Isetan Mitsukoshi Group Financial Results Explanation Meeting for the Three Months Ended June 30, 2026

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August 13, 2026

Isetan Mitsukoshi Holdings

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1. Summary of the Results for the First Quarter of the Fiscal Year Ending March 2027 (FY2026)

- **Deepening of relationships with identified customers** through the power of our people and digital technologies drove increased per customer spending, leading to steady growth in gross sales to domestic customers

- **Growing diversity in the countries and regions overseas customers arrive from** led to gross sales recovering more than projected
  Aiming to **dominate the global sophisticated and high-quality market**, we are steadily growing **links with overseas customers** through our app and out-of-store-sales

- **Achieving record first-quarter operating profit and profit** thanks to promoting **cost control** as planned while growing gross sales

2. [Consolidated Results]

- Gross sales: **Steady growth for both domestic and overseas customers** in our mainstay domestic department store operations
- Selling, general and administrative expenses: **Held below the gross sales growth rate** through continuous cost control despite the impact of inflation
- Operating profit/Profit: **Achieved record** first-quarter results

(0.1 billions of yen)	Q1 (April–June) results	YoY	YoY difference
Gross sales handled (*)	3,305	106.5%	+203
Gross sales	3,207	106.5%	+195
Net sales	1,289	103.8%	+47
Gross profit	814	105.8%	+44
SG&A expenses	625	102.0%	+12
Operating profit	188	120.6%	+32
Ordinary profit	199	116.7%	+28
Profit attributable to owners of parent	223	118.5%	+34

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

3. [Gross sales] Domestic department stores results

- **Sales growth** for Isetan Mitsukoshi total as well as for the regional operating companies in total
- At Isetan Mitsukoshi, **significant growth in overseas customer gross sales** in addition to **stable growth in domestic customer gross sales**

* (Based on preliminary figures for total domestic department stores), July again saw steady growth, with domestic customers 103.6% YoY and overseas customers 132.1% YoY

(0.1 billions of yen)	Q1 (April–June)		
	Results	YoY	YoY difference
Isetan Mitsukoshi Total	**1,957**	107.8%	+141
(Of which) Domestic customers	**1,621**	105.6%	+85
(Of which) Overseas customers	**336**	119.8%	+55
Total regional operating companies	**864**	102.3%	+19
(Of which) Domestic customers	**778**	99.8%	(1)
(Of which) Overseas customers	**85**	132.1%	+20
Total domestic department stores	**2,821**	106.0%	+160
(Of which) Domestic customers	**2,399**	103.6%	+84
(Of which) Overseas customers	**421***	122.1%	+76

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

4. [Domestic Customer Trends]

- **Progress made in individual customer business process activities, with gradual expansion of quantitative indicators at each step**
  In particular, net sales increased thanks to the success of highly-accurate proposals to customers with whom we have close relationships, which resulted in higher per customer spending
  (Domestic department stores domestic customers gross sales results: 104% YoY)

[Individual customer business process activities]

[Attracting customers and identification]

- Further progress in the identification of customers visiting stores

Number of identified customers	8.49 million people
YoY	109%

Number of W member customers (MICARD + MITSUKOSHI ISETAN App)	1.00 million people
YoY	116%

[Expansion of usage]

- Increasing the accuracy and scope of proposals to identified customers: From mass-market to individualized offerings

Domestic identified customer sales YoY (Customer KPIs)	106%
Domestic identified customer per customer spending YoY	107%

Net sales to customers purchasing more than 3 million yen across the Group YoY (Customer KPIs)	116%

Total turnover volume of base network* YoY	108%

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

[Lifetime customerization]

- Promotion of ONE Group out-of-store-sales

Group out-of-store-sales total turnover volume YoY	109%

Net sales to customers purchasing more than 10 million yen across the Group YoY	117%

5. [Overseas Customer Trends]

- **Promoting the shift to an overseas customer base which is less affected by the external environment**
- **Aiming to dominate the global sophisticated and high-quality market, we are steadily growing links with overseas customers via our app and out-of-store-sales**
  (Domestic department stores overseas customers gross sales results: 122% YoY)

[Individual customer business process activities]

[Attracting customers and identification] → **[Expansion of usage]** → **[Lifetime customerization]**

[Attracting customers and identification]

- Encouraging overseas customers to become app members

Number of overseas app members*	1.08 million people
Difference as of end March	+200,000 people

*Total of overseas customers apps and WeChat

[Expansion of usage]

- Introduction of REWARDS in the app for overseas customers, etc.

