ISETAN MITSUKOSHI HOLDINGS

Explanatory Materials for Settlement of Consolidated Accounts for the Fiscal Year Ended March 31, 2021

Table of 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

May 12, 2021
Isetan Mitsukoshi Holdings Ltd.

I. Isetan Mitsukoshi Holdings Consolidated Results

1. Outline of Consolidated Business Results

(1) Consolidated Business Results

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Gross sales		-	-	-	-	965,000
	YoY (%)	-	-	-	-	118.3
	YoY difference	-	-	-	-	148,990
Net sales		1,256,386	1,196,803	1,119,191	816,009	447,000
	YoY (%)	100.2	95.3	93.5	72.9	54.8
	YoY difference	2,929	(59,583)	(77,611)	(303,182)	(369,009)
Gross profit		367,282	348,282	322,702	227,565	258,000
	YoY (%)	100.5	94.8	92.7	70.5	113.4
	YoY difference	1,673	(19,000)	(25,579)	(95,136)	30,434
Operating income		24,413	29,229	15,679	(20,976)	3,000
	YoY (%)	102.0	119.7	53.6	-	-
	YoY difference	477	4,816	(13,550)	(36,655)	23,976
Recurring income		27,325	31,995	19,771	(17,171)	3,000
	YoY (%)	99.7	117.1	61.8	-	-
	YoY difference	(93)	4,670	(12,223)	(36,943)	20,171
Net income attributable to parent company shareholders		(960)	13,480	(11,187)	(41,078)	1,000
	YoY (%)	-	-	-	-	-
	YoY difference	(15,936)	14,441	(24,667)	(29,891)	42,078
Net income per share (yen)		(2.47)	34.58	(28.90)	(107.96)	2.62
	YoY difference (yen)	(40.73)	37.04	(63.47)	(79.06)	110.58
Gross profit margin (%)		29.23	29.10	28.83	27.89	57.72
	YoY difference (%)	0.07	(0.13)	(0.27)	(0.95)	29.83
Operating profit margin (%)		1.9	2.4	1.4	(2.6)	0.7
	YoY difference (%)	0.0	0.5	(1.0)	(4.0)	3.2
Recurring profit margin (%)		2.2	2.7	1.8	(2.1)	0.7
	YoY difference (%)	(0.0)	0.5	(0.9)	(3.9)	2.8
Return on sales (%)		(0.1)	1.1	(1.0)	(5.0)	0.2
	YoY difference (%)	(1.3)	1.2	(2.1)	(4.0)	5.3

Note: The business results forecast shown above has been prepared after the application of "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020), which the Company will apply beginning from the Fiscal year ending March 31, 2022. As a result, the net sales forecast for the Fiscal year ending March 31, 2022 is 518,000 million yen lower than if calculated using the previous method. The net sales forecast calculated using the previous method is presented as gross sales in the table above.

(2) Consolidated Financial Positions

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Total assets		1,275,535	1,247,427	1,223,800	1,198,303	1,155,000
	YoY (%)	97.2	97.8	98.1	97.9	96.4
	YoY difference	(36,539)	(28,108)	(23,626)	(25,497)	(43,303)
Net assets		588,091	585,715	550,161	508,275	492,000
	YoY (%)	101.4	99.6	93.9	92.4	96.8
	YoY difference	8,308	(2,376)	(35,553)	(41,885)	(16,275)
Interest-bearing debt		139,972	136,746	175,548	208,884 *1	179,000
	YoY (%)	75.0	97.7	128.4	119.0	85.7
	YoY difference	(46,778)	(3,226)	38,801	33,336	(29,884)
Net financial revenue		1,294	647	578	187	0
	YoY (%)	304.0	50.0	89.4	32.5	0.0
	YoY difference	868	(647)	(68)	(390)	(187)
Return on assets (ROA) (%)		1.9	2.3	1.3	(1.7)	0.3
	YoY difference (%)	0.0	0.4	(1.0)	(3.0)	2.0
Return on equity (ROE) (%)		(0.2)	2.3	(2.0)	(7.9)	0.2
	YoY difference (%)	(2.8)	2.5	(4.3)	(5.9)	8.1
Rate of return on invested capital (ROIC) (%)*2		2.3	2.8	1.5	(2.0)	0.3
	YoY difference (%)	0.1	0.5	(1.3)	(3.6)	2.3
Shareholder's equity ratio (%)		45.2	46.1	44.3	41.9	42.1
	YoY difference (%)	1.8	0.9	(1.8)	(2.4)	0.2
Interest-bearing debt dependency (%)		11.0	11.0	14.3	17.4	15.5
	YoY difference (%)	(3.3)	(0.0)	3.4	3.1	(1.9)
Consolidated debt equity ratio (DER) (times)		0.24	0.24	0.32	0.42	0.37
	YoY difference (times	(0.09)	(0.01)	0.09	0.09	(0.05)

*1 The amount of interest-bearing debt including lease obligations is ¥215,616 million.

