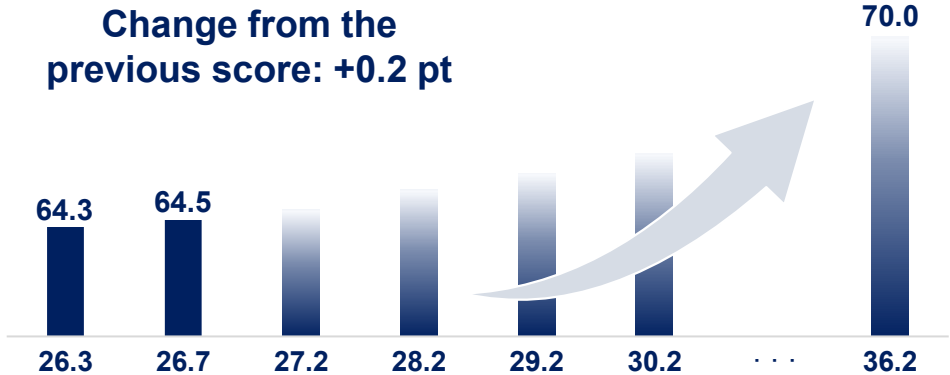
**Verifying individual measures, making them more concrete,
and striving to ensure they become entrenched to accelerate the personal development of every employee and increase their job satisfaction to move towards the sustainable enhancement of corporate value**

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- **The customer engagement score decreased by 0.2 points from the previous score, mainly due to a decrease in the "Freshness and lineup of produce" score.**
- **While we confirmed achievements at two stores that are striving to be destination stores, there remains room for improvement at many stores. We need to accelerate the expansion of destination stores.**

	Customer engagement score	Employee engagement score
Aims	• **Constantly optimizing products and store environments in a customer-driven manner** - Visualizing the degree to which customers have become our fans	• **Improving business performance through the improvement of productivity by increasing the number of employees who are proud and joyful** - Visualizing the degree to which employees have become our fans
Meaning of the score	• **Visualizing customers' satisfaction with our products and services** • **Measuring scores for each store and each item to visualize the effects of measures and establish a foundation for customer-centric PDCA activities**	• **Visualizing the degree to which our employees identify with our philosophy and strategies and the degree to which they have embodied our philosophy** • **Also visualizing whether we have established and provide a workplace that enables employees to work safely with peace of mind from the perspective of the employees**
Current score	• **Average score for four items that we consider important**	• **Average score for four items that we consider important**





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Management Philosophy

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

This document 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 2026



Environmental Sustainability Report 2026



▶ Sustainability section on the IZUMI website

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Appendix

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Competitiveness of Existing Stores (Year-on-Year Change in Net Sales at Existing Stores)	34
Results by Business	35
ESG (Environment, Society, Governance)	36

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262 stores mainly in the Chugoku, Shikoku and Kyushu regions

(As of Aug. 31, 2026)

Main companies, etc.	Headquarters	Main business types	Number of stores region				
			Kyushu	Chugoku	Shikoku	Other	**Total**
Izumi	Hiroshima City	SC (Youme Town and LECT) *1	20	35	4	2	**61**
		NSC (Youme Mall)	4	4	–	–	**8**
		SM (Youme Mart)	14	17	–	–	**31**
		Other	2	4	–	1	**7**
		Subtotal	**40**	**60**	**4**	**3**	**107**
Yours	Hiroshima City	SM (Yours, etc.)	–	25	–	–	**25**
Youme Mart Kumamoto	Kumamoto City	SM (Youme Mart) *2	22	–	–	–	**22**
		SM, etc. (SUNNY business)	70	–	–	–	**70**
Youme Mart Kitakyushu	Kitakyushu City	SM (Youme Mart)	22	8	–	–	**30**
Other	–	SM	4	–	4	–	**8**
Total			**158**	**93**	**8**	**3**	**262**
Youme Mart (store brand) as a subset of the above			62	29	–	–	91

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

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Year-on-Year Change in Sales at Existing Stores from FY2016 (%)

