Isetan Mitsukoshi Group Financial Results Explanation Meeting for the Six Months Ended September 30, 2026

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November 13, 2026

ISETAN MITSUKOSHI HOLDINGS

I: Results for the Second Quarter of the Fiscal Year Ending March 2027 (FY2026)

II: Full-Year Plan for the Fiscal Year Ending March 2027 (FY2026)

III: Progress of Phase I of the Current Medium-Term Management Plan

I: Results for the Second Quarter of the Fiscal Year Ending March 2027 (FY2026)

II: Full-Year Plan for the Fiscal Year Ending March 2027 (FY2026)

III: Progress of Phase I of the Current Medium-Term Management Plan

- Domestic customer gross sales grew steadily due to continued deepening of relationships with identified customers.
- Overseas customer gross sales continued to grow above expectations as in the first quarter on the back of diversification of customer areas and our unique CRM measures.
- Achieved record second-quarter and first half operating profit and profit thanks to promoting cost control as planned while growing gross sales.

2. Consolidated Results

- Gross sales: Revenue continued to increase, **driven by the domestic department store business**
- SG&A expenses: We continued to control expenses, keeping the growth rate well below that of gross sales.
- Operating profit/Profit: **We achieved record highs for second quarter and first half**

(0.1 billions of yen)	First half (Apr-Sep) results	YoY	YoY difference	(Reference) Q1 (Apr-Jun) results			(Reference) Q2 (Jul-Sep) results		
				Results	YoY	YoY difference	Results	YoY	YoY difference
Gross sales handled*	6,549	106.6%	+406	3,305	106.5%	+203	3,243	106.7%	+202
Gross sales	6,356	106.6%	+394	3,207	106.5%	+195	3,149	106.8%	+199
Net sales	2,632	103.7%	+93	1,289	103.8%	+47	1,343	103.6%	+46
Gross profit	1,643	105.3%	+82	814	105.8%	+44	829	104.8%	+37
SG&A expenses	1,267	101.7%	+21	625	102.0%	+12	642	101.4%	+8
Operating profit	375	119.4%	+61	188	120.6%	+32	186	118.2%	+28
Ordinary profit	400	120.9%	+69	199	116.7%	+28	201	125.4%	+40
Profit	371	126.4%	+77	223	118.5%	+34	148	140.5%	+42

* Including the amount handled by tenants under fixed lease in department stores

3. [Gross Sales] Domestic Department Stores Results

- Domestic customers: **Revenue continued to increase stably** through growth in gross sales from identified customers with whom we have a close relationship
- Overseas customers: **Revenue continued to grow above expectations** on the back of diversification of customer areas and our unique CRM measures

(0.1 billions of yen)	First half (Apr-Sep)			(Reference) Q1 total (Apr-Jun)			(Reference) Q2 total (Jul-Sep)		
	Results	YoY	YoY difference	Results	YoY	YoY difference	Results	YoY	YoY difference
Isetan Mitsukoshi Total	**3,879**	108.4%	+300	**1,957**	107.8%	+141	**1,922**	109.0%	+159
(of which) domestic customers	**3,222**	105.9%	+179	**1,621**	105.6%	+85	**1,600**	106.2%	+94
(of which) overseas customers	**657**	122.5%	+120	**336**	119.8%	+55	**321**	125.4%	+65
Total regional operating companies	**1,715**	101.4%	+24	**864**	102.3%	+19	**850**	100.5%	+3
(of which) domestic customers	**1,543**	99.0%	(16)	**778**	99.8%	(1)	**764**	98.0%	(15)
(of which) overseas customers	**172**	130.7%	+40	**85**	132.1%	+20	**86**	129.2%	+19
Total domestic department stores	**5,595**	106.2%	+324	**2,821**	106.0%	+160	**2,772**	106.3%	+163
(of which) domestic customers	**4,765**	103.6%	+163	**2,399**	103.6%	+84	**2,364**	103.4%	+78
(of which) overseas customers	**829***	124.1%	+161	**421**	122.1%	+76	**408**	126.2%	+84

* Because we are changing the system used to track overseas customer gross sales starting in FY2026, we have also extracted the results for FY2025 using the new system

4. [Gross Sales] Results for Major Domestic Department Stores (by Store and Company)

- **Total of 5 stores in the Tokyo metropolitan area: 108.4% YoY Core stores continued to grow considerably from Q1**
- **Total of 5 major regional companies: 102.5% YoY Sales continued to increase as in the first quarter thanks to the growth in overseas customer gross sales**

(0.1 billions of yen)	Gross sales handled*1	Gross sales	YoY	YoY difference
Isetan Shinjuku Main Store	2,119	**2,118**	110.1%	+193
Mitsukoshi Nihombashi Main Store	863	**838**	108.7%	+67
Mitsukoshi Ginza Store	678	**625**	108.3%	+48
Isetan Tachikawa Store	139	**137**	96.1%	(5)
Isetan Urawa Store	160	**159**	98.3%	(2)
Isetan Mitsukoshi Total	3,961	**3,879**	108.4%	+300

(0.1 billions of yen)	Gross sales handled*1	Gross sales	YoY	YoY difference
Sapporo Marui Mitsukoshi	302	**277**	101.1%	+2
Sendai Mitsukoshi	116	**114**	98.0%	(2)
Nagoya Mitsukoshi*2	401	**275**	97.7%	(6)
Niigata Isetan Mitsukoshi	162	**160**	100.8%	+1
Iwataya Mitsukoshi	667	**646**	106.6%	+40
Total of 5 major regional companies	1,650	**1,475**	102.5%	+35

*1: Including the amount handled by tenants under fixed lease in department stores

*2: Some impacts of remodeling experienced

5. [SG&A Expenses] Actual Changes on a Consolidated Basis

- We reduced SG&A expenses by continuously promoting cost structure reform despite the impact of inflation
- Cost structure reform progressed steadily at the planned pace of ¥4.1 billion per year (progress rate in the first half was approximately 56%)

(0.1 billions of yen)	First half (Apr-Sep) results	YoY difference	Breakdown of YoY difference					
			Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Newly consolidated	Others
Personnel expenses	436	+0	(13)			+11	+2	
Advertising expenses	42	(0)	(0)	+0				
Lease payments	152	+3	(3)	+5		+0	+0	
Business consignment expenses	142	+4	(5)			+10		
Depreciation and amortization	114	+0			+1			(1)
Utilities expenses	49	+1	(1)			+1		
Others	328	+10	(1)	+5	+6		+1	(0)
Total	1,267	+21	(23)	+10	+7	+23	+4	(1)

6. Performance by Segment

- Department store business: **Profit increased by ¥5.3 billion** due to better-than-expected gross sales growth and successful cost optimization efforts
- Credit & finance business: The use of our credit cards in department stores and external transactions expanded continuously
- Real estate business: We experienced a steady increase in orders received by the construction and interior company that helped absorb cost increases

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	YoY difference
Department store business	5,869	106.2%	2,138	308	+53
Credit & finance business/ Customer organization management business	188	103.2%	176	35	+6
Real estate business	154	135.4%	154	23	+4
Other businesses	143	102.4%	163	7	(3)
Total	6,356	106.6%	2,632	375	+61

* Operating profit in the other businesses segment includes an adjustment

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I: Results for the Second Quarter of the Fiscal Year Ending March 2027 (FY2026)

II: Full-Year Plan for the Fiscal Year Ending March 2027 (FY2026)

III: Progress of Phase I of the Current Medium-Term Management Plan

- As the favorable trends in the first half are expected to continue in the second half, gross sales of domestic department stores are revised upward

- We achieved the target of ¥85.0 billion for the final year of our Medium-Term Management Plan Phase I (FY2027) one year ahead of schedule, and revised operating profit upward to ¥86.0 billion

- We revised profit upward to ¥65.5 billion
  We maintained the level of the previous fiscal year, which was record-high performance, excluding special circumstances that occurred in that year (impact of tax effect accounting, etc.)

2. Consolidated Plan

- Based on favorable trends in the first half, we revised our full-year plan (gross sales, operating profit, and profit) upward
- For profit, we maintained the level of the previous fiscal year, which was record-high performance, excluding special items that occurred in that year (impact of tax effect accounting, etc.)

(0.1 billions of yen)	Full Year Plan	YoY	YoY difference	Variance from plan dated Q1
Gross sales handled*1	14,150	105.0%	+670	+100
Gross sales	13,700	105.4%	+704	+100
Net sales	5,630	103.2%	+173	+10
Gross profit	3,490	103.6%	+122	+30
SG&A expenses	2,630	102.5%	+62	+10
Operating profit	860	107.5%	+59	+20
Ordinary profit	870	100.5%	+4	+40
Profit attributable to owners of parent	655	86.1%	(105)*2	+25

*1: including the amount handled by tenants under fixed lease in department stores

