Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 4, 2025

Company name: Isetan Mitsukoshi Holdings Ltd.
Listing: Tokyo
Securities code: 3099
URL: https://www.imhds.co.jp
Representative: Toshiyuki Hosoya Director, President and CEO
Inquiries: Keiko Mihara General Manager, Corporate Communication and IR Division, General Affairs Department
Telephone: +81-50-1704-0684

Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	417,450	3.9	59,939	46.4	66,043	46.8	46,479	49.4
December 31, 2023	401,771	9.4	40,939	66.7	44,976	75.6	31,108	59.0

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 52,489 million [18.6%]
Nine months ended December 31, 2023: ¥ 44,251 million [49.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	124.86	124.72
December 31, 2023	81.43	81.28

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	1,236,300	601,030	48.5
March 31, 2024	1,225,103	600,824	48.5

(Reference) Equity: As of December 31, 2024: ¥ 599,671 million
As of March 31, 2024: ¥ 593,918 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	12.00	-	22.00	34.00
Fiscal year ending March 31, 2025	-	24.00	-		
Fiscal year ending March 31, 2025 (Forecast)				24.00	48.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	556,000	3.6	72,000	32.4	77,000	28.6	58,000	4.4	155.80

(Note) Revision to the financial results forecast announced most recently: None

The gross sales forecast (sales if the "Accounting Standard for Revenue Recognition," etc. had not been adopted) would be ¥1,320,000 million, an increase of 7.8% from the previous fiscal year.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to "(3) Notes regarding Consolidated Financial Statements (Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements)" in "2. Consolidated Financial Statements and Primary Notes.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024: 384,415,254 shares
March 31, 2024: 397,265,054 shares

2) Number of treasury shares at the end of the period:

December 31, 2024: 16,507,688 shares
March 31, 2024: 21,927,440 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 372,260,998 shares
Nine months ended December 31, 2023: 382,018,461 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the Company considers to be reasonable, and are not intended to be seen as targets that the Company assures it will achieve. Actual results, performance, achievements or financial position may be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. For assumptions on which forwardlooking statements are based as well as for precautionary statements in the use of forward-looking statements, please refer to "(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results" in "1. Qualitative Information on the Quarterly Results"

○ Table of Contents of Accompanying Materials

1. Qualitative Information on the Quarterly Results 2
(1) Explanation Regarding Business Results 2
(2) Explanation Regarding Financial Position 3
(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results 4
2. Consolidated Financial Statements and Primary Notes 5
(1) Consolidated Balance Sheets 5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income 7
(3) Notes Regarding Consolidated Financial Statements 9
(Notes on going concern assumption) 9
(Notes on significant changes in shareholders' equity) 9
(Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements) 9
(Change in accounting policy) 9
(Segment information) 10
(Notes regarding statements of cash flows) 11

1. Qualitative Information on the Quarterly Results

(1) Explanation Regarding Business Results

During the third quarter of fiscal 2024 (April 1, 2024 to December 31, 2024), the Japanese economy experienced brisk personal consumption owing to improvements in the employment and income environment in line with heightened corporate earnings. In addition, inbound demand continued to grow on account of increased numbers of foreign visitors to Japan, and economic activities in services and the tourism industry have become revitalized to an even greater extent.

On the other hand, the outlook for economic conditions at home and abroad remains uncertain due to the effects of heightened global geopolitical risks, slowing growth in the global economy, and interest rate and exchange rate fluctuations. We recognize the need to continue to closely monitor the situation as the prolonged rise in prices continues, consumers are more conscious of protecting their lifestyles, and the polarization of consumption becomes more pronounced.

Amid this environment, the Isetan Mitsukoshi Group endeavored on its current medium-term management plan (Fiscal 2022–Fiscal 2024) to realize its vision, "We are a retail group centered on extraordinary department stores working toward improving the lives of our customers." As the Group steadily promoted its key strategies of "Sophisticated and high-quality" strategy, "CRM strategy connecting with individual customers," "Stronger intra-group coordination" strategy, and "Urban community development" strategy, in November 2024 it formulated its next medium-term management plan (Fiscal 2025–Fiscal 2030). In the final year of the current medium-term management plan, we will continue to revitalize and evolve each business from a forecasting perspective in order to transform our business model from "mass to personal marketing" and switch from a "store business" to an "individual customer business." At the same time, from a back-casting perspective, we have already commenced initiatives for the next medium-term management plan.

