Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 13, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: Isetan Mitsukoshi Holdings Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3099
URL: https://www.imhds.co.jp
Representative: Toshiyuki Hosoya Director, President and CEO
Inquiries: Tsuyoshi Oyama General Manager, Corporate Finance and Accounting Department,Communication and IR Division
Telephone: +81-50-1704-0684

Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: December 10, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	263,230	3.7	37,560	19.4	40,031	20.9	37,119	26.4
September 30, 2025	253,866	(3.9)	31,451	(9.8)	33,106	(14.5)	29,373	15.7

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 25,484 million [10.7%]
For the six months ended September 30, 2025: ¥ 23,018 million [(38.5)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	53.24	53.20
September 30, 2025	40.88	40.84

Note: The Company has conducted a 2-for-1 stock split of shares of common stock on October 1, 2026. Earnings per share and diluted earnings per share are calculated assuming that this stock split occurred at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	1,175,453	605,389	51.4
March 31, 2026	1,217,975	620,156	50.8

Reference: Equity
As of September 30, 2026: ¥ 604,199 million
As of March 31, 2026: ¥ 618,932 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	30.00	-	40.00	70.00
Fiscal year ending March 31, 2027	-	44.00			
Fiscal year ending March 31, 2027 (Forecast)			-	22.00	-

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Note: The Company conducted a 2-for-1 stock split of its common shares on October 1, 2026. For the year-end dividend per share for the fiscal year ending March 31, 2027 (Forecast), the amount that takes into account the effect of this stock split is shown. Accordingly, "–" is shown for the total annual dividends for the same year. The year-end dividend per share for the fiscal year ending March 31, 2027 (Forecast) would be ¥44.00, and the total annual dividends per share would be ¥88.00, if the stock split were not taken into account.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	563,000	3.2	86,000	7.5	87,000	0.5	65,500	(13.9)	95.11

Note: Revisions to the financial result forecast most recently announced: Yes

Note: The gross sales forecast (sales if the "Accounting Standard for Revenue Recognition," etc. had not been adopted) would be ¥1,370,000 million, an increase of 5.4% from the previous fiscal year.

Note: The Company resolved to purchase its treasury shares at the meeting of the Board of Directors held on February 6, 2026. In addition, at the meeting of the Board of Directors held on August 13, 2026, the Company changed the "total number of shares to be acquired" in connection with the acquisition of treasury shares. The estimated impact of the acquisition of treasury shares is taken into account in regard to "Earnings per share" in the forecast for the fiscal year ending March 31, 2027.

The Company has also conducted a 2-for-1 stock split of shares of common stock on October 1, 2026. The effect of this stock split is taken into account in regard to "Earnings per share" in the forecast for the fiscal year ending March 31, 2027. If neither the stock split nor the change in the total number of shares to be acquired were taken into account, earnings per share would be ¥190.21.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to "(4) Notes regarding Semi-annual Consolidated Financial Statements (Adoption of special accounting treatment used in preparation of the semi-annual consolidated financial statements)" in "2. Semi-annual Consolidated Financial Statements"

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	734,909,108 shares
As of March 31, 2026	734,893,108 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	42,445,018 shares
As of March 31, 2026	33,424,646 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	697,237,411 shares
Six months ended September 30, 2025	718,599,340 shares

(Note)

The number of treasury shares at the end of the period includes shares of the Company held in the BIP Trust.

September 30, 2026: 1,635,872 shares

March 31, 2026: 1,635,872 shares

The shares of the Company held in the BIP Trust are included in the number of treasury shares to be deducted from the total number of issued shares for the calculation of the average number of shares outstanding during the period.

Six months ended September 30, 2026: 1,635,872 shares

Six months ended September 30, 2025: 1,323,142 shares

The Company conducted a 2-for-1 stock split of its common stock effective October 1, 2026. The total number of issued shares at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period have been calculated assuming that the stock split had taken place at the beginning of the previous fiscal year.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the Company considers to be reasonable, and are not intended to be seen as targets that the Company assures it will achieve. Actual results, performance, achievements or financial position may be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. For assumptions on which forward-looking statements are based as well as for precautionary statements in the use of forward-looking statements, please refer to “(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results” in “1. Qualitative Information on the Semi-annual Results”

