

Developer Business

We Adapt to Changes in Market Conditions and
Contribute to the Creation of Attractive Facilities and Communities.



HIRAI Yuji
President and Representative Director
J. Front City Development Co., Ltd.

Progress and achievements on the medium-term
business plan

As the real estate arm of the J. Front Retailing Group, which has retail as its core business, we aim to offer diverse urban lifestyle proposals and create attractive communities, with a focus on key areas.

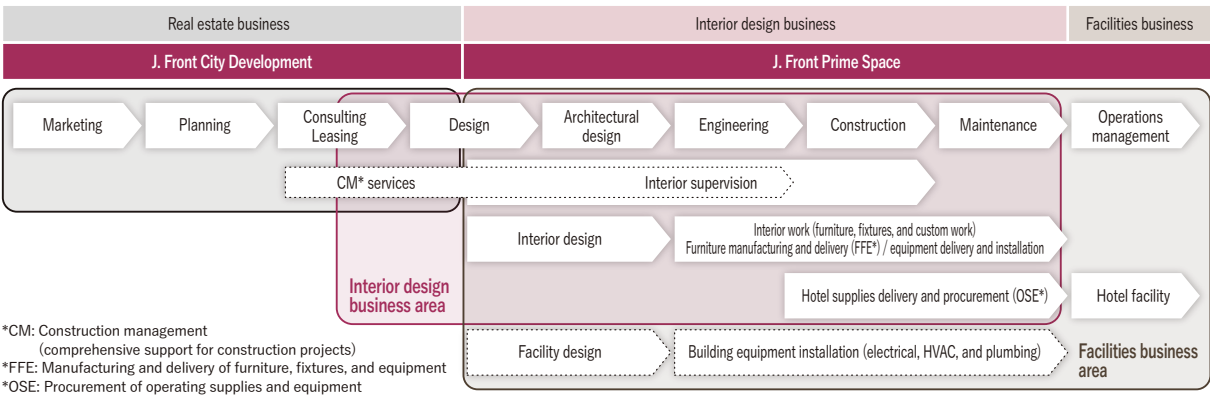
As part of our progress on the medium-term business plan, we have been systematically advancing development plans in key areas, investing in and participating in joint projects, and simultaneously divesting non-core assets. I recognize three major achievements. The first is implementing the CRE strategy. In the Sakae area of Nagoya, one of our key areas, “HAERA” has finally opened its doors. In addition, “QUARTZ SHINSAIBASHI” has been completed in the Shinsaibashi area of Osaka. Furthermore, regarding the redevelopment plan for the Tenjin area of Fukuoka, we aim to submit an application for project approval within this fiscal year. They are

large-scale projects that embody Group synergies, and we are able to proceed with them according to plan even amid changing market conditions. The second is strengthening our organizational capabilities and execution capabilities. These development projects are joint ventures not only with companies within the Group but also companies outside the Group. I believe that the negotiation skills, consensus-building abilities, networks, and expertise gained through co-creation with companies outside the Group will be a valuable asset for the future. The third is participation in external real estate and development projects, mainly in key areas. In the Shinsaibashi area, we moved forward with investments in external real estate, including a development project adjacent to the department store and PARCO; in the Kobe area, we established and acquired a proprietary fund designed to create synergies with the department store.

Adapting to market changes

We intend to continue strengthening our business and organizational capabilities, including through these area development initiatives. At the same time, however, while rents continue to rise, particularly in prime locations, the environment surrounding the real estate market is undergoing significant changes, with a series of revisions to development plans taking place across various regions. Although the Group does not specialize exclusively in real estate, we are required to respond to market changes, such as by strengthening our asset management infrastructure and collaborating with external partners, with a focus on maximizing the value of our real estate holdings. We have recently invested in a mixed-use property in the Minatomirai district of Yokohama. This initiative is part of a new effort to enhance value as a unified group, leveraging not only our strengths in commercial development and tenant recruitment but also the ripple effects (the creation of business opportunities) for Group companies. We aim to contribute to further enhancing the appeal of the area while achieving both profitability and business growth.

Group value chain for the Developer Business



Leveraging This Merger,
We Will Create Value That Exceeds Imagination and Expectations.



YOSHIMURA Minoru
President and Chief Executive Officer
J. Front Prime Space Co., Ltd.

Regarding the progress of the medium-term business plan, for fiscal year 2025, the second year of the plan, revenue increased by approximately 19% and business profit grew 1.5 times compared to the previous medium-term plan (fiscal year 2023). The key priorities under the current medium-term plan include not only the growth of each business segment but also the reorganization and integration of the interior design and facilities businesses to further enhance Group synergies.

Full-scale operations as a new company

Our company’s history dates back to before the merger of Daimaru and Matsuzakaya in 2007. Following a series of reorganizations and integrations amidst the Group’s restructuring efforts over the years, “J. Front Prime Space” was established this spring. Although the merger has made us the third-largest company in the industry, we can say that we are the most diverse company within the Group, bringing together talent from a wide variety of backgrounds. To realize the new company’s Mission: “Bringing Passions to Life.

Together Toward the Future.,” we will not only foster unity within our organization and among our employees but also work with our many stakeholders to bring diverse ideas to life, thereby creating value that exceeds imagination and expectations. And for our company, which has no assets, the source of new value is our “human resources.” For this reason, in order to foster organizational and interpersonal integration within the new company, we held regular opportunities for interaction, such as subcommittee meetings and in-house events, from an early stage. I believe we have gotten off to a generally smooth start.

Leveraging a “niche top strategy” and
“one-stop service” as strengths

Our business is built on two pillars: the “interior design business” and the “facilities business.” The basic policy of our growth strategy is a niche top strategy. Building on the strengths we have cultivated in both businesses, we are “a one-of-a-kind company that creates high-quality spaces and provides one-stop services from planning to operation.”

While construction investment remains steady, the business environment is characterized by a high degree of uncertainty due to factors such as a worsening labor shortage and soaring material costs. While there is a growing understanding of cost pass-through, there are also signs of caution regarding new construction projects.

On the other hand, I believe that going forward, the value of companies capable of offering a one-stop solution that integrates a broader range of services, including not only interior design but also facilities business, will increase. Looking at the interior design business, it is no longer easy for general contractors to manage interior design by breaking it down into smaller tasks as they did in the past, and there is a growing trend toward entrusting the entire project to companies like ours. In the facilities business as well, services range widely, from cleaning and security to maintenance, but there are not many providers capable of handling all of them comprehensively. Capturing these needs can lead to significant differentiation. It is crucial to deepen collaboration across the Group, including J. Front City Development, with a view to comprehensively enhancing the value of buildings and facilities both within and outside the Group. As a new company delivering high ROIC, we aim to leverage the benefits of this integration.



Real estate business



Interior design business *Photo: Nacasa & Partners



Facilities business