



～ Aiming to Be a Shin Retailer. ～

Presentation of Results for Fiscal Year Ended February 29, 2024 and FY2024-FY2026 Medium-term Business Plan

April 15, 2024

J. Front Retailing Co., Ltd.

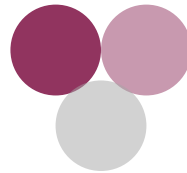
Create and Bring to Life "New Happiness."



Today's Agenda

- I. Overview of FY2023 Results
- II. H1/Full FY2024 Forecast
- III. FY2024-FY2026 Medium-term Business Plan

FY2023 Results and FY2024 Forecast



WAKABAYASHI Hayato

Director and Managing Executive Officer
Senior Executive General Manager, Financial Strategy Unit
J. Front Retailing Co., Ltd.

Create and Bring to Life "New Happiness."



FY2023 Consolidated PL Results (IFRS)

- Both gross sales and revenue increased mainly in the mainstay Department Store Business and SC Business
- Despite an impairment loss on the Daimaru Shimonoseki store, operating profit also rose due to gain on sale of fixed assets and other factors
- Year-end dividend of ¥20 per share, an increase of ¥3 from the initial plan, resulting in annual dividend of ¥36 per share, an increase of ¥5 YoY

(Millions of yen, unless otherwise stated)

Fiscal year ended February 29, 2024	Q3		Q4		Full year		
	Results	% YoY	Results	% YoY	Results	% YoY	vs. Oct forecast
Gross sales	278,961	13.7	332,878	15.1	1,151,972	15.3	20,972
Revenue	94,928	8.1	120,443	17.2	407,006	13.2	1,506
Gross profit	47,006	10.9	55,127	24.5	195,516	15.3	3,016
SGA	36,518	3.3	41,481	3.5	151,185	4.5	1,185
Business profit	10,487	49.2	13,646	225.3	44,330	78.4	1,830
Other operating income	1,038	137.0	817	(54.1)	3,673	(19.1)	473
Other operating expenses	533	(11.9)	2,092	(70.2)	4,955	(52.1)	(745)
Operating profit	10,993	60.2	12,370	—	43,048	125.9	3,048
Profit attributable to owners of parent (Profit)	8,704	88.9	8,308	—	29,913	110.1	2,913
Dividend per share (Yen)	—	—	—	—	36	(Yen) 5	(Yen) 3

- ▶ Operating profit exceeded pre-COVID-19 levels, with ROE of 8.1% and ROIC of 5.1%
- ▶ Interest-bearing liabilities (excluding lease liabilities), which once exceeded ¥300.0 billion, was significantly reduced

(Millions of yen, unless otherwise stated)

	FY2021	FY2022	FY2023	(Reference) FY2019
Business profit	11,718	24,854	44,330	45,363
Operating profit	9,380	19,059	43,048	40,286
ROE (%)	1.2	4.0	8.1	5.4
ROIC (%)	1.2	2.7	5.1	4.5
Operating CF	49,866	65,480	90,692	73,358
FCF	44,577	52,109	104,122	23,799
Interest-bearing liabilities*	317,715	249,123	213,948	258,276
D/E ratio* (Times)	0.91	0.69	0.56	0.67
EPS (Yen)	16.50	54.32	114.06	81.19

*Interest-bearing liabilities and D/E ratio exclude lease liabilities.

FY2023 Segment Information (IFRS)

(Millions of yen, unless otherwise stated)

Fiscal year ended February 29, 2024	Gross sales			Revenue		
	Results	YoY	vs. Oct forecast	Results	YoY	vs. Oct forecast
		%	Millions of yen		%	Millions of yen
Department Store	747,855	13.7	14,455	239,125	10.8	3,825
SC	296,951	16.3	7,654	57,944	7.7	(508)
Developer	78,418	45.1	2,518	78,418	41.9	2,518
Payment and Finance	13,115	1.8	(435)	13,115	1.8	(435)
Other	53,308	(7.1)	(4,392)	51,925	(7.1)	(4,475)
Total consolidated	1,151,972	15.3	20,972	407,006	13.2	1,506

Fiscal year ended February 29, 2024	Business profit			Operating profit		
	Results	YoY	vs. Oct forecast	Results	YoY	vs. Oct forecast
		%	Millions of yen		%	Millions of yen
Department Store	26,265	104.6	1,965	23,587	213.3	1,287
SC	8,379	43.1	1,189	9,414	121.8	1,316
Developer	7,546	204.7	546	7,437	133.5	337
Payment and Finance	2,777	(20.4)	(475)	2,583	(25.9)	(574)
Other	965	4.4	(435)	1,370	52.3	(330)
Total consolidated	44,330	78.4	1,830	43,048	125.9	3,048

Department Store Business

- Brisk spending on luxury items. Consumption by wealthy people, mainly gaisho customers, continued to be strong. Gaisho sales exceeded ¥200.0 billion.
- Inbound sales accelerated further from Q3 to Q4, with annual sales including Hakata Daimaru reaching a record ¥72.1 billion.

SC Business

- Shibuya PARCO and Shinsaibashi PARCO, which have a wide range of luxury items and Japanese culture, attracted a large number of inbound tourists.
- Store operating revenue increased, business profit and operating profit significantly increased due to the effects of core store renovations and recovery of customer traffic through events.

Developer Business

- Orders for interior and equipment work inside and outside the Group, such as hotel interiors and department store renovations, as well as facility management services, increased.
- Three value-added residential properties were included in a fund set up by the Company, and a gain on sale was recorded in Q4.

Payment and Finance Business

- Initiatives was launched to unify issuers for different cards within the Group.
- In addition to the resulting increase in upfront costs, an increase in expenses resulting from an increase in fraudulent use of credit cards and other factors led to a decrease in profit.

Other

- Sales fell due to lower orders for mainstay electronic components and lower sales in overseas operations at Daimaru Kogyo.
- On the other hand, profit increased due to foreign exchange gain and gain on sale of assets held.

- ▶ Comparable store sales maintained double-digit YoY growth in H2, with three core stores achieving double-digit growth compared to FY2018
- ▶ Sapporo store sales increased significantly in Q4 thanks to the effect of renovation, while sales of the terminal store in Tokyo also exceeded FY2018 level in Q4

<Daimaru Matsuzakaya Department Stores Major Store Sales>

(% change)

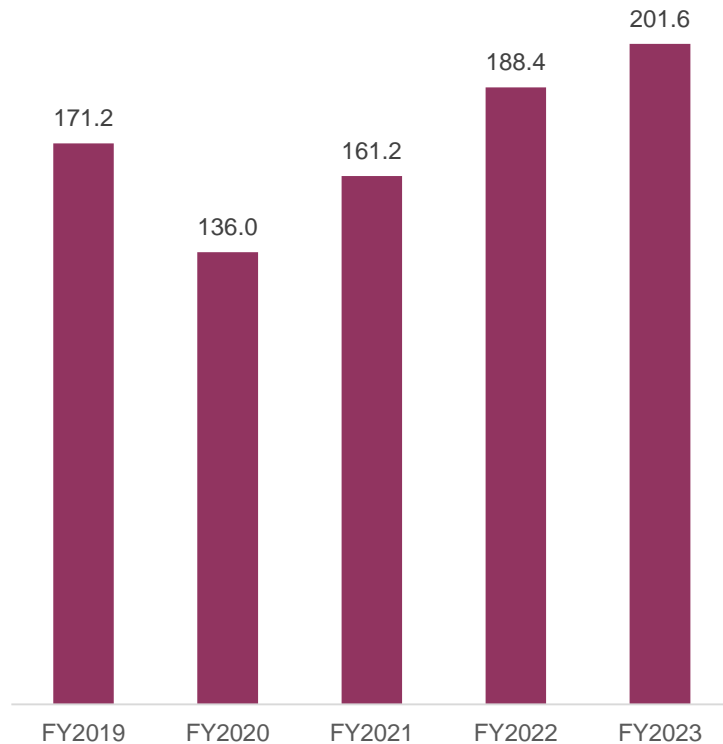
Fiscal year ended February 29, 2024	YoY			vs. FY2019			vs. FY2018		
	Q3	Q4	Full year	Q3	Q4	Full year	Q3	Q4	Full year
Shinsaibashi	39.7	31.9	35.2	20.7	44.4	14.1	24.2	14.8	12.5
Umeda	10.3	5.8	13.9	(13.7)	(11.6)	(14.5)	(16.5)	(16.7)	(16.5)
Tokyo	18.7	9.8	22.0	(0.5)	7.3	(1.0)	(1.9)	1.2	(2.1)
Kyoto	16.2	12.3	14.6	8.1	14.6	5.3	8.2	4.7	2.7
Kobe	8.5	10.4	9.4	19.1	28.2	21.3	17.9	15.8	15.8
Sapporo	18.7	31.5	21.6	16.6	31.4	15.3	18.6	19.9	12.9
Nagoya	7.3	5.2	7.7	5.2	18.9	9.0	8.8	7.7	6.5
Total directly managed stores	14.7	12.9	15.0	6.2	16.4	5.3	6.0	4.5	2.2

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

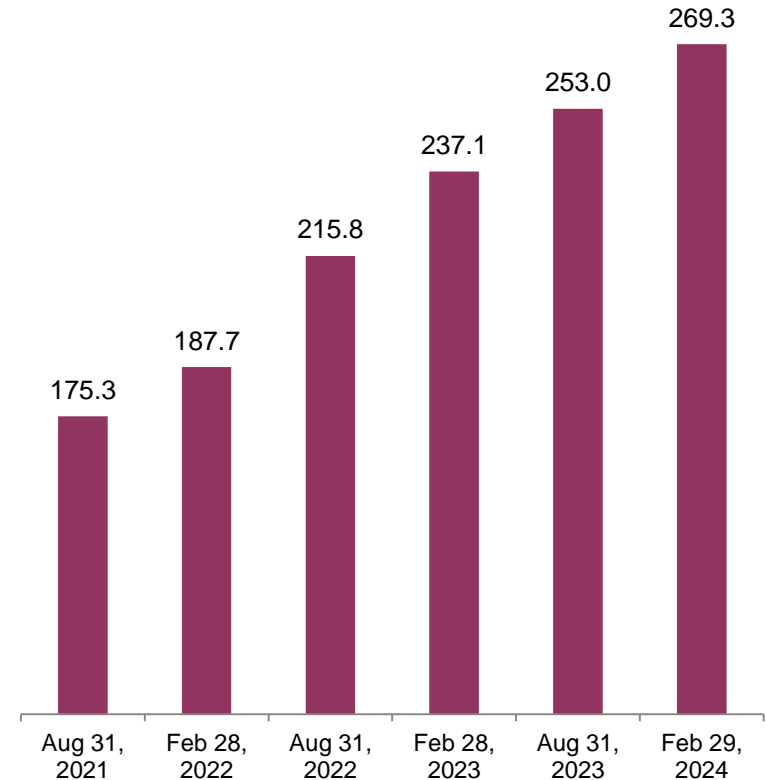


- ▶ Quickly exceeded pre-COVID-19 levels with gaisho sales of the Department Store Business, which continues to increase sales, exceeding ¥200.0 billion
- ▶ There are 2.20 million app users contributing to increased per-customer spend, with sales via app reaching the ¥270.0 billion level

Department Store Business gaisho sales (billions of yen)



App user sales (billions of yen)

