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Notice of the 65th Annual General Meeting of Shareholders

March 1, 2025 – February 28, 2026

Outline of the Meeting

Date and Time Wednesday, May 27, 2026, 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: Election of Nine Directors
Proposal No. 3: Revision of Director's Compensation

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IZUMI CO., LTD.
Stock code: 8273

Convocation Notice

(Stock code: 8273)

May 11, 2026

To our shareholders:

Shigeki Machida
President and Representative Director



IZUMI CO., LTD.

3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan

Notice of the 65th Annual General Meeting of Shareholders

We are pleased to announce the 65th 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? (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 26, 2026 (JST).

1. Date and Time: Wednesday, May 27, 2026, 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 65th fiscal year (from March 1, 2025 to February 28, 2026), 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 65th fiscal year (from March 1, 2025 to February 28, 2026)

Matters to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Nine Directors
Proposal No. 3: Revision of Director’s Compensation

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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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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 27, 2026 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 26, 2026 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 26, 2026 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 26, 2026

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 20, 2026

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, 2026, 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.

(Note) The Company conducted a three-for-one split of its common shares, effective March 1, 2026.

As the record date for the year-end dividend for the end of the fiscal year under review was February 28, 2026, this proposal is based on the number of shares before the stock split.

(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: ¥3,151,475,100

(3) Effective date of dividends of surplus



May 28, 2026

Proposal No. 2: Election of Nine 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 nine Directors, increasing the number of Outside Directors, who are expected to exercise a supervisory function from an objective perspective independent from business execution, by one and creating a structure with four Outside Directors to ensure the transparency of management and further strengthen corporate governance.



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	13/13
2	Reelection	Shigeki Machida	President and Representative Director	13/13
3	Reelection	Daisuke Yamanishi	Deputy President and Director	13/13
4	Reelection	Hideki Tahara	Director, Senior Managing Executive Officer and Administration Division Manager	10/10
5	Reelection	Takayuki Aoki	Managing Executive Officer and Developer Division Manager	10/10
6	Reelection	Masahiro Nishikawa	Outside Independent Outside Director	12/13
7	Reelection	Izumi Yano	Outside Independent Outside Director	12/13
8	Reelection	Naomi Aoyama	Outside Independent Outside Director	13/13
9	New election	Takeshi Kamigouchi	Outside Independent —	—

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	 Yasuaki Yamanishi <u>Reelection</u> (July 31, 1946) Attendance at Board of Directors meetings: 13/13 (100.0%)	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)	5,938,746 shares
[Reasons for nomination as a candidate for Director] Yasuaki Yamanishi has been involved in important operations and management decision-making as Chairman and Representative Director. 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.			
2	 Shigeki Machida <u>Reelection</u> (April 23, 1967) Attendance at Board of Directors meetings: 13/13 (100.0%)	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)	75,663 shares
[Reasons for nomination as a candidate for Director] Shigeki Machida has been involved in important operations and management decision-making as President and Representative Director. 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.			

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 <u>Reelection</u> (September 25, 1979)	Aug. 2005 Joined the Company Feb. 2012 SM Business Department Manager of the Company 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)	2,242,485 shares
	Attendance at Board of Directors meetings: 13/13 (100.0%)	[Reasons for nomination as a candidate for Director] Daisuke Yamanishi has been involved in important operations and management decision-making as Deputy President in charge of sales departments. 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, administration and corporate planning divisions. Therefore, the Company proposes his election as a Director.	
4	 Hideki Tahara <u>Reelection</u> (August 25, 1968)	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 May 2025 Director, Senior Managing Executive Officer and Administration Division Manager of the Company (current position)	17,919 shares
	Attendance at Board of Directors meetings: 10/10 (100.0%)	[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 and is focusing on initiatives within the Company such as driving groupwide cost reduction projects and managing human capital and strengthening financial strategies. Therefore, the Company proposes his election as a Director.	
5	 Takayuki Aoki <u>Reelection</u> (July 18, 1967)	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 May 2025 Director, Managing Executive Officer and Development Division Manager of the Company Feb. 2026 Managing Executive Officer and Developer Division Manager of the Company (current position)	14,436 shares
	Attendance at Board of Directors meetings: 10/10 (100.0%)	[Reasons for nomination as a candidate for Director] Takayuki Aoki has been involved in important operations and management decision-making as Developer 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 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	 <p>Masahiro Nishikawa Reelection Outside Independent Officer (December 9, 1948)</p> <p>Attendance at Board of Directors meetings: 12/13 (92.3%)</p>	<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	 <p>Izumi Yano Reelection Outside Independent Officer (Name on family register: Izumi Taniguchi) (April 14, 1967)</p> <p>Attendance at Board of Directors meetings: 12/13 (92.3%)</p>	<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 Reelection Outside Independent Officer (May 27, 1966)</p> <p>Attendance at Board of Directors meetings: 13/13 (100.0%)</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 and AI, 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>	300 shares
9	 <p>Takeshi Kamigouchi New election Outside Independent Officer (July 13, 1964)</p> <p>Attendance at Board of Directors meetings: -/- (-%)</p>	<p>Apr. 1987 Joined Nippon Lever K.K. (currently Unilever Japan K.K.) Mar. 1999 CFO of Nippon Lever K.K. (currently Unilever Japan K.K.) Jan. 2003 SVP Finance, Unilever Asia Foods Division Apr. 2006 Representative Director, President and COO, and VP Finance (Japan and Korea) of Unilever Japan K.K. Apr. 2012 SVP Store Operations Division of Walmart Japan K.K. (Seiyu) May 2015 CEO of Walmart Japan K.K. Apr. 2018 CEO / Global Consumer Goods Division of Sunstar Suisse S.A. July 2021 Executive Fellow, Corporate Division, J-Oil Mills, Inc. June 2022 Director, Senior Executive Officer and General Manager of Oils & Fats Business Division of J-Oil Mills, Inc. July 2023 Director, Senior Executive Officer and COO of J-Oil Mills, Inc. July 2025 Advisor of J-Oil Mills, Inc. (current position) July 2025 Outside Director of JTB Corp. (current position) (Significant concurrent positions outside the Company) Advisor of J-Oil Mills, Inc. Outside Director of JTB Corp.</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] With extensive experience and proven results in management execution and advanced management expertise in the domestic and overseas retail and consumer goods sectors, including management experience of large-scale retail operations, Takeshi Kamigouchi has deep insight into corporate governance, financial strategies, business structure reforms and other aspects of business management. The Company is strengthening the management foundations with the aim of shifting to a food supermarket-centric business model and improving profitability, and believes that Takeshi Kamigouchi's expertise will significantly contribute to enhancement of the Company's management strategies, strengthening of corporate governance and optimization of the business portfolio. Accordingly, the Company judges him to be suitable for strengthening the Company's management supervisory function from an independent standpoint and therefore proposes his election as a Director.</p>	- shares

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
 2. Masahiro Nishikawa, Izumi Yano, Naomi Aoyama and Takeshi Kamigouchi 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. If the election of Takeshi Kamigouchi is approved, the Company also plans to enter into a similar agreement with him.
 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 approved to be reelected, the Company plans for their designation as independent officers to continue. In addition, if Takeshi Kamigouchi is approved to be appointed, the Company will designate him as an independent officer in accordance with the rules of the Tokyo Stock Exchange and submit a notification to the Tokyo Stock Exchange.
 6. Tenure as Outside Director of the Company (until the conclusion of this General Meeting of Shareholders)
Masahiro Nishikawa has been a Director for three years.
Izumi Yano has been a Director for two years.
Naomi Aoyama has been a Director for five years.
 7. The Company conducted a three-for-one split of its common shares, effective March 1, 2026.
The number of the Company's shares owned is the number after the stock split.

