

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

October 2, 2025

Consolidated Financial Results for the Six Months Ended August 20, 2025 (Under Japanese GAAP)



Company name: HEIWADO CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 8276
 URL: <https://www.heiwado.jp/>
 Representative: Masashi Hiramatsu, Representative Director, Executive President and CEO
 Inquiries: Norimasa Wada, Corporate Officer and General Manager of Finance & Accounting Div.
 Telephone: +81-749-23-3111
 Scheduled date to file semi-annual securities report: October 3, 2025
 Scheduled date to commence dividend payments: November 4, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

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

1. Consolidated financial results for the six months ended August 20, 2025 (from February 21, 2025 to August 20, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 20, 2025	223,539	3.2	6,833	8.4	7,512	6.3	4,904	7.4
August 20, 2024	216,645	4.2	6,306	(1.3)	7,070	2.2	4,564	10.5

Note: Comprehensive income For the six months ended August 20, 2025: ¥5,056 million [(9.8)%]
 For the six months ended August 20, 2024: ¥5,607 million [18.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 20, 2025	98.23	—
August 20, 2024	88.22	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 20, 2025	305,729	192,706	62.3
February 20, 2025	307,868	192,026	61.7

Reference: Equity
 As of August 20, 2025: ¥190,596 million
 As of February 20, 2025: ¥189,910 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 February 20, 2025	—	30.00	—	33.00	63.00
Fiscal year ending February 20, 2026	—	33.00			
Fiscal year ending February 20, 2026 (Forecast)			—	33.00	66.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending February 20, 2026 (from February 21, 2025 to February 20, 2026)

(Percentages indicate year-on-year changes.)

	Operating revenue		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	456,000	2.5	14,500	8.5	15,600	6.6	10,800	0.7	217.09

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

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

Newly included: –

Excluded: –

(2) Accounting methods adopted particularly for the preparation of interim consolidated financial statements: Yes

Note: For details, please see “2. Interim Consolidated Financial Statements and Principal Notes (4) Notes to Interim Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of interim consolidated financial statements)” on page 11 of the attachments.

(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 August 20, 2025	51,546,470 shares
As of February 20, 2025	51,546,470 shares

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

As of August 20, 2025	2,091,400 shares
As of February 20, 2025	1,098,542 shares

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

Six months ended August 20, 2025	49,928,911 shares
Six months ended August 20, 2024	51,739,905 shares

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

* Explanation regarding proper use of earnings forecasts and other special matters

Forward-looking statements such as earnings forecasts in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended to guarantee that the Company will achieve them. Actual operating results may differ substantially from these forecasts due to a variety of factors.

Table of Contents - Attachments

1. Qualitative Information on Interim Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	5
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information ...	5
2. Interim Consolidated Financial Statements and Principal Notes	6
(1) Interim Consolidated Balance Sheets	6
(2) Interim Consolidated Statements of Income and Comprehensive Income	8
Interim Consolidated Statements of Income	8
Interim Consolidated Statements of Comprehensive Income	9
(3) Interim Consolidated Statements of Cash Flows	10
(4) Notes to Interim Consolidated Financial Statements	11
(Notes on going concern assumption)	11
(Notes in case of significant changes in shareholders' equity)	11
(Accounting methods adopted particularly for the preparation of interim consolidated financial statements)	11
(Notes on segment information, etc.)	12
(Significant subsequent events)	13

1. Qualitative Information on Interim Financial Results

(1) Explanation of Operating Results

During the six months under review (from February 21, 2025 to August 20, 2025), in the Japanese economy, consumers maintained a heightened sense of protecting their daily lives as actual wages continued to decline, with wage growth that did not keep up with price increases. Companies also have difficulties in recruitment, resulting in a serious labor shortage. In addition, the economic outlook remains uncertain due to a decrease in rice prices caused by the release of stockpiled rice and the unstable political situation.

Regarding the environment surrounding the retail industry, although revenue increased with rising product prices, the business environment remains extremely challenging due to surges in costs such as labor, construction material, and utility costs, as well as intensifying competition among companies across different business formats.

Under these circumstances, the Group formulated “Quantitative Targets for 2030” and the “Fifth Medium-Term Management Plan” aiming at a “comprehensive community-based lifestyle (creation) company” unique to the Heiwado Group as its Mid- to Long-Term Vision. In the current fiscal year, which is the second year of the Plan, we have been pushing ahead with specific initiatives for further evolution.

