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November 10, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: BLUE ZONES HOLDINGS CO., LTD. (YAOKO CO.,LTD.)

Listing: Tokyo Stock Exchange

Securities code: 417A

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Scheduled date to file semi-annual securities report: -

Scheduled date to commence dividend payments: December 5, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

President and Representative Director

Senior Managing Director and Chief Director of Business Management

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	394,900	9.8	23,057	8.2	22,718	8.7	15,351	6.5
September 30, 2024	359,544	17.9	21,316	9.6	20,907	8.0	14,420	5.4

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 15,765 million [7.3%]
For the six months ended September 30, 2024: ¥ 14,699 million [6.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	377.03	-
September 30, 2024	352.67	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	383,470	198,729	50.5	4,754.13
March 31, 2025	376,206	185,931	48.1	4,447.92

Reference: Equity

As of September 30, 2025: ¥ 193,575 million

As of March 31, 2025: ¥ 181,104 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	55.00	-	70.00	125.00
Fiscal year ending March 31, 2026	-	62.50			
Fiscal year ending March 31, 2026 (Forecast)			-	62.50	125.00

Note: 1. Revisions to the forecast of cash dividends most recently announced: None

2. The dividend forecast for the fiscal year ending March 2026 is the forecast of BLUE ZONES HOLDINGS CO., LTD.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	772,000	4.8	33,800	1.2	33,000	1.3	20,500	1.6	501.22

Note: 1. Revisions to the financial result forecast most recently announced: None

2. The above represents the consolidated earnings forecast for BLUE ZONES HOLDINGS CO., LTD. for the fiscal year ending March 2026 (April 1, 2025 to March 31, 2026).

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies()
Excluded: - companies()

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	41,894,177 shares
As of March 31, 2025	41,894,288 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	1,176,939 shares
As of March 31, 2025	1,177,617 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	40,717,171 shares
Six months ended September 30, 2024	40,890,012 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on certain assumptions in light of information currently available and deemed reasonable and are not a guarantee of future performance. Actual results may differ significantly from these forecasts due to a wide range of factors. For details on conditions for the assumptions of financial results forecasts and notes for the use of financial results forecasts, please refer to page 5 of the Attachment, “1. Qualitative Information on Semi-annual Financial Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information.”

* Regarding Submission of Semi-Annual Reports

YAOKO CO.,LTD. does not plan to submit a semi-annual report as it was delisted on September 29, 2025, and therefore does not state a submission date.

Table of Contents - Attachments

1. Qualitative Information on Semi-annual Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	5
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	5
2. Semi-annual Consolidated Financial Statements and Primary Notes	6
(1) Semi-annual Consolidated Balance Sheets	6
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income	8
Semi-annual Consolidated Statement of Income	8
Semi-annual Consolidated Statement of Comprehensive Income	9
(3) Semi-annual Consolidated Statements of Cash Flows	10
(4) Notes to the Semi-annual Consolidated Financial Statements	12
(Notes on going concern assumption)	12
(Notes in the event of material changes in the amount of shareholders' equity).....	12
(Important subsequent events)	12

1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

The Group operates its food supermarkets business in the following two formats: a format that “proposes ideas for abundant, enjoyable, and healthy dietary lives” for customers who live close to our stores and visit our stores frequently (lifestyle assortment-style); and a format that offers discount to respond to needs for “bulk purchase” of customers who lives in wider areas centered around our stores (discount-style).

The basic strategies of the Group are to satisfy all customers in the local communities by deepening the two formats and thereby increase our share in them; and to allow each company to operate independently and hone their own unique “strengths.”

The key theme in the period of the 11th Mid-Term Management Plan (from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027) has been to “become stronger through united efforts of the Group.” By allowing each company which operates under either the lifestyle assortment-style or the discount-style to grow autonomously, the Group will aim to increase the share in its market territories and also promote building of the foundation to create a “system to achieve Group net sales of 1 trillion yen.”

