

Presentation Materials for Financial Results for the Fiscal Year Ended March 31, 2026 (FY2025)

Period: Apr. 1, 2025 - Mar. 31, 2026

H2O RETAILING CORPORATION
May 12, 2026



Digest

Results

- ▶ Consolidated gross sales increased slightly, while operating profit decreased due to cost increases and a decline in inbound sales in the Department Store Business, but exceeded the company forecast (JPY 30.0 bn).
- ▶ The Department Store Business saw steady domestic sales (up 3% YoY), but was affected by a decline in inbound sales (down 20% YoY) due to high base effects from the previous year's surge.
- ▶ The Supermarket Business achieved gross sales and operating profit growth as existing store sales in supermarkets remained steady (up 2% YoY). Operating profit reached JPY 10.0 bn.

Forecasts

- ▶ Gross sales are expected to increase due to the effects of major renovations at the Hankyu Main Store. However, the overall operating profit increase will remain modest, as rising costs and declining inbound sales from Chinese tourists are anticipated. Furthermore, strategic investment in growth areas, such as overseas, the High-Net-Worth segment, and Customer Data Businesses, will be further accelerated.
- ▶ The annual dividend for FY2025 is planned to be JPY 46.0, an increase of JPY 2.0 from the previous forecast. For FY2026, it is planned to increase by a further JPY 2.0 to JPY 48.0.

FYE2026 (FY2025) Results

(JPY 100M)

		YoY Change	vs. Forecast
Gross sales	11,624	+0% +28	▲0% ▲6
Operating profit	324	▲7% ▲24	+8% +24
Profit	300	▲14% ▲49	+25% +60

FYE2027 (FY2026) Forecasts

(JPY 100M)

		YoY Change
Gross sales	12,450	+7% +826
Operating profit	325	+0% +1
Profit	230	▲23% ▲70

- 1. Financial Results for FY2025**
2. Financial Forecast for FY2026
3. Progress of Mid-term Management Plan (2024-2026)
4. Progress of “Action to Implement Management Conscious of Cost of Capital and Stock Price”
5. Appendix

Consolidated Results

- ▶ Full-year consolidated operating profit exceeded the company forecast (JPY 30.0 bn), but declined due to rising costs and lower inbound sales in the Department Store Business.
- ▶ 4Q (Jan.-Mar.) achieved gross sales and operating profit growth, driven by the Department Store Business where domestic sales remained strong.
- ▶ Full-year profit declined due to high base effects from extraordinary gains recorded in the previous year (gain on step acquisitions, gain on sale of subsidiary shares) and increased impairment losses.

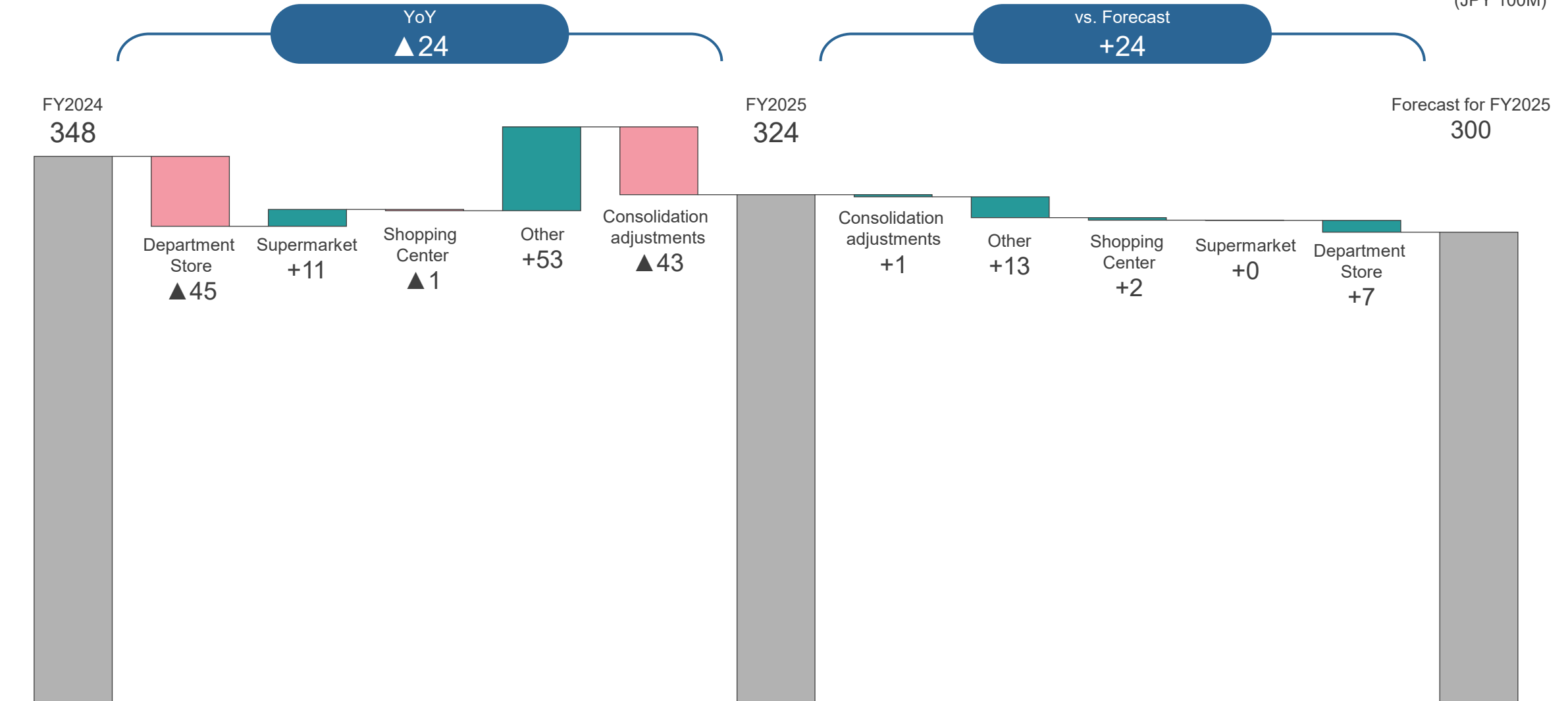
(JPY 100M)	1-4Q					4Q			
	FY2024	FY2025	YoY change	YoY amount	vs. Forecast	FY2024	FY2025	YoY change	YoY amount
Gross sales	11,596	11,624	+0.2%	+28	▲6	2,857	2,896	+1.4%	+39
Net sales	6,818	6,802	▲0.2%	▲15	▲88	1,669	1,644	▲1.5%	▲25
Operating profit	348	324	▲7.0%	▲24	+24	59	71	+20.1%	+12
Ordinary profit	359	345	▲3.9%	▲14	+35	59	80	+34.6%	+21
Profit	348	300	▲14.0%	▲49	+60	▲26	10	—	+36

Results by Segment

(JPY 100M)	1-4Q					4Q			
	FY2024	FY2025	YoY change	YoY amount	vs. Forecast	FY2024	FY2025	YoY change	YoY amount
Department Store	6,350	6,210	▲2.2%	▲139	+80	1,533	1,578	+2.9%	+44
Supermarket	4,285	4,325	+0.9%	+39	▲71	1,043	1,028	▲1.5%	▲16
Shopping Center	318	301	▲5.3%	▲17	▲1	71	73	+2.4%	+2
Other	644	789	+22.5%	+145	▲13	209	218	+4.4%	+9
Gross sales	11,596	11,624	+0.2%	+28	▲6	2,857	2,896	+1.4%	+39
Department Store	282	238	▲15.8%	▲45	+7	50	60	+20.7%	+10
Supermarket	89	100	+12.0%	+11	+0	20	21	+3.6%	+1
Shopping Center	39	38	▲2.2%	▲1	+2	6	5	▲14.0%	▲1
Other	22	75	+242.8%	+53	+13	▲14	▲11	—	+3
Consolidation adjustments	▲85	▲128	—	▲43	+1	▲3	▲4	—	▲1
Operating profit	348	324	▲7.0%	▲24	+24	59	71	+20.1%	+12

Results by Segment — Operating Profit Change Factors (YoY, vs. Forecast)

(JPY 100M)



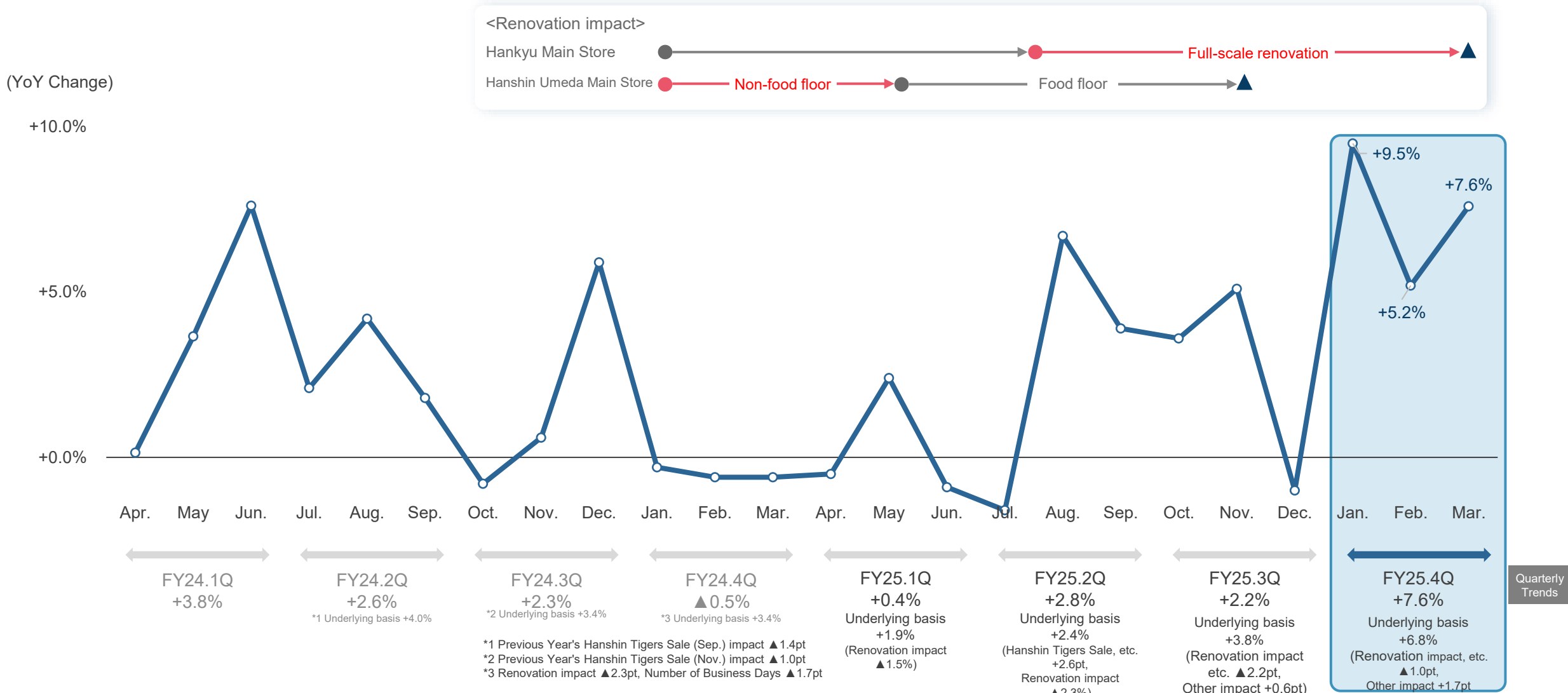
Department Store Business

- ▶ (Full year) Domestic sales remained steady. However, gross sales and operating profit declined due to high base effects from the previous year's surge in inbound sales, as well as the impact of major renovations at the Hankyu Main Store.
- ▶ (4Q) Strong domestic sales fully offset the decline in profit margin caused by a higher sales mix of luxury items. Both gross sales and operating profit increased, supported by reduced repair and outsourcing expenses.

(JPY 100M)	1-4Q					4Q			
	FY2024	FY2025	YoY change	YoY amount	vs. Forecast	FY2024	FY2025	YoY change	YoY amount
Gross sales	6,350	6,210	▲ 2.2%	▲ 139	+80	1,533	1,578	+2.9%	+44
Net sales	1,922	1,853	▲ 3.6%	▲ 69		459	452	▲ 1.6%	▲ 7
Gross profit	1,385	1,344	▲ 2.9%	▲ 41		330	332	+0.4%	+1
SG&A expenses	1,102	1,106	+0.4%	+4		281	272	▲ 3.2%	▲ 9
Operating profit	282	238	▲ 15.8%	▲ 45	+7	50	60	+20.7%	+10

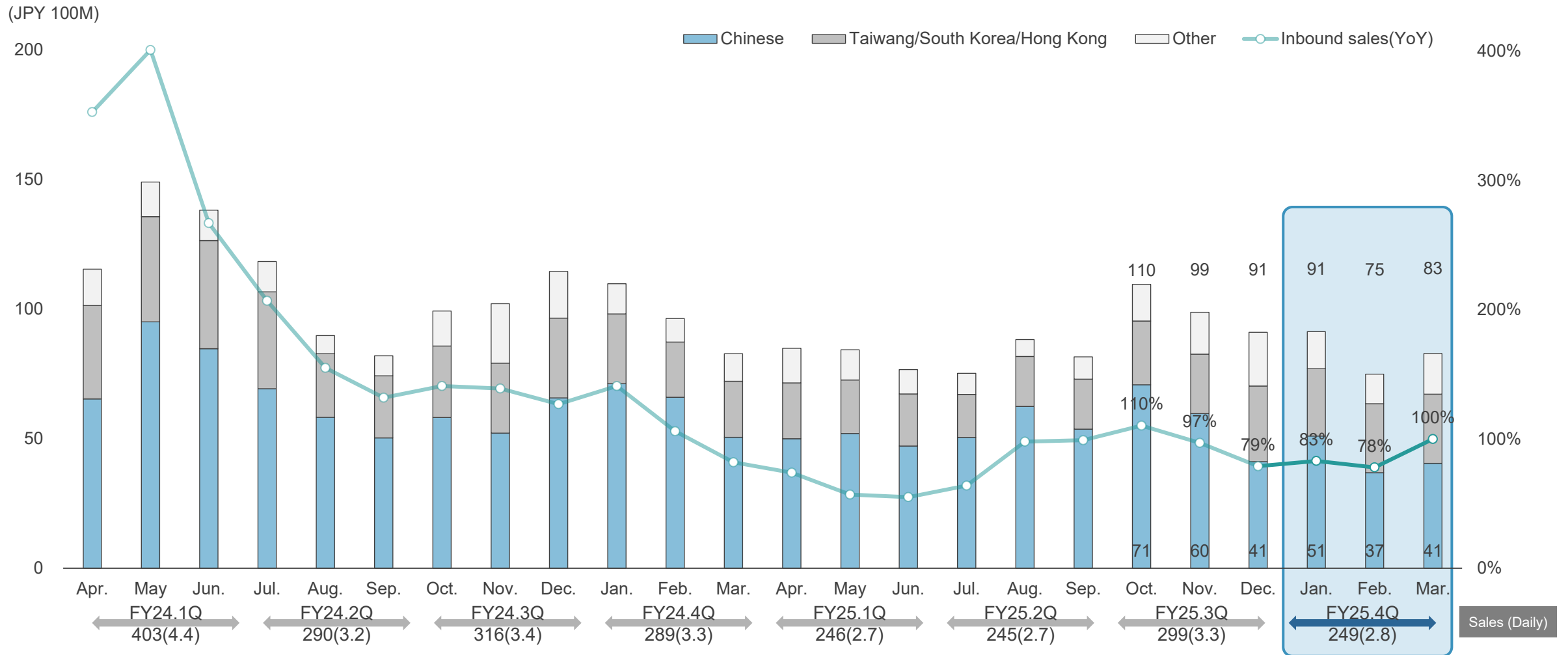
Department Store Business — Domestic Sales Trends (All Stores)

▶ 4Q domestic sales were strong, driven by the two main stores (up 7% YoY). The Hanshin Umeda Main Store, which completed renovation work in Nov. 2025, was up 27% YoY (non-food items grew). At the Hankyu Main Store, while renovations work led to reduced floor space, sales of luxury goods (LUX/jewelry) surged by more than 20% YoY.



