

**H2O RETAILING CORPORATION**  
**Supplementary Information**  
**to Financial Results**  
**of the Fiscal Year**  
**Ending March 31, 2024**

Nov. 2, 2023

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**I. Consolidated Financial Results**

I. Consolidated statements of income

< Overview of financial results >

(Millions of yen)

	Sep. 30, 2021 Amount	Sep. 30, 2022 Amount	Amount	Sep. 30, 2023			
				YoY	Inc./Dec	Vs. forecast	Inc./Dec
Department Store	154,306	220,475	259,140	117.5%	+ 38,664	103.8%	+ 9,494
Supermarket	149,228	205,832	210,904	102.5%	+ 5,072	99.9%	△ 190
Shopping Center	24,560	17,497	15,807	90.3%	△ 1,689	88.2%	△ 2,112
Other	15,976	17,740	19,336	109.0%	+ 1,596	111.5%	+ 1,997
Gross sales	344,072	461,546	505,189	109.5%	+ 43,643	101.9%	+ 9,189
Net sales	237,020	304,425	318,543	104.6%	+ 14,117	98.9%	△ 3,456
Department Store	△ 4,075	1,626	7,039	432.9%	+ 5,413	170.4%	+ 2,909
Supermarket	2,396	1,643	4,123	250.9%	+ 2,480	90.7%	△ 421
Shopping Center	△ 6	867	1,792	206.7%	+ 925	159.9%	+ 671
Other	△ 2,348	△ 1,563	1,318	-	+ 2,882	-	+ 1,387
Consolidation adjustment	△ 1,114	△ 1,458	△ 4,376	-	△ 2,918	-	△ 1,649
Operating profit	△ 5,148	1,114	9,897	888.4%	+ 8,783	141.4%	+ 2,897
Ordinary profit	△ 4,189	2,835	10,664	376.1%	+ 7,829	159.2%	+ 3,964
Extraordinary income	19,886	5,029	988	19.6%	△ 4,041		
Extraordinary losses	4,809	3,144	1,178	37.5%	△ 1,966		
Profit	8,085	2,790	6,294	225.6%	+ 3,504	314.7%	+ 4,294

\* The Company has applied "Accounting Standard for Revenue Recognition" from the beginning of 1Q, FY2022.

< Selling, general and administrative expenses >

(Millions of yen)

	Sep. 30, 2021 Amount	Sep. 30, 2022 Amount	Amount	Sep. 30, 2023	
				YoY	Inc./Dec
Personnel expenses	40,127	47,013	46,954	99.9%	△ 59
Rent expenses	18,260	23,468	23,982	102.2%	+ 514
Advertising expenses	2,937	4,169	4,269	102.4%	+ 99
Depreciation	7,590	8,932	9,181	102.8%	+ 248
Business consignment expenses	9,409	10,502	10,873	103.5%	+ 371
Sales commission	2,474	4,212	5,161	122.5%	+ 949
Transportation costs	7,131	8,491	8,308	97.8%	△ 183
Other	15,042	18,630	18,420	98.9%	△ 209
Total	102,973	125,419	127,150	101.4%	+ 1,730

\* The Company has applied "Accounting Standard for Revenue Recognition" from the beginning of 1Q, FY2022.

< Non-operating Income and Expenses >

(Millions of yen)

	Sep. 30, 2021 Amount	Sep. 30, 2022 Amount	Amount	Sep. 30, 2023	
				YoY	Inc./Dec
Non-operating income	2,588	3,088	1,912	61.9%	△ 1,176
Interest income	249	277	155	55.8%	△ 122
Dividend income	593	629	668	106.1%	+ 38
Gain on debt settlement	453	421	346	82.1%	△ 75
Foreign exchange gains	890	1,357	164	12.1%	△ 1,193
Share of profit of entities accounted for using equity method	-	-	61	-	+ 61
Other	402	401	516	128.6%	+ 114
Non-operating expenses	1,629	1,367	1,145	83.7%	△ 222
Interest expenses	475	492	446	90.7%	△ 45
Loss on provision for redemption of gift certificates	362	339	273	80.7%	△ 65
Share of loss of entities accounted for using equity method	483	225	-	-	△ 225
Other	307	310	424	136.8%	+ 114

\* The Company has applied "Accounting Standard for Revenue Recognition" from the beginning of 1Q, FY2022.