*2 :profit for the previous fiscal year includes special items

3. [Gross Sales] Domestic Department Store Plan

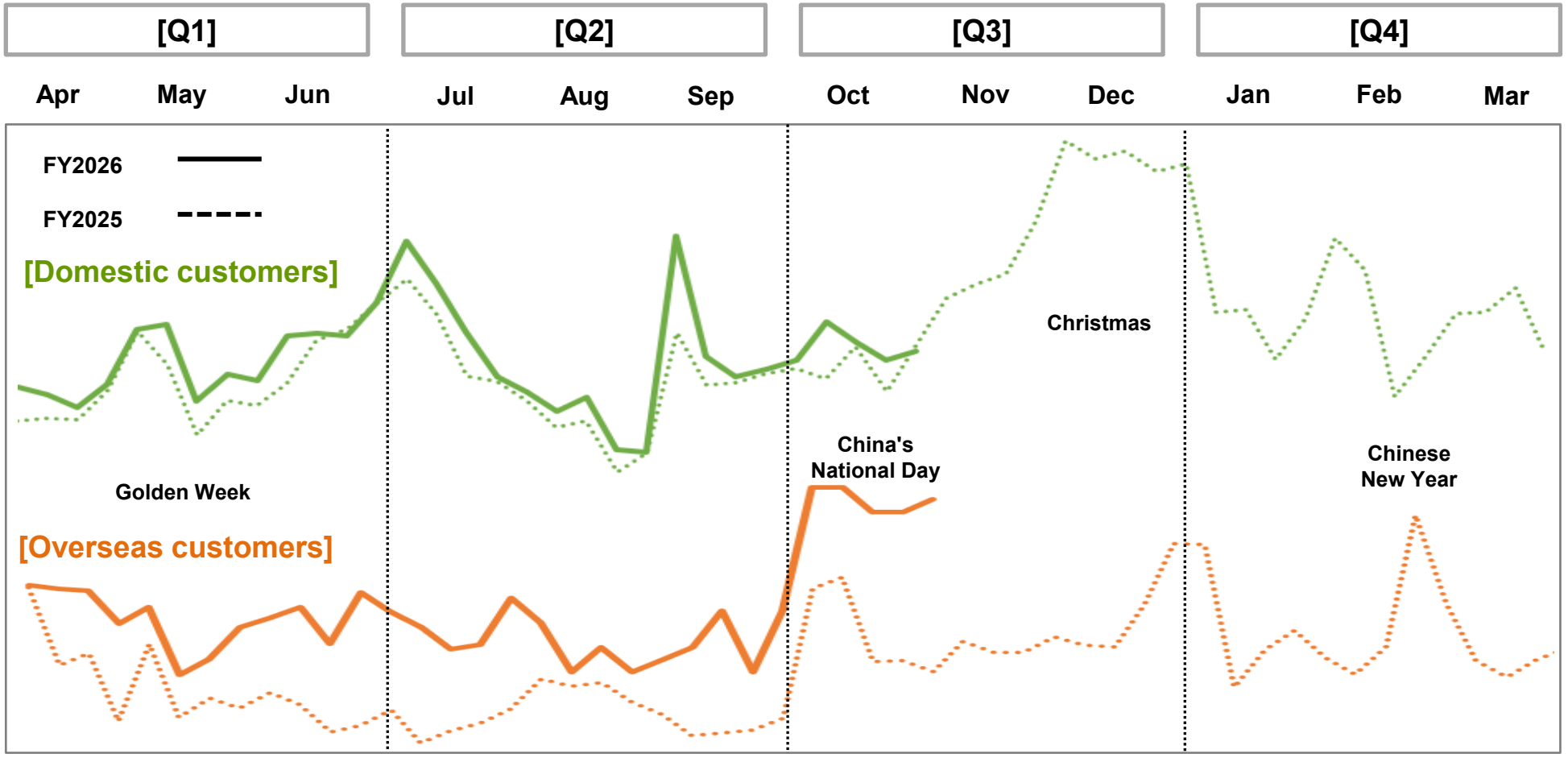
- Domestic customers: **We maintained our initial plan** based on solid performance in the first half and October in the immediate term
- Overseas customers: **We revised plan upward to 116.4% YoY for the full fiscal year** based on continued strong trend in the first half and October in the immediate term

(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 plan dated Q1
Isetan Mitsukoshi Total	**3,879**	108.4%	+300	**4,530**	106.5%	+277	**8,410**	107.4%	+578	+96
(of which) domestic customers	**3,222**	105.9%	+179	**3,827**	105.8%	+210	**7,050**	105.9%	+389	+0
(of which) overseas customers	**657**	122.5%	+120	**702**	110.6%	+67	**1,360**	116.1%	+188	+96
Total regional operating companies	**1,715**	101.4%	+24	**2,024**	102.3%	+46	**3,740**	101.9%	+70	+28
(of which) domestic customers	**1,543**	99.0%	**(16)**	**1,831**	101.8%	+31	**3,375**	100.5%	+15	+0
(of which) overseas customers	**172**	130.7%	+40	**192**	108.1%	+14	**365**	117.7%	+54	+28
Total domestic department stores	**5,595**	106.2%	+324	**6,554**	105.2%	+323	**12,150**	105.6%	+648	+124
(of which) domestic customers	**4,765**	103.6%	+163	**5,659**	104.5%	+241	**10,425**	104.0%	+405	+0
(of which) overseas customers	**829**	124.1%	+161	**895**	110.1%	+82	**1,725**	116.4%	+243	+124

* Because we are changing the system used to track overseas customer gross sales starting in FY2026, we have also extracted the results for FY2025 using the new system

4. [Gross Sales] Domestic Department Store Plan (Domestic Customers and Overseas Customers)

- **Domestic customers: We plan to keep up strong trends throughout the year (104.0% YoY)**
- **Overseas customers: We plan to continue the steady uptrend in the second half (116.4% YoY)**



5. [Gross Sales] Major Domestic Department Store Plan (by Store and Company)

- **Total of 5 stores in the Tokyo metropolitan area: 107.4% YoY We plan a significant increase in revenues through continued growth of core stores**
- **Total of 5 major regional companies: 102.1% YoY We will maintain revenue growth plan by continuing overseas customer sales growth**

(0.1 billions of yen)	Gross sales handled*1	Gross sales	YoY	YoY difference
Isetan Shinjuku Main Store	4,598	**4,596**	108.1%	+346
Mitsukoshi Nihombashi Main Store	1,846	**1,795**	106.2%	+104
Mitsukoshi Ginza Store	1,434	**1,359**	110.8%	+131
Isetan Tachikawa Store	307	**304**	97.4%	**(7)**
Isetan Urawa Store	358	**355**	101.0%	+3
Isetan Mitsukoshi Total	8,546	**8,410**	107.4%	+578

(0.1 billions of yen)	Gross sales handled*1	Gross sales	YoY	YoY difference
Sapporo Marui Mitsukoshi	665	**609**	101.7%	+10
Sendai Mitsukoshi	253	**249**	97.8%	**(5)**
Nagoya Mitsukoshi*2	844	**576**	94.8%	**(31)**
Niigata Isetan Mitsukoshi	352	**348**	102.0%	+6
Iwataya Mitsukoshi	1,450	**1,409**	106.5%	+85
Total of 5 major regional companies	3,566	**3,192**	102.1%	+65

*1: Including the amount handled by tenants under fixed lease in department stores

*2: Some impacts of remodeling experienced

6. [SG&A Expenses] Planned Changes on a Consolidated Basis

- We revised our full-year plan to ¥263.0 billion, taking into account increases in costs linked to sales and other amounts
- For cost structure reform, we revised full-year plan to ¥4.6 billion (variance from plan dated Q1: - ¥500 million)

(0.1 billions of yen)	Full Year Plan	YoY changes	Breakdown of YoY increase/decrease					
			Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Newly consolidated	Others
Personnel expenses	914	(5)	(30)			+19	+5	
Advertising expenses	96	+8	(0)	+8				
Lease payments	307	+3	(5)	+6		+1	+2	
Business consignment expenses	285	+10	(8)		+2	+16		
Depreciation and amortization	231	+2			+4			(2)
Utilities expenses	96	+6	(1)			+7		
Others	701	+38	(2)	+17	+18		+2	+4
Total	2,630	+62	(46)	+31	+24	+43	+9	+2

7. [Plans by Segment]

- **Department store business: Based on the upward revision of gross sales, we revised our operating profit plan upward by ¥1.5 billion**
- **Credit & financial business: Revised our operating profit plan upward in view of continued increase in usage amount of our credit cards**
- **Real estate business: Revised our operating profit plan upward based on our plan to absorb the cost increase in the construction and interior business by increasing sales**

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit			
				Planned value	Operating profit margin	YoY difference	Variance from plan dated Q1
Department store business	12,680	105.2%	4,590	705	5.6%	+49	+15
Credit & finance business/ Customer organization management business	396	104.0%	366	73	18.4%	+9	+3
Real estate business	330	121.4%	330	46	13.9%	(0)	+3
Other businesses	301	103.4%	351	36	12.0%	+1	(1)
Total	13,700	105.4%	5,630	860	6.3%	+59	+20

* Operating profit in the other businesses segment includes an adjustment

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II: **Full-Year Plan for the Fiscal Year Ending March 2027 (FY2026)**

III: Progress of Phase I of the Current Medium-Term Management Plan

1. Stakeholder Dialogue and Management Actions

[Previous Medium-Term Management Plan] Implementing a department store revitalization initiative to address concerns about the future of department stores

[Current Medium-Term Management Plan] Implementing unique strategies to ensure the acceleration and development of growth

Feedback upon the formulation of the Previous Medium-Term Management Plan

- **Cost structure**: "Is the low profitability of the department store business structurally unavoidable?"
- **Short- and medium-term growth**: "Will the business continue to be swayed by external factors such as economic conditions and natural disasters?"
- **Long Term**: "Can the Company achieve medium- to long-term growth in the Japanese market amid ongoing population decline?"

Current key concerns

- **Short- and medium-term growth**: "Isn't it particularly affected by the volatility of overseas customers?"
- **Short- and medium-term growth**: "Can Group companies other than department stores contribute to LTV expansion for individual customers?"
- **Long Term**: "What kind of long-term growth do you envision for the next Medium-Term Management Plan?"

