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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]

May 13, 2025

Company name: Isetan Mitsukoshi Holdings Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3099
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Representative: Toshiyuki Hosoya Director, President and CEO
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Scheduled date of annual general meeting of shareholders: June 24, 2025
Scheduled date to commence dividend payments: June 25, 2025
Scheduled date to file annual securities report: June 20, 2025
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 Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	555,517	3.6	76,313	40.4	88,123	47.2	52,814	(5.0)
March 31, 2024	536,441	10.1	54,369	83.6	59,877	99.5	55,580	71.7

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 60,589 million [(13.7)%]
Fiscal year ended March 31, 2024: ¥ 70,234 million [79.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	142.42	142.27	8.8	7.3	13.7
March 31, 2024	145.79	145.53	9.8	4.9	10.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 12,260 million
Fiscal year ended March 31, 2024: ¥ 6,933 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,205,726	602,878	49.9	1,646.23
March 31, 2024	1,225,103	600,824	48.5	1,582.36

(Reference) Equity: As of March 31, 2025: ¥ 601,547 million
As of March 31, 2024: ¥ 593,918 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	89,564	(25,955)	(94,909)	41,834
March 31, 2024	56,895	(27,015)	(68,485)	72,390

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	12.00	-	22.00	34.00	12,842	23.3	2.3
March 31, 2025	-	24.00	-	30.00	54.00	19,866	37.9	3.3
Fiscal year ending March 31, 2026 (Forecast)	-	30.00	-	30.00	60.00		34.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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	557,000	0.3	78,000	2.2	74,000	(16.0)	60,000	13.6	173.71

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 1.3% from the previous fiscal year.

(Note) The Company resolved the acquisition of treasury shares, etc. at the Board of Directors meeting held on May 13, 2025. “Basic earnings per share" for the fiscal year ending March 2026 considers the impact of this acquisition of treasury shares. For details regarding the acquisition of treasury shares, please refer to “3. Consolidated Financial Statements and Primary Notes (5) Notes regarding Consolidated Financial Statements (Significant subsequent events)”.

* Notes:

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

(2) 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

(3) Number of issued shares (common shares)

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

March 31, 2025: 380,262,554 shares
March 31, 2024: 397,265,054 shares

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

March 31, 2025: 14,852,729 shares
March 31, 2024: 21,927,440 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 370,841,738 shares
Fiscal Year ended March 31, 2024: 381,243,782 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	27,391	(10.2)	19,558	(13.0)	21,245	(12.6)	17,561	(27.9)
March 31, 2024	30,515	69.6	22,479	132.9	24,317	198.5	24,345	200.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	47.36	47.31
March 31, 2024	63.86	63.75

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	640,487	432,982	67.5	1,183.97
March 31, 2024	692,377	457,325	66.0	1,217.11

(Reference) Equity: As of March 31, 2025: ¥ 432,635 million
As of March 31, 2024: ¥ 456,825 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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 forward-looking statements are based as well as for precautionary statements in the use of forward-looking statements, please refer to “1. Overview of Business Results, etc. (4) Future Outlook”.

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year Under Review

During fiscal 2024 (April 1, 2024 to March 31, 2025), the Japanese economy saw a recovery in personal consumption amid a growing trend of wage increases in response to rising prices and improvements in the employment and income environment. In addition, non-manufacturing sectors, including retail, remain relatively strong, and the increase in foreign visitors to Japan is underpinning this strength. Inbound consumption by foreign visitors to Japan has been increasing year by year, reaching a record high in fiscal 2024. In particular, revenue at department stores from foreigners visiting Japan significantly exceeded the previous year's level and reached a record high in 2024. This level of revenue exceeds that of 2019 before the COVID-19 pandemic and is a major factor in reviving vitality in the department store industry.

On the other hand, for the global economy, there were concerns about geopolitical risks in Europe and the Middle East, downside risk in response to on-going monetary tightening policies in various countries, and the impact of sudden exchange rate fluctuations. Furthermore, global inflation has caused energy prices and raw material costs to soar, and prices have risen faster than income growth in Japan, leading to some people becoming more cautious about spending. Polarization of consumption has worsened more than ever, and the outlook for the global economy remains uncertain.

It was in this environment that the Group set out the Isetan Mitsukoshi Group Corporate Philosophy, with "Touching people's hearts with human-driven experiences" as its core mission. In order to realize the vision of "We are a retail group centered on extraordinary department stores working toward improving the lives of our customers," the Group has been engaged in business activities based on its medium-term management plan (Fiscal 2022–Fiscal 2024).