*2 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 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Cash flows from operating activities		72,972	28,286	16,281	1,197	21,000
	YoY difference	37,598	(44,685)	(12,005)	(15,083)	19,802
Cash flows from investing activities		(26,981)	(22,450)	(9,965)	(4,737)	(24,000)
	YoY difference	13,932	4,530	12,484	5,228	(19,262)
Cash flows from financing activities		(52,753)	(9,063)	20,259	29,733	(36,000)
	YoY difference	(55,166)	43,689	29,323	9,474	(65,733)
Cash and cash equivalents at end of perio		53,969	50,147	76,659	102,797	61,000
	YoY difference	(6,054)	(3,822)	26,511	26,138	(41,797)

(4) Others

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Capital investment		38,446	56,526	38,055	29,484	25,200
	YoY (%)	112.4	147.0	67.3	77.5	85.5
	YoY difference	4,245	18,079	(18,470)	(8,570)	(4,284)
Number of employees (regular employees		14,269	13,211	12,453	11,588	9,965
	YoY (%)	115.2	92.6	94.3	93.1	86.0
	YoY difference	1,887	(1,058)	(758)	(865)	(1,623)
Number of employees (temporary employ		11,893	10,521	9,146	8,419	7,729
	YoY (%)	94.8	88.5	86.9	92.1	91.8
	YoY difference	(646)	(1,372)	(1,375)	(727)	(690)
Number of consolidated subsidiaries		43	41	38	38	35
(as of March 31)	YoY difference	0	(2)	(3)	0	(3)
Number of equity-method affiliates		7	9	8	9	9
(as of March 31)	YoY difference	0	2	(1)	1	0
Cash dividends per share (yen)		12.00	12.00	12.00	9.00	10.00
	YoY difference (yen)	0.00	0.00	0.00	(3.00)	1.00

2. Consolidated Selling, General and Administrative Expenses

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Selling, general and administrative expenses		342,869	319,052	307,023	248,542	255,000
	YoY (%)	100.3	93.1	96.2	81.0	102.6
	YoY difference	1,195	(23,816)	(12,029)	(58,480)	6,457
Advertising expenses		20,365	19,114	18,702	10,312	11,500
	YoY (%)	94.0	93.9	97.8	55.1	111.5
	YoY difference	(1,294)	(1,250)	(411)	(8,390)	1,187
Point related expenses		22,985	21,464	19,280	15,290	3,800
	YoY (%)	99.8	93.4	89.8	79.3	24.9
	YoY difference	(52)	(1,521)	(2,183)	(3,990)	(11,490)
Personnel expenses		119,465	109,299	103,778	84,488	88,500
	YoY (%)	101.2	91.5	94.9	81.4	104.7
	YoY difference	1,426	(10,165)	(5,521)	(19,289)	4,011
Depreciation and amortization		25,272	25,734	27,021	23,629	24,600
	YoY (%)	107.3	101.8	105.0	87.4	104.1
	YoY difference	1,709	462	1,287	(3,391)	970
Lease payments		40,820	36,198	31,858	25,939	31,400
	YoY (%)	99.4	88.7	88.0	81.4	121.1
	YoY difference	(266)	(4,622)	(4,339)	(5,919)	5,460
Business consignment expenses		34,866	33,961	33,426	29,978	30,300
	YoY (%)	97.5	97.4	98.4	89.7	101.1
	YoY difference	(882)	(904)	(535)	(3,447)	321
Others		79,093	73,279	72,954	58,902	64,900
	YoY (%)	100.7	92.6	99.6	80.7	110.2
	YoY difference	554	(5,814)	(324)	(14,051)	5,997
SGA ratio (%)		27.3	26.7	27.4	30.5	57.0
	YoY difference (%)	0.0	(0.6)	0.8	3.0	26.6

3. Consolidated Non-operating Income/Loss

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Non-operating income		14,851	13,846	16,409	15,804	5,800
	YoY difference	(763)	(1,004)	2,562	(604)	(10,004)
Interest and dividend income		2,134	1,417	1,520	1,081	900
	YoY difference	722	(717)	103	(439)	(181)
Equity in earnings of affiliates		3,548	3,058	2,228	2,003	2,700
	YoY difference	(715)	(489)	(830)	(225)	696
Income from unredeemed gift vouchers		5,550	5,747	5,928	6,722	-
	YoY difference	153	196	181	794	(6,722)
Gain on donated fixed assets		2,182	2,645	5,231	3,247	1,200
	YoY difference	(368)	463	2,586	(1,984)	(2,047)
Other non-operating income		1,435	977	1,499	2,749	1,000
	YoY difference	(555)	(457)	522	1,250	(1,749)
Non-operating expenses		11,939	11,080	12,316	11,999	5,800
	YoY difference	(192)	(859)	1,236	(317)	(6,199)
Interest expenses		839	770	942	893	900
	YoY difference	(146)	(69)	171	(48)	6
Loss on retirement of property and equipment		1,615	1,342	1,233	1,757	1,200
	YoY difference	111	(273)	(108)	523	(557)
Provision of reserve for loss from redemption of gift vouche		5,500	5,744	5,873	6,445	300
	YoY difference	153	244	128	572	(6,145)
Other non-operating expenses		3,984	3,223	4,267	2,902	3,400
	YoY difference	(310)	(760)	1,044	(1,364)	497

4. Consolidated Extraordinary Gain/Loss

(Millions of yen)

	Fiscal 2020	主な内容
Extraordinary gain	13,150	
Gain on sale of stocks of subsidiaries and associate	7,151	Sale of Isetan Mitsukoshi Real Estate Co., Ltd.
Subsidies for employment adjustment	5,998	
Extraordinary loss	26,975	
Loss on disposal of property and equipment	1,205	Remodeling of Mitsukoshi Nihombashi Main Store, Niigata Isetan and Mitsukoshi Ginza Store, etc.
Impairment losses	6,605	Singapore and Sapporo Mitsukoshi, etc.
Loss on valuation of investment securities	1,230	
Loss on valuation of shares of subsidiaries and associates	599	
Loss on closing of stores	1,754	Mitsukoshi Ebisu Store, etc.
Business structure improvement expenses	2,592	Additional retirement benefit due to the NEXT CAREER Program, etc.
COVID-19-related loss	12,637	Personnel expenses: ¥5,400 million, Depreciation and amortization: ¥2,307 million,
Other extraordinary loss	349	

