ISETAN MITSUKOSHI HOLDINGS

Explanatory Materials for Settlement of Consolidated Accounts for the Second Quarter of Fiscal Year Ending March 31, 2022

Since the Accounting Standard for Revenue Recognition, etc. was adopted from the beginning of the fiscal year ending March 31, 2022 (fiscal 2021), figures for items excluding gross sales in business results for the second quarter of fiscal 2021 and the full year forecast for fiscal 2021 presented herein reflect the adoption of this accounting standard, while results for periods prior to fiscal 2021 do not reflect the adoption of this accounting standard. Figures for YoY (%) and YoY difference have been calculated from the results and forecast corresponding to each period.

Figures for "gross sales" and those for net sales presented in "Ⅱ. Isetan Mitsukoshi Ltd. Non-consolidated Business Results 2. Net Sales" represent net sales calculated based on the previous accounting standard.

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November 10, 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 year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Gross sales		-	-	-	-	398,997	945,000
	YoY (%)	-	-	-	-	118.9	115.8
	YoY difference	-	-	-	-	63,296	128,990
Net sales		577,288	1,119,191	335,701	816,009	187,932	435,000
	YoY (%)	102.4	93.5	58.2	72.9	56.0	53.3
	YoY difference	13,297	(77,611)	(241,587)	(303,182)	(147,768)	(381,009)
Gross profit		167,903	322,702	96,072	227,565	107,993	251,000
	YoY (%)	101.5	92.7	57.2	70.5	112.4	110.3
	YoY difference	2,419	(25,579)	(71,831)	(95,136)	11,921	23,434
Operating income		13,886	15,679	(17,812)	(20,976)	(7,758)	3,000
	YoY (%)	128.3	53.6	-	-	-	-
	YoY difference	3,061	(13,550)	(31,699)	(36,655)	10,054	23,976
Recurring income		15,057	19,771	(17,092)	(17,171)	(7,114)	3,000
	YoY (%)	122.6	61.8	-	-	-	-
	YoY difference	2,774	(12,223)	(32,149)	(36,943)	9,977	20,171
Net income attributable to parent company shareholders		7,595	(11,187)	(36,786)	(41,078)	(8,136)	3,000
	YoY (%)	193.3	-	-	-	-	-
	YoY difference	3,665	(24,667)	(44,381)	(29,891)	28,649	44,078
Net income per share (yen)		19.47	(28.90)	(96.74)	(107.96)	(21.35)	7.87
	YoY difference (yen	9.39	(63.47)	(116.21)	(79.06)	75.39	115.83
Gross profit margin (%)*		29.08	28.83	28.62	27.89	57.46	57.70
	YoY difference (%)	(0.3)	(0.3)	(0.5)	(0.9)	28.8	29.8
Operating profit margin (%)*		2.4	1.4	(5.3)	(2.6)	(4.1)	0.7
	YoY difference (%)	0.5	(1.0)	(7.7)	(4.0)	1.2	3.3
Recurring profit margin (%)*		2.6	1.8	(5.1)	(2.1)	(3.8)	0.7
	YoY difference (%)	0.4	(0.9)	(7.7)	(3.9)	1.3	2.8
Return on sales (%)*		1.3	(1.0)	(11.0)	(5.0)	(4.3)	0.7
	YoY difference (%)	0.6	(2.1)	(12.3)	(4.0)	6.6	5.7

*Net sales for the second quarter and full year (forecast) of the fiscal year ending March 31, 2022 reflect the adoption of the Accounting Standard for Revenue Recognition, etc., and each profit margin item and return on sales have been calculated based on net sales that reflect the adoption of this standard.

(2) Consolidated Financial Positions

(Millions of yen)

		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Total assets		1,254,225	1,223,800	1,166,391	1,198,303	1,155,661	1,164,000
	YoY (%)	100.3	98.1	93.0	97.9	99.1	97.1
	YoY difference	4,303	(23,626)	(87,834)	(25,497)	(10,729)	(34,303)
Net assets		583,582	550,161	510,131	508,275	492,948	494,000
	YoY (%)	99.7	93.9	87.4	92.4	96.6	97.2
	YoY difference	(1,869)	(35,553)	(73,450)	(41,885)	(17,183)	(14,275)
Interest-bearing debt		156,445	175,548	184,064	208,884	207,688 *1	75,000
	YoY (%)	95.6	128.4	117.7	119.0	112.8	83.8
	YoY difference	(7,254)	38,801	27,619	33,336	23,624	(33,884)
Net financial revenue		381	578	207	187	9	0
	YoY (%)	101.8	89.4	54.5	32.5	4.4	-
	YoY difference	6	(68)	(173)	(390)	(198)	(187)
Return on assets (ROA) (%)		-	1.3	-	(1.7)	-	0.3
	YoY difference (%)	-	(1.0)	-	(3.0)	-	2.0
Return on equity (ROE) (%)		-	(2.0)	-	(7.9)	-	0.6
	YoY difference (%)	-	(4.3)	-	(5.9)	-	8.5
Rate of return on invested capital (ROIC) (%)*2		-	1.5	-	(2.0)	-	0.3
	YoY difference (%)	-	(1.3)	-	(3.6)	-	2.3
Shareholder's equity ratio (%)		45.8	44.3	43.1	41.9	42.1	41.9
	YoY difference (%)	(0.2)	(1.8)	(2.7)	(2.4)	(1.0)	0.0
Interest-bearing debt dependency (%)		12.5	14.3	15.8	17.4	18.0	15.0
	YoY difference (%)	(0.6)	3.4	3.3	3.1	2.2	(2.4)
Consolidated debt equity ratio (DER) (times)		0.27	0.32	0.37	0.42	0.43	0.36
	YoY difference (tim	(0.01)	0.09	0.09	0.09	0.06	(0.06)

