



～ Connect to Renewed Growth ～

Presentation of Results for First Six Months of Fiscal Year Ending February 29, 2024

October 10, 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 H1 FY2023 Results

II. H2/Full FY2023 Forecast

III. Toward Renewed Growth in the Medium to Long Term

Overview of H1 FY2023 Results (IFRS)



Consolidated PL (IFRS)

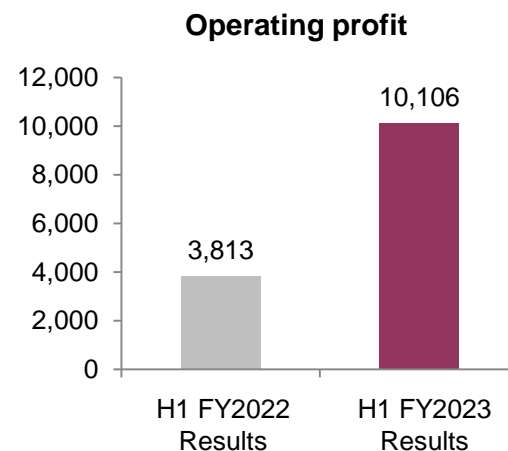
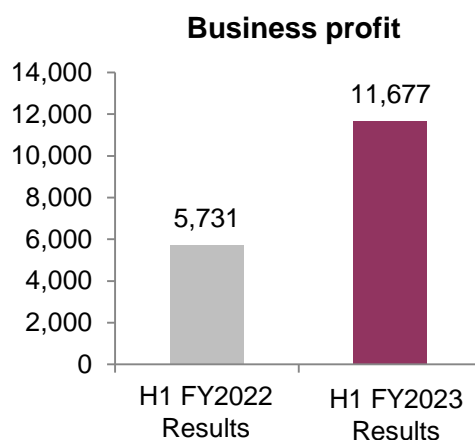
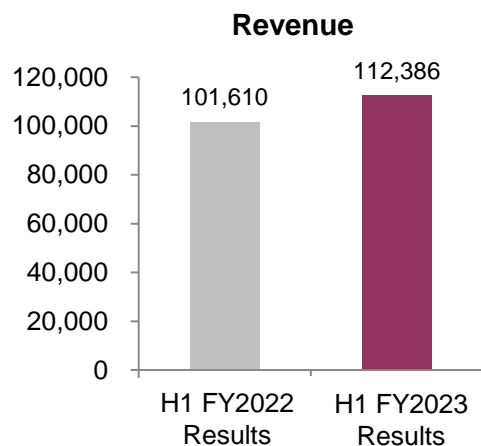
- ▶ Gross sales up, mainly in mainstay Department Store, and business profit up despite unexpected cost increases
- ▶ Despite impairment losses on Shimonoseki Daimaru, operating profit also rose due to gain on sale of fixed assets and other factors
- ▶ Interim dividend of ¥16 yen per share as planned at the beginning of the year, an increase of ¥1 compared to the same period last year

(Millions of yen, unless otherwise stated)

First six months of fiscal year ending February 29, 2024	Q1		Q2		H1		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. April forecast
Gross sales	263,818	16.1	276,313	16.6	540,132	16.4	6,632
Revenue	93,456	14.1	98,177	12.6	191,634	13.3	(3,866)
Gross profit	45,831	13.0	47,550	12.4	93,382	12.7	382
SGA	36,000	7.5	37,185	4.1	73,185	5.7	(815)
Business profit	9,831	39.6	10,365	57.4	20,197	48.2	1,197
Other operating income	1,061	(15.8)	755	(28.7)	1,817	(21.7)	817
Other operating expenses	723	(2.9)	1,606	(18.3)	2,329	(14.1)	829
Operating profit	10,169	34.5	9,514	67.6	19,684	48.7	1,184
Profit attributable to owners of parent	6,397	7.1	6,503	55.5	12,900	27.0	400
Dividend per share (Yen)	—	—	—	—	16	(Yen) 1	0

Segment Performance (1) Department Store (IFRS)

- ▶ Spending, mainly on luxury items, by affluent consumers remained strong and inbound sales further accelerated from Q2
- ▶ Business profit up despite unexpected increase in SGA, but operating profit down due to impairment losses



(Millions of yen, unless otherwise stated)

First six months of fiscal year ending February 29, 2024	Q1		Q2		H1		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Apr forecast
Gross sales	169,692	14.6	179,594	14.3	349,287	14.4	2,187
Revenue	54,161	11.0	58,225	10.3	112,386	10.6	(3,814)
SGA	30,346	6.0	30,789	3.3	61,135	4.7	(465)
Business profit	4,859	83.4	6,817	121.3	11,677	103.8	477
Operating profit	4,504	99.0	5,602	261.3	10,106	165.0	(94)

- ▶ Comparable store sales in H1 were down 1.1% compared to FY2019, up 1.8% in Q2 alone
- ▶ Sales growth of core stores excluding terminal stores all turned positive compared to FY2019 in Q2 alone

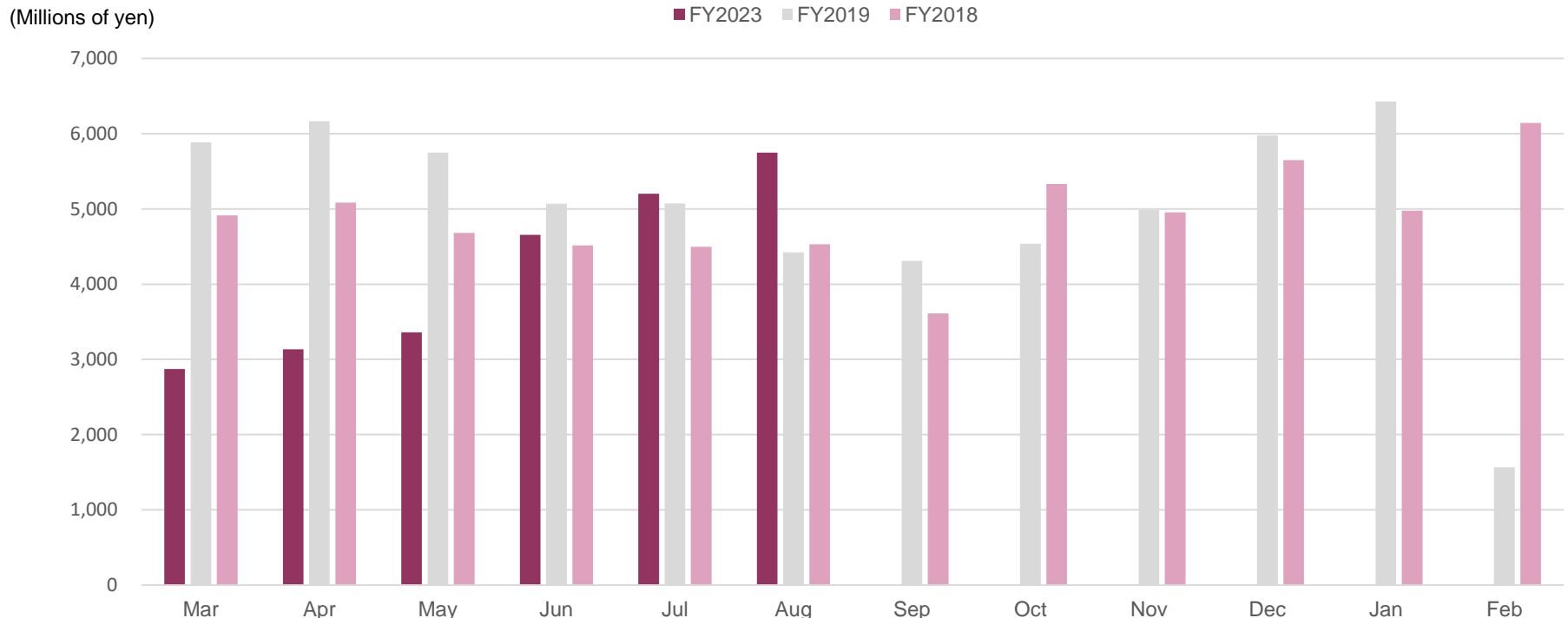
(% change)

First six months of fiscal year ending February 29, 2024	YoY			vs. FY2019			vs. FY2018
	Q1 Results	Q2 Results	H1 Results	Q1 Results	Q2 Results	H1 Results	H1 Results
Shinsaibashi	34.4	35.3	34.9	(12.1)	8.5	(1.9)	5.5
Umeda	20.5	21.9	21.2	(18.0)	(14.9)	(16.4)	(16.5)
Tokyo	35.7	28.9	32.3	(4.9)	(6.2)	(5.5)	(4.1)
Kyoto	15.6	15.1	15.3	(3.1)	0.7	(1.2)	(1.1)
Kobe	8.9	9.6	9.3	14.5	22.6	18.5	14.8
Sapporo	16.4	16.9	16.7	3.6	6.8	5.2	5.6
Nagoya	10.7	8.7	9.6	3.6	7.5	5.6	4.7
Total directly managed stores	16.8	16.4	16.6	(4.0)	1.8	(1.1)	(0.9)

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

- ▶ Inbound sales accelerated further in Q2, exceeding the pre-COVID-19 level from July
- ▶ Driven by tourists from East Asia, including Hong Kong, Taiwan, and South Korea; the number of tourists from mainland China is also gradually increasing

Duty-free sales trends (directly managed stores)

