～ Speed Up the Change. ～

Presentation of Results for Interim Period of Fiscal Year Ending February 28, 2025

October 8, 2024

J. Front Retailing Co., Ltd.

Create and Bring to Life “New Happiness.”

J. FRONT RETAILING

Today's Agenda

I. H1 FY2024 Results and Full FY2024 Forecast

II. Progress of FY2024-2026 Medium-term Business Plan

H1 FY2024 Results and Full FY2024 Forecast

WAKABAYASHI Hayato

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

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Consolidated Performance PL (IFRS)

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- Spending by the wealthy and inbound tourists continued to drive business performance. Business profit increased by approx. 60% in H1.
- With the addition of gain on step acquisition of shares (approx. ¥8.5 billion), profits exceeded June forecast and reached a record high.
- Interim dividend is ¥22 as announced in September, an increase of ¥6 per share from the same period last year.

(Millions of yen, unless otherwise stated)

Interim period of fiscal year ending February 28, 2025	Q1		Q2		H1		
	Results	% YoY	Results	% YoY	Results	% YoY	vs. June forecast
Gross sales	299,707	13.6	310,761	12.5	610,469	13.0	14,469
Revenue	101,469	8.6	107,898	9.9	209,368	9.3	2,368
Gross profit	53,294	16.3	55,152	16.0	108,446	16.1	3,246
SGA	36,891	2.5	39,079	5.1	75,970	3.8	270
Business profit	16,403	66.8	16,072	55.1	32,476	60.8	2,976
Other operating income	277	(73.8)	8,628	1,042.8	8,906	390.1	—
Other operating expenses	545	(24.7)	1,473	(8.2)	2,018	(13.4)	—
Operating profit	16,136	58.7	23,228	144.1	39,364	100.0	12,364
Profit attributable to owners of parent	11,316	76.9	17,777	173.4	29,094	125.5	11,094
Dividend per share (Yen)	—	—	—	—	22	(Yen) 6	2

Segment Performance (IFRS)

J. FRONT RETAILING

(Millions of yen, unless otherwise stated)

Interim period of fiscal year ending February 28, 2025		Q1		Q2		H1	
		Results	% YoY	Results	% YoY	Results	% YoY
Department Store	Gross sales	197,240	16.2	201,529	12.2	398,770	14.2
	Revenue	62,606	15.6	64,687	11.1	127,293	13.3
	Business profit	10,623	118.6	9,531	39.8	20,154	72.6
	Operating profit	10,386	130.6	9,062	61.8	19,449	92.4
SC	Gross sales	80,003	14.9	82,854	15.6	162,857	15.3
	Revenue	15,868	11.0	15,943	13.2	31,811	12.1
	Business profit	4,002	61.7	3,834	60.4	7,836	61.0
	Operating profit	3,950	25.7	3,167	20.1	7,118	23.1
Developer	Gross sales	16,726	1.3	20,286	21.3	37,013	11.4
	Revenue	16,726	1.3	20,286	21.3	37,013	11.4
	Business profit	1,638	17.2	2,571	332.3	4,210	111.3
	Operating profit	1,632	0.3	2,543	321.0	4,176	87.1
Payment and Finance	Gross sales	3,188	(1.5)	3,301	(5.6)	6,489	(3.6)
	Revenue	3,188	(1.5)	3,301	(5.6)	6,489	(3.6)
	Business profit	386	(47.2)	675	(18.9)	1,062	(32.1)
	Operating profit	344	(49.8)	556	(31.9)	900	(40.1)
Other	Gross sales	11,863	(13.6)	13,411	(5.6)	25,275	(9.5)
	Revenue	11,574	(13.8)	13,111	(5.5)	24,686	(9.6)
	Business profit	258	(45.8)	193	(5.2)	451	(33.6)
	Operating profit	271	(61.4)	150	(52.2)	422	(58.5)

H1 Segment Information (IFRS) Main Reasons for Changes

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Department Store Business

- Backed by increasing spending by the wealthy and inbound tourists, investment proved successful, and sales of luxury goods further increased.
- Gaisho sales exceeded the plan, mainly due to more brisk spending by young affluent consumers. Inbound sales expanded mainly in 7 key areas.

SC Business

- Shibuya PARCO and Shinsaibashi PARCO saw significant revenue increase due to growing popularity among foreign tourists to Japan.
- Thanks to the renovations of key stores such as Nagoya PARCO, both customer traffic and transaction volume increased, leading to increased rental income.

Developer Business

- J. Front City Development recorded a gain on sale of assets held (approx. ¥1.7 billion) in Q2.
- J. Front Design & Construction increased profits mainly due to an increase in orders for hotel interior construction and department store renovation work.

Payment and Finance Business

- While merchant fees increased due to higher transaction volume, revenue decreased due to higher point costs and other factors.
- Profits decreased due to an Increase in upfront costs for strengthening organization and recruitment to consolidate the Group cards.

Other

- Daimaru Kogyo's profits fell due to struggles in the automotive department and other areas.

Daimaru Matsuzakaya Department Stores Major Store Sales

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- Maintained double-digit growth in total sales of directly managed stores.
  Double-digit growth even compared to pre-COVID-19 levels.
- In H1, sales at Kyoto and Nagoya stores grew by double digits compared to pre-COVID-19 levels. Nagoya store continued to perform well despite the impact of sales floor closures for major renovations this fall.

(% change)

Interim period of fiscal year ending February 28, 2025	YoY			vs. FY2019			vs. FY2018
	Q1 results	Q2 results	H1 results	Q1 results	Q2 results	H1 results	H1 results
Shinsaibashi	44.7	19.4	30.9	27.2	29.6	28.4	38.2
Umeda	8.1	9.4	8.8	(11.4)	(6.9)	(9.1)	(9.1)
Tokyo	10.3	9.4	9.8	4.9	2.6	3.7	5.4
Kyoto	27.5	15.7	21.4	23.6	16.5	20.0	20.0
Kobe	10.5	8.4	9.4	26.5	32.8	29.6	25.5
Sapporo	17.8	23.7	20.8	22.0	32.1	27.1	27.6
Nagoya	7.5	6.4	6.9	11.3	14.4	12.9	12.0
Total directly managed stores	15.9	11.7	13.7	11.5	13.9	12.7	12.9

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

Daimaru Matsuzakaya Department Stores Inbound Sales Trends

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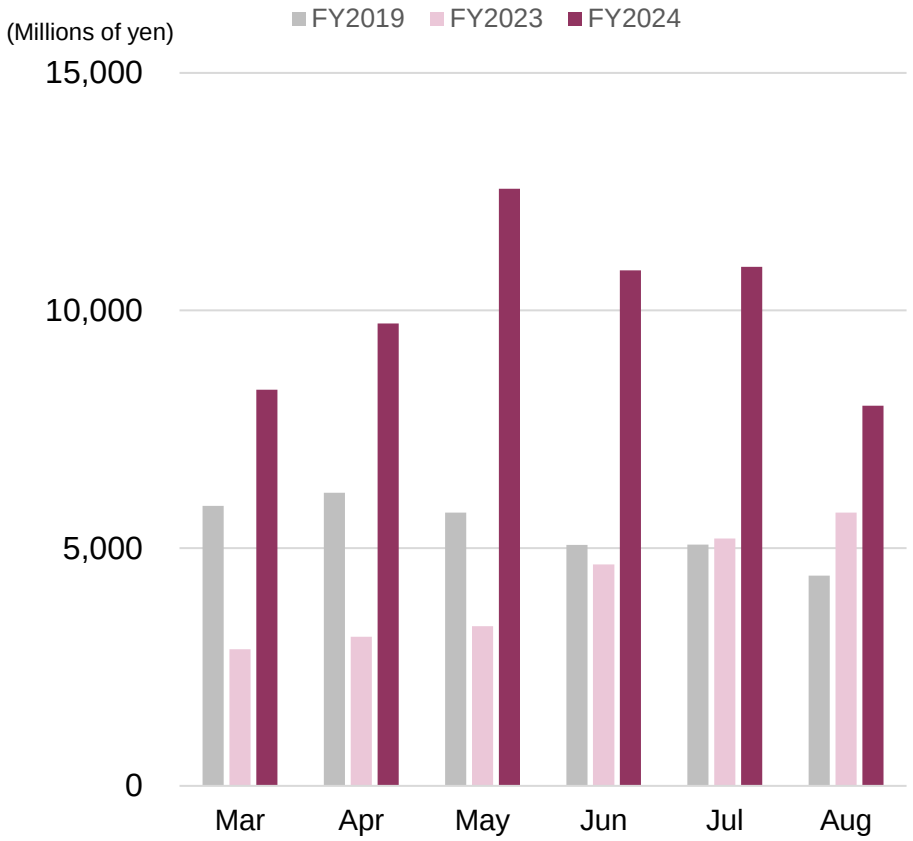
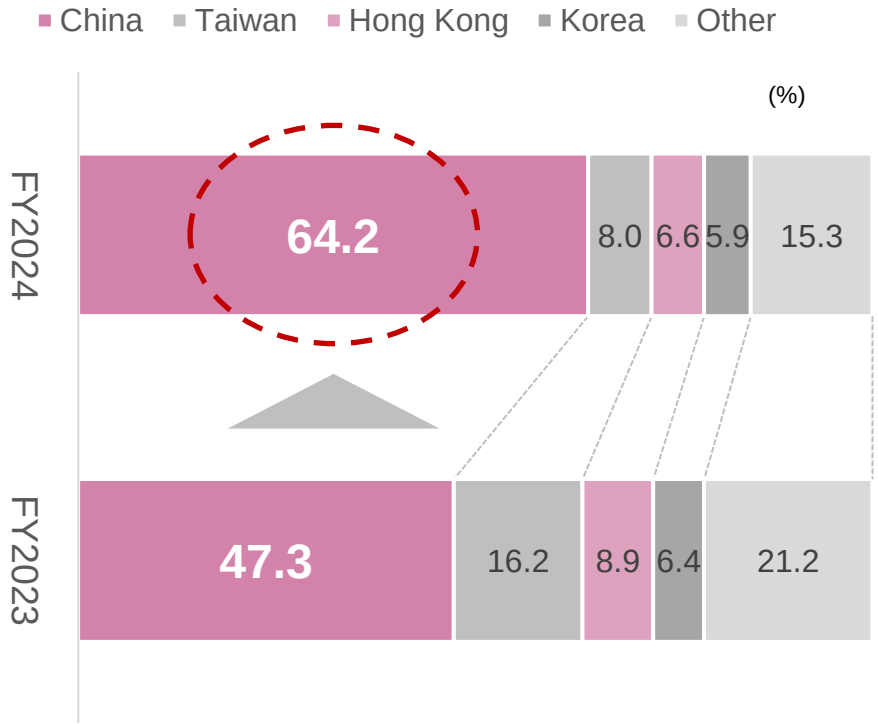
- With the weak yen and a recovery in Chinese tourists, sales reached a record high of over ¥60.0 billion.
- The pace of revenue growth slowed down in August due to the impact of the rapid appreciation of the yen and other factors. Strategies such as expanding contact points with overseas customers will be accelerated and promoted in H2 and beyond.

