



Fiscal year ending Feb. 2026
(February 21, 2025 - February 20, 2026)
Financial Results

Heiwado Co., Ltd.
(Securities Code 8276)

Financial Results Briefing
April 2 and 3, 2026

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.

Fiscal year ending Feb. 2026 Performance Summary

Financial Results Summary

Consolidated: Increase in revenue, decrease in profits.

Non-Consolidated: Increase in revenue and profits.

Record-high operating revenues on both a consolidated and non-consolidated basis.

	Operating Revenue	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent
Consolidated	¥456,010million 102.5% YoY	¥13,313million 99.6% YoY	¥14,605million 99.8% YoY	¥9,409million 87.7% YoY
Non-Consolidated	¥422,251million 104.6% YoY	¥10,340million 100.1% YoY	¥12,165million 100.5% YoY	¥9,540million 108.0% YoY

Group Companies: Operating Revenue and Operating Profit

- The JPY7,454 million gap between consolidated and non-consolidated YoY operating revenue growth is primarily driven by subsidiary mergers and business transfers (totaling JPY7,958 million), including Maruzen, Yell and YU-ING.

[Unit : Millions of yen,%]

	Operating Revenue			Operating Profit		
	FYE 2/2025	FYE 2/2026		FYE 2/2025	FYE 2/2026	
	Results	Results	YoY	Results	Results	YoY
Heiwado	403,686	422,251	18,565	10,326	10,340	14
Consolidated Subsidiaries	94,666	89,709	(4,957)	3,394	3,046	(347)
Bestone	42,168	45,409	3,241	814	939	125
Fivestar	11,339	12,277	938	135	293	157
National Maintenance	10,461	10,408	(52)	702	560	(141)
C.O.M.	4,082	4,306	223	355	366	10
Direct Shop	4,335	4,159	(176)	(7)	(3)	3
Toyama Future Development	2,884	2,896	12	289	355	65
Heiwado(China)	6,866	5,696	(1,170)	684	278	(406)
Other	631	617	(14)	105	102	(3)
Total for Merged and Transferred Subsidiaries	11,896	3,937	(7,958)	314	155	(159)
Eliminations	53,454	55,950	2,496	360	73	(287)
Consolidated	444,898	456,010	11,111	13,360	13,313	(46)

Exchange rate (average exchange rate for the period):(December 2024) 21.27yen/yuan, (December 2025) 20.94yen/yuan

Consolidated and Non-Consolidated Profits Figures

- Primary factor for the difference between consolidated and non-consolidated extraordinary income is a JPY 1,312 million gain from the cancellation of shares following the merger with our subsidiary, Yell.

[Unit : Millions of yen,%]

	Consolidated				Non-Consolidated			
	FYE 2/2025	FYE 2/2026			FYE 2/2025	FYE 2/2026		
	Results	Results	YoY	Change	Results	Results	YoY	Change
Operating Revenue	444,898	456,010	102.5	11,111	403,686	422,251	104.6	18,565
Operating Profit	13,360	13,313	99.6	(46)	10,326	10,340	100.1	13
Non-operating Income	1,447	1,478	102.2	31	2,001	2,077	103.8	75
Non-operating Expenses	168	185	110.4	17	221	252	113.7	30
Ordinary Profit	14,639	14,605	99.8	(33)	12,106	12,165	100.5	58
Extraordinary Income	1,811	773	42.7	(1,037)	1,572	2,164	137.6	591
Extraordinary Losses	1,232	1,695	137.6	463	1,544	1,603	103.8	58
Profit before Income Taxes	15,218	13,684	89.9	(1,533)	12,134	12,725	104.9	590
Total Income Taxes	4,490	4,274	95.2	(216)	3303	3184	96.4	(118)
Profit <small>Attributable to Owners of Parent</small>	10,727	9,409	87.7	(1,317)	8,831	9,540	108.0	709

Extraordinary Income and Losses: Consolidated and Non-Consolidated

- Non-Consolidated: Profit before income taxes increased YoY, as a JPY 1,392 million gain from a subsidiary merger fully offset a JPY 949 million negative impact from lower gains on sales of investment securities and disaster-related factors.
- Consolidated: Conversely, profit declined as merger-related impacts—including a JPY 1,312 million gain from the Yell merger this fiscal year and a JPY 531 million loss from the Maruzen merger in the previous year—were eliminated in consolidation.

<Extraordinary Income>

		FY2024	FY2025	Change
Extraordinary Income	Non-cons	1,572	2,164	591
	Cons.	1,811	773	(1,037)
Gain on Sales of Securities	Non-cons	1,081	554	(526)
	Cons.	1,082	498	(584)
Gain on Subsidiary Merger	Non-cons	0	1,392	1,392
	Cons.	0	0	0
Disaster-Related (Noto Peninsula Earthquake)	Non-cons	423	0	(423)
	Cons.	573	0	(573)
Other	Non-cons	66	210	150
	Cons.	151	268	117

- Lower gains on sales of investment securities: Driven by the high base effect from the sale of strategic shareholdings in the previous year.
- Gain from subsidiary merger (JPY 1,392 million): Recognized in non-consolidated results, but eliminated in consolidation.

<Extraordinary Losses> [Unit : Millions of yen]

		FY2024	FY2025	Change
Extraordinary Losses	Non-cons	1,544	1,603	58
	Cons.	1,231	1,695	463
Loss on Retirement of Fixed Assets	Non-cons	287	476	189
	Cons.	367	470	103
Provision for Loss on Store Closures	Non-cons	57	529	472
	Cons.	66	581	515
Impairment Losses	Non-cons	603	482	(121)
	Cons.	655	637	(18)
Other	Non-cons	601	114	(487)
	Cons.	142	5	(137)

- Loss on retirement of fixed assets: Increased due to a higher number of large-scale store renovations.
- Store closure losses: Incurred from the closure of the Northwest store.
- Previous year impact: A JPY 531 Million non-consolidated loss associated with the Maruzen merger.

Fiscal year ending Feb. 2026 Performance Summary (Non-Consolidated)

Non-Consolidated Operating Revenue and Operating Profit

- Operating revenue grew 4.6% YoY, driven by a 4.5% rise in net sales (+JPY16,890 million) and a 5.4% increase in other operating revenues (+JPY1,675 million).
(See tables A and B on the right for breakdowns of net sales and other operating revenues.)
- Although total SG&A expenses were successfully managed within budget, profitability declined as SG&A expense growth outpaced the increase in operating gross profit.

[Unit : Millions of yen,%]

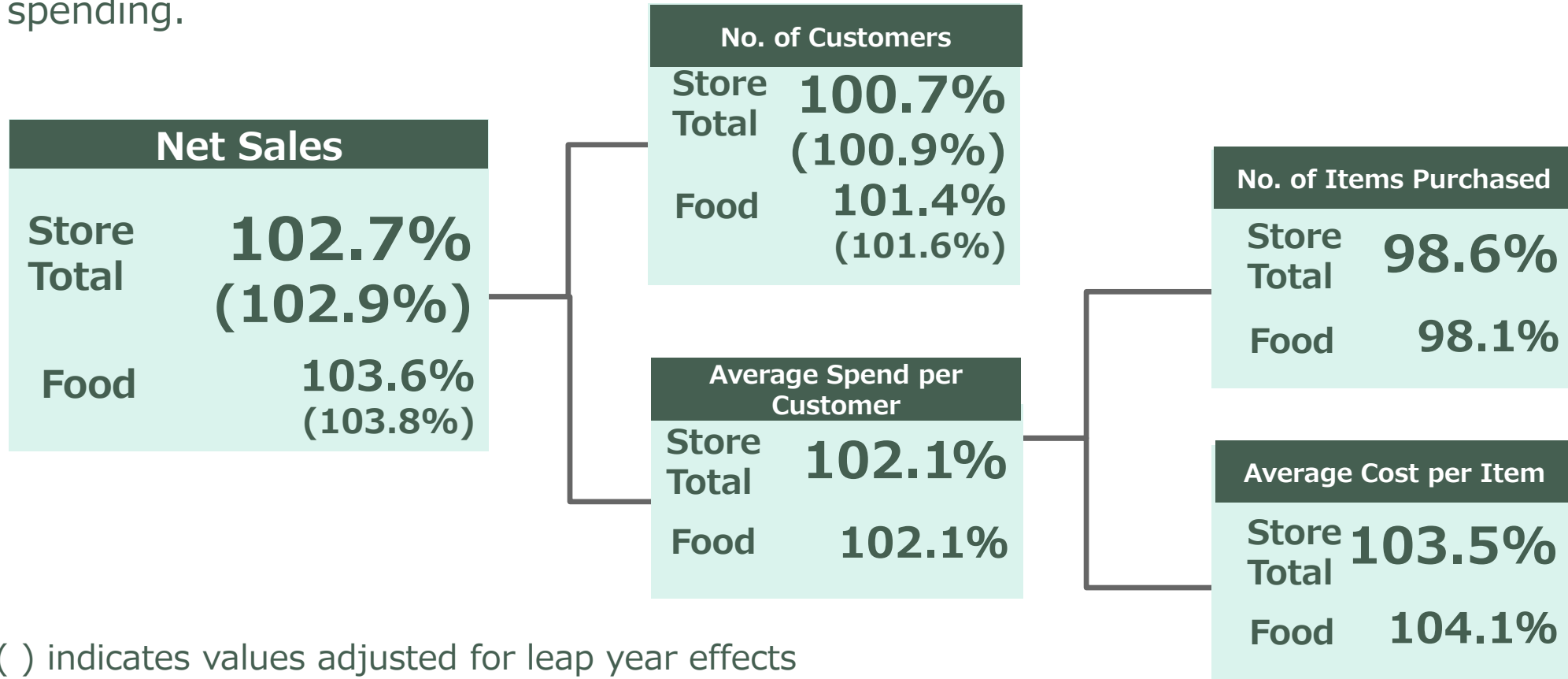
	FYE 2/2025	FYE 2/2026		
	Results	Results	YoY	Change
Operating Revenue	403,686	422,251	104.6	18,565
Net Sales	372,640	389,531	104.5	16,890
Other Operating Revenue	31,045	32,720	105.4	1,675
Gross Profit	97,466	102,359	105.0	4,892
Operating Gross Profit	128,512	135,079	105.1	6,567
SG&A Expenses	118,185	124,739	105.5	6,554
Operating Profit	10,326	10,340	100.1	13

Net Sales (A)	+16,890
Same-Store Sales (YoY 102.7%)	+10,116
New Stores	+7,412
Closed	(4,118)
Merger (Yell / Maruzen)	+6,123
Other (Change in Mobile Phone Revenue Recognition, etc.)	(2,643)

Operating Revenue (B)	+1,675
Tenant Revenue	+583
Logistics Revenue	+702
Change in Mobile Phone Revenue Recognition	+314
Other	+76

Non-Consolidated Analysis: Same-Store Sales Composition

- Although the number of unique customers declined due to population decrease, total transaction volume increased, driven by higher visit frequency (including a (0.2)% leap-year impact).
- In the food category, the average cost per item rose significantly, fueled by ongoing price adjustments and strong sales of bulk packs, thereby boosting overall average customer spending.



※() indicates values adjusted for leap year effects

Non-Consolidated Net Sales by Department

- Strategic pricing in the food category secured solid sales, with surging rice prices and other factors further boosting overall topline growth.
- Apparel and household goods sales underperformed both YoY and against the target.

