ISETAN MITSUKOSHI HOLDINGS

# Explanatory Materials for Settlement of Consolidated Accounts for the Third Quarter of Fiscal Year Ending March 31, 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.

February 2, 2024
Isetan Mitsukoshi Holdings Ltd.

# I. Isetan Mitsukoshi Holdings Consolidated Results

## (1) Outline of Consolidated Business Results

(Millions of yen)

| | Fiscal 2022 3Q | Fiscal 2023 3Q | YoY difference | YoY (%) |
|---|---|---|---|---|
| Gross sales | 819,612 | 910,243 | 90,631 | 111.1 |
| Net sales | 367,194 | 401,771 | 34,576 | 109.4 |
| Gross profit | 215,927 | 238,487 | 22,560 | 110.4 |
| Selling, general and administrative expenses | 191,374 | 197,548 | 6,173 | 103.2 |
| Advertising expenses | 6,291 | 7,219 | 927 | 114.7 |
| Point related expenses | 3,560 | 3,884 | 324 | 109.1 |
| Personnel expenses | 68,751 | 69,850 | 1,099 | 101.6 |
| Depreciation and amortization | 17,529 | 17,153 | (375) | 97.9 |
| Lease payments | 24,224 | 24,660 | 435 | 101.8 |
| Business consignment expenses | 21,474 | 22,035 | 561 | 102.6 |
| Others | 49,542 | 52,743 | 3,200 | 106.5 |
| Operating income | 24,552 | 40,939 | 16,386 | 166.7 |
| Recurring income | 25,617 | 44,976 | 19,359 | 175.6 |
| Net income attributable to parent company shareholders | 19,562 | 31,108 | 11,546 | 159.0 |

## (2) Consolidated Non-operating Income/Loss

(Millions of yen)

| | Fiscal 2022 3Q | Fiscal 2023 3Q | YoY difference | YoY (%) |
|---|---|---|---|---|
| Non-operating income | 3,812 | 7,062 | 3,250 | 185.3 |
| Interest and dividend income | 762 | 949 | 187 | 124.6 |
| Equity in earnings of affiliates | 2,005 | 4,642 | 2,636 | 231.5 |
| Other businesses | 1,044 | 1,470 | 425 | 140.8 |
| Non-operating expenses | 2,748 | 3,025 | 277 | 110.1 |
| Interest expenses | 579 | 573 | (5) | 99.0 |
| Loss on retirement of property and equipment | 746 | 1,181 | 435 | 158.3 |
| Other businesses | 1,422 | 1,271 | (151) | 89.3 |

## (3) Consolidated Extraordinary Gain/Loss

(Millions of yen)

| | Fiscal 2023 3Q | Details |
|---|---|---|
| Special interest | 676 | |
| Gain on sale of investment securities | 676 | |
| Extraordinary loss | 866 | |
| Impairment losses | 371 | Overseas stores |
| Loss on closing of stores | 321 | Harajuku Alta |
| Business structure improvement expenses | 173 | Takamatsu Mitsukoshi, Hiroshima Mitsukoshi |