< Extraordinary Income and Losses >

(Millions of yen)

	Sep. 30, 2021 Amount	Sep. 30, 2022 Amount	Amount	Sep. 30, 2023
				Major items
Extraordinary income	19,886	5,029	988	
Gain on sale of non-current assets			988	H2O Shopping Center Development
Extraordinary losses	4,809	3,144	1,178	
Loss on retirement of non-current assets			794	Hankyu Hanshin Department Stores, etc.
Office relocation expenses			282	Consolidation of Supermarket business head office
Loss on store closings			101	

2. Consolidated Balance sheet

(Millions of yen)

	Sep. 30, 2021	Mar. 31, 2023	Sep. 30, 2023
Cash and deposits	31,012	58,670	54,994
Notes and accounts receivable - trade	60,495	68,572	67,972
Inventories	22,004	21,234	21,227
<b>Total current assets</b>	<b>124,057</b>	<b>161,408</b>	<b>157,202</b>
Property, plant and equipment	308,956	303,253	303,666
Intangible assets	17,130	19,764	24,028
Investments and other assets	223,087	201,997	206,736
<b>Total non-current assets</b>	<b>549,175</b>	<b>525,015</b>	<b>534,432</b>
<b>Total assets</b>	<b>673,233</b>	<b>686,423</b>	<b>691,634</b>
Notes and accounts payable - trade	54,547	63,674	70,422
Loans payable and bonds	181,729	179,267	169,056
<b>Total liabilities</b>	<b>398,619</b>	<b>413,608</b>	<b>410,457</b>
Shareholders' equity	203,100	206,213	209,003
<b>Total net assets</b>	<b>274,613</b>	<b>272,814</b>	<b>281,177</b>
<b>Total liabilities and net assets</b>	<b>673,233</b>	<b>686,423</b>	<b>691,634</b>

3. Capital Investment

(Millions of yen)

	Sep. 30, 2023	
	Amount	Major items
Department Store	4,391	Renovations of Kobe Hankyu and Hankyu Main Store
Supermarket	3,775	Building purchase of Izumiya・Hankyu Oasis
Shopping Center	999	
Other	7,657	System investments of H2O Retailing
Consolidation adjustment	△ 31	
<b>Total</b>	<b>16,792</b>	

**II. Forecast of FY2024**

1. Forecast of consolidated financial results

(Millions of yen)

	1-2Q		3-4Q		FY2024	
	Amount	YoY	Forecast	YoY	Forecast	YoY
Department Store	259,140	117.5%	296,159	109.1%	555,300	112.9%
Supermarket	210,904	102.5%	210,905	100.3%	421,810	101.4%
Shopping Center	15,807	90.3%	19,082	105.6%	34,890	98.1%
Other	19,336	109.0%	18,663	101.3%	38,000	105.1%
Gross sales	505,189	109.5%	544,810	105.1%	1,050,000	107.2%
Net sales	318,543	104.6%	361,456	111.7%	680,000	108.3%
Department Store	7,039	432.9%	10,460	120.6%	17,500	169.9%
Supermarket	4,123	250.9%	3,843	100.5%	7,967	145.7%
Shopping Center	1,792	206.7%	1,255	133.5%	3,048	168.6%
Other	1,318	-	△ 1,499	-	△ 181	-
Consolidation adjustment	△ 4,376	-	△ 1,957	-	△ 6,334	-
Operating profit	9,897	888.4%	12,102	117.8%	22,000	193.2%
Ordinary profit	10,664	376.1%	11,835	116.4%	22,500	173.0%
Profit	6,294	225.6%	6,705	49.3%	13,000	79.4%

\* The Company has applied "Accounting Standard for Revenue Recognition" from the beginning of 1Q, FY2022.

2. Forecast of Capital Investment

(Millions of yen)

	FY2024	
	Forecast	Major items
Department Store	8,814	Remodel of Kobe Hankyu and Takatsuki Hankyu, Hankyu Umeda Main Store
Supermarket	8,153	New center of Food Delivery Business Store renovation of each Supermarket company
Shopping Center	2,145	Renovation of H2O Shopping Center Development stores
Other	15,759	Software renewal of merchandise and operational system , POS restructuring Consolidation of Supermarket business head office
Total	34,870	

### III. Non-consolidated results

#### 1. Hankyu Hanshin Department Stores, Inc.

< Overview of financial results >

(Millions of yen)

	Amount	YoY	Inc./Dec	Vs. forecast	Inc./Dec
Gross sales	257,479	117.5%	+ 38,271	103.2%	+ 8,031
Gross profit	57,404	116.7%	+ 8,224		
(Gross profit / Gross Sales)	22.29%	-	△0.14pt		
Other operating revenue	1,968	127.1%	+ 419	104.2%	+ 78
SG & A	52,368	106.5%	+ 3,206		
(SG & A / Gross Sales)	20.34%	-	△2.09pt		
Operating profit	7,004	447.0%	+ 5,437	168.6%	+ 2,849
Operating profit / Gross Sales	2.72%	-	+ 2.01pt	-	+ 1.05pt

\* Non-consolidated results shown above are reclassified on the basis before the application of "Accounting Standards for Revenue Recognition".

