



We Will Respond to Changes and Commit Ourselves to “Creating Shared Value” in a Timeless Way.

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Kimono dealers, which originated in the Edo period, dramatically transformed themselves into department stores more than 100 years ago in response to changing times. Thus founded Daimaru and Matsuzakaya in the Group have achieved sustainable development over 300 and 400 years, respectively, because they have always grasped changes of the times accurately, have thought through what are values for society and for customers, and have been engaged in business activities simply and honestly following their corporate credos.

I recognize the environment surrounding our business is currently facing a “greater turning point” than these times and changing at a breakneck speed. The evolution of AI and robots has automated tasks and operations. And I feel the digital society where IoT connects everything to the Internet has been rapidly becoming familiar to us over the past year. I realize it is radically changing lifestyles and industrial systems.

As it is said to be the “era of 100-year life expectancy,” longevity is expected to be further extended. In the meantime, according to a study, the population in Japan is projected to be below 90 million 50 years later and decrease by half 100 years later. Actually, a dramatic change in the social structure that we have never experienced before is drawing near.

In addition, consumption is shifting from goods to services and experiences and the focus is shifting from retail to services. Therefore, the Group whose main business is retail such as department stores

needs to change its business structure beyond the framework of retail in order to continue to create new value beyond customers’ expectations and further develop.

Under the new Group Vision “Create and Bring to Life ‘New Happiness’” and the current Medium-term Business Plan, the Company drastically altered the course of the management toward “discontinuous growth,” which is not an extension of the present. In the process, while respecting the values that do not change over time, we will accurately capture changes in the times and the business environment and firmly capture both positive and negative risks to change into a new socially indispensable business group that combines tradition and innovation.

To this end, it is essential to change our mindset and working styles. Instead of being bound by our past successful experiences and familiar approaches, we will facilitate deeper communication inside and outside the Company and actively incorporate different cultures and thinking to “combine different elements,” which will lead to new achievements using diversity.

With the aim of developing as a “Multi Service Retailer” beyond the retail framework, we will create both “social value” and “economic value” and drastically change our business portfolio to ensure sustainable growth and increase corporate value over the medium to long term.

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