

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended November 30, 2025
(Based on Japanese GAAP)**

January 13, 2026

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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and securities analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated financial results for nine months ended November 30, 2025 (from March 1, 2025 to November 30, 2025)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2025	416,987	11.7	17,601	2.4	17,597	1.4	11,102	(8.1)
November 30, 2024	373,266	8.2	17,185	(21.3)	17,348	(22.3)	12,080	(16.8)

(Note) Comprehensive income: Nine months ended November 30, 2025: 11,928 million yen (3.6%)

Nine months ended November 30, 2024: 11,519 million yen (-24.9%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2025	156.79	—
November 30, 2024	168.86	—

(Note) In the first six months of the fiscal year ending February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. Figures for the first nine months of the fiscal year ended February 28, 2025 reflect the finalized accounting treatment for the business combination.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2025	598,218	302,075	48.2
February 28, 2025	575,963	299,603	49.6

(For reference) Equity: As of November 30, 2025: 288,172 million yen As of February 28, 2025: 285,907 million yen

(Note) In the first six months of the fiscal year ending February 28, 2026, the Company finalized the provisional accounting treatment for the business combination. Figures for the fiscal year ended February 28, 2025 reflect the finalized accounting treatment for the business combination.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended February 28, 2025	—	Yen 45.00	—	Yen 45.00	Yen 90.00
Year ending February 28, 2026	—	45.00	—	45.00	90.00
Year ending February 28, 2026 (Forecast)				45.00	90.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	570,300	8.8	26,400	2.6	26,100	0.3	15,200	23.5	215.20

(Note) Revisions to business forecasts published most recently: None

(Note) Year-on-year changes were calculated based on figures that were revised retroactively to reflect the finalization of the provisional accounting treatment pertaining to the business combination that was implemented in the first six months of the fiscal year ending February 28, 2026.

Notes

(1) Significant changes in the scope of consolidation during the period:	None		
(2) Application of special accounting methods for preparing quarterly consolidated financial statements:	None		
(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements			
Changes in accounting policies due to revisions to accounting standards and other regulations:	None		
Changes in accounting policies due to other reasons:	None		
Changes in accounting estimates:	None		
Restatement of prior period financial statements:	None		
(4) Number of issued shares (common shares)			
Total number of issued shares at the end of the period (including treasury shares)			
As of November 30, 2025	71,665,200 shares	As of February 28, 2025	71,665,200 shares
Number of treasury shares at the end of the period			
As of November 30, 2025	1,032,342 shares	As of February 28, 2025	111,165 shares
Average number of shares during the period (cumulative from the beginning of the fiscal year)			
Nine months ended November 30, 2025	70,809,482 shares	Nine months ended November 30, 2024	71,539,824 shares

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing corporation:
None

* Explanation regarding appropriate use of business forecasts and other special instructions

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual results may differ materially, depending on a range of factors. See “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” in the section, “1. Qualitative Information on Quarterly Financial Results for the Period under Review,” on page 9 of the attached material for the assumptions used in the financial results forecast and precautions for using the financial results forecast.

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

The forward-looking statements herein are based on the judgments of the Group as of the end of the first nine months of the fiscal year under review.

Regarding the absorption-type company split pertaining to the food supermarket business operated by Seiyu Co., Ltd. in the Kyushu region, which was implemented on August 1, 2024, provisional accounting treatment was applied in the previous consolidated fiscal year. However, because the provisional accounting treatment was finalized in the first six months of the fiscal year ending February 28, 2026, values revised based on the finalization of the provisional accounting treatment were used for comparative analysis with values for the previous consolidated nine-month period and those for the end of the previous consolidated fiscal year.

(1) Explanation of Operating Results

In the first nine months of the fiscal year under review, the Japanese economy was on a moderate recovery track, with improvements in employment and income levels. However, the outlook remained uncertain, with uncertainty over the impact of U.S. tariffs and rising prices of essential goods on personal consumption. In the retail industry, consumers became increasingly budget-minded in face of persistently high prices and there was a noticeable bi-polarization in consumption patterns.

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 aims to develop a profitable New Supermarket (SM) business by utilizing the expertise gained from the SUNNY business across its existing stores. To develop the New SM business into a key growth driver and 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.