(4) Main Consolidated Companies

Results for the Third Quarter of the Fiscal Year Ending March 31, 2024

(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. | - | | 8,530 | 8,530 | 2,682 | 2,516 | 1,952 |
| | | YoY difference | (7,553) | (7,553) | (7,353) | (7,454) | (6,367) |
| Isetan Mitsukoshi Ltd. *1 | 100.0% | | 521,994 | 201,811 | 29,953 | 33,909 | 25,128 |
| | | YoY difference | 67,301 | 17,408 | 12,028 | 12,950 | 8,630 |
| Sapporo Marui Mitsukoshi Ltd. | 100.0% | | 45,029 | 14,926 | 231 | 199 | 291 |
| | | YoY difference | 4,179 | 855 | 1,003 | 1,041 | 995 |
| Hakodate Marui Imai Ltd. | 100.0% | | 4,650 | 1,850 | 100 | 100 | 66 |
| | | YoY difference | 90 | 22 | 79 | 98 | 65 |
| Sendai Mitsukoshi Ltd. | 100.0% | | 20,706 | 8,775 | 51 | 62 | 40 |
| | | YoY difference | 307 | 46 | 59 | 65 | 44 |
| Nagoya Mitsukoshi Ltd. | 100.0% | | 46,086 | 15,071 | 396 | 402 | 257 |
| | | YoY difference | 3,161 | 716 | 613 | 601 | 423 |
| Shizuoka Isetan Co., Ltd. | 100.0% | | 11,647 | 4,897 | 118 | 120 | 79 |
| | | YoY difference | (315) | (275) | 104 | 103 | 67 |
| Niigata Isetan Mitsukoshi Ltd. | 100.0% | | 27,341 | 10,702 | 648 | 656 | 531 |
| | | YoY difference | 645 | (383) | 212 | 182 | 189 |
| Hiroshima Mitsukoshi Ltd. | 100.0% | | 8,466 | 2,893 | (322) | (344) | (392) |
| | | YoY difference | (323) | (258) | 135 | 131 | 33 |
| Takamatsu Mitsukoshi Ltd. | 100.0% | | 16,741 | 6,558 | 355 | 360 | 221 |
| | | YoY difference | 422 | 90 | 117 | 108 | 70 |
| Matsuyama Mitsukoshi Ltd. | 100.0% | | 3,874 | 1,830 | (226) | (266) | (210) |
| | | YoY difference | (200) | (130) | 76 | 70 | 72 |
| Iwataya Mitsukoshi Ltd. | 100.0% | | 92,572 | 29,681 | 4,032 | 4,023 | 2,708 |
| | | YoY difference | 10,077 | 2,059 | 1,418 | 1,419 | 843 |
| Isetan of Japan Sdn. Bhd. | 100.0% | | 10,549 | 5,680 | 204 | 193 | 193 |
| | | YoY difference | 1,238 | 664 | 8 | 21 | 21 |
| Isetan (China) Holdings Ltd. | 100.0% | | 6 | 6 | (19) | 16 | 16 |
| | | YoY difference | (5) | (5) | 0 | 20 | 20 |
| Shanghai Mei Long Zhen Isetan | 80.0% | | 4,165 | 2,256 | (376) | (380) | (380) |
| | | YoY difference | 686 | 325 | (109) | (114) | 108 |
| Tianjin Isetan Co., Ltd. | 100.0% | | 4,632 | 2,208 | (158) | (137) | (205) |
| | | YoY difference | 158 | 57 | (12) | (20) | (3) |
| Tianjin Binhai New District Isetan Co., Ltd. | 100.0% | | 1,387 | 1,266 | (5) | (14) | (35) |
| | | YoY difference | 425 | 448 | (5) | (7) | (22) |
| Mitsukoshi (USA) Inc. | 100.0% | | 7,126 | 7,126 | 798 | 856 | 610 |
| | | YoY difference | 898 | 898 | (200) | (152) | (115) |

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

Results for the Third Quarter of the Fiscal Year Ending March 31, 2024

(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% | | 24,681 | 24,305 | 3,201 | 3,207 | 2,316 |
| | | YoY difference | 1,452 | 1,415 | (154) | (105) | (238) |
| MI TOMONOKAI Co., Ltd. | 100.0% | | 2,578 | 2,578 | (98) | 100 | 66 |
| | | YoY difference | (119) | (119) | 13 | (6) | (9) |
| Real estate business | | | | | | | |
| Isetan Mitsukoshi Property Design Ltd. | 100.0% | | 13,737 | 13,737 | (48) | (61) | (41) |
| | | YoY difference | 5,204 | 5,204 | 155 | 141 | 104 |
| Isetan Kaikan Ltd. | 100.0% | | 539 | 539 | 10 | 7 | 4 |
| | | YoY difference | 8 | 8 | (1) | (7) | (5) |
| Other businesses | | | | | | | |
| Isetan Mitsukoshi System Solutions Ltd. | 100.0% | | 9,961 | 9,961 | 576 | 558 | 370 |
| | | YoY difference | 530 | 530 | 550 | 553 | 368 |
| Isetan Mitsukoshi Human Solutions Ltd. | 100.0% | | 2,606 | 2,606 | 17 | 19 | 12 |
| | | YoY difference | 305 | 305 | 26 | 29 | 20 |
| Isetan Mitsukoshi Business Support Ltd. | 100.0% | | 18,355 | 18,355 | 254 | 259 | 171 |
| | | YoY difference | (384) | (384) | 25 | 27 | 7 |
| Isetan Mitsukoshi Gift Solutions Ltd. | 100.0% | | 3,702 | 941 | 434 | 446 | 298 |
| | | YoY difference | (59) | 33 | (14) | (64) | (68) |
| Mitsukoshi Isetan Nikko Travel, Ltd. | 100.0% | | 4,513 | 4,513 | 1 | 121 | 77 |
| | | YoY difference | 1,981 | 1,981 | 322 | 378 | 292 |
| Lime Tree Cruises B. V. | - | | 141 | 141 | 42 | (28) | (50) |
| | | YoY difference | 65 | 65 | 132 | 64 | 5 |
| Lime Tree Shipping AG | - | | 520 | 520 | (28) | 26 | 26 |
| | | YoY difference | 393 | 393 | (8) | 46 | 46 |
| Century Trading Co., Ltd. | 100.0% | | 1,849 | 1,849 | (43) | (41) | (27) |
| | | YoY difference | (211) | (211) | (2) | 2 | 4 |
| Isetan Mitsukoshi (Italy) S.r.l. | 100.0% | | 86 | 86 | (28) | (9) | (9) |
| | | YoY difference | 86 | 86 | (26) | (7) | (7) |
| Studio Alta Co., Ltd. | 100.0% | | 1,323 | 1,323 | 253 | 246 | 164 |
| | | YoY difference | 717 | 717 | 169 | 158 | 103 |
| Isetan Mitsukoshi Innovations Ltd. | 100.0% | | 13 | 13 | 0 | 28 | 19 |
| | | YoY difference | 4 | 4 | 8 | 14 | 9 |
| M-I Food Style Co., Ltd. * 2 | 100.0% | | 30,776 | 27,911 | 902 | 918 | 593 |
| | | YoY difference | 8,815 | 7,904 | 157 | 168 | 339 |
| MITSUKOSHI FEDERAL RETAIL, INC. * 3 | 60.0% | | 643 | 290 | (61) | (63) | (63) |
| | | YoY difference | - | - | - | - | - |

