～　Turning Point for Regrowth　～

Presentation of Results for Fiscal Year Ended February 28, 2023

April 11, 2023

YOSHIMOTO Tatsuya
President and Representative Executive Officer
J. Front Retailing Co., Ltd.

Create and Bring to Life "New Happiness."

J. FRONT RETAILING

Today’s Agenda

I. Overview of FY2022 Results

II. H1/Full FY2023 Forecast

III. Progress of Medium-term Business Plan

Overview of FY2022 Results (IFRS)

Consolidated PL (IFRS)

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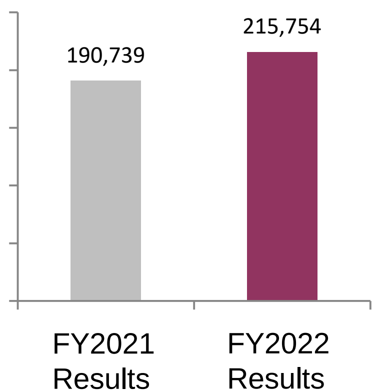
- Gross sales up, mainly in mainstay Department Store, and business profit up despite unplanned cost increases
- Operating profit and profit down due to loss on business liquidation of Matsumoto PARCO and impairment losses on some stores
- Year-end dividend is ¥16 per share, as planned at the beginning of the fiscal year, resulting in annual dividend of ¥31 per share, an increase of ¥2 per share

(Millions of yen, unless otherwise stated)

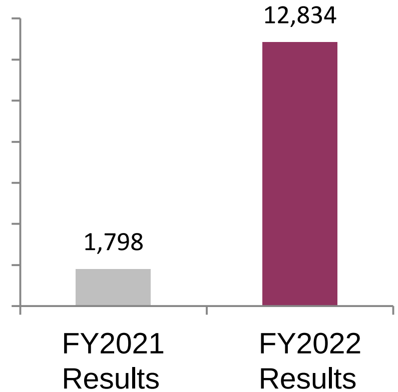
Fiscal year ended February 28, 2023	H1		H2		Full year		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Oct forecast
Gross sales	464,130	16.8	534,624	14.1	998,755	15.3	23,755
Revenue	169,129	7.5	190,550	9.4	359,679	8.5	13,679
Gross profit	82,861	18.9	86,675	10.9	169,536	14.7	1,536
SGA	69,232	4.8	75,449	7.7	144,682	6.3	682
Business profit	13,629	272.9	11,225	39.2	24,854	112.1	854
Other operating income	2,320	40.0	2,220	(76.4)	4,540	(59.0)	740
Other operating expenses	2,712	(59.5)	7,624	13.7	10,336	(22.9)	6,036
Operating profit	13,237	—	5,821	(45.9)	19,059	103.2	(4,441)
Profit attributable to owners of parent	10,155	—	4,081	(35.4)	14,237	229.4	(1,763)
Dividend per share (Yen)	15	(Yen) 1	16	(Yen) 1	31	(Yen) 2	0
ROE (%)	—		—		4.0	(RD) 2.8	(RD) (0.5)
ROIC (%)	—		—		2.7	(RD) 1.5	(RD) 0.1

- Consumption of high-end products remained strong throughout the fiscal year, and inbound sales grew rapidly from H2
- Business profit up despite unplanned increase in SGA, but operating profit down due to impairment losses

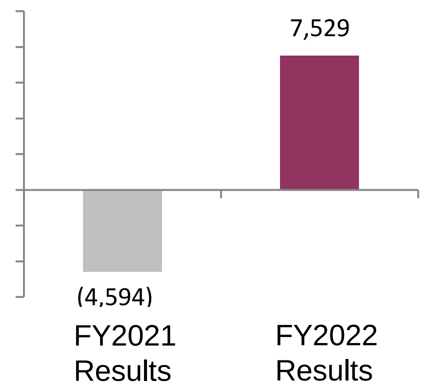
Revenue



Business profit



Operating profit (loss)



(Millions of yen, unless otherwise stated)

Fiscal year ended February 28, 2023	H1		H2		Full year		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Oct forecast
Gross sales	305,239	23.2	352,715	14.5	657,955	18.4	14,255
Revenue	101,610	17.5	114,144	9.5	215,754	13.1	6,154
SGA	58,410	8.0	63,672	6.6	122,082	7.3	1,682
Business profit	5,731	―	7,103	114.8	12,834	613.7	934
Operating profit	3,813	―	3,715	―	7,529	―	(1,571)

Daimaru Matsuzakaya Department Stores Major Store Sales

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- Comparable store sales in H2 improved to a decrease of 2.2% from FY2019 and a decrease of 7.8% from FY2018
- Kobe and Nagoya stores, which have strength in regular customers, showed positive growth compared to both FY2019 and FY2018
- Tokyo store showed rapid improvement along with increased foot traffic; Shinsaibashi and Kyoto stores posted positive Q4 results compared to FY2019

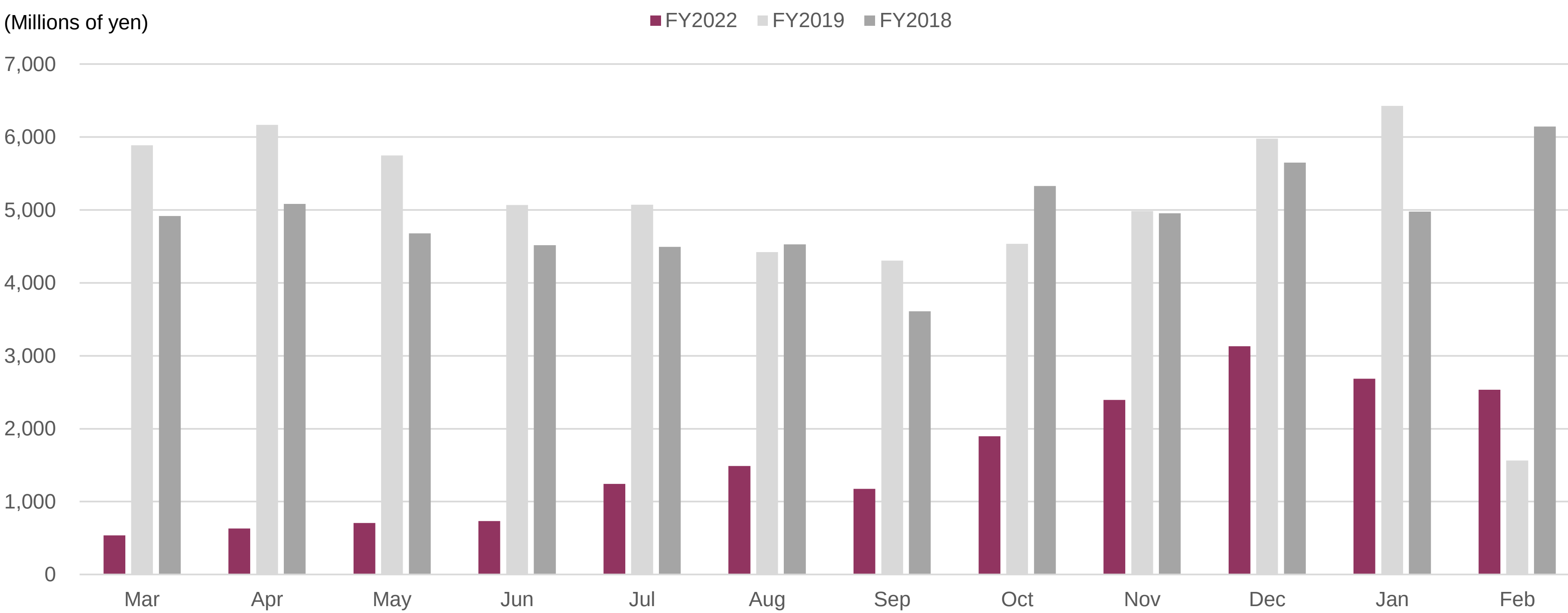
(% change)

Fiscal year ended February 28, 2023	YoY			vs. FY2019			vs. FY2018
	Q3 Results	Q4 Results	H2 Results	Q3 Results	Q4 Results	H2 Results	H2 Results
Shinsaibashi	26.2	29.7	28.1	(13.6)	9.5	(2.5)	(12.1)
Umeda	10.0	14.6	12.5	(21.8)	(16.4)	(18.9)	(22.6)
Tokyo	25.5	33.8	30.0	(16.2)	(2.3)	(9.0)	(12.3)
Kyoto	14.4	17.8	16.2	(7.0)	2.0	(2.3)	(6.9)
Kobe	9.3	9.6	9.5	9.8	16.1	13.1	6.6
Sapporo	15.9	26.7	21.6	(1.8)	(0.1)	(0.9)	(5.1)
Nagoya	11.1	12.4	11.8	(1.9)	13.1	5.8	2.0
Total directly managed stores	13.5	17.2	15.5	(7.7)	2.8	(2.2)	(7.8)

*Total is on a comparable store basis.
(YoY comparison excludes Toyota store, and comparison to FY2019 and FY2018 excludes Yamashina, Shimonoseki, and Toyota stores.)

- Rapid growth in inbound sales due to relaxation of border control in October 2022
- Currently driven mainly by tourists from East Asia, such as Hong Kong, Taiwan, and South Korea, excluding mainland China

Duty-free sales trends (directly managed stores)



Expect significant growth potential in the future
as direct flights to and from mainland China will recover

Daimaru Matsuzakaya Department Stores SGA Analysis (IFRS)