Skill matrix

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

The Company aims to ensure that the Board of Directors has a good balance of the expertise and experience necessary to achieve enhancement of corporate value over the medium and long term and has established a skill matrix to visualize the functions and effectiveness of the Board of Directors.

The skills of each officer are judged comprehensively, taking into consideration factors such as their career summary, proven track record and role on the Company's Board of Directors.

Name Position	Business management and management strategy	Distribution and retail	Financial and capital policy	Personnel and organizational development	Governance, risk management and legal affairs	Sustainability	Promotion of DX and AI
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		●			●	●	●
Takeshi Kamigouchi Outside Director	●	●	●	●	●	●	●
Hideaki Hisanaga Full-time Audit & Supervisory Board Member		●			●		
Tomoko Horikawa Outside Audit & Supervisory Board Member	●		●	●	●		
Hirota 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.

Proposal No. 3: Revision of Director's Compensation

The limit for remuneration of Directors of the Company is currently set at 500 million yen per year (including 30 million yen for Outside Directors, not including salaries for employees who also serve as Directors), as approved at the 57th Annual General Meeting of Shareholders held on May 25, 2018. Taking into consideration factors such as the Company will increase the number of Outside Directors to further strengthen the corporate governance structure and their role and responsibilities will likely increase further in the future, the Company proposes revising this limit to 500 million yen per year (including 40 million yen for Outside Directors, not including salaries for employees who also serve as Directors)

This proposal is in line with the policy for determining details of remuneration for individual Directors stated in the business report. The Company judges the proposal to be appropriate since it has been decided by the Board of Directors with reference to a report of the Nomination & Compensation Committee, which is made up of a majority of Outside Directors, based on comprehensive consideration of a wide range of factors such as the Company's business scale, remuneration structure and remuneration levels.

The current number of Directors is eight (including three Outside Directors), and if Proposal No. 2, "Election of Nine Directors," is approved as originally proposed, the number of Directors will be nine (including four Outside Directors).

Attachments

Business Report (March 1, 2025, to February 28, 2026)

1. Current Status of the Corporate Group

(1) Business and business results

In the fiscal year ended February 28, 2026, the Japanese economy continued to trend moderately toward a recovery, reflecting an increase in wages and improvements in the employment and income situations, while the trends in U.S. trade policies continued to affect the procurement of raw materials and logistics costs. However, while the price increases are slowing, prices of food items and other essential goods remained high. The competitive environment in the retail industry is increasingly fierce, as initiatives to increase added value and offer products, mainly essential goods, at affordable prices are necessary as the polarization of consumption patterns continues.

In this environment, the Izumi Group, guided by its management philosophy of filling our employees with pride and joy as we continue contributing to communities and our customers' lives 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. However, the Group was slow to respond to prolonged inflation and was not able to carry out new store openings and renovations as planned, as it prioritized restoring customer numbers after the recovery from the system failure caused by the ransomware infection on February 15, 2024. Therefore, the Group revised its target figures. Going forward, the Group plans to respond flexibly to changes in the external environment. It aims to strengthen its market dominance in the Kyushu region by leveraging the network of 70 SUNNY business stores acquired from Seiyu Co., Ltd. in August 2024, ultimately driving growth for the entire Group.

As part of its growth strategy, the Group intends to create a profitable New Supermarket (SM) business by utilizing the expertise gained from the SUNNY business across its existing stores, aiming to develop them into a core revenue source similar to the General Merchandise Store (GMS) business. The Company has established the New Supermarket (SM) Merchandising Department within the Food Division to drive this initiative.

In April, Shigeki Machida became President and Representative Director. Under the new management, the Company aims to transform the Group's stores so that they are "at the heart of our communities," not only serving as retailers but also enhancing their roles as multi-functional facilities. The Company intends to address changing customer needs by establishing stores that collaborate with local governments and offering services utilizing their characteristics, aiming to achieve sustainable growth and enhance corporate value together with the communities they serve.

Further, in July, the Company established a new company, MAPLEREDS Co., Ltd., to manage the Izumi MAPLEREDS Hiroshima handball team. The Company will continue to step up its hometown cooperation, aiming to give dreams and vitality to communities through handball and contribute to revitalizing society.

On the product strategy front, in September, the Company launched Youme-Ichi, its new private brand (PB). With Youme-Ichi positioned as an important engine that will play a part in the growth strategy toward building a structure with 300 SM stores, the Company established the new PB Business Planning Department and is working to increase the speed and quality of product development. Buyers who are familiar with local food cultures will develop community-based products, building a unique community-based Company brand that reflects local characteristics and changing needs.

Further, the Company has been steadily implementing initiatives to achieve its environmental KPIs in its Basic Sustainability Policy. In April, the Company merged the Public Relations Section and the Sustainability Promotion Section into the Corporate Planning Department. This aims to strengthen the sustainability promotion system in alignment with the management strategy. The Company has set up an organizational structure designed to improve its external communication capabilities. For more information about sustainability and the current status of the Company's sustainability activities, please visit the sustainability website.

Sustainability website

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

In the core retail operations, the impact of the system failure caused by the ransomware infection in February 2024 diminished in the first quarter. The number of customers recovered, and sales were strong at the directly operated

sales floors, which were affected in various ways by product supply and system outages during the same period of the previous fiscal year. From the second quarter, consumers began to review their spending on essential goods given persistently high prices of rice, other food items, and household items.

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

Classification	Amount	YoY
Operating revenue	569,312 million yen	Up 8.6%
[Net sales]	[510,942 million yen]	Up 9.3%
[Operating income]	[58,369 million yen]	Up 2.8%
Operating profit	27,236 million yen	Up 5.8%
Ordinary profit	27,361 million yen	Up 5.2%
Profit attributable to owners of parent	16,834 million yen	Up 36.8%

(Note) In the 65th fiscal year, the Company finalized the provisional accounting treatment for the business combination. Figures for the 64th fiscal year reflect the finalized accounting treatment for the business combination.