In fiscal 2024, the final year of the medium-term management plan, we made a significant progress in the Phase 1 of revitalizing our department stores and strengthened our efforts to transform from a "store business," a mass-market business model to attract customers to stores, to an "individual customer business" connecting with individual customers. In particular, owing to our shift from mass to personal marketing, the number of identified customers and identified customer sales increased, and as connections with individual customers deepen, the annual purchasing amount per person is steadily increasing. At the same time, in order to accelerate the transition into the phase for the next period, namely the urban community development preparation phase, we have been focusing our efforts on reforming the business structure of our regional department stores and affiliates, promoting cost controls through dissemination of the "scientific analysis of department stores*" to all Group companies, and working to strengthen our financial soundness by making significant improvements to management efficiency, headed primarily by our domestic department store business.

As a result of these efforts, in fiscal 2024, we set a new record for operating income for the second consecutive year since the merger, with net sales of ¥555,517 million, up 3.6% year-on-year, operating income of ¥76,313 million, up 40.4% year-on-year, ordinary profit of ¥88,123 million, up 47.2% year-on-year, and profit attributable to owners of parent of ¥52,814 million, down 5.0% year-on-year.

* Scientific analysis of department stores: A guidance based on scientific perspective, through which we established standards and disciplines to control expenses and personnel

Results by segment were as follows.

1) Department store business

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. In addition to significant growth in tax-free sales, sales also 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, to meet the needs of customers nationwide who are keen on high sensitivity, fine quality consumption, we continued our efforts to strengthen the "base network strategy" that works by collaborating with the Isetan Shinjuku main store and Mitsukoshi Nihombashi main store, which led to sales expansion.

As part of the "CRM strategy connecting with individual customers," in addition to invitational events for valued customers at both main stores, such as 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. 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 the sales at domestic department stores reaching a new record high. To further advance the strategy, we introduced an app "MITSUKOSHI ISETAN JAPAN" for overseas customers and an entry credit card "MICARD BASIC" with no annual fee in March 2025, stepping up efforts to identify individual customers.

At the same time, continued efforts to strengthen cost control led to a significant improvement in revenue.

At overseas stores, Mitsukoshi (USA) Inc., which in fiscal 2023 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 ¥461,136 million, up 2.9% year-on-year, and operating income was ¥64,563 million, up 43.0% year-on-year.

2) Credit & finance business/Customer organization management business

The credit & finance business/customer organization management business enjoyed an increase in sales as a result of a year-on-year increase in sales centered on the expansion of installment fees and income from the marketing business. Moreover, the success of promoting income and expenditure structure reform, leading to a reduction in selling, general and administrative expenses and resulting in increased profit in current fiscal year consecutively from the previous fiscal year. 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 advancing the strategies for future business expansion. In fiscal 2024, we introduced "MICARD BASIC" to expand our membership base, resulting in a significant increase in card acquisition numbers. 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 ¥34,433 million, up 5.1% year-on-year, and operating income was ¥5,743 million, up 41.8% year-on-year.

3) Real estate business

In the real estate business, both revenue and profit increased due to higher lease revenue from properties owned by the Group in the Shinjuku area and stronger intra-group coordination for the construction and interior business.

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 ¥29,539 million, up 10.3% year-on-year, and operating income was ¥3,615 million, up 18.7% 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 cost 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 expenses.

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

Segment net sales amounted to ¥96,094 million, up 5.5% year-on-year, and operating income was ¥2,079 million, up 0.3% year-on-year.

(2) Overview of Financial Position for the Fiscal Year Under Review

Total assets at the end of the fiscal year under review amounted to ¥1,205,726 million, a decrease of ¥19,376 million from the end of the previous fiscal year. This was due mainly to a decrease in cash and deposits stemming from the repayment of interest-bearing debt and impairment losses of goodwill.

Total liabilities amounted to ¥602,847 million, a decrease of ¥21,431 million from the end of the previous fiscal year. This was mainly attributable to the repayment of interest-bearing debt.

Net assets amounted to ¥602,878 million, an increase of ¥2,054 million from the end of the previous fiscal year. This was mainly attributable to the recording of profit attributable to owners of parent and an increase in foreign currency translation adjustment.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents at the end of the fiscal year under review were ¥41,834 million, a decrease of ¥30,555 million from the end of the previous fiscal year.

