

MITSUKOSHI

Mitsukoshi
Annual Report 2007





A long kimono with depictions of Japanese carp embroidery, worn by Danjuro Ichikawa in his Kabuki performances, was produced by Mitsukoshi Dressing Department and exhibited at the Kabuki Kimono Exhibition, held at Mitsukoshi Étoile, Paris, in March 2007.

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If you have any questions or comments concerning this report, please contact us at the following address.

Mitsukoshi, Ltd.

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Kunio Ishizuka, President

Mitsukoshi's Management Philosophy

Innovation beyond tradition
Contribution to society and prosperity of the Company
Sincerity and creativity

Enhancing the relationship of trust we share with customers.

Renewing our Commitment to Society

We believe the level of success of a business is directly proportionate to the level of contribution a company makes to society. This philosophy has guided Mitsubishi throughout its long history of service to its customers, and to society. In fiscal year 2006, owing to the patronage of our loyal customers, the Company reported approximately ¥800 billion in sales, most definitely a reflection of the value we place on contributing to the society we serve.

In this time of heightened competition and market readjustment, we are endeavoring cope with many issues facing all businesses, including increasingly stringent requirements for corporate governance, compliance, enlightenment on human rights, and environmental issues. At the same time, we are continuing to strengthen our management and marketing strategies with an aim towards creating new life styles and offering new commodities to an ever widening range of stakeholders, all this, while deepening the relationship of trust we share with our customers and society.

Ensuring Quality at Every Level

During the term in review, the entire Company continued to increase the awareness of and adherence to compliance issues for the industry. Mitsukoshi's ongoing educational

Overcoming Great Challenges

In 1904, Osuke Hibi, then senior managing director, announced his now famous department store proclamation, and Mitsukoshi transformed itself into a department store destined to "introduce western culture into Japan and to make new living styles known to customers through new methods and products." Since that time, Mitsukoshi Department Store has grown and evolved with the customers it has served for countless generations. With a corporate philosophy of contribution to society and a focus on business success, always moving forward with innovative new ideas while honoring tradition, and in a spirit of sincerity and creativity, Mitsukoshi has become a central part of modern Japanese society. Through its many stores in Japan and abroad, Mitsukoshi has brought the world to Japanese customers, while teaching the world about things Japanese, with a community of employees who have continued to promote understanding and appreciation at a level of quality that has made this retailer much more than a department store.

and training programs for employees continue to increase the quality of service and professionalism to our customers. We shall continue to make strenuous efforts to improve these qualities even further in the future.

Providing a safe environment and safe commodities to our customers remains a primary goal of the Company. We continue to put in place safety protocols and procedures that will guarantee that products and services are completely safe for our customers, and that they are aligned with the most stringent laws and ordinances. Mitsukoshi continues to enhance its human rights record, by improving the working and sales environment for all its employees and customers

Meeting our Customer's Needs with "High Spirit"

This challenge means that we are continuing to offer new life styles, commodities, and cultural events to our customers, who are "mature individuals in search of quality lives," as our corporate vision statement suggests. Our unique customer feedback system keeps us abreast of even slight changes in consumer preferences, and this increases our ability to serve our customers in ever more creative and responsive ways. The positive attitude embodied in our "High Spirit" slogan revitalizes our employees and the face of Mitsukoshi and promises to continue to attract happy and satisfied customers.

Stakeholders — Mitsukoshi's Most Important Asset

The source of the Company's basic value lies in the Mitsukoshi brand, which has evolved and grown over the past 334 years, since it all began back in 1673. This brand

is maintained and improved through trusting relationships with our loyal customers, employees, shareholders, suppliers, and with the local communities in which we do business.

We are firmly committed to continuing to improve corporate value by increasing the trust our shareholders have in us. Customer feedback is also very important to Mitsukoshi, because it is based upon this important communication that we can evolve in innovative and creative ways to meet the ever-changing needs of customers, and of the greater society.

Mitsukoshi Brand Renaissance Six-Year Plan

Begun in fiscal 2007, this plan has been formulated to increase the value of products that carry the Mitsukoshi brand. Over the course of more than three centuries, the Company has continued to grow and evolve with the times, and it might be said that Mitsukoshi's history is inextricably linked to the history of modern Japan, its people and our society. The value of history, of tradition and an awareness of the importance of change and growth, are what keep our company strong, resilient and ready to ensure the prosperity and trust of future generations of customers and employees.

The Six-Year Plan aims to realize a new and vibrant Mitsukoshi, a department store that can guarantee the highest brand value by creating affluence for adult people in search of quality living. In the new fiscal year, we will continue to review the operations of each business group and formulate action programs designed to further enhance the efforts of our dedicated and powerful team.

