

# Summary of Settlement of Consolidated Accounts for the Third Quarter of the Fiscal Year Ending March 31, 2010

February 4, 2010

Isetan Mitsukoshi Holdings Ltd.

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

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

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Scheduled date of filing of the quarterly financial report (Shihanki Houkokusho): February 12, 2010

Scheduled date of commencement of payment of cash dividends: -

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Business Results for the Third Quarter of Fiscal 2009 (From April 1, 2009, to December 31, 2009)

(1) Results of consolidated operations (cumulative)

(Percentage figures indicate changes from the previous year)

	Net Sales		Operating Income		Recurring Income		Net Income (Loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q of FY2009	978,560	(11.2)	8,352	(58.2)	18,956	(39.0)	(10,475)	-
3Q of FY2008	1,101,692	-	20,005	-	31,062	-	15,752	-

	Net Income per Share (Basic)		Net Income per Share (Diluted)	
	Yen		Yen	
3Q of FY2009	(26.87)		(26.87)	
3Q of FY2008	40.62		40.61	

(2) Consolidated financial position

	Total Assets		Net Assets		Shareholder's Equity Ratio		Net Assets per Share	
	Millions of yen		Millions of yen		%		Yen	
3Q of FY2009	1,397,011		474,496		33.2		1,176.11	
FY2008	1,351,633		489,740		35.2		1,225.85	

(Reference) Shareholders' equity: 3Q of FY2009: 463,966 million yen, FY2008: 475,369 million yen

## 2. Dividends

(Record date)	Cash Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen				
FY2008	-	-	-	14.00	14.00
FY2009	-	-	-	-	-
FY2009 (Forecast)	-	-	-	10.00	10.00

Note: Revision to the dividend forecast in the period: No

## 3. Forecast of Consolidated Results for Fiscal 2009 (From April 1, 2009, to March 31, 2010)

(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
Full Year	1,270,000	(11.0)	2,000	(89.8)	15,000	(57.2)	0	-	0.00

Note: Revision to the forecast of consolidated results in the period: Yes

The Company has revised its results forecast announced on December 18, 2009 for the fiscal year ending March 31, 2010.

#### 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 4. 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: Yes
- 2) Other changes: Yes  
Note: For details, please refer to Qualitative Information and Financial Statements 4. 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)
- |                          |                    |
|--------------------------|--------------------|
| Third quarter of FY2009: | 394,578,374 shares |
| FY2008:                  | 387,859,022 shares |
- 2) Number of shares of treasury stock at the end of the period
- |                          |               |
|--------------------------|---------------|
| Third quarter of FY2009: | 84,756 shares |
| FY2008:                  | 69,981 shares |
- 3) Average number of shares during the period
- |                          |                    |
|--------------------------|--------------------|
| Third quarter of FY2009: | 389,798,555 shares |
| Third quarter of FY2008: | 387,798,759 shares |

#### Disclaimer regarding Forward-looking Statements

1. 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.
2. 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."

#### 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 third quarter (from April 1 to December 31, 2009) of the year ending March 31, 2010 (fiscal 2009), despite some indicators suggesting that the economy was bottoming out, a rapid recovery did not materialize, as the employment situation and personal consumption remained sluggish.

The department store sector continued to experience adverse conditions as consumers became increasingly cost conscious, while competition intensified both among department store groups and between department stores and other retail formats. Department store sales in Japan have declined year on year for 22 consecutive months since March 2008.

Amid these circumstances, 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 aiming to become the world’s foremost solution provider with high profitability and sustained growth. In pursuit of this goal of the Isetan Mitsukoshi Group, we implemented measures in each of our businesses to strengthen sales & marketing capabilities and enhance operational efficiency.

In the mainstay department store business, we strove to offer services and merchandise of the highest quality. Repeating the process of formulation and verification of hypotheses based on customers’ desires, we worked to cultivate new customers and needs while stimulating purchasing at each store. With the aim of raising the level of service and improving profitability through deployment of an appropriate personnel structure, we shortened opening hours at some of our stores from April 2009.

Additionally, Mitsukoshi, Ltd. implemented its Second Life Support Plan (an early retirement special support plan) that augments its previous plans.

