Isetan Mitsukoshi Group Financial Results Explanation Meeting for the Six Months Ended September 30, 2025

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November 13, 2025

Isetan Mitsukoshi Holdings

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I, Yoshinori Makino, provided an overview of our second-quarter results and full-year plans, with a primary focus on quantitative performance.

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

Due to external factors, overseas customer gross sales, which had been strong in FY2024, declined; however, this was offset by growth in domestic identified customer gross sales, limiting the overall decrease in revenue.

We continued to promote control of selling, general and administrative expenses through cost structure reform.

Operating profit fell YoY, but progress against the full-year plan is in line.

Profit increased by 16% YoY to 29.3 billion yen.

We set a new record first-half profits.

Looking back at the first half, as noted at the start of the fiscal year, we recognize that overseas customer gross sales experienced a significant reactionary decline, particularly from April through July. We offset this impact through the expansion of domestic identified customer sales and disciplined control of selling, general and administrative expenses, resulting in operating profit landing almost in line with plan.

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

2. Consolidated Results for FY2025 Q2

- Gross sales: We continued to control SG&A expenses amid a decline in overseas customers due to a pullback from FY2024's strong performance
- Profit: We recorded a high for a first half (boosted by gains on the sale of shares of affiliated company) at 29.3 billion yen

(0.1 billions of yen)	Q2 (Apr-Sep) results	YoY	YoY difference	(Reference) Q2 (Jul-Sep)		
				Results	YoY	YoY difference
Gross sales	5,962	96.3%	(228)	2,949	97.9%	(62)
Net sales	2,538	96.1%	(102)	1,296	96.5%	(47)
Gross profit	1,561	96.6%	(55)	791	97.5%	(20)
SG&A expenses	1,246	98.3%	(21)	633	97.2%	(18)
Operating profit	314	90.2%	(34)	158	98.7%	(2)
Ordinary profit	331	85.5%	(56)	160	91.6%	(14)
Profit	293	115.7%	+39	105	90.1%	(11)

* Total turnover, including gross sales of department store tenants and sales of merchandise handled outside department stores, amounted to 627.2 billion yen

First, regarding sales revenue, the year-on-year index (base year = 100) was 94.8% for the first quarter, 97.9% for the second quarter, and 96.3% for the first half. Gross profit for the first half decreased by ¥5.5 billion compared to the same period last year. Selling, general, and administrative expenses were reduced by ¥0.3 billion in the first quarter and ¥1.8 billion in the second quarter, resulting in a total reduction of ¥2.1 billion compared to the same period last year. Operating profit decreased by ¥3.2 billion year-on-year in the first quarter but recovered to ¥15.8 billion in the second quarter, matching the previous year's level, resulting in a cumulative total of ¥31.4 billion for the first half. Adjusting operating income to ordinary income, non-operating income contributed a positive ¥1.7 billion, resulting in ordinary income of ¥33.1 billion. First-half net income reached ¥29.3 billion, surpassing the ¥25.3 billion recorded in the same period last year and setting a new record high for the first half, aided by extraordinary income recorded in the first quarter.

3. Results of Gross Sales Figures for Major Domestic Department Stores (by Store and Company)

- Mitsukoshi Nihombashi Main Store, which holds a high share of domestic customers, achieved gross sales exceeding the previous year's significant growth
- Even stores that saw a decline in revenue during H1 sustained steady domestic customer gross sales, particularly identified customers

(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover*
Isetan Shinjuku Main Store	1,924	97.1%	(57)	1,942
Mitsukoshi Nihombashi Main Store	771	101.1%	+8	828
Mitsukoshi Ginza Store	577	97.4%	(15)	631
Isetan Tachikawa Store	143	98.0%	(2)	144
Isetan Urawa Store	162	97.1%	(4)	163
Isetan Mitsukoshi Total	3,578	98.0%	(72)	3,711

(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover*
Sapporo Marui Mitsukoshi	274	95.7%	(12)	295
Sendai Mitsukoshi	117	96.3%	(4)	119
Nagoya Mitsukoshi	282	94.4%	(16)	400
Niigata Isetan Mitsukoshi	159	99.7%	(0)	161
Iwataya Mitsukoshi	606	95.7%	(27)	625
Total of 5 major regional companies	1,439	95.9%	(60)	1,602

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

On the next slide, the left side shows sales at Isetan Mitsukoshi's major stores and the right side shows sales at major regional stores. Beginning this year, we also display gross transaction value alongside sales. In the first half, the Isetan Shinjuku main store, the Mitsukoshi Ginza Store, and Iwataya Mitsukoshi—all of which had strong overseas customer gross sales last year—were somewhat challenged in the first quarter, but by the second quarter had returned to levels near the prior year. In the lower left, the total for Isetan Mitsukoshi overall reached 100% of the prior year in the second quarter.

4. Changes in Consolidated SG&A Expenses

- Business restructuring and SG&A expense control led to reductions from the previous year, mainly in personnel expenses and lease payments
- Progress is steady, with cumulative savings of 3.7 billion yen in H1 against a full-year reduction target of 4.3 billion yen through cost structure reforms

			Breakdown of YoY increase/decrease				
(0.1 billions of yen)	Q2 (Apr-Sep) results	YoY changes	Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Others
Personnel expenses	436	(6)	(18)			+11	
Advertising expenses	43	(0)	(2)				+2
Lease payments	148	(13)	(11)	(3)			
Business consignment expenses	138	(6)	(1)		+1	+3	(9)
Depreciation and amortization	114	+0	(0)		+1		(0)
Utilities expenses	48	(0)	(1)			+0	
Others	318	+6	(3)	(2)		+2	+10
Total	1,246	(21)	(37)	(5)	+2	+16	+2

Next, consolidated selling, general and administrative expenses. At the start of the year, we disclosed an expected ¥4.3 billion effect from cost structure reform for the full year. The first quarter saw a year-on-year reduction of ¥1.7 billion, and cumulative savings for the first half rose to ¥3.7 billion, achieving a total year-on-year reduction of ¥2.1 billion across SG&A. Please note that the “Other” line item includes some reclassifications among accounts and may show irregular movements; overall, however, we consider our SG&A control to have proceeded smoothly.

5. Performance by Segment

- Department store business: Profit progress is tracking in line with plan, although there was a significant pullback from the strong overseas customer gross sales in FY2024 due to the external environment.
- Credit & financial business: Profit increased in real terms excluding the impact (approx. 0.5 billion yen) of changes in accounting treatment in FY2024 Q1
- Real estate business: In addition to increased rental income from leased properties, the construction and interior business also performed well

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	Operating profit margin	YoY difference
Department store business	5,524	96.1%	2,094	254	4.6%	(41)
Credit & finance business/ Customer organization management business	182	102.9%	169	29	16.0%	(2)
Real estate business	114	86.6%	114	19	16.9%	+4
Other businesses*	140	107.2%	160	11	8.2%	+4
Total	5,962	96.3%	2,538	314	5.3%	(34)

*Operating profit in the other businesses segment includes an adjustment

Turning to segment performance, the department store business continued to post a sizeable year-on-year decline through the first quarter, but in the second quarter the shortfall narrowed to minus ¥0.9 billion. In the Credit & finance business/Customer organization management business, there were irregular accounting changes at MICARD in the prior-year first quarter; excluding that effect, profits increased on an underlying basis, and we are steadily building toward a full-year increase in earnings.

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1. Summary of FY2025 Full-Year Plan

Aiming to deepen engagement with domestic identified customers through the combined power of people and digital technology, and to drive sales growth through sophisticated and high-quality proposals

Stabilize overseas customer gross sales following the conclusion of FY2024's extraordinary performance period

Strengthen CRM to achieve medium-term growth in frequency and average transaction value

Maintaining the plan for record high operating profit of 78.0 billion yen announced in May

Raising the plan for profit by 2.0 billion yen to a record high of 62.0 billion yen

2. FY2025 Consolidated Plan

- Gross sales forecast revised based on the H1 performance of overseas customers gross sales, and other factors
- Operating profit forecast reiterated at a record 78.0 billion as announced in May, following a review of SG&A expenses
- Profit is projected to be 62.0 billion yen, an increase of 2.0 billion yen from the initial plan and also a record high

(0.1 billions of yen)	Full year	YoY	YoY difference	Variance from May plan
Gross sales	13,050	100.1%	+13	(150)
Net sales	5,560	100.1%	+4	(10)
Gross profit	3,370	99.8%	(6)	(30)
SG&A expenses	2,590	99.1%	(23)	(30)
Operating profit	780	102.2%	+16	-
Ordinary profit	770	87.4%	(111)	+30
Profit	620	117.4%	+91	+20

For the full-year consolidated plan, we are maintaining the operating profit target of ¥78.0 billion while revising our sales and SG&A plans. Gross sales are planned to be ¥15.0 billion below the initial plan. The first-half variance to plan was minus ¥7.8 billion, and we have revised the second-half plan to minus ¥7.2 billion versus the outset. As a result, gross profit is planned to be ¥3.0 billion below the initial plan. On the other hand, by revising selling, general and administrative expenses down from ¥262.0 billion to ¥259.0 billion, we will keep the initial operating profit plan of ¥78.0 billion unchanged and maintain our plan for a record high in operating profit. In bridging from operating profit to ordinary profit, we noted earlier a positive ¥1.7 billion in the first half. While our initial ordinary profit plan of ¥74.0 billion incorporated a conservative view on non-operating income, our outlook—including equity-method investment gains—has improved, and we are now revising ordinary profit up by ¥3.0 billion from the initial plan. Taking into account taxes and other items, we are also raising the plan for profit by ¥2.0 billion, to ¥62.0 billion, which substantially exceeds the previous record high.

