Isetan Mitsukoshi Group Financial Results Fiscal Year Ended March 31,2023 Explanation Meeting

May 9, 2023

ISETAN MITSUKOSHI HOLDINGS

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(for Year Ended March 31, 2023)

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FY 22 Cumulative Consolidated Results

- Gross sales recovered to 1 trillion yen: Substantial increase in sales due to strong domestic consumption and recovery of tax-free sales
- Operating income exceeded before COVID-19 * by 29.6 billion yen: both due to increased revenue and expense restructuring
- Net income exceeded 30 billion yen: Much higher than last year

*Before COVID-19 = FY 2018

(Billions of yen)	FY 22 Results	Year-on-Year	Year-on-Year change	February IR differences
Gross sales	10,884	119.3%	+1,763	+84
Net sales	4,874	116.5%	+690	(25)
Gross profit	2,865	117.6%	+428	(4)
Selling, general and administrative expenses	2,569	108.1%	+191	(40)
Operating income	296	-	+236	+36
Recurring income	300	-	+204	+40
Net income	323	-	+200	+68

Isetan Shinjuku Main Store Sales Trend (After Integration)

- **<u>Gross Sales at Isetan Shinjuku Main Store hit record high</u>**
  We will continue to pursue a high sensitivity, fine quality and CRM strategy to increase sales by expanding the number of identified customers.

Isetan Shinjuku Main Store Gross Sales by Year

FY2008 to 2022



* Before application of revenue recognition standards, based on gross sales

Increase (decrease) in Consolidated SG & A Expenses

- Cost reductions due to structural reforms are on track: down 6.2 billion yen for the year, down more than 4.7 billion yen from the initial plan
- "Progress of Scientific analysis of department stores" Contributes: Further expenses control

			Breakdown of Changes in the Previous Year					
			Previous year's return	Change in FY2022				
(Billions of yen)	FY 22 Results	Year-on-Year Changes	emergency measures extraordinary loss on COVID-19	cost structure reform	sales linkage	Sales enhancement measures	New consolidation	Others
Personnel expenses	929	+64	+61	(33)			+37	(1)
Advertising expenses	87	+4		(4)		+7	+1	
Lease payments	321	+19	+7	(2)	+2		+17	(4)
Business consignment expenses	289	+5	+3	(13)		+10	+6	
Depreciation and amortization	233	+3	+6				+3	(5)
Others	707	+95	+3	(10)	+42		+31	+29
Total	2,569	+191	+79	(62)	+44	+17	+95	+19

Results by Segment (full-year results)

- **Department store business:** Sales increased due to increased opportunities to go out and improved consumer confidence. Improved operating income by 26.7 billion yen
- **Credit and finance business:** Net sales increased, although profit decreased from the previous year due to changes in group accounting
- **Real estate business:** Gross sales increase due to strengthening of construction and interior business, but real estate income declines

(Billions of yen)	Gross sales	Year-on-Year	Net sales	Operating income	Year-on-Year change
Department store business	**10,175**	118.1%	**4,160**	**204**	+267
Credit & finance business/ Customer organization management business	**335**	101.8%	**308**	**37**	(22)
Real estate business	**205**	113.5%	**205**	**40**	(15)
Others *	**168**	(6)	**200**	**13**	+7
Total	**10,884**	119.3%	**4,874**	**296**	+236

* Others include adjustments

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- Strong Japanese Sales Aim for Further Expansion by Expanding Identified Customers
- Inbound assumes continuation of recent recovery trend
- Continued to reduce SG & A expenses by promoting structural reforms
- Cost increases associated with price increase will continue to be considered

Operating income of 35 billion yen is planned to be the highest profit after integration

Consolidated Plan (Full Year FY23)

- Gross sales grow further: Identified customer expansion and inbound recovery
- SG&A expenses managed properly: The spillover effect of Scientific analysis of department stores across the group
- We plan to record an operating income of 35 billion yen, the highest since the merger. The original plan for FY 24 was brought forward.

(Billions of yen)	Full Year	Year-on-Year change	Year-on-Year
Gross sales	11,400	+515	104.7%
Net sales	5,100	+225	104.6%
Gross profit	3,010	+144	105.0%
Selling, general and administrative expenses	2,660	+90	103.5%
Operating income	350	+53	118.2%
Recurring income	370	+69	123.3%
Net income	280	(43)	86.5%

Domestic Department Store Same-store Sales Plan

- Domestic department stores' same-store sales plan is expected to be 103% of FY 22
- At Isetan Mitsukoshi, gross sales excluding inbound were 109% compared to FY 18 (101% compared to FY 22).
  Inbound sales planned to be 80% compared to FY 18 (131% compared to FY 22)

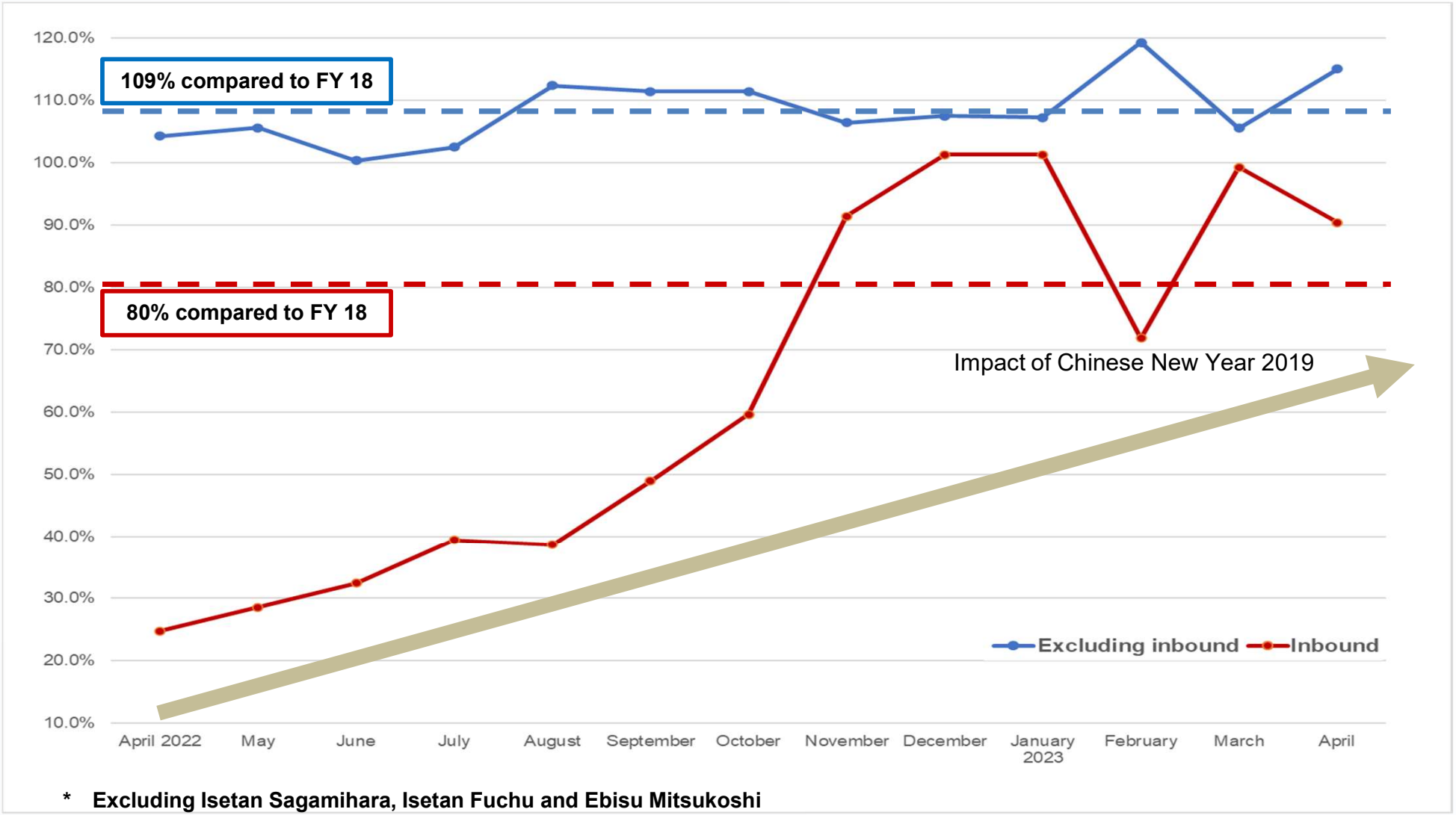
	first half		second half		Full Year	
	Compared to FY 22	Compared to FY 18	Compared to FY 22	Compared to FY 18	Compared to FY 22	Compared to FY 18
Isetan Mitsukoshi Total	106%	104%	101%	108%	103%	106%
(of which) Excluding inbound	102%	107%	101%	110%	101%	109%
(of) Inbound	209%	73%	100%	87%	131%	80%
Total of regional operating companies	104%	94%	103%	97%	104%	95%
Total domestic department stores	105%	100%	102%	104%	103%	102%

* Isetan Mitsukoshi: Excluding Isetan Sagamihara, Isetan Fuchu and Ebisu Mitsukoshi / Regions: Excluding Iwataya Kurume, Matsuyama Mitsukoshi and Niigata Mitsukoshi

Isetan Mitsukoshi Same-store Sales Trends

- **Based on the latest sales trends, Isetan Mitsukoshi plans for non-consolidated sales of 106% in FY 23 compared to fiscal 18 (109% excluding inbound sales, 80% inbound sales)**

  *** The table below shows monthly results for FY 18 since April 2022.**



* Excluding Isetan Sagamihara, Isetan Fuchu and Ebisu Mitsukoshi

Consolidated SG & A Expenses (Full Year FY23)

- Plan costs appropriately: Sales linked expenses and utilities
- Further promotion of expense restructuring by Scientific analysis of department stores: Cost Cuts Continue

			Breakdown of Changes in the Previous Year				
			Change in FY2022				
(Billions of yen)	FY 23 Plan	Year-on-Year Changes	cost structure reform	sales linkage	price increase	New consolidation	Others
Personnel expenses	932	+2	(21)		+9	+13	+1
Advertising expenses	96	+8		+8			
Lease payments	324	+2	(8)	+3		+6	+2
Business consignment expenses	288	(1)	(4)			+2	
Depreciation and amortization	236	+2				+2	
Utilities	137	+37			+37		
Others	647	+39	(7)	+33		+11	+3
Total	2,660	+90	(40)	+44	+46	+34	+6

Plan by Segment (Full Year FY23)