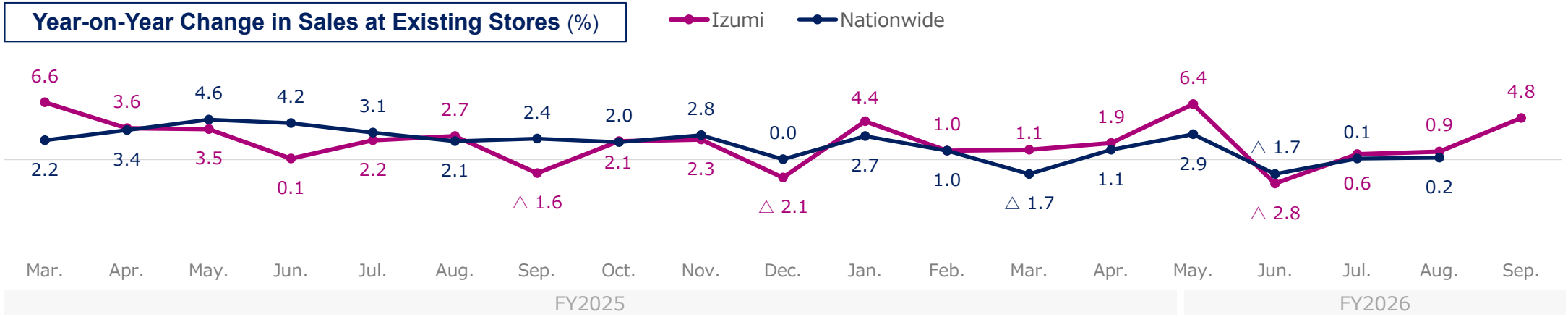
* In the year-on-year comparison of net sales from FY2023, figures including results from X-SELL are included.

	’16	’17	’18	’19	’20	’21	’22	’23	’24	‘25	’26
Izumi	101.5	99.2	99.4	99.1	89.7	101.1	103.5	103.0	100.7	102.0	101.8
Nationwide	98.8	99.6	99.2	98.8	100.7	103.1	101.0	103.0	102.1	102.5	–
Deviation	+2.7	-0.4	+0.2	+0.3	-11.0	-2.0	+2.5	0.0	-1.4	-0.5	–

[FY2026 by month (%)]

	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Full year
Izumi	101.1	101.9	106.4	97.2	100.6	100.9	104.8						101.8
Nationwide	98.3	101.1	102.9	98.3	100.1	100.2	–						–
Deviation	+2.8	+0.8	+3.5	-1.1	+0.5	+0.7	–						–

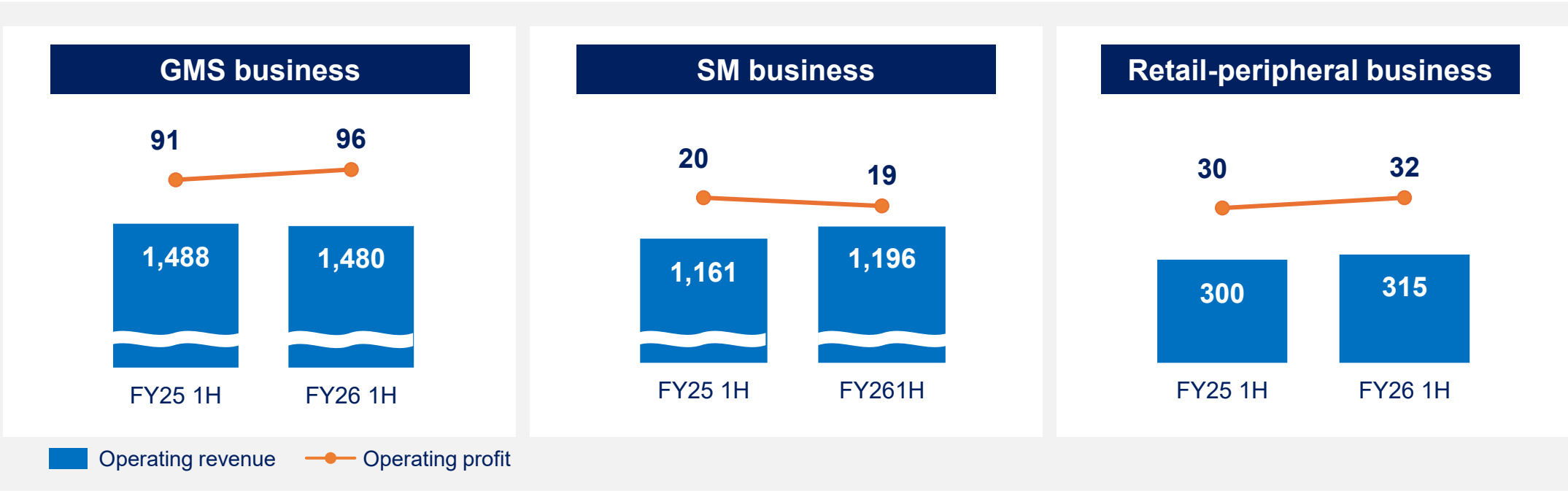
Year-on-Year Change in Sales at Existing Stores (%)



