ISETAN MITSUKOSHI HOLDINGS

Explanatory Materials for Settlement of Consolidated Accounts for the Second Quarter of Fiscal Year Ending March 31, 2023

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Note: Figures for "gross sales" represent net sales calculated without applying Accounting Standard for Revenue Recognition, etc.

November 11, 2022

Isetan Mitsukoshi Holdings Ltd.

I. Isetan Mitsukoshi Holdings Consolidated Results

1. Outline of Consolidated Business Results
(1) Consolidated Business Results

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Gross sales		-	-	398,997	912,114	495,684	1,075,000
	YoY (%)	-	-	118.9	111.8	124.2	117.9
	YoY difference	-	-	63,296	96,104	96,687	162,885
Net sales		335,701	816,009	187,932	418,338	222,874	494,000
	YoY (%)	58.2	72.9	56.0	51.3	118.6	118.1
	YoY difference	(241,587)	(303,182)	(147,768)	(397,671)	34,941	75,661
Gross profit		96,072	227,565	107,993	243,685	131,942	287,000
	YoY (%)	57.2	70.5	112.4	107.1	122.2	117.8
	YoY difference	(71,831)	(95,136)	11,921	16,119	23,949	43,314
Operating income		(17,812)	(20,976)	(7,758)	5,940	8,940	24,000
	YoY (%)	-	-	-	-	-	404.0
	YoY difference	(31,699)	(36,655)	10,054	26,916	16,698	18,059
Recurring income		(17,092)	(17,171)	(7,114)	9,520	9,537	24,000
	YoY (%)	-	-	-	-	-	252.1
	YoY difference	(32,149)	(36,943)	9,977	26,692	16,651	14,479
Net income attributable to parent company shareholders		(36,786)	(41,078)	(8,136)	12,338	7,766	24,000
	YoY (%)	-	-	-	-	-	194.5
	YoY difference	(44,381)	(29,891)	28,649	53,417	15,902	11,661
Net income per share (yen)		(96.74)	(107.96)	(21.35)	32.36	20.35	62.89
	YoY difference (yen)	(116.21)	(79.06)	75.39	140.31	41.70	30.54
Gross profit margin (%)		28.62	27.89	57.46	58.25	59.20	58.10
	YoY difference (%)	(0.47)	(0.95)	28.85	30.36	1.74	(0.15)
Operating profit margin (%)		(5.3)	(2.6)	(4.1)	1.4	4.0	4.9
	YoY difference (%)	(7.7)	(4.0)	1.2	4.0	8.1	3.4
Recurring profit margin (%)		(5.1)	(2.1)	(3.8)	2.3	4.3	4.9
	YoY difference (%)	(7.7)	(3.9)	1.3	4.4	8.1	2.6
Return on sales (%)		(11.0)	(5.0)	(4.3)	2.9	3.5	4.9
	YoY difference (%)	(12.3)	(4.0)	6.6	8.0	7.8	1.9

(2) Consolidated Financial Positions

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Total assets		1,166,391	1,198,303	1,155,661	1,168,574	1,187,045	1,205,000
	YoY (%)	93.0	97.9	99.1	97.5	102.7	103.1
	YoY difference	(87,834)	(25,497)	(10,729)	(29,728)	31,383	36,425
Net assets		510,131	508,275	492,948	517,660	533,250	552,000
	YoY (%)	87.4	92.4	96.6	101.8	108.2	106.6
	YoY difference	(73,450)	(41,885)	(17,183)	9,385	40,302	34,339
Interest-bearing debt		184,064	208,884	207,688	175,145	174,800 ※1	165,000
	YoY (%)	117.7	119.0	112.8	83.8	84.2	94.2
	YoY difference	27,619	33,336	23,624	(33,738)	(32,887)	(10,145)
Net financial revenue		207	187	9	(20)	55	(100)
	YoY (%)	54.5	32.5	4.4	-	599.0	-
	YoY difference	(173)	(390)	(198)	(208)	46	(79)
Return on assets (ROA) (%)		-	(1.7)	-	0.5	-	2.0
	YoY difference (%)	-	(3.0)	-	2.2	-	1.5
Return on equity (ROE) (%)		-	(7.9)	-	2.5	-	4.5
	YoY difference (%)	-	(5.9)	-	10.3	-	2.1
Rate of return on invested capital (ROIC) (%)*2		-	(2.0)	-	0.6	-	2.4
	YoY difference (%)	-	(3.6)	-	2.6	-	1.8
Shareholder's equity ratio (%)		43.1	41.9	42.1	43.8	44.4	45.3
	YoY difference (%)	(2.7)	(2.4)	(1.0)	1.9	2.2	1.5
Interest-bearing debt dependency (%)		15.8	17.4	18.0	15.0	14.7	13.7
	YoY difference (%)	3.3	3.1	2.2	(2.4)	(3.2)	(1.3)
Consolidated debt equity ratio (DER) (times)		0.37	0.42	0.43	0.34	0.33	0.30
	YoY difference (times)	0.09	0.09	0.06	(0.07)	(0.09)	(0.04)

