

Presentation Materials of Financial Results for the Third quarter of the FYE 3/2026 (FY2025)

Period: Apr. 1, 2025 - Dec. 31, 2025

H2O RETAILING CORPORATION

Feb. 4, 2026



3Q Results Digest

Result

- ▶ [Consolidated] Cumulative operating profit decreased, but progress exceeded company's forecast.
- ▶ Due to a reactionary decline following the sharp increase in inbound sales in the previous year's 1Q and the impact of reduced sales floor space due to upscale renovation of Hankyu Main Store, cumulative gross sales and operating profit decreased.
- ▶ Sales at existing supermarket stores remain steady. Cumulative gross sales and operating profit increased.

Forecast

- ▶ Cumulative consolidated operating profit exceeded company's forecast, considering the trend of Chinese visitors to Japan and the impact of upscale renovation of Hankyu Main Store continuing through Mar, full-year consolidated forecast remains unchanged.
- ▶ The annual dividend is planned to be JPY 44, an increase of JPY 2 from the previous year as announced at the beginning of the period.

FYE2026 (FY2025) 3Q Cumulative Results

(Unit: JPY 100M)

		YoY
Gross sales	8,728	▲ 0% ▲ 11
Operating profit	253	▲ 13% ▲ 36
Profit	290	▲ 23% ▲ 85

FYE2026 (FY2025) Forecast

(Unit: JPY 100M)

		YoY
Gross sales	11,630	+0% 34
Operating profit	300	▲ 14% ▲ 48
Profit	240	▲ 31% ▲ 108

- 1. Results for 3Q of FY2025**
2. Forecast for FY2025
3. Appendix

Consolidated Results

- ▶ Department Store Business recorded a decline in operating profit due to a drop in inbound sales following the sharp increase in the previous year's 1Q and the impact of upscale renovation of Hankyu Main Store, which reduced consolidated operating profit.
- ▶ Operating profit fell below the previous year's level, but all segments exceeded company's forecast, led by steady performance in Supermarket Business and Shopping Center Business. Profit increased significantly due to the recognition of gain on the sale of policy-based shareholdings (announced in Oct).

(Unit: JPY 100M)

	1-3Q				3Q			
	FY2024	FY2025	YoY Change	YoY amount	FY2024	FY2025	YoY Change	YoY amount
Gross sales	8,740	8,728	▲0.1%	▲11	3,155	3,174	+0.6%	+19
Net sales	5,149	5,159	+0.2%	+10	1,836	1,828	▲0.4%	▲8
Operating profit	289	253	▲12.6%	▲36	139	134	▲3.5%	▲5
Ordinary profit	300	265	▲11.5%	▲35	140	141	+0.5%	+1
Profit	375	290	▲22.7%	▲85	104	221	+112.2%	+117

