

Fiscal 2023 Sustainability Briefing

Wednesday, December 6, 2023



ISETAN MITSUKOSHI HOLDINGS

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

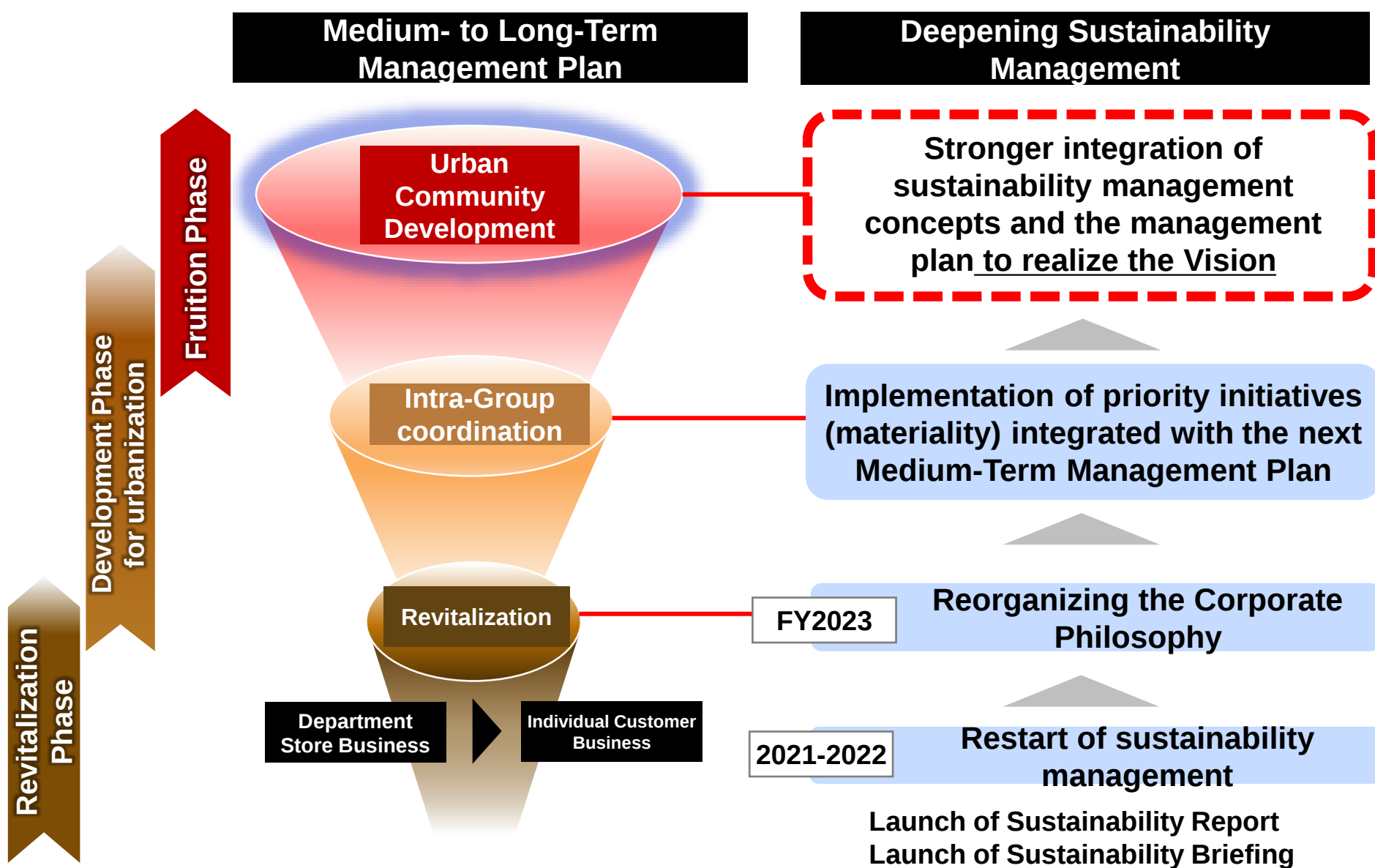
Tomoko Ando, External Director

Q&A

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

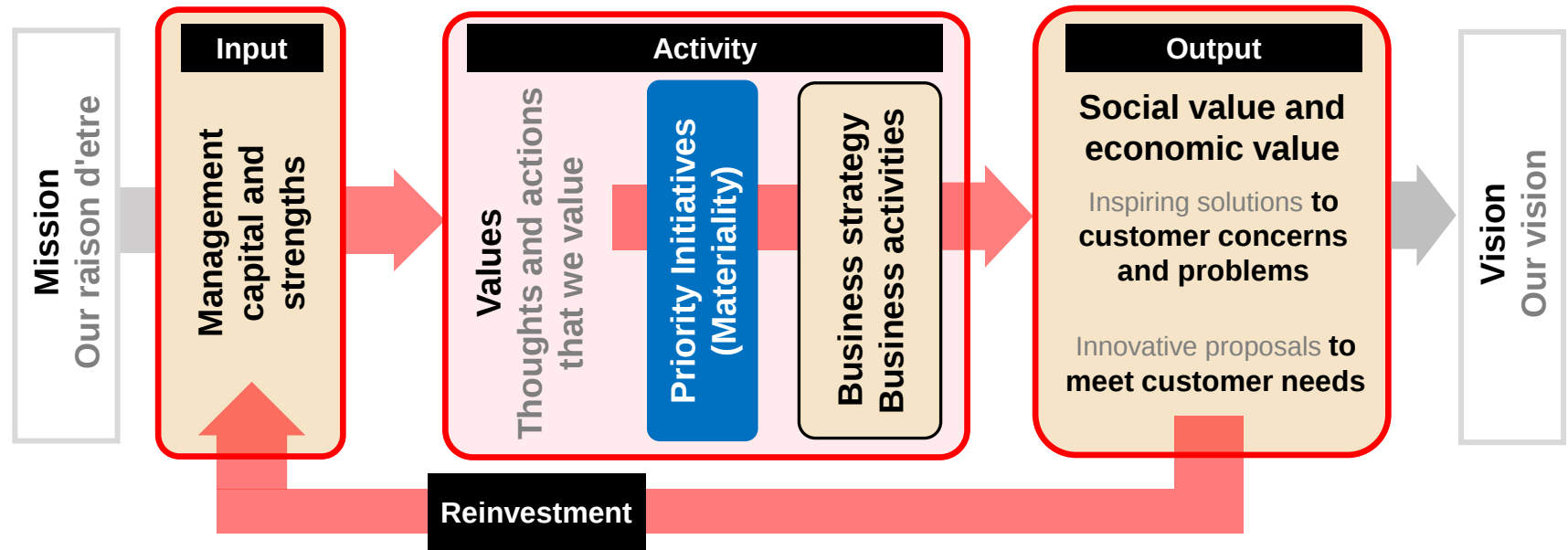
Toshiyuki Hosoya
Director, President and CEO

Medium- to Long-Term Management Plan and Sustainability of the Isetan Mitsukoshi Group