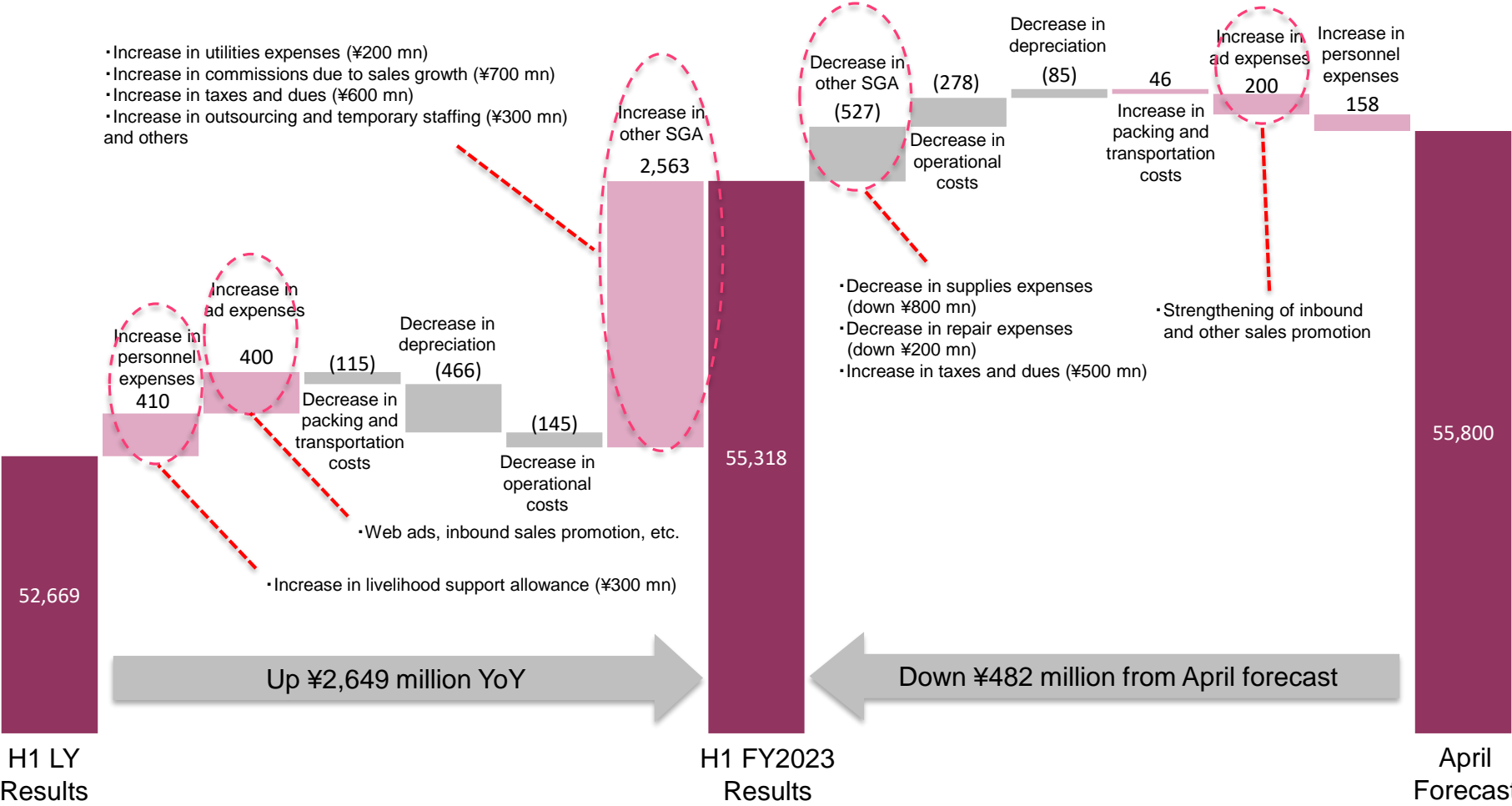


Expect significant growth potential in the future
as direct flights to and from mainland China will be restored



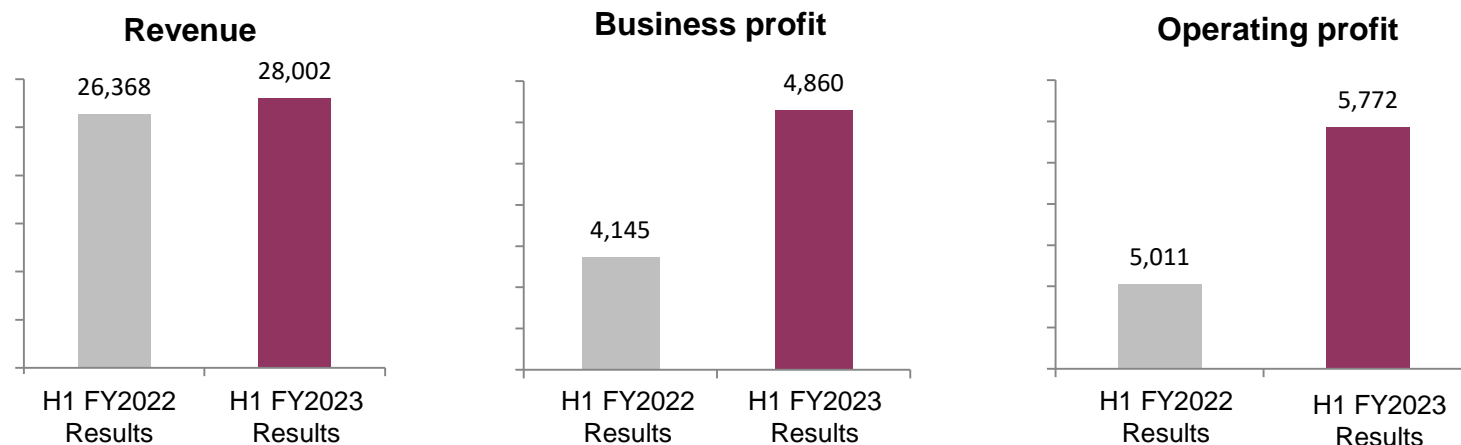
H1 FY2023 SGA analysis

(Millions of yen)



Segment Performance (2) SC Business (IFRS)

- Transaction volume increased due to the effect of core store renovations, growth of inbound sales, and other factors, but commission income did not reach the target
- Business profit rose due to successful cost reductions, and operating profit rose sharply due to gain on sale of fixed assets

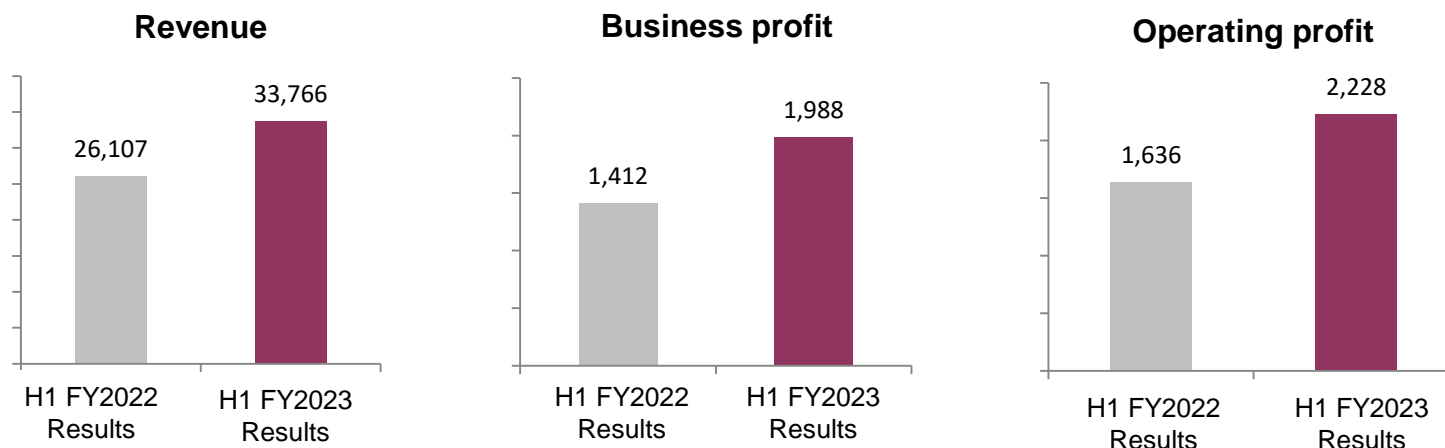


(Millions of yen, unless otherwise stated)

First six months of fiscal year ending February 29, 2024	Q1		Q2		H1		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Apr forecast
Gross sales	69,467	15.4	71,447	19.1	140,915	17.3	1,377
Revenue	14,137	8.3	13,864	4.1	28,002	6.2	(1,594)
SGA	2,252	21.9	2,191	5.3	4,443	13.1	(745)
Business profit	2,484	8.9	2,376	27.5	4,860	17.2	155
Operating profit	3,148	6.6	2,624	27.5	5,772	15.2	1,105

Segment Performance (3) Developer Business (IFRS) J. FRONT RETAILING

- ▶ Sales rose sharply, driven by J. Front Design & Construction, which recorded sales of large properties and did well in interior works of department stores
- ▶ Significant increase in both business profit and operating profit mainly due to the effect of cost control

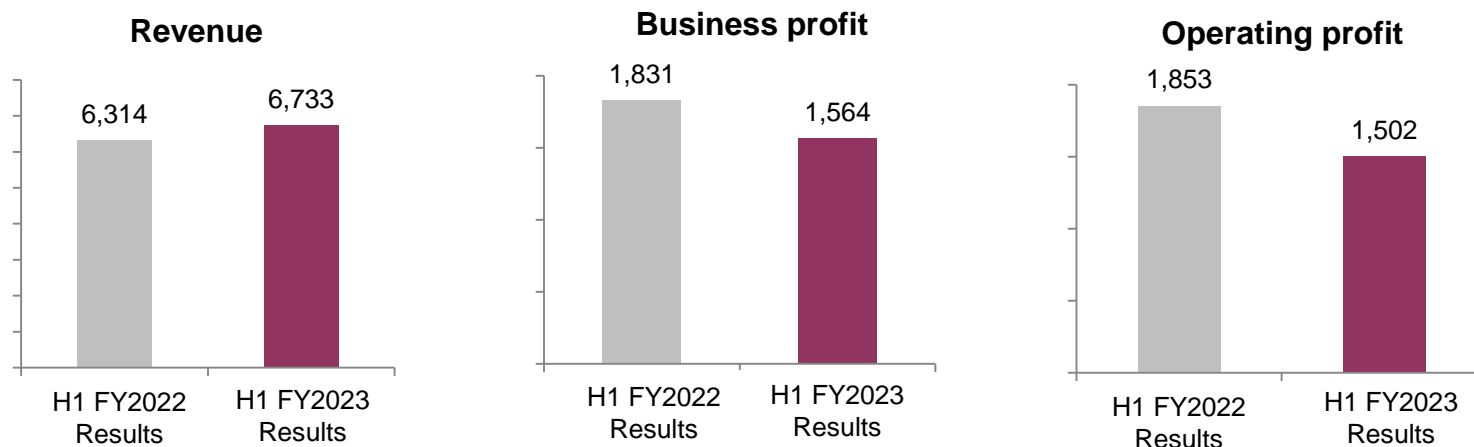


(Millions of yen, unless otherwise stated)

First six months of fiscal year ending February 29, 2024	Q1		Q2		H1		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. April forecast
Gross sales	16,753	27.0	17,012	38.1	33,766	32.4	3,566
Revenue	16,753	24.3	17,012	34.7	33,766	29.3	3,566
SGA	1,797	17.3	1,645	3.9	3,443	10.5	(757)
Business profit	1,384	82.3	603	(7.6)	1,988	40.8	688
Operating profit	1,615	67.8	612	(9.1)	2,228	36.1	518

Segment Performance (4) Payment and Finance Business (IFRS) J.FRONT RETAILING

- ▶ Sales increased due to increase in merchant commissions, but revenue did not reach the target due to revision of point accounting and other factors
- ▶ Profit decreased mainly due to upfront costs to expand business base by consolidating cards within the Group

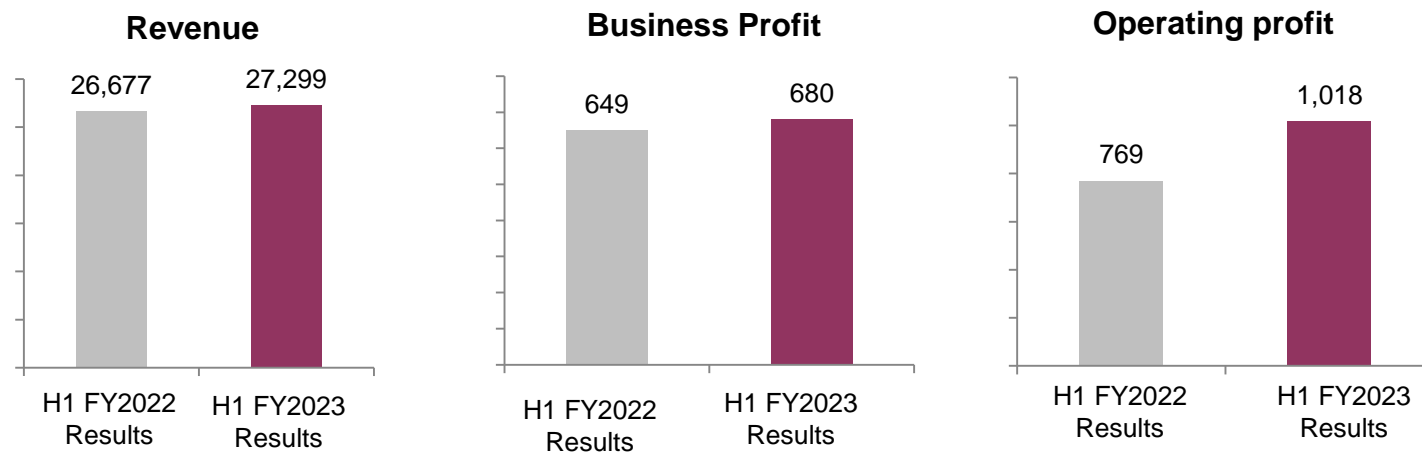


(Millions of yen, unless otherwise stated)

