

The Area Evolves through “Connections.”



Under the Medium-term Business Plan for fiscal years 2024–2026, the Group has designated Sakae, Nagoya, as its top priority area and has been advancing the development of a model for Co-prosperity with Communities.

This area is home to three Matsuzakaya locations, four PARCO locations, ZERO GATE, and BINO Sakae. Then, in June 2026, the new commercial complex “HAERA” was added, bringing the Group’s total number of commercial facilities to 10.

However, our goal extends beyond merely establishing a dominant market presence. Leveraging the strength of this scale, we look beyond the confines of our own facilities to view the entire area as a single field of activity. By coordinating both hardware and software, designing the flow of people, creating a chain of experiences, and expanding value—the Group is taking on the challenge of building a commercial platform that evolves the community itself, rather than simply operating commercial facilities.

With the opening of HAERA, this vision has taken a major step forward. Now that we have reached the final year of the Medium-term Business Plan, the vision of Co-prosperity with Communities is steadily taking shape in Sakae, Nagoya.



J. Front Retailing Group's commercial facilities

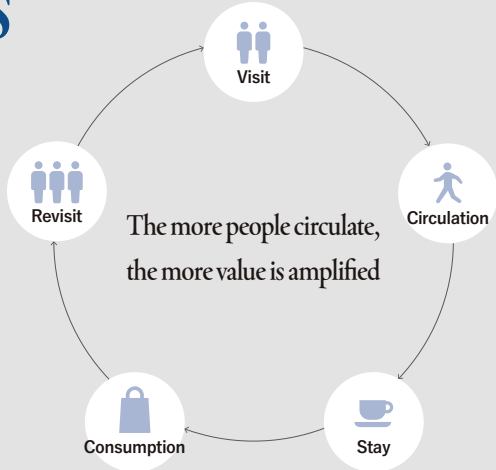
200.0 billion yen across 10 facilities The Concept of “Area Sales”

In Sakae, Nagoya, we aim to generate annual sales (transaction volume) exceeding 200.0 billion yen through the operation of our 10-facility network.

This is not merely an expansion in scale.

Value is amplified as customers circulate through the area, stay, and have multiple experiences. Within that cycle, the Group’s sales also grow—

This is the “J. Front Retailing Group’s model for Co-prosperity with Communities,” redesigned with customer lifetime value (LTV) as the starting point.



JFR Group's Strengths in Achieving Co-prosperity with Communities

Initiatives for Co-prosperity with Communities underway in Sakae, Nagoya. Underpinning these efforts are our relationships of trust with the community, our DNA for urban development, our ability to create the one and only, and the synergies generated by our diverse assets. We analyze the competitive advantages unique to the Group.

Its Global Appeal Is Drawing New Crowds to Sakae. ——HAERA Opened on June 11, 2026

HAERA is a new commercial facility spanning from the second basement level to the fourth floor of “The Landmark Nagoya Sakae,” which was developed by J. Front City Development in partnership with co-developers. It was created as a symbol of the Group's strategy to enhance the value of the Sakae area.

HAERA opening press release (Japanese)

▶ https://www.j-front-retailing.com/_data_json/news/_upload/20260317_HAERA_open.pdf

The Landmark Nagoya Sakae opening press release (Japanese)

▶ https://www.j-front-retailing.com/_data_json/news/_upload/20260317_Landmark_NAGOYASAKAE.pdf

Its most distinctive feature is the concentration of the world's leading luxury maisons, including Cartier, Chanel, Hermès, and Louis Vuitton, all under one roof, each occupying a multi-level boutique spanning two to four floors. With its overwhelming presence and sophisticated aesthetic, it creates a luxury space that is unparalleled not only in Japan but also around the world.

This was made possible by the strengths in the luxury sector that Daimaru Matsuzakaya Department Stores has cultivated over the years. From the conceptual stage of HAERA, we envisioned urban development centered around premier luxury maisons and actively worked to attract them to the area. The lush, green environment facing Hisaya Odori Park resonated with the values of the premier maisons, which place great importance on location and its relationship with the surrounding neighborhood, leading to the creation of a space unique to Sakae.

HAERA is more than just a high-end commercial complex. By leveraging Parco's curatorial expertise to successfully blends luxury brands with shops and services that complement them, it creates a circulation space where visitors with different purposes naturally interact.

Furthermore, a luxury hotel occupies the upper floors of The Landmark Nagoya Sakae, and combined with HAERA's luxurious atmosphere, this creates a virtuous cycle that attracts brands sharing the same vision.

