

Management Strategy

Department Store Business_01 Real × Digital Strategy

Luxury Mall That Stands Out in the New Era



New retail presence

GINZA SIX, which opened in April 2017 through the integrated development of two blocks including the former Matsuzakaya Ginza store based on the concept of “Life At Its Best,” has a strong presence in the world-class Ginza area as the only luxury mall in Japan. We believe that this is one form of “retail innovation” that was born from the combined wisdom of four companies (at the time of opening) that dared to choose “not to operate as a department store.” The luxury brands’ duplex boutiques called “Front Six,” which constitute the facade on the Ginza Chuo-dori side, forms the dominant image of GINZA SIX, which is conscious of global standards.

In 2021, right in the middle of the COVID-19 pandemic, we have undergone a major renewal, replacing 45 brands since opening. While adapting to the changing times, we have further improved its freshness and succeeded in developing a new customer base. As a result, even at a time when inbound sales have not fully revived, we have succeeded in developing new good domestic customers and achieving growth at a high rate, including a record monthly transaction volume in December 2022.

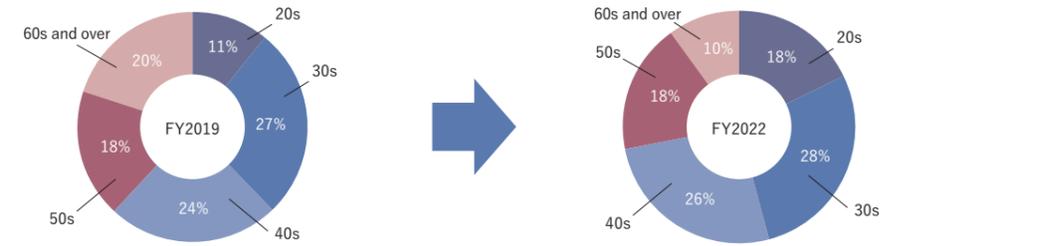
We believe that the implementation of ever renewal in an exquisite cycle is a key factor essential for sustainable value creation.

Demonstrate strengths for young people

A major feature of GINZA SIX is that it is extremely popular among young people. In particular, the share of people in their 20s and 30s in the total transaction volume was high at 38% even in 2019, but in fiscal 2022, it increased to 46%, nearly half. Considering that customers in their 50s and older

account for more than half of the transaction volume of the Department Store Business, we can see the potential for the customers with profiles to whom the current Department Store cannot reach out. It can be said that GINZA SIX offers an important insight toward solving the structural issues that the Department Store faces.

Changes in the ratio of each generation to total transaction volume



*Source: GINZA SIX app data

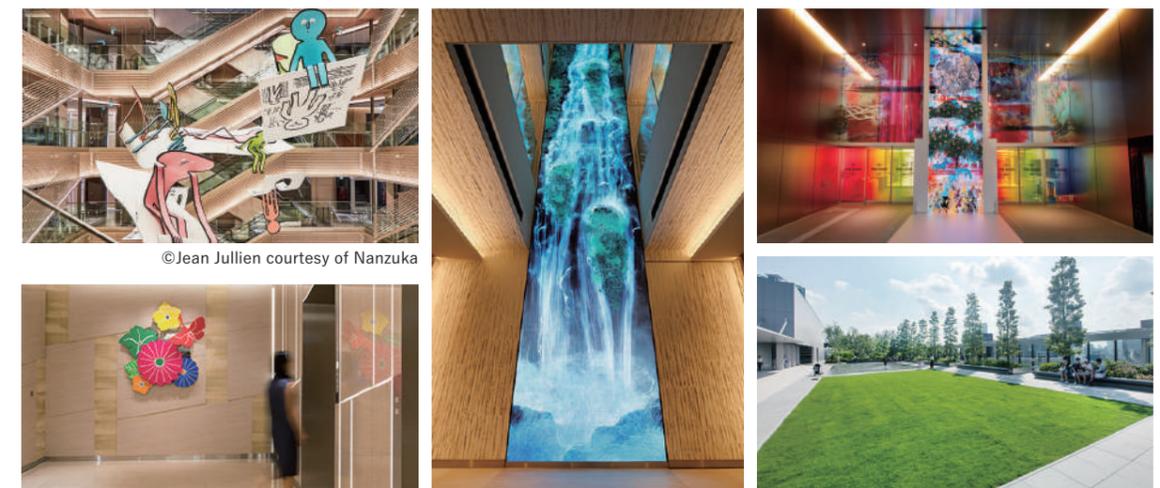
Customer experience unique to the real world

One of the features that has made GINZA SIX so popular with customers is the creation of an artistic space. In the atrium in the center of the store, an innovative and bold installation, which is replaced at regular intervals, is being staged. And special hospitality features can be seen throughout the building, including show windows on the 2nd basement floor, public art in the north-south elevator halls and corridors on the 3rd through 5th floors under the supervision of Mori Art Museum, and living wall art in the atrium on the

Chuo-dori side.

In addition, the rooftop garden, the largest in the Ginza area at approximately 4,000 square meters, is open to the community. The garden symbolically represents an environment where visitors can feel close to nature in the city, and provides a place for relaxation and socializing for visitors to Ginza.

After all, the unique atmosphere that can only be experienced in the real world shows the existence value of GINZA SIX as an exclusive experience value.



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Also create synergies with the Department Store

As part of the Group’s overall efforts to centralize card issuance to strengthen its customer base, GINZA SIX’s card issuer will be changed to JFR Card in 2024. We believe that this will make shopping with the Department Store’s Daimaru

Matsuzakaya Card at GINZA SIX more convenient and beneficial for our customers. Among other things, we expect that this will lead to a much larger selection of luxury items for our gaisho customers in the Tokyo metropolitan area, and we expect to see more synergies.