Department Store Business — Inbound Sales Trends and Recent Business Trends (All Stores)

- ▶ 4Q sales were down 14% YoY. Since Dec, the number of Chinese customers has remained down by approximately 40%, while other regions have performed steadily, exceeding previous year results.
- ▶ Apr. 2026 showed an improving trend with monthly sales reaching JPY 9.9 bn, but the outlook remains uncertain. A decline in inbound sales from China is anticipated for FY2026, with total inbound sales projected at JPY 115.0 bn. (up 11% increase YoY).



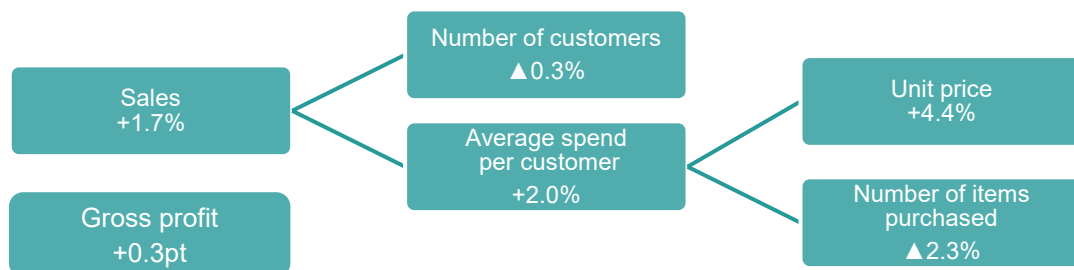
Supermarket Business

- ▶ Existing store sales remained steady at +1.7% compared to the previous year. The launch of new store formats in FY2025 also contributed to sales growth.
- ▶ Along with gross profit growth driven by higher sales, effective control of SG&A expenses (including advertising costs) contributed to achieving record operating profit of JPY 10.0 bn.

(JPY 100M)	1-4Q					4Q			
	FY2024	FY2025	YoY change	YoY amount	vs. Forecast	FY2024	FY2025	YoY change	YoY amount
Gross sales	4,285	4,325	+0.9%	+39	▲71	1,043	1,028	▲1.5%	▲16
Gross profit	1,295	1,310	+1.2%	+16		318	316	▲0.9%	▲3
SG&A expenses	1,205	1,210	+0.4%	+5		298	294	▲1.2%	▲3
Operating profit	89	100	+12.0%	+11	+0	20	21	+3.6%	+1

1-4Q Sales at existing supermarket store (YOY change) / Gross profit margin (YoY amount)

- ▶ Rice price increases have run their course, and price per item is trending downward.
- ▶ Gross profit margin improved, driven by growth in prepared foods and unified promotional policies.



New Store Format Initiatives

		FY2025	FY2026 Plan
Value driven-type (MARCHÉ)	[Features]		
	<ul style="list-style-type: none"> Reasonably priced Strength in freshness / quality Highly specialized MD 	3 stores +0.6 bn.	11 stores
Price driven-type (daily mart)	[Features]		
	<ul style="list-style-type: none"> Everyday Low Price Low-Cost Operations 	10 stores +0.9 bn.	22 stores

Shopping Center / Other Business (Full-Year Results)

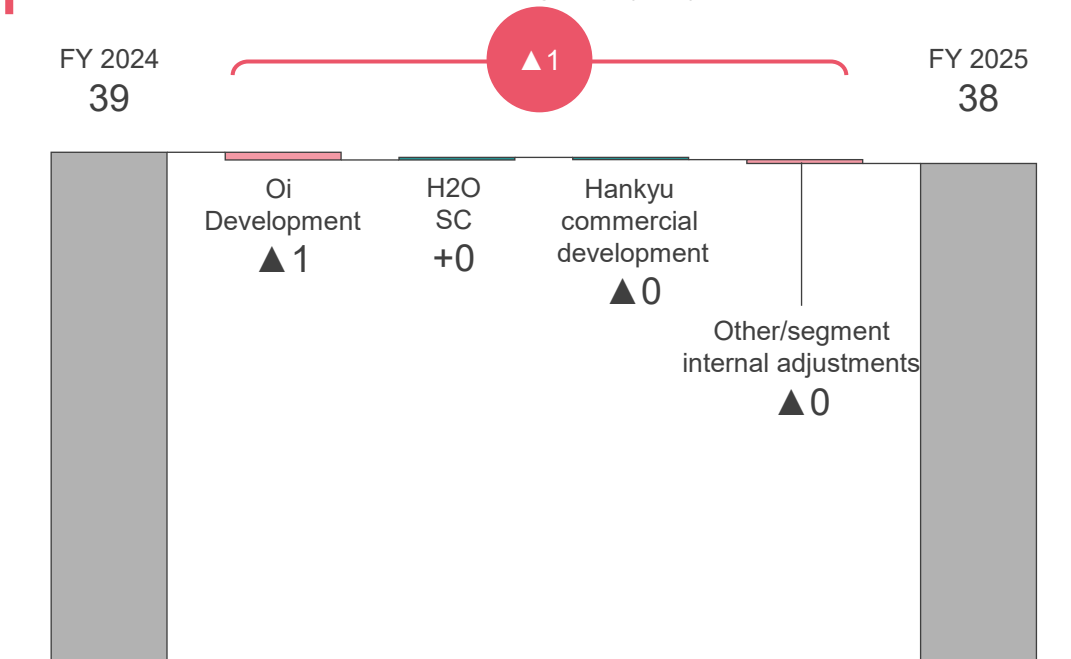
Shopping Center

- ▶ Although core business hotel (Oi Development) was affected by renovation work, operating profit remained largely flat compared to the record-high performance of FY2024, supported by an increase in average room rates (ADR).

(JPY 100M)	FY2024	FY2025	YoY Change	vs. Forecast
Gross sales	318	301	▲ 17	▲ 1
Operating profit	39	38	▲ 1	+2

Factors of Increase/Decrease in Operating Profit(YoY)

(JPY 100M)



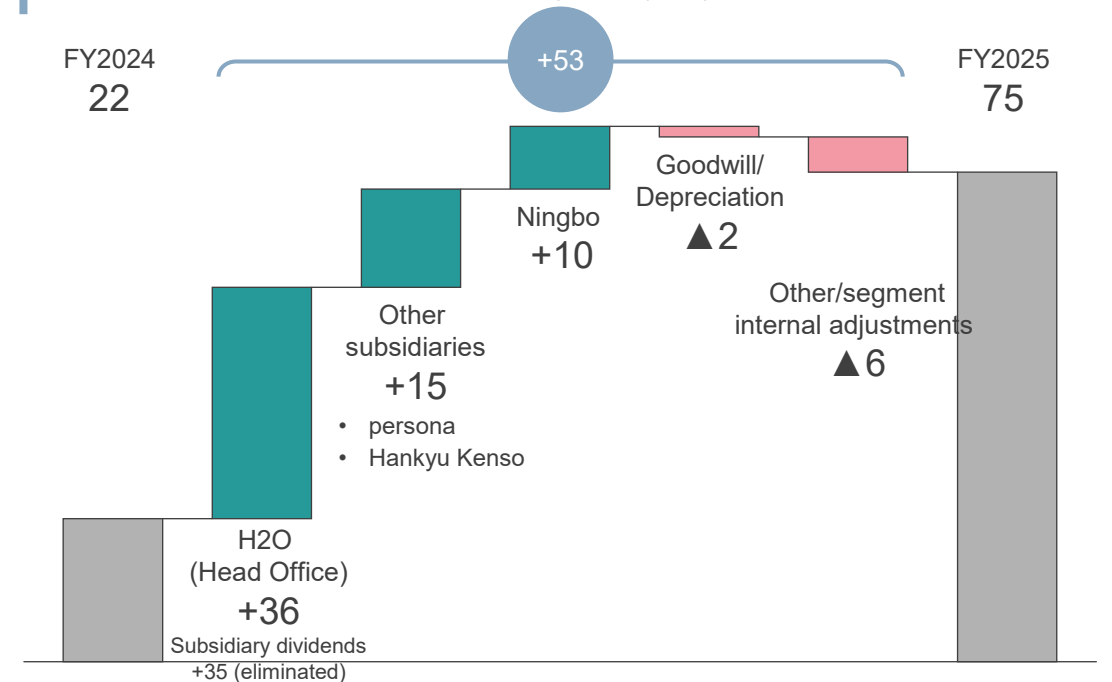
Other

- ▶ Ningbo Hankyu, newly consolidated in 2Q of the previous year, contributed JPY 1.0 bn. in operating profit increase.
- ▶ Subsidiaries performed steadily, substantially exceeding company forecasts.

(JPY 100M)	FY2024	FY2025	YoY Change	vs. Forecast
Gross sales	644	789	+145	▲ 13
Operating profit	22	75	+53	+13

Factors of Increase/Decrease in Operating Profit(YoY)

(JPY 100M)



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Consolidated Forecasts

- ▶ Gross sales are expected to increase due to the effects of major renovations at the Hankyu Main Store. However, the overall operating profit increase will remain modest, as rising costs and declining inbound sales from Chinese tourists are anticipated. Furthermore, strategic investment in growth areas, such as overseas, the High-Net-Worth segment, and Customer Data Businesses, will be further accelerated. Long-term adverse effects from the situation in the Middle East (after 2Q) are not factored in.
- ▶ The annual dividend for FY2025 is planned to be JPY 46.0, an increase of JPY 2.0 from the previous forecast. For FY2026, it is planned to increase by a further JPY 2.0 to JPY 48.0.

(JPY 100M)	FY2025 Results			FY2026 Forecast				
	1H	2H	Full year	1H	2H	Full year	YoY change	YoY amount
Gross sales	5,554	6,070	11,624	5,865	6,585	12,450	+7.1%	+826
Net sales	3,330	3,472	6,802	3,425	3,695	7,120	+4.7%	+318
Operating profit	119	205	324	100	225	325	+0.4%	+1
Ordinary profit	124	221	345	105	225	330	▲4.4%	▲15
Profit	69	230	300	135	95	230	▲23.2%	▲70

Forecasts by Segment

(JPY 100M)	FY2025 Results			FY2026 Forecast				
	1H	2H	Full year	1H	2H	Full year	YoY change	YoY amount
Department Store	2,866	3,345	6,210	3,110	3,725	6,835	+10.1%	+625
Supermarket	2,160	2,164	4,325	2,175	2,235	4,410	+2.0%	+85
Shopping Center	147	154	301	390	405	795	+164.3%	+494
Other	381	408	789	190	220	410	▲48.0%	▲379
Gross sales	5,554	6,070	11,624	5,865	6,585	12,450	+7.1%	+826
Department Store	82	155	238	91	178	269	+13.1%	+31
Supermarket*	42	58	100	40	70	110	+9.8%	+10
Shopping Center*	21	18	38	21	27	48	+25.2%	+10
Other*	93	▲18	75	52	▲44	8	▲89.4%	▲67
Consolidation adjustments	▲120	▲8	▲128	▲104	▲6	▲110	—	+18
Operating profit	119	205	324	100	225	325	+0.4%	+1

*Segment classifications have been partially revised starting from the FY2026 forecast. Hankyu Kitchen Yell Kansai was transferred from the Supermarket Business to the Other Business, and Chinese operating companies (including Ningbo Hankyu) were moved from the Other Business to the Shopping Center Business. Note that FY2025 results are presented based on the previous segment classifications prior to this reorganization.

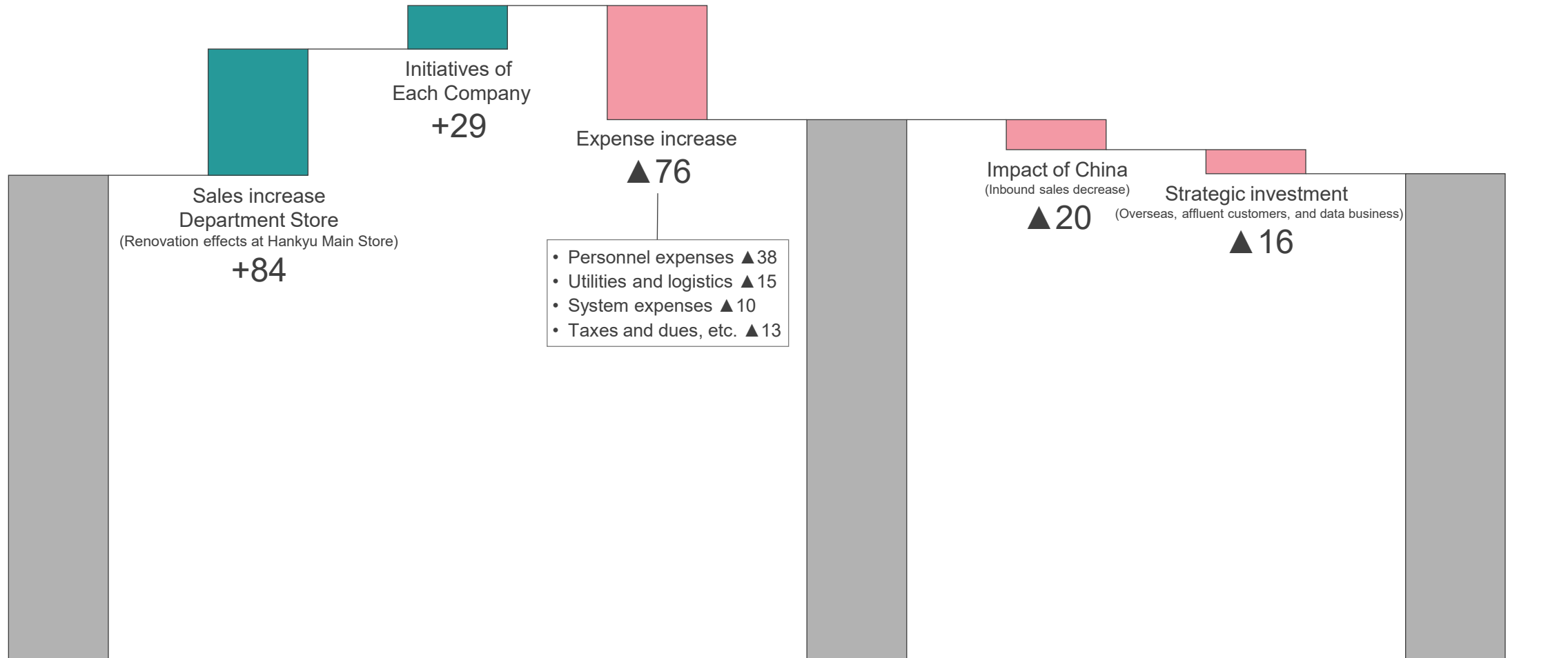
Consolidated Forecasts — Operating Profit Change Factors (YoY)

(JPY 100M)

FY2025 Results
324

(Excluding impact from China and strategic investment expenses)
361

FY2026 Forecast
325



Acquisition of Own Shares

- ▶ With the implementation of the Acquisition of own shares for FY2026, the company is expected to meet the share buyback target of JPY 30 bn. set out in its Mid-Term Management Plan (2024–2026).

