

Fiscal 2023 Sustainability Briefing

Wednesday, December 6, 2023



ISETAN MITSUKOSHI HOLDINGS

Here is today's agenda.

Today is the third time for our company to hold a sustainability briefing, and for the first time we will focus on one theme: human resources strategy.

First, Hosoya will present the Isetan Mitsukoshi Group's corporate philosophy and human resources philosophy, and then Kimbara will present the direction of the medium-to long-term human resources strategy. Ito and Takemae will take the part during Kimbara's presentation. Third, external director Ando will talk about evaluation and challenges of human resources strategy, and vision for the future.

Today's Agenda

1. Isetan Mitsukoshi Group's Corporate Philosophy and Approach to Human Resources

Toshiyuki Hosoya, Director, President and CEO

2. Direction of Medium- to Long-Term Human Resources Strategy

Akira Kimbara, Managing Executive Officer, CAO, CRO and CHRO

[Case Introduction]

- Koki Ito, External Secondment to NIKKEN SEKKEI LTD
- Chigusa Takemae, Isetan Mitsukoshi System Solutions Ltd.

3. Evaluation and Challenges of Human Resources Strategy for Realizing the Vision

Tomoko Ando, External Director

Q&A

Isetan Mitsukoshi Holdings Ltd. Fiscal 2023 Sustainability Briefing

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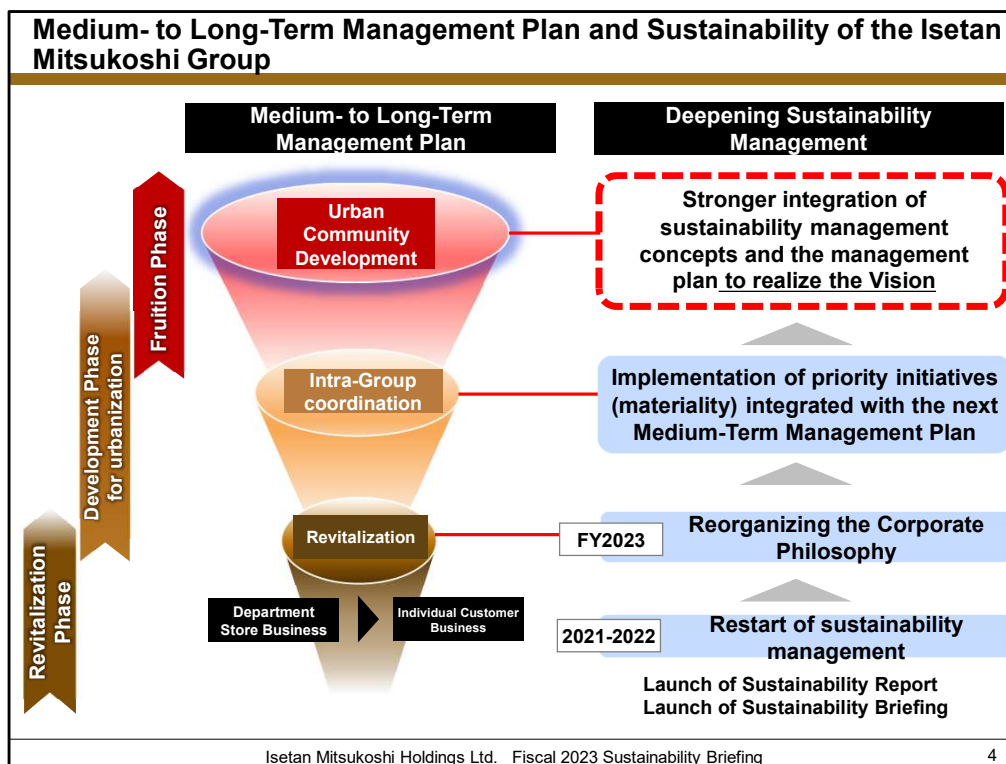
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1. Isetan Mitsukoshi Group's Corporate Philosophy and Approach to Human Resources

Toshiyuki Hosoya
Director, President and CEO

I will explain according to the materials.

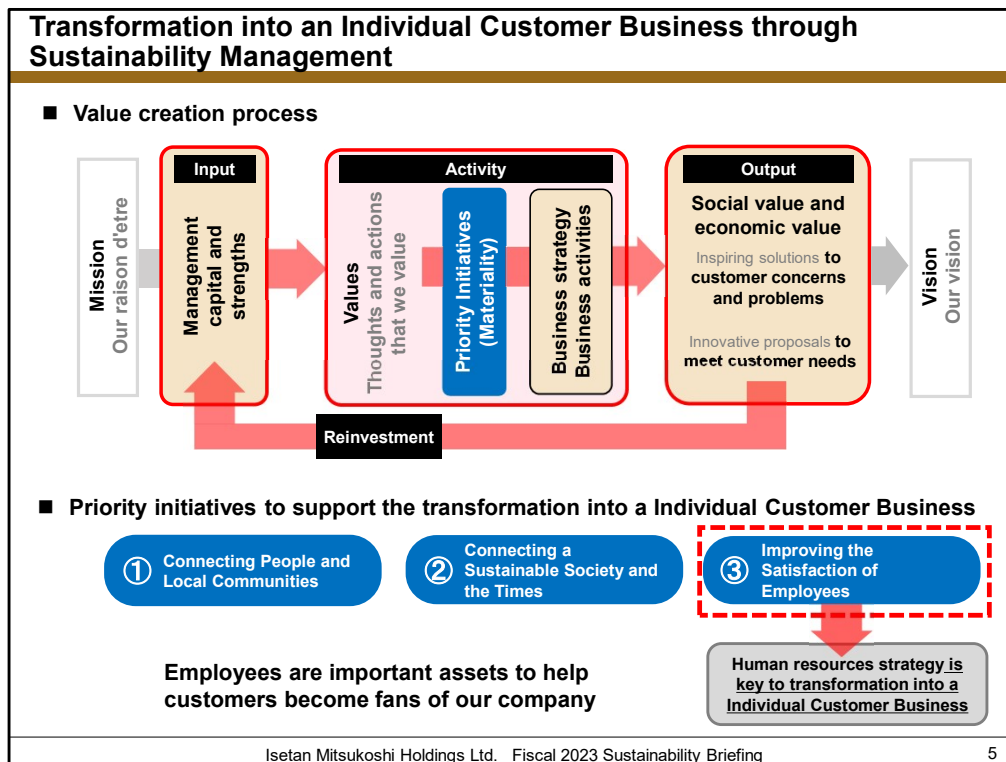
In my part, I would like to explain the relationship between the medium-and long-term plans of the Isetan Mitsukoshi Group and sustainability, and move on to the concept of corporate philosophy and human resources strategy.



First, I will explain the medium-to long-term plan. The Group will take a longer-term view of this medium- to long-term plan. On the left, phases that looks ahead 10 years to Urban development community in the Fruition Phase. Then, the phase in which we become more aware of the Intra-Group coordination in order to prepare for Urban development community , positioned by backcasting. And in the most recent three years of the Revitalization Phase, the department store will be thoroughly revitalized. In a sense, we are trying to change our business model from a department store business to the individual customer business. We are thinking from the perspective that the department store business model as a “building” is very difficult. I think this model, which we gather customers in the building, customers buy something, and they just go home has already collapsed. The building is a tool for collecting customers. After collecting customers, we serve all customers as individual but not mass, thoroughly analyze all individual customers, get into the hearts of our customers, and create a new business model, the individual customer business. This is the kind of model we would like to change to.

The most important point is how to incorporate sustainability into the model. Three years ago, we seriously decided to start the sustainability management and made the sustainability report in six months. And then this is the third briefing session for you. In fiscal 2021 and 2022, we actively promoted sustainability management, and in fiscal 2023, we reorganized our corporate philosophy once again to further forward sustainability management. The first step in this reorganization of our corporate philosophy is to discuss with all of us what our group's core values are, what content we want, and what value we want to provide to the market in the future. We made a three-minute movie on how to redesign our corporate philosophy. I hope you will see it later.

In addition, how we will implement sustainability management into the medium-and long-term plan in the future? We have created our corporate philosophy based on the basic concept to do this concretely, and we would like you to see it. I will explain about the combination of sustainability and medium-and long-term planning on the next page.



With regard to the value creation process, we will first take advantage of our company's management capitals, our strengths, and then use our important thoughts and actions as values to materialize our priority initiatives (materialities) with specific business strategies and activities. As a result, it will be good for customers and good for society. Then, profits are gained, redistributed and new investments are made. We're going to create this cycle. This ultimately leads to our vision of enriching the lives of our customers.

Specifically, we have set out three materialities to transform our business into an individual customer business.

The first is connecting people and local communities. The second is connecting a sustainable society and the times. And today's focus is on improving employee satisfaction. How serious is our company about human resources? As long as our group runs individual customer business, we develop human resources strategies with awareness that people are essential.

Isetan Mitsukoshi Group's Vision—Corporate Philosophy

Isetan Mitsukoshi Group Corporate Philosophy

Our Vision

We are a retail group centered on extraordinary department stores working toward improving the lives of our customers.

With our Japanese heritage and strong global branding, we create lasting impressions through sophisticated and high-quality experiences that make us the first choice for our customers.

