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ISETAN MITSUKOSHI HOLDINGS

Isetan Mitsukoshi Holdings Ltd.

Fiscal 2011

Financial Results Handout

From April 1, 2011, to March 31, 2012

Fiscal 2011

From April 1, 2011, to March 31, 2012

Contents

Ⅰ. Isetan Mitsukoshi Holdings Consolidated Results

1. Outline of Consolidated Business Results

(Millions of yen)

	Results (FY2011)			Forecast (FY2012)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
Net sales	1,239,921	101.6	19,148	1,240,000	100.0%	78
Gross profit	347,788	101.7	5,782	350,000	100.6%	2,211
Selling, general and administrative expenses	323,954	97.9	(7,057)	325,000	100.3%	1,045
Operating income	23,834	216.8	12,840	25,000	104.9%	1,165
Recurring income	38,452	141.9	11,358	38,000	98.8%	(452)
Net income	58,891	—	56,250	31,000	52.6%	(27,891)
Total assets	1,227,947	99.2	(9,828)	1,236,000	100.7%	8,052
Net assets	468,479	112.0	50,326	495,000	105.7%	26,520
Interest-bearing debt	173,264	81.0	(40,661)	160,000	92.3%	(13,264)
Capital investment	19,243	57.7	(14,122)	32,000	166.3%	12,756
Number of employees	13,403	95.8	(585)	13,300	99.2%	(103)
Cash flows from operating activities	57,843	—	24,632	37,000	—	(20,843)
Cash flows from investing activities	(15,939)	—	8,480	(28,000)	—	(12,060)
Cash flows from financing activities	(44,940)	—	(56,182)	(17,300)	—	27,640
Number of consolidated subsidiarie	41	—	(2)	42	—	1
Number of Companies accounted for by the equity method	9	—	(1)	9	—	0
Personnel expenses	120,137	100.4	165	119,800	99.7%	(337)
Leases	39,880	96.5	(1,467)	40,400	101.3%	519
Depreciation and amortization	22,406	97.7	(526)	22,000	98.2%	(406)
Advertising expenses	26,907	84.7	(4,847)	28,000	104.1%	1,092
Net financial revenue	(78)	—	41	(50)	—	28
Gross profit margin (%)	28.05	—	0.03	28.23	—	0.18
SGA ratio (%)	26.1	—	(1.0)	26.2	—	0.1
Operating profit margin (%)	1.9	—	1.0	2.0	—	0.1
Recurring profit margin (%)	3.1	—	0.9	3.1	—	0.0
Return on assets (ROA) (%)	1.9	—	1.0	2.0	—	0.1
Return on equity (ROE) (%)	13.6	—	13.0	6.6	—	(7.0)
Rate of return on invested capital (ROIC) (%)	2.3	—	1.4	2.4	—	0.1
Shareholder's equity ratio (%)	37.2	—	4.4	39.1	—	1.9
Interest-bearing debt dependency (%)	14.1	—	(3.2)	12.9	—	(1.2)
Consolidated debt equity ratio (DER)(times)	0.4	—	-0.1	0.3	—	0.0
Net income per share (Yen)	149.28	—	142.59	78.58	—	(70.70)
Cash dividends per share (Yen)	10.00	—	3.00	10.00	—	0.00

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

2. Consolidated Extraordinary Gain or Loss

(Millions of yen)

Breakdown	Results (FY2011)	
	Amount	Main factors
Extraordinary loss	13,454	
1. Loss on sales of property and equipment	509	Isetan Mitsukoshi Ltd.
2. Impairment losses	7,632	Mainly Isetan Mitsukoshi Ltd. (Iwataya Main store)
3. Amortization of goodwill	1,099	
4. Loss on valuation of investment securities	54	Mainly Isetan Mitsukoshi Ltd.
5. Merger related expenses	379	Isetan Mitsukoshi Ltd. (Property registration fees)
6. Business structure improvement expenses	3,779	Iwataya Mitsukoshi Ltd.