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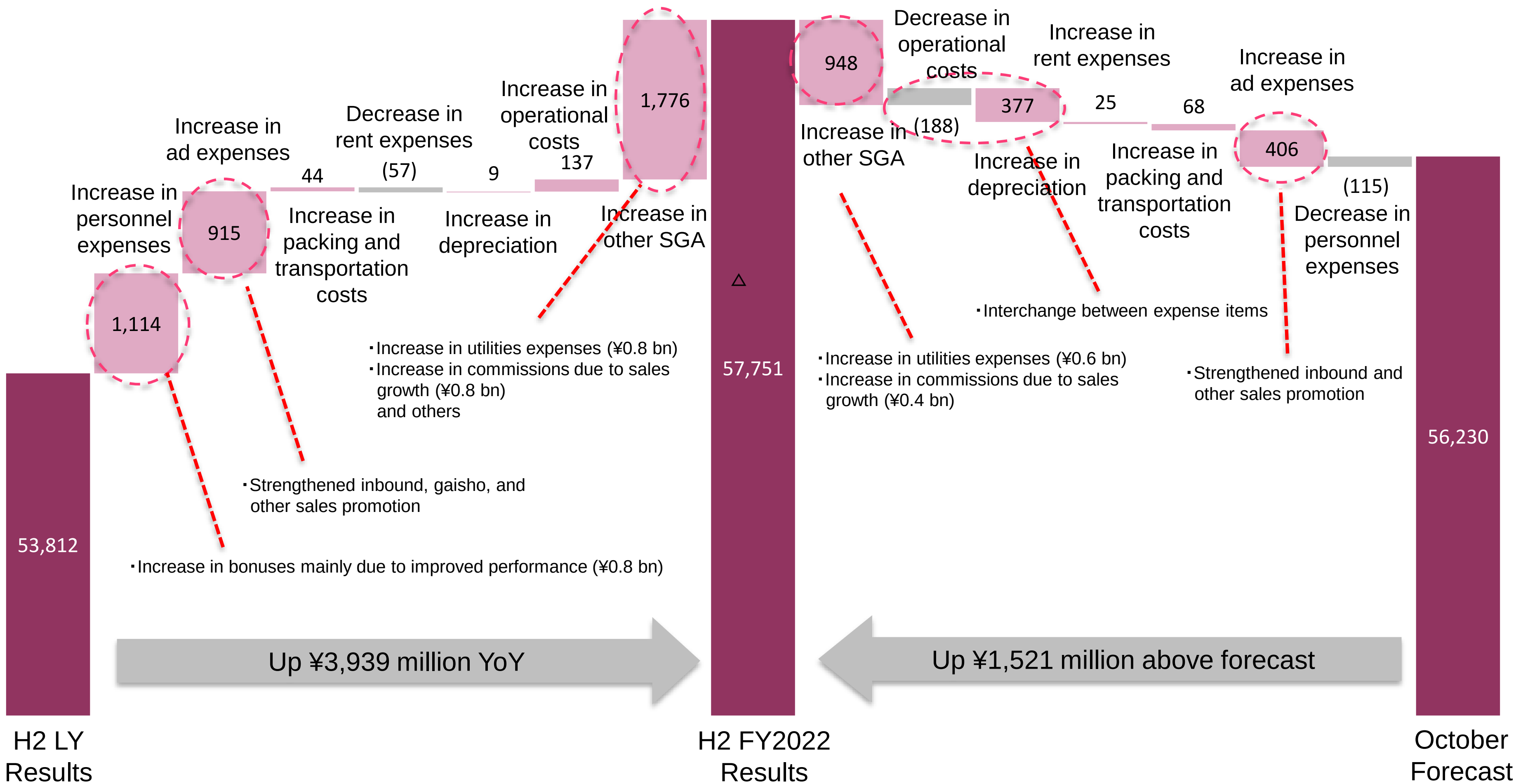
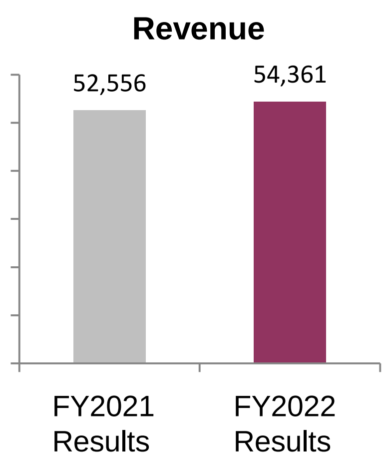
H2 FY2022 SGA analysis

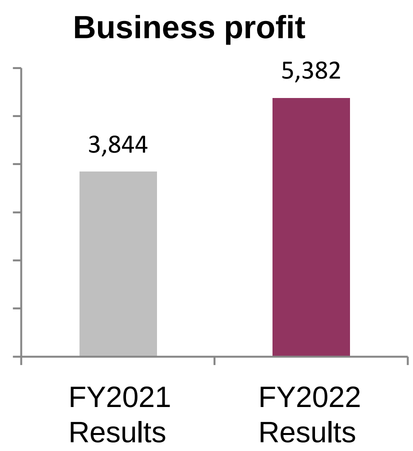
(Millions of yen)

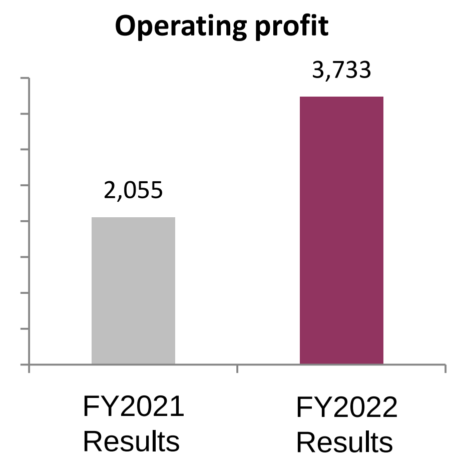


Segment Performance (2) SC Business (IFRS)

- Improved mainly in core urban stores, but impact of easing of lease contract conditions continued in some stores
- Loss on business liquidation of Matsumoto PARCO and impairment losses at Shizuoka PARCO also had an impact







(Millions of yen, unless otherwise stated)

Fiscal year ended February 28, 2023	H1		H2		Full year		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Oct forecast
Gross sales	119,842	16.4	134,799	16.0	254,641	16.2	4,709
Revenue	26,654	(0.4)	27,706	7.4	54,361	3.4	(902)
SGA	3,862	(27.4)	4,284	8.7	8,147	(12.0)	(601)
Business profit	4,006	47.2	1,376	22.6	5,382	40.0	(234)
Operating profit (loss)	4,861	965.7	(1,128)	—	3,733	81.6	(2,460)

Segment Performance (3) Developer Business (IFRS)

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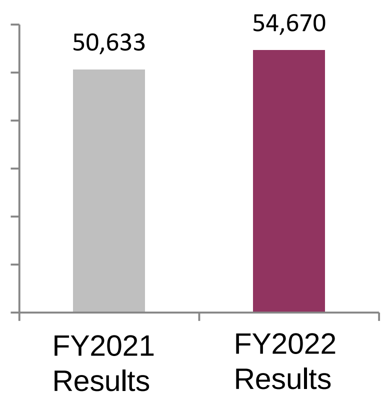
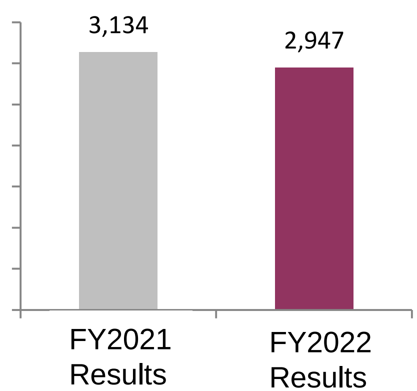
- Sales of J. Front Design & Construction and PSS rose, but profits were affected by the termination of operations of some real estate rental properties
- Business profit and operating profit exceeded October forecast; significant decrease in operating profit was a reaction to gain on sale recorded in the previous year

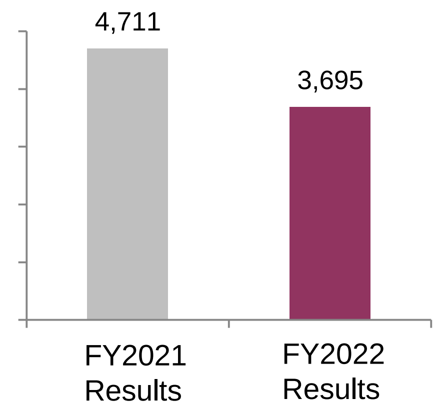
Revenue



Business profit



Operating profit



(Millions of yen, unless otherwise stated)

Fiscal year ended February 28, 2023	H1		H2		Full year		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Oct forecast
Gross sales	25,821	(10.7)	28,848	15.9	54,670	1.6	(1,854)
Revenue	25,821	0.3	28,848	15.9	54,670	8.0	(1,854)
SGA	3,182	(3.6)	3,319	0.3	6,502	(1.6)	(915)
Business profit	1,552	(10.1)	1,395	(0.9)	2,947	(6.0)	361
Operating profit	1,786	(1.2)	1,909	(34.2)	3,695	(21.6)	86

Segment Performance (4) Payment and Finance Business (IFRS)

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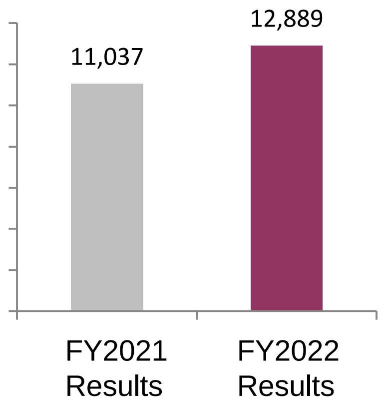
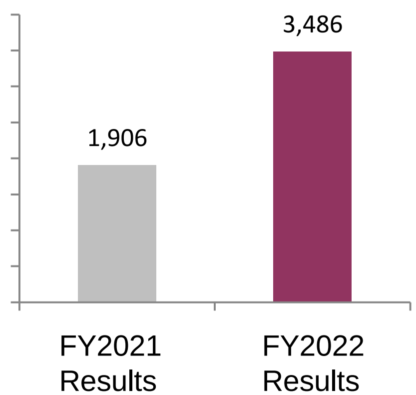
- As Department Store performance was on a recovery track and external transaction volume grew steadily, annual fee income also increased
- Both business profit and operating profit increased significantly and exceeded October forecast due to successful reduction of SGA

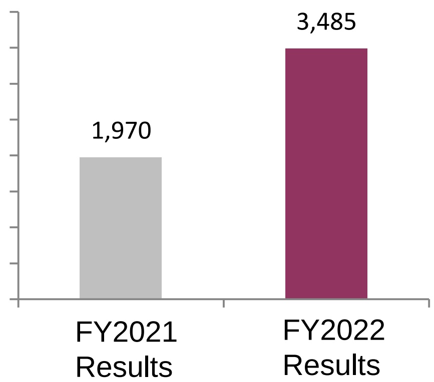
Revenue



Business profit



Operating profit

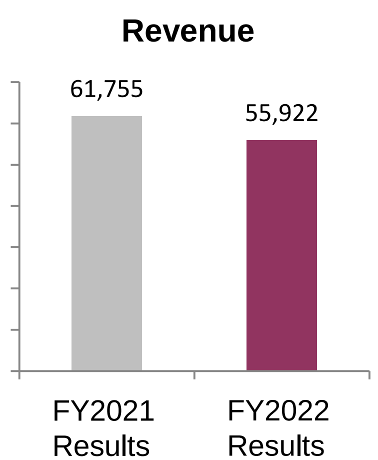


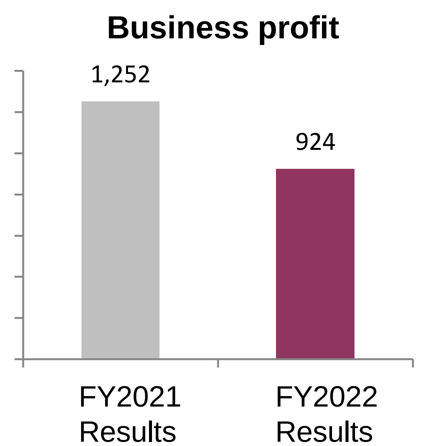
(Millions of yen, unless otherwise stated)

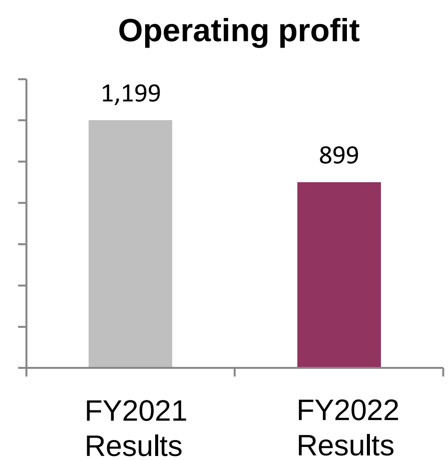
Fiscal year ended February 28, 2023	H1		H2		Full year		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Oct forecast
Gross sales	6,314	27.5	6,575	8.1	12,889	16.8	90
Revenue	6,314	27.5	6,575	8.1	12,889	16.8	90
SGA	4,482	0.1	4,920	5.7	9,403	3.0	(124)
Business profit	1,831	284.6	1,654	15.7	3,486	82.9	215
Operating profit	1,853	265.7	1,631	11.5	3,485	76.9	184