Quantitative Targets for 2030

- (1) Operating Revenue (consolidated): ¥500 billion or more
- (2) Operating Profit Margin (consolidated): 4.5% or more
- (3) ROE: 8%
- (4) Percentage of Women in Management: 20% or more
- (5) CO2 Emissions (Scope 1&2): 46% reduction (compared to FY2013)
- (6) Amount of Food Waste: 50% reduction (compared to FY2019)

Key strategies of the Fifth Medium-Term Management Plan

- (1) Gaining customer support by addressing the needs of the child-rearing generation
 - Strengthening price adjustment for daily-use products
 - Differentiation through fresh foods and private brand products
 - Strengthening communication using apps
- (2) Expanding the HOP economic sphere based on the dominant strategy
 - Expanding store openings in priority areas through multiple formats
 - Solidifying our customer base through community-based initiatives
 - Expanding new channels such as small stores and online supermarkets
- (3) Promoting cost structure reform, including productivity improvement
 - Proactively promoting SP (part-time) employees
 - Reviewing departments to be tailored to a scale of stores
 - Further utilizing centers

Heiwado Co., Ltd., the core company of the Group, saw an increase in revenue as the number of customers at existing stores and the average spending per customer grew by 0.8% (1.2% without effects of a leap year) and 2.3% year on year, respectively. Revenue of consolidated subsidiaries decreased mainly due to reduced operations during renovations at Heiwado (China) Co., Ltd. that operates a department store in Hunan Province, China, as well as the decline following a high volume of orders associated with the recovery from the Noto Peninsula earthquake in the previous fiscal year at National Maintenance Co., Ltd., which operates a building maintenance business.

As a result of foregoing, the operating results for the six months under review were operating revenue of ¥223,539 million (up 3.2% year on year), operating profit of ¥6,833 million (up 8.4 % year on year, operating profit margin of 3.1%), ordinary profit of ¥7,512 million (up 6.3% year on year), and profit attributable to owners of parent of ¥4,904 million (up 7.4% year on year). Accordingly, operating revenue improved earlier toward the Quantitative Targets for 2030.

1) Operating revenue and operating gross profit

Operating revenue increased by ¥6,894 million (3.2%) year on year to ¥223,539 million mainly due to a growth in sales in the retail business. Operating revenue of Heiwado Co., Ltd. increased by 5.4%.

Operating gross profit increased by ¥2,844 million (3.6%) year on year to ¥81,153 million as a result of the increase in operating revenue. It is 36.3% of operating revenue, increasing by 0.2 percentage points year on year. Especially, operating gross profit of Heiwado Co., Ltd. increased by 5.9%.

2) Selling, general and administrative expenses and operating profit

Selling, general and administrative expenses increased by ¥2,316 million (3.2%) year on year to ¥74,320 million mainly as unit prices of utility costs increased year on year.

As a result, operating profit increased by ¥527 million (8.4%) year on year to ¥6,833 million as operating gross profit increased by ¥2,844 million, despite the increase in selling, general and administrative expenses. Operating profit margin also increased by 0.2 percentage points year on year to 3.1%.

3) Non-operating expenses (income) and ordinary profit

Non-operating income decreased by ¥65 million year on year to ¥772 million. Non-operating expenses increased by ¥20 million year on year to ¥93 million mainly due to an increase of ¥23 million in interest expenses from the previous year.

As a result, ordinary profit increased by ¥442 million (6.3%) year on year to ¥7,512 million. Ratio of ordinary profit increased by 0.1 percentage points year on year to 3.4%.

4) Extraordinary loss (income) and profit attributable to owners of parent

Extraordinary income of ¥325 million was recorded including gain on sale of shares of ¥239 million resulting from transfer of shares of YU-ING Co., Ltd. Extraordinary losses of ¥249 million was recorded including loss on retirement of non-current assets of ¥64 million, impairment losses of ¥122 million, and provision for loss on stores closing of ¥62 million.

As a result, profit attributable to owners of parent increased by ¥339 million (7.4%) to ¥4,904 million. Net profit ratio increased by 0.1 percentage points year on year to 2.2%.

