

## History—Tradition (Foundation ⇒ Birth of Department Store)

1717

Shimomura Hikoemon Shokei opened a kimono fabric store “Daimonjiya” in Fushimi, Kyoto. (Foundation of Daimaru)



## Responding to Changes Makes History

Daimaru and Matsuzakaya that were founded as a kimono fabric store and a kimono fabric and fancy goods wholesale store, respectively.

The long paths of their 300 and 400 years of histories were uneven.

They converted to department store operators 100 years ago after overcoming a number of crises and expanding their stores. By having consistent values and continuing to respond to the changing times, they embody “sustainability.”

1611

Ito Ranmaru Sukemichi opened a kimono fabric and fancy goods wholesale store in Honmachi, Nagoya.



## 1700s

1726

Opened Osaka store Matsuya in Shinsaibashisuji, Osaka and began cash sales at fixed prices. (Present location of Shinsaibashi store)

1728

Opened Nagoya store at Honmachi 4-chome, Nagoya and used the name “Daimaruya” for the first time. (Closed in 1910)

1737

Distributed to all stores the hanging scrolls with the store creed of “Service before Profit” on it. Completed the construction of the new Kyoto flagship store in Funaya-cho, Higashinotoin, Kyoto.

1743

Opened Edo store at Odenmachi 3-chome, Edo. (Closed in 1910)

1757

Built Kiba Villa near Haneji Bridge at Kiba 4-chome, Fukagawa, Edo and set up a shrine of Han-ei Inari in one corner of the property. (Still present on the premises of Core Building)

1787

Edo store achieved the highest sales in Japan as a kimono fabric dealer.

## 1800s

1837

The Oshio Rebellion broke out. Daimaru escaped burning at the hands of mobs due to its reputation as a philanthropic merchant.

## 1900s

1907

Established Kabushiki Goshi Kaisha Daimaru Gofukuten with a capital of ¥0.5 mn.

1908

Newly built and opened Kobe branch at Motomachi 4-chome, Kobe.

1912

Opened new three-story reinforced wooden Kyoto store on Shijodori Street (present location) as a department store.

1913

Revised and registered the trademark.

1920

Established Kabushiki Kaisha Daimaru Gofukuten with a capital of ¥12 mn.

1922

First implemented a weekly holiday system in the department store industry.

1927

Opened the first Dyeing Laboratory & Hygienic Laboratory (present Consumer End-Use Research Institute) in the department store industry in Osaka store (present Shinsaibashi store).

1928

Changed the company name to Kabushiki Kaisha Daimaru.

1953

Signed an exclusive contract with Christian Dior, Japan's first partnership with a foreign designer.

1959

Launched private label men's clothing “Trojan.”

1961

Achieved the highest sales in the Japanese retail industry. (Consecutively from H2 1960 to H2 1968)

1964

Signed an exclusive contract with Givenchy.

1983

Umeda store opened in Osaka Terminal Building “Acty Osaka.” Adopted a new CI and created a new logo.

1997

Kobe store (hit by the Great Hanshin-Awaji Earthquake in 1995) was restored and made its grand opening.

1999

Fully launched management reform (store-based sales reform and gaisho reform). (Next year, HR reform and back-office reform were launched.)

## 2000s

2003

Sapporo store opened.

2007

Integrated management with Matsuzakaya Holdings Co., Ltd. and established a holding company J. Front Retailing Co., Ltd.

1717

1611

2007

## 1600s

1659

Opened a kimono fabric and fancy goods wholesale store in Chayamachi, Nagoya.

## 1700s

1736

Changed the trade to a silk and cotton kimono fabric retailer.

1740

Became a kimono fabric purveyor to the Owari Tokugawa clan.

1745

Opened a purchasing office in Muromachi Nishikikoji, Kyoto.

1768

Acquired Matsuzakaya in Ueno, renamed it Ito Matsuzakaya, and entered into Edo.

## 1800s

1805

Opened a cotton wholesale store Kamedana in Odenmachi, Edo.

1868

Ueno store was used as the headquarters of imperial army during the Ueno war.

1875

Acquired a kimono fabric store Ebisuya and entered into Osaka.

1881

Opened Ito Bank (predecessor of former Tokai Bank) in Chayamachi Kado, Nagoya.

