

Presentation Materials of Financial Results for the second quarter of the FYE Mar. 2026 (FY2025)

2025.4.1-9.30

H2O RETAILING CORPORATION

Oct. 31, 2025



Results

- Consolidated results were generally in line with forecasts, despite decreasing sales and operating profits from the previous year. Profit fell sharply, partly due to the absence of extraordinary income recorded in 1Q of the previous year.
- In Department Store Business, sales and operating profit decreased, partly due to strong inbound sales in previous year and the closure of sales area following remodeling. In 2Q, inbound sales improved compared to 1Q, and domestic sales remained steady, resulting in an increase in operating profit from the previous year.
- In Supermarket Business, sales and operating profit increased due to continued strong existing sales at supermarket.

Forecast

- Full-year forecast of consolidated operating profit and ordinary profit have not revised.
- Profit revised upward. Estimated gain on sale of investment securities due to tender offer for Toho shares (recorded in 25.3Q)

FYE2026 1H (FY2025) Results

		YoY	Vs.Forecast Announced on May 13
Gross sales	5,554	▲30 ▲1%	5,600
Operating profit	119	▲31 ▲21%	110
Profit	69	▲202 ▲75%	63

FYE2026 (FY2025) Forecast

		YoY	Vs.Forecast Announced on May 13
Gross sales	11,630	+34 +0%	11,680
Operating profit	300	▲48 ▲14%	300
Profit	240	▲108 ▲31%	180

1 Results for 1H of FY2025

2 Forecast for FY2025

3 Progress of Mid-term Management Plan (2024-2026)

4 Appendix

Note

- Figures in this document are rounded to the nearest 100 million of JPY when presented in 100 million of JPY.
- Gross Sales in this document are reclassified on the standard before the application of "Accounting Standard for Revenue Recognition".
- The goodwill amount for Ningbo Development and Ningbo Hankyu, which were newly consolidated in first quarter of the fiscal year ended Mar. 2025, was revised from estimated values to final values in fourth quarter of the same fiscal year. Consequently, the previous year's goodwill amortization amount was revised based on the final values and recorded accordingly.
- Profit attribute to owners of the parent is shown as Profit.

1 Results for 1H of FY2025

2 Forecast for FY2025

3 Progress of Mid-term Management Plan (2024-2026)

4 Appendix

Consolidated Results

- Consolidated results were generally in line with forecasts, despite decreasing sales and operating profits from the previous year. Profit fell sharply, partly due to the absence of extraordinary income recorded in 1Q of the previous year.
- 2Q: Consolidated operating profit increased from the previous year, partly due to an increase in operating profit in Other Business.

100 million of JPY

	FY2024	FY2025			FY2025
	1H result	1H result	YoY change	YoY amount	1H forecast
Gross sales	5,585	5,554	▲ 0.5%	▲ 30	5,600
Net sales	3,313	3,330	+0.5%	+18	3,340
Operating profit	150	119	▲ 21.0%	▲ 31	110
Ordinary profit	159	124	▲ 22.1%	▲ 35	116
Profit	271	69	▲ 74.5%	▲ 202	63

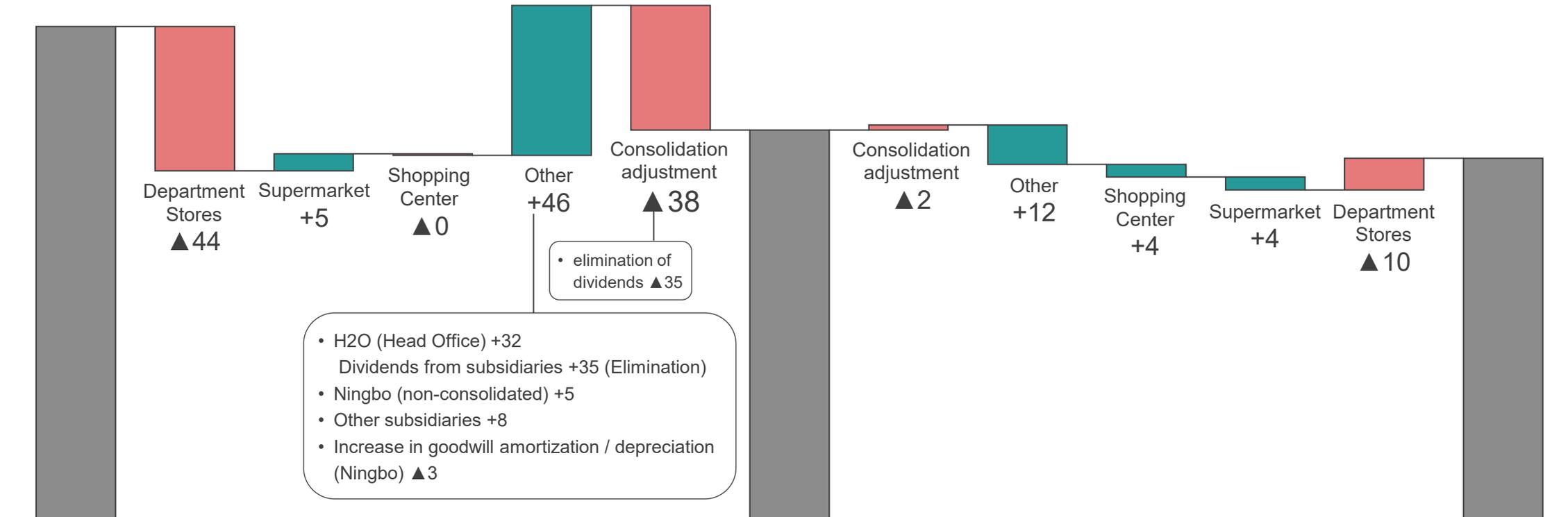
Results by Segment

100 million of JPY

	FY2024 1H result	FY2025			FY2025
		1H result	YoY change	YoY amount	1H forecast
Department Store	3,050	2,866	▲ 6.0%	▲ 184	2,900
Supermarket	2,112	2,160	+2.3%	+49	2,165
Shopping Center	160	147	▲ 7.9%	▲ 13	150
Other	263	381	+44.9%	+118	385
Gross sales	5,585	5,554	▲ 0.5%	▲ 30	5,600
Department Store	126	82	▲ 34.7%	▲ 44	92
Supermarket	37	42	+13.9%	+5	38
Shopping Center	21	21	▲ 2.0%	▲ 0	17
Other	48	93	+95.8%	+46	81
Consolidation adjustment	▲ 82	▲ 120	—	▲ 38	▲ 118
Operating profit	150	119	▲ 21.0%	▲ 31	110

Results by Segment-Factors of Increase / Decrease in Operating Profit (YoY, vs. Forecast)

