



Q2, Fiscal Year Ending February 28, 2026 Financial Results Supplementary Materials

(March 1, 2025 to August 31, 2025)

September 26, 2025

DCM HOLDINGS CO., LTD.

Q2 Highlights, Fiscal Year Ending February 28, 2026

DCM HOLDINGS CO., LTD.

Q2 Highlights, Fiscal Year Ending February 28, 2026



Net sales **276.0 billion yen** **97.3% of previous year (95.7% of plan)**

• Same store sales -4.0% YoY

Gross profit **95.5 billion yen** **98.6% of previous year (95.9% of plan)**

• Gross profit margin +0.4% YoY, HC business gross profit margin 36.9% (+0.6% YoY)

Operating profit **20.8 billion yen** **98.9% of previous year (94.7% of plan)**

• SG&A -1.3% YoY; -3.5% compared to plan; increase in operating efficiency, despite increases in wages per person

Ordinary profit **19.9 billion yen** **101.7% of previous year (93.6% of plan)**

• Interest expenses and commission expenses -660 million yen

Profit attributable to owners of parent **12.1 billion yen** **103.6% of previous year (96.3% of plan)**

Q2 Results, Fiscal Year Ending February 28, 2026

DCM HOLDINGS CO., LTD.

Consolidated Statements of Income



Ordinary profit and interim profit attributable to owners of parent increased
Gross margin improvement and cost reductions progressed as planned

(Millions of yen, %)

	Q2, FYE February 2025		Q2, FYE February 2026			
	Result	Sales ratio	Result	Sales ratio	Change	Change (%)
Net sales	283,581	100.0	276,008	100.0	(7,573)	97.3
Gross profit	96,907	34.2	95,531	34.6	(1,375)	98.6
Operating revenue	4,192	1.5	4,320	1.6	+ 128	103.1
Operating gross profit	101,099	35.7	99,852	36.2	(1,247)	98.8
SG&A	80,018	28.2	79,008	28.6	(1,009)	98.7
Operating profit	21,081	7.4	20,843	7.6	(237)	98.9
Ordinary profit	19,602	6.9	19,929	7.2	+ 327	101.7
Profit attributable to owners of parent	11,709	4.1	12,136	4.4	+ 426	103.6

Consolidated Statements of Income (by Quarter)



Operating profit decreased in Q1 due to unseasonable weather, and increased in Q2 as a result of various measures

(Millions of yen, %)

	Q1 (March-May)				Q2 (June-August)			
	FYE February 2025	FYE February 2026	Sales ratio	YoY (%)	FYE February 2025	FYE February 2026	Sales ratio	YoY (%)
Net sales	139,414	136,161	100.0	97.7	144,167	139,846	100.0	97.0
Gross profit	48,055	47,372	34.8	98.6	48,851	48,158	34.4	98.6
Operating revenue	2,073	2,165	1.6	104.4	2,118	2,155	1.5	101.7
Operating gross profit	50,129	49,538	36.4	98.8	50,970	50,315	36.0	98.7
SG&A	39,896	39,852	29.3	99.9	40,121	39,155	28.0	97.6
Operating profit	10,233	9,685	7.1	94.6	10,848	11,158	8.0	102.9
Ordinary profit	9,308	9,155	6.7	98.4	10,293	10,773	7.7	104.7
Profit attributable to owners of parent	5,691	5,881	4.3	103.4	6,018	6,254	4.5	103.9

Sales by Product Category



Every division experienced a rebound in demand for emergency supplies
Sales of air-conditioned clothing and other products to combat extreme heat remained strong

(Millions of yen, %)

	Q2, FYE February 2025		Q2, FYE February 2026			
	Result	Composition ratio	Result	Composition ratio	Change	Change (%)
Gardening	48,422	17.1	46,678	16.9	(1,744)	96.4
Home improvement	54,979	19.4	53,920	19.5	(1,058)	98.1
Home leisure and pet	41,332	14.6	39,583	14.3	(1,748)	95.8
Housekeeping	42,463	14.9	41,527	15.1	(935)	97.8
Home furnishing	30,657	10.8	29,290	10.6	(1,366)	95.5
Home electronics	24,940	8.8	22,811	8.3	(2,128)	91.5
Other	7,748	2.7	7,717	2.8	(31)	99.6
Product supply, etc.	787	0.3	636	0.2	(150)	80.8
Total of home improvement retail business	251,331	88.6	242,166	87.7	(9,164)	96.4
XPRICE business	32,123	11.3	33,707	12.2	+ 1,583	104.9
Other business	126	0.1	134	0.1	+ 7	106.3
Total	283,581	100.0	276,008	100.0	(7,573)	97.3

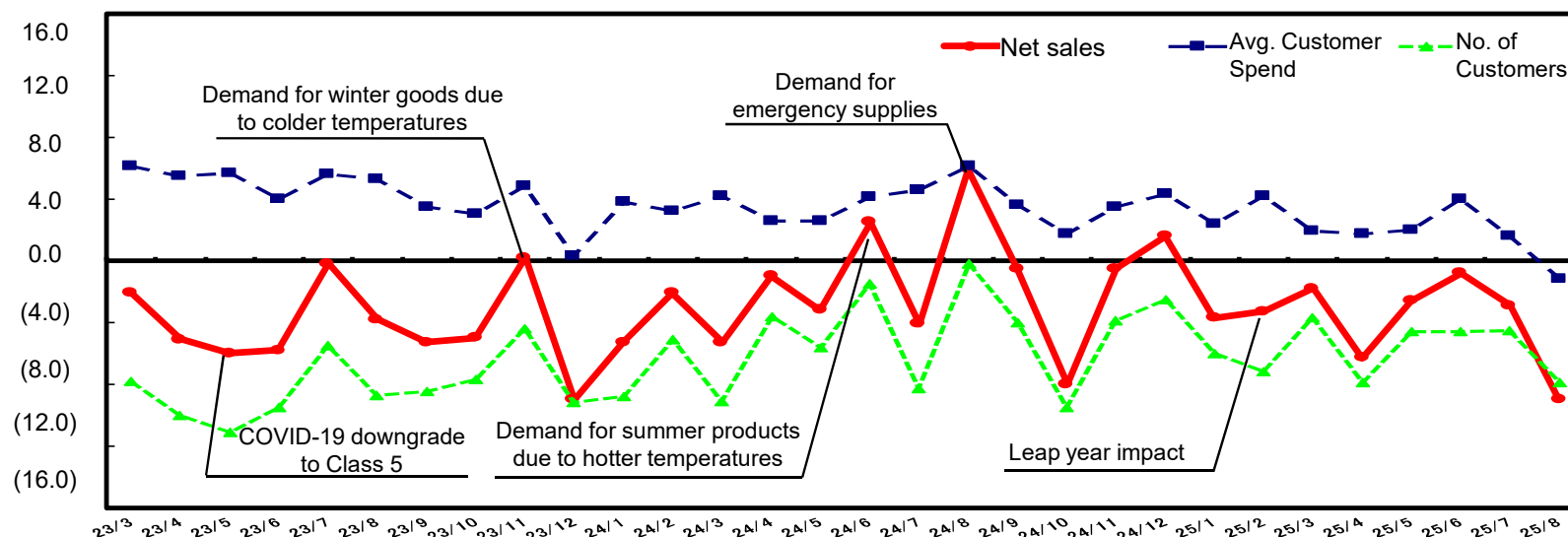
*We reclassified results for the previous fiscal year due to a change in departments.
(Dining and Kitchen, Bath and Toiletries moved from Housekeeping to Home Furnishings division)