Net cash provided by operating activities amounted to ¥89,564 million, an increase in inflows of ¥32,669 million from the previous fiscal year. This was mainly attributable to such factors as an increase in profit before income taxes of ¥25,753 million and an increase in decrease (increase) in trade receivables of ¥33,849 million.

Net cash used in investing activities amounted to ¥25,955 million, a decrease in outflows of ¥1,059 million from the previous fiscal year. This was mainly attributable to long-term loan advances of ¥3,963 million, despite an increase in proceeds from sale and redemption of short-term and long-term investment securities of ¥4,254 million.

Net cash used in financing activities amounted to ¥94,909 million, an increase in outflows of ¥26,423 million from the previous fiscal year. This was mainly attributable to such factors as purchase of shares of subsidiaries not resulting in change in scope of consolidation of ¥16,161 million and an increase in purchase of treasury shares of ¥10,003 million.

(4) Future Outlook

With regard to the forecast of consolidated results for fiscal 2025, we expect net sales of ¥557,000 million, an increase of 0.3% from the previous fiscal year; operating income of ¥78,000 million, an increase of 2.2% from the previous fiscal year; ordinary profit of ¥74,000 million, a decrease of 16.0% from the previous fiscal year; and profit attributable to owners of parent of ¥60,000 million, an increase of 13.6% from the previous fiscal year.

(5) Basic Policy on Profit Distribution

The Company returns profits to shareholders, while continually raising long-term corporate value.

For the current medium-term management plan (Fiscal 2022–Fiscal 2024), in addition to maintaining a stable level of dividends upon making comprehensive considerations of the management environment, business results and the soundness of our financial condition and increasing dividends over the medium- to long-term in line with profit growths, we have implemented a total return in combination with the acquisition of treasury stock being conscious of delivering a total return ratio level of 50%.

The Company will pay an annual cash dividend ¥54.00 for fiscal 2024, the total of an interim dividend of ¥24.00 and a year-end dividend of ¥30.00 In addition, the Company acquired treasury shares of ¥25,000 million in total.

In the Phase I (Fiscal 2025–Fiscal 2027) of the next medium-term management plan, we intend to deliver a total return ratio of over 70% (cumulative for the Phase I) through a combination of dividends and the acquisition of treasury stock. With regards to dividends, we will implement a progressive dividend policy with the annual cash dividend for fiscal 2024 as the minimum. We will flexibly determine and implement matters regarding the acquisition of treasury stock, including the acquisition amount and period.

For fiscal 2025, the Company plans to increase the annual cash dividend by ¥6.00 and pay ¥60.00, the total of an interim dividend of ¥30.00 and a year-end dividend of ¥30.00. Additionally, we announced today the acquisition of treasury shares for up to ¥30,000 million, with an acquisition period of May 14, 2025 to October 31, 2025.

2. Basic Policy on the Selection of Accounting Standards

The Company currently applies Japanese accounting standards. Concerning the future application of International Financial Reporting Standards (IFRS), the Company holds a policy to take appropriate action based on trends within and outside of Japan.

3.Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	68,177	38,795
Notes and accounts receivable - trade, and contract assets	154,501	155,277
Securities	1,183	915
Merchandise	23,779	23,215
Finished goods	372	379
Work in process	487	347
Raw materials and supplies	616	540
Other	41,772	39,136
Allowance for doubtful accounts	(4,114)	(3,692)
Total current assets	286,776	254,916
Non-current assets		
Property, plant and equipment		
Buildings and structures	471,726	477,896
Accumulated depreciation	(325,594)	(336,507)
Buildings and structures, net	146,132	141,389
Land	529,485	534,742
Construction in progress	13,034	14,289
Right-of-use assets	5,677	14,349
Accumulated depreciation	(4,719)	(10,595)
Right-of-use assets, net	957	3,753
Other	66,115	67,484
Accumulated depreciation	(50,893)	(52,353)
Other, net	15,221	15,130
Total property, plant and equipment	704,831	709,305
Intangible assets		
Software	17,234	17,223
Goodwill	9,489	-
Other	23,366	23,533
Total intangible assets	50,090	40,757
Investments and other assets		
Investment securities	132,956	148,975
Long-term loans receivable	13	4,035
Guarantee deposits	37,438	34,880
Retirement benefit asset	3,531	3,525
Deferred tax assets	4,661	4,908
Other	5,229	4,535
Allowance for doubtful accounts	(468)	(146)
Total investments and other assets	183,362	200,716
Total non-current assets	938,284	950,779
Deferred assets		
Bond issuance costs	41	30
Total deferred assets	41	30
Total assets	1,225,103	1,205,726

