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ISETAN MITSUKOSHI HOLDINGS

Isetan Mitsukoshi Holdings Ltd.

Fiscal Year Ended March 2015

Financial Results Handout

From April 1, 2014, to March 31, 2015

Fiscal Year Ended March 2015

From April 1, 2014, to March 31, 2015

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Ⅰ. Isetan Mitsukoshi Holdings Consolidated Results

1. Outline of Consolidated Business Results

(1) Consolidated Business Results

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)			Forecast (From April 1, 2015, to March 31, 2016)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Net sales	1,272,130	96.3	(49,382)	1,300,000	102.2	27,869
2. Gross profit	355,456	96.1	(14,565)	366,000	103.0	10,543
3. Operating income	33,083	95.5	(1,562)	35,000	105.8	1,916
4. Recurring income	34,563	89.9	(3,876)	35,000	101.3	436
5. Net income	29,886	141.2	8,720	25,000	83.6	(4,886)
6. Net income per share (Yen)	75.74	–	22.10	63.43	–	(12.32)
7. Gross profit margin (%)	27.94	–	(0.06)	28.15	–	0.21
8. Operating profit margin (%)	2.6	–	0.0	2.7	–	0.1
9. Recurring profit margin (%)	2.7	–	(0.2)	2.7	–	0.0
10. Return on sales (%)	2.3	–	0.7	1.9	–	(0.4)

(2) Consolidated Financial Positions

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)			Forecast (From April 1, 2015, to March 31, 2016)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Total assets	1,291,560	100.5	6,902	1,321,000	102.3	29,439
2. Net assets	577,655	106.8	36,585	598,000	103.5	20,344
3. Interest-bearing debt	160,601	93.8	(10,683)	160,000	99.6	(601)
4. Net financial revenue	463	98.9	(5)	300	64.7	(163)
5. Return on assets (ROA) (%)	2.6	–	(0.2)	2.7	–	0.1
6. Return on equity (ROE) (%)	5.5	–	1.3	4.4	–	(1.1)
7. Rate of return on invested capital (ROIC)*	3.0	–	(0.1)	3.2	–	0.2
8. Shareholder's equity ratio (%)	43.4	–	2.6	44.0	–	0.6
9. Interest-bearing debt dependency (%)	12.4	–	(0.9)	12.1	–	(0.3)
10. Consolidated debt equity ratio (DER) (times)	0.3	–	0.0	0.3	–	(0.0)

*Consolidated operating income after deducting taxes was used to calculate the rate of return on invested capital (ROIC).

(3) Consolidated Cash Flows

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)		Forecast (From April 1, 2015, to March 31, 2016)	
	Amount	YoY difference	Amount	YoY difference
1. Cash flows from operating activities	49,448	3,425	49,000	(448)
2. Cash flows from investing activities	(34,374)	(15,152)	(40,000)	(5,625)
3. Cash flows from financing activities	(17,372)	(1,221)	(5,000)	12,372
4. Cash and cash equivalents at end of period	50,299	(301)	54,300	4,000

(4) Others

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)			Forecast (From April 1, 2015, to March 31, 2016)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Capital investment	29,279	92.7	(2,289)	45,000	153.7	15,720
2. Number of employees	12,286	97.5	(317)	12,300	100.1	14
3. Number of consolidated subsidiaries (as of March 31)	37	–	(1)	39	–	2
4. Number of equity-method affiliates (as of March 31)	8	–	0	8	–	0
5. Cash dividends per share	11.00	–	0.00	11.00	–	0.00

2. Consolidated Selling, General and Administrative Expenses

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)			Forecast (From April 1, 2015, to March 31, 2016)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
Selling, general and administrative expenses	322,372	96.1	(13,003)	331,000	102.7	8,627
Advertising expenses	22,439	81.7	(5,038)	24,000	107.0	1,560
Personnel expenses	119,063	98.0	(2,426)	124,000	104.1	4,936
Depreciation and amortization	22,818	102.7	589	23,000	100.8	181
Lease payments	42,024	100.6	263	43,000	102.3	975
Business consignment expenses	34,241	95.1	(1,776)	35,000	102.2	758
Others	81,785	94.7	(4,614)	82,000	100.3	214
SGA ratio (%)	25.3	−	0.0	25.5	−	0.1

