

Isetan Mitsukoshi Holdings Business Strategy Briefing Session
for Isetan Mitsukoshi Individual Out-of-store sales Reform
Outline of Questions and Answers

Date and time: 10:30-12:00, Wednesday, June 29, 2022

Q. What has been made possible by the integration of the Individual Out-of-store sales of the Isetan Shinjuku Main Store and the Mitsukoshi Nihombashi Main Store?

It has become possible to respond across stores that were not possible until now.

Q. What are you doing to make a profit?

Customers with a strong track record of purchasing are able to make purchases by setting up more cost and sales staff. As a result, it is leading to incomes.

Q. How do you conduct human resource development?

Improve the speed and quality of OJT and improve accuracy by advancing the buddy system. In the future, we will promote the structuring as a development plan.

Q. What is the background to the rejuvenation of customers?

The introduction of the team system accelerated the response, and the spread of word-of-mouth reputation led to an increase in the number of young customers.

Q. What are the strengths to be chosen in a competitive environment?

As we survive the competitive environment, we believe that our strengths are: ① product supply capabilities, ② sales system, and ③ customers.

Q. Factors that had boosted sales in the COVID-19 Pandemic are likely to stall in the future as it reopens.

How do you think about this?

There is no significant impact because we continue to have a solid shopping relationship with our top customers. On the other hand, when it becomes possible for excellent overseas customers to visit Japan, out-of-store sales also have an overseas customer team, and since a system equivalent to that of Japanese customers has been established, we feel that there is a very high potential for growth in the future.

Q. Young out-of-store sales customers are highly interested in art, watches, and luxury, but I think that these products will also be available outside department stores. What do you think about this?

Amid a worldwide decline in product supply, the ability of customers to prioritize product supply is a differentiating factor.

Q. What do you think of the wealthy in rural areas?

We consider the potential of the wealthy in rural areas is very high. Unclear collaboration within the Group has become possible as an organization due to the establishment of the Direct sales Department.

Q. Regarding involvement with luxury brands, how large is the portion attributed to the individual?

While each buyer has confidence that the individual has built up trust with the business partner, the company has long been involved with the business partner, so it has an aspect of building a relationship with the business partner as a company.

Q. What is the potential of MD outside the group for the expansion of product categories that can be handled by out-of-store sales?

We feel the potential is very high. Until now, we have declined requests, but this year we are ready to respond to those requests.

Q. What initiatives are you considering in business for the wealthy overseas?

Three main initiatives are considered. We will strengthen our systems when inbound tourists resume, build relationships with customers in Japan, and systematically attract wealthy overseas customers through collaboration with our overseas branches.

Q. Regarding remuneration, it seems that the proportion linked to performance will increase, but what are your thoughts on compatibility with motivation associated with this?

As a company, it does not treat only out-of-store sales as special. We believe that being happy to our customers leads to motivation. In addition to individuals, the results as a team are also subject to evaluation.

Q. Where are you focusing primarily on deepening existing customers and attracting new ones?

We respond to new customers by cooperating with external companies to reciprocally referre customers and cooperating with retail outlets. In terms of deepening existing customers, we will respond by utilizing AI and strengthening its product supply capabilities.

Q. What are the benefits of responding with a team system?

We believe that customer satisfaction will continue by responding quickly to customers and establishing an seamless system.

Q. What are your thoughts on issues in generating incomes in the future?

Product supply capability. It is a strength, but it is not yet sufficient, so it will further strengthen it in collaboration with the product group.

Q. The number of younger customers is increasing, but what is the difference from customers so far?

Previous customers (around 50s and 60s) were more likely to purchase standard, authentic products. Over the past two to three years, there has been a greater need for mode products among proprietors, beauty, and medical care.

Q. You will shift to a team system, but will the existing One to One customer service system disappear?

One to One system will not disappear. All of team member responds to each customer.