

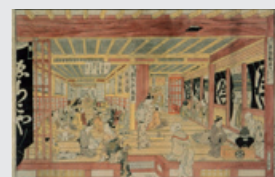
History of Challenges Taken On by the Isetan Mitsukoshi Group

The Isetan Mitsukoshi Group has four brands: Mitsukoshi, Isetan, Iwataya, and Marui Imai. 2023 is a milestone year for Mitsukoshi, which celebrates its 350th anniversary. Throughout our long history, we have always endeavored to uphold our customer-first principle, and have repeatedly taken on challenges while responding to changes in society and the environment in each era, right up to the present day.

Launch of the Department Store Business

◆1673 Foundation of Echigoya

Takatoshi Mitsui founded Echigoya, a kimono shop. This shop was the first to begin sales based on cash payment and honest, fixed prices indicated on labels. It also started a business selling cloth in cut pieces according to customer needs, which expanded its customer base.



Drawing of the Echigoya Kimono Shop in Surugacho by Okumura Masanobu

◆1754 Foundation of Beniya

Koemon Nakamura founded Beniya, the kimono shop that was the predecessor of Iwataya. It was renamed Iwataya in 1764.



A drawing of Iwataya when it was a kimono shop

◆1872 Foundation of Marui Imai

Toshichi Imai, the founder of Marui Imai, opened a haberdashery near Sosei Bridge. He opened Imai Gofukuten (a kimono shop) in 1874.



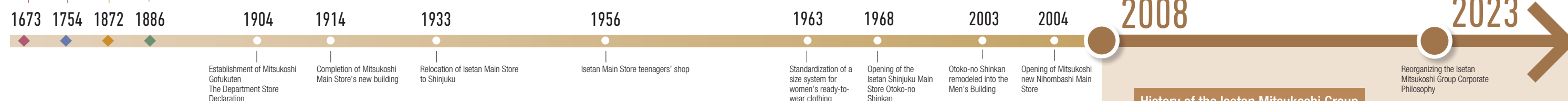
Imai Gofukuten

◆1886 Foundation of Iseya Tanji Kimono Fabric Shop

Founder Tanji Kosuge opened a kimono fabric store. The store focused on obi and patterns, providing unique products such as kimono with the Goshuden pattern, and gained popularity.



Iseya Tanji Kimono Fabric Shop



Innovative proposals reflecting customers' interests

1673: Cash payment and honest, fixed prices indicated on labels

In 1673, Mitsukoshi's founder, Takatoshi Mitsui, opened the kimono shop Echigoya (the predecessor of Mitsukoshi) based on the principle of cash payment and honest, fixed prices indicated on labels. At that time, major stores sold their wares based on a system of credit by either taking samples of their products to show their customers, who would then place an order for later delivery, or by taking their products directly to the homes of their customers. In both cases, customers settled their bills at a later date, making payment either in August or December. Takatoshi abolished this system. He introduced a system of cash payment and honest, fixed prices indicated on labels based on over-the-counter sales, and sold fabric at whatever lengths the customers desired. By changing the business practice of selling only in units of fabrics and making it possible to sell by the piece, he created a system that allowed customers to buy only the amount they wanted. In the Edo period, the company's innovative approach to the concerns of potential customers, namely the townspeople, expanded its customer base and gave birth to the world's first "store where anyone can shop at the same price," which is commonplace today.

Proposing new, affluent lifestyles and promoting culture

1904: The Department Store Declaration

In 1904, upon the establishment of Mitsukoshi Gofukuten Co., Ltd. the company announced the inception of Japan's first department store in a letter of invitation to its business partners. The following year, on January 2, 1905, the company published the Department Store Declaration in major newspapers throughout Japan, declaring the establishment of a department store and the promotion of culture to all stakeholders, thus marking the beginning of department store culture in Japan. In 1914, a new building of the main store was completed with lion statues, the symbol of Mitsukoshi, at the entrance, along with Japan's first escalator, elevators, and other state-of-the-art facilities, as well as a place to rest cafeteria, and rooftop garden, making it the hottest new landmark in Tokyo as a place where people could experience Western culture. In terms of merchandise, it took form as a modern department store, offering not only kimono fabric but also a full lineup of general merchandise. In the same year, the store held its first cultural event, Exhibition of Korin's Remains. By holding the Korin Design Exhibition in conjunction with this, the company established a new business model that was unparalleled in the world, combining the "pleasure of seeing" and the "pleasure of buying." Our efforts to promote and pass down culture and tradition, which have continued since that time, have evolved into a more locally-oriented approach that now includes not only product and art exhibitions, but also the revitalization of local industries and product development centered on the Group's bases.



