Interfacing with Excellence

ISETAN MITSUKOSHI HOLDINGS

Isetan Mitsukoshi Holdings Ltd.
Business Results Explanation Meeting

Fiscal Year Ended March 2015

May 11, 2015

Part Ⅰ　FY2014　Business Results

FY2014 Consolidated Results

(Billions of yen)

	First Half	YoY Change YoY Difference	Second Half	YoY Change YoY Difference	Full Fiscal Year	YoY Change YoY Difference	YoY Change YoY Difference Excluding Mail–order (EC) Business Restructuring	Vs Forecasts
Net Sales	**581.6**	**96.5% -21.2**	**690.5**	**96.1% -28.1**	**1,272.1**	**96.3% -49.3**	**98.3% -22.1**	**99.4% -7.8**
Gross Profit	**162.9**	**95.6% -7.5**	**192.4**	**96.5% -6.9**	**355.4**	**96.1% -14.5**	**99.1% -3.2**	**99.4% -2.0**
SG&A	**153.2**	**97.0% -4.7**	**169.1**	**95.3% -8.2**	**322.3**	**96.1% -13.0**	**99.4% -1.8**	**100.0% -0.1**
Operating Income	**9.7**	**77.3% -2.8**	**23.3**	**105.9% +1.3**	**33.0**	**95.5% -1.5**	**96.0% -1.3**	**94.5% -1.9**
Recurring Income	**11.2**	**83.5% -2.2**	**23.3**	**93.3% -1.6**	**34.5**	**89.9% -3.8**	**—**	**108.0% +2.5**
Net Income	**6.1**	**82.0% -1.3**	**23.7**	**173.3% +10.0**	**29.8**	**141.2% +8.7**	**—**	**149.4% +9.8**

(Figures rounded down)

Vs forecasts indicate the difference between full–year forecasts announced with Q2 FY 2014 results and actual FY 2014 results.

FY 2014 Results by Segment

(Billions of yen)

Segment	Net Sales	YoY Change YoY Difference	Operating Income	YoY Change YoY Difference
Department Store Business	1,172.8	97.7% -28.1	21.4	92.6% -1.7
Credit & Finance Business/ Customer Organization Management Business	34.4	103.0% +1.0	5.5	107.4% +0.3
Other Retail & Specialty Store Business	57.8	67.4% -27.9	(0.2)	— +0.0
Real Estate Business	42.8	107.7% +3.0	6.3	98.8% -0.0
Other Businesses	(35.9)	— +2.7	(0.0)	— -0.1
Total	1,272.1	96.3% -49.3	33.0	95.5% -1.5

(Figures rounded down)

FY 2014 Department Store Results

(Billions of yen)

Department Store Results	Net Sales	YoY Change YoY Difference	Operating Income	YoY Change YoY Difference
Isetan Mitsukoshi	656.3	97.2% -18.9	24.0	104.1% +0.9
Domestic Regional Department Stores	411.2	95.9% -17.5	2.1	48.3% -2.3
Overseas Department Stores	96.0	110.2% +8.8	0.3	27.7% -0.8
Others/ consolidation adjustments	9.2	94.0% -0.5	(5.0)	— +0.4
Total	1,172.8	97.7% -28.1	21.4	92.6% -1.7

(Figures rounded down)

FY 2014 Isetan Mitsukoshi Results

(Billions of yen)

	First Half	YoY Change YoY Difference	Second Half	YoY Change YoY Difference	Full Fiscal Year	YoY Change YoY Difference	YoY Change YoY Difference Excluding ALTA Business restructuring	Vs Forecasts
Net Sales	297.2	96.9% -9.4	359.0	97.4% -9.4	656.3	97.2% -18.9	98.0% -13.6	98.4% -10.9
Gross Profit	87.4	98.0% -1.8	104.3	99.0% -1.0	191.8	98.5% -2.9	99.8% -0.4	98.7% -2.4
SG&A	79.0	98.6% -1.1	88.7	97.0% -2.7	167.7	97.8% -3.8	99.2% -1.2	98.5% -2.5
Operating Income	8.3	92.6% -0.6	15.6	111.6% +1.6	24.0	104.1% +0.9	103.7% +0.8	100.2% +0.0
Recurring Income	10.8	111.0% +1.0	15.2	112.9% +1.7	26.1	112.1% +2.8	—	111.1% +2.6
Net Income	18.0	279.8% +11.5	10.7	136.0% +2.8	28.7	200.8% +14.4	—	106.5% +1.7

(Figures rounded down)

Vs forecasts indicate the difference between full-year forecasts announced with Q2 FY 2014 results and actual FY 2014 results.

Part II　FY 2015 Business Forecast

FY 2015 Consolidated Results Forecast

(Billions of yen)	Full Year Forecast	YoY Change	YoY Difference
Net Sales	1,300.0	102.2%	+27.8
Gross Profit	366.0	103.0%	+10.5
SG&A	331.0	102.7%	+8.6
Operating Income	35.0	105.8%	+1.9
Recurring Income	35.0	101.3%	+0.4
Net Profit	25.0	83.6%	-4.8

FY 2015 Results Forecast by Segment

(Billions of yen)	Net Sales Forecast	YoY Change YoY Difference	Operating Income Forecast	YoY Change YoY Difference
Department Store Business	1,207.0	102.9% +34.1	23.4	108.9% +1.9
Credit & Finance Business/ Customer Organization Management Business	36.0	104.4% +1.5	5.5	98.6% ±0.0
Other Retail & Specialty Store Business	58.0	100.3% +0.1	0.1	[-2] +0.3
Real Estate Business	46.0	107.3% +3.1	6.1	95.6% -0.2
Other Businesses/ consolidation adjustments	(47.0)	— -11.0	(0.1)	— ±0.0
Total	1,300.0	102.2% +27.8	35.0	105.8% +1.9

FY 2015 Department Store Results Forecast

(Billions of yen)	Net Sales Forecast	YoY Change YoY Difference	Operating Income Forecast	YoY Change YoY Difference
Isetan Mitsukoshi	**679.7**	**103.6% +23.3**	**24.0**	**99.8% ±0.0**
Domestic Regional Department Stores	**419.8**	**102.1% +8.5**	**3.6**	**164.8% +1.4**
Overseas Department Stores	**98.6**	**102.7% +2.5**	**0.8**	**256.4% +0.5**
Other / consolidation adjustment	**8.8**	**— -0.3**	**(5.0)**	**— ±0.0**
Total	**1,207.0**	**102.9% +34.1**	**23.4**	**108.9% +1.9**

FY 2015 Isetan Mitsukoshi Non-consolidated Results Forecast

(Billions of yen)	Full Year Forecast	YoY Change	YoY Difference
Net Sales	679.7	103.6%	+23.3
Gross Profit	200.2	104.4%	+8.4
SG&A	176.2	105.0%	+8.4
Operating Income	24.0	99.8%	±0.0
Recurring Income	24.0	91.9%	-2.1
Net Income	18.0	62.6%	-10.7

Part III The Group's Future Plans and Progress Updates

【1】 Turning the Group Vision into Reality

◇Mid-term Goals
◇Overall Mid-Term Plan (For FY 2018)
◇Target Profit Breakdown
◇FY 2014 Results

1. Turning the Group Vision into Reality: Mid-term Goals

Isetan Mitsukoshi Group Vision

To become the indispensable department store for each individual customer throughout his or her life by continually creating high quality, new lifestyles and being of use to our customers in the many different aspects of their lives.

By doing so, we aim to become the world's foremost retail services group with high profitability and sustained growth.

Mid-term Goals

Reaching over 50.0 billion yen in operating income by FY 2018

Fundamental Group Strategy

By organically synchronizing and mutually sharing the entire group's vast resources (customer assets, bases and channels, functions and know-how), we plan to rapidly draw out the full potential of both the group as a whole as well as its individual business units.

We also plan to create unique and unparalleled customer value as a competitive advantage, aiming for expansion and stability of profits.

1. Turning the Group Vision into Reality: Overall Mid-Term Plan (For FY 2018)

Greater profits from organically synchronizing and mutually sharing Group resources.