5. Consolidated Capital Investment

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Isetan Mitsukoshi Ltd.		22,510	48,568	28,569	21,802	12,500
	YoY (%)	119.7	215.8	58.8	76.3	57.3
	YoY difference	3,696	26,057	(19,998)	(6,766)	(9,302)
MICARD CO. Ltd.		1,837	1,259	1,251	1,425	3,000
	YoY (%)	59.0	68.5	99.4	113.9	210.5
	YoY difference	(1,275)	(577)	(7)	173	1,574
Isetan Mitsukoshi System Solutions Ltd.		4,156	4,339	4,764	4,128	5,000
	YoY (%)	65.1	104.4	109.8	86.6	121.1
	YoY difference	(2,229)	182	425	(636)	871
Others		10,256	2,760	3,696	2,181	5,000
	YoY (%)	163.4	26.9	133.9	59.0	229.1
	YoY difference	3,978	(7,496)	935	(1,514)	2,818
Elimination of intra-company transactions		(315)	(401)	(226)	(53)	(300)
	YoY (%)	-	-	-	-	-
	YoY difference	75	(85)	174	173	(246)
Total		38,446	56,526	38,055	29,484	25,200
	YoY (%)	112.4	147.0	67.3	77.5	85.5
	YoY difference	4,245	18,079	(18,470)	(8,570)	(4,284)

Note: Figures include investments made for intangible fixed assets.

6. Net Sales by Segment and Operating Income/Loss

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Department store business						
Gross sales		-	-	-	-	922,000
	YoY (%)	-	-	-	-	122.6
	YoY difference	-	-	-	-	169,868
Sales		1,132,007	1,111,202	1,035,589	752,131	409,000
	YoY (%)	98.3	98.2	93.2	72.6	54.4
	YoY difference	(19,012)	(20,805)	(75,613)	(283,457)	(343,131)
Segment income (loss)		14,484	15,313	2,203	(30,302)	(6,500)
	YoY (%)	130.6	105.7	14.4	-	-
	YoY difference	3,390	829	(13,110)	(32,506)	23,802
Credit & finance business/ Customer organization management business						
Gross sales		-	-	-	-	34,000
	YoY (%)	-	-	-	-	104.5
	YoY difference	-	-	-	-	1,457
Sales		38,906	39,116	38,595	32,542	31,000
	YoY (%)	103.0	100.5	98.7	84.3	95.3
	YoY difference	1,126	209	(520)	(6,052)	(1,542)
Segment income (loss)		5,364	6,422	5,669	4,450	4,500
	YoY (%)	99.7	119.7	88.3	78.5	101.1
	YoY difference	(16)	1,058	(752)	(1,218)	49
Real estate business						
Gross sales		-	-	-	-	22,000
	YoY (%)	-	-	-	-	77.6
	YoY difference	-	-	-	-	(6,367)
Sales		45,071	48,303	35,399	28,367	22,000
	YoY (%)	108.2	107.2	73.3	80.1	77.6
	YoY difference	3,399	3,231	(12,904)	(7,031)	(6,367)
Segment income (loss)		6,614	7,786	5,970	5,440	5,500
	YoY (%)	102.6	117.7	76.7	91.1	101.1
	YoY difference	170	1,171	(1,815)	(530)	59
Other businesses						
Gross sales		-	-	-	-	55,000
	YoY (%)	-	-	-	-	86.4
	YoY difference	-	-	-	-	(8,656)
Sales		145,441	88,970	82,418	63,656	52,000
	YoY (%)	109.0	61.2	92.6	77.2	81.7
	YoY difference	12,001	(56,470)	(6,552)	(18,761)	(11,656)
Segment income (loss)		(2,252)	(302)	1,618	(619)	(1,000)
	YoY (%)	-	-	-	-	-
	YoY difference	(3,018)	1,950	1,921	(2,237)	(380)
Amount listed on consolidated financial statements*						
Gross sales		-	-	-	-	965,000
	YoY (%)	-	-	-	-	118.3
	YoY difference	-	-	-	-	148,990
Sales		1,256,386	1,196,803	1,119,191	816,009	447,000
	YoY (%)	100.2	95.3	93.5	72.9	54.8
	YoY difference	2,929	(59,583)	(77,611)	(303,182)	(369,009)
Operating income (loss)		24,413	29,229	15,679	(20,976)	3,000
	YoY (%)	102.0	119.7	53.6	-	-
	YoY difference	477	4,816	(13,550)	(36,655)	23,976

* "Amount listed on consolidated financial statements" includes adjusted amounts.