(i) A share increase in the market territories of the Group

- Share increase in both the lifestyle assortment-style and the discount-style
- Continuation of consideration of M&As in the lifestyle assortment-style

(ii) Strengthening of the shared functions of the Group (building the foundation to achieve Group net sales of 1 trillion yen)

- Personnel affairs, financial affairs, internal control, store development, logistics, systems, and manufacturing
- Fostering of management personnel, human resource interactions, and mutual learning

(iii) Investment and collaboration in growth markets

- Growth support and collaboration in the Vietnam market
- Collaboration and creation of new value with domestic ventures

During the three six ended September 30, 2025, the Japanese economy continued to be on a moderate recovery trend with progress in the normalization of financial policy. Meanwhile, the world economic outlook is becoming increasingly uncertain due in part to the impact of trade policies of major countries and the rise in geopolitical risks.

The food supermarkets industry is also facing the increasing thriftiness of consumers amid ongoing inflation, and the business environment surrounding the industry has been extremely challenging, with soaring expenses for personnel, construction materials, etc. and accelerating competition among companies regardless of business type, including industry reorganization.

The basic policies of the Company have been set as “enhancing meal solutions” and “emphasizing price-conscious choices,” and the key theme of the 11th Mid-Term Management Plan has been set as “The New Yaoko: Structural reform from the Showa model to the Reiwa model.” During the fiscal year under review, in addition to implementing a special promotion to commemorate our 135th anniversary, we worked on the following priority measures under the theme of “Impressing all customers with deliciousness.”

[Product and Sales Strategy]

On the product front, we have been focusing on enhancing meal solutions to realize product assortments that lead to uniqueness and differentiation of the Company. In addition, in order to achieve competitive advantage throughout the value chain, we are aiming to enhance SPA-type product development by tapping into the manufacturing and retailing industry. Furthermore, we are refining the quality and prices of our private brand products.

On the sales front, we have been emphasizing price-conscious choices by continuing to respond to polarization. In addition to EDLP (Every Day Low Price measures) and “the GENSEN 100 (monthly special:100 bargain items),” we worked on pricing policies for frequently sold fresh foods. At the same time, in order to attract more customers, we implemented the “Japan’s No. 1 Program” to promote single item mass sales, and the “Local Products Fair” and the “Toyosu Festival” where local specialty products from various regions are sold, among other measures. We are also promoting the “Tailored strategies for different markets” centered around sales promotion and product assortments to further advance our support for each specific customer.

[Operational Strategy]

For productivity improvement, we are working on *kaizen* (improvement) activities where operations are improved through automation and digital technologies are utilized. The utilization of an automatic ordering system for grocery products based on AI demand projections has been successful, resulting in improved productivity.

In addition, the cash register department is promoting introduction of fully self-service checkouts. Furthermore, electronic shelf labels and operational support apps have been gradually introduced to promote paperless operations, and thereby we are establishing an employee-friendly working environment.

Moreover, we are working on initiatives to reduce waste, save electricity, and promote recycling toward a recycling-oriented society.

[Human Resources Development Strategy]

Through proactive hourly wage revisions, recruitment is progressing, mainly for partner employees (part-time employees).

For the purpose of developing independent human resources who can think for themselves and yield results as a team, we have revised our personnel evaluation system including how to set targets and challenges, and are promoting company-wide efforts to instill the system.

In addition, we will improve the employee-friendliness in which female and senior employees can play an active role, and at the same time, strive to achieve health and productivity management.

[New Stores and Growth Strategy]

During the six months ended September 30, 2025, we opened the Suginami Momoi Store (Suginami-ku, Tokyo), the Matsudo Kogasaki Store (Matsudo-shi, Chiba Prefecture) in June, and Maruhiro Ageo SC Store (Ageo-shi, Saitama Prefecture) in September.

The Suginami Momoi Store marks our first opening within the 23 special wards of Tokyo.

In addition, we also opened the Itabashi Yotsuba Store in November during the fiscal year under review.

