



Isetan Mitsukoshi Holdings Results for FY2008

May 12, 2009

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I. Isetan Mitsukoshi Holdings Results for FY2008

Kunio Ishizuka, President and COO

Isetan Mitsukoshi Holdings Consolidated Results for FY2008

(100 millions of yen)	Results	Forecast	Difference*
Net sales	14,266	14,200	+66
Operating income	195	150	+45
Recurring income	350	300	+50
Net income	46	110	-63

* Difference between the results and the forecast announced on February 5, 2009, upon announcement of the results for the first nine months of FY2008

(Figures are rounded down to the nearest 100 million yen)

Isetan Mitsukoshi Holdings Results for FY2008 – Results by Group

<Simple sum of the results of each company>

(100 millions of yen)		Results	YoY	YoY difference
Domestic department stores	Net sales	12,460	91.7	-1,127
	Operating income	163	46.3	-189
Overseas department stores	Net sales	641	87.4	-92
	Operating income	23	66.5	-12
Credit & finance	Net sales	152	99.0	-1
	Operating income	10	25.0	-31
Other retail & specialty stores	Net sales	622	102.8	+17
	Operating income	(5)	-	-10

* Year-on-year (YoY) and YoY difference figures for domestic companies of the Mitsukoshi Group were calculated based on the results for the period from March 2007 to February 2008.

(Figures are rounded down to the nearest 100 million yen)

Mitsukoshi, Ltd. Results for FY2008

Net sales	6,571	7,293	-722
Gross profit	1,668	1,915	-246
Other operating revenue	119	0	+119
Operating gross profit	1,788	1,915	-127
Selling, general and administrative expenses	1,779	1,820	-41
Operating income	8	94	-86
Recurring income	34	69	-34
Net income	82	(30)	+112

*1 Results for the period from April 1, 2008, to March 31, 2009

*2 Results for the period from March 1, 2007, to February 29, 2008

(Figures are rounded down to the nearest 100 million yen)

Isetan Co., Ltd. Results for FY2008

(100 millions of yen)	Results	YoY	YoY difference
Net sales	4,324	93.6%	-295
Gross profit	1,184	92.5%	-96
Other operating revenue	19	33.2%	-39
Operating gross profit	1,203	89.9%	-135
Selling, general and administrative expenses	1,056	95.5%	-49
Operating income	146	63.2%	-85
Recurring income	276	106.7%	+17
Net income	102	89.1%	-12

(Figures are rounded down to the nearest 100 million yen)

Results of Consolidated Extraordinary Gain/Loss for FY2008

(100 millions of yen)	
Extraordinary gain	13
Gain on sales of property and equipment	10
Gain on sales of investment securities	2
Extraordinary loss	248
Loss on valuation of inventories	14
Loss on disposal of property and equipment	5
Impairment losses	49
Loss on valuation of investment securities	80
Loss on liquidation of affiliates	12
Loss on structural reform	84

(Figures are rounded down to the nearest 100 million yen)

Isetan Mitsukoshi Holdings FY2009 Forecast

Kunio Ishizuka, President and COO

Forecast of Consolidated Results for FY2009

(100 millions of yen)	Forecast for full year	YoY	YoY difference
Net sales	12,800	89.7	-1,466
Gross profit	3,620	911	-354
Selling, general and administrative expenses	3,600	95.3	-178
Operating income	20	10.2	-175
Recurring income	150	42.8	-200
Net income	200	427.1	153

(Figures are rounded down to the nearest 100 million yen)

Forecast of Consolidated Results for FY2009 - Forecast of Results by Group

(100 millions of yen)		Forecast for full year	YoY	YoY difference
Domestic department stores	Net sales	11,054	88.7	-1,406
	Operating income	46	28.2	-117
Overseas department stores	Net sales	678	105.9	37
	Operating income	22	93.9	-1
Credit & finance	Net sales	150	98.5	-2
	Operating income	(31)	***	-41
Other retail & specialty stores	Net sales	614	98.7	-7
	Operating income	1	***	6

(Figures are rounded down to the nearest 100 million yen)

Mitsukoshi, Ltd. Forecast of Results for FY2009

(100 millions of yen)	Forecast for full year	YoY	YoY difference
Net sales	5,625	85.6	-946
Gross profit	1,590	88.9	-198
Selling, general and administrative expenses	1,633	91.7	-146
Operating income	(43)	***	-51
Recurring income	(80)	***	-114
Net income	305	371.6	222

(Figures are rounded down to the nearest 100 million yen)

Isetan Co., Ltd. Forecast of Results for FY2009

(100 millions of yen)	Forecast for full year	YoY	YoY difference
Net sales	3,967	91.7	-357
Gross profit	1,105	91.8	-98
Selling, general and administrative expenses	1,022	96.7	-34
Operating income	83	56.5	-63
Recurring income	102	36.9	-174
Net income	61	59.4	-41

(Figures are rounded down to the nearest 100 million yen)

Forecast of Consolidated Results for FY2009: Main Reasons for the Difference of Selling, General and Administrative Expenses compared with FY2008

(100 millions of yen)