First six months of fiscal year ending February 29, 2024	Q1		Q2		H1		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Apr forecast
Gross sales	3,236	2.6	3,496	10.6	6,733	6.6	(316)
Revenue	3,236	2.6	3,496	10.6	6,733	6.6	(316)
SGA	2,504	16.9	2,663	13.8	5,168	15.3	(6)
Business profit	732	(27.7)	832	1.6	1,564	(14.6)	(311)
Operating profit	686	(33.1)	816	(1.4)	1,502	(18.9)	(363)

Segment Performance (5) Other (IFRS)

▶ Mainstay Daimaru Kogyo increased sales and profit due to strong sales of electronic devices and automobile-related parts



(Millions of yen, unless otherwise stated)

First six months of fiscal year ending February 29, 2024	Q1		Q2		H1		
	Results	YoY %	Results	YoY %	Results	YoY %	vs. Apr forecast
Gross sales	13,732	0.3	14,202	3.7	27,935	2.0	(765)
Revenue	13,420	0.3	13,879	4.3	27,299	2.3	(701)
SGA	4,592	(21.5)	4,446	0.2	9,039	(12.1)	39
Business profit	476	16.8	203	(15.7)	680	4.7	280
Operating profit	703	55.9	315	(1.0)	1,018	32.3	418

Consolidated BS (IFRS)

- ▶ Total assets were ¥1,121.9 billion, an increase of ¥0.9 billion from the end of the previous fiscal year
- ▶ Interest-bearing liabilities (excluding lease liabilities) were ¥239.2 billion, a reduction of ¥9.8 billion from the end of the previous fiscal year
- ▶ Ratio of equity attributable to owners of parent was ¥370.0 billion, an increase of ¥10.6 billion from the end of the previous fiscal year

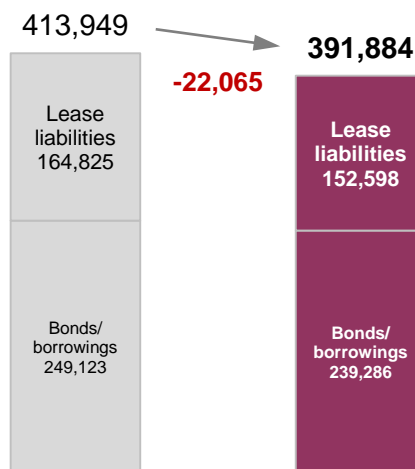
Total assets



Feb 28, 2023

Aug 31, 2023

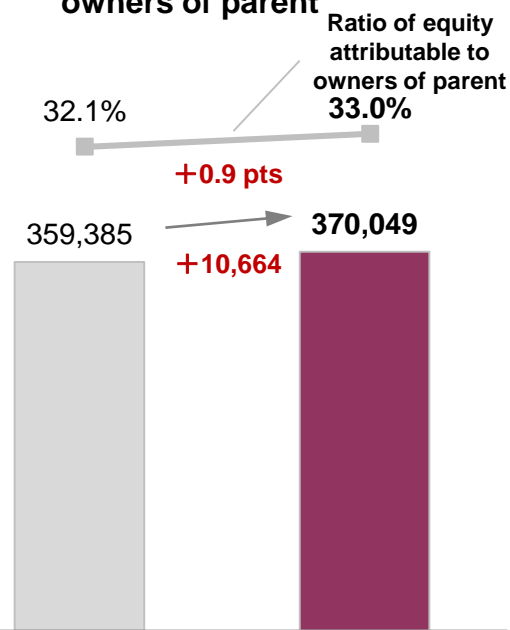
Interest-bearing liabilities



Feb 28, 2023

Aug 31, 2023

Equity attributable to owners of parent

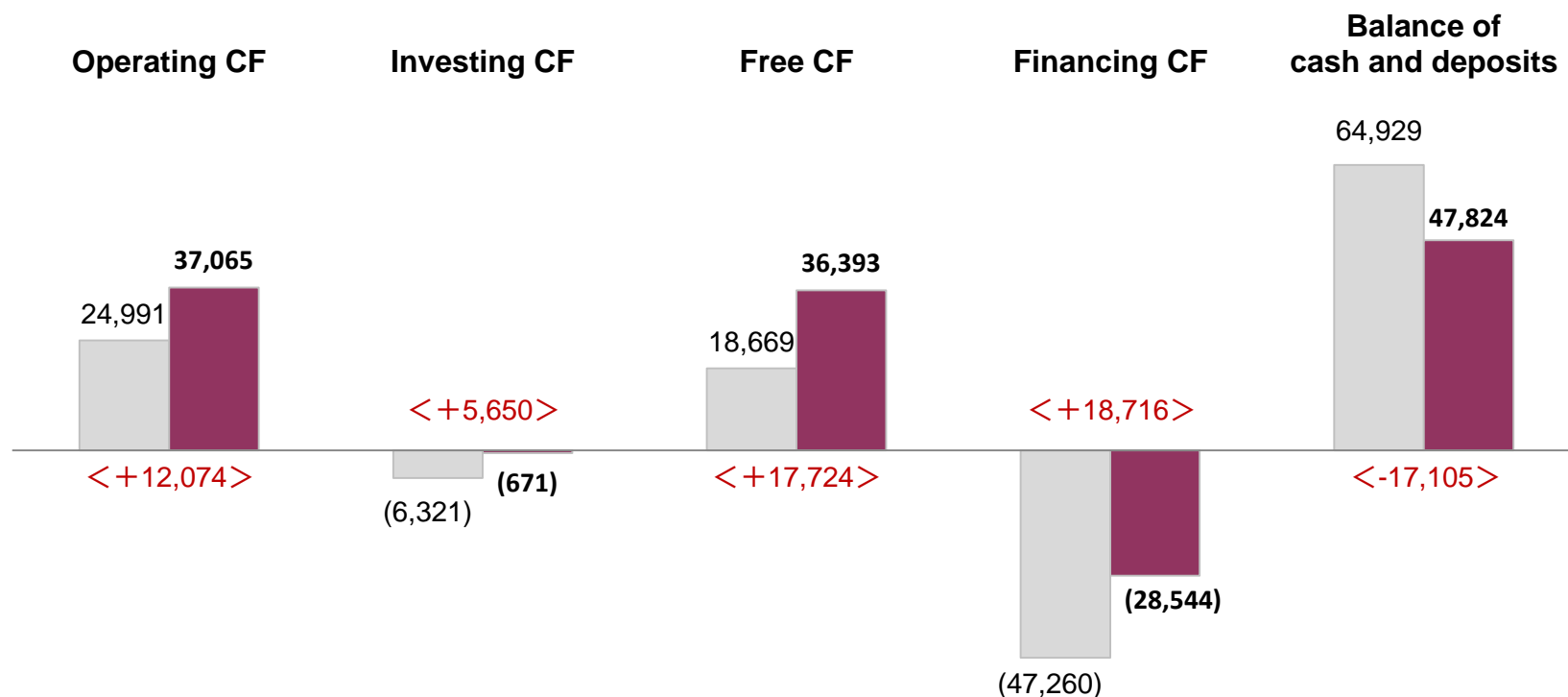


Feb 28, 2023

Aug 31, 2023

Consolidated CF (IFRS)

- ▶ Net cash provided by operating activities was ¥37.0 billion, an increase of ¥12.0 billion from the previous year, mainly due to profit growth
- ▶ Net cash used in investing activities was ¥0.6 billion mainly due to proceeds from sale of assets, despite investments in store renovations, etc.
- ▶ Secured free cash flow of ¥36.3 billion, an increase of ¥17.7 billion from the previous year



Figures in angle brackets represent YoY changes.

■ Results Q2 FY ended Feb 28, 2023

■ Results Q2 FY ending Feb 29, 2024

(Millions of yen)

H2/Full FY2023 Forecast (IFRS)



- +) Favorable employment environment and increased consumer confidence against a backdrop of normalization of economic activity
- +) Spending by inbound tourists has recovered and wealthy consumers continue to spend well mainly due to asset effects
-) Rising resource and energy prices have come to an end, but prices of food and daily necessities are rising
-) The disparity between urban and rural areas is becoming clearer, and the business environment for rural stores is expected to become increasingly severe

Consolidated PL Forecast (IFRS)

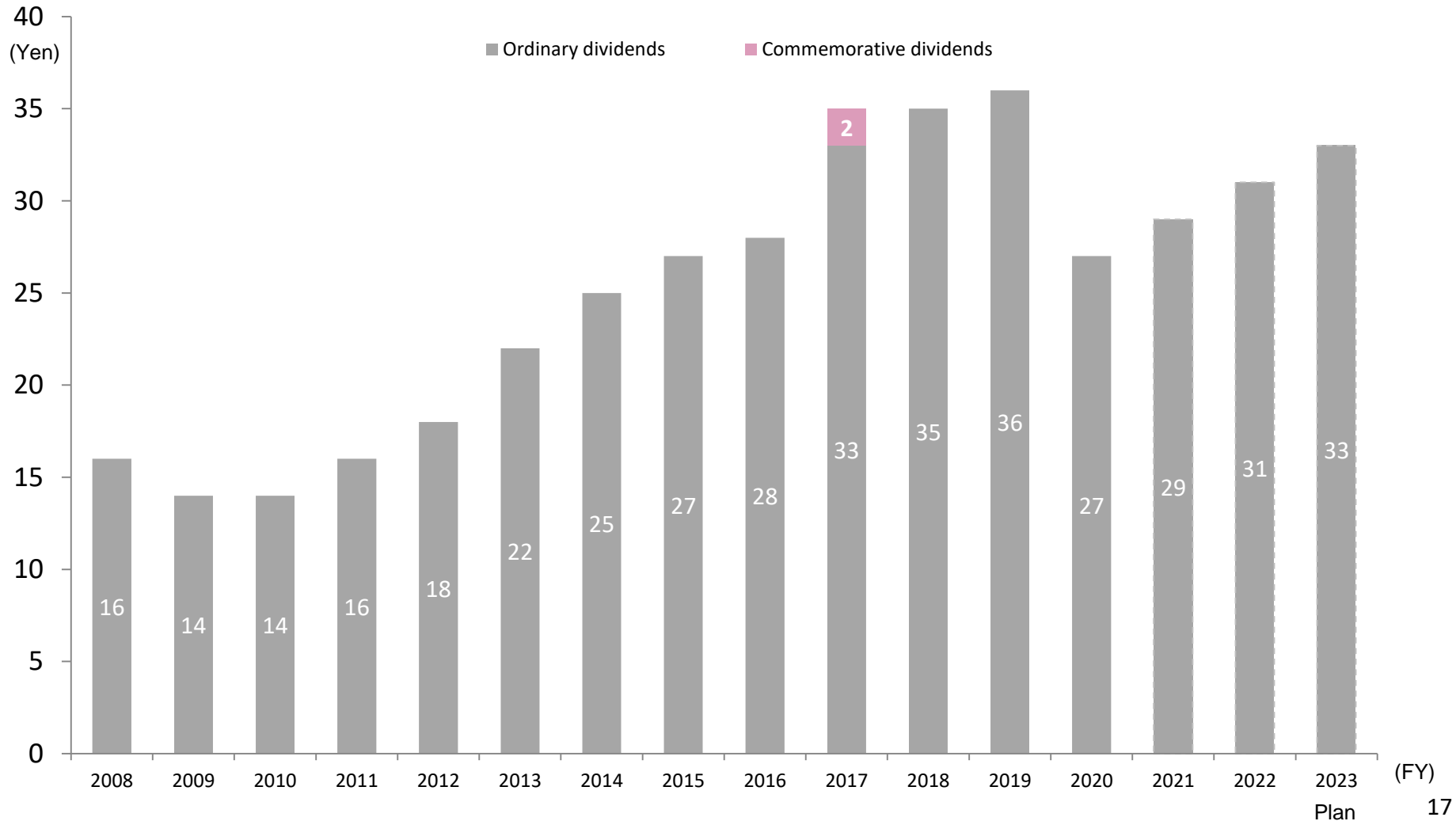
- Strong consumption by wealthy people and mainstay department stores with accelerated spending by inbound tourists will drive performance improvement
- Despite higher utilities expenses and additional restructuring expenses, significant increases are expected and forecast was revised upward at all profit levels
- Year-end dividend of 17 yen per share, an increase of ¥1 per share, and annual dividend of ¥33 per share, an increase of ¥2 per share, combined with the interim dividend, are planned

