



Summary of Settlement of Consolidated Accounts for the First Quarter of the Fiscal Year ending March 31, 2011

[Japanese Standards] (Consolidated)

August 13, 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>)

Representative: Kunio Isihizuka, President and Representative Director

Contact: Yasuhiro Suzuki, Executive Manager, Investor Relations Corporate Administration Div., Administration Headquarters, Isetan Mitsukoshi Holdings Ltd.

TEL: (03) 5843-5115

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Scheduled date of dividend payments:—

Preparation of quarterly results supplementary materials: No

Convening of quarterly results explanation meeting: No

(Figures are rounded down to the nearest million yen)

1. Consolidated Business Results for the First Quarter of Fiscal 2010 (From April 1, 2010, to June 30, 2010)

(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	%
1Q of FY2010	289,239	(5.6)	1,634	-	5,820	30.6	(795)	-
1Q of FY2009	306,284	(13.5)	74	(98.9)	4,456	(64.2)	3,858	(49.7)

	Net Income (Loss) per Share (Basic)	Net Income per Share (Diluted)
	Yen	Yen
1Q of FY2010	(2.02)	-
1Q of FY2009	9.95	9.95

(2) Consolidated financial position

	Total Assets	Net Assets	Shareholder's Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
1Q of FY2010	1,249,038	418,958	32.6	1,032.25
End of FY2009	1,238,006	425,120	33.4	1,049.09

(Reference) Shareholders' equity: 1Q of FY2010: 407,245 million yen, FY2009: 413,861 million yen

2. Dividends

(Record date)	Annual Dividends				
	First Quarter	Second Quarter	Third Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2009	-	0.00	-	10.00	10.00
FY2010	-	-	-	-	-
FY2010 (Forecast)	-	0.00	-	10.00	10.00

Note: Revision to the dividend forecast in the first quarter of fiscal 2010: No

3. Forecast of Consolidated Results for Fiscal 2010 (From April 1, 2010, to March 31, 2011)

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

	Net Sales		Operating Income		Recurring Income		Net Income		Net income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half Year	580,000	(6.0)	(2,000)	-	5,500	(19.9)	500	(88.0)	1.27
Full Year	1,240,000	(4.0)	4,500	7.7	20,000	1.4	12,000	-	30.42

Note: Revision to the forecast of consolidated results in the first quarter of fiscal 2010: Yes

The Company has revised its results forecast announced on August 13, 2010 for the fiscal year ending March 31, 2011.

For specific details, refer to "Notice concerning Revision of Forecast of Consolidated Results for Fiscal 2010."

4. Others (For details, please refer to supporting data. Other information on Page 5.)

(1) Changes in significant subsidiaries during the first quarter of fiscal 2010: No

Newly consolidated companies (—) Companies removed from consolidation (—)

(Note: changes regarding specified subsidiaries accompanying changes in the scope of consolidation)

(2) Application of simplified and special accounting methods: Yes

(Note: Application of simplified accounting and special accounting methods in the preparation of quarterly financial statements)

(3) Changes in accounting principles, procedures and representation of methods

1) Changes in line with revision to accounting standards: Yes

2) Other changes: Yes

(Note: Changes in principles, procedures and presentation of methods concerning the preparation of quarterly consolidated financial statements are listed in “Changes in Items that Serve as the Basis for Preparing Quarterly Financial Statements.”)

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

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

First quarter of FY2010	394,612,474 shares	FY2009	394,584,474 shares
First quarter of FY2010	91,974 shares	FY2009	89,621 shares
First quarter of FY2010	394,503,409 shares	First quarter of FY2009	387,785,366 shares

2) Number of shares of treasury stock at
the end of the period3) Average number of shares during the
period**(* Presentation of status of implementation of the quarterly review process)**

The review process of the quarterly consolidated financial statements for this period in accordance with the Financial Instruments and Exchange Law has been completed at the point of disclosing this Summary of Settlement of Consolidated Accounts.

(* Disclaimer regarding Forward-looking Statements)

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the Company considers to be reasonable. Actual results, performance, achievements or financial position may be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Risks, uncertainties and other factors that may affect actual results, performance, achievements or financial position include, but are not limited to, the trends of demand related to the Isetan Group's business, exchange rate fluctuations, public regulations, natural disasters and accidents.

