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Isetan Mitsukoshi Holdings Ltd.

Second Quarter of the Fiscal Year Ending March 2014

Financial Results Handout

From April 1, 2013, to September 30, 2013

Second Quarter of the Fiscal Year Ending March 2014
From April 1, 2013, to September 30, 2013

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I. Isetan Mitsukoshi Holdings Consolidated Results

1. Outline of Consolidated Business Results

(1) Consolidated Business Result

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)			Forecast (From April 1, 2013, to March 31, 2014)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Net sales	602,850	104.9	27,919	1,300,000	105.1	63,666
2. Gross profit	170,560	105.5	8,855	367,000	105.6	19,589
3. Operating income	12,630	154.7	4,466	32,500	122.0	5,860
4. Recurring income	13,423	201.4	6,757	34,000	99.4	(217)
5. Net income	7,440	426.7	5,696	20,000	79.1	(5,292)
6. Net income per share (Yen)	18.86	—	14.44	50.69	—	(13.42)
7. Gross profit margin (%)	28.29	—	0.17	28.23	—	0.13
8. Operating profit margin (%)	2.1	—	0.7	2.5	—	0.3
9. Recurring profit margin (%)	2.2	—	1.1	2.6	—	(0.2)
10. Return on sales (%)	1.2	—	0.9	1.5	—	(0.5)

(2) Consolidated Financial Position

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)			Forecast (From April 1, 2013, to March 31, 2014)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Total assets	1,217,400	103.0	35,462	1,244,000	101.7	20,322
2. Net assets	520,253	111.1	52,150	521,000	103.1	15,872
3. Interest-bearing debt	185,739	94.8	(10,206)	180,000	99.3	(1,263)
4. Net financial revenue	284	223.8	157	200	108.2	15
5. Return on assets (ROA) (%)	—	—	—	2.6	—	0.5
6. Return on equity (ROE) (%)	—	—	—	4.0	—	(1.3)
7. Rate of return on invested capital (ROIC)*	—	—	—	3.0	—	0.4
8. Shareholder's equity ratio (%)	41.5	—	2.9	40.6	—	0.5
9. Interest-bearing debt dependency (%)	15.3	—	(1.3)	14.5	—	(0.3)
10. Consolidated debt equity ratio (DER) (times)	0.37	—	(0.05)	0.36	—	(0.01)

*Consolidated operating income after deducting taxes was used to calculate the rate of return on invested capital (ROIC).

(3) Consolidated Cash Flow

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)		Forecast (From April 1, 2013, to March 31, 2014)	
	Amount	YoY difference	Amount	YoY difference
1. Cash flows from operating activities	6,103	34,486	40,000	35,561
2. Cash flows from investing activities	(9,058)	2,631	(31,000)	(4,687)
3. Cash flows from financing activities	(860)	(18,834)	(5,300)	(7,639)
4. Cash and cash equivalents at end of period	34,794	3,529	39,500	3,718

(4) Others

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)			Forecast (From April 1, 2013, to March 31, 2014)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Capital investment	8,568	74.4	(2,946)	33,000	108.2	2,500
2. Number of employees	12,713	96.5	(467)	12,700	99.8	(22)
3. Number of consolidated subsidiaries (as of March 31, 2014)	38	—	(3)	38	—	(2)
4. Number of equity-method affiliates (as of March 31, 2014)	8	—	(1)	8	—	—
5. Cash dividends per share	—	—	—	11.00	—	1.00

2. Consolidated Selling, General and Administrative Expenses

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)			Results (From April 1, 2013, to March 31, 2014)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
Selling, general and administrative expenses	157,930	102.9%	4,389	334,500	104.3%	13,728
Advertising expenses	12,280	96.9%	(390)	28,200	102.1%	568
Personnel expenses	56,316	100.2%	108	120,000	101.4%	1,653
Depreciation and amortization	10,886	103.7%	391	21,500	99.7%	(59)
Lease payments	20,707	102.6%	532	42,000	102.4%	975
Others	57,738	106.9%	3,747	122,800	109.4%	10,591
SGA Ratio (%)	26.2	—	(0.5)	25.7	—	(0.2)

