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Notice of the 64th Annual General Meeting of Shareholders

March 1, 2024 – February 28, 2025

Outline of the Meeting

Date and Time **Wednesday, May 28, 2025, at 10:00 a.m. (JST) (reception starts at 9:00 a.m.)**

Venue **6th Floor, youme Hall, Head office of the Company**
3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan

Proposals **Proposal No. 1: Appropriation of Surplus**
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Eight Directors
Proposal No. 4: Election of One Audit & Supervisory Board Member

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IZUMI CO., LTD.
Stock code: 8273

Convocation Notice

(Stock code: 8273)

May 12, 2025



To our shareholders:

Shigeki Machida
President and Representative Director
IZUMI CO., LTD.
3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan

Notice of the 64th Annual General Meeting of Shareholders

We are pleased to announce the 64th Annual General Meeting of Shareholders of IZUMI CO., LTD. (the “Company”), which will be held as indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing information in electronic format, and the matters subject to measures for electronic provision are posted on the following website.

The Company’s website: https://www.izumi.co.jp/corp/ir/fi_shareholder.html (in Japanese)	
Tokyo Stock Exchange, Inc. website: https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)	

Access the website by using the internet address shown above, enter “IZUMI” in “Issue name (company name)” or the Company’s securities code “8273” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.”

Instead of attending the meeting in person, you may exercise your voting rights either in writing or on the Internet. Please review the following Reference Document for the General Meeting of Shareholders provided in the matters subject to measures for electronic provision, and exercise your voting rights by 6:00 p.m. on Tuesday, May 27, 2025 (JST).

1. Date and Time: Wednesday, May 28, 2025, at 10:00 a.m. (JST) (reception starts at 9:00 a.m.)

2. Venue: 6th Floor, youme Hall, Head office of the Company
3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan

3. Purpose of the Meeting

- Matters to be reported:**
1. The Business Report and the Consolidated Financial Statements for the 64th fiscal year (from March 1, 2024 to February 28, 2025), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
 2. The Non-consolidated Financial Statements for the 64th fiscal year (from March 1, 2024 to February 28, 2025)

Matters to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Eight Directors
Proposal No. 4: Election of One Audit & Supervisory Board Member

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- * If you will attend the meeting, please submit the enclosed voting form at the reception desk of the General Meeting of Shareholders.
 - * If no indication is made in the voting form, the vote shall be deemed as an intention of approval.
 - * In accordance with the provisions of laws and regulations and Article 13 of the Articles of Incorporation of the Company, the following matters are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Accordingly, these documents are part of the documents included in the scope of audits by the Audit & Supervisory Board Members and the Financial Auditor when they create their respective audit reports.
 - Consolidated Statement of Changes in Equity
 - Notes to Consolidated Financial Statements
 - Non-consolidated Statement of Changes in Equity
 - Notes to Non-consolidated Financial Statements
 - * If revisions to the matters subject to measures for electronic provision arise, the details of such revisions will be posted on each website.
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Information About On-demand Streaming (Post-event Streaming)

Following the conclusion of the General Meeting of Shareholders, portions will be available for on-demand streaming (post-event streaming).

1. Access the following website designated by the Company.

Streaming availability period: Monday, June 2, 2025 to Monday, June 30, 2025

Streaming URL: <https://jp-service.qumucloud.com/view/u4SIUiE2cIEzB32zzDi6nD>

After accessing the Company website (above URL), click (or tap) “64th Annual General Meeting of Shareholders On-demand Streaming.”

2. Click (or tap) the playback button to watch the stream.

Important Information

- Filming, video recording, audio recording, saving, publication on social media and other uses of the stream are strictly prohibited.
- Please note in advance that depending on your equipment and communications environment, you may experience unstable video or audio, or other issues such as an interrupted stream.
- Shareholders are responsible for any costs to connect to and access the Internet.
- When recording video of the proceedings for on-demand streaming, the Company will make every effort to avoid showing any shareholders in attendance, but they may appear due to unavoidable circumstances. Thank you in advance for your understanding.

Guidance on Exercising Voting Rights

Please review the Reference Document for the General Meeting of Shareholders starting from page 5 and exercise your voting rights using any of the methods described below.

Attending the General Meeting of Shareholders

Date: Wednesday, May 28, 2025 at 10:00 a.m. (JST)

- Please submit the voting form at the reception desk on the day of the General Meeting of Shareholders.
- You do not need to send the form by mail or exercise your voting rights via the Internet.

Sending by mail

Deadline: Tuesday, May 27, 2025 at 6:00 p.m. (JST)

- Please indicate your approval or disapproval of the proposals on the voting form, and return it so that it will be received before the deadline for exercising your voting rights.

Internet, etc.

Deadline: Tuesday, May 27, 2025 at 6:00 p.m. (JST)

- Please indicate your approval or disapproval using your personal computer or smartphone by the deadline for exercising your voting rights, following the instructions on the next page.

Information on Exercising Voting Rights via the Internet

Deadline for exercising voting rights via the Internet: By 18:00 on Tuesday, May 27, 2025

Exercising voting rights via smartphone and other portable devices

- (1) Scan the QR code[®] printed on your voting form.
- (2) From the top page of Soukai Portal[®], tap the [Proceed to voting] button.
- (3) The top page for Smart Voting[®] will be displayed. Please follow the instructions on the screen to register whether you approve or disapprove of each proposal.

* QR code is a registered trademark of DENSO WAVE INCORPORATED.

Exercising voting rights via PCs and similar devices

Access the site from the following URL after entering the login ID and password printed on your voting form. After logging in, follow the on-screen instructions to approve or disapprove of each proposal.

Soukai Portal URL: <https://www.soukai-portal.net>

The voting website can also continue to be used.: <https://www.web54.net>

Information about the acceptance of questions in advance

Deadline for acceptance of advance questions: By 18:00 on Wednesday, May 21, 2025

For this General Meeting of Shareholders, questions regarding the proposals will be accepted from shareholders in advance through Soukai Portal. Out of the questions received, those deemed to be of strong interest to shareholders will be addressed at the General Meeting of Shareholders. Access Soukai Portal the same way as for voting, and then click (or tap) [Proceed to advance questions] from the top screen. When the [Enter advance questions] screen is displayed, follow the on-screen instructions to enter your question.

* Please note that the Company will not respond to the questions received individually.

Redundant exercise of voting rights

(i) If you redundantly vote via the Internet and also by mailing in your voting form, your votes via the Internet shall be deemed valid.

(ii) If you exercise your voting rights via the Internet, etc. multiple times, only your final vote shall be deemed valid.

Note: If you wish to change your voting details once you have already recorded votes, you will need to re-enter the “voting code” and “password” printed on your voting form.

Approval or disapproval

If you do not indicate your approval or disapproval of the proposals on the voting form, you will be deemed to have indicated your approval.

To institutional investors

You may exercise your voting rights on the voting platform operated by ICJ, Inc. by applying for the use of the electronic platform in advance.

Reference Document for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company is determined to strengthen the structure of its business while maintaining a dividend payout ratio of 30% or higher, ensuring that dividends to shareholders do not decrease. The Company is committed to paying consistent dividends. For the fiscal year ended February 28, 2025, we plan to pay a dividend of ¥45 per share, based on the policy above and in consideration of a comprehensive range of factors, including the Company's performance in the fiscal year and the anticipated future business environment. The annual dividend per share, including the interim dividend (¥45 per share), will be ¥90 per share.

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and their aggregate amount

¥45 per common share of the Company

Total payment: ¥3,219,931,575

(3) Effective date of dividends of surplus

May 29, 2025

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

(1) Change of business purpose

The Company will add “Operation and management of the handball team and all related businesses” and other related items to its business purpose. In doing so, it seeks to establish a subsidiary to manage the Company’s women’s handball team Izumi Maple Reds Hiroshima, contribute to the local community through the sports business in accordance with the Company’s management philosophy, promote the health of local residents and the Company’s employees, and contribute to the revitalization of the local community,

(2) Change in the person authorized to convene and chair the General Meeting of Shareholders and meetings of the Board of Directors

The Company’s Articles of Incorporation previously stipulated that the Director and President was the person authorized to convene and chair the General Meeting of Shareholders and meetings of the Board of Directors. To improve flexibility in corporate management, the Company proposes to change this provision to allow the Board of Directors to select the person authorized to convene and chair such meetings by a resolution. This is intended to establish a system for prompt and appropriate management decision making.

(3) Changes in the term of office of Directors

The term of office of Directors will be changed from two years to one year in order to clarify the management responsibility of Directors, to establish a management structure that can promptly respond to changes in the business environment, and to increase opportunities for shareholders to have confidence in the Company.

(4) Other changes

The necessary changes, including a lexical correction, will be made.

2. Details of amendments

The details of the amendments are shown below. (Amended parts are underlined.)

The proposed amendments made to the Articles of Incorporation will go into effect upon the closing of this General Meeting of Shareholders.