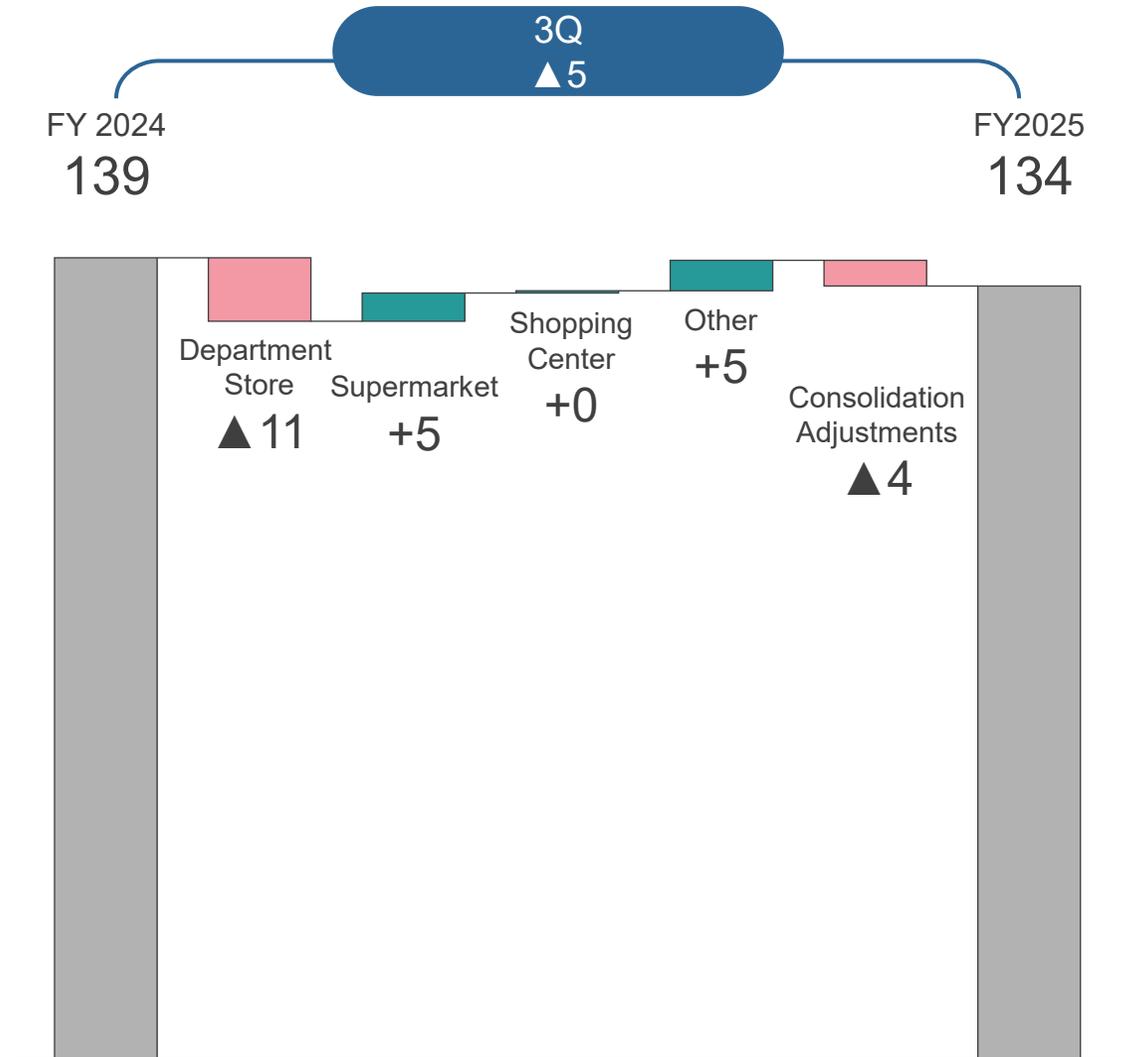
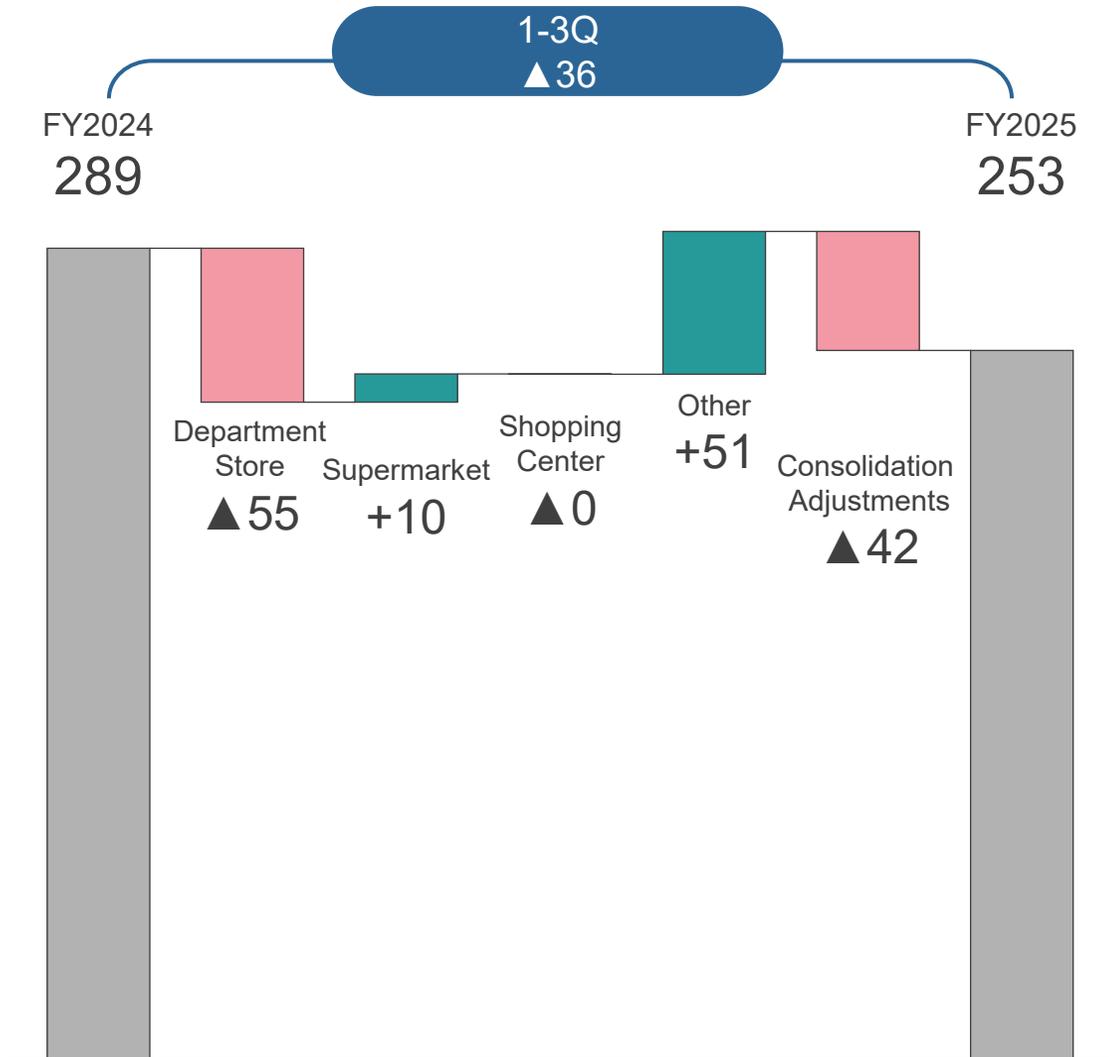
Results by Segment

