
Business Briefing: Mitsukoshi Nihombashi Main Store

June 30, 2023

Isetan Mitsukoshi Holdings

Mitsukoshi Nihombashi Main Store

Table of Contents

- 1. Introduction**
- 2. Vision of Mitsukoshi Nihombashi Main Store in the medium-term plan**
- 3. Customer structure**
- 4. CRM strategy connecting with individual customers**
- 5. “High sensitivity, fine quality” strategy**
- 6. Initiatives for Mitsukoshi's 350 year anniversary**

1.Introduction

Environment surrounding the Nihombashi area

“The potential of the city is very high.”

- Increase in residential population, daytime population, etc.
- Redevelopment (Nihombashi 1-Chome Middle Area, East Area, Nihombashi Muromachi 1-Chome Area, Yaesu 1-Chome North Area Type 1 Urban Area Redevelopment Project, etc.) plan
- Plans to establish a large bus terminal connecting Haneda and Narita airports, a primary care facility for foreign customers, serviced apartments for foreigners, an international school, etc.

Daytime Population		Population:	
	Compared to 2020 in 2022		Compared to 2020 in 2022
Chiyoda-ku	106%	Chiyoda-ku	102%
Chuo-ku	104%	Chuo-ku	102%
Minato ku	103%	Minato ku	99%
Shinjuku-ku	102%	Shinjuku-ku	98%



2. Vision of Mitsukoshi Nihombashi Main Store in the medium-term plan

Vision of Mitsukoshi Nihombashi
Main Store

Becoming a symbol of **“admiration and empathy”** with **unparalleled accumulation** in the realm of **“tradition, culture, art and life”**

Products

Tradition/Status

- **Luxury/Jewelry:** Become the No. 1 in the region in terms of **brand names and sales**

Culture/Artworks

- **Artworks:** Build the best sales floor in Japan and **“digital museum”**
- **Kimono:** Propose a culture of Japanese traditional clothing in addition to building the best sales floor in Japan

Living

- Expansion of **“NEW” of food:** Offer new value based on the theme of **health and beauty**
- Providing everything you need for a quality lifestyle, putting emphasis on seasonal events