Furthermore, alongside the large-scale renovation of the Kumagaya Hakoda Store, we plan to renovate a total of nine existing stores.

The overview of each company of the Group is as follows:

AVE Co., Ltd. has formed a dominant area centered around Kanagawa Prefecture. The company has set its basic policies as “unrivalled low prices” and “thorough low-cost operation,” and is striving to realize the policies through various measures and initiatives. Hiratsuka store (Hiratsuka-shi, Kanagawa Prefecture), which opened in October last year, is performing well.

Sendo Co., Ltd. has formed a dominant area centered around Ichihara-shi, Chiba Prefecture. The company operates food supermarkets with tremendous advantage in perishable foods.

Foocot Co., Ltd. operates five stores mainly in Saitama Prefecture “through an overwhelming assortment of delicious products, low prices, and the thorough pursuit of low-cost operations to support this,” which is its management policy.

The number of stores of the entire Group as of September 30, 2025 is 241 (YAOKO: 198; AVE: 14; Sendo: 24; and Foocot: 5).

Through sole-share transfer of the Company effective October 1, 2025, we have established BLUE ZONES HOLDINGS CO., LTD. (“BLUE ZONES HD”) as our wholly owning parent company to build the foundation to achieve 1 trillion yen in group sales. The Company, BLUE ZONES HD’s wholly owned subsidiary, resolved to pay dividends of surplus to BLUE ZONES HD in the form of dividends in kind of shares in subsidiaries held by our company. As a result, BLUE ZONES HD has acquired all shares in the six second-tier subsidiaries held by our company, five of which have become subsidiaries directly wholly owned by BLUE ZONES HD and one of which (Sendo Co., Ltd.) has become a subsidiary directly owned by BLUE ZONES HD.

Regarding the share transfer agreements concluded between Delight Holdings Inc. (“Delight HD”) and our company, and between Bunkado Co., Ltd. (“Bunkado”) and our company, BLUE ZONES HD have succeeded these agreements effective October 1, 2025. As a result, Delight HD has become a consolidated subsidiary of BLUE ZONES HD with 70% of shares (effective October 31, 2025), and Bunkado has become a wholly owned subsidiary of BLUE ZONES HD (effective October 16, 2025).

Delight HD is a holding company which holds all shares in Cook Mart Inc. (“Cook Mart”), which in turn has developed a local supermarket chain of 12 Cook Mart stores mainly in the area between Higashi-Mikawa and Hamamatsu. Cook Mart supermarkets enjoy strong consumer support, particularly for their fresh food and delicatessen items. Based on its corporate philosophy of “Delight!” and the concept of “Real x Local x Human = Place where local vibrancy comes together,” Cook Mart excels in developing excellent physical stores based on the creation of unique organizational culture. It has achieved increased revenues for each of the last 20 years.

Bunkado is a food supermarket with 13 stores in Tokyo and 6 in Kanagawa Prefecture, evolving from its former business of a confectionery store founded in 1953 at Ebara Nakanobu in Tokyo. Bunkado aims to be a 100-year-old company based on its management credo of “stores that deliver inspiration and smiles.” It seeks to maintain stable management and has grown with the support of local customers through entirely independent, region-based management.

BLUE ZONES HD aims for each operating company to compete as good rivals, striving to become better and stronger, and to achieve further growth by expanding the Blue Zone Holdings family. And then BLUE ZONES HD aims to create "a world where everyone in the local community is healthy and enjoys their daily life (a Blue Zone)" through our work in supermarkets.

As a result, total revenue for the six months ended September 30, 2025 was 394,900 million yen (up 9.8% year on year), operating profit was 23,057million yen (up 8.2% year on year), ordinary profit was 22,718 million yen (up 8.7% year on year), and Profit attributable to owners of parent was 15,351 million yen (up 6.5% year on year).

The segment information is omitted, as the Group has only a single segment, which is the supermarket business, and other businesses are immaterial.

(Notes) The term “meal solutions” refers to our solutions to help our customers solve issues related to meals by, for example, proposing their daily meal plans and advising how to cook meals.