*2 IM Food Style Ltd. was included in the scope of consolidation with a deemed acquisition date of June 30, 2022,the YoY difference is based on the profit and loss from July to December of the previous fiscal year.

*3 As MITSUKOSHI FEDERAL RETAIL, INC. will be included in the scope of consolidation from the fiscal year ending March 2024, the YoY difference is not shown.

II. Isetan Mitsukoshi Ltd. Non-consolidated Business Results

* Gross sales is shown for (2) to (5).

(1) Outline of Non-consolidated Business Results

(Millions of yen)

| | Fiscal 2022 3Q | Fiscal 2023 3Q | YoY difference | YoY (%) |
|---|---|---|---|---|
| Gross sales | 454,693 | 521,994 | 67,301 | 114.8 |
| Net sales | 184,403 | 201,811 | 17,408 | 109.4 |
| Gross profit | 113,522 | 129,205 | 15,683 | 113.8 |
| Other net operating revenue | 11,630 | 10,477 | (1,153) | 90.1 |
| Gross operating profit | 125,152 | 139,683 | 14,530 | 111.6 |
| Selling, general and administrative expenses | 107,228 | 109,729 | 2,501 | 102.3 |
| Advertising expenses | 2,788 | 3,376 | 588 | 121.1 |
| Personnel expenses | 35,869 | 35,547 | (322) | 99.1 |
| Depreciation and amortization | 8,377 | 7,963 | (414) | 95.1 |
| Lease payments | 8,065 | 7,951 | (113) | 98.6 |
| Business consignment expenses | 12,923 | 13,867 | 943 | 107.3 |
| Others | 39,202 | 41,023 | 1,820 | 104.6 |
| Operating income | 17,924 | 29,953 | 12,028 | 167.1 |
| Recurring income | 20,958 | 33,909 | 12,950 | 161.8 |
| Net income | 16,497 | 25,128 | 8,630 | 152.3 |

(2) Net Sales by Store

(Millions of yen)

| | Fiscal 2022 3Q | Fiscal 2023 3Q | YoY difference | YoY (%) |
|---|---|---|---|---|
| Isetan Shinjuku Main Store | 242,845 | 276,136 | 33,291 | 113.7 |
| Mitsukoshi Nihombashi Main Store | 105,247 | 115,276 | 10,029 | 109.5 |
| Mitsukoshi Ginza Store | 56,138 | 76,910 | 20,772 | 137.0 |
| Isetan Tachikawa Store | 22,526 | 24,312 | 1,786 | 107.9 |
| Isetan Urawa Store | 27,936 | 29,358 | 1,421 | 105.1 |
| Total | 454,693 | 521,994 | 67,301 | 114.8 |

