ISETAN MITSUKOSHI HOLDINGS

Financial Results for the First Quarter of the Fiscal Year Ending March 2024

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*"Gross sales" in these materials is net sales if the Accounting Standard for Revenue Recognition, etc. had not been applied.

August 3, 2023

Isetan Mitsukoshi Holdings Ltd.

I. Isetan Mitsukoshi Holdings Consolidated Results

(1)Outline of Consolidated Business Results

(Millions of yen)

	Fiscal 2022 Q1	Fiscal 2023 Q1	Year-on-year difference	YoY
Gross sales	242,897	277,744	34,846	114.3%
Net sales	101,615	118,680	17,065	116.8%
Gross profit	62,159	70,672	8,512	113.7%
Selling, general and administrative expenses	58,194	62,017	3,822	106.6%
Advertising expenses	1,629	2,127	498	130.6%
Point related expenses	1,161	1,161	(0)	100.0%
Personnel expenses	21,063	22,185	1,121	105.3%
Depreciation and amortization	5,789	5,627	(162)	97.2%
Lease payments	7,862	8,033	171	102.2%
Business consignment expenses	7,022	7,205	182	102.6%
Others	13,664	15,676	2,011	114.7%
Operating income	3,965	8,654	4,689	218.3%
Recurring income	4,527	10,101	5,574	223.1%
Quarterly net profit attributable to owners of parent	5,652	6,805	1,153	120.4%

(2)Consolidated non-operating income

(Millions of yen)

	Fiscal 2022 Q1	Fiscal 2023 Q1	Year-on-year difference	YoY
Non-operating income	1,630	2,305	675	141.4%
Interest and dividend income	340	399	58	117.3%
Equity in earnings of affiliates	907	1,575	668	173.7%
Others	382	330	(52)	86.4%
Non-operating expenses	1,068	859	(208)	80.5%
Interest expenses	189	201	12	106.6%
Loss on retirement of property and equipment	214	146	(68)	68.3%
Others	664	511	(152)	77.0%

(3)Status of Major Consolidated Companies

Q1 results for fiscal year ending March 31, 2024

(Millions of yen)

	Voting rights ownership percentage (includes indirect ownership)		Gross sales	Net sales	Operating income	Recurring income (loss)	Quarterly net income
Department store business							
Isetan Mitsukoshi Holdings Ltd.	-		4,290	4,290	2,315	2,163	1,613
		Year-on-year difference	(7,383)	(7,383)	(7,375)	(7,490)	(7,051)
Isetan Mitsukoshi Ltd. *1	100.0%		158,349	59,091	7,083	7,488	5,476
		Year-on-year difference	21,972	6,202	3,159	2,838	1,509
Sapporo Marui Mitsukoshi Ltd.	100.0%		13,573	4,268	(246)	(255)	(25)
		Year-on-year difference	1,746	335	241	252	431
Hakodate Marui Imai Ltd.	100.0%		1,364	499	6	6	4
		Year-on-year difference	(5)	(17)	11	19	14
Sendai Mitsukoshi Ltd.	100.0%		6,524	2,655	(129)	(125)	(98)
		Year-on-year difference	226	121	5	11	24
Nagoya Mitsukoshi Ltd.	100.0%		14,511	4,916	(105)	(104)	(81)
		Year-on-year difference	1,037	468	175	174	168
Shizuoka Isetan Co., Ltd.	100.0%		3,817	1,513	(31)	(31)	(20)
		Year-on-year difference	(12)	(37)	1	0	8
Niigata Isetan Mitsukoshi Ltd.	100.0%		8,364	3,007	28	32	113
		Year-on-year difference	237	(121)	32	4	91
Hiroshima Mitsukoshi Ltd.	100.0%		2,602	819	(205)	(211)	(165)
		Year-on-year difference	(101)	(35)	6	5	29
Takamatsu Mitsukoshi Ltd.	100.0%		5,011	1,812	26	27	17
		Year-on-year difference	(58)	18	22	20	12
Matsuyama Mitsukoshi Ltd.	100.0%		1,170	474	(110)	(122)	(95)
		Year-on-year difference	(75)	(32)	29	27	39
Iwataya Mitsukoshi Ltd.	100.0%		27,186	8,134	780	776	520
		Year-on-year difference	2,181	376	456	456	270
Isetan of Japan Sdn. Bhd.	100.0%		3,526	1,867	156	155	155
		Year-on-year difference	746	423	163	160	160
Isetan (China) Holdings Ltd.	100.0%		2	2	(4)	(13)	(13)
		Year-on-year difference	(2)	(2)	6	(7)	(7)
Shanghai Mei Long Zhen Isetan	80.0%		1,448	785	(80)	(81)	(81)
		Year-on-year difference	7	(6)	142	141	141
Tianjin Isetan Co., Ltd.	100.0%		1,753	789	1	10	10
		Year-on-year difference	194	57	23	22	45
Tianjin Binhai New District Isetan Co., Ltd.	100.0%		394	353	(3)	(5)	(5)
		Year-on-year difference	130	134	(0)	(0)	(0)
Mitsukoshi (USA) Inc.	100.0%		2,012	2,012	263	275	191
		Year-on-year difference	168	168	(114)	(104)	(80)

