

Key Strategies: “Urban Community Development” Strategy

“Urban Community Development” Strategy

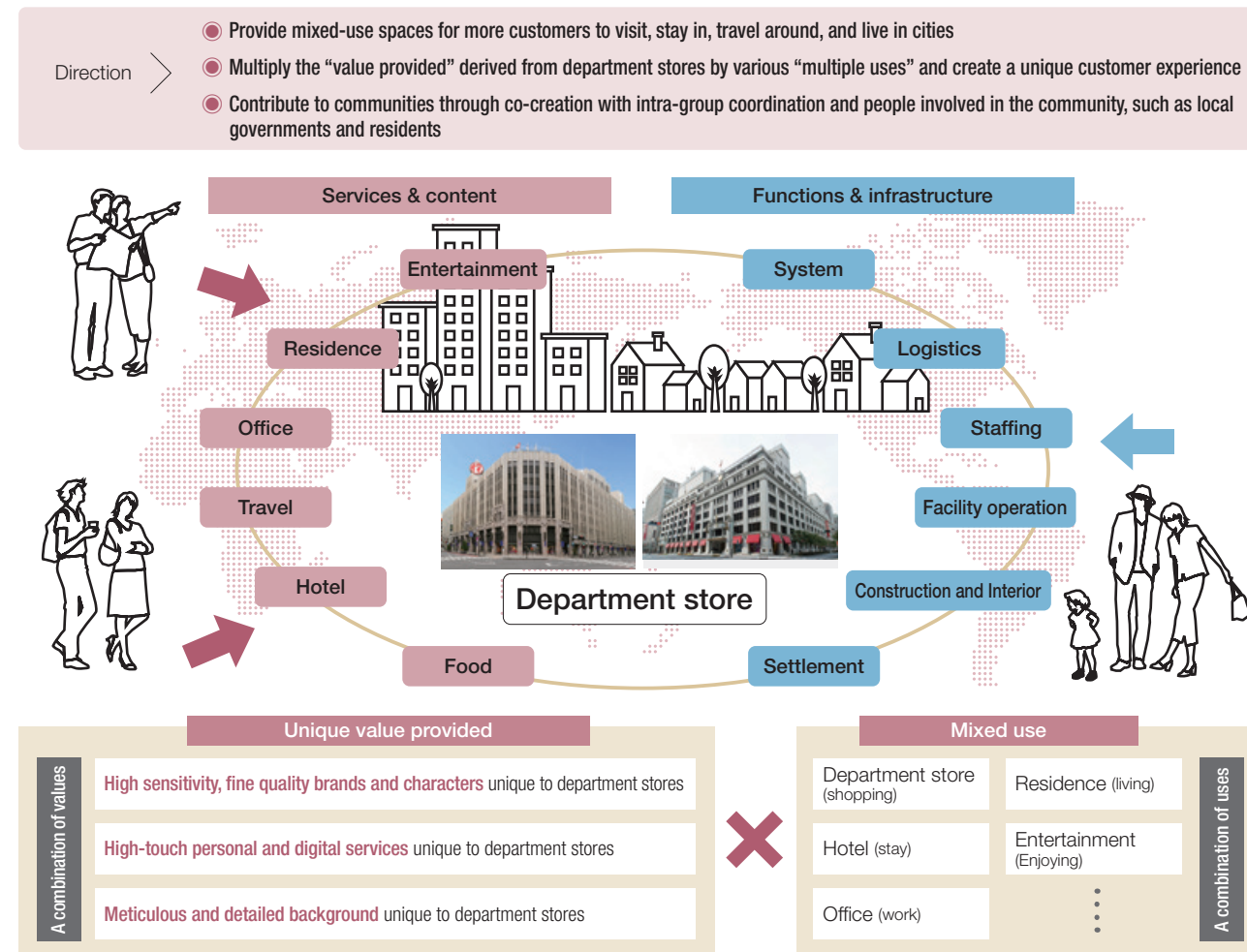
Isetan Mitsukoshi’s “Urban Community Development” initiatives will be centered on the Group’s department stores. By expanding the use of mixed-use properties through real estate development and developing content and infrastructure functions under our brands through intra-group coordination, we aim to attract more customers to the towns and create a unique profitability model that is not limited to real estate alone.

◆ Toward the promotion of Isetan Mitsukoshi’s “Urban community development” strategy

We aim to create a unique customer experience that only Isetan Mitsukoshi can offer by combining the distinctive value that we have cultivated over many years in our department store business with mixed-use properties that we will expand through future redevelopment.

Following on from the Grand Design Project conducted in FY2021, in FY2022 Isetan Mitsukoshi will continue discussing and reviewing a variety of topics, such as the future vision that Isetan Mitsukoshi wants to achieve through “Urban Community Development” and the role of Isetan Mitsukoshi in this process. These wide-ranging discussions will involve both management and front-line members of the Company, along with perspectives from outside the Company.

In addition, we are also making concrete preparations for employees to acquire the skills required for undertaking “Urban Community Development,” including secondment to outside companies in the real estate and financial industries.