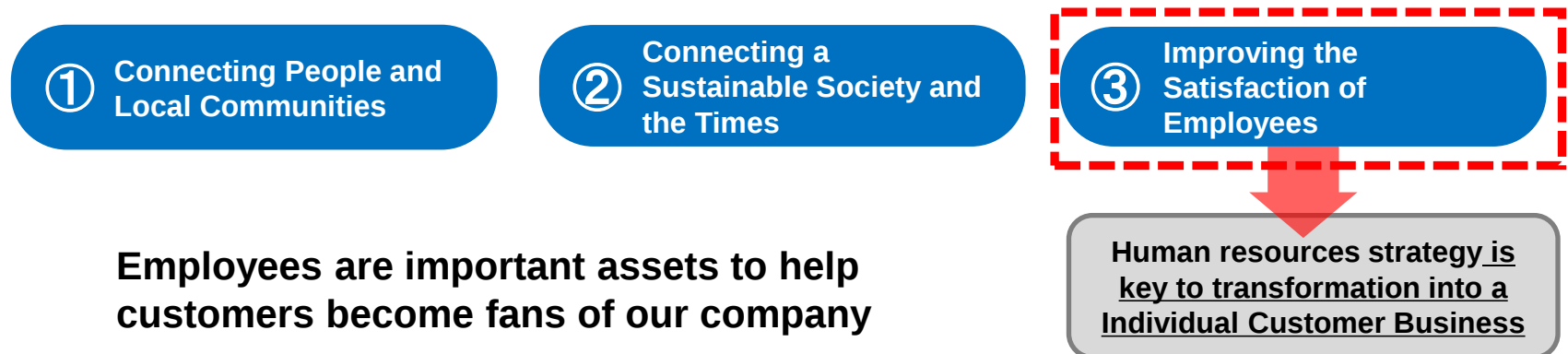


Transformation into an Individual Customer Business through Sustainability Management

■ Value creation process



■ Priority initiatives to support the transformation into a Individual Customer Business



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**



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

Akira Kimbara

Managing Executive Officer, CAO, CRO and CHRO

Strengths of Our Group Employees

■ Strengths of group human resources viewed from history

DNA from history is **"hospitality"** and **"curating ability (editing ability) that is half a step ahead of the times"**
By "listening to the voices of individual customers" and continuing to propose "combinations" of "unique things and ideas," the Group has developed

Kimono fabrics
dealing

Suggestions based on
customer feedback

Kimono
fabrics

Obi

Uniqueness

- Sales at an exact ticketed price in stores
- Pattern/color/material combination

Retail business
(Department
stores)

Suggestions based on
customer feedback

Clothing

Food

Shelter

Play

Beauty

- Out-store-sales
- Ippinkai
- Men's Building
- Limited items
- Limited events

**Men's Building
(Isetan Shinjuku Main Store)**



**Mitsukoshi 350 year anniversary
special project (all Mitsukoshi stores)**

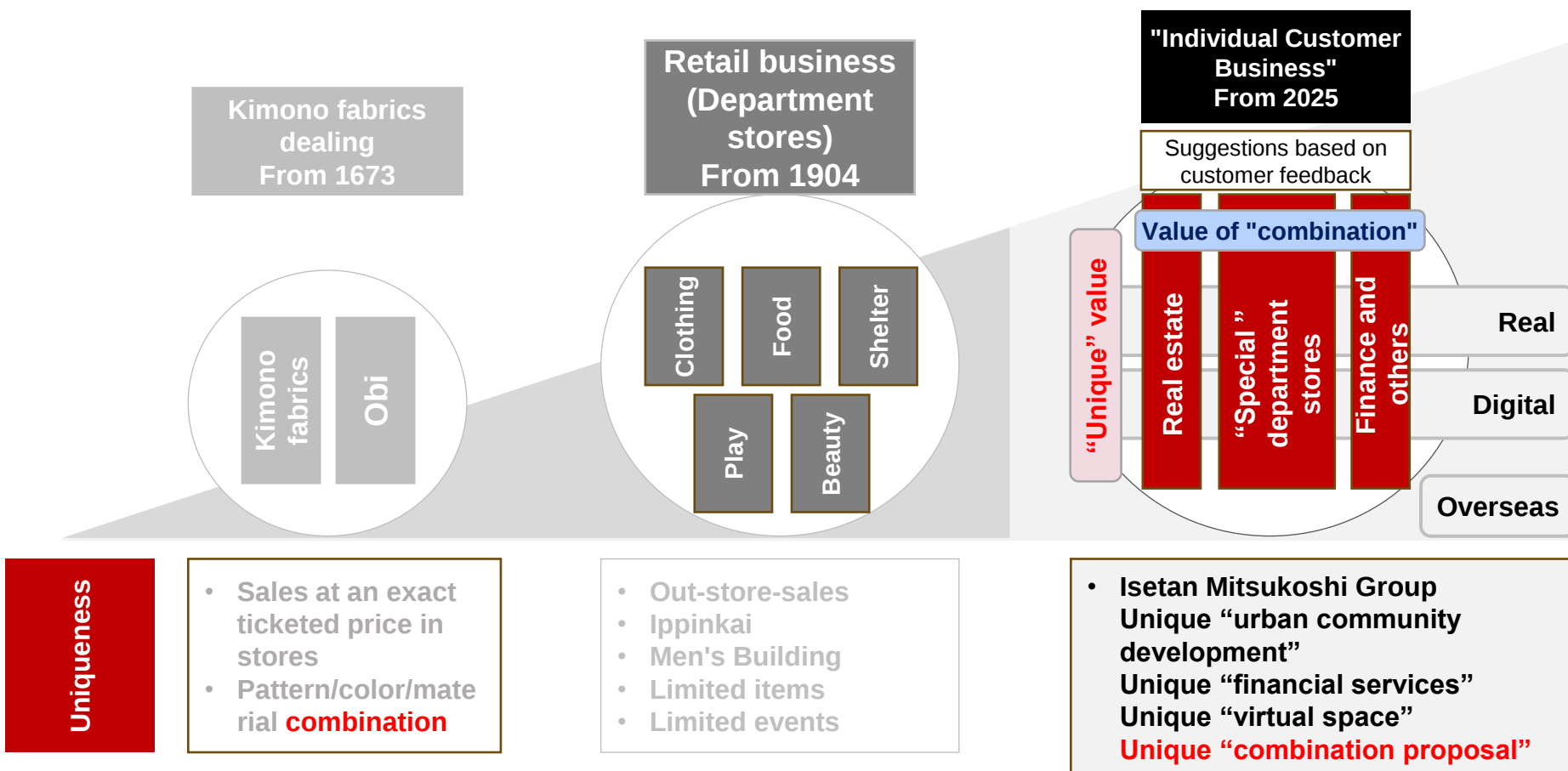


From Retail to Individual Customer Business

■ Transformation to a new business model

In the future, we aim to **transform** our business strategy from retail business to **Individual Customer Business** in the medium to long term.