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," serving not only as retailers but also fulfilling multiple roles. The Company intends to establish stores that collaborate with local governments, offer services utilizing their characteristics, address changing customer needs, and continuously evolve alongside the communities they serve for the Group to achieve sustainable growth and enhance corporate value.

In July, the Company established a new company, MAPLEREDS Co., Ltd., for Izumi MAPLEREDS Hiroshima, a handball team managed by the Company. 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.

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. As a result, 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.

On the other hand, given persistently high prices of rice, other food items, and household items, consumers reviewed their spending on essential goods.

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

	Nine months ended November 30, 2024	Nine months ended November 30, 2025	Change	Change (%)
Operating revenue	373,266 million yen	416,987 million yen	43,720 million yen	11.7%
[Net sales]	[331,175 million yen]	[373,597 million yen]	[42,421 million yen]	[12.8%]
[Operating revenue]	[42,090 million yen]	[43,389 million yen]	[1,298 million yen]	[3.1%]
Operating profit	17,185 million yen	17,601 million yen	416 million yen	2.4%
Ordinary profit	17,348 million yen	17,597 million yen	249 million yen	1.4%
Profit attributable to owners of parent	12,080 million yen	11,102 million yen	(977 million yen)	(8.1%)

Key factors contributing to operating results

(i) Operating revenue and operating gross profit

Operating revenue rose 43,720 million yen (11.7%) year on year to 416,987 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 163,073 million yen (up 14,322 million yen year on year). This is 39.1% of operating revenue, a decrease of 0.8 percentage points from one year ago.

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

Selling, general and administrative expenses increased 13,906 million yen (10.6%) year on year to 145,472 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 34.9% of operating revenue, a decrease of 0.3 percentage points from one year ago.

Consequently, operating profit increased 416 million yen (2.4%) to 17,601 million yen. This is 4.2% of operating revenue, a 0.4 percentage point decrease from the previous year.

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

Non-operating income rose 165 million yen (18.4%) year on year, to 1,061 million yen. Non-operating expenses climbed 332 million yen (45.3%) to 1,065 million yen, primarily due to higher interest expenses from a syndicated loan and increased funding interest rates for short-term borrowings.

As a result, ordinary profit increased 249 million yen (1.4%) year on year, to 17,597 million yen. This is 4.2% of operating revenue, a 0.4 percentage point decline from one year ago.

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

Extraordinary income came to 139 million yen (a decrease of 2,720 million yen from the previous year), chiefly reflecting a gain on receipt of donated non-current assets of 95 million yen. Extraordinary losses came to 179 million yen (a decrease of 270 million yen from the previous year), chiefly reflecting a loss on retirement of non-current assets of 111 million yen and impairment losses of 40 million yen.

Income taxes amounted to 6,215 million yen (a decrease of 582 million yen from a year ago).

Profit attributable to non-controlling interests was 240 million yen (a decrease of 639 million yen from a year ago).

As a consequence, profit attributable to owners of parent declined 977 million yen (8.1%) year on year to 11,102 million yen. This is 2.7% of operating revenue, a decrease of 0.5 percentage point from the previous year.

Performance by Segment

■ Operating revenue

	Nine months ended November 30, 2024	Nine months ended November 30, 2025	Change	Change (%)
Retail operations	360,150 million yen	403,156 million yen	43,006 million yen	11.9%
Retail-peripheral operations	34,732 million yen	39,882 million yen	5,149 million yen	14.8%
Other	3,882 million yen	3,899 million yen	17 million yen	0.4%
Adjusted amount	(25,499 million yen)	(29,951 million yen)	(4,452 million yen)	—
Total	373,266 million yen	416,987 million yen	43,720 million yen	11.7%

■ Operating profit

	Nine months ended November 30, 2024	Nine months ended November 30, 2025	Change	Change (%)
Retail operations	12,985 million yen	12,911 million yen	(74 million yen)	(0.6%)
Retail-peripheral operations	3,920 million yen	4,305 million yen	385 million yen	9.8%
Other	475 million yen	601 million yen	125 million yen	26.5%
Adjusted amount	(196 million yen)	(217 million yen)	(20 million yen)	—
Total	17,185 million yen	17,601 million yen	416 million yen	2.4%

(i) Retail operations

In the core retail operations, the impact of the system failure caused by the ransomware infection in February 2024 diminished. As a result, 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. On the other hand, given persistently high prices of rice, other food items, and household items, consumers reviewed their spending on essential goods.

