Isetan Mitsukoshi Group
Business Results Explanation Meeting
Second Quarter of the
Fiscal Year Ending March 31, 2024

November 10, 2023

ISETAN MITSUKOSHI HOLDINGS

I: Results for the Second Quarter of the Fiscal Year Ending March 2024

II: Full Year Plan for the Fiscal Year Ending March 2024

III: Progress of Medium-term Management Plan

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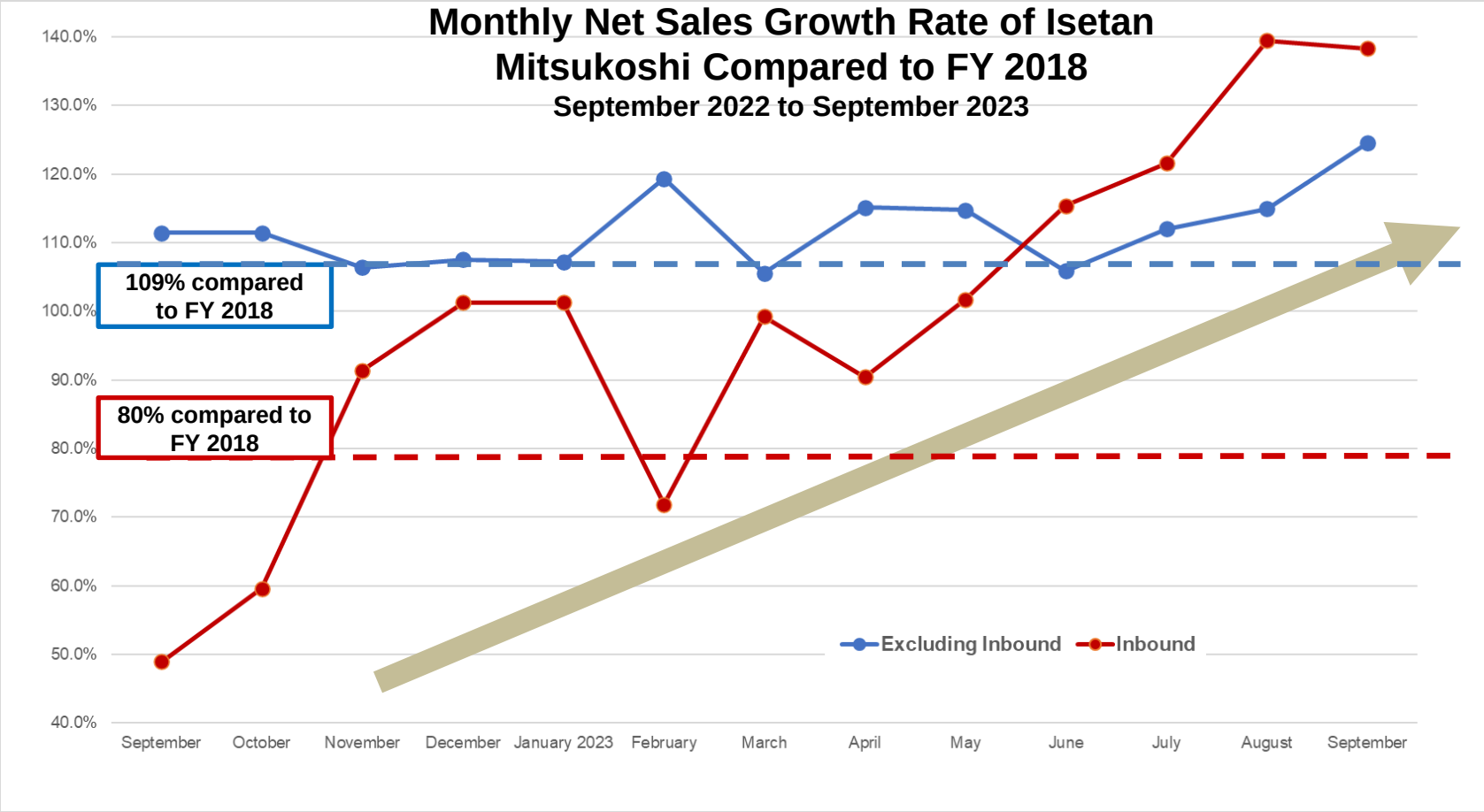
Consolidated Financial Results (Second Quarter)

- **Strong Gross sales: Significant increase in sales due to “High sensitivity, fine quality” strategy and CRM strategy that connects with individual customers**
- **Continued control of SG & A expenses: Continued steady cost control**
- **Operating income and recurring income doubled from a year ago: Highest profit in the first half after the business integration of Isetan and Mitsukoshi.**

(0.1 billions of yen)	2Q Cumulative (April-September)	YoY	YoY difference
Gross sales	**5,614**	113.3%	**+657**
Net sales	**2,485**	111.5%	**+256**
Gross profit	**1,478**	112.1%	**+159**
Selling, general and administrative expenses	**1,276**	103.8%	**+46**
Operating income	**201**	225.7%	**+112**
Recurring income	**229**	240.1%	**+133**
Net income	**148**	191.3%	**+70**

Sales Trends of Isetan Mitsukoshi Existing Stores Compared to FY 2018

- Monthly sales excluding inbound and inbound rose further into the second quarter
- In both cases, steady progress over the full-year plan (109% excluding inbound, 80% inbound) as of disclosure forecast at August continued



* Excludes Isetan Sagamihara, Isetan Fuchu and Ebisu Mitsukoshi
* Before adoption of revenue recognition standards, based on gross sales

Domestic Major department stores (gross sales for the first half of the fiscal year by stores/each company)

- Isetan Shinjuku Main Store sales for the first half were the highest ever following the first quarter
- Regional companies increased sales thanks to the successful implementation of strategies. Implementation of base network initiatives

(0.1 billions of yen)	Gross sales	YoY	YoY difference
Isetan Shinjuku Main Store	1,703	115.5%	+228
Mitsukoshi Nihombashi Main Store	699	110.5%	+66
Ginza Mitsukoshi	471	142.9%	+141
Isetan Tachikawa Store	148	108.6%	+11
Isetan Urawa Store	178	106.2%	+10
Total Isetan Mitsukoshi	3,201	116.7%	+458

(0.1 billions of yen)	Gross sales	YoY	YoY difference
Sapporo Marui Mitsukoshi	275	113.3%	+32
Sendai Mitsukoshi	128	102.2%	+2
Nagoya Mitsukoshi	288	108.7%	+22
Niigata Mitsukoshi Isetan	168	102.2%	+3
Iwataya Mitsukoshi	561	112.9%	+64
Total of five major regional companies	1,422	109.7%	+125

Increase (decrease) in consolidated SG & A expenses (first half of the fiscal year)

- Cost structure reform: -3.2 billion yen as of the end of Q2, running exceeding -4 billion yen (disclosure forecast at August)
- Price increase: + 1.7 billion yen, falling below expectations, mainly in utilities

			Breakdown of year-on-year changes				
			Change in the current year				
(0.1 billions of yen)	2Q Cumulative (April-September)	Year-on-Year Changes	Cost Structure Reform	Sales Linked	Price Increase	New Consolidation	Other
Personnel expenses	445	+4	(18)		+9	+12	+1
Advertising expenses	48	+7		+7			
Lease payments	162	+3	(4)	+1		+5	+2
Business consignment expenses	146	+3	(5)		+4	+2	+2
Depreciation and amortization	114	(2)				+1	(4)
Utilities	50	+2	(3)		+4	+1	
Other	309	+28	(2)	+19		+9	+1
Total	1,276	+46	(32)	+27	+17	+31	+3

Results by Segment (The first half of the fiscal year)

- Department store business : Substantial increase in sales due to the recovery of consumption and the successful promotion of strategies.
  Operating income increased sharply due to cost control.
- Credit and finance business : External transaction volume was steady. Operating income fell temporarily due to investments.
- Real estate business : Construction and interiors business sales were strong. Operating income declined due to a decrease in rental income.

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating income	YoY difference
Department store business	5,215	112.6%	2,085	167	+116
Credit & finance business/ Customer organization management business	171	105.7%	156	14	(3)
Real estate business	110	121.5%	110	12	(8)
Other businesses *	116	165.3%	133	7	+7
Total	5,614	113.3%	2,485	201	+112

*Other businesses include adjustments.

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Assumptions for Full Year Plan

- Gross sales were further revised up from the initial plan by implementing the “High sensitivity, fine quality” strategy and "CRM Strategy to Connect with Individual Customers" and promoting individual marketing to foreign customers in addition to Japanese customers.
- The initial plan for SG & A expenses was kept unchanged, as expenses were controlled by “Scientific analysis of department stores”, despite the increase in expenses due to sales linkage and price increases.

Operating income of 48 billion yen and recurring income of 50 billion yen are planned.
Both plans are revised upward to substantially exceed maximum profit after the business integration of Isetan and Mitsukoshi.