(Unit: JPY 100M)

	1-3Q				3Q			
	FY2024	FY2025	YoY Change	YoY amount	FY2024	FY2025	YoY Change	YoY amount
Department Store	4,816	4,633	▲3.8%	▲183	1,766	1,767	+0.0%	+1
Supermarket	3,242	3,297	+1.7%	+55	1,130	1,137	+0.6%	+6
Shopping Center	247	228	▲7.5%	▲19	87	81	▲6.8%	▲6
Other	435	570	+31.2%	+136	172	190	+10.4%	+18
Gross sales	8,740	8,728	▲0.1%	▲11	3,155	3,174	+0.6%	+19
Department Store	233	178	▲23.6%	▲55	107	95	▲10.3%	▲11
Supermarket	69	79	+14.5%	+10	32	37	+15.3%	+5
Shopping Center	34	34	▲0.2%	▲0	12	13	+2.8%	+0
Other	36	87	+142.1%	+51	▲12	▲6	-	+5
Consolidation Adjustments	▲82	▲124	-	▲42	▲0	▲5	-	▲4
Operating profit	289	253	▲12.6%	▲36	139	134	▲3.5%	▲5

Results by Segment - Factors of Increase/Decrease in Operating Profit(YoY)

(Unit: JPY 100M)



Department Store Business

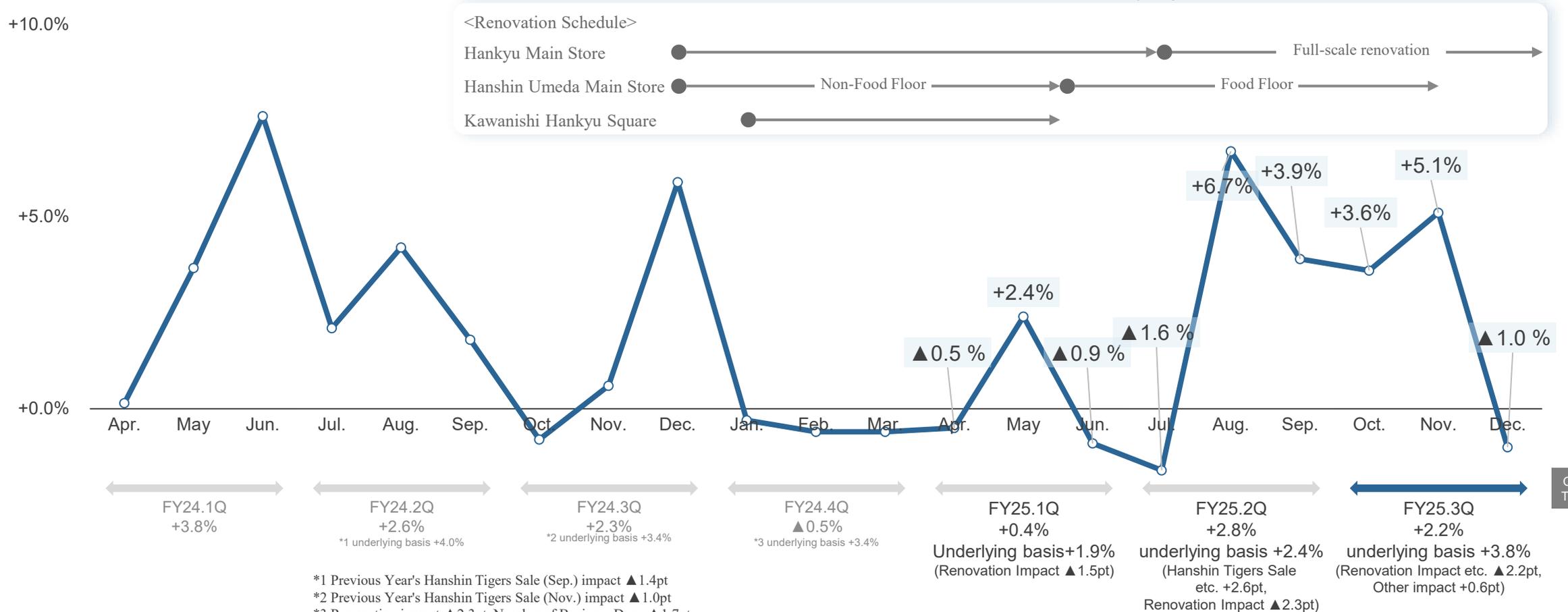
- ▶ [Cumulative] Decreased gross sales and operating profit due to a decline from the high inbound sales in the previous year's 1Q and the impact of reduced sales floor space following upscale renovation of Hankyu Main Store.
- ▶ [3Q] Inbound sales slowed from late Nov, while domestic sales remained steady. However, operating profit decreased due to increased SG&A expenses, including system costs (no prior-year comparison due to the POS register switch in the previous fiscal year's 4Q) and labor costs.