石塚邦雄

Kunio Ishizuka, President

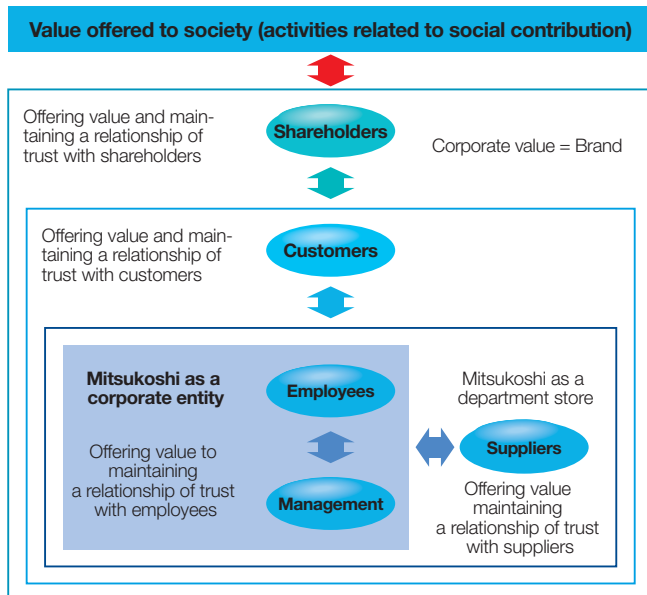
The history of Mitsukoshi began in 1673, when Takatoshi Mitsui, a kimono fabric merchant, founded Echigoya, in Edo Honcho (present day Tokyo). This innovative businessman introduced the sales at labeled prices concept to merchandising and sold fabric at whatever lengths his buyers desired. This made Echigoya very popular among its customers and the envy of its competition. From this humble beginning, Mitsukoshi has used this innovative approach to giving its customers the very best, and today, the history of the Company represents the accumulation of its efforts over more than three centuries to nurture a 'customer first' corporate philosophy, always searching for new and imaginative ways to meet the evolving needs of consumers over time.

- 1673 Echigoya, a kimono fabrics merchandising company, was founded at Edo Honcho (present day Tokyo) by Takatoshi Mitsui.
- 1683 The store moved to Surugacho (the site of our present Head Store) and also conducted business as a money exchanger.
- 1691 Established another store dealing in kimono fabrics and money Exchange, at Koraibashi, Osaka.
- 1893 Echigoya was incorporated and became Mitsui Gofukuten.
- 1895 Yoshio Takahashi became manager and started full-fledged reorganization of Mitsui Gofukuten.
- 1904 The name was changed from the Mitsui family's Echigoya to Mitsui Gofukuten Co., Ltd. Osuke Hibi became its first senior managing director and went on to establish the company as Japan's first department store.
- 1907 Opened the first restaurant inside the store and established the Fine Arts Department.
- 1914 Completed the new building to house the Head Store at Nihonbashi. This new structure brought the concept of the department store into a new age. The now famous massive lion statues that flank the store's entrance, soon became a landmark for shoppers as did Japan's first escalator inside its main entrance.
- 1923 The Nihonbashi Head Store burned to the ground during the Great Kanto Earthquake.
- 1925 The Head Store was rebuilt and reopened. When the store reopened, the custom of collecting customers' shoes at the entrance was discontinued.
- 1927 Opened Mitsukoshi Hall (presently Mitsukoshi Theater) at the Nihonbashi Head Store. Held Japan's first fashion show.
- 1928 The corporate name was changed from Mitsui Gofukuten Co., Ltd. to Mitsui, Ltd.
- 1929 The Shinjuku Store was opened.
- 1930 Opened the Ginza Store. The Nihonbashi Head Store began serving lunches especially for children, at its restaurant.
- 1931 The Takamatsu Store was opened.
- 1932 The subway station, Mitsukoshi-mae was opened and connected to the basement floor of the Nihonbashi Head Store. The Sapporo Store was opened.
- 1933 The Sendai Store was opened.
- 1946 The Matsuyama Store was opened, making it the first store opened following WWII.
- 1947 Established Mitsukoshi Clinic, presently Mitsukoshi Welfare Corporation.
- 1951 Began using floral wrapping paper designed by Genichiro Inokuma in all its stores.
- 1957 The Ikebukuro Store was opened.
- 1960 Displayed a statue of an angel, which is intended to represent representing sincerity, in the central hall of the Nihonbashi Head Store.
- 1971 Opened the first overseas store, Paris Mitsukoshi.
- 1973 The Hiroshima and Yokohama stores were opened.
- 1980 The Kurashiki Store was opened.
- 1982 The Board of Directors' meeting dismissed Mr. Okada from offices President and Representative Director.
- 1982 Opened the Disney World Store in Florida.
- 1986 Prince Charles and Princess Diana, visited the Nihonbashi Head Store.
- 1991 Opened the first Shinko Mitsukoshi Store in Taipei.
- 1992 Opened Mitsukoshi Etoile Store, in Paris.
- 1994 Opened the Ebisu Store as the core of the Ebisu Garden Place.
- 1996 Opened a new building in the Osaka Store to replace the one damaged in the Great Hanshin-Awaji Earthquake. Inaugurated the Mitsukoshi Credit Card System. Launched Mitsukoshi's website on the Internet.
- 1997 The Fukuoka Store was opened.
- 2000 The Tama Center Store was opened.
- 2001 The Kichijoji Store was opened, (but closed in 2006).
- 2003 New Mitsukoshi, Ltd. was established by merging the five main stores at Nihonbashi's Head Store with stores in Nagoya, Chiba, Kagoshima and Fukuoka.
- 2004 Celebrated 100th anniversary of Mitsukoshi, Ltd. Opened the new Mitsukoshi Nihonbashi Head Store upon completion of a new building.
- 2005 Opened Lachic as specialty store, in Nagoya. Reorganized business operations at the Shinjuku Store under the new name, Alcot. Awarded the Grand Prize at the Mecenas Awards 2005. Closed the Osaka, Hirakata, Kurashiki and Yokohama stores as part of a 5-year medium-term reorganization plan. Formulated and promoted our New Mitsukoshi Model for enhancing the value of Mitsukoshi brand merchandise.
- 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. Held the Brasile Exhibition and the Kabuki Kimono Exhibition at the Mitsukoshi Etoile, in Paris.
- 2007 Formulated and publicized our Mitsukoshi Brand Renaissance Six-Year Plan. Opened the Natori Store at the Diamond City airy (presently Aeon Mall Natori airy) shopping center, in Miyagi Prefecture. Celebrated the 100th anniversary of the founding of the Fine Arts Department (See page 10). Celebrated the 280th anniversary of the founding of the Mitsukoshi Theater.