○ Table of Contents of Accompanying Materials

1. Qualitative Information on the Semi-annual Results. 2
(1) Explanation Regarding Business Results 2
(2) Explanation Regarding Financial Position 4
(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results 4
2. Semi-annual Consolidated Financial Statements and Primary Notes 5
(1) Semi-annual Consolidated Balance Sheet 5
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income 7
Semi-annual Consolidated Statement of Income 7
Semi-annual Consolidated Statement of Comprehensive Income 8
(3) Semi-annual Consolidated Statements of Cash Flows 9
(4) Notes Regarding Semi-annual Consolidated Financial Statements 11
(Notes on going concern assumption) 11
(Notes on significant changes in shareholders' equity) 11
(Adoption of special accounting treatment used in preparation of the semi-annual consolidated financial statements) 11
(Segment information) 11
(Significant subsequent events) 13

1. Qualitative Information on the Semi-annual Results

(1) Explanation Regarding Business Results

During the first half of fiscal 2026 (April 1, 2026 to September 30, 2026), the Japanese economy witnessed the employment and income environment improve moderately, backed by robust corporate earnings and ongoing wage hikes.

Meanwhile, a cautious situation prevails in some areas of personal consumption due to the impact of high prices. The yen remained weak, with demand from inbound visitors remaining robust, backed by factors such as increased number of foreign tourists visiting Japan. In the retail sector, robust spending by foreign tourists visiting Japan and wealthy domestic customers, particularly in the Tokyo metropolitan area, drove growth in the retail market. On the other hand, uncertainty remains regarding the environment surrounding consumption, including persistent high prices, exchange rate trends, and the outlook for the global economy, and continued vigilance is required regarding future developments. In this environment, guided by its Corporate Philosophy, "Touching people's hearts with human-driven experiences," since fiscal 2025, the Group has been working on the "urban community development preparation phase" (Phase I: Fiscal 2025 – Fiscal 2027) of the Medium-term Management Plan to realize the vision of "We are a retail group centered on extraordinary department stores working toward improving the lives of our customers."

During the first half of the fiscal year under review, we continued to promote individual customer business process activities, starting with "attracting customers" and leading to "identification," "expansion of usage," and "lifetime customerization." We are advancing the transition of our business model from the traditional "store business" approach that focuses on department stores, to an "individual customer business" model that connects directly with each customer on a personal basis.

We expanded "attracting customers" by enhancing store value through remodeling and consolidating our distinctive merchandise, and promoted "identification" of domestic and overseas customers through the introduction of entry credit card, MICARD BASIC, and the acquisition of app members for overseas customers. In addition, we made progress in "expansion of usage" by expanding our base network activities (*1), and further deepened relationships with customers through the full-scale launch of "ONE Group's out-of-store-sales" (*2) activities. In this way, we accelerated our initiatives for "lifetime customerization." Furthermore, we deepened our relationships with customers identified at our department stores. We also worked to create new value for customers and to expand revenue-generating opportunities by promoting activities focused on "intra-group coordination" that maximize the diverse content of the Group.

As a result, domestic identified customer gross sales remained robust, and gross sales from customers purchasing more than ¥3 million per year across the Group also grew significantly. Tax-free sales also remained strong and the expansion of our overseas customer base progressed, reflecting the steady progress of our individual customer business process activities.

As a result of these efforts, in the first half of the fiscal year under review, the Company recorded net sales of ¥263,230 million, up 3.7% year-on-year, operating profit of ¥37,560 million, up 19.4% year-on-year, ordinary profit of ¥40,031 million, up 20.9% year-on-year. Owing to the contribution made by the gain on sale of shares of subsidiaries and associates, the Company recorded a record high in profit attributable to owners of parent for the first half of the year at ¥37,119 million, up 26.4% year-on-year.

*1 base network: measures to enhance convenience and promote purchases for the Group's customers nationwide that leverage the merchandise supply capabilities of both main stores, by encouraging customers to order merchandise from the main stores and the referral of customers across stores

*2 ONE Group's out-of-store sales: the framework whereby Group's out-of-store-sales nationwide, including regional department stores, jointly utilize the assets of the Isetan Mitsukoshi Group (content, services, and information)

Results by segment were as follows.

1) Department store business

In the domestic department store business, we offered high-value-added merchandise and developed unique content, mainly at the Isetan Shinjuku main store, the Mitsukoshi Nihombashi main store, and the Mitsukoshi Ginza store, to encourage store visits and enhance the appeal of our stores.

