

FY2025 Sustainability Briefing

Isetan Mitsukoshi Group's Human Capital

Tuesday, December 2, 2025



Isetan Mitsukoshi Holdings Ltd.

Today's Agenda

1. Background to Our Human Capital Initiatives

Toshiyuki Hosoya, Director, President and CEO

2. Human Resources Strategy Aimed at Transformation into an Individual Customer Business

Akiko Kano, Operating Officer, CHRO

Case Studies

① Isetan Mitsukoshi Ltd.

Toshihiko Tanemura, Planning Leader, Isetan Shinjuku Store Ladies' and Children's Wear Division, Merchandising Group II,

② Isetan Mitsukoshi Ltd.

Atsuko Kawamoto, Planning Leader, MICARD App Promotion, Sales Operations Division, Isetan Shinjuku store

3. Evaluation and Expectations of Isetan Mitsukoshi Group-Human Resource Strategy

Chieko Matsuda, External Director

4. Question and Answer Session

1. Background to Our Human Capital Initiatives

Toshiyuki Hosoya, Director, President and CEO

History of Isetan Mitsukoshi Group



1673
Echigoya is
founded



1904
“Department Store
Declaration”



2024
120th anniversary
as a department
store

1886
Iseya Tanji Kimono Store
established

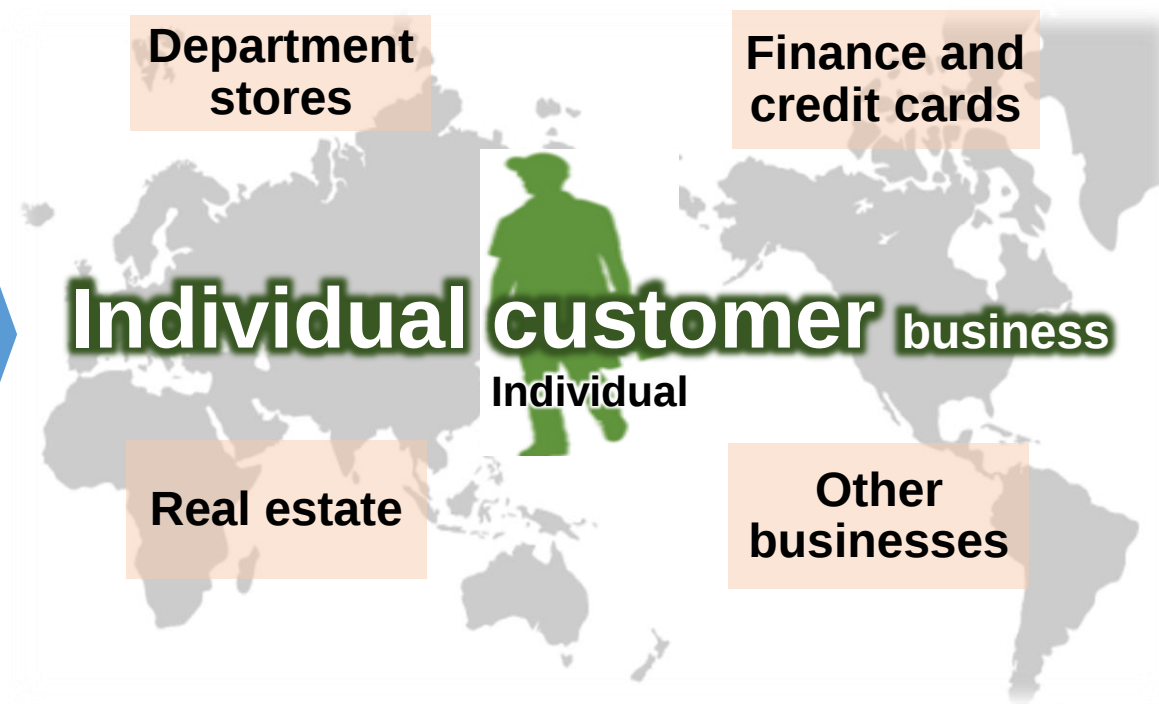


2008
Business integration
of Mitsukoshi and
Isetan



Transition to Individual Customer Business

Business model that identifies customers attracted to department store and provides diverse value



Four Steps and Management Capital for Individual Customer Business

Create value by multiplying long-cultivated management capital during the four steps for the individual customer business

	Attracting customers	Identification	Expansion of usage	Lifetime customerization
Human capital	Innovative products and zones driven by “enriched creativity” Buyers Approx. 300 Collaborate with suppliers to procure products and plan sales promotions and events tailored to the characteristics of each store brand and its customers 	Desire to connect with Isetan Mitsukoshi created by the “spirit of service” In-store stylists Approx. 3,300 Support affluent and high-quality lifestyles for customers through in-store operations 	Expansion of purchasing sectors driven by “expertise of human resources” and their “collaboration” Category specialists Approx. 150 Enhance customers value by leveraging expertise in assigned category and collaborating with supplier sales staff and store attendants 	Becoming a life partner driven by “integrity and ethics” Out-of-store-sales Approx. 1,260 Connect deeply with customers to provide tailored proposals and services 
	Identified customer sales		Net sales from customers with annual purchase of 3.00 million yen or more	
Impact on financial value (Customer KPIs)				

2. Human Resources Strategy Aimed at Transformation into an Individual Customer Business

Akiko Kano, Operating Officer, CHRO

Toward Transformation into an Individual Customer Business

■ Management based on the power of people

A unified approach centered on the **“power of people”** and **integrating** our Corporate Philosophy, management strategy, materialities, and human resource strategy

Corporate
Philosophy

Our Mission “Touching people’s hearts with **human-driven** experiences.”

Management
strategy

“Business model reform for individual customer business” **the power of people** x DX
◆ Enriched creativity ◆ Spirit of service ◆ Expertise of human resources ◆ Integrity and ethics

Sustainability

Four materialities

Connecting people and
local communities

Contributing to a
sustainable environment
and society

Maximizing
**the power of
people**

Group governance and
communication

Human
resources
strategy

[System]

- (i) Development of human resources with skills across three areas
- (ii) Exchange of human resources between businesses

