

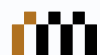
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# **Isetan Mitsukoshi Group Financial Results Explanation Meeting for the Fiscal Year Ended March 31, 2025 (FY2024)**

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Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**May 13, 2025 (Tuesday)**



**Isetan Mitsukoshi Holdings**



**I: Fiscal Year Ended March 31, 2025  
(FY2024) Full-Year Results**

**II: Fiscal Year Ending March 31, 2026  
(FY2025) Full-Year Plan**

**III: Medium-Term Management Plan  
(Initiation and Roll-out)**

**I: Fiscal Year Ended March 31, 2025  
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(Initiation and Roll-out)

## 1. Fiscal Year Ended March 31, 2025 (FY2024) Full Year Results Summary

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Operating profit reached **76.3 billion yen** a **record high for the second consecutive year**

Ordinary profit increased significantly by 28.2 billion yen YoY to **88.1 billion yen**

Sales at many major stores increased significantly from the previous year, with the Isetan Shinjuku Main Store surpassing the **400 billion yen mark**

Gross sales increased by 107%, while **selling, general and administrative expenses were kept to 99%**

The effects of controlling fixed costs through **income and expenditure structure reform** continue

## 2. Consolidated Results for FY2024

- While **gross sales increased significantly by 107%**, we continued to control fixed costs and kept **selling, general and administrative expenses to 99%**
- Operating profit **increased 40% YoY** to 76.3 billion yen. We achieved **record high profits** for the second consecutive year
- As a result of recording adjustments to income taxes due to the sale of shares in affiliated companies and defense-related tax increases, profit decreased by 5.1 billion yen from the February plan

(0.1 billions of yen)	FY2024 results	YoY	YoY difference	Difference from February plan	Q4 (Jan-Mar)	YoY difference
<b>Gross sales*</b>	<b>13,036</b>	106.5%	+790	(163)	<b>3,250</b>	+106
<b>Net sales</b>	<b>5,555</b>	103.6%	+190	(4)	<b>1,380</b>	+33
<b>Gross profit</b>	<b>3,376</b>	105.9%	+187	(33)	<b>827</b>	+22
<b>SG&amp;A expenses</b>	<b>2,613</b>	98.8%	(32)	(76)	<b>663</b>	(6)
<b>Operating profit</b>	<b>763</b>	140.4%	+219	+43	<b>163</b>	+29
<b>Ordinary profit</b>	<b>881</b>	147.2%	+282	+111	<b>220</b>	+71
<b>Profit attributable to owners of parent</b>	<b>528</b>	95.0%	(27)	(51)	<b>63</b>	<b>(181)</b>

\*Total turnover, including sales of department store tenants and sales of merchandise handled outside department stores, amounted to 1,364.2 billion yen

## 3. Gross sales figures for major domestic department stores (by store and company)

- Isetan Shinjuku Main Store, a **special department store** that Japan is proud to show the world, achieved a record high of over **400.0 billion yen**
- Revenues also increased from the previous year at the three major regional companies of Sapporo Marui Mitsukoshi, Nagoya Mitsukoshi, and Iwataya Mitsukoshi

(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover*	(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover*
Isetan Shinjuku Main Store	<b>4,212</b>	112.1%	+453	4,253	Sapporo Marui Mitsukoshi	<b>627</b>	103.6%	+21	668
Mitsukoshi Nihombashi Main Store	<b>1,616</b>	105.7%	+87	1,718	Sendai Mitsukoshi	<b>263</b>	95.4%	(12)	268
Mitsukoshi Ginza Store	<b>1,241</b>	118.5%	+193	1,330	Nagoya Mitsukoshi	<b>632</b>	102.5%	+15	874
Isetan Tachikawa Store	<b>318</b>	98.8%	(4)	321	Niigata Isetan Mitsukoshi	<b>339</b>	94.6%	(19)	343
Isetan Urawa Store	<b>362</b>	93.3%	(26)	366	Iwataya Mitsukoshi	<b>1,329</b>	106.7%	+83	1,367
Isetan Mitsukoshi Total	<b>7,752</b>	110.0%	+705	7,987	Total of 5 major regional companies	<b>3,192</b>	102.9%	+89	3,520

\*Total turnover, including sales of department store tenants and sales of merchandise handled outside department stores

## 4. Changes in Consolidated SG&A Expenses

- **Cost structure reform:** Further progress with a cumulative annual reduction of 7.9 billion yen, against the upwardly revised full-year reduction plan of 7.0 billion yen announced in November
- **Strategic expenditures :** Implementation of annual fee-free cards (MICARD BASIC) and financial services to transform into an individual customer business

(0.1 billions of yen)	FY2024 results	YoY changes	Breakdown of YoY increase/decrease				
			Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Others
Personnel expenses	936	(12)	(38)		+6	+20	
Advertising expenses	94	(1)	(5)		+4		
Lease payments	320	(7)	(20)	+12			
Business consignment expenses	283	(14)	(4)		+1	+1	(13)
Depreciation and amortization	226	(0)			+3		(4)
Utilities expenses	92	(0)	(2)			+1	
Others	660	+5	(10)	+17		+4	(5)
<b>Total</b>	<b>2,613</b>	<b>(32)</b>	<b>(79)</b>	<b>+29</b>	<b>+14</b>	<b>+26</b>	<b>(21)</b>

5. Performance by Segment

Department store business: Implementation of our unique strategy has borne fruit, resulting in significant revenue and profit growth as the culmination of our revitalization phase

Credit & finance business: Achieved significant increase in profit by absorbing MICARD BASIC introduction costs in Q4

Real estate business: Increase in rental income from introducing large tenants to owned properties

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	Operating profit margin	YoY difference
Department store business	12,100	106.4%	4,611	645	5.3%	+194
Credit & finance business/ Customer organization management business	369	104.3%	344	57	15.5%	+16
Real estate business	295	110.3%	295	36	12.2%	+5
Other businesses	271	108.2%	304	23	8.8%	+2
Total	13,036	106.5%	5,555	763	5.8%	+219





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(FY2024) Full-Year Results

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(Initiation and Roll-out)

### 1. Summary of FY2025 Full-Year Plan

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**As the first year of a new medium-term management plan that will see the full-scale implementation of a transformation from a store business into an individual customer business, we will continue to focus on net sales growth centered on identified customers and cost control**

**We will refine the breadth and depth of our relationships with identified customers and aim to achieve operating profit of 78.0 billion yen, setting another record high**

**Profit is projected to be 60.0 billion yen, also a record high**

## 2. FY2025 Consolidated Plan

- Planning to increase revenue by promoting identification through the introduction of MICARD BASIC, leveraging the strength of our **identified customer base**
- Our plan is for operating profit of **78.0 billion yen, a record high for the third consecutive year**
- Ordinary profit is projected to decrease due to the impact of a decrease in equity method investment gain resulting from the sale of shares in affiliated companies

(0.1 billions of yen)	Full year	YoY	YoY difference
Gross sales	13,200	101.3%	+163
Net sales	5,570	100.3%	+14
Gross profit	3,400	100.7%	+23
SG&A expenses	2,620	100.2%	+6
Operating profit	780	102.2%	+16
Ordinary profit	740	84.0%	(141)
Profit attributable to owners of parent	600	113.6%	+71

## 3. Gross sales for major domestic department stores (by store and company)

- The Isetan Shinjuku Main Store plans to grow further from the previous year. It will solidify its position as **one of the world's preeminent department stores**
- Isetan Mitsukoshi (department stores in the Tokyo metropolitan area) plans YoY sales growth at all stores. Total net sales of **the five major regional companies are projected to maintain the same level as the previous year**

(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover*	(0.1 billions of yen)	Gross sales	YoY	YoY difference	Total turnover*
Isetan Shinjuku Main Store	<b>4,290</b>	101.8%	+77	4,331	Sapporo Marui Mitsukoshi	<b>628</b>	100.1%	+0	669
Mitsukoshi Nihombashi Main Store	<b>1,620</b>	100.2%	+3	1,724	Sendai Mitsukoshi	<b>260</b>	98.7%	(3)	264
Mitsukoshi Ginza Store	<b>1,300</b>	104.7%	+58	1,393	Nagoya Mitsukoshi	<b>600</b>	94.9%	(32)	844
Isetan Tachikawa Store	<b>325</b>	102.0%	+6	327	Niigata Isetan Mitsukoshi	<b>350</b>	103.0%	+10	354
Isetan Urawa Store	<b>365</b>	100.6%	+2	368	Iwataya Mitsukoshi	<b>1,350</b>	101.6%	+20	1,385
Isetan Mitsukoshi Total	<b>7,900</b>	101.9%	+147	8,144	Total of 5 major regional companies	<b>3,188</b>	99.9%	(4)	3,518

\*Total turnover, including sales of department store tenants and sales of merchandise handled outside department stores