Interview

In FY2023, I have been seconded to an outside company involved in hotel development. Currently, I am in the process of acquiring knowledge and expertise in hotel development by working with owners, hotel operators, designers, construction companies, and many other related parties in overall hotel project management and construction management for multiple hotel development projects in Tokyo and the suburbs. I will continue to study every day while gaining plenty of experience, in the hope of applying everything I learn to the introduction of mixed-use properties in “Urban Community Development” projects of the Group in the future.

Takafumi Sanada Yamashita PMC Inc. (Seconded)



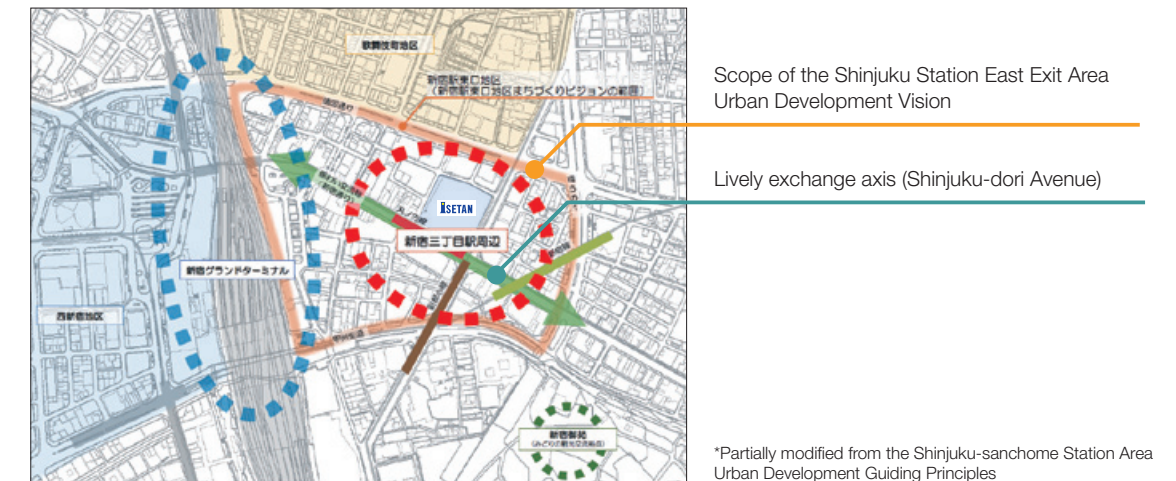
◆ In response to the Shinjuku Station East Exit District Urban Development Vision

The Shinjuku Station East Exit District Urban Development Vision aims to achieve a future vision for the area as “a vibrant city representing Japan and a place where people want to take a stroll,” forming a lively exchange axis centering on the Shinjuku-sanchome Station area. The Shinjuku City Government has formulated the Shinjuku-sanchome Station Area Urban Development Guiding Principles with the aim of deepening its vision for urban development with regard to the urban functions and urban infrastructure required for the Shinjuku-sanchome Station area.

Based on these ideas, we will continue to study the frame of Isetan Mitsukoshi’s urban development together with the municipal government and local residents.

Town Future Picture: A vibrant community representing Japan where people want to take a stroll

—Formation of a lively exchange axis centered on Shinjuku-dori Avenue and two bases centered on railway stations—



◆ Start of review of the Nihombashi area

As the development of the entire Nihombashi area is taking shape, landowners are currently holding review sessions in the vicinity of our buildings. We are also participating in these sessions, and are studying ways to enhance the value of the community together with the local residents.

TOPICS

Opening of MITSUKOSHI BGC—A mixed-use development model incorporating real estate development + retail overseas

Isetan Mitsukoshi Holdings Ltd. is working with Nomura Real Estate Development Co., Ltd., a major developer in Japan, and Federal Land Inc., a major real estate company in the Philippines, to jointly promote a large-scale mixed-use development project of “real estate development + retail” in Bonifacio Global City, Manila, Philippines. The grand opening of MITSUKOSHI BGC, a development under this project, was held on July 21, 2023. This project, which combines MITSUKOSHI BGC, a commercial facility on the lower floors (from the first basement to the third floor above ground), and The Seasons Residences, four high-rise condominium buildings on the upper floors (from the 3rd floor above ground to the 54th floor in the highest building), leverages the brands and commercial operation know-how of the Isetan Mitsukoshi Group. As a new business model to enhance the real estate value of high-rise residences and the surrounding area as a whole, we aim to reform our business structure overseas and earn future profits.



High-story part (residential): The Seasons Residences Low-story part (commercial): MITSUKOSHI BGC

Outline of the facility

Facility name	MITSUKOSHI BGC
Address	8th Avenue corner 36th Street, North Bonifacio District, Bonifacio Global City 1634, Taguig City, NCR, Philippines
Date of opening	Grand opening held on July 21, 2023 (Friday)
Total floor space	Approx. 28,000 m ² (commercial floors: first basement to the third floor above ground)
Opening hours	From 11:00 a.m. to 10:00 p.m.
Number of tenants	Approx. 120 stores
Management company	Sunshine Fort North Bonifacio Commercial Management Corporation



Entrance to MITSUKOSHI BGC



Interior of MITSUKOSHI BGC