

Bigger and Newer Stores



Multiple Big Projects — Enhancing Regional Competitiveness of Stores by Expanding Their Bases for Growth



Daimaru Shinsaibashi store

J. Front Retailing is increasing the size of and innovatively renewing department stores in large cities to enhance their appeal and further strengthen their business infrastructure.

In November 2009, Daimaru Shinsaibashi store opened the north wing (40,000 square meters) as a launching pad for the new department store model and was reborn as a large-scale store with the total floor space of 78,000 square meters combined with the existing main building and south wing. The store increased its lineup of brands to include the ones that department stores had not carried before, while creating lifestyle-themed sections and the sections with a stronger focus on service consumption as well as product consumption in an effort to expand target customers and the width of product assortment. Above all, specialty floors “Ufufu Girls” enjoy popularity. They were developed targeting women in their 20s and 30s constituting a large percentage of visitors to this area whom the store had failed to attract so that they can feel that “these are their shopping places.” Combined operation with the main building and the south wing enabled the north wing to be operated by 75 employees (as of April 2010) and thus we realized lower-cost operation.

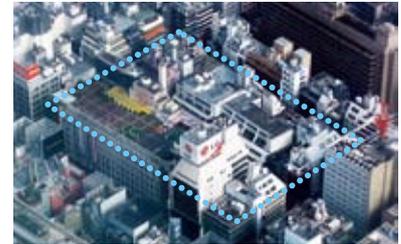
Daimaru Umeda store will increase its floor space by 1.6 times to 64,000 square meters in

spring 2011. As part of ongoing development project of Osaka station, West Japan Railway Company and Osaka Terminal Building Co., Ltd. will implement that to improve the south gateway of Osaka station, the biggest terminal in western Japan. Osaka Umeda area will increase its potential as a shopping area through the redevelopment project including the district around Osaka station and we believe that the store will be able to substantially improve store competitiveness by increasing its floor space. It was a specialty department store focusing on fashion. However, by increasing its range of food and household products while keeping its sensitivity and atmosphere, we will create a “fashionable and contemporary comprehensive department store” making lifestyle proposals in a comprehensive manner. And then we will add “high sensitivity” of urban stores and “dailiness” to provide convenience to working women and businessmen. The investment amount will be ¥30 billion.

Daimaru Tokyo store completed the first phase of relocation and expansion and opened as a new store under the store concept of “TOKYO/ADULT/LIFESTYLE Department Store” in November 2007. In the first phase,



Rendering of Daimaru Tokyo store after increasing its floor space (summer 2012)



Planned redevelopment site of Matsuzakaya Ginza store

while further improving and enhancing already strong food departments, the store expanded the cosmetics floor into Tokyo’s largest scale and the restaurant floor into two floors with a restaurant open until 24:00 and gains popularity with women and men working around Tokyo station. In summer 2012, it will complete the second phase of construction and fully open with the floor space increased by 1.4 times to 46,000 square meters. Positioned as part of the “Tokyo Station City” plan, which sees Tokyo station including Yaesu, Nihonbashi and Marunouchi exits and JR station yard as a big city, it is meant to be an innovative store that is worthy of the gateway to the metropolis. The total amount of investment in the first and second phases is planned to be ¥18 billion.

In the meantime, Matsuzakaya Ginza store is working on a large-scale project to develop the combined two blocks of Ginza 6-chome district where it is located. The total redevelopment area is about 9,000 square meters, of which about 65% is owned by Matsuzakaya. By bringing together the department store operation know-how of J. Front Retailing Group, we aim to create high-grade, innovative and highly fashionable commercial facilities that are worthy of the world-class commercial location Ginza.