*1 The amount of interest-bearing debt including lease obligations is ¥179,949 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 year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Cash flows from operating activities		(16,718)	1,197	4,881	37,914	23,073	49,000
	YoY difference	(23,217)	(15,083)	21,600	36,716	18,191	11,085
Cash flows from investing activities		(17,937)	(4,737)	(11,267)	(17,371)	(18,486)	(33,000)
	YoY difference	1,383	5,228	6,670	(12,633)	(7,219)	(15,628)
Cash flows from financing activities		6,714	29,733	(4,567)	(39,927)	(3,289)	(16,000)
	YoY difference	(7,741)	9,474	(11,282)	(69,660)	1,278	23,927
Cash and cash equivalents at end of period		48,157	102,797	92,542	84,472	87,699	84,000
	YoY difference	(3,280)	26,138	44,384	(18,324)	(4,842)	(472)

(4) Others

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Capital investment		14,804	29,484	9,264	27,767	5,345	23,200
	YoY (%)	93.6	77.5	62.6	94.2	57.7	83.5
	YoY difference	(1,020)	(8,570)	(5,540)	(1,716)	(3,918)	(4,567)
Number of employees (regular employees)		11,932	11,588	9,957	9,691	9,942	9,870
	YoY (%)	91.3	93.1	83.4	83.6	99.8	101.8
	YoY difference	(1,142)	(865)	(1,975)	(1,897)	(15)	179
Number of employees (temporary employees)		8,714	8,419	7,796	7,566	8,104	8,050
	YoY (%)	91.8	92.1	89.5	89.9	104.0	106.4
	YoY difference	(775)	(727)	(918)	(853)	308	484
Number of consolidated subsidiaries		39	38	35	35	37	37
(as of March 31)	YoY difference	1	0	(4)	(3)	2	2
Number of equity-method affiliates		9	9	9	8	7	7
(as of March 31)	YoY difference	0	1	0	(1)	(2)	(1)
Cash dividends per share (yen)		3.00	9.00	5.00	10.00	6.00	12.00
(Total annual dividend for the full year)	YoY difference (yen)	(3.00)	(3.00)	2.00	1.00	1.00	2.00

2. Consolidated Selling, General and Administrative Expenses

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Selling, general and administrative expenses		113,884	248,542	115,751	237,745	123,002	263,000
	YoY (%)	73.9	81.0	101.6	95.7	106.3	110.6
	YoY difference	(40,131)	(58,480)	1,866	(10,797)	7,250	25,254
Advertising expenses		4,205	10,312	3,848	8,322	4,046	10,200
	YoY (%)	47.0	55.1	91.5	80.7	105.1	122.6
	YoY difference	(4,750)	(8,390)	(356)	(1,989)	198	1,877
Point related expenses		6,429	15,290	1,691	3,677	2,181	4,600
	YoY (%)	60.7	79.3	26.3	24.1	129.0	125.1
	YoY difference	(4,160)	(3,990)	(4,737)	(11,612)	489	922
Personnel expenses		39,686	84,488	42,821	86,516	44,116	93,200
	YoY (%)	77.7	81.4	107.9	102.4	103.0	107.7
	YoY difference	(11,364)	(19,289)	3,135	2,027	1,295	6,683
Depreciation and amortization		10,894	23,629	11,191	23,014	11,686	24,200
	YoY (%)	80.8	87.4	102.7	97.4	104.4	105.1
	YoY difference	(2,582)	(3,391)	296	(614)	494	1,185
Lease payments		11,619	25,939	14,802	30,186	15,933	32,800
	YoY (%)	71.9	81.4	127.4	116.4	107.6	108.7
	YoY difference	(4,530)	(5,919)	3,182	4,247	1,130	2,613
Business consignment expenses		13,501	29,978	13,910	28,477	14,235	29,300
	YoY (%)	82.2	89.7	103.0	95.0	102.3	102.9
	YoY difference	(2,930)	(3,447)	409	(1,500)	324	822
Others		27,547	58,902	27,485	57,548	30,802	68,700
	YoY (%)	73.7	80.7	99.8	97.7	112.1	119.4
	YoY difference	(9,812)	(14,051)	(61)	(1,354)	3,317	11,151
SGA ratio (%)		33.9	30.5	61.6	56.8	55.2	53.2
	YoY difference (%)	7.2	3.0	27.7	26.4	(6.4)	(3.6)

3. Consolidated Non-operating Income/Loss

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Non-operating income		3,874	15,804	2,748	8,370	2,493	5,000
	YoY difference	(145)	(604)	(1,125)	(7,434)	(255)	(3,370)
Interest and dividend income		655	1,081	443	828	441	700
	YoY difference	(176)	(439)	(211)	(252)	(2)	(128)
Equity in earnings of affiliates		-	2,003	283	2,326	1,278	2,900
	YoY difference	(1,041)	(225)	283	323	995	573
Income from unredeemed gift vouchers		-	6,722	-	-	-	-
	YoY difference	(0)	794	-	(6,722)	-	-
Gain on donated fixed assets		2,049	3,247	737	1,864	150	200
	YoY difference	515	(1,984)	(1,312)	(1,383)	(586)	(1,664)
Other non-operating income		1,170	2,749	1,284	3,350	622	1,200
	YoY difference	557	1,250	113	600	(661)	(2,150)
Non-operating expenses		3,154	11,999	2,105	4,789	1,897	5,000
	YoY difference	304	(317)	(1,049)	(7,209)	(207)	210
Interest expenses		447	893	434	849	385	800
	YoY difference	(3)	(48)	(12)	(44)	(48)	(49)
Equity in losses of affiliates		19	-	-	-	-	-
	YoY difference	19	-	(19)	-	-	-
Loss on retirement of property and equipment		998	1,757	556	1,605	498	2,000
	YoY difference	351	523	(442)	(151)	(58)	394
Provision of reserve for loss from redemption of gift vouchers		-	6,445	-	215	-	300
	YoY difference	-	572	-	(6,230)	-	84
Other non-operating expenses		1,689	2,902	1,113	2,119	1,013	1,900
	YoY difference	(62)	(1,364)	(575)	(783)	(100)	(219)

