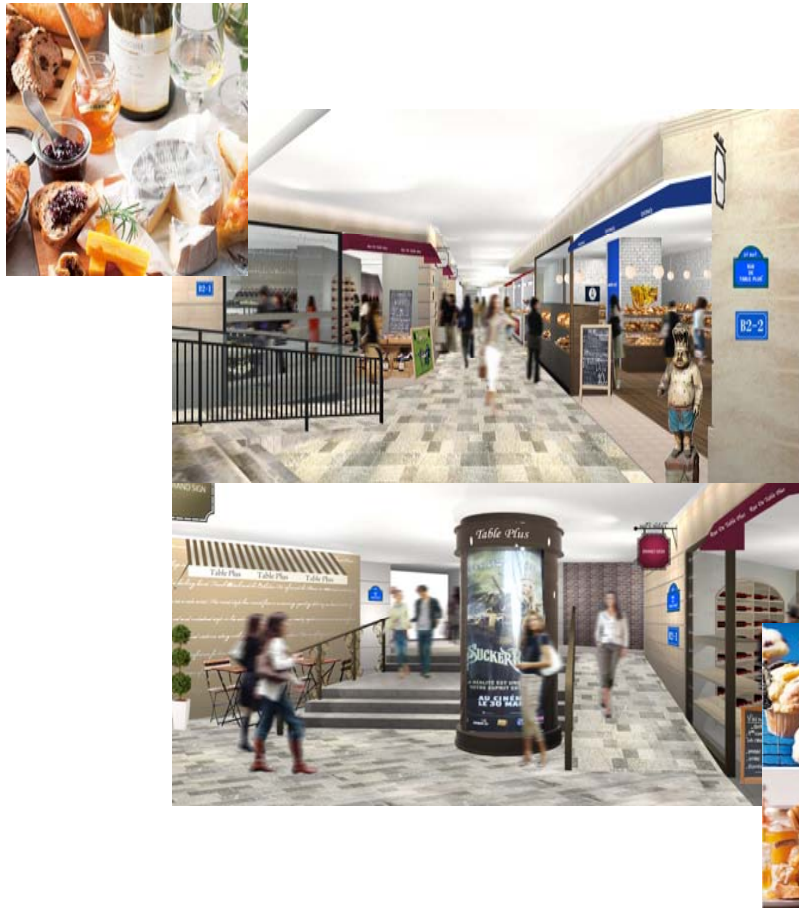

FY2/2013 Results Presentation



April 10, 2013

J. Front Retailing Co., Ltd.

YAMAMOTO Ryoichi
President



J. FRONT RETAILING

J. Front Retailing Co., Ltd.

Chairman SAMURA Shunichi

President YAMAMOTO Ryoichi

Daimaru Matsuzakaya Department Stores Co. Ltd.

President YOSHIMOTO Tatsuya

Today's Agenda

- I . FY2012 Results
- II . FY2013 Forecast
- III . Actions to Achieve FY2013 Goals
- IV . Actions for Sustainable Growth
- V . Increase of ROE and
Return to Shareholders

FY2012 Results

FY2012 Consolidated Results

- ▶ Sales recovered to above ¥1 trillion, to which consolidation of Parco Business contributed
- ▶ Operating profit increased for the 3rd year in a row, achieving ¥30 billion one year earlier
- ▶ Year-end dividend of ¥4.5 and annual dividend of ¥9, up ¥1 from last year

(Millions of yen)

FY2/2013	Actual	YoY		Vs. 2Q forecast	
		Change	Percentage change	Change	Percentage change
Sales	1,092,756	151,341	16.1	(12,244)	(1.1)
Operating profit	30,857	9,263	42.9	(943)	(3.0)
Ordinary profit	32,202	9,261	40.4	2	0.0
Net profit	12,183	(6,621)	(35.2)	(517)	(4.1)

FY2012 Consolidated Results

- ▶ All segments excluding Supermarket Business increased sales and profits
- ▶ Department Store Business increased profits 26.8% due to floor expansion and renovations
- ▶ Added new Parco Business segment in 2H

【By segment】

(Millions of yen)

FY2/2013	Sales		Operating profit	
	Actual	YoY (%)	Actual	YoY (%)
Department Store	750,335	1.8	18,477	26.8
Parco	137,845	—	5,898	—
Supermarket	101,778	(9.6)	(1,564)	—
Wholesale	60,174	18.1	1,592	0.5
Credit	8,592	4.5	2,951	29.4
Other	90,133	10.2	3,193	19.4

► Big renovation projects to make flagship stores more competitive

<1H>

Nagoya ⇒ Phase I renovation (luxury, young fashion, cosmetics, women's accessories etc.)

