

# Growth in Seven Cities Begins Here.

One of our strengths and characteristics is the well-balanced network of Daimaru and Matsuzakaya department stores and PARCO shopping centers in major cities throughout Japan. In particular, in the seven key cities (Sapporo, Tokyo, Nagoya, Osaka, Kyoto, Kobe, and Fukuoka), we believe that we can create synergies by combining strengthened existing stores with the potential for area development, in other words, we can maximize value through co-creation between the Group and the area.

Japan's potential is not limited to the Tokyo metropolitan area. The Group has a solid growth story that proves this. The first chapter of this story is about to start in Nagoya.

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## NAGOYA

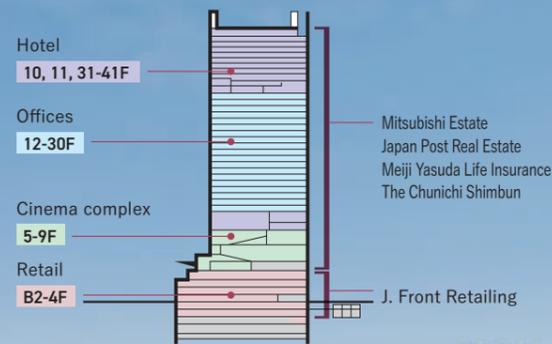
Sakae area

### The Landmark Nagoya Sakae Scheduled to open in summer 2026

J. Front City Development Co., Ltd. will develop a complex consisting of retail space, a hotel, offices and a cinema complex together with its partners (Mitsubishi Estate Co., Ltd., Japan Post Real Estate Co., Ltd., Meiji Yasuda Life Insurance Company, and The Chunichi Shimbun Co., Ltd.) with the concept of building a hub for creating cultural and social value that will serve as a new landmark in "Sakae," Nagoya.

This project was approved as an urban planning project by Nagoya City in March 2022, and the construction of the new building began in July 2022. Through this project, J. Front City Development and its partners will promote the multilayered development of urban functions in the Sakae area, including attracting a luxury hotel that will contribute to improving the city's brand power as promoted by Aichi Prefecture and Nagoya City, thereby further increasing the vitality of the surrounding area and contributing to strengthening Nagoya City's international competitiveness in the core two areas of Sakae and Meieki.

The Group plans to own and operate the retail area from the second basement floor to the fourth floor above ground, creating a new commercial space with a concept that is not bound by existing business formats. We intend to pursue expansion of group synergies through collaboration in the area with nearby commercial facilities operated by the Group, such as the Matsuzakaya Nagoya store and Nagoya PARCO, as well as with JFR Card.



### Make the strengths of the Matsuzakaya Nagoya store and Nagoya PARCO stronger

#### 〈Matsuzakaya Nagoya store〉

The Matsuzakaya Nagoya store has already strengthened luxury brands and watches in the previous medium-term plan, which has led to steady results. The renovations, which will be completed in stages starting from November this year, is planned to renew a total of eight floors and introduce new appeal, such as restructuring fashion for the next generation of customers, including the MZ demographic, and revamping the lifestyle zone. Furthermore, in order to dramatically enhance experience value at a real store, which is the largest touch point with customers, we will also work with a renowned architect to create comfortable store spaces that stimulate the five senses.

#### 〈Nagoya PARCO〉

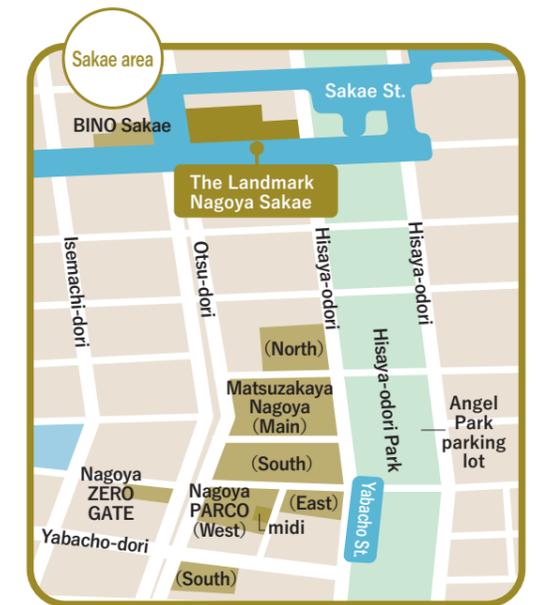
Nagoya PARCO will undergo a major renovation of its East Building and West Building, covering a total area of approximately 3,000 square meters, to create the largest assortment of pop culture in the Tokai region, and to rebuild the fashion zone for the MZ generation to attract customers from a wider area. The East Building will take the opportunity of this renewal to become the entertainment space PARCO Enta PARK, with Pokémon Center Nagoya operating on the entire second floor. And all 22 shops in the West Building will undergo major renovations, bringing together leading brands and transforming the building into a more sophisticated fashion mall.

