Isetan Mitsukoshi Group Financial Results Explanation Meeting
Fiscal Year Ended March 31, 2026 (FY2025)

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May 13, 2026 (Wed)

Isetan Mitsukoshi Holdings

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1. Fiscal Year Ended March 31, 2026 (FY2025) Full Year Results Summary

- Operating profit reached 80.0 billion yen a record high for the third consecutive year
  Profit reached 76.0 billion yen, significantly surpassing the previous record high

- Strong growth in domestic customers sales offset the decline in overseas customer sales caused by external factors, resulting in gross sales for the year remaining flat year on year

- SG&A expenses decreased by 4.6 billion yen from the previous fiscal year due to continued optimization of cost allocation through the scientific analysis of department stores

2. [Consolidated results] for FY2025

- Domestic customer sales offset the impact of environmental factors on overseas customers, and gross sales remained flat year on year
- Operating profit increased by 4.9% to 80 billion yen, reaching a record high for the third consecutive year. At 21.9 billion yen, a record high was also set for the fourth quarter
- Profit reached a record high of 76.0 billion owing in part to the contribution of gains on the sale of shares in affiliated companies

(0.1 billions of yen)	FY2025 results	YoY	YoY difference	Difference from February plan	Q4 (Jan-Mar)	YoY difference
Gross sales handled*	13,480	100.1%	+17	-	3,512	+150
Gross sales	12,995	99.7%	(41)	(4)	3,388	+138
Net sales	5,456	98.2%	(98)	(83)	1,392	+12
Gross profit	3,367	99.7%	(9)	+7	870	+43
SG&A expenses	2,567	98.2%	(46)	(12)	651	(12)
Operating profit	800	104.9%	+37	+20	219	+55
Ordinary profit	865	98.3%	(15)	+55	227	+6
Profit attributable to owners of parent	760	144.1%	+232	+110	248	+184

* including the amount handled by tenants under fixed lease in department stores

3. [Gross sales] Domestic department stores results

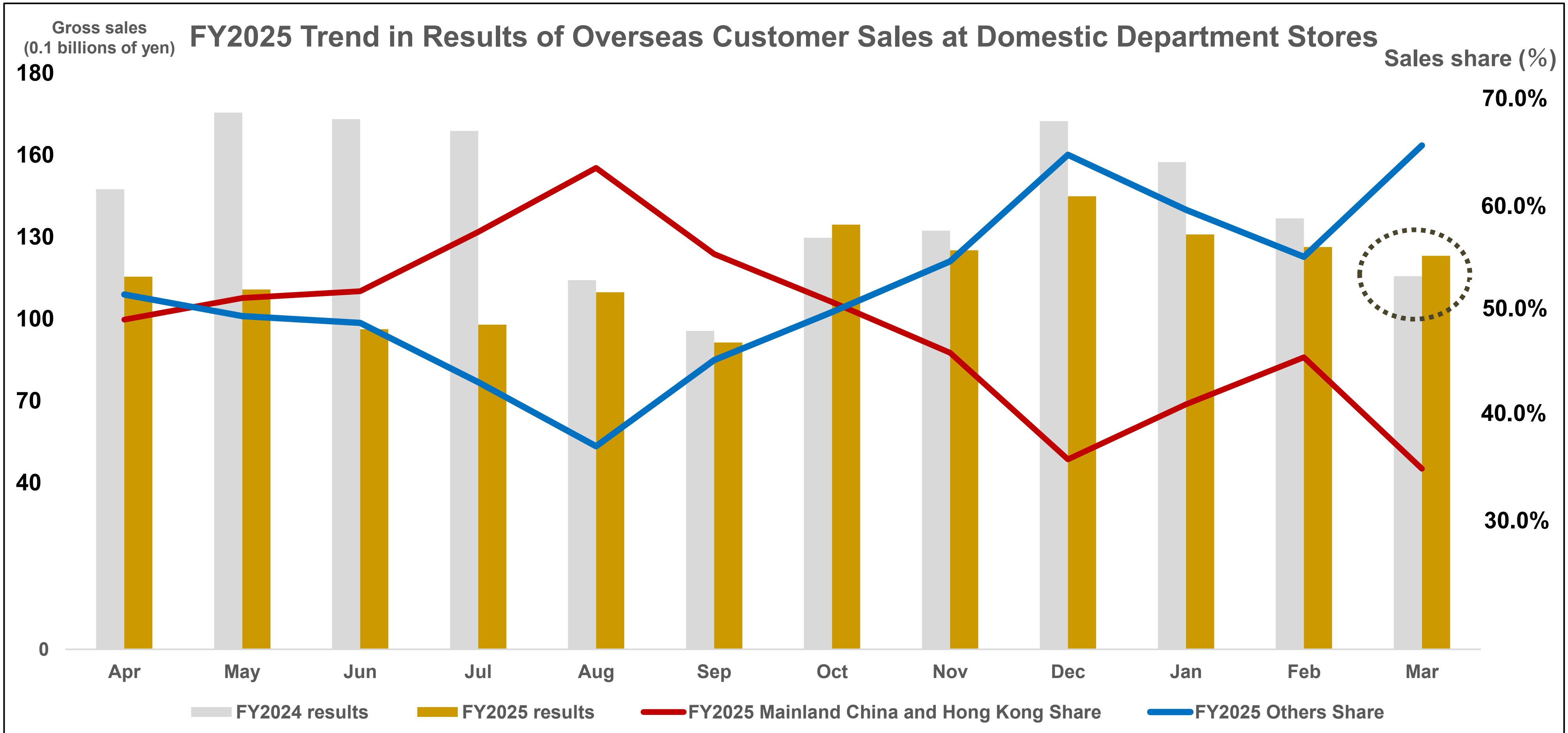
- Despite the impact of environmental factors on overseas customers, domestic customer sales continued to grow, and revenue increased in the second half of the year
- By promoting initiatives such as apps for overseas customers and sales activities for out-of-store-sales for overseas customers, sales to overseas customers have shown a recovery trend

(0.1 billions of yen)	First half			Second half			Full year		
	Results	YoY	YoY difference	Results	YoY	YoY difference	Results	YoY	YoY difference
Isetan Mitsukoshi Total	**3,578**	98.0%	(72)	**4,252**	103.7%	+151	**7,831**	101.0%	+78
(Of which) Domestic customers	**3,042**	103.5%	+101	**3,617**	105.8%	+198	**6,660**	104.7%	+299
(Of which) Overseas customers	**536**	75.5%	(173)	**634**	93.1%	(47)	**1,171**	84.1%	(220)
Total regional operating companies	**1,691**	95.5%	(79)	**1,978**	99.2%	(16)	**3,669**	97.4%	(96)
(Of which) Domestic customers	**1,559**	98.4%	(25)	**1,799**	99.4%	(10)	**3,359**	98.9%	(36)
(Of which) Overseas customers	**131**	70.9%	(54)	**178**	96.6%	(6)	**310**	83.7%	(60)
Total domestic department stores	**5,270**	97.2%	(152)	**6,231**	102.2%	+134	**11,501**	99.8%	(17)
(Of which) Domestic customers	**4,602**	101.7%	+76	**5,417**	103.6%	+187	**10,019**	102.7%	+263
(Of which) Overseas customers	**668**	74.6%	(228)	**813**	93.9%	(53)	**1,481***	84.0%	(281)

* Because we are changing the system used to track overseas customer sales starting in FY2026, we have also extracted the results for FY2025 and FY2024 using the new system

4. [Gross sales] Overseas customer performance trends

- **Overseas customer sales, which had been significantly down in the first half of the fiscal year, were on a recovery track toward the end of FY2025**
- **The countries and regions overseas customers arrive from are becoming more diverse, and membership in the app for overseas customers is also expanding steadily**



5. [Gross sales] Figures for major domestic department stores (by store and company)

- **Isetan Shinjuku Main Store and Mitsukoshi Nihombashi Main Store, which form the core of our sales, achieved increased revenue following the previous fiscal year**
- **The Isetan Shinjuku Main Store surpassed the 400 billion yen mark for the first time in the previous fiscal year and further set a new record**

(0.1 billions of yen)	Gross sales *	Gross sales	YoY	YoY difference
Isetan Shinjuku Main Store	4,252	**4,249**	100.9%	+36
Mitsukoshi Nihombashi Main Store	1,742	**1,690**	104.6%	+73
Mitsukoshi Ginza Store	1,340	**1,227**	98.8%	(14)
Isetan Tachikawa Store	315	**312**	98.1%	(6)
Isetan Urawa Store	355	**352**	97.0%	(10)
Isetan Mitsukoshi Total	8,004	**7,831**	101.0%	+78

(0.1 billions of yen)	Gross sales *	Gross sales	YoY	YoY difference
Sapporo Marui Mitsukoshi	650	**599**	95.5%	(28)
Sendai Mitsukoshi	259	**254**	96.6%	(8)
Nagoya Mitsukoshi	869	**607**	96.2%	(24)
Niigata Isetan Mitsukoshi	345	**341**	100.5%	+1
Iwataya Mitsukoshi	1,362	**1,323**	99.6%	(5)
Total of 5 major regional companies	3,487	**3,126**	97.9%	(65)

* Actual results including the amount handled by tenants under fixed lease in department stores

6. [SG&A expenses] Changes on a consolidated basis

- While gross sales remained at the previous year's level, we achieved cost reductions from the previous fiscal year, primarily in personnel expenses and lease payments
- Reductions resulting cost structure reform amounted to 7.1 billion yen, representing further progress compared to the upwardly revised plan announced in February

			Breakdown of YoY increase/decrease				
(0.1 billions of yen)	FY2025 results	YoY changes	Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Others
Personnel expenses	919	(16)	(38)			+22	
Advertising expenses	87	(6)	(3)		(4)		+1
Lease payments	303	(16)	(18)	+1			
Business consignment expenses	274	(9)	(3)		+2	+3	(11)
Depreciation and amortization	228	+2			+2		
Utilities expenses	89	(2)	(2)			(1)	
Other businesses	662	+2	(6)	(5)		+3	+11
Total	2,567	(46)	(71)	(4)	+0	+27	+1

7. [Performance by Segment]

- Department store business: Gross sales remained at the same level as the previous year, but profit increased due to scientific control of SG&A expenses
- Credit & finance business: The number of accounts is in an uptrend due to the introduction of MICARD BASIC. Continued optimization of expenses
- Real estate business: In addition to increased rental income from leased properties, the construction and interior business grew, leading to higher profit

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	Operating profit margin	YoY difference
Department store business	12,051	99.6%	4,497	655	5.4%	+9
Credit & finance business / Customer organization management business	380	103.0%	355	63	16.6%	+5
Real estate business	271	92.0%	271	46	17.2%	+10
Other businesses*	291	107.2%	331	34	12.0%	+10
Total	12,995	99.7%	5,456	800	6.2%	+37

* Operating profit in the other businesses segment includes an adjustment

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1. Summary of FY2026 Full-Year Plan

- With an eye on achieving operating profit of 85.0 billion yen in FY2027, we are planning 81.5 billion yen in operating profit for FY2026, setting a new all-time high once again

- We plan to achieve steady expansion in domestic customer sales building on our identified customer base, while also increasing overseas customer sales, which are showing signs of recovery.

