



June 16, 2009

To Whom It May Concern:

Corporate Name	Isetan Mitsukoshi Holdings Ltd.
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Code Number: 3099	TSE 1st section
Contact:	Yasuhiro Suzuki, Executive Manager, Investor Relations, Corporate Administration Division, Administration Headquarters Telephone: +81-3-5843-5115

Corporate Name	Iwataya Co., Ltd.
Name of the Representative:	Toshio Hayami, Representative Director and Executive President
Code Number: 8246	FSE
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**Notice: Iwataya Co., Ltd. to Become a Wholly Owned Subsidiary as a result of  
Conclusion of an Absorption-type Demerger Agreement with Isetan Co., Ltd.  
and a Share-for-share Exchange Agreement with Isetan Mitsukoshi Holdings Ltd.**

Isetan Mitsukoshi Holdings Ltd. (Isetan Mitsukoshi HDS) and Iwataya Co., Ltd. (Iwataya) resolved at their respective Board of Directors' meetings held today to execute a share-for-share exchange whose effective date is October 15, 2009 (plan), whereby Isetan Mitsukoshi HDS will become a wholly owning parent company and Iwataya will become a wholly owned subsidiary. The two companies entered into a share-for-share exchange agreement today. Details are described below.

Isetan Co., Ltd. (Isetan), a wholly owned subsidiary of Isetan Mitsukoshi HDS, owns 51.58% of the shares issued and outstanding of Iwataya (Iwataya shares). Isetan Mitsukoshi HDS and Isetan resolved at their respective Board of Directors' meetings held today to execute an absorption-type demerger whose effective date is October 1, 2009 (plan), which is prior to the date of the share-for-share exchange, whereby Isetan Mitsukoshi HDS will succeed to the administration and sales support for Iwataya (the operations) from Isetan. The two companies entered into an absorption-type demerger agreement today.

Through the absorption-type demerger and the share-for-share exchange, Isetan Mitsukoshi HDS will own all the Iwataya shares and Iwataya will become Isetan Mitsukoshi HDS's wholly owned subsidiary.

Since the contemplated absorption-type demerger is a simple absorption-type demerger where Isetan Mitsukoshi HDS will succeed to the operations from its wholly owned subsidiary Isetan, certain disclosure items and details have been omitted from this announcement concerning the absorption-type demerger.

Prior to the effective date of the share-for-share exchange, Iwataya will be delisted from the Fukuoka Stock

Exchange.

## I. Purpose of making Iwataya a wholly owned subsidiary through the absorption-type demerger and the share-for-share exchange

### (1) Purpose of making Iwataya a wholly owned subsidiary

The department store sector in which Isetan Mitsukoshi HDS and Iwataya operate is characterized by intensifying competition both among department store groups and between department stores and other retail formats. Furthermore, the sector is affected by a sharp deterioration in consumer confidence. As consumers have become increasingly pessimistic about their economic prospects and wish to economize, department store sales in Japan have been declining at an accelerating pace.

In this severe business environment, prioritizing the Fukuoka area whose scale of sales is second only to the Tokyo metropolitan area, Isetan Mitsukoshi HDS has been pursuing measures to maintain and enhance competitive advantage in the Fukuoka area. Following Isetan's acquisition of a stake in Iwataya in 2002, Iwataya's business results were robust thanks to investment in human resources, remodeling, system integration and other measures. However, adversely affected by the rapid deterioration of the Japanese economy since last year, Iwataya recorded a net loss for the year ended March 2009. The opening of a large commercial complex in front of Hakata Station scheduled in 2011 will introduce new competition to the Fukuoka area. In view of these changes in the business environment, for Isetan Mitsukoshi HDS and Iwataya to compete successfully, it is essential to realize provision of services and merchandising that exceed customers' expectations to a greater degree in a timely manner. This requires Isetan Mitsukoshi Group's all-out support and establishment of a structure allowing the optimum, agile decision-making in the Fukuoka area. Accordingly, the repositioning of Iwataya as a wholly owned subsidiary of Isetan Mitsukoshi HDS is judged to be the most advantageous measure.