By highlighting the strengths and characteristics of both the Matsuzakaya Nagoya store and Nagoya PARCO, we hope to play a role in making the Sakae area a destination and enhance the value of the area.

### PAXX? - A demonstration experiment exploring new possibilities for parks

J. Front City Development Co., Ltd. conducted a demonstration experiment called PAXX? at Angel Hiroba in Hisaya-odori Park in Sakae, Nagoya, together with Mitsubishi Estate Co., Ltd. and Takenaka Corporation (September 27 to October 2, 2023), to explore new uses and possibilities for the park. Along the road and in the surrounding area south of Hisaya-odori Park are Matsuzakaya, PARCO, Nagoya ZERO GATE, and BINO Sakae, all of which are operated by the Group companies, and the redevelopment project The Landmark Nagoya Sakae is currently underway. We thought that by creating an environment where the roadside facilities and the park would attract each other, a synergistic effect would be created, allowing visitors even more easily to get around.

Urban development is not something that can be done by the Group alone. If we can work together with surrounding businesses and local governments beyond boundaries to make the park more attractive, the value of the entire Sakae area will increase even further. Through further demonstration experiments, we would like to verify and propose content that will make the park more attractive.



02 FUKUOKA  
Tenjin area

Tenjin, Fukuoka will change drastically.  
Participate in Tenjin Big Bang, aiming to open around 2030

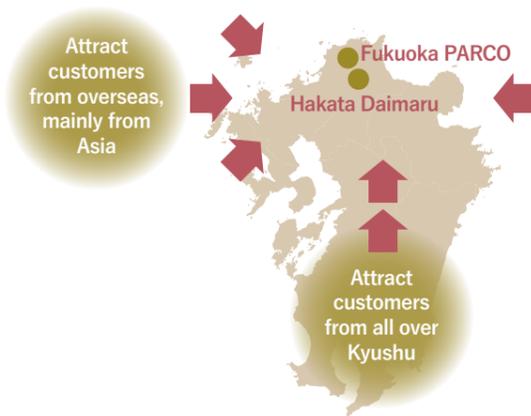
The Tenjin 2-chome South Block Station-Front East-West Area Urban Planning Promotion Council, which consists of six rights holders including Parco Co., Ltd. and J. Front City Development Co., Ltd., submitted an urban planning proposal to Fukuoka City in February 2024. Specific studies are underway to create an attractive, high-quality area that will become an important hub for creating a bustling atmosphere in the Tenjin area.

In July of this year, J. Front Retailing Co., Ltd. established the Fukuoka Tenjin Area Development Promotion Division to strengthen its structure for promoting the project. Kyushu is seeing the development of its transportation network, including the opening of the Kyushu Shinkansen, and Fukuoka's commercial area is expanding to cover the entire Kyushu region. In addition, as the gateway to Asia, inbound consumption is expected to continue to expand in the future. And with an overseas semiconductor manufacturer establishing a large production base in neighboring Kumamoto Prefecture, the number of related companies moving into the area is also increasing, and significant economic ripple effects are expected in the medium term.

By combining the Group's expertise in this project, we aim to create a complex that will represent Kyushu and Asia.



Image perspective

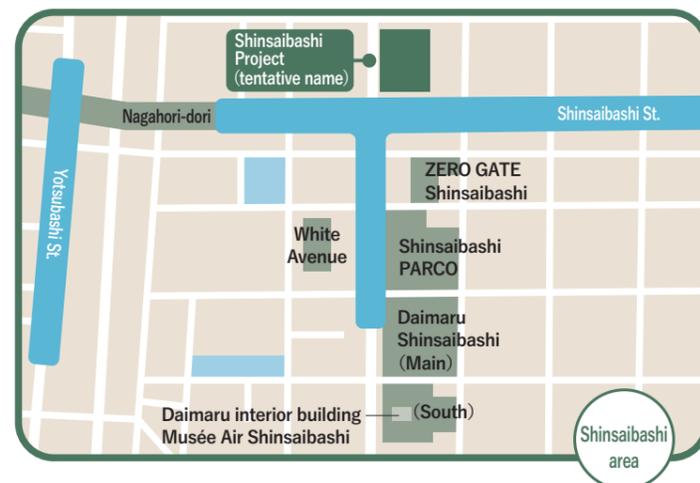


03 OSAKA  
Shinsaibashi area

Shinsaibashi Project (tentative name) will be completed in 2026,  
with area development to expand beyond that

J. Front City Development Co., Ltd. will work with its partners to develop a complex consisting of retail space, a hotel, and offices as one of the largest properties in the area in the Shinsaibashi Project (tentative name). We participate in this project through a special purpose company established by jointly investing with L Catterton Real Estate (a real estate development and investment firm of the LVMH Group). The lower floors facing Midosuji and Nagahori-dori are planned to have a series of duplex boutiques (two to three floors), attracting luxury brands, and thereby it will contribute to drawing more crowd to and further revitalizing the surrounding area as a new landmark.