100 million of JPY

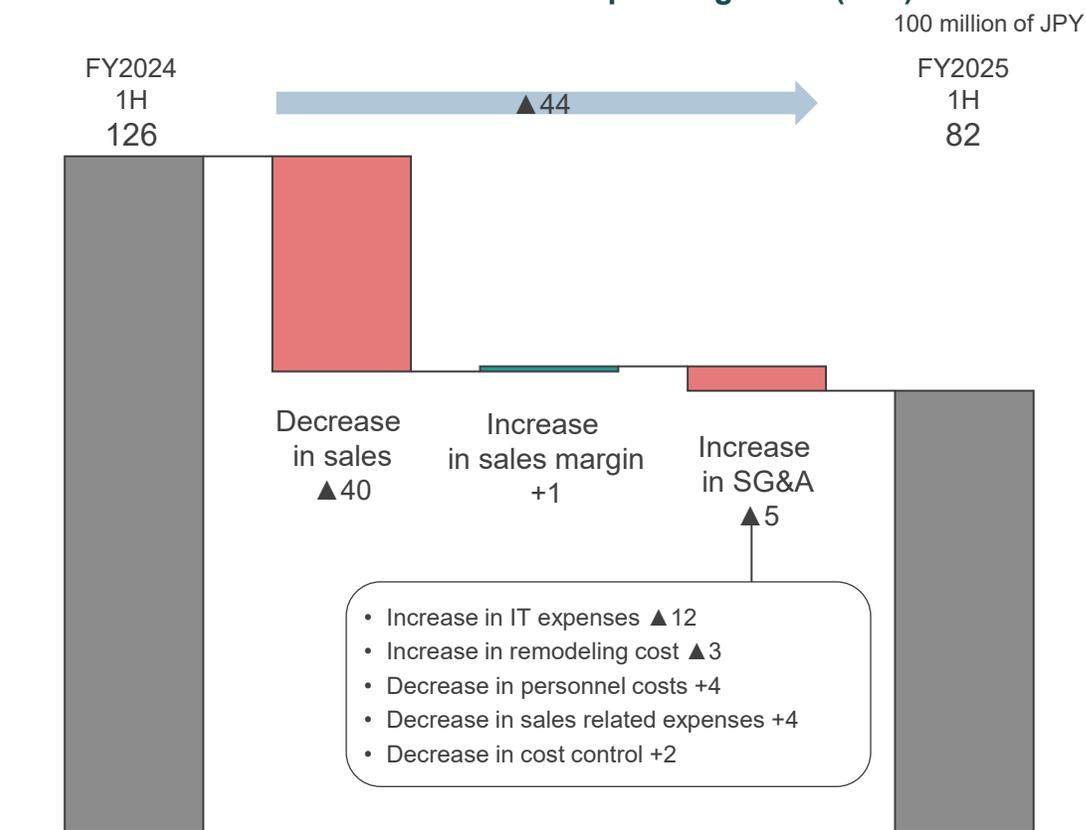


Department Store Business

- In 1H, Sales and operating profit decreased due to strong inbound sales in the previous year and the closure of sales floors following remodeling. Both sales and operating profit fell short of the forecast due to inbound sales being approximately 5.0 billion JPY lower than expected.
- In 2Q, domestic sales were solid, with Aug.-Sep. inbound sales level with the previous year. Operating profit increased as selling, general, and administrative expenses also decreased compared to the previous year.

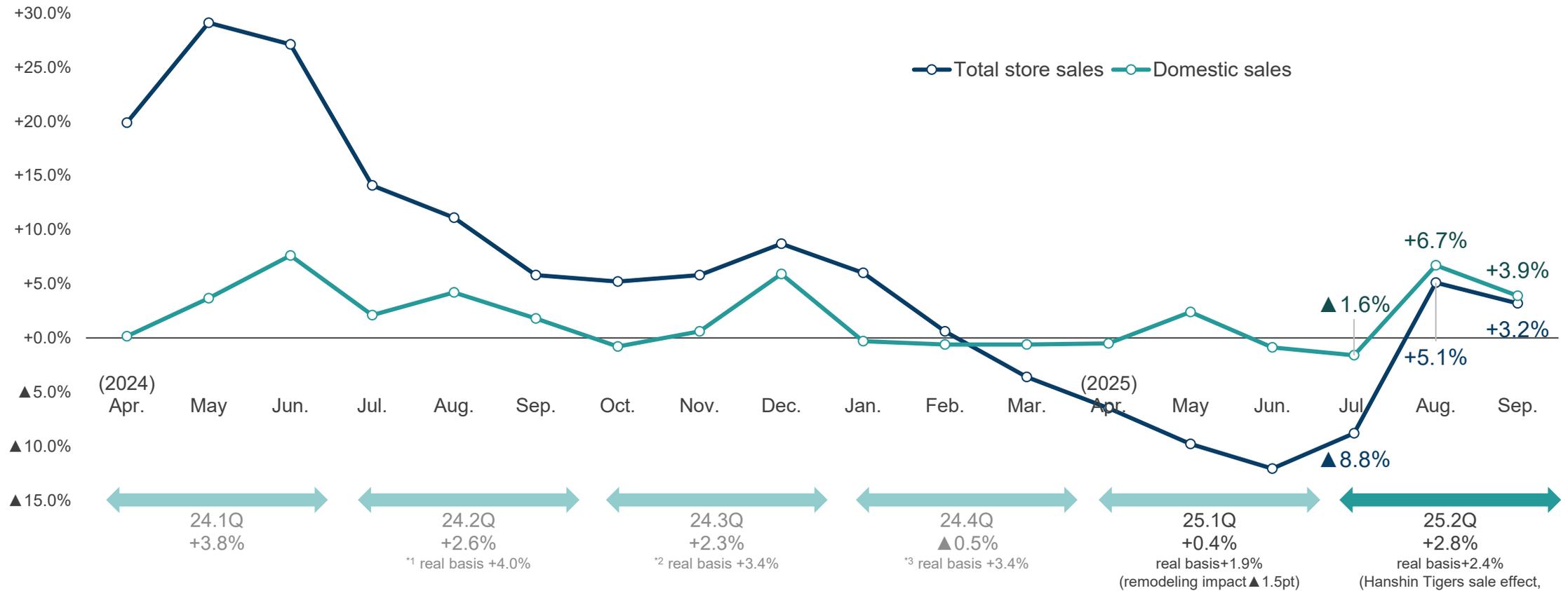
	FY2024	FY2025		FY2025 1H forecast	
	1H result	1H result	YoY change		YoY amount
Gross sales	3,050	2,866	▲ 6.0%	▲ 184	2,900
Net sales	920	867	▲ 5.8%	▲ 54	
Gross profit	665	625	▲ 5.9%	▲ 39	
SG&A expenses	539	543	+0.8%	+5	
Operating profit	126	82	▲ 34.7%	▲ 44	92

◆ Factors of Increase / Decrease in Operating Profit (YoY)



Department Store Business (Sales Trends)

- Total store sales (2Q) improved from 1Q, down 1% YoY (1Q: down 10%)
- Domestic sales (2Q) remained steady at +2.8%, sales of Hanshin Umeda Main Store and Kawanishi Hankyu Square were strong after the renovation opened, with the sales of Hanshin Tigers boosting results and reducing the impact of remodeling work on Hankyu Main Store
- Following a significant decline in 1Q, inbound sales showed an improvement trend in 2Q.



*1 previous year's Hanshin Tigers sale impact ▲1.4pt

*2 previous year's Hanshin Tigers sale impact ▲1.0pt

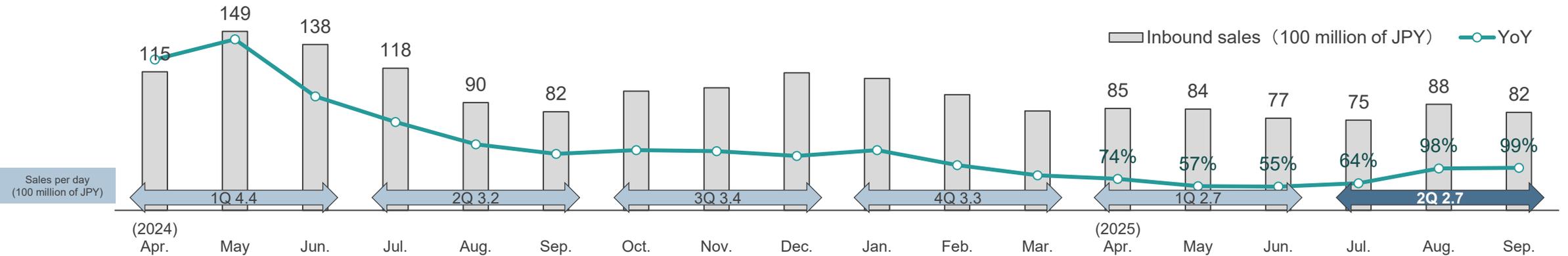
*3 remodeling impact ▲2.3pt, business days impact ▲1.7pt

real basis+2.4% (Hanshin Tigers sale effect, impact of typhoons in previous year + 2.6pt, remodeling impact ▲2.3pt)