- SG&A expenses are planned on the premise that they will be controlled flexibly in response to a rapidly changing external environment

2. [Consolidated Plan] FY2026

- We will accelerate individual customer business process activities for domestic and overseas customers, with the goal of increasing revenue centering on our identified customer base
- Operating profit plans to reach 81.5 billion yen a record high for the fourth consecutive year
- Profit plans to decline due to the absence of the gain on the sale of shares of affiliated companies and the tax effect recorded in the previous fiscal year

(0.1 billions of yen)	Full Year Plan	YoY	YoY difference
Gross sales handled*	13,950	103.5%	+470
Gross sales	13,500	103.9%	+504
Net sales	5,600	102.6%	+143
Gross profit	3,445	102.3%	+77
SG&A expenses	2,630	102.5%	+62
Operating profit	815	101.8%	+14
Ordinary profit	800	92.4%	(65)
Profit attributable to owners of parent	615	80.8%	(145)

* including the amount handled by tenants under fixed lease in department stores

3. [Gross sales] Domestic department stores

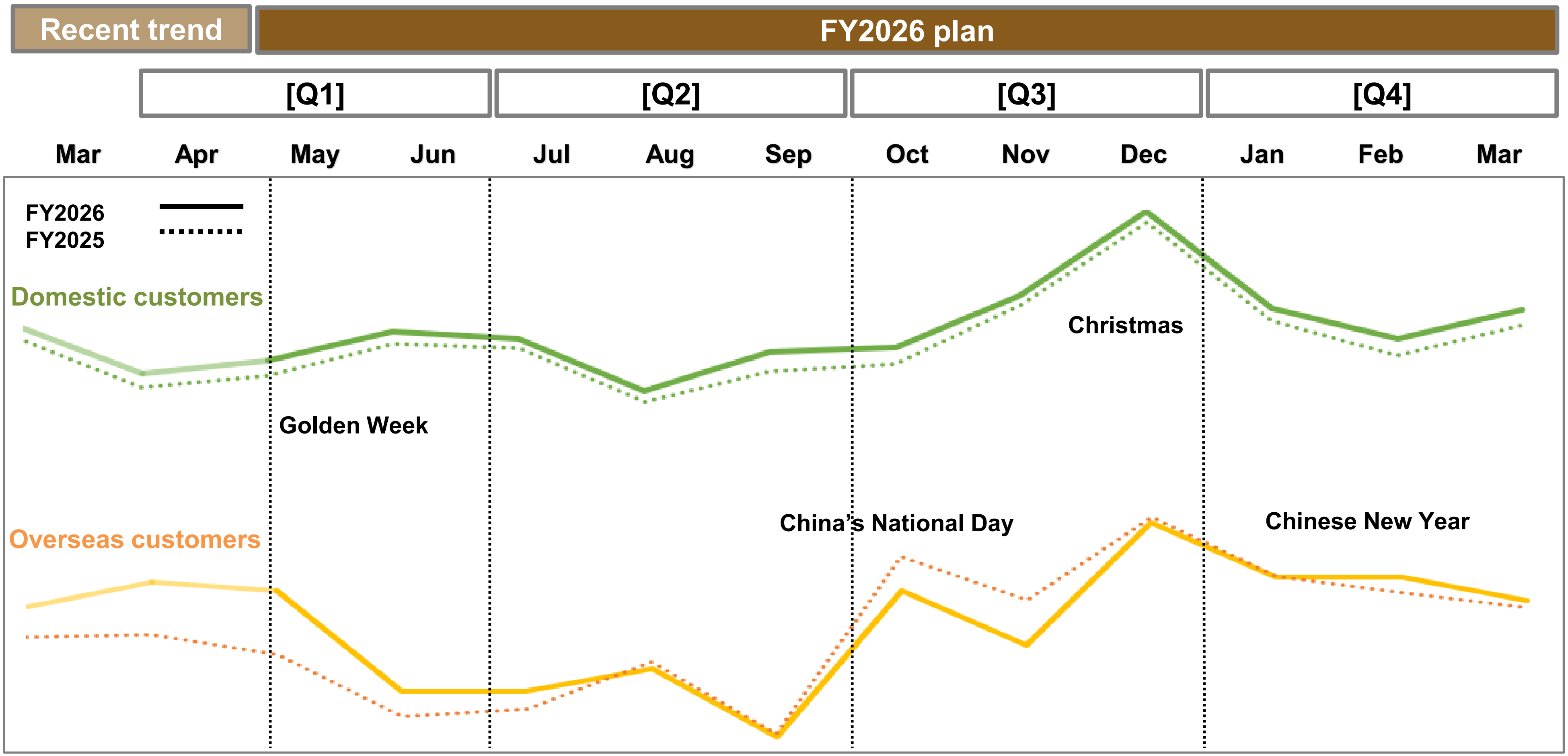
- By **accelerating individual customer business process activities,** we plan to expand domestic customer sales in both the Tokyo metropolitan stores and regional stores
- For overseas customers, we **plan to maintain sales at the previous year's level** amid an uncertain operating environment by continuing to **evolve the app for overseas customers and our overseas out-of-store-sales**

(0.1 billions of yen)	First half			Second half			Full year		
	Plan	YoY	YoY difference	Plan	YoY	YoY difference	Plan	YoY	YoY difference
Isetan Mitsukoshi Total	3,785	105.8%	+206	4,425	104.1%	+172	8,210	104.8%	+378
(Of which) Domestic customers	3,235	106.4%	+193	3,802	105.1%	+184	7,038	105.7%	+377
(Of which) Overseas customers	549	102.3%	+12	622	98.1%	(12)	1,172	100.0%	+0
Total regional operating companies	1,707	100.9%	+15	1,989	100.5%	+10	3,696	100.7%	+26
(Of which) Domestic customers	1,569	100.6%	+10	1,815	100.8%	+15	3,385	100.7%	+25
(Of which) Overseas customers	137	104.0%	+5	173	97.5%	(4)	311	100.3%	+0
Total domestic department stores	5,492	104.2%	+221	6,414	102.9%	+182	11,906	103.5%	+404
(Of which) Domestic customers	4,805	104.4%	+203	5,617	103.7%	+199	10,423	104.0%	+403
(Of which) Overseas customers	686	102.7%	+17	796	97.9%	(16)	1,483*	100.1%	+1

* Because we are changing the system used to track overseas customer sales starting in FY2026, we have also extracted the results for FY2025 using the new system

4. [Gross sales] Domestic department stores (Domestic customers and overseas customers)

- Domestic customers: We plan for steady growth throughout the year (104.0% YoY)
- Overseas customers: Plan takes into account the current growth trend and limited visibility over environmental factors (100.1% YoY)



5. [Gross Sales] Plan for Major Domestic Department Stores (by store and company)

- Plan is for sales expansion focusing primarily on the Isetan Shinjuku Main Store, the Mitsukoshi Nihombashi Main Store, and the Mitsukoshi Ginza Store
- Projecting higher revenues for Isetan Mitsukoshi as a total and for the 5 major regional companies in total

(0.1 billions of yen)	Gross sales *	Gross sales	YoY	YoY difference
Isetan Shinjuku Main Store	4,477	**4,475**	105.3%	+225
Mitsukoshi Nihombashi Main Store	1,817	**1,766**	104.5%	+75
Mitsukoshi Ginza Store	1,377	**1,306**	106.4%	+78
Isetan Tachikawa Store	311	**303**	97.0%	(9)
Isetan Urawa Store	363	**360**	102.2%	+7
Isetan Mitsukoshi Total	8,345	**8,210**	104.8%	+378

(0.1 billions of yen)	Gross sales *	Gross sales	YoY	YoY difference
Sapporo Marui Mitsukoshi	656	**604**	100.8%	+4
Sendai Mitsukoshi	246	**242**	95.1%	(12)
Nagoya Mitsukoshi	826	**560**	92.1%	(47)
Niigata Isetan Mitsukoshi	350	**347**	101.6%	+5
Iwataya Mitsukoshi	1,423	**1,381**	104.3%	+57
Total of 5 major regional companies	3,501	**3,134**	100.2%	+7

* Plan including the amount handled by tenants under fixed lease in department stores

6. [SG&A expenses] Changes on a consolidated basis

- In light of inflation and other environmental factors, we plan a 6.2 billion yen increase over the previous year. Flexible control based on progress in earnings
- Further promote cost structure reforms in all domestic and overseas businesses, with a planned annual reduction of 3.3 billion yen

(0.1 billions of yen)	Full Year Plan	YoY changes	Breakdown of YoY increase/decrease: Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Newly consolidated	Other businesses
Personnel expenses	920	+0	(23)			+18	+5	
Advertising expenses	95	+7	(0)	+7				
Lease payments	304	+0	(3)	+2			+2	
Business consignment expenses	286	+11	(7)		+2	+16		
Depreciation and amortization	235	+6			+6			
Utilities expenses	100	+10	(0)			+10		
Other businesses	690	+27	(1)	+6	+12	+3	+2	+7*
Total	2,630	+62	(33)	+14	+20	+46	+9	+7

* Impact of corporate enterprise tax revision

7. [Plans by Segment]

- Department store business: Steady growth in domestic identified customer sales and a recovery in overseas customer sales. Continuation of agile expense management
- Credit and & finance business: Expand revenues and continue to control expenses in the card business linked to department stores
- Real estate business: The plan takes into account both the decline in profit from the previous fiscal year and the rise in costs for the current fiscal year

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	Operating profit margin	YoY difference
Department store business	12,450	103.3%	4,540	665	5.3%	+9
Credit & finance business / Customer organization management business	390	102.4%	365	70	17.9%	+6
Real estate business	308	113.3%	308	43	14.0%	(3)
Other businesses*	352	120.9%	387	37	10.5%	+2
Total	13,500	103.9%	5,600	815	6.0%	+14

* Operating profit in the other businesses segment includes an adjustment

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(1) Our unique business model and key results for FY2025

- By leveraging data from identified customers using our **proprietary know-how and assets**, we are simultaneously achieving both **more efficient use of department store spaces** and **optimization of selling, general and administrative expenses and staffing**. We are building a model for **sustainable** profit growth.