The term “price-conscious choices” refers to pricing products always bearing in mind reasonable prices affordable for customers.

(2) Explanation of Financial Position

(Assets)

Total assets at the end of the six months of the fiscal year under review increased by 7,264 million yen compared with the end of the previous fiscal year to 383,470 million yen. This was primarily due to increases in cash and bank deposits, and an increase in property, plant and equipment associated with investment in new store openings and renovation of existing stores, and guarantee deposits, despite decreases in accounts receivable and deposits included in “other” of current assets.

(Liabilities)

Liabilities at the end of the six months of the fiscal year under review decreased by 5,533 million yen compared with the end of the previous fiscal year to 184,741 million yen. This was primarily due to decreases in borrowings, and contract liabilities included in “other” of current liabilities.

(Net Assets)

Net assets at the end of the six months of the fiscal year under review increased by 12,797 million yen compared with the end of the previous fiscal year to 198,729 million yen. This was primarily due to an increase in retained earnings arising from the recording of profit attributable to owners of parent.

(Overview of Cash Flows)

Cash and cash equivalents at the end of the six month of the fiscal year under review (hereinafter referred to as “funds”) were 52,197 million yen, an increase of 3,698 million yen compared with the end of the previous fiscal year. The status of each of the cash flows and the factors behind them are as follows.

(Cash flows from operating activities)

Funds provided by operating activities at the end of the six month of the fiscal year under review were 23,691 million yen, an increase of 5,393 million yen compared with the same period last year. This was primarily due to the recording of profit before income taxes and depreciation, which offset income taxes paid.

(Cash flows from investing activities)

Funds used in investing activities at the end of the six month of the fiscal year under review were 15,780 million yen, a decrease of 1,172 million yen compared with the same period last year. This was primarily due to expenditures for investment in new store openings and renovation of existing stores.

(Cash flows from financing activities)

Funds used in financing activities at the end of the six month of the fiscal year under review were 4,212 million yen (Funds obtained at the end of the previous fiscal year were 846 million yen). This was primarily due to the the payment of cash dividends and the redemption of convertible bonds, despite increases in long-term borrowings.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

As for the financial results forecast for the fiscal year under review, we have not changed the consolidated financial results forecast announced on May 12, 2025 at this point in time. The subject acquisition of shares will be incorporated into the Company’s consolidated financial results starting in the fourth quarter of the fiscal year ending March 31, 2026. The impact of this matter on consolidated financial results for the fiscal year ending March 31, 2026 is currently being examined. If any further impacts are identified in the future, we will disclose them promptly.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	50,226	55,330
Accounts receivable - trade	12,732	12,571
Merchandise and finished goods	12,815	12,966
Raw materials and supplies	502	581
Other	16,706	13,593
Total current assets	92,983	95,042
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	107,728	108,082
Land	97,860	96,259
Other, net	29,842	32,818
Total property, plant and equipment	235,431	237,160
Intangible assets	6,092	7,504
Investments and other assets		
Deferred tax assets	9,824	9,301
Guarantee deposits	25,582	28,206
Other	6,602	6,255
Allowance for doubtful accounts	(309)	-
Total investments and other assets	41,698	43,762
Total non-current assets	283,222	288,427
Total assets	376,206	383,470