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	116,091	114,661
Short-term borrowings	22,454	41,329
Commercial papers	25,000	-
Income taxes payable	6,927	9,150
Contract liabilities	99,132	99,115
Gift certificates	25,608	26,100
Provision for bonuses	12,093	11,751
Provision for point card certificates	2,323	2,019
Reserve for loss from redemption of gift vouchers	13,242	12,177
Other	70,300	63,040
Total current liabilities	393,175	379,344
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	53,300	25,000
Deferred tax liabilities	111,560	131,677
Retirement benefit liability	30,855	27,859
Provision for loss on business of subsidiaries and associates	4	-
Other	15,384	18,966
Total non-current liabilities	231,103	223,502
Total liabilities	624,278	602,847
Net assets		
Shareholders' equity		
Share capital	51,470	51,546
Capital surplus	323,857	284,022
Retained earnings	210,679	246,332
Treasury shares	(32,990)	(28,519)
Total shareholders' equity	553,017	553,382
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,329	13,479
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	27,652	31,063
Remeasurements of defined benefit plans	1,919	3,622
Total accumulated other comprehensive income	40,901	48,165
Share acquisition rights	499	346
Non-controlling interests	6,405	983
Total net assets	600,824	602,878
Total liabilities and net assets	1,225,103	1,205,726

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

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	536,441	555,517
Cost of sales	217,504	217,841
Gross profit	318,937	337,675
Selling, general and administrative expenses		
Advertising expenses	9,588	9,437
Provision for point card certificates	220	(304)
Salaries, allowances and bonuses	76,512	75,921
Retirement benefit expenses	3,859	3,453
Provision of allowance for doubtful accounts	532	53
Depreciation	22,721	22,671
Rent expenses on land and buildings	32,777	32,009
Outsourcing expenses	29,871	28,393
Other	88,485	89,727
Total selling, general and administrative expenses	264,568	261,362
Operating profit	54,369	76,313
Non-operating income		
Interest income	562	800
Dividend income	570	686
Share of profit of entities accounted for using equity method	6,933	12,260
Other	2,394	3,313
Total non-operating income	10,461	17,060
Non-operating expenses		
Interest expenses	731	704
Loss on retirement of non-current assets	1,986	1,631
Provision of reserve for loss from redemption of gift vouchers	263	219
Other	1,973	2,695
Total non-operating expenses	4,953	5,250
Ordinary profit	59,877	88,123

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	1,446	4,993
Total extraordinary income	1,446	4,993
Extraordinary losses		
Impairment losses	1,456	11,229
Loss on valuation of investment securities	444	-
Loss on change of leasehold contracts	1,179	-
Loss on store closings	2,941	1,013
Business restructuring expenses	180	-
Total extraordinary losses	6,203	12,242
Profit before income taxes	55,120	80,874
Income taxes - current	9,264	13,076
Income taxes - deferred	(9,641)	15,025
Total income taxes	(376)	28,101
Profit	55,497	52,773
Loss attributable to non-controlling interests	(83)	(41)
Profit attributable to owners of parent	55,580	52,814

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	55,497	52,773
Other comprehensive income		
Valuation difference on available-for-sale securities	4,884	(1,693)
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustment	1,739	3,414
Remeasurements of defined benefit plans, net of tax	1,682	1,702
Share of other comprehensive income of entities accounted for using equity method	6,432	4,392
Total other comprehensive income	14,737	7,816
Comprehensive income	70,234	60,589
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	69,796	60,078
Comprehensive income attributable to non-controlling interests	437	510

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	51,276	323,609	162,708	(18,159)	519,434
Changes during period					
Issuance of new shares	193	193	-	-	387
Dividends of surplus	-	-	(7,640)	-	(7,640)
Profit attributable to owners of parent	-	-	55,580	-	55,580
Purchase of treasury shares	-	-	-	(15,012)	(15,012)
Disposal of treasury shares	-	54	-	181	236
Cancellation of treasury shares	-	-	-	-	-
Change of scope of consolidation and equity method	-	-	31	-	31
Change in ownership interest of parent due to transactions with non-controlling interests	-	(0)	-	-	(0)
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	193	248	47,971	(14,831)	33,582
Balance at end of period	51,470	323,857	210,679	(32,990)	553,017