Attracting customers to special department stores

Identification by credit card and app

Accumulated customer data

Personalization

Leveraging data with our unique know-how and assets

- Scientific analysis of department stores
- Intra-group coordination
- AI application model
- Human resources for transformation into individual customer business
- Group-affiliated systems company

etc.

From mass to individual marketing. Expand LTV through personalized recommendations across all aspects of daily life

Achieve optimized cost allocation and staffing **tailored to each customer**

Medium to long-term

New revenue models leveraging data

Main achievements in FY2025

Domestic and overseas department stores	
Streamlining department store spaces	Sales per m²
	112% [YoY]
	Department store utilization area
	88% [YoY]

SG&A expenses	
Appropriateness from a scientific perspective	98% [YoY]

Operating profit	
We achieved record high profits	105% [YoY]

(2) Stakeholders' voices and their reflection in management

[Previous Medium-Term Management Plan] Implementing a department store revitalization initiative to address stakeholders' concerns about the future of department stores

[Current Medium-Term Management Plan] Developing strategies to ensure the sustainability and reproducibility of growth that our stakeholders are looking for

Feedback received at the time of formulating the previous medium-term management plan "Has the department store business model reached its limits?"

"Is the low profitability of the department store business structurally unavoidable?"
"Will the business continue to be swayed by external factors such as economic conditions and natural disasters?"
"Can the Company achieve medium- to long-term growth in the Japanese market amid ongoing population decline?"

Formulation of previous medium-term management plan

- Scientific analysis of department stores
- Shift from mass to individual marketing
- Acquisition of sophisticated and high-quality consumption

Current concern "Is the current growth sustainable and reproduceable?"

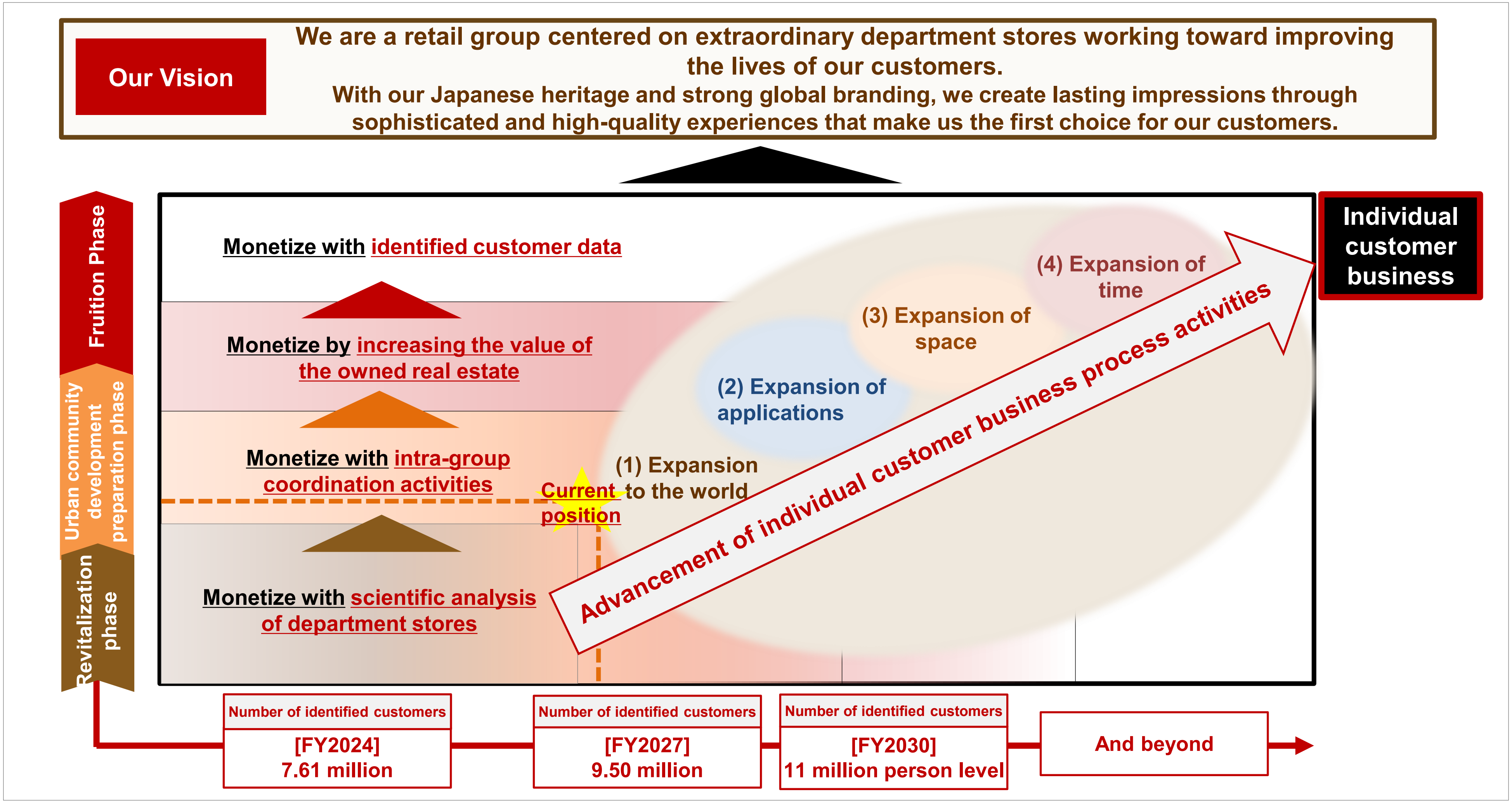
"Can the recent profit growth be sustained?"
"Can the growth model be replicated and rebuilt even if the external environment changes?"
"Can performance be sustained and reproduced over the long term, even if the management structure changes?"

Management actions in the current medium-term management plan

- Continuous evolution of "customer creation" and "customer cultivation"
- "Building a foundation" that leads to reproducibility in strategy advancement
- Steady planning and progress of long-term strategies

(1) Medium- to long-term strategic steps

- To realize our vision, we are transforming our business model from Store business to Individual customer business
- Further expanding monetization by combining the advancement of individual customer business process activities with four business opportunities (expansion to the world and of time, space, and applications)



(2) Urban community development preparation phase "Monetization of intra-group coordination"

- Accelerating individual customer business process activities through the creation of new customers and the further deepening of relationships with existing ones
- At the same time, profit from intra-group coordination is expanding owing to coordination of identified customers across business as a result of the revitalization of intra-group coordination

[Acceleration of Individual Customer Business Process Activities]

Creation of new customers		Further customer cultivation	
[Attracting customers] Attracting customers from around the world	[Identification] Identification of customers attracted (individual customerization)	[Expansion of usage] Increasing per customer spending spend and frequency of use by expanding information dissemination	[Lifetime customerization] Deepening relationships with individual customers with ONE Group sales structure

[Capturing business opportunities]

[Expansion to the world]
Breaking down domestic and international barriers to attract customers from around the world

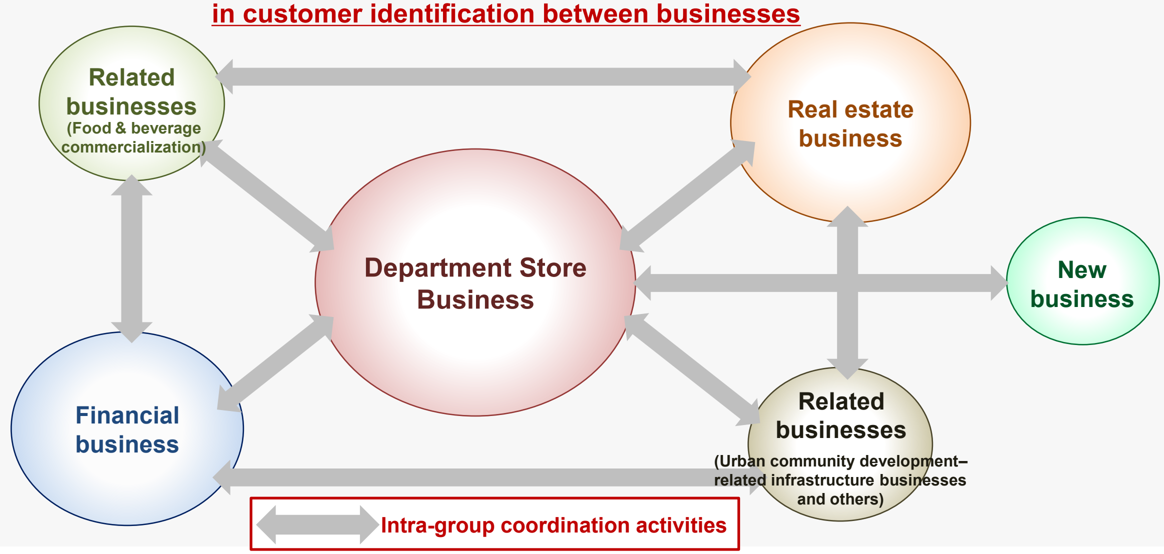
[Expansion of applications]
Diverse value provision that embody the sophisticated and high-quality unique to Isetan Mitsukoshi