*1 The amount of interest-bearing debt including lease obligations is ¥213,776 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, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Cash flows from operating activities		6,499	16,281	(16,718)	1,197	4,881	19,000
	YoY difference	16,532	(12,005)	(23,217)	(15,083)	21,600	17,802
Cash flows from investing activities		(19,321)	(9,965)	(17,937)	(4,737)	(11,267)	(20,000)
	YoY difference	2,834	12,484	1,383	5,228	6,670	(15,262)
Cash flows from financing activities		14,456	20,259	6,714	29,733	(4,567)	(40,000)
	YoY difference	(6,104)	29,323	(7,741)	9,474	(11,282)	(69,733)
Cash and cash equivalents at end of period		51,438	76,659	48,157	102,797	92,542	62,000
	YoY difference	9,566	26,511	(3,280)	26,138	44,384	(40,797)

(4) Others

(Millions of yen)

		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Capital investment		15,825	38,055	14,804	29,484	9,264	21,000
	YoY (%)	139.1	67.3	93.6	77.5	62.6	71.2
	YoY difference	4,450	(18,470)	(1,020)	(8,570)	(5,540)	(8,484)
Number of employees (regular employees)		13,074	12,453	11,932	11,588	9,957	9,900
	YoY (%)	95.5	94.3	91.3	93.1	83.4	85.4
	YoY difference	(615)	(758)	(1,142)	(865)	(1,975)	(1,688)
Number of employees (temporary employees)		9,489	9,146	8,714	8,419	7,796	7,690
	YoY (%)	90.3	86.9	91.8	92.1	89.5	91.3
	YoY difference	(1,024)	(1,375)	(775)	(727)	(918)	(729)
Number of consolidated subsidiaries		38	38	39	38	35	35
(as of March 31)	YoY difference	(5)	(3)	1	0	(4)	(3)
Number of equity-method affiliates		9	8	9	9	9	9
(as of March 31)	YoY difference	0	(1)	0	1	0	0
Cash dividends per share (yen)		6.00	12.00	3.00	9.00	5.00	10.00
(Total annual dividend for the full year)	YoY difference (yen)	0.00	0.00	(3.00)	(3.00)	2.00	1.00

*The decrease in the number of employees in the second quarter and the full year (forecast) of the fiscal year ending March 31, 2022 is primarily due to the exclusion of SOCIE WORLD CO., LTD., etc. from the scope of consolidation due to the transfer of shares.

2. Consolidated Selling, General and Administrative Expenses

(Millions of yen)

		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Selling, general and administrative expenses		154,016	307,023	113,884	248,542	115,751	248,000
	YoY (%)	99.6	96.2	73.9	81.0	101.6	99.8
	YoY difference	(641)	(12,029)	(40,131)	(58,480)	1,866	(542)
Advertising expenses		8,956	18,702	4,205	10,312	3,848	9,700
	YoY (%)	100.1	97.8	47.0	55.1	91.5	94.1
	YoY difference	13	(411)	(4,750)	(8,390)	(356)	(612)
Point related expenses		10,590	19,280	6,429	15,290	1,691	3,700
	YoY (%)	104.2	89.8	60.7	79.3	26.3	24.2
	YoY difference	424	(2,183)	(4,160)	(3,990)	(4,737)	(11,590)
Personnel expenses		51,050	103,778	39,686	84,488	42,821	87,800
	YoY (%)	96.9	94.9	77.7	81.4	107.9	103.9
	YoY difference	(1,610)	(5,521)	(11,364)	(19,289)	3,135	3,311
Depreciation and amortization		13,476	27,021	10,894	23,629	11,191	23,600
	YoY (%)	104.1	105.0	80.8	87.4	102.7	99.9
	YoY difference	530	1,287	(2,582)	(3,391)	296	(29)
Lease payments		16,150	31,858	11,619	25,939	14,802	30,600
	YoY (%)	88.7	88.0	71.9	81.4	127.4	118.0
	YoY difference	(2,049)	(4,339)	(4,530)	(5,919)	3,182	4,660
Business consignment expenses		16,432	33,426	13,501	29,978	13,910	29,800
	YoY (%)	98.0	98.4	82.2	89.7	103.0	99.4
	YoY difference	(338)	(535)	(2,930)	(3,447)	409	(178)
Others		37,359	72,954	27,547	58,902	27,485	62,800
	YoY (%)	106.8	99.6	73.7	80.7	99.8	106.6
	YoY difference	2,388	(324)	(9,812)	(14,051)	(61)	3,897
SGA ratio (%)		26.7	27.4	33.9	30.5	61.6	57.0
	YoY difference (%	(0.7)	0.8	7.2	3.0	27.7	26.6

*The SGA ratios for the second quarter and the full year (forecast) of the fiscal year ending March 31, 2022 have been calculated based on net sales that reflect the adoption of the Accounting Standard for Revenue Recognition, etc.