On December 21, 1904 "Mitsui Gofukuten Co., Ltd." was established and Osuke Hibi became the company's first senior managing director. "Our store should continually increase its variety of commodities, much like department stores now prevailing in the USA."

Mitsukoshi has formulated its "Mitsukoshi Brand Renaissance Six-Year Plan," covering the term from fiscal 2007 through 2012. The underlining strategy of the plan is to offer stakeholders, including customers and shareholders, higher value and stronger relationships of trust by strengthening our management resources, clarifying our position, and further enhancing the Mitsukoshi brand.



Innovation beyond Tradition

A strength borne of tradition, Mitsukoshi has defined outstanding service to customers for 334 years, longer than any retail business of its kind in world history. Continually reinventing itself to meet the needs of customers in every time and every generation is, perhaps, Mitsukoshi's greatest strength, and proudest accomplishment.

Sincerity and Creativity

Mitsukoshi's growth and development have been supported by two elements; one is a traders' spirit of sincerity and honesty that has been the spiritual backbone of the Company. The other is our ongoing efforts to make the best use of innovation and creativity in evolving with the times. These two strengths have made Mitsukoshi what it is today.

Business Policy

1 Corporate philosophy system

Mitsukoshi has formulated its corporate philosophy to show its unchanged attitude toward customers and society. Based on this corporate philosophy, both corporate visions incorporate the six-year management plan and corporate messages expressing the promises we have made to customers and to society.

Corporate Philosophy

Contribution to society and prosperity of the Company

Mitsukoshi has fulfilled its business goals and social mission for centuries, always considering the prosperity of society along side that of its own. And today, it continues to develop its corporate activities through networks in Japan and abroad guided by this philosophy that values contribution to the community. The Company makes ongoing and significant efforts to ensure that it is giving back not only to its loyal customers but to society at large.

Corporate Vision

Mitsukoshi's goal is to create the highest brand value for customers in search of the good life.

Keywords of the "Mitsukoshi" Brand

"Network"

A large variety of commodities and information secured by making full use of internal and external networks

"Culture and Sensitivity"

Role to introduce innovative culture in immediate response to changes in consumer trends, rather than living simply with a commodity seller.

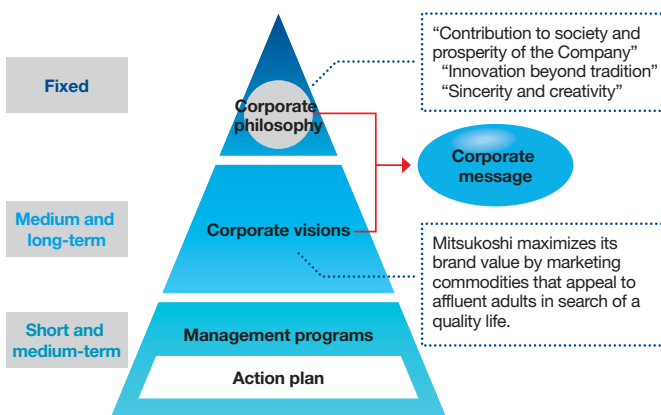
"Trust and Challenge"

The tradition in which many challenges have strengthened the relationship of trust with our customers

Corporate Message

Mitsukoshi always remains dedicated to its customers.