Nevertheless, as these measures could not compensate for the harsh economic environment, both revenues and profits declined.

In accordance with the Group’s store policy, operations of the Mitsukoshi Ikebukuro Store and Mitsukoshi Kagoshima Store were discontinued on May 6, 2009, and a decision was made to discontinue operations of the Isetan Kichijoji Store and 11 small Mitsukoshi outlets in March 2010 (planned). The transfer of fixed assets at the Mitsukoshi Ikebukuro Store will be completed by January 29, 2010.

With regard to Marui Imai Inc. which is undergoing civil rehabilitation proceedings following the approval of commencement of the proceedings in January 2009, Sapporo Marui Imai Ltd. and Hakodate Marui Imai Ltd., which were established by the Company, acquired Marui Imai’s Sapporo operations and Hakodate operations, respectively, as of July 31, 2009 and started operations on August 1.

The credit & finance business recorded lower revenues and profits due to the effects of harsh circumstances in the department store business, a main source of earnings. Isetan I Card Co., Ltd., which became the Company’s direct subsidiary in April 2009, changed its name to MICARD Co. Ltd. as of September 1. On April 1, 2010 (planned), under the control of MICARD Co. Ltd., Isetan Clover Circle Co., Ltd. will be absorbed and merged into the operations of Mitsukoshi Tomokai Co., Ltd. On the same date, Mitsukoshi Insurance Service Co., Ltd. will be absorbed and merged into the operations of MICARD Co. Ltd.

Other retail & specialty store business recorded lower revenues and profits owing to sluggish personal consumption. Queen’s Isetan Co., Ltd. closed its Toyochō Store on August 31, 2009.

In the customer organization management business, Mitsukoshi Tomonokai Co., Ltd. and Isetan Clover Circle Co., Ltd. strove to enhance customer satisfaction through customer organization management at department stores.

In the other businesses segment, Group companies engaged in sales & marketing support focused on establishing a highly productive operational infrastructure in order to achieve the effects of the management integration early. In April 2009, we established Isetan Mitsukoshi Business Support Ltd., a logistics subsidiary, and Isetan Mitsukoshi Human Solutions Ltd., a personnel services subsidiary.

In order to put in place a structure that accelerates optimization of the Group’s operations, Shizuoka Isetan Co., Ltd. and Niigata Isetan Co., Ltd., which had been wholly owned subsidiaries of Isetan Co., Ltd., were repositioned as the Company’s direct subsidiaries by transferring their shares to the Company by means of absorption-type demergers as of October 1, 2009. On the same day, Iwataya Co., Ltd. was repositioned as the Company’s direct subsidiary by transferring Iwataya shares owned by Isetan Co., Ltd. to the Company by means of an absorption-type demerger. As a result of a share-for-share exchange between the Company and Iwataya as of October 15, Iwataya became the Company’s wholly owned subsidiary.

As a result, consolidated net sales for the third quarter of fiscal 2009 amounted to ¥978,560 million (a decrease of 11.2% compared with the same period of the previous year), operating income amounted to ¥8,352 million (a decrease of ¥58.2%), recurring income was ¥18,956 million (a decrease of 39.0%), and a net loss of ¥10,475 million was recorded (a difference of ¥26,227 million from net income recorded for the same period of

the previous year).

Results by business segment are presented below.

Previously, the customer organization management business was included in the other businesses segment. From the end of the previous year, the customer organization management business is presented as a separate segment and therefore changes from the same period of the previous year are not indicated for the customer organization management business.

#### 1) Department Store Business

Segment sales amounted to ¥907,746 million, a decrease of 11.4% compared with the same period of the previous year, and operating income decreased ¥9,549 million from the same period of the previous year to ¥9,110 million.

#### 2) Credit & Finance Business

Segment sales were ¥10,845 million, a decrease of 6.4% compared with the same period of the previous year, and an operating loss of ¥116 million was recorded, a difference of ¥1,436 million compared with operating income recorded for the same period of the previous year.

#### 3) Other Retail & Specialty Store Business

Segment sales amounted to ¥45,279 million, a decrease of 7.0% compared with the same period of the previous year, and an operating loss of ¥71 million was recorded, an improvement of ¥103 million from the figure for the same period of the previous year.

