



Summary of Settlement of Consolidated Accounts for the First Quarter of the Fiscal Year ending March 31, 2009

August 14, 2008

Isetan Mitsukoshi Holdings Ltd.

Securities code: 3099 (Listed on the First Section of Tokyo Stock Exchange)

(URL: <http://www.imhds.co.jp>)

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Scheduled date of filing of the quarterly financial report (Shihanki Houkokusho): August 14, 2008

(Figures are rounded down to the nearest million yen)

1. Consolidated Business Results for the First Quarter of Fiscal 2008 (From April 1, 2008, to June 30, 2008)

(1) Results of consolidated operations (cumulative)

(Percentage figures indicate changes from the previous year)

	Net Sales		Operating Income		Recurring Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q of FY2008	353,950	-	7,080	-	12,442	-	7,669	-
1Q of FY2007	-	-	-	-	-	-	-	-

	Net Income per Share (Basic)		Net Income per Share (Diluted)	
	Yen		Yen	
1Q of FY2008	19.78		19.77	
1Q of FY2007	-		-	

(2) Consolidated financial position

	Total Assets	Net Assets	Shareholder's Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
1Q of FY2008	1,384,987	509,414	35.7	1,274.77
FY2007	-	-	-	-

(Reference) Shareholders' equity: 1Q of FY2008: 494,354 million yen, FY2007: - million yen

2. Dividends

(Record date)	Cash Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
FY2007	-	-	-	-	-
FY2008	-	-	-	-	-
FY2008 (Forecast)	-	0.00	-	14.00	14.00

Note: Revision to the dividend forecast in the first quarter of fiscal 2008: No

3. Forecast of Consolidated Results for Fiscal 2008 (From April 1, 2008 to March 31, 2009)

(Percentage figures indicate changes from the same period of the previous year)

	Net Sales		Operating Income		Recurring Income		Net Income		Net income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half Year	720,000	-	12,000	-	18,000	-	11,000	-	28.36
Full Year	1,540,000	-	34,000	-	47,000	-	33,000	-	85.09

Note: Revision to the forecast of consolidated results in the first quarter of fiscal 2008: No

4. Others

- (1) Changes in significant subsidiaries during the first quarter of fiscal 2008 (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of simplified accounting methods and special accounting treatment for preparing quarterly consolidated financial statements: Yes

Note: For details, please refer to Qualitative Information and Financial Statements 4. Other on Page 4.

- (3) Changes in accounting policies concerning preparation of quarterly consolidated financial statements
- 1) Changes in line with revision to accounting standards: No
- 2) Other changes: No

Note: For details, please refer to Qualitative Information and Financial Statements 4. Other on Page 4.

- (4) Number of shares issued and outstanding (common stock)

- 1) Number of shares issued and outstanding at the end of the period (including treasury stock)

First quarter of FY2008: 387,850,182 shares

FY2007: - shares

- 2) Number of shares of treasury stock at the end of the period

First quarter of FY2008: 52,015 shares

FY2007: - shares

- 3) Average number of shares during the period

First quarter of FY2008: 387,808,893 shares

First quarter of FY2007: - shares

Disclaimer regarding Forward-looking Statements

1. The Company is not revising the forecast of consolidated results announced on May 12, 2008. This report contains forward-looking statements, which are based on the information currently available and certain assumptions the Company considers to be reasonable. 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. Risks, uncertainties and other factors that may affect actual results, performance, achievements or financial position include, but are not limited to, the trends of demand related to the Isetan Group's business, exchange rate fluctuations, public regulations, natural disasters and accidents.

2. The "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No. 12) and the "Implementation Guidance for Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14) have been adopted. The quarterly consolidated financial statements are prepared in accordance with "Regulations for Quarterly Consolidated Financial Statements."

3. The Company was established as a joint holding company by means of stock transfer as a result of management integration of Mitsukoshi, Ltd. and Isetan Co., Ltd. on April 1, 2008. As the current fiscal year is the first fiscal year for the Company, there are no comparable results for the previous year and the first quarter of the previous year.

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.

Qualitative Information and Financial Statements

1. Qualitative Information on the Results of Consolidated Operations

During the first quarter (from April 1 to June 30, 2008) of the year ending March 31, 2009 (fiscal 2008), the tempo of the Japanese economy slowed in the absence of positive factors amid turbulence in the global economy triggered by the subprime mortgage crisis in the U.S., rising prices of resources and food, and political turmoil in Japan brought about by the split Diet in which the ruling parties control the House of Representatives while the opposition controls the House of Councilors.