Environment/
Services

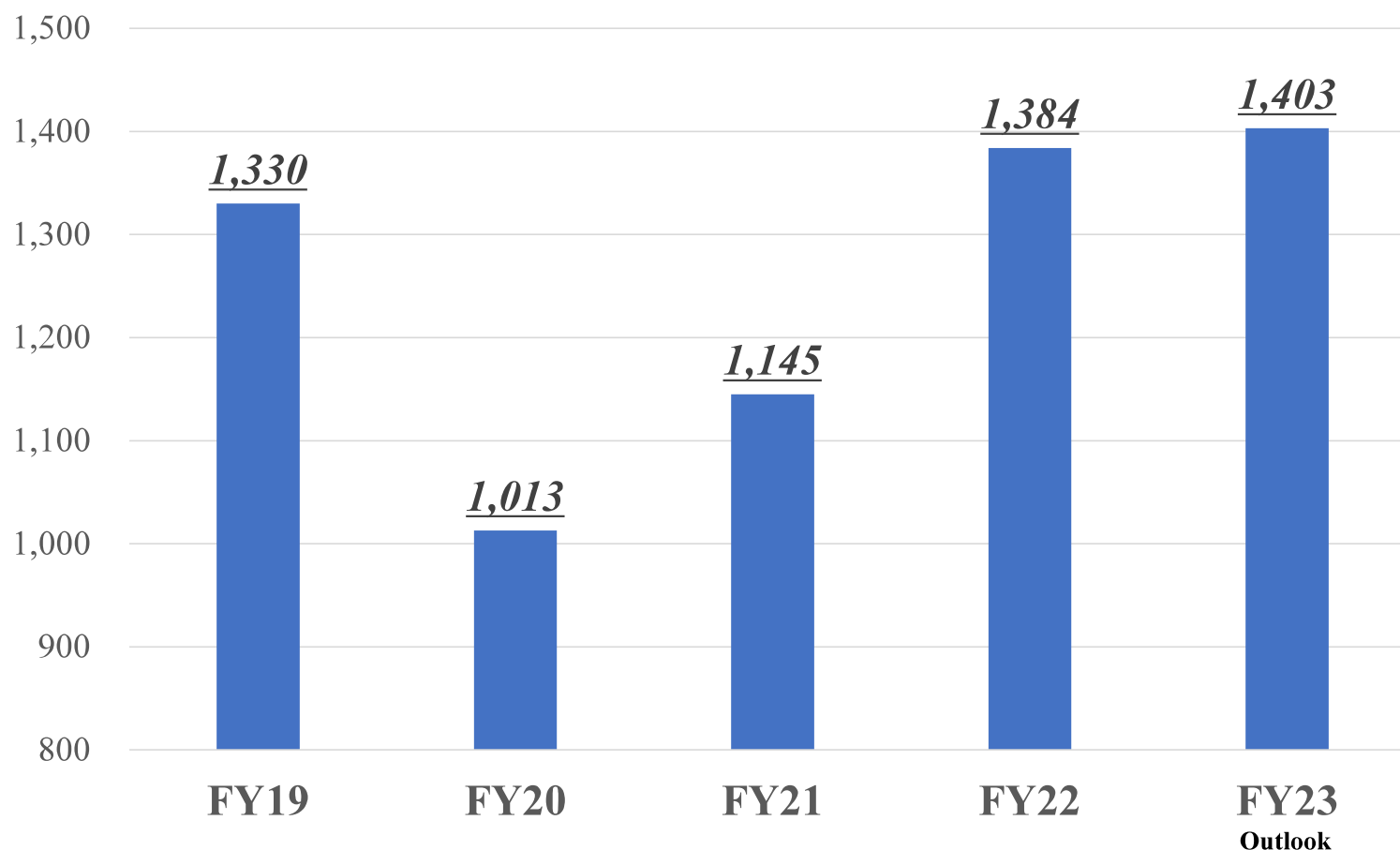
- **Central Hall:** **Special promotion** held in an environment designated as an important cultural property
- **“Customer service without refusal”** as a practice of “sincere service”
- **“Mitsukoshi's repair service”** for using good things for a long time

3. Performance of Mitsukoshi Nihombashi Main Store

Operating Results (Sales)

Sales rebounded in FY 22 even during the pandemic, surpassing pre-pandemic (FY 19) sales
Aim for +7.3 billion (from FY 19) in FY 23

(100 millions of yen)



Gross sales

- FY 19: 133 billion yen
- FY 23: 140.3 billion yen
(+ 7.3 billion yen)

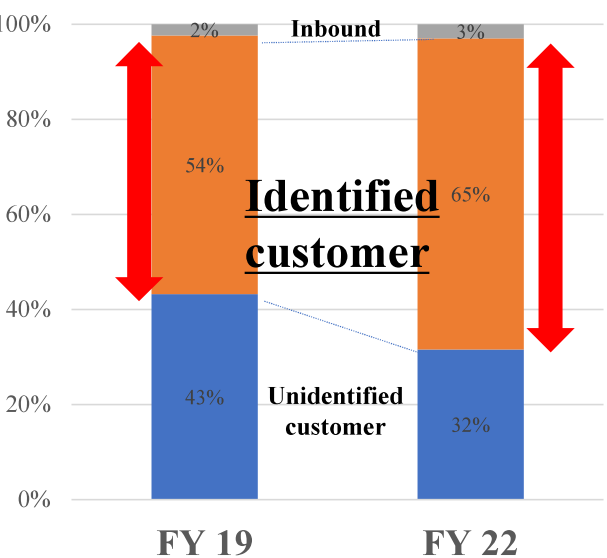
3.Customer structure

As a result of CRM strategy connecting with individual customers, strengthening of relationship and rejuvenation are progressing

- Increased identified customer sales share to approximately 65% (+ 11 %)
- Sales share of customers purchasing 1 million yen or more per year increased to about 53% (+ 10 %)
- By age group, sales to customers in the 30s to 50s increased and the market share was about 12 % increase.