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.

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1. Qualitative Information on the Quarterly Results of Consolidated Operations

(1) Qualitative Information on the Results of Consolidated Operations

In the Japanese economy during the first quarter of fiscal 2010 (April 1, 2010 to June 30, 2010), although production and exports trended upward, deflation persisted while employment and personal consumption remained sluggish in Japan. Additionally, the yen appreciated sharply and stock prices moved downward due to the European financial and fiscal crises, thus more time will be needed before an actual recovery in the Japanese economy is realized.

In the department store sector, sales have declined year on year for 28 consecutive months since March 2008. Although the scope of this decline is decreasing, competition both among department store groups and between department stores and other retail formats is intensifying and preference for low prices and the tendency to economize by consumers have firmly taken hold, thus the outlook for a recovery in this sector is uncertain. To raise profitability, respective department stores are terminating the operation of stores and continuing to undertake structural reforms beginning with the conversion of business formats as well as the reform of business models.

Amid this environment, the Isetan Mitsukoshi Group formulated its Three-Year Plan (fiscal 2010 - fiscal 2012). Under the plan, the Isetan Mitsukoshi Group will strive 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 aim to become the world’s foremost retail and services group with high profitability and sustained growth. The Three-Year Plan incorporates urgent strategic measures (I: Reinforce contact with customers and review relationships with suppliers; II: Promote improvement of Group foundations and structural reforms; and III: Cultivate growth businesses), as we progress with the creation of a framework for reliably securing profits amid a situation in which growth in sales is difficult.

Due to the previously mentioned initiatives, consolidated net sales for the first quarter amounted to ¥289,239 million, a decrease of 5.6% from the first quarter of the previous fiscal year, operating income amounted to ¥1,634 million, an increase of ¥1,560 million, recurring income was ¥5,820 million, a decrease of 30.6%, and a net loss of ¥795 million was recorded, a decrease of ¥4,653 million compared with the first quarter of the previous year.

Results by segment were as follows.

1) Department Store Business

In the mainstay department store business, there were nascent signs of a recovery in sales of high-priced items at the Mitsukoshi Nihonbashi main store and the Isetan Shinjuku main store. However, with still no prospects of an economic recovery, sales at regional stores slumped and we progressed with initiatives for undertaking large cost reductions on a company-wide basis.

Of particular note, in April 2010 we spun off Mitsukoshi’s regional stores into independent operating companies with the aim of establishing a structure capable of quickly implementing optimal community-focused business policies in each region. In the Niigata region, we established Niigata Isetan Mitsukoshi Ltd. to take over the operations of the Isetan Niigata store and the Mitsukoshi Niigata store. In Fukuoka, Iwataya Co., Ltd. and Fukuoka Mitsukoshi Ltd. plan to integrate operations on October 1, 2010.

On a different front, in April 2010 we integrated information systems and launched a Group card. By doing so, we have built a foundation for utilizing the opinions of customers and various types of information to offer product lineups and services that exceed customer expectations.

Looking at our overseas department stores, by expanding our department store business in China and Southeast Asia, where growth is anticipated, Isetan Mitsukoshi intends to build an earnings foundation that can contribute to the overall Group. In these regions, economic recoveries are advancing. In China, we posted a significant increase in sales, excluding Shanghai Mei Long Zhen Isetan Department Store Co., Ltd., which is undergoing remodeling in the current year. Meanwhile, in Southeast Asia we recorded double-digit growth in sales at Isetan of Japan Sdn. Bhd. (Malaysia) in Kuala Lumpur. As a result, we recorded increases in total sales and profits at our overseas stores.

As a result, segment sales amounted to ¥268,500 million and operating income was ¥2,760 million.

In Thailand, Isetan Bangkok resumed operations on June 24, 2010 after suspending operations on April 3, 2010, amid growing turmoil between demonstrators and government authorities in central Bangkok. At the end of 2010, we plan to open the Serangoon Store as our sixth store in Singapore. In China, we plan to open our second store in Tianjin in spring 2011, making this our fifth store in China.