3. Consolidated Capital Investment

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)	Forecast (From April 1, 2015, to March 31, 2016)	
	Amount	Amount	Main factors
Isetan Mitsukoshi Ltd.	16,085	23,500	Remodeling, facility improvements, small size stores, etc.
MICARD Co., Ltd.	3,636	5,120	System investment, etc.
Isetan Mitsukoshi System Solutions Ltd.	5,414	7,380	System investment, etc.
Others	4,527	9,300	
Elimination of intra-company transactions	(383)	(300)	
Total	29,279	45,000	

Note: Figures include investments made for intangible fixed assets.

4. Consolidated Companies

(1) Results (From April 1, 2014, to March 31, 2015)

(Millions of yen)

Companies	Voting Rights Held Percentage (Incl. indirect ownership)	Net sales		Operating income (loss)		Recurring income (loss)		Net income (loss)	
			YoY difference		YoY difference		YoY difference		YoY difference
Isetan Mitsukoshi Holdings Ltd.	―	18,831	4,268	7,786	3,192	7,898	2,714	6,081	1,069
Isetan Mitsukoshi Ltd.	100.0%	656,363	(18,952)	24,055	951	26,103	2,820	28,748	14,428
Sapporo Marui Mitsukoshi Ltd.	100.0%	63,441	(4,098)	104	(779)	212	(605)	144	339
Hakodate Marui Imai Ltd.	100.0%	8,952	(668)	120	(117)	118	(119)	24	(108)
Sendai Mitsukoshi Ltd.	100.0%	35,209	(1,109)	546	(322)	557	(341)	350	(173)
Nagoya Mitsukoshi Ltd.	100.0%	69,988	(2,093)	265	(361)	282	(358)	205	(173)
Shizuoka Isetan Co., Ltd.	100.0%	20,253	(711)	80	15	76	12	56	204
Niigata Isetan Mitsukoshi Ltd.	100.0%	46,053	(2,703)	659	(319)	685	(333)	385	59
Hiroshima Mitsukoshi Ltd.	100.0%	16,060	(720)	(32)	(75)	(35)	(75)	(35)	(71)
Takamatsu Mitsukoshi Ltd.	100.0%	23,040	321	252	0	256	0	190	101
Matsuyama Mitsukoshi Ltd.	100.0%	15,225	(972)	(297)	(165)	(308)	(163)	(312)	(163)
Iwataya Mitsukoshi Ltd.	100.0%	113,035	(4,768)	482	(209)	350	(112)	283	(99)
Isetan (Singapore) Ltd.	52.7%	31,230	3,353	(496)	(864)	(110)	(737)	(151)	(711)
Isetan of Japan Sdn. Bhd.	51.0%	16,345	749	251	(147)	410	(116)	211	(96)
Isetan (Thailand) Co., Ltd.	49.0%	4,449	58	13	(57)	46	(43)	36	(37)
Isetan (China) Holdings Ltd.	100.0%	51	3	(70)	(24)	478	502	478	502
Shanghai Mei Long Zhen Isetan	80.0%	11,893	900	(116)	2	(18)	20	(67)	(26)
Tianjin Isetan Co., Ltd.	100.0%	13,866	1,055	598	21	684	43	497	9
Tianjin Binhai New District Isetan Co., Ltd.	100.0%	2,491	523	(463)	90	(675)	(98)	(675)	(98)
Chengdu Isetan Co., Ltd.	100.0%	8,632	1,373	104	57	90	61	90	61
Mitsukoshi Italia S.p.A.	100.0%	1,876	(87)	2	(54)	0	(55)	(6)	(29)
Mitsukoshi (U.S.A.) Inc.	100.0%	5,219	955	488	165	496	167	317	109
MICARD Co., Ltd.	100.0%	30,347	1,263	6,230	415	6,267	503	3,533	164
MI TOMONOKAI Co., Ltd.	100.0%	4,924	(263)	(652)	(31)	(833)	(1,055)	(680)	(728)
Isetan Mitsukoshi Food Service Ltd.	100.0%	51,685	(1,401)	(246)	(80)	(172)	(124)	(260)	317
Mammina Co., Ltd.	100.0%	4,043	(724)	(438)	168	(455)	180	(914)	(143)
Isetan Mitsukoshi Direct Shopping Ltd.	100.0%	468	(26,718)	406	(181)	411	(167)	353	(112)
Isetan Mitsukoshi Real Estate Co., Ltd.	95.0%	3,910	(462)	520	(92)	500	(507)	2,694	1,781
Mitsukoshi Kankyo Design Co., Ltd.	100.0%	4,937	(6,745)	12	(29)	7	(233)	(4)	(327)
Isetan Mitsukoshi Property Design Ltd.	100.0%	25,804	10,594	139	91	134	83	432	407
Isetan Mitsukoshi System Solutions Ltd.	100.0%	19,192	3,746	740	209	674	127	604	459
Isetan Mitsukoshi Human Solutions Ltd.	100.0%	7,580	878	73	(15)	73	(17)	42	2
Isetan Mitsukoshi Business Support Ltd.	100.0%	28,283	(201)	12	(79)	12	(39)	(1)	(26)
Isetan Mitsukoshi Gift Solutions Ltd.	100.0%	6,659	(1,063)	(625)	144	(515)	171	(515)	210
Leotex Co., Ltd.	100.0%	2,071	96	11	36	17	58	16	58
Leo Mart Co., Ltd.	100.0%	4,625	(758)	1	(27)	3	(28)	2	(15)
Century Trading Co., Ltd.	80.0%	3,000	(355)	(26)	19	(36)	(0)	(36)	(0)
Isetan Mitsukoshi Italia S.r.l.	100.0%	1,010	(66)	2	8	26	7	15	5
Studio Alta Co., Ltd.	95.0%	1,404	(219)	(139)	(187)	(136)	(191)	(152)	(158)