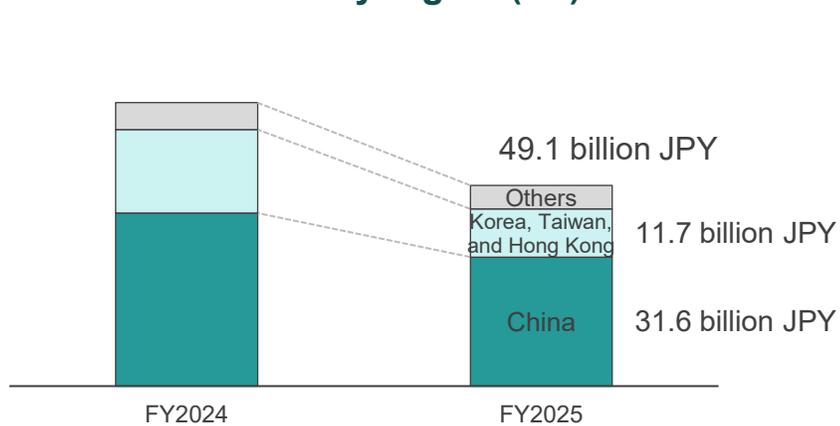
Department Store Business (Inbound Sales)

- Although sales in 1Q decreased by about 40% compared to the previous year's high base, recovered to last year's levels in Aug.-Sep. This indicates an improvement in YoY trend.
- 1H results were 49.1 billion JPY, which fell short of the forecast of 54.0 billion JPY. 2H forecast remains at 56.0 billion JPY, compared to 60.5 billion JPY in 2H of the previous year. The full-year inbound sales forecast has been revised down to 105.0 billion JPY from an initial forecast of 110.0 billion JPY.

◆ Inbound sales



◆ Inbound sales by region (1H)



	(YoY change: %)		
	Sales	Number of Customers	Average spend per customer
China	▲25%	+10%	▲32%
Korea, Taiwan, and Hong Kong	▲42%	▲22%	▲26%
Others	▲12%	+11%	▲21%
Total	▲29%	▲4%	▲26%

- **Number of Customers**
Significant decrease in South Korean customers but growth in Chinese customers
- **Average spend per customer**
1Q fell sharply due to the previous year's jump (pre-price-hike rush for luxury brands × yen depreciation), but recovered to the previous year's level in Aug.-Sep.

Supermarket Business

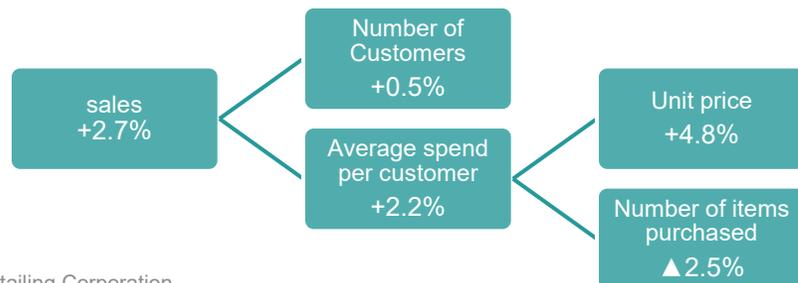
- Sales at existing supermarket store remained steady, and gross sales increased by 2.3% due to contributions from new stores and renovated stores (Type A and Type C).
- Operating profit increased due to an increase in sales. Operating profit exceeded forecasts.

100 million of JPY

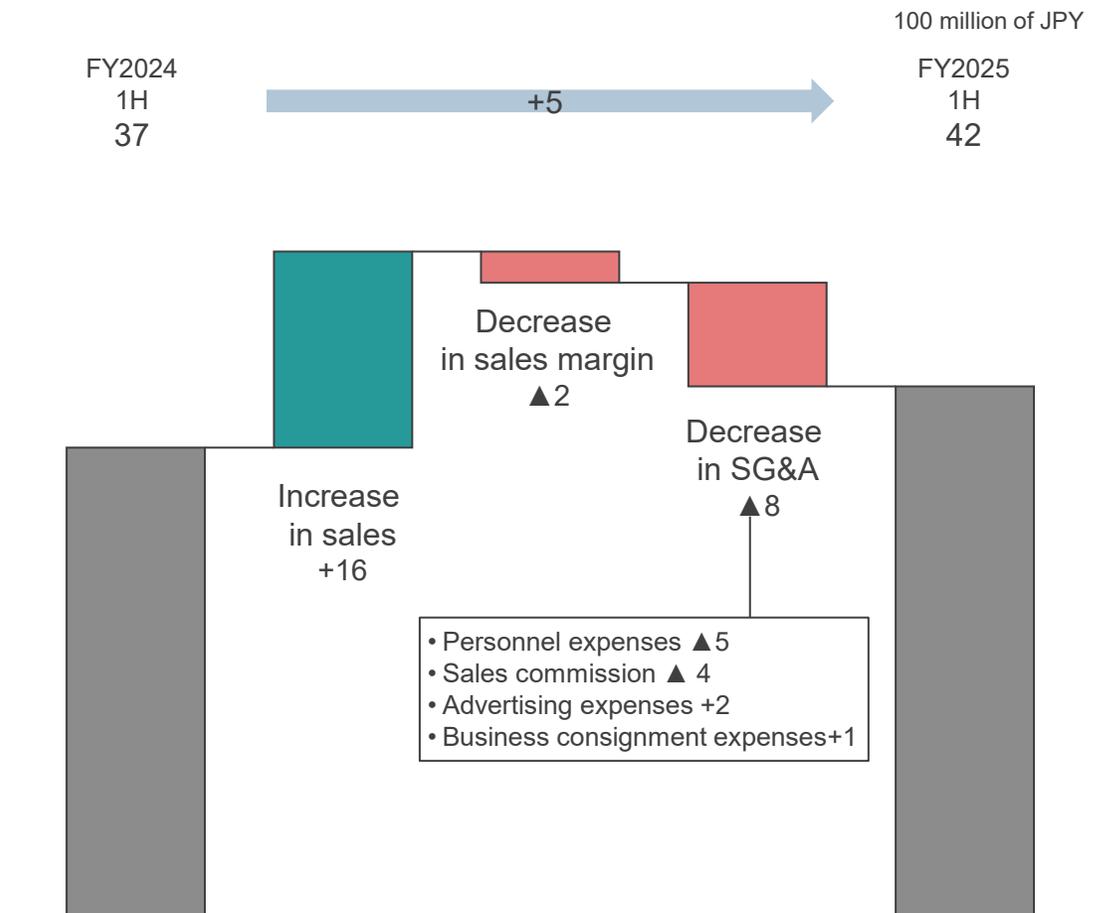
	FY2024	FY2025		
	1H result	1H result	YoY change	YoY amount
Gross sales	2,112	2,160	+2.3%	+49
Operating profit	37	42	+13.9%	+5

Existing store sales at supermarkets (1H, YoY change)

- In addition to the ongoing hike in prices, rising rice prices have led to an increase in the unit price.
- The number of customers steadily exceeded the previous year's figures, except for August, which fell below the previous year due to the impact of the earthquake and typhoon.