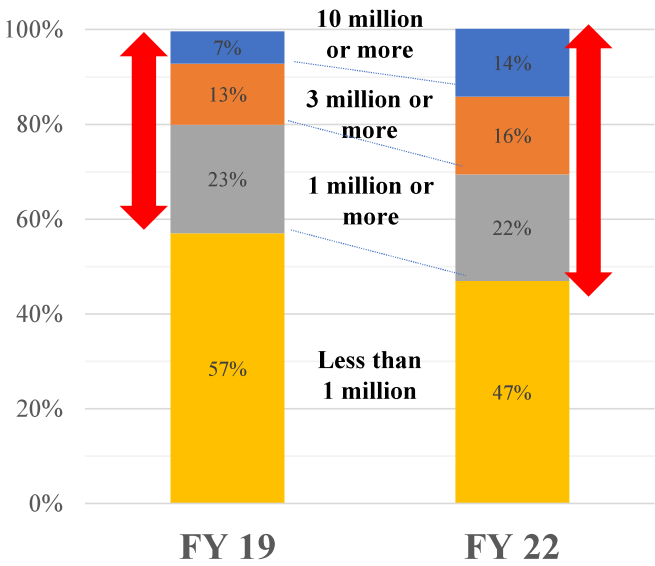
Identified customer sales share

54% ➤ 65%



Share by value of identified customer purchases

43% ➤ 53%



Identified customer age

	Share	Growth rate
20s	0.9%	270%
30s	3.4%	220%
40s	4.7%	167%
50s	3.4%	126%
60s	-0.6%	105%
70s	-15.0%	75%
Other	3.2%	97%



3.Strengths of Mitsukoshi Nihombashi Main Store

Expectations for the Nihombashi Main Store are in the areas of

“Special selections & Jewelry/watches,” “Food,” “Living” + “Artworks” and “Kimono”

- Maximize customer satisfaction by leveraging the strengths of the three core stores (Isetan Shinjuku Main Store, Mitsukoshi Nihombashi Main Store, Ginza Mitsukoshi)

Buying around three stores

***Top categories in which customers who buy at each store buy at other stores**

① Shinjuku Main Store ⇒

Nihombashi Main Store

- | |
|---------------------|
| 1 Special selection |
| 2 Jewelry/watches |
| 3 Food |
| 4 Living |
| 5 Women's clothing |
| 6 Men's clothing |
| 7 Cosmetics |
| 8 Artworks |
| 9 Kimono |

2. Ginza Store ⇒

Nihombashi Main Store

- | |
|---------------------|
| 1 Food |
| 2.Special selection |
| 3 Jewelry/watches |
| 4 Living |
| 5 Ladies' clothing |
| 6 Men's clothing |
| 7 Cosmetics |
| 8 Artworks |
| 9 Kimono |

