
Business Briefing:

Mitsukoshi Nihombashi Main Store

June 30, 2023

**Isetan Mitsukoshi Holdings
Mitsukoshi Nihombashi Main Store**

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My name is Ryota Marui, and I am the head of the Mitsukoshi Nihombashi Main Store. Thank you very much for taking time out of your busy schedule to visit us today. I'm little nervous because I don't have many opportunities to speak to people outside the company in a situation like this. Please forgive me if there is anything you find difficult to hear.

First of all, I would like to tell you about the Mitsukoshi Theater, where everyone is now.

In 1927, the Mitsukoshi Theater was built inside a department store, which is unusual for a department store. It was right after the Great Kanto Earthquake, so we created it with the desire to not only restore the building but also to restore the culture and to enrich the hearts of our customers. It was called Mitsukoshi Hall at that time.

It was temporarily closed during the war, but in 1946, it was renamed "Mitsukoshi Theater" on the occasion of a rerun of Kabuki. As a base for the transmission of culture such as Kabuki, rakugo, popular theater performance, together with the Imperial Theater, which escaped destruction by fire, I believe we were able to play a part in the revival of culture.

The stained glass on the ceiling is the work of Shichiro Bessho. It is his signature work along with stained glass on the ceiling of the Capitol.

It also attracted attention as a theater that was one of the first to incorporate what is now called air-conditioning functions which was unusual at the time.

Furthermore, there are slightly smaller doors at both ends of the theater. I'm just under 170 cm tall, but it's a small doorway where my head would bump if I tried to pass. The reason for this is that around 1927, the average height of Japanese was in the 150 cm range. I hope you will remember the small story about the small door because it was made according to the average height at that time.

Let me briefly introduce myself and my background. There is a part of my career that leads to the various initiatives I will discuss later, so I would like to take some time. I joined Isetan in 1995. I worked as a buyer for Men's Creators at Isetan Shinjuku Main Store Men's Building. During my time as a buyer, I went to many overseas purchases by designers presenting their collections, such as the Milan Collection, Paris Collection and New York Collection.

I think this was very useful as an experience for me when I later became a store attendant and a person in charge of the out-store-sales department, taking customers overseas with me at an overseas attendant.

After that, I became a planning manager for the men's building and was in charge of WEB, EC and PR. At that time, EC was just getting started, and sales were about 10 billion yen. We formed a business partnership with Start Today (Zozotown), and we learned a lot from them about the warehouse in Makuhari, the shooting studio and the platform of the system.

I have transferred to the EC Division based on my experience in launching an EC called "ISETAN MEN'S net" at the Isetan Shinjuku Main Store Men's Building. In the process of realizing the integration of Mitsukoshi Online and Isetan Online, I learned a lot about the differences between the cultures of goodwill and systems of the two stores, as well as the differences in the evaluation criteria. I then created a system for remote shopping and remote payment, and was also in charge of developing a system for remote payment of URLs (MIRS), which would enable people in areas away from store stylists to make purchases smoothly.

Later, I was in charge of the EC business division to the point where I set up EC sites for categories such as online store for luxury items "NOREN NOREN ISETAN MITSUKOSHI (ISETAN MITSUKOSHI LUXURY)," "meeco" for cosmetics and "ISETAN DOOR" for home delivery.

After that, through various fashion-related relationships, IT-related relationships, and relationships with showbiz and athletes, I encountered the challenges of the so-called new wealthy customers, who at the time could not easily shop at department stores or were too busy to go to stores. Since I had a lot of friends and customers like that, subsequently I set up a new team called the Store Attendant Department to serve VIP guests. At that time, we used LINE and SNS to suggest new products to our customers and make speedy payments, and we tried and failed with new members of the Store Attendance Department to achieve these things. During my time in the Store Attendance Department, I had such experiences as attending customers to overseas collections, taking them to the Cannes Film Festival, going to purchase in the Burgundy and Champagne regions to participate in auctions, and touring Domaine if you like alcohol.

And I put that experience to good use in my new out-store-sales business. We set out a new style of out-store-sales business, in which we communicate with people who have sales skills in stores, and with people who have skills in each category, and we organize in a buddy team to serve our customers.

In addition, I have helped to integrate the Isetan Noren (goodwill) and Mitsukoshi Noren (goodwill) as one as the Out -store-sales Management Department. When thinking from a customer perspective, of course there are customers who are very loyal to the Mitsukoshi Noren and the Isetan Noren, respectively, but if other stores have products that they want or services that they want, they may need services that go beyond the boundaries of the store, and that's why a new organization called the Out -store-sales Management Department was formed.

Furthermore, in October of last year, we established a foreign customer service agency. We have established a system in which not only domestic customers but also overseas customers are treated as solidly as they have been treated at as regular customers and out-store-sales customers. Accordingly, we started a service last year that allows customers of different nationalities living overseas to find out their needs in advance on LINE, WeChat or WhatsApp, and have them ready when they come to Japan, or have suitable personnel available to serve them.

Following these experiences, I have been appointed head of the Mitsukoshi Nihombashi Main Store since this April. Over the past three months, I have keenly felt the potential of the city of Nihombashi, the potential of the Mitsukoshi Nihombashi Main Store, and the potential of the store's personnel. After all, we are proud to say that Mitsukoshi Nihombashi Main Store is the most appropriate store for our corporate philosophy of sending out the pride of Japan to the world, and we would like to evolve further by injecting new essence and other things that we have experienced.

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Now, let's get down to business.