Kobe ⇒ First full renovation of food floor in 15 years to greatly enhance sweets and delis

<2H>

Tokyo ⇒ Grand opening with 1.4 times more floor space (46,000m²)



(Millions of yen)


FY2/2013	Actual	YoY	
		Change	Percentage change
Sales	660,521	16,991	2.6
Operating profit	15,462	4,073	35.8
Ordinary profit	14,190	4,109	40.8
Net profit	5,674	1,146	25.3

FY2012 flagship stores YoY sales change (%)	
Shinsaibashi	(1.1)
Umeda	1.7
Tokyo	21.3
Kyoto	0.0
Kobe	5.1
Sapporo	1.6
Nagoya	1.9
Ueno	0.2
Ginza	0.4

Background behind the decision to sell Peacock Stores

If J. Front Retailing takes drastic reconstruction measures;

- (1) The large-scale reestablishment of store network such as the closure of unprofitable stores will be needed;
- (2) The reestablishment above will make many workers redundant temporarily;
- (3) Additional capital investment will be needed to renovate surviving stores; and
- (4) It will take long to improve performance



Decided that it would be better to reconstruct Peacock Stores under the company that has know-how to operate supermarkets and price response capabilities.



Transferred all shares in Peacock Stores to Aeon Co., Ltd. on April 1, 2013.

FY2013 Forecast

FY2013 Consolidated Forecast

- ▶ Expecting the highest operating profit and net profit since JFR was established in 2007
- ▶ Peacock Stores is excluded from consolidation from 1Q and Parco will contribute through the year
- ▶ Negative goodwill arising from merger was amortized and Parco has generated no equity profit after 1H FY2012

(Millions of yen)

FY2/2014	Forecast	YoY		<For information> YoY (Excluding Parco and Peacock)	
		Change	Percentage change	Change	Percentage change
Sales	1,150,000	57,244	5.2	19,337	2.3
Operating profit	40,000	9,143	29.6	1,976	7.4
Ordinary profit	37,000	4,798	14.9	—	—
Net profit	29,000	16,817	138.0	—	—

FY2013 Consolidated Forecast

- ▶ Department Store Business expects double-digit profit growth due to expansion of Tokyo store and renovation of Nagoya store
- ▶ Closure of stores (two suburban stores and Ginza store) will decrease sales ¥15 billion
- ▶ Planning to increase dividend ¥1 to ¥10 (interim dividend of ¥5 and year-end dividend of ¥5)

【By segment】

(Millions of yen)

FY2/2014	Sales		Operating profit	
	Forecast	YoY (%)	Forecast	YoY (%)
Department Store	759,200	1.2	21,300	15.3
Parco	275,200	99.6	11,500	95.0
Wholesale	62,000	3.0	1,900	19.3
Credit	9,100	5.9	2,600	(11.9)
Other	94,700	5.1	3,000	(6.1)

Actions to Achieve FY2013 Goals

Phase II Expansion of Tokyo Store

Expanded and made its grand opening on Oct 5, 2012 (46,000m²/1.4 times larger)

<FY2012>

Traffic increased 41.5% in 2H

Around 100,000 visitors weekdays and around 150,000 visitors weekends and holidays
Sales increased 33.7% in 2H