We want to achieve a once-in-100 year transformation by maximizing the power of our employees

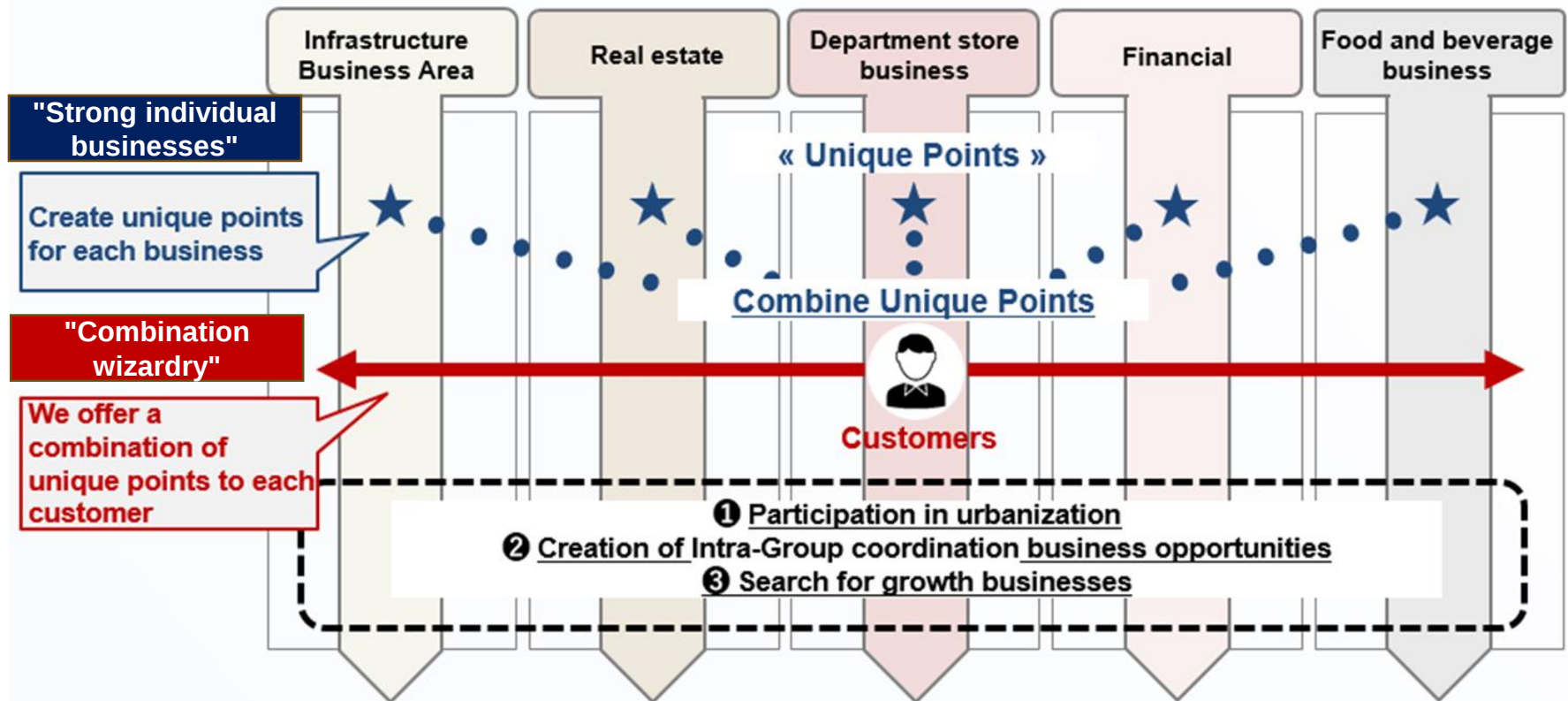


Recognizing Challenges in Human Resources Strategy for the Individual Customer Business

■ Awareness of the Challenges for Converting to the Individual Customer Business

There are two major issues. It is essential to reform the corporate culture, which is a shift away from a **"department store business-oriented mindset,"** and to take measures to **"develop professional talent"** that can create unique points through business strategies.

■ The big picture of the Individual Customer Business



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

**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 >
An Example of Reskilling by
Strategic Secondment

Case introduction ③

HRBP* Initiatives to
Maximize People's
Power

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

* 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

[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**



[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.

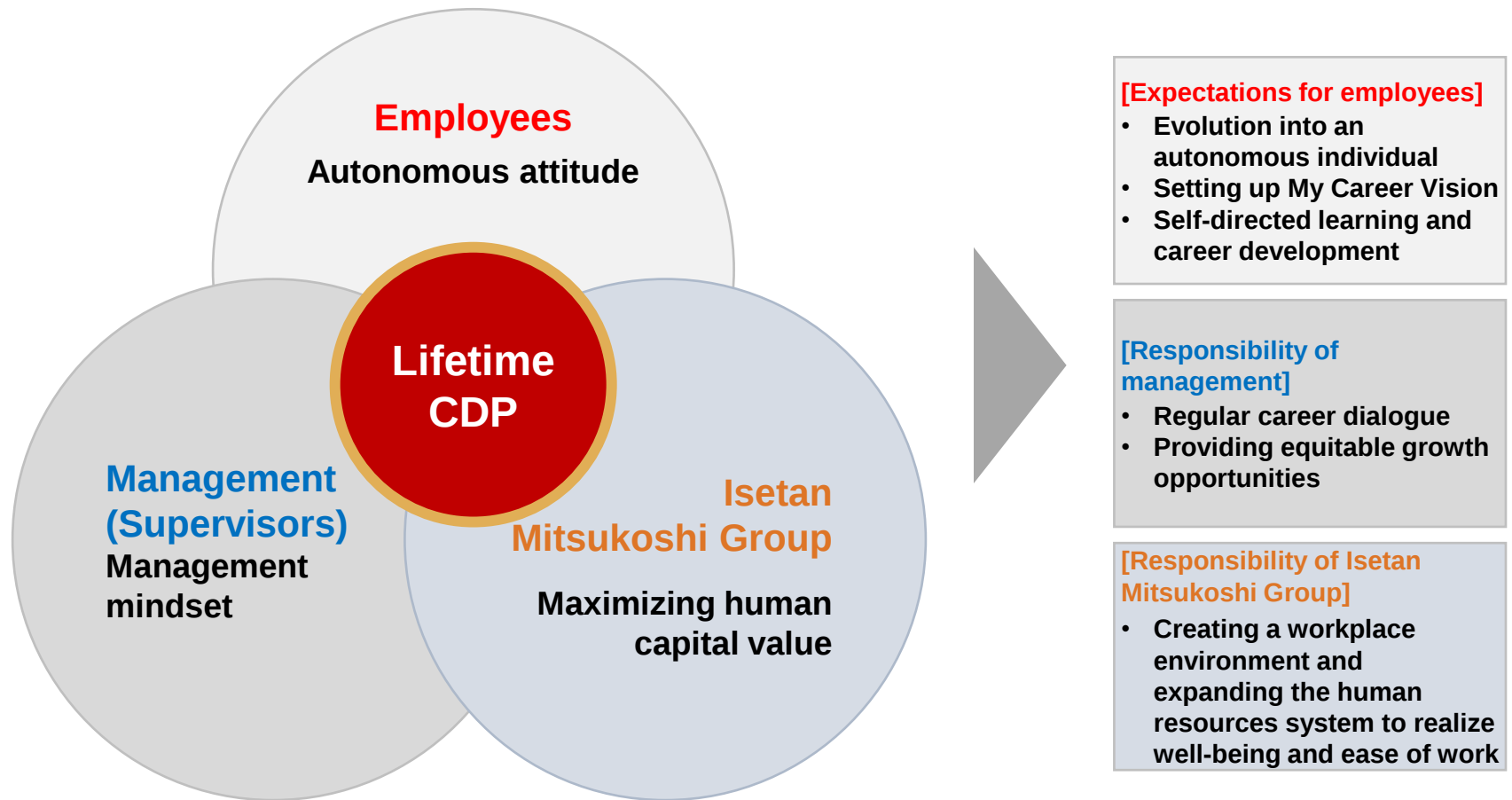


[Case Introduction ①] Corporate Culture Reform Initiatives— "Lifetime CDP"

