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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 13, 2024

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Listing: Tokyo
Securities code: 3099
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Scheduled date to file semi-annual securities report: November 14, 2024
Scheduled date to commence dividend payments: December 10, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	264,093	6.3	34,884	72.8	38,711	69.0	25,394	70.8
September 30, 2023	248,518	11.5	20,190	125.7	22,907	140.1	14,865	91.3

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 37,426 million [35.1%]
Six months ended September 30, 2023: ¥ 27,705 million [57.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	67.94	67.87
September 30, 2023	38.92	38.84

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	1,193,952	601,978	50.3
March 31, 2024	1,225,103	600,824	48.5

(Reference) Equity: As of September 30, 2024: ¥ 600,580 million
As of March 31, 2024: ¥ 593,918 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	12.00	-	22.00	34.00
Fiscal year ending March 31, 2025	-	24.00			
Fiscal year ending March 31, 2025 (Forecast)			-	24.00	48.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	556,000	3.6	72,000	32.4	77,000	28.6	58,000	4.4	155.18

(Note) Revision to the financial results forecast announced most recently: None

The gross sales forecast (sales if the "Accounting Standard for Revenue Recognition," etc. had not been adopted) would be ¥1,320,000 million, an increase of 7.8% from the previous fiscal year.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to "(4) Notes regarding Consolidated Financial Statements (Adoption of special accounting treatment used in preparation of the interim consolidated financial statements)" in "2. Semi-annual Consolidated Financial Statements".

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):
September 30, 2024: 390,320,254 shares
March 31, 2024: 397,265,054 shares

2) Number of treasury shares at the end of the period:
September 30, 2024: 19,315,045 shares
March 31, 2024: 21,927,440 shares

3) Average number of shares outstanding during the period:
Six months ended September 30, 2024: 373,758,532 shares
Six months ended September 30, 2023: 381,966,375 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the Company considers to be reasonable, and are not intended to be seen as targets that the Company assures it will achieve. Actual results, performance, achievements or financial position may be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. For assumptions on which forward-looking statements are based as well as for precautionary statements in the use of forward-looking statements, please refer to "(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results" in "1. Qualitative Information on the Interim Results"

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1. Qualitative Information on the Interim Results

(1) Explanation Regarding Business Results

During the first half of fiscal 2024 (April 1, 2024, to September 30, 2024), the Japanese economy continued to see gradual recovery due to improvements in the employment and income environment. Corporate revenue was strong, and wage increases as well as active capital investment toward digital transformation and decarbonization progressed, supporting personal consumption. Inbound demand also expanded, with tourism-related consumption remaining at a high level.

On the other hand, energy and raw material costs continue to rise, slowing the recovery of real wages. In addition, changes in the external environment, including the risk of a slowdown in the U.S. economy and unstable exchange rates, are creating uncertainty in the Japanese economy, and we recognize the need to continue to closely monitor trends.

Amid this environment, the Isetan Mitsukoshi Group promoted its current medium-term management plan (Fiscal 2022–Fiscal 2024) to realize its vision, "We are a retail group centered on extraordinary department stores working toward improving the lives of our customers." The Group steadily implemented its key strategies through to fiscal 2023 and achieved results that far exceeded the initial plan. In fiscal 2024, the final year of the current medium-term management plan, we are promoting four key strategies: "High sensitivity, fine quality strategy," "CRM strategy connecting with individual customers," "stronger intra-Group coordination strategy," and "urban community development strategy."

At department stores in Japan, customers the Company can identify (hereinafter referred to as "identified customers") continued to increase, mainly due to the acquisition of new MITSUKOSHI ISETAN App members. Moreover, as a result of the sophistication of individual marketing, the average customer spending of identified customers, especially out-of-store-sales customers, has increased, and sales to identified customers are expanding steadily, particularly at stores in the Tokyo metropolitan area. As a result of continuing to steadily push forward with the reform of the income and expenditure structure, regional department stores also achieved increases in revenue and income.

