Isetan Mitsukoshi Group Financial Results Explanation Meeting for the Three Months Ended June 30, 2025

August 8, 2025

Isetan Mitsukoshi Holdings

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1. Summary of the Results for the First Quarter of the Fiscal Year Ending March 2026 (FY2025)

- **Domestic customer sales increased more than expected, mainly from "identified customers"**
- **Overseas customer sales, which was particularly high in previous year, declined mainly due to lower per customer spending**
- **As a result of cost controls that exceeded plan, operating profit was 15.6 billion yen, tracking well in line with the full-year plan of 78.0 billion yen**

2. Consolidated Results for FY2025 Q1

- Gross sales: Domestic customer sales remained firm, but overall sales declined due to the impact of overseas customer sales
- SG&A expenses: Efficiency improvement was promoted through flexible cost control
- Profit: Increased significantly due to the sale of shares of affiliated companies

(0.1 billions of yen)	Q1 (April-June) results	YoY	YoY difference
Gross sales	3,012	94.8%	(166)
Net sales	1,241	95.8%	(55)
Gross profit	769	95.6%	(35)
SG&A expenses	613	99.5%	(3)
Operating profit	156	82.9%	(32)
Ordinary profit	170	80.5%	(41)
Profit	188	137.5%	+51

3. Results of Gross Sales at Our Major Department Stores in Japan (by Store and Company)

- The five stores in the Tokyo metropolitan area saw a revenue down at 96% YoY, but domestic customer sales increased 3% and remained firm
- The five major regional companies posted lower revenue at 94% YoY. A decrease in overseas customer sales, mainly at large stores, had an impact

(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover*
Isetan Shinjuku Main Store	972	95.2%	(48)	980
Mitsukoshi Nihombashi Main Store	393	99.0%	(3)	421
Mitsukoshi Ginza Store	291	95.7%	(12)	316
Isetan Tachikawa Store	74	97.1%	(2)	75
Isetan Urawa Store	83	95.8%	(3)	84
Isetan Mitsukoshi Total	1,815	96.2%	(71)	1,879

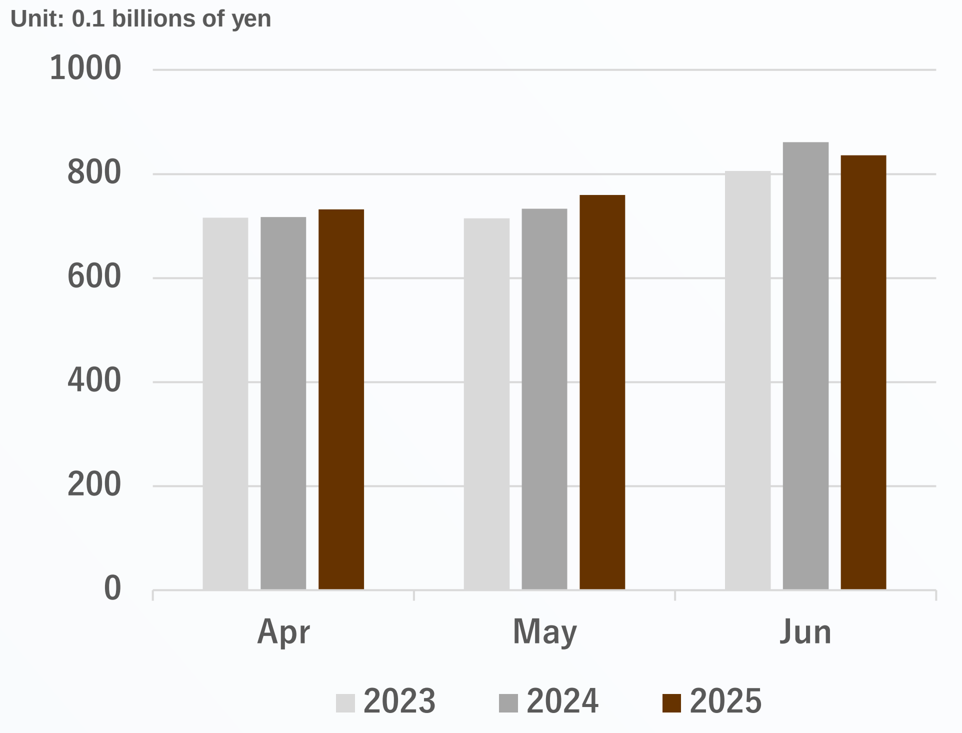
(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover*
Sapporo Marui Mitsukoshi	136	96.1%	(5)	147
Sendai Mitsukoshi	58	94.1%	(3)	59
Nagoya Mitsukoshi	141	92.9%	(10)	200
Niigata Isetan Mitsukoshi	80	98.9%	(0)	81
Iwataya Mitsukoshi	302	91.1%	(29)	311
Total of 5 major regional companies	718	93.5%	(50)	800

