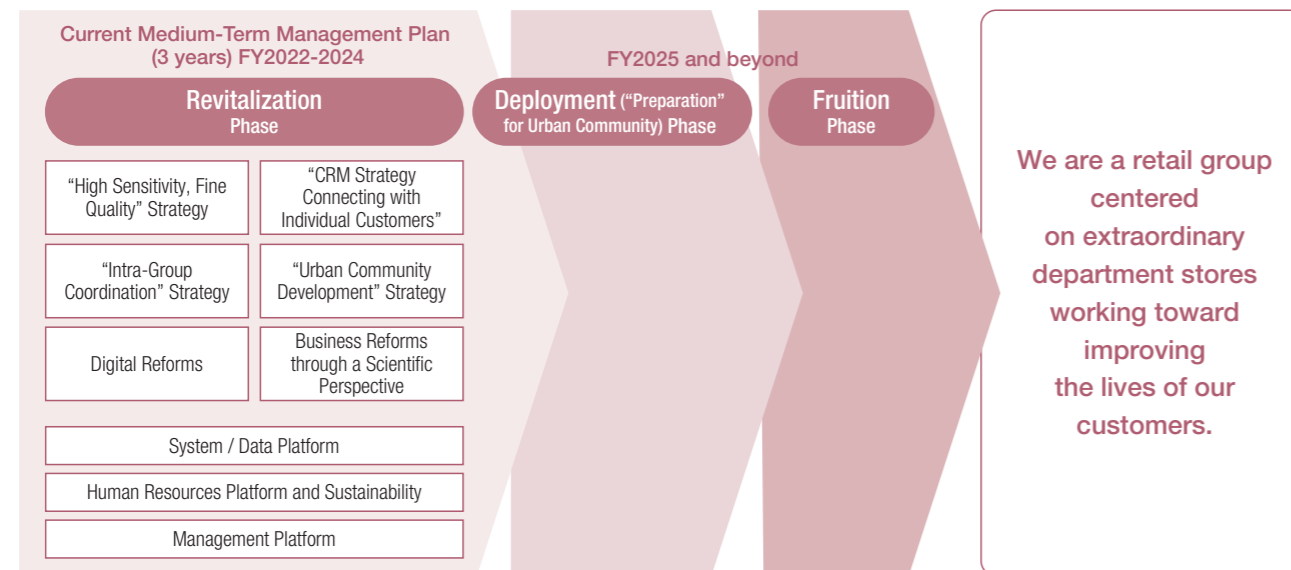


# Overview of the Medium-Term Management Plan

## Medium-Term Management Plan

The Isetan Mitsukoshi Group is implementing its Medium-Term Management Plan, which runs through FY2024, with the aim of being a retail group centered on extraordinary department stores working toward improving the lives of our customers. To do so, we will promote our key strategies of 1) “High sensitivity, fine quality” strategy; 2) “CRM strategy connecting with individual customers;” 3) “Intra-group coordination” strategy; and 4) “Urban community development” strategy. As part of this process, we will simultaneously undertake in each region and area a reorganization of our traditional department store business model, and bring to fruition urban development for the future.



### ◆ “High sensitivity, fine quality” strategy

To help both Isetan Shinjuku and Mitsukoshi Nihombashi main stores evolve into symbols of admiration and empathy, Isetan Shinjuku focused on fashion and Mitsukoshi Nihombashi focused on tradition and culture, art, and lifestyle. These strengths were expanded to branches and Group stores through a new sales network that links out-of-store sales, buyers and in-store attendants. In addition, by concentrating the Group’s strengths and expanding the range of products and services not traditionally offered in department stores, we are laying the groundwork to meet the wide-ranging needs of our customers. Going forward, we will develop a system that enables us to propose a full range of products and services, and further increase our share of customers’ wallets.

### ◆ “CRM strategy connecting with individual customers”

We are expanding the number of individual customers (i.e., identified customers) with whom we have face-to-face connections so as to provide attentive services and products, and to meet all kinds of needs. The number of identified customers and identified customer sales have both risen substantially as a result of measures we have taken to improve the number of connected individual customers and the amount they spend. In particular, we have made significant progress in identification by stepping up efforts to expand Mitsukoshi Isetan app membership. We will continue to expand our customer base by acquiring new MICARD members and Mitsukoshi Isetan app members, and increase profits by promoting their use.