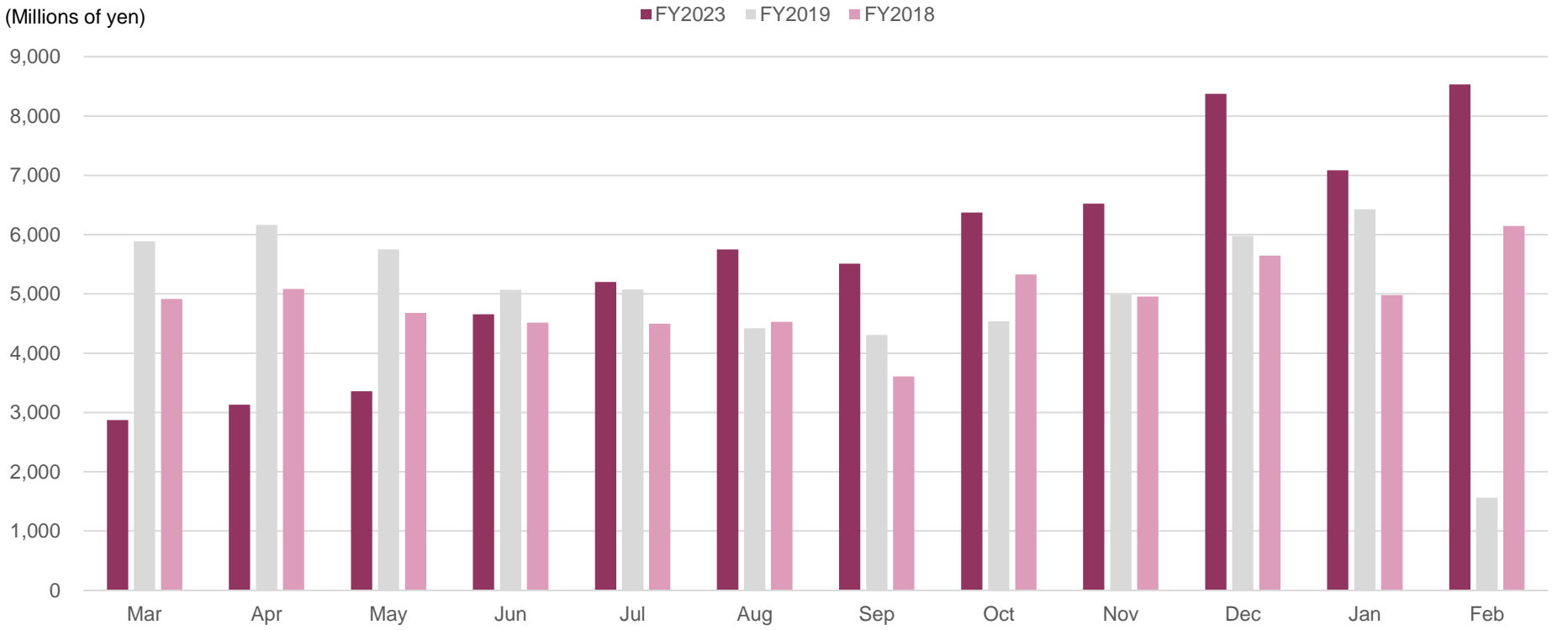


* Sales via app are for the past year up to the end of each month.



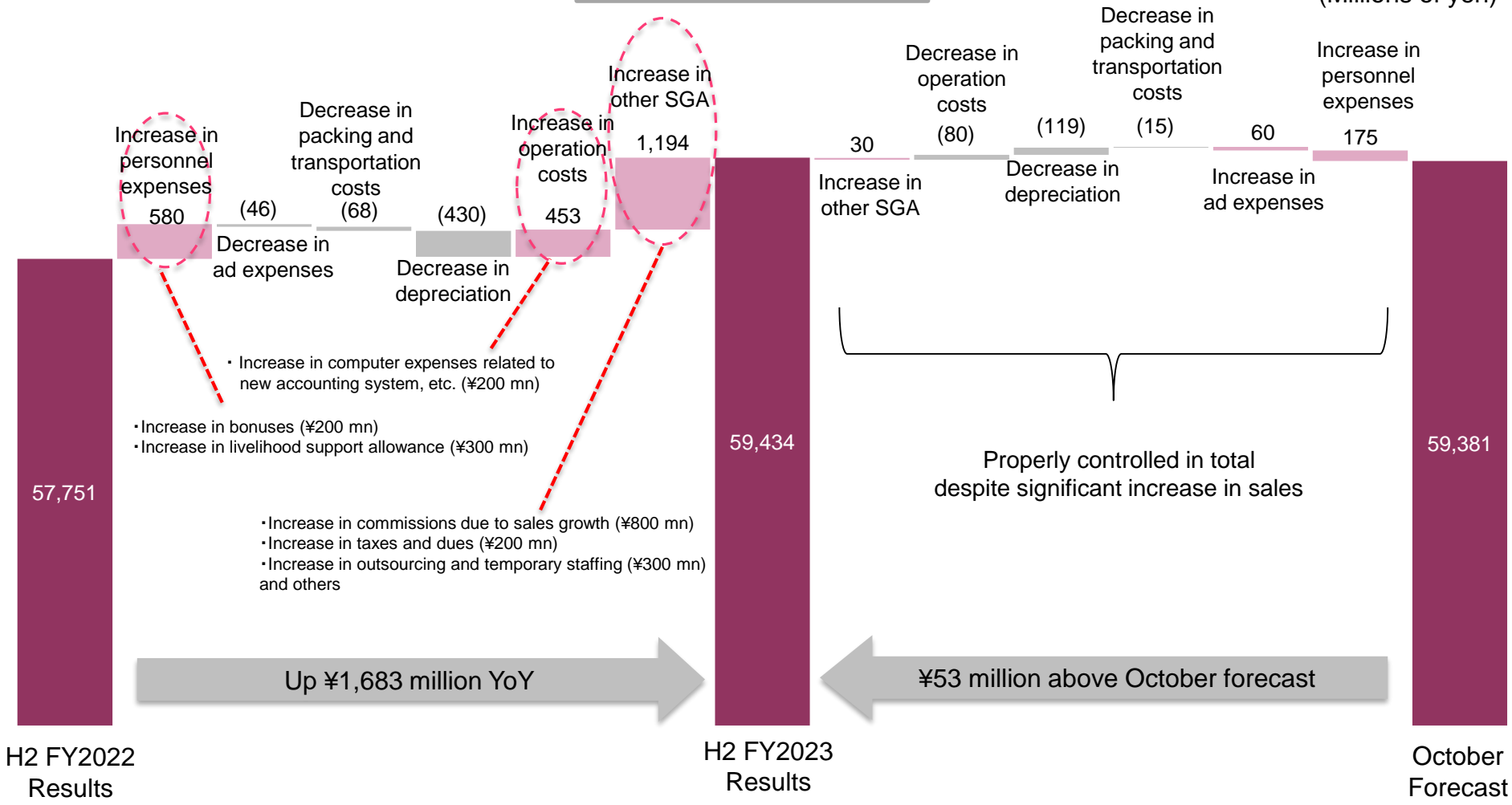
- ▶ Quarterly sales growth accelerated to a record 12.0% above FY2019 results
- ▶ Sales share by country: China 52.3%, Taiwan 13.1%, Hong Kong 7.8%, South Korea 7.0%, etc.
- ▶ It is estimated that there is a lot of room for growth in the number of tourists from China, which accounted for over 80% in FY2019

Duty-free sales (directly managed stores)



H2 FY2022 SGA analysis

(Millions of yen)



FY2023 Parco Major Store Transaction Volume

- ▶ Grew mainly in urban stores such as Shibuya PARCO and Shinsaibashi PARCO, where inbound sales increased significantly
- ▶ Q4 saw a positive change in comparable stores compared to FY2018, Ikebukuro and Nagoya are scheduled for large-scale renovations in the future

<Parco major store transaction volume>

(% change)

Fiscal year ended February 29, 2024	YoY			vs. FY2019			vs. FY2018		
	Q3	Q4	Full year	Q3	Q4	Full year	Q3	Q4	Full year
Sapporo PARCO	27.9	31.3	35.5	15.6	36.1	10.7	3.8	16.0	2.4
Ikebukuro PARCO	13.3	24.1	21.5	(5.3)	6.0	(4.4)	(12.5)	(3.2)	(9.3)
Shibuya PARCO	66.2	42.1	57.3	344.2	60.6	280.3	2289.4	3210.5	2440.0
Nagoya PARCO	23.5	13.7	15.0	0.2	(2.7)	(8.7)	(2.3)	(6.3)	(9.6)
Shinsaibashi PARCO	46.9	31.0	46.1	—	—	—	—	—	—
Fukuoka PARCO	23.8	13.8	23.5	19.0	14.8	9.7	11.2	13.5	9.0
Total comparable stores	22.2	18.7	21.6	0.6	4.7	(2.1)	(4.0)	0.5	(4.0)

*YoY comparison excludes Tsudanuma PARCO, comparison to FY2019 excludes Shinsaibashi PARCO, Tsudanuma PARCO, Utsunomiya PARCO, and Kumamoto PARCO, and comparison to FY2018 excludes Kinshicho PARCO, Shinsaibashi PARCO, Tsudanuma PARCO, Utsunomiya PARCO, and Kumamoto PARCO.

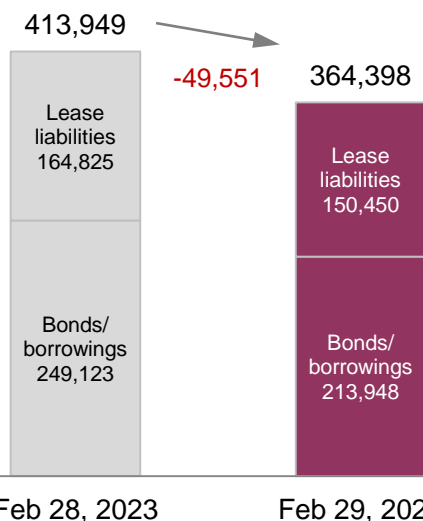
FY2023 Consolidated BS Results (IFRS)

- ▶ Total assets were ¥1,114.7 billion, down ¥6.2 billion from the end of the previous fiscal year, mainly due to sale of assets
- ▶ Interest-bearing liabilities (excluding lease liabilities) were ¥213.9 billion, a reduction of ¥35.1 billion from the end of the previous fiscal year
- ▶ Equity attributable to owners of parent was ¥381.8 billion, an increase of ¥22.5 billion from the end of the previous fiscal year

