

J. Front Retailing IR Day

December 10, 2024



Create and Bring to Life “New Happiness.”



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Today's Agenda

Create and Bring to Life “New Happiness.”



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■ Human Resources Strategy for “Value Co-Creation”

Director, President and Representative Executive Officer
J. Front Retailing Co., Ltd.

ONO Keiichi

■ JFR Group Human Resources Strategy

Executive Officer, Senior General Manager of Group Human
Resources Development Division and Group Welfare Division of
Human Resources Strategy Unit, J. Front Retailing Co., Ltd.

IMAZU Takako

Executive Officer, Culture Creation Business Headquarters, Head of
Entertainment: Theater Dept., Music Dept., Movie and Content
Business Dept., New Business Development Dept., Gaming Business
Development Dept., PARCO Co., Ltd.

KOBAYASHI Daisuke

PARCO Culture Creation Business, Gaming Business Development
PARCO Co., Ltd.

YAMANAKA Ayako

■ Board Chairperson's Perspective on Current State and Issues with Company Governance

Chairperson, Board of Directors (Outside Director)
J. Front Retailing Co., Ltd.

KOIDE Hiroko

■ Q&A Session

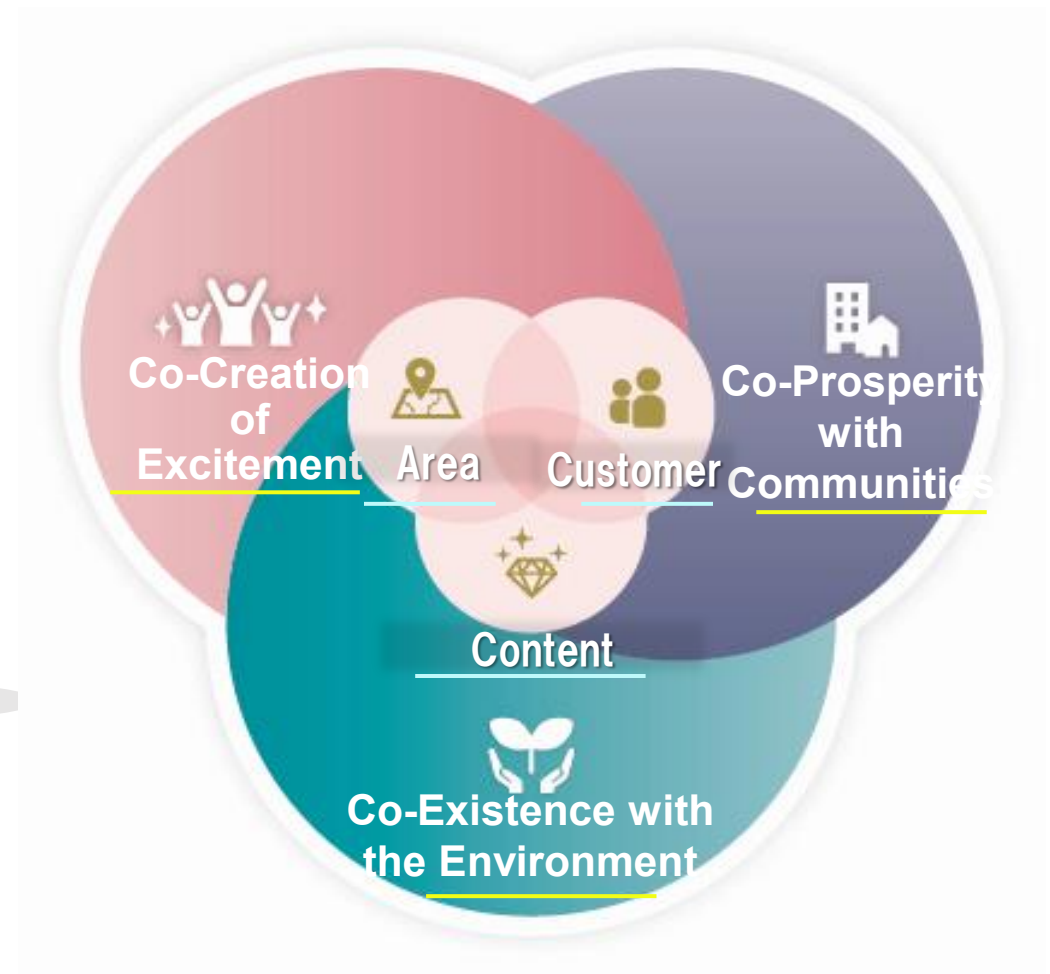
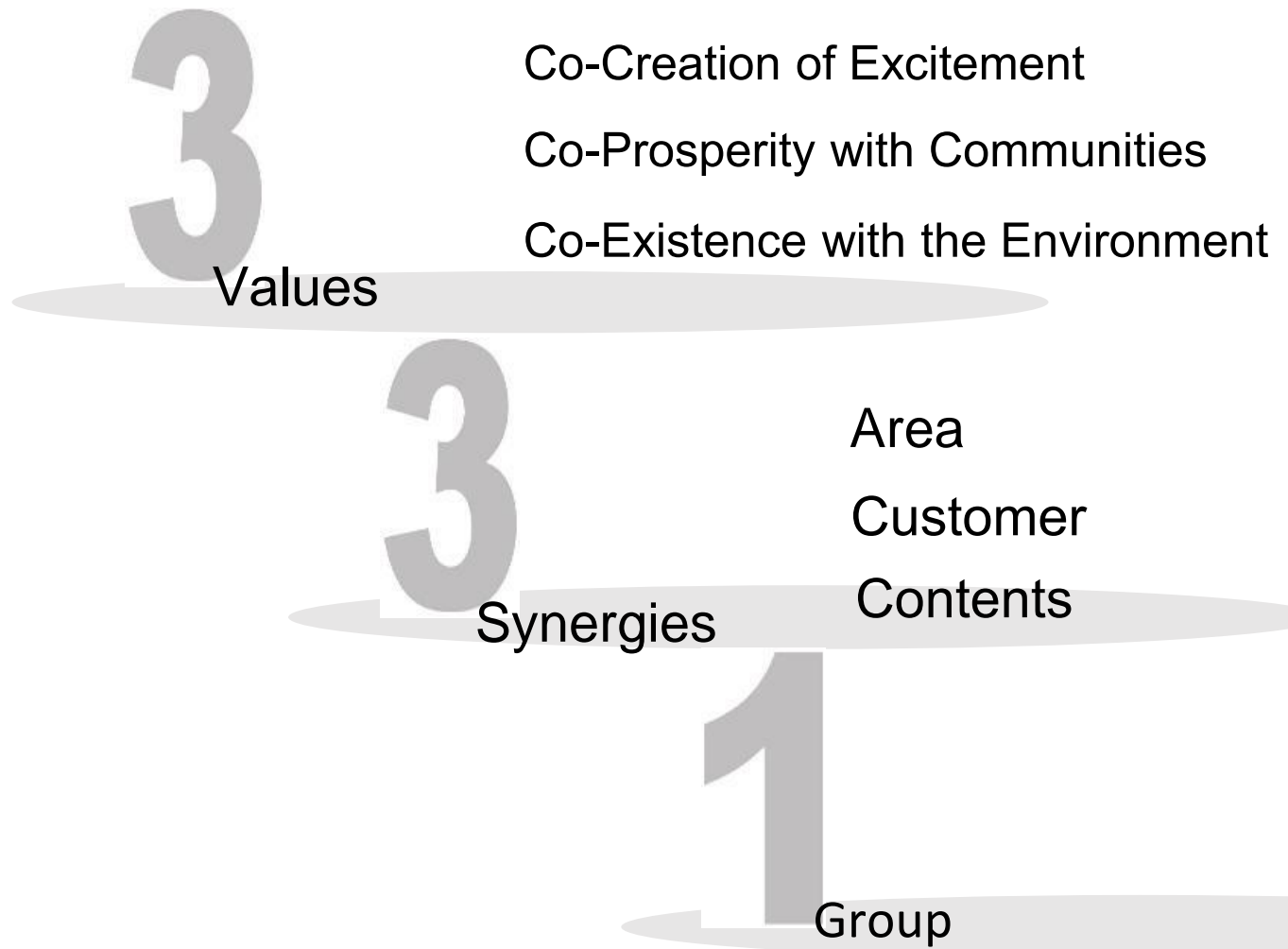
Human Resources Strategy for “Value Co-Creation”