Key factors

(i) Operating revenue and operating gross profit

Operating revenue rose 45,169 million yen (8.6%) year on year to 569,312 million yen. This was primarily due to an increase in the number stores due to acquisition of the SUNNY business as well as higher sales, reflecting recovery from the system failure that occurred the previous fiscal year.

Operating gross profit was 222,409 million yen (up 14,807 million yen year on year). This is 39.1% of operating revenue, a decrease of 0.5 percentage points from one year ago.

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

Selling, general and administrative expenses increased 13,306 million yen (7.3%) year on year to 195,172 million yen. This increase was primarily due to increases in personnel expenses, rent expenses, and goodwill amortization related to the acquisition of the SUNNY business as well as to a rise in advertising expenses, which were lower in the previous year due to a system failure. This is 34.3% of operating revenue, a decrease of 0.4 percentage points from one year ago.

Consequently, operating profit increased 1,500 million yen (5.8%) to 27,236 million yen. This is 4.8% of operating revenue, a 0.1 percentage point decrease from the previous year.

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

Non-operating income rose 265 million yen (20.8%) year on year, to 1,537 million yen. Non-operating expenses climbed 413 million yen (41.4%) to 1,412 million yen, primarily due to increased interest expenses connected to a syndicated loan arrangement.

As a result, ordinary profit increased 1,352 million yen (5.2%) year on year, to 27,361 million yen. This is 4.8% of operating revenue, a decrease of 0.2 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 came to 1,519 million yen (a decrease of 1,509 million yen from the previous year), chiefly reflecting compensation income of 1,342 million yen. Extraordinary losses came to 2,351 million yen (a decrease of 5,886 million yen from the previous year), reflecting impairment losses of 1,717 million yen.

Income taxes amounted to 9,428 million yen (an increase of 1,765 million yen from a year ago).

Profit attributable to non-controlling interests was 266 million yen (a decrease of 567 million yen from a year ago), chiefly due to compensation income recorded by consolidated subsidiaries.

As a consequence, profit attributable to owners of parent increased 4,530 million yen (36.8%) year on year to 16,834 million yen. This is 3.0% of operating revenue, an increase of 0.7 percentage point from the previous year.

Performance by Segment

(i) Retail operations

In the core retail operations, the impact of the system failure caused by the ransomware infection in February 2024 diminished in the first quarter. The number of customers recovered, and sales were strong at the directly operated sales floors, which were affected in various ways by product supply and system outages during the same period of the previous fiscal year. From the second quarter, consumers began to review their spending on essential goods given persistently high prices of rice, other food items, and household items. To address the increasing number of budget-conscious consumers, the Group expanded its All-out low prices initiative. In March, the Group increased the number of essential food and household items available at discount prices from 60 to 100. To address diverse customer needs and enhance store value, the Group actively developed new deli and fresh processed items and refined existing items under its manufacturing brand, Zehi. The Group has enhanced its product lineup with suitable sizes and promoted affordability.

Seventy SUNNY stores operated by Youme Mart Kumamoto Co., Ltd., a consolidated subsidiary, conducted system conversion and gradually discontinued selling PB products of Seiyu Co., Ltd. (Musashino, Tokyo) from March. It also introduced Kurashi More, a PB of the Nichiryu Group (Fukushima-ku, Osaka), which the Company joined in February 2024. By November, the Company had increased the number of KURASHI-MORE products handled to 800 items. By doing this, it enhanced its ability to respond to the growing demand for lower prices due to ongoing inflation. The Group is working to offer more attractive products and services, replacing those that have been popular with its customers to date. Further, in July, the Group began to sell products using bonitos and Japanese amberjack that have obtained the Marine Eco-Label (MEL) certification, a first for SMs in the Chugoku, Shikoku, and Kyushu regions. The Group will continue to procure products that consider environmental, social, and economic impacts, thereby protecting resources and ecosystems, contributing to the sustainable development of the fishery industry, and encouraging ethical consumption.

In the same month, the Company began to offer a lineup of sundry items of SHUCA, the Company's own brand. In response to the extreme summer heat, the Company offered daily supplies with additional functions such as cooling texture and antibiotic properties and deodorizing performance.

In September, the Company launched the Select 100 Super-Bargain Prices campaign covering 90 everyday essential food items and 10 household items at every store across the Group. At the same time, the Company launched its new PB Youme-Ichi and began stocking Youme-Ichi products at all Izumi Group stores.

In line with the concept "Only the best for you. Our top pick," the Youme ichi brand consists of three distinct product lines: the Price line of products focused on low prices to help customers save money on food for daily consumption, the standard Regular line that is focused on the balance between quality (ingredients, production process, and taste) and price, and the high-end Premium line of products focused on outstanding quality and developed in pursuit of high added value and quality. Facing growing consumer price sensitivity, the Company gradually rolled out products in the affordable category first and released a total of 163 items in FY2025: 140 Price items, 22 Regular items, and one Premium item. Sales have been strong, partly reflecting increased price competitiveness. The Company is looking to develop a cumulative total of 800 items by 2035, and it aims to increase the ratio of sales from PB business to sales of food to 10% by 2030.

Additionally, the Company is also putting effort into sales of high value-added products. In the lifestyle section, sales of some seasonal products struggled due to the scorching heat, and the Company focused on creating corners for popular recovery wear, etc. and selling underwear brands which have gained popularity in e-commerce channels, in response to the needs of health conscious and trendy customers. As a result of these measures, sales of related products remained strong. Meanwhile, the Company will conduct a review of the target demographics of SHUCA, an in-house brand, deploy collaborative products featuring popular characters, and implement other initiatives to address the increasing polarization of consumption.

In March, the Company opened En Fleur Petit, its first cosmetics store, in Minamore Hiroshima, the new Hiroshima station building (Minami-ku, Hiroshima). The new store offers a wide variety of cosmetics, including organic options, from both domestic and international brands. The store's theme is "petit récompense" (small reward). The Group opened Avance minamoa Hiroshima store (Minami-ku, Hiroshima). The key words are everyday and high quality. The store offers a range of high-value-added products, mainly featuring carefully chosen local ingredients and renowned national items to cater to various lifestyles, including those of local

customers and tourists.

In June, the Company rebuilt Youme Town Sanyo (Akaiwa, Okayama) and opened Youme Mall Sanyo, the first Neighborhood Shopping Center (NSC) in Okayama. With taglines of “Place to visit every day,” “Place for encounter,” and “Place to rest,” Youme Mall Sanyo provides the “Fun of visiting it every day,” with the core tenant being Youme Mart, the food supermarket operated by the Company. The mall aims to be a community-based shopping mall that is environmentally friendly, convenient, and comfortable, and that provides healthy lifestyles, as a facility that supports the life of local residents. It also creates opportunities for new encounters and interactions between local people to help establish healthy lifestyles in the local community.

