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May 13, 2025

To Whom It May Concern:

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Representative: Toshiyuki Hosoya, President and CEO
(Code No. 3099: Prime Market of the Tokyo Stock Exchange)
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Notice Concerning Revision of Compensation System for Executive Officers, etc.

Isetan Mitsukoshi Holdings (the Company) announces that at the Compensation Committee meeting held on May 13, 2025, it has decided to revise the stock compensation plan for its Directors, Officers, Executive Officers (excluding non-residents in Japan; hereinafter referred to as "the Company's Eligible Participants") and to apply it from fiscal 2025. We hereby announce the details as follows.

In addition, we will revise the stock compensation plan for the principal officers (excluding non-residents in Japan; collectively referred to as "Eligible Participants" together with the Company's Eligible Participants) of our major subsidiaries (hereinafter referred to as "Eligible Companies" together with the Company) to the same plan as that of the Company. Each company will resolve the plan change at its Board of Directors meeting to be held going forward, and will submit it to an Extraordinary Meeting of Shareholders to be held in May of this year.

1. Purpose of revision, etc.

(1) The Company has granted restricted stock to Eligible Participants of the Company and its major subsidiaries for the purpose of increasing their awareness of the need to enhance shareholder value. We have decided to revise our stock compensation plan (hereinafter referred to as "the Plan") to better align it with the performance targets set out in our Medium-Term Management Plan, with the aim of further enhancing motivation to achieve these targets across the Group. With this revision, we believe that the stock compensation system will contribute even more to the achievement of the Medium-Term Management Plan and the sustainable improvement of corporate value over the medium to long term through the concerted efforts of the entire Group. For non-executive officers who are Eligible Participants, only non-performance-linked stock compensation (RSU portion) will be granted.

(2) Since, the Company is a company with a nominating committee, etc., the introduction of the Plan was decided by the Compensation Committee. In the case of major subsidiaries, this is conditional on resolution at the Ordinary Meeting of Shareholders of each company.

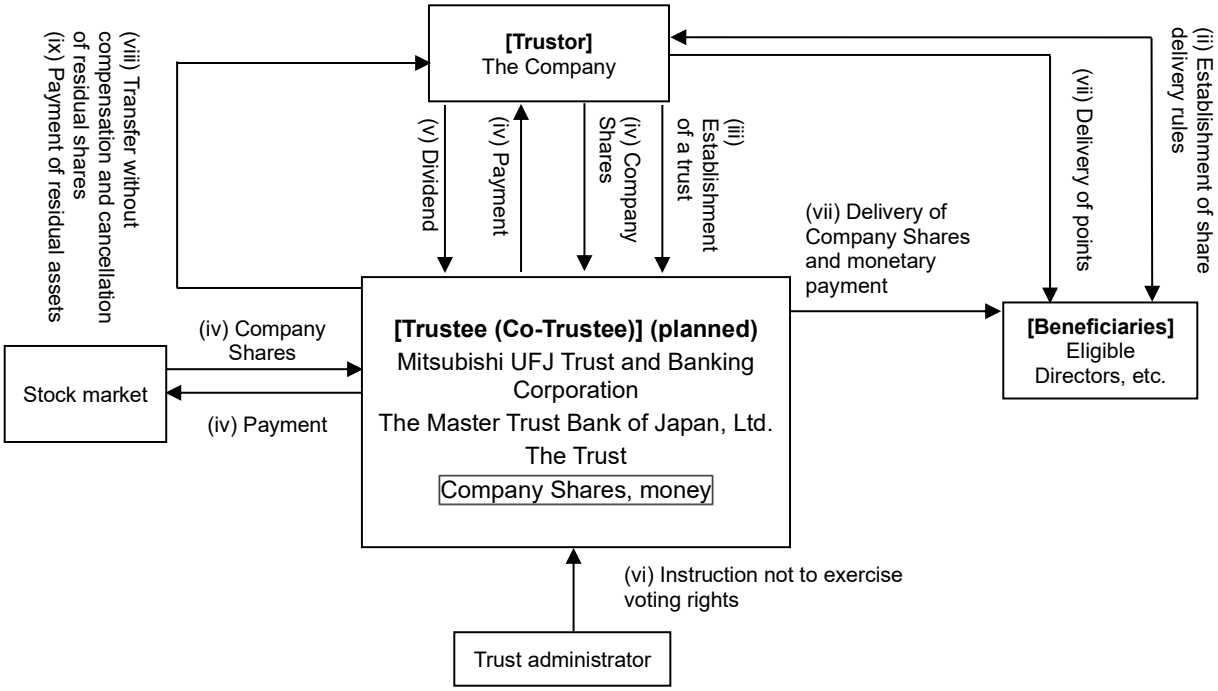
(3) Under the Plan, the Company has adopted a structure called a Board Incentive Plan trust (hereinafter referred to as "BIP Trust"). The Plan provides for the delivery and payment (hereinafter referred to as "Delivery, etc.") of shares of the Company and an amount of money equivalent to the cash proceeds from the conversion of shares of the Company

(hereinafter referred to as "Company Shares, etc.") to the Eligible Participants in accordance with their position, achievement of performance targets, etc. (However, as described in 3. below, a portion of the Company's shares to be delivered shall be subject to restrictions on transfer until retirement.)