4. Consolidated Extraordinary Gain/Loss

(Millions of yen)

	Fiscal year ending March 31, 2023 2Q	Details
Extraordinary gain	3,810	
Gain on step acquisitions	3,810	Acquisition of IM Food Style Ltd. shares
Extraordinary loss	308	
Loss on closing of stores	12	Iwataya Mitsukoshi (small-sized store)
COVID-19-related loss	296	Overseas stores (Personnel expenses: ¥94 million, Lease payments: ¥174 million, Business consignment expenses: ¥12 million, etc.)

5. Consolidated Capital Investment

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Isetan Mitsukoshi Ltd.		11,445	21,802	4,810	19,094	2,101	15,500
	YoY (%)	98.5	76.3	42.0	87.6	43.7	81.2
	YoY difference	(176)	(6,766)	(6,635)	(2,707)	(2,708)	(3,594)
MICARD CO. Ltd.		540	1,425	1,445	3,027	1,279	1,800
	YoY (%)	109.3	113.9	267.4	212.4	88.6	59.5
	YoY difference	45	173	904	1,602	(165)	(1,227)
Isetan Mitsukoshi System Solutions Ltd.		1,837	4,128	2,519	4,585	1,258	3,300
	YoY (%)	86.8	86.6	137.1	111.1	49.9	72.0
	YoY difference	(278)	(636)	681	457	(1,261)	(1,285)
Others		1,025	2,181	503	1,142	719	2,700
	YoY (%)	61.6	59.0	49.1	52.4	142.8	236.3
	YoY difference	(639)	(1,514)	(521)	(1,039)	215	1,557
Elimination of intra-company transactions		(43)	(53)	(14)	(82)	(12)	(100)
	YoY (%)	-	-	-	-	-	-
	YoY difference	28	173	29	(28)	1	(17)
Total		14,804	29,484	9,264	27,767	5,345	23,200
	YoY (%)	93.6	77.5	62.6	94.2	57.7	83.5
	YoY difference	(1,020)	(8,570)	(5,540)	(1,716)	(3,918)	(4,567)

*Figures include investments made for intangible fixed assets.

6. Net Sales by Segment and Operating Income/Loss

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Department store business							
Gross sales		-	-	374,543	861,719	463,314	985,000
	YoY (%)	-	-	122.7	114.6	123.7	114.3
	YoY difference	-	-	69,390	109,588	88,771	123,280
Sales		305,153	752,131	166,473	373,932	193,903	414,000
	YoY (%)	56.9	72.6	54.6	49.7	116.5	110.7
	YoY difference	(231,097)	(283,457)	(138,679)	(378,198)	27,429	40,067
Segment income (loss)		(21,297)	(30,302)	(12,636)	(6,339)	5,133	13,300
	YoY (%)	-	-	-	-	-	-
	YoY difference	(28,099)	(32,506)	8,660	23,963	17,770	19,639
Credit & finance business/ Customer organization management business							
Gross sales		-	-	15,815	32,948	16,248	34,000
	YoY (%)	-	-	105.0	101.2	102.7	103.2
	YoY difference	-	-	759	405	433	1,051
Sales		15,055	32,542	14,486	30,498	14,726	31,000
	YoY (%)	75.7	84.3	96.2	93.7	101.7	101.6
	YoY difference	(4,838)	(6,052)	(569)	(2,044)	240	501
Segment income (loss)		1,285	4,450	2,606	6,070	1,721	5,000
	YoY (%)	48.7	78.5	202.8	136.4	66.0	82.4
	YoY difference	(1,354)	(1,218)	1,320	1,619	(885)	(1,070)
Real estate business							
Gross sales		-	-	7,396	18,072	9,055	26,000
	YoY (%)	-	-	49.6	63.7	122.4	143.9
	YoY difference	-	-	(7,501)	(10,294)	1,659	7,927
Sales		14,897	28,367	7,396	18,072	9,055	26,000
	YoY (%)	89.1	80.1	49.6	63.7	122.4	143.9
	YoY difference	(1,824)	(7,031)	(7,501)	(10,294)	1,659	7,927
Segment income (loss)		2,997	5,440	2,494	5,579	2,108	4,800
	YoY (%)	97.4	91.1	83.2	102.6	84.5	86.0
	YoY difference	(79)	(530)	(503)	139	(385)	(779)
Other businesses							
Gross sales		-	-	26,186	53,110	33,789	85,400
	YoY (%)	-	-	89.8	83.4	129.0	160.8
	YoY difference	-	-	(2,958)	(10,546)	7,603	32,289
Sales		29,145	63,656	24,520	49,571	31,912	78,400
	YoY (%)	70.3	77.2	84.1	77.9	130.1	158.2
	YoY difference	(12,293)	(18,761)	(4,624)	(14,085)	7,392	28,828
Segment income (loss)		(723)	(619)	(313)	462	(171)	1,200
	YoY (%)	-	-	-	-	-	259.6
	YoY difference	(1,871)	(2,237)	410	1,081	141	737
Amount listed on consolidated financial statements*							
Gross sales		-	-	398,997	912,114	495,684	1,075,000
	YoY (%)	-	-	118.9	111.8	124.2	117.9
	YoY difference	-	-	63,296	96,104	96,687	162,885
Sales		335,701	816,009	187,932	418,338	222,874	494,000
	YoY (%)	58.2	72.9	56.0	51.3	118.6	118.1
	YoY difference	(241,587)	(303,182)	(147,768)	(397,671)	34,941	75,661
Operating income (loss)		(17,812)	(20,976)	(7,758)	5,940	8,940	24,000
	YoY (%)	-	-	-	-	-	404.0
	YoY difference	(31,699)	(36,655)	10,054	26,916	16,698	18,059