We also launched campaigns such as "think good," our sustainability initiative, and "IRODORISAI," our autumn campaign. We worked to expand attracting customers through buzzworthy events, as we held "SHINJUKU ART WEEK" at the Isetan Shinjuku main store. At the Isetan Shinjuku main store, we continued to advance remodeling, with a focus on the Western confectionery section of the food floor. In the Western confectionery section, we brought together top brands recognized globally for their quality, sensibility, and originality, and we plan to introduce 45 brands by March 2027. Through the first half of the fiscal year under review, 34 brands were sequentially introduced, and we sought to increase store visits and enhance the customer experience by offering brands making their debut in Japan or in department stores, as well as collaborative products.

At the Isetan Shinjuku main store and the Mitsukoshi Nihombashi main store, we held the "Tansei-kai" and "Ippin-kai," special events for our valued customers. We provided merchandise, services, and experiential content from Japan and overseas, with high degree of rarity and distinctiveness, while expanding non-department stores merchandise and content of the Group companies, thereby deepening relationships with customers. As a result, sales from "Tansei-kai" were ¥8,900 million and those from "Ippin-kai" were ¥5,300 million, and both main stores recorded a record high in sales for their autumn events. At our regional stores, we continued "base network" activities, strengthening merchandise proposals through collaboration with the Isetan Shinjuku main store and the Mitsukoshi Nihombashi main store, as well as customer referrals among the stores. Furthermore, by promoting "ONE Group's out-of-store sales," we strengthened customer proposals through closer collaboration between our Tokyo metropolitan area stores and regional stores, including special campaigns and experiential content for out-of-store sales customers nationwide, while expanding merchandise orders and joint sales visits.

We also leveraged the products, services, and experiential content offered by the Group companies and related businesses to promote proposals that transcend the boundaries of traditional department stores, and increased contact points with customers and created more opportunities for use.

The number of identified customers in Japan increased to 8,670,000, steadily expanding to reach109% of the previous year's level

through the various MICARDs and the MITSUKOSHI ISETAN App. Identified customer gross sales were solid, reaching 106% of the previous year's level.

Furthermore, gross sales from customers purchasing more than ¥3 million per year across the Group also rose significantly from the previous fiscal year, reaching 116% of the previous year's level, reflecting the steady progress of our individual customer business process activities. Among high-spending customers, we maintained a high repeat purchase rate while continuing to increase contact points with new customers, further expanding our customer relationships. Thanks to these efforts, domestic customer sales remained robust, while sales from high-spending customers and individual out-of-store sales customers increased. At our stores in the Tokyo metropolitan area, sales were driven by high-value-added products. Regional stores also delivered strong results through merchandise proposals and customer referrals that leveraged our base network activities. Furthermore, we promoted CRM initiatives centered on the MITSUKOSHI ISETAN JAPAN, our global app for overseas customers. As a result, our overseas customer base increased to 1,290,000. Tax-free sales remained very strong at 124% of the previous year's level.

At overseas stores in the six months ended June 30, 2026 (January 1, 2026 to June 30, 2026), both sales and profits were strong, reflecting ongoing structural reforms at the Singapore base, the strong performance of the closing sale at the Serangoon store, and increased customer traffic at Mitsukoshi (USA) Inc., driven by expanding domestic demand. Moreover, rigorous cost controls at our other locations contributed to improved profitability.

Segment net sales amounted to ¥213,811 million, up 2.1% year-on-year, and operating profit was ¥30,839 million, up 21.2% year-on-year.

2) Credit & finance business/ Customer organization management business

The credit & finance business/customer organization management business, building on its strong connections to the department store business, worked to raise profitability by strengthening customer identification through credit card and customer organization memberships and expanded financial services.

MICARD Co. Ltd. continued its initiatives to acquire new members through the annual-fee-free "MICARD BASIC." At the same time, by recommending the most suitable card tier based on customers' usage and needs, the company worked to increase premium card membership, particularly for the Gold Card.

