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November 13, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: Isetan Mitsukoshi Holdings Ltd.

Listing: Tokyo Stock Exchange

Securities code: 3099

URL: <https://www.imhds.co.jp>

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Scheduled date to file semi-annual securities report: November 14, 2025

Scheduled date to commence dividend payments: December 11, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	253,866	(3.9)	31,451	(9.8)	33,106	(14.5)	29,373	15.7
September 30, 2024	264,093	6.3	34,884	72.8	38,711	69.0	25,394	70.8

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 23,018 million [(38.5) %]
For the six months ended September 30, 2024: ¥ 37,426 million [35.1 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	81.75	81.68
September 30, 2024	67.94	67.87

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	1,172,427	583,833	49.7
March 31, 2025	1,205,726	602,878	49.9

Reference: Equity

As of September 30, 2025: ¥ 582,584 million

As of March 31, 2025: ¥ 601,547 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	24.00	-	30.00	54.00
Fiscal year ending March 31, 2026	-	30.00			
Fiscal year ending March 31, 2026 (Forecast)			-	35.00	65.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	556,000	0.1	78,000	2.2	77,000	(12. 6)	62,000	17. 4	172.56

Note: Revision to the financial results forecast announced most recently: Yes None

The gross sales forecast (sales if the “Accounting Standard for Revenue Recognition,” etc. had not been adopted) would be ¥1,305,000 million, an increase of 0.1% from the previous fiscal year.

* Notes:

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to “(4) Notes regarding Semi-annual Consolidated Financial Statements (Adoption of special accounting treatment used in preparation of the semi-annual consolidated financial statements)” in “2. Semi-annual Consolidated Financial Statements”.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	380,277,054 shares
As of March 31, 2025	380,262,554 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	28,296,362 shares
As of March 31, 2025	14,852,729 shares

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

Six months ended September 30, 2025	359,299,670 shares
Six months ended September 30, 2024	373,758,532 shares

(Note) The number of treasury shares at the end of the period includes shares of the Company held in the BIP Trust.

As of September 30, 2025: 926,200 shares As of March 31, 2025: - shares

The shares of the Company held in the BIP Trust are included in the number of treasury shares to be deducted from the total number of issued shares for the calculation of the average number of shares outstanding during the period.

Six months ended September 30, 2025: 661,571 shares Six months ended September 30, 2024: - shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the Company considers to be reasonable, and are not intended to be seen as targets that the Company assures it will achieve. Actual results, performance, achievements or financial position may be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. For assumptions on which forward-looking statements are based as well as for precautionary statements in the use of forward-looking statements, please refer to “(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results” in “1. Qualitative Information on the Semi-annual Results”

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1. Qualitative Information on the Semi-annual Results

(1) Explanation Regarding Business Results

During the first half of fiscal 2025 (April 1, 2025 to September 30, 2025), the Japanese economy witnessed the employment and income environment remain steady, backed by robust corporate earnings. As for the price hikes outpacing wage increases, which had been a cause for concern in terms of personal consumption, signs of alleviation have been seen in some areas, and a recovery trend continues in the area of service consumption, such as in the entertainment-related sectors. While weakness persists in the retail sector due to soaring prices, a moderate recovery in consumption is expected, helped by the wealth effect, a tailwind provided by rising stock prices. In terms of the global economy, however, concerns are being raised over a slowdown, precipitated by the downward pressure imposed by U.S. tariff policies, geopolitical risks mounting in Europe and the Middle East, global inflation, among other factors, which have the potential to impact domestic consumer sentiment, and thus a situation prevails where vigilance is required for the future outlook.

It was in this environment that the Group set out the Isetan Mitsukoshi Group Corporate Philosophy, with “Touching people’s hearts with human-driven experiences” as its core mission. In order to realize the vision of “We are a retail group centered on extraordinary department stores working toward improving the lives of our customers,” the Group divided the period to achieve this vision into three phases (revitalization – urban community development preparation – fruition). In the “revitalization phase,” which was covered by the previous medium-term management plan (Fiscal 2022–Fiscal 2024), we made significant progress in revitalizing the Group. In the “urban community development preparation phase,” under the current medium-term management plan (Fiscal 2025–Fiscal 2030), we will transform from a “store business,” a mass-market business model, to an “individual customer business” connecting with individual customers through individual customer business process activities, namely, “attracting customers,” “identification,” “expansion of usage,” and “lifetime customerization,” during “phase I” (Fiscal 2025–Fiscal 2027), the first half of the plan. In “phase II” (Fiscal 2028–Fiscal 2030), the latter half of the plan, we will engage in the development of individual customer business process activities and the full-scale launch of urban community development (the business model that expands usage through mixed-use development with department stores at the core and fully utilizes group assets).