Type of shares to be acquired	Common shares of the Company
Total number of shares that can be acquired	Up to 6,000,000 shares *Percentage of total number of outstanding shares (excluding treasury shares): 5.22%
Total amount of acquisition cost	Up to JPY 10.7 bn.
Acquisition period	May. 13, 2026 - Mar. 31, 2027
Method of Acquisition	Market acquisition on the Tokyo Stock Exchange (discretionary trading through securities company)

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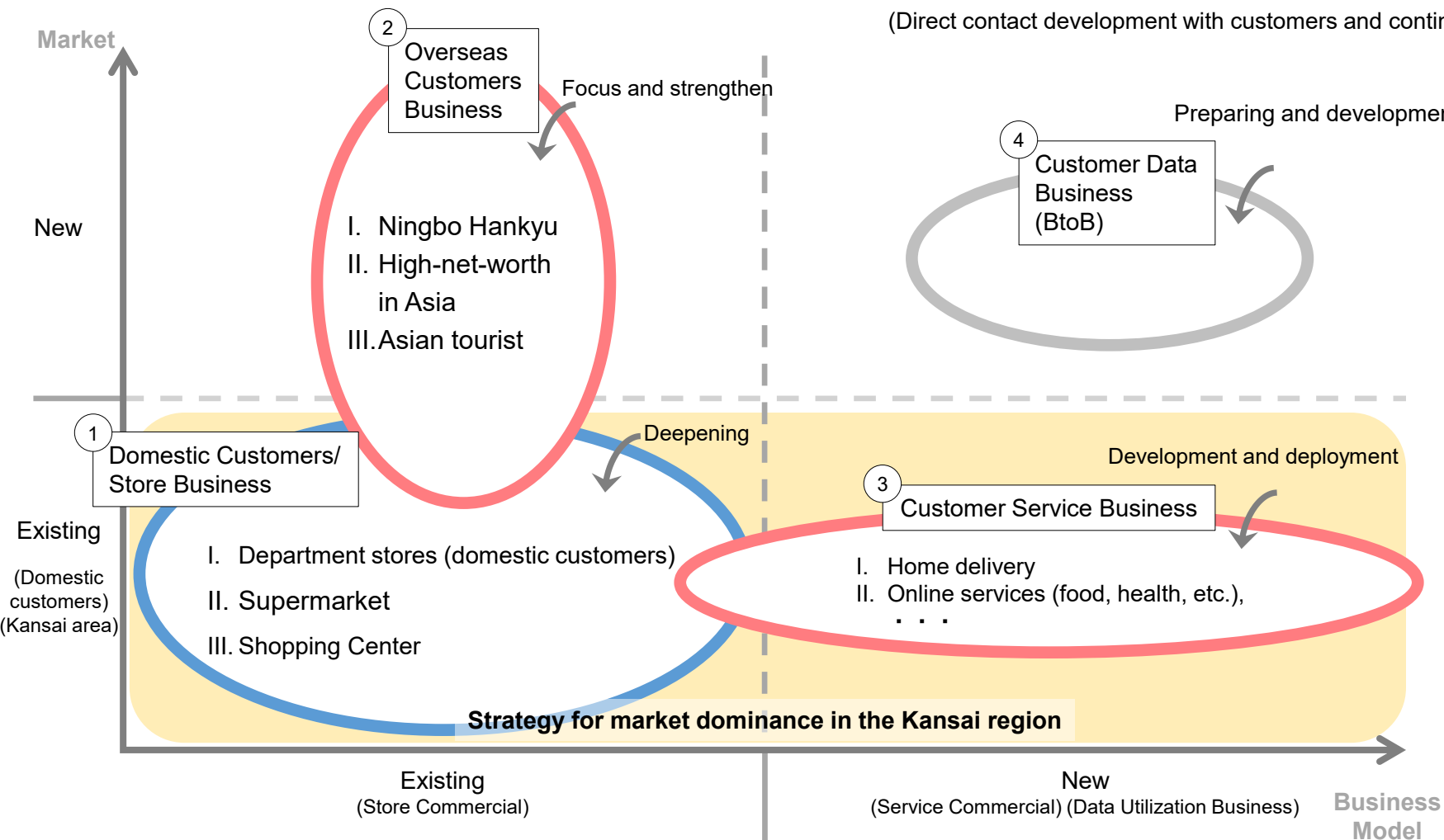
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[Reprint] Long-term Business Plan for 2030 Ver.2 (announced in May 2024)

- Restructure Growth-Strategy ▶ Customers are the most important asset; **reforming businesses from the customer perspective.**
- The Group's Target Business Model ▶ to become a **"Communications Retailer"**

(Direct contact development with customers and continuous deepening of relations → Maximization of LTV*)

*Lifetime value provided to customers



●Targets (2030)

Number of Group Active Customers
10 million

Operating profit **JPY 35.0~40.0 bn.**(after eliminations)

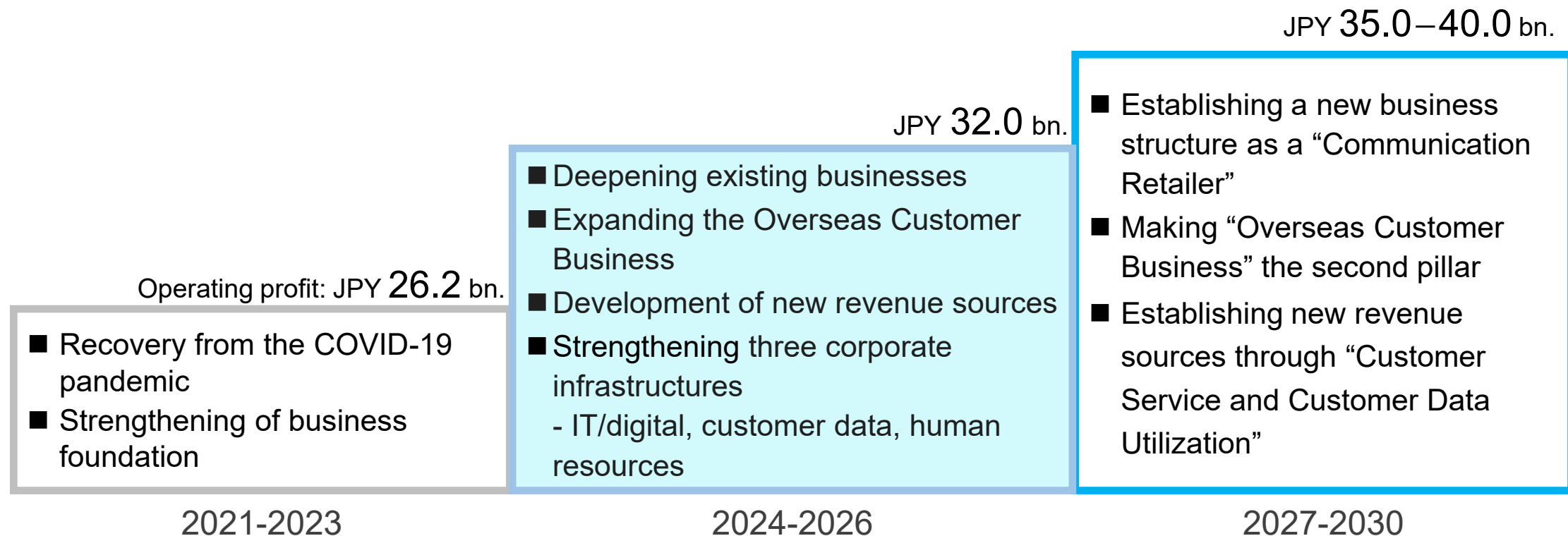
1. Domestic Customers/ Store JPY 25.0 bn.
 2. Overseas Customers JPY 20.0 bn.
 3. Customer Service
 4. Customer Data
- } JPY 3.0 bn.

ROE 8% over

● Corporate Infrastructure Development

- Business use of IT and digital infrastructure
- Customer data collection and utilization
- Human Resource Strategies for Synergizing Corporate and Employee Growth

[Reprint] Positioning of Mid-term Management Plan FY2025-2027 (announced in May, 2024)



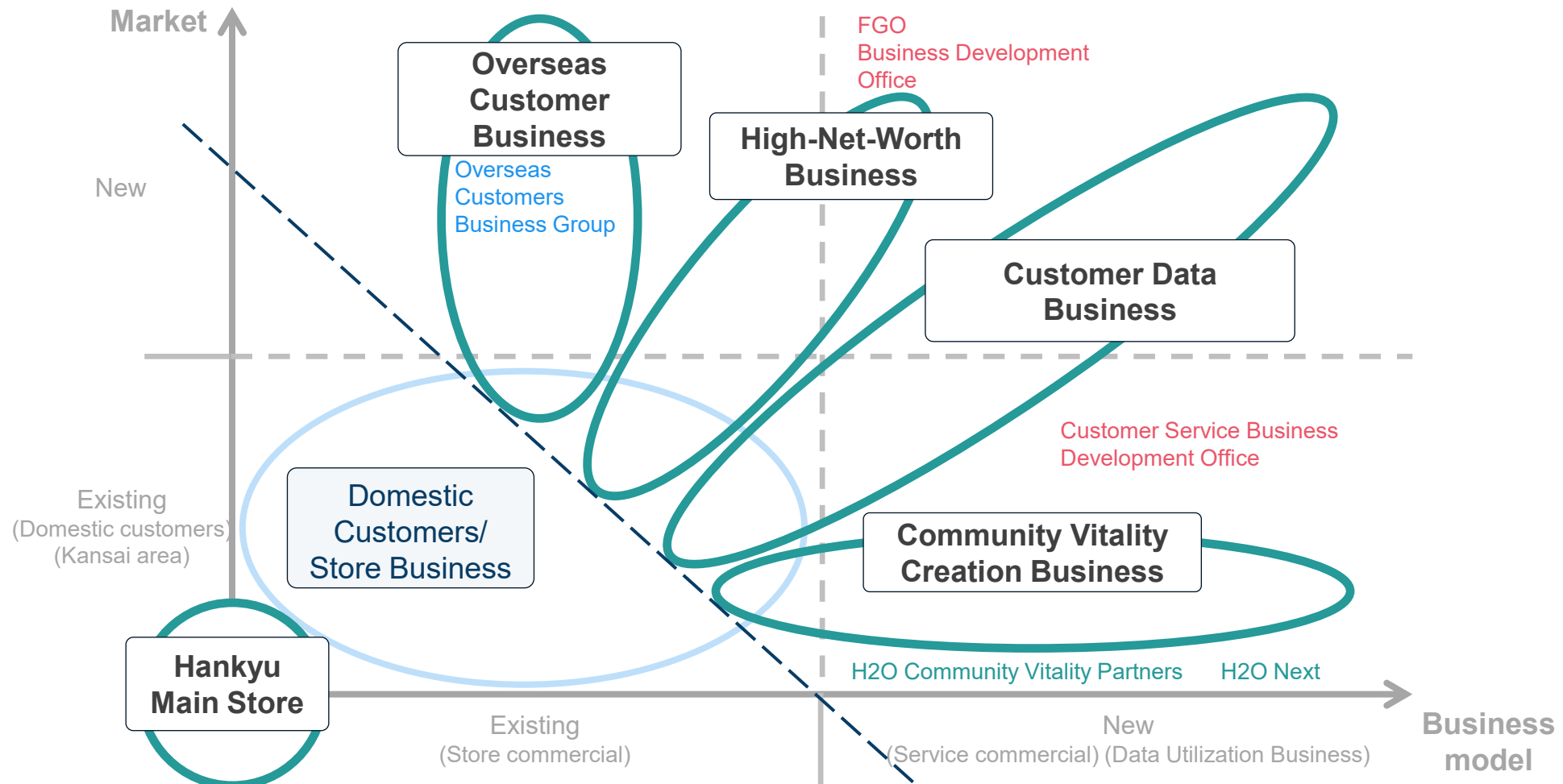
Operating profit JPY 26.2 bn.	Operating profit JPY 32.0 bn.	Operating profit JPY35.0-40.0 bn. or higher ROE 8% or higher
Reforming existing businesses	Expand into new markets and new business models	Establish a new business structure centered on the customer

Insights and Progress in Initiatives for the Long-term Business Plan 2030

Ver.2	Initiatives	Insights and progress	Update
Domestic Customers/ Store Business	[Department Store Business] <ul style="list-style-type: none"> Transforming Hankyu Main Store into a “Global Department Store” 	<ul style="list-style-type: none"> Major renovations largely completed Sales from high-unit-price top-tier customers are progressing as expected 	Hankyu Main Store
	[Supermarket Business] <ul style="list-style-type: none"> Integration of Izumiya · Hankyu Oasis and Kansai Super Market Implementation and refinement of two new store formats 	<ul style="list-style-type: none"> Improved gross profit margin through standardized merchandising and integrated operations Sales and number of customers are performing as expected for both value-driven and price-driven formats. 	Domestic Customers/ Store Business
Overseas Customers Business	<ul style="list-style-type: none"> Converting overseas visitors into VIP customers Creating unique content and experiences 	<ul style="list-style-type: none"> Overseas VIP membership and sales are both growing steadily Need for post-luxury Importance of creating unique content and services for “next-level” high-net-worth customers, both domestically and internationally 	Overseas Customers Business
Regional co-creation activities	<ul style="list-style-type: none"> Senri Central Park revitalization project 	<ul style="list-style-type: none"> High potential for business viability based on competitive strengths 	Community Vitality Creation Business
Customer Service Business	<ul style="list-style-type: none"> “Machi-uma” / “Machi-Ken” 	<ul style="list-style-type: none"> Potential to balance social and financial value Local communities as powerful sources for acquiring high-value-added data 	
Customer Data Business	<ul style="list-style-type: none"> Demonstration of customer analysis and marketing consultation Talent development for the data-driven business 	<ul style="list-style-type: none"> Deepening customer insights through high-resolution analysis Potential for BtoB and BtoG 	Customer Data Business