At department stores in Japan, in addition to continued strong sales at stores in the Tokyo metropolitan area, regional stores also experienced growth in gross sales, primarily in Fukuoka, Sapporo, Nagoya and stores in other major regional cities, and achieved expanded revenue. Moreover, as a result of efforts to grow the customer base, such as initiating campaigns that utilize MI Points, the acquisition of new digital memberships (including MITSUKOSHI ISETAN App members) has been favorable, and the number of customers the Company can identify (hereinafter referred to as "identified customers") increased.

The Group's subsidiaries and affiliates revitalized their corporate activities against the backdrop of economic recovery, and saw favorable sales driven by BtoB external sales activities. Together with this, the Group has been promoting the bringing of operations in-house. As initiatives with an eye toward the next medium-term management plan, each of the companies is working to enhance their unique points to provide the Group's distinctive value to individual identified customers at department stores.

Among the Company's sustainability initiatives*, in Fiscal 2023 we established respective KPIs for the four Isetan Mitsukoshi Group's Priority Initiatives (Materialities) that we had revised. Of those, "maximizing the power of people," which epitomizes the Group, is intrinsic to the mission of the Company's corporate philosophy, "touching people's hearts with human-driven experiences." It is this very "power of people" that we recognize as the greatest source of generating innovation, and we are committed to the themes of "lifelong CDP," "DE&I," and "creating a corporate culture that touches people's hearts." As a result of promoting such Group-wide sustainability and revising information disclosure by renewing our corporate website, among other initiatives, as of December 2024, the Company was awarded its first-ever highest "AAA" rating in the "MSCI ESG Ratings," a global evaluation index for ESG (Environmental, Social and Governance) investments. The Company also was honored with the "Daiwa Internet IR Awards 2024" with Excellence in Sustainability. Going forward, the Company will link management planning and sustainability initiatives, promoting them further throughout the Group.
*For specific details on the Group's sustainability initiatives please see "Isetan Mitsukoshi Holdings Sustainability Report 2024," published in November 2024.

The Group, together with One Bangkok Company Limited, is participating in the office and retail business of "One Bangkok," the largest mixed-use development project in central Bangkok, and in October 2024 a soft opening was conducted for retail business "MITSUKOSHI DEPACHIKA." By developing underground department store levels, inspired by Japanese department stores, we will continue to develop stores that are loved by customers in Bangkok, Thailand, underpinned by the "Japanese food" and "hospitality" expected of a Japanese department store.

As a result, in the third quarter of the fiscal year under review on a consolidated basis, the Company recorded net sales of ¥417,450 million, up 3.9% year-on-year, operating profit of ¥59,939 million, up 46.4% year-on-year, ordinary profit of ¥66,043 million, up 46.8% year-on-year, and profit attributable to owners of parent of ¥46,479 million, up 49.4% year-on-year.

Results by segment were as follows.

1) Department store business

In the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024), in the domestic store business, the number of customers visiting our department stores grew, and such visits by customers at all stores exceeded that of the previous year, mainly at the Isetan Shinjuku main store and the Mitsukoshi Ginza store. This was in part driven by numerous campaigns and the expansion of the product lineup launched during the year-end shopping season which resulted in robust sales of luxury brand items as well as a wide range of items such as autumn/winter clothing and cosmetics. As a result, in addition to significant growth in tax-free sales, sales expanded owing to out-of-store-sales, MICARD members and other identified customers.

The Group is promoting its "Sophisticated and high-quality" strategy to meet the consumption needs of customers who seek high-quality and affluent lifestyles, and the contents and merchandise newly introduced through the remodeling of the Isetan Shinjuku main store and the Mitsukoshi Ginza store performed well. For regional department stores, sales expanded as a result of continued efforts to strengthen the "base network strategy" that works by collaborating with the Isetan Shinjuku main store and Mitsukoshi Nihombashi main store. In addition, efforts for "think good," which promotes sustainable goods and activities, were bolstered across the Group, and going forward we aim to expand even further highly original initiatives that make the Group unique. As part of the "CRM strategy connecting with individual customers," in addition to invitational events for valued customers at both main stores (the "Tanseikai" at the Isetan Shinjuku main store and the "Ippinkai" at the Mitsukoshi Nihombashi main store), each store implemented its own hospitality plans for top-tier individual customers.

Tax-free sales were strong for items that are highly value-added such as luxury brand handbags and jewelry, as well as cosmetics and baby and children's products. As a result, sales significantly exceeded those of the previous year, not only at urban stores in the Tokyo metropolitan area but at regional department stores as well, with total tax-free sales at domestic department stores reaching a new record high during the third quarter of the fiscal year under review.