3. Consolidated Non-operating Income/Loss

(Millions of yen)

		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Non-operating income		4,020	16,409	3,874	15,804	2,748	5,200
	YoY difference	(185)	2,562	(145)	(604)	(1,125)	(10,604)
Interest and dividend income		831	1,520	655	1,081	443	900
	YoY difference	38	103	(176)	(439)	(211)	(181)
Equity in earnings of affiliates		1,041	2,228	-	2,003	283	1,300
	YoY difference	(883)	(830)	(1,041)	(225)	283	(703)
Income from unredeemed gift vouchers		0	5,928	-	6,722	-	-
	YoY difference	0	181	0	794	-	(6,722)
Gain on donated fixed assets		1,534	5,231	2,049	3,247	737	1,300
	YoY difference	494	2,586	515	(1,984)	(1,312)	(1,947)
Other non-operating income		612	1,499	1,170	2,749	1,284	1,700
	YoY difference	163	522	557	1,250	113	(1,049)
Non-operating expenses		2,850	12,316	3,154	11,999	2,105	5,200
	YoY difference	100	1,236	304	(317)	(1,049)	(6,799)
Interest expenses		450	942	447	893	434	900
	YoY difference	31	171	(3)	(48)	(12)	6
Equity in losses of affiliates		-	-	19	-	-	-
	YoY difference	-	-	19	-	(19)	-
Loss on retirement of property and equipment		647	1,233	998	1,757	556	1,200
	YoY difference	104	(108)	351	523	(442)	(557)
Provision of reserve for loss from redemption of gift vouchers		-	5,873	-	6,445	-	300
	YoY difference	-	128	-	572	-	(6,145)
Other non-operating expenses		1,751	4,267	1,689	2,902	1,113	2,800
	YoY difference	(35)	1,044	(62)	(1,364)	(575)	(102)

4. Consolidated Extraordinary Gain/Loss

(Millions of yen)

	Fiscal year ending March 31, 2022 2Q	Details
Extraordinary gain	2,986	
Gain on sale of stocks of subsidiaries and associates	2,240	Transfer of shares of SWP Holdings Inc. and SOCIE WORLD CO., LTD.
Subsidies for employment adjustment	745	
Extraordinary loss	3,414	
Loss on disposal of property and equipment	211	Remodeling of Niigata Isetan, Matsuyama Mitsukoshi, etc.
Impairment losses	108	Software
Loss on closing of stores	216	Mitsukoshi Italia S.r.l.
COVID-19-related loss	2,876	Personnel expenses: ¥905 million, Depreciation and amortization: ¥537 million, Lease payments: ¥580 million, Business consignment expenses: ¥261 million, etc.

5. Consolidated Capital Investment

(Millions of yen)

		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Isetan Mitsukoshi Ltd.		11,621	28,569	11,445	21,802	4,810	14,200
	YoY (%)	148.3	58.8	98.5	76.3	42.0	65.1
	YoY difference	3,786	(19,998)	(176)	(6,766)	(6,635)	(7,602)
MICARD CO. Ltd.		494	1,251	540	1,425	1,445	1,700
	YoY (%)	75.5	99.4	109.3	113.9	267.4	119.3
	YoY difference	(160)	(7)	45	173	904	274
Isetan Mitsukoshi System Solutions Ltd.		2,116	4,764	1,837	4,128	2,519	4,500
	YoY (%)	116.0	109.8	86.8	86.6	137.1	109.0
	YoY difference	292	425	(278)	(636)	681	371
Others		1,664	3,696	1,025	2,181	503	700
	YoY (%)	147.1	133.9	61.6	59.0	49.1	32.1
	YoY difference	533	935	(639)	(1,514)	(521)	(1,481)
Elimination of intra-company transactions		(72)	(226)	(43)	(53)	(14)	(100)
	YoY (%)	-	-	-	-	-	-
	YoY difference	0	174	28	173	29	(46)
Total		15,825	38,055	14,804	29,484	9,264	21,000
	YoY (%)	139.1	67.3	93.6	77.5	62.6	71.2
	YoY difference	4,450	(18,470)	(1,020)	(8,570)	(5,540)	(8,484)

*Figures include investments made for intangible fixed assets.

6. Net Sales by Segment and Operating Income/Loss

(Millions of yen)