ONO Keiichi

Director, President and Representative Executive Officer

J. Front Retailing Co., Ltd.

2030 Vision = Value Co-Creation Retailer Group



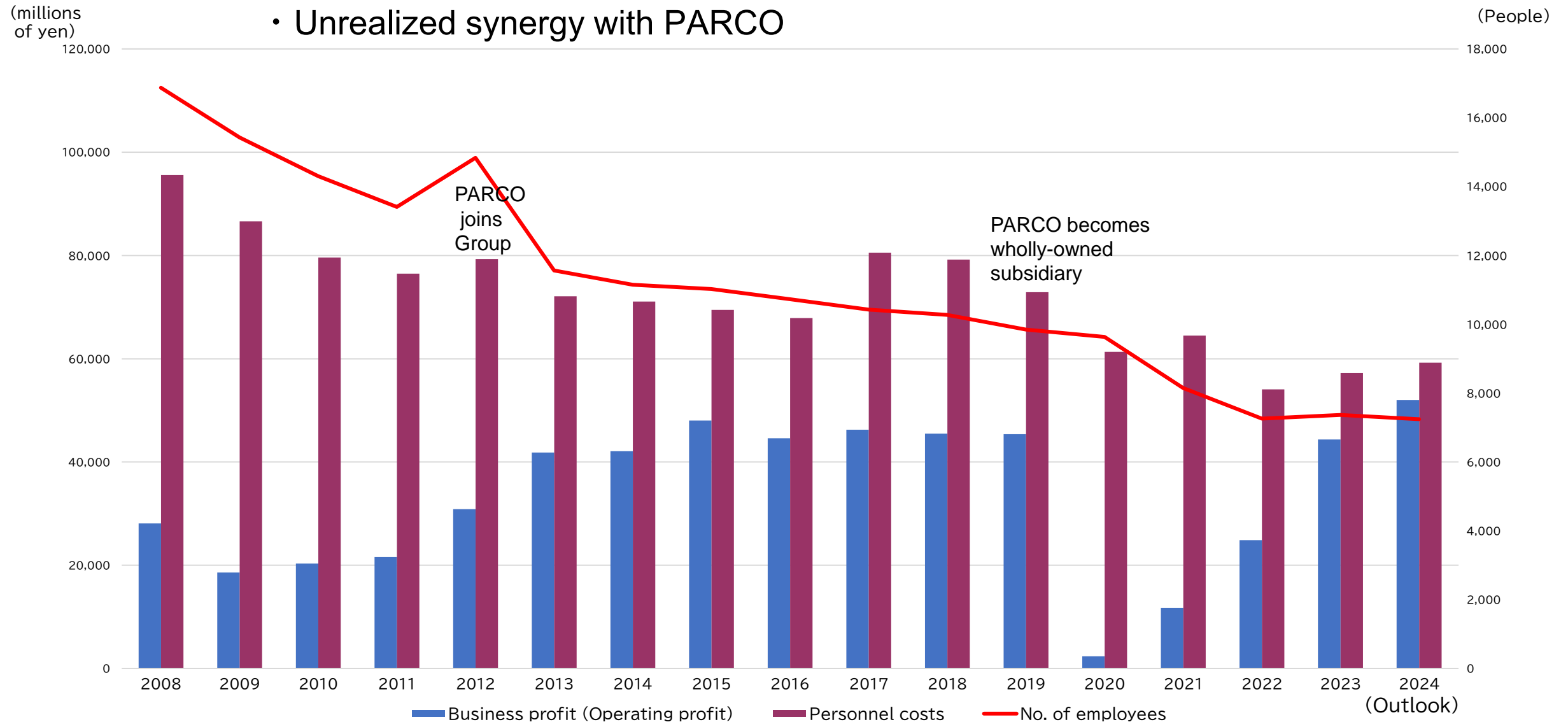
Trends in Business Profits, Personnel Costs, and No. of Employees

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- Profit growth limited by decline in employees and personnel costs
- Unrealized synergy with PARCO