#### 4) Customer Organization Management Business

Segment sales were ¥3,497 million and an operating loss of ¥1,861 million was recorded.

#### 5) Other Businesses

Segment sales were ¥96,104 million and operating income was ¥1,235 million.

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

### *Assets*

Current assets increased ¥41,656 million from the end of the previous year to ¥302,513 million. The principal factors were a ¥14,983 million increase in notes and accounts receivable-trade and a ¥3,982 million increase in merchandise and finished goods.

Property and equipment increased ¥3,721 million from the end of the previous year to ¥1,094,498 million. This reflected a ¥13,862 million increase in tangible fixed assets, a ¥2,821 million increase in intangible fixed assets, and a ¥12,962 million decrease in investments and other assets.

As a result, total assets increased ¥45,378 million to ¥1,379,011 million

### *Liabilities*

Current liabilities increased ¥84,424 million from the end of the previous year to ¥585,414 million. This was due to a ¥34,517 million increase in notes and accounts payable and a ¥1,429 million decrease in short-term borrowings.

Long-term liabilities decreased ¥23,801 million from the end of the previous year to ¥337,100 million. This decrease was mainly attributable to a ¥9,925 million decrease in negative goodwill. As a result, total liabilities amounted to ¥922,514 million, an increase of ¥60,622 million from the end of the previous year.

### *Net Assets*

Net assets amounted to ¥474,496 million, a decrease of ¥15,244 million from the end of the previous year.

### *Net Assets per Share*

Net assets per share were ¥1,176.11, a decrease of ¥49.74 from the end of the previous year.

### *Cash Flows*

Cash and cash equivalents at end of period were ¥35,611 million, a decrease of ¥7,458 million from the end of the previous year.

#### 1) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥20,937 million. This consisted mainly of such cash

outflows as an million increase in receivables of ¥14,941, while cash inflows included depreciation and amortization amounting to ¥17,006 million and an increase in payables of ¥34,505 million.

#### 2) Cash flows from investing activities

Net cash used in investing activities amounted to ¥22,830 million. The main items were payments for purchase of tangible fixed assets amounting to ¥16,636 million and payments for transfer of business amounting to ¥13,125 million.

#### 3) Cash flows from financing activities

Net cash provided by financing activities amounted to ¥2,654 million. The principal items were in proceeds from borrowings of long-term debt of ¥30,000 million, an increase in short-term borrowings of ¥41,127 million and an increase in commercial paper of ¥10,000 million, whereas repayment of long-term debt of ¥72,560 million was recorded.

### 3. Qualitative Information on Forecast of Consolidated Results

The Company has revised its forecast of full-year business results announced on December 18, 2009. In light of business results since December 2009, the forecast of full-year net sales has been reduced ¥20,000 million to ¥1,270,000 million. Forecasts of operating income and recurring income are unchanged, as expense reductions are proceeding according to plan. Despite recording a net loss of ¥10,475 million for the third quarter, the Company expects to meet its previous forecast for net income because of an extraordinary gain on the sale of fixed assets at the Mitsukoshi Ikebukuro Store in January 2010.

### 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

Regarding the calculation of inventories at the end of the third quarter, physical inventory was not taken at the end of the third quarter and the values of inventories were calculated by using a reasonable method based on the actual balance of inventories at the end of the second quarter.

##### 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.

Income taxes-deferred is included in "income taxes."

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

##### 1. Change in the standard for recognizing revenues and costs of completed construction work

The Company previously applied the completed-contract method for recognizing revenues and costs of contracts. Effective from the first quarter of fiscal 2009, the Company has adopted the "Accounting Standard for Construction Contracts" (ASBJ Statement No.15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No.18, December 27, 2007). Accordingly, the Company applies the percentage-of-completion method to construction contracts commenced in the first quarter of fiscal 2009 regarding which the outcome of construction activity up to the end of the third quarter of fiscal 2009 is deemed certain. (The percentage of completion is estimated based on the cost incurred as a percentage of the estimated total cost). This change had no impact on profits or losses.