Even stronger food sales and good sales of luxury items and big specialty shops

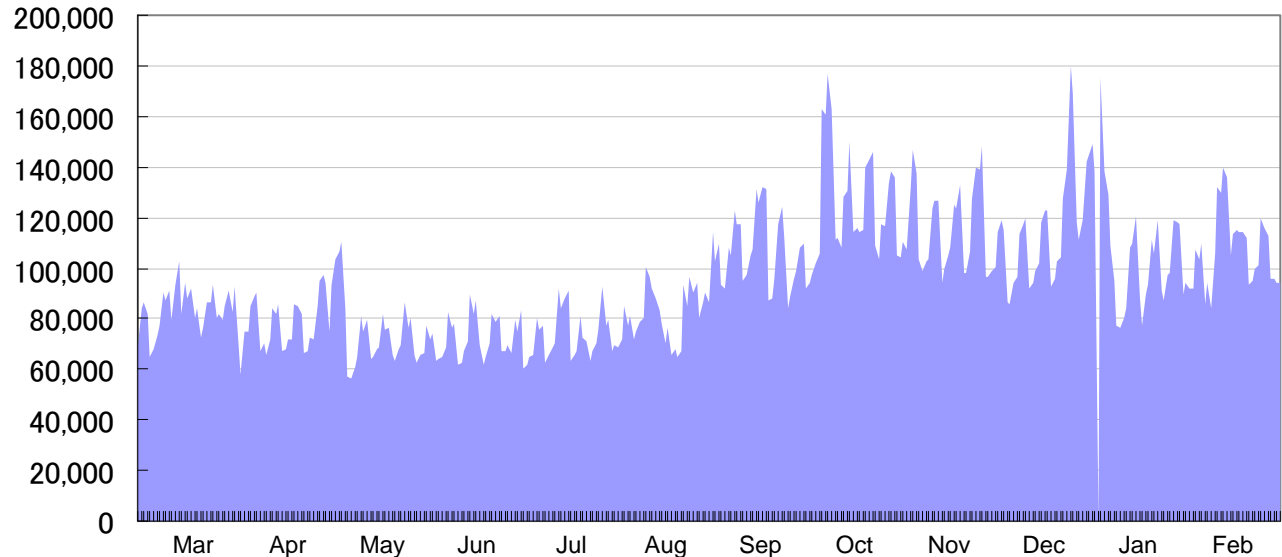
<FY2013>

Yaesu pedestrian deck was completed in 2H
and access from Tokyo station and surrounding areas improved



(persons)

Traffic to Tokyo store for FY2012



Renovation of Nagoya Store

Mar – Jun 2013 (Phase II) Renovation of food floors

Creating Nagoya's number-one food zone "Gochiso Paradise" to cap the big renovation