In September, the Company opened Youme Mart Sone (Kokuraminami-ku, Kitakyushu). As a 24-hour food SM that supports everyday convenience and comfort in line with the keywords “Safety, Peace of Mind and Deliciousness,” Youme Mart Sone proposes new “food” value to local residents, stocking farm-fresh vegetables and directly sourced fish, and offering the “freshness” unique to directly sourced produce. Moreover, in a community contribution/SDG initiative for the realization of a sustainable society, Youme Mart Sone is the first store among stores operated by Youme Mart Kyushu Co., Ltd. to source 100% of the electricity used from renewable sources of energy.

In October, the Company opened Youme Town Kure RECRE at Youme Town Kure (Kure, Hiroshima). RECRE is a commercial facility which has been loved by the local community for the many years since it opened in October 2005. The Company plans to gradually renew it by introducing new specialty tenants and refurbishing existing ones, aiming for completion in the summer of 2026.

The Group remodeled existing stores. In March, Muji became a tenant of Youme Town Otake (Otake, Hiroshima) to attract new young customers. For the food section, the Group replaced fixtures, expanded the frozen food section, introduced local specialty sweets and took other measures. This approach strengthened the product lineup to better meet the needs of local customers and enhanced the shopping environment. In April, HIMARAYA Sports Shop became a tenant at Youme Town Marugame (Marugame, Kagawa). The facility was renovated to enhance customer flow within the lifestyle sales area.

At Youme Town Kurume (Kurume, Fukuoka), the Company established its first franchise LittlePlanet space. This facility features a playground and a children’s clothing section. The kids’ area was restructured to attract young parents.

In June, Youme Town Nakatsu (Nakatsu, Oita) underwent the largest-scale renovation since its opening in May 1998. In addition to introducing new specialty tenants and refurbishing existing ones and breathing new life into directly operated food and lifestyle departments, the Group also renovated the free play area, toilets for customers, and nursing rooms to enhance the service functions, thus offering comfortable spaces. The Group also renovated facilities in the staff-only environment, including cafeteria, lounge, toilets, and changing rooms and improved the work environment to enhance employee engagement.

In September, the Company renovated Youme Town Fukuyama (Fukuyama, Hiroshima), which mainly included the development of a health and beauty zone. The Company also introduced tenants such as the local cosmetics shop LOOK and SUBWAY, which was strongly requested by customers. Going forward, Youme Town Fukuyama will continue working to meet local needs and make itself more worth visiting as the “heart of the community.”

Given the above initiatives, same-store sales (including specialty tenants’ sales) in the fiscal year under review increased 2.0% year on year (before the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29)). Same-store sales, excluding tenant sales, increased 1.7% year on year.

As a result, operating revenue amounted to 551,029 million yen (up 8.7% year on year) and operating profit was 20,782 million yen (up 4.0% year on year).

(Note) In the 65th fiscal year, the Company finalized the provisional accounting treatment for the business combination. Figures for the 64th fiscal year reflect the finalized accounting treatment for the business combination.

(ii) Retail-peripheral operations

In the retail-peripheral operations, the impact of the ransomware infection diminished. Both sales and profit rose as the retail operations returned to normal.

At Youme Card Co., Ltd. in the financial business, fee revenue increased due to an increase in the transaction

value of the Youme Card electronic money. At the end of the fiscal year under review, the cumulative number of Youme Cards issued rose to 11,170,000, up from 10,670,000 at the end of the previous fiscal year. In July, Youme Card Co., Ltd. launched youme club yell, a loan-only card service. In August, it launched the Youme Card Pay service, which also permits code payment using Youme Card on Youme app at member stores other than the Group's stores. Going forward, the Group will increase the number of member stores to improve customer convenience and help build a local digital infrastructure.

In the facility management business, Izumi Techno Co., Ltd. saw strong construction orders in addition to an increase in facilities that it administers as the designated administrator, and both sales and profit increased.

At Izumi Food Service Co., Ltd., which operates restaurant businesses, key brands, including Mister Donut and BR 31 Ice Cream, continued to perform well, and operating revenue increased. However, profit declined mainly due to rising personnel expenses associated with higher hourly wages.

As a result, operating revenue stood at 53,922 million yen (up 12.5% year on year) and operating profit was 5,997 million yen (up 8.8% year on year).

(iii) Other businesses

In the wholesale business, solid sales as well as lower costs due to a stronger yen than the previous fiscal year contributed to improvement in profit. Rental income in the real estate lease business was stable.

As a result, operating revenue amounted to 4,951 million yen (down 0.3% year on year) and operating profit was 703 million yen (up 22.5% 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 21,771 million yen, primarily for the opening of new stores, the revitalization of existing stores, and digital transformation during the 65th fiscal year. These funds were obtained from borrowings and the Group's own funds.

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

The Company newly established MAPLEREDS Co., Ltd., making it a consolidated subsidiary in the consolidated fiscal year under review.

Sungreen Co., Ltd., which was an equity-method affiliate, has been excluded from equity-method affiliates because the Company sold its shareholding in the consolidated fiscal year under review.

(5) Trends in assets and operating results

Classification	62nd term Year ended February 28, 2023	63rd term Year ended February 29, 2024	64th term Year ended February 28, 2025	65th term (Fiscal year under review) Year ended February 28, 2026
Operating revenue (million yen)	460,140	471,166	524,142	569,312
Net sales (million yen)	406,857	415,633	467,345	510,942
Operating profit (million yen)	33,644	31,425	25,735	27,236
Ordinary profit (million yen)	34,396	32,322	26,009	27,361
Profit attributable to owners of parent (million yen)	23,188	20,485	12,304	16,834
Earnings per share (yen)	108.12	95.49	57.33	79.40
Total assets (million yen)	478,541	489,509	575,963	595,383
Net assets (million yen)	278,104	294,233	299,603	307,939

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

2. The Company conducted a three-for-one split of its common shares, effective March 1, 2026. Earnings per share were calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended February 28, 2023.

(6) Main business

The Group consists of the Company, 17 consolidated subsidiaries, and two 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

(7) Principal branches

The Company	Head office	3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan	
	Number of stores by area	Hiroshima	33 stores
		Okayama	9
		Yamaguchi	13
		Shimane	7
		Fukuoka	20
		Saga	3
		Oita	3
		Nagasaki	3
		Kumamoto	10
		Kagawa	3
		Tokushima	1
		Hyogo	2
		Other	1
	Total	108	
Youme Mart Kumamoto Co., Ltd.	Head office	2-2-2, Kaminanbu, Higashi-ku, Kumamoto-shi	
	Number of stores by area	Fukuoka	63 stores
		Kumamoto	26
		Nagasaki	2
		Saga	1
		Oita	1
			Total
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
Yours Co., Ltd.	Head office	3-3-1 Futabanosato, Higashi-ku, Hiroshima, Japan	
	Number of stores by area	Hiroshima	25 stores
		Okayama	1
			Total
Dailymart Co., Ltd.	Head office	100-1, Wakamiya Minami, Wakimachi Oaza Inojiri, Mima-shi, Tokushima	
	Number of stores by area	Tokushima	5 stores
SUNLIFE Co., Ltd.	Head office	443-1, Tajiri, Oita-shi, Oita	
	Number of stores by area	Oita	4 stores

(8) Status of employees

Segment name	Number of employees	Change from the end of previous fiscal year
Retail operations	4,245 persons	-20 persons
Retail-peripheral operations	755	+102
Other	25	+5
Total	5,025	+87

Note: In addition to the above, the Group has 13,560 part-time employees (calculated based on total working hours and the assumption that each part-time employee works eight hours a day).