## 2. Change in the method of depreciation of tangible fixed assets

Regarding the methods of depreciation of tangible fixed assets for the department store business segment, effective from the first quarter of fiscal 2009, the Company uniformly depreciates building fixtures and structures using the straight-line method and the declining-balance method, respectively. Taking the opportunity of management integration, the Company had reviewed the depreciation methods and prepared for the unification of the methods of depreciation of tangible fixed assets for the department store business segment, including adjustment of the fixed asset management system. The objective of the unification is to streamline consolidated administration.

As a result of this change, compared with the previous accounting treatment, selling, general and administrative expenses decreased ¥1,717 million, operating income and recurring income increased ¥1,717 million, respectively, and the loss before income taxes and minority interests decreased ¥1,717 million.

Impact on the segment information is described in the section for segment information.

## 3. Changes in presentation

### (Consolidated balance sheets)

“Reserve for loss from redemption of gift vouchers,” which was included in “allowance” under current liabilities, is presented as a separate item for the third quarter of fiscal 2009 because it accounted for more than 1% of total liabilities and net assets. “Reserve for loss from redemption of gift vouchers” included in “allowance” under current liabilities in the third quarter of the previous year amounted to ¥10,922 million.

### (Consolidated statements of cash flows)

“Increase (decrease) in allowance for bonuses” and “increase (decrease) in accrued liabilities”, which were included in “other, net” under cash flows from operating activities in the third quarter of the previous year, and “proceeds from sales of investment securities,” which was included in “other, net” under cash flows from investing activities, are presented as separate items for the third quarter of fiscal 2009 because the materiality of these items have increased. In the previous third quarter, “decrease in allowance for bonuses” amounted to ¥5,967 million and “increase in accrued liabilities” amounted to ¥472 million within “other, net” under cash flows from operating activities, while “proceeds of sales of investment securities” amounted to ¥549 million within “other, net” under cash flows from investing activities.

**5. Consolidated Financial Statements****(1) Consolidated Balance Sheets**

(Millions of yen)

	3Q of Fiscal 2009 (As of December 31, 2009)	Fiscal 2008 (As of March 31, 2009)
<b>ASSETS</b>		
Current assets		
Cash and bank deposits	41,066	41,102
Notes and accounts receivable–trade	118,985	104,001
Marketable securities	537	566
Merchandise and finished goods	68,923	64,940
Work in process	119	101
Raw materials and supplies	1,035	1,362
Other current assets	74,859	51,389
Less: Allowance for doubtful accounts	(3,014)	(2,606)
<b>Total current assets</b>	<b>302,513</b>	<b>260,856</b>
Property and equipment		
Tangible fixed assets		
Buildings and structures, net	190,721	192,378
Land	575,098	567,144
Other tangible fixed assets, net	32,853	25,288
<b>Total tangible fixed assets</b>	<b>798,674</b>	<b>784,811</b>
Intangible fixed assets		
Goodwill	1,873	273
Other intangible fixed assets	75,591	74,369
<b>Total intangible fixed assets</b>	<b>77,464</b>	<b>74,642</b>
Investments and other assets		
Investment securities	89,556	95,189
Other assets	130,857	138,171
Less: Allowance for doubtful accounts	(2,054)	(2,038)
<b>Total investments and other assets</b>	<b>218,359</b>	<b>231,322</b>
<b>Total property and equipment</b>	<b>1,094,498</b>	<b>1,090,776</b>
<b>Total assets</b>	<b>1,397,011</b>	<b>1,351,633</b>

(Millions of yen)

