ISETAN MITSUKOSHI HOLDINGS

Explanatory Materials for Settlement of Consolidated Accounts for the Second 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.

*The figures for the second quarter of the fiscal year ending March 2023 reflect the significant revision of the initial allocation of acquisition costs due to the finalization of provisional accounting treatment for business combinations.

November 10, 2023

Isetan Mitsukoshi Holdings Ltd.

I. Isetan Mitsukoshi Holdings Consolidated Results

1. Outline of Consolidated Business Results

(1) Consolidated Business Results

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Gross sales		398,997	912,114	495,684	1,088,465	561,433	1,200,000
	YoY (%)	118.9	111.8	124.2	119.3	113.3	110.2
	YoY difference	63,296	96,104	96,687	176,351	65,748	111,534
Net sales		187,932	418,338	222,874	487,407	248,518	525,000
	YoY (%)	56.0	51.3	118.6	116.5	111.5	107.7
	YoY difference	(147,768)	(397,671)	34,941	69,068	25,644	37,592
Gross profit		107,993	243,685	131,942	286,550	147,880	314,000
	YoY (%)	112.4	107.1	122.2	117.6	112.1	109.6
	YoY difference	11,921	16,119	23,949	42,864	15,937	27,449
Operating income		(7,758)	5,940	8,946	29,606	20,190	48,000
	YoY (%)	-	-	-	498.4	225.7	162.1
	YoY difference	10,054	26,916	16,704	23,666	11,244	18,393
Recurring income (loss)		(7,114)	9,520	9,542	30,017	22,907	50,000
	YoY (%)	-	-	-	315.3	240.1	166.6
	YoY difference	9,977	26,692	16,657	20,496	13,364	19,982
Net income attributable to parent company shareholders		(8,136)	12,338	7,771	32,377	14,865	37,000
	YoY (%)	-	-	-	262.4	191.3	114.3
	YoY difference	28,649	53,417	15,908	20,039	7,094	4,622
Net income per share (yen)		(21.35)	32.36	20.37	84.82	38.92	96.87
	YoY Difference	75.39	140.31	41.71	52.47	18.55	12.04
Gross profit margin (%)		57.46	58.25	59.20	58.79	59.50	59.81
	Percent change from previous fiscal year	28.85	30.36	1.74	0.54	0.30	1.02
Operating profit margin (%)		(4.1)	1.4	4.0	6.1	8.1	9.1
	Percent change from previous fiscal year	1.2	4.0	8.1	4.7	4.1	3.1
Recurring profit margin (%)		(3.8)	2.3	4.3	6.2	9.2	9.5
	Percent change from previous fiscal year	1.3	4.4	8.1	3.9	4.9	3.4
Return on sales (%)		(4.3)	2.9	3.5	6.6	6.0	7.0
	Percent change from previous fiscal year	6.6	8.0	7.8	3.7	2.5	0.4

(2) Consolidated Financial Positions

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Total assets		1,155,661	1,168,574	1,187,206	1,217,308	1,213,769	1,226,000
	YoY (%)	99.1	97.5	102.7	104.2	102.2	100.7
	YoY difference	(10,729)	(29,728)	31,545	48,733	26,562	8,691
Net assets		492,948	517,660	533,255	552,519	577,903	582,000
	YoY (%)	96.6	101.8	108.2	106.7	108.4	105.3
	YoY difference	(17,183)	9,385	40,307	34,858	44,648	29,480
Interest-bearing debt		207,688	175,145	174,800	164,868	144,998 *1	125,000
	YoY (%)	112.8	83.8	84.2	94.1	83.0	75.8
	YoY difference	23,624	(33,738)	(32,887)	(10,276)	(29,802)	(39,868)
Net financial revenue		9	(20)	55	196	151	0
	YoY (%)	4	-	599	-	274	-
	YoY difference	(198)	(208)	46	216	96	(196)
Operating return on assets (ROA) (%)		-	0.5	-	2.5	-	3.9
	Percent change from previous fiscal year	-	2.2	-	2.0	-	1.4
Return on Equity (ROE) (%)		-	2.5	-	6.1	-	6.6
	Percent change from previous fiscal year	-	10.4	-	3.6	-	0.5
Return on invested capital (ROIC) (%) * 2		-	0.6	-	2.9	-	4.7
	Percent change from previous fiscal year	-	2.6	-	2.3	-	1.8
Shareholder's equity ratio (%)		42.1	43.8	44.4	44.9	47.0	46.9
	Percent change from previous fiscal year	(1.0)	1.9	2.2	1.1	2.6	2.0
Interest-bearing debt dependency (%)		18.0	15.0	14.7	13.5	11.9	10.2
	Percent change from previous fiscal year	2.2	(2.4)	(3.2)	(1.4)	(2.8)	(3.3)
Consolidated debt equity ratio (DER) (times)		0.43	0.34	0.33	0.30	0.25	0.22
	Preceding period difference (rate)	0.06	(0.07)	(0.09)	(0.04)	(0.08)	(0.08)

