



ISETAN MITSUKOSHI HOLDINGS

Financial Results Handout for the Second Quarter of the Fiscal Year Ending March 31, 2017

Contents

I . Isetan Mitsukoshi Holdings Consolidated Results

1. Outline of Consolidated Business Results	P.1
2. Consolidated Selling, General and Administrative Expenses	P.3
3. Consolidated Non-operating Income/Loss	P.3
4. Consolidated Extraordinary Gain/Loss	P.4
5. Consolidated Capital Investment	P.4
6. Net Sales by Segment and Operating Income/Loss	P.5
7. Consolidated Companies	P.6

II . Isetan Mitsukoshi Ltd. Non-consolidated Business Results

1. Outline of Non-consolidated Business Results	P.10
2. Net Sales	P.12

November 8, 2016
Isetan Mitsukoshi Holdings Ltd.

I . Isetan Mitsukoshi Holdings Consolidated Results

1. Outline of Consolidated Business Results

(1) Consolidated Business Results

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Net sales	581,618	1,272,130	613,868	1,287,253	582,173	1,250,000
YoY (%)	96.5	96.3	105.5	101.2	94.8	97.1
YoY difference	(21,231)	(49,382)	32,249	15,123	(31,694)	(37,253)
Gross profit	162,979	355,456	173,023	361,768	171,430	370,000
YoY (%)	95.6	96.1	106.2	101.8	99.1	102.3
YoY difference	(7,581)	(14,565)	10,043	6,311	(1,592)	8,231
Operating income	9,759	33,083	14,499	33,107	6,100	24,000
YoY (%)	77.3	95.5	148.6	100.1	42.1	72.5
YoY difference	(2,871)	(1,562)	4,740	23	(8,398)	(9,107)
Recurring income	11,211	34,563	16,823	36,704	7,578	25,000
YoY (%)	83.5	89.9	150.1	106.2	45.0	68.1
YoY difference	(2,212)	(3,876)	5,611	2,141	(9,244)	(11,704)
Net income attributable to parent company shareholders	6,102	29,886	10,868	26,506	8,338	13,000
YoY (%)	82.0	141.2	178.1	88.7	76.7	49.0
YoY difference	(1,337)	8,720	4,765	(3,380)	(2,529)	(13,506)
Net income per share (yen)	15.46	75.74	27.57	67.41	21.29	33.19
YoY difference (yen)	(3.39)	22.10	12.11	(8.33)	(6.28)	(34.22)
Gross profit margin (%)	28.02	27.94	28.19	28.10	29.45	29.60
YoY difference (%)	(0.27)	(0.06)	0.16	0.16	1.26	1.50
Operating profit margin (%)	1.7	2.6	2.4	2.6	1.0	1.9
YoY difference (%)	(0.4)	(0.0)	0.7	(0.0)	(1.3)	(0.7)
Recurring profit margin (%)	1.9	2.7	2.7	2.9	1.3	2.0
YoY difference (%)	(0.3)	(0.2)	0.8	0.1	(1.4)	(0.9)
Return on sales (%)	1.0	2.3	1.8	2.1	1.4	1.0
YoY difference (%)	(0.2)	0.7	0.7	(0.3)	(0.3)	(1.0)

(2) Consolidated Financial Position

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Total assets	1,231,894	1,291,560	1,274,742	1,293,043	1,242,027	1,300,000
YoY (%)	101.2	100.5	103.5	100.1	97.4	100.5
YoY difference	14,494	6,902	42,848	1,483	(32,714)	6,956
Net assets	538,048	577,655	586,606	574,316	564,210	583,000
YoY (%)	103.4	106.8	109.0	99.4	96.2	101.5
YoY difference	17,795	36,585	48,558	(3,338)	(22,396)	8,683
Interest-bearing debt	169,398	160,601	160,877	175,871	176,678	175,000
YoY (%)	91.2	93.8	95.0	109.5	109.8	99.5
YoY difference	(16,340)	(10,683)	(8,520)	15,270	15,801	(871)
Net financial revenue	296	463	305	446	296	300
YoY (%)	104.3	98.9	103.0	96.3	97.2	67.2
YoY difference	12	(5)	8	(16)	(8)	(146)
Return on assets (ROA) (%)	-	2.6	-	2.6	-	1.9
YoY difference (%)	-	(0.2)	-	(0.0)	-	(0.7)
Return on equity (ROE) (%)	-	5.5	-	4.7	-	2.3
YoY difference (%)	-	1.3	-	(0.8)	-	(2.4)
Rate of return on invested capital (ROIC) (%)*	-	3.0	-	3.0	-	2.2
YoY difference (%)	-	(0.1)	-	0.0	-	(0.8)
Shareholder's equity ratio (%)	42.4	43.4	44.7	43.6	44.6	44.0
YoY difference (%)	0.9	2.6	2.4	0.2	(0.1)	0.4
Interest-bearing debt dependency (%)	13.8	12.4	12.6	13.6	14.2	13.5
YoY difference (%)	(1.5)	(0.9)	(1.1)	1.2	1.6	(0.1)
Consolidated debt equity ratio (DER) (times)	0.32	0.29	0.28	0.31	0.32	0.31
YoY difference (time)	(0.04)	(0.04)	(0.04)	0.03	0.04	(0.01)