3. Consolidated Capital Investment

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)	Results (From April 1, 2013, to March 31, 2014)	
	Amount	Amount	Main factors
Isetan Mitsukoshi Ltd.	5,185	21,200	Remodeling, facility improvements, small-size stores, etc.
MICARD Co., Ltd.	269	1,411	System investment, etc.
Isetan Mitsukoshi System Solutions Ltd.	2,020	4,614	System investment, etc.
Others	1,134	6,275	
Elimination of intra-company transactions	(41)	(500)	
Total	8,568	33,000	

Note: Figures include investments made for intangible fixed assets.

4. Consolidated Companies

(1) Results (From April 1, 2013, to September 30, 2013)

(Millions of yen)

Companies	Voting Rights Held Percentage (Incl. indirect ownership)	Net sales		Operating income (loss)		Recurring income (loss)		Net income (loss)	
			YoY difference		YoY difference		YoY difference		YoY difference
Isetan Mitsukoshi Holdings Ltd.	—	5,268	2,357	816	297	1,014	362	1,164	12,009
Isetan Mitsukoshi Ltd.	100.0%	306,764	15,352	9,067	3,572	9,746	3,775	6,444	3,209
Sapporo Marui Mitsukoshi Ltd.	100.0%	30,772	482	223	184	166	112	101	68
Hakodate Marui Imai Ltd.	100.0%	4,326	(70)	52	(6)	52	(1)	32	(0)
Sendai Mitsukoshi Ltd.	100.0%	16,425	173	257	(136)	263	(133)	158	(81)
Nagoya Mitsukoshi Ltd.	100.0%	32,177	605	(277)	274	(272)	284	(272)	320
Shizuoka Isetan Co., Ltd.	100.0%	9,478	95	(92)	(30)	(93)	(32)	(93)	(32)
Niigata Isetan Mitsukoshi Ltd.	100.0%	22,154	(200)	313	(31)	347	(21)	210	(13)
Hiroshima Mitsukoshi Ltd.	100.0%	7,922	121	(41)	33	(42)	38	(42)	38
Takamatsu Mitsukoshi Ltd.	100.0%	10,145	226	(7)	44	(4)	46	(4)	46
Matsuyama Mitsukoshi Ltd.	100.0%	7,291	(152)	(194)	102	(200)	101	(200)	101
Iwataya Mitsukoshi Ltd.	100.0%	53,324	541	(514)	312	(652)	296	(652)	383
Isetan (Singapore) Ltd.	52.7%	12,759	1,780	205	(48)	329	(10)	271	(69)
Isetan of Japan Sdn. Bhd.	51.0%	7,287	2,046	144	65	190	68	190	71
Isetan (Thailand) Co., Ltd.	49.0%	2,139	493	15	1	28	6	27	6
Isetan (China) Holdings Ltd.	100.0%	15	15	(4)	1	(9)	(3)	(9)	(3)
Shanghai Mei Long Zhen Isetan Department Store Co., Ltd.	80.0%	5,152	1,385	(96)	(119)	(62)	(113)	(45)	(83)
Tianjin Isetan Co., Ltd.	90.0%	6,158	886	316	44	350	50	255	32
Tianjin Binhai Isetan Co., Ltd.	100.0%	894	—	(255)	—	(256)	—	(256)	—
Chengdu Isetan Co., Ltd.	100.0%	3,316	749	24	72	32	81	32	81
Mitsukoshi Italia S.p.A.	100.0%	829	—	8	—	10	—	(0)	—
Mitsukoshi (U.S.A.) Inc.	100.0%	1,950	445	164	72	166	73	103	49
MICARD Co., Ltd.	100.0%	14,008	982	2,481	(80)	2,478	(98)	1,535	(61)
MI TOMONOKAI Co., Ltd.	100.0%	2,343	(31)	(336)	(26)	(55)	(53)	(55)	(53)
Isetan Mitsukoshi Food Service Ltd.	100.0%	24,994	190	(287)	39	(104)	116	(104)	145
Mamma Co., Ltd.	100.0%	2,467	(384)	(352)	(142)	(370)	(157)	(369)	(156)
Isetan Mitsukoshi Direct Shopping Ltd.	100.0%	12,560	(392)	(165)	190	(163)	191	(249)	105
Mitsukoshi Real Estate Co., Ltd.	100.0%	2,208	183	346	27	928	186	559	125
Mitsukoshi Kankyo Design Co., Ltd.	100.0%	3,977	290	(141)	38	96	80	94	80
Isetan Mitsukoshi Building Management Service Co., Ltd.	100.0%	7,528	1,095	25	7	26	8	15	4
Isetan Mitsukoshi System Solutions Ltd.	100.0%	7,186	(607)	664	(315)	667	(320)	403	(195)
Isetan Mitsukoshi Human Solutions Ltd.	100.0%	3,192	174	90	(10)	91	(10)	55	(6)
Isetan Mitsukoshi Business Support Ltd.	100.0%	13,733	(255)	131	75	135	83	80	58
Isetan Mitsukoshi Gift Solutions Ltd.	100.0%	4,483	57	(169)	(379)	(98)	(397)	(98)	(279)
Leotex Co., Ltd.	100.0%	939	(442)	(23)	8	(31)	1	(31)	1
Leo Mart Co., Ltd.	100.0%	2,658	105	5	(3)	6	(3)	3	(2)
Century Trading Co., Ltd.	80.0%	1,230	102	(30)	(7)	(25)	(6)	(25)	(6)
Isetan Mitsukoshi Italia S.r.l.	100.0%	465	155	(0)	(2)	10	0	3	(1)
Studio Alta Co., Ltd.	60.0%	811	11	31	61	35	60	34	60