Formulation of Previous Medium-Term Management Plan	Results	Management actions in the Current Medium-Term Management Plan
Scientific analysis of department stores (Domestic department stores)	[Break-even ratio] FY2024 75.7% (variance from FY2021: -25.2 pts.)	Enhance individual customer business process activities and expand the scope of these activities to include overseas customers
Shift from mass to individual marketing	[Number of identified customers] FY2024 7.61 million (variance from FY2021: +3.16 million)	Expansion of "intra-group coordination activities" eliminating vertical divisions
Acquisition of sophisticated and high-quality consumption	[Identified customer gross sales] FY2024 ¥639.5 billion (variance from FY2021: +¥213.6 billion)	[Long Term] Concretizing urban real estate development and planning multi-layered profit structure

1. Stakeholder Dialogue and Management Actions

- Utilizing the rare asset of "customer base that demands sophistication and high-quality" through unique power of people, mechanisms and digital platforms
- Linking accumulated data to medium- to long-term growth while realizing short- and medium-term results that meet market expectations

Attracting customers to special department stores

Identification by credit card and app

Accumulated customer data

Human relationships

Utilization of the Company's proprietary data

- Scientific analysis of department stores
- Business reform DX
- Sophisticated and high-quality remodeling

→ Optimizing cost and investment

- ONE Group out-of-store-sales
- Intra-group coordination
- Individual customer business DX

→ LTV expansion through advancement of individual customer business process activities

- Evolution of overseas app functions
- Organization of out-of-store-sales for overseas customers
- "Urban community development" by Isetan Mitsukoshi

→ Expanding business opportunities worldwide

Situation in FY2026 first half

- Ratio of SG&A expenses to net sales: 21.2% (YoY difference: -1.2 pt)
- Ratio of operating profit to net sales: 5.4% (YoY difference: +0.6 pt)
  * Domestic department stores
- Net sales of remodeled 3 flagship stores: 114% YoY

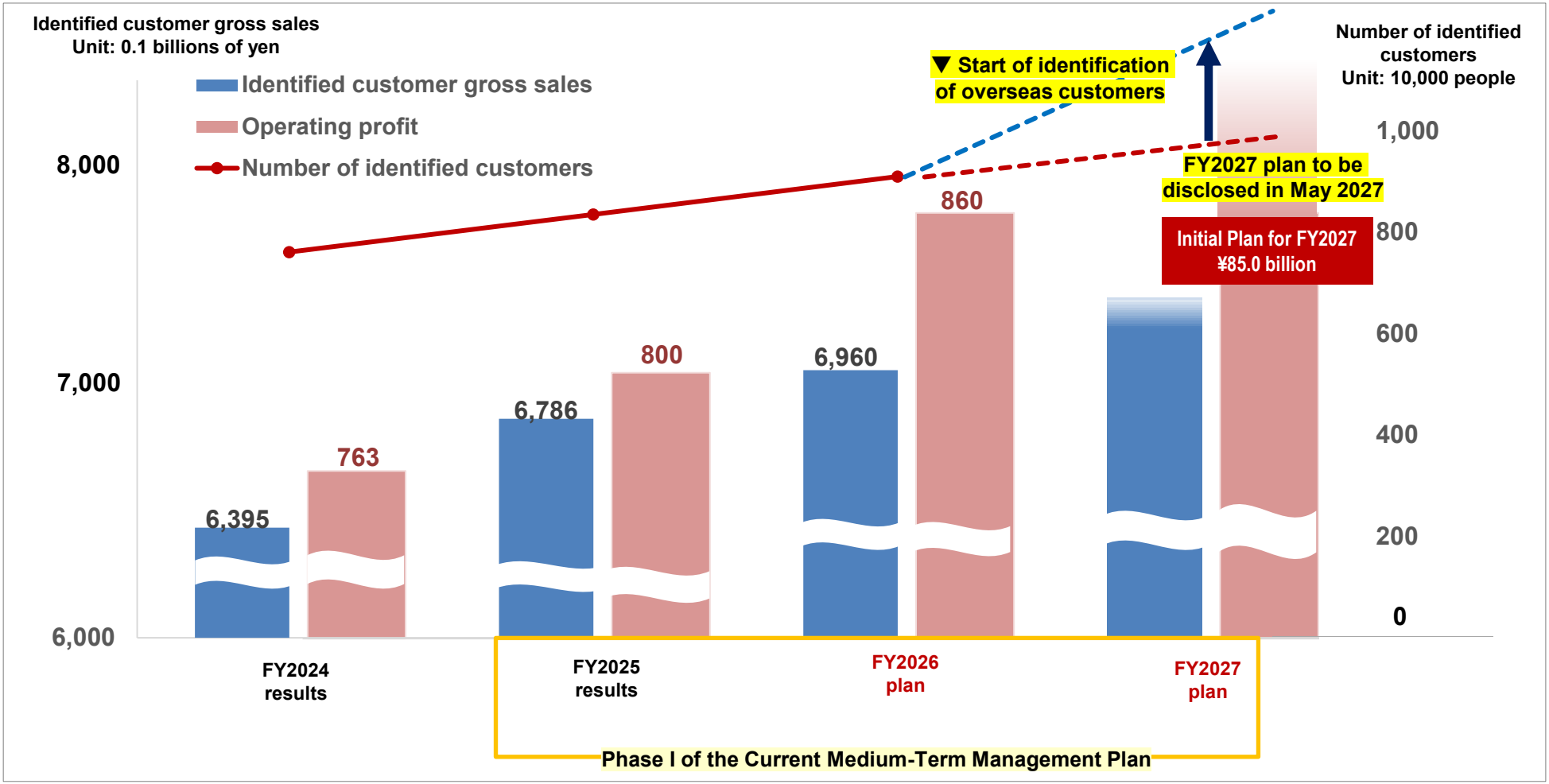
- Number of identified customers: 8.67 million (YoY difference: +730,000)
- Identified customer gross sales: 106% YoY
- Gross sales from customers purchasing more than ¥3 million across the Group: 116% YoY

- Number of members of app for overseas customers: 1.28 million
- Gross sales of app for overseas customers: 149% YoY
- Overseas out-of-store-sales customers total transaction volume: 162% YoY

[Long Term]
Enhancing merchandising activities and creating new business opportunities

(1) Current Medium-Term Management Plan (Phase I) Trend of the Number of Identified Customers / Identified Customer Gross Sales / Operating Profit

- Stable and steady growth in operating profit in proportion to an increase in the number of identified customers
  ➡ Expecting to achieve ¥86.0 billion in FY2026, exceeding the initial plan of ¥85.0 billion in FY2027
- In the future, we will bolster the identification of not only domestic customers but also overseas customers, and expect a significant increase in identified customer gross sales.



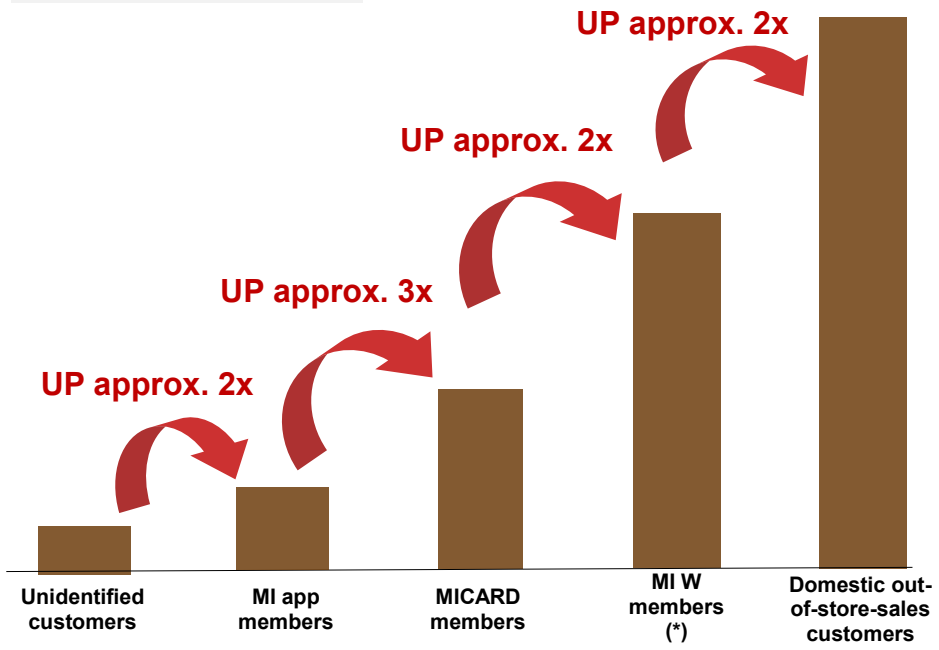
(2) Purchasing Trends of Domestic and Overseas Customers

- **Purchase amount per** customer is increasing steadily in proportion to the deepening of relationships between customers and the Company
- Improving purchase amount per customer by **accelerating the identification of overseas customers** in the same manner as domestic customers

➡ [Recent trend in **overseas customer gross sales** (Oct 2026)]
Substantial growth due to diversification of visitors as well as connections with overseas customers through apps and out-of-store-sales