## 4. Sales plan for department stores in Japan

- Domestic department stores are expected to show positive growth in both the Tokyo metropolitan stores and other regional stores through sales measures that leverage **the breadth and depth of their relationships with identified customers**
- For overseas customers, a **full-scale recovery is planned for the second half of the year** (98% YoY), including the effects of the global app introduced in March 2025

(0.1 billions of yen)	First half			Second half			Full year		
	Plan	YoY	YoY difference	Plan	YoY	YoY difference	Plan	YoY	YoY difference
<b>Isetan Mitsukoshi Total</b>	<b>3,613</b>	99.0%	(38)	<b>4,287</b>	104.5%	+185	<b>7,900</b>	101.9%	+147
(Of which) Domestic customers	<b>3,010</b>	101.4%	+42	<b>3,575</b>	103.8%	+131	<b>6,585</b>	102.7%	+174
(Of which) Overseas customers	<b>603</b>	88.2%	(80)	<b>712</b>	108.2%	+53	<b>1,315</b>	98.0%	(27)
<b>Total regional operating companies</b>	<b>1,715</b>	96.8%	(56)	<b>2,052</b>	102.8%	+56	<b>3,767</b>	100.0%	+0
(Of which) Domestic customers	<b>1,558</b>	97.9%	(33)	<b>1,857</b>	102.3%	+41	<b>3,415</b>	100.2%	+7
(Of which) Overseas customers	<b>157</b>	87.5%	(22)	<b>195</b>	108.7%	+15	<b>352</b>	98.0%	(6)
<b>Total domestic department stores</b>	<b>5,328</b>	98.3%	(94)	<b>6,339</b>	104.0%	+242	<b>11,667</b>	101.3%	+147
(Of which) Domestic customers	<b>4,567</b>	100.2%	+8	<b>5,432</b>	103.3%	+172	<b>10,000</b>	101.8%	+181
(Of which) Overseas customers	<b>760</b>	88.0%	(103)	<b>907</b>	108.3%	+69	<b>1,667</b>	98.0%	(33)

## 5. Changes in consolidated SG&A expenses

- We will continue to exercise flexible control under the new medium-term management plan and keep total selling, general and administrative expenses to a YoY increase of 0.6 billion yen
- Cost structure reform: Further promote structural reforms in all domestic and overseas businesses, with a planned annual reduction of 4.3 billion yen

(0.1 billions of yen)	Full Year Plan	YoY changes	Breakdown of YoY increase/decrease				
			Cost structure reform	Linked to sales	Strategic expenditures	Impact from price changes	Others
Personnel expenses	935	(1)	(23)			+22	
Advertising expenses	94	(0)	(0)				
Lease payments	309	(11)	(15)	+4			
Business consignment expenses	285	+1	(1)			+2	
Depreciation and amortization	225	(1)			+3		(4)
Utilities expenses	100	+7	(1)			+9	
Others	672	+11	(1)	+12		+4	(3)
<b>Total</b>	<b>2,620</b>	<b>+6</b>	<b>(43)</b>	<b>+16</b>	<b>+3</b>	<b>+37</b>	<b>(7)</b>

## 6. Plans by Segment

- Department store business: Advancing individual customer marketing and deepening our base network
- Credit & finance business: Promotion of domestic card usage and provision of financial services through the introduction of MICARD BASIC
- Real estate business: Strengthen external sales of our strong construction and interior business and increase rent income from the introduction of large tenants

(0.1 billions of yen)	Gross sales	YoY	Net sales	Operating profit	Operating profit margin	YoY difference
Department store business	12,250	101.2%	4,620	655	5.3%	+9
Credit & finance business / Customer organization management business	380	102.8%	350	59	15.5%	+1
Real estate business	300	101.6%	300	41	13.6%	+4
Other businesses*	270	99.4%	300	25	9.2%	+1
Total	13,200	101.3%	5,570	780	5.9%	+16

\*Operating profit in the other businesses segment includes an adjustment

## 7. Shareholder Returns (FY2024 and FY2025)

**Raising the level of shareholder returns to reflect the achievements  
of the previous medium-term management plan**

In addition to an increase in the year-end dividend forecast for FY2024 and an increase in the dividend for FY2025, the Company today announced a share buyback facility of up to 30.0 billion yen (20 million shares)

	FY2024		FY2025 Forecast
	Disclosed in November 2024	Disclosed at this time	
Profit	58 billion yen	52.8 billion yen	60 billion yen
Interim dividend	24 yen	24 yen	30 yen
Year-end dividend	24 yen	30 yen	30 yen
Annual dividend	48 yen	54 yen	60 yen
Dividend payout ratio	30.7%	37.6% *1	34.5% *3
Acquisition of treasury stock	25 billion yen	25 billion yen	30.0 billion yen (announced today) <u>cancel all</u> <u>acquired shares</u>
Total return ratio	73.8%	85.0% *2	84.5% *3

\*1 The dividend payout ratio for FY2024 is approximately 30% of the profit level excluding the effect of special tax effects

\*2 The total return ratio for FY2024 is approximately 70% of the profit level excluding the effect of special tax effects

\*3 The forecast of dividend payout ratio and total return ratio for FY2025 is calculated taking into account the share buyback facility announced today



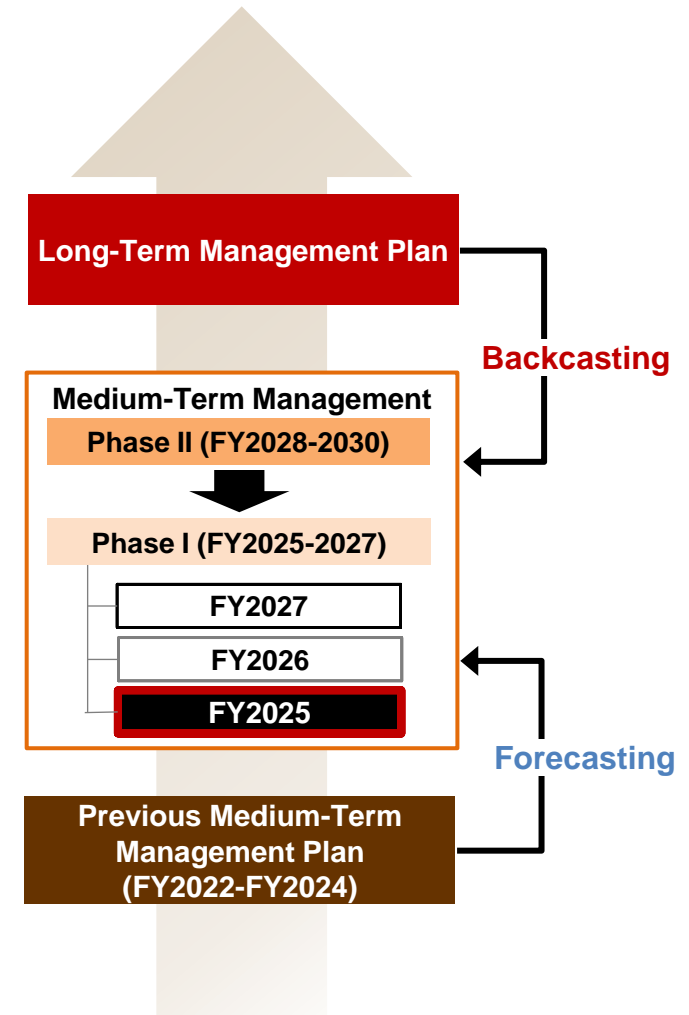


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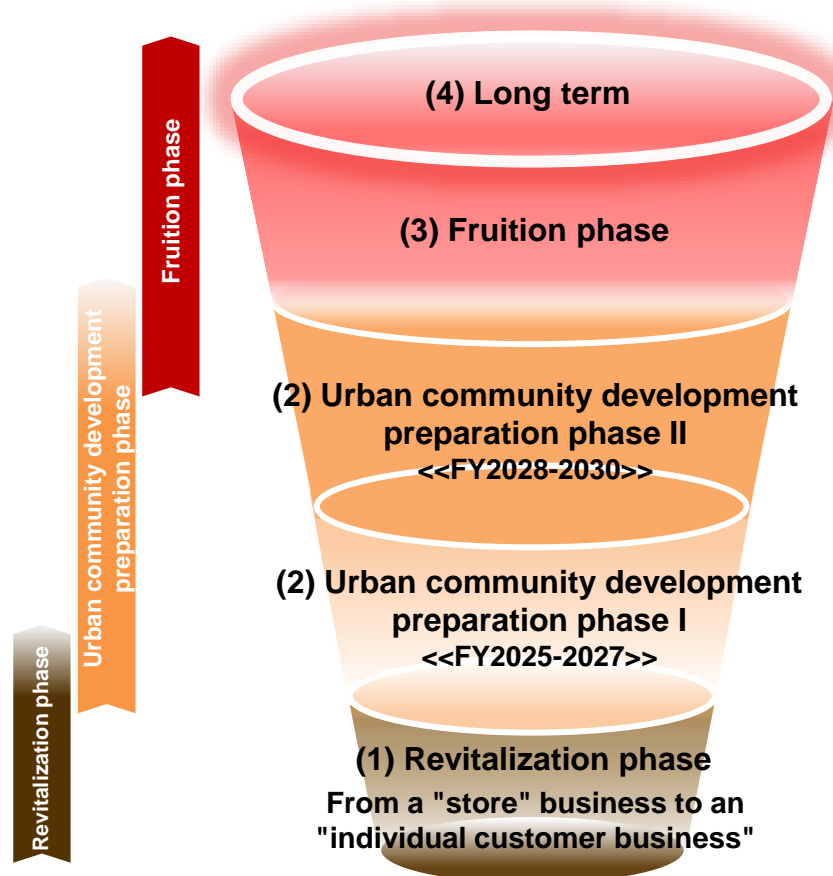
- **Recap of the Previous Medium-Term Management Plan (FY2022-2024)**
- **Medium-term Expansion Story**