7. Consolidated Companies
(1) Results for Fiscal 2020

(Millions of yen)

	Voting Rights Held Percentage (Incl. indirect ownership) (%)		Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Department store business						
Isetan Mitsukoshi Holdings Ltd.	-		23,728	15,069	12,388	4,191
		YoY difference	5,104	4,222	3,494	(1,532)
Isetan Mitsukoshi Ltd. *1	100.0		408,691	(14,951)	(1,627)	(13,799)
		YoY difference	(174,511)	(21,207)	(14,900)	(7,325)
Sapporo Marui Mitsukoshi Ltd.	100.0		43,552	(2,558)	(2,567)	(2,768)
		YoY difference	(17,563)	(1,850)	(1,863)	(1,637)
Hakodate Marui Imai Ltd.	100.0		5,957	(23)	(21)	(46)
		YoY difference	(1,480)	(112)	(140)	(122)
Sendai Mitsukoshi Ltd.	100.0		24,326	(869)	(866)	(1,216)
		YoY difference	(5,858)	(579)	(588)	(919)
Nagoya Mitsukoshi Ltd.	100.0		52,108	(1,506)	(1,462)	(3,389)
		YoY difference	(12,223)	(1,310)	(1,303)	(2,624)
Shizuoka Isetan Co., Ltd.	100.0		14,456	(239)	(231)	(295)
		YoY difference	(3,261)	(239)	(228)	(274)
Niigata Isetan Mitsukoshi Ltd.	100.0		31,472	320	266	(398)
		YoY difference	(11,449)	10	(82)	891
Hiroshima Mitsukoshi Ltd.	100.0		11,634	(776)	(778)	(788)
		YoY difference	(2,098)	(216)	(201)	(210)
Takamatsu Mitsukoshi Ltd.	100.0		18,270	(292)	(278)	(150)
		YoY difference	(3,261)	(54)	(49)	263
Matsuyama Mitsukoshi Ltd.	100.0		6,047	(1,253)	(1,302)	(2,908)
		YoY difference	(5,683)	(438)	(467)	(2,068)
Iwataya Mitsukoshi Ltd.	100.0		84,413	(1,020)	(807)	(1,402)
		YoY difference	(22,749)	(2,281)	(2,072)	(1,659)
Isetan (Singapore) Ltd.	52.7		5,563	52	351	(1,584)
		YoY difference	(2,769)	(107)	135	598
Isetan of Japan Sdn. Bhd.	100.0		7,284	(456)	(602)	(933)
		YoY difference	(5,204)	(550)	(859)	(1,190)
Isetan (Thailand) Co., Ltd. *2	49.0		3,004	26	158	96
		YoY difference	(1,422)	69	180	848
Isetan (China) Holdings Ltd.	100.0		7	(45)	(41)	(41)
		YoY difference	(2)	(63)	(66)	(66)
Shanghai Mei Long Zhen Isetan	80.0		6,445	(477)	(471)	(512)
		YoY difference	(1,572)	(262)	(257)	(207)
Tianjin Isetan Co., Ltd.	100.0		6,997	149	195	65
		YoY difference	(3,053)	(179)	(189)	(225)
Tianjin Binhai New District Isetan Co., Lt	100.0		1,178	9	42	23
		YoY difference	(524)	(20)	36	16
Chengdu Isetan Co., Ltd.	100.0		6,942	42	57	28
		YoY difference	(1,429)	(179)	(144)	(122)
Mitsukoshi Italia S.r.l.	100.0		339	(611)	(624)	(771)
		YoY difference	(850)	(509)	(509)	(296)
Mitsukoshi (USA) Inc.	100.0		2,435	8	17	(200)
		YoY difference	(3,634)	(711)	(764)	(784)

*1 Results for Isetan Mitsukoshi Ltd. include income/loss of the real estate segment.
*2 Isetan (Thailand) Co., Ltd. ceased operation in August 2020, and is in the process of liquidation.

(Millions of yen)

	Voting Rights Held Percentage (Incl. indirect ownership) (%)		Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Credit & finance business/ Customer organization management business						
MICARD Co., Ltd.	100.0		29,902	4,851	4,865	3,078
		YoY difference	(5,212)	(1,179)	(1,062)	(1,048)
MI TOMONOKAI Co., Ltd.	100.0		3,364	(400)	267	168
		YoY difference	(926)	(39)	82	49
Real estate business						
Isetan Mitsukoshi Real Estate Co., Ltd. *3	100.0		2,036	348	323	211
		YoY difference	(993)	(61)	(69)	(44)
Isetan Mitsukoshi Property Design Ltd.	100.0		17,590	(385)	(392)	(632)
		YoY difference	(5,983)	(932)	(954)	(1,019)
Other businesses						
Isetan Mitsukoshi System Solutions Ltd.	100.0		14,618	445	324	219
		YoY difference	(1,116)	(499)	(661)	(729)
Isetan Mitsukoshi Human Solutions Ltd.	100.0		4,549	(61)	(58)	1
		YoY difference	(2,935)	(423)	(409)	(212)
Isetan Mitsukoshi Business Support Ltd.	100.0		23,348	292	294	301
		YoY difference	(2,372)	47	52	152
Isetan Mitsukoshi Gift Solutions Ltd.	100.0		4,964	440	515	409
		YoY difference	(1,431)	165	184	21
Mitsukoshi Isetan Nikko Travel, Ltd.	100.0		1,032	(1,073)	(1,148)	(1,146)
		YoY difference	(6,006)	(1,109)	(1,177)	(1,148)
Lime Tree Cruises B.V.	–		0	(35)	(34)	(288)
		YoY difference	(439)	(70)	(59)	(309)
Lime Tree Shipping AG *4	–		0	(36)	(36)	(46)
		YoY difference	-	-	-	-
Century Trading Co., Ltd.	100.0		2,631	(36)	(26)	(14)
		YoY difference	(509)	(42)	(50)	(38)
Isetan Mitsukoshi Italia S.r.l. *5	100.0		53	(19)	(14)	(14)
		YoY difference	(229)	6	(9)	(8)
Studio Alta Co., Ltd.	100.0		648	(27)	(34)	10
		YoY difference	(168)	(166)	(166)	(120)
SWP Holdings Inc.	100.0		–	(0)	(31)	(31)
		YoY difference	-	(0)	(1)	(1)
SOCIE WORLD CO., LTD.	100.0		8,327	(1,353)	(1,047)	(1,539)
		YoY difference	(4,493)	(469)	(403)	1,276
TAIWAN SOCIE WORLD CO., LTD.	100.0		3,306	431	447	340
		YoY difference	178	38	43	24
Isetan Mitsukoshi Innovations Ltd. *4	100.0		289	160	160	90
		YoY difference	-	-	-	-