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	46,671	46,417
Short-term borrowings	900	900
Current portion of long-term borrowings	4,919	8,734
Income taxes payable	5,492	7,388
Provision for bonuses	3,266	4,064
Provision for point card certificates	222	133
Asset retirement obligations	30	-
Other	28,808	21,735
Total current liabilities	90,311	89,372
Non-current liabilities		
Long-term borrowings	69,453	64,580
Deferred tax liabilities	1,130	1,124
Deferred tax liabilities for land revaluation	35	35
Provision for retirement benefits for directors	78	76
Provision for retirement benefits for executive officers	67	67
Provision for share awards	4,360	4,304
Provision for share awards for directors (and other officers)	260	275
Retirement benefit liability	4,349	4,517
Asset retirement obligations	8,084	8,366
Other	12,144	12,020
Total non-current liabilities	99,963	95,368
Total liabilities	190,274	184,741
Net assets		
Shareholders' equity		
Share capital	9,846	9,846
Capital surplus	14,260	14,259
Retained earnings	167,577	179,996
Treasury shares	(8,342)	(8,337)
Total shareholders' equity	183,341	195,764
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	272	336
Revaluation reserve for land	(2,940)	(2,940)
Remeasurements of defined benefit plans	429	414
Total accumulated other comprehensive income	(2,237)	(2,189)
Share acquisition rights	0	0
Non-controlling interests	4,827	5,154
Total net assets	185,931	198,729
Total liabilities and net assets	376,206	383,470

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	345,764	380,218
Cost of sales	259,499	285,558
Gross profit	86,265	94,660
Operating revenue	13,779	14,682
Operating gross profit	100,045	109,342
Selling, general and administrative expenses	78,728	86,285
Operating profit	21,316	23,057
Non-operating income		
Interest income	56	98
Dividend income	8	10
Subsidy income	50	46
Other	26	22
Total non-operating income	142	178
Non-operating expenses		
Interest expenses	518	508
Other	34	8
Total non-operating expenses	552	516
Ordinary profit	20,907	22,718
Extraordinary income		
Gain on sale of non-current assets	20	-
Gain on cancellation of leasehold contracts	3	0
Surrender value of insurance policies	173	183
Total extraordinary income	196	183
Extraordinary losses		
Loss on retirement of non-current assets	18	17
Loss on step acquisitions	258	-
Total extraordinary losses	276	17
Profit before income taxes	20,826	22,884
Income taxes - current	5,145	6,684
Income taxes - deferred	913	491
Total income taxes	6,059	7,176
Profit	14,767	15,708
Profit attributable to non-controlling interests	347	356
Profit attributable to owners of parent	14,420	15,351

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	14,767	15,708
Other comprehensive income		
Valuation difference on available-for-sale securities	(58)	67
Remeasurements of defined benefit plans, net of tax	(10)	(11)
Total other comprehensive income	(68)	56
Comprehensive income	14,699	15,765
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,355	15,404
Comprehensive income attributable to non-controlling interests	343	361

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	20,826	22,884
Depreciation	6,861	7,636
Amortization of goodwill	258	-
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(84)	(1)
Increase (decrease) in provision for executive officer's retirement benefits	(3)	0
Increase (decrease) in provision for share awards	(47)	(55)
Increase (decrease) in provision for share awards for directors (and other officers)	18	15
Increase (decrease) in retirement benefit liability	132	145
Interest and dividend income	(65)	(108)
Interest expenses	518	508
Loss (gain) on step acquisitions	258	-
Loss (gain) on sale of non-current assets	(20)	-
Loss on retirement of non-current assets	18	17
Decrease (increase) in trade receivables	236	160
Decrease (increase) in inventories	(720)	(229)
Increase (decrease) in trade payables	(782)	(254)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(303)	1,055
Other, net	(3,349)	(2,833)
Subtotal	23,751	28,940
Interest and dividends received	15	59
Interest paid	(500)	(504)
Income taxes paid	(4,968)	(4,804)
Net cash provided by (used in) operating activities	18,298	23,691
Cash flows from investing activities		
Payments into time deposits	(26)	(2,961)
Proceeds from withdrawal of time deposits	132	1,557
Purchase of property, plant and equipment	(19,020)	(11,365)
Proceeds from sale of property, plant and equipment	4,520	1,621
Purchase of intangible assets	(476)	(2,058)
Purchase of investment securities	(1,611)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	936	-
Loan advances	(314)	(5)
Payments of guarantee deposits	(1,044)	(2,976)
Proceeds from refund of guarantee deposits	382	395
Other, net	(429)	13
Net cash provided by (used in) investing activities	(16,952)	(15,780)
Cash flows from financing activities		
Proceeds from long-term borrowings	9,600	-
Repayments of long-term borrowings	(2,002)	(1,057)
Redemption of convertible bonds	(3,710)	-
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,795)	(2,931)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Dividends paid to non-controlling interests	(56)	(34)
Repayments of lease liabilities	(188)	(190)
Net cash provided by (used in) financing activities	846	(4,212)
Net increase (decrease) in cash and cash equivalents	2,191	3,698
Cash and cash equivalents at beginning of period	48,079	48,498
Cash and cash equivalents at end of period	50,271	52,197