Purchase amount per domestic customer in half-year period

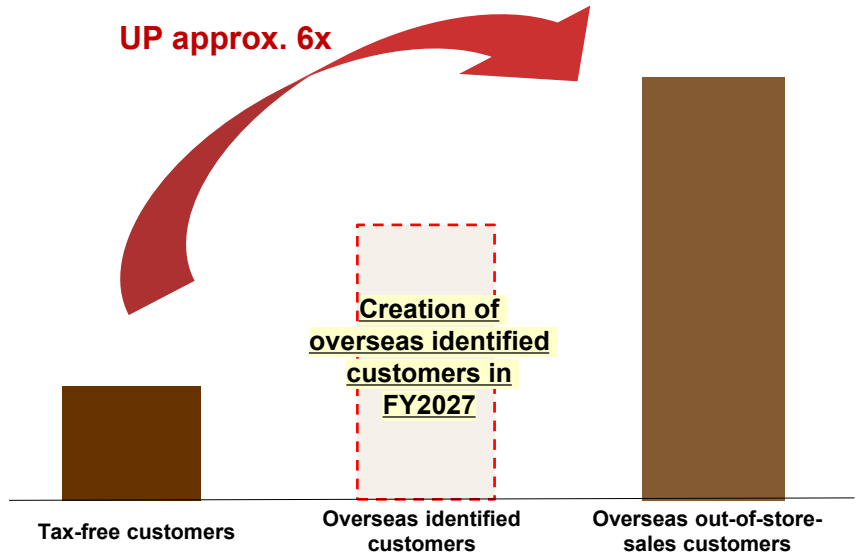
FY2026 H1 Results



(*) MI W members: MI app members as well as MICARD members

Purchase amount per overseas customer in half-year period

FY2026 H1 Results



Identification through two-way communication: Scheduled to begin in FY2027 onward

(1) Management Objectives "Financial and Customer KPIs"

[Financial KPI/ROE] Plan to achieve 10.7%, 0.6 pts higher than figure announced in May 2026, due to a significant increase in profit

[Customer KPIs] In addition to the expansion of the number of identified customers, identified customer gross sales and gross sales from customers purchasing more than ¥3 million across the Group grew considerably due to progress in the ONE Group's out-of-store-sales activities and intra-group coordination activities

		FY2026		
		H1 Results	Difference from Previous Year H1	Full Year Plan
Financial KPIs	Gross sales handled * Including the amount handled by tenants under fixed lease in department stores	¥654.9 billion	+¥40.6 billion	¥1,415.0 billion
	Gross sales	¥635.6 billion	+¥39.4 billion	¥1,370.0 billion
	SG&A expenses	¥126.7 billion	+¥2.1 billion	¥263.0 billion
	Operating profit	¥37.5 billion	+¥6.1 billion	¥86.0 billion
	Profit	¥37.1 billion	+¥7.7 billion	¥65.5 billion
	ROE	-	-	10.7%
Customer KPIs	Identified customer gross sales	¥329.2 billion	+¥19.1 billion	¥696.0 billion
	Gross sales from customers purchasing more than ¥3 million across the Group	¥93.6 billion	+¥12.8 billion	¥252.0 billion

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

[FY2026 H1 Results] Maintained number of visitors to domestic department stores through sophisticated and high-quality remodeling to attract more customers from around the world

[Future Developments] Will further pursue new subcategories and a business structure unique to the Company

Major results in FY2026 H1

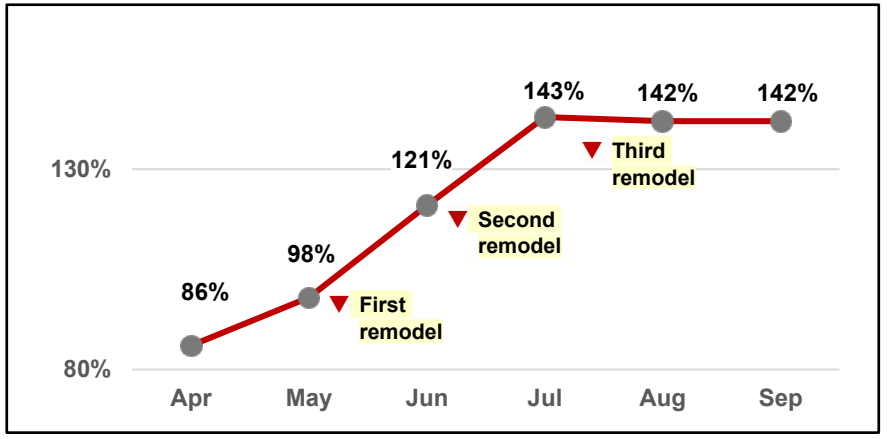
[Number of visitors to department stores in Japan]

YoY	101%

[Isetan Shinjuku Main Store "Pursuing uniqueness by remodeling Western confectionery area"]

<<YoY sales trend>>

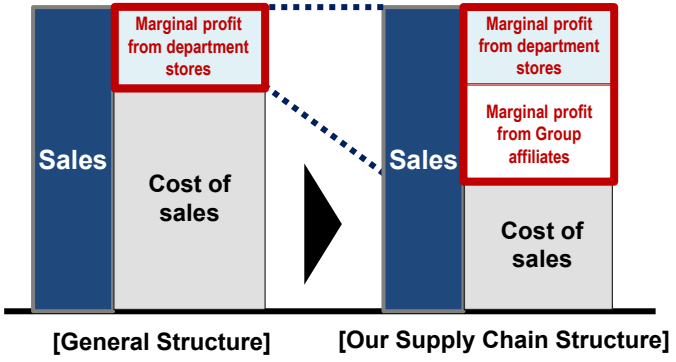
*Apr-Jul including the effect of floor space reduction due to remodeling work
*Vs. gross sales of stores remodeled at the same site



Future developments

[Attracting both domestic and overseas customers with a focus on food]

- Creating uniqueness of the business through the development of a world-leading brand
- Expanding profits by building our own supply chain



-Isetan Mitsukoshi's food SPA brand-

Collaboration with BERNACHON, one of France's leading chocolatiers

Scheduled to open on Wednesday, March 17, 2027

Isetan Shinjuku Main Building B1F Western confectionery area



Mr. Bernachon

[Attracting customers] Remodeling of 3 flagship stores

Remodeling investment amount in 3 flagship stores (FY2026)
¥6.0 billion level

- Enhancing sophisticated and high-quality content that links to attracting customers from around the world with a focus on the Isetan Shinjuku main store
- The concept of each of the 3 flagship stores will be highlighted to encourage customers to shop around and expand usage

YoY gross sales of remodeled 3 flagship stores 114%

*Vs. gross sales of stores remodeled at the same site

	Main remodeling in FY2026 first half	Main remodeling in FY2026 second half and beyond
 **Isetan Shinjuku Main Store** The World's Best and One and Only "Latest and Most Cutting-edge"	■ "Western confectionery" private brands: new edition • 45 brands to open by March 2027 • Will propose unique, cutting-edge sweets	■ "Fragrance" remodeling • Will amass one of the largest collections of brands in Japan, with over 60, to promote fragrance culture in the country
 **Mitsukoshi Nihombashi Main Store** Unparalleled "Tradition, Culture, Arts and Lifestyle"	■ Establishing salon-style boutiques where VIPs gather ➡ Delvaux on 3F Main Building ■ Gateway to attract customers from around the world (food restructuring) Western confectioneries to be refreshed for first time in 19 years	■ Establishing salon-style boutiques where VIPs gather ➡ Rolex on 1F Main Building ■ Gateway to attract customers from around the world (food restructuring) • Will begin offering fresh groceries and experience-based eat-in
 **Mitsukoshi Ginza Store** A "Global Store" broadcasting from Ginza to the world	■ Attracting customers from all over the world with a special environment and merchandise selection • Inviting luxury boutiques • Bringing uniqueness and scale to the world	■ Construction of an immersive event floor • Will propose content with high customer experience value • Unique cultural exhibitions, IP and food events

(2) Individual Customer Business Process Activities "Identification"

[FY2026 H1 Results] Introduced new tools such as entry credit card and overseas apps to steadily expand the identified customer base

[Future Developments] Further promoted identification by enhancing card types and introducing credit points

Major results in FY2026 H1

[Number of identified customers]

Number of identified customers	8.67 million
YoY	109%

[Number of Gold Card members]

Number of Gold Card members	320,000
YoY	103%

*YoY difference: +7,510 cases

[Number of MICARD BASIC members]

Number of MICARD BASIC members	170,000
YoY	217%

[Number of overseas app members]

Number of overseas app members	1.28 million

Total of overseas customers apps and WeChat

Future developments

[Will offer full lineup of card types]

- Commence issuing top-of-the-line "MICARD+ THE ONE" card

*Will start issuing in Feb 2027

MICARD+ THE ONE | MICARD+ GOLD | MICARD Plus | MICARD BASIC



American Express Cards are issued and operated by MICARD Co.Ltd. under license from American Express. "American Express" is a registered trademark of American Express.