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	5,514	2	20,931	237	26,685	886	5,512	552,519
Changes during period								
Issuance of new shares	-	-	-	-	-	-	-	387
Dividends of surplus	-	-	-	-	-	-	-	(7,640)
Profit attributable to owners of parent	-	-	-	-	-	-	-	55,580
Purchase of treasury shares	-	-	-	-	-	-	-	(15,012)
Disposal of treasury shares	-	-	-	-	-	-	-	236
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Change of scope of consolidation and equity method	-	-	-	-	-	-	-	31
Change in ownership interest of parent due to transactions with non-controlling interests	-	-	-	-	-	-	-	(0)
Net changes in items other than shareholders' equity	5,814	(2)	6,721	1,682	14,216	(387)	893	14,722
Total changes during period	5,814	(2)	6,721	1,682	14,216	(387)	893	48,304
Balance at end of period	11,329	0	27,652	1,919	40,901	499	6,405	600,824

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	51,470	323,857	210,679	(32,990)	553,017
Changes during period					
Issuance of new shares	75	75	-	-	151
Dividends of surplus	-	-	(17,161)	-	(17,161)
Profit attributable to owners of parent	-	-	52,814	-	52,814
Purchase of treasury shares	-	-	-	(25,015)	(25,015)
Disposal of treasury shares	-	144	-	129	273
Cancellation of treasury shares	-	(29,357)	-	29,357	-
Change of scope of consolidation and equity method	-	-	-	-	-
Change in ownership interest of parent due to transactions with non-controlling interests	-	(10,697)	-	-	(10,697)
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	75	(39,834)	35,652	4,471	365
Balance at end of period	51,546	284,022	246,332	(28,519)	553,382

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	11,329	0	27,652	1,919	40,901	499	6,405	600,824
Changes during period								
Issuance of new shares	-	-	-	-	-	-	-	151
Dividends of surplus	-	-	-	-	-	-	-	(17,161)
Profit attributable to owners of parent	-	-	-	-	-	-	-	52,814
Purchase of treasury shares	-	-	-	-	-	-	-	(25,015)
Disposal of treasury shares	-	-	-	-	-	-	-	273
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Change of scope of consolidation and equity method	-	-	-	-	-	-	-	-
Change in ownership interest of parent due to transactions with non-controlling interests	-	-	-	-	-	-	-	(10,697)
Net changes in items other than shareholders' equity	2,150	0	3,410	1,703	7,264	(152)	(5,421)	1,689
Total changes during period	2,150	0	3,410	1,703	7,264	(152)	(5,421)	2,054
Balance at end of period	13,479	0	31,063	3,622	48,165	346	983	602,878

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	55,120	80,874
Depreciation	24,309	24,213
Impairment losses	2,662	11,343
Amortization of goodwill	843	843
Increase (decrease) in allowance for doubtful accounts	133	(773)
Increase (decrease) in retirement benefit liability	(194)	(478)
Interest and dividend income	(1,133)	(1,486)
Interest expenses	731	704
Share of loss (profit) of entities accounted for using equity method	(6,933)	(12,260)
Loss on change of leasehold contracts	1,179	-
Loss (gain) on disposal of non-current assets	1,986	1,631
Loss (gain) on sale of investment securities	(1,446)	(4,993)
Loss (gain) on valuation of investment securities	444	-
Decrease (increase) in trade receivables	(34,115)	(266)
Decrease (increase) in inventories	899	1,057
Increase (decrease) in trade payables	10,726	(1,918)
Increase (decrease) in accrued expenses	356	(1,012)
Increase (decrease) in accounts payable - other	3,573	(2,468)
Other, net	(1,921)	(886)
Subtotal	57,221	94,124
Interest and dividends received	5,879	6,649
Interest paid	(739)	(711)
Income taxes paid	(7,279)	(10,967)
Income taxes refund	1,812	468
Net cash provided by (used in) operating activities	56,895	89,564