< Business results by stores >

(Millions of yen, thousands of people, m<sup>3</sup>)

	Amount	YoY	Number of customers	YoY	Sales area
Hankyu Main Store *1	139,753	119.2%	20,062	125.1%	98,418
Hanshin Umeda Main Store	30,253	122.1%	16,357	117.5%	52,996
Senri Hankyu	6,636	104.4%	1,778	94.7%	13,902
Takatsuki Hankyu	10,965	110.3%	4,445	114.9%	38,638
Kawanishi Hankyu	5,985	101.1%	2,496	105.8%	15,521
Takarazuka Hankyu *2	3,262	103.0%	-	-	6,148
Nishinomiya Hankyu	11,494	103.0%	5,713	101.1%	25,099
Kobe Hankyu	18,263	127.8%	7,916	116.2%	45,482
Hakata Hankyu	27,298	125.0%	13,273	127.2%	41,835
Hankyu Men's Tokyo	6,076	118.4%	1,094	118.9%	11,378
Oi Hankyu Food Hall	2,153	103.2%	2,443	103.4%	2,042
Tsuzuki Hankyu	1,483	100.0%	1,009	95.5%	1,917
Amagasaki Hanshin *2	1,459	103.1%	-	-	2,855
Hanshin Nishinomiya	1,961	100.8%	1,862	101.0%	4,998
Hanshin Mikage	254	102.9%	2,336	103.6%	804
Total of branch stores	97,295	114.5%	44,371	112.5%	210,620
Total stores*3	267,302	117.8%	80,791	116.4%	362,034

\*1. including Hankyu Men's Osaka

\*2. not counting the number of customers

\*3. including sales in tenants (¥9,822 million)

< Gross Sales of each category >

(Millions of yen)

	Amount	YoY	Share
Men's clothing	18,070	117.0%	6.8%
Women's clothing	28,267	114.2%	10.6%
Children's clothing	4,332	113.4%	1.6%
Other clothing	4,500	112.2%	1.7%
Clothing	55,170	114.9%	20.6%
Accessories, bags and others	62,153	131.2%	23.3%
Household merchandise	6,975	116.7%	2.6%
Foods	70,243	108.2%	26.3%
Restaurants & cafes	6,658	122.4%	2.5%
General merchandise	54,375	118.0%	20.3%
Service	1,240	138.1%	0.5%
Other	10,485	127.7%	3.9%
Total *	267,302	117.8%	100.0%

\* including sales in tenants (¥9,822 million)

< Monthly Sales >

	Apr.	May	Jun.	Jul.	Aug.	Sep.
Hankyu Main Store *	116.6%	113.3%	118.8%	115.9%	125.9%	126.1%
Hanshin Umeda Main Store	99.7%	117.1%	107.9%	118.0%	133.5%	158.3%
Total of branch stores	112.3%	115.6%	109.6%	114.9%	118.4%	116.3%
Total stores	112.9%	114.5%	114.1%	115.8%	123.8%	126.3%

\* Including Hankyu Men's Osaka

<Forecast of FY2024>

(Millions of yen)

	1-2Q		3-4Q		FY2024	
	Amount	YoY	Forecast	YoY	Forecast	YoY
Gross sales	257,479	117.5%	294,120	108.9%	551,600	112.7%
Other operating revenue	1,968	127.1%	2,061	111.0%	4,030	118.3%
Operating profit	7,004	447.0%	10,595	120.9%	17,600	170.4%

\* Non-consolidated results shown above are reclassified on the basis before the application of "Accounting Standards for Revenue Recognition".

<Gross sales forecast by stores>

(Millions of yen)

	1-2Q		3-4Q		FY2024	
	Amount	YoY	Forecast	YoY	Forecast	YoY
Hankyu Main Store *1	139,753	119.2%	154,259	107.2%	294,012	112.6%
Hanshin Umeda Main Store	30,253	122.1%	37,250	121.8%	67,504	122.0%
Senri Hankyu	6,636	104.4%	7,307	98.9%	13,944	101.4%
Takatsuki Hankyu	10,965	110.3%	12,319	103.4%	23,285	106.5%
Kawanishi Hankyu	5,985	101.1%	6,840	100.2%	12,826	100.6%
Takarazuka Hankyu	3,262	103.0%	3,871	107.6%	7,134	105.5%
Nishinomiya Hankyu	11,494	103.0%	13,103	100.2%	24,598	101.5%
Kobe Hankyu	18,263	127.8%	24,984	132.0%	43,248	130.2%
Hakata Hankyu	27,298	125.0%	29,610	103.1%	56,909	112.5%
Hankyu Men's Tokyo	6,076	118.4%	7,102	103.2%	13,179	109.7%
Oi Hankyu Food Hall	2,153	103.2%	2,367	99.5%	4,521	101.2%
Tsuzuki Hankyu	1,483	100.0%	1,747	101.3%	3,231	100.7%
Amagasaki Hanshin	1,459	103.1%	1,615	99.1%	3,075	101.0%
Hanshin Nishinomiya	1,961	100.8%	2,174	99.8%	4,136	100.2%
Hanshin Mikage	254	102.9%	276	102.3%	531	102.6%
Total of branch stores	97,295	114.5%	113,321	107.4%	210,617	110.6%
Total stores*2	267,302	117.8%	304,831	108.9%	572,133	112.9%