The number of new Gold Card applicants grew significantly to reach 130.9% of the previous year's level, and we also worked to improve the quality of our member base, including by reducing the churn rate and increasing the utilization rate of new members. In addition, initiatives to promote card usage both inside and outside department stores and financing measures continued in an effort to expand card transaction volume. Furthermore, we prepared for the revisions to our point card program and card lineup scheduled for February 2027, and worked to enhance merchantability of top premium card with the aim of further expanding usage among sophisticated and high-quality customers. Through "MITOUS," a comprehensive financial service platform, we promoted the development of non-face-to-face financial services and strengthening collaboration with the Group companies to expand our financial customer base. We also expanded opportunities to propose our financial services to customers through the participation in the "Tansei-kai" and "Ippin-kai," special events for our valued customers, and promoted community engagement initiatives, including purchase-based crowdfunding, through our "intra-group coordination" activities, to create new value for customers. As a result of these efforts, card transaction volume continued to perform strongly, contributing to a stronger business foundation and improved profitability.

Segment net sales amounted to ¥17,617 million, up 4.0% year-on-year, and operating profit was ¥3,594 million, up 22.7% year-on-year.

3) Real estate business

The real estate business experienced stable lease revenue from properties owned by the Group in the Shinjuku area.

At Isetan Mitsukoshi Property Design Ltd., which is involved in construction and interior, etc., orders remained robust. Backed by orders for interior design and construction leveraging the technology of its own factory, the company continued to select properties based on profitability while improving overall profitability.

Segment net sales amounted to ¥15,491 million, up 35.4% year-on-year, and operating profit was ¥2,377 million, up 22.9% year-on-year.

4) Other businesses

IM Food Style Ltd., which operates a supermarket business (QUEEN'S ISETAN, etc.) and OEM food manufacturing business, has leveraged the strengths of the Isetan Mitsukoshi Group and promoted initiatives based on Group collaboration, including campaigns targeting MICARD members. In July 2026, it opened "QUEEN'S ISETAN Shin-Urayasu store" and worked to acquire new customer base. The Shin-Urayasu store, thanks in part to its highly convenient location inside the station, maintained sales that exceeded the plan. Furthermore, the company enhanced its product lineup by leveraging Group synergies, as it succeeded the businesses of "OONOYA" and "OONOYA SHOTEN" in April 2026, and began offering their products at QUEEN'S ISETAN. The company also promoted the development of products to better meet customer needs and offered distinctive merchandise, as well as expanded its OEM business to strengthen its business foundation for future growth. As a result, store sales were generally in line with the plan.

Mitsukoshi Isetan Nikko Travel, Ltd., which is engaged in the travel business, promoted the planning and sales of highly distinctive travel packages based on its sophisticated and high-quality strategy. By strengthening relationships with department store out-of-store sales, the company expanded its offerings of high-quality domestic and overseas travel packages and experiential content to customers. It also worked to sell high-value-added products, including cruises. Overseas package tours and inbound sales also remained robust, with revenue exceeding the previous year's level. On the other hand, in response to increased cost of sales caused by the weak yen and rising prices, the company made efforts to control selling, general and administrative expenses, and improve business efficiency, but it was unable to fully absorb the impact of the higher cost of sales. As a result of these efforts, sales remained robust, mainly from out-of-store sales customers, contributing to a stronger business foundation.

In the advertising and media business, Studio Alta Co., Ltd. expanded sales in the advertising business, particularly store media in the Tokyo metropolitan area, such as outdoor advertising and digital signage and developed new digital media, developed new

sophisticated and high-quality media utilizing the expertise of department store advertising, and promoted the utilization of media through Group collaboration to strengthen its revenue base. As a result of these efforts, the advertising and media business reported steady growth, and operating profit exceeded the previous year's level.

Segment net sales amounted to ¥48,059 million, up 4.0% year-on-year, and operating profit was ¥481 million, down 45.6% year-on-year.

(2) Explanation Regarding Financial Position

Assets, Liabilities and Net Assets

Total assets at the end of the first half of the fiscal year under review amounted to ¥1,175,453 million, a decrease of ¥42,522 million from the end of the previous fiscal year. This was mainly due to a decrease in investment securities resulting from the sale of shares held by Isetan Mitsukoshi Ltd., a consolidated subsidiary.

Total liabilities amounted to ¥570,063 million, a decrease of ¥27,754 million from the end of the previous fiscal year. This was mainly due to a decrease in notes and accounts payable - trade caused by seasonal factors.

Net assets amounted to ¥605,389 million, a decrease of ¥14,767 million from the end of the previous fiscal year. This was mainly attributable to the payment of dividends and the purchase of treasury shares, despite profit attributable to owners of parent.

Cash Flows

Net cash provided by operating activities amounted to ¥28,186 million, a decrease in inflows of ¥3,317 million from the first half of the previous fiscal year. This was mainly attributable to such factors as an increase in income taxes paid, despite an increase in profit before income taxes.

