

To whom it may concern

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Notice Regarding Reorganization of the Developer Business

J. FRONT RETAILING Co., Ltd. (the “Company”) hereby announces that it has resolved at the meeting of its Board of Directors held today to conduct a reorganization (the “Reorganization”) in March 2023 as described below involving the Company, and the Company’s wholly-owned subsidiary PARCO CO., LTD. (“PARCO”) and PARCO’s wholly-owned subsidiary JAPAN RETAIL ADVISORS Co., Ltd. (“JRA”) in order to strengthen the Developer Business.

Based on the resolution made today, the Company plans to have PARCO transfer all of its shares of JRA to the Company and change the trade name of JRA, as well as to conduct a company split of PARCO’s Developer Business in the future. The Company will announce the details once they are decided.

1. Purposes of the Reorganization

In order to realize the Group Vision “Create and Bring to Life ‘New Happiness’” and transform the business portfolio, the Company has positioned the Developer Business, in addition to the core Department Store and SC (Shopping Center) Businesses, as a key business in the Group’s regrowth, and aims to propose diverse urban living and contribute to appealing local area development.

As our efforts to realize these, we consolidated and unified the Real Estate Business of Daimaru Matsuzakaya Department Stores Co. Ltd. under PARCO in autumn 2020, and worked to strengthen the business foundation and competitiveness as a retail and real estate business group and improve management efficiency. To build on those results and further grow the business, in spring 2022, we established the CRE (Corporate Real Estate) Planning Division in the Company, and evaluated the basic policy, developer strategies and business promotion system for maximizing the value of the Group’s real estate holdings with a view to 2030.

Through the Reorganization, we will build a system for agile and swift decision-making from the perspectives of further improved total optimization and medium- to long-term growth by placing independent operating companies directly under the holding company. At the same time, we will lay the groundwork for a human resources system designed specifically for the characteristics of the businesses, and further promote the strengthening of management of organizations and personnel, including the development and securing of specialist personnel who can support business growth. We will also promote enhancement of governance by practicing corporate-level management and risk management that is optimal for the businesses.

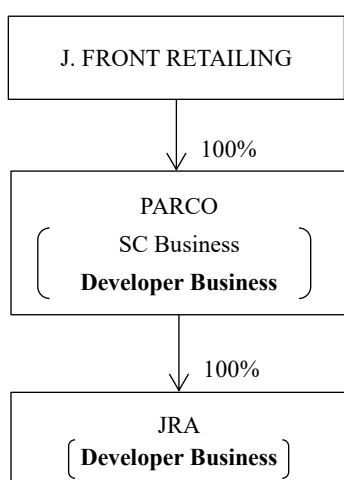
In addition, seizing the opportunities provided to us through the Reorganization, we intend to promote a diverse range of development that contributes to the appeal of the urban area, encompassing not only commercial projects but also hotel, office and residential projects in our

priority areas encompassing the seven cities upon which the Company’s business is based, while striving to achieve both initiatives to solve societal issues notably “coexistence with local communities” and “realization of decarbonized society,” and initiatives to achieve business growth. In doing so, we will fully leverage our businesses, customer base, resources and knowhow as well as create new value for spaces that only the Company can provide utilizing digital technologies, in addition to brick-and-mortar stores, to contribute to improving added value in each of the regions that we operate.

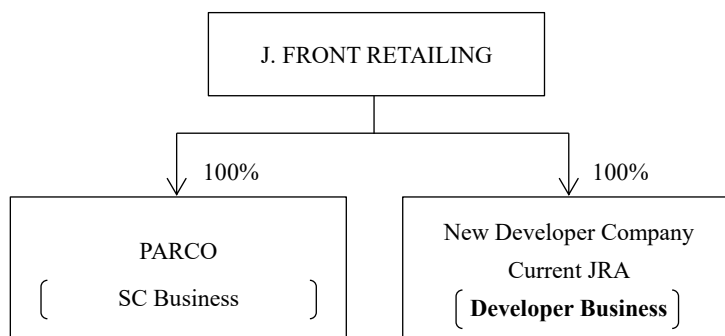
2. Overview of the Reorganization

- All shares in JRA, which are currently wholly owned by PARCO, will be transferred to the Company. The Company plans to change JRA’s name to “(provisional name) J. FRONT CITY DEVELOPMENT Co., Ltd. (the ‘New Developer Company’).”
- The Company plans to include the facilities and business operations of the Developer Business that are currently operated by PARCO as the properties, etc. to be transferred to the New Developer Company. The specific number of facilities and properties to be part of the target of the transfer is still being reviewed. The Company will announce the details at a later date when they have been determined.

[Before Reorganization (Current)]



[After Reorganization (Scheduled on March 1, 2023)]



3. Schedule

Date of the resolution by the Board of Directors of the Company	October 11, 2022
Date of conclusion of share transfer agreement	
Decision to change name	October 27, 2022 (scheduled)
Planned structure of New Developer Company	
Date of conclusion of company split agreement	December 23, 2022 (scheduled)
Date of company split (effective date)	March 1, 2023 (scheduled)

4. Effect on earnings

The target of the Reorganization will be limited to the Company and its wholly-owned subsidiaries, which means that its effect on consolidated earnings for the fiscal year ending February 28, 2023 will be immaterial.

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