[Translation]

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To whom it may concern

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Notice Regarding Closure of Tsudanuma PARCO and Shin-Tokorozawa PARCO of PARCO Co., Ltd.

J. FRONT RETAILING Co., Ltd. (the "Company") hereby announces that PARCO Co., Ltd., a consolidated subsidiary of the Company, has decided to close the Tsudanuma PARCO and Shin-Tokorozawa PARCO stores as follows.

Details

1. Reform of group management structure

The Group has been moving forward with formulating its Medium-Term Business Plan, which is starting in fiscal 2021, in order to ensure corporate survival and sustainable growth amid the dramatic changes occurring in the environment affecting the Group's business. Beginning from the current fiscal year, the Group has first proceeded with taking on the core elements of those measures, namely "Management structure reform," "Digital transformation," and "Full creation of synergy with Parco."

In order to achieve reform of the management structure, the Group will work on improving revenue by accelerating the transformation of business models and streamlining business operations by restructuring the Group's business to quickly build a future growth platform, while taking a serious look at the future survivability and growth potential of each of the Group's businesses and stores.

As part of these efforts, PARCO Co., Ltd. has decided to close Tsudanuma PARCO and Shin-Tokorozawa PARCO in order to redistribute its limited management resources to growth fields, which it believes will contribute to the realization of sustainable growth.

2. Background and reason of decision on operation closures

(1) Tsudanuma PARCO

Tsudanuma PARCO opened in July 1977. As a commercial facility in the vicinity of Tsudanuma Station, it has been operating for 43 years earning the support from the people of the local area.

Over that time, new development in the vicinity of Tsudanuma Station, in the surrounding suburbs and along the Sōbu Line, etc. has progressed, and amid the continuing new openings and floor-area-expansion renewals of competing stores, the store has carried out refurbishments, strengthened its sales power, and streamlined operating methods in response to the local market. However, it is operating in a difficult business environment as shown by its recognition of impairment losses in recent years.

Currently the store is receiving the support of numerous local customers. However, looking to the future, redevelopment in the vicinity of Tsudanuma Station and other new plans are currently underway and after considering changes in the retail environment surrounding the store, among other factors, PARCO Co., Ltd. has decided to close operations of the store at the end of February 2023 in consideration of the expiration of the building lease.

(2) Shin-Tokorozawa PARCO

Shin-Tokorozawa PARCO opened in June 1983. As a commercial facility in the vicinity of Shin-Tokorozawa Station, it has been operating for 37 years earning the support from the people of the local area.

Over that time, the store has introduced large-scale specialty shops and strengthened its sales power, and streamlined operating methods in response to changes in the local market. Recently, however, there has been new openings and floor-area-expansion renewals, etc. of competing stores in the Tokorozawa Station vicinity and surrounding suburbs, and plans are also underway for a large-scale development in the Tokorozawa Station vicinity.

Currently the store is receiving the support of numerous local customers. However, after considering the future changes in the retail environment surrounding the store, and the facilities related investment burden that would be required from March 2024 for the store, which will have been operating for 40 years since its opening, PARCO Co., Ltd. has decided to close operations of the store at the end of February 2024.

3. Overview of Tsudanuma PARCO and Shin-Tokorozawa PARCO

(1) Tsudanuma PARCO

Address	18-1, Maebara-nishi 2-chome, Funabashi-shi, Chiba, Japan
Date of opening	July 1, 1977
Tenant transaction volume	¥11,994 million (Fiscal year ended February 29, 2020)
Sales floor space	Approx. 48,000 m^2

(2) Shin-Tokorozawa PARCO

Address	2-1, Midoricho 1-chome, Tokorozawa-shi, Saitama, Japan
Date of opening	June 23, 1983
Tenant transaction volume	¥10,071 million (Fiscal year ended February 29, 2020)
Sales floor space	Approx. 39,000 m^2

4. Date of termination of operation

(1) Tsudanuma PARCO

February 28, 2023 (planned)

(2) Shin-Tokorozawa PARCO

February 29, 2024 (planned)

5. Treatment of employees

Employment of employees will be continued through redeployment.

6. Future prospects

The Company expects to incur costs relating to the store closures mentioned above. However, the impact on the consolidated operating results for the fiscal year ending February 28, 2021 are still being reviewed. As soon as those details are made clear, the Company will promptly announce them.

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