*Total turnover, including sales of department store tenants and sales of merchandise handled outside department stores

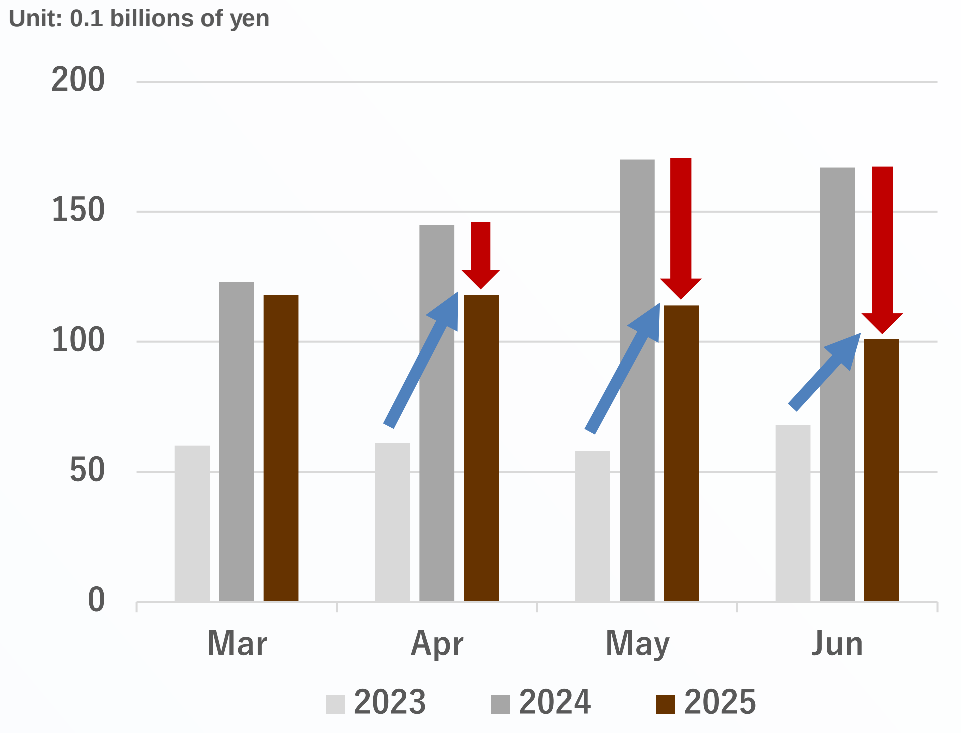
4. Overview of Sales by Customer Segment

- [Domestic customer sales] Increased per customer spending contributed to steady growth compared to the previous year's results
  In addition, growth was achieved compared to the results in the year before last
- [Overseas customer sales] From April onward, results fell substantially below the previous year's results, due to significantly decreased per customer spending
  On the other hand, results compared with the year before last showed a significant increase

Domestic customer sales



Overseas customer sales



*FY2025 results: Clearance sales were pushed back from June to July, which had a negative impact of approximately 860 million yen on June results.