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 KIRASHI-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. The Group is working to enhance its ability to respond to the growing demand for lower prices due to ongoing inflation and also to offer more attractive products and services, replacing those that have been popular with its customers so far. 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 SM in 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 heat this summer, the Company offered convenient items that are useful in life, adding 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 has three distinct product lineups: "Price," a lineup of products focused on low prices to help customers save money for food for daily consumption; "Regular," a standard lineup focused on the balance between quality (ingredients, production process, and taste) and prices; and "Premium," a high-end lineup of products focused on outstanding quality and developed in pursuit of high added value and quality. In face of growing consumer price sensitivity, the Company will gradually roll out products in the affordable "Price" category first and plans to develop 125 items in FY2025. Sales are in line with the plan, and the Company is looking to

develop a total of 800 items under the brand by 2035. At the same time, the Company aims to increase the ratio of sales from PB business to sales of food to 5% by 2030 and 10% by 2035.

Additionally, the Company is also putting effort into sales of high value added products. In the lifestyle section, with sales of seasonal products struggling due to the scorching heat, the Company focused on creating corners for recovery wear, which is popular among health conscious and trendy customers, and selling popular underwear brands via the e-commerce channel, and sales have remained strong. Furthermore, the Company will conduct a review of target demographics of SHUCA, an in-house brand, and also actively focus on selling collaboration products featuring popular characters, to address the increasing polarization of consumption.

In March, the Company opened En Fleur Petit, its first cosmetics store, in minamoa 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, 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, since its opening in October 2005, has been loved by the local community for many years, and 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). The Group aims to attract new young customers. To enhance the food section, the Group replaced outdated fixtures and expanded the popular frozen food section. Local specialty sweets were introduced. This approach strengthened the product lineup to better meet the needs of local customers and enhanced the shopping environment, making it a cornerstone of their daily lives.

In April, HIMARAYA Sports Shop became a tenant at Youme Town Marugame (Marugame, Kagawa). The facility enhanced customer flow within the lifestyle sales area.

At Youme Town Kurume (Kurume, Fukuoka), the Company established its first franchise Little Planet 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 reopened Youme Town Fukuyama (Fukuyama, Hiroshima) following development of a health and beauty zone and the introduction of tenants such as the local cosmetics shop LOOK and SUBWAY, which is seeing growing customer demand. Going forward, Youme Town Fukuyama will continue working to meet local needs and offer greater convenience as the "heart of the community."

Given the above initiatives, same-store sales (including specialty tenants' sales) in the first nine months increased 2.4% year on year (before the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29)). Same-store sales, excluding tenant sales, increased 2.4% year on year (on the same basis).

As a result, operating revenue increased 11.9% year on year, to 403,156 million yen, and operating profit decreased 0.6% year on year, to 12,911 million yen.

(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., the financial business experienced strong fee revenue due to an increase in the transaction value of the Youme Card electronic money. At the end of the first nine months of the fiscal year under review, the cumulative number of Youme Cards issued rose to 11,060,000, 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 increased 14.8% year on year, to 39,882 million yen, and operating profit increased 9.8% year on year, to 4,305 million yen.

(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. Stable rental income in the real estate lease business also helped improve profit.

As a result, operating revenue amounted to 3,899 million yen (up 0.4% year on year) and operating profit was 601 million yen (up 26.5% year on year).

(2) Explanation of Financial Position

(i) Assets, liabilities and net assets

Total assets, liabilities, and net assets at the end of the first nine months of the fiscal year ending February 28, 2026 are as stated below.

	As of February 28, 2025	As of November 30, 2025	Change
Total assets	575,963 million yen	598,218 million yen	22,254 million yen
Liabilities	276,359 million yen	296,143 million yen	19,783 million yen
Net assets	299,603 million yen	302,075 million yen	2,471 million yen

Total assets

- Cash and deposits rose 2,902 million yen, reflecting a delay in the settlement of trade payables. The last day of the fiscal period was a bank holiday, resulting in the postponement of settlement to the beginning of the following month.
- Notes and accounts receivable - trade, and contract assets rose 9,984 million yen, mainly due to an increase in the credit transaction volume.
- Capital expenditures during the first nine months of the fiscal year under review reached 15,125 million yen, chiefly due to investments in new store openings, the renovations of existing stores, and digital transformation. Property, plant and equipment increased 4,736 million yen after depreciation, principally due to the acquisition of the Acquired Business.
- For goodwill, provisional accounting treatment was finalized, and the revised value is used for the amount at the end of the previous fiscal year. Details are listed under 2. Quarterly Consolidated Financial Statements and Primary Notes, (4) Notes to Quarterly Consolidated Financial Statements (Notes on business combination, etc.).