3. Consolidated Capital Investment

(Millions of yen)

Breakdown	Results (FY2011)	Forecast (FY2012)	
	Amount	Amount	Main factors
Total amount	19,243	32,000	
Department Store Business	13,803	22,279	
Isetan Mitsukoshi Ltd.	12,174	20,000	Redevelopment of Shinjuku Main store, remodeling, facility improvements, etc.
Others	1,629	2,279	Remodeling, facility improvements, etc.
Credit & Finance Business/Customer Organization Management Business	1,421	2,342	
MICARD Co., Ltd.	1,421	2,342	System related, etc.
Other Retail & Specialty Store Business	762	2,169	
Isetan Mitsukoshi Food Service Ltd	393	1,916	
Others	368	253	
Real Estate Business	79	467	
Other Businesses	3,177	4,743	
Isetan Mitsukoshi System Solutions Ltd.	3,111	4,499	System related, etc.
Others	65	244	

Note: Figures include investments made for intangible fixed assets.

4. Main Reasons of Changes in the Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2011 (As of March 31, 2012)	Fiscal 2010 (As of March 31, 2011)	Changes (Amount)	Main Reasons of Changes
ASSETS				
Current assets	260,208	242,792	17,415	
Cash and bank deposits	39,137	56,940	(17,803)	A decrease due to reduction of liquidity on hand
Notes and accounts receivable-trade	105,895	87,431	18,463	
Inventories	56,054	57,114	(1,060)	
Other current assets	59,121	41,304	17,816	An increase due to recording deferred tax assets for Isetan Mitsukoshi Ltd.
Property and equipment	967,673	994,888	(27,215)	
Tangible fixed assets	733,684	746,704	(13,020)	
Buildings and structures	175,969	187,878	(11,909)	A decrease due to recording impairment losses
Land	536,702	537,856	(1,153)	
Other tangible fixed assets	21,011	20,969	42	
Intangible fixed assets	48,821	48,768	52	
Investments and other assets	185,167	199,414	(14,247)	
Investment securities	84,894	88,911	(4,016)	
Other assets	100,272	110,503	(10,230)	A decrease due to redemption of guarantee deposits
Deferred assets	65	95	(29)	
Total assets	1,227,947	1,237,775	(9,828)	

LIABILITIES				
Current liabilities	403,089	418,586	(15,496)	
Notes and accounts payable	111,791	96,230	15,560	
Short-term borrowings	22,964	49,425	(26,461)	
Other current liabilities	268,334	272,930	(4,595)	A decrease in commercial paper
Long-term liabilities	356,378	401,036	(44,658)	
Bonds payable	24,000	24,000	0	
Long-term debt	102,300	90,500	11,800	
Deferred tax liabilities	158,769	194,444	(35,674)	A decrease due to offset of deferred tax assets for Isetan Mitsukoshi Ltd.
Negative goodwill	13,234	26,468	(13,234)	A decrease due to amortization
Other long-term liabilities	58,074	65,623	(7,548)	
Total liabilities	759,467	819,622	(60,155)	

NET ASSETS				
Shareholders' equity	478,754	422,556	56,198	
Retained earnings	103,823	47,693	56,130	An increase of 58,891 in net income for the current fiscal term; a decrease of 2,76 in payout dividends.
Accumulated other comprehensive income	(22,170)	(16,055)	(6,115)	
Stock acquisition rights	1,246	1,083	163	
Minority interests	10,648	10,568	80	
Total net assets	468,479	418,152	50,326	Shareholder's equity ratio of 37.2% (a year-on-year increase of 4.4%)
Total liabilities and net assets	1,227,947	1,237,775	(9,828)	

5. Consolidated Companies

(Millions of yen)

