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[Translation]

To whom it may concern

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Notice regarding Revision of Forecasts for First-Half and Full Year of the Fiscal Year Ending March 31,2025 and Recording of Extraordinary Income (Gain on step acquisitions)

H2O Retailing Corporation announces that it has revised its consolidated earnings forecasts of the first half and full year for the fiscal year ending Mar. 31, 2025 announced on May. 15, 2024.

In addition, extraordinary income (gain on step acquisitions) was recorded during the first quarter of the fiscal year ending Mar. 31, 2025 (Apr. 1, 2024, to Jun. 30, 2024). The details are as follows.

1. Revisions to earnings forecasts for the first half of the fiscal year ending Mar.31, 2025
(From Apr. 1, 2024 to Sep. 30, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings Per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast(A)	339,000	10,600	10,285	21,400	185.71
Revised forecast (B)	341,000	13,600	13,785	25,400	248.42
Change (B-A)	2,000	3,000	3,500	4,000	—
Change (%)	0.6	28.3	34.0	18.7	—
(Reference) Results of the first half of FY2024	318,543	9,897	10,664	6,294	54.47

*The Company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31,2020) and other standards from the beginning of the first quarter of FY2022. Consolidated gross sales, which is equivalent to net sales up to FY2021 excluding the effects of changes in accounting policies, amounted to ¥568,015 million yen (up ¥12,500 million yen and 2.3% change from initial forecast ¥555,515 million yen) for the revision of earnings forecast for the first half year of the fiscal year ending Mar.31, 2025.

2.Revisions to earnings forecasts of the full year for the fiscal year ending Mar.31, 2025

(From Apr. 1, 2024 to Mar. 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings Per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	700,000	26,500	26,500	26,000	225.63
Revised forecast (B)	702,000	29,500	30,000	30,000	293.41
Change (B-A)	2,000	3,000	3,500	4,000	—
Change (%)	0.3	11.3	13.2	15.4	—
(Reference) Results of FY2024 (The fiscal year ended Mar. 31, 2024)	657,400	26,188	27,875	21,905	189.82

*The Company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31,2020) and other standards from the beginning of the first quarter of FY2022. Consolidated gross sales, which is equivalent to net sales up to FY2021 excluding the effects of changes in accounting policies, amounted to ¥1,175,000 million yen (up ¥12,500 million yen and 1.1% change from initial forecast ¥1,162,500 million yen) for the revision of earnings forecast for the full year of the fiscal year ending Mar.31, 2025.

3.Reason for the revisions

Consolidated business results for the first quarter(Apr. 1, 2024 to Jun. 30, 2024), mainly in Department Store Business, domestic sales progressed steadily and inbound sales were strong. As a result, each net sales, operating profit, ordinary profit and profit attributable to owners of parent exceeded the forecast.

Based on the consolidated results for the first quarter, the Company has revised earnings forecasts of the first half and the full year.

4. Recording of extraordinary income (gain on step acquisitions)

As announced in the "Notice of Changes in Subsidiaries and Sub-subsidiaries Associated with the Acquisition of Shares of Ningbo Development Co., Ltd." announced on Mar. 29, 2024, the Company acquired additional shares in Ningbo Development Co., Ltd., which was its equity method affiliate, and made Ningbo Development Co., Ltd. and Ningbo Hankyu Co., Ltd., a subsidiary of Ningbo Development Co., Ltd. into consolidated subsidiaries.

As a result, gain on step acquisitions of ¥7,984 million was recorded as extraordinary income.

[Notes on forecasts]

The forecasts of consolidated financial results in this document are based on information available as of the date this document is released. Actual business and other results may differ from the forecasts due to various factors.

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