

**VALUES AND VISION**

History of Changes and Years Ahead



**1717**

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

# History Is a Series of Responses to Changes —

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 Genzaemon 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 Hanei 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 Daimaru Core Building). 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 RC/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* (out-of-store sales) reform]. (Next year, HR reform and back-office reform were launched.)

**2003**  
Sapporo store opened.

## 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 Nishiki-koji, 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.”

**2003**  
Nagoya store built a new south wing and became the largest department store in Japan.

**2006**  
Established a holding company “Matsuzakaya Holdings Co., Ltd.”

## VALUES AND VISION

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# Changes Are Accelerated through Merger —

# 2007

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



Phase of business integration and reorganization

### 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.

### 2011

"Keicho Kosode" from the Matsuzakaya Collection was designated as a national important cultural property. Daimaru Umeda store reopened with increased floor space.

# PARCO

## 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.

Jointly established JFR Plaza Inc. with StylingLife Holdings Inc. Increased a stake in Parco Co. Ltd. to 65% through TOB and converted it into a consolidated subsidiary.

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.

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 to expand our retail wing, and in 2020,

converted it into a wholly owned subsidiary.

Now the Group has entered a new stage

through cross-industrial mergers.

Phase of promoting the portfolio transformation

### FY2021-FY2023

#### New Medium-term Business Plan started

#### 2021

Transferred all shares of a consolidated subsidiary J. Front Foods Co., Ltd. (Feb). The new Medium-term Business Plan started (Mar).

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

#### 2022

Partially transferred shares of a consolidated subsidiary Dimples' Co., Ltd.

Phase of changing the business structure

### FY2017-FY2021

#### Medium-term Business Plan started

#### 2017

Voluntarily applied 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\_ya 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 store directly managed by the company (Mar).

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

Canceled the Medium-term Business Plan and began to formulate a new 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).

Phase of building foundations

### FY2014-FY2016

#### Medium-term Business Plan started

#### 2014

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

Matsuzakaya Nagoya store completed phase 3 of renovation and made its grand opening.

Sendai PARCO 2 opened.

**VALUES AND VISION**

History of Changes and Years Ahead

Direction of the Road Ahead

Create and Bring to Life  
"New Happiness."

# Creating Shared Value Sustainability Management

The Group has encountered a number of crises over its 300 and 400 years of history. Every time we have faced these situations, we have returned to our Corporate Credo "Service before Profit" and carried out business activities honestly while responding to changes in customers and society quickly. We firmly believe this is what has led us to our current management. Companies cannot develop without coexistence with society. Currently it is essential for the management to paint the vision of what the company should be in the future, which will have a prominent presence in a society, from a longer-term perspective. It is evident that we cannot conduct business activities looking away from issues such as the environment, society and human rights. We think we will be able to obtain a framework for sustainable management for future growth by incorporating the concept of sustainability for the solution of these issues into our corporate strategies and business strategies.

Based on the Corporate Credo and with sustainability at the core of management, we will strive to solve social issues through business activities to achieve both social value and economic value.



Priority Tasks to be Addressed by the Group

## 7 Materialities (Important Tasks)

Realization of decarbonized society	7	13
Promotion of circular economy	12	13
Management of the entire supply chain	7	13
Promotion of diversity & inclusion	5	8
Realization of work-life integration	3	8
Realization of customers' healthy/safe/secure life	3	12
Coexistence with local communities	11	17

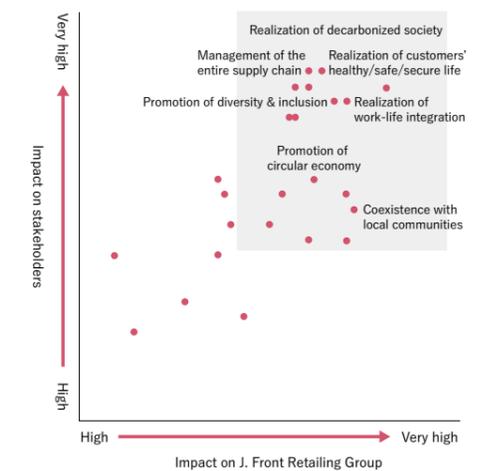
We reviewed materialities to promote sustainability management and realize Well-Being Life, which is the goal of the Group Vision.

As a result of considering environmental issues, changes in the external environment due to COVID-19 and other reasons, the balance between existing materialities, and furthermore, contribution to SDGs, we newly added "promotion of circular economy" and "realization of customers' healthy/safe/secure life."

With regard to existing materialities, in response to the growing awareness of decarbonization in Japan and abroad, we revised "contribution to a low-carbon society" to "realization of decarbonized society." In addition, in consideration of the social background, we also revised "promotion of diversity" to "promotion of diversity & inclusion" and "realization of work-life balance" to "realization of work-life integration."

Going forward, by clarifying both risks and opportunities with respect to the seven materialities, we will create business opportunities in each materiality, while responding to risks, and aim to realize social value and economic value simultaneously based on the concept of CSV (Creating Shared Value).

J. Front Retailing Group materiality map



**Process for identifying materialities**



- 2018 Selected 5 materialities**
- "Contribution to a low-carbon society"
  - "Management of the entire supply chain"
  - "Coexistence with local communities"
  - "Promotion of diversity"
  - "Realization of work-life balance"
- 2021 Added 2 materialities**
- "Realization of decarbonized society"
  - "Promotion of circular economy"
  - "Management of the entire supply chain"
  - "Promotion of diversity & inclusion"
  - "Realization of work-life integration"
  - "Realization of customers' healthy/safe/secure life"
  - "Coexistence with local communities"
- \*Newly added materialities are shown in red.