Duty-free sales trends (directly managed stores)



Duty-free sales share (by country)



Daimaru Matsuzakaya Department Stores SGA Analysis (IFRS)

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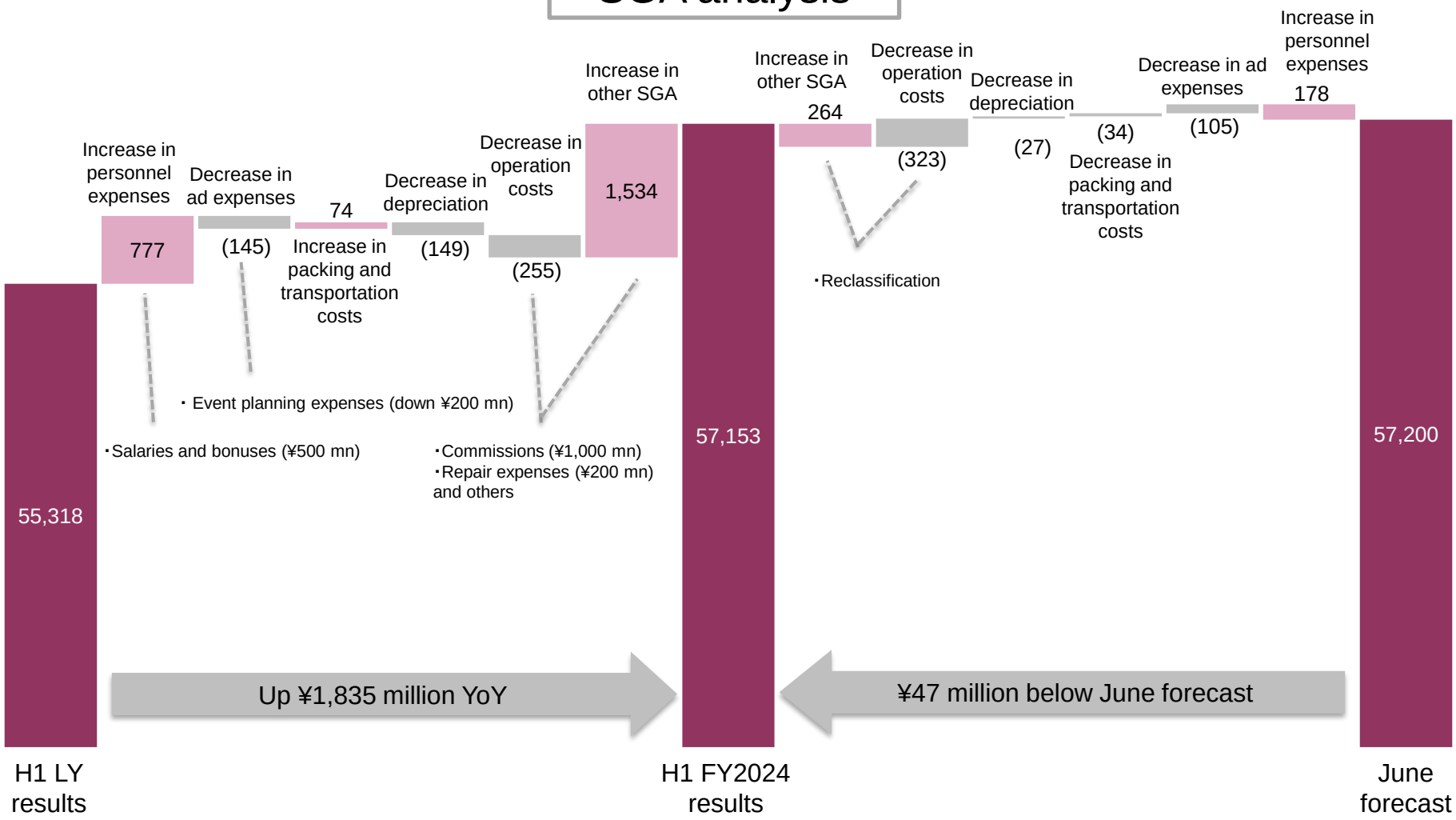
H1 FY2024 SGA analysis

(Millions of yen)



PARCO Major Store Tenant Transaction Volume Percentage Change

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- Shibuya and Shinsaibashi PARCO saw a significant YoY increase in revenue mainly due to growing popularity among foreign tourists to Japan.
- Total comparable store transaction volume also continued to be strong, with double-digit increases continuing from last year.

(% change)

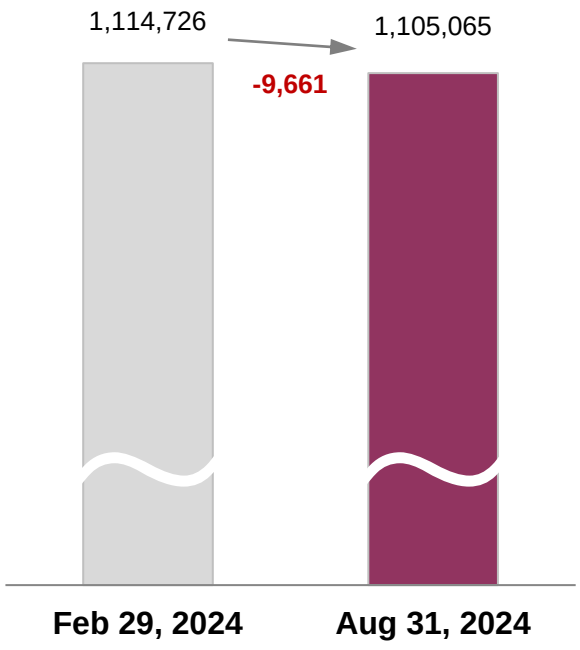
Interim period of fiscal year ending February 28, 2025	YoY			vs. FY2019			vs. FY2018
	Q1 results	Q2 results	H1 results	Q1 results	Q2 results	H1 results	H1 results
Sapporo PARCO	25.7	22.0	23.7	8.2	32.2	19.6	17.0
Urawa PARCO	14.4	11.0	12.7	13.0	16.5	14.7	21.4
Ikebukuro PARCO	19.4	16.3	17.8	0.8	13.7	7.1	4.9
Shibuya PARCO	41.7	35.9	38.7	2,878.0	3,110.9	2,991.5	3,050.0
Chofu PARCO	3.1	4.2	3.6	(0.5)	8.6	3.8	7.6
Nagoya PARCO	20.3	17.0	18.6	(4.1)	3.4	(0.5)	0.6
Shinsaibashi PARCO	47.6	54.0	50.9	—	—	—	—
Fukuoka PARCO	12.2	15.5	13.9	11.5	23.2	17.2	20.3
Total all stores	14.8	15.1	14.9	17.9	31.5	24.5	29.9
Total comparable stores	17.9	18.0	18.0	0.4	9.5	4.8	5.4

* Kinshicho PARCO opened on March 16, 2019, Shibuya PARCO on November 22, 2019, and Shinsaibashi PARCO on November 20, 2020.
*Utsunomiya PARCO closed on May 31, 2019, Kumamoto PARCO on February 29, 2020, Tsudanuma PARCO on February 28, 2023, and Shintokorozawa PARCO on February 29, 2024.

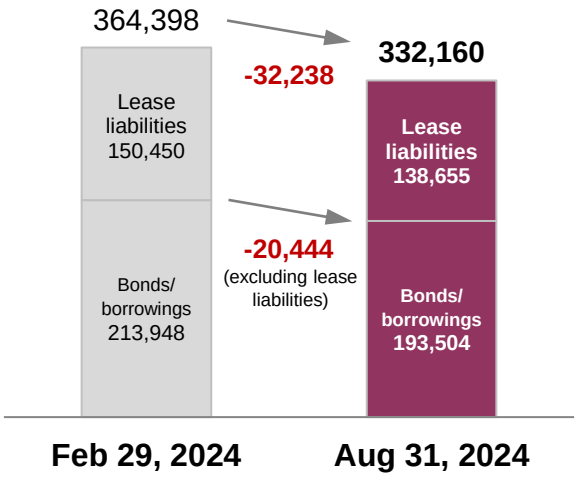
Consolidated BS Results (IFRS)

- Total assets were ¥1,105.0 billion, down ¥9.6 billion from the end of the previous fiscal year.
- Interest-bearing liabilities (excluding lease liabilities) were ¥193.5 billion, a reduction of ¥20.4 billion from the end of the previous fiscal year.
- Equity attributable to owners of parent was ¥395.2 billion, an increase of ¥13.3 billion from the end of the previous fiscal year.