Consolidated Plan for (Full-year FY 2023)

- Gross sales: + 45 billion yen higher than the disclosure forecast at Aug due to the continued implementation of the “High sensitivity, fine quality” strategy and the CRM strategy to connect with individual customers
- SG & A expenses: Expense structure reform to cover increased expenses, disclosure forecast at August unchanged
- Operating income and recurring income: Up ¥10 billion from the August forecast, well above the maximum profit after the business integration of Isetan and Mitsukoshi.

(0.1 billions of yen)	Full year	YoY difference	YoY	Difference with August plan
Gross sales	12,000	+1,115	110.2%	+450
Net sales	5,250	+375	107.7%	+100
Gross profit	3,140	+274	109.6%	+100
Selling, general and administrative expenses	2,660	+90	103.5%	-
Operating income	480	+183	162.1%	+100
Recurring income	500	+199	166.6%	+100
Net income	370	+46	114.3%	+70

Sales plan for existing domestic department stores (Full-year FY 2023)

- Isetan Mitsukoshi is 114% of the FY2022 level and 117% of the FY 2018 level
- Regional operating companies: 106% from FY 2022 and 98% from FY 2018
- Inbound sales at domestic department stores set for ¥91.4 billion, well above pre COVID-19 pandemic levels

(0.1 billions of yen)	first half			second half			Full year		
	Results	Compared to FY 2022	Compared to FY 2018	Plan	Compared to FY 2022	Compared to FY 2018	Plan	Compared to FY 2022	Compared to FY 2018
Total Isetan Mitsukoshi	3,201	117%	114%	3,770	112%	120%	6,972	114%	117%
(of which) Inbound	353	333%	117%	400	152%	132%	753	204%	124%
Total regional operating companies	1,658	108%	97%	1,915	105%	98%	3,573	106%	98%
(of which) Inbound	71	1170%	107%	90	183%	112%	161	293%	110%
Total domestic department stores	4,859	114%	108%	5,686	109%	112%	10,546	111%	110%
(of which) Inbound	424	379%	115%	490	156%	128%	914	216%	122%

* Isetan Mitsukoshi: Isetan Sagamihara, Isetan Fuchu and Ebisu Mitsukoshi are excluded. Region: Iwataya Kurume, Matsuyama Mitsukoshi and Niigata Mitsukoshi are excluded

Domestic Major Department Store Plans
(FY 2023 gross sales plan by stores /each company)

- The gross sales for Isetan Shinjuku Main Store is 370 billion yen and Ginza Store is over 100 billion yen, both record high
- In addition to promoting strategies, regional companies are strengthening cooperation with the “ONE Group's out-of-store sales”

(0.1 billions of yen)	Gross sales	YoY	YoY difference
Isetan Shinjuku Main Store	3,727	113.8%	+451
Mitsukoshi Nihombashi Main Store	1,496	108.1%	+112
Ginza Mitsukoshi	1,027	133.0%	+254
Isetan Tachikawa Store	330	109.1%	+27
Isetan Urawa Store	389	104.1%	+15
Total Isetan Mitsukoshi	6,972	114.1%	+861

(0.1 billions of yen)	Gross sales	YoY	YoY difference
Sapporo Marui Mitsukoshi	616	112.2%	+67
Sendai Mitsukoshi	275	101.9%	+5
Nagoya Mitsukoshi	605	105.0%	+28
Niigata Mitsukoshi Isetan	375	105.6%	+19
Iwataya Mitsukoshi	1,183	107.9%	+86
Total of five major regional companies	3,056	107.3%	+207

Increase (decrease) in consolidated SG & A expenses (Full year FY 2023)

- Cost structure reform : Further reduction of 1.5 billion yen from the August disclosure forecast to -5.5 billion yen by promoting Scientific analysis of department stores
- Sales linked: Expect a certain level of increase in line with an upward revision in gross sales
- Price Increase: Revise the impact based on the situation in the first half

			Breakdown of year-on-year changes				
			Change in the current year				
(0.1 billions of yen)	FY 2023 Plan	Year-on-Year Changes	Cost Structure Reform	Sales Linked	Price Increase	New Consolidation	Other
Personnel expenses	930	+0	(28)		+15	+12	+1
Advertising expenses	99	+11	(1)	+12			
Lease payments	326	+4	(7)	+5		+5	+2
Business consignment expenses	293	+3	(9)		+7	+2	+3
Depreciation and amortization	234	+0				+2	(1)
Utilities	110	+10	(4)		+13	+1	
Other	668	+60	(6)	+57		+10	(1)
Total	2,660	+90	(55)	+74	+35	+33	+3

Plan by Segment (Full year FY 2023)

- Department store business : Operating income was revised up by 12 billion yen from the August disclosure forecast by continuing to promote various strategies promoted in the Medium-term Plan and steadily controlling expenses
- Credit and finance businesses : Operating income decreased from the initial plan due to system investment, etc., despite the promotion of cost structure reform
- Real estate business : Construction and interiors sales were strong, but the decline in rental income had a negative impact, resulting in a decline in profit from the initial plan

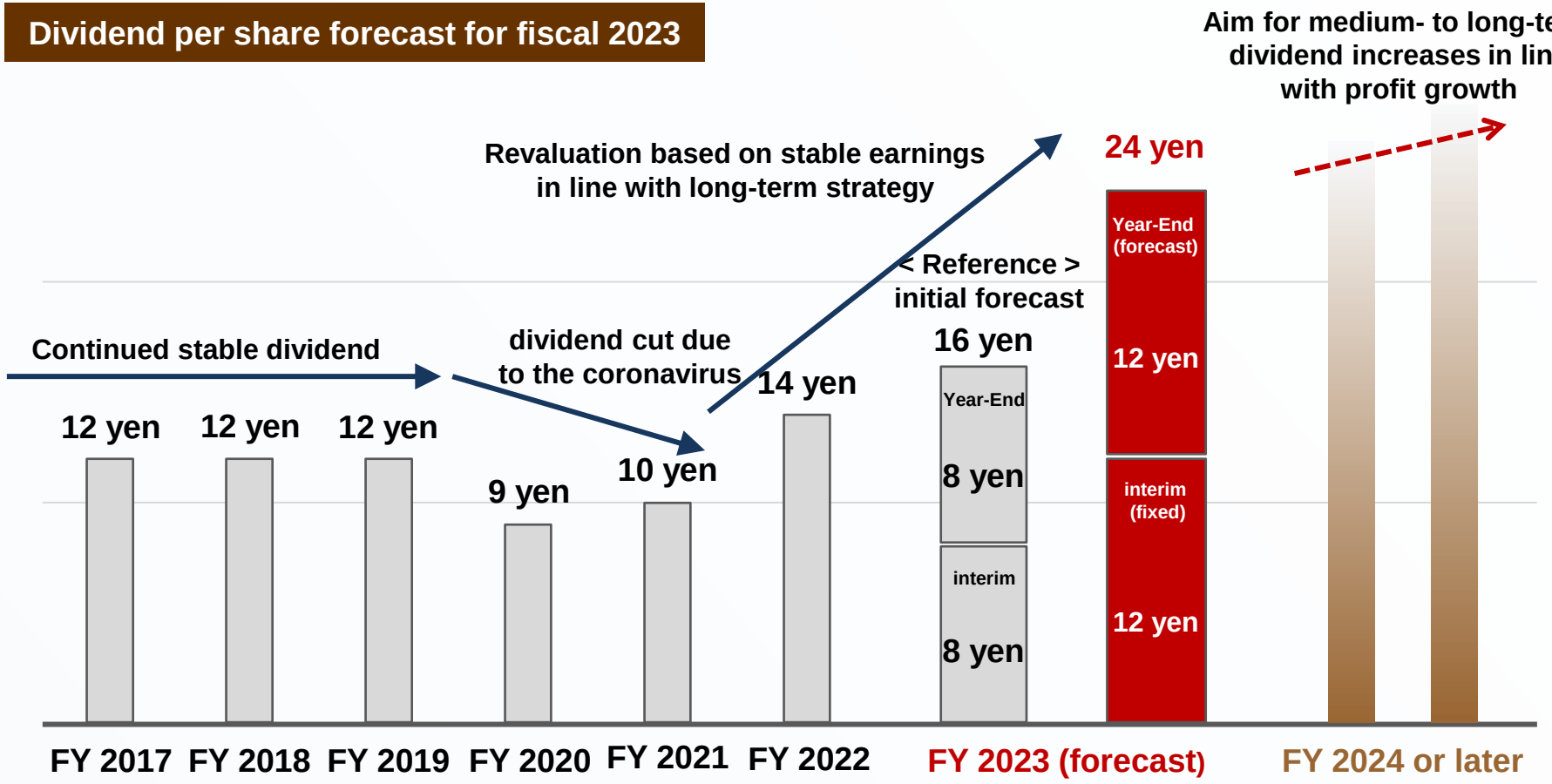
(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating income	YoY difference	Difference with August plan
Department store business	11,150	109.6%	4,400	390	+185	+120
Credit & finance business/ Customer organization management business	360	107.3%	330	38	+0	(2)
Real estate business	290	141.3%	290	30	(10)	(15)
Other businesses *	200	118.9%	230	22	+8	(3)
Total	12,000	110.2%	5,250	480	+183	+100

* Other businesses include adjustments.