Schedule

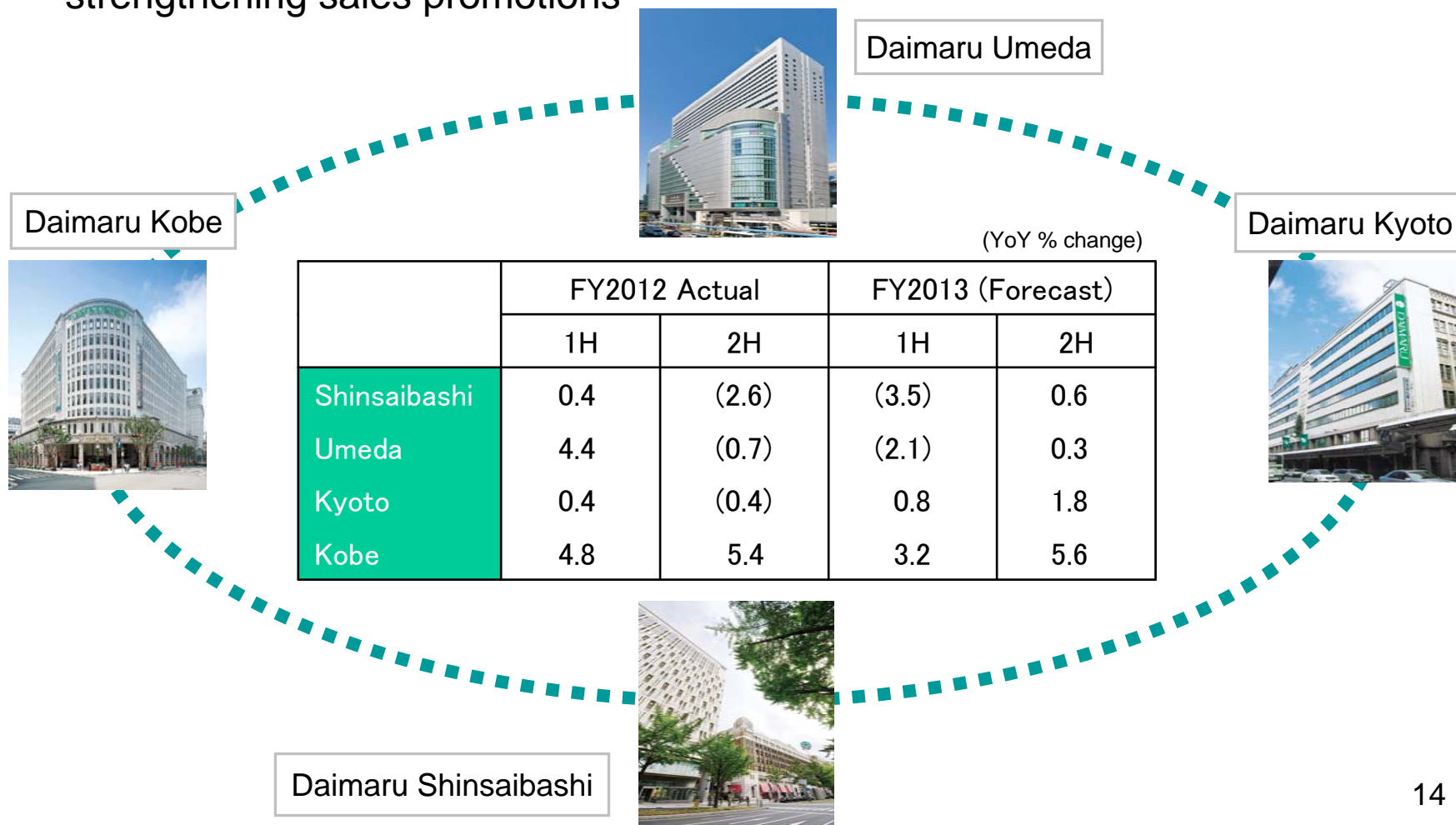
- Mar 2 Open part of Japanese and Western sweets
- Mar 20 Open fresh food
- Apr 17 Open specialty zone "Table Plus"
- Apr 26 Open Japanese and Western sweets
- May 29 Open delis and groceries
- Jun 12 Open prestige shops



Jun 19 Grand opening of food floors on the 1st and 2nd basement levels of main building

Survival in Competition from Umeda Area

- ▶ Minimized effect of reopening of larger Umeda Hankyu in FY2012 (decrease of around ¥1.4 billion)
- ▶ All 4 stores are expected to increase sales in 2H FY2013 by replacing brands and strengthening sales promotions



