



Exterior of Ginza Six

Growing and Coexisting with Local Communities

Ginza Six

The Ginza area's largest luxury mall "Ginza Six" made its grand opening on April 20, 2017 drawing much attention from all over Japan and even from abroad. More than half of 241 world-class quality brands that were carefully selected and collected are flagship stores. In addition, the creation of unconventional store environment using art, customer management and analysis using ICT, and promotion creating a buzz and conscious of being spread on SNS are also a symbol of "discontinuous growth" we aim at.

By category, luxury brands are very popular among affluent people in Japan and inbound tourists to Japan. Fashion items are steadily creating customer loyalty by offering Ginza Six limited items. Cosmetics draw customers from Japan and abroad by actively providing unique services and events. Food products are also popular due to successful lineup of items available only at Ginza Six, many of which are sold out.

Another feature of this project is a great deal of attention from the media. In April when it opened, the total number of media exposures including



People in line at opening

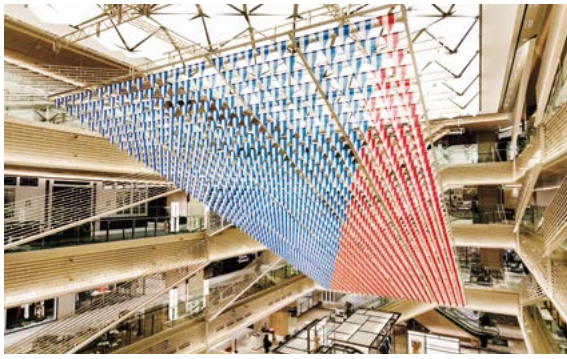
before and after its opening such as TV, newspaper, magazine and the Internet, was as many as 8,200. The overwhelming number of media exposures created a chain reaction

that "fame attracts fame."

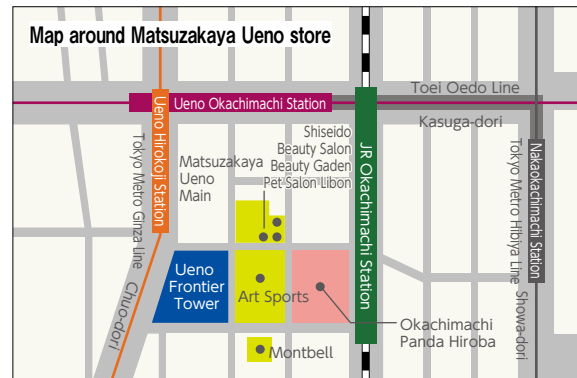
We think there are two key factors for success (KFS) in Ginza Six.

One is the "combination of different elements" through initiatives beyond company level. Ginza Six is a big project for which four companies including J. Front Retailing, Mori Building, Sumitomo Corporation and L Catterton Real Estate collaborated. These four companies which have totally different backgrounds and corporate cultures jointly aimed at creating new world-class value and put together their wisdom and energy in the world's leading commercial area Ginza. As a result, we think the unprecedented "innovative luxury mall" causing a buzz worldwide was born by the chemical reaction that occurred among these four companies or "four different elements."

The other is many brand new ideas we tried toward "discontinuous" growth, not an extension of the status quo by choosing to abandon our past successful experiences and "not to make it a department store." We could create special experiences and values available only there including luxury duplex boutiques adding color to the façade, store space design such as the bold atrium welcoming visitors with art, the unique layout of passages reminiscent of the "back alleys in Ginza" and the floor composition beyond the so-called framework of department store's merchandise classification. In other words, in the era when online shopping is rapidly growing and it has already been said that "online shopping is driving out real stores" in Western countries, we think we could present an "answer" to the questions



Art in the atrium of Ginza Six



“What values are expected of real stores to provide and what is the meaning of the existence of real stores?”

Ueno Frontier Tower

The south wing of the Matsuzakaya Ueno store was rebuilt and “Ueno Frontier Tower” opened on November 4, 2017. With an anchor tenant Parco on the 1st to 6th floors, the Matsuzakaya Ueno store on the 1st basement floor, Toho Cinemas on the 7th to 10th floors and highly functional offices on the 12th to 22nd floors, a commercial complex as a new landmark in the area was born.

This is the first big development project jointly implemented by Daimaru Matsuzakaya Department Stores and Parco. The initiatives of Daimaru Matsuzakaya Department Stores and Parco achieved a certain result in joint sales promotion and others in the areas where the stores of the two companies are adjacent to each other. And we think this project led us to enter into a stage where the Group synergy with Parco shifts into full swing in more situations. The new Parco store opened in this “Ueno Frontier Tower” was named “Parco_ya,” which is an example of new initiatives with unprecedented concept. Specialty shops there were selected to attract the customers who visit the adjacent Matsuzakaya Ueno store or Toho Cinemas Ueno and workers in offices on upper floors. “Parco” opened a store in a new area in the 23 wards of Tokyo for the first time in 44 years. Under the new name “Parco_ya,” the store contributes to tapping a new market in the area with a brand lineup suitable for the surrounding environment and catering to a little



Matsuzakaya Ueno store and Ueno Frontier Tower

older people than Parco’s existing target customers.

In conjunction with the opening of this “Ueno Frontier Tower,” the Urban Dominant Strategy in the Ueno

Okachimachi area, which was named “Shitamachi. Front,” started in full swing. Specifically, we enhanced dissemination of local information and appeal using the community site “Ueno ga Suki.” At the same time, by creating multiple sales spaces in conjunction with this “Ueno ga Suki,” we built a new mechanism to increase customer loyalty, which helps strengthen customer relations. In addition, by holding various events starting from the adjacent “Okachimachi Panda Hiroba” to dramatically increase our ability to attract customers, we will contribute to revitalizing the whole area.

Promoting urban development in key areas

In addition to these big development projects, the Group will make active efforts to further expand real estate leasing area in urban areas which can be expected to grow.

New commercial facilities which opened, or will open, in fiscal year 2018 include four projects by the Real Estate Division of Daimaru Matsuzakaya Department Stores such as “Blue Bottle Coffee” in the Nanzenji area, Kyoto and three projects by the Zero Gate business of Parco such as Kyoto Zero Gate and Harajuku Zero Gate, totaling seven projects. Furthermore, we are considering promoting five projects or so around flagship department stores in fiscal year 2018.

At the same time, in five key areas including Shinsaibashi, Kyoto Karasuma, Kobe Motomachi, Nagoya Sakae and Ueno Okachimachi, we will also clarify respective “area strategies” by implementing

promotion programs for developing the areas around department stores and motivating people to visit the areas in collaboration with local communities to promote the Urban Dominant Strategy for growing with local communities.



Blue Bottle Coffee Kyoto Cafe