Factors of Increase / Decrease in Operating Profit (YoY)



Shopping Center / Other Business

Shopping Center

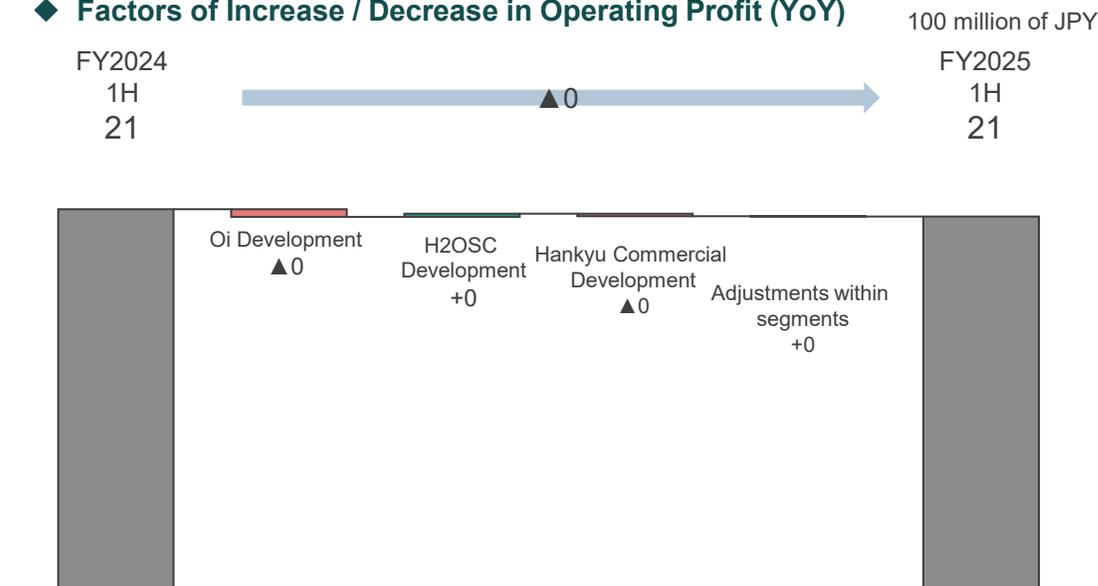
Operating profit exceeded the forecast despite a decline in sales due to the impact of the sale of a subsidiary executed in the previous year.

100 million of JPY

FY2024	FY2025		
	1H result	YoY change	YoY amount
1H result	1H result		
Gross sales	160	▲ 7.9%	▲ 13
Operating profit	21	▲ 2.0%	▲ 0

- Each company exceeded its own forecasts, with operating profit in Shopping Center exceeding forecasts by 0.4 billion JPY in 1H.
- Although Oi Development, which operates business hotel, is renovating guest rooms, occupancy rates excluding renovating impact were 97% and average daily rate was +16%, exceeding the forecast.

◆ Factors of Increase / Decrease in Operating Profit (YoY)



Other

Gross sales and operating profit increased. Ningbo Hankyu, which underwent renovations in FY2024, recorded 0.5 billion JPY increase in Operating profit in 1H.

100 million of JPY

FY2024	FY2025		
	1H result	YoY change	YoY amount
1H result	1H result		
Gross sales	263	+44.9%	+118
Operating profit	48	+95.8%	+46

- Persona, which operates the card business, reported steady growth in transaction volume for its newly introduced electronic money service “litta” at Kansai Super Market since Apr, with strong performance.
- H2O (Head Office) increased operating profit due to higher dividend income from subsidiaries (dividend income is eliminated through consolidation adjustments).

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Consolidated forecasts

- Full-year consolidated operating profit and ordinary profit remain unchanged (assumptions for forecast of sales also unchanged).
- Profit is revised upward, reflecting the expected recognition of gains on the sale of investment securities due to the tender offer for Toho shares.
- The annual dividend is expected 44.0 JPY, an increase of 2.0 JPY YoY. This remains unchanged from the initial announcement.

100 million of JPY

	2H					Full-year				
	FY2024 Results	FY2025 Forecast <small>Announced on May 13</small>	FY2025 Forecast <small>Announced on Oct. 31</small>	Change		FY2024 Results	FY2025 Forecast <small>Announced on May 13</small>	FY2025 Forecast <small>Announced on Oct. 31</small>	Change	
				YoY	Vs. Forecast <small>announced on May 13</small>				YoY	Vs. Forecast <small>announced on May 13</small>
Gross sales	6,012	6,080	6,076	+1.1% +64	▲4	11,596	11,680	11,630	+0.3% +34	▲50
Net sales	3,505	3,560	3,560	+1.6% +55	▲0	6,818	6,900	6,890	+1.1% +72	▲10
Operating profit	198	190	181	▲8.5% ▲17	▲9	348	300	300	▲13.9% ▲48	—
Ordinary profit	200	194	186	▲6.9% ▲14	▲8	359	310	310	▲13.7% ▲49	—
Profit	78	117	171	+120.4% +93	+54	348	180	240	▲31.1% ▲108	+60

Forecast by Segment

100 million of JPY

	2H					Full-year				
	FY2024 Results	FY2025 Forecast Announced on May 13	FY2025 Forecast Announced on Oct. 31	Change		FY2024 Results	FY2025 Forecast Announced on May 13	FY2025 Forecast Announced on Oct. 31	Change	
				YoY	Vs. Forecast announced on May 13				YoY	Vs. Forecast announced on May 13
Department Store	3,300	3,265	3,265	▲1.0% ▲35	—	6,350	6,165	6,131	▲3.4% ▲219	▲34
Supermarket	2,174	2,235	2,235	+2.8% +61	—	4,285	4,400	4,395	+2.6% +110	▲5
Shopping Center	158	155	155	▲1.7% ▲3	—	318	305	302	▲4.8% ▲15	▲3
Other	381	425	421	+10.5% +40	▲4	644	810	802	+24.5% +158	▲8
Gross sales	6,012	6,080	6,076	+1.1% +64	▲4	11,596	11,680	11,630	+0.3% +34	▲50
Department Store	156	148	148	▲5.3% ▲8	—	282	240	230	▲18.4% ▲52	▲10
Supermarket	53	57	57	+8.4% +4	—	89	95	99	+10.6% +10	+4
Shopping Center	18	16	16	▲11.1% ▲2	—	39	33	37	▲6.2% ▲2	+4
Other	▲26	▲31	▲31	— ▲5	—	22	50	62	+182.1% +40	+12
Consolidation adjustment	▲3	—	▲9	— ▲6	▲9	▲85	▲118	▲128	— ▲43	▲10
Operating profit	198	190	181	▲8.5% ▲17	▲9	348	300	300	▲13.9% ▲48	—

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4 Appendix

Digest

Policy

Progress in 1H of FY2025

Deepening of existing business
“Domestic Customer and Store Business”

- Department Store Business: Remodeling of Hankyu Main Store is underway to maximize LTV for key customers
- Supermarket: Advancing the integration of Izumiya, Hankyu Oasis Co., Ltd., and KANSAI SUPER MARKET LTD. The two store formats being developed (value-appeal and price-appeal types) are showing promising results.

Focus on and strengthen “Overseas
Customer Businesses”

- To strengthen support for overseas customers, promoting multilingual support through increased staff and the use of avatars.

Development of new revenue sources

- To advance the business of utilizing customer data, developing services in food and health sector to establish frequent touchpoints with consumers.

Development and use of Group infrastructure
to support business

- Initiatives for HR development and regional co-creation have earned high praise from outside the company.
- IT/DX investments, including the introduction of self-checkout systems at supermarket stores, are advancing implementation.

To Achieve Management Conscious of
Cost of Capital and Stock Price

- Aiming to improve capital profitability, progressively reduce policy-based shareholdings
- Purchase of treasury shares, capped at 15.0 billion JPY in FY2025, has been executed 10.2 billion JPY (as of the end of Sep.)

■ As it transitions to a global department store, Hankyu Main Store is establishing an environment and framework to deepen the customer experience.

Remodeling of Hankyu Main Store* is in progress (expected to be completed in Spring 2026)

Aiming to maximize LTV by building relationships with key customers

- Crystal Salon renovated as a hub contributing to new identification of domestic affluent customers and LTV enhancement (Jun. 2025)
- Premium World, proposing high-class fashion for sophisticated women, to be renewed on the 7th floor women's apparel floor (Oct. 2025)
- Established a system for total coordination customer service by specialists in specific categories. Assigned cross-selling staff (approx. 50) to support customer self-realization beyond individual sales areas and brands.