• Store operated by Tianjin Binhai New Area Isetan Co., Ltd. commenced operation from January 2013 and the company became a consolidated subsidiary from the fiscal year ending March 2014. The year-on-year difference is recorded as zero.

• Mitsukoshi Italia S.p.A. became a consolidated subsidiary from the fiscal year ending March 2014 and the year-on-year difference is recorded as zero.

4. Consolidated Companies

(2) Forecast (From April 1, 2013, to March 31, 2014)

(Millions of yen)

Companies	Net sales		Operating income (loss)		Recurring income (loss)		Net income (loss)	
		YoY difference		YoY difference		YoY difference		YoY difference
Isetan Mitsukoshi Holdings Ltd.	14,379	(7,941)	4,074	(13,218)	4,359	(12,952)	4,512	(73)
Isetan Mitsukoshi Ltd.	663,748	35,763	20,500	2,656	19,862	322	12,085	(8,224)
Sapporo Marui Mitsukoshi Ltd.	66,017	1,152	803	165	739	90	451	81
Hakodate Marui Imai Ltd.	9,689	(27)	247	(12)	245	(5)	149	(4)
Sendai Mitsukoshi Ltd.	36,560	1,782	996	70	1,009	72	609	136
Nagoya Mitsukoshi Ltd.	72,262	4,745	883	1,071	893	1,134	638	923
Shizuoka Isetan Co., Ltd.	20,886	428	59	1	59	(1)	42	(4)
Niigata Isetan Mitsukoshi Ltd.	48,499	914	966	76	992	71	391	(133)
Hiroshima Mitsukoshi Ltd.	16,474	400	22	86	21	92	19	91
Takamatsu Mitsukoshi Ltd.	22,982	1,463	346	218	351	221	213	140
Matsuyama Mitsukoshi Ltd.	16,491	498	1	364	(11)	351	(11)	356
Iwataya Mitsukoshi Ltd.	115,794	2,689	400	166	143	154	132	243
Isetan (Singapore) Ltd.	—	—	—	—	—	—	—	—
Isetan of Japan Sdn. Bhd.	14,985	2,006	453	154	547	(80)	263	(124)
Isetan (Thailand) Co., Ltd.	4,451	511	53	16	53	(11)	41	(5)
Isetan (China) Holdings Ltd.	102	102	(38)	17	(50)	(15)	(38)	(4)
Shanghai Mei Long Zhen Isetan Department Store Co., Ltd.	10,608	2,215	(21)	(83)	38	(94)	29	(69)
Tianjin Isetan Co., Ltd.	12,140	1,343	571	90	642	123	477	80
Tianjin Binhai Isetan Co., Ltd.	2,219	—	(463)	—	(464)	—	(464)	—
Chengdu Isetan Co., Ltd.	6,537	1,034	37	144	37	143	37	143
Mitsukoshi Italia S.p.A.	2,019	—	96	—	97	—	50	—
Mitsukoshi (U.S.A.) Inc.	3,926	558	305	140	310	169	189	103
MICARD Co., Ltd.	28,626	2,040	5,238	858	5,220	802	3,234	526
MI TOMONOKAI Co., Ltd.	5,072	(56)	(686)	(16)	200	31	185	105
Isetan Mitsukoshi Food Service Ltd.	53,555	2,260	171	219	295	252	117	380
Mamma Co., Ltd.	5,051	(899)	(472)	(124)	(523)	(166)	(528)	(98)
Isetan Mitsukoshi Direct Shopping Ltd.	27,760	(59)	447	580	449	578	351	707