Regarding the online business, category-specific site sales, such as "meeco" for cosmetics and "ISETAN MITSUKOSHI LUXURY" grew significantly from the previous year, and the overall sales of the online business remained strong. Together with this, with continued initiatives to strengthen to control selling, general and administrative expenses, the Group achieved a significant improvement in revenue.

As a result, Isetan Mitsukoshi Ltd. in the Tokyo metropolitan area continued to achieve a significant increase in sales during the nine months ended December 31, 2024, and the gross sales at regional department stores also exceeded those of the previous year.

In terms of expenses, the Company made progress in controlling costs by reducing fixed costs and curbing sales-linked expenses and other control of selling, general and administrative expenses through the effects of thorough "scientific analysis of department stores (income and expenditure structure reform)" at stores nationwide. As a result, operating profit rose significantly, both at stores in the Tokyo metropolitan area as well as for regional department stores.

At overseas stores during the nine months ended September 30, 2024 (January 1, 2024 to September 30, 2024), Mitsukoshi (USA) Inc., which in the previous fiscal year remodeled and reopened its restaurants, experienced strong sales, with a substantial increase over the previous year. In addition, Malaysia also experienced brisk sales, being driven overall by the food area of Isetan Kuala Lumpur KLCC store, which was early on remodeled and opened.

Segment net sales amounted to ¥347,841 million, up 3.2% year-on-year, and operating profit was ¥49,865 million, up 45.8% year-on-year.

2) Credit & finance business/ Customer organization management business

During the nine months ended December 31, 2024, MICARD Co. Ltd enjoyed an increase in revenue, mainly due to the expansion of installment fees and the acquisition of income, and sales that rose over the previous year. Moreover, the successful effect of promoting income and expenditure structure reform continued from the previous fiscal year, leading to a reduction in selling, general and administrative expenses. The result was the second consecutive increase in profit continuing on from the second quarter of the fiscal year under review. As our growth strategy in this area, the product warranty service at the watch sales area of the Isetan Shinjuku main store, a new financial service, achieved its target subscription rate leading to new card memberships and contributed to future business expansion. We will continue to enhance our lineup of financial services to meet the needs of all identified customers connected through our department store business, in areas related to their overall lifestyles.

Segment net sales amounted to ¥25,675 million, up 5.2% year-on-year, and operating profit was ¥5,564 million, up 88.6% year-on-year.

3) Real estate business

In the real estate business, lease revenue increased due to tenant replacements at properties owned by the Group in the Shinjuku area, resulting in increases to both revenue and income. Isetan Mitsukoshi Property Design Ltd., whose strengths lie in high-quality interior and furniture production, saw sales expand mainly through construction work for the renovation of hotels, offices, and brand stores in large external development projects, and recorded an increase in revenue.

Segment net sales amounted to ¥20,596 million, up 12.0% year-on-year, and operating profit was ¥2,605 million, up 29.3% year-on-year.

4) Other businesses

IM Food Style Ltd., which operates a supermarket business and OEM food manufacturing business, implemented strict measures to control selling, general and administrative expenses in the face of rising prices and strengthened its initiatives toward the "Stronger intra-group coordination" strategy. We are working to expand sales channels for our private brands leveraging the strength of the Isetan Mitsukoshi Group, increase OEM orders, and implement campaigns targeting MICARD members. In November 2024, we opened a new store, "QUEEN'S ISETAN Jujo store," in the redevelopment area of Jujo Station on the JR Saikyo Line.

In the travel business, Mitsukoshi Isetan Nikko Travel, Ltd. conducted its annual charter cruise in Japan, and in international travel, increased the number of the company's original European river cruises, and also developed special travel plans for highly unusual trips. In addition, despite being buffeted by the trend of yen depreciation and the impact of higher prices overseas, the company achieved a significant increase in both revenue and income through thorough cost management and control of selling, general and administrative expenses.

In the advertising and media business, Studio Alta Co., Ltd. continued to experience brisk sales in the department store advertising media sales business (outdoor advertising, digital signage, etc.). In addition, the effect of integrating the Group's advertising production continued, and both revenue and income rose substantially.

Segment net sales amounted to ¥72,989 million, up 4.8% year-on-year, and operating profit was ¥1,693 million, up 0.2% year-on-year.

(2) Explanation Regarding Financial Position

Assets, Liabilities and Net Assets

Total assets at the end of the third quarter of the fiscal year under review amounted to ¥1,236,300 million, an increase of ¥11,197 million from the end of the previous fiscal year. This was mainly due to an increase in notes and accounts receivable - trade, and contract assets, which can be accounted for by seasonal factors.