## 1900s

1907

Reorganized Ueno store into Goshi Kaisha Ito Gofukuten.

1910

Established Kabushiki Kaisha Ito Gofukuten with a capital of ¥0.5 mn. Opened a department store in Sakaemachi, Nagoya.

1917

Completed the new main building of Ueno store.

1923

Reopened Osaka store (Nipponbashisuji). (Relocated to Tenmabashi in 1966 and closed in 2004)

1924

Ginza store opened.

1957

Designated cattleya as a symbol flower.

1972

Nagoya store built a north wing.

1991

Nagoya store built a south wing and opened “Matsuzakaya Museum.”

## 2000s

2003

Nagoya store built a new south wing and became one of the largest department stores in Japan.

2006

Established a holding company Matsuzakaya Holdings Co., Ltd.

2007

Integrated management with The Daimaru, Inc. and established a holding company J. Front Retailing Co., Ltd.

History—Innovation (Reorganization ⇒ Portfolio Transformation)

## Fusion Opens Up the Future

Changes in the times are more and more accelerated.

The landscape rapidly changed when the bubble economy burst in the 1990s and there was an urgent need for industry reorganization.

In such a situation, Daimaru and Matsuzakaya Holdings integrated management to expand each other's strength and achieve regrowth.

Furthermore, we converted Parco into a consolidated subsidiary in 2012 and converted it into a wholly owned subsidiary in 2020 to expand our retail wing.

The full-scale fusion of disparate cultures is just beginning.

# 2007

The Daimaru, Inc. and Matsuzakaya Holdings Co., Ltd. integrated management and established J. Front Retailing Co., Ltd.



J. FRONT RETAILING



### 2007

Daimaru Tokyo store completed phase 1 of relocation and expansion.

### 2008

Daimaru Credit Service, Inc. was renamed JFR Card Co., Ltd.

Daimaru Design & Engineering Co., Ltd., Daimaru Mokko Co., Ltd., Matsuzakaya Seiko Co., Ltd., and Refex Japan, Inc. merged into J. Front Design & Construction Co., Ltd. Dimples' Co., Ltd. absorbed Daimaru Sales Associates Co., Ltd.

Integrated the information systems of The Daimaru, Inc. and Matsuzakaya Co., Ltd.

### 2009

Restaurant Peacock Co., Ltd. absorbed Shoei Foods Co., Ltd. to form J. Front Foods Co., Ltd.

Matsuzaka Service Co., Ltd. was renamed JFR Service Co. Ltd.

The north wing of Daimaru Shinsaibashi store opened.

JFR Service Co. Ltd. absorbed Daimaru Lease & Service Co., Ltd.

### 2010

The Daimaru, Inc. and Matsuzakaya Co., Ltd. merged into Daimaru Matsuzakaya Department Stores Co. Ltd.

J. Front Design & Construction Co., Ltd. absorbed DHJ Co., Ltd.

The Daimaru Tomonokai, Inc. absorbed Matsuzakaya Tomonokai Co., Ltd. to form Daimaru Matsuzakaya Tomonokai Co., Ltd.

**2007** Phase of business integration and reorganization

### 2011

Keicho Kosode from the Matsuzakaya Collection was designated as a national important cultural property.

Daimaru Umeda store reopened with increased floor space.

### 2012

Acquired a 33.2% stake in Parco Co., Ltd. and converted it into an equity method associate.

Reached a basic agreement with Shanghai Xin Nan Dong Project Management Co., Ltd. and Shanghai New World Co., Ltd. to provide technical support and cooperation in opening and operating a new department store in Huangpu District, China.

Established JFR PLAZA Inc. through joint investment with StylingLife Holdings Inc.

Increased a stake in Parco Co., Ltd. to 65% through TOB and converted it into a consolidated subsidiary.

## PARCO

Dimples' Co., Ltd. spun off Daimaru Matsuzakaya Sales Associates Co. Ltd.

Daimaru Tokyo store completed phase 2 of expansion.

### 2013

Sold all shares of Peacock Store Ltd., which operated a supermarket business, to Aeon Co., Ltd.

Acquired a 70.52% stake in Forest Co., Ltd. and converted it into a consolidated subsidiary.

### 2014 ▶ 2016

Medium-term Business Plan

Phase of building foundations

### 2014

FY2014-FY2016 Medium-term Business Plan started.