[Unit : Millions of yen,%]

		FYE 2/2025	FYE 2/2026		
		Results	Results	YoY	Same-stores YoY
Net Sales (Financial Accounting)		372,640	389,531	104.5	
Net Sales (Management Accounting)		397,739	413,673	104.0	102.7
Department	Food Products	325,487	342,228	105.1	103.6
	Fresh Foods	152,277	159,906	105.0	103.3
	General Foods	173,209	182,321	105.3	103.9
	Apparel	25,479	24,178	94.9	94.7
	Household Goods	35,917	35,862	99.8	99.2
Other		10,854	11,404	105.1	104.8

Non-Consolidated Gross Profit Margin by Department

- Despite ongoing strategic pricing and efforts to control gross profit margins, recovery remains below target, although the downward trend in the margin has stabilized.
- In the fresh foods category, the use of pre-packaged products (outsourced processing) has become well-established, contributing to a stable initial markup rate.

[Unit : %]

	FYE 2/2025	FYE 2/2026	
	Results	Results	Change
Net Sales (Internal Standard)	26.7	26.7	0.0
Food Products	26.3	26.4	0.0
Fresh Foods	26.5	26.6	0.1
General Foods	26.1	26.2	0.0
Apparel	36.9	37.2	0.3
Household Goods	28.2	28.1	△0.2
Other	10.8	12.0	1.2

Non-Consolidated Analysis: Selling, General and Administrative Expenses

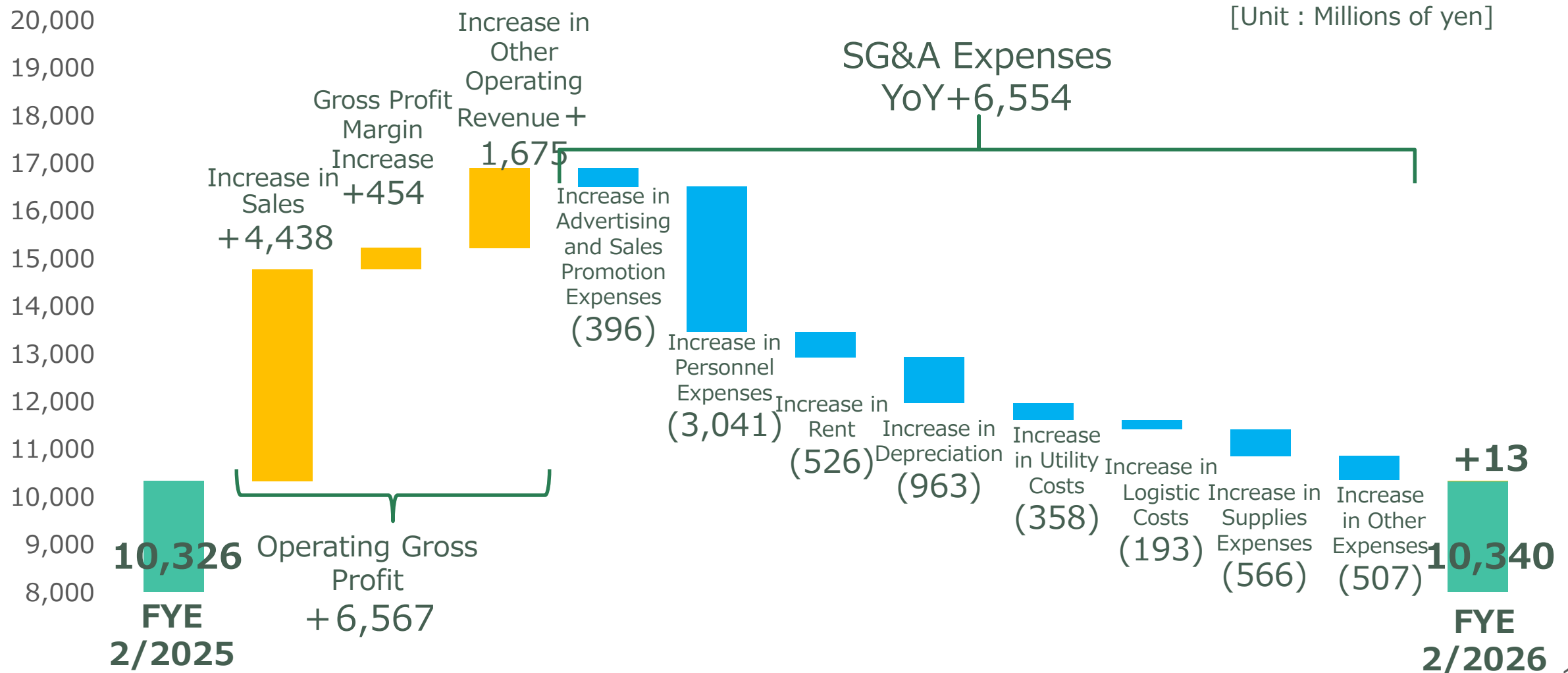
- The JPY6,554 million YoY increase in SG&A expenses was driven primarily by a JPY3,776 million impact from expansion, consisting of 10 new store openings (+JPY2,166 million) and the Yell and Maruzen mergers (+JPY1,610 million).
- While personnel and utility expenses increased more than planned, total SG&A expenses remained within the budget.

[Unit : Millions of yen,%]

	FYE 2/2025	FYE 2/2026		
	Results	Results	YoY	Change
SG&A Expenses	118,185	124,739	105.5	6,554
Advertising Expenses	2,369	2,342	98.9	(26)
Sales Promotion Expenses	725	1,148	158.3	422
Personnel Expenses	53,926	56,968	105.6	3,041
Rent Expenses	12,650	13,176	104.2	526
Depreciation	10,358	11,321	109.3	963
Utility Costs	6,543	6,901	105.5	358
Logistic Costs	12,236	12,430	101.6	193
Supplies Expenses	2,749	3,315	120.6	566
Other	16,626	17,133	103.1	507

YoY Change in Non-Consolidated Operating Profit

- While the gross profit margin for the food category fell short of the plan, gross profit increased by JPY4,524 million YoY, driven by strong growth in net sales.
- Gross profit for apparel and household goods fell by JPY476 million YoY due to lower net sales.