In “urban community development preparation phase I,” which commenced in the current fiscal year, in response to identified department store customer needs, we have been fully utilizing the diverse content of the Group companies and tapping into propositions such as those involving travel and financial instruments that cannot be covered by department stores alone to expand the scope of our propositions and reinforce “Intra-group coordination” initiatives that will deepen our connections with individual customers and generate Group profits. For “attracting customers” as part of individual customer business process activities, we attracted new customers to our stores through buzzworthy and unprecedented “curation and the creation of spaces,” while promoting the creation of unique and highly discriminating content, which is sophisticated and high-quality. As part of initiatives for “identification,” we expanded our identified customer base by increasing new card members through the launch in March of the credit card “MICARD BASIC” with no annual fee. The global app for overseas customers, “MITSUKOSHI ISETAN JAPAN,” also launched in March, was instrumental in expanding contact points with overseas customers. By leveraging the customer base nurtured through such means, we provided various online businesses and new financial services, while also maximizing the business opportunities of the Group companies by shoring up our “Intra-group coordination” activities. We also steadily proceeded with “expansion of usage,” demonstrated by a double-digit growth over the previous year in the transaction volume of the “base network” (*1) through initiatives including activities to propose merchandise to the customers of regional department stores from both the Isetan Shinjuku main store and the Mitsukoshi Nihombashi main store. As for “lifetime customerization,” the transaction volume of individual out-of-store-sales exceeded that of the previous year through the promotion of “ONE Group’s out-of-store-sales” (*2) activities, and total transaction volume of out-of-store-sales to overseas customers also grew by 10 percent from the previous year thanks to efforts to enhance services to overseas customers by the Overseas Sales Division, established in April. In the current fiscal year, these initiatives targeting domestic and overseas customers have been successful and the effects of enhanced individual customer business process activities have become apparent, as the number of identified customers increased by an astounding 10 percent over the previous year, and “identified customer gross sales” and “gross sales from customers purchasing more than 3 million yen per year across the Group”, two of our the management targets (customer KPIs), also demonstrated steady growth.

As fundamental Group strategies to support such business activities, we will accelerate the building of infrastructure that will lead to the creation of new value to enable the individual customer business through digital means, including improved accuracy in our personal approaches based on purchase forecast models that utilize accumulated customer data and the utilization of out-of-store-sales support tools, as digital strategies. As human resource strategies, we will focus on the development of “individual customer business human resources,” who are capable of deeply understanding the customers and translating their understanding into measures to attract customers and *monozukuri* (manufacturing). Furthermore, in finance, real estate, and other non-department businesses, we will receive outside specialized personnel with knowledge in these fields, while at the same time creating innovation and expanding businesses through human resource exchanges between the department and non-department businesses. In terms of our financial strategies, in “Phase I,” prior to the commencement of real estate development, we plan to implement total returns that combine dividends and purchase of treasury shares, with a total return ratio on the level of 70% or higher (cumulative for the Phase I period). We purchased treasury shares of ¥30.0 billion (period: May 14, 2025 to October 6, 2025). In terms of sustainability, we are upholding the four Priority Initiatives (Materialities), and as part of these efforts, the Isetan Mitsukoshi Group has been promoting “think good” activities, which encapsulate what the Group believes to be “sustainable” since 2021. We are leveraging our networks across Japan and the world as well as our merchandising capabilities to continuously propose socially- and environmentally-friendly products and services, and participating companies that support “think good” now number 490. As for the environment, we are also advancing our responses toward climate

change, including switching effectively 100% of the electricity used at the Mitsukoshi Nihombashi main store main building to renewable energy from April 2025. The Company's greenhouse gas emissions reduction targets (*3) through 2030 were validated by the international climate initiative SBTi (Science Based Targets initiative) as SBT (Science Based Targets) in August 2025.

