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August 13, 2026

Consolidated Financial Results for the Three Months Ended June 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
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Scheduled date to commence dividend payments: -
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 three months ended June 30, 2026 (from April 1, 2026 to June 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	128,912	3.8	18,877	20.6	19,927	16.7	22,316	18.5
June 30, 2025	124,193	(4.2)	15,650	(17.1)	17,079	(19.5)	18,838	37.5

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 9,903 million [98.6%]
For the three months ended June 30, 2025: ¥ 4,987 million [(71.3) %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	63.80	63.75
June 30, 2025	51.86	51.81

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	1,173,932	598,780	50.9
March 31, 2026	1,217,975	620,156	50.8

Reference: Equity
As of June 30, 2026: ¥ 597,576 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	-				
Fiscal year ending March 31, 2027 (Forecast)		40.00	-	20.00	-

Note:

1. Revisions to the forecast of cash dividends most recently announced: Yes
2. At its meeting of the Board of Directors held on August 13, 2026, the Company resolved to conduct a stock split at a ratio of two shares for each common share, effective October 1, 2026. The year-end dividend forecast per share for the fiscal year ending March 31, 2027 reflects the stock split. The annual dividend forecast per share is shown as "-" because the year-end dividend cannot be simply aggregated. On a pre-stock-split basis, the year-end dividend forecast per share for the fiscal year ending March 31, 2027 would be ¥40.00, and the annual dividend forecast per share would be ¥80.00.

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	562,000	3.0	84,000	5.0	83,000	(4.1)	63,000	(17.2)	92.48

Note

1. Revisions to the financial result forecast most recently announced: Yes
2. The gross sales forecast (sales if the "Accounting Standard for Revenue Recognition," etc. had not been adopted) would be ¥1,360,000 million, an increase of 4.7% from the previous fiscal year.
3. 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. "Basic earnings per share" for the fiscal year ending March 31, 2027 considers the impact of this acquisition of treasury shares. The Company also resolved at the meeting of the Board of Directors held on August 13, 2026 to conduct a stock split at a ratio of two shares for each common share, effective October 1, 2026. "Basic earnings per share" for the fiscal year ending March 31, 2027 considers 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, basic earnings per share would be ¥184.96.

*** Notes**

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

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

Note: For details, please refer to "(3) Notes regarding Quarterly Consolidated Financial Statements (Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements)" in "2. Quarterly Consolidated Financial Statements and Primary Notes.

(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 June 30, 2026	367,449,054 shares
As of March 31, 2026	367,446,554 shares

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

As of June 30, 2026	18,695,280 shares
As of March 31, 2026	16,712,323 shares

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

Three months ended June 30, 2026	349,805,363 shares
Three months ended June 30, 2025	363,283,278 shares

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

June 30, 2026: 817,936 shares

March 31, 2026: 817,936 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.

Three months ended June 30, 2026: 817,936 shares

Three months ended June 30, 2025: 463,100 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 Quarterly Results”

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1. Qualitative Information on the Quarterly Results

(1) Explanation Regarding Business Results

During the first quarter of fiscal 2026 (April 1, 2026 to June 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 showing signs of recovery.

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, the world is currently confronted by a situation of great uncertainty, such as with growing geopolitical risks, chiefly in the Middle East. Such developments in the external environment have the potential to influence domestic business activity and consumption, and the situation demands a flexible and appropriate response while carefully monitoring 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) 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 quarter of the fiscal year under review, we strengthened individual customer business process activities, starting with "attracting customers" and leading to "identification," "expansion of usage," and "lifetime customerization." We steadily advanced 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, and deepened our relationships with customers identified at our department stores. We also worked to create new revenue-generating opportunities through activities focused on "intra-group coordination" that maximize the diverse content of the Group.

As a result, in the first quarter of the fiscal year under review, the Company recorded net sales of ¥128,912 million, up 3.8% year-on-year, operating profit of ¥18,877 million, up 20.6% year-on-year, ordinary profit of ¥19,927 million, up 16.7% year-on-year, and profit attributable to owners of parent of ¥22,316 million, up 18.5% year-on-year.