It is a source of pride and our pleasure to be able to provide our customers with the commodities, information and services they desire to realize a good life.



2 A Business Model for Effectively Targeting Customer Needs

Defining "adults in search for a quality life" as our target, Mitsukoshi conducts on customer's life styles, attitudes and their sense of values in order to clearly understand what younger customers want and need. We also endeavor to formulate a "one-stop, on-demand" business model for supplying customers with commodities and services through expanding contact with them and meeting their needs.

Five Innovative Strategies Supporting Growth

Challenge 1

Strategies for maximizing CSI among fixed target audiences

As a basic business policy, Mitsukoshi continues to supply customers with attractive commodities and services which, in turn, strengthens customer loyalty that guarantees patronage over the lifetime of our customers.

- (1) Developing customer building strategies
Mitsukoshi has expanded its original "Your Secretary" system now employed at its Nihonbashi Main Store to other stores.

Through integration plans such as this one, we are developing a commodity-arranging network that will help increase sales at other Mitsukoshi stores.

- (2) Designing selling venues to accommodate market trends
We are expanding independently developed priority sites, where attractive commodities, inviting atmospheres, and high-quality services are available, creating "priority selling floors" that have increased appeal and identity for customers.
- (3) Mitsukoshi Card Strategy
We regularly review the contents of our Courtesy Card Service in order to increase the frequency and amount of customers' card payments.

Challenge 2

Strategies for improving profitability

The Company improves the profitability of each project by making continual efforts to increase gross profit ratios and by reducing sales and general administrative expenses, clarifying profitability by projects and drastically improving business structures.

- (1) Improving profitability of store businesses
We select priority suppliers and expand transactions with them while improving a central control system for priority selling sites. We also expand a competitive bidding system for daily life commodities, which continues to improve gross profit ratios.
- (2) Reducing sales and general administrative expenses
Mitsukoshi continues to improve its physical distribution and purchase systems and negotiates estimates with traders of advertising businesses and office supplies.
We have reduced logistics employees by expanding shared services among stores and reducing leased estimate expenses.

Challenge 3

Strategies for increasing our competitiveness

We define store grouping and development strategies appropriate for each group based on individual store characteristics and market potential, including future demographic trends. We also employ strategies for expanding local shares through a network composed of more than one store.

(1) New large-scale investment for improving brand value

Mitsukoshi invests heavily in stores located in one of Japan's busiest commercial zones in order to maximize profitability in locations such as:

Nihonbashi Main Store	Fiscal year 2008
New Ginza Store	Fiscal year 2010
New Osaka Store	Fiscal year 2011

(2) Grouping of and strategies for store businesses

- Flagship stores (Nihonbashi Main Store, Ginza Store, etc.)
Mitsukoshi maintains its competitive edge by offering better customer service and fully equipped facilities and strengthening its intra-regional networks with adjacent specialty shops and suburban stores in respective commercial regions.
- Community-based stores (Takamatsu Store, Niigata Stores, etc.)
We promote strategies that help maintain a balanced level of Mitsukoshi brand and individual store identity.
- Suburban stores (Musashi Murayama Store, etc.)
We develop more than one store within a shopping center in commercial zones where flagship stores are located to further expanding our contact with existing and new customers.

Challenge 4

Strategies for growing non-department store businesses

Mitsukoshi has initiated projects that focus on new, high-growth businesses in order to expand the scope of the Company's traditional department store business activities. For the future, we have set a target of 20% or higher in an increase of operating profit ratios from non-department store businesses by fiscal 2012.

(1) Direct projects

We have established business models for mail order businesses by utilizing composite media shopping projects, including e-commerce.

In order to secure the No.1 e-business position among department stores in the future, we plan to develop store-handled commodities into e-commerce.

(2) Developer businesses

We are reclassifying specialty store not using the Mitsukoshi name in order to increase asset value and secure stable profits in developer businesses. This move will lead to the gradual transfer of external commercial facilities to our Property Management business.

Challenge 5

Strategies for improving job motivation and career education

We continue to review employee evaluation systems and clarify lines of authority and job functions from the viewpoint of adopting and maintaining a highly qualified human resource pool. We also provide ongoing education and career management training for those professional employees who are dedicated to improving their area specific knowledge and job skills, enabling them to provide a higher level of service to our customers. This is especially true for sales personnel, who are able to enhance the relationship of trust with customers, professional merchandisers, and professional management members.

