

[Translation]

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To whom it may concern

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Notice Regarding Additional Contributions to Share Granting Trusts and Acquisition of Shares in
Conjunction With the Continuation of the Stock-based Remuneration System for Officers

J. FRONT RETAILING Co., Ltd. (the “Company”) hereby announces that the Remuneration Committee resolved to continue the stock-based remuneration system (the “System”), which utilizes share granting trusts, for officers of the Company and the Group’s major subsidiaries, and the Board of Directors resolved to make additional contributions to the share granting trusts and acquire shares. The details are provided below. (In conjunction with these additional contributions, the trusts will acquire the Company’s shares today from the stock market. However, these acquisitions are separate from the purchase as described in the “Notice Regarding Determination of Matters Related to Purchase of Treasury Shares (Purchase of Treasury Shares in Accordance with the Articles of Incorporation Pursuant to the Provisions of Paragraph 1, Article 459 of the Companies Act)” released today.)

For details on the officer remuneration system, which includes the System, please refer to the “Notice Regarding Revision of Officer Remuneration Policy” released today, and for details on the structure of the share granting trusts, please refer to the “Notice Regarding Introduction of a New Stock-based Remuneration System for Officers” released on June 29, 2021.

“Notice Regarding Revision of Officer Remuneration Policy”

https://www.j-front-retailing.com/data/news/240415_remenurationpolicy_E.pdf

“Notice Regarding Introduction of a New Stock-based Remuneration System for Officers”

https://www.j-front-retailing.com/data/news/210629_RemunerationSystem_E.pdf

1. Continuation of the System

- (1) In accordance with the Medium-term Business Plan that started in fiscal 2024, the Company has revised the “Officer Remuneration Policy” from the perspectives of further increasing the motivation to contribute to the increase of corporate value over the medium to long term and sharing of profits with shareholders, and in line with this policy, will continue the System.
- (2) The System adopts the structure of a share granting trust. A share granting trust is a system that is designed to grant the Company’s shares for officers (in certain cases, the Company’s shares will be converted into cash within the trust and cash in the amount equivalent to their conversion value will be paid), in accordance with the job size or level of achievement of the Medium-term Business Plan, etc., which is similar to the performance share and restricted stock plans in the U.S.A. and Europe.
- (3) For the continuation of the System, the following two share granting trusts that are already established will continue to be used as share granting trusts of the System by extending the trust periods by three years and making additional monetary contributions.

- (i) The trust that, as a performance share stock plan, grants the Company's shares to Executive Officers of the Company, to Directors and Executive Officers of Daimaru Matsuzakaya Department Stores Co. Ltd. and PARCO Co., Ltd., and to each President and Representative Director of J. Front City Development Co., Ltd., JFR Card Co., Ltd. and J. Front Design & Construction Co., Ltd. to help the Group achieve sustainable growth and increase corporate value over the medium to long term ("Trust I").
 - (ii) The trust that, as a restricted stock plan, grants the Company's shares to non-executive Directors of the Company (independent Outside Directors and non-executive Inside Director) in a way that is not linked to performance, with the objective of involving them in management with a medium-to long-term view that they should strengthen proactive and defensive governance of the Company from a different standpoint to the executives as representatives of stakeholders ("Trust II").
- (4) The continuation of the System has been resolved by the Remuneration Committee, which comprises independent Outside Directors and non-executive Inside Directors, and is chaired by an independent Outside Director.

2. Details of the acquisition of shares, etc. for Trust I and Trust II

(1) The upper limit of amount of remuneration, etc.

For the trust period of three years, the Company has set the upper limit of the amount of trust money to be contributed to Trust I and Trust II and the upper limit of the Company's shares (including the Company's shares for which cash in the amount equivalent to their conversion value is paid) to be granted to eligible persons from Trust I and Trust II as follows. The trust money shall include trust fees and other expenses, and if there are any of the Company's shares or cash remaining unused in the trust assets before the extension of the trust period, the upper limit shall apply to the total amount that includes those assets.

- (i) Trust I
[The Company]
Upper limit of the amount to be contributed to the trust: ¥1.50 billion
Upper limit of the Company's shares to be granted to eligible persons: 1.42 million shares

[Subsidiary total]
Upper limit of the amount to be contributed to the trust: ¥2.49 billion
Upper limit of the Company's shares to be granted to eligible persons: 3.27 million shares
- (ii) Trust II
[The Company]
Upper limit of the amount to be contributed to the trust: ¥0.24 billion
Upper limit of the Company's shares to be granted to eligible persons: 0.19 million shares

(2) Details of the additional trust money and acquisition of shares

The Company will, within the upper limits in (1), contribute additional trust money and acquire shares through the trusts as follows.

- (i) Trust I
Amount of additional trust money: ¥990,155,000
Total value of shares be acquired: ¥1,313,145,000
Timing of acquisition of shares: From April 19, 2024 to April 30, 2024
Method of acquisition of shares: Acquisition from the stock market
- (ii) Trust II
Amount of additional trust money: ¥134,904,000
Total value of shares be acquired: ¥135,628,000
Timing of acquisition of shares: From April 19, 2024 to April 30, 2024
Method of acquisition of shares: Acquisition from the stock market

(Reference: Details of Trust Agreement)

	Trust I	Trust II
(i) Type of trust	Monetary trust other than designated individually-operated monetary trust (third party benefit trust)	
(ii) Purpose of trust	To provide incentives to Executive Officers	To involve the non-executive Directors in management with a medium- to long-term view from a different standpoint to the executives as representatives of stakeholders
(iii) Settlor	The Company	
(iv) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)	
(v) Beneficiaries	Executive Officers who satisfy the criteria of beneficiary	Non-executive Directors who satisfy the criteria of beneficiary
(vi) Trust administrator	Third party who has no special interests with the Company (certified public accountant)	
(vii) Trust agreement date	July 14, 2017 (Change scheduled for April 18, 2024)	
(viii) Trust period	From July 14, 2017 till the end of August 2024 (Due to changes to the trust agreement scheduled for April 18, 2024, an extension until August 31, 2027 is planned.)	
(ix) Exercise of voting rights	Voting rights shall not be exercised	
(x) Class of shares to be acquired	Ordinary shares of the Company	
(xi) Additional trust money	¥990,155,000	¥134,904,000
(xii) Total value of shares to be additionally acquired	¥1,313,145,000	¥135,628,000
(xiii) Timing of acquisition of shares	From April 19, 2024 to April 30, 2024	
(xiv) Method of acquisition of shares	Acquisition from the stock market	

Note: The Company plans to discontinue Trust III, for which eligibility has consisted of Directors and Executive Officers of PARCO Co., Ltd. since 2018, given that the eligible persons of PARCO will be administered within the scope of Trust I going forward.

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