(Unit: JPY 100M)

	1-3Q				3Q			
	FY2024	FY2025	YoY Change	YoY amount	FY2024	FY2025	YoY Change	YoY amount
Gross sales	4,816	4,633	▲3.8%	▲183	1,766	1,767	+0.0%	+1
Net sales	1,463	1,401	▲4.2%	▲61	542	535	▲1.4%	▲8
Gross profit	1,054	1,012	▲4.0%	▲42	390	387	▲0.7%	▲3
SG&A expenses	822	835	+1.6%	+13	283	292	+3.0%	+8
Operating profit	233	178	▲23.6%	▲55	107	95	▲10.3%	▲11

Department Store Business -Domestic Sales Trend (All Stores Basis)

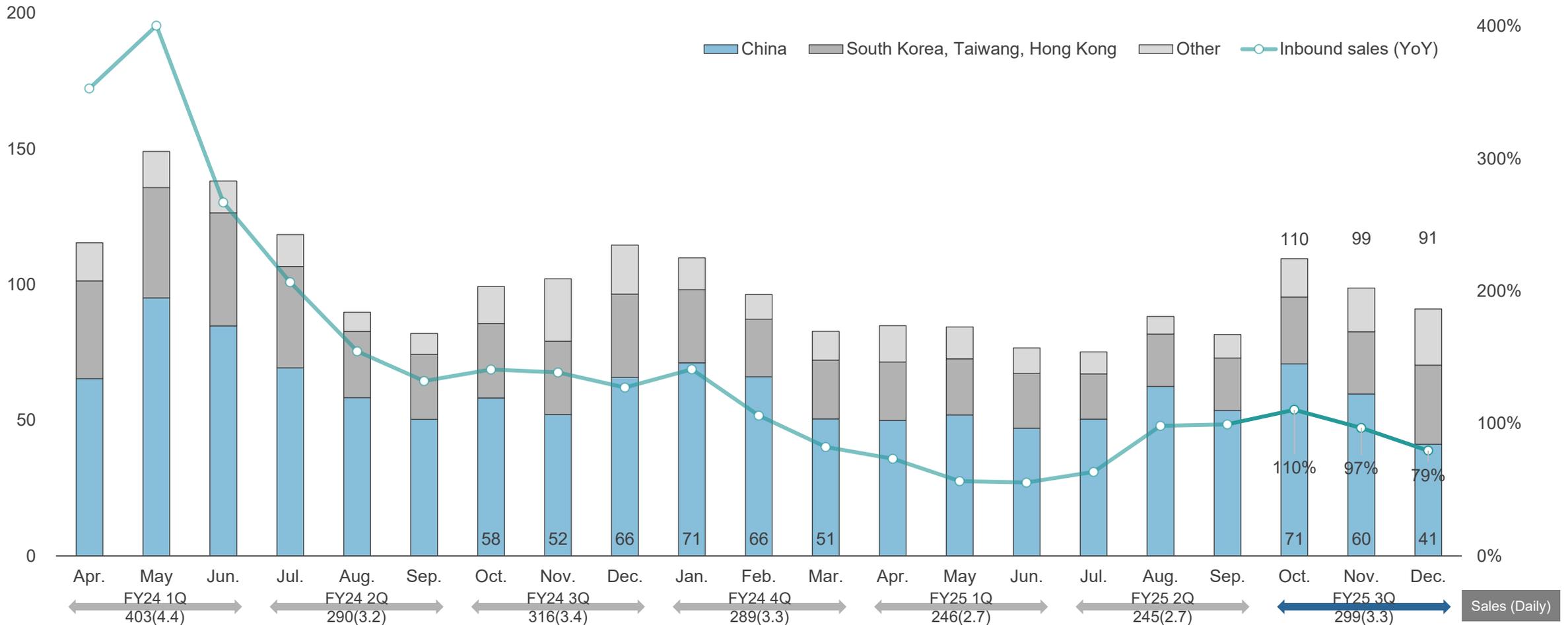
- ▶ Domestic sales in 3Q(Oct.-Dec.) showed steady growth (+2.2% YoY) despite negative factors such as the upscale renovation construction of Hankyu Main Store.
- ▶ After renovation, Hanshin Umeda Main Store saw a 14% YoY increase in 3Q sales, offsetting the negative impact of upscale renovation at Hankyu Main Store. This growth was driven by the food floor's strength and the enhanced appeal of the non-food floors. Excluding the impact of renovation and other factors, domestic sales across all stores increased 3.8% on an underlying basis.