[Expansion of space]
Creating spaces that apply urban community development as a means to attract customers and build deep relationships with them

[Expansion of time]
Monetization not just during department store hours, but 24 hours a day, 365 days a year

[Revitalization of intra-group coordination]

Expanding intra-group coordination profits through collaboration in customer identification between businesses



(3) Management Objectives "Financial KPIs"

[FY2025 results]

- Covering the decline in overseas customer sales with domestic customers sales. Achieved operating profit of 80 billion yen by controlling SG&A expenses
  In addition, profit for the period was 76.0 billion yen*, marking record highs for both operating profit and profit
  *Results of 65.6 billion yen, excluding special factors (excluding 10.4 billion yen resulting from a change in tax effect rank driven by profit growth)

[FY2026 plan]

- Planning operating profit of 81.5 billion yen in FY2026 with an eye on achieving 85.0 billion yen in FY2027. We assume profit of 61.5 billion yen

	FY2025		FY2026	
	Results	Difference from FY2024	Planned value	Difference from FY2025
Gross sales＊ * Including the amount handled by tenants under fixed lease in department stores	1,348.0 billion yen	1.7 billion yen	1,395.0 billion yen	+47.0 billion yen
Gross sales	1,299.5 billion yen	-4.1 billion yen	1,350.0 billion yen	+50.4 billion yen
SG&A expenses	256.7 billion yen	-4.6 billion yen	263 billion yen	+6.2 billion yen
Operating profit	80 billion yen	+3.7 billion yen	81.5 billion yen	+1.4 billion yen
Profit	76 billion yen	+23.2 billion yen	61.5 billion yen	-14.5 billion yen
ROE	12.5% *1	+3.6%	10.1%	-2.4%

*1 Excluding special factors: 10.8%

(3) Management Objectives "Customer KPIs"

[FY2025 results]

- Thanks to **the promotion of individual customer business process activities,** two Customer KPIs ((1) (2)) have shown steady growth

[FY2026 plan]

- By **strengthening initiatives related** to **expansion of usage through more active intra-group coordination activities,** the Company aims to drive further growth in both Customer KPIs

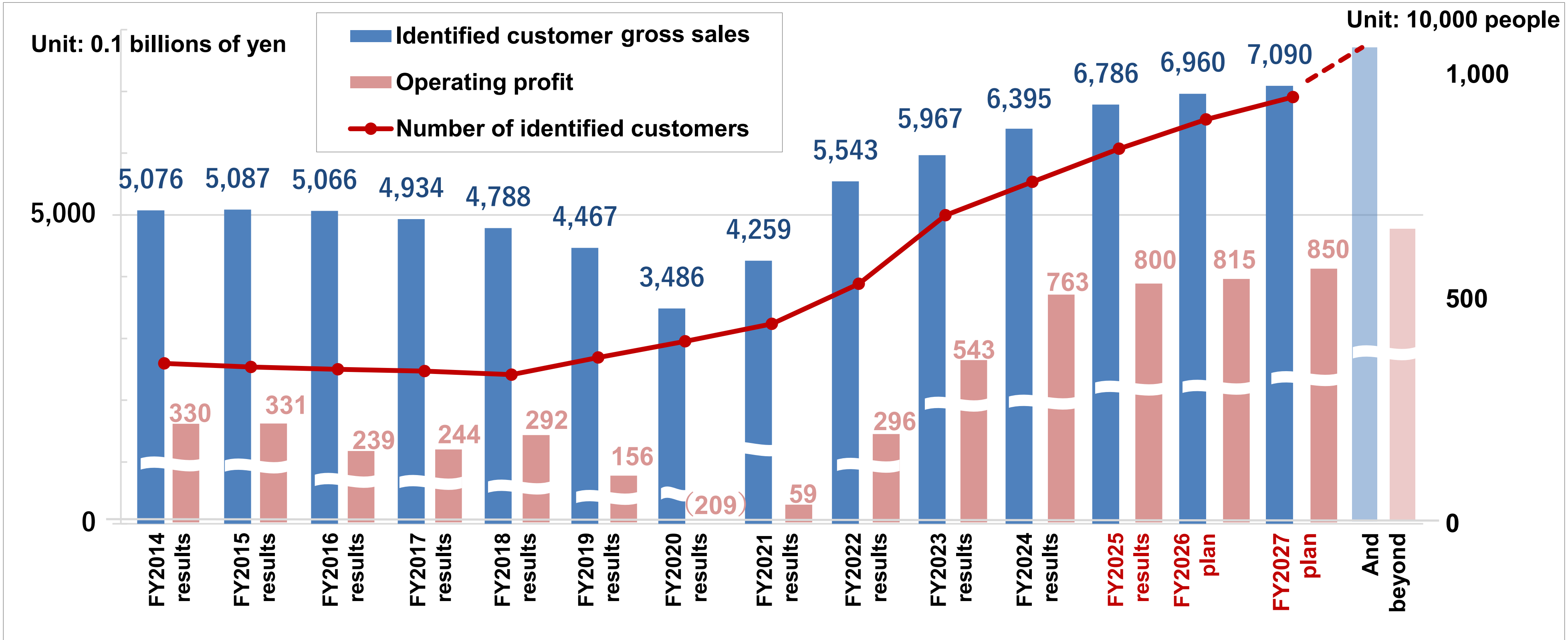
	Relationship between "individual customer business process activities" and "customer KPIs"			
Individual customer business process activities	[Attracting customers]	[Identification]	[Expansion of usage]	[Lifetime customerization]
Customer KPIs	(1) Identified customer gross sales		(2) Gross sales from customers purchasing more than 3 million yen per year across the Group	

	FY2025		FY2026	
	Results	Compared to FY2024	Planned value	Compared to FY2025
(1) Identified customer gross sales	678.6 billion yen	106%	696.0 billion yen	103%
(2) Gross sales from customers purchasing more than 3 million yen per year across the Group	237.9 billion yen	114%	252.0 billion yen	106%

(3) Management Objectives "Trend and Results of the Number of Identified Customers / Identified Customer Sales / Operating Profit"

- Gross sales **declined slightly** compared to pre-COVID levels
- Meanwhile, operating profit **more than doubled** in line with the **significant growth** in identified customer sales

	FY2014-FY2017 average	FY2022-FY2025 average	Comparison between FY2014-FY2017 and FY2022-FY2025
Gross sales	1,267.3 billion yen	1,229.0 billion yen	97%
Identified customer gross sales	504.0 billion yen	617.2 billion yen	122%
Operating profit	28.6 billion yen	60 billion yen	209%



(4) Individual Customer Business Process Activities "Attracting Customers"

[FY2025] The number of purchasing domestic identified customers expanded
[FY2026] Phase aiming to attract customers from around the world

FY2025 achievements

- Expanded sophisticated and high-quality content with the remodeling of 3 flagship stores as a starting point
  ➡ Acquired support from domestic identified customers seeking sophisticated and high-quality consumption

Number of purchasing domestic identified customers	
YoY	102%

Gross sales of remodeled 3 flagship stores	20.6 billion yen
YoY	126%

* Gross sales of stores remodeled at the same site

Major initiatives in FY2026

- Established and launched the Zero MD Group, a team that creates new products and services without being constrained by traditional product categories
- Pursuing a unique identity through a remodeling aimed at attracting more customers from around the world

[Isetan Shinjuku Main Store B1F] Remodeling of Western confectionery area

[Isetan Shinjuku Main Store 2F] Remodeling of Fragrance area

(4) Individual Customer Business Process Activities "Identification"

[FY2025] Identification of domestic and overseas customers steadily progressed

[FY2026] Moving into a phase of full-scale identification of domestic and overseas customers as well as customers in related businesses

FY2025 achievements

- Steady progress in identification using the Basic Card with no annual fee as a hook

Number of identified customers	8.35 million
YoY	110%

- Launched an app for overseas customers and expanded membership using REWARDS as a hook

No. of members	0.88 million

Total of overseas customers apps and WeChat

Major initiatives in FY2026

- Further advances in identification through premium card strategies
- Going to established a CRM system for overseas customers that is on par to the one for domestic customers
  - ✓ Current status: Uniform information delivery through app
  - ✓ Future: Personalized delivery in progress with tie-in to tax free information
- Integration of customer IDs of related businesses into Isetan Mitsukoshi IDs will start

  * Scheduled in FY2026 for Mitsukoshi Isetan Nikko Travel, Ltd.

[MICARD BASIC]

[MITSUKOSHI ISETAN App]

[App for overseas customers]

(4) Individual Customer Business Process Activities "Expansion of Usage"

[FY2025] In addition to higher per customer spending by identified domestic customers, base network and online activities became more active
[FY2026] Moving to a phase of steadily driving improved per customer spending and use frequency through intra-group coordination activities and premium card strategies

FY2025 achievements

- Increased information dissemination to identified customers has led to higher per customer spending

Domestic identified customers/ Per customer spending	225,000 yen
YoY	104%

- Enhanced Tokyo metropolitan area x regional store collaboration and collaboration among regional stores

Transaction volume of base network	20.3 billion yen
YoY	114%

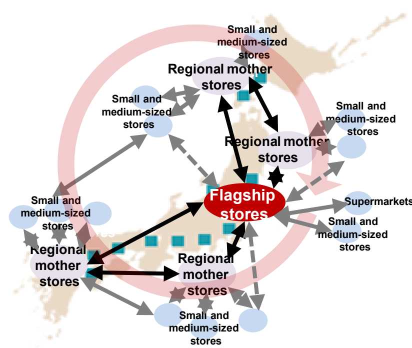
* Base network: A framework that connects merchandise, services, and customers across the Group, starting from each store.