Companies	Capital	Fiscal year-end	Scope of Business	Voting Rights Held	Results (FY2011)				Forecast (FY2012)			
				Percentage (Incl. indirect ownership)	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)
Isetan Mitsukoshi Holdings Ltd.	50,102	Mar.		—	16,091	10,502	10,592	3,102	9,696	4,348	4,599	4,590
Isetan Mitsukoshi Ltd.	10,000	Mar.	Department Stores Business	100.0%	637,826	16,591	14,380	26,150	626,750	17,000	14,437	12,131
Sapporo Marui Mitsukoshi Ltd.	100	Mar.	Department Stores Business	100.0%	65,945	601	829	1,256	65,695	545	480	293
Hakodate Marui Imai Ltd.	50	Mar.	Department Stores Business	100.0%	10,015	348	355	229	9,850	298	292	178
Sendai Mitsukoshi Ltd.	50	Mar.	Department Stores Business	100.0%	33,260	1,013	1,114	1,176	33,000	725	741	447
Nagoya Mitsukoshi Ltd.	50	Mar.	Department Stores Business	100.0%	69,670	88	100	142	68,405	24	38	23
Shizuoka Isetan Co., Ltd.	100	Mar.	Department Stores Business	100.0%	20,830	48	59	56	20,700	37	39	36
Niigata Isetan Mitsukoshi Ltd.	100	Mar.	Department Stores Business	100.0%	47,447	812	845	670	47,250	748	779	474
Hiroshima Mitsukoshi Ltd.	50	Mar.	Department Stores Business	100.0%	15,292	(232)	(235)	(235)	15,800	(56)	(56)	(56)
Takamatsu Mitsukoshi Ltd.	50	Mar.	Department Stores Business	100.0%	21,270	145	195	407	21,400	110	111	68
Matsuyama Mitsukoshi Ltd.	50	Mar.	Department Stores Business	100.0%	16,047	(449)	(423)	(428)	16,000	(383)	(387)	(387)
Iwataya Mitsukoshi Ltd.	100	Mar.	Department Stores Business	100.0%	113,619	(1,729)	(1,802)	(6,142)	111,980	(275)	(545)	(545)
Isetan (Singapore) Ltd.	('000 S$) 20,625	Dec.	Department Stores Business	52.7%	21,957	727	925	774	—	—	—	—
Isetan of Japan Sdn. Bhd.	('000 MYR) 20,000	Dec.	Department Stores Business	51.0%	11,331	535	663	466	14,429	553	642	481
Isetan (Thailand) Co., Ltd.	('000 BAHT) 290,000	Dec.	Department Stores Business	49.0%	3,326	78	96	88	3,556	2	10	8
Isetan (China) Holdings Ltd.	('000 US$) 60,371	Dec.	Department Stores Business	100.0%	27	(15)	(67)	(67)	0	(49)	(96)	(96)
Shanghai Mei Long Zhen Isetan Department Store Co., Ltd.	('000 US$) 5,000	Dec.	Department Stores Business	80.0%	7,355	64	128	95	8,271	213	258	194
Tianjin Isetan Co., Ltd.	('000 US$) 2,100	Dec.	Department Stores Business	90.0%	10,601	551	471	341	11,834	731	783	587
Tianjin Binhai Isetan Co., Ltd	('000 US$) 12,000	Dec.	Department Stores Business	100.0%	—	—	—	—	870	(127)	(135)	(135)
Chengdu Isetan Co., Ltd.	000 US$) 14,990	Dec.	Department Stores Business	100.0%	5,089	(211)	(266)	(266)	5,573	(35)	(58)	(58)
Shenyang Isetan Co., Ltd.	('000 US$) 19,150	Dec.	Department Stores Business	100.0%	2,668	(331)	(341)	(341)	3,444	(368)	(368)	(368)
Mitsukoshi (U.S.A.) Inc.	('000 US$) 25,000	Dec.	Department Stores Business	100.0%	2,787	248	257	144	3,144	263	272	163
Total Department Stores Business					1,116,373	18,886	17,288	24,517	1,087,951	19,956	17,237	13,438
