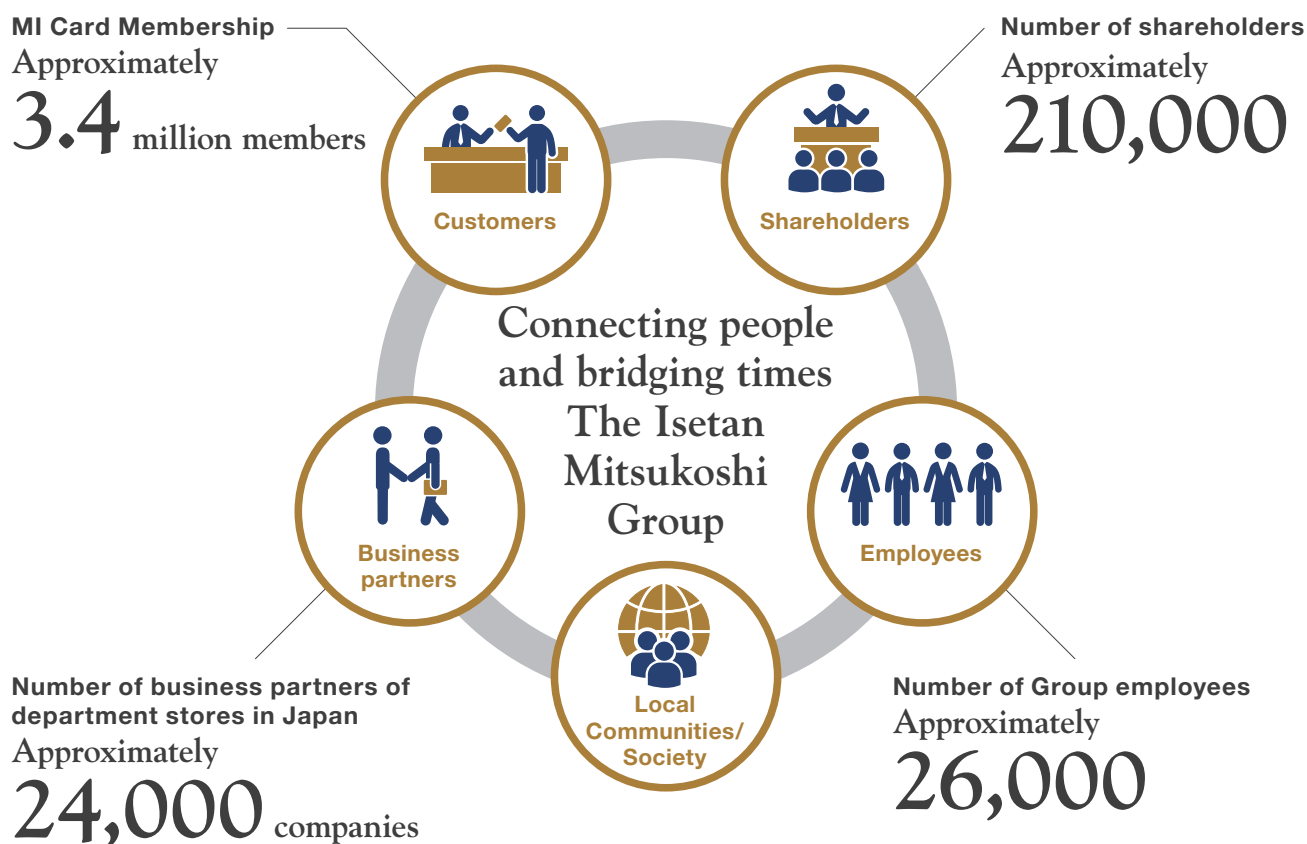


Numerical Facts about the Isetan Mitsukoshi Group

The Isetan Mitsukoshi Group is a retail Group consisting of approximately 26,000 employees from 63 Group companies^{*1}. It boasts the highest sales among department stores in Japan. It engages in business activities in four segments^{*2}: the department store business, the sales of which account for around 80% of total sales, the credit & finance business/customer organization management business, the real estate business, and other businesses.

The Group has the four brands of Mitsukoshi, Isetan, Iwataya, and Marui Imai, operating 24 department stores and around 100 small and midsize stores all over Japan and a total of 34 overseas stores, which are located mainly in China and Southeast Asia.