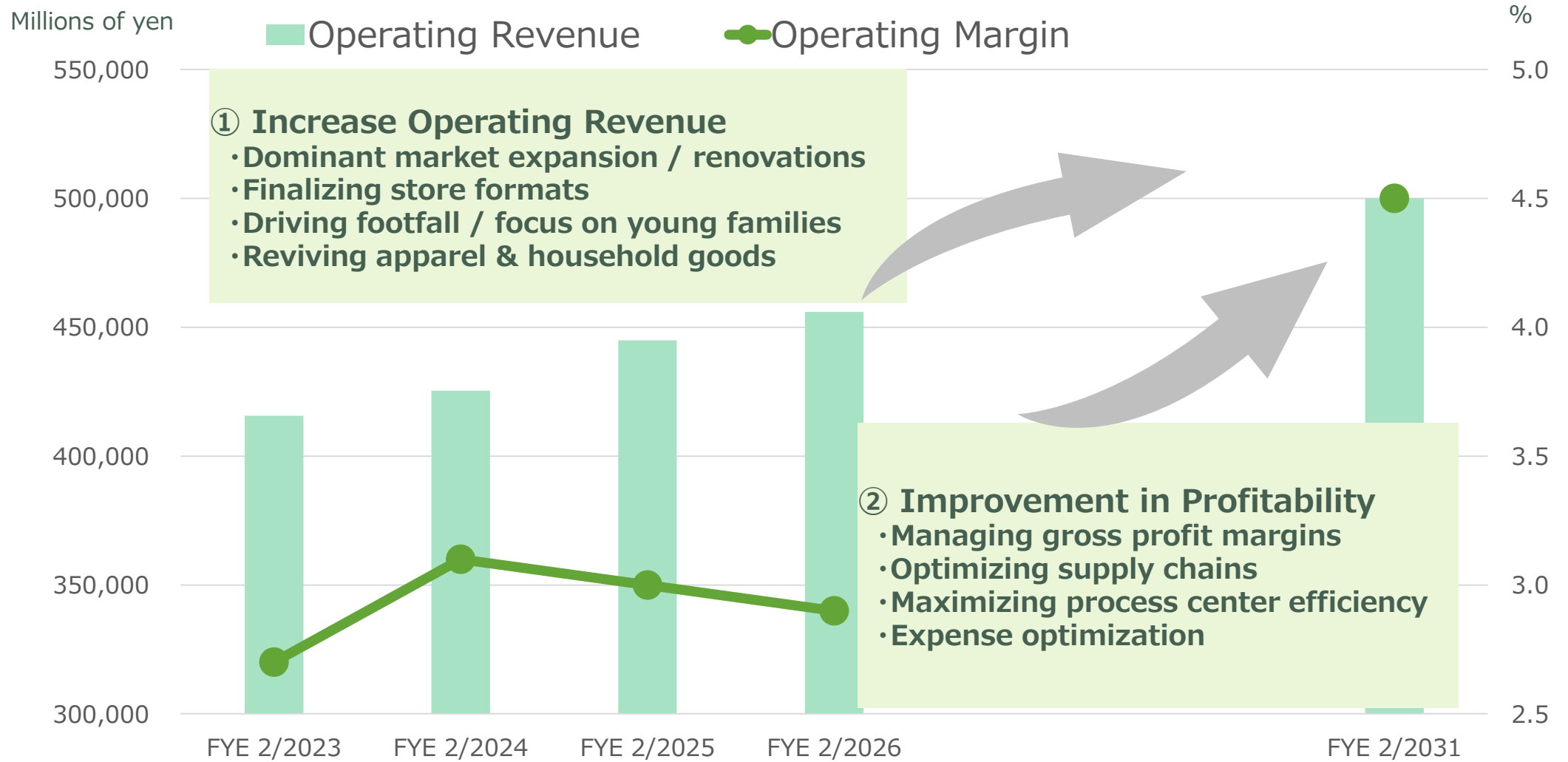


Progress of the 5th Medium-Term Management Plan

Fifth Medium-Term Management Plan

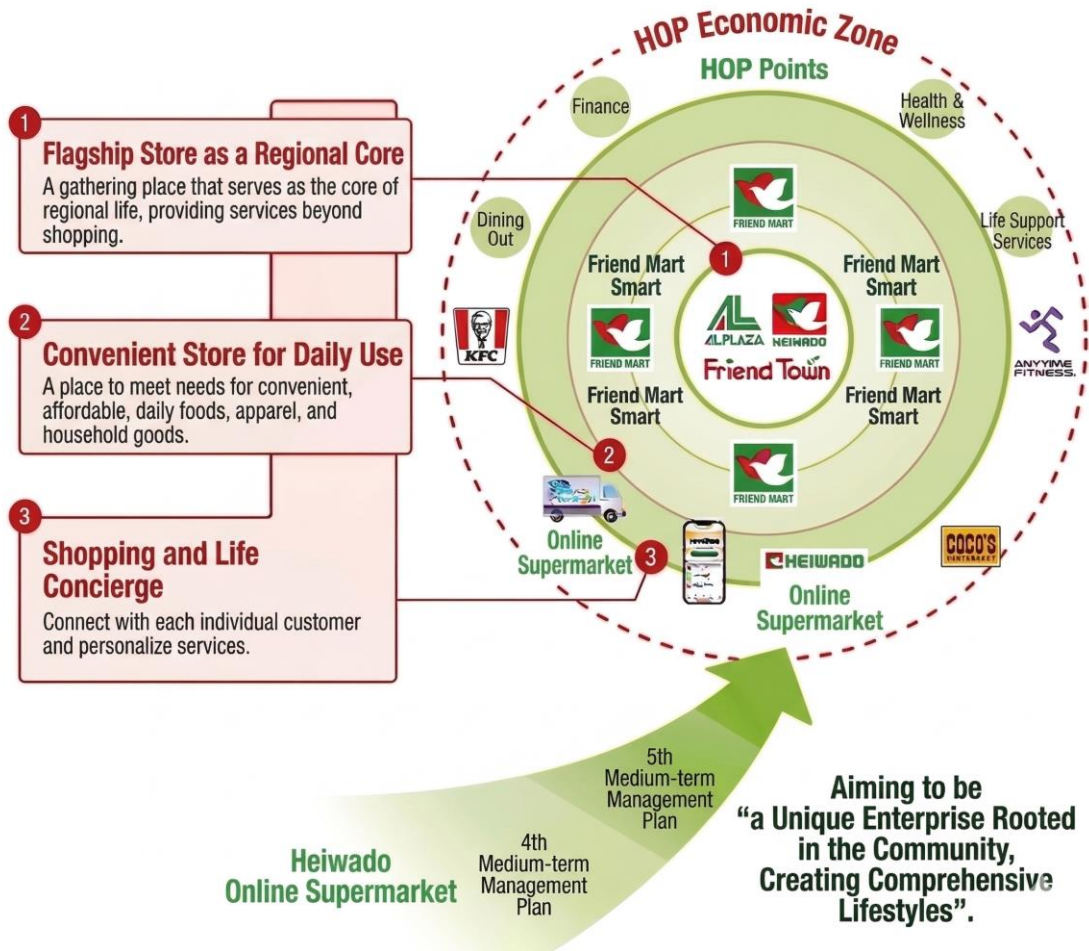
Quantitative Targets for 2030		
Operating Revenue (Consolidated)	¥500 billion or more	
Operating Profit Margin (Consolidated)	4.5% or more	
ROE	8.0%	
Percentage of Women in Management	20% or more	
CO2 Emissions (Scope 1 and 2)	46% reduction (compared to FYE 2/2014)	
Amount of Food Waste	50% reduction (compared to FYE 2/2020)	
Building Customer Allegiance by Effectively Meeting Parenting Generation Needs.	Expansion of HOP Economic Zone Based on Dominant Strategy	Driving Cost Structure Reform to Enhance Productivity

Fifth Medium-Term Management Plan



2030 Long-term Vision

- Establishing and expanding the 'HOP Economic Zone' by leveraging our unique dominant model and a multi-format approach tailored to diverse consumer needs.
- Further enhancing existing customer loyalty while driving deeper engagement with young families.



Dominant Area Strategy

Building Customer Allegiance

HOP Economic Zone

Cost Structure Reform

Dominant areas (GMS+SM) : Lead in both spending and market share.
 GMS-only areas: High growth potential in market share.
 SM-only areas: Significant upside for increasing annual customer spending.

Number of Stores by Region

Format	Category	Kohoku / Nagahama	Hikone	Toyama	SE Nagoya
GMS	Full Lifestyle Lineup	2	3	2	-
SM	Foods	6	6	-	8

Total Unique Customers	Annual	79,217	124,156	43,169	205,942
Net Sales (Millions of yen)	Total Stores	13,163	14,356	5,797	9,556
	Food Dept.	11,725	11,722	4,047	9,461
Annual Sales per Customer (yen)	Total Stores	166,164	115,630	134,276	46,403
	Food Dept.	148,012	94,411	93,755	45,940
Market Share (%)	Total Stores	28.5	24.9	3.4	4.5
	Food Dept.	32.4	26.0	2.9	5.7



Dominant Area Strategy

FYE 2/2026 New Stores

Building Customer Allegiance

HOP Economic Zone

Cost Structure Reform

FM = Friend Mart
AP = AL PLAZA

Shiga Pref.				Aichi Pref.
<p>【New】 FM Yokaichi-Myohoji store (4/2025 OPEN)</p> 	<p>【New】 FM Imakatata store (10/2025 OPEN)</p> 	<p>【Rebuilding】 FM Nango store (11/2025 OPEN)</p> 	<p>【Rebuilding】 FM Moriyama-Ekimae store (11/2025 OPEN)</p> 	<p>【Existing Building】 Nikke Town Inazawa store (12/2025 OPEN)</p> 

- In Shiga Prefecture, our core market, we will fill strategic gaps in our dominant network with new store openings and transform aging locations into modern shopping environments through reconstruction. We remain committed to supporting the daily lives of the Shiga community.
- Post-reconstruction sales at the FM Nango store have reached 1.5 times previous levels. Notably, the FM Moriyama-Ekimae store has surpassed its pre-reconstruction sales despite its format conversion from a GMS to an SM.
- In Aichi Prefecture, we opened one new store by utilizing an existing building. By maximizing the use of existing assets, we successfully minimized our initial opening costs.

Dominant Area Strategy

FYE 2/2026 Renovation Results

Building Customer
Allegiance

HOP Economic
Zone

Cost Structure
Reform

Full Renovation of the Sales Floor

Takatomi store



AP Moriyama



AP Komatsu



Food Floor Renovation

FM Notoogawa store



AP Tsukashin



- Strategic renovations of core large-scale stores: Systematically upgrading stores opened in the 1990s (approx. 30 years old) to reinforce their competitive edge as regional hubs.
- Driving sales growth via 'winning models': Rolling out our latest successful food department formats to drive further revenue growth.
- Revitalizing apparel & household goods: Optimizing the efficiency of directly operated sales floors while attracting flagship tenants like MUJI and LOFT to boost shopping center appeal.
- Enhancing our role as a community platform to foster deeper regional connections.
- Performance at renovated stores remains strong.

Dominant Area Strategy

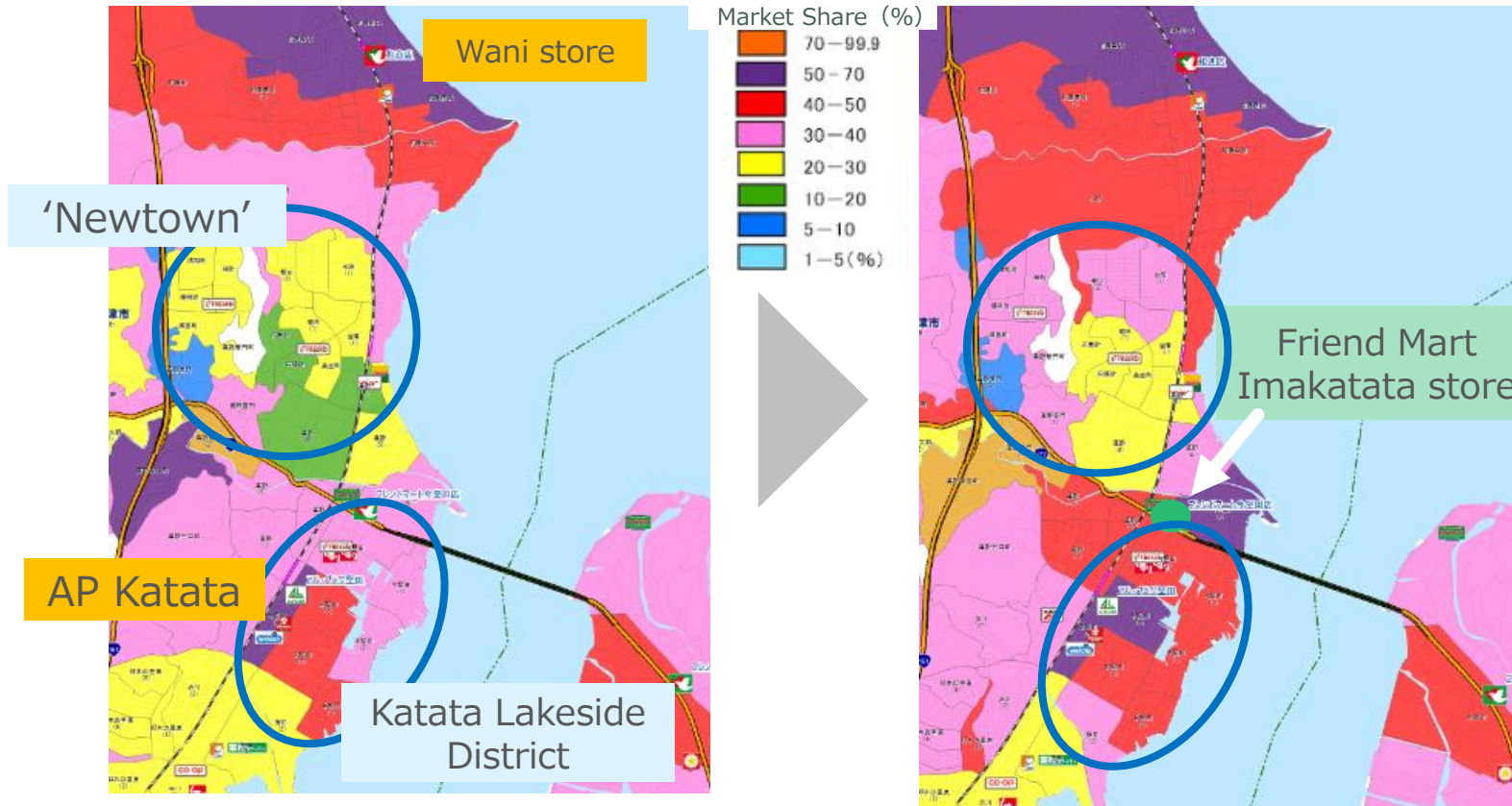
Strengthening dominance: Opened FM Imakatata (Oct 2025).

Objective: To fill a market gap within our core trade area.

Location: Strategically positioned between AP Katata (1 km north) and Wani store (4 km south).

< Before > Nov 2024 – Jan 2025

<After> Nov 2025 – Jan 2026



- Expanding our market share in the 'Newtown' district, an area where our current presence remains relatively low.
- In conjunction with AP Katata, the new store has further increased our market share in the densely populated Katata lakeside district.

Product and Merchandising Strategy

Building Customer Allegiance

HOP Economic Zone

Cost Structure Reform

Sales Expansion Initiatives for Apparel & Household Goods

Format Transformation: Apparel & Household Goods

[Unit : %]

Format	Store Name	Sales YoY	Sales / Sq. m YoY
SC	VIVACITY	106.2	101.7
Large GMS	AP Minakuchi	97.7	99.0
	AP Tsuruga	96.7	98.8
	AP Omihachiman	97.7	99.0
Small GMS	Masago store	94.1	97.7
	Kinomoto store	95.7	98.8

- Among our model stores, while flagship shopping centers (SCs) have achieved solid results, neighborhood stores for daily use have lacked growth momentum.
- At VIVACITY, customer traffic among young families has been solid, driven by the introduction of major tenants such as 'Akachan Honpo' and 'GU'. Furthermore, driving sales by converting foot traffic through enhanced customer service on the sales floor.

Merchandise & Sourcing Reform



Next-Generation Pet Sections: Adapting to an Information-Driven and Aging Society

- Under our 'Beauty for Life at Heiwado' concept, we offer a total beauty experience that seamlessly integrates the distinct strengths of prestige cosmetics, mass-market brands, and specialized cosmetic boutiques.
- In our pet business, we are expanding beyond in-store sales by leveraging diverse channels, including 'Home Support Services'. Simultaneously, we are focused on developing specialized advisors to enhance our service quality.

Structural reform for growth:

Establishing apparel and household goods as independent divisions to drive a breakthrough year.