Liabilities

- Notes and accounts payable - trade rose 32,025 million yen, reflecting a delay in settlement. The last day of the fiscal period was a bank holiday, resulting in the postponement of settlement to the beginning of the following month.
- Provision for bonuses increased 2,173 million yen due to an additional provision for the payment period made during the first nine months of the fiscal year under review.
- Short-term and long-term borrowings decreased 20,730 million yen.

Net assets

- Retained earnings rose 4,699 million yen, indicating an increase in internal reserves.
- The Company acquired 959,400 treasury shares for 3,170 million yen through off-floor purchase transactions. The value of treasury shares increased by 3,040 million yen compared to the end of the previous fiscal year.
- As a result, the equity ratio was 48.2%, a 1.4 percentage point decline from 49.6% at the end of the previous fiscal year.

(ii) Analysis of cash flow

The cash flow situation in the first nine months of the fiscal year under review are as follows:

	Nine months ended November 30, 2024	Nine months ended November 30, 2025	Change
Cash flows from operating activities	48,673 million yen	46,218 million yen	(2,455 million yen)
Cash flows from investing activities	(86,631 million yen)	(12,853 million yen)	73,778 million yen
Cash flows from financing activities	41,554 million yen	(30,462 million yen)	(72,016 million yen)

Cash flows from operating activities

- The main cash inflows were profit before income taxes of 17,557 million yen, an increase in trade payables of 32,025 million yen, and depreciation amounting to 14,290 million yen.
- The major cash outflows were an increase in accounts receivable - trade, and contract assets of 9,984 million yen and income taxes paid of 8,830 million yen.

Cash flows from investing activities

- The primary cash outflow was the purchase of property, plant and equipment totaling 12,810 million yen. The purchase of property, plant and equipment was mainly attributable to investments in new store openings, renovations of existing stores, and digital transformation, including prior investments.

Cash flows from financing activities

- The major cash outflows were a decrease of 3,720 million yen in short-term borrowings, repayments of long-term borrowings of 17,010 million yen, dividends paid of 6,398 million yen, and purchase of treasury shares amounting to 3,172 million yen.

As a result, the balance of cash and cash equivalents increased 2,902 million yen from the end of the previous fiscal year, to 18,620 million yen.

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

The consolidated earnings forecast for the fiscal year ending February 2026 remains unchanged from that announced on October 14, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	As of February 28, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	15,717	18,620
Notes and accounts receivable - trade, and contract assets	59,259	69,243
Merchandise and finished goods	29,145	32,487
Work in process	72	6
Raw materials and supplies	771	750
Other	15,384	18,628
Allowance for doubtful accounts	(586)	(563)
Total current assets	<u>119,765</u>	<u>139,173</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	149,317	147,497
Land	187,005	187,868
Other, net	16,155	21,848
Total property, plant and equipment	<u>352,478</u>	<u>357,215</u>
Intangible assets		
Goodwill	36,419	34,682
Other	29,374	28,701
Total intangible assets	<u>65,793</u>	<u>63,384</u>
Investments and other assets		
Other	38,093	38,613
Allowance for doubtful accounts	(168)	(168)
Total investments and other assets	<u>37,925</u>	<u>38,445</u>
Total non-current assets	<u>456,198</u>	<u>459,045</u>
Total assets	<u>575,963</u>	<u>598,218</u>