### ◆ “Intra-group coordination” strategy

Through the “Intra-group coordination” strategy, which aims to use the Group’s resources to maximize the connections we have cultivated with our many customers through the “High sensitivity, fine quality” strategy and “CRM strategy connecting with individual customers,” we have promoted the remodeling and construction of department stores in Japan, the in-house production of advertising and promotional work, B2B out-of-store sales to sell Group content to external companies, and alliance initiatives such as the issuance of tie-up cards. In the future, by combining the capabilities and know-how of Group companies, we aim to increase the value of our offerings and create new business opportunities that can be monetized as content and infrastructure functions for when urban community development comes to fruition.

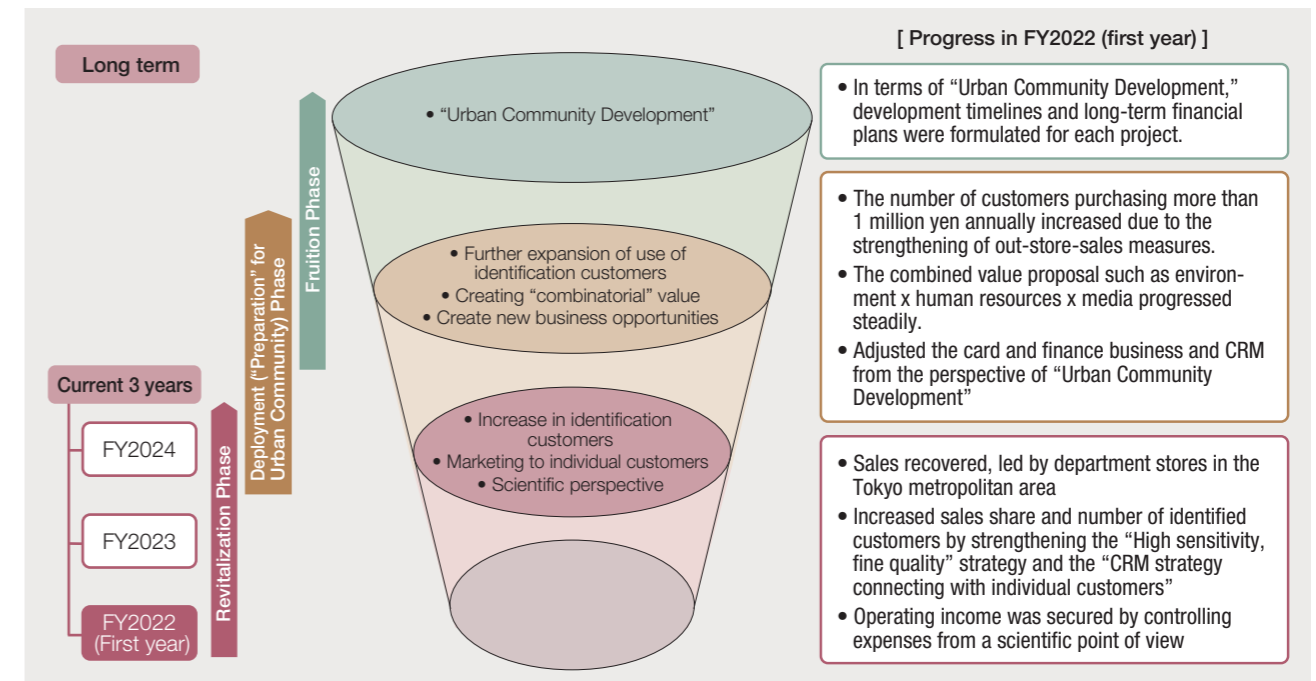
### ◆ “Urban community development” strategy

As part of our “Urban community development” strategy, which aims to effectively utilize our high-quality real estate holdings, we are working to increase the value of our real estate holdings nationwide by developing hotels, residences, offices, and other mixed-use properties with department stores at the core, thus enabling more customers to use the Isetan Mitsukoshi Group. We will develop mixed-use properties with department stores at their core to attract more customers and create a unique customer experience by multiplying the provided value derived from department stores with a variety of mixed-use applications.