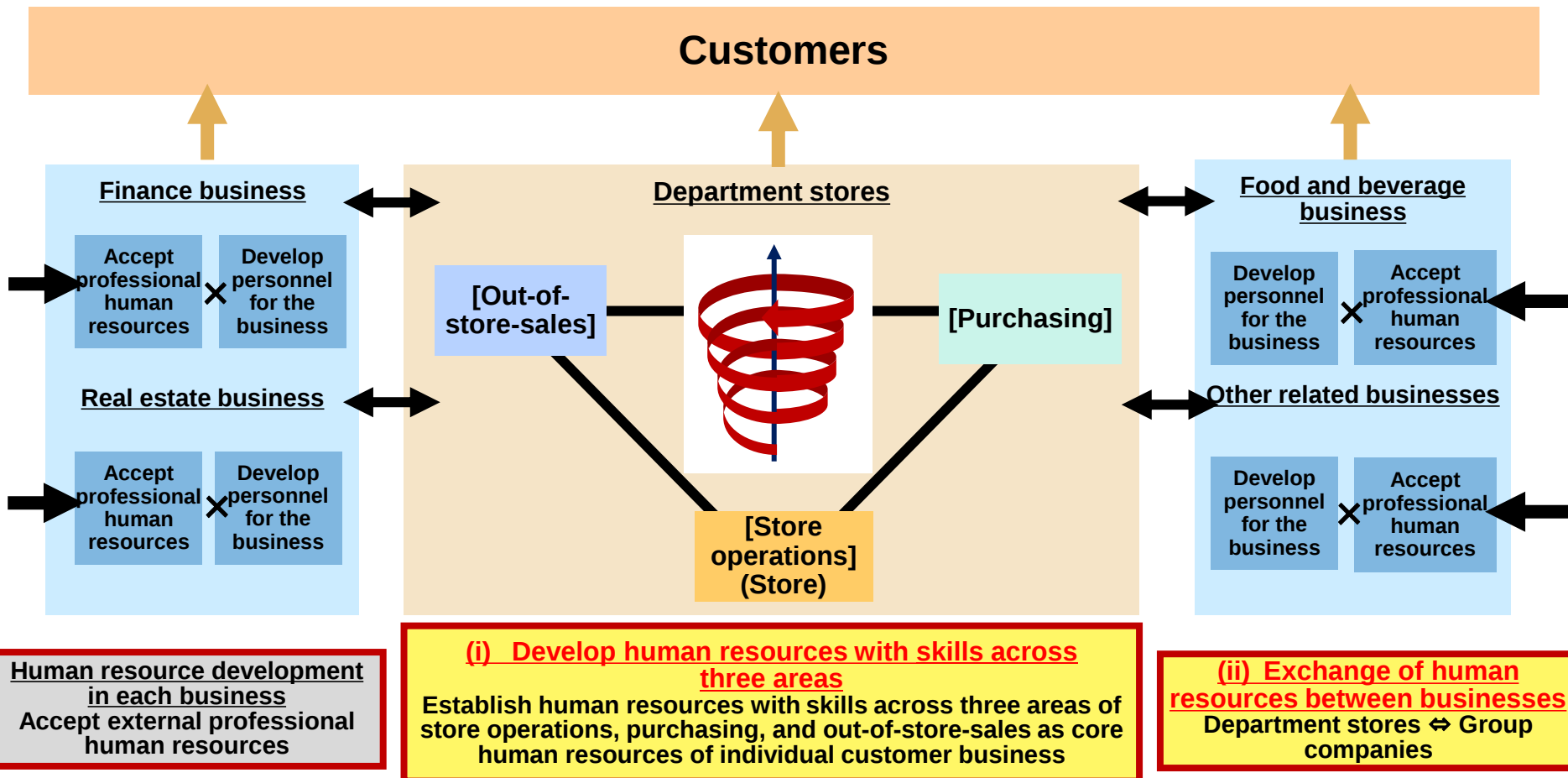
[Corporate culture]

- (i) Fostering a career-oriented mindset by expanding the self-reporting system for requesting transfers
- (ii) Supporting growth into autonomous “resilient individuals”

Toward Transformation into an Individual Customer Business

■ Human Resource Strategy [System] Approach to Human Resources Development

- **Develop human resources with skills across three areas**, primarily in department stores
- **Create innovation and expand business driven by “exchange” between human resources with skills across three areas and human resources in related businesses**



Toward Transformation into an Individual Customer Business

(i) Development of Human Resources with Skills Across Three Areas

- **Deep understanding of individual customers** driven by skills across three areas of store operations, purchasing, and out-of-store-sales
- **Enhance response capabilities** by expanding experience value through **multi-disciplinary experience**
- **Foster a wide range of proposal capabilities** by building the necessary networks

Up to now

Develop human resources to maximize value in each area

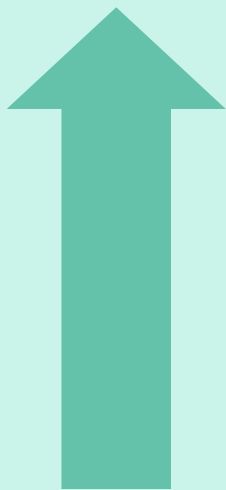
[Store operations]

In-store stylists
Category specialists



[Purchasing]

Buyers



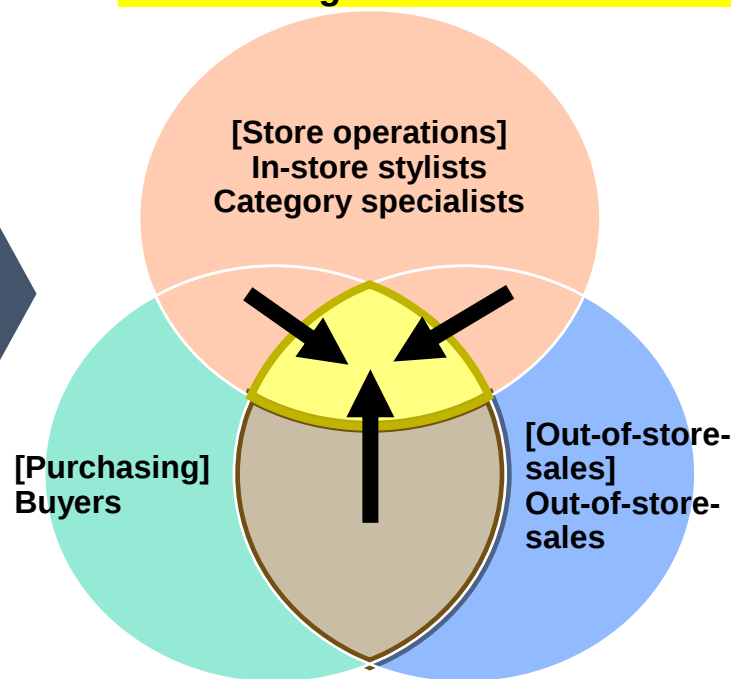
[Out-of-store-sales]

Out-of-store-sales



From now on

Develop human resources capable of providing value through skills across three areas