Taking the opportunity provided by becoming a wholly owned subsidiary of Isetan Mitsukoshi HDS, Iwataya intends to strive to achieve synergy as a member of the Isetan Mitsukoshi Group and redouble its efforts to maximize customer satisfaction in the Fukuoka area. Specifically, collaboration with the adjacent Fukuoka Store of Mitsukoshi, Ltd. (Mitsukoshi Fukuoka Store) will be deepened. By virtue of their combined sales, they are one of the largest contenders among the department stores in the Fukuoka area. Through integration of operations of Iwataya and the Mitsukoshi Fukuoka Store, we intend to create attractive commercial facilities superior to those of competitors with the advantage of the highest volume of sales in the Fukuoka area. Also, we intend to enhance operational efficiency while slashing store operation costs through exchange of human resources between the two stores and joint usage of offices and logistics spaces.

Although Iwataya will become a wholly owned subsidiary of Isetan Mitsukoshi HDS, the trade name, Iwataya, which enjoys patronage, will be maintained for the operation. With the aim of making, as members of Isetan Mitsukoshi Group, not only Iwataya but the Mitsukoshi Fukuoka Store "my indispensable department store" of each of their customers over the years, we intend to develop stores that can contribute to prosperity of the Fukuoka area.

### (2) Prospect of delisting and the reason

Through the share-for-share exchange, Iwataya will become a wholly owned subsidiary of Isetan Mitsukoshi HDS on the effective date of the share-for-share exchange, i.e., October 15, 2009. Iwataya shares are scheduled to be

delisted as of October 8, 2009 (October 7, 2009 to be the last trade date) following specified procedures in accordance with the delisting standard of the Fukuoka Stock Exchange. After delisting, it will no longer be possible to trade Iwataya shares on the Fukuoka Stock Exchange.

(3) Purpose of delisting and consideration of alternative measures

The purpose of the share-for-share exchange is as described in I (1) above and is not for the purpose of delisting Iwataya shares.

After the delisting of Iwataya shares, shares issued by Isetan Mitsukoshi HDS and allotted to the shareholders of Iwataya shares (Iwataya shareholders) through the share-for-share exchange (hereinafter shares newly issued by Isetan Mitsukoshi HDS or shares issued by Isetan Mitsukoshi HDS and outstanding will be referred to as “Isetan Mitsukoshi HDS shares”) will remain listed on the First section of the Tokyo Stock Exchange (TSE 1st section) and trading of such shares on the TSE 1st section will remain available even after the share-for-share exchange. Therefore, liquidity of shares will continue to be provided to Iwataya shareholders who own at least 334 Iwataya shares and will receive at least one trading unit of Isetan Mitsukoshi HDS shares, which is 100 shares, through the share-for-share exchange.

On the other hand, Iwataya shareholders who own less than 334 Iwataya shares will receive the number of Isetan Mitsukoshi HDS shares constituting less than one trading unit. Although such shares constituting less than one trading unit cannot be sold on the TSE 1st section, Iwataya shareholders can demand that Isetan Mitsukoshi HDS purchase Isetan Mitsukoshi HDS shares constituting less than one trading unit from them or sell additional Isetan Mitsukoshi HDS shares to them. For details, please refer to III 1. (3) Note 3 below. For handling of fractions of less than one share occurring as a result of the share-for-share exchange, please refer to III 1. (3) Note 4 below.

Iwataya shareholders can trade Iwataya shares they own as usual on the Fukuoka Stock Exchange and exercise legal rights specified by the Companies Act and other relevant laws and regulations until October 7, 2009 (plan), which is the last trade date specified in the above I (2) “Prospect of delisting and the reason.”

(4) Measures for securing fairness

With regard to the share exchange ratio for the share-for-share exchange, since Isetan, a wholly owned subsidiary of Isetan Mitsukoshi HDS, is the parent company of Iwataya with ownership of 51.58% of Iwataya shares issued and outstanding, as mentioned above, Isetan Mitsukoshi HDS and Iwataya requested independent third parties to calculate share exchange ratios in order to ensure fairness and appropriateness and received the results of calculation. Through examination, negotiation and deliberation referring to the calculation results, the two companies mutually agreed on a share exchange ratio, which is to be applied to the share-for-share exchange. Please note that neither of the two companies obtained an opinion (fairness opinion) from the third-party organizations that calculated share exchange ratios about the fairness of the share exchange ratio.