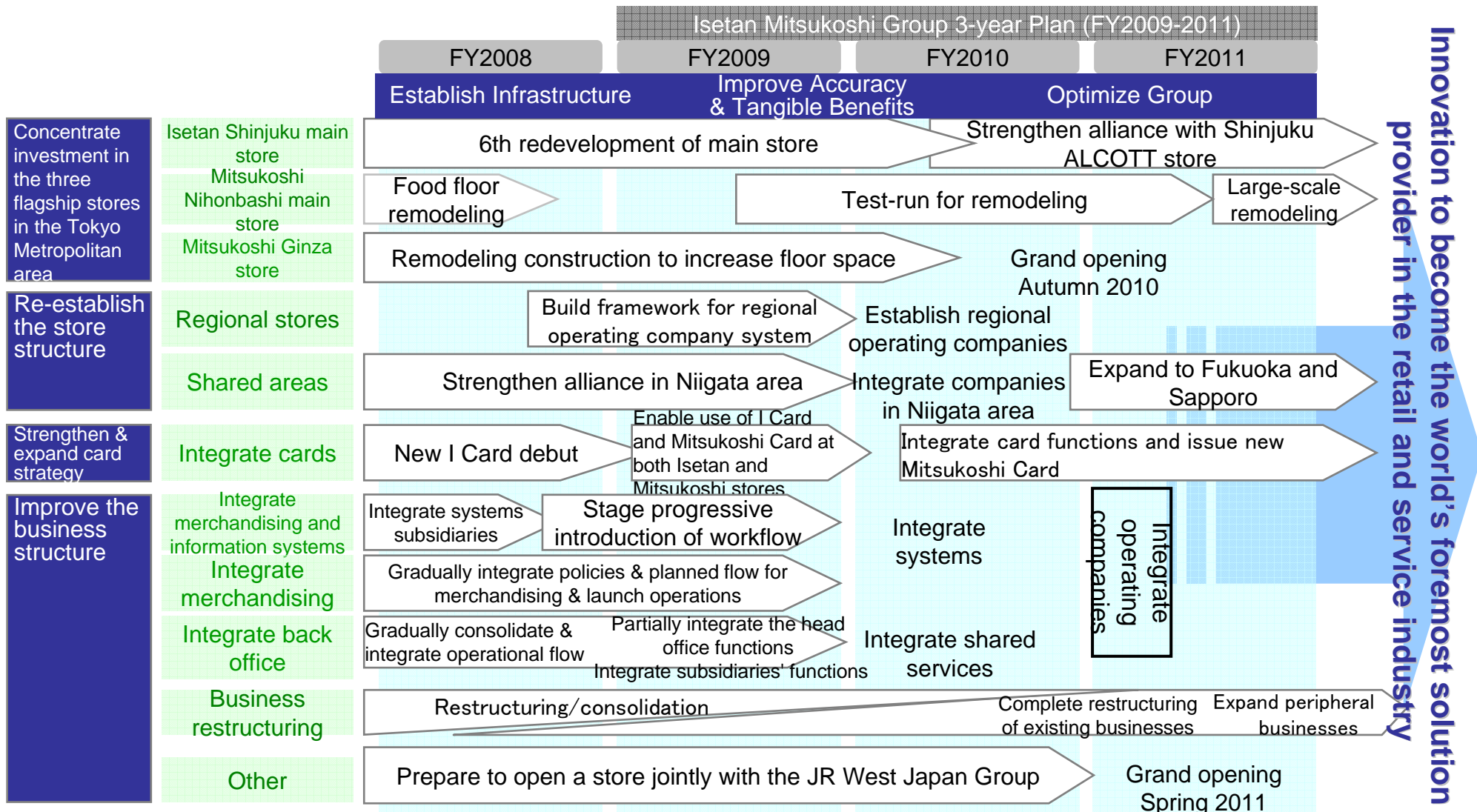
Mitsukoshi, Ltd.	-146
Advertising expenses	-32
Business consignment expenses, overtime payment etc.	-18
Other reduction	-6
Termination of operations of stores	-64
Change in the method of recording depreciation costs	-26
Isetan Co., Ltd.	-34
Advertising expenses	-10
Business consignment expenses	-14
Repair expenses, depreciation costs, etc.	-10
Other subsidiaries	+2
Integration expenses (card system, merchandising and information system)	+33
Reduction at subsidiaries	-31
Total on a consolidated basis	-178

III. Isetan Mitsukoshi Group from Now On

(1) Progress of the Isetan Mitsukoshi Group 3-year Plan

Kunio Ishizuka, President and COO

Schedule of the Isetan Mitsukoshi Group 3-year Plan



*Details and schedule are subject to change.

Key Strategy 1 Concentrate investment in the three flagship stores in the Tokyo Metropolitan area (Isetan Shinjuku main store)

1. Isetan Shinjuku main store Phase 1 of the 6th redevelopment



Customer-centric = Remodeling based on customer psychology

Departure from remodeling emphasizing merchandise and brands
Identification of customers' degree of interest ⇒ Reflect in merchandise, rollout, sales services and the environment

Men's Building (September 03), accessories (March 07), food (June 07).

Increasing customer needs ⇒ Further pursuit of customer psychology

FY2008

Main Building B2 "Isetan Girl"

Main Building 2F "Ma Lingerie"

Main Building 2F "Beauty Apothecary"

Establishment of new rollout approaches

**Examine the measures implemented in FY2008.
Repeat new test-runs to achieve further evolution**

Key Strategy 1 Concentrate investment in the three flagship stores in the Tokyo Metropolitan area (Mitsukoshi Nihonbashi main store)

2. Mitsukoshi Nihonbashi main store Test-run for large-scale remodeling



Cultivate new customers in their 30s and 40s. Pursue Mitsukoshi main store's customers' purchase psychology

Cultivate new customers in their 30s and 40s

Living: Main Building 5F Dining & Kitchen "Remix Style" (April 09)

Pursue customers' purchase psychology

Men's wear: Main Building 2F Men's Casual: From brand-based rollout to item-based rollout