Same Store Changes



Higher prices per customer due to rising raw material prices and a weaker yen
August saw a negative rebound due to the Nankai Trough Earthquake Extra Information
in the previous year

	FYE February 2025			FYE February 2026		
	Net Sales	No. of Customers	Avg. Customer Spend	Net Sales	No. of Customers	Avg. Customer Spend
March - August Total	(0.9%)	(4.7%)	+4.0%	(4.0%)	(5.6%)	+1.7%
March – May	(3.0%)	(5.9%)	+3.0%	(3.7%)	(5.5%)	+1.9%
June - August	+1.2%	(3.4%)	+4.8%	(4.3%)	(5.6%)	+1.5%

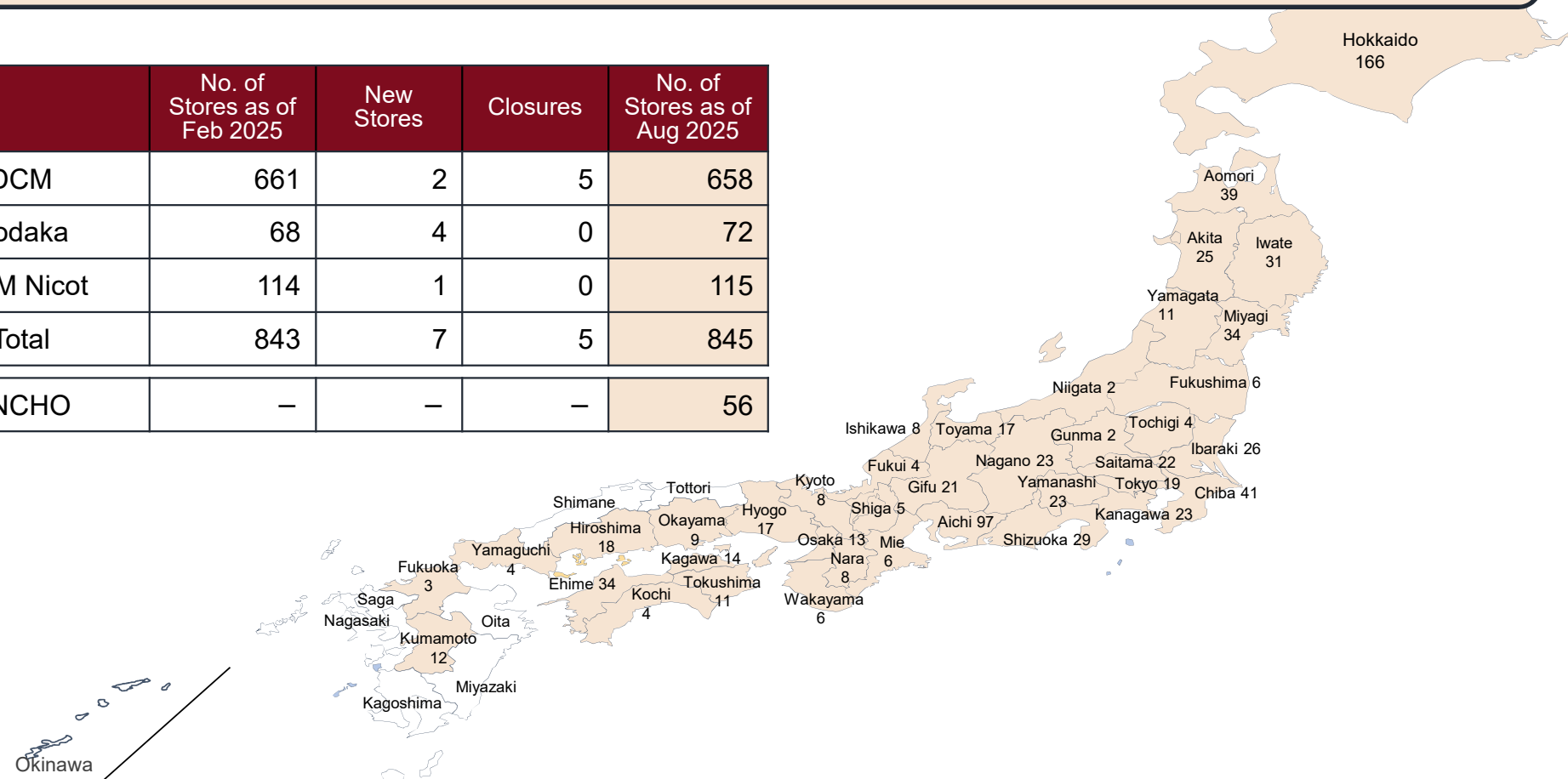


Store Openings by Prefecture



Total 845 Stores nationwide
Encho Co., Ltd. joined the DCM Group on September 1

	No. of Stores as of Feb 2025	New Stores	Closures	No. of Stores as of Aug 2025
DCM	661	2	5	658
Hodaka	68	4	0	72
DCM Nicot	114	1	0	115
Total	843	7	5	845
ENCHO	—	—	—	56



Hodaka Business Performance



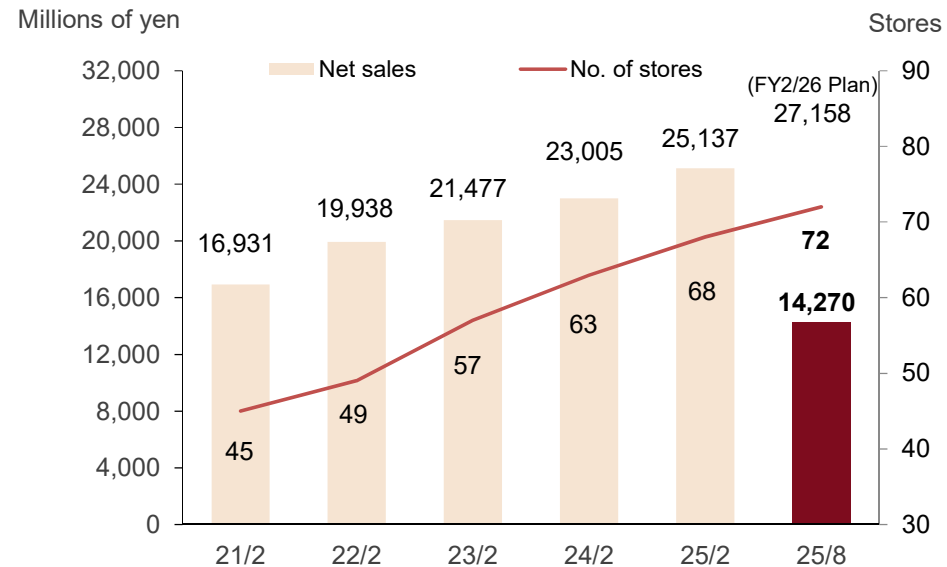
Proactively expanding specialty stores for professionals