[Introduction of two-tier point system] * System to be changed in February 2027

- Will adopt a two-tier system with both department stores and credit points added

	Current system	New system		
Card Type	Point Rate	Total Point Rate	Department Store Points	Credit Points
MICARD BASIC	2%	2%	1%	1%
MICARD Plus	5/8/10%	5/8/10%	4/7/9%	1%
MICARD+ GOLD	8/10%	10%	9%	1%
MICARD+ THE ONE	-	11%	9%	2%

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

[FY2026 H1 Results] Experienced further increase in transaction volume of intra-group coordination/base network by deepening relationships with Group Customer Program customers

[Future Developments] Will expand the scope of proposals to Group businesses and improve the domains and frequency of customer purchases

Major results in FY2026 H1

[Group Customer Program top customer results]

■ Platinum customers

Gross sales	¥58.4 billion
YoY	106%

■ Premier Diamond customers

Gross sales	¥65.3 billion
YoY	119%

* Group Customer Program: providing a wide range of benefits and services based on annual spending with the Isetan Mitsukoshi Group

[Base network results (total of regional department stores)]

Total transaction volume	¥8.1 billion
YoY	132%

* Base network: a framework that connects merchandise, services, and customers across the Group, with each store serving as a hub

[Intra-group coordination results]

Total transaction volume	¥118.7 billion
YoY	104%

Future developments

[Evolution of customer communication with use of the MITSUKOSHI ISETAN App]

Description of developments	Timing
Personal marketing Currently expanding scope of coverage	Started
AI assistant for searching store information	From FY2026 second half
Purchase requests Will enhance services going forward	Started

[Integration of individual customer IDs of related businesses into Isetan Mitsukoshi IDs]

Related businesses	Timing
Mitsukoshi Isetan Nikko Travel, Ltd.	March 2027 (tent.)
IM Food Style Ltd.	FY2027 and beyond

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

[FY2026 H1 Results] Domestic and overseas out-of-store-sales total transaction volume increased due to expansion of proposed content by strengthening the ONE Group's out-of-store-sales

[Future Developments] Will further evolve special events such as Tansei-kai and improve LTV by providing customer experiential value

Major results in FY2026 H1

[Domestic and overseas out-of-store-sales customers]

	FY2026 H1 Results	YoY
Domestic out-of-store-sales customers total transaction volume	¥118.6 billion	105%
Overseas out-of-store-sales customers total transaction volume	¥13.1 billion	162%

[ONE Group out-of-store-sales & Tansei-kai initiatives]

Dates	Twice a year (Feb/Sep)
Venue	Isetan Shinjuku Main Store
Method of holding	3-day event *closed event on 1st day (held on store holidays since FY2020)

Isetan Shinjuku Main Store
First business day of New Year
(January 2, 2008)
gross sales ¥2.8 billion

<

Isetan Shinjuku Main Store
Tansei-kai
(September 4, 2026)
gross sales ¥5.4 billion

Future developments

[New hospitality event planned for Feb 2027]

- "TANSEIKAI THE NIGHT" with select customers

➡ Will promote further deepening of relationships with customers and lifetime customerization

Action policy	Embody the Group's Mission of "Touching people's hearts with human-driven experiences" espoused in its corporate philosophy
Target customers	• Top-ranking customers throughout Japan and overseas
Value proposition	• Symbolic event for customers to experience "the power of people" • Will provide an impressive level of hospitality through "the power of people" • A special assortment of products that surpasses conventional Tansei-kai
Method of holding	• Closed event held the night before Tansei-kai
Communication design	• New Western typeface logo expression for global communication • New visual featuring tartan design

(1) Medium to Long-term Approach

- Maximize “individual customer” LTV through intra-group coordination by making “1:20 proposals” instead of “1:1 proposals” with the aim of realizing individual customer business
- Also concretize “urban community development” by Isetan Mitsukoshi in the Fruition Phase

❺ Long Term
Become a world-leading individual customer business
- Dominating the world's sophisticated, high-quality, and discerning consumption
- Creating business opportunities through all merchandising activities

❹ Fruition Phase
<<FY2031 and beyond>>
Concretizing “urban community development” by Isetan Mitsukoshi

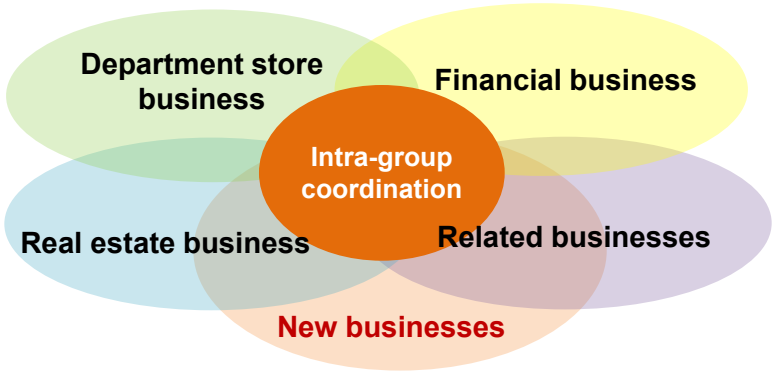
❸ Current Medium-Term Phase II Management Plan
<<FY2028-2030>>
Evolving individual customer business process activities.
Simultaneously launching full-scale preparations for urban community development

❷ Current Medium-Term Phase I Management Plan
<<FY2025-2027>>
Transition to an individual customer business through intra-group coordination

❶ Revitalization Phase
From a store business to an individual customer business

Up to Now	Going Forward	
1:1 proposals	1:20 proposals	Existing businesses + New businesses

We will maximize “individual customer” LTV through intra-group coordination
by attracting and identifying customers
At the same time, we will broaden contact points with customers and deepen relationships



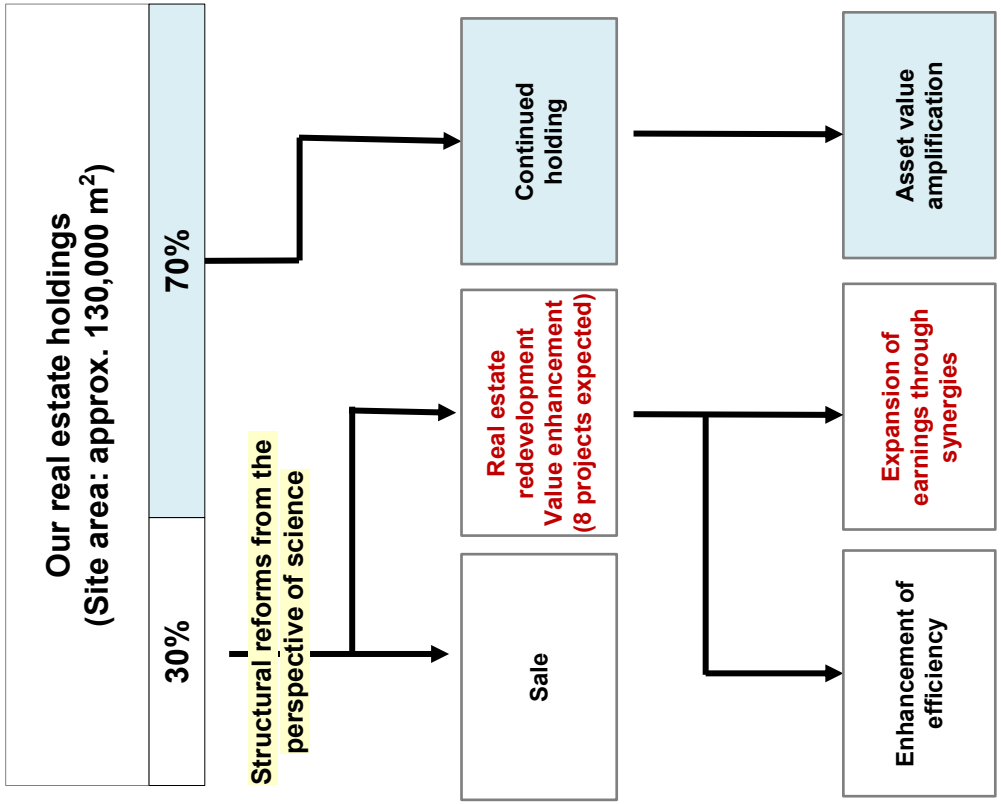
“Urban community development” by Isetan Mitsukoshi
(Expansion to the world, expansion of applications, time and space)

Creating stores that dominate the world's sophisticated and high-quality consumption and generating retail media earnings by making full use of the power of stores and people, as well as digital and AI

(2) Concept of Utilizing Our Real Estate Holdings

- For 70% of real estate holdings, pursue the essence of department stores and amplify asset value
- Make comprehensive judgments on value enhancement and sales through structural reforms from a scientific perspective and examine the expansion of earnings/enhancement of efficiency

Process of enhancing the value of real estate holdings



■Pursuing the essence of department stores

- Maximizing profitability/asset value
- Maximizing attractiveness by leveraging location-based advantages

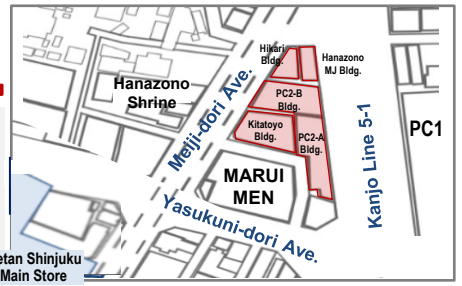
■Converting real estate to applications other than department stores

- Expanding earnings through synergies between businesses
- Shifting to diverse applications such as hotels

■Optimizing department store scale

- Enhancing efficiency while maintaining customer contact points
- Maximizing profitability in response to changes in the market environment

(3) [Project under Advance Consideration] Overview of Shinjuku 5-Chome Redevelopment

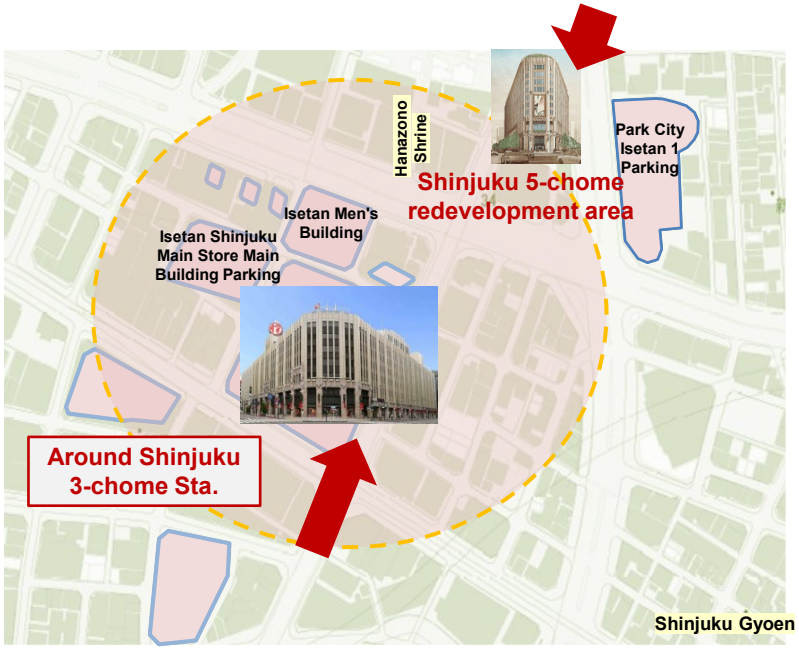


- **Development of the Isetan Mitsukoshi Group's first hotel** to attract customers from around the world seeking sophistication and high quality
  ➡ Integrated development of five in-house offices

Overview of Shinjuku 5-chome redevelopment (scheduled to open in 2032)

*The information shown is current as of the date of disclosure. Information may be revised due to factors such as future business operations and changes in economic conditions.