(5) Measures for avoiding conflict of interest

For the purpose of avoiding conflict of interest, of the seven directors of Iwataya, one director who concurrently serves as an executive officer of Isetan, did not participate in the deliberation or resolution concerning the share-for-share exchange at the meeting of the Board of Directors of Iwataya.

## II. Absorption-type demerger (*kyushu-bunkatsu*)

### 1. Summary of the absorption-type demerger

#### (1) Schedule for the absorption-type demerger

Board of Directors' meetings for resolution of the absorption-type demerger (Isetan Mitsukoshi HDS and Isetan) June 16, 2009 (Tuesday)

Conclusion of an absorption-type demerger agreement (Isetan Mitsukoshi HDS and Isetan) June 16, 2009 (Tuesday)

Scheduled date of absorption-type demerger (effective date) October 1, 2009 (Thursday) (plan)

Note: In accordance with the provision of Article 796 Paragraph (3) of the Companies Act, Isetan Mitsukoshi HDS will effect the absorption-type demerger by the proceedings for a simple absorption-type demerger without the approval of the general meeting of shareholders.

In accordance with the provision of Article 784 Paragraph (1) of the Companies Act, Isetan will effect the absorption-type demerger by the proceedings for a summary absorption-type demerger without the approval of the general meeting of shareholders.

#### (2) Demerger type

This is an absorption-type demerger with Isetan being the entity to be split and Isetan Mitsukoshi HDS being the succeeding entity.

#### (3) Allotment concerning the absorption-type demerger

No allotment will be made to Isetan, which is the entity to be split, with this absorption-type demerger.

#### (4) Handling of stock acquisition rights and bonds with stock acquisition rights of the entity to be split

Isetan has issued neither stock acquisition rights nor bonds with stock acquisition rights.

#### (5) Capital to be increased as a result of the succession

Not applicable

#### (6) Rights and obligations to be succeeded to by the succeeding entity

Isetan Mitsukoshi HDS succeeds to Iwataya shares regarding the operations owned by Isetan as of the effective date in accordance with the absorption-type demerger agreement.

#### (7) Prospects for performance of obligations

It is considered that there will be no problem with performance of obligations by Isetan Mitsukoshi HDS and Isetan following the effective date of the absorption-type demerger.

### 2. Outline of the parties to the absorption-type demerger (as of March 31, 2009)

(1) Trade name	Isetan Co., Ltd. (entity to be split)	Isetan Mitsukoshi Holdings Ltd. (succeeding entity)
(2) Business	Department store business	Business planning for and administration of subsidiaries and affiliates engaged in the department store business and other businesses, as well as other businesses incidental to or associated with business planning and administration
(3) Date of establishment	September 30, 1930	April 1, 2008
(4) Address of the head office	3-14-1 Shinjuku, Shinjuku-ku, Tokyo	4-6-16 Ginza, Chuo-ku, Tokyo

(5) Name and title of the representative	Nobukazu Muto, President and CEO	Nobukazu Muto, Chairman and CEO Kunio Ishizuka, President and COO
(6) Common stock	36,763 million yen	50,006 million yen
(7) Number of shares issued and outstanding	220,356,581 shares	387,859,022 shares
(8) Net assets	140,179 million yen (non-consolidated)	489,740 million yen (consolidated)
(9) Total assets	328,837 million yen (non-consolidated)	1,351,633 million yen (consolidated)
(10) Net assets per share	636.15 yen (non-consolidated)	1,225.85 yen (consolidated)
(11) Net sales	432,477 million yen (non-consolidated)	1,426,684 million yen (consolidated)
(12) Operating income	14,697 million yen (non-consolidated)	19,582 million yen (consolidated)
(13) Recurring income	27,652 million yen (non-consolidated)	35,052 million yen (consolidated)
(14) Net income	10,272 million yen (non-consolidated)	4,683 million yen (consolidated)
(15) Net income per share	46.62 yen (non-consolidated)	12.08 yen (consolidated)
(16) Fiscal year-end	March 31	March 31
(17) Major shareholders and percentages of ownership	Isetan Mitsukoshi Holdings Ltd. 100%	The Master Trust Bank of Japan, Ltd. (trust account) 6.25% Japan Trustee Services Bank, Ltd. (trust account) 5.16% Japan Trustee Services Bank, Ltd. (trust account 4G) 4.81% Mitsukoshi Health and Welfare Foundation 3.52% ONWARD HOLDINGS Co., Ltd. 2.41%