- Increased use by identified customers has led to a significant increase in net sales

Online gross sales	55.3 billion yen
YoY	120%

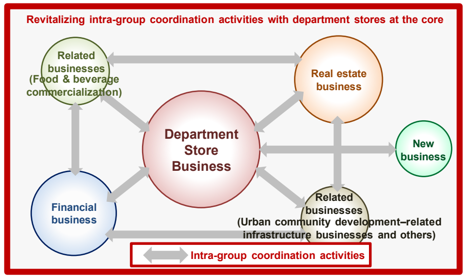
Major initiatives in FY2026

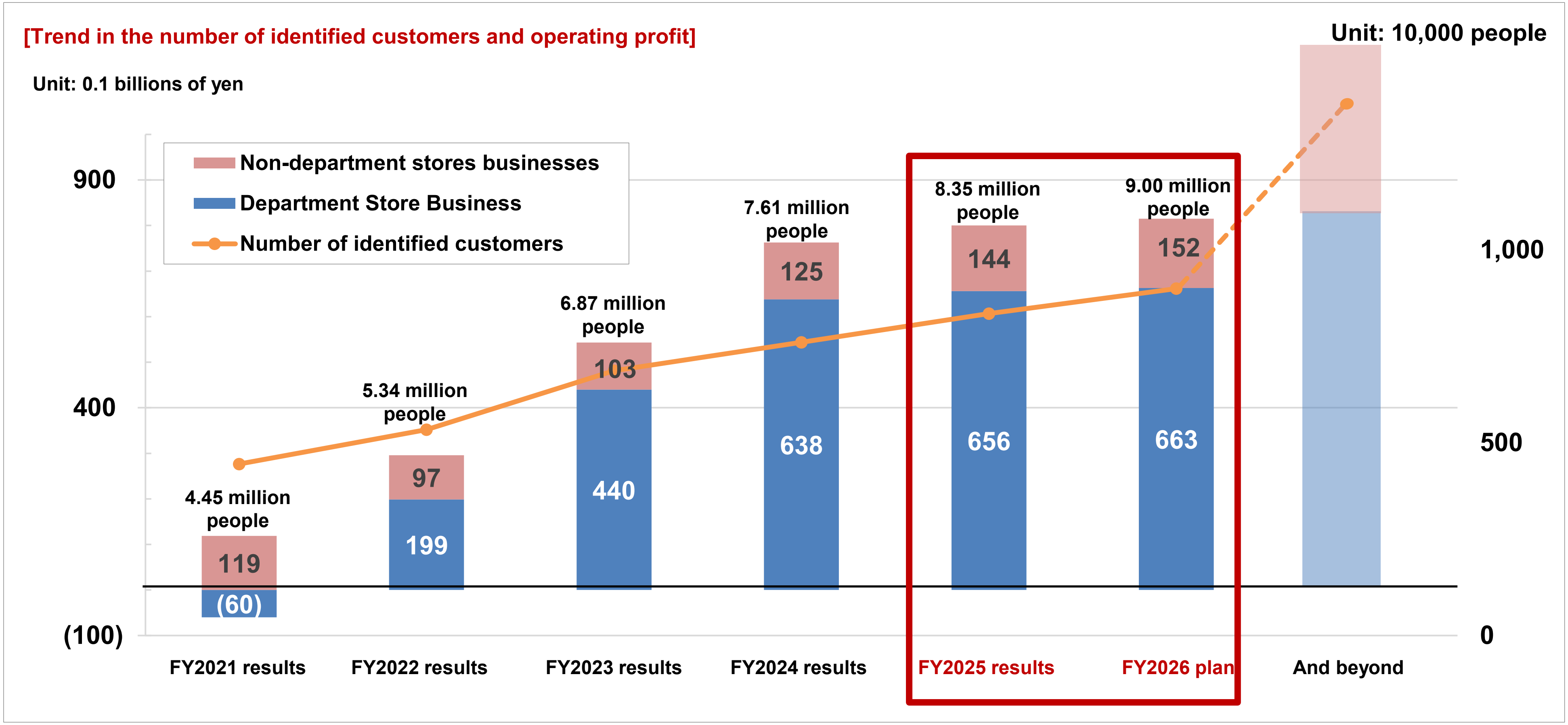
- Revitalize intra-group coordination activities by making full use of Group resources
- Increase domestic customers' per customer spending and use frequency through premium card strategies



(4) Individual Customer Business Process Activities "Expansion of Usage"

- **As the number of identified customers steadily increased, operating profit also grew across all businesses**
  ➡ Furthermore, we will strengthen the identified customer base, aiming for consolidated operating profit exceeding 100 billion yen through intra-group coordination activities centered on department stores





(4) Individual Customer Business Process Activities "Lifetime Customerization"

[FY2025] Strengthened collaboration between out-of-store-sales in the Tokyo metropolitan area stores and regional stores and reinforced the functions of out-of-store-sales for overseas customers

[FY2026] Phase of full-scale start of ONE Group out-of-store sales structure

FY2025 achievements

- Progress in collaboration between out-of-store-sales in the Tokyo metropolitan area stores and regional stores

Nationwide out-of-store-sales total transaction volume	249.1 billion yen
YoY	107%

- Expanded out-of-store-sales services for overseas customers

Overseas out-of-store-sales customers total transaction volume	20.3 billion yen
YoY	153%

Overseas customer gross sales: 84% YoY

Major initiatives in FY2026

- Promoted ONE Group out-of-store sales through integrated Group out-of-store sales workflows and a unified management structure
- Redesign of GCP ＊services to further per customer spending
  - GCP (Group Customer Program):
  - Providing a wide range of benefits and services based on annual spending within the Isetan Mitsukoshi Group

MITSUKOSHI ISETAN
CUSTOMER PROGRAM

(1) DX Strategy

- IT is **personalizing the customer experience** and **improving the skills of out-of-store-sales staff**

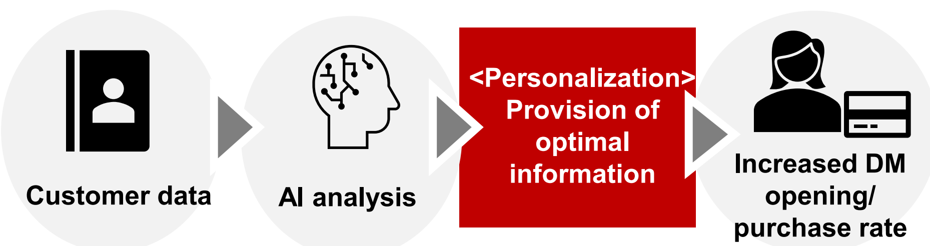
[Individual customer business process activities]

[Attracting customers] → [Identification] → [Expansion of usage] → [Lifetime customerization]

Utilization of accumulated customer data

FY2025 achievements

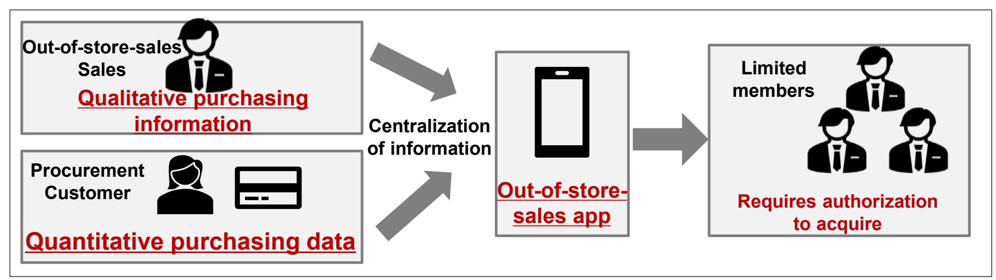
[Personalization of the customer experience]
Establishing a system that delivers personalized information via the app based on customers' spending history and interests



FY2025 results	No. of streaming content	Rate of opening and purchase	Versus ordinary delivery
Personal delivery	232	13.3%	+5.1%
Ordinary delivery	28,183	8.2%	

Major initiatives in FY2026

[Designing tools to support out-of-store sales apps]
Building a system that allows out-of-store-sales representatives to centrally access customer information



FY2026	FY2027-
Design phase of support tools	Adoption phase

(2) Human Resources Strategy

- The Company is developing human resources for the individual customer business through the twin initiatives of strategy advancement and organizational capability enhancement

Major Actions in FY2025

Initiatives to advance strategies

- Measures that lead to the promotion of the individual customer business
  - ➡ Development of human resources with skills across three areas and intra-group human resource mobility
- Support for Group companies toward leaner operations
  - ➡ Started update of the Group companies' human resources systems
- Human resources process DX
  - ➡ Advancing system development to improve efficiency

Initiatives to advance organizational capability

- Enhanced engagement
  - ➡ Redesign of PDCA cycle
- Strengthening management capabilities
  - ➡ Implementation of training, etc.
- Promotion of active participation of women
  - ➡ Holding dialogue sessions and other events aimed at increasing the ratio of female executives

Major initiatives in FY2026

Initiatives to advance strategies

- Visualizing the ideal employee profile
  - ➡ Visualizing the ideal employee profile and development path
- Putting human resource development into practice
  - ➡ Department store business: Human resources with skills across three areas
  - ➡ Related businesses: Professional human resources
  - ➡ Group common: Management human resources
  - ➡ Management platform: Corporate human resources
- Revision of human resources systems
  - ➡ Redesigning the human resources systems
- Continuing the initiatives from FY2025

Initiatives to advance organizational capability

- Continuing the initiatives from FY2025

(3) Sustainability

- Steady progress is being made in four priority initiatives (materialities)

Priority initiatives (materialities)

	Major initiatives	FY2025 results	FY2026 plan
(1) Connecting People and Local Communities	Co-creation with local communities Passing down culture and innovation etc.	• Number of business partners supporting think good: 699 companies	• Number of business partners supporting think good: 600 companies (deepening the initiatives of each company)
(2) Contributing to a Sustainable Environment and Society	Environmental initiatives Supply chain management	• Acquisition of SBT certification • Selected for the CDP A List (highest rank) • Notification rate of Isetan Mitsukoshi Group Code of Conduct for Suppliers 90% (Domestic department stores)	• Notification rate of Isetan Mitsukoshi Group Code of Conduct for Suppliers 100% (Domestic department stores)
(3) Maximizing the power of people	Autonomous career development Work-life balance etc.	• Ratio of female managers: 32%	• Target for FY2027: 34% * Ratio of female managers: No single-year target set
(4) Group governance and communication	Strengthening corporate governance etc.	• Ratio of female directors: 33%	• Ratio of female directors: 30% or more