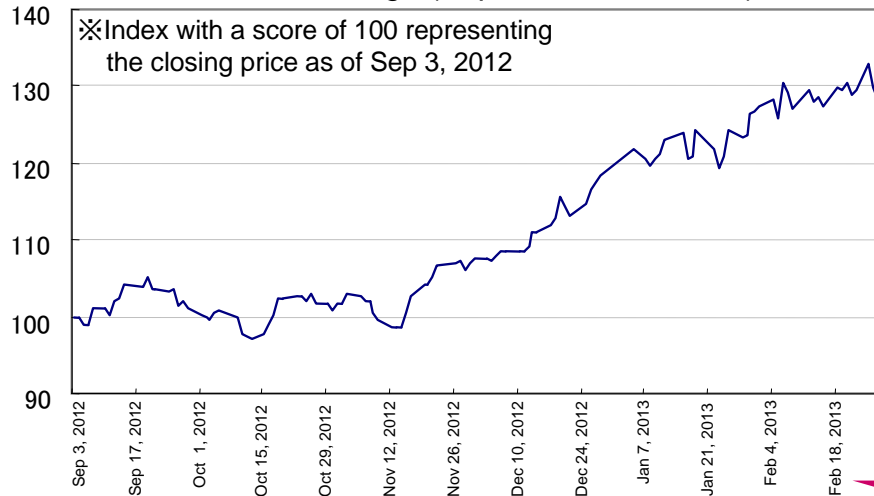
How We Respond to Abenomics

Stock market has recovered rapidly since end of last year

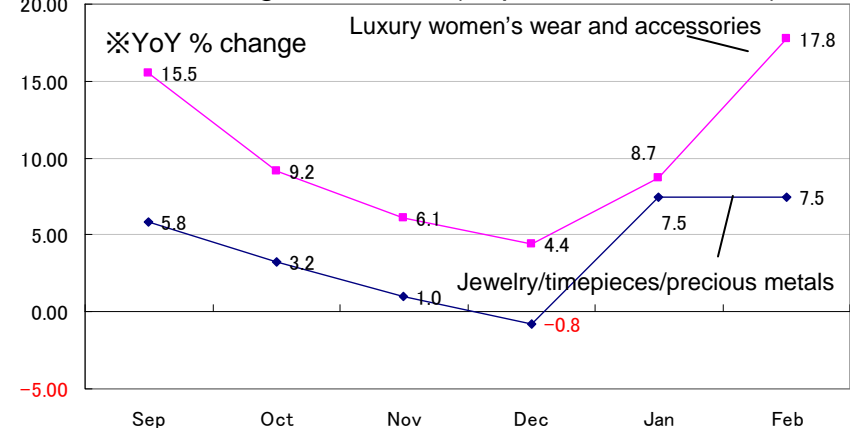
Consumption is expected to recover due to asset effect

We are overwhelmingly strong in wealthy class in Kansai and Chubu areas

Nikkei Average (Sep 2012 – Feb 2013)



Our big ticket sales (Sep 2012 – Feb 2013)