■ "Lifetime CDP" for maximizing people's power*

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

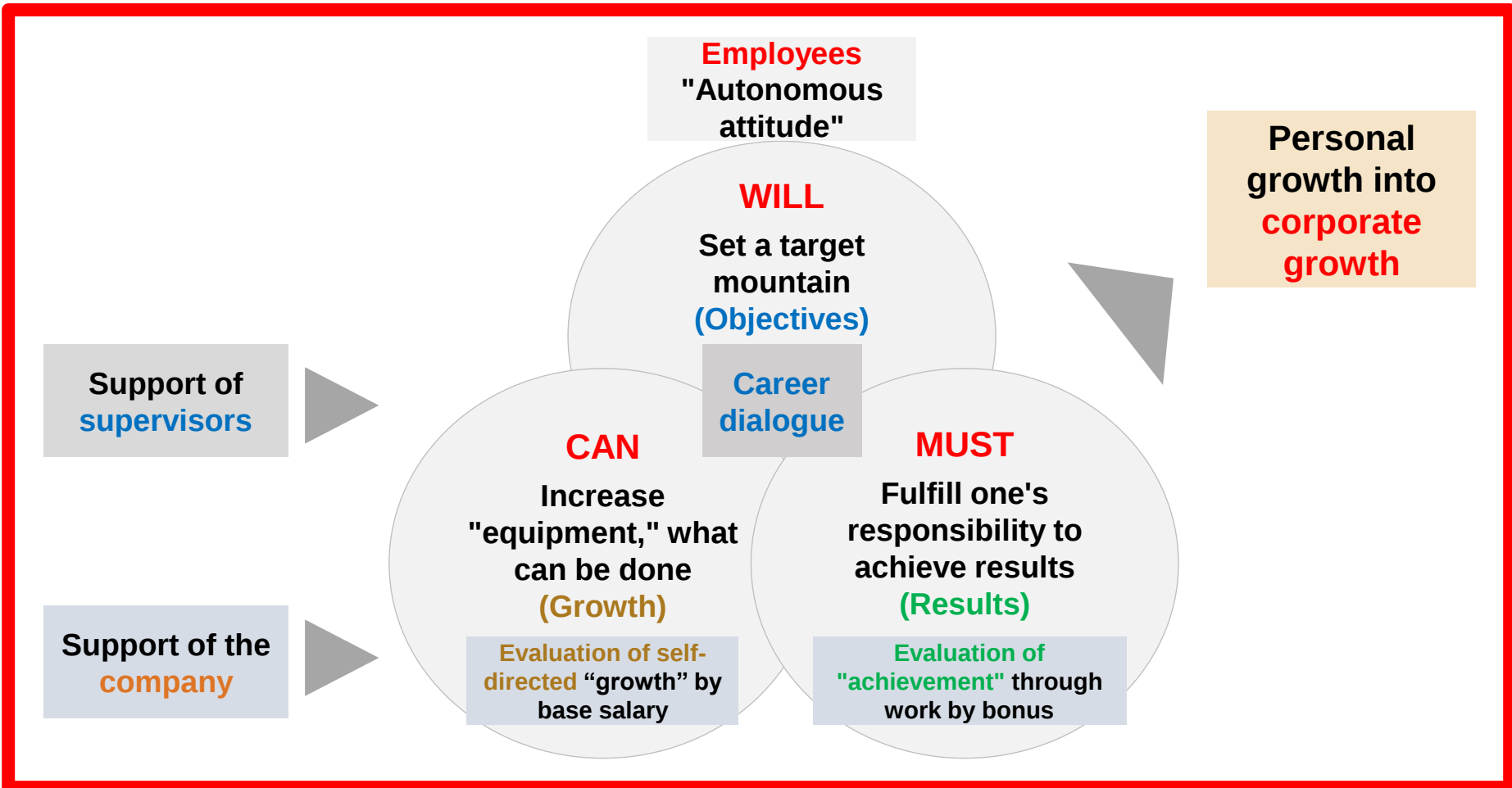
We are promoting Lifetime CDP, **a trinity of employees, supervisors, and the company,** in order to maximize the combined "people's power" (power of each employee).



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

■ "Lifetime CDP" for maximizing people's power

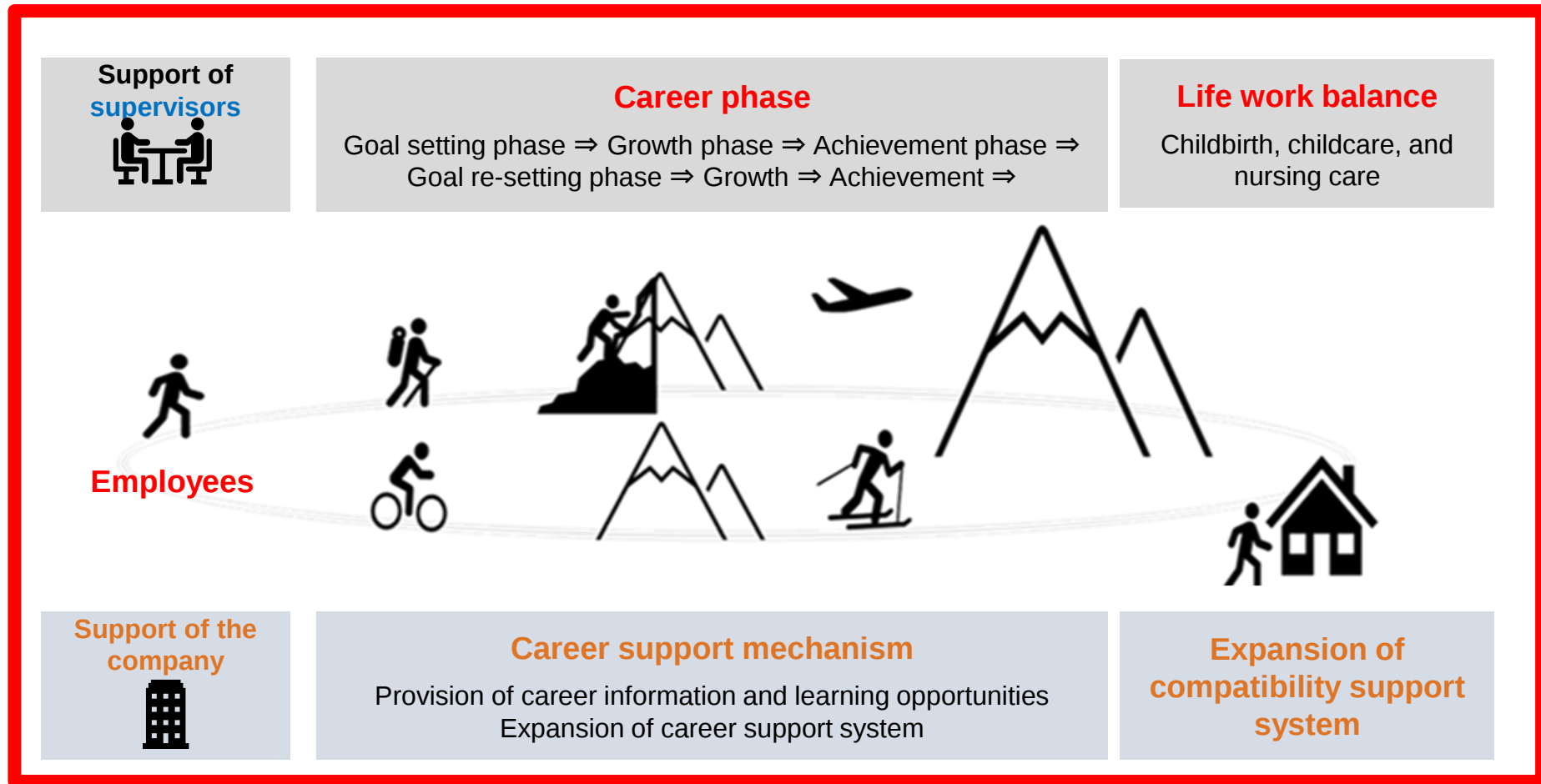
Employees have an autonomous attitude, think about their own career vision, acquire the necessary skills, and grow to help the company grow.