As for the consolidated results in the first half of the fiscal year under review, the reactionary decline in tax-free sales, which reported record highs in the previous fiscal year due to external factors such as foreign exchange, has been supplemented by the increase in domestic identified customer gross sales, which was achieved through the implementation of each individual customer business process activity. Furthermore, through ongoing efforts to enforce cost structure reform, we controlled our selling, general and administrative expenses, leading to a reduction in the rate of decline in profits compared to the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025). As a result, in the first half of the fiscal year under review, the Company recorded net sales of ¥253,866 million, down 3.9% year-on-year, operating profit of ¥31,451 million, down 9.8% year-on-year, and ordinary profit of ¥33,106 million, down 14.5% year-on-year. Owing to the contribution made by the gain on sales of shares of subsidiaries and associates, the Company recorded a record high in profit attributable to owners of parent for the first half of the year at ¥29,373 million, up 15.7% year-on-year.

*1 base network: measures to enhance convenience and promote purchases for the Group's customers nationwide that leverage the merchandise supply capabilities of both main stores, by encouraging customers to order merchandise from the main stores and the referral of customers across stores

*2 ONE Group's out-of-store-sales: the framework whereby Group's out-of-store-sales nationwide, including regional department stores, jointly utilize the assets of the Isetan Mitsukoshi Group (content, services, and information)

*3 [Scope 1 + 2] 42% reduction compared to fiscal 2023, [a portion of Category 1, Scope 3] 25% reduction compared to fiscal 2023

For details on the acquisition of SBT validation, please see the Company's website:

<https://pdf.irpocket.com/C3099/K2Hn/s5ZQ/LQxO.pdf>

Results by segment were as follows.

1) Department store business

In the domestic department store business, each store attracted customers through newsworthy events, such as the collaborative event with brands and influencers and the "SHINJUKU ART WEEK" held in collaboration with the city of Shinjuku at the Isetan Shinjuku main store, and the collaborative event featuring animation and the "British Fair" at Mitsukoshi Nihombashi main store, and maintained numbers of store visitors at levels comparable to the previous year. Additionally, the launch of the credit card "MICARD BASIC" with no annual fee increased new members, and the number of identified customers grew solidly by approximately 10 percent compared to the previous year. In September, both the Isetan Shinjuku main store and the Mitsukoshi Nihombashi main store held invitational events for their valued customers, and under the auspices of "ONE Group's out-of-store-sales," high-end customers of the Isetan Mitsukoshi Group nationwide were invited. At the events, expanded selections of rare, premium, and top-tier content from Japan and overseas, along with exclusive merchandise and services not typically offered in department stores were provided. The "Tansei-kai" at the Isetan Shinjuku main store, in addition to merchandise, provided experience-based and hospitality events such as the "Housing Environment Consultation Event" by the Group company, Isetan Mitsukoshi Property Design Ltd. The "Ippin-kai" at the Mitsukoshi Nihombashi main store offered a lineup of rare items such as high-end appliances not found in stores and limited-production classic sports cars, along with niche merchandise. As a result, both main stores achieved record-breaking sales for their autumn events. At regional department stores, the transaction volume from "base network" activities has shown double-digit growth compared to the previous year, thanks to efforts to have customers order merchandise from both stores in line with the customer needs of the area and robust customer referrals among the regional stores. In the online business, we reported record gross sales in the online business by strengthening events linked to physical stores, encouraging the expanded use by identified customers and continuing structural reforms. Furthermore, "MITSUKOSHI ISETAN JAPAN," the global app for overseas customers launched in March 2025, together with WeChat, has topped 400,000, contributing significantly to expanding our contact points with overseas customers.

As a result of these initiatives, the transaction volume of individual out-of-store-sales and identified customer gross sales steadily increased, particularly at department stores in the Tokyo metropolitan area, leading to total domestic customer gross sales exceeded the level of the same period of the previous fiscal year. Although tax-free sales fell below previous year levels following a reactionary decline from the previous fiscal year, which reported record highs due to foreign exchange rates and last-minute demand for high-priced items before the price rise, sales have been trending toward recovery since mid-August. In addition, we continued to control selling, general and administrative expenses through cost structure reforms, leading to a reduction in the rate of decline in profits for the domestic department store business as a whole, compared to the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025).

