J. Front Retailing Group’s Value Creation Process

Under the Group Mission Statement consisting of the “basic mission statement,” the “business operation policy,” the “commitments to stakeholders” and the “principles of action,” J. Front Retailing is committed to creating with its stakeholders affluent lifestyles, which are of high quality, fresh and highly hospitable and meet the changing times.

The “basic mission statement,” which forms the basis of the Group Mission Statement, represents the elements of the “customer-first principle” and the “contribution to society” that are common to the corporate mission statements and traditional spirit of Daimaru and Matsuzakaya, which are the predecessor companies of J. Front Retailing. “Service before profit” (Daimaru) and “Abjure all evil and practice all good” (Matsuzakaya).

The business activity of J. Front Retailing is to continually create affluent markets growing with local communities, which is led by department stores and Parco. It is nothing less than to create, as a public entity of society, new values with which its various stakeholders empathize.

Circulating the Group’s business model and creating new values using the six capitals of J. Front Retailing effectively and efficiently are the process to create the brand value of J. Front Retailing, which will result in the creation of new values with which society empathizes.

Through this initiative, we aim to establish ourselves as a leading Japanese retail company both in terms of quality and quantity.

Basic Mission Statement
We aim at providing high quality products and services that meet the changing times and satisfying customers beyond their expectations.
We aim at developing the Group by contributing to society at large as a fair and reliable corporation.

Business Model

- High quality
- Freshness
- Hospitality

- Multiple retail businesses (Multifaceted retailer)
- Strong customer assets
- Reliable brand

Realize high quality management that provides the highest customer satisfaction at the lowest cost

Principles of Action
- Customer perspective
- Challenge to innovation
- Speed and thorough implementation
- Communication

Corporate governance
Outcome

Financial capital
(Improvement of finance / shareholder value)
- Creation of cash flow
- Sustainable growth of ROE
- Building of sound financial base

Manufactured capital
(Creation of sales infrastructure)
- Fresher and larger store space
- Enhancement of real-estate value of stores
- Expansion of EC business

Intellectual capital
(Improvement of business operation value)
- Sophistication of sales floor configuration / cultivation know-how
- Improvement of sales service capabilities / tenant management
- Improvement of ability to design commercial space

Human capital
(Improvement of human value)
- Optimization of HR allocation by introducing system
- Sophistication of HR development / securing of HRs
- Promotion of diversity / external recruitment

Social and relationship capital
(Emptiety, trust and confidence from customers)
- Cooperation with communities / urban development
- Promotion of dialogue with stakeholders
- Promotion of social contribution with participation of customers

Natural capital
(Environment-friendly operation of facilities)
- Promotion of energy conservation
- Reduction of packaging materials
- Reduction of waste

Commitments to Stakeholders

Customers
- Provide genuine satisfaction captivating customers by offering new values.

Shareholders
- Increase corporate value over the long term through highly profitable and highly efficient practice.

Business partners
- Build the relations of trust by working hard together and aim to grow together.

Employees
- Realize workplaces in which employees’ performance and contribution are fairly evaluated and they can realize their exhibition of ability and growth and have job satisfaction.

Communities
- Contribute to community development and promote environment-friendly business activities as a good corporate citizen.