*3 Isetan Mitsukoshi Real Estate Co., Ltd. was excluded from the scope of consolidation due to the transfer of shares in January 2021.

*4 YoY difference is not presented for the two companies that were newly consolidated during the fiscal year ending March 31, 2021.

*5 The business of Isetan Mitsukoshi Italia S.r.l. was transferred to Mitsukoshi Italia S.r.l. in April 2020 and is in the process of liquidation.

(2) Full-year Forecast for Fiscal Year Ending March 31, 2022

(Millions of yen)

		Gross sales	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Department store business						
Isetan Mitsukoshi Holdings Ltd.		9,862	9,862	221	291	659
	YoY difference	(13,866)	(13,866)	(14,847)	(12,097)	(3,531)
Isetan Mitsukoshi Ltd. *1		505,100	226,587	1,379	3,091	0
	YoY difference	96,408	(182,104)	16,331	4,719	13,799
Sapporo Marui Mitsukoshi Ltd.		53,400	21,926	(1,439)	(1,447)	(1,420)
	YoY difference	9,847	(21,626)	1,119	1,120	1,347
Hakodate Marui Imai Ltd.		6,650	2,726	54	54	54
	YoY difference	692	(3,231)	77	75	101
Sendai Mitsukoshi Ltd.		27,845	12,323	(117)	(106)	(108)
	YoY difference	3,519	(12,003)	752	759	1,107
Nagoya Mitsukoshi Ltd.		60,000	16,624	(1,063)	(1,043)	(1,021)
	YoY difference	7,891	(35,484)	443	419	2,367
Shizuoka Isetan Co., Ltd.		17,000	7,681	128	132	131
	YoY difference	2,543	(6,775)	368	363	426
Niigata Isetan Mitsukoshi Ltd.		37,500	16,279	508	525	393
	YoY difference	6,027	(15,193)	188	258	791
Hiroshima Mitsukoshi Ltd.		13,237	4,835	(619)	(634)	(624)
	YoY difference	1,602	(6,799)	157	144	164
Takamatsu Mitsukoshi Ltd.		21,100	9,363	22	26	24
	YoY difference	2,829	(8,906)	315	305	175
Matsuyama Mitsukoshi Ltd.		5,525	2,401	(802)	(828)	(817)
	YoY difference	(522)	(3,645)	450	473	2,090
Iwataya Mitsukoshi Ltd.		104,749	38,070	1,129	1,099	889
	YoY difference	20,335	(46,343)	2,149	1,907	2,291
Isetan (Singapore) Ltd. *2		–	–	–	–	–
	YoY difference	–	–	–	–	–
Isetan of Japan Sdn. Bhd.		10,168	6,016	(106)	(174)	(174)
	YoY difference	2,883	(1,267)	349	428	758
Isetan (Thailand) Co., Ltd.		-	-	(43)	(40)	(40)
	YoY difference	(3,004)	(3,004)	(70)	(199)	(137)
Isetan (China) Holdings Ltd.		10	10	(93)	(93)	(93)
	YoY difference	2	2	(47)	(52)	(51)
Shanghai Mei Long Zhen Isetan		7,857	5,187	(201)	(209)	(209)
	YoY difference	1,411	(1,258)	275	262	302
Tianjin Isetan Co., Ltd.		8,541	1,820	174	120	88
	YoY difference	1,543	(5,177)	25	(75)	22
Tianjin Binhai New District Isetan Co., Ltd.		1,566	239	(0)	(5)	(5)
	YoY difference	388	(938)	(9)	(48)	(28)
Chengdu Isetan Co., Ltd.		8,301	5,152	94	88	66
	YoY difference	1,358	(1,790)	52	31	38
Mitsukoshi Italia S.r.l.		161	161	(342)	(374)	(374)
	YoY difference	(178)	(178)	268	249	397
Mitsukoshi (USA) Inc.		3,192	3,192	0	(2)	(16)
	YoY difference	757	757	(7)	(19)	184

*1 Results for Isetan Mitsukoshi Ltd. include income/loss of the real estate segment.

*2 Full-year forecast for Isetan (Singapore) Ltd., which is listed in Singapore, is not presented.