# **Recap of the Previous Medium-Term Management Plan (FY2022-2024)**

## (1) Big picture

- The Company's unique strategy has led to **significant progress** in the **revitalization phase**, and **consolidated operating profit reached a new record high**
- **Strengthened initiatives** from the perspective of forecasting and backcasting to **transform** from a **"store" business** into an **individual customer business**



### [Achievements in the previous Medium-Term Management Plan]

- The timeline and **specific** applications for **each development plan** have progressed
- The Company has **begun to develop** its **individual customer business** through **intra-group coordination strategy**
- **Intra-group coordination** for **department store identified customers** is now in full swing
- Sales expansion through the **implementation of our unique strategy** and **SG&A expenses control** from a scientific perspective **led to a significant increase in profit**
- **The number of identified customers** and **net sales to identified customers** expanded significantly due to the sophistication of **individual marketing**

## (2) Management Objectives "Financial KPIs"

[Gross sales] **143% compared to FY2021, +391.6 billion yen to 1,303.6 billion yen**  
 [SG&A expenses] **Control within the growth rate (110% compared to FY2021) of gross sales (143% compared to FY2021)**  
 [Operating profit] **76.3 billion yen, exceeding the highest profit for the second consecutive year**  
 [Profit] **428% compared to FY2021, +40.5 billion yen to 52.8 billion yen**  
 [ROE] **8.8%, +6.4% compared to FY2021, due to a substantial increase in profit**

	FY2021	FY2022	FY2023	FY2024		
	Results	Results	Results	Results	Compared to FY2021	Difference from FY2021
Gross sales	912.1 billion yen	1,088.4 billion yen	1,224.6 billion yen	1,303.6 billion yen	143%	+391.6 billion yen
(Of which) Domestic customers	902.9 billion yen	1,046.0 billion yen	1,115.7 billion yen	1,133.6 billion yen	126%	+230.7 billion yen
(Of which) Overseas customers	9.1 billion yen	42.3 billion yen	108.8 billion yen	170.0 billion yen	1,868%	+160.9 billion yen
SG&A expenses	237.7 billion yen	256.9 billion yen	264.5 billion yen	261.3 billion yen	110%	+23.6 billion yen
Operating profit	5.9 billion yen	29.6 billion yen	54.3 billion yen	76.3 billion yen	1,285%	+70.4 billion yen
Profit	12.3 billion yen	32.3 billion yen	55.5 billion yen	52.8 billion yen	428%	+40.5 billion yen
ROE	2.5%	6.1%	9.8%*1	8.8%*2	-	+6.4%

\*1 FY2023 ROE: Actual result excluding special factors: 8.1%

\*2 Difference excluding FY2023 ROE special factors: +0.7%

## (2) Management Objectives "Customer KPIs"

[Number of identified customers] Reached **7.61 million people (+3.16 million from FY2021)**

[Identified customer net sales]

Reached **639.5 billion yen (+213.6 billion yen from FY2021)**

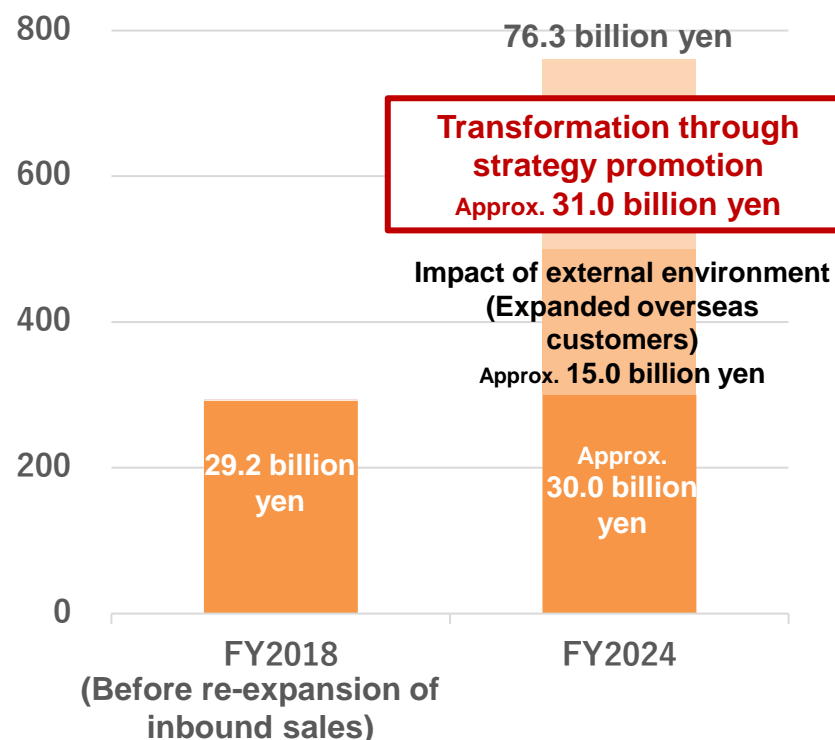
➡All four KPIs ((1)-(4)) **grew YoY during the previous medium-term management period**

	FY2021	FY2022	FY2023	FY2024		
	Results	Results	Results	Results	Compared to FY2021	Difference from FY2021
Number of identified customers	4.45 million people	5.54 million people	6.87 million people	7.61 million people	171%	3.16 million people
(1) Identified customer net sales	425.9 billion yen	554.3 billion yen	596.7 billion yen	639.5 billion yen	150%	+213.6 billion yen
(2) MICARD members net sales	393.3 billion yen	450.7 billion yen	463.0 billion yen	471.5 billion yen	120%	+78.2 billion yen
(3) Net sales from MICARD members purchasing more than 1 million yen per year	184.9 billion yen	233.4 billion yen	246.4 billion yen	257.6 billion yen	139%	+72.7 billion yen
(4) Net sales from members with Digital ID only	32.6 billion yen	103.6 billion yen	133.7 billion yen	168.0 billion yen	515%	+135.4 billion yen

## (3) What has been transformed: "Big picture"

Three years of **structural reform** and promotion of unique strategies to **solidify a foothold** for transformation into **an individual customer business**

Breakdown of **76.3 billion yen** in FY2024 operating profit



\*Inbound sales 75.5 billion yen

Business structural reform from a scientific perspective

Department store operations, online business, overseas business, etc.

The Company's unique strategy

"CRM strategy connecting with individual customers,"  
"stronger intra-group coordination" strategy, etc.

