September 25, 2008

To Whom It May Concern:

Corporate Name	Isetan Mitsukoshi Holdings Ltd.
Name of the Representative:	Nobukazu Muto, Chairman and CEO
Code Number: 3099	TSE 1st section
Contact:	Koji Kawanobe, Executive Manager, Investor Relations Corporate Administration Division, Administration Headquarters, Telephone: +813-5843-5115

Notice concerning Restructuring of Mitsukoshi, Ltd.

Isetan Mitsukoshi Holdings Ltd. (the Holding Company) and Mitsukoshi, Ltd., a wholly owned subsidiary of the Company, resolved at their respective Boards of Directors' meetings held today to terminate operations of four Mitsukoshi stores (in Ikebukuro, Kagoshima, Musashi Murayama, and Natori) and two small-scale Mitsukoshi stores (in Kamakura and Morioka) as well as the transfer of the fixed assets of Mitsukoshi Ikebukuro Store.

1. Restructuring

The Holding Company was established in April 2008 as a result of the management integration between Isetan Co., Ltd. and Mitsukoshi, Ltd. With the aim of positioning the Isetan Mitsukoshi Group as the world's foremost solution provider in the retail and service industry in fulfillment of the Group Vision, the key numerical targets for the Group are consolidated operating income of 75 billion yen and an operating margin of 5% in fiscal 2013. In order to achieve these targets, while reviewing the Group's investment plans and assets and businesses owned by the Group, the Holding Company is working to further enhance earnings through selection and focus and to establish a business configuration designed to enhance the earning power. The Holding Company is also considering withdrawal from unprofitable businesses.

In light of these developments, the Holding Company recognizes the need for further restructuring to strengthen the financial position of Mitsukoshi in view of the recent business results and prospects of Mitsukoshi stores in a rapidly changing operating environment. Accordingly, closure of four Mitsukoshi stores (in Ikebukuro, Kagoshima, Musashi Murayama, and Natori) and two small-scale Mitsukoshi stores (in Kamakura and Morioka) and sale of the real estate of Mitsukoshi Ikebukuro Store have been decided.

Going forward, the Holding Company will promote restructuring designed to boost the Group's earning power. As well as strategic investment from the viewpoint of selection and focus, the Holding Company will consider measures for strengthening regional competitiveness, such as establishment of regional operating companies to reform the earning structure of stores. These restructuring measures will be announced in due course as part of the Isetan Mitsukoshi Group Three-year Plan.

2. Closure of stores

(1) Reason for closure

Mitsukoshi Ikebukuro Store has been operating in a severe competitive environment since its opening in 1957 because it is smaller than competitors' stores in the same district. Management concludes that any large investment in Mitsukoshi Ikebukuro Store to strengthen its sales power would be extremely difficult to recoup. Also, a major increase in the floor space of Mitsukoshi Ginza Store and refurbishment of Mitsukoshi Nihonbashi Main Store are scheduled to be completed in 2010. The Holding Company decided to concentrate on enhancing earning power by maximizing operational efficiency based on a policy of selection and focus regarding the investment of resources. In accordance with this strategic posture, the closure of Mitsukoshi Ikebukuro Store will take place on May 6, 2009.

Mitsukoshi Kagoshima Store has been operating under the current name since 2003, following the change of the corporate name from Maruya Co., Ltd. to Kagoshima Mitsukoshi Co., Ltd. in 1984. The refurbishment of the store's upper floor with a focus on cakes, desserts and confectionary in 2007 did not have a lasting impact and Mitsukoshi Kagoshima Store's financial performance has been unsatisfactory. There is no prospect of recouping the investment that would be necessary for continued operation of the store. Thus, the closure of Mitsukoshi Kagoshima Store will take place on May 6, 2009.

Mitsukoshi Musashi Murayama Store and Mitsukoshi Natori Store were opened in 2006 and 2007, respectively, as suburban stores based on a new format. However, their performance has fallen short of the targets and they continue to report operating losses even after application of impairment accounting in 2007. Thus, the closure of these two stores will take place on March 1, 2009.

The closure of Mitsukoshi Kamakura Store and Mitsukoshi Morioka Store, two small-scale stores, will also take place on March 1, 2009, because their performance has been unsatisfactory and the continuation of operations would not be commercially viable.

Quite apart from the strictly commercial considerations, we are closing these six stores because they would not be able to satisfy our customers' expectations. Any inconvenience our customers, suppliers, and people in the local communities may experience as a result of the closures is a source of deep regret to us. We greatly appreciate our customers' patronage of the stores over the years.