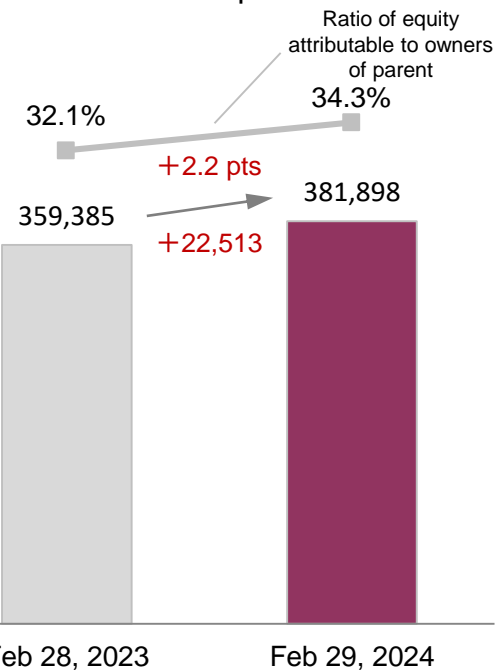
Total assets



Interest-bearing liabilities

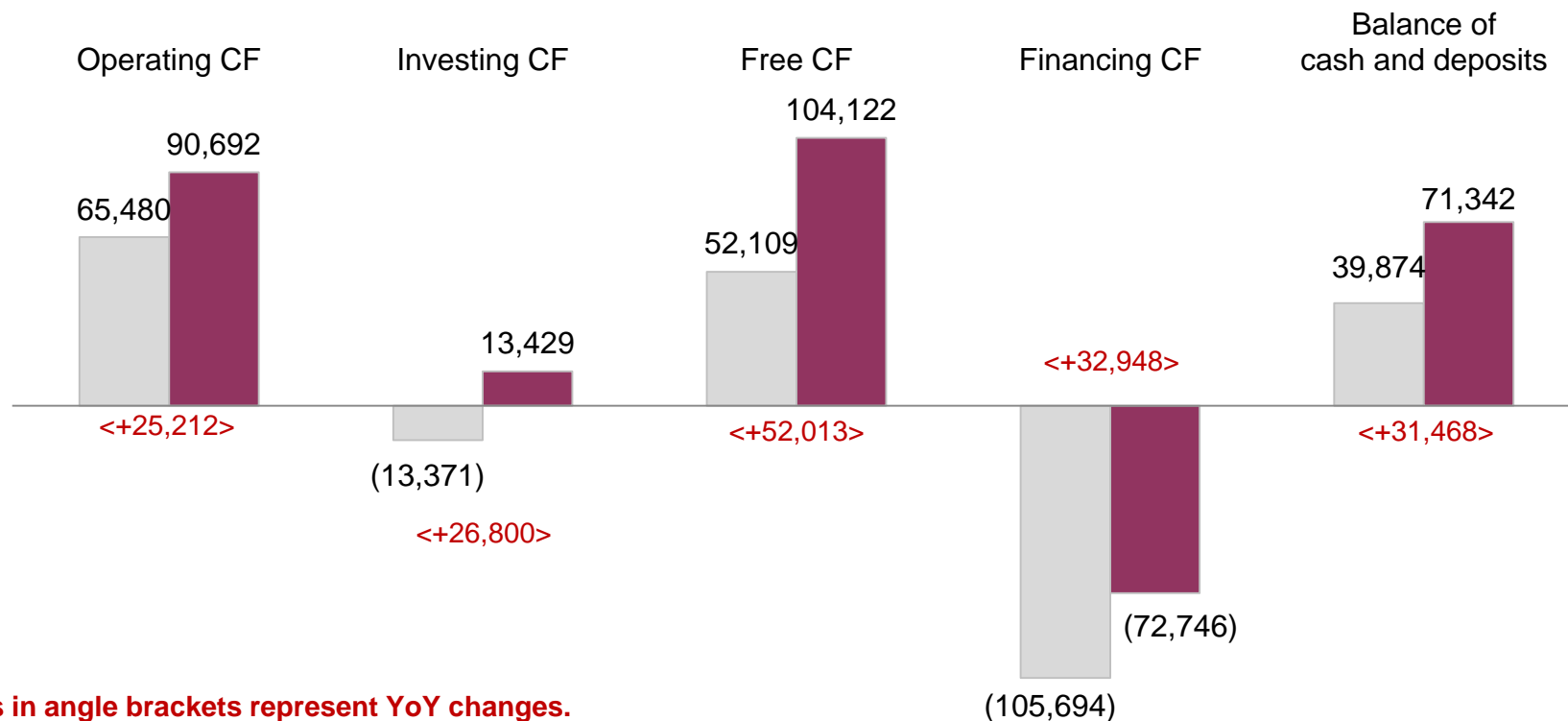


Equity attributable to owners of parent



FY2023 Consolidated CF Results (IFRS)

- ▶ Net cash provided by operating activities was ¥90.6 billion, up ¥25.2 billion YoY, due to profit growth and proceeds from sale of assets
- ▶ Net cash provided by investing activities was ¥13.4 billion mainly due to sale of shares, despite renovation investments
- ▶ Secured free cash flow of ¥104.1 billion, up ¥52.0 billion YoY



Figures in angle brackets represent YoY changes.

■ Results FY ended Feb 28, 2023 ■ Results FY ended Feb 29, 2024

(Millions of yen)

FY2024 Consolidated PL Forecast (IFRS)

- ▶ Despite the positive outlook for the consumption environment, the impact of a reduction in floor space and increased renovation costs due to large-scale renovation in Nagoya and other projects
- ▶ A rebound of ¥3.5 billion from gain on sale of residences in Developer, and a rebound from gain on sale of fixed assets in SC
- ▶ Interim dividend of ¥20 per share, an increase of ¥4 per share, and an annual dividend of ¥40 per share, combined with the interim dividend, an increase of ¥4 per share, are planned

(Millions of yen, unless otherwise stated)

Fiscal year ending February 28, 2025	H1		H2		Full year	
	Forecast	% YoY	Forecast	% YoY	Forecast	% YoY
Gross sales	581,000	7.6	619,000	1.2	1,200,000	4.2
Revenue	204,000	6.5	217,500	1.0	421,500	3.6
Gross profit	102,000	9.2	102,000	(0.1)	204,000	4.3
SGA	76,500	4.5	83,000	6.4	159,500	5.5
Business profit	25,500	26.3	19,000	(21.3)	44,500	0.4
Other operating income	500	(72.5)	0	—	500	(86.4)
Other operating expenses	3,000	28.8	4,500	71.4	7,500	51.3
Operating profit	23,000	16.8	14,500	(37.9)	37,500	(12.9)
Profit attributable to owners of parent	15,000	16.3	8,500	(50.0)	23,500	(21.4)
Dividend per share (Yen)	(Interim) 20	(Yen) 4	(Year-end) 20	(Yen) 0	(Annual) 40	(Yen) 4
ROE (%)	—	—	—	—	6.1	(RD) (2.0)
ROIC (%)	—	—	—	—	5.1	(RD) 0.0

FY2024 Segment Information (IFRS)

(Millions of yen, unless otherwise stated)

Fiscal year ending February 28, 2025	Gross sales			Revenue		
	Forecast	YoY		Forecast	YoY	
		Millions of yen	%		Millions of yen	%
Department Store	799,800	51,945	6.9	257,800	18,675	7.8
SC	298,400	662	0.2	61,300	2,569	4.4
Developer	67,100	(10,171)	(13.2)	67,100	(10,171)	(13.2)
Payment and Finance	13,508	393	3.0	13,508	393	3.0
Other	59,700	6,392	12.0	58,200	6,275	12.1
Total consolidated	1,200,000	48,028	4.2	421,500	14,494	3.6

Fiscal year ending February 28, 2025	Business profit			Operating profit		
	Forecast	YoY		Forecast	YoY	
		Millions of yen	%		Millions of yen	%
Department Store	28,200	1,935	7.4	26,000	2,413	10.2
SC	8,500	78	0.9	6,500	(2,963)	(31.3)
Developer	5,900	(1,618)	(21.5)	5,600	(1,807)	(24.4)
Payment and Finance	2,400	(377)	(13.6)	2,285	(298)	(11.6)
Other	1,100	135	13.9	900	(470)	(34.3)
Total consolidated	44,500	170	0.4	37,500	(5,548)	(12.9)

Department Store Business

- Despite the temporary impact of sales floor renovations, sales are expected to increase due to growth in spending by affluent people and inbound sales.
- Business profit is expected to increase by ¥1.9 billion YoY, after factoring in investment costs such as the large-scale renovation of the Nagoya store.

SC Business

- Operating revenue is expected to increase mainly due to promotion of store renovations, while business profit is expected to remain flat due to upfront costs in new businesses, system development, etc.
- Operating profit is expected to decline, after factoring in a reactionary decline from sale of assets, etc. in the previous year and restructuring expenses.

Developer Business

- Despite planned sale of properties in connection with new developments, sales and profit are expected to decline due to a significant reaction to sale of residences in the previous year.
- In the construction and interior business, profit is expected to increase due to thorough cost control and other measures, despite continuing price hikes for materials, etc.

Payment and Finance Business

- Sales are expected to increase due to increased transaction volume within and outside the Group and stronger membership acquisition.
- Profit is expected to decrease due to the unification of card issuers within the Group and upfront costs for building a business foundation.

Other

- At Daimaru Kogyo, sales are expected to increase and business profit to rise, mainly due to stronger efforts to win orders in its mainstay electronics and automotive divisions.
- Operating profit is expected to fall, mainly due to a reactionary decline from sale of fixed assets in the previous year.

- ▶ Expected to increase YoY, compared to 2019 and 2018 due to strong consumption by affluent people and inbound tourists
- ▶ Double-digit sales growth is expected for the Shinsaibashi store, which will benefit greatly from inbound sales, and the Sapporo store, which will benefit greatly from renovation
- ▶ Growth at the Nagoya store is expected to be slowed due to the impact of a reduction in sales floor space as a result of large-scale renovation work

(% change)

Fiscal year ending February 28, 2025	YoY			vs. FY2019			vs. FY2018		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
Shinsaibashi	21.3	2.8	11.2	19.0	35.8	26.9	28.0	22.4	25.1
Umeda	3.2	0.0	1.6	(13.7)	(12.5)	(13.1)	(13.8)	(16.6)	(15.2)
Tokyo	8.1	1.3	4.6	2.1	4.9	3.5	3.7	1.1	2.4
Kyoto	13.9	3.9	8.5	12.6	15.8	14.3	12.7	10.4	11.5
Kobe	7.3	4.7	5.9	27.2	29.6	28.5	23.2	22.2	22.7
Sapporo	18.1	5.1	10.8	24.3	31.1	27.8	24.7	25.4	25.1
Nagoya	3.8	0.1	1.8	9.6	12.3	11.0	8.7	8.3	8.5
Total directly managed stores	9.8	2.9	6.1	8.7	14.7	11.7	8.9	8.1	8.5

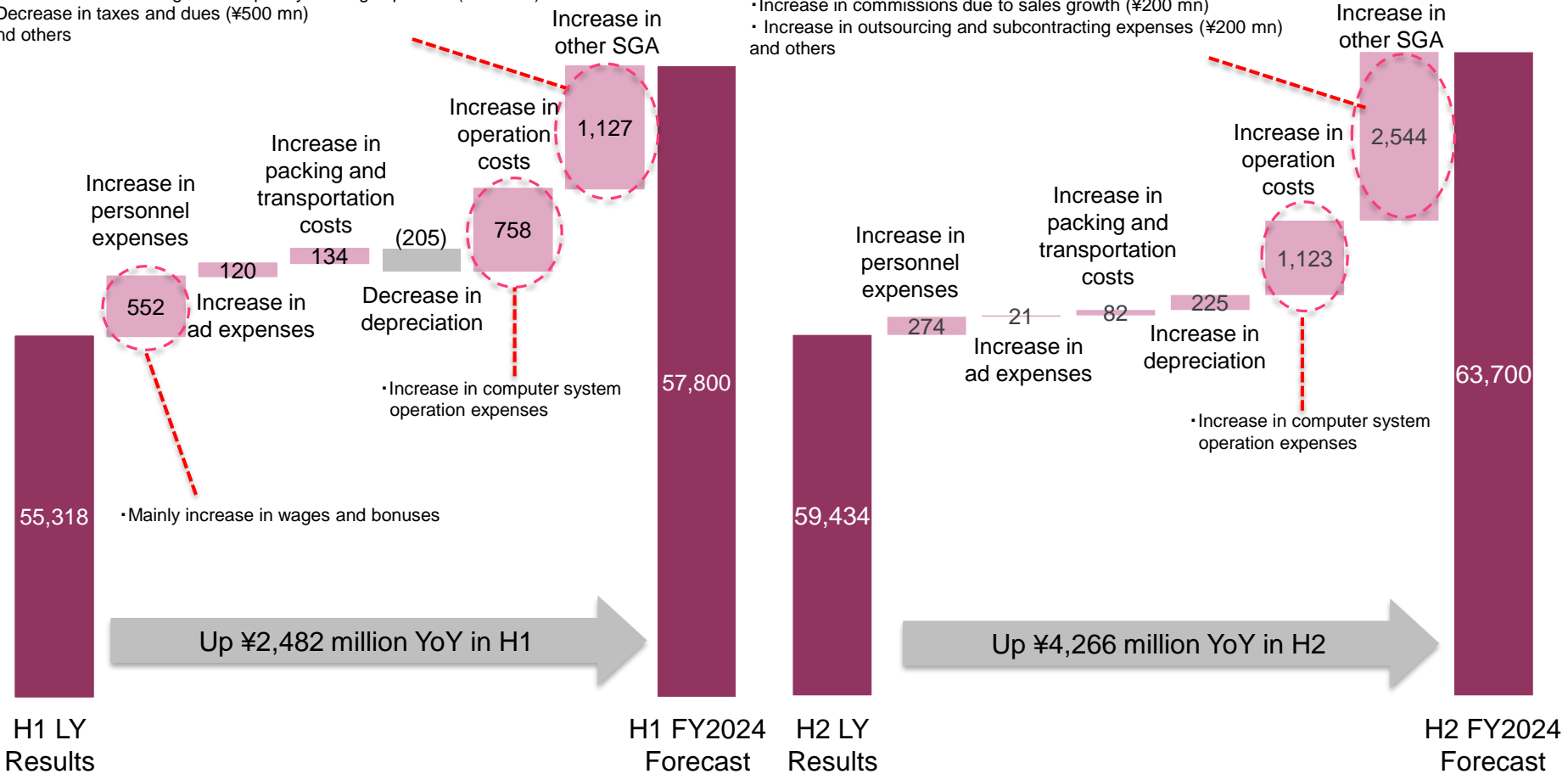
*Total is on a comparable store basis. (Comparison to FY2019 and FY2018 excludes Yamashina, Shimonoseki, and Toyota stores.)