(9) 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, 2026

Not applicable.

(10) Major lenders

Lender	Borrowings
Hiroshima Bank, Ltd.	24,960 million yen
Development Bank of Japan Inc.	19,702
Sumitomo Mitsui Banking Corporation	19,044
Sumitomo Mitsui Trust Bank, Ltd.	9,004
Mizuho Bank, Ltd.	7,352

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 1,632,420 treasury shares)

(3) Number of shareholders

21,665

(4) Major shareholders

Name of shareholder	Number of shares held	Shareholding ratios
YAMANISIWORLD CO., LTD.	19,935 thousand shares	28.5%
The Master Trust Bank of Japan, Ltd. (Trust account)	4,645	6.6
Daiichi Fudosan Co., Ltd.	4,208	6.0
Custody Bank of Japan, Ltd. (Trust account)	3,155	4.5
Nippon Life Insurance Company	2,093	3.0
Hiroshima Bank, Ltd.	2,000	2.9
Yasuaki Yamanishi	1,979	2.8
Izumi Hiroshima Mutual Benefit Association	1,959	2.8
CEP LUX-ORBIS SICAV	1,163	1.7
STATE STREET BANK AND TRUST COMPANY505223	891	1.3

Note: Shareholding ratio is calculated excluding treasury shares (1,632,420 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)	23 thousand shares	5 persons
Outside Directors	—	—
Audit & Supervisory Board Members	—	—

Note: In addition to the above, the Company has granted 14,000 share to 19 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 512 shares

Total price of shares acquired 1 million yen

- Acquisition due to repurchase of treasury shares through the off-auction own share repurchase trading system

Common shares 1,559,400 shares

Total price of shares acquired 4,994 million yen

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

Common shares 1,632,420 shares

Note: The Company conducted a three-for-one split of its common shares, effective March 1, 2026. The number of shares stated in “2. Matters related to the Company’s shares” is the number of shares before the stock split.

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
Chairman and Representative Director	Yasuaki Yamanishi	
President and Representative Director	Shigeki Machida	
Deputy President and Director	Daisuke Yamanishi	
Director	Hideki Tahara	Senior Managing Executive Officer and Administration Division Manager
Director	Takayuki Aoki	Managing Executive Officer and Development 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 64th Annual General Meeting of Shareholders held on May 28, 2025, Hideki Tahara was newly elected as a Director and appointed that same day.
At the 64th Annual General Meeting of Shareholders held on May 28, 2025, Takayuki Aoki was newly elected as a Director and appointed that same day.
- Resignation: At the conclusion of the 64th Annual General Meeting of Shareholders held on May 28, 2025, Tatsuya Mikamoto resigned and stepped down as Director due to expiration of his term of office.
At the conclusion of the 64th Annual General Meeting of Shareholders held on May 28, 2025, Hiroshi Kuromoto resigned and stepped down as Director due to expiration of his term of office.
4. Audit & Supervisory Board Member Hiroataka 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 Company has adopted an executive officer system to conduct operations more efficiently. As of February 28, 2026, Executive Officers excluding Directors numbered 18, with their positions and responsibilities as follows.

Position in the Company	Name	Responsibility in the Company
Senior Executive Officer	Tomohiro Kawasaki	Group SM Sales Division Manager
Senior Executive Officer	Masamichi Yamano	President and Representative Director, Youme Mart Kumamoto Co., Ltd.
Senior Executive Officer	Atsushi Kobayashi	Sales Division Manager
Senior Executive Officer	Kozo Okubo	Planning Division Manager
Senior Executive Officer	Tadatoshi Yanai	Food Division Manager
Executive Officer	Keishi Okamoto	Information System Division Manager
Executive Officer	Kenji Miura	Developer Division Vice Manager
Executive Officer	Kiminari Taira	Corporate Planning Department Manager
Executive Officer	Tako Miyaji	Human Resources Department Manager
Executive Officer	Mutsuo Abe	Delica Business Department Manager
Executive Officer	Tomohiro Teramoto	Fresh Food Department Manager
Executive Officer	Manabu Tanabe	Operation Management Department Manager
Executive Officer	Hideki Umeda	Grocery Department Manager
Executive Officer	Shin Katayama	Chain Store Management (CSM) Promotion Department Manager
Executive Officer	Naoko Tomachi	Group Corporate Management Department Manager
Executive Officer	Shinsaku Hirose	President and Representative Director, Izumi Food Service Co., Ltd.
Executive Officer	Susumu Mizoguchi	President and Representative Director, Dailymart Co., Ltd.
Executive Officer	Hideo Kouchiyama	President and Representative Director, Youme Mart Kitakyushu Co., Ltd.

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

(Effective March 1, 2026)

[Reorganizations]

(Newly appointed) Executive Officer Kojiro Sanada Lifestyle Division Manager

(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 Director's 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 ratios of each type of compensation for directors who are responsible for business execution are deliberated by the Nomination & Compensation Committee with reference to the data of companies that are of a similar size to the Company or belong to relevant business sectors or business formats or the data of 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 Chairman 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 (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)	406 (25)	307 (25)	23 (-)	75 (-)	10 (3)
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., two resigning Directors were paid officer retirement benefits of 78 million yen pursuant to a resolution made by the 64th Annual General Meeting of Shareholders held on May 28, 2025. 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.

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	<p>Director Nishikawa attended 12 of the 13 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.</p> <p>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.</p>
Director	Izumi Yano	<p>During the fiscal year under review, Director Yano attended 12 of the 13 Board of Directors meetings. Leveraging her expensive 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.</p> <p>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.</p>
Director	Naomi Aoyama	<p>Director Aoyama attended all 13 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.</p> <p>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.</p>

<Outside Audit & Supervisory Board Members>

Classification	Name	Major activities
Audit & Supervisory Board Members	Tomoko Horikawa	Audit & Supervisory Board Member Horikawa attended 12 of 13 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 14 of the 16 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 13 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. In addition, he attended 15 of the 16 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.

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: 62 million yen

(ii) Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the Financial Auditor: 94 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) 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) A 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 conform to laws, regulations the Articles of Incorporation and other requirements.
- v) A 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 Administration 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 oversees the deliberation of each proposal and the status of business execution, while engaging in lively exchanges of opinions. During the 65th fiscal year, the Board of Directors held 12 regular meetings and one extraordinary meeting.