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the event of material changes in the amount of shareholders' equity)

Not applicable.

(Important subsequent events)

(Transition to Holding Company Structure through Sole-Share Transfer)

The Company has established the holding company (wholly owning parent company) "BLUE ZONES HOLDINGS CO., LTD." (the "holding company") through sole-share transfer of the Company effective October 1, 2025 (the "Share Transfer").

1. Background and purpose of transition to the holding company structure through sole-share transfer

(1) Background of transition to the holding company structure

Under the management philosophy, "More rich, enjoyable, and healthy lives for everyone in the region," the Group aims to realize sustainable growth by achieving "Constantly provide our customers with value beyond just price," "Be a company where all employees are proud of their work and enjoy their living," "Build our own model of high productivity while eliminating waste," and "Contribute to solving social issues by collaborating with all stakeholders."

In the management environment surrounding the Group, the markets are expected to shrink in such store opening areas as the northern Kanto region, the Yokosuka-Miura area (Kanagawa Prefecture), and the Sotobo area (Chiba Prefecture) due to the accelerating decline in birthrate and aging population. In addition, as the entire economy continues to show an inflationary trend, it is expected that consumers will be more cost-conscious, raw materials costs, labor costs, construction materials costs, and various other costs will continue to rise, and as a result, the environment will be severer.

Under such a severe environment, the Company decided to transition to the holding company structure in order for food supermarket companies with unique strengths to survive and continue to contribute to the improvement of dietary lives of people in the region for the future, through solidarity and friendly competition with each other.

The name of the holding company will be "BLUE ZONES HOLDINGS CO., LTD." in the hope that the Group will be recognized by local residents as contributing to the creation of a community where they can enjoy long, active, and healthy lives.

(2) Purpose of transition to the holding company structure

[1] Improving our trade area share as a group

In the food supermarket business, the Group operates two formats: one proposes ideas to all people for rich, enjoyable, and healthy lives intending to undertake frequent store visits in small trade areas (Lifestyle assortment format); and the other offers large discounts to meet the needs of customers over a wide area who buy in bulk (Discount Store format). Based on deepening these two formats, the Group's basic strategy is that the Group increases its market share by satisfying all of the customers in the region, and that each group company develops respective unique strengths through independent operations.

As a result of this transition to the holding company structure, the group companies will no longer be in the relationship of a parent and children but will be brothers, both nominally and practically. In this way, the group companies will work diligently through friendly competition with each other to achieve respective autonomous growth.

The Group will also promote further solidarity under the holding company with food supermarket companies that share the Group's philosophy and have unique strengths. The Group aims to build a large alliance of food supermarket companies that can meet the expectations of local residents.

[2] Strengthening the Group's governance

The management functions and the business execution function of the Group will be separated, and authorities and responsibilities will be clarified in each business company, which is in the business execution division. The Group will also aim to strengthen the competitiveness of the Group as a whole by

speeding up decision-making and clarifying business responsibilities.

To build the foundation to achieve 1 trillion yen in group sales, it is planned that the holding company will implement three functions: the development of strategies for group management including M&A, development of new businesses, and support for ESG; risk management for the Group as a whole; and shared services for the administration division.