I would like to explain today's business briefing of the Mitsukoshi Nihombashi main store in terms of the items as listed.

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



	Compared to 2020 in 2022
Chiyoda-ku	106%
Chuo-ku	104%
Minato ku	103%
Shinjuku-ku	102%

Population:



	Compared to 2020 in 2022
Chiyoda-ku	102%
Chuo-ku	102%
Minato ku	99%
Shinjuku-ku	98%




First of all, as I am sure you all know, I am talking about the fact that the Nihombashi area has tremendous potential.

The residential population, and the working population during the day, has grown tremendously. And there are data showing that the birth rate and the birth population are also increasing very much. As can be seen in the data below, daytime population and population have grown compared to 2020 and 2022, and although it is said that only 5 ~ 6% of the municipalities in the country will have population growth until 2045, the top 3 municipalities with population growth nationwide are Chuo-ku, Minato-ku, and Chiyoda-ku, the three wards located at the neighborhood of this Mitsukoshi Nihombashi Main Store.

That is why I think the need for our store will increase as the population increases more and more in the future.

Furthermore, as you can see in this image, the redevelopment of the city is very much underway. It has been announced that a financial convention center will be built at the site of the former Nishikawa Futon across the bridge, including the Coledo Muromachi 1, 2 and 3 Terraces in front of our shop. Other redevelopments are also being announced gradually, so it is a fact that a variety of customers from around the world and from around the country will gather here.

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 <ul style="list-style-type: none"> • Luxury/Jewelry: Become the No. 1 in the region in terms of brand names and sales 	
	Culture/Artworks <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 	

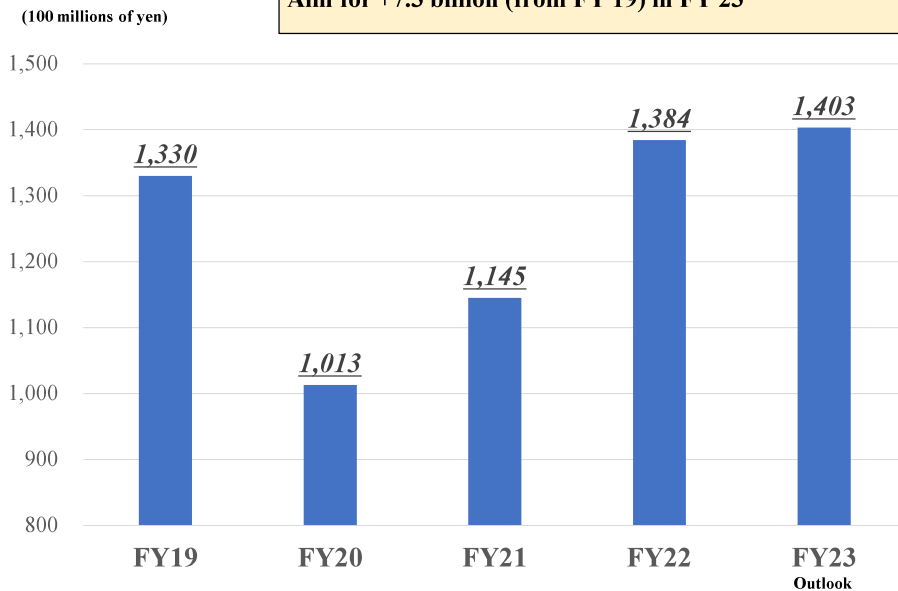
Against this backdrop, we at the Mitsukoshi Nihombashi Main Store have set forth this vision in our medium-term plan.

Our goal is to become the overwhelming No. 1 store in the area of “Tradition, culture, art and life” and to become a store that customers long to. Later, I will explain the details based on MD(Merchandising) and environmental services.

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



Gross sales

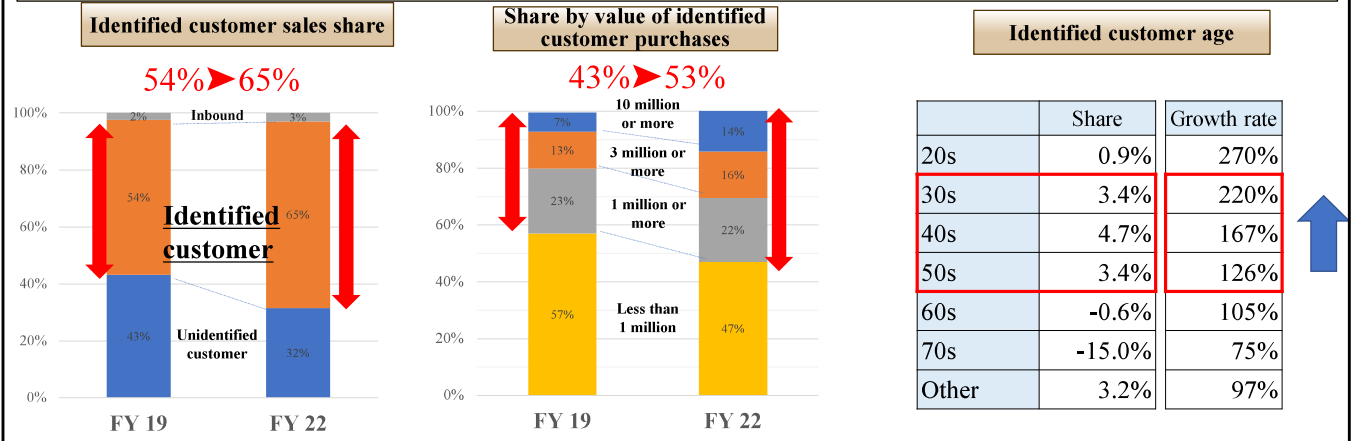
- FY 19: 133 billion yen
- FY 23: 140.3 billion yen (+ 7.3 billion yen)

The table shows changes in gross sales of the Mitsukoshi Nihombashi Main Store. We had very difficult times in 2020 and 2021 due to the corona, but thanks to the efforts of our customers, we are now making a steady recovery. The three-year plan proposed by the Isetan Mitsukoshi Group has achieved sales and other results one year ahead of schedule, and we have declared that we will aim for sales of 140 billion yen this fiscal year, one year ahead of schedule.