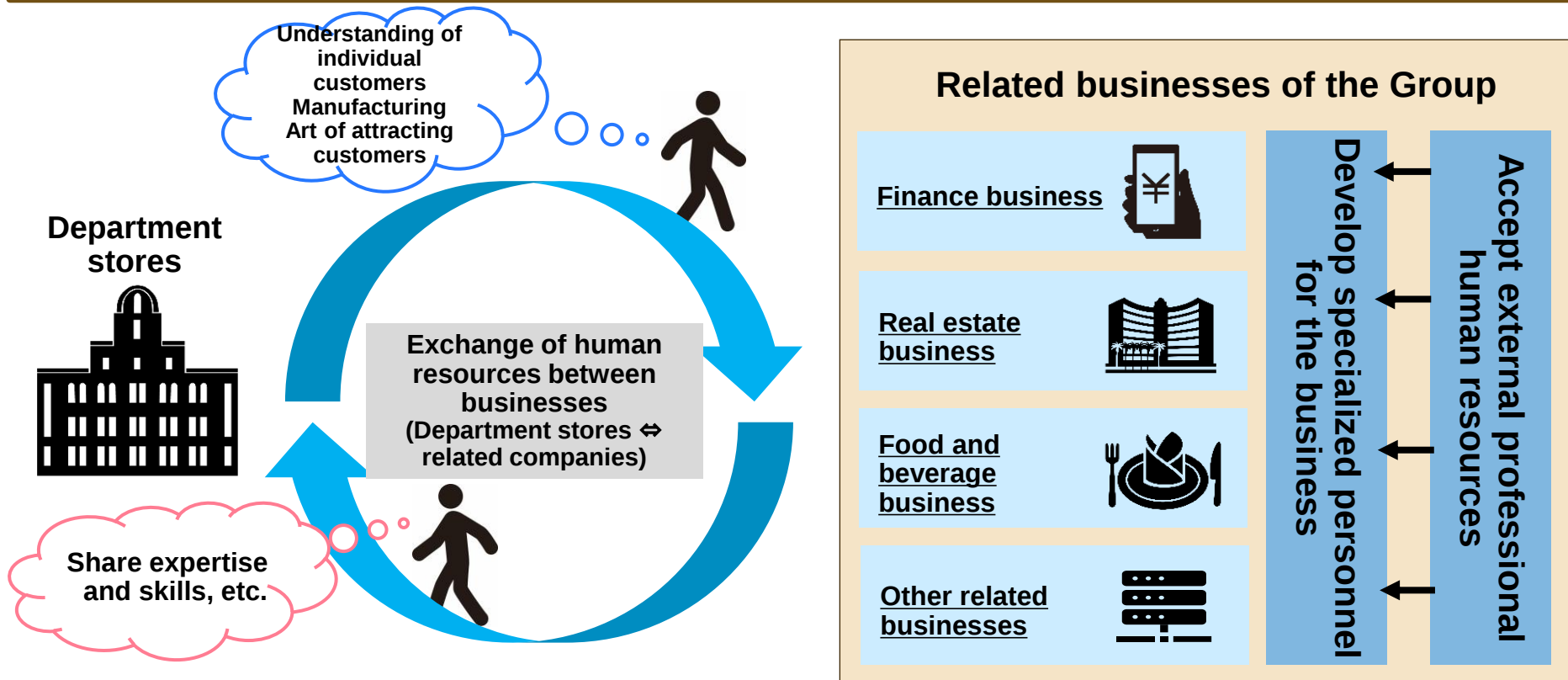


Promote each business after training period

Toward Transformation into an Individual Customer Business

(ii) Development through Exchange of Human Resources between Businesses

- **Develop human resources that create** new **innovation** by promoting exchange of human resources between department stores and related businesses and accepting external professional human resources.
- Aim to **create the “unique value” and establish the “competitive advantage”** of each related business leveraging the strengths of the individual customer business.



Toward Transformation into an Individual Customer Business

Human Resource Case Studies

① Development of human resources with skills across three areas

- Comprehend the importance of building relationships with individual customers through experience in small-scale stores and out-of-store-sales
- Initiatives to create business value that are unique to the area of the buyer's current position

Deep understanding
of individual
customers

Ability to build relationships
with individual customers

Sensitivity and
proposal
capabilities

Networks that can create products

② Development through Exchange of Human Resources between Businesses

- Generate creation of new value driven by exchange of human resources between the department store business and related businesses
- Establish advantages of related businesses in the individual customer business
- Function as a bridge to expand knowledge of financial products in the department store business

Intra-group
coordination
strategy

Exchange of Group
human resources

Growth of each
business

Case Studies of Human Resources Driving the Individual Customer Business

[Case Study ①]

Aiming to Create New Value Leveraging Experience in Deep Understanding of Individual Customers

Isetan Mitsukoshi Ltd.

Toshihiko Tanemura

**Planning Leader, Merchandising, Shinjuku Store
Ladies' and Children's Wear Division,
Merchandising Group II**

<Brief career history> Toshihiko Tanemura (Planning Leader, Isetan Shinjuku Store Ladies' and Children's Wear Division, Merchandising Group II)

Throughout my career, I have realized that the value I can provide to customers increases as my workstyle becomes more focused on individual customers

- **2006 Isetan Shinjuku main store (Women's)**

In-store operations

Purchasing

→ Business model: "Attracting customers from a wide geographic area with products." customer understanding [Low]

- **2011 Isetan Tachikawa**

In-store operations

→ Shift of scope to local customers. Degree of customer understanding [Medium]

- **2015 Isetan Salone**

In-store operations

→ Optimization for customers in an even smaller commercial area. Also served customers in person. Degree of customer understanding [High]

- **2018 Out-of-Store-Sales Department, Isetan**

Out-of-store-sales

→ "Customer-centric" sales style not restricted to place or area. Degree of customer understanding [Highest]

- **2025 Shinjuku Women's and Children's Merchandise Department**

Purchasing

→ Training human resources to develop buyers for individual customer business based on own personal "customer experience."



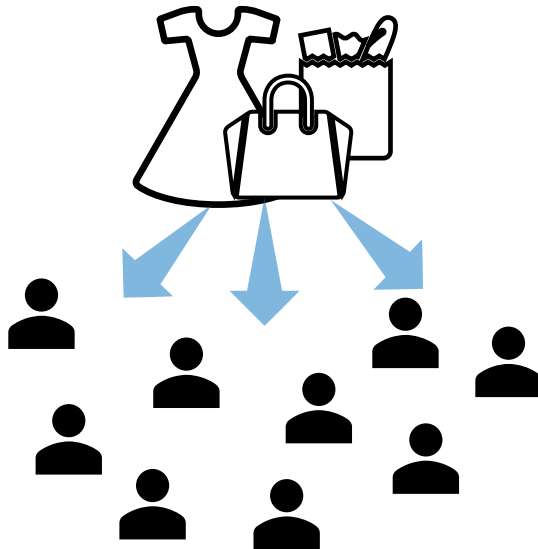
Individual Customer Business Model in Department Stores

Realizing a “customer-centric” business model requires **human resources with skills across three areas** with the ability to directly connect **deep customer understanding (out-of-store-sales)** to **manufacturing (purchasing)** and **optimize the shopping experience (store operations)**

Up to now

Analyze market trends, collect products, and **sell them widely in large volumes**

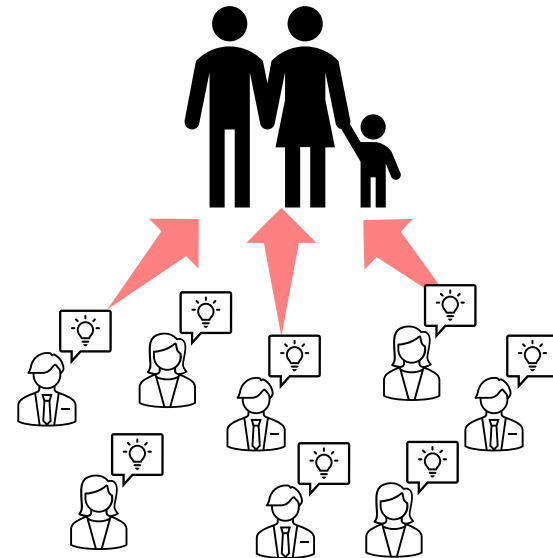
Focus on **products**



From now on

Identify customers gathered in store, **deepen understanding of individual customers**, and put together **optimized proposals**

Focus on **customers**



Case (1): Experience Gained through Store Operations (Isetan Salone)

Use numerous customer interactions to uncover differences between hypothesis on store opening and what customers really expect

Realize customer-driven services by adapting existing systems and mechanisms through collaboration between buyers and back office staff

[Hypothesis on store opening]

Isetan Shinjuku main store strength = independently curated shopping experience

Product range focused on strength → support for individual customers

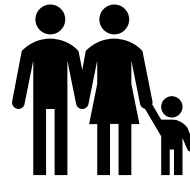
[Individual customer concerns]

Isetan = department store = has everything
Particular expectation of luxury

Is this all?
Where's the men's department?