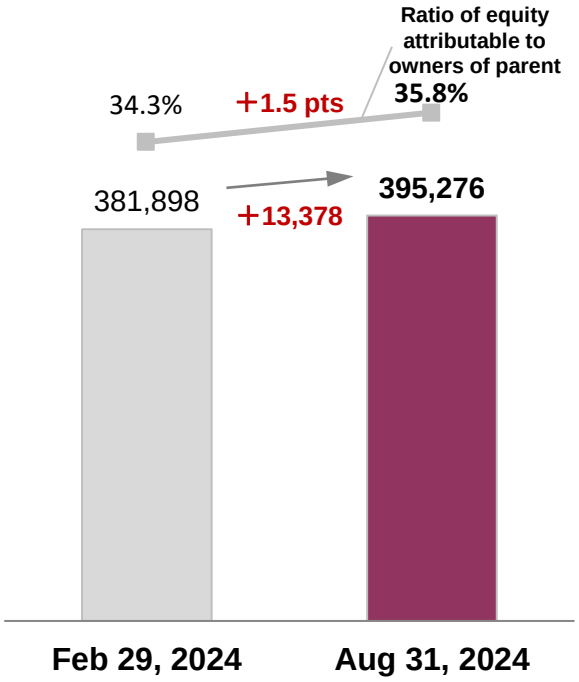
Total assets



Interest-bearing liabilities



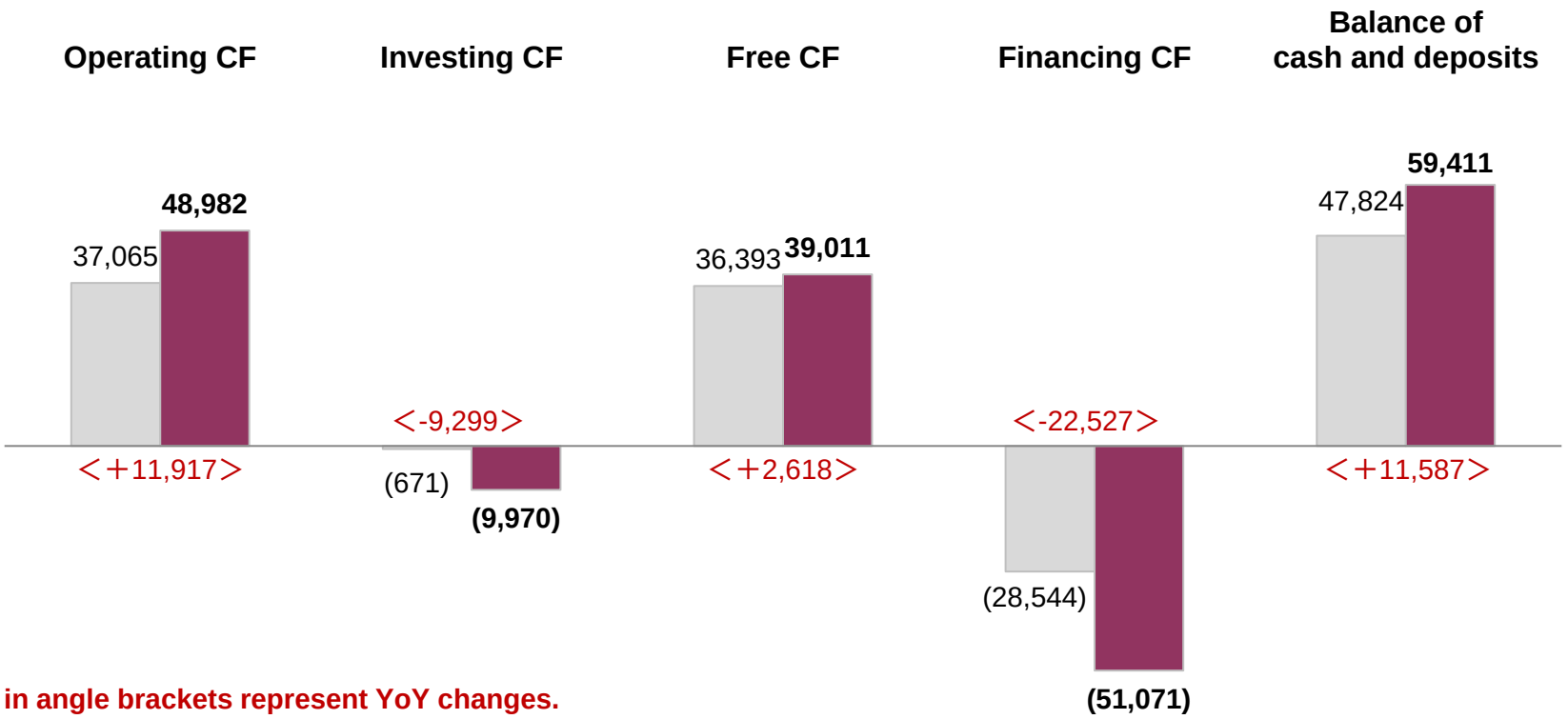
Equity attributable to owners of parent



(Millions of yen)

Consolidated CF Results (IFRS)

- Net cash provided by operating activities was ¥48.9 billion, up ¥11.9 billion YoY, mainly due to profit growth.
- Net cash used in investing activities increased by ¥9.2 billion mainly due to acquisition of shares in Shinsaibashi Kyodo Center Building.
- Net cash used in financing activities increased by ¥22.5 billion mainly due to share buyback.



(Millions of yen)

Business Environment Awareness

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＋） Employment and income environment improves, and consumer sentiment improves as real wages are on a positive trend.

＋） Spending by the wealthy remains strong due to the rise of power couples and asset effects.

－） Inbound spending continues to grow, but uncertainty remains mainly due to the stronger yen.

－） The disparity between urban and rural areas is clear, and competition between downtown stores is intensifying due to active development in urban areas.

Consolidated Performance Forecast PL (IFRS)

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- Although consumer spending is expected to remain strong in H2, additional upfront costs and restructuring costs are factored in.
- Business profit for full year is expected to reach a record high of ¥5.2 billion, achieving the medium-term plan target ahead of schedule.
- Annual dividend is panned to be ¥44 (¥22 each for interim and year-end), a significant YoY increase of ¥8.

(Millions of yen, unless otherwise stated)

Fiscal year ending February 28, 2025	H2			Full year		
	Forecast	% YoY	vs. June forecast	Forecast	% YoY	vs. June forecast
Gross sales	639,530	4.5	20,530	1,250,000	8.5	35,000
Revenue	227,631	5.7	10,131	437,000	7.4	12,500
Gross profit	103,053	0.9	853	211,500	8.2	4,100
SGA	83,529	7.1	329	159,500	5.5	600
Business profit	19,523	(19.1)	523	52,000	17.3	3,500
Other operating income	593	(68.0)	—	9,500	158.6	—
Other operating expenses	7,481	184.9	—	9,500	91.7	—
Operating profit	12,635	(45.9)	(1,865)	52,000	20.8	10,500
Profit attributable to owners of parent	7,405	(56.5)	(1,095)	36,500	22.0	10,000
Dividend per share (Yen)	(Year-end) 22	(Yen) 2	2	(Annual) 44	(Yen) 8	4
ROE (%)				9.4	(RD) 1.3	
ROIC (%)				6.0	(RD) 0.9	

Segment Performance Forecast (IFRS)

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(Millions of yen, unless otherwise stated)

Fiscal year ending February 28, 2025		H2			Full year		
		Forecast	% YoY	vs. June announcement	Forecast	% YoY	vs. June announcement
Department Store	Gross sales	432,429	8.4	19,329	831,200	11.1	25,600
	Revenue	138,706	9.5	6,706	266,000	11.3	7,000
	Business profit	15,445	6.4	3,345	35,600	36.4	5,000
	Operating profit	13,850	3.3	2,850	33,300	42.1	4,600
SC	Gross sales	159,442	1.9	6,942	322,300	8.2	16,200
	Revenue	32,188	6.0	988	64,000	9.0	1,700
	Business profit	3,463	(2.6)	463	11,300	34.2	1,600
	Operating profit	2,681	(27.2)	281	9,800	3.6	2,600
Developer	Gross sales	40,486	(12.2)	5,686	77,500	(4.7)	9,300
	Revenue	40,486	(12.2)	5,686	77,500	(4.7)	9,300
	Business profit	1,889	(66.7)	(611)	6,100	(21.6)	(400)
	Operating profit	1,623	(69.5)	(677)	5,800	(24.4)	(400)
Payment and Finance	Gross sales	6,945	8.8	145	13,434	2.4	134
	Revenue	6,945	8.8	145	13,434	2.4	134
	Business profit	833	(31.3)	(367)	1,895	(31.8)	(205)
	Operating profit	789	(27.0)	(411)	1,689	(34.6)	(311)
Other	Gross sales	30,224	31.2	(1,976)	55,500	13.9	(3,200)
	Revenue	29,613	32.9	(1,787)	54,300	14.7	(1,600)
	Business profit	648	204.3	(52)	1,100	30.4	0
	Operating profit	477	71.0	(123)	900	(27.9)	0

H2 Segment Information (IFRS) Main Reasons for Changes

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Department Store Business

- Continued strong spending by the wealthy and growth in inbound spending are expected. Renovations at Nagoya store will have positive impact from Q4 onward.
- Factoring in aggressive investment in store renovations and others and rising costs such as personnel expenses, business profit is expected to increase. Increase is expected compared to June forecast.

SC Business

- Continuing from H1, both domestic and inbound transaction volume will remain strong, and revenue is expected to increase.
- Business profit is expected to be flat YoY due to investment in renovations at Nagoya PARCO and others and increased costs associated with issuing new card. Increase is expected compared to June forecast.

Developer Business

- J. Front City Development will see a reactionary decline from last year's gain on sale of assets (approx. ¥3.5 billion).
- J. Front Design & Construction will increase revenue due to an increase in orders for department store renovation work and others.

Payment and Finance Business

- Revenue is expected to increase due to an increase in merchant fee income resulting from an increase in transaction volume.
- Factoring in upfront costs for the early issuance of "new PARCO CARD" and others, profits are expected to decline YoY and compared to June forecast.

Other

- Daimaru Kogyo expects revenue to increase in electronic device and retail business departments.

Daimaru Matsuzakaya Department Stores Major Store Sales Forecast

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- With continued growth in gaisho and inbound sales, double-digit growth is expected compared to 2018.
- Nagoya store is expected to see a large effect in Q4 from renovations that will open in stages from November onward.
- With an eye on the future, Umeda store will begin a large-scale renewal plan from FY2025 onward.

