

Blend of Tradition and Innovation — Develop as a Multifaceted Retailer

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 Sukenichi, a son of Ito Ranmaru Sukehiro who served Oda Nobunaga, opened a kimono fabric and fancy

goods wholesale store in Honmachi, Nagoya in 1611. 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 in late years.

After management integration in 2007, while reorganizing the Group's businesses into one company per sector, the Company aggressively pursues M&A to expand its business

Phase of business integration and reorganization

2007

2008

2009

2010

2011

2012

2013

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



● Phase I relocation and expansion of Daimaru Tokyo store

- The information systems of The Daimaru, Inc. and Matsuzakaya Co., Ltd. were integrated.
- Dimples' Co., Ltd. absorbed Daimaru Sales Associates Co., Ltd.
- Daimaru Design & Engineering Co., Ltd., Daimaru Mokko Co., Ltd., Matsuzakaya Seiko Co., Ltd. and Belix Japan, Inc. merged into J. Front Design & Construction Co., Ltd.
- Daimaru Credit Service, Inc. was renamed JFR Card Co., Ltd.

- 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 Shoei Foods Co., Ltd. to form J. Front Foods Co., Ltd.

- 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").

- JFR 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.

● Daimaru Umeda store increased floor space.

- Phase II expansion of Daimaru Tokyo store
- Dimples' Co., Ltd. spun off Daimaru Matsuzakaya Sales Associates Co., Ltd.
- JFR increased a stake in Parco to 65% through TOB and converted it into a consolidated subsidiary.
- JFR jointly established JFR Plaza Inc. with StylingLife Holdings Inc.
- JFR 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 opening and operating a new department store in Huangpu District, Shanghai, China.
- JFR acquired a 33.2% stake in Parco Co., Ltd. ("Parco") and converted it into an equity method associate.



JFR sold all shares in Peacock Stores Ltd., a supermarket chain, to Aeon Co., Ltd.

JFR acquired a 70.52% stake in Forest Co., Ltd. and converted it into a consolidated subsidiary.



September 2007
Established J. Front Retailing



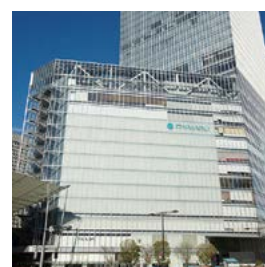
November 2009
North wing of Daimaru Shinsaibashi store opened



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

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 strengthen competitiveness and profitability of individual businesses and create synergy with department stores as their core for further development as a multifaceted retailer.

Our ongoing FY 2014 to 2016 Medium-term Business Plan is positioned as a phase of

constructing a foundation toward dramatic growth in fiscal year 2017 and beyond. We will strengthen the profitability of the Group's businesses including the core Department Store Business and the Parco Business and promote the Urban Dominant Strategy for growing with local communities and the omnichannel retailing initiatives that seamlessly connect physical stores to the Internet as well as new challenges for the future to increase operating income and capital efficiency with the aim of achieving ROE of 8% early.

Phase of building a foundation for growth

2014

2015

2016

Phase of dramatic growth

2017

2018

2019

Achieve 8% ROE early.

FY 2014 to 2016 Medium-term Three-year Plan started.

- JFR became affiliated with Rakuten R-Point Card service.
- Nagoya Zero Gate opened.
- The new building of Fukuoka Parco opened.

JFR invested in Cool Japan Fund.

- Fukuoka Parco increased floor space.

JFR acquired a 22.6% stake in Senshukai Co., Ltd. and converted it into an equity method associate.

- JFR decided to rebuild the main building of Daimaru Shinsaibashi store.

- Parco decided to rebuild Shibuya Parco.

JFR invested in Scrum Ventures.

- Sapporo Zero Gate opened.

- Phase III renovation and grand opening of Matsuzakaya Nagoya store.

- The new building of Sendai Parco will open (early summer).

- Hiroshima Zero Gate will open (fall).

New Medium-term Business Plan will start.

- The complex under the Ginza 6-chome District 10 Redevelopment Project will open (April).

- Kyoto Zero Gate will open (spring).

- The south wing of Matsuzakaya Ueno store will open (fall).

- The new main building of Daimaru Shinsaibashi store will open (fall).

- The complex under the Udagawa-cho 15 Development Project including Shibuya Parco will open (fall).

Women's Smiles Company

senshukai



May 2015
Converted Senshukai into an equity method associate



Artist's impression
Ginza 6-chome District 10 Redevelopment



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