In addition, Daimaru Matsuzakaya Department Stores Co. Ltd. has decided to acquire 42.6% (42,600 shares) of issued common shares of Shinsaibashi Kyodo Center Building K.K., the Company's associate accounted for using equity method, making it a consolidated subsidiary of the Company, and to enter into a share transfer agreement with Sanshin Co., Ltd. This will allow greater flexibility for development in the Shinsaibashi area, centered around the Daimaru Shinsaibashi store, and by promoting plans that will contribute to expanding our retail business and making the area livelier and more attractive, we will further strengthen the Group's presence in the area.



Projects to evolve group synergies

Realizing synergies in key areas

Taking advantage of the development of the Sakae area in Nagoya, we launched a project to realize area synergies. This project aims to clarify the vision that we aim to achieve in the Sakae area, as well as to build a strategy model for "competing in areas" through collaboration both inside and outside the Group, and the Group collaboration management model.

In the Sakae area, we will participate in the Aimachi PITCH CONTEST 2024 and explore the possibility of creating collaborative innovation in the future by making contacts with companies that can be expected to generate revitalization synergies, including next-generation startups.

Through verification of the results of such area synergies in the Sakae area, we will consider the possibility of expanding to other key areas.

The Group customer strategy project

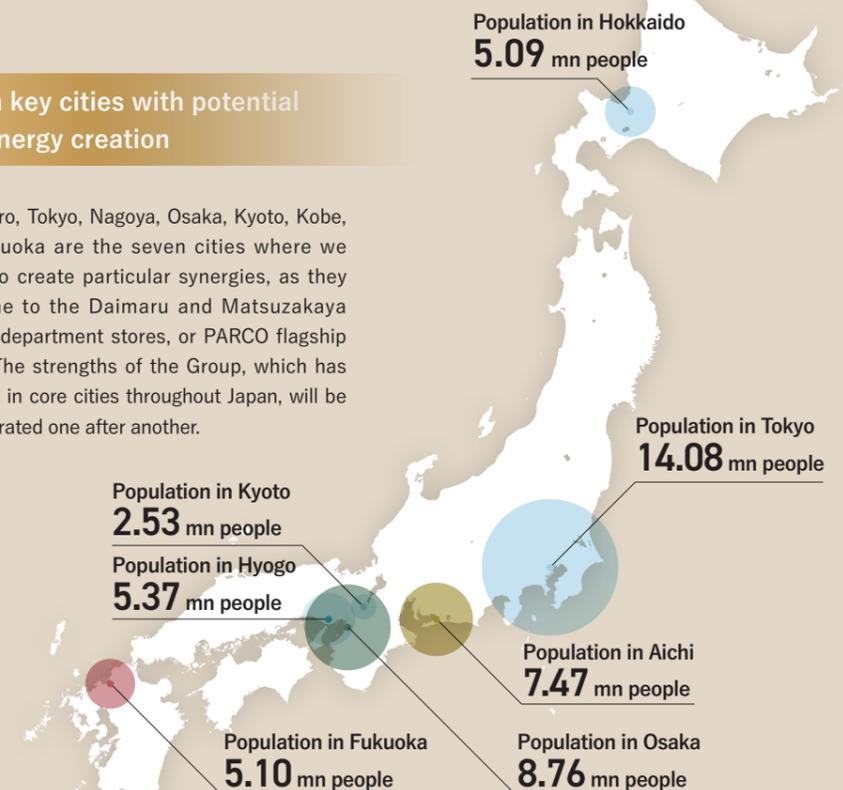
In order to materialize the Group customer strategy in maximizing group synergies, we have formed a cross-operating company project to study the goals of the Group customer strategy and the details of related system strategies such as apps and points, and the establishment of a group-wide promotion system.

The Group customer data is stored in the JFR Group Customer Data Platform (JC DP), and various analyses of purchasing behavior are underway. As the Group's card issuers are consolidated in stages under JFR Card, the Group customer strategy is expected to become even more sophisticated.

What kind of customer experience value can be provided through collaboration in the Group? In other words, the key to this project is creating unprecedented synergies that are centered on customers. We plan to begin by conducting trials in several areas and then further strengthen collaboration between operating companies in order to achieve results.

Seven key cities with potential for synergy creation

Sapporo, Tokyo, Nagoya, Osaka, Kyoto, Kobe, and Fukuoka are the seven cities where we expect to create particular synergies, as they are home to the Daimaru and Matsuzakaya flagship department stores, or PARCO flagship stores. The strengths of the Group, which has locations in core cities throughout Japan, will be demonstrated one after another.



\*Source: Government statistics "Population estimates by prefecture" (as of October 1, 2023)