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

7. Main Consolidated Companies
(1) Results for the Second Quarter of Fiscal Year Ending March 31, 2023

(Millions of yen)

	Voting Rights Held Percentage (Incl. indirect ownership) (%)		Gross sales	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Department store business							
Isetan Mitsukoshi Holdings Ltd.	-		13,784	13,784	9,830	9,761	8,328
		YoY difference	(5,334)	(5,334)	(5,239)	(5,540)	(8,410)
Isetan Mitsukoshi Ltd. *1	100.0		274,301	112,036	8,149	11,478	9,323
		YoY difference	68,166	21,343	12,992	12,424	11,868
Sapporo Marui Mitsukoshi Ltd.	100.0		24,319	8,368	(876)	(911)	(779)
		YoY difference	4,449	794	735	704	952
Hakodate Marui Imai Ltd.	100.0		2,762	1,104	(20)	(39)	(29)
		YoY difference	138	26	31	12	16
Sendai Mitsukoshi Ltd.	100.0		12,608	5,400	(220)	(219)	(187)
		YoY difference	1,055	393	329	324	356
Nagoya Mitsukoshi Ltd.	100.0		26,535	8,925	(579)	(561)	(480)
		YoY difference	947	(689)	517	529	634
Shizuoka Isetan Co., Ltd.	100.0		7,189	3,092	(79)	(77)	(66)
		YoY difference	393	94	80	60	73
Niigata Isetan Mitsukoshi Ltd.	100.0		16,513	6,891	89	124	91
		YoY difference	914	62	127	74	46
Hiroshima Mitsukoshi Ltd.	100.0		5,427	1,917	(403)	(415)	(354)
		YoY difference	273	37	71	68	127
Takamatsu Mitsukoshi Ltd.	100.0		9,918	3,922	(17)	(4)	(4)
		YoY difference	700	111	178	187	188
Matsuyama Mitsukoshi Ltd.	100.0		2,391	1,147	(292)	(315)	(269)
		YoY difference	505	159	291	226	271
Iwataya Mitsukoshi Ltd.	100.0		49,716	16,620	822	814	592
		YoY difference	8,153	1,934	1,654	1,635	1,425
Isetan (Singapore) Ltd. *2	52.7		-	3,891	234	244	244
		YoY difference	-	947	277	142	142
Isetan of Japan Sdn. Bhd.	100.0		6,132	3,247	83	100	100
		YoY difference	2,972	1,454	173	160	539
Isetan (China) Holdings Ltd.	100.0		7	7	(17)	(8)	(8)
		YoY difference	3	3	10	16	16
Shanghai Mei Long Zhen Isetan	80.0		2,137	1,234	(156)	(157)	(381)
		YoY difference	(1,371)	(705)	12	10	(213)
Tianjin Isetan Co., Ltd.	100.0		3,082	1,483	(66)	(46)	(116)
		YoY difference	(956)	(296)	(212)	(184)	(254)
Tianjin Binhai New District Isetan Co., Lt	100.0		592	500	3	0	(2)
		YoY difference	(170)	(143)	2	8	5
Chengdu Isetan Co., Ltd.	100.0		3,700	2,026	(4)	(9)	(9)
		YoY difference	(550)	(297)	(39)	(42)	(35)
Mitsukoshi (USA) Inc.	100.0		4,073	4,073	747	751	541
		YoY difference	1,931	1,931	472	472	251

*1 Results for Isetan Mitsukoshi Ltd. include income/loss of the real estate segment.
*2 Gross sales are not shown for Isetan (Singapore) Ltd. as it has adopted IFRS.