(4) Financial Strategy "Capital Efficiency & Profit by Business"

- Conscious of the cost of equity (assumed to be 8%-9%), we plan to improve ROIC to stabilize ROE at 10% or higher
While monitoring ROIC by business segment, we aim to create synergies across businesses through intra-group coordination activities centered on the department store business
* [Reference] FY2027 plan: Consolidated operating profit / 85 billion yen, ROIC / 7.8%
(at the time of formulation of the current medium-term management plan)

* Business classification differs from segment
* Department store operations: Including domestic department store operations, overseas operations, MI TOMONOKAI, and consolidation adjustments

Unit: 0.1 billions of yen		Current Medium-Term Management Plan: FY2025 results	Current Medium-Term Management Plan: FY2026 plan
Consolidated	Operating profit	800	815
	ROIC	8.1%	8.3%
Department Store business * Including MI TOMONOKAI (Customer)	Operating profit	656	663
	ROIC	10.1%	10.1%
Finance business * Excluding MI TOMONOKAI (Customer)	Operating profit	67	74
	ROIC	3.5%	3.7%
Real estate business (Customer)	Operating profit	51	48
	ROIC	7.5%	6.2%
Related businesses (Customer)	Operating profit	26	31
	ROIC	7.0%	8.2%

Intra-group coordination activities

(4) Financial Strategy "Cash Allocation (Phase I: FY2025-FY2027)"

- We are steadily proceeding with the allocation of resources to investment and shareholder returns as originally planned
- Cash in proceeds from the sale of shares in affiliated companies are being prioritized for growth investments
- As for growth investments over the near term, we are expanding strategic remodeling investments, focusing primarily on the Isetan Shinjuku main store, the Mitsukoshi Nihombashi main store, and the Mitsukoshi Ginza Store

Cash in

Progress	Plan
FY2026 forecast: 92.0 billion yen FY2025 results: 90.0 billion yen	Operating CF 260 billion yen level • Excluding tax effects resulting from the sale of shares of affiliated companies
FY2026 forecast: 25.0 billion yen • Sale of shares of affiliated companies FY2025 results: 37.0 billion yen • Sale of cross-shareholdings • Sale of shares of affiliated companies, etc.	Asset replacement 70.0 billion yen level • Initial plan: 10.0 billion yen + • Sale of shares of affiliated companies, etc. 60 billion yen level (assumed after-tax amount)

Cash out

Plan	Progress
Growth and maintenance investments 120 billion yen level + Consideration of additional growth investments • Investment execution amount, which is different from investment cash flow	FY2026 forecast: 44.0 billion yen FY2025 results: 38.0 billion yen
Return to shareholders 150 billion yen level + Consideration of additional shareholder returns [Policy] • Total payout ratio: 70% or more (cumulative) • Progressive dividends • DOE (5% or higher from FY2027)	FY2026 forecast: 55.0 billion yen level • Dividend 28.0 billion yen level • Acquisition of treasury stock 27.0 billion yen FY2025 results: 54.5 billion yen • Dividend 21.5 billion yen • Acquisition of treasury stock 33.0 billion yen

(4) Financial Strategy "Investment Plan"

- While maintaining discipline from a financial and strategic perspective, we are proactively strengthening our growth investments
- We strictly exercise investment controls based on performance

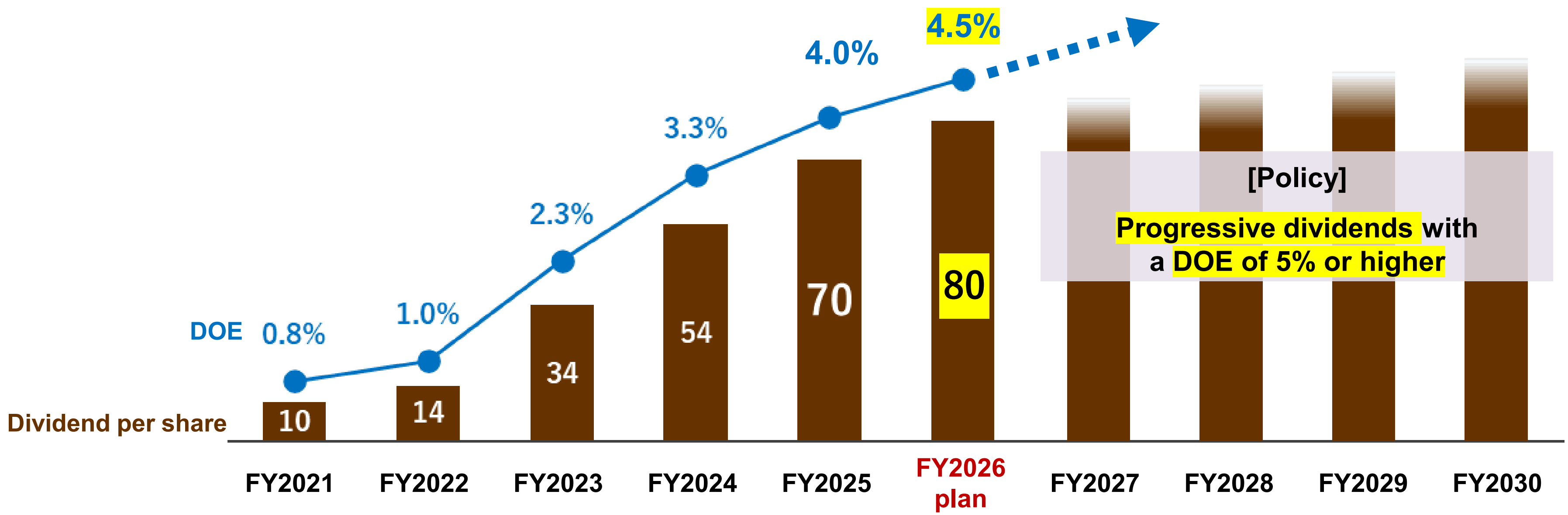
Investment items			Phase I total (FY2025-FY2027)	FY2025 Results	FY2026 Plan
Growth investments	Content	Department store remodeling Urban community development investment (Expansion of functions and content)	53 billion yen	13.6 billion yen	16.5 billion yen
Growth investments	DX/system	System development investment Individual customer business DX investment	13 billion yen	4 billion yen	5.0 billion yen
Growth investments	Real estate	Increasing the value of the owned real estate	17 billion yen	6.8 billion yen	7.3 billion yen
Growth investments / Maintenance investment	Improved productivity	Human capital investment* Business reform DX investment	3 billion yen	0.9 billion yen	1.8 billion yen
Maintenance investment	Safety and security	LCC investment (building repairs, repairs, etc.) Investment in existing system modifications	36 billion yen	12.7 billion yen	13.4 billion yen
Total			122 billion yen	38.0 billion yen	44.0 billion yen

* Compensation increases and human resource development are budgeted under selling, general and administrative expenses and are therefore excluded from this item.

(4) Financial Strategy "Shareholder Returns"

- We have adopted a new policy of DOE and aim to achieve continuous dividend increases funded by accumulated shareholders' equity in the future
- In FY2026, we plan to gradually increase DOE by setting a dividend of 80 yen per share, and starting in FY2027, we aim to maintain the DOE at 5% or higher
- Of the 30.0 billion yen in share buybacks authorization announced on February 6, 3.0 billion yen was repurchased in FY2025. 27.0 billion yen is scheduled to be acquired in FY2026

Shareholder return policy in the current medium-term management plan		
<Ongoing>	"Total payout ratio"	70% or more as a total for Phase I (FY2025-FY2027)
<Ongoing>	"Progressive dividends"	To be continued throughout the current medium-term management plan (FY2025–FY2030)
<New>	"DOE"	Set at 5% or higher from FY2027 (through FY2030)



Acquisition of treasury stock	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 plan
	-	-	15.0 billion yen	25.0 billion yen	33.0 billion yen	27.0 billion yen

Announced February 6
▶27.0 billion yen to be acquired in FY2026

Key issues and information from the most recent dialogues

-To raise expectations for sustained and continuous profit growth-

(Question) What are the aims of the department store remodeling, which is central to growth investments?

(1) Direction of Isetan Shinjuku Main Store Major Remodeling in FY2026

(Question) Is the "expansion of usage" among identified customers progressing smoothly?

(2) Per customer spending by domestic and overseas customers

(Question) Are you adapting to the diversification of customer purchasing behavior?

(3) Key purchasing trends among domestic identified customers

(4) Trend in gross sales and operating profit of online business

(Question) What is the progress of expansion of the value provided beyond the existing framework in order to maximize LTV?

(5) Trends in sales of merchandise handled outside department stores

(Question) How do you plan to utilize your real estate holdings to drive long-term growth?