Based on societal demands for balanced treatment of employees with or without a fixed employment term, we shall improve payment systems for employees with a fixed term and employ incentives to enhance their motivation. We shall also introduce a job attitude evaluation system, which will clearly model the ideal demeanor employees must possess for each job type.

Target of Management Indices (Fiscal year 2012)

Consolidated Recurring Profit	¥45 billion
Consolidated Sales Profit Ratio	4.5 % or more
Consolidated Return on Assets (ROA)	7 % or more
Consolidated Balance of Interest-bearing Liabilities	¥100 billion and less
Consolidated Total Investment Planning	¥180 billion

The Mitsukoshi Group has endeavored to reinforce its corporate governance system in an effort to ensure the Group carries out its activities in a high-quality and transparent management style. Adherence to this goal continues to maximize its corporate value. The Group endeavors to enhance what it offers to all stakeholders by ensuring higher transparency of its corporate activities and compliance with all corporate social responsibilities.

Compliance System

The Company believes compliance is one of the requisites for corporate activities and should be accepted and observed, taken as a matter of course. In May 2006, Mitsukoshi established the Mitsukoshi Group Corporate Compliance Committee so that, under the leadership of directors in charge, it may conduct monitoring of each store and entity, reporting of degrees of business executions and prevention of damage from being expanded, in the case of occurrences of a serious event, together with taking countermeasures against possible future scenarios. The Committee has a core organizational structure made up of five standing subcommittees specialized in fair trade promotion; personal data protection; human rights enlightenment; environmental promotion; and quality improvement, and improves and reinforces both the compliance system and risk control system for the entire Group. It also promotes the observation of the Mitsukoshi Group Ethical Codes, conduct

codes for the Group, and supports rightful corporate activities, such as ethical business and fair trade programs.

Risk Management

Mitsukoshi's basic policy for risk management is to screen out, as much as possible, all factors that may prevent the corporate philosophy from being realized. Matters concerning compliance, the environment, natural disasters, quality control, information security, and investment are daily analyzed and evaluated by a specially trained team of experts. To minimize any potentially negative influences on customers, shareholders, suppliers, or other stakeholders, Mitsukoshi has formulated risk control rules and designated departments and sections responsible for each risk category, so that these functions may remain transparent and easily acknowledged by the public. Building trust is the goal of Mitsukoshi's risk management activities.

Corporate Governance

Mitsukoshi is managing the following matters to enhance the thoroughness and quality of its governance policy:

1. Election of independent outside board members

Three outside board members, which make up 30% of the Board, have been elected. In addition to their roles to reinforce management-supervising functions, they give advice and submit proposals on management policy issues from an independent and professional viewpoint, at the regular Board of Directors' meetings every month.

2. Institution of auditors' meetings and their office locations

A Board of Auditors composed of the four auditors, including two outside auditors, has been established for auditing accounting and businesses of the Company. As an internal auditing unit, the Auditing Section has been established independently of other units, where audits of the whole Mitsukoshi Group are conducted. The Auditing Section conducts auditing of each store division on a semiannual basis, in conjunction with auditors and regular self-auditing of each

store in cooperation with the Group's business departments, on a monthly basis. The results of these audits are reported periodically to the President and to the Company's auditors. Serious violations of laws or Articles of Incorporation, if any, are reported immediately when found.

3. Items related to business activities, position appointments and determination of employee remuneration

A management conference that debates subjects prior to the Board of Directors' meeting is held biweekly, or more frequently when deemed necessary, to discuss important management policies and themes so that decisions may be made smoothly and quickly at official meetings. The Appointment Committee and Remuneration Committee submit proposals and make recommendations to the Board of Directors on issues such as the appointment of directors and their removal from office, as well as issues of remuneration. Both committees are composed of three outside directors and the representative director and are presided over by one of the outside directors.



Paris Mitsukoshi Étoile and Arc de Triomphe

A century spent in search of genuine beauty ... trends toward the future.....

In 1904, Mitsukoshi became Japan's first full-fledged department store, offering a venue of products and services never beforeseen by society in that part of the world. In September of 1907, it established the Fine Art Department, in its Osaka Store and in December 1907, it brought the same concept to its Nihonbashi Main Store. Since that time, Mitsukoshi stores have been the venue for many artistic exhibitions covering master artists of the times, as well as young aspirants, leading to a blossoming of culture in a venue accessible to the public.

The first exhibition of Japanese Hansetsu picture art was held immediately following the establishment of the

Department, where many pieces were sold in what is now commonly known as the "hansetsu size" (136 x 35 cm), making art available to a wide range of working class people. Based on this philosophy, many art exhibitions deemed historic in the art circles have been held at these retail venues. Mitsukoshi was awarded the Grand Prix at the Mecenat Awards 2005, and held in 2007 the Exhibition of Japanese Pictures at Paris Mitsukoshi Étoile, as cultural exchange exhibit between Japan and France. Through programs such as these, Mitsukoshi continues to share the beauty of Japanese art with European as well as Japanese customers.