## (3) What has been transformed: "Department store operations (1)"

Promoted income and expenditure structure reform from a scientific perspective to  
**revitalize department stores, including regional ones**

Established a structure in which a decline in the break-even sales and an **increase in revenue contribute to a significant increase in profits**

### Domestic department stores

\*Before adoption of the revenue recognition standard

	FY2018	FY2024	Compared to FY2018
Gross sales	959.9 billion yen	1,143.3 billion yen	119%
SG&A expenses	258.4 billion yen	244.9 billion yen	89%
Break-even ratio	90%	74%	-16P
Operating profit	23.0 billion yen	65.5 billion yen	285%

« FY2024 »

	Results	Compared to FY2018
Individual out-of-store-sales sales volume	Approx. 240.0 billion yen	133%

### Regional department stores

\*Before adoption of the revenue recognition standard

	FY2018	FY2024	Compared to FY2018
Gross sales	365.0 billion yen	368.0 billion yen	101%
SG&A expenses	94.5 billion yen	79.1 billion yen	84%
Break-even ratio	97%	86%	-11P
Operating profit	2.1 billion yen	9.6 billion yen	446%

« FY2024 »

	Results	Compared to FY2018
Turnover of base network	Approx. 19.0 billion yen	-

\*Started in FY2022

\*Approx. 5% of total net sales of regional department stores

### Future initiatives

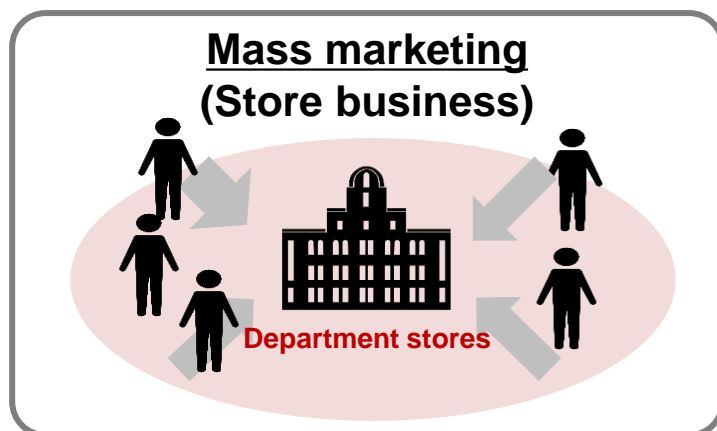
**Further structural reforms are underway. At the same time, expand revenues mainly through the stronger intra-group coordination strategy**



## (3) What has been transformed: "Department store operations (2)"

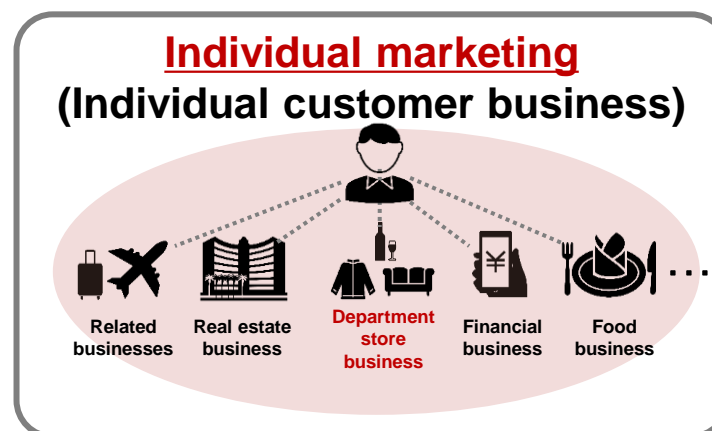
### A major transformation from the "mass" to "personal" marketing

From a store business that waits for the "mass (unspecified majority)" to an **individual customer business** that caters to the "individual (identified customer)"



[FY2018 results]

Number of identified customers	3.32 million people
Identified customer net sales	478.8 billion yen
Domestic customer net sales	884.7 billion yen



[FY2024 results]

Number of identified customers	7.61 million people
Identified customer net sales	639.5 billion yen
Domestic customer net sales	973.4 billion yen

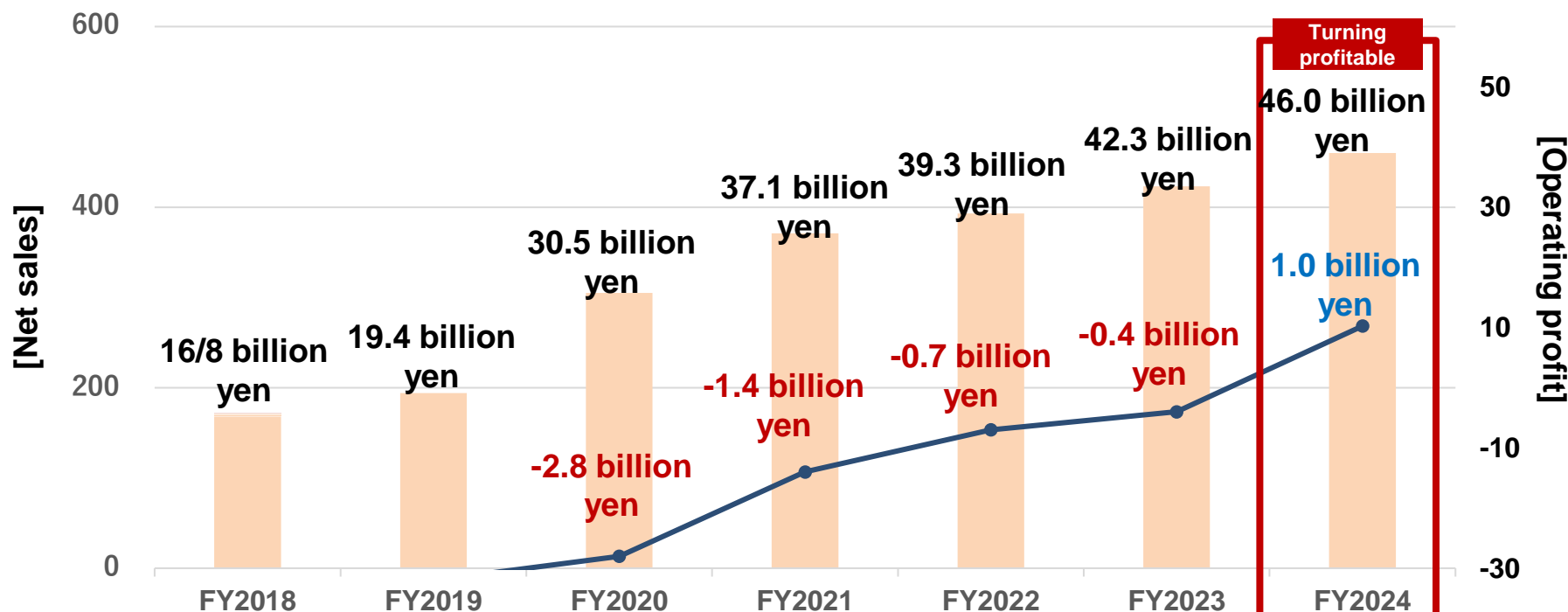
### Future initiatives

Full-scale roll-out of individual customer business process activities. Expansion of use by identified customers through frameworks and content enrichment

## (3) What has been transformed: "Online business"

In addition to sales expansion, income and expenditure structure reform has enabled a **shift** to a **structure capable of generating stable earnings**

Unit: 0.1 billions of yen



Future initiatives

Expansion of use by identified customers by further strengthening specialized e-commerce sites

## (3) What has been transformed: "Overseas business"

**Restructuring of business areas** through progress in structural reforms and search for new business models

### Progress in structural reform

#### [Closure of operations]

Chengdu Isetan

Tianjin Isetan

Tianjin Binhai New  
Area Isetan

Shanghai Mei Long  
Zhen Isetan

[Becoming a wholly owned subsidiary (further  
acceleration of structural reforms)]

ISETAN (SINGAPORE) LTD.