*1. Interest-bearing debt, including lease obligations, is 149,767,000,000 yen.
*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 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Cash flows from operating activities		4,881	37,914	23,073	66,301	10,163	52,000
	YoY difference	21,600	36,716	18,191	28,387	(12,909)	(14,301)
Cash flows from investing activities		(11,267)	(17,371)	(18,486)	(27,026)	(17,626)	(34,000)
	YoY difference	6,670	(12,633)	(7,219)	(9,655)	860	(6,973)
Cash flows from financing activities		(4,567)	(39,927)	(3,289)	(16,198)	(23,741)	(50,000)
	YoY difference	(11,282)	(69,660)	1,278	23,728	(20,452)	(33,801)
Cash and cash equivalents at end of period		92,542	84,472	87,699	109,039	79,738	77,000
	YoY difference	44,384	(18,324)	(4,842)	24,566	(7,961)	(32,039)

(4) Others

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Capital investment		9,264	27,767	5,345	20,307	12,332	33,600
	YoY (%)	62.6	94.2	57.7	73.1	230.7	165.5
	YoY difference	(5,540)	(1,716)	(3,918)	(7,460)	6,987	13,292
Number of employees (regular employees)		9,957	9,691	9,942	9,745	9,634	9,560
	YoY (%)	83.4	83.6	99.8	100.6	96.9	98.1
	YoY difference	(1,975)	(1,897)	(15)	54	(308)	(185)
Number of employees (temporary employees)		7,796	7,566	8,104	7,803	7,607	7,520
	YoY (%)	89.5	89.9	104.0	103.1	93.9	96.4
	YoY difference	(918)	(853)	308	237	(497)	(283)
Number of consolidated subsidiaries		35	35	37	37	38	38
(as of March 31)	YoY difference	(4)	(3)	2	2	1	1
Number of equity-method affiliates		9	8	7	7	7	7
(as of March 31)	YoY difference	0	(1)	(2)	(1)	0	0
Cash dividends per share (yen)		5.00	10.00	6.00	14.00	12.00	24.00
(Full year shows annual total dividends)	YoY difference (yen)	2.00	1.00	1.00	4.00	6.00	10.00

2. Consolidated Selling, General and Administrative Expenses

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Selling, general and administrative expenses		115,751	237,745	122,996	256,943	127,689	266,000
	YoY (%)	101.6	95.7	106.3	108.1	103.8	103.5
	YoY difference	1,866	(10,797)	7,245	19,197	4,692	9,056
Advertising expenses		3,848	8,322	4,046	8,760	4,810	9,900
	YoY (%)	91.5	80.7	105.1	105.3	118.9	113.0
	YoY difference	(356)	(1,989)	198	437	763	1,139
Point related expenses		1,691	3,677	2,181	4,754	2,559	5,600
	YoY (%)	26.3	24.1	129.0	129.3	117.3	117.8
	YoY difference	(4,737)	(11,612)	489	1,077	377	845
Personnel expenses		42,821	86,516	44,116	92,969	44,542	93,000
	YoY (%)	107.9	102.4	103.0	107.5	101.0	100.0
	YoY difference	3,135	2,027	1,295	6,452	425	30
Depreciation and amortization		11,191	23,014	11,686	23,340	11,419	23,400
	YoY (%)	102.7	97.4	104.4	101.4	97.7	100.3
	YoY difference	296	(614)	494	325	(266)	59
Lease payments		14,802	30,186	15,933	32,143	16,299	32,600
	YoY (%)	127.4	116.4	107.6	106.5	102.3	101.4
	YoY difference	3,182	4,247	1,130	1,957	366	456
Business consignment expenses		13,910	28,477	14,235	28,985	14,604	29,300
	YoY (%)	103.0	95.0	102.3	101.8	102.6	101.1
	YoY difference	409	(1,500)	324	507	369	314
Others		27,485	57,548	30,797	65,988	33,454	72,200
	YoY (%)	99.8	97.7	112.0	114.7	108.6	109.4
	YoY difference	(61)	(1,354)	3,311	8,440	2,657	6,211
SGA ratio (%)		61.6	56.8	55.2	52.7	51.4	50.7
	YoY difference (%)	27.7	26.4	(6.4)	(4.1)	(3.8)	(2.0)

3. Consolidated Non-operating Income/Loss

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Non-operating income		2,748	8,370	2,493	4,536	4,816	8,000
	YoY difference	(1,125)	(7,434)	(255)	(3,833)	2,323	3,463
Interest and dividend income		443	828	441	972	547	800
	YoY difference	(211)	(252)	(2)	143	106	(172)
Equity in earnings of affiliates		283	2,326	1,278	1,801	3,606	6,300
	YoY difference	283	323	995	(524)	2,327	4,498
Income from unredeemed gift vouchers		-	-	-	-	-	-
	YoY difference	-	(6,722)	-	-	-	-
Gain on donated fixed assets		737	1,864	150	336	65	200
	YoY difference	(1,312)	(1,383)	(586)	(1,527)	(85)	(136)
Others		1,284	3,350	622	1,425	596	700
	YoY difference	113	600	(661)	(1,924)	(25)	(725)
Non-operating expenses		2,105	4,789	1,897	4,126	2,100	6,000
	YoY difference	(1,049)	(7,209)	(207)	(663)	203	1,873
Interest expenses		434	849	385	776	396	800
	YoY difference	(12)	(44)	(48)	(73)	10	23
Equity in losses of affiliates		-	-	-	-	-	-
	YoY difference	(19)	-	-	-	-	-
Loss on retirement of property and equipment		556	1,605	498	1,218	780	2,500
	YoY difference	(442)	(151)	(58)	(387)	282	1,281
Provision of reserve for loss from redemption of gift vouchers		-	215	-	252	-	600
	YoY difference	-	(6,230)	-	37	-	347
Others		1,113	2,119	1,013	1,878	924	2,100
	YoY difference	(575)	(783)	(100)	(240)	(89)	221