3. Gross Sales Plan for Major Domestic Department Stores (by store and company)

- Isetan Shinjuku Main Store, Mitsukoshi Nihombashi Main Store, and Mitsukoshi Ginza Store plan to achieve further sales growth from the previous year, which saw significant expansion
- While some stores saw a decline in sales due to the pullback from the previous year's strong overseas customer gross sales, customer identification progressed steadily, helping to establish a solid foundation for future growth

(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover *
Isetan Shinjuku Main Store	4,250	100.9%	+37	4,290
Mitsukoshi Nihombashi Main Store	1,665	103.0%	+48	1,767
Mitsukoshi Ginza Store	1,266	101.9%	+24	1,353
Isetan Tachikawa Store	311	97.6%	(7)	314
Isetan Urawa Store	358	98.7%	(4)	361
Isetan Mitsukoshi Total	7,850	101.3%	+97	8,087

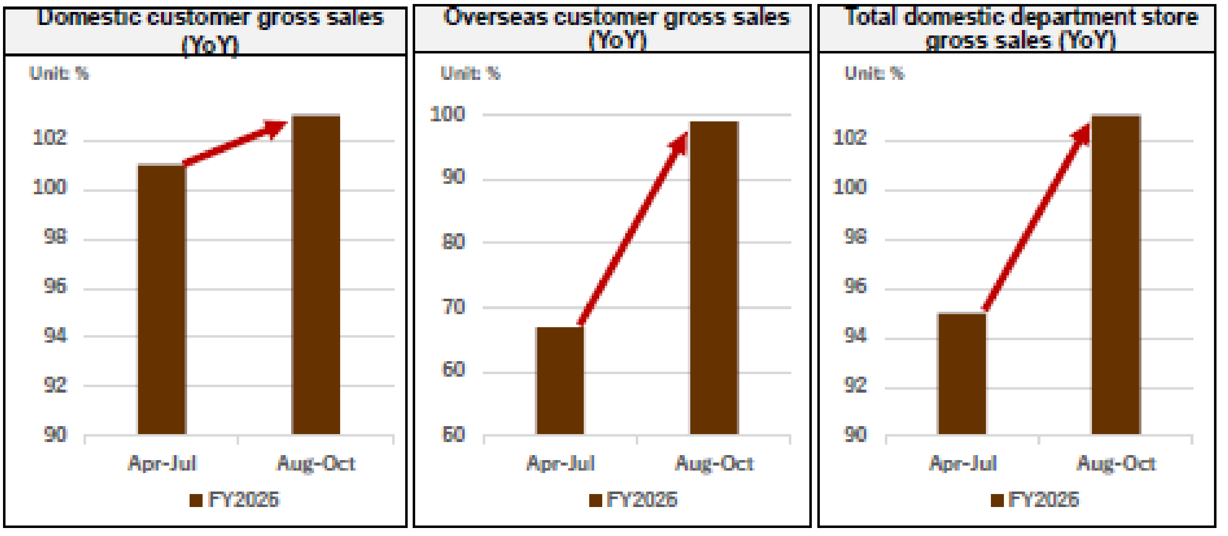
(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover *
Sapporo Marui Mitsukoshi	609	97.0%	(18)	655
Sendai Mitsukoshi	252	95.6%	(11)	256
Nagoya Mitsukoshi	601	95.1%	(31)	848
Niigata Isetan Mitsukoshi	343	100.9%	+3	347
Iwataya Mitsukoshi	1,325	99.7%	(4)	1,361
Total of 5 major regional companies	3,130	98.1%	(62)	3,469

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

Similar to the previous slide, I will explain the annual plans for each department store location. Isetan Shinjuku Main Store is planning for 100.9% of the previous year's sales. Mitsukoshi Nihombashi Main Store and Mitsukoshi Ginza Store, currently performing well, anticipate sales growth in the second half. Preliminary October figures have already been released: Isetan Shinjuku Main Store, Mitsukoshi Ginza Store, and Iwataya Mitsukoshi are showing around 105% year-on-year growth, while Mitsukoshi Nihonbashi Main Store has exceeded 10% year-on-year growth. We view this as a solid start to the second half.

4. Domestic Department Stores: Overview of Gross Sales by Customer Segment (Domestic and Overseas Customer Sales)

[Domestic customer gross sales]	Throughout H1, identified customers drove gross sales, exceeding the previous year's results
[Overseas customer gross sales]	April-July sales were sluggish due to the pullback from the previous year's exchange rates and rush demand ahead of price hikes for high-priced products Steady recovery has been underway since August, when the extraordinary conditions of the previous fiscal year faded

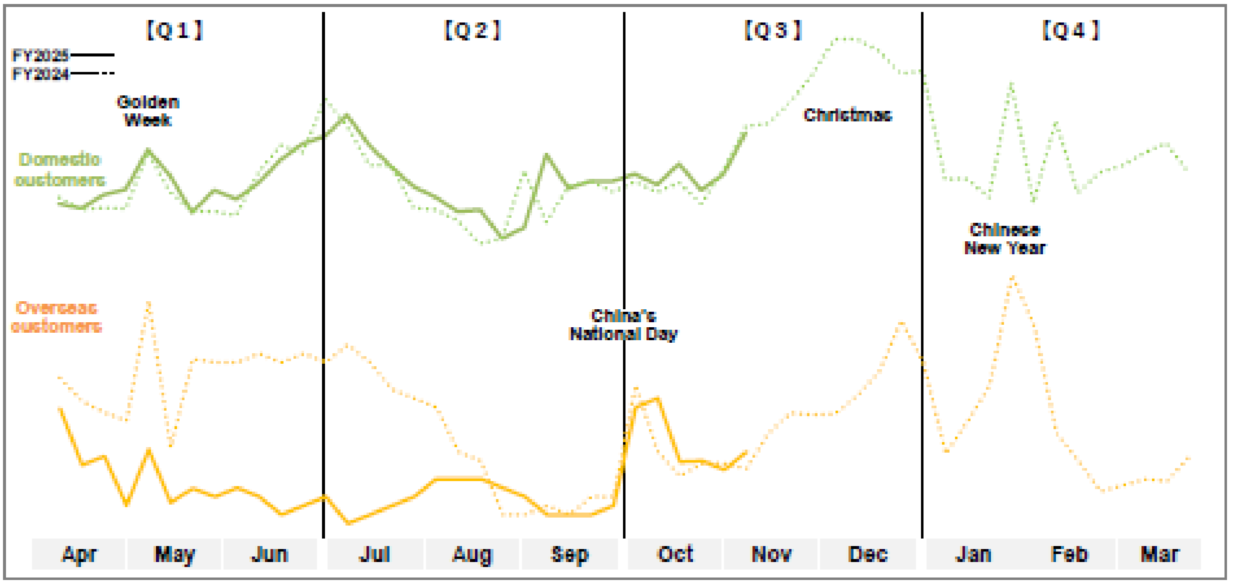


As a supplement on sales, we compare April and July with August and October, periods in which the reaction in overseas customers was particularly pronounced. Last year saw pre-price-increase rush demand at luxury brands, which likely had some impact on domestic customers as well; even so, domestic identified customer sales have led recent performance, trending slightly above April and July, with ongoing improvement. Overseas customer gross sales were 68% and below plan in April and July, but have recovered steadily since August: August and September were only slightly below the prior year, and in October we have recovered firmly to capture the prior-year level.

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

4. Domestic Department Stores: Overview of Gross Sales by Customer Segment

[Domestic customers] Sales remained firm in H1. We plan to continue increasing the number of identified customers and expanding usage in H2, aiming for stable growth
[Overseas customers] Recovery has been underway since mid-August. To achieve stable growth, we will launch initiatives to expand usage through overseas apps starting in H2



We then show quarterly trends (actuals and outlook) in domestic department store sales by customer segment. The upper panel plots domestic customers and the lower plots overseas customers, with the dotted lines for the prior year and the solid lines for the current year. Domestic customers have tracked close to the prior-year level and, from around September, have firmly captured that level. Overseas customers tracked slightly below the initial 80% plan through July, but from mid-August there have been many weeks exceeding the prior year, and the current trend is solid. Looking ahead, seasonal factors are expected to lift the sales peak from November onward. In last year's results, sales rose sharply from November through January, while February and March did not rise as much. Our approach is to lift third-quarter sales in line with the dotted (prior-year) trend and to accumulate profit solidly in February and March, ultimately surpassing the prior year and achieving the record operating profit of ¥78.0 billion.