### Search for new business models

#### [Mixed-use development model]

[Manila, Philippines]  
Retail x Residence

[Bangkok, Thailand]  
Retail x Office

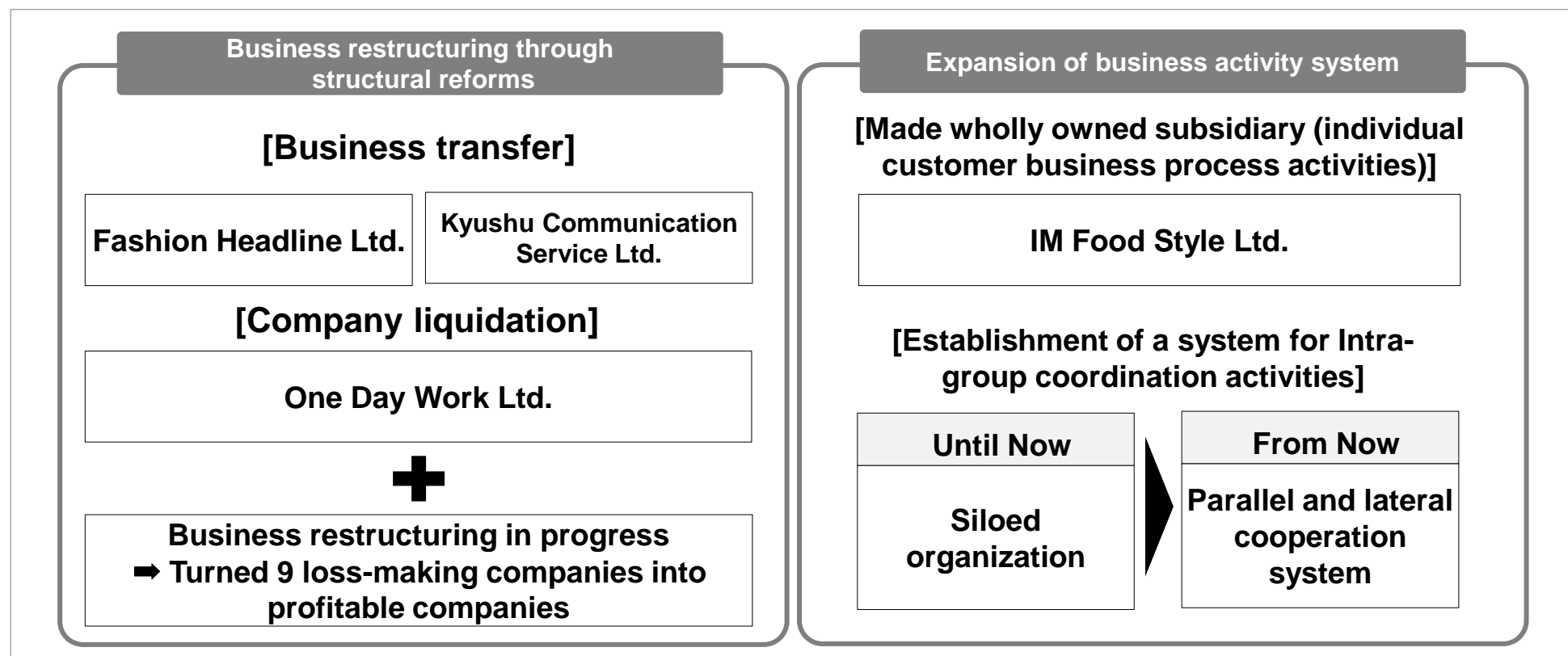


Future initiatives

Shift from the "selection and transformation" phase to a "development and deepening" phase

## (3) What has been transformed: "Domestic Related business"

Steady progress in **business restructuring** through structural reforms.  
Also **expanded** the **business activity system**



Future initiatives

Revitalize business activities (stronger intra-group coordination and individual customer business process activities) for department store identified customers

# Medium-term Expansion Story



Isetan Mitsukoshi Holdings

### (1) Financial KPIs (1) "Consolidated"

Continued to **set new record highs. ROE: Plan to achieve 9-10% with an awareness of the cost of shareholders' equity**

- Operating profit for **FY2025: 78.0 billion yen (102% of the previous year)**
- Operating profit for **FY2027: 85.0 billion yen (109% of FY2025)**

	FY2025 plan		FY2027 plan	
	Planned value	Difference from FY2024	Planned value	Difference from FY2025
Gross sales	1,320 billion yen	+16.3 billion yen	1,400 billion yen	+80.0 billion yen
SG&A expenses	262.0 billion yen	+0.6 billion yen	275.0 billion yen	+13.0 billion yen
Operating profit	78 billion yen	+1.6 billion yen	85 billion yen	+7.0 billion yen
Profit	60 billion yen	+7.1 billion yen	62 billion yen	+2.0 billion yen
ROE	9.8%	+1.0%	9.8%	±0%

### (1) Financial KPIs (2) "Profit and ROIC by business"

**Disciplined investment and return progress monitored by ROIC by business, pursuing capital efficiency**

Continuing to create synergies through each business's investment discipline and intra-group coordination to achieve the FY2027 plan

\* Business classification differs from segment  
\* Department store business: Including domestic department store business, overseas business, MI TOMONOKAI, and consolidation adjustments

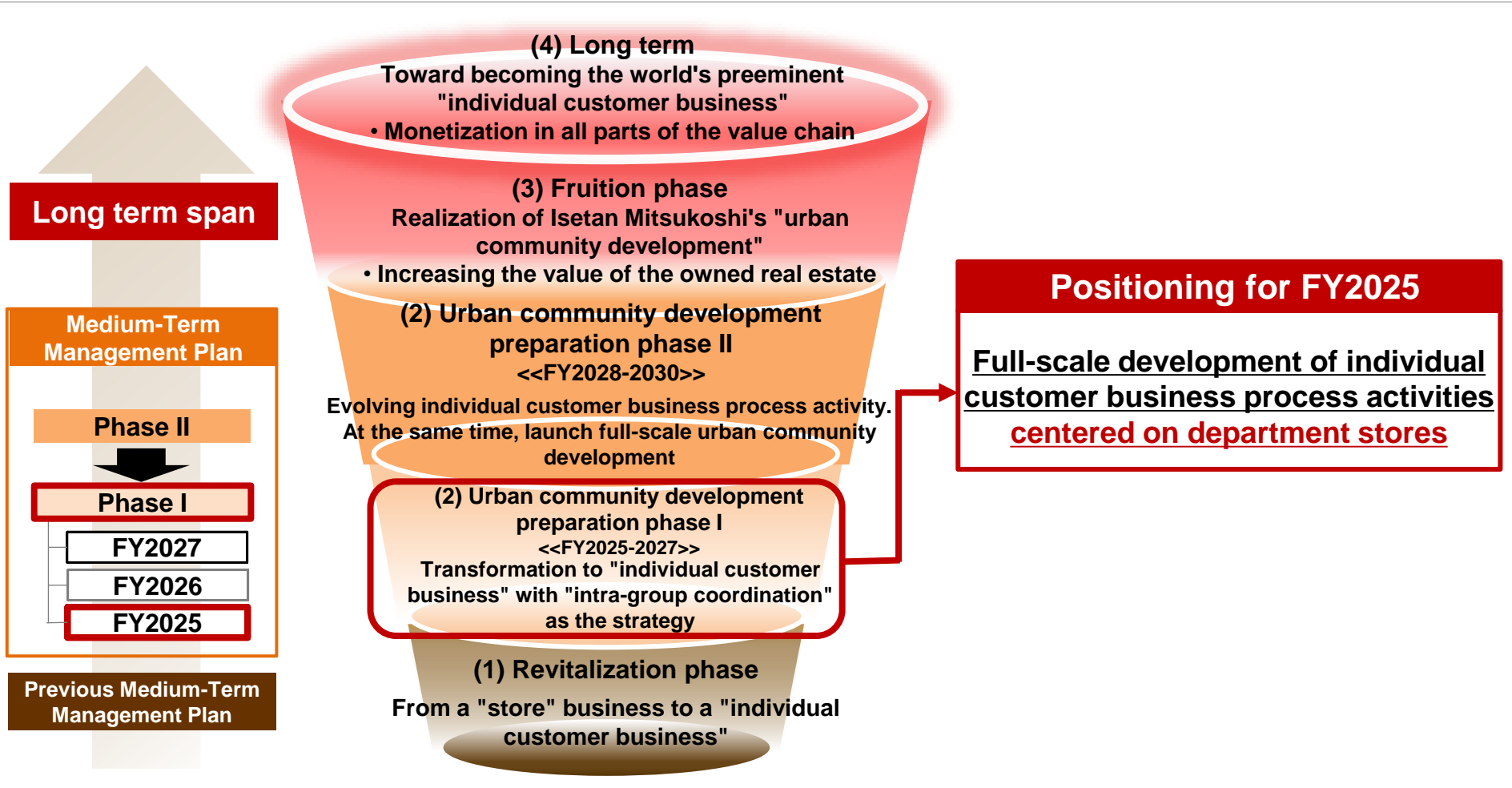
Unit: 0.1 billions of yen		Previous Medium-Term Management Plan		Current Medium-Term Management Plan		Recognized in Phase I WACC	FY2025-2027 Growth Investment Plan
		FY2023 Results	FY2024 Results	FY2025 Plan	FY2027 Plan		
Department store business	Operating profit	440	638	646	660	5-6%	43.0 billion yen level
	ROIC	6.9%	9.9%	10.0%	10.3%		
Financial business	Operating profit	44	60	62	80	2-3%	5.0 billion yen level
	ROIC	2.5%	3.3%	3.3%	4.0%		
Real Estate business	Operating profit	33	39	44	55	3-4%	18.0 billion yen level
	ROIC	5.9%	6.6%	6.3%	6.3%		
Related businesses	Operating profit	26	26	28	55		5.0 billion yen level
	ROIC	8.9%	7.8%	7.3%	12.8%		
Consolidated	Operating profit	543	763	780	850		80.0 billion yen level
	ROIC	5.3%	7.6%	7.7%	7.8%		

\*Consolidated investment plan: Includes DX investment at the 9.0 billion yen level

### (2) Positioning of Phase I (FY2025-2027) and FY2025

#### Positioning of Phase I

Transformation into the "**individual customer business model**" using the "stronger intra-group coordination" strategy





### (3) Individual customer business process activity "Big picture"

Establish individual customer business process activities and **accumulate identified customer data assets**

#### ① Attracting customers

Attract customers with attractive stores and content



#### ② Identification

Connect with attracted customers through a mechanism



#### ③ Expansion of usage

Provide a variety of value to connected customers



#### ④ Lifetime customerization

Deepen connections and maximize LTV



Expand **identified customer data assets** as business assets

### (3) Individual customer business process activity "Attracting customers"

**Attracting more visitors from all over the world** with the attraction of the store  
Continue to strengthen store remodeling to create more sophisticated and high-quality stores



Initiatives in  
FY2022-  
FY2024

- **Strengthening of high-touch MD** to achieve ideal MD balance

Remodeling Impact of  
3 flagship stores

**FY2024: 20.5 billion yen, 204% YoY\***

**\*Remodeling impact: Net sales comparison of the remodeled floor space**



Future  
development

- **Strengthening uniqueness** to attract visitors from around the world (creating new subcategories, etc.)