Existing Articles of Incorporation	Proposed Amendments
<p>(Purpose)</p> <p>Article 2. The purpose of the Company shall be to engage in the following businesses:</p> <p>(1) to (19) (Omitted)</p> <p>(20) General passenger motor vehicle transportation, general <u>area</u> motor truck transportation, and warehousing</p> <p>(21) to (25) (Omitted)</p> <p>(New)</p> <p>(New)</p> <p>(New)</p> <p><u>(26)</u> All business incidental to or related to any of the above items.</p>	<p>(Purpose)</p> <p>Article 2. (Unchanged)</p> <p>(1) to (19) (Unchanged)</p> <p>(20) General passenger motor vehicle transportation, general motor truck transportation, and warehousing</p> <p>(21) to (25) (Unchanged)</p> <p><u>(26) Operation and management of the handball team and all related businesses</u></p> <p><u>(27) Operation and management of sports facilities</u></p> <p><u>(28) Business related to regional development based on sports</u></p> <p><u>(29)</u> All business incidental to or related to any of the above items.</p>
<p>(Convener and Chairperson)</p> <p>Article 12. A General Meeting of Shareholders shall be convened and chaired by the <u>Director and President</u>. In the absence or disability of the <u>Director and President</u>, one of the other Directors shall be the Chairperson in an order predetermined by the Board of Directors.</p>	<p>(Convener and Chairperson)</p> <p>Article 12. <u>Except as otherwise provided by law, a</u> General Meeting of Shareholders shall be convened and chaired by the <u>Chairman of the Board of Directors or the Director and President of the Company, as selected by resolution of the Board of Directors</u>. In the absence or disability of the <u>Director so elected</u>, one of the other Directors shall be the Chairperson in an order predetermined by the Board of Directors.</p>
<p>(Term of Office)</p> <p>Article 18. The term of office of Directors shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within <u>two (2)</u> years from the appointment.</p> <p>(2) to (3) (Omitted)</p>	<p>(Term of Office)</p> <p>Article 18. The term of office of Directors shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within <u>one (1)</u> year from the appointment.</p> <p>(2) to (3) (Unchanged)</p>
<p>(Convocation and Chairperson of Meetings of the Board of Directors)</p> <p>Article 21. Meetings of the Board of Directors shall be convened and chaired by the <u>Director and President</u>. In the absence or disability of the <u>Director and President</u>, one of the other Directors shall be the Chairperson in an order predetermined by the Board of Directors.</p> <p>(2) to (3) (Omitted)</p>	<p>(Convocation and Chairperson of Meetings of the Board of Directors)</p> <p>Article 21. Meetings of the Board of Directors shall be convened and chaired by the <u>Chairman of the Board of Directors or the Director and President, selected by resolution of the Board of Directors</u>. In the absence or disability of the <u>Director so elected</u>, one of the other Directors shall be the Chairperson in an order predetermined by the Board of Directors.</p> <p>(2) to (3) (Unchanged)</p>

Proposal No. 3: Election of Eight Directors



The terms of office of all eight Directors will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of eight Directors.


The candidates for Directors are as follows.

Candidate No.		Name	Current position and responsibility in the Company	Attendance at Board of Directors meetings
1	Reelection	Yasuaki Yamanishi	Chairman and Representative Director	17/17
2	Reelection	Shigeki Machida	President and Representative Director	16/17
3	Reelection	Daisuke Yamanishi	Deputy President and Director	17/17
4	New election	Hideki Tahara	Senior Managing Executive Officer and Administration Division Manager	–
5	New election	Takayuki Aoki	Managing Executive Officer and Development Division Manager	–
6	Reelection	Masahiro Nishikawa	Outside Independent Outside Director	17/17
7	Reelection	Izumi Yano	Outside Independent Outside Director	12/13
8	Reelection	Naomi Aoyama	Outside Independent Outside Director	16/17

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	 <p>Yasuaki Yamanishi (July 31, 1946) Reelection</p>	<p>Dec. 1977 Joined the Company May 1981 Director of the Company May 1982 Managing Director of the Company Apr. 1984 Senior Managing Director of the Company May 1988 Representative Senior Managing Director of the Company May 1991 Deputy President and Representative Director of the Company Mar. 1993 President and Representative Director of the Company Apr. 2025 Chairman and Representative Director of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Director] Yasuaki Yamanishi has been involved in important operations and management decision-making as President and Representative Director, and as Chairman and Representative Director since April 2025. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for the Company's sustainable growth and the increase of medium- to long-term corporate value as he has extensive experience, proven results and wide-ranging insight related to management in general. Therefore, the Company proposes his election as a Director.</p>	1,971,833 shares
2	 <p>Shigeki Machida (April 23, 1967) Reelection</p>	<p>Apr. 1991 Joined the Company Aug. 2010 Household Goods Department of the Company June 2013 Executive Officer and Department Manager of Kyushu zone of the Company Feb. 2014 Executive Officer and Clothing Business Department Manager of the Company Apr. 2020 Senior Executive Officer and Clothing Business Department Manager of the Company Nov. 2020 Senior Executive Officer and Corporate Planning Department Manager of the Company May 2021 Director and Corporate Planning Department Manager of the Company Mar. 2022 Director and Senior Managing Executive Officer and Corporate Planning Division Manager of the Company Mar. 2023 Deputy President and Director of the Company Apr. 2025 President and Representative Director of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Director] Shigeki Machida has been involved in important operations and management decision-making as Deputy President in charge of sales departments, and as President and Representative Director since April 2025. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for the Company's sustainable growth and the increase of medium- to long-term corporate value as he has extensive experience, proven results and wide-ranging insight in sales and corporate planning divisions. Therefore, the Company proposes his election as a Director.</p>	18,967 shares

Candidate No.	Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	 Daisuke Yamanishi (September 25, 1979) Reelection	Aug. 2005 Joined the Company May 2010 Store Manager of the Company's Otake store Feb. 2012 SM Business Department Manager of the Company Mar. 2016 General Manager of the Company's Kure store Sept. 2017 General Affairs Department Manager of the Company Feb. 2019 Chuo Business Department Manager of the Company Mar. 2020 Executive Officer and Chuo Business Department Manager of the Company Mar. 2021 Executive Officer and Operating Process Reform Division Manager of the Company Mar. 2022 Senior Executive Officer and Administration Division Manager of the Company Mar. 2023 Senior Executive Officer and Corporate Planning Division Manager of the Company May 2023 Director and Corporate Planning Division Manager of the Company Apr. 2025 Deputy President and Director of the Company (current position)	743,083 shares
		[Reasons for nomination as a candidate for Director] Daisuke Yamanishi has been involved in important operations and management decision-making as Corporate Planning Division Manager, and as Deputy President in charge of sales departments since April 2025. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for the Company's sustainable growth and the increase of medium- to long-term corporate value as he has extensive experience, proven results and wide-ranging insight in sales and other divisions. Therefore, the Company proposes his election as a Director.	
4	 Hideki Tahara (August 25, 1968) New election	Apr. 1991 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Apr. 2020 Executive Officer and General Manager of Public Relations Department of SMBC, and Executive Officer and General Manager of Public Relations Department of Sumitomo Mitsui Financial Group Apr. 2022 Executive Officer and Deputy Head of Corporate Advisory Division of SMBC May 2024 Senior Managing Executive Officer and Administration Division Manager of the Company (current position)	2,378 shares
		[Reasons for nomination as a candidate for Director] Hideki Tahara has been involved in important operations and management decision-making as Administration Division Manager. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for the Company's sustainable growth and the increase of medium- to long-term corporate value as he has extensive experience, proven results and wide-ranging insight in public relations in a major financial group. In particular, it is expected that he will play a key role in enhancing the Company's brand value, managing human capital, and strengthening financial strategies. Therefore, the Company proposes his election as a Director.	
5	 Takayuki Aoki (July 18, 1967) New election	Apr. 1990 Joined Sumitomo Corporation Oct. 2019 General Manager of the Real Estate Investment & Development Department of Sumitomo Corporation Apr. 2024 Managing Executive Officer, Development Division Vice Manager and Tenant Division Manager of the Company Apr. 2025 Managing Executive Officer and Development Division Manager of the Company (current position)	1,839 shares
		[Reasons for nomination as a candidate for Director] Takayuki Aoki has been involved in important operations and management decision-making as Development Division Vice Manager, and Development Division Manager since April 2025. The Company judged that he can fulfill his role of supervising key management decisions and the execution of business for the Company's sustainable growth and the increase of medium- to long-term corporate value as he has extensive experience, proven results and wide-ranging insight in real estate investment and development in a major trading company. In particular, it is expected that he will play a key role in strengthening the Company's real estate investment strategies and promoting new development projects. Therefore, the Company proposes his election as a Director.	