(% change)

Fiscal year ending February 28, 2025	YoY			vs. FY2019			vs. FY2018
	Q3 forecast	Q4 forecast	H2 forecast	Q3 forecast	Q4 forecast	H2 forecast	H2 forecast
Shinsaibashi	14.4	19.9	17.3	38.1	73.1	54.9	39.6
Umeda	8.4	4.0	6.0	(6.4)	(8.1)	(7.3)	(11.6)
Tokyo	8.2	9.8	9.1	7.6	17.8	12.9	8.8
Kyoto	6.1	6.7	6.4	14.7	22.2	18.6	13.0
Kobe	7.2	7.3	7.3	27.7	37.5	32.8	25.2
Sapporo	15.6	8.6	11.6	34.8	42.7	39.1	33.1
Nagoya	(2.6)	12.2	5.4	2.5	33.5	18.3	14.1
Total directly managed stores	7.1	9.4	8.3	13.9	27.5	21.0	14.1

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

Segment Performance Forecast: Department Store Business

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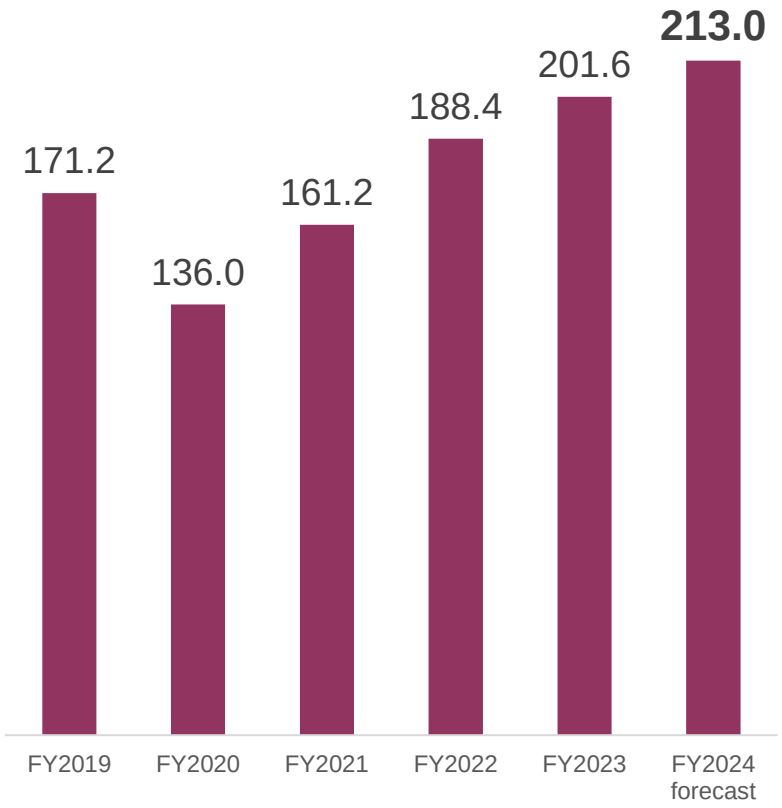
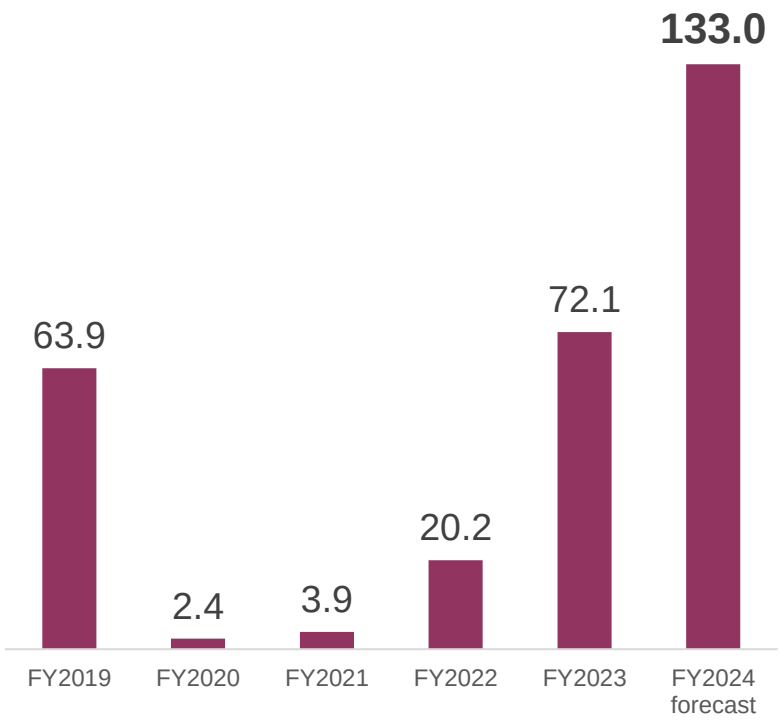
- Gaisho sales are expected to reaching a level of over ¥21,0 billion by strengthening response to robust spending by the wealthy.
- Inbound sales are projected to be ¥68.0 billion in H2 and ¥133 billion in full year, due to an expected increase in the number of foreign tourists to Japan and mitigation of the impact of foreign exchange rates.

Gaisho sales (billions of yen)



Duty-free sales (billions of yen)



Daimaru Matsuzakaya Department Stores SGA Analysis (IFRS)

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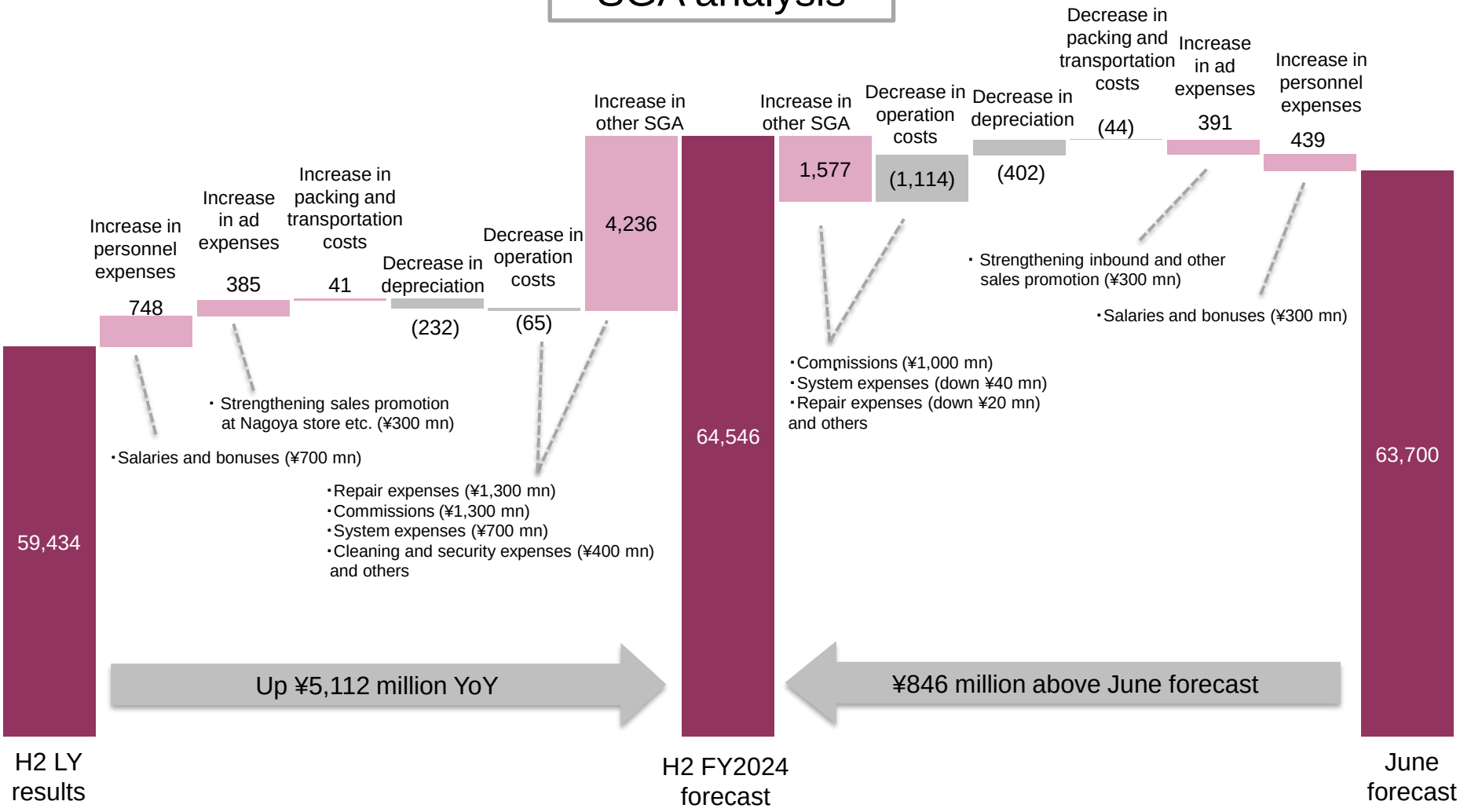
H2 FY2024 SGA analysis

(Millions of yen)



Consolidated BS Forecast (IFRS)

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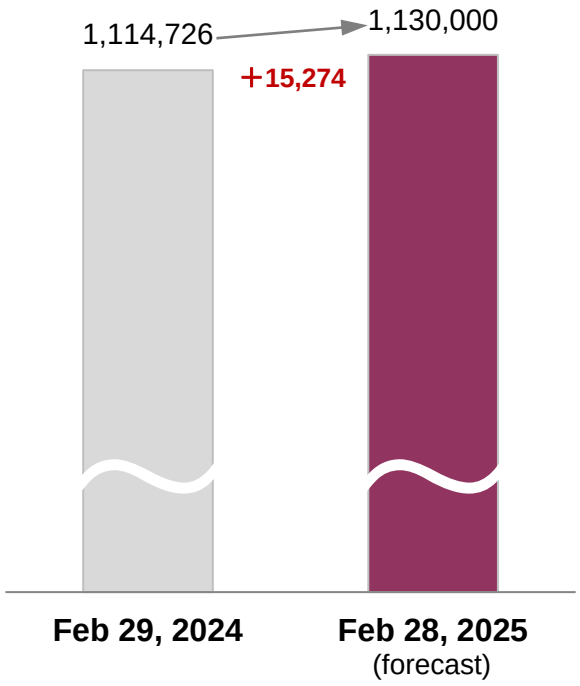
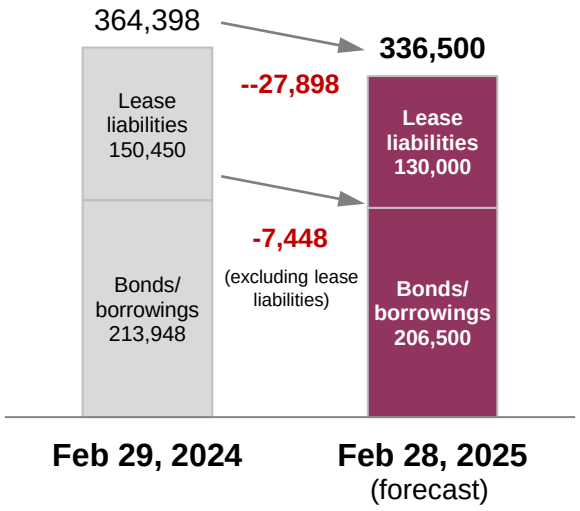
- Total assets are expected to be ¥1130.0 billion, an increase of ¥15.2 billion from the end of the previous fiscal year due to investment for growth.
- Interest-bearing liabilities (excluding lease liabilities) are expected to be ¥206.5 billion, a reduction of ¥7.4 billion from the end of the previous fiscal year.
- Ratio of equity attributable to owners of parent is expected to be 35.1%, an increase of 0.8 points from the end of the previous fiscal year.