(6) Approach to owned real estate and Isetan Mitsukoshi's urban community development

Key issues and information from the most recent dialogues

(Question)What are the aims of the department store remodeling, which is central to growth investments? ➡(1) Direction of Isetan Shinjuku Main Store Major Remodeling in FY2026

- Continuing to further promote traditional remodeling that builds on our strengths and improves efficiency
- In addition, we will pursue uniqueness in the form of new subcategories and content that can only be found here, and become the store of choice for customers around the world

Remodeling investment for Isetan Shinjuku Main Store (FY2026)
5.0 billion yen level

Isetan Shinjuku Main Store

The World's First and One and Only "Latest and Most Advanced"

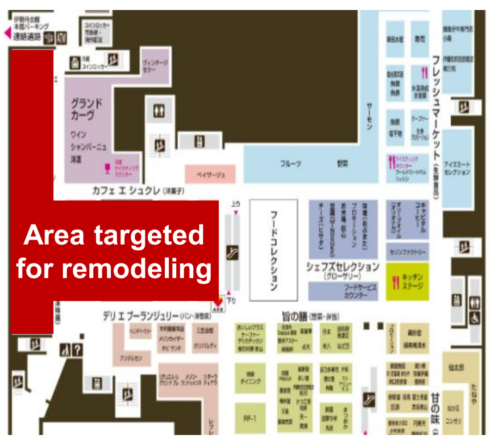
[Main Bldg. B1F Western confectionery]

"Turning Food into Entertainment" Through Global and Original MD

Introduction of new content (Approx. 23 brands planned

Rollout of 2.8-tier MD (A world-first brands)

Real experiences (Enhancement of live demo MD)



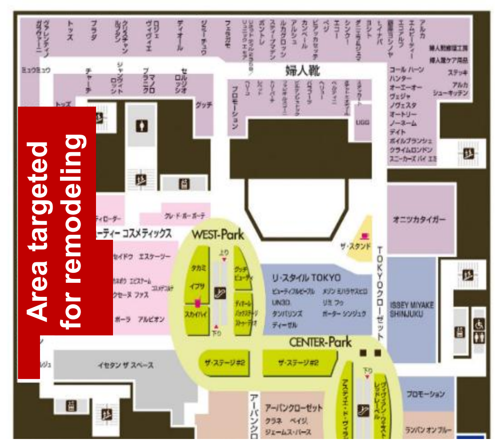
[Main Bldg. 2F Fragrances]

Fragrance Museum to promote the culture of fragrance in Japan

One of the largest collections of brands in Japan (Approx. 60 brands planned)

First time in Japan / Establishing spaces for new launch experiences

We will continue to expand our product range and establish a new mid-tier product category for fragrances



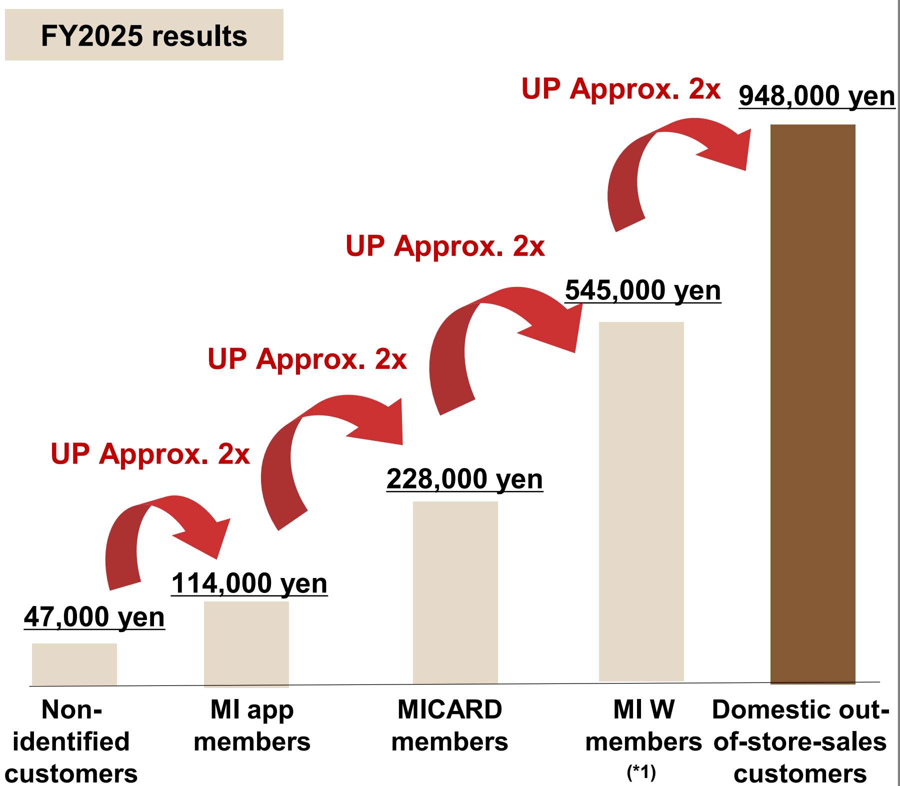
Key issues and information from the most recent dialogues

(Question) Is the "expansion of usage" among identified customers progressing smoothly?
➡(2)Per customer spending by domestic and overseas customers

[Domestic customers] Per customer spending more than doubled as customers progressed from non-identified customers to app members, credit card members, MI W members, and eventually out-of-store-sales customers

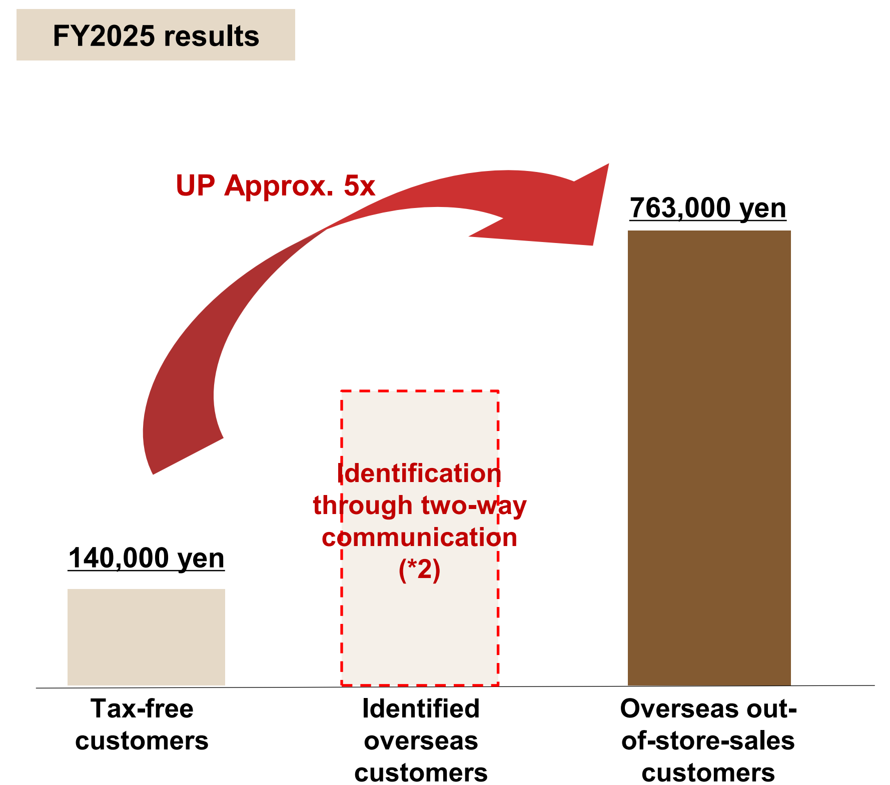
[Overseas customers] Per customer spending by overseas customers also increased by more than 5 times by converting them to out-of-store-sales customers

Domestic customers / Per customer spending



(*1) MI W members: M.I. app members and MICARD members

Overseas customers / Per customer spending



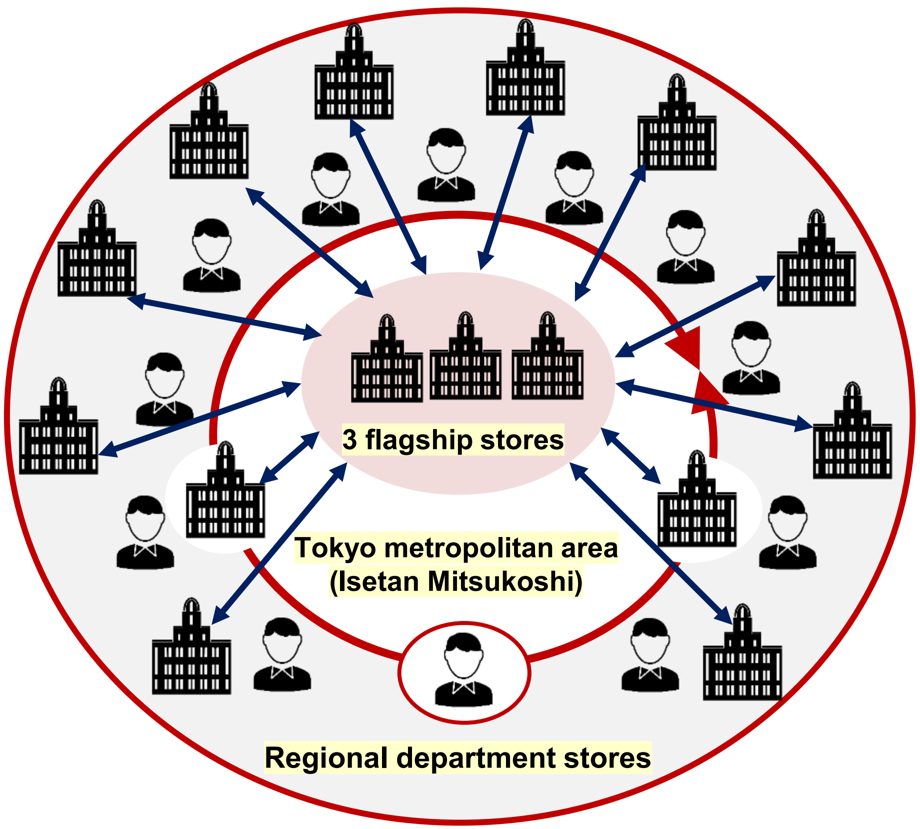
(*2) Identification through two-way communication: Scheduled to begin in FY2027 onward

Key issues and information from the most recent dialogues

(Question) Are you adapting to the diversification of customer purchasing behavior?