4. Consolidated Extraordinary Gain/Loss

(Millions of yen)

	Fiscal 2023 Second quarter	Details
Extraordinary loss	382	
Impairment losses	362	Overseas stores
Business structure improvement expenses	20	Takamatsu Mitsukoshi

5. Consolidated Capital Investment

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Isetan Mitsukoshi Ltd.		4,810	19,094	2,101	12,143	8,398	22,000
	YoY (%)	42.0	87.6	43.7	63.6	399.7	181.2
	YoY difference	(6,635)	(2,707)	(2,708)	(6,950)	6,297	9,856
MICARD Co., Ltd.		1,445	3,027	1,279	2,515	1,264	4,700
	YoY (%)	267.4	212.4	88.6	83.1	98.8	186.8
	YoY difference	904	1,602	(165)	(511)	(15)	2,184
Isetan Mitsukoshi System Solutions Ltd.		2,519	4,585	1,258	2,840	1,771	3,700
	YoY (%)	137.1	111.1	49.9	61.9	140.8	130.3
	YoY difference	681	457	(1,261)	(1,745)	513	859
Others		503	1,142	719	2,882	991	3,300
	YoY (%)	49.1	52.4	142.8	252.3	137.8	114.5
	YoY difference	(521)	(1,039)	215	1,739	271	417
Elimination of intra-company transactions		(14)	(82)	(12)	(73)	(92)	(100)
	YoY (%)	-	-	-	-	-	-
	YoY difference	29	(28)	1	8	(79)	(26)
Total		9,264	27,767	5,345	20,307	12,332	33,600
	YoY (%)	62.6	94.2	57.7	73.1	230.7	165.5
	YoY difference	(5,540)	(1,716)	(3,918)	(7,460)	6,987	13,292

*Figures include investments made for intangible fixed assets.

6. Net Sales by Segment and Operating Income/Loss

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Department store business							
Gross sales		374,543	861,719	463,314	1,017,569	521,569	1,115,000
	YoY (%)	122.7	114.6	123.7	118.1	112.6	109.6
	YoY difference	69,390	109,588	88,771	155,849	58,254	97,430
Net sales		166,473	373,932	193,903	416,020	208,526	440,000
	YoY (%)	54.6	49.7	116.5	111.3	107.5	105.8
	YoY difference	(138,679)	(378,198)	27,429	42,087	14,623	23,979
Segment income (loss)		(12,636)	(6,339)	5,133	20,432	16,786	39,000
	YoY (%)	-	-	-	-	327.0	190.9
	YoY difference	8,660	23,963	17,770	26,772	11,653	18,567
Credit & finance business/ Customer organization management business							
Gross sales		15,815	32,948	16,248	33,556	17,180	36,000
	YoY (%)	105.0	101.2	102.7	101.8	105.7	107.3
	YoY difference	759	405	433	608	931	2,443
Net sales		14,486	30,498	14,726	30,823	15,671	33,000
	YoY (%)	96.2	93.7	101.7	101.1	106.4	107.1
	YoY difference	(569)	(2,044)	240	325	944	2,176
Segment income (loss)		2,606	6,070	1,721	3,791	1,411	3,800
	YoY (%)	202.8	136.4	66.0	62.5	82.0	100.2
	YoY difference	1,320	1,619	(885)	(2,278)	(310)	8
Real estate business							
Gross sales		7,396	18,072	9,055	20,518	11,003	29,000
	YoY (%)	49.6	63.7	122.4	113.5	121.5	141.3
	YoY difference	(7,501)	(10,294)	1,659	2,445	1,948	8,481
Net sales		7,396	18,072	9,055	20,518	11,003	29,000
	YoY (%)	49.6	63.7	122.4	113.5	121.5	141.3
	YoY difference	(7,501)	(10,294)	1,659	2,445	1,948	8,481
Segment income (loss)		2,494	5,579	2,108	4,014	1,237	3,000
	YoY (%)	83.2	102.6	84.5	71.9	58.7	74.7
	YoY difference	(503)	139	(385)	(1,565)	(870)	(1,014)
Others							
Gross sales		26,186	53,110	33,789	84,017	45,977	101,400
	YoY (%)	89.8	83.4	129.0	158.2	136.1	120.7
	YoY difference	(2,958)	(10,546)	7,603	30,907	12,188	17,382
Net sales		24,520	49,571	31,912	77,728	42,480	93,000
	YoY (%)	84.1	77.9	130.1	156.8	133.1	119.6
	YoY difference	(4,624)	(14,085)	7,392	28,157	10,567	15,271
Segment income (loss)		(313)	462	(165)	1,136	664	2,400
	YoY (%)	-	-	-	245.9	-	211.1
	YoY difference	410	1,081	147	674	830	1,263
Amount listed on consolidated financial statements*							
Gross sales		398,997	912,114	495,684	1,088,465	561,433	1,200,000
	YoY (%)	118.9	111.8	124.2	119.3	113.3	110.2
	YoY difference	63,296	96,104	96,687	176,351	65,748	111,534
Net sales		187,932	418,338	222,874	487,407	248,518	525,000
	YoY (%)	56.0	51.3	118.6	116.5	111.5	107.7
	YoY difference	(147,768)	(397,671)	34,941	69,068	25,644	37,592
Operating income (loss)		(7,758)	5,940	8,946	29,606	20,190	48,000
	YoY (%)	-	-	-	498.4	225.7	162.1
	YoY difference	10,054	26,916	16,704	23,666	11,244	18,393

