



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

February 5, 2009

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): February 13, 2009

(Figures are rounded down to the nearest million yen)

1. Consolidated Business Results for the First Nine Months of Fiscal 2008 (From April 1, 2008, to December 31, 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	%
1st 9 Months of FY2008	1,101,692	-	20,005	-	31,062	-	15,752	-
1st 9 Months of FY2007	-	-	-	-	-	-	-	-

	Net Income per Share (Basic)		Net Income per Share (Diluted)	
	Yen		Yen	
1st 9 Months of FY2008	40.62		40.61	
1st 9 Months 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
1st 9 Months of FY2008	1,424,580	510,522	34.7	1,276.20
FY2007	-	-	-	-

(Reference) Shareholders' equity: 1st 9 Months of FY2008: 494,901 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)	-	-	-	14.00	14.00

Note: Revision to the dividend forecast: 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)

Full 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
	1,420,000	-	15,000	-	30,000	-	11,000	-	28.37

Note: Revision to the forecast of consolidated results: Yes

4. Others

- (1) Changes in significant subsidiaries during the period (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 3. Other on Page 5.
- (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 3. Other on Page 5.
- (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)
1st 9 Months of FY2008: 387,859,022 shares
FY2007: - shares
2) Number of shares of treasury stock at the end of the period
1st 9 Months of FY2008: 65,149 shares
FY2007: - shares
3) Average number of shares during the period
1st 9 Months of FY2008: 387,798,759 shares
1st 9 Months of FY2007: - shares

Disclaimer regarding Forward-looking Statements

1. The Company has revised the forecast of consolidated results announced on November 13, 2008.
For the calculation of the forecast of net income per share, the number of shares issued and outstanding as of December 31, 2008 has been used.
Number of shares issued and outstanding as of December 31, 2008: 387,793,873 shares
2. 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 Group's business, exchange rate fluctuations, public regulations, natural disasters and accidents.
3. The "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) have been adopted. The quarterly consolidated financial statements are prepared in accordance with "Regulations for Quarterly Consolidated Financial Statements."
4. 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 nine months 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 nine months (from April 1 to December 31, 2008) of the year ending March 31, 2009 (fiscal 2008), the Japanese economy entered a recession. In the absence of positive factors, corporate earnings declined and the labor market deteriorated.

The department store sector continued to suffer from further weakening of consumer confidence in addition to intensifying competition both among department store groups and between department stores and other retail formats. Department store sales in Japan declined for 10 consecutive months compared with the same month of the previous year. This decline was particularly marked from October to December 2008 with sales more than 6% lower compared with the same month of the previous year owing to the sharp deterioration of the economy.

In response to this challenging business environment, the Group forged ahead with its efforts to become “my indispensable department store” for each individual customer throughout his or her life by continually creating high quality, new lifestyles and being of use to our customers in their many different roles in life. By doing so, we also made strenuous efforts with the aim of becoming the world’s foremost solution provider with high profitability and sustained growth.

As a result, net sales for the first nine months of fiscal 2008 amounted to ¥1,101,692 million, operating income was ¥20,005 million, recurring income was ¥31,062 million, and net income was ¥15,752 million.

Results by business segment are as follows:

1) Department Stores

In the mainstay department store business, four factors attracted new customers: the Isetan Mitsukoshi Holdings Advent Festival in April at Mitsukoshi and Isetan stores; the start of the service of the Tokyo Metro Fukutoshin Line in June, a new subway line linking the Ikebukuro, Shinjuku and Shibuya districts; the remodeling of the women’s floor at Isetan Shinjuku Main Store, and the increased floor area of Mitsukoshi Sendai Store. However, these positive developments did not lead to general improvement owing to the severe economic situation, and sales at each store were lower than for the same period of the previous year.

In accordance with the Group’s store policy of selection and focus, a decision was made in September 2008 to terminate operations of four Mitsukoshi stores, namely, Ikebukuro Store (Tokyo), Kagoshima Store (Kagoshima), Musashi Murayama Store (Tokyo), and Natori Store (Miyagi) and two small-scale Mitsukoshi stores (in Kamakura and Morioka), and to transfer the fixed assets of Mitsukoshi Ikebukuro Store.