Net sales to overseas app members YoY	152%
Per customer spending by overseas app members YoY	136%

[Lifetime customerization]

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

Total turnover volume of out-of-store-sales for overseas customers YoY	180%
Per customer spending in out-of-store-sales for overseas customers YoY	132%

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

- The total across five stores in the Tokyo metropolitan area was 107.8% YoY. Major growth in flagship stores driven by identified customers
- The total of five major regional companies was 103.2% YoY. Significant growth in gross sales to overseas customers

(0.1 billions of yen)	Gross sales handled *1	Gross sales	YoY	YoY difference
Isetan Shinjuku Main Store	1,070	**1,069**	110.0%	+97
Mitsukoshi Nihombashi Main Store	434	**421**	107.1%	+27
Mitsukoshi Ginza Store	335	**309**	106.2%	+18
Isetan Tachikawa Store	73	**72**	97.4%	(1)
Isetan Urawa Store	84	**83**	99.7%	(0)
Isetan Mitsukoshi Total	1,998	**1,957**	107.8%	+141

(0.1 billions of yen)	Gross sales handled *1	Gross sales	YoY	YoY difference
Sapporo Marui Mitsukoshi	148	**136**	99.8%	(0)
Sendai Mitsukoshi	60	**59**	101.8%	+1
Nagoya Mitsukoshi *2	202	**138**	97.8%	(3)
Niigata Isetan Mitsukoshi	82	**81**	101.5%	+1
Iwataya Mitsukoshi	336	**326**	108.0%	+24
Total of 5 major regional companies	831	**741**	103.2%	+23

*1: *Including the amount handled by tenants under fixed lease in department stores

*2: Some impacts of remodeling experienced

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

- Despite the impact of inflation, **expenses were held below the YoY gross sales growth rate** through the continuous promotion of cost structure reform.
- Cost structure reform is **outpacing the initial plan for the full fiscal year with a reduction of 3.3 billion yen** (achievement rate of approx. 36% in Q1)

			Breakdown of YoY difference					
(0.1 billions of yen)	Q1 (April–June) results	YoY difference	Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Newly consolidated	Others
Personnel expenses	218	(0)	(6)			+5	+1	
Advertising expenses	19	+0	(0)	+0				
Lease payments	76	+0	(2)	+2			+0	
Business consignment expenses	70	+1	(3)			+4		
Depreciation and amortization	57	(0)			+0			(0)
Utilities expenses	21	+0	(0)			+1		
Other businesses	161	+10	(0)	+4	+4	+1	+0	+2
Total	625	+12	(12)	+6	+4	+11	+2	+1

8. [Performance by Segment]

- Department store business: Operating profit increased by 3.0 billion yen thanks to growth in gross sales and optimization of cost structure
- Credit & finance business: Profit increased thanks to greater transaction volumes by MICARD members in department stores and external transactions
- Real estate business: Profit increased thanks to large-scale projects at construction and interior companies, etc.

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	YoY difference
Department store business	2,965	106.2%	1,048	155	+30
Credit & finance business/ Customer organization management business	98	103.5%	88	20	+2
Real estate business	70	140.7%	70	11	+3
Other businesses	72	97.2%	82	2	(3)
Total	3,207	106.5%	1,289	188	+32

*Operating profit in the other businesses segment includes an adjustment

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1. Summary of FY2026 Full-Year Plan

- Gross sales in domestic department stores were revised upward from the initial plan, taking into account the upswing through July, when sales to both domestic and overseas customers were strong

- Selling, general and administrative expenses are projected to be reduced by a further 1 billion yen from the initial plan, reflecting the steady progress of cost control in the first quarter

- Operating profit was revised upward to 84 billion yen, within sight of the target of 85 billion yen for the final year of Phase I of the Medium-term Management Plan (FY2027)

2. [Consolidated Plan]

Upward revision of the full year plan, taking into account the projected upswing through July

- Gross sales: 1,360 billion yen (variance from initial plan: +10 billion yen)
- Operating profit: 84 billion yen (variance from initial plan: +2.5 billion yen)
- Profit: 63 billion yen (variance from initial plan: +1.5 billion yen)

(0.1 billions of yen)	Full Year Plan	YoY	YoY difference	Variance from initial plan
Gross sales handled	14,050	104.2%	+570	+100
Gross sales	13,600	104.7%	+604	+100
Net sales	5,620	103.0%	+163	+20
Gross profit	3,460	102.8%	+93	+15
SG&A expenses	2,620	102.1%	+52	(10)
Operating profit	840	105.0%	+39	+25
Ordinary profit	830	95.9%	(35)	+30
Profit attributable to owners of parent	630	82.8%	(130) (*)	+15

* The profit attributable to owners of the parent for the previous fiscal year includes special factors.