\*1. including Hankyu Men's Osaka

\*2. including sales in tenants



**2. Izumiya・Hankyu Oasis Co., Ltd.**

< Overview of financial results >

(Millions of yen)

	Amount	YoY	Inc./Dec	Vs. forecast	Inc./Dec
Gross sales	122,918	102.5%	+ 3,044	98.2%	△ 2,267
Gross profit	33,109	103.3%	+ 1,053		
(Gross profit / Gross Sales)	26.94%	-	+0.19pt		
Other operating revenue	9,189	110.8%	+ 894	109.9%	+ 827
SG & A	39,464	100.0%	△ 4		
(SG & A / Gross Sales)	32.11%	-	△0.82pt		
Operating profit	2,834	321.4%	+ 1,952	83.9%	△ 545
Operating profit / Gross Sales	2.31%	-	+1.57pt	-	△0.39pt

\* Non-consolidated results shown above are reclassified on the basis before the application of "Accounting Standards for Revenue Recognition".

<Number of stores>

	Total	YoY difference
Izumiya	73	△3
Hankyu Oasis	77	±0

< Opening and closing stores >

Opening	-
Closing	Family Mart × Izumiya Higashi Mikuni 4-chome Family Mart × Izumiya Teramadacho Higashi

< Monthly Sales >

	Apr.	May	Jun.	Jul.	Aug.	Sep.
Existing stores	102.6%	103.3%	104.4%	102.9%	104.9%	105.6%

<Forecast of FY2024>

(Millions of yen)

	1-2Q		3-4Q		FY2024	
	Amount	YoY	Forecast	YoY	Forecast	YoY
Gross sales	122,918	102.5%	123,661	100.8%	246,580	101.7%
Other operating revenue	9,189	110.8%	8,165	99.9%	17,355	105.4%
Operating profit	2,834	321.4%	2,239	92.0%	5,074	153.1%

\* Non-consolidated results shown above are reclassified on the basis before the application of "Accounting Standards for Revenue Recognition".

**3.Kansai Super Market Ltd.**

< Overview of financial results >

(Millions of yen)

	Amount	YoY	Inc./Dec	Vs. forecast	Inc./Dec
Gross sales	65,146	103.6%	+ 2,249	101.7%	+ 1,072
Gross profit	17,207	105.2%	+ 850		
(Gross profit / Gross Sales)	26.41%	-	+0.41pt		
Other operating revenue	1,014	99.8%	△ 2	100.3%	+ 2
SG & A	16,201	99.6%	△ 70		
(SG & A / Gross Sales)	24.87%	-	△1.00pt		
Operating profit	2,020	183.5%	+ 919	128.7%	+ 450
Operating profit / Gross Sales	3.10%	-	+ 1.35pt	-	+ 0.65pt

\*1. Financial results of Kansai Super Market Ltd. are consolidated with KSP Co., Ltd.

Consolidated results shown above are reclassified on the basis before the application of "Accounting Standards for Revenue Recognition"

\*2. Due to the partial revision of accounting classifications following the business integration, YoY change based on the same accounting standards is shown.

<Number of stores>

	Total	YoY difference
Kansai Super Market	63	△1

< Opening and closing stores >

Opening	-
Closing	-

< Monthly Sales >

	Apr.	May	Jun.	Jul.	Aug.	Sep.
Existing stores	102.6%	103.1%	105.6%	107.7%	103.5%	105.1%

< Forecast of FY2024 >

(Millions of yen)

	1-2Q		3-4Q		FY2024	
	Amount	YoY	Forecast	YoY	Forecast	YoY
Gross sales	65,146	103.6%	64,888	100.4%	130,035	102.0%
Other operating revenue	1,014	99.8%	1,016	99.8%	2,030	99.8%
Operating profit	2,020	183.5%	1,730	96.9%	3,750	129.9%

\*1. Financial results of Kansai Super Market Ltd. are consolidated with KSP Co., Ltd.

Consolidated results shown above are reclassified on the basis before the application of "Accounting Standards for Revenue Recognition"