FY2024 SGA analysis

(Millions of yen)

- Increase in repair expenses resulting from renovation (¥700 mn)
- Increase in commissions due to sales growth (¥600 mn)
- Increase in outsourcing and temporary staffing expenses (¥300 mn)
- Decrease in taxes and dues (¥500 mn) and others

- Increase in repair expenses resulting from renovation (¥1,700 mn)
- Increase in commissions due to sales growth (¥200 mn)
- Increase in outsourcing and subcontracting expenses (¥200 mn) and others



FY2024 Consolidated BS Forecast (IFRS)

- ▶ Total assets are expected to be ¥1,120.0 billion, an increase of ¥5.2 billion from the end of the previous fiscal year, mainly due to asset acquisitions
- ▶ Interest-bearing liabilities (excluding lease liabilities) are expected to be ¥225.0 billion, an increase of ¥11.0 billion from the end of the previous fiscal year
- ▶ Equity attributable to owners of parent is expected to be ¥383.0 billion, an increase of ¥1.1 billion from the end of the previous fiscal year

Total assets

1,114,726 → 1,120,000
+5,274



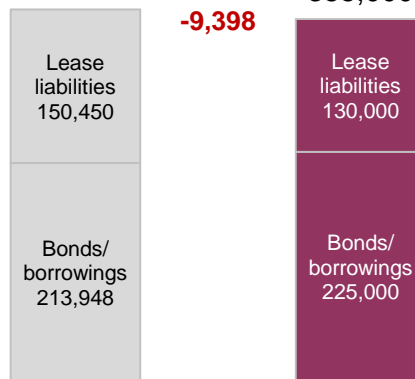
Feb 29, 2024

Feb 28, 2025
(Forecast)

(Millions of yen)

Interest-bearing liabilities

364,398 → 355,000
-9,398



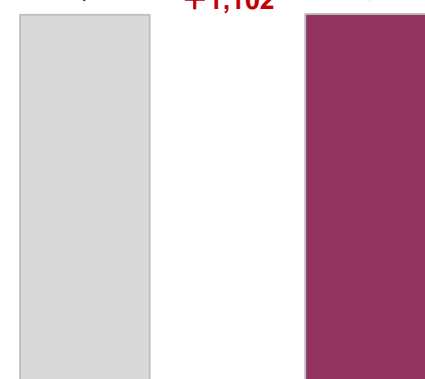
Feb 29, 2024

Feb 28, 2025
(Forecast)

Equity attributable to owners of parent

34.3% → 34.2%
-0.1 pts

381,898 → 383,000
+1,102

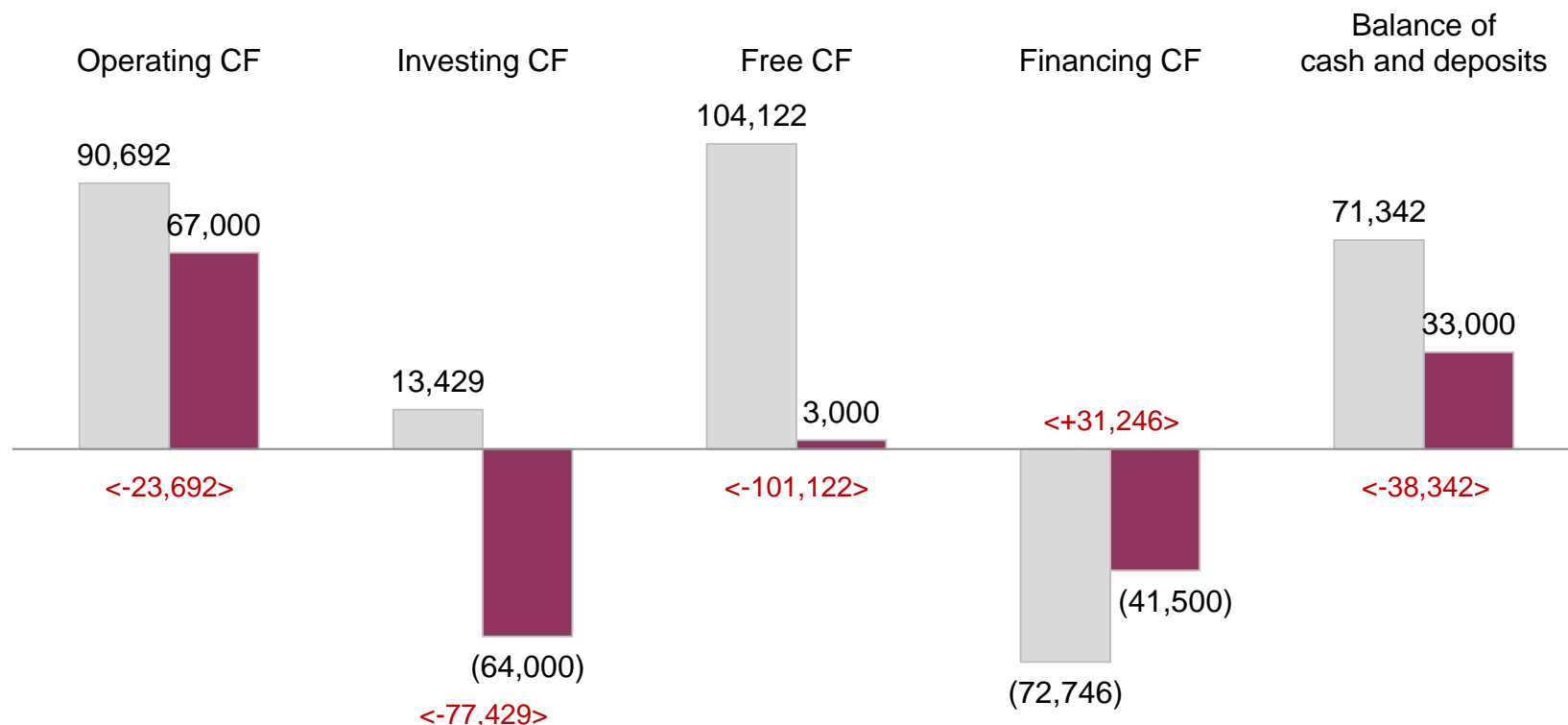


Feb 29, 2024

Feb 28, 2025
(Forecast)

FY2024 Consolidated CF Forecast (IFRS)

- ▶ Net cash provided by operating activities is expected to be ¥67.0 billion due to a decrease in profit before tax as well as an increase in working capital and income tax payments
- ▶ Net cash used in investing activities is expected to be ¥64.0 billion, with a plan for capital investment mainly in Department Store and Developer
- ▶ Expect to secure free CF of ¥3.0 billion, a significant decrease due to a rebound from proceeds from sale of assets in the previous year and other factors



Figures in angle brackets represent YoY changes.

■ Results FY ended Feb 29, 2024

(Millions of yen)

Share Buyback

- ▶ “Achieve growth with profitability” and “optimize the amount of equity capital and strengthen shareholder return” to improve capital profitability over the medium to long term

Class of shares to be acquired	Common shares
Total number of shares that can be acquired	Up to 8,000,000 shares [Percentage of total number of shares issued (excluding treasury shares*) 3.03%]
Total acquisition cost of shares	Up to ¥10.0 billion
Period of acquisition	May 1, 2024 – July 31, 2024
Method of acquisition	Market purchase on the Tokyo Stock Exchange (Discretionary trading by a securities company)

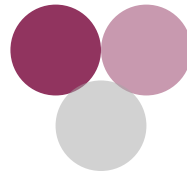
Holding status of treasury shares as of February 29, 2024

Total number of shares issued (excluding treasury shares*) 264,288,582

Number of treasury shares* 6,277,182

*Such treasury shares do not include the Company's shares held by the BIP Trust.

FY2024-FY2026 Medium-term Business Plan



ONO Keiichi

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

Create and Bring to Life "New Happiness."



1) Real × Digital Strategy

- No. of Department Store app users: 2.19 mn (Feb 29, 2024)
- Department Store app sales: ¥269.3 bn (FY2023)
- GINZA SIX achieved record transaction volume (FY2023)
- 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: ¥201.6 billion (FY2023)
- Share of young affluent customers in gaisho: 28.5% (FY2023)
- Department Store luxury item sales: +97.0% (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:
¥15.1 bn (cumulative total for FY2021-FY2023)
- Transferred shares of Neuve A (Jun 2021)
- Partially transferred shares of Dimples' (Feb 2022)
- Tsudanuma PARCO closed (Feb 28, 2023)
- Shintokorozawa PARCO closed (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 XENOZ (Nov 2022)
- Invested in Financie (Apr 2023)
- Invested in QON (Apr 2023)
- CVC invested in 8 startups (as of Feb 2024)

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

Consumption

- Generational change in key purchasers, progress in globalization (inbound tourist demand, etc.)
- Growing desire for “connections of empathy, support, and trust” that satisfy the heart
- A further increase in awareness of “circularity” from the cycle of production and consumption

Market

- Domestic population decline, growing income disparity
- Progress in the renewal and consolidation of urban functions and urban development
- Decrease in the number of players in local economies and increasing interest in local traditions and culture

Society

- Increasing severity of environmental problems, such as climate change, and the manifestation of geopolitical risks
- Less connected to people and communities and the rise of digital communities
- Increasing labor shortages; more emphasis on self-fulfillment, social contribution, etc. when choosing a job.

3 Values

3 Synergies

As **1**

3

Three Values

With the retail business at the core, expand the circle of “co-creation” with stakeholders and provide three types of co-creation value



→ **Co-creation of excitement**

Create and share excitement with customers and employees

→ **Co-prosperity with the local community**

Become an integral part of the local community

→ **Symbiosis with the environment**

Establish a culture in which everyone can contribute to creating a society in which people live in harmony with the environment

— Vision for 2030 —

Evolve into a “value co-creation retailer group” that continues to provide three types of co-creation value with overwhelming support from high quality and highly enthusiastic consumers in Japan and overseas

- ❖ Each store refines its own individuality to remain the choice of high quality and highly enthusiastic consumers
- ❖ These individual stores work together and collaborate with the Developer Business and the Payment and Finance Business with the retail business as a centripetal force to maximize area value
- ❖ With the aim of expanding domestically and globally and into the digital domain for future growth that does not rely on physical stores, take on the challenge of owning or cooperatively developing and selling “content/services” that can be developed and marketed under the Group’s own initiative

3

Three Synergies

Compete in 7 key cities with “areas”

Growth potential through expansion centered on the development of properties owned by the Group

