

Bigger and Newer Stores



Rendering of Daimaru Tokyo store after increasing its floor space (Summer 2012)

Big Projects in Progress — Strengthening Competitiveness by Expanding the Basis for Growth

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

Daimaru Shinsaibashi store fails to attract customers in their 20s and 30s who constitute a large percentage of the persons visiting the district because it has focused to a certain extent on the upper class including its main *gaisho* (out-of-store sales) customers with a floor space of 37,490 square meters, a medium size for the current urban department store. Using the facilities of Sogo Shinsaibashi store that we have decided to acquire recently, we will open a 40,000-square-meter new annex next to the main building in November 2009 to develop a new market and further reduce costs by combining the operation of the main building and the annex. This is also positioned as a trial toward the establishment of a new department store business model for the future that J. Front Retailing is aiming at. We are planning to invest ¥41 billion in this project.

Existing customers and new strategic target of Shinsaibashi store

	Young	Around 30	Around 40	Around 50	Around 60	Senior
High consumer						
Upper consumer						
Medium consumer						
Standard consumer						
Lower consumer						

■ New strategic target ■ Major customers of the existing store

Daimaru Umeda store will increase its floor space by 1.6 times to 64,000 square meters in spring 2011. Under the redevelopment plan of JR Osaka station area, West Japan Railway Company and Osaka Terminal Building Co., Ltd. have considered the redevelopment and revitalization of the south side of JR Osaka station to “develop the south side of the station and create its face.” Successive developments of commercial facilities including this project will increase the potential of Umeda area and we believe that the store will be able to substantially improve store competitiveness by increasing its floor space. Now it is a specialty department store focusing on fashion. However, by increasing its range of food and household products while keeping the present sensitivity and atmosphere, we will create a “fashionable and contemporary



Rendering of Daimaru Umeda store after increasing its floor space

comprehensive department store” offering lifestyle products in a comprehensive manner. And then we will add “high sensitivity” of urban stores and “dailiness” to provide convenience to working women and businessmen. The investment amount will be ¥27 billion.

Daimaru Tokyo store completed the first phase of relocation and expansion and opened as a new store under the store concept of “TOKYO/ADULT/LIFESTYLE Department Store” in November 2007. In the first phase, while 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 and gain popularity with women and men working around Tokyo station. In summer 2012, it will complete the second phase of construction and fully open with the floor space increased by 1.4 times to 46,000 square meters. 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, it is meant to be an innovative store that is worthy of the gateway to the metropolis. The total investment amount of the first and second phases is planned to be ¥18 billion.

In the meantime, Matsuzakaya is working on a large-scale project to develop the combined two blocks of Ginza 6-chome district where Matsuzakaya Ginza store is located. The total redevelopment area is about 9,000 square meters, of which about 66% is owned by Matsuzakaya. While promoting a business plan by bringing together the department store operation know-how of JFR Group, we will create a high-grade and innovative symbol store of the department store business of JFR Group, which has a highly fashionable image and is worthy of the world-class commercial location Ginza.

