

Growth

Growth in Store Size



Dramatically Increasing Our Presence at the Gateway to the Capital



Daimaru Tokyo store (Image of new entrance on the 1st floor & deck on the 2nd floor)

Tokyo store will grow in size by 1.4 times in fall 2012

J. Front Retailing is increasing the size of and innovatively renewing department stores in large cities to enhance their appeal and further strengthen their business infrastructure.

Following Daimaru Umeda store that had its grand opening with 1.6 times more floor space as the culmination of new department store model in April 2011, Daimaru Tokyo store will increase its floor space by 1.4 times to 46,000 square meters and open in the second phase in fall 2012.

Tokyo store completed the first phase of relocation and expansion and opened as a new store with the store concept of “TOKYO/ADULT/LIFESTYLE Department Store” in November 2007. In the first phase, while being strongly conscious of female office workers and businessmen around Tokyo station in particular and further improving and enhancing already

strong food departments, the store expanded the cosmetics floor into Tokyo’s largest scale and the restaurant floor into two floors with a restaurant open until 24:00.

Compactly condensing the “current” Tokyo

On the occasion of its full opening in the second phase, adopting the achievements and know-how gained from the expansion and grand opening of Umeda store including store planning and operations and, as a store located at Tokyo station, targeting various customers ranging from female office workers and businessmen around the store, business travelers and tourists to residents nearby and in the suburbs who purposely visit the store by train or car, we aim to make the store strong in gift items, souvenirs and traveling gear by offering a wide range of appropriately fashionable goods with strong brand power that are popular in Tokyo with the store concept of “Department Store with Compact Assortment of the ‘Current’ Tokyo.”

The focus is on:

- (1) Strengthening food products both in quality and quantity, including lunch boxes, prepared meals and sweets;
- (2) Expanding and reorganizing women’s and

men’s accessories departments;

- (3) Developing a fashion brand zone with popular select shops, targeting around 30 and 40 year olds;
- (4) Developing a luxury zone with nine popular brands mainly offering accessories; and
- (5) Opening large specialty shops that can pull in many customers on the upper floors, including Tokyu Hands on the 8th to 10th floors and ICI Ishii Sports on the 11th floor.

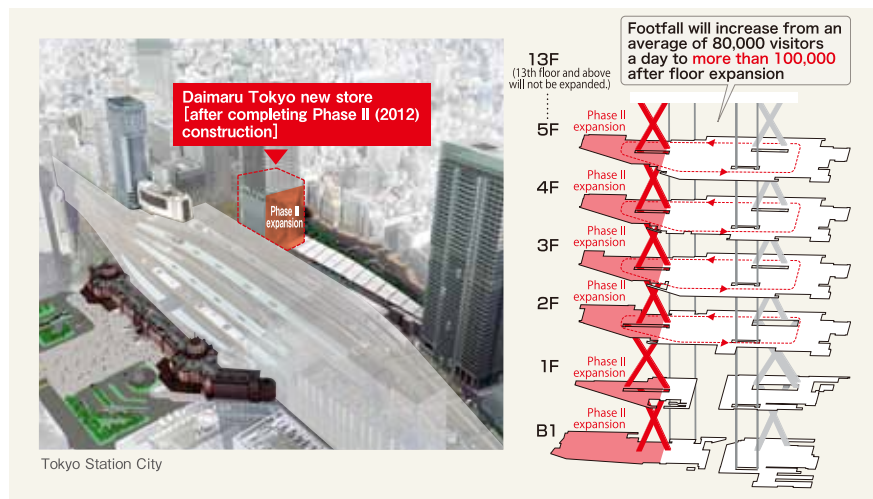
Attracting much more customers and greatly improving circulation

While enhancing the appeal of the contents as mentioned above, we also have great expectations for the improvement effects of hardware. By adding new entrances direct from the Yaesu Central exit of Tokyo station on the extended parts of the 1st basement and the 1st aboveground floors and from the pedestrian deck that is connected to GranTokyo South Tower on the 2nd floor, we expect footfall to increase considerably. In addition, escalators newly installed on the extended parts will dramatically improve customer’s circulation on each floor.

With respect to operations, we will use this opportunity of floor expansion to drastically enhance efficiency. Like Umeda store, Tokyo store will increase its floor space without additional headcount through the right staffing based on operation system for each type of sales floor operations, as well as overhauling at the management level and the downsizing of the organization by integration.

Since the store is positioned as part of the “Tokyo Station City” plan, which sees Tokyo station including Yaesu, Nihonbashi and Marunouchi exits and JR station yard as a big city, we aim to make it worthy of the gateway to the capital.

Through such a big project in the Tokyo metropolitan area, we would like to dramatically increase our presence as J. Front Retailing Group there.



Tokyo Station City