

Department Store Business — GINZA SIX

Luxury Mall That Continues to Evolve

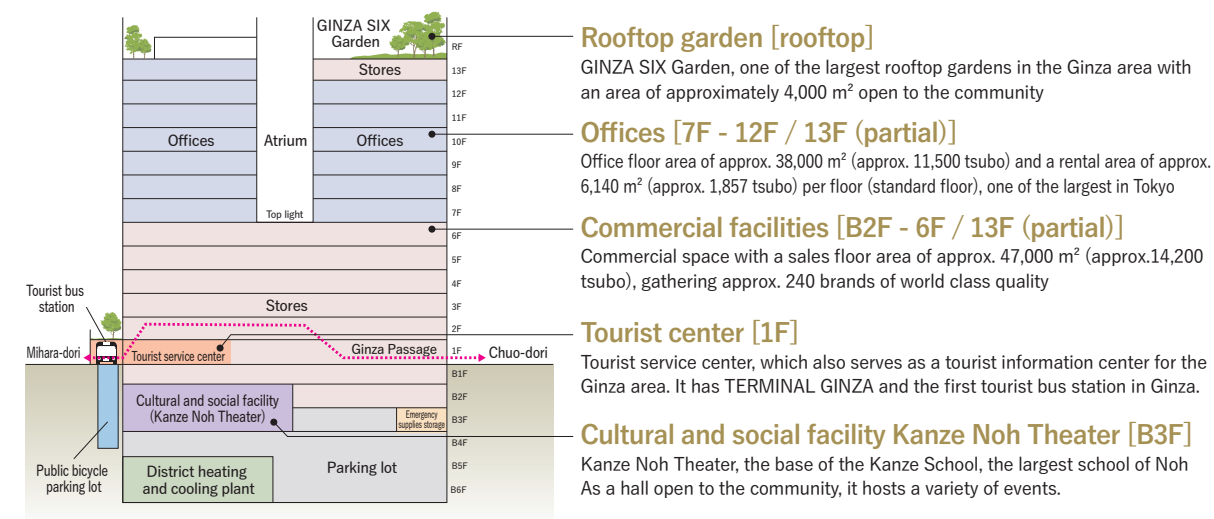


GINZA SIX, a distinctive new retail model

GINZA SIX, a luxury mall that can now be said to be one and only in Japan, opened in April 2017 through the integrated development of two blocks including the former Matsuzakaya Ginza store based on the concept of “Life At Its Best.” In the world-class Ginza area, with the option of “not operating as a department store,” it stands out as a “retail innovation” that was born by bringing together the diverse wisdom of four companies (at the time of its opening). The luxury brands’ duplex boutiques that constitute the facade form the dominant image of GINZA SIX, which is conscious of global standards.

In 2021, four years after its opening, and right in the midst of the COVID-19 pandemic, it underwent a major renovation, replacing approximately 50% of the brands housed when it opened. While adapting to the changing times, we have further improved its freshness and succeeded in developing a new customer base. In fiscal 2023, further growth has been achieved, due to robust spending by wealthy domestic consumers as well as a significant increase in spending by inbound tourists.

We believe that the implementation of ever renewal in an exquisite cycle is a key factor essential for sustainable value creation.

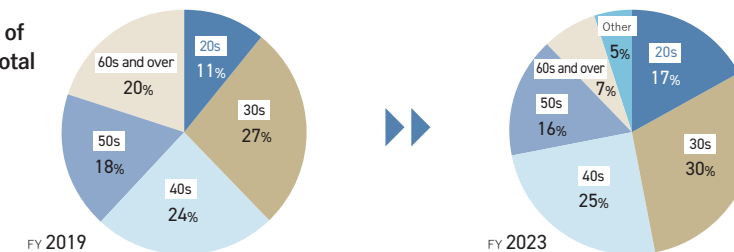


03. Management Strategy

High popularity among young people

A major feature of GINZA SIX is that it is extremely popular among young people. In particular, the share of people in their 20s and 30s in the total transaction volume was high at 38% even in 2019, and with regular renovations from 2021 onwards, the customer base has changed, and in fiscal 2023, the share is nearly half, at about 47%. Although affluent young people have been showing strong purchasing power in recent years

Changes in the ratio of each generation to total transaction volume



Customer experience unique to the real world

One of the features that has made GINZA SIX so popular with customers is the creation of an artistic space. In the atrium space in the center of the facility, an innovative and bold installation, which is replaced at regular intervals, is being staged. And special hospitality features can be seen throughout the building, including show windows on the 2nd basement floor, public art in the elevator halls in the south and north and corridors on the 3rd through 5th floors, and living wall art spanning 12 meters in height.

In addition, the rooftop garden, the largest in the Ginza area at approximately 4,000 square meters, is open to the community. The garden symbolically represents an environment where visitors can feel close to nature in the city, and provides a place for relaxation and socializing for visitors to Ginza.

The unique atmosphere that can only be experienced in the real world shows the existence value of GINZA SIX as an exclusive experience value.



《BIG CAT BANG》by YANOBE Kenji in the central atrium (Photo by Yasuyuki Takai)

Create group synergies

As part of the entire Group's efforts to consolidate card issuance to strengthen its customer base, a new GINZA SIX card was issued in April 2024. This will ensure steady progress in the Group customer strategy.

In particular, for department store gaisho customers in the Tokyo metropolitan area, the use of GINZA SIX will enable them to access a much wider selection of luxury goods. To achieve this, we will actively utilize tools such as “connaissigne,” a closed website for gaisho customers, to strengthen information communication and coordinate various sales promotions.

Having multiple unique retail models is a major advantage for the Group. We will work to create synergies that are unique to the Group by enhancing our presence in the Tokyo metropolitan area through the Group's “triangle,” which includes GINZA SIX, Daimaru Matsuzakaya Department Stores, and Parco.