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.



Let me explain the customer structure.

Our “CRM strategy connecting with individual customers” is strengthening our relationship with our customers and rejuvenating them. Originally, this store had many customers who could be identified, such as out-store-sales customers and regular customers, so there were more customers who could be identified than other stores, and already 54% of sales were from identified customers. As a result of the use of digital technologies, such as the customer analysis of the MICARD and the customer analysis of the Isetan Mitsukoshi app, the number of identified customers has further increased, with 65% of sales in the last fiscal year coming from identified customers.

Even if we look at the market share by purchase amount, the Isetan Mitsukoshi Customer Program customers ranked at 1 million yen, 3 million yen and over 10 million yen have grown further, and as a result, the purchase price per person and annual purchase amount have also grown significantly.

If we look at the increase and decrease in the share of sales by age group of identified customer, this store has been loved by customers for a long time, so it may seem like a store with many elderly customers in your image. Of course, we will continue to create stores where such customers can shop with peace of mind, but recently, with the growth of the city of Nihombashi, the influx of young people in their thirties, forties and fifties has been very noticeable.

The other day, we held a festival called “Mimeguri Matsuri” on the roof. We made the fair a little more particular with shooting gallery, quoits and cotton candy made by the Japanese confectioner Eitaro. Small children ran around the rooftop and many young couples came pushing strollers. A long-time veteran employee of the Mitsukoshi Nihombashi main store was surprised to learn that there are so many young couples and small children in this store. We are in the process of realizing not only the data but also the fact that the number of customers with young children is increasing.

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



Here, I would like to talk about buying around stores in the Tokyo metropolitan area as a strength of Mitsukoshi Nihombashi Main Store.

Expectations for the Mitsukoshi Nihombashi main store are, after all, food and living, in addition to jewelry watches and special selections, which are growing categories at the Isetan Shinjuku main store and the Mitsukoshi Ginza Store. Furthermore, the fields of art and Kimono, which we cherish in our traditional culture, have also come up as items to be supported.

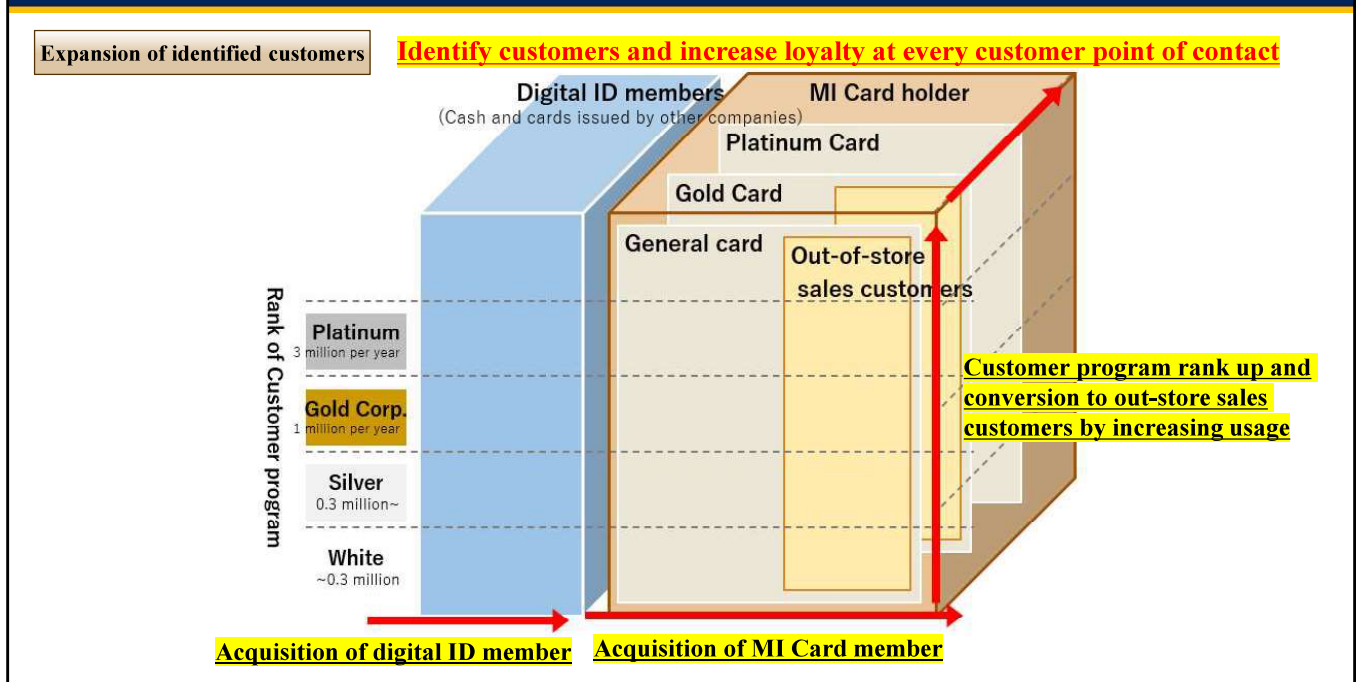
On the far left column is the ranking of Isetan Shinjuku Main Store customers by category when they shop at Mitsukoshi Nihombashi Main Store, and again, food and living are ranked high. And many people think that if they want to buy art and kimono, they should go to the Mitsukoshi Nihombashi main store, which has full specs in that much space. The number of customers who use both the Isetan Shinjuku Main Store and the Mitsukoshi Nihombashi Main Store at the same time has increased greatly. The Mitsukoshi Ginza Store has the largest number of customers shopping around for the Isetan Shinjuku Main Store and the Mitsukoshi Nihombashi Main Store. At the Mitsukoshi Ginza Store, they buy cosmetics and fashion-related items on their way home from work, but on weekends they come to the Mitsukoshi Nihombashi main store to eat delicious food with their families and buy furniture for their homes. And I think the data also shows that many customers would go to Mitsukoshi Nihombashi Main Store if they were shopping for art and kimono.