Department Store Business –Inbound sales

- ▶ 3Q(Oct.-Dec.) sales declined by 5% YoY. Although there was growth in Oct, the pace of recovery slowed in late Nov. due to a decrease in flights from China and reduced passenger numbers.
- ▶ While the outlook remains uncertain, full-year sales are targeted at JPY 105.0 bn. (1-3Q: JPY 79 bn, 75% progress rate).

(Unit: JPY 100M)



Supermarket Business

- ▶ Existing store sales remain steady, and the rollout of our new store formats is progressing favorably.
- ▶ Due to sales growth, cumulative operating profit increased by JPY 1.0 bn., exceeding company's forecast.

(Unit: JPY 100M)

	1-3Q			
	FY2024	FY2025	YoY Change	YoY amount
Gross sales	3,242	3,297	+1.7%	+55
Gross profit	976	995	+1.9%	+18
SG&A expenses	907	916	+0.9%	+8
Operating profit	69	79	+14.5%	+10

	3Q			
	FY2024	FY2025	YoY Change	YoY amount
Gross sales	1,130	1,137	+0.6%	+6
Gross profit	340	345	+1.5%	+5
SG&A expenses	307	308	+0.0%	+0
Operating profit	32	37	+15.3%	+5

1-3Q Sales at existing supermarket store (YOY change)
Gross profit margin (YoY amount)

- ▶ Unit price remains high, the increase in rice prices has largely run its course.
- ▶ 3Q saw steady sales in Oct. to Nov, but slowed in Dec. due to weather impacts during the year-end sales season.



New Store Formats (A&C Type)

- ▶ Stores converted to the new store formats saw strong performance, exceeding +10% YoY growth.



A type (Value-appeal)
Hankyu Oasis marche Minami Senri



C type (Price-appeal)
Kansai Super daily mart Toyonaka Minami

Shopping Center/Other Business

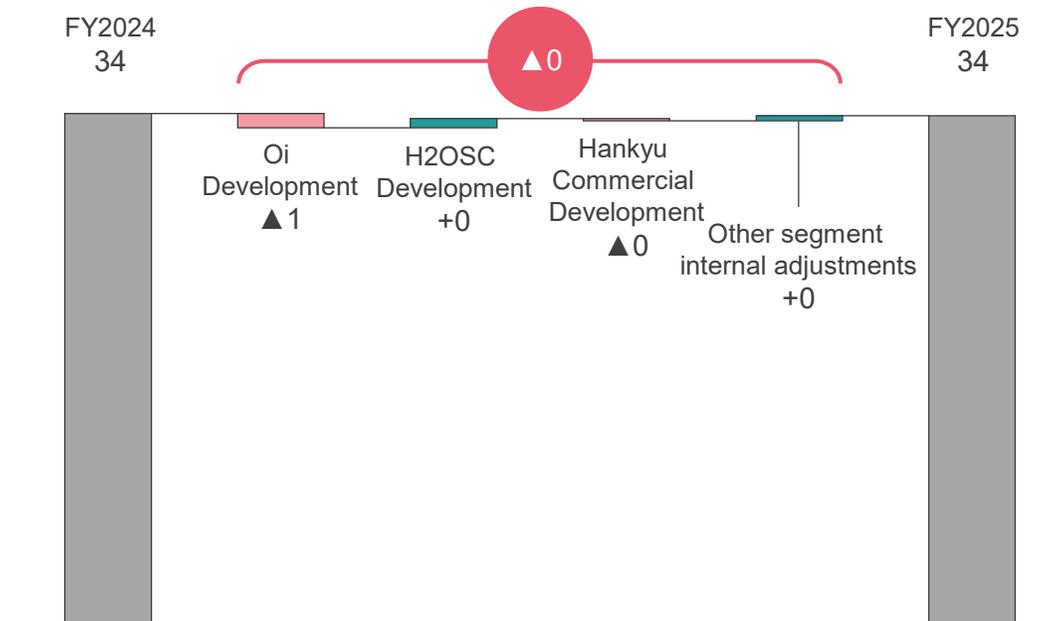
Shopping Center

▶ Despite undergoing renovation, Oi Development (business hotel), a major contributor to operating profit, maintained performance on par with the previous year's record high, exceeding company's forecast.

