Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2026 (Based on Japanese GAAP)

October 13, 2026

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Scheduled date to file Semi-annual Securities Report: October 13, 2026
Scheduled date to commence dividend payments: November 19, 2026
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 six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026)

(1) Consolidated financial results (cumulative) Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2026	283,437	0.9	13,271	4.6	13,293	5.4	8,426	4.2
August 31, 2025	281,037	17.8	12,685	5.1	12,614	1.8	8,084	(1.5)

(Note) Comprehensive income: Six months ended August 31, 2026: 9,219 million yen (7.5%)
Six months ended August 31, 2025: 8,577 million yen (5.3%)

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2026	40.10	–
August 31, 2025	38.02	–

(Note) The Company conducted a three-for-one split of its common stock, effective March 1, 2026. Earnings per share were calculated assuming the stock split was implemented at the beginning of the fiscal year ended February 28, 2026.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
August 31, 2026	592,731	314,069	50.6
February 28, 2026	595,383	307,939	49.4

(For reference) Equity: As of August 31, 2026: 300,050 million yen As of February 28, 2026: 294,008 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2026	–	45.00	–	45.00	90.00
Year ending February 28, 2027	–	15.00			
Year ending February 28, 2027 (Forecast)			–	15.00	30.00

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

(Note) The Company conducted a three-for-one split of its common stock, effective March 1, 2026. The stock split was accounted for when calculating annual dividends per share for the fiscal year ending February 28, 2027 (forecast). If annual dividends per share for the fiscal year ending February 28, 2027 (forecast) were calculated without accounting for the stock split, they would be 90.00 yen.

3. Forecast of consolidated financial results for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

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	587,100	3.1	29,000	6.5	28,400	3.8	17,400	3.4	82.82

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

(Note) Earnings per share were calculated to reflect the stock split stated in the note in “2. Cash dividends.”

Notes

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

(2) Application of special accounting methods for preparing semi-annual 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 August 31, 2026	214,995,600 shares	As of February 28, 2026	214,995,600 shares

Number of treasury shares at the end of the period

As of August 31, 2026	4,791,625 shares	As of February 28, 2026	4,897,260 shares

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

Six months ended August 31, 2026	210,143,516 shares	Six months ended August 31, 2025	212,655,534 shares

(Note) The Company conducted a three-for-one split of its common stock, effective March 1, 2026. The number of issued shares (common shares) is calculated assuming the stock split was implemented at the beginning of the fiscal year ended February 28, 2026.

* These semi-annual financial results are outside the scope of review by a certified public accountant or an auditing corporation.

* 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 Semi-annual 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.

○ Contents of the attached document

1. Qualitative Information on the Semi-annual Financial Results 4
(1) Explanation of Operating Results 4
(2) Explanation of Financial Position 8
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information 9
2. Semi-annual Consolidated Financial Statements and Primary Notes 10
(1) Semi-annual Consolidated Balance Sheet 10
(2) Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statement of Comprehensive Income 12
Semi-annual Consolidated Statement of Income 12
Semi-annual Consolidated Statement of Comprehensive Income 13
(3) Semi-annual Consolidated Statement of Cash Flows 14
(4) Notes to Semi-annual Consolidated Financial Statements 15
(Notes on going concern assumptions) 15
(Note on significant changes in the amount of shareholders' equity) 15
(Additional information) 15
(Notes on segment information, etc.) 15

1. Qualitative Information on the Semi-annual Financial Results

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

(1) Explanation of Operating Results

In the first six months of the fiscal year under review, the Japanese economy continued to trend moderately toward a recovery. However, the future outlook has remained uncertain, mainly reflecting concerns regarding the impact of natural disasters on the prices of agricultural produce and supply chains, in addition to the impact of soaring energy costs and rising prices on household finances, a result of the tensions in the Middle East.

In the retail industry, consumption patterns are increasingly polarized, while there is an increasingly strong trend toward selective consumption, in which consumers' spending decisions are driven by the value of products and services, in addition to consumer frugality reflecting price increases. Due to these changes in consumer behaviors, it is necessary to further differentiate the Group by proposing high value-added products as well as strengthening price competitiveness focusing on essential goods. Further, initiatives to secure profitability, including initiatives to address personnel and logistics expenses and other rising costs, have become important management tasks, and it appears that the business environment remains challenging.