I want to shop locally.

Shinjuku is hard to get to by car



What about that brand?

[Negatives for individual customers]

Access to Isetan Shinjuku main store
Own lifestyle > desire to shop

[Solutions]

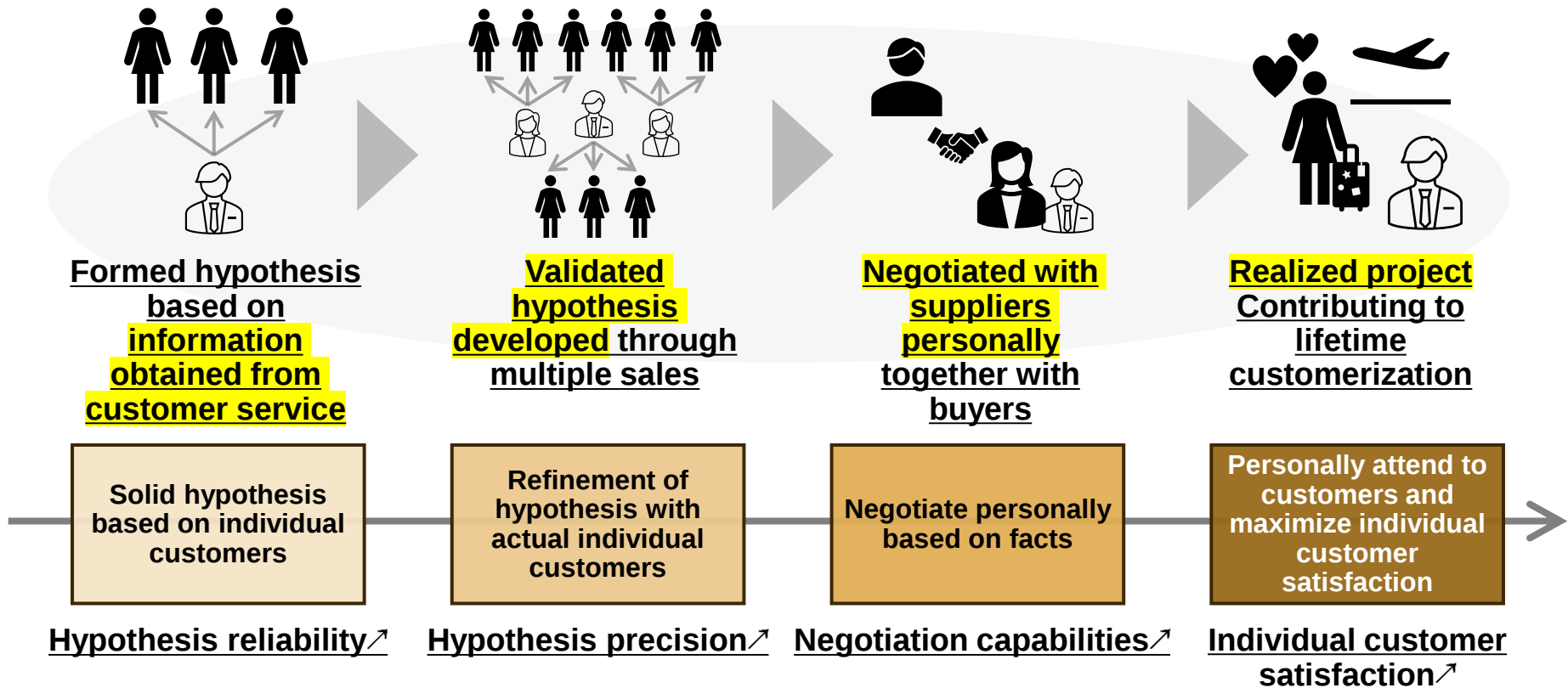
(i) Ordering service (ii) Attendant service

Case (2): Experience Gained through Out-of-Store-Sales

Implemented **multiple sales and individual customer marketing** initiatives to realize overwhelming distinctiveness of Out-of-Store Sales Department

Discovered facts about individual customers that differ from the envisaged values

Started **supplier negotiations together with buyers** and realized world's first 9-brand collaboration project



Case (2): Experience Gained through Out-of-Store-Sales - Project Content -

■ Hypothesis

Satisfaction with brand-sponsored events



Top-level service through the entire customer journey from leaving to returning home is essential

■ Facts derived from conversations with individual customers

Even more **sophisticated fashion experiences**
Desire for self-improvement



Mediocre **service is not acceptable**



Events with purchase conditions are annoying

Be immersed in the **latest collections** in the showroom

No purchase conditions

Meet and disperse on site

Reaffirm the value of fashion at brand museum where **"first-time customers are not allowed"**

[Unique tours during Fashion Week]

Together **"in moderation"** rather than constantly
Need for free time as well

Atelier **closed to the general public**
Stimulate intellectual curiosity through workshop tour

Plan and propose **"more than imagined"** based on customer feedback

Expand sales activities overseas to increase customer satisfaction

Future Profile of Buyers

To realize a new role as an individual customer business in addition to existing role, revamping the existing approach and workstyle to develop work flow as individual customer business buyers

Buyers personally enter customer service points to increase value provided to customers, suppliers, and store

Buyers up to now

Collect and analyze information on markets and trends with a role in reflecting it as the “new” in the product range

Buyers from now on

A role in creating a highly distinctive product range **based on primary information from customers**



Advantages Created by Human Resources with Skills Across Three Areas and Vision

Deep understanding of individual customers and creativity unique to human resources with skills across three areas

Leverage **extensive network** to create competitive advantages and create new value at speed

Speed of value creation ↗

(Through accumulation of experience in multiple areas)

- **Image of connecting** individual customer feedback with manufacturing
- Promote personally leveraging **extensive network**

Reliability of value creation ↗

(Through insights from individual customer service)

- **Able to obtain** the customer's **"true feelings"**
- **Develop solid hypothesis** and **refine hypothesis**

Capability to negotiate with suppliers ↗

(Through having actual individual customers as the starting point)

- **Easy to share image of success** of new initiatives
- **A virtuous circle which leads to supply of products** through results

Aim for a state in which "human resources with skills across three areas" foster an "individual customer business culture," which continuously realizes high-quality value creation

[Case Study ②]

Learning and Innovation through Exchange of Human Resources between Businesses

**Isetan Mitsukoshi Ltd.
Atsuko Kawamoto
Sales Operations Department,
Isetan Shinjuku main store
Planning Leader, MICARD App Promotion**

<Brief career history> Atsuko Kawamoto (Planning Leader, MICARD App Promotion, Sales Operations Division, Isetan Shinjuku store)

■ 1996 Joined MICARD Co., Ltd.