(Unit: JPY 100M)

1-3Q	FY2024	FY2025	YoY change	YoY amount
Gross sales	247	228	▲7.5%	▲19
Operating profit	34	34	▲0.2%	▲0

Factors of Increase/Decrease in Operating Profit(YoY)



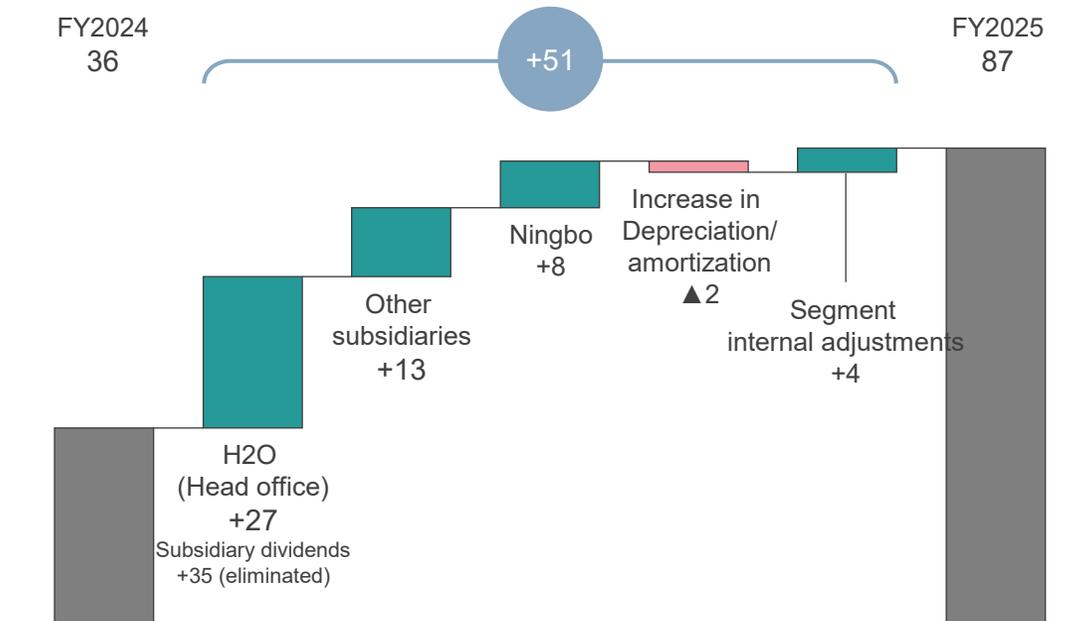
Other

▶ Ningbo Hankyu newly consolidated in the previous year's 2Q with JPY 0.8 bn. increase in operating profit, subsidiaries also performed steadily, exceeding forecast.

(Unit: JPY 100M)

1-3Q	FY2024	FY2025	YoY change	YoY amount
Gross sales	435	570	+31.2%	+136
Operating profit	36	87	+142.1%	+51

Factors of Increase/Decrease in Operating Profit(YoY)



1. Results for 3Q of FY2025
- 2. Forecast for FY2025**
3. Appendix

Consolidated forecasts

- ▶ Cumulative consolidated operating profit exceeded company's forecast, considering the trend of Chinese visitors to Japan and the impact from upscale renovation of Hankyu Main Store continuing through Mar, full-year consolidated forecast remains unchanged.
- ▶ The annual dividend is planned to be JPY 44, an increase of JPY 2 from the previous year as announced at the beginning of the period.

(Unit: JPY 100M)

	1-4Q				4Q			
	FY2024 results	FY2025 forecast No revisions to Oct. 31 forecast	YoY change	YoY amount	FY2024 results	FY2025 forecast	YoY change	YoY amount
Gross sales	11,596	11,630	+0.3%	+34	2,857	2,902	+1.6%	+45
Net sales	6,818	6,890	+1.1%	+72	1,669	1,731	+3.8%	+63
Operating profit	348	300	▲ 13.9%	▲ 48	59	47	▲ 20.1%	▲ 12
Ordinary profit	359	310	▲ 13.7%	▲ 49	59	45	▲ 24.5%	▲ 15
Profit	348	240	▲ 31.1%	▲ 108	▲ 26	▲ 50	-	▲ 23

Forecast by Segment

(Unit: JPY 100M)

	1-4Q					4Q		
	FY2024 results	FY2025 forecast Announced on Oct. 31	FY2025 forecast Announced on Feb. 4	YoY change (%/amount)	Vs. previous forecast	FY2024 results	FY2025 forecast	YoY amount
Department Store	6,350	6,131	6,131	▲3.4% ▲219	-	1,533	1,498	▲35
Supermarket	4,285	4,395	4,395	+2.6% +110	-	1,043	1,098	+55
Shopping Center	318	302	302	▲4.8% ▲15	-	71	74	+3
Other	644	802	802	+24.5% +158	-	209	231	+22
Gross sales	11,596	11,630	11,630	+0.3% +34	-	2,857	2,902	+45
Department Store	282	230	230	▲18.4% ▲52	-	50	53	+3
Supermarket	89	99	100	+11.8% +11	+1	20	21	+1
Shopping Center	39	37	37	▲6.2% ▲2	-	6	3	▲2
Other	22	62	62	+182.1% +40	-	▲14	▲25	▲11
Consolidation Adjustments	▲85	▲128	▲129	- ▲44	▲1	▲3	▲5	▲2
Operating profit	348	300	300	▲13.9% ▲48	-	59	47	▲12