Shareholder Returns (FY 2023 Dividend Forecast)

- The annual dividend for fiscal 23 was raised to 24 yen per share (12 yen (fixed) in the interim/12 yen (forecast) at the end of the fiscal year) based on the recovery of profits in the Revitalization Phase (Dividend increased by 10 yen from the previous year and 8 yen from the initial forecast)

Dividend per share forecast for fiscal 2023



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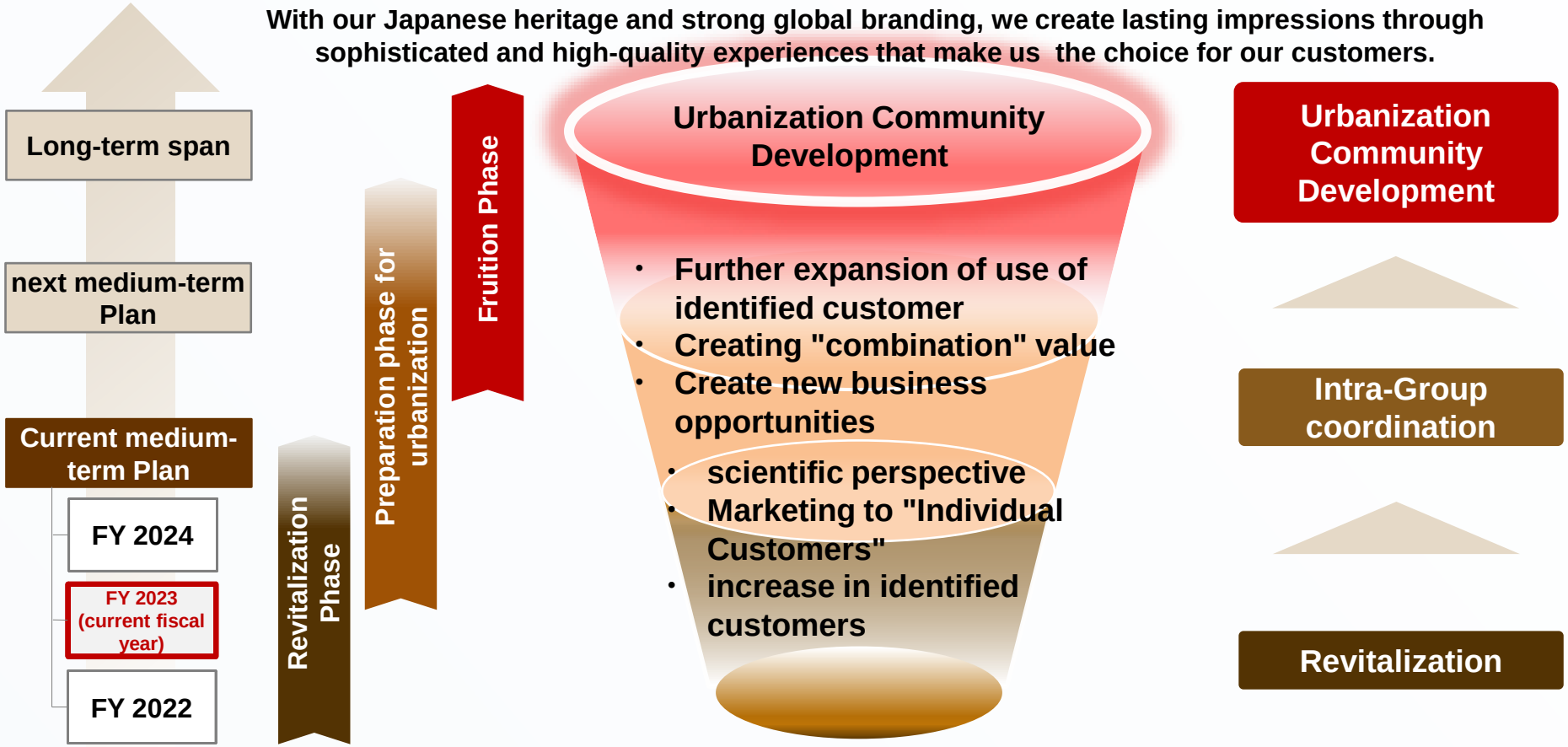
Progress of Medium-term Management Plan

1. Strategic Step Sense and Positioning of the Two-Year Plan (FY 2023 and FY 2024) (Repost from May 2023 disclosure)

Positioning of the Two-Year Plan

- Accelerating the revitalization phase and formulating an execution plan for the deployment ("preparation" for urbanization) and Fruition Phase
- Strengthen our financial policy initiatives to establish the financial structure we should have
- Instill a new corporate philosophy and gather engagement from all employees

With our Japanese heritage and strong global branding, we create lasting impressions through sophisticated and high-quality experiences that make us the choice for our customers.



2. Changes in profit plan

[❶ Initial Plan (disclosed in November 2021)]
[❷ Latest Plan (disclosed in May 2023)]
[❸ Current Plan (disclosed in November 2023)]

Plan for FY 2024 operating income of 35 billion yen
Upward revision to FY 2024 operating income of 40 billion yen
Plan for FY 2023 operating income "48 billion yen" and expect to achieve FY 2024 target operating income ahead of schedule

Unit: 0.1 billions of yen/Time of disclosure		FY 2022	FY 2023	FY 2024
❶ Initial plan (disclosed in November 2021)	Gross sales	—	—	11,100
	Operating income	—	—	350
	ROE	—	—	5.3%
❷ Latest plan (disclosed in May 2023)	Gross sales	10,884	11,400	11,800
	Operating income	296 * Results	350	400
	ROE	6.1%	5.0%	5.7%
❸ Current plan (disclosed in November 23)	Gross sales	10,884	12,000	Upward revision in the future
	Operating income	296 * Results	480	
	ROE	6.1%	6.6%	

accelerate
upward revision
accelerate

3. Strategies and Results "Difference from Trend"

- **Maximize** opportunities by leveraging **our company's unique strategies and strengths** in addition to **improving the external environment**. Achieved **above-trend results**

environmental impact	Our Company's Strategy and Strengths	Achievements of our Company	Trend Indicator
Domestic market recovery (re-opening) * Continuous rise in prices	・Building high sensitivity, fine quality stores ・Promotion of out-of-store sales reform ・Identification and Individual Marketing	Domestic department store net sales 108% compared to FY 2018	Tokyo area department store net sales (Disclosure by the Japan Department Store Association) 99% compared to FY 2018
		・Gross volume of out-of-store sales (Isetan Mitsukoshi) 140% compared to FY 2018	growth rate of domestic wealthy financial assets (Households of 100 million yen or more) 122% from 2021 to 2017
		Shinjuku Main Store single day net sales update September Tansei-kai (first day net sales) 2.9 billion yen Approximately 6,000 sets of customers	Shinjuku Main Store Clearance Sale Highest net sales 2.8 billion yen (January 2008) Approximately 230,000 customers
Inbound recovery	・Expansion of high sensitivity, fine quality MD ・Reinforcement of individual responses by overseas out-of-store sales ・Comfortable hospitality and service	tax-free net sales 115% compared to FY 2018	July to September 2023: Total expenditures by foreign visitors to Japan 101% compared to FY 2018
		Unit Price for Foreign Customers (Isetan Mitsukoshi) 167% compared to FY 2018	July - September 2023: Shopping expenditure per foreign visitor 111% compared to FY 2018
		Number of foreign out -of-store-sales customers to Japan Year-on-Year Change + Approx. 1,000	Number of foreign visitors to Japan in the first half of FY 2023 79% compared to FY 2018

3. Strategies and Results "Key Drivers of Upward Revisions"

[Strategy]	[Major Initiatives]	[Major Results (First Half of FY 2023)]
"High sensitivity, fine quality" Strategy < < Domestic Department Store Business > >	• High sensitivity, fine quality store remodels promoted at both main stores • Expansion of Isetan Mitsukoshi "Out-of-store sales Reform" into regional department stores • Strengthening Personal Response to Foreign Customers	[Both Main Stores] P18 • Isetan Shinjuku Main Store net sales reach record high [(Individual) Out -of-store-sales] P24 • Out -or-store-sales gross sales volume (Isetan Mitsukoshi) continued to grow to 112% year-on-year [Inbound] P19 • Monthly sales hit record high
Business reform from a scientific perspective	• Lowering the break-even point by controlling income and expenditure • Review of business structure and optimization of SG & A expenses ratio	P20 [Regional Business Companies] • Net sales grew 108% year on year, though SG & A expenses were reduced to 93% year on year. • Operating income turned profitable (YoY change + 2.6 billion yen)
"Intra-Group coordination" Strategy	• Enhancing insourcing and external sales by the Intra-Group coordination	[Major Domestic Related-Businesses] P21 • Share of external net sales was 50% (up 6% over the previous year) • Queen's Isetan Shinkoiwa Store (Opened October 2023)