Net sales		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Department store business							
Gross sales		-	-	-	-	374,543	896,000
	YoY (%)	-	-	-	-	122.7	119.1
	YoY difference	-	-	-	-	69,390	143,868
Sales		536,250	1,035,589	305,153	752,131	166,473	392,000
	YoY (%)	102.2	93.2	56.9	72.6	54.6	52.1
	YoY difference	11,520	(75,613)	(231,097)	(283,457)	(138,679)	(360,131)
Segment income (loss)		6,802	2,203	(21,297)	(30,302)	(12,636)	(7,500)
	YoY (%)	127.9	14.4	-	-	-	-
	YoY difference	1,484	(13,110)	(28,099)	(32,506)	8,660	22,802
Credit & finance business/ Customer organization management business							
Gross sales		-	-	-	-	15,815	33,000
	YoY (%)	-	-	-	-	105.0	101.4
	YoY difference	-	-	-	-	759	457
Sales		19,894	38,595	15,055	32,542	14,486	30,000
	YoY (%)	104.2	98.7	75.7	84.3	96.2	92.2
	YoY difference	806	(520)	(4,838)	(6,052)	(569)	(2,542)
Segment income (loss)		2,639	5,669	1,285	4,450	2,606	5,300
	YoY (%)	84.1	88.3	48.7	78.5	202.8	119.1
	YoY difference	(498)	(752)	(1,354)	(1,218)	1,320	849
Real estate business							
Gross sales		-	-	-	-	7,396	20,000
	YoY (%)	-	-	-	-	49.6	70.5
	YoY difference	-	-	-	-	(7,501)	(8,367)
Sales		16,721	35,399	14,897	28,367	7,396	20,000
	YoY (%)	83.1	73.3	89.1	80.1	49.6	70.5
	YoY difference	(3,409)	(12,904)	(1,824)	(7,031)	(7,501)	(8,367)
Segment income (loss)		3,076	5,970	2,997	5,440	2,494	5,400
	YoY (%)	102.2	76.7	97.4	91.1	83.2	99.3
	YoY difference	67	(1,815)	(79)	(530)	(503)	(40)
Other businesses							
Gross sales		-	-	-	-	26,186	54,000
	YoY (%)	-	-	-	-	89.8	84.8
	YoY difference	-	-	-	-	(2,958)	(9,656)
Sales		41,438	82,418	29,145	63,656	24,520	51,000
	YoY (%)	95.5	92.6	70.3	77.2	84.1	80.1
	YoY difference	(1,949)	(6,552)	(12,293)	(18,761)	(4,624)	(12,656)
Segment income (loss)		1,148	1,618	(723)	(619)	(313)	(400)
	YoY (%)	-	-	-	-	-	-
	YoY difference	1,918	1,921	(1,871)	(2,237)	410	219
Amount listed on consolidated financial statements*							
Gross sales		-	-	-	-	398,997	945,000
	YoY (%)	-	-	-	-	118.9	115.8
	YoY difference	-	-	-	-	63,296	128,990
Sales		577,288	1,119,191	335,701	816,009	187,932	435,000
	YoY (%)	102.4	93.5	58.2	72.9	56.0	53.3
	YoY difference	13,297	(77,611)	(241,587)	(303,182)	(147,768)	(381,009)
Operating income (loss)		13,886	15,679	(17,812)	(20,976)	(7,758)	3,000
	YoY (%)	128.3	53.6	-	-	-	-
	YoY difference	3,061	(13,550)	(31,699)	(36,655)	10,054	23,976

* "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, 2022

(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.	-		19,119	19,119	15,069	15,301	16,739
		YoY difference	14,209	14,209	14,061	14,754	16,359
Isetan Mitsukoshi Ltd. *1	100.0		206,135	90,693	(4,842)	(946)	(2,544)
		YoY difference	47,211	(68,230)	7,258	7,475	17,618
Sapporo Marui Mitsukoshi Ltd.	100.0		19,869	7,574	(1,611)	(1,615)	(1,731)
		YoY difference	1,768	(10,526)	(73)	(77)	243
Hakodate Marui Imai Ltd.	100.0		2,623	1,077	(52)	(52)	(46)
		YoY difference	43	(1,502)	(29)	(32)	2
Sendai Mitsukoshi Ltd.	100.0		11,552	5,006	(549)	(544)	(544)
		YoY difference	995	(5,550)	86	80	300
Nagoya Mitsukoshi Ltd.	100.0		25,587	9,614	(1,096)	(1,091)	(1,115)
		YoY difference	3,000	(12,972)	18	(2)	1,714
Shizuoka Isetan Co., Ltd.	100.0		6,795	2,998	(159)	(138)	(140)
		YoY difference	773	(3,023)	13	30	193
Niigata Isetan Mitsukoshi Ltd.	100.0		15,599	6,828	(37)	50	44
		YoY difference	2,450	(6,320)	135	287	404
Hiroshima Mitsukoshi Ltd.	100.0		5,153	1,880	(474)	(483)	(482)
		YoY difference	(17)	(3,291)	(76)	(83)	19
Takamatsu Mitsukoshi Ltd.	100.0		9,218	3,810	(196)	(192)	(192)
		YoY difference	1,900	(3,507)	164	162	266
Matsuyama Mitsukoshi Ltd.	100.0		1,886	988	(583)	(541)	(541)
		YoY difference	(1,553)	(2,451)	84	140	1,780
Iwataya Mitsukoshi Ltd.	100.0		41,562	14,686	(832)	(821)	(832)
		YoY difference	7,268	(19,608)	652	686	1,917
Isetan (Singapore) Ltd. *2	52.7		-	2,943	(43)	102	102
		YoY difference	-	500	(182)	(180)	183
Isetan of Japan Sdn. Bhd.	100.0		3,160	1,793	(89)	(59)	(438)
		YoY difference	(318)	(1,685)	113	150	(11)
Isetan (China) Holdings Ltd.	100.0		4	4	(27)	(25)	(25)
		YoY difference	(0)	(0)	(13)	(14)	(14)
Shanghai Mei Long Zhen Isetan	80.0		3,509	1,939	(168)	(168)	(168)
		YoY difference	862	(707)	69	68	72
Tianjin Isetan Co., Ltd.	100.0		4,039	1,779	146	138	138
		YoY difference	1,248	(1,011)	130	108	203
Tianjin Binhai New District Isetan Co., Lt	100.0		763	643	1	(8)	(8)
		YoY difference	343	223	43	36	55
Chengdu Isetan Co., Ltd.	100.0		4,251	2,323	35	32	25
		YoY difference	1,288	(639)	6	20	30
Mitsukoshi Italia S.r.l.	100.0		347	347	(11)	(4)	(224)
		YoY difference	170	170	67	86	(117)
Mitsukoshi (USA) Inc.	100.0		2,141	2,141	274	279	290
		YoY difference	768	768	165	160	447