Became affiliated with Rakuten R-Point Card service.

Fukuoka PARCO opened a new building.

Invested in Cool Japan Fund.

### 2015

Increased floor space of the main building of Fukuoka PARCO.

Acquired a 22.6% stake in Senshukai Co., Ltd. and converted it into an equity method associate.

Shanghai New World Daimaru Department Store opened.

Decided to rebuild the main building of Daimaru Shinsaibashi store.

Decided to rebuild Shibuya PARCO.

Invested in Scrum Ventures.

### 2016

GENTA was created in the north wing of Matsuzakaya Nagoya store.

Daimaru Kyoto Store Gion Machiya opened. (Nov)

### 2017 ▶ 2020

Medium-term Business Plan

Phase of changing the business structure

### 2017

FY2017-FY2021 Medium-term Business Plan started.

Voluntarily adopted the International Financial Reporting Standards (IFRS).

Transferred the business of JFR Online Co. Ltd. GINZA SIX opened.

Transitioned to a Company with Three Committees (Nomination, Audit, and Remuneration Committees).

Transferred shares of Forest Co., Ltd.

Ueno PARCO<sub>ya</sub> opened.

Ueno Frontier Tower opened.

JFR PLAZA Inc. was dissolved and liquidated.

### 2018

Accepted purchase of own shares by Senshukai Co., Ltd.

### 2019

Kinshicho PARCO opened. (Mar)

SAN-A Urasoe West Coast PARCO CITY opened. (Jun)

The new main building of Daimaru Shinsaibashi store opened. (Sep)

New Shibuya PARCO opened. (Nov)

Commenced TOB to convert Parco Co., Ltd. into a wholly owned subsidiary. (Dec)

### 2020

Daimaru Matsuzakaya Department Stores Co. Ltd. absorbed The Shimonoseki Daimaru, Inc. and converted it into a directly managed store. (Mar)

Converted Parco Co., Ltd. into a wholly owned subsidiary. (Mar)

Cancelled the Medium-term Business Plan and began to formulate FY2021-FY2023 Medium-term Business Plan.

Transferred the Real Estate Business of Daimaru Matsuzakaya Department Stores Co. Ltd. to Parco Co., Ltd. (Sep)

Shinsaibashi PARCO opened in the north wing of Shinsaibashi store. (Nov)

### 2024 ▶ 2026

Medium-term Business Plan

Phase of change

### 2024

FY2024-FY2026 Medium-term Business Plan started.

Established Pride Fund, a business succession fund, with Development Bank of Japan Inc. and Ignition Point Venture Partners Inc. (Apr)

The Company and WealthPark Co., Ltd. entered into a comprehensive business partnership. (Apr)

Daimaru Matsuzakaya Department Stores Co. Ltd. signed business partnership agreement with Central Pattana Public Company Limited of Central Group in Thailand. (Apr)

### 2021 ▶ 2023

Medium-term Business Plan

Phase of promoting the portfolio transformation

### 2021

Transferred all shares of a consolidated subsidiary J. Front Foods Co., Ltd. (Feb)

FY2021-FY2023 Medium-term Business Plan started.

Transferred all shares of Neuve A Co., Ltd. (Jun)

Daimaru Matsuzakaya Department Stores Co. Ltd. absorbed Daimaru Matsuzakaya Sales Associates Co. Ltd. (Sep)

### 2022

Partially transferred shares of Dimples' Co., Ltd. (Feb)

Established a CVC fund JFR MIRAI CREATORS Fund jointly with Ignition Point Venture Partners Inc. (Oct)

Acquired a 50.8% stake in XENOX Co., Ltd. and converted it into a subsidiary. (Nov)

### 2023

Established J. Front City Development Co., Ltd. (Mar)

Invested in Financie, Inc. (Apr)