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

■ "Lifetime CDP" for maximizing people's power

Through regular dialogue, **supervisors** support each employee in a different career phase and life-work balance.



[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)



挑戦と経験を経て
学生時代に思い描いていた
『働く自分』に近づいている

- 所属企業：㈱三越伊勢丹
- 氏名：〇〇さん
- 資格等級：ステージC
- 入社年度

2016年1月フェロー社員として入社 2017年10月メイト社員転換 2020年社員転換
●主なキャリア
EC事業部(登録・さけ)→新宿婦人営業部計画担当(デジタル)→婦人・子供・雑貨統括部MDDIV(デジタル)→
オンラインクリエイショングループ販売促進部→オンラインストアグループデジタルバス運営部

**226% YoY growth of career system
users in FY2022**

MANABI Forest (Opportunities for autonomous learning)



図表も計今期									
A 一般社員		B 一般社員		C 一般社員		D 一般社員		E 一般社員	
1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48	49	50
51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80
81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100

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

[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.

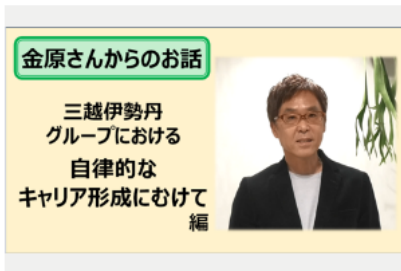
Video messages by CXO



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。…

[Case Introduction ② and ③] Initiatives by Employees

■ Efforts to develop professional personnel

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



* 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

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

Koki Ito

External Secondment to NIKKEN SEKKEI LTD

< 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.

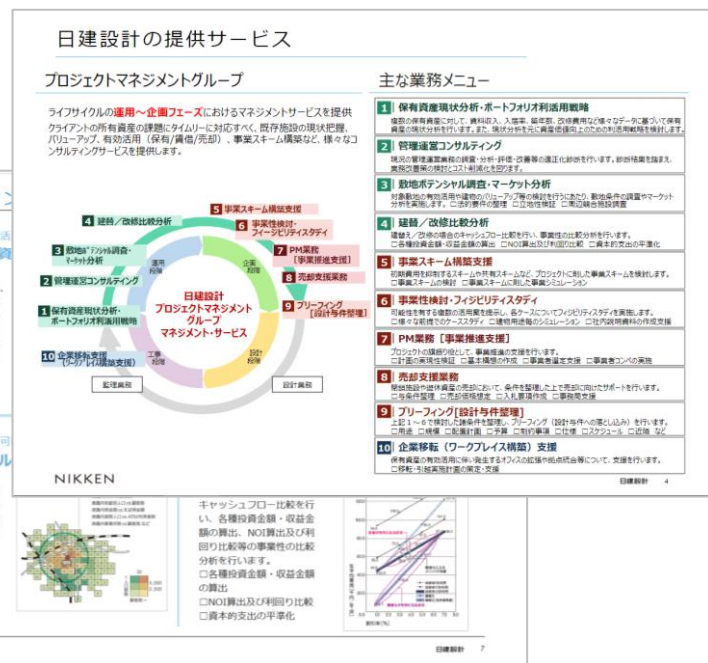
Since April 2022, I have been on an external secondment to NIKKEN SEKKEI LTD, with the mission of “giving back expertise, skills and know-how at an outside real estate company to the Group” for future urban community development.

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

Learning through an External Secondment

Study outside the company to reaffirm Isetan Mitsukoshi's strengths as a retail group

In my days of continuing to learn on secondment, I realized that my strengths gained at our company could be applied to NIKKEN SEKKEI LTD and create value. After that, I created confidence and improved the breadth and quality of my learning.



What I've learned in the past year and a half

Even among real estate professionals, the "commercial experience" that I have developed at Isetan Mitsukoshi is fully applicable.

The Image to Be Drawn after Returning to the Group, Drawing on the Experience at the Seconded Place

Strengths of Isetan Mitsukoshi x Learning from NIKKEI SEKKEI LTD = “Unique” urban community development

How to use what I learned in NIKKEI SEKKEI LTD

Reaffirming that it will be difficult in the future to differentiate ourselves by simply making buildings and public contributions



Isetan Mitsukoshi operates as a retail business group and as a real estate developer, it is possible to provide value that is “unique to Isetan Mitsukoshi” by multiplying the "provided value" derived from department stores with various "mixed use" (something that cannot be done only with real estate).



To keep up with future changes, I need to keep updating myself

[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

< 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. <u>Human Resources Manager</u>



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.

Human Resources Strategy at Isetan Mitsukoshi System Solutions Ltd.

Management challenge

- 2025 Digital Cliff (over-customization and black box)
- **Balancing maintenance and rapid development**

Human resources challenge

- **Have no room in the field to nurture**
- **Competition to hire engineers through in-house IT manufacturing**

Skill challenge

- DX technology/how to proceed with work (individual customer perspective, collaboration, trial and error, flexibility) Skill shortage
- **Lack of management skills required for changing times**

We will link our efforts of "securing, development, and activation" with our business strategies and make them penetrate.

Securing

Recruiting new graduates: Strengthening career counseling and building a population in accordance with market changes

Mid-career recruitment: Regular analysis, speed up, attraction, and enhanced field involvement

Development

Strengthen management skills

Regular cross-functional discussions

Joint technical on-the-job training for new employees of three companies

Activation

Improvement and penetration of the role system

Defining expected behaviors and targeting

Introduction of full remote system
Elder system improvement

Fostering self-directed career motivation including professional personnel is a human resources strategy issue

[Mission] Autonomous Career Development for Professionals

Autonomous career development



Each employee is challenging.