(Millions of yen)

	Voting Rights Held Percentage (Incl. indirect ownership) (%)		Gross sales	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Credit & finance business/ Customer organization management business							
MICARD Co., Ltd.	100.0		14,945	14,694	1,893	1,891	1,493
		YoY difference	238	183	(978)	(981)	(1,191)
MI TOMONOKAI Co., Ltd.	100.0		1,643	1,643	(88)	61	45
		YoY difference	183	183	122	89	73
Real estate business							
Isetan Mitsukoshi Property Design Ltd.	100.0		4,917	4,917	(369)	(368)	(270)
		YoY difference	1,596	1,596	(83)	(84)	13
Isetan Kaikan Ltd. *3	100.0		353	353	6	8	6
		YoY difference	-	-	-	-	-
Other businesses							
Isetan Mitsukoshi System Solutions Ltd.	100.0		6,090	6,090	(179)	(192)	(164)
		YoY difference	227	227	73	212	284
Isetan Mitsukoshi Human Solutions Ltd.	100.0		1,506	1,506	15	14	10
		YoY difference	(295)	(295)	47	41	9
Isetan Mitsukoshi Business Support Ltd.	100.0		11,289	11,289	176	179	130
		YoY difference	122	122	(15)	(14)	(39)
Isetan Mitsukoshi Gift Solutions Ltd.	100.0		2,288	514	260	323	238
		YoY difference	5	(102)	7	66	9
Mitsukoshi Isetan Nikko Travel, Ltd.	100.0		1,378	1,378	(278)	(211)	(181)
		YoY difference	761	761	204	250	264
Lime Tree Cruises B.V.	-		76	76	(58)	(67)	(39)
		YoY difference	76	76	(28)	(156)	(100)
Lime Tree Shipping AG	-		39	39	(23)	(23)	(23)
		YoY difference	15	15	(26)	(26)	(21)
Century Trading Co., Ltd.	100.0		1,090	1,090	(40)	(44)	(32)
		YoY difference	53	53	(9)	(15)	(4)
Studio Alta Co., Ltd.	100.0		346	346	16	22	16
		YoY difference	108	108	95	106	100
Isetan Mitsukoshi Innovations Ltd.	100.0		5	5	(9)	9	7
		YoY difference	(585)	(585)	(534)	(520)	(463)
IM Food Style Ltd. *4	100.0		9,168	9,064	124	123	84
		YoY difference	-	-	-	-	-

*3 Isetan Kaikan Ltd. was included in the scope of consolidation from the fiscal year ending March 31, 2023.
*4 IM Food Style Ltd. was included in the scope of consolidation with a deemed acquisition date of June 30, 2022, and therefore income and loss are presented for July to September.

(2) Full-year Forecast for Fiscal Year Ending March 31, 2023

(Millions of yen)

		Gross sales	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Department store business						
Isetan Mitsukoshi Holdings Ltd.		18,489	18,489	9,660	9,565	9,519
	YoY difference	(4,190)	(4,190)	(5,012)	(1,820)	(881)
Isetan Mitsukoshi Ltd. *1		583,159	243,000	14,000	14,000	16,500
	YoY difference	96,040	34,548	11,136	6,397	6,341
Sapporo Marui Mitsukoshi Ltd.		57,883	19,717	(199)	(245)	(179)
	YoY difference	11,336	2,246	2,002	1,977	1,718
Hakodate Marui Imai Ltd.		6,155	2,402	43	35	10
	YoY difference	335	61	87	141	92
Sendai Mitsukoshi Ltd.		28,319	12,096	0	4	0
	YoY difference	2,777	1,029	649	658	573
Nagoya Mitsukoshi Ltd.		57,984	21,905	140	149	107
	YoY difference	2,413	1,358	1,291	1,299	677
Shizuoka Isetan Co., Ltd.		16,900	7,515	139	142	119
	YoY difference	1,465	604	190	190	184
Niigata Isetan Mitsukoshi Ltd.		37,727	16,285	750	792	584
	YoY difference	3,321	1,320	249	235	(452)
Hiroshima Mitsukoshi Ltd.		12,756	4,504	(272)	(295)	(241)
	YoY difference	1,634	502	559	555	546
Takamatsu Mitsukoshi Ltd.		22,749	9,700	163	170	125
	YoY difference	2,219	1,243	147	148	103
Matsuyama Mitsukoshi Ltd.		6,500	3,046	0	(45)	(36)
	YoY difference	1,491	601	765	774	732
Iwataya Mitsukoshi Ltd.		107,939	36,125	2,032	2,024	1,446
	YoY difference	11,946	2,969	1,373	1,362	1,133
Isetan (Singapore) Ltd. *2		-	-	-	-	-
	YoY difference	-	-	-	-	-
Isetan of Japan Sdn. Bhd.		12,563	7,477	216	164	84
	YoY difference	5,793	3,817	297	202	748
Isetan (China) Holdings Ltd.		24	24	(28)	(19)	(19)
	YoY difference	10	10	43	48	48
Shanghai Mei Long Zhen Isetan		4,717	2,584	(697)	(710)	(710)
	YoY difference	(2,189)	(1,181)	(232)	(248)	(232)
Tianjin Isetan Co., Ltd.		7,982	3,380	21	21	16
	YoY difference	(94)	(88)	(201)	(184)	(138)
Tianjin Binhai New District Isetan Co., Ltd.		1,318	1,104	(49)	(59)	(59)
	YoY difference	(219)	(201)	(72)	(74)	(74)
Chengdu Isetan Co., Ltd.		7,681	5,057	(201)	(197)	(206)
	YoY difference	(222)	567	(196)	(200)	345
Mitsukoshi (USA) Inc.		8,369	8,369	1,089	1,092	825
	YoY difference	2,978	2,978	155	163	70