Our Values

We are inspired by innovation, moved by beauty, and motivated to share our experience.

We welcome everyone with warm smiles and positive attitudes to delight and impress.

We co-create with exceptional talent to realize dynamic ideas and innovations.

We inform our decisions with facts, experience, and instinct to create unique solutions.

We always act with integrity and sincerity, and fulfill our responsibilities to society.

We fearlessly challenge norms and strive to reinvent the future.

Our Mission

Touching people's hearts with human-driven experiences.

- Established in May 2023 as the basic concept underlying all corporate activities
- We aim to enrich the lives of our stakeholders by touching their hearts with **our individual efforts**



Isetan Mitsukoshi Holdings Ltd. Fiscal 2023 Sustainability Briefing 6

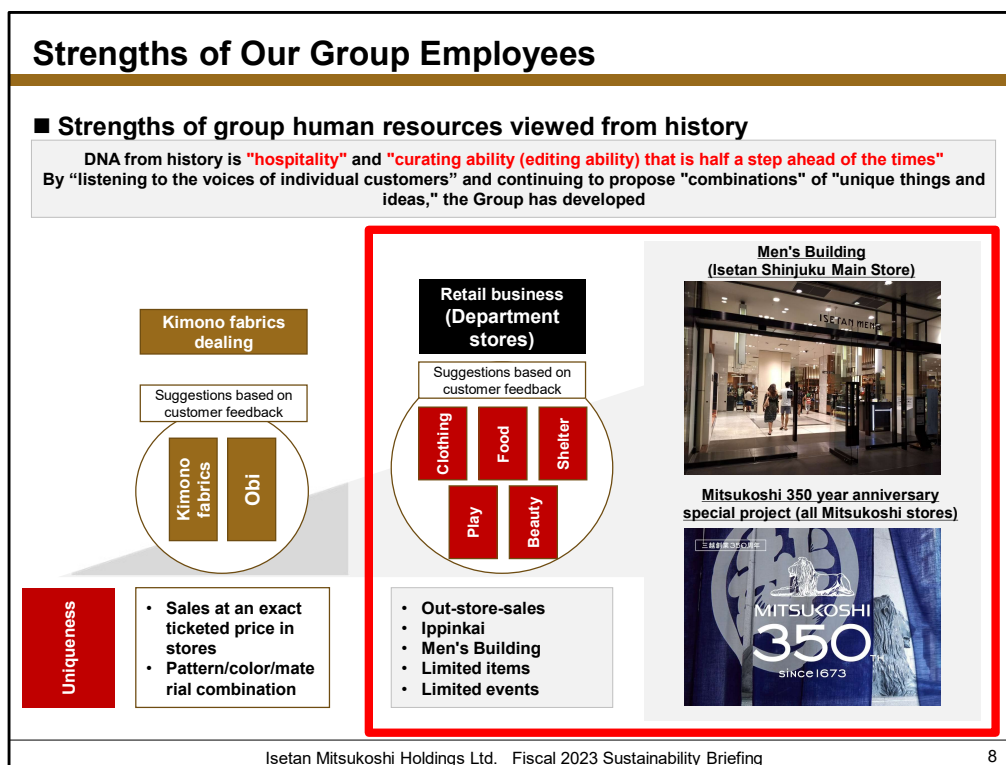
This page is the last for my part.

We spent a year creating our corporate philosophy, and we made a movie of the process of creating this corporate philosophy.

I hope you will see it and I will end my explanation.

2. Direction of Medium- to Long-Term Human Resources Strategy

Akira Kimbara
Managing Executive Officer, CAO, CRO and CHRO



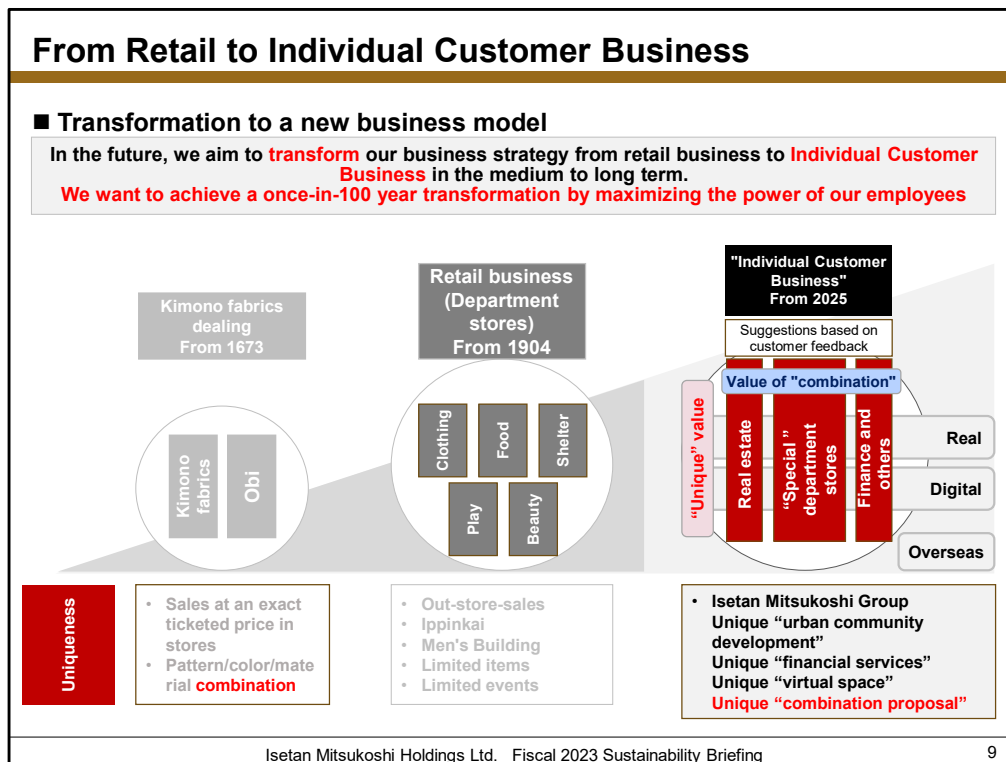
I am Kimbara of CHRO. Now, I would like to explain the direction of the medium-to long-term human resources strategy for realizing the medium-to long-term management plan.

First, I would like to explain the strengths of our human resources while briefly explaining the history of our company.

Founded 350 years ago as a kimono fabric business, we have always maintained a customer-first attitude and a spirit of hospitality to touch people's hearts by power of people while maintaining our ability to develop products and services that are unique and are half a step ahead of the times. We recognize that this is where the unique value of Isetan Mitsukoshi lies, and this has led to its continued development for 350 years.

Looking back at the time of its founding, Takatoshi Mitsui has made it possible to sell kimono fabrics by pieces, rather than by whole fabric, and has begun to combine patterns, colors, and materials to meet customer needs. He has also created a store where everyone can shop at the same price, which was revolutionary at the time. Since then, it has evolved into a department store business, and its products have been expanded to include food, clothing, living and leisure. In addition, we have continued to engage in initiatives such as out-store-sales business as a symbol of hospitality and the Isetan Men's building as innovative proposals to meet customer needs.

On the other hand, the pace of changing times has also increased very quickly. I think we have almost reached the limit just by the framework centered on the department store business. In order to survive in the next 350 years, it is necessary to discuss and implement a medium-to long-term human resources strategy in conjunction with the new medium-to long-term management strategy.

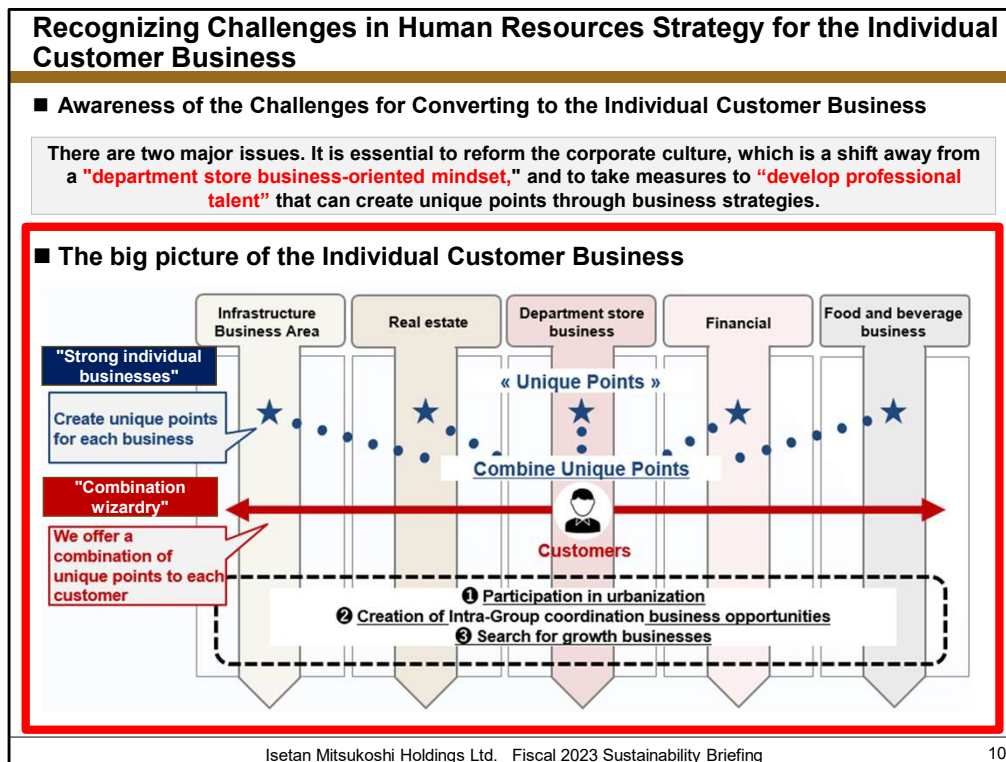


Going forward, our group aims to transform itself from a retail business to individual customer business in the medium-to long-term. In order to achieve this goal, we hope to achieve a once-in-100 year transformation by maximizing the power of our employees.