3. Strategies and Results "Key Drivers of Upward Revisions"

[Strategy]	[Major Initiatives]	[Major Results (First Half of FY 2023)]
Selection and Conversion < Overseas Business >	[Selection] ・Implementation of structural reforms and expansion of food and beverage business	[Structural Reform] ・Formulation of specific plans for "selection" P22 [Food and Drink Business] ・Expansion of restaurant business in the U.S. and Malaysia
	[Conversion] ・Shifting the Business Model to a Value-Up Model for Urbanization	[Value Up Model] ・Philippine Manila Complex Development (Opened July 2023) ・Search for new projects in the ASEAN Area
Digital reform	・Expense control with a close eye on business balance (profit oriented) ・Enhancing high sensitivity, fine quality, specialized e-commerce sites to meet customer needs	[Online Business] P23 ・Net sales of specialized e-commerce sites increased by double digits year-on-year ・Achieve profitability in FY 2024 through online business
CRM strategy to connect with individual customers	・Perform individual marketing to all identified customers ・Facilitate CRM plan focused on identification and use promotion ・Strengthen sales policies in line with customer interests	・Number of identified customers increased to approximately 7 million P25~27 ・In total, the number of app members has increased to about 2.6 million. ・Continued growth in "amount of purchase per customer" of identified customers
"Urbanization" Strategy	・Controlling real estate development timeline and financial planning ・Consider line organization of real estate business area	P28~30
Management system	・Preparation for BS and ROIC Management by Business Area	P31

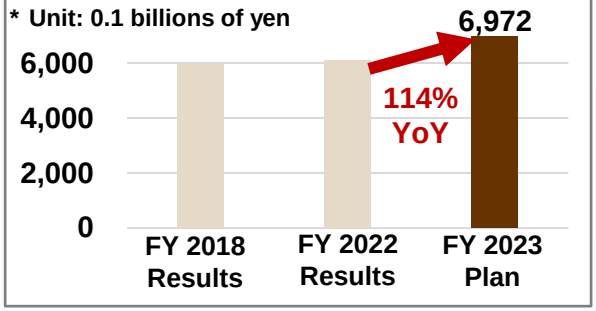
4. Domestic Department Store Business "Isetan Mitsukoshi" by business

[Results] ・Net sales grew double-digit year on year as business model shift from mass to individual progressed
・In addition, due to the thorough control of expenses, the profit increased significantly
[Future] ・Refining our stores to build high sensitivity, fine quality stores and further strengthening ties with individual customers

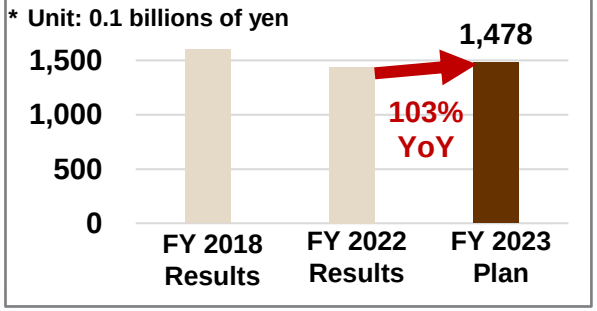
Full Year Plan for FY 2023

* Total Isetan Mitsukoshi (excluding real estate business)

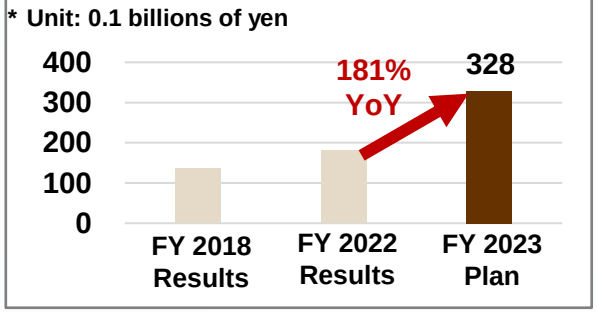
Gross sales



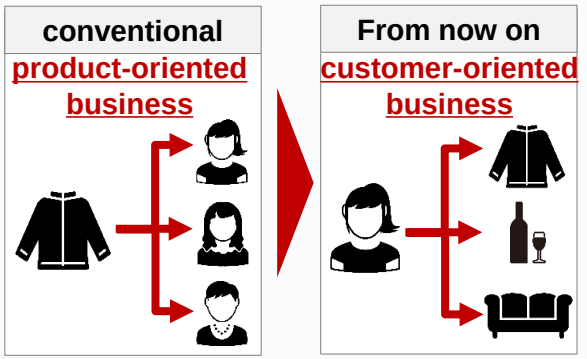
Selling, general and administrative expenses



Operating income



Business model transformation



Full Year Plan for FY 2023 at both Main Stores

Plan for significantly higher sales than last year

	Net sales	YoY
Isetan Shinjuku Main Store	372.7 billion yen	114%
Mitsukoshi Nihombashi Main Store	149.6 billion yen	108%

[TOPICS] September 2023: Tansei-kai and Ippin-kai

individual marketing
×
High sensitivity, fine quality consumption

・Both set new record sales
・Isetan Shinjuku Main Store Updated Single Day Highest Sales

Tansei-kai	YoY	Ippin-kai	YoY
Net sales	140%	Net sales	116%

Progress of Medium-term Management Plan

< Response to inbound sales of the domestic department store business "Isetan Mitsukoshi" >

TOPICS

[Results]
- Due to the revision of the MD balance prior to the recovery of inbound demand, the **amount of purchase per customer increased significantly**
- **Strengthen responses to individual needs** similar to those of Japanese out -of-store-sales customers, thereby promoting the **fixation of foreign customers**

Full Year Plan for FY 2023

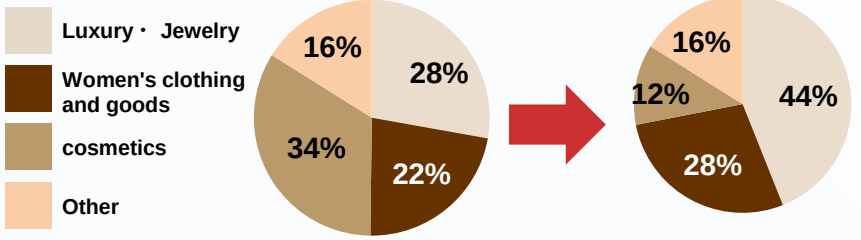
Plan to substantially exceed FY 2018 net sales

			< Compared to FY 2018 >
Inbound sales	Total domestic department stores	91.4 billion yen	122%
	Total Isetan Mitsukoshi	75.3 billion yen	124%

[Inbound Sales] Revision of MD Balance

- **Modifying MD Balance** by Remodeling
  ➡ Responding to Changes in Interest Levels of Foreign Customers

[MD Sales Market Share] * Total Isetan Mitsukoshi



< < Isetan Mitsukoshi > >	< FY 2023 1H Results > Compared to FY 2018
average spending per foreign customer (Inbound Customer purchase per customer)	167%

Efforts by foreign out -of-store-sales customers to Japan

- **Strengthening personal responses to deepen ties**

October 2022	"Overseas Out-of-store sales" newly established ・Formed a team of approximately 20 dedicated sales personnel
second half of FY 2022	Began developing contacts with wealthy overseas customers ・Promotion of new customer acquisition through external company alliances
First half of fiscal 23	Strengthening the personal service of out-of-store sales structure [Number of foreign out -of-store-sales customers to Japan] + 1,000 YoY

4. Domestic Department Store Business "Regional Business Companies" by Business Segment

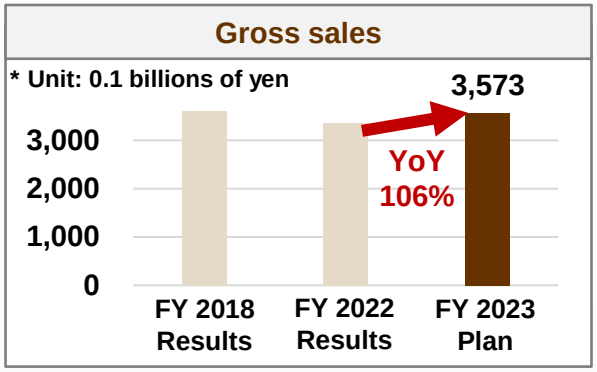
[Results]
- Following the Tokyo metropolitan area, net sales are on a clear recovery trend from regional and large cities
- In addition to the effects of structural reforms based on the "scientific analysis of department stores" ahead of sales recovery, operating income recovered

[Future]
- Operating income of regional operating companies is expected to exceed the FY 2023 plan, and the company plans to increase profit in FY 2024 as well.

