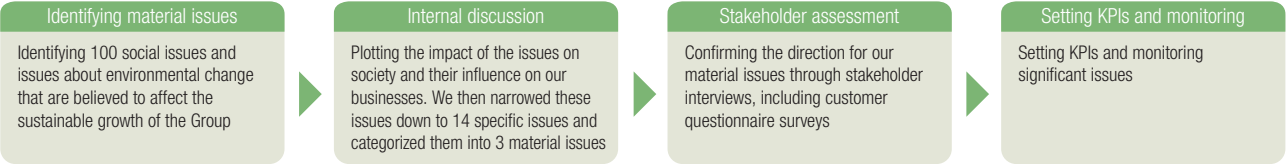


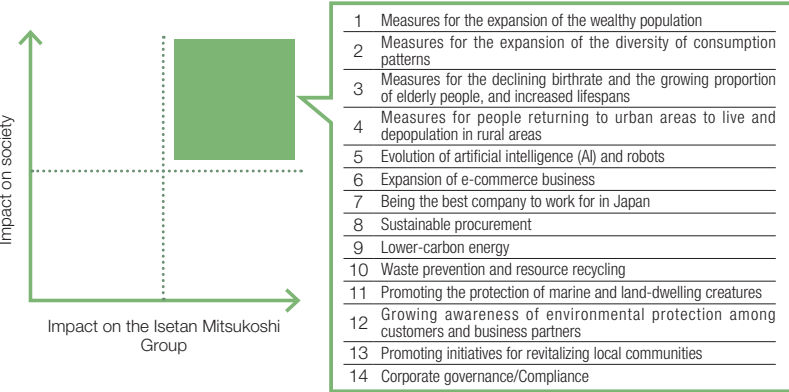
Sustainability

Process for Identifying Priority Initiatives (Materialities)

At Isetan Mitsukoshi Holdings, priority initiatives (Materialities) were identified in FY2018 based on discussions at management conferences (current Board of Executive Officers), the opinions of external advisors, and the findings from customer questionnaire surveys. We are reviewing our materialities in light of changes in the external environment, feedback from our stakeholders, and the reorganization of our Corporate Philosophy.



Issues with a significant impact on society and the Group's businesses



Customer questionnaire survey conducted in February and March 2023

We conducted online survey of Isetan Mitsukoshi app members, in which we asked them about such things as their expectations of Isetan Mitsukoshi regarding sustainability activities and social issues of interest to them.

- Sustainability initiatives that customers most want the Isetan Mitsukoshi Group to take**
- 1 Reduction of food waste **18.9%**
  - 2 Guaranteeing product quality and safety and accurate labeling **13.5%**
  - 3 Reduction of CO<sub>2</sub> emissions from stores and corporate activities, including energy conservation **11.6%**
- Other top choices included promotion of reuse/recycling and the reduction of packaging materials, indicating a growing level of expectation for environmental issues.

Targets and Progress of Priority Initiatives

Materiality	Approach	Current status	Target for FY2024	Target for FY2030
Priority Initiative 1 Connecting People and Local Communities	Co-creation with local communities Promoting and passing on culture and tradition Connecting with people to carve a new future	Collaborate with various stakeholders surrounding the department store & retail industry, such as local governments and industry, to improve the attractiveness of communities and to pass on culture and traditions.	Propose new values and connect Japanese technology and traditional culture to the next generation, while bringing people and communities together through products and services by leveraging our network of stores and product procurement capabilities in Japan and overseas.	Work together with local communities to realize new urban development centered on department stores, making the most of the city's attractions.
Priority Initiative 2 Connecting a Sustainable Society and the Times	Achieving a carbon-neutral society Supply chain management	Greenhouse gas emissions (FY2022 preliminary results/ vs. FY2013) <b>Down 44.81%</b>  Implementation of questionnaire with business partners 292 companies responded (51%) Dialogue with business partners 34 companies (FY2022 results)	Conversion to LED lighting in supporting divisions Change to high-efficiency equipment through our long-term maintenance plan Promote energy saving by introducing equipment systems that incorporate new technologies  Disclose and explain Isetan Mitsukoshi Group Procurement Policy to all business partners and encourage the holding of dialogues on issue sharing and resolution  Establish solid human rights due diligence processes  Conduct human rights education for all employees	Greenhouse gas emissions (vs. FY2013) <b>Down 50%</b>  Ratio of renewable energy introduced (Percentage of electricity used at domestic department store business) *A: Company-owned properties in the domestic department store business: 100% <b>60%</b>  Isetan Mitsukoshi Group Procurement Policy penetration rate among employees and business partners <b>100%</b>
Priority Initiative 3 Improving the Satisfaction of Employees	Promoting diversity & inclusion Promotion of lifelong CDP Realizing Life-work balance Communication	Ratio of female managers *Group total (as of April 1, 2023) <b>30.6%</b>  Ratio of employees with disabilities Isetan Mitsukoshi Ltd. and major Group companies in the Tokyo metropolitan area (as of June 1, 2023) <b>2.83%</b>  Companies achieving between 1,700 and 1,800 total working hours per year (*target 23 Group companies) (FY2022 results) <b>39.1%</b>  Percentage of male employees taking childcare leave Isetan Mitsukoshi Ltd. (FY2022 results) <b>97.4%</b>  Employee engagement survey response rate *Across the Group (FY2022 results) <b>100%</b>	Ratio of female managers *Across the Group <b>33.0%</b>  Ratio of employees with disabilities Isetan Mitsukoshi Ltd. and major Group companies in the Tokyo metropolitan area <b>3.00%</b>  Companies achieving between 1,700 and 1,800 total working hours per year *Target 23 Group companies <b>80.0%</b>  Percentage of male employees taking childcare leave Isetan Mitsukoshi Ltd. <b>100%</b>  Employee engagement survey response rate *Across the Group <b>100%</b>	Ratio of female managers *Across the Group <b>38.0%</b>  Ratio of employees with disabilities Isetan Mitsukoshi Ltd. and major Group companies in the Tokyo metropolitan area <b>3.50%</b>  Companies achieving between 1,700 and 1,800 total working hours per year *Target 23 Group companies <b>100%</b>  Percentage of male employees taking childcare leave *Across the Group <b>100%</b>