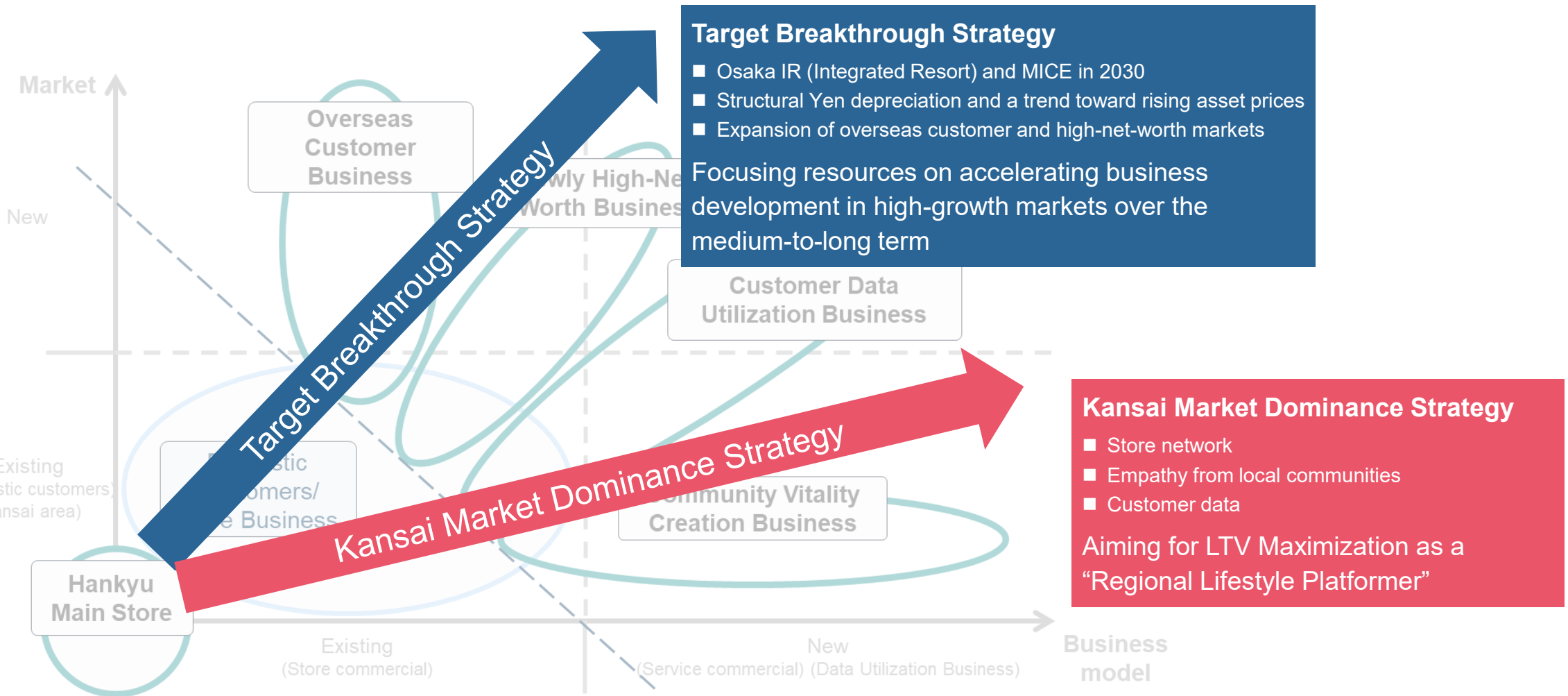
Long-term Business Plan 2030 Ver.2 Update – Priority Growth Segments

- ▶ As the Kansai market shrinks due to population decline, there are limits to growth that relies solely on existing business segments.
- ▶ For the Group's sustainable growth, we will accelerate business development through strategic investment in the five priority growth areas and strengthening organizational structure.



Long-term Business Plan 2030 Ver.2 Update – Growth Engines

▶ The “Kansai Market Dominance” and “Target Breakthrough” strategies will be the two primary engines driving our Long-term Business Plan.



Numerical targets — Operating profit / Key Performance Indicators

- ▶ Operating profit has exceeded final-year targets for two consecutive years, with the FY2026 target also revised upward from the initial plan.
- ▶ Proactively allocate growth investments toward achieving Long-term Business Plan 2030.

(JPY 100M)	Initial Mid-term Plan Targets		Revised forecast		
	FY2024 forecast	FY2026 target	FY2024 results	FY2025 results	FY2026 forecast*2
Department Store	223	250	282	238	269
Supermarket	98	115	89	100	110
Shopping Center	33	25	39	38	48
Other	▲3	10	22	75	8
Consolidated	265	320	348	324	325
ROE	9.6%	6.6% or higher	12.3%	9.8%	7.4%
ROE (Underlying basis)*1			(8.9%)	(7.9%)	
ROIC	4.7%	5.9%	6.0%	5.5%	5.6%

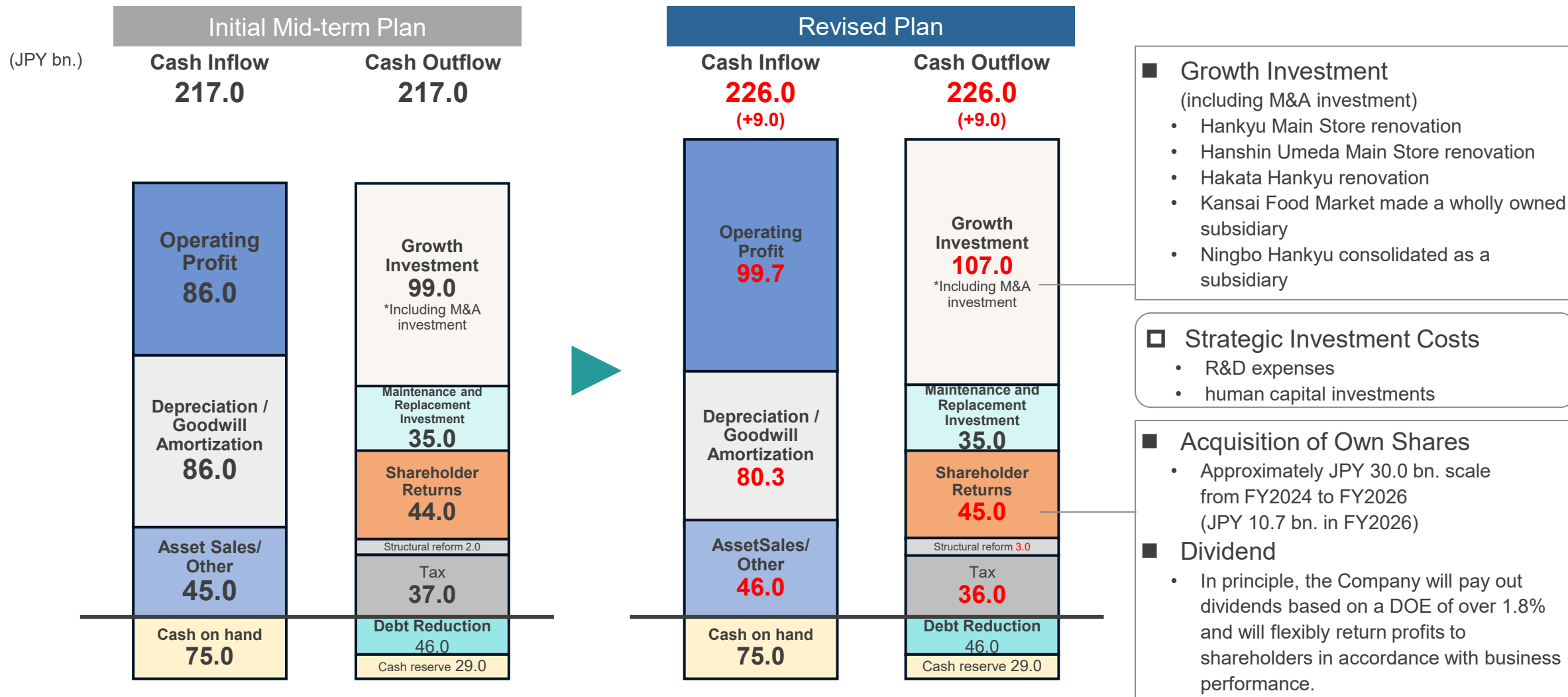
*1 Underlying ROE excludes one-time extraordinary gains, such as asset sales and tax effects.

*2 Segment classifications have been partially revised starting from the FY2026 forecast.

Hankyu Kitchen Yell Kansai was transferred from the Supermarket Business to the Other Business, and Chinese operating companies (including Ningbo Hankyu) were moved from the Other Business to the Shopping Center. Note that FY2025 results are presented based on the previous segment classifications prior to this reorganization.

Cash Flow Allocation (2024-2026)

- ▶ Commencing the Hankyu Main Store remodeling and rolling out new store formats for supermarkets in FY2025.
- ▶ Allocate increased cash inflow from higher-than-expected earnings to growth investments, including strategic investment, and to shareholder returns.





Hankyu Main Store – Evolving into a Global Department Store

- ▶ The largest-scale remodeling since 2012 to maximize LTV was substantially completed in Mar. 2026.
- ▶ Becoming the “Destination Store” and “My Store” for both domestic and international customers, targeting sales of JPY 400.0 bn. in FY2026.

Three values provided for maximizing LTV

MD Value

- Enhancement of high-end MD
- High-sensitivity, latest, and most current world



HANKYU LUXURY

Transforming luxury big maisons into in-store flagship stores

Improved sales per customer

Store Value

- Overwhelming shopping entertainment
- Theatrical spaces that engage the five senses



SHUKUSAI Hall

Strengthening event promotions and window displays

Improved length of stay

Customer Satisfaction Value

- Personalized customer service powered by digital technology
- Multilingual, multicultural, and universal accessibility



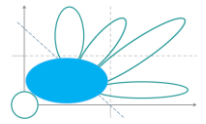
HANKYU LUXURY

Newly established concierge counter

Improved loyalty and visit frequency



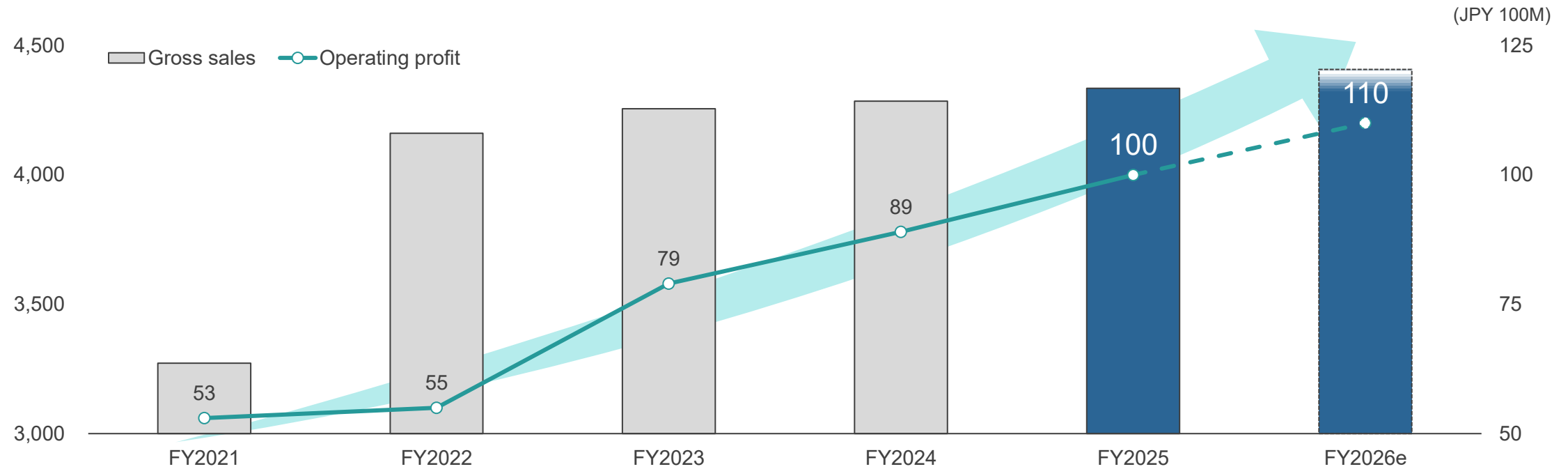
Maximizing LTV



Domestic Customers / Store Business – Supermarket Business

- ▶ Completed company reorganization by integrating Izumiya, Hankyu Oasis, and Kansai Super Market.
- ▶ Achieving increased gross sales and operating profit through the success of two new supermarket formats, with operating profit exceeding JPY 10.0 bn.

Supermarket Business Segment Results Trends



Previous Mid-term Management Plan
Establishing the business foundation and paving the way for the “second pillar”

Current Mid-term Management Plan
Strengthening regional competitiveness

- Business integration with Kansai Super Market
- Promoting supermarket business reform

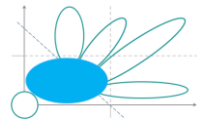
- Merged Izumiya and Hankyu Oasis

- Kansai Food Market made a wholly owned subsidiary, Accelerating business integration

- Implementation of new store formats and reorganization of manufacturing companies

- Full integration of Izumiya · Hankyu Oasis and Kansai Super Market

Domestic Customers / Store Business – Supermarket Business(Kansai Food Market)



- ▶ Transitioning new store formats to full-scale rollout, while launching new initiatives such as retail media.
- ▶ Maximizing synergies from the company integration to establish a stable profit generation base.

Initiatives and Progress(Kansai Food Market)

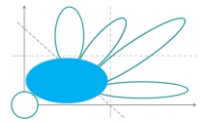
		FY2024	FY2025	FY2026 Plan	FY2027 and Beyond
Operating structure	Headquarters/ Main Divisions	● Integrated management start		● Company integration in Apr. 2026	
Store	Store format	Launched development	<ul style="list-style-type: none"> Launched new formats • MARCHÉ: 3 stores • daily mart: 10 stores 	<ul style="list-style-type: none"> Full-scale • MARCHÉ: 11 stores • daily mart: 22 stores 	Accelerating store openings and renovations
	E-store		<ul style="list-style-type: none"> Validation 4 stores 	<ul style="list-style-type: none"> Expansion 6 stores 	
	Retail media			Validation of business model	
	App				
Merchandise	Unified procurement		Terms integration	Supplier integration	Differentiation through manufacturing capabilities
	Product Development		Restructuring existing PB	SPA expansion	
Infrastructure	Core systems	● Initial integration			Full integration
	Self-checkout		<ul style="list-style-type: none"> Early introduction 24 stores 	Full-scale introduction: 70 stores	Sequential introduction
	Logistic				Primary restructuring



Hankyu Oasis
Marché Ikeda Ekimae Store
(Value-driven)



Kansai Super
daily mart Ikeda Store
(Price-driven)



Domestic customer/store business – Shopping Center Business

- ▶ Solidifying the earnings base through community-focused SCs and Oi Development, with further expansion led by Ningbo Hankyu’s regional dominance to reach an operating profit of JPY 5.0 bn.