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 "summer palette," which presented summer trends. At the Isetan Shinjuku main store, we advanced 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, with the aim of creating opportunities for customers to visit the store and enhancing their experience through first-in-Japan brands launched at department stores, and collaborative products.

By March 2027, we plan to introduce 45 brands, 20 of which will be exclusive to the Isetan Shinjuku main store within Japan. During the first quarter of fiscal 2026, 25 brands, including nine debut brands, were introduced.

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. These initiatives helped increase contact points with customers and create more opportunities for use, contributing to sales growth at both our Tokyo metropolitan stores and regional stores.

The cumulative number of identified customers in Japan increased by 140,000 from the previous fiscal year to 8,490,000 through the various MICARDs and the MITSUKOSHI ISETAN App. Identified customer gross sales were solid, reaching 106% of the previous year's level.

Gross sales from customers purchasing more than ¥3 million per year across the Group also remained strong at 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 acquire 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 by approximately 200,000 from the previous year to 1,080,000, and overseas sales remained strong.

At overseas stores in the three months ended March 31, 2026 (January 1, 2026 to March 31, 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 ¥104,821 million, up 2.5% year-on-year, and operating profit was ¥15,500 million, up 24.4% year-on-year.

* ONE Group's out-of-store sales refer to cross-group out-of-store sales activities that leverage the products, services, and experiential content of stores in the Tokyo metropolitan area, regional stores, Group companies, and related businesses to provide each customer with the most suitable recommendations.

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 bolstering customer differentiation through card 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. In addition, initiatives to promote card usage both inside and outside department stores continued in an effort to expand transaction volume.

Through "MITOUS," a comprehensive financial service platform, we expanded financial services tailored to the diverse needs of department store customers. We also expanded 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 ¥8,854 million, up 4.8% year-on-year, and operating profit was ¥2,017 million, up 15.2% 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 working to improve overall profitability.

Segment net sales amounted to ¥7,014 million, up 40.8% year-on-year, and operating profit was ¥1,140 million, up 36.5% 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. IM Food Style Ltd. succeeded the businesses of "OONOYA" and "OONOYA SHOTEN" in April 2026, and began offering their products at QUEEN'S ISETAN to enhance the value of both brands and increase contact points with the customers. Furthermore, the company enhanced its product lineup to better meet customer needs and offered distinctive merchandise to strengthen its business foundation for future growth.

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 customers, the company significantly increased the transaction volume of out-of-store sales compared with the same period of the previous fiscal year. Overseas package tours and inbound sales also performed strongly, with revenue exceeding the previous year's level. On the other hand, the weak yen and rising prices resulted in a higher cost of sales. Despite efforts to control selling, general and administrative expenses, particularly advertising expenses, the company was unable to fully absorb the impact of the higher cost of sales, and operating profit declined from the previous fiscal year.

In the advertising and media business, Studio Alta Co., Ltd. reported steady sales growth in the advertising business, particularly store media in the Tokyo metropolitan area, such as outdoor advertising and digital signage. Operating profit increased significantly, driven by the acquisition of major advertising contracts and the launch of new media.

Segment net sales amounted to ¥23,389 million, up 4.4% year-on-year, and operating profit was ¥63 million, down 86.3% year-on-year.

(2) Explanation Regarding Financial Position

Assets, Liabilities and Net Assets

Total assets at the end of the first quarter of the fiscal year under review amounted to ¥1,173,932 million, a decrease of ¥44,043 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 ¥575,151 million, a decrease of ¥22,667 million from the end of the previous fiscal year. This was mainly due to a decrease in deferred tax liabilities.

Net assets amounted to ¥598,780 million, a decrease of ¥21,375 million from the end of the previous fiscal year. This was mainly attributable to a decrease of foreign currency translation adjustment and the payment of dividends, despite profit attributable to owners of parent.