Domestic stores

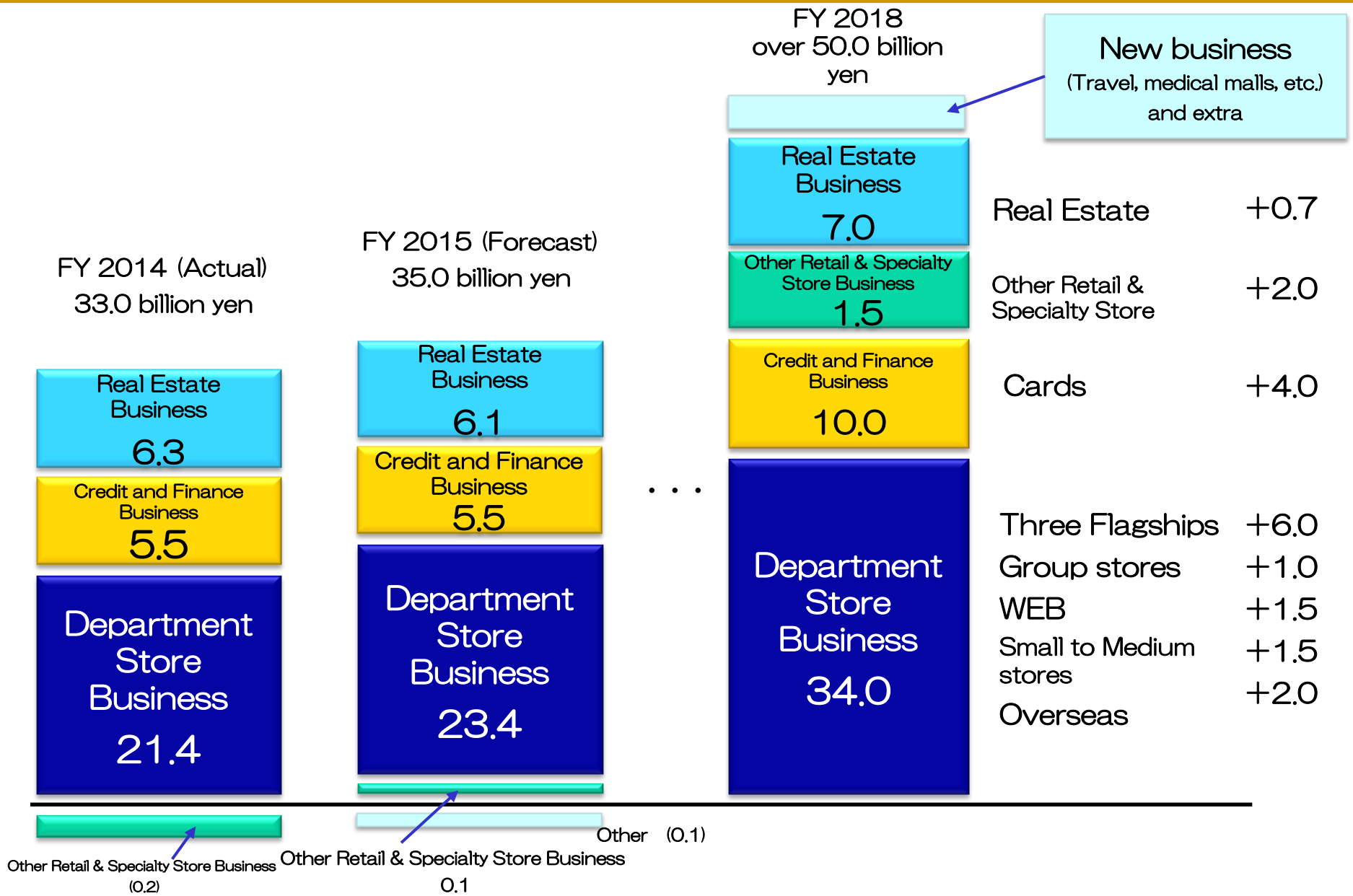
Three flagship stores	Continue to reinforce as the group's greatest strength.
Group stores	Turning to profit in all stores
Small to medium-sized stores	• Monetizing current stores • Trying new models and methods

Overseas stores	• Structural innovation in current stores • Building new store models
Other businesses	• Strengthening current businesses • Monetizing growth sectors

- Productivity improvement
  - HR productivity
  - Purchasing innovation
- Strengthening fundamentals to use group resources
  - Group CRM
  - HR training
- Expanding and enhancing customer interaction
  - Digital strategy
  - Store strategy
- Creating contents with high customer value
  - Solutions business
  - Global contents

Reaching over 50.0 billion yen in operating income by FY 2018

1. Turning the Group Vision into Reality: Target Profit Breakdown



1. Turning the Group Vision into Reality: FY 2014 Results

Focus on contents with high customer value, expanding and enhancing customer interaction opportunities.

Domestic stores

Three flagship stores	• Models for further expansion (Babies, children, living) (Shinjuku) • Culture resort transition (Nihombashi) • Global store transition (Ginza)
Group stores	• Trials for ideal regional stores (Remodelling of Fukuoka, Sapporo)
Small to medium-sized stores	• Expanding customer interaction opportunities (MI PLAZA, Isetan MIRROR, Isetan Haneda)
Overseas stores	• Promoting the "Cool Japan" business plan
Other businesses	• Supermarket structural innovation • New content development (mid-city duty free, mail-order (EC))

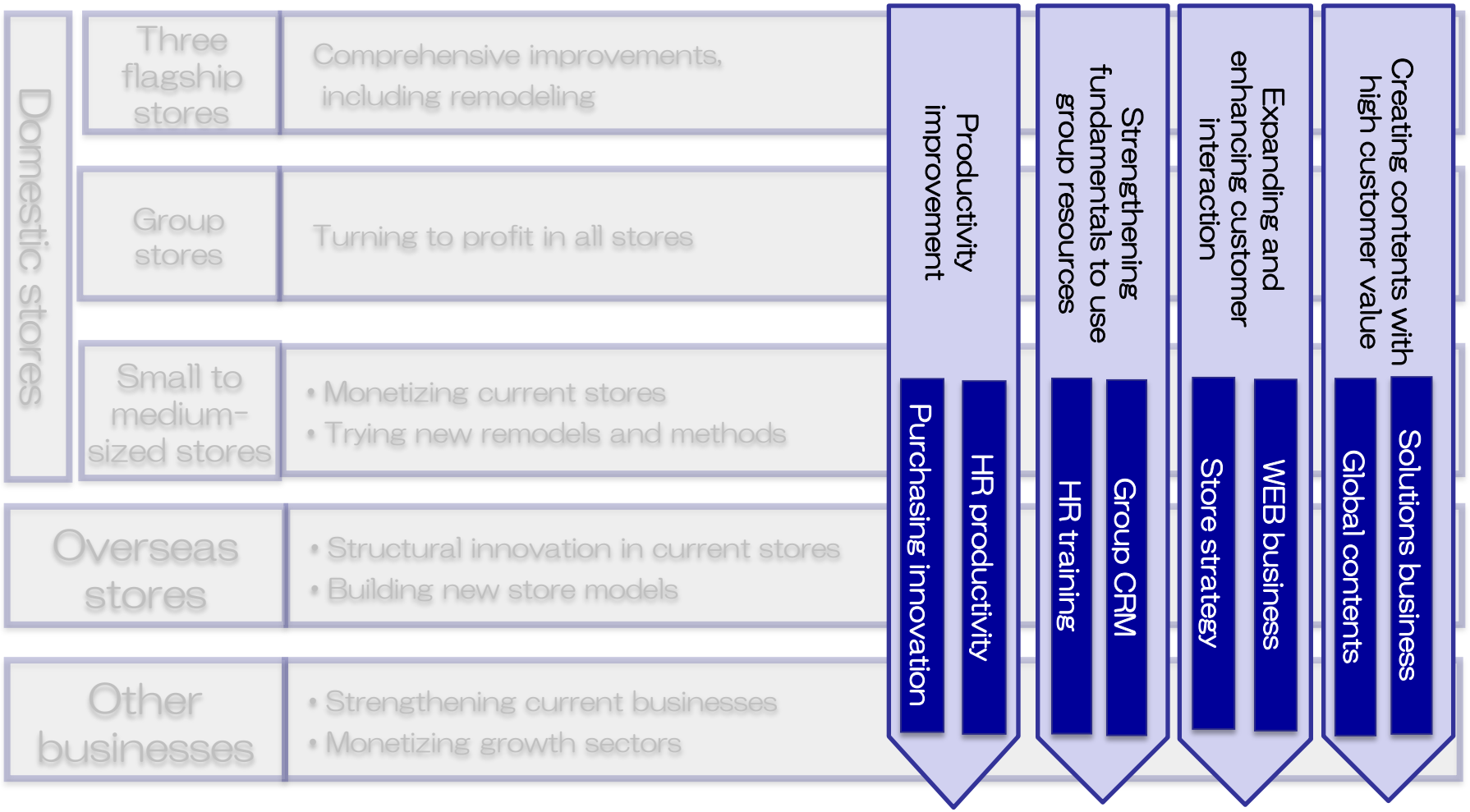
- Productivity improvement
  - Reinforcing purchasing structures
- Strengthening fundamentals to use group resources
  - Creating an employee training program
- Expanding and enhancing customer interaction
  - Strengthening department store EC (EC site integration)
- Creating contents with high customer value
  - Creating business on situations and solutions (Travel, medical)

