Develop the Group-level Customer Strategies.

Through Business Restructuring, Amplify Synergy Creation Capabilities

Project example (J. Front Design & Construction): Namba Oriental Hotel

Maximize the potential of customer assets

The strong customer base built over many years by Daimaru Matsuzakaya Department Stores and Parco represents a valuable asset that cannot be acquired overnight for the Group, which centers its operations on the retail business. Under the current Medium-term Business Plan, we are refining the Group customer strategies to maximize the Group synergies. Each company in the Group will expand its identified customer base, including card members and app members, by reaching a broad age range, including the MZ generation, through touchpoints at physical stores and digital channels. For those who become identified customers, the Group will provide not only financial benefits like points but also enhances overall experience value across the entire Group, aiming to transform them into loyal customers and increase their lifetime value (LTV). To date, the Group has accumulated customer data on the JFR Group Data Platform and conducted various data analyses, including logistic regression analysis of customer purchasing behavior. Going forward, in addition to analyzing such purchase data, we will advance the development of customer strategies that leverage the Group's comprehensive strength, such as unified IDs and point integration across the entire Group, and promote initiatives to connect with customers beyond individual stores, operating companies, and regions.

Further pursue synergy realization

For example, the main building of the Daimaru Shinsaibashi store and Shinsaibashi PARCO are connected from the 2nd to the 10th floors, forming an integrated complex that allows customers to move seamlessly between the two buildings. One effect of this is that the Daimaru Shinsaibashi store has a notably higher sales share from customers in their 20s to 40s compared to other stores, demonstrating that they are utilizing both the Daimaru and PARCO stores. This demonstrates that department stores can appeal to younger customers and expand their customer base, depending on their approach, which can help solve their long-standing challenge of an aging customer base. However, this case benefits significantly from the physical, tangible advantage of the stores being directly connected. The Group customer strategies will take a soft approach to further strengthen these effects and expand them to other areas. First, we aim to create synergies in the Sakae area of Nagoya, including Matsuzakaya, PARCO, and a new commercial facility due to open next year.

Card consolidation within the Group

We consolidated the card issuance operations of the Group companies under JFR Card, launching the new GINZA SIX Card in April 2024, the new PARCO Card in February 2025, and the new Hakata Daimaru Card in March. In addition to the existing Daimaru Matsuzakaya Card, we now offer a diverse lineup. Furthermore, we aim to expand our customer base even further by providing card members not only with usage at each store but also with various benefits and opportunities for special experiences.

Cards issued by JFR Card

Daimaru Matsuzakaya Department Stores

Daimaru Matsuzakaya Card (Pink) | Daimaru Matsuzakaya Card (Blue) | Daimaru Matsuzakaya Card (Sakura Panda) | Daimaru Matsuzakaya Gold Card

Hakata Daimaru

Hakata Daimaru Kujaku Card | Hakata Daimaru Otokuisama Card

PARCO

PARCO Card

GINZA SIX

GINZA SIX Card | GINZA SIX Prestige Card

Integration of interior design and building management businesses

As part of "evolving the Group synergies," the Group's interior design and building management businesses will be reorganized and consolidated in March 2026.

Currently, in the interior design business, J. Front Design & Construction excels in high-quality interior work for hotels and luxury brand stores, while Parco Space Systems (PSS) specializes in electrical equipment installation and commercial facility interior construction. By integrating the expertise and skills of both companies and enhancing management resources, the two companies aim to further expand their high-end/high-grade interior construction and electrical equipment installation services while delivering superior spatial value.

Meanwhile, in the building management business, J. Front One Partner (formerly JFR Service) primarily handled facility operations and management for department store locations, while PSS managed facilities for PARCO locations. In September 2024, the Group centralized its building management functions within PSS. This move aims to enhance operational quality and productivity in managing the facilities in the Group while also targeting increased orders from outside, such as for hotel facility management, which is expected to be an expanding market.

While there are concerns about a labor shortage across the interior design and building management industry, this business reorganization will enable us to establish a favorable position in the recruitment and development of specialized human resources, thereby realizing solid growth and the evolution of the Group synergies. Supported by a favorable market environment, we were able to steadily improve our performance last fiscal year. With this reorganization, we will continue to aim for growth in this business through high technical capabilities and the expansion of our business domain.

J. Front Design & Construction | Parco Space Systems

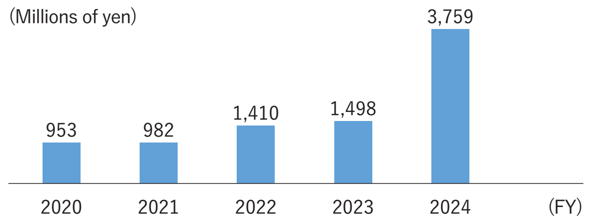
New company

J. Front Prime Space

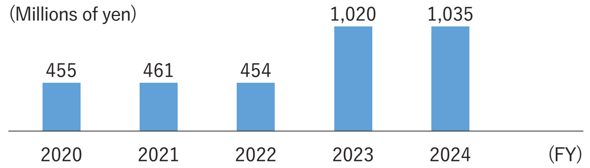
Aim for a highly profitable business

Furthermore, while the Group positions this business as a Developer Business, it is an asset-light business model distinct from those holding significant tangible fixed assets, resulting in a higher ROIC compared to other businesses in the Group. By strengthening both of these businesses, we will enhance the Group's overall return on capital and transform its business portfolio.

J. Front Design & Construction business profit



PSS business profit



Project example (Parco Space Systems): A foreign-owned biomedical company's office