The department store sector continued to suffer year-on-year decreases in sales as a result of the cooling of consumer confidence in addition to intensifying competition both among department store groups and between department stores and other retail formats.

It was in these circumstances that the Isetan Mitsukoshi Group began a new chapter with management integration of Mitsukoshi, Ltd. and Isetan Co., Ltd. on April 1, 2008. In order to maximize customer satisfaction by achieving the benefits of integration without delay, the Group is working to enhance the value of both the Mitsukoshi and the Isetan brands.

In the mainstay department store business, the Group held a fair to mark the inauguration of Isetan Mitsukoshi Holdings in April at Mitsukoshi and Isetan stores, which attracted numerous customers. Also, the opening on June 14 of the Tokyo Metro Fukutoshin Line, a new subway line linking the Ikebukuro, Shinjuku and Shibuya districts, boosted customer traffic at Isetan Shinjuku Main Store. However, sales of clothing were lower than for the same period of the previous year owing to the uncertain economic prospects and the impact of the clearance sale held in June 2007.

Overseas, most department stores achieved increases in sales. Although the department store business in China recorded higher sales thanks to rising sales at existing stores and the opening of Chengdu Isetan and Shenyang Isetan, profits decreased owing to a temporary increase in expenses in line with the increase in the number of stores.

In other retail and specialty store businesses, Queen's Isetan Co., Ltd. recorded increased sales because of the opening of the Toyochō Store in Koto Ward, Tokyo, in April 2008.

As a result, net sales for the first quarter of fiscal 2008 amounted to ¥353,950 million, operating income was ¥7,080 million, recurring income was ¥12,442 million, and net income was ¥7,669 million.

Results by business segment are as follows:

- 1) Department Stores
Segment sales were ¥329,314 million and operating income was ¥6,381 million.
- 2) Credit & Finance
Segment sales were ¥3,740 million and operating income was ¥874 million.
- 3) Other Retail & Specialty Stores
Segment sales were ¥15,756 million and operating loss was ¥65 million.
- 4) Other Businesses
Segment sales were ¥33,996 million and operating income was ¥254 million.

2. Qualitative Information on the Changes in the Consolidated Financial Position

Assets

Total assets at the end of the first quarter of fiscal 2008 were ¥1,384,987 million, consisting of ¥260,710 million in current assets and ¥1,124,276 million in property and equipment.

Current assets mainly consisted of ¥36,416 million in cash and cash equivalents, ¥114,690 million in notes and accounts receivable-trade, and ¥67,147 million in merchandise.

Property and equipment mainly consisted of ¥790,410 million in tangible fixed assets, ¥73,591 million in intangible fixed assets, and ¥260,274 million in investments and other assets.

Liabilities

Total liabilities at the end of the first quarter of fiscal 2008 were ¥875,572 million, consisting of ¥457,372 million in current liabilities and ¥418,200 million in long-term liabilities.

Current liabilities mainly consisted of ¥99,707 million in notes and accounts payable, and ¥119,989 million in short-term borrowings.

Long-term liabilities mainly consisted of ¥89,450 million in long-term debt, ¥187,433 million in deferred tax liabilities, ¥64,755 million in reserve for accrued employees' retirement benefits, and ¥62,863 million in

negative goodwill.

Net Assets

Net assets at the end of the first quarter of fiscal 2008 were ¥509,414 million.

Equity Ratio

Equity ratio at the end of the first quarter of fiscal 2008 was 35.7%.

Net Assets per Share

Net assets per share at the end of the first quarter of fiscal 2008 were ¥1,274.77.

Cash flows

Cash and cash equivalents at the end of the first quarter of fiscal 2008 were ¥35,865 million.

1) Cash flows from operating activities

Net cash used in operating activities amounted to ¥9,578 million. This was primarily attributable to negative factors such as a decrease of ¥18,140 million in payables and the payment of ¥4,358 million in income taxes, which outweighed positive factors such as income before income taxes and minority interests of ¥9,721 million.

2) Cash flows from investing activities

Net cash used in investing activities amounted to ¥7,532 million. The main items were the payment of ¥6,629 million for purchase of tangible fixed assets and the payment of ¥1,657 million for purchase of intangible fixed assets.

3) Cash flows from financing activities

Net cash provided by financing activities amounted to ¥13,777 million, primarily attributable to an increase of ¥12,483 million in short-term borrowings and an increase of ¥11,000 million in commercial paper, while the repayment of long-term debt amounted to ¥7,618 million.