Although the department store business overseas recorded higher sales thanks to the opening of Shenyang Isetan (China) and other factors, profits decreased in the first nine months of fiscal 2008 because of increased expenses accompanying new store openings and rent revisions.

Segment sales were ¥1,023,978 million and operating income was ¥18,660 million.

2) Credit & Finance

In the credit & finance business, Isetan I Card Co., Ltd. recorded higher sales but lower profits despite an increase in the turnover from the new I Card with Visa introduced in November 2008 because expenses such as the investment in card systems were incurred,

Segment sales were ¥11,592 million and operating income was ¥1,320 million.

3) Other Retail & Specialty Stores

In the other retail and specialty store business, Queen’s Isetan Co., Ltd. recorded increased sales because of the opening of the Kinuta Store in Setagaya Ward, Tokyo, in March 2008, of the Toyochō Store in Koto Ward, Tokyo, in April 2008, and of the Omiya Store in Saitama City, Saitama Prefecture, in November 2008, but its profits decreased owing to an increase in expenses accompanying new store openings. Queen’s Isetan closed the Kibogaoka Store in Setagaya Ward, Tokyo, on September 30, 2008.

Segment sales were ¥48,680 million and operating loss was ¥174 million.

4) Other Businesses

The other business segment comprises 25 companies, including Mitsukoshi Real Estate Co., Ltd. engaged in property management.

Segment sales were ¥116,789 million and operating income was ¥1,295 million.

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

Assets

Total assets at the end of the first nine months of fiscal 2008 were ¥1,424,580 million, consisting of ¥313,469 million in current assets and ¥1,111,111 million in property and equipment.

Current assets mainly consisted of ¥48,914 million in cash and bank deposits, ¥130,551 million in notes and accounts receivable-trade, and ¥74,673 million in merchandise.

Property and equipment mainly consisted of ¥792,434 million in tangible fixed assets, ¥74,360 million in intangible fixed assets, and ¥244,315 million in investments and other assets.

Liabilities

Total liabilities at the end of the first nine months of fiscal 2008 were ¥914,057 million, consisting of ¥568,253 million in current liabilities and ¥345,804 million in long-term liabilities.

Current liabilities mainly consisted of ¥143,088 million in notes and accounts payable, and ¥204,526 million in short-term borrowings.

Long-term liabilities mainly consisted of ¥18,100 million in long-term debt, ¥194,987 million in deferred tax liabilities, ¥64,400 million in reserve for accrued employees' retirement benefits, and ¥56,246 million in negative goodwill.

Net Assets

Net assets at the end of the first nine months of fiscal 2008 were ¥510,522 million.

Equity Ratio

The equity ratio at the end of the first nine months of fiscal 2008 was 34.7%.

Net Assets per Share

Net assets per share at the end of the first nine months of fiscal 2008 were ¥1,276.20.

Cash Flows

Cash and cash equivalents at the end of the first nine months of fiscal 2008 were ¥43,069 million.

1) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥28,010 million. Income before income taxes and minority interests amounted to ¥20,304 million and payables increased ¥25,242 million, while cash outlays included an increase of ¥12,237 million in receivables and income taxes paid amounting to ¥7,521 million.

2) Cash flows from investing activities

Net cash used in investing activities amounted to ¥25,909 million. The main items were the payment of ¥23,660 million for purchase of tangible fixed assets and the payment of ¥4,094 million for purchase of intangible fixed assets.

3) Cash flows from financing activities

Net cash provided by financing activities amounted to ¥1,837 million, mainly attributable to an increase of ¥45,037 million in short-term borrowings, whereas repayment of long-term debt of ¥27,003 million and redemption of bonds in the amount of ¥10,000 million were recorded.

3. Qualitative Information on Forecast of Consolidated Results

The financial crisis that became more evident in the third quarter of fiscal 2008 exacerbated already bleak business sentiment. In view of lackluster personal consumption, the operating environment is expected to remain harsh for some time.

In these circumstances, as a consequence of net sales lower than the initial forecast, the results for operating income, recurring income and net income are expected to be lower than the figures in the previous forecasts. Accordingly, the Group revised the full-year consolidated forecasts for fiscal 2008.