**Breaking Free from
“Past Success Experiences”**

**Realizing the Combined
Strength of the Group**

Current

**Human resource
management**

**Operations
orientation**

**Company-specific
optimization**



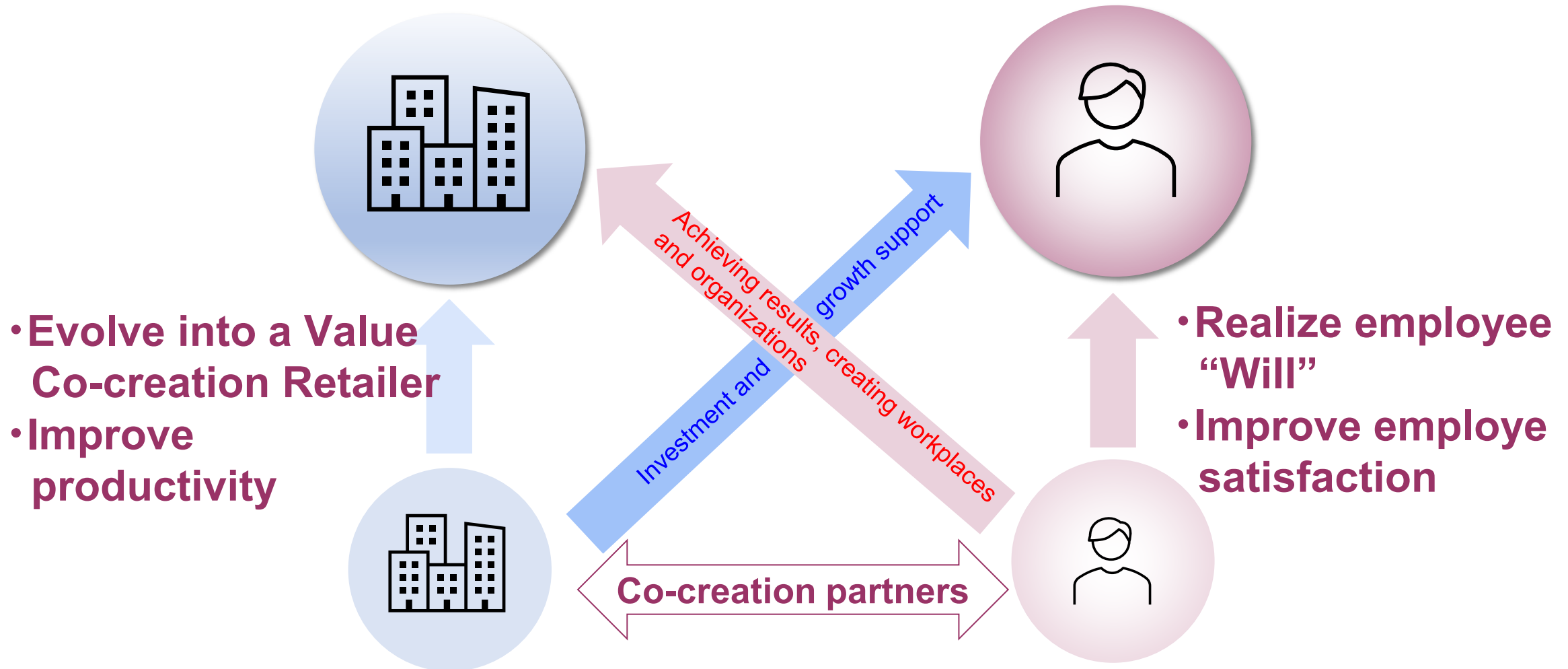
Future

**Human resource
development**

**Market
orientation**

**Group
optimization**

Realizing distinctive growth through co-creation by the company and employees



JFR Group Human Resources Strategy

IMAZU Takako

Executive Officer, Human Resources Strategy Unit
Senior General Manager of Group Human Resources
Development Division and Group Welfare Division of
Human Resources Strategy Unit

J. Front Retailing Co., Ltd.

- ✓ **Acquisition of the necessary number of Group personnel**

Number of employees in 2030 will be 20% less than current level (under current trajectory)

- ✓ **Development of behavior / mindset for value co-creation**

Level of will and motivation is high, but there are issues with creativity, sociability, and nurturing abilities

- ✓ **Sharing values that create synergy**

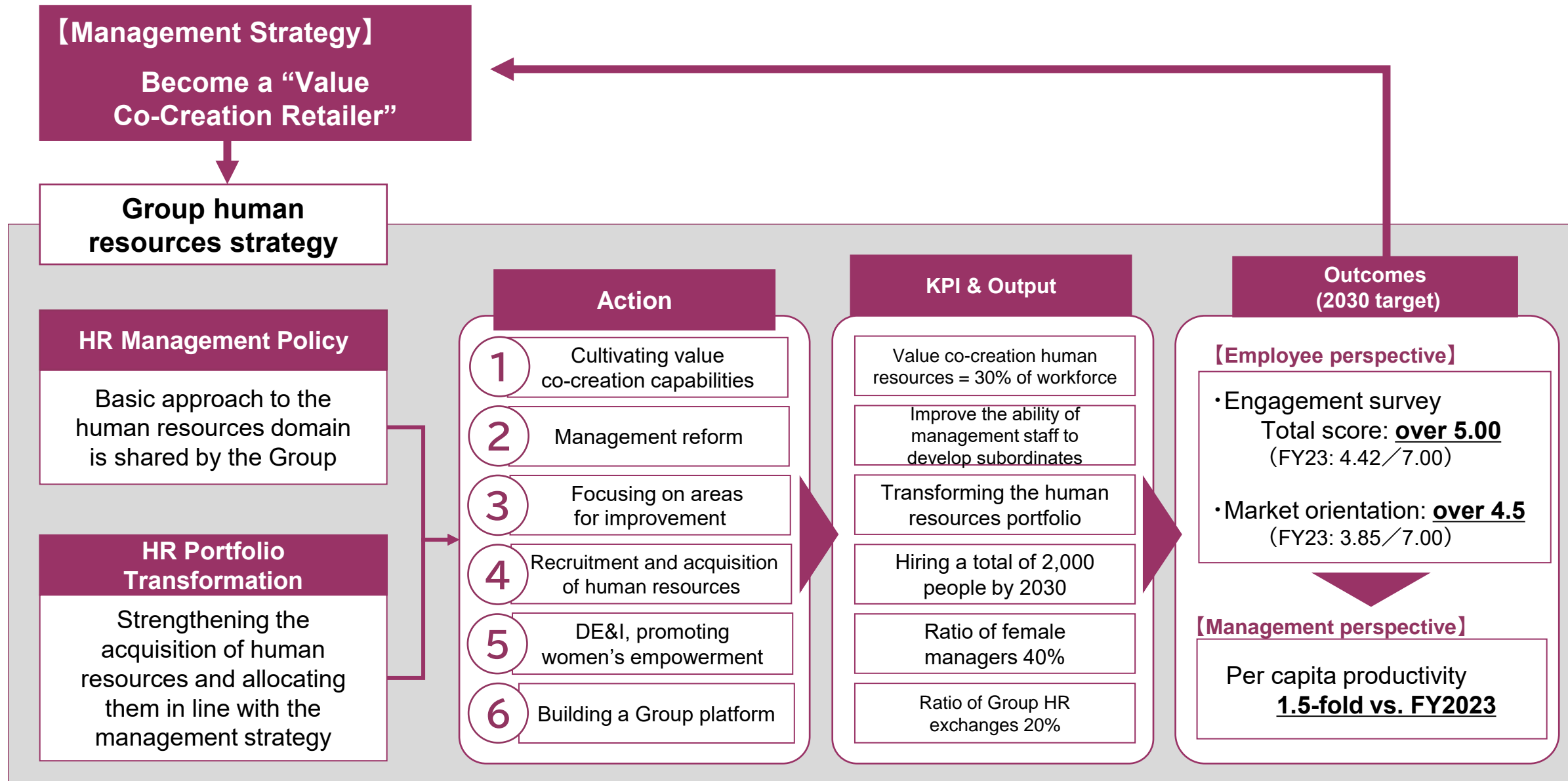
Aiming to expand opportunities for diverse human resources to play an active role, but lack a group-wide human resources policy and system