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 2024, 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 Administration 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, 2026	(Reference) As of February 28, 2025
(Assets)		
Current assets	137,079	119,765
Cash and deposits	28,088	15,717
Notes and accounts receivable - trade, and contract assets	61,794	59,259
Merchandise and finished goods	30,242	29,145
Work in process	29	72
Raw materials and supplies	739	771
Other	16,747	15,384
Allowance for doubtful accounts	(561)	(586)
Non-current assets	458,303	456,198
Property, plant and equipment	357,808	352,478
Buildings and structures	144,833	149,317
Machinery, equipment and vehicles	3,690	4,068
Land	191,261	187,005
Leased assets	4,557	960
Construction in progress	4,223	2,125
Other	9,241	9,001
Intangible assets	62,156	65,793
Goodwill	34,207	36,419
Trademark right	17,910	18,560
Other	10,038	10,813
Investments and other assets	38,338	37,925
Investment securities	6,073	4,667
Long-term loans receivable	40	59
Deferred tax assets	12,961	13,592
Leasehold and guarantee deposits	16,214	16,782
Other	3,217	2,992
Allowance for doubtful accounts	(167)	(168)
Total assets	595,383	575,963

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

(Millions of yen)

Classification	As of February 28, 2026	(Reference) As of February 28, 2025
(Liabilities)		
Current liabilities	142,973	127,095
Notes and accounts payable - trade	57,289	29,024
Short-term borrowings	12,280	24,500
Current portion of long-term borrowings	17,620	18,711
Accounts payable - other	15,234	13,141
Income taxes payable	5,837	4,946
Provision for bonuses	2,337	2,389
Provision for bonuses for directors (and other officers)	41	4
Contract liabilities	8,016	7,398
Provision for loss on building demolition	–	261
Provision for loss on lease contracts	32	32
Other	24,283	26,683
Non-current liabilities	144,470	149,264
Long-term borrowings	88,611	96,232
Lease liabilities	4,533	893
Long-term leasehold and guarantee deposits received	22,041	22,021
Provision for retirement benefits for directors (and other officers)	62	53
Provision for loss on interest repayment	316	274
Provision for loss on lease contracts	293	325
Retirement benefit liability	8,686	10,361
Deferred tax liabilities	7,312	7,006
Asset retirement obligations	11,840	11,253
Other	771	840
Total liabilities	287,444	276,359
(Net assets)		
Shareholders' equity	289,150	283,565
Share capital	19,613	19,613
Capital surplus	22,758	22,739
Retained earnings	252,115	241,684
Treasury shares	(5,337)	(473)
Accumulated other comprehensive income	4,857	2,342
Valuation difference on available-for-sale securities	3,160	1,935
Remeasurements of defined benefit plans	1,697	407
Non-controlling interests	13,930	13,696
Total net assets	307,939	299,603
Total liabilities and net assets	595,383	575,963

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, 2026		(Reference) Fiscal year ended February 28, 2025	
Operating revenue	569,312		524,142	
Net sales	510,942		467,345	
Cost of sales	346,902		316,540	
Gross profit	164,039		150,804	
Operating revenue	58,369		56,797	
Operating gross profit	222,409		207,602	
Selling, general and administrative expenses	195,172		181,866	
Operating profit	27,236		25,735	
Non-operating income				
Interest and dividend income	179		174	
Purchase discounts	193		204	
Gain on adjustment of accounts payable	196		62	
Share of profit of entities accounted for using equity method	6		-	
Contribution income	21		10	
Other	941	1,537	819	1,272
Non-operating expenses				
Interest expenses	1,197		627	
Commission for syndicated loans	1		161	
Share of loss of entities accounted for using equity method	-		20	
Other	214	1,412	189	998
Ordinary profit	27,361		26,009	
Extraordinary income				
Gain on sale of non-current assets	64		2	
Gain on receipt of donated non-current assets	95		-	
Gain on sale of investment securities	-		2,343	
Insurance income	17		516	
Compensation income	1,342		-	
Other	-	1,519	166	3,028
Extraordinary losses				
Loss on sale of shares of subsidiaries and associates	279		-	
Loss on sale of non-current assets	0		-	
Loss on retirement of non-current assets	303		177	
Impairment losses	1,717		7,755	
Loss on store closings	25		129	
Provision for loss on building demolition	-		150	
Other	24	2,351	23	8,238
Profit before income taxes	26,529		20,800	
Income taxes – current	9,580		9,435	
Income taxes – deferred	(152)	9,428	(1,773)	7,662
Profit	17,101		13,138	
Profit attributable to non-controlling interests	266		834	
Profit attributable to owners of parent	16,834		12,304	

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, 2026	(Reference) As of February 28, 2025
(Assets)		
Current assets	113,488	99,333
Cash and deposits	21,432	9,525
Notes and accounts receivable - trade, and contract assets	11,642	10,642
Merchandise	24,084	23,343
Raw materials and supplies	301	298
Prepaid expenses	784	951
Short-term loans receivable	42,003	43,235
Deposits paid	1,577	669
Other	11,826	10,681
Allowance for doubtful accounts	(162)	(12)
Non-current assets	407,205	401,353
Property, plant and equipment	274,059	268,159
Buildings	114,825	118,532
Structures	5,335	5,337
Machinery and equipment	2,685	2,930
Vehicles	0	0
Tools, furniture and fixtures	4,957	5,270
Land	138,899	134,637
Leased assets	3,676	-
Construction in progress	3,679	1,449
Intangible assets	6,511	7,313
Leasehold interests in land	3,903	4,325
Software	1,778	1,860
Other	830	1,127
Investments and other assets	126,635	125,881
Investment securities	5,277	3,566
Shares of subsidiaries and associates	93,669	93,722
Investments in capital	4	4
Long-term loans receivable	40	59
Long-term prepaid expenses	411	450
Deferred tax assets	11,090	11,362
Store opening in progress	258	123
Leasehold and guarantee deposits	13,744	14,553
Other	2,178	2,078
Allowance for doubtful accounts	(40)	(40)
Total assets	520,694	500,687