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

5. Sales Plan for Department Stores in Japan

- The forecast for domestic customer gross sales has been revised upward, reflecting the solid performance in H1 and the elevation of the individual customer business process
- Overseas customer gross sales are projected to recover to the previous year's level in H2. Aiming expansion of usage through the evolution of apps for overseas customers

(0.1 billions of yen)	First half			Second half			Full year			
	Results	YoY	YoY difference	Plan	YoY	YoY difference	Plan	YoY	YoY difference	Variance from May plan
Isetan Mitsukoshi Total	3,578	98.0%	(72)	4,271	104.1%	+169	7,850	101.3%	+97	(50)
(of which) domestic customers	3,061	103.2%	+94	3,618	105.1%	+175	6,680	104.2%	+269	+95
(of which) overseas customers	517	75.7%	(166)	652	99.1%	(5)	1,170	87.2%	(172)	(145)
Total regional operating companies	1,691	95.5%	(79)	1,995	100.0%	+0	3,687	97.9%	(79)	(80)
(of which) domestic customers	1,564	98.3%	(27)	1,838	101.3%	+22	3,403	99.9%	(4)	(12)
(of which) overseas customers	127	71.0%	(52)	156	87.3%	(22)	284	79.1%	(74)	(68)
Total domestic department stores	5,270	97.2%	(152)	6,266	102.8%	+169	11,537	100.2%	+17	(130)
(of which) domestic customers	4,625	101.5%	+66	5,457	103.8%	+198	10,083	102.7%	+264	+83
(of which) overseas customers	644	74.7%	(218)	809	96.6%	(28)	1,454	85.5%	(246)	(213)

We summarize first-half actuals and second-half plan revisions for domestic customer gross sales and overseas customer gross sales across Isetan Mitsukoshi, regional operating companies, and the domestic department store total. At the consolidated level, gross sales are planned to be ¥15.0 billion below the initial plan, with the domestic department store total accounting for ¥13.0 billion of that shortfall. The variance to plan in the first half was minus ¥5.8 billion, and we have revised the second-half plan to minus ¥7.2 billion versus the outset, primarily by lowering the overseas customer gross sales plan. Domestic customer gross sales were initially planned at 100% year-on-year for the first half, but since actuals exceeded that level, we are planning a modest increase versus the initial plan.

6. Changes in Consolidated SG&A Expenses

- We implement flexible SG&A control based on sales progress through scientific analysis of department stores
- "Cost structure reform" is being promoted by sharing structural reform measures throughout the Group. The annual plan was revised upward to -6.5 billion yen

			Breakdown of YoY increase/decrease				
(0.1 billions of yen)	Full Year Plan	YoY changes	Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Others
Personnel expenses	923	(13)	(35)			+22	
Advertising expenses	96	+1	(2)				+3
Lease payments	305	(15)	(16)	+1			
Business consignment expenses	277	(6)	(3)		+1	+4	(9)
Depreciation and amortization	226	(0)	(0)		+2		(2)
Utilities expenses	92	(0)	(2)			+1	
Others	671	+10	(6)	+1		+4	+12
Total	2,590	(23)	(65)	+3	+3	+31	+4

Next is the consolidated plan for changes in selling, general and administrative expenses. We are revising the expected annual effect of cost structure reform to a ¥6.5 billion reduction. On a year-on-year basis, after carefully calibrating sales-linked expenses and with the impact of store closures in China under the cost structure reform largely completed in the first half, the reduction versus the prior year was ¥2.1 billion in the first half and is expected to be ¥2.3 billion for the full year. In line with the sales environment, we will consider an additional brake—namely, further cost control measures—if necessary.

7. Plans by Segment

- Department store business: Continue to expand gross sales to identified customers and control SG&A expenses by upgrading individual customer business process activities
- Credit & financial business: Plan for profit increase centered on the strong performance of the credit card business, with an expanded lineup
- Real estate business: Plan for YoY profit increase reflecting increased rental income from leased properties and a strong construction and interior business

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	Operating profit margin	YoY difference
Department store business	12,110	100.1%	4,600	649	5.4%	+3
Credit & finance business / Customer organization management business	384	103.9%	354	62	16.1%	+4
Real estate business	283	95.8%	283	39	13.8%	+2
Other businesses*	273	100.5%	323	30	11.0%	+6
Total	13,050	100.1%	5,560	780	6.0%	+16

* Operating profit in the other businesses segment includes an adjustment

Finally, regarding our full-year segment plans, the department store business is expected to increase sales in the second half and achieve year-on-year growth for the full year. We aim to achieve operating profit of ¥78 billion by securing profit growth across all segments, including the credit finance business, which continues to perform strongly. That concludes my presentation.

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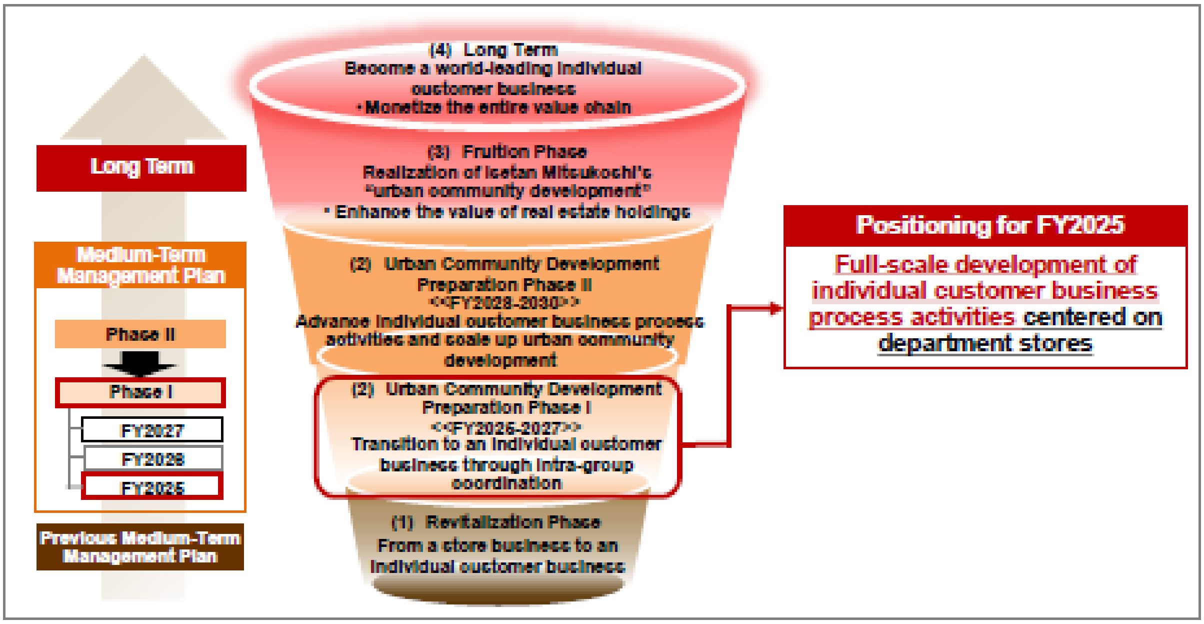
I, Toshiyuki Hosoya, will now present under the title “Progress on the medium-term management plan.”

1. Full-scale Individual Customer Business Process Activities

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

(1) Positioning of Phase I (FY2025-2027) and FY2025

Positioning of Phase I	Transformation into the "individual customer business model" using the "intra-group coordination" strategy



First, I will explain how we position 2025. We are taking a longer-term view of our management strategy. Specifically, we intend to pivot from the traditional Store business model to an Individual customer business model. In the Revitalization phase shown at the bottom of the chart, we spent 4 years elevating our department store business to record-high profits. By executing on three pillars—Scientific analysis of department stores, marketing shifting "from mass to individual," and our "Sophisticated and high-quality" strategy—we have achieved stronger outcomes. In the next phase, we will build on these results to advance initiatives that focus more intensely on our customers, while harnessing the power of intra-group coordination across the Group.