Repeat test-runs leading to large-scale remodeling

Key Strategy 1 Concentrate investment in the three flagship stores in the Tokyo Metropolitan area

3. Progress at Mitsukoshi Ginza store and JR Osaka Isetan Mitsukoshi

FY2009

FY2010

FY2011

Mitsukoshi Ginza store



Remodeling construction to increase floor space

Test-run

Grand opening
Autumn 2010

JR Osaka Isetan Mitsukoshi



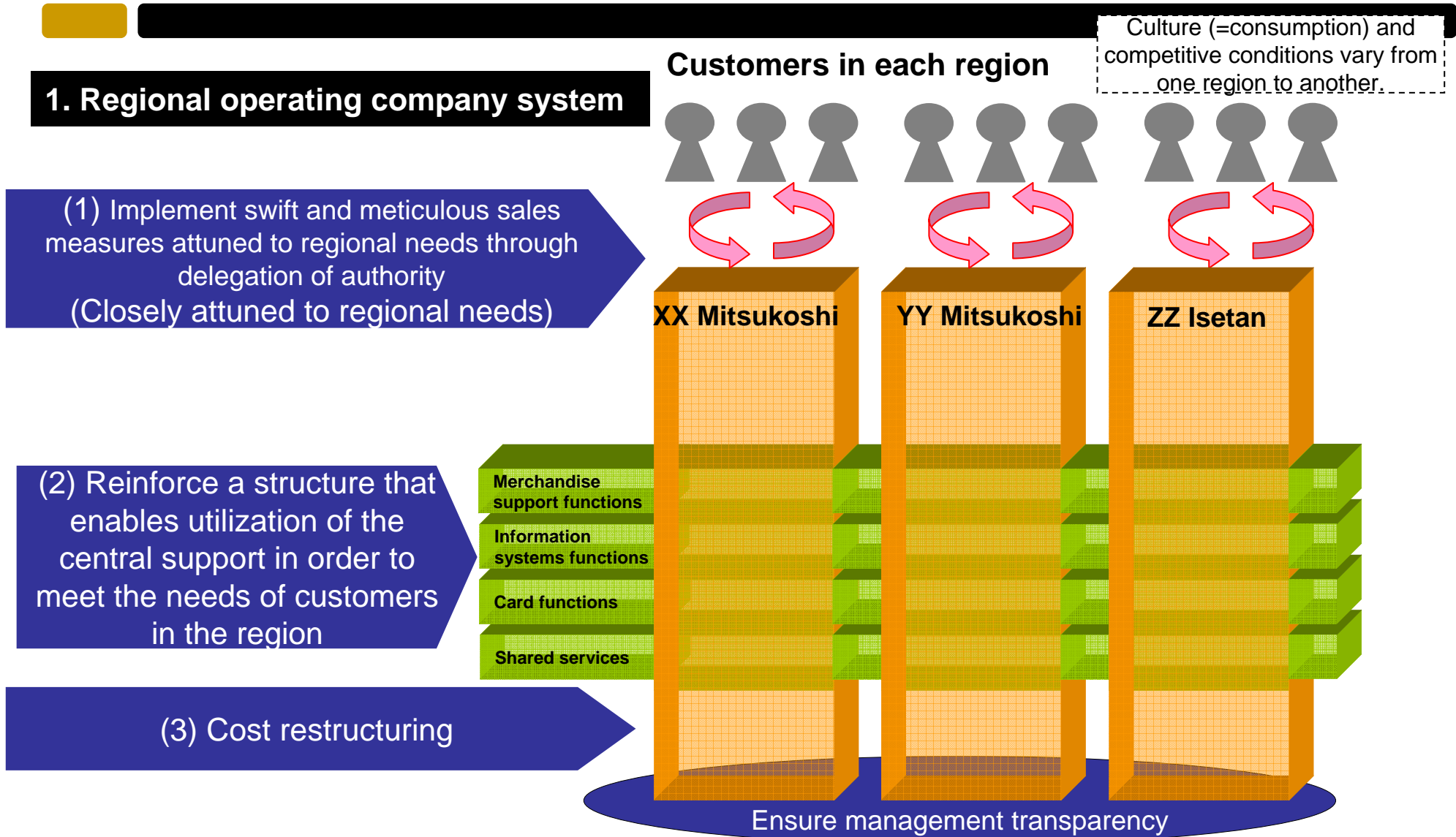
Prepare to open a store jointly with the JR
West Japan Group

Grand opening
Spring 2011

Making good progress toward the ideal configuration

Key Strategy 2 Re-establish the store structure

1. Regional operating company system



⇒ Become "my indispensable department store" rooted in the region and compete successfully

Key Strategy 2 Re-establish the store structure

2. Optimization in a shared area (Niigata area)

Enhance attractiveness of the stores capitalizing on the Isetan and Mitsukoshi brand names and achieve efficient and effective operations

FY2008 Share the ways of doing business

- Shared sales organization
- Shared sales workflow
- Joint implementation of measures, such as a measure to increase the customer flow between Isetan and Mitsukoshi stores

FY2009 Start integrated operation

- The president, the head of general administration, and the head of sales for special customers are shared among Mitsukoshi and Isetan for unified decision-making
- Enhance efficiency of back office functions

