

Blend of Tradition and Innovation — Now the Group Has Entered the “Phase of Structural Change”

J. Front Retailing (the “Company”) is a joint holding company, which was established in September 2007 through the management integration of department store operators The Daimaru, Inc. and Matsuzakaya Holdings Co., Ltd.

The histories of Daimaru and Matsuzakaya began respectively when Shimomura Hikoemon Shokei opened a kimono fabric store “Daimonjiya” in Fushimi, Kyoto in 1717 and Ito Genzaemon Sukemichi, a son of Ito Ranmaru Sukehiro who served Oda Nobunaga, opened a kimono fabric and fancy goods wholesale store in

Honmachi, Nagoya in 1611. Daimaru had a mission statement “Service before profit” and that of Matsuzakaya was “Abjure all evil and practice all good.” They can be rephrased as “Customer-first principle” and “Contribution to society” in the language of today. Both companies started as kimono dealers but have changed their business models for as long as 300 and 400 years by responding appropriately to the changing times and grew as department stores.

After management integration, the Company aggressively pursues M&A to

Phase of founding

Phase of business integration and reorganization

2007

The Daimaru, Inc. and Matsuzakaya Holdings Co., Ltd. integrated management and established J. Front Retailing Co., Ltd.



2008

- Phase I relocation and expansion of Daimaru Tokyo store
- Daimaru Design & Engineering Co., Ltd., Daimaru Mokko Co., Ltd., Matsuzakaya Seiko Co., Ltd. and Benki Japan, Inc. merged into J. Front Design & Construction Co., Ltd.
- Daimaru Credit Service, Inc. was renamed JFR Card Co., Ltd.



2009

- JFR Service Co., Ltd. absorbed Daimaru Lease & Service Co., Ltd.
- The north wing of Daimaru Shinsaibashi store opened
- Matsuzakaya Service Co., Ltd. was renamed JFR Service Co., Ltd.
- Restaurant Peacock Co., Ltd. absorbed Shoel Foods Co., Ltd. to form J. Front Foods Co., Ltd.



2010

- The Daimaru Tomonokai, Inc. absorbed Matsuzakaya Tomonokai Co., Ltd. to form Daimaru Matsuzakaya Tomonokai Co., Ltd.
- J. Front Design & Construction Co., Ltd. absorbed DHU Co., Ltd.
- The Daimaru, Inc. and Matsuzakaya Co., Ltd. merged into Daimaru Matsuzakaya Department Stores Co., Ltd. (“Daimaru Matsuzakaya”)

2011

- Acquired a 49% stake in StylingLife Holdings Inc. and converted it into an equity method associate
- The Daimaru Home Shopping, Inc. took over part of the direct marketing business split off from Daimaru Matsuzakaya and was renamed JFR Online Co. Ltd.

2012

- Phase II expansion of Daimaru Tokyo store
- Dimples’ Co., Ltd. spun off Daimaru Matsuzakaya Sales Associates Co. Ltd.
- Increased a stake in Parco to 65% through TOB and converted it into a consolidated subsidiary
- Jointly established JFR Plaza Inc. with StylingLife Holdings Inc.
- Reached a basic agreement with Shanghai Xin Nan Dong Project Management Co., Ltd. and Shanghai New World Co., Ltd. to provide technical support and cooperation in operating a new department store in Huangpu District, Shanghai, China
- Acquired a 33.2% stake in Parco Co., Ltd. (“Parco”) and converted it into an equity method associate



2013

- Acquired a 70.52% stake in Forest Co., Ltd. and converted it into a consolidated subsidiary
- Sold all shares in Peacock Stores Ltd., a supermarket business, to Aeon Co., Ltd.



September 2007
Established J. Front Retailing



November 2009
North wing of Daimaru Shinsaibashi store opened



March 2011
Larger Daimaru Umeda store opened



August 2012
Converted Parco into a consolidated subsidiary



October 2012
Phase II expansion and opening of Daimaru Tokyo store

- 1717 Shimomura Hikoemon Shokei opened a kimono fabric store “Daimonjiya” in Fushimi, Kyoto (Foundation of Daimaru)
- 1611 Ito Genzaemon Sukemichi, a son of Ito Ranmaru Sukehiro who served Oda Nobunaga, opened a kimono fabric and fancy goods wholesale store in Honmachi, Nagoya (Foundation of Matsuzakaya)

expand its business wings for growth. We converted Parco Co., Ltd. and Forest Co., Ltd. into consolidated subsidiaries and StylingLife Holdings Inc. and Senshukai Co., Ltd. into equity method associates to broaden our business as a multifaceted retailer with department stores as our core.