(4) In the event that the trust period for the BIP Trust (hereinafter referred to as "the Trust") established for the implementation of the Plan expires, the Company intends to continue the Plan by either establishing a new Trust or modifying and making additional contributions to the existing Trust whose trust period has expired.

(5) Furthermore, the Company plans to provide an equivalent monetary compensation for those of the Company's Directors, Officers, Executive Officers, and principal officers of our major subsidiaries who are non-residents in Japan.

2. Details of the Plan



(i) The Eligible Companies will obtain the approval of their respective Compensation Committees or Ordinary Meeting of Shareholders regarding the introduction of the Plan.

(ii) The Eligible Companies will establish share delivery rules related to the Plan through their respective Compensation Committees or Board of Directors.

(iii) The Company will establish a trust (hereinafter referred to as "the Trust") by collectively contributing funds that serve as the source of compensation to be borne by each company for Eligible Participants, within the scope approved by each company's Compensation Committee or Ordinary Meeting of Shareholders as described in (i). Eligible Participants who meet the beneficiary requirements under the Plan will be designated as beneficiaries of the Trust.

(iv) The Trust will acquire Company shares from the Company through purchase from the stock market or disposal of treasury shares using the money entrusted in (iii) in accordance with the instructions of the trust administrator (note that the Trust to be established in 2025 will acquire shares through purchase on the stock market). The number of shares to be acquired by the Trust shall be within the scope of the decision of the Compensation Committee or the resolution of the Ordinary Meeting of Shareholders in (i) above.

(v) Dividends will be paid on the Company shares held by the Trust in the same manner as for other shares in the Company.
(vi) Voting rights of the Company Shares held by the Trust shall not be exercised throughout the trust period.
(vii) During the trust period, beneficiaries will be awarded a certain number of points in accordance with the share delivery rules of each company. Eligible participants who meet certain beneficiary requirements will receive, as described in 3.(6) below, each year and after the end of the applicable period, either shares of the Company corresponding to the number of points they hold in accordance with each company's share issuance regulations, or cash equivalent to a certain percentage of the Company's shares converted into cash.
(viii) Any residual shares at the expiration of the trust period due to non-achievement of business performance during the trust period or any other reason shall be subject to Delivery, etc. to Eligible Participants under the Plan or a similar stock compensation system that continues to utilize the Trust. In the event that the Trust is terminated upon the expiration of the trust period, the assets will be sold and converted into cash, and the proceeds is planned to be donated to an organization with no interest in the Eligible Companies or the Eligible Participants.
(ix) At the termination of the Trust, the residual assets after distribution to the beneficiaries will be vested in each Eligible Company within the reserve for trust expenses, which is the Trust minus the fund for stock purchases. In addition, any amount exceeding the reserve for trust expenses is planned to be donated to an organization with no interest in the Eligible Companies or the Eligible Participants.

(Note) During the trust period, in the case where the number of shares held by the Trust might fall short of the number of shares corresponding to the number of Share Delivery Points to be delivered to each Eligible Participant during the trust period as specified in 3. (5) below, or in the case where money in the Trust might be insufficient to pay trust fees and trust expenses, the Company may entrust additional money to the Trust within the upper limit as specified in 3. (7) below.

3. About the Plan

(1) Overview of the Plan

The plan is, in principle, a plan for Delivery, etc. of shares of the Company to Eligible Participants through the Trust during the fiscal years covered by the Company's Medium-Term Management Plan (the period covered by the Plan, hereinafter referred to as the "Applicable Period").

(2) Decision by the Compensation Committee or Resolution at the Ordinary Meeting of Shareholders pertaining the Plan

The Eligible Companies shall obtain the approval of their Compensation Committees or Ordinary Meeting of Shareholders regarding the maximum amount of trust funds to be contributed to the Trust, the maximum total number of points to be granted to Eligible Participants (as defined in (5) below), and other necessary matters..

In addition, if the continuation of the Trust is carried out in accordance with (4) below, the Eligible Companies shall, within the scope of the decisions of their Compensation Committees or resolutions of their Ordinary Meeting of Shareholders, decide by resolutions of their respective executive committees or boards of directors to amend the trust agreement and make additional contributions to the Trust upon the expiration of the Trust Period.