*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		14,707	14,510	2,872	2,872	2,685
		YoY difference	709	512	1,368	1,407	1,914
MI TOMONOKAI Co., Ltd.	100.0		1,459	1,459	(210)	(27)	(27)
		YoY difference	54	54	8	(8)	5
Real estate business							
Isetan Mitsukoshi Property Design Ltd.	100.0		3,321	3,321	(285)	(284)	(284)
		YoY difference	(5,883)	(5,883)	(336)	(332)	(332)
Other businesses							
Isetan Mitsukoshi System Solutions Ltd.	100.0		5,862	5,862	(252)	(405)	(449)
		YoY difference	(1,555)	(1,555)	(490)	(623)	152
Isetan Mitsukoshi Human Solutions Ltd.	100.0		1,802	1,802	(32)	(27)	0
		YoY difference	(560)	(560)	6	10	(57)
Isetan Mitsukoshi Business Support Ltd.	100.0		11,167	11,167	191	194	170
		YoY difference	319	319	97	97	63
Isetan Mitsukoshi Gift Solutions Ltd.	100.0		2,282	616	253	256	228
		YoY difference	104	(1,561)	159	136	124
Mitsukoshi Isetan Nikko Travel, Ltd.	100.0		617	617	(483)	(461)	(445)
		YoY difference	399	399	143	105	112
Lime Tree Cruises B.V.	-		-	-	(29)	88	61
		YoY difference	-	-	(8)	112	126
Lime Tree Shipping AG	-		23	23	3	3	(2)
		YoY difference	23	23	12	12	12
Century Trading Co., Ltd.	100.0		1,036	1,036	(31)	(28)	(28)
		YoY difference	235	235	65	67	67
Studio Alta Co., Ltd.	100.0		237	237	(79)	(84)	(84)
		YoY difference	(49)	(49)	(48)	(48)	(54)
SWP Holdings Inc. *3	-		-	-	(1)	(25)	(25)
		YoY difference	-	-	(0)	(9)	(9)
SOCIE WORLD CO., LTD. *3	-		2,096	2,096	(371)	(386)	(531)
		YoY difference	(1,304)	(1,304)	484	186	798
TAIWAN SOCIE WORLD CO., LTD. *3	-		423	423	(28)	(12)	(97)
		YoY difference	(1,063)	(1,063)	(209)	(203)	(234)
Isetan Mitsukoshi Innovations Ltd.	100.0		591	591	525	530	470
		YoY difference	357	357	291	296	317

*3 SWP Holdings Inc., SOCIE WORLD CO., LTD. and TAIWAN SOCIE WORLD CO., LTD. were excluded from the scope of consolidation due to the transfer of shares in July 2021.

(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.		23,940	23,940	14,914	15,371	17,727
	YoY difference	211	211	(155)	2,983	13,535
Isetan Mitsukoshi Ltd. *1		500,500	216,800	(400)	2,000	1,000
	YoY difference	91,808	(191,891)	14,551	3,627	14,799
Sapporo Marui Mitsukoshi Ltd.		52,024	19,915	(1,295)	(1,306)	(1,277)
	YoY difference	8,471	(23,637)	1,262	1,260	1,490
Hakodate Marui Imai Ltd.		6,148	2,496	(11)	(11)	(10)
	YoY difference	190	(3,461)	12	9	36
Sendai Mitsukoshi Ltd.		26,852	11,821	(278)	(269)	(257)
	YoY difference	2,526	(12,505)	591	597	958
Nagoya Mitsukoshi Ltd.		57,042	21,251	(1,159)	(1,145)	(1,103)
	YoY difference	4,934	(30,857)	347	317	2,285
Shizuoka Isetan Co., Ltd.		16,189	7,146	38	60	61
	YoY difference	1,732	(7,310)	277	292	356
Niigata Isetan Mitsukoshi Ltd.		36,149	15,721	652	748	721
	YoY difference	4,676	(15,751)	332	481	1,119
Hiroshima Mitsukoshi Ltd.		12,026	4,548	(656)	(674)	(635)
	YoY difference	392	(7,086)	120	104	153
Takamatsu Mitsukoshi Ltd.		20,959	8,916	(15)	(11)	(10)
	YoY difference	2,688	(9,353)	276	267	140
Matsuyama Mitsukoshi Ltd.		5,856	3,015	(533)	(508)	(491)
	YoY difference	(191)	(3,032)	719	793	2,416
Iwataya Mitsukoshi Ltd.		100,945	34,862	801	807	582
	YoY difference	16,531	(49,551)	1,821	1,615	1,984
Isetan (Singapore) Ltd. *2		-	-	-	-	-
	YoY difference	-	-	-	-	-
Isetan of Japan Sdn. Bhd.		8,877	5,139	(0)	(5)	(384)
	YoY difference	1,592	(2,145)	455	596	548
Isetan (China) Holdings Ltd.		19	19	(79)	(76)	(76)
	YoY difference	12	12	(33)	(35)	(35)
Shanghai Mei Long Zhen Isetan		7,190	3,960	(338)	(342)	(342)
	YoY difference	744	(2,485)	139	129	169
Tianjin Isetan Co., Ltd.		7,988	3,603	82	74	74
	YoY difference	991	(3,394)	(66)	(120)	9
Tianjin Binhai New District Isetan Co., Ltd.		1,661	1,389	4	(5)	(5)
	YoY difference	483	211	(4)	(47)	(28)
Chengdu Isetan Co., Ltd.		8,757	5,294	59	59	47
	YoY difference	1,814	(1,648)	17	2	19
Mitsukoshi Italia S.r.l. *3		373	373	(100)	(89)	(309)
	YoY difference	34	34	511	535	462
Mitsukoshi (USA) Inc.		5,087	5,087	556	562	539
	YoY difference	2,651	2,651	547	545	740