Of course, customers of the Mitsukoshi Nihombashi Main Store are also buying at the Isetan Shinjuku Main Store, which is in the same group. As Isetan Shinjuku Main Store offers one-of-a-kind fashion, customers of Mitsukoshi Nihombashi Main Store who want to buy trendy or limited items in fashion come to Isetan Shinjuku Main Store to buy women's and men's clothes.

In your image, the stores in Shinjuku, Ginza, and Nihombashi have different characteristics and customers are divided, but the fact is that each store is unique and independent, which is why customers choose to use these three stores according to their special needs and the needs of the time.

The Out -store-sales Management Department is a major contributor to this. We have been reborn as an organization that goes beyond goodwill and stores, so even if customers of the Isetan Shinjuku Main Store shop at the Mitsukoshi Nihombashi Main Store and customers of the Mitsukoshi Nihombashi Main Store shop at the Isetan Shinjuku Main Store, the sales person in charge can follow along and help them with their shopping, or we can ask the same fellow store attendants of each store in the Out -store-sales Management Department to serve our customers. The Isetan Shinjuku Main Store, the Mitsukoshi Nihombashi Main Store, the Mitsukoshi Ginza Store, and the Out -store-sales Management Department have four teams that we call the strongest quartet in the Tokyo metropolitan area, and we encourage our customers to shop around and increase their wallet share in the Isetan Mitsukoshi Group. Each store emphasizes its individuality while letting customers use all of it. Such efforts are being made, and you can think of these efforts, and of these, Mitsukoshi Nihombashi Main Store is particularly prominent in the areas of food, living, art and kimono.

4.CRM strategy connecting with individual customers



This is a graphic illustration of the trend in our “CRM strategy connecting with individual customers” to expand the number of identified customers.

As you can see on the bottom left, first you need to download the easiest Isetan Mitsukoshi app and become a digital member. This allows each store’s information to reach its customers, and the results of their purchases are accumulated in the app. We recommend that customers who download the Isetan Mitsukoshi app also sign up for the MICARD because it gives them advantages such as introducing more priority projects and increasing the point return rate. And once you become a member of the MICARD, the menu for the Isetan Mitsukoshi Customer Program that you can use will change depending on the amount of money you spend, so we will explain to our customers the advantages of the menu. Then, the customer wants a higher level of service, and the flow is to use the MICARD for various purchases. Then, as the amount of use increases, the conversation becomes, “Why don’t you become a out-store-sales customer?”

If you are a out-store-sales customer, you will be able to give priority to the sales and reservation of highly rare products, and also to offer overseas attendants, overseas hospitality, and so-called MD outside department stores, which are not normally sold in stores and services. As our customers obviously know this, they have been working with the Isetan Mitsukoshi Group for a long time to improve LTV with us.

We at the Mitsukoshi Nihombashi Main Store are also actively working to increase our ranks among digital members, MI Card members and out-store-sales customers, as well as to establish lasting relationships with our customers.

4.CRM strategy connecting with individual customers

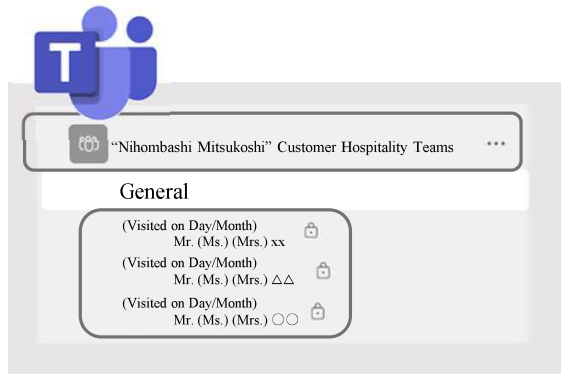
From mass to individual

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



Here are some of the most distinctive features.

I was in charge of Isetan’s Out-store-sales Department until March 2023, so when it came to “my customers coming to the store,” members of the Out-store-sales Department were all at once working together in LINE WORKS and Microsoft Teams. We had established a system in which each person in charge would support us when we told them, “This type of customer is coming,” but Mitsukoshi Nihombashi Main Store created a program so that the entire store, not just the out -store-sales department, could provide hospitality.

In the middle of the page, “customer hospitality teams,” for example, put information like “when, what day, and what time my guests are coming” here. Then the parking attendant at the top left of the page will check with the person in charge about the make, color and number of the customer’s car. They move to provide a parking lot where the big car can be parked at the time of your visit, or where the driver can rest if you have one. As you can see, everything starts moving as soon as you share it with the teams.