*Rate of return on invested capital (ROIC) = Consolidated operating income after deducting taxes/(Interest-bearing debt + Shareholder's equity)

(3) Consolidated Business Results of Consolidated Cash Flows

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Cash flows from operating activities	5,594	49,448	8,458	43,099	(3,844)	31,000
YoY difference	(509)	3,425	2,864	(6,348)	(12,303)	(12,099)
Cash flows from investing activities	(18,112)	(34,374)	(12,218)	(24,481)	(13,020)	(32,000)
YoY difference	(9,054)	(15,152)	5,893	9,893	(801)	(7,518)
Cash flows from financing activities	(7,009)	(17,372)	(5,670)	(3,711)	(1,967)	(6,000)
YoY difference	(6,149)	(1,221)	1,339	13,661	3,703	(2,288)
Cash and cash equivalents at end of period	30,412	50,299	40,951	64,238	43,192	57,000
YoY difference	(4,382)	(301)	10,539	13,938	2,240	(7,238)

(4) Others

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Capital investment	8,180	29,279	17,215	40,043	13,221	39,000
YoY (%)	95.5	92.7	210.5	136.8	76.8	97.4
YoY difference	(388)	(2,289)	9,035	10,763	(3,993)	(1,043)
Number of employees	12,577	12,286	12,614	12,285	12,331	12,300
YoY (%)	98.9	97.5	100.3	100.0	97.8	100.1
YoY difference	(136)	(317)	37	(1)	(283)	15
Number of consolidated subsidiaries (as of September 30)	38	37	38	38	38	38
YoY difference	0	(1)	0	1	0	0
Number of equity-method affiliates (as of September 30)	9	8	8	8	8	8
YoY difference	1	0	(1)	0	0	0
Cash dividends per share (yen)	0.00	11.00	6.00	12.00	6.00	12.00
(Figures under "Full Year" are total annual dividends)	YoY difference (yen)	0.00	0.00	6.00	1.00	0.00

2. Consolidated Selling, General and Administrative Expenses

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Selling, general and administrative expenses	153,220	322,372	158,523	328,660	165,329	346,000
YoY (%)	97.0	96.1	103.5	102.0	104.3	105.3
YoY difference	(4,709)	(13,003)	5,302	6,287	6,806	17,339
Advertising expenses	10,264	22,439	10,240	22,440	10,518	22,000
YoY (%)	83.6	81.7	99.8	100.0	102.7	98.0
YoY difference	(2,016)	(5,038)	(23)	0	277	(440)
Point related expenses	1,913	3,944	2,372	4,325	10,664	24,000
YoY (%)	111.9	121.8	124.0	109.7	449.5	554.8
YoY difference	203	705	458	381	8,292	19,674
Personnel expenses	55,714	119,063	56,833	121,611	57,008	119,000
YoY (%)	98.9	98.0	102.0	102.1	100.3	97.9
YoY difference	(602)	(2,426)	1,119	2,548	174	(2,611)
Depreciation and amortization	10,928	22,818	11,161	23,020	11,924	24,500
YoY (%)	100.4	102.7	102.1	100.9	106.8	106.4
YoY difference	42	589	232	202	762	1,479
Lease payments	20,280	42,024	21,336	42,044	20,108	41,000
YoY (%)	97.9	100.6	105.2	100.0	94.2	97.5
YoY difference	(426)	263	1,055	19	(1,227)	(1,044)
Business consignment expenses	17,007	34,241	17,268	35,037	17,052	37,000
YoY (%)	100.5	95.1	101.5	102.3	98.7	105.6
YoY difference	85	(1,776)	260	796	(215)	1,962
Others	37,111	77,841	39,310	80,181	38,054	78,500
YoY (%)	94.9	93.6	105.9	103.0	96.8	97.9
YoY difference	(1,994)	(5,319)	2,199	2,339	(1,256)	(1,681)
SGA ratio (%)	26.3	25.3	25.8	25.5	28.4	27.7
YoY difference (%)	0.1	(0.0)	(0.5)	0.2	2.6	2.1

3. Consolidated Non-operating Income/Loss

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Non-operating income	4,742	14,045	5,428	16,918	4,820	14,000
YoY difference	268	(2,138)	686	2,872	(608)	(2,918)
Interest and dividend income	938	1,706	880	1,535	802	1,500
YoY difference	(21)	(81)	(57)	(170)	(78)	(35)
Equity in earnings of affiliates	1,896	2,234	2,971	5,521	2,076	3,500
YoY difference	(113)	(2,949)	1,075	3,287	(895)	(2,021)
Income from unredeemed gift vouchers	10	5,377	-	5,381	-	5,000
YoY difference	10	(279)	(10)	3	-	(381)
Gain on donated fixed assets	654	1,968	1,043	2,891	1,091	2,500
YoY difference	(56)	(178)	389	922	48	(391)
Other non-operating income	1,242	2,757	532	1,587	850	1,500
YoY difference	450	1,351	(710)	(1,169)	317	(87)
Non-operating expenses	3,289	12,565	3,104	13,320	3,342	13,000
YoY difference	(390)	176	(185)	754	237	(320)
Interest expenses	642	1,243	575	1,089	505	1,200
YoY difference	(34)	(76)	(66)	(153)	(69)	110
Loss on retirement of property and equipment	363	1,060	643	1,980	712	2,000
YoY difference	(370)	(705)	280	920	68	19
Provision of reserve for loss from redemption of gift vouchers	-	6,423	-	5,558	-	5,500
YoY difference	-	1,076	-	(865)	-	(58)
Other non-operating expenses	2,283	3,838	1,885	4,692	2,123	4,300
YoY difference	13	(118)	(398)	853	238	(392)