3. Qualitative Information on Forecast of Consolidated Results

The results for the first quarter of fiscal 2008 generally fell within the expected range. We have not revised the initial half-year and full-year consolidated forecasts for fiscal 2008 announced on May 12, 2008. When we judge it necessary to revise the forecasts, we will quickly release the updated forecasts.

4. Other

(1) Changes in significant subsidiaries during the first quarter of fiscal 2008 (changes in specified subsidiaries resulting in changes in scope of consolidation)

Not applicable

(2) Application of simplified accounting method and special accounting treatment for preparing quarterly consolidated financial statements

1. Valuation method of inventories

For the computation of inventories at June 30, 2008, the closing date of the first quarter of fiscal 2008, we omitted the physical inventory check and adopted a reasonable computation method based on the result of the consolidated subsidiaries' physical inventory check conducted at the end of the previous fiscal year.

2. Method of calculation of depreciation of fixed assets

Depreciation expenses for assets that are depreciated using the declining balance method are calculated by dividing on a pro-rata basis the annual depreciation expenses.

3. Computing of tax expenses

Tax expenses are computed by the following procedures: first, the effective tax rate after applying tax effect accounting to income before income taxes and minority interests for the fiscal year is reasonably estimated, and then, the quarterly net income before income taxes and minority interests is

multiplied by the estimated effective tax rate.

- (3) Any changes in accounting policies and procedures and/or the method of presentation for preparing quarterly consolidated financial statements

The Company was established as a joint holding company by means of stock transfer as a result of management integration of Mitsukoshi, Ltd. and Isetan Co., Ltd. on April 1, 2008. As the current fiscal year is the first fiscal year for the Company, there is no applicable item.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Millions of yen)
	IQ of Fiscal 2008
	(As of June 30, 2008)
ASSETS	
Current assets	
Cash and bank deposits	36,416
Notes and accounts receivable–trade	114,690
Marketable securities	121
Merchandise	67,147
Finished goods	1,148
Raw materials	454
Work in process	84
Other current assets	43,744
Less: Allowance for doubtful accounts	(3,096)
Total current assets	260,710
Property and equipment	
Tangible fixed assets	
Buildings and structures, net	194,525
Land	567,453
Other tangible fixed assets, net	28,431
Total tangible fixed assets	790,410
Intangible fixed assets	
Goodwill	341
Other intangible fixed assets	73,249
Total intangible fixed assets	73,591
Investments and other assets	
Investment securities	114,272
Other assets	148,060
Less: Allowance for doubtful accounts	(2,057)
Total investments and other assets	260,274
Total property and equipment	1,124,276
Total assets	1,384,987

(Millions of yen)	
1Q of Fiscal 2008	
(As of June 30, 2008)	
LIABILITIES	
Current liabilities	
Notes and accounts payable	99,707
Bonds due within one year	10,000
Short-term borrowings	119,989
Income taxes payable	3,642
Allowance	17,333
Other current liabilities	206,699
Total current liabilities	457,372
Long-term liabilities	
Long-term debt	89,450
Deferred tax liabilities	187,433
Reserve for accrued employees' retirement benefits	64,755
Allowance	459
Negative goodwill	62,863
Other long-term liabilities	13,239
Total long-term liabilities	418,200
Total liabilities	875,572
NET ASSETS	
Shareholders' Equity	
Common stock	50,000
Capital surplus	319,112
Retained earnings	121,462
Less: Treasury stock	(54)
Total shareholders' equity	490,521
Valuation and translation adjustments	
Net unrealized gains on other securities	6,509
Deferred gains on hedges	38
Foreign currency translation adjustments	(2,715)
Total valuation and translation adjustments	3,832
Stock acquisition rights	755
Minority interests	14,304
Total net assets	509,414
Total liabilities and net assets	1,384,987

(2) Consolidated Statement of Income

First Quarter Period

	(Millions of yen)
	IQ of Fiscal 2008 (From April 1, 2008, to June 30, 2008)
Net sales	353,950
Cost of sales	255,464
Gross profit	98,486
Selling, general and administrative expenses	91,406
Operating income	7,080
Non-operating income	
Interest income	224
Dividend income	489
Amortization of negative goodwill	3,308
Equity in earning of affiliates	2,308
Other non-operating income	1,318
Total non-operating Income	7,649
Non-operating expenses	
Interest expenses	792
Other non-operating expenses	1,495
Total non-operating expenses	2,287
Recurring income	12,442
Extraordinary loss	
Loss on valuation of inventories	1,494
Loss on valuation of investment securities	146
Loss on liquidation of affiliates	1,079
Total extraordinary loss	2,720
Income before income taxes and minority interests	9,721
Income taxes—current	1,748
Income taxes—deferred	1,748
Minority interests in earnings of consolidated subsidiaries	303
Net income	7,669