At the same time, the person in charge of hospitality looks at the same teams, so the person in charge of the lounge or salon checks “how many people are in your party,” “are you a family member,” “are you having small children,” and “are you having elderly guests,” and instantly determines “where the room should be” and “where the resting place should be.” Depending on these conditions, tea and sweets served at the time of your visit may vary. “Let’s serve this to the elderly,” “Let’s serve this to the small children,” “This person works out with bodybuilding, so let’s skip the sweets and go for dried figs.” and so on, and the person in charge of hospitality thinks about the direction of hospitality as soon as information comes into this teams.

The rep sales then shares with this teams that “On the day of your visit, you look at your watch, you look at women’s clothing, and finally you want to buy some food to take home.” Managers and category specialists on each floor then research the customer’s preferences and develop strategies in advance about “which person should be assigned,” “which brand to recommend,” and “which items to recommend.” This series of responses allows customers who really don’t have time to shop smoothly. However, naturally, customers may change their mind after arriving on the day. If there is a change such as “I think I’ll buy some baby clothes for my grandchild after all,” or “I think I’ll stop by the living section to go home because there’s a speaker I’m interested in,” this teams is running in real time, so timely information such as “The customer says he wants to go see the baby clothes in 30 minutes,” or “I’m in the living section right now with my guests, so I’ll be right there for food section next.” will be provided. So, when the schedule suddenly changes, the floor manager or category specialist is also looking at it, so you can respond like, “I’ll have a certified specialist in baby and children’s clothes in 30 minutes.”

What I had been doing as a small team in the Out-store-sales Department until March 2023, has already started as an initiative at the Mitsukoshi Nihombashi Main Store to provide timely hospitality throughout the entire building, with all employees working at the same time, so we would like to absorb the requests of individual customers and satisfy their needs.

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



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

Kaoru Shimada, Buyer



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

Yukihiko Yoshida, Manager

3) Remote digital shopping



This is about the collaboration between the top sales of Out-store-sales and buyers. We grew up being told, “30% of buyer’s work is customer service.” After all, our customers’ needs are drawn from their voices. The best spokesperson for this is the top sales in the out-store-sales, so by having constant communication between the top sales and the buyer, we meet each other repeatedly to enrich the product selection and development, as well as the service and hospitality. And if the customer “wants to go to the brand’s overseas collection” or “want to receive hospitality overseas,” the buyer will negotiate with them when they go on an overseas business trip. I expect that the communication between the top sales of out-store-sales and buyers will deepen in the future.

Remote digital shopping is a tool that enables instant communication with customers living far away using digital tools, such as “MIRS(Isetan Mitsukoshi Remote Shopping)” for URL remote payment, which I launched when I was in the EC Division. Here is one example. The other day, a Japanese customer living in the U.S. said, “My child is going to elementary school soon, so I really want to buy a school bag,” and a grandparent living in Japan also said, “We want to buy a school bag for our grandchild.” For this reason, I suggested a school bag by connecting the United States, the home of their grandparents in Japan, and the Mitsukoshi Nihombashi main store through a three-way relay, and they were able to purchase it without any problems. Our guests were very pleased and received a letter of praise upon their return later. These examples also come from this remote shopping.

4. CRM strategy connecting with individual customers



While using Isetan Mitsukoshi/Remote Shopping as described on the previous page, we will maximize our base network. Since Mitsukoshi Nihombashi Main Store is the leader of all Mitsukoshi stores nationwide, we will provide a variety of products and services, as well as special events, to all Mitsukoshi stores and Isetan Group stores nationwide.

The biggest of these is Mitsukoshi's Ippinkai, a special exhibition held twice a year at the hotel. Isetan's "Tanseikai" uses its overwhelming MD capabilities to close its stores in Shinjuku and invite its loyal customers, but Mitsukoshi's "Ippinkai" attracts Mitsukoshi's top customers from all over Japan to the greater Tokyo area, so we hold the event at our hotel, including overnight stays. Since it is being held at the hotel, we are still developing new hospitality and services, such as collaboration with Mitsukoshi for the amenities of the hotel where you stayed the night before, and collaboration with a cosmetics company in the Mitsukoshi Nihombashi Main Store for the beauty treatment menu you can enjoy at the hotel.

We also utilize base network in our daily activities. For example, a customer in Shikoku recently visited a store in Shikoku, and when he purchased a large projector for his home, he requested to have an interior or total coordination that would look great. However, there are parts of stores in rural areas that are necessarily lacking in products, and we do not have personnel who can respond to all requests. For this reason, the Mitsukoshi Nihombashi main store sent category specialists to shops in Shikoku to visit customer's home, where they looked at the projectors and told them things like, "What would be cool to have in total coordination for this?" We then discussed items via remote shopping, which resulted in a purchase of tens of millions of yen. There was also a pleasant case of the room being published in a magazine at a later date and the guests were very pleased.

In addition to the special events held at hotels and other venues, the Mitsukoshi Nihombashi Main Store will play a central role in promoting the daily domestic business trips and remote relationships with local stores that I have just introduced.