Even one month after opening, its much-talked-about dessert shops continue to draw constant lines of customers. Thanks in part to the spillover effect from the multiplex cinema located on the 5th through 9th floors, it has got off to a strong start, with both customer numbers and sales far exceeding projections.

HAERA is expected to serve as a new focal point that will transform the Sakae area into a “destination” attracting visitors from

both Japan and abroad. HAERA is not only a symbol of the strategy to enhance the value of the Sakae area, but also a new hub that connects the Group's diverse assets. The Group aims to maximize the value of the Sakae area by channeling this flow of people into district-wide circulation and increased spending.

The Power to Create the “One and Only” Opens Up the Future of the Area.

The Group has created one-of-a-kind commercial facilities such as GINZA SIX, Shibuya PARCO, and HAERA. Through this process, we have cultivated a spirit of challenge that pursues an unparalleled level of excellence—something “never seen before” and “found nowhere else,” the ability to transform ourselves by breaking free from past successes and preconceived notions while actively incorporating new ideas and insights to achieve our goals, and the tenacity to see every project through to completion. These capabilities have been developed through countless challenges and a process of trial and error. The ability to create the one and only is an organizational capability that the Group has cultivated over many years, and it serves as the source of our competitive advantage.

The Value of the Time Spent alongside Communities

The Daimaru Shinsaibashi store for 300 years, the Matsuzakaya Ueno store for 258 years, the Daimaru Kyoto store for 114 years, the Matsuzakaya Nagoya store for 101 years, the Daimaru Kobe store for 99 years, Ikebukuro PARCO for 57 years, and Shibuya PARCO for 53 years... These figures represent the number of years each store has been in business at its current location.

The Group has a long history of operating stores and growing alongside the communities we serve. We have consistently addressed local challenges from the perspective of being directly involved, continually taking on new challenges for the community's future. Through these sustained efforts, we have built relationships of trust with local residents, government bodies, and other businesses, thereby forming relational assets that cannot be developed overnight.

Leveraging that relationship of trust as a strength, we established the new roles of “Nagoya Area Co-prosperity Manager” in 2025 and the “Shinsaibashi Area Co-prosperity Manager” in 2026 to strengthen our collaborative framework with local stakeholders and vigorously advance our area vision and strategies. Our history of long-term commitment to communities and our current organizational structure. The foundation for the Group to achieve Co-prosperity with Communities is being steadily built.

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“The DNA of Urban Development” Supports Co-prosperity with Communities.

The Group has a DNA that views the entire neighborhood as a single arena, with its own stores as the starting point, and works to enhance its appeal across the entire “area.”

Since 1987, Daimaru has been working to enhance the value of the area by integrating its store with the neighborhood in the Former Foreign Settlement in Kobe. Guided by its founder MASUDA Tsuji's philosophy that “the urban landscape is a medium,” Parco has promoted the creation of urban appeal in numerous areas, such as by producing the area itself as a “theater space” when Shibuya PARCO opened in 1973. Matsuzakaya also has a tagline it has used since 1948: “Matsuzakaya as a Bridge between Daily Life and Culture.” They have consistently upheld the philosophy not merely of making their stores more appealing, but of creating spaces where people gather and culture flourishes, to this day. This DNA of urban development has been passed down to all Group companies, including J. Front City Development, which operates in the Developer Business. Co-prosperity with Communities is not a new initiative. It is a natural extension of our DNA, which has long been rooted in creating value together with our communities.

Department Stores and PARCO. Two Strengths Converge.

A major characteristic of the Group is that it combines two businesses with distinct identities: department stores and PARCO. Through collaboration between the Daimaru Shinsaibashi store and Shinsaibashi PARCO, the two facilities have succeeded in expanding their customer base and encouraging foot traffic between them. In the Sakae area, the Matsuzakaya Nagoya store and Nagoya PARCO are located side by side. While each attracts a different customer base, they contribute to enhancing the value of the entire area.

The Matsuzakaya Nagoya store boasts one of Japan's largest gaisho customer bases and enjoys strong support from customers who value high-quality products, experiences, and services. Its large-scale renovation conducted between 2024 and 2026 focused on enhancing luxury offerings, establishing art spaces, and developing hubs for promoting sake culture, thereby expanding content that would make the area a destination for visitors.

Meanwhile, Nagoya PARCO is creating touchpoints with young people and the next generation of customers through fashion, entertainment, and IP content. Even after its major renovation in 2024, it has continued to undergo ongoing renovations, strengthening its fashion offerings while also working to create one of the largest entertainment zones in Japan. By constantly creating new reasons for visitors to come, it is enhancing its presence as the premier fashion and culture hub in the Tokai region.