The company aims to become an individual customer business while focusing on special department stores. Looking back on this, the foundation of the modern department store was laid by the declaration of the department store in 1904, about 230 years after the establishment of the kimono shop in 1673.

And it's been 120 years since we declared a department store. As we aim to become an individual customer business in the future, we would like to proceed through this understanding of the history.

We will pursue our group's unique value by developing real estate, finance, and other businesses while focusing on special department stores. In addition, we will combine our businesses to provide new value according to customers' concerns and interests.



We are discussing as management what we should do to convert to this new business model. We recognize that there are two major challenges, the creation of a new corporate culture and development of the specialized personnel who delve deeply into our business.

We believe that the hurdles to solving these challenges are very high, but we would like to realize it by balancing the growth of each employee with the growth of the organization.

Efforts to Resolve Issues

■ Toward maximizing the power of people

Today, I would like to explain an example of our efforts toward **"Human Resources Strategy (Maximizing People's Power)."**

Case introduction ①	Case introduction ②	Case introduction ③
Corporate Culture Reform for Business Model Transformation	Developing Specialists to Strengthen Individual Businesses	HRBP* Initiatives to Maximize People's Power
Basic Views of People and Organizations	< Employee Introduction > An Example of Reskilling by Strategic Secondment	< Employee Introduction > Examples of Human Resources Strategies for Developing Professional Personnel
Lifetime CDP*		

* CDP (Career Development Program) is a medium- and long-term plan to develop employees' careers and capabilities.

* HRBP (an acronym for Human Resource Business Partner) is one of the human resources functions in the enterprise. In the human resources function, the role of supporting business growth in terms of people and organization, especially as a partner for business unit managers and managers

Isetan Mitsukoshi Holdings Ltd. Fiscal 2023 Sustainability Briefing 11

We are still in half way, but today I would like to explain our ongoing medium-to long-term human resources strategy in three parts.

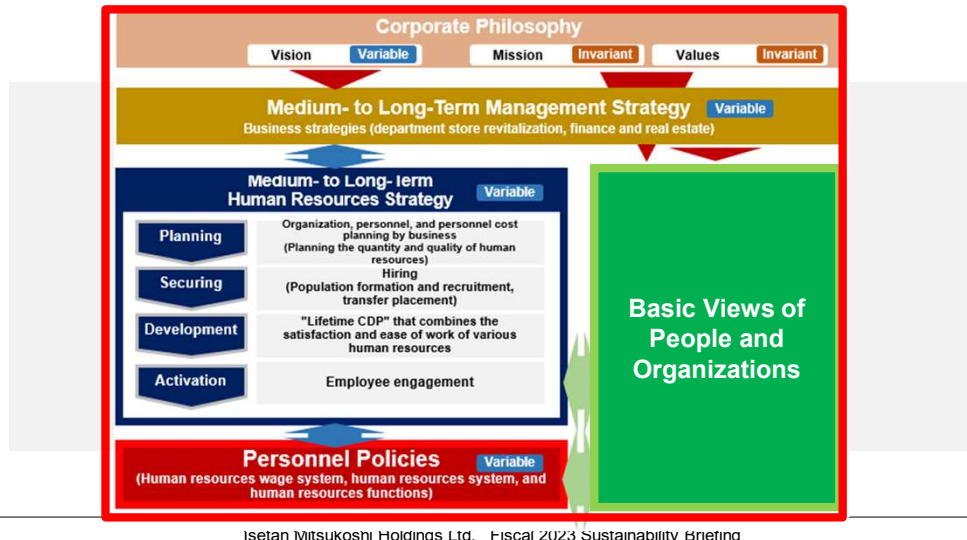
First, I will talk about corporate culture reform for business model change. And then two of our group employees will explain. Ito who are strategically seconded to develop professional human resources will talk about a case of reskilling. In terms of HRBP's efforts to maximize power of people, Takemae who plays a core role in the HR function in the business division will talk about a case of human resources strategy for developing professional human resources.

[Case Introduction ①] Corporate Culture Reform Initiatives

■ Toward maximizing the power of people

Currently, we are building a medium- to long-term human resources strategy in conjunction with our medium- to long-term management strategy and each business strategy.

At the outset of building a medium- to long-term human resources strategy, the basic views of people and organizations is newly verbalized



Isetan Mitsukoshi Holdings Ltd. Fiscal 2023 Sustainability Briefing

12

The first step in corporate culture reform is shown in this diagram. We will align our corporate philosophy, the medium-to long-term management strategy and the medium-to long-term human resources strategy under the corporate philosophy, and link them together. These are underpinned by the personnel measures.

The basic concepts of people and organizations are very important in realizing human resources strategies and measures, and various discussions are being held. The basic concepts of people and organizations will be converted into language for the purpose of creating an important idea that serves as the starting point for everything, and the whole group will understand it.

This is kind of our company's human resources management policy.

[Case Introduction ①] Corporate Culture Reform Initiatives— "Basic Views of People and Organizations"

■ "Basic views of people and organizations"

The basic views of people and organizations is to **redefine the "relationship between employees and the company," and to verbalize "the expectations of employees" and "the responsibilities of supervisors and the company,"** leading to behavior change.



Isetan Mitsukoshi Holdings Ltd. Fiscal 2023 Sustainability Briefing

13

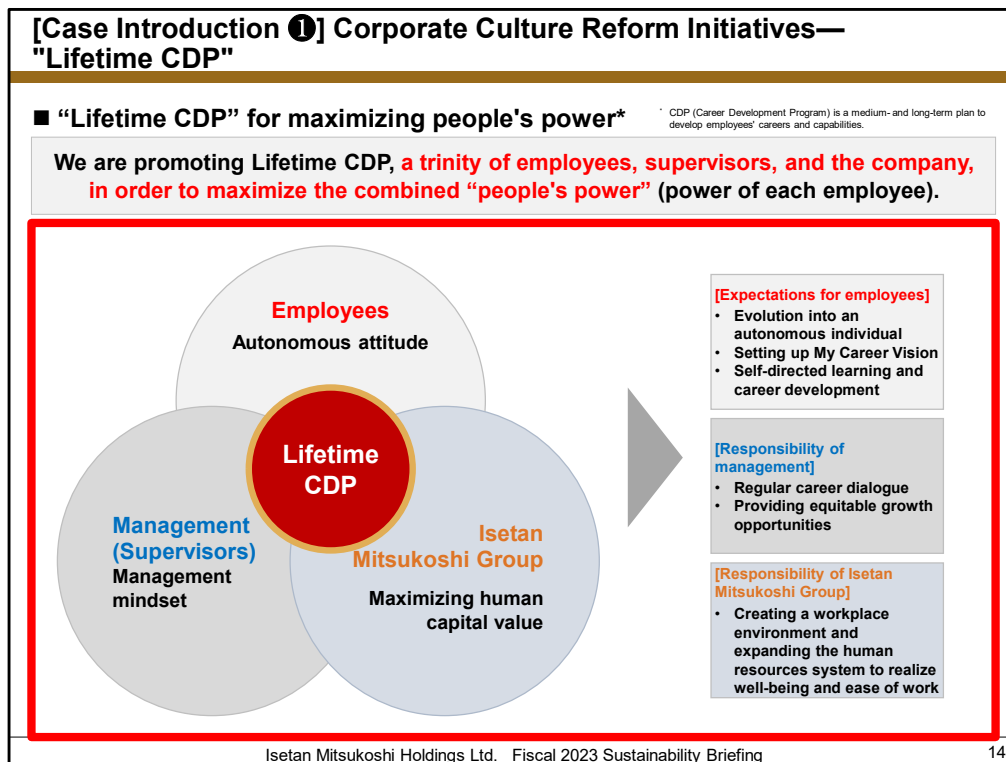
The main driving force to change the basic concepts of people and organizations and to touch people's hearts, is the individual power of each employee. Expectations to employees, responsibilities of the superior and the company, relationships that grow and enhance each other, these are where we want to start our engagement.

Employees evolve and transform into independent individuals. Superiors and companies create opportunities to experience growth and provide support. Various individuals and individual person will be transformed by the type of organization we aim for. These different individuals cannot exert their power separately, and therefore compete respectfully with each other. In addition, I believe that individuals and organizations become stronger when companies and supervisors actively promote emergent creation.

And the foundation is health management. I would like to work hard to foster physical and mental health for employees and a healthy corporate culture.