### 3. Outline of the business to which Isetan Mitsukoshi HDS will succeed

#### (1) Business to which Isetan Mitsukoshi HDS will succeed

Administration and sales support for Iwataya

#### (2) Assets and liabilities to which Isetan Mitsukoshi HDS will succeed and the amounts thereof

Assets	
Item	Book value
Iwataya shares	6,259 million yen
Total	6,259 million yen

### 4. Condition of the listed company after the absorption-type demerger

(1) Trade name	Isetan Mitsukoshi Holdings Ltd.
(2) Business	Business planning for and administration of subsidiaries and affiliates engaged in the department store business and other businesses, as well as other businesses incidental to or associated with business planning and administration
(3) Address of the head office	4-6-16 Ginza, Chuo-ku, Tokyo
(4) Name and title of the representative	Nobukazu Muto, Chairman and CEO Kunio Ishizuka, President and COO
(5) Common stock	50,006 million yen
(6) Fiscal year-end	March 31
(7) Outlook for the future	The impact of the absorption-type demerger on Isetan Mitsukoshi HDS's business results is expected to be immaterial.

### III. Share-for-share exchange

#### 1. Summary of the share-for-share exchange

##### (1) Schedule for the share-for-share exchange

Board of Directors' meetings for resolution of the share-for-share exchange June 16, 2009 (Tuesday)

(Isetan Mitsukoshi HDS and Iwataya)	
Conclusion of a share-for-share exchange agreement	June 16, 2009 (Tuesday)
(Isetan Mitsukoshi HDS and Iwataya)	
Public notice of the record date for an extraordinary general meeting of shareholders (Iwataya)	June 17, 2009 (Wednesday) (plan)
Record date for an extraordinary general meeting of shareholders (Iwataya)	July 2, 2009 (Thursday) (plan)
General meeting of shareholders for approval of the share-for-share exchange agreement (Iwataya)	September 7, 2009 (Monday) (plan)
Last trade date for Iwataya shares	October 7, 2009 (Wednesday) (plan)
Date of delisting of Iwataya shares	October 8, 2009 (Thursday) (plan)
Scheduled date of the share-for-share exchange (effective date)	October 15, 2009 (Thursday) (plan)

Note: In accordance with the provision of Article 796 Paragraph (3) of the Companies Act, Isetan Mitsukoshi HDS will effect the share-for-share exchange by the proceedings for a simple share-for-share exchange without the approval of the general meeting of shareholders.

## (2) Exchange type

This is a share-for-share exchange with Isetan Mitsukoshi HDS being the wholly owning parent company in the share-for-share exchange and Iwataya being the wholly owned subsidiary in the share-for-share exchange.

## (3) Allotment concerning the share-for-share exchange

Company name	Isetan Mitsukoshi HDS (wholly owning parent company in the share-for-share exchange)	Iwataya (wholly owned subsidiary in the share-for-share exchange)
Allotment concerning the share-for-share exchange	1	0.3
Number of new shares to be issued through the share-for-share exchange	Common stock: 6,692,186 shares (plan)	