4. Consolidated Extraordinary Gain/Loss

(Millions of yen)

	Second Quarter of Fiscal 2016	Details
Extraordinary gain	1,156	
Gain on sales of property and equipment	1,156	Real-estate properties owned by Isetan Mitsukoshi, etc.
Extraordinary loss	1,833	
Loss on valuation of investment securities	537	
Loss on disposal of property and equipment	409	Isetan Mitsukoshi Otemachi Annex
Loss on closing of stores	886	Mitsukoshi Chiba store, Mitsukoshi Tama-center store

5. Consolidated Capital Investment

(Millions of yen)

		Fiscal 2014		Fiscal 2015		Fiscal 2016	
		Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Isetan Mitsukoshi Ltd.		4,031	16,085	8,805	20,818	5,256	17,000
	YoY (%)	77.7	77.9	218.4	129.4	59.7	81.7
	YoY difference	(1,153)	(4,557)	4,773	4,733	(3,549)	(3,818)
MICARD Co., Ltd.		996	3,636	3,045	5,710	1,944	4,883
	YoY (%)	370.5	366.7	305.6	157.0	63.8	85.5
	YoY difference	727	2,644	2,049	2,074	(1,101)	(827)
Isetan Mitsukoshi System Solutions Ltd.		1,923	5,414	3,541	7,568	3,531	8,186
	YoY (%)	95.2	99.4	184.2	139.8	99.7	108.2
	YoY difference	(97)	(32)	1,618	2,154	(10)	617
Others		1,371	4,527	1,914	7,398	2,578	9,431
	YoY (%)	120.8	97.2	139.6	163.4	134.7	127.5
	YoY difference	236	(130)	543	2,871	664	2,032
Elimination of intra-company transactions		(142)	(383)	(91)	(1,453)	(88)	(500)
	YoY (%)	-	-	-	-	-	-
	YoY difference	(101)	(213)	51	(1,069)	3	953
Total		8,180	29,279	17,215	40,043	13,221	39,000
	YoY (%)	95.5	92.7	210.5	136.8	76.8	97.4
	YoY difference	(388)	(2,289)	9,035	10,763	(3,993)	(1,043)

Note: Figures include investments made for intangible fixed assets.

6. Net Sales by Segment and Operating Income/Loss

(Millions of yen)

Net sales	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Department store business	531,291	1,172,886	565,529	1,187,389	532,330	1,148,000
YoY (%)	97.3	97.7	106.4	101.2	94.1	96.7
YoY difference	(14,731)	(28,178)	34,238	14,502	(33,199)	(39,389)
Credit & finance business/ Customer organization management business	16,591	34,492	17,705	36,225	18,390	37,000
YoY (%)	103.9	103.0	106.7	105.0	103.9	102.1
YoY difference	623	1,003	1,114	1,733	684	774
Other retail & specialty store business	28,265	57,834	27,068	55,827	26,615	57,000
YoY (%)	69.9	67.4	95.8	96.5	98.3	102.1
YoY difference	(12,169)	(27,988)	(1,197)	(2,007)	(452)	1,172
Real estate business	21,913	42,869	22,287	46,234	20,253	44,000
YoY (%)	121.7	107.7	101.7	107.8	90.9	95.2
YoY difference	3,900	3,079	373	3,364	(2,033)	(2,234)
Other businesses and adjusted amounts	(16,442)	(35,953)	(18,722)	(38,422)	(15,416)	(36,000)
YoY (%)	-	-	-	-	-	-
YoY difference	1,145	2,701	(2,280)	(2,469)	3,306	2,422
Amount listed on consolidated financial statements	581,618	1,272,130	613,868	1,287,253	582,173	1,250,000
YoY (%)	96.5	96.3	105.5	101.2	94.8	97.1
YoY difference	(21,231)	(49,382)	32,249	15,123	(31,694)	(37,253)

(Millions of yen)