A national newspaper advertisement announcing the Department Store Declaration

Creating the foundations for everyone to freely enjoy fashion

Creating unconventional sales floors

●1956

Teenagers' shop

In the mid-1950s, Japan had only children's and women's clothing, and girls between the ages of 13 and 17 struggled to find something that fit their sizes. Noticing that this age group was called "teenagers" in the U.S. and was established as a fashion category, Isetan became convinced that it was necessary to develop new ready-to-wear clothing that was not an extension of children's wear or a smaller version of women's wear. After thoroughly researching the lifestyle and unique body shape of this age group, Isetan began test sales for teenagers in time for the summer holidays of 1956, while developing designs and sizes appropriate for teenagers. Later, the store expanded beyond clothing to include accessories, hats, bags, handkerchiefs, and other miscellaneous goods, and the teenagers' shop became the foundation of Isetan as a byword for fashion.



●1963

Standardization of a size system for women's ready-to-wear clothing

Easy-order women's clothing had reached its heyday, but the limited number of patterns meant that there was a limit to how much the company could respond to customer orders. Isetan foresaw the coming of the era of ready-made clothes in Japan, which would combine the fit of order-made clothes with the simplicity of easy-order clothes, which was becoming mainstream in Europe and the U.S., establishing the Fashion Research Department in 1957 to research new ready-made clothes. Convinced of the importance of developing sizes that fit the Japanese body shape and establishing a size system, the company analyzed data from easy-order measurements and other sources to create patterns of sizes that fit Japanese women. Standardization was an issue, but Isetan reached an agreement with Takashimaya and Seibu Department Stores, and in 1963 held a joint press conference on standardizing their sizes. Later, this standardized size system became the standard for department stores in Japan.



●1968 Shop for large sizes 1969 Shop for small sizes

Isetan focused on size development to penetrate the ready-to-wear clothing market, opening a large-size Lady Clover Shop in 1968 and a small-size Strawberry Shop in 1969.

2008

History of the Isetan Mitsukoshi Group

2008: Establishment of Isetan Mitsukoshi Holdings Ltd. through business integration

In the face of severe conditions such as a declining population and intensifying competition from other industries, we were required to speedily and accurately grasp increasingly diverse and sophisticated customer needs and to enhance our proposal and development capabilities. While understanding and respecting each other's history and corporate culture, we integrated our management in order to leverage our respective strengths, enhance the value we provide to our stakeholders, and contribute to society.



2009 onward: Spin-offs of regional operating companies

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| 2009 | Establishment of Hakodate Marui Imai | Establishment of Sendai Mitsukoshi |
| | Establishment of Nagoya Mitsukoshi | Establishment of Hiroshima Mitsukoshi |
| | Establishment of Takamatsu Mitsukoshi | Establishment of Matsuyama Mitsukoshi |
| 2010 | Establishment of Niigata Isetan Mitsukoshi | Establishment of Iwataya Mitsukoshi |
| 2011 | Establishment of Isetan Mitsukoshi | Establishment of Sapporo Marui Mitsukoshi |

2018 onward: Digital business and services

We provide customers with new purchasing experiences by developing new businesses that harness the strengths of the Isetan Mitsukoshi Group and utilize digital technology to keep pace with the changing times.

- 2018 ISETAN DOOR (weekly delivery service)
- 2019 meeco (online cosmetics store)
- MOO: D MARK by ISETAN (online gift website)
- Isetan Mitsukoshi Hometown Tax
- 2020 Isetan Mitsukoshi app
- Isetan Mitsukoshi Remote Shopping app (allows customers to shop remotely in the same way as in stores)
- 2021 REV WORLDS (virtual city service using the metaverse)



2023: Reorganizing the Isetan Mitsukoshi Group Corporate Philosophy

History of the Department Store Business



Lion statues at the main entrance of Mitsukoshi Nihombashi Main Store