✓ Isetan Shinjuku Main Store:

Newly curated Western confectionery private brand developed in collaboration with creators from around the world  
Creating new value for ISETAN BEAUTY

✓ Mitsukoshi Nihombashi Main Store:

Japan Creation Tradition & Culture x Gifts & Liquor

✓ Mitsukoshi Ginza Store: JAPAN MIND x Fine Articles, GINZA GIFT

Remodeling investment  
amount in FY2025-2027

**Compared to FY2022-2024:**  
**270%**



### (3) Individual customer business process activity "Identification (1)"

#### Expansion of "Domestic customers" to be connected

Introduction of MICARD BASIC. Simultaneously further expand MI W members (MITSUKOSHI ISETAN App + MICARD)

##### [MICARD BASIC]



Kick off

- Number of MICARDs acquired: 161% YoY\*
- Contributing to an expansion in the number of identified customers through the issuance of new cards tailored to customer needs

\*Period: March 19 - April 30, 2025

##### [MI W members]



Future development

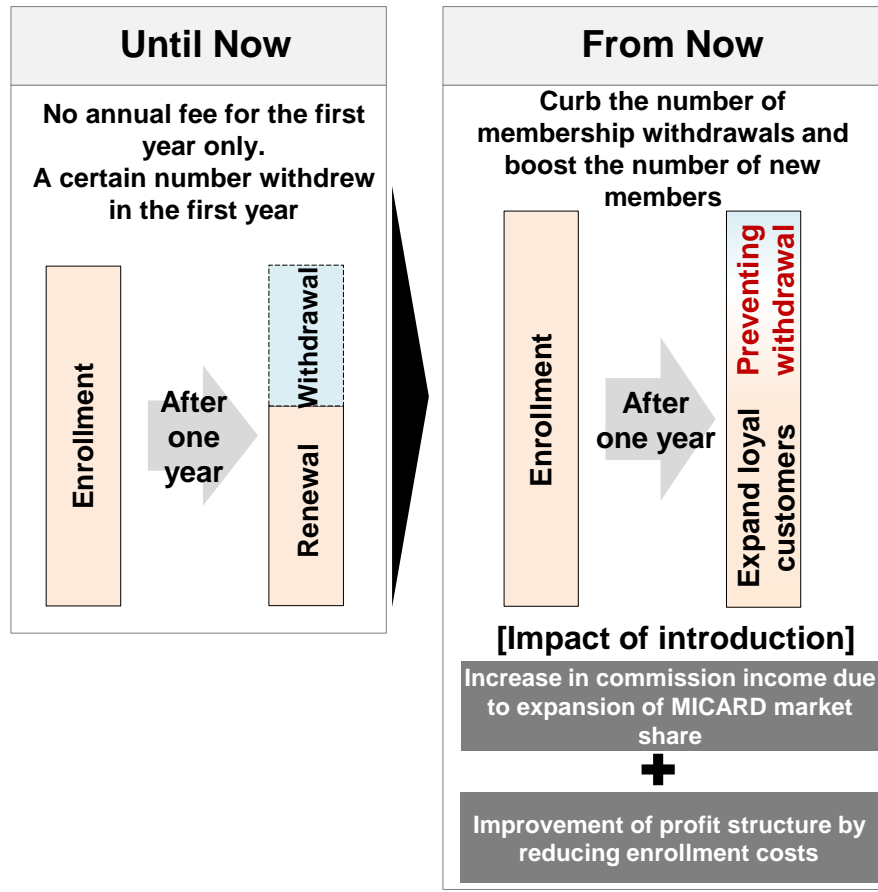
- Aiming for 100% identification of domestic customers
- Further expansion of MI W members
- Issuance of new upper status card and introduction of new point system

\*Scheduled to start sequentially from FY2026

### (3) Individual customer business process activity "Identification (1)"

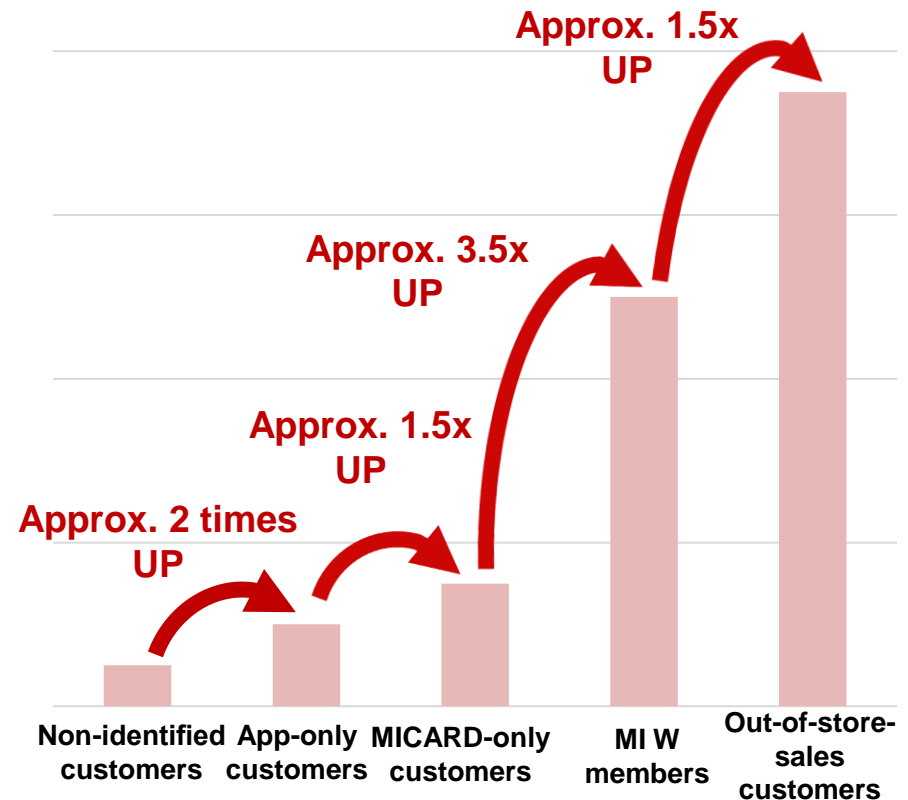
#### [TOPICS] MICARD BASIC (No annual fee, 2% points awarded)

Preventing withdrawal of existing customers and increase new customer acquisition



#### [TOPICS] Annual purchases per customer by type

Identify customers, convert them to MI W members and out-of-store-sales customers, and significantly increase in annual purchases per customer



### (3) Individual customer business process activity "Identification (2)"

#### Expansion of "overseas customers" to be connected

Identified customer target is expanded to the world. Started the identification of overseas customers

[MITSUKOSHI ISETAN JAPAN]



Kick off

- 46,611 registrations after the start of service \* - global app for overseas customers
- Provides information on stores, products and events

\*Period: March 26 - April 30, 2025

Future development

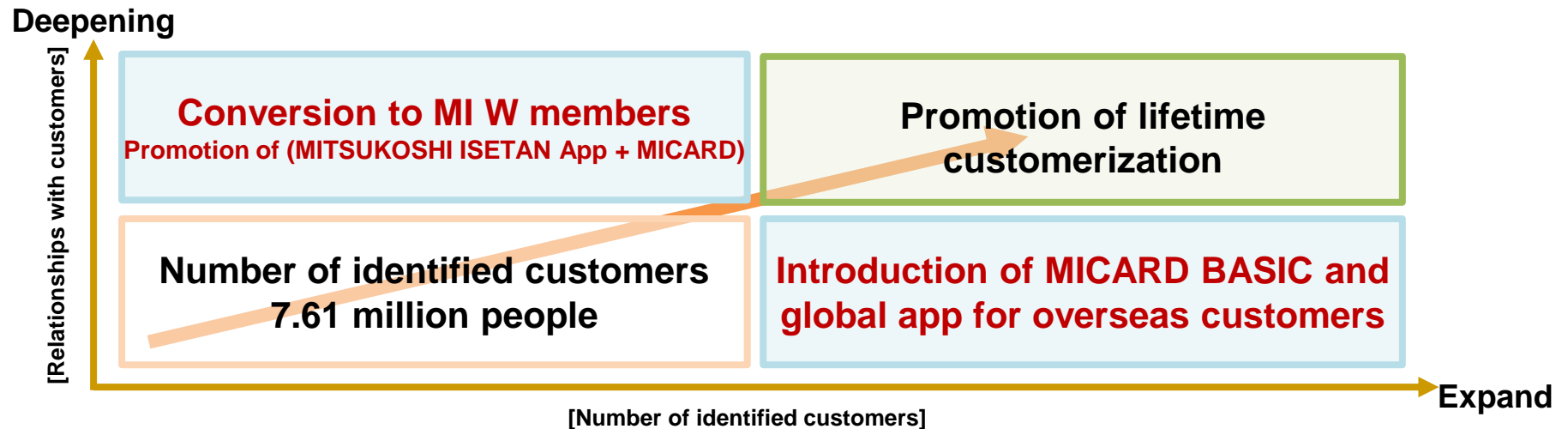
- Expansion of the number of overseas out-of-store-sales customers (expansion of overseas out-of-store sales functions)
- App Business Group established
  - \* Improve the attractiveness of the app, the key to marketing to individual customers
  - \* Explore new business models based on acquired customer information
- Evolution of REV WORLDS



