

H2O Retailing Corporation  
Supplementary Information  
to Financial Results  
for the First Quarter of the Fiscal Year  
Ending March 31, 2024

Aug. 2, 2023

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## I. Consolidated Financial Results

### 1. Consolidated statements of income

#### < Overview of financial results >

(Millions of yen)

	Jun. 30, 2021 Amount	Jun. 30, 2022 Amount	Amount	Jun. 30, 2023	
				YoY	Inc./Dec.
Department Store	66,697	108,678	123,508	113.6%	+ 14,829
Supermarket	73,346	101,308	103,098	101.8%	+ 1,790
Shopping Center	13,025	9,120	8,087	88.7%	△ 1,033
Other	8,110	8,812	9,998	113.5%	+ 1,186
Gross sales	161,179	227,919	244,693	107.4%	+ 16,773
Net sales	114,285	149,352	154,813	103.7%	+ 5,460
Department Store	△ 1,846	1,224	3,296	269.3%	+ 2,072
Supermarket	1,335	426	1,842	432.2%	+ 1,416
Shopping Center	23	596	1,020	171.2%	+ 424
Other	△ 1,090	△ 769	2,165	-	+ 2,934
Consolidation adjustment	△ 466	△ 812	△ 3,566	-	△ 2,754
Operating profit	△ 2,044	664	4,758	716.4%	+ 4,094
Ordinary profit	△ 949	1,867	5,192	278.0%	+ 3,324
Extraordinary income	15,541	49	723	-	+ 674
Extraordinary losses	4,218	740	398	53.8%	△ 342
Profit	6,277	651	3,371	517.6%	+ 2,719

※ The Company has applied "Accounting Standard for Revenue Recognition" from the beginning of 1Q, FY2022.

#### < Selling, general and administrative expenses >

(Millions of yen)

	Jun. 30, 2021 Amount	Jun. 30, 2022 Amount	Amount	Jun. 30, 2023	
				YoY	Inc./Dec.
Personnel expenses	19,275	23,646	23,125	97.8%	△ 520
Rent expenses	8,468	11,791	11,955	101.4%	+ 163
Advertising expenses	1,254	1,964	1,978	100.7%	+ 13
Depreciation	3,536	4,368	4,485	102.7%	+ 117
Business consignment expenses	4,389	5,295	5,251	99.2%	△ 44
Sales commission	1,111	2,080	2,496	120.0%	+ 415
Transportation costs	3,372	3,100	3,933	126.9%	+ 832
Other	7,037	8,632	8,774	101.6%	+ 141
Total	48,445	60,880	62,001	101.8%	+ 1,120

※ The Company has applied "Accounting Standard for Revenue Recognition" from the beginning of 1Q, FY2022.

< Non-operating Income and Expenses >

(Millions of yen)

	Jun. 30, 2021 Amount	Jun. 30, 2022 Amount	Amount	Jun. 30, 2023	
				YoY	Inc./Dec.
Non-operating income	1,827	1,904	1,071	56.3%	△ 832
Interest income	118	140	77	55.6%	△ 62
Dividend income	593	627	661	105.5%	+ 34
Gain on debt settlement	261	206	125	60.5%	△ 81
Foreign exchange gains	679	739	71	9.7%	△ 667
Other	174	191	135	70.7%	△ 56
Non-operating expenses	733	701	638	91.0%	△ 63
Interest expenses	236	245	223	90.8%	△ 22
Loss on provision for redemption of gift certificates	210	162	88	54.5%	△ 74
Share of loss of entities accounted for using equity method	156	114	18	16.2%	△ 95
Other	129	178	307	172.2%	+ 129

※ The Company has applied "Accounting Standard for Revenue Recognition" from the beginning of 1Q, FY2022.