Costumes Précieux du Kabuki



An explanation of the displayed works to an audience at the Exhibition of Japanese Pictures, held at the Paris Mitsukoshi Étoile, entitled "Present Japan."

TOPIC 1

Suburban Stores, Opened in a Shopping Center, Offer a New Kind of Shopping Area.

Moving beyond the traditional department store concept to develop new venues for new customer bases, Mitsukoshi has opened a new store that carries select foods, fashion, and sundry goods in a suburban shopping center setting. The Company is forming a network of shops and stores, with an urban flagship store at the center, in each location. The network will make it possible to offer new convenience in shopping for young who are living primarily in suburban areas around larger metropolitan areas. The senior baby boomers had the downtown department stores. The junior baby boomers now have an enhanced version right in their suburban neighborhoods. The suburban store concept is one that embodies a "Hand in hand together with those we love," kind of feeling, which means shopping venues are becoming more than places to purchase goods and service, but are also environments where couples and families can spend time together engaged in a variety of activities.



Mall façade of the Musashi Murayama Store

TOPIC 2

Economic Development Project in Collaboration with a Shopping District Consortium (Takamatsu Store)

The new Marugame Shopping District, in Takamatsu City, is a redevelopment and revitalization project centering on central shopping areas through private initiatives. A development company, made up predominantly of local individuals, was set up to manage the redevelopment project. The company acted as the developer in charge of concluding term-leasehold interest agreements with landowners, and constructing and managing a commercial building, named Ichibangai. The group was able to keep the total project expenses down by managing the building as a single unit, and realized plans to pull in more customers. Mitsukoshi's Takamatsu Store, located in the Ichibangai, opened in November 2006, and has endeavored to make the streets economically successful in the project in which the department store took part. This project has attracted nationwide attention and Mitsukoshi intends to make further efforts to revitalize the entire district.



Ichibangai, symbolized by a dome-shaped plaza

The commercial building: Ichibangai

Ichibangai is part of a redevelopment project symbolic of the regeneration of the entire Marugame shopping district, realized in an urban redevelopment project. The area is a designated urban regeneration zone, also government approved as a Specific Private Central Zone Activation Project.

TOPIC 3

Participating in Kidzania Tokyo

Since its establishment, Mitsukoshi has held events and developed commodities in the hope that all children will grow spiritually richer, such as the Children's Exhibition, staged by Mitsukoshi in 1909. Supporting the Kidzania's basic philosophy, which states that "Children should learn the importance of taking interest in jobs through play," in March 1, 2007 Mitsukoshi participated in Kidzania Tokyo as a department store pavilion. When children work (namely, experience jobs), they receive remuneration in the currency, Kizzo and can enjoy services and shopping with this currency. The Mitsukoshi Pavilion intends to offer children with opportunities to use Kizzo, unsupervised by adults or parents and learn the pleasure and seriousness of working, as well as functioning in a social structure.



Mitsukoshi Pavilion opened in Kidzania Tokyo

Domestic Major Stores



Nihonbashi Main Store



Ginza Store



Ikebukuro Store



Chiba Store



Niigata Store



Sendai Store



Sapporo Store



Nagoya Sakae Store



Hoshigaoka Store



Hiroshima Store



Takamatsu Store



Matsuyama Store



Fukuoka Store



Kagoshima Store

Specialty Stores

- Shinjuku ALCOTT Store
- Lachic Store
- Yebisu Store
- Tama Center Store
- Shinjuku Alta Store
- Sunshine City Alta Store
- Sapporo Alta Store
- Niigata Alta Store

Suburban Stores

- Musashimurayama Store
- Natori Store

Company Outline (as of end of February 2007)

Corporate Name: Mitsukoshi, Ltd.
 Established: 1673
 Incorporated: In September 1, 2003, the Mitsukoshi, Ltd. was established through a merger of the former Mitsukoshi, Ltd., Nagoya Mitsukoshi, Chiba Mitsukoshi, Kagoshima Mitsukoshi and Fukuoka Mitsukoshi. The former Mitsukoshi, Ltd. was established on December 6, 1904.
 Representative Director: Kunio Ishizuka, President and Representative Director
 Address: 4-1 Nihonbashi Muromachi 1-chome, Chuo-ku, Tokyo 103-8001, Japan
 No. of Stores: Domestic Stores: 14
 Small-scale Stores: 74 (including Osaka Gift Saloon)
 Overseas Stores: 22
 Selling Floor Area: 542,591 m² (in Japan)
 No. of Employees: 6,714 (3,717 male, 2,997 female)

* The number of employees equals the number of members working in department stores, not including those dispatched to other companies.