Candidate No.	Name (Date of Birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
6	 Masahiro Nishikawa (December 9, 1948) Reelection Outside Director Independent Officer	<p>Apr. 1972 Joined NISHIKAWA RUBBER CO., LTD. June 1979 Director of NISHIKAWA RUBBER CO., LTD. June 1981 Deputy General Manager of Administration Division of NISHIKAWA RUBBER CO., LTD. Mar. 1985 Senior Managing Director of NISHIKAWA RUBBER CO., LTD. Oct. 1986 Representative Director President & Chief Executive Officer of NISHIKAWA RUBBER CO., LTD. June 2006 Outside Audit & Supervisory Board Member of Utsumiya Co., Ltd. (current position) June 2017 Representative Director Chairman of NISHIKAWA RUBBER CO., LTD. May 2023 Director of the Company (current position) Apr. 2025 Director Chairman of NISHIKAWA RUBBER CO., LTD. (current position)</p> <p>(Significant concurrent positions outside the Company) Director Chairman of NISHIKAWA RUBBER CO., LTD. Outside Audit & Supervisory Board Member of Utsumiya Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Outside Director, reasons for judging the candidate capable of appropriately fulfilling duties, and overview of expected roles] As Chairman of NISHIKAWA RUBBER CO., LTD., a global auto parts manufacturer, Masahiro Nishikawa has extensive experience and proven results in corporate management. He is appropriately fulfilling his duty to supervise the execution of business by providing opinions and advice from an objective viewpoint independent of management. He has made significant contributions to the enhancement of the Company's quality control, safety management and productivity by applying the knowledge he developed as a business manager in the manufacturing industry. The Company judges that he will continue to appropriately fulfill his duties as an Outside Director and therefore proposes his election as a Director.</p>	– shares
7	 Izumi Yano (Name on family register: Izumi Taniguchi) (April 14, 1967) Reelection Outside Director Independent Officer	<p>Apr. 1996 Lecturer of Faculty of Commercial Sciences of Hiroshima Shudo University Apr. 1997 Assistant Professor of the Faculty of Commercial Sciences of Hiroshima Shudo University Apr. 2001 Assistant Professor of School of Applied Biological Science of Hiroshima University Apr. 2002 Associate Professor of Graduate School of Biosphere Science of Hiroshima University Apr. 2015 Professor of the Faculty of Commercial Sciences of Hiroshima Shudo University (current position) Apr. 2020 Vice President of Hiroshima Shudo University Head of Center for the Co-Creation of Hiroshima's Future of Hiroshima Shudo University Director and Councilor of SHUDO GAKUEN (current position) Apr. 2022 President of Hiroshima Shudo University (current position) June 2023 Director of The Hiroshima Shinkin Bank (current position) May 2024 Director of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) President, Professor of the Faculty of Commercial Sciences of Hiroshima Shudo University Director and Councilor of SHUDO GAKUEN Director of The Hiroshima Shinkin Bank</p> <p>[Reasons for nomination as a candidate for Outside Director, reasons for judging the candidate capable of appropriately fulfilling duties, and overview of expected roles] As President of Hiroshima Shudo University, Izumi Yano has extensive experience in organizational management as well as a wide network of personal connections. She is appropriately fulfilling her duty to supervise the execution of business by providing opinions and advice from an objective viewpoint independent of management. Although she does not have prior experience of direct involvement in the management of a company by methods other than serving as a Director of The Hiroshima Shinkin Bank, she is deeply knowledgeable about food distribution, particularly concerning agricultural and marine products. The Company believes that she will significantly contribute to developing the Company's business focused on food by utilizing her expertise. The Company judges that she will continue to appropriately fulfill her duties as an Outside Director and therefore proposes her election as a Director.</p>	– shares

Candidate No.	Name (Date of Birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
8	 <p>Naomi Aoyama (May 27, 1966) Reelection Outside Director Independent Officer</p>	<p>Apr. 1989 Joined Toshiba Corporation Apr. 2000 Joined eLife Inc., General Manager of New Business Development Department June 2004 Established Stylebis Ltd., Representative Director (current position) June 2005 Outside Director of Kenko.com, Inc. June 2012 Retired from Outside Director of Kenko.com, Inc. Mar. 2017 Outside Director of Senshukai Co., Ltd. May 2021 Director of the Company (current position) Mar. 2022 Retired from Outside Director of Senshukai Co., Ltd. Aug. 2022 Outside Director of ASKUL Corporation (current position) (Significant concurrent positions outside the Company) Representative Director of Stylebis Ltd. Outside Director of ASKUL Corporation</p> <p>[Reasons for nomination as a candidate for Outside Director, reasons for judging the candidate capable of appropriately fulfilling duties, and overview of expected roles] Naomi Aoyama is the Representative Director of Stylebis Ltd., a company focused on e-commerce consulting. With extensive experience and a proven track record in consumer-focused marketing, she is appropriately fulfilling her duty to supervise the execution of business by providing opinions and advice from an objective viewpoint independent of management. The knowledge that she has acquired, especially regarding ESG practices, contributes to the development of initiatives related to sustainability, the use of IT, capital policy, and the empowerment of women in human resource development. The Company judges that she will continue to appropriately fulfill her duties as an Outside Director and therefore proposes her election as a Director.</p>	100 shares


- Notes: 1. There is no special interest between any of the candidates for Director and the Company.
2. Masahiro Nishikawa, Izumi Yano and Naomi Aoyama are candidates for Outside Director.
3. The Company has entered into limited liability agreements with Masahiro Nishikawa, Izumi Yano, and Naomi Aoyama to limit their liability for damages under Article 423, paragraph (1) of the Companies Act as provided for in the Articles of Incorporation, pursuant to Article 427, paragraph (1) of the Companies Act. If their reelection is approved, the Company plans to renew these agreements. The maximum amount of liability for damages under these agreements is the amount provided for under laws and regulations.
4. The Company has entered into a directors and officers liability insurance policy with an insurance company, thereby covering losses including shareholder derivative suit that will be assumed by the insured. All the candidates for Director will be included as the insured in the insurance policy. In addition, the Company plans to renew the insurance policy with the same content upon the next policy renewal.
5. The Company has submitted notification to the Tokyo Stock Exchange that Masahiro Nishikawa, Izumi Yano, and Naomi Aoyama have been designated as independent officers in accordance with the rules of the Tokyo Stock Exchange. If they are reelected, the Company plans for their designation as independent officers to continue.
6. Tenure as Director of the Company (until the conclusion of this General Meeting of Shareholders)
- Masahiro Nishikawa has been a Director for two years.
- Izumi Yano has been a Director for one year.
- Naomi Aoyama has been a Director for four years.

Proposal No. 4: Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Hideaki Hisanaga will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of one Audit & Supervisory Board Member.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of Birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
 Hideaki Hisanaga (January 11, 1961) Reelection	<p>Apr. 1984 Joined the Company</p> <p>June 2004 Store Manager of the Company's Onga store</p> <p>July 2008 General Manager of the Company's Marugame store</p> <p>Nov. 2010 General Manager of the Company's Takamatsu store</p> <p>Oct. 2012 Department Manager of the Chuo and Sanin zone of the Company</p> <p>Apr. 2013 Store Manager of the Company's Higashihiroshima store</p> <p>Mar. 2014 General Manager of the Company's Hakata store</p> <p>July 2014 Store Manager of the Company's Kurashiki store</p> <p>Sept. 2017 Kaizen Promotion Department Manager of the Company</p> <p>June 2021 General Manager of Yumesaito of the Company</p> <p>Mar. 2023 Associate Director of Audit & Supervisory Board Member's Office of the Company</p> <p>May 2023 Audit & Supervisory Board Member of the Company (current position)</p>	350 shares
	<p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member]</p> <p>Hideaki Hisanaga has extensive knowledge of the Company's operations and has contributed to enhancing its governance systems. Additionally, he has actively exchanged information and closely cooperated with the Outside Audit & Supervisory Board Members and the Financial Auditor to ensure effective audits. The Company judges that he will fulfill his duties properly as an Outside Audit & Supervisory Board Member and nominates him for this position.</p>	

- Notes: 1. There is no special interest between the candidate for Audit & Supervisory Board Member and the Company.
2. The Company has entered into a limited liability agreement with Hideaki Hisanaga under Article 427, paragraph (1) of the Companies Act as provided for in the Articles of Incorporation. If he is reelected, the Company plans to renew this agreement. The maximum amount of liability for damages under these agreements is the amount provided for under laws and regulations.
3. The Company has entered into a directors and officers liability insurance policy with an insurance company, thereby covering losses including shareholder derivative suit that will be assumed by the insured. The candidate for Audit & Supervisory Board Member will be included as the insured in the insurance policy. In addition, the Company plans to renew the insurance policy with the same content upon the next policy renewal.

Skill matrix

<Areas in which our Directors and Audit & Supervisory Board Members have (●) or are developing (○) expertise or experience>

Name Position	Business management and management strategy	Ability to respond to change	Retail experience	Product development and merchandising	Store opening strategy	Financial accounting and finance	Governance, risk management and legal affairs	Personnel & labor and capacity building	ESG and sustainability	IT and promoting digital transformation
Yasuaki Yamanishi Representative Director	●	●	●		●		●	●	●	○
Shigeki Machida Representative Director	●	●	●	●	●	●	○	○	●	○
Daisuke Yamanishi Director	●	●	●	○	○	●	○	●	●	○
Hideki Tahara Director	●	●			○	●	●	●	●	○
Takayuki Aoki Director	○	●			●			●	○	
Masahiro Nishikawa Outside Director	●	●				●	●		●	
Izumi Yano Outside Director	●	●	●	○			●		●	
Naomi Aoyama Outside Director	●		●					●	●	●
Hideaki Hisanaga Full-time Audit & Supervisory Board Member	○	●	●	●			○		○	
Tomoko Horikawa Outside Audit & Supervisory Board Member	●	●				●	●	●	●	
Hiroataka Okada Outside Audit & Supervisory Board Member						●	●			

* The table above is not an exhaustive list of the expertise and experience of Directors and Audit & Supervisory Board Members of the Company.