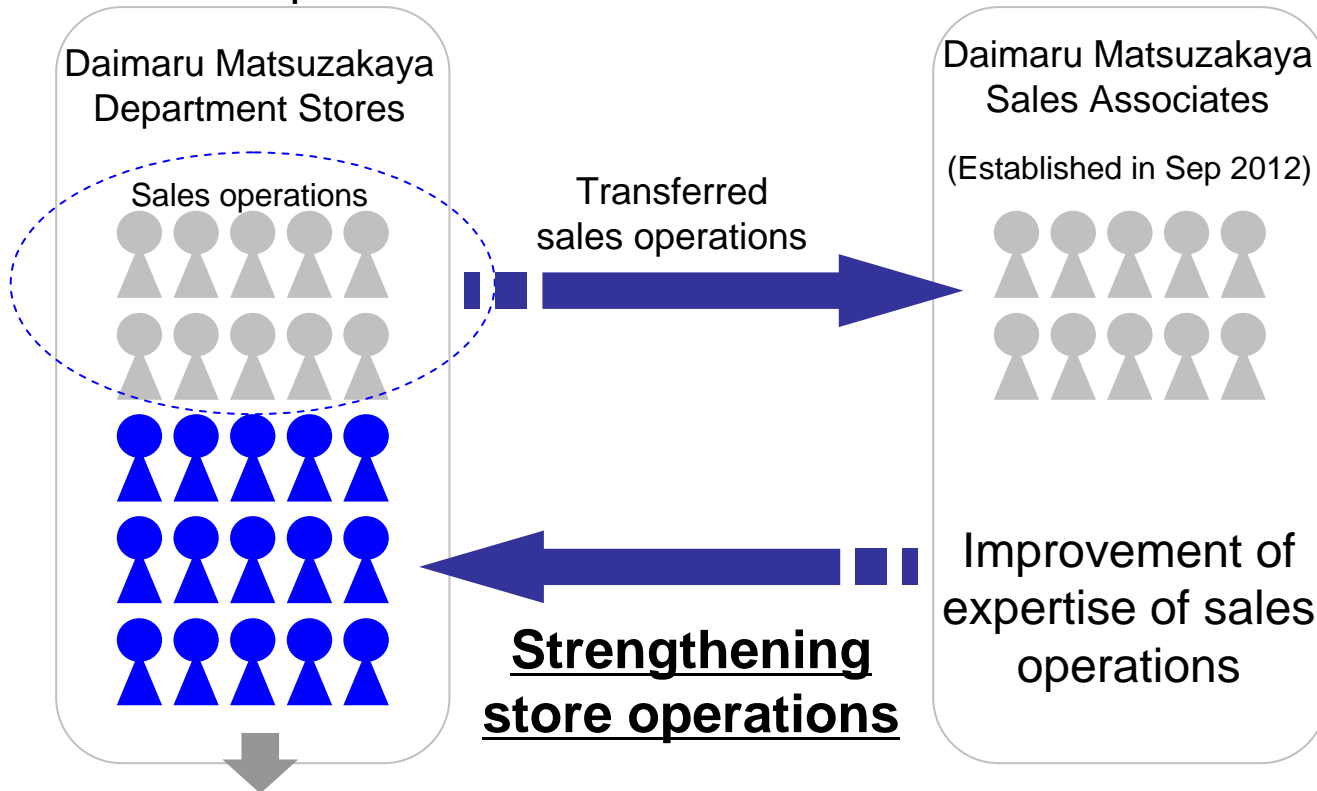


Increasing demand for high-end goods including luxury brands and jewelry/precious metals/timepieces

Expanding Hermès at Daimaru Kobe, increasing new *gaisho* accounts and strengthening events

Improvement of productivity and efficiency

Review and reduction of operation cost and promotion of organization and HR structure reform across the Group



End of Feb 2012 5,300 employees

End of Feb 2013 3,500 employees

End of Feb 2014 2,800 employees

Employees of JFR Group
End of Feb 2014 11,500 persons

Actions for Sustainable Growth

Overseas Business ①

- ▶ First Plaza Tokyo shop opened in Taipei, Taiwan on March 29
- ▶ Planning to open 4 shops in Taipei in FY2013
- ▶ After putting the business in Taipei on track, expanding into Taichung and Kaohsiung, and then, other Asian countries



Basic agreement with Chinese company in May 2012 to open and operate full-line upscale department store in China

<Outline of project>

(Land 163 Huangpu District project)

Store name: Shanghai New World Daimaru Department Store (tentative)

Size: **【Land area】** 13,709.3m²
【Total floor area of building】 116,000m²
【No of floors】 7 above ground and 5 below

Department store: 7 above ground and 2 below

【Sales floor area】 60,000 - 70,000m²

Operator: Shanghai Xin Nan Dong Project Management Co., Ltd.

Scheduled to open in early 2015



Supporting and cooperating to create China's most upscale department store
Accumulating know-how to open and operate a department store in China

Ginza 6-chome district redevelopment project



End of Jun 2013 Closing Matsuzakaya Ginza



Starting construction



2017 Planned to open

New commercial facility
as leading information provider
different from conventional department stores
and worthy of "world-famous Ginza"

Rebuilding project of south wing of Matsuzakaya Ueno store

Rebuilding into high-rise complex for commercial and office use
and considering opening Parco in commercial space



Planned to open in 2017

Synergy with Parco

- ▶ Regular meetings among top managements of Daimaru Matsuzakaya Department Stores and Parco
- ▶ Started HR exchanges to use each other's know-how
 - ⇒ 4 employees from Daimaru Matsuzakaya to Parco and 2 vice versa



Major actions to create synergy

Joint invitation of major overseas brands and introduction of popular Japanese shops

Cost reduction by adopting Parco's business operation model

Use of Parco's know-how of tenancy agreement

Operation of Daimaru Matsuzakaya's original business in Parco

※Discussing possible collaboration of affiliates including Daimaru Kogyo and J. Front Design & Construction

Increase of ROE and Return to Shareholders

Achievement of operating profit of ¥50 billion in next mid-term plan (FY2014-2016)

Early and stable achievement of ROE of 8%

Expansion and reproduction of return

Active return to shareholders

Innovation of department store business model

Overseas business

Redevelopment and new opening

M&A and replacement of businesses

Sustainable dividend increase
focusing on profit level



Planning to pay FY2013 dividend of ¥10
(Increase for 3 consecutive years)

Website

<http://www.j-front-retailing.com>

facebook

<http://www.facebook.com/J.FrontRetailing>



J. FRONT RETAILING

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.