(Millions of yen, unless otherwise stated)

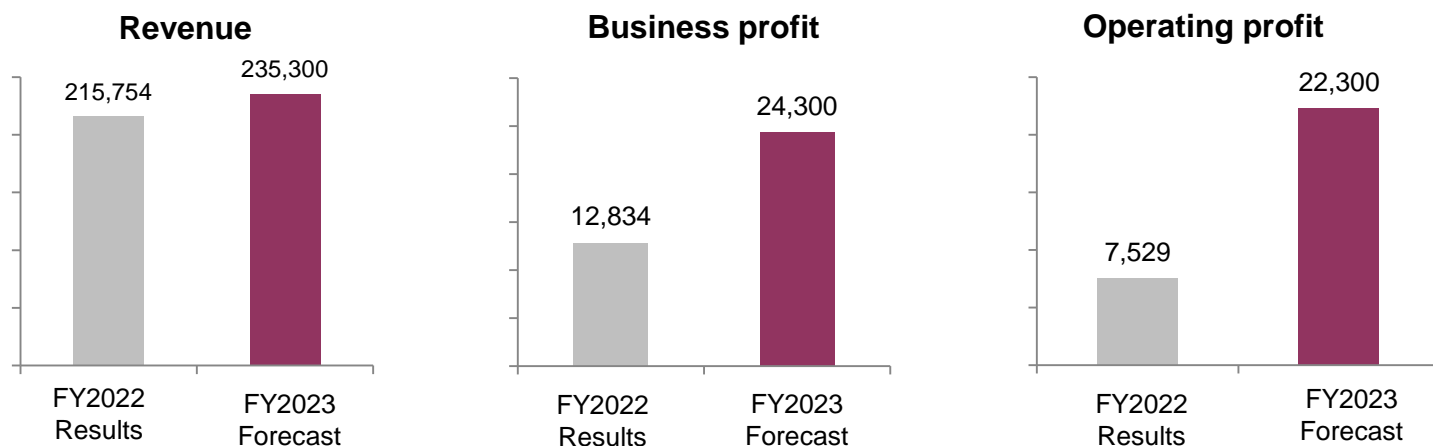
Fiscal year ending February 29, 2024	H2			Full year		
	Forecast	YoY %	vs. April forecast	Forecast	YoY %	vs. April forecast
Gross sales	590,867	10.5	9,367	1,131,000	13.2	16,000
Revenue	213,865	12.2	(3,635)	405,500	12.7	(7,500)
Gross profit	99,117	14.4	(1,383)	192,500	13.5	(1,000)
SGA	76,814	1.8	(2,686)	150,000	3.7	(3,500)
Business profit	22,302	98.7	1,302	42,500	71.0	2,500
Other operating income	1,382	(37.7)	882	3,200	(29.5)	1,700
Other operating expenses	3,370	(55.8)	1,870	5,700	(44.9)	2,700
Operating profit	20,315	249.0	315	40,000	109.9	1,500
Profit attributable to owners of parent	14,099	245.5	1,099	27,000	89.6	1,500
Dividend per share (Yen)	(Year-end) 17	(Yen) 1	0	(Annual) 33	(Yen) 2	0
ROE (%)				7.4	(RD) 3.4	(RD) 0.4
ROIC (%)				4.9	(RD) 2.2	(RD) 0.3

Trends in Dividends per Share

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



- ▶ Spending by affluent consumers on luxury and other items continues to be strong, spending by inbound tourists is expected to accelerate further
- ▶ Profit forecast was revised upward due to significant top-line growth forecast despite lower profit margin due to product mix impact



(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	H2			Full year		
	Forecast	YoY %	vs. April forecast	Forecast	YoY %	vs. April forecast
Gross sales	384,112	8.9	11,212	733,400	11.5	13,400
Revenue	122,913	7.7	(1,787)	235,300	9.1	(5,600)
SGA	65,564	3.0	(136)	126,700	3.8	(600)
Business profit	12,622	77.7	922	24,300	89.3	1,400
Operating profit	12,193	228.2	893	22,300	196.2	800

- ▶ Positive growth is expected in H2 compared to both 2019 and 2018 due to sustained strong spending by affluent consumers and acceleration of spending by inbound tourists
- ▶ In particular, sales are expected to be boosted by inbound sales at Shinsaibashi store and by strengthening luxury items at Sapporo store
- ▶ As for terminal stores, Tokyo store is expected to increase sales compared to FY2019, and Umeda store will consider improvement measures separately

(% change)

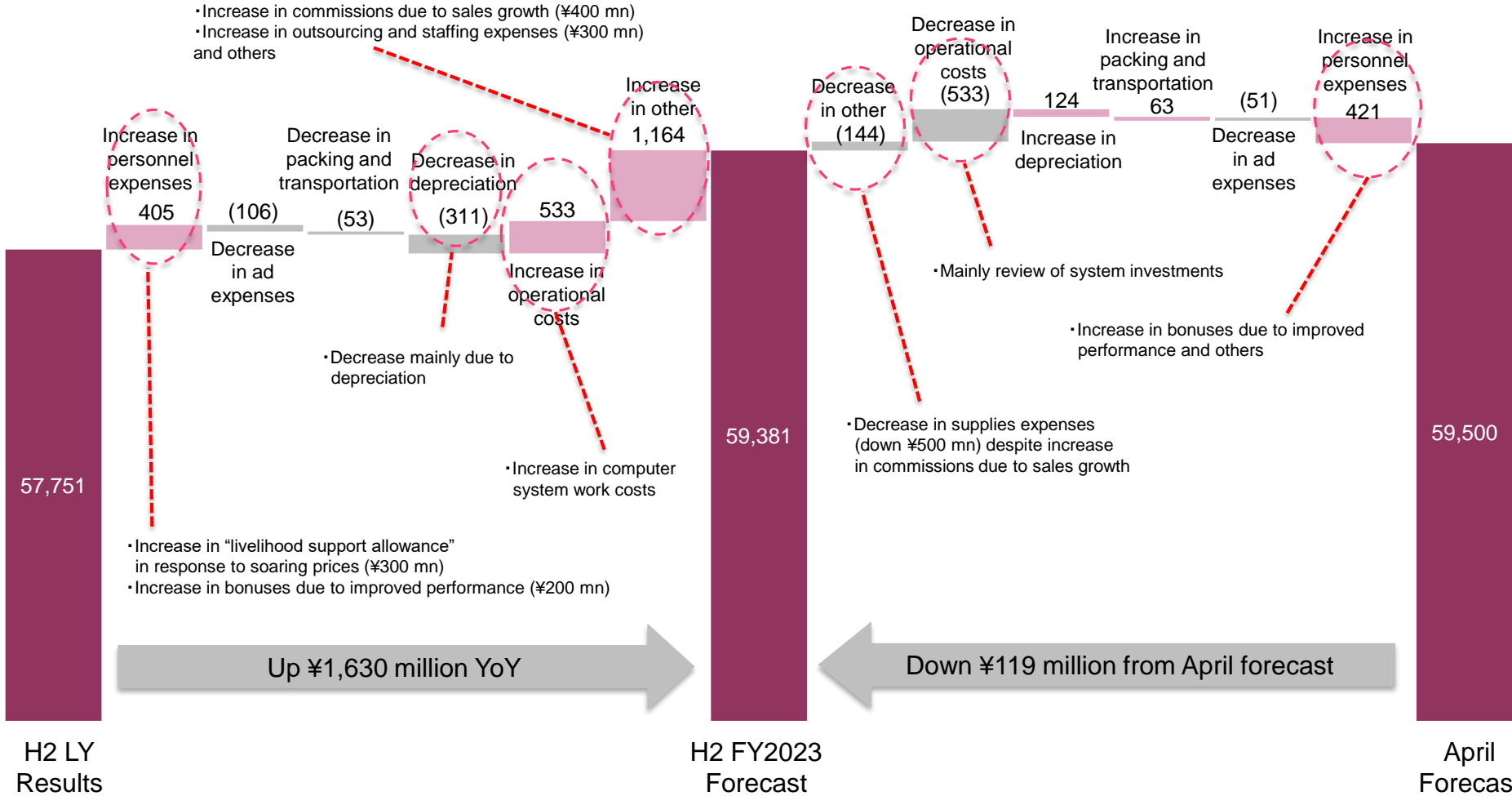
Fiscal year ending February 29, 2024	YoY			vs. FY2019			vs. FY2018
	Q3 Forecast	Q4 Forecast	H2 Forecast	Q3 Forecast	Q4 Forecast	H2 Forecast	H2 Forecast
Shinsaibashi	35.4	24.9	29.7	17.0	36.8	26.5	14.0
Umeda	9.1	5.4	7.0	(14.6)	(12.0)	(13.2)	(17.2)
Tokyo	17.7	4.1	10.1	(1.4)	1.7	0.2	(3.4)
Kyoto	7.8	2.6	5.0	0.3	4.7	2.6	(2.2)
Kobe	7.3	4.4	5.7	17.8	21.2	19.6	12.7
Sapporo	8.7	15.0	12.2	6.8	14.9	11.2	6.5
Nagoya	2.9	0.5	1.6	1.0	13.6	7.4	3.6
Total directly managed stores	11.4	7.1	9.0	2.9	10.3	6.8	0.7