Be provided with the means to improve skills



Ongoing psychological support

will/can/must

Case ① **Role design**

Personnel interview

1on1

Technical training

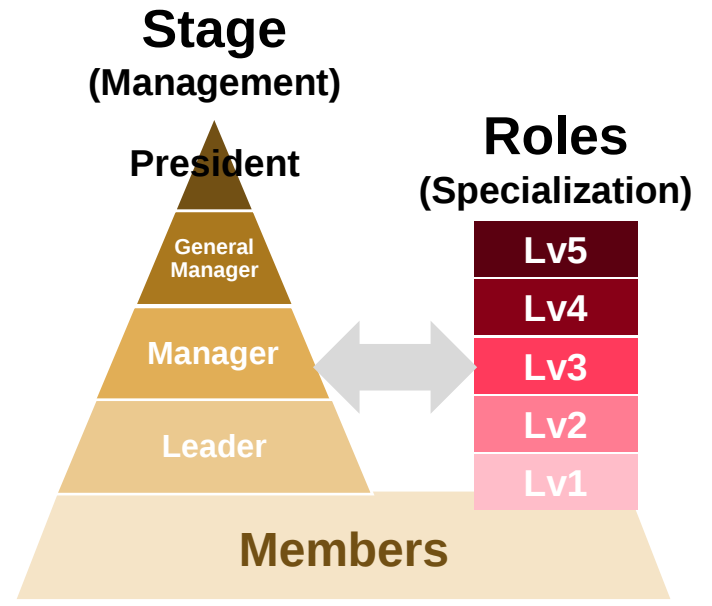
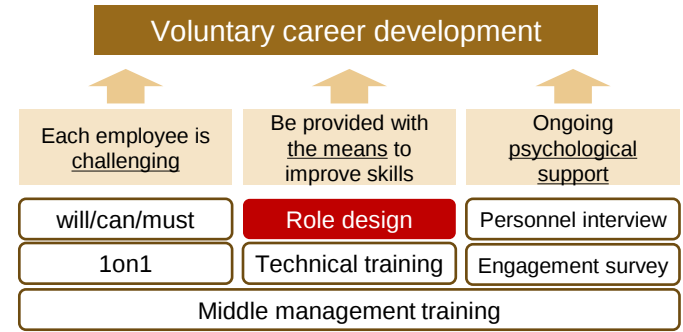
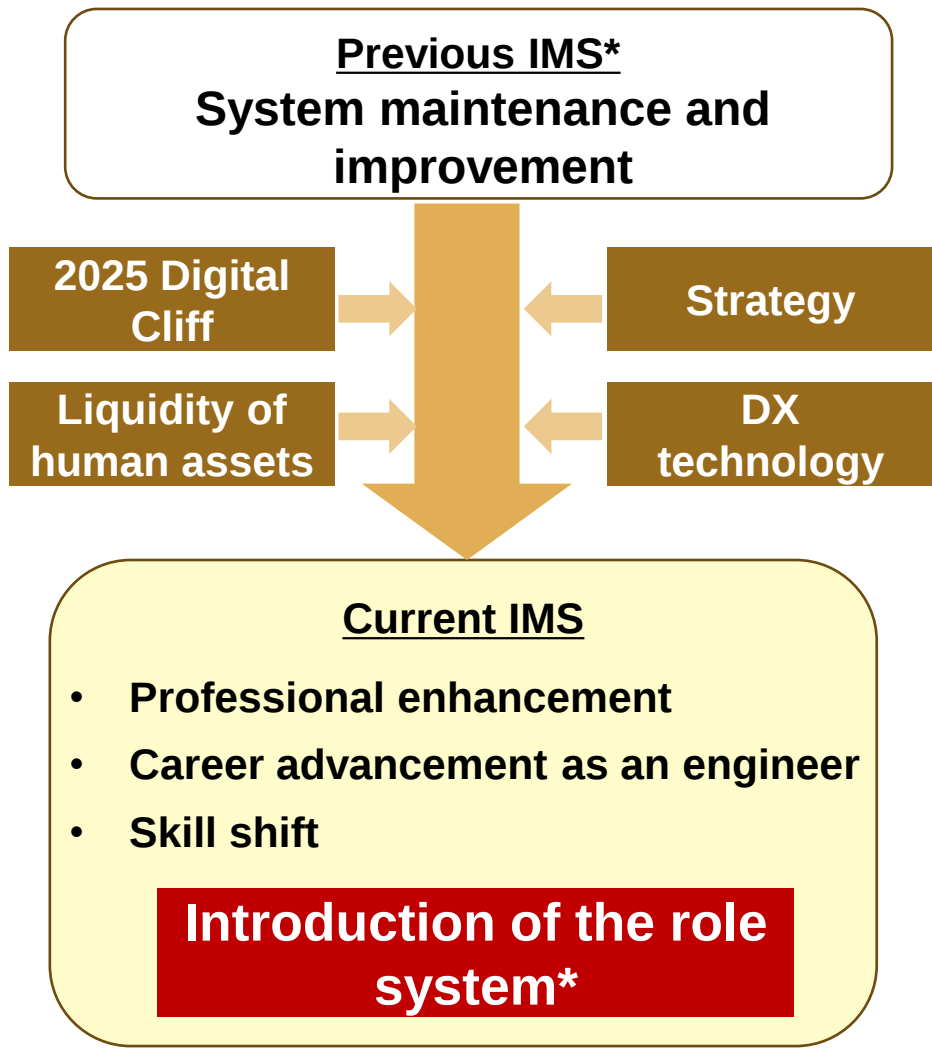
Engagement survey

Case ②

Middle management training

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

*IMS: Abbreviation for Isetan Mitsukoshi System Solutions Ltd.



***I will explain the role system specifically on the next page.**

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

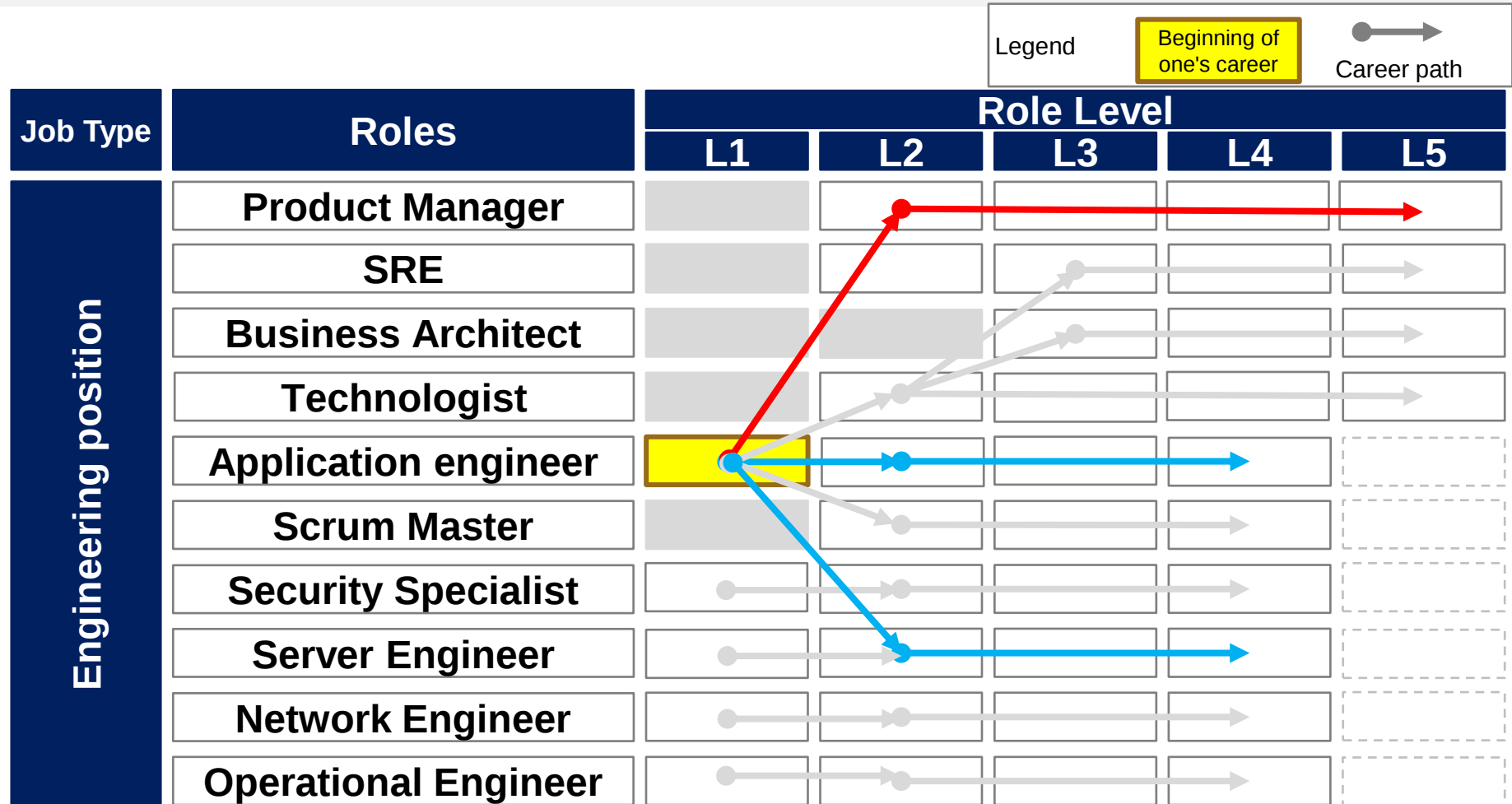
- In the role definition document, the company defines **"missions and roles by level, supporting knowledge and technology"**
- Based on the role definition document, employees and supervisors **set goals** such as **"technologies and areas to be enhanced and behavioral objectives"**
- By definition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