1. Results for 3Q of FY2025
2. Forecast for FY2025
- 3. Appendix**

Consolidated results trends

(Unit: JPY 100M)

	FY2024				FY2025					
	1Q	2Q	3Q	4Q	1Q	YoY change (%/amount)	2Q	YoY change (%/amount)	3Q	YoY change (%/amount)
Gross sales	2,764	2,821	3,155	2,857	2,733	▲1.1% ▲31	2,821	+0.0% +0	3,174	+0.6% +19
Net sales	1,619	1,694	1,836	1,669	1,636	+1.1% +17	1,694	+0.0% +0	1,828	▲0.4% ▲8
Operating profit	93	57	139	59	55	▲40.6% ▲38	64	+10.8% +6	134	▲3.5% ▲5
Ordinary profit	102	57	140	59	61	▲39.8% ▲41	63	+9.3% +5	141	+0.5% +1
Profit	265	6	104	▲26	40	▲85.0% ▲225	29	+369.0% +23	221	+112.2% +117

Results trends by Segment

(Unit: JPY 100M)

	FY2024				FY2025					
	1Q	2Q	3Q	4Q	1Q	YoY change (%/amount)	2Q	YoY change (%/amount)	3Q	YoY change (%/amount)
Department Store	1,554	1,496	1,766	1,533	1,393	▲10.3% ▲160	1,472	▲1.6% ▲24	1,767	+0.0% +1
Supermarket	1,034	1,078	1,130	1,043	1,064	+2.9% +30	1,096	+1.7% +18	1,137	+0.6% +6
Shopping Center	82	78	87	71	75	▲8.4% ▲7	72	▲7.3% ▲6	81	▲6.8% ▲6
Other	94	169	172	209	200	+113.3% +106	181	+6.9% +12	190	+10.4% +18
Gross sales	2,764	2,821	3,155	2,857	2,733	▲1.1% ▲31	2,821	+0.0% +0	3,174	+0.6% +19
Department Store	80	47	107	50	35	▲56.6% ▲45	48	+2.8% +1	95	▲10.3% ▲11
Supermarket	15	21	32	20	21	+35.7% +6	21	▲1.8% ▲0	37	+15.3% +5
Shopping Center	13	8	12	6	13	▲2.9% ▲0	8	▲0.5% ▲0	13	+2.8% +0
Other	66	▲18	▲12	▲14	105	+60.1% +40	▲12	- +6	▲6	- +5
Consolidated adjustment	▲82	▲0	▲0	▲3	▲119	— ▲37	▲1	- ▲1	▲5	- ▲4
Operating profit	93	57	139	59	55	▲40.6% ▲38	64	+10.8% +6	134	▲3.5% ▲5

Results trends by Segment - Department Store Business

(Unit: JPY 100M)

	FY2024				FY2025					
	1Q	2Q	3Q	4Q	1Q	YoY change (%/amount)	2Q	YoY change (%/amount)	3Q	YoY change (%/amount)
Gross sales	1,554	1,496	1,766	1,533	1,393	▲10.3% ▲160	1,472	▲1.6% ▲24	1,767	+0.0% +1
Net sales	457	463	542	459	417	▲8.9% ▲41	450	▲2.8% ▲13	535	▲1.4% ▲8
Gross profit	338	327	390	330	305	▲9.8% ▲33	321	▲1.8% ▲6	387	▲0.7% ▲3
SG&A expenses	259	280	283	281	270	+4.6% +12	273	▲2.6% ▲7	292	+3.0% +8
Operating profit	80	47	107	50	35	▲56.6% ▲45	48	+2.8% +1	95	▲10.3% ▲11

Results trends by Segment – Supermarket Business

(Unit: JPY 100M)

	FY2024				FY2025					
	1Q	2Q	3Q	4Q	1Q	YoY change (%/amount)	2Q	YoY change (%/amount)	3Q	YoY change (%/amount)
Gross sales	1,034	1,078	1,130	1,043	1,064	+2.9% +30	1,096	+1.7% +18	1,137	+0.6% +6
Net sales	995	1,038	1,086	1,007	1,023	+2.8% +28	1,054	+1.6% +17	1,090	+0.4% +4
Gross profit	311	326	340	318	320	+3.1% +10	330	+1.2% +4	345	+1.5% +5
SG&A expenses	295	305	307	298	299	+1.4% +4	309	+1.4% +4	308	+0.0% +0
Operating profit	15	21	32	20	21	+35.7% +6	21	▲1.8% ▲0	37	+15.3% +5

Non-operating income and expenses/Extraordinary gain or losses

(Unit: JPY 100M)

