

## Create and Bring to Life “New Happiness.”

Now is the time when lifestyles are changing speedily. To meet these changes quickly, and what is more, to find budding needs are J. Front Retailing’s important missions. More women’s social advancement. Changing lifestyles due to falling birthrate and aging population. Expansion of consumption by inbound tourists and digital consumption. Various factors bring you more new ways to enjoy your life as well as triggering concerns and stresses. Seeing both these “positive and negative” factors, we will evolve into a group that can serve you in all aspects of life. With regard to “enjoyment,” we will not only “sell goods” but create new events and experiences to excite you. With regard to “concerns,” we will cover “shortfall” such as “busyness,” “uneasiness” and “hassle” and create services to clear the fog in your mind. Our domain will expand beyond the framework of “retailing.” And there should be creative ideas, or the creation of “new happiness.” Now is the time for J. Front Retailing to drastically change. And we promise you to closely support your life in a “present progressive form” after 10 years and even 100 years by “changing all the time.”



## Story behind the development of the Vision

J. Front Retailing Group was formed through the management integration of The Daimaru, Inc. and Matsuzakaya Holdings Co., Ltd. in September 2007, and with the vision of “establishing ourselves as a leading Japanese retail company both in terms of quality and quantity with the Department Store Business as its core,” we implemented various initiatives to become a multifaceted retailer. In the core Department Store Business, we deepened the establishment of new department store model as well as expanding our customer base. Furthermore, we have steadily expanded our business areas other than the Department Store Business through aggressive M&A including the conversion of StylingLife Holdings Inc. (SLH) into an associate accounted for using equity method in 2011 and the conversion of Parco Co., Ltd. into a consolidated subsidiary in 2012.

In the meantime, the business environment is greatly changing. We expect “lifestyles” to be increasingly “diversified” due to falling birthrate and aging population and changing family dynamics and the “means of seeking enjoyment” are also expected to grow increasingly “diverse” due to shift from product-based consumption to experience-based consumption and the evolution of ICT. That is to say, as it is difficult to grow just by continuing the current business model as it is, we see the present time as a turning point to drastically alter the course of the Group’s management.

In these circumstances, considering what makes people happy and strategically expanding business fields and transforming existing businesses to provide new forms of value with respect to “lifestyles” and “means of seeking enjoyment,” we developed the new Group Vision “Create and Bring to Life ‘New Happiness.’” with the aim of becoming a business group which contributes to realizing spiritually affluent lifestyles.

By showing the future directions to aim for with this Group Vision, we aim to greatly change the Group and realize discontinuous growth.

## New cause assumed by the Group

The main business of the Group was the offering of products and services mainly for “festive occasions” by the core businesses including department store chains Daimaru and Matsuzakaya and Parco to meet customer needs. With increasingly diversified lifestyles, however, customer needs are seen not just on festive occasions but also widely in daily life. By relieving customers of “concerns” and “frustrations” in daily life so that they can live more conveniently and more comfortably, we hope many customers will be able to spare more time for festive occasions. I think that is the social role we will have to fill, i.e., the cause.

In fact, as the means of seeking enjoyment are diversified, many customers cannot gain sufficient satisfaction from a stereotypical form of consumption as in the past. Consumers “want new and different experiences” or “want to enjoy with like-minded people.” Thus the focus of consumption is shifting to experiences. Another recent big trend is heightened awareness of social contribution. People “want to care more about the environment and ethics” and “want to feel that their own existence is meaningful in society.” The Group has to be able to offer something more enjoyable and more exciting in response to such diversification of the means of seeking enjoyment.

## Familiarization of the Vision with individual employees of the Group

Needless to say, the Vision is not finished when it is phrased and announced. It is each and every employee who will realize the Vision. The sum of their performance will constitute our corporate value. That is, I think the key will be how we will raise awareness of the Vision in each site and drive the specific actions of individual employees.

To this end, the Company prepared a handbook setting forth the direction of the Vision and action guidelines and provided it to all employees. At the same time, the top management visited the bases of the Group across Japan and held briefing sessions on the Vision for management level employees. In each session, the top management had a dialogue for more than two hours, not just sharing his thoughts in person but answering questions. In the next step, people in the Executive Officer or higher management positions posted their action declarations for the realization of the Vision in a company magazine. And then, individual employees posted their action declarations on the intranet. The entire Group started to move strongly toward achieving the Vision.

### ◆ Basic Mission Statement, Group Vision and JFR Way