In addition, the Group's subsidiaries and affiliates also worked to enhance their respective unique points while strengthening business collaborations with the department stores that form the core of the Group. We are working to further expand revenue by having each company provide value that is unique to the Group to individual identified customers at department stores.

As a result, in the first half of the fiscal year under review on a consolidated basis, the Company recorded net sales of ¥264,093 million, up 6.3% year-on-year, operating profit of ¥34,884 million, up 72.8% year-on-year, ordinary profit of ¥38,711 million, up 69.0% year-on-year, and profit attributable to owners of parent of ¥25,394 million, up 70.8% year-on-year.

Results by segment were as follows.

1) Department store business

In the domestic store business, customers visiting our department stores increased both in the Tokyo metropolitan areas and at regional department stores, as consumer awareness among customers both in Japan and overseas increased. In order to meet the wide-ranging interests of all customers, we worked to strengthen our product lineup and services, and saw strong sales for a wide range of products, including luxury brand items and cosmetics, as well as women's and men's apparel. As a result, gross sales further exceeded the previous year's results, which had shown significant growth, and revenue saw a double-digit increase compared to the same period of the previous year.

At stores in the Tokyo metropolitan area, remodeling is being gradually carried out to optimize merchandising balance in the "high sensitivity, fine quality strategy" and to develop products that meet customer needs. Moreover, initiatives to enhance individual marketing are leading to increased revenue.

The Group's invitational events for valued customers (the "Tanseikai" at the Isetan Shinjuku Main Store and the "Ippinkai" at the Mitsukoshi Nihombashi Main Store), which can be said to symbolize the Group's "high sensitivity, fine quality strategy" and "CRM strategy connecting with individual customers," achieved record high sales. At the "Tanseikai" event held in August, a fashion show featuring a mix of brands, sophisticated art, and limited-time food and drink menus were featured, drawing support from customers. In commemoration of the department store's 120th anniversary, the "Ippinkai" event held in September brought together high-quality products from the areas of "tradition, culture, art, and lifestyle," and was praised for offering content that is not typically available at department stores, such as advance sale and limited-edition items unique to "Ippinkai," custom cars, musical instruments, and limited-edition package tours.

For regional department stores, with regard to our "base network" initiative to meet the needs of customers nationwide who are keen on high sensitivity, fine quality consumption, we have seen a significant increase in order sales of products from Isetan Shinjuku Main Store and Mitsukoshi Nihombashi Main Store. In addition, revenue increased due to further reductions in selling, general and administrative expenses as a result of initiatives to reform the income and expenditure structure through the scientific analysis of department stores.

Tax-free sales were strong for high-value-added products such as luxury brand handbags and jewelry, as well as cosmetics and baby and children's products. In both urban stores in the Tokyo metropolitan area and regional department stores, sales saw even further growth from the previous year's rapid growth, with total tax-free sales at domestic department stores reaching a new record high during the first half of the fiscal year under review.

Regarding online business, we strengthened our initiatives with a focus on category-specific sites, and sales on cosmetics sites such as meeco and MOO:D MARK were strong, showing a double-digit increase compared to the same period of the previous year. Moreover, by continuing to strengthen initiatives to control selling, general and administrative expenses, the Group achieved a significant improvement in revenue during the first half of the fiscal year under review.

In the overseas business (January 1, 2024 to June 30, 2024), both net sales and operating profit significantly exceeded the plan due to the strong performance of restaurants in the United States that were remodeled and reopened in the previous year.

In September 2024, procedures were completed to turn Isetan (Singapore) Limited, a subsidiary of Isetan Mitsukoshi Ltd., into a wholly owned subsidiary, and the company was delisted from the Singapore Exchange.

Segment net sales amounted to ¥219,821 million, up 5.4% year-on-year, and operating profit was ¥29,551 million, up 76.0% year-on-year.

2) Credit & finance business/ Customer organization management business

MICARD Co.LTD. enjoyed an increase in revenue due to the expansion of installment fees and the acquisition of income in collaboration with Group department stores. In addition, selling, general and administrative expenses were significantly reduced due to initiatives to reform the income and expenditure structure, which resulted in a significant increase in revenue.