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

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(100 millions of yen)	Operating revenue			Operating profit		
	FY2026 1H	FY2025 1H	YoY	FY2026 1H	FY2025 1H	YoY
GMS business	**1,480**	1,488	99.5%	**96**	91	105.5%
SM business	**1,196**	1,161	103.0%	**20**	19	95.0%
Retail-peripheral business	**315**	300	105.0%	**32**	30	106.7%



*Operating profit is before the deduction of goodwill and trademark amortization. All of the figures for each business are management accounting figures calculated on a simplified basis using new standards and do not take into account internal transactions.

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Steady Progress Toward Reducing CO_2 Emissions

Accelerating decarbonization through electricity generation and conservation

We have installed solar power systems and began using the PPA model. We source 100% of the electricity used at new stores opened in or after 2022 from renewable sources of energy. Since 2024, we have been enhancing our off-site PPA and renewable energy plan contracts. We have also begun to source 100% of the electricity used at some existing stores from renewable sources of energy.

Number of stores using 100% renewable energy **21 stores** (As of March 2026)



Effective Utilization of Resources and Promotion of Their Recycling and Reuse

Installation of automatic PET bottle collecting machines and provision of benefits to Youme App members

Since 2022, we have been installing automatic PET bottle collecting machines at stores to implement Bottle-to-Bottle recycling, in which collected PET bottles are recycled into new PET bottles. As of July 2026, the machines have been installed in 57 stores. We provide Accumulated Discount points to Youme App members at a rate of 0.2 yen per bottle, which has been praised. We will continue to expand the circle of recycling further.

Number of PET bottles collected using the automatic collecting machines (FY2025) **Approx. 27.5 million**



Efforts to Reduce Food Loss

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

Since FY2025, we have been implementing the food drive program at all stores. The food drive is an initiative through which customers donate unused food from their homes which is provided to people in need via food banks or similar organizations.

Number of items donated	64,000
Weight of food donations	22,000kg
Number of organizations receiving donations	35 (FY2025)



Group Company Sustainability Activities

Youme Mart Kitakyushu | Guest talks delivered for environmental education

We collaborated with FP Corporation to conduct guest talks at elementary schools in Kitakyushu City to enable students to learn about the food tray manufacturing process and recycling mechanisms. We also donated useful environmental education books.

