

Department Store Business — Major Renovation of Nagoya Sore

## Overwhelming Presence in the Area



Artist's impression for the 3rd floor of the main building of the Matsuzakaya Nagoya store

### Make our strengths stronger – Major renovation of the Matsuzakaya Nagoya store

Founded in Nagoya in 1611, Matsuzakaya originated as a kimono merchant that was highly valued by the Owari Tokugawa clan and was an official supplier to the feudal domain. It is said that the method of doing business by visiting the residences of loyal customers at that time became today's "gaisho." It can be said that the department store has been able to grow with the community because of the customer base it has built up over generations by gaining the trust of wealthy local people and loyal customers based on the knowledge and experience gained in gaisho over its long history.

The Matsuzakaya Nagoya store's gaisho sales account for approximately half of its total sales, making it the store with the highest percentage of gaisho sales among our department stores. Recently, our continued efforts to strengthen and expand our luxury content have proved successful, and the share of young people is also on the rise. This trend is not limited to Nagoya but can be seen across our department stores, and it could be said that we are at a turning point.

The Matsuzakaya Nagoya store will undergo a major renovation on a total of eight floors in the main building and the north wing, which are scheduled to open in stages from November 2024 to fall 2025. By enhancing content, services, and store environment, the store will not only deepen its relationships with existing customers, but will also strategically work to develop new customers with an eye to the future. While making our strengths stronger, we hope to realize our vision of a new department store.

### Strategically develop next-generation customers

The essential challenges for department stores include

how to restructure the traditional women's fashion floors, and furthermore, how to attract the next generation of customers. The Matsuzakaya Nagoya store will strategically address these themes through its current major renovation.

The main fashion floor will house the area's largest collection of luxury creator brands. And, aiming to create a new look for the women's clothing zone, we will create a floor that proposes "fashion × lifestyle" centered on the independently operated sales area, particularly targeting wealthy young customers.

On the lifestyle floors, we will strengthen the zone themed on "locality," which is an expanding market regardless of age. And for furniture, we will shift it to a high-end line and restructure the zone to be more conscious of affluent customers, including gaisho customers.

In addition, we will renovate the entire one floor under the concept of art with the aim of achieving the largest scale of art sales of any department store. A remodeled gallery café will also help provide a cozy art space.

Matsuzakaya Nagoya store floors to be renovated			Floors to be renovated
	Main building	North wing	
10F	Restaurants		
9F	Restaurants		
8F	Art	—	
7F	Event Art salon	Interior & lifestyle (furniture)	
6F	Interior & lifestyle (household goods)	Luxury Beauty salon	
5F	Kids & ladies fashion	GENTA THE WATCH	
4F	Ladies fashion	Golf/sport	
3F	Luxury	Men's clothing & accessories	
2F	Luxury	Men's clothing	
1F	Luxury	Luxury	
B1	Food	Sake/restaurants	
B2	Food	—	

### Provide overwhelming space value

The COVID-19 pandemic has provided an opportunity to reevaluate what the value of real stores is. What are the irreplaceable touch point values that can only be obtained in the real world? We believe that one of them is space value. With this major renovation, the Matsuzakaya Nagoya store will create an overwhelming store space that will stir customer emotions.

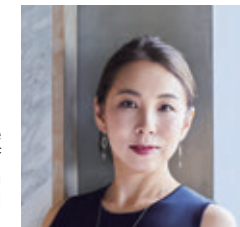
Specifically, we have invited NAGAYAMA Yuko to be the store space designer, and will incorporate a modern design while creating a space that simultaneously conveys cultural value based on the history that the Matsuzakaya Nagoya store has woven over the years.

The main materials used are "copper," which is characterized by its visual calmness and elegance, and "brass," which is soft and heavy. These two materials were often used for the roofs and decorations of the buildings when the Matsuzakaya store was built as a department store. Their characteristics, which will gain flavor over time, are superimposed on the future of the Matsuzakaya Nagoya store, which will shine brighter with time.

### Design partner

#### NAGAYAMA Yuko Architect

Born in Tokyo. After graduating from the Department of Human Life and Design of Showa Women's University, worked at Jun Aoki & Associates, and in 2002, founded Yuko Nagayama & Associates.



## 03. Management Strategy



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### Pursue group synergies in the area

In addition to efforts to make the strengths of the Matsuzakaya Nagoya store stronger, renovation of the nearby Nagoya PARCO is underway, and The Landmark Nagoya Sakae is scheduled to open in 2026, the commercial area of which we will develop and operate. Not only will the Sakae area be home to a concentration of distinctive retail businesses in which the Group is involved, but also as other development projects progress in the Sakae area, it is expected that the trade area will expand to the Tokai region, significantly improving the area's competitiveness.

As we are currently consolidating the Group's card issuers, we believe that this will enable us to increase the benefits for customers by allowing them to get around the area. We will also promote new projects to evolve group synergies, thereby contributing to drawing new crowds to the area.

### Major reorganization for the next generation

Taking the opportunity of this major renovation, the Matsuzakaya Nagoya store has drastically changed its organizational structure in September 2024 to create an environment that will enable the store to achieve even greater growth. Specifically, the organization, which previously consisted of six divisions, has been reorganized into three divisions: the CX Promotion Division, the Content Strategy Division, and the Store Strategy and Operations Division. By strengthening the linkage between gaisho, which plays a key role in customer sales, and in-store sales, as well as the development function that constantly provides fresh content, we will build stronger relationships with customers and further enhance the attractiveness of the store. Resources will be allocated to the CX Promotion Division and the Content Strategy Division on an inclined basis, while efficient operational and logistical support will be designed.

By achieving concrete results through this initiative at the Nagoya store, we hope to gradually expand it to other stores.