Additionally, the 2026 Kumamoto Earthquake that occurred in July has significantly affected the lives of local residents and corporate activities. At the Izumi Group, buildings, equipment, and other property of certain stores have been damaged in the affected area, and the Group responded by temporarily closing stores or shortening operating hours. At the same time, to fulfill its mission as a part of the local infrastructure of everyday life, the Group proceeded with restoration work to quickly resume operations with a focus on food items and essential goods. As a result, as of the end of the first six months under review, all stores had resumed operations except two of the Company's stores, Youme Town Yatsushiro and Youme Mart Matsubase, and four of consolidated subsidiary Youme Mart Kumamoto Co., Ltd.'s stores. While some stores are operating with limited sales floors, the Group's system for providing products and services to local customers has mostly been restored. In parallel with these restoration measures, the Group has been engaged in activities including the provision of aid supplies through comprehensive agreements and agreements regarding cooperation in the procurement of relief supplies during disasters, which were signed with local governments, and disaster relief funding activities at 167 stores. Accordingly, it has been working to support the restoration and reconstruction of affected areas as a community-based corporate group.

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 been implementing the strategies set out in the Third Medium-term Management Plan announced in April, with a view toward achieving the goal of creating livable communities and fostering the growth of the population. In accordance with the 2035 Long-term Vision "At the Izumi Group, we strive to be a community-oriented comprehensive life industry, the most deeply connected to and trusted by customers in western Japan," the Group focused on contributing to creating comfortable and lively communities. With "Creation of a New SM business," "Evolution of GMS" and "Strengthening of retail-peripheral business and new businesses" as three basic strategies, the Group will drive structural reforms to evolve the business structure. The Group will further pursue the community-based business model that is its strength and translate this into further value creation by transforming the business structure in response to environmental changes.

The Group also sought to strengthen its organizational structure in March to accelerate operations to realize the Group's growth strategy and structural reforms. The Company established the CSM (Chain Store Management) Promotion Department as an organization that reports directly to the President. The purpose of the new department is to coordinate all operations for "creation of a new SM business," including product measures, store operations and back-office operations. The Company also reorganized groceries and deli into the Food Division to strengthen product strategy in the SM sector. In addition, the Company created the Shared Service Center (SSC) Department to reinforce the management foundation by consolidating and standardizing the indirect operations of the whole Izumi Group.

For details of the Third Medium-term Management Plan, please refer to the Company's website.

https://www.izumi.co.jp/ir/management/

At the same time, the Company is preparing for the merger of Youme Mart Kumamoto Co., Ltd., Youme Mart Kitakyushu Co., Ltd., and SUNLIFE Co., Ltd., which are engaged in the Group's supermarket business in the Kyushu area. The Group has decided that it is important to enhance its sales and administrative functions by effectively using the management resources of the individual companies in light of the changes in the business environment and the increasingly competitive environment in recent years. Based on this

understanding, the Group will move forward with the integration of its organizations and operations, in addition to the revision of its business operation system, to enhance its sales support functions and streamline and increase the sophistication of administrative work and also to strive to strengthen Group governance.

Further, the Group has been steadily implementing initiatives to achieve its environmental KPIs in its Basic Sustainability Policy. As part of these efforts, the Group reviewed its materiality matrix to coincide with the formulation of the Third Medium-term Management Plan. The Group reassessed the content and scope of activities and degree of materiality for each materiality and updated initiatives in response to changes in the external environment since formulation. 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/

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

	Six months ended August 31, 2025	Six months ended August 31, 2026	Change	Change (%)
Operating revenue	281,037 million yen	283,437 million yen	2,400 million yen	0.9%
[Net sales]	[251,932 million yen]	[253,907 million yen]	[1,974 million yen]	[0.8%]
[Operating revenue]	[29,105 million yen]	[29,530 million yen]	[425 million yen]	[1.5%]
Operating profit	12,685 million yen	13,271 million yen	585 million yen	4.6%
Ordinary profit	12,614 million yen	13,293 million yen	679 million yen	5.4%
Profit attributable to owners of parent	8,084 million yen	8,426 million yen	342 million yen	4.2%

Key factors contributing to operating results

(i) Operating revenue and operating gross profit

Operating revenue rose 2,400 million yen (0.9%) year on year to 283,437 million yen, despite the impact of the Kumamoto Earthquake, which was more than offset by an increase in the number of customers, mainly due to the operation of new stores, the implementation of low-price initiatives, and the promotion of high value-added products.