(3) Persons eligible for the Plan (beneficiary requirements)

The Eligible Participants may receive Delivery, etc. of the Company Shares, etc. from the Trust in the number equivalent to the number of each points as stated in (5), provided that they meet the beneficiary requirements. The beneficiary requirements are as follows.

(i) The Eligible Participant has been in office during the Applicable Period since the start date of the Plan (including those who became Eligible Participants after the start of the Plan).
(ii) The Eligible Participant has neither resigned for personal reasons (except in cases deemed unavoidable; the same applies below), nor resigned from being dismissed, nor having been engaged in certain misconduct while in office.
(iii) Any other requirements deemed necessary to fulfill the purpose of the Plan.

(4) Trust period

The initial trust period shall be approximately three years from May 16, 2025 (planned) to August 31, 2028 (planned).

In principle, the Trust may be continued beyond the expiration of the trust period by amending the trust agreement and making additional contributions to the Trust. In that case, in principle, the fiscal year covered by the Medium-Term Management Plan announced by the Company at that time shall become the new Applicable Period, and the trust period of the Trust shall be extended accordingly. For each extended period, the Eligible Companies shall make additional contributions within the maximum amount of trust funds decided by the Compensation Committees or resolved by the Ordinary Meeting of Shareholders for each Eligible Company. The granting of points to Eligible Participants and the Delivery, etc. of Company Shares, etc., will continue in relation to the Applicable Period. However, in the case of making such an additional contribution, if there are any Company Shares (excluding the Company Shares, etc. equivalent to the number of the points awarded to the Eligible Participants that are yet to be Delivered, etc.) and money remaining in the trust property (hereinafter referred to as "Residual Shares, etc.") at the final day of the trust period prior to the extension, the sum of the amounts of Residual Shares, etc. to be Delivered, etc. and additional trust money to be contributed shall be within the maximum amount of trust funds approved by resolution at the Ordinary Meeting of Shareholders. Such extension of the trust period is not limited to once, and the trust period may be extended again in the same manner thereafter.

(5) Company Shares, etc. to be Delivered, etc. to Eligible Participants

The number of Company Shares, etc. to be Delivered, etc. to Eligible Participants is determined by the number of "RSU Share Delivery Points" and "PSU Share Delivery Points". For each type of point, one point is determined as one Company Share.

In the event of a stock split, reverse stock split, or other circumstance where it is deemed fair to adjust the number of points, the number of Company Shares per point will be adjusted in accordance with the relevant split or consolidation ratio.

The "RSU Share Delivery Points" and "PSU Share Delivery Points" will be calculated and delivered as follows, based on the standard points awarded for each fiscal year during the Applicable Period in accordance with the position and length of service of the Eligible Participant, as follows. In the case of a Eligible Participant who retires, dies, or is transferred overseas during a fiscal year of the Applicable Period, each point calculated as follows shall be delivered promptly.

* Base Points = Base amount of stock compensation ÷ Average closing price of the Company's shares on the Tokyo Stock Exchange on each trading day in March

immediately prior to the start of the Applicable Period (fractions below the decimal point are rounded down)

(i) RSU Share Delivery Points
RSU Share Delivery Points are calculated by applying a fixed percentage, determined by position, to the Base Points delivered for each fiscal year within the Applicable Period.

(ii) PSU Share Delivery Points
PSU Share Delivery Points are calculated by first accumulating the points obtained by applying a fixed percentage, determined by position, to the Base Points granted for each fiscal year during the Applicable Period. After the end of the Applicable Period, this cumulative total is multiplied by a performance-linked coefficient to determine the final number of points.

* The performance-linked coefficient varies from 0 to 200%, depending on the degree of achievement of performance targets and other factors. Indicators related to the achievement of performance targets shall be based on key indicators for achieving performance targets set forth in the Medium-Term Management Plan and other indicators determined by the Compensation Committee of the Company. For the initial Applicable Period, the following shall apply.
Financial indicators: Consolidated operating profit, ROE
Strategic indicators: Identified customer sales, ratio of female managers, employee engagement survey results

(6) Method and timing of Delivery, etc. of the Company Shares

<RSU portion>
Eligible Participants who meet the beneficiary requirements in (3) above shall, in principle, receive delivery of the Company's shares corresponding to the RSU Share Delivery Points immediately after receiving the RSU Share Delivery Points in March.
The shares will be subject to transfer restrictions after delivery, and, in principle, the transfer restrictions will be lifted at the time of retirement (i.e., when the individual retires from all positions as an Officer or Executive Officer under a delegation agreement with the Group).
In the event that a serious act of misconduct or violation is committed by an Eligible Participant during the transfer restriction period, the Company shall automatically acquire, without compensation, the Company Shares delivered to such participant.
In addition, the Company Shares subject to transfer restrictions are planned to be managed in a special account opened by the Eligible Participant at SMBC Nikko Securities Inc. during the transfer restriction period to ensure that they are not transferred, pledged, or otherwise disposed of during the restriction period.