2. Summary of the Share Transfer

(1) Schedule of the Share Transfer

① Board of Directors meeting to approve the share transfer plan	January 14, 2025
② Record date of the Annual General Meeting of Shareholders	March 31, 2025
③ Annual General Meeting of Shareholders to approve the share transfer plan	June 24, 2025
④ Date of delisting the Company's shares	September 29, 2025
⑤ Date of registering the incorporation of the holding company (effective date)	October 1, 2025
⑥ Date of listing the holding company's shares	October 1, 2025

(2) Method of the Share Transfer

A sole-share transfer in which the Company will become a wholly owned subsidiary resulting from the share transfer and the holding company will become the wholly owning parent company incorporated in the share transfer.

(3) Details of allotment in the Share Transfer (share transfer ratio)

Company name	BLUE ZONES HOLDINGS CO., LTD. (wholly owning parent company)	Yaoko Co., Ltd. (wholly owned subsidiary)
Share transfer ratio	1	1

[1] Share transfer ratio

As a result of the Share Transfer, one share of common stock of the holding company to be established was allotted to one share of common stock of the Company held by shareholders of the Company as of the time immediately preceding the time when the holding company acquires all outstanding shares of the Company.

[2] Share unit

The holding company will adopt the unit share system, and the number of shares per unit will be 100 shares.

[3] Basis of calculating the share transfer ratio

The Share Transfer will result in the establishment of one wholly owning parent company through share transfer solely by the Company, and the composition of shareholders of the holding company will not be different from that of the Company as of the Share Transfer. Therefore, one share of common stock of the holding company will be allotted to one share of common stock of the Company held by the shareholders, putting the priority on avoiding any disadvantage or confusion to the shareholders.

[4] Results, method, and basis of calculation by a third-party calculation agent

For the reasons stated in [3] above, no calculation was performed by a third-party calculation agent.

[5] Number of new shares to be delivered due to the Share Transfer

41,894,177 shares of common stock

(4) Treatment of share acquisition rights and bonds with share acquisition rights for the Share Transfer

The Company has not issued any share acquisition rights or bonds with share acquisition rights.

3. Overview of the company to be newly established through the Share Transfer (the wholly owning parent company and holding company incorporated in the share transfer)

(1) Name	BLUE ZONES HOLDINGS CO., LTD.
(2) Location	1-10-1 Arajukumachi, Kawagoe-shi, Saitama
(3) Title and name of the representatives and officers	Chairman and Representative Director Kawano Yukio President and Representative Director Kawano Sumito Director Kamiike Masanobu Director Ishizuka Takanori Outside Director Saito Asako (Independent Director) Outside Director Kuzuhara Takashi (Independent Director) Outside Director Kamada Yumiko (Independent Director) Auditor Yamada Masahiro Outside Auditor Sato Yukio (Independent Auditor) Outside Auditor Hashimoto Katsuhiko (Independent Auditor) Outside Auditor Ikarashi Tsuyoshi (Independent Auditor)
(4) Business	Business administration of subsidiaries, which conduct the food supermarket business, trade business, etc., and any other business incidental thereto
(5) Capital stock	9,846 million yen
(6) Date of establishment	October 1, 2025
(7) Fiscal year-end	March 31

4. Overview of accounting processing

Because the Share Transfer falls under the category of "common control transactions" for the purpose of corporate accounting, it has no impact on profit and loss.

(Changes in subsidiaries due to dividends in kind)

At the meeting of the board of directors and the extraordinary general shareholders' meeting held on October 1, 2025, the Company resolved to distribute all shares of its consolidated subsidiaries (AVE Co., Ltd., Sendo Co., Ltd., Foocot Co., Ltd.) and non-consolidated subsidiary (YAOKO BUSINESS SERVICE Co., Ltd., OGAWA Trading Co., Ltd., YAOKO HARMONY Co., Ltd.) to our wholly owning parent company, BLUE ZONES HOLDINGS CO., LTD. ("BLUE ZONES HD"), in the form of dividends in kind.

As a result, five of which have become subsidiaries directly wholly owned by BLUE ZONES HD and one of which (Sendo Co., Ltd.) has become a subsidiary directly owned by BLUE ZONES HD.