× **7** areas



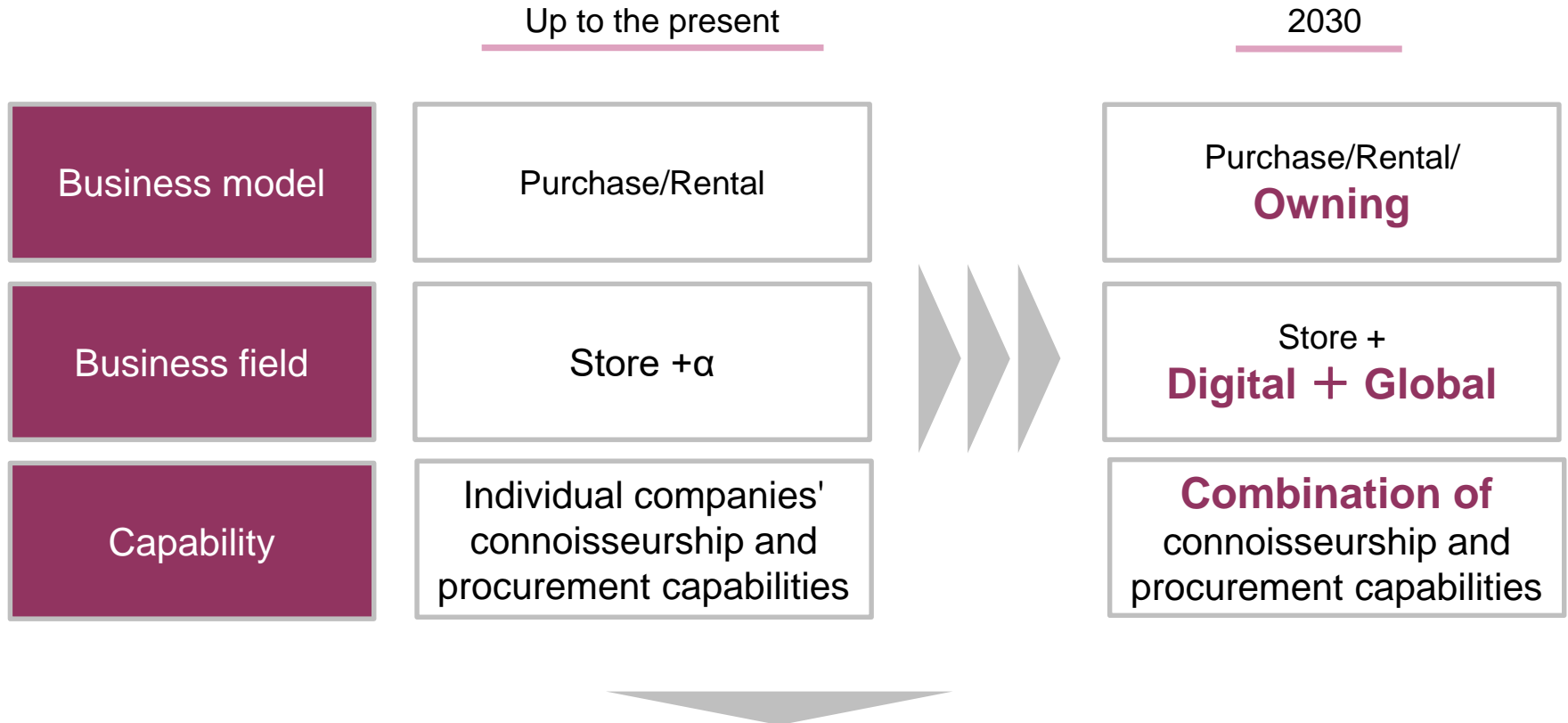
Pursue and combine the strengths of the customers of
Department Store and Parco



Approach to maximizing LTV* by amplifying the Group’s strengths

*Lifetime Value (customer lifetime value)

Implementation of new business model in retail business



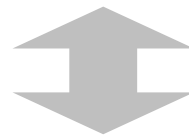
Realize “**growth that does not rely on physical stores**” in the future by expanding domestically and globally and into the digital domain with a focus on content

Positioning of the current Medium-term Business Plan
(FY2024-FY2026)

II

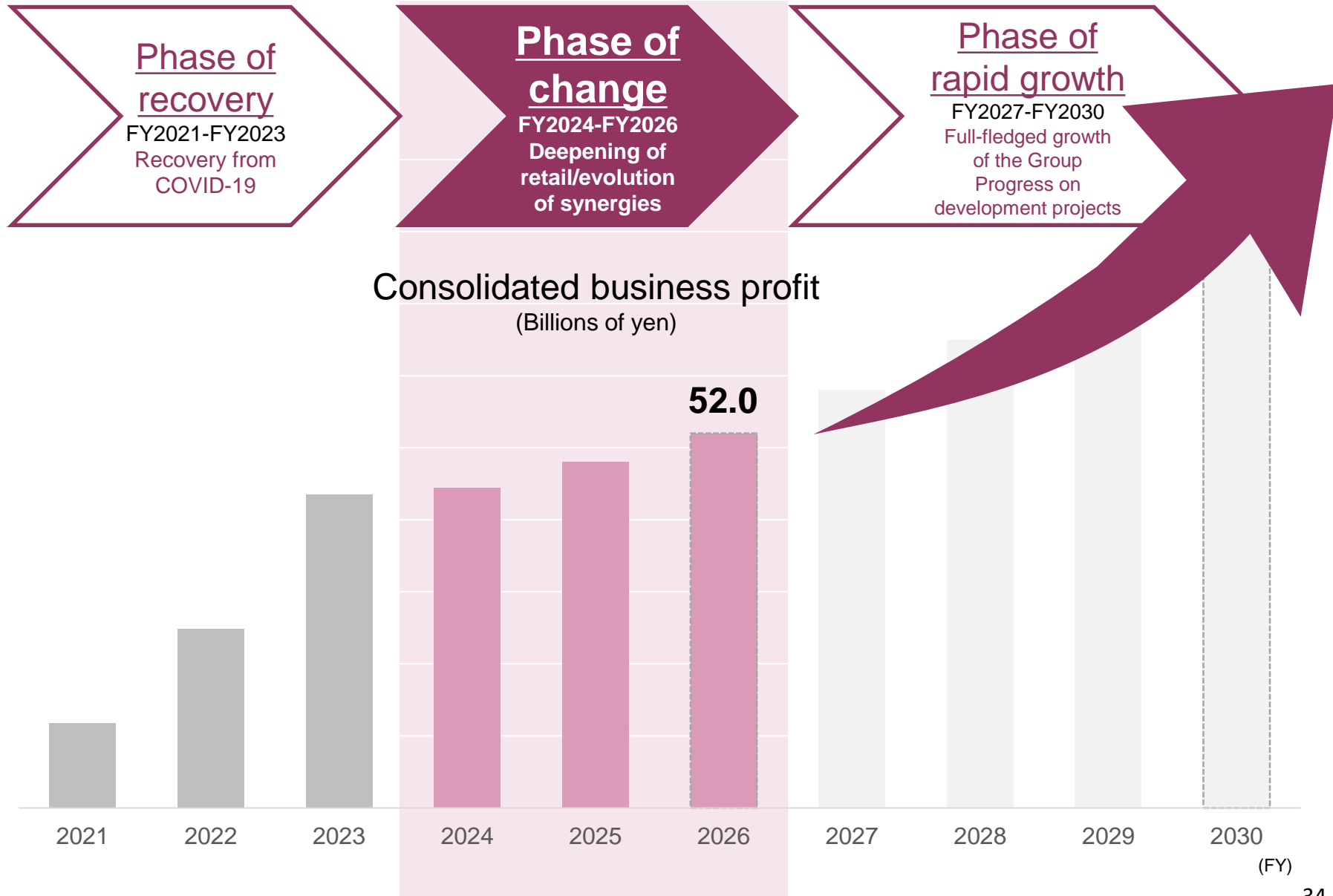
“Phase of Change”

For rapid growth in 2030,
boldly take on the challenge of
deepening, evolving, and exploring as a retailer group



While in the upfront investment phase, also maintain capital profitability

Current Medium-term Plan as a “Phase of Change” That Leads to Dramatic Growth





Deepening of retail

- (1) Expand domestic and overseas customer base**
Expand the coverage of app-based services and gaisho activities at Department Store; increase membership, taking advantage of the issue of a new card, at Parco
- (2) Improve the attractiveness of customer contact points**
Establish a competitive advantage in each area by improving the attractiveness of stores, which are the starting point for customer contact, also promote the creation of sales areas for next generation customers such as MZ generation
- (3) Expand content for high quality and highly enthusiastic consumers**
Continue to strengthen luxury items, rebuild fashion, strengthen alliance at Department Store; expand IP content and entertainment at Parco

Evolution of the Group synergies

- (1) Expand the Group customer base**
Expand customer base taking advantage of GINZA SIX and Parco's card issuance within the Group and promote the Group customer strategy
- (2) Maximize area value**
Maximize area value through collaboration between retail, developer, and card in key areas
- (3) Own and develop the Group's own content**
Create new value through the fusion of content in which Department Store and Parco excel, and promote the development of the Group's own content with an eye to overseas markets

Human resources strategy

Securing and developing innovative human resources/
promoting DE &I/career development and reskilling

System strategy

Establishment of the Group-wide system to promote collaboration among operating companies and to stimulate internal and external communication

Finance strategy

Strengthening management of return on invested capital

<u>Key performance indicator</u>	<u>FY2026 target</u>	<u>Change vs. FY2023</u>
Business profit	¥52.0 billion	+17.3%
ROE	8.0% or more	+0.0 pts or more
ROIC	5.0% or more	+0.0 pts or more
Interest-bearing liabilities* ¹	¥285.0 billion	+¥71.1 billion
GHG emissions* ²	-58%	-3 pts
Ratio of women in management positions	31.0%	+8.5 pts

*1 Interest-bearing liabilities exclude lease liabilities.

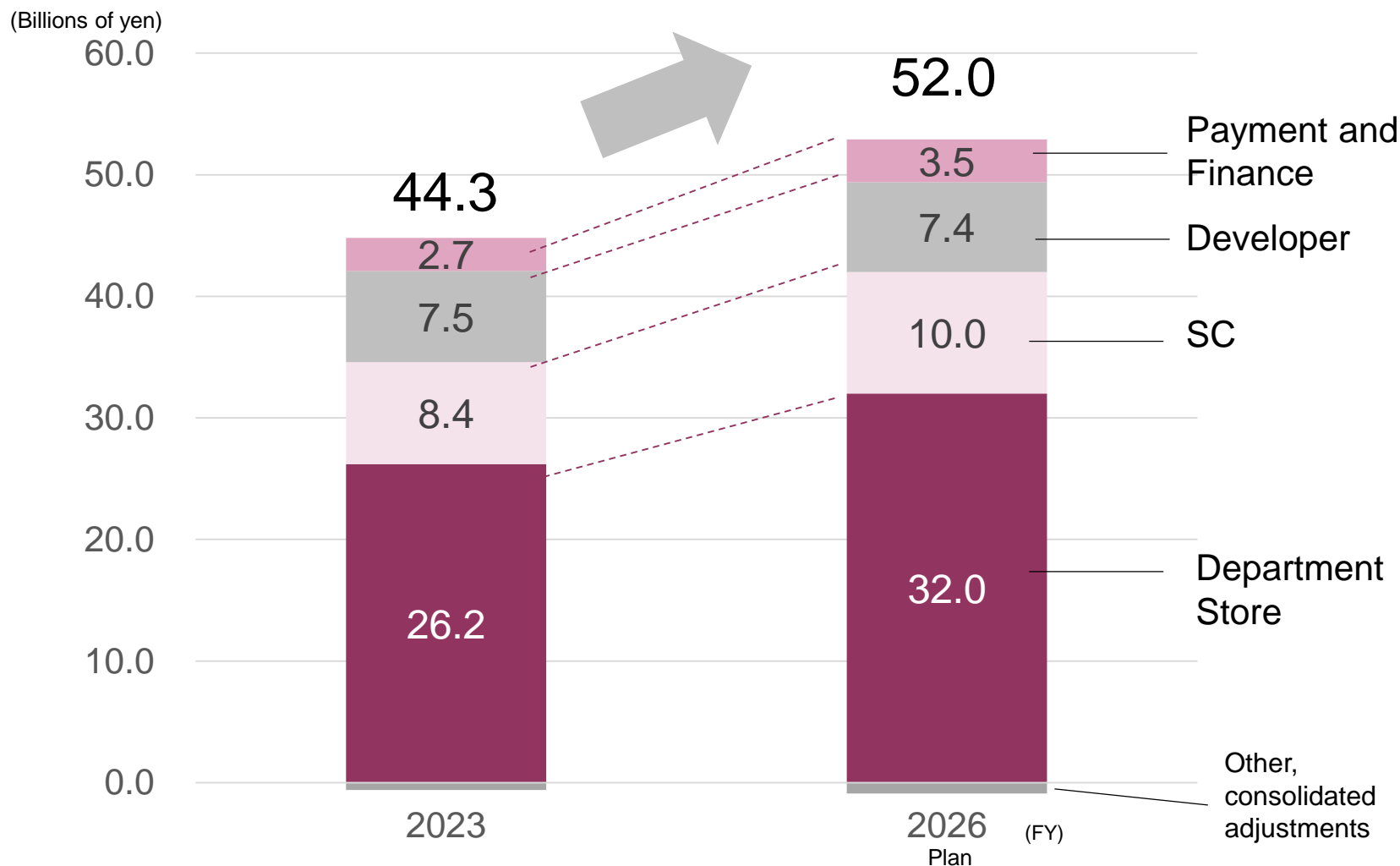
*2 Percentage reduction compared to FY2017 for Scope 1 and 2