Active investment in both facilities further strengthens the roles they play and contributes to generating vibrancy in the Sakae area. Furthermore, in the spring of 2027, a portion of the south wing of the Matsuzakaya Nagoya store is scheduled to be transformed into a commercial facility operated by PARCO. By serving as a “bridge” connecting Matsuzakaya and PARCO, it is expected to generate new customer experiences and encourage foot traffic by combining the strengths of both locations. In the Sakae area, the synergy between the department store and PARCO is poised to evolve to the next level.

A Platform for the Regional Economic Ecosystem that Encourages Customer Circulation

JFR Card plays a role in encouraging customers to explore the area through QIRA Points. The company is encouraging card usage by expanding the network of “QIRA Point Plus eligible merchants,” where customers earn more points than usual. Accumulated points can be exchanged for various other types of points or gift vouchers that can also be used outside of the Group's commercial facilities.

Currently, there are approximately 130 QIRA Point Plus eligible merchants in the Sakae area, including the Chunichi Building. By enabling customers to earn and redeem points, the company expands the scope of their consumption activities and create new spending opportunities, contributing to the vibrancy of the entire area. JFR Card serves as a platform for the regional economic ecosystem that supports Co-prosperity with Communities.

Area Hub for Creating a Walkable Town

“Walkability” is the Sakae area's greatest appeal and a major strength in setting it apart from the Nagoya Station area. In Nagoya, a city heavily reliant on cars, it is essential to create an environment where people can drive to Sakae and then enjoy exploring the area on foot.

As a public parking facility established under an urban planning initiative, Angel Park has, since its founding in 1965, been guided by the philosophies of “Co-prosperity with Communities” and “Growing Together with the Community.” It is strengthening its role not merely as a parking facility, but as a community hub that promotes “PARK & WALK.” The number of partner stores has now expanded to approximately 70, and by connecting visitors to nearby facilities, the company is helping to encourage foot traffic throughout the entire area. Leveraging the exceptional customer service that comes from being part of a department store group and its highly convenient network of partners, Angel Park serves as urban infrastructure that supports the enhancement of the Sakae area's value.

A Value Cycle Model That Links Assets to Consumption

MEGRÜS is a specialty store that purchases luxury goods operated by a joint venture between the Company and Komehyo. With locations at the Matsuzakaya Nagoya store and Nagoya PARCO in the Sakae area, the business is steadily building a strong track record, supported by the customer base of the Matsuzakaya Nagoya store, which aims to become Japan's top retailer in gaisho sales. Driven by proactive sales efforts by gaisho sales representatives, including on-site purchasing services, and the trust placed in Komehyo, a Nagoya-based company marking its 80th anniversary next year, the service is gaining popularity even among customers who have never used purchasing services before. There are instances where gaisho customers have made high-value purchases following the completion of high-value purchase transactions with them, making this a significant initiative in terms of demonstrating the synergy between our new business (MEGRÜS) and our existing business (Department Store). When customers sell their assets and that value is reinvested in consumption, new value circulates within the area. MEGRÜS functions as a mechanism for this circulation of value, supporting Co-prosperity with Communities.

PEOPLE

Human Passion and the Power of Connection Drive the Community Forward.

The value of communities cannot be created by the Group alone. By combining the insights and strengths that each of diverse players possesses, and by having them work together toward a common goal and take on new challenges, we can create new appeal and vibrancy.

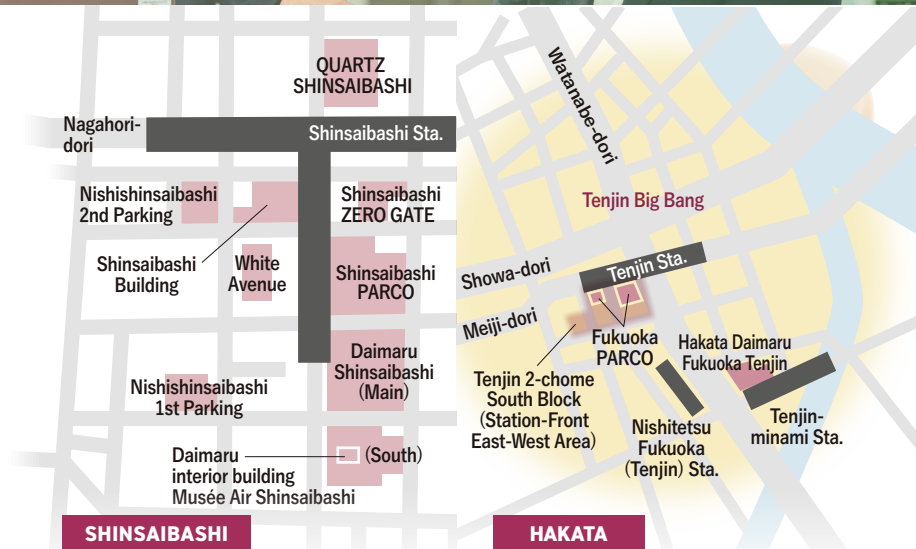
The possibilities that emerge when people, companies, and communities come together. The challenges we tackle as ONE TEAM will help create a richer future for communities.

