

First Year of Isetan Mitsukoshi Group

Remodeling of Isetan Shinjuku Main Store

At the Isetan Shinjuku main store, Isetan opened "Isetan Girl" on basement level two, and "Ma Lingerie" and "Beauty Apothecary" on the second floor of the main building in September 2008. Remodeling involved a review of all merchandise, store developments, store environment and sales services based on customer psychology.

Each of these three stores has reflected the psychology of its target market in the overall shopping experience. "Isetan Girl" focuses on the psychology of young female students and their desire to look cute. "Ma Lingerie" embodies the desire for elegance and comfort in undergarments. "Beauty Apothecary" concentrates on the idea that customers want to be beautiful and healthy from the inside out. These new store concepts also help in the comprehension of customers' new purchasing psychology.

Going forward, the Isetan Shinjuku main store will continue trying innovative approaches that correspond to the changing patterns of customers and generate the level of value expected of a department store.



Isetan Girl

Pilot Programs at Mitsukoshi Nihonbashi Main Store

The Mitsukoshi Nihonbashi main store has identified the needs of customers in various age groups and is using this information in test-runs aimed at creating the ideal store environment. In March 2009, the second floor of the main building, which stocks men's casual clothing, switched from brand focus to item focus, thus enabling customers to better coordinate their fashion beyond the confines of brands.

Meanwhile, the ladies' fashion floor was reorganized based on age and taste, specifically targeting customers in their 30s and 40s, which increased customer convenience. "Remix Style" was introduced to the fifth floor of the main building in April 2009 with a new store concept based on stylish design in kitchenware and eating utensils.



Grand Opening of Mitsukoshi Sendai Store

The Mitsukoshi Sendai store refurbished the adjacent 141 Building in stages between November 2008 and March 2009, and opened it as the Jozenji-Dori Building. The sales area of the building exceeds 30,000m², making it one of the largest department stores in the Tohoku region. The store aims to cater to three generations of shoppers.



Added New Services to Isetan I Card

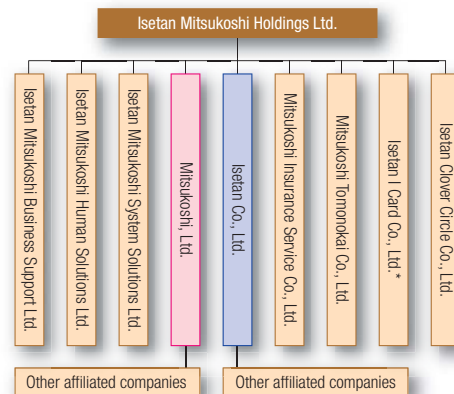
Isetan I Card Co., Ltd. launched the new I Card with VISA, a major international brand, in November 2008, providing new benefits and services while significantly expanding the scope of usage. Members have access to consultation covering a wider range of areas, particularly with the introduction of new services related to asset management and inheritance procedures. We also started mutual utilization of the Mitsukoshi Card and the Isetan I Card on April 1, 2009, enabling them to be used at either department store.



Organizational Restructuring of Isetan Mitsukoshi Group

The Isetan Mitsukoshi Group is pursuing a policy of selection and concentration of businesses and functions where we reallocate and fully utilize resources throughout the Group to enhance customer satisfaction and improve productivity. As part of our restructuring program, we reorganized Mitsukoshi and Isetan house card and insurance subsidiaries, customer organization management subsidiaries, logistics subsidiaries and personnel services subsidiaries in fiscal 2008.

Isetan Mitsukoshi Group after Organizational Restructuring (As of April 1, 2009)



* Company name to be changed to MICARD Co. Ltd. on September 1, 2009.

Progressed with Preparations to Open New Store in Osaka

We are pushing ahead with preparations in line with plans for the grand opening of the new Osaka store in spring 2011, which will be the flagship store for the Kansai region. JR Osaka Mitsukoshi Isetan has been decided as the name of the store. The Osaka store will leverage the local capabilities of the JR West Japan Group as well as its network along railroad lines, and combine the core competencies of both Mitsukoshi and Isetan with the objective of creating a store that provides benefits for customers in the many different aspects of their lives.