- **Department store business:** Sales and profit increased as we continued to push both sales growth and expense restructuring in the current fiscal year.
- **Credit and finance business:** Revenue increased due to higher transaction volume, investment planned to promote medium- to long-term strategy
- **Real estate business:** Plan to increase revenue and profit by strengthening construction and interior business

(Billions of yen)	Gross sales	Year-on-Year	Net sales	Operating income	Year-on-Year change
Department store business	10,450	102.7%	4,257	240	+35
Credit & finance business/ Customer organization management business	355	105.8%	325	40	+2
Real estate business	290	141.3%	290	45	+4
Others *	305	181.3%	228	25	+11
Total	11,400	104.7%	5,100	350	+53

* Others include adjustments

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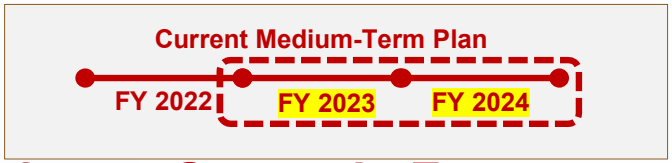
III : Progress of Medium-term Management Plan (FY 22 to FY 24)

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1. Progress in medium- to long-term strategic steps
2. Progress of Revitalization Phase

II: 2 year plan (FY 23 and FY 24)



1. Financial KPIs
2. Strategic Frame
3. Strategies by Business Segment
4. Key Strategies

III: Financial Policy

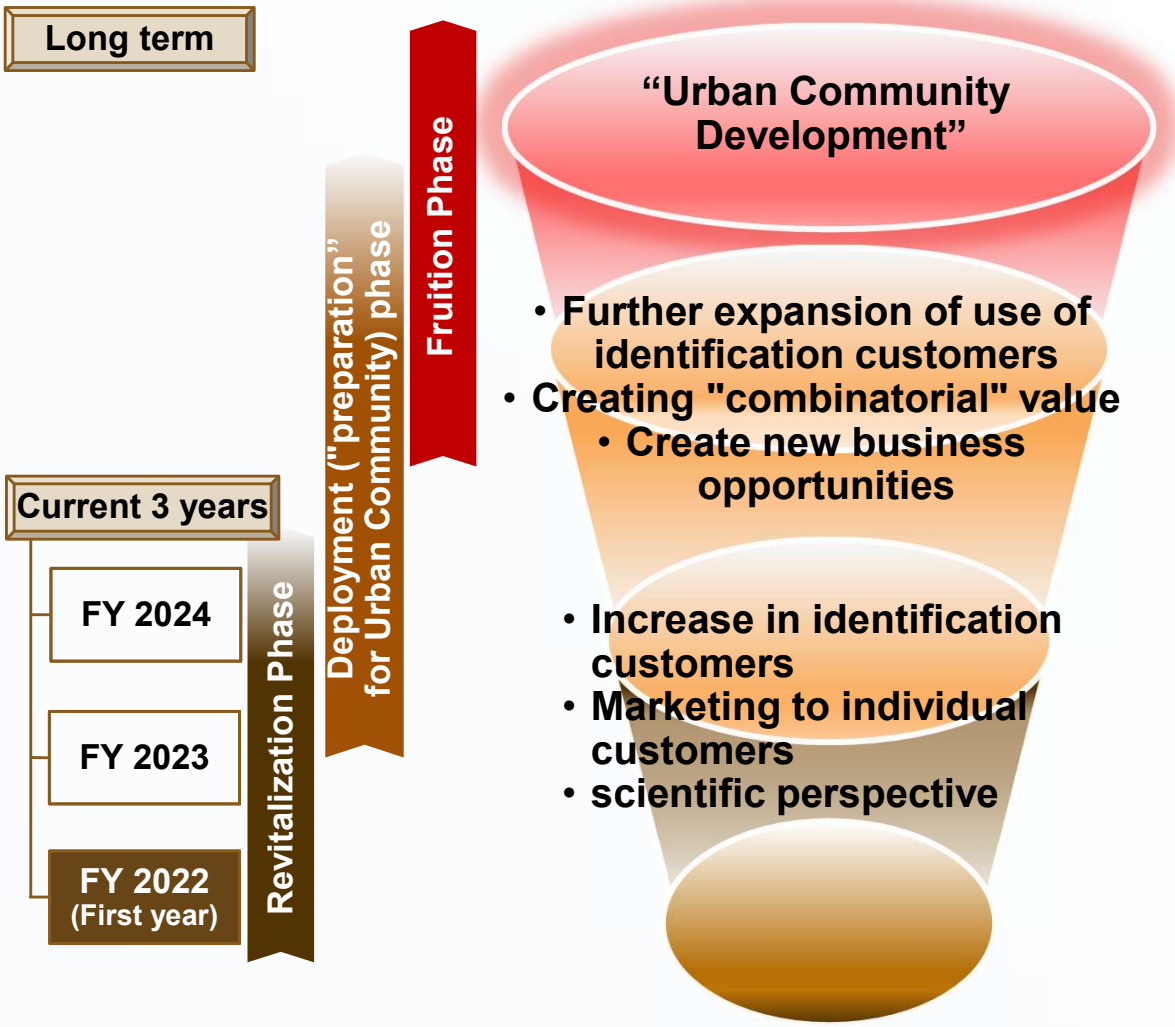
1. Way of Thinking
2. 10 year Cash Allocation
3. Future Directions

IV: Management Platform

1. Human Resource Platform (human capital)
2. Sustainability
3. New Corporate Philosophy System

1. Progress in medium-to long-term strategic steps

- **Revitalization** Phase **advanced ahead of schedule.** In addition, we are **steadily promoting initiatives aimed** at the **Deployment** ("preparation" for Urban Community Development) and **Fruition** Phase.



Progress in FY 22 (first year)

- In terms of "Urban Community Development", development timelines and long-term financial plans were formulated for each project.

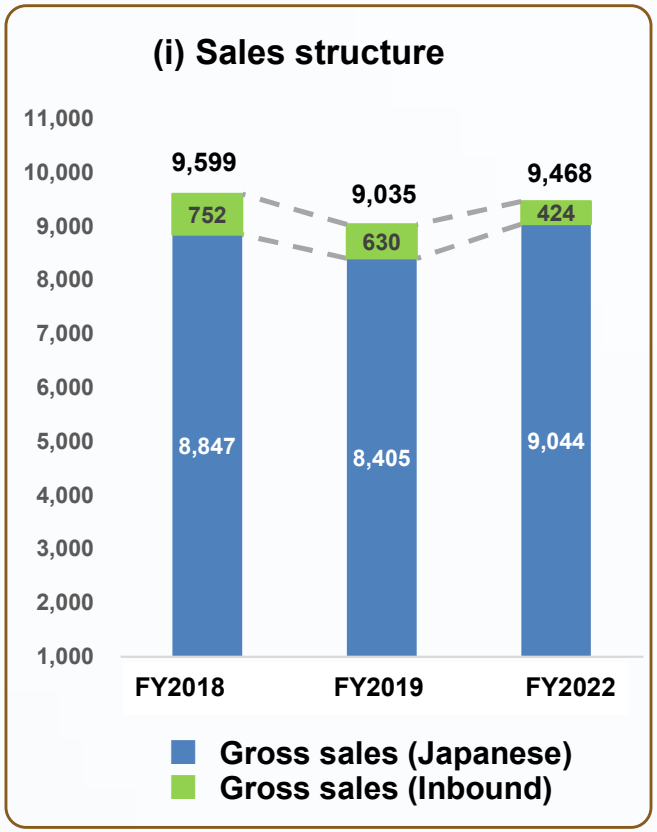
- The number of customers purchasing more than 1 million yen annually increased due to the strengthening of out-store-sales measures.
- The combined value proposal such as environment x human resources x media progressed steadily.
- Adjusted the card and finance business and CRM from the perspective of "Urban Community Development"

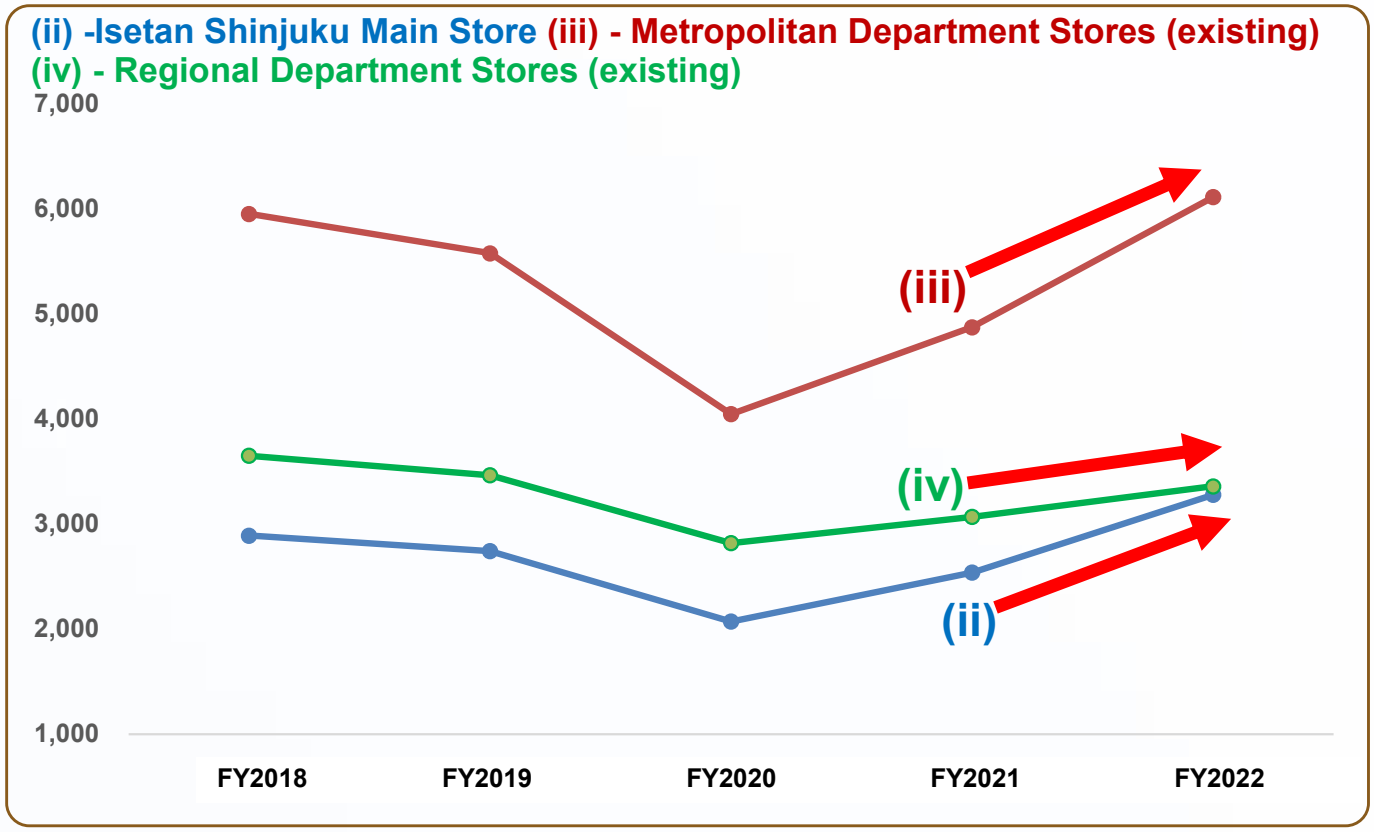
- Sales recovered, led by department stores in the Tokyo metropolitan area
- Increased sales share and number of identified customers by strengthening the "high sensitivity and fine quality" strategy and the "individual customer connection" CRM strategy
- Operating income was secured by controlling expenses from a scientific point of view