- Experience in card membership services, insurance and loan agreement services at Isetan Shinjuku main store and Kichijoji store

■ 2000 Store Planning, General Affairs and Personnel Department

- Experience in employee education and recruitment

■ 2011 General Manager, Insurance Sales Department, Department Store Sales Division

- Promotion of card membership at department stores nationwide
- Operation of life insurance and non-life insurance sales agency business

■ 2024 Seconded to Isetan Mitsukoshi Ltd.

- Engaged in identification and expansion of usage of financial services at Isetan Shinjuku main store
- Concurrently serving in Sales Planning Division of Mitsukoshi Nihombashi main store from the current fiscal year



Acting as a bridge between the two cultures of finance and department stores

MICARD Co., Ltd. Corporate Profile

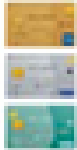
■ **Business description: Credit card business, loan business, life and non-life insurance agency business, financial products brokerage business, bank agency business**

Leveraging customer base and department store sale channels to develop new products in the credit card and finance sector while expanding business

[FY2024 Results]

Gross sales	Operating profit	No. of employees	No. of cardholders	Credit card transaction volume
34.6 billion yen	6.06 billion yen	859	2.56 million	1,039.7 billion yen

[Medium- to long-term vision]



Utilize department store sales channels



Utilize customer base

Revamp credit card lineup

No annual fee

Premium credit cards

Strengthen finance

Increase convenience

Enhance credit

Develop new financial services

ISETAN MITSUKOSHI

MITOUS

Product warranty

Shopping insurance

Asset management

Shopping loans

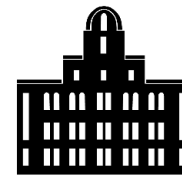
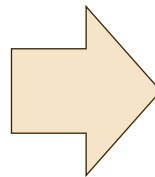
Encounter with Different Cultures

Finance and department stores have different cultures despite being companies in the same Group



Finance

Risk management
Rule compliance
Accuracy
Decisions based on numbers



Department stores

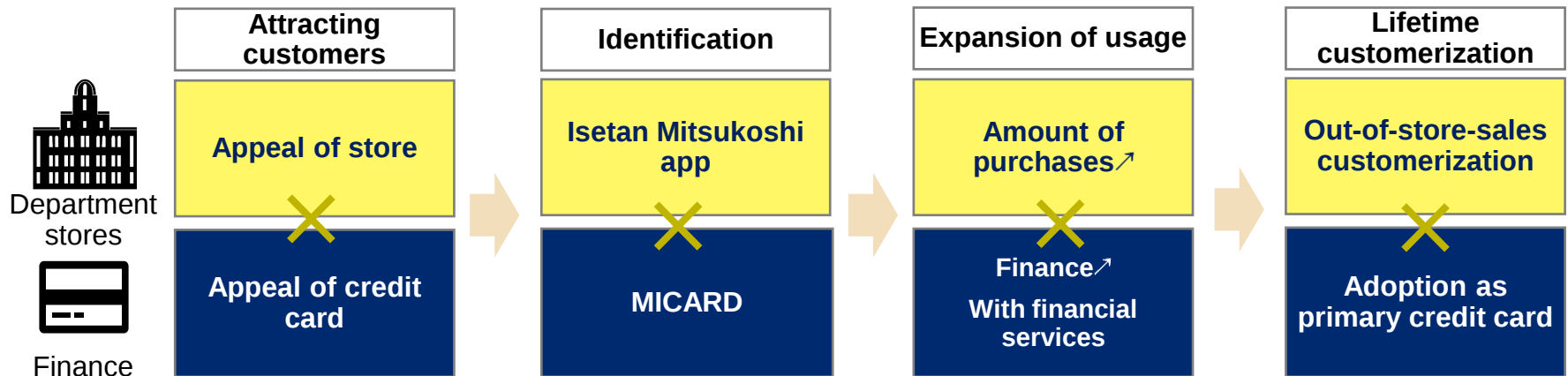
Sensitivity
Service
Flexibility
Decisions based on customers' feelings

**Despite initial confusion,
there are things to learn precisely because of the
differences**

Incorporating “Finance” into Department Store Business - Issues

The content of processes in the individual customer business are different with **various major and minor issues** for implementation on the ground

[Individual customer business processes]