	3Q of Fiscal 2009 (As of December 31, 2009)	Fiscal 2008 (As of March 31, 2009)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable	133,521	99,004
Short-term borrowings	164,312	165,742
Income taxes payable	3,665	3,441
Reserve for loss from redemption of gift vouchers	15,802	19,228
Allowance	6,538	7,402
Other current liabilities	261,573	206,171
<b>Total current liabilities</b>	<b>585,414</b>	<b>500,990</b>
Long-term liabilities		
Long-term debt	37,100	37,100
Deferred tax liabilities	191,503	194,393
Reserve for accrued employees' retirement benefits	48,006	63,561
Allowance	64	448
Negative goodwill	43,011	52,937
Other long-term liabilities	17,413	12,460
<b>Total long-term liabilities</b>	<b>337,100</b>	<b>360,902</b>
<b>Total liabilities</b>	<b>922,514</b>	<b>861,892</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	50,020	50,006
Capital surplus	324,980	319,118
Retained earnings	102,519	118,424
Less: Treasury stock	(77)	(64)
<b>Total shareholders' equity</b>	<b>477,443</b>	<b>487,484</b>
Valuation and translation adjustments		
Net unrealized gains (losses) on other securities	(1,659)	(3,016)
Deferred gains (losses) on hedges	20	(15)
Foreign currency translation adjustments	(11,837)	(9,083)
<b>Total valuation and translation adjustments</b>	<b>(13,477)</b>	<b>(12,115)</b>
Stock acquisition rights	702	733
Minority interests	9,827	13,637
<b>Total net assets</b>	<b>474,496</b>	<b>489,740</b>
<b>Total liabilities and net assets</b>	<b>1,397,011</b>	<b>1,351,633</b>

## (2) Consolidated Statements of Income

## Third Quarter of Fiscal 2008 and 2009

(Millions of yen)

	3Q of Fiscal 2008 (From April 1, 2008, to December 31, 2008)	3Q of Fiscal 2009 (From April 1, 2009, to December 31, 2009)
Net sales	1,101,692	978,560
Cost of sales	794,477	705,305
Gross profit	307,214	273,255
Selling, general and administrative expenses	287,208	264,902
Operating income (loss)	20,005	8,352
Non-operating income		
Interest income	667	591
Dividend income	856	645
Amortization of negative goodwill	9,926	9,966
Equity in earnings of affiliates	3,924	1,673
Other non-operating income	3,145	3,339
Total non-operating income	18,519	16,216
Non-operating expenses		
Interest expenses	2,367	1,658
Loss on retirement of property and equipment	1,531	601
Other non-operating expenses	3,564	3,353
Total non-operating expenses	7,462	5,613
Recurring income	31,062	18,956
Extraordinary gain		
Gain on sales of property and equipment	1,056	121
Gain on sales of investment securities	260	896
Total extraordinary gain	1,317	1,017
Extraordinary loss		
Loss on valuation of inventories	1,494	—
Loss on disposal of property and equipment	373	708
Loss on valuation of investment securities	6,381	1,531
Loss on liquidation of affiliates	1,462	431
Loss on structural reforms	2,362	38,758
Other extraordinary loss	—	982
Total extraordinary loss	12,074	42,413
Income (loss) before income taxes and minority interests	20,304	(22,440)
Income taxes	3,552	(12,438)
Minority interests in earnings of consolidated subsidiaries	999	473
Net income (loss)	15,752	(10,475)

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	3Q of Fiscal 2008 (From April 1, 2008, to December 31, 2008)	3Q of Fiscal 2009 (From April 1, 2009, to December 31, 2009)
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes and minority interests	20,304	(22,440)
Depreciation and amortization	18,709	17,006
Amortization of negative goodwill	(9,926)	(9,966)
Increase (decrease) in allowance for bonuses	—	(2,061)
Increase (decrease) in allowance for doubtful accounts	(709)	423
Increase (decrease) in reserve for accrued employees' retirement benefits	(290)	(14,791)
Interest and dividend income	(1,523)	(1,236)
Interest expenses	2,367	1,658
Equity in loss (earnings) of affiliated companies	(3,924)	(1,673)
Loss (gain) on disposal of property and equipment	373	708
Loss (gain) on sales of investment securities	(260)	(896)
Loss (gain) on valuation of investment securities	6,381	1,531
Loss on liquidation of affiliates	1,462	431
Loss on structural reforms	2,362	38,758
Decrease (increase) in receivables	(12,237)	(14,941)
Decrease (increase) in inventories	(5,130)	(1,938)
Increase (decrease) in payables	25,242	34,505
Increase (decrease) in accrued liabilities	—	14,974
Increase (decrease) in accrued expenses	17	1,086
Other, net	(9,153)	(6,838)
Sub-total	34,065	34,300
Interest and dividend income received	3,457	3,628
Interest expense paid	(1,990)	(1,461)
Income taxes paid	(7,521)	(3,033)
Special retirement allowances paid	—	(12,495)
Net cash provided by operating activities	28,010	20,937
<b>Cash flows from investing activities</b>		
Increase in fixed deposits	(6,139)	(246)
Payments for purchase of tangible fixed assets	(23,660)	(16,636)
Proceeds from sales of tangible fixed assets	5,838	399
Payments for purchase of intangible fixed assets	(4,094)	(1,534)
Payments for purchase of investment securities	(6,070)	(219)
Proceeds from sales of investment securities	—	1,543
Payments for transfer of business	—	(13,125)
Proceeds from collection of lease and guarantee deposits	8,254	2,754
Other, net	(37)	4,235
Net cash used in investing activities	(25,909)	(22,830)