Building a hotel that will play a symbolic role in Shinjuku and contribute to the development of the city as a global tourist destination in cooperation with surrounding facilities



A hotel brand making its first arrival in Japan.
Exterior view linked with Isetan Shinjuku main store



North side

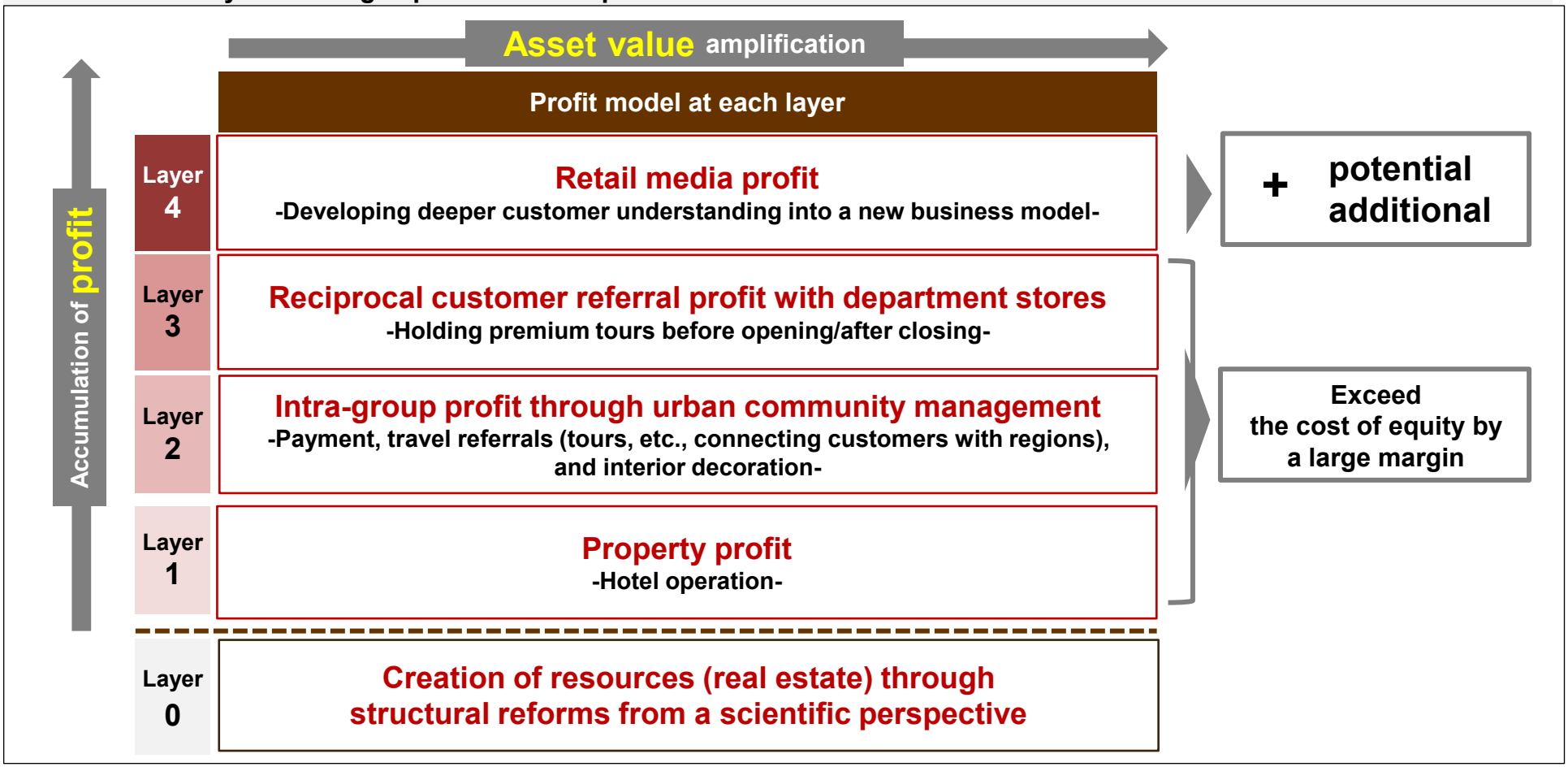


East side (Drop-off area side)

*Exteriors shown are image representations.

(4) Four Layers of Profit in Shinjuku 5-Chome Redevelopment

- "Accumulating profit and amplifying value" through property profit/intra-group profit through urban community management/reciprocal customer referral profit with department stores
- Pursuing the maximization of investment returns that significantly exceed the cost of equity and the gains from simply selling the land
  ➡Making hotel stays the very best experience. Successfully realizing hospitality that exceeds expectations and dramatically increasing department store profit



(1) DX Strategy

- **Building an IT platform for individual customer business to connect** customer contact points in Japan and overseas with content and data inside and outside the Group
- Establishing advanced individual customer business processes and developing infrastructure to accelerate **new value creation** through **the use of AI and the power of people**

	Sorting out four platforms for enhancing individual customer business			Image of growth steps toward the sophistication of individual customer businesses		
				Phase I of the Current Medium-Term Management Plan FY2025-FY2027	Phase II of the Current Medium-Term Management Plan FY2028-FY2030	Fruition Phase FY2031 and beyond
	Platform name	Target	Content to be implemented	Expansion of Platform Development and Enhancement	Expansion of Group/overseas customers	Expansion of urban community development/earnings model
Who?	Member integration platform	Domestic/ overseas/ Group customers	Centralizing management of customers	Centralizing management of domestic/overseas department store IDs	Centralizing management of Group corporate IDs	Strengthening customer contact points through urban community development
What?	Content platform	Department store/Group content	Accumulating and centralizing management of content information	Redesigning content generation operations	Accumulating Group company content	Expanding usage of non-Group content
Where?	EC/app platform	EC/domestic/ overseas apps	Performing optimal delivery across venues	Sophisticating EC/app customer contact points	Enhancing personalized customer experiences	Sophisticating data acquisition at customer contact points
How?	Data platform	Data + AI + customer relationships	Making advanced proposals with use of AI	Evolving the AI prediction model for out-of-store-sales support	Sophisticating marketing using AI	Creating new value

(2) Human Resources Strategy

- **Clarify the image of human resources based on the future vision of the Group and promote the growth and successful contributions of human resources through training and exchange**

Development of human resources for individual customer business

[Human resources responsible for Group management]

Management knowledge and skills

[Integrated human resources]

- [Power to Grasp] Individual customer understanding
- [Power to Create] Value creation
- [Power to Connect] Experiential design

[Specialized human resources in each business]

Specialized knowledge and skills

<<Integrating the three powers and putting them into practice with "people">>

[Power to Grasp] Individual customer understanding	Deeply understanding customers and building relationships of trust with customers
[Power to Create] Value creation	Co-creating value by bringing together diverse human knowledge
[Power to Connect] Experiential design	Editing/designing products and spaces into a singular story/experience

Business growth and human resource development

Phase I of the Current Medium-Term Management Plan FY2025-FY2027	Phase II of the Current Medium-Term Management Plan FY2028-FY2030	Fruition Phase FY2031 and beyond
Development of systems for human resources for individual customer business and promotion of human resource development in each business Promotion of mobility of human resources across domains and businesses	Development of human resources to identify business opportunities throughout the value chain	Creation of new businesses and markets with individual customer business

(3) Sustainability

- **Steady progress in four priority initiatives (materialities)**

  *Achieving results that lead to positive external evaluations, such as inclusion in the FTSE4Good Index Series

Priority initiatives (materialities)

	Major initiatives	Progress of FY2026 initiatives	FY2027 plan
❶ Connecting People and Local Communities	Co-creation with local communities Passing on and innovating culture, etc.	• Number of suppliers endorsing the "think good" project: 549 companies *As of September 30, 2026	• Number of suppliers endorsing the "think good" project: 600 companies
❷ Contributing to a Sustainable Environment and Society	Environmental initiatives Supply chain management	• Substantially expanded 100% renewable energy stores by 2 stores • Conducted on-site inspection of secondary supplier factories	• Reduction of greenhouse gas emissions: -24% vs FY2023 Scope1, 2* • Ratio of renewable energy: 30% • Notification rate of Isetan Mitsukoshi Group Code of Conduct for Suppliers 100%
❸ Maximizing the power of people	Autonomous career development Work-life balance, etc.	• Ratio of female managers: 32.0% *As of April 1, 2026	• Ratio of female managers: 34.0%
❹ Group Governance and Communication	Strengthening of corporate governance, etc.	• Ratio of female directors: 33.3% *As of April 1, 2026	• 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

December 4, 2026: Fiscal 2026 Sustainability Briefing to be held / January 15, 2027: Sustainability Report 2026 to be published