Hodaka Pro Shop

Specialty store selling tools, hardware, and work supplies



**Same Stores
+4.6% YoY**



As of August 2025: 72 stores (Tokai 27, Kanto 12, Hokkaido 9, Hokuriku 6, Kinki 5, Tohoku 5, Shikoku 4, Chugoku 2, Kyushu 2)

Net sales, all stores 14,270 million yen (+8.9% YoY)

Operating profit +9.6% YoY

DCM Nicot Business Performance

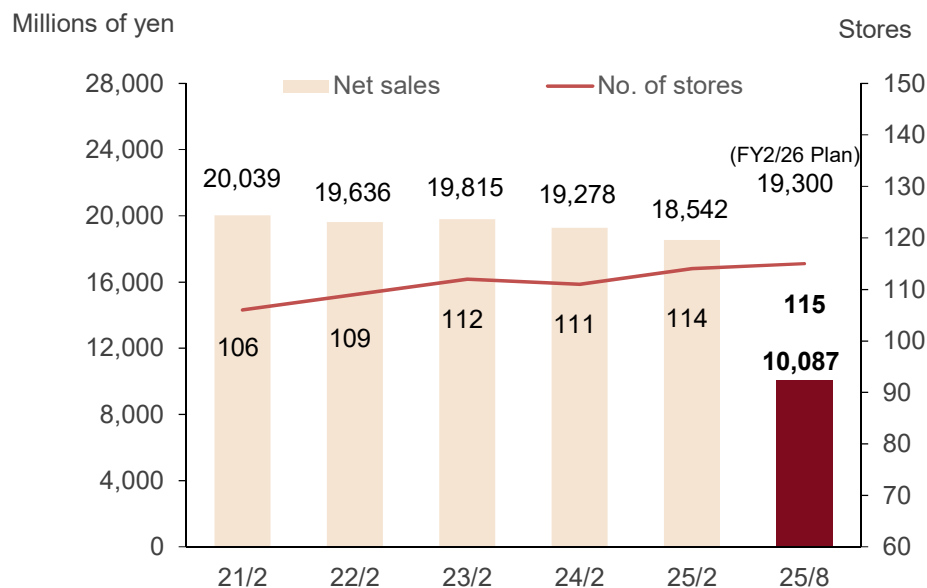


Leverage DCM resources to remodel stores and improve profitability as a small, community-based store

DCM Nicot Home convenience stores in small market areas



**Same Stores
-0.3% YoY**



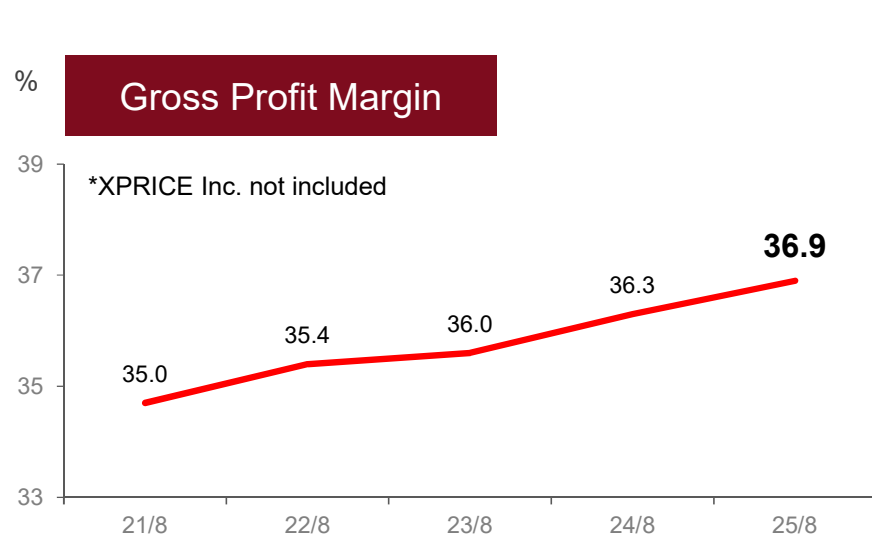
As of August 2025: 115 stores (Hokkaido 72, Tohoku 39, Kanto 4)

Net sales, all stores 10,087 million yen (+1.0% YoY) Operating profit +13.6% YoY

Gross Profit Margin



As the weak yen, high raw materials prices, and rising logistics costs continue, we strengthened private brand sales to improve gross profit margin



Mark-up +1.4 point improvement

	Gross Profit Margin by Division	
	Q2, FYE February 2025	Q2, FYE February 2026
Gardening	36.2	37.8
Home improvement	39.0	39.4
Home leisure and pet	36.0	36.7
Housekeeping	27.1	27.3
Home furnishing	44.5	45.6
Home electronics	35.6	36.8
Other	33.6	36.2
Total	36.3	36.9

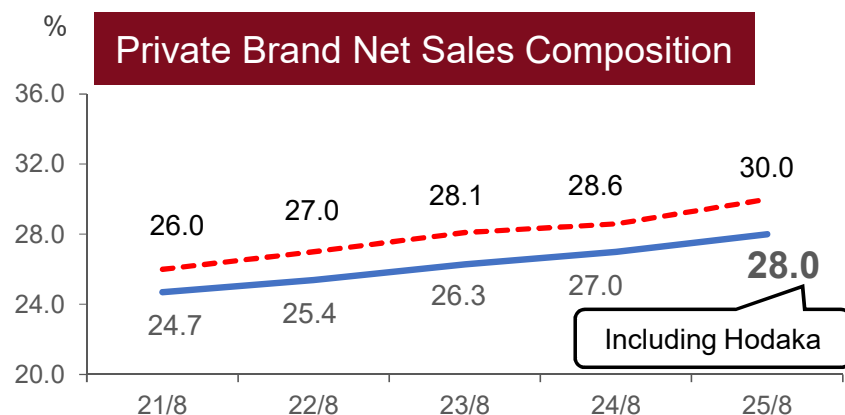
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(Dining and Kitchen, Bath and Toiletries moved from Housekeeping to Home Furnishings division)

Private Brand Net Sales Composition



Developing new environmentally friendly and money-saving products
Stronger sales of XPRICE private brand products (MAXZEN)

(Unit: %)



Private Brand Net Sales Composition
(+1.0 points YoY)

	Private Brand Net Sales Composition	
	Q2, FYE February 2025	Q2, FYE February 2026
Gardening	29.9	31.9
Home improvement	22.7	22.6
Home leisure and pet	29.7	30.9
Housekeeping	15.9	16.1
Home furnishing	55.4	55.5
Home electronics	8.5	12.6
Total	27.0	28.0