(3) Consolidated Statement of Cash Flows

	(Millions of yen)
	IQ of Fiscal 2008 (From April 1, 2008, to June 30, 2008)
Cash flows from operating activities	
Income before income taxes and minority interest	9,721
Depreciation and amortization	5,900
Amortization of negative goodwill	(3,308)
Increase (decrease) in allowance for doubtful accounts	(356)
Increase (decrease) in reserve for accrued employees' retirement benefits	(217)
Interest and dividend income	(714)
Interest expenses	792
Equity in loss (earnings) of affiliated companies	(2,308)
Loss (gain) on valuation of investment securities	146
Loss on liquidation of affiliates	1,079
Decrease (increase) in receivables	3,674
Decrease (increase) in inventories	2,471
Increase (decrease) in payables	(18,140)
Other, net	(4,514)
Sub-total	(5,773)
Interest and dividend income received	824
Interest expense paid	(270)
Income taxes paid	(4,358)
Net cash used in operating activities	(9,578)
Cash flows from investing activities	
Payments for purchase of tangible fixed assets	(6,629)
Proceeds from sales of tangible fixed assets	5
Payments for purchase of intangible fixed assets	(1,657)
Other, net	747
Net cash used in investing activities	(7,532)
Cash flows from financing activities	
Increase (decrease) in short-term borrowings	12,483
Repayment of long-term debt	(7,618)
Increase (decrease) in commercial paper	11,000
Dividends paid	(1,986)
Other, net	(101)
Net cash provided by financing activities	13,777
Effect of exchange rate changes on cash and cash equivalents	(1,252)
Net increase (decrease) in cash and cash equivalents	(4,586)
Cash and cash equivalents at beginning of period	27,208
Increase in cash and cash equivalents by share transfers	13,244
Cash and cash equivalents at end of period	35,865

(4) Notes on going concern assumption

First Quarter of Fiscal 2008 (From April 1, 2008, to June 30, 2008)

Not applicable

(5) Segment information

Business segment information

First Quarter of Fiscal 2008 (From April 1, 2008, to June 30, 2008)

(Millions of yen)

	Department store business	Credit & finance business	Other retail & specialty store business	Other businesses	Total	Elimination or corporate	Consolidated total
Sales							
(1) Sales to outside customers	329,148	2,388	13,352	9,061	353,950	–	353,950
(2) Intersegment sales or transfer	165	1,351	2,404	24,935	28,857	(28,857)	–
Total	329,314	3,740	15,756	33,996	382,808	(28,857)	353,950
Operating income (loss)	6,381	874	(65)	254	7,444	(364)	7,080

Notes:

- Business segments are based on the segments defined for internal management purposes.
- Details of each business segment are as follows:
 - Department store business: Sales of apparel, accessories, household and sundry goods, and foods
 - Credit & finance business: Credit cards, money lending, brokerage of non-life insurance, and businesses concerning solicitation for life insurance
 - Other retail & specialty store business: Sales of ladies' wear, foods, dry goods (clothing and textiles), and household goods
 - Other businesses: Management of real estate, services of manufacturing, exporting, importing, wholesaling, distribution, temporary personnel, and data processing

Geographical segment information

First Quarter of Fiscal 2008 (From April 1, 2008, to June 30, 2008)

Geographical segment information is not provided since Japan accounted for over 90% of total sales of all segments.

Overseas sales

First Quarter of Fiscal 2008 (From April 1, 2008, to June 30, 2008)

Information on overseas sales is not provided since overseas sales accounted for less than 10% of consolidated net sales for the first quarter of fiscal 2008.

(6) Notes on significant changes in the amount of shareholders' equity (if any)

First Quarter of Fiscal 2008 (From April 1, 2008, to June 30, 2008)

The Company was established as a joint holding company as a result of management integration of Mitsukoshi, Ltd. and Isetan Co., Ltd. on April 1, 2008, with the both companies as wholly owned subsidiaries. As a result, at the end of the first quarter of fiscal 2008, the Company's capital stock amounted to ¥50,000 million; capital surplus amounted to ¥319,112 million; and retained earnings amounted to ¥121,462 million. The number of shares issued and outstanding amounted to 387,850 thousand shares.