2) Credit & Finance Business/Customer Organization Management Business

The credit & finance business/customer organization management business recorded increases in revenues thanks to increased fee income accompanying the launch of the new Mitsukoshi M Card in April 2010. Nevertheless, profits declined because of the incurrence of one-time expenses associated with the issue of these cards. On April 1, 2010, MICARD Co., Ltd. merged with Mitsukoshi Insurance Service Co., Ltd. On April 1, 2010, Mitsukoshi Tomonokai Co., Ltd. and Isetan Clover Circle Co., Ltd. integrated operations after being placed under the control of MICARD Co. Ltd. and its name was changed to MI TOMONOKAI Co., Ltd. It has commenced the reciprocal use of Tomonokai shopping cards and shopping certificates.

As a result, segment sales amounted to ¥5,316 million, and an operating loss of ¥1,127 million was recorded.

3) Other Retail & Specialty Store Business

In the other retail & specialty store business, we began initiatives aimed at creating synergies within the Group that included the opening of a food floor in the Ebisu Mitsukoshi store by Queen's Isetan Co., Ltd., which operates a supermarket business. Nevertheless, revenues declined owing to the effects of sluggish personal consumption.

As a result, segment sales amounted to ¥13,690 million. This segment posted an operating loss of ¥165 million.

4) Real Estate Business

In the real estate business, in April 2010 we transferred Isetan Building Management Service Co., Ltd., a building maintenance service company, from Isetan to the Company and changed its name to Isetan Mitsukoshi Building Management Ltd. and worked to build sales support operations.

As a result, segment sales were ¥4,909 million and operating income was ¥214 million.

5) Other Businesses

In the other businesses segment, Group companies that engage in sales and marketing support made efforts to establish a highly productive operational infrastructure. These companies include Isetan Mitsukoshi Business Support Ltd., a logistics company, and Isetan Mitsukoshi Human Solutions Ltd., a personnel services company.

As a result, segment sales were ¥18,694 million and operating income was ¥501 million.

(2) Qualitative Information on the Changes in the Consolidated Financial Position

Total assets at the end of the first quarter amounted to ¥1,249,038 million, an increase of ¥11,032 million from the end of the previous fiscal year. This reflected an increase in merchandise and finished goods as well as in notes and accounts receivable—trade due to seasonal factors.

Total liabilities amounted to ¥830,079 million, an increase of ¥17,194 million from the end of the previous fiscal year. This was mainly because of a ¥9,134 million increase in short-term borrowings and a ¥7,100 million rise in notes and accounts payable due to seasonal factors.

Net assets amounted to ¥418,958 million, a decrease of ¥6,161 million from the end of the previous fiscal year. This was due to a ¥5,215 million decline in retained earnings as well as to ¥2,875 million in net unrealized losses on other securities resulting from a decline in latent gains on other securities.

Cash Flows

Cash and cash equivalents at the end of the first quarter were ¥40,413 million, an increase of ¥9,057 million from the end of the first quarter in the previous fiscal year.

1) Cash flows from operating activities

Net cash used in operating activities amounted to ¥1,107 million, a ¥17,110 million difference in cash outflow from the end of the first quarter of the previous fiscal year. Despite a ¥4,047 million decline due to an increase in receivables, this was due mainly to a ¥17,970 million rise in inflows due to an increase in payables.

2) Cash flows from investing activities

Net cash used in investing activities amounted to ¥11,993 million, an ¥8,038 million decrease in cash from the end of the first quarter in the previous fiscal year. This was due mainly to ¥898 million for payments for purchase of tangible fixed assets.

3) *Cash flows from financing activities*

Net cash provided by financing activities amounted to ¥15,788 million, a decrease of ¥2,406 million from the first quarter of the previous fiscal year. This was due to a ¥4,624 million decline in short-term borrowings.

(3) Qualitative Information on Forecast of Consolidated Results

Regarding consolidated results for the second quarter, in view of the progress achieved in undertaking Group-wide cost reduction initiatives, operating income and recurring income are expected to increase. Moreover, the amount of extraordinary loss concerning asset retirement obligations was less than previously forecast and net income is expected to increase. For the entire fiscal year, in consideration of continued uncertain business sentiment, we project a decline in net sales and maintain our previous forecast for operating income and recurring income.