Attachments

Business Report (March 1, 2024, to February 28, 2025)

1. Current Status of the Corporate Group

(1) Business and business results

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

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

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

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

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

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

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

Sustainability website

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

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

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

In its core retail business, system failures were caused by a ransomware attack that occurred on February 15, 2024.

The ransomware attack impacted the ordering system, making it difficult to provide certain products. Some sales promotions and services were temporarily suspended, including the distribution of insert fliers from individual stores, the delivery of “Youme App” coupons, the e-commerce site “Youme Online” and the online supermarket Youme Delivery. The Company resolved these problems, the systems were restored and services returned to normal by May 1, with some exceptions. The Company then instituted measures to increase the number of customers, which had declined following the ransomware attack. To prepare for rising electricity prices, the Company undertook a company-wide initiative aimed at reducing electricity usage to cut costs. At the same time, the Company actively invested in growth, specifically in the opening of new stores, renovations and mergers and acquisitions.

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

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

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

Key factors

(i) Operating revenue and operating gross profit

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

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

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

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

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

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

Non-operating income declined by 79 million yen (5.9%) year on year, to 1,272 million yen.

Non-operating expenses climbed 533 million yen (117.3%) to 989 million yen, primarily due to increased interest expenses connected to a syndicated loan arrangement.

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

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

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

Income taxes amounted to 7,745 million yen (a decrease of 1,111 million yen from a year ago). Profit attributable to non-controlling interests was 834 million yen (an increase of 689 million yen from a year ago), chiefly due to gain on sale of investment securities recorded by consolidated subsidiaries. As a consequence, profit attributable to owners of parent declined 8,566 million yen (41.8%) year on year to 11,919 million yen. This is 2.3% of operating revenue, a decrease of 2.0 percentage point from the previous year.

Performance by Segment

(i) Retail operations

In its core retail business, system failures were caused by a ransomware attack that occurred on February 15, 2024. The ransomware attack impacted the ordering system, making it difficult to provide certain products.

Some sales promotions and services were temporarily suspended, including the distribution of insert fliers from individual stores, the delivery of “Youme App” coupons, the e-commerce site “Youme Online”, and the online supermarket Youme Delivery. The Company quickly addressed these failures, and the systems and most services were returned to normal by May 1, with a few exceptions. The Company then instituted measures to increase the number of customers, which had declined following the ransomware attack.

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

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

In April, Youme Mart Shin-Omura opened in Omura, Nagasaki.

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

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

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

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

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

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

In the winter, as temperatures fell, in the directly managed lifestyle department, sales of underwear and clothing for women were brisk and sales of pharmaceuticals grew significantly. In the directly managed food department, customers’ budget-minded behaviors intensified amid the continued rise of prices of processed food items and the increase of prices of fresh food items. There were fewer same-store customers than in the previous fiscal year. At the same time, average sales per customer rose, which helped achieve a year-on-year increase in same-store sales. As a consequence, same-store sales (including specialty tenants’ sales) in the fiscal year under review increased 0.7% year on year (before the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29)). Same-store sales, excluding tenant sales, declined 0.8% year on year.

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

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

(ii) Retail-peripheral operations

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

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

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

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

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

(iii) Other businesses

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

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

(2) Issues to be addressed

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

Aiming to be the leader in customer satisfaction

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

For sustainable growth

- The Group set numerical targets for 2030 in the Youme MIRAI (future) Declaration. It also made the commitments shown below.
 - Reduce CO₂ emissions by 50% (compared with FY2013 levels)
 - Reduce plastic packaging by 80% (compared with FY2018 levels)
 - Food loss and recycling: a 50% reduction in loss (compared with FY2018 levels), a food recycling rate of 70%

Our Commitments

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

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

(3) Capital expenditures and funding

The Group made capital expenditures of 14,976 million yen, primarily for the opening of new stores, the revitalization of existing stores, and digital transformation during the 64th fiscal year.

These funds were obtained from borrowings and the Group's own funds.

The Company raised 78,500 million yen through syndicated loans for the purpose of business succession via an absorption-type company split.

(4) Reorganization of companies, such as business transfers and mergers

The Company acquired shares of SUNLIFE Co., Ltd., making it a consolidated subsidiary in the consolidated fiscal year under review.

The liquidation of Netsuken Co., Ltd., which was a non-consolidated subsidiary, was completed.

(5) Succession to rights and obligations of business of other companies, etc. through absorption-type company splits

Youme Mart Kumamoto Co., Ltd., a consolidated subsidiary, took over the food supermarket business of Seiyu Co., Ltd. in the Kyushu region through an absorption-type company split.

(6) Trends in assets and operating results

Classification	61st term Year ended February 28, 2022	62nd term Year ended February 28, 2023	63rd term Year ended February 29, 2024	64th term (Fiscal year under review) Year ended February 28, 2025
Operating revenue (million yen)	676,800	460,140	471,166	524,142
Net sales (million yen)	643,280	406,857	415,633	467,345
Operating profit (million yen)	34,717	33,644	31,425	25,425
Ordinary profit (million yen)	34,696	34,396	32,322	25,708
Profit attributable to owners of parent (million yen)	23,204	23,188	20,485	11,919
Earnings per share (yen)	324.45	324.36	286.47	166.60
Total assets (million yen)	468,798	478,541	489,509	569,611
Net assets (million yen)	262,433	278,104	294,233	299,218

Notes: 1. Operating revenue is calculated by adding net sales to operating income.

2. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other regulations, effective from the 62nd fiscal year and the operating results and assets for the 62nd fiscal year are figures after application of these regulations.

(7) Main business

The Group consists of the Company, 16 consolidated subsidiaries, and three equity-method affiliates. They engage in retail, retail-peripheral, and other operations. Details are as follows.

(i) Retail operations

The main operations are selling clothing, household goods, food, and other products at shopping centers, general merchandising stores (GMS), and supermarkets.

(ii) Retail-peripheral operations

Management of credit sales, store facilities, and restaurants, as well as other operations that complement retail operations

(iii) Other

Wholesale, real estate rental, and other operations

(8) Principal branches

The Company	Head office	3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan	
	Number of stores by area	Hiroshima	31 stores
		Okayama	8
		Yamaguchi	14
		Shimane	7
		Fukuoka	20
		Saga	3
		Oita	3
		Nagasaki	3
		Kumamoto	10
		Kagawa	3
		Tokushima	1
		Hyogo	2
		Other	2
		Total	107
Youme Mart Kumamoto Co., Ltd.	Head office	2-2-2, Kaminanbu, Higashi-ku, Kumamoto-shi	
	Number of stores by area	Fukuoka	64 stores
		Kumamoto	26
		Nagasaki	2
		Oita	1
		Total	93
Youme Mart Kitakyushu Co., Ltd.	Head office	1-1-7, Nakasu, Yahatanishi-ku, Kitakyushu-shi	
	Number of stores by area	Fukuoka	21 stores
		Oita	2
		Yamaguchi	7
		Total	30
Yours Co., Ltd.	Head office	3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan	
	Number of stores by area	Hiroshima	24 stores
		Okayama	1
		Total	25
Dailymart Co., Ltd.	Head office	100-1, Wakamiya Minami, Wakimachi Oaza Inojiri, Mima-shi, Tokushima	
	Number of stores by area	Tokushima	6 stores
SUNLIFE Co., Ltd.	Head office	443-1, Tajiri, Oita-shi, Oita	
	Number of stores by area	Oita	4 stores

(9) Status of employees

Segment name	Number of employees	Change from the end of previous fiscal year
Retail operations	4,265 persons	+514 persons
Retail-peripheral operations	653	+24
Other	20	—
Total	4,938	+538

Note: In addition to the above, the Group has 12,496 part-time employees (calculated based on total working hours and the assumption that each part-time employee works eight hours a day).

(10) Status of principal subsidiaries

(i) Principal subsidiaries

Company	Share capital	Percentage of voting rights	Main business
Youme Card Co., Ltd.	480 million yen	100.0%	Finance
Izumi Techno Co., Ltd.	30	100.0 (14.0)	Store facilities management, construction
Izumi Food Service Co., Ltd.	100	100.0	Restaurants
Youme Mart Kumamoto Co., Ltd.	257	100.0	Retail
Youme Mart Kitakyushu Co., Ltd.	100	100.0	Retail
Yours Co., Ltd.	50	59.5	Retail

Note: The figures in parentheses in the Percentage of voting right column are indirect ownership percentages.

(ii) Special wholly owned subsidiaries on February 28, 2025

Not applicable.

(11) Major lenders

Lender	Borrowings
Hiroshima Bank, Ltd.	28,038 million yen
Sumitomo Mitsui Banking Corporation	22,500
Development Bank of Japan Inc.	22,356
Sumitomo Mitsui Trust Bank, Ltd.	10,537
Mizuho Bank, Ltd.	8,244

2. Matters related to the Company's shares

(1) Total number of authorized shares

195,243,000 shares

(2) Total number of issued shares

71,665,200 shares (including 111,165 treasury shares)

(3) Number of shareholders

17,098

(4) Major shareholders

Name of shareholder	Number of shares held	Shareholding ratios
Yamanishi World , Ltd.	19,935 thousand shares	27.9%
The Master Trust Bank of Japan, Ltd. (Trust account)	5,249	7.3
DAIICHI FUDOUSAN CO., LTD.	4,208	5.9
Custody Bank of Japan, Ltd. (Trust account)	3,147	4.4
The Hiroshima Bank, Ltd.	2,362	3.3
Nippon Life Insurance Co.	2,093	2.9
Yasuaki Yamanishi	1,971	2.8
Izumi Hiroshima Kyoeikai	1,896	2.7
CEP LUX-ORBIS SICAV	1,637	2.3
The Dai-ichi Life Insurance Co., Ltd.	1,624	2.3

Note: Shareholding ratio is calculated excluding treasury shares (111,165 shares).