Product and Merchandising Strategy

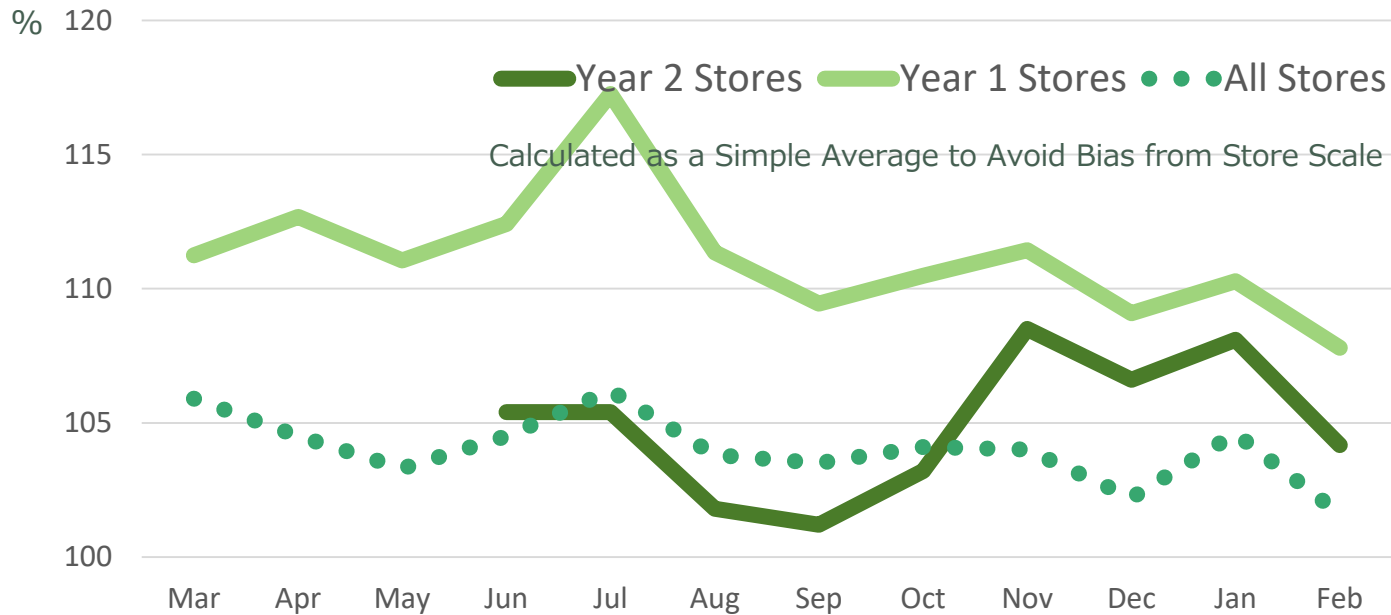
Building Customer Allegiance

HOP Economic Zone

Cost Structure Reform

Food Sales Expansion Initiatives

■ Sales Growth Rate: Food Format Transformation (Model Stores)



<The Concept of Format Transformation>
 Driving sustainable growth through operational excellence: Synchronizing store format, product mix, and staff expertise for consistent daily performance.

Pillar	Key Objective
1. Store Layout	Strategic zoning: Layouts tailored to format-specific roles.
2. Merchandise	Smart MD & pricing: Efficiency-driven assortment and traffic-driving value.
3. People	Operational quality: Continuous maintenance of high-standard shopping environments.

- Model store success: Sales trending at 110% YoY, outpacing the all-store average by 5–10%.
- Sustainable growth post-reform: Year 2 stores continue to outperform, trending even higher after the successful year 1 baseline shift.

Product and Merchandising Strategy

Building Customer Allegiance

HOP Economic Zone

Cost Structure Reform

Improving Food Gross Profit & Strategies to Increase Customer Traffic

■ Strengthening Sales of Key Value Items (KVIs)

Unit:%	FYE 2/2025			FYE 2/2026		
	YoY	Ratio	Ratio YoY	YoY	Ratio	Ratio YoY
KVI total	105.7	8.5	(0.1)	114.7	7.2	(1.3)
Fresh Foods	107.7	13.3	0.0	115.6	14.0	0.7
General Foods	102.8	5.5	(0.1)	110.1	3.5	(2.2)
Daily Necessities	-	-	-	112.7	2.9	2.9

- Reinforcing competitive pricing for core items to drive customer traffic.
- Optimizing product focus to balance volume growth with margin stability.

※The Eligible Products are Subject to Periodic Review.

■ Positive Impact on Customer Traffic

Unit:%	Unique Customers	Spend / Unique	Customer Traffic	Ave. Ticket
	YoY	YoY	YoY	YoY
30s-40s	97.2	103.8	98.1	102.6
Other	99.2	104.5	101.5	102.1
All Ares	98.7	104.4	100.8	102.3

- While the number of unique customers is declining due to a shrinking population, we have seen an increase in the visit frequency per customer.
- Our analysis indicates that along with visit frequency, the average spend per customer is also on the rise, suggesting that customers are purchasing a wider range of products from our stores.

Product and Merchandising Strategy

Building Customer Allegiance

HOP Economic Zone

Cost Structure Reform

Utilizing Processing and Delicatessen Centers

Taga Food Processing Center (Mainly Meat and Fish) Relocated /Expanded 2014



Supply Volume FY2025	YoY
¥21,424million	105.0%

Kumiyama Food Processing Center (Mainly Meat and Fish) Newly built 2019



Supply Volume FY2025	YoY
¥10,621million	106.6%

Delicatessen Center (Mainly Delicatessen) Relocated / Expanded 2023



Supply Volume FY2025	YoY
¥13,032million	114.1%

- Expanding center utilization to streamline store operations and boost group-wide productivity.
- Expanding product selection in small-format stores through center-based processing.

Creating a More Attractive Heiwado Group

Building Customer Allegiance

HOP Economic Zone

Cost Structure Reform

- Collaborating with banks presents a significant opportunity for the retail industry to evolve its business model from mere transactional product sales to a comprehensive service provider that supports every aspect of a customer's lifestyle.
- This collaboration is expected to enhance customer retention, establish new revenue streams, and advance the sophistication of our marketing strategies.

■ HOPBANK

The supermarket industry's first BaaS-powered, full-service retail banking offering (target: 20,000 new accounts per year).



(*1) 三菱UFJ銀行のネットDEマイカーローン
 (*2) 三菱UFJ銀行のカードローン『バンクイック』

■ Insurance Segment

Bolstering insurance and life planning consultancy through partnerships with life insurers.

■ SHIGAGIN Co-Creation Program

Next-Generation Lifestyle Co-creation Hubs: Vitalizing local communities through integrated apparel, household goods, and food services (target: 10 events across 5 locations).



イベント名	親子ですっきり！おうち片づけチャレンジ
日程	2025年11月上旬～2026年1月中旬 土日
時間	各回1時間 1日2回開催
開催店舗	ビバシティ平和堂、AP長浜、AP京田辺、AP栗東、FM守山駅前店
告知	<p>HOPアプリ、店頭POP掲示、古濱さまInstagram</p>

Creating a More Attractive Heiwado Group

Building Customer Allegiance

HOP Economic Zone

Cost Structure Reform

- Advancing data analytics represents a strategic turning point, enabling us to move beyond management based on intuition and experience toward a highly efficient, data-driven business model with enhanced profitability.
- To maximize accuracy and impact, a specialized unit is spearheading efforts to elevate operational quality.

■ Base Segment

Prediction of family composition has reached a functionally viable level for targeted marketing.

■ Identifying Churn Signals

Decreased participation in specific promotions has been confirmed as a reliable predictor of potential customer loss.

■ Digital Advertising

Developed effective outreach to demographics beyond the reach of conventional print media, diversifying our customer acquisition channels.



Improving engagement precision through personalized promotions. Delivering the right message to the right customer at the right time.

Plan for the FYE 2/2027

Consolidated Capital Expenditure Plan for the FYE 2/2027

- Store Openings: 2 New Stores planned for 2H.
- IT Investment: Expanding 'Network & Security' focus due to rising Cyber Risks; leveraging 'Information Integration Infrastructure' for data-driven Management.
- Subsidiaries: Capex increase driven mainly by New Store Investments.

[Unit : Millions of yen]

		FYE 2/2026	FYE 2/2027
		Results	Annual Forecast
Consolidated		19,204	25,801
Non-Consolidated		16,684	22,562
New Stores		5,154	5,743
Existing Stores	Repair and Renovation	8,175	8,083
Other	IT Investment	2,631	4,200
	Other	724	4,536
Consolidated Subsidiaries		2,520	3,239

Consolidated Capital Expenditure Plan for the FYE 2/2027

● FYE 2/2027 New Store Plan

◆Alpla Foods Market Toyama Kakeo store (Tentative)

(Toyama City)

Opening Autumn 2026 | Total Investment: JPY845 million



◆Alpla Foods Market Takaoka store (Tentative)

(Takaoka City, Toyama)

Opening Winter 2026 | Total Investment: JPY2,691 million



We will open Supermarkets in Major Cities within the Hokuriku Region that exhibit relatively Moderate Population Decline.

We aim to expand the 'HOP Economic Zone' in Synergy with existing AL PLAZA stores.

● FYE 2/2027 Renovation Plan

■ AL PLAZA Daigo (Kyoto City)

■ Adogawa store (Takashima City, Shiga)

■ Maruzen Moriyama store (Moriyama City, Shiga)

■ Friend Mart Shizuhigashikusatsu store (Kusatsu City, Shiga)

■ Friend Mart Takatsukihimuro store (Takatsuki City, Osaka)

Plans for approx. 17 stores: Implementing new formats, expanding area share, and introducing strategic tenants.



※Photo: Friend Mart Notogawa and AL PLAZA Tsukashin

Forecast for the FYE 2/2027

- We forecast Higher Non-Consolidated Earnings, underpinned by progress in Sales and Productivity Enhancements within our 5th Medium-Term Management Plan. To address performance issues from the previous fiscal year (FYE 2/2026), we are intensifying our focus on Gross Margin and Expense Management.
- Consolidated Subsidiaries are expected to see a Profit Increase on a Combined Basis for the Continuing Companies.