Mitsukoshi Domestic Group Companies

Department Store Business

- Mitsukoshi Tomonokai Co., Ltd.
- The Printemps Ginza Co., Ltd.
- Usui Department Store Co., Ltd.

Real Estate Business

- Mitsukoshi Parking Service, Ltd.
- Mitsukoshi Real Estate Co., Ltd.
- Mitsukoshi Kankyo Design Co., Ltd.
- Mitsukoshi Kankyo Building Management Co., Ltd.
- Nagoya Building Service Co., Ltd.

Wholesale Business

- Niko, Ltd.
- Leotex Co., Ltd.
- Leo d'Or Trading Co., Ltd.
- Leo Mart Co., Ltd.
- Fortnum & Mason Japan Co., Ltd.

Other Service Business

- Mitsukoshi Insurance Service Co., Ltd.
- Studio Alta Co., Ltd.
- Pronet Co., Ltd.
- Mitsukoshi Information Service, Ltd.
- M·Logistics·Solutions Co., Ltd.
- Nagoya Mitsukoshi Operation Service Co., Ltd.

Board of Directors and Corporate Auditors (as of June 1, 2007)

President and Representative Director	Kunio Ishizuka	Standing Corporate Auditors	Kenichi Abe Koji Takenami
Representative Director	Kohei Amano	Corporate Auditors	Toyohiko Sanari Tsunaya Kawamura
Directors	Yoichi Tanikita Tatsuo Otagaki Ken Shigematsu Shigeru Matsumura Ken Akamatsu Fumio Sato Teisuke Kitayama Mieko Kenjo		

Overseas Network

Overseas Stores

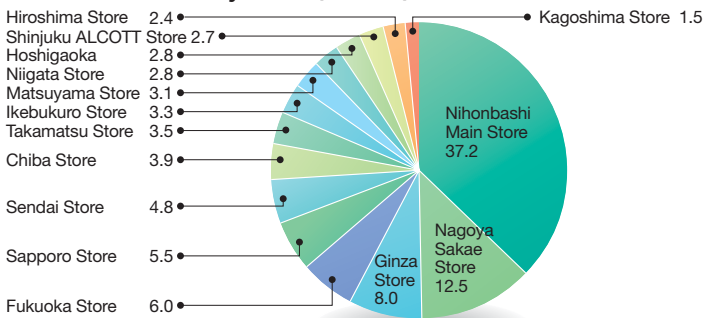
- Mitsukoshi France S.A., Paris Store
- Mitsukoshi (U.K.) Ltd., London Store & Restaurant
- Mitsukoshi Italia S.p.A., Rome Store
- Mitsukoshi Deutschland GmbH, Düsseldorf Store
Frankfurt Store
München Store
- Mitsukoshi España S.A., Madrid Store
- Mitsukoshi (U.S.A.) Inc., Orlando Store & Restaurant at Disney World
- Garden Hotel Shanghai Mitsukoshi, Shanghai Store
- Shin Kong Mitsukoshi Department Store Co., Ltd. (Taiwan)
Taipei Nanking Branch
Taipei Station Branch
Taipei Hsin Yi A11 Branch
Taipei Hsin Yi A8 Branch
Taipei Hsin Yi A9 Branch
Taipei Hsin Yi A4 Branch
Tienmu Branch
Taoyuan Branch
Hsinchu Branch
Taichung Branch
Tainan Chung Shan Branch
- Tainan Shi Men Branch
Kaohsiung San-Duo Branch

Overseas Offices and Others

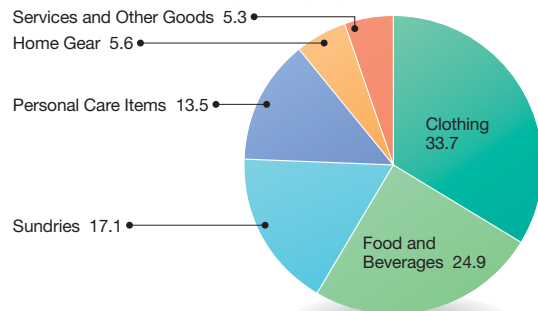
- Mitsukoshi, Ltd., Europe Head Office (Paris)
- Mitsukoshi Italia S.p.A., Milan Office
- Mitsukoshi (U.S.A.) Inc., New York Office
- Mitsukoshi, Ltd., Shanghai Office
- Mitsukoshi Étoile Museum

Distribution Ratio of Net Sales (Non-consolidated)