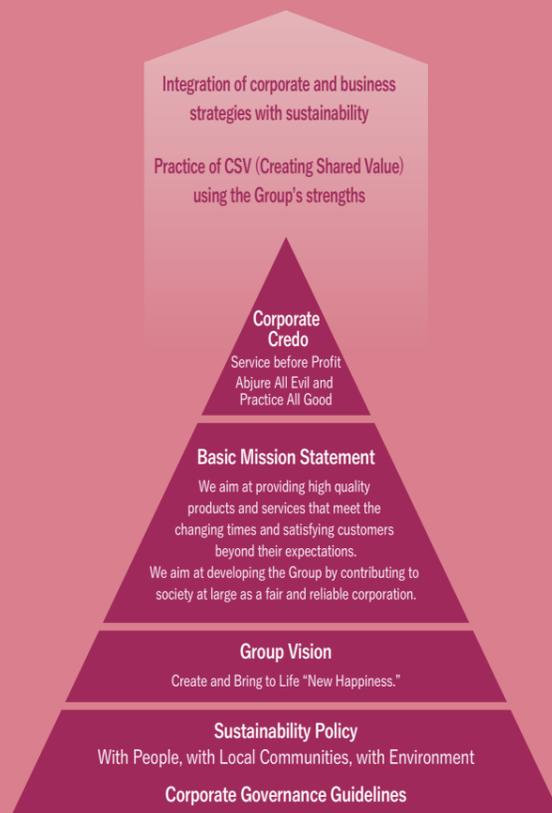
Sustainability Management

# Creating Shared Value Sustainability Management

A company cannot develop without co-existing with society. It is now essential for management to take a longer-term perspective and envision the ideal company for the future that has a meaningful presence in society. It is clear that we cannot conduct our corporate activities without turning away from issues such as the environment, society, and human rights. By incorporating the concept of sustainability into our corporate and business strategies to resolve such issues, we believe we can obtain a sustainable management framework for future growth.

With sustainability at the core of our management based on the Corporate Credo, we will strive to achieve both social and economic value by working to solve social issues through our business activities.

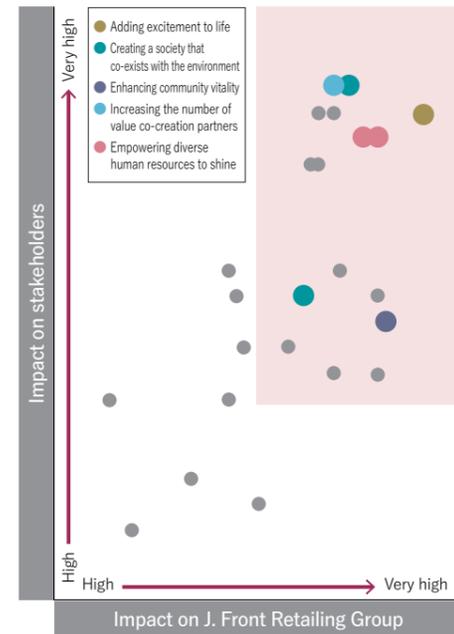
### Realization of Well-Being Life through new value creation



## 5 Materialities (Revision of Materialities)

Following discussions by the Management Meeting and the Board of Directors, we have identified five themes in our FY2024-FY2026 Medium-term Business Plan.

### Materiality map



### Changes in materialities

2018-2020	2021-2023	2024-2026
Laying the Foundation for Sustainability Management	Challenging to Integrate Sustainability and Strategy =Sowing the Seeds for Realizing CSV	Integration of Sustainability and Business Strategy =Realizing CSV
<ul style="list-style-type: none"> <li>Contribution to a low-carbon society</li> <li>Coexistence with local communities</li> <li>Management of the entire supply chain</li> <li>Promotion of diversity</li> <li>Realization of work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Realization of customers' healthy/safe/secure life</li> <li>Realization of a decarbonized society</li> <li>Promotion of circular economy</li> <li>Coexistence with local communities</li> <li>Management of the entire supply chain</li> <li>Promotion of diversity &amp; inclusion</li> <li>Realization of work-life integration</li> </ul>	<ul style="list-style-type: none"> <li>Adding excitement to life</li> <li>Creating a society that co-exists with the environment</li> <li>Enhancing community vitality</li> <li>Increasing the number of value co-creation partners</li> <li>Empowering diverse human resources to shine</li> </ul>
<b>Selected 5 materialities</b> <ul style="list-style-type: none"> <li>Questionnaire survey of stakeholders (4,250 people)</li> <li>Interview with management</li> <li>JFR Group key risks</li> <li>Prepared materiality map</li> <li>Discussed by the Management Meeting and the Board of Directors</li> </ul>	<b>Added 2 materialities and updated 3 materialities</b> <ul style="list-style-type: none"> <li>Changes in the external environment surrounding environmental issues</li> <li>Changes in society and people's attitudes due to impact of COVID-19 pandemic</li> <li>JFR Group key risks</li> <li>Reviewed from the perspective of upgrading efforts in light of social changes</li> <li>Communication with stakeholders</li> <li>Discussed by the Management Meeting and the Board of Directors</li> </ul>	<b>Reorganized into 5 themes</b> <ul style="list-style-type: none"> <li>Reorganization toward realization of the 2030 Future Vision (Co-creation of Excitement, Co-prosperity with Communities, Co-existence with the Environment)</li> <li>JFR Group key risks</li> <li>Review toward integrating sustainability and business strategy</li> <li>Revision of wording to promote employee action</li> <li>Communication with stakeholders</li> <li>Discussed by the Management Meeting and the Board of Directors</li> </ul>