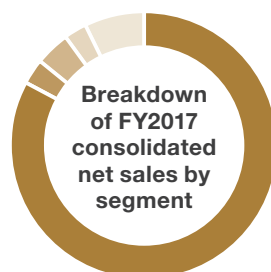


FY2017 consolidated net sales

1,268.8 billion yen

Ranked **5th** among retailers in Japan

Ranked **1st** among department stores in Japan

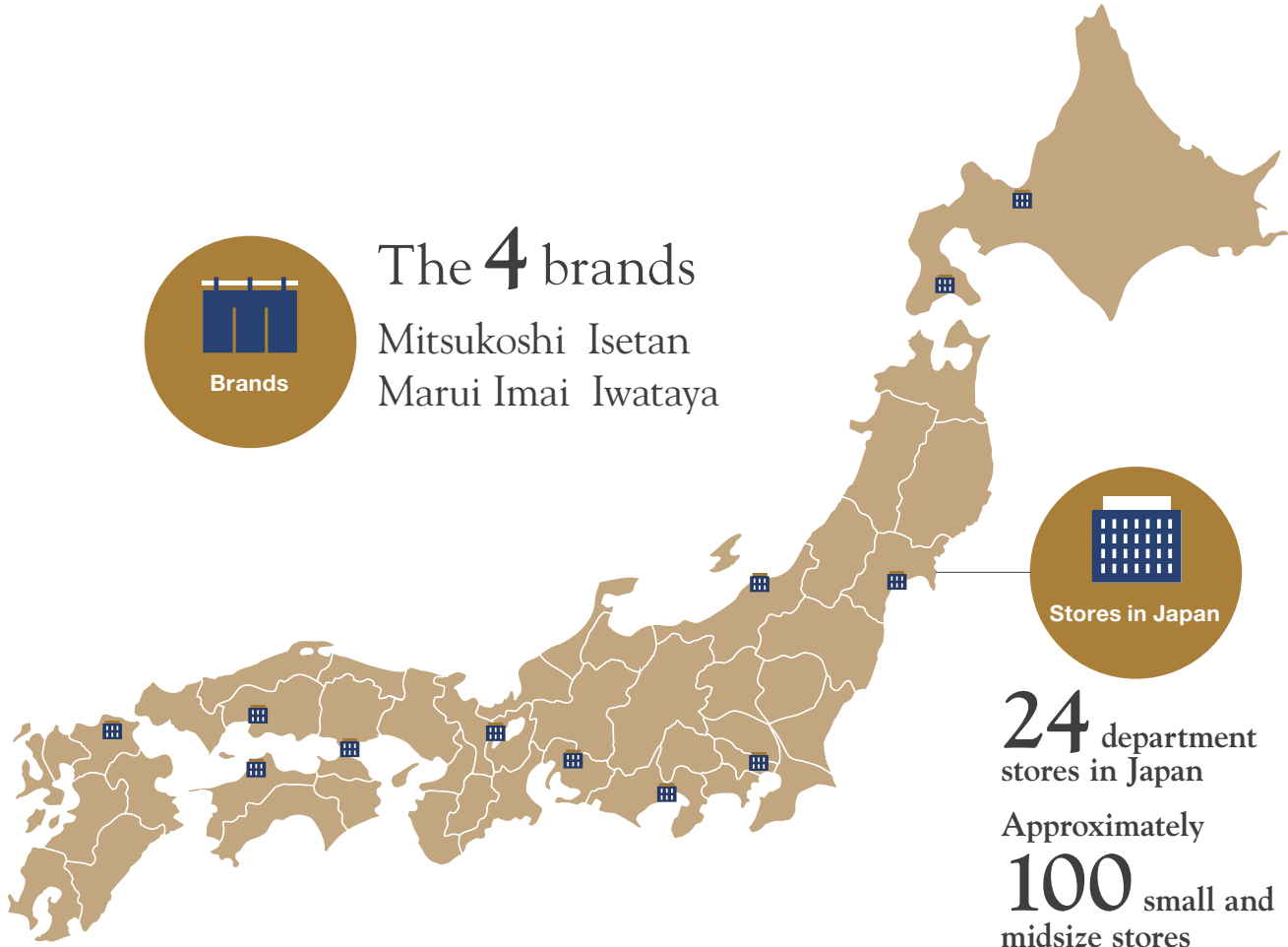


Department store business	83%
Credit & finance business/ customer organization management business	3%
Retail & specialty store business	4%
Real estate business	3%
Other businesses	7%

115 years after the Department Store Declaration in 1904, the Isetan Mitsukoshi Group, which connects people and bridges times, will evolve further to become department stores in the new era that make use of the power of IT, stores, and Human Resources.