【Tec】テクノロジスト

		Difficulty and complexity				
		Low				High
		Level 2	Level 3	Level 4		Level 5
		L2 メインメンバー	L3 トメイン代表	L4 IMSトップレベル		L5 社外から認められる
共通ミッション・役割	レベルに応じたスコープに応じた複雑性案件や課題解決を責任を持って完了する	・基本的には独力で、難易度の高い案件や課題はサポートをもらいながら、通常業務の課題解決や業務遂行を完了する。 ・所属チームの業務について、業務改善や課題解決の提案が求められる。 ・チーム内業務の主要メンバーとして実力を発揮する。	・個人としての成長に加え、仕組み化等でチーム生産性向上やスキルアップをリード。 ・チーム外の関係者からの依頼を、解決策を提案し、結果を導く。 ・既存のやり方にとらわれない実行課題ではないやり方による課題解決及び業務遂行。 ・社内社外に高い専門性や課題解決能力を有する。 ・チーム内の業務、業務に必要な知識を整理し、その中で特化した領域をもつ。 ・メンバーのスキルアップをリード。	・全社的もしくは難易度の高い案件や課題をリード。 ・全社をリードする重要な事業成果を生む。 ・前例のない仕事を切りひらいていく。 ・全社トップレベルの高い専門性や課題解決能力を有する。 ・業務に関する幅広い知識を有し、IMS内のつながりを理解している。 ・担当ロールのレベルアップをリード。		・全社的かつ複雑性の高い案件や課題をリード。 ・全社的・長期的な課題を解決する事業成果を生む。 ・IMSを代表するリーダーとして、IMS内外からの認知や信頼を得る。 ・企業として前例のない仕事を切り開く。 ・他社からの依頼を行う。 ・業界トップレベルの高い専門性や課題解決能力を有する。 ・社外関係者も含め深い知識を有し、社内に還元する。 ・ロールのトップ層を引き上げることに貢献。
	独立項目	任意ドメインの任意機能のテクノロジスト	任意ドメインのテクノロジスト	ドメイン横断のテクノロジスト		三越伊勢丹を代表するサービスのテクノロジスト
知識・技術の例		・業務に関する技術的な知識とスキル(※)を有し、必要な知識やスキルを自ら選別して学ぶ。DevOps環境上で独力で小規模のアプリケーションの開発・設計・開発・保守(技術的課題)が出来る。 (※) 開発言語、フレームワーク、ライブラリ、テスト、デバッグ、ドメイン等。 ・チーム内のメインメンバーとして実力を発揮し、業務遂行ができる。 ・日常的な障害は独力で、初めての障害についても最低限のサポートで対応できる事が出来る。	・IT業界の技術動向を理解し、知識や技術を周りのエンジニアに共有している。 大規模なプロジェクトや課題を解決している。自ら課題解決のために新しい技術を導入し、代表する領域を生産性高い状態に改善していく事が出来る。 ・チーム内の業務、技術全般を理解しており、その中で特化した領域を持ち、チーム内のスキルアップをリードできる。 ・難易度の高い障害を独力で対応出来る。 ・チーム内の障害対応スキルアップをリード出来る。	・コードに深い知識を持ち、チームやPJのコードレビューに責任を持って行う。横断的な知識やスキルをチームやPJに還元する。 ・チームを超えた影響力を出している。IT業界だけではなく、自社のビジネス戦略を深く理解し、必要なテクノロジーを自由に使いこなす。新しい形に置き換えていくことをリードする。 ・IMS内のシステム・業務を熟知し、どのシステムに対しても、テクノロジーで解決する技術・知見を有し、解決をリードする。 ・同チームのメンバーに正しい姿勢を示し、ロール全体のレベルアップを推進出来る。		・企業のビジネスゴールに向けた最適なテクノロジーの選定・分析・判断が出来る。 全社的な責任を有する。全社的もしくは難易度の高い課題解決および課題発見・解決をリードし、企業価値の向上をリードしている。 ・経営層や社内外の技術者のコミュニケーションの責任をもち、同チームのメンバーに正しい姿勢を示し、ロール全体のレベルアップを推進する。
		・設計/開発/UT/結合テスト/リリース/保守の一環を担っている。 ・少なくとも2つ以上のアプリケーション開発を行っている。 ・少なくとも1つの言語を扱える。 ・少なくとも1つのツール(AWSやCI/CD等)を扱える。 ・少なくとも1つのフレームワークを扱える。	・少なくとも1つのドメインや領域のシステムを熟知している。 ・少なくとも2つ以上のシステムを経験している。	・DevOps技術に加えて、任意サービスを成立立たせるために必要な複数のドメインや領域のシステムを熟知している。		・DevOps技術に加えて、小売やM1全体のドメインや領域のシステムを熟知している。
仕事の例		クラウド、自動化、インフラコード化、Java・Python等の言語、Spring等のフレームワーク、Git等のモジュール管理ツール、kafka、API、サーバー、ネットワーク、アジャイル、セキュリティ、監視				
		・DevOps環境のビジネスプラットフォームで、商品・価格・在庫等の機能開発。 ・コンテナを理解し、設計・起動が出来る。 ・インフラの性能劣化原因を特定出来る。 ・ネットワーク、セキュリティを理解し、ガイドラインに沿ってセットアップ出来る。 ・インフラのコード化が出来る。 ・CI/CDツールを使用出来る。 ・監視理解し、設定・使用することが出来る。	・AWSの新しい技術情報を積極的に集め、既存システムの性能を改善していく。 ・コードレビューを行い、最適なフィードバックが出来る。 ・平常時の監視を軌道にのせ、先手の打ち手ができる。 ・アプリケーションレイヤーやデータベースの最適化を行う。 ・インフラレイヤーの最適化を推進し、コスト削減を行う。 ・技術勉強会を定期的に行い、メンバーのスキルアップを行う。 ・自分が開発していない領域の障害についてトラブルシューティングができる。	・アプリケーションレイヤー及びインフラレイヤー等、全てにおいて標準以上のスキルをもち ・難易度の高い問題を解決していく事が出来る。 ・既存の仕組みの改善ではなく、抜本的に変える事で、劇的に生産性を上げる。 ・全機能について精通し、全体の整合性を取る事ができる。		
		Mission and roles by level				
		Necessary knowledge and skills				
		Example of work				

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

- You can also advance your career while changing roles.
- You can have multiple roles and **expand your area of expertise**.