Strengthen response to overseas customers

- Strengthening support for overseas customers through a comprehensive business partnership with Pasona Group Inc.
 Recruiting personnel with overseas customer support experience from Osaka-Kansai Expo (approx. 10 persons)
 Started a pilot test of multilingual avatar customer service at Hankyu Main Store
- Establishing shopping support systems centered on interpretation and in-store assistance by specialized staff to enhance customer experience and drive customer acquisition

*Remodeling status (as of the end of Oct.)

■ : Remodeling completed, ■ Remodeling in progress/planned

13F	VIP salons	Restaurant
12F		
11F	Kids' International fashion	Babies and kids
10F	Crystal salon	Hobby goods
		Hobby goods and beauty
9F	SHUKUSAI Plaza, Event, Galleries, Art stages, Halls	
8F	Furniture and art	GREEN AGE
7F	Beauty	Women's fashion
		Living
6F	Luxury	
5F		
4F	Women's shoes	Women's fashion
3F	Women's fashion	
2F	Beauty	Beauty / Bags
1F	Accessories	Bag
B1F	Food	
B2F		

[Upcoming Initiatives]

- The food floor at Hanshin Umeda Main Store will reopen in Nov. 2025, completing a step-by-step renovation aimed at enhancing profitability.
- Hankyu Main Store will transform luxury big maison boutiques into in-store flagship stores around spring 2026 and expand its high-end jewelry and watch floor.

Deepening of existing business “Domestic Customer and Store Business”-Supermarket

- Integrating Izumiya · Hankyu Oasis Co., Ltd. and KANSAI SUPER MARKET LTD. to improve management efficiency
- Two store formats showing promising results in implementation; insights gained will be applied to future store strategies.

Integrated Izumiya · Hankyu Oasis Co., Ltd. and KANSAI SUPER MARKET LTD. (Apr. 2026)

- Further strengthen competitiveness by accelerating decision-making, concentrating management resources, and collaborating with production and sales

Store formats (2 types)

	Value-appeal type (A type)	Price-appeal type (C type)
Lineup	<ul style="list-style-type: none"> • Strengths in freshness, quality, and expertise 	<ul style="list-style-type: none"> • There is strength in low-priced segments with a narrowed product lineup.
Response	<ul style="list-style-type: none"> • Sales exceeded expectations (Number of customers was as expected, while average spend per customer exceeded our supermarket average) • Potential to be highly effective in a particular market 	<ul style="list-style-type: none"> • Sales exceeded expectations (Increased visit frequency among users near the store, attracting new customers) • Accelerating the shift based on the positive response enabling expansion across a wide range of areas

Introduction of self-checkout systems for labor-saving

- Installed in 8 stores by the end of Oct, aiming to maximize effectiveness through verification and operational improvements.

[Upcoming Initiatives]

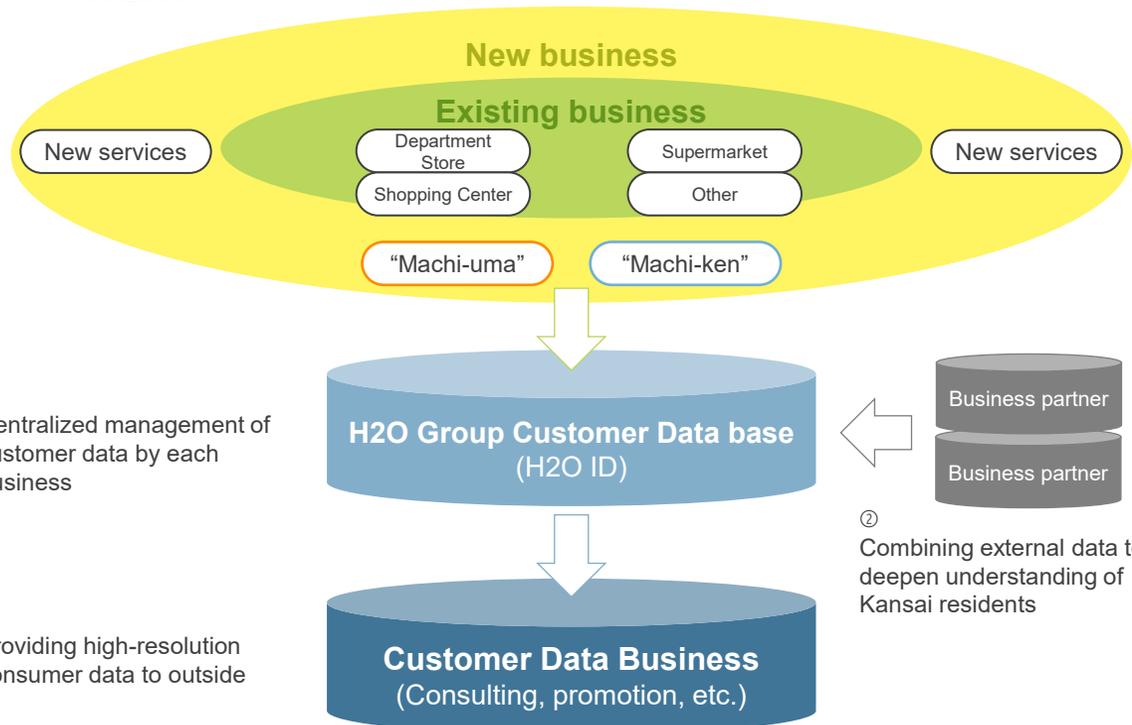
- Started integrating logistics / core systems and HR systems in preparation for company merger
- Promoting conversion to two store formats through renovations of existing stores and new store openings
(Converting (2) A-type stores and (9) C-type stores within this fiscal year)
- Accelerating self-checkout system rollout at a pace of 3 stores per month (Rolling out to 24 stores within this fiscal year)

Development of new revenue sources

- Develop consulting and promotional services that leverage high-resolution customer data to establish a BtoB business model.
- Customer service development is underway in the "food and health" sector to establish frequent touchpoints with consumers.

Customer Data Business

- Strengthening our specialized workforce and business foundation, building a group customer data platform (H2O ID) and transferring existing data toward centralized management.
- Setting "Food & Beverage" as our initial target market, and strengthening collaboration with our supermarket stores to validate the usefulness of internal data utilization.



① Centralized management of customer data by each business

③ Providing high-resolution consumer data to outside

② Combining external data to deepen understanding of Kansai residents

Customer Service Business

- Developing online-based services that consumers use frequently
- Deepening our understanding of each individual to uncover new needs, revitalizing the community through our services

まろま
高柳

Food Service App "Machi-uma"

- Released in May 2023, acquired 0.1 million members in Takatsuki area (1 in 3 to 4 of the citizens)
- To increase usage frequency, we updated service to become a community platform that fosters strong local ties and aims to "lift up our beloved town together through delicious food."
- Moving forward, we will expand into other areas to grow our membership and the number of partner stores. We will expand into other areas and increase our membership and affiliated stores.

まろ健

Health Management Service "Machi-Ken"

- Under the concept "To improve community health through neighborhood health checks," starting a pilot program in May 2025 to provide services that encourage lifestyle improvements.
- Through health check events, this has resulted in appointments for cancer screenings and specific health checkups, demonstrating high public interest and promising collaboration with local governments.