The forecast of net income after the revision reflects the amount of a loss on valuation of investment securities recorded as an extraordinary loss at the end of the third quarter of fiscal 2008 as a result of impairment of securities with market value whose market value significantly declined.

For details, please refer to the Notice concerning Revision of the Forecast of Financial Results for Fiscal 2008 announced on February 5, 2009.

4. Other

- (1) Changes in significant subsidiaries during the period (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 calculation of inventories at December 31, 2008, the closing date of the third quarter of fiscal 2008, the Company omitted the physical inventory check and calculated inventories by a reasonable method based on the value of physical inventories at the end of the first half of fiscal 2008.

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)

1st 9 Months of Fiscal 2008

(As of December 31, 2008)

ASSETS	
Current assets	
Cash and bank deposits	48,914
Notes and accounts receivable—trade	130,551
Marketable securities	673
Merchandise	74,673
Finished goods	1,061
Raw materials	516
Work in process	164
Other current assets	59,672
Less: Allowance for doubtful accounts	(2,757)
Total current assets	313,469
Property and equipment	
Tangible fixed assets	
Buildings and structures, net	199,916
Land	567,257
Other tangible fixed assets, net	25,261
Total tangible fixed assets	792,434
Intangible fixed assets	
Goodwill	296
Other intangible fixed assets	74,064
Total intangible fixed assets	74,360
Investments and other assets	
Investment securities	104,145
Other assets	142,215
Less: Allowance for doubtful accounts	(2,045)
Total investments and other assets	244,315
Total property and equipment	1,111,111
Total assets	1,424,580

(Millions of yen)	
1st 9 Months of Fiscal 2008	
(As of December 31, 2008)	
LIABILITIES	
Current liabilities	
Notes and accounts payable	143,088
Short-term borrowings	204,526
Income taxes payable	2,753
Allowance	16,514
Other current liabilities	201,370
Total current liabilities	568,253
Long-term liabilities	
Long-term debt	18,100
Deferred tax liabilities	194,987
Reserve for accrued employees' retirement benefits	64,400
Allowance	472
Negative goodwill	56,246
Other long-term liabilities	11,598
Total long-term liabilities	345,804
Total liabilities	914,057
NET ASSETS	
Shareholders' equity	
Common stock	50,006
Capital surplus	319,119
Retained earnings	129,546
Less: Treasury stock	(70)
Total shareholders' equity	498,601
Valuation and translation adjustments	
Net unrealized gains (losses) on other securities	(617)
Deferred gains (losses) on hedges	(94)
Foreign currency translation adjustments	(2,987)
Total valuation and translation adjustments	(3,700)
Stock acquisition rights	745
Minority interests	14,876
Total net assets	510,522
Total liabilities and net assets	1,424,580

(2) Consolidated Statement of Income

First Nine Months of Fiscal 2008

	(Millions of yen)
	1st 9 Months of Fiscal 2008 (From April 1, 2008, to December 31, 2008)
Net sales	1,101,692
Cost of sales	794,477
Gross profit	307,214
Selling, general and administrative expenses	287,208
Operating income	20,005
Non-operating income	
Interest income	667
Dividend income	856
Amortization of negative goodwill	9,926
Equity in earning of affiliates	3,924
Other non-operating income	3,145
Total non-operating Income	18,519
Non-operating expenses	
Interest expenses	2,367
Loss on retirement of property and equipment	1,531
Other non-operating expenses	3,564
Total non-operating expenses	7,462
Recurring income	31,062
Extraordinary gain	
Gain on sales of property and equipment	1,056
Gain on sales of investment securities	260
Total extraordinary gain	1,317
Extraordinary loss	
Loss on valuation of inventories	1,494
Loss on disposal of property and equipment	373
Loss on valuation of investment securities	6,381
Loss on liquidation of affiliates	1,462
Loss on structural reform	2,362
Total extraordinary loss	12,074
Income before income taxes and minority interests	20,304
Income taxes—current	3,552
Income taxes—deferred	3,552
Minority interests in earnings of consolidated subsidiaries	999
Net income	15,752

Third Quarter of Fiscal 2008

(Millions of yen)