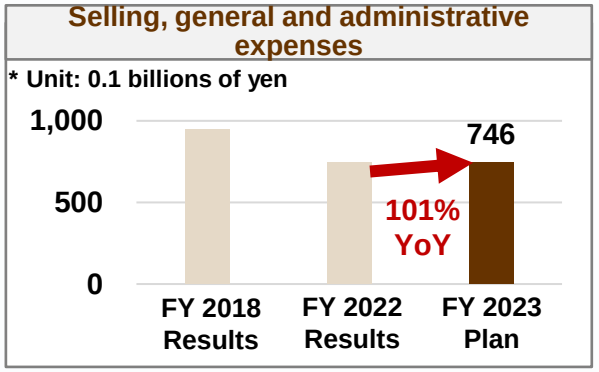
Full Year Plan for FY 2023

* Total regional operating companies

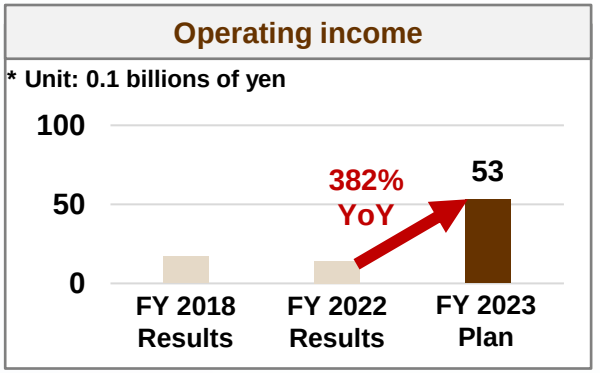
Gross sales



Selling, general and administrative expenses



Operating income



[TOPICS] Iwataya Mitsukoshi

	FY 2023 1H Results		FY 2023 Plan	
	Results	YoY	Plan	YoY
Net sales	56.1 billion yen	113%	118.3 billion yen	108%
Selling, general and administrative expenses	10.3 billion yen	94%	22.2 billion yen	103%
Operating income	2.1 billion yen	+ 1.2 billion yen	3.6 billion yen	+ 900 million yen

➡ FY 23 Operating income on track for record high

[TOPICS] Nagoya Mitsukoshi

	FY 2023 1H Results		FY 2023 Plan	
	Results	YoY	Plan	YoY
Net sales	28.8 billion yen	109%	60.5 billion yen	105%
Selling, general and administrative expenses	7.6 billion yen	93%	15.4 billion yen	99%
Operating income	-100 million yen	+ 500 million yen	400 million yen	+ 700 million yen

➡ Returning to Operating income in FY 23

4. Domestic Related Business by Business

* construction and interiors, media, human resources services, logistics, etc. (Excluding finance and real estate)

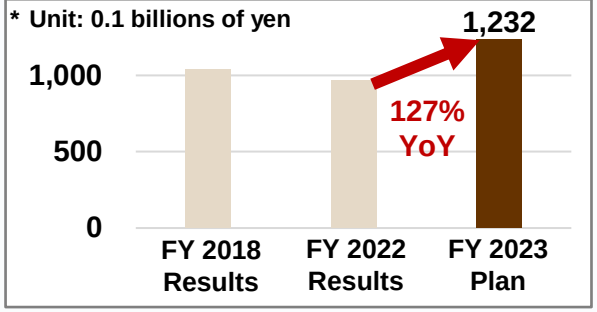
[Results]
- Reached 50% of external sales share (+ 6% year-on-year) through strengthening of external sales by the Intra-Group coordination
- In addition, due to thorough control of expenses through income and expenditure structure reform, both sales and profit increased

[Future]
- Proceeding with projects to expand infrastructure business opportunities (construction and interiors, media, human resources services, etc.) in urbanization

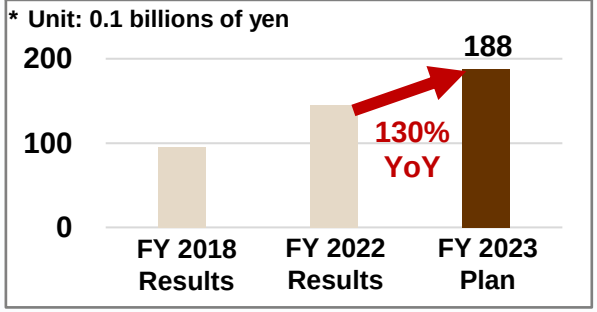
Full Year Plan for FY 2023

* Total domestic affiliates (Excluding finance and real estate)

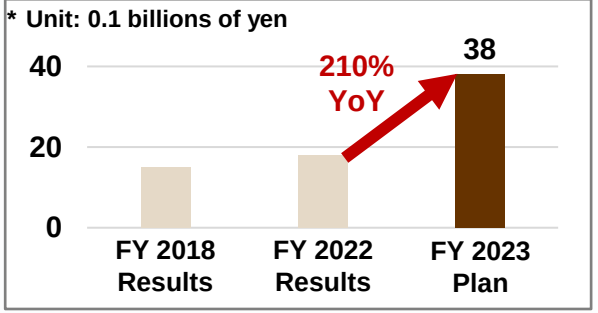
Gross sales



SG & A expenses



Operating income



Isetan Mitsukoshi Property Design

～Becoming a company that dominates the "construction and interiors market" with high sensitivity, fine quality～

Sales orders expanded mainly in commercial and hotel businesses

[The St. Regis Osaka]



[K Arena Yokohama (VIP Area)]



Studio Alta

～Becoming Group Advertising and Media Core Companies～

Promoting retail media in stores

[Ginza Mitsukoshi Virtual GINZA mitsukoshi]



IM Food Style

～to become a leading company in the "food" area of the Group～

Accelerate new store openings to expand the market area

[Queen's Isetan Shinkoiwa Store]



4. Overseas operations by business

* Reference [Japan] traditional customer base + Identification of new customers = Business Model Focused on Individual Customers (Individual Customers)

<< Conversion >> [Value up model of town] New business model by commercial operation and real estate development

<< Choice >> [Food and Drink Business] Expansion of Food and Drink Business in the U.S. and Malaysia

[Structural Reform] In addition, we implemented structural reforms to meet contract conditions and store conditions

Transformation

Philippine Manila Complex Development

- Led by Japan-related MD, it is expected to reach 2.5 million visitors per year
- Selected for the top two awards in the “Property Guru Philippines Property Awards”, which recognizes outstanding real estate around the world.



* Opened in July 2023

New ASEAN Complex Development

- Search for new projects in the ASEAN area
- Increase in equity method investment income/high IRR

Select

Food and Beverage Business

❶ US (inside of Disney World)

- Sushi Restaurant "Shiki -Sai" Opened (August 2023)
  ➡ Development of future expansion plans



❷ [Malaysia]

- Gardens Store’s restaurant remodeled last year to become profitable in its first year
- KLCC store remodel opening this winter



Structural Reform

- Formulation of specific plans for "selection"

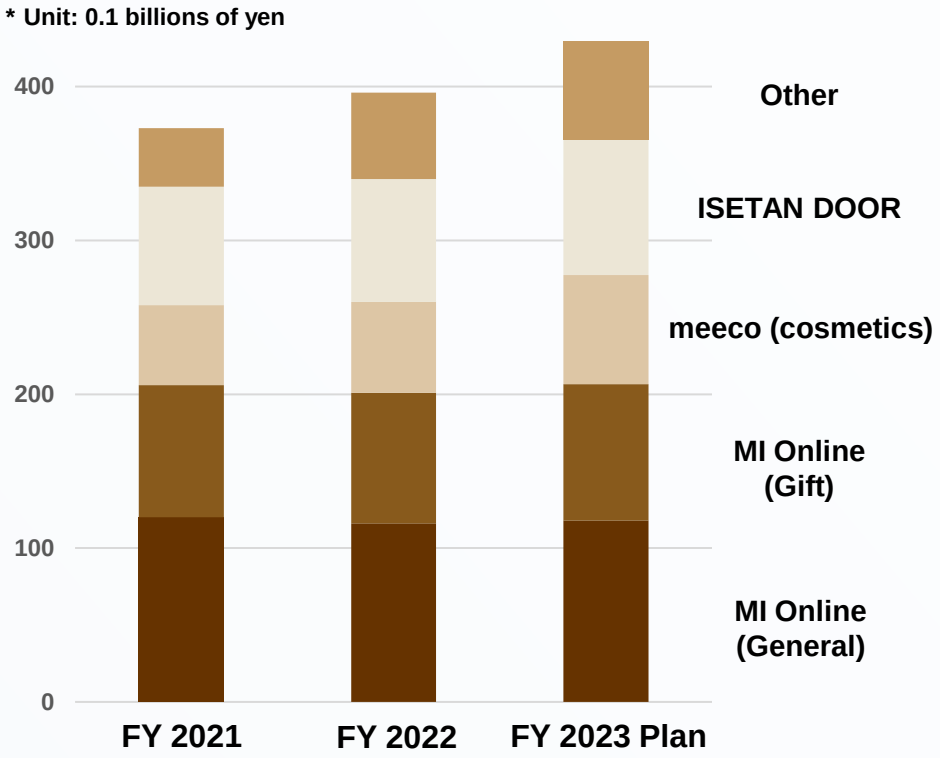
4. Online Business by Business

[Results] ・ Net sales increased by double digits year on year due to the enhancement of high sensitivity, fine quality, specialized e-commerce sites in response to customer requests

[Future] ・ Shifting from a focus on sales to a focus on profits to achieve profitability in FY 2024

online business plan

FY 2023 Plan



Results of Specialized EC Sites

FY 2023 1H Results



[Food Website]
ISETAN DOOR

[Net sales]
111% YoY



[Cosmetics Website]
meeco

[Net sales]
112% YoY



[Gift Site]
MOOD MARK

[Net sales]
146% YoY



[Tax donation program website]
Isetan Mitsukoshi hometown tax donation program

[Return gift sales]
146% YoY

5. Key Strategy: "high sensitivity, fine quality" Strategy

[Results]
- Expanding the "ONE Group foreign out-of-store sales" by Integrating Core Stores and Areas
- As a result, the selection of products from both main stores was expanded to customers nationwide. In addition, the handling of MD outside department stores expanded.