Reached 33.0 billion yen in operating income in FY 2014

【2】 Critical Strategy to Use Group Resources and Maximize Potential

◇Purchasing Structure Innovation and Sales Capacity Improvements
◇Human Resources Improvements
◇Digital Strategy
◇Promoting group CRM

2. Critical Strategy to Use Group Resources and Maximize Potential



Reaching over 50.0 billion yen in operating income by FY 2018

Plan to create the ideal department store

Purchasing structure innovation

- Collaboration with partners
- **SCM innovation**
- High margin product development
- Units

Sales capacity improvements

- Building store work flow
- **Improved SM management**
- Employee training via visible skill development
- Reduction of sales opportunity loss

Future approach

- Developing SPA contents
- Improved planning and branding
- Improving the SCM infrastructure
- Recreating the Gift Business

Current approach

Future approach

Provide products with high absolute value, and a base that ensures profitability.

NUMBER TWENTY-ONE. approach

First rate Japanese factory ✕ Successful domestic designers

Creates a system providing trendy shoes that balance price and value.







Continuing, improving

- Customer feedback directly to the factory
- Repeating trials to identify competitive items

Taking the Tokyo metropolitan area approach to regional stores
Annual sales reached: 60 thousand pairs, 650 million yen

SPA ladies pants approach

Factories with SPA experience ✕ Customer feedback from stylists

Upstream product development for ladies pants that uses department store advantages.







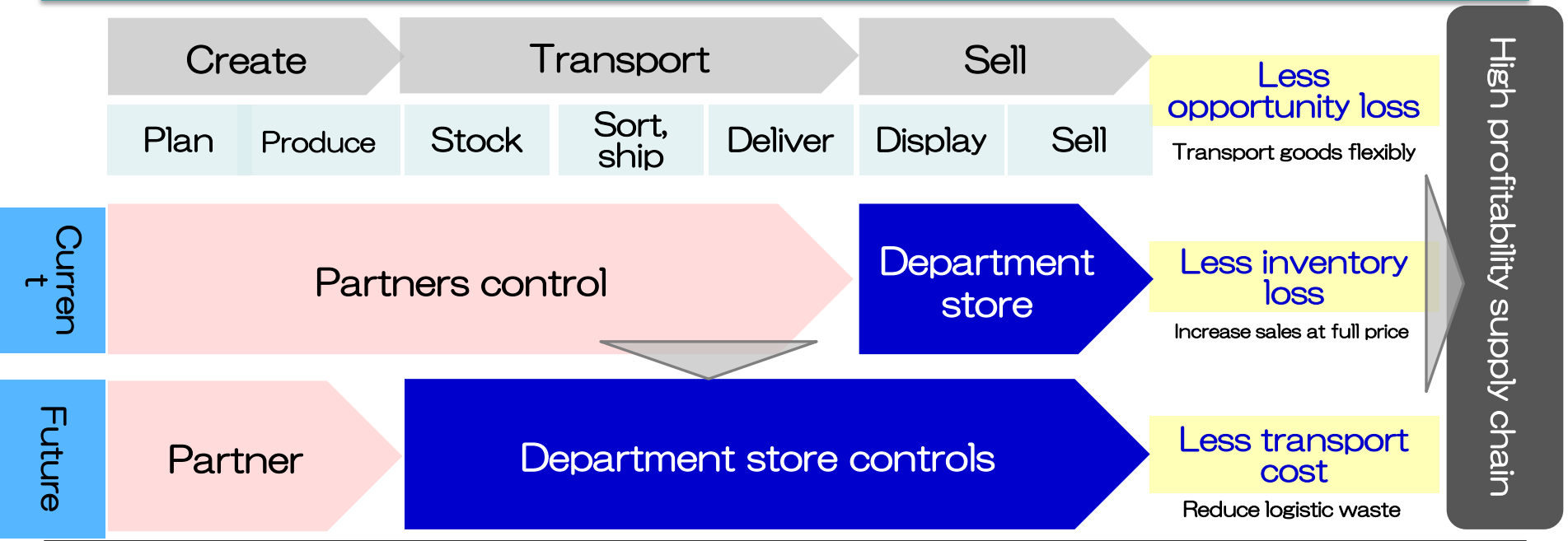
Expanding, improving

- Customer feedback directly to the factory
- High quality and high profit margin business scheme

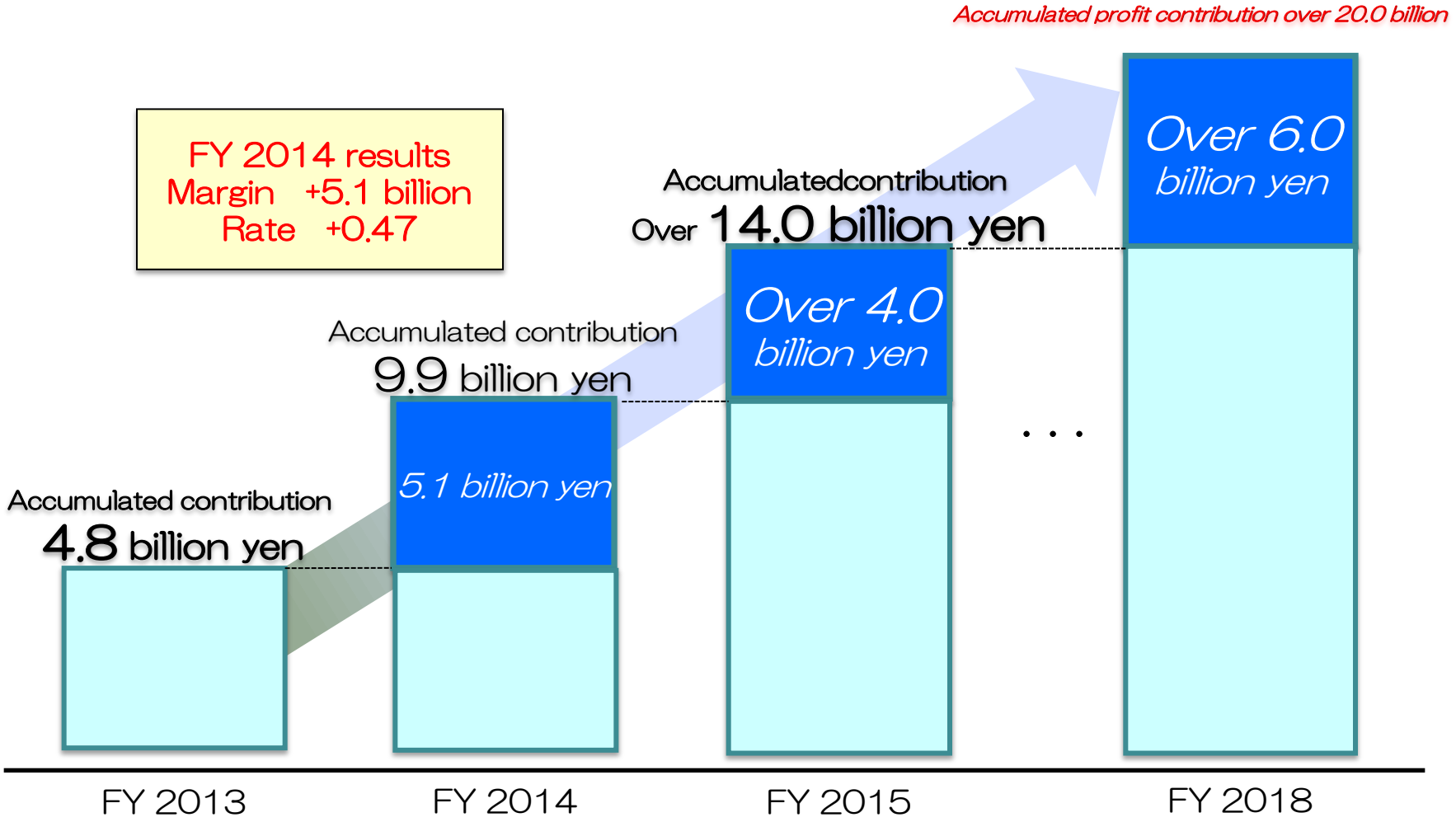
Annual sales reached: 10 thousand pairs, 90 million yen
(Target sales was 20 thousand pairs for FY 2015)