Increase ROE to 10% or more in the long term

Business Profit by Segment

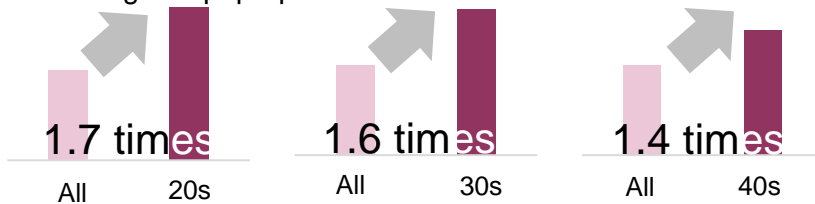
- ▶ Profit growth driven by growth mainly in Department Store and SC resulting from deepening of retail
- ▶ Developer is in the investment phase, while Payment and Finance incurs upfront costs to promote card unification



Expand and deepen highly engaged customers

Promotion of the development of next generation customers

- ✓ Actively develop next generation customers with high purchasing power
- ✓ Introduce new content for next generation customers and strengthen pop-ups



* Comparison of actual spend per gaisho account in FY2023

Making top identifiable customers who use app into gaisho customers

- ✓ Further retain top purchasing app users
- ✓ Strengthen incentives and services using digital touch points



Gaisho collaboration in the Group

- ✓ Establish a scheme for collaboration between gaisho and PARCO, GINZA SIX, etc. in Tokyo
- ✓ Collaboration with PARCO and "Nishiki 3-chome project," scheduled to open in 2026, in Nagoya



Alliance with external parties

- ✓ Introduce condominiums, promote new content development in collaboration with CVC fund investee companies (J-CAT experience-based content, sales of whisky produced by Karuizawa Distillers, etc.)



Sales of gaisho and semi-gaisho ¥300.0 billion
(FY2026 target +¥57.9 billion vs. FY2023)

Expand customers and upgrade CRM by evolving digital touch points

▶ Significantly increase the number of app users to 3.50 mn
(FY2026 target +1.31 mn vs. FY2023)

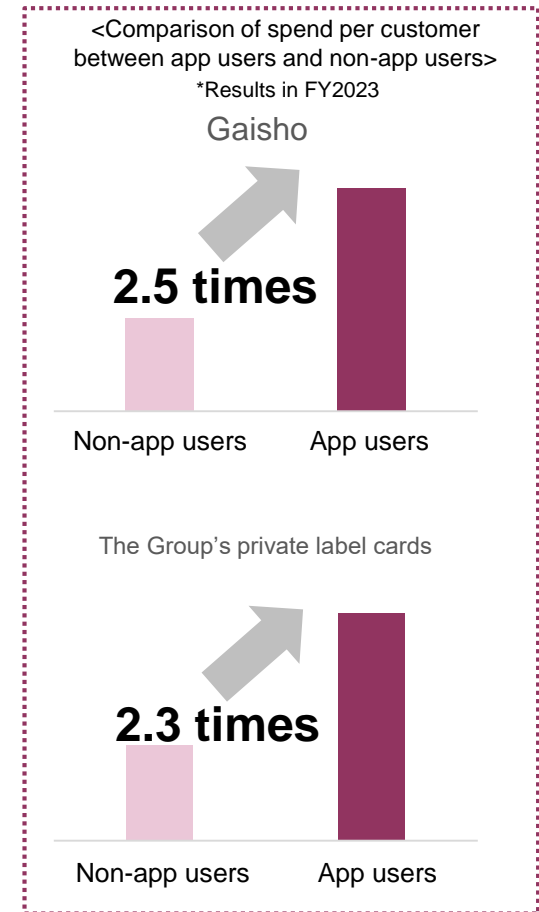
- Improve analysis accuracy and realize communication through the use of AI
- Increase spend per user through data analysis
- Build a system for app users to hold the Group's private label cards



▶ Strengthen CRM to achieve inbound sales of ¥100.0 bn*
(FY2026 target +¥27.9 bn vs. FY2023)

*Department Store Business

- Develop customer programs by deepening initiatives with partner companies
- Strengthen personal support based in inbound lounges
- Implement mutual referral of VIP customers with Central Group in Thailand



Building a strong blue-chip customer base in Japan and overseas to increase LTV*

*Lifetime Value (customer lifetime value)

Matsuzakaya Nagoya store large-scale renovation project



<Key points>

- Significantly renovate a total of 8 floors
- Expand content for prime consumers
- Strengthen the development of affluent next generation MZ
- Demonstrate synergies with PARCO and Nishiki 3-chome project
- Overwhelmingly improve space value
- Phase I in H2 2024, Phase II in H1 2025

Actively develop the next generation of affluent people to gain overwhelming support from high quality and highly enthusiastic consumers

Large-scale renovation of key stores by strengthening IP content and luxury items



Shibuya

- Business base for fostering and disseminating overseas content
- First major renewal planned after rebuilding (2025)

Nagoya

- Renovation of entertainment and pop culture
- Strengthening fashion for MZ generation

Ikebukuro

- Large-scale renovation planned to expand customer base (2025)
- Strengthening customer service for MZ generation and affluent people

Shinsaibashi

- First major renewal planned after reopening (2026)
- Strengthening inbound sales on the back of the World Expo 2025 in Osaka

Strengthen profitability toward business profit of ¥10.0 billion (FY2026)
through selective and concentrated investment allocation

Major renovation of the east building and west building of Nagoya PARCO



<Key points>

- **Renewal of concept of east building**
Significantly strengthen POP culture content
- **Ladies floors of west building**
Renovate fashion floors to accommodate the sensible consumption of MZ generation
- Demonstrate synergies with Matsuzakaya and Nishiki 3-chome project

Create exclusive value in Nagoya through the largest selection of pop culture in the Tokai region and by attracting MZ generation

A new landmark in Nagoya will be born



Nishiki 3-chome District 25 Project (tentative name)

<Key points>

- Four uses: commercial facilities, hotel, offices, and cinema complex
- The Group will operate new high-end commercial facilities on two basement floors and four above-ground floors
- Scheduled for completion and opening in 2026

Develop a commercial area that combines the expertise of Daimaru Matsuzakaya Department Stores and Parco

Contribute to enhancing the presence of and attracting a crowd to the Sakae area, Nagoya

Gradually materialize pipelines in 7 key cities

<Major pipelines announced>

- 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)

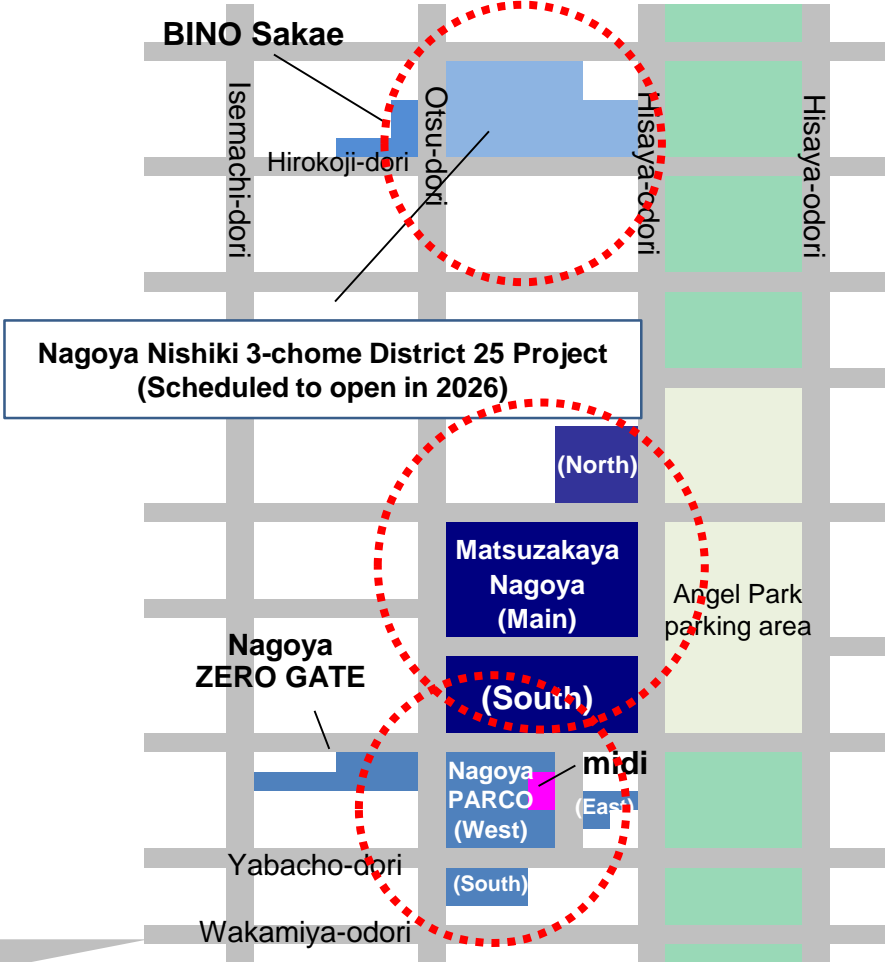


⋮
7
× **areas**

Promote a business model that “grows together with the local community”
and demonstrates synergies unique to the Group

Accelerate development investment in each area,
starting from the current medium-term plan

First, realize synergies in the “Nagoya” area



Update as

“Prime Destination”

combining the Group’s strengths



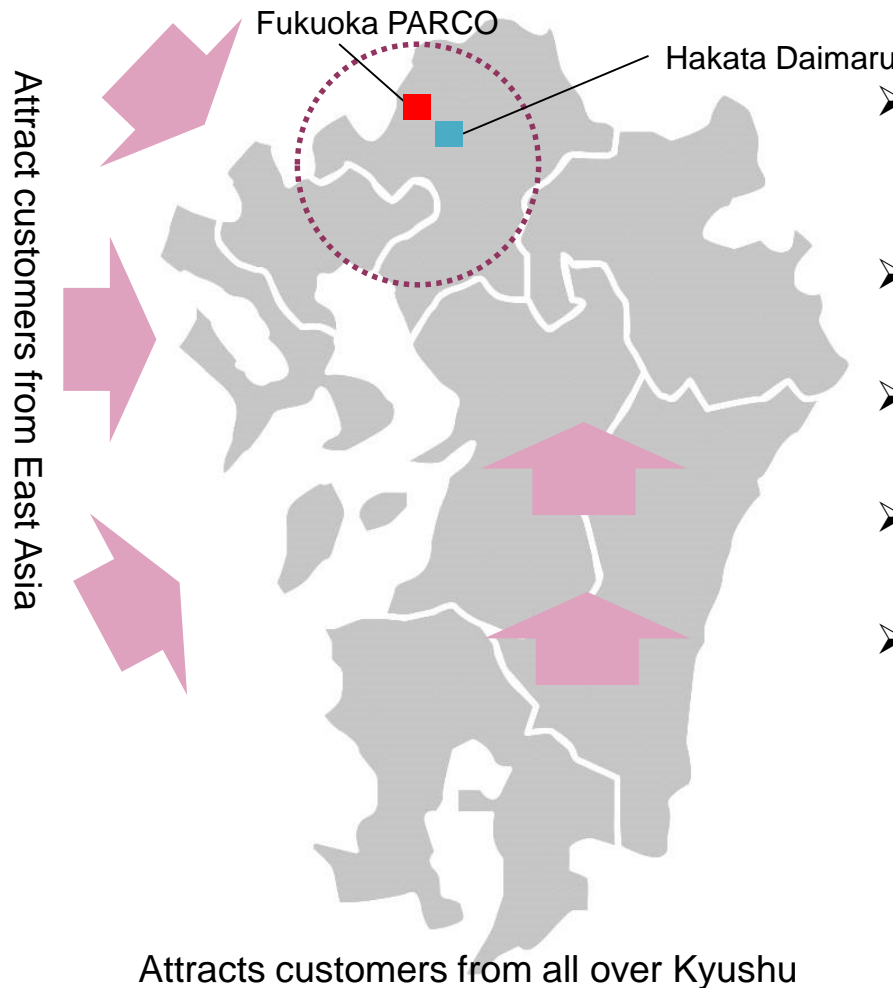
Area management



The Group transaction volume in the Sakae area, Nagoya ¥200.0 billion
 (Target for full operation from 2026 onwards +¥42.2 billion vs. FY2023)