Total liabilities amounted to ¥635,270 million, an increase of ¥10,991 million from the end of the previous fiscal year. This was mainly due to an increase in notes and accounts payable - trade, which can be accounted for by seasonal factors.

Net assets amounted to ¥601,030 million, an increase of ¥206 million from the end of the previous fiscal year. This was mainly attributable to the recording of profit attributable to owners of parent and other factors.

(3) Explanation Regarding Future Outlook Including the Forecast of Consolidated Results

No changes have been made to the forecast of full-year consolidated results for the fiscal year ending March 31, 2025 announced on November 13, 2024.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	68,177	35,234
Notes and accounts receivable - trade, and contract assets	154,501	182,560
Securities	1,183	1,343
Merchandise and finished goods	24,151	25,599
Work in process	487	765
Raw materials and supplies	616	621
Other	41,772	45,221
Allowance for doubtful accounts	(4,114)	(3,666)
Total current assets	286,776	287,679
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	146,132	141,040
Land	529,485	534,653
Other, net	29,213	28,425
Total property, plant and equipment	704,831	704,119
Intangible assets		
Software	17,234	16,703
Goodwill	9,489	8,856
Other	23,366	23,518
Total intangible assets	50,090	49,078
Investments and other assets		
Investment securities	132,956	142,493
Other	50,874	53,052
Allowance for doubtful accounts	(468)	(157)
Total investments and other assets	183,362	195,388
Total non-current assets	938,284	948,587
Deferred assets		
Bond issuance costs	41	33
Total deferred assets	41	33
Total assets	1,225,103	1,236,300

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	116,091	152,137
Short-term borrowings	22,454	31,900
Commercial papers	25,000	-
Income taxes payable	6,927	14,773
Reserve for loss from redemption of gift vouchers	13,242	13,235
Provisions	14,747	7,964
Other	194,711	193,332
Total current liabilities	393,175	413,343
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	53,300	44,500
Deferred tax liabilities	111,560	112,341
Retirement benefit liability	30,855	30,802
Provisions	18	6
Other	15,369	14,277
Total non-current liabilities	231,103	221,927
Total liabilities	624,278	635,270
Net assets		
Shareholders' equity		
Share capital	51,470	51,505
Capital surplus	323,857	292,090
Retained earnings	210,679	239,997
Treasury shares	(32,990)	(30,376)
Total shareholders' equity	553,017	553,216
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,329	17,209
Deferred gains or losses on hedges	0	12
Foreign currency translation adjustment	27,652	27,298
Remeasurements of defined benefit plans	1,919	1,934
Total accumulated other comprehensive income	40,901	46,454
Share acquisition rights	499	429
Non-controlling interests	6,405	930
Total net assets	600,824	601,030
Total liabilities and net assets	1,225,103	1,236,300

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	401,771	417,450
Cost of sales	163,283	162,475
Gross profit	238,487	254,974
Selling, general and administrative expenses	197,548	195,034
Operating profit	40,939	59,939
Non-operating income		
Interest income	409	591
Dividend income	539	636
Share of profit of entities accounted for using equity method	4,642	5,856
Other	1,470	2,480
Total non-operating income	7,062	9,564
Non-operating expenses		
Interest expenses	573	518
Loss on retirement of non-current assets	1,181	1,015
Other	1,271	1,927
Total non-operating expenses	3,025	3,460
Ordinary profit	44,976	66,043
Gain on sale of investment securities	676	-
Total extraordinary income	676	-
Extraordinary losses		
Impairment losses	371	424
Loss on store closings	321	697
Business restructuring expenses	173	-
Total extraordinary losses	866	1,122
Profit before income taxes	44,786	64,921
Income taxes	13,627	18,473
Profit	31,158	46,448
Profit (loss) attributable to non-controlling interests	50	(31)
Profit attributable to owners of parent	31,108	46,479

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	31,158	46,448
Other comprehensive income		
Valuation difference on available-for-sale securities	2,893	1,747
Deferred gains or losses on hedges	1	12
Foreign currency translation adjustment	2,512	1,805
Remeasurements of defined benefit plans, net of tax	244	15
Share of other comprehensive income of entities accounted for using equity method	7,441	2,460
Total other comprehensive income	13,092	6,041
Comprehensive income	44,251	52,489
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	43,578	52,032
Comprehensive income attributable to non-controlling interests	673	457

(3) Notes Regarding Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements)

Calculation of tax expenses

The effective tax rate on profit before income taxes for the current fiscal year after tax effect accounting is reasonably estimated, and such estimated tax rate is applied to profit before income taxes for the quarterly period to calculate the estimated tax expenses.