### Notes:

- 0.3 shares of common stock of Isetan Mitsukoshi HDS will be allotted for 1 share of common stock of Iwataya. However, no shares will be allotted for Iwataya shares owned by Isetan because they will be owned by Isetan Mitsukoshi HDS as a result of the absorption-type demerger to be executed prior to the share-for-share exchange.
- Iwataya intends to retire shares of treasury stock it owns by the effective date of the share-for-share exchange to the extent practicable. The number of new shares of Isetan Mitsukoshi HDS to be issued through the share-for-share exchange is calculated based on the number of shares of treasury stock Iwataya owns as of March 31, 2009 (84,815 shares) and may be revised in the future.
- Shareholders who will own shares of Isetan Mitsukoshi HDS constituting less than one trading unit through the share-for-share exchange can use the systems described below. Please note that it is not possible to sell shares constituting less than one trading unit on stock exchange markets.
  - System for purchase of shares constituting less than one trading unit (sales of shares constituting less than one trading unit to Isetan Mitsukoshi HDS)

In accordance with the provision in Article 192 Paragraph (1), shareholders who own Isetan Mitsukoshi HDS shares constituting less than one trading unit can demand that Isetan Mitsukoshi HDS purchase such shares constituting less than one trading unit.
  - System for sales of shares constituting less than one trading unit (additional purchase of shares from Isetan

Mitsukoshi HDS to increase the number of shares to 100)

Shareholders who own Isetan Mitsukoshi HDS shares constituting less than one trading unit can purchase from Isetan Mitsukoshi HDS the number of shares that will increase the total number of shares owned to the number constituting one trading unit.

4. For shareholders to whom fractions of less than one share of Isetan Mitsukoshi HDS will be delivered through the share-for-share exchange, in accordance with the provision of Article 234 Paragraphs 1 and 2 of the Companies Act, Isetan Mitsukoshi HDS will sell the number of shares equivalent to the total sum of the fractions (in cases where the total sum includes a fraction of less than one, such fraction will be rounded down) and deliver the proceeds of the sales to the shareholders in question in proportion to the fractions attributed to them.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights of the wholly owned subsidiary in the share-for-share exchange

Not applicable

(5) Basis of calculation of allotment through the share-for-share exchange

1) Basis of calculation

With regard to the share exchange ratio for the share-for-share exchange, Isetan Mitsukoshi HDS and Iwataya requested independent third parties to calculate share exchange ratios in order to ensure fairness and appropriateness. Isetan Mitsukoshi HDS selected Mitsubishi UFJ Securities Co., Ltd. (Mitsubishi UFJ Securities) and Iwataya selected Daiwa Securities Co. Ltd. (Daiwa Securities) as their respective third-party institutions for calculation of share exchange ratios.

Mitsubishi UFJ Securities adopted the average market price method and the discounted cash flow method (DCF method) for the two companies and performed analysis. Results of analysis by Mitsubishi UFJ Securities are outlined below.

	Evaluation method	Share exchange ratio evaluation range
1)	Average market price method	1 : 0.28-0.33
2)	DCF method	1 : 0.26-0.41

For analysis of Isetan Mitsukoshi HDS, Mitsubishi UFJ Securities adopted the average market price method (for which the record date is June 5, 2009, which is a business day one day earlier than June 6, 2009 when certain media reported speculation related to the share-for-share exchange, and average closing share prices on trade days during one month from May 7, 2009 to the record date, three months from March 6, 2009 to the record date, and six months from December 8, 2008 to the record date were used) because Isetan Mitsukoshi HDS is listed on the TSE 1st section and the market share price is available and the DCF method to reflect the situation of future business activities on the evaluation. For analysis of Iwataya, it adopted the average market price method (for which the record date is June 5, 2009, for the same reason as above, and average closing share prices on trade days during one month from May 7, 2009 to the record date, three months from March 6, 2009 to the record date, and six months from December 8, 2008 to the record date were used) because Iwataya is listed on the Fukuoka Stock Exchange and the market share price is available and the DCF method to reflect the situation of future business activities on the evaluation.

In calculating share exchange ratios, in principle, Mitsubishi UFJ Securities used the information provided by the two companies and information in the public domain as is. Based on the assumption that the documents and information used are accurate and complete, Mitsubishi UFJ Securities did not perform verification of their accuracy

and completeness. Also, Mitsubishi UFJ Securities did not perform evaluation, appraisal or assessment of assets and liabilities of the two companies and their affiliated companies (including contingent liabilities), including analysis and evaluation of individual assets and liabilities or request third-party organizations to perform appraisal or assessment. In addition, it is assumed that information on the two companies' financial forecasts is prepared reasonably by the two companies' management based on the best forecasts and judgment currently available.