2. Progress of Revitalization Phase "Gross sales"

TOPICS

i)	Sales structure:	Decrease in inbound gross sales offset by growth in sales to Japanese customers
ii)	Isetan Shinjuku Main Store:	Gross sales 327.6 billion yen. Record high sales
iii)	Metropolitan Department Stores:	In addition to the above, Mitsukoshi Nihombashi Main Store recovered to pre-COVID-19 net sales of 138.4 billion yen Sales to Japanese customers at Mitsukoshi Ginza Store also grew compared to pre-COVID-19
iv)	Regional Department Stores:	Gross sales are recovering, especially in large metropolitan areas such as Iwataya Mitsukoshi and Sapporo Marui Mitsukoshi.

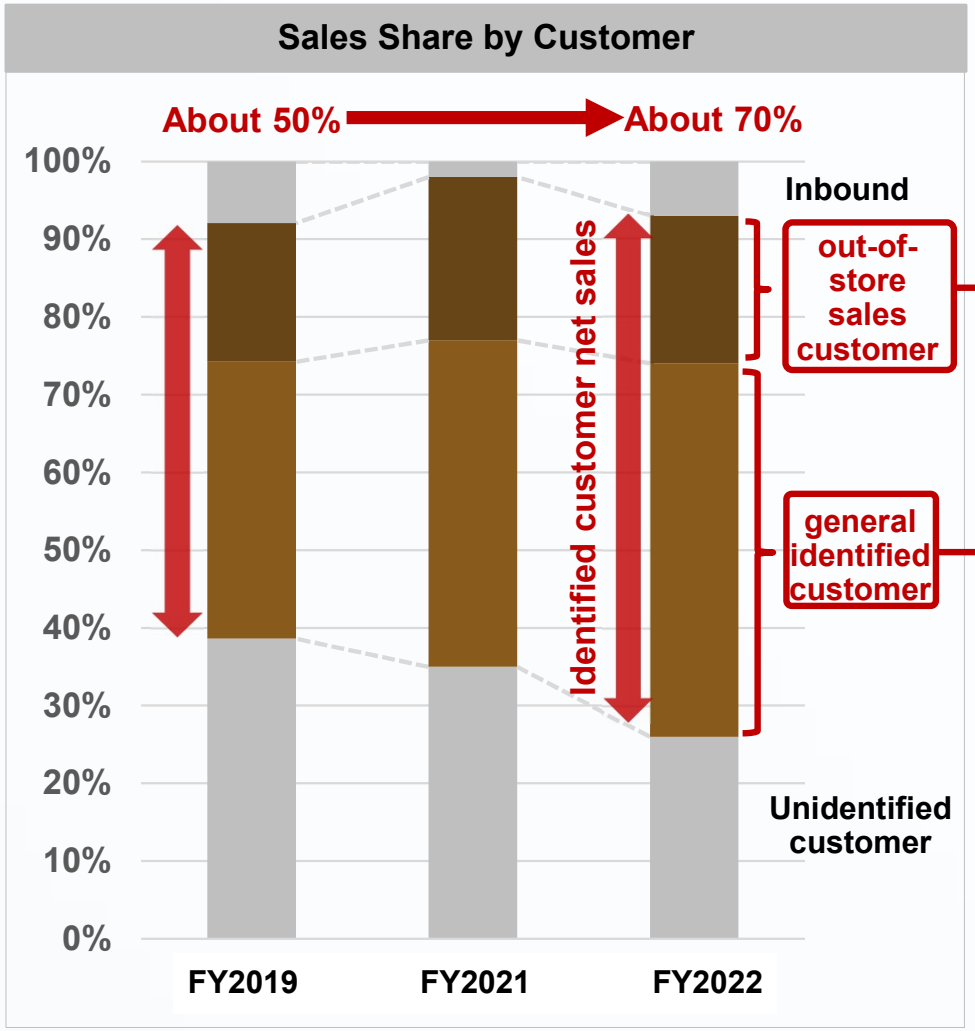


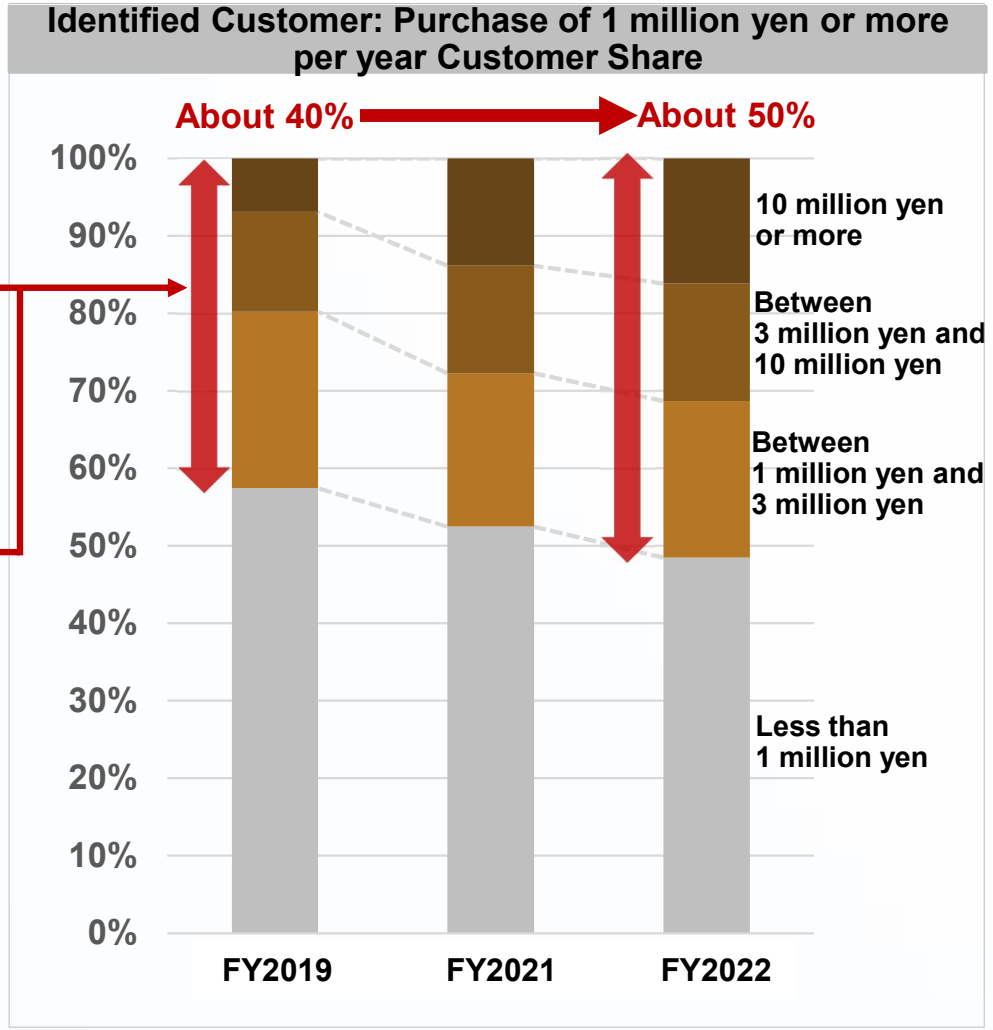


Billions of yen * Isetan Mitsukoshi: Excluding Isetan Sagamihara, Isetan Fuchu and Ebisu Mitsukoshi / Regions: Excluding Iwataya Kurume, Matsuyama Mitsukoshi and Niigata Mitsukoshi

2. Progress of Revitalization Phase "Customers" * Isetan Shinjuku Main Store and Mitsukoshi Nihombashi Main Store

- Our "high sensitivity and fine quality" strategy and "CRM strategy connecting with individual customers" increased our share of identified customer sales to approximately 70%.
- Among identified customers, customers purchasing 1 million yen or more a year increased their share of sales to about 50%, deepening their personal ties with customers

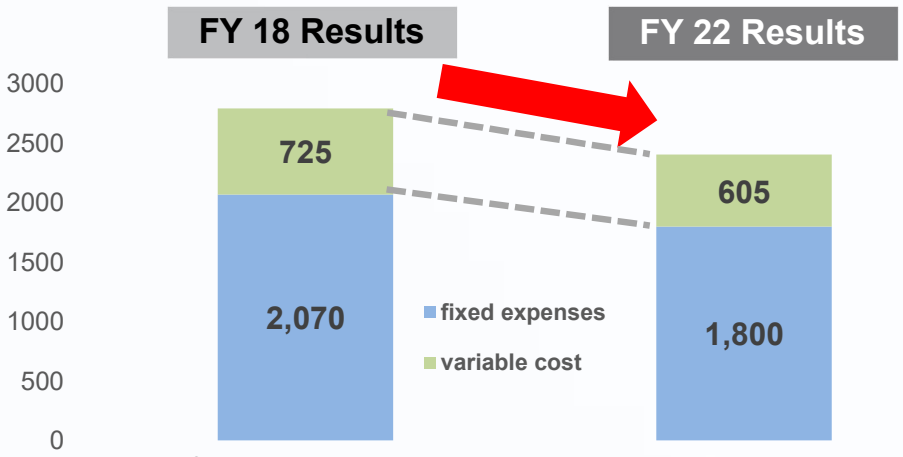




2. Progress of Revitalization Phase "Revenue Structure"

- Maintain operating income by controlling expenses from the perspective of Scientific analysis of department stores
- Continue to reduce fixed costs and flexibly control variable costs to improve earnings structure