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

Classification	As of February 28, 2026	(Reference) As of February 28, 2025
(Liabilities)		
Current liabilities	155,177	135,698
Accounts payable - trade	47,036	20,298
Short-term borrowings	47,233	57,812
Current portion of long-term borrowings	17,620	18,711
Lease liabilities	105	–
Accounts payable - other	15,748	10,778
Accrued expenses	1,926	1,991
Income taxes payable	3,881	2,556
Accrued consumption taxes	1,751	4,440
Advances received	1,443	1,408
Deposits received	8,255	7,858
Contract liabilities	7,916	7,303
Provision for bonuses	1,714	1,783
Provision for bonuses for directors (and other officers)	23	–
Provision for loss on building demolition	–	261
Provision for loss on lease contracts	32	32
Other	486	460
Non-current liabilities	133,592	136,798
Long-term borrowings	88,611	96,232
Lease liabilities	3,713	–
Long-term leasehold and guarantee deposits received	20,939	20,892
Provision for retirement benefits	9,275	9,020
Provision for loss on lease contracts	293	325
Asset retirement obligations	10,042	9,529
Other	716	798
Total liabilities	288,769	272,497
(Net assets)		
Shareholders' equity	228,839	226,293
Share capital	19,613	19,613
Capital surplus	22,282	22,282
Legal capital surplus	22,282	22,282
Retained earnings	192,281	184,870
Legal retained earnings	2,094	2,094
Other retained earnings	190,187	182,776
Reserve for tax purpose reduction entry of non-current assets	853	925
General reserve	49,736	49,736
Retained earnings brought forward	139,597	132,114
Treasury shares	(5,337)	(473)
Valuation and translation adjustments	3,085	1,896
Valuation difference on available-for-sale securities	3,085	1,896
Total net assets	231,924	228,189
Total liabilities and net assets	520,694	500,687

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, 2026	(Reference) Fiscal year ended February 28, 2025
Operating revenue	381,215	372,839
Net sales	324,657	317,534
Cost of sales	218,879	213,593
Gross profit	105,777	103,941
Operating revenue	56,558	55,304
Operating gross profit	162,335	159,245
Selling, general and administrative expenses	140,864	137,978
Operating profit	21,471	21,267
Non-operating income		
Interest and dividend income	503	342
Purchase discounts	193	204
Gain on adjustment of accounts payable	196	62
Other	550	528
	1,443	1,137
Non-operating expenses		
Interest expenses	1,515	756
Commission for syndicated loans	1	161
Other	67	67
	1,584	984
Ordinary profit	21,330	21,420
Extraordinary income		
Gain on sale of non-current assets	29	–
Gain on receipt of donated non-current assets	95	–
Insurance income	13	282
Gain on sale of shares of subsidiaries and associates	40	–
Gain on liquidation of subsidiaries and associates	–	162
	178	444
Extraordinary losses		
Loss on retirement of non-current assets	143	134
Impairment losses	1,069	7,483
Loss on store closings	2	18
Provision of allowance for doubtful accounts	143	–
Other	47	20
	1,406	7,656
Profit before income taxes	20,101	14,207
Income taxes – current	6,537	6,170
Income taxes – deferred	(249)	(1,598)
Profit	13,813	9,635

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

Audit Reports

Financial Auditor's Report on Consolidated Financial Statements

Independent Auditors' Report

April 10, 2026

To the Board of Directors
IZUMI CO., LTD.

KPMG AZSA LLC
Hiroshima Office
Yosuke Sato, Certified public accountant (Seal)
Designated Limited Liability Partner
Managing Partner
Akihiro Takato, Certified public accountant (Seal)
Designated Limited Liability Partner
Managing Partner

Our opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act of Japan, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements of Izumi Co., Ltd. applicable to the consolidated fiscal year from March 1, 2025 to February 28, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Corporate Group that consists of Izumi Co., Ltd. and its consolidated subsidiaries applicable to the consolidated fiscal year ended February 28, 2026, in conformity with accounting principles generally accepted in Japan.

Basis for our opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethical regulations (including regulations applicable to the audit of financial statements of entities with significant social impact) that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Other information

Other information includes the business report and its supplementary schedules. Management's responsibility is to create and disclose the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties in the development and operation of the reporting process of the other information.

The subject of the audit opinion on the consolidated financial statements does not include other information, and we do not express an opinion on the other information.

Our responsibilities in auditing the consolidated financial statements are to read through the other information to consider whether there is any major differences between the other information and the consolidated financial statements or the knowledge that we acquire in the process of the audit, and to pay attention to any signs of material errors in information other than those major differences.

We are required to report the facts when we determine that there is a material error in other information based on the procedure that was conducted.

There are no matters to be reported regarding other information.

Responsibilities of management, the Audit & Supervisory Board Members and the Audit & Supervisory Board relating to consolidated financial statements

Management's responsibility is to create consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan and to present them properly. The responsibility includes establishing and operating an internal control system that management considers necessary for creating consolidated financial statements that do not include any significant misstatements stemming from injustice or errors and presenting them properly.

In preparing the consolidated financial statements, management is responsible for assessing whether the preparation of the consolidated financial statements based on the going concern assumption is appropriate and for disclosing, as applicable, matters relating to the going concern based on the corporate accounting standards generally accepted in Japan.

The responsibilities of Audit & Supervisory Board Members and the Audit & Supervisory Board lie in monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibilities are to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to express an opinion on the consolidated financial statement as independent auditors in an auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of users on the basis of the consolidated financial statements.

We exercise professional judgment and conduct the following by maintaining professional skepticism throughout the audit in accordance with the auditing standards generally accepted in Japan.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, We also design and perform audit procedures responsive to those risks. Audit procedures are selected and performed at our discretion. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control. However, to design audit procedures that are appropriate in the circumstances, we examine internal control relating to the audit when we assess risks.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Reach a conclusion on the appropriateness of the preparation of the consolidated financial statements by management on the assumption of going concern and, based on the audit evidence obtained, whether material uncertainties exist related to events or conditions that may cast significant doubt on the going concern assumption. If a material uncertainty related to the going concern assumption is identified, we are required to draw attention to it in our auditor's report to the related notes in the consolidated financial statements or, if such notes on a material uncertainty in the consolidated financial statements are inadequate, to express a modified opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes are in accordance with the corporate accounting standards generally accepted in Japan and whether the presentation, structure and content of the consolidated financial statement, including related notes, and the consolidated financial statements represent the underlying transactions and accounting events appropriately.
- Plan and perform an audit of the consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit of the consolidated financial statements. We are solely responsible for our audit opinion.

We report the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by the auditing

standards to Audit & Supervisory Board Members and the Audit & Supervisory Board.

We report to Audit & Supervisory Board Members and the Audit & Supervisory Board in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

Conflicts of interest

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditors' Report

April 10, 2026

To the Board of Directors
IZUMI CO., LTD.

KPMG AZSA LLC
Hiroshima Office
Yosuke Sato, Certified public accountant (Seal)
Designated Limited Liability Partner
Managing Partner
Akihiro Takato, Certified public accountant (Seal)
Designated Limited Liability Partner
Managing Partner

Our opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act of Japan, we have audited the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, the notes to the non-consolidated financial statements, and the related supplementary schedules (hereinafter referred to as the "financial statements etc.") of Izumi Co., Ltd. applicable to the 64th fiscal year from March 1, 2025 to February 28, 2026.

In our opinion, the financial statements etc. referred to above present fairly, in all material respects, the financial position and results of operations of Izumi Co., Ltd. applicable to the fiscal year ended February 28, 2026, in conformity with accounting principles generally accepted in Japan.