*Includes product sales of the XPRICE private brand, MAXZEN

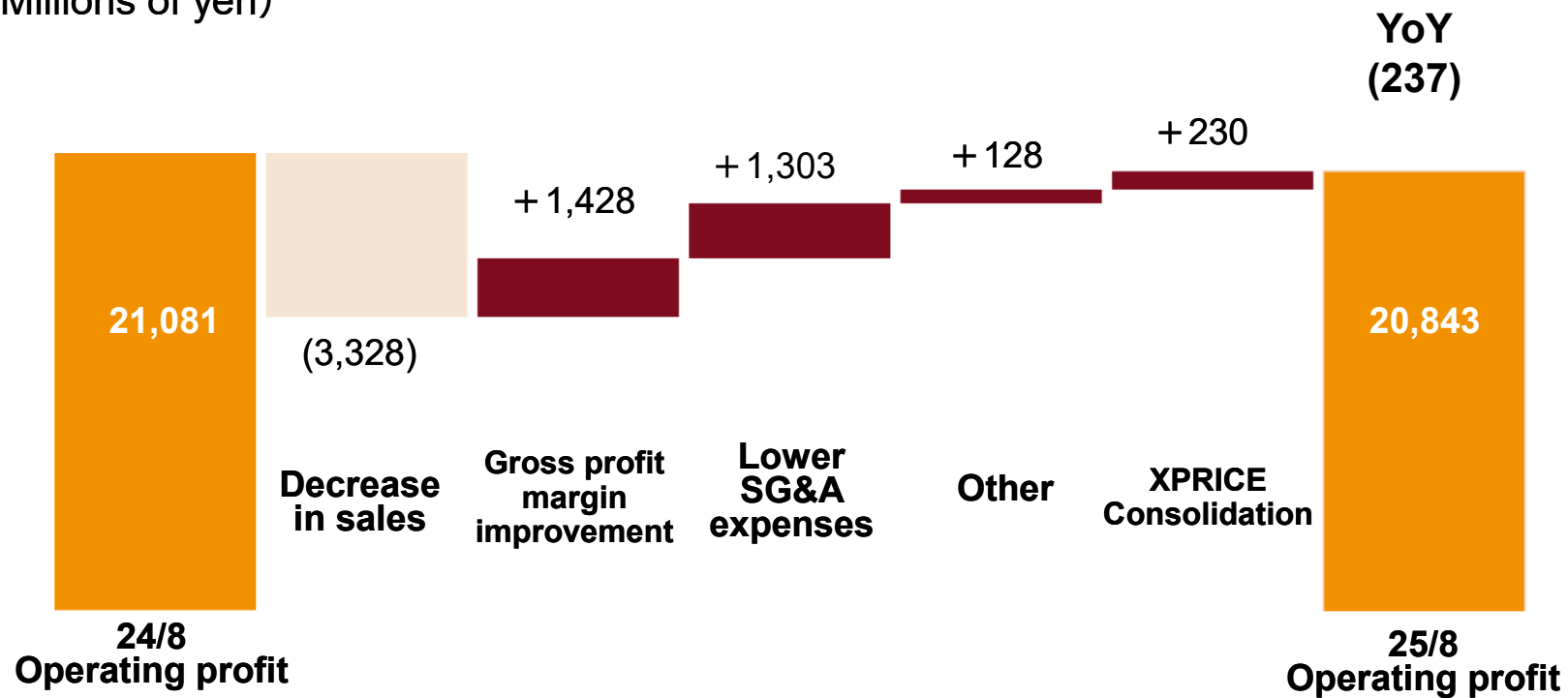
*We reclassified results for the previous fiscal year due to a change in departments.

(Dining and Kitchen, Bath and Toiletries moved from Housekeeping to Home Furnishings division)

Breakdown of Change in Operating Profit

Decrease in profit due to lower sales, despite gross profit margin improvement, SG&A cost reduction, and improved XPRICE profitability

(Millions of yen)



Consolidated Balance Sheets



(Millions of yen)

	As of February 28, 2025	As of August 31, 2025	Change	Change Factors
Current assets	292,374	274,461	(17,912)	Cash and deposits -23,271 million yen
Accounts receivable - trade	10,455	16,053	+5,598	Increase due to seasonal factors
Merchandise	153,416	154,031	+615	Increase due to seasonal factors
Non-current assets	355,562	367,325	+11,762	
Property, plant and equipment	221,239	222,016	+777	
Intangible assets	55,103	54,419	(684)	
Investments and other assets	79,219	90,889	+11,669	
Total assets	647,936	641,786	(6,150)	
Current liabilities	127,710	107,027	(20,683)	
Notes and accounts payable - trade	44,214	62,065	+17,851	Increase in pending payments since the last day of the month was a bank holiday
Current portion of long-term debt	52,444	14,569	(37,875)	Repayment of long-term debt
Non-current liabilities	255,927	251,855	(4,071)	
Bonds payable	35,000	35,000	—	
Long-term borrowings	188,796	181,699	(7,097)	Repayment of long-term debt
Total liabilities	383,637	358,882	(24,755)	
Total net assets	264,299	282,904	+18,604	
Total liabilities and net assets	647,936	641,786	(6,150)	

Capital Investment and Depreciation and Amortization



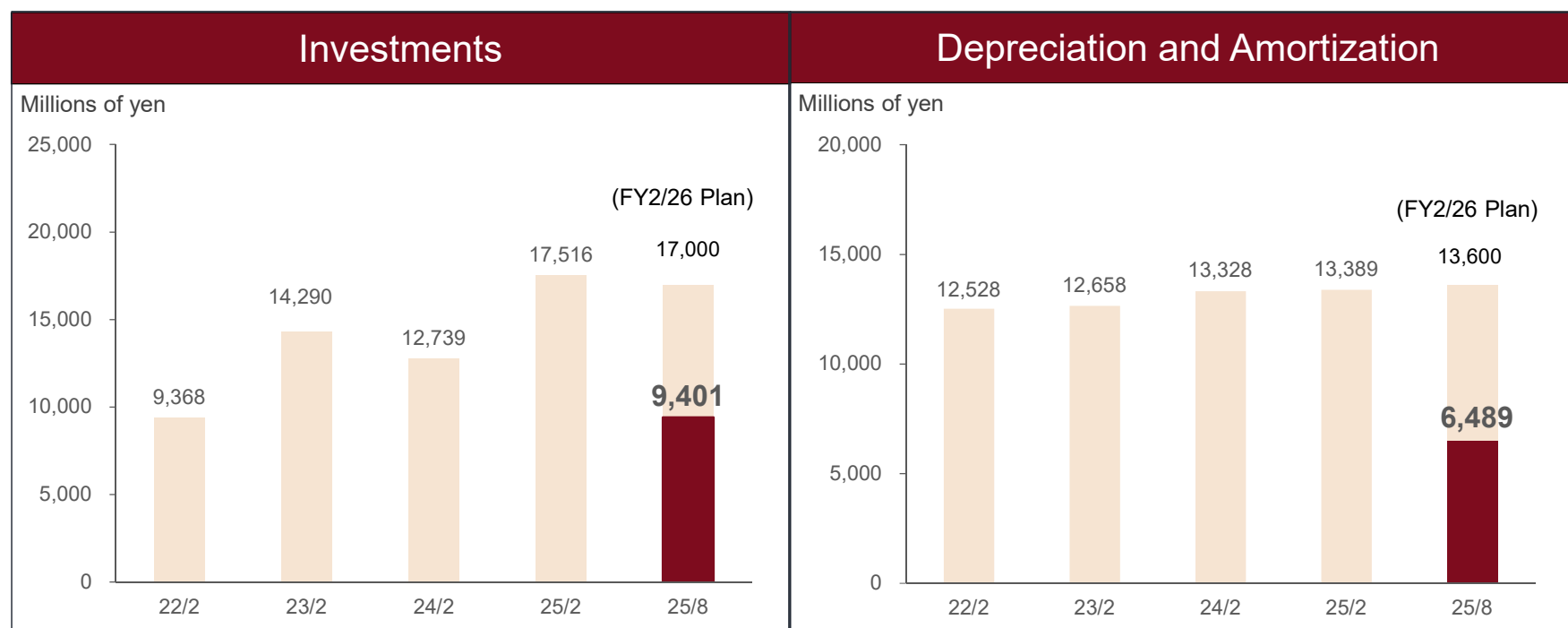
March 01, 2025 to August 31, 2025

(Millions of yen)