Overview of Group Human Resources Strategy

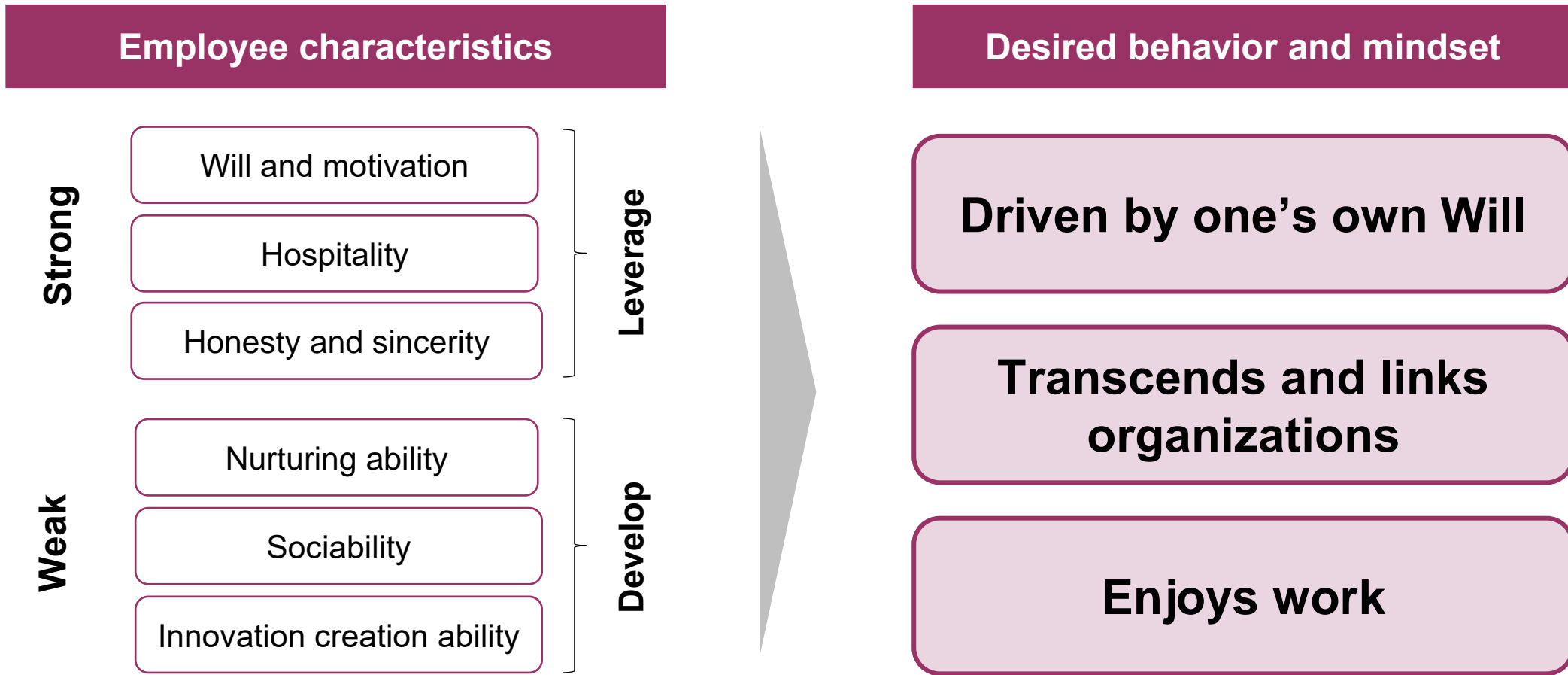
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Focusing on “Behavior and Mindset” of Human Resources



Formulating a shared “human resources management policy” for the Group

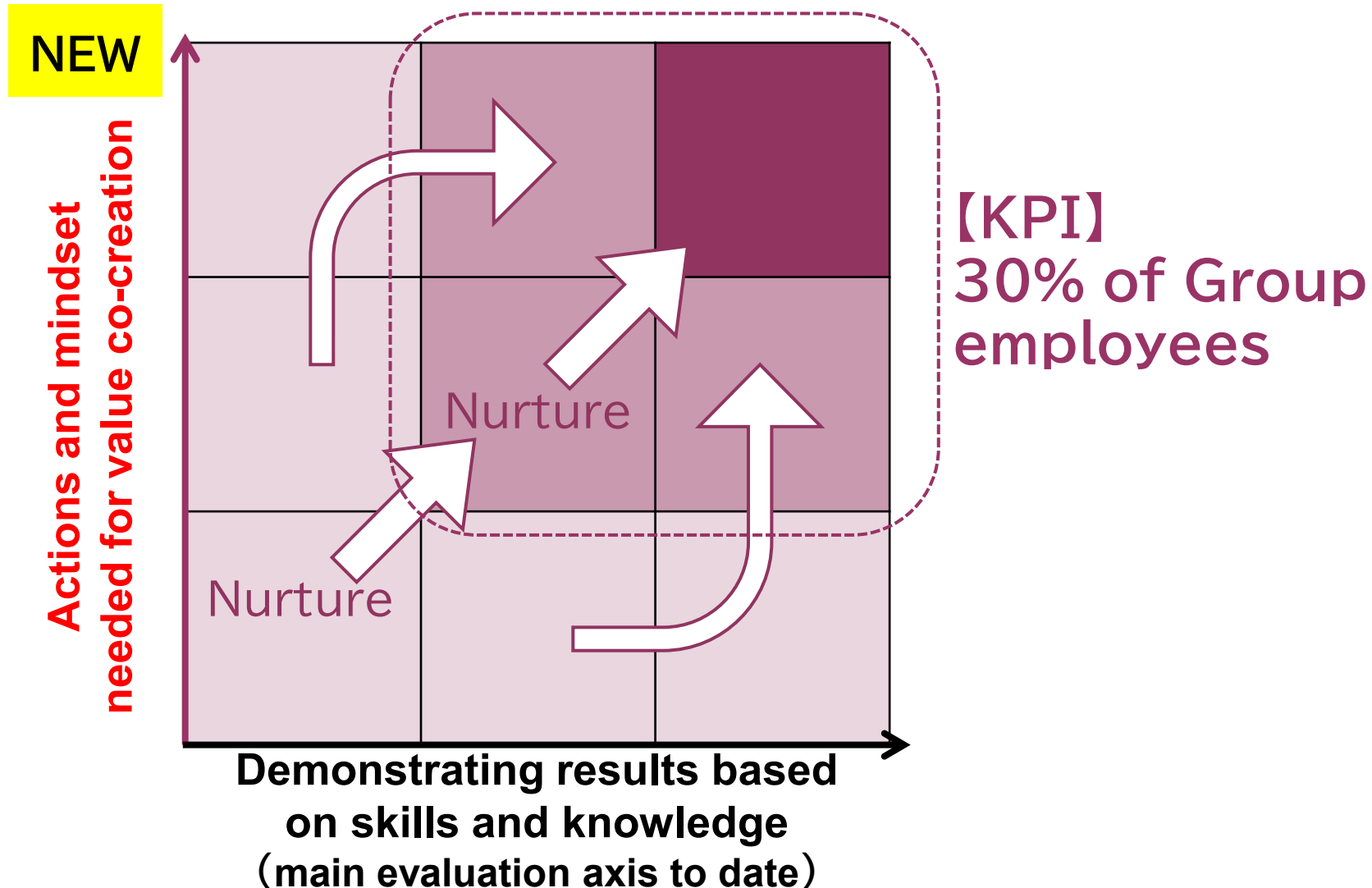


Power to Involve Others, Mindset to Enjoy Challenges.