MICARD Co. Ltd.	1,100	Mar.	Credit & Finance Business/Customer Organization Management Business	100.0%	23,496	3,357	3,390	1,744	27,000	4,000	4,155	2,533
MI TOMONOKAI Co., Ltd.	100	Mar.	Credit & Finance Business/Customer Organization Management Business	100.0%	5,311	(694)	130	(177)	5,166	(706)	103	63
Total Credit & Finance Business/Customer Organization Management Business					28,807	2,663	3,520	1,567	32,166	3,294	4,258	2,596
Isetan Mitsukoshi Food Service Ltd.	100	Mar.	Other Retail & Specialty Stores	100.0%	51,930	394	404	337	52,800	190	240	221
Mammina Co., Ltd.	100	Mar.	Other Retail & Specialty Stores	100.0%	6,334	(26)	(21)	(62)	6,610	3	(7)	(16)
Isetan Mitsukoshi Direct Shopping Ltd.	50	Mar.	Other Retail & Specialty Stores	100.0%	28,269	21	27	(17)	30,211	(113)	(113)	(113)
Total Other Retail & Specialty Stores Business					86,534	388	410	257	89,621	80	120	92
Mitsukoshi Real Estate Co., Ltd.	100	Mar.	Real Estate Business	100.0%	4,353	662	821	392	4,303	554	716	433
Mitsukoshi Kankyo Design Co., Ltd.	100	Mar.	Real Estate Business	100.0%	8,763	(495)	(392)	(521)	8,700	(236)	(145)	(145)
Isetan Kaikan Co., Ltd.	60	Mar.	Real Estate Business	100.0%	368	2	7	3	331	1	4	2
Isetan Mitsukoshi Building Management Service Co., Ltd.	40	Mar.	Real Estate Business	100.0%	9,207	94	96	51	13,911	27	28	17
Total Real Estate Business					22,694	263	532	(73)	27,245	346	603	307
Isetan Mitsukoshi System Solutions Ltd.	90	Mar.	Other Businesses (Data processing Services)	100.0%	16,726	698	698	423	16,020	738	738	447
Isetan Mitsukoshi Human Solutions Ltd.	100	Mar.	Other Businesses (Personnel Services)	100.0%	5,573	99	102	43	5,132	28	28	17
Isetan Mitsukoshi Business Support Ltd.	50	Mar.	Other Businesses (Logistics Services)	100.0%	28,858	38	52	17	29,008	53	37	23
Leo d'Or Trading Co., Ltd.	100	Mar.	Other Businesses (Manufacture & Import / Export and Wholesale Business)	100.0%	9,528	558	808	476	9,070	398	573	347
Leotex Co., Ltd.	100	Mar.	Other Businesses (Manufacture & Import / Export and Wholesale Business)	100.0%	2,811	(56)	(66)	(54)	2,880	(19)	(31)	(31)
Leo Mart Co., Ltd.	10	Mar.	Other Businesses (Manufacture & Import / Export and Wholesale Business)	100.0%	5,452	33	35	19	5,150	4	5	3
Century Trading Co., Ltd.	20	Mar.	Other Businesses (Manufacture & Import / Export and Wholesale Business)	80.0%	3,173	47	53	53	3,250	54	60	55
Isetan Italia S.r.l.	('000 EUR) 100	Dec.	Other Businesses (Manufacture & Import / Export and Wholesale Business)	100.0%	632	5	23	13	669	(4)	14	7
Lexim (Singapore) Pte. Ltd.	('000 S$) 5,000	Dec.	Other Businesses (Manufacture & Import / Export and Wholesale Business)	100.0%	—	(8)	7	7	—	—	—	—
Isetan Institute Co., Ltd.	10	Mar.	Other Businesses (Research)	100.0%	254	55	55	31	230	9	11	7
Studio Alta Co., Ltd.	100	Mar.	Other Businesses (Visual Production)	60.0%	1,697	30	38	19	1,830	51	57	34
Isetan Swing Inc.	50	Mar.	Other Businesses (Management of Sports Facilities)	100.0%	180	23	22	5	200	27	26	16
Total Other Businesses					74,887	1,525	1,832	1,056	73,439	1,339	1,518	925