Operating gross profit was 111,150 million yen (up 1,290 million yen year on year). This is 39.2% of operating revenue, an increase of 0.1 percentage points from one year ago.

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

Selling, general and administrative expenses increased 705 million yen (0.7%) year on year to 97,879 million yen. This increase was primarily due to increased personnel expenses, which offset efforts to control expenditure such as utility expenses. This is 34.5% of operating revenue, a decrease of 0.1 percentage points from one year ago.

Consequently, operating profit increased 585 million yen (4.6%) to 13,271 million yen. This is 4.7% of operating revenue, a 0.2 percentage point increase from the previous year.

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

Non-operating income rose 54 million yen (7.8%) year on year, to 750 million yen. Meanwhile, non-operating expenses declined by 39 million yen (5.2%) year on year, to 727 million yen.

As a result, ordinary profit increased 679 million yen (5.4%) year on year, to 13,293 million yen. This is 4.7% of operating revenue, an increase of 0.2 percentage points from the previous year.

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

Extraordinary income stood at 434 million yen (a year-on-year increase of 295 million yen), mainly reflecting compensation income related to a public construction works project of 316 million yen. Extraordinary losses came to 641 million yen (a year-on-year increase of 504 million yen), chiefly reflecting loss on disaster of 426 million yen, impairment losses of 54 million yen, and loss on retirement of non-current assets of 34 million yen.

Income taxes amounted to 4,538 million yen (an increase of 142 million yen from a year ago).

Profit attributable to non-controlling interests was 121 million yen (a decrease of 13 million yen from a year ago).

As a consequence, profit attributable to owners of parent increased 342 million yen (4.2%) year on year to 8,426 million yen. This is 3.0% of operating revenue, an increase of 0.1 percentage points from the previous year.

Performance by Segment

■ Operating revenue

	Six months ended August 31, 2025	Six months ended August 31, 2026	Change	Change (%)
Retail operations	271,830 million yen	273,638 million yen	1,807 million yen	0.7%
Retail-peripheral operations	26,289 million yen	27,980 million yen	1,691 million yen	6.4%
Other	2,465 million yen	2,437 million yen	(28 million yen)	(1.2%)
Adjusted amount	(19,548 million yen)	(20,618 million yen)	(1,069 million yen)	—
Total	281,037 million yen	283,437 million yen	2,400 million yen	0.9%

■ Operating profit

	Six months ended August 31, 2025	Six months ended August 31, 2026	Change	Change (%)
Retail operations	9,530 million yen	9,826 million yen	295 million yen	3.1%
Retail-peripheral operations	2,907 million yen	3,213 million yen	305 million yen	10.5%
Other	384 million yen	308 million yen	(75 million yen)	(19.7%)
Adjusted amount	(137 million yen)	(78 million yen)	59 million yen	—
Total	12,685 million yen	13,271 million yen	585 million yen	4.6%

(i) Retail operations

In core retail operations, sales remained almost on par with the previous year, mainly a reflection of the number of customers at directly operated stores remaining above the previous year.

The sales performance of all stores grew sluggishly, chiefly due to the temporary closure and shortening of the operating hours of some stores after the 2026 Kumamoto Earthquake and its impact on consumer activities in the affected areas.

On the product front, the Group implemented low-price initiatives, mainly for essential goods, while also focusing on increasing added value in response to even greater polarization of consumption patterns.

To meet needs for low prices, this fiscal year, the Group is continuing to focus on its “Select 100 Super-Bargain Prices” campaign through which it makes 90 everyday essential food items and 10 household items available at a discount price. Especially in fresh produce sections, the Group sought to increase the number of customers coming into stores through stepping up the promotion of low prices and also put effort into seafood sections, including strengthening face-to-face sales corners in all stores. With food prices going up one after another and customers adopting more defensive spending behaviors, sales have remained strong.

Moreover, the Group expanded the Regular items of the Youme-Ichi brand, the Izumi private brand that was launched in September last year. This is the standard line of products for which there is a focus on balancing quality and price. The Group is also providing Price line products focused on low prices. As of the end of August 2026, the Company has released a total of 290 items: 209 Price items, 79 Regular items, and two Premium items. The Group also newly added Youme Review, a product review function, in April to the Youme app, with a view to using customer feedback in future product development and product promotions. Customers can leave reviews and comments about products they have purchased and the Group will improve existing products based on this qualitative data. Additionally, sales remained firm due to expansion in the number of product items and expansion in sales at stores, and the Group’s policy going forward is to develop a total of 800 items by 2035 and increase the ratio of sales of PB products to total food sales to 10% by 2030.