The performance by segment is as given below.

[Retail Business]

Heiwado Co., Ltd., the Group's core company, has been pushing ahead with specific initiatives to further evolve key strategies of the Fifth Medium-Term Management Plan, i.e., "gaining customer support by addressing the needs of the child-rearing generation," "expanding the HOP economic sphere based on the dominant strategy," and "promoting cost structure reform, including productivity improvement." With advances in the initiatives, revenue and profit increased.

(1) Gaining customer support by addressing the needs of the child-rearing generation

To support families raising children, while highlighting the price appeal of frequently purchased items as Key Value Items (KVI), we enhanced large-volume packs that are popular among this demographic, which resulted in an increase in unit prices. For customers in their 30s and 40s, when setting the baseline at 100—a figure that accounts for the impact of demographic changes and other factors—the number of active members and average customer spend per visit increased to 103.1% and 104.2%, respectively.

We released the HOP app in July 2024, and as of July 2025, 1,050,000 people have registered as app members. The number of financial institutions available for recharging the HOP app was six at the beginning of the current fiscal year, and then increased to 10 in total with an additional two in April and another two in September, widely covering the area where our stores operate. We have been promoting activities for information

provision and One-to-One marketing through the app.

We have created a vibrant atmosphere not only in our own areas but also in entire malls, actively inviting popular tenants among the child-rearing generation (MUJI Store, etc.) In the current period, MUJI Stores were opened in AL PLAZA Moriyama and Heiwado Takatomi. Accordingly, the total number of tenants of MUJI Store amounted to 18.

(2) Expanding the HOP economic sphere based on the dominant strategy

Regarding new store openings and revitalization of existing stores toward expansion of HOP economic sphere, in April, we opened the Friendmart Yokaichi Myohoji store in Higashiomi City, Shiga Prefecture, where our market share was low, to strengthen our dominant strategy in Shiga Prefecture. Combined with the renovation of the Friendmart Notogawa store that took place in February, we have expanded our market share in the Higashiomi City area.

Promoting “Format Strategy” to clarify roles by size of store in each area, we work on optimization with commodity composition suitable respectively for a shopping mall that responds to demand for events and a daily-use supermarket. In addition, after reviewing potential of supermarkets based on analysis of trade areas, we set “Potential Stores” aiming at the maximum sales/profit, and promote activities for improving sales ability.

We have operated six stores taken over from Maruzen Co., Ltd. on August 21, 2024, partly changing their business formats in order to compose the area strategy in an integrated manner with Heiwado in each area.

(3) Promoting cost structure reform, including productivity improvement

In response to an increase in labor costs and tough recruitment conditions, we actively promoted SP employees (part-time employees) to a department manager after providing education to enable them to be more active. 518 people completed the education by August 2025 (up 263 from February 2025), which led to an increase in the level of sales areas during the absence of superiors, and reviewing the operations of regular employees.

We have created work guidelines to achieve efficient operations, identified gaps between target and actual sales per man-hour for each store and sales area, and are working to build systems that include employee transfers and multi-skilling.

We have proceeded with the use of case-ready products packaged at processing centers and delicatessen centers run by Bestone Co., Ltd., a consolidated subsidiary. As a result, total labor hours for fresh foods at stores decreased to 98.5% compared to the same period of the previous year at existing stores. Furthermore, the use of processing and delicatessen centers led to an improvement in product assortment, bringing about desirable effects such as considerably improved product assortment of lunch boxes at small- and medium-sized supermarkets.

Yell Co., Ltd., which operates general retail businesses in Kyoto Prefecture, increased revenue and profit due to a growth in sales after renovations in FY2023. Yell Co., Ltd. was absorbed by Heiwado Co., Ltd. through an absorption-type merger on August 21, 2025.

Direct Shop Inc., which sells books and operates a fitness business, saw a decrease in revenue but a reduction in its deficit in operating profit due to the downsizing of an unprofitable business and a decrease in selling and administrative expenses.

Heiwado (China) Co., Ltd., which operates one department store in Hunan Province, China, experienced decreases in revenue and profit due to the slowdown of the Chinese economy, aggravated surrounding environments, and reduced operations during renovations.