SG & A expenses trend



Billions of yen

	Major Initiatives			
	Item	FY 18 Sales ratio	FY 22 Sales ratio	Remarks
fixed expenses	Personnel expenses	8.0%	7.2% (0.8%)	• Workforce efficiency and in-house production
fixed expenses	Business consignment expenses	3.2%	2.6% (0.6%)	• Review of operations and in-house production
variable cost	Advertising expenses	1.3%	0.7% (0.6%)	• Shift from mass appeal to individual advertising

* Domestic department store business (before application of revenue recognition standards)

TOPICS

- "Scientific analysis of department stores" was launched at Isetan Mitsukoshi to break away from the existing department store business model
- Full-scale expansion to regional operating companies in FY 23

	Major Initiatives of Scientific analysis of department stores	
❶	Income and Expenditure Structure Reform	• Maximizing Cost-effectiveness
❷	Organizational Workforce Reform	• Multitasking Workforce
❸	Store Structure Reform	• MD Balance Optimization

2. Progress of Revitalization Phase "Major Companies"

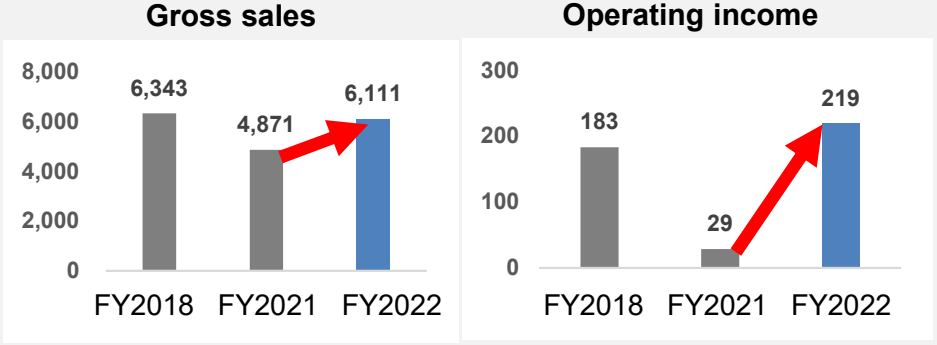
i) Isetan Mitsukoshi: Performance rebounded significantly, achieving Revitalization Phase ahead of schedule

ii) Regional Operating Companies: A recovery trend. Steady progress toward Revitalization

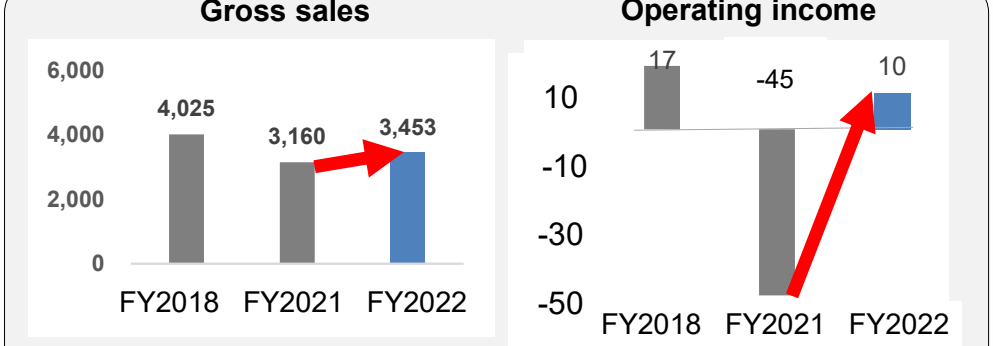
iii) Domestic Affiliates: Impact of changes in intra-group transactions in the financial business (down 2.2 billion yen year on year), all profitable except travel business

iv) Overseas Affiliates: The U.S. and ASEAN performed well. Initiate stabilization and business structural reform

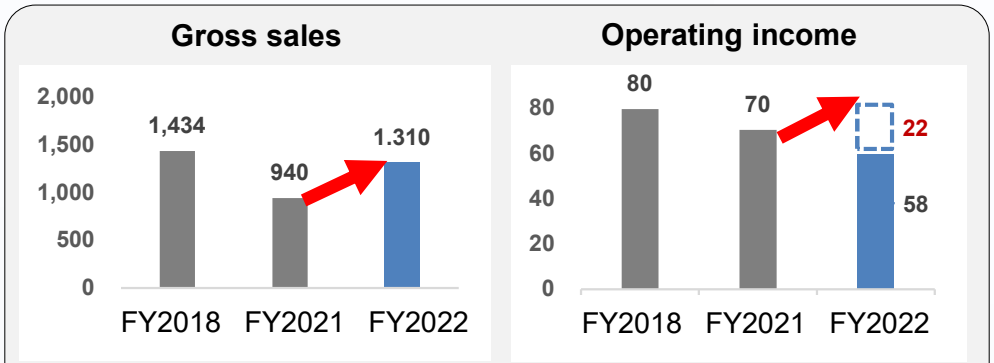
i) Isetan Mitsukoshi



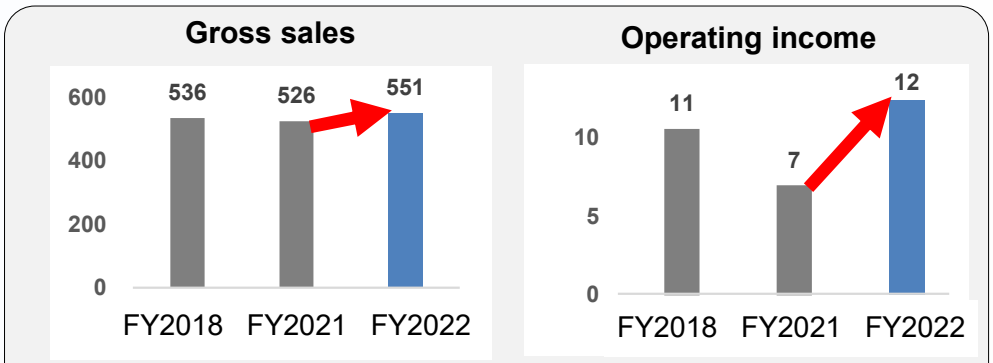
ii) Regional Operating Companies



iii) Domestic Affiliates *Finance, real estate, human resources services, logistics, etc.



iv) Overseas Affiliates



1.Financial KPIs

i) Operating income and net income

FY 23 Operating income exceeded maximum profit after integration of 34.6 billion yen, plan ahead of the original plan of 35 billion yen for FY 24.
Net income temporarily decreased due to the impact of tax effect accounting in FY 22.

FY 24 Operating income revised upward to 40 billion yen, up 5 billion yen from the original plan
In addition, net income was revised upward to 33 billion yen, up 5 billion yen from the original plan.

ii) ROE: ROE is expected to be 5.0% in FY 23 and 5.7% in FY 24, but it will respond more flexibly to future capital policies

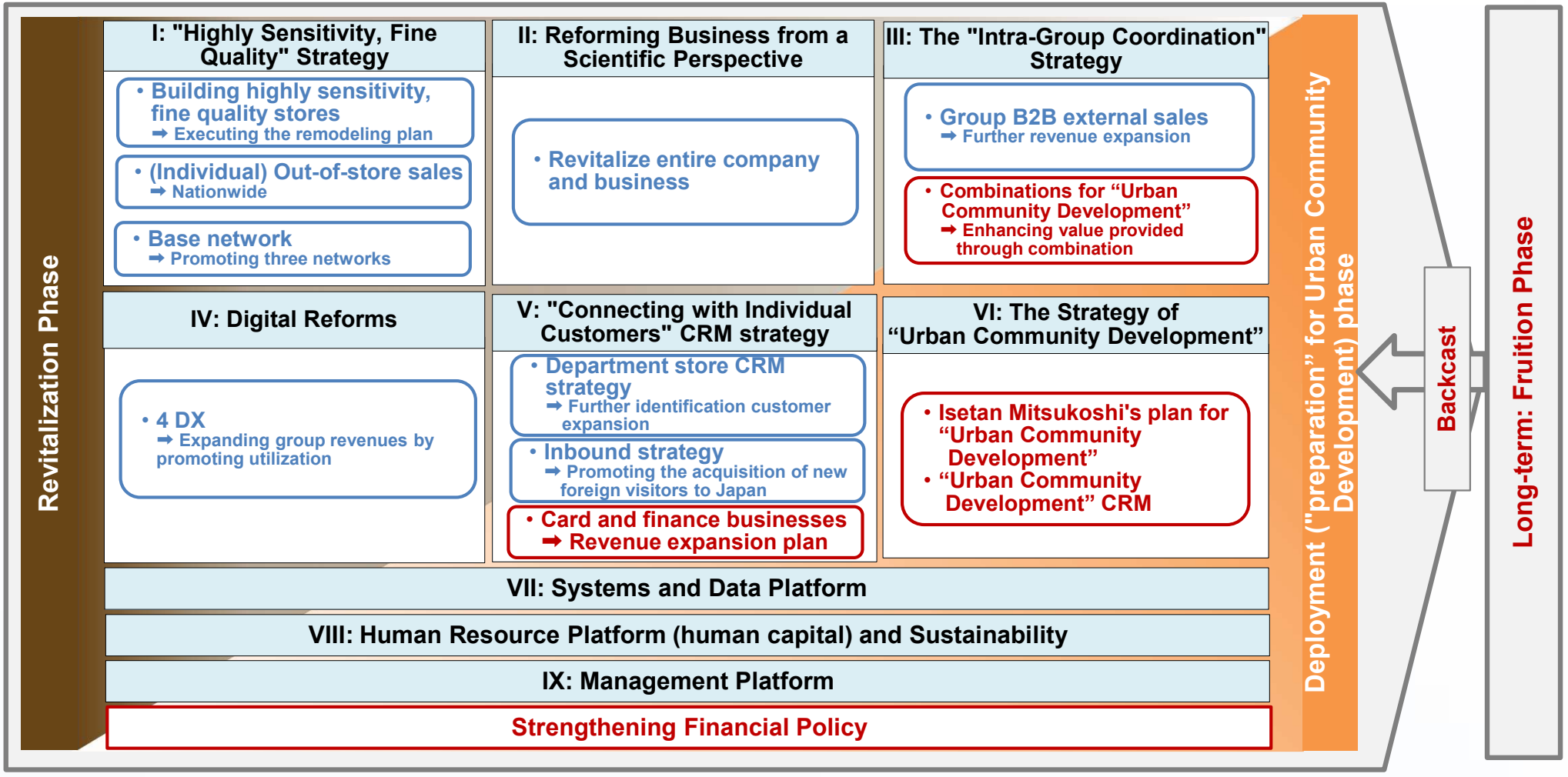
Unit (Billions of yen)	initial plan (Disclosed November 2021)	This time plan						
		FY 2022		FY 2023		FY 2024		
	FY 2024	Actual	Year-on-Year change	Planning	Year-on-Year change	Planning	Year-on-Year change	Initial plan difference
Gross sales	11,100	10,884	+1,763	11,400	+515	11,800	+400	+700
Selling, general and administrative expenses	2,750	2,569	+191	2,660	+90	2,730	+70	(20)
i) Operating income	350	296	+236	350	+53	400	+50	+50
i) Net income	280	323	+200	280	(43)	330	+50	+50
ii) ROE	5.3%	6.1%	+3.7%	5.0% Response	(1.1)%	5.7% Response	+0.7%	+0.4%