As part of our growth strategy, we are also promoting the development and rollout of new financial services to meet the needs of all identified customers connected through our department store business, in areas related to their overall lifestyles. The product warranty service launched last year in the watch sales area of the Isetan Shinjuku Main Store achieved its target subscription rate for watch purchasers and is performing steadily.

Segment net sales amounted to ¥16,395 million, up 4.6% year-on-year, and operating profit was ¥3,186 million, up 125.8% year-on-year.

3) Real estate business

In the real estate business, revenue increased due to tenant replacements at properties owned by the Group.

Isetan Mitsukoshi Property Design Ltd., whose strengths lie in high-quality interior and furniture production, saw sales expand mainly through construction work for the renovation of hotels, offices, and brand stores in large external development projects, and recorded an increase in revenue despite the effects of soaring raw material costs.

Segment net sales amounted to ¥13,207 million, up 20.0% year-on-year, and operating profit was ¥1,441 million, up 16.6% year-on-year.

4) Other businesses

IM Food Style Ltd., which operates a supermarket business and OEM food manufacturing business, implemented strict cost control measures in the face of rising prices and strengthened its initiatives toward the “stronger intra-Group coordination strategy.” We are working to expand sales channels for our private brands leveraging the strength of the Isetan Mitsukoshi Group, increase OEM orders, and implement campaigns targeting MICARD members, who are identified customers of the Group. In November 2024, we plan to open a new store, “QUEEN’S ISETAN Jujo store,” in the redevelopment area of Jujo Station on the JR Saikyo Line.

In the travel business, Mitsukoshi Isetan Nikko Travel,Ltd. enjoyed an increase in income due to an increase in the number of the company’s original European river cruises in response to the recovery of overseas travel demand, which has returned to pre-COVID-19 levels. Income also increased due to the handling of corporate travel through the “stronger intra-Group coordination strategy” and rapidly increasing inbound travel. In addition, as a result of its efforts to thoroughly suppress the rise in fixed costs through initiatives to reform the income and expenditure structure, it achieved significant increases in both revenue and income.

In the media business, Studio Alta Co., Ltd., as the Group’s integrated house agency, achieved significant increases in both revenue and income due to the expansion of the department store advertising media sales business (outdoor advertising, digital signage, etc.), the integration of the operations to produce Group’s advertising and decoration, and an increase in external sales through the utilization of accumulated know-how and assets.

Segment net sales amounted to ¥44,789 million, up 5.4% year-on-year, and operating profit was ¥572 million, down 13.8% year-on-year.

(2) Explanation Regarding Financial Position

Assets, Liabilities and Net Assets

Total assets at the end of the first half of the fiscal year under review amounted to ¥1,193,952 million, a decrease of ¥31,150 million from the end of the previous fiscal year. This was mainly attributable to the repayment of interest-bearing debt, the payment of dividends, and a decrease in cash and deposits resulting from the acquisition of treasury shares.

Total liabilities amounted to ¥591,974 million, a decrease of ¥32,304 million from the end of the previous fiscal year. This was mainly attributable to a decrease in notes and accounts payable - trade due to seasonal factors and the repayment of interest-bearing debt.

Net assets amounted to ¥601,978 million, an increase of ¥1,154 million from the end of the previous fiscal year. This was mainly attributable to the fact that while we recorded profit attributable to owners of parent, we also paid dividends and acquired treasury shares.

Cash Flows

Net cash provided by operating activities amounted to ¥32,565 million, an increase in inflows of ¥22,402 million from the first half of the previous fiscal year. This was mainly attributable to such factors as an increase in decrease (increase) in trade receivables, despite a decrease in increase (decrease) in trade payables.

Net cash used in investing activities amounted to ¥20,040 million, an increase in outflows of ¥2,413 million from the first half of the previous fiscal year. This was mainly attributable to such factors as the purchase of short-term and long-term investment securities.

Net cash used in financing activities amounted to ¥46,971 million, an increase in outflows of ¥23,230 million from the first half of the previous fiscal year. This was mainly attributable to such factors as the purchases of shares of subsidiaries not resulting in change in scope of consolidation and the purchase of treasury shares.