Further, the Group made improvements to 32 items under its in-house manufactured brand of deli and fresh processed items “zehi,” focusing mainly on products in the “Balance” line of products for health-conscious customers among the five product lineups, which also include “Premium” and “Season” product lines. The Group also implemented initiatives such as expanding sales of freshly made products during the evening timeslot when demand is strongest.

In terms of stores, the Group opened youme Mall Nakagawa (Nakagawa, Fukuoka) in March. With “a place Nakagawa can rely on” as the tagline, the mall aims to be a community-based shopping mall centered on commerce, transport and health, which lends itself

to serving as a community lifestyle hub. Under a comprehensive cooperation agreement with Nakagawa City, the mall promotes local production for local consumption and offers an extensive lineup of agricultural produce and processed foods grown in Nakagawa. Going forward, youme Mall Nakagawa will continue to offer the "Fun of visiting it every day" as a food supermarket that supports everyday convenience and comfort.

In July, the Group opened Yours Hirose-kita (Naka-ku, Hiroshima), a new urban SM model store in line with the Third Medium-term Management Plan. The Group aims to build an urban model store in which individual employees are able to perform multiple duties, including cashier and restocker duties, making it possible to operate efficiently with a small staff. The store is open 24 hours a day, providing peace of mind as customers can visit the store at any time, in addition to its convenience, which is aligned with the diverse lifestyles of customers.

The Group remodeled existing stores.

In March, Youme Town Yamaguchi (Yamaguchi, Yamaguchi) welcomed a large family fashion tenant as a new tenant and also saw the renovation of its directly operated food counters and lifestyle counters. In addition to further enhancing products and services to meet the needs of a wide range of generations, the Group sought to create stores that will support the lives of local customers. Furthermore, at Youme Town Minamiyukuhashi (Yukuhashi, Fukuoka), the Group opened "Asoboccha," an indoor children's playground installed by Yukuhashi City. The playground has all kinds of play equipment that allows children to have fun and play safely whatever the weather while also fostering the development of their physical skills, social skills, imagination and learning according to their age. At Youme Town Minamiyukuhashi, the Group also sought to improve convenience for customers with children by renovating the mall's toilet facilities to coincide with the opening of "Asoboccha."

In April, Youme Town Ube (Ube, Yamaguchi) opened Machi Library @ Youme Town Ube, which is operated under the leadership of Ube City. Machi Library @ Youme Town is a community library where users bring in donated books or donate books with messages on the shelves. It is one of the largest community libraries in West Japan. The library functions as a third place where people can escape their daily routines and feel free to stop by. The Group expects that many different generations will form loose connections through books, giving rise to new activities and community connections. Further, the Company established Little Planet, a next-generation children's theme park, as its franchise store in Youme Town Hikarinomori (Kikuchi-gun, Kumamoto) in April and in Youme City (Shimonoseki, Yamaguchi) in June. Going forward, the Company will continue striving to enhance its store value by offering young parents customers opportunities to shop and enjoy new experiences.

In June, LECT FOOTBALL PARK opened at LECT (Nishi-ku, Hiroshima). Used for soccer schools and as a rental field, LECT FOOTBALL PARK provides an environment in which people of a wide range of generations are able to freely enjoy sports. By facilitating the revitalization of local communities through sports, LECT FOOTBALL PARK enhances the store's roles as a community-based center for interactions and it helps increase the appeal of the facility as a whole by creating a new incentive to visit the store.

Given the above initiatives, same-store sales (including specialty tenants' sales) in the first six months increased 1.4% year on year (before the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29)). Same-store sales, excluding tenant sales, increased 0.2% year on year (on the same basis).

As a result, operating revenue increased 0.7% year on year, to 273,638 million yen, and operating profit increased 3.1% year on year, to 9,826 million yen.

(ii) Retail-peripheral operations

In the retail-peripheral operations, both sales and profit rose, reflecting strong sales in retail operations.

