

# Special Feature: Human Capital



CAO: Chief Administrative Officer CHRO: Chief Human Resource Officer

## Innovation centered on people that has continued for 350 years since the Company's founding

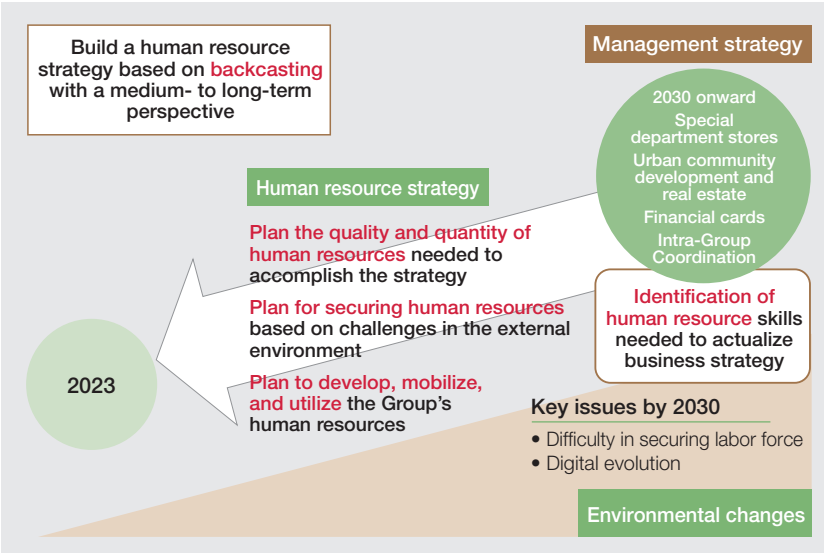
For over 350 years since our founding, we have been moving the hearts and minds of our customers by staying half a step ahead of the times and continuously proposing new, affluent lifestyles and culture.

Over the years, we have been able to achieve sustained growth because we have positioned the capabilities of each and every employee as our most important capital, and have sought to maximize the value of that capital. In pursuing the Isetan Mitsukoshi Group's raison d'être in a new era, we will further enhance the capabilities of our people, encouraging the emergence of diverse members and continuing to take on the challenge of innovation in the future.

## Establishment of human resource strategy to realize medium- to long-term management strategies

In May 2023, we reorganized our Group Corporate Philosophy to clarify once again our raison d'être (mission) and the thoughts and actions we place importance on (values), which will help us achieve our vision. We will take this opportunity to restructure our medium- to long-term human resource strategy by aligning it more closely with our corporate philosophy and medium- to long-term management strategies.

Our medium- to long-term management strategies will see us move toward a more long-term, broad-based approach to intra-group coordination and urban community development, while leveraging the strengths of our special department stores. We will establish a medium- to long-term human resource strategy with a view to creating a corporate culture and organizational climate that will allow the human resources who will lead the future to continue to demonstrate their abilities 10 to 20 years down the road, and to build a unique corporate group that will last into the future, centered on the capabilities of its people.