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



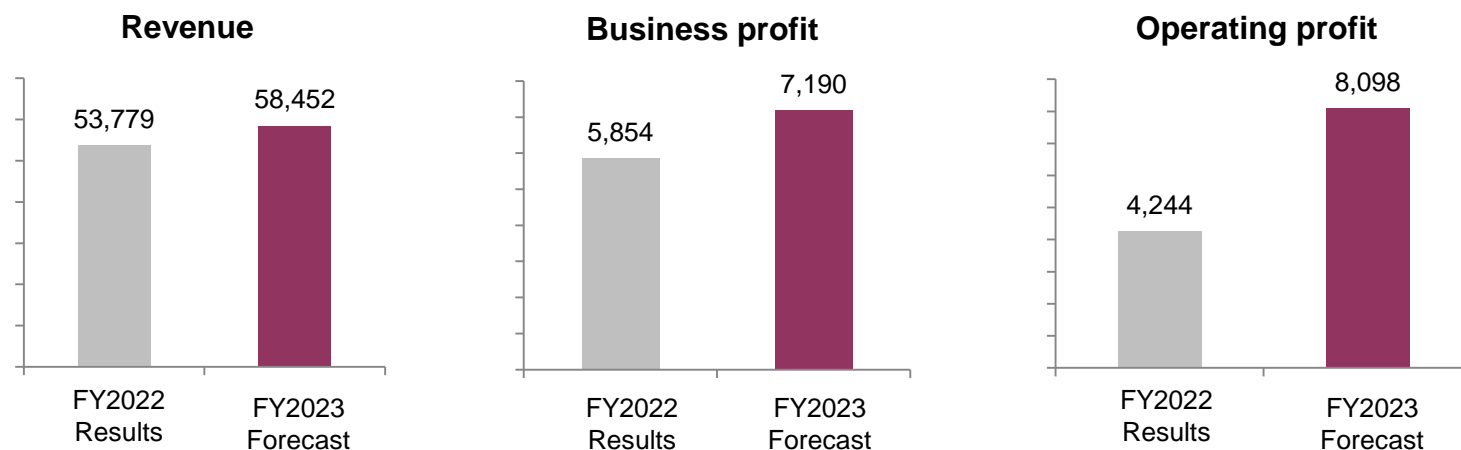
H2 FY2023 SGA analysis

(Millions of yen)



Segment Performance Forecast (2) SC Business (IFRS)

- ▶ Strong performance is expected to continue at urban stores such as Shibuya PARCO and Shinsaibashi PARCO, but recovery at rural stores is expected to be slow
- ▶ Despite cost increase factors such as utilities expenses, increase in profit levels is expected to be almost the same as the increase in H1

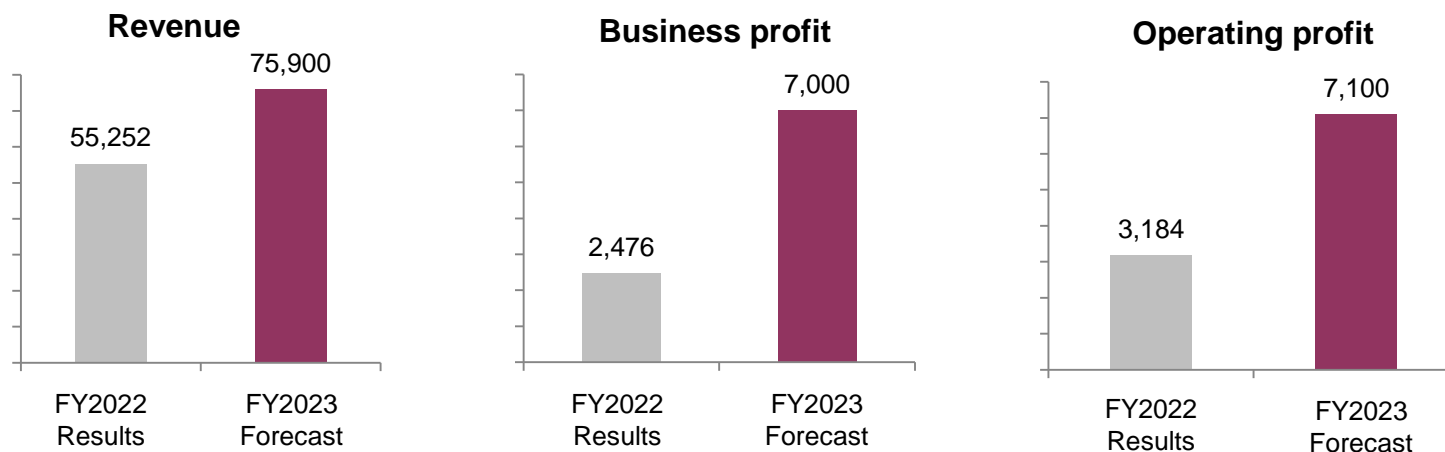


(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	H2			Full year		
	Forecast	YoY %	vs. April forecast	Forecast	YoY %	vs. April forecast
Gross sales	148,382	9.8	(1)	289,297	13.3	1,376
Revenue	30,450	11.1	(1,161)	58,452	8.7	(2,756)
SGA	5,374	23.4	(489)	9,818	18.5	(1,233)
Business profit	2,330	36.4	(4)	7,190	22.8	150
Operating profit	2,326	—	327	8,098	90.8	1,432

Segment Performance Forecast (3) Developer Business (IFRS)

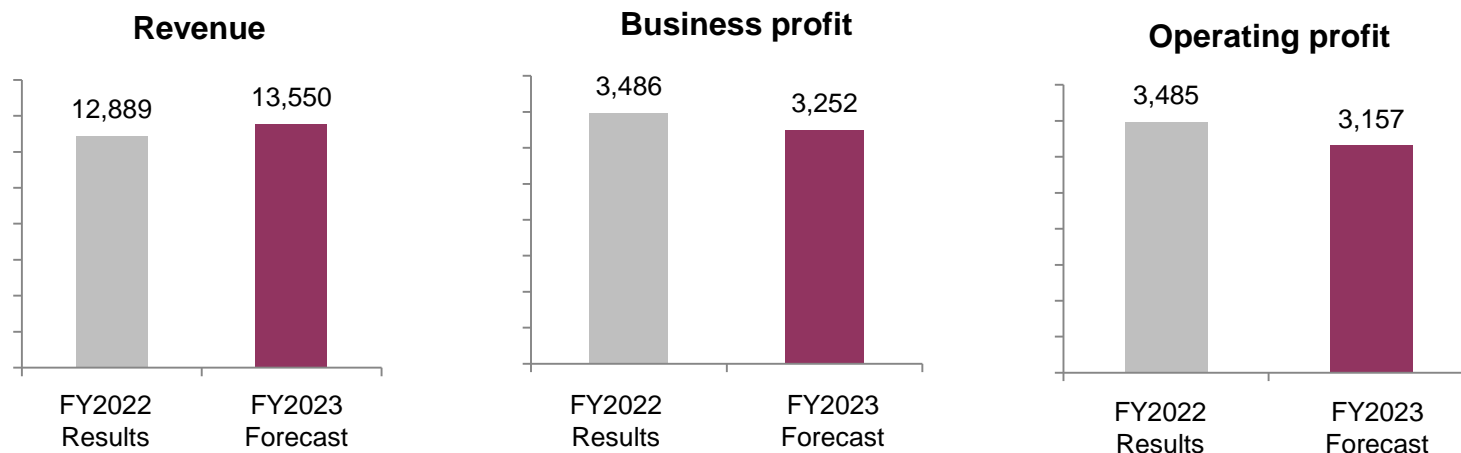
- ▶ Gain on sale of developed properties whose value was increased by J. Front City Development will be recorded in H2 (business profit)
- ▶ Increases in both business profit and operating profit are expected to be almost the same as the increases in H1, and both are expected to increase significantly



(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	H2			Full year		
	Forecast	YoY %	vs. April forecast	Forecast	YoY %	vs. April forecast
Gross sales	42,133	47.7	(267)	75,900	40.5	3,300
Revenue	42,133	44.6	(267)	75,900	37.4	3,300
SGA	3,556	9.5	(444)	7,000	10.0	(1,200)
Business profit	5,011	370.8	(89)	7,000	182.6	600
Operating profit	4,871	214.7	(29)	7,100	122.9	490

- ▶ Expect an increase in commission income, etc. due to higher transaction volume at department stores and external merchants
- ▶ Even though upfront costs will be incurred to expand the business base, profit forecast in April is expected to be achieved in H2 alone

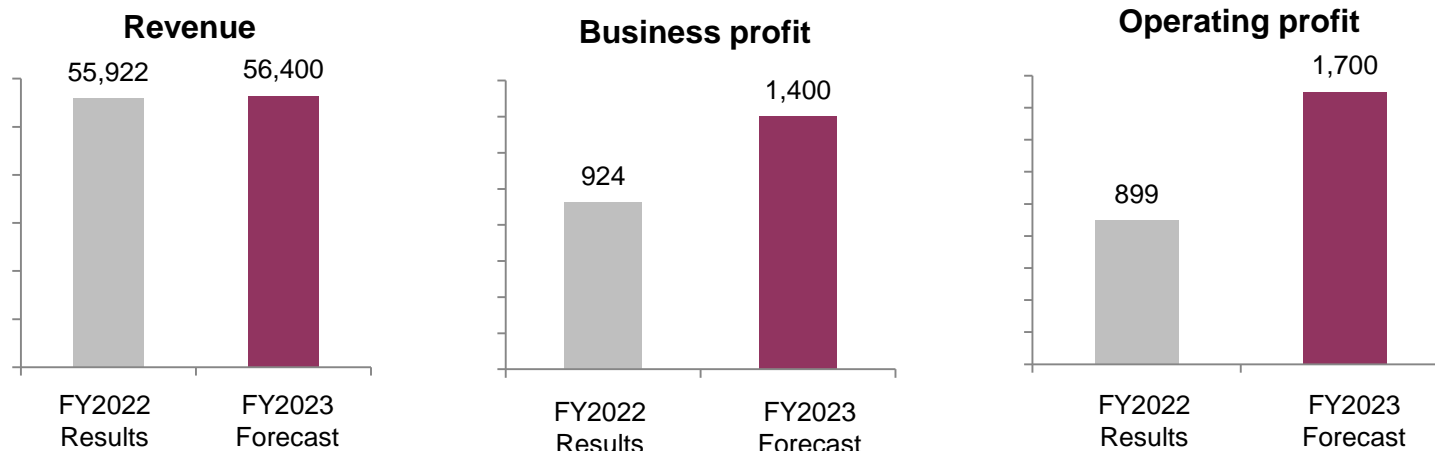


(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	H2			Full year		
	Forecast	YoY %	vs. April forecast	Forecast	YoY %	vs. April forecast
Gross sales	6,817	3.7	(452)	13,550	5.1	(768)
Revenue	6,817	3.7	(452)	13,550	5.1	(768)
SGA	5,129	4.2	(468)	10,297	9.5	(474)
Business profit	1,688	2.0	16	3,252	(6.7)	(295)
Operating profit	1,655	1.4	0	3,157	(9.4)	(363)

Segment Performance Forecast (5) Other (IFRS)

▶ Profitability is expected to improve significantly at mainstay Daimaru Kogyo, both business profit and operating profit are expected to increase sharply