*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.		30,485	30,485	5,346	5,340	3,685
	YoY difference	257	47	(1,142)	(1,135)	(781)
MI TOMONOKAI Co., Ltd.		3,657	3,657	(269)	194	127
	YoY difference	222	222	19	(128)	(84)
Real estate business						
Isetan Mitsukoshi Property Design Ltd.		18,907	18,907	600	600	231
	YoY difference	9,004	9,004	595	592	(118)
Isetan Kaikan Ltd.		699	699	0	0	0
	YoY difference	-	-	-	-	-
Other businesses						
Isetan Mitsukoshi System Solutions Ltd.		13,005	13,005	42	1	(3)
	YoY difference	435	435	(221)	(106)	(72)
Isetan Mitsukoshi Human Solutions Ltd.		3,374	3,374	19	18	8
	YoY difference	(231)	(231)	43	38	(2)
Isetan Mitsukoshi Business Support Ltd.		23,921	23,921	241	248	160
	YoY difference	351	351	(123)	(123)	(82)
Isetan Mitsukoshi Gift Solutions Ltd.		4,651	1,039	494	588	412
	YoY difference	(170)	(243)	(69)	133	(5)
Mitsukoshi Isetan Nikko Travel, Ltd.		3,928	3,928	(300)	(223)	(173)
	YoY difference	2,233	2,233	559	545	498
Lime Tree Cruises B.V.		106	106	(183)	(202)	(202)
	YoY difference	106	106	(120)	(289)	(225)
Lime Tree Shipping AG		252	252	97	97	97
	YoY difference	203	203	96	96	107
Century Trading Co., Ltd.		3,089	3,089	125	121	83
	YoY difference	154	154	(26)	(54)	(34)
Studio Alta Co., Ltd.		719	719	32	31	39
	YoY difference	136	136	131	140	123
Isetan Mitsukoshi Innovations Ltd.		10	10	(26)	(18)	(14)
	YoY difference	(592)	(592)	(562)	(563)	(393)
IM Food Style Ltd. *3		32,162	29,165	1,139	1,147	786
	YoY difference	-	-	-	-	-

*3 IM Food Style Ltd. was included in the scope of consolidation with a deemed acquisition date of June 30, 2022, and therefore the forecast for July 2022 to March 2023 is presented.

Ⅱ. Isetan Mitsukoshi Ltd. Non-consolidated Business Results

1. Outline of Non-consolidated Business Results
(1) Business Results

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Gross sales		-	-	206,135	487,118	274,301	583,159
	YoY (%)	-	-	129.7	119.2	133.1	119.7
	YoY difference	-	-	47,211	78,427	68,166	96,040
Net sales		158,923	408,691	90,693	208,451	112,036	243,000
	YoY (%)	51.4	70.1	57.1	51.0	123.5	116.6
	YoY difference	(150,137)	(174,511)	(68,230)	(200,239)	21,343	34,548
Gross profit		43,226	110,837	52,361	123,448	68,556	146,400
	YoY (%)	49.6	67.7	121.1	111.4	130.9	118.6
	YoY difference	(43,928)	(52,976)	9,135	12,611	16,194	22,951
Other net operating revenue		6,461	12,026	8,331	16,072	8,099	15,100
	YoY (%)	96.2	98.6	128.9	133.6	97.2	94.0
	YoY difference	(254)	(169)	1,869	4,045	(231)	(972)
Gross operating profit		49,688	122,863	60,693	139,521	76,656	161,500
	YoY (%)	52.9	69.8	122.1	113.6	126.3	115.8
	YoY difference	(44,182)	(53,146)	11,004	16,657	15,963	21,978
Operating income		(12,101)	(14,951)	(4,842)	2,863	8,149	14,000
	YoY (%)	-	-	-	-	-	488.9
	YoY difference	(20,180)	(21,207)	7,258	17,815	12,992	11,136
Recurring income		(8,422)	(1,627)	(946)	7,602	11,478	14,000
	YoY (%)	-	-	-	-	-	184.1
	YoY difference	(19,132)	(14,900)	7,475	9,230	12,424	6,397
Net income		(20,163)	(13,799)	(2,544)	10,158	9,323	16,500
	YoY (%)	-	-	-	-	-	162.4
	YoY difference	(25,451)	(7,325)	17,618	23,958	11,868	6,341
Gross profit margin (%)		27.20	27.12	57.73	59.22	61.19	60.25
	YoY difference (%)	(1.00)	(0.97)	30.54	32.10	3.46	1.03
Gross operating profit margin (%)		31.27	30.06	66.92	66.93	68.42	66.46
	YoY difference (%)	0.89	(0.12)	35.66	36.87	1.50	(0.47)
Operating profit margin (%)		(7.6)	(3.7)	(5.3)	1.4	7.3	5.8
	YoY difference (%)	(10.2)	(4.7)	2.3	5.0	12.6	4.4
Recurring profit margin (%)		(5.3)	(0.4)	(1.0)	3.6	10.2	5.8
	YoY difference (%)	(8.8)	(2.7)	4.3	4.0	11.3	2.1
Return on sales (%)		(12.7)	(3.4)	(2.8)	4.9	8.3	6.8
	YoY difference (%)	(14.4)	(2.3)	9.9	8.2	11.1	1.9