Segment Performance (5) Other (IFRS)

- Mainstay Daimaru Kogyo posted higher sales and profits due to strong performance in automotive-related parts and industrial materials
- Total sales and profits decreased due to the effect of deconsolidation of Dimples' following the partial transfer of its shares







(Millions of yen, unless otherwise stated)

Fiscal year ended February 28, 2023	H1		H2		Full year		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Oct forecast
Gross sales	27,391	(16.2)	29,966	(8.4)	57,358	(12.3)	4,088
Revenue	26,677	(15.2)	29,245	(3.5)	55,922	(9.4)	4,175
SGA	10,286	(5.8)	9,447	(8.0)	19,734	(6.8)	(521)
Business profit	649	31.8	275	(63.8)	924	(26.2)	155
Operating profit	769	75.0	129	(82.9)	899	(25.0)	33

Consolidated BS (IFRS)

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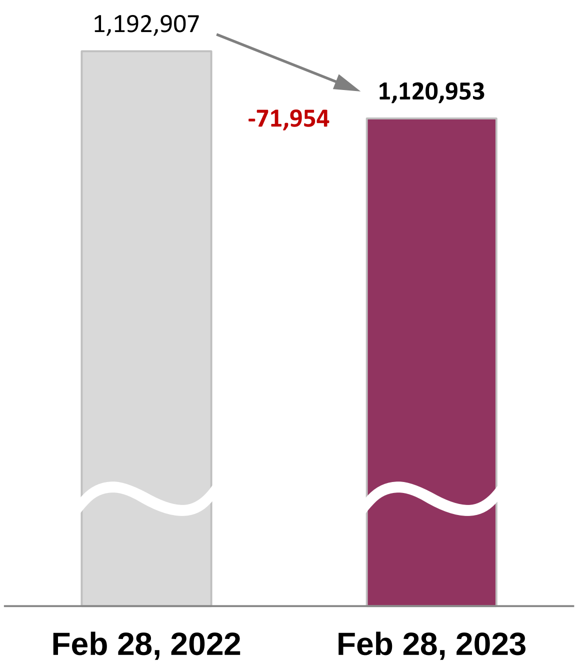
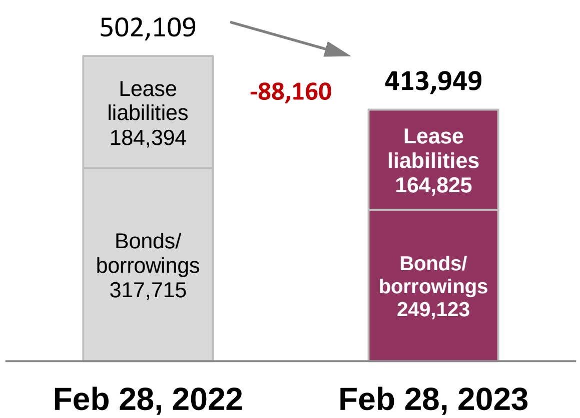
- Total assets decreased ¥71.9 billion from the end of the previous fiscal year, mainly due to a reduction in cash and deposits and depreciation
- Interest-bearing liabilities (excluding lease liabilities) were ¥249.1 billion, achieving the mid-term plan target one year ahead of schedule
- Ratio of equity attributable to owners of parent was 32.1%, a 2.7-point improvement from the end of the previous fiscal year

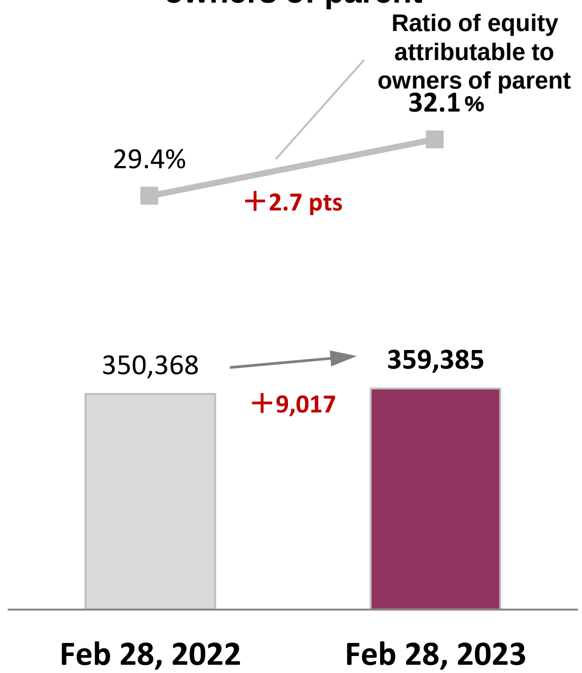
Total assets



Interest-bearing liabilities



Equity attributable to owners of parent



(Millions of yen)

Consolidated CF (IFRS)

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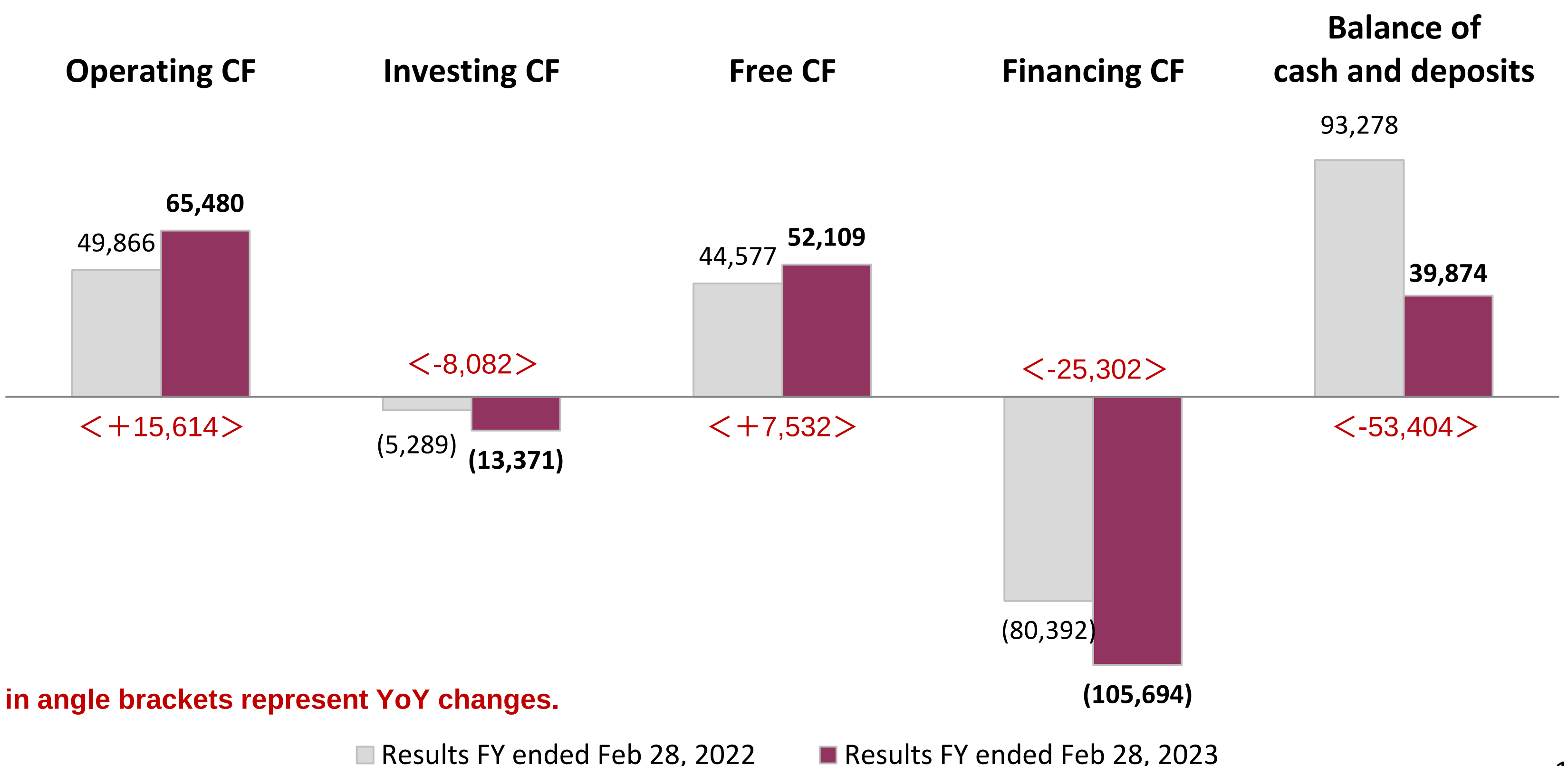
- Net cash provided by operating activities was ¥65.4 billion, an increase of ¥15.6 billion from the previous year due to improved profit level
- Net cash used in investing activities was ¥13.3 billion; free CF of ¥52.1 billion was secured
- Reduced cash and deposits on hand, which had been set aside to prepare for the impact of infection, to ¥39.8 billion



Figures in angle brackets represent YoY changes.

(Millions of yen)

H1/Full FY2023 Forecast (IFRS)

Business Environment Awareness

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＋) COVID-19 will be reclassified to Class 5 next month, further normalizing economic activity

＋) Consumer confidence is improving due to high level of wage increases in Japan

－) Global inflation continues due to soaring raw and other material costs

－) Financial concerns due to a series of failures of financial institutions in the U.S. since March

±) The change in the “quality” of consumption triggered by COVID-19 must be noted once again

Consolidated PL Forecast (IFRS)

J. FRONT RETAILING

- Mainstay Department Store and SC Businesses, which are expected to see a significant increase in top line, will drive performance improvement
- Business profit, operating profit, and profit will all significantly increase despite cost increases due to soaring utilities expenses
- Interim dividend of ¥16 per share, an increase of ¥1 per share, and an annual dividend of ¥33 per share, combined with the interim dividend, an increase of ¥2 per share, are planned

(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	H1		H2		Full year	
	Forecast	YoY %	Forecast	YoY %	Forecast	YoY %
Gross sales	533,500	14.9	581,500	8.8	1,115,000	11.6
Revenue	195,500	15.6	217,500	14.1	413,000	14.8
Gross profit	93,000	12.2	100,500	16.0	193,500	14.1
SGA	74,000	6.9	79,500	5.4	153,500	6.1
Business profit	19,000	39.4	21,000	87.1	40,000	60.9
Other operating income	1,000	(56.9)	500	(77.5)	1,500	(67.0)
Other operating expenses	1,500	(44.7)	1,500	(80.3)	3,000	(71.0)
Operating profit	18,500	39.8	20,000	243.6	38,500	102.0
Profit attributable to owners of parent	12,500	23.1	13,000	218.5	25,500	79.1
Dividend per share (Yen)	(Interim) 16	(Yen) 1	(Year-end) 17	(Yen) 1	(Annual) 33	(Yen) 2
ROE (%)	—	—	—	—	7.0	(RD) 3.0
ROIC (%)	—	—	—	—	4.6	(RD) 1.9

Breakdown of Profit Forecast by Segment

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- Review mainly Department Store and SC Businesses to reflect actual conditions such as consumption trends and cost increasing factors

(Billions of yen)

		FY2023 forecast	vs. mid-term plan
Business profit	Department Store	22.9	(1.2)
	SC	7.0	(5.6)
	Developer	6.4	2.9
	Payment and Finance	3.5	1.2
	Other	1.2	(0.9)
	Consolidated total*	40.0	(4.0)
Operating profit	Department Store	21.5	(1.5)
	SC	6.6	(3.4)
	Developer	6.6	1.4
	Payment and Finance	3.5	1.2
	Other	1.3	(0.6)
	Consolidated total*	38.5	(1.8)

*Consolidated totals include adjustments.