[Unit : Millions of yen,%]

	Consolidated			Non-Consolidated		
	Forecast	YoY	Change	Forecast	YoY	Change
Operating Revenue	478,000	104.8	21,989	448,000	106.1	25,748
Operating Profit	14,300	107.4	987	11,400	110.3	1,060
Ordinary Profit	15,200	104.1	594	15,100	124.1	2,935
Profit Attributable to Owners of Parent	9,800	104.1	390	11,000	115.3	1,459

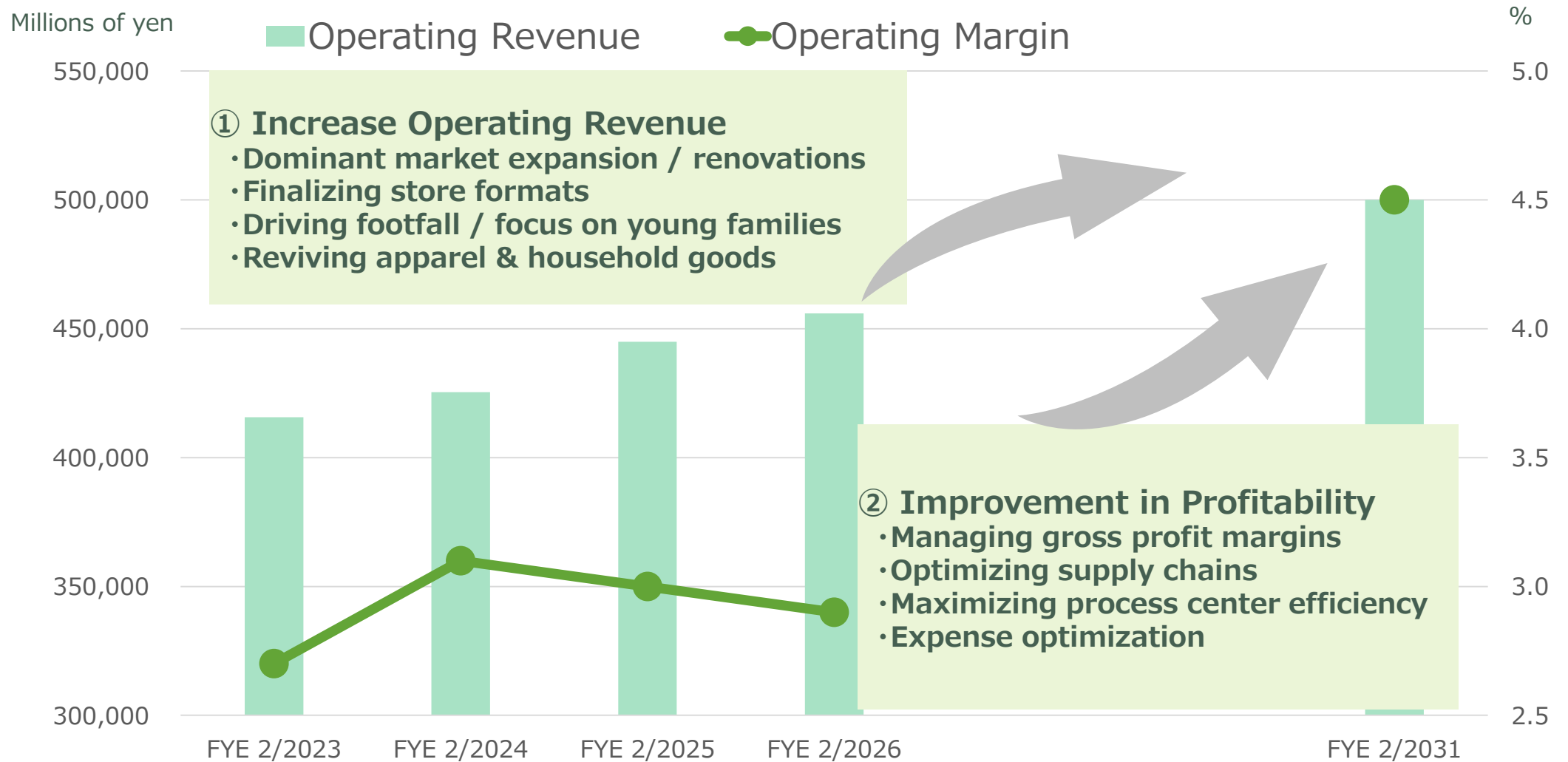
Action to Implement Management
that is Conscious of Cost of Capital
and Stock Price

Fifth Medium-Term Management Plan

Quantitative Targets for 2030	
Operating Revenue (Consolidated)	¥500 billion or more
Operating Profit Margin (Consolidated)	4.5% or more
ROE	8.0%
Percentage of Women in Management	20% or more
CO2 Emissions (Scope 1 and 2)	46% reduction (compared to FYE 2/2014)
Amount of Food Waste	50% reduction (compared to FYE 2/2020)

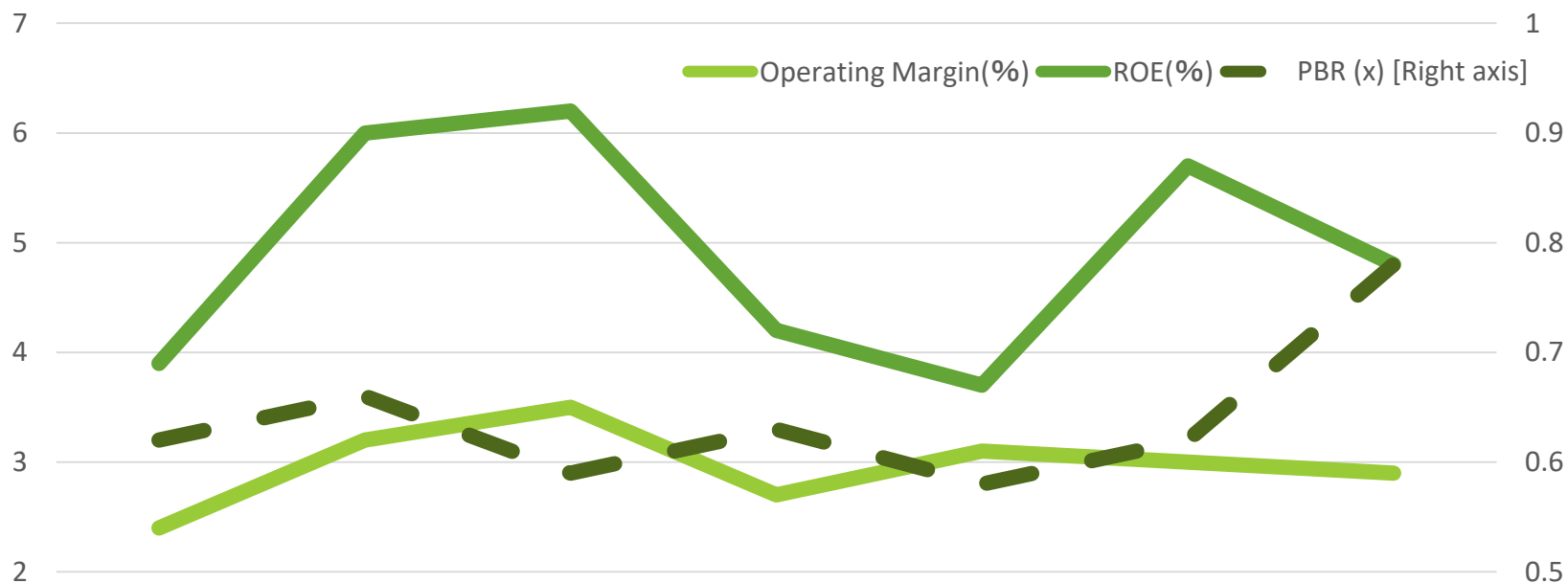
Building Customer Allegiance by Effectively Meeting Parenting Generation Needs.	Expansion of HOP Economic Zone Based on Dominant Strategy	Driving Cost Structure Reform to Enhance Productivity
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Fifth Medium-Term Management Plan



Progress of the 5th Medium-Term Management Plan(ROE)

- Given that our PBR has remained below 1.0x for an extended period, we are committed to further enhancing our Corporate Value in line with 'Management Conscious of Cost of Capital and Stock Price'.
- We aim to achieve an ROE of 8.0%, based on our analysis of Earnings Yield and as a benchmark for the Cost of Equity expected by investors over the medium to long term.



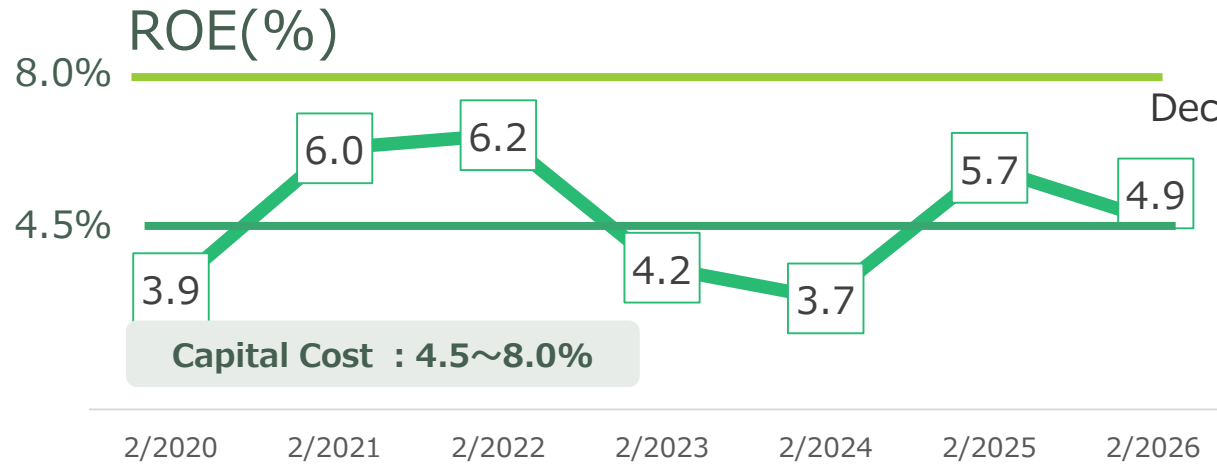
	FYE 2/2020	FYE 2/2021	FYE 2/2022	FYE 2/2023	FYE 2/2024	FYE 2/2025	FYE 2/2026
Operating Profit Margin(%)	2.4	3.2	3.5	2.7	3.1	3.0	2.9
ROE(%)	3.9	6.0	6.2	4.2	3.7	5.7	4.9
PBR (x) [Right axis]	0.62	0.66	0.59	0.63	0.58	0.62	0.76