(Millions of yen)

		Gross sales	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Credit & finance business/ Customer organization management business						
MICARD Co., Ltd.		30,813	30,813	4,853	4,826	4,651
	YoY difference	911	911	1	(39)	1,573
MI TOMONOKAI Co., Ltd.		3,923	3,923	(385)	159	(218)
	YoY difference	558	558	15	(108)	(387)
Real estate business						
Isetan Mitsukoshi Property Design Ltd.		13,810	13,810	70	68	60
	YoY difference	(3,779)	(3,779)	455	461	693
Other businesses						
Isetan Mitsukoshi System Solutions Ltd.		13,076	13,076	0	(3)	(5)
	YoY difference	(1,542)	(1,542)	(445)	(327)	(224)
Isetan Mitsukoshi Human Solutions Ltd.		4,052	4,052	(75)	(81)	(83)
	YoY difference	(497)	(497)	(13)	(23)	(84)
Isetan Mitsukoshi Business Support Ltd.		25,341	25,341	150	155	103
	YoY difference	1,992	1,992	(142)	(139)	(198)
Isetan Mitsukoshi Gift Solutions Ltd.		4,095	996	198	254	199
	YoY difference	(869)	(3,968)	(241)	(261)	(209)
Mitsukoshi Isetan Nikko Travel, Ltd.		2,970	2,970	(762)	(737)	(730)
	YoY difference	1,937	1,937	311	411	416
Lime Tree Cruises B.V.		-	-	(124)	(140)	(140)
	YoY difference	-	-	(88)	(105)	147
Lime Tree Shipping AG		-	-	(40)	(40)	(40)
	YoY difference	-	-	(4)	(4)	6
Century Trading Co., Ltd.		2,814	2,814	(5)	(1)	(1)
	YoY difference	182	182	31	24	13
Isetan Mitsukoshi Italia S.r.l.		-	-	(6)	(6)	(6)
	YoY difference	(53)	(53)	13	8	8
Studio Alta Co., Ltd.		707	707	3	(7)	(6)
	YoY difference	58	58	30	27	(16)
SWP Holdings Inc. *3		-	-	(0)	(8)	(8)
	YoY difference	-	-	0	22	23
SOCIE WORLD CO., LTD. *3		2,486	2,486	(199)	74	82
	YoY difference	(5,840)	(5,840)	1,153	1,121	1,622
TAIWAN SOCIE WORLD CO., LTD. *3		678	678	49	56	45
	YoY difference	(2,628)	(2,628)	(382)	(391)	(295)
Isetan Mitsukoshi Innovations Ltd.		40	40	12	16	10
	YoY difference	(249)	(249)	(148)	(144)	(80)

*3 It is planned to transfer the shares of SWP Holdings Inc., SOCIE WORLD CO., LTD. and TAIWAN SOCIE WORLD CO., LTD. and exclude them from the scope of consolidation from July 2021. The forecasts for these three companies are therefore shown for the period until that time.

Ⅱ. Isetan Mitsukoshi Ltd. Non-consolidated Business Results

1. Outline of Non-consolidated Business Results

(1) Business Results

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Gross sales		-	-	-	-	505,100
	YoY (%)	-	-	-	-	123.6
	YoY difference	-	-	-	-	96,408
Net sales		648,615	634,280	583,203	408,691	226,587
	YoY (%)	98.3	97.8	91.9	70.1	55.4
	YoY difference	(11,532)	(14,334)	(51,077)	(174,511)	(182,104)
Gross profit		182,797	181,209	163,813	110,837	130,357
	YoY (%)	98.1	99.1	90.4	67.7	117.6
	YoY difference	(3,608)	(1,588)	(17,395)	(52,976)	19,520
Other net operating revenue		12,994	12,920	12,196	12,026	16,484
	YoY (%)	100.4	99.4	94.4	98.6	137.1
	YoY difference	50	(74)	(724)	(169)	4,458
Gross operating profit		195,792	194,129	176,009	122,863	146,842
	YoY (%)	98.2	99.2	90.7	69.8	119.5
	YoY difference	(3,557)	(1,663)	(18,119)	(53,146)	23,978
Operating income		17,595	18,323	6,255	(14,951)	1,379
	YoY (%)	110.4	104.1	34.1	-	-
	YoY difference	1,658	727	(12,067)	(21,207)	16,331
Recurring income		18,810	20,989	13,272	(1,627)	3,091
	YoY (%)	112.0	111.6	63.2	-	-
	YoY difference	2,014	2,178	(7,716)	(14,900)	4,719
Net income		1,609	22,354	(6,473)	(13,799)	0
	YoY (%)	49.6	1,388.8	-	-	-
	YoY difference	(1,636)	20,744	(28,828)	(7,325)	13,799
Gross profit margin (%)		28.18	28.57	28.09	27.12	57.53
	YoY difference (%)	(0.05)	0.39	(0.48)	(0.97)	30.41
Gross operating profit margin (%)		30.19	30.61	30.18	30.06	64.81
	YoY difference (%)	(0.01)	0.42	(0.43)	(0.12)	34.74
Operating profit margin (%)		2.7	2.9	1.1	(3.7)	0.6
	YoY difference (%)	0.3	0.2	(1.8)	(4.7)	4.3
Recurring profit margin (%)		2.9	3.3	2.3	(0.4)	1.4
	YoY difference (%)	0.4	0.4	(1.0)	(2.7)	1.8
Return on sales (%)		0.2	3.5	(1.1)	(3.4)	0.0
	YoY difference (%)	(0.2)	3.3	(4.6)	(2.3)	3.4