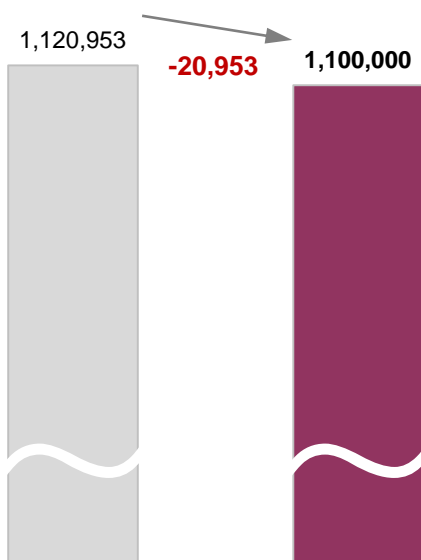
(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	H2			Full year		
	Forecast	YoY %	vs. April forecast	Forecast	YoY %	vs. April forecast
Gross sales	29,764	(0.7)	64	57,700	0.6	(700)
Revenue	29,100	(0.5)	100	56,400	0.9	(600)
SGA	9,560	1.2	(40)	18,600	(5.7)	0
Business profit	719	161.4	(81)	1,400	51.4	200
Operating profit	681	424.8	(19)	1,700	88.9	400

Consolidated BS Forecast (IFRS)

- ▶ Total assets are expected to be ¥1,100.0 billion, a decrease of ¥20.9 billion from the end of the previous fiscal year
- ▶ Interest-bearing liabilities (excluding lease liabilities) are expected to be ¥215.0 billion, a reduction of ¥34.1 billion from the end of the previous fiscal year
- ▶ Ratio of equity attributable to owners of parent is expected to be 34.1%, a 2.0-point improvement from the end of the previous fiscal year

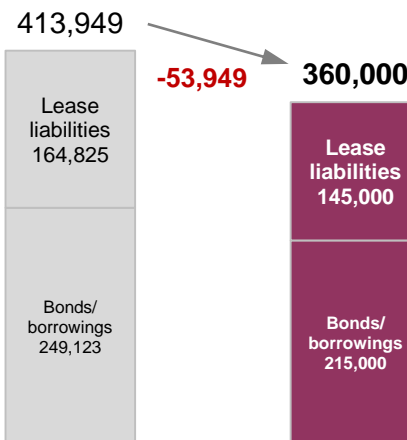
Total assets



Feb 28, 2023

Feb 29, 2024
(Forecast)

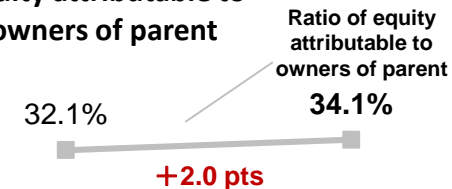
Interest-bearing liabilities



Feb 28, 2023

Feb 29, 2024
(Forecast)

Equity attributable to owners of parent



359,385

+15,615

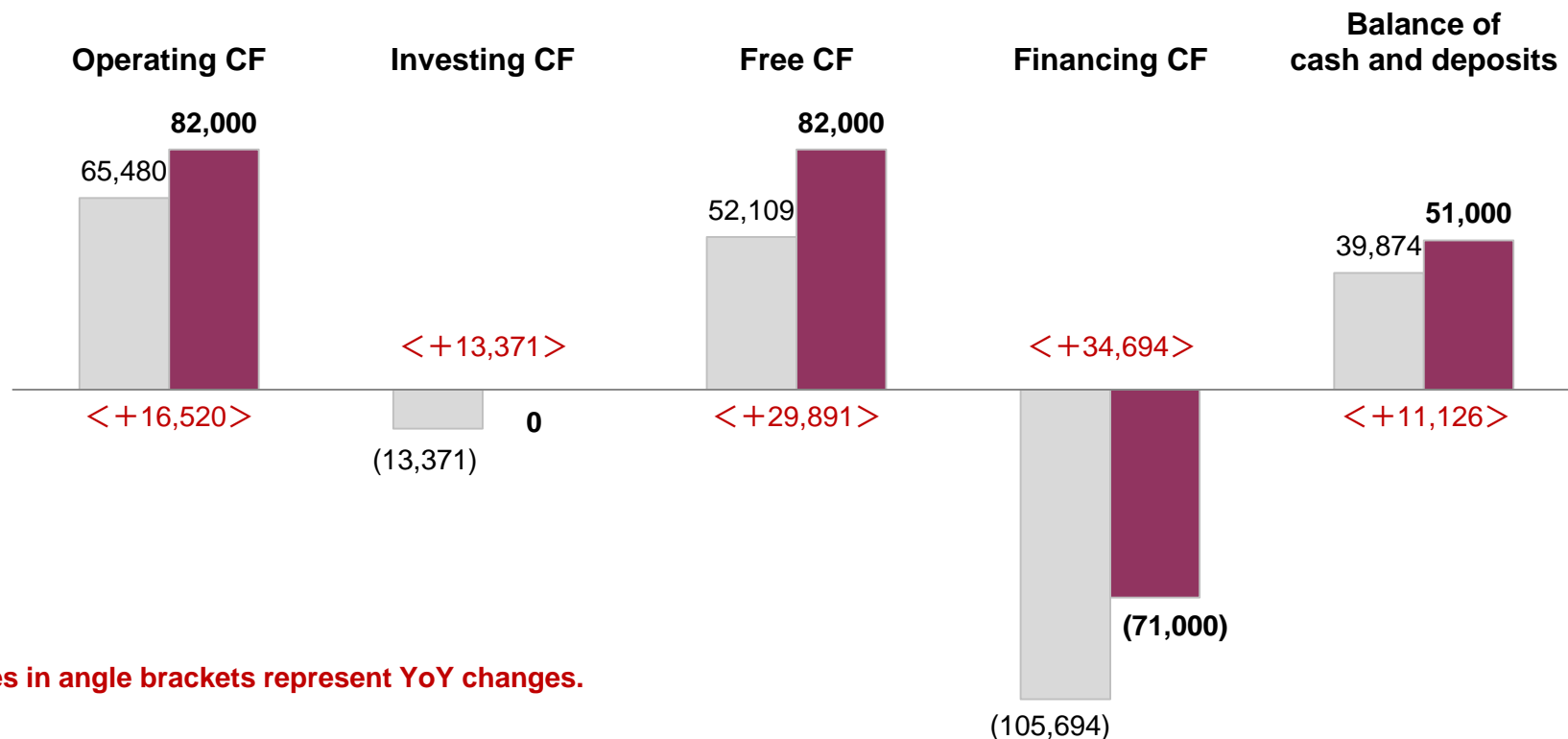
Feb 28, 2023

375,000

Feb 29, 2024
(Forecast)

Consolidated CF Forecast (IFRS)

- ▶ Net cash provided by operating activities is expected to be ¥82.0 billion, with increased profit and proceeds from asset sale planned in the Developer Business
- ▶ Net cash used in and provided by investing activities is expected to be the same mainly due to proceeds from sale of shares of SLH, despite investments in store renovations, etc.
- ▶ Free cash flow is expected to be ¥82.0 billion, an increase of ¥29.8 billion from the previous year



Figures in angle brackets represent YoY changes.

■ Results FY ended Feb 28, 2023

■ Forecast FY ending Feb 29, 2024

(Millions of yen)

Toward Renewed Growth in the Medium to Long Term



1) Real × Digital Strategy

- No. of Department Store app users: 1.77 mn (Feb 28, 2023)
- Department Store app sales: ¥237.1 bn (FY2022)
- GINZA SIX achieved record transaction volume (FY2022)
- Full operation of Shibuya PARCO and Shinsaibashi PARCO
- Launched AnotherADdress (Mar 2021)
- Created new content such as asumise, ARToVILLA, DEPACO, and Raku-Rich

2) Prime Life Strategy

- Department Store gaisho sales: ¥188.4 billion (FY2022)
- Share of young affluent customers in gaisho: 29.5% (FY2022)
- Department Store luxury item sales: +52.8% (vs. FY2019)
- Started to consolidate cards within the Group

3) Developer Strategy

- Established a new company J. Front City Development
(Mar 2023)
- Created CRE Strategy Unit (Mar 2023)
- "Nishiki 3-chome District 25 Project (tentative name)" (2026)
- "Shinsaibashi Project (tentative name)" (2026)
- "Tenjin 2-chome South Block Station-Front East-West Area Project (tentative name)" (2030)

4) Restructuring

- Reduction of fixed costs ⇒ ¥10.4 bn
(total FY2021-FY2022)
- Transferred shares of Neuve A (Jun 2021)
- Partially transferred shares of Dimples' (Feb 2022)
- Tsudanuma PARCO closed (Feb 28, 2023)
- Shintokorozawa PARCO will close (Feb 29, 2024)
- Matsumoto PARCO will close (Feb 28, 2025)
- Transferred shares of StylingLife Holdings (Sep 2023)

5) Alliance, M&A

- Acquired a 50.8% stake in XENOS (Nov 2022)
- Invested in Financie (Apr 2023)
- Invested in QON (Apr 2023)

6) Human capital

- Established a CVC fund (Oct 2022)
- Launched the Digital Human Resource Development Program (Dec 2022)
- Strengthen recruitment of professional human resources from outside the Group

Potential for creating the Group synergies



Points

- ▶ Daimaru Shinsaibashi Store:
Transaction volume already exceeded the FY2019 level
- ▶ Shinsaibashi PARCO:
Significantly exceeded the plan made at the time of opening
- ▶ Mutual inflow of customers
- ▶ Increase in average spend per customer

Deeply explore seven city areas where department stores and PARCO are adjacent or in close proximity to each other

Potential for new value creation and access to young affluent consumers



Points

- ▶ Record high transaction volume in FY2022
- ▶ Half of transaction volume comes from customers in their 20s to 30s
- ▶ Strong support from young affluent consumers
- ▶ Exclusive experience value through art and digital technology

Pursue potential for the Group through customer fact analysis

Potential as global content



Points

- ▶ Share of inbound tourists in transaction volume is about 30%
- ▶ Discovers globally applicable content
- ▶ Established a unique position with strengths in fashion, culture, and entertainment

Pursue expansion of trade area from Japan to global markets

Potential for creating new businesses



Points

- ▶ Launched in Mar 2021
- ▶ Developed new markets without cannibalization with department stores
- ▶ Sustainability-oriented business model resonates well with customers

Deepen and expand retail domain through new businesses

Aggressive strategic investment based on sound BS
with a focus on “growth”



Core businesses = Deepening and growth of retail

Build a foundation for growth for
Developer Business and Payment and Finance Business

Human capital investment

Pursue growth and profitability through ROIC by business

Strengthen store competitiveness

▶ Large-scale renovation of Matsuzakaya Nagoya Store (typical example)

Points

- ✓ Overwhelmingly enhanced services to gaisho customers (affluent consumers)
- ✓ Rebuilt fashion & lifestyle zone (including accommodating the next generation of affluent consumers)
- ✓ Sales organization and human resource restructuring
- ✓ Strengthened relations with adjacent PARCO