So how do companies and employees work together for that? The key is a culture of dialogue that brings out individual possibilities.

I think our company's characteristic is to create various values by combining various things, services, people's minds through repeated dialogues, which was mentioned in the previous movie, so I would like to cherish this culture of dialogue.

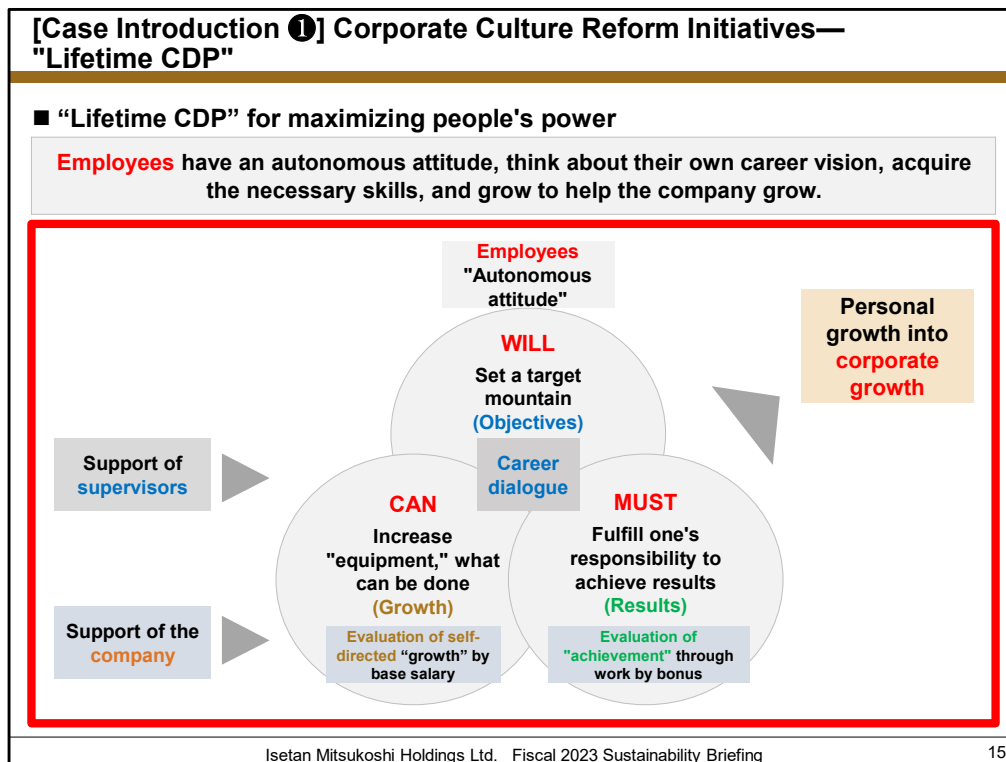


Next, we have the concept of lifetime CDP in our company on how to maximize the power of people.

CDP is an abbreviation for the Career Development Program, which is a medium-to long-term plan to develop the careers and capabilities of employees. We will promote this throughout our lives.

We have a lifetime CDP in the center with three circles.

Employees have an autonomous attitude, management, especially superiors instill a management mindset, and the Isetan Mitsukoshi Group maximizes human capital value. Our company's unique approach is to address these issues as a trinity.



First, employees.

Employees develop their own career vision with an independent attitude and acquire the necessary skills to grow. This leads to the growth of the company.

Employees are first asked to think about what kind of career they want to pursue and what kind of business they want to pursue, and then they are given more equipment and skills to do so. When they grow, they are evaluated on their base salary, and when they achieve results, they are evaluated on their bonuses.

In this way, they work together with their superiors and companies to achieve individual and corporate growth.



What does superiors do?

Through regular dialogue, superiors support each employee in his or her different career phases and life-work balance. In order to realize the career vision determined by the employee, it is essential to be accompanied by superiors.

In addition, we aim to revitalize the company as a whole by ensuring that our superiors provide their best support for the skills they want to acquire, while giving them courteous, sometimes slightly higher goals one by one in dialogue.

In addition, the company will enhance the career support system for employees to take up various challenges and expand support to take life-work balance with changes in life stages.

We claim that superiors are especially important among employees, superiors, and companies, and we strive to make superiors the best career counselor.

[Case Introduction ①] Corporate Culture Reform Initiatives— "Lifetime CDP"

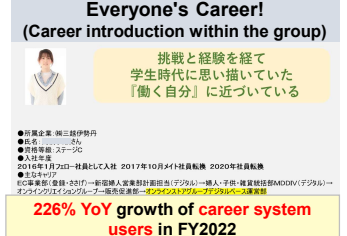
■ "Lifetime CDP" for maximizing people's power

The **company** provides and supports each employee's **"autonomous career development"** and **"learning opportunities"**

Everyone's Business!
(Introduction of work within the Group)



Everyone's Career!
(Career introduction within the group)



226% YoY growth of career system users in FY2022

MANABI Forest
(Opportunities for autonomous learning)



It currently has over 400 content and 90,000 users per year

Isetan Mitsukoshi Holdings Ltd. Fiscal 2023 Sustainability Briefing

17

What does the company do?

First of all, we will provide opportunities for each employee to learn and actively support them in their autonomous career development.

"Everyone's business!" is a group job introduction. This is commonly called "Minshigo!" and when employees think about their careers, they share what they are doing in which department and think about their future in light of it.

"Everyone's career!" shares the experiences of people who have taken on the challenge of pursuing a career they want to pursue and how they are learning skills in new places. As a company, we hope to support the development of autonomous careers.

In fiscal 2022, the number of users of the career system increased by more than 220% from the previous year, indicating that the system is beginning to take root to a certain extent.

MANABI Forest is a program that organizes educational content such as group e-learning and real training. It has more than 400 pieces of content and is used by more than 90,000 people annually.

We hope that our employees will accept the company's support and realize lifetime CDP.

[Case Introduction ①] Corporate Culture Reform Initiatives— "Lifetime CDP"

■ "Lifetime CDP" for maximizing people's power

Management also supports corporate culture change through regular dialogue and communication with employees.

Video messages by CXO



2023/11/09

【山下さんより】第2回"個客とつながる"顧客軸の業務フロー

三越伊勢丹ホールディングス 執行役常務 CMO 山下さんから、個客とつながるCRM戦略の新しい取り組みとして、各店舗のみならずと進めている「顧客軸の業務フロー」についてシリーズでお伝えします。第2回は顧客軸の「業務フロー」「戦略ターゲットの設定」までをお話します。【動画】第2回"個客とつながる"顧客軸の業務フロー（約6分半）＊動画以外にテキストでも内容をご確認いただけます。こちらからご覧ください。■発信元・お…



2023/10/31

金原さんからのお話「三越伊勢丹グループにおける自律的なキャリア形…

HDS執行役常務 CAO 兼 CRO 兼 CHRO の金原さんから「三越伊勢丹グループにおける自律的なキャリア形成に向けて」のお話します。自己申告の提出がある10月、11月はグループ全従業員の皆さんが自分のキャリアについて考えるとても大切な時期です。私たちを取り巻く環境の変化（社会の変化、三越伊勢丹グループの変化）、キャリア形成の「これまで」と「これから」、キャリア自律と生涯CDPなどについて詳しくお伝えします。…

The management team will also support the transformation of the corporate culture through the regular response and communication with employees.

Our management team explains our corporate and management strategies in a way that is easy to understand and strategies are pervasive. I also want to raise awareness and enlightenment through various interactive dialogues while sending out movies on autonomous career development, engagement, and proper work hour management.

We are still in half way, but through these efforts, we will change the culture and mindset of our employees, realize a unified medium-to long-term management strategy, and implement the medium-to long-term human resources strategy that supports it.

[Case Introduction ② and ③] Initiatives by Employees

■ Efforts to develop professional personnel

Now, **our group employees** will explain their efforts.

Case introduction ①

Corporate Culture Reform
for Business Model
Transformation

Basic Views of People and
Organizations

Lifetime CDP*

Case introduction ②

**Developing Specialists to
Strengthen Individual
Businesses**

< Employee introduction ① >
An Example of Reskilling by
Strategic Secondment

21 employees are on strategic
secondments to 19 companies,
mainly in the real estate and
finance business

Case introduction ③

**HRBP* Initiatives to
Maximize People's Power**

< Employee introduction ② >
Examples of Human Resources
Strategies for Developing
Professional Personnel

Personnel system and
training system tailored to
business characteristics

* CDP (Career Development Program) is a medium- and long-term plan to develop employees' careers and capabilities.

* HRBP (an acronym for Human Resource Business Partner) is one of the human resources functions in the enterprise. In the human resources function, the role of supporting business growth in terms of people and organization, especially as a partner for business unit managers and managers

Isetan Mitsukoshi Holdings Ltd. Fiscal 2023 Sustainability Briefing 19

Now, I would like to introduce two of our company employees so that they will explain their efforts.

As part of our reskilling efforts, over the past 2 years, our company has started to build up its strength by transferring 21 employees to 19 companies as the strategical secondment, mainly in the real estate and finance businesses.

Today, Ito, one of those secondees will tell you about his experience.