<PSU portion>
Eligible Participants who meet the beneficiary requirements set forth in (3) above shall, in principle, receive 50% (in units) of the Company Shares corresponding to the PSU Share Delivery Points upon the expiration of the Applicable Period, and shall an amount of money equivalent to the cash proceeds from the conversion of the remaining shares within the Trust.

(7) Upper limit of money to be contributed by the Company to acquire the Company Shares to be Delivered, etc. to the Eligible Participants and maximum number of the Company Shares, etc. to be Delivered, etc. to the Eligible Participants

The total amount of trust money contributed to the Trust by each Eligible Company during the trust period, as well as the number of Company Shares, etc. to be Delivered, etc. to Eligible Participants under the Trust (i.e., the number of points delivered to them), shall be subject to the following respective upper limits for each company, subject to approval by the respective compensation committee or resolution of the Ordinary Meeting of Shareholders.

(i) The Company
Upper limit of trust money to be contributed to the Trust
399 million yen multiplied by the number of fiscal years in the Applicable Period

Maximum Number of Shares, etc. for Delivery, etc to Directors, etc. of the Company under the Trust
190,000 shares multiplied by the number of fiscal years in the Applicable Period

* During the initial Applicable Period, the total amounts will be 1,196 million yen and 560,000 shares for each of the three fiscal years.
* The maximum number of Company Shares for Delivery, etc. to the Directors, etc. of the Company in connection with the Trust is set based on the maximum amount of the trust funds mentioned above. The same applies for Eligible Subsidiaries in (ii)

(ii) Total for Eligible Subsidiaries
Upper limit of trust money to be contributed to the Trust
950 million yen multiplied by the number of fiscal years in the Applicable Period

Maximum number of Company Shares, etc. for Delivery, etc. to Directors, etc. of the Eligible Subsidiaries under the Trust
1,050,000 shares multiplied by the number of fiscal years in the Applicable Period

* During the initial Applicable Period, the total amounts will be 2,850 million yen and 3,140,000 shares for each of the three fiscal years.

(8) Method for the Trust to acquire Company Shares
The acquisition of Company Shares by the Trust will be conducted within the scope of the share acquisition funds and the maximum number of shares to be delivered as set forth in (7) above, and such shares will be acquired either from the Company (through disposal of treasury shares) or purchases on the stock market.
The acquisition of Company Shares under the Trust is currently planned to be conducted through purchases on the stock market.

(9) Exercise of voting rights related to the Company Shares held by the Trust
To ensure the neutrality of management, voting rights of the Company Shares held by the Trust (Company Shares before Delivery, etc. to the Eligible Participants) shall not be exercised during the trust period.

(10) Treatment of dividends on Company Shares held by the Trust
Dividends on Company Shares held by the Trust will be received by the Trust and used for trust fees and trust expenses of the Trust. Any residual dividends on the Company shares remaining in the Trust at the expiration of the trust period will be used as funds for share acquisition in the event the Trust is continued as described in (4).

(11) Treatment of the Trust upon termination

Any residual shares arising at the expiration of the trust period will be utilized in the event that the Trust is continued. However, in the event that the Trust is terminated upon the expiration of the trust period, the residual shares will be sold and converted into cash, and the proceeds is planned to be donated to an organization with no interest in the Eligible Companies or the Eligible Participants.

Any residual dividends on Company Shares arising at the expiration of the trust period will be utilized as funds for share acquisition in the event that the Trust is continued. However, in the event that the Trust is terminated upon the expiration of the trust period, any amount exceeding the reserve for trust expenses is planned to be is planned to be donated to an organization with no interest in the Eligible Companies or the Eligible Participants.

4. Outline of the Trust Agreement

(1)	Type of trust	Money trust other than a specified cash trust for separate investment (third party benefit trust)
(2)	Purpose of trust	To grant incentives to Officers, etc.
(3)	Trustor	The Company
(4)	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5)	Beneficiaries	Officers, etc. with the necessary beneficiary requirements
(6)	Trust administrator	Third party with no conflict of interest with the Company (certified public accountant)
(7)	Trust agreement date	May 16, 2025 (planned)
(8)	Trust period	From May 16, 2025 (planned) to August 31, 2028 (planned)
(9)	Planned amount of trust fund	2,037,000 thousand yen
(10)	Type of acquired shares	Common shares of the Company
(11)	Method to acquire shares	Acquisition from the stock market
(12)	Period to acquire shares	May 21 to May 30, 2025 (planned)
(13)	Holder of the vested rights	The Company
(14)	Exercise of voting rights	Will not be exercised
(15)	Residual assets	Residual assets to be received by the Company, as holder of the vested rights, shall be limited to the extent of the allowances for trust expenses remaining after the fund for stock purchases is deducted from the cash in trust.