(2) Management Objectives "Financial KPIs"

[FY2025 plan/Operating profit]
- Maintaining original plan of 78.0 billion yen in light of recent recovery and further SG&A expense control

[FY2027 plan/Operating profit]
- Maintaining original plan of 85.0 billion yen in light of steady progress in individual customer business process activities

	FY2025				FY2027	
	H1 Results	Difference from FY2024	Full Year Plan	Difference from FY2024	Full Year Plan	Difference from FY2025
Gross sales	596.2 billion yen	-22.8 billion yen	1,306 billion yen	+1.3 billion yen	1,400 billion yen	+95 billion yen
SG&A expenses	124.6 billion yen	-2.1 billion yen	269 billion yen	-2.3 billion yen	280 billion yen	+31.0 billion yen
Operating profit	31.4 billion yen	-3.4 billion yen	78 billion yen	+1.8 billion yen	85 billion yen	+7 billion yen
Profit	28.3 billion yen	+3.9 billion yen	62 billion yen	+9.1 billion yen	62 billion yen	±0 billion yen
ROE	-	-	10.3%	+1.5%	9.8%	-0.5%

Therefore, going forward, we would like to focus more on "our customers" when providing explanations. That said, in response to requests for metrics, we will present 2 sets of KPIs: financial KPIs and customer KPIs unique to our company. There are 5 financial KPIs; regarding ROE, which we didn't mention it earlier full-year plan explanation, we expect a significant improvement versus the initial plan, potentially exceeding 10%.

1. Full-scale Individual Customer Business Process Activities

(2) Management Objectives “Customer KPIs”

- In H1 FY2025, both customer KPIs showed YoY growth, with the impact of individual customer business process activities becoming apparent
- Heading toward FY2027, we will enhance our individual customer business process activities and further expand gross sales from identified customers

	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) Gross sales to identified customers		(2) Gross sales to individual customers spending over ¥3 million annually groupwide	

	FY2025				FY2027	
	H1 Results	Compared to FY2024	Full Year Plan	Variance from May plan	Full Year Plan	Compared to FY2025
(1) Gross sales to identified customers	310.1 billion yen	104%	646 billion yen	±0 billion yen	687 billion yen	106%
(2) Gross sales to individual customers spending over ¥3 million annually groupwide	80.8 billion yen	111%	218 billion yen	+6 billion yen	233 billion yen	107%

Next, I will discuss the customer KPIs. To help you understand that the four phases of our Individual customer business process activities—“Attracting customers”, “Identification”, “Expansion of usage”, and “lifetime customerization”—are steadily progressing, we present identified customer sales for the first two phases (“Attracting customers” and “Identification”), and we disclose the purchase amount/gloss sales of customers who spend JPY 3 million or more annually with the Group for the latter two phases (“Expansion of usage” and “lifetime customerization”). The bottom of the table shows the status in the first half of FY2025. Both identified customer sales and net sales of customers purchasing JPY 3 million or more annually across the Group exceeded the prior year; in particular, total net sales from customers who purchased JPY 3 million or more during the year registered 111% year on year, delivering strong double-digit growth.

1. Full-scale Individual Customer Business Process Activities

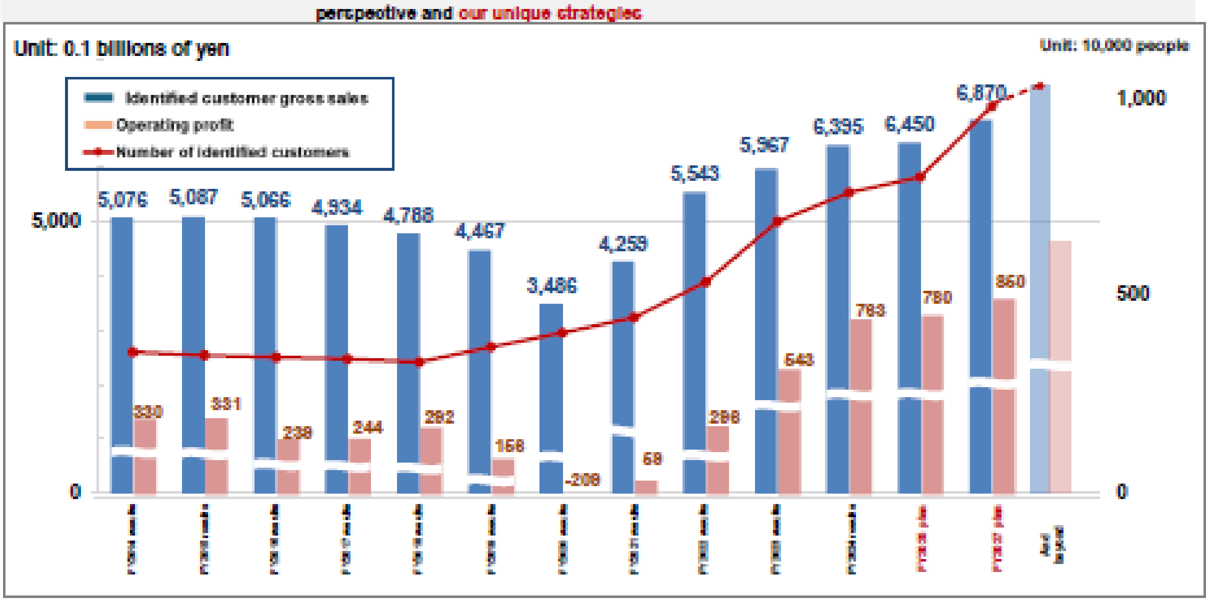
[Attracting customers] [Identification] [Expansion of usage] [Lifetime customerization]

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

[Number of identified customers] Steady growth driven by the introduction of MICARD BASIC and other initiatives
※overseas customer apps：will be counted toward the number of identified customers starting in FY2026, once two-way communication becomes available.

[Identified customer gross sales] In addition to increasing the number of identified customers, sales have steadily expanded through individual marketing activities

[Operating profit] Achieved significant growth by leveraging the strengths of business restructuring from a scientific perspective and our unique strategies



The correlation between the number of identified customers and their sales and operating profits is shown in the graph. The graph spans 10 years starting in 2024. The blue bars indicate identified customer sales, the pink bars indicate operating profit, and the red line indicates the number of identified customers. Identified customer sales dipped in the middle period due to COVID-19; prior to that, they were largely flat, and annual operating profit was in the JPY 20–30 billion range. However, after radically shifting our strategy to expand the base of identified customers, annual operating profit, which had been about JPY 30 billion, has evolved to the point where we are approaching JPY 70–80 billion. This clearly demonstrates how individualization directly links to profit. By driving this further, we foresee ample runway for additional expansion.

We have summarized in a table how we will push ahead—specifically, the operations and strategies we have implemented and will implement. We position “Attracting customers”, “Identification”, “Expansion of usage”, and “lifetime customerization” as a single stream of Individual customer business process activities, and we show what we have done and what we will do in each part. Items already underway are highlighted in the top row; items to be advanced going forward are shown in the bottom row.

1. Full-scale Individual Customer Business Process Activities

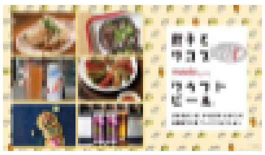
[Attracting customers] [Identification] [Expansion of usage] [Lifetime customerization]

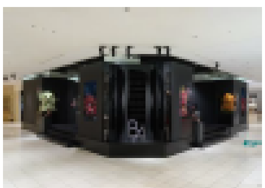
(4) Individual Customer Business Process Activities "Attracting Customers"

Promotion of sophisticated and high-quality remodeling

Pursuit of original content

- Maximizing attracting customers by stimulating new customer footfall through high-impact "curation and space creation"
- Additionally, we will acquire new customers by pursuing uniqueness, creating sophisticated and high-quality content, and utilizing identification tools





FY2025 H1 results

- Promoted the acquisition of new customer segments through collaborative initiatives
- Accelerated sophisticated and high-quality remodeling toward the optimal MD balance

Remodeling Impact of 3 flagship stores	124% YoY

*Remodeling Impact: Gross sales comparison of the remodeled floor space

Future developments

[Step1]
- Strengthening uniqueness to attract more customers from around the world

[Step2]
- Rollout to permanent development of unique content that enhances customer experiential value

[Step3]
- Build a continuous foundation for attracting customers

Let me first speak concretely about “Attracting customers”. We emphasize two points: promoting the “sophisticated and high-quality” remodeling and pursuing highly original content. We will cover collaboration projects on the next page, but “sophisticated and high-quality” remodeling is our approach to quantify and correct the optimal merchandising balance derived from the Scientific analysis of department stores. This enables us to proceed in a disciplined and data-driven manner. As a result, the remodeling effect at our three core stores grew to 124% year on year. As noted below, “remodeling effect” refers to comparisons of net sales in the areas that underwent remodeling.