5.Factors contributing to the increase in domestic customer sales

- The number of customers visiting stores remained virtually flat YoY
- Per customer spending increased by promoting identification measures and strengthening customer relationships

Components of sales (Total domestic department stores)

(1) YoY change in components

Number of purchasing customers	×	Per customer spending	=	Sales
97%		105%		101%

(2) Progress in individual customer business process activity

Attracting customers	• The number of customers visiting stores was virtually flat YoY • Significant growth in the number of app members
Identification	• Significant growth in number of identified customers • In addition, the number of W member customers has also increased substantially
Expansion of use	• Identified customer gross sales grew • In addition, the share of identified customer gross sales also grew
Lifetime customerization	• Steady sales in the base network

Trends in sales by customer segment

Trends are outpacing the previous year thanks to enhanced "individual" marketing

	YoY
Identified customer sales (Customer KPIs)	103%
W member customer sales (MICARD + MITSUKOSHI ISETAN App)	112%
Sales to customers purchasing more than 3 million yen across the Group (Customer KPIs)	108%
Sales to customers purchasing more than 10 million yen across the Group	114%

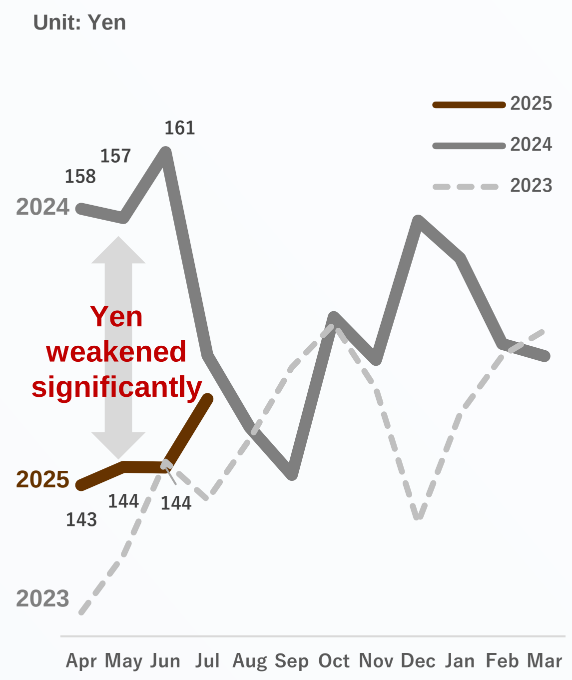
6. Factors of Decrease in Overseas Customer Sales

- In the previous year, the yen's weakness and rush demand ahead of price revisions for high-priced products led to a jump in the share of those products and a substantial uptick in per customer spending
  ➡Sales decreased due to a downturn in per customer spending associated with the special factors in the previous year

Number of purchasing customers	×	Per customer spending	=	sales
89%		77%		69%

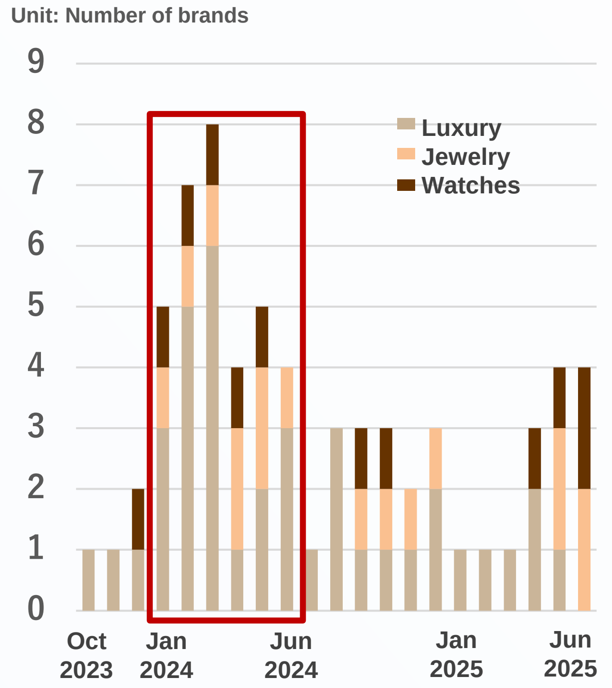
Special factor (1) Impact of foreign exchange rates