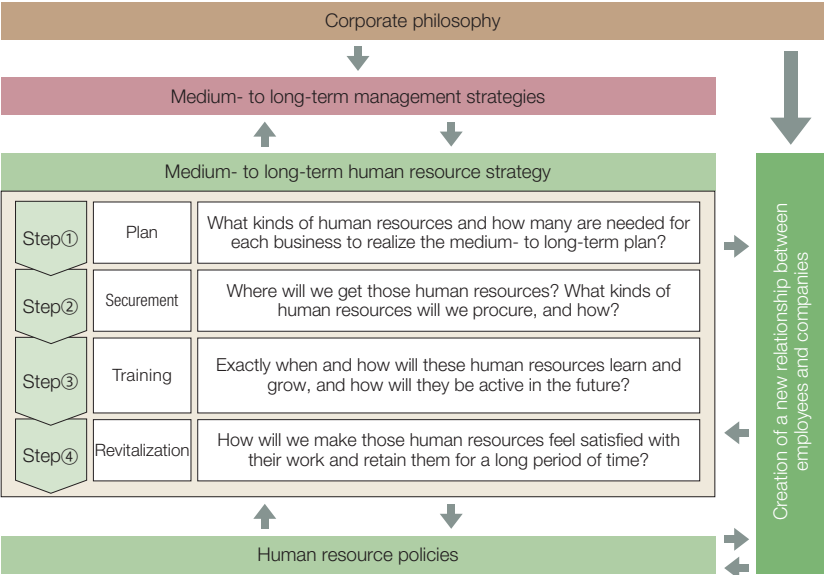


## Steps to consider medium- to long-term human resource strategy

In establishing a medium- to long-term human resource strategy, it is necessary to define a new relationship between employees and the Company with a view to fostering a corporate culture that is in line with our new corporate philosophy. After that, the plan will be divided into a human resource strategy aimed at realizing the management strategy, and a human resource policy, which will serve as the supporting structure for this.

In particular, the main human resource strategy will be broken down into four steps and considered in detail.

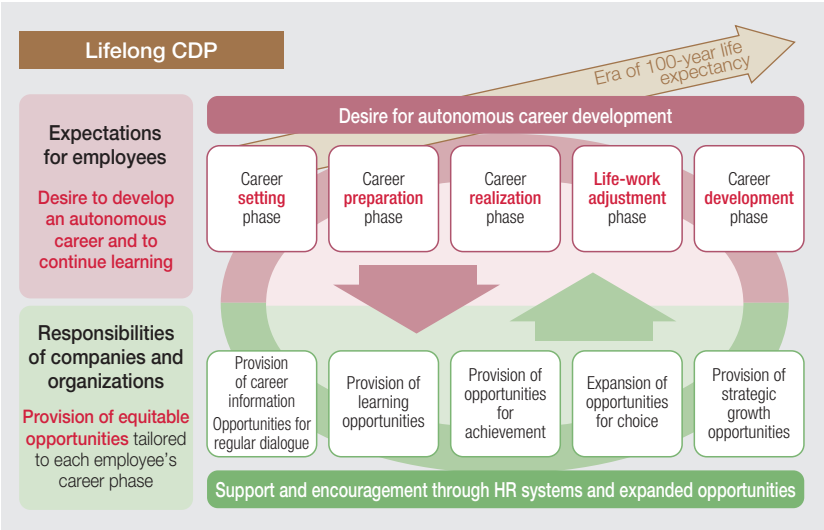
By verbalizing the new relationship between employees and companies within the Group, we will clarify expectations for employees and the responsibilities and roles of the Company and organization, as well as raise awareness of maximizing human resources throughout the Group, leading to improved productivity and the creation of innovation.



## Lifelong career development program (CDP) system

In the human resource strategy step, we focus on training to draw out the strengths of employees. Our Group will continue to accompany employees from the time they join until the end of their careers with us, and will establish a lifelong CDP system tailored to each individual employee.

Through this system, companies create fair opportunities for each employee according to his or her career phase, and encourage their desire for autonomous career development and growth. At the same time, companies and supervisors will assess the growth qualities of each individual, and sometimes strategically transfer or assign them outside the Company to maximize their future potential, aiming for both personal growth and the growth of the Company in the medium to long term.



In order to create a unique company that will last into the future, it is essential to create an environment in which each and every employee is motivated to work and can grow and play an active role. The Group's companies, organizations, and supervisors will continue to maximize people's capabilities by earnestly addressing the lifelong CDPs of every employee, thereby creating new innovations. By continuing to implement this cycle, the Isetan Mitsukoshi Group's raison d'être will be enhanced even further. Touching people's hearts with human-driven experiences.

In order to become a corporate group that will continue to fulfill this mission for the next 350 years, we have positioned 2023 as a year of new beginnings. As such, we will work together with our employees, companies, and organizations to move forward together.