In September 2010, the Mitsukoshi Ginza store will newly reopen. This is the first large-scale redevelopment project following the management integration of Mitsukoshi and Isetan. We will continue to promote cost reductions and work to secure profits.

2. Other Information

(1) Changes in significant subsidiaries
Not applicable

(2) Application of simplified accounting method and special accounting treatment

1. Valuation method of inventories

For the computation of inventories at June 30, 2010 year on year, we omitted the physical inventory check and adopted a reasonable computation method based on the result of the consolidated subsidiaries' physical inventory check conducted at the end of the previous fiscal year.

2. Method of calculation of depreciation of fixed assets

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

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

(Changes of Accounting Procedures and Presentation)

1. Application of “Accounting Standards for Asset Retirement Obligations”

From the first quarter of the current fiscal year, the Company has adopted the “Accounting Standards for Asset Retirement Obligations” (ASBJ Statement No. 18, issued on March 31, 2008) and “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued on March 31, 2008). As a result of this change, operating income and recurring income decreased ¥58 million respectively, and quarterly net income before income taxes declined ¥5,581 million.

2. Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

From the first quarter of the current fiscal year, the Company adopted the “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, released on March 10, 2008) and the “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (PITF No. 24, March 10, 2008) and has made necessary adjustments. There was no material impact from this change on the quarterly consolidated financial statements.

3. Application of “Accounting Standard for Business Combinations”

From the first quarter of the current fiscal year, the Company adopted “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, released December 26, 2008), and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

(Change in Presentation Method)

1. In the first quarter of the current fiscal year, the Company listed “net income (loss) before minority interests” in the consolidated statement of income along with the application of “Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 5, March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008).

2. “Increase (decrease) in allowance for bonuses,” which was included in “Others, net” in Cash flows from operating activities in the first quarter of the previous fiscal year, is listed as a separate item from the first quarter of the current fiscal year because of its increased importance. Increase (decrease) in allowance for bonuses included in “Others, net” in Cash flows from operating activities in the first quarter of the previous fiscal year amounted to a decrease of ¥2,270 million.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	1Q of Fiscal 2010 (As of June 30, 2010)	(Millions of yen) Condensed consolidated balance sheet at the end of the previous fiscal year (As of March 31, 2010)
ASSETS		
Current assets		
Cash and bank deposits	40,875	37,682
Notes and accounts receivable-trade	97,860	97,314
Marketable securities	951	567
Merchandise and finished goods	57,279	56,412
Work in process	95	80
Raw materials and supplies	1,023	1,161
Other current assets	48,284	34,975
Less: Allowance for doubtful accounts	(3,286)	(2,941)
Total current assets	243,084	225,252
Property and equipment		
Tangible fixed assets		
Buildings and structures, net	174,299	172,609
Land	539,008	537,609
Other tangible fixed assets, net	38,280	33,692
Total tangible fixed assets	751,587	743,910
Intangible fixed assets		
Goodwill	1,651	1,762
Other intangible fixed assets	48,163	46,342
Total intangible fixed assets	49,815	48,104
Investments and other assets		
Investment securities	92,198	94,798
Other assets	114,402	127,995
Less: Allowance for doubtful accounts	(2,050)	(2,055)
Total investments and other assets	204,550	220,738
Total property and equipment	1,005,954	1,012,753
Total assets	1,249,038	1,238,006

	1Q of Fiscal 2010 (As of June 30, 2010)	(Millions of yen) Condensed consolidated balance sheet at the end of the previous fiscal year (As of March 31, 2010)
LIABILITIES		
Current liabilities		
Notes and accounts payable	102,041	94,940
Short-term borrowings	94,818	85,683
Income taxes payable	2,524	5,529
Reserve for loss from redemption of gift vouchers	19,613	20,710
Allowance	6,846	11,767
Other current liabilities	233,467	220,395
Total current liabilities	459,312	439,026
Long-term liabilities		
Long-term debt	71,600	71,600
Deferred tax liabilities	194,290	194,106
Reserve for accrued employees' retirement benefits	46,274	46,672
Allowance	39	61
Negative goodwill	36,394	39,703
Other long-term liabilities	22,167	21,714
Total long-term liabilities	370,766	373,858
Total liabilities	830,079	812,885
NET ASSETS		
Shareholders' equity		
Common stock	50,036	50,024
Capital surplus	324,996	324,984
Retained earnings	44,257	49,473
Less: Treasury stock	(84)	(81)
Total shareholders' equity	419,206	424,399
Valuation and translation adjustments		
Net unrealized gains (losses) on other securities	(2,749)	125
Deferred gains (losses) on hedges	(4)	16
Foreign currency translation adjustments	(9,206)	(10,680)
Total valuation and translation adjustments	(11,960)	(10,538)
Stock acquisition rights	885	941
Minority interests	10,827	10,317
Total net assets	418,958	425,120
Total liabilities and net assets	1,249,038	1,238,006