As a result of the above, operating revenue in the retail business was ¥213,487 million (up 3.3% year on year), and ordinary profit was ¥6,842 million (up 5.7% year on year).

[Retail-Related Business]

Bestone Co., Ltd., which manufactures and processes prepared foods, rice dishes, and fresh foods, achieved increased revenue and profit due to the consistent rise in production volume at the new delicatessen center that began operations on May 31, 2023, along with increased orders stemming from Heiwado Co., Ltd.’s productivity

improvement initiatives.

National Maintenance Co., Ltd., which operates a building maintenance business, experienced decreased revenue and profit due to the decline following a high volume of orders associated with the recovery from the Noto Peninsula earthquake damage in the previous fiscal year.

As a result of the above, operating revenue in the retail-related business was ¥28,256 million (up 5.2% year on year), and ordinary profit was ¥883 million (down 3.5% year on year).

[Other Businesses]

Fivestar Co., Ltd., which operates a restaurant business, saw increased revenue and profit mainly due to a growth in net sales and the effect of controlling selling and administrative expenses.

C.O.M Corporation Ltd., which operates a restaurant business, experienced increased revenue due to strong sales of its mainstay, Kentucky Fried Chicken, but profit declined due to higher costs, mainly from the expansion of home-delivery services.

Regarding YU-ING Co., Ltd., which was in the amusement business, we determined that, in order to enhance the appeal of shopping malls, it would be the best to leverage the management resources and networks of a company with extensive experience and expertise in the amusement industry that is actively pursuing new initiatives. Accordingly, we transferred all of our shares by resolution of the Board of Directors on May 24, 2025.

As a result of the above, operating revenue in other businesses was ¥8,444 million (down 1.5% year on year), and ordinary profit was ¥553 million (up 12.4% year on year).

(2) Explanation of Financial Position

Total assets as of the end of the second quarter under review decreased by ¥2,139 million from the end of the previous fiscal year to ¥305,729 million. The main factors included decreases of ¥2,660 million in cash and deposits and ¥1,155 million in property, plant and equipment, which were partially offset primarily by increases of ¥989 million in notes and accounts receivable - trade, and contract assets and ¥862 million in investment securities.

Liabilities decreased by ¥2,819 million from the end of the previous fiscal year to ¥113,023 million. The main factors included decreases of ¥3,000 million in short-term borrowings, and ¥4,104 million in retirement benefit liability, which were partially offset primarily by increases of ¥2,699 million in notes and accounts payable – trade, ¥701 million in income taxes payable, and ¥825 million in long-term borrowings.

Net assets increased by ¥679 million from the end of the previous fiscal year to ¥192,706 million. The main factors included an increase of ¥3,239 million in retained earnings, while treasury shares increased by ¥2,680 million.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Forecasted figures for the consolidated operating results for the fiscal year ending February 20, 2026 remain unchanged from those announced on April 3, 2025.

2. Interim Consolidated Financial Statements and Principal Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of February 20, 2025	As of August 20, 2025
Assets		
Current assets		
Cash and deposits	26,817	24,157
Notes and accounts receivable - trade, and contract assets	11,840	12,829
Merchandise and finished goods	19,837	19,462
Raw materials and supplies	246	181
Other	5,898	6,511
Allowance for doubtful accounts	(38)	(37)
Total current assets	64,602	63,105
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	94,754	93,129
Land	98,383	98,370
Other, net	13,101	13,584
Total property, plant and equipment	206,239	205,084
Intangible assets		
Goodwill	540	507
Leasehold interests in land	5,555	5,425
Other	3,745	3,835
Total intangible assets	9,841	9,767
Investments and other assets		
Investment securities	3,871	4,733
Leasehold and guarantee deposits	18,006	17,802
Deferred tax assets	3,013	2,970
Other	2,648	2,617
Allowance for doubtful accounts	(355)	(351)
Total investments and other assets	27,184	27,772
Total non-current assets	243,266	242,624
Total assets	307,868	305,729