1. Full-scale Individual Customer Business Process Activities

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

[TOPICS] Pursuit of original content

- Creating sophisticated and high-quality content through unique events such as limited-time promotions and advance sales

[Isetan Shinjuku Main Store] 1F Main Building The Stage

2025 H1 Results

Number of events planned	(of which) Number of limited-time events	(of which) Number of advance sale events	Gross sales versus plan
26	10	13	104%

[Valextra]
A Touch of Softness

Recycled denim created through collaboration
Roll out of capsule collection

[Isetan Shinjuku Main Store] 1F Men's Building The Stage

2025 H1 Results

Number of events planned	(of which) Number of limited-time events	(of which) Number of advance sale events	Gross sales versus plan
17	10	6	112%

[VISVIM]
HARMONIOUS PROCESS

An event to highlight the brand's 25th anniversary of craftmanship

Next, our original content. To “Attracting customers”, we aim to offer more highly original products and concepts on the sales floor that draw customers to us. For example, at the Isetan Shinjuku main store, there is “The Stage,” a 70-square-meter event space on the first floor of the main building; there is also “The Stage” on the first floor of the Men’s Building. Including these, we plan roughly 30 promotional events across the entire store every week, running a continuous pipeline of new initiatives. Notably, “The Stage” on the first floor of the Shinjuku main store hosted 26 events/plans in the half year, effectively changing once per week. About 90% of these are our proprietary, highly original, or first-to-market concepts, and they deliver very strong net sales growth. The same holds true at the Men’s Building.

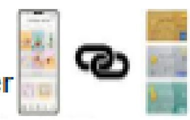
(5) Individual Customer Business Process Activities "Identification"

Expansion of identification tools | Promotion of conversion to MI W members

- Steadily expanding the number of identified customers through MICARD acquisition and MI W membership promotion
- In addition, deepening relationships with each customer by strengthening personalization measures

[MICARD BASIC]

MI Wmember



[App for overseas customers]

FY2025 H1 results

[MICARD BASIC]
- Promote membership via apps by using membership benefits as a hook

[App for overseas customers]
- Promote app downloads with reward coupons as a hook

※overseas customer apps : will be counted toward the number of identified customers starting in FY2026, once two-way communication becomes available.

	Results	YoY
Number of identified customers	7.94 million	110%

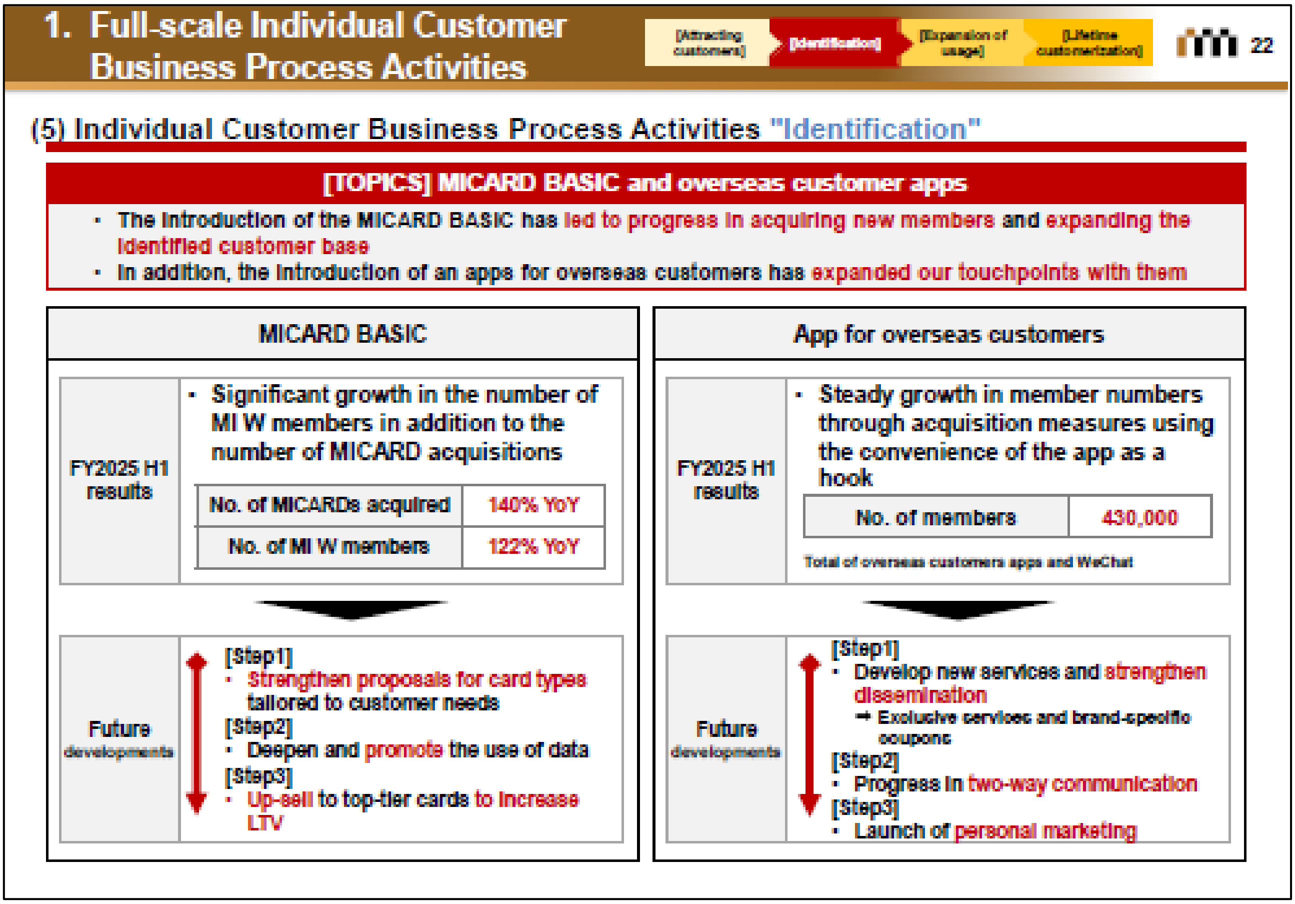
Future developments

[Step1]
- Strengthen identification of domestic and overseas customers

[Step2]
- Enhanced sophistication of "individual" marketing

[Step3]
- Expand personalized proposals tailored to customer interests

I will now turn to “Identification”. Our Identification efforts center on recognizing customers through MICARD and the MITSUKOSHI ISETAN App. We launched MICARD BASIC in mid-March this year. The number of identified customers grew at a very high rate in the half starting in April, and we view MICARD BASIC as an effective hook that materially expanded the number of identified customers. Cumulatively, the number of identified customers has reached 7.94 million. Before COVID-19, that figure stood between 2.0 and 3.0 million, so it is now a multiple of that level, with year-on-year growth also in the double digits.



Our global app for overseas customers began at the end of March and has been operating in earnest since the start of the current fiscal year. Our initial plan for this year was simply to get overseas customers to join the app—to gather members first. In a little over half a year, we have attracted 430,000 app members. We are still in the acquisition phase and have not yet been able to provide robust new information to customers. While the original plan was to start providing information next year, we have explored accelerating this schedule and will test several proposals beginning next month. We appreciate your anticipation for these developments.

Expansion of network activities

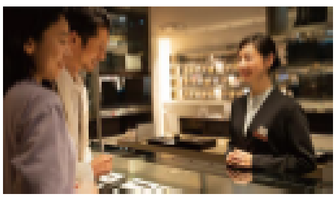
(6) Individual Customer Business Process Activities "Expansion of Usage"

- Steady progress in individual customer business process activities led to YoY growth in gross sales of identified customers and high-spending customer segment
  ➡ Gross sales of identified customers: 104% YoY / Gross sales to individual customers spending over ¥3 million annually groupwide: 111% YoY

FY2025 H1 results

- Expanding product proposals to meet regional customer needs
- Strengthening customer referrals among regional stores

Transaction volume of base network	115% YoY
Volume of customer referrals between regional stores	236% YoY



Future developments

[Step1]
- Strengthen customer referrals with flagship stores at the core

[Step2]
- Expand reciprocal customer referrals among Group companies

[Step3]
- Expand business outside the Group and create new businesses

Next, I will discuss “Expansion of usage”. We describe this as “expanding network activities,” meaning encouraging customers in each region to make purchases at the Isetan Shinjuku main store, the Mitsukoshi Nihombashi main store, or via EC. We gather customers locally, then share the resulting benefits across the Group rather than limiting them to the local store. Under this approach, for customers who purchase in their regions, net sales are booked to the Shinjuku/Nihombashi main stores, while profit is allocated to each company, a scheme we have now put in place. This has led to significant increases in both profit and net sales. This mechanism has started to operate across regions as well; for instance, we are beginning to see cases where Hiroshima Mitsukoshi customers make purchases at the Iwataya Main Store in Kyushu. Until now, this was confined to inter-store and inter-region transfers. Our intention is to guide customers on this approach across the entire Group—our intra-group coordination activities.