April 2010 Integration of companies

Key Strategy 3 Strengthen & expand card strategy

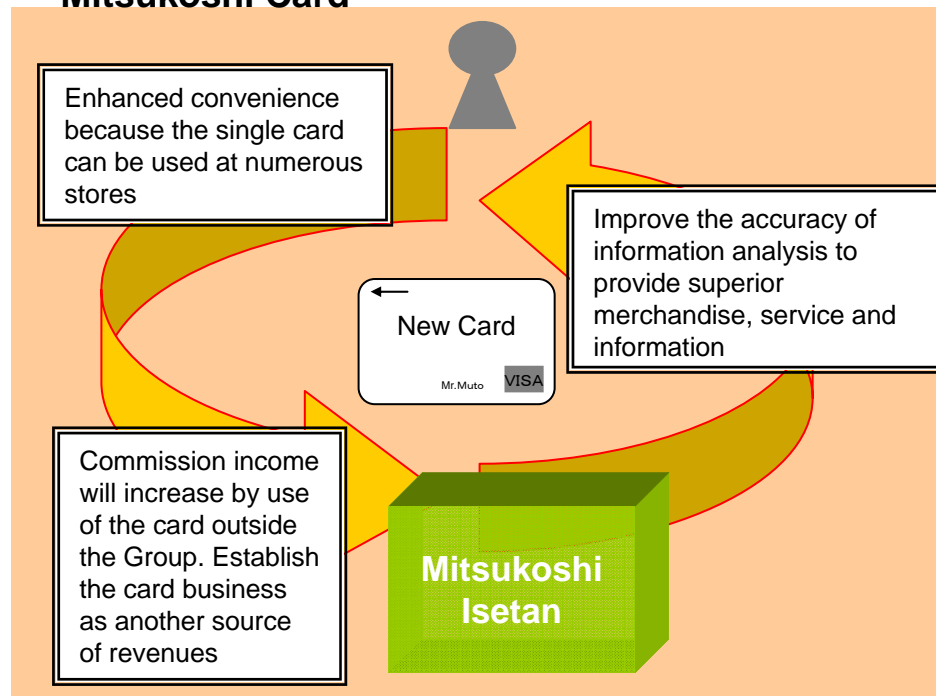
FY2008 Debut of I Card with VISA

FY2009 Use of I Card and Mitsukoshi Card is enabled at both Isetan and Mitsukoshi stores