*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.

*3 Mitsukoshi Italia S.r.l. ceased operation in July 2021, and is in the process of liquidation.

(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.		30,273	30,273	5,644	5,637	4,879
	YoY difference	371	371	792	771	1,800
MI TOMONOKAI Co., Ltd.		3,559	3,559	(344)	184	(203)
	YoY difference	195	195	55	(82)	(372)
Real estate business						
Isetan Mitsukoshi Property Design Ltd.		11,938	11,938	(33)	(34)	(33)
	YoY difference	(5,652)	(5,652)	351	358	598
Other businesses						
Isetan Mitsukoshi System Solutions Ltd.		12,664	12,664	52	(138)	(239)
	YoY difference	(1,953)	(1,953)	(392)	(462)	(458)
Isetan Mitsukoshi Human Solutions Ltd.		3,649	3,649	(52)	(47)	(22)
	YoY difference	(900)	(900)	8	10	(23)
Isetan Mitsukoshi Business Support Ltd.		25,036	25,036	257	262	170
	YoY difference	1,687	1,687	(35)	(31)	(131)
Isetan Mitsukoshi Gift Solutions Ltd.		4,359	1,141	402	437	321
	YoY difference	(605)	(3,822)	(37)	(77)	(88)
Mitsukoshi Isetan Nikko Travel, Ltd.		2,697	2,697	(764)	(730)	(693)
	YoY difference	1,664	1,664	308	418	453
Lime Tree Cruises B.V.		-	-	(95)	15	(12)
	YoY difference	-	-	(59)	50	275
Lime Tree Shipping AG		23	23	(20)	(20)	(25)
	YoY difference	23	23	15	15	21
Century Trading Co., Ltd.		2,800	2,800	36	39	55
	YoY difference	169	169	72	65	70
Studio Alta Co., Ltd.		526	526	(143)	(153)	(144)
	YoY difference	(121)	(121)	(116)	(118)	(154)
Isetan Mitsukoshi Innovations Ltd.		591	591	512	519	324
	YoY difference	301	301	351	359	234

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, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Gross sales		-	-	-	-	206,135	500,500
	YoY (%)	-	-	-	-	129.7	122.5
	YoY difference	-	-	-	-	47,211	91,808
Net sales		309,061	583,203	158,923	408,691	90,693	216,800
	YoY (%)	103.4	91.9	51.4	70.1	57.1	53.0
	YoY difference	10,236	(51,077)	(150,137)	(174,511)	(68,230)	(191,891)
Gross profit		87,155	163,813	43,226	110,837	52,361	127,400
	YoY (%)	102.1	90.4	49.6	67.7	121.1	114.9
	YoY difference	1,807	(17,395)	(43,928)	(52,976)	9,135	16,562
Other net operating revenue		6,716	12,196	6,461	12,026	8,331	14,600
	YoY (%)	97.4	94.4	96.2	98.6	128.9	121.4
	YoY difference	(177)	(724)	(254)	(169)	1,869	2,573
Gross operating profit		93,871	176,009	49,688	122,863	60,693	142,000
	YoY (%)	101.8	90.7	52.9	69.8	122.1	115.6
	YoY difference	1,629	(18,119)	(44,182)	(53,146)	11,004	19,136
Operating income		8,078	6,255	(12,101)	(14,951)	(4,842)	(400)
	YoY (%)	87.9	34.1	-	-	-	-
	YoY difference	(1,109)	(12,067)	(20,180)	(21,207)	7,258	14,551
Recurring income		10,710	13,272	(8,422)	(1,627)	(946)	2,000
	YoY (%)	91.5	63.2	-	-	-	-
	YoY difference	(990)	(7,716)	(19,132)	(14,900)	7,475	3,627
Net income		5,288	(6,473)	(20,163)	(13,799)	(2,544)	1,000
	YoY (%)	88.7	-	-	-	-	-
	YoY difference	(675)	(28,828)	(25,451)	(7,325)	17,618	14,799
Gross profit margin (%)*		28.20	28.09	27.20	27.12	57.73	58.76
	YoY difference (%)	(0.36)	(0.48)	(1.00)	(0.97)	30.54	31.64
Gross operating profit margin (%)*		30.37	30.18	31.27	30.06	66.92	65.50
	YoY difference (%)	(0.50)	(0.43)	0.89	(0.12)	35.66	35.44
Operating profit margin (%)*		2.6	1.1	(7.6)	(3.7)	(5.3)	(0.2)
	YoY difference (%)	(0.5)	(1.8)	(10.2)	(4.7)	2.3	3.5
Recurring profit margin (%)*		3.5	2.3	(5.3)	(0.4)	(1.0)	0.9
	YoY difference (%)	(0.5)	(1.0)	(8.8)	(2.7)	4.3	1.3
Return on sales (%)*		1.7	(1.1)	(12.7)	(3.4)	(2.8)	0.5
	YoY difference (%)	(0.3)	(4.6)	(14.4)	(2.3)	9.9	3.8

*Net sales for the second quarter and full year (forecast) of the fiscal year ending March 31, 2022 reflect the adoption of the Accounting Standard for Revenue Recognition, etc., and each profit margin item and return on sales have been calculated based on net sales figures that reflect the adoption of this standard.