*Amount listed on consolidated financial statements includes adjusted amounts.

7. Main Consolidated Companies
(1)Results for Second 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)	Quarterly net income(loss)
Department store business							
Isetan Mitsukoshi Holdings Ltd.	-		6,280	6,280	2,453	2,269	1,682
		YoY difference	(7,504)	(7,504)	(7,377)	(7,491)	(6,646)
Isetan Mitsukoshi Ltd. *1	100.0		320,152	123,886	16,383	20,664	15,054
		YoY difference	45,850	11,849	8,234	9,186	5,731
Sapporo Marui Mitsukoshi Ltd.	100.0		27,562	9,060	(335)	(356)	(105)
		YoY difference	3,243	691	541	555	673
Hakodate Marui Imai Ltd.	100.0		2,810	1,096	27	26	15
		YoY difference	47	(7)	47	66	45
Sendai Mitsukoshi Ltd.	100.0		12,885	5,506	(205)	(199)	(157)
		YoY difference	277	105	14	19	29
Nagoya Mitsukoshi Ltd.	100.0		28,834	9,631	(108)	(104)	(82)
		YoY difference	2,299	706	470	457	398
Shizuoka Isetan Ltd.	100.0		7,145	2,980	(38)	(37)	(25)
		YoY difference	(43)	(112)	40	39	41
Niigata Isetan Mitsukoshi Ltd.	100.0		16,879	6,564	201	206	227
		YoY difference	366	(326)	111	82	136
Hiroshima Mitsukoshi Ltd.	100.0		5,394	1,878	(321)	(335)	(264)
		YoY difference	(33)	(39)	81	79	90
Takamatsu Mitsukoshi Ltd.	100.0		10,225	3,983	61	64	29
		YoY difference	306	60	79	69	33
Matsuyama Mitsukoshi Ltd.	100.0		2,299	1,073	(237)	(264)	(207)
		YoY difference	(92)	(73)	54	50	62
Iwataya Mitsukoshi Ltd.	100.0		56,123	18,010	2,050	2,044	1,371
		YoY difference	6,406	1,389	1,228	1,230	779
Isetan (Singapore) Ltd. *2	52.7		-	3,988	137	202	(72)
		YoY difference	-	96	(96)	(42)	(317)
Isetan of Japan Sdn. Bhd.	100.0		6,995	3,723	169	167	167
		YoY difference	863	475	85	66	66
Isetan (China) Holdings Ltd.	100.0		4	4	(9)	22	22
		YoY difference	(2)	(2)	7	31	31
Shanghai Mei Long Zhen Isetan	80.0		2,888	1,576	(218)	(220)	(220)
		YoY difference	750	341	(62)	(62)	161
Tianjin Isetan Co., Ltd.	100.0		3,304	1,565	(59)	(50)	(117)
		YoY difference	221	81	7	(4)	(1)
Tianjin Binhai New District Isetan Co., Ltd.	100.0		860	783	(7)	(12)	(33)
		YoY difference	267	283	(11)	(13)	(30)
Mitsukoshi (USA) Inc.	100.0		4,483	4,483	510	544	385
		YoY difference	410	410	(236)	(207)	(155)