	(Millions of yen)	
	As of February 28, 2025	As of November 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,024	61,049
Short-term borrowings	24,500	20,780
Current portion of long-term borrowings	18,711	18,106
Accounts payable - other	13,141	14,157
Income taxes payable	4,946	2,079
Provision for bonuses	2,389	4,563
Provision for bonuses for directors (and other officers)	4	10
Contract liabilities	7,398	10,164
Provision for loss on building demolition	261	—
Provision for loss on lease contracts	32	32
Other	26,683	27,822
Total current liabilities	127,095	158,766
Non-current liabilities		
Long-term borrowings	96,232	79,827
Long-term leasehold and guarantee deposits received	22,021	22,079
Provision for retirement benefits for directors (and other officers)	53	60
Provision for loss on interest repayment	274	310
Provision for loss on lease contracts	325	301
Retirement benefit liability	10,361	10,305
Asset retirement obligations	11,253	11,724
Other	8,740	12,767
Total non-current liabilities	149,264	137,376
Total liabilities	276,359	296,143
Net assets		
Shareholders' equity		
Share capital	19,613	19,613
Capital surplus	22,739	22,758
Retained earnings	241,684	246,383
Treasury shares	(473)	(3,513)
Total shareholders' equity	283,565	285,242
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,935	2,401
Remeasurements of defined benefit plans	407	527
Total accumulated other comprehensive income	2,342	2,929
Non-controlling interests	13,696	13,902
Total net assets	299,603	302,075
Total liabilities and net assets	575,963	598,218

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
 Quarterly Consolidated Statement of Income
 (First nine months)

		(Millions of yen)
	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Operating revenue	373,266	416,987
Net sales	331,175	373,597
Cost of sales	224,515	253,913
Gross profit	106,660	119,684
Operating revenue	42,090	43,389
Operating gross profit	148,751	163,073
Selling, general and administrative expenses	131,565	145,472
Operating profit	17,185	17,601
Non-operating income		
Interest and dividend income	112	112
Purchase discounts	138	143
Share of profit of entities accounted for using equity method	–	0
Other	644	805
Total non-operating income	895	1,061
Non-operating expenses		
Interest expenses	393	908
Commission for syndicated loans	161	1
Share of loss of entities accounted for using equity method	33	–
Other	144	155
Total non-operating expenses	732	1,065
Ordinary profit	17,348	17,597
Extraordinary income		
Gain on sale of non-current assets	0	29
Gain on receipt of donated non-current assets	–	95
Gain on sale of investment securities	2,343	–
Insurance income	516	15
Total extraordinary income	2,860	139
Extraordinary losses		
Loss on retirement of non-current assets	60	111
Impairment losses	146	40
Provision for loss on building demolition	150	–
Other	93	28
Total extraordinary losses	449	179
Profit before income taxes	19,758	17,557
Income taxes – current	6,883	6,166
Income taxes – deferred	(84)	48
Total income taxes	6,798	6,215
Profit	12,960	11,342
Profit attributable to non-controlling interests	880	240
Profit attributable to owners of parent	12,080	11,102

Quarterly Consolidated Statement of Comprehensive Income

(First nine months)

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Profit	12,960	11,342
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,341)	451
Remeasurements of defined benefit plans, net of tax	(99)	120
Share of other comprehensive income of entities accounted for using equity method	0	14
Total other comprehensive income	<u>(1,441)</u>	<u>586</u>
Comprehensive income	11,519	11,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,415	11,689
Comprehensive income attributable to non-controlling interests	103	239

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Cash flows from operating activities		
Profit before income taxes	19,758	17,557
Depreciation	13,330	14,290
Share-based payment expenses	78	93
Amortization of goodwill	1,046	1,736
Increase (decrease) in allowance for doubtful accounts	19	(22)
Interest and dividend income	(112)	(112)
Interest expenses	393	908
Commission for syndicated loans	161	1
Share of loss (profit) of entities accounted for using equity method	33	(0)
Insurance income	(516)	(15)
Loss (gain) on sale of non-current assets	(0)	(28)
Gain on receipt of donated non-current assets	–	(95)
Loss on retirement of non-current assets	60	111
Loss (gain) on sale of investment securities	(2,343)	–
Impairment losses	146	40
Increase (decrease) in provision for loss on building demolition	(161)	(101)
Decrease (increase) in accounts receivable - trade, and contract assets	(11,386)	(9,984)
Decrease (increase) in inventories	(4,418)	(3,253)
Increase (decrease) in trade payables	26,340	32,025
Increase (decrease) in deposits received	4,298	4,248
Other	12,674	(1,367)
Subtotal	59,402	56,030
Interest and dividend received	117	118
Interest paid	(239)	(1,104)
Expenses paid to address system failures	(957)	–
Proceeds from insurance income	512	15
Income taxes refund (paid)	(10,162)	(8,830)
Other	–	(10)
Net cash provided by (used in) operating activities	48,673	46,218
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,679)	(12,810)
Proceeds from sale of property, plant and equipment	13	794
Purchase of intangible assets	(649)	(977)
Proceeds from sale of investment securities	5,725	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,564)	–
Payments for absorption-type company split	(77,676)	–
Other	198	140
Net cash provided by (used in) investing activities	(86,631)	(12,853)