3. [Gross sales] Domestic department stores

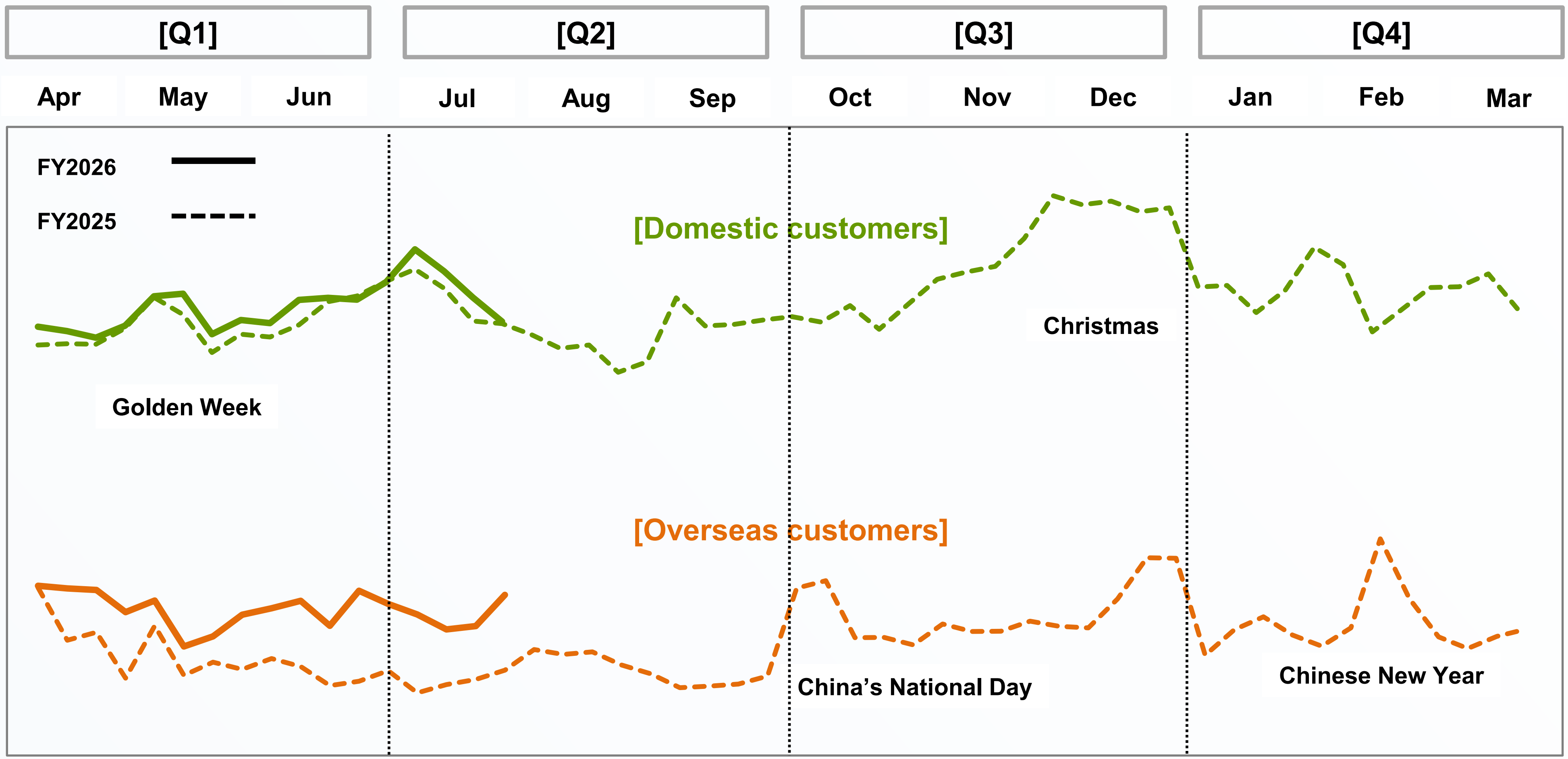
- Reflecting the performance in the first quarter and the favorable trend in July, we revised gross sales across domestic department stores upward to 104.6% YoY. Within this figure, gross sales to overseas customers are projected to be 108.0% YoY

