May 7, 2018

To whom it may concern

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J. FRONT RETAILING Co., Ltd.
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(Update) Partial Correction (English) to
"Notice of Convocation of the 11th Annual Shareholders Meeting"

J. FRONT RETAILING Co., Ltd. hereby announces that the "Notice of Convocation of the 11th Annual Shareholders Meeting" which was published on our website on April 26, 2018 contained matters that require correction, as detailed below.

1. Reason for correction
There were errors in parts of the items related to "Business Report" and "THE AUDIT REPORT OF AUDIT COMMITTEE MEMBERS," and because of these corrections have been made.

2. Corrected parts
Corrections are underlined.

These corrections only apply to the English disclosure materials. There are no corrections for the Japanese disclosure materials.

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Business Report

1. Current status of the corporate group

(1) Business summary and results

(Before correction)

To cope with diversification of work styles due to diverse work perspectives and changes in life stages, in Daimaru Matsuzakaya Department Stores and Daimaru Matsuzakaya Sales Associates and other companies, we introduced the Area Limited Employee System, which allows employees to select the areas where they work, and the Dedicated Staff System, under which employees on fixed-term contracts who have completed more than one year of service in the companies are employed indefinitely in principle.

(After correction)

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7. Operations of each Committee

(3) Remuneration Committee

(Before correction)

In addition, as entering into the first year when stock is to be granted as remuneration, the Remuneration Committee has been working on the verlification of the stock-based remuneration system for officers for appropriate operation as planned.

(After correction)

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9. System and policies of the Company

(2) Operational status of systems to ensure properness of operations <Basic Policy to Build Internal Control Systems>

I. Group Management System

(1) Board of Directors

(Before correction)

(i) The Board of Directors is comprised of highly independent Outside Directors who have no risk of a conflict of interest with the Company's shareholders, Internal Executive Directors who own deep understandings about the business environment and issues surrounding the Group, and Directors who do not execute business. It functions to oversee the execution of duties by Executive Officer and Directors.

(After correction)

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9. System and policies of the Company

(2) Operational status of systems to ensure properness of operations <Basic Policy to Build Internal Control Systems>

I. Group Management System

(2) Management execution framework

(Before correction)

(iii) The roles and responsibilities of the Company as a holding company are narrowed down to formulating overall policy and plan for Group management, such as the Group Vision, Group Medium-term Business Plan, M&As, Group financing plans, along with the management and progress control of that said plans, and proper allocation of the Group's management resources.

With regard to matters related to business execution at operating companies, in order to promote speedy management decisions and the clarification of management responsibities, delegation rules have been established, and operated accordingly, aimed at prompt decision-making and execution by respective operating companies, except for important matters concerning the Group management.

(After correction)

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With regard to matters related to business execution at operating companies, in order to promote speedy management decisions and the clarification of management responsibilities, delegation rules have been established, and operated accordingly, aimed at prompt decision-making and execution by respective operating companies, except for important matters concerning the Group management.

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9. System and policies of the Company

(2) Operational status of systems to ensure properness of operations <Basic Policy to Build Internal Control Systems>

IV. Internal Audit Structure

(Before correction)

(iii) The Internal Audit Division reported nine times to management in the current fiscal year, including "Results of audit on business operations of Daimaru Matsuzakaya Department Store by store" and "Results of audit on business operations of operating associates."

(After correction)

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9. System and policies of the Company

(2) Operational status of systems to ensure properness of operations <Basic Policy to Build Internal Control Systems>

V. Structure of the Audit Committee

(Before correction)

(v) The Meetings of the Audit Committee were held 12 times in the current fiscal year. Discussions were mainly on the Rules of the Audit Committee and the selection of the Accounting Auditor.

(After correction)

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THE AUDIT REPORT OF AUDIT COMMITTEE MEMBERS

2. Audit Results

(1) Results of Audit of Business Report, etc.

(Before correction)

(iii) The Audit Committee confirms that decisions by the Board of Directors regarding the Company's internal control systems are fair and adequate, and found no areas that require mention regarding the description of the internal control systems in the Business Report and the performance of duties by Directors and Executive Officers. As stated in the Business Report, the Corporate Sales Division of Daimaru Matsuzakaya Department Stores Co., Ltd., a subsidiary of the Company, received a cease and desist order and a payment order in January 2018 from the Japan Fair Trade Commission. The Audit Committee confirms that the Company and all Group companies will be aiming at improving and strengthening the business management system for complying with laws and regulations and preventing any further incidents.

(After correction)

(iii) The Audit Committee confirms that decisions by the Board of Directors regarding the Company's internal control systems are fair and adequate, and found no areas that require mention regarding the description of the internal control systems in the Business Report and the performance of duties by Directors and Executive Officers. As stated in the Business Report, the Corporate Sales Division of Daimaru Matsuzakaya Department Stores Co. Ltd., a subsidiary of the Company, received a cease and desist order and a payment order in January 2018 from the Japan Fair Trade Commission. The Audit Committee confirms that the Company and all Group companies will be aiming at improving and strengthening the business management system for complying with laws and regulations and preventing any further incidents.

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