

# Coexistence with Local Communities

## Background

While the birthrate is declining and the population is aging, the population is concentrated in urban areas. In such situation, increasing the attractiveness of and revitalizing communities have become social agendas. In addition, the situation of cities where the population is concentrated is changing due to the impact of COVID-19. Companies are required to make efforts to revitalize their communities.

## Outline of actions

We are working on the sustained growth of areas and stores by promoting the Urban Dominant strategy that focuses on building the ecosystem of the areas centered on our flagship stores.

## Future direction

We will create stores to realize sustainable urban development and revitalization and aim for the urban development that improves all of economic value, environmental value, and social value. In addition, by adding the role of local disaster prevention infrastructure, we will promote the development of stores that are more closely linked to communities.

## Long-term targets

**2050** Local communities, governments, and retailers will cooperate closely to realize sustainable and advanced urban development by combining urban development that makes use of the area's assets, which is the strength of the Group, with solutions to environmental issues.

## Major actions in fiscal 2019 (partially in fiscal 2020)

- Urban development centered on the opening of ESG model stores including the main building of the Daimaru Shinsaibashi store and Shibuya PARCO
- Promotion of Urban Dominant strategy
- Regional revitalization through Parco's crowdfunding business
- Regional revitalization through *chisan-chisho*

## Urban Dominant strategy

The Urban Dominant strategy is a business model that aims to make the area as a whole attractive with our stores at the core and grow together with the area. It improves the appeal of the area and contributes to local communities. The Urban Dominant strategy has its root in the development of shops around the Daimaru Kobe store in the Former Foreign Settlement in Kobe. We have expanded and developed this know-how, which has realized the revitalization of the entire area. Currently, we are promoting the Urban Dominant strategy in five key areas including Shinsaibashi, Kyoto, Kobe, Nagoya, and Ueno.

The main building of the Daimaru Shinsaibashi store and Shibuya PARCO made their grand openings in September and November 2019, respectively. By contributing to making the area attractive, such as by driving traffic to each area, they draw new crowd to the areas.

## Parco crowdfunding Shizuoka MIRUI Project

In January 2020, we launched the Shizuoka MIRUI Project to help businesses in Shizuoka try something new and solve problems. Shizuoka PARCO, the Matsuzakaya Shizuoka store, and Shizuoka Shimbun SBS advertise and support the projects posted on a special website for crowdfunding BOOSTER through their stores, SNS, media, etc.

Crowdfunding BOOSTER will continue to develop collaborative projects that contribute to regional revitalization.



## Local production for local consumption (*chisan-chisho*)

The Group contributes to regional revitalization by leveraging the strengths of its nationwide network of stores and expanding their offering of products that are unique to each region. Hakata Daimaru, which operates a department store business, contributes to regional revitalization through *chisan-chisho* by selling and introducing products from the Kyushu region as the Kyushu Tankentai (exploration unit). Going forward, the Group will continue to expand its initiatives and leverage the unique characteristics of each region to evolve.



Ceremony to celebrate the establishment of Kyushu Tankentai

## Creation of safe and secure store environment

At our department stores, we organize self-defense fire brigades in preparation for earthquakes, fires, and natural disasters and conduct disaster prevention drills and BCP\* drills.

Daimaru Matsuzakaya Department Stores asks its customers to wear masks, allow us to measure their body temperatures, maintain social distance, and use alcohol sanitizer to prevent the spread of COVID-19.

For employees, health management is thoroughly implemented and measures are taken to prevent infection, including the use of anti-droplet shields. In addition, in our stores, we strengthen air conditioning and let fresh air inside.

\* BCP: Plan for business continuity or early recovery in the event of a disaster



Poster on safety and security