Segment income (loss)	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Department store business	4,036	21,488	8,957	21,569	(458)	12,000
YoY (%)	54.2	92.6	221.9	100.4	-	55.6
YoY difference	(3,410)	(1,722)	4,921	80	(9,415)	(9,569)
Credit & finance business/ Customer organization management business	2,988	5,578	3,073	5,617	3,042	3,900
YoY (%)	139.3	107.4	102.8	100.7	99.0	69.4
YoY difference	843	385	84	38	(31)	(1,717)
Other retail & specialty store business	(501)	(277)	(734)	(1,058)	(820)	(300)
YoY (%)	-	-	-	-	-	-
YoY difference	339	41	(232)	(781)	(86)	758
Real estate business	3,455	6,382	3,104	6,323	3,162	6,500
YoY (%)	112.9	98.8	89.8	99.1	101.9	102.8
YoY difference	395	(79)	(350)	(59)	57	176
Other businesses and adjusted amounts	(219)	(89)	97	655	1,174	1,900
YoY (%)	-	-	-	-	-	-
YoY difference	(1,039)	(187)	317	745	1,076	1,244
Amount listed on consolidated financial statements	9,759	33,083	14,499	33,107	6,100	24,000
YoY (%)	77.3	95.5	148.6	100.1	42.1	72.5
YoY difference	(2,871)	(1,562)	4,740	23	(8,398)	(9,107)

7. Consolidated Companies

(1) Results for the Second Quarter of Fiscal 2016

(Millions of yen)

	Voting Rights Held Percentage (Incl. indirect ownership)	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Isetan Mitsukoshi Holdings Ltd.	-	30,959	25,579	25,674	25,659
	YoY difference	25,158	24,495	24,488	24,484
Isetan Mitsukoshi Ltd.	100.0	304,276	4,092	6,747	3,718
	YoY difference	(15,992)	(7,348)	(7,594)	(6,282)
Sapporo Marui Mitsukoshi Ltd.	100.0	28,856	(657)	(674)	(674)
	YoY difference	(112)	(308)	(309)	(309)
Hakodate Marui Imai Ltd.	100.0	3,784	(30)	(30)	(30)
	YoY difference	(166)	(49)	(49)	(42)
Sendai Mitsukoshi Ltd.	100.0	15,732	(81)	(74)	(74)
	YoY difference	(925)	(95)	(94)	(87)
Nagoya Mitsukoshi Ltd.	100.0	31,361	(184)	(164)	(164)
	YoY difference	(2,129)	(285)	(280)	(238)
Shizuoka Isetan Co., Ltd.	100.0	8,958	(71)	(70)	(70)
	YoY difference	(253)	(18)	(19)	(28)
Niigata Isetan Mitsukoshi Ltd.	100.0	21,409	(105)	(119)	(119)
	YoY difference	(296)	(108)	(166)	(149)
Hiroshima Mitsukoshi Ltd.	100.0	7,564	(156)	(156)	(156)
	YoY difference	(49)	(43)	(43)	(43)
Takamatsu Mitsukoshi Ltd.	100.0	10,569	(83)	(79)	(79)
	YoY difference	(254)	(139)	(140)	(118)
Matsuyama Mitsukoshi Ltd.	100.0	6,616	(334)	(338)	(338)
	YoY difference	(425)	(82)	(81)	(81)
Iwataya Mitsukoshi Ltd.	100.0	53,267	(543)	(567)	(567)
	YoY difference	(1,692)	(584)	(541)	(541)
Isetan (Singapore) Ltd.	52.7	10,890	(552)	(548)	(548)
	YoY difference	(3,154)	224	228	228
Isetan of Japan Sdn. Bhd.	100.0	5,382	(34)	(40)	(40)
	YoY difference	(1,869)	56	(8)	(8)
Isetan (Thailand) Co., Ltd.	49.0	1,995	(10)	(7)	(7)
	YoY difference	(335)	(39)	(46)	(46)
Isetan (China) Holdings Ltd.	100.0	68	207	210	210
	YoY difference	63	(1)	(199)	(199)
Shanghai Mei Long Zhen Isetan	80.0	4,370	(141)	(118)	(118)
	YoY difference	(1,496)	(151)	(169)	(157)
Tianjin Isetan Co., Ltd.	100.0	4,684	184	213	159
	YoY difference	(2,529)	(182)	(187)	(140)
Tianjin Binhai New District Isetan Co., Ltd.	100.0	919	(26)	(39)	(39)
	YoY difference	(342)	188	183	183
Chengdu Isetan Co., Ltd.	100.0	3,205	12	25	25
	YoY difference	(1,146)	(24)	(29)	(29)
Mitsukoshi Italia S.p.A.	100.0	678	(15)	(8)	(8)
	YoY difference	(395)	(67)	(63)	(52)
Mitsukoshi (U.S.A.) Inc.	100.0	2,361	225	227	141
	YoY difference	(403)	(113)	(113)	(74)

(Millions of yen)