Human Resource Development / Sustainability Management

■ Initiatives for human resource development and regional co-creation earn high evaluation from outside

	Initiatives	Points evaluated	Award
Hankyu Hanshin Department Stores, Inc.	To visualize the concept and express it in clear copy, thereby instilling the “value*” mindset—aimed at realizing our vision—in our partner staff who work alongside us	An approach that embodies a corporate stance focused on people’s happiness, and an expression that conveys enjoyment, brightness, and warmth	“42nd Senken Trade Advertising Prize” Gold Award (Jul. 2025) 
H2O KU Carbon Neutral Design Co., Ltd.	Implementing reskilling programs focused on cultivating specialized talent for air conditioning energy management businesses leveraging “smart air conditioning” theory	The achievements of employees dispatched to university-provided programs led to improved energy efficiency and ultimately cost reductions	“Nikkei Reskilling Award 2025” Special Award (Sep. 2025) 
Senri Central Park Management Co., Ltd.	Promoting activities that deepen community ties by leveraging soft assets (people and networks) rather than hard infrastructure, with collaborative events with partner companies and events hosted by local groups and clubs held daily	Local residents, government, and businesses collaborate to redefine urban parks as spaces for creating community value	“World Urban Parks Awards” Neighborhood Parks Award (Oct., 2025) 



Visualized value of Hankyu Hanshin Department Stores, Inc.

H2O Santa: The Circle of Children's Support for the 10th Anniversary

- “Anyone Can Be Someone’s Santa!”, with this slogan, the scale has steadily expanded.
 - Total donations: 215,444,699 JPY
 - Supporting members: 209 companies and 43 individuals
 - Total cumulative event attendance: Approximately 270,000 people (as of the end of FY2024)



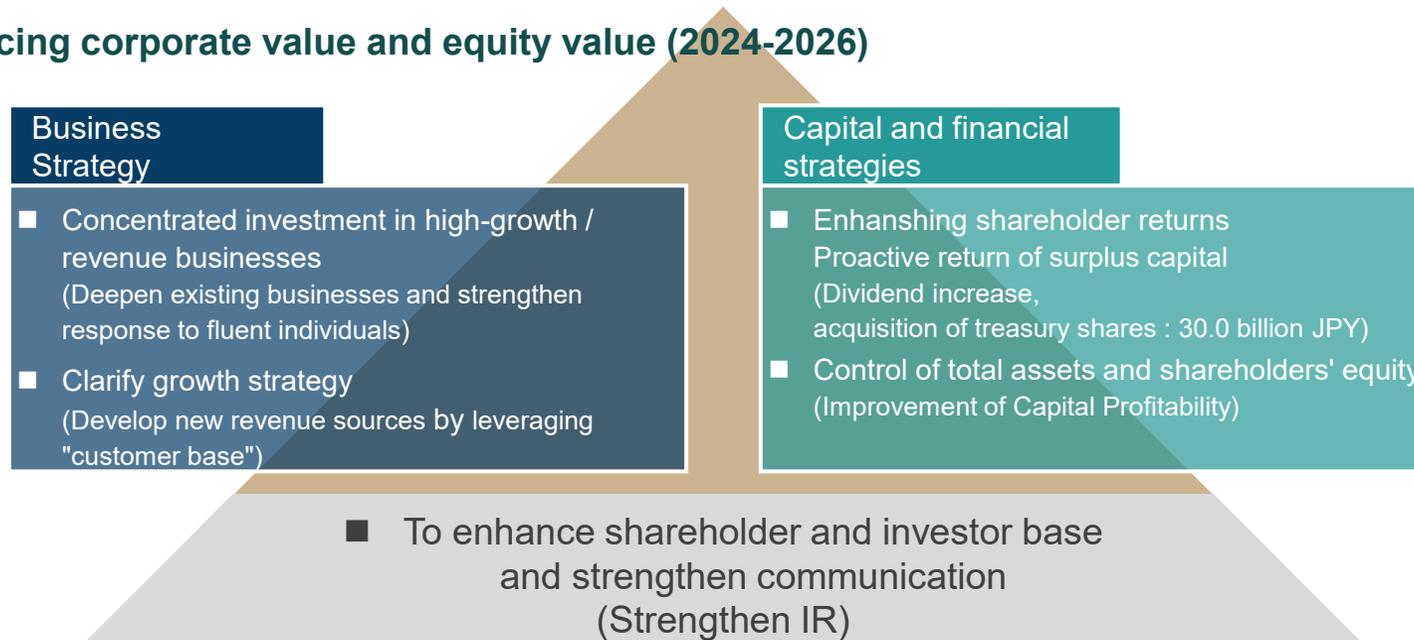
Numerical targets

Operating profit and KPI

	FY2025 forecast	▶	FY2025 Forecast	Change	FY2026 Target
	(Unit: 100 million JPY) Announced on May 13		Announced on Oct. 31		
Department Store	240		230	▲ 10	250
Supermarket	95		99	+4	115
Shopping Center	33		37	+4	25
Other businesses	50		62	+12	10
Operating profit	300		300	—	320
ROE	6.0%		7.9%	+1.9pt	6.6% over
ROIC	5.4%		5.2%	▲ 0.2pt	5.9%

- Policy-based shareholdings are expected to be reduced due to the sale of Toho shares
- Acquisition of treasury shares (maximum:15.0 billion JPY) in FY2025 is underway.
- To achieve sustainable profit growth and further enhance corporate value by steadily executing growth strategies such as the ongoing transformation of Hankyu Department Store into a global department store.

◆ Policies for enhancing corporate value and equity value (2024-2026)



Current				Future					
PBR	=	ROE	×	PER	PBR	=	ROE	×	PER
0.8x	=	6-7%	×	12-14 times	1.2x	=	8% over	×	15 times over

- In response to Toho's tender offer, the Company reduced its holdings by tendering a portion of its shares.

◆ Outline and Schedule of Tender Offer

Class of shares to be subscribed	Common shares
Number of shares to be subscribed	1,700,000 shares
Purchase price / Total amount to be sold	8,782 JPY per share / 14.9 billion JPY
Settlement start date	Dec. 8, 2025

◆ Holding status of Toho before and after the tender offer

	Number of shares held and tendered	Percentage to total number of issued shares
Before the Tender Offer	8,797,852 Shares	5.19%
Tendered in the Tender Offer	1,700,000 Shares	1.00%
After the Tender Offer	7,097,852 Shares	4.19%

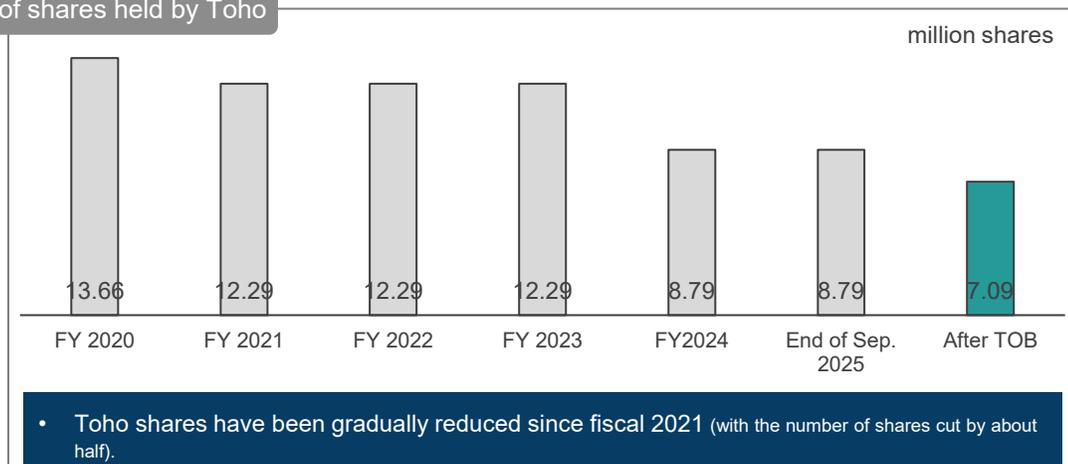
- Since FY2021, the number of holdings has significantly decreased due to sales. Including the planned sale of Toho shares through a tender offer, the total sales amount is expected to be approximately 60.0 billion JPY from FY2021 to 2025.
- The ratio of policy-based shareholdings to consolidated net assets has been trending upward due to rising share prices of held securities. However, the policy of reducing policy-based shareholdings will continue.