Trends in Key Performance Indicators and Comparison to Mid-term Plan

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- Reflect actual conditions such as delayed recovery of middle class consumption due to longer-than-expected impact of COVID-19
- Revised down forecasts for business profit and operating profit, but aims to achieve an ROE of 7.0% as stated in the mid-term plan

(Billions of yen, unless otherwise stated)

	FY2021 Results	FY2022 Results	FY2023 Forecast	Difference from mid-term plan
Business profit	11.7	24.8	40.0	-4.0
Operating profit	9.3	19.0	38.5	-1.8
ROE (%)	1.2	4.0	**7.0**	**±0**
ROIC (%)	1.2	2.7	4.6	-0.4
FCF (3-year mid-term cumulative total)*1	—	—	**151.6**	**+51.6**
Interest-bearing liabilities *2	317.7	249.1	**225.0**	**-35.0**
D/E ratio (Times) *2	0.91	0.69	**0.60**	**±0**

*1 Include lease liabilities

*2 Exclude lease liabilities

Trends in Dividends per Share

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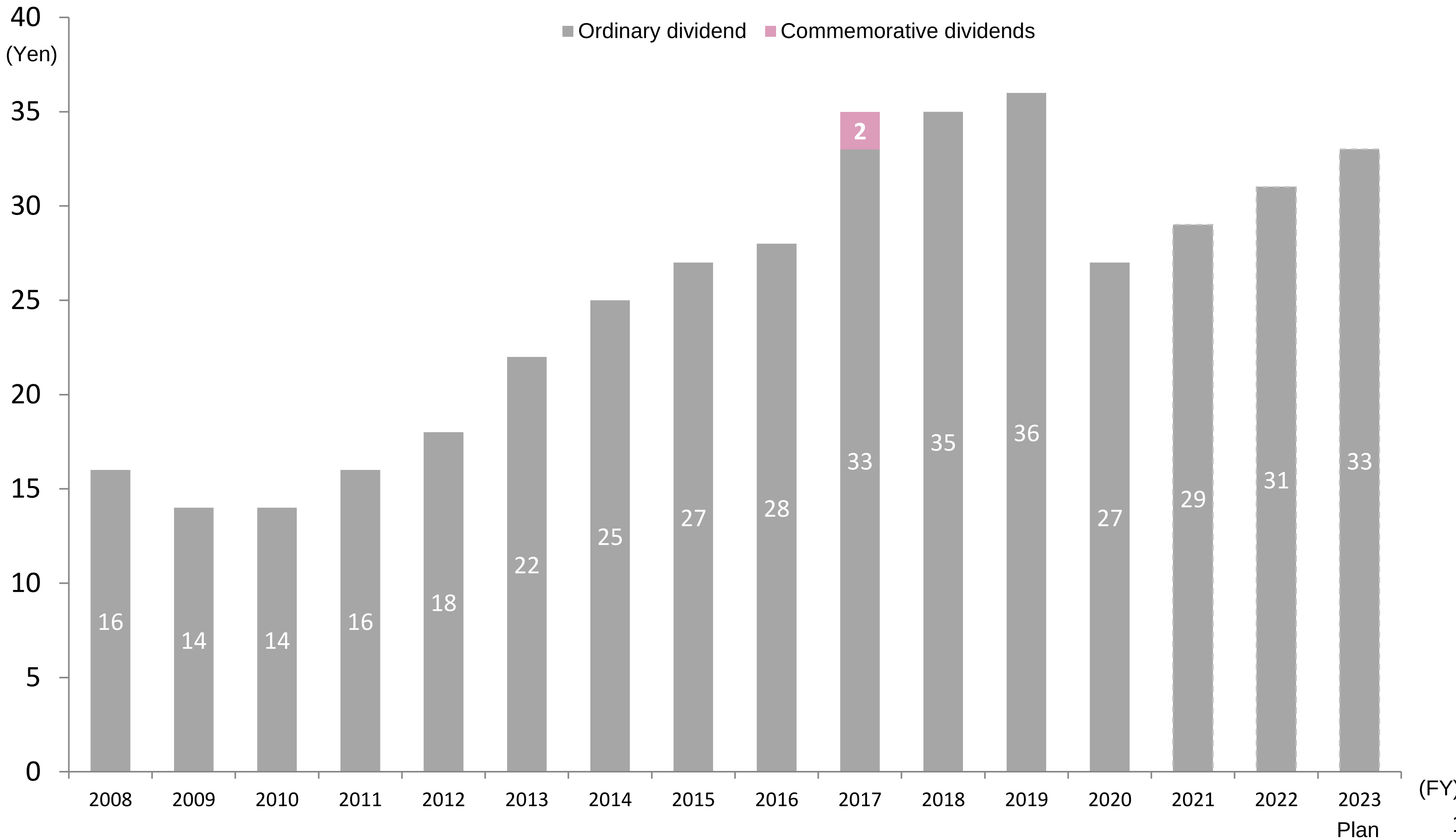
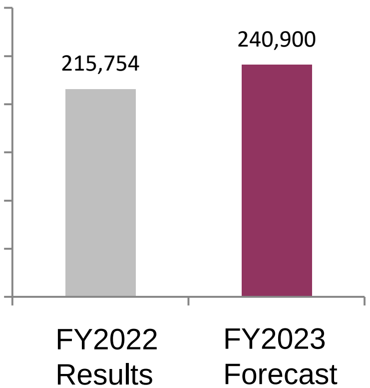
► After COVID-19, we will continue to improve dividend levels steadily each year while monitoring earnings recovery

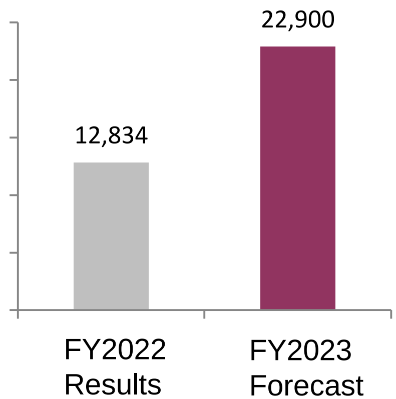


- Affluent consumers are expected to maintain strong consumption, and the effect of renovation of luxury and other areas implemented since last year is also expected to increase
- Inbound sales are expected to reach ¥44.0 billion (more than 70% of the peak value), and the middle class consumption will continue to improve with the recovery of foot traffic

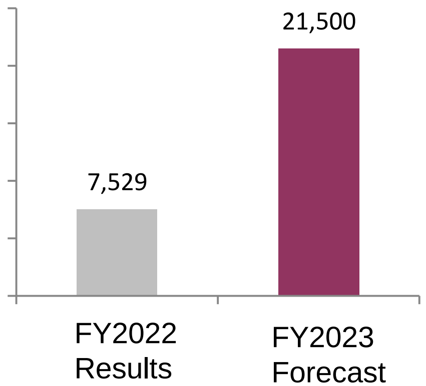
Revenue



Business profit



Operating profit



(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	H1		H2		Full year	
	Forecast	YoY %	Forecast	YoY %	Forecast	YoY %
Gross sales	347,100	13.7	372,900	5.7	720,000	9.4
Revenue	116,200	14.4	124,700	9.2	240,900	11.7
SGA	61,600	5.5	65,700	3.2	127,300	4.3
Business profit	11,200	95.4	11,700	64.7	22,900	78.4
Operating profit	10,200	167.5	11,300	204.1	21,500	185.6

- Double-digit sales growth at many key stores due to sustained consumption by affluent customers and recovery of inbound consumption
- Particularly, sales of Shinsaibashi and Sapporo stores are expected to have a significant boost from inbound consumption
- Sales of terminal-type Tokyo store, which had lagged behind, is expected to recover to single-digit negative growth from FY2019

(% change)

Fiscal year ending February 29, 2024	YoY			vs. FY2019		
	H1	H2	Full year	H1	H2	Full year
Shinsaibashi	30.7	19.7	24.7	(5.0)	16.8	5.3
Umeda	20.0	4.1	11.3	(17.3)	(15.5)	(16.4)
Tokyo	21.6	3.3	11.4	(13.2)	(6.0)	(9.6)
Kyoto	15.7	1.7	8.1	(0.8)	(0.6)	(0.7)
Kobe	6.0	2.8	4.3	14.9	16.2	15.6
Sapporo	17.0	12.6	14.6	5.5	11.7	8.7
Nagoya	11.4	1.8	6.2	7.3	7.6	7.5
Total directly managed stores	15.4	5.7	10.2	(2.3)	3.4	0.6

*Total is on a comparable store basis. (Comparison to FY2019 excludes Yamashina, Shimonoseki, and Toyota stores.)

Daimaru Matsuzakaya Department Stores SGA Analysis (IFRS)

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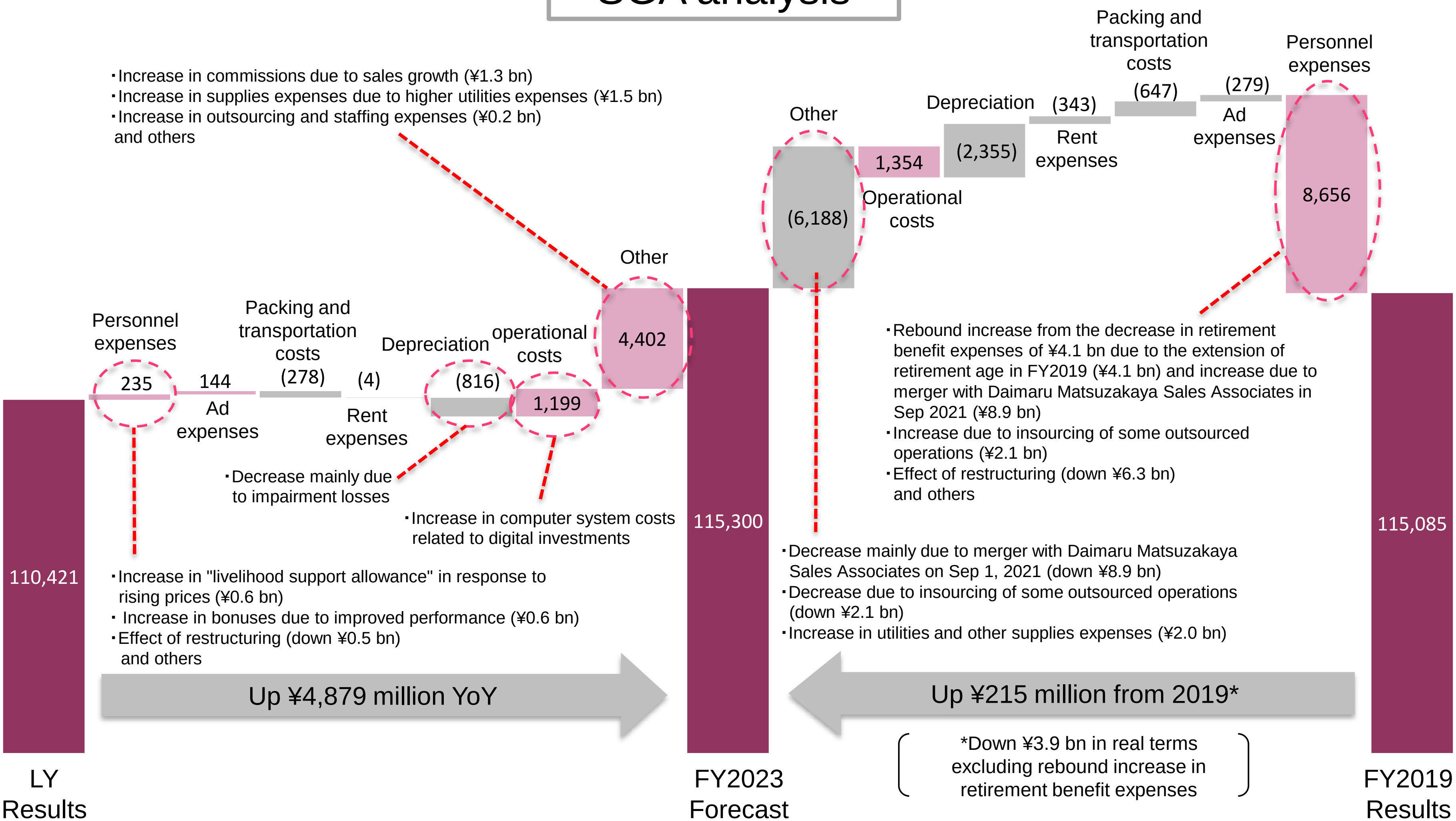
FY2023 SGA analysis

