Transition to a Company with a Nominating Committee, etc.

March 25, 2020

Isetan Mitsukoshi Holdings Ltd.
Securities code: 3099 (Listed on the First Section of Tokyo Stock Exchange and Fukuoka Stock Exchange)
Representative: Toshihiko Sugie, President and Representative Director
Contact:Dai Kamiyama, Division Manager, Public Relations/Investor Relations Division
(TEL: (03) 6730-5003)

Isetan Mitsukoshi Holdings Ltd. (headquarters: Shinjuku, Tokyo; President and Representative Director (CEO): Toshihiko Sugie) hereby provides notice of the resolution to transition from a company with a board of company auditors to a company with a nominating committee, etc., at the Meeting of the Board of Directors held today, on the condition that approval is given at the Ordinary General Meeting of Shareholders scheduled for June 2020.

1. Background and purpose of transition

Since its foundation, the Isetan Mitsukoshi Group has consistently changed its business model to adapt to the changing times. Although the changes in the conditions in which the Group operates are becoming more extreme, the Group treats these changes as opportunities and is embracing the daily challenge of reform, with the philosophy of “connecting people and bridging times,” in order to ensure sustainable growth into the future.

Since its establishment in 2008, Isetan Mitsukoshi Holdings has adopted the corporate governance structure of a company with a board of company auditors and created and maintained a highly effective corporate governance structure, as exemplified by holding at least 10 meetings annually of the Nomination and Compensation Committee, which is chaired by an outside director. At present, we believe it is essential to further improve governance with an eye to the future, and we have adopted a policy to propose a transition to a company with a nominating committee, etc. at the Ordinary General Meeting of Shareholders scheduled for June 2020.

The goals the Company hopes to achieve by said transition are as follows.

-Clear delineation of the roles of executives and auditors, establishing a general direction for the Group by the Board of Directors, and specialization of oversight and monitoring of business execution. We believe that this will enhance the oversight function of the Board of Directors, while enabling swift execution of business.

-Establishment of a statutory nominating committee, compensation committee, and audit committee, and implementing such important governance measures as appointment and dismissal of top management, in a highly objective and transparent manner, led by outside directors.

2. Post-transition governance framework

We are creating a framework suited to management oversight and executive monitoring, such as by having outside directors comprise the majority of the board of directors, promoting transfer of authority to executives, and ensuring that meetings of the Board of Directors are open to general debate about management issues, etc. Furthermore, the statutory nominating committee, compensation committee, and audit committee will be primarily led by outside directors, a range of ideas and reforms will be implemented to enable outside directors to independently determine nominations and compensation, etc., and we will work to achieve systems and management that ensure the audit committee will be both effective and independent in order to fully perform its auditing function.

3. Date of transition

We anticipate receiving approval for the necessary changes to the Articles of Incorporation at the 12th Ordinary General Meeting of Shareholders scheduled for June 2020, and will transition to a company with a nominating committee, etc. as of the end of the meeting.

4. Other matters

Notification of details of the transition, including the content of the changes to the Articles of Incorporation and executive appointments, etc., will be provided as such matters are determined.