	Voting Rights Held Percentage (Incl. indirect ownership) (%)	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
MICARD Co., Ltd.	100.0	16,568	3,305	3,311	2,288
	YoY difference	724	(46)	(48)	141
MI TOMONOKAI Co., Ltd.	100.0	2,248	(263)	(66)	(66)
	YoY difference	(2)	14	(24)	(24)
Isetan Mitsukoshi Food Service Ltd.	100.0	23,596	(842)	(707)	(737)
	YoY difference	(696)	(280)	(327)	(357)
Mammina Co., Ltd.	100.0	1,933	(148)	(152)	(152)
	YoY difference	183	31	33	33
Isetan Mitsukoshi Direct Shopping Ltd.	100.0	179	170	173	112
	YoY difference	(33)	162	161	210
Isetan Mitsukoshi Real Estate Co., Ltd.	95.0	1,785	254	249	910
	YoY difference	196	59	55	788
Isetan Mitsukoshi Property Design Ltd.	100.0	14,367	45	46	29
	YoY difference	(2,239)	(83)	(78)	(50)
Isetan Mitsukoshi System Solutions Ltd.	100.0	8,236	459	431	280
	YoY difference	535	443	451	300
Isetan Mitsukoshi Human Solutions Ltd.	100.0	4,373	219	219	142
	YoY difference	357	29	28	19
Isetan Mitsukoshi Business Support Ltd.	100.0	13,432	111	(28)	(28)
	YoY difference	40	21	(122)	(88)
Isetan Mitsukoshi Gift Solutions Ltd.	100.0	4,097	50	104	104
	YoY difference	889	306	304	304
Isetan Mitsukoshi Travel Co., Ltd.	100.0	2,563	47	48	48
	YoY difference	1,316	9	10	10
Leotex Co., Ltd.	100.0	1,186	(35)	(39)	(39)
	YoY difference	215	(35)	(35)	(35)
Leo Mart Co., Ltd.	100.0	1,793	(30)	(29)	(29)
	YoY difference	(230)	8	8	8
Century Trading Co., Ltd.	80.0	1,127	(41)	(37)	(38)
	YoY difference	52	8	(6)	(6)
Isetan Mitsukoshi Italia S.r.l	100.0	368	0	8	5
	YoY difference	(49)	0	(1)	1
Studio Alta Co., Ltd.	95.0	443	(6)	(9)	30
	YoY difference	(232)	68	64	104

•Isetan Mitsukoshi Travel Co., Ltd. commenced its operation on July 1, 2015 by spinning off the travel business of Isetan Mitsukoshi Ltd.

(2) Full-year Forecast for Fiscal 2016

(Millions of yen)

	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Isetan Mitsukoshi Holdings Ltd.	37,124	24,841	24,748	24,733
YoY difference	21,237	19,269	19,481	19,661
Isetan Mitsukoshi Ltd.	663,091	16,000	17,500	4,500
YoY difference	(15,994)	(8,355)	(8,187)	(12,559)
Sapporo Marui Mitsukoshi Ltd.	64,387	50	12	8
YoY difference	960	(141)	192	178
Hakodate Marui Imai Ltd.	8,233	0	1	0
YoY difference	(314)	(122)	(121)	(84)
Sendai Mitsukoshi Ltd.	33,801	250	269	176
YoY difference	(1,591)	(248)	(246)	(120)
Nagoya Mitsukoshi Ltd.	67,279	450	483	316
YoY difference	(3,531)	(397)	(395)	(505)
Shizuoka Isetan Co., Ltd.	19,543	10	13	8
YoY difference	(334)	(105)	(106)	(190)
Niigata Isetan Mitsukoshi Ltd.	45,510	250	248	163
YoY difference	(630)	(254)	(293)	(238)
Hiroshima Mitsukoshi Ltd.	15,519	(160)	(162)	(163)
YoY difference	(21)	(42)	(43)	(43)
Takamatsu Mitsukoshi Ltd.	23,165	150	158	103
YoY difference	(299)	(139)	(141)	(86)
Matsuyama Mitsukoshi Ltd.	14,086	(450)	(459)	(464)
YoY difference	(741)	(80)	(79)	(79)
Iwataya Mitsukoshi Ltd.	114,956	450	399	0
YoY difference	(2,366)	(327)	(266)	(916)
Isetan (Singapore) Ltd.	—	—	—	—
YoY difference	—	—	—	—
Isetan of Japan Sdn. Bhd.	10,586	67	53	53
YoY difference	(1,782)	110	143	205
Isetan (Thailand) Co., Ltd.	4,312	29	39	39
YoY difference	63	8	11	18
Isetan (China) Holdings Ltd.	104	191	207	207
YoY difference	57	34	(134)	(134)
Shanghai Mei Long Zhen Isetan	8,199	(266)	(222)	(201)
YoY difference	(2,164)	(172)	(205)	27
Tianjin Isetan Co., Ltd.	8,757	252	309	249
YoY difference	(3,158)	(179)	(192)	(117)
Tianjin Binhai New District Isetan Co., Ltd.	1,816	(22)	(54)	(54)
YoY difference	(350)	409	406	1,060
Chengdu Isetan Co., Ltd.	6,247	62	59	59
YoY difference	(1,553)	20	30	30
Mitsukoshi Italia S.p.A.	1,509	7	15	8
YoY difference	(515)	(98)	(73)	(47)
Mitsukoshi (U.S.A.) Inc.	4,897	464	466	289
YoY difference	(717)	(172)	(177)	(110)

•The full year forecast for Isetan (Singapore) Ltd., which is listed on the local stock market, is not included.