At overseas stores in the six months ended June 30, 2025 (January 1, 2025 to June 30, 2025), although stores in the United States reported strong sales on a local currency basis, gross sales declined from the same period of the previous fiscal year due to the termination of operations of three stores in China (April and June 2024) and the partial closure of the sales floor at a Malaysia store due to remodeling work. Meanwhile, the structural reforms at the Singapore base and the cutbacks in selling, general and administrative expenses at other overseas bases have contributed to a 40-percent increase in operating profit over the previous year. In August 2025, Isetan Kuala Lumpur KLCC store was totally remodeled as "the center of sophisticated and high-quality consumption" by expanding its "beauty, food, and health" zones. We upgraded the supermarket, a gathering place for the freshest and state-of-the-art food, and the restaurant area where cuisines spanning from Japanese to Asian can be enjoyed, and also focused on customer service, such as establishing a new out-of-store-sales department to hold invitational events and provide customized gifts, thereby proposing an enriched and high-quality lifestyle to our customers.

Segment net sales amounted to ¥209,400 million, down 4.7% year-on-year, and operating profit was ¥25,443 million, down 13.9% year-on-year.

2) Credit & finance business/ Customer organization management business

At MICARD Co. Ltd., a credit card company, as a result of the increase in new credit card membership of “MICARD BASIC,” launched in March 2025, the number of new card membership accounts increased by 40 percent compared to the previous fiscal year. Accordingly, the number of card members has shifted to an increasing trend and continues to perform strongly. Additionally, in March, it launched “MITOUS,” a financial service offering asset management, crowdfunding, and insurance and other related services. In September, it exhibited at a “Tansei-kai” booth at the Isetan Shinjuku main store and began offering new financial services to customers of the Isetan Mitsukoshi Group. MICARD Co. Ltd. continues to enjoy growth in commission income, thanks to the effects of measures promoting credit card financing, and gross sales increased compared to the same period of the previous fiscal year. However, profits declined in the first half of the fiscal year under review, due to the impact of the reversal of allowance for doubtful accounts recognized in the first half of the previous fiscal year. We will continue to enhance our lineup of financial services to meet the needs of all identified customers connected through our department store business, in areas related to their overall lifestyles.

Segment net sales amounted to ¥16,937 million, up 3.3% year-on-year, and operating profit was ¥2,930 million, down 8.0% year-on-year.

3) Real estate business

In the real estate business, the increase in lease revenue from properties owned by the Group in the Shinjuku area continues to drive growth in operating profit. Isetan Mitsukoshi Property Design Ltd., which is involved in construction and interior, design, construction management, etc., reported strong sales from renovation projects of offices and luxury brands. Although its gross sales declined compared to the previous year due to a reactionary decline in orders for major projects in the same period of the previous fiscal year, the pursuit of steady cost improvements as part of operational reforms led to an increase in operating profit.

Segment net sales amounted to ¥11,438 million, down 13.4% year-on-year, and operating profit was ¥1,934 million, up 34.2% year-on-year.

4) Other businesses

IM Food Style Ltd., which operates a supermarket business (QUEEN’S ISETAN, etc.) and OEM food manufacturing business, has been leveraging the strengths of the Isetan Mitsukoshi Group and bolstering initiatives based on Group collaboration, including promotions to MICARD members. In late September 2025, “QUEEN’S ISETAN Hamamatsucho Store,” the second store opened this year, became operational on the third floor of the Hamamatsucho Station C District Redevelopment Project (WORLD TOWER RESIDENCES and others) and is proceeding to capture a new customer base among station users. The supermarket business saw growth in average customer spend, and gross sales increased over the same period of the previous fiscal year. However, the wholesale business, including the department gift segments, experienced stagnant growth, and the company reported a decrease in profit.

Mitsukoshi Isetan Nikko Travel, Ltd., which is engaged in the travel business, thanks to the robust domestic cruise market following the launch of a new large domestic passenger ship, reported an increase of over 300% in the sales of cruise tour products over the same period of the previous fiscal year. The cruise tours in particular were popular with the out-of-store-sales customers, and the transaction volume of out-of-store sales for the three months from July to September 2025 witnessed an approximately 20-percent increase over the same period of the previous fiscal year, and the company reported increases in both revenue and profits.