3. **Nihombashi Main Store** ⇒

Shinjuku Main Store

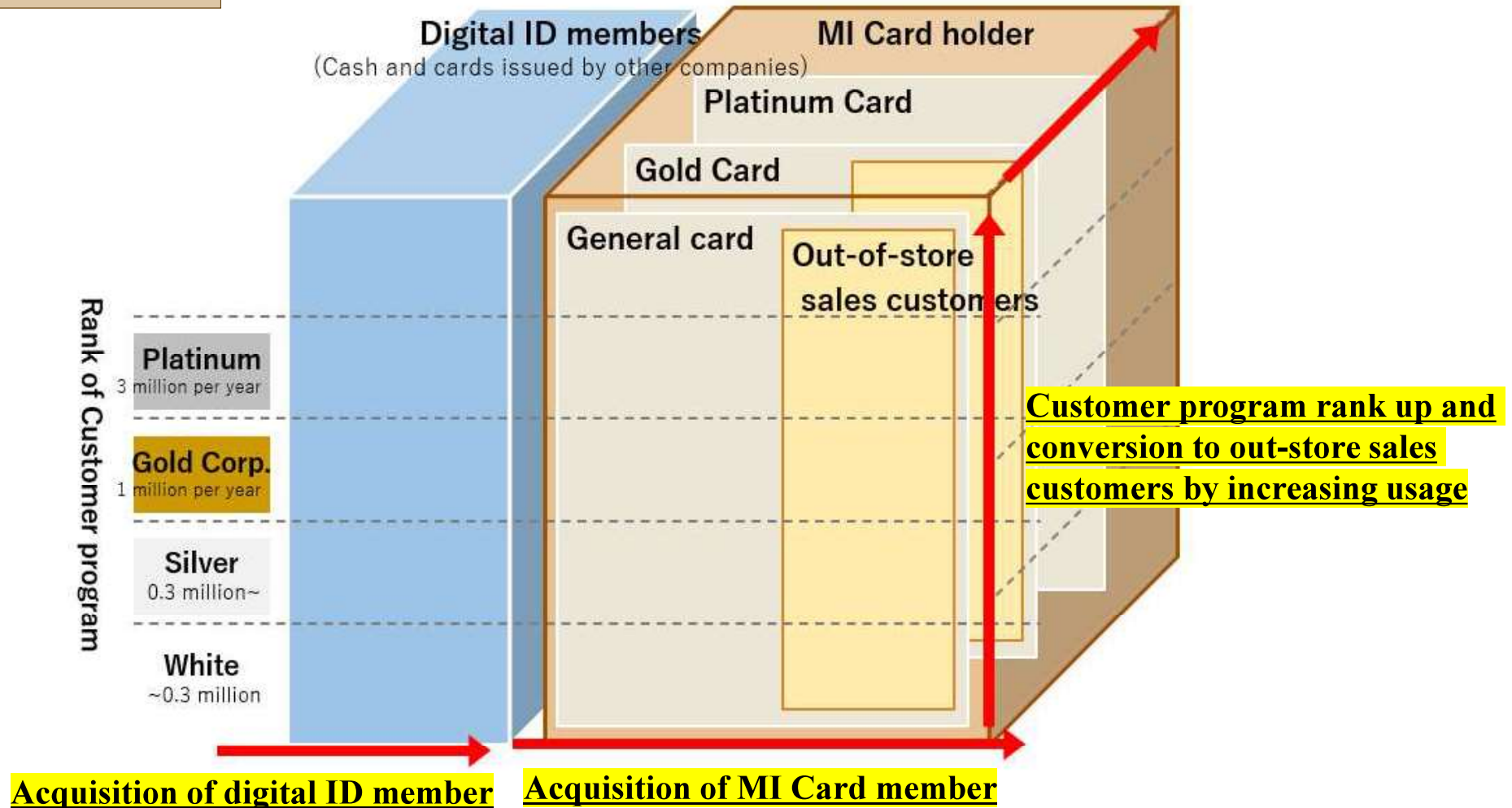
- | |
|-----------------------|
| 1 Special selection |
| 2 Jewelry/watches |
| 3 Ladies' clothing |
| 4 Men's clothing |
| 5 Food |
| 6 Ladies' accessories |
| 7 Living |
| 8 Cosmetics |
| 9 Baby/Children |



4.CRM strategy connecting with individual customers

Expansion of identified customers

Identify customers and increase loyalty at every customer point of contact



4.CRM strategy connecting with individual customers

From mass to individual

From mass to individual: **Expansion of connection to “individual customer”**

● “Innovative proposals” and “impressive solutions” for each customer

1) Hospitality by all: A system to entertain customers throughout the building

Centralized visitor information for timely hospitality throughout the building







“Nihombashi Mitsukoshi” Customer Hospitality Teams

...