Breakdown of Sales by Stores (FY 2006) %

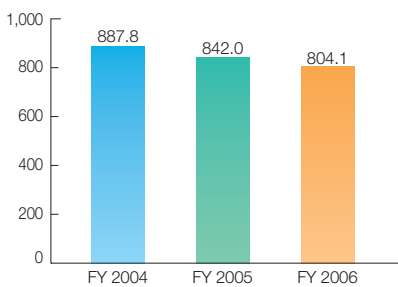


Breakdown of Sales by Category (FY 2006) %

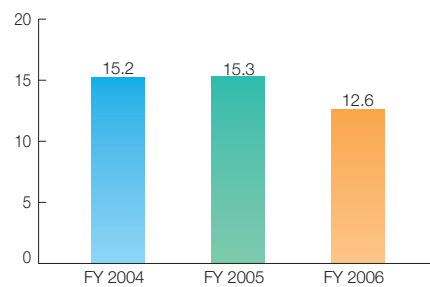


Business Results (Consolidated)

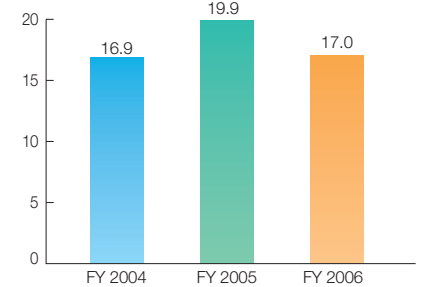
Net Sales (¥ billion)



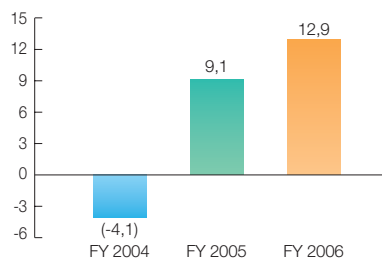
Operating Income (¥ billion)



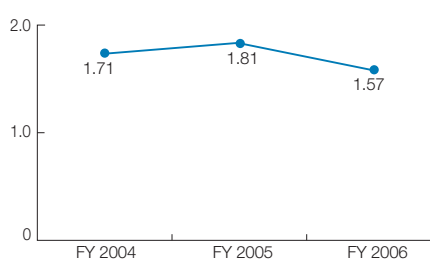
Recurring Profit (¥ billion)



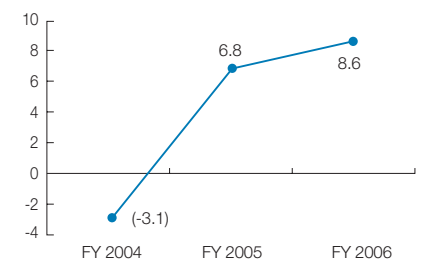
Net Income (¥ billion)



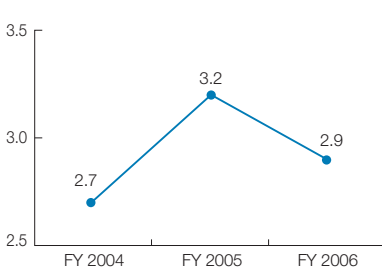
Sales Profit Ratio (%)



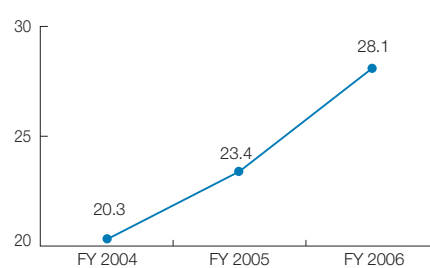
Return on Equity (ROE) (%)



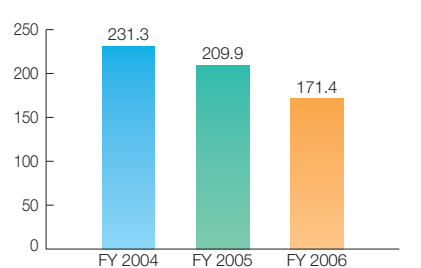
Return on Assets (ROA) (%)



Equity Ratio (%)



Balance of Interest-bearing Liabilities (¥ billion)



Common Stocks

Authorized shares	1,000,000,000
Issued shares	515,022,356
No. of shareholders	82,809

Major Stockholders

Shareholders	No. of shares (thousand shares)	Voting right ratio (%)
The Mitsukoshi Welfare Foundation	40,199	8.24
Japan Trustee Services Bank, Ltd. (Trust account)	23,328	4.78
The Master Trust Bank of Japan, Ltd. (Trust account)	12,438	2.55
Otsuka Kagu, Ltd.	11,700	2.29
Mitsui Life Insurance Co., Ltd.	11,195	2.29
The Mitsukoshi Employee Stockholders' Group	8,655	1.77
Mitsukoshi Aigokai	8,366	1.71
JPMorgan Chase Bank 380084	7,309	1.49
Sumitomo Mitsui Banking Corporation	7,000	1.43
Nippon Life Insurance Co.	5,533	1.13

Distribution of Shareholders

(Percentage by shareholder type)

(Unit: Thousand shares)