・Forecasts for the next fiscal term have not been indicated for Isetan (Singapore), Ltd., which is a locally listed company, and its subsidiary, Lexim (Singapore) Pte. Ltd.

・The new store of Tianjin Binhai Isetan Co., Ltd will commence operations in autumn 2012.

Ⅱ. Isetan Mitsukoshi Ltd. Non-consolidated Business Results

1. Outline of Non-consolidated Business Results

(Millions of yen)

	Results (FY2011)			Forecast (FY2012)		
	Amount	YoY (%)	YoY difference	Amount	YoY (%)	YoY difference
Net sales	637,826	98.6	(8,811)	626,750	98.3	(11,076)
Gross profit	171,020	96.1	(6,880)	169,876	99.3	(1,144)
Other operating revenue	22,190	116.1	3,079	23,594	106.3	1,403
Other operating expenses	7,516	―	7,042	7,840	104.3	323
Gross operating profit	185,695	94.5	(10,843)	185,630	100.0	(65)
Selling, general and administrative expenses	169,103	91.2	(16,359)	168,630	99.7	(473)
Operating income	16,591	149.8	5,516	17,000	102.5	408
Recurring income	14,380	167.2	5,779	14,437	100.4	56
Net income	26,150	―	37,763	12,131	46.4	(14,019)
Total assets	686,269	100.1	455	686,000	100.0	(269)
Net assets	184,794	114.9	23,894	193,000	104.4	8,205
Capital investment	12,208	51.4	(11,547)	20,000	163.8	7,791
Number of employees	5,860	95.5	(274)	5,800	99.0	(60)
Personnel expenses	60,734	98.5	(904)	60,034	98.8	(700)
Leases	15,817	96.6	(555)	15,253	96.4	(564)
Depreciation and amortization	10,116	74.2	(3,518)	10,077	99.6	(39)
Advertising expenses	10,794	59.8	(7,249)	11,278	104.5	483
Gross profit margin (%)	26.81	―	(0.70)	27.10	―	0.29
Gross operating profit margin (%)	29.11	―	(1.28)	29.62	―	0.51
SGA Ratio (%)	26.5	―	(2.2)	26.9	―	0.4
Operating profit margin (%)	2.6	―	0.9	2.7	―	0.1
Recurring profit margin (%)	2.3	―	1.0	2.3	―	0.0
Return on assets (ROA) (%)	2.4	―	0.3	2.5	―	0.1
Return on equity (ROE) (%)	15.1	―	23.1	6.4	―	(8.7)
Shareholder's Equity Ratio	26.9	―	3.4	28.1	―	1.2

Note: Year-on-year results and year-on-year differences are a comparison made using the aggregated figures of business results of Mitsukoshi and Isetan for the fiscal year ended March 2011.

2. Net Sales

(1) Net sales by store (Millions of yen)

	Results (FY2011)			Forecast (FY2012)		
	Amount	YoY (%) (Note 1)	YoY difference (Note 1)	Amount	YoY (%) (Note 1)	YoY difference (Note 1)
Net sales						
Isetan Shinjuku Main store	235,010	107.1	15,538	231,800	98.6	(3,210)
Mitsukoshi Nihombashi Main store	165,220	80.4	(40,344)	166,200	100.6	979
Mitsukoshi Ginza store	57,546	128.8	12,866	60,000	104.3	2,453
Isetan Tachikawa store	37,695	105.2	1,859	38,000	100.8	304
Isetan Matsudo store	22,053	100.1	17	22,100	100.2	46
Isetan Urawa store	43,398	103.2	1,349	43,500	100.2	101
Isetan Sagamihara store	26,476	100.9	248	26,200	99.0	(276)
Isetan Fuchu store	20,731	102.1	429	20,750	100.1	18
Mitsukoshi Chiba store	18,388	96.9	(595)	18,200	99.0	(188)
Shinjuku Mitsukoshi ALCOTT	11,304	98.4	(180)	—	—	(11,304)
Total	637,826	98.6	(8,811)	626,750	98.3	(11,076)

Notes:
(1) Year-on-year results and year-on-year differences are a comparison made using the aggregated figures of business results of Mitsukoshi and Isetan for the fiscal year ended March 2011.
(2) From the fiscal term ended March 2012, numerical values of Mitsukoshi business results for outside corporate customers that have been previously recorded by the Mitsukoshi Nihombashi Main store are recorded by the Isetan Shinjuku Main store.
(3) From the fiscal term ended March 2012, numerical values of the Mail Order Division previously recorded by the Mitsukoshi Nihombashi Main store have been excluded due to a company spin-off.