*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)	Quarterly net income(loss)
Credit & finance business/ Customer organization management business							
MICARD Co., Ltd.	100.0		15,900	15,619	1,579	1,585	1,141
		YoY difference	954	925	(314)	(305)	(351)
MI TOMONOKAI Co., Ltd.	100.0		1,589	1,589	(71)	59	39
		YoY difference	(53)	(53)	16	(1)	(5)
Real estate business							
Isetan Mitsukoshi Property Design Ltd.	100.0		7,897	7,897	(132)	(127)	(85)
		YoY difference	2,979	2,979	236	240	185
Isetan Kaikan Ltd.	100.0		359	359	6	2	1
		YoY difference	6	6	0	(5)	(4)
Others							
Isetan Mitsukoshi System Solutions Ltd.	100.0		6,498	6,498	326	316	208
		YoY difference	407	407	506	509	373
Isetan Mitsukoshi Human Solutions Ltd.	100.0		1,700	1,700	28	29	19
		YoY difference	194	194	12	15	9
Isetan Mitsukoshi Business Support Ltd.	100.0		10,959	10,959	188	192	126
		YoY difference	(329)	(329)	12	12	(4)
Isetan Mitsukoshi Gift Solutions Ltd.	100.0		2,267	564	244	263	175
		YoY difference	(20)	49	(16)	(59)	(62)
Mitsukoshi Isetan Nikko Travel, Ltd.	100.0		2,611	2,611	0	121	76
		YoY difference	1,233	1,233	278	333	257
Lime Tree Cruises B. V.	-		-	-	(69)	(80)	(59)
		YoY difference	(76)	(76)	(11)	(12)	(19)
Lime Tree Shipping AG	-		434	434	99	99	99
		YoY difference	395	395	123	123	123
Century Trading Co., Ltd.	100.0		1,033	1,033	(55)	(52)	(35)
		YoY difference	(56)	(56)	(14)	(8)	(2)
Isetan Mitsukoshi (Italy) S.r.l.	100.0		35	35	(23)	(11)	(11)
		YoY difference	35	35	(23)	(10)	(10)
Studio Alta Co., Ltd.	100.0		657	657	73	68	45
		YoY difference	311	311	57	46	29
Isetan Mitsukoshi Innovations Ltd.	100.0		0	0	(11)	(6)	(5)
		YoY difference	(5)	(5)	(1)	(16)	(12)
IM Food Style Ltd. * 3	100.0		18,859	17,051	325	333	214
		YoY difference	9,691	7,987	201	209	129
MITSUKOSHI FEDERAL RETAIL, INC. * 4	60.0		385	177	(39)	(40)	(40)
		YoY difference	-	-	-	-	-

*3 As IM Food Style Ltd. is included in the scope of consolidation with June 30, 2022 as the deemed acquisition date, the YoY difference is based on profit and loss from July to September of the previous year results.

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

(2) Full-year Forecast for Fiscal Year Ending March 31, 2024

(Millions of yen)

		Gross sales	Net sales	Operating income(loss)	Recurring income (loss)	Net income(loss)
Department store business						
Isetan Mitsukoshi Holdings Ltd.		10,828	10,828	2,533	2,279	2,281
	YoY difference	(7,166)	(7,166)	(7,118)	(5,867)	(5,825)
Isetan Mitsukoshi Ltd. *1		697,200	266,400	35,500	37,000	30,000
	YoY difference	86,120	22,223	13,573	12,583	3,508
Sapporo Marui Mitsukoshi Ltd.		61,602	20,736	209	139	108
	YoY difference	6,706	2,198	1,204	1,213	1,097
Hakodate Marui Imai Ltd.		6,050	2,370	66	66	47
	YoY difference	13	(26)	36	55	37
Sendai Mitsukoshi Ltd.		27,564	11,672	(5)	4	17
	YoY difference	526	158	213	213	197
Nagoya Mitsukoshi Ltd.		60,533	19,492	422	431	351
	YoY difference	2,881	367	694	682	502
Shizuoka Isetan Ltd.		16,387	6,959	146	149	98
	YoY difference	224	(67)	104	104	26
Niigata Isetan Mitsukoshi Ltd.		37,593	15,068	1,000	1,011	702
	YoY difference	1,983	382	394	369	292
Hiroshima Mitsukoshi Ltd.		11,161	3,922	(408)	(436)	(310)
	YoY difference	(219)	(97)	245	242	217
Takamatsu Mitsukoshi Ltd.		22,603	8,859	273	280	210
	YoY difference	962	330	64	56	11
Matsuyama Mitsukoshi Ltd.		5,553	2,552	(60)	(110)	(74)
	YoY difference	350	118	412	408	312
Iwataya Mitsukoshi Ltd.		118,322	37,691	3,638	3,640	2,433
	YoY difference	8,686	1,617	931	775	437
Isetan (Singapore) Ltd. *2		-	-	-	-	-
	YoY difference	-	-	-	-	-
Isetan of Japan Sdn. Bhd.		13,523	7,189	254	184	184
	YoY difference	1,348	870	15	(74)	5
Isetan (China) Holdings Ltd.		7	7	(26)	5	5
	YoY difference	(4)	(4)	2	30	30
Shanghai Mei Long Zhen Isetan		5,809	3,514	(540)	(573)	(573)
	YoY difference	1,312	994	(166)	(202)	13
Tianjin Isetan Co., Ltd.		6,525	2,899	(163)	(198)	(265)
	YoY difference	1,177	324	80	14	27
Tianjin Binhai New District Isetan Co., Ltd.		1,685	1,524	(52)	(57)	(77)
	YoY difference	605	602	(2)	0	(14)
Mitsukoshi (USA) Inc.		9,710	9,710	1,117	1,179	844
	YoY difference	1,891	1,891	(105)	(66)	(97)