Next, Takemae who is promoting initiatives of human resources and HRBP at Isetan Mitsukoshi System Solutions, a digital business company of the group will talk about a case study.

[Case Introduction ②]
"Exploring Potential in Growth Business"

Koki Ito
External Secondment to NIKKEN SEKKEI LTD

Mr. Koki Ito, seconded to NIKKEN SEKKEI LTD, will explain.

< Biography > Koki Ito (Seconded to NIKKEN SEKKEI LTD)

I have a lot of experience in shopping centers and real estate, which is my strength.



< Department Store > Joined the company in April 1996 - August 2000

Mitsukoshi Ginza Store for 3.5 years, seconded to Mitsukoshi USA, Inc. for 1 year

Sales in the clothing and goods division, planning and managing events, and secondment to training in the United States

< Shopping Center > September 2000 - March 2014

**Mitsukoshi Ebisu Store for 3 years, Nagoya LACHIC for 6.5 years, Headquarters for 4 years
Store management, leasing, store development, etc.**

< Real estate > April 2014 to present

8 years of medium- to long-term planning, consideration of the direction of stores in the Tokyo metropolitan area and regions, management of subsidiaries, etc.

Since April 2022, I have been on an external secondment to NIKKEN SEKKEI LTD, with the mission of “giving back expertise, skills and know-how at an outside real estate company to the Group” for future urban community development.

Isetan Mitsukoshi Holdings Ltd. Fiscal 2023 Sustainability Briefing

21

After joining the company, I worked mainly over-the-counter sales in department stores such as in the clothing and general merchandise department of Ginza Mitsukoshi and Orlando, USA until 2000.

After returning from the United States, I worked mainly in stores for operations and tenant leasing mainly in stores, including opening operation in Ebisu Mitsukoshi and Nagoya LACHIC. After that, I experienced general work for shopping centers including store development such as opening Kokubunji mits.

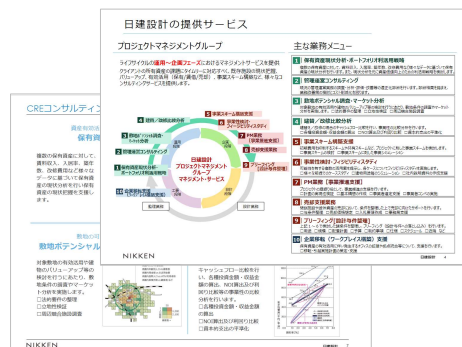
After that, I was transferred to the real estate department when it was established, and as a person in charge of planning, I was assigned to medium-and long-term planning, subsidiary management, and consideration of the direction of stores in the Tokyo metropolitan area and regions. Since the spring of last year, I have been seconded to Nikken Sekkei with the mission of transferring back expertise, skills, and know-how of an external real estate company to the Group for future community development.

Responsibilities at NIKKEN SEKKEI LTD

Although I was confused by the differences in the work environment and the way work was done at a company with different industries and cultures, I gradually caught up with them.

Affiliation: Facility Solution and Strategies Section, Project Management Group, Project Development Department

A department that helps solve problems in real estate owned by a company that is not a real estate professional



Source: Nikken Sekkei PM Group Services (CRE-related)

Responsible for 3 to 7 projects at any given time

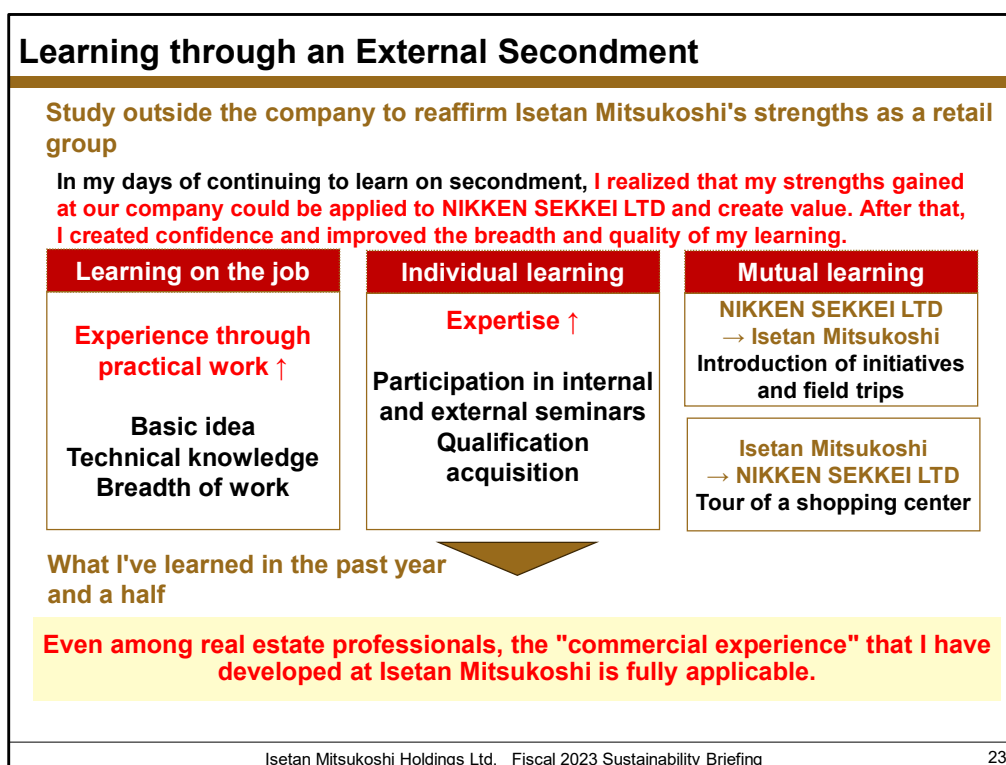
■ **Main tasks currently in charge**

1. **Support for examining the direction of owned real estate**
2. **Various types of research work**
3. **Support for development of management rules**
4. **Concept development support**

My job at my secondment is to provide consultation with companies that are not real estate professionals about problems in real estate.

For example, I work to propose the use of real estate for the future, such as deciding whether to rebuild, renovate, or sell aging buildings, and reconstructing bases for companies that own multiple properties. Since this job is the initial stage of projects, each job lasts three months to one year long, and I handle three to seven projects at the same time.

It was my first outside secondment, and since I had been in a different industry, I was confused by the completely different corporate culture at the beginning of my secondment, but I am gradually catching up.



There are three main things I learned from my secondment outside company.

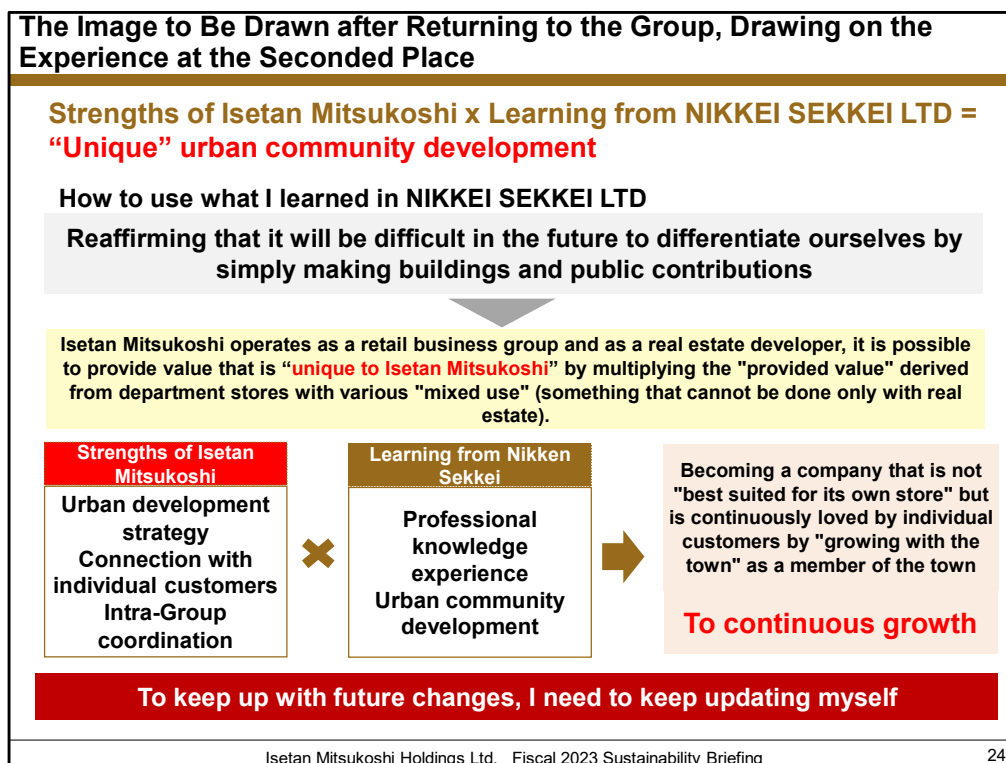
What I learned on the job through my practical work, I gained basic concepts and technical knowledge in examining real estate, broadened my scope of work, and increased my experience.

What I learned personally, I participated in internal and external seminars to get knowledge, and after secondment, I acquired professional qualifications such as redevelopment planners and facility managers. My expertise has improved.