(4) Financial Strategy "Capital Efficiency & Profit by Business"

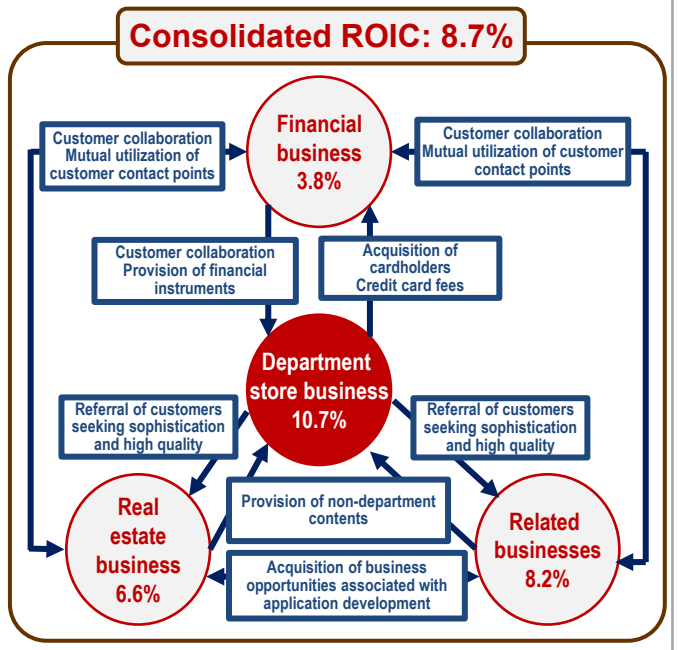
- In FY2026, conscious of the cost of equity (assumed to be 8%-9%), we are promoting the improvement of ROIC with a view to achieving ROE at 10% or higher
- Simultaneously, we monitor the ROIC of each business after the allocation of head office expenses.
- Our intention is to create synergies between businesses through intra-group coordination activities centered on the department store business

*Business classification differs from segment
*Department store business: Including domestic department store business, overseas business, MI TOMONOKAI, and consolidation adjustments

*[Reference] FY2027 plan: Consolidated operating profit / ¥85.0 billion, ROIC / 7.8% (at the time of formulation of the Current Medium-Term Management Plan)

Operating profit (Unit: 0.1 billions of yen)		Progress in FY2026 (Full-year forecast as of the end of Q2)	FY2026 Initial Plan
ROE		10.7%	10.1%
Consolidated	Operating profit	860	815
	ROIC	8.7%	8.3%
Department store business *Including MI TOMONOKAI	Operating profit	703	663
	ROIC	10.7%	10.1%
Financial business *Excluding MI TOMONOKAI	Operating profit	75	74
	ROIC	3.8%	3.7%
Real estate business	Operating profit	52	48
	ROIC	6.6%	6.2%
Related businesses	Operating profit	31	31
	ROIC	8.2%	8.2%

[Reference] Image representation of inter-business coordination



(4) Financial Strategy "Cash Allocation"

- Promote capital circulation based on operating cash and funds for asset replacement while aiming for an ROE level of 12% in the medium term
- Funds generated will be allocated in the following order: (1) growth investments to enhance cash generation capability and (2) the enhancement of shareholder returns

Cash in

Progress forecast as of the end of FY2026	Phase I plan (FY2025-FY2027)
FY2026 forecast: ¥98.0 billion (Forecast announced in May +¥6.0 billion) FY2025 results: ¥90.0 billion	**Cash generated from business activities** ¥260.0 billion level *Exclude tax effects attributable to asset replacement
FY2026 forecast: ¥25.0 billion • Sale of shares of affiliated companies • Sale of cross-shareholdings, etc. FY2025 results: ¥37.0 billion	**Asset replacement aimed at improving capital efficiency** ¥70.0 billion level

Cash out

Phase I plan (FY2025-FY2027)	Progress forecast as of the end of FY2026
Growth and maintenance investments ¥120.0 billion level + Consideration of additional growth investments • Prioritizing strategic remodeling of core stores	FY2026 forecast: ¥44.2 billion FY2025 results: ¥38.0 billion
Return to shareholders ¥150.0 billion level + Consideration of additional shareholder returns [Policy] • Total payout ratio: 70% or more (cumulative) • Progressive dividends • DOE (5% or higher from FY2027)	FY2026 forecast: ¥56.0 billion level • Dividends ¥29.0 billion level (*) • Acquisition of treasury stock ¥27.0 billion FY2025 results: ¥54.5 billion • Dividends ¥21.5 billion • Acquisition of treasury stock ¥33.0 billion

*The cash impact of the increase in the year-end dividend for FY2026 will be realized in FY2027

(4) Financial Strategy "Investment Plan"

- While maintaining discipline from a financial and strategic perspective, we are proactively strengthening our growth investments
- We strictly exercise investment controls based on performance

Investment items			Phase I total (FY2025-FY2027)	FY2025 Results	FY2026 Plan
Growth investments	Content	Department store remodeling	¥53.0 billion	¥13.6 billion	¥17.3 billion
		Urban community development investment (Expansion of functions and content)			
	DX/system	System development investment	¥13.0 billion	¥4.0 billion	¥5.1 billion
		Individual customer business DX investment			
	Real estate	Increasing the value of the owned real estate	¥17.0 billion	¥6.8 billion	¥7.4 billion
	Improved productivity	Human capital investment*	¥3.0 billion	¥0.9 billion	¥1.7 billion
		Business reform DX investment			
Maintenance investment	Safety and security	LCC investment (building repairs, repairs, etc.)	¥36.0 billion	¥12.7 billion	¥12.7 billion
		Investment in existing system modifications			
Total			¥122.0 billion	¥38.0 billion	¥44.2 billion

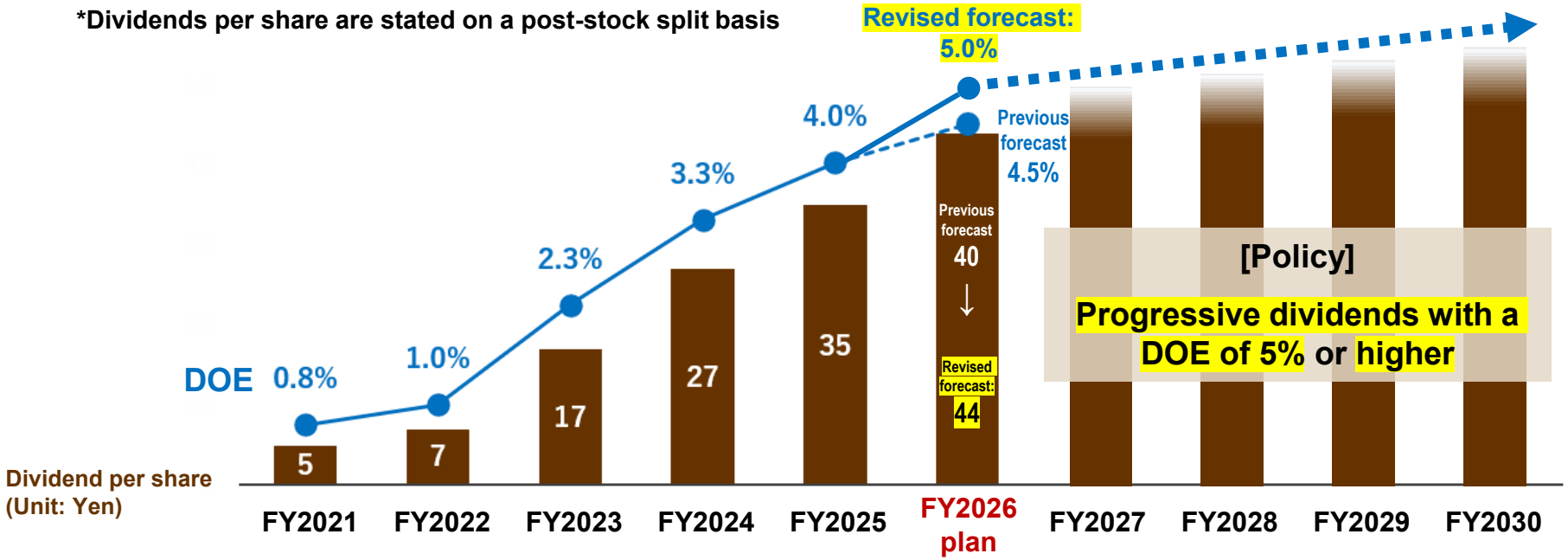
*Compensation increases and human resource development are budgeted under selling, general and administrative expenses and are therefore excluded from this item

(4) Financial Strategy "Shareholder Returns"

- In line with the upward revision of the full-year earnings forecast for FY2026, we have increased both our interim dividend and year-end dividend forecast for FY2026 by ¥2 from the previous forecast of ¥20 to ¥22 (FY2026 DOE is forecast to be 5.0%) *Both the interim dividend and year-end dividend are stated based on the standard after the stock split.
- The remaining ¥8.0 billion of treasury stock currently being repurchased is scheduled to be repurchased from November 2026 onward (total payout ratio is expected to be 88% in FY2026)

In line with the upward revision of the full-year earnings forecast for FY2026, we increased both our interim dividend and year-end dividend forecast for FY2026 by ¥2

*Dividends per share are stated on a post-stock split basis



	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 plan
Acquisition of treasury stock	-	-	¥15.0 billion	¥25.0 billion	¥33.0 billion	¥27.0 billion (In mid-acquisition)
Total payout ratio	31%	17%	50%	85%	76%	88%

Planned acquisition value from November 2026 onward: ¥8.0 billion

[Policy] Phase I total: 70% or more

Progress and Results of Current Medium-Term Management Plan (Phase I)

Other Issues in Dialogue with Stakeholders

"Other" issues	
(Issue)	The domestic customer base is strong. Are there concerns about the sustainability of growth nonetheless?
(1)	Efforts aimed at domination and expansion of sophisticated and high-quality consumption
(Issue)	What is the progress and expected future results of building CRM for overseas customers?
(2)	Efforts aimed at overseas customers
(Issue)	What is the improvement in the profitability of regional department stores and the new meaning of their existence in the individual customer business?
(3)	Expansion of intra-group coordination activities eliminating vertical divisions to regional store customers
(Issue)	Are the "preparations" of the affiliated companies for profitability in the Fruition Phase progressing smoothly?
(4)	Functional evolution of affiliated companies in individual customer business

“Other” Issues in Dialogue with Stakeholders

(Issue) The domestic customer base is strong. Are there concerns about the sustainability of growth nonetheless?