In the advertising and media business, Studio Alta Co., Ltd. reported an increase in gross sales over the same period of the previous fiscal year, as a result of increased efficiency through the consolidation of the Group’s advertising production functions and brisk sales in outdoor advertising, digital signage, etc., in the department store advertising media sales business. However, the company reported a decrease in profit due to ALTA VISION terminating operations in February 2025.

Isetan Mitsukoshi System Solutions Ltd., which offers information system solutions and services to Group and non-Group companies, is at the core of the Group’s fundamental DX strategies and promotes the development of analytical tools and the establishment of a data infrastructure for the transformation into an “individual customer business.” The company is also focused on generating external sales business expanding initiatives such as providing systems (merchandise management, POS and others) to non-Group department stores in non-competitive areas, resulting in an increase in gross sales over the same period of the previous fiscal year. However, the company reported a decrease in profit due to incurring expenses, including one-time expenses for system releases.

Segment net sales amounted to ¥46,220 million, up 3.2% year-on-year, and operating profit was ¥885 million, up 54.6% year-on-year.

(2) Explanation Regarding Financial Position

Assets, Liabilities and Net Assets

Total assets at the end of the first half of the fiscal year under review amounted to ¥1,172,427 million, a decrease of ¥33,298 million from the end of the previous fiscal year. This was mainly due to a decrease resulting from the sale of investment securities.

Total liabilities amounted to ¥588,593 million, a decrease of ¥14,254 million from the end of the previous fiscal year. This was mainly due to a decrease in notes and accounts payable—trade due to seasonal factors.

Net assets amounted to ¥583,833 million, a decrease of ¥19,044 million from the end of the previous fiscal year. This was mainly attributable to the payment of dividends and the purchase of treasury shares, despite profit attributable to owners of parent.

Cash Flows

Net cash provided by operating activities amounted to ¥31,504 million, a decrease in inflows of ¥1,061 million from the first half of the previous fiscal year. This was mainly attributable to such factors as an increase in income taxes paid, despite an increase in profit before income taxes.

Net cash provided by investing activities amounted to ¥35,203 million, an increase in inflows of ¥55,243 million from the first half of the previous fiscal year. This was mainly attributable to such factors as proceeds from sale of shares of subsidiaries and associates.

Net cash used in financing activities amounted to ¥43,064 million, a decrease in outflows of ¥3,906 million from the first half of the previous fiscal year. This was mainly attributable to such factors as purchase of shares of subsidiaries not resulting in change in scope of consolidation and no net increase (decrease) in commercial papers, despite an increase in purchase of treasury shares.

As a result, cash and cash equivalents at the end of the first half of the fiscal year under review were ¥64,386 million, an increase of ¥22,551 million from the end of the previous fiscal year.

(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results

Based on its financial results for the six months ended September 30, 2025 and recent performance trends, the Company has revised its consolidated financial results forecast for the fiscal year ending March 31, 2026 as below.

Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	557,000	78,000	74,000	60,000	173.71
Revised forecast (B)	556,000	78,000	77,000	62,000	172.56
Change (B – A)	(1,000)	—	3,000	2,000	—
Change (%)	(0.2)	—	(4.1)	(3.3)	—
(Reference) Consolidated financial results for the previous fiscal year (Fiscal year ended March 31, 2025)	555,517	76,313	88,123	52,814	142.42

(Note) The gross sales forecast (sales if the “Accounting Standard for Revenue Recognition,” etc. had not been adopted) would be ¥1,305,000million (the previous forecast: ¥1,320,000 million, a decrease of ¥15,000million, a decrease of 1.1%).