	As of February 20, 2025	As of August 20, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,479	34,178
Short-term borrowings	11,350	8,350
Income taxes payable	2,184	2,886
Provision for bonuses	1,519	1,592
Contract liabilities	10,723	10,347
Refund liabilities	7,855	8,048
Provision for loss on interest repayment	13	10
Provision for loss on shop close	124	130
Provision for bonuses for directors (and other officers)	65	—
Other	19,217	19,431
Total current liabilities	84,532	84,975
Non-current liabilities		
Long-term borrowings	8,975	9,800
Retirement benefit liability	6,160	2,055
Asset retirement obligations	7,355	7,411
Leasehold and guarantee deposits received	8,301	8,246
Deferred tax liabilities	100	96
Other	417	437
Total non-current liabilities	31,310	28,047
Total liabilities	115,842	113,023
Net assets		
Shareholders' equity		
Share capital	11,614	11,614
Capital surplus	19,746	19,748
Retained earnings	155,815	159,055
Treasury shares	(2,485)	(5,165)
Total shareholders' equity	184,690	185,252
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	913	1,500
Foreign currency translation adjustment	2,843	2,465
Remeasurements of defined benefit plans	1,462	1,377
Total accumulated other comprehensive income	5,219	5,343
Non-controlling interests	2,116	2,109
Total net assets	192,026	192,706
Total liabilities and net assets	307,868	305,729

(2) Interim Consolidated Statements of Income and Comprehensive Income
Interim Consolidated Statements of Income

(Millions of yen)

	For the six months ended August 20, 2024	For the six months ended August 20, 2025
Operating revenue		
Net sales	198,478	204,686
Operating revenue	18,166	18,852
Total operating revenue	216,645	223,539
Cost of sales	138,335	142,385
Gross profit	60,142	62,301
Operating gross profit	78,309	81,153
Selling, general and administrative expenses	72,003	74,320
Operating profit	6,306	6,833
Non-operating income		
Interest income	87	72
Commission income	283	300
Receipt subsidy	151	218
Other	315	180
Total non-operating income	838	772
Non-operating expenses		
Interest expenses	29	52
Foreign exchange losses	15	9
Other	28	31
Total non-operating expenses	73	93
Ordinary profit	7,070	7,512
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	239
Insurance claim income	194	—
Other	5	85
Total extraordinary income	199	325
Extraordinary losses		
Loss on retirement of non-current assets	110	64
Loss on disaster	6	—
Impairment losses	6	122
Provision for loss on stores closing	53	62
Other	6	0
Total extraordinary losses	183	249
Profit before income taxes	7,087	7,588
Income taxes	2,460	2,626
Profit	4,626	4,962
Profit attributable to non-controlling interests	62	57
Profit attributable to owners of parent	4,564	4,904

Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended August 20, 2024	For the six months ended August 20, 2025
Profit	4,626	4,962
Other comprehensive income		
Valuation difference on available-for-sale securities	22	587
Foreign currency translation adjustment	984	(408)
Remeasurements of defined benefit plans, net of tax	(26)	(84)
Total other comprehensive income	980	94
Comprehensive income	5,607	5,056
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,493	5,029
Comprehensive income attributable to non-controlling interests	114	27

(3) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended August 20, 2024	For the six months ended August 20, 2025
Cash flows from operating activities		
Profit before income taxes	7,087	7,588
Depreciation	6,280	6,559
Amortization of goodwill	33	33
Increase (decrease) in retirement benefit liability	(279)	(4,217)
Increase (decrease) in provision for loss on store closing	48	6
Interest income	(87)	(72)
Interest expenses	29	52
Loss on retirement of non-current assets	110	64
Decrease (increase) in trade receivables	(1,567)	(995)
Decrease (increase) in inventories	10	319
Increase (decrease) in trade payables	4,512	2,720
Increase (decrease) in deposits received	929	1,259
Increase (decrease) in provision for loss on disaster	(784)	—
Loss (gain) on sale of shares of subsidiaries and associates	—	(239)
Other, net	(89)	124
Subtotal	16,233	13,204
Interest and dividends received	138	111
Interest paid	(27)	(50)
Income taxes paid	(2,138)	(1,968)
Net cash provided by (used in) operating activities	14,206	11,297
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(6,445)	(7,219)
Purchase of long-term prepaid expenses	(69)	(71)
Payments of leasehold and guarantee deposits	(48)	(3)
Proceeds from refund of leasehold and guarantee deposits	167	223
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	296
Other, net	(107)	(104)
Net cash provided by (used in) investing activities	(6,502)	(6,878)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,000)	—
Proceeds from long-term borrowings	4,000	1,000
Repayments of long-term borrowings	(8,129)	(3,175)
Purchase of treasury shares	(2,195)	(2,697)
Dividends paid	(1,206)	(1,664)
Other, net	(44)	(38)
Net cash provided by (used in) financing activities	(10,575)	(6,575)
Effect of exchange rate change on cash and cash equivalents	382	(236)
Net increase (decrease) in cash and cash equivalents	(2,489)	(2,393)
Cash and cash equivalents at beginning of period	29,426	22,881
Cash and cash equivalents at end of period	26,937	20,488