Shopping Center Operations

- Large-scale renewal implemented (Phased openings of Rakuhoku Hankyu Square and Mosaic Mall Kohoku through this summer)
- Regional rollout of food trucks, following their success at the Expo 2025.



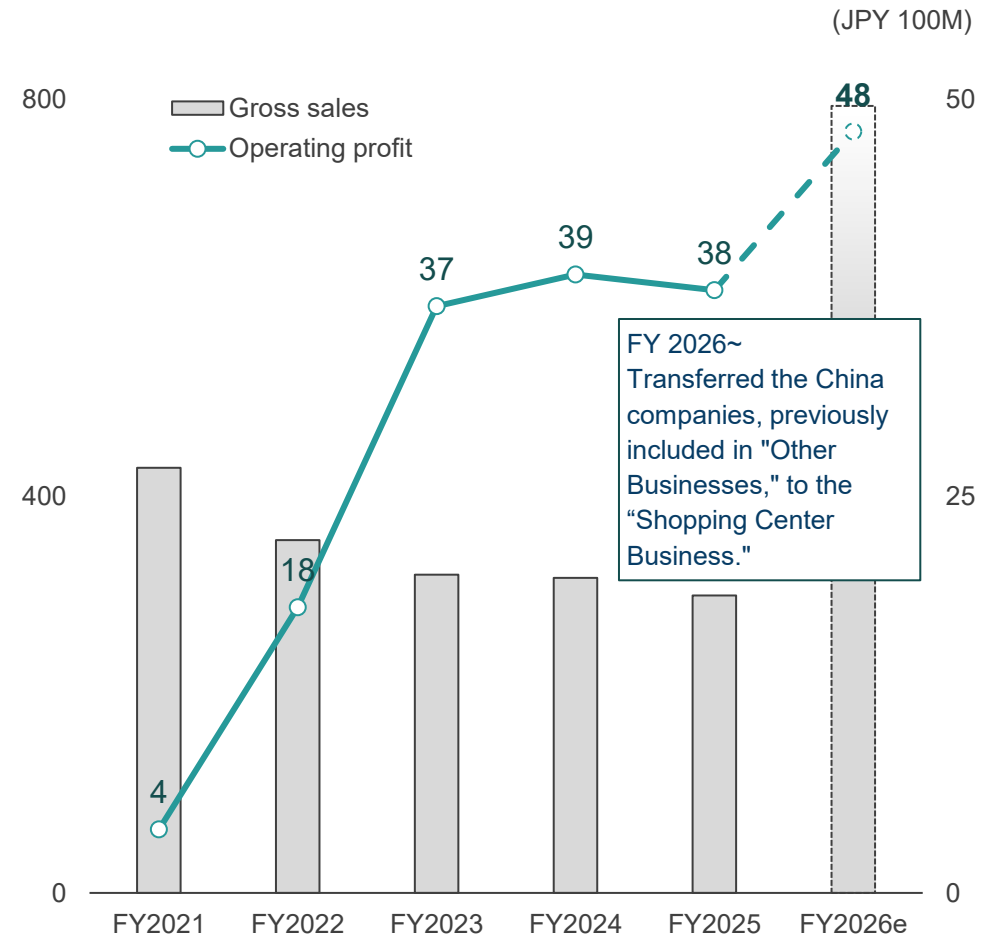
Oi Development (Hotel:Hours Inn Hankyu)

Higher unit prices and record occupancy drove YoY gross sales growth, overcoming the impact of renovations.

Ningbo Hankyu

- Solid YoY sales growth driven by remodeling, overcoming China's consumption slowdown.
- Expanding share by deepening ties with wealthy clients and intensifying outreach to upper-middle/middle segments.

Shopping Center Segment Results Trends



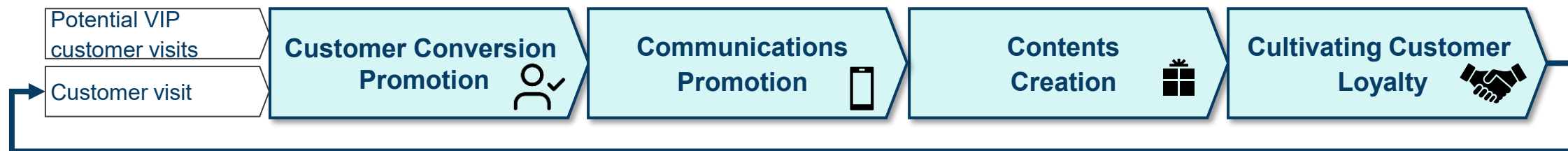


Overseas Customer Business

- ▶ Achieved record-high sales from overseas VIP customers in FY 2025 despite the continued impact of reduced flights from China, demonstrating clear progress in the customer loyalty cycle.
- ▶ In addition to cultivating customer service personnel, we will further accelerate content creation and customer acquisition to refine our sustainable revenue model.

	FY2024 results	FY2025 results	FY2026 target
Inbound sales	JPY130.0 bn.	JPY 104.0 bn.	JPY 115.0 bn.
Number of overseas VIP members	39,000 person	53,000 person	60,000 person
Overseas VIP customer sales (share)	JPY 39.0 bn. (30%)	JPY 40.7 bn. (39%)	JPY 50.0 bn. (43%)

Overseas VIP customer conversion cycle



Boosting overseas service personnel

- Hiring proven talent from Expo 2025
- Increase in VIP attendant staff (50 in total)

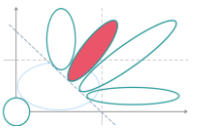
Opening overseas SNS and establishing CRM systems

Creating unique experiences and services

Creating premium content unique to Japan on a large scale

Building referral and alliance models

Expanding partner and alliance networks into South Korea and Thailand

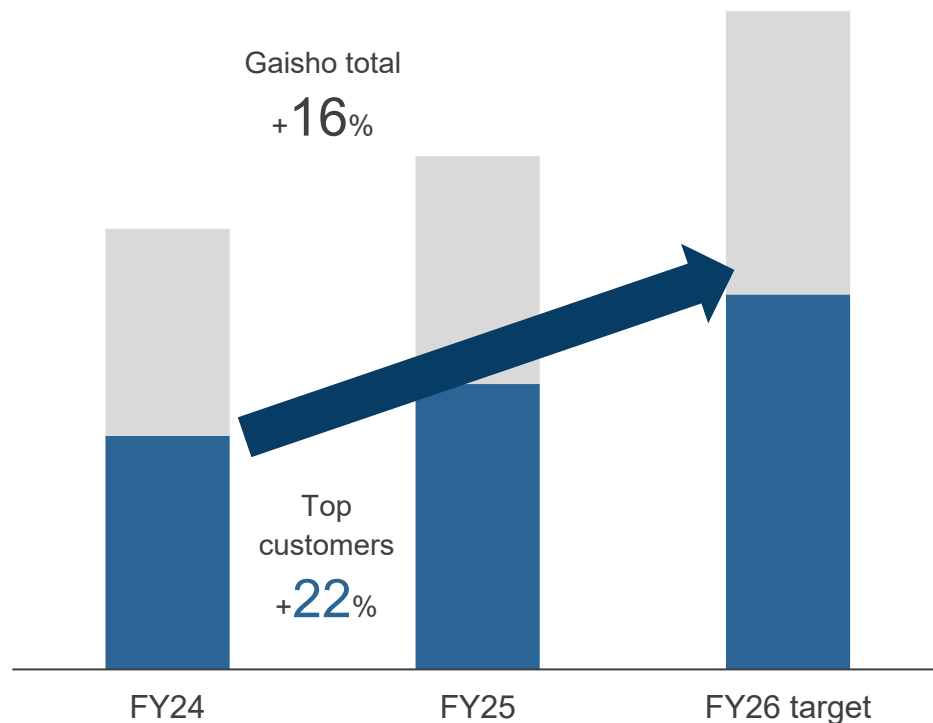


High-Net-Worth Business – Department Store “Gaisho”

- ▶ FY2025 “Gaisho” sales reached a record high, driven by strong support from top-tier customers (annual spend of JPY 3M or more).
- ▶ In addition to the expansion of the wealthy class driven by the wealth effect, our unique initiatives such as digital utilization and store attendant collaboration have been successful

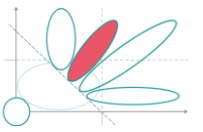
“Gaisho” Sales

- Customers with annual spending under JPY 3M
- Customers with annual spending over JPY 3M



Initiatives

- **Deepening Customer Insight and Efficiency via Digital Tools**
Utilizing sales support systems to visualize purchase data, enabling precise understanding of customer needs while streamlining “Gaisho” operations.
- **Expanding proposal areas through “Team Service”**
Promoting organized team-based service between “Gaisho” staff and store attendants to provide a wider range of expert proposals and respond to diverse customer requests.
- **Building Loyalty through Experiential Value**
Delivering high-end, personalized experiences centered on VIP salons to cultivate brand fans and accelerate Life Time Value (LTV) growth.



High-Net-Worth Business – New Business Development

- ▶ Developing high-end businesses for domestic and global wealthy segments, capturing growth from the expanding inbound market and the upcoming 2030 Osaka IR/MICE.

Organizational Restructuring

Established a specialized unit (FGO Business Development Office) to initiate business planning, development, and content production.

Planning and Development Team

- Planning and building business models
- Developing customer and partner relationships

Content Production Team

- Development of producer-led content
- Cultivating producer personnel

Producer-style content

Creating content that meets needs by "curating" products, experiences, and communications.

Setouchi/Ikuchijima High-end accommodations “Azumi Setoda”

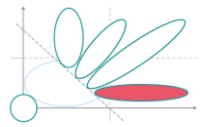
- Driving high-end tourism businesses in collaboration with Hankyu Hanshin Holdings, Inc.
- Creating and expanding high-value-added content that integrates stay, culture, and shopping experiences, centered on a accommodations created from a restored 150-year-old traditional residence.



Azumi Setoda exterior



Azumi Setoda interior (pavilion)



Community Vitality Creation Business – Purpose

- ▶ Leveraging our strengths in community ties and customer-centric personnel, we provide services rooted in local areas to foster "empathy." Our goal is to achieve a virtuous cycle of regional prosperity and sustainable Group growth.

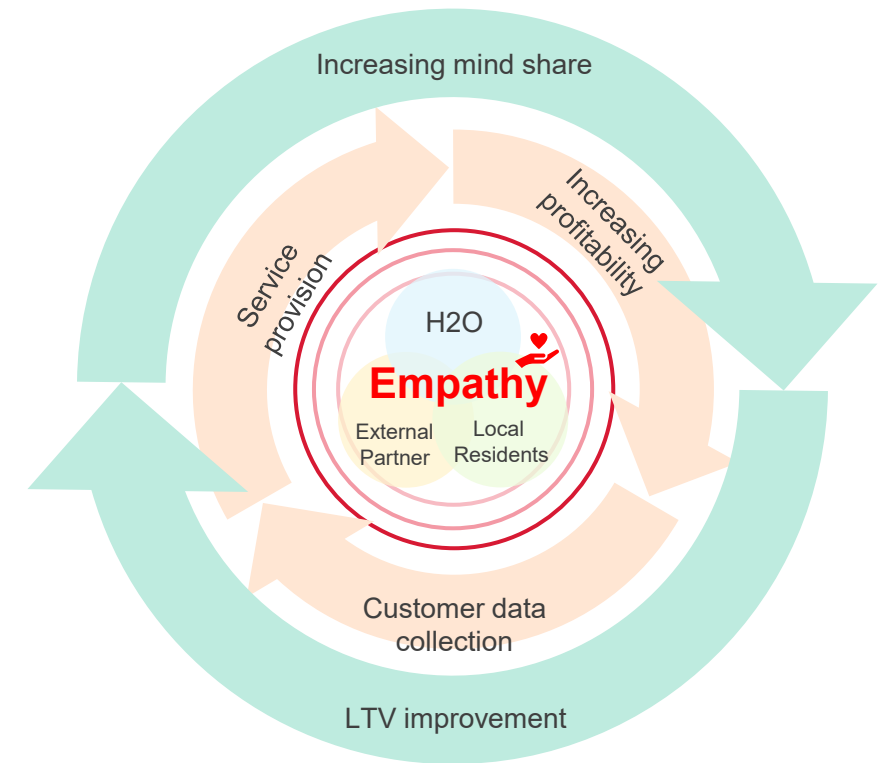
Purpose

Objectives /Roles of Each Initiative

- Fostering “**empathy**” through “fun, joy, and deliciousness” to revitalize communities
- Customer data collection through service provision
- Securing business profitability

Group Overall Contribution

- **Increasing mind share by accumulating “empathy”**
- **Contributing to maximizing Group LTV**

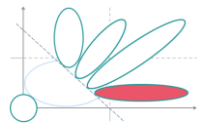


Forming an Empathy-Based Economy in local communities (Kansai Market Dominance Strategy)

Company Establishment




Established H2O Machi-Genki Partners (Mar. 2026)

- Business description: Provide “hands-on” consulting services to help resolve local community issues
- Value provided: Build a “cycle for regional revitalization” by connecting with local stakeholders through shared empathy.



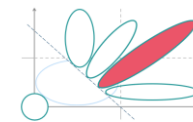
Community Vitality Creation Business – Initiatives and Progress

- ▶ Experience shows that fostering “empathy” through collaborative process and operation with local communities leads to unique services and profitability.
- ▶ Moving forward, we will expand our target areas and develop new services to establish a solid revenue model.