(2) Financial Position

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Total assets		655,700	644,356	600,605	595,104	591,000
	YoY (%)	98.1	98.3	93.2	99.1	99.3
	YoY difference	(12,641)	(11,343)	(43,751)	(5,500)	(4,104)
Total net assets		214,217	229,310	207,495	181,350	175,000
	YoY (%)	97.8	107.0	90.5	87.4	96.5
	YoY difference	(4,862)	15,093	(21,815)	(26,144)	(6,350)
Return on assets (ROA) (%)		2.7	2.8	1.0	(2.5)	0.2
	YoY difference (%)	0.3	0.2	(1.8)	(3.5)	2.7
Return on equity (ROE) (%)		0.7	10.1	(3.0)	(7.1)	0.0
	YoY difference (%)	(0.7)	9.3	(13.0)	(4.1)	7.1
Shareholder's equity ratio (%)		32.7	35.6	34.5	30.5	29.6
	YoY difference (%)	(0.1)	2.9	(1.0)	(4.1)	(0.9)

(3) Selling, General and Administrative Expenses

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Selling, general and administrative expenses		178,196	175,805	169,754	137,815	145,462
	YoY (%)	97.2	98.7	96.6	81.2	105.5
	YoY difference	(5,216)	(2,391)	(6,051)	(31,938)	7,647
Advertising expenses		8,323	8,467	8,403	5,040	5,571
	YoY (%)	83.8	101.7	99.2	60.0	110.5
	YoY difference	(1,603)	143	(64)	(3,362)	530
Point related expenses		10,670	10,134	8,924	7,047	-
	YoY (%)	95.1	95.0	88.1	79.0	-
	YoY difference	(549)	(536)	(1,209)	(1,877)	(7,047)
Personnel expenses		59,576	56,582	55,026	42,363	45,587
	YoY (%)	105.7	95.0	97.3	77.0	107.6
	YoY difference	3,187	(2,994)	(1,555)	(12,663)	3,224
Depreciation and amortization		10,136	10,487	11,075	10,172	10,943
	YoY (%)	96.4	103.5	105.6	91.8	107.6
	YoY difference	(383)	350	588	(903)	771
Lease payments		11,982	11,024	9,833	7,563	10,904
	YoY (%)	93.3	92.0	89.2	76.9	144.2
	YoY difference	(856)	(958)	(1,190)	(2,269)	3,340
Business consignment expenses		20,293	21,713	22,285	19,824	20,058
	YoY (%)	98.2	107.0	102.6	89.0	101.2
	YoY difference	(371)	1,419	571	(2,460)	233
Others		57,212	57,397	54,204	45,803	52,397
	YoY (%)	92.5	100.3	94.4	84.5	114.4
	YoY difference	(4,639)	184	(3,192)	(8,400)	6,593
SGA ratio (%)		27.5	27.7	29.1	33.7	64.2
	YoY difference (%)	(0.3)	0.2	1.4	4.6	30.5

(4) Others

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)
Capital investment		22,510	48,568	28,569	21,802	12,500
	YoY (%)	119.7	215.8	58.8	76.3	57.3
	YoY difference	3,696	26,057	(19,998)	(6,766)	(9,302)
Number of employees (regular employees)		5,010	4,837	4,538	4,440	4,385
	YoY (%)	96.3	96.5	93.8	97.8	98.8
	YoY difference	(193)	(173)	(299)	(98)	(55)
Number of employees (temporary employees		5,724	5,279	4,669	4,363	3,832
	YoY (%)	94.2	92.2	88.4	93.4	87.8
	YoY difference	(351)	(445)	(610)	(306)	(530)

2. Net Sales

(1) Net Sales by Store

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 (Forecast)*4
Isetan Shinjuku Main Store		274,149	288,879	274,066	207,037	259,119
	YoY (%)	102.1	105.4	94.9	75.5	125.2
	YoY difference	5,552	14,730	(14,813)	(67,029)	52,081
Mitsukoshi Nihombashi Main Store		155,357	144,775	133,013	101,297	117,329
	YoY (%)	94.1	93.2	91.9	76.2	115.8
	YoY difference	(9,769)	(10,582)	(11,761)	(31,715)	16,031
Mitsukoshi Ginza Store		87,862	91,189	82,818	44,320	58,670
	YoY (%)	108.4	103.8	90.8	53.5	132.4
	YoY difference	6,827	3,327	(8,371)	(38,498)	14,349
Isetan Tachikawa Store		35,836	36,215	34,915	26,316	32,382
	YoY (%)	100.3	101.1	96.4	75.4	123.0
	YoY difference	101	379	(1,300)	(8,598)	6,065
Isetan Urawa Store		40,388	40,516	38,284	29,719	37,600
	YoY (%)	100.1	100.3	94.5	77.6	126.5
	YoY difference	37	127	(2,232)	(8,564)	7,880
Isetan Sagamihara Store *2		19,515	18,797	11,555	-	-
	YoY (%)	94.9	96.3	61.5	-	-
	YoY difference	(1,042)	(718)	(7,242)	(11,555)	-
Isetan Fuchu Store *2		14,869	13,906	8,549	-	-
	YoY (%)	94.3	93.5	61.5	-	-
	YoY difference	(900)	(963)	(5,356)	(8,549)	-
Isetan Matsudo Store		20,634	-	-	-	-
	YoY (%)	113.8	-	-	-	-
	YoY difference	2,500	(20,634)	-	-	-
Total		648,615	634,280	583,203	408,691	505,100
	YoY (%)	98.3 *1	97.8	91.9	70.1 *3	123.6
	YoY difference	(11,532) *1	(14,334)	(51,077)	(174,511) *3	96,408

*1 YoY (%) and YoY difference for fiscal 2018 include the Chiba Store, which closed in March 2017.

*2 Isetan Sagamihara Store and Isetan Fuchu Store terminated operations in September 2019.