(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	3,869	108.1%	+290	4,445	104.5%	+192	8,314	106.2%	+482
(Of which) Domestic customers	3,247	106.8%	+205	3,802	105.1%	+184	7,050	105.9%	+389
(Of which) Overseas customers	621	115.8%	+84	642	101.2%	+7	1,264	107.9%	+92
Total regional operating companies	1,717	101.5%	+25	1,994	100.8%	+15	3,711	101.1%	+41
(Of which) Domestic customers	1,559	100.0%	+0	1,815	100.8%	+15	3,375	100.5%	+15
(Of which) Overseas customers	157	119.6%	+25	179	100.3%	+0	336	108.5%	+26
Total domestic department stores	5,586	106.0%	+315	6,439	103.3%	+208	12,025	104.6%	+523
(Of which) Domestic customers	4,807	104.5%	+205	5,617	103.7%	+199	10,424	104.0%	+405
(Of which) Overseas customers	778	116.5%	+110	821	101.0%	+8	1,600	108.0%	+118

* Because we are changing the system used to track overseas customer net 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: Our plan takes into account favorable trends through July (108.0% YoY)



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

- We plan to reduce expenses by 4.1 billion yen (variance from initial plan: +0.8 billion yen) for the full year through promoting cost structure reform
  Total selling, general and administrative expenses for the full year are planned to be 262 billion yen (variance from initial plan: -1 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	913	(6)	(30)			+18	+5	
Advertising expenses	94	+6	(0)	+6				
Lease payments	305	+1	(3)	+3			+2	
Business consignment expenses	286	+11	(7)		+2	+16		
Depreciation and amortization	234	+5			+5			
Utilities expenses	98	+8	(0)			+8		
Other businesses	690	+27	(1)	+10	+12	+1	+2	+4
Total	2,620	+52	(41)	+19	+19	+43	+9	+4

6. [Plans by Segment]

- Department store business: **Upward revision of the full-year operating profit plan by 2.5 billion yen**, reflecting growth in net sales, particularly from identified customers, and steady progress in cost structure reform
- Credit & finance business: Progress is steady and the full-year target remains unchanged
- Real estate business: Profit increased in Q1, but the full-year target remains unchanged due to the possibility of higher costs

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit		
				Planned value	YoY difference	Variance from initial plan
Department store business	12,550	104.1%	4,560	690	+34	+25
Credit & finance business/ Customer organization management business	390	102.4%	365	70	+6	±0
Real estate business	308	113.3%	308	43	(3)	±0
Other businesses	352	120.9%	387	37	+2	±0
Total	13,600	104.7%	5,620	840	+39	+25

*Operating profit in the other businesses segment includes an adjustment

7. [Capital Policy Progress]

- Aiming to achieve sustained ROE of at least 10%, we will promote a capital policy that takes into account the relationship between profitability and the balance sheet
  *As of Q1, the FY2026 consolidated ROE forecast is 10.3%
- Effectively allocating cash to growth investments and return to shareholders while appropriately pursuing the shift to an asset-light model

Balance Sheet Summary as of June 2026 *Figures in brackets are the variance from March 2026

Total assets 1,173.9 billion yen (-44.0 billion yen)

Current assets 310.9 billion yen (+12.1 billion yen)	Liabilities 575.1 billion yen (-22.6 billion yen)
Fixed assets 863.0 billion yen (-56.1 billion yen)	Net assets 598.7 billion yen (-21.3 billion yen)

[Allocation]
- Growth investments and return to shareholders in order to improve ROE Effective allocation moving forward

[Asset light model]
- Sale of shares in affiliated companies* and cross-shareholdings

[Return to shareholders]
◆Dividends (policy until FY2030)
- Progressive dividends
- Introducing DOE, planned at 4.5% this FY
  *Raise to 5% or more from next FY

◆Acquisition of treasury stock
- Of the 30 billion yen acquisition quota announced in February, acquisition of 12.9 billion yen had been completed by July, with plans to acquire approx. 17 billion yen moving forward

+

[Stock split] *Announced today
- Division in two dated October 1, 2026

(*) Including the effects of excluding equity-method affiliates

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Therefore, actual performance figures and results may differ from forecasts due to factors such as future business operations and changes in economic conditions.