Mutual learning of Isetan Mitsukoshi and Nikken Sekkei through me. From Nikken Sekkei to Isetan Mitsukoshi, this spring Nikken Sekkei refurbished its head office to create a space for co-creation not only within the company, but also with people outside the company. The persons in charge from in Isetan Mitsukoshi were given a tour of that area and a study session on specialized content. From Isetan Mitsukoshi to Nikken Sekkei, in the commercial sector, where Nikken Sekkei is relatively weak, we invited them to visit the shopping center stores that Isetan Mitsukoshi was working on, and we held a study session on the management and the process to open the business.

Understand each other's business, absorb other's knowledge and apply it to the next business. I think this is what seconded person can do. In fact, these lessons led to orders from Nikken Engineering to Isetan Mitsukoshi.

At the beginning of my secondment, I focused on learning on the job and learning personally, but by adding my unique essence from a merchant's perspective in my daily work, I was able to make the content more convincing. My strengths, such as the fact that it led to my next work and that I was always asked my opinion when I proposed work related to commerce, were fully applicable to Nikken Sekkei, and I also found that it created value. Since then, I have gained confidence and started learning from each other, and the breadth and quality of learning have greatly improved. This also reaffirms the strength of Isetan Mitsukoshi as a retail group based on business way of individual customer business.



Finally, how will I take advantage of the lessons I have been talking about after I return to Isetan Mitsukoshi? Through this secondment, I also understood that it is difficult to differentiate from real estate development that other companies are engaged in. How can Isetan Mitsukoshi differentiate itself in such an environment? The Isetan Mitsukoshi Group, as stated in its Urban Development Community Strategy, is able to provide a combination of uses to enable more customers to come to town, stay, walk around, and live by developing content and infrastructure functions under our company brand through the Intra-Group coordination. Through these efforts, we will combine the value provided derived from department stores with various complex uses to realize a unique customer experience.

This is unique to us as developers of real estate who can operate inside the building. Major real estate developers handle a commercial operation, but they have not been able to take an approach to customers as individual customer, so I think we can make a big differentiation in this regard. In addition, by combining the knowledge and experience in the real estate field that I learned in Nikken Sekkei and the perspective of Urban community development, I believe it is possible to contribute to the community by co-creating between the Urban community development and people involved in the community, such as government and local residents.

I believe that these initiatives will lead to continued growth by contributing to the growth of the community if not satisfying own optimization.

In order to make a contribution to these efforts, even small, I will not waste the rest of my secondment period and will continue to work on my own continuous updates in order to deepen my learning and respond to changes even after I return.

[Case Introduction ③]
“Examples of HRBP in Digital Business”

**Chigusa Takemae,
Isetan Mitsukoshi System Solutions Ltd.**

* HRBP (an acronym for Human Resource Business Partner) is one of the human resources functions in the enterprise. In the human resources function, the role of supporting business growth in terms of people and organization, especially as a partner for business unit managers and managers

My name is Takemae from Isetan Mitsukoshi System Solutions.

**< Biography > Chigusa Takemae
(Isetan Mitsukoshi System Solutions Ltd.)**

■ Brief history

2008	Joined Isetan Mitsukoshi System Solutions Ltd.
April 2019	Isetan Mitsukoshi System Solutions Ltd. Development Engineer Manager
April 2020	Isetan Mitsukoshi System Solutions Ltd. DX Platform Manager
October 2021	Isetan Mitsukoshi System Solutions Ltd. Human Resources Manager



Chigusa Takemae
Senior Manager of General Affairs
and Human Resources Manager

■ Current operations

As the human resources manager of Isetan Mitsukoshi System Solutions Ltd., which has a large number of "expert personnel," I design securing, development, and activation of human resources to realize business strategies based on the evolution from staff personnel to strategic personnel. I am leading the involvement of field managers and management.

Securing: Recruiting new graduates and mid-career employees
Development: Career interviews, management strengthening, technical training, cross-group on-the-job training, etc.
Activation: Role, full remote, overall wage design, elder system, etc.

I joined Isetan Mitsukoshi System Solutions through mid-career recruitment in 2008, and after about 10 year experience of development, I am in charge of human resources.

At present, I am taking the lead in involvement of field managers and management with the goal of evolving from Staff HR to Strategic HR.
Since the company name Isetan Mitsukoshi System Solutions is long, I will use the abbreviation IMS from now on.

Today, I would like to talk about the human resources strategy that IMS is implementing.



IMS is responsible for the systems area of the Isetan Mitsukoshi Group.

IMS, as an IT subsidiary of the Group, is mainly engaged in system development and maintenance. However, various challenges were arising.

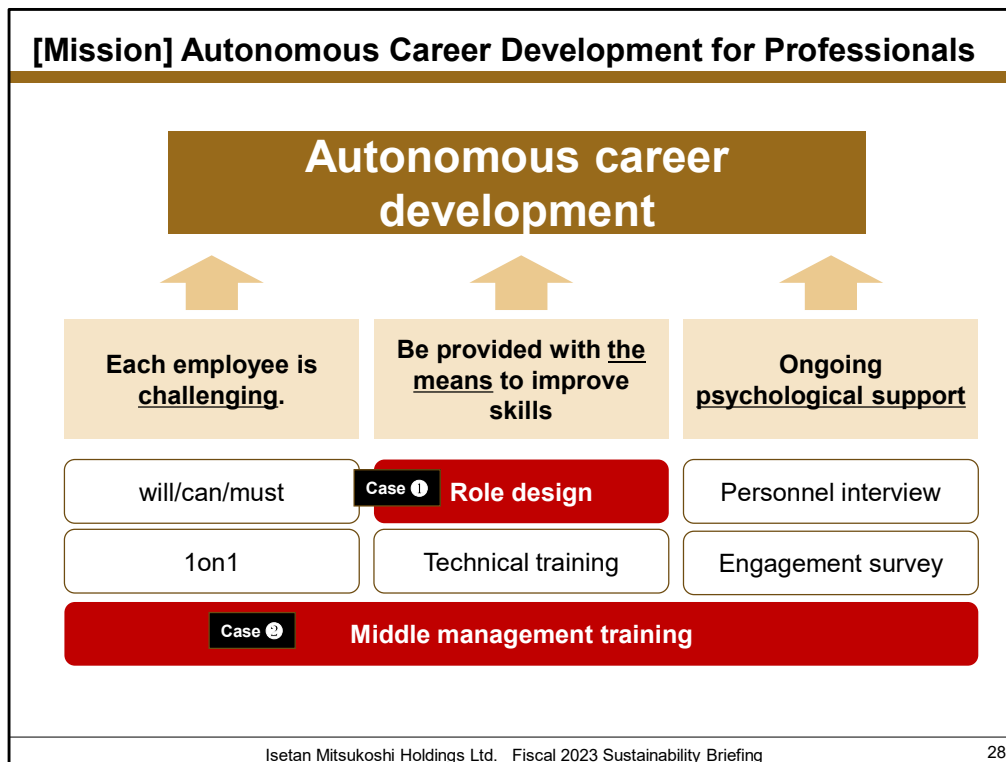
As described in the Cliff of 2025, the difficulty of maintaining IT debt, which has become a complex and monstrous system as a result of repeated customization over its long history, and the reality of having to develop new systems quickly while protecting such a huge system. We cannot afford to take the time to nurture human resources.

I was struggling to do something about this situation, and when I had the opportunity to move to HR dept., I started thinking, "What is my role and what can I do?."

I didn't have any knowledge of HR, so I studied various things through books and seminars. And I felt in myself that I could not compete with the technology and the way of working as an extension of existing system, which I felt while I was working on the DX project.

After thinking it through, I decided that I had no choice but to link securing, nurturing, and revitalizing activities to the strategy, so I designed various initiatives.

Among them, voluntary career development is a major pillar.

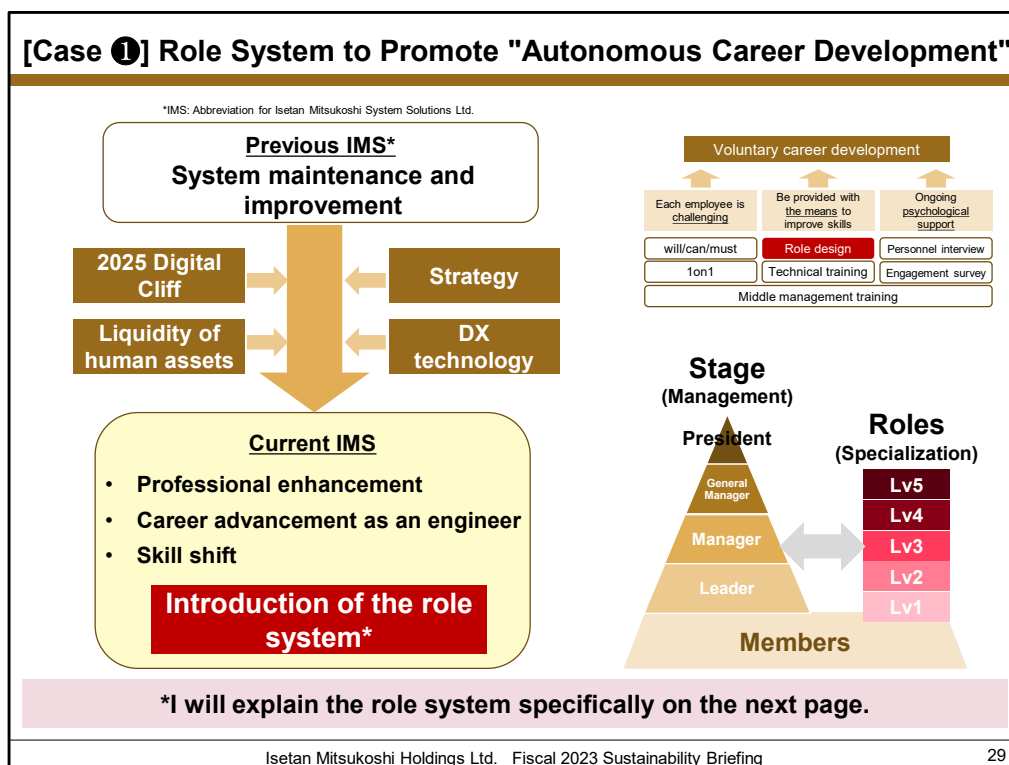


It would be great to realize a strategy and a human resource portfolio, but voluntary career development is a way to strengthen the muscles to realize them.