		Initiatives and progress	Next Steps
Regional Issue Support Consulting		<ul style="list-style-type: none"> • Building a self-sustaining system where local residents and businesses drive community vitality • Securing contracts from local governments and businesses that resonate with our mission 	<ul style="list-style-type: none"> • Expanding the regional revitalization scheme to other areas • Expanding commissioned revenue from external sources.
Food Service App “Machi-uma”		<ul style="list-style-type: none"> • Relunched with a core focus on user-posting features to support local restaurants • Reached 110,000 members and 230 paid restaurants in Takatsuki City 	<ul style="list-style-type: none"> • Accelerating monetization through paid merchant growth and area expansion
Health Management Services “Machi-Ken”		<ul style="list-style-type: none"> • Improving screening rates for specific health checkups and cancer screenings through reservation support at health check events • Launch the “Machi-Ken” app • Started monetization through corporate sponsorships 	<ul style="list-style-type: none"> • Moving to the monetization phase through collaboration with local governments and corporations

New service development

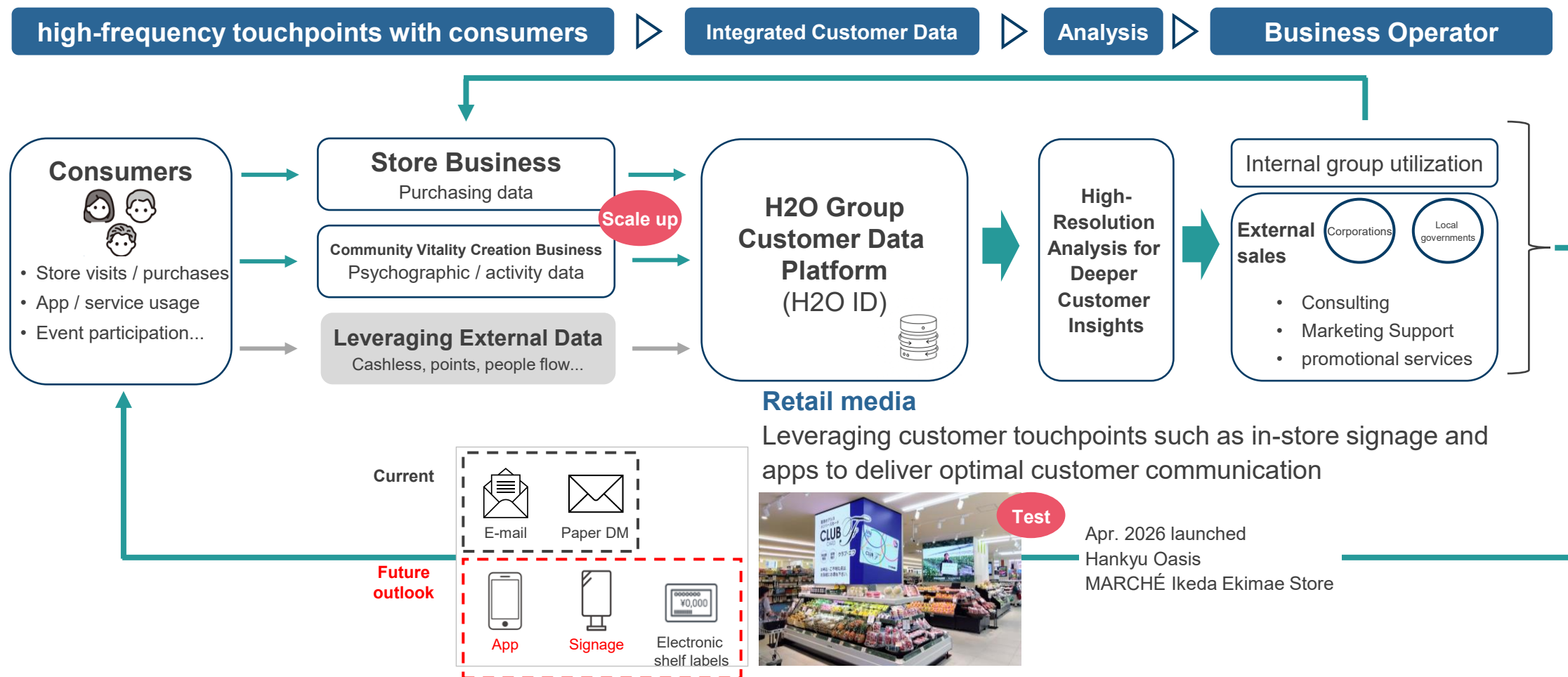
Promoting the development of the new “Machi-Series” in areas that contribute to solving local issues.



Customer Data Utilization Business

- ▶ High-resolution analysis of “purchase and non-purchase” data obtained through high-frequency touchpoints holds potential for monetization in B2B and B2G sectors.
- ▶ In-store demonstrations are underway to monetize via external sales and retail media, utilizing customer analysis solutions.

Flow of data gathering and application



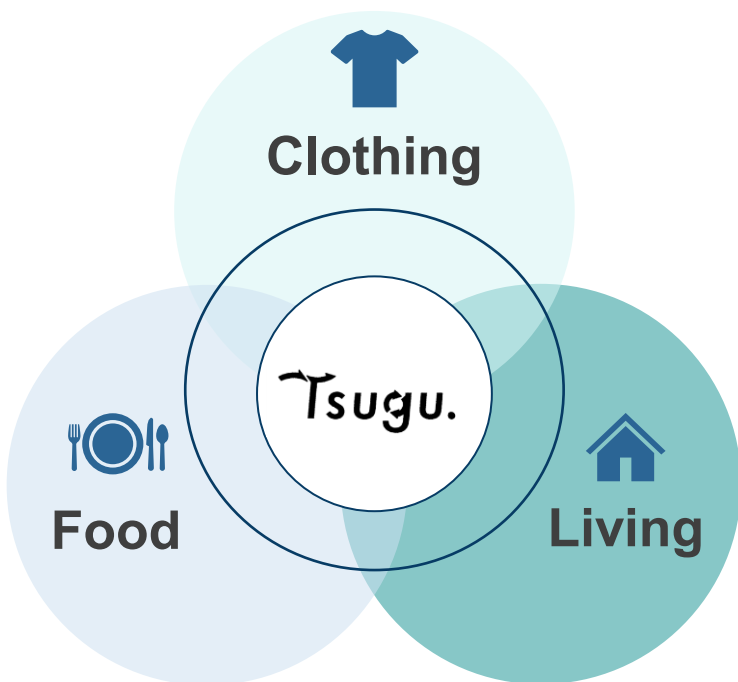
Group Infrastructure Development and Utilization — Human Resource Development and Investment

- ▶ Positioning the relationship between the company and individuals as “co-creation partners who enhance value and grow together,” promoting Group-wide human resource measures.
- ▶ Human capital investment is progressing generally as planned, with a cumulative total of JPY 3.0 bn. for FY2024-FY2025.

	Initiatives	Progress
Organizational Performance Optimization	Personnel allocation, recruitment, and development in growth areas	<ul style="list-style-type: none"> Established organizational structure and deployed personnel to business development areas
	Future Society Co-creation Project with Pasona Group 	<ul style="list-style-type: none"> Commenced demonstration experiments for business creation and infrastructure development in diverse fields Comprised mainly of young and mid-career employees from the Group, also utilized as a venue for human resource development
	H2O Future Exploration School	<ul style="list-style-type: none"> Continuing with expanded scale, aiming to discover and develop business development personnel
Boosting Employee Engagement	Engagement survey (conducted for all Group companies)	<ul style="list-style-type: none"> Aiming to implement improvement measures for enhancing engagement
	Establishment of Group Health Management Center (Apr. 2026)	<ul style="list-style-type: none"> Aiming to create an environment where all employees can work in good physical and mental health, establishing a unified Group management system
Working environment and corporate culture reform	Understanding and promoting diversity	<ul style="list-style-type: none"> Toward fostering an organizational culture that respects diverse values, holding “Diversity Weeks” to deepen mutual understanding

Group Infrastructure Development and Utilization — Sustainability Management

- ▶ Promoting highly unique community co-creation activities, accelerating collaboration with local governments and companies centered on clothing, food, and shelter, as well as Ministry of the Environment model demonstration projects
 - ▶ Gaining external trust through improved ESG ratings, aiming to strengthen linkage to corporate value enhancement going forward
- Community co-creation activities with the environment as the theme: “Tsugu.”



	Initiatives	Progress
Clothing	Sustainable Fashion Platform Council	<ul style="list-style-type: none"> • Leading the establishment of a public-private-academic council. • Aiming to build the “Osaka Model” to collect and recycle 8,000 tons of used clothing annually across Osaka Prefecture in collaboration with external partners.
Food	SHOKUTOWA	<ul style="list-style-type: none"> • Generating empathy and fostering local communities through initiatives such as household composting for organic waste recycling and urban greening, involving over 700 households. • Selected for four consecutive years as a Ministry of the Environment demonstration project—a first for this program.
Living	Osaka Forest Circulation Promotion Project	<ul style="list-style-type: none"> • Driving long-term timber demand and fostering “related populations” as a core pillar of the comprehensive partnership with Osaka Prefecture. • Benches created for the Expo 2025 will be relocated to kindergartens and elementary schools—primarily within Osaka Prefecture—serving as a post-Expo legacy.



Resource Recycling Symposium

Organizing a symposium for two consecutive years with diverse stakeholders to expand the circle of regional co-creation by sharing knowledge and expertise on resource circulation.



Omou(Thoughtful) Bench
(Osaka Forest Circulation Promotion Project)
From Expo to local communities

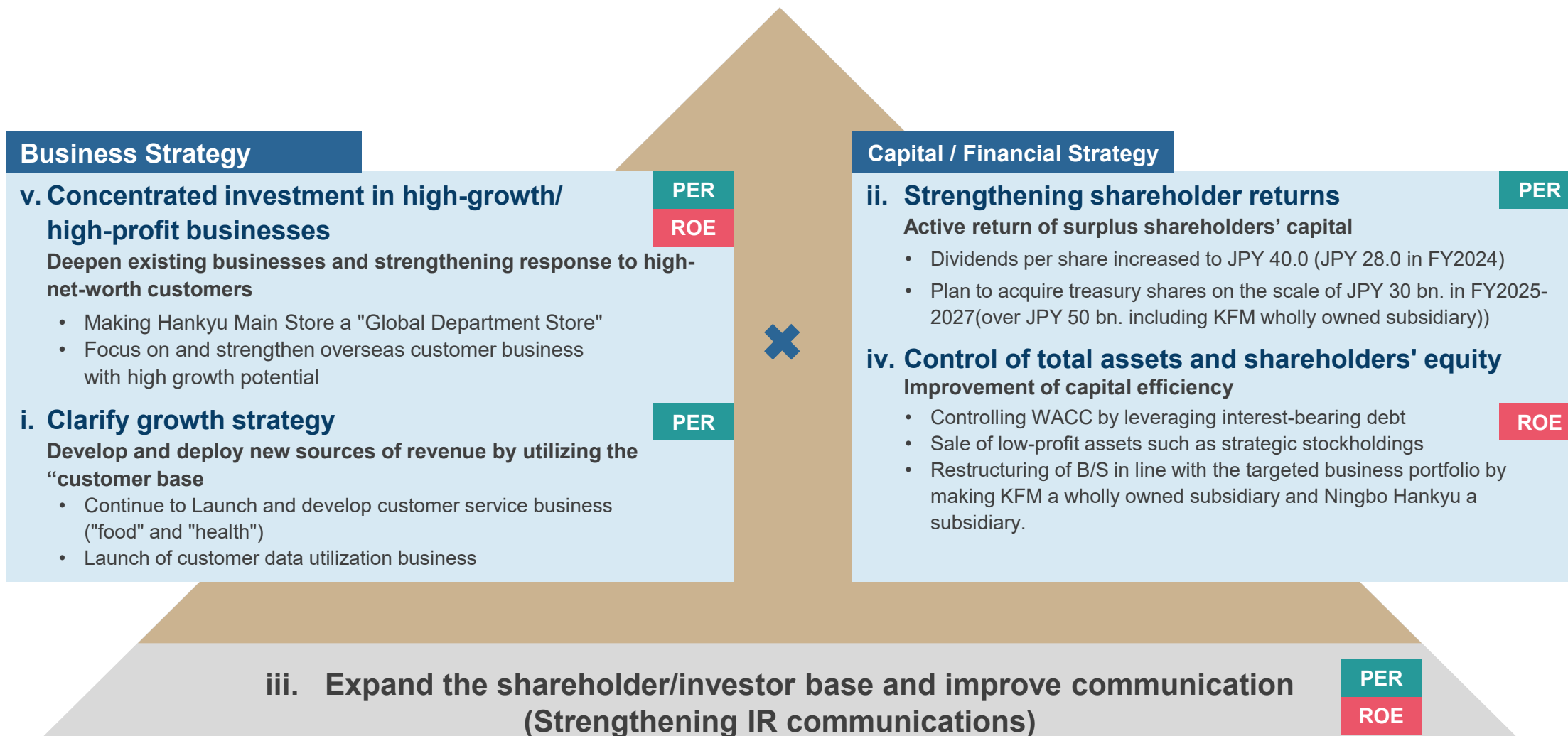
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1. Financial Results for FY2025
2. Financial Forecast for FY2026
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5. Appendix

Direction of Initiatives to Increase Corporate Value and Shareholder Value

[Disclosed in May 2024]

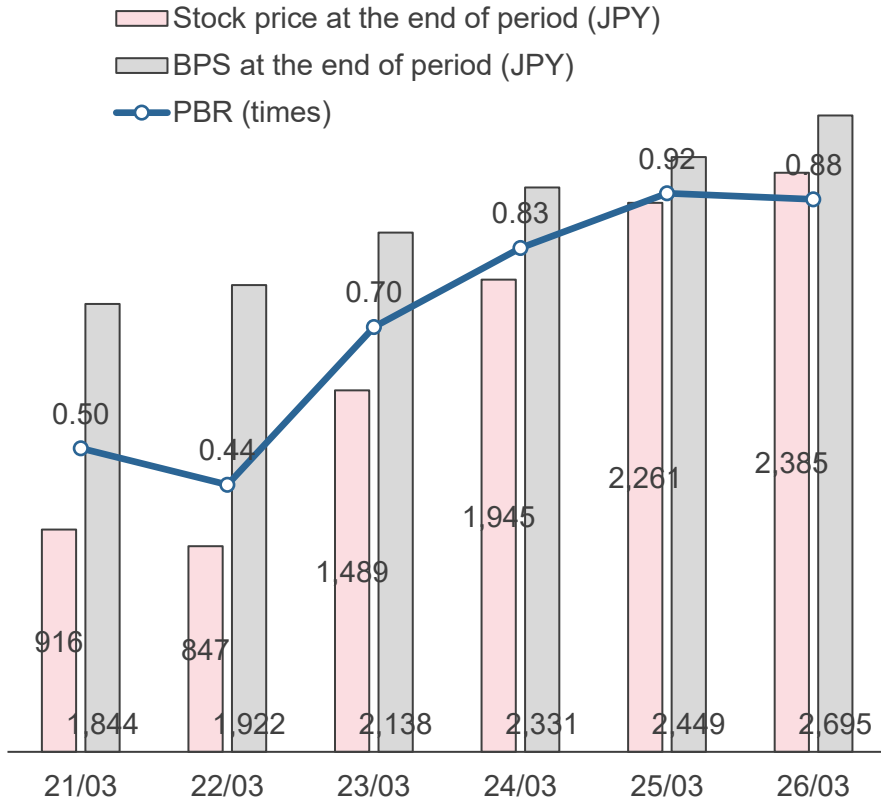
- ▶ By executing the business strategy and actively advancing the capital and financial strategies implemented since FY2024, the Company aims to achieve a PBR of 1.0 as soon as possible and sustain this level on a long-term basis.