	(Millions of yen)	
	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(18,700)	(3,720)
Proceeds from long-term borrowings	78,500	—
Repayments of long-term borrowings	(11,588)	(17,010)
Payments of commissions for syndicated loans	(161)	(1)
Purchase of treasury shares	(1)	(3,172)
Dividends paid	(6,438)	(6,398)
Dividends paid to non-controlling interests	(32)	(32)
Other	(24)	(127)
	41,554	(30,462)
Net increase (decrease) in cash and cash equivalents	3,596	2,902
Cash and cash equivalents at beginning of period	11,997	15,717
Cash and cash equivalents at end of period	15,594	18,620

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Note on significant changes in the amount of shareholders' equity)

Pursuant to a resolution passed at a Board of Directors meeting held on April 14, 2025, the Company acquired 959,400 treasury shares for 3,170 million yen through off-floor purchase transactions on April 15, 2025. Consequently, the Company's treasury shares stood at 3,513 million yen at the end of the first nine months of the fiscal year under review.

(Notes on segment information, etc.)

[Segment information]

I. Nine months ended November 30, 2024

1. Operating revenue and profit (loss) for each reportable segment and the breakdown of revenue

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjusted amount (Note 2)	Amount in quarterly consolidated statement of income (Note 3)
	Retail operations	Retail- peripheral operations	Total				
Operating revenue							
Sales from contracts with customers	344,905	9,425	354,330	2,383	356,713	—	356,713
Other sales	14,366	2,132	16,498	54	16,552	—	16,552
Operating revenue from external customers	359,271	11,557	370,828	2,437	373,266	—	373,266
Inter-segment internal sales or transfers	878	23,175	24,054	1,445	25,499	(25,499)	—
Total	360,150	34,732	394,883	3,882	398,765	(25,499)	373,266
Segment profit	12,985	3,920	16,906	475	17,381	(196)	17,185

(Note 1) The Other category includes the clothing wholesale business.

(Note 2) The segment profit adjustment, -196 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) Segment profit is reconciled with operating profit in the quarterly consolidated statement of income.

(Note 4) As a result of significant revisions to the initial allocation of acquisition costs stated in (Finalization of provisional treatment related to a business combination and significant revisions to the initial allocation of acquisition costs in comparative information) under (Notes on business combination, etc.), values reflecting the revisions are listed.

2. Information on assets by reportable segment

(A significant increase in assets due to business acquisition)

In the retail business segment, Youme Mart Kumamoto Co., Ltd. acquired the supermarket business operated by Seiyu Co., Ltd. in the Kyushu region through an absorption-type company split. Due to the acquisition, assets in the retail business segment increased 93,821 million yen from the end of the previous fiscal year. The amount of increase in the segment assets is the amount after revision reflecting the finalization of the provisional accounting treatment.

3. Information on impairment losses on non-current assets and goodwill by reportable segment

(Significant changes in amount of goodwill)

In the retail business segment, Youme Mart Kumamoto Co., Ltd. acquired the supermarket business operated by Seiyu Co., Ltd. in the Kyushu region through an absorption-type company split. Goodwill of 36,434 million yen was posted due to this event during the nine months under review. The amount of goodwill reflects significant revisions to the initial allocation of acquisition costs as a result of finalization of provisional accounting treatment pertaining to business combinations.

II. Nine months ended November 30, 2025

1. Operating revenue and profit (loss) for each reportable segment and the breakdown of revenue

	Reportable segment			Other (Note 1)	Total	Adjusted amount (Note 2)	Amount in quarterly consolidated statement of income (Note 3)
	Retail operations	Retail- peripheral operations	Total				
Operating revenue							
Sales from contracts with customers	387,750	10,181	397,931	2,354	400,286	—	400,286
Other sales	14,490	2,155	16,646	54	16,700	—	16,700
Operating revenue from external customers	402,240	12,337	414,577	2,409	416,987	—	416,987
Inter-segment internal sales or transfers	916	27,544	28,461	1,490	29,951	(29,951)	—
Total	403,156	39,882	443,039	3,899	446,939	(29,951)	416,987
Segment profit	12,911	4,305	17,217	601	17,818	(217)	17,601

(Note 1) The Other category includes the clothing wholesale business.

