Rebuild the South Wing of Ueno Store into a High-Rise Complex

The south wing will open as a 23-story high-rise complex in fall 2017

J. Front Retailing is rebuilding the south wing of Matsuzakaya Ueno store to draw new crowds to the Ueno Okachimachi area where redevelopment is in progress and contribute to local revitalization. The total project cost will be approximately ¥20 billion. After rebuilding, the south wing will be reborn as a high-rise complex with two floors underground and 23 floors above ground featuring retail facilities, a cinema complex and office facilities in fall 2017.

Along with the rebuilding of the south wing, we renovated the store so that it can operate in the main building only. After moving the sales departments of the south wing to the main building and rearranging them and refurbishing the entire main building, the store made its grand opening in March 2014.

In the meantime, the higher floors from the 12th to the 22nd will be leased as sophisticated office facilities to secure steady rent income. Five rail lines including JR Yamanote Line and Keihin-Tohoku Line, Tokyo Metro Ginza Line and Hibiya Line and Toei Subway Oedo Line run through the Ueno Okachimachi area where Ueno store is located. And more than 1,000 route buses run from the nearest Toei bus stop every day. The area has such good access to transportation and the daytime population is expected to increase by installing office facilities.

Ueno Okachimachi area where redevelopment is in progress

In June 2009, the Company opened Matsuzakaya Park Place 24, a parking building with commercial space, in the block adjacent to the east of the south wing as part of the development of the surroundings of Ueno store. After that, we have been developing the area in cooperation with the government and the local community. For example, the block in front of the south exit of JR Okachimachi Station, which is adjacent to the east of the store, was developed as a square named “Okachimachi Panda Hitori.”

To coincide with the development of the square in front of the station, commercial buildings are being rebuilt one after another. In fall 2015, a new commercial building using the real estate owned by the Company adjacent to Matsuzakaya Park Place 24 is scheduled to open. And under the elevated railway tracks between JR Okachimachi and Akihabara Stations, a new commercial facility, which is themed on “arts and crafts,” opened and new restaurants aiming at economically developing the area by offering local gourmet foods will open in summer 2015. Thus the Ueno Okachimachi area attracts attention as an area where redevelopment is in progress.

As mentioned above, we will combine the efforts of the Group’s businesses including department stores as a core and Parco and local people to draw new crowds to the Ueno Okachimachi area where redevelopment is progressing and builds a business model that ensures contribution to local revitalization and mutual growth with local communities.

Outline of the project

<table>
<thead>
<tr>
<th>Location</th>
<th>22, Ueno 3-chome, Taito-ku, Tokyo</th>
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</thead>
<tbody>
<tr>
<td>Site area</td>
<td>Approximately 5,700 square meters</td>
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<tr>
<td>Total floor area</td>
<td>Approximately 42,000 square meters</td>
</tr>
<tr>
<td>Number of floors</td>
<td>2 floors below ground, 23 floors above ground and 1 penthouse floor, approximately 120 meters high</td>
</tr>
</tbody>
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Use

1st basement floor
Daimaru Matsuzakaya Department Stores

1st to 6th floors above ground
Parco

7th to 10th floors above ground
Toho Cinemas

12th to 22nd floors above ground
Sophisticated offices