People who take actions with their own will, connect to and involve others. People who have a curiosity and interest in many things, act while thinking deeply about their ideas, and enjoy working. People who always respect others and build relationships of mutual trust. Those are the people who gather and grow together through interaction. JFR will become a Group of people who co-create new value and create the future.

① Nurturing the Ability to Co-create Value

A new evaluation axis is added to the existing performance evaluation axis



① Nurturing the Ability to Co-create Value

Training-type secondment

Secondment dispatch to CVC or funds for new businesses



Realizing the “Will” of employees, fostering an innovative corporate culture

Project to foster corporate culture **「RED」**
Fostering a corporate culture through CVC
(participation of 4,800 employees by 2030)



Project to develop core digital human resources

1,000 employees by 2030 (2024 outlook 100 employees)



From business control to “nurturing” management

1. Changing attitudes and improving evaluation and feedback skills
2. Creating a pool of management candidates and systematically developing them
3. Examining the number of subordinates and organizational hierarchy and correcting them to an appropriate management range

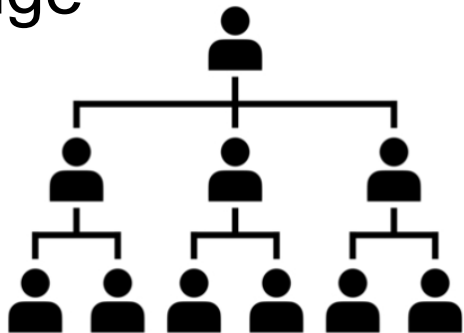
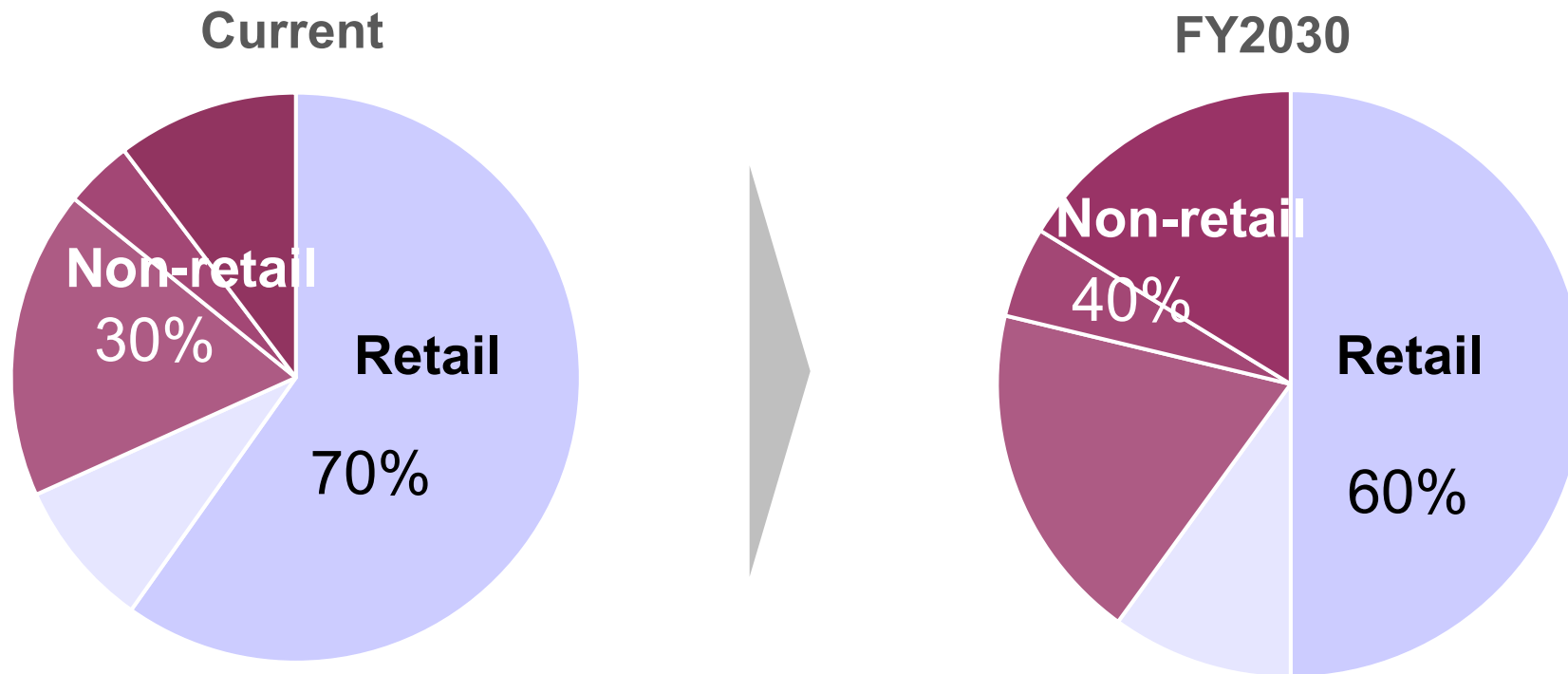
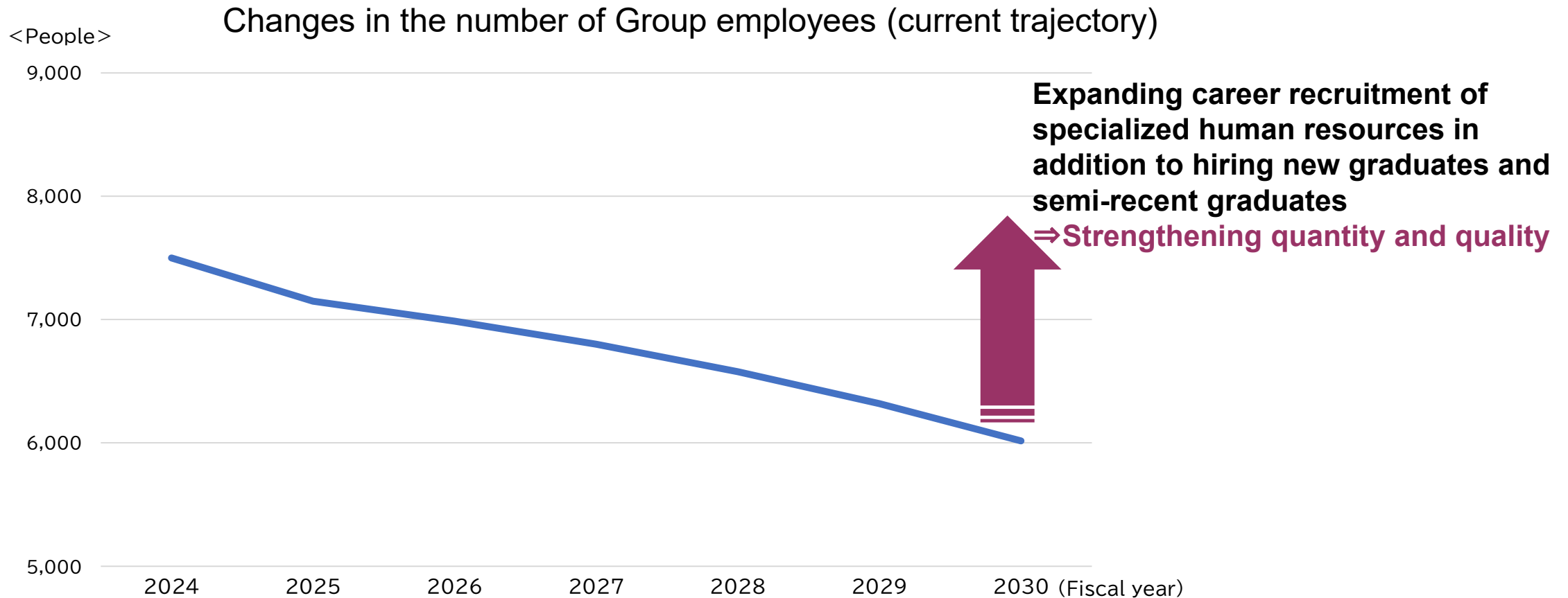