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

Q1 results for fiscal year ending March 31, 2024

(Millions of yen)

	Voting rights ownership percentage (includes indirect ownership)		Gross sales	Net sales	Operating income	Recurring income (loss)	Quarterly net income
Credit & finance business/ Customer organization management business							
MICARD Co., Ltd.	100.0%		8,391	7,781	1,196	1,196	860
		Year-on-year difference	436	435	20	23	(116)
MI TOMONOKAI Co., Ltd.	100.0%		805	805	(38)	11	7
		Year-on-year difference	(28)	(28)	20	4	2
Real estate business							
Isetan Mitsukoshi Property Design Ltd.	100.0%		3,437	3,437	(185)	(184)	(122)
		Year-on-year difference	1,307	1,307	78	79	83
Isetan Kaikan Ltd.	100.0%		178	178	3	0	0
		Year-on-year difference	4	4	0	(2)	(2)
Others							
Isetan Mitsukoshi System Solutions Ltd.	100.0%		3,206	3,206	169	168	110
		Year-on-year difference	212	212	337	342	266
Isetan Mitsukoshi Human Solutions Ltd.	100.0%		811	811	(22)	(22)	(14)
		Year-on-year difference	75	75	11	13	17
Isetan Mitsukoshi Business Support Ltd.	100.0%		4,739	4,739	85	87	57
		Year-on-year difference	(12)	(12)	22	22	6
Isetan Mitsukoshi Gift Solutions Ltd.	100.0%		1,141	306	118	119	79
		Year-on-year difference	(11)	49	(10)	(11)	(22)
Mitsukoshi Isetan Nikko Travel, Ltd.	100.0%		1,206	1,206	(26)	82	55
		Year-on-year difference	629	629	95	144	110
Lime Tree Cruises B. V.	-		-	-	(40)	(45)	(33)
		Year-on-year difference	(20)	(20)	(12)	(13)	(0)
Lime Tree Shipping AG	-		190	190	59	59	59
		Year-on-year difference	176	176	73	73	73
Century Trading Co., Ltd.	100.0%		527	527	(20)	(19)	(13)
		Year-on-year difference	(22)	(22)	(22)	(17)	(11)
Isetan Mitsukoshi (Italy) S.r.l.	100.0%		13	13	(8)	(2)	(2)
		Year-on-year difference	13	13	(8)	(2)	(2)
Studio Alta Co., Ltd.	100.0%		259	259	33	30	19
		Year-on-year difference	64	64	27	27	17
Isetan Mitsukoshi Innovations Ltd.	100.0%		2	2	(0)	0	0
		Year-on-year difference	(3)	(3)	0	(4)	(3)
IM Food Style Ltd. *2	100.0%		9,227	8,284	154	155	100
		Year-on-year difference	-	-	-	-	-
MITSUKOSHI FEDERAL RETAIL, INC. *3	60.0%		184	83	(21)	(21)	(21)
		Year-on-year difference	-	-	-	-	-

*2 Year-on-year difference for IM Food Style Ltd. is not shown since the deemed acquisition date is June 30, 2022. Consolidated figures are available from July 2022.

*3 Year-on-year difference for MITSUKOSHI FEDERAL RETAIL, INC. is not shown since it will become a consolidated entity in the fiscal year ending in the fiscal year ending March 2024.