We have defined three elements for realizing voluntary career development: rewarding, means, and psychological support.

Today, I would like to talk about Roles and Middle management training. The Role is a personnel wage system that evaluates expertise.

Voluntary career development has been promoted through a top-down personnel system such as Roles and bottom-up initiatives such as Middle management training.



First, let's talk about Rolls.

IMS is primarily concerned with improving system maintenance. This led to many of the skills needed to improve maintenance, such as customer negotiation, control of partners, and progress and budget management.

However, in order to realize various social changes and strategies, we need to strengthen our expertise, and in 2020, we introduced the Role.

IMS has two systems, Stage and Roll.

The Stage is a system for evaluating management skills, which is common to all groups, and the Role is a system for evaluating expertise, which is unique to IMS. If you reach Role Level 5, you will receive the same level of treatment as the General Manager, enabling you to advance your career except management.

IMS employees have both Stages and Roles.

As you design your own career, you can choose whether you want to advance in the Stage or in the Role.

In addition, in the course of building a career, there is a movement in which people who have been advancing in their Roles change their careers to advancing their careers on the Stage because they want to try management.

The Role system is one of the attractive elements in hiring new graduates and mid-career engineers.

[Case ①] Role System to Promote "Autonomous Career Development"

- In the role definition document, the company defines "missions and roles by level, supporting knowledge and technology"
- Based on the role definition document, employees and supervisors set goals such as "technologies and areas to be enhanced and behavioral objectives"
- By definition in the role system for professional talent, both "autonomous career development of professional talent" and "growth of the company" can be achieved

【Tech】テクノロジスト

Low Difficulty and complexity High

	Level 2	Level 3	Level 4	Level 5
ミッション	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。
役割	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。
必要な知識・技術	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。
仕事の例	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。	チーム内の業務を円滑に推進し、業務の効率化・自動化を実現する。

Mission and roles by level

Necessary knowledge and skills

Example of work

Let's talk about Roles in more detail.

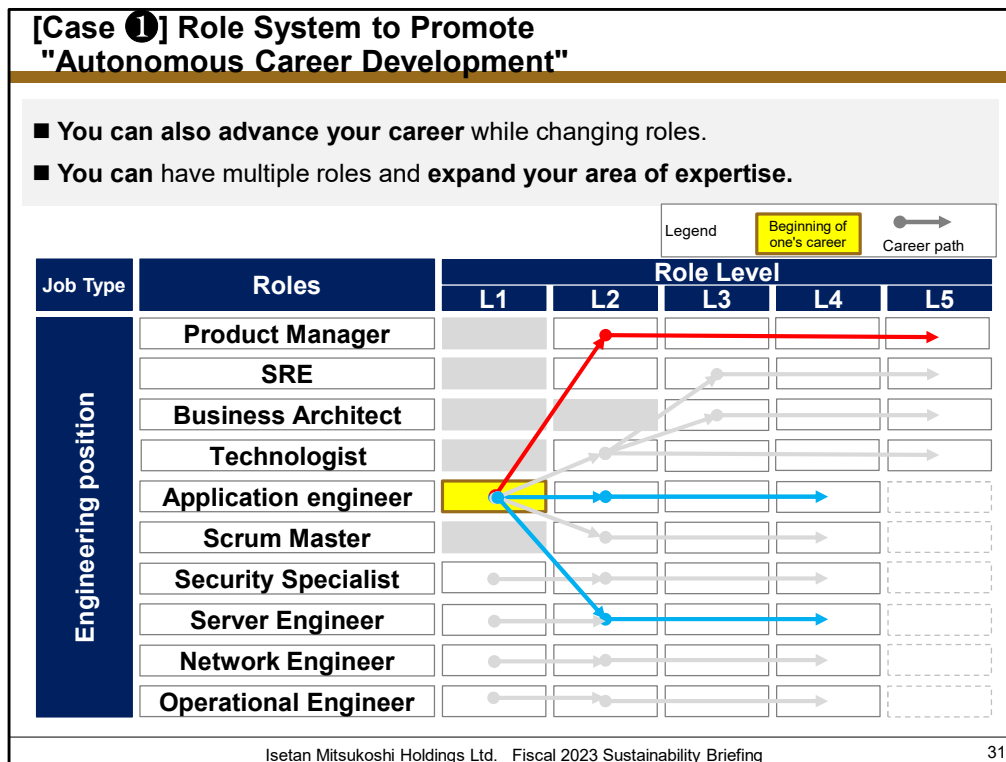
Roles have 5 levels, level 1 to 5.

What you see on this page is the Role definition called Role Technologist.

There is one Role definition for one Role.

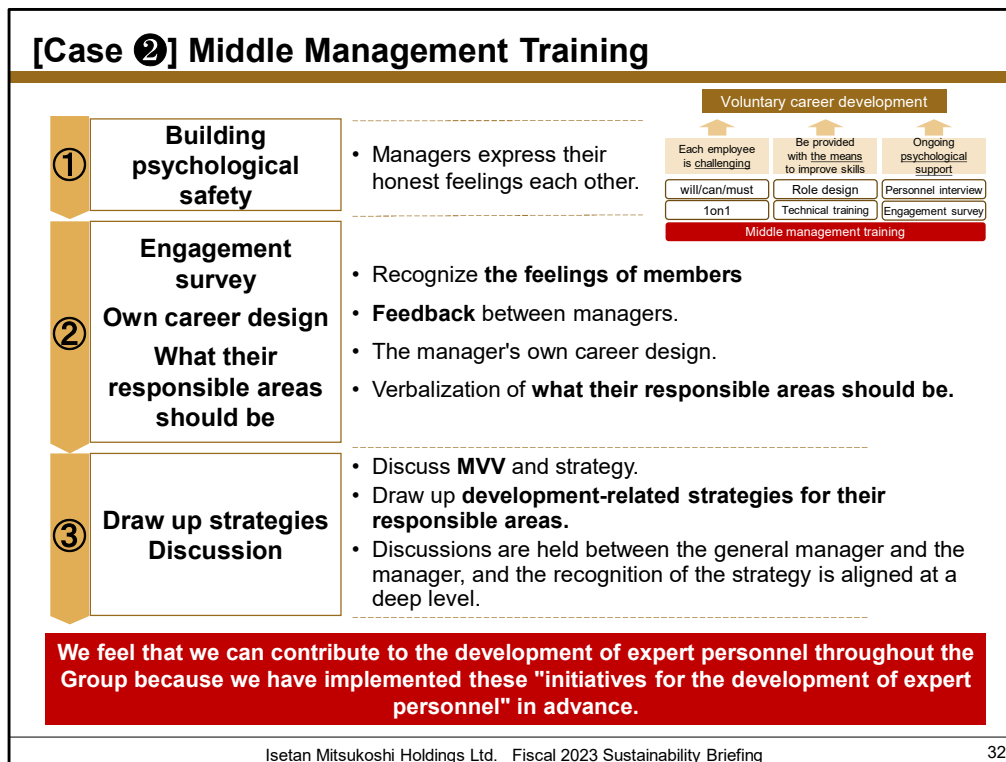
The green area defines the mission and role for each Role level. This is the common definition for all Roles. In the blue area, each Role has a different definition. It includes knowledge, skills, and work examples that support the mission and role.

As a Role progresses, the difficulty of missions and roles increases, and the difficulty of knowledge and skills increases accordingly.



In addition to raising the level of Roles, some people advance their careers by changing Roles, such as the red line, or expand their area of expertise by having two Roles, such as the blue line.

The field is getting used to the Roll, but there is still room for improvement. We conduct regular interviews to brush up on the system.



Next, I'll talk about Middle management training.

No matter how great the Roll system is, if it is not utilized, it is a pie in the sky. We set our sights on middle management in order to spread the system.

First, we built a relationship where managers can honestly open up about their worries and concerns.