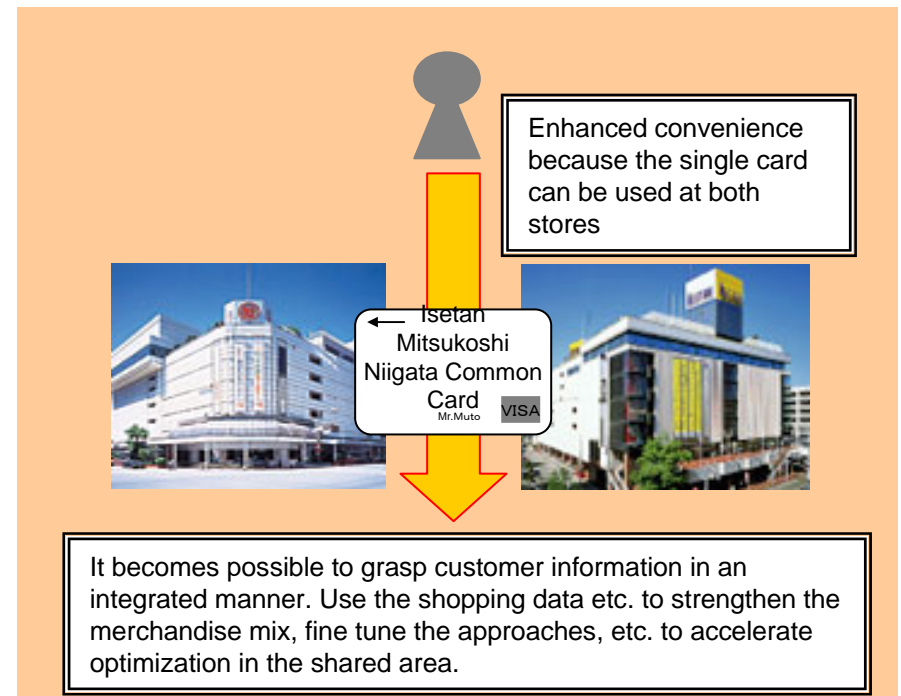
FY2010

Integration of card functions and infrastructure

A card company within the Group to issue New Mitsukoshi Card



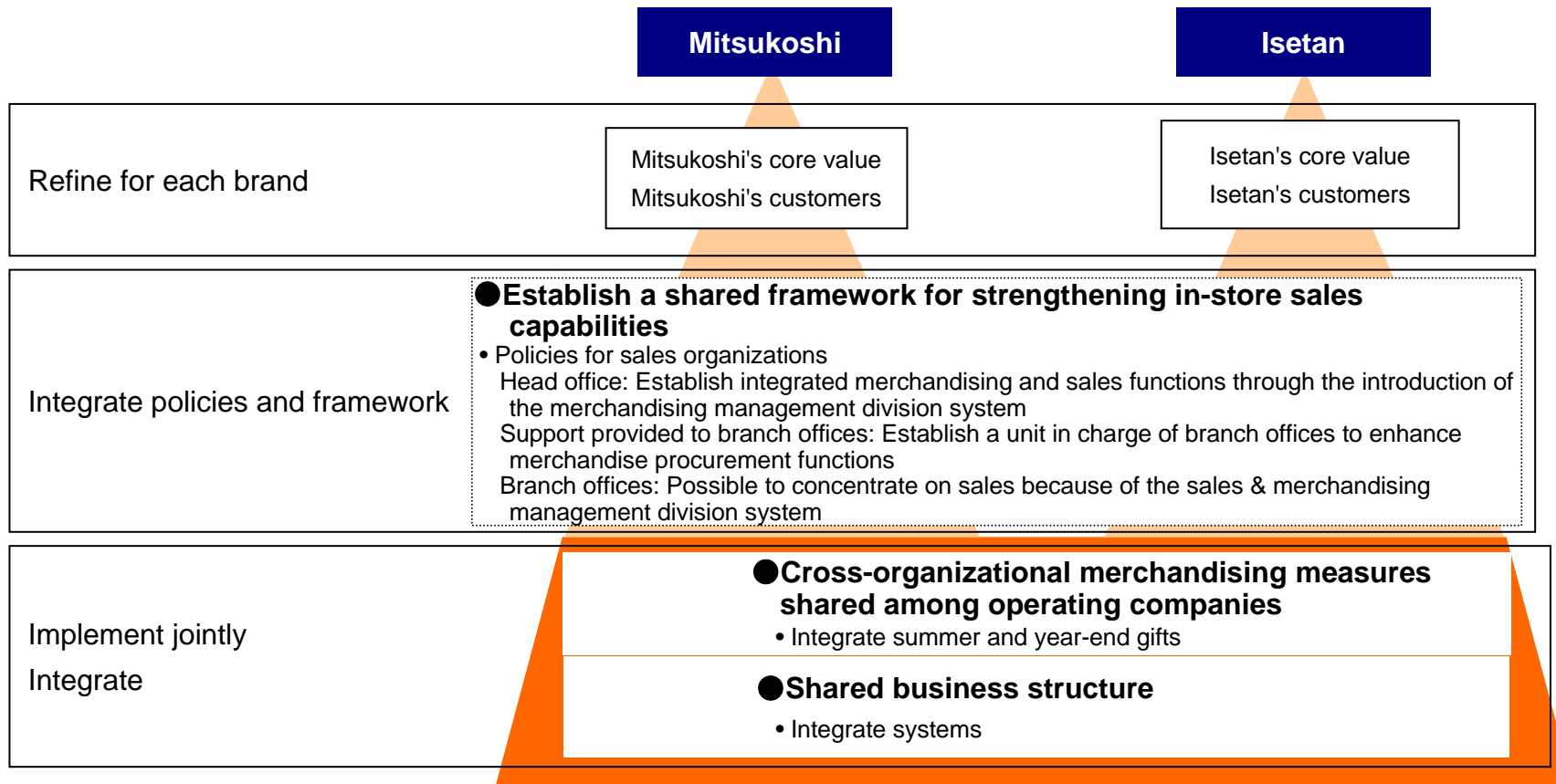
Issue a common card with an integrated design in Niigata



Key Strategy 4 Improve the business structure

1. Share the business structure Measures to strengthen in-store sales capabilities

Maintain and reinforce the two brands and establish an efficient and effective operational structure