2.Strategic Frame

Positioned as a two-year plan

- Advance the revitalization phase and develop a concrete action plan for the Deployment ("preparation" for Urban Community Development) and Fruition phase
- Strengthen Financial Policy Initiatives to Establish Ideal Financial Structure
- State in which the newly formulated corporate philosophy system is pervasive and the engagement of all employees is concentrated

Addition of financial policies to the Nine Key Strategies (I-IX), shifting from fruition to backcasting Deployment ("preparation" for Urban Community Development) phase initiatives



3. Strategies by Business Segment Department Store Business "Isetan Mitsukoshi"

From Revitalization to rock-solid

Directions

- **Building highly sensitivity, fine quality stores and further strengthening ties with individual customers through department store CRM**
  ➡ Remodel to achieve market-appropriate MD balance and enhance customer service functions

Isetan Shinjuku Main Store

'Cutting-edge fashion' proposal to become the world's No. 1 department store

- Further sharpening of product lineup toward sales of 350 billion yen



MD	• Expansion of LUX brand, jewelry and watches
Deployment	• Creation of new zoning • Efficiency of the category
Environmental Services	• The Lounge extension • New Premier Salon

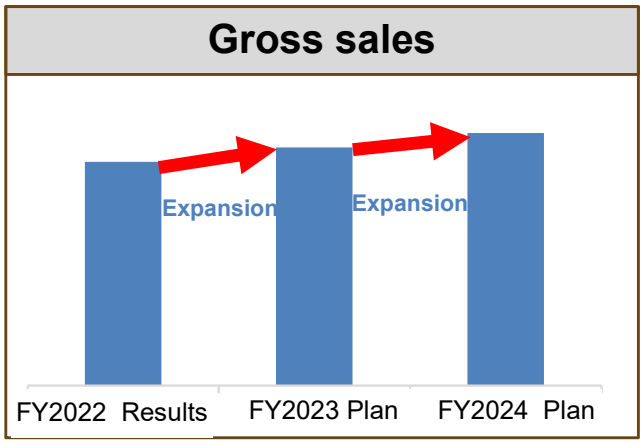
Mitsukoshi Nihombashi Main Store

To stores with strengths in "tradition, culture, arts and living"

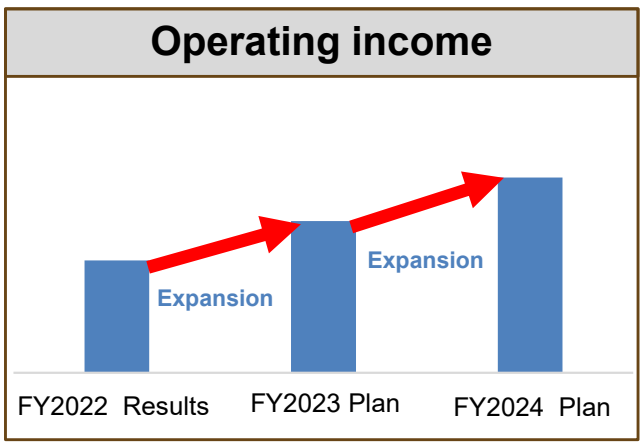
- Further deepening of hospitality unique to Mitsukoshi's 350 year anniversary



MD	• New expansion of food • Expansion of beauty and health categories
Deployment	• Expansion and efficiency of categories
Environmental Services	• Improving the environment of the Lightwell (atrium)







(Billions of yen)

3. Strategies by Business Segment

Domestic Department Store Business: Regional Operating Companies

Revitalization

Directions	• **Revised business structure** through **Scientific analysis of department stores.** In addition, **increase revenue** by promoting **a base network** • After achieving a stable profit, **the Company has implemented measures to appropriate store space and increase property value.**

Step1

Thorough Scientific analysis of department stores

i) Maximizing cost-effectiveness
ii) Multitasking Workforce
iii) MD Balance Optimization

＋

Promoting a base network

i) Network through out-of-store sales
ii) Network by Content Ordering
iii) Networks through the use of digital

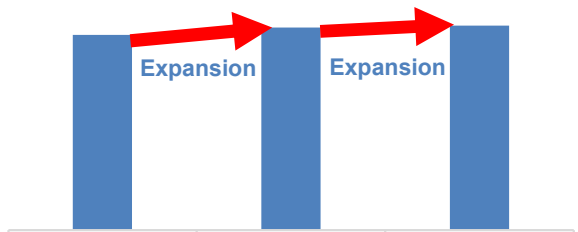
Single store revenue + Related business contribution revenue ➡ Stable profit

Step2

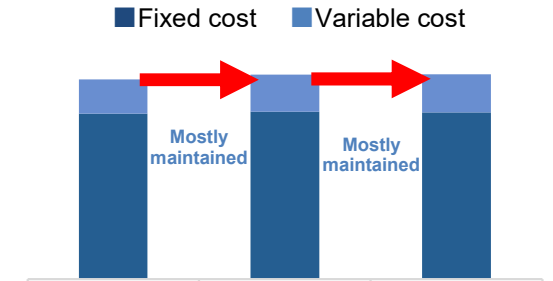
Adequate store space

Property value up

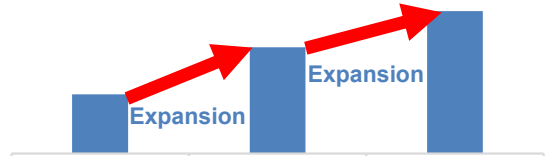
Gross sales



Selling, general and administrative expenses



Operating income



(Billions of yen)

3. Strategies by Business Segment Overseas Business Revitalization

Directions	Existing businesses: “Selection and conversion” according to the conditions of each region, taking into account the period of contracts and profitability New initiatives: explore initiatives for "new business models" utilizing commercial operation know-how

Existing business

China ASEAN United States	✖	structural reform Performance improvements New Growth Strategy (NEW GLOW)

→ Formulating concrete plans for "selection and transformation"

TOPICS

Commercial + Real Estate Development Model

- Participated in large complex development project in Manila, Philippines
  November 2022: MITSUKOSHI BGC, a commercial facility, soft open
  Summer 2023: Grand opening (planned)

→ structural reform → future profit



Explore in other areas

3. Strategies by Business Segment Domestic Related Business

Revitalization

*Real estate business, human resources services business, logistics business, etc.

Directions	
	• **Promote business structural reform** from a scientific perspective and **strengthen** Intra-Group coordination **external sales** utilizing the Group's customer platform. **In addition, further expansion of non-group net sales** • Strengthen **Business Platform** to **deploy infrastructure business** (real estate, human resources services, logistics, etc.) in "Urban Community Development"

Initiatives (1)

Completion of business structural reform from a scientific perspective

Science of Related Business

i) Income and expenditure structure reform

ii) Organizational Workforce Reform

Initiatives (2)

Strengthen intra-Group coordination external sales by leveraging Group Customer Platform

B2B External Sales Results

Sales of Corporate Out-store-sales		Y on Y: 112%
Sales share	Intra-Group coordination sales	14%
	business as usual	86%
Intra-Group coordination sales	Net sales	Approx. 4 billion yen
	Number of new customers acquired	About 200 companies

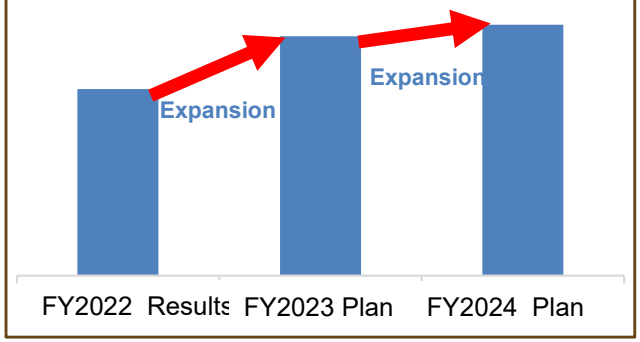
Initiatives (3)