As a result, cash and cash equivalents at the end of the first half of the fiscal year under review were ¥39,184 million, a decrease of ¥33,206 million from the end of the previous fiscal year.

(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results

No changes have been made to the forecast of full-year consolidated results for the fiscal year ending March 31, 2025 announced on August 9, 2024.

2.Semi-annual Consolidated Financial Statements

(1)Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	68,177	36,084
Notes and accounts receivable - trade, and contract assets	154,501	141,855
Securities	1,183	1,397
Merchandise and finished goods	24,151	24,131
Work in process	487	775
Raw materials and supplies	616	594
Other	41,772	44,564
Allowance for doubtful accounts	(4,114)	(3,669)
Total current assets	286,776	245,735
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	146,132	142,806
Land	529,485	533,656
Other, net	29,213	28,667
Total property, plant and equipment	704,831	705,130
Intangible assets		
Software	17,234	16,700
Goodwill	9,489	9,067
Other	23,366	23,511
Total intangible assets	50,090	49,279
Investments and other assets		
Investment securities	132,956	142,280
Other	50,874	51,986
Allowance for doubtful accounts	(468)	(496)
Total investments and other assets	183,362	193,770
Total non-current assets	938,284	948,181
Deferred assets		
Bond issuance costs	41	36
Total deferred assets	41	36
Total assets	1,225,103	1,193,952

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	116,091	104,465
Short-term borrowings	22,454	21,504
Commercial papers	25,000	15,000
Income taxes payable	6,927	12,349
Reserve for loss from redemption of gift vouchers	13,242	13,238
Provisions	14,747	9,608
Other	194,711	184,475
Total current liabilities	393,175	360,641
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	53,300	54,500
Deferred tax liabilities	111,560	111,728
Retirement benefit liability	30,855	30,907
Provisions	18	11
Other	15,369	14,184
Total non-current liabilities	231,103	231,332
Total liabilities	624,278	591,974
Net assets		
Shareholders' equity		
Share capital	51,470	51,501
Capital surplus	323,857	302,797
Retained earnings	210,679	227,816
Treasury shares	(32,990)	(33,979)
Total shareholders' equity	553,017	548,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,329	12,934
Deferred gains or losses on hedges	0	(9)
Foreign currency translation adjustment	27,652	37,591
Remeasurements of defined benefit plans	1,919	1,929
Total accumulated other comprehensive income	40,901	52,445
Share acquisition rights	499	436
Non-controlling interests	6,405	961
Total net assets	600,824	601,978
Total liabilities and net assets	1,225,103	1,193,952

(2)Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	248,518	264,093
Cost of sales	100,637	102,389
Gross profit	147,880	161,703
Selling, general and administrative expenses	127,689	126,819
Operating profit	20,190	34,884
Non-operating income		
Interest income	244	409
Dividend income	303	341
Share of profit of entities accounted for using equity method	3,606	4,063
Other	662	1,601
Total non-operating income	4,816	6,416
Non-operating expenses		
Interest expenses	396	347
Foreign exchange losses	-	557
Loss on retirement of non-current assets	780	719
Other	924	965
Total non-operating expenses	2,100	2,589
Ordinary profit	22,907	38,711
Extraordinary losses		
Impairment losses	362	451
Loss on store closings	-	747
Business restructuring expenses	20	-
Total extraordinary losses	382	1,199
Profit before income taxes	22,525	37,512
Income taxes	7,682	12,157
Profit	14,843	25,354
Loss attributable to non-controlling interests	(22)	(39)
Profit attributable to owners of parent	14,865	25,394

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	14,843	25,354
Other comprehensive income		
Valuation difference on available-for-sale securities	3,643	(360)
Deferred gains or losses on hedges	(1)	(9)
Foreign currency translation adjustment	1,872	3,991
Remeasurements of defined benefit plans, net of tax	92	9
Share of other comprehensive income of entities accounted for using equity method	7,254	8,441
Total other comprehensive income	12,862	12,072
Comprehensive income	27,705	37,426
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,241	36,938
Comprehensive income attributable to non-controlling interests	464	488