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



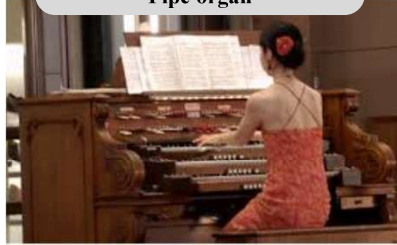
Main Building (important cultural property)



Rooftop garden



Pipe organ



Special restaurant



From now on, we will introduce the “High sensitivity, fine quality” strategy. Like the Mitsukoshi Theatre, where we are now, various parts of the Mitsukoshi Nihombashi Main Store were designated National Important Cultural Properties in 2016. The exterior walls of the main building, the central hall with the statue of the heavenly maiden, and the special restaurant are also important cultural properties of the country. After all, I feel that only the Mitsukoshi Nihombashi Main Store can create hospitality using this unique cultural design. Today, I would like to talk about special experience values from three perspectives: “cultural transmission,” “a cross between luxury brands and Mitsukoshi,” and “co-creation with local communities.”

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



The first point is about the transmission of culture.

We recently held the Ikebana no Kongen Ikenobo Exhibition -- Tokyo Flower Exhibition. The Tokyo exhibition of Ikenobo, Japan's largest ikebana organization, was held using the entire Mitsukoshi Nihombashi Main Store. In addition to the main hall on the 7th floor of the main building, Ikebana was displayed in the outer windows of Central Street, the welcoming flowers from the Lion Entrance on the 1st floor of the main building, in the Central Hall and on other floors. In the special restaurant, they prepared a special set meal called “Ikenobo Special Lunch,” which was designed to resemble Ikebana. As a result, the entire Mitsukoshi Nihombashi Main Store was able to communicate a life of flowers and a life of richness. During the period, we had many customers wearing kimonos, and the shark fin soup, which cost more than 10,000 yen, sold very well at the food section in the basement. With this kind of cultural communication, we welcome customers who are highly sensitive and fine quality consumers. We hope to continue this kind of cultural communication in the future.

The “Unveiling of the Ceiling Paintings of the Ueno Kanei-ji Temple” on the right is a major event we are about to hold. One of the top Japanese painters, Professor Yuji Tezuka, draws a large dragon for the ceiling of the 400 year-old Ueno Kanei-ji Temple. When completed and fitted into the ceiling, we will be looking at the dragon from below for the next 300 or 400 years. By bringing a real ceiling painting into the central hall of the Mitsukoshi Nihombashi Main Store before fitting it in, visitors will be able to view the ceiling painting that will become a national cultural property from the top of the light well, which is a national important cultural property. This is a huge event that can not be imitated anywhere else. We believe this will attract many customers interested in and passionate about culture to the Mitsukoshi Nihombashi Main Store. Once we have an official press release, we will let you know.

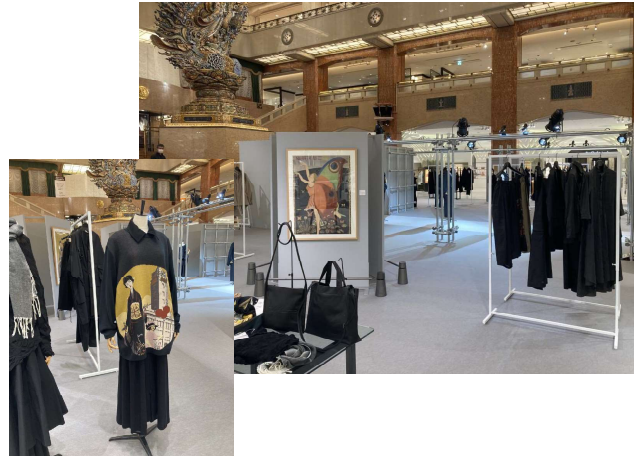
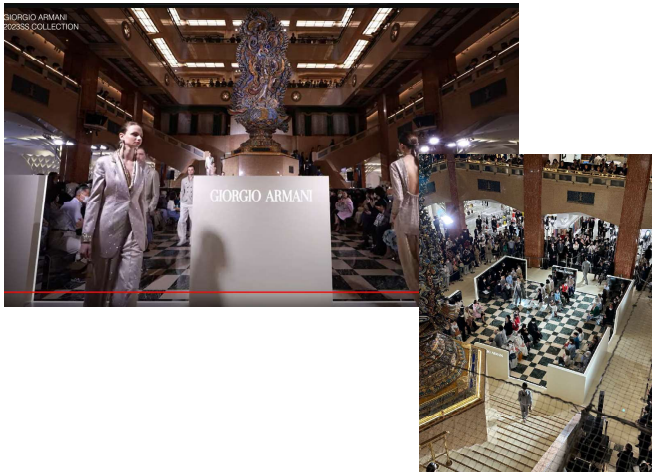
5. “High sensitivity, fine quality” strategy

“High sensitivity, fine quality”
strategy

Luxury x Mitsukoshi Limited Value

< Giorgio Armani > Show

< Yohji Yamamoto > x Mitsukoshi's Historic Designs



Next, about Luxury x Mitsukoshi Limited Value.

We cherish the central hall on the first floor of the main building in front of the statue of the heavenly maiden. In order to “transmit Japan’s pride to the world,” we would like to transmit “world-class planning” and “authenticity and essence” from the central hall.

On April 1, the opening day of Mitsukoshi’s 350 year anniversary, we held a fashion show by Giorgio Armani in the Central Hall. It was a spectacular fashion show, no less than the Milan Collection. In front of all these historical assets, having a fashion show performed by a world-class designer is something you wouldn’t be able to do in any other store.