Analysis and Evaluation of Current Situation

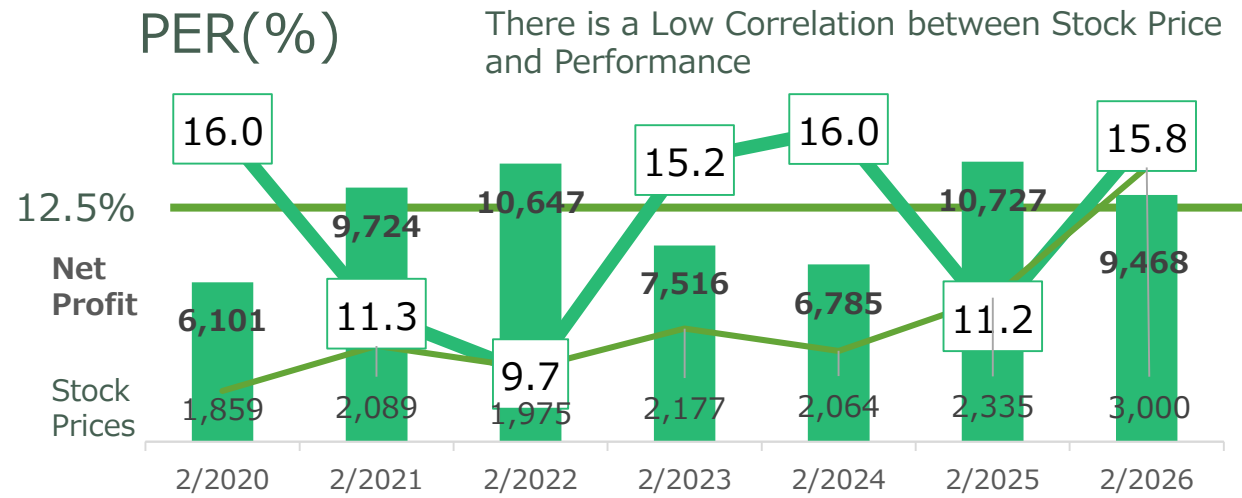
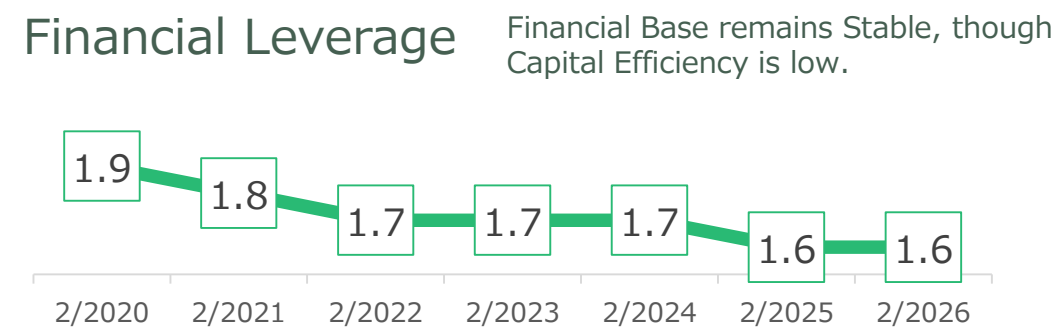
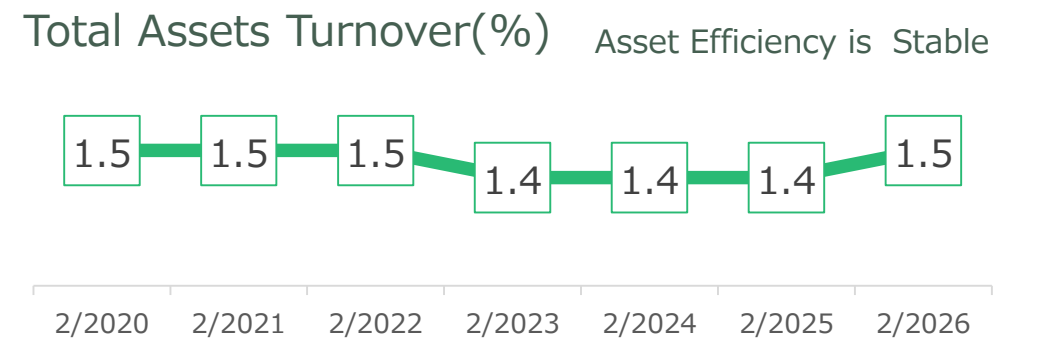
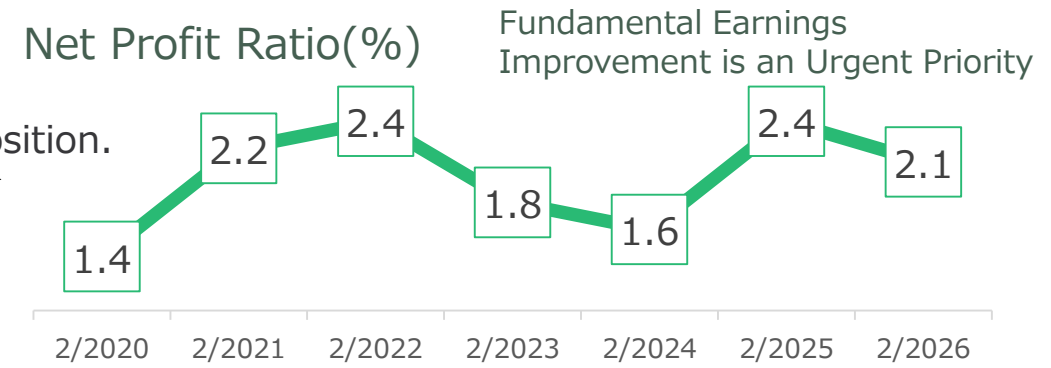
	FYE 2/2021	FYE 2/2022	FYE 2/2023	FYE 2/2024	FYE 2/2025	FYE 2/2026
Operating Revenue (Millions of yen)	439,326	439,740	415,675	425,424	444,898	456,010
Operating Profit (Millions of yen)	14,037	15,362	11,279	13,257	13,360	13,313
Ordinary Profit (Millions of yen)	15,053	16,952	13,069	14,482	14,639	14,605
Net Profit Attributable to Owners of Parent (Millions of yen)	9,724	10,647	7,516	6,784	10,727	9,409
Operating Profit Margin(%)	3.2	3.5	2.7	3.1	3.0	2.9
ROE(%)	6.0	6.2	4.2	3.7	5.7	4.9
PBR(%)	0.66	0.59	0.63	0.58	0.62	0.76
Net Assets per Share (yen)	3,156.74	3,340.18	3,439.19	3,551.29	3,764.48	3,959.03
Share Price at End of Period (yen)	2,089	1,975	2,177	2,064	2,335	3,000

Analysis and Evaluation of Current Situation

● Factors Contributing to Low PBR

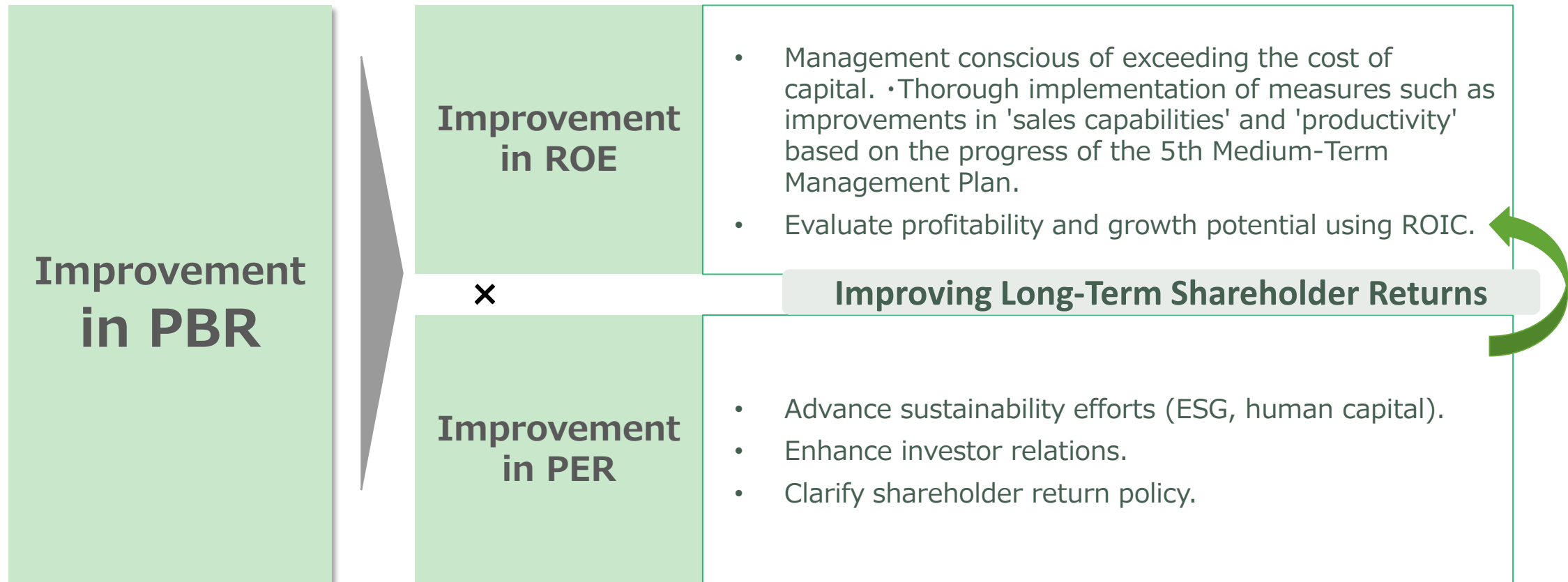


Decomposition.



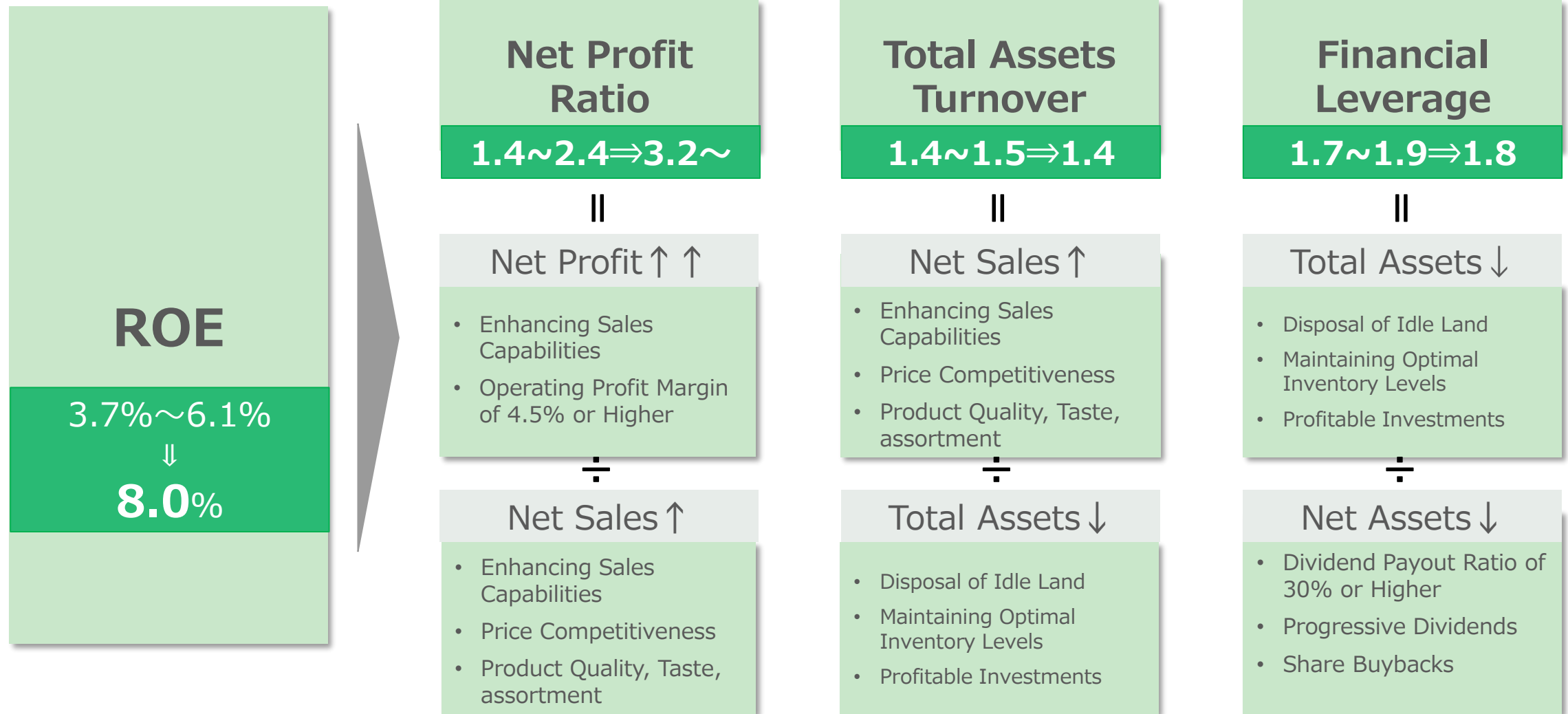
Policy and Targets

- In our Medium-Term Management Plan, we will enhance Sales Capabilities and improve Productivity, aiming to achieve an Operating Profit Margin of 4.5% or higher and an ROE of 8.0% by 2030.
- We will aim to strengthen Shareholder Returns and improve Capital Efficiency through Share Buybacks, by conducting active Investor Relations activities, aiming to achieve a PBR of 1x.