(4) Notes to Interim Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Based on a resolution approved at a meeting of the Board of Directors on June 27, 2024, the Company purchased 1,000,000 shares of treasury shares during the six months ended August 20, 2025. As a result, treasury shares increased by ¥2,696 million, bringing treasury shares to ¥5,165 million as of August 20, 2025.

(Accounting methods adopted particularly for the preparation of interim consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses by making a reasonable estimate of the effective tax rate after application of tax effect accounting to profit before income taxes for the consolidated fiscal year that includes the second quarter under review, and multiplying profit before income taxes by the said estimated effective tax rate. In addition, income taxes deferred are included in "Income taxes."

(Notes on segment information, etc.)

(Segment information)

I. For the six months ended August 20, 2024

1. Information on operating revenue and profit or loss by reportable segment, and revenue breakdown information

(Millions of yen)

	Reportable segments			Other	Total	Adjustment	Amount on interim consolidated statements of income
	Retail	Retail-Related	Total				
Operating revenue							
Product sales	189,894	477	190,371	8,106	198,478	—	198,478
Service revenue	7,817	1,918	9,735	39	9,774	—	9,774
Revenue from contracts with customers	197,711	2,395	200,107	8,145	208,252	—	208,252
Other revenue	7,195	929	8,124	267	8,392	—	8,392
Net sales to outside customers	204,907	3,324	208,232	8,412	216,645	—	216,645
Intersegment net sales or transfers	1,763	23,547	25,310	157	25,468	(25,468)	—
Total	206,671	26,872	233,543	8,569	242,113	(25,468)	216,645
Segment profit	6,472	915	7,387	492	7,879	(808)	7,070

(Notes)

1. The “Other” category represents business segments not included in reportable segments, such as restaurant operation business, etc.
 2. The adjustment of ¥(808) million to segment profit is from the elimination of dividend income transactions, etc.
 3. Segment profit has been adjusted with ordinary profit on the interim consolidated statements of income.
 4. Other revenue represents real estate lease revenue included within the scope of the Accounting Standard for Lease Transactions.
2. Information on impairment losses on non-current assets and goodwill, etc. by reportable segment
- No significant occurrences or changes.

II. For the six months ended August 20, 2025

1. Information on operating revenue and profit or loss by reportable segment, and revenue breakdown information
(Millions of yen)

	Reportable segments			Other	Total	Adjustment	Amount on interim consolidated statements of income
	Retail	Retail-Related	Total				
Operating revenue							
Product sales	196,012	489	196,502	8,184	204,686	—	204,686
Service revenue	8,117	2,045	10,162	32	10,195	—	10,195
Revenue from contracts with customers	204,130	2,534	206,665	8,217	214,882	—	214,882
Other revenue	7,607	914	8,521	135	8,656	—	8,656
Net sales to outside customers	211,737	3,449	215,186	8,352	223,539	—	223,539
Intersegment net sales or transfers	1,750	24,806	26,557	91	26,648	(26,648)	—
Total	213,487	28,256	241,743	8,444	250,188	(26,648)	223,539
Segment profit	6,842	883	7,725	553	8,278	(765)	7,512

(Notes)

1. The “Other” category represents business segments not included in reportable segments, such as restaurant operation business, etc.
2. The adjustment of ¥(765) million to segment profit is from the elimination of dividend income transactions, etc.
3. Segment profit has been adjusted with ordinary profit on the interim consolidated statements of income.
4. Other revenue represents real estate lease revenue included within the scope of the Accounting Standard for Lease Transactions.

2. Information on impairment losses on non-current assets and goodwill, etc. by reportable segment
No significant occurrences or changes.

(Significant subsequent events)

Not applicable.