Net cash provided by investing activities amounted to ¥21,238 million, a decrease in inflows of ¥13,965 million from the first half of the previous fiscal year. This was mainly attributable to such factors as a decrease in proceeds from sale of shares of subsidiaries and associates.

Net cash used in financing activities amounted to ¥30,175 million, a decrease in outflows of ¥12,889 million from the first half of the previous fiscal year. This was mainly attributable to such factors as a decrease in purchase of treasury shares.

As a result, cash and cash equivalents at the end of the first half of the fiscal year under review were ¥97,235 million, an increase of ¥19,892 million from the end of the previous fiscal year

(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results

Based on its financial results for the six months ended September 30, 2026 and recent performance trends, the Company has revised its consolidated financial results forecast for the fiscal year ending March 31, 2027 as below.

Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	562,000	84,000	83,000	63,000	92.48
Revised forecast (B)	563,000	86,000	87,000	65,500	95.11
Change (B – A)	1,000	2,000	4,000	2,500	–
Change (%)	0.2	2.4	4.8	4.0	–
(Reference) Consolidated financial results for the previous fiscal year (Fiscal year ended March 31, 2026)	545,626	80,020	86,587	76,096	213.96

(Notes)

1. The gross sales forecast (sales if the "Accounting Standard for Revenue Recognition," etc. had not been adopted) would be ¥1,370,000 million (the previous forecast: ¥1,360,000 million, an increase of ¥10,000 million, an increase of 0.7%).
2. The Company resolved the acquisition of treasury shares, etc. at the Board of Directors meeting held on February 6, 2026. In addition, at the meeting of the Board of Directors held on August 13, 2026, the Company resolved to revise the maximum number of shares to be acquired under the share repurchase. "Previously announced forecast (A)" and basic earnings per share in the "Revised forecast (B)" for the fiscal year ending March 31, 2027 consider the impact of this acquisition of treasury shares.
3 The Company conducted a stock split at a ratio of two shares for each common share, effective October 1, 2026. "Previously announced forecast (A)" and basic earnings per share in the "Revised forecast (B)" for the fiscal year ending March 31, 2027 consider the impact of the stock split. Excluding the impact of the stock split and the revision to the maximum number of shares to be acquired in Note 2, basic earnings per share in the "Revised forecast (B)" would be ¥190.21.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	74,399	94,520
Notes and accounts receivable - trade, and contract assets	163,983	154,107
Securities	874	865
Merchandise and finished goods	25,028	24,293
Work in process	498	1,385
Raw materials and supplies	597	474
Other	37,150	39,792
Allowance for doubtful accounts	(3,747)	(3,780)
Total current assets	298,786	311,659
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	136,967	133,176
Land	540,112	540,072
Other, net	39,190	40,532
Total property, plant and equipment	716,270	713,782
Intangible assets		
Software	17,058	17,835
Other	23,567	23,653
Total intangible assets	40,626	41,489
Investments and other assets		
Investment securities	110,807	57,256
Other	51,621	51,957
Allowance for doubtful accounts	(156)	(705)
Total investments and other assets	162,273	108,508
Total non-current assets	919,170	863,779
Deferred assets		
Bond issuance costs	19	14
Total deferred assets	19	14
Total assets	1,217,975	1,175,453

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	120,964	111,436
Current portion of bonds payable	-	10,000
Short-term borrowings	17,033	20,868
Income taxes payable	16,729	20,516
Reserve for loss from redemption of gift vouchers	11,256	11,251
Provisions	13,954	10,063
Other	191,202	185,037
Total current liabilities	371,140	369,174
Non-current liabilities		
Bonds payable	20,000	10,000
Long-term borrowings	31,200	27,900
Deferred tax liabilities	131,870	118,947
Retirement benefit liability	25,567	25,891
Other	18,039	18,149
Total non-current liabilities	226,678	200,889
Total liabilities	597,818	570,063
Net assets		
Shareholders' equity		
Share capital	51,576	51,580
Capital surplus	256,886	256,890
Retained earnings	300,869	313,334
Treasury shares	(36,224)	(51,806)
Total shareholders' equity	573,107	569,998
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,371	18,900
Deferred gains or losses on hedges	1	(29)
Foreign currency translation adjustment	22,101	11,294
Remeasurements of defined benefit plans	4,350	4,034
Total accumulated other comprehensive income	45,824	34,200
Share acquisition rights	286	263
Non-controlling interests	937	926
Total net assets	620,156	605,389
Total liabilities and net assets	1,217,975	1,175,453