Expanding sales channels to ADO stores nationwide, increasing production lots, and creating business models with even higher profitability.

Annual group logistics volume: 17 million units (9 million in Tokyo metropolitan area)
Challenges: (1) Sorting and product inspection overlap at each supply chain center
(2) Much labor and cost are required for partners and delivery outsourcing
(3) Inability to independently control information and logistics
⇒Isetan Mitsukoshi will lead its own supply chain and make a highly productive logistics network



(Simulation of effect) By aggregating logistics centers and renovating the sourcing flow we will reduce our 12.0 billion yen annual logistics cost including both stores and partners.



Goal: 200.0 billion yen in sales in FY 2018 from the purchasing structure innovation (20% sales share), additional 10.0 billion yen contribution to margins over FY 2014 (accumulated contribution over 20.0 billion yen).

Strengthening fundamentals to use group resources: HR Approach

HR Approach

HR system, promotions, recruitment

- Incentive system
- Transition of contract employees to full time employees
- Evergreen CDP
- Senior stylist

Better sales quality, education opportunities

- Better sales quality
- Hiring young and female staff

Renovate the working environment

- Working hours, store vacation days
- No fixed seating

Reinforcing on-site capabilities and maximizing each person's potential.

Group CRM that strengthens relationships with customers both inside and outside of the group.

Current

In-group

Store

Complimentary cards



Points



Non-store business







Out-of-group

External companies

Future Direction

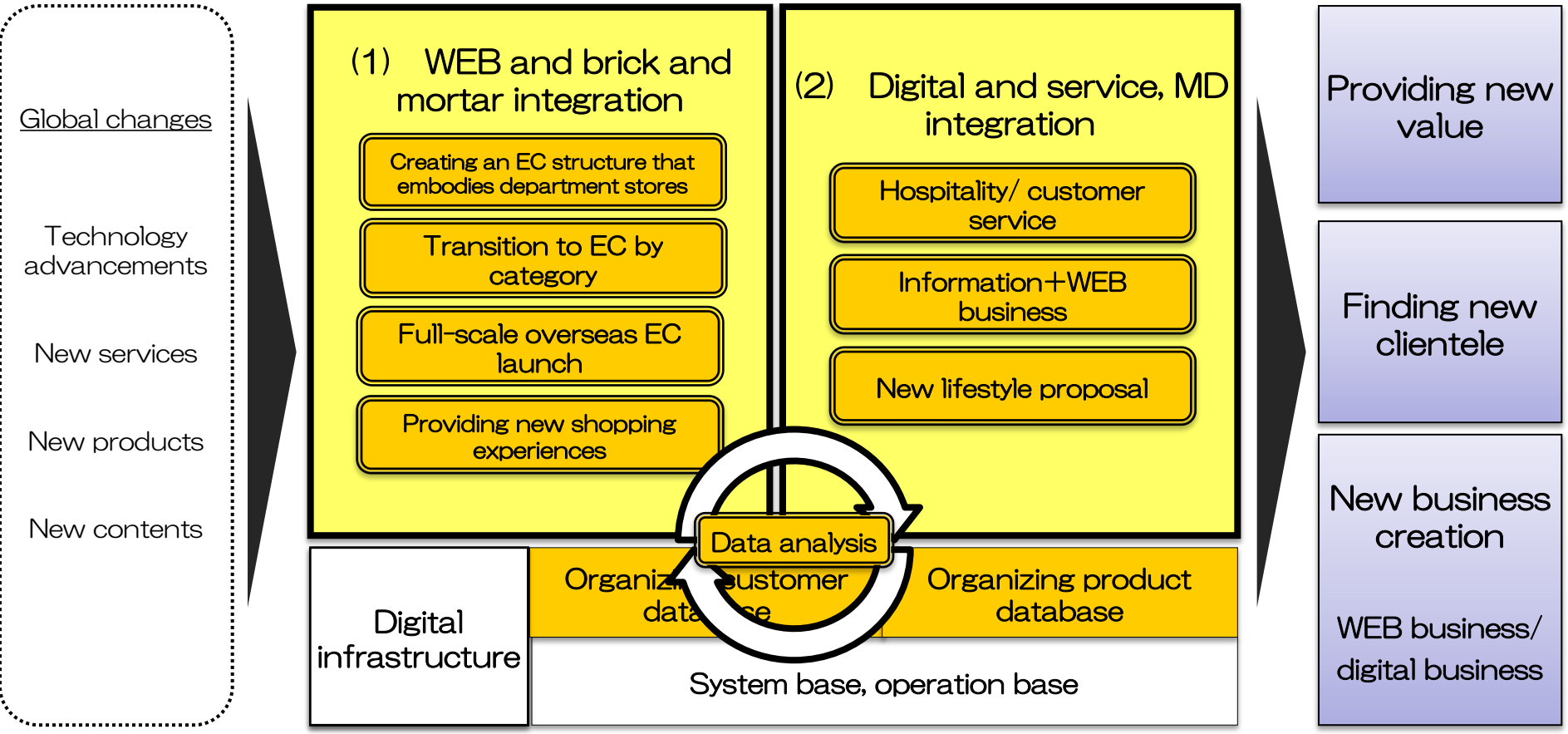
Combine

Point sharing system within the Group
⇒Encouraging purchases within the group

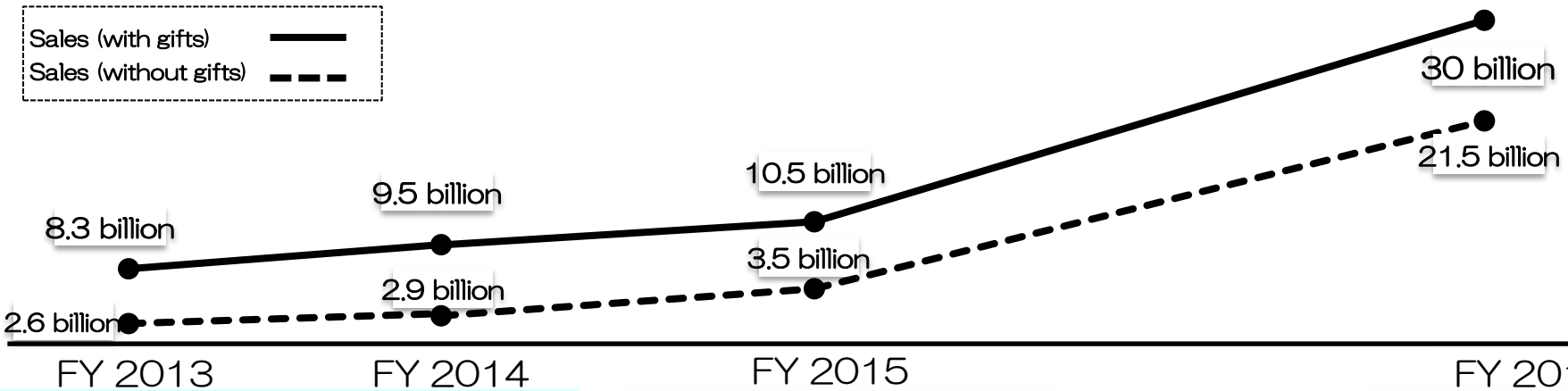
Coordination
⇒Acquire new customers

Collect a wide range of data to use in improving marketing capability

Integrating digital with brick and mortar to link every factor (stores, products, services, contents, etc.), creating new value, clientele, and business.