In FY2024, the yen continues to weaken significantly, making purchases in Japan relatively inexpensive for overseas customers



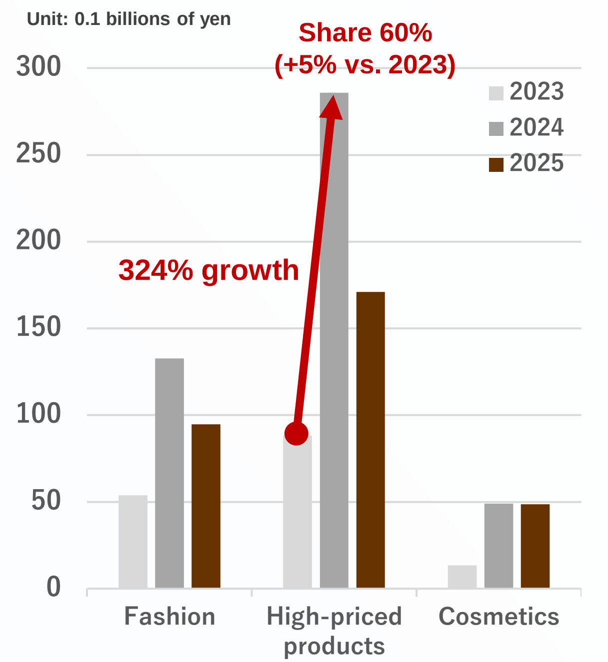
Special factor (2) Price increase for high-priced products

Price increases for high-priced products, such as specially selected items, jewelry and watches, were concentrated in the first half of 2024



Special factor (3) Change in MD balance

Rush demand ahead of price revisions for high-priced products drove a substantial increase in the share of such products in FY2024



*Fashion: Women's clothing, women's accessories, men's clothing, baby and children's clothing
*High-priced products: Specially selected items, jewelry, watches

7. Changes in Consolidated SG&A Expenses

- Total SG&A expenses were **reduced by 0.3 billion yen YOY** through the promotion of cost structure reform to address increased expenses (up 0.8 billion yen) from rising prices.
- Cost structure reform is **outpacing** the annual plan announced in May **with a reduction of 4.3 billion yen** (achievement rate of approx. 40% in Q1).

			Breakdown of YoY increase/decrease				
			Current year increase/decrease				
(0.1 billions of yen)	Q1 (April–June) results	YoY changes	Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Others
Personnel expenses	218	(0)	(8)			+7	
Advertising expenses	19	+1	(0)				+1
Lease payments	75	(5)	(6)	(0)			
Business consignment expenses	69	(3)	(0)				(3)
Depreciation and amortization	57	+1	(0)		+0		+1
Utilities expenses	20	(0)	(1)			+1	
Others	151	+3	(2)	(1)		+1	+5
Total	613	(3)	(17)	(1)	+0	+8	+4

8. Results by Segment (First Quarter)

- Department store business: Operating profit decreased by 3.2 billion yen mainly due to a decrease in overseas customer sales
- Credit & financial business: Revenue increased due to an increase in members resulting from the introduction of MICARD BASIC
  Profit increased excluding special factors due to changes in accounting treatment in the previous fiscal year
- Real estate business: Profit increased due to higher rental income from leased properties