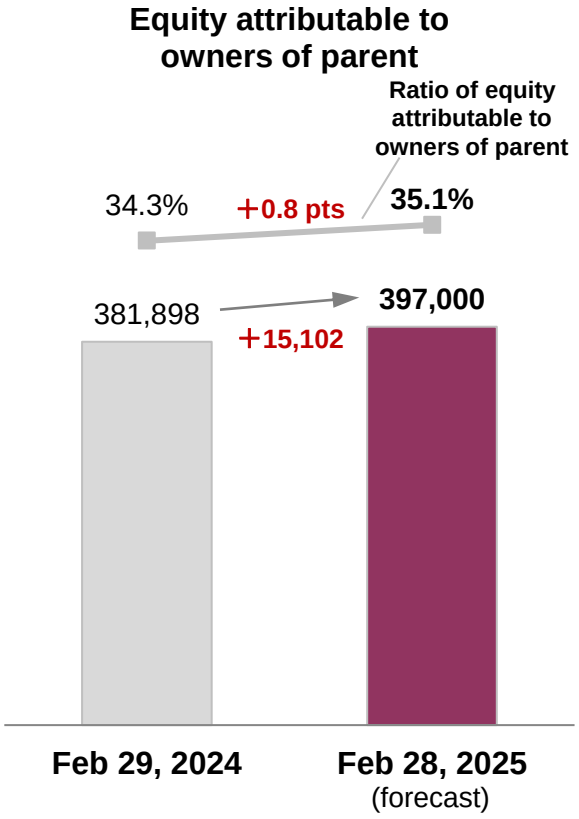
Total assets



Interest-bearing liabilities



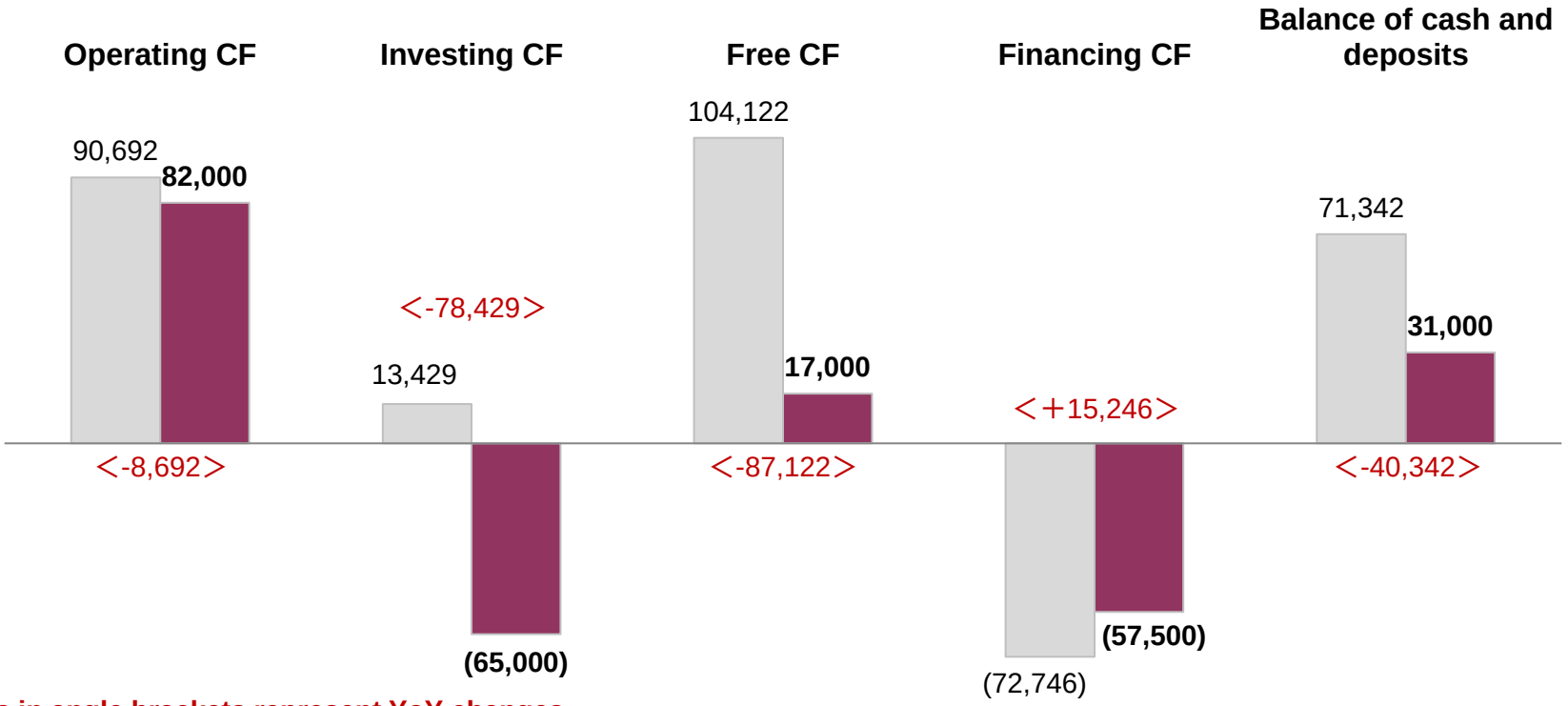
Equity attributable to owners of parent



(Millions of yen)

Consolidated CF Forecast (IFRS)

- Net cash provided by operating activities is expected to be ¥82.0 billion, down ¥8.6 billion YoY due to an increase in working capital, etc. despite profit increase.
- Net cash used in investing activities is expected to increase by ¥78.4 billion YoY due to renovations of Matsuzakaya Nagoya store and other factors.
- Free CF is expected to be positive (¥17.0 billion) despite aggressive investment.



Figures in angle brackets represent YoY changes.

(Millions of yen)

Progress of FY2024-2026 Medium-term Business Plan

ONO Keiichi

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

Create and Bring to Life “New Happiness.”

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What We Value for FY2030

J. FRONT RETAILING

3 Values

- Co-creation of Excitement
- Co-prosperity with Communities
- Co-existence with the Environment

3 Synergies

- Customer
- Area
- Content

As 1

- True “integration” in the Group

Overall Structure of FY2024-2026 Medium-term Business Plan

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2021 2023 2024 2026 2027 2030

Phase of recovery → **Phase of change** → Phase of rapid growth

Deepening retail business

(1) Expanding domestic and overseas customer groups
Expanding the scope of app-based services and gaisho activities at Department Store; increasing membership, taking advantage of the issue of a new card, at Parco

(2) Making customer contact points more attractive
Establishing a competitive advantage in each area by enhancing the charm of stores, which are the starting point for customer contact points, also promoting the creation of sales floors for next generation customers such as MZ generation

(3) Enhancing content for consumers preferring high-quality, uplifting consumption and experiences
Continuing to strengthen luxury brands, rebuilding fashion, strengthening alliance at Department Store; enhancing IP content and entertainment at Parco

Evolving the Group synergies

(1) Expanding the Group customer base
Expanding customer base taking advantage of centralizing the card issuers of GINZA SIX and Parco and promoting the Group customer strategy

(2) Maximizing area value
Maximizing area value through collaboration between retail, developer, and card in key areas

(3) Owning and developing proprietary content
Creating new value through the fusion of content in which Department Store and Parco excel, and promoting the development of proprietary content with an eye to overseas markets

Strengthening management foundation

Human resources strategy	Securing and developing innovative human resources/ promoting DE&I/career development and reskilling
System strategy	Establishing common system for the entire Group that stimulates collaboration among operating companies and internal and external communication
Finance strategy	Strengthening management of the profitability of invested capital

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

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As of the announcement in April of this year