On the right side is a cross between the top Japanese designer Yoji Yamamoto and Mitsukoshi’s historical value. Mitsukoshi has a history of 350 years, and there is a room called the Mitsukoshi Historical Materials Room, which stores historical materials for many years. Mr. Youji Yamamoto took a look at this historical material, and the designs of past Mitsukoshi posters drawn by Mr. Hisui Sugiura were woven into jacquard knit to launch the new product. They also changed the design of the “Hanahiraku” used in the wrapping paper to a monotone that was typical of “Yoji Yamamoto,” and made limited edition items such as knitwear and bags.

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



We introduce a collaboration with the Kanda Festival, which was held for the first time in four years, as a way of co-creating with the local community.

We borrowed an important historical document owned by Kanda Myojin, which is more historic than Mitsukoshi and dates back several 100 years, and exhibited it in the central hall. At the Kanda Festival, I also carried a portable shrine and beat the clappers at the main entrance, and a lot of people came to Central Street. When I visited people in the city of Nihombashi, they said, “It’s more exciting than it was four years ago.” And the number of visitors to the Mitsukoshi Nihombashi Main Store has increased sharply since the Kanda Festival. In April, May, and June, the number of customers entering the store increased, and we were able to meet our sales budget. We will continue to work even harder to promote the inheritance and dissemination of Japanese culture in cooperation with local communities.

It’s on the right side, about the Nihombashi Honey Project. We keep bees on the roof of the new building. Local elementary school students painted the hive containing the bees. This is a collaboration project with local elementary school students. The resulting honey is sold as “Nihombashi Honey” at the food section in the basement of the new building. We are also offering sweets made with the honey, and we would like everyone to see them.

From July 5, there has been a “Miyoshikai,” a young master’s association of the food and beverage industry association in Nihombashi, where they have been collaborating to celebrate the 350 year anniversary of the founding of Mitsukoshi, transcending the barriers between restaurants, using a variety of ingredients that Nihombashi is proud of, including sushi, eel, soba and sukiyaki. Sushi and eel restaurants will collaborate to make special chirashi-zushi, and such things will go on sale from July 5. Our relationship with these cities is also deepening, and I believe that the foundations of the Isetan Mitsukoshi Group’s “urban community development” and “urbanization,” are built on the basis of love, such as “love of Nihombashi” and “love of Mitsukoshi.” In terms of the Group’s vision of “urban community development” we also want the Mitsukoshi Nihombashi Main Store to become a model case.

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

We are also taking on the challenge of creating and disseminating new products and services in our “High sensitivity, fine quality” Strategy. The image on the left is the Dental and Brain Clinic Nihombashi, a collaboration with Kanagawa Dental University, which recently opened on the fifth floor of the new building. Recent research has gradually revealed the relationship between periodontal disease and the brain. The study “Periodontal disease is linked to dementia and is a cause of life’s loss of healthy life expectancy” is published. Therefore, we are a dentist who started anew to prevent and treat periodontal bacteria that gradually accumulate in the mouth from the forties and fifties at an early stage, and to keep a healthy brain forever. Even though the periodontal cleaning menu starts at more than 1,000,000 yen, couples apply for it as a couple, and customers who have received counseling and treatment invite other people by word of mouth, and the number of appointments is increasing every day. After all, we feel through this clinic that our future clients are very interested in health and beauty.

I can’t tell you all about the “New Training Suggestions” listed at the bottom of the middle because the press release has not been lifted yet, but this is a personal gym that creates individual training programs by scientifically analyzing how each individual uses his or her body, moves, and builds muscles, which is what Olympic athletes and professional athletes usually do. To address this aging society, we will develop a new menu for seniors and launch this personal gym, which will be limited to the Mitsukoshi Nihombashi main store.

In light of the fact that we have sold more than a dozen high-end home personal gym equipment, including some that cost a few 1 million yen, at the “Ippinkai” show we just mentioned, I think that our customers’ awareness of personal training is very high. The “Dental and Brain Clinic Nihombashi” and the Personal Gym will be a great opportunity for our customers to come to our store, and the customers who receive such program menus are, of course, the high-net-worth customers we are targeting, so we think we can approach such customers.

The “Landmark” on the right is a family restaurant that opened today, June 30. It’s not just a family restaurant, we’re adding a new menu that focuses on health. It is one of the wellbeing. The image shows today’s opening menu, and this is chirashi-zushi with cauliflower rice. We use cauliflower instead of rice. We have opened a restaurant on the fifth floor of the new building, the same floor as the Dental and Brain Clinic Nihombashi, where health-conscious customers can enjoy a safe lunch. First, on the fifth floor of the new building, we would like to try new products and services that focus on health and beauty as a trial for the future.

6. Initiatives for the 350 year anniversary of Mitsukoshi

350 anniversary project

Limited, reprint, archive and collaboration



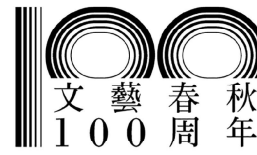
From now on, I would like to talk about a collaboration project for Mitsukoshi's 350 year anniversary.

We've been collaborating with a variety of food brands for 350 year anniversary, and the most popular one among those is, in the middle image here, the can with the design of the Mitsukoshi Nihombashi Main Store. In fact, it's designed by employees in the company. We named the designer "Ms. Ako," and she designed the main building of Mitsukoshi Nihombashi Main Store in a can. And about the contents, we have made limited edition 350 anniversary sets for various brands. There are Western and Japanese confectioneries, and even a set of vacuum-packed eels, and various brands use this can to celebrate the 350 year anniversary. Among the customers with "love of Mitsukoshi," there were many who collected these "cans." As for the contents of each of these cans, we were told that on the first day of sales about 100 customers lined up for each sale, and this can has become increasingly scarce. Therefore, from Ochugen, we also newly added the gold lion cans on the right side. We have many of our Ochugen products that are limited to the 350 year anniversary of Mitsukoshi using these cans, and we hope you will enjoy them.