Changes in the number of shares held

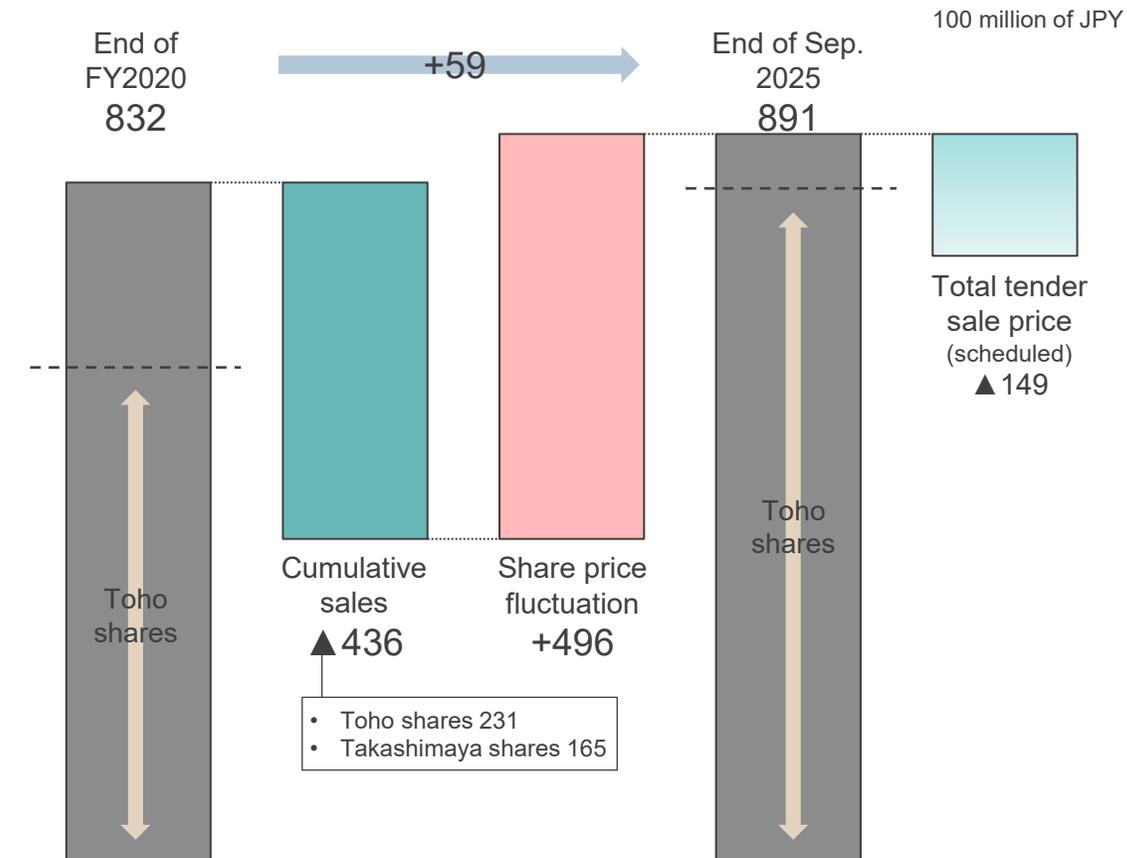
Number of holdings



Number of shares held by Toho

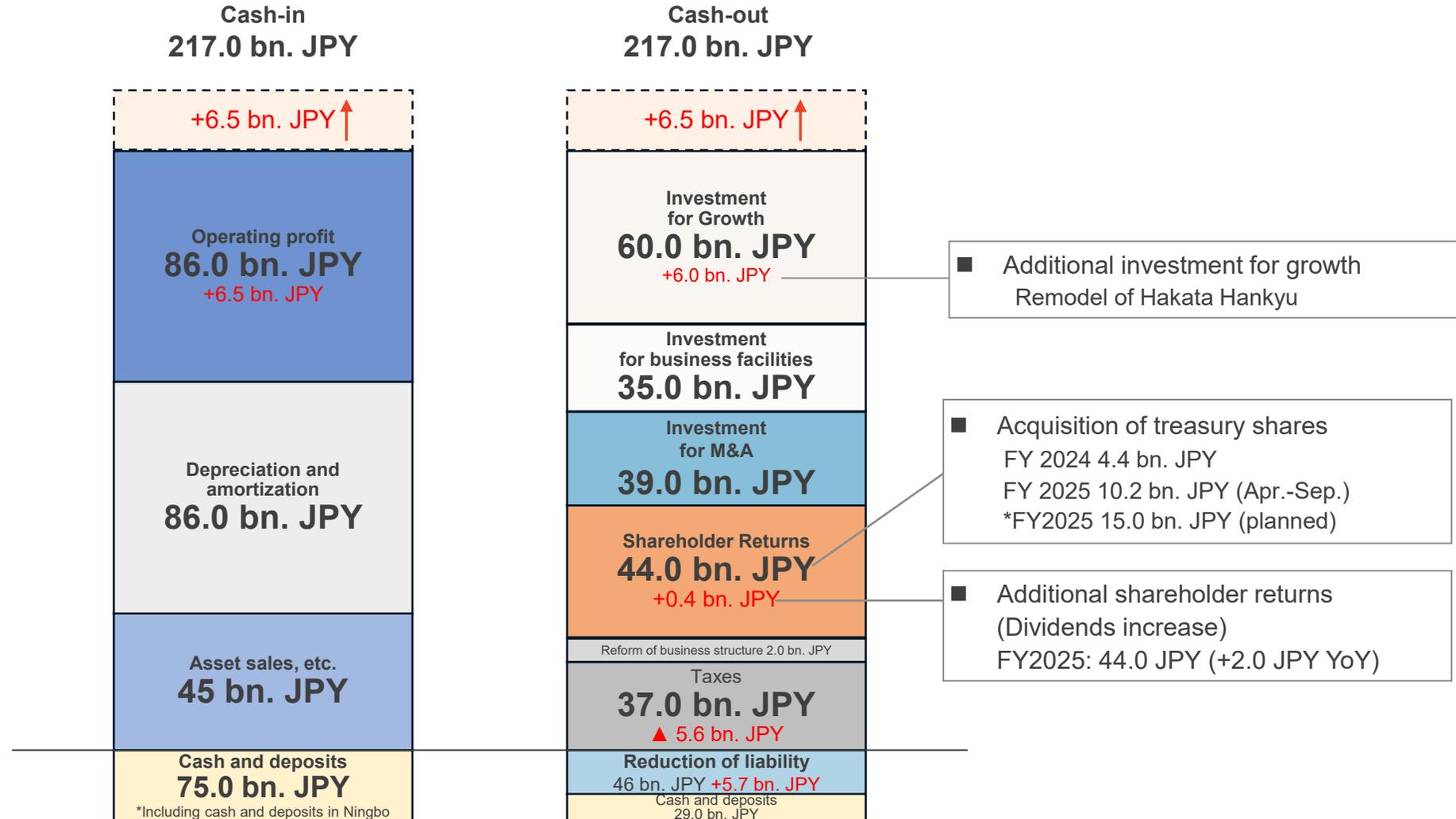


Factors changes in the balance of policy-based shareholdings (from the end of FY2020 to the end of Sep. 2025)



Cash Flow Allocation (2024-2026)

- There have been no changes since May 2025 announcement.
- In accordance with Mid-Term Management Plan (2024-2026), implementing capital efficiency and investments for mid-to long-term growth.