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

Based on 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)	560,000	81,500	80,000	61,500	184.27
Revised forecast (B)	562,000	84,000	83,000	63,000	92.48
Change (B – A)	2,000	2,500	3,000	1,500	–
Change (%)	0.4	3.1	3.8	2.4	–
(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

(Note)

1. The gross sales forecast (sales if the “Accounting Standard for Revenue Recognition,” etc. had not been adopted) would be ¥1,360,000 million (the previous forecast: ¥1,350,000 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. Basic earnings per share in the “Revised forecast (B)” for the fiscal year ending March 31, 2027 considers the impact of this acquisition of treasury shares.
3. The Company resolved at the meeting of the Board of Directors held on August 13, 2026 to conduct a stock split at a ratio of two shares for each common share, effective October 1, 2026. Basic earnings per share in the “Revised forecast (B)” for the fiscal year ending March 31, 2027 considers 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 would be ¥184.96.

2.Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	74,399	43,373
Notes and accounts receivable - trade, and contract assets	163,983	159,887
Securities	874	950
Merchandise and finished goods	25,028	24,003
Work in process	498	893
Raw materials and supplies	597	555
Other	37,150	85,028
Allowance for doubtful accounts	(3,747)	(3,792)
Total current assets	298,786	310,900
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	136,967	134,784
Land	540,112	540,041
Other, net	39,190	39,478
Total property, plant and equipment	716,270	714,304
Intangible assets		
Software	17,058	17,139
Other	23,567	23,638
Total intangible assets	40,626	40,777
Investments and other assets		
Investment securities	110,807	56,392
Other	51,621	52,246
Allowance for doubtful accounts	(156)	(706)
Total investments and other assets	162,273	107,932
Total non-current assets	919,170	863,014
Deferred assets		
Bond issuance costs	19	17
Total deferred assets	19	17
Total assets	1,217,975	1,173,932

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	120,964	113,362
Short-term borrowings	17,033	17,092
Commercial papers	-	4,000
Income taxes payable	16,729	14,648
Reserve for loss from redemption of gift vouchers	11,256	11,254
Provisions	13,954	6,306
Other	191,202	195,365
Total current liabilities	371,140	362,031
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	31,200	31,200
Deferred tax liabilities	131,870	118,663
Retirement benefit liability	25,567	25,840
Other	18,039	17,415
Total non-current liabilities	226,678	213,120
Total liabilities	597,818	575,151
Net assets		
Shareholders' equity		
Share capital	51,576	51,577
Capital surplus	256,886	256,887
Retained earnings	300,869	298,531
Treasury shares	(36,224)	(42,848)
Total shareholders' equity	573,107	564,147
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,371	18,388
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	22,101	10,846
Remeasurements of defined benefit plans	4,350	4,192
Total accumulated other comprehensive income	45,824	33,428
Share acquisition rights	286	284
Non-controlling interests	937	920
Total net assets	620,156	598,780
Total liabilities and net assets	1,217,975	1,173,932

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	124,193	128,912
Cost of sales	47,241	47,510
Gross profit	76,952	81,402
Selling, general and administrative expenses	61,302	62,525
Operating profit	15,650	18,877
Non-operating income		
Interest income	164	184
Dividend income	386	501
Share of profit of entities accounted for using equity method	1,234	1,129
Other	839	509
Total non-operating income	2,624	2,324
Non-operating expenses		
Interest expenses	200	234
Loss on retirement of non-current assets	280	470
Other	714	569
Total non-operating expenses	1,195	1,273
Ordinary profit	17,079	19,927
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	-	19
Loss on store closings	-	376
Business restructuring expenses	276	-
Total extraordinary losses	276	395
Profit before income taxes	27,761	30,416
Income taxes	8,930	8,102
Profit	18,831	22,313
Loss attributable to non-controlling interests	(7)	(3)
Profit attributable to owners of parent	18,838	22,316