(2) Outline of the stores to be closed

Name	Mitsukoshi Ikebukuro Store	Mitsukoshi Kagoshima Store
Location	1-5-7 Higashiikebukuro, Toshima-ku, Tokyo	6-5 Gohukumachi, Kagoshima-shi, Kagoshima
History	1957: Opened	1984: Changed its Corporate name from Maruya Co., Ltd. to Kagoshima Mitsukoshi Co., Ltd. 2003: Consolidated with four other department stores and changed its corporate name to Mitsukoshi Kagoshima store
Representative	Junji Sugiyama	Masataka Yamamoto
Total selling floor area	25,026m^2	18,734m^2
Net sales	¥24,174 million	¥10,707 million
Number of employees	358 (regular employees: 240, fixed-term employees: 118)	299 (regular employees: 113, fixed-term employees: 186)

Name	Mitsukoshi Musashi Murayama Store	Mitsukoshi Natori Store
Location	1-3-1 Enoki, Musashi murayama-shi, Tokyo	460-17-1 Sekishita, Masuda-aza, Natori-shi, Miyagi
History	2006: Opened the Musashi Murayama Store for the first time as a 'suburban store,' at the Diamond City mu (presently Aeon Mall Musashimurayama mu) shopping center.	2007: Opened the Natori Store at the Diamond City airy (presently Aeon Mall Natori airy) shopping center, in Miyagi Prefecture.
Representative	Mitsuhiko Masuda	Yasuo Ono
Total selling floor area	11,479m^2	11,532m^2
Net sales	¥3,122 million	¥3,753 million
Number of employees	123 (regular employees: 18, fixed-term employees: 105)	133 (regular employees: 17, fixed-term employees: 116)

Notes:

1. "Representative" shown above means the store manager of the Ikebukuro Store and of the Kagoshima Store, and the directing manager of the Mitsukoshi Musashi Murayama Store and of the Natori Store.
2. Net sales for the fiscal year ended February 2008 are provided above.
3. Number of employees is the number as of the end of February 2008.

(3) Scheduled last day of operation

Mitsukoshi Ikebukuro Store and Mitsukoshi Kagoshima Store: May 6, 2009 (scheduled)

Mitsukoshi Musashi Murayama Store, Mitsukoshi Natori Store, and two small-scale stores (Mitsukoshi Kamakura and Mitsukoshi Morioka): March 1, 2009 (scheduled)

(4) Treatment for employees

Regarding the treatment for the employees at the stores to be closed, we plan to provide those employees who elect to retire with preferential measures and outplacement assistance relating to the close of business.

(5) Outlook for the future

The loss arising from the close of business has little impact on net income for the first half of the fiscal year ending March 31, 2009. With regard to the impact on the full year ending March 31, 2009, we will notify you as soon as we have collected the necessary information.

3. Regarding the transfer of the fixed assets of Mitsukoshi Ikebukuro Store

(1) Reason for transfer

For many times, Mitsukoshi, Ltd. has discussed how to maximize its real estate value and how to use its real estate, and has investigated its utilization for the future years.

The transfer relating to the close of business is performed in order to strengthen the Holding Company's financial position and reduce interest-bearing debt, coupled with the intention to secure new investment money for enhancing profit-earning capacity.

(2) Contents of the fixed assets to be transferred

1) Transfer items:	Land, buildings, and leasehold rights
2) Location:	1-5-7 Higashiikebukuro, Toshima-ku, Tokyo
3) Book value:	¥56,907 million (as of the end of June 2008)
4) Transfer price:	¥75 billion (transfer expenses are not yet determined)

(3) Outline of transferee

1) Corporate name:	Simplex REIT Partners Inc.
2) Location of the head office:	1-2-1 Marunouchi, Chiyoda-ku, Tokyo
3) Representative:	Yoshio Nozaki, Executive Officer
4) Relationship with the Holding Company:	There is no capital relationship between the Holding Company and Simplex REIT Partners Inc.

(4) Transfer date

September 30, 2009 (effective concurrently with delivery)

(5) Outlook for the future

The transfer has no impact on forecasts for the fiscal year ending March 31, 2009; however, we have not assessed the impact on forecasts for the fiscal year ending March 31, 2010, because the transfer expenses are not yet determined at this time. Therefore, we will notify you as soon as we have collected the necessary information.

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