At Youme Card Co., Ltd., the financial business experienced strong fee revenue due mainly to an increase in credit card transaction value. At the end of the first quarter under review, the cumulative number of Youme Cards issued rose to 11,390,000, up from 11,170,000 at the end of the previous fiscal year. Further, in October, Youme Card Co., Ltd. will begin to provide the new youme NEOBANK banking service that links everyday shopping to financial services. Via a dedicated app, Youme Card Co., Ltd. links customer touchpoints, including the Group's payment service, point program, and Youme App, with financial features, with the goal of providing highly convenient services that facilitate customers' prosperity and comfort. By entering the banking agency business (BaaS), Youme Card Co., Ltd. will expand customer touchpoints, which have been focused on shopping, into the financial domain to enhance the value of the Group's services as a whole and reinforce its customer base over the long term.

In the facility management business, construction orders received by Izumi Techno Co., Ltd. were strong, in addition to an increase in the number of facilities it administers as the designated administrator. However, it was affected by the temporary closure of stores due to the earthquake. This resulted in an increase in sales and a decline in profit.

At Izumi Food Service Co., Ltd., which operates restaurant businesses, both sales and profits rose due to strong performances of key brands, including Mister Donut and BR 31 Ice Cream.

As a result, operating revenue increased 6.4% year on year, to 27,980 million yen, and operating profit increased 10.5% year on year, to 3,213 million yen.

(iii) Other businesses

In the wholesale business, sluggish sales and an increase in the cost of sales due to a weaker yen than a year earlier resulted in lower profit. Rental income in the real estate lease business was stable.

As a result, operating revenue amounted to 2,437 million yen (down 1.2% year on year) and operating profit was 308 million yen (down 19.7% 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 six months of the fiscal year ending February 28, 2027 are as stated below.

	As of February 28, 2026	As of August 31, 2026	Change
Total assets	595,383 million yen	592,731 million yen	(2,652 million yen)
Liabilities	287,444 million yen	278,662 million yen	(8,782 million yen)
Net assets	307,939 million yen	314,069 million yen	6,130 million yen

Total assets

- Notes and accounts receivable - trade, and contract assets rose 6,162 million yen, mainly due to an increase in the credit transaction volume.
- Capital expenditures during the first six months under review amounted to 10,863 million yen, chiefly due to investments in new store openings, renovations of existing stores, and digital transformation, including prior investments. Property, plant and equipment rose 2,070 million yen after accounting for depreciation.
- Cash and deposits were down 9,223 million yen at the end of the period. For details, please see (ii) Analysis of cash flow.
- Merchandise and finished goods decreased 1,337 million yen due to efforts to reduce merchandise inventory in the lifestyle segment.

Liabilities

- Short-term and long-term borrowings increased 14,467 million yen.
- Notes and accounts payable - trade decreased 19,634 million yen, reflecting a delay in settlement. The last day of the previous fiscal period was a bank holiday, resulting in the postponement of settlement to the beginning of the following month.
- Accounts payable - other decreased 5,267 million yen, mainly reflecting a decrease in accounts payable - facilities and the postponement of settlement of accounts payable - other to the beginning of the following month, which was due to the last day of the previous fiscal period being a bank holiday.

Net assets

- Retained earnings rose 5,255 million yen, indicating an increase in internal reserves.
- As a result, the equity ratio was 50.6%, a 1.2 percentage point increase from 49.4% at the end of the previous fiscal year.

(ii) Analysis of cash flow

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

	Six months ended August 31, 2025	Six months ended August 31, 2026	Change
Cash flows from operating activities	44,755 million yen	(8,647 million yen)	(53,402 million yen)
Cash flows from investing activities	(9,915 million yen)	(11,768 million yen)	(1,853 million yen)
Cash flows from financing activities	(27,868 million yen)	11,192 million yen	39,060 million yen

Cash flows from operating activities

- The main cash inflows were profit before income taxes of 13,086 million yen and depreciation of 9,165 million yen.
- The major cash outflows were a decrease in trade payables of 19,634 million yen, an increase in accounts receivable - trade and contract assets of 6,162 million yen, and income taxes paid of 5,340 million yen.

Cash flows from investing activities

- The primary cash outflow was the purchase of property, plant and equipment totaling 11,201 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 main cash inflow was an increase in proceeds from short-term borrowings of 24,370 million yen.
- The major cash outflows were repayments of long-term borrowings of 9,902 million yen and dividends paid of 3,151 million yen.

As a result, the balance of cash and cash equivalents decreased 9,223 million yen from the end of the previous fiscal year, to 18,864 million yen.