Challenges and Responses

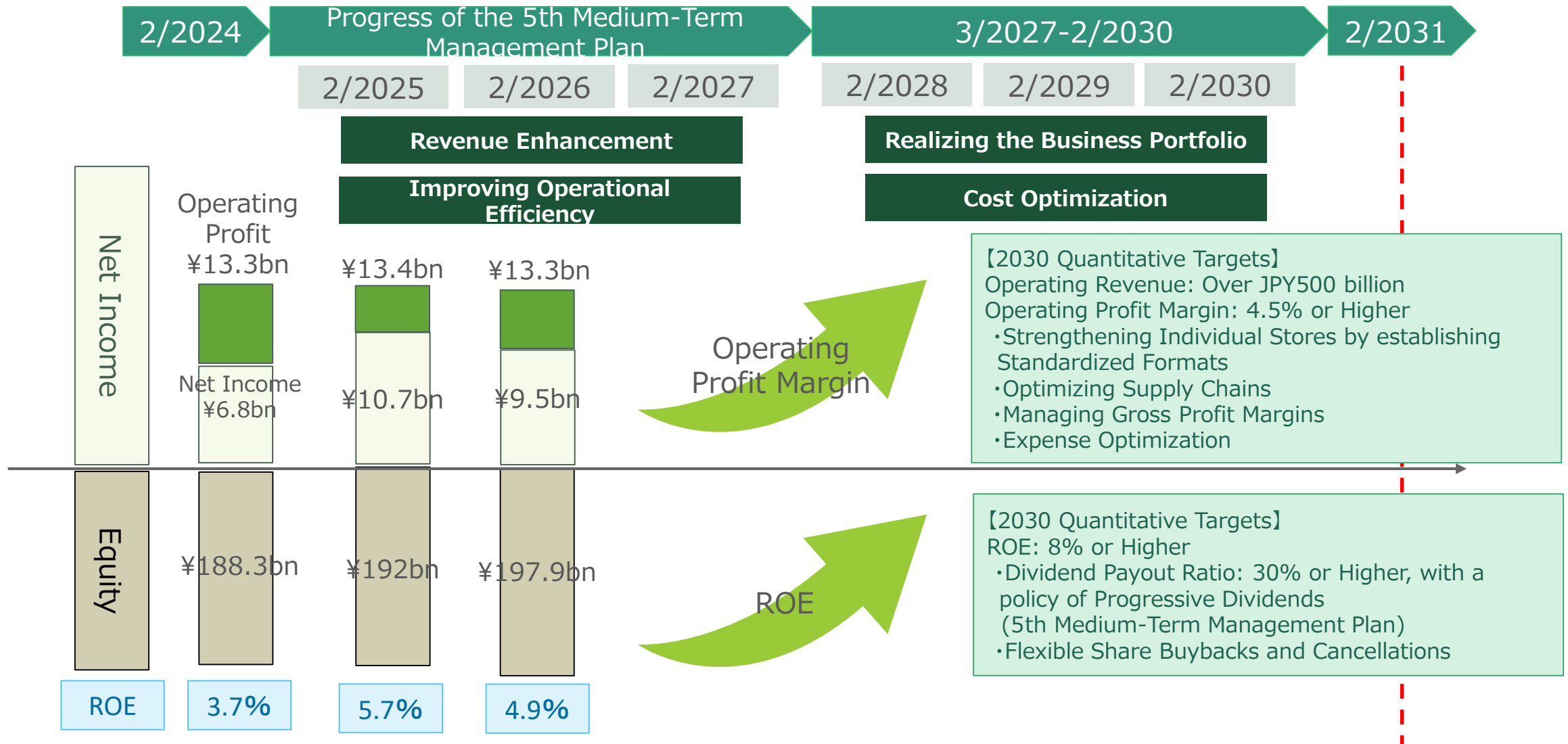
- We aim to achieve an **8.0%** ROE through Enhanced Profitability and Strategic Capital Allocation



Challenges and Responses

*Figures exclude the impact of the New Lease Accounting Standard.

Strategic Roadmap



Engagement with Investors

- The content of the dialogues with investors is fed back to the Board of Directors.
- We actively welcome inquiries from institutional investors to enhance communication.
- We plan to explore increasing the number of briefings for individual investors for the FYE 2/2027.
- We are preparing to facilitate a higher volume of small meetings and 1-on-1 meetings than in the previous period.



		FYE 2/2024	FYE 2/2025	FYE 2/2026
Institutional Investors	Financial Results Briefing Large Meeting	2	2	2
	Financial Results Briefing Small Meeting	0	1	1
	Financial Results Briefing 1-on-1 Meeting	16	33	42
Individual Investors	Company Briefing Session	0	1	7

Shareholder Return Policy

	FYE 2/2021	FYE 2/2022	FYE 2/2023	FYE 2/2024	FYE 2/2025	FYE 2/2026	FYE 2/2027
Net Profit (Millions of yen)	9,724	10,647	7,516	6,774	10,727	9,409	9,800
Dividend per Share (yen)	38	42	42	42	63	66	66
Dividend Payout Ratio (%)	20.5	20.7	29.3	32.5	30.1	34.9	33.3

- For the FYE 2/2026, the interim and year-end dividends will each be 33 yen, resulting in an annual dividend of 66 yen, in accordance with our shareholder return policy of returning 30% or more of net profit to shareholders as dividends.
- For the FYE 2/2027, based on our profit growth plan and our policy of returning 30% or more of net profit to shareholders as dividends, the interim dividend and year-end dividends will each be 33 yen, for an estimated annual dividend of 66 yen.
- We will maintain a 'progressive dividend' policy through the FYE 2/2027.
- We will return surplus capital to shareholders while maintaining financial discipline.

Supplementary Materials (Consolidated)

Consolidated Operating Results Quarterly Changes for the FYE 2/2026

- 1Q, retail sales declined by approximately 0.8% YoY, affected by the leap-year fallback. However, strategic pricing initiatives successfully drove an increase in customer traffic. Average spend per customer rose, bolstered by higher produce market prices and the continued surge in rice prices.
- 2Q, both revenue and profit increased, driven by the steady performance of the parent company (non-consolidated). Additionally, the restaurant business of consolidated subsidiaries performed strongly, bolstered by promotional campaigns and favorable weather conditions.
- 3Q, sales remained robust. While profit declined due to the impact of large-scale renovations, the renovated stores have been performing strongly.
- 4Q, net sales trended lower YoY due to a revenue reversal of approximately JPY2.4 billion related to revenue recognition. Regarding seasonal performance, results were soft during the Christmas period but turned strong over the year-end and New Year holidays.

[Unit : Millions of yen,%]

	1Q		2Q		3Q		4Q	
	Results	YoY	Results	YoY	Results	YoY	Results	YoY
Operating Revenue	108,541	103.1	114,998	103.3	112,335	102.7	120,135	101.0
Operating Profit	2,944	103.9	3,888	112.0	1,782	82.8	4,696	95.9
Ordinary Profit	3,335	103.8	4,177	108.3	2,042	86.7	5,051	96.9
Profit Attributable to Owners of Parent	2,169	108.1	2,735	106.9	999	48.9	3,505	85.1

Consolidated Results by Major Company Operating Profit & Ordinary Profit, Increase/Decrease Factors

[Unit : Millions of yen,%]

	Operating Profit		Ordinary Profit		Increase/Decrease Factors
	Results	YoY	Results	YoY	
Total Consolidated Subsidiaries	89,709	94.8	3,240	89.0	Yell JPY(3,467) million, Maruzen JPY(2,756) million, YU-ING JPY(792)million
Bestone	15,409	107.7	962	115.4	Profit increase due to higher orders from robust food sales (non-consolidated)
Fivestar	12,277	108.3	310	201.9	Robust COCO'S sales and on-track PISOLA performance
National Maintenance	10,408	99.5	574	81.8	Decrease in costs related to the Noto Peninsula earthquake response
C.O.M.	4,306	105.5	383	105.0	Significant surge in customer traffic during the year-end and New Year holidays
Direct Shop	4,159	95.9	(10)	-	Core bookstore business: Revenue declined amid store closures. Fitness business: Performed robustly.
Toyama Future Development	2,896	100.4	345	124.0	2H: Expenses were lower than projected due to electricity discounts and other factors.
Heiwado(China)	5,577	82.7	378	45.4	Deteriorating business environment in China and reduced operations due to renovations

Exchange rate (average exchange rate for the period):(December 2024) 21.27yen/yuan, (December 2025) 20.94yen/yuan

Consolidated FYE 2/2025 Selling, General and Administrative Expenses

- Personnel expenses on a non-consolidated basis increased by JPY3,041 million, including a JPY1,706 million increase attributable to new store openings.
- The increase in 'other expenses' was primarily driven by higher payment processing fees resulting from the continued shift toward cashless payments.

[Unit : Millions of yen,%]

	FYE 2/2025	FYE 2/2026		
	Results	Results	YoY	Change
SG&A Expenses	147,893	152,664	103.2	4,770
Advertising Expenses	3,200	3,085	96.4	(115)
Sales Promotion Expenses	1,089	1,542	141.7	453
Personnel Expenses	75,130	77,440	103.1	2,309
Rent Expenses	13,467	13,694	101.7	226
Depreciation	13,170	13,824	105.0	653
Utility Costs	8,819	8,995	102.0	175
Logistic Costs	12,390	12,564	101.4	173
Supplies Expenses	3,624	3,782	104.3	157
Other Expenses	17,000	17,734	104.3	734