*3 Total of comparable stores excluding Isetan Sagamihara Store and Isetan Fuchu Store is 72.6% YoY, and ¥(154,406) million in YoY difference.

*4 The forecast net sales by store for fiscal 2021 represents gross sales.

(2) Net Sales by Month

(Millions of yen)

		April	May	June	July	August	September	First half total
Fiscal 2017	Store total	49,028	47,834	53,011	60,077	41,921	48,193	300,067
	YoY (%)	97.0	96.2	97.5	97.0	102.3	103.2	98.6
Fiscal 2018	Store total	48,670	47,292	57,142	56,148	42,890	46,680	298,824
	YoY (%)	99.3	98.9	107.8	93.5	102.3	96.9	99.6
Fiscal 2019	Store total	47,202	46,464	55,675	53,976	45,759	59,982	309,061
	YoY (%)	97.0	98.2	97.4	96.1	106.7	128.5	103.4
Fiscal 2020	Store total	7,036	7,336	42,006	36,776	30,464	35,302	158,923
	YoY (%)	14.9	15.8	75.4	68.1	66.6	58.9	51.4

		October	November	December	January	February	March	Second half total	Full-year total
Fiscal 2017	Store total	50,778	61,407	73,620	56,418	47,124	59,198	348,547	648,615
	YoY (%)	97.1	101.7	98.7	97.4	98.6	94.1	97.9	98.3
Fiscal 2018	Store total	50,748	59,896	70,704	52,265	44,609	57,231	335,456	634,280
	YoY (%)	99.9	97.5	96.0	92.6	94.7	96.7	96.2	97.8
Fiscal 2019	Store total	38,584	53,097	63,973	47,456	36,330	34,699	274,141	583,203
	YoY (%)	76.0	88.6	90.5	90.8	81.4	60.6	81.7	91.9
Fiscal 2020	Store total	37,925	46,055	55,423	32,919	34,569	42,873	249,767	408,691
	YoY (%)	98.3	86.7	86.6	69.4	95.2	123.6	91.1	70.1

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

(Millions of yen)

Fiscal 2020	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	127,588	63.2	(74,282)	31.2	(3.4)	30.59	(1.43)
(Men's clothing)	41,947	64.7	(22,852)	10.3	(0.8)	31.86	(1.92)
(Women's clothing)	65,910	60.7	(42,732)	16.1	(2.5)	29.67	(1.32)
(Children's clothing)	11,808	71.8	(4,637)	2.9	0.1	29.37	(1.24)
(Formal wear and bedding)	7,922	66.1	(4,060)	1.9	(0.1)	33.32	(0.46)
Accessories	50,183	69.3	(22,255)	12.3	(0.1)	26.22	(1.82)
Sundry goods	92,149	69.2	(41,060)	22.5	(0.3)	27.27	(1.43)
(Cosmetics)	34,916	56.6	(26,777)	8.5	(2.0)	33.92	0.23
(Fine arts, jewelries, precious metals)	45,220	81.9	(9,975)	11.1	1.6	23.00	(0.81)
(Other sundry goods)	12,011	73.6	(4,307)	2.9	0.1	24.04	(2.37)
Household	15,038	73.7	(5,366)	3.7	0.2	28.62	(1.25)
Foods	104,859	83.0	(21,518)	25.7	4.0	24.42	1.36
Others	18,871	65.3	(10,027)	4.6	(0.3)	19.13	0.49
Total	408,691	70.1	(174,511)	100.0	-	27.12	(0.97)

(4) Net Sales by Category

(Millions of yen)

		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020
Cash sale		288,189	284,741	262,567	159,549
	Composition (%)	44.4	44.9	45.0	39.0
	YoY (%)	101.9	98.8	92.2	60.8
Credit sale		360,425	349,539	320,635	249,141
	Composition (%)	55.6	55.1	55.0	61.0
	YoY (%)	95.5	97.0	91.7	77.7
of which, sales of MICARD		317,662	302,237	275,424	203,289
	Composition (%)	49.0	47.7	47.2	49.7
	YoY (%)	95.9	95.1	91.1	73.8
Total		648,615	634,280	583,203	408,691
	Composition (%)	100.0	100.0	100.0	100.0
	YoY (%)	98.3	97.8	91.9	70.1

(5) Duty Free Sales

(Millions of yen)

Fiscal 2020	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)*	YoY difference (%)
Isetan Shinjuku Main Store	3,826	15.1	(21,559)	1.8	(7.4)
Mitsukoshi Nihombashi Main Store	337	11.2	(2,683)	0.3	(1.9)
Mitsukoshi Ginza Store	458	2.0	(23,040)	1.0	(27.3)
Others	41	11.2	(325)	0.1	(0.3)
Total of Isetan Mitsukoshi Ltd.	4,663	8.9	(47,609)	1.1	(7.8)

* 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)

Fiscal 2020	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference (%)
Sapporo Marui Mitsukoshi Ltd.	17	0.5	(3,851)	0.0	(6.3)
Nagoya Mitsukoshi Ltd.	213	8.0	(2,445)	0.4	(3.7)
Iwataya Mitsukoshi Ltd.	152	3.1	(4,783)	0.2	(4.4)
Others	47	5.0	(902)	0.0	(0.6)
Total domestic regional department stores	431	3.5	(11,983)	0.1	(3.1)

(Millions of yen)

Fiscal 2020	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference (%)
Total domestic department stores	5,095	7.9	(59,592)	0.7	(6.0)