(Millions of yen)



・Increase in commissions due to sales growth (¥1.3 bn)
・Increase in supplies expenses due to higher utilities expenses (¥1.5 bn)
・Increase in outsourcing and staffing expenses (¥0.2 bn)
and others

・Decrease mainly due to impairment losses

・Increase in computer system costs related to digital investments

・Increase in "livelihood support allowance" in response to rising prices (¥0.6 bn)
・ Increase in bonuses due to improved performance (¥0.6 bn)
・Effect of restructuring (down ¥0.5 bn)
and others

・Rebound increase from the decrease in retirement benefit expenses of ¥4.1 bn due to the extension of retirement age in FY2019 (¥4.1 bn) and increase due to merger with Daimaru Matsuzakaya Sales Associates in Sep 2021 (¥8.9 bn)
・Increase due to insourcing of some outsourced operations (¥2.1 bn)
・Effect of restructuring (down ¥6.3 bn)
and others

・Decrease mainly due to merger with Daimaru Matsuzakaya Sales Associates on Sep 1, 2021 (down ¥8.9 bn)
・Decrease due to insourcing of some outsourced operations (down ¥2.1 bn)
・Increase in utilities and other supplies expenses (¥2.0 bn)

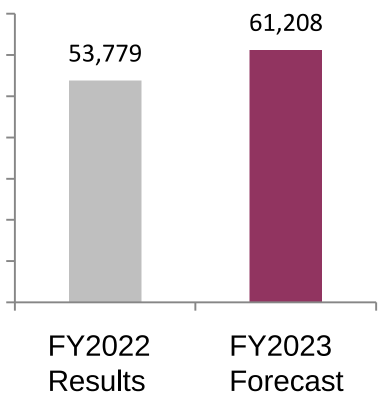
*Down ¥3.9 bn in real terms excluding rebound increase in retirement benefit expenses

Segment Performance Forecast (2) SC Business (IFRS)

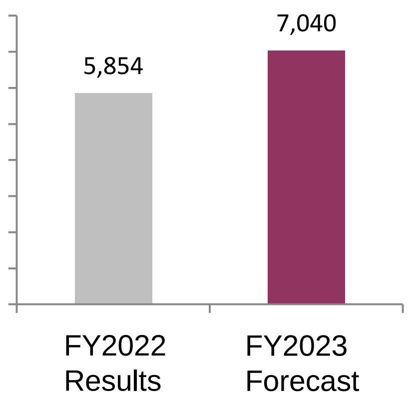
J. FRONT RETAILING

- Sustained strong performance at Shibuya and Shinsaibashi PARCO and the effect of core store renovations implemented sequentially since the previous year
- Despite unexpected cost increases in utilities and other expenses, easing of tenant conditions is expected to end this fiscal year

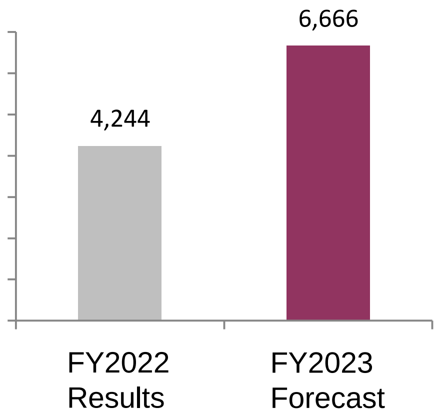
Revenue



Business profit



Operating profit



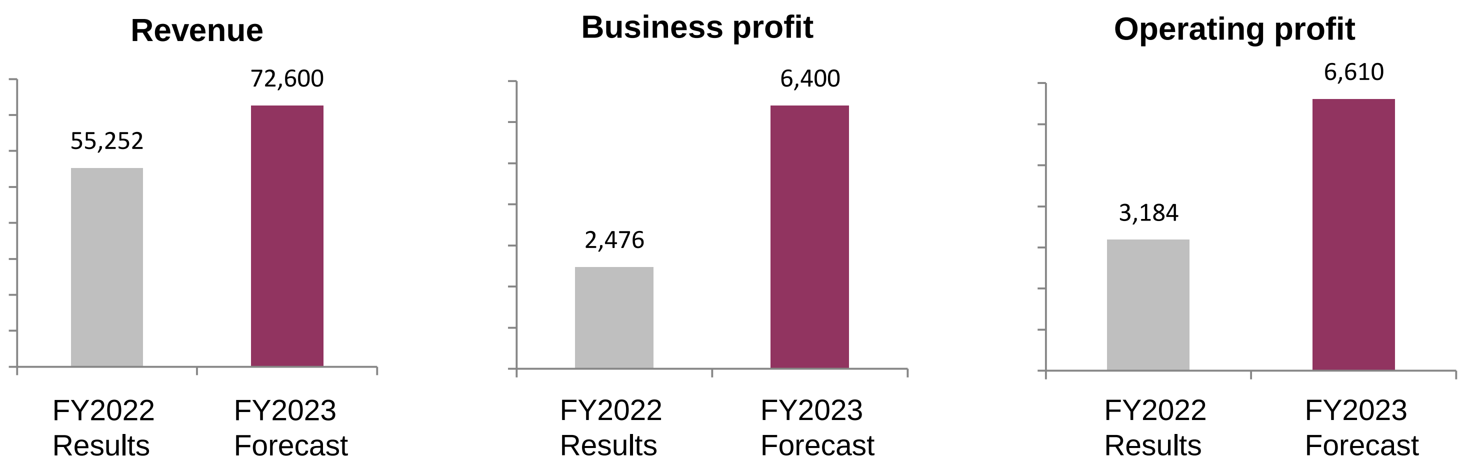
(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	H1		H2		Full year	
	Forecast	YoY %	Forecast	YoY %	Forecast	YoY %
Gross sales	139,538	16.1	148,383	9.8	287,921	12.8
Revenue	29,596	12.2	31,611	15.3	61,208	13.8
SGA	5,188	32.1	5,863	34.6	11,051	33.4
Business profit	4,705	13.5	2,334	36.7	7,040	20.3
Operating profit	4,667	(6.9)	1,999	—	6,666	57.1

Segment Performance Forecast (3) Developer Business (IFRS)

J. FRONT RETAILING

- Plan to record a gain on sale of development properties that have been upgraded in value by J. Front City Development (business profit)
- J. Front Design & Construction expects to receive orders mainly for the Group construction and large-scale projects, and strengthen collaboration with PSS

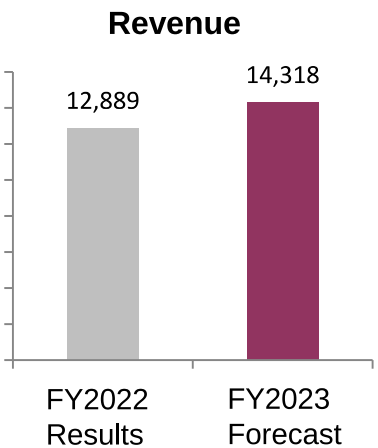


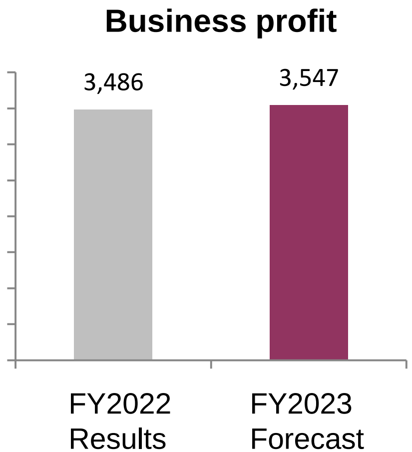
(Millions of yen, unless otherwise stated)

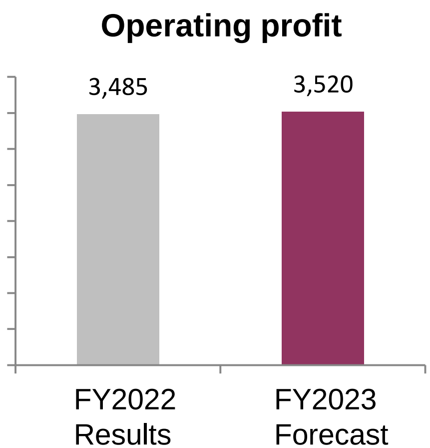
Fiscal year ending February 29, 2024	H1		H2		Full year	
	Forecast	YoY %	Forecast	YoY %	Forecast	YoY %
Gross sales	30,200	18.4	42,400	48.6	72,600	34.3
Revenue	30,200	15.7	42,400	45.5	72,600	31.4
SGA	4,200	34.8	4,000	23.1	8,200	28.8
Business profit	1,300	(8.0)	5,100	379.1	6,400	158.4
Operating profit	1,710	4.5	4,900	216.5	6,610	107.6

J. FRONT RETAILING

- Expect an increase in commission income, etc. due to higher transaction volume at department stores and external merchants
- Expect to exceed the mid-term plan due to stable increase in annual fee income and higher average spend per account







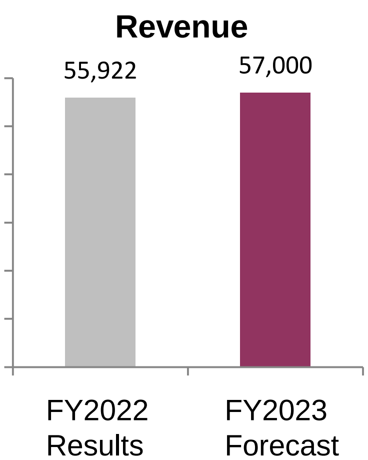
(Millions of yen, unless otherwise stated)