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(551)	(10)
Proceeds from withdrawal of time deposits	551	10
Net decrease (increase) in short-term loans receivable	(468)	51
Purchase of property, plant and equipment	(21,568)	(21,372)
Proceeds from sale of property, plant and equipment and intangible assets	250	259
Purchase of intangible assets	(5,907)	(5,789)
Purchase of short-term and long-term investment securities	(3,874)	(4,948)
Proceeds from sale and redemption of short-term and long-term investment securities	4,299	8,554
Long-term loan advances	-	(3,963)
Proceeds from refund of leasehold and guarantee deposits	1,757	2,456
Payments of leasehold and guarantee deposits	(272)	(167)
Other, net	(1,232)	(1,038)
Net cash provided by (used in) investing activities	(27,015)	(25,955)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	379	476
Proceeds from long-term borrowings	-	5,000
Repayments of long-term borrowings	(19,500)	(15,000)
Redemption of bonds	(10,000)	-
Net increase (decrease) in commercial papers	(15,000)	(25,000)
Dividends paid	(7,616)	(17,119)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	(15,012)	(25,015)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(17)	(16,161)
Other, net	(1,718)	(2,089)
Net cash provided by (used in) financing activities	(68,485)	(94,909)
Effect of exchange rate change on cash and cash equivalents	1,287	744
Net increase (decrease) in cash and cash equivalents	(37,318)	(30,555)
Cash and cash equivalents at beginning of period	109,039	72,390
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	669	-
Cash and cash equivalents at end of period	72,390	41,834

(5) Notes regarding Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(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 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 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 fiscal year under review. This change in accounting policy is applied retrospectively, 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 consolidated financial statements for the previous fiscal year.

(Segment information)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are components for which separate financial information is available and whose operating results are regularly reviewed by the Board of Directors to decide on the allocation of operating resources and assess their performance.

The Group is composed of business segments centering on the department stores segment. The Group reports its segments as the department store business, credit & finance business/customer organization management business, and real estate business based on the considerations of their services and economic characteristics.

The department store business sells apparel, accessories, household and sundry goods, and foods. The credit & finance business/customer organization management business is involved in credit cards, cash loans, brokerage of non-life insurance and businesses concerning solicitation for life insurance and the operation of the customer organization management business. The real estate business engages in real estate leasing, tenant management and building interior decorating.

2. Method for calculating segment sales, income and losses, assets, liabilities and other items

The accounting treatment method for the business segments reported is the same as the accounting treatment method adopted for the preparation of the consolidated financial statements. Segment income (loss) is calculated as operating income (loss). Intersegment sales or transfer are based on actual market prices.

3. Information concerning segment sales, income and losses, assets, liabilities, and other items

The previous consolidated accounting period (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on consolidated statements of income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Sales								
Sales to outside customers	445,482	19,367	21,119	485,969	50,472	536,441	—	536,441
Intersegment sales or transfer	2,836	13,399	5,667	21,903	40,650	62,554	(62,554)	—
Total	448,319	32,766	26,787	507,873	91,123	598,996	(62,554)	536,441
Segment income	45,159	4,050	3,044	52,254	2,073	54,328	40	54,369
Segment assets	1,018,007	220,019	121,823	1,359,850	53,685	1,413,536	(188,433)	1,225,103
Other items								
Depreciation	17,375	1,871	528	19,775	4,693	24,469	(160)	24,309
Impairment losses (Note 4)	2,011	—	—	2,011	650	2,662	—	2,662
Amount of investment in equity-method affiliates	100,414	—	—	100,414	—	100,414	—	100,414
Increase in tangible and intangible fixed assets	21,246	2,009	394	23,650	4,982	28,632	(297)	28,335

Notes

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, and travel business that are not included in other reporting segments.
2. Adjustments are as follows:
   (1) The segment income adjustment of ¥40 million is intersegment eliminations, unrealized income, etc.
   (2) The segment assets adjustment of negative ¥188,433 million is the intersegment elimination of receivables and payables, etc.
   (3) The adjustment of depreciation of negative ¥160 million is intersegment unrealized income.
   (4) The increase in tangible and intangible fixed assets adjustment of negative ¥297 million is intersegment elimination and intersegment unrealized income, etc.
3. Segment income is adjusted to operating income.
4. Of the above impairment losses, ¥1,205 million is included in “loss on store closings” in the consolidated statements of income.