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)		
	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	38,795	61,561
Notes and accounts receivable - trade, and contract assets	155,277	145,695
Securities	915	907
Merchandise and finished goods	23,595	25,015
Work in process	347	673
Raw materials and supplies	540	532
Other	39,136	38,692
Allowance for doubtful accounts	(3,692)	(3,688)
Total current assets	254,916	269,390
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	141,389	137,358
Land	534,742	540,036
Other, net	33,173	33,156
Total property, plant and equipment	709,305	710,551
Intangible assets		
Software	17,223	16,554
Other	23,533	23,530
Total intangible assets	40,757	40,084
Investments and other assets		
Investment securities	148,975	101,150
Other	51,886	51,377
Allowance for doubtful accounts	(146)	(151)
Total investments and other assets	200,716	152,375
Total non-current assets	950,779	903,011
Deferred assets		
Bond issuance costs	30	24
Total deferred assets	30	24
Total assets	1,205,726	1,172,427

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	114,661	103,906
Short-term borrowings	41,329	40,463
Income taxes payable	9,150	24,281
Reserve for loss from redemption of gift vouchers	12,177	12,173
Provisions	14,086	9,711
Other	187,940	184,695
Total current liabilities	379,344	375,230
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	25,000	25,800
Deferred tax liabilities	131,677	120,527
Retirement benefit liability	27,859	28,921
Other	18,966	18,113
Total non-current liabilities	223,502	213,362
Total liabilities	602,847	588,593
Net assets		
Shareholders' equity		
Share capital	51,546	51,555
Capital surplus	284,022	284,031
Retained earnings	246,332	264,733
Treasury shares	(28,519)	(59,610)
Total shareholders' equity	553,382	540,709
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,479	16,828
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	31,063	22,216
Remeasurements of defined benefit plans	3,622	2,830
Total accumulated other comprehensive income	48,165	41,875
Share acquisition rights	346	329
Non-controlling interests	983	920
Total net assets	602,878	583,833
Total liabilities and net assets	1,205,726	1,172,427

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

	(Millions of yen)	
	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	264,093	253,866
Cost of sales	102,389	97,735
Gross profit	161,703	156,131
Selling, general and administrative expenses	126,819	124,679
Operating profit	34,884	31,451
Non-operating income		
Interest income	409	320
Dividend income	341	401
Share of profit of entities accounted for using equity method	4,063	1,272
Other	1,601	1,923
Total non-operating income	6,416	3,918
Non-operating expenses		
Interest expenses	347	395
Loss on retirement of non-current assets	719	870
Other	1,522	997
Total non-operating expenses	2,589	2,263
Ordinary profit	38,711	33,106
Extraordinary income		
Gain on sale of investment securities	-	312
Gain on sale of shares of subsidiaries and associates	-	10,646
Total extraordinary income	-	10,958
Extraordinary losses		
Impairment losses	451	-
Loss on store closings	747	65
Business restructuring expenses	-	281
Total extraordinary losses	1,199	346
Profit before income taxes	37,512	43,719
Income taxes	12,157	14,356
Profit	25,354	29,362
Loss attributable to non-controlling interests	(39)	(10)
Profit attributable to owners of parent	25,394	29,373

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	25,354	29,362
Other comprehensive income		
Valuation difference on available-for-sale securities	(360)	4,419
Deferred gains or losses on hedges	(9)	(0)
Foreign currency translation adjustment	3,991	(1,579)
Remeasurements of defined benefit plans, net of tax	9	(792)
Share of other comprehensive income of entities accounted for using equity method	8,441	(8,391)
Total other comprehensive income	12,072	(6,343)
Comprehensive income	37,426	23,018
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	36,938	23,082
Comprehensive income attributable to non-controlling interests	488	(63)

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	37,512	43,719
Depreciation	12,119	12,232
Impairment losses	559	65
Amortization of goodwill	421	-
Increase (decrease) in provision for bonuses	(5,110)	(4,624)
Increase (decrease) in allowance for doubtful accounts	(451)	2
Increase (decrease) in retirement benefit liability	24	(117)
Interest and dividend income	(751)	(722)
Interest expenses	347	395
Share of loss (profit) of entities accounted for using equity method	(4,063)	(1,272)
Loss (gain) on sale of investment securities	-	(312)
Loss (gain) on sale of shares of subsidiaries and associates	-	(10,646)
Decrease (increase) in trade receivables	13,207	8,891
Decrease (increase) in inventories	43	(1,831)
Increase (decrease) in trade payables	(12,182)	(10,610)
Increase (decrease) in accrued expenses	(1,912)	(1,365)
Increase (decrease) in accounts payable - other	(4,201)	(1,953)
Other, net	(2,641)	4,413
Subtotal	32,919	36,261
Interest and dividends received	5,929	4,000
Interest paid	(358)	(395)
Income taxes paid	(6,394)	(8,362)
Income taxes refund	468	-
Net cash provided by (used in) operating activities	32,565	31,504
Cash flows from investing activities		
Payments into time deposits	(10)	(10)
Proceeds from withdrawal of time deposits	10	10
Purchase of property, plant and equipment	(13,915)	(13,627)
Purchase of intangible assets	(2,725)	(2,653)
Proceeds from refund of leasehold and guarantee deposits	904	2,011
Purchase of short-term and long-term investment securities	(2,823)	(1,018)
Proceeds from sale and redemption of short-term and long-term investment securities	742	768
Proceeds from sale of shares of subsidiaries and associates	-	50,621
Other, net	(2,223)	(898)
Net cash provided by (used in) investing activities	(20,040)	35,203