II. Isetan Mitsukoshi Ltd. Non-consolidated Business Results
*(2) - (5) are shown as gross sales

(1)Outline of Non-consolidated Business Results

(Millions of yen)

	Fiscal 2022 Q1	Fiscal 2023 Q1	Year-on-year difference	YoY
Gross sales	136,377	158,349	21,972	116.1%
Net sales	52,889	59,091	6,202	111.7%
Gross profit	32,840	38,030	5,190	115.8%
Other net operating revenue	4,094	3,472	(622)	84.8%
Gross operating profit	36,934	41,502	4,567	112.4%
Selling, general and administrative expenses	33,011	34,419	1,408	104.3%
Advertising expenses	590	994	404	168.5%
Personnel expenses	11,148	11,246	97	100.9%
Depreciation and amortization	2,833	2,661	(171)	93.9%
Lease payments	2,735	2,655	(80)	97.1%
Business consignment expenses	4,215	4,499	284	106.8%
Others	11,488	12,362	874	107.6%
Operating income	3,923	7,083	3,159	180.5%
Recurring income (loss)	4,649	7,488	2,838	161.1%
Quarterly net income	3,966	5,476	1,509	138.1%

(2)Sales by store

(Millions of yen)

	Fiscal 2022 Q1	Fiscal 2023 Q1	Year-on-year difference	YoY
Isetan Shinjuku Main Store	72,506	84,193	11,686	116.1%
Mitsukoshi Nihombashi Main Store	31,919	34,799	2,879	109.0%
Mitsukoshi Ginza Store	16,330	22,539	6,208	138.0%
Isetan Tachikawa Store	7,029	7,587	557	107.9%
Isetan Urawa Store	8,590	9,229	638	107.4%
Total	136,377	158,349	21,972	116.1%

(3)Monthly Sales

(Millions of yen)

		April	May	June	Total
Q1 of fiscal year ending March 31, 2023	Store total	43,009	42,995	50,372	136,377
Q1 of fiscal year ending March 31, 2024	Store total	51,087	50,164	57,098	158,349
	Year-on-year difference	8,077	7,168	6,726	21,972
	YoY	118.8%	116.7%	113.4%	116.1%

(4)Net sales and gross profit margin by product

(Millions of yen)

Fiscal 2023 Q1	Net sales			Sales Composition		Gross Profit Margin	
	Results	Year-on-year difference	YoY	Results	Year-on-year difference	Results	Year-on-year difference
Sales of apparel	51,486	8,669	120.2%	32.5%	1.1%	31.31%	(0.01)%
(Men's clothing)	16,468	2,622	118.9%	10.4%	0.2%	33.05%	0.02%
(Women's clothing)	29,009	5,755	124.8%	18.3%	1.3%	30.40%	0.02%
(Children's clothing)	3,741	246	107.0%	2.4%	(0.2)%	29.51%	0.29%
(Formal wear and bedding)	2,268	45	102.1%	1.4%	(0.2)%	33.31%	(0.51)%
Accessories	24,675	5,605	129.4%	15.6%	1.6%	26.11%	(0.53)%
Sundry goods	40,702	5,953	117.1%	25.7%	0.2%	27.20%	0.28%
(Cosmetics)	13,517	2,960	128.0%	8.5%	0.8%	34.25%	0.36%
(Fine arts, jewelries, precious metals)	23,653	2,500	111.8%	14.9%	(0.6)%	23.19%	(0.27)%
(Other sundry goods)	3,531	492	116.2%	2.2%	0.0%	27.10%	0.28%
Household	4,273	(68)	98.4%	2.7%	(0.5)%	29.16%	0.55%
Foods	30,754	2,036	107.1%	19.4%	(1.6)%	22.84%	(0.25)%
Others	6,457	(224)	96.6%	4.1%	(0.8)%	17.44%	(1.16)%
Total	158,349	21,972	116.1%	100.0%	-	27.17%	0.07%

(5)Duty-free sales

(Millions of yen)

Fiscal 2023 Q1	Duty-free Sales			Share of Sales	
	Results	Year-on-year difference	YoY	Share	Year-on-year difference
Isetan Shinjuku Main Store	9,120	5,790	273.8%	10.8%	6.2%
Mitsukoshi Nihombashi Main Store	1,301	758	239.6%	3.7%	2.0%
Mitsukoshi Ginza Store	5,185	4,717	-	23.0%	20.1%
Others	87	52	252.8%	0.5%	0.3%
Isetan Mitsukoshi Total	15,695	11,318	358.6%	9.9%	6.7%

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

(Millions of yen)

Fiscal 2023 Q1	Duty-free Sales			Share of Sales	
	Results	Year-on-year difference	YoY	Share	Year-on-year difference
Sapporo Marui Mitsukoshi	532	508	-	3.9%	3.7%
Nagoya Mitsukoshi	346	282	548.8%	2.4%	1.9%
Iwataya Mitsukoshi	1,963	1,873	-	7.2%	6.9%
Others	157	135	711.7%	0.5%	0.5%
Domestic regional department stores total	2,999	2,800	-	3.6%	3.3%
Domestic department stores total	18,694	14,119	408.6%	7.7%	5.6%