Amount of Investment	Depreciation
9,401	6,489

*Investments in property, plant and equipment, software, and leasehold and guarantee deposits

*Amortization includes software and other intangible assets, long-term prepaid expenses, etc.

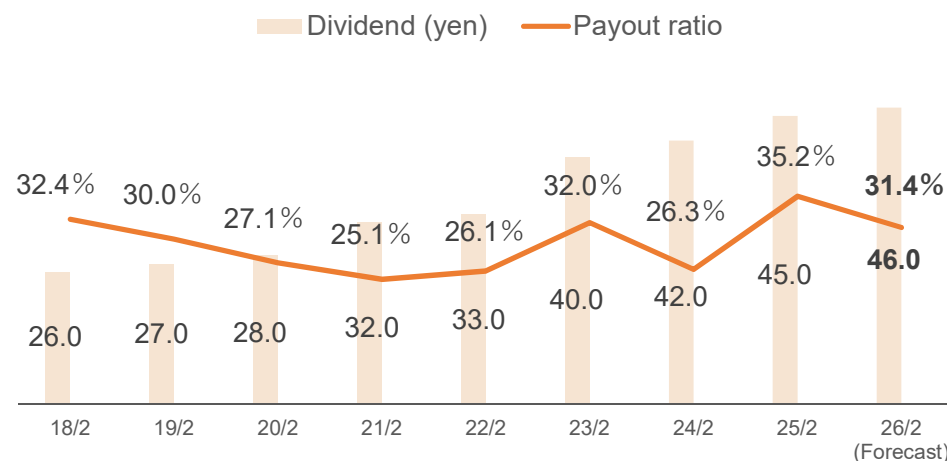


Shareholder Returns

Dividend Policy

- Dividends in line with profit growth
- FY2/25 1-yen increase in year-end dividend
- **FY2/26 (forecast) 46 yen annual dividend**

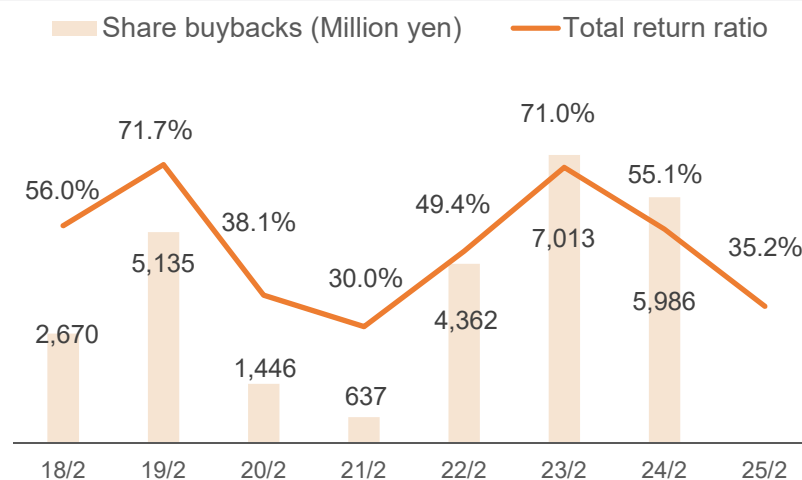
*Dividend payout ratio excluding BIP and ESOP
FY2/25 36.4%, FY2/26 (forecast) 32.6%



Share buybacks

Share Buyback Policy

- Consider purchases on an ongoing basis
- The Company retains approximately 5% of the total number of shares issued, retiring any excess shares



Business Results Forecast for the Fiscal Year Ending February 28, 2026

(March 1, 2025 to February 28, 2026)

(Business results forecast revised since original announcement: No)

*We expect the impact of making Encho Co., Ltd. a wholly owned subsidiary via share exchange to be negligible on the consolidated financial results for the fiscal year ending February 28, 2026. We will promptly disclose revisions to our consolidated earnings forecast if such becomes necessary.

DCM HOLDINGS CO., LTD.

Business Results Forecast for the Fiscal Year Ending February 28, 2026 (Assumptions)



Store Openings and Closures

	First Half		Second Half		Year	
	Openings	Closures	Openings	Closures	Openings	Closures
Home Centers	2	5	0	2	2	7
Hodaka	4	0	3	0	7	0
DCM Nicot	1	0	1	0	2	0
Total	7	5	4	2	11	7

*Hodaka is a specialty shop for professionals; DCM Nicot is a small home center

Same Store Sales Growth

First Half	Second Half	Full Year
(4.0%)	+0.4%	(1.8%)

Capital Investment and Depreciation and Amortization

(Millions of yen)

Capital Investment	Depreciation and Amortization
17,000	13,600

*Capital investment includes property, plant and equipment, software, and leasehold and guarantee deposits

*Depreciation includes the amortization of software and other intangible assets, long-term prepaid expenses, etc.

Forecast of Consolidated Financial Results for the Fiscal Year Ending February 28, 2026 (Full Year)



March 1, 2025 to February 28, 2026

(Millions of yen, %)