	(Millions of yen)	
	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	176	475
Proceeds from long-term borrowings	2,500	800
Repayments of long-term borrowings	(2,500)	(1,300)
Purchase of treasury shares	(11,656)	(31,092)
Net increase (decrease) in commercial papers	(10,000)	-
Dividends paid	(8,220)	(10,917)
Repayments of lease liabilities	(1,108)	(1,031)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(16,161)	-
Other, net	0	1
Net cash provided by (used in) financing activities	(46,971)	(43,064)
Effect of exchange rate change on cash and cash equivalents	1,239	(1,091)
Net increase (decrease) in cash and cash equivalents	(33,206)	22,551
Cash and cash equivalents at beginning of period	72,390	41,834
Cash and cash equivalents at end of period	39,184	64,386

(4) Notes Regarding Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Adoption of special accounting treatment used in preparation of the semi-annual consolidated financial statements)

Calculation of tax expenses

The effective tax rate on profit before income taxes for the current fiscal year after tax effect accounting is reasonably estimated, and such estimated tax rate is applied to profit before income taxes for the quarterly period to calculate the estimated tax expenses.

(Segment information)

[Segment information]

I. First quarter of the previous consolidated accounting period (April 1, 2024 to September 30, 2024)

1. Information concerning segment net sales, income and losses

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on quarterly Consolidated Statement of Income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Net sales								
Sales to outside customers	218,161	9,715	11,122	239,000	25,093	264,093	—	264,093
Intersegment sales or transfer	1,660	6,679	2,085	10,424	19,696	30,121	(30,121)	—
Subtotal	219,821	16,395	13,207	249,425	44,789	294,214	(30,121)	264,093
Segment income	29,551	3,186	1,441	34,180	572	34,753	131	34,884

(Note)

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, advertising, media, and travel business that are not included in other reporting segments.
2. The segment income adjustment of ¥131 million is intersegment eliminations, unrealized income, etc.
3. Segment income is adjusted to match operating profit.

2. Information concerning impairment losses on non-current assets or goodwill by segment

(Significant impairment losses related to non-current assets)

The “Department store business” segment recorded an impairment loss of ¥559 million. In the semi-annual consolidated statements of income, ¥107 million of this impairment loss is included in “loss on store closings” under extraordinary losses.

(Significant changes in the amount of goodwill)

Not applicable.

II. First quarter of the current consolidated accounting period (April 1, 2025 to September 30, 2025)

1. Information concerning segment net sales, income and losses

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on quarterly Consolidated Statement of Income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Net sales								
Sales to outside customers	207,817	10,261	9,656	227,736	26,130	253,866	—	253,866
Intersegment sales or transfer	1,583	6,676	1,781	10,040	20,089	30,130	(30,130)	—
Subtotal	209,400	16,937	11,438	237,776	46,220	283,996	(30,130)	253,866
Segment income	25,443	2,930	1,934	30,308	885	31,193	257	31,451

(Note)

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, travel, and media business that are not included in other reporting segments.
2. The segment income adjustment of ¥257 million is intersegment eliminations, unrealized income, etc.
3. Segment income is adjusted to match operating profit.

2. Information concerning impairment losses on non-current assets or goodwill by segment

(Significant impairment losses related to non-current assets)

Disclosure is omitted due to immateriality.

In the semi-annual consolidated statements of income, the impairment loss is included in “loss on store closings” under extraordinary losses.

(Significant changes in the amount of goodwill)

Not applicable.