(1) Integrating WEB with brick and mortar: The future of department store EC



Making a base for EC business (Organizing operation base, system base integration)

Establish department store EC that links with real stores

. . .

Trading volume: 30.0 billion yen

Direction for FY 2015

Establish EC that delivers luxury and hospitality unique to department stores

Categorized EC that includes store suggestions, product lineups, etc.



FOODIE

Overseas EC launch: Linking with external platforms based on overseas stores that are tailored to each area.

COOL JAPAN Strategy

Malaysia

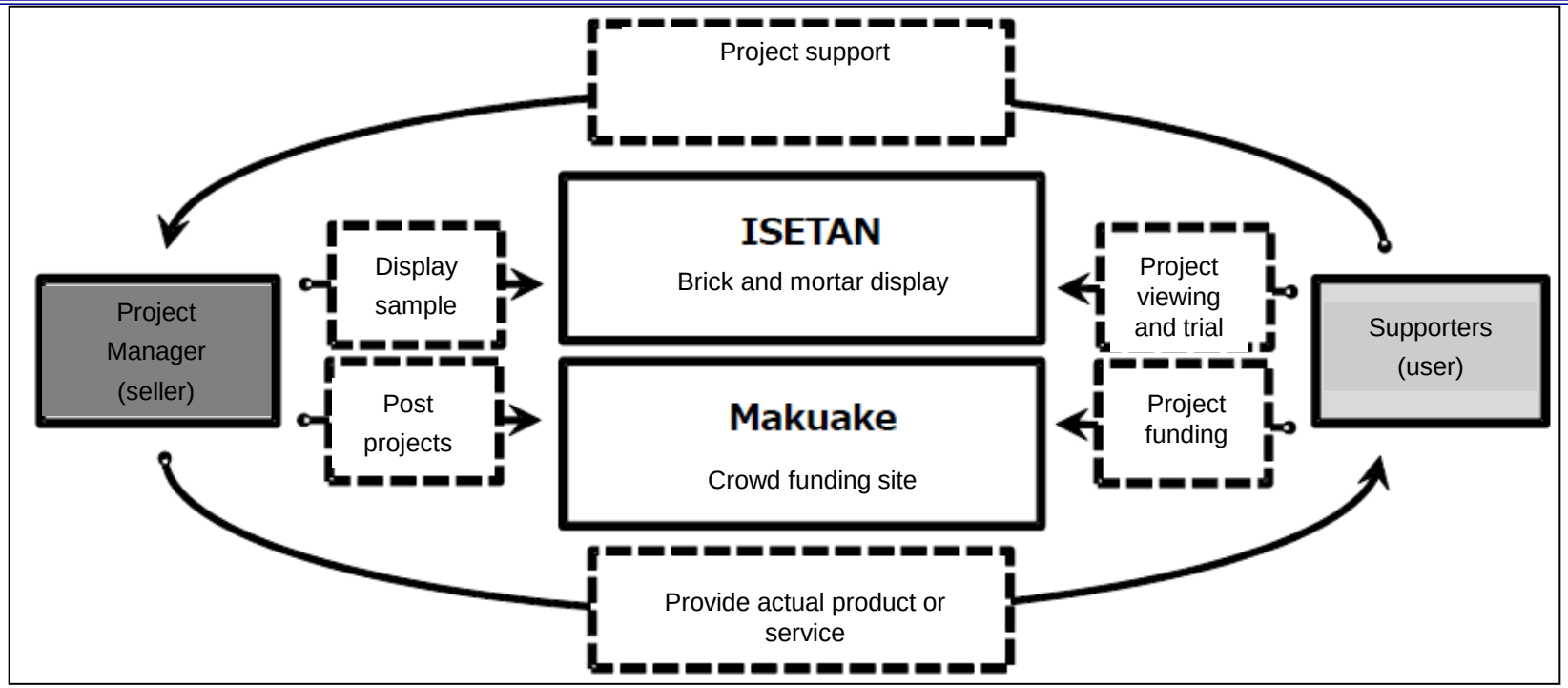
Paris

Organizing product database

Data analysis

Organizing customer database

(1) Integrating WEB with brick and mortar: Providing a new shopping experience



On the site Makuake, operated by CyberAgent Crowd Funding, we plan to seek projects together that are based on the themes "Products and services for Ladies, Men and Family."

Through displays and sales in the Shinjuku Isetan Mitsubishi storefront, we plan to meet customer needs such as seeing, touching, trying and buying the actual product.

(2) Digital and Service, MD Integration: Creating new businesses

Hospitality/Customer Service	Information + WEB Business	New Lifestyle Proposals that Incorporate Digital
Actively introduce the latest digital technology	ISETAN NAVI App: Use a customer's location to provide information and various services	Combine Isetan Mitsukoshi's products and services to propose lifestyles of the near future
Provide unprecedented hospitality and customer service, realizing customer interaction	Achieving multifaceted communication, new web businesses (Content monetization, advertising, etc.)	Linking apps and contents for a new digital business (Customer acquisition business, etc.)