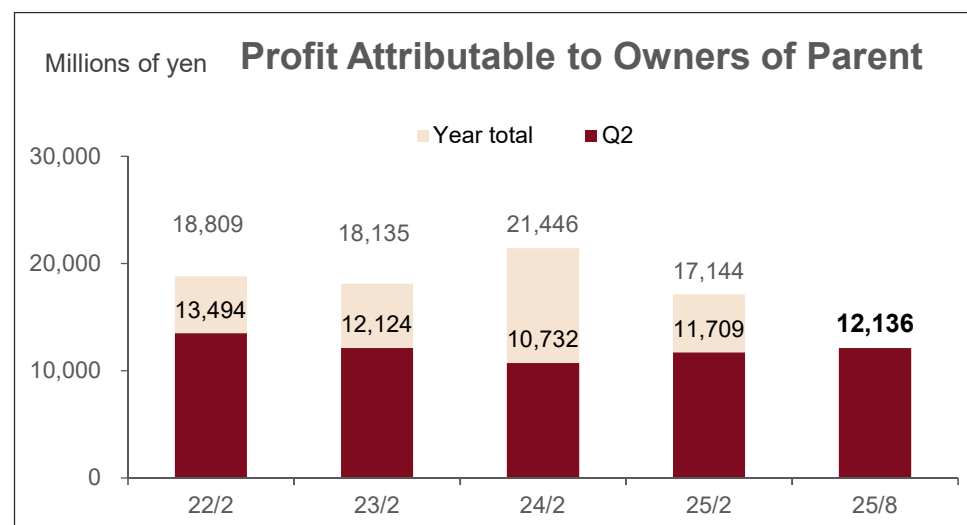
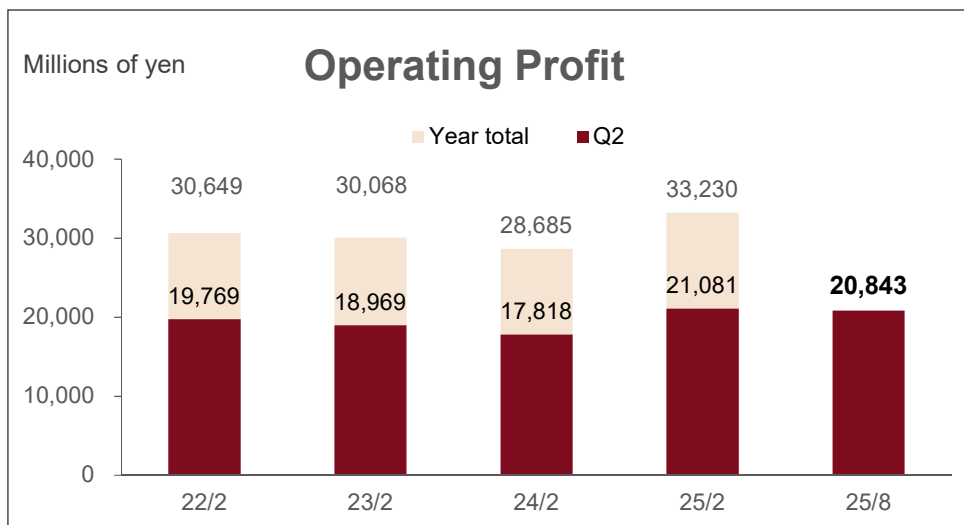
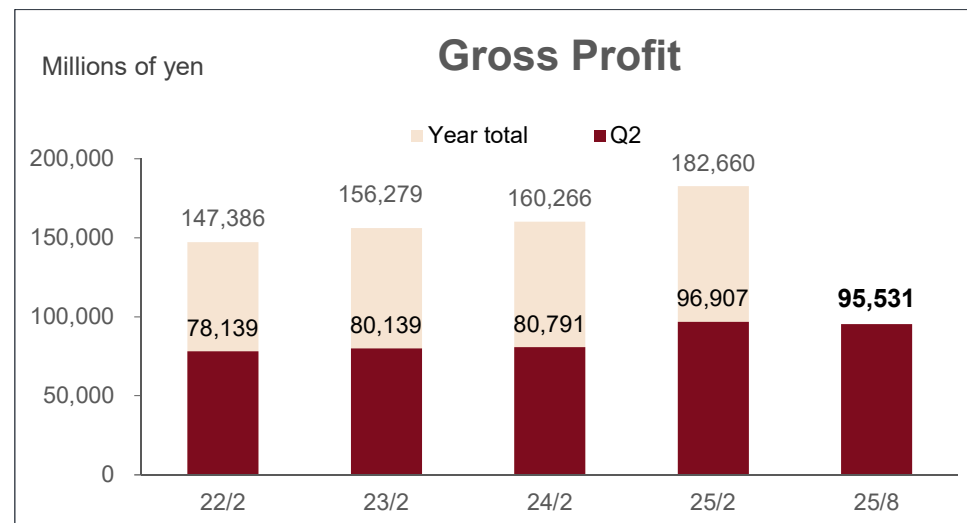
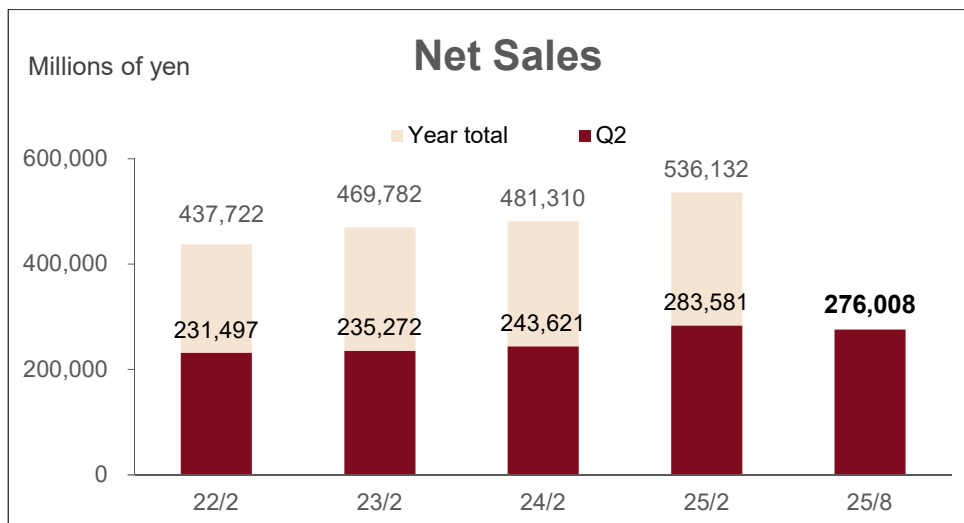
	FYE February 2025 Results		FYE February 2026 Forecast		YoY (%)
	Result	Sales ratio	Result	Sales ratio	
Net sales	536,132	100.0	545,000	100.0	101.7
Gross profit	182,660	34.1	188,000	34.5	102.9
Operating revenue	8,470	1.6	8,600	1.6	101.5
Operating gross profit	191,130	35.6	196,600	36.1	102.9
SG&A	157,899	29.5	161,600	29.7	102.3
Operating profit	33,230	6.2	35,000	6.4	105.3
Ordinary profit	30,997	5.8	33,600	6.2	108.4
Profit attributable to owners of parent	17,144	3.2	19,600	3.6	114.3

- Net income per share 146.29 yen
- Projected dividend per share 46 yen (interim: 23 yen, year-end: 23 yen)