(Millions of yen)

	3Q of Fiscal 2008 (From April 1, 2008, to December 31, 2008)	3Q of Fiscal 2009 (From April 1, 2009, to December 31, 2009)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings	45,037	41,127
Proceeds from borrowings of long-term debt	—	30,000
Repayment of long-term debt	(27,003)	(72,560)
Redemption of bonds	(10,000)	—
Increase (decrease) in commercial paper	(4,000)	10,000
Dividends paid	(2,003)	(5,383)
Other, net	(193)	(529)
Net cash provided by financing activities	1,837	2,654
Effect of exchange rate changes on cash and cash equivalents	(1,321)	98
Net increase (decrease) in cash and cash equivalents	2,616	861
Cash and cash equivalents at beginning of period	27,208	34,749
Increase in cash and cash equivalents by share transfers	13,244	—
Cash and cash equivalents at end of period	43,069	35,611

## (4) Notes on going concern assumption

Third Quarter of Fiscal 2009 (From April 1, 2009, to December 31, 2009)

Not applicable

## (5) Segment information

**Business segment information**

Third Quarter 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:

- 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

Third Quarter of Fiscal 2009 (From April 1, 2009, to December 31, 2009)

(Millions of yen)

	Department store business	Credit & finance business	Other retail & specialty store business	Customer organization management business	Other businesses	Total	Elimination or corporate	Consolidated total
Sales								
(1) Sales to outside customers	907,388	6,927	38,118	202	25,923	978,560	—	978,560
(2) Intersegment sales or transfer	357	3,917	7,161	3,295	70,181	84,913	(84,913)	—
Total	907,746	10,845	45,279	3,497	96,104	1,063,474	(84,913)	978,560
Operating income (loss)	9,110	(116)	(71)	(1,861)	1,235	8,297	54	8,352

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
  - Customer organization management business: Operation of customer organization management business
  - Other businesses: Management of real estate, services of manufacturing, exporting, importing, wholesaling, distribution, temporary personnel, and data processing
- Regarding the methods of depreciation of tangible fixed assets for the department store business segment, effective from the first quarter of fiscal 2009, the Company uniformly depreciates building fixtures and structures using the straight-line method and the declining-balance method, respectively. As a result of this change, compared with the previous accounting treatment, operating income increased ¥1,717 million.
- The customer organization management business, which was included in "other businesses" until the third quarter of the previous fiscal year, is presented as a separate segment "customer organization management business" from the end of the previous fiscal year onward because the operating loss attributable to the customer organization management business exceeded 10% of the total operating loss of the "other businesses" segment. For the third quarter of the previous year, the "customer organization management business," which is included in "other businesses," posted sales of ¥3,743 million (sales of ¥287 million to outside customers) and recorded an operating loss of ¥2,137 million.

### **Geographical segment information**

Third Quarter 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.

Third Quarter of Fiscal 2009 (From April 1, 2009, to December 31, 2009)

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

### **Overseas sales**

Third Quarter 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 half of fiscal 2008.

Third Quarter of Fiscal 2009 (From April 1, 2009, to December 31, 2009)

Information on overseas sales is not provided since overseas sales accounted for less than 10% of consolidated net sales for the first half of fiscal 2009.

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

Third Quarter of Fiscal 2009 (From April 1, 2009, to December 31, 2009)

Not applicable