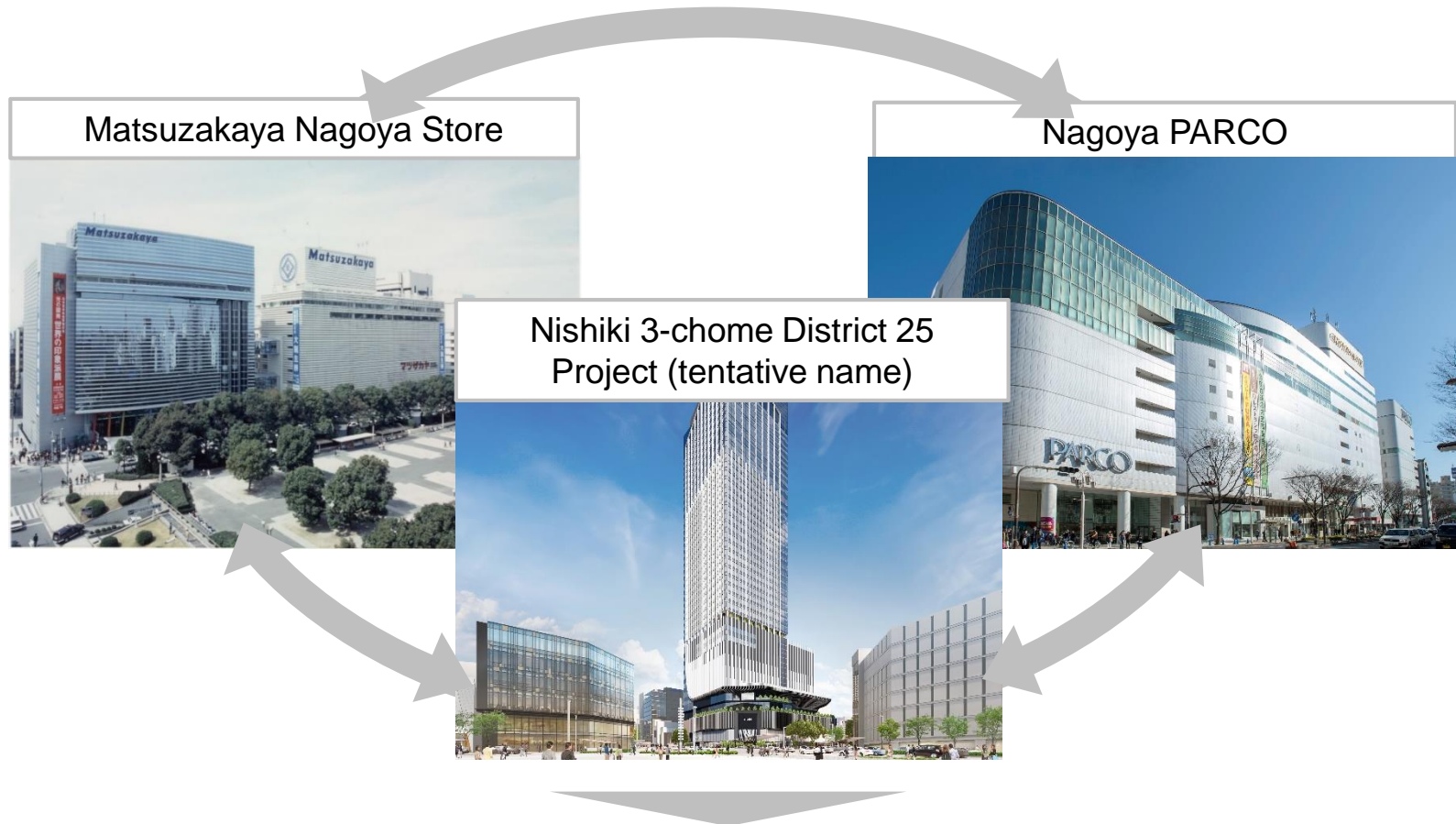


Make strong stores stronger

Both Department Store and Parco make strategic investments with a focus on core stores

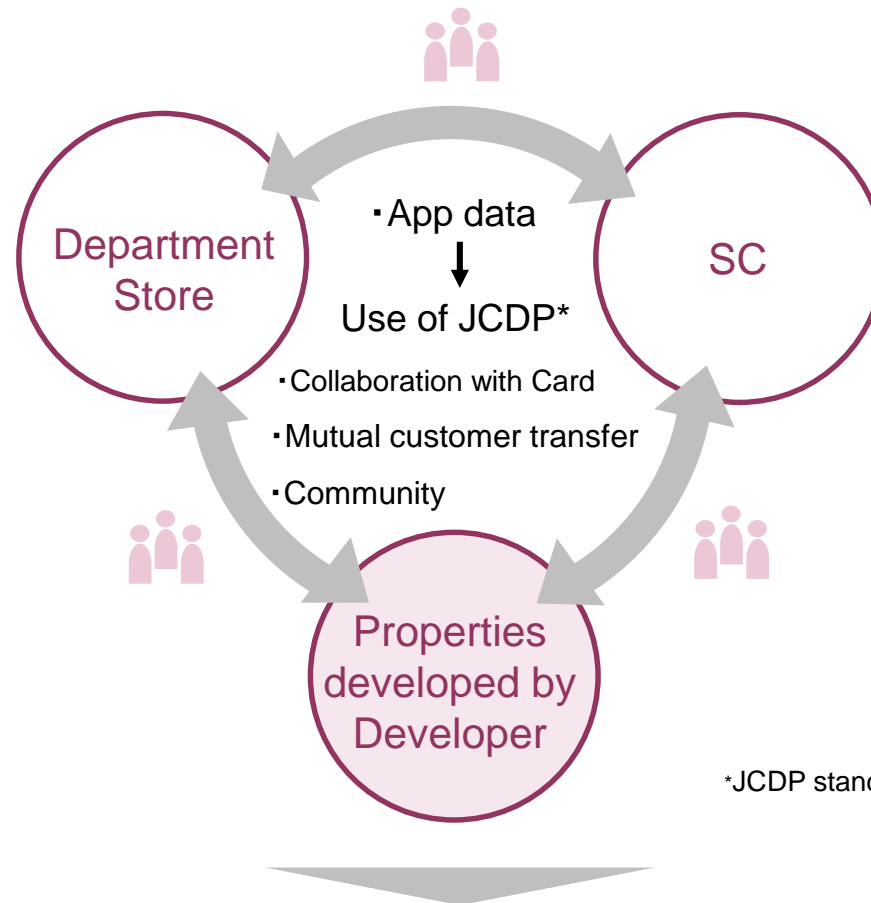
Strengthen area competitiveness

Example of the “Nagoya area”



Further add synergies with Developer Business and Payment and Finance Business on the premise of strengthening store competitiveness

Strengthen “store competitiveness” × “area competitiveness”



*JCDP stands for JFR Customer Data Platform

Gradually materialize the Group growth stories in seven key cities

(Sapporo, Tokyo, Nagoya, Osaka, Kobe, Kyoto, Fukuoka)

Initiatives for overseas markets

Overseas strategy \neq Overseas store opening

How to approach overseas “customers”



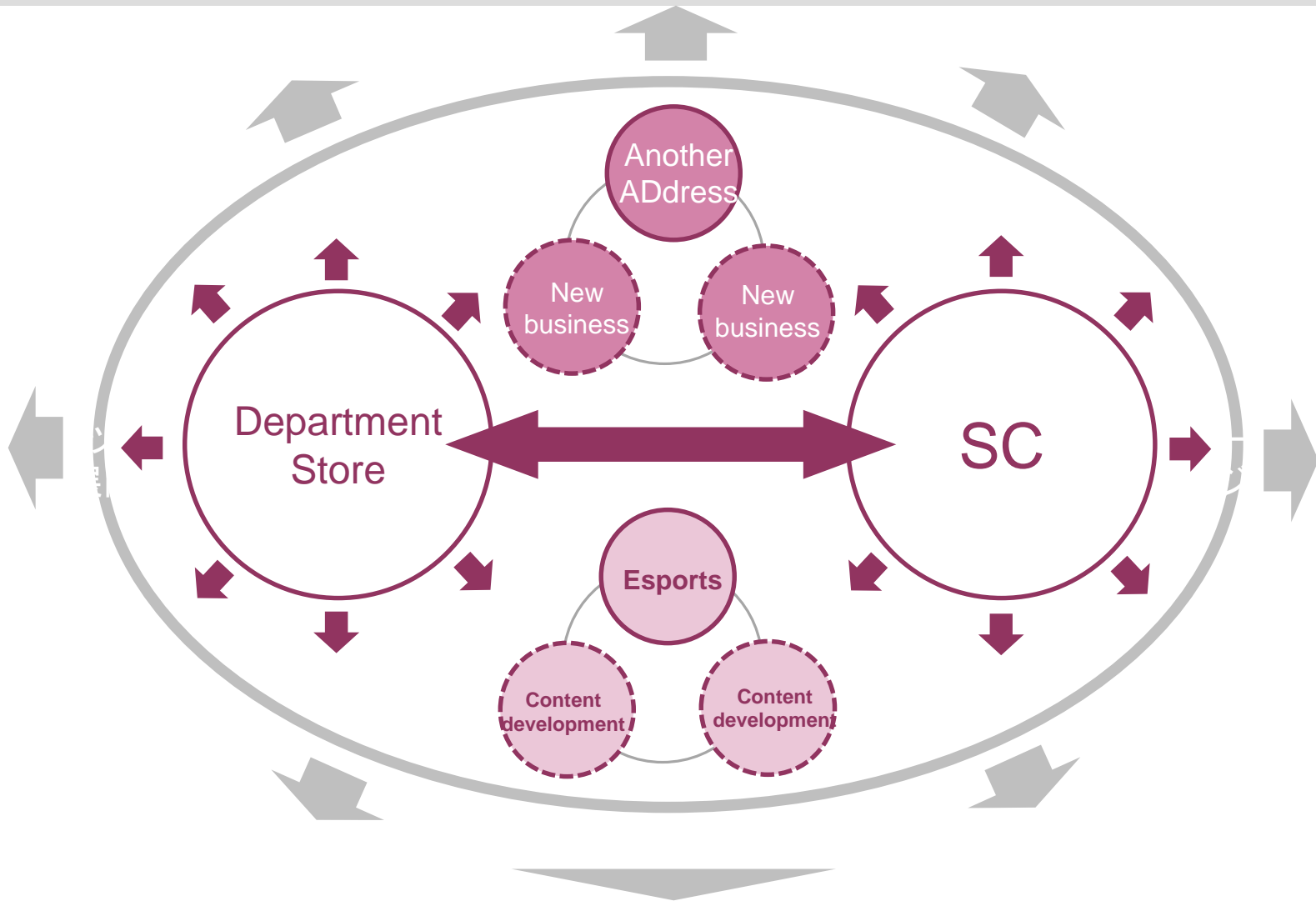
“Expansion of trade area”

Created a new section in charge of Overseas Business Strategy in the Management Strategy Unit of the holding company on September 1 this year