Connect with customers through credit cards and app
Purchases with credit cards



Recommend MICARD installment payment and finance services

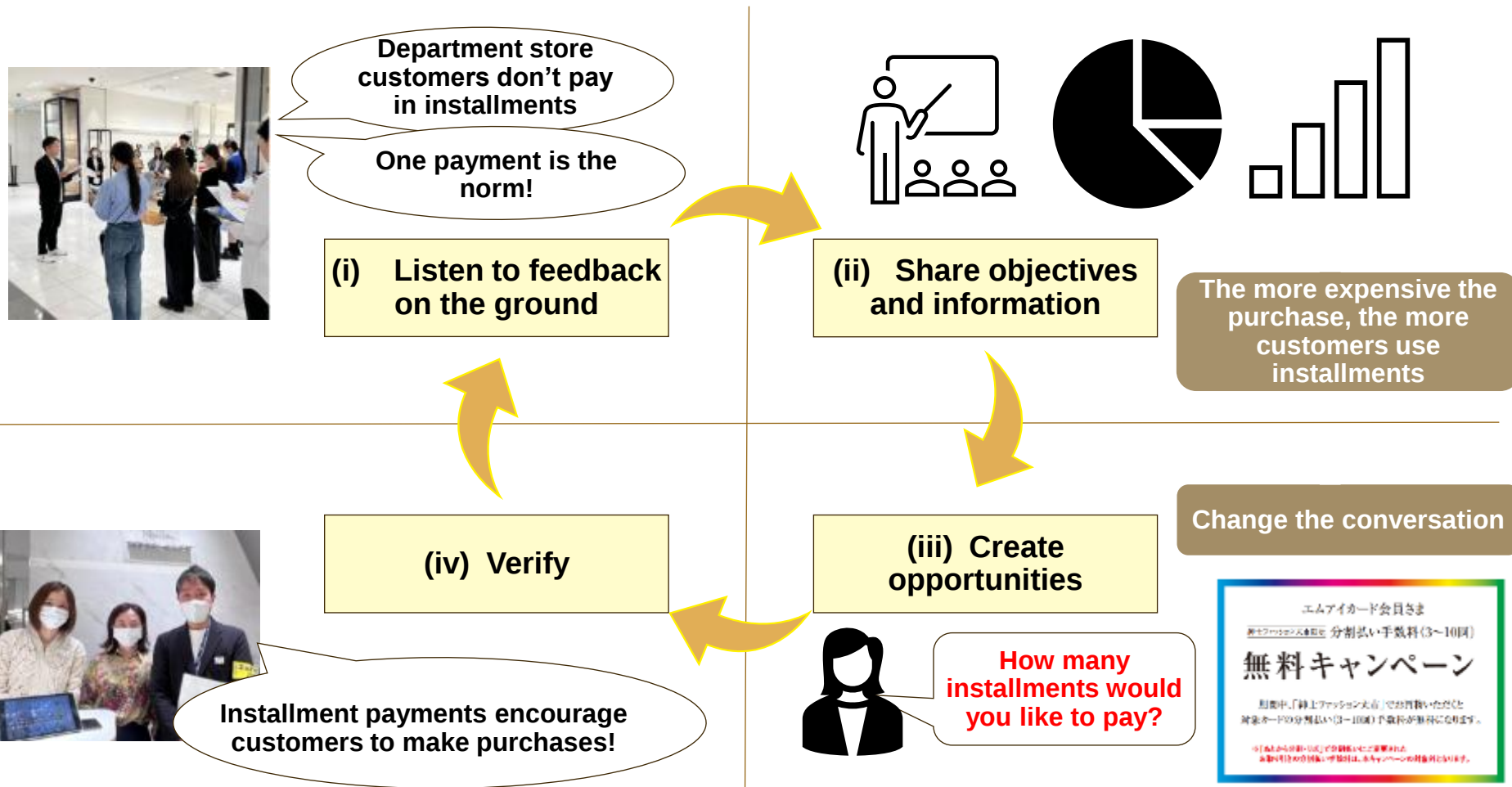


Incorporating “Finance” into Department Store Business

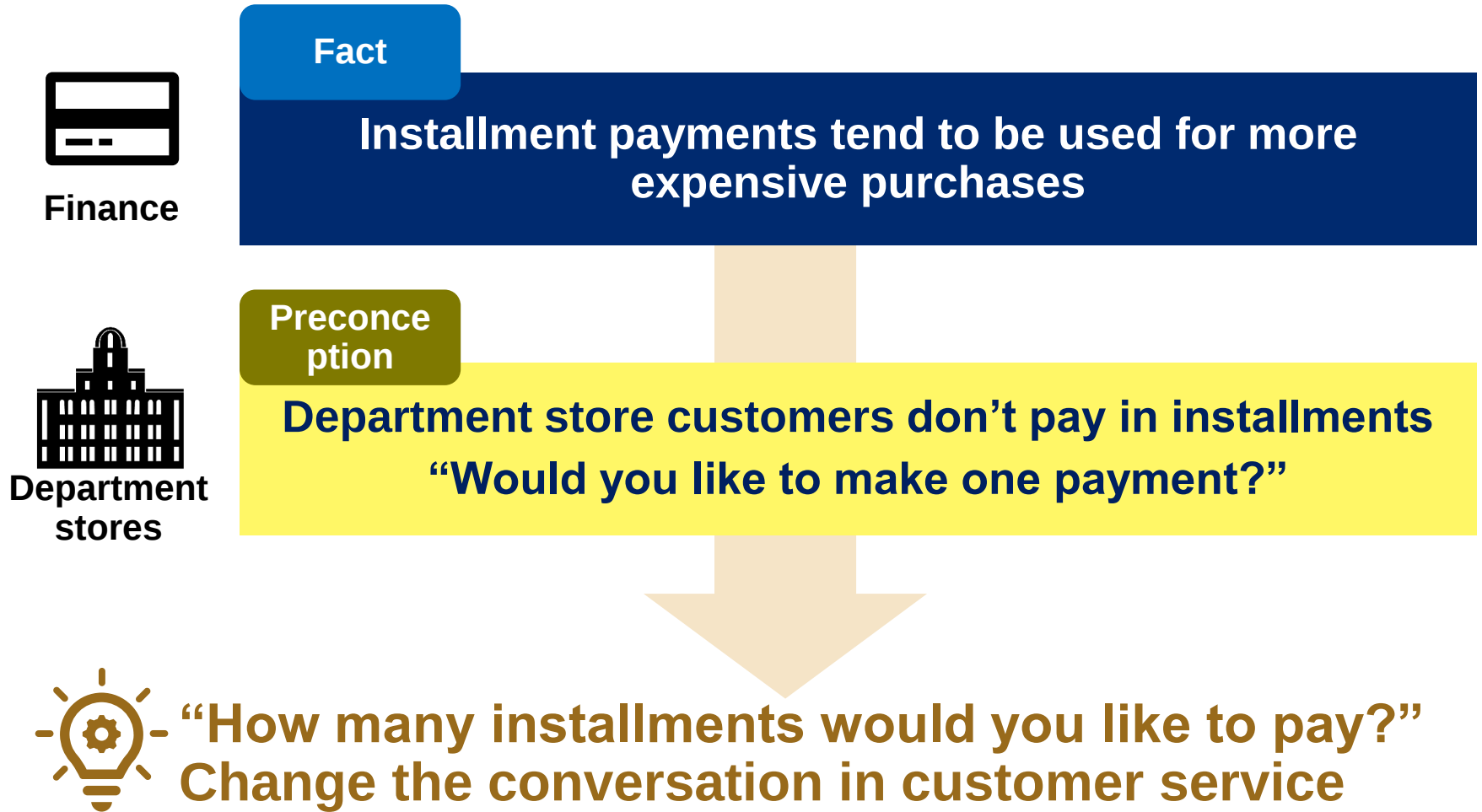
- (1) Installment Payments

Deepen understanding of “installment payments” centered on MICARD

Listen carefully to feedback on the ground to improve and resolve dissatisfaction and concerns about “cards” and “finance”



Innovation Produced by the Gap between Fact and Preconception



Aim for triple-win initiative using data and sensitivity on the ground
(Customers have more options, and the amount of purchases increases)

Incorporating “Finance” into Department Store Business

- (2) Watch Guarantee Service

Promote sales of ISETAN MITSUKOSHI WATCH GUARANTEE centered on MICARD

Listen carefully to feedback on the ground to improve and resolve dissatisfaction and concerns about “cards” and “finance”



The manufacturer's warranty should be enough

Our watches never break

(i) Listen to feedback on the ground



(ii) Share objectives and information



Examples of repairs

Can be attached to a gift

(iv) Verify

I'll sign up because I want to look after it.

(iii) Create opportunities

You can sign up with the name of the recipient when it's a gift.
This service is unique to the Isetan Mitsukoshi Group.

Brand store manager meeting



Innovation Produced through Difference in Culture



Finance

Seek understanding of terms and conditions and rules



We guarantee repairs as stipulated in the terms and conditions. Guarantees and repairs covered by the manufacturer's warranty cannot be accepted during the manufacturer's warranty period.



あなたらしい豊かさを



Communicate “why the service is needed”



In the event of an accident, repairs not covered by the manufacturer's warranty are available free of charge.

It is the only guarantee that can be attached to a gift in the name of the recipient.

Of course, there is also the manufacturer's guarantee, so it can be used with complete confidence.



