Isetan Mitsukoshi Group Financial Results Explanation Meeting for the Nine Months Ended Dec 31, 2024

February 4, 2025

Isetan Mitsukoshi Holdings Ltd.

I: FY2024 Q3 Results

II: FY2024 Full Year Plan

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1. FY2024 Q3 Summary of Results

- Gross sales continued to increase significantly at domestic department stores with the promotion of the "Sophisticated and high-quality" strategy and the "CRM strategy connecting with individual customers."
- While selling, general and administrative expenses increased due to increased revenue, cost structure reform being undertaken across the Group made steady progress, and the total amount continues to be lower than the previous year.

Both operating profit and ordinary profit for Q3 continued to rise substantially, once again setting record highs since the integration.

2. FY2024 Q3 Consolidated Results

- Gross sales: Continued to increase due to strong sales to Japanese customers and inbound tourists as a result of promotion of strategies.
- Selling, general and administrative expenses: Continued to be lower than the previous year due to flexible cost control and reduction as a Group.
- As a result of the above, both operating profit and ordinary profit reached record highs since the integration. The operating margin improved 1.6% from the previous year to 6.1%.

(0.1 billions of yen)	H1	YoY difference	Q3	YoY difference	Q3 Cumulative Results	YoY	YoY difference
Gross sales	6,191	+576	3,595	+107	9,786	107.5%	+683
Net sales	2,640	+155	1,533	+1	4,174	103.9%	+156
Gross profit	1,617	+138	932	+26	2,549	106.9%	+164
Selling, general and administrative expenses	1,268	▲8	682	▲16	1,950	98.7%	▲25
Operating profit	348	+146	250	+43	599	146.4%	+189
Ordinary profit	387	+158	273	+52	660	146.8%	+210
Profit attributable to owners of parent	253	+105	210	+48	464	149.4%	+153

3. Gross sales figures for major domestic department stores (by store and company)

- **Isetan Shinjuku Main Store sales exceeded 300 billion yen for the first nine months from April to December.** Together with the Ginza store, continued to achieve at least double-digit growth in sales from the previous year
- **Iwataya Mitsukoshi sales exceeded 100 billion yen for the first nine months from April to December.** Large-scale stores Sapporo Marui Mitsukoshi and Nagoya Mitsukoshi also saw continued sales growth.

(0.1 billions of yen)	Gross sales	YoY	YoY difference
Isetan Shinjuku Main Store	3,149	114.0%	+387
Mitsukoshi Nihombashi Main Store	1,226	106.4%	+74
Mitsukoshi Ginza Store	927	120.6%	+158
Isetan Tachikawa store	239	98.7%	-3
Isetan Urawa store	274	93.4%	-19
Isetan Mitsukoshi Total	5,817	111.5%	+597

(0.1 billions of yen)	Gross sales	YoY	YoY difference
Sapporo Marui Mitsukoshi	463	102.8%	+12
Sendai Mitsukoshi	197	95.6%	-9
Nagoya Mitsukoshi	475	103.2%	+14
Niigata Isetan Mitsukoshi	257	94.2%	-15
Iwataya Mitsukoshi	1,009	109.1%	+84
Total of 5 major regional companies	2,403	103.7%	+86

4. Changes in consolidated SG&A expenses

- **Total selling, general and administrative expenses were reduced by 2.5 billion yen year-on-year due to company-wide promotion of cost structure reform and flexible control.**
- **Cost structure reform: Progressing steadily with a reduction of 6 billion yen in the first nine months of the year from April to December, against the full-year reduction plan of 7.0 billion yen announced in November.**
- **Impact from price changes: Utilities expenses only increased slightly in October - December compared to the previous year and were lower than in the first nine months of the year from April to December than in the previous year.**

(0.1 billions of yen)	Q3 Cumulative Results	YoY changes	Breakdown of YoY increase/decrease Current year increase/decrease				
			Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Others
Personnel expenses	692	-5	-28		+6	+17	
Advertising expenses	67	-4	-5	+1			
Lease payments	237	-9	-14	+5			
Business consignment expenses	217	-2	-3		+1		
Depreciation and amortization	168	-2			+2		-4
Utilities expenses	72	-1	-1				
Others	493	+0	-8	+11		+2	-5
Total	1,950	-25	-60	+17	+9	+19	-10

5. Segment income

- Department store business: Revenue and profits continued to increase significantly due to sales growth as a result of the success of various strategies and the promotion of cost structure reform.
- Credit & finance business: Profits increased due to further promotion of cost structure reform and steady card transaction volume.
- Real estate business: Profits increased due to strong performance in the construction and interior business and higher rental income from change of tenants.

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	YoY difference
Department store business	9,099	107.5%	3,478	498	+156
Credit & finance business/ Customer organization management business	278	104.2%	256	55	+26
Real estate business	205	112.0%	205	26	+5
Other businesses*	201	108.4%	233	19	+1
Total	9,786	107.5%	4,174	599	+189

* Operating profit in the "other businesses" segment includes an adjustment (210 million yen)

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II: FY2024 Full Year Plan

1. FY2024 Summary of Full Year Plan

- **Promotion of strategies for final year of "revitalization of department stores" phase and flexible measures for selling, general and administrative expenses are progressing in line with the plan.**

The full year plan is in line with the November plan as progress is currently also in line with expectations.

2. FY2024 Consolidated Plan

- Gross sales: In line with November plan due to steady recovery in sales to inbound tourists in addition to promotion of strategies.
- Selling, general and administrative expenses: In line with November plan with steady control while investing expenses in promoting strategies.
- Operating profit, ordinary profit, and profit are all unchanged from the November plan.

(0.1 billions of yen)	Full year	YoY	YoY difference	Difference with November Plan
Gross sales	13,200	107.8%	+953	-
Net sales	5,560	103.6%	+195	-
Gross profit	3,410	106.9%	+220	-
Selling, general and administrative expenses	2,690	101.7%	+44	-
Operating profit	720	132.4%	+176	-
Ordinary profit	770	128.6%	+171	-
Profit	580	104.4%	+24	-

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It involves various risks and uncertainties.
Therefore, actual performance figures and results may differ from forecasts due to factors such as future business operations and changes in economic conditions.