Image of the HR portfolio by business



We will focus on businesses with high human productivity and areas for strengthening

To secure the human resources necessary for growth, we will hire a total of 2,000 people by 2030



⑤ DE&I, Promoting Women’s Empowerment

Achieving “Value Co-Creation” by expanding opportunities for diverse human resources to play an active role

FY2030

Inter-group exchanges 20% (FY2023: 12%)

- Strategic deployment of specialized human resources
- Deployment based on the individual’s “Will” and motivation
- Integration of human networks and know-how

FY2030

- Ratio of women in management positions 40%
(FY2023: 22.5%)
- Ratio of women executives 20%
(FY2023: 12.7%)

- Establishment of management pool and priority appointments
- Specialized training for female employees



- Planning and development from young age
- Actively promoting members to management positions

Sharing systems and rules for human resource exchanges and synergy

JFR centralized recruitment
of corporate human resources

Revising rules for secondment

Expansion of internal Group recruitment

Unification of evaluation policies



Human capital investments

FY2025 – FY2030 (total)

Operating CF 5%

**FY2030 Labor distribution
rate:**

30% (FY2024 outlook 26%)

Return

FY2030 Per capita productivity:

Over 1.5-fold vs FY2023

PARCO's Content Business

~Power Born from the Intersection
of Emotions and Information~

KOBAYASHI Daisuke

Executive Officer, Culture Creation Business Headquarters, Head
of Entertainment: Theater Dept., Music Dept., Movie and Content
Business Dept., New Business Development Dept., Gaming
Business Development Dept.

PARCO Co., Ltd.



Background to our unique company culture

- ✓ PARCO has a history of introducing and creating cutting-edge culture, with a focus on fashion, since the opening of Ikebukuro PARCO in 1969.
- ✓ In 1973, opened a theater in PARCO Shibuya ahead of the opening of the commercial facilities.
- ✓ PARCO's business model is to develop commerce as an experience within culture.

Benefits of culture

Culture is quick to respond to the changing times, teaching us “something different.”

Specialized human resources

- Ability to judge quality that transcends generations
- Sensitivity to next generations, nature, assimilating with the times
- Development ability to incorporate commerce into culture



A Group that creates the next markets and businesses from a global perspective, with the “sensitivity” and “network of creators” (information) needed in the future.

1

Changes in Our Content Business

- **Culture, communities, and economic value created by the content business**

2

Uniqueness of Our Content Business

- **Changes in the content business**

3

New Content Business

- **Content business for experience- and time-type consumption that is conscious of the future centrality of IP**
- **Content business structure that grows as it develops**

① Changes in Our Content Business

– Culture, Community, and Economic Value Created by the Content Business

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Responding to “something different”

Being in touch with the culture that is quick to respond to the changing times is the key to connecting to the next era.