	3Q of Fiscal 2008 (From October 1, 2008, to December 31, 2008)
Net sales	396,255
Cost of sales	286,699
Gross profit	109,556
Selling, general and administrative expenses	100,772
Operating income	8,784
Non-operating income	
Interest income	209
Dividend income	154
Amortization of negative goodwill	3,308
Equity in earning of affiliates	627
Other non-operating income	779
Total non-operating Income	5,080
Non-operating expenses	
Interest expenses	798
Loss on retirement of property and equipment	287
Other non-operating expenses	952
Total non-operating expenses	2,038
Recurring income	11,826
Extraordinary gain	
Gain on sales of property and equipment	1,056
Gain on sales of investment securities	205
Total extraordinary gain	1,262
Extraordinary loss	
Loss on disposal of property and equipment	1
Loss on valuation of investment securities	5,347
Loss on liquidation of affiliates	(39)
Loss on structural reform	1,850
Total extraordinary loss	7,158
Income before income taxes and minority interests	5,929
Income taxes—current	1,873
Income taxes—deferred	1,873
Minority interests in earnings of consolidated subsidiaries	501
Net income	3,554

(3) Consolidated Statement of Cash Flows

(Millions of yen)	
1st 9 Months of Fiscal 2008 (From April 1, 2008, to December 31, 2008)	
Cash flows from operating activities	
Income before income taxes and minority interest	20,304
Depreciation and amortization	18,709
Amortization of negative goodwill	(9,926)
Increase (decrease) in allowance for doubtful accounts	(709)
Increase (decrease) in reserve for accrued employees' retirement benefits	(290)
Interest and dividend income	(1,523)
Interest expenses	2,367
Equity in loss (earnings) of affiliated companies	(3,924)
Loss (gain) on sales of investment securities	(260)
Loss (gain) on disposal of property and equipment	373
Loss (gain) on valuation of investment securities	6,381
Loss on liquidation of affiliates	1,462
Loss on structural reform	2,362
Decrease (increase) in receivables	(12,237)
Decrease (increase) in inventories	(5,130)
Increase (decrease) in payables	25,242
Increase (decrease) in accrued expenses	17
Other, net	(9,153)
Sub-total	34,065
Interest and dividend income received	3,457
Interest expense paid	(1,990)
Income taxes paid	(7,521)
Net cash provided by operating activities	28,010
Cash flows from investing activities	
Increase in fixed deposits	(6,139)
Payments for purchase of tangible fixed assets	(23,660)
Proceeds from sales of tangible fixed assets	5,838
Payments for purchase of intangible fixed assets	(4,094)
Payments for purchase of investment securities	(6,070)
Proceeds from collection of lease and guarantee deposits	8,254
Other, net	(37)
Net cash used in investing activities	(25,909)

(Millions of yen)	
1st 9 Months of Fiscal 2008	
(From April 1, 2008 to December 31, 2008)	
Cash flows from financing activities	
Increase (decrease) in short-term borrowings	45,037
Repayment of long-term debt	(27,003)
Redemption of bonds	(10,000)
Increase (decrease) in commercial paper	(4,000)
Dividends paid	(2,003)
Other, net	(193)
Net cash provided by financing activities	1,837
Effect of exchange rate changes on cash and cash equivalents	(1,321)
Net increase (decrease) in cash and cash equivalents	2,616
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	43,069

(4) Notes on going concern assumption
 Third Quarter of Fiscal 2008 (From October 1, 2008, to December 31, 2008)

Not applicable

(5) Segment information

Business segment information

First Nine Months of Fiscal 2008 (From April 1, 2008, to December 31, 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	1,023,445	7,407	41,003	29,835	1,101,692	—	1,101,692
(2) Intersegment sales or transfer	532	4,184	7,677	86,953	99,348	(99,348)	—
Total	1,023,978	11,592	48,680	116,789	1,201,040	(99,348)	1,101,692
Operating income (loss)	18,660	1,320	(174)	1,295	21,100	(1,095)	20,005

Notes:

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

Geographical segment information

First Nine Months of Fiscal 2008 (From April 1, 2008, to December 31, 2008)

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

Overseas sales

First Nine Months of Fiscal 2008 (From April 1, 2008, to December 31, 2008)

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

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

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 nine months of fiscal 2008, the Company's capital stock amounted to ¥50,006 million; capital surplus amounted to ¥319,119 million; and retained earnings amounted to ¥129,546 million. The number of shares issued and outstanding amounted to 387,859 thousand shares.