(3) Net Sales by Month

(Millions of yen)

| | | April | May | June | July | August | September | First half total |
|---|---|---|---|---|---|---|---|---|
| Fiscal 2022 3Q | Store total | 43,009 | 42,995 | 50,372 | 50,506 | 41,497 | 45,920 | 274,301 |
| Fiscal 2023 3Q | Store total | 51,087 | 50,164 | 57,098 | 59,381 | 47,257 | 55,164 | 320,152 |
| | YoY difference | 8,077 | 7,168 | 6,726 | 8,874 | 5,759 | 9,244 | 45,850 |
| | YoY (%) | 118.8 | 116.7 | 113.4 | 117.6 | 113.9 | 120.1 | 116.7 |

| | | October | November | December | Second half total | Total |
|---|---|---|---|---|---|---|
| Fiscal 2022 3Q | Store total | 50,281 | 59,182 | 70,927 | 180,391 | 454,693 |
| Fiscal 2023 3Q | Store total | 56,936 | 65,633 | 79,271 | 201,841 | 521,994 |
| | YoY difference | 6,655 | 6,450 | 8,344 | 21,450 | 67,301 |
| | YoY (%) | 113.2 | 110.9 | 111.8 | 111.9 | 114.8 |

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

(Millions of yen)

| Fiscal 2023 3Q | Net sales | | | Sales Composition | | Gross Profit Margin | |
|---|---|---|---|---|---|---|---|
| | Results | YoY difference | YoY (%) | Results(%) | YoY difference (%) | Gross profit margin by goods (%) | YoY difference (%) |
| Sales of apparel | 165,244 | 24,081 | 117.1 | 31.7 | 0.6 | 30.96 | (0.12) |
| (Men's clothing) | 52,453 | 6,803 | 114.9 | 10.0 | 0.0 | 32.80 | 0.05 |
| (Women's clothing) | 95,640 | 16,097 | 120.2 | 18.3 | 0.8 | 30.02 | (0.19) |
| (Children's clothing) | 9,889 | 1,069 | 112.1 | 1.9 | (0.0) | 29.07 | 0.29 |
| (Formal wear and bedding) | 7,261 | 110 | 101.5 | 1.4 | (0.2) | 32.60 | (0.29) |
| Accessories | 79,642 | 17,417 | 128.0 | 15.3 | 1.6 | 25.66 | (0.17) |
| Sundry goods | 138,101 | 20,885 | 117.8 | 26.5 | 0.7 | 26.89 | 0.12 |
| (Cosmetics) | 45,129 | 10,042 | 128.6 | 8.6 | 0.9 | 33.98 | 0.11 |
| (Fine arts, jewelries, precious metals) | 81,476 | 9,837 | 113.7 | 15.6 | (0.1) | 23.00 | (0.35) |
| (Other sundry goods) | 11,495 | 1,004 | 109.6 | 2.2 | (0.1) | 26.62 | 0.24 |
| Household | 14,296 | 661 | 104.9 | 2.7 | (0.3) | 29.12 | 0.32 |
| Foods | 104,689 | 5,593 | 105.6 | 20.1 | (1.7) | 23.53 | (0.16) |
| Others | 20,020 | (1,337) | 93.7 | 3.8 | (0.9) | 18.31 | (0.35) |
| Total | 521,994 | 67,301 | 114.8 | 100.0 | - | 27.05 | 0.06 |

*Net sales and gross profit margin are stated as figures when accounting standards for revenue recognition are not applied.

(5) Duty Free Sales

(Millions of yen)

| Fiscal 2023 3Q | Duty Free Sales | | | Share of Sales | |
|---|---|---|---|---|---|
| | Results | YoY difference | YoY (%) | Sales share (%) | YoY difference (%) |
| Isetan Shinjuku Main Store | 34,707 | 18,100 | 209.0 | 12.6 | 5.7 |
| Mitsukoshi Nihombashi Main Store | 4,976 | 2,393 | 192.6 | 4.3 | 1.9 |
| Mitsukoshi Ginza Store | 20,908 | 16,785 | 507.1 | 27.2 | 19.8 |
| Others | 246 | 13 | 105.8 | 0.5 | (0.0) |
| Total of Isetan Mitsukoshi Ltd. | 60,838 | 37,292 | 258.4 | 11.7 | 6.5 |

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

(Millions of yen)

| Fiscal 2023 3Q | Duty Free Sales | | | Share of Sales | |
|---|---|---|---|---|---|
| | Results | YoY difference | YoY (%) | Sales share(%) | YoY difference (%) |
| Sapporo Marui Mitsukoshi Ltd. | 2,600 | 2,043 | 466.7 | 5.8 | 4.4 |
| Nagoya Mitsukoshi Ltd. | 1,285 | 863 | 304.5 | 2.8 | 1.8 |
| Iwataya Mitsukoshi Ltd. | 9,373 | 7,859 | 619.3 | 10.1 | 8.3 |
| Others | 608 | 428 | 336.9 | 0.7 | 0.5 |
| Total domestic regional department stores | 13,868 | 11,194 | 518.7 | 5.0 | 4.0 |
| Total domestic department stores | 74,706 | 48,486 | 284.9 | 9.3 | 5.7 |