・On October 1, 2014, Isetan Mitsukoshi Property Design Ltd. and Mitsukoshi Kankyo Design Co., Ltd. were merged, with Isetan Mitsukoshi Property Design Ltd. as the surviving company.

・On April 1, 2015, Mitsukoshi Real Estate Co., Ltd. changed its name to Isetan Mitsukoshi Real Estate Co., Ltd.

4. Consolidated Companies

(2) Forecast (From April 1, 2015, to March 31, 2016)

(Millions of yen)

Companies	Net sales		Operating income (loss)		Recurring income (loss)		Net income (loss)	
		YoY difference		YoY difference		YoY difference		YoY difference
Isetan Mitsukoshi Holdings Ltd.	15,988	(2,843)	4,462	(3,324)	4,409	(3,489)	4,213	(1,868)
Isetan Mitsukoshi Ltd.	679,693	23,329	24,000	(55)	24,000	(2,103)	18,000	(10,748)
Sapporo Marui Mitsukoshi Ltd.	64,570	1,128	434	329	17	(195)	12	(132)
Hakodate Marui Imai Ltd.	9,080	127	105	(15)	104	(14)	70	45
Sendai Mitsukoshi Ltd.	36,080	870	706	159	715	157	485	134
Nagoya Mitsukoshi Ltd.	70,760	771	813	547	828	545	562	356
Shizuoka Isetan Co., Ltd.	20,600	346	120	39	120	43	81	24
Niigata Isetan Mitsukoshi Ltd.	48,050	1,996	700	40	708	22	481	95
Hiroshima Mitsukoshi Ltd.	16,305	244	3	35	0	35	(1)	34
Takamatsu Mitsukoshi Ltd.	23,600	559	256	3	261	4	177	(13)
Matsuyama Mitsukoshi Ltd.	15,812	586	(168)	129	(183)	125	(188)	124
Iwataya Mitsukoshi Ltd.	114,950	1,914	600	117	398	47	353	69
Isetan (Singapore) Ltd.	—	—	—	—	—	—	—	—
Isetan of Japan Sdn. Bhd.	16,806	460	272	20	282	(128)	197	(14)
Isetan (Thailand) Co., Ltd.	5,385	935	94	80	97	50	78	41
Isetan (China) Holdings Ltd.	224	172	(118)	(47)	(118)	(596)	(118)	(596)
Shanghai Mei Long Zhen Isetan	12,203	309	(86)	30	(24)	(5)	(24)	43
Tianjin Isetan Co., Ltd.	14,023	156	609	10	667	(17)	460	(37)
Tianjin Binhai New District Isetan Co., Ltd.	3,068	576	(343)	120	(365)	310	(365)	310
Chengdu Isetan Co., Ltd.	9,214	581	193	88	181	90	181	90
Mitsukoshi Italia S.p.A.	1,755	(121)	13	10	28	27	6	12
Mitsukoshi (U.S.A.) Inc.	5,364	144	457	(31)	464	(32)	287	(30)
MICARD Co., Ltd.	32,388	2,040	6,105	(125)	6,387	119	4,399	865
MI TOMONOKAI Co., Ltd.	4,810	(114)	(632)	20	57	890	57	737
Isetan Mitsukoshi Food Service Ltd.	53,240	1,554	20	266	205	377	132	392
Mammina Co., Ltd.	3,579	(464)	(306)	132	(318)	137	(323)	591