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Consolidated Results

100 million of JPY

	FY2024 1H result	FY2025		
		1H result	YoY change	YoY amount
Gross sales	5,585	5,554	▲ 0.5%	▲ 30
Net sales	3,313	3,330	+0.5%	+18
Gross profit	1,484	1,486	+0.1%	+2
SG&A expenses	1,334	1,367	+2.5%	+33
Personnel expenses	498	495	▲ 0.5%	▲ 2
Rent expenses	246	245	▲ 0.5%	▲ 1
Advertising expenses	43	43	+1.2%	+1
Depreciation	103	120	+17.1%	+18
Business consignment expenses	100	108	+8.4%	+8
Sales commission	64	63	▲ 1.1%	▲ 1
Transportation costs	82	80	▲ 2.6%	▲ 2
Other expenses	199	212	+6.7%	+13
Operating profit	150	119	▲ 21.0%	▲ 31
Ordinary profit	159	124	▲ 22.1%	▲ 35
Extraordinary income/loss	244	▲ 5	—	▲ 249
Profit	271	69	▲ 74.5%	▲ 202

Consolidated results trends

100 million of JPY

	FY2024				FY2025			
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY
Gross sales	2,764	2,821	3,155	2,857	2,733	▲ 1.1%	2,821	+0.0%
Net sales	1,619	1,694	1,836	1,669	1,636	+1.1%	1,694	+0.0%
Operating profit	93	57	139	59	55	▲ 38	64	+6
Ordinary profit	102	57	140	59	61	▲ 41	63	+5
Profit	265	6	104	▲ 26	40	▲ 225	29	+23

Results Trends by Segment

100 million of JPY

	FY2024				FY2025			
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY
Department Store	1,554	1,496	1,766	1,533	1,393	▲10.3%	1,472	▲1.6%
Supermarket	1,034	1,078	1,130	1,043	1,064	+2.9%	1,096	+1.7%
Shopping Center	82	78	87	71	75	▲8.4%	72	▲7.3%
Other	94	169	172	209	200	+113.3%	181	+6.9%
Gross sales	2,764	2,821	3,155	2,857	2,733	▲1.1%	2,821	+0.0%
Department Store	80	47	107	50	35	▲45	48	+1
Supermarket	15	21	32	20	21	+6	21	▲0
Shopping Center	13	8	12	6	13	▲0	8	▲0
Other	66	▲18	▲12	▲14	105	+40	▲12	+6
Consolidation adjustment	▲82	▲0	▲0	▲3	▲119	▲37	▲1	▲1
Operating profit	93	57	139	59	55	▲38	64	+6

Department Store Business-Results trends

100 million of JPY

	FY2024				FY2025			
	1Q	2Q	3Q	4Q	1Q	YoY	2Q	YoY
Gross sales	1,554	1,496	1,766	1,533	1,393	▲10.3%	1,472	▲1.6%
Net sales	457	463	542	459	417	▲8.9%	450	▲2.8%
Gross profit	338	327	390	330	305	▲33	321	▲6
SG&A expenses	259	280	283	281	270	+12	273	▲7
Operating profit	80	47	107	50	35	▲45	48	+1

Non-operating Income / Expenses and Extraordinary Income / Losses

100 million of JPY

	FY2024 1H result	FY2025	
		1H result	YoY amount
Operating profit	150	119	▲ 31
Non-operating income / expenses	9	6	▲ 4
			<ul style="list-style-type: none"> • Decrease in expenses related to acquisition of shares of subsidiaries +7 • Decrease in foreign exchange gain ▲4 • Decrease in dividends income ▲3 • Increased in foreign exchange loss ▲2 • Decrease in share of profit of entities accounted for using equity method ▲1
Ordinary profit	159	124	▲ 35
Extraordinary income / losses	244	▲ 5	▲ 249
			<ul style="list-style-type: none"> • Increase in subsidies income +9 • Decrease in gain on sales of investment security ▲142 • Decrease in gain on step acquisition ▲80 • Decrease in gain on sales of non-current assets ▲26 • Increase in loss on retirement of non-current assets ▲6 • Increase in loss on store closing ▲5
Income before income taxes	403	119	▲ 284
Income taxes, non-controlling interests	132	50	▲ 83
Profit	271	69	▲ 202

Capital Investment and Depreciation

◆ Capital Investment

100 million of JPY

	FY2024	FY2025		FY2025
	1H result	1H result	Major items	Full-year forecast
Department Store	19	42	Hankyu Main Store / Hanshin Umeda Main Store / Kawanishi Hankyu Square remodeling	144
Supermarket	39	21	New store openings and store renovations at supermarket	63
Shopping Center	10	7	Renovation of shopping center stores	26
Other	69	44	System investments in H2O Retailing	161
IT/DX	60	39		123
Ningbo	6	1		14
Total	132	114		395

◆ Depreciation

100 million of JPY

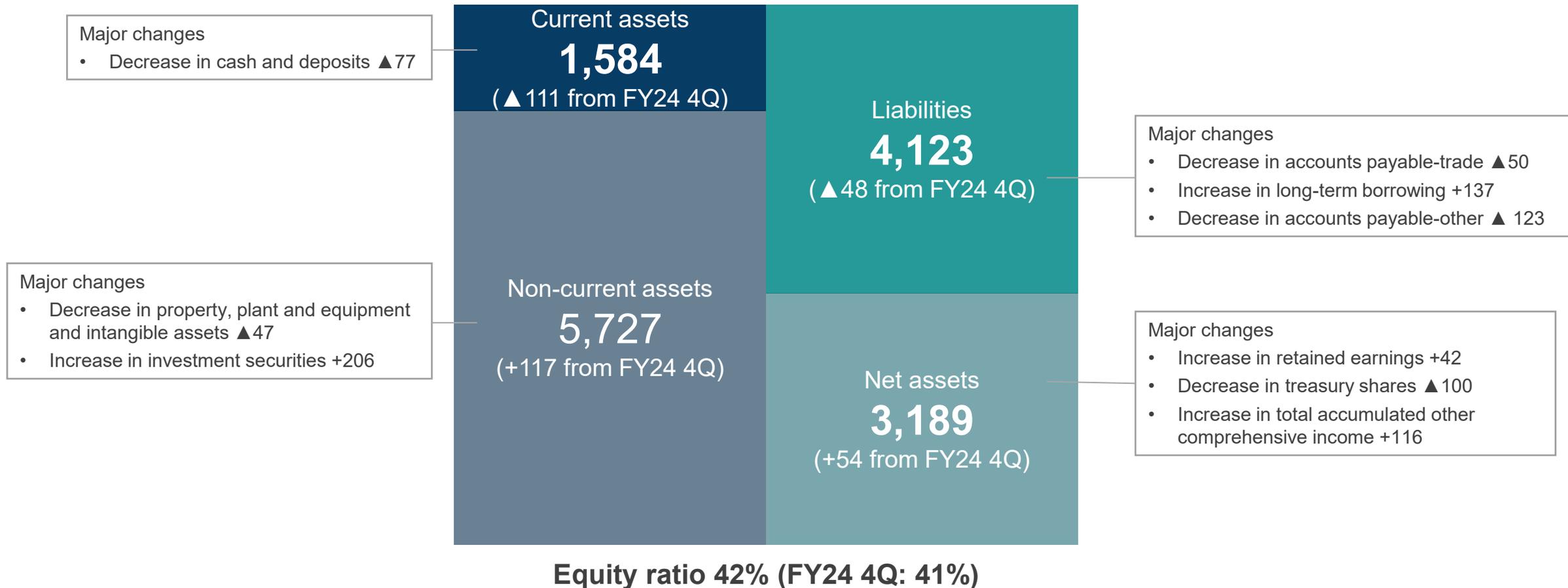
	FY2024	FY2024	FY2025	
	1H result	Full-year result	1H result	YoY change
Consolidated Total	104	235	122	+18

Consolidated B/S

- Total assets remained almost unchanged from the end of the previous fiscal year.
- Increased unrealized gains on investment securities led to an increase in fixed assets and net assets.

100 million of JPY

Total assets 7,312 (+7 from FY24 4Q)



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