(Note 2) The segment profit adjustment, -217 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) Segment profit is reconciled with operating profit in the quarterly consolidated statement of income.

2. Information on assets by reportable segment

Not applicable.

3. Information on impairment losses on non-current assets and goodwill by reportable segment

Not applicable.

(Notes on business combination, etc.)

(Finalization of provisional treatment related to a business combination and significant revisions to the initial allocation of acquisition costs in comparative information)

Regarding the absorption-type company split pertaining to the food supermarket business operated by Seiyu Co., Ltd. in the Kyushu region, which was implemented effective on August 1, 2024, provisional accounting treatment was made in the previous consolidated fiscal year. However, the accounting treatment was finalized in the first six months of the fiscal year under review, excluding some acquisition costs that are under negotiation.

Significant revisions to the allocation of the acquisition costs due to the finalization of this provisional accounting treatment is reflected in the comparative information included in the quarterly consolidated financial statements for the first nine months of the fiscal year under review. Details of the revisions are as follows. If the consideration for the acquisition changes in the future, the Company will revise the acquisition costs, and accordingly, revise the amount of goodwill and treat the corresponding amount of amortization of goodwill for the preceding period as a profit or loss.

(1) Details of revisions to the allocation

Revised items	Revised amount of goodwill
Goodwill (before revision)	56,318 million yen
Property, plant and equipment	(6,966 million yen)
Intangible assets (trademark right, etc.)	(20,220 million yen)
Non-current liabilities (asset retirement obligations)	(1,453 million yen)
Other	8,757 million yen
Total revised amount	(19,883 million yen)
Goodwill (after revision)	36,434 million yen

As a result, adjustments to figures at the end of the previous fiscal year are decreases of 19,303 million yen in goodwill, 2,119 million yen in investments and other assets, and 85 million yen in current assets, and increases of 19,852 million yen in intangible assets excluding goodwill, 8,008 million yen in property, plant and equipment, 5,821 million yen in non-current liabilities, 145 million yen in current liabilities, and 384 million yen in retained earnings.

(2) Amortization period of intangible assets other than goodwill

Item	Amortization period
Trademark right	30 years

(Significant subsequent events)

(Stock split, partial amendment of Articles of Incorporation related thereto and partial change in shareholder benefit program)

The Company resolved at its Board of Directors meeting held on Tuesday, December 9, 2025 to conduct a stock split and partially amend its Articles of Incorporation in connection with the stock split and to partially amend its shareholder benefit program.

(1) Purpose of the stock split

The goal of the stock split is to lower the investment unit price, enhancing liquidity of the Company's stock and broadening its investor base.

(2) Overview of the stock split

(i) Method of the stock split

With Saturday, February 28, 2026 as the record date (as the day falls on a holiday for the shareholder register administrator, the actual record date is Friday, February 27), the common stock held by shareholders registered or recorded in the final shareholders' register on the same day will be split at a ratio of one share to three shares.

(ii) Number of shares to be increased by the split

Total number of issued shares before the stock split:	71,665,200 shares
Increase in the number of shares resulting from the stock split:	143,330,400 shares
Total number of issued shares after the stock split:	214,995,600 shares
Total number of authorized shares after the stock split:	585,729,000 shares

(iii) Schedule for the stock split

Date of public notice of the record date: Friday, February 13, 2026

Record date: Saturday, February 28, 2026

Effective date: Sunday, March 1, 2026

(iv) Impact on per share information

Below is per share information on the assumption that the stock split had been executed at the beginning of the previous fiscal year.

	Nine months ended November 30, 2024	Nine months ended November 30, 2025
Earnings per share	56.29 yen	52.26 yen

(3) Partial amendment to the Articles of Incorporation associated with the stock split

(i) Reasons for amendments of the Articles of Incorporation

In response to the above stock split, the Company intends to revise the total number of authorized shares described in Article 6 of its Articles of Incorporation effective Sunday, March 1, 2026, in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act.

(ii) Details of the amendments

Details of the amendments are as follows.

(The underlined parts show the change.)

Existing Articles of Incorporation	Articles of Incorporation after the amendment
(Total number of authorized shares) Article 6. The total number of authorized shares that the Company is authorized to issue shall be <u>195,243,000</u> .	(Total number of authorized shares) Article 6. The total number of authorized shares that the Company is authorized to issue shall be <u>585,729,000</u> .