(Millions of yen)

	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
MICARD Co., Ltd.	33,760	4,425	4,448	3,072
YoY difference	1,650	(2,075)	(2,036)	(1,083)
MI TOMONOKAI Co., Ltd.	4,851	(557)	50	39
YoY difference	(41)	(23)	(126)	(5)
Isetan Mitsukoshi Food Service Ltd.	50,423	(660)	(549)	(626)
YoY difference	517	174	354	409
Mammina Co., Ltd.	4,556	(18)	(30)	(37)
YoY difference	864	329	316	316
Isetan Mitsukoshi Direct Shopping Ltd.	420	393	398	247
YoY difference	(21)	269	269	249
Isetan Mitsukoshi Real Estate Co., Ltd.	3,466	354	348	975
YoY difference	(459)	(2)	(3)	739
Isetan Mitsukoshi Property Design Ltd.	32,937	465	462	0
YoY difference	(1,201)	85	91	(242)
Isetan Mitsukoshi System Solutions Ltd.	17,035	431	362	226
YoY difference	752	(229)	(255)	362
Isetan Mitsukoshi Human Solutions Ltd.	9,044	267	267	173
YoY difference	703	34	37	18
Isetan Mitsukoshi Business Support Ltd.	28,214	54	(81)	(81)
YoY difference	327	51	(89)	(82)
Isetan Mitsukoshi Gift Solutions Ltd.	8,391	60	175	175
YoY difference	651	423	412	482
Isetan Mitsukoshi Travel Co., Ltd.	5,463	110	111	111
YoY difference	1,635	88	88	135
Leotex Co., Ltd.	2,443	(33)	(40)	(41)
YoY difference	256	(22)	(19)	(19)
Leo Mart Co., Ltd.	4,367	(38)	(36)	(38)
YoY difference	241	13	14	11
Century Trading Co., Ltd.	3,177	15	20	20
YoY difference	89	2	(17)	(17)
Isetan Mitsukoshi Italia S.r.l	571	(9)	9	2
YoY difference	(124)	(2)	(3)	(2)
Studio Alta Co., Ltd.	1,049	(26)	(29)	10
YoY difference	(196)	186	181	343

II. Isetan Mitsukoshi Ltd. Non-consolidated Business Results

1. Outline of Non-consolidated Business Results

(1) Business Results

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Net sales	297,295	656,363	320,269	679,085	304,276	663,091
YoY (%)	96.9	97.2	107.7	103.5	95.0	97.6
YoY difference	(9,469)	(18,952)	22,974	22,722	(15,992)	(15,994)
Gross profit	80,956	179,317	87,714	185,844	86,474	190,739
YoY (%)	97.7	98.2	108.3	103.6	98.6	102.6
YoY difference	(1,916)	(3,243)	6,757	6,526	(1,239)	4,894
Gross operating profit	87,447	191,810	93,522	198,028	93,150	203,558
YoY (%)	98.0	98.5	106.9	103.2	99.6	102.8
YoY difference	(1,805)	(2,901)	6,074	6,217	(371)	5,529
Operating income	8,397	24,055	11,440	24,355	4,092	16,000
YoY (%)	92.6	104.1	136.3	101.2	35.8	65.7
YoY difference	(670)	951	3,043	299	(7,348)	(8,355)
Recurring income	10,814	26,103	14,341	25,687	6,747	17,500
YoY (%)	111.0	112.1	132.6	98.4	47.0	68.1
YoY difference	1067	2820	3527	(415)	(7,594)	(8,187)
Net income	18033	28748	10000	17,059	3,718	4,500
YoY (%)	279.8	200.8	55.5	59.3	37.2	26.4
YoY difference	11,589	14,428	(8,033)	(11,688)	(6,282)	(12,559)
Gross profit margin (%)	27.23	27.32	27.39	27.37	28.42	28.77
YoY difference (%)	0.22	0.29	0.16	0.05	1.03	1.40
Gross operating profit margin (%)	29.41	29.22	29.20	29.16	30.61	30.70
YoY difference (%)	0.32	0.39	(0.21)	(0.06)	1.41	1.54
Operating profit margin (%)	2.8	3.7	3.6	3.6	1.3	2.4
YoY difference (%)	(0.1)	0.2	0.7	(0.1)	(2.2)	(1.2)
Recurring profit margin (%)	3.6	4.0	4.5	3.8	2.2	2.6
YoY difference (%)	0.5	0.5	0.8	(0.2)	(2.3)	(1.1)
Return on sales (%)	6.1	4.4	3.1	2.5	1.2	0.7
YoY difference (%)	4.0	2.3	(2.9)	(1.9)	(1.9)	(1.8)

(2) Financial Position

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Total assets	700,406	713,226	666,845	668,369	662,098	673,000
YoY (%)	103.1	99.8	95.2	93.7	99.3	100.7
YoY difference	20,857	(1,443)	(33,561)	(44,856)	(4,746)	4,630
Total net assets	221,707	228,431	238,137	238,118	216,124	218,000
YoY (%)	110.0	111.0	107.4	104.2	90.8	91.6
YoY difference	20,217	22,644	16,430	9,686	(22,013)	(20,118)
Return on assets (ROA) (%)	-	3.4	-	3.5	-	2.4
YoY difference (%)	-	0.1	-	0.2	-	(1.1)
Return on equity (ROE) (%)	-	13.3	-	7.3	-	2.0
YoY difference (%)	-	6.1	-	(6.0)	-	(5.3)
Shareholder's equity ratio (%)	31.7	32.0	35.7	35.6	32.6	32.4
YoY difference (%)	2.0	3.2	4.1	3.6	(3.1)	(3.2)