Theater

1973→
PARCO
Theater

Publishing

1974→
PARCO
Publishing

Art &
culture

1986→
PARCO
MUSEUM

Music

1988→
CLUB QUATTRO

Movies

1999→
CINE
QUINTO

Food
IP entertainment

2014→
CONTENTS CAFE

Games

2023→
PARCO GAMES

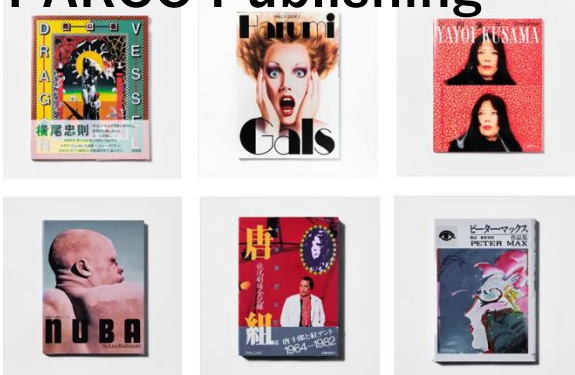
① Changes in Our Content Business

1973→
Shibuya PARCO &
PARCO Theater



出典：『パルコレポート』1977年1月号

1974→
PARCO Publishing



1999→
CINE QUINTO



2023→
PARCO
GAMES



2014→
CONTENTS
CAFE



2019→
Shibuya
PARCO

1986→
PARCO
MUSEUM



1988→
CLUB
QUATTRO



Creative

Curation

Collaboration

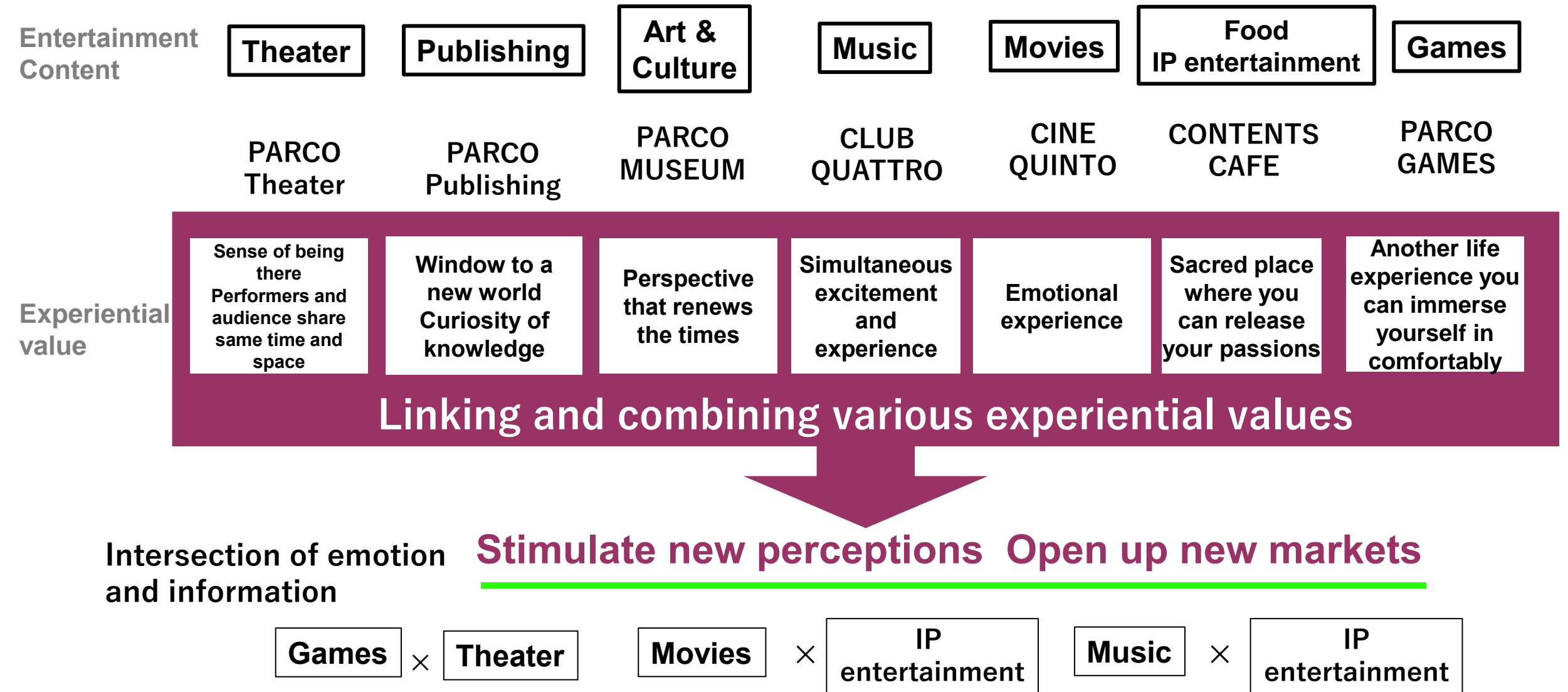
② Uniqueness of Our Content Business

—Deeply accumulating the experiential value of multiple genres

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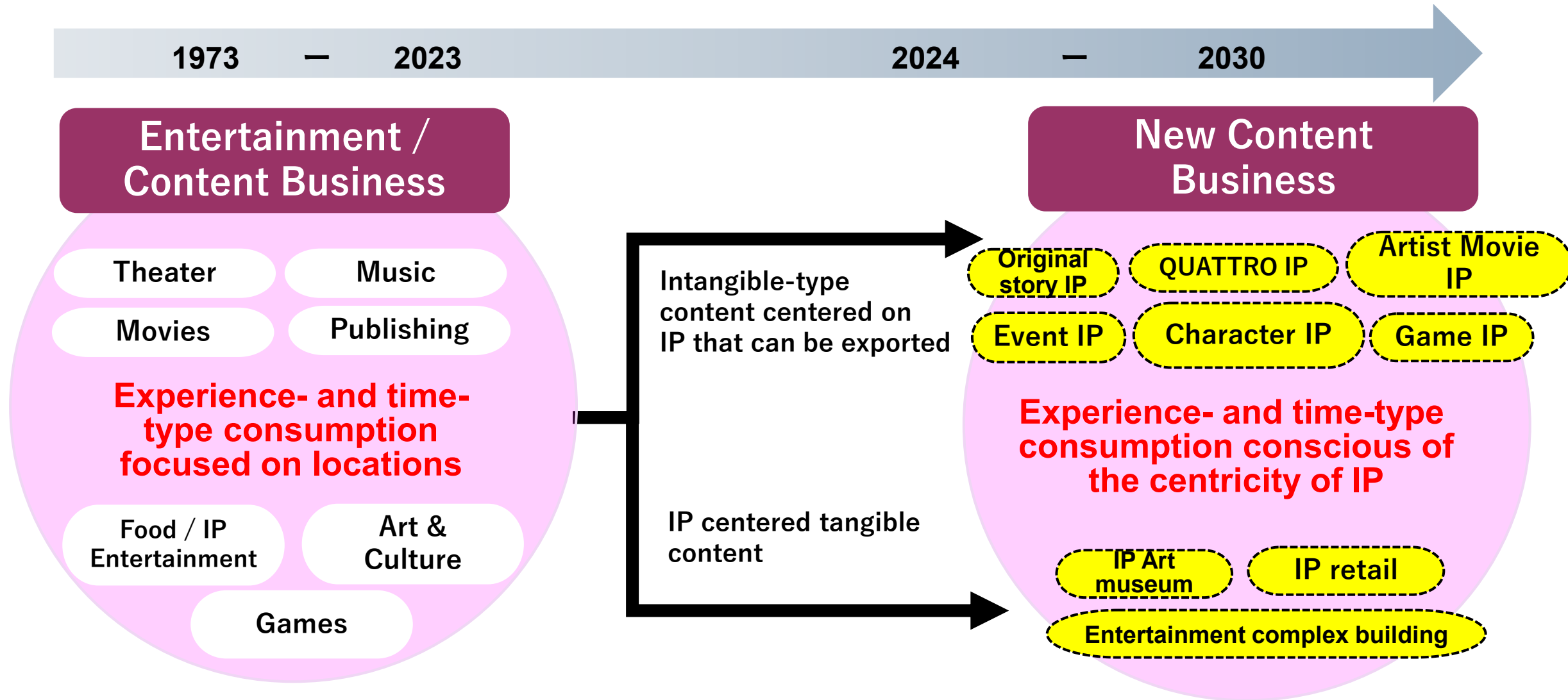
③New Content Business

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—Experience- and Time-type Consumption Conscious of the Future Centricity of IP



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“Experience consumption,” where people can gain experiences and enjoyment from the things they buy and the services they use.

“Time consumption,” which is the act of sharing the value that can only be experienced at that moment, in that place, with those people.

Live entertainment satisfies all three elements of “time consumption”: “non-reproducibility,” “participation,” and “contribution” (from the 2022 Ministry of Finance public relations magazine “Finance”)



New Initiative Example

Joint Project with Kodansha

Creating a new content market through a media mix based on the community

Kodansha and Parco, which have been developing cities and ideas, have formed a creative team that will weave the times.

③New Content Business

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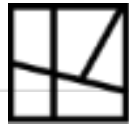
—Experience- and Time-type Consumption Conscious of the Future Centricity of IP



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Words and stories that arise from the city

Developing ideas, learning
about people through language



KODANSHA



提供：講談社

Developing cities, learning
about people through fashion

PARCO



③New Content Business—IP-based Experience- and Time-type Content

Kodansha and PARCO, which have been developing cities and idea, have formed a creative team that will weave the times.