Participate in Tenjin Big Bang

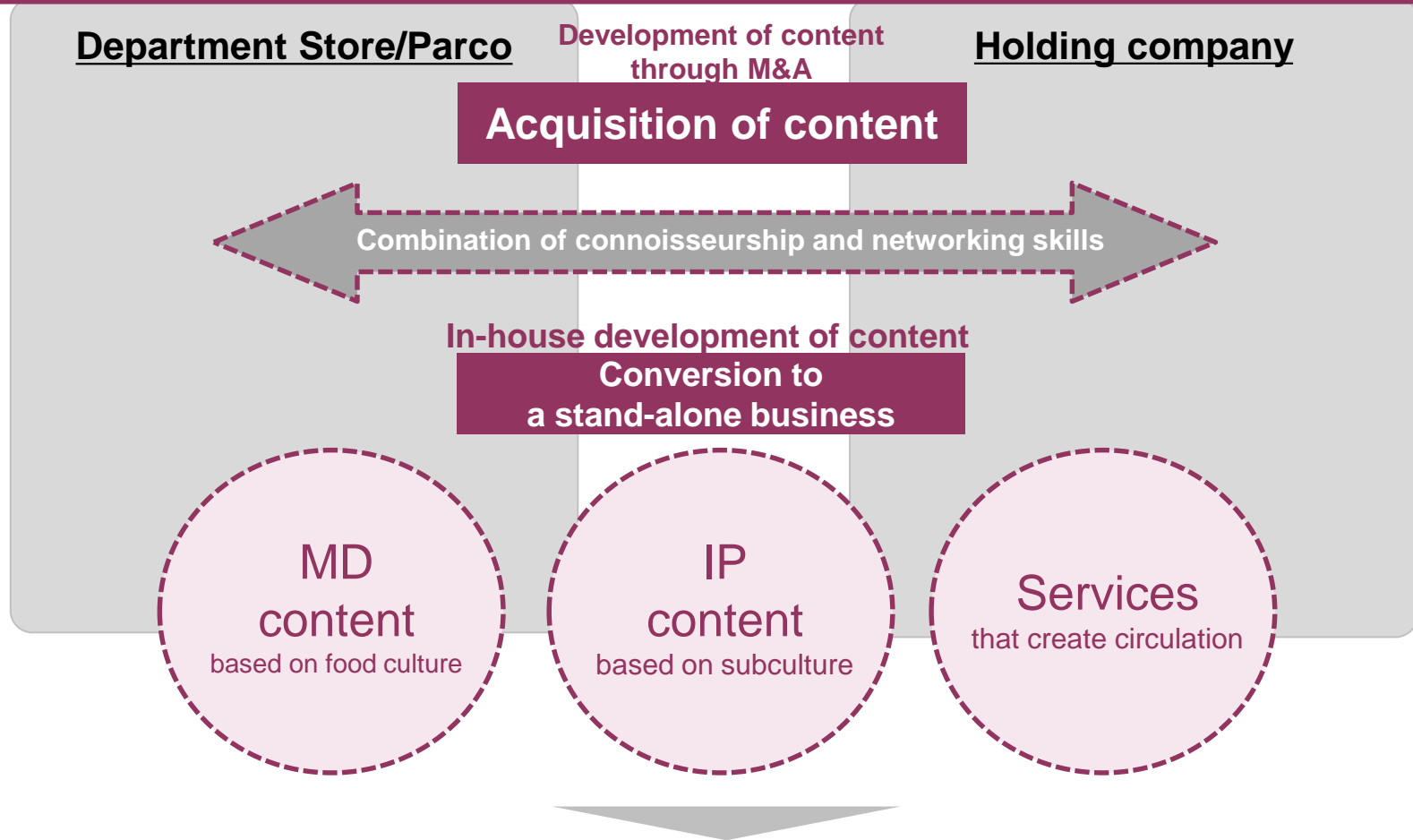
Tenjin 2-chome South Block Station-Front East-West Area Project (2030)



- On February 16 this year, the Urban Planning Promotion Council submitted an urban planning proposal to Fukuoka City
- Gather the Group's know-how and combine content
- Potential to attract customers from a wide area, targeting 13 million people throughout Kyushu
- Deepen inbound tourism as an entrance to East Asia
- Aim to create "Kyushu's No. 1 complex"

Accelerate large-scale investment for opening in 2030, starting from the current medium-term plan

Exchange, own, and collaboratively develop content and services



Bring together the Group's knowledge and provide its own exclusive value through new combinations and new developments

CVC fund

Established by JFR and IGP*
in October 2022



- Use exploration capabilities with startups
- Combine ideas and measures in the Group

Business succession fund

Established by JFR, Development Bank of Japan, and IGP*
in March 2024



- Pass on local content to the future
- Contribute to the sustainable development of local communities

Promote content co-creation across the Group through local, online, IP, circular, and other approaches, including M&A

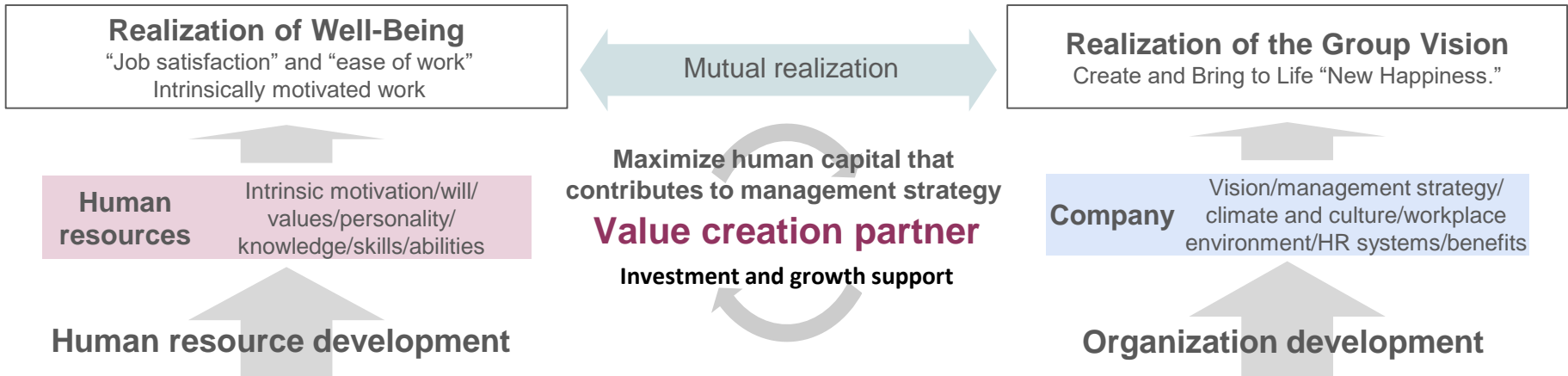
*IGP: Ignition Point Venture Partners



As One

Promote human resources strategy and exchange of human resources to integrate the Group's "knowledge"

The future created by "autonomous Well-Being individuals" = Creation of "New Happiness"



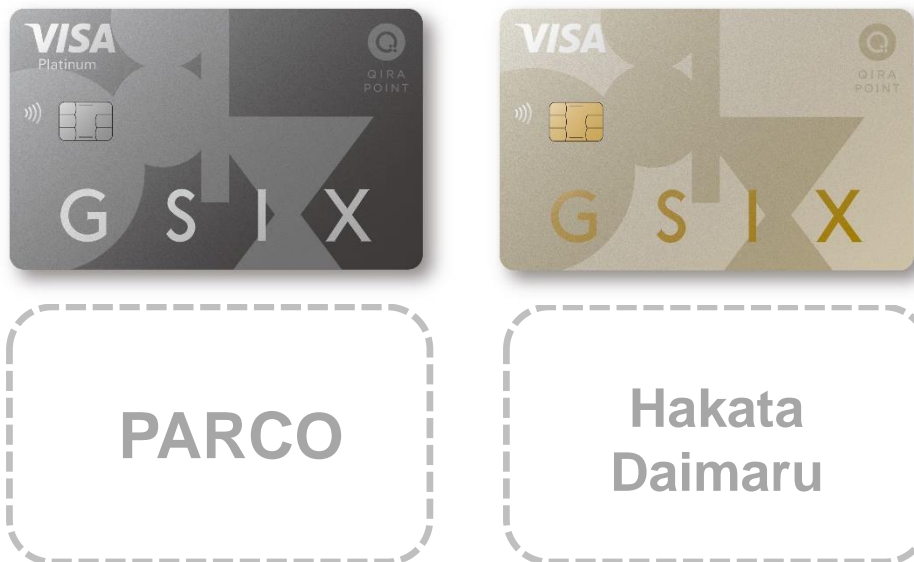
Human resources strategy

- | | | |
|---|--|-------------------------------------|
| Strengthening of recruitment and promotion of retention | Promotion of women's empowerment | Dissemination of the Vision |
| Development of next generation leaders | Identification and development of innovative human resources | Changes in organizational structure |
| Career development and reskilling | Improvement of "mental" and "physical" health | |

Integrate customers and strengthen the Payment and Finance Business through card unification

- ▶ Unify card issuers for PARCO, GINZA SIX, and Hakata Daimaru to JFR Card Co., Ltd.
- ▶ Also consider integrating the points of Daimaru Matsuzakaya Department Stores, PARCO, and GINZA SIX

Launched the GINZA SIX Card on April 9, 2024



Despite upfront costs, steady progress will be made in expanding the revenue base of the Payment and Finance Business, as well as the Group customer base during the current medium-term plan

Establish the Group-wide system

Accounting system

Operational reform of finance and accounting divisions by eliminating business continuity risks, upgrading business management, and creating a horizontal organization

Payment system


Redesign of operations and systems, including point and payment services and trade payables, based on the Group customer strategy and the growth strategy of the Payment and Finance Business

Groupware

Introduction of the Group-wide groupware and workflows to facilitate collaboration between the Group companies and to stimulate internal and external communication

Human resources system

The Group-wide standardization of operations and systems by creating a horizontal organization of human resources divisions and increasing exchange of human resources



Promote collaboration between operating companies and stimulate internal and external communication by standardizing operation systems across the Group