(5) Status of shares granted to Company officers during the fiscal year under review as consideration for performance of duties

Details regarding stock-based compensation granted in the fiscal year under review are given below.

- Total of shares granted to directors and other officers by category

	Number of shares	Number of grantees
Directors (excluding Outside Directors)	19 thousand shares	5 persons
Outside Directors	—	—
Audit & Supervisory Board Members	—	—

Note: In addition to the above, the Company has granted 16,000 share to 18 of its Executive Officers.

(6) Other important matters regarding shares

Acquisition, cancellation and retention of treasury shares

(i) Acquisition of treasury shares

- Acquisition due to the purchase of shares less than one unit, etc.

Common shares 418 shares

Total price of shares acquired 1 million yen

(ii) Shares held at the end of the fiscal year under review

Common shares 111,165 shares

3. Matters regarding share acquisition rights, etc. of the Company

Not applicable.

4. Matters related to Company officers

(1) Names and other information related to Directors and Audit & Supervisory Board Members

Position in the Company	Name	Responsibilities and important concurrent positions of the Company
President and Representative Director	Yasuaki Yamanishi	
Deputy President and Director	Tatsuya Mikamoto	
Deputy President and Director	Shigeki Machida	
Director	Hiroshi Kuromoto	Development Division Manager
Director	Daisuke Yamanishi	Corporate Planning Division Manager
Director	Masahiro Nishikawa	Director Chairman of NISHIKAWA RUBBER CO., LTD. Outside Audit & Supervisory Board Member of Utsumiya Co., Ltd.
Director	Izumi Yano	President, Professor of the Faculty of Commercial Sciences of Hiroshima Shudo University Director and Councilor of SHUDO GAKUEN Director of The Hiroshima Shinkin Bank
Director	Naomi Aoyama	Representative Director of Stylebis Ltd. Outside Director of ASKUL Corporation
Full-time Audit & Supervisory Board Member	Hideaki Hisanaga	
Audit & Supervisory Board Members	Tomoko Horikawa	Chair and Director of Chugoku Mokuzai Co., Ltd. Certified public accountant
Audit & Supervisory Board Members	Hiroataka Okada	Tax accountant

Notes: 1. Directors Masahiro Nishikawa, Izumi Yano and Naomi Aoyama are Outside Directors.

2. Audit & Supervisory Board Members Tomoko Horikawa and Hiroataka Okada are Outside Audit & Supervisory Board Members.

3. Changes made to the Company's officers during the fiscal year under review are as follows.
- Appointment: At the 63rd Annual General Meeting of Shareholders held on May 29, 2024, Izumi Yano was newly elected as a Director and appointed that same day.
- Resignation: At the conclusion of the 63rd Annual General Meeting of Shareholders held on May 29, 2024, Director Kunihiro Yoneda resigned and stepped down.
4. Audit & Supervisory Board Member Hirotaka Okada has a wealth of knowledge and experience regarding taxation as a certified tax accountant, and possesses considerable insight into financial affairs and accounting.
5. Audit & Supervisory Board Member Tomoko Horikawa is well versed in corporate accounting as a certified public accountant, and possesses considerable insight into financial affairs and accounting.
6. The positions and responsibilities of the Company's directors after the end of the fiscal year under review are as follows.
- (Effective April 1, 2025)
- Yasuaki Yamanishi, Chairman and Representative Director
- Shigeki Machida, President and Representative Director
- Daisuke Yamanishi, Deputy President and Director
7. The Company has adopted an executive officer system to conduct operations more efficiently. As of February 28, 2025, Executive Officers excluding Directors numbered 19, with their positions and responsibilities as follows.

Position in the Company	Name	Responsibility in the Company
Senior Managing Executive Officer	Hideki Tahara	Administration Division Manager
Managing Executive Officer	Takayuki Aoki	Tenant Division Manager and Development Division Vice Manager
Senior Executive Officer	Susumu Mizoguchi	Group Management Division Manager
Senior Executive Officer	Tomohiro Kawasaki	SM Division Manager
Senior Executive Officer	Mutsuo Abe	President and Representative Director, Youme Mart Kitakyushu Co., Ltd.
Executive Officer	Keishi Okamoto	DX Division Manager
Executive Officer	Shinsuke Numamoto	Marketing Division Manager
Executive Officer	Masamichi Yamano	Food Division Manager
Executive Officer	Atsushi Kobayashi	GMS Division Manager
Executive Officer	Takeshi Matsushige	Lifestyle Division Manager
Executive Officer	Tadatoshi Yanai	Delicatessen Division Manager
Executive Officer	Manabu Tanabe	Marketing Promotion Division Manager
Executive Officer	Kenji Miura	Tenant Division Vice Manager
Executive Officer	Kiminari Taira	Corporate Planning Department Manager
Executive Officer	Kozo Okubo	Investment Promotion Department Manager
Executive Officer	Taikou Miyatsugu	Human Resources Department Manager
Executive Officer	Yuichiro Kajihara	General Manager of Youme Town Takamatsu
Executive Officer	Shinsaku Hirose	President and Representative Director, Izumi Food Service Co., Ltd.
Executive Officer	Tomohiro Teramoto	President and Representative Director, Youme Mart Kumamoto Co., Ltd.

* The positions and responsibilities of the Company's Executive Officers after the end of the fiscal year under review are as follows.

(As of March 31, 2025)

[Resignations]

Yuichiro Kajihara	General Manager of Youme Town Hiroshima
Shinsuke Numamoto	General Manager of Youme Town Saga
Takeshi Matsushige	General Manager of Youme Town Takamatsu

(Effective April 1, 2025)

[Reorganizations]

Senior Executive Officer	Masamichi Yamano	Food Division Manager and PB Project Leader
Senior Executive Officer	Atsushi Kobayashi	Corporate Planning Division Manager
Executive Officer	Keishi Okamoto	Information System Division Manager
Executive Officer	Manabu Tanabe	GMS Division Manager
Executive Officer	Kenji Miura	Tenant Division Manager
(Newly appointed) Executive Officer	Shin Katayama	Sales Planning Division Manager
(Newly appointed) Executive Officer	Hideki Umeda	Lifestyle Division Manager
(Newly appointed) Executive Officer	Akiko Jiromaru	General Affairs Department Manager
(Newly appointed) Executive Officer	Naoko Tomachi	Capacity Building Department Manager
(Newly appointed) Executive Officer	Hideo Kouchiyama	Director and SUNNY Business Division Manager of Youme Mart Kumamoto Co., Ltd., and Manager in charge of the SUNNY Business of Izumi Co., Ltd.

(2) Summary of the limited liability agreement

The Company has concluded agreements for the limitation of liability, by which the liability for damages stipulated in Article 423, paragraph (1) of the Companies Act is limited by the provision of Article 427, paragraph (1) of the said Act, with its Outside Directors and Audit & Supervisory Board Members.

The maximum amount of liability for damages under these agreements is the minimum liability limit stipulated by law.

(3) Outline of liability insurance for officers, etc.

The Company has signed a directors and officers liability insurance policy covering the Directors (including Outside Directors), Audit & Supervisory Board Members, Executive Officers and management level employees of the Company and its corporate group pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, with the Company and its corporate group taking responsibility for all insurance premiums under the policy. Also note that the policy is renewed annually.

The policy covers compensation for damages, litigation expenses and other costs incurred in the event that an insured party assumes liability for damages in connection with the performance of their duties.

However, there are certain exclusions under which compensation is not paid, such as when actions have been carried out with knowledge that they are violations of laws or regulations, and there are set limits on the amounts of compensation that are provided.

(4) Compensation, etc. for Directors and Audit & Supervisory Board Members concerning the fiscal year under review

(i) Matters concerning the policy for determining the content of compensation, etc. for individual Directors

Matters concerning the amounts of compensation, etc. for the Company's Directors and calculation methods were determined based on the "Policy for Determining the Content of Compensation, etc. for Individual Directors, etc." at the Board of Directors meeting held on February 9, 2021. After taking into account annual evaluations of each Director based on this policy and in accordance with the duties of each Director, amounts for compensation, etc. are reviewed by the Company's Nomination & Compensation Committee.

(a) Basic policy

The basic policy is that compensation for the Company's Directors shall be a compensation system linked to shareholder returns to fully function as an incentive for the sustained enhancement of the corporate value and shall be set at an appropriate level in light of the job responsibilities of individual Directors when determining compensation for them. More specifically, the compensation for executive Directors consists of basic, fixed compensation, performance-linked compensation (financial results-linked bonuses, etc.) and non-monetary compensation (stock-based compensation). The compensation for Outside Directors responsible for supervisory functions and Audit & Supervisory Board Members, given the nature of their duties, comprises only basic compensation.