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

There has been no revision to the consolidated forecasts for the fiscal year ending February 28, 2027, which were released on April 14, 2026.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and deposits	28,088	18,864
Notes and accounts receivable - trade, and contract assets	61,794	67,956
Merchandise and finished goods	30,242	28,905
Work in process	29	78
Raw materials and supplies	739	823
Other	16,747	17,370
Allowance for doubtful accounts	(561)	(513)
Total current assets	137,079	133,485
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	144,833	145,273
Land	191,261	193,301
Other, net	21,713	21,304
Total property, plant and equipment	357,808	359,878
Intangible assets		
Goodwill	34,207	33,256
Other	27,949	27,342
Total intangible assets	62,156	60,598
Investments and other assets		
Other	38,506	38,936
Allowance for doubtful accounts	(167)	(167)
Total investments and other assets	38,338	38,768
Total non-current assets	458,303	459,245
Total assets	595,383	592,731

(Millions of yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	57,289	37,655
Short-term borrowings	12,280	36,650
Current portion of long-term borrowings	17,620	16,202
Accounts payable - other	15,234	9,966
Income taxes payable	5,837	4,769
Provision for bonuses	2,337	2,604
Provision for bonuses for directors (and other officers)	41	4
Contract liabilities	8,016	8,603
Provision for loss on building demolition	–	19
Provision for loss on lease contracts	32	32
Other	24,283	25,659
Total current liabilities	142,973	142,167
Non-current liabilities		
Long-term borrowings	88,611	80,127
Long-term leasehold and guarantee deposits received	22,041	22,005
Provision for retirement benefits for directors (and other officers)	62	68
Provision for loss on interest repayment	316	299
Provision for loss on lease contracts	293	276
Retirement benefit liability	8,686	8,978
Asset retirement obligations	11,840	12,142
Other	12,617	12,596
Total non-current liabilities	144,470	136,494
Total liabilities	287,444	278,662
Net assets		
Shareholders' equity		
Share capital	19,613	19,613
Capital surplus	22,758	22,758
Retained earnings	252,115	257,371
Treasury shares	(5,337)	(5,222)
Total shareholders' equity	289,150	294,521
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,160	4,004
Remeasurements of defined benefit plans	1,697	1,524
Total accumulated other comprehensive income	4,857	5,529
Non-controlling interests	13,930	14,019
Total net assets	307,939	314,069
Total liabilities and net assets	595,383	592,731

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

Semi-annual Consolidated Statement of Income

(Millions of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Operating revenue	281,037	283,437
Net sales	251,932	253,907
Cost of sales	171,177	172,287
Gross profit	80,754	81,619
Operating revenue	29,105	29,530
Operating gross profit	109,859	111,150
Selling, general and administrative expenses	97,173	97,879
Operating profit	12,685	13,271
Non-operating income		
Interest and dividend income	99	122
Purchase discounts	95	112
Share of profit of entities accounted for using equity method	–	23
Other	500	490
Total non-operating income	695	750
Non-operating expenses		
Interest expenses	634	648
Share of loss of entities accounted for using equity method	2	–
Other	130	79
Total non-operating expenses	767	727
Ordinary profit	12,614	13,293
Extraordinary income		
Gain on sale of non-current assets	28	117
Gain on receipt of donated non-current assets	95	–
Compensation income	–	316
Other	15	–
Total extraordinary income	139	434
Extraordinary losses		
Loss on retirement of non-current assets	68	34
Impairment losses	40	54
Loss on store closings	16	68
Loss on disaster	–	426
Other	11	57
Total extraordinary losses	137	641
Profit before income taxes	12,615	13,086
Income taxes – current	3,864	4,168
Income taxes – deferred	531	369
Total income taxes	4,396	4,538
Profit	8,219	8,548
Profit attributable to non-controlling interests	135	121
Profit attributable to owners of parent	8,084	8,426

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Profit	8,219	8,548
Other comprehensive income		
Valuation difference on available-for-sale securities	190	812
Remeasurements of defined benefit plans, net of tax	159	(172)
Share of other comprehensive income of entities accounted for using equity method	7	31
Total other comprehensive income	357	670
Comprehensive income	8,577	9,219
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,444	9,098
Comprehensive income attributable to non-controlling interests	133	121