Balancing the share of net sales within and outside the group

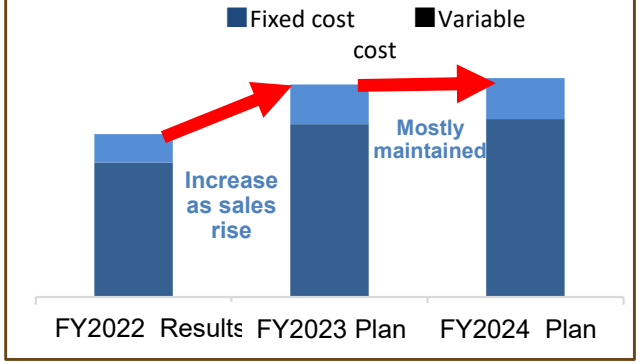
Concept of Sales Share

- Shifting market share from traditional shared services to non-group sales

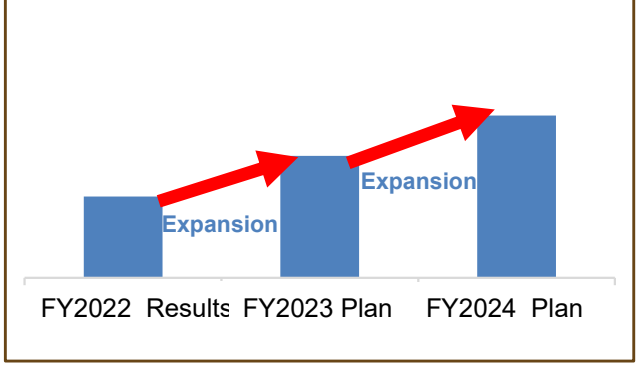
Net sales



Selling, general and administrative expenses



Operating income



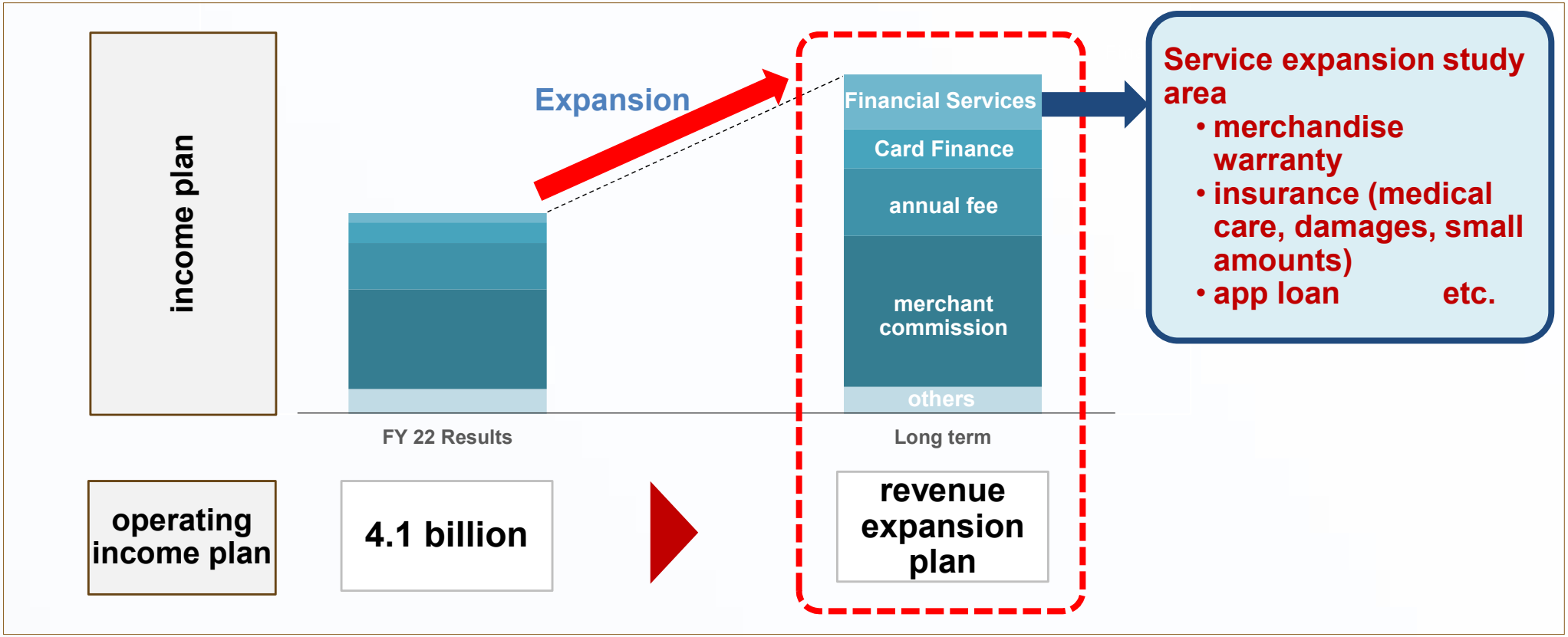
Excluding card finance business (Billions of yen)

3. Strategies by Business Segment
Domestic related Business "Card and Finance Business"

Reinforce into "preparation" for Urban Community Development phase

Directions

- Responding to the "requests related to life and living in general" of identified customer, connected through the department store business, and improving customers' LTV
  - ➡ Target revenue growth plans in areas beyond traditional merchant commissions and annual fees
  - ➡ Aim to expand number of card member and transaction volume by enhancing pre-order, exclusive and preferential content at department stores

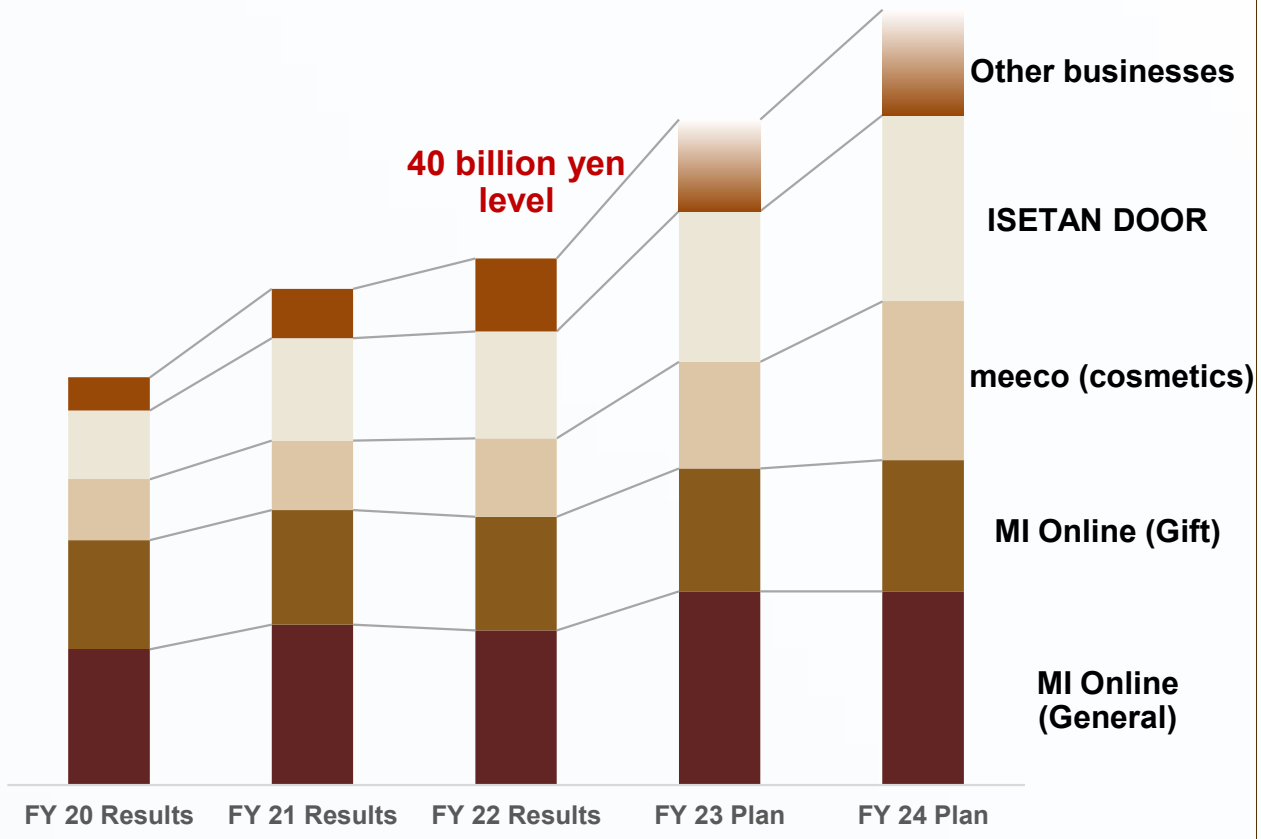


TOPICS FY 22 Results MI Card external transaction volume hits record high

3. Strategies by Business Segment Online Business/DX

significant achievement

Directions	• In FY 22, we made progress toward profitability by focusing on income and expenditure of business rather than sales growth. • Aim to make each online business profitable as soon as possible



FY 20 to FY 22 income and expenditure improvement: about 1.7 billion yen → Early return to profitability

TOPICS



Virtual urban metaverse with REV WORLDS

Number of dedicated app downloads 350% YoY



Personalizing information delivery with the Isetan Mitsukoshi app Strengthening Coupon Policies

Number of MI App Members Exceeding 2 million



New shopping experience with the Isetan Mitsukoshi Remote Shopping App

Net sales 157% YoY



Launch of "MEECO" (Cosmetics) WEB Media

Net sales 113% YoY

4. Key Strategies

significant achievement

CRM Strategy “connecting with individual customers" "Department store CRM strategy"

Directions

- Further expand identified customer platform by strengthening department store CRM and acquiring new members
  ➡ Utilize as a platform for "creating new business opportunities"

Expanding the number of connected individual customers

FY 22: MI App members growth nearly doubled FY 23: Aim for double-digit growth over FY 22

Domestic department stores (year-on-year)	FY 22 Results	FY 23 Plan
Number of identified customers	114%	
Number of digital members	141%	
Number of MI App members	213%	

Expanding use of connected individual customers

FY 22: Significant growth in all KPIs from the previous year FY24: KPI revised up significantly from original plan

	FY 22 Results	FY 2024 initial plan (Formulated in November 2021)	FY 2024 revised plan
Identified customer net sales	554.3 billion yen	580 billion yen	
MI Card Members sales	450.7 billion yen	500 billion yen	
Digital ID only members sales	103.6 billion yen	80 billion yen	
Purchase at least 1 million yen a year MI Card Members sales	233.4 billion yen	230 billion yen	

4. Key Strategies

significant achievement

"High Sensitivity, Fine Quality" Strategy "(Individual) out-of-store sales Measures"

Directions	
	• Expanded Isetan Mitsukoshi initiative to regional department stores • Deep-dive into existing customers with high purchasing power and promote acquisition of new customers • Providing Japan's Strengths to the World ➡Established the out-of-store sales Department "in charge of overseas customers" (From October 2022)

FY 22: Growth of 2 digits from the previous year, led by out-of-store sales in the Tokyo metropolitan area. Revenue from non-department store MD transactions expanded to 5.5 billion yen (257% year-on-year)

FY 23: Promote measures for out-of-store sales and base network. Planned year-on-year growth