(2) Consolidated Statement of Income

First Quarter Period

(Millions of yen)

	1Q of Fiscal 2009 (From April 1, 2009, to June 30, 2009)	1Q of Fiscal 2010 (From April 1, 2010, to June 30, 2010)
Net sales	306,284	289,239
Cost of sales	220,213	207,616
Gross profit	86,070	81,623
Selling, general and administrative expenses	85,995	79,988
Operating income	74	1,634
Non-operating income		
Interest income	192	178
Dividend income	392	338
Amortization of negative goodwill	3,308	3,308
Equity in earning of affiliates	723	913
Other non-operating income	1,211	897
Total non-operating income	5,828	5,637
Non-operating expenses		
Interest expenses	609	454
Other non-operating expenses	837	998
Total non-operating expenses	1,447	1,452
Recurring income	4,456	5,820
Extraordinary gain		
Gain on sales of investment securities	-	450
Total extraordinary gain	-	450
Extraordinary loss		
Loss on sales of investment securities	-	6
Loss on valuation of investment securities	1,064	24
Amount from application of accounting standard for asset retirement obligations	-	5,522
Loss on structural reforms	341	-
Total extraordinary loss	1,406	5,553
Income before income taxes and minority interests	3,049	717
Income taxes	(958)	1,226
Net loss before minority interests	-	(508)
Minority interests in earnings of consolidated subsidiaries	149	286
Net income (loss)	3,858	(795)

(3) Consolidated Statement of Cash Flows

	(Millions of yen)	
	1Q of Fiscal 2009 (From April 1, 2009, to June 30, 2009)	1Q of Fiscal 2010 (From April 1, 2010, to June 30, 2010)
Cash flows from operating activities		
Income before income taxes and minority interest	3,049	717
Depreciation and amortization	5,332	5,617
Amortization of negative goodwill	(3,285)	(3,308)
Increase (decrease) in allowance for bonuses	-	(5,232)
Increase (decrease) in allowance for doubtful accounts	166	338
Increase (decrease) in reserve for accrued employees' retirement benefits	(316)	(277)
Interest and dividend income	(585)	(517)
Interest expenses	609	454
Equity in loss (earnings) of affiliated companies	(723)	(913)
Loss (gain) on valuation of investment securities	1,064	24
Loss on structural reforms	341	-
Amount from application of accounting standard for asset retirement obligations	-	5,522
Decrease (increase) in receivables	3,422	(624)
Decrease (increase) in inventories	2,289	(628)
Increase (decrease) in payables	(11,094)	6,875
Other, net	(16,622)	(5,042)
Sub-total	(16,351)	3,004
Interest and dividend income received	388	406
Interest expense paid	(240)	(255)
Income taxes paid	(2,013)	(4,261)
Net cash used in operating activities	(18,217)	(1,107)
Cash flows from investing activities		
Payments for purchase of tangible fixed assets	(7,022)	(7,921)
Proceeds from sales of tangible fixed assets	2	3
Payments for purchase of intangible fixed assets	(836)	(1,076)
Other, net	3,901	2,999
Net cash used in investing activities	(3,955)	(11,993)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	13,753	9,129
Repayment of long-term debt	(1,210)	-
Increase (decrease) in commercial paper	10,000	10,000
Dividends paid	(4,114)	(3,097)
Other, net	(234)	(243)
Net cash provided by financing activities	18,194	15,788
Effect of exchange rate changes on cash and cash equivalents	584	359
Net increase (decrease) in cash and cash equivalents	(3,394)	3,046
Cash and cash equivalents at beginning of period	34,749	37,366
Cash and cash equivalents at end of period	31,355	40,413