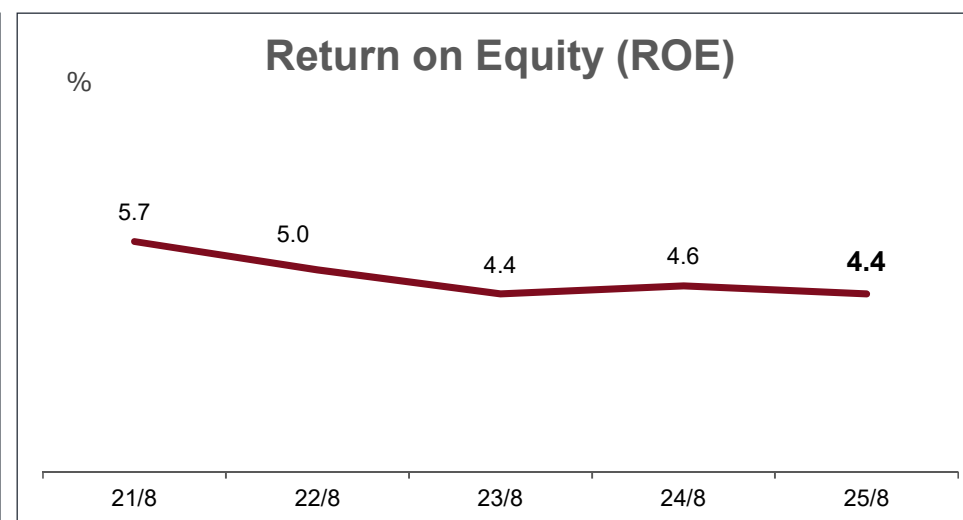
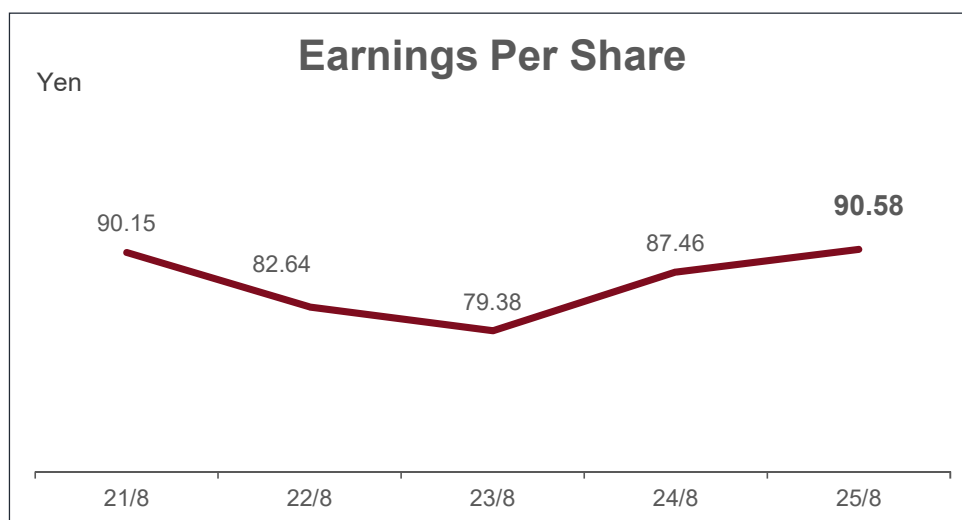
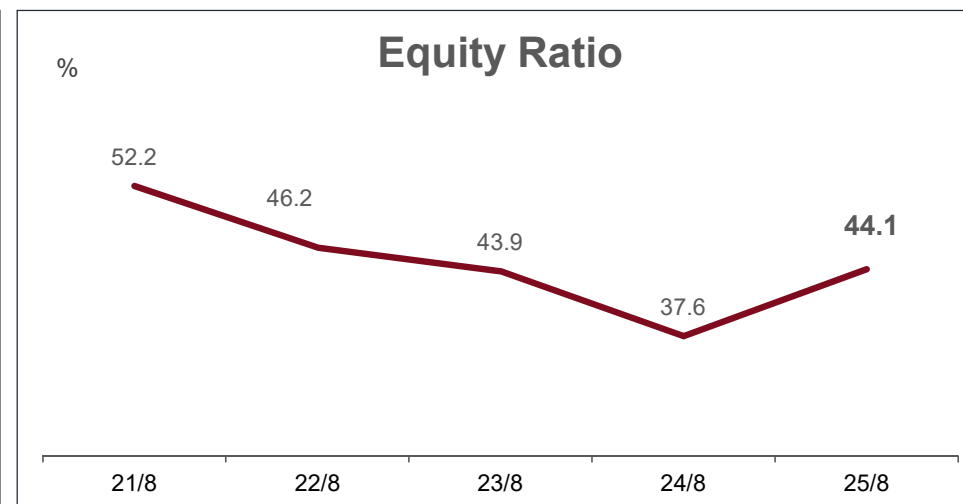
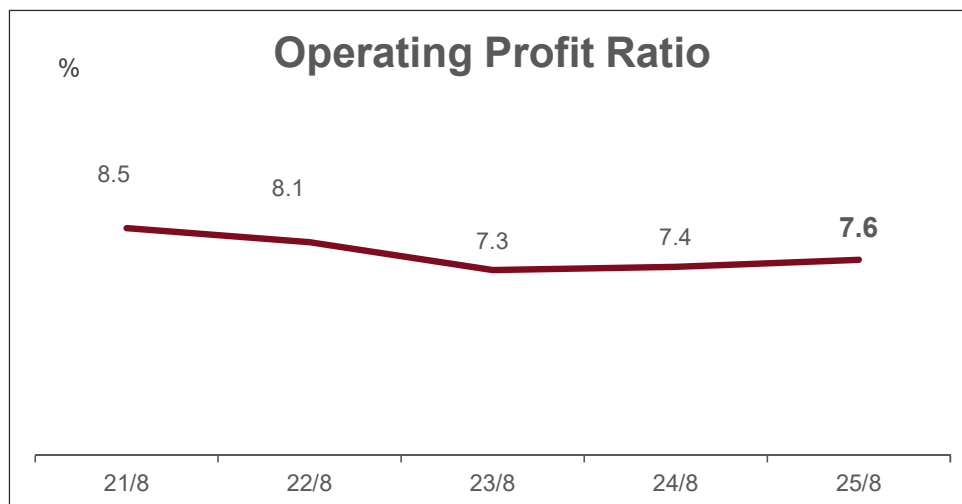
Reference Data

DCM HOLDINGS CO., LTD.