Proposal for "MR (Mixed Reality)" salon

### (3) Individual customer business process activities "Expansion of use" (advancement of individual marketing)

**Identification** of domestic and overseas customers without distinction, **and deepening** of **connections** with them.  
Acceleration of lifetime customerization.  
**Strengthen communication activities** based on customer information to **further expand usage**



Domestic customers		
<b>[Promotion of conversion to MI W members]</b> <u>Annual purchases per customer increased due to strengthened communication activities</u>		
■ FY2024 results		
Annual purchases	MICARD-only customers	160,000 yen
	MI W members	580,000 yen
		→ <b>3.5x</b>

Overseas customers		
<b>[Strengthening of individual communications based on purchase information]</b> <u>Enhance communication activities similar to those for domestic customers</u>		
■ Assumptions for individual communication		
Annual purchases	Before individual communication (FY2025 plan)	After individual communication (Assumed)
	100,000 yen	350,000 yen

### (3) Individual customer business process activity "**Expansion of use**" (Customer KPIs)

#### **Proposals based on customer understanding and expansion of value provided**

Individual marketing using apps, evolution of the base network, and revitalization of stronger intra-group coordination

	FY2025 plan		FY2027 plan	
	Planned value	Compared to FY2024	Planned value	Compared to FY2025
(1) Identified customer net sales	645.0 billion yen	101%	687.0 billion yen	106%
(2) Net sales from customers purchasing more than 3 million yen per year across the Group	212.0 billion yen	101%	227.0 billion yen	107%



### (3) Individual customer business process activity "Expansion of use" (Revitalization of stronger intra-group coordination activities)

In addition to promoting **insourcing**, we will evolve our **earnings** model by expanding our **BtoC** and **BtoB** businesses

Further reduction of costs associated with external vendors  
(Promoting of insourcing)

Studio Alta Co., Ltd.

Expand orders for intra-group advertising projects that leverage skills and know-how

[FY2024 results]  
Group advertising sales: 2.2 billion yen (380% YoY)

Isetan Mitsukoshi Business Support Ltd.

In-house logistic operations for group company transactions

[FY2024 results]  
Sales related to corporate out-of-store-sales: Approx. 0.6 billion yen (123% of previous year)



MICARD Co.Ltd.

Reducing external credit card fees by enhancing the appeal of our own credit cards and promoting their use

Monetize with department store identified customers (BtoC business)

Mitsukoshi Isetan Nikko Travel, Ltd.

Develop high sensitivity tour products for out-of-store-sales customers

[FY2024 results]  
Out-of-store-sales customer sales: 2.8 billion yen (160% YoY)

MICARD Co.Ltd.

Development of new financial services for department store identified customers

[FY2024 results]  
Product assurance results: 500 cases/approx. 10 million yen



IM Food Style Ltd.

Refer department store identified customers to Queen's Isetan

External revenue expansion (BtoB business)

Isetan Mitsukoshi Human Solutions Company Limited

Expansion of cosmetics sales agency  
External sales of educational content

[FY2024 results]  
External sales: 1.1 billion yen (119% YoY)

Isetan Mitsukoshi System Solutions Ltd.

External sales of department store systems

[FY2024 results]  
External sales: 0.7 billion yen (125% YoY)



Isetan Mitsukoshi Property Design Co.,Ltd.

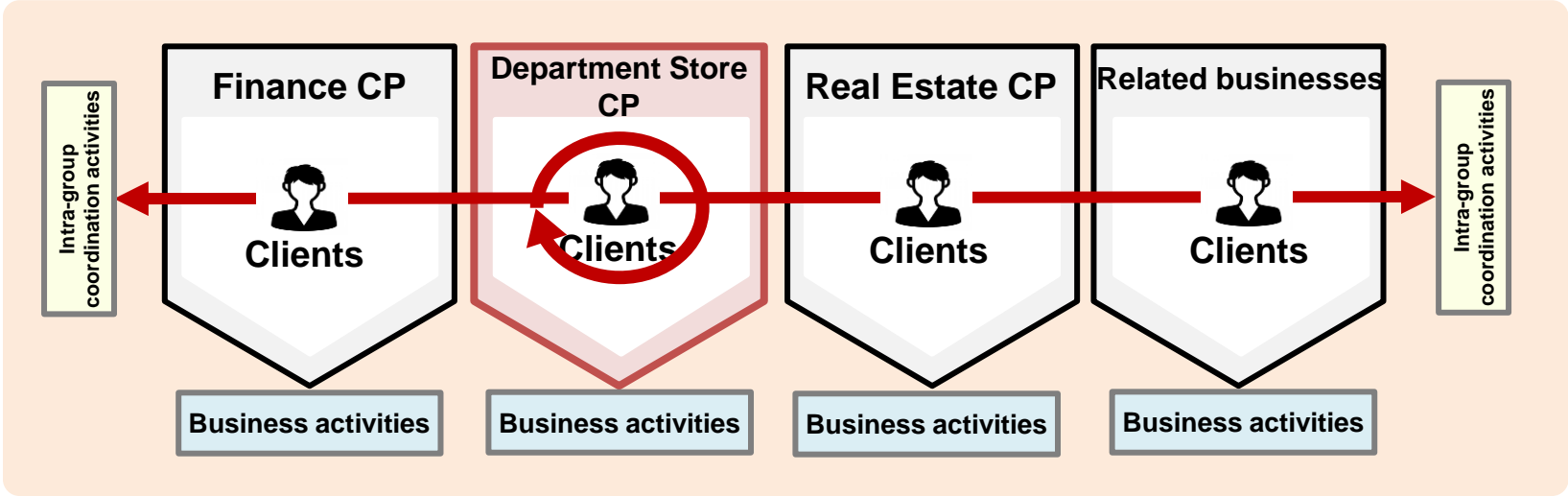
Win more high-profit projects  
Strengthen roll-out of external sales package activities



(3) Individual customer business process activity "Expansion of use"  
(Revitalization of stronger intra-group coordination activities)

[TOPICS] Revenue management through intra-group coordination

Stimulating behavioral change by measuring the contribution to Group revenue of each business through intra-group coordination revenue management



FY2024 deemed profit Sendai Mitsukoshi Ltd.		
Deemed profit	Operating profit	Intra-group coordination profits
0.11 billion yen	= -0.05 billion yen	+ 0.16 billion yen

[Image revenue management through intra-group coordination]

	[A] Own Store (Operating profit)	[B] Intra-group coordination (Intra-group coordination profit)		[A+B] Total
		B to C	B to B	
Isetan Mitsukoshi Total	[Vertical] Measurement			[Horizontal] Measurement Group Contribution Revenue = Deemed profit
Sapporo				
Nagoya				
Fukuoka				
:				

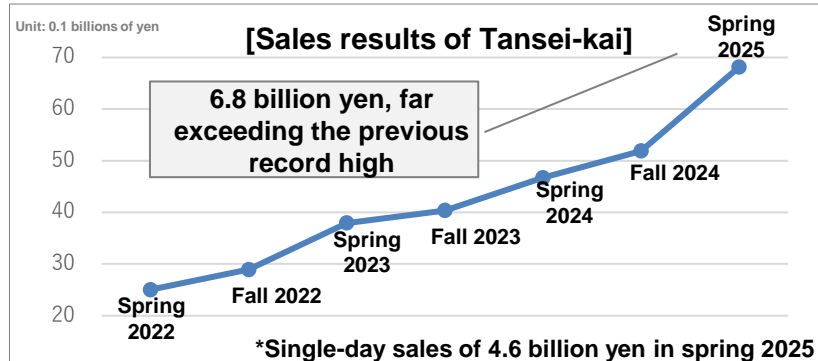
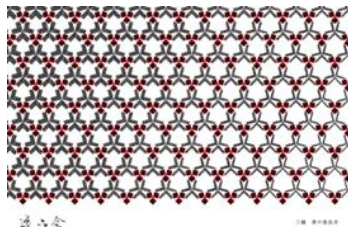
**(3) Individual customer business process activity "Lifetime customerization"**