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	YoY difference
Department store business	2,792	94.5%	1,022	124	(32)
Credit & finance business / Customer organization management business	95	101.5%	84	17	(4)
Real estate business	49	77.0%	49	8	+1
Other businesses	75	112.1%	84	6	+3
Total	3,012	94.8%	1,241	156	(32)

*Operating profit in the "others" segment includes an adjustment (140 million yen)

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I: Results for the First Quarter of the Fiscal Year Ending March 2026 (FY2025)

II: Full-Year Plan for the Fiscal Year Ending March 2026 (FY2025)

1. Summary of FY2025 Full-Year Plan

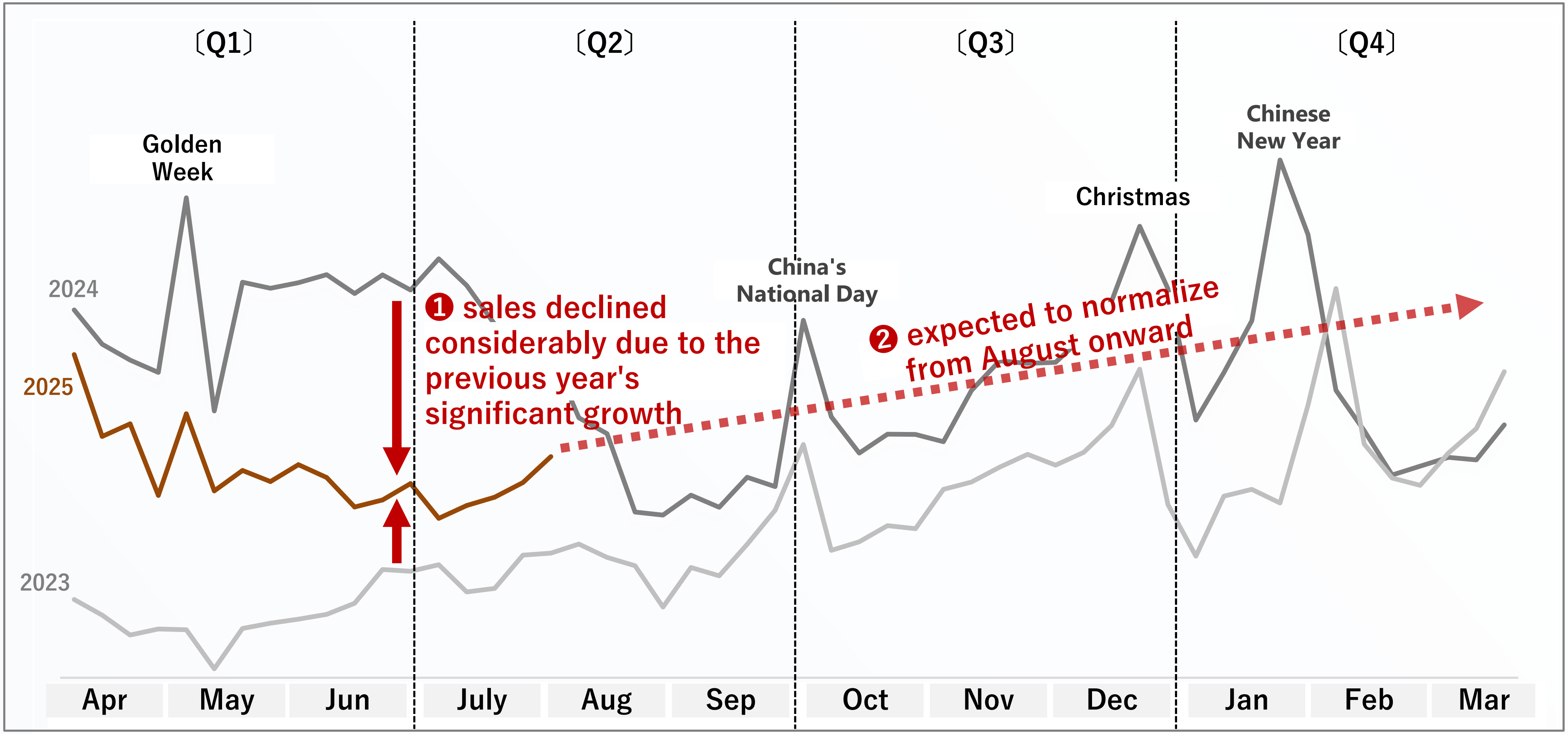
No change from the full-year plan announced in May