(b) Policy for determining the amount of basic compensation (fixed compensation) for individual Directors (including the policy for determining the time or conditions for giving compensation, etc.)

The basic compensation of the Company's Directors is a fixed monthly compensation determined after comprehensively taking various factors into account, including a Directors position and job responsibilities, as well as the Company's financial condition.

(c) Policy for determining details and amounts of performance-linked compensation and non-monetary compensation and determining their calculation methods (including the policy for determining the time or conditions for giving compensation, etc.)

- Performance-linked compensation

Performance-linked compensation is monetary compensation that reflects performance indicators (KPIs) designed to raise the awareness of performance improvements in each fiscal year. An amount calculated based on the degree of attainment of target values such as ordinary profit in each fiscal year and a Director's individual evaluation is paid at a certain time after the end of each fiscal year as a performance bonus. The targeted performance indicators and their values are set when the Medium-term Management Plan is formulated to ensure alignment with the plan, and are revised in light of recommendations provided by the Nomination & Compensation Committee based on environmental changes as appropriate.

- Non-monetary compensation (stock-based compensation)

Non-monetary compensation is designed to incentivize the sustained enhancement of corporate value while promoting the further sharing of value with shareholders, and is provided at a certain time each year as stock-based compensation using transfer restricted stock with the restriction period lasting until the date the recipient loses their position as Director or another position determined by the Company's Board of Directors.

The number of shares granted is determined by taking each Director's stock-based compensation base amount, which is calculated by multiplying their fixed compensation by a position-based coefficient, adjusting that amount according to an attainment level coefficient (ranging from 0.90 to 1.10) related to the Company's performance targets, and then dividing this amount by the share price at the time of the shares are granted. Note that the total amount of non-monetary compensation in the form of restricted stock-based compensation is set to fall within the cap on Director compensation described above, to a maximum of 100 million yen per year, and the total number of the Company's common shares to be issued or disposed of is limited to 50,000 shares per year.

(d) Policy for determining the ratio of the amount of basic compensation, performance-linked compensation or non-monetary compensation to the amount of (overall) compensation for individual Directors

The Nomination & Compensation Committee reviews the ratio of compensation for each type of executive Director based on the practices of other companies of a similar size to the Company, as well as companies in related industries and sectors, as well as local companies. The Board of Directors respects the details of recommendations made by the Nomination & Compensation Committee and determines the ratios of compensation to ensure that incentives function appropriately. Note that the approximate ratio of compensation by type is as follows, assuming 100% attainment of KPIs. Basic compensation : performance-linked compensation : non-monetary compensation = 60 : 25 : 15.

(e) Reasons why the Board of Directors has decided that the details of compensation for individual Directors in the fiscal year under review is in line with the policy

The Nomination & Compensation Committee has conducted a review of the individual compensation amounts of Directors for the fiscal year under review, and, having received the committee's recommendations, the Board of Directors has deliberated over and decided on the amounts. The Company has confirmed that the recommendations of the Nomination & Compensation Committee have been respected and determined that the amounts are in line with the policy.

(ii) Matters concerning resolutions of the General Meeting of Shareholders regarding compensation, etc. of Directors and Audit & Supervisory Board Members

The limit on the amount of compensation for Directors was resolved at the 57th Annual General Meeting of Shareholders held on May 25, 2018 to be 500 million yen (including 30 million yen allotted to Outside Directors; not including employee salaries of Directors concurrently serving as employees of the Company). The number of Directors at the conclusion of the General Meeting of Shareholders in question was eight (including two Outside Directors). In addition, at the 60th Annual General Meeting of Shareholders held on May 26, 2021, the introduction of a compensation system for granting restricted stock as non-monetary compensation (stocked-based compensation) to Directors (excluding Outside Directors) within the limit above was approved and resolved. In addition, the abolition of a retirement benefits system for the Company's officers and the lump-sum payment of retirement benefits upon abolition of the system was approved and resolved. The number of Directors at the conclusion of the General Meeting of Shareholders in question was eight (including three Outside Directors). The limit on compensation for Audit & Supervisory Board Members was set at 50 million yen by resolution of the 60th Annual General Meeting of Shareholders held on May 26, 2021. The number of Audit & Supervisory Board Members at the conclusion of the General Meeting of Shareholders in question was three.

(iii) Matters concerning the delegation of authority to determine the details of compensation, etc. of individual Directors

The Nomination & Compensation Committee reviews the compensation amounts of individual Directors, which are reviewed and determined by the Board of Directors after receiving the committee's recommendations. There are no Directors or third parties who have been entrusted by the Board of Directors to decide on these matters. Note that the Nomination & Compensation Committee comprises five members, including two Internal Directors and three Outside Directors. The committee is chaired by the President and Representative Director. The committee determines the amount of basic compensation for each Director, the evaluation and distribution of performance bonuses taking into account the performance of each Director's assigned business, and the number of shares allotted to each Director. The results of these determinations are reported to the Board of Directors, after which the Board of Directors carefully deliberates over the committee's recommendations before making final determinations on the amounts of compensation for each Director.

(iv) Total amount of compensation, etc. for Directors and Audit & Supervisory Board Members

Type of officer	Total amount of compensation, etc. (million yen)	Breakdown of compensation, etc. (million yen)			Number of eligible officers
		Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Director (Outside Directors)	339 (25)	277 (25)	0 (-)	61 (-)	9 (4)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	25 (10)	25 (10)	- (-)	- (-)	3 (2)

Notes: 1. The total compensation, etc. of Directors does not include the employee salaries of the Directors who are also employees.

2. Outside Directors and Outside Audit & Supervisory Board Members receive no officer compensation from the Company's subsidiaries in addition to the above amounts of compensation, etc.
3. In addition to above amounts of compensation, etc., one resigning Director (an Outside Director) was paid officer retirement benefits of six million yen pursuant to a resolution made by the 63rd Annual General Meeting of Shareholders held on May 29, 2024. Note that this amount includes the provision for retirement benefits for directors (and other officers) disclosed in business reports in previous fiscal years.
4. The details of performance indicators, etc. that relate to performance-linked compensation, the reasons for selecting the performance indicators in question and the methods for their calculation, etc. are as stated under "(c) Policy for determining details and amounts of performance-linked compensation and non-monetary compensation and determining their calculation methods." In addition, the results of performance indicators did not meet the ordinary profit target for the fiscal year under review.

(5) Matters concerning outside officers

(i) Relationship between the Company and corporations where Directors hold significant concurrent positions

Director Masahiro Nishikawa is Director Chairman of NISHIKAWA RUBBER CO., LTD. However, there are no business relationships between the Company and NISHIKAWA RUBBER. In addition, Director Nishikawa is an Outside Audit & Supervisory Board Member of Utsumiya Co., Ltd., which also has no business relationship with the Company.

Furthermore, Director Nishikawa serves as Representative Director of the Nishikawa Memorial Foundation, a public interest corporation. There is no business relationship between the Company and this foundation.

Director Izumi Yano is President of Hiroshima Shudo University and a Professor of its Faculty of Commercial Sciences. However, the Company has no business relationship with Hiroshima Shudo University. Director Yano is also the Director of SHUDO GAKUEN. There is no business relationship between the Company and SHUDO GAKUEN. Director Yano also serves as Director of the Hiroshima Shinkin Bank. While the Company has a business relationship with the bank, the amount of those transactions totals less than 1.0% of the Company's consolidated net sales.

Director Naomi Aoyama serves as Representative Director of StyleBiz Ltd. However, the Company has no business relationship with StyleBiz. Director Aoyama also serves as an Outside Director of ASKUL Corporation, and although the Company has a business relationship with ASKUL, the amount of those transactions totals less than 1.0% of the Company's consolidated net sales.

Audit & Supervisory Board Member Tomoko Horikawa is Chair and Director of Chugoku Mokuzai Co., Ltd. However, there are no business relationships between the Company and Chugoku Mokuzai.

(ii) Main activities in the fiscal year under review

<Outside Directors>

Classification	Name	Major activities and overview of the duties performed regarding the roles Outside Directors are expected to fulfill
Director	Masahiro Nishikawa	Director Nishikawa attended all 17 Board of Directors meetings held in the fiscal year under review. Drawing from his wealth of knowledge and experience cultivated to date in the manufacturing sector, which differs from the business fields in which the Company operates, he has offered remarks necessary for the deliberation of proposals and other matters as appropriate, and fulfilled the roles expected of an Outside Director. Moreover, as a member of the Nomination & Compensation Committee, Director Nishikawa has offered specific opinions and recommendations based on his experience and knowledge during deliberations over officer appointment proposals, officer evaluation proposals and officer compensation amounts, etc.