Main direction of initiatives

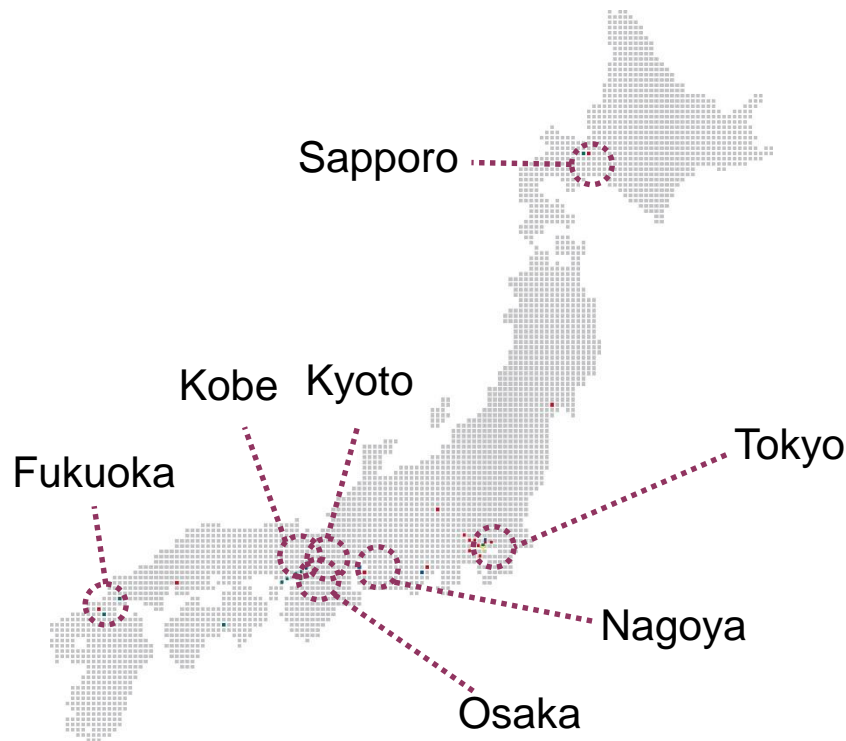
- Promote R&D projects with Central Group in Thailand
- Explore and materialize the possibility of entering overseas markets
- Spread globally and monetize Japanese culture and content

Promote new customer creation under collaboration between the holding company and operating companies



Redefine retail as a core business that creates new value unique to the Group

Reconstruction of core facilities in seven major cities in Japan



< Major pipelines announced >

- "Shinsaibashi Project (tentative name)" (2026)
- "Nishiki 3-chome District 25 Project (tentative name)" (2026)
- "Tenjin 2-chome South Block Station-Front East-West Area Project (tentative name)" (2030)



Steady investment in development
for dramatic medium- to long-term growth

Expansion of card customer base



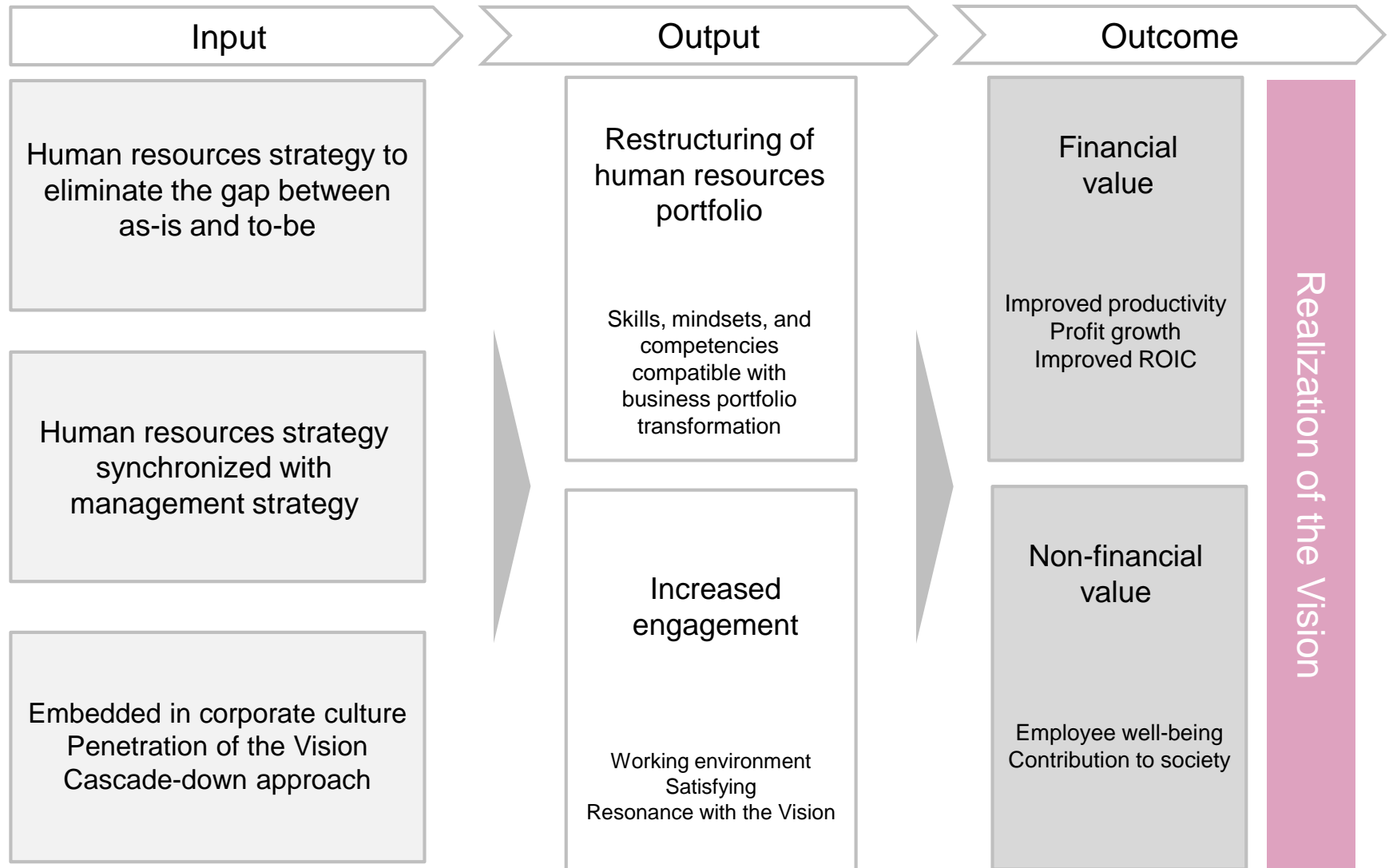
Consolidate cards within the Group

Strengthen collaboration with department stores and shopping centers according to area characteristics



Steadily build a solid customer base for medium- to long-term growth

Investment in human capital



Innovative human resource development

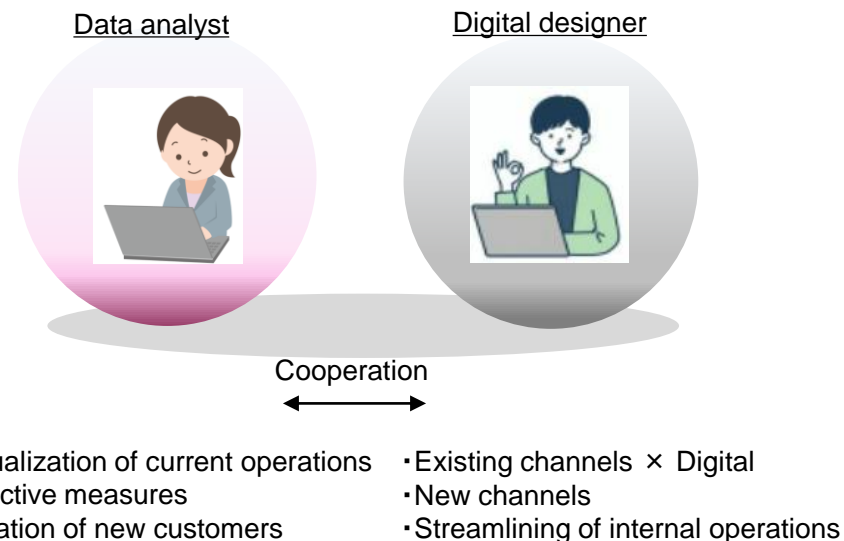
Use of CVC fund

- ✓ Provide opportunities for “external contacts and exchanges,” “knowledge and know-how,” and “dissemination and sharing of information” through CVC
- ✓ Contact with **4,800** employees and produce 200 employees who lead change (FY2030)



Development of digital human resources

- ✓ 100 core human resources in major divisions (FY2024), 1,000 in all divisions (FY2030)
- ✓ Problem solving with practicality and agility using digital technology



Pursue future financial returns through steady investment in “people” based on synchronization of management strategy and human resources strategy



Full-scale introduction of ROIC by business

WACC

Department Store	5%
SC	4.5%
Developer	4%
Payment and Finance	3%
New business	WACC of new business (around 8 - 10%)
▼	
Consolidated	4.0 - 4.5%



Aim for consolidated ROIC of 5% or more by increasing the spread in each business

Determine optimal investment allocation based on ROIC by business



Pursue a desirable level of return on investment for each business

Realize ROE of 8% or more

{ The Company's recognition }

- ✓ Cost of shareholders' equity 6 - 7%
- ✓ WACC (capital cost) 4 - 4.5%

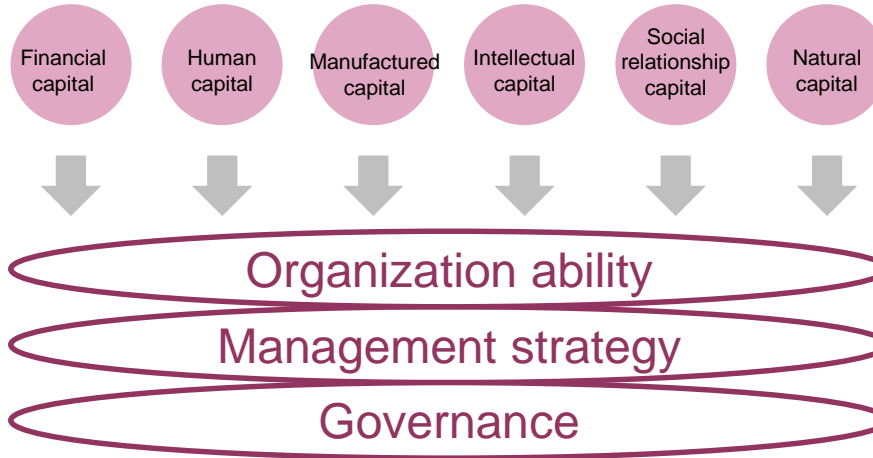


Implement cash allocation based on the balance between growth investment and appropriate returns



Achieve ROE of 8% or more at an early stage as a milestone to achieve ROE of 10% or more in the medium to long term

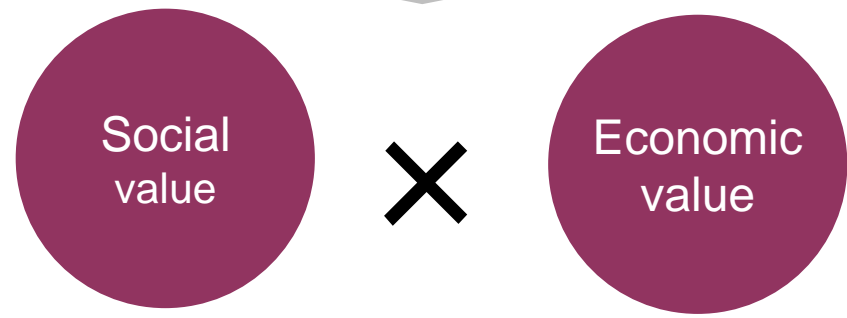
Practice of Corporate Credo = CSV



Opportunity >>>

<<< Risk

Improve information disclosure



Strengthen engagement



Sustainable growth and medium- to long-term corporate value creation

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

Create and
Bring to Life
“New Happiness.”



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Forward-looking statements in this document represent our assumptions based on information currently available to us and inherently involve potential risks, uncertainties and other factors. Therefore, actual results may differ materially from the results anticipated herein due to changes in various factors.