

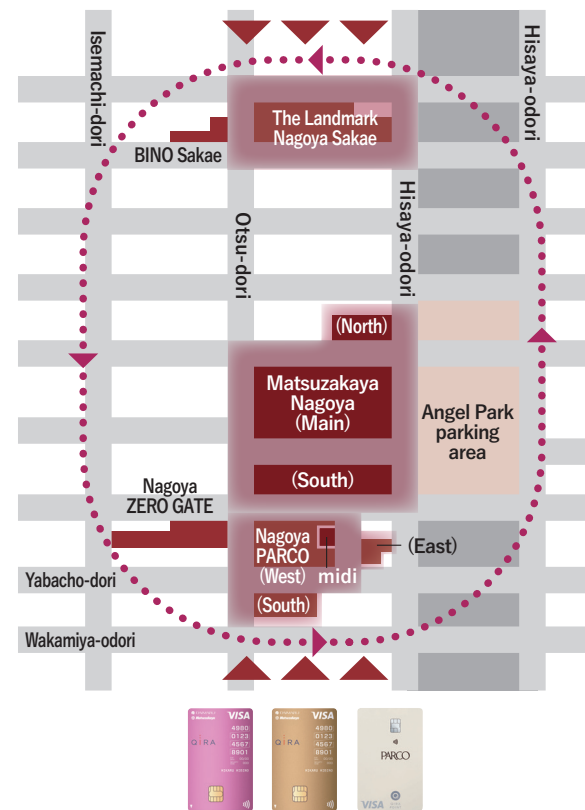
Realize Synergy in Areas.

Establish dominance in the Sakae area of Nagoya

“Evolving the Group synergies,” one of the key strategies outlined in the Medium-term Business Plan, is finally taking shape in the Sakae area of Nagoya. With nine facilities operated by the Group, including three Matsuzakaya department stores, four PARCO buildings, Nagoya ZERO GATE, and BINO Sakae, already present in the Sakae area of Nagoya, we maintain an overwhelming advantage in physical store presence. This enables us to hold a high market share. Next year, The Landmark Nagoya Sakae, a commercial facility that will newly open, will be added. While each building will naturally offer its own unique value, we believe that by further leveraging the Group synergies to elevate the area’s vibrancy to the next level, we can build an even stronger business foundation.

The Landmark Nagoya Sakae, opening next year, is a large-scale complex building with 41 above-ground floors, four basement floors, and a height of approximately 211 meters. The Group will operate the 2nd basement to the 4th above-ground floors as a high-quality commercial facility. The upper floors will consist of a cinema complex, offices, and a luxury hotel, making it a new landmark in both name and reality. To enable broad utilization tailored to each customer’s needs, the Group has gathered a diverse range of commercial facilities.

Collaboration with local community and government



Linking card data

Linkage between hardware and software

To realize the Group synergies in the Sakae area of Nagoya, efforts on the soft side are just as important as the development and enhancement of hard aspects. Therefore, in March 2025, a new position of Nagoya Area Co-prosperity was established within the holding company’s organization. The store managers of Matsuzakaya Nagoya and Nagoya PARCO will play a central role in strengthening collaboration with local stakeholders, including the government, and promoting the area vision and strategy for the Sakae area of Nagoya, with the aim of maximizing value co-creation in the area.

The Group not only operates commercial facilities, but also issues credit cards through JFR Card. Providing convenient payment options within the area, it also has great potential as a powerful tool for communication with customers from the perspective of the Group synergies. In addition to the existing Daimaru Matsuzakaya Card, we launched the new PARCO Card in February 2025, making it even more important for evolving the Group synergies on the soft side, involving entities outside the Group.

The Group synergies demonstrated in this Sakae area of Nagoya is, so to speak, a litmus test for the Group’s future growth. If we can maximize the Group synergies here, we believe that by extending their essence to other areas, the Group’s potential will be further enhanced.

TOPICS

Part 3: “PARK?” My Place / Our Park

~A Social Experiment Connecting and Expanding Sakae through Art and Music~

The Executive Committee of Hisaya-odori Park South Area Vitalization (comprising J. Front City Development Co., Ltd., Mitsubishi Estate Co., Ltd., and Takenaka Corporation) and the City of Nagoya jointly conducted a social experiment from November 2 to November 11, 2024. This experiment tested ideas for future uses and ways to spend time in the Hisaya-odori (South Area), aiming to realize the City of Nagoya’s vision for the redevelopment direction of the Hisaya-odori (South Area) “A Core of a Walkable Town Where New Creativity Emerges —A Stimulating and Comfortable Place Attracting Diverse People.”