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended August 31, 2025	Six months ended August 31, 2026
Cash flows from operating activities		
Profit before income taxes	12,615	13,086
Depreciation	9,356	9,165
Share-based payment expenses	61	55
Amortization of goodwill	1,216	950
Increase (decrease) in allowance for doubtful accounts	(23)	(48)
Interest and dividend income	(99)	(122)
Interest expenses	634	648
Share of loss (profit) of entities accounted for using equity method	2	(23)
Loss (gain) on sale of non-current assets	(28)	(117)
Gain on receipt of donated non-current assets	(95)	–
Loss on retirement of non-current assets	68	34
Impairment losses	40	54
Loss on store closings	16	68
Increase (decrease) in provision for loss on building demolition	(111)	19
Decrease (increase) in accounts receivable - trade, and contract assets	(6,809)	(6,162)
Loss on disaster	–	426
Decrease (increase) in inventories	(417)	1,204
Increase (decrease) in trade payables	32,909	(19,634)
Increase (decrease) in deposits received	3,051	1,593
Compensation income	–	(316)
Other	(2,607)	(3,618)
Subtotal	49,784	(2,736)
Interest and dividend received	104	128
Interest paid	(632)	(675)
Payments associated with disaster loss	–	(314)
Income taxes refund (paid)	(4,505)	(5,340)
Proceeds from compensation	–	316
Other	4	(25)
Net cash provided by (used in) operating activities	44,755	(8,647)
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,968)	(11,201)
Proceeds from sale of property, plant and equipment	792	460
Purchase of intangible assets	(796)	(552)
Other	56	(475)
Net cash provided by (used in) investing activities	(9,915)	(11,768)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(11,850)	24,370
Repayments of long-term borrowings	(9,507)	(9,902)
Purchase of treasury shares	(3,172)	(0)
Dividends paid	(3,219)	(3,151)
Dividends paid to non-controlling interests	(32)	(32)
Other	(85)	(90)
Net cash provided by (used in) financing activities	(27,868)	11,192
Net increase (decrease) in cash and cash equivalents	6,971	(9,223)
Cash and cash equivalents at beginning of period	15,717	28,088
Cash and cash equivalents at end of period	22,689	18,864

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

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

Not applicable.

(Additional information)

(Impact of the earthquake)

The 2026 Kumamoto Earthquake damaged the Izumi Group. This includes partial damage to its stores and the breakage of products. The major assets damaged were property, plant and equipment, which includes buildings and structures, and products. The damage was posted as a loss on disaster in extraordinary losses.

Evaluations are ongoing regarding repairs to stores' buildings and structures, and it is difficult at the moment to reasonably calculate the impact of the earthquake. Accordingly, the semi-annual consolidated financial statements do not reflect the impact of the earthquake in monetary terms.

(Notes on segment information, etc.)

[Segment information]

I. Six months ended August 31, 2025

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 semi-annual consolidated statement of income (Note 3)
	Retail operations	Retail-peripheral operations	Total				
Operating revenue							
Sales from contracts with customers	261,570	6,887	268,457	1,455	269,913	–	269,913
Other sales	9,637	1,450	11,088	36	11,124	–	11,124
Operating revenue from external customers	271,207	8,337	279,545	1,492	281,037	–	281,037
Inter-segment internal operating revenue or transfers	623	17,951	18,574	973	19,548	(19,548)	–
Total	271,830	26,289	298,120	2,465	300,586	(19,548)	281,037
Segment profit	9,530	2,907	12,438	384	12,823	(137)	12,685

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

(Note 2) The segment profit adjustment, -137 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) Segment profit is reconciled with operating profit in the semi-annual 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.

II. Six months ended August 31, 2026

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 semi-annual consolidated statement of income (Note 3)
	Retail operations	Retail-peripheral operations	Total				
Operating revenue							
Sales from contracts with customers	263,188	7,434	270,622	1,428	272,050	–	272,050
Other sales	9,805	1,545	11,350	36	11,387	–	11,387
Operating revenue from external customers	272,993	8,979	281,972	1,464	283,437	–	283,437
Inter-segment internal operating revenue or transfers	644	19,001	19,645	972	20,618	(20,618)	–
Total	273,638	27,980	301,618	2,437	304,056	(20,618)	283,437
Segment profit	9,826	3,213	13,040	308	13,349	(78)	13,271

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

(Note 2) The segment profit adjustment, -78 million yen, includes an adjustment related to intersegment unrealized gains.

(Note 3) Segment profit is reconciled with operating profit in the semi-annual 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.