Daiwa Securities adopted the market price method and the DCF method for the two companies and performed analysis. Results of analysis by Daiwa Securities are outlined below.

	Evaluation method	Share exchange ratio evaluation range
1)	Market price method	1 : 0.28-0.33
2)	DCF method	1 : 0.18-0.32

For analysis of Iwataya, Daiwa Securities adopted the market price method (for which the record date is June 5, 2009, for the same reason as above, and volume weighted average prices for one month from May 7, 2009 to the record date, three months from March 6, 2009 to the record date, and six months from December 8, 2008 to the record date were used) because Iwataya is listed on the Fukuoka Stock Exchange and the market share price is available and the DCF method to reflect the situation of future business activities on the evaluation. For analysis of Isetan Mitsukoshi HDS, it adopted the market price method (for which the record date is June 5, 2009, for the same reason as above, and volume weighted average prices for one month from May 7, 2009 to the record date, three months from March 6, 2009 to the record date, and six months from December 8, 2008 to the record date were used) because Isetan Mitsukoshi HDS is listed on the TSE 1st section and the market share price is available and the DCF method to reflect the situation of future business activities on the evaluation.

In calculating share exchange ratios, in principle, Daiwa Securities used the information provided by the two companies and information in the public domain as is. Based on the assumption that the documents and information used are accurate and complete, Daiwa Securities did not perform verification of their accuracy and completeness. Also, Daiwa Securities did not perform evaluation, appraisal or assessment of assets and liabilities of the two companies and their affiliated companies (including contingent liabilities), including analysis and evaluation of individual assets and liabilities or request third-party organizations to perform appraisal or assessment. In addition, it is assumed that information concerning the two companies' financial forecasts is prepared reasonably by the two companies' management based on the best forecasts and judgment currently available.

## 2) Background to calculation

Isetan Mitsukoshi HDS and Iwataya deliberated on the share exchange ratio, referring to the results of calculation of share exchange ratios reported by the above-mentioned third-party organizations and taking into account the two companies' financial conditions, assets and liabilities, future prospects, etc., comprehensively. As a result, the two companies concluded that the above-stated share exchange ratio is appropriate and entered into a share-for-share exchange agreement.

Please note that the results of calculation of share exchange ratios submitted by the above-mentioned third-party organizations are not expressions of their opinions about appropriateness of the share exchange ratio for the share-for-share exchange.

3) Relationships with the organizations that calculated share exchange rates

Neither Mitsubishi UFJ Securities nor Daiwa Securities are related parties of Isetan Mitsukoshi HDS or Iwataya.