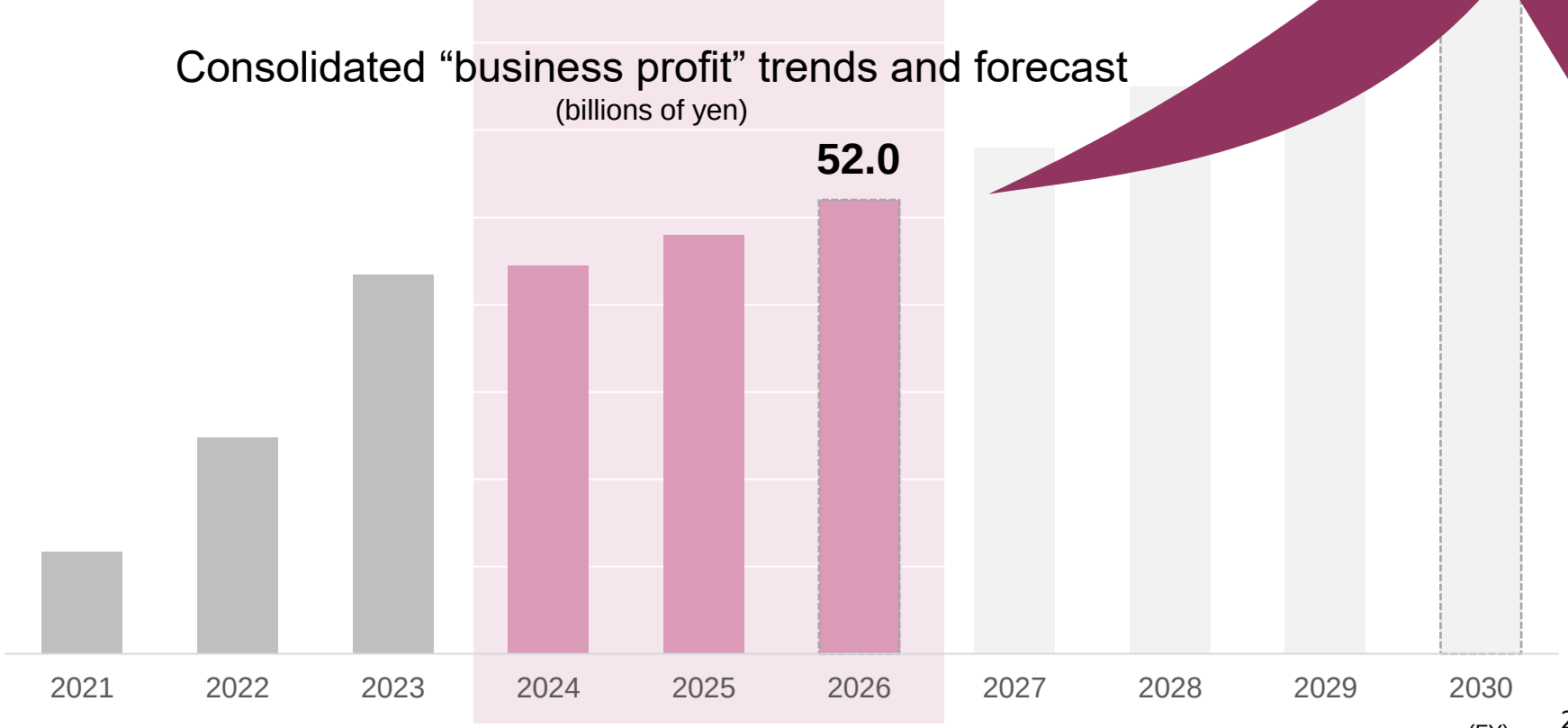
Phase of recovery
FY2021-2023
Recovery from COVID-19

Phase of change
FY2024-2026
Deepening of retail/ evolution of synergies

Phase of rapid growth
FY2027-2030
Full-fledged growth of the Group/progress of development projects

Consolidated “business profit” trends and forecast

(billions of yen)



Progress of Key Performance Indicator Targets

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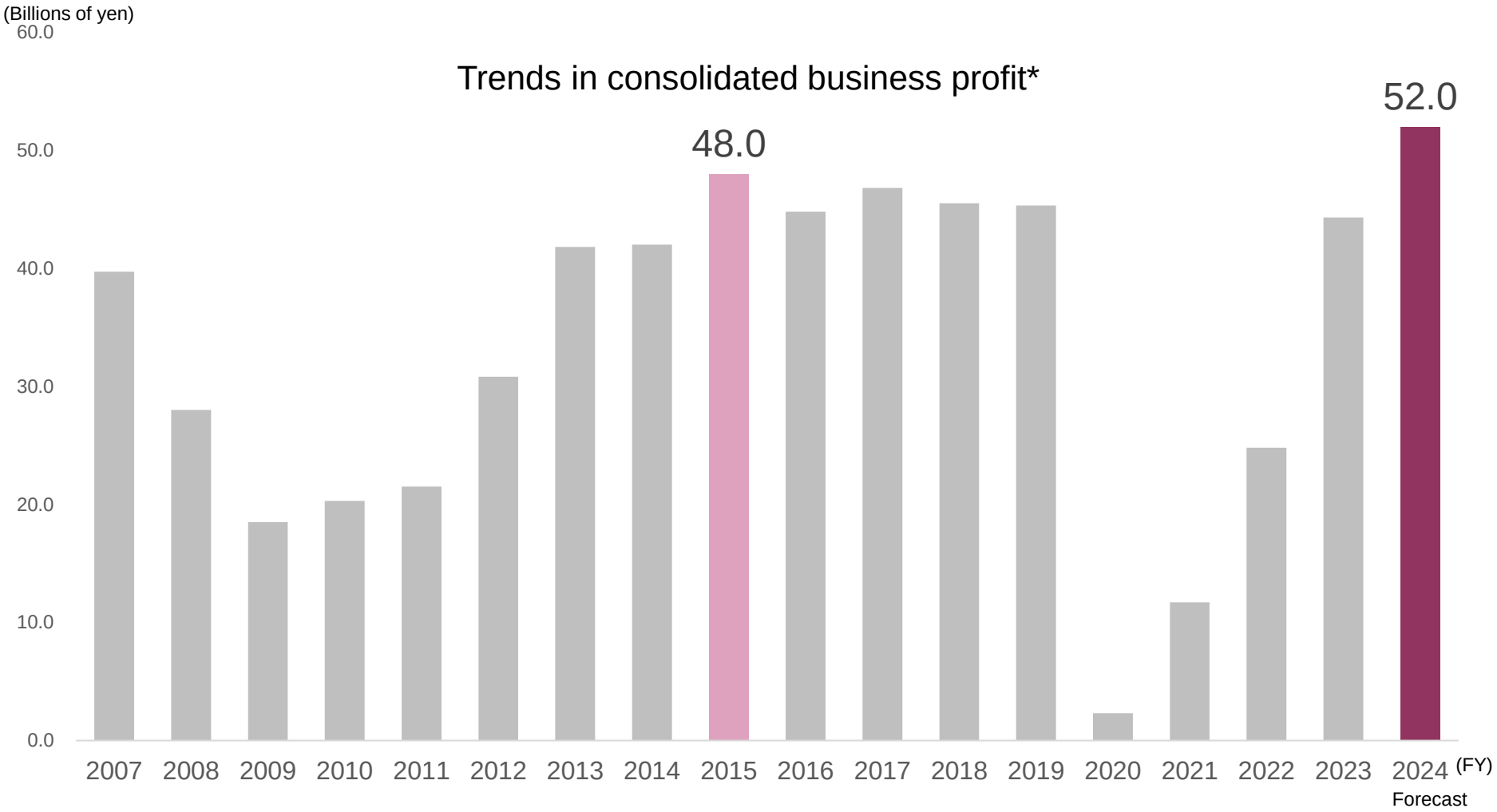
Key performance indicator	FY2026 target	FY2024 forecast
Business profit	¥52.0 billion	**¥52.0 billion**
ROE	8.0% or more	**9.4%**
ROIC	5.0% or more	**6.0%**

Key performance indicator targets expected to be achieved two years ahead of schedule

Plan to update the medium-term plan, including numerical targets, when announcing our financial results in April next year

Trends in “Business Profit”

- Business profit, which shows profit from core business, is expected to reach a record high this fiscal year



*IFRS was adopted in 2017. Business profit is calculated by deducting cost of sales and SGA from revenue, and is roughly equivalent to operating profit under JGAAP. Business profit for FY2016 has been retroactively adjusted, and figures prior to FY2015 show operating profit under JGAAP.

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1. Upturn in top line

- Significantly higher-than-expected inbound sales, mainly due to foreign exchange factors
- Continued strong spending by domestic affluent consumers
- Minimized impact of Nagoya store renovation work

2. Lower break-even point

- Successful reduction of fixed costs through management restructuring to date
- Shift to a management structure that makes it easier for a higher top line to have a direct effect on profits
- Demonstrated ability to control costs on an ongoing basis

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External factors > Internal factors

It is important not to slow down the pace of change and to face the essence of the issue

Progress of Major Initiatives

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- Pursue area synergies
- Strengthen the Group customer base
- Promote the Group integration

Nagoya Sakae Area as “Inflection Point” for the Group

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The Landmark Nagoya Sakae



Matsuzakaya Nagoya store



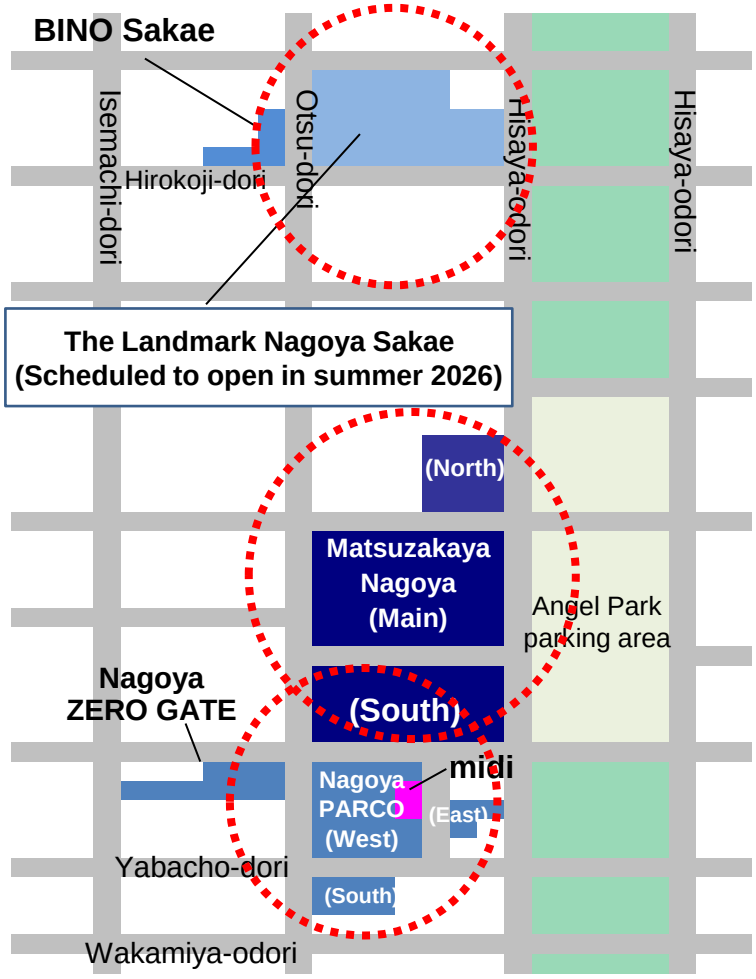
Update as

“Prime Destination”

combining the Group’s strengths

Nagoya PARCO





Strengthening store competitiveness is essential to maximize synergy effects

Strengthening Store Competitiveness
(1) Major Renovations of Matsuzakaya Nagoya Store

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Completely renovate 8 floors, with a focus on fashion floors