## Further deepening relationships with connected customers

**Deepening of customer contact points, expansion of products purchased, and expansion of value provided beyond products**

## Further progress in the invitation program

- Tansei-kai and Ippin-kai are setting new record high net sales
- In addition to programs developed by both main stores, each store will expand and develop its own unique programs



## Initiatives to strengthen "MD outside department stores"

**MD sales outside department stores  
(Isetan Mitsukoshi)**

FY2024

**Approx. 9.0 billion yen**

- |         |  |
|---------|--|
| Japan   | • Expanding initiatives in <u>merchandise with high cultural value</u> , such as violins   |
| Clients | • Expansion of <u>experiential events</u> such as circuit test driving experience sessions |



- **Started development of merchandise for overseas customers**
- **Proposal of goods, experiences, and services unique to Japan**



### (4) Touching people's hearts with human-driven experiences: "Relationship with customers"

**Deep connections with customers** who value and trust  
our "brand legacy (goodwill)"

#### The "power of people" is the core of the Company

##### Relationship with **customers**

- FY2024
  - Annual number of visitors to all stores: 150 million
  - Number of identified customers (cumulative): 7.61 million
  - Number of MI app members (cumulative): 3.60 million
  - Number of MI W members (cumulative): 820,000
- Spring 2025 "Tansei-kai and Ippin-kai Achievements"
  - ➔ Net sales: 11.8 billion yen
  - ➔ Number of visitors: 18,000 groups

#### Competitive advantages in the individual customer business

- **Customer base** through expansion of identified customers and lifetime customerization
- **Unmatched quality and quantity of customer data assets**
- **Monetization in all parts of the value chain**



### (4) Touching people's hearts with human-driven experiences: "Relationship of trust with business partners"

350 years of history and management's desire to weave a  
**relationship of trust with our business partners**

The "power of people" is the core of the Company

Relationship of trust  
with **our business  
partners**

- Number of companies attending business explanatory meetings: 591
- Evergreen (Award for Excellence in Customer Service)  
\* Cumulative total number of award winners: 810
- Senior management's ties to the world's brands

Competitive advantages in the individual customer business

- Development and roll-out of differentiated products and events
- Combination of value provided that goes beyond products
- Proposal and hospitality capabilities through co-creation with the Company

[Business explanatory meeting]



[Isetan Shinjuku Main Store 1F Main Building = The Stage]



FY2024 results

Number of events	50
(Of which) Number of exclusive events	21
(Of which) Number of advance sales events	20



### (4) Touching people's hearts with human-driven experiences: **"Employees' execution capabilities"**

**"Talent" who continue to grow throughout their careers**, understanding and committing to our strategy  
Planning approximately 30.0 billion yen in human capital investment to achieve both **employee growth** and **human resource strategy**

#### The "power of people" is the core of the Company

#### Employees' execution capabilities

- **Engagement Survey Scores (Evaluation)**
  - \* Linkage between corporate philosophy and operations: 3.88 (A)
  - \* Empathy with management strategy: 3.92 (A)
  - \* Pride in the Group: 4.06 (A)
- **Headcount allocation according to strategic fit**
  - \* Out-of-store-sales: Approx. 1,260 people
  - \* Buyers : Approx. 300 people
  - ➡ Number of app contents distributed in FY2024: approx. 25,000

#### Competitive advantages in the individual customer business

- **Depth of customer connections and relationships**
- **Proposals based on a combination of inspiration and science**
- **Creation of proposals that exceed the expectations of customers**

[Out-of-store-sales x Product development by buyers]



[Information distribution via apps]



[Internal e-learning menu]



### (5) Sustainability

#### Strengthen efforts in four **key initiatives (materiality)**

Rolling out more "think good" initiatives by leveraging Isetan Mitsukoshi's strengths

#### Key initiatives (materiality)

(1) Connecting people and local communities	Business and sales activities	Social contribution and support activities
	<ul style="list-style-type: none"> <li>Evolution of the "think good" initiative</li> <li>* Includes regional economic revitalization activities etc.</li> </ul>	<ul style="list-style-type: none"> <li>Charity</li> <li>Environmental beautification activities etc.</li> </ul>
	Responsible business activities	
	<ul style="list-style-type: none"> <li>Installation of renewable energy in stores</li> <li>Implementation of supply chain management etc.</li> </ul>	
(2) Connecting a sustainable environment and society	Human resources strategy activities	
	<ul style="list-style-type: none"> <li>Reform corporate culture and invest in human capital etc.</li> </ul>	
(3) Maximizing the power of people	Group governance and communication activities	
	<ul style="list-style-type: none"> <li>Stimulate discussion to balance diversity and appropriate size of the Board of Directors etc.</li> </ul>	
(4) Group governance and communication		

#### [TOPICS]

#### Large-scale upcycling projects Implemented "Peace de Mirai"



\*Held March 2022, October 2023, April 2025  
(Isetan Shinjuku Main Store, Nihombashi Mitsukoshi Main Store, Iwataya Main Store, etc.)

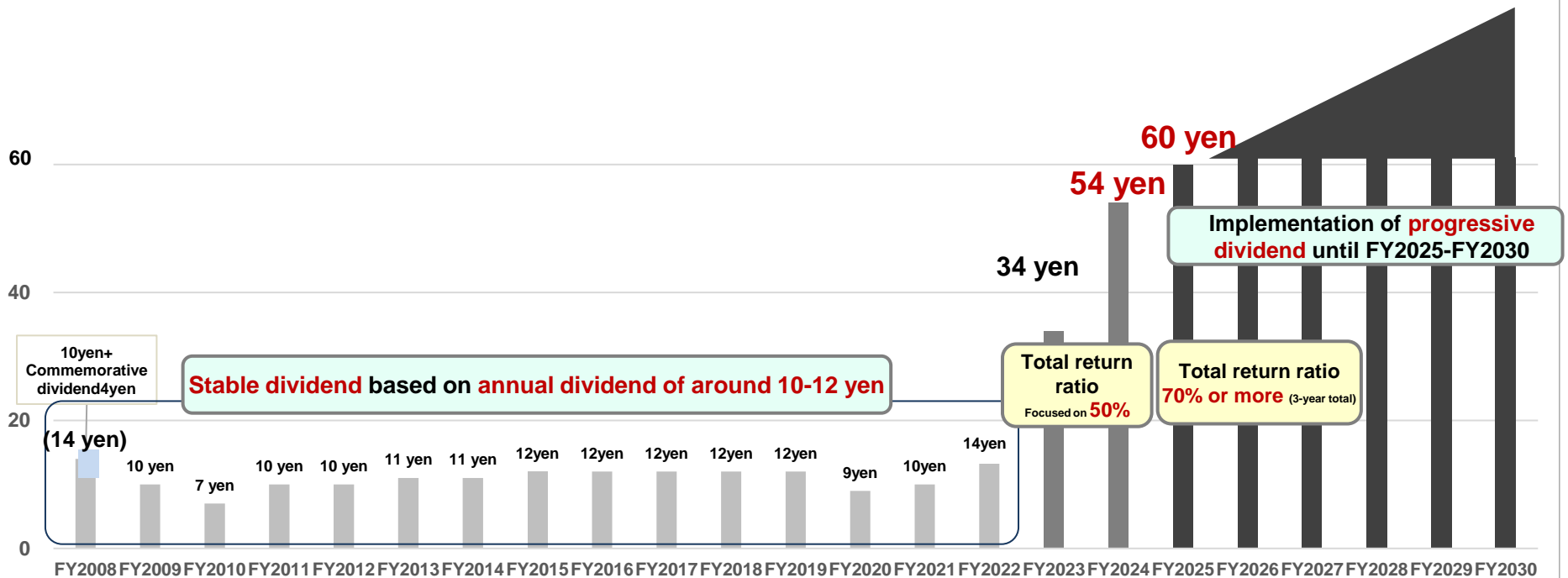
More than 150 brands cumulatively and  
more than 50 students participated  
to date

### (6) Shareholder Return "Dividend Plan"

**Progressive dividend policy** that demonstrates confidence in profit growth driven by evolution of individual customer business

Phase I (FY2025-FY2027): **Total return ratio of 70%** (total for the period) and implementing **progressive dividends** until FY2030

#### Dividend per share and plan





**Some of the information in this material may contain forward-looking statements. These statements are forecasts based on reasonable judgments made in accordance with information available to the Company at the time of disclosure and include various risks and uncertainties.**

**Therefore, actual performance figures and results may differ from forecasts due to factors such as future business operations and changes in economic conditions.**