(Change in accounting policy)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the "Amended Accounting Standard 2022") and other standards are applied starting from the beginning of the first quarter of the fiscal year under review.

Previously, corporate, inhabitant, and enterprise taxes on income (hereinafter referred to as "income taxes") were calculated in accordance with laws and regulations and recorded as profit or loss. However, the Company has decided to record income taxes separately as profit or loss, shareholders' equity, or other comprehensive income according to the transactions that are the source of the taxes, and for income taxes recorded in accumulated other comprehensive income, to record the corresponding amount of income taxes in profit or loss at the time when the transaction which gave rise to the imposition of such taxes is recorded in profit or loss. In cases where a taxable transaction relates to shareholders' equity or other comprehensive income in addition to profit or loss, and it is difficult to calculate the amount of income taxes levied on shareholders' equity or other comprehensive income, the relevant tax amount is recorded in profit or loss.

The amendment of the classification of income taxes (taxation on other comprehensive income) is in accordance with the transitional treatment stipulated in the proviso of paragraph 20-3 of the Amended Accounting Standard 2022 and the transitional treatment stipulated in the proviso of paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "Amended Implementation Guidance 2022"). This change in accounting policy has no effects on the quarterly consolidated financial statements.

In addition, with respect to the amendment related to the revision of treatment in the consolidated financial statements in the case that gains (losses) on sales of subsidiary shares between consolidated companies are deferred for tax purposes, the Amended Implementation Guidance 2022 is applied starting from the beginning of the first quarter of the fiscal year under review. This change in accounting policy is applied retrospectively, and the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year are those after its retrospective application. This change in accounting policy has no effects on the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year.

(Segment information)

[Segment information]

I. Third quarter of the previous consolidated accounting period (April 1, 2023 to December 31, 2023)

1. Information concerning segment net sales, income and losses

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on quarterly Consolidated Statement of Income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Net sales								
Sales to outside customers	334,801	14,403	14,643	363,849	37,922	401,771	-	401,771
Intersegment sales or transfer	2,215	10,000	3,751	15,967	31,702	47,669	(47,669)	-
Subtotal	337,017	24,403	18,395	379,816	69,624	449,440	(47,669)	401,771
Segment income	34,190	2,950	2,015	39,156	1,689	40,845	94	40,939

(Note)

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, advertising, media, and travel business that are not included in other reporting segments.
2. The segment income adjustment of ¥94 million is intersegment eliminations, unrealized income, etc.
3. Segment income is adjusted to match operating profit.

2. Information concerning impairment losses on non-current assets or goodwill by segment

(Significant impairment losses related to non-current assets)

The “Department store business” segment recorded an impairment loss of ¥608 million. In the quarterly consolidated statements of income, ¥237 million of this impairment loss is included in “loss on store closings” under extraordinary losses.

(Significant changes in the amount of goodwill)

Not applicable.

II. Third quarter of the current consolidated accounting period (April 1, 2024 to December 31, 2024)

1. Information concerning segment net sales, income and losses

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on quarterly Consolidated Statement of Income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Net sales								
Sales to outside customers	345,550	14,850	16,630	377,031	40,418	417,450	-	417,450
Intersegment sales or transfer	2,290	10,824	3,965	17,081	32,570	49,652	(49,652)	-
Subtotal	347,841	25,675	20,596	394,113	72,989	467,102	(49,652)	417,450
Segment income	49,865	5,564	2,605	58,034	1,693	59,728	211	59,939

(Note)

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, advertising, media, and travel business that are not included in other reporting segments.
2. The segment income adjustment of ¥211 million is intersegment eliminations, unrealized income, etc.
3. Segment income is adjusted to match operating profit.

2. Information concerning impairment losses on non-current assets or goodwill by segment

(Significant impairment losses related to non-current assets)

The “Department store business” segment recorded an impairment loss of ¥525 million. In the quarterly consolidated statements of income, ¥100 million of this impairment loss is included in “loss on store closings” under extraordinary losses.

(Significant changes in the amount of goodwill)

Not applicable.

(Notes regarding statements of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the third quarter of the fiscal year under review. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the third quarter of the fiscal year under review and the third quarter of the previous fiscal year are as follows.

	3Q of Fiscal 2023 (From April 1, 2023, to December 31, 2023)	3Q of Fiscal 2024 (From April 1, 2024, to December 31, 2024)
Depreciation	17,915 million yen	17,687 million yen
Amortization of goodwill	632 million yen	632 million yen