(Significant Subsequent Events)

Third Quarter of Fiscal 2008 (from October 1, 2008, to December 31, 2008)

At the meeting of the Board of Directors held on January 27, 2009, a decision was made to execute a demerger (hereinafter the “demerger”) on April 1, 2009, as part of the reorganization of the Group, whereby the Company will succeed to the administration and sales support for subsidiaries engaged in card and insurance businesses, customer organization management, logistics, and temporary personnel services from Mitsukoshi Ltd. (hereinafter “Mitsukoshi”) and Isetan Co., Ltd. (hereinafter “Isetan”), which are wholly owned subsidiaries of the Company.

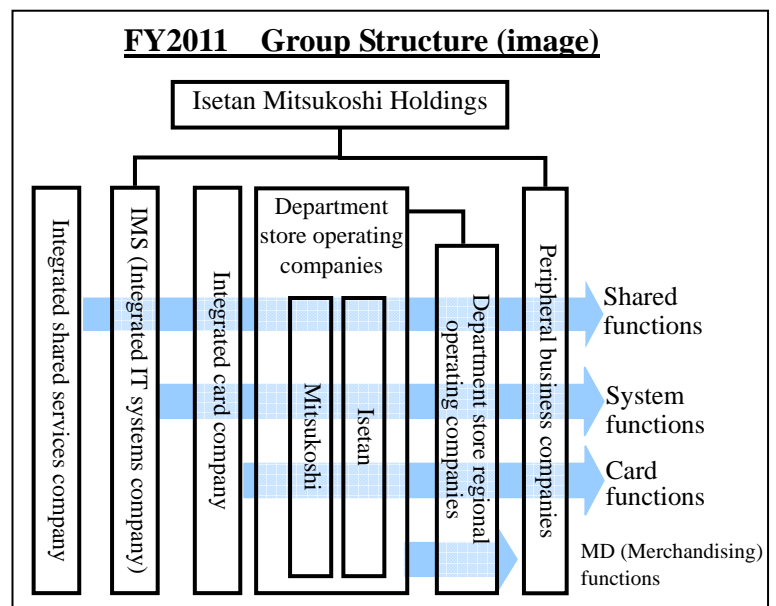
It has also been decided to merge logistics subsidiaries of Mitsukoshi and Isetan and to merge temporary personnel service subsidiaries of Mitsukoshi and Isetan when they become the Company’s direct subsidiaries through the demerger.

I. Purpose of the reorganization

As stated in the Notice concerning Isetan Mitsukoshi Group Three-year Plan (Fiscal 2009-2011) announced on November 13, 2008, through selection and focus of businesses and functions, we will reallocate and fully utilize resources throughout the Group in order to enhance customer satisfaction and improve productivity. We aim to establish the group structure shown in the figure on the right by fiscal 2011.

In the context of these developments, Isetan Mitsukoshi System Solutions Ltd. was established by integrating IT systems subsidiaries of Mitsukoshi and Isetan, which became the Company’s direct subsidiary on October 1, 2008.

Following the repositioning of the IT systems business, the Company will succeed to the administration and sales support for subsidiaries engaged in card and insurance



businesses, customer organization management, logistics, and temporary personnel services from Mitsukoshi and Isetan and position these subsidiaries as the Company’s direct subsidiaries.

Under this structure, regarding card and insurance subsidiaries (Isetan I Card Co., Ltd. and Mitsukoshi Insurance Service Co., Ltd.), preparations will be made for integration of the infrastructure for the Group’s card business scheduled for spring 2010. The aim is to position the Group’s card as the “customer’s primary card” and the Company intends to establish the card business as the Group’s second source of revenues.

As for customer organization management subsidiaries (Mitsukoshi Tomonokai Co., Ltd. and Isetan Clover Circle Co., Ltd.), we will work to enhance convenience for customers and improve operational efficiency, including consideration of the possibility of integration of customer organization management businesses.