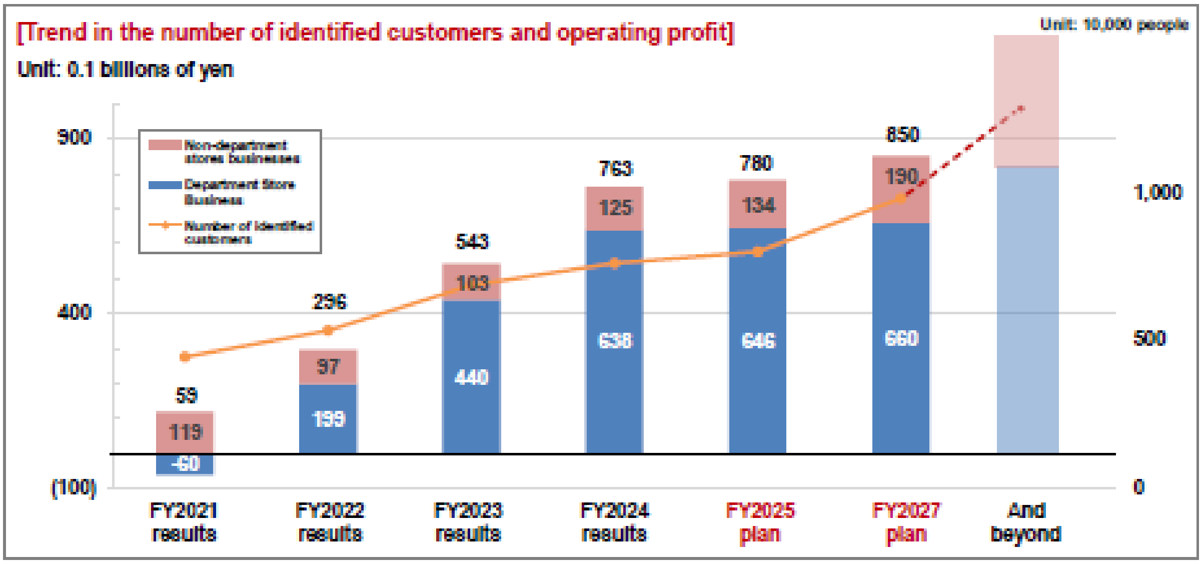
1. Full-scale Individual Customer Business Process Activities

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

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

Revitalization of intra-group coordination

- Steady growth in operating profit in each business associated with expansion of the identified customer base
  ➡Furthermore, we will promote customer identification, aiming for consolidated operating profit exceeding 100 billion yen through intra-group coordination activities centered on department stores



Our Group comprises a number of affiliated companies. We are focused on how best to propagate customers gathered at the Isetan Shinjuku main store, the Mitsukoshi Nihombashi main store, and regional stores across the entire Group. By doing so, we aim to raise not only department store profit, but also the profit of Group companies. We show in a graph the correlation whereby collecting identified customers lifts overall profit. Going forward, we will continue to accumulate identified customers and pursue profit expansion both at department stores and at non-department store Group companies.

1. Full-scale Individual Customer Business Process Activities

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

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

Promotion of ONE Group out-of-store-sales

Reinforcement of overseas out-of-store-sales functions

- The total transaction volume of out-of-store-sales increased compared to the previous year due to the progress of the ONE Group out-of-store-sales activities.

➡Expanding personalized proposals and services through the maximum utilization of Group assets

FY2025 H1 results

Total transaction volume of out-of-store-sales remained firm

out-of-store-sales total transaction volume	104% YoY

Tansei-kai and Ippin-kai both are setting new record high fall sales

Future developments

[Step1]
- Promote activities of the nationwide out-of-store-sales network

[Step2]
- Establish ONE Group out-of-store-sales activity system

[Step3]
- Maximize the total transaction volume of domestic and overseas out-of-store-sales customers

I will now discuss “lifetime customerization”. There are two key words: “One Group's out-of-store-sales” and “overseas out-of-store-sales.” This is the final stage of our Individual customer business process activities. We are committed to thoroughly acquiring out-of-store-sales customers and turning them into fans, focusing on these two topics. Out-of-store-sales transaction value continues to exceed the previous year. As a reference point, Tansei-kai at the Isetan Shinjuku main store and Ippin-kai at the Mitsukoshi Nihombashi main store both set new single-day autumn records for net sales, reinforcing our sense that lifetime customerization and fan conversion are progressing smoothly.

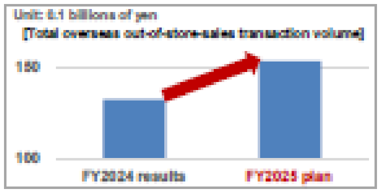
1. Full-scale Individual Customer Business Process Activities

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

[TOPICS] Strengthening of overseas out-of-store-sales functions

- Strengthening our response to overseas customer markets through expanding dedicated teams and enhancing services
- Additionally, established a global customer service system, including multilingual support

Purpose	Promoting the expansion of services for overseas customers and establishing a structure capable of providing a one-stop customer experience
Value provision	Enhance customer satisfaction through personalized service, fostering repeat business based on trust and convenience



FY2025 H1 results

- Enhanced services for inbound customers visiting stores
  ➡ A "dedicated team" was launched to expand customer touchpoints