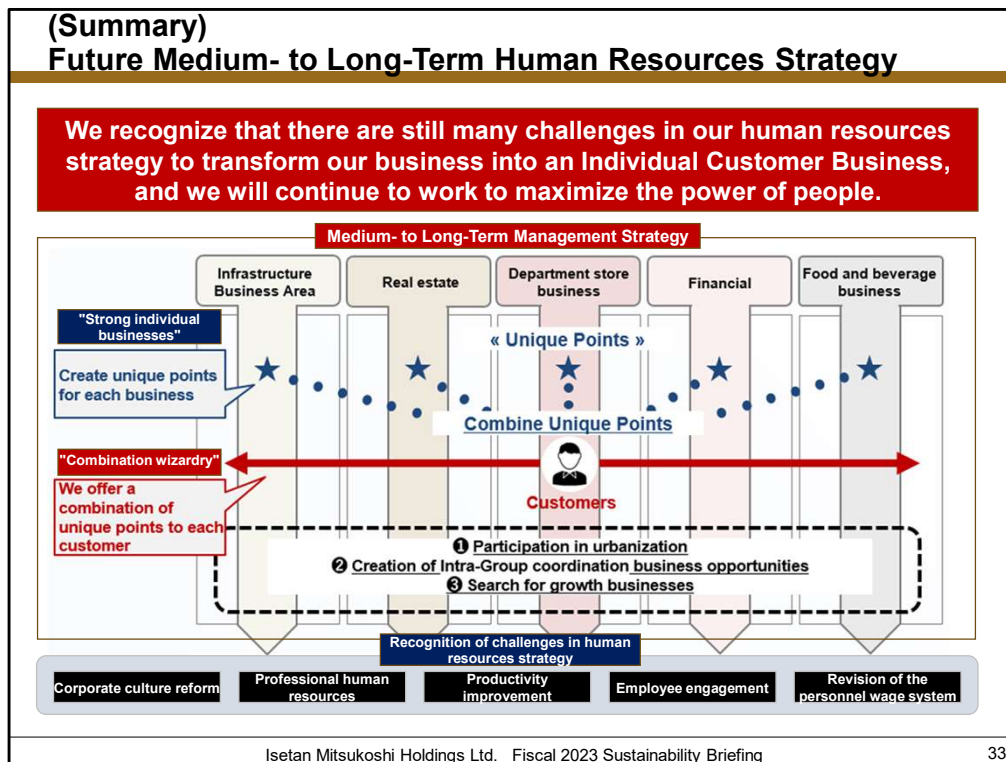
Next, we used the engagement survey to verbalize our own careers and responsibilities should be.

Finally, we discussed mission, vision, values and strategies, and drew up our own strategies for nurturing.

There is something that I feel while continuing these efforts. Connecting organizations to individuals, connecting the future to the present, and so on cannot achieve easily and quickly. By continuously visit the field and continuously worrying and sweating together, we gradually become connected. As a result, voluntary career development can be realized, and I believe that there will be a realization of strategies beyond that.

Since IMS is an IT company, we have introduced specialty-specific systems at an early stage.

In the future, I would like to contribute to the development of specialized human resources throughout the Group.



That's all for the case introduction.

Ito has been seconded to create new value not only in the department store business area but also combining the real estate business area.

We would like to pursue the best combination by enhancing various methods and systems, including transferring employees to these various businesses, conversely, hiring mid-career workers or receiving seconded person from each area.

In addition, the case of Takemae is a trial including the human resources system on how to further enhance the professional skills of individuals in order to strengthen the business in the system area, which is an infrastructure business.

We recognize that the realization of these strategies is not easy and that there are still many issues to be addressed, but we would like to solve them one by one and lead to the realization of our medium-to long-term management strategies.

3. Evaluation and Challenges of Human Resources Strategy for Realizing the Vision

Tomoko Ando
External Director

< Biography > Tomoko Ando, External Director



- 26 years of experience in leading companies in the world
- 10 years of experience in business frontlines such as brand marketing and sales planning
- 16 years of strategic personnel experience
Responsible for human resource development, organizational development, and D&I management
- Maintains ICF (International Coaching Federation) certified coaching qualifications
Has extensive experience in corporate executive coaching

April 1982	Joined Nissan Motor Co., Ltd.
March 1991	Joined Coca-Cola (Japan) Company, Limited
January 1993	Global Brand Marketing Brand Manager
December 1996	Joined Master Foods Ltd. (currently Mars Japan Limited)
January 2006	People Pipeline Manager, Personnel & Organization, Master Foods Ltd.
August 2008	Joined NIHON L'ORÉAL K.K., Senior HR Manager, Human Resources
March 2011	Vice President, Head of Human Resources, NIHON L'ORÉAL K.K.
June 2022	External Director of the Company (current position)

I am Ando, an external director.

I'd like to thank you for giving me the chance to speak here today.

Evaluation and Challenges of Human Resources Strategy for Realizing the Vision

- Evaluation of Human Resources Strategy
- Challenges of Human Resources Strategy
- Pursuing Sustainability as a Company

Isetan Mitsukoshi Holdings Ltd. Fiscal 2023 Sustainability Briefing

36

■ Evaluation of the Human Resources Strategy

I would like to talk about how we evaluate our company's human resources strategy from the perspective of external executive.

As for the first point, I appreciate that when building a mid-to long-term human resources strategy, we start by restructuring and reorganizing our corporate philosophy. Many companies, not just our company, are now putting a lot of energy into disclosing information. In fact, information disclosure itself is so important that it should be promoted more and more. However, I feel that there are many cases in which people focus on the numerical information to be disclosed, and what we originally set out to be is blurred.

First of all, we are going through the process of reimagining what we want to be, putting our company's biggest asset of power of people at the center of it, and building a medium-to long-term human resources strategy based on this concept. I think this is very meaningful.

As for the second point, I also think very highly of the fact that it redefines the relationship between employees and the company when draw up the overall human resources strategy. In other words, the relationship between employees as independent individuals and companies should be a kind of equality, and the relationship between employees and companies should be mutually enhanced through dialogue. In fact, I personally think that this equal relationship between employees and companies is one of the things that many Japanese organizations have lacked until now.

It is important that employees are important relatives to companies, but there is a part of me that feels that our country has built a relationship as if they were children under age, that is, a relationship in which companies and employees cannot stand on their own two feet. I felt that this is one of the factors that has kept the individuality of each person, the power of people, from flourishing.

In this regard, I feel it is encouraging that our company is redefining the relationship between employees and the company, and advocating the development of a new corporate culture in which both parties can be enhanced through dialogue. I have high hopes that this spirit will continue to inhabit the future system and structure as the soul.

■ Challenges of Human Resources Strategy

From here on, I would like to touch on future issues of human resources strategy. When we talk about issues, it is often taken to mean that something has not been done or that something is weak, but these are not necessarily what I mean. I would like to list four points from the perspective that must continue to be addressed as eternal themes.

First of all, the mission/vision/values as an objective.

I think it is important to keep increasing the resolution of these. We will evolve ourselves while society and the expectations of society are constantly changing. Because we live in such an environment, I think it will be very important to keep updating and increasing the resolution of these goals and the path to them.

The second point is to keep enhancing the power of people. In the development of human resources, the development of systems and institutions is of course an essential element. However, I believe that it is power of people to nurture and bring out their power. The power of the superiors plays a central role in the organization, which in turn leads to the power of the organization. I hope that you will continue to work on enhancing power of the superiors. To enhance the power of people and organization in line with the company's strategy, this is Strategic HR. In addition to this, it is important to continue to enhance the capabilities of human resources and the human resources department in order to promote Strategic HR on a company-wide scale.

As I mentioned, we are fully engaged in our activities as HRBP (Human Resources Business Partner), but we would like to encourage them further.

The third point is diversity and inclusion. I believe that diversity and inclusion will become an essential element in promoting the Intra-Group coordination and Urban Development Community that our company is working on. Diversity and inclusion in this context is not necessarily limited to a narrow definition of women's participation, but it is essential to take advantage of people with a wide variety of backgrounds and knowledge.

When we talk about diversity and inclusion, we tend to focus only on diversity, but as you know, mere existence of diversity does not lead to value creation. I would like to continue to work on not only diversity, but also the state in which diverse personalities are included, that is, advocating the development of a culture in which those personalities generate mutual chemical reactions.

And the last point is engagement. I believe that the emotional ties of all who make up an organization, empathy and excitement for the future, are the source of creativity for individuals and organizations. As we move forward with these three points, engagement will enhance, but I expect more.

■ Pursuing Sustainability as a Company

So far I have commented on our company's human resources strategy, and I recognize that the points I have listed as issues are not only points that our company should continue to address, but also issues that the Japanese organization as a whole has. In other words, the issues I have just mentioned are opportunities at the same time. Our company's medium-to long-term transformation into an individual customer business and portfolio transformation, I believe that this is precisely the pursuit of sustainability as a company. I believe that our company's future path is how to integrate corporate sustainability with the sustainability society demands.

I believe that our company has a DNA that has continued to provide new value to society since its founding. And even today, I feel that there is enthusiasm such as passion and curiosity in the human resources gathered in this organization. I also believe that there are things only a leading company can do and that is why we have to work on them.

As a leading company, I have high hopes that we will continue to maximize all of our company's energy and power of people to provide an impact on mechanism of society, the industry, and the way people live, and I am also committed to working together with everyone in the Group.