(3) Selling, General and Administrative Expenses

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Selling, general and administrative expenses	79,050	167,754	82,081	173,672	89,058	187,558
YoY (%)	98.6	97.8	103.8	103.5	108.5	108.0
YoY difference	(1,135)	(3,853)	3,030	5,918	6,977	13,885
Advertising expenses	4,847	10,672	4,907	10,982	4,785	10,239
YoY (%)	104.1	100.4	101.2	102.9	97.5	93.2
YoY difference	191	38	59	310	(121)	(743)
Point related expenses	-	-	-	-	5,301	12,108
YoY (%)	-	-	-	-	-	-
YoY difference	-	-	-	-	5,301	12,108
Personnel expenses	25,066	55,818	26,262	58,582	26,774	56,546
YoY (%)	96.5	96.7	104.8	105.0	101.9	96.5
YoY difference	(910)	(1,918)	1,196	2,764	511	(2,036)
Depreciation and amortization	5,310	10,746	5,275	10,977	5,291	10,203
YoY (%)	103.0	101.9	99.3	102.2	100.3	92.9
YoY difference	155	198	(35)	231	16	(774)
Lease payments	5,885	11,660	5,907	12,024	6,410	12,970
YoY (%)	86.9	86.2	100.4	103.1	108.5	107.9
YoY difference	(885)	(1,863)	22	364	502	945
Business consignment expenses	9,121	18,924	9,317	19,466	10,049	21,419
YoY (%)	102.5	102.1	102.2	102.9	107.9	110.0
YoY difference	219	394	196	542	732	1,952
Others	28,819	59,933	30,411	61,639	30,445	64,073
YoY (%)	100.3	98.8	105.5	102.8	100.1	103.9
YoY difference	93	(703)	1,591	1,706	34	2,433
SGA ratio (%)	26.6	25.6	25.6	25.6	29.3	28.3
YoY difference (%)	0.5	0.1	(1.0)	0.0	3.6	2.7

(4) Others

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Capital investment	4,031	16,085	8,805	20,818	5,256	17,000
YoY (%)	77.7	77.9	218.4	129.4	59.7	81.7
YoY difference	(1,153)	(4,557)	4,773	4,733	(3,549)	(3,818)
Number of employees	5,544	5,480	5,453	5,290	5,367	5,300
YoY (%)	98.3	100.2	98.4	96.5	98.4	100.2
YoY difference	(98)	9	(91)	(190)	(86)	10

2. Net Sales

(1) Net Sales by Store

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter	Full Year (forecast)
Isetan Shinjuku Main Store	115,993	258,497	127,545	272,465	122,782	269,490
YoY (%)	96.7	97.4	110.0	105.4	96.3	98.9
YoY difference	(4,008)	(6,953)	11,551	13,968	(4,762)	(2,975)
Mitsukoshi Nihombashi Main store	76,175	165,560	79,452	168,316	77,162	166,705
YoY (%)	95.3	95.3	104.3	101.7	97.1	99.0
YoY difference	(3,757)	(8,080)	3,276	2,755	(2,289)	(1,611)
Mitsukoshi Ginza store	32,433	74,428	40,985	85,292	37,638	82,110
YoY (%)	104.7	107.5	126.4	114.6	91.8	96.3
YoY difference	1,445	5,207	8,551	10,864	(3,346)	(3,182)
Isetan Tachikawa store	17,721	38,539	17,654	37,380	16,609	35,192
YoY (%)	98.7	97.2	99.6	97.0	94.1	94.1
YoY difference	(236)	(1,103)	(67)	(1,158)	(1,044)	(2,188)
Isetan Matsudo store	9,113	19,796	9,110	19,225	8,499	17,945
YoY (%)	93.8	92.8	100.0	97.1	93.3	93.3
YoY difference	(598)	(1,537)	(2)	(571)	(611)	(1,280)
Isetan Urawa store	19,316	42,325	19,567	41,897	18,791	40,262
YoY (%)	97.7	95.9	101.3	99.0	96.0	96.1
YoY difference	(456)	(1,811)	251	(427)	(776)	(1,635)
Isetan Sagamihara store	11,062	24,039	10,910	22,949	9,659	20,331
YoY (%)	95.3	94.3	98.6	95.5	88.5	88.6
YoY difference	(543)	(1,465)	(152)	(1,089)	(1,250)	(2,618)
Isetan Fuchu store	9,081	19,592	8,985	18,901	7,466	15,716
YoY (%)	94.8	93.9	98.9	96.5	83.1	83.1
YoY difference	(498)	(1,263)	(96)	(690)	(1,519)	(3,185)
Mitsukoshi Chiba store	6,396	13,584	6,057	12,655	5,667	15,340
YoY (%)	88.7	87.5	94.7	93.2	93.6	121.2
YoY difference	(815)	(1,943)	(338)	(928)	(390)	2,684
Total	297,295	656,363	320,269	679,085	304,276	663,091
YoY (%)	96.9	97.2	107.7	103.5	95.0	97.6
YoY difference	(9,469)	(18,952)	22,974	22,722	(15,992)	(15,994)