General

(Visited on Day/Month)
Mr. (Ms.) (Mrs.) xx

(Visited on Day/Month)
Mr. (Ms.) (Mrs.) △△

(Visited on Day/Month)
Mr. (Ms.) (Mrs.) ○○



4. CRM strategy connecting with individual customers

From mass to individual

From mass to individual: Expansion of connection to “individual customer”

● **“Innovative proposals” and “impressive solutions”** for each customer

2) Out-store sales/attendant x buyer



Division 1,
Mitsukoshi Private Sales Department,
Private Sales Group,
Direct Sales Management Department

Sales Department 2, Main Building 3
(Ladies' luxury)

Kaoru Shimada, Buyer

Yukihiro Yoshida, Manager

3) Remote digital shopping



4.CRM strategy connecting with individual customers

Base network

Offer products, services, and special events from the Nihombashi Main Store to customers nationwide

Regional operating company

Satellite/small stores

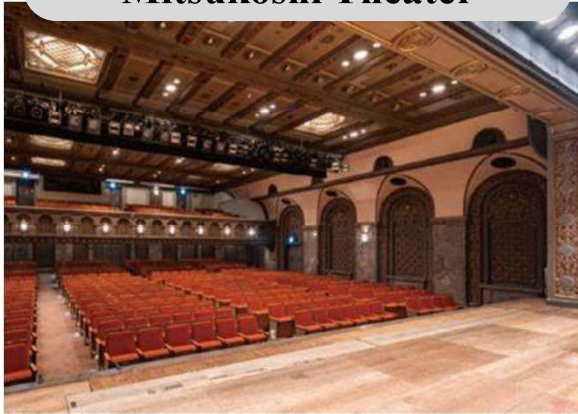


5. “High sensitivity, fine quality” strategy

“High sensitivity, fine quality”
strategy

Offering special “experience value” that takes advantage of the unique historical design of important cultural property
➤ Transmission of culture ➤ Luxury brands x Mitsukoshi only ➤ Co-creation with local communities

Mitsukoshi Theater



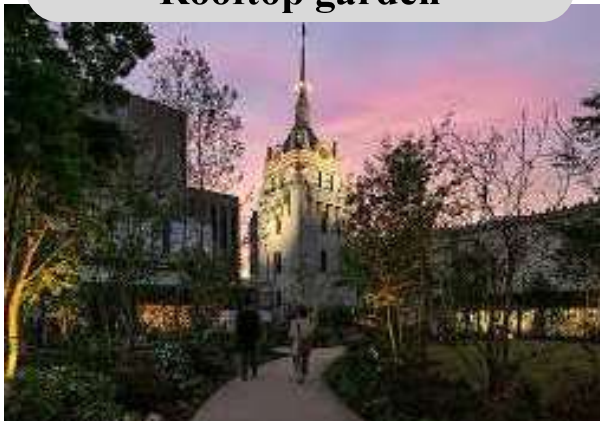
Central Hall



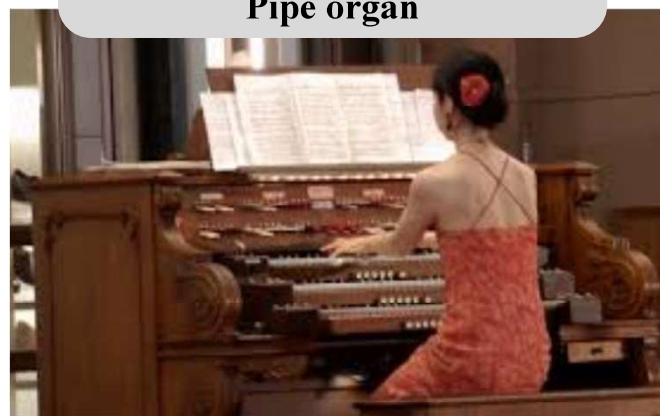
Main Building
(important cultural property)