(2) Financial Position

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Total assets		612,091	595,104	587,584	590,279	591,948	593,000
	YoY (%)	93.7	99.1	96.0	99.2	100.7	100.5
	YoY difference	(40,867)	(5,500)	(24,506)	(4,825)	4,364	2,720
Total net assets		187,790	181,350	173,747	185,357	194,975	205,000
	YoY (%)	80.5	87.4	92.5	102.2	112.2	110.6
	YoY difference	(45,503)	(26,144)	(14,043)	4,006	21,228	19,642
Return on assets (ROA) (%)		-	(2.5)	-	0.5	-	2.4
	YoY difference (%)	-	(3.5)	-	3.0	-	1.9
Return on equity (ROE) (%)		-	(7.1)	-	5.6	-	8.5
	YoY difference (%)	-	(4.1)	-	12.7	-	2.9
Shareholder's equity ratio (%)		30.7	30.5	29.6	31.4	32.9	34.6
	YoY difference (%)	(5.0)	(4.1)	(1.1)	0.9	3.4	3.2

(3) Selling, General and Administrative Expenses

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Selling, general and administrative expenses		61,790	137,815	65,536	136,657	68,507	147,500
	YoY (%)	72.0	81.2	106.1	99.2	104.5	107.9
	YoY difference	(24,002)	(31,938)	3,746	(1,157)	2,970	10,842
Advertising expenses		2,043	5,040	1,805	3,831	1,811	5,600
	YoY (%)	49.2	60.0	88.4	76.0	100.3	146.2
	YoY difference	(2,113)	(3,362)	(237)	(1,209)	6	1,768
Point related expenses		2,704	7,047	0	0	0	0
	YoY (%)	54.9	79.0	-	-	-	-
	YoY difference	(2,223)	(1,877)	(2,703)	(7,047)	0	0
Personnel expenses		19,183	42,363	22,349	46,119	22,855	47,700
	YoY (%)	71.8	77.0	116.5	108.9	102.3	103.4
	YoY difference	(7,532)	(12,663)	3,165	3,755	505	1,580
Depreciation and amortization		4,286	10,172	5,438	11,316	5,623	11,200
	YoY (%)	77.9	91.8	126.9	111.2	103.4	99.0
	YoY difference	(1,215)	(903)	1,152	1,144	184	(116)
Lease payments		3,161	7,563	4,914	10,216	5,394	10,900
	YoY (%)	61.6	76.9	155.5	135.1	109.8	106.7
	YoY difference	(1,972)	(2,269)	1,753	2,652	479	683
Business consignment expenses		8,860	19,824	8,270	17,558	8,488	18,700
	YoY (%)	79.7	89.0	93.3	88.6	102.6	106.5
	YoY difference	(2,259)	(2,460)	(590)	(2,265)	217	1,141
Others		21,549	45,803	22,756	47,615	24,334	53,400
	YoY (%)	76.3	84.5	105.6	104.0	106.9	112.1
	YoY difference	(6,685)	(8,400)	1,206	1,812	1,578	5,784
SGA ratio (%)		38.9	33.7	72.3	65.6	61.1	60.7
	YoY difference (%)	11.1	4.6	33.4	31.8	(11.1)	(4.9)

(4) Others

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Capital investment		11,445	21,802	4,810	19,094	2,101	15,500
	YoY (%)	98.5	76.3	42.0	87.6	43.7	81.2
	YoY difference	(176)	(6,766)	(6,635)	(2,707)	(2,708)	(3,594)
Number of employees (regular employees)		4,540	4,440	4,447	4,331	4,326	4,253
	YoY (%)	95.1	97.8	98.0	97.5	97.3	98.2
	YoY difference	(236)	(98)	(93)	(109)	(121)	(78)
Number of employees (temporary employees)		4,400	4,363	4,084	4,025	3,760	3,707
	YoY (%)	89.9	93.4	92.8	92.3	92.1	92.1
	YoY difference	(496)	(306)	(316)	(338)	(324)	(318)