(2) Net Sales by Month

(Millions of yen)

		April	May	June	July	August	September	First half total
Fiscal 2014	Store total	45,374	48,668	52,228	59,687	43,386	47,950	297,295
	YoY (%)	89.9	95.4	95.4	99.9	101.1	100.2	96.9
Fiscal 2015	Store total	52,917	54,483	57,029	62,190	45,163	48,484	320,269
	YoY (%)	116.6	111.9	109.2	104.2	104.1	101.1	107.7
Fiscal 2016	Store total	50,555	49,736	54,372	61,929	40,992	46,690	304,276
	YoY (%)	95.5	91.3	95.3	99.6	90.8	96.3	95.0

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

(Millions of yen)

Second Quarter of Fiscal 2016	Net Sales			Sales Composition		Gross Profit Margin	
	Amount	YoY (%)	YoY difference	Net sales by goods (%)	YoY difference	Gross profit margin by goods (%)	YoY difference
Sales of apparel	108,913	94.2	(6,653)	35.8	(0.3)	32.57	1.02
(Men's clothing)	32,674	94.4	(1,955)	10.7	(0.1)	35.60	1.21
(Women's clothing)	61,445	93.4	(4,362)	20.2	(0.4)	30.84	0.92
(Children's clothing)	7,213	98.5	(109)	2.4	0.1	31.11	1.01
(Formal wear and bedding)	7,579	97.1	(225)	2.5	0.1	34.90	0.89
Accessories	37,907	93.7	(2,537)	12.5	(0.2)	30.09	0.84
Sundry goods	60,069	97.4	(1,586)	19.7	0.5	29.04	1.64
(Cosmetics)	28,038	110.1	2,577	9.2	1.3	32.77	2.47
(Fine arts, jewelries, precious metals)	22,150	86.0	(3,590)	7.3	(0.8)	24.90	0.23
(Other sundry goods)	9,880	94.5	(572)	3.2	(0.0)	27.71	0.65
Household	13,196	88.1	(1,777)	4.3	(0.3)	30.35	1.57
Foods	65,227	96.8	(2,125)	21.4	0.4	22.51	0.75
Others	18,962	93.5	(1,312)	6.2	(0.1)	18.29	0.68
Total	304,276	95.0	(15,992)	100.0	0.0	28.42	1.03

(4) Net Sales by Category

(Millions of yen)

	Fiscal 2014		Fiscal 2015		Fiscal 2016
	Second Quarter	Full Year	Second Quarter	Full Year	Second Quarter
Cash sale	125,630	281,836	143,170	303,073	127,992
Composition (%)	42.3	42.9	44.7	44.6	42.1
YoY (%)	96.8	98.8	114.0	107.5	89.4
Credit sale	171,664	374,527	177,099	376,011	176,284
Composition (%)	57.7	57.1	55.3	55.4	57.9
YoY (%)	97.0	96.0	103.2	100.4	99.5
of which, sales of MICARD	152,291	333,148	157,712	333,833	155,649
Composition (%)	51.2	50.8	49.2	49.2	51.2
YoY (%)	97.8	96.7	103.6	100.2	98.7
Total	297,295	656,363	320,269	679,085	304,276
Composition (%)	100.0	100.0	100.0	100.0	100.0
YoY (%)	96.9	97.2	107.7	103.5	95.0

(5) Duty Free Sales

(Millions of yen)

Second Quarter of Fiscal 2016	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)*	YoY difference
Isetan Shinjuku Main store	10,142	78.6	(2,753)	8.3	(1.9)
Mitsukoshi Nihombashi Main store	1,097	63.6	(629)	1.4	(0.8)
Mitsukoshi Ginza store	9,125	81.5	(2,075)	24.2	(3.1)
Others	156	78.0	(44)	0.2	(0.0)
Isetan Mitsukoshi total	20,521	78.9	(5,502)	6.7	(1.4)

* Sales share represents composition ratio of duty free sales against total sales of each store.

(Reference) Duty free sales at domestic department stores outside of Tokyo area

(Millions of yen)

Second Quarter of Fiscal 2016	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference
Sapporo Marui Mitsukoshi Ltd.	896	74.5	(306)	3.1	(1.0)
Nagoya Mitsukoshi Ltd.	601	60.3	(396)	1.9	(1.1)
Iwataya Mitsukoshi Ltd.	1,221	71.8	(480)	2.3	(0.8)
Others	226	106.8	14	0.3	0.0
Total domestic regional department store:	2,946	71.6	(1,168)	1.6	(0.6)

(Millions of yen)

Second Quarter of Fiscal 2016	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference
Total domestic department stores	23,468	77.9	(6,671)	4.8	(1.1)