(1) Efforts aimed at domination and expansion of sophisticated and high-quality consumption

- Setting the market for **sophisticated and high-quality consumption** (discerning consumption) sought by people around the world as the target market
- Engineering an improvement in LTV by creating value only possible through the utilization of our key strengths and by **deepening relationships with individual customers**

Changes in external environment

Macro environment

- **Decline in Japanese population**
  ➡ The decline will continue going forward
- **Shrinking retail market**
  ➡ The Japanese retail market is shrinking as the population declines

Business opportunities for us

- **Increase in global population**
  ➡ The increase will continue going forward
- **Expansion of the Japanese discerning consumption market**
  ➡ The polarization of consumption is progressing. Demand for goods and services for discerning tastes is growing

Efforts aimed at domination and expansion of sophisticated and high-quality consumption

Market creation

- We have defined discerning consumption, which can be expected to keep growing in the future, as **sophisticated and high-quality** consumption
- Narrowing **target** down to **consumption (buying methods)**

➡ A market with **great growth potential**

Content creation

- Creating **value unique to Isetan Mitsukoshi** through remodeling that pursues uniqueness and rarity

Customer creation

- **From mass to individual marketing**
  Engaging each individual and making proposals as a Group that are aligned with their discerning tastes and values

Targeting **worldwide sophisticated and high-quality consumption**

Attracting customers from around the world by remodeling sensibilities

From mass to individual marketing: Connecting with each individual and identifying them

Understanding customers through two-way communication

Expanding the use of Group content through personalized communication

Improving LTV by maintaining long, deep connections

(Issue) What is the progress and expected future results of building CRM for overseas customers?

(2) Efforts aimed at overseas customers

- Strengthening **individual customer business process activities** to build **a customer base similar to that of Japanese customers**
- Providing personalized services to **overseas customers seeking sophisticated and high-quality consumption through two-way communication with those customers**

Establishment and promotion of systems	Building and expansion of customer base
Building and promoting individual customer business process activities centered on out-of-store-sales for overseas customers, overseas apps and the Group Customer Program	Building a customer base similar to that in Japan and expanding the share of gross sales from overseas customers

Connecting the Customer Journey (Before Journey - After Journey) in one step to maximize the improvement of overseas customer LTV

Attracting customers	Identification	Expansion of usage	Lifetime customerization
Before Journey (before visiting Japan)	While visiting Japan/Store visits and purchases	While visiting Japan – After visiting Japan	After Journey - Revisiting
Raising awareness and anticipating customer motivation	Accumulating "purchasing and behavior data" through identification	Deepening customer understanding and providing personalized services	Improving LTV through continuous engagement
Effective marketing [From March 2027] Commencement of brand communication for overseas customers	Identification based on purchase origin through capitalizing on facilities [From April 2027] Commencement of identification	Repurchases using the Group Customer Program to draw customers back [From April 2027] Commencement of two-way communication	Improving LTV through out-of-store-sales [From April 2027] Introduction of Group Customer Program for overseas customers

“Other” Issues in Dialogue with Stakeholders

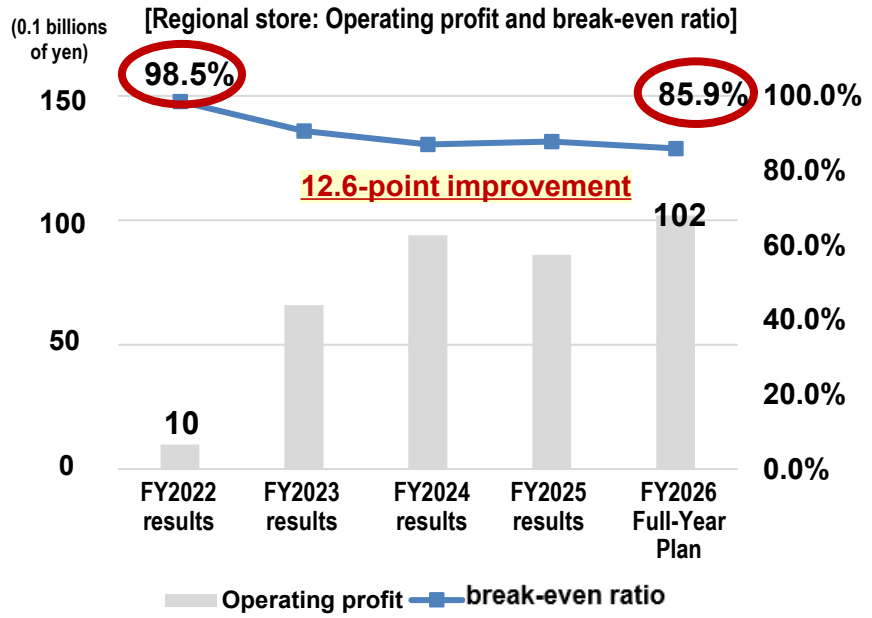
(Issue) What is the improvement in the profitability of regional department stores and the new meaning of their existence in the individual customer business?

(3) Expansion of intra-group coordination activities eliminating vertical divisions to regional store customers

- **Establishing a stable profit structure** by promoting scientific analysis of department stores
- Strengthening base network to **meet customer needs** and increase **actual gross sales** at regional department stores

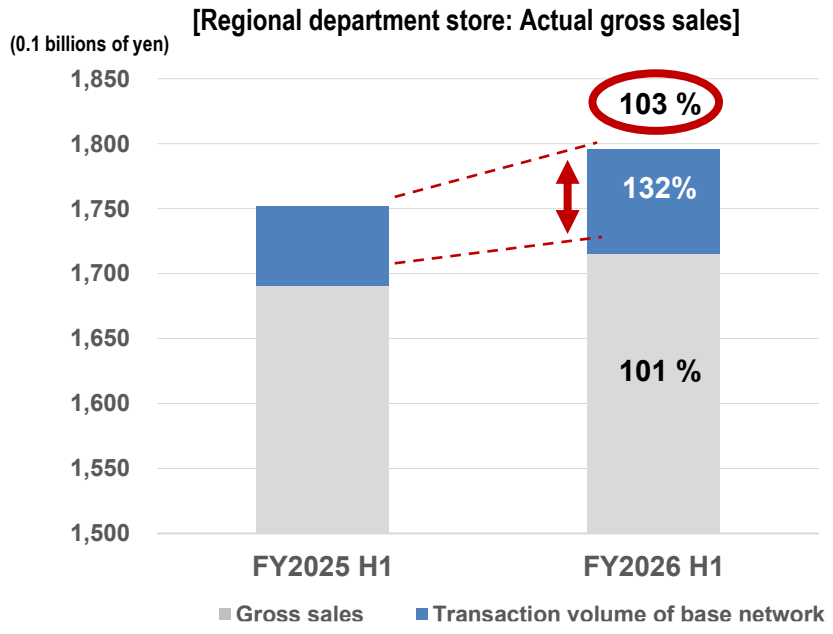
Trends in structural reforms at regional department stores

- **Major reduction in break-even point** due to promotion of scientific analysis of department stores
  ➡**Significant improvement of 12.6 points** from FY2022



Expansion in transaction volume of base network

- Transaction volume of base network **rose sharply by 132% YoY**
  ➡ **Equivalent to approx. 5%** of regional department store gross sales



“Other” Issues in Dialogue with Stakeholders

(Issue) Are the “preparations” of the affiliated companies for the Fruition Phase progressing smoothly?

(4) Functional evolution of affiliated companies in individual customer business

- Making steady progress in three initiatives under intra-group coordination (eliminating vertical hierarchy, moving from mass to individual marketing and shifting from vertical to horizontal structure)

Eliminating vertical hierarchy -All businesses parallel	From mass to individual marketing -Maximization of LTV for identified customers-	Shifting from vertical to horizontal structure -Customer-focused inter-business coordination-
Isetan Mitsukoshi Business Support Ltd. Helps enhance logistics efficiency for department store business partners	MICARD Co. Ltd. Full lineup of cards, including MICARD+ THE ONE	IM Food Style Ltd. Supply chain collaboration with department stores such as food SPA brands
Isetan Mitsukoshi System Solutions Ltd. Develops IT service platforms for realizing individual customer businesses	Mitsukoshi Isetan Nikko Travel, Ltd. Development of and receipt of orders for high-sensibility tour products for out-of-store-sales customers	Isetan Mitsukoshi Property Design Ltd. Proposes living spaces that combine the strengths of the Group
Studio Alta Co., Ltd. Increases orders received for intra-Group advertising projects by leveraging skills and expertise	Isetan Mitsukoshi Property Design Ltd. Reinforces activities to acquire renovation properties for out-of-store-sales customers	IMGS Co., Ltd. Promotes sophisticated and high-quality gifts through collaboration with department stores

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.