(2) Net sales by month

＜Individual Business Results of Mitsukoshi and Isetan＞ (Millions of yen)

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	1H Total	
Total for all stores	47,159	47,519	53,141	61,421	40,690	45,542	295,475	
YoY (%)	95.7%	94.4%	100.0%	99.3%	95.6%	94.4%	96.7%	
	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	2H Total	FY Total
	52,435	58,780	74,122	57,408	43,160	56,444	342,351	637,826
YoY (%)	96.2%	95.9%	97.1%	95.5%	94.7%	130.3%	100.3%	98.6%

Note: Year-on-year results are a comparison made using the aggregated figures of business results of Mitsukoshi and Isetan for the fiscal year ended March 2011.

(3) Net sales by goods

(Millions of yen)

	Results (FY2011)		
	Amount	YoY (%)	YoY difference
Sales of apparel	240,608	98.4	(3,862)
(Men's clothing)	67,168	102.1	1,354
(Women's clothing)	139,806	97.2	(4,056)
(Children's clothing)	17,555	105.3	880
(Formal wear and bedding)	16,077	88.7	(2,041)
Accessories	74,806	101.6	1,213
Sundry goods	89,411	100.8	741
Household	34,937	99.5	(189)
(Furniture)	8,093	94.6	(465)
(Home electrical appliances)	3,097	88.5	(400)
(HouseholFinancial	23,747	102.9	676
Foods	148,030	96.3	(5,714)
Others	50,031	98.0	(998)
Total for all stores	637,826	98.6	(8,811)

Note: Year-on-year results and year-on-year differences are a comparison made using the aggregated figures of business results of Mitsukoshi and Isetan for the fiscal year ended March 2011.

(4) Net sales categories

Breakdown of cash sales and credit sales (Millions of yen)

	Results (FY2011)		
	Amount	Composition ratio	YoY (%)
Cash sales	280,589	44.0	95.9%
Credit sales	357,236	56.0	100.9%
Total	637,826	100.0	98.6%

Note: Year-on-year results are a comparison made using the aggregated figures of business results of Mitsukoshi and Isetan for the fiscal year ended March 2011.

(5) Gross profit margin by goods

	Results (FY2011)	
	Gross profit margin	YoY (%)
Sales of apparel	31.67	(0.65)
Accessories	27.46	(0.49)
Sundry goods	26.22	(0.48)
Household	28.21	(1.65)
Foods	21.43	(0.79)
Others	18.48	(1.04)
Total	26.81	(0.70)

Note: Year-on-year differences are a comparison made using the aggregated figures of business results of Mitsukoshi and Isetan for the fiscal year ended March 2011.

3. Others

Number of employees

(1) NumbeFinancial Results Handout (Persons)

	Results (As of March 31, 2012)	YoY difference
Number of employees (Note 1)	5,860	(274)
Males	3,033	(165)
Females	2,827	(109)

Notes:

(1) Number of employees as of March 31, 2012. Additionally, temporary employees are excluded.

(2) Year-on-year differences are a comparison made using the aggregated figures of business results of Mitsukoshi and Isetan for the fiscal year ended March 2011.

(2) Net sales by units

		Results (As of March 31, 2012)	YoY difference
Net sales	(Millions of yen)	637,826	(8,811)
Store floor space (Note 1)	(m^2)	431,026	(1,056)
Net sales per square meter	(Thousands of yen)	1,479	(16)
Number of employees (Notes 1 and 2)	(Persons)	11,667	346
Net sales per employee	(Thousands of yen)	54,669	(2,449)

Notes:

(1) Mid-term average values are used for the store floor space and number of employees.

(2) Temporary employees (mid-term average based on 8 working hours per day) are included in the number of employees.

(3) Year-on-year differences are a comparison made using the aggregated figures of business results of Mitsukoshi and Isetan for the fiscal year ended March 2011.

(3) Percentage of personnel expenses versus gross profit (Millions of yen)

	Results (As of March 31, 2012)	YoY difference
Personnel expenses / Gross profit (%)	35.5	0.9
Gross profit	171,020	(6,880)
Personnel expenses	60,734	(904)

Note: Year-on-year differences are a comparison made using the aggregated figures of business results of Mitsukoshi and Isetan for the fiscal year ended March 2011.