For details of the Group's sustainability initiatives, please refer to the Isetan Mitsukoshi Holdings Website Sustainability. The Sustainability Report 2023 (Japanese version) is planned to be released in December 2023. The Website (English version) will be updated in February 2024.

<https://imhds.disclosure.site/en>



Priority Initiative 1 Connecting People and Local Communities

Concept

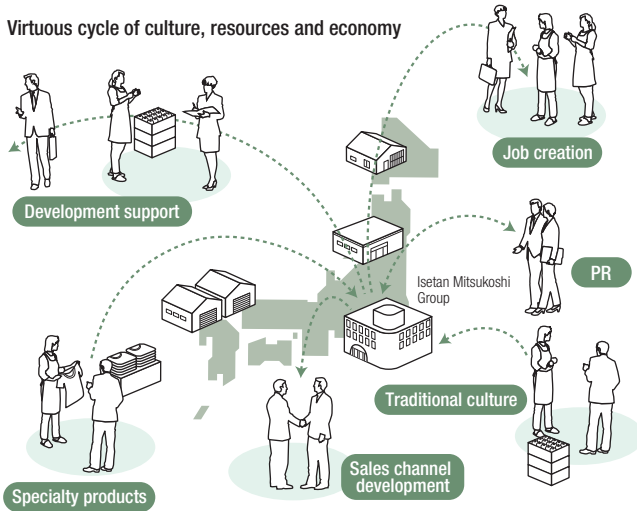
Aiming for the sustainable development of society and economy, the Group engages in various activities as a member of the local community. Through active communication with the people and communities around us and active participation of each of our employees, we seek and practice what we can do by leveraging our unique strengths as a Group with a department store business at its core. Specifically speaking, we carry out activities to revitalize local communities, social contribution activities centered on fundraising, cultural and traditional projects, and next generation development. We will continue to promote a trusting relationship with local communities.

Vision

We will leverage the Group's strengths, including our extensive store network in Japan and overseas and product/service procurement capabilities, to connect Japanese technology and traditional culture to the next generation through goods and services. We will also propose solutions to social issues and new values by bringing people and the community together.

Initiatives

To help customers enrich their lifestyles, we take initiatives and connect people with many areas. This includes the creation of opportunities to feel the emotions and aesthetics of people and the introduction of the local cultures, traditions, and specialties of many regions.



Co-creation with local communities

We actively engage with local stakeholders, working mainly through our department stores to address social issues specific to each region and to promote local production for local consumption. We are also committed to promoting regional revitalization, such as the introduction of local specialty products through our online business utilizing such schemes as Isetan Mitsukoshi Hometown Tax, corporate business, and gift business.

Promotion and succession of culture and tradition

To help customers enrich their lifestyles, the Group continues to organize and host events so that anyone can experience the fascination of culture. In addition to art exhibitions such as "Haru no Inten (Japanese Painting Exhibition)" and "Japan Traditional Kogei Exhibition," we hold international exhibitions introducing foreign cultures, and product exhibitions introducing famous products from individual regions across Japan. In recent years, we are also working to disseminate the values of Japan's world-class cultural assets and contribute to their conservation through collaboration with national museums and museums of art.

TOPICS

MOO:D MARK by ISETAN

This is an e-commerce site where you can use the Social Gift\* service. Under this scheme, we support the revitalization of local communities through the sale of gifts online. Utilizing the merchandising capabilities and networks that we have cultivated over the years, we work together with producers and manufacturers of outstanding food products and crafts on everything from support for product development to PR, sales, and analysis of the results of these efforts.

This project, which began in 2020, continues to grow significantly.

Our work with local businesses starts with our buyers, who travel across Japan in search of local specialty products. Leveraging their wealth of experience as department store buyers, they provide product development support while engaging in dialogue with businesses on approaches and combinations that meet the potential needs of our customers.

In our work with producers in Wakayama Prefecture, we have supported the development of umeboshi (pickled plum) gifts that can be enjoyed by the younger generation through a series of trials. Covering all stages from product selection to packaging methods and package design, our assistance in product development has been extremely well-received.

Through this initiative, we aim to contribute to regional revitalization by promoting the charms of regions and helping businesses create a system to generate ongoing revenue.

\*Social Gift: A service that allows you to send gifts to people whose addresses you do not know via social media, e-mail, or other means



MOO:D MARK by ISETAN  
<https://isetan.mistore.jp/moodmark>