[Case ②] Middle Management Training

① Building psychological safety

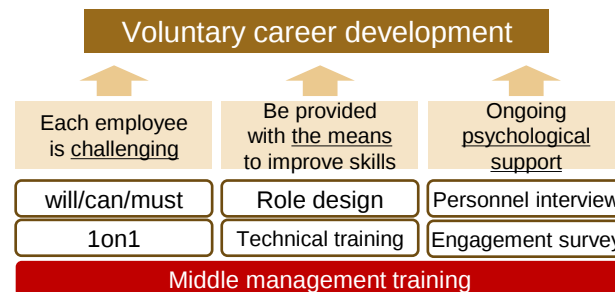
- Managers express their honest feelings each other.

② Engagement survey Own career design What their responsible areas should be

- Recognize **the feelings of members**
- **Feedback** between managers.
- The manager's own career design.
- Verbalization of **what their responsible areas should be**.

③ Draw up strategies Discussion

- Discuss **MVV** and strategy.
- Draw up **development-related strategies for their responsible areas**.
- Discussions are held between the general manager and the manager, and the recognition of the strategy is aligned at a deep level.

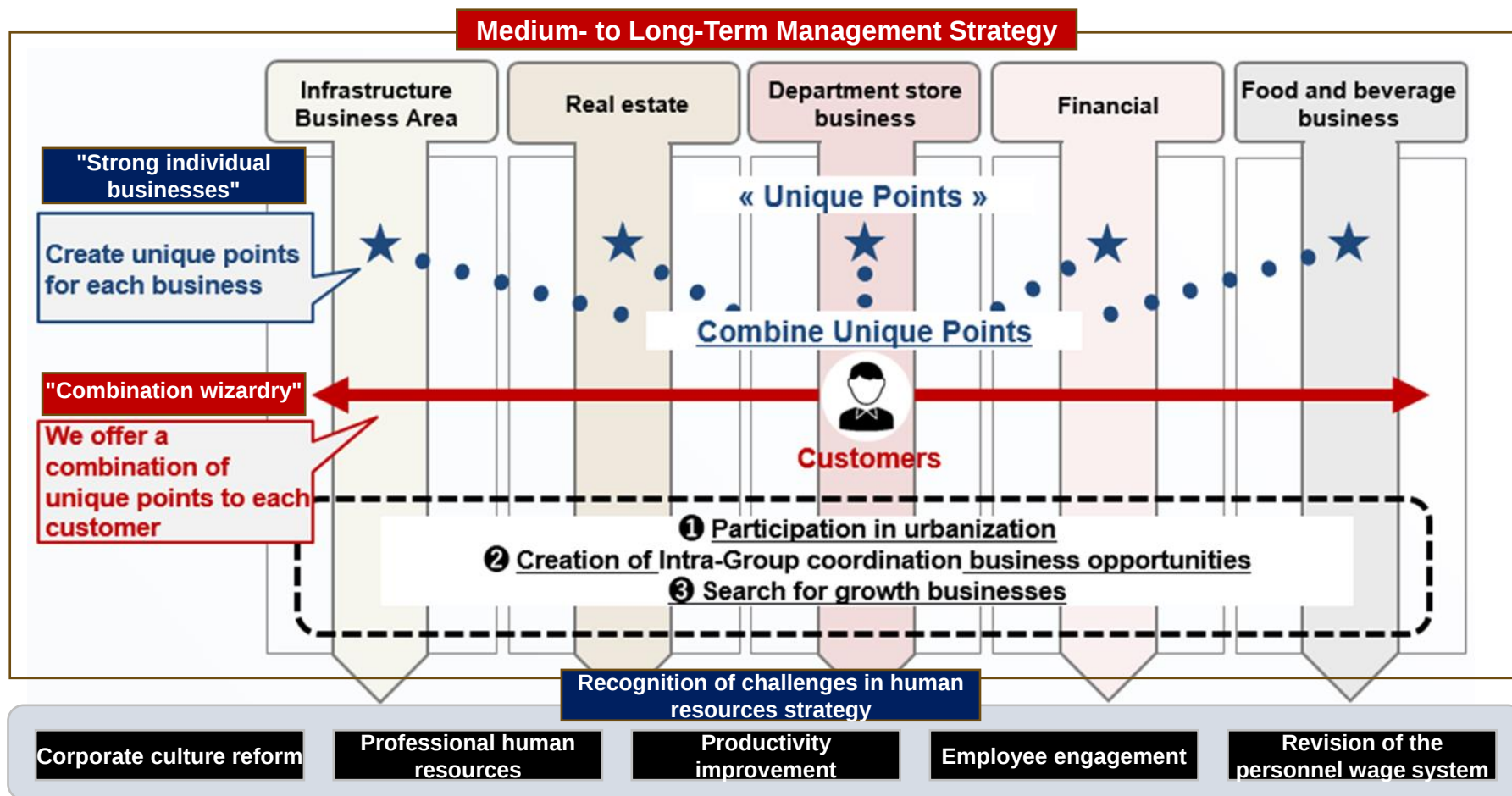


We feel that we can contribute to the development of expert personnel throughout the Group because we have implemented these "initiatives for the development of expert personnel" in advance.

(Summary)

Future Medium- to Long-Term Human Resources Strategy

We recognize that there are still many challenges in our human resources strategy to transform our business into an Individual Customer Business, and we will continue to work to maximize the power of people.



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)

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**

Q&A

Integrated Report/Sustainability Report (FY2023 Edition)

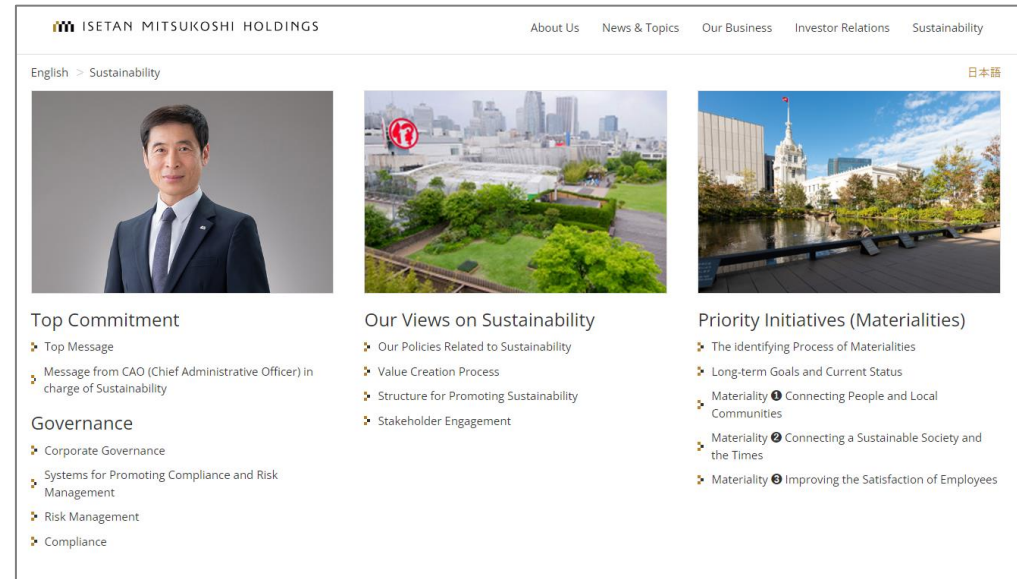
■ Integrated Report



Web site disclosure materials

[Isetan Mitsukoshi Holdings Report 2023](#)

■ Sustainability site



Web site disclosure materials

[Isetan Mitsukoshi Holdings Sustainability Site](#)