The current consolidated accounting period (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segments				Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on consolidated statements of income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Real estate business	Subtotal				
Sales								
Sales to outside customers	458,219	19,983	24,319	502,522	52,994	555,517	—	555,517
Intersegment sales or transfer	2,917	14,449	5,220	22,587	43,099	65,687	(65,687)	—
Total	461,136	34,433	29,539	525,110	96,094	621,204	(65,687)	555,517
Segment income	64,563	5,743	3,615	73,921	2,079	76,000	313	76,313
Segment assets	1,004,881	220,917	119,532	1,345,331	46,220	1,391,551	(185,825)	1,205,726
Other items								
Depreciation	16,927	2,034	547	19,509	4,879	24,389	(175)	24,213
Impairment losses (Note 4)	2,381	—	—	2,381	8,962	11,343	—	11,343
Amount of investment in equity-method affiliates	120,035	—	—	120,035	—	120,035	—	120,035
Increase in tangible and intangible fixed assets	23,503	1,946	346	25,797	6,423	32,220	(134)	32,085

Notes

1. The other businesses segment includes the services of retailing, manufacturing, exporting, importing, wholesaling, distribution, temporary personnel service, data processing service, and travel business that are not included in other reporting segments.
2. Adjustments are as follows:
   (1) The segment income adjustment of ¥313 million is intersegment eliminations, unrealized income, etc.
   (2) The segment assets adjustment of negative ¥185,825 million is the intersegment elimination of receivables and payables, etc.
   (3) The adjustment of depreciation of negative ¥175 million is intersegment unrealized income.
   (4) The increase in tangible and intangible fixed assets adjustment of negative ¥134 million is intersegment elimination and intersegment unrealized income, etc.
3. Segment income is adjusted to operating income.
4. Of the above impairment losses, ¥114 million is included in “loss on store closings” in the consolidated statements of income.

[Related information]

The previous consolidated accounting period (April 1, 2023 to March 31, 2024)

1. Information by product and service

Omitted, as the same information is provided in segment information.

2. Information by region

(1) Net sales

Omitted, as net sales to outside customers in Japan exceeded 90% of net sales in the consolidated statements of income.

(2) Tangible fixed assets

Omitted, as tangible fixed assets located in Japan exceeded 90% of tangible fixed assets in the consolidated balance sheets.

3. Information by major customer

Not applicable, as no outside customer accounted for 10% or more of net sales in the consolidated statements of income.

The current consolidated accounting period (April 1, 2024 to March 31, 2025)

1. Information by product and service

Omitted, as the same information is provided in segment information.

2. Information by region

(1) Net sales

Omitted, as net sales to outside customers in Japan exceeded 90% of net sales in the consolidated statements of income.

(2) Tangible fixed assets

Omitted, as tangible fixed assets located in Japan exceeded 90% of tangible fixed assets in the consolidated balance sheets.

3. Information by major customer

Not applicable, as no outside customer accounted for 10% or more of net sales in the consolidated statements of income.

[Information concerning impairment losses on property and equipment by segment]

The previous consolidated accounting period (April 1, 2023 to March 31, 2024)

Omitted, as the same information is provided in segment information.

The current consolidated accounting period (April 1, 2024 to March 31, 2025)

Omitted, as the same information is provided in segment information.

[Information concerning amortized and unamortized amounts of goodwill by segment]

The previous consolidated accounting period (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reporting segments				Other businesses	Corporate and eliminations	Total
	Department store business	Credit & finance business/Customer organization management business	Real estate business	Subtotal			
Amount amortized during FY2023	–	–	–	–	843	–	843
Balance as of March 31, 2024	–	–	–	–	9,489	–	9,489

The current consolidated accounting period (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segments				Other businesses	Corporate and eliminations	Total
	Department store business	Credit & finance business/Customer organization management business	Real estate business	Subtotal			
Amount amortized during FY2024	–	–	–	–	843	–	843
Balance as of March 31, 2025	–	–	–	–	–	–	–

(Note) Impairment losses of goodwill (¥8,645 million) were recorded in the fiscal year under review.

[Information concerning gain on negative goodwill by segment]

The previous consolidated accounting period (April 1, 2023 to March 31, 2024)

Not applicable.

The current consolidated accounting period (April 1, 2024 to March 31, 2025)

Not applicable.

(Per share information)

	Fiscal 2023 (From April 1, 2023 to March 31, 2024)	Fiscal 2024 (From April 1, 2024 to March 31, 2025)
Net assets per share	1,582.36 yen	1,646.23 yen
Basic earnings per share	145.79 yen	142.42 yen
Diluted earnings per share	145.53 yen	142.27 yen

Note: The basis for calculation of basic earnings per share and diluted earnings per share is as follows.