**Recording the new era of culture
“from East Asia,” creating trends**

Music

Food

Fashion

**Life-
styles**

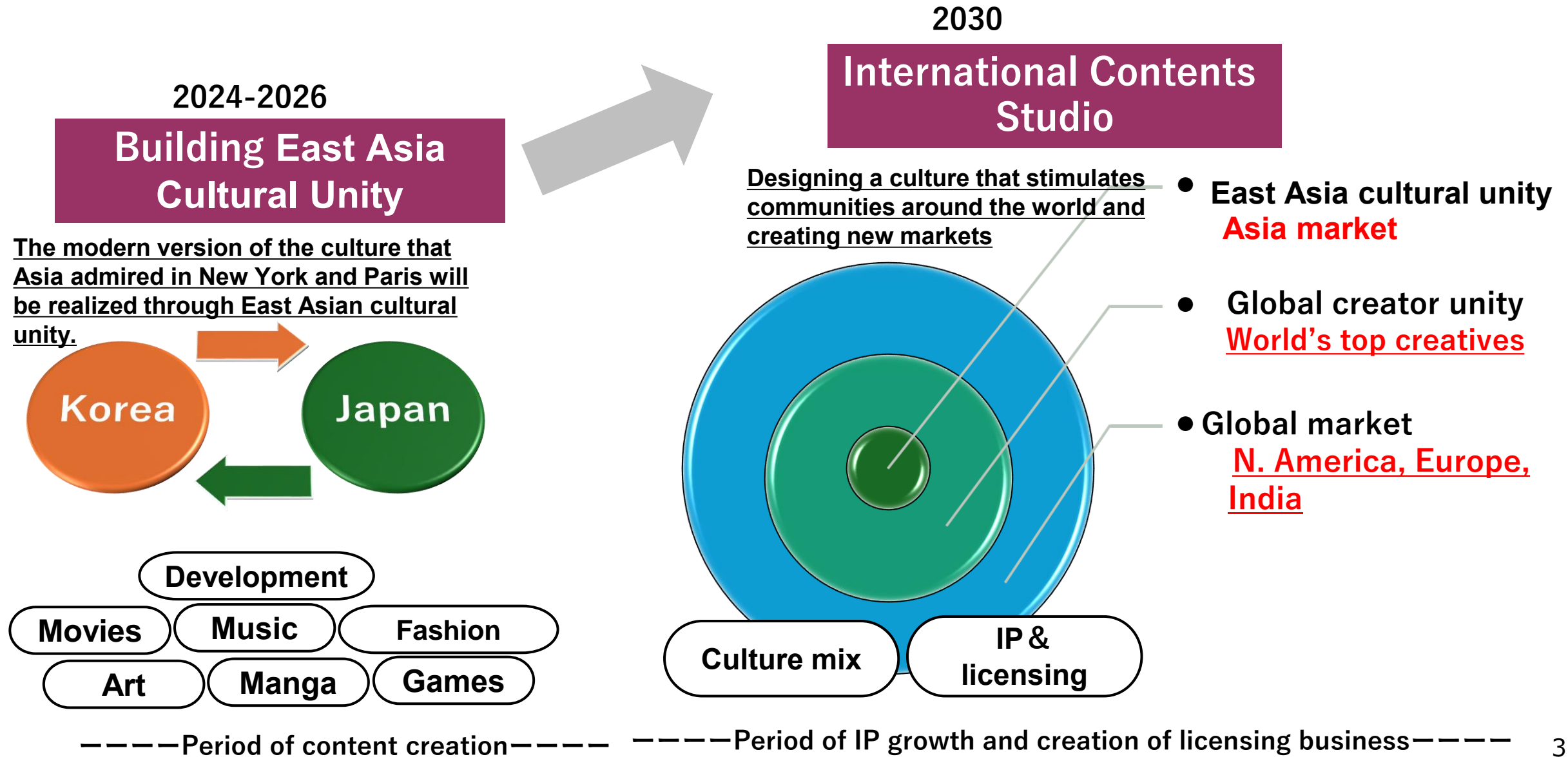
Life

③New Content Business— Content Business Concept that Grows and Expands

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PARCO's Contents Business

- Gaming Development -

～Co-creation through Group HR exchanges～

YAMANAKA Ayako

Culture Creation Business Headquarters,
Gaming Business Development Dept., PARCO Co., Ltd.

Profile

FY2018	Daimaru Matsuzakaya Department Stores Co., Ltd.	Sales, Daimaru Shinsaibashi Store
FY2019	J. Front Retailing, Co., Ltd.	New business development, New Business Division, Management Strategy Unit
FY2021	PARCO Co., Ltd.	Exhibition planning and production, Content Business, Entertainment Division
FY2023	PARCO Co., Ltd.	Events, publishing, and distribution of game IP, Gaming Business Development Dept.

Mission

Aim to become a game IP holder and develop rights using IP

■ Main business activities

Upstream

Game IP holder business (scheduled to launch in 2027)

Game publishing business (scheduled to launch in 2H 2025)

Gaming events business

Downstream

We envision a large-scale expansion of our business, from game IP development to gaming events, and the expansion and development of rights through secondary IP.

Game IP development
business

Game publishing
business

Commercialization and
rights development
at gaming events

MD development
Event development
Overseas expansion etc.

Expanding and
developing rights
through secondary IP

Turn into anime
Turn into dramas
Turn into plays etc.

Project examples



▲ Announcement of two game titles
1st Ex: Analog game (murder mystery)
※50% of copyright held through joint venture
2nd Ex Smartphone + AR game



▲ First live performance of a popular TRPG work at the PARCO Theater
TRPG (Tabletop Role-Playing Game)



▲ Implementation of a linked strategy of holding an event for a popular indie game and announcing its adaptation into an anime.
Worked with the publisher, including up to the announcement of the anime adaptation. Contributed to improving the topicality of the content and had a positive impact on the business.

Insights

- ✓ **Strengths of each Group company and the appeal of each company that should be shared**

Strengths of Daimaru Matsuzakaya

- Consistency that can provide “peace of mind” as value
- Pursuing the profitability of each business



Strengths of PARCO

- A sense of speed and flexibility that keeps up with the times
- A sense of balance that considers the profitability of the business as a whole

- ✓ **Need for opportunities to access information and experience the culture of group companies other than your own**
- ✓ **Persons on secondment will become the hub of communications between Group companies**

Board Chairperson's Perspective of Current State and Issues with Company Governance

KOIDE Hiroko

Chairperson, JFR Board of Directors

J. Front Retailing Co., Ltd.



- After the 2024 Shareholders Meeting, became the JFR independent, outside director appointed as Chairperson of the Board of Directors.
- The following initiatives have been launched towards substantially improving the Board's effectiveness.

■ Current Issues

- Strengthening measures to monitor the current medium-term business plan.
- Thorough preparation and analysis for discussions on robust growth strategies.

■ Major Initiatives

1. Enhancing the agenda setting procedures for more substantive discussions
2. Improving the quality of Board materials and proposals
3. Building mutual trust among officers



■ Visible Changes

- An open exchange of opinions and the building of trusting relationships from the new collaborative structure of the President, Chairman, and Manager of the Board of Directors Office.
- Enhancement of Board of Directors meetings (improvements in agenda setting, quality of materials, efficiency of discussions, etc.).
- Expansion of opportunities for communication among independent outside directors to promote mutual understanding.
- Creation of opportunities to deepen understanding of JFR business.

■ Future Issues

- Further improvement in the effectiveness of Board of Directors meetings → More medium- to long-term and strategic topics, discussions from a higher perspective.
- Demonstration of leadership by the executive team under the new management structure → Quality of proposals, speed of execution, awareness of governance.
- Breaking away from thinking and behavior patterns associated with the company's existing corporate culture.

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 Well-Being Life

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