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	18,831	22,313
Other comprehensive income		
Valuation difference on available-for-sale securities	1,226	(685)
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(1,440)	698
Remeasurements of defined benefit plans, net of tax	(721)	(157)
Share of other comprehensive income of entities accounted for using equity method	(12,907)	(12,264)
Total other comprehensive income	(13,843)	(12,409)
Comprehensive income	4,987	9,903
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,043	9,920
Comprehensive income attributable to non-controlling interests	(55)	(16)

(3) Notes Regarding Quarterly Consolidated Financial Statements

(Adoption of special accounting treatment used in preparation of the quarterly 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 quarter of the previous consolidated accounting period (April 1, 2025 to June 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 quarterly 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	101,722	5,096	4,468	111,288	12,905	124,193	–	124,193
Intersegment sales or transfer	562	3,349	514	4,426	9,494	13,921	(13,921)	–
Total	102,285	8,445	4,983	115,714	22,400	138,114	(13,921)	124,193
Segment income	12,455	1,751	835	15,042	459	15,502	147	15,650

(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 ¥147 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

Not applicable.

II. First quarter of the current consolidated accounting period (April 1, 2026 to June 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 quarterly 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	104,130	5,367	5,348	114,846	14,065	128,912	–	128,912
Intersegment sales or transfer	691	3,487	1,665	5,843	9,323	15,167	(15,167)	–
Total	104,821	8,854	7,014	120,690	23,389	144,080	(15,167)	128,912
Segment income	15,500	2,017	1,140	18,658	63	18,721	155	18,877

(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 ¥155 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 quarterly 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.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes regarding statements of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the first quarter of the fiscal year under review. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the fiscal year under review and the first quarter of the previous fiscal year are as follows.

	1Q of Fiscal 2025 (From April 1, 2025, to June 30, 2025)	1Q of Fiscal 2026 (From April 1, 2026, to June 30, 2026)
Depreciation	6,065 million yen	5,987 million yen
Amortization of goodwill	− million yen	− million yen

(Significant subsequent events)

(Stock split and partial modification of matters related to acquisition of treasury shares in connection with the stock split)

At its meeting of the Board of Directors held on August 13, 2026, the Company resolved to conduct a stock split and partially modify matters related to the acquisition of treasury shares, resolved at its meeting of the Board of Directors held on February 6, 2026, as follows.

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 will be 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...367,451,554 shares (Note)

Number of shares to be increased by the stock split..367,451,554 shares (Note)

Total number of outstanding shares after the stock split..734,903,108 shares (Note)

Total number of authorized shares after the stock split .... 1,500,000,000 shares

(Note) The above numbers of shares are calculated based on the total number of issued shares as of July 31, 2026 and may change in the future due to the exercise of stock acquisition rights or other factors.

(3) Schedule of the Stock Split

Public notice of the record date (planned).. September 15, 2026 (Tuesday)

Record date .... September 30, 2026 (Wednesday)

Effective date ....October 1, 2026 (Thursday)

(4) Effect on Per-Share Information

Assuming that the stock split had been conducted at the beginning of the previous fiscal year, per-share information would be as follows.

	Three months ended June 30, 2025	Three months ended June 30, 2026
Basic earnings per share	¥25.93	¥31.90
Diluted earnings per share	¥25.91	¥31.87

(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 on and after October 1, 2026.

3. Partial Modification of Matters Related to Share Repurchase

In connection with the stock split, the Company will adjust the maximum number of shares to be acquired under the share repurchase resolution approved at the meeting of the Board of Directors held on February 6, 2026.

	Before Revision	After Revision
Maximum number of shares to be acquired	18,000,000 shares (maximum)	36,000,000 shares (maximum)

(For Reference)

Matters Resolved at the Board of Directors Meeting Held on February 6, 2026

(i) Class of shares to be acquired	Common shares
(ii) Maximum number of shares to be acquired	18,000,000 shares (maximum)
(representing 5.1% of the total number of issued shares excluding treasury shares)	
(iii) Total acquisition cost	¥30,000,000,000 (maximum)
(iv) Acquisition period	From February 9, 2026 to February 8, 2027
(v) Acquisition method	Market purchases on the Tokyo Stock Exchange