Basis for our opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in the "Auditor's responsibilities for the audit of the financial statements etc." section. We are independent of the Company in accordance with the professional ethical regulations (including regulations applicable to the audit of financial statements of entities with significant social impact) that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Other information

Other information includes the business report and its supplementary schedules. Management's responsibility is to create and disclose the other information. In addition, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties in the development and operation of the reporting process of the other information.

The subject of the audit opinion on the financial statements etc. does not include other information, and we do not express an opinion on the other information.

Our responsibilities in auditing financial statements etc. are to read through the other information to consider whether there is any major differences between the other information and financial statements etc. or the knowledge that we acquire in the process of the audit, and to pay attention to any signs of material errors in information other than those major differences.

We are required to report the facts when we determine that there is a material error in other information based on the procedure that was conducted.

There are no matters to be reported regarding other information.

Responsibilities of management, the Audit & Supervisory Board Members and the Audit & Supervisory Board relating to financial statements etc.

Management's responsibility is to create financial statements etc. in accordance with corporate accounting

standards generally accepted in Japan and to present them properly. The responsibility includes establishing and operating an internal control system that management considers necessary for creating financial statements etc. that do not include any significant misstatements stemming from injustice or errors and presenting them properly. In preparing the financial statements etc., management is responsible for assessing whether the preparation of the financial statements etc. based on the going concern assumption is appropriate and for disclosing, as applicable, matters relating to the going concern based on the corporate accounting standards generally accepted in Japan. The responsibilities of Audit & Supervisory Board Members and the Audit & Supervisory Board lie in monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's responsibilities for the audit of the financial statements etc.

Our responsibilities are to obtain reasonable assurance that the financial statements etc. as a whole are free from material misstatements, whether due to fraud or error, and to express an opinion on the financial statement etc. as independent auditors in an auditor's report. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the decisions of users on the basis of the financial statements etc.

We exercise professional judgment and conduct the following by maintaining professional skepticism throughout the audit in accordance with the auditing standards generally accepted in Japan.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, We also design and perform audit procedures responsive to those risks. Audit procedures are selected and performed at our discretion. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of the audit of the financial statements etc. is not to express an opinion on the effectiveness of internal control. However, to design audit procedures that are appropriate in the circumstances, we examine internal control relating to the audit when we assess risks.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Reach a conclusion on the appropriateness of the preparation of the financial statements etc. by management on the assumption of going concern and, based on the audit evidence obtained, whether material uncertainties exist related to events or conditions that may cast significant doubt on the going concern assumption. If a material uncertainty related to the going concern assumption is identified, we are required to draw attention to it in our auditor's report to the related notes in the financial statements etc. or, if such notes on a material uncertainty in the financial statements etc. are inadequate, to express a modified opinion on the financial statements etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate whether the presentation of the financial statements etc. and notes are in accordance with the corporate accounting standards generally accepted in Japan and whether the presentation, structure and content of the financial statement etc., including related notes, and the financial statements etc. represent the underlying transactions and accounting events appropriately.

We report the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by the auditing standards to Audit & Supervisory Board Members and the Audit & Supervisory Board.

We report to Audit & Supervisory Board Members and the Audit & Supervisory Board in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

Conflicts of interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Reports

Regarding the performance of duties by Directors for the 64th fiscal year from March 1, 2025 to February 28, 2026, the Audit & Supervisory Board hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective Audit & Supervisory Board Member as follows:

1. Outline of Audit Methodology of the Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board determined, among other things, the auditing policy and the assignment of auditing duties, received reports regarding the status of execution of audit and its results from each Audit & Supervisory Board Member; received reports from Directors, other relevant employees and Financial Auditor concerning the performance of their duties; and when necessary, requested them to provide explanations.

(2) In accordance with the Audit & Supervisory Board Members' auditing standards specified by the Audit & Supervisory Board and in compliance with the auditing policies and the assignment of auditing duties, each Audit & Supervisory Board Member ensured effective communication with Directors, employees in the internal audit division and other relevant employees, and made efforts to collect the necessary information and improve the auditing environment. Each Audit & Supervisory Board Member carried out the audit in the following manner:

(i) Attended the meetings of the Board of Directors and other important meetings; received reports from Directors, employees and other relevant persons regarding the performance of their duties; requested them to provide explanations where necessary; examined important decision documents and associated information; and studied the operations and financial conditions at the head office as well as other principal offices and plants.

The Audit & Supervisory Board Members also shared information and communicated with the Directors and Audit & Supervisory Board Members, etc. of subsidiaries and received business reports from subsidiaries as necessary.

(ii) Expressed their opinion after regularly receiving reports, and requesting explanations as needed, from Directors, employees and other relevant persons about the contents of resolutions of the Board of Directors regarding the implementation of systems required to be implemented to ensure the proper operations of corporations under Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act including a system to ensure that the performance of duties by Directors is in compliance with the laws and regulations, and the Articles of Incorporation, which are stated in the business report, and the formulation and operation of the system (internal control system) are implemented according to the resolutions.

(iii) Monitored and verified whether the Financial Auditor maintained its independence and carried out its audits appropriately, received reports from the Financial Auditor regarding the execution of its duties and, where necessary, requested explanations. Also, the Audit & Supervisory Board Members received notification from the Financial Auditor to the effect that "systems to ensure that duties are executed appropriately" (the matters listed in each item of Article 131 of the Regulation on Corporate Accounting) had been established in accordance with "Quality Control Standards for Auditing" (Business Accounting Council) and where necessary requested explanations.

Based on the aforementioned methods, the Audit & Supervisory Board examined for the said fiscal year the business report and business schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements) and supplementary schedules and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to consolidated financial statements).

2. Audit Results

(1) Audit results concerning the business report, etc.

- (i) In our opinion, the business report and supplementary schedules fairly represent the Company's condition in accordance with the related laws and regulations, and the Articles of Incorporation.
- (ii) With regard to the performance of duties by Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of the Articles of Incorporation.
- (iii) In our opinion, resolutions of the meetings of the Board of Directors regarding the internal control system are fair and reasonable. Furthermore, we have found no matters requiring comment regarding the contents of the business report and the performance of duties by Directors in relation to the internal control system.

(2) Audit results concerning non-consolidated financial statements and their supplementary schedules

In our opinion, the methods and results employed and rendered by the Financial Auditor, KPMG AZSA LLC, are fair and reasonable.

(3) Audit results concerning consolidated financial statements

In our opinion, the methods and results employed and rendered by the Financial Auditor, KPMG AZSA LLC, are fair and reasonable.

April 14, 2026

Audit & Supervisory Board of Izumi Co., Ltd.

Hideaki Hisanaga (Seal)

Full-time Audit & Supervisory Board Member

Tomoko Horikawa (Seal)

Outside Audit & Supervisory Board Member

Hiroataka Okada (Seal)

Outside Audit & Supervisory Board Member