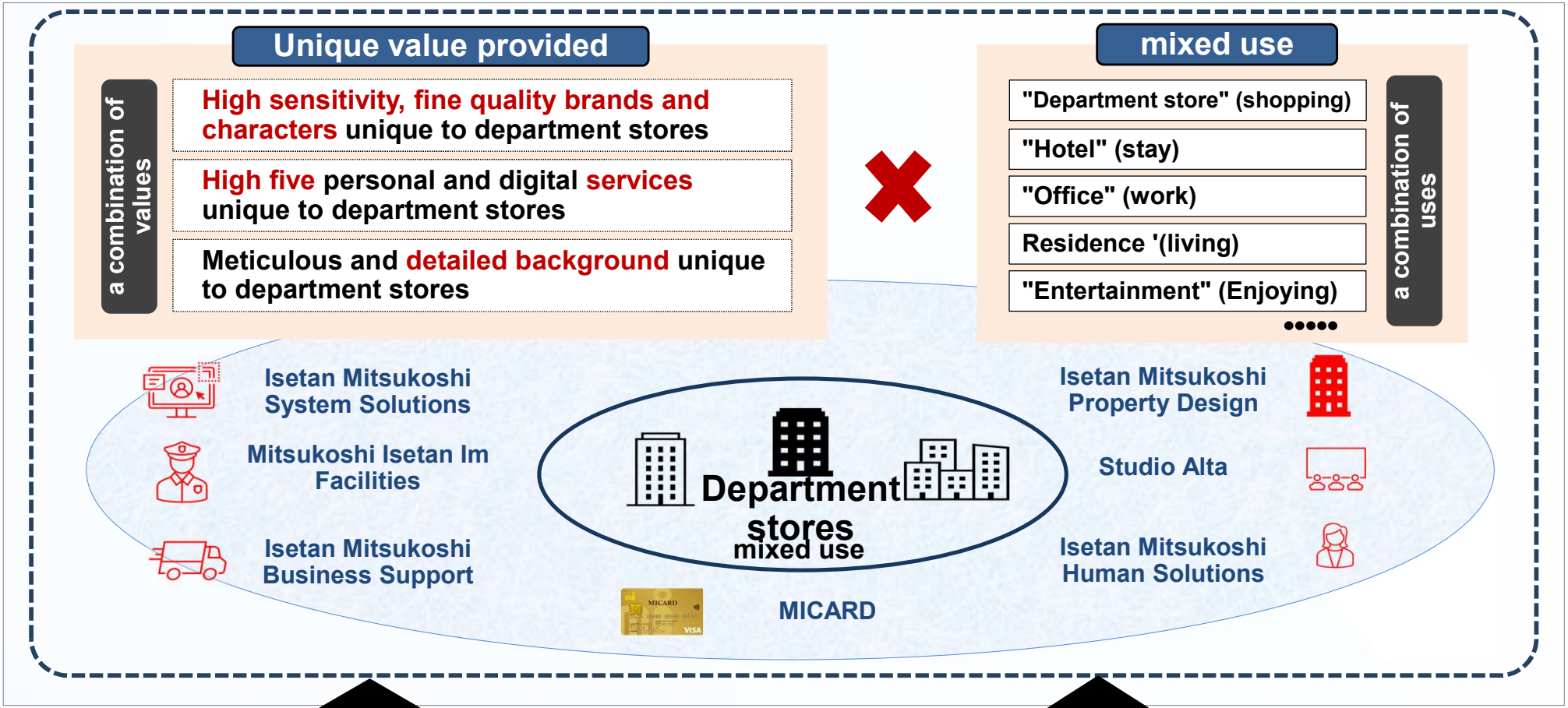
Domestic Department Stores	FY 2022		FY 23 Plan
	Actual	Year-on-Year	Year-on-Year
Revenue from out-of-store sales transaction	Approx. 204.2 billion yen	116%	↗

Major Initiatives	
	(MD outside department stores) ➡ Further expansion of content and provision by utilizing new out-of-store sales websites Base Network ➡ Promotes content ordering network, aims for double-digit Year-on-Year revenue growth

4. Key Strategies The strategy of “Urban Community Development”

Reinforce into “preparation” for Urban Community Development phase

Directions	• Deployed mixed-use products with department stores at its core. “Urban Community Development” to attract more customers • Multiply the "value provided" derived from department stores by various "multiple uses." Create a unique customer experience • Apps and cards with digital IDs ➡ Seamless customer experience



4. Key Strategies The strategy of “Urban Community Development”

Reinforce into “preparation” for Urban Community Development phase

Directions	• Increase the value of properties owned nationwide • Link funding plans to a long-term real estate development timeline

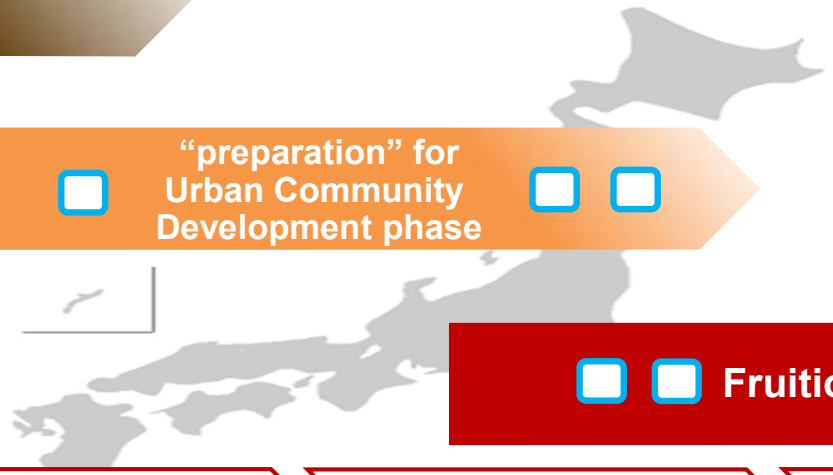
(Timing of start of construction (image) □)

Revitalization Phase

“preparation” for Urban Community Development phase □ □ □

Long term

Fruition Phase □ □ □ □ □



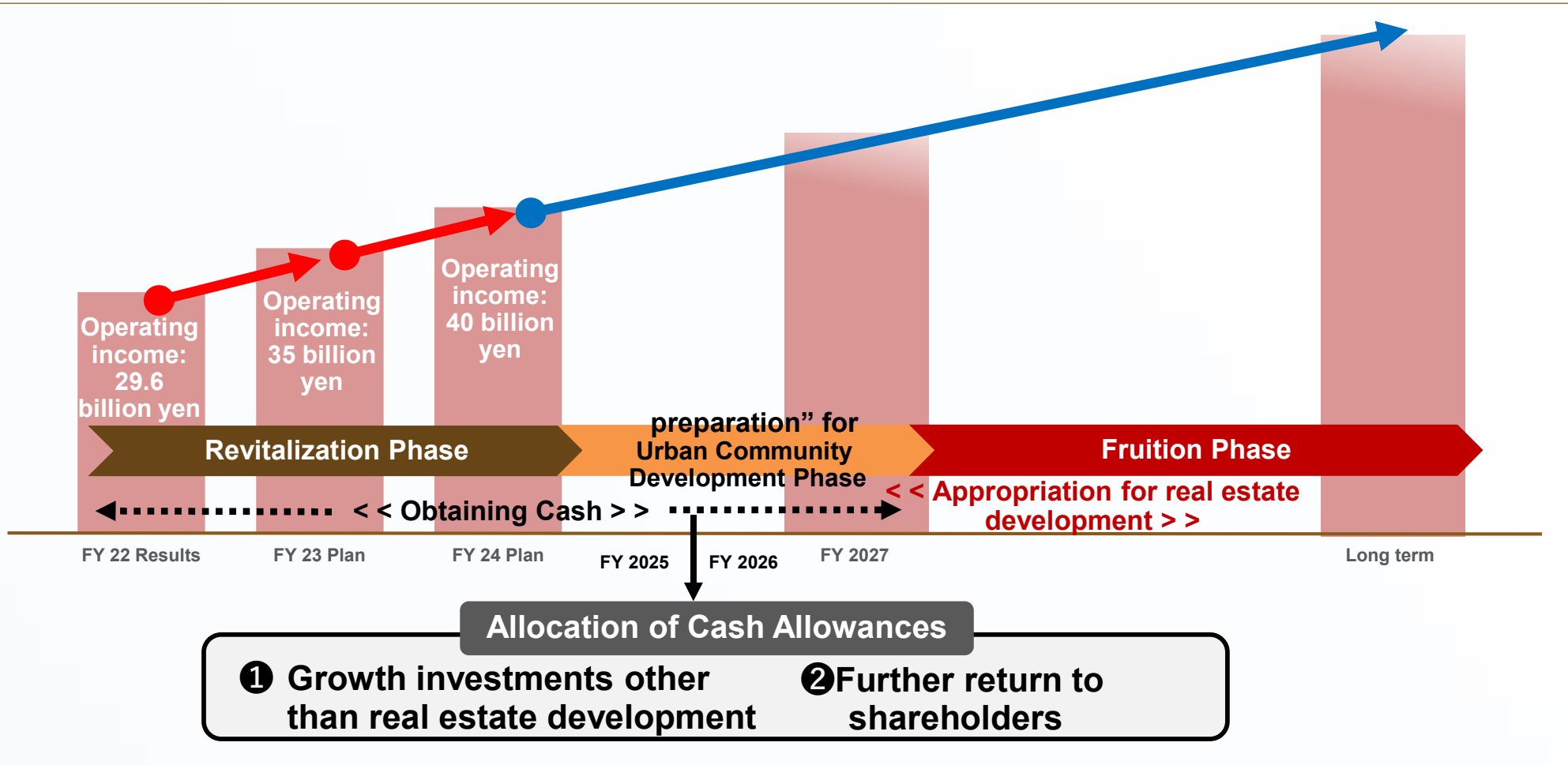
Development Timeline Long-Term Funding Plan	Embodying the “Urban Community Development” plan	Started nationwide real estate development, starting with regional areas	Progress in chain development and completion of "nationwide area Urban Community De velopment"

[Property owned that can be developed in the future]

- Properties around Shinjuku
- Nihombashi Property
- Properties mainly in large cities