Mitsukoshi Real Estate Co., Ltd.	4,277	152	571	0	1,018	195	618	157
Mitsukoshi Kankyo Design Co., Ltd.	11,902	3,223	28	293	261	377	239	357
Isetan Mitsukoshi Building Management Service Co., Ltd.	15,417	2,276	43	5	45	3	27	9
Isetan Mitsukoshi System Solutions Ltd.	15,719	(51)	513	(19)	495	(48)	309	246
Isetan Mitsukoshi Human Solutions Ltd.	6,481	414	111	24	113	23	67	17
Isetan Mitsukoshi Business Support Ltd.	29,078	347	181	79	184	97	109	74
Isetan Mitsukoshi Gift Solutions Ltd.	8,737	(275)	(147)	(550)	13	(568)	7	(344)
Leotex Co., Ltd.	1,926	(1,069)	(23)	75	(40)	69	(40)	98
Leo Mart Co., Ltd.	5,338	(54)	16	(26)	17	(27)	9	(14)
Century Trading Co., Ltd.	3,280	200	23	7	31	7	31	7
Isetan Mitsukoshi Italia S.r.l.	935	159	(9)	(18)	12	(13)	0	(13)
Studio Alta Co., Ltd.	1,614	(39)	34	62	41	61	(4)	11

- The forecast for the next fiscal term has not been indicated for Isetan (Singapore), Ltd., which is a locally listed company.
- Store operated by Tianjin Binhai New Area Isetan Co., Ltd. commenced operation from January 2013 and the company became a consolidated subsidiary from the fiscal year ending March 2014. The year-on-year difference is recorded as zero.
- Mitsukoshi Italia S.p.A. became a consolidated subsidiary from the fiscal year ending March 2014 and the year-on-year difference is recorded as zero.

II. Isetan Mitsukoshi Ltd. Non-consolidated Business Results

1. Outline of Non-consolidated Business Results

(1) Business Results

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)			Forecast (From April 1, 2013, to March 31, 2014)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Net sales	306,764	105.3	15,352	663,748	105.7	35,763
2. Gross profit	82,873	105.2	4,101	179,608	105.9	9,940
3. Other operating revenue	11,316	107.6	797	22,723	94.3	(1,379)
4. Other operating expenses	4,936	109.2	416	11,934	127.9	2,604
5. Gross operating profit	89,253	105.3	4,482	190,397	103.2	5,955
6. Operating income	9,067	165.0	3,572	20,500	114.9	2,656
7. Recurring income	9,746	163.2	3,775	19,862	101.6	322
8. Net income	6,444	199.2	3,209	12,085	59.5	(8,224)
9. Gross profit margin (%)	27.02	—	(0.02)	27.06	—	0.04
10. Gross operating profit margin (%)	29.10	—	0.01	28.69	—	(0.69)
11. Operating profit margin (%)	3.0	—	1.1	3.1	—	0.2
12. Recurring profit margin (%)	3.2	—	1.1	3.0	—	(0.1)
13. Return on sales (%)	2.1	—	1.0	1.8	—	(1.4)