Through the Group-owned media platform “J. FRONT PLUS,” which showcases the stories of those at the forefront of challenges, we have covered various initiatives in “Sakae, Nagoya,” our top priority area in the current Medium-term Business Plan, from multiple perspectives. We envision the future of the community and take on the challenge of creating new value together with our colleagues and partners. The aspirations and passion of each and every one of us are the driving force behind achieving Co-prosperity with Communities.



NEXT

This Model Doesn't End in Nagoya.



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*You can view each article (Japanese) by visiting the URL or scanning the QR code with your smartphone.

The main building of the Matsuzakaya Nagoya store undergoes its first major renovation in 20 years.
Creating the store where people shine, with the space itself as the starting point



Professionals from diverse fields of spatial design took on the challenge not of a mere renovation, but of embodying “Matsuzakaya as a Bridge between Daily Life and Culture.” A space where people gather and are moved— We delved into the sentiments behind it.

► <https://www.plus.j-front-retailing.com/frontline/detail/cd/000146/>



Fostering diverse encounters and forging new “connections.”
A department store hub for promoting “sake culture,” created through ONE TEAM



The goal was to create “the premier sake department in the Tokai region.” Daimaru Matsuzakaya Department Stores and Daimaru Kogyo pooled their expertise to create a space that fosters new encounters with sake and offers discoveries and experiences through it. We explored the source of their dedication.

► <https://www.plus.j-front-retailing.com/frontline/detail/cd/000147/>



Accelerating the establishment of regional economic ecosystem through synergies with merchant partners.
What is the vision of “Co-prosperity with Communities” that JFR Card aims to realize?



JFR Card is focusing its efforts on initiatives to revitalize local areas through its rewards program. By encouraging customers to earn and use points, the company is exploring ways to encourage people to explore the entire area. Underlying this was the principle of “Co-prosperity with Communities.”

► <https://www.plus.j-front-retailing.com/frontline/detail/cd/000148/>



Creating the Tokai region's premier hub for fashion and culture.
Nagoya PARCO's challenge and evolution to “transform the community”



“We want to make Sakae a ‘district people want to visit’”—that was the wish that sparked the large-scale renovation of Nagoya PARCO. We traced their journey that has teamed up with unconventional fashion brands and IP holders to take on the challenge of fostering a new culture.

► <https://www.plus.j-front-retailing.com/frontline/detail/cd/000154/>



A “Value Co-creation” model demonstrated through one team.
Exploring the potential of Sakae, Nagoya, through a social experiment



J. Front City Development, Mitsubishi Estate, and Takenaka Corporation have joined forces across industry boundaries. They continue to explore ways to connect the park with the surrounding community, actively involving local businesses and government bodies. We delved into the “power of co-creation” that drives their team members forward.

► <https://www.plus.j-front-retailing.com/frontline/detail/cd/000150/>



This model for Co-prosperity with Communities, which we are developing in Sakae, Nagoya, serves as a “test bed” for the Group's growth strategy.

By leveraging and combining the Group's diverse assets, including the department store, PARCO, gaisho, credit cards, real estate, and a parking facility, we drive foot traffic, encourage visitors to explore the area, and stimulate spending. Through this series of initiatives, the Group has refined a new business model aimed at enhancing the area's value.

What has been cultivated in Sakae, Nagoya, was not the competitiveness of individual facilities. The essence of this model for Co-prosperity with Communities lies in the philosophy and practical knowledge of viewing the community as a single entity and fostering sustainable growth by enhancing the appeal of the entire area.

We will expand the insights, talent, and network gained through this initiative to key areas such as Shinsaibashi in Osaka and Tenjin in Fukuoka. However, they will not simply be copy-and-paste versions of Sakae, Nagoya. While taking into account the unique history, culture, population dynamics, and character of each area, we will foster mechanisms for Co-prosperity with Communities that are best suited to each area.

What we demonstrated in Nagoya was not just a single success story, but a methodology for growing together with the local community.

The Group will continue to take on the challenge of creating new value in each area while expanding our practical knowledge to these areas.