### Materialities and targets

Materiality	Output	Commitment	Key indicator	Reference	Target	
				2023 results	2026	2030
<b>Adding excitement to life</b> 3 GOOD HEALTH AND WELL-BEING, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> <li>Quality products and services</li> <li>Exciting content</li> </ul>	Amidst diversifying values, we will provide places and spaces for new encounters with goods and things that stir people's hearts, and propose Well-Being and future lifestyles that are fulfilling and exciting for every consumer.	Number of the Group customer members		Up 25% (vs. FY2023)	*1
			Customer survey*2 (Excitement/impression level)	70.7%	—	75%
<b>Enhancing community vitality</b> 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS	<ul style="list-style-type: none"> <li>Bustle of local areas</li> <li>Revitalization of local communities</li> </ul>	We will strengthen ties with local areas, including our seven key areas, and work with local communities, governments, NPOs, and others to enhance local vitality and create sustainable urban development. In addition, by discovering and communicating the appeal of the community, we will offer new and exciting experiences for people who gather there.	Customer traffic	—	Up 10% (vs. FY2023)	*1
			Customer survey*2 (Contribution to the community)	74.7%	—	80%
<b>Creating a society that co-exists with the environment</b> 7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION	<ul style="list-style-type: none"> <li>Reduction of GHG emissions</li> <li>Circular business</li> </ul>	To achieve the 2050 net zero target, we will work toward both decarbonizing the entire supply chain and promoting a circular economy. At the same time, we will provide opportunities for everyone to contribute to the creation of a sustainable society, not only through our independent efforts, but also by working with our value co-creation partners.	Scope 1 and 2 emissions	Down 57.4%	Down 58% (vs. FY2017)	Down 60% (vs. FY2017)
			Scope 3 emissions	Down 1.0%	—	Aim for 40% reduction
			Customer survey*2 (Customer commitment to the environment)	48.1%	—	55%
<b>Increasing the number of value co-creation partners</b> 17 PARTNERSHIPS FOR THE GOALS	<ul style="list-style-type: none"> <li>Broad partnerships across industries</li> <li>Sustainable supply chain</li> </ul>	We will share our thoughts and ideas on sustainability with others and establish a partner foundation for the values of "Co-creation of Excitement," "Co-prosperity with Communities," and "Co-existence with the Environment" along with fulfilling our social responsibilities, such as human rights due diligence, toward the realization of a sustainable society.	Number of stakeholder co-creations	312	400 or more	500 or more
			Human rights assessment results (Rating B or above)	31.5%	35%	45%
<b>Empowering diverse human resources to shine</b> 3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> <li>Ease of work and job satisfaction</li> </ul>	We will realize the sustainable growth of our human resources and the company by creating an environment and structure, including diversity, equity, and inclusion, and work-life integration, that enables each employee to play an active role and maximize their motivation, ambition, and abilities.	Employee engagement	Employee satisfaction level 67.7%	Employee satisfaction level 70%	To be set based on achievement status for FY2026
				Work recommendation level 57.7%	Work recommendation level 60%	
			Ratio of women in management positions	22.5%	31%	

\*1 We will consider indicators and targets in the current Medium-term Business Plan that can be more relevant to our business strategies to realize materialities.  
 \*2 We have set medium-term targets for 2030 based on a baseline survey conducted in June 2024. A full survey will be conducted in 2025 to verify the adequacy of the targets.