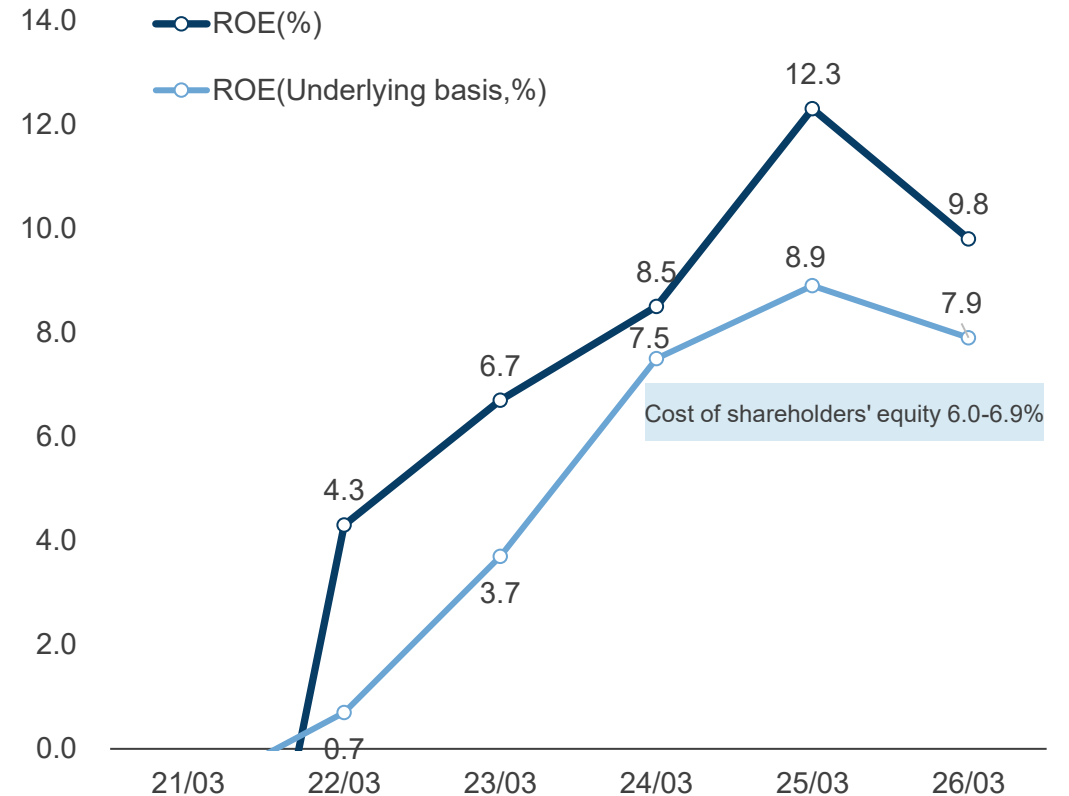
Analysis of Current Status and Direction of Initiatives

- ▶ While the Nikkei Stock Average is rising, the company's PBR currently stands at around 0.9 times; the PER remains a challenge in achieving our target of 1.2 times or higher.
- ▶ The Company will continue to improve ROE and work to improve our PER by implementing growth strategy, enhancing shareholder returns, and strengthening investor relations.

Trends of Stock Price and PBR



Trends of ROE and cost of shareholders' equity



* Underlying ROE is calculated excluding extraordinary gains

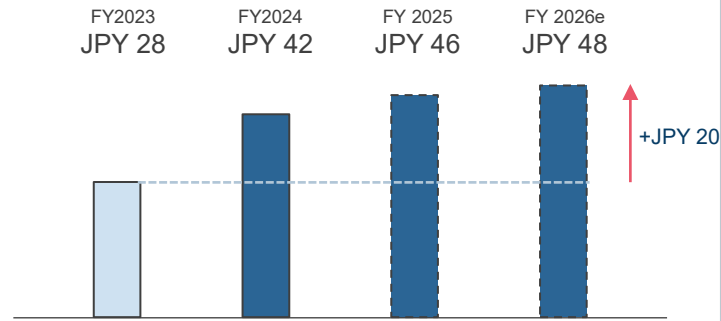
Initiatives to Improve Capital Efficiency and Market Valuation (FY2024-2026)

Capital / Financial Strategy

Dividends

Annual dividend per share for FY 2026

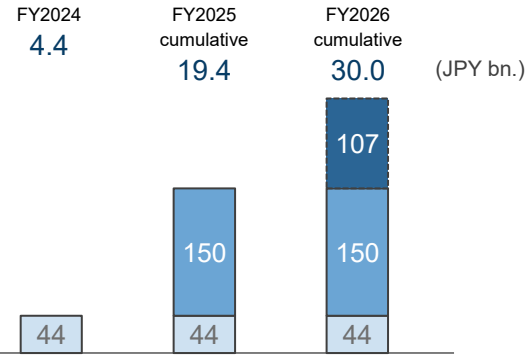
JPY 48 (+JPY 20 from FY 2023)



Acquisition of Own Shares

Steadily implementing the three-year cumulative target of

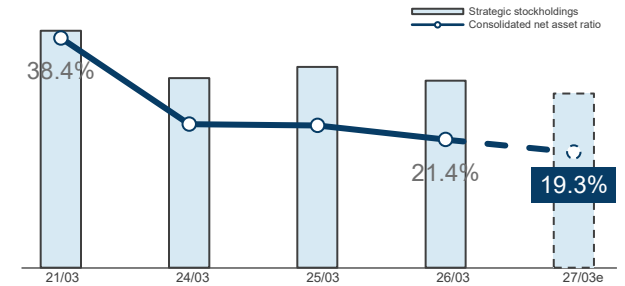
JPY 30.0 bn



Scaling back strategic stockholdings

Through reduction of strategic stockholdings, holding ratio* will be **20% or less**

* Estimated value of strategic stockholdings, including unlisted shares, as of the end of FY2026 / Net assets



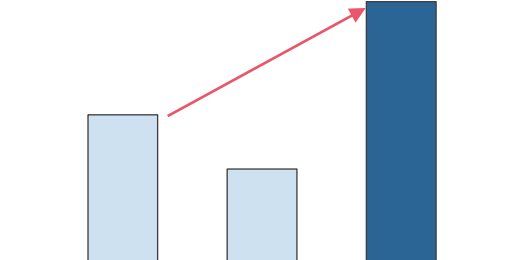
Business Strategy

Renovations at the Hankyu Main Store

Remodel of the Hankyu Main Store Completed

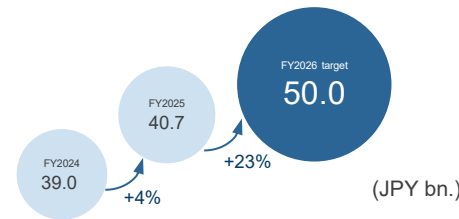
FY2026 sales target
JPY 400.0 bn.
(+JPY 35.0 bn. compared to FY2024)

FY2024 JPY 365.3 bn. FY2026 target JPY 400.0 bn.



Overseas Customer Business

Steady growth driven by VIP acquisition



Ningbo Hankyu subsidiary earnings have stabilized

Ningbo Hankyu operating profit
JPY 1.4 bn. (FY2025)

Renovations and area development supporting expansion.

High-Net-Worth Customers Business

Strengthening connections with top customers



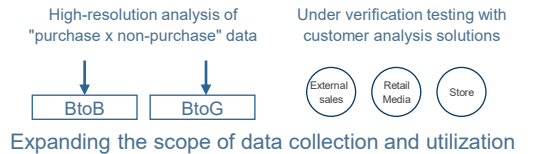
Response to next level affluent customer needs



Moving forward with the development of post-LUX content and services

Customer Data Utilization Business

Positive response in BtoB and BtoG



Regional Vitality Creation Business

Leveraging competitive advantages to balance social and financial value.



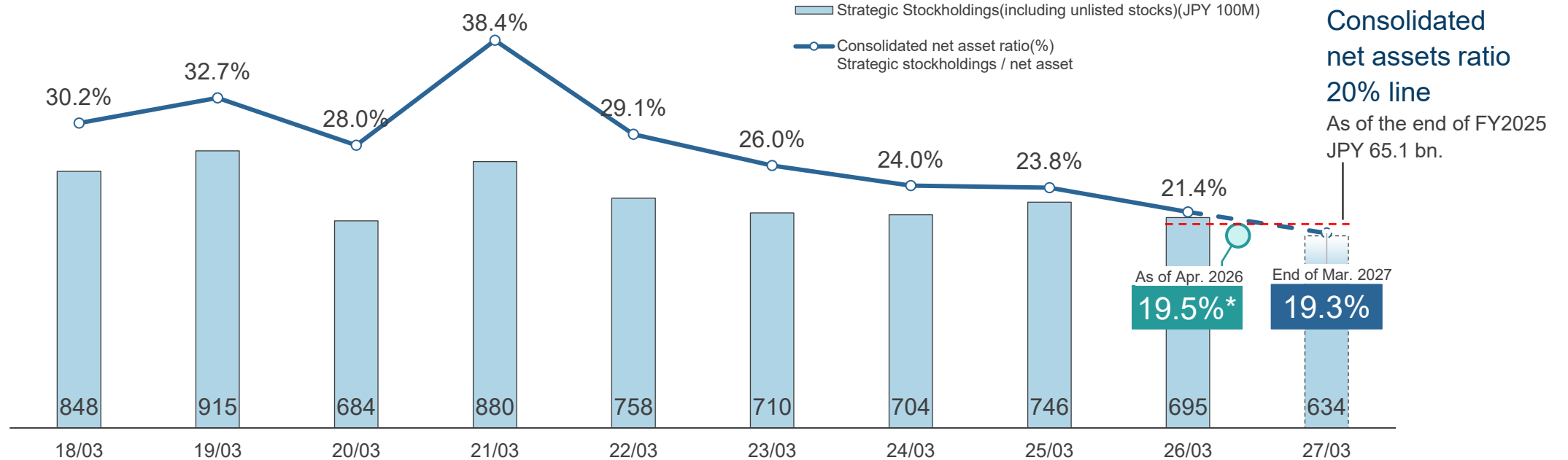
Going forward, expanding our service areas and developing new services to establish a revenue model

Scaling Back Strategic Stockholdings to a Level below 20% of net assets

- ▶ The Company has been steadily reducing its strategic shareholdings, including the sale of TOHO shares in April 2026, and will continue these reduction efforts.
- ▶ Following this latest sale, the ratio of strategic shareholdings to consolidated net assets is expected to fall below 20% by the end of Mar. 2027.

Progress in Reducing Strategic Shareholdings

	18/03	19/03	20/03	21/03	22/03	23/03	24/03	25/03	26/03	27/03 forecast
Number of listed stocks	16	16	15	15	7	5	4	4	4	4
Sale amount (JPY bn.)	0	—	37	—	94	168	0	174	149	58



Shareholder Returns

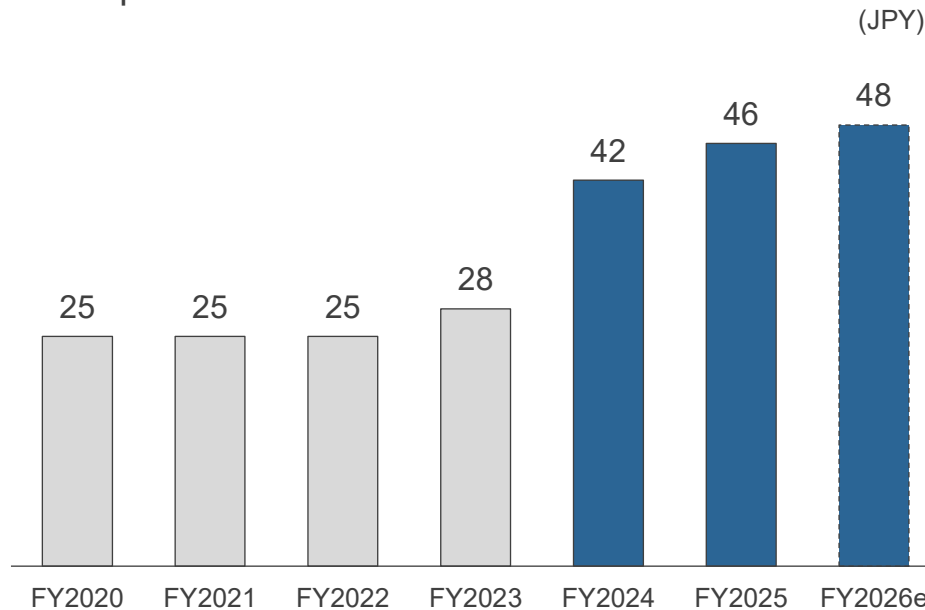
Shareholder Return Policy (FY2024-2026)

In principle, the Company will pay out dividends based on a DOE of over 1.8% and will flexibly return profits to shareholders in accordance with business performance.

Dividends: Increased to JPY 40.0 per share (FY2024 target at the time of Mid-Term Management Plan announcement)

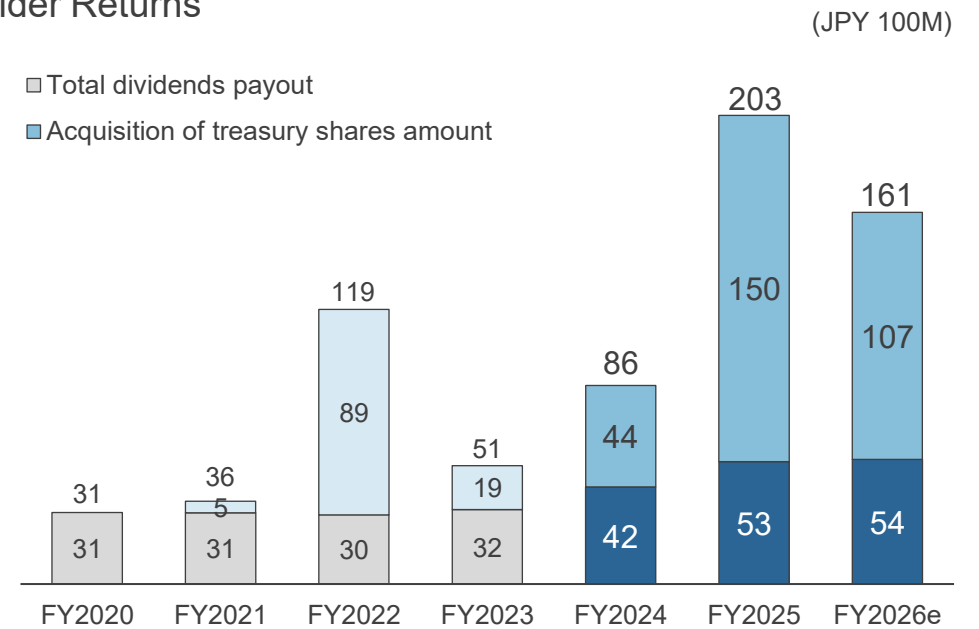
Acquisition of own shares: Scale of JPY 30.0 bn. in 3 years (equivalent to a total payout ratio of 60% or more over 3 years)

Dividends per share



Dividend payout ratio	—	31%	18%	15%	14%	18%	24%
DOE*	1.9%	1.6%	1.5%	1.2%	1.8%	2.1%	2.1%

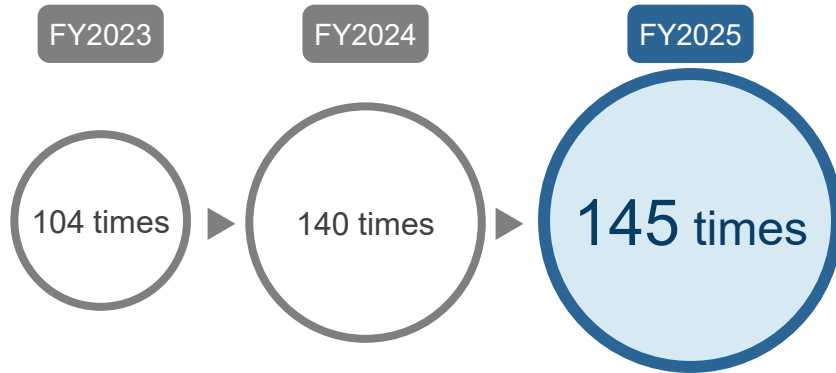
Shareholder Returns



Total payout ratio	—	36%	73%	22%	25%	68%	70%
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Dialogue with Shareholders and Investors

Results of Dialogue with investors (Number of 1-on-1 Meeting)



IR Activities

		FY2023	FY2024	FY2025
Domestic institutional investors	IR Day	1 time	1 time	1 time
Overseas institutional investors	Overseas IR physical roadshows	1 time	1 time	1 time
Individual investors	Briefings for individual investors	—	1 time	2 times
	Shareholder events	—	—	2 times
Group employees	Briefings for employees	3 times	4 times	6 times

Enhancement of Shareholder Benefits

Update of Supermarket Benefit Program

S-Point reward program based on purchase amounts at supermarket stores will be introduced starting in FY2026.

