

Shop Development
around
Department Stores

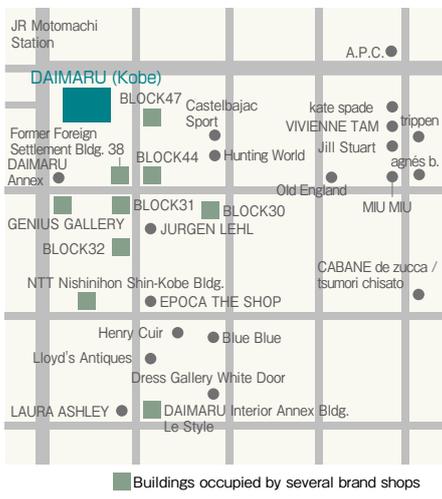


From “Dots” to “Areas” — Area Revitalization to Increase Appeal Synergistically

From “dots” to “areas” — J. Front Retailing operates highly sensitive shops around its department stores to revitalize the whole area, as well as making the stores themselves attractive.

Daimaru Kobe store initiated these efforts in 1988. At that time, Motomachi, where Daimaru Kobe store is located, was relatively losing vitality because the center of transportation and business of Kobe area was shifted to Sannomiya. It was urgent to create the appeal of the store to attract people. The development began with Daimaru’s own buildings, but they were not enough to revitalize the area. Therefore, Daimaru actively invited brand shops to open their branches in other buildings in the Former Foreign Settlement of Kobe to draw more customers throughout the area. Now we operate 68 various unique brands and shops (as of June 2010) using the familiar but new appearance of historical modern western-style

[Stores operated by Daimaru Kobe store]



GENIUS GALLERY



Nike



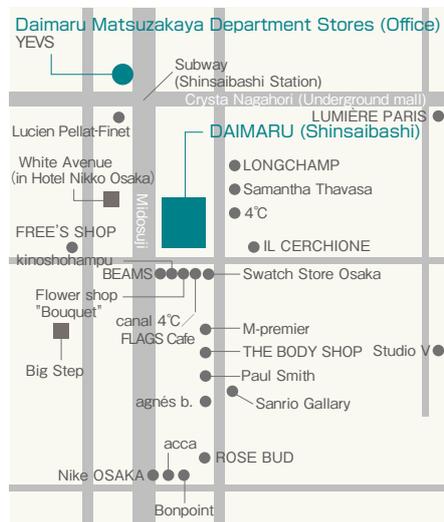
FREE'S SHOP

architecture including “Former Foreign Settlement Bldg. 38” and “Shosen Mitsui Building (Le Style),” which bring new life to the history of the city.

Such know-how is also applied to other stores.

Daimaru Shinsaibashi store has been working with Shinsaibashi Shopping Arcade to create the prosperity of the area. However, amid changes in the environment surrounding the stores nearby and generational changes of their landlords beginning around 2003, some old stores have chosen to withdraw from the business. With a sense of crisis that the shopping area will damage the fashionable image of Shinsaibashi rather than losing vigor if the situation is left as it is, Daimaru Shinsaibashi store launched the development of shops around itself by adopting the method of Kobe store. Bold shop design and environment are possible in a stand-alone shop, whereas they are subject to

[Stores operated by Daimaru Shinsaibashi store]

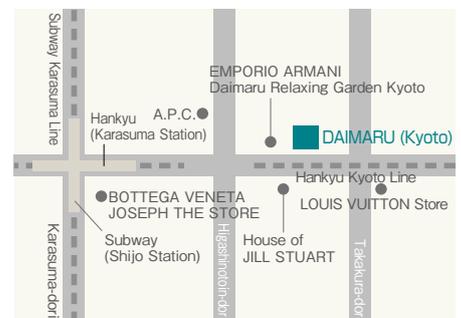


certain restraints within a department store. And it attracted high-profile shops one after another and now operates 25 brands and shops (as of June 2010).

For the purpose of revitalizing Shijo Karasuma area as much as Shijo Kawaramachi, a high commercial accumulation district, Daimaru Kyoto store has also developed shops around itself starting with Louis Vuitton Store, which opened as the first shop in 2004, and now operates 12 brands and shops (as of June 2010) to enhance the appeal of the whole area.

In line with the move to develop the area around itself, Matsuzakaya Ueno store invited a large-scale sports shop to open (in March 2010) on the first floor of the multilevel parking facility completed in 2009 to attract new customers with a wider offering.

[Stores operated by Daimaru Kyoto store]



EMPORIO ARMANI



LOUIS VUITTON Store