1-3Q	FY2024	FY2025	YoY amount	Major items of changes	
Operating profit	289	253	▲ 36		
Non-operating income/ expenses	11	13	+2	<ul style="list-style-type: none"> • Decrease in dividends income • Decrease in effect of foreign exchange • Decrease in share of profit of entities accounted for using equity method • Decrease in expenses related to acquisition of shares of subsidiaries 	▲ 2 ▲ 2 ▲ 1 +7
Ordinary profit	300	265	▲ 35		
Extraordinary income/ losses	235	114	▲ 122	<ul style="list-style-type: none"> • Increase in subsidies income • Decrease in gain on step acquisitions • Decrease in gain on sale of non-current assets • Decrease in gain on sale of shares of subsidiaries • Decrease in gain on sale of investment securities 	+10 ▲ 80 ▲ 26 ▲ 17 ▲ 8
Income before income taxes	535	379	▲ 156		
Income taxes, non- controlling interests	161	89	▲ 71		
Profit	374	290	▲ 85		

Capital investment/Depreciation

Capital investment

(Unit: JPY 100M)

	1-3Q			1-4Q	
	FY2024 results	FY2025 results	Major items	FY2025 forecast	FY2024 results
Department Store	31	57	Renovation of Hankyu Main Store/Hanshin Umeda Main Store/Kawanishi Hankyu Square	144	60
Supermarket	47	33	New store opening and store renovations of supermarket	63	65
Shopping Center	13	15	Oi Development Room renovation work	26	21
Other	111	62	H2O Retailing System Investment	161	173
IT/DX	83	54		123	123
Ningbo	23	1		14	43
Total	197	167		395	313

Depreciation

(100 million of JPY)

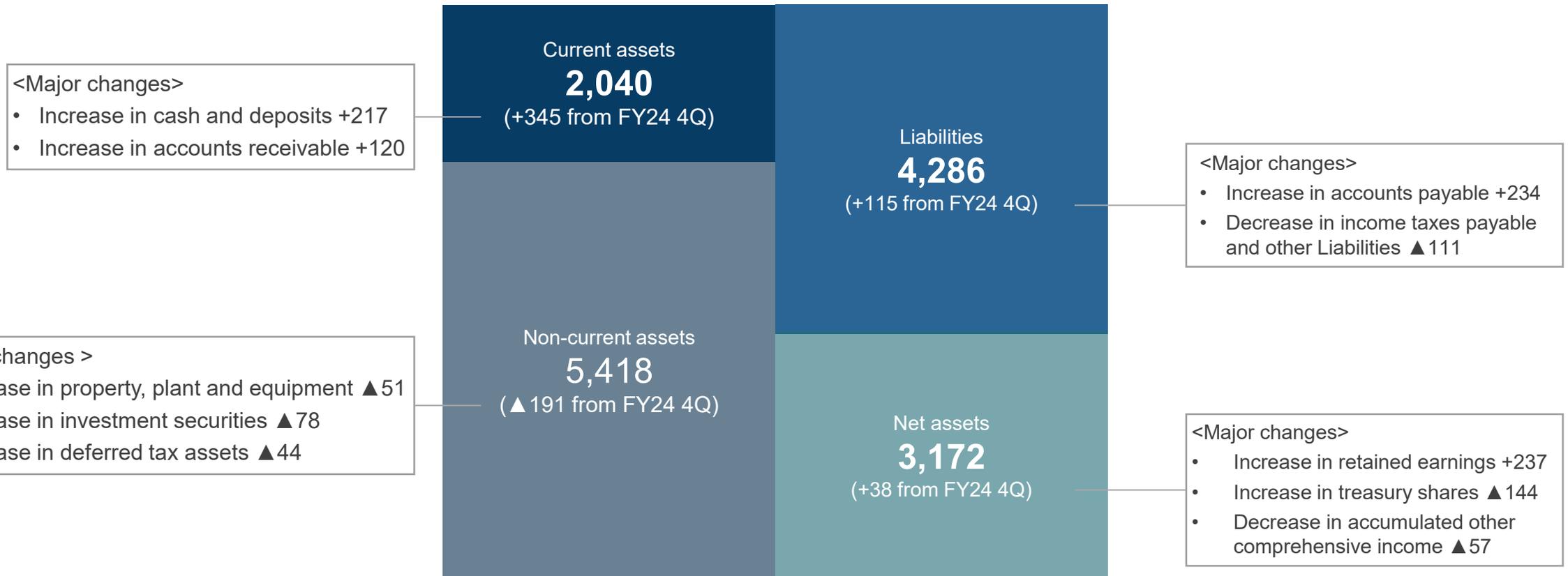
	1-3Q			1-4Q
	FY2024 results	FY2025 results	YoY amount	FY2024 results
Consolidated total	166	184	+18	235

Consolidated B/S

▶ The sale of investment securities increased both current assets and net assets. Treasury shares increased by JPY14.4 bn.

(Unit: JPY 100M)

Total assets 7,458 (+153 from FY24 4Q)



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