Rewards based on shareholding status
3-7%

Improving shareholder convenience and increasing store sales

Expansion of Long-Term Holding Benefits

Relaxing long-term holding criteria and introducing long-term holding benefits

- Long-term holding standards
 - Both the number of shares held and the holding period have been relaxed
- Long-term holding benefits
 - Increased S points reward program rate on purchases
 - S Point reward

Buying additional shares and holding them long-term

Initiatives for Individual Investors



Shareholder events



Briefings for individual shareholders

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Consolidated Results Trends

(JPY 100M)	FY2024				FY2025							
	1Q	2Q	3Q	4Q	1Q	YoY change (%/amount)	2Q	YoY change (%/amount)	3Q	YoY change (%/amount)	4Q	YoY change (%/amount)
Gross sales	2,764	2,821	3,155	2,857	2,733	▲ 1.1% ▲ 31	2,821	+0.0% +0	3,174	+0.6% +19	2,896	+1.4% +39
Net sales	1,619	1,694	1,836	1,669	1,636	+1.1% +17	1,694	+0.0% +0	1,828	▲ 0.4% ▲ 8	1,644	▲ 1.5% ▲ 25
Operating profit	93	57	139	59	55	▲ 40.6% ▲ 38	64	+10.8% +6	134	▲ 3.5% ▲ 5	71	+20.1% +12
Ordinary profit	102	57	140	59	61	▲ 39.8% ▲ 41	63	+9.3% +5	141	+0.5% +1	80	+34.6% +21
Profit	265	6	104	▲ 26	40	▲ 85.0% ▲ 225	29	+369.0% +23	221	+112.2% +117	10	— +36

Results Trends by Segment

	FY2024				FY2025							
	1Q	2Q	3Q	4Q	1Q	YoY change (%/amount)	2Q	YoY change (%/amount)	3Q	YoY change (%/amount)	4Q	YoY change (%/amount)
(JPY 100M)												
Department Store	1,554	1,496	1,766	1,533	1,393	▲10.3% ▲160	1,472	▲1.6% ▲24	1,767	+0.0% +1	1,578	+2.9% +44
Supermarket	1,034	1,078	1,130	1,043	1,064	+2.9% +30	1,096	+1.7% +18	1,137	+0.6% +6	1,028	▲1.5% ▲16
Shopping Center	82	78	87	71	75	▲8.4% ▲7	72	▲7.3% ▲6	81	▲6.8% ▲6	73	+2.4% +2
Other	94	169	172	209	200	+113.3% +106	181	+6.9% +12	190	+10.4% +18	218	+4.4% +9
Gross sales	2,764	2,821	3,155	2,857	2,733	▲1.1% ▲31	2,821	+0.0% +0	3,174	+0.6% +19	2,896	+1.4% +39
Department Store	80	47	107	50	35	▲56.6% ▲45	48	+2.8% +1	95	▲10.3% ▲11	60	20.7% +10
Supermarket	15	21	32	20	21	+35.7% +6	21	▲1.8% ▲0	37	+15.3% +5	21	3.6% +1
Shopping Center	13	8	12	6	13	▲2.9% ▲0	8	▲0.5% ▲0	13	+2.8% +0	5	▲14.0% ▲1
Other	66	▲18	▲12	▲14	105	+60.1% +40	▲12	- +6	▲6	- +5	▲11	- +3
Consolidation adjustments	▲82	▲0	▲0	▲3	▲119	- ▲37	▲1	- ▲1	▲5	- ▲4	▲4	- ▲1
Operating profit	93	57	139	59	55	▲40.6% ▲38	64	+10.8% +6	134	▲3.5% ▲5	71	+20.1% +12

Results Trends by Segment – Department Store Business

(JPY 100M)	FY2024				FY2025							
	1Q	2Q	3Q	4Q	1Q	YoY change (%/amount)	2Q	YoY change (%/amount)	3Q	YoY change (%/amount)	4Q	YoY change (%/amount)
	Gross sales	1,554	1,496	1,766	1,533	1,393	▲10.3% ▲160	1,472	▲1.6% ▲24	1,767	+0.0% +1	1,578
Net sales	457	463	542	459	417	▲8.9% ▲41	450	▲2.8% ▲13	535	▲1.4% ▲8	452	▲1.6% ▲7
Gross profit	338	327	390	330	305	▲9.8% ▲33	321	▲1.8% ▲6	387	▲0.7% ▲3	332	+0.4% +1
SG&A expenses	259	280	283	281	270	+4.6% +12	273	▲2.6% ▲7	292	+3.0% +8	272	▲3.2% ▲9
Operating profit	80	47	107	50	35	▲56.6% ▲45	48	+2.8% +1	95	▲10.3% ▲11	60	+20.7% +10

Results trends by Segment — Supermarket Business

(JPY 100M)	FY2024				FY2025							
	1Q	2Q	3Q	4Q	1Q	YoY change (%/amount)	2Q	YoY change (%/amount)	3Q	YoY change (%/amount)	4Q	YoY change (%/amount)
Gross sales	1,034	1,078	1,130	1,043	1,064	+2.9% +30	1,096	+1.7% +18	1,137	+0.6% +6	1,028	▲1.5% ▲16
Net sales	995	1,038	1,086	1,007	1,023	+2.8% +28	1,054	+1.6% +17	1,090	+0.4% +4	991	▲1.6% ▲16
Gross profit	311	326	340	318	320	+3.1% +10	330	+1.2% +4	345	+1.5% +5	316	▲0.9% ▲3
SG&A expenses	295	305	307	298	299	+1.4% +4	309	+1.4% +4	308	+0.0% +0	294	▲1.2% ▲3
Operating profit	15	21	32	20	21	+35.7% +6	21	▲1.8% ▲0	37	+15.3% +5	21	+3.6% +1

Non-operating income and expenses / Extraordinary income and losses

(JPY 100M)	FY2024	FY2025	Change	Main Changes
Operating profit	348	324	▲ 24	
Non-operating income/expenses	11	21	+10	<ul style="list-style-type: none"> • Decrease in dividend income ▲ 2 • Decrease due to foreign exchange impact ▲ 2 • Decrease in expenses related to purchase of shares of subsidiaries +7 • Changes in other non-operating income/expenses +7
Ordinary profit	359	345	▲ 14	
Extraordinary income/loss	154	10	▲ 145	<ul style="list-style-type: none"> • Increase in subsidy income +14 • Decrease in gain on step acquisitions ▲ 80 • Decrease in gain on sale of shares of subsidiaries ▲ 17 • Decrease in gain on sale of investment securities ▲ 11 • Decrease in demolition of buildings +20 • Decrease in Outplacement assistance expenses +18 • Increase in impairment loss ▲ 66 • Increase in loss on retirement of non-current assets ▲ 22
Profit before tax	513	355	▲ 159	
Income taxes, non-controlling interests	165	55	▲ 110	
Profit	348	300	▲ 49	

Capital investment / Depreciation

Capital investment

(JPY 100M)	FY2024 results	FY2025 results	Main Items	FY2026 forecast
Department Store	60	109	Renovation of Hankyu Main Store, Hanshin Umeda Main Store, and Kawanishi Hankyu Square	75
Supermarket	65	49	New store opening and store renovations of supermarket	76
Shopping Center	21	25	Oi Development Room renovation work	47
Other	173	93		143
IT/DX	123	83	H2O Retailing system investment	135
Ningbo	43	1		—
Total	313	276		341

Depreciation

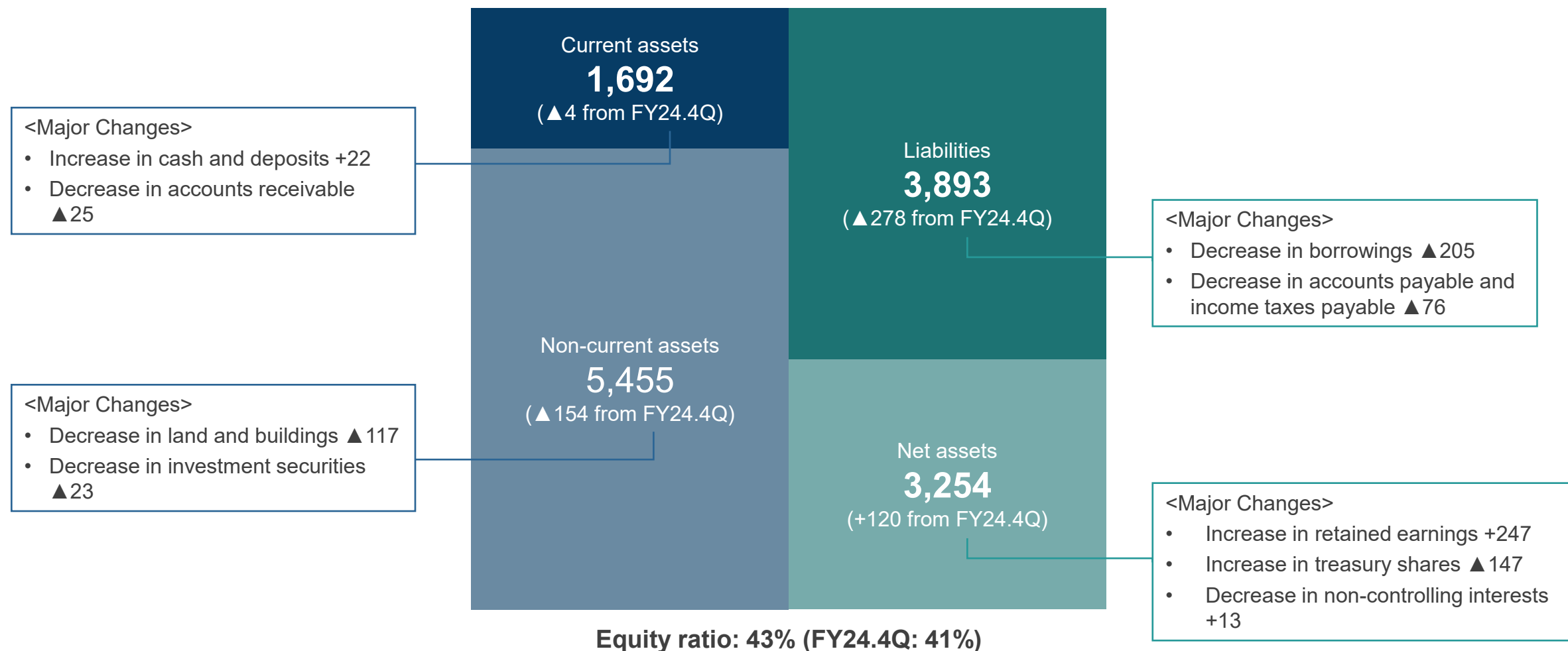
(JPY 100M)	FY2024	FY2025	YoY amount
Consolidated total	235	248	+13

Consolidated B/S

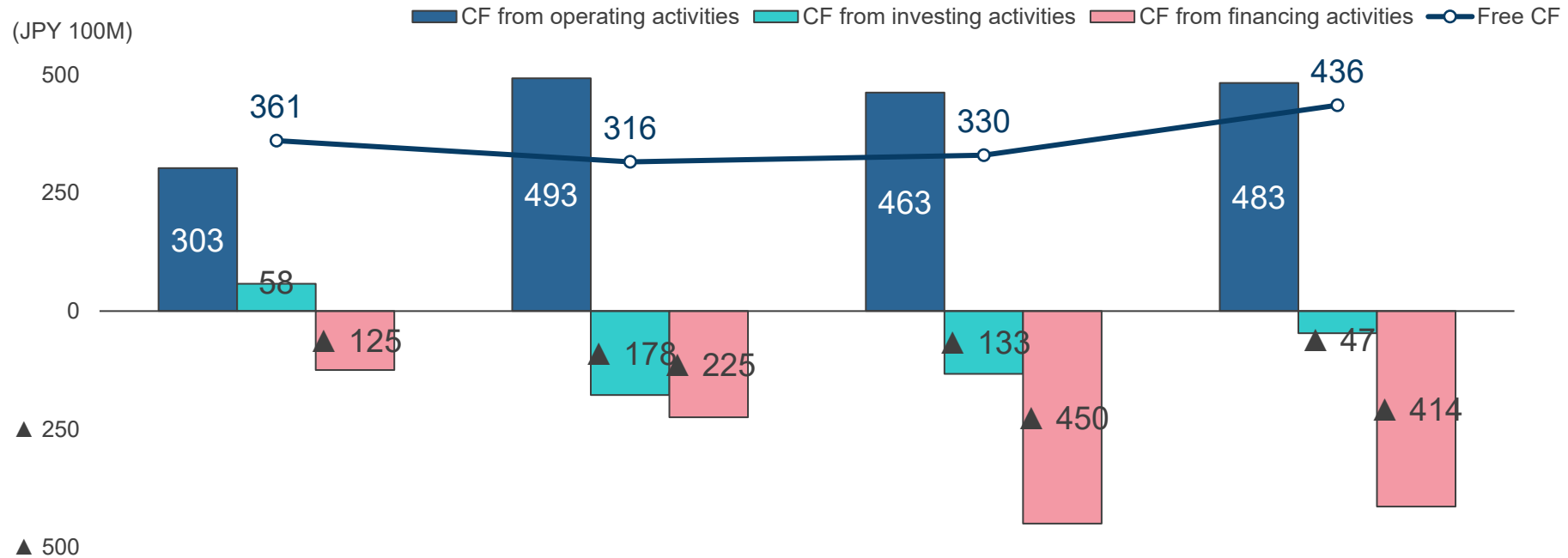
▶ Fixed assets decreased due to asset sales and impairment losses, while treasury stock increased by JPY 14.7 bn.

(JPY 100M)

Total assets: 7,147 (▲ 158 from FY24.4Q)



Consolidated Statement of Cash Flows



(JPY 100M)	FY2022	FY2023	FY2024	FY2025	YoY amount
Cash flows from operating activities	303	493	463	483	+21
Cash flows from investing activities	58	▲178	▲133	▲47	+86
Free Cash Flow	361	316	330	436	+106
Cash flows from financing activities	▲125	▲225	▲450	▲414	+35
Cash and cash equivalents at end of period	570	664	549	578	+29

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