(3)Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	22,525	37,512
Depreciation	12,222	12,119
Impairment losses	362	559
Amortization of goodwill	421	421
Increase (decrease) in provision for bonuses	(3,581)	(5,110)
Increase (decrease) in allowance for doubtful accounts	(27)	(451)
Increase (decrease) in retirement benefit liability	269	24
Interest and dividend income	(547)	(751)
Interest expenses	396	347
Foreign exchange losses (gains)	(143)	557
Share of loss (profit) of entities accounted for using equity method	(3,606)	(4,063)
Decrease (increase) in trade receivables	(15,615)	13,207
Decrease (increase) in inventories	(522)	43
Increase (decrease) in trade payables	(6,239)	(12,182)
Increase (decrease) in accrued expenses	810	(1,912)
Increase (decrease) in accounts payable - other	106	(4,201)
Other, net	1,341	(3,199)
Subtotal	8,171	32,919
Interest and dividends received	5,323	5,929
Interest paid	(397)	(358)
Income taxes paid	(4,746)	(6,394)
Income taxes refund	1,812	468
Net cash provided by (used in) operating activities	10,163	32,565
Cash flows from investing activities		
Payments into time deposits	(543)	(10)
Proceeds from withdrawal of time deposits	10	10
Purchase of property, plant and equipment	(13,740)	(13,915)
Purchase of intangible assets	(3,321)	(2,725)
Proceeds from refund of leasehold and guarantee deposits	1,026	904
Purchase of short-term and long-term investment securities	(551)	(2,823)
Proceeds from sale and redemption of short-term and long-term investment securities	707	742
Other, net	(1,214)	(2,223)
Net cash provided by (used in) investing activities	(17,626)	(20,040)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	122	176
Proceeds from long-term borrowings	-	2,500
Repayments of long-term borrowings	(10,000)	(2,500)
Redemption of bonds	(10,000)	-
Purchase of treasury shares	(6)	(11,656)
Net increase (decrease) in commercial papers	-	(10,000)
Dividends paid	(3,041)	(8,220)
Repayments of lease liabilities	(815)	(1,108)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(16,161)
Other, net	0	0
Net cash provided by (used in) financing activities	(23,741)	(46,971)
Effect of exchange rate change on cash and cash equivalents	1,234	1,239
Net increase (decrease) in cash and cash equivalents	(29,970)	(33,206)
Cash and cash equivalents at beginning of period	109,039	72,390
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	669	-
Cash and cash equivalents at end of period	79,738	39,184

(4) Notes Regarding Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Adoption of special accounting treatment used in preparation of the interim consolidated financial statements)

Calculation of tax expenses

The effective tax rate on profit before income taxes for the current fiscal year after tax effect accounting is reasonably estimated, and such estimated tax rate is applied to profit before income taxes for the interim period to calculate the estimated tax expenses.

(Change in accounting policy)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the "Amended Accounting Standard 2022") and other standards are applied starting from the beginning of the first half of the fiscal year under review. Previously, corporate, inhabitant, and enterprise taxes on income (hereinafter referred to as "income taxes") were calculated in accordance with laws and regulations and recorded as profit or loss. However, the Company has decided to record income taxes separately as profit or loss, shareholders' equity, or other comprehensive income according to the transactions that are the source of the taxes, and for income taxes recorded in accumulated other comprehensive income, to record the corresponding amount of income taxes in profit or loss at the time when the transaction which gave rise to the imposition of such taxes is recorded in profit or loss. In cases where a taxable transaction relates to shareholders' equity or other comprehensive income in addition to profit or loss, and it is difficult to calculate the amount of income taxes levied on shareholders' equity or other comprehensive income, the relevant tax amount is recorded in profit or loss.

The amendment of the classification of income taxes (taxation on other comprehensive income) is in accordance with the transitional treatment stipulated in the proviso of paragraph 20-3 of the Amended Accounting Standard 2022 and the transitional treatment stipulated in the proviso of paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "Amended Implementation Guidance 2022"). This change in accounting policy has no effects on the interim consolidated financial statements.