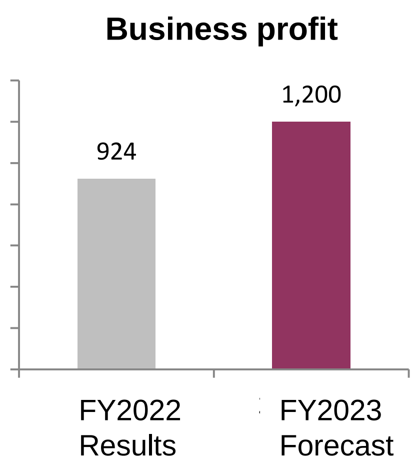
Fiscal year ending February 29, 2024	H1		H2		Full year	
	Forecast	YoY %	Forecast	YoY %	Forecast	YoY %
Gross sales	7,049	11.6	7,269	10.6	14,318	11.1
Revenue	7,049	11.6	7,269	10.6	14,318	11.1
SGA	5,174	15.4	5,597	13.8	10,771	14.5
Business profit	1,875	2.4	1,672	1.0	3,547	1.7
Operating profit	1,865	0.6	1,655	1.4	3,520	1.0

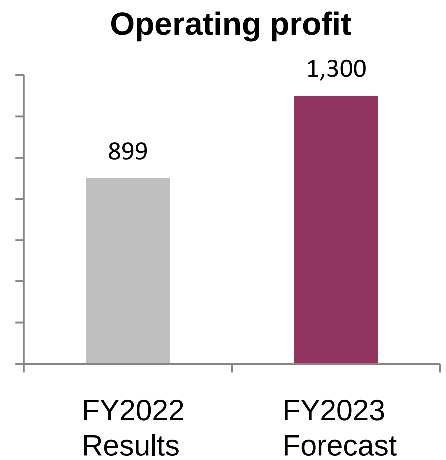
Segment Performance Forecast (5) Other (IFRS)

J. FRONT RETAILING

- Forecast higher sales and profits at mainstay Daimaru Kogyo, mainly in its Automotive Department







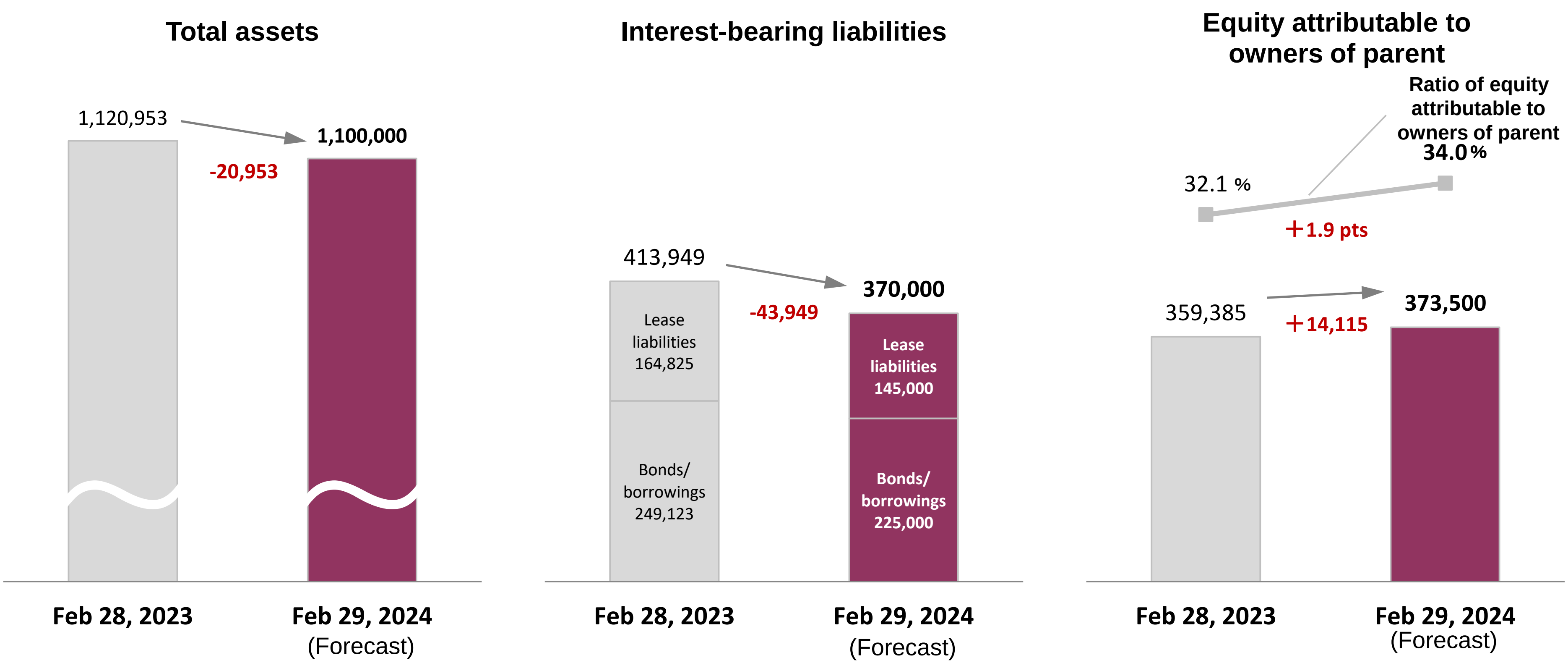
(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	H1		H2		Full year	
	Forecast	YoY %	Forecast	YoY %	Forecast	YoY %
Gross sales	28,700	4.8	29,700	(0.9)	58,400	1.8
Revenue	28,000	5.0	29,000	(0.8)	57,000	1.9
SGA	9,000	(12.5)	9,600	1.6	18,600	(5.7)
Business profit	400	(38.4)	800	190.6	1,200	29.8
Operating profit	600	(22.1)	700	439.2	1,300	44.5

Consolidated BS Forecast (IFRS)

J. FRONT RETAILING

- Total assets are expected to be ¥1,100.0 billion, a decrease of ¥20.9 billion from the end of the previous fiscal year, due to depreciation and other factors
- Interest-bearing liabilities (excluding lease liabilities) are expected to be ¥225.0 billion, and D/E ratio will improve to 0.60 times
- Ratio of equity attributable to owners of parent is expected to be 34.0%, a 1.9-point improvement from the end of the previous fiscal year

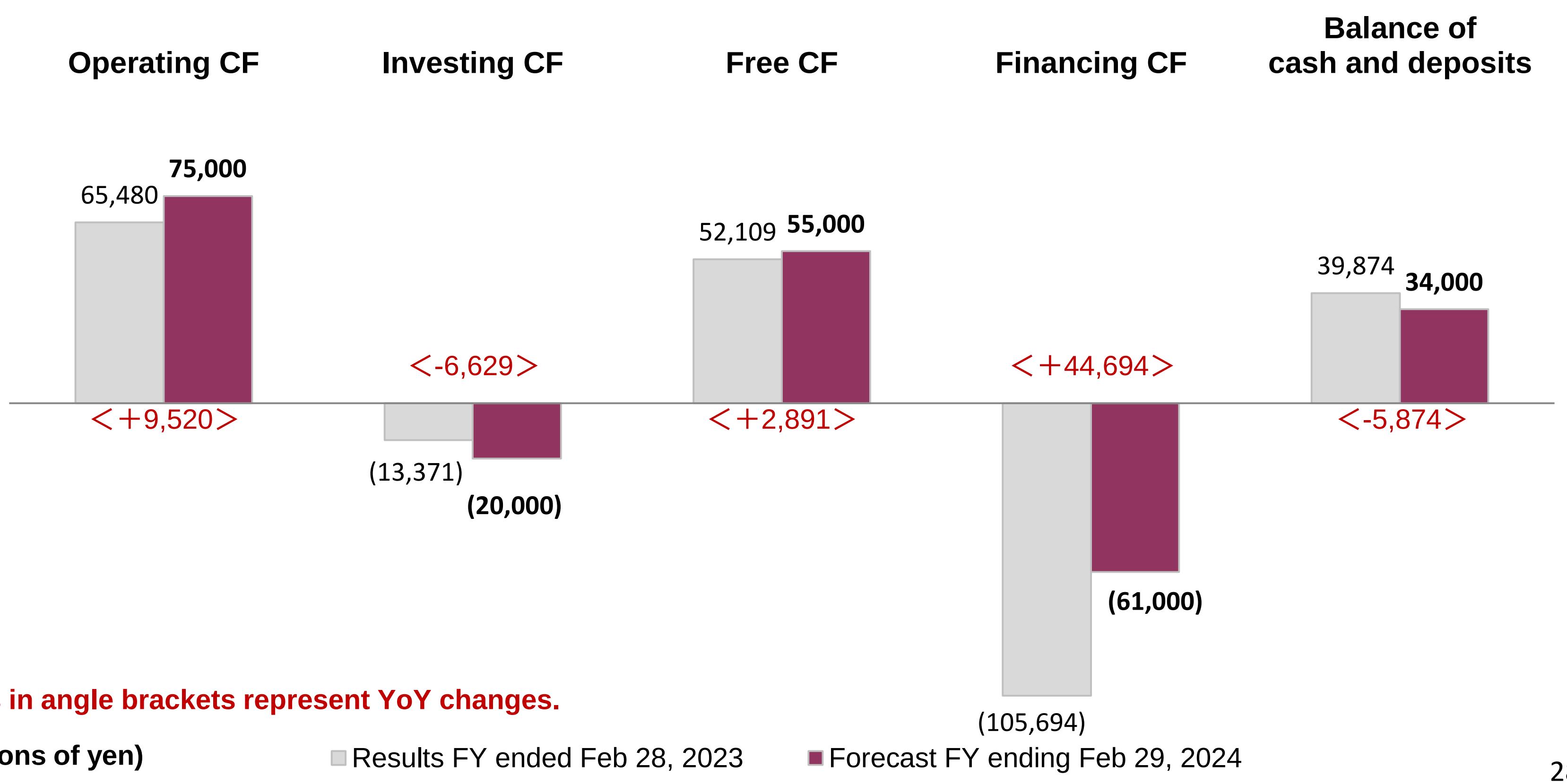


(Millions of yen)

Consolidated CF Forecast (IFRS)

J. FRONT RETAILING

- Net cash provided by operating activities is expected to be ¥75.0 billion, an increase of ¥9.5 billion from the previous year, mainly due to higher profit
- Net cash used in investing activities is expected to be ¥20.0 billion due to renovation investment in Department Store and SC Businesses and other factors
- Expect to secure free CF of ¥55.0 billion, which will be used mainly to repay interest-bearing liabilities and strengthen financial position



Figures in angle brackets represent YoY changes.