From service-driven to customer-driven
Understand customers' feelings and change the timing and conversation

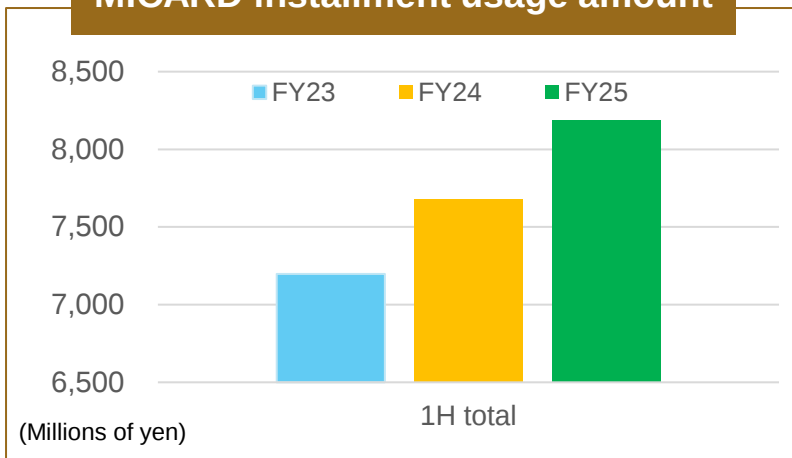


Increase in customer satisfaction connects department stores and finance

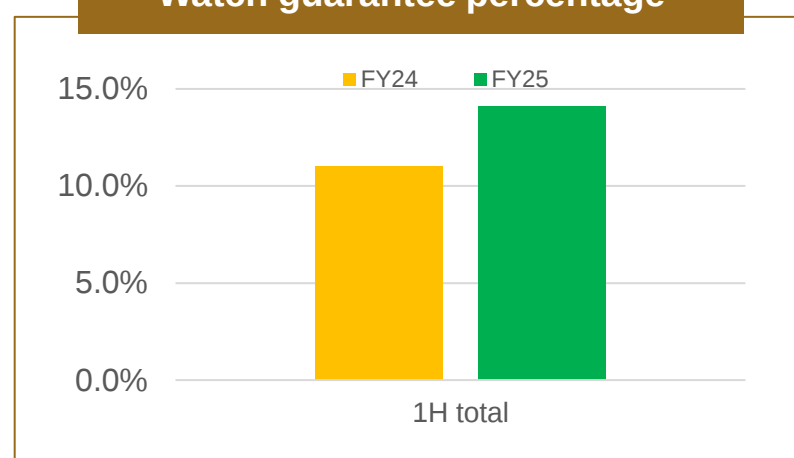
Progress of Financial Services

- Expansion of “MICARD installment payments” and “watch guarantee percentage” at Isetan Shinjuku main store
- Measures for usage of installments planned by sales departments are increasing, and **utilization of financial services is starting in department store business**

MICARD installment usage amount



Watch guarantee percentage



Finance

Perspective of data analysis
Rule compliance



Department stores

Sensitivity
Ability to understand customers

➔ Mutually complementary “human resources who can do both” beginning to be produced

Sense of Growth and the Future

■Personal growth

- Interest in and understand of the **“human story”** behind the numbers
- A shift in approach from “selling” to **“understanding the customer”**
- **Deepen frontline understanding and management** through interaction that transcends standpoint



■Growth as an organization

- Foster a culture of looking at customers **from multiple angles** rather than from a single point of view
- **Implement** cycles of **challenge and learning rapidly**
- **Two-way flow of knowledge and experience** through collaboration across roles



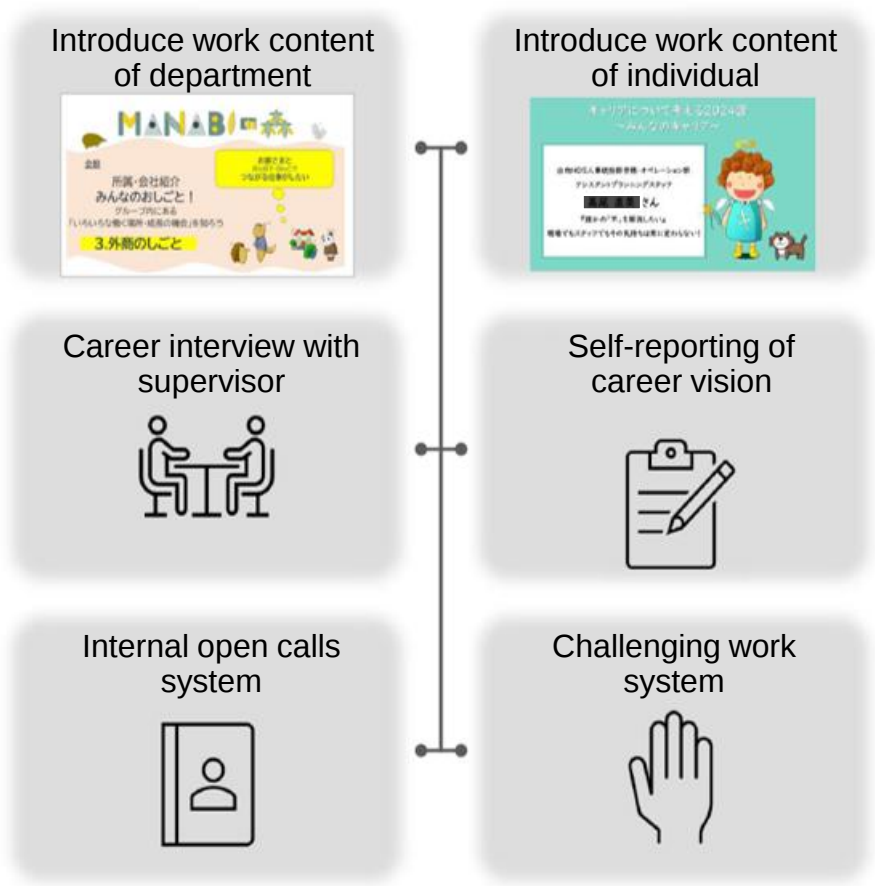
Toward Transformation into an Individual Customer Business

■ Human Resource Strategy [Corporate Culture]