In addition, with respect to the amendment related to the revision of treatment in the consolidated financial statements in the case that gains (losses) on sales of subsidiary shares between consolidated companies are deferred for tax purposes, the Amended Implementation Guidance 2022 is applied starting from the beginning of the first half of the fiscal year under review. This change in accounting policy is applied retrospectively, and the interim consolidated financial statements and the consolidated financial statements for the previous fiscal year are those after its retrospective application. This change in accounting policy has no effects on the interim consolidated financial statements and the consolidated financial statements for the previous fiscal year.

(Segment information)

[Segment information]

I. First half of the previous consolidated accounting period (April 1, 2023 to September 30, 2023)

1. Information concerning segment net sales, income and losses

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on interim Consolidated Statement of Income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Net sales								
Sales to outside customers	206,918	9,502	8,958	225,378	23,139	248,518	-	248,518
Intersegment sales or transfer	1,608	6,169	2,045	9,823	19,341	29,164	(29,164)	-
Subtotal	208,526	15,671	11,003	235,202	42,480	277,682	(29,164)	248,518
Segment income	16,786	1,411	1,237	19,434	664	20,099	91	20,190

(Note)

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, and travel business that are not included in other reporting segments.
2. The segment income adjustment of ¥91 million is intersegment eliminations, unrealized income, etc.
3. Segment income is adjusted to match operating profit.

2. Information concerning assets by segment

Disclosure is omitted due to immateriality.

3. Information concerning impairment losses on non-current assets or goodwill by segment

(Significant impairment losses related to non-current assets)

Disclosure is omitted due to immateriality.

(Significant changes in the amount of goodwill)

Disclosure is omitted due to immateriality.

II. First half of the current consolidated accounting period (April 1, 2024 to September 30, 2024)

1. Information concerning segment net sales, income and losses

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on interim Consolidated Statement of Income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Net sales								
Sales to outside customers	218,161	9,715	11,122	239,000	25,093	264,093	-	264,093
Intersegment sales or transfer	1,660	6,679	2,085	10,424	19,696	30,121	(30,121)	-
Subtotal	219,821	16,395	13,207	249,425	44,789	294,214	(30,121)	264,093
Segment income	29,551	3,186	1,441	34,180	572	34,753	131	34,884

(Note)

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, advertising, media, and travel business that are not included in other reporting segments.
2. The segment income adjustment of ¥131 million is intersegment eliminations, unrealized income, etc.
3. Segment income is adjusted to match operating profit.

2. Information concerning impairment losses on non-current assets or goodwill by segment

(Significant impairment losses related to non-current assets)

The “Department store business” segment recorded an impairment loss of ¥559 million. In the interim consolidated statements of income, ¥107 million of this impairment loss is included in “loss on store closings” under extraordinary losses.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant subsequent events)

At a meeting of the Board of Directors held on November 13, 2024, the Company resolved matters pertaining to the acquisition of treasury shares in accordance with Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the said Act, and also resolved to cancel treasury shares in accordance with Article 178 of the Companies Act.

1. Reason for purchase and cancellation of treasury shares

The Company is committed to returning profits to shareholders while seeking to increase corporate value over the long term. In light of current financial condition, stock price level and other factors, the Company decided to repurchase its own shares, as follows. All of the acquired treasury shares will be cancelled.

2. Details of matters pertaining to acquisition

(1) Type of shares to be acquired: Common shares

(2) Total number of shares to be acquired: 5,000,000 shares (maximum)

(3) Total amount of share acquisition costs: 10,000,000,000 yen (maximum)

(4) Period of acquisition: November 14, 2024 to March 14, 2025

(5) Method of acquisition: Market purchase on the Tokyo Stock Exchange

3. Details of matters pertaining to cancellation

(1) Class of shares to be cancelled: Common shares

(2) Number of shares to be cancelled: All of the treasury shares acquired through 2.above

(3) Scheduled date of cancellation: March 31, 2025