^{*1}: Including nine equity method affiliates

^{*2}: The retail & specialty store business was excluded from the business segments in FY2018.

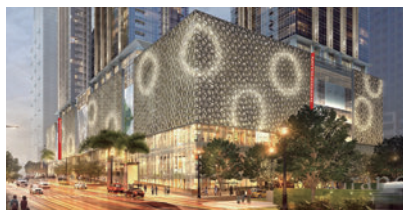


Businesses of the Isetan Mitsukoshi Group



Department store business
(online and offline)

Annual customer traffic
Approximately 250 million



Real estate business

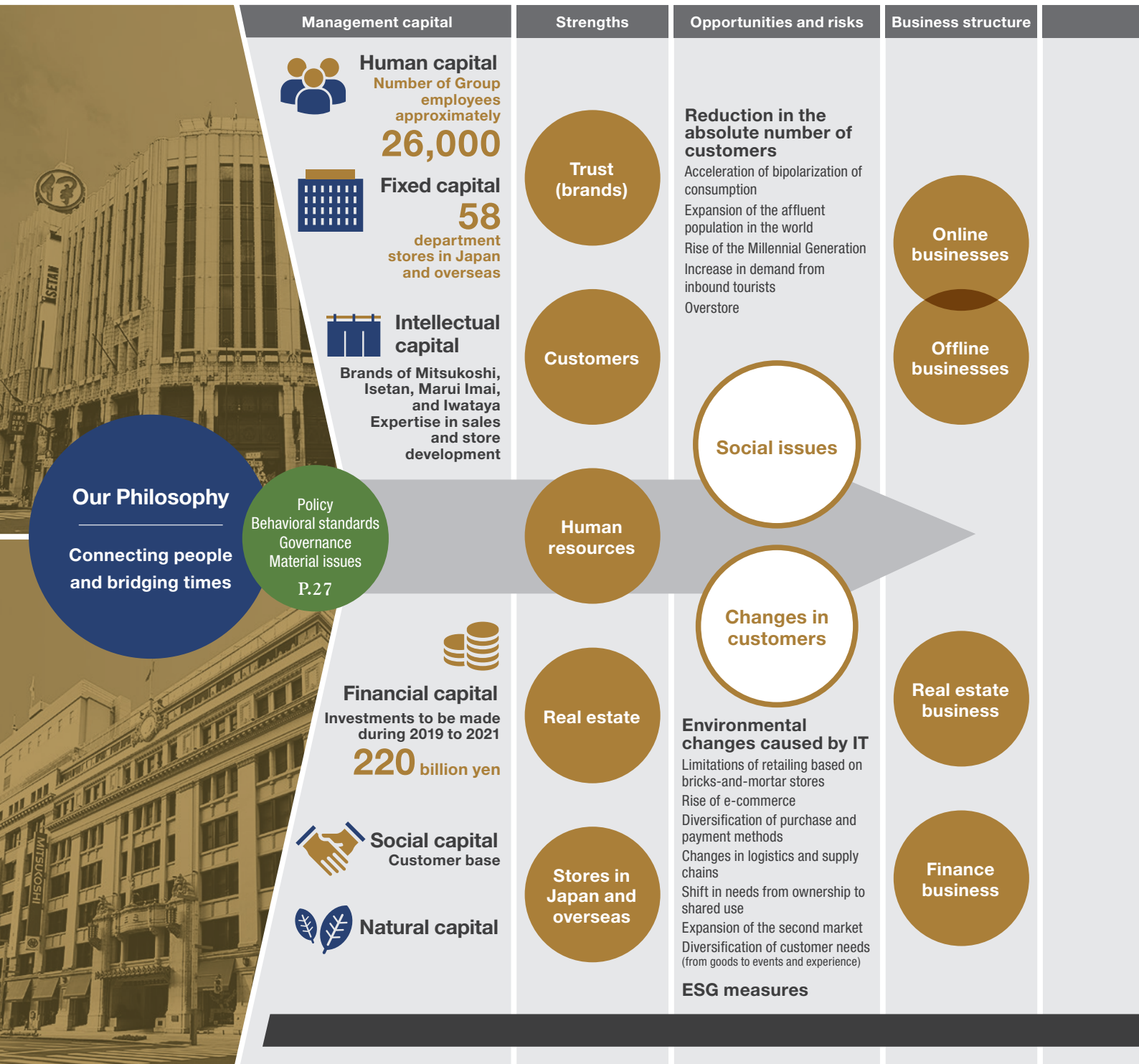
Owns excellent stores in Ginza,
Nihombashi, and Shinjuku