(iii) Schedule of the amendment to the Articles of Incorporation

Effective date: Sunday, March 1, 2026

(4) Partial change in the shareholder benefit program

(i) Details of amendments

The amendments are as follows.

[Regular benefit program (twice a year)] (The amendments are underlined.)

Current benefit program			After amendment		
Number of shares held	Shareholder voucher	QUO card	Number of shares held	Shareholder voucher	QUO card
<u>(New)</u>			<u>100 shares or more</u>	<u>10 coupons</u> Equivalent to 1,000 yen	500 yen
100 shares or more	20 coupons Equivalent to 2,000 yen	<u>300 shares or more</u>	20 coupons Equivalent to 2,000 yen		
200 shares or more	30 coupons Equivalent to 3,000 yen	<u>600 shares or more</u>	30 coupons Equivalent to 3,000 yen		
300 shares or more	40 coupons Equivalent to 4,000 yen	<u>900 shares or more</u>	40 coupons Equivalent to 4,000 yen		
400 shares or more	50 coupons Equivalent to 5,000 yen	<u>1,200 shares or more</u>	50 coupons Equivalent to 5,000 yen		
500 shares or more	60 coupons Equivalent to 6,000 yen	<u>1,500 shares or more</u>	60 coupons Equivalent to 6,000 yen		
1,000 shares or more	100 coupons Equivalent to 10,000 yen	<u>3,000 shares or more</u>	100 coupons Equivalent to 10,000 yen	2,000 yen	
2,000 shares or more	200 coupons Equivalent to 20,000 yen	<u>6,000 shares or more</u>	200 coupons Equivalent to 20,000 yen		
3,000 shares or more	300 coupons Equivalent to 30,000 yen	<u>9,000 shares or more</u>	300 coupons Equivalent to 30,000 yen		
4,000 shares or more	400 coupons Equivalent to 40,000 yen	<u>12,000 shares or more</u>	400 coupons Equivalent to 40,000 yen		
5,000 shares or more	500 coupons Equivalent to 50,000 yen	<u>15,000 shares or more</u>	500 coupons Equivalent to 50,000 yen		
6,000 shares or more	600 coupons Equivalent to 60,000 yen	<u>18,000 shares or more</u>	600 coupons Equivalent to 60,000 yen		
8,000 shares or more	800 coupons Equivalent to 80,000 yen	<u>24,000 shares or more</u>	800 coupons Equivalent to 80,000 yen		
10,000 shares or more	1,000 coupons Equivalent to 100,000 yen	<u>30,000 shares or more</u>	1,000 coupons Equivalent to 100,000 yen		

Note: The number of shares held on Saturday, February 28, 2026, is the number before the stock split.

[Long-term shareholding bonus (once a year)] (The amendments are underlined.)

Current benefit program			After amendment		
Number of shares held	In-house gift certificates	QUO card	Number of shares held	In-house gift certificates	QUO card
300 shares or more	2,000 yen	500 yen	<u>900 shares or more</u>	2,000 yen	500 yen
1,000 shares or more	4,000 yen	1,000 yen	<u>3,000 shares or more</u>	4,000 yen	1,000 yen

Note: The number of shares held on Saturday, February 28, 2026, is the number before the stock split.

(ii) Timing of change

The benefits associated with the number of shares held after the stock split will apply to shareholders who are recorded in the shareholder registry as of August 31, 2026.

(Purchase of treasury shares)

At a meeting held on January 13, 2026, the Company's Board of Directors resolved to purchase treasury shares pursuant to the provisions of Article 156 of the Companies Act applied following the deemed replacement of terms pursuant to the provisions of Article 165, Paragraph 3 of the Act.

1. Details of resolution concerning purchase of treasury shares

(1) Reason for purchasing treasury shares

To enhance shareholder return by implementing flexible capital policy, improve capital efficiency, and otherwise further enhance corporate value.

(2) Details of the Board of Directors' resolution regarding purchase of treasury shares

(i) Type of shares to be purchased: Common stock

(ii) Total number of shares to be purchased: 600,000 shares (maximum)

(iii) Total purchase value of the shares: 2,232 million yen (maximum)

(iv) Purchase date: January 14, 2026

(v) Purchase method: Purchase through the off-floor trading system ToSTNeT-3 of the Tokyo Stock Exchange