



[Translation]

Apr. 14, 2026

To whom it may concern

Corporate Name: H2O RETAILING CORPORATION
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President and Representative Director
(Securities Code: 8242
Prime Market of the Tokyo Stock Exchange)
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**Notice Regarding Expected Recognition of Extraordinary Income
following Sale of Investment Securities**

H2O RETAILING CORPORATION (hereinafter referred to as “the Company”) hereby announces that its Board of Directors resolved today to tender a portion of TOHO CO., LTD.'s common shares (the "Shares"), held by the Company, for sale in response to the 'Notice Regarding Purchase of Treasury Shares through Off-Auction Own Share Repurchase Trading (ToSTNeT-3)' announced by TOHO CO., LTD. today. Details are as follows.

1. Reasons for the sales of investment securities

The Company maintains a basic policy of holding shares of business partners as strategic shareholdings (cross-shareholdings) only when it is deemed to contribute to the smooth promotion of the Group’s business and the enhancement of corporate value over the medium to long term.

As a member of the "Hankyu Hanshin Toho Group," which aims to "create a lifestyle culture," the Company and TOHO CO., LTD. have built a close cooperative relationship through our efforts to develop attractive urban environments and expand our retail presence through real estate leasing.

Under "Mid-term Management Plan (2024-2026)" of the Company, we are currently working to reduce our strategic shareholdings as part of our capital and financial strategy to enhance corporate and shareholder value by controlling total assets and equity.

While we will continue to maintain our cooperative relationship with TOHO CO., LTD., after careful and extensive consideration regarding our shareholding level in the company, we have decided to sell a portion of our holdings to improve capital efficiency.

2. Resolution date for the sales of investment securities

Apr. 14, 2026

3. Details of the sales of investment securities

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|----|--|---|
| 1. | Securities to be sold | Common shares of TOHO CO., LTD. |
| 2. | Number of shares held before the sale | 35,489,260 shares (4.23% of total number of issued shares(excluding treasury shares)) |
| 3. | Number of shares to be tendered (planned) | 5,000,000 shares |
| 4. | Number of shares to be held after the sale (planned) | 30,489,260 shares(3.63% of total number of issued shares(excluding treasury shares)) |
| 5. | Scheduled date of the sale | Apr. 15, 2026 |
| 6. | Gain on the sale of investment securities | Approx. ¥ 7 billion (Forecast) |

4. Future Outlook

The gain on the sale of investment securities related to this transaction is expected to be recognized as extraordinary income in the first quarter of the consolidated fiscal year ending Mar. 31, 2027.

Furthermore, the Company plans to announce its full-year consolidated financial forecasts for the fiscal year ending Mar. 31, 2027, which will incorporate the aforementioned extraordinary income, at the time of the announcement of consolidated financial results for the fiscal year ended Mar. 31, 2026.

End