(2) Financial Position

(Millions of yen)

		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Total assets		652,959	600,605	612,091	595,104	587,584	591,000
	YoY (%)	102.6	93.2	93.7	99.1	96.0	99.3
	YoY difference	16,328	(43,751)	(40,867)	(5,500)	(24,506)	(4,104)
Total net assets		233,294	207,495	187,790	181,350	173,747	176,000
	YoY (%)	105.5	90.5	80.5	87.4	92.5	97.0
	YoY difference	12,130	(21,815)	(45,503)	(26,144)	(14,043)	(5,350)
Return on assets (ROA) (%)		-	1.0	-	(2.5)	-	(0.1)
	YoY difference (%)	-	(1.8)	-	(3.5)	-	2.4
Return on equity (ROE) (%)		-	(3.0)	-	(7.1)	-	0.6
	YoY difference (%)	-	(13.0)	-	(4.1)	-	7.7
Shareholder's equity ratio (%)		35.7	34.5	30.7	30.5	29.6	29.8
	YoY difference (%)	1.0	(1.0)	(5.0)	(4.1)	(1.1)	(0.7)

(3) Selling, General and Administrative Expenses

(Millions of yen)

		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Selling, general and administrative expenses		85,792	169,754	61,790	137,815	65,536	142,400
	YoY (%)	103.3	96.6	72.0	81.2	106.1	103.3
	YoY difference	2,738	(6,051)	(24,002)	(31,938)	3,746	4,584
Advertising expenses		4,157	8,403	2,043	5,040	1,805	4,600
	YoY (%)	110.8	99.2	49.2	60.0	88.4	91.3
	YoY difference	406	(64)	(2,113)	(3,362)	(237)	(440)
Point related expenses		4,927	8,924	2,704	7,047	0	0
	YoY (%)	101.8	88.1	54.9	79.0	-	-
	YoY difference	87	(1,209)	(2,223)	(1,877)	(2,703)	(7,046)
Personnel expenses		26,716	55,026	19,183	42,363	22,349	46,100
	YoY (%)	100.4	97.3	71.8	77.0	116.5	108.8
	YoY difference	118	(1,555)	(7,532)	(12,663)	3,165	3,736
Depreciation and amortization		5,501	11,075	4,286	10,172	5,438	11,200
	YoY (%)	107.4	105.6	77.9	91.8	126.9	110.1
	YoY difference	378	588	(1,215)	(903)	1,152	1,027
Lease payments		5,133	9,833	3,161	7,563	4,914	10,400
	YoY (%)	93.2	89.2	61.6	76.9	155.5	137.5
	YoY difference	(372)	(1,190)	(1,972)	(2,269)	1,753	2,836
Business consignment expenses		11,120	22,285	8,860	19,824	8,270	18,800
	YoY (%)	107.7	102.6	79.7	89.0	93.3	94.8
	YoY difference	798	571	(2,259)	(2,460)	(590)	(1,024)
Others		28,234	54,204	21,549	45,803	22,756	51,299
	YoY (%)	104.9	94.4	76.3	84.5	105.6	112.0
	YoY difference	1,320	(3,192)	(6,685)	(8,400)	1,206	5,495
SGA ratio (%)*		27.8	29.1	38.9	33.7	72.3	65.7
	YoY difference (%	(0.0)	1.4	11.1	4.6	33.4	32.0

*The SGA ratios for the second quarter and the full year (forecast) of the fiscal year ending March 31, 2022 have been calculated based on net sales that reflect the adoption of the Accounting Standard for Revenue Recognition, etc.

(4) Others

(Millions of yen)

		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Capital investment		11,621	28,569	11,445	21,802	4,810	14,200
	YoY (%)	148.3	58.8	98.5	76.3	42.0	65.1
	YoY difference	3,786	(19,998)	(176)	(6,766)	(6,635)	(7,602)
Number of employees (regular employees)		4,776	4,538	4,540	4,440	4,447	4,389
	YoY (%)	94.8	93.8	95.1	97.8	98.0	98.9
	YoY difference	(264)	(299)	(236)	(98)	(93)	(51)
Number of employees (temporary employees)		4,896	4,669	4,400	4,363	4,084	3,980
	YoY (%)	90.9	88.4	89.9	93.4	92.8	91.2
	YoY difference	(488)	(610)	(496)	(306)	(316)	(383)