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	253,866	263,230
Cost of sales	97,735	98,870
Gross profit	156,131	164,359
Selling, general and administrative expenses	124,679	126,799
Operating profit	31,451	37,560
Non-operating income		
Interest income	320	413
Dividend income	401	2,877
Share of profit of entities accounted for using equity method	1,272	1,083
Other	1,923	860
Total non-operating income	3,918	5,234
Non-operating expenses		
Interest expenses	395	470
Loss on retirement of non-current assets	870	1,275
Other	997	1,018
Total non-operating expenses	2,263	2,763
Ordinary profit	33,106	40,031
Extraordinary income		
Gain on sale of investment securities	312	404
Gain on sale of shares of subsidiaries and associates	10,646	10,479
Total extraordinary income	10,958	10,884
Extraordinary losses		
Loss on disposal of non-current assets	-	52
Loss on store closings	65	406
Business restructuring expenses	281	96
Total extraordinary losses	346	555
Profit before income taxes	43,719	50,359
Income taxes	14,356	13,243
Profit	29,362	37,116
Loss attributable to non-controlling interests	(10)	(2)
Profit attributable to owners of parent	29,373	37,119

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	29,362	37,116
Other comprehensive income		
Valuation difference on available-for-sale securities	4,419	(172)
Deferred gains or losses on hedges	(0)	(30)
Foreign currency translation adjustment	(1,579)	1,191
Remeasurements of defined benefit plans, net of tax	(792)	(315)
Share of other comprehensive income of entities accounted for using equity method	(8,391)	(12,304)
Total other comprehensive income	(6,343)	(11,632)
Comprehensive income	23,018	25,484
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,082	25,495
Comprehensive income attributable to non-controlling interests	(63)	(10)

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	43,719	50,359
Depreciation	12,232	12,173
Impairment losses	65	376
Increase (decrease) in provision for bonuses	(4,624)	(4,269)
Increase (decrease) in allowance for doubtful accounts	2	32
Increase (decrease) in retirement benefit liability	(117)	(196)
Interest and dividend income	(722)	(3,291)
Interest expenses	395	470
Share of loss (profit) of entities accounted for using equity method	(1,272)	(1,083)
Loss (gain) on sale of investment securities	(312)	(404)
Loss (gain) on sale of shares of subsidiaries and associates	(10,646)	(10,479)
Decrease (increase) in trade receivables	8,891	9,926
Decrease (increase) in inventories	(1,831)	112
Increase (decrease) in trade payables	(10,610)	(9,608)
Other, net	1,094	(3,745)
Subtotal	36,261	40,372
Interest and dividends received	4,000	3,305
Interest paid	(395)	(469)
Income taxes paid	(8,362)	(15,021)
Net cash provided by (used in) operating activities	31,504	28,186
Cash flows from investing activities		
Payments into time deposits	(10)	(10)
Proceeds from withdrawal of time deposits	10	10
Purchase of property, plant and equipment	(13,627)	(9,928)
Purchase of intangible assets	(2,653)	(3,952)
Proceeds from refund of leasehold and guarantee deposits	2,011	219
Purchase of short-term and long-term investment securities	(1,018)	(452)
Proceeds from sale and redemption of short-term and long-term investment securities	768	1,013
Proceeds from sale of shares of subsidiaries and associates	50,621	34,804
Other, net	(898)	(467)
Net cash provided by (used in) investing activities	35,203	21,238

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	475	365
Proceeds from long-term borrowings	800	-
Repayments of long-term borrowings	(1,300)	-
Purchase of treasury shares	(31,092)	(15,582)
Dividends paid	(10,917)	(14,006)
Repayments of lease liabilities	(1,031)	(951)
Other, net	1	0
Net cash provided by (used in) financing activities	(43,064)	(30,175)
Effect of exchange rate change on cash and cash equivalents	(1,091)	739
Net increase (decrease) in cash and cash equivalents	22,551	19,989
Cash and cash equivalents at beginning of period	41,834	77,343
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	(97)
Cash and cash equivalents at end of period	64,386	97,235

(4) Notes Regarding Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Adoption of special accounting treatment used in preparation of the semi-annual consolidated financial statements)

Calculation of tax expenses

The effective tax rate on profit before income taxes for the current fiscal year after tax effect accounting is reasonably estimated, and such estimated tax rate is applied to profit before income taxes for the quarterly period to calculate the estimated tax expenses.