(4) Notes on going concern assumption
 First Quarter of Fiscal 2010 (From April 1, 2010, to June 30, 2010)
 Not applicable

(5) Segment information

Business segment information

First Quarter of Fiscal 2009 (From April 1, 2009, to June 30, 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	283,320	2,334	12,504	70	8,054	306,284	–	306,284
(2) Intersegment sales or transfer	139	1,238	2,329	1,074	21,834	26,616	(26,616)	–
Total	283,460	3,572	14,833	1,145	29,889	332,900	(26,616)	306,284
Operating income (loss)	(28)	185	(111)	(642)	(31)	(628)	703	74

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) Customer organization management business: Operation of customer organization management business
 - 5) Other businesses: Management of real estate, manufacturing, exporting, importing, wholesaling, distribution and temporary personnel services, and data processing
3. 1) For the depreciation of tangible fixed assets in the department store segment, from the first quarter the Company began uniformly depreciating auxiliary equipment attached to buildings and structures using the straight-line method and depreciating buildings and structures using the declining-balance method.
 As a result of this change, the operating loss decreased ¥577 million compared with when using the previous method.
- 2) The customer organization management business was included in other businesses until the third quarter of the previous fiscal year. Beginning in the previous fiscal year, the presentation for the customer organization management business was changed to a separate category because the operating loss in that business exceeded 10% of the total segment operating loss. Sales in the customer organization management business in the first quarter of the previous fiscal year amounted to ¥199 million (sales to outside customers amounted to ¥101 million) and the operating loss was ¥704 million.

Geographical segment information

First Quarter of Fiscal 2009 (From April 1, 2009, to June 30, 2009)

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

Overseas sales

First Quarter of Fiscal 2009 (From April 1, 2009, to June 30, 2009)

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

Segment information

(Additional Information)

Effective from the first quarter of the current fiscal year, the Company adopted the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

1. Overview of Reporting Segments

The Company’s reporting segments are those for which financial information separate from that of other units comprising the Group can be obtained. These reporting segments are the subject of regular reviews by the board of directors for determining the allocation of management resources and assessment of business results.

The Group is composed of business segments centering on the department stores segment. The Group reports its segments as the department store business, credit & finance business/customer organization management business, other retail & specialty store business and other businesses based on the considerations of their services and economic characteristics.

The department store business sells apparel, accessories, household and sundry goods, and foods. The credit & finance business/customer organization management business is involved in credit cards, cash loans, brokerage of non-life insurance and businesses concerning solicitation for life insurance and the operation of the customer organization management business. The other retail & specialty store business sells ladies’ wear, foods, dry goods (clothing and textiles) and household goods. The other businesses segment engages in real estate leasing, building interior decorating and building maintenance.

2. Information Concerning Segment Sales, Income and Losses

First quarter consolidated accounting period (April 1, 2010, to June 30, 2010)

(Millions of yen)

	Reporting segments					Other businesses (Note 1)	Total	Adjusted amounts (Note 2)	Amount listed on quarterly Consolidated Statement of Income (Note 3)
	Department store business	Credit & finance business/ Customer organization management business	Other retail & specialty store business	Real estate business	Subtotal				
Sales									
(1) Sales to outside customers	268,396	2,480	11,403	2,840	285,120	4,118	289,239	–	289,239
(2) Intersegment sales or transfer	104	2,836	2,287	2,068	7,296	14,575	21,872	(21,872)	–
Total	268,500	5,316	13,690	4,909	292,417	18,694	311,111	(21,872)	289,239
Segment income (loss)	2,760	(1,127)	(165)	214	1,681	501	2,183	(548)	1,634

Notes

- The other businesses segment includes the services of manufacturing, exporting, importing, wholesaling, distribution, temporary personnel and data processing that are not included in other reporting segments.
- The segment adjusted loss of ¥548 million is an intersegment elimination.
- Segment income (loss) is adjusted with operating income.

3. There are no applicable items concerning impairment of fixed assets or goodwill.

Not applicable

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

First Quarter of Fiscal 2010 (From April 1, 2010, to June 30, 2010)

Not applicable