*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.		32,866	32,585	4,110	4,091	2,822
	YoY difference	2,219	1,910	5	3	2
MI TOMONOKAI Co., Ltd.		3,484	3,484	(186)	346	97
	YoY difference	(88)	(88)	(49)	(81)	(183)
Real estate business						
Isetan Mitsukoshi Property Design Ltd.		23,056	23,056	535	539	371
	YoY difference	9,784	9,784	404	411	366
Isetan Kaikan Ltd.		714	714	1	(1)	(2)
	YoY difference	4	4	(19)	(24)	(17)
Others						
Isetan Mitsukoshi System Solutions Ltd.		13,448	13,448	658	628	431
	YoY difference	517	517	352	352	495
Isetan Mitsukoshi Human Solutions Ltd.		3,881	3,881	117	118	77
	YoY difference	737	737	30	32	15
Isetan Mitsukoshi Business Support Ltd.		23,576	23,576	300	307	197
	YoY difference	389	389	15	18	10
Isetan Mitsukoshi Gift Solutions Ltd.		4,840	1,205	540	561	511
	YoY difference	19	50	(10)	(110)	43
Mitsukoshi Isetan Nikko Travel, Ltd.		5,916	5,916	132	264	200
	YoY difference	2,353	2,353	419	444	339
Lime Tree Cruises B. V.		142	142	(30)	(51)	(11)
	YoY difference	22	22	66	52	52
Lime Tree Shipping AG		541	541	(41)	(40)	(40)
	YoY difference	390	390	7	7	7
Century Trading Co., Ltd.		3,193	3,193	115	117	80
	YoY difference	(100)	(100)	68	73	40
Isetan Mitsukoshi (Italy) S.r.l.		154	154	(46)	(21)	(22)
	YoY difference	154	154	(44)	(18)	(19)
Studio Alta Co., Ltd.		1,809	1,809	277	267	220
	YoY difference	1,014	1,014	175	163	127
Isetan Mitsukoshi Innovations Ltd.		0	0	(32)	(26)	(21)
	YoY difference	(13)	(13)	(16)	(26)	(18)
IM Food Style Ltd. * 3		40,763	36,753	1,272	1,286	963
	YoY difference	9,933	8,886	473	479	1,018
MITSUKOSHI FEDERAL RETAIL, INC. * 4		1,125	498	(45)	(47)	(47)
	YoY difference	-	-	-	-	-

*3 As IM Food Style Ltd. is included in the scope of consolidation with June 30, 2022 as the deemed acquisition date, the YoY difference is based on profit and loss from July to March of the previous year results.

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

II. Isetan Mitsukoshi Ltd. Non-consolidated Business Results

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

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Gross sales		206,135	487,118	274,301	611,079	320,152	697,200
	YoY (%)	129.7	119.2	133.1	125.4	116.7	114.1
	YoY difference	47,211	78,427	68,166	123,960	45,850	86,120
Net sales		90,693	208,451	112,036	244,176	123,886	266,400
	YoY (%)	57.1	51.0	123.5	117.1	110.6	109.1
	YoY difference	(68,230)	(200,239)	21,343	35,724	11,849	22,223
Gross profit		52,361	123,448	68,556	150,906	79,338	169,800
	YoY (%)	121.1	111.4	130.9	122.2	115.7	112.5
	YoY difference	9,135	12,611	16,194	27,457	10,781	18,893
Other net operating revenue		8,331	16,072	8,099	14,950	7,075	13,700
	YoY (%)	128.9	133.6	97.2	93.0	87.4	91.6
	YoY difference	1,869	4,045	(231)	(1,121)	(1,024)	(1,250)
Gross operating profit		60,693	139,521	76,656	165,856	86,413	183,500
	YoY (%)	122.1	113.6	126.3	118.9	112.7	110.6
	YoY difference	11,004	16,657	15,963	26,335	9,756	17,643
Operating income		(4,842)	2,863	8,149	21,926	16,383	35,500
	YoY (%)	-	-	-	765.8	201.0	161.9
	YoY difference	7,258	17,815	12,992	19,063	8,234	13,573
Recurring income (loss)		(946)	7,602	11,478	24,416	20,664	37,000
	YoY (%)	-	-	-	321.2	180.0	151.5
	YoY difference	7,475	9,230	12,424	16,813	9,186	12,583
Net income(loss)		(2,544)	10,158	9,323	26,491	15,054	30,000
	YoY (%)	-	-	-	260.8	161.5	113.2
	YoY difference	17,618	23,958	11,868	16,332	5,731	3,508
Gross profit margin (%)		57.73	59.22	61.19	61.80	64.04	63.74
	Percent change from previous fiscal year	30.54	32.10	3.46	2.58	2.85	1.94
Gross operating profit margin (%)		66.92	66.93	68.42	67.92	69.75	68.88
	Percent change from previous fiscal year	35.66	36.87	1.50	0.99	1.33	0.96
Operating profit margin (%)		(5.3)	1.4	7.3	9.0	13.2	13.3
	Percent change from previous fiscal year	2.3	5.0	12.6	7.6	6.0	4.3
Recurring profit margin (%)		(1.0)	3.6	10.2	10.0	16.7	13.9
	Percent change from previous fiscal year	4.3	4.0	11.3	6.4	6.4	3.9
Return on sales (%)		(2.8)	4.9	8.3	10.8	12.2	11.3
	Percent change from previous fiscal year	9.9	8.2	11.1	6.0	3.8	0.4

