

[Translation]

September 27, 2023

To whom it may concern

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### Notice Regarding Share Buyback by Equity Method Associate and Transfer of Shares Resulting in Changes in Equity Method Associate

J. FRONT RETAILING Co., Ltd. (the “Company”) hereby announces that a portion of its holdings of shares in StylingLife Holdings Inc. (“SLH”), an equity method associate of the Company, have been transferred today by means of a share buyback implemented by SLH (the “Share Buyback”), and furthermore that such shares have been transferred to SLH Investment Limited Partnership (the “Share Transfer”).

As a result of the Share Buyback and Share Transfer, SLH will be excluded from its categorization as an equity method associate of the Company.

#### 1. Reasons for implementing the Share Buyback and Share Transfer

In March 2011, the Company made SLH an equity method associate. Since then, the Company has been seeking to generate business synergies with SLH, which has involved developing stores of SLH’s “PLAZA” brand of stores operated by the Company’s Department Store Business and its SC Business, coordinating with the Beauty & Wellness business developed by SLH, striving to develop the Plaza business in Taiwan through joint investment, and sharing expertise through personnel exchanges. The Company accordingly acknowledges that these initiatives have yielded concrete results.

Meanwhile, amid a scenario where the business environment has increasingly been undergoing rapid transformation, the Company has been prompting evolution of existing businesses, including its mainstay Department Store Business and SC Business under its Medium-term Business Plan, which concludes in the fiscal year ending February 29, 2024. The Company has also been expanding business in the non-retail sector, particularly in the Developer Business, with its sights set on transforming its business portfolio, and promoting management structure reforms in part by assessing its operations and assets.

Against this backdrop, the Company explored concerns such as its capital relationship and business partnership with SLH going forward, and recently reached agreement with SLH and SLH Investment Limited Partnership regarding conditions, etc. for the Share Buyback and Share Transfer. As such, shares of SLH held by the Company have been transferred to SLH by means of the Share Buyback, and have been transferred to SLH Investment Limited Partnership by means of the Share Transfer.

The Company deems that the Share Buyback and Share Transfer will enable it to concentrate its management resources on its main businesses and growth fields, with a focus on achieving medium-

and long-term growth looking toward the year 2030. Moreover, for SLH, the Company deems that capital efficiency and corporate value will further improve under the new capital relationship.

Going forward, the Company and SLH intend to maintain the positive relationship built up between the two companies thus far.

## 2. Overview of Share Transfer counterparty (SLH Investment Limited Partnership)

(As of July 7, 2023)

(1)	Name	SLH Investment Limited Partnership	
(2)	Businesses	Acquisition and holding of securities	
(3)	Effective date of the partnership agreement	July 7, 2023	
(4)	Relationships with the Company	Capital relationship	No material relationship; no material relationships among related parties or companies.
		Personnel relationships	No material relationship; no material relationships among related parties or companies.
		Transactional relationship	No material relationship; no material relationships among related parties or companies.
		Status as a related party	SLH Investment Limited Partnership does not fall under the category of related party of the Company; related parties or companies of SLH Investment Limited Partnership do not fall under the category of related party of the Company.

## 3. Overview of equity method associate (StylingLife Holdings Inc.)

(As of June 30, 2023)

(1)	Name	StylingLife Holdings Inc.	
(2)	Headquarters	2-21-1, Kitashinjuku, Shinjuku-ku, Tokyo	
(3)	Representative	Hiroyuki Kitamura, Representative Director and President	
(4)	Businesses	Miscellaneous retail sales, mail-order and online shopping, beauty & wellness	
(5)	Share capital	¥100 million	
(6)	Established	May 17, 2006	
(7)	Major shareholder and shareholding ratio	TBS HOLDINGS, INC.	51%
		J. FRONT RETAILING Co., Ltd.	49%
(8)	Relationships with the Company	Capital relationship	Equity method associate of the Company
		Personnel relationships	The Company and the Company's subsidiaries have dispatched to SLH three Directors and one Audit & Supervisory Board Member. (Note)
		Transactional relationship	SLH's subsidiary operates three establishments in store locations managed by a consolidated subsidiary of the Company, and furthermore engages in business transactions with a consolidated subsidiary of the Company involving export-related operations and quality inspections.
		Status as a related party	SLH is an equity method associate of the Company and falls under a related party of the Company.

(9) Financial position and operating results for the most recent three fiscal years			
(Millions of yen)			
Fiscal year-end	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets	21,498	21,756	23,377
Total assets	37,800	37,203	34,368
Net assets per share	0.14	0.15	0.16
Net sales	38,804	42,343	47,556
Operating profit	118	1,968	2,656
Ordinary profit	4,338	2,175	2,967
Profit	3,145	280	1,762

Note: The Directors and Audit & Supervisory Board Members dispatched to SLH will have resigned from SLH as of September 27, 2023.

#### 4. Number of shares subject to buyback and transfer under the Share Buyback and Share Transfer, and holdings of shares before and after the buyback and transfer

(1)	Number of shares held before the buyback and transfer	73,500 shares (Equity ownership: 49.0%)
(2)	Number of shares subject to buyback and transfer under the Share Buyback and Share Transfer	73,500 shares (Equity ownership: 49.0%)
(3)	Number of shares held after the buyback and transfer	0 shares (Equity ownership 0.0%)

Confidentiality obligations preclude the Company from disclosing information regarding the transfer price of SLH shares subject to the Share Buyback and Share Transfer.

#### 5. Schedule

Date of the Share Buyback and Share Transfer September 27, 2023

#### 6. Future prospects

In the consolidated earnings results for the third quarter of the fiscal year ending February 29, 2024, the Company expects to record an approximately ¥700 million gain on sales associated with the Share Buyback and Share Transfer. This impact has not been factored into the consolidated earnings forecasts for the fiscal year ending February 29, 2024 announced on April 11, 2023.

END

(Reference)

Consolidated earnings forecasts for the fiscal year ending February 29, 2024 (announced on April 11, 2023)

	Gross sales	Sales revenue	Business profit	Operating profit	Profit before tax
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
First six months ended August 31, 2023	533,500	195,500	19,000	18,500	17,500
Fiscal year ending February 29, 2024	1,115,000	413,000	40,000	38,500	36,000

	Profit attributable to owners of parent	Basic earnings per share
	(Millions of yen)	(Yen)
First six months ended August 31, 2023	12,500	47.70
Fiscal year ending February 29, 2024	25,500	97.30