Key Strategy 4 Improve the business structure

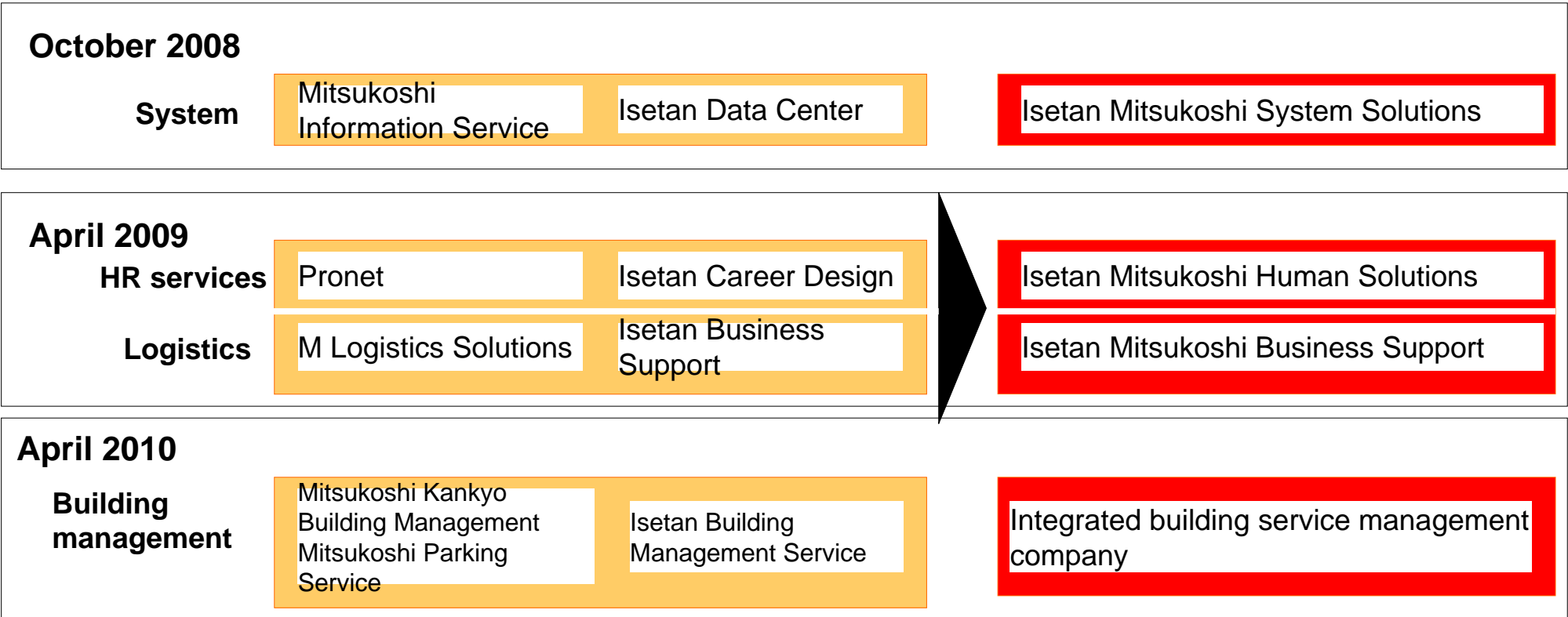


2. Improve group infrastructure

Mitsukoshi

Isetan

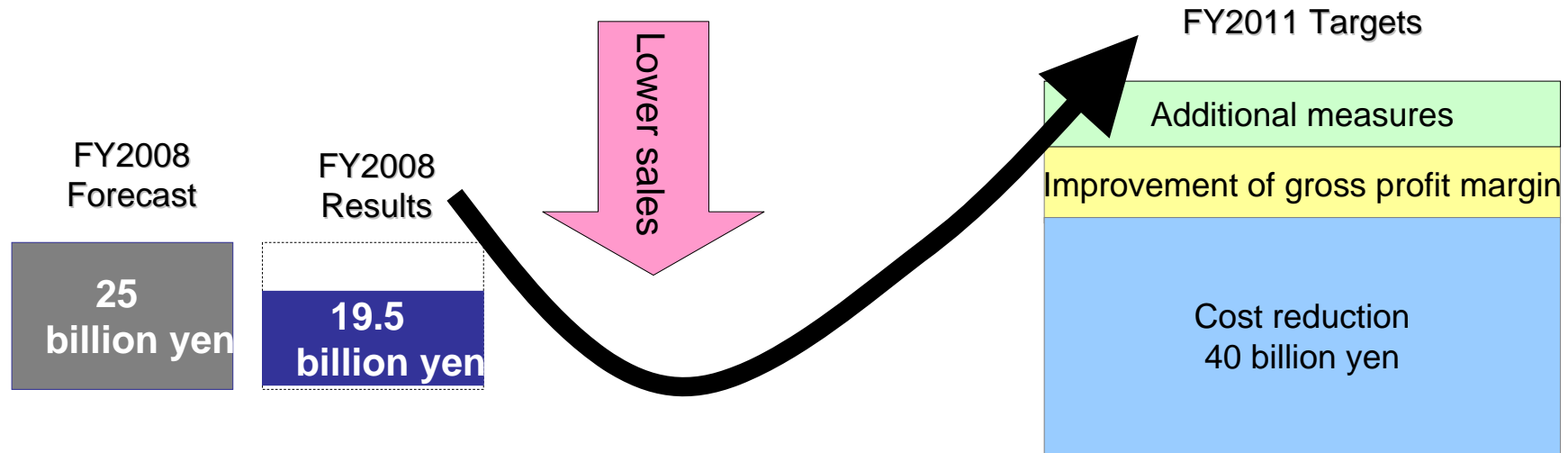
Integrated companies



Isetan Mitsukoshi Group 3-year Plan Quantitative Targets

Operating income

Announce the quantitative targets of the rolling three-year plan upon announcement of the results for the first half of fiscal 2009



Investment plan

The plan calls for a reduction of 10 billion yen for FY2009. Establishment of a revised plan is underway partly because of the need to incorporate Marui Imai's rehabilitation plan.

Introduction of the regional operating company system, review of the store operation structure, store restructuring, consolidation of related businesses, introduction of shared services, review of leases, advertising expenses, and outsourcing

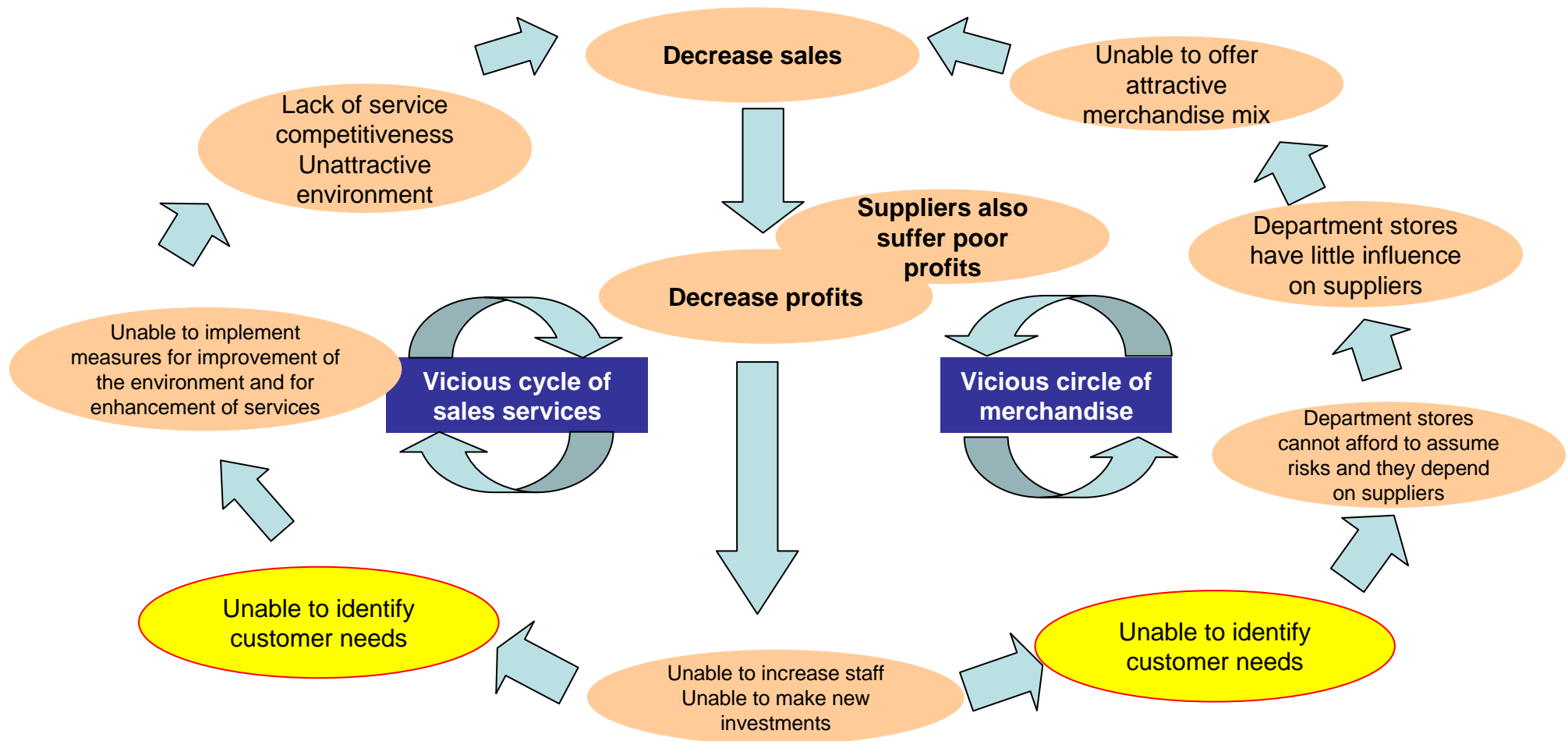
III. Isetan Mitsukoshi Group from Now On