(Millions of yen)

FY2021 - FY2023

Progress of Medium-term Business Plan

Final Year of Mid-term Plan

J. FRONT RETAILING

ROE

Expected to achieve 7%

Business profit

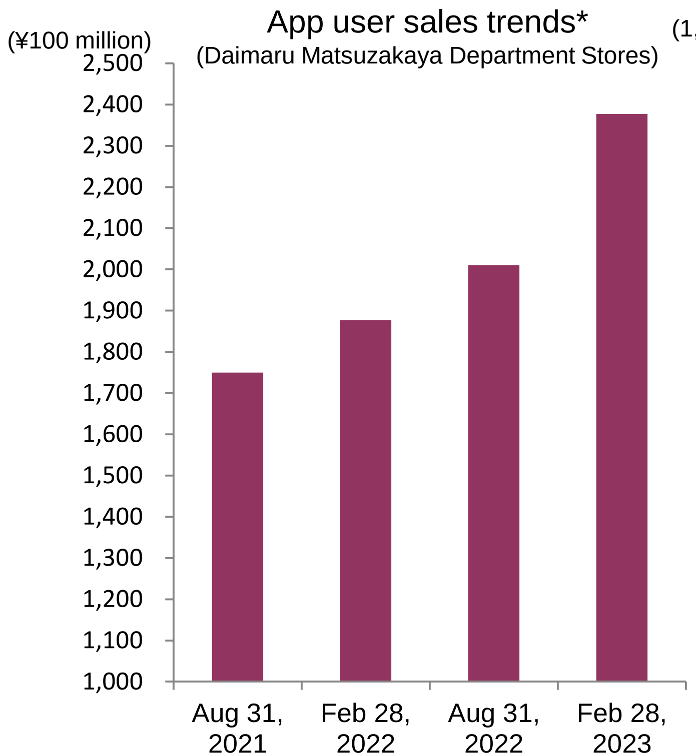
Operating profit

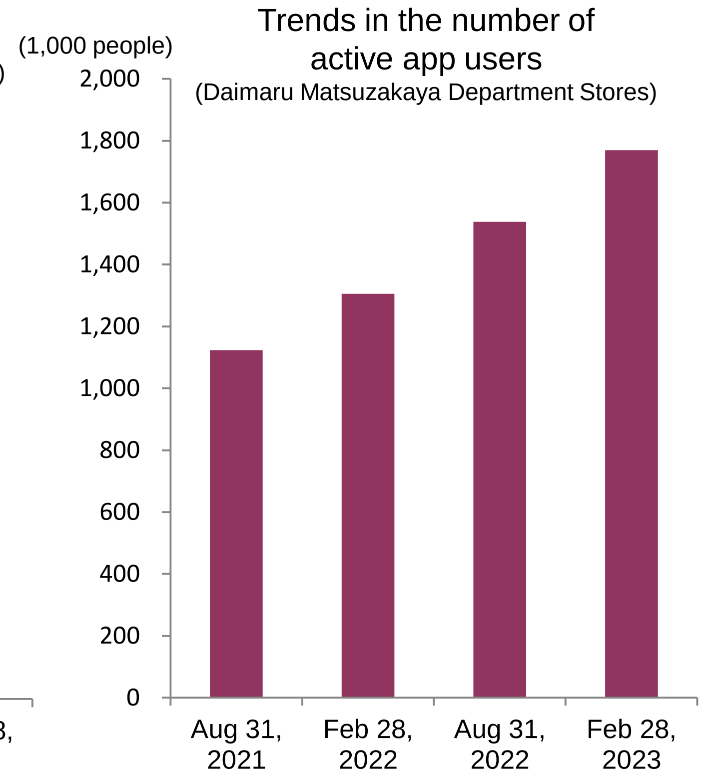
"Full recovery" will be carried over

Urgent need to break away from the business portfolio overly dependent on existing retail business

An important year to ensure the baton is passed on for regrowth

- Steady expansion and deepening of contacts with customers through app, and significant progress in CRM sophistication
- Steady results by uncovering new customers through regression analysis targeting gaisho customers





*Aggregate for the most recent past year from the end of each month

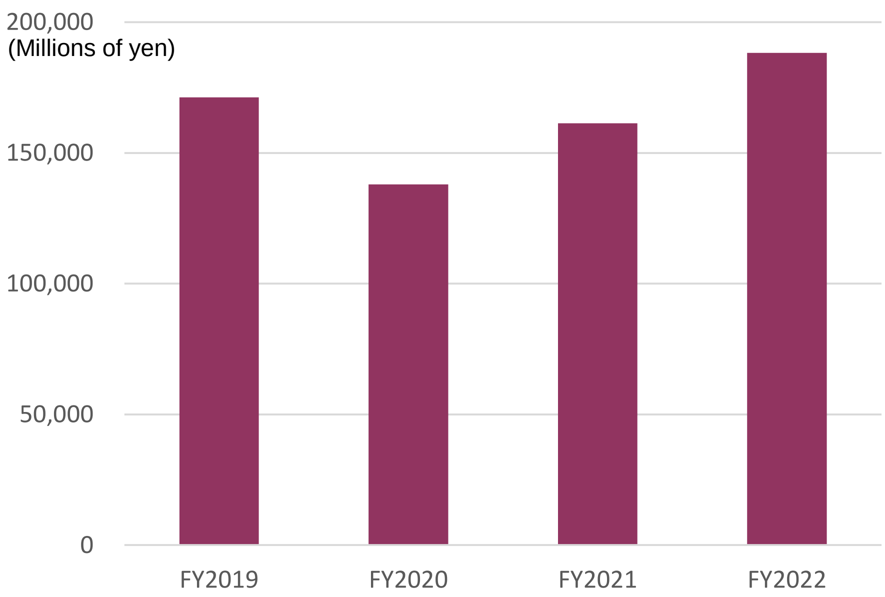
By improving the accuracy of accumulated data analysis,
we will strengthen our efforts to expand target customers and uncover new customers

Department Store Business ー Deepen Prime Life Strategy

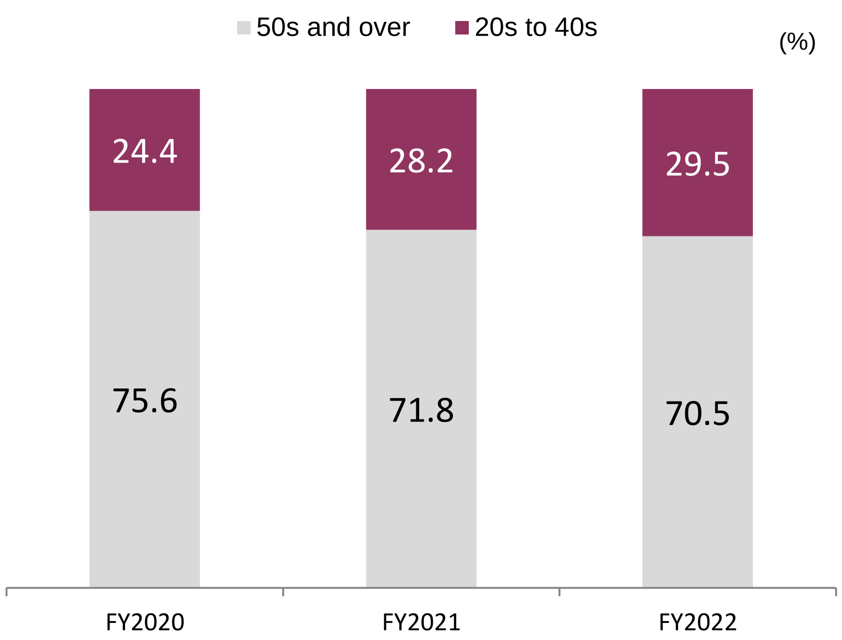
J. FRONT RETAILING

- Progress in developing and deeply cultivating young affluent customers by enriching content and utilizing digital sales
- Strengthening of events, etc., was also be successful, resulting in double-digit growth in gaisho sales in FY2022 compared to FY2019 before COVID-19

Department Store Business gaisho sales trends



Trends in gaisho customer sales share by age group
(Daimaru Matsuzakaya Department Stores)



Aim for gaisho sales of over ¥200.0 billion this fiscal year

Department Store Business ー Evolution of GINZA SIX

J. FRONT RETAILING

- Born through integrated development of two blocks including the former site of Matsuzakaya Ginza store, in the direction of "operating no department store"
- Continue unique evolution as Ginza's premier "luxury mall" through COVID-19
- Customers in their 20s and 30s account for almost half of total sales; cultivation of young affluent consumers gave a great boost to the store

"Discontinuous" results created by combining the wisdom of four companies

||

One of the evidences that innovation comes from "diversity"

SC Business ー Strategy Restructuring

J. FRONT RETAILING

Shibuya PARCO and Shinsaibashi PARCO grew steadily while developing new customer segments

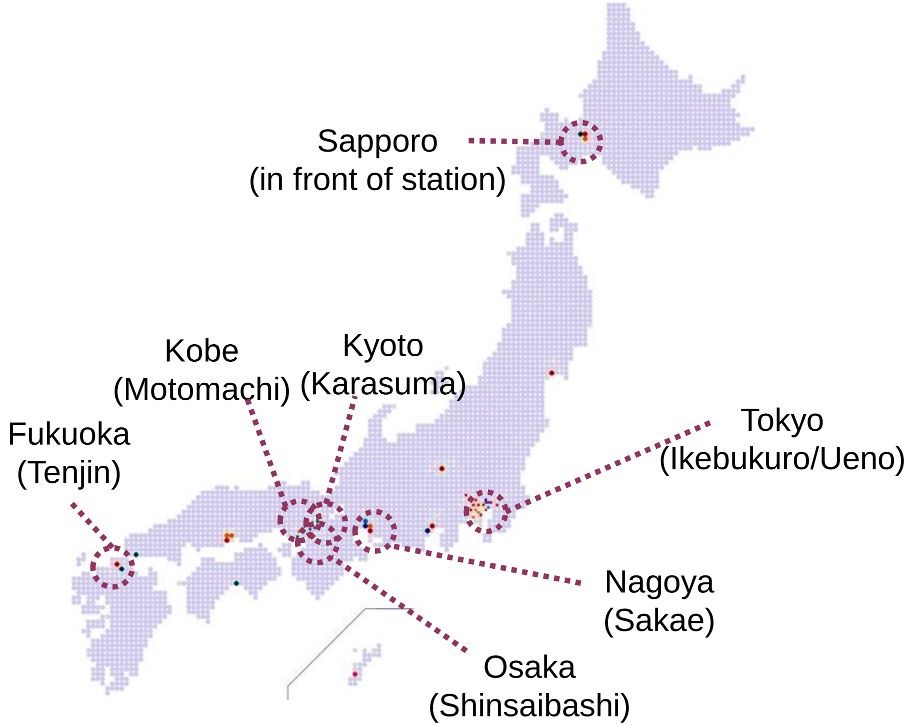
Other core stores and rural stores have inadequate results at this time

Parco's new president will explain mid- to long-term challenges and future direction at the Business Strategy Presentation to be held in July

Developer Business ー Reinforcement of Promotion System

J. FRONT RETAILING

Strengthen the system for promoting developer strategies for development in eight key areas in seven cities



Establishment of new company J. Front City Development

- ✓ Spun off Parco's developer business
- ✓ Strengthen the role as a local customer attraction device
- ✓ Diversify the facility functions to include non-commercial ones

Established CRE Strategy Unit in the holding company

- ✓ The holding company's president also heads the unit
- ✓ Optimize area development from the Group perspective
- ✓ Maximize the value of assets held

Plans for Sakae, Nagoya and Shinsaibashi, Osaka are taking shape
Tenjin Big Bang project also started in Tenjin, Fukuoka

We will clarify the growth story by progressively clarifying the pipeline

Strengthen collaboration with Department Store and expand growth base by promoting card customer acquisition

Expansion of card customers

- Renewed Daimaru Matsuzakaya Card (January 2021)
- Expansion of membership online and through app as well as in stores

Promotion of merchant business

- Development of payment environment in the Group
- Support for customer transfer in the Group

Expansion of insurance and finance business

- Transferred insurance business from Daimaru Kogyo to expand financial services
- Strengthening of revolving, installment, and cash advances through membership expansion