Isetan Mitsukoshi Direct Shopping Ltd.	473	4	409	2	409	(2)	245	(108)
Isetan Mitsukoshi Real Estate Co., Ltd.	4,153	242	273	(247)	270	(230)	156	(2,538)
Isetan Mitsukoshi Property Design Ltd.	33,718	7,913	220	80	210	75	126	(306)
Isetan Mitsukoshi System Solutions Ltd.	17,183	(2,009)	250	(490)	205	(469)	129	(475)
Isetan Mitsukoshi Human Solutions Ltd.	8,467	886	160	86	160	86	99	56
Isetan Mitsukoshi Business Support Ltd.	28,250	(33)	38	25	22	9	19	20
Isetan Mitsukoshi Gift Solutions Ltd.	8,230	1,570	(529)	96	(425)	90	(425)	90
Leotex Co., Ltd.	1,964	(107)	19	7	8	(9)	8	(8)
Leo Mart Co., Ltd.	5,300	674	9	7	10	6	6	3
Century Trading Co., Ltd.	3,150	149	3	29	9	45	9	45
Isetan Mitsukoshi Italia S.r.l.	803	(207)	(19)	(21)	3	(23)	1	(14)
Studio Alta Co., Ltd.	1,600	195	5	144	7	143	23	175
Isetan Mitsukoshi Travel Co., Ltd.	3,500	—	53	—	53	—	33	—

・The forecast for the next period for Isetan (Singapore) Ltd., which listed on the local stock market, is not included.
・Isetan Mitsukoshi Travel Co., Ltd. will commence its operation in July 2015 by spinning off the travel business of Isetan Mitsukoshi Ltd.
・The forecast figures of a new company that will operate Kuala Lumpur Isetan Lot 10 remodeled to be opened during the fiscal year ending March 2015 is not included.

Ⅱ. Isetan Mitsukoshi Ltd. Non-consolidated Business Results

1. Outline of Non-consolidated Business Results

(1) Business Results

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)			Forecast (From April 1, 2015, to March 31, 2016)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Net sales	656,363	97.2	(18,952)	679,693	103.6	23,329
2. Gross profit	179,317	98.2	(3,243)	187,753	104.7	8,435
3. Gross operating profit	191,810	98.5	(2,901)	200,187	104.4	8,376
4. Operating income	24,055	104.1	951	24,000	99.8	(55)
5. Recurring income	26,103	112.1	2,820	24,000	91.9	(2,103)
6. Net income	28,748	200.8	14,428	18,000	62.6	(10,748)
7. Gross profit margin (%)	27.32	－	0.29	27.62	－	0.30
8. Gross operating profit margin (%)	29.22	－	0.39	29.45	－	0.23
9. Operating profit margin (%)	3.7	－	0.2	3.5	－	(0.1)
10. Recurring profit margin (%)	4.0	－	0.5	3.5	－	(0.4)
11. Return on sales (%)	4.4	－	2.3	2.6	－	(1.7)