### ◆ Progress in medium- to long-term strategic steps

We are proceeding in three phases as the steps in our medium- to long-term strategy to realize our vision: Revitalization Phase, Deployment (“Preparation” for Urban Community Development) Phase, and Fruition Phase.

As shown below, in FY2022, the plan in the Revitalization Phase is progressing smoothly and ahead of schedule. In FY2023 and beyond, we will continue to steadily implement initiatives with an eye to the long-term span of the Deployment (“Preparation” for Urban Community) Phase and Fruition Phase.

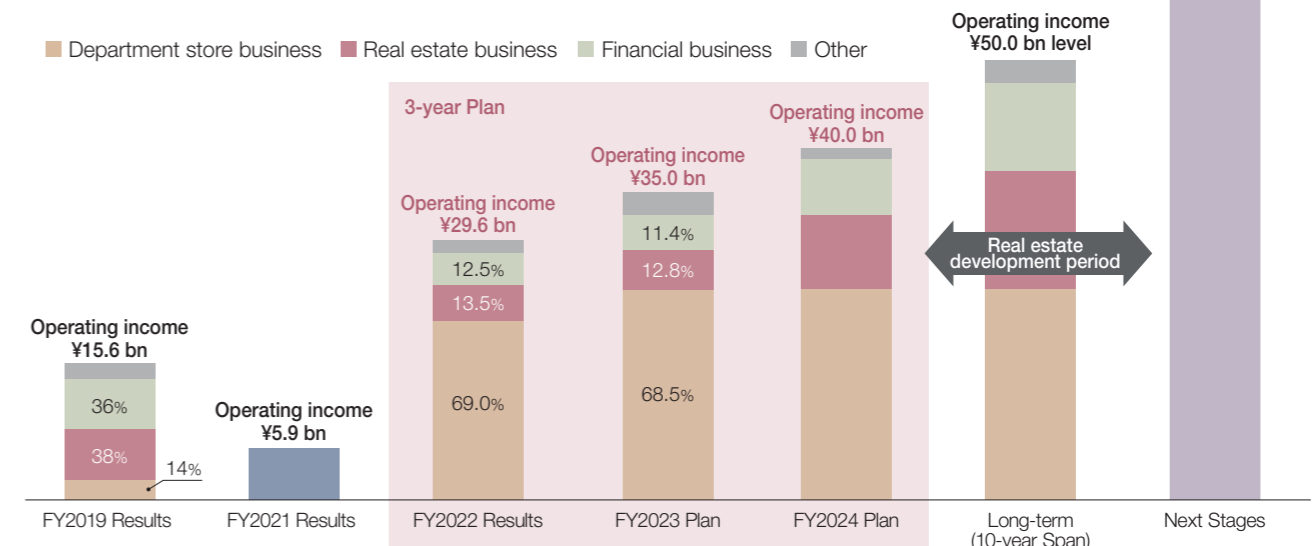


### ◆ Medium-to long-term profit steps and portfolio image

In order to achieve an operating income level of 50 billion yen over a long-term span of ten years, we started the current three-year plan with the aim of achieving operating income of 35 billion yen in FY2024, the highest income level since the integration of Isetan Mitsukoshi Holdings Ltd. by thoroughly promoting revitalization of our department stores.

The plan is progressing extremely well, and we expect to achieve and even exceed this goal in FY2023, ahead of schedule. Going forward, we will work to make our real estate and financial businesses profitable by capitalizing on the strengths of our revitalized department stores. By doing so, ten years down the road, we will not only have exceeded 50 billion yen in operating income, but also have built a stronger business portfolio in which profits from segments other than department stores account for more than half of our total profits.

Through these reforms, we will continue to plan with our sights set on an even higher profit level when real estate development projects are completed in the next ten years and beyond stage.



\*Although we have upwardly revised the planned figures for FY2023 to operating income of 38.0 billion yen (as of the announcement of 1Q results for the fiscal year ending March 2024), this report shows the figures of the annual plan as announced on May 9, 2023 to ensure consistency of the overall figures.