Mitsukoshi × Aico Chihira

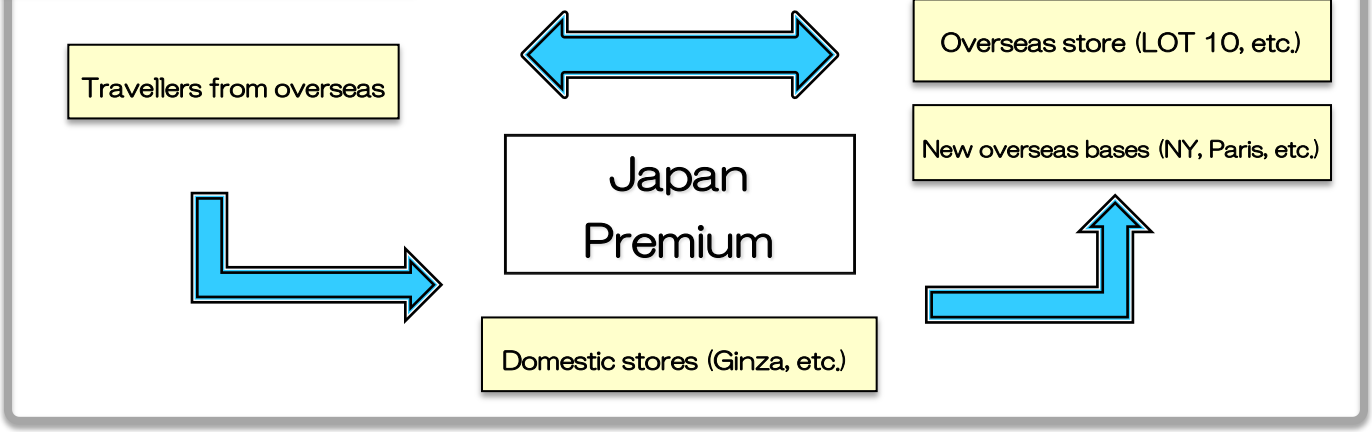
ISETAN NAVI



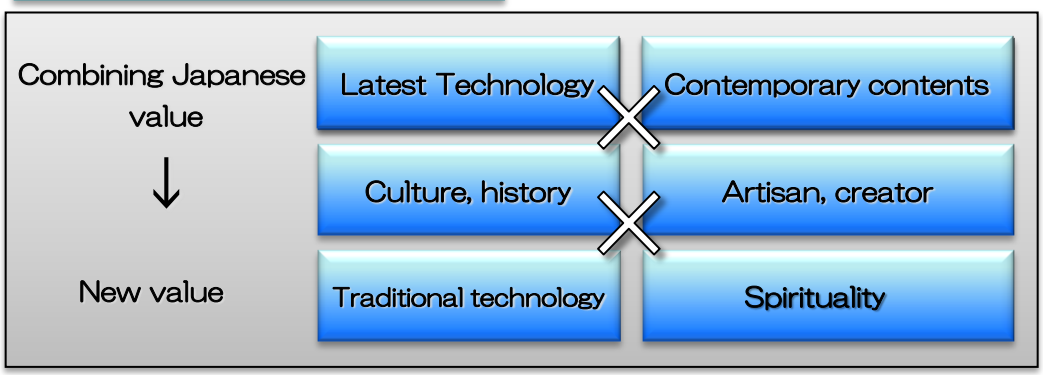
Isetan × Apple Watch

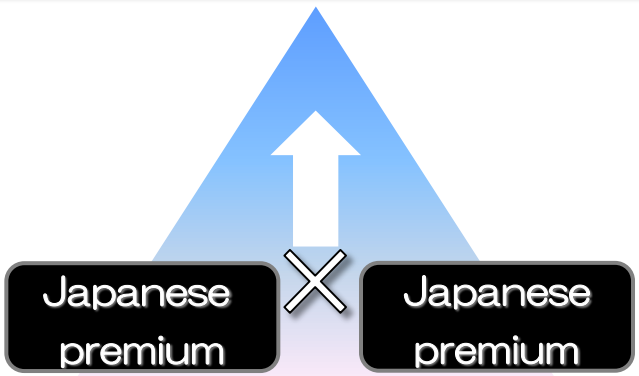
Creating Global Contents

Global business



Japan Premium

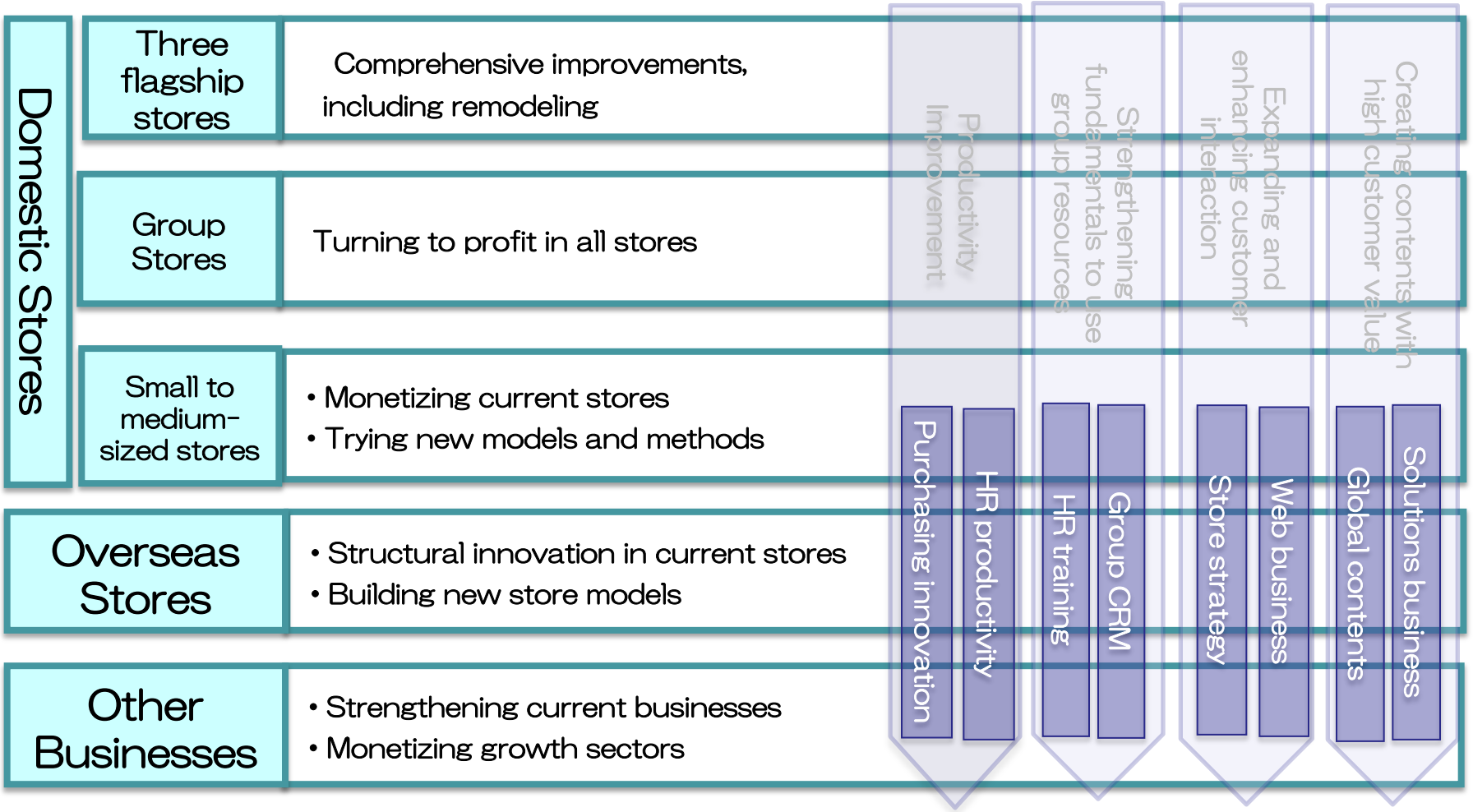




【3】Efforts on FY 2015 and Mid-Term

3. Efforts on FY 2015 and Mid-Term

Greater profits from organically synchronizing and mutually sharing Group resources.



Reaching over 50.0 billion yen in operating income by FY 2018

(1) Domestic Store Strategy

◇Three flagship stores
◇Group stores
◇Small to medium-sized stores

Continuing investments for the world's best fashion museum opening, and aiming for a 3.0 billion yen profit increase in FY 2018 over FY 2014.



Ladies, Men's

March 2013 Ladies
March 2014 Men's

Lifestyle, growing children

A shopping environment which invites stylish customers to shop around

Study remodeling of restaurants and food

Food

March 2015
Remodel opening
- ■5F Lifestyle
- ■6F Babies, kids
- ■Solutions

Critical strategy for FY 20

- Analysis and correction of the remodeled 5th and 6th floors
- Study remodeling to further increase earnings (food, restaurants, men's, ladies accessories, etc.)



March 4, 2015: Floor 5 and 6 remodel opening

FY 2015 Target: Sales of 104.9% vs. previous year

In FY 2016 we will remodel the entire store, making it
a "cultural resort department store."
Aiming for a 1.5 billion yen profit increase in FY 2018 over FY 2014.



Becoming a hub for Japanese culture

Approaching the community × Artistic product lineup

Link with Muromachi area redevelopment

Customer service innovation

Critical strategy for FY 2015

- Making a store that attracts new customers (Introducing a new base MD responding to new customers, etc.)
- Study the direction and schedule for the Nihombashi remodeling

Trial for a large scale remodel (example)



BOOK SHARE CAFE



Art and creation



Hajimarino cafe

FY 2015 Target: Sales of 103.9% vs. previous year

For the mid-city duty-free store opening, we are redeveloping to become the most trendy global department store and aiming for FY 2018 profit increase of 1.5 billion yen over FY 2014.

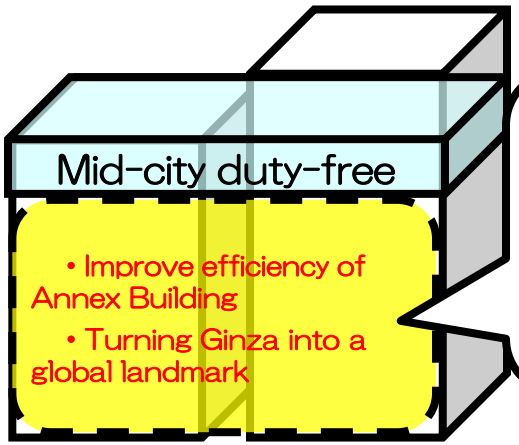


Giving the latest trends of Tokyo and the world to mature adults in Japan and abroad.

Long term target:
Net sales of 100.0 billion yen
(FY 2014: 74.4 billion yen)

Critical strategy for FY 2015

• Redesign store-wide to become a global store/successful mid-city duty-free



• Japan premium (store-wide vertical integration)
• Globalizing the sales service
• Securing the presence of foreign customers





FY 2015 Target: Sales of 100.5% vs. previous year

Creating the best style for each model store, we aim to turn all stores to profit by FY 2018, with profit increase of 1.0 billion yen over FY 2014.