Consolidated Statements of Cash Flows

45,000

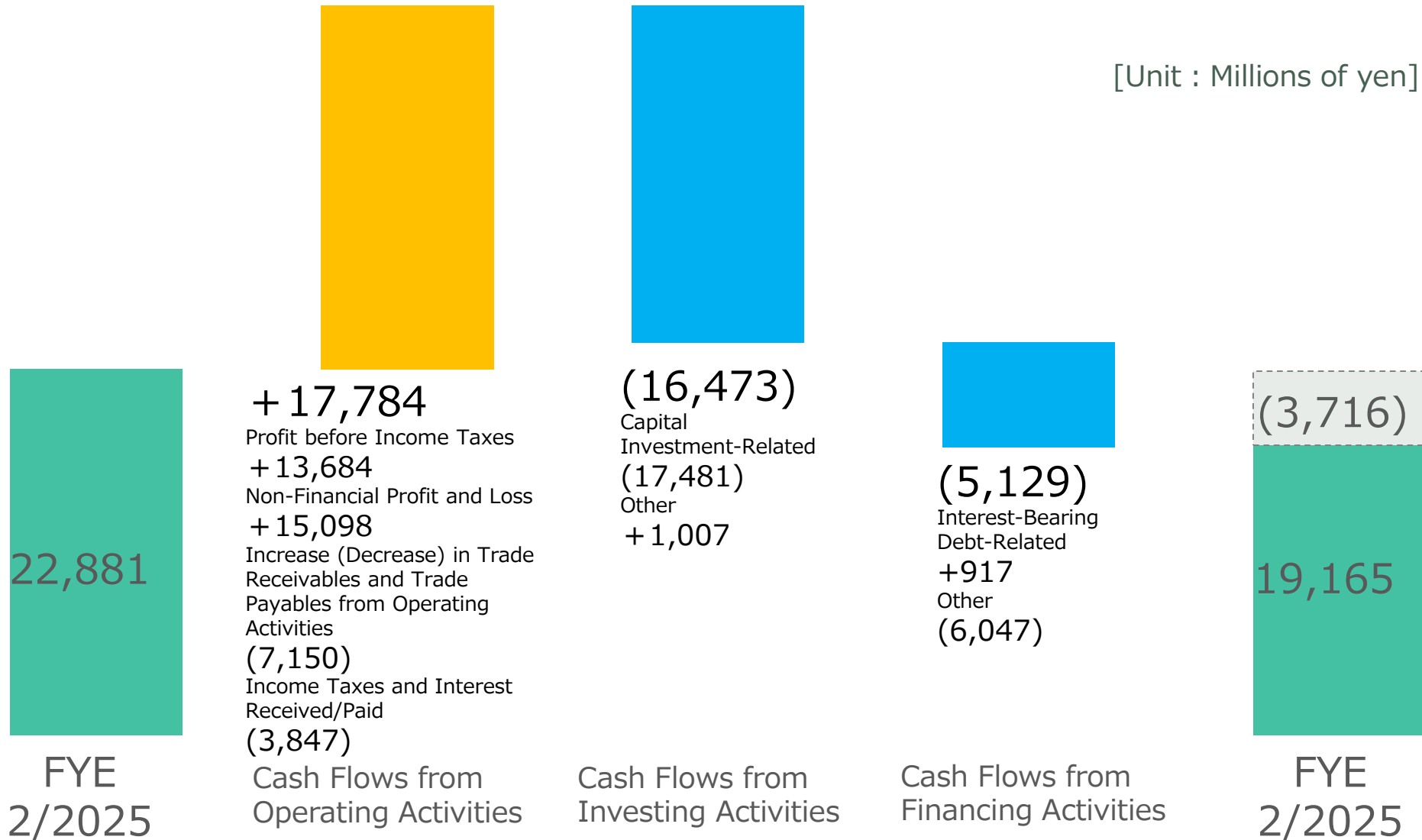
35,000

25,000

15,000

5,000

[Unit : Millions of yen]



Consolidated Key Financial Indicators

- While strategic pricing initiatives drove growth in operating revenue, profit margins declined as the increase in SG&A expenses outpaced gross profit growth.

	FYE 2/2025	FYE 2/2026
Operating Profit Margin(%)	3.0	2.9
Ordinary Profit Margin(%)	3.3	3.2
ROE	5.7	4.9
ROA	4.7	4.7
EPS(yen)	209.08	189.29
BPS(yen)	3,764.48	3,959.03
Equity Ratio	61.7	62.5

Supplementary Materials (Non-Consolidated)

Non-Consolidated Financial Results Quarterly Changes for the FYE 2/2026

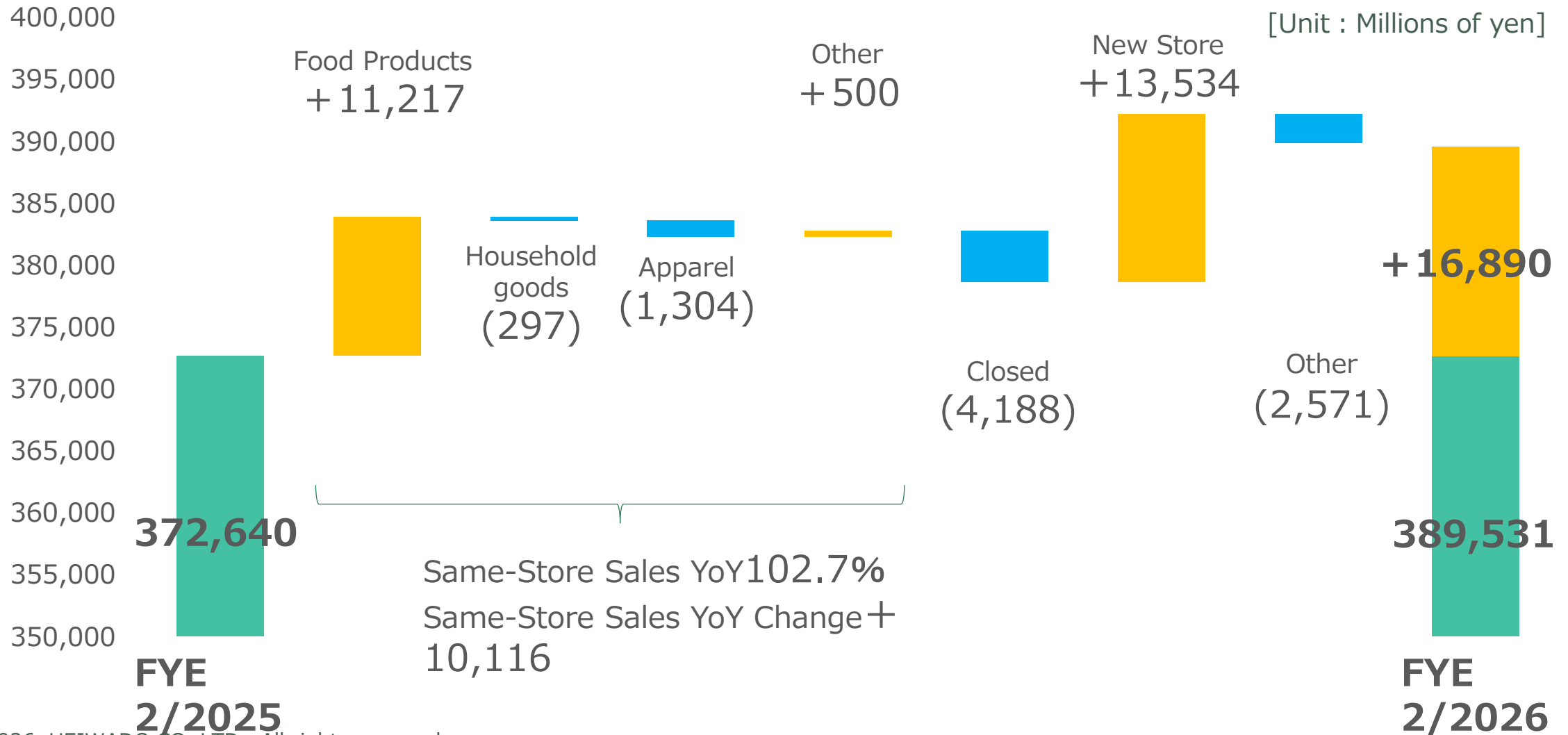
- 1Q, same-store sales reached 102.9% YoY. Although the leap year fallback created a high hurdle (approx. 0.8% negative impact), robust food sales covered the overall performance. SG&A expenses were managed as planned, resulting in YoY growth for both operating and ordinary profit.
- 2Q, same-store sales reached 103.3% YoY. Despite the intense heatwave, customer traffic exceeded the previous year's level, and food sales continued to perform well. Much like the 1Q, SG&A expenses were managed largely as planned.
- 3Q, same-store sales reached 103.1% YoY, with food sales continuing to perform well. Although operating profit decreased compared to the previous year due to costs associated with 2 new store openings and large-scale renovations, sales at these stores have trended favorably following their reopening.
- 4Q, same-store sales reached 101.9% YoY. Customer traffic declined due to the delayed onset of winter and snowfall from late January to early February. Additionally, operating profit decreased compared to the previous year, primarily driven by the launch of 2 new stores and a higher volume of store renovations during the period.

[Unit : Millions of yen,%]

	1Q		2Q		3Q		4Q	
	Results	YoY	Results	YoY	Results	YoY	Results	YoY
Operating Revenue	99,292	105.5	105,634	105.2	105,120	104.9	112,204	102.9
Operating Profit	2,194	111.0	3,017	112.3	1,233	87.6	3,895	91.6
Ordinary Profit	3,249	106.6	3,250	109.3	1,456	90.7	4,207	94.0
Profit	2,448	112.5	2,223	111.5	1,989	188.8	2,879	79.8

Non-Consolidated Net Sales Factors for Change

- (New Stores) FY2/2025 : 5 stores + 6 stores integrated from Maruzen.
FY2/2026 : 5 stores + 2 stores integrated from Yell.
- (Store Closures) FY2/2025: 3 stores. FY2/2026: 1 store + 2 external shops.



Non-Consolidated Net Sales by Region Same-Store Sales YoY

[Unit : Millions of yen,%]

	FYE 2/2025		FYE 2/2026			
	Stores	Net Sales	Stores	Net Sales	YoY	Same-Store Sales YoY
Total for Stores	166	397,739	170	413,673	104.0	102.7
Shiga Pref.	80	162,934	84	170,317	104.5	101.6
Total for Keihanshin Region	44	138,026	44	140,663	101.9	103.7
Kyoto Pref.	19	65,446	19	65,557	100.2	102.1
Osaka Pref.	22	60,286	22	62,314	103.4	105.3
Hyogo Pref.	3	12,294	3	12,790	104.0	104.0
Total for Hokuriku Region	15	48,569	15	49,345	101.6	101.6
Fukui Pref.	6	18,542	6	18,829	101.5	101.5
Ishikawa Pref.	7	21,451	7	21,939	102.3	102.3
Toyama Pref.	2	8,576	2	8,576	100.0	100.0
Total for Tokai Region	27	46,668	27	51,441	110.2	104.8
Gifu Pref.	7	12,094	6	12,115	100.2	104.0
Aichi Pref.	20	34,574	21	39,325	113.7	105.1

Supplementary Materials (Earnings Forecast)

Non-Consolidated Same-Store Sales Target YoY

- Progress on our 5th Medium-Term Management Plan allows us to project accelerated sales growth.
- Our plan to renovate approximately 8 stores in 1H and 9 stores in 2H is designed to drive revenue growth across existing locations.

[Unit : %]

	1Q	2Q	3Q	4Q
Quarter (of a year)	103.5	103.9	104.2	103.6
Half(of a year)	103.7		103.9	
Nine Months Ended	103.9			-
Full Year (period of)	103.8			

Forecast for the First Half of the FYE 2/2027

- Renovation of 8 Existing stores is scheduled for completion.
- Budgeted electricity costs assume that price levels at the time of the results briefing will persist.

[Unit : Millions of yen,%]

	Consolidated			Non-Consolidated		
	Forecast	YoY	Change	Forecast	YoY	Change
Operating Revenue	234,000	104.7	10,461	219,000	106.9	14,073
Operating Profit	6,900	101.0	66	5,300	101.7	88
Ordinary Profit	7,200	95.8	(313)	8,600	132.3	2,099
Profit Attributable to Owners of Parent	5,000	102.0	96	6,600	141.3	1,928

Non-Consolidated March 2026 Net Sales by Department

- Same-store sales YoY: No. of customers 101.4%, average spend per customer 100.9%, No. of items purchased 98.1%, average cost per item 102.9%
- There was no impact from the day-of-the-week calendar effect. Same-store sales reached 102.3% YoY, exceeding the previous year's performance, yet fell short of the target.
- Regarding apparel and household goods, the special invitation sales event for members was conducted over 4 days, one day fewer than the 5-day event held in the previous year.
- Sales growth in clothing was hampered by frequent rainfall and a late-season cold spell.

[Unit : Millions of yen,%]

Management Accounting Figures	March 2025		March 2026			
	Results	Ratio	Results	Ratio	YoY	Same-Store Sales YoY
Net Sales	31,163	100.0	32,415	100.0	104.0	102.3
Food Products	25,065	80.4	26,214	80.9	104.6	102.5
Fresh Foods	11,673	37.5	12,242	37.8	104.9	102.5
General Foods	13,391	43.0	13,973	43.1	104.3	102.5
Apparel	1,855	6.0	1,797	5.5	96.8	97.0
Household Goods	3,268	10.5	3,354	10.3	102.6	102.5
Other	975	3.1	1,050	3.2	107.7	107.7

Notes.

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