Isetan Mitsukoshi Holdings Ltd.
Sustainability Briefing FY2025 – Q&A Summary (Website Version)
Date and time: Tuesday, December 2, 2025, 10:00–11:30

Speakers:
Director; President and CEO, Toshiyuki Hosoya
External Director, Chieko Matsuda
Operating Officer; CHRO, Akiko Kano
Isetan Mitsukoshi, Second MD Group, Shinjuku Women's & Children's Merchandise Department, MD Lead, Toshihiko Tanemura
Isetan Mitsukoshi, Isetan Shinjuku main store, Sales Operations Division, MICARD and App Promotion Lead, Atsuko Kawamoto

Q.As we advance our transition to the Individual customer business, are employees—including those who have traditionally pursued deep expertise in a single domain—responding positively to this strategy? If there are challenges, what countermeasures will the Company take?

A.（Kano): Our employees have begun to take proactive steps to promote process activities aligned with the Individual customer business. At the same time, we recognize that some employees have not yet fully envisioned how to balance deepening their existing expertise with evolving into talent for the Individual customer business, nor have they clearly mapped out the careers they should pursue. Going forward, we will present a clear set of steps and development pathways for excelling as talent for the Individual customer business, and we will establish routes that all employees can understand, endorse, and aim for with confidence.

Q. Regarding the role of External Directors, do you have open discussions not only with senior management but also with employees on the front lines?

A.（Matsuda）: I regularly visit our stores and other on-site locations to exchange views with employees across a wide range of roles and levels. In these sessions, we hear frank, unvarnished feedback—such as "Shouldn't we be doing more here?" or even "What exactly do External Directors do?" I place great importance on these opportunities and will continue to listen closely to frontline voices, including concerns and challenges. I believe this stance is shared by all of our External Directors.

Q. What is the current proportion of “Three-in-one” talent within the Company, and to what level do you intend to expand this proportion over time?

A. (Kano): What we define as “Three-in-one” talent refers to a way of thinking about human resource development; it does not necessarily imply reorganizing our structure into a literal three-in-one form. We plan to review the job histories of all employees and set forward-looking development plans. Based on clearer development routes, we see significant room to raise the level of understanding and practical application among our employees.

Q. Is strengthening relationships with business partners leading to differentiation from other companies? How do business partners evaluate Isetan Mitsukoshi's approach?

A. (Kano): By "shifting to an individual customer business," we have strengthened our ability to build relationships with customers and understand their needs. As a result, we believe that we are steadily gaining trust from our business partners.

Q. Within Group companies, where do you see challenges and opportunities in human resource development? How will you cultivate managerial and specialized talent?

A. (Kano): Some affiliated companies within the group are finding it difficult to secure sufficient resources for human resource development. For this reason, starting next fiscal year, the Group Human Resources Department of Isetan Mitsukoshi Holdings (hereinafter referred to as HDS) will establish a system to provide stronger support for human resource development at affiliated companies, starting by strengthening the human resource development foundations at each company. In particular, we will systematically develop managerial and management-level employees, leading to the creation of future management talent at each company and, ultimately, for HDS as a whole.

Q. In initiatives where our out-of-store-sales, our buyers, and business partners collaborate to deliver special proposals to customers, it seems partners carry a significant role. Do partners also enjoy substantial benefits? Under what conditions do you see this becoming win-win?

A.（Tanemura）: The target customers are high-potential individuals we have identified whose spending with us is expected to grow. For business partners, this is also an attractive endeavor. By enabling opportunities for us to build special relationships with customers, business partners gain access to new customers with whom they can engage over the long term—this is the greatest benefit. We believe this creates a platform for ongoing collaboration on both sides and builds a win-win relationship.

Q. What is the current status and challenge set for educating partner sales staff? Please share your policy going forward, including digital transformation (DX).

A. (Kano): At our department stores, our sales staff, along with many of our partner sales staff, work every day to build relationships with customers. We have a system in place to award outstanding customer service staff, including partner sales staff, and provide initial training when they join the store. In addition, going forward, we will utilize digital transformation to strengthen practical support that is useful on the front lines, such as by establishing a system that allows department store rules and troubleshooting procedures to be instantly available at hand.

Q. As integration between MICARD Co.LTD. and the department stores has progressed, new services—such as installment payment proposals, watch warranties, and MICARD Basic—have expanded. Historically, the finance business pursued stand-alone profitability with a focus on external expansion. Is it correct to understand that the policy has shifted significantly over the past two to three years?

A. (Kawamoto) : There was a period when our Group sought to acquire customers outside the department stores. However, as the Group as a whole embraced the transition to the Individual customer business, MICARD Co.LTD. redefined how it can best contribute to the Group. From the perspective of the credit card sector, we recognize that the Group's existing customer base is highly attractive. Our priority is to deliver the most suitable financial products and services to these existing customers first, and then, in the next phase, to pivot toward acquiring and serving external customers.

Q. Compared with specialized personnel such as out-of-store-sales and in-store experts, should we expect "Three-in-one" talent to become the majority in department stores over the longer term?

A. (Kano) : We position the concept of "Three-in-one" talent at the core of our human resource strategy and will increase its share over the medium to long term.

Q. To promote greater internal talent mobility, what are your priorities and challenge recognition in human resource management going forward?

A. (Kano) : Strengthening our human resource management capabilities is a key initiative. To enhance the quality of dialogue between managers and their team members, we published a Human Resource Management Guidebook in April of this year that includes practical content such as role-play case studies. We are not stopping at publication; we are also conducting training that utilizes the guidebook. At the same time, we recognize a challenge in elevating managers' feedback skills to better support employees' autonomous career development. As the HR function, we will strengthen support through both training and practical, on-the-job assistance.