	Fiscal 2023 (From April 1, 2023 to March 31, 2024)	Fiscal 2024 (From April 1, 2024 to March 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	55,580	52,814
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent relating to common stock (Millions of yen)	55,580	52,814
Average number of shares of common stock during the period (Thousands of shares)	381,243	370,841
Diluted earnings per share		
Increase in the number of shares of common stock (Thousands of shares)	676	391
Overview of dilutive shares that were not included in the calculation of diluted earnings per share due to lacking dilutive effects	–	–

(Significant subsequent events)

(Acquisition and cancelation of treasury shares)

At a meeting of the Board of Directors held on May 13, 2025, the Company resolved matters pertaining to the acquisition of treasury shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and also resolved to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act.

1. Reason for the acquisition and cancelation of treasury shares
The Company is committed to returning profits to shareholders while seeking to increase corporate value over the long term. For details on this matter, please refer to “1. Overview of Business Results, etc (5) Basic Policy on Profit Distribution under Overview of Business Results, etc.”

2. Details of matters pertaining to acquisition
(1) Class of shares to be acquired: Common shares
(2) Total number of shares to be acquired: 20,000,000 shares (maximum)
(3) Total amount of share acquisition costs: 30,000,000,000 yen (maximum)
(4) Period of acquisition: May 14, 2025 to October 31, 2025
(5) Method of acquisition: Market purchase on the Tokyo Stock Exchange

3. Details of matters pertaining to cancellation
(1) Class of shares to be cancelled: Common shares
(2) Number of shares to be cancelled: All treasury shares acquired in accordance with 2. above
(3) Scheduled date of cancellation: November 14, 2025

(Revision of Compensation System for Executive Officers, etc.)

At a meeting of the Board of Directors held on May 13, 2025, the Company resolved to revise the stock compensation plan for its Directors, Officers, Executive Officers (excluding non-residents in Japan) and to apply it from fiscal 2025.

In addition, we will revise the stock compensation plan for the principal officers (excluding non-residents in Japan) of our major subsidiaries to the same plan as that of the Company. Each company will resolve the plan change at its Board of Directors meeting to be held going forward, and will submit it to an Extraordinary Meeting of Shareholders to be held in May of this year.

For details on this matter, please refer to our timely disclosure “Notice Concerning Revision of Compensation System for Executive Officers, etc.” released on May 13,2025.

4. Other

Changes in Directors (Effective June 24, 2025 (planned))

1) Changes in Representative

Not applicable.

2) Changes in other Directors

(1) New candidates for Director

External Director Naosuke Fujita

(2) Retiring Directors

External Director Fukutaka Hashimoto (currently External Director, Chairperson of the Board of Directors)

(3) Candidates for reappointment as Director

Director	Toshiyuki Hosoya	(currently Director, President and CEO)
Director	Yuki Ishizuka	(currently Director and Chairperson of the Audit Committee)
Director	Yoshinori Makino	(currently Director, Managing Executive Officer, and Supervision of corporate strategy, CFO)
External Director	Tomoko Ando	(currently External Director, Chairperson of the Compensation Committee and Member of the Audit Committee)
External Director	Hitoshi Ochi	(currently External Director, Member of the Nominating Committee and the Audit Committee)
External Director	Toshio Iwamoto	(currently External Director, Chairperson of the Nominating Committee and Member of the Compensation Committee)
External Director	Kenji Sukeno	(currently External Director, Member of the Nominating Committee and the Audit Committee)
External Director	Chieko Matsuda	(currently External Director, Member of the Nominating Committee and the Compensation Committee)

3)Planned appointment of committee members for each committee

	Name	Nominating Committee	Compensation Committee	Audit Committee	Notes
1	Toshiyuki Hosoya				Representative Executive Officer
2	Yuki Ishizuka			○	Chairperson of the Audit Committee
3	Yoshinori Makino				
4	Tomoko Ando (External)		○	○	Chairperson of the Compensation Committee
5	Hitoshi Ochi (External)				Chairperson of the Board of Directors
6	Toshio Iwamoto (External)	○	○		Chairperson of the Nominating Committee
7	Kenji Sukeno (External)	○		○	
8	Chieko Matsuda (External)	○	○		
9	Naosuke Fujita (External)	○		○	

Number of Committee Members	Internal Directors	0	0	1
	External Directors	4	3	3
	Total	4	3	4