(2) Isetan Mitsukoshi Group's Orientation

Nobukazu Muto, Chairman and CEO

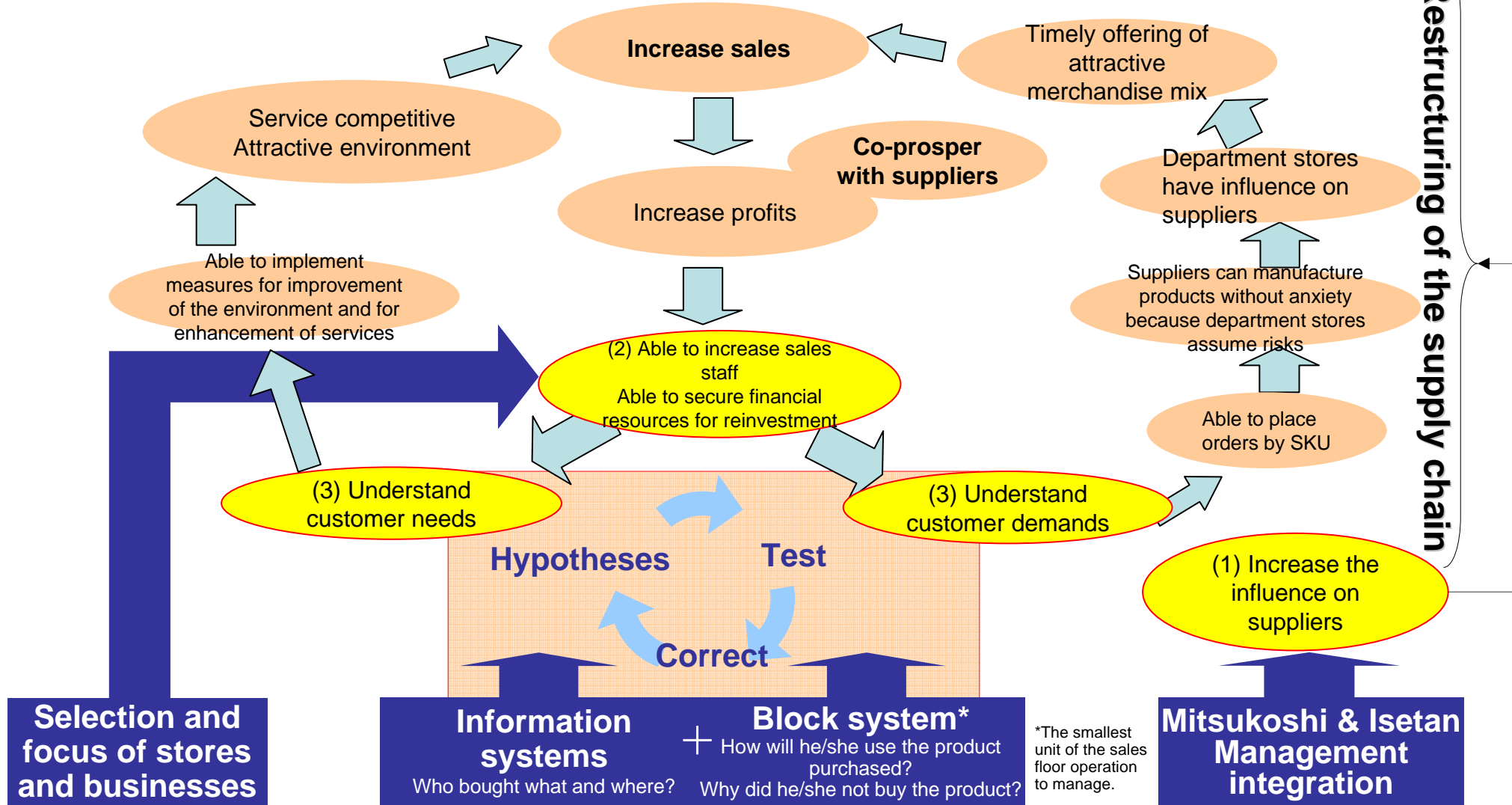
Isetan Mitsukoshi Group's Orientation

1. Department store industry's fundamental issues



Isetan Mitsukoshi Group's Orientation

2. Orientation for resolving the issues



Isetan Mitsukoshi Group's Orientation

(1) Increase the influence on suppliers

○Iwataya becomes a consolidated subsidiary of Isetan.