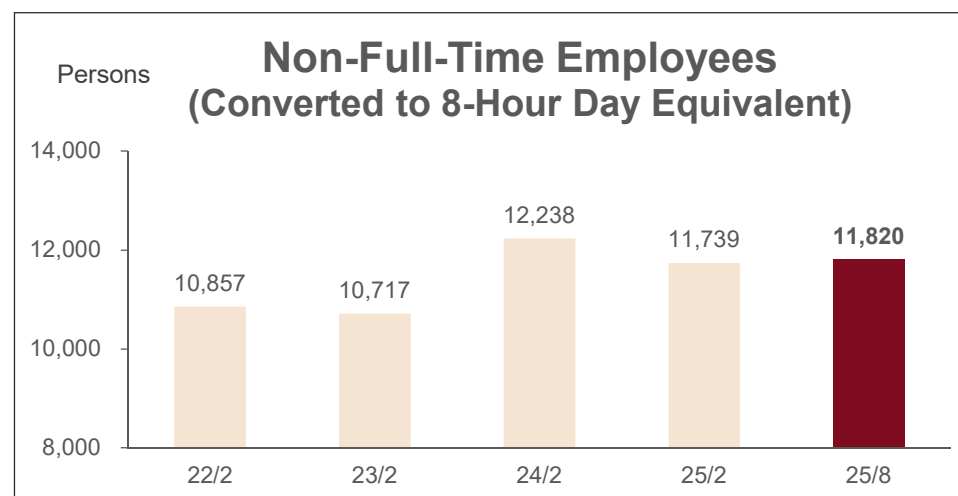
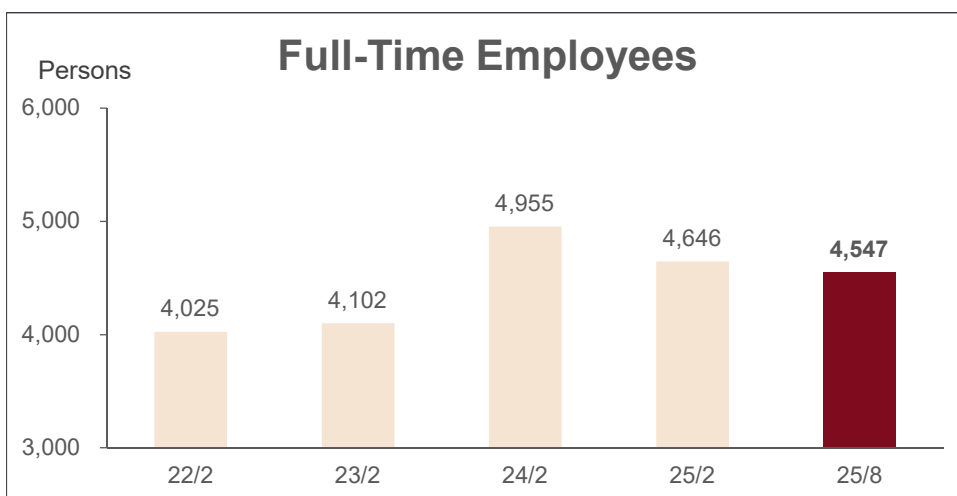
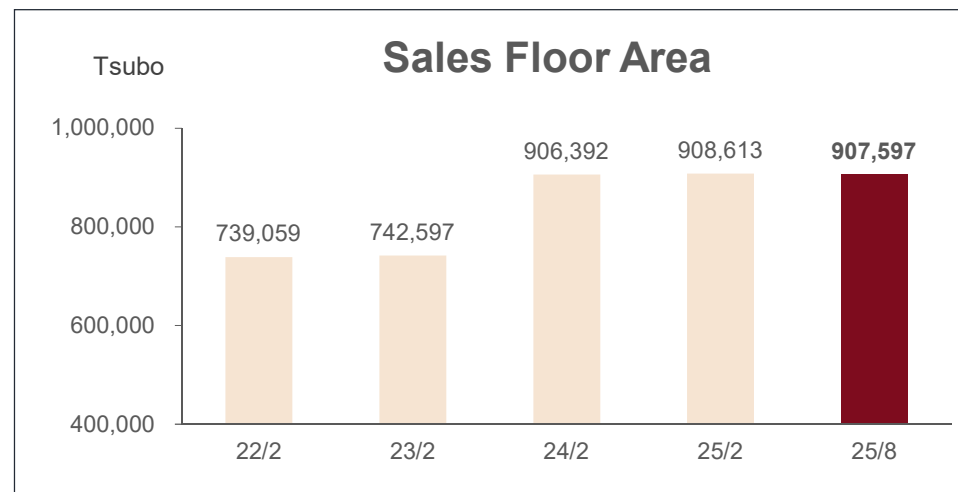
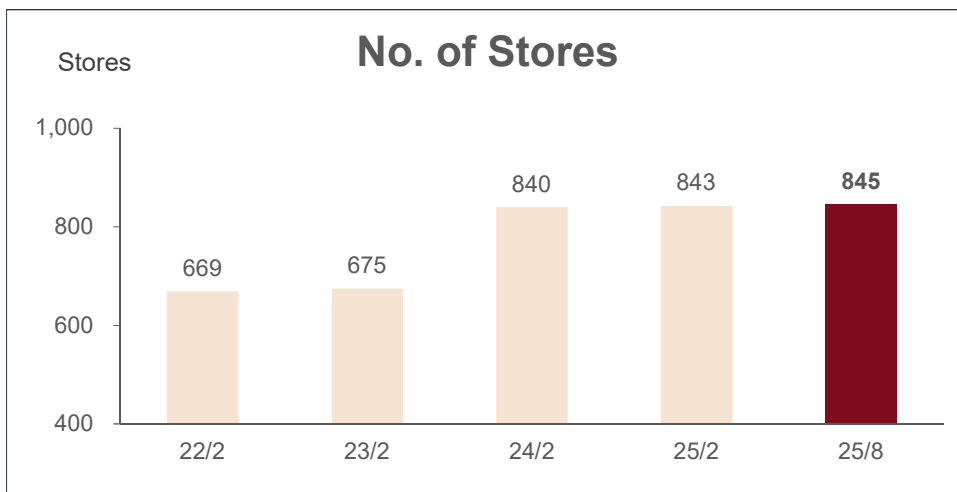
Business Performance



Management Indicators



Operating Data



■ FY2/23 Increase in full-time employees with the consolidation of XPRICE.

FY2/24 No. of stores, sales floor area, and the number of full-time and non-full-time employees increased with the consolidation of Keiyo.

*1 tsubo = 3.3m²

New Store Openings and Closings



New Stores	Number of Stores	Store Name	Location	Month	Sales Floor Area (Tsubo)	Notes
DCM	2	Mizushima Store Toyohashi Akebono Store	Okayama Aichi	March 2025 April 2025	1,638 1,538	
Hodaka	4	Kumamoto Kikuyo Store Isesaki Store Toyoake Store Hiratsuka Store	Kumamoto Gunma Aichi Kanagawa	March 2025 May 2025 July 2025 August 2025	260 236 271 259	
DCM Nicot	1	Kurikoma Store	Miyagi	July 2025	289	
Total	7				4,491	

Closures	No. of Stores	Store Name	Location	Closed	Sales Floor Area (Tsubo)	Notes
DCM	5	Mizushima Store Toyohashi Yamada Store Yokkaichi Tomari Store Toin Store Takasago Store	Okayama Aichi Mie Mie Hyogo	March 2025 April 2025 May 2025 May 2025 July 2025	771 948 1,648 1,082 1,058	
Total	5				5,507	

*Hodaka is a specialty shop for professionals ; DCM Nicot is a small home center

*1 tsubo = 3.3m²

Company Creed

Serving Creation Unity

Company Philosophy

Do Create Mystyle

くらしの夢をカタチに

While creating new products and services for our customers
and flexibly adapting to changes, we will unite with the local community
to serve society and strive to be indispensable presence.

Principles of Conduct

Demand Chain Management for Customer

Always thinking from the customer's perspective,
we will strive to be a company that achieves
both customer satisfaction and progress in distribution.

Conduct Guidelines

Customer first

We put ourselves in our customers shoes and think deeply.

Sincere support

**We provide products and services
that can bring smiles to our customers.**

Cooperation with the local community

We will enrich lives together with our customers.

Teamwork

**While fulfilling our role,
we will respect our peers and cooperate with one another.**



Do Create Mystyle
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