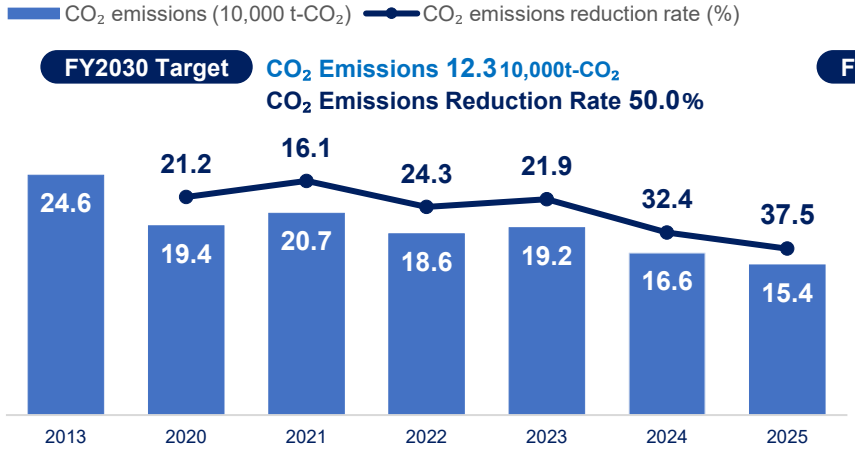


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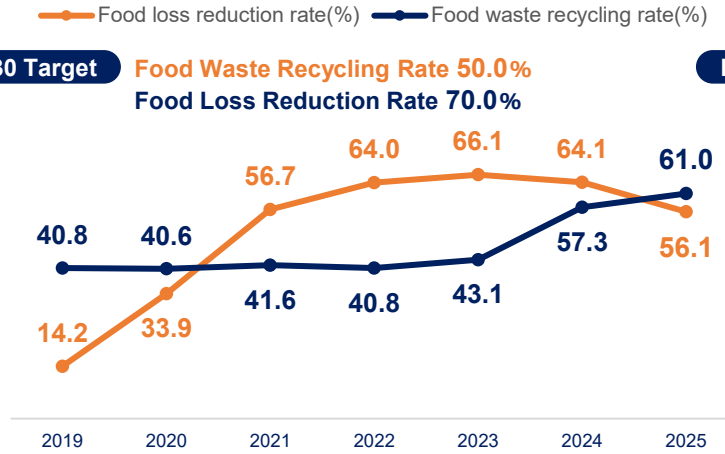
Steady Progress Toward FY2030 Environmental KPI Targets

■ Progress in Environmental KPIs

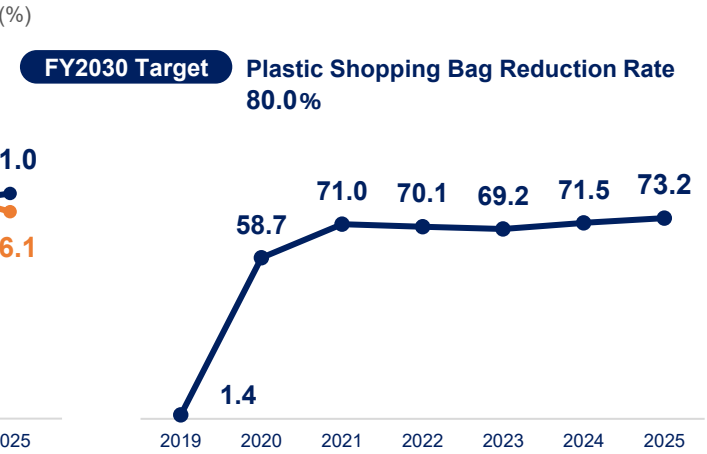
1. CO_2 Emissions
2. CO_2 Emissions Reduction Rate (Compared to FY2013; Scope 1&2)



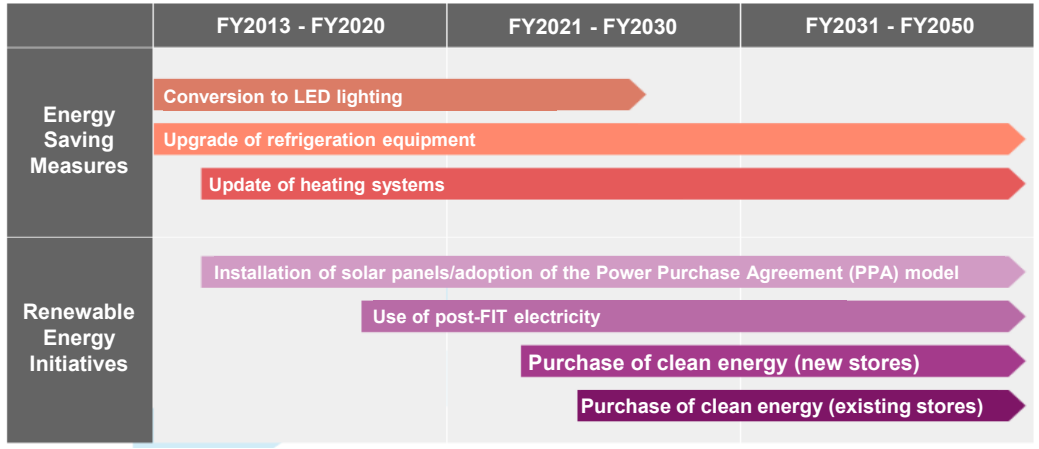
1. Food Waste Recycling Rate
2. Food Loss Reduction Rate (Compared to FY2018)



Plastic Shopping Bag Reduction Rate
(Compared to FY2018)



■ Roadmap for Reducing Emissions



■ Sustainability Committee: Activity Overview

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

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Bringing Energy and Vitality to Local Communities

The Bon Dance Festa, a feature of Gion in the summer

In July 2026, we held the Bon Dance Festa at Youme Terrace Gion. The Bon Dance Festa attracted around 7,000 visitors over two days. It is an annual event that has been held since the time of the Izumi Gion Shopping Center, which opened in 1973. The food trucks and cultural stage performances by foreign technical interns at the festival were well received, and the venue's atmosphere was lively.