Improve capital profitability

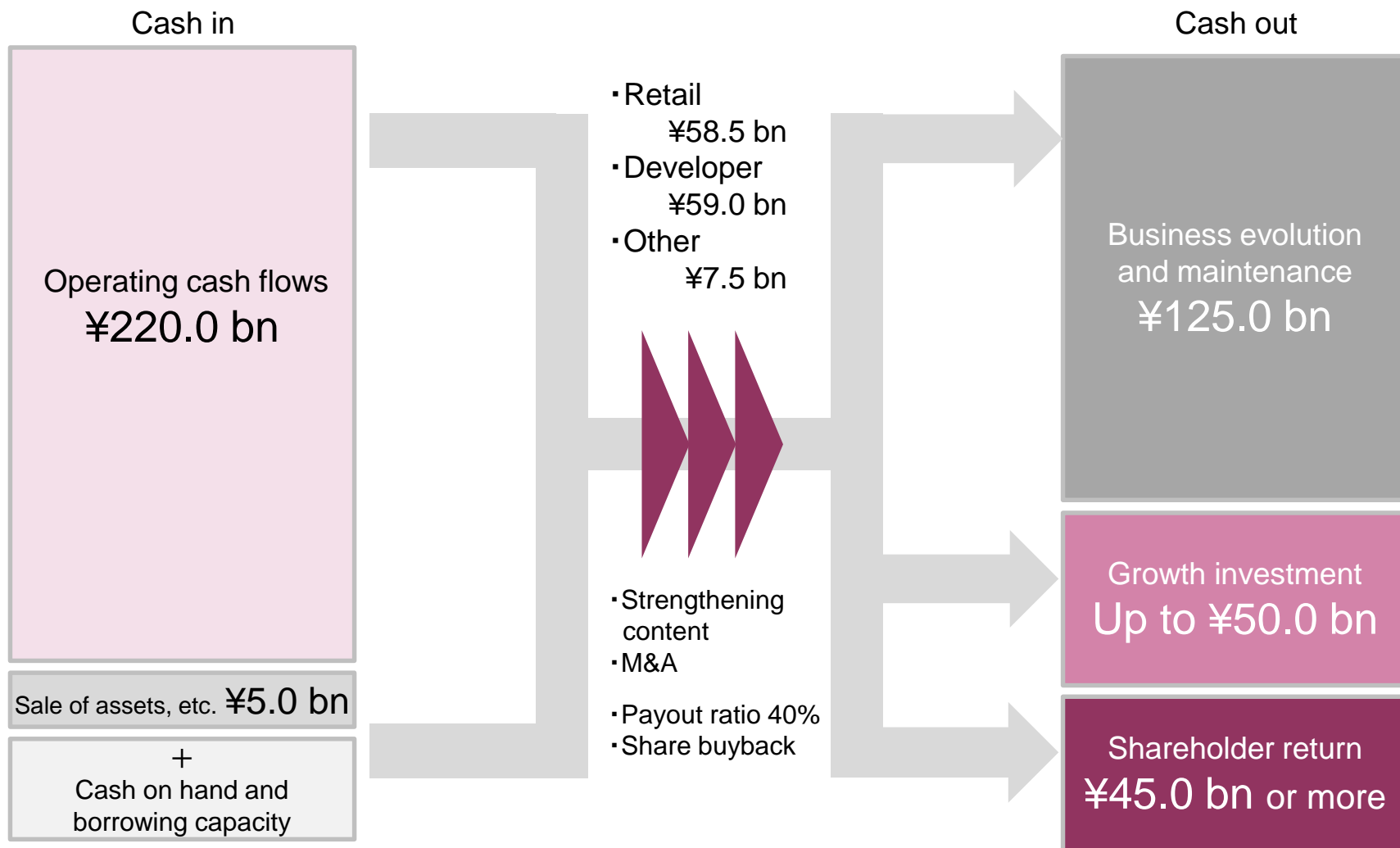
ROIC > **WACC** (Currently recognized as 4.0-4.5%)

ROE > **Cost of shareholders' equity** (Currently recognized as 7.0-7.5%)

Segment	FY2026 ROIC target	WACC
Department Store	10.5%	4-5%
SC	4.0%	3-4%
Developer	4.3%	3-4%
Payment and Finance	3.4%	2-3%
New	—	8-10%
Consolidated ROIC	5.0% or more	4.0-4.5%
FY2026 ROE target		Cost of shareholders' equity
Consolidated ROE	8.0% or more	7.0-7.5%

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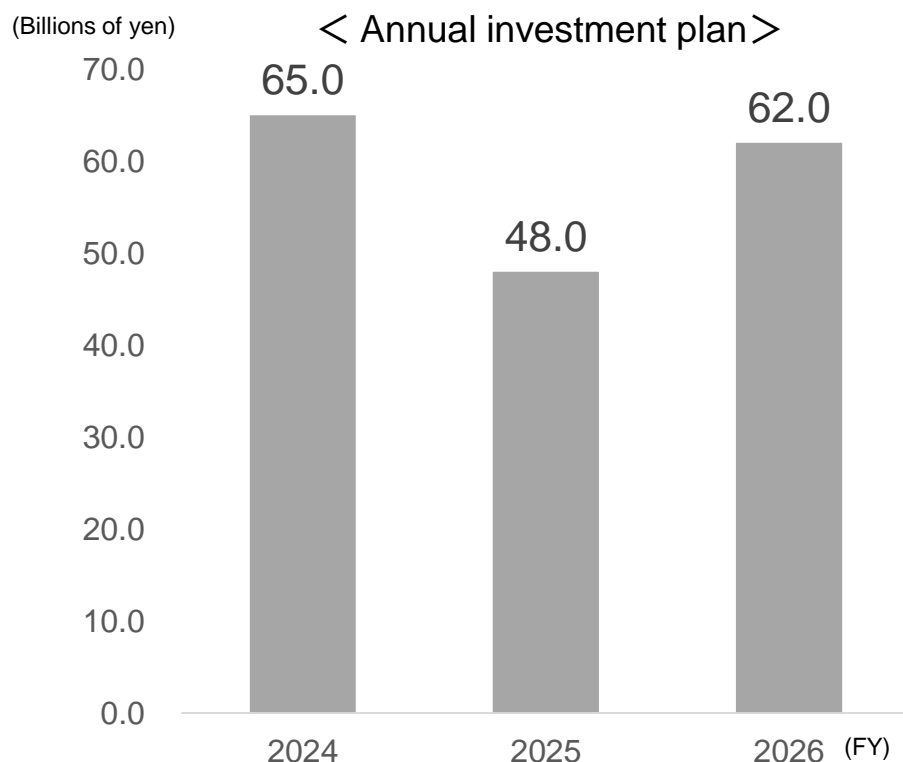
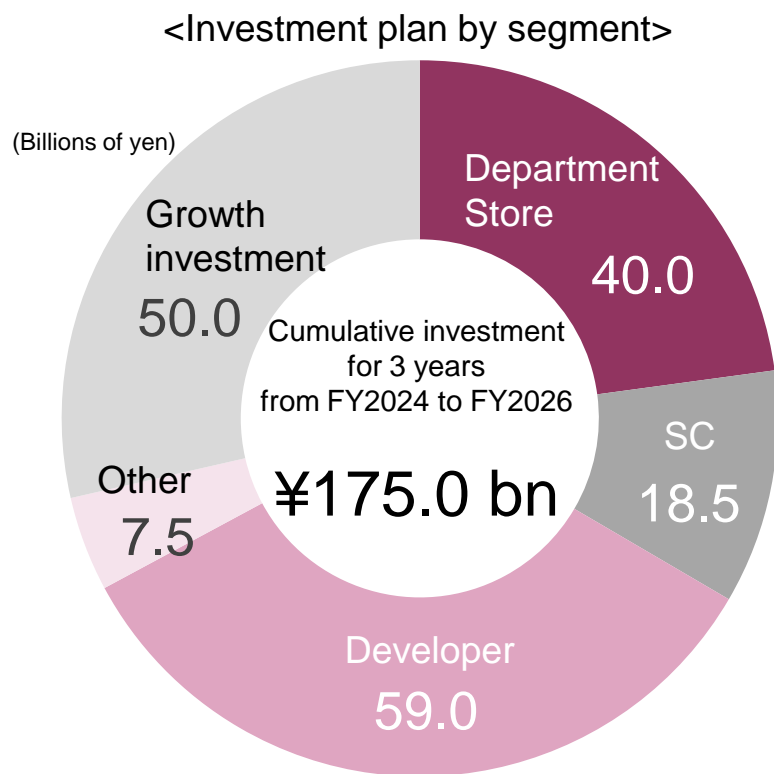
Ensure a balance between investment and returns



* Cumulative total for three years of the Medium-term Business Plan period (FY2024-FY2026)

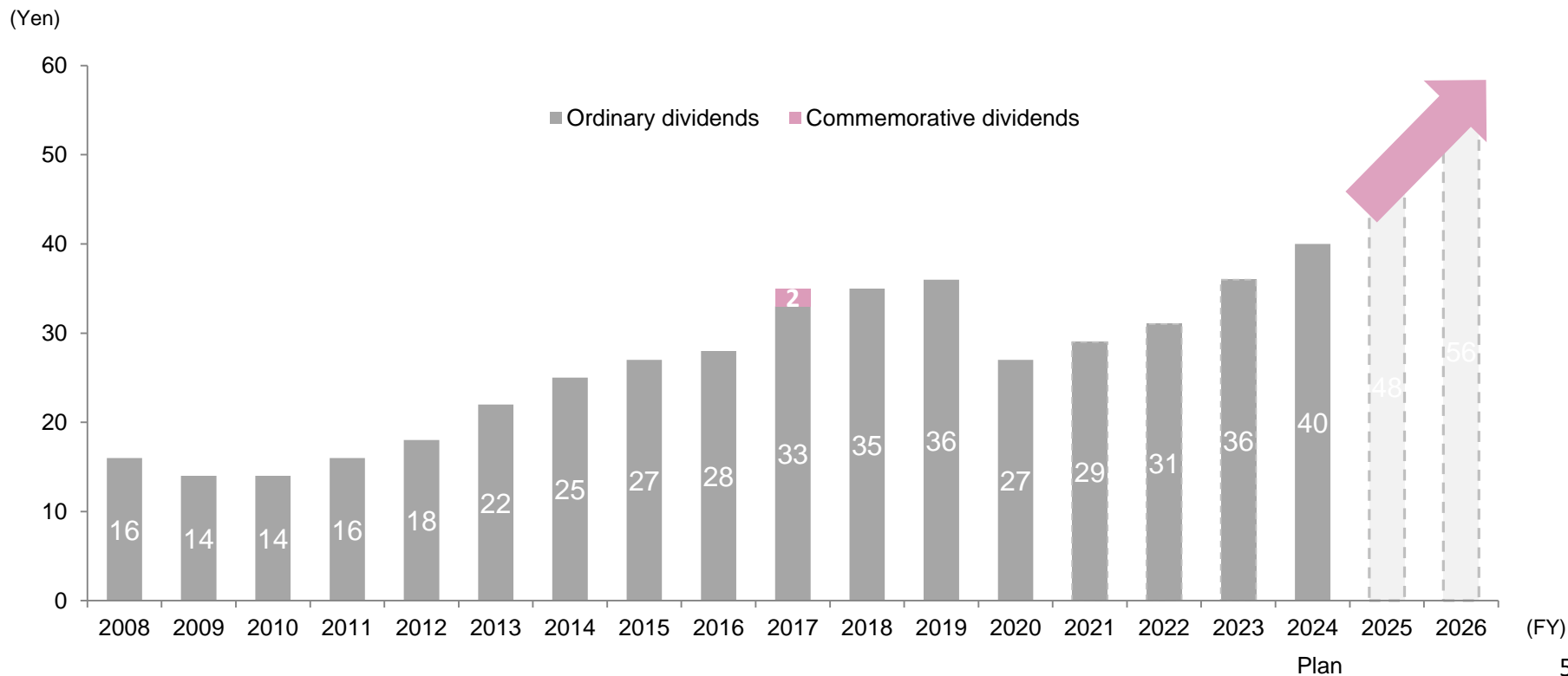
Growth investment to deepen retail and for the future of the Group

- ▶ Actively invest in retail such as the Matsuzakaya Nagoya store, starting this fiscal year to generate results as soon as possible
- ▶ Large-scale development investment related to the Fukuoka Tenjin project is expected to begin in H2 of the medium-term plan
- ▶ Clarify the vision of future growth by utilizing ¥50.0 billion growth investment quota



Increase shareholder return

- ▶ Increase payout ratio to 40% or more this fiscal year (previously 30% or more)
- ▶ Achieve sustainable profit growth and thereby continue to increase dividends
- ▶ Also implement share buybacks while monitoring share prices and balance sheet conditions, with an eye toward improving TSR



Accomplish “3, 3, 1”

3

Values

3

Synergies

1

As

The Group moves toward true “fusion”

One Team



Promote changes that maximize the Group’s potential and contribute to sustainable improvement of corporate value

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

Create and
Bring to Life
“New Happiness.”



J. FRONT RETAILING

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.