Maintain the plan for operating profit of 78.0 billion yen and profit of 60.0 billion yen

- **For domestic customers, we will strengthen personalized proposals for identified customers, including out-of-store-sales, along with accelerating identification of customers using MICARD BASIC.**
- **For overseas customers, we will promote the expansion of the number of registrants for our global app to improve our CRM infrastructure, while also promoting individual marketing through overseas out-of-store-sales.**
- **Implementing flexible cost control commensurate with sales level from Q2 onward**

2. Domestic Department Stores: Overview of Sales by Customer Segment (Trends and Outlook for Overseas Customer Sales)

- (1) Q1: Significantly lower than the previous year's results, which had increased by over 250%. However, results were up compared with the year before last
- (2) From Q2 onward: The exceptional per customer spending in FY2024 has run its course, and recovery is expected from mid-August



3. Current Status and Future Initiatives (Domestic Customers)

- Sales remained steady thanks to the steady progress of key initiatives

➡ We will continue to promote key initiatives with the aim of further increasing sales

	Identification and expansion of use	Lifetime customerization
	MICARD BASIC (Credit card with no annual fee)	**Domestic out-of-store-sales**
Current status	**Identification** • MICARD enrollment numbers are strong • The number of normal accounts has remained positive since May **Expansion of use** • Card usage amounts have been higher than expected • Usage for daily necessities has stood out	• Promoting Tokyo metropolitan area customer-facing content proposals by regional out-of-store-sales representatives • Expanding individual customer demand forecasting model driven by data analysis for the out-of-store-sales representatives at both main stores
Going forward	**Identification** • Promotion of identification using MICARD BASIC as a hook • Recommending credit card types according to needs **Expansion of use** • Strengthening personalized approach using purchasing data	• Further expansion of content of attended sales • Gradually expanding the individual customer demand forecasting model driven by data analysis to the out-of-store-sales representatives nationwide

4. Current Status and Future Initiatives (Overseas Customers)

- Strengthened communication infrastructure for overseas customers with the launch of the global app and the establishment of Overseas Sales Division
  ➡ Moved schedule forward to this year for promoting personal communication aimed at identified customers, originally planned for next year

	Identification and expansion of use	Lifetime customerization
	Global app (App for overseas customers)	**Overseas out-of-store-sales**
Current status	Identification • Expanding membership by utilizing special benefit programs • Number of customers who registered in the app was achieved as planned	• Establishment of Overseas Sales Division (effective in April 2025) ➡Full-scale "individual" marketing ➡Total turnover: 92% compared to the previous year (197% compared to the year before last) *Recovery trend in July (YoY: 135%)
Going forward	Expansion of use • Personalized approach scheduled to start next fiscal year to be implemented from January 2026	• Establishment of a CRM infrastructure for overseas customers and development of services to be provided

2. FY2025 Consolidated Plan

- Maintain sales plan by strengthening personalized proposals to domestic identified customers, including out-of-store-sales
- While closely monitoring sales progress, implement flexible control of SG&A expenses

(0.1 billions of yen)	Full year	YoY	YoY difference
Gross sales	13,200	101.3%	+163
Net sales	5,570	100.3%	+14
Gross profit	3,400	100.7%	+23
SG&A expenses	2,620	100.2%	+6
Operating profit	780	102.2%	+16
Ordinary profit	740	84.0%	(141)
Profit attributable to owners of parent	600	113.6%	+71

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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.