2. Outline of the parties to the share-for-share exchange (as of March 31, 2009)

(1) Trade name	Isetan Mitsukoshi Holdings Ltd. (wholly owning parent company in the share-for-share exchange)	Iwataya Co., Ltd. (wholly owned subsidiary in the share-for-share exchange)
(2) Business	Business planning for and administration of subsidiaries and affiliates engaged in the department store business and other businesses, as well as other businesses incidental to or associated with business planning and administration	Department store business
(3) Date of establishment	April 1, 2008	May 8, 1935
(4) Address of the head office	4-6-16 Ginza, Chuo-ku, Tokyo	2-5-35 Tenjin, Chuo-ku, Fukuoka
(5) Name and title of the representative	Nobukazu Muto, Chairman and CEO Kunio Ishizuka, President and COO	Toshio Hayami, Representative Director and Executive President
(6) Common stock	50,006 million yen	3,451 million yen
(7) Number of shares issued and outstanding	387,859,022 shares	46,246,500 shares
(8) Fiscal year-end	March 31	March 31
(9) Number of employees	17,352 (consolidated)	948 (consolidated)
(10) Major customers	Mitsukoshi, Ltd. Isetan Co., Ltd.	General customers
(11) Major shareholders and percentages of ownership	The Master Trust Bank of Japan, Ltd. (trust account) 6.25% Japan Trustee Services Bank, Ltd. (trust account) 5.16% Japan Trustee Services Bank, Ltd. (trust account 4G) 4.81% Mitsukoshi Health and Welfare Foundation 3.52% ONWARD HOLDINGS Co., Ltd. 2.41%	Isetan Co., Ltd. 51.58% Iwataya Kyoeikai 4.76% Nishikyudai Transport & Warehouse Co., Ltd. 4.55% Mizuho Bank, Ltd. 4.07% The Bank of Fukuoka, Ltd. 4.07%
(12) Major banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corp.	Mizuho Bank, Ltd. The Bank of Fukuoka, Ltd.
(13) Relationships between the parties	Capital relationship	Isetan, a wholly owned subsidiary of Isetan Mitsukoshi HDS, owns 51.58% of Iwataya shares issued and outstanding. (*)
	Personnel relationship	A corporate auditor of Isetan Mitsukoshi HDS concurrently serves as a corporate auditor of Iwataya. Also, a director of Iwataya concurrently serves as an executive officer of Isetan, a wholly owned subsidiary of Isetan Mitsukoshi HDS.
	Business relationship	Isetan, a wholly owned subsidiary of Isetan Mitsukoshi HDS, supplies merchandise to Iwataya and provides support to Iwataya concerning the overall department store business.
	Related party	Because Iwataya is a consolidated subsidiary of Isetan Mitsukoshi HDS, Iwataya is a related party.

Note: Iwataya shares owned by Isetan will be transferred to Isetan Mitsukoshi HDS through the absorption-type demerger to be executed prior to the share-for-share exchange.

(14) Business results for the last three fiscal years (consolidated)

(Millions of yen)

Fiscal year ended	Isetan Mitsukoshi HDS (*1)	Iwataya (*2)			
	March 2009	September 2006	March 2007	March 2008	March 2009
Net assets	489,740	8,660	9,556	12,396	10,678
Total assets	1,351,633	59,553	58,339	56,385	49,159
Net sales	1,426,684	58,849	56,414	105,353	99,315
Operating income	19,582	668	1,346	1,251	205
Recurring income	35,052	672	1,433	966	(1,348)
Net income	4,683	692	889	414	(1,703)
Net income per share	¥12.08	¥17.68	¥22.69	¥9.46	(¥36.90)
Cash dividend per share	¥14.00	¥0.00	¥0.00	¥0.00	¥0.00
Net assets per share	¥1,225.85	¥218.45	¥241.26	¥266.12	¥229.07

(\*1) Because Isetan Mitsukoshi HDS was established in April 2008 by means of share transfer, only the business results for the year ended March 2009 are presented.

(\*2) Due to the change of the fiscal year-end of Iwataya, its fiscal year ended September 2006 is a 7-month period and its fiscal year ended March 2007 is a 6-month period.

3. Condition after the share-for-share exchange

(1) Trade name	Isetan Mitsukoshi Holdings Ltd.
(2) Business	Business planning for and administration of subsidiaries and affiliates engaged in the department store business and other businesses, as well as other businesses incidental to or associated with business planning and administration
(3) Address of the head office	4-6-16 Ginza, Chuo-ku, Tokyo
(4) Name and title of the representative	Nobukazu Muto, Chairman and CEO Kunio Ishizuka, President and COO
(5) Common stock	50,006 million yen
(6) Net assets	Not determined yet
(7) Total assets	Not determined yet
(8) Fiscal year-end	March 31
(9) Outline of the accounting treatment	The share-for-share exchange is considered to be a transaction with a minority shareholder of common control transactions and goodwill is expected to be recognized. Although the amount of the goodwill has not been determined yet, the impact on consolidated business results is expected to be immaterial.
(10) Outlook for the future	Iwataya is already a consolidated subsidiary of Isetan Mitsukoshi HDS, and therefore, the impact of the share-for-share exchange on Isetan Mitsukoshi HDS's business results on a consolidated basis and a non-consolidated basis is expected to be immaterial.