IWATAYA

 **MITSUKOSHI**

ISETAN

○Management integration of Mitsukoshi and Isetan



○Supporting Marui Imai's civil rehabilitation

 **marui imai**

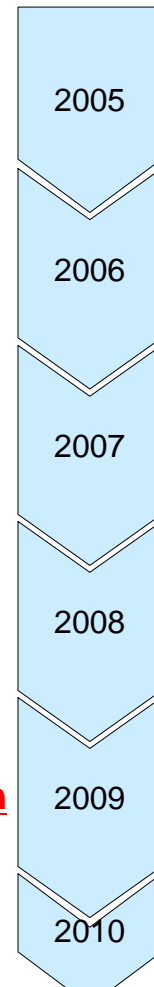
(2) Concentrate resources on stores that can secure financial resources for reinvestment

○Mitsukoshi closes Osaka, Mikata, Kurashiki and Yokohama stores.

○Isetan transfers management of Ogura Isetan to Izutsuya.

○Mitsukoshi terminates operations of Musashimurayama, Natori, Ikebukuro and Kagoshima stores.

○Isetan intends to terminate operation of Kichijoji store (scheduled for early March).

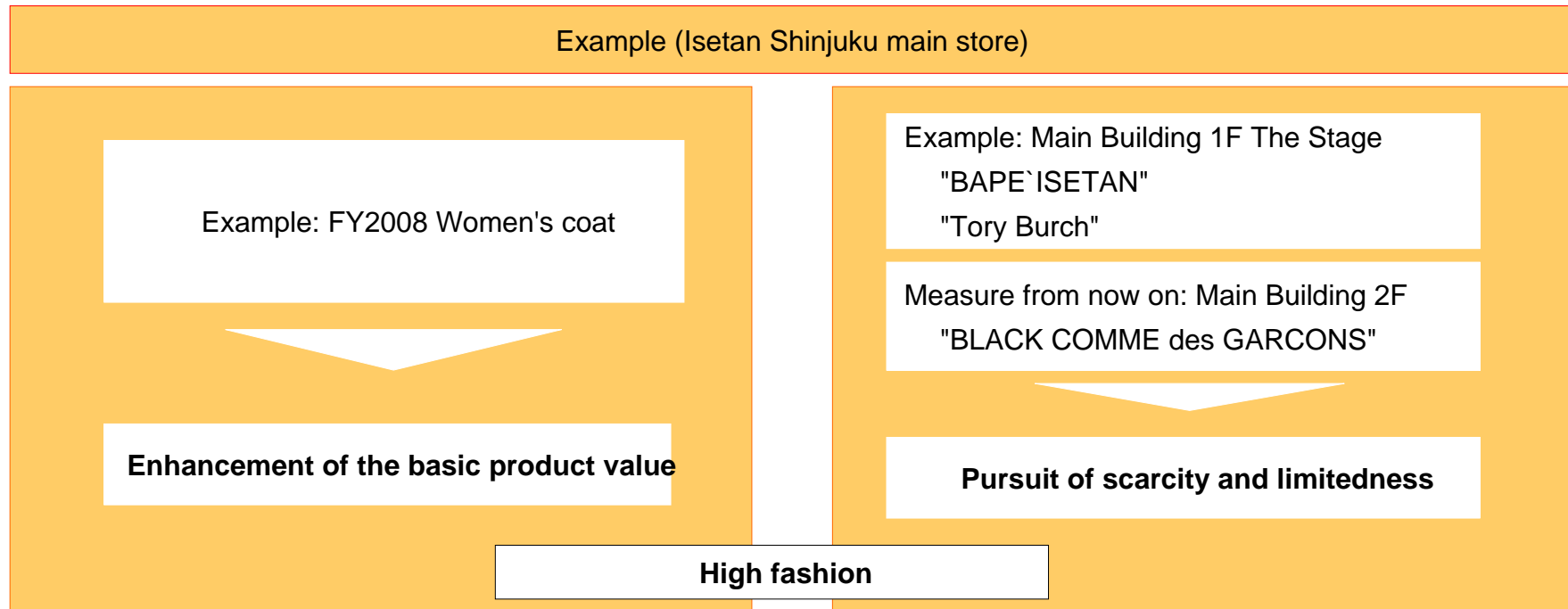


Secure high-quality lots leading to the restructuring of the supplier chain

Isetan Mitsukoshi Group's Orientation

(3) Enhance capabilities to identify customer needs

Maintain the price zone appropriate for a department store, rather than pursuing low-price strategy



The mission of a department store is to provide value corresponding to the price by identifying customer needs through the block system and information systems, realize customers' dreams, and continue creation of new demand.

Isetan Mitsukoshi Group's Orientation

3. Isetan Mitsukoshi's department store vision


"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.

"Continually high quality, new" Pursuit of the "novelty," "scarcity," and "newsworthiness" as well as "reliability" and "quality" unique to the department store

"Creating lifestyles" Cultivate lifestyles that are the foundation of customer behavior

"Being of use to our customers in their many different roles in life"
Make a Group-wide effort to provide solutions to concerns of individual customers

Increase the customer relations share to maximize customers' lifetime value



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