➡(3) Key purchasing trends among domestic identified customers

•Customers with deep relationships have increased reciprocal use between stores due to the intensification of referring customers in the ONE Group



Migrating use from regional department stores to Tokyo metropolitan area stores

	Number of accounts at regional department stores	Number of accounts of users of Tokyo metropolitan area stores	Use rate
MICARD members	820,000 accounts	94,000 accounts	11%
MI W members	430,000 accounts	87,000 accounts	20%
Domestic out-of-store-sales customers	85,000 accounts	26,000 accounts	31%

Use of other group stores from the 3 flagship stores

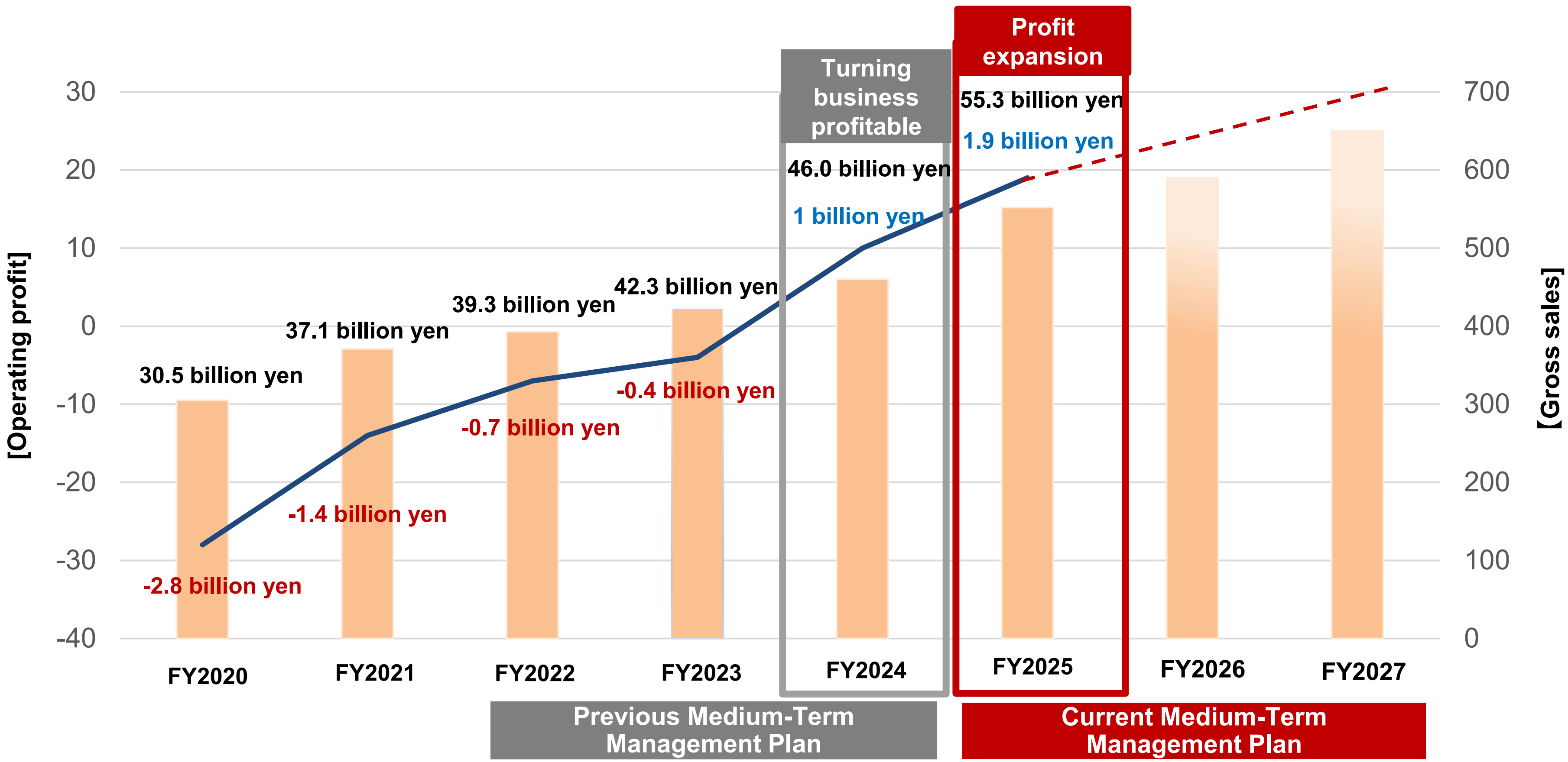
	Number of accounts at 3 flagship stores	Number of accounts at other stores	Use rate
MICARD members	770,000 accounts	340,000 accounts	44%
MI W members	440,000 accounts	230,000 accounts	52%
Domestic out-of-store-sales customers	63,000 accounts	39,000 accounts	62%

Key issues and information from the most recent dialogues

(Question) Are you adapting to the diversification of customer purchasing behavior?
➡(4) Trend in gross sales and operating profit of online business

- We achieved profitability under the previous medium-term management plan and are now entering a phase of profit expansion under the current medium-term management plan

* BOPIS (Buy Online, Pick-up In Store): Gross sales 3.7 billion yen (484% YoY) / 11 stores (YoY variance + 6 stores)



In addition to increasing gross sales through expansion of usage by identified customers, we will establish a solid earnings foundation through further income and expenditure structure reform

Key issues and information from the most recent dialogues

(Question)What is the progress of expansion of the value provided beyond the existing framework in order to maximize LTV?

➡(5)Trends in transaction volume of merchandise handled outside department stores

- Merchandise handled outside department stores grew as a result of deeper relationships with customers. Travel and real estate content, etc. drove total transaction volume

	FY2023	FY2024	FY2025
Total transaction volume of merchandise handled outside department stores(YoY)	7.87 billion yen (142%)	9.17 billion yen (116%)	9.66 billion yen (105%)
Transaction volume / top contents	(1) Travel: 1.97 billion yen (2) Cars: 1.78 billion yen (3) Home appliances: 0.97 billion yen	(1) Travel: 2.11 billion yen (2) Cars: 1.66 billion yen (3) Real estate: 1.25 billion yen	(1) Travel: 2.22 billion yen (2) Real estate: 1.58 billion yen (3) Home appliances: 1.18 billion yen

Examples of sophisticated and high-quality contents

[11-day Mediterranean cruise]
The maiden voyage of the Luminara, a luxury hotel on the sea

[Luxury senior residences]
In addition to safety and security, we support comfortable senior living

[Premium cars]
Porsche: 911GTS
718 GT4RS, etc.

Key issues and information from the most recent dialogues

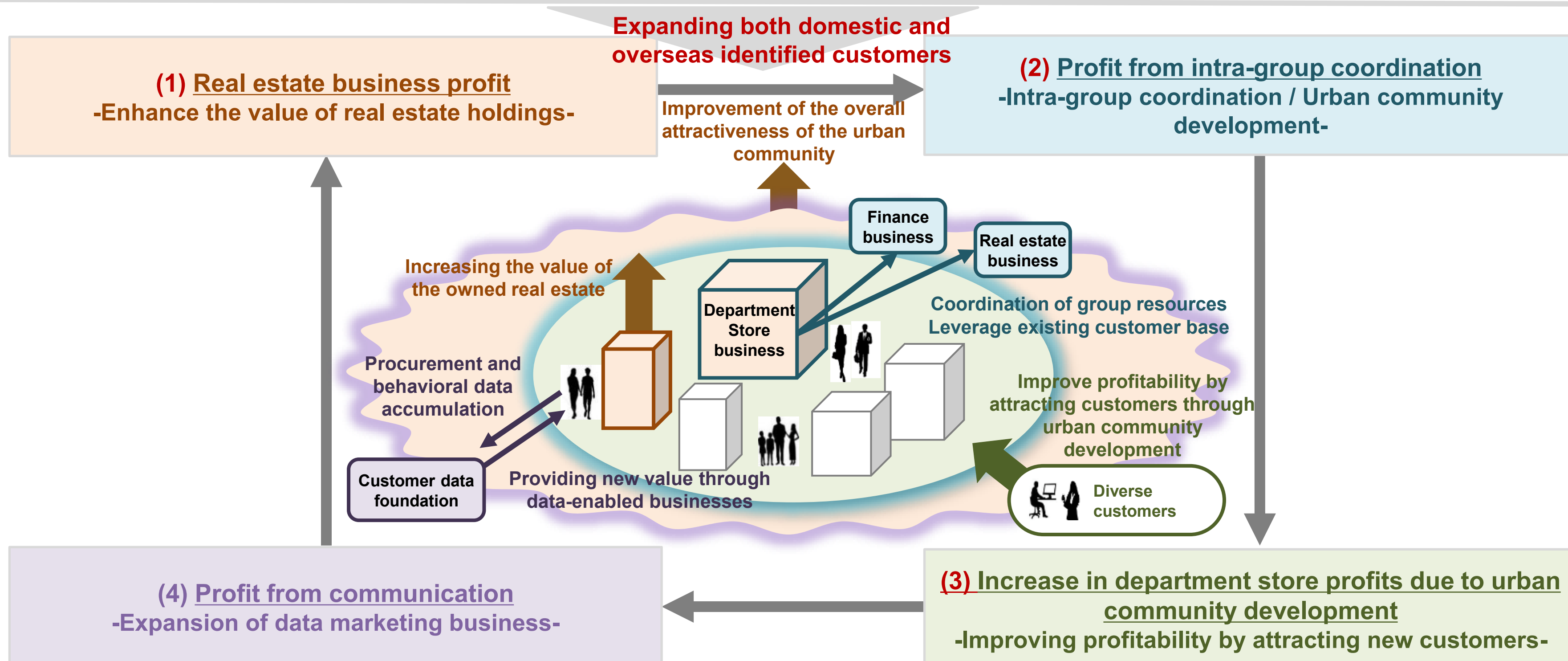
(Question)How do you plan to utilize your real estate holdings to drive long-term growth?

➡(6)Approach to owned real estate and Isetan Mitsukoshi's urban community development

- Use owned real estate to support attracting customers and identification in individual customer business process activities
- Monetize identified customer assets in Japan and overseas, which are expanding through the use of owned real estate, throughout the Group

Approach to owned real estate

- ◆ Enhance appeal through sophisticated and high-quality remodeling
- ◆ Increased visitor numbers from around the world as a result of new uses
- ◆ Increase customer attraction through resizing of department store area
- ◆ Sale of assets that are unlikely to contribute to attracting customers



Details regarding the initial projects aimed at the Isetan Mitsukoshi "urban community development" initiative are scheduled to be disclosed with the earnings announcement in November 2026

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These statements are forecasts based on reasonable judgments made in accordance with information available to the Company at the time of disclosure and include various risks and uncertainties.
Therefore, actual performance figures and results may differ from forecasts due to factors such as future business operations and changes in economic conditions.