< Extraordinary Income and Losses >

(Millions of yen)

	Jun. 30, 2021 Amount	Jun. 30, 2022 Amount	Amount	Jun. 30, 2023
				Major items
Extraordinary income	15,541	49	723	
Gain on sales of non-current assets			723	H2O Shopping Center Development
Extraordinary losses	4,218	740	398	
Loss on retirement of non-current assets			398	Hankyu Hanshin Department Stores

2. Consolidated Balance Sheet

(Millions of yen)

	Jun. 30, 2022	Mar. 31, 2023	Jun. 30, 2023
Cash and deposits	33,166	58,670	44,740
Notes and accounts receivable - trade	63,517	68,572	69,216
Inventories	22,930	21,234	22,282
<b>Total current assets</b>	<b>130,534</b>	<b>161,408</b>	<b>150,209</b>
Property, plant and equipment	308,299	303,253	302,481
Intangible assets	16,511	19,764	21,302
Investments and other assets	211,478	201,997	208,288
<b>Total non-current assets</b>	<b>536,290</b>	<b>525,015</b>	<b>532,072</b>
<b>Total assets</b>	<b>666,825</b>	<b>686,423</b>	<b>682,281</b>
Notes and accounts payable - trade	53,360	63,674	58,208
Loans payable and bonds	186,065	179,267	179,142
<b>Total liabilities</b>	<b>402,146</b>	<b>413,608</b>	<b>403,602</b>
Shareholders' equity	201,028	206,213	206,079
<b>Total net assets</b>	<b>264,678</b>	<b>272,814</b>	<b>278,678</b>
<b>Total liabilities and net assets</b>	<b>666,825</b>	<b>686,423</b>	<b>682,281</b>

3. Capital Investment

(Millions of yen)

	Amount	Jun. 30, 2023
		Major items
Department Store	2,334	Renovations of Kobe Hankyu and Hankyu Umeda Main Store
Supermarket	2,099	Building purchase of Izumiya・Hankyu Oasis
Shopping Center	310	
Other	2,460	System investments of H2O Retailing
Consolidation adjustment	△ 28	
<b>Total</b>	<b>7,176</b>	

**II.Forecast of FY2024**

1.Forecast of consolidated financial results

(Millions of yen)

	1-2Q		3-4Q		FY2024	
	Forecast	YoY	Forecast	YoY	Forecast	YoY
Department Store	249,646	113.2%	295,354	108.8%	545,000	110.8%
Supermarket	211,095	102.6%	210,905	100.3%	422,000	101.4%
Shopping Center	17,920	102.4%	19,080	105.5%	37,000	104.0%
Other	17,339	97.7%	18,661	101.3%	36,000	99.5%
Gross sales	496,000	107.5%	544,000	105.0%	1,040,000	106.2%
Net sales	322,000	105.8%	353,000	109.1%	675,000	107.5%
Department Store	4,130	254.0%	10,231	118.0%	14,361	139.4%
Supermarket	4,545	276.6%	3,844	100.5%	8,389	153.4%
Shopping Center	1,121	129.3%	1,256	133.5%	2,377	131.5%
Other	△ 69	-	△ 1,500	-	△ 1,569	-
Consolidation adjustment	△ 2,727	-	△ 1,831	-	△ 4,558	-
Operating profit	7,000	628.3%	12,000	116.8%	19,000	166.8%
Ordinary profit	6,700	236.3%	11,800	116.0%	18,500	142.3%
Profit	2,000	71.7%	7,500	55.2%	9,500	58.0%

### III. Non-consolidated results

#### 1. Hankyu Hanshin Department Stores, Inc.

< Overview of financial results >

(Millions of yen)

	Amount	YoY	Inc./Dec.
Gross sales	122,734	113.5%	+ 14,616
Gross profit	27,599	113.0%	+ 3,182
(Gross profit/ Gross Sales)	22.49%	-	Δ0.10pt
Other operating revenue	967	122.7%	+ 179
SG & A	25,284	105.4%	+ 1,286
(SG & A/ Gross Sales)	20.60%	-	Δ1.60pt
Operating profit	3,282	271.9%	+ 2,075
Operating profit/ Gross Sales	2.67%	-	+ 1.56pt

\* Non-consolidated results shown above are reclassified on the basis before the application of "Accounting Standards for Revenue Recognition".