(2) Financial Position

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Total assets		587,584	590,279	591,948	599,401	595,178	612,000
	YoY (%)	96.0	99.2	100.7	101.5	100.5	102.1
	YoY difference	(24,506)	(4,825)	4,364	9,122	3,229	12,598
Net assets		173,747	185,357	194,975	214,342	233,048	244,000
	YoY (%)	92.5	102.2	112.2	115.6	119.5	113.8
	YoY difference	(14,043)	4,006	21,228	28,984	38,072	29,657
Operating return on assets (ROA) (%)		-	0.5	-	3.7	-	5.9
	Percent change from previous fiscal year	-	3.0	-	3.2	-	2.2
Return on Equity (ROE) (%)		-	5.6	-	13.3	-	13.1
	Percent change from previous fiscal year	-	12.7	-	7.6	-	(0.2)
Shareholder's equity ratio (%)		29.6	31.4	32.9	35.8	39.2	39.9
	Percent change from previous fiscal year	(1.1)	0.9	3.4	4.4	6.2	4.1

(3) Selling, General and Administrative Expenses

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Selling, general and administrative expenses		65,536	136,657	68,507	143,929	70,029	148,000
	YoY (%)	106.1	99.2	104.5	105.3	102.2	102.8
	YoY difference	3,746	(1,157)	2,970	7,272	1,522	4,070
Advertising expenses		1,805	3,831	1,811	4,230	2,233	5,000
	YoY (%)	88.4	76.0	100.3	110.4	123.2	118.2
	YoY difference	(237)	(1,209)	6	399	421	769
Point related expenses		0	0	0	-	0	0
	YoY (%)	-	-	-	-	-	-
	YoY difference	(2,703)	(7,047)	0	0	-	-
Personnel expenses		22,349	46,119	22,855	48,183	22,386	46,700
	YoY (%)	116.5	108.9	102.3	104.5	97.9	96.9
	YoY difference	3,165	3,755	505	2,064	(468)	(1,483)
Depreciation and amortization		5,438	11,316	5,623	11,149	5,323	10,700
	YoY (%)	126.9	111.2	103.4	98.5	94.7	96.0
	YoY difference	1,152	1,144	184	(166)	(299)	(449)
Lease payments		4,914	10,216	5,394	10,745	5,299	10,700
	YoY (%)	155.5	135.1	109.8	105.2	98.2	99.6
	YoY difference	1,753	2,652	479	529	(95)	(45)
Business consignment expenses		8,270	17,558	8,488	17,624	9,095	18,900
	YoY (%)	93.3	88.6	102.6	100.4	107.2	107.2
	YoY difference	(590)	(2,265)	217	66	607	1,275
Others		22,756	47,615	24,334	51,994	25,691	56,000
	YoY (%)	105.6	104.0	106.9	109.2	105.6	107.7
	YoY difference	1,206	1,812	1,578	4,379	1,357	4,005
SGA ratio (%)		72.3	65.6	61.1	58.9	56.5	55.6
	Percent change from previous fiscal year	33.4	31.8	(11.1)	(6.6)	(4.6)	(3.4)

(4) Others

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Capital investment		4,810	19,094	2,101	12,143	8,398	22,000
	YoY (%)	42.0	87.6	43.7	63.6	399.7	181.2
	YoY difference	(6,635)	(2,707)	(2,708)	(6,950)	6,297	9,856
Number of employees (regular employees)		4,447	4,331	4,326	4,192	4,178	4,101
	YoY (%)	98.0	97.5	97.3	96.8	96.6	97.8
	YoY difference	(93)	(109)	(121)	(139)	(148)	(91)
Number of employees (temporary employees)		4,084	4,025	3,760	3,711	3,512	3,422
	YoY (%)	92.8	92.3	92.1	92.2	93.4	92.2
	YoY difference	(316)	(338)	(324)	(314)	(248)	(289)

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

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Second quarter	Full year	Second quarter	Full year	Second quarter	Full Year (Forecast)
Isetan Shinjuku Main Store		106,559	253,621	147,473	327,627	170,313	372,740
	YoY (%)	132.3	122.5	138.4	129.2	115.5	113.8
	YoY difference	26,042	46,583	40,913	74,006	22,840	45,112
Mitsukoshi Nihombashi Main Store		48,935	114,486	63,346	138,414	69,973	149,641
	YoY (%)	123.5	113.0	129.4	120.9	110.5	108.1
	YoY difference	9,312	13,189	14,411	23,927	6,626	11,226
Mitsukoshi Ginza Store		23,272	56,560	33,010	77,304	47,187	102,787
	YoY (%)	141.5	127.6	141.8	136.7	142.9	133.0
	YoY difference	6,827	12,240	9,737	20,743	14,177	25,482
Isetan Tachikawa Store		11,695	27,428	13,647	30,280	14,818	33,048
	YoY (%)	112.6	104.2	116.7	110.4	108.6	109.1
	YoY difference	1,306	1,112	1,952	2,852	1,170	2,767
Isetan Urawa Store		15,672	35,020	16,824	37,452	17,860	38,984
	YoY (%)	131.1	117.8	107.4	106.9	106.2	104.1
	YoY difference	3,722	5,301	1,152	2,431	1,035	1,531
Total		206,135	487,118	274,301	611,079	320,152	697,200
	YoY (%)	129.7	119.2	133.1	125.4	116.7	114.1
	YoY difference	47,211	78,427	68,166	123,960	45,850	86,120