(Segment information)

[Segment information]

I. First half of the previous consolidated accounting period (April 1, 2025 to September 30, 2025)

1. Information concerning segment sales, income and losses

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on semi-annual consolidated statements of income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Net sales								
Sales to outside customers	207,817	10,261	9,656	227,736	26,130	253,866	–	253,866
Intersegment sales or transfer	1,583	6,676	1,781	10,040	20,089	30,130	(30,130)	–
Total	209,400	16,937	11,438	237,776	46,220	283,996	(30,130)	253,866
Segment income	25,443	2,930	1,934	30,308	885	31,193	257	31,451

(Notes)

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, travel, and media business that are not included in other reporting segments.
2. The segment income adjustment of ¥257 million is intersegment eliminations, unrealized income, etc.
3. Segment income is adjusted to match operating profit.

2. Information concerning impairment losses on non-current assets or goodwill by segment

(Significant impairment losses related to non-current assets)

Disclosure is omitted due to immateriality.

In the semi-annual consolidated statements of income, the impairment loss is included in "loss on store closings" under extraordinary losses.

(Significant changes in the amount of goodwill)

Not applicable.

II. First half of the current consolidated accounting period (April 1, 2026 to September 30, 2026)

1. Information concerning segment sales, income and losses

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on semi-annual consolidated statements of income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Net sales								
Sales to outside customers	212,221	10,655	11,827	234,704	28,525	263,230	–	263,230
Intersegment sales or transfer	1,589	6,962	3,664	12,216	19,533	31,750	(31,750)	–
Total	213,811	17,617	15,491	246,921	48,059	294,980	(31,750)	263,230
Segment income	30,839	3,594	2,377	36,811	481	37,292	267	37,560

(Notes)

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, media, and travel business that are not included in other reporting segments.
2. The segment income adjustment of ¥267 million is intersegment eliminations, unrealized income, etc.
3. Segment income is adjusted to match operating profit.

2. Information concerning impairment losses on non-current assets or goodwill by segment

(Significant impairment losses related to non-current assets)

The “Department store business” segment recorded an impairment loss of ¥376 million. In the semi-annual consolidated statements of income, this impairment loss is included in “loss on store closings” under extraordinary losses.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant subsequent events)

(Stock split)

The Company conducted a stock split, effective October 1, 2026, based on a resolution of the Board of Directors meeting held on August 13, 2026.

1. Purpose of the Stock Split

The purpose of the stock split is to reduce the investment unit of the Company's shares, to make them more accessible to a broader range of investors, including individual investors, and expanding the shareholder base over the medium to long term.

2. Details of the Stock Split

(1) Method of the Stock Split

Each common share held by shareholders of record as of September 30, 2026 was split into two shares.

(2) Number of Shares to Be Increased as a Result of the Stock Split

Total number of outstanding shares before the stock split……...367,454,554 shares
Number of shares to be increased by the stock split……367,454,554 shares
Total number of outstanding shares after the stock split……..734,909,108 shares
Total number of authorized shares after the stock split……..…1,500,000,000 shares

(3) Schedule of the Stock Split

Public notice of the record date…….……. September 15, 2026 (Tuesday)
Record date…….…... September 30, 2026 (Wednesday)
Effective date……October 1, 2026 (Thursday)

(4) Effect on Per-Share Information

The effect on per-share information is described in the relevant section.

(5) Other

(i) Change in Capital Stock

There will be no change in the Company's stated capital as a result of the stock split.

(ii) Adjustment to the Number of Shares Subject to Each Stock Acquisition Right

The Company has issued stock acquisition rights (stock options as stock-based compensation). Upon the stock split, the exercise price will remain unchanged at ¥1 per share, and the number of shares subject to each stock acquisition right will be adjusted by multiplying the number of shares before the adjustment by two.

(iii) Adjustment to the Number of Shares to Be Delivered under the Stock Compensation Plan

Under the stock compensation plan (Board Incentive Plan Trust) for directors, executive officers and certain other officers, the number of the Company's shares and other benefits to be delivered based on points granted to eligible directors, executive officers and other officers will be adjusted in accordance with the stock split ratio.