- Replace many of shops on the 3rd and 4th fashion floors of the main building, with approx. 60% of them newly installed
- Create a new fashion zone in the center of the 4th floor, pursuing originality through independent operation
- Expand the area by 2.5 times based on the concept of “hub of the art market” in the Tokai area
- Create overwhelming space value through artistic interior renewal



Reopening after renovations

Phase I Mid-Nov 2024-
Phase II Spring-fall 2025

Amount invested

Approx. ¥6.3 billion

Profit to be increased

Approx. ¥3.0 billion* (vs. FY2023)

*When in full operation

Promote the development of new customers of the MZ generation while further strengthening the strength of gaisho

Strengthening Store Competitiveness (2) Nagoya PARCO

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Tokai area's largest collection of fashion, entertainment and pop culture



West Building

Renew 22 fashion shops

A collection of high-quality and sophisticated fashion shops including the newly opened SNIDEL HOME and the first physical shop of BLESS U in Japan

East Building

Expand entertainment and subculture zone

Nagoya PARCO will become the largest entertainment complex in the Tokai area, with Pokémon Center Nagoya scheduled to open on the entire 2nd floor

Create exclusive value in Nagoya by offering Tokai's number one collection of pop culture and attracting the MZ generation

Development of Complex Using Our Own Assets

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The Landmark Nagoya Sakae scheduled to open in summer 2026



<Key points>

- J. Front City Development develops the complex with its partners*
- Four uses: commercial facilities, a hotel, offices, and a cinema complex
- The Group will operate new high-end commercial facilities on two basement floors and four above-ground floors
- J. Front City Development, Daimaru Matsuzakaya, and Parco work together to develop

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

*Partners: Mitsubishi Estate, Japan Post Real Estate, Meiji Yasuda Life Insurance Company, and The Chunichi Shimbun

Increase Presence in Osaka Area

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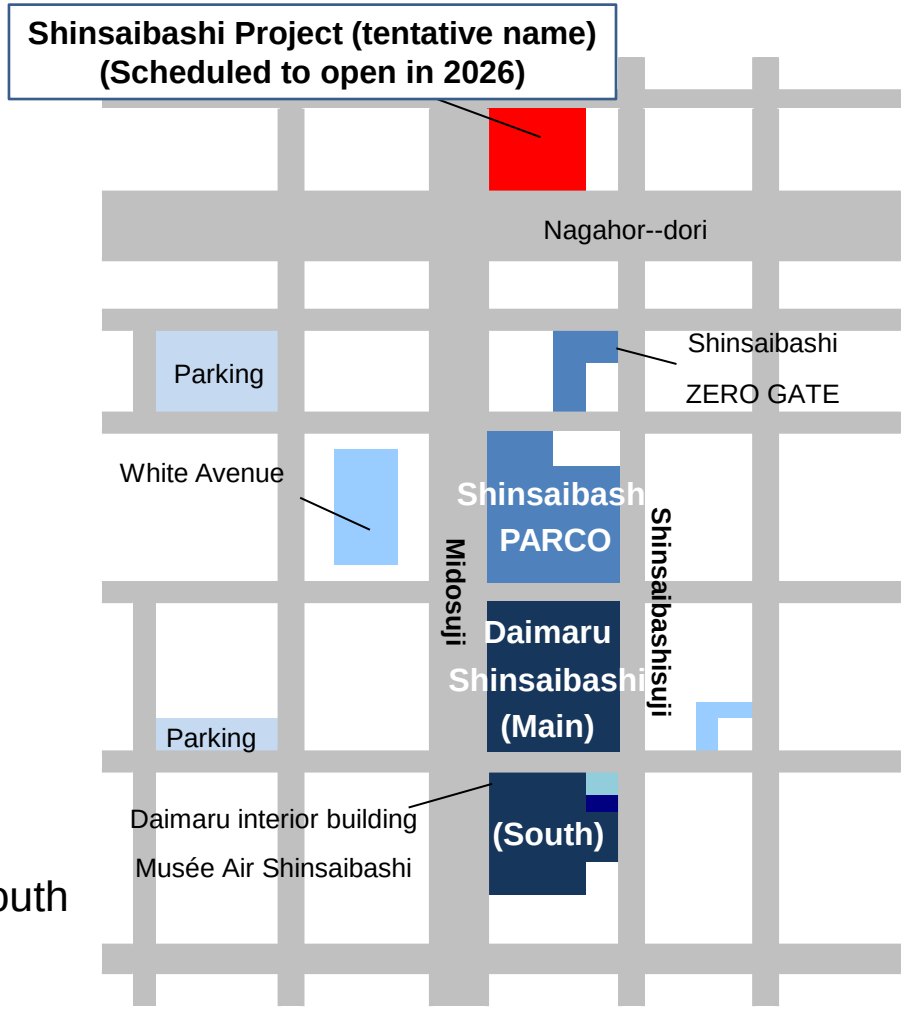
Expand growth potential of Shinsaibashi area

Completion of Shinsaibashi Project
(tentative name)
(Scheduled for FY2026)

+

Shinsaibashi Kyodo Center Building K.K., which owns south wing of Daimaru Shinsaibashi store, became a consolidated subsidiary through share acquisition
(July 2024)

Greatly improve development flexibility and expandability of Shinsaibashi area, including south wing of Daimaru Shinsaibashi store



Increase Presence in Osaka Area

J. FRONT RETAILING

“Daimaru Umeda store” undergoes radical renewal



< Key points of renewal >

- Large-scale renovations of South Gate Building through collaboration between three companies
  - ・Completely renovate the commercial area (B2 to 15th floors) with JR West Station City Co., Ltd. and JR West Japan Shopping Center Development Company
- Drastically improve sales floor efficiency by reducing sales floor area of Daimaru Umeda store
  - ・Reduce sales floor area by approx. 40% (from B2 to 9th floors)
  - ・ Achieve effective investment allocation
- Establish a new position in Umeda area
  - ・ Merchandise composition and layers that demonstrate a strong presence

Renovations will be carried out in stages starting in 2025

Potential for the Group Growth

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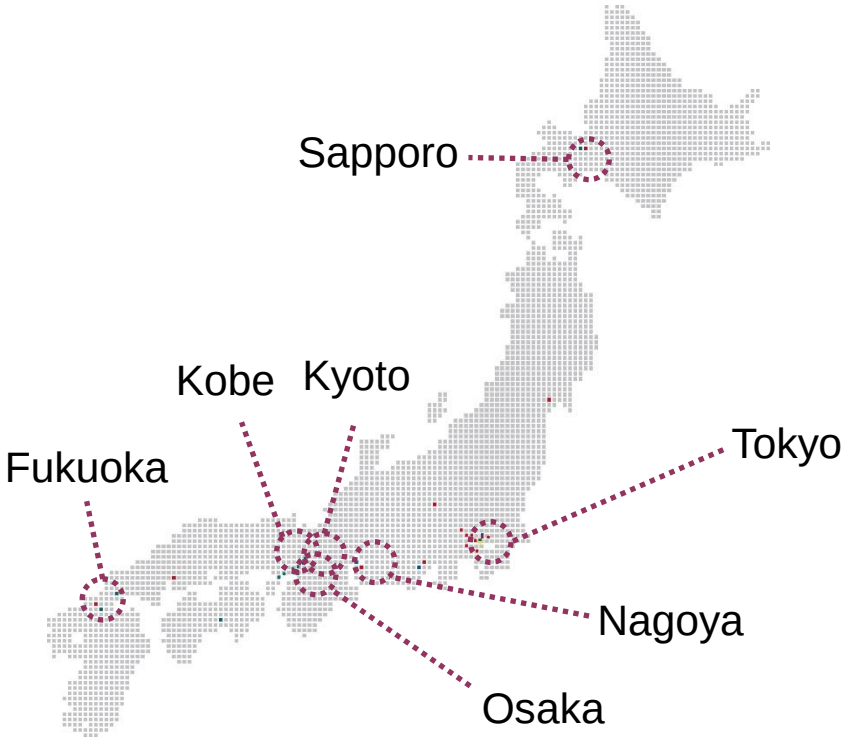
Pipelines in 7 key cities to be realized in phases



< Major announced pipelines >

- The Landmark Nagoya Sakae (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 leverages synergies unique to us who “are growing together with the local communities”

Create a Mechanism for Promoting Synergies

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Promote customer strategy from the Group's perspective

- Established a new position in charge of the Group Customer Strategy in the Management Strategy Unit of the holding company (September)

Main aims

1) Formulation of an overall picture of the Group's customer strategy
2) Direction for building optimal customer touch points
3) Verification of system investment amount and feasibility associated with the above

- JFR Card, as an issuer, will issue "new PARCO CARD" (scheduled for February next year) and "new Hakata Daimaru CARD" (scheduled for March next year)

Develop and promote a synergy plan
to improve customer lifetime value (LTV)
with a view to integrating the Group's loyal points

Turn Overseas Customers into Regular Customers

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Use multilingual app

- Continuous communication utilizing the multilingual features of “Daimaru Matsuzakaya app”



Number of Daimaru Matsuzakaya app users living overseas

40,200 people

(As of February 29, 2024)

60,900 people

(As of August 31, 2024)

Further expand the quality and quantity of information provided to increase motivation to visit our stores