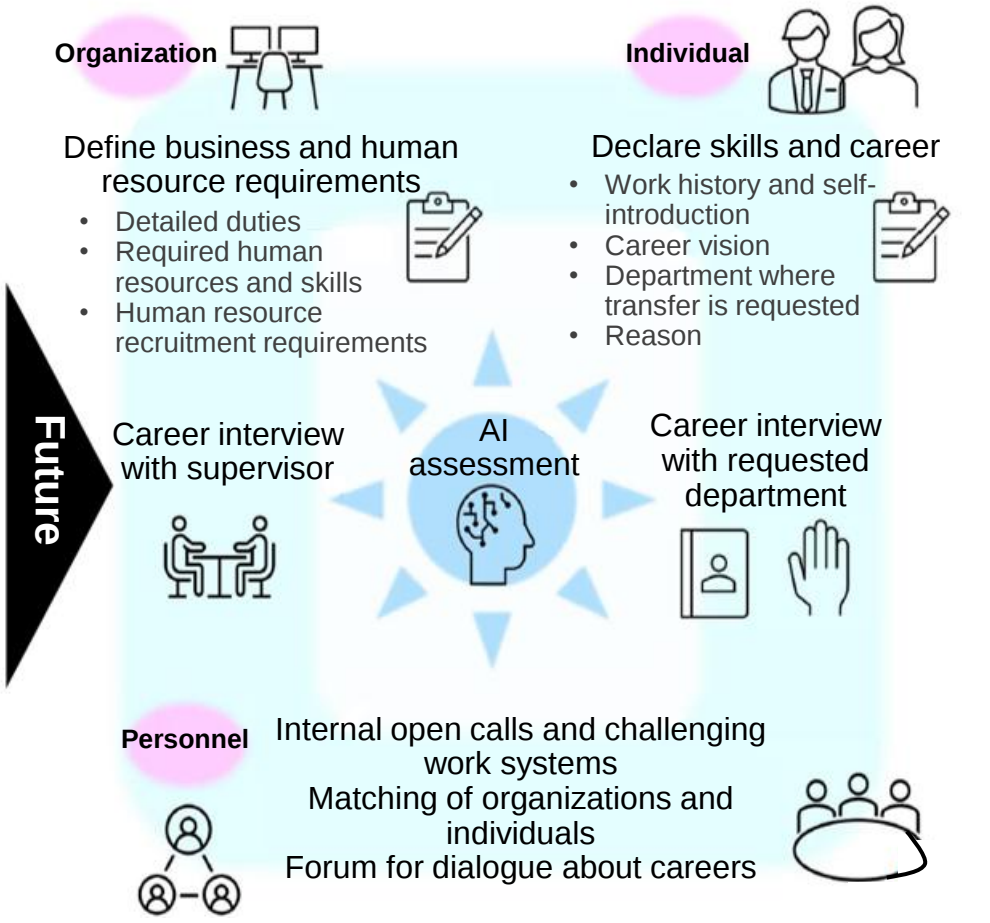
(i) Fostering a career-oriented mindset by expanding self-reportingsystem for requesting transfers

Coordinate enhancement and operation of systems to increase **individual career ownership**

Various systems exist but are fragmented



Operation with strong connections



Toward Transformation into an Individual Customer Business

■ Human Resource Strategy [Culture] (ii) Supporting Growth into Autonomous “Resilient Individuals”

Disseminate Isetan Mitsukoshi Group Human Resources Management Policy
“Our Basic View of Our People and Our Organization”

Individual
[Resilient individuals]
Evolution and transformation of all employees into autonomous “individuals” with “personal responsibility”

Organization
[Combine diverse individuals]
An organization in which diverse resilient “individuals” co-create by expressing their individuality to complement each other

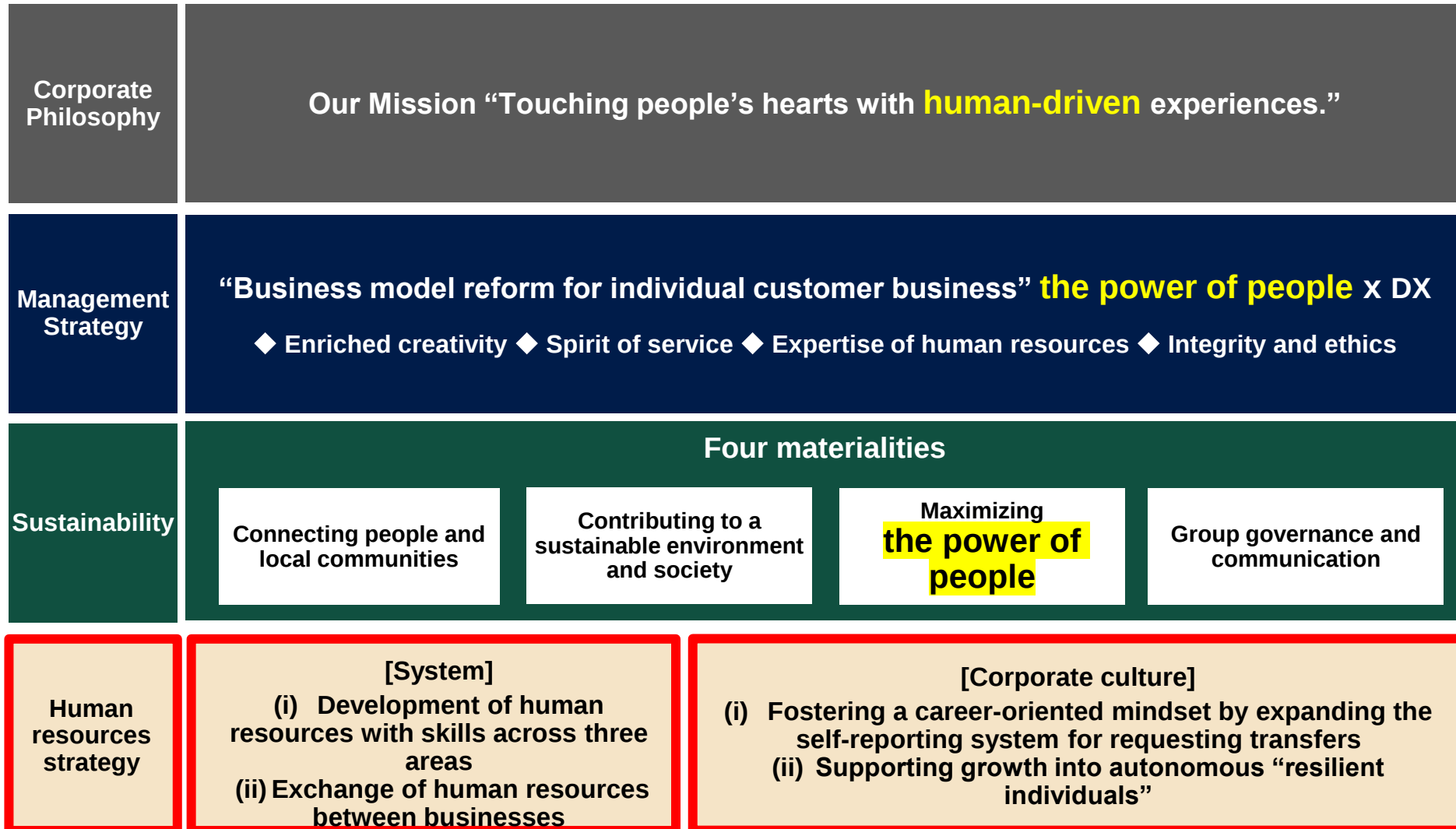
Personnel
[Corporate culture that inspires joy]
Mental and physical health
Environment where people are free to speak
Encourage and support evolution and transformation



Source: Isetan Mitsukoshi Holdings Ltd. corporate website

Toward Transformation into an Individual Customer Business

■ Management based on the power of people



3. Evaluation and Expectations of Isetan Mitsukoshi Group's Human Resource Strategy

Chieko Matsuda, External Director

4. Question and Answer Session