[Future]
- Enhanced cooperation with "ONE Group Foreign out-of-store sales" to achieve a total handling of over 220 billion yen (FY 2023 nationwide total)

ONE Group Foreign out-of-store sales Initiatives

< < Isetan Mitsukoshi > >

	< FY 2023 1H Results > Results	YoY
Gross out-of-store sales volume	Approx. 57 billion yen	112%

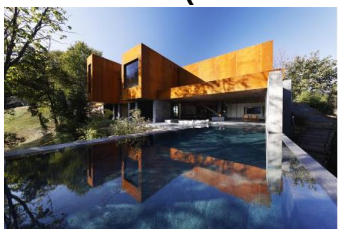
[TOPICS] MD Results Outside Department Stores

Results	162% YoY
Examples of efforts	・luxury automobile sales ・Resort condo membership (introduction), etc.

[Kenig Seg]



[NOT A HOTEL (shared villa)]



Base network (order-taking, accompanying, etc.)

< < Isetan Mitsukoshi > >

	< FY 2023 1H Results > Results	YoY
Base network handling volume	Approx. 6 billion yen *	135%

* Equivalent to approximately 4% of total net sales of regional operating companies

[TOPICS] Base network Mobilization of regional stores results

Name of the event	YoY
July 2023 Isetan Shinjuku Main Store Watch Collector's Week	126%
September 2023 Isetan Shinjuku Main Store Tansei-kai	160%

[Isetan Shinjuku Main Store Tansei-kai]





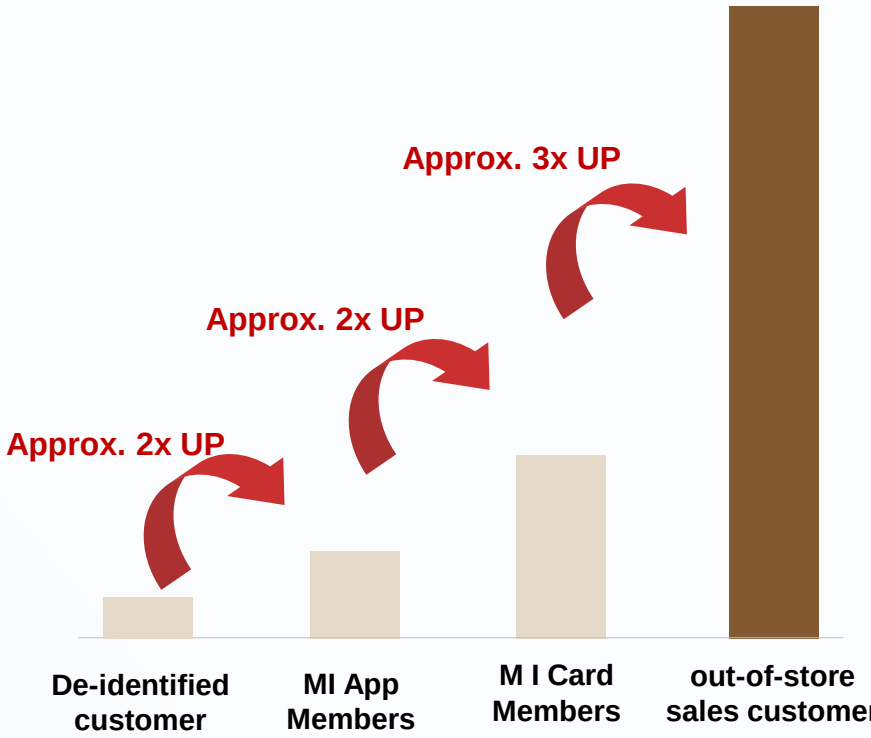
5. Key Strategy: “Connecting with Individual Customers ” CRM Strategy“ Department Store CRM ”

[Results]
- Identified customer "per customer spending": trend of more than doubling per customer spending, as shifting from unidentified customers to app members, card members, and to out-of-store-sales customers
- Purchase share of both main stores: Identified customer purchases of both main stores continue to hold about 70% share
  * Total of Shinjuku and Nihombashi main stores

[Future]
- Search for identification of inbound (foreign customers) to identify customers around the world

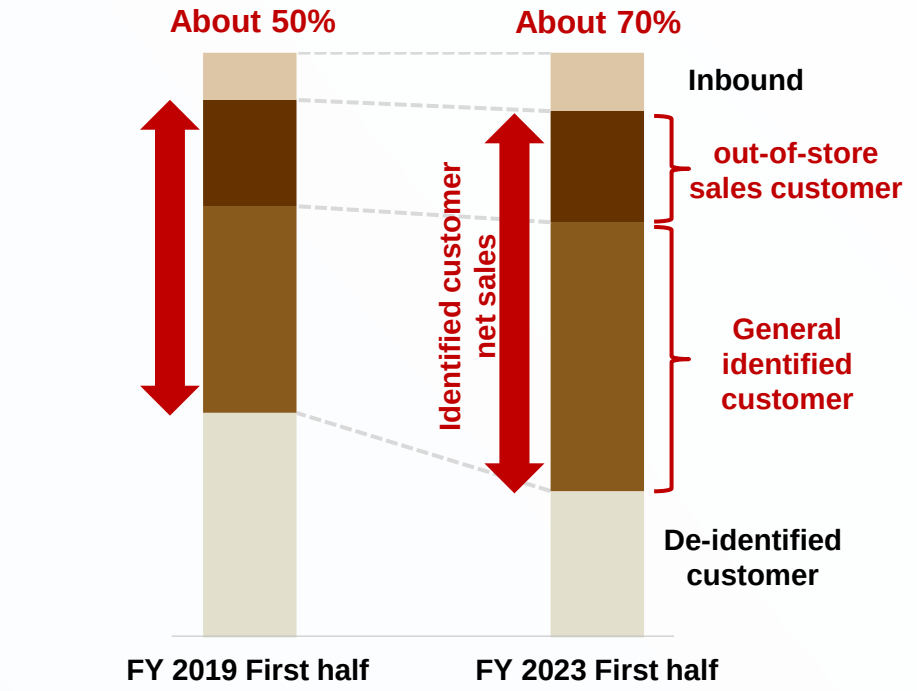
Identified customer "Per customer spending"

FY 2023 1H results



Purchasing share of both main stores

FY 2023 1H results



Advances in the use of apps to help identify unidentified customers

5. Key Strategy: “Connecting with Individual Customers” CRM Strategy “Customer KPI ”

[Results] ・Continued growth in both the number of identified customers and the number of identified customers' sales over the previous year. Upward revision of full-year plan

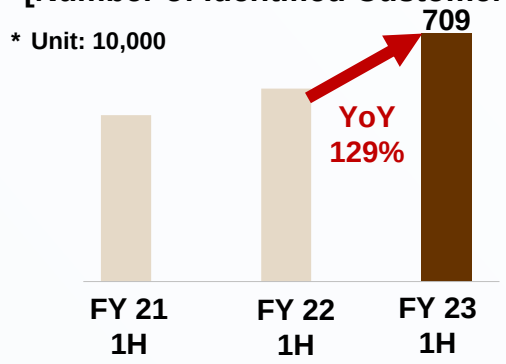
[Future] ・Strengthen department store CRM and sales policies to attract new customers and promote usage

・Consider measures to expand the number of card members in order to increase net sales of MICard Members

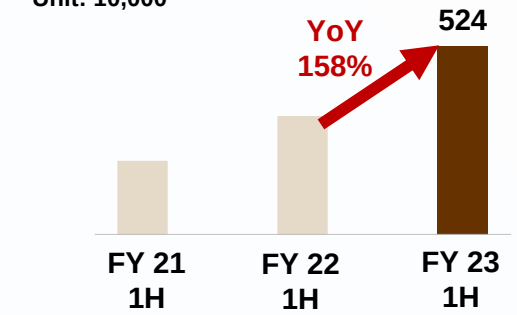
FY 2023 1H Results

Expansion of the number of connected customers

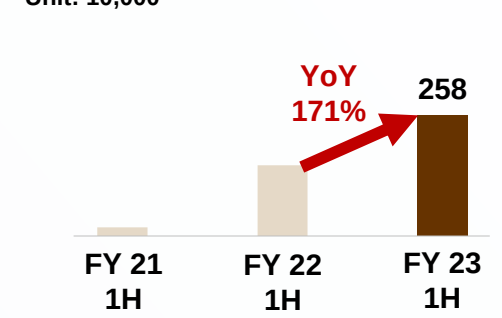
[Number of Identified Customers]