6. Initiatives for the 350 year anniversary of Mitsukoshi

350 anniversary project

Limited collaboration



Now we'll talk about a limited collaboration project. First, about the collaboration with Disneyland on the far left. Walt Disney is celebrating 100 years this year. Also, congratulations on Tokyo Disneyland's 40 year anniversary. In fact, there is an anecdote that in 1957, before Tokyo Disneyland was built, there was a Disneyland officially signed with Walt Disney Co. on the roof of the Mitsukoshi Nihombashi Main Store. There is a description that there was a long line in front of the teacups because at that time there was only a teacup as a safety attraction. That is why we would like to hold a collaboration project between Disney's 100 year anniversary and Mitsukoshi's 350 year anniversary from August 25 to September 7. The middle image is of Hello Kitty. Congratulations to Kitty on her 50 year anniversary. Kitty actually lives in the suburbs of London, and the lion in Mitsukoshi is also inspired by the lion in London's Trafalgar Square. As a result of our connection to London, we are also planning a 350 year anniversary collaboration between Kitty and Lion Mitsukoshi. Since November 1 is Kitty's birthday, we will be doing a limited collaboration project between Mitsukoshi and Kitty from the end of October to the beginning of November. I would love media to cover this event. The image on the far right is the 100 year anniversary of Bungeishunju. Congratulations. For the collaboration project between Bungeishunju's 100 year anniversary and Mitsukoshi's 350 year anniversary, we invited 5 novelists to interview the Mitsukoshi Nihombashi Main Store Based on this interview, they have been writing a novel about Mitsukoshi for five consecutive months since May of this year. This is a very professional and austere plan, but we really have our customers looking forward to it, and they say, "Mr. Marui, I read this." This is a very highly cultured plan. Plans for Bungeishunju's 100 year anniversary and Mitsukoshi's 350 year anniversary are still ongoing, so we hope you'll bring them up.

6. Initiatives for the 350 year anniversary of Mitsukoshi

350 anniversary project

Limited-edition, gem and collaboration



Introducing limited editions, gems and collaborations.

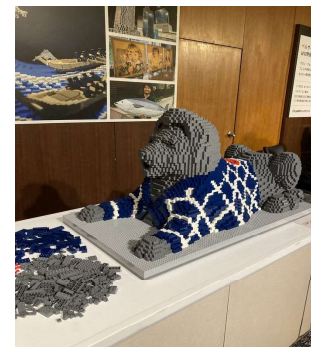
The image on the far left is the < Yohji Yamamoto > black version of “Hanahiraku” I told you about earlier, and next to it is a product with a poster of Hisui Sugiura, and we are displaying such limited items.

As you can see on the top right, I can't show you this year's designs just yet, but I can also tell you that < Tiffany > is making a limited edition watch for Mitsukoshi's 350 year anniversary. Due to recent high prices, the price will probably be more than 5 million yen, but we are able to offer a limited number of 35 watches to good customers at Mitsukoshi, so this is a collaboration project that could generate sales in the hundreds of millions of yen for this watch alone.

6. Initiatives for the 350 year anniversary of Mitsukoshi

350 anniversary project

Community symbiosis, reprints and archives



This is an introduction to community symbiosis, reprints and archives. The top left is the Mie exhibition. The Mitsui Memorial Museum of Art, located 2 doors down from the Mitsukoshi Nihombashi Main Store, is currently launching an exhibition called “Mitsui Takatoshi and Echigoya Exhibition,” which will commemorate the 350 year anniversary of the founding of the Mitsukoshi/Mitsui Group. Since that Takatoshi Mitsui was a Matsuzaka merchant in Mie, we too started our 350 year anniversary launch on April 1 with the Mie Exhibition. We held a commemorative photo session with customers holding a replica of the bangasa shown like the image. I understand that this culture of bangasa also comes from renting numbered umbrellas to patrons at Mitsukoshi on rainy days. The story goes that when a customer walks around the Nihombashi area with a Mitsukoshi Bangasa, people around them say, “That person is a superior customer of Mitsukoshi, isn’t it great?” and they take that umbrella with them because they feel superior. The fact that it has a number means that it is the origin of Bangasa. At the moment, colorful vinyl umbrellas are available for rent, and I think it is our role to pass on that kind of culture.

For the commemorative stamp in the middle, we have created stamps featuring historical posters and ukiyo-e prints that has the Mitsukoshi archives room. The post office in Nihombashi is the birthplace of postal service, so it is a commemorative stamp of the collaboration between Japan’s oldest post office and Japan’s oldest department store. We prepared a few 1000 copies in April, but they sold out very quickly in the morning of the first day of sales, so we are preparing the second edition in the fall to meet your expectations. These commemorative stamps are also very popular.

The top right image shows a lion wearing a happi coat made with Lego bricks by Lego champion Junpei Mitsui. The price is 1.1 million yen, but we also take orders for these things. We also have collaborations such as giving out a lion doll like the one in the lower right image by lottery to customers who buy at the Ochugen Gift Center that is currently being held.

Although it was a whirlwind, I introduced what the Mitsukoshi Nihombashi main store is currently working on.

As a core store in the mission of our corporate philosophy of “Touching people’s hearts with human-driven experiences.” we will work diligently with all of our stakeholders. We look forward to your continued support.

Thank you very much for your attention today.