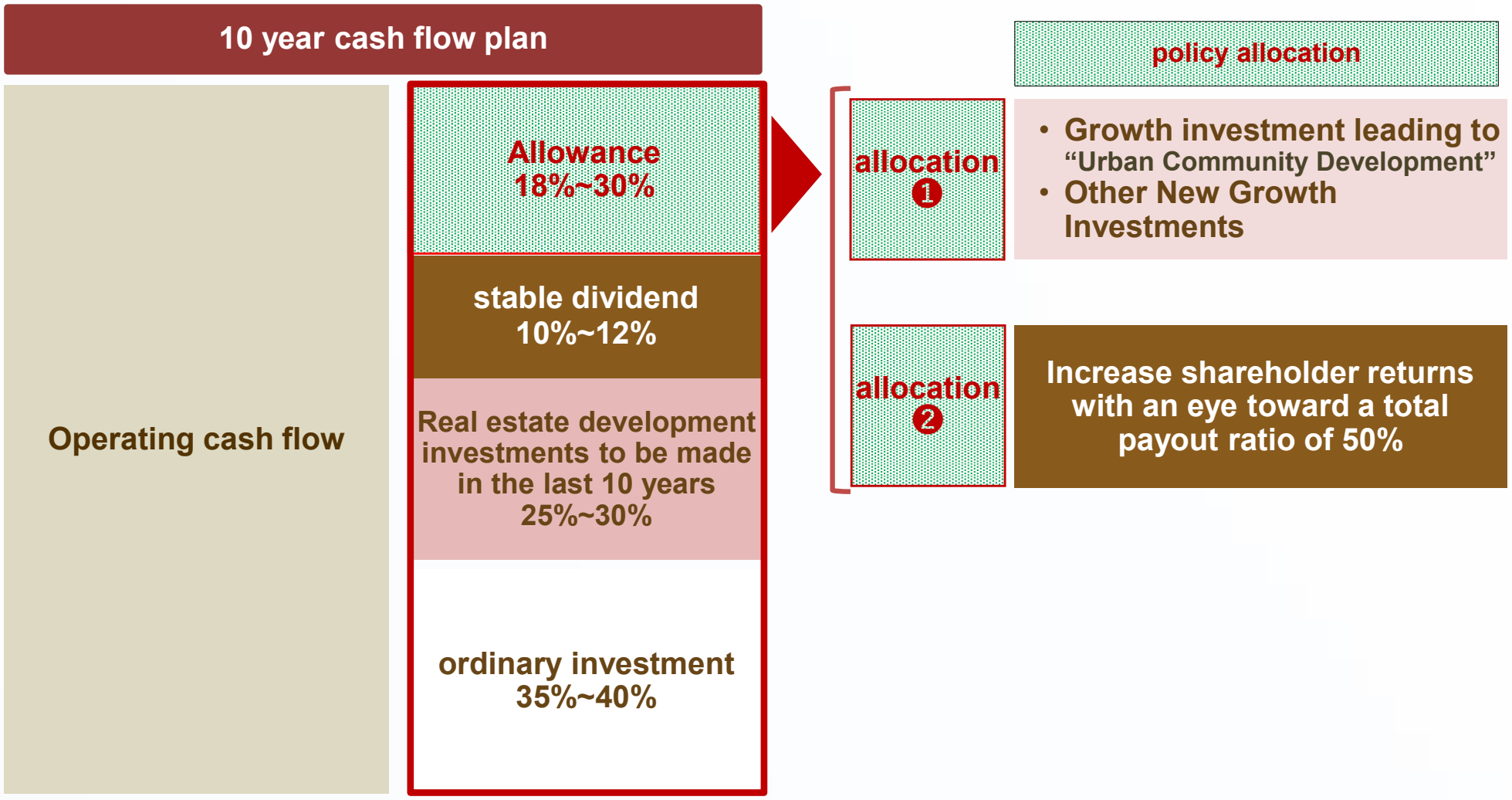
1. Concept

Directions	• Cash acquired during the "preparation phase" of revitalization and “Urban Community Development” will be used for large-scale real estate investment in future (Capital Investment) • Aggressively seize new growth investment opportunities by taking advantage of additional cash allowances generated • For shareholder returns, the company plans to increase dividends in a stable manner. The dividend was increased to 14 yen in fiscal 22 and is scheduled to increase to 16 yen in fiscal 23. In addition, raising awareness of the 50% level of total return ratio



2. 10 year Cash Allocation

- **Policy allocation** planned for the next 10 years with an eye to long-term "large-scale real estate investment in Urban Community Development"
- **Policy allocation of cash allowances** to be created to **growth investment** and **increase shareholder returns**



4. Future Directions

Directions	• Strengthen balance sheet control to continue to achieve ROE above cost of equity • Mid-term study of a management system that controls KPI across all business lines from a PL, BS and CF perspective

Direction of BS control

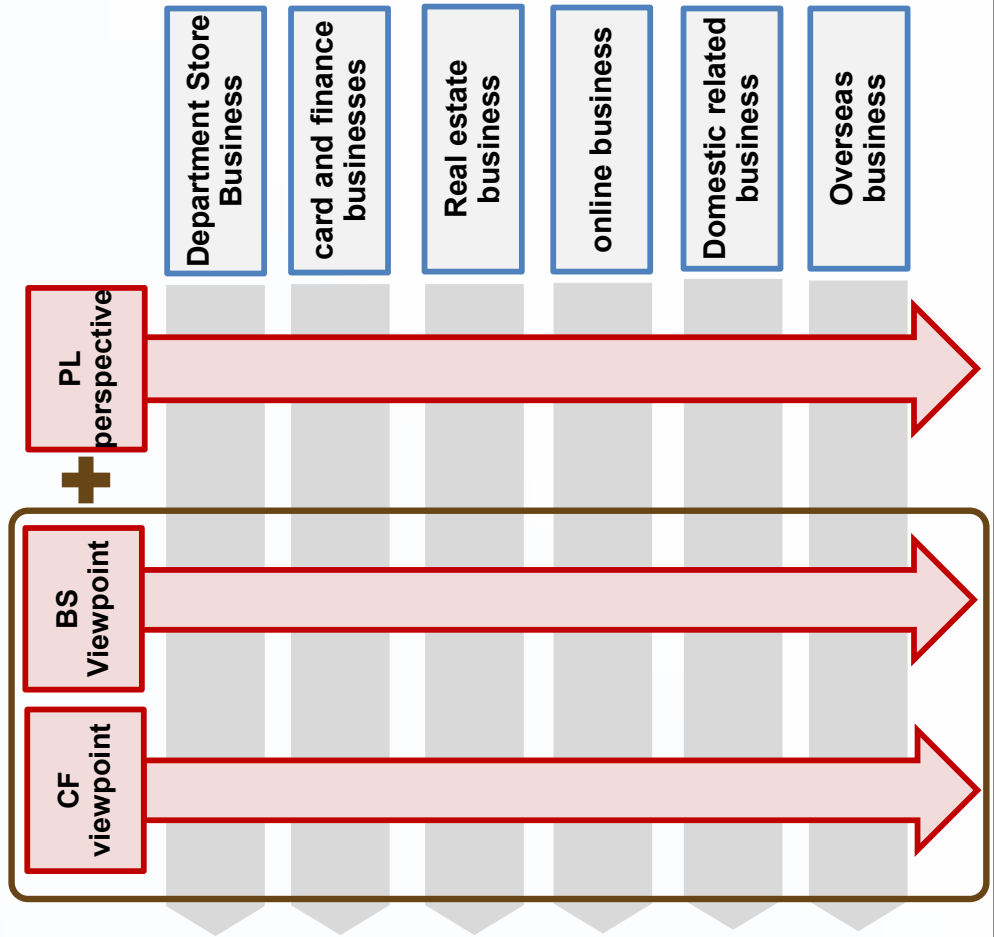
Assets:

- continuing review
  - Policy on holding cash and deposits
- Continue
  - Reduction and efficiency of assets held
- Evolution
  - Exploring new growth investment opportunities
  - Clarification and tightening of investment standards
  - ROA and ROIC Perspectives by Business

Liabilities and Net Assets

- continuing review
  - Balance of debt financing methods
- Change in policy this time
  - Increase shareholder returns with an eye toward a total payout ratio of 50%
- Continue
  - Attention to financial health

Management system for maximizing group profit



1. Human Resource Platform (human capital)

Directions

- **Strengthen initiatives for human resources (= maximizing the power of people) to support the realization of medium- to long-term management strategies**

Human resource development (from a strategic perspective)

(1) Strengthen medium- to long-term human resources strategy for "Community"

i) Portfolio of human resources for "Urban Community"

- real estate human resources
- financial human resource
- digital talent

→

- external secondment strategy
- fluidization of in-house personnel
- strategic fit collaboration among group companies

ii) Securing and fostering innovation talent
- CVC and Public Offering of Internal and External Business

iii) Improving basic skills by providing opportunities to learn
- Expanded in-house educational e-learning program

FY 22 Results
- Total courses 418 contents (260% year-on-year)
- Total number of users: 95,269 (181%)

(2) Two-Year Priority Initiatives
- Securing and developing key strategic enablers over the medium to long term

Maximizing people's power (from the point of view of o tissue activation)

(1)Improve employee engagement
(= Employees' motivation is maximized)

i) Promotion of dialogue activities

FY 22 Results
- Dialogue sessions to formulate corporate philosophy 1600 times
- All 83 meetings of dialogue with management, held nationwide in FY 22
- Periodic 1 ON 1 dialogue in affiliation

ii) Achieving a life work balance
- Expanded support system for work-life balance and appropriate management of working hours

iii) Autonomous career development
- Providing job information and expanding career dialogue

FY 22 Results
- Number of users of Challenge Career System
  ➡ 227% YOY

(2) Two-Year Priority Initiatives
- Revitalize human resources and organizational capabilities by improving job satisfaction

2. Sustainability

Key Initiatives (1): Connecting People and Local Communities

think good
三越伊勢丹の考える"サステナブル"

Department store sustainability activities

FY 22 Results
18 stores 741 matter
(compared with 170 last year)

Key Initiatives (3): Enhancing Employee Satisfaction

Promoting diversity equity and inclusion
(Promotion of Women's Participation and Advancement)

Achieving a life work balance
(Promotion of Health Management)

Key Initiatives (2): Connecting a Sustainable Society and Era

Promoting energy creation, energy conservation and renewable energy (decarbonization)

(Energy creation)
- Installation of solar cells on the roof of Tokorozawa Logistics Center

(Energy-saving)
- Use of new technologies such as AI smart air conditioning systems

Supply Chain Management

- Human Rights Policy, Procurement Policy (Revised April 2023)
- Code of Conduct for Business Partners (established June 2023)
- Building a human rights due diligence process

Promotion of 4R

Reuse

i'm green

- i'm green, department store's first permanent buyback service
- April 2023: A new store opened at the Isetan Urawa store.

Recycle

- Resource recycling through recovery of soft film 「POOL PROJECT TOKYO」

Reduce

- Promote proper packaging and suitable packaging

Refuse

- Promotion of smart wrapping "Bring your own bag recommended"

TOPICS①

CDP research on climate change
Score A obtained for the first time

CDP A LIST 2022 CLIMATE

Signing of the "United Nations Global Compact"

WE SUPPORT

Selected as a "Health and Productivity Management 2023"

2023 健康経営優良法人 Health and productivity

TOPICS②

From FY 23, "ESG indicators" have been established and included in the evaluation criteria for directors and corporate auditors.

3. New Corporate Philosophy System

- **Conducted with the participation of all employees of the Group as an opportunity to think about how to approach their own work and the raison d'etre of the Group**

How to proceed with the rearrangement

Step 1: Conduct a questionnaire with the participation of all Group employees

Number of respondents: More than 14,000
Response rate: 100%

Step 2: Conduct dialogue with our division and other departments

Number of times conducted: 1,600 times or more

Step 3: Conduct workshops with project members (department heads and above)

Number of times conducted: 3 times
Participating members: 28

***Disclosed on May 1**

New Corporate Philosophy System



Certain information contained herein may contain forward-looking statements.
This information is a reasonable estimate made by our company based on information available at the time of disclosure and involves various risks and uncertainties.
Accordingly, actual results may differ from those projected due to factors such as future business operations and changes in economic conditions.