[Number of Digital Members]



[Number of MI App Members]



Expanding the use of connected individual customers

【Domestic Department Stores Total】	First half of FY 2023	
	Results	YoY
Identified customer net sales	278.1 billion yen	108%
MICard Members net sales	217.4 billion yen	103%
Digital ID only member net sales	60.7 billion yen	135%
Net sales of MICard Members who purchased more than 1 million yen per year	86 billion yen	105%

Progress of Medium-term Management Plan

5. Key Strategy: “Connecting with Individual Customers” CRM Strategy “Cards and Financial Products ”

[Results] ・Operating income in FY 2023 is expected to be at the same level as the previous year, but plans to increase in profit from FY 2024 onward

[Future] ・[Card area] Introduction of entry cards in FY2024 and beyond to expand card membership

・[Finance area] Evolving to a life design partner business.
Expanding “financial products” targeting all customers via apps

Card Area

« Introducing Entry Cards »

Entry card	MICARD Plus	MICARD Plus Gold
Introduced in fiscal 24 and later		

Financial Domain

« Development of Financial Instruments Utilizing the Intra-Group coordination »

Insurance domain | Guarantee area | Loan area | Operational area

Development of products unique to the Isetan Mitsukoshi Group utilizing department store business style and customer base

[Out-of-store sales customer] Face-to-face sales focusing on warranty and investment products
[Card/App Members] Digital sales focusing on insurance and loan products

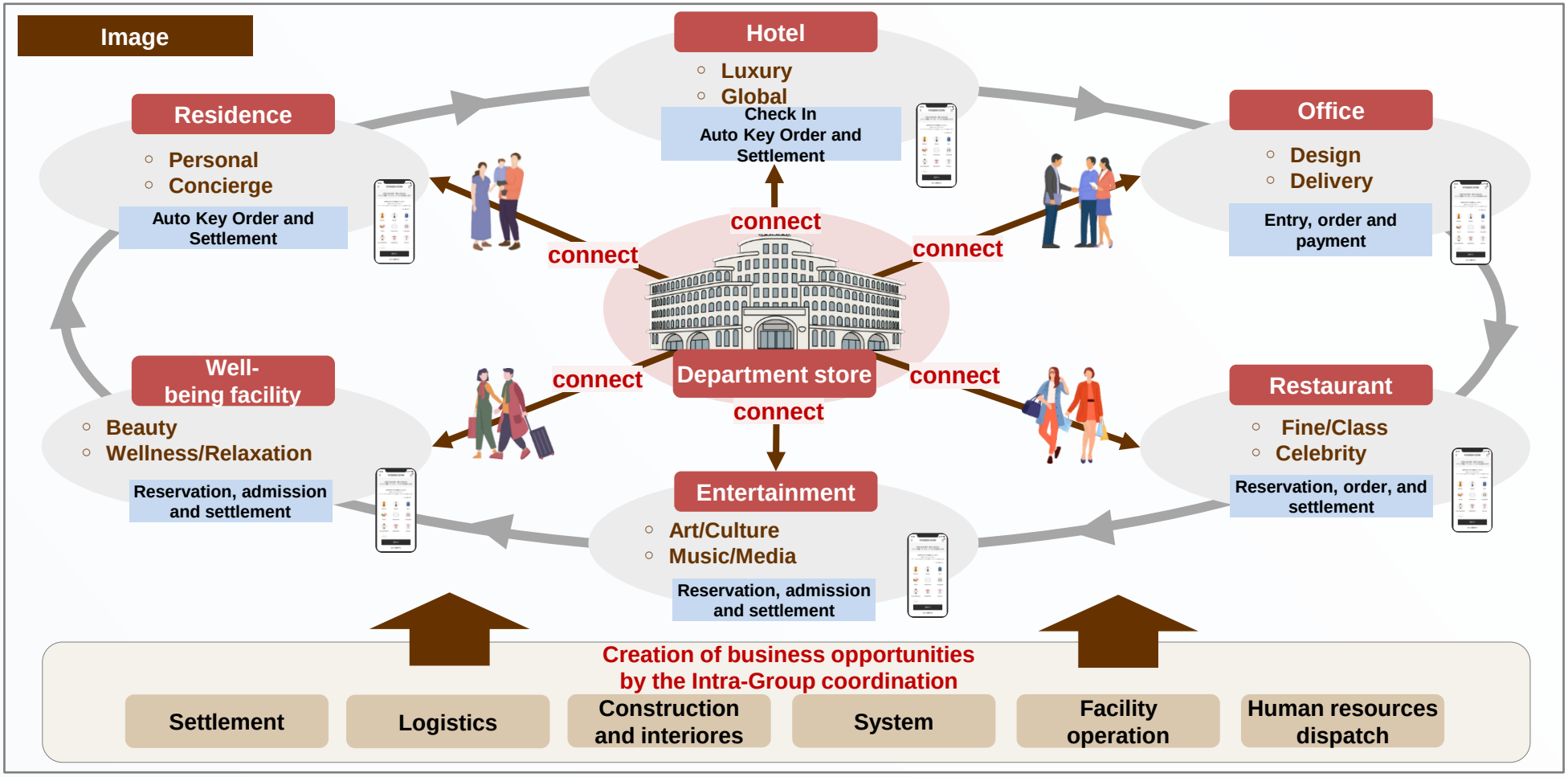
TOPICS

・Financial Services: Assurance service utilizing department store business style is scheduled to start in FY 2023

・Card Finance: Exceeded the target by promoting the use of installment loans at department stores

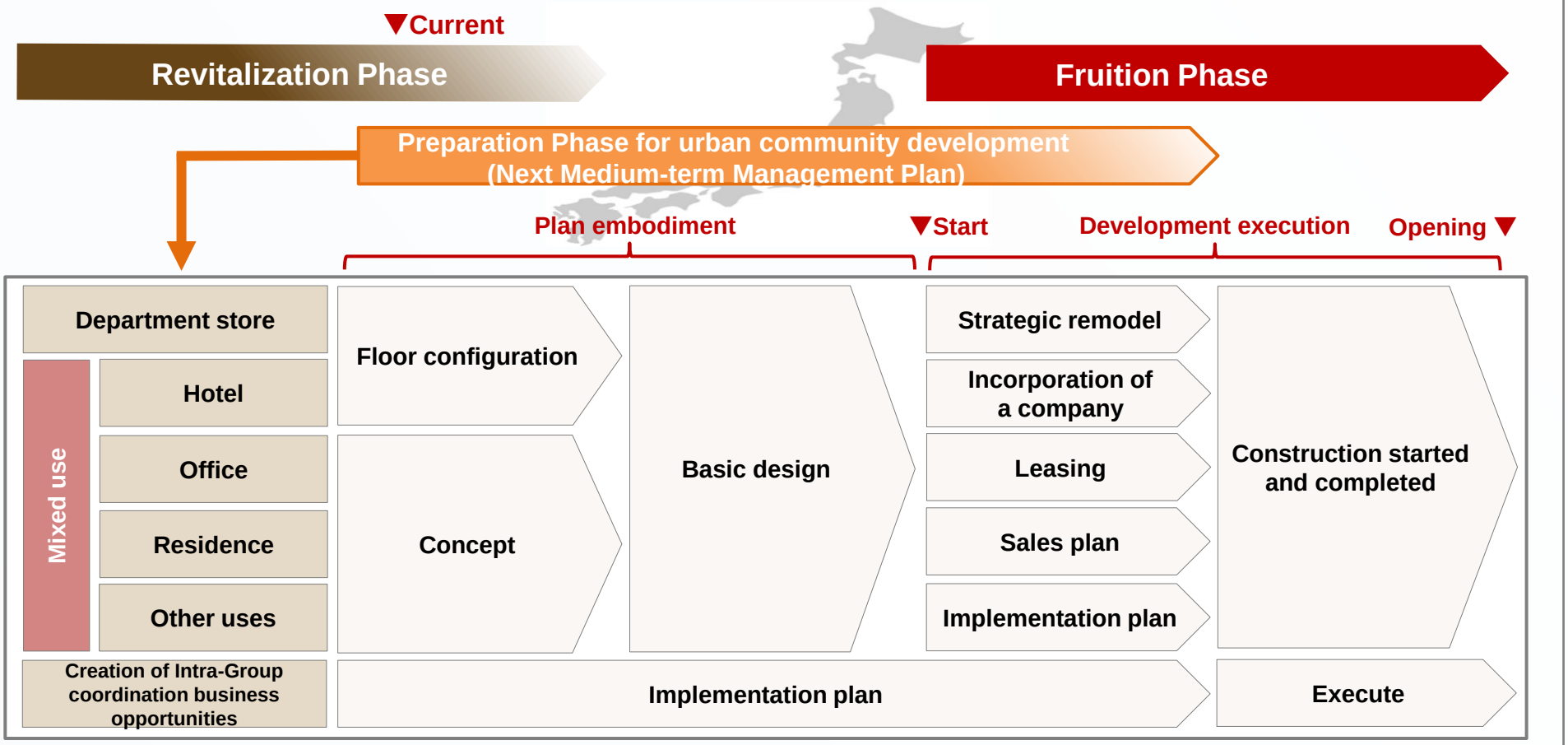
5. Key Strategies: Urbanization Community Development "Unique Value"

- Implementation of community-based mixed-use development as a means to attract more customers
- Combining our company's unique value offerings (content, services, etc.) in a mixed-use manner to provide a unique customer experience
- In addition, through the creation of business opportunities by Intra-Group coordination, we will contribute to the community as well as contribute to earnings.