Finance business

Approximately 18% of all households in Japan with an annual income of 20 million yen or more are MI Card members.

Process of Value Creation by the Isetan Mitsukoshi Group



Management capital

Human capital
 Number of Group employees approximately **26,000**

Fixed capital
58 department stores in Japan and overseas

Intellectual capital
 Brands of Mitsukoshi, Isetan, Marui Imai, and Iwataya
 Expertise in sales and store development

Policy
 Behavioral standards
 Governance
 Material issues
 P.27

Financial capital
 Investments to be made during 2019 to 2021 **220 billion yen**

Social capital
 Customer base

Natural capital

Strengths

Trust (brands)

Customers

Human resources

Real estate

Stores in Japan and overseas

Opportunities and risks

Reduction in the absolute number of customers

Acceleration of bipolarization of consumption
 Expansion of the affluent population in the world
 Rise of the Millennial Generation
 Increase in demand from inbound tourists
 Overstore

Social issues

Changes in customers

Environmental changes caused by IT

Limitations of retailing based on bricks-and-mortar stores
 Rise of e-commerce
 Diversification of purchase and payment methods
 Changes in logistics and supply chains
 Shift in needs from ownership to shared use
 Expansion of the second market
 Diversification of customer needs (from goods to events and experience)

ESG measures

Business structure

Online businesses

Offline businesses

Real estate business

Finance business


Our Philosophy

Connecting people and bridging times

Since its foundation, the Isetan Mitsukoshi Group has continued evolving by innovating its business models according to the changes of the times and bridging customers with goods and events.

While the environment surrounding the industry has been changing rapidly, the Isetan Mitsukoshi Group will continue trying to achieve greater innovative changes than ever by taking the environmental changes as opportunities. We will create department stores in the new era by connecting our brands, customers, human resources, real estate, and domestic and overseas stores, which are our strengths, with businesses by using the power of IT, stores, and people.

In addition, by responding to changing social issues and requests, we will build relationships of trust with all our stakeholders, including our customers, shareholders, investors, business partners, employees, and local communities. Through these efforts, we will enhance our corporate value and continue to grow sustainably.

Business strategies	Values we provide	Achievements to be made	Goals
<ul style="list-style-type: none"> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">Business model innovation</p> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">New online businesses</p> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">Expansion of real estate business</p> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">Cost structure reform</p> 	<ul style="list-style-type: none"> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">Providing a supreme customer experience, both online and offline</p> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">Providing a new customer experience by combining the Group's strengths with digital technologies</p> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">Increasing points of contact with customers by making effective use of company- owned real estate</p> 	<ul style="list-style-type: none"> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">Operating income for FY2021 50.0 billion yen</p> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">Future department stores that make use of the power of IT, stores, and human resources (platformer)</p> <li style="text-align: center; border: 2px solid #8B4513; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0;">ROE for FY2021 5.0% or higher</p> 	<ul style="list-style-type: none"> <li style="text-align: center; border: 2px solid #003366; border-radius: 50%; width: 200px; height: 150px; margin: 10px 0; display: flex; align-items: center; justify-content: center;">  <p style="margin: 0; text-align: center;">Connecting people Connecting sustainable societies Bridging local communities and times</p> <li style="text-align: center; border: 2px solid #003366; border-radius: 50%; width: 150px; height: 100px; margin: 10px 0; display: flex; align-items: center; justify-content: center;"> <p style="margin: 0; text-align: center;">Sustainable growth of the Isetan Mitsukoshi Group</p>
Governance/Communication			