Turn Overseas Customers into Regular Customers

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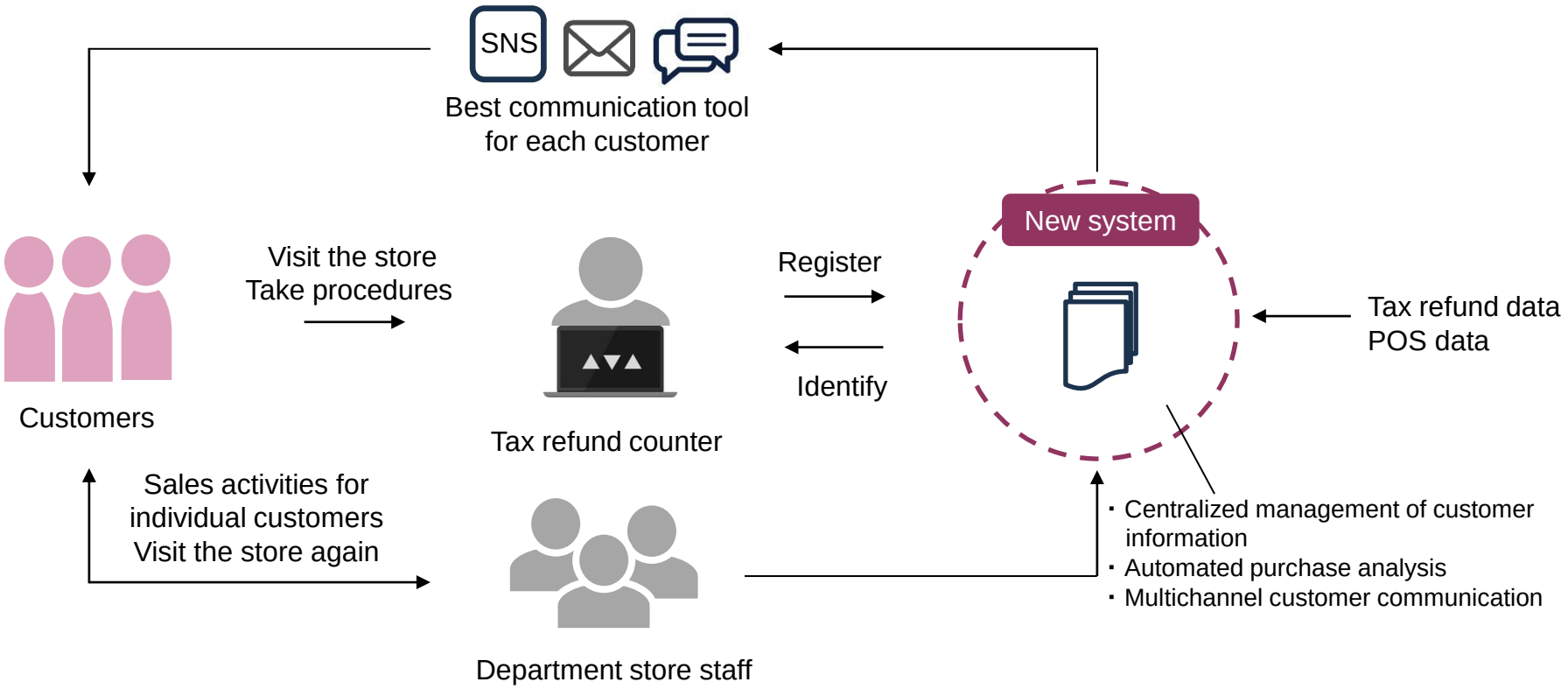
Build a CRM platform for inbound customers

Manage membership and customer records online
Link customer management with customer communication tools



The system will first be introduced at Daimaru Shinsaibashi store in January next year

Create a Mechanism for Promoting Synergies

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Strengthen management foundation to promote the Group integration

- Reorganize businesses and functions in the Group
  - Reorganized subsidiaries to strengthen and centralize building management functions (September 2024)
  - Integration of building interior design and building management businesses (scheduled for spring 2026)
- Develop a common system for the entire Group
  - Introduce a common accounting system for the entire Group (2024-2025)
  - Integrate groupware (H2 2024)
- Expand the quality and quantity of communication in the Group
  - Dialogue meetings between top management of “the holding company and operating companies” and their employees (1,860 people in total)



Bring together the Group’s comprehensive strengths and promote the revitalization of collaboration among operating companies

Finance Strategy

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Improve capital profitability

- Promote ROIC project started company-wide and start full-fledged ROIC management by business

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

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

Consolidated

FY2024 forecast
ROIC 6.0%
ROE 9.4%

Segment	FY2024 forecast	WACC
Department Store	11.5%	4-5%
SC	4.8%	3-4%
Developer	4.4%	3-4%
Payment and Finance	2.0%	2-3%

Review both WACC and ROIC figures
when updating the medium-term plan in April next year

Shareholder Return

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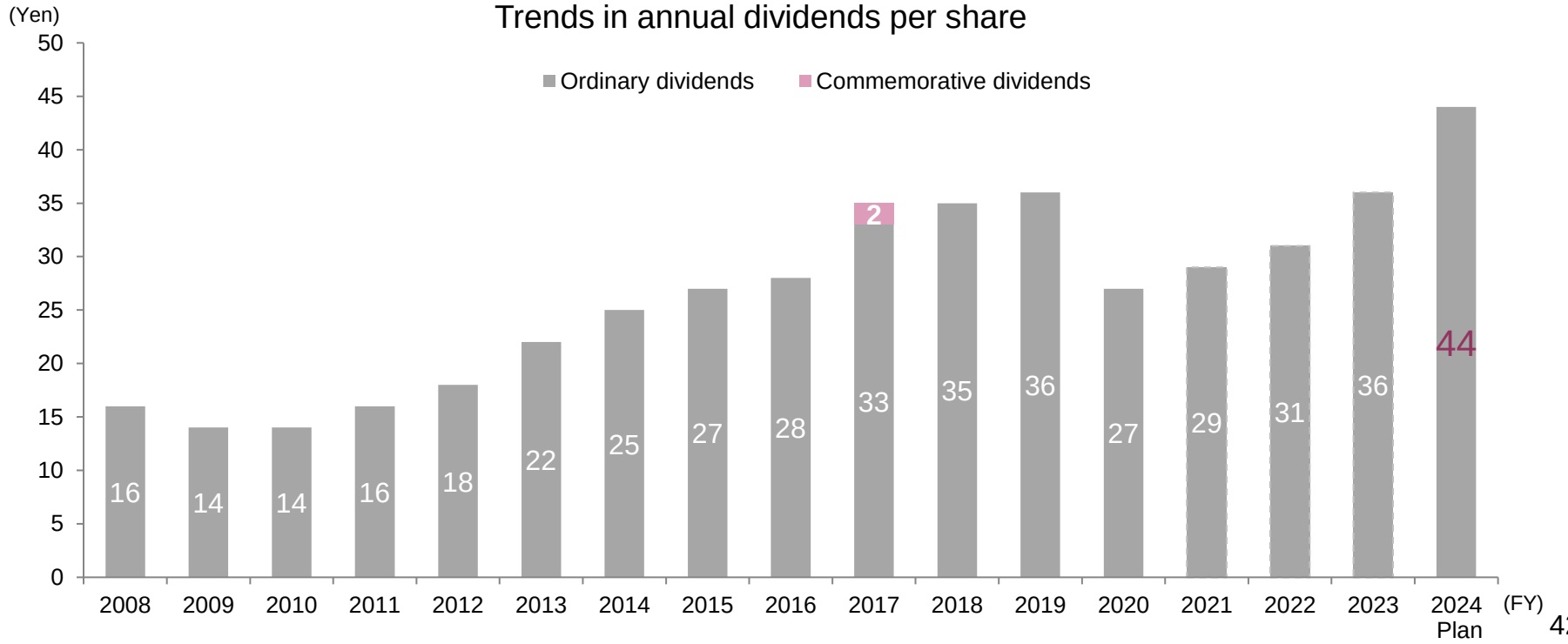
Aim for continuous dividend increases through sustainable profit growth

- Increase payout ratio to 40% or more this fiscal year (previously 30% or more)
- Due to the upward revision of profits, increase annual dividend per share by ¥4 from the initial plan (¥44 yen)
- Also implement share buybacks while monitoring share prices and balance sheet conditions, with an eye toward improving TSR
  (Already conducted a share buyback of ¥10.0 billion this fiscal year)

Trends in annual dividends per share



Medium- to long-term Enhancement of Corporate Value

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Operating cash flows for the three-year period are expected to significantly exceed the initial plan due to the upturn in business performance

Prioritize investment to accelerate expansion of growth platform

Thoroughly pursue investment returns through ROIC management
Accelerate investment that leads to medium- to long-term growth by considering M&A to have new strengths such as content development and ownership and other means

Increase corporate value over the medium to long term by expanding spread

To Become a Value Co-creation Retailer

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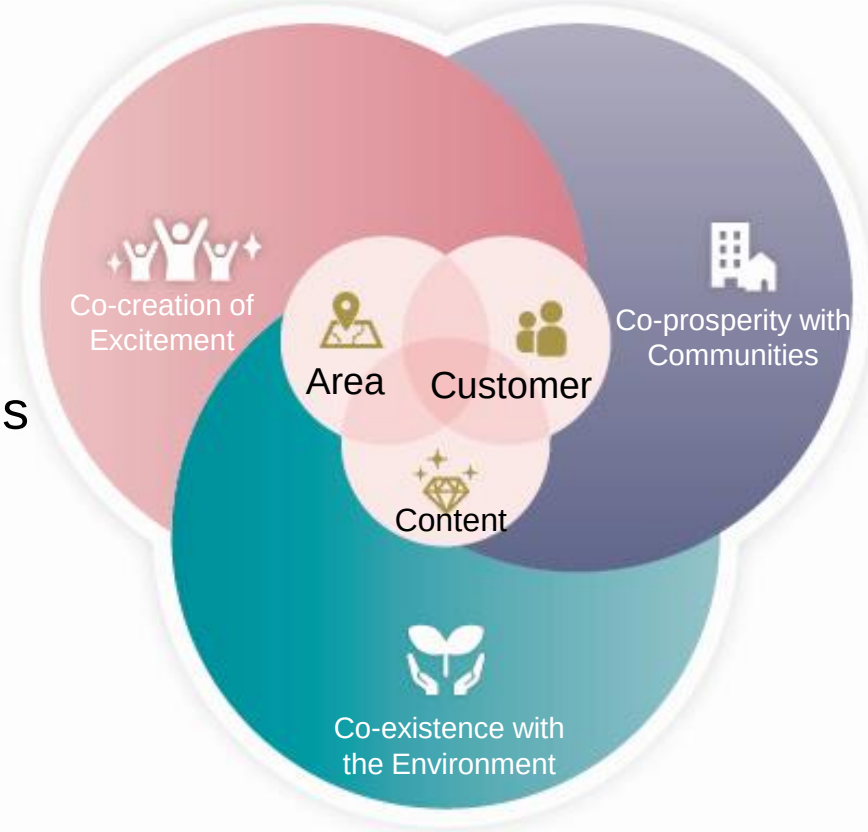
3 Values



3 Synergies

As 1

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

Create and
Bring to Life
“New Happiness.”

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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.