5. Key Strategies: Urban Community Development "embodiment"

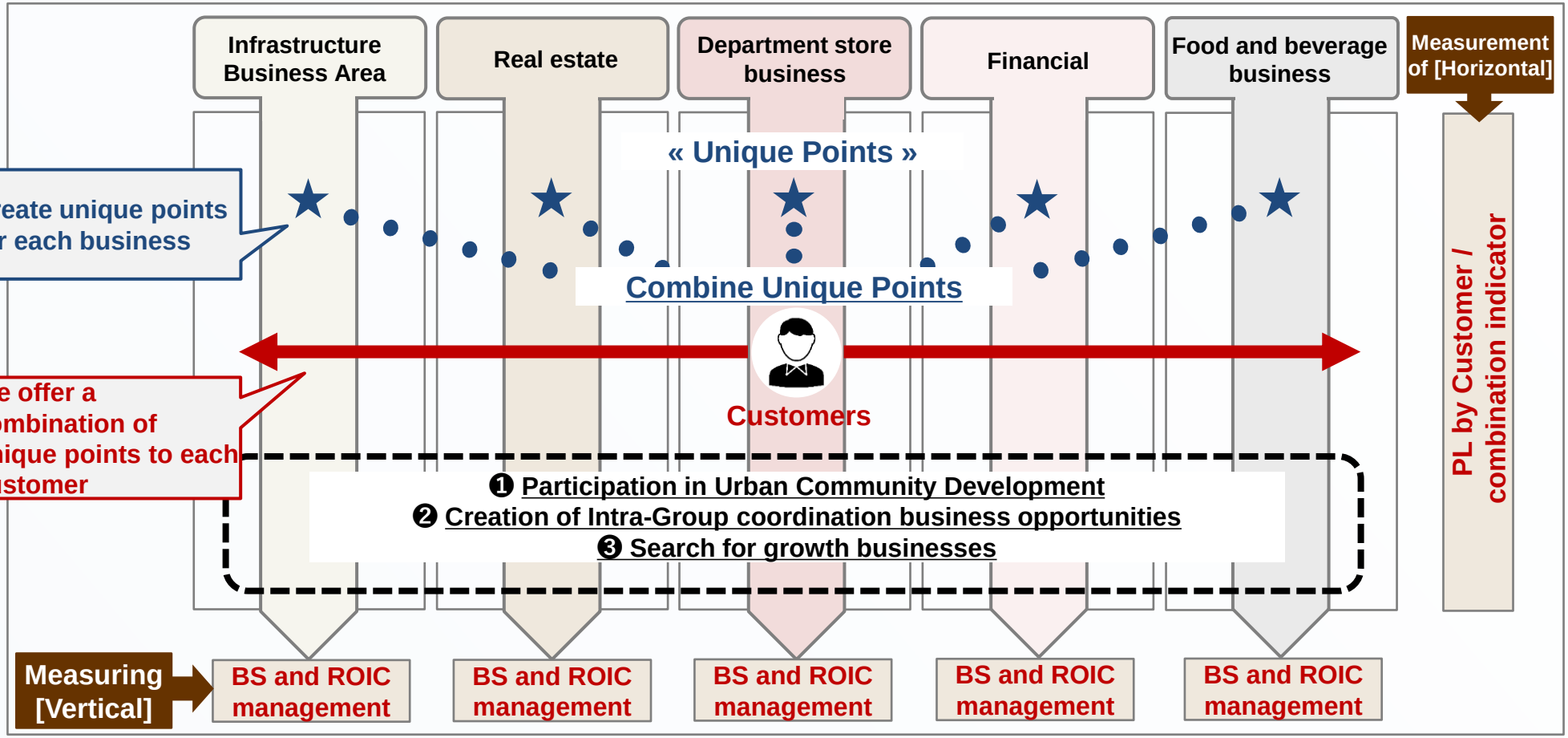
- In the preparation phase for urban community development, we promote the materialization of mixed-use businesses, mainly department stores, and the creation of Intra-Group coordination business opportunities
- Control property development timeline and financial planning for the fruition phase « Self-funded cascading development »



◆Progressing concepts for each area of the nationwide urban community development project

5. Key strategies: Urban Community Development "Promotion System for the Preparation Phase"

- Create unique points for each business area. Combined on Intra-Group coordination axis to provide each visiting town customer
- Promote "BS and ROIC management" in "vertical" for each business area, and promote combination of "horizontal" Intra-Group coordination
- In the real estate business area, in line with the materialization of the real estate development plan, we are considering line organization from fiscal 2024.



5. Key Strategy: Management System

- **Promoting "BS and ROIC management" by business area** with an eye on medium- to long-term business portfolio
- The ROIC of each business aims to exceed the WACC level and plans to widen the spread

Medium- to long-term plan

Promotion of BS and ROIC management by business area

BS by Business

Calculating "BS by Business" from medium- to long-term business plans

- Department store business
- Real estate business
- Financial business
- . . .

WACC by Business

Calculation of "medium- to long-term WACC levels by business" from BS by business

ROIC by business

Level that exceeding "WACC by business"

Consolidated ROE of 7 ~ 8% at the time of the next medium-term Management Plan, with plans for a higher level at the time of completion of urban community development

< Initiatives for Human Resource Platform (Human Capital) >

TOPICS

・**Strengthen** and **implement** human resources strategies by business domain in the framework of **"planning, securing, nurturing, and revitalization"**

Corporate philosophy

Medium- to long-term management plan

medium- to long-term human resources strategy

❶ Design the basic concepts of people and organizations

- Redesigning the “Human Resources Management Policy” to **Maximize Human Capital**
- Creating **relationships** between the company and its employees **to be selected and chosen**
- Clarify "expectations of employees" and "responsibilities of the company and superiors"

❷ Strengthen and implement “medium- to long-term human resources strategy”

Department store business	[Plan]	・ elect of the few by the Scientific analysis of department stores
Real estate business Financial business Other Business	[Securing] [Nurturing]	・ Strengthening strategic secondment and mid-career employment ・ Mobilization of the Group human resources ・ Group-wide recruitment population formation
Group common	[Nurturing] [Revitalization]	・ Promotion of "Lifetime CDP" with a trinity of employees, supervisors and the company

❸ Personnel System

- Optimization of **personnel policies**
- Updating the **personnel system** to maximize **human capital**
- **Systematization** of Group Human Resources **“Discovery, Utilization, and Analysis”**

Progress of Medium-term Management Plan

< < Sustainability > >

TOPICS

- Promoting "think good" merchandising activities in consideration of society and the environment
- Promote collaborative efforts with suppliers to build sustainable supply chains

[Priority measures ❶] Connecting People and Local Communities

Continued ["Piece of Future" Project]

- A project that suggests a new future through fashion
- Utilizing remnant fabric(= “pieces ”) provided by brands and companies to create products with“ new value ”
- [Number of companies providing fabric] Last time 1 company → 15 companies and 1 organization, [Collaborative schools] Last time 1 school → 4 schools, [Available stores] Last time 2 stores → 5 stores

think good
三越伊勢丹の考える“サステナブル”



[Priority measures ❷] Connecting Sustainable Society and Times

New [Initiatives for Supply Chain Management]

- June 2023: The Code of Conduct for Business Partners was established.
- Notification to about 6000 business partners and e-learning education for about 9000 group employees
- Holding study sessions for employees to engage in dialogue with business partners





[Priority measures ❸] Improvement of Employee Satisfaction

女性が活躍しています

Continued

- In August 2023, Isetan Mitsukoshi Co., Ltd. obtained the highest level 3 in the "Eruboshi Certification" approved by the Minister of Health, Labour and Welfare
- Following the second level (2 stars) of the "Eruboshi Certification" obtained in 2016

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These forward-looking statements are based on our company's reasonable assumptions and beliefs in light of the information currently available to it and involve various risks and uncertainties.
Accordingly, actual results may differ from these forecasts due to factors such as changes in business operations and economic conditions.