(2) Net Sales by Month

(Millions of yen)

		April	May	June	July	August	September	First half total
Fiscal 2021	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 2022	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
Fiscal 2023	Store total	51,087	50,164	57,098	59,381	47,257	55,164	320,152
	YoY (%)	118.8	116.7	113.4	117.6	113.9	120.1	116.7

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

(Millions of yen)

Second Quarter of the Fiscal Year Ending March 31, 2024	Net sales			Sales Composition		Gross Profit Margin	
	Results	YoY (%)	YoY difference	Net sales by goods(%)	YoY difference (%)	Net sales by goods(%)	YoY difference (%)
Sales of apparel	101,273	120.1	16,951	31.6	0.9	30.88	0.00
(Men's clothing)	31,625	118.5	4,929	9.9	0.1	32.72	0.15
(Women's clothing)	58,563	123.7	11,226	18.3	1.0	29.94	(0.06)
(Children's clothing)	6,377	111.7	669	2.0	(0.1)	28.92	0.61
(Formal wear and bedding)	4,706	102.8	125	1.5	(0.2)	32.80	(0.35)
Accessories	49,579	130.4	11,568	15.5	1.6	25.73	(0.32)
Sundry goods	87,036	119.0	13,885	27.2	0.5	26.97	0.09
(Cosmetics)	28,141	130.2	6,526	8.8	0.9	34.20	0.14
(Fine arts, jewelries, precious metals)	51,160	113.3	6,017	16.0	(0.5)	23.01	(0.45)
(Other sundry goods)	7,734	121.0	1,341	2.4	0.1	26.85	0.07
Household	8,696	102.0	169	2.7	(0.4)	29.01	0.38
Foods	60,887	107.7	4,333	19.0	19.0	23.57	(0.22)
Others	12,678	92.3	(1,058)	4.0	(1.0)	18.09	(0.61)
Total	320,152	116.7	45,850	100.0	-	27.07	0.07

(4) Net Sales by Category

(Millions of yen)

		Fiscal 2021		Fiscal 2022		Fiscal 2023
		Second quarter	Full year	Second quarter	Full year	Second quarter
Cash sale		79,657	197,641	114,170	269,619	156,333
	Composition (%)	38.6	40.6	41.6	44.1	48.8
	YoY (%)	133.8	123.9	143.3	136.4	136.9
Credit sale		126,477	289,477	160,131	341,459	163,819
	Composition (%)	61.4	59.4	58.4	55.9	51.2
	YoY (%)	127.2	116.2	126.6	118.0	102.3
of which, sales of MICARD		104,782	242,090	134,958	290,635	142,078
	Composition (%)	50.8	49.7	49.2	47.6	44.4
	YoY (%)	132.9	119.1	128.8	120.1	105.3
Total		206,135	487,118	274,301	611,079	320,152
	Composition (%)	100.0	100.0	100.0	100.0	100.0
	YoY (%)	129.7	119.2	133.1	125.4	116.7

(5) Duty Free Sales

(Millions of yen)

Second Quarter of the Fiscal Year Ending March 31, 2024	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Share (%)	YoY difference (%)
Isetan Shinjuku Main Store	19,916	245.0	11,785	11.7	6.2
Mitsukoshi Nihombashi Main Stor	2,902	252.0	1,750	4.1	2.3
Mitsukoshi Ginza Store	12,288	-	11,084	26.0	22.4
Others	168	151.9	57	0.5	0.2
Total of Isetan Mitsukoshi Ltd.	35,276	332.9	24,678	11.0	7.2

*Sales share is the ratio of duty-free net sales to net sales at each store.

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

(Millions of yen)

Second Quarter of the Fiscal Year Ending March 31, 2024	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Share (%)	YoY difference (%)
Sapporo Marui Mitsukoshi Ltd.	1,395	-	1,326	5.1	4.8
Nagoya Mitsukoshi Ltd.	672	356.3	483	2.3	1.6
Iwataya Mitsukoshi Ltd.	4,754	-	4,490	8.5	7.9
Others	348	385.5	258	0.6	0.4
Total domestic regional department s	7,172	-	6,559	4.2	3.8

(Millions of yen)

Second Quarter of the Fiscal Year Ending March 31, 2024	Duty Free Sales			Share of Sales	
	Results	YoY (%)	YoY difference	Share (%)	YoY difference (%)
Total domestic department stores	42,448	378.6	31,237	8.7	6.1