Logistics subsidiaries (M Logistics Solutions Co., Ltd. and Isetan Business Support Co., Ltd.) will be merged and temporary personnel service subsidiaries (Pronet Co., Ltd. and Isetan Career Design Co., Ltd.) will be merged when they become the Company’s direct subsidiaries in order to promote consolidation and integration of functions so as to reduce costs while improving the quality of operations of these integrated subsidiaries offering shared services.

II. Outline of the demerger

1. Summary of the demerger

(1) Effective date of absorption-type demerger (*kyushu-bunkatsu*)

April 1, 2009 (Wednesday) (plan)

(2) Demerger type

This is an absorption-type demerger (*kyushu-bunkatsu*) with Mitsukoshi and Isetan being the entities to be split and the Company being the succeeding entity.

- (3) Capital to be increased as a result of the succession
Not applicable
- (4) Handling of stock acquisition rights and bonds with stock acquisition rights of the entity to be split
Mitsukoshi and Isetan have issued neither stock acquisition rights nor bonds with stock acquisition rights.
- (5) Rights and obligations to be succeeded to by the succeeding entity
The Company succeeds to shares of the subsidiaries and affiliates in question owned by Mitsukoshi and shares of the subsidiaries and affiliates in question owned by Isetan as of the effective date in accordance with the provisions of the absorption-type demerger agreement.

2. Outline of the business to be succeeded to by the Company

- (1) Business to be succeeded to by the Company
Administration and sales support for subsidiaries engaged in card and insurance businesses, customer organization management, logistics, and temporary personnel services
- (2) Assets and liabilities to be succeeded to by the Company and the amounts thereof

(as of April 1, 2009, estimate)

Assets (to be succeeded to by the Company from Mitsukoshi)	
Item	Book value
Investments in securities of subsidiaries and affiliates	¥275 million
Total	¥275 million

Assets (to be succeeded to by the Company from Isetan)	
Item	Book value
Investments in securities of subsidiaries and affiliates	¥1,326 million
Total	¥1,326 million

Details of investments in securities of subsidiaries and affiliates
Shares of the following subsidiaries: <ul style="list-style-type: none"> • Mitsukoshi Insurance Service Co., Ltd. • Mitsukoshi Tomonokai Co., Ltd. • M Logistics Solutions Co., Ltd. • Pronet Co., Ltd.

Details of investments in securities of subsidiaries and affiliates
Shares of the following subsidiaries: <ul style="list-style-type: none"> • Isetan I Card Co., Ltd. • Isetan Clover Circle Co., Ltd. • Isetan Business Support Co., Ltd. • Isetan Career Design Co., Ltd.

III. Merger

1. Merger of logistics subsidiaries (M Logistics Solutions Co., Ltd. and Isetan Business Support Co., Ltd.)

- (1) Effective date of merger
April 1, 2009 (Wednesday) (plan)
- (2) Merger type
This is an absorption-type merger (*kyushu-gappei*) with M Logistics Solutions Co., Ltd. being the surviving entity and Isetan Business Support Co., Ltd. will be dissolved.
- (3) Allocation concerning the merger
Because this is a merger between the Company's wholly owned subsidiaries, there is no merger ratio agreement. Moreover, no new shares will be issued nor will the Company's capital be increased in connection with the merger.
- (4) Handling of stock acquisition rights and bonds with stock acquisition rights of the entity to be split
Isetan Business Support Co., Ltd. has issued neither stock acquisition rights nor bonds with stock acquisition rights.

2. Merger of temporary personnel service subsidiaries (Isetan Career Design Co., Ltd. and Pronet Co., Ltd.)

- (1) Effective date of merger
April 1, 2009 (Wednesday) (plan)
- (2) Merger type
This is an absorption-type merger (*kyushu-gappei*) with Isetan Career Design Co., Ltd. being the surviving entity and Pronet Co., Ltd. will be dissolved.
- (3) Allocation concerning the merger
Because this is a merger between the Company's wholly owned subsidiaries, there is no merger ratio agreement. Moreover, no new shares will be issued nor will the Company's capital be increased in connection with the merger.
- (4) Handling of stock acquisition rights and bonds with stock acquisition rights of the entity to be dissolved
Pronet Co., Ltd. has issued neither stock acquisition rights nor bonds with stock acquisition rights.