< Business results by stores >

(Millions of yen, thousands of people)

	Amount	YoY	Number of customers	YoY
Hankyu Main Store *1	66,504	116.2%	9,452	119.6%
Hanshin Umeda Main Store	13,620	108.0%	7,578	105.2%
Senri Hankyu	3,235	102.8%	900	90.2%
Takatsuki Hankyu	5,504	107.9%	2,173	109.6%
Kawanishi Hankyu	2,896	100.3%	1,242	105.3%
Takarazuka Hankyu *2	1,583	91.7%	-	-
Nishinomiya Hankyu	5,640	101.7%	2,762	98.7%
Kobe Hankyu	8,992	129.5%	3,859	117.5%
Hakata Hankyu	13,111	120.7%	6,231	121.9%
Hankyu Men's Tokyo	3,069	118.7%	520	112.8%
Oi Hankyu Food Hall	1,072	105.9%	1,206	103.0%
Tsuzuki Hankyu	725	101.6%	501	95.9%
Amagasaki Hanshin *2	665	101.8%	-	-
Hanshin Nishinomiya	922	96.8%	889	97.2%
Hanshin Mikage	115	99.7%	1,143	101.0%
Total of branch stores	47,536	112.5%	21,433	109.6%
Total stores *3	127,662	113.9%	38,464	111.0%

\*1. including Hankyu Men's Osaka

\*2. not counting the number of customers

\*3. including sales in tenants (¥4,927 million)

< Gross Sales of each category >

(Millions of yen)

	Amount	YoY	Share
Men's clothing	9,218	114.4%	7.2%
Women's clothing	14,330	110.6%	11.2%
Children's clothing	2,053	107.0%	1.6%
Other clothing	2,123	100.7%	1.7%
Clothing	27,725	110.7%	21.7%
Accessories, bags and others	28,998	121.4%	22.7%
Household merchandise	3,470	118.3%	2.7%
Foods	32,344	107.2%	25.3%
Restaurants & cafes	3,104	111.9%	2.4%
General merchandise	26,176	116.2%	20.5%
Service	559	131.8%	0.4%
Other	5,282	121.6%	4.1%
Total *	127,662	113.9%	100.0%

\* including sales in tenants (¥4,927 million)

< Monthly Sales >

	April	May	June
Hankyu Main Store *	116.6%	113.3%	118.8%
Hanshin Umeda Main Store	99.7%	117.1%	107.9%
Total of branch stores	112.3%	115.6%	109.6%
Total stores	112.9%	114.5%	114.1%

\* including Hankyu Men's Osaka

**2. Izumiya・Hankyu Oasis Co., Ltd.**

< Overview of financial results >

(Millions of yen)

	Amount	YoY	Inc./Dec.
Gross sales	59,803	102.0%	+ 1,162
Gross profit	16,176	103.4%	+ 532
(Gross profit/ Gross Sales)	27.05%	-	+0.37pt
Other operating revenue	4,505	110.4%	+ 424
SG & A	19,429	99.6%	△ 79
(SG & A/ Gross Sales)	32.49%	-	△0.78pt
Operating profit	1,253	579.1%	+ 1,036
Operating profit / Gross sales	2.10%	-	+1.73pt

\* Non-consolidated results shown above are reclassified on the basis before the application of "Accounting Standards for Revenue Recognition".

< Number of stores >

	Total	YoY difference
Izumiya	73	△3
Hankyu Oasis	77	±0

< Opening and closing stores >

Opening	-
Closing	Family Mart × Izumiya Higashi Mikuni 4-chome Family Mart × Izumiya Teradacho Higashi

< Monthly Sales >

	April	May	June
Existing stores	102.6%	103.3%	104.4%



**3.Kansai Super Market Ltd.**

< Overview of financial results >

(Millions of yen)

	Amount	YoY	Inc./Dec.
Gross sales	32,114	102.7%	+ 850
Gross profit	8,339	104.2%	+ 333
(Gross profit/ Gross Sales)	25.97%	-	+0.36pt
Other operating revenue	505	99.4%	△ 2
SG & A	7,982	99.1%	△ 73
(SG & A/ Gross sales)	24.86%	-	△0.91pt
Operating profit	862	187.9%	+ 403
Operating profit/ Gross Sales	2.69%	-	+1.22pt

\*1. The operating results of Kansai Super Market Ltd. are consolidated with KSP Co., Ltd.

\*2. Consolidated results shown above are reclassified on the basis before the application of "Accounting Standards for Revenue Recognition"

\*3. Due to the partial revision of accounting classifications following the business integration, YoY change based on the same accounting standards is shown.

< Number of stores >

	Total	YoY difference
Kansai Super Market	63	△1

< Opening and closing stores >

Opening	-
Closing	-

< Monthly Sales >

	April	May	June
Existing stores	102.6%	103.1%	105.6%