Rooftop garden



Pipe organ



Special restaurant



5. “High sensitivity, fine quality” strategy

“High sensitivity, fine quality”
strategy

The transmission of culture

Ikenobo x Mitsukoshi: Life with Flowers



**Ceiling painting of Ueno Kanei-ji
Temple unveiled: Special exhibition**

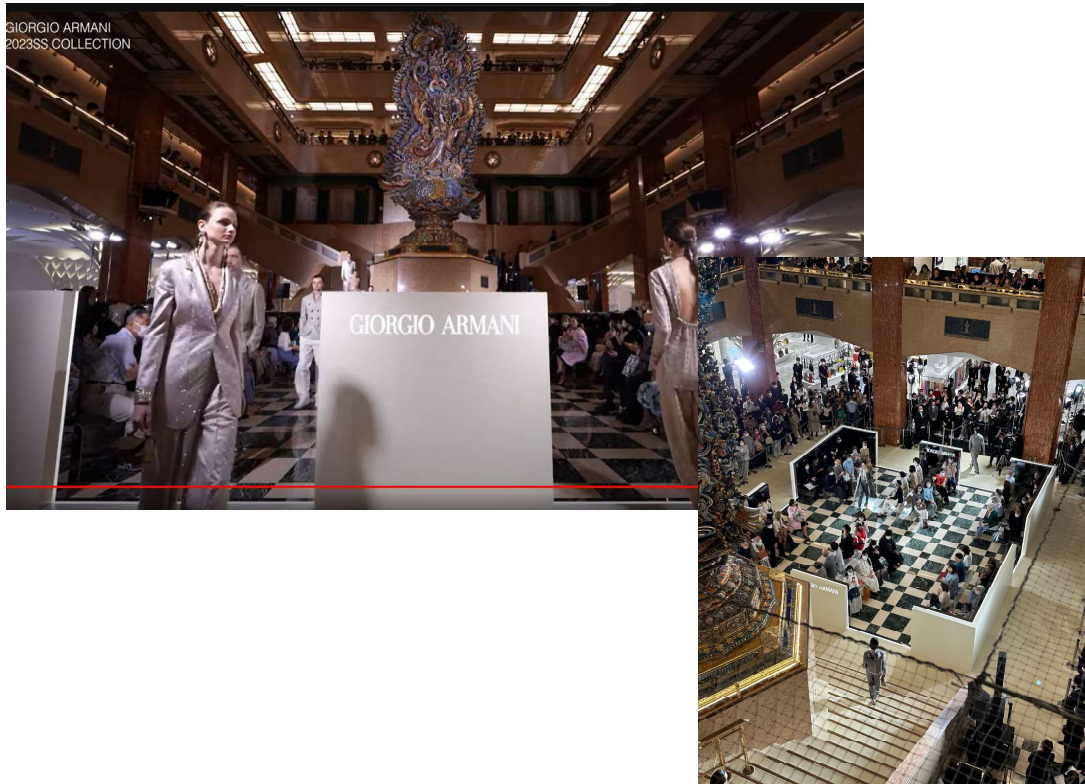


5. “High sensitivity, fine quality” strategy

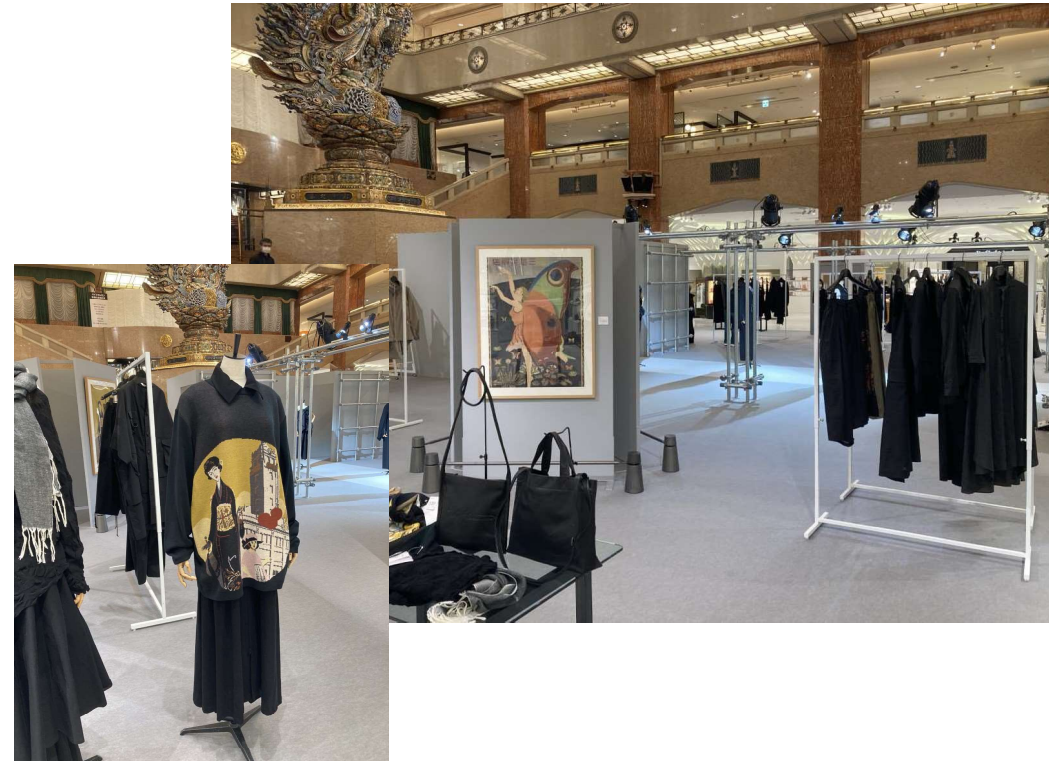
“High sensitivity, fine quality”
strategy

Luxury x Mitsukoshi Limited Value

< Giorgio Armani > Show



< Yohji Yamamoto > x Mitsukoshi's Historic Designs



5. “High sensitivity, fine quality” strategy

“High sensitivity, fine quality”
strategy

Co-creation with local communities

Kanda Festival x Mitsukoshi: Regional collaboration



The Nihombashi Honey Project: Community collaboration



5. “High sensitivity, fine quality” strategy