2. Net Sales (Gross Sales Are Shown for Both Results and Forecast)
(1) Net Sales by Store

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Isetan Shinjuku Main Store		80,516	207,037	106,559	253,621	147,473	307,896
	YoY (%)	57.6	75.5	132.3	122.5	138.4	121.4
	YoY difference	(59,311)	(67,029)	26,042	46,583	40,913	54,274
Mitsukoshi Nihombashi Main Store		39,622	101,297	48,935	114,486	63,346	134,472
	YoY (%)	58.3	76.2	123.5	113.0	129.4	117.5
	YoY difference	(28,283)	(31,715)	9,312	13,189	14,411	19,985
Mitsukoshi Ginza Store		16,444	44,320	23,272	56,560	33,010	71,240
	YoY (%)	36.5	53.5	141.5	127.6	141.8	126.0
	YoY difference	(28,639)	(38,498)	6,827	12,240	9,737	14,679
Isetan Tachikawa Store		10,389	26,316	11,695	27,428	13,647	31,985
	YoY (%)	61.0	75.4	112.6	104.2	116.7	116.6
	YoY difference	(6,633)	(8,598)	1,306	1,112	1,952	4,556
Isetan Urawa Store		11,950	29,719	15,672	35,020	16,824	37,566
	YoY (%)	62.5	77.6	131.1	117.8	107.4	107.3
	YoY difference	(7,163)	(8,564)	3,722	5,301	1,152	2,545
Total		158,923	408,691	206,135	487,118	274,301	583,159
	YoY (%)	51.4	70.1	129.7	119.2	133.1	119.7
	YoY difference	(150,137)	(174,511)	47,211	78,427	68,166	96,040

*YoY(%) and YoY difference for the 2Q and full year of the fiscal year ended March 31, 2021 include results for the Isetan Sagamihara Store and Isetan Fuchu Store, which terminated operations in September 2019.

(2) Net Sales by Month

(Millions of yen)

		April	May	June	July	August	September	First half total
Fiscal year ended March 31, 2021	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
Fiscal year ended March 31, 2022	Store total	33,399	22,723	44,278	41,844	27,987	35,902	206,135
	YoY (%)	474.6	309.7	105.4	113.8	91.9	101.7	129.7
Fiscal year ending March 31, 2023	Store total	43,009	42,995	50,372	50,506	41,497	45,920	274,301
	YoY (%)	128.8	189.2	113.8	120.7	148.3	127.9	133.1

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

(Millions of yen)

2Q of fiscal year ending March 31, 2023	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	84,321	139.0	23,676	30.7	1.3	30.87	(0.05)
(Men's clothing)	26,696	137.8	7,318	9.7	0.3	32.57	0.07
(Women's clothing)	47,336	145.3	14,756	17.3	1.5	30.00	(0.07)
(Children's clothing)	5,708	119.6	936	2.1	(0.2)	28.30	0.10
(Formal wear and bedding)	4,580	117.0	663	1.7	(0.2)	33.15	(0.31)
Accessories	38,011	148.2	12,354	13.9	1.4	26.05	0.14
Sundry goods	73,151	140.8	21,201	26.7	1.5	26.88	(0.37)
(Cosmetics)	21,615	120.5	3,674	7.9	(0.8)	34.06	0.11
(Fine arts, jewelries, precious metals)	45,142	158.4	16,645	16.5	2.6	23.46	0.08
(Other sundry goods)	6,393	116.0	881	2.3	(0.3)	26.78	1.32
Household	8,527	117.0	1,238	3.1	(0.4)	28.64	0.18
Foods	56,553	110.0	5,124	20.6	(4.3)	22.88	(1.61)
Others	13,736	149.9	4,571	5.0	0.6	22.48	3.61
Total	274,301	133.1	68,166	100.0	-	27.00	(0.14)

(4) Net Sales by Category

(Millions of yen)

		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023
		2Q	Full Year	2Q	Full Year	2Q
Cash sale		59,519	159,549	79,657	197,641	114,170
	Composition (%)	37.5	39.0	38.6	40.6	41.6
	YoY (%)	42.9	60.8	133.8	123.9	143.3
Credit sale		99,404	249,141	126,477	289,477	160,131
	Composition (%)	62.5	61.0	61.4	59.4	58.4
	YoY (%)	58.4	77.7	127.2	116.2	126.6
of which, sales of MICARD		78,821	203,289	104,782	242,090	134,958
	Composition (%)	49.6	49.7	50.8	49.7	49.2
	YoY (%)	53.4	73.8	132.9	119.1	128.8
Total		158,923	408,691	206,135	487,118	274,301
	Composition (%)	100.0	100.0	100.0	100.0	100.0
	YoY (%)	51.4	70.1	129.7	119.2	133.1

(5) Duty Free Sales

(Millions of yen)

2Q of fiscal year ending March 31, 2023	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference (%)
Isetan Shinjuku Main Store	8,130	255.1	4,943	5.5	2.5
Mitsukoshi Nihombashi Main Store	1,151	370.4	840	1.8	1.2
Mitsukoshi Ginza Store	1,204	380.9	888	3.6	2.3
Others	111	245.1	65	0.4	0.2
Total of Isetan Mitsukoshi Ltd.	10,598	274.6	6,738	3.9	2.0

*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)

2Q of fiscal year ending March 31, 2023	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference (%)
Sapporo Marui Mitsukoshi Ltd.	68	470.0	54	0.3	0.2
Nagoya Mitsukoshi Ltd.	188	122.1	34	0.7	0.1
Iwataya Mitsukoshi Ltd.	264	492.2	210	0.5	0.4
Others	90	231.8	51	0.2	0.1
Total domestic regional department stores	612	233.9	350	0.4	0.2

(Millions of yen)

2Q of fiscal year ending March 31, 2023	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference (%)
Total domestic department stores	11,211	272.0	7,089	2.6	1.4