(2) Status of selling, general and administrative expenses

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)			Forecast (From April 1, 2013, to March 31, 2014)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Selling, general and administrative expenses	80,186	101.1	910	169,897	102.0	3,299
Advertising expenses	4,655	90.8	(474)	11,021	99.9	(13)
Personnel expenses	25,976	93.8	(1,729)	56,085	93.8	(3,704)
Depreciation and amortization	5,155	105.7	277	10,530	107.3	712
Lease payments	6,771	86.3	(1,077)	13,634	87.6	(1,931)
Others	37,627	111.6	3,913	78,626	111.7	8,235
2. SGA Ratio (%)	26.1	—	(1.1)	25.6	—	(0.9)

(3) Financial Position

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)			Forecast (From April 1, 2013, to March 31, 2014)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Total assets	679,549	101.8	11,754	699,000	100.7	4,767
2. Net assets	201,490	107.4	13,917	200,900	104.2	8,075
3. Return on assets (ROA) (%)	—	—	—	2.9	—	0.4
4. Return on equity (ROE) (%)	—	—	—	6.1	—	(4.6)
5. Shareholder' s Equity Ratio (%)	29.7	—	1.6	28.7	—	1.0

(4) Others

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)			Forecast (From April 1, 2013, to March 31, 2014)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
1. Capital investment	5,185	82.3	(1,115)	21,200	107.2	1,421
2. Number of employees (including dispatched personnel)	5,642	96.7	(192)	5,600	99.9	(4)

2. Net Sales

(1) Net sales by store

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)			Forecast (From April 1, 2013, to March 31, 2014)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
Net sales						
Isetan Shinjuku Main store	120,002	110.0	10,924	258,682	109.2	21,841
Mitsukoshi Nihombashi Main store	79,932	104.1	3,118	170,722	104.6	7,541
Mitsukoshi Ginza store	30,988	110.0	2,820	67,023	109.4	5,756
Isetan Tachikawa store	17,958	99.8	(34)	39,408	101.6	639
Isetan Matsudo store	9,711	97.8	(217)	21,811	101.9	405
Isetan Urawa store	19,773	100.1	24	43,643	101.6	678
Isetan Sagamiyama store	11,605	97.8	(256)	25,755	100.2	47
Isetan Fuchu store	9,580	99.9	(8)	21,280	103.8	775
Mitsukoshi Chiba store	7,212	87.6	(1,017)	15,422	88.9	(1,921)
Total	306,764	105.3	15,352	663,748	105.7	35,763

(2) Net sales by goods

(Millions of yen)

	Results (From April 1, 2013, to September 30, 2013)		
	Amount	YoY (%)	YoY difference
Sales of apparel	113,535	105.9	6,277
(Men's clothing)	32,362	107.9	2,363
(Women's clothing)	66,448	106.1	3,844
(Children's clothing)	7,048	98.7	(90)
(Formal wear and bedding)	7,675	102.1	160
Accessories	36,104	110.9	3,542
Sundry goods	50,173	112.2	5,451
Household	15,584	93.9	(1,021)
(Furniture)	4,115	108.5	321
(Home electrical appliances)	1,044	46.0	(1,228)
(Household)	10,424	98.9	(114)
Foods	67,745	101.2	783
Others	23,621	101.4	318
Total for all stores	306,764	105.3	15,352

(3) Gross profit margin by goods

(%)

	Results (From April 1, 2013, to September 30, 2013)	
	YoY	
Sales of apparel	31.17	(0.66)
Accessories	28.99	0.25
Sundry goods	26.51	0.01
Household	29.44	1.29
Foods	21.95	0.17
Others	18.03	0.18
Total	27.02	(0.02)