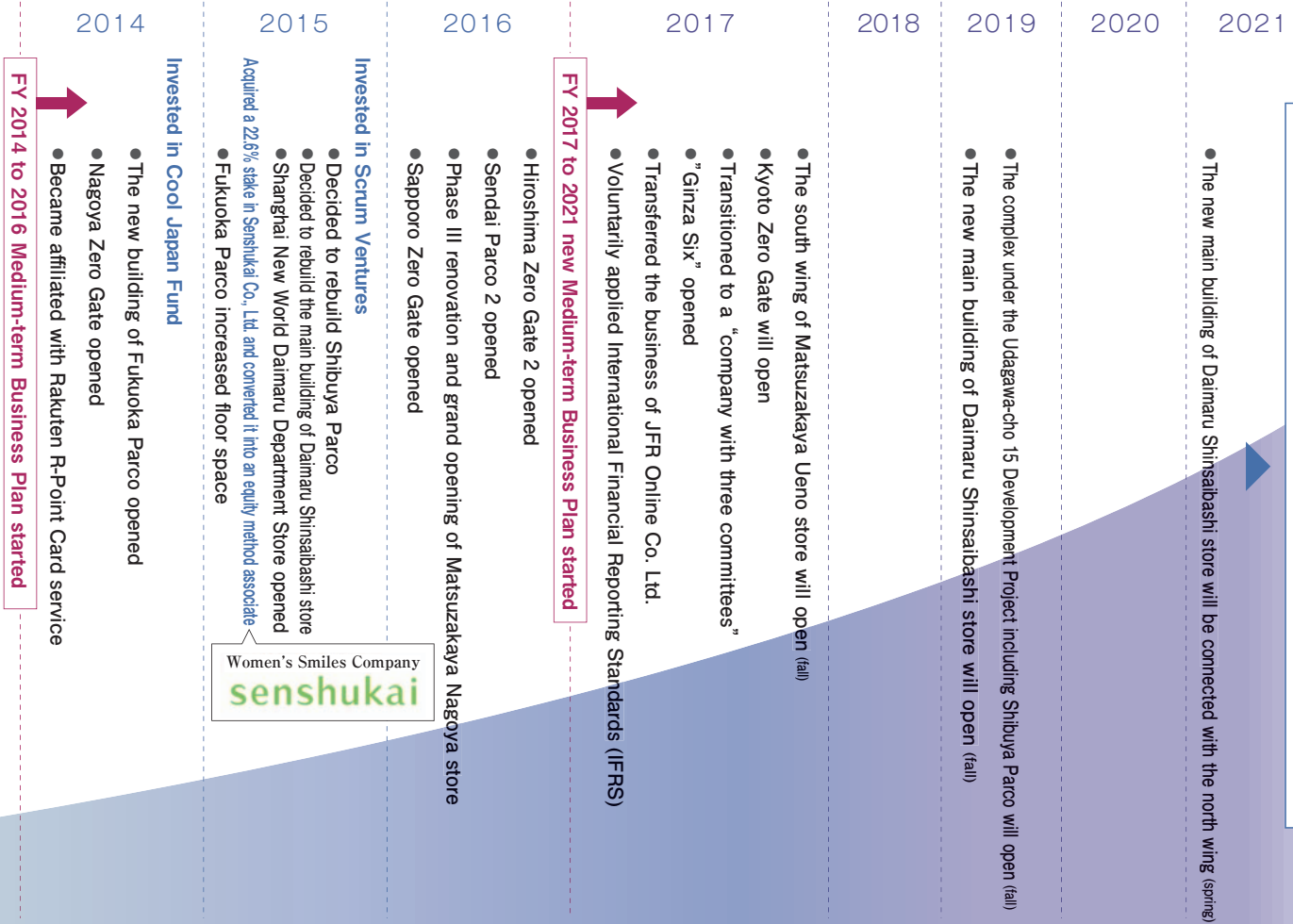
And in the "FY 2017 to 2021 Medium-term Business Plan," we will commit to changing the Group structure as a "Multi Service Retailer" beyond the framework of retail to expand our business domain for discontinuous growth based on the

new Group Vision. With respect to the business portfolio, while growing the core Department Store Business and Parco Business, we will expand the Real Estate Business and other new business areas to increase their shares.

By blending tradition and trust fostered in our long history with innovation and closely supporting customers through our business as an indispensable presence in society, we will aim at further development.

Phase of building a foundation

Phase of dramatic growth / Changing the Group structure



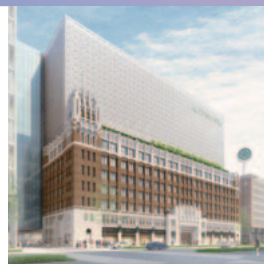
May 2015
Converted Senshukai into an equity method associate



April 2017
Ginza Six opened



Artist's impression
New south wing of Matsuzakaya Ueno store



Artist's impression
New main building of Daimaru Shinsaibashi store



Artist's impression
Shibuya Parco