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, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022	
		2Q	Full Year	2Q	Full Year	2Q	Full Year (Forecast)
Isetan Shinjuku Main Store		139,827	274,066	80,516	207,037	106,559	255,916
	YoY (%)	102.8	94.9	57.6	75.5	132.3	123.6
	YoY difference	3,868	(14,813)	(59,311)	(67,029)	26,042	48,878
Mitsukoshi Nihombashi Main Store		67,906	133,013	39,622	101,297	48,935	118,298
	YoY (%)	100.9	91.9	58.3	76.2	123.5	116.8
	YoY difference	609	(11,761)	(28,283)	(31,715)	9,312	17,000
Mitsukoshi Ginza Store		45,084	82,818	16,444	44,320	23,272	58,908
	YoY (%)	102.1	90.8	36.5	53.5	141.5	132.9
	YoY difference	924	(8,371)	(28,639)	(38,498)	6,827	14,587
Isetan Tachikawa Store		17,022	34,915	10,389	26,316	11,695	30,610
	YoY (%)	100.4	96.4	61.0	75.4	112.6	116.3
	YoY difference	64	(1,300)	(6,633)	(8,598)	1,306	4,293
Isetan Urawa Store		19,114	38,284	11,950	29,719	15,672	36,768
	YoY (%)	101.2	94.5	62.5	77.6	131.1	123.7
	YoY difference	218	(2,232)	(7,163)	(8,564)	3,722	7,048
Isetan Sagamihara Store*		11,555	11,555	-	-	-	-
	YoY (%)	130.0	61.5	-	-	-	-
	YoY difference	2,669	(7,242)	-	-	-	-
Isetan Fuchu Store*		8,549	8,549	-	-	-	-
	YoY (%)	128.2	61.5	-	-	-	-
	YoY difference	1,881	(5,356)	-	-	-	-
Total		309,061	583,203	158,923	408,691	206,135	500,500
	YoY (%)	103.4	91.9	51.4	70.1	129.7	122.5
	YoY difference	10,236	(51,077)	(150,137)	(174,511)	47,211	91,808

*Isetan Sagamihara Store and Isetan Fuchu Store 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, 2020	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 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 ending 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

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

(Millions of yen)

2Q of fiscal year ending March 31, 2022	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	60,645	127.2	12,984	29.4	(0.6)	30.92	0.88
(Men's clothing)	19,377	123.1	3,635	9.4	(0.5)	32.51	1.48
(Women's clothing)	32,579	132.2	7,928	15.8	0.3	30.07	1.02
(Children's clothing)	4,771	116.8	687	2.3	(0.3)	28.21	(1.23)
(Formal wear and bedding)	3,916	123.0	732	1.9	(0.1)	33.46	(0.18)
Accessories	25,656	132.5	6,288	12.4	0.3	25.90	(0.18)
Sundry goods	51,949	141.6	15,274	25.2	2.1	27.25	(0.32)
(Cosmetics)	17,940	121.6	3,185	8.7	(0.6)	33.95	(0.26)
(Fine arts, jewelries, precious metals)	28,497	168.6	11,592	13.8	3.2	23.38	0.57
(Other sundry goods)	5,512	109.9	496	2.7	(0.5)	25.45	1.38
Household	7,288	117.5	1,085	3.5	(0.4)	28.45	0.65
Foods	51,429	124.9	10,239	24.9	(1.0)	24.49	(1.37)
Others	9,164	117.1	1,338	4.4	(0.5)	18.87	1.37
Total	206,135	129.7	47,211	100.0	-	27.14	(0.06)

(4) Net Sales by Category

(Millions of yen)

		Fiscal year ended March 31, 2020		Fiscal year ended March 31, 2021		Fiscal year ending March 31, 2022
		2Q	Full Year	2Q	Full Year	2Q
Cash sale		138,848	262,567	59,519	159,549	79,657
	Composition (%)	44.9	45.0	37.5	39.0	38.6
	YoY (%)	103.5	92.2	42.9	60.8	133.8
Credit sale		170,212	320,635	99,404	249,141	126,477
	Composition (%)	55.1	55.0	62.5	61.0	61.4
	YoY (%)	103.4	91.7	58.4	77.7	127.2
of which, sales of MICARD		147,471	275,424	78,821	203,289	104,782
	Composition (%)	47.7	47.2	49.6	49.7	50.8
	YoY (%)	102.7	91.1	53.4	73.8	132.9
Total		309,061	583,203	158,923	408,691	206,135
	Composition (%)	100.0	100.0	100.0	100.0	100.0
	YoY (%)	103.4	91.9	51.4	70.1	129.7

(5) Duty Free Sales

(Millions of yen)

2Q of fiscal year ending March 31, 2022	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference (%)
Isetan Shinjuku Main Store	3,187	262.6	1,973	3.0	1.5
Mitsukoshi Nihombashi Main Store	310	329.8	216	0.6	0.4
Mitsukoshi Ginza Store	316	197.7	156	1.4	0.4
Others	45	205.5	23	0.2	0.1
Total of Isetan Mitsukoshi Ltd.	3,859	259.0	2,369	1.9	0.9

* 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, 2022	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference (%)
Sapporo Marui Mitsukoshi Ltd.	14	123.9	2	0.1	0.0
Nagoya Mitsukoshi Ltd.	154	171.7	64	0.6	0.2
Iwataya Mitsukoshi Ltd.	53	64.6	(29)	0.1	(0.1)
Others	39	166.2	15	0.1	0.0
Total domestic regional department stores	262	125.6	53	0.2	0.0

(Millions of yen)

2Q of fiscal year ending March 31, 2022	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Sales share (%)	YoY difference (%)
Total domestic department stores	4,121	242.6	2,423	1.2	0.6