“High sensitivity, fine quality”
strategy

● Building floors that offer new value based on the theme of **health and beauty**

Kanagawa Dental University x Dental and Brain Clinic



Landmark: Healthy food proposals



New training suggestions
*During negotiations

6. Initiatives for the 350 year anniversary of Mitsukoshi

350 anniversary project

Limited, reprint, archive and collaboration



6. Initiatives for the 350 year anniversary of Mitsukoshi

350 anniversary project

Limited collaboration



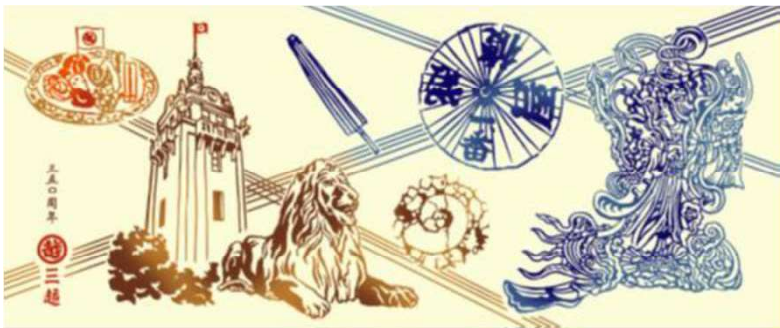
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6. Initiatives for the 350 year anniversary of Mitsukoshi

350 anniversary project

Limited-edition, gem and collaboration



6. Initiatives for the 350 year anniversary of Mitsukoshi

350 anniversary project

Community symbiosis, reprints and archives