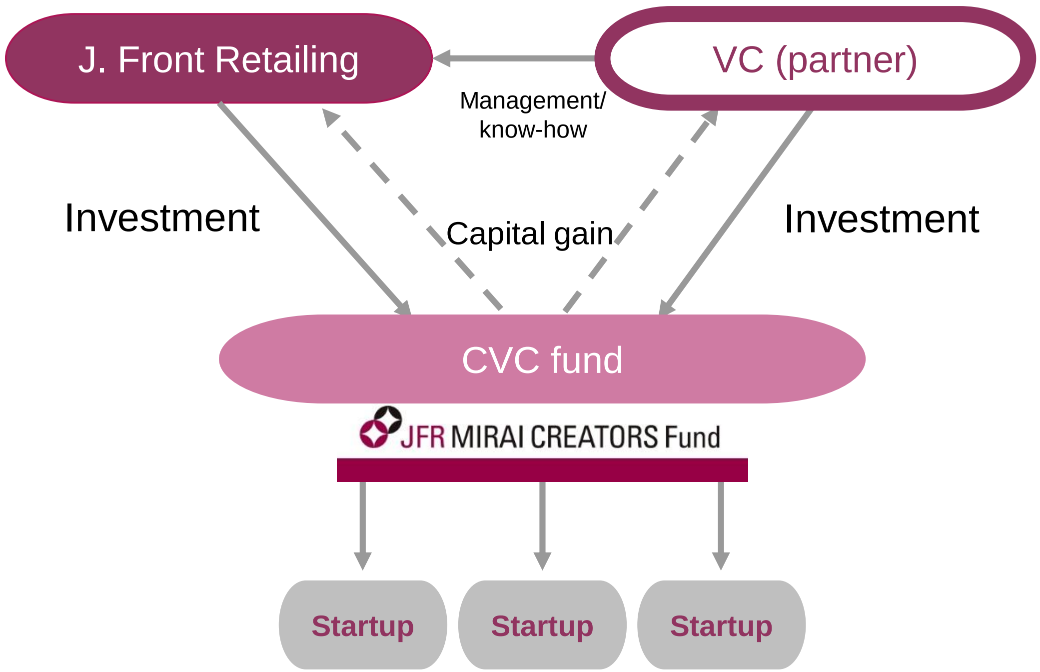
Achieved far above the mid-term plan,
but expansion of customer base is essential for further growth

Toward consolidation as an issuer of cards in the Group

CVC Fund Launched

J. FRONT RETAILING

- Promote creation of new businesses and reform and innovation of existing businesses in the Group



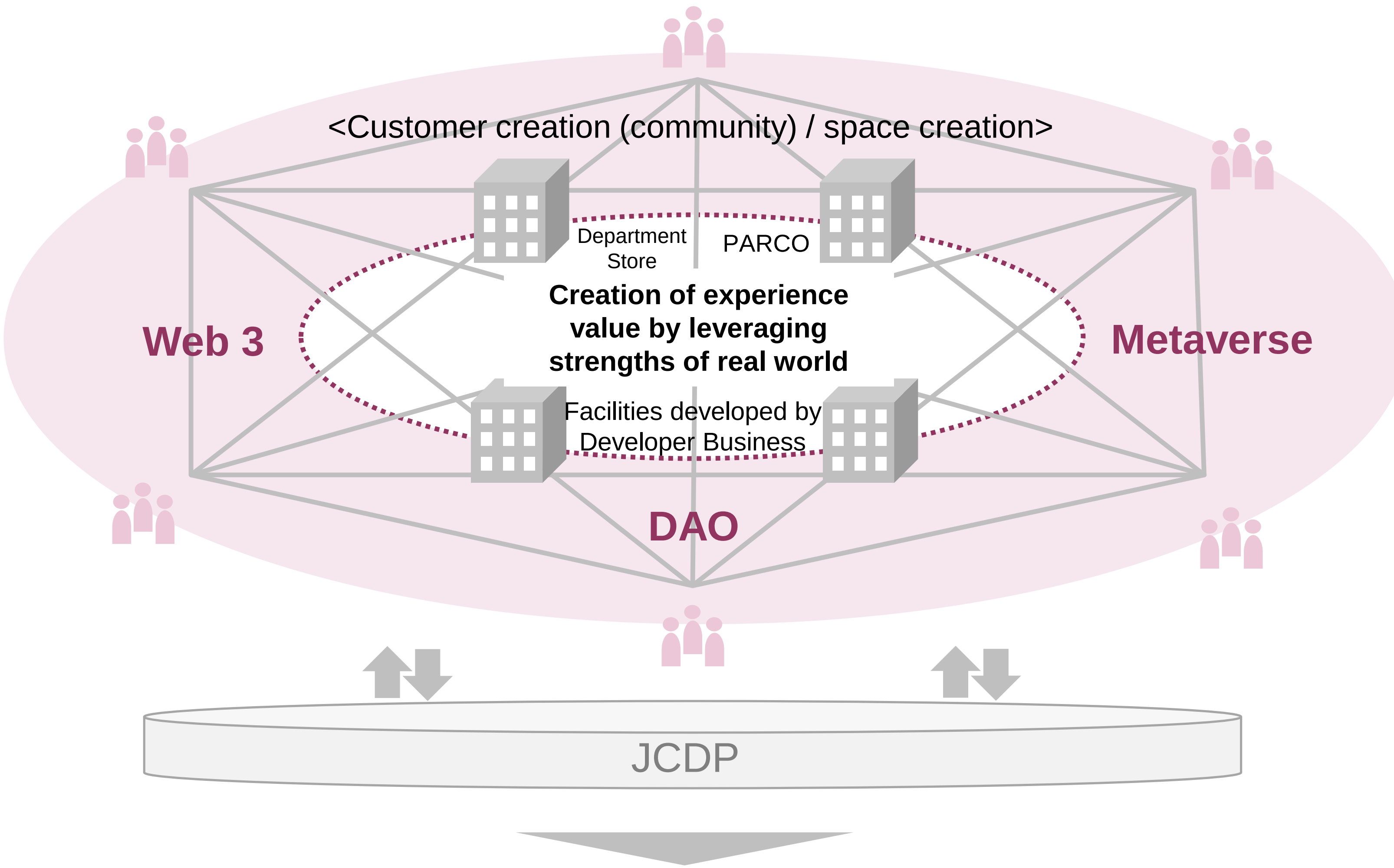
First, started collaborating with startups in the areas of “metaverse/Web 3,” “art,” and “travel”

Members of the Group will participate in a phased manner to foster a movement for change

Exploration of Metaverse/Web 3 Area

J. FRONT RETAILING

Create new spaces using digital technologies at the Group level while leveraging real stores



Also launched in-house projects to promote new business creation

Development of Digital Human Resources

J. FRONT RETAILING

► Launched challenging efforts to develop 1,000 core digital human resources

Digital designer

Data analyst

FY2024		FY2030
100 people	►►►	**1,000** people

Imagine assigning at least one digital human resource
to each division of each Group company

Improve productivity through business innovation and synergy creation
through mutual collaboration

Entry into Esports Business

- Made XENOZ Co., Ltd., which owns the esports team SCARZ, a subsidiary in November last year
- Create new experience value through collaboration with Department Store, Parco, and other Group companies

Photo credit: SCARZ

Acquire a new customer base centered on the Generation MZ

Focus on Mid- to Long-term Growth

J. FRONT RETAILING

Navigate uncertain times and create the future
Enhance portfolio resilience

Innovation of existing businesses + Creation of new businesses

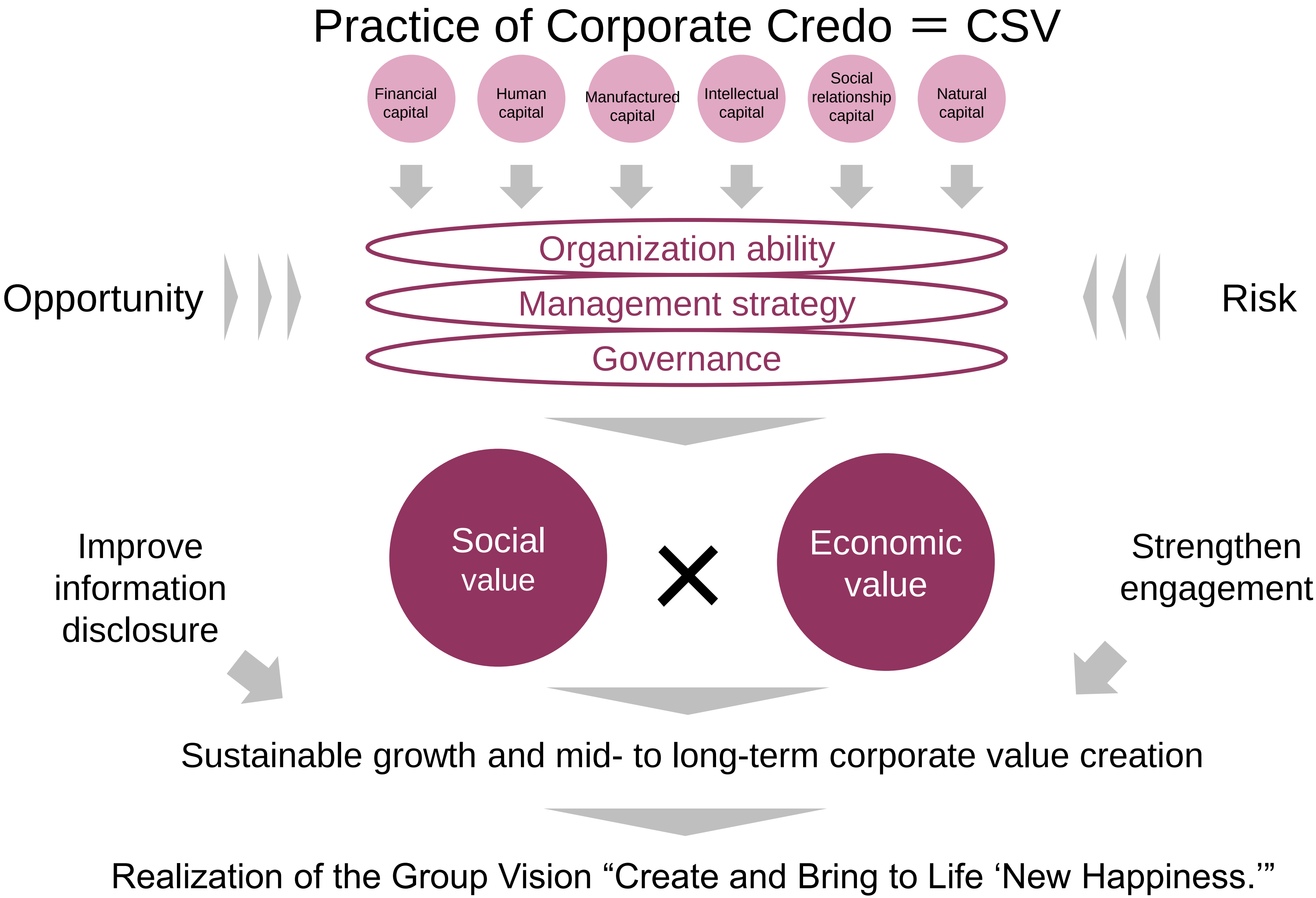
A new approach that is not an extension of the conventional one is essential

=

Create innovation by gathering diverse “wisdom”

“Customer creation in the new era”

Sustainability Management and Value Creation



https://www.j-front-retailing.com

Create and
Bring to Life
“New Happiness.”

J. FRONT RETAILING