[POP IS YOU SAKAE]

~Sakae Culture to Play and Explore~

The Matsuzakaya Nagoya store and Nagoya PARCO collaborated with the Nagoya City Art Museum, Chunichi Building, the World Cosplay Summit Executive Committee, Chubu Electric Power Co., Inc., and the Electricity Museum, going beyond the boundaries of their respective facilities, to hold a campaign from July 23 to August 17, 2025, to create a lively atmosphere in the Sakae area of Nagoya through entertainment content across the facilities.



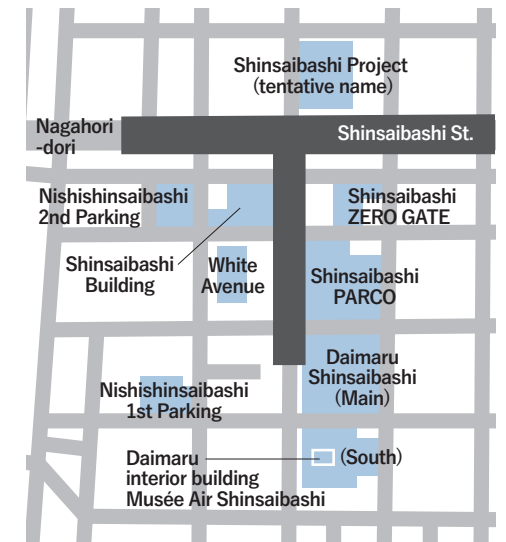
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Shinsaibashi Area of Osaka

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 company will work to create a new landmark by attracting luxury brands and other initiatives.

In addition, Daimaru Matsuzakaya Department Stores Co. Ltd. acquired 42.6% (42,600 shares) of issued common shares of Shinsaibashi Kyodo Center Building K.K., which had been the Company’s associate accounted for using equity method, and made it a consolidated subsidiary of the Company.

By advancing development in the Shinsaibashi area centered around the Daimaru Shinsaibashi store and Shinsaibashi PARCO, we will contribute to expanding retail business, creating a vibrant atmosphere, and enhancing the area’s appeal, thereby further strengthening the Group’s presence in this area.

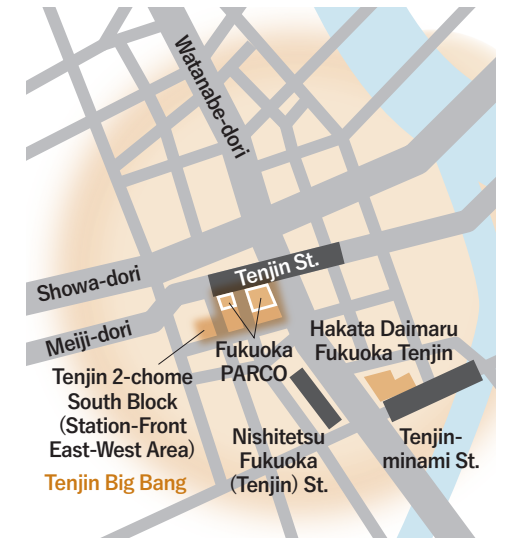


Tenjin Area of Fukuoka

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 and the plan was approved in January 2025. 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 2024, the Fukuoka Tenjin Area Development Promotion Division was established in the holding company to strengthen its structure for promoting the project. In Kyushu, the opening of the Kyushu Shinkansen and the development of transportation networks, including roads traversing the region both vertically and horizontally, have expanded Fukuoka’s commercial sphere to encompass all of Kyushu. With diverse and abundant tourism resources and excellent access as the gateway to Asia, this area is expected to become increasingly vibrant in the future.

The project is scheduled to open around fiscal 2030, and by bringing together the Group’s expertise, we aim to create a complex that represents Kyushu and Asia.



Tokyo area

In the Tokyo area, we operate a variety of unique commercial facilities, including the Daimaru Tokyo store, which attracts over 30 million visitors annually, Shibuya PARCO, which is rapidly gaining popularity globally, and GINZA SIX, Japan’s leading luxury mall. In 2025, Shibuya PARCO underwent its first major renovation since opening in 2019, further evolving its content. Furthermore, GINZA SIX, which will soon celebrate its 10th anniversary, is also scheduled to undergo further upgrades.

In recent years, we have also seen a gradual increase in the effect of directing our department store’s gaisho customers to locations like PARCO and GINZA SIX, for example. With the recent integration of the issuers of PARCO Card and GINZA SIX Card into JFR Card, we anticipate further synergy in future collaborations facilitated through these cards. Furthermore, we own several properties near the Matsuzakaya Ueno store, and we see considerable growth potential in initiatives that leverage the area’s customer attraction capabilities.

By leveraging both software and hardware approaches and pooling the Group’s collective strength, we believe the Tokyo area still has untapped potential to be realized.