Working Together for Greater Progress

Support for Onga-cho Demand Bus service demonstration operations

Onga-cho Demand Bus service demonstration operations began in September 2025. The goal of this initiative is to eliminate areas where there is no access to public transportation services and facilitate the mobility of elderly residents. The bus runs between its terminal at Youme Town Onga and specified bus stops in the town following the fastest routes calculated by AI. The plan is for this service to continue until March 31, 2028. We will continue to support the lives of local customers and enable them to experience the joy of shopping.



Contributing to society through safe and secure products

Each store voluntarily ensures thorough hygiene control

As a business operator selling food, we engage in daily operations guided by a hygiene control plan established in compliance with HACCP. To enhance safety and security in the production and sale of products, our stores are audited by external organizations twice a year. At each store, the food safety team leads monthly discussions about how to ensure that hygiene control rules are followed according to specific themes, and each department sets action items for the implementation of initiatives.



Extend the Circle of Health maintenance and Improvement

Youme Mark Kumamoto | Acquisition of heatstroke prevention qualification

All of Youme Mart Kumamoto Co., Ltd.'s store managers have learned how to prevent heatstroke and methods for providing first aid to people suffering from heatstroke, and they acquired the Heatstroke Prevention Ambassador qualification. They pay attention to protecting customers and employees from dangerous heat. In addition, as a Group-wide initiative, our stores are open to the public as cooling shelters in collaboration with local governments. The stores function as facilities for preventing the harm that heatstroke can cause to people's health.



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Creating a Workplace Where Employees Can Work Energetically While Being Themselves

Introduction of internal programs to encourage male employees to take childcare leave

We have introduced internal programs to increase the percentage of eligible male employees who take childcare leave, including the Spousal Childbirth Attendance Leave, through which male employees are permitted to take two days of special leave before and after the expected delivery date in addition to the expected delivery date itself, and Shared Parenting Leave, through which they are able to take three consecutive days of special leave within eight weeks of the birth of a child. The absence of employees taking childcare leave was an issue at stores, so we have started sending staff members from the head office to fill in. In FY2025, 93% of eligible male employees took childcare leave (including those who took leave under other programs supporting childcare).

Rate of men taking childcare leave, etc.

2025 results **93.0%** ➤ 2030 target **100.0%**

Supporting the Personal Development of Individuals with Many Learning Opportunities

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

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



▶ Participants engaged in customer service role-playing

Compliance and Risk Management Structure

Izumi Hotline Consultation Service

We have established the Izumi Hotline consultation service to facilitate the establishment of an open workplace. In March 2026, we outsourced the whistleblowing system to enhance psychological safety and ensure fairness and neutrality. We have continued to strengthen our consultation system.

Whistleblowing reports

FY2025 result	FY2030 target
214 ➤	200

Promoting Dialogue with Shareholders

Promoting IR communications

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

■ Information Published on the Website (IR Information)

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

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

Sale of eco-friendly fish

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



▲ In-store promotional materials for MEL-certified products

Sale of SAGA AKUPONI Salmon

From May 2025 to January 2026, we sold SAGA AKUPONI Salmon at Youme Town Saga. AKUPONI is a Japanese abbreviation of Aquaponics, which is a next-generation form of sustainable circular agriculture involving the farming of fish and vegetables at the same time. For the first four days, students from Saga Prefectural Koshikan Senior High School sold the salmon in the store, and the sales floor was bustling with customers.



▲ In-store sale at Youme Town Saga

Launch of Kaiju Lemon Chuhai under the Youme-Ichi Brand

Kaiju Lemons are an upcycled (creatively reused) brand of lemons from the Setouchi region. Although there is nothing wrong with their flavor or quality, they would typically be discarded or sold at a low price due to their appearance but have been given new value and regenerated through clever designs and ideas. By taking part in community-based initiatives, we connect producers, businesses and consumers, enhance the value of regions, and contribute to the development of agriculture and food culture.



▲ Being launched at Izumi Group stores (with some exceptions)

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

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

In May 2026, we added an outside director with expertise in retail to strengthen the effectiveness of the board of directors.



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