Classification	Name	Major activities and overview of the duties performed regarding the roles Outside Directors are expected to fulfill
Director	Izumi Yano	During the fiscal year under review, Director Yano attended 12 of the 13 Board of Directors meetings held since her appointment on May 29, 2024. Leveraging her extensive knowledge and experience regarding organizational management and food distribution as the president of a university, she has offered remarks necessary for the deliberation of proposals and other matters as appropriate, and fulfilled the roles expected of an Outside Director. Moreover, as a member of the Nomination & Compensation Committee, Director Yano has offered specific opinions and recommendations based on her experience and knowledge during deliberations over officer appointment proposals, officer evaluation proposals and officer compensation amounts, etc.
Director	Naomi Aoyama	Director Aoyama attended 16 of the 17 Board of Directors meetings held during the fiscal year under review. Drawing from her extensive knowledge and experience regarding sustainability and the empowerment of women in human resource development, including in corporate management settings, she has offered remarks necessary for the deliberation of proposals and other matters as appropriate, and fulfilled the roles expected of an Outside Director. Moreover, as a member of the Nomination & Compensation Committee, Director Aoyama has offered specific opinions and recommendations based on her experience and knowledge during deliberations over officer appointment proposals, officer evaluation proposals and officer compensation amounts, etc.

<Outside Audit & Supervisory Board Members>

Classification	Name	Major activities
Audit & Supervisory Board Members	Tomoko Horikawa	Audit & Supervisory Board Member Horikawa attended 10 of 17 Board of Directors meetings held during the fiscal year under review, and offered appropriate remarks when necessary, based on insight and experience as an expert in corporate accounting, in addition to broad perspectives and experiences as a corporate executive. In addition, she attended 13 of the 19 Audit & Supervisory Board meetings held in the fiscal year under review, engaging in activities that included receiving audit reports from full-time Audit & Supervisory Board Members and the Internal Audit Division, exchanging views on management through discussions with the Representative Director, Outside Directors and financial auditors, and conducting audits of Group companies.
Audit & Supervisory Board Members	Hiroataka Okada	Audit & Supervisory Board Member Okada attended all 17 Audit & Supervisory Board meetings held in the fiscal year under review, offering appropriate remarks as necessary based on his insight and experience as an expert in taxation matters. He also attended all 19 Audit & Supervisory Board meetings, engaging in activities that included receiving audit reports from full-time Audit & Supervisory Board Members and the Internal Audit Division, exchanging views on management through discussions with the Representative Director, Outside Directors and financial auditors, and conducting audits of Group companies.

Note: Five individuals, namely Director Masahiro Nishikawa, Director Izumi Yano, Director Naomi Aoyama, Audit & Supervisory Board Member Tomoko Horikawa and Audit & Supervisory Board Member Hiroataka Okada have been filed as independent officers as defined by the Tokyo Stock Exchange.

5. Status of the Financial Auditor

(1) Name of Financial Auditor

KPMG AZSA LLC

(2) Amount of fees, etc. paid to the Financial Auditor for the fiscal year under review

(i) Amount of fees, etc. paid to the Financial Auditor for the fiscal year under review: 59 million yen

(ii) Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the Financial Auditor: 89 million yen

Notes: 1. The Company's Audit & Supervisory Board has confirmed the Financial Auditor's audit plan, the execution status of its auditing duties and the grounds for estimating its remuneration in light of the Practical Guidelines for Cooperation with Accounting Auditors issued by Japan Audit & Supervisory Board Members Association, and as a result of this review, provided its consent with regard to the remuneration, etc. of the Financial Auditor as prescribed in Article 399, Paragraph 1 of the Companies Act.

2. Since the amount of auditing fees for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not distinguished in the auditing agreement between the Company and the Financial Auditor, the amount stated under section (i) includes auditing fees, etc. prescribed under the Financial Instruments and Exchange Act.

3. In addition to (ii) above, there are additional audit-related fees from the previous consolidated fiscal year amounting to 27 million yen.

(3) Details of non-auditing services associated with consideration paid to the Financial Auditor

Not applicable.

(4) Policy on decision to dismiss or not to reappoint the Financial Auditor

The Audit & Supervisory Board will dismiss the Financial Auditor with the unanimous agreement of the Audit & Supervisory Board Members if any of the items of Article 340, Paragraph 1 of the Companies Act are found to apply to it.

In this case, an Audit & Supervisory Board Member elected by the Audit & Supervisory Board will report the dismissal of the Financial Auditor and the reason for dismissal at the first General Meeting of Shareholders convened after dismissal.

In addition, if the Audit & Supervisory Board recognizes that it is difficult for the Financial Auditor to carry out its duties appropriately, or if it is otherwise deemed necessary, the Audit & Supervisory Board will determine the content of a proposal for the dismissal or refusal of reappointment, and the Board of Directors will submit the proposal to the General Meeting of Shareholders based on that decision.

(5) Matters related to limited liability agreements

Not applicable.

6. Systems and Policies of the Company

(1) Systems to ensure appropriate operations

(i) Systems to ensure that Directors conform to laws, regulations and the Articles of Incorporation in the performance of their duties, and systems to ensure that employees do the same

i) To ensure that the Company appropriately fulfills its social responsibilities as a corporate group and continues to be a trustworthy corporation functioning as a public institution in society, the Company positions the strict enforcement of compliance (adhering to laws and regulations) as a key management issue, promotes an effective compliance system, and establishes a position of being trusted by society.

ii) The Management Administration Division is established to promote compliance among Directors and employees across the corporate group.

iii) Directors and employees uphold the Izumi Group Code of Conduct to ensure thorough legal compliance in business activities, and carry out their duties with the Code of Conduct serving as the guideline for their activities.

- iv) The Internal Audit Section within the Management Administration Division monitors the actual conditions of business implementation at the Company through internal audits conducted on a regular basis, verifying that all business activities confirm to laws, regulations the Articles of Incorporation and other requirements.
 - v) The whistleblowing system is in place as a reporting system to address cases where an employee is discovered to have engaged in conduct that violates laws, regulations or the Articles of Incorporation.
 - vi) The Management Administration Division periodically reports to the Board of Directors and Audit & Supervisory Board on the status of compliance.
 - vii) The Company develops and operates internal control systems related to financial reporting, and has systems in place to appropriately evaluate and report on their effectiveness.
 - viii) The Company stands firmly against antisocial forces and has systems in place to ensure the Company has no relationships with them.
- (ii) Systems for the storage and management of information relating to the performance of duties by Directors
- i) Regarding information and documents including electronic records relating to the performance of duties by Directors, the Company follows its internal regulations and related administrative manuals to perform appropriate storage and management (including disposal) operations, and as necessary verifies the operational status and makes improvements to the various regulations and other requirements.
 - ii) The Company has in place systems enabling information including electronic records relating to the performance of duties by Directors to be viewed after the fact as needed.
- (iii) Regulations concerning the management of risk of loss and other systems
- The Company recognizes risks to be uncertain events inherent in its business activities, promptly determines policies for identifying, assessing and taking corrective measures against those risks, and develops systems enabling the management of those risks through the Board of Directors.
- (iv) Systems to ensure that Directors perform their duties efficiently
- i) Directors, guided by the Company's management philosophy, operate to achieve targets within their respective business execution lines based on annual plans formulated each year, and the Company's Medium-term Management Plan. In addition, Directors periodically confirm through performance reports whether they are making progress on management targets as originally planned.
 - ii) All matters prescribed in the Board of Directors Regulations and matters that fall under the criteria for submission are submitted to the Board of Directors in compliance with these rules, and when doing so, materials sufficient for deliberating over the submitted matters are distributed to all board members.
- (v) Systems to ensure appropriate operations within the corporate group (the Group), which is made up of the Company and its Group companies
- i) Group companies are required to report on their operating results, financial status and other important information once every three months through exchanges of information between the President of the Company and the President of the Group company. In addition, Group companies are required to discuss measures to deal with management issues once a month, through discussions with the Group Management Division Manager and the President of the Group company.
 - ii) Regarding risk management concerning the Group companies, at Group Company Compliance and Risk Management Committee meetings held each month, measures are deliberated after receiving reports on the risks faced by Group companies.
 - iii) The Company appropriately manages and supervises the overall Group, including the formulation of annual management plans related to Group companies on a consolidated basis in line with the Affiliate Company Management Regulations.
 - iv) Legal compliance and risk management matters deliberated and decided by the Group Company Compliance and Risk Management Committee are disseminated by the Compliance and Risk Management Committee members of Group companies among their respective Directors and employees.
 - v) The Internal Audit Section in the Company's Management Administration Division periodically audits the status of Group company business activities.
 - vi) Systems are in place so that when a risk involving serious legal violations or a loss of social credibility unfolds at a Group company, the matter is promptly reported to the Company's Management Administration Division.

(vi) Matters regarding the independence of employees who assist with the duties of Audit & Supervisory Board Members from Directors, and matters related to ensuring the effectiveness of the instructions given to such employees

- i) The Audit & Supervisory Board Member's Office is established as the department responsible for assisting Audit & Supervisory Board Members with their duties, and the employees appointed to provide assistance must follow the instructions given by Audit & Supervisory Board Members.
- ii) The consent of the Audit & Supervisory Board is required for the appointment of employees who will belong to the Audit & Supervisory Board Member's Office and assist its members.
- iii) Care is taken not to impede the independence of employees assigned to provide assistance in the Audit & Supervisory Board Member's Office by imposing unreasonable restrictions on the execution of their duties.