Total overseas out-of-store-sales transaction volume	113% YoY

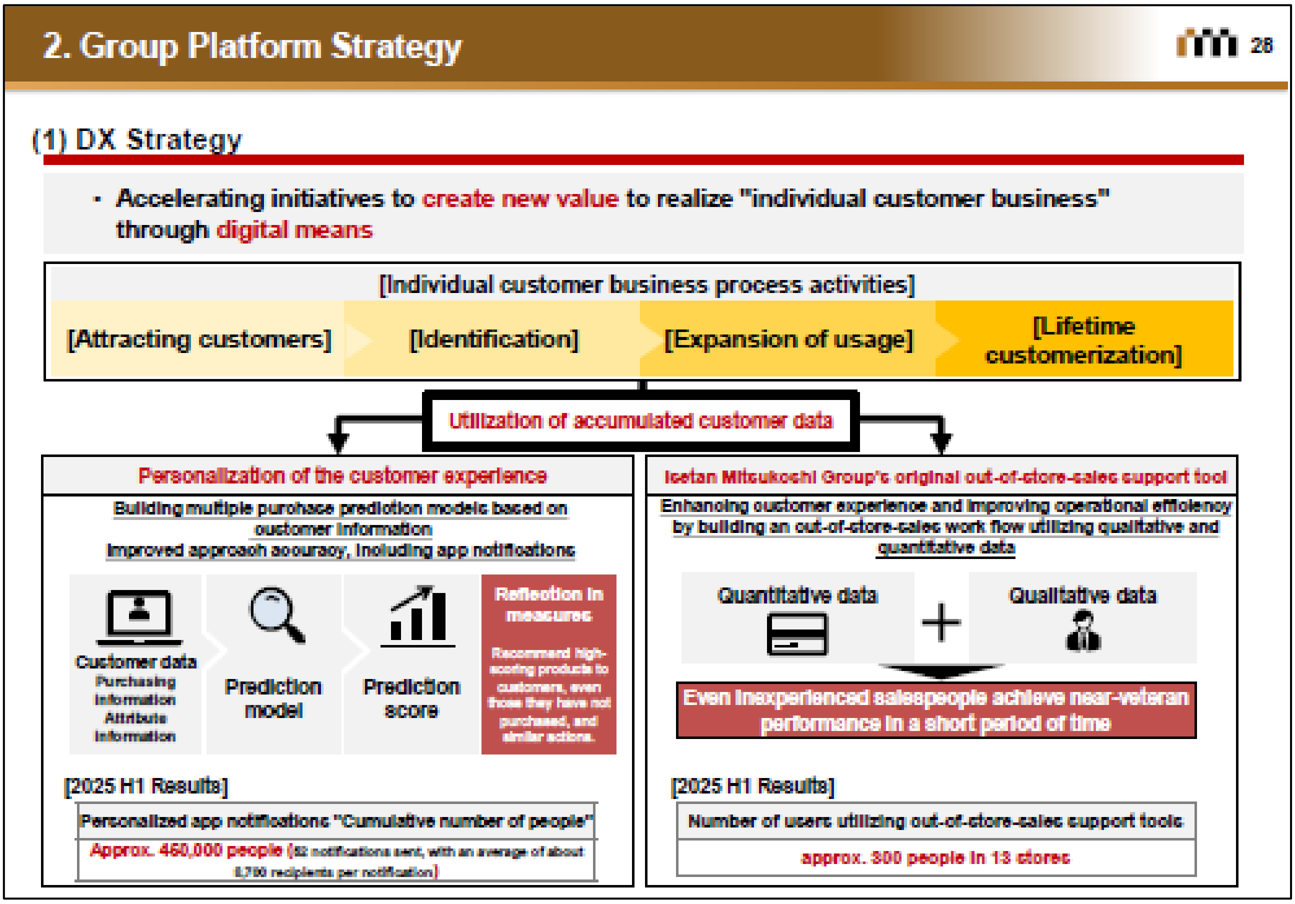
Overseas customer gross sales: 75% YoY

Future developments

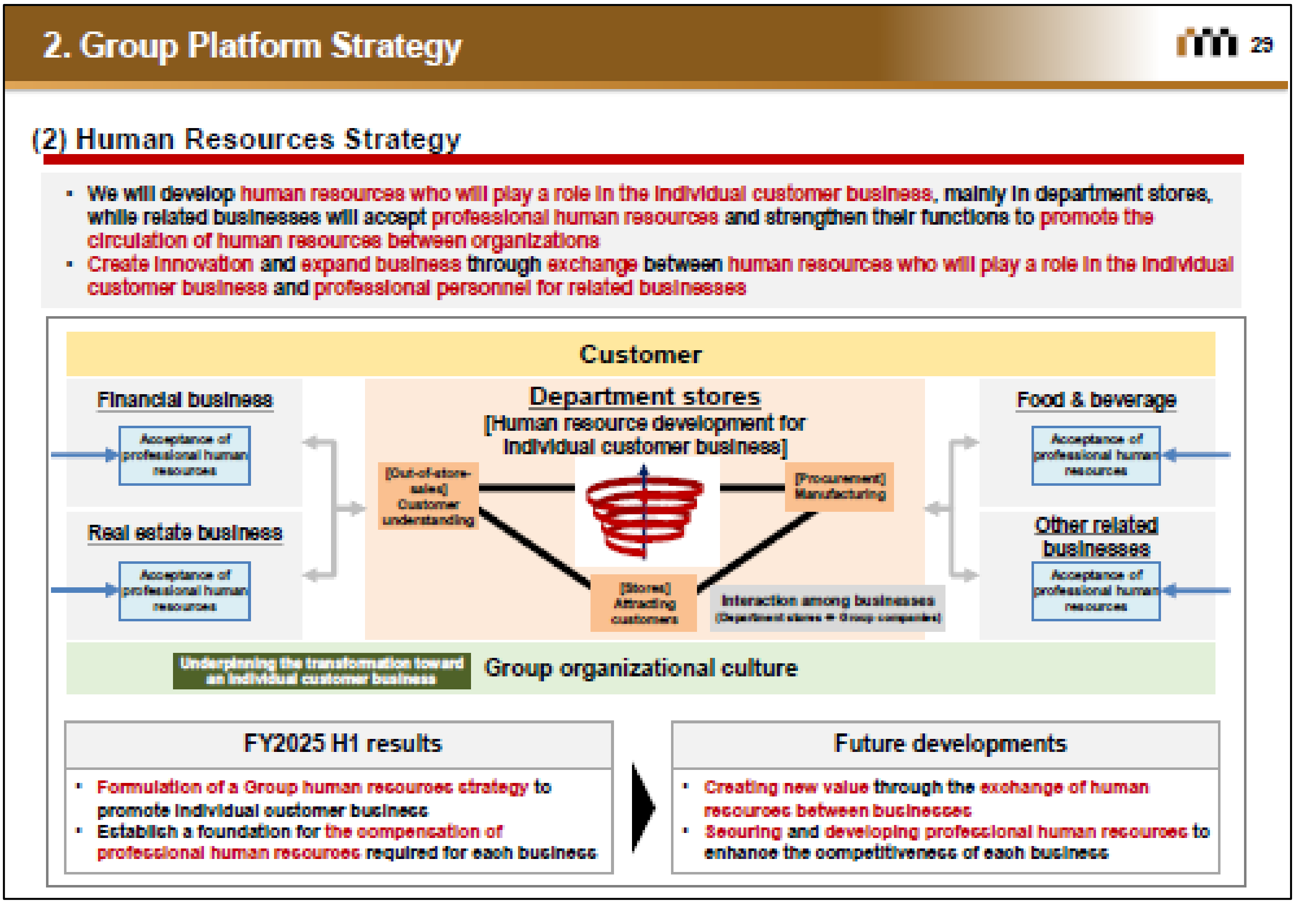
- Increased the headcount of dedicated teams for inbound customers
- Expand out-of-store-sales services for overseas customers

We reported the launch of overseas out-of-store-sales about 2 years ago. For FY2025, we are targeting total transaction value from overseas out-of-store-sales customers of JPY 15 billion, which, as shown in the table below, represents 113% year on year—double-digit growth. In contrast, overseas customer gross sales overall were limited to 75% year on year. We interpret this to suggest that by engaging more deeply with customers, we can secure stable profit and net sales that are less susceptible to external environments.

From here, I will explain the relationship between the four steps of our Individual customer business and the capital we possess. In “Attracting customers”, we believe buyers are the central drivers. We employ approximately 300 buyers nationwide. By “rich creativity,” we refer to the ability to co-create new offerings through discussions with business partners, while envisioning our customers—this is the merchandising capability we possess. In “Identification”, store stylists play a critical role; we have approximately 3,300 employees in these roles. They work tirelessly to advance Identification—introducing MICARD and helping customers enroll in the MITSUKOSHI ISETAN App. For “Expansion of usage”, we deploy Category Specialists—experts in each category—across entire floors, numbering about 150. In “lifetime customerization”, out-of-store-sales staff are pivotal; we have about 1,260 such professionals nationwide. We believe these human resource assets firmly underpin our Individual customer business process activities.



Allow me to touch on digital transformation (DX). These are examples of how we leverage customer data accumulated through our Individual customer business process activities. One is “personalizing the customer experience,” where we analyze customer data, build predictive models, and feed the results back into our actions. Another is the use of these capabilities as a “Group-wide out-of-store-sales support tool,” which we have begun to deploy. Quantitative data, analyzers, buyers, and out-of-store-sales work as one to expand our ability to determine what to propose next to each individual customer to elicit a response. We have already rolled out this support tool at 13 stores, with about 300 team members using it.



Next is our human resource strategy. Historically, human resource strategy within department stores, organizations tended to be siloed—out-of-store-sales was out-of-store-sales, stores were stores. We believe it is crucial to combine these capabilities. Through well-managed personnel rotations, we aim to shift to a model where talent with deeper customer understanding engages in product provision. Furthermore, by actively rotating personnel between Group affiliates and department stores, we intend to build a scenario in which we advance nationwide and across all businesses with a broader spirit of hospitality and a department store mindset. We recognize that these initiatives have progressed significantly.

(3) Sustainability

- Steady progress in four priority initiatives (materialities)
  ➡ "Connecting People and Local Communities" and "Contributing to a Sustainable Environment and Society" and other diverse initiatives are being realized

Priority initiatives (materialities)	Major Initiatives	Progress of Initiatives	FY2027 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: actual 480 companies, 183% of H1 plan	・Number of business partners supporting think good: 800 companies
(2) Contributing to a Sustainable Environment and Society	Environmental initiatives Supply chain management	・Obtained SBT certification for greenhouse gas reduction targets ・Establishment of external contact for human rights relief	・Reduction rate in greenhouse gas emissions: -24% vs FY2023 Scope1, 2* ・Ratio of renewable energy: 30%, etc.
(3) Maximizing the power of people	Autonomous career development Work-life balance etc.	・Ratio of female managers: 30.9% *As of April 1, 2025	・Ratio of female managers: 34%
(4) Group governance and communication	Strengthening corporate governance etc.	・Ratio of female directors: 33.3% *As of April 1, 2025	・Ratio of female directors: 30% or more

* Scope 1: Direct greenhouse gas emissions by the business operator (fuel combustion, industrial processes)
Scope 2: Indirect emissions associated with the use of electricity, heat, and steam supplied by other companies

November 28, 2025: Sustainability Report 2025 to be published /
December 2, 2025: Fiscal 2025 Sustainability Briefing to be held

