

Management Strategy

Developer Business

Create New Value with Local Communities



Rendering of "Nishiki 3-chome District 25 project (tentative name)"



Rendering of "Shinsaibashi project (tentative name)"

Established a new company J. Front City Development

In March 2023, we spun off the real estate developer business that had been in Parco Co., Ltd. to establish J. Front City Development Co., Ltd.

The new company will promote development utilizing local networks and brand power, mainly in the seven major cities of Tokyo, Nagoya, Osaka, Kyoto, Kobe, Fukuoka, and Sapporo, where Daimaru, Matsuzakaya, and PARCO stores are located.

Construction has already begun in Sakae, Nagoya, and Shinsaibashi, Osaka, with a view to completion in 2026, and in Tenjin, Fukuoka, we have begun to actively consider a large-scale development project as part of the Tenjin Big Bang project.

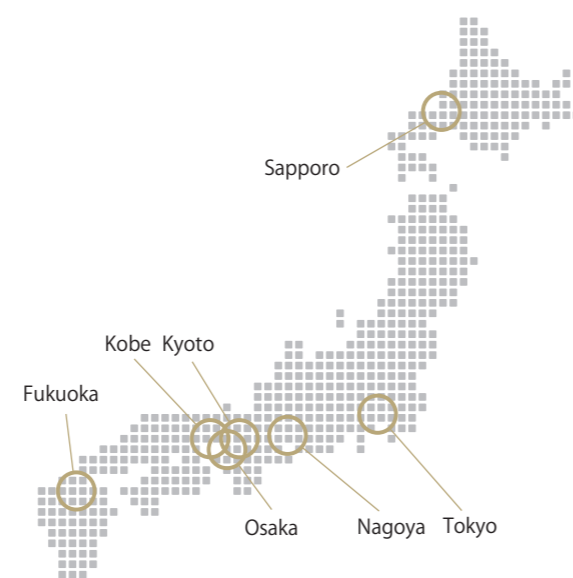
As a unique strength of the Developer Business, we will promote the development of a variety of mixed-use facilities, including offices, hotels, and residences, while differentiating ourselves with the retail experience and expertise we have cultivated over the years at Daimaru, Matsuzakaya, and PARCO stores. As a business model, in addition to real estate rental income, we are also considering developing properties to increase their value and selling them in a planned manner. Therefore, profits earned from the sale of properties developed by the company are recorded as business profit.

At the same time, we will work with our key strategies, Real x Digital Strategy and Prime Life Strategy, to make the entire area more attractive as the center of the community in each area.

Simultaneously with the establishment of the new company, the CRE Strategy Unit was established within the holding company to create a structure that facilitates the prompt

and smooth strategic utilization of real estate owned by each Group company. The President of the holding company also serves as the Senior Executive General Manager of the unit to develop real estate, formulate CRE strategies for real estate holdings, and maximize the value of real estate holdings from the perspective of optimizing the entire Group.

The Group's Developer Business segment consists of J. Front Design & Construction and Parco Space Systems, which undertake interior construction of commercial facilities and hotels, in addition to J. Front City Development. We will update the area while valuing coexistence with its history and culture that the Group has cultivated over the years.



"Nishiki 3-chome District 25 project (tentative name)" to be opened in 2026

J. Front City Development Co., Ltd. will develop a complex consisting of commercial space, a hotel, offices, and a cinema complex, based on the concept of creating a cultural and social value creation base as a new landmark in Sakae, Nagoya, together with joint venture partners (Mitsubishi Estate Co., Ltd., Japan Post Real Estate Co., Ltd., Meiji Yasuda Life Insurance Company, and The Chunichi Shimbun Newspaper Publishing Co., Ltd.). It was approved as an urban planning project by Nagoya City in March 2022, and the construction of the new building began in July 2022, with the Group planning to own and operate its commercial portion.

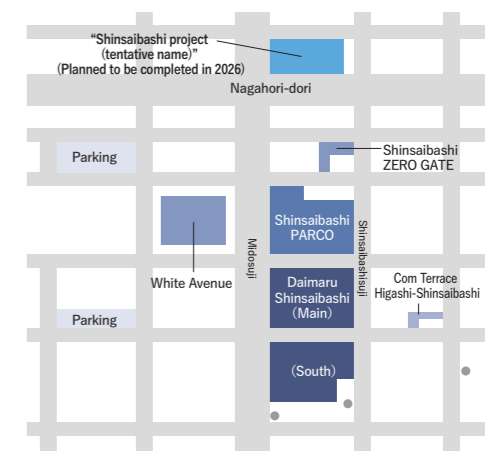
Through this project, J. Front City Development and the joint venture partners will promote the multilayered development of urban functions in the Sakae area, including attracting a luxury hotel, which will contribute to enhancing the city's brand power as promoted by Aichi Prefecture and Nagoya City, thereby further increasing the liveliness of the surrounding area and contributing to strengthening Nagoya's international competitiveness in the two core areas including the Meieki area.



"Shinsaibashi project (tentative name)" to be completed in 2026

J. Front City Development Co., Ltd. will develop a complex consisting of commercial space, a hotel, and offices with joint venture partners in one of the largest properties in the area, located at the intersection of Osaka's main streets Midotsuji and Nagahori-dori in Shinsaibashi. The construction of the new building began in January 2023, and the company will participate in the project through a special purpose company formed through a joint investment with L Catterton Real Estate (a real estate development and investment company of the LVMH Group).

The Shinsaibashi Plaza Building and Shinsaibashi Fuji Building, which had driven the bustle of the Shinsaibashi area for many years, will be rebuilt, and we are planning to create duplex boutiques (two to three floors) on the lower floors facing Midotsuji and Nagahori-dori and attract luxury brands to draw more crowds to and further revitalize the surrounding area as a new landmark.



>> ZERO GATE

ZERO GATE expresses our desire to stand on the "origin = ZERO" and propose new values as the "entrance (face) = GATE" of the area. Specializing in mid- to low-rise commercial properties in prime locations, they take advantage of their prime locations, consist of a single or small number of tenants, and operate efficiently according to the business scale. We will create a new business scheme that utilizes a multi-story model in collaboration with various industries that are not limited to retail, visibility that takes advantage of the location's characteristics, and DX.



>> BINO

The name BINO comes from "Beauty Inside and Out." We aim to be a medium- to low-rise commercial facility based on the concept of "beauty & health" that supports beauty from "inside" and "outside."

In addition, through collaboration with a wide range of suppliers, we will provide quality and services that satisfy our customers and coexist with the local area to contribute to enhancing its value.