(vii) Systems for the Group's Directors and employees to make reports to the Company's Audit & Supervisory Board Members and systems to ensure that persons who have made reports to the Company's Audit & Supervisory Board Members are not subjected to disadvantageous treatment for having done so

- i) The Directors and employees of the Group are required to provide the reports and information necessary to comply with the requests of each Audit & Supervisory Board Member in accordance with the provisions established by the Company's Audit & Supervisory Board.
- ii) When a Director or employee of the Group has submitted a report to the Company's Audit & Supervisory Board Members, it is thoroughly communicated to the Group's Directors and employees that the individual concerned should not be subjected to disadvantageous treatment for having made such a report.

(viii) Policies concerning the payment of costs arising in relation to the execution of the duties of the Company's Audit & Supervisory Board Members, and other systems to ensure that audits are effectively carried out by the Company's Audit & Supervisory Board Members

- i) The Company bears the costs for consultations, evaluations, investigations and other fees for services entrusted to lawyers and other outside experts required for Audit & Supervisory Board Members to carry out audits.
- ii) The Representative Director and other Directors of the Group strive to engage in mutual communication with Audit & Supervisory Board Members on a regular basis, recognize the importance and effectiveness of Audit & Supervisory Board Member audits while gaining a deeper understanding of them, and actively assist with any requests from Audit & Supervisory Board Members.
- iii) Audit & Supervisory Board Members regularly exchange views and share information with the Internal Audit Section of the Management Administration Division as well as the Financial Auditor, and carry out audits in coordination with them.

(2) Outline of the status of systems for ensuring the appropriateness of operations

An outline of the status of systems for ensuring the appropriateness of these operations is as follows.

(Status of compliance initiatives)

Based on its the management philosophy of "instilling pride and joy in its employees while contributing to the enhancement of the lives of communities and our customers," the Company has established the Izumi Group Code of Conduct to thoroughly ensure legal compliance in its business activities. Each of us aims to be sincere people who are able to determine "things we should not do as people," and strives to instill and thoroughly enforce compliance through briefings in each meeting body and education based on tiered training. In addition, the Compliance and Risk Management Committee whose members are appointed from corporate divisions and Group companies meets once a month to report on education aimed at raising compliance awareness organization-wide and the monitoring of various risks faced by each corporate division and Group company. The committee shares information across the Group and discusses measures to address risks.

Additionally, compliance violations and similar incidents occurring at Group companies are reported to the Company's Management Administration Division as appropriate, which also offers guidance on improvement measures and other action.

(Status of initiatives for ensuring that duties are executed appropriately and efficiently)

The Company had adopted an executive officer system. A Management Meeting made up of Directors (excluding Outside Directors) and a Divisional Manager Meeting comprising Directors (excluding Outside Directors) and Executive Officers meet weekly in principle, to engage in agile decision making on business execution.

The Board of Directors comprises eight Directors (three of whom are Outside Directors), with the three Audit & Supervisory Board Members also attending its meetings. In accordance with the Board of Directors Regulations, the board overseas the deliberation of each proposal and the status of business execution, while engaging in lively exchanges of opinions. During the 64th fiscal year, the Board of Directors held 13 regular meetings and four extraordinary meetings.

A circular approval system has been adopted for information related to the execution of Directors' duties. The system has been digitized at the store level to build a swift and efficient management system.

(Status of initiatives concerning the management of risk of loss)

Through the Compliance and Risk Management Committee, the Company advances action to address each risk, and conducts internal audits of the Company and Group companies based on an internal audit plan.

In addition, In response to a system outage that occurred due to a cyber attack suffered in February last year, the Company has shifted to centrally managed security and IT strategy for the entire Group in order to strengthen cyber security, and has also appointed a Chief Information Security Officer (CISO) to ensure swift decision making and action. Furthermore, to deal with increasingly advanced cyber attacks while comprehensively identifying and assessing information security risks, information security personnel tasked with collecting and analyzing security information while developing plans have been appointed. Under this system, the Company is taking action including the development of multi-layered defenses and monitoring systems.

(Status of initiatives to ensure appropriate operations at Group companies)

Once every three months, a meeting is held between the President of the Company and the presidents of Group companies to confirm and discuss the status of business execution and the progress of management plans.

The Group Management Division Manager and the presidents of Group companies also hold a meeting on measures to address management issues once a month, where they discuss business execution and other matters.

Further, Group companies report to the Company's Board of Directors on the status of their business activities quarterly.

(Status of initiatives to ensure that audits by Audit & Supervisory Board Members are performed effectively)

Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members conduct audits based on the audit plans specified by the Audit & Supervisory Board, attend Board of Directors meetings, engage in discussions with the Representative Director, regularly exchange views with the Financial Auditor, and exchange opinions with the Internal Audit Section. Through these activities, they audit Directors in the execution of their duties, and verify the developmental and operational status of internal control systems.

(3) Policy regarding decisions on distribution of surplus, etc.

The Company emphasizes the need to continue issuing stable dividends while strengthening its corporate structure. The Company also uses its retained earnings to make strategic investments in growth areas while strengthening its financial structure, such as by reducing interest-bearing debt.

The Company's basic policy is to pay dividends from surplus twice a year, an interim dividend and a year-end dividend. The organs that determine the dividends are the Board of Directors for the interim dividend and the General Meeting of Shareholders for the year-end dividend.

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Note: The monetary amounts and share counts listed in this business report are rounded down to the nearest displayed unit, and ratios are rounded to one decimal place.

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

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

Note: The stated amounts are rounded off to the nearest million yen.

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

Note: The stated amounts are rounded off to the nearest million yen.

Consolidated Statement of Income

(Millions of yen)

Classification	Fiscal year ended February 28, 2025		(Reference) Fiscal year ended February 29, 2024	
Operating revenue	524,142		471,166	
Net sales	467,345		415,633	
Cost of sales	316,540		275,802	
Gross profit	150,804		139,831	
Operating revenue	56,797		55,532	
Operating gross profit	207,602		195,363	
Selling, general and administrative expenses	182,177		163,938	
Operating profit	25,425		31,425	
Non-operating income				
Interest and dividend income	174		214	
Purchase discounts	204		221	
Gain on adjustment of accounts payable	62		68	
Share of profit of entities accounted for using equity method	—		52	
Contribution income	10		147	
Other	819	1,272	647	1,352
Non-operating expenses				
Interest expenses	617		310	
Commission for syndicated loans	161		—	
Share of loss of entities accounted for using equity method	20		—	
Other	189	989	144	455
Ordinary profit	25,708		32,322	
Extraordinary income				
Gain on sale of non-current assets	2		1,157	
Gain on sale of investment securities	2,343		15	
Subsidy income	—		247	
Insurance income	516		—	
Other	166	3,028	—	1,420
Extraordinary losses				
Loss on sale of non-current assets	—		882	
Loss on retirement of non-current assets	177		228	
Impairment losses	7,755		1,408	
Loss on store closings	129		261	
Expenses for handling system failures	—		1,039	
Provision for loss on building demolition	150		422	
Other	23	8,238	9	4,254
Profit before income taxes	20,499		29,488	
Income taxes – current	9,435		10,426	
Income taxes – deferred	(1,689)	7,745	(1,568)	8,857
Profit	12,753		20,630	
Profit attributable to non-controlling interests	834		144	
Profit attributable to owners of parent	11,919		20,485	

Note: The stated amounts are rounded off to the nearest million yen.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(Millions of yen)

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

Note: The stated amounts are rounded off to the nearest million yen.

Classification	As of February 28, 2025	(Reference) As of February 29, 2024
(Liabilities)		
Current liabilities	135,698	126,283
Accounts payable - trade	20,298	16,893
Short-term borrowings	57,812	56,563
Current portion of long-term borrowings	18,711	15,519
Accounts payable - other	10,778	13,169
Accrued expenses	1,991	1,757
Income taxes payable	2,556	3,972
Accrued consumption taxes	4,440	240
Advances received	1,408	1,410
Deposits received	7,858	6,567
Provision for bonuses	1,783	1,760
Contract liabilities	7,303	7,087
Provision for bonuses for directors (and other officers)	—	53
Provision for loss on building demolition	261	213
Provision for loss on lease contracts	32	32
Provision for expenses for handling system failures	—	732
Other	460	309
Non-current liabilities	136,798	75,609
Long-term borrowings	96,232	35,444
Long-term leasehold and guarantee deposits received	20,892	21,084
Provision for retirement benefits	9,020	8,860
Provision for loss on building demolition	—	209
Provision for loss on lease contracts	325	358
Asset retirement obligations	9,529	8,842
Other	798	809
Total liabilities	272,497	201,892
(Net assets)		
Shareholders' equity	226,293	222,978
Share capital	19,613	19,613
Capital surplus	22,282	22,282
Legal capital surplus	22,282	22,282
Retained earnings	184,870	181,707
Legal retained earnings	2,094	2,094
Other retained earnings	182,776	179,613
Reserve for tax purpose reduction entry of non-current assets	925	981
General reserve	49,736	49,736
Retained earnings brought forward	132,114	128,895
Treasury shares	(473)	(625)
Valuation and translation adjustments	1,896	1,577
Valuation difference on available-for-sale securities	1,896	1,577
Total net assets	228,189	224,555
Total liabilities and net assets	500,687	426,448

Note: The stated amounts are rounded off to the nearest million yen.

Non-consolidated Statement of Income

(Millions of yen)

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

Note: The stated amounts are rounded off to the nearest million yen.