(2) Selling, General and Administrative Expenses

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)			Forecast (From April 1, 2015, to March 31, 2016)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Selling, general and administrative expenses	167,754	97.8	(3,853)	176,187	105.0	8,432
Advertising expenses	10,672	100.4	38	11,453	107.3	780
Personnel expenses	55,818	96.7	(1,918)	59,312	106.3	3,493
Depreciation and amortization	10,746	101.9	198	10,518	97.9	(228)
Lease payments	11,660	86.2	(1,863)	12,854	110.2	1,193
Business consignment expenses	18,924	102.1	394	19,613	103.6	688
Others	59,933	98.8	(703)	62,437	104.2	2,503
2. SGA ratio (%)	25.6	－	0.1	25.9	－	0.4

(3) Financial Position

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)			Forecast (From April 1, 2015, to March 31, 2016)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Total assets	713,226	99.8	(1,443)	680,000	95.3	(33,226)
2. Net assets	228,431	111.0	22,644	242,000	105.9	13,568
3. Return on assets (ROA) (%)	3.4	－	0.1	3.4	－	0.1
4. Return on equity (ROE) (%)	13.3	－	6.1	7.7	－	(5.7)
5. Shareholder's equity ratio (%)	32.0	－	3.2	35.6	－	3.6

(4) Others

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)			Forecast (From April 1, 2015, to March 31, 2016)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Capital investment	16,085	77.9	(4,557)	23,500	146.1	7,414
2. Number of employees (including dispatched personnel)	5,480	100.2	9	5,500	100.4	20

2. Net Sales

(1) Net Sales by Store

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)			Forecast (From April 1, 2015, to March 31, 2016)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
Net sales						
Isetan Shinjuku Main store	258,497	97.4	(6,953)	271,125	104.9	12,627
Mitsukoshi Nihombashi Main store	165,560	95.3	(8,080)	172,069	103.9	6,508
Mitsukoshi Ginza store	74,428	107.5	5,207	74,825	100.5	396
Isetan Tachikawa store	38,539	97.2	(1,103)	39,864	103.4	1,324
Isetan Matsudo store	19,796	92.8	(1,537)	20,400	103.0	603
Isetan Urawa store	42,325	95.9	(1,811)	43,360	102.4	1,034
Isetan Sagamihara store	24,039	94.3	(1,465)	24,654	102.6	614
Isetan Fuchu store	19,592	93.9	(1,263)	20,148	102.8	555
Mitsukoshi Chiba store	13,584	87.5	(1,943)	13,248	97.5	(336)
Total	656,363	97.2	(18,952)	679,693	103.6	23,329

(2) Net Sales by Goods and Gross Profit Margin by Goods

(Millions of yen)

	Results (From April 1, 2014, to March 31, 2015)						
	Amount	YoY (%)	YoY difference	Net sales by goods	YoY difference	Gross profit margin by goods	YoY difference
Sales of apparel	247,754	98.3	(4,222)	37.7	0.4	31.63	0.31
(Men's clothing)	73,450	100.6	458	11.2	0.4	34.67	0.37
(Women's clothing)	141,576	98.3	(2,481)	21.6	0.2	30.05	0.30
(Children's clothing)	17,168	96.8	(569)	2.6	0.0	29.87	0.24
(Formal wear and bedding)	15,558	90.5	(1,629)	2.4	(0.2)	33.62	(0.06)
Accessories	80,490	100.2	175	12.3	0.4	29.19	0.34
Sundry goods	105,886	94.5	(6,143)	16.1	(0.5)	27.10	0.66
Household	30,764	91.2	(2,962)	4.7	(0.3)	29.12	(0.20)
Foods	148,072	99.1	(1,274)	22.6	0.4	21.57	(0.07)
Others	43,395	90.6	(4,523)	6.6	(0.5)	18.12	0.12
Total	656,363	97.2	(18,952)	100.0	0.0	27.32	0.29