Developed by FY 2014
Contents × Customer interaction × Management methods

×

Three store groups

Three store groups	Future direction	Critical FY 2015 strategy
Large city stores	Establish a global store model in large cities	Introduce main store contents (Remodel Nagoya)
Growing regional/ suburban stores	Stronger area strategy Brush up CPCC contents	Open small stores centered on the flagships (Sendai, Niigata, etc.)
Other regional/ suburban stores	Introduce new contents Develop new management methods	Establish new store models (Ebisu, etc.)

FY 2015 Target: Operating income of 3.8 billion yen (Branches and Group stores combined)

Targeting greater sales with more stores, aiming for net sales of
60.0 billion yen in FY 2018, and profit increase of 1.5 billion yen over FY 2014

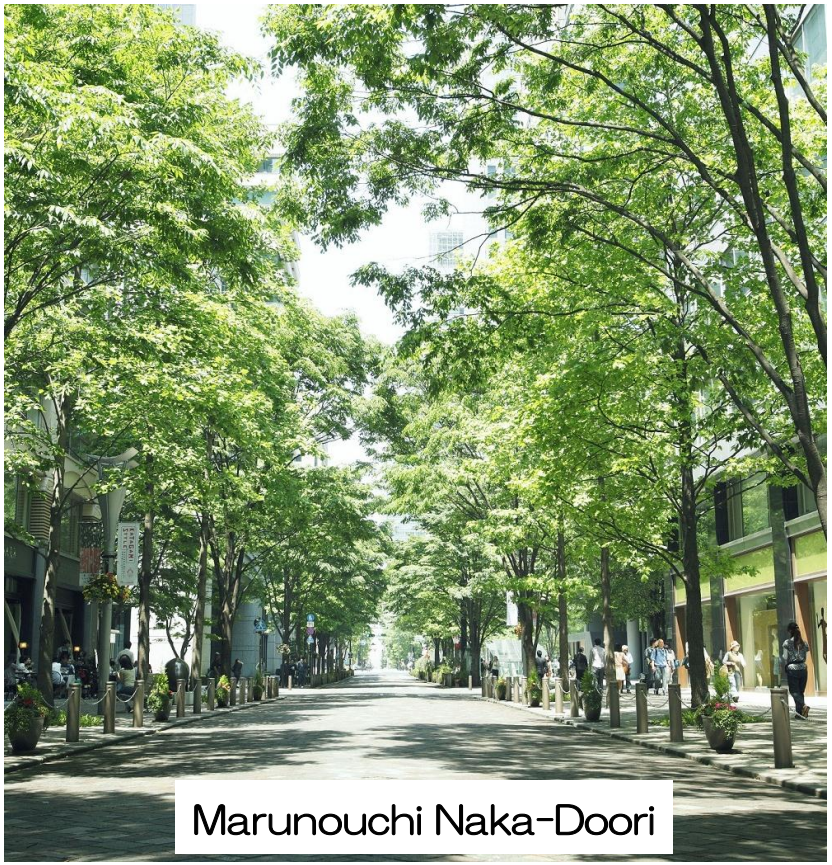
	No. of stores・Sales (FY 2018 target (FY 2014 difference))	Future direction	Critical FY 2015 strategy
MI PLAZA	140 (+70) 42.5 billion (+21.5 billion)	Shop opening strategies that meet each area's needs Create a chain store management base	Building hub logistics functions Strengthening headquarter functions
ISETAN MIRROR	19 (+9) 4.5 billion (+2.0 billion)	Greater operation efficiency Branding improvement	Open dominant stores in priority areas
Isetan Haneda	6 (+3) 2.0 billion (+1.0 billion)	Further store development expansion, with a dominant store opening in the Haneda area	Creating infrastructure to match the increase in stores
Select Stores	8 (+8) 9.5 billion (+9.5 billion)	Establish a new business model Open stores in large regional cities	Build a multi-store model Open men's contents stores in external facilities

FY 2015 Target: Increase of sales of 8.0 billion yen over previous year with new stores (including the group)

Starting men's salons in areas with high potential, to become the next Haneda or Roppongi

Opening a store (approximately1,000m²)in December 2015 on Naka-Doori, which boasts the Maru Building and luxury stand-alone stores.

- Opened Isetan Haneda, which like Isetan Salone, is a mid-sized store operating under the Shinjuku flagship store.
- Aiming to get new clients such as businessmen and offer even more convenience to current customers.



Marunouchi Naka-Doori

More than1.0 billion yen annually, aiming for 400 million yen sales increase in FY 2015 (Dec 2015-March 2016)

(2) Overseas Business Strategy

3. Efforts on FY 2015 and Mid-term (2)Overseas Business Strategy

By FY 2018, we plan to restructure our main stores, create the Cool Japan model, and aim for a profit increase of 2.0 billion yen over FY 2014.

Creating new value overseas with Cool Japan

Expand business by developing the JAPAN SENSES campaign which have been carried out domestically to overseas market as Cool Japan.

- Current store development
  Transition to a new business model
  (LOT10 stores, etc.)
- Opening in the U.S. and Europe
  Newly opening small stores
- Main store development
  Introduce "JAPAN" MD
  (SCOTTS store, etc.)
- Opening in expanding Asian markets
  Newly opening small stores and main stores

3. Efforts on FY 2015 and Mid-term (2)Overseas Business Strategy

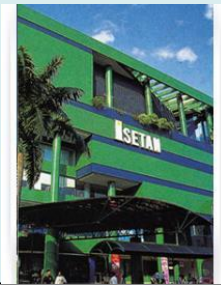
NY: NIPPONISTA Trial Store Opening(February 2014)

- Bringing the good and valuable Japanese products to the world
- Expressing Japanese spirituality, aesthetics, and lifestyle



Malaysia: LOT10 store renewal (Winter 2015)

- Showing Japan’s beauty over the entire store, based on JAPAN SENSES



In order to expand not only in Asia but also to global markets such as the U.S. and Europe.

- Establishing local marketing function
- Sending information to stylish consumers
- Study various forms of store openings

E.g. Opening a store at the Hall of the Culture of Japan in Paris

Hall of the Culture of Japan in Paris (Winter 2015)

Target: Displaying our unique Cool Japan style, a satellite shop transmitting and collecting information in Europe

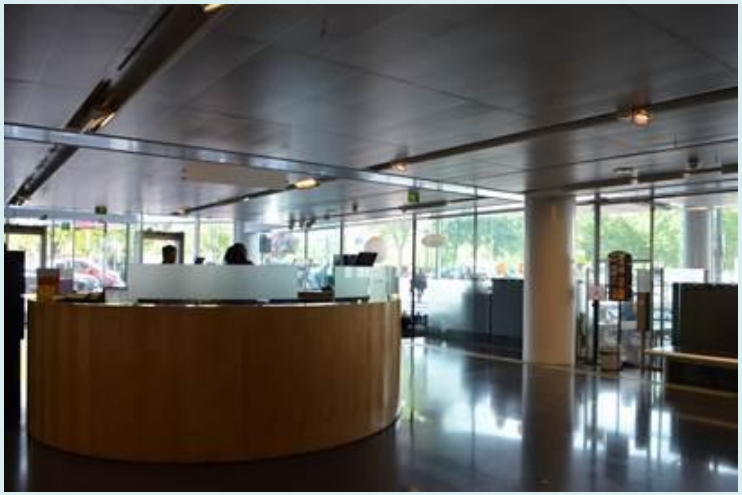
Location: Hall of the Culture of Japan in Paris 1F (approximately 90㎡), limited period opening

Customers: French people with a strong interest in Japanese culture, tourists from the world

MD: Ever-evolving Japanese traditions, based on JAPAN SENSES, Japan's latest trend MD, Anime contents, Japanese seasonal expressions

Purpose: A test trial for our U.S./ Europe store openings (Marketing, logistics, etc.)





(3) Key Businesses

3. Efforts on FY 2015 and Mid-term (3) Key businesses: Supermarket business

Thanks to high quality original fresh food items, we increased customer interaction opportunities, and aim for 1.2 billion yen increase in profits in FY 2018 over FY 2014.