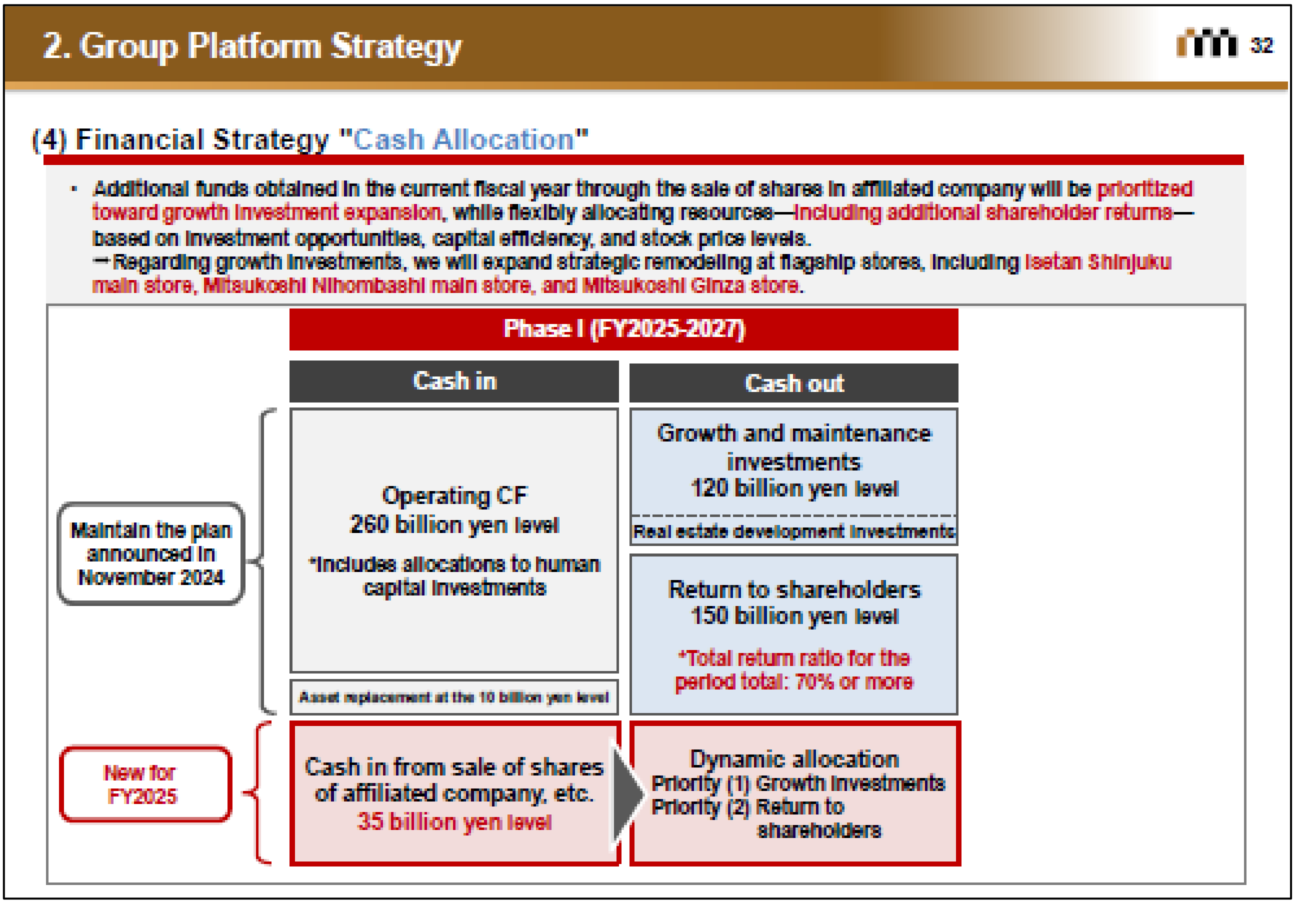
We will publish our Sustainability Report on November 28. We will hold a briefing on the 2nd of next month and would welcome your participation so that we can provide details at that time.

(3) Sustainability (External Evaluations)

	Initiatives we support and external evaluations	Overview	Acquisition/ Evaluation
Overall	• United Nations Global Compact	• The world's largest sustainability initiative, bringing together the UN and the private sector for the purpose of building a sustainable society	○
Overall	• MSCI ESG rating	• Ratings that comprehensively evaluate a company's response to "Environment," "Social," and "Governance" issues.	AAA
Environment	• CDP "Climate Change"	• Framework for disclosure, survey, and ranking of information on environmental issues by companies and organizations	A⁻
Environment	• CDP "Supplier Engagement Assessment"	• A framework for assessing companies' initiatives to address climate change in their supply chains	Highest rating
Environment	• SBTi approval of short-term targets for greenhouse gas emission reductions	• A short-term, science-based target consistent with the 1.5° C goal in the Paris Agreement	○
Environment	• CASBEE	• An organization that comprehensively evaluates the environmental performance of buildings, city blocks, and other elements within urban environments	○ (11 stores)
Social	• MSCI Japan Empowering Women Index (WIN)	• A share price index represents the performance of Japanese companies that promote gender diversity in the workplace	○
Social	• Health and Productivity Management Award	• This system recognizes policies, frameworks, and governance related to health	○
Social	• Next Nadeshiko Companies supporting dual careers and co-parenting	• Selects companies that promote initiatives that enable dual-career couples and those raising children to realize their desired career paths.	○

We will continue to advance our initiatives in various certifications and external evaluations to enhance corporate value and earn the trust of our stakeholders

We also actively pursue external evaluations and certifications, and we hope you will review those at the briefing.



Turning to cash allocation. In our May announcement, we communicated the overall scale of cash-in and cash-out, emphasizing robust allocations to growth investments and shareholder returns. Subsequently, due to transactions involving shares of affiliated companies that arose in the current fiscal year, we recorded approximately JPY 35 billion of cash-in. We now announce our policy to prioritize deploying this cash to growth investments and shareholder returns. In particular, for growth investments, we plan to concentrate capital at our profit pillars—the Isetan Shinjuku main store, the Mitsukoshi Nihombashi main store, and the Mitsukoshi Ginza Store—advancing remodeling projects that create new value.

(4) Financial Strategy "Investment Plan"

- Maintaining discipline in financial metrics and strategic perspectives while taking an aggressive stance toward strengthening and advancing growth investments
- The investment plans for each fiscal year have been specified and are progressing steadily according to the initial plans

Investment items			Phase I total (FY2025-FY2027)	of which, FY2025
Growth investments	Content	Department store remodeling Urban community development investment (Expansion of functions and content)	53 billion yen	17 billion yen
	DX/system	System development investment Individual customer business DX investment	13 billion yen	4 billion yen
	Real estate	Increasing the value of the owned real estate	17 billion yen	7 billion yen
	Improved productivity	Human capital investment* Business reform DX investment	3 billion yen	1 billion yen
Maintenance investment	Safety and security	LCC investment (building repairs, repairs, etc.) Investment in existing system modifications	36 billion yen	13 billion yen
Total			122 billion yen	42 billion yen

*Compensation increases and human resource development are budgeted under SG&A expenses and are therefore excluded from this item

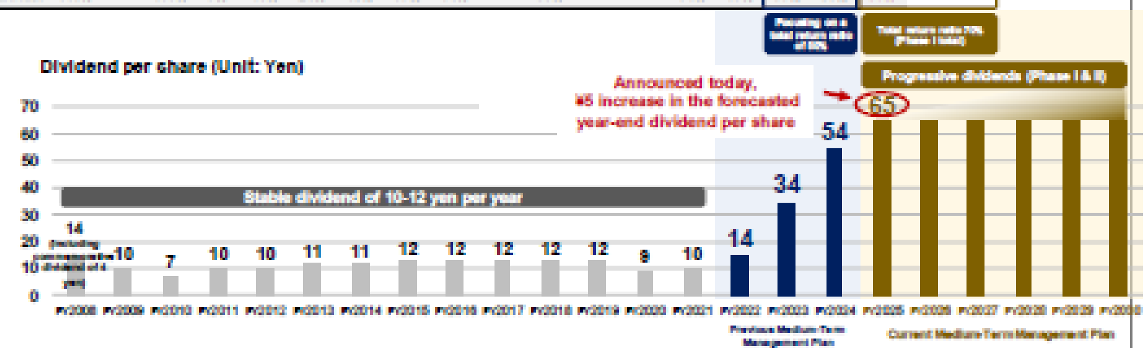
With respect to our investment plan, the use of the approximately JPY 35 billion discussed on the prior page will mainly center on department store remodeling. As initially planned, roughly 70% of total investment will be directed to growth investments, and we inform you today that the proportion of growth investments is expected to increase further.

(4) Financial Strategy "Shareholder Returns"

- Based on the Phase I return policy of "total return ratio of 70% or more (total for the period)" and "Implementation of progressive dividends", we have revised the year-end dividend forecast upward by ¥5 per share and increased the annual dividend forecast to ¥65, reflecting the upward revision of net income.

Unit: 0.1 billions of yen	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Profit	46	-635	26	600	252	211	290	285	148	-8	134	-111	-410	123	323	555	520	620
Total dividends	64	39	27	38	38	43	43	47	46	46	46	46	34	38	63	120	190	229
Acquisition of treasury stock	0	0	0	0	0	0	10	50	30	0	0	100	0	0	0	150	250	300
Total shareholder returns	64	39	27	38	38	43	53	97	76	46	46	146	34	38	63	270	440	529
Dividend payout ratio	118%	-	105%	7%	15%	21%	15%	16%	31%	-	35%	-	-	31%	17%	23%	38%	37%
Total return ratio	118%	-	105%	7%	15%	21%	18%	37%	51%	-	35%	-	-	31%	17%	50%	85%	85%

Acquisition completed (announced on October 7)



Regarding shareholder returns, we are guided by our policies of maintaining a total payout ratio of 70% or more and implementing progressive dividends. Reflecting our upward revision to profit, we plan to increase our year-end dividend forecast by JPY 5 and raise our projected annual dividend to JPY 65 per share. As shown in the table, comparing dividend levels from 2008, when the Group began, through 2021 with those of the past few years, the trajectory demonstrates that the steady increase in profit has been a strong driver. We believe we have transformed into a more profitable company, and we will continue striving for higher performance.

Thank you very much for your attention. That concludes my presentation.

Some of the information in this material may contain forward-looking statements.

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.