Purchasing innovation
(Production at own factories and proprietary product development)

×

SCM innovation
(Restructuring of Logistics centers, own factories)

Sales style innovation
(Focus on fundamentals. Store operation innovation.)

Establish a new store style
Strategic investment, scrap and build.



The open kitchen of Queen's Isetan Mejiro store which opened in Nov. 2014


Queen's Isetan Sasazuka store, planned to reopen on May 15 (Image)

Critical Strategy for FY 2015

- Concentrate investment in stores with high earning power (Sasazuka, Sengawa)
- Redevelop the internal logistics system (Open the Tokorozawa Logistics Center)
- Comprehensive employee education (Queen's College)

FY 2015 Target: 200 million yen profit increase

3. Efforts on FY 2015 and Mid-term (3)Key businesses: Card business (MI Card)

Establish a revenue base not dependent on department store sales, and aim for a high external handling share of 50% by FY 2018

- Aim for 4.0 billion yen increase in profits over FY 2014



Complimentary⇒Unified into point system (April 2016 onwards)

- Stronger alliances
- Promote shopping around within the group

Becoming the main card for current customers

- Increase customers with premium rank cards
- Issue affiliated cards
- Expand member stores
- Reinforce stock business

⇒ Expand external handling shares

Critical strategy for FY 2015

- Establish a group point management system
- Strengthen current business (expand member stores, promote external use, reinforce stock products)

Develop and offer unique contents and achieve 900 million yen increase in profits in FY 2018 over FY 2014.

Improve uniqueness

- Discover and develop trendy brands
- Accumulate manufacturing know-how

External sales promotion

Evolve to a high profit business model

Mammina

Design, production management, manufacturing

KEITA MARUYAMA

ANNA SUI

CLUB21 JAPAN

Sales agent function

ALEXANDER WANG

rag & bone NEW YORK

- Mitsukoshi Isetan
- Non-group Store
- Other Wholesale

Critical strategy for FY 2015

- "Keita Maruyama" License business expansion (Mammina)
- " Anna Sui" business, MD restructure (review target customers and MD strategy)
- Negotiation and preparation to achieve new brands: Opening, new stores (CLUB21 JAPAN)

FY 2015 Target: 200 million yen increase in profit over FY 2014

3. Efforts on FY 2015 and Mid-term (3) Key businesses: Commercial real estate

Maximizing use of retained assets, monetizing by participation in a new development plan.

Realizing an integrated commercial real estate business that utilizes the group's ability of merchandising.







Critical strategy for FY 2015

- Redeveloping the main store business (Commercial Real Estate Development)
- ALTA business restructure, study opening of new stores (ISETAN MITSUKOSHI PROPERTY DESIGN)
- Promoting existing condominium business(Nagoya PROUD) (Isetan Mitsukoshi Real Estate)

We plan on providing our unique, high quality solutions and raising profits by 900 million yen by FY 2018

Provide value-added high-priced travels

Increase luxury busses (premium cruisers)

Reinforce unique trip planning





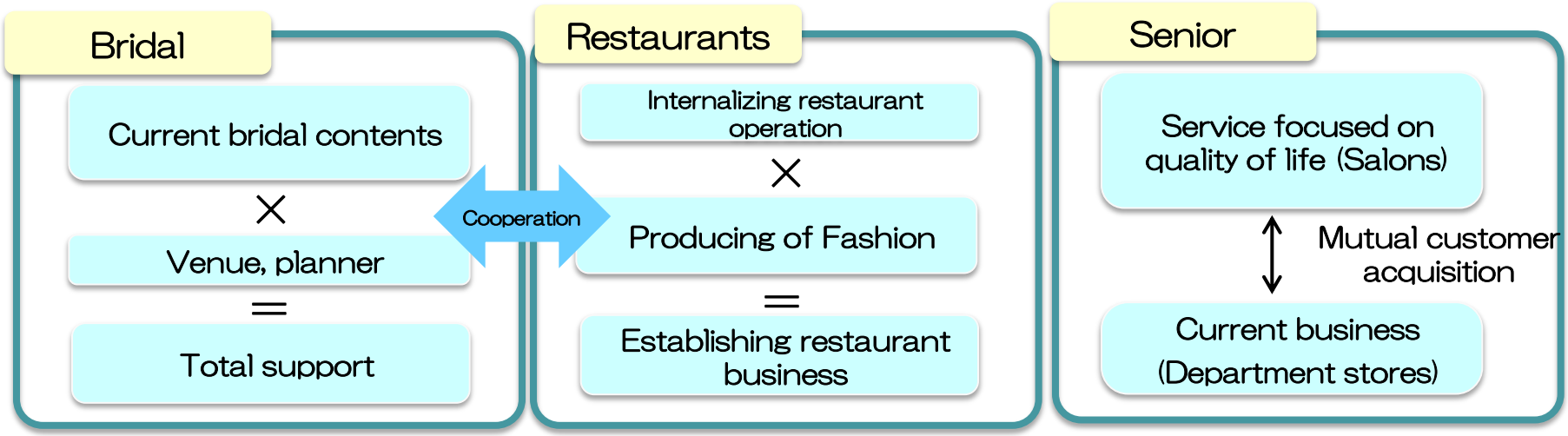
- Affluent domestic clients
- Affluent overseas clients

Critical strategy for FY 2015

- Starting business at a new company in July 2015
- Open counters at Isetan stores
- Bus business expansion (Newly purchase luxury busses, reinforce travel programs and increase dispatches)

Establish in FY 2018 as a business, mainly aimed at bridal, food, and senior businesses.

New business direction



Critical strategy for FY 2015

- Progressing with the establishing of businesses including external partners (bridal, food)
- Carrying out a senior salon trial.

【4】 Vision for the Company’ｓ Future

◇Investment Plan, Capital Policy
◇Corporate Governance
◇this is japan

Investment plan • Capital policy

To securely achieve operating income of 50.0 billion yen

Investment plan

FY 2015-FY 2017　140.0 billion yen and extra

- Further investing in projects with high growth rates (New business, M&A, real estate etc.)
- Appropriate business evaluation and investment decisions to further improve return on investment
- A certain level of shareholder return reflecting business results (Acquisition of treasury stock, etc.)

Improvement of Mid-term ROE

Aiming at ROE that exceeds capital cost in the mid-term. Our step target for FY 2018 is 5.5-6.0%

Moving toward continuous growth and mid-to-long term corporate value improvement

Corporate Governance

Moving toward continuous growth and mid-to-long term corporate value improvement



Corporate governance code – 5 rules	Main points that we focus on
1. Shareholder rights, equality	: Capital policy
2. Appropriate cooperation with other stakeholders	: Promoting female workforce and Diversity
3. Appropriate disclosure and transparency	: Corporate philosophy, management strategy
4. Responsibilities of the Board of Directors	: Mid-term management plan, the role of the Board of Directors, Organizing a risk management structure, utilizing independent officers
5. Dialogue with shareholders	: Constructive dialogue, Creating and announcing Management strategy

Isetan Mitsukoshi Holdings is responsible for accountability to its stakeholders while striving to improve transparency and fairness. We are actively enhancing corporate governance in order to allow management to make decisions swiftly and boldly.

this is japan.

We reacknowledged Japanese traditions and culture spread around the world as a new value, bringing our production sites and customers closer together.

Marketing measures
JAPAN SENSES

Looking forward:
We are rolling out basic strategies which will be a foundation for new stores, in order to pave the way forward and open up a world of possibility.

Management strategy
this is japan.



"this is japan" is our new direction

Draw out the wonder of Japanese culture and art.
Remember the spirituality, respect for others, and communication that are part of the Japanese culture.
We do all that we can to help regional Japan thrive.

To make this a reality, product development, creativity, and merchandising are vital, but educating those involved is the most important.

In the future, we're aiming for JAPAN PREMIUM.

Inquiries

Isetan Mitsukoshi Holdings Ltd.
Investor Relations Corporate Administration Division,
Administration Headquarters

*Notes regarding the use of financial predictions

Any mentions of future earnings contained in this document are based on currently held information and are made on logical assumptions. Actual earnings may differ greatly from the figures in this document for a variety of reasons.