
Results Presentation for First Six Months of Fiscal Year Ending February 28, 2019



October 9, 2018

J. Front Retailing Co., Ltd.

YAMAMOTO Ryoichi

Director, President and
Representative Executive Officer

Create and Bring to Life "New Happiness."



J. FRONT RETAILING

We would like to express our deepest sympathy and condolences to all those who were affected by recent disasters.

We sincerely pray for the earliest recovery of affected areas.

Today's Agenda

- I. 1H FY2018 Results (IFRS)
- II. 2H/Full FY2018 Forecast (IFRS)
- III. Special Factors for FY2019 and
Specific Initiatives for Medium-term Growth

1H FY2018 Results (IFRS)

Consolidated P/L (IFRS)

- ▶ Business profit increased driven by Department Store and Real Estate, which offset Parco and Other, and due to cost reduction
- ▶ Operating profit decreased in reaction to gain on sales of shares of consolidated subsidiaries and gain on sales of real estate recorded in previous year
- ▶ Interim dividend increased ¥1 to ¥17, increased ¥2 compared to ordinary dividend excluding commemorative dividend of ¥1 in previous year

(Millions of yen. %)

First six months of FY ending Feb 28, 2019	Results	YoY		Vs Apr forecast	
		Change	% change	Change	% change
Gross sales	547,109	(11,195)	(2.0)	(9,891)	(1.8)
Sales revenue	227,206	(7,304)	(3.1)	(6,794)	(2.9)
Gross profit	104,950	(38)	(0.0)	(1,350)	(1.3)
SGA	80,678	(1,532)	(1.9)	(1,322)	(1.6)
Business profit	24,271	1,493	6.6	(29)	(0.1)
Other operating income	1,654	(4,032)	(70.9)	554	50.4
Other operating expense	1,707	(77)	(4.3)	307	22.0
Operating profit	24,218	(2,462)	(9.2)	218	0.9
Profit attributable to owners of parent	15,910	(405)	(2.5)	610	4.0
Dividend per share (Yen)	(Interim) 17	*1	—	—	—

*Since interim dividend included commemorative dividend of ¥1 for the 10th anniversary of the founding of J. Front Retailing in the previous year, interim dividend increased ¥2 in the current fiscal year compared to ordinary dividend in the previous year.

B/S, CF (IFRS)

- ▶ Equity attributable to owners of parent increased ¥11.8 bn to ¥407.4 bn, ratio of equity attributable to owners of parent was 39.7%
- ▶ Interest-bearing debt decreased ¥8.4 bn to ¥175.7 bn, D/E ratio was 0.43
- ▶ OCF decreased ¥19.2 bn YoY due to increase in operating receivables, etc., free cash flows of 9.5 bn were generated

<Consolidated statements of financial position>

(Millions of yen, %)

First six months of fiscal year ending Feb 28, 2019	Results	YoY change
Total assets	1,024,953	2,605
Interest-bearing debt	175,790	(8,412)
Equity attributable to owners of parent	407,417	11,898
Ratio of equity attributable to owners of parent (Equity ratio)	39.7	(RD) 1.0

<Cash flows>

(Millions of yen)

First six months of fiscal year ending Feb 28, 2019	Results	YoY change
Operating cash flows (OCF)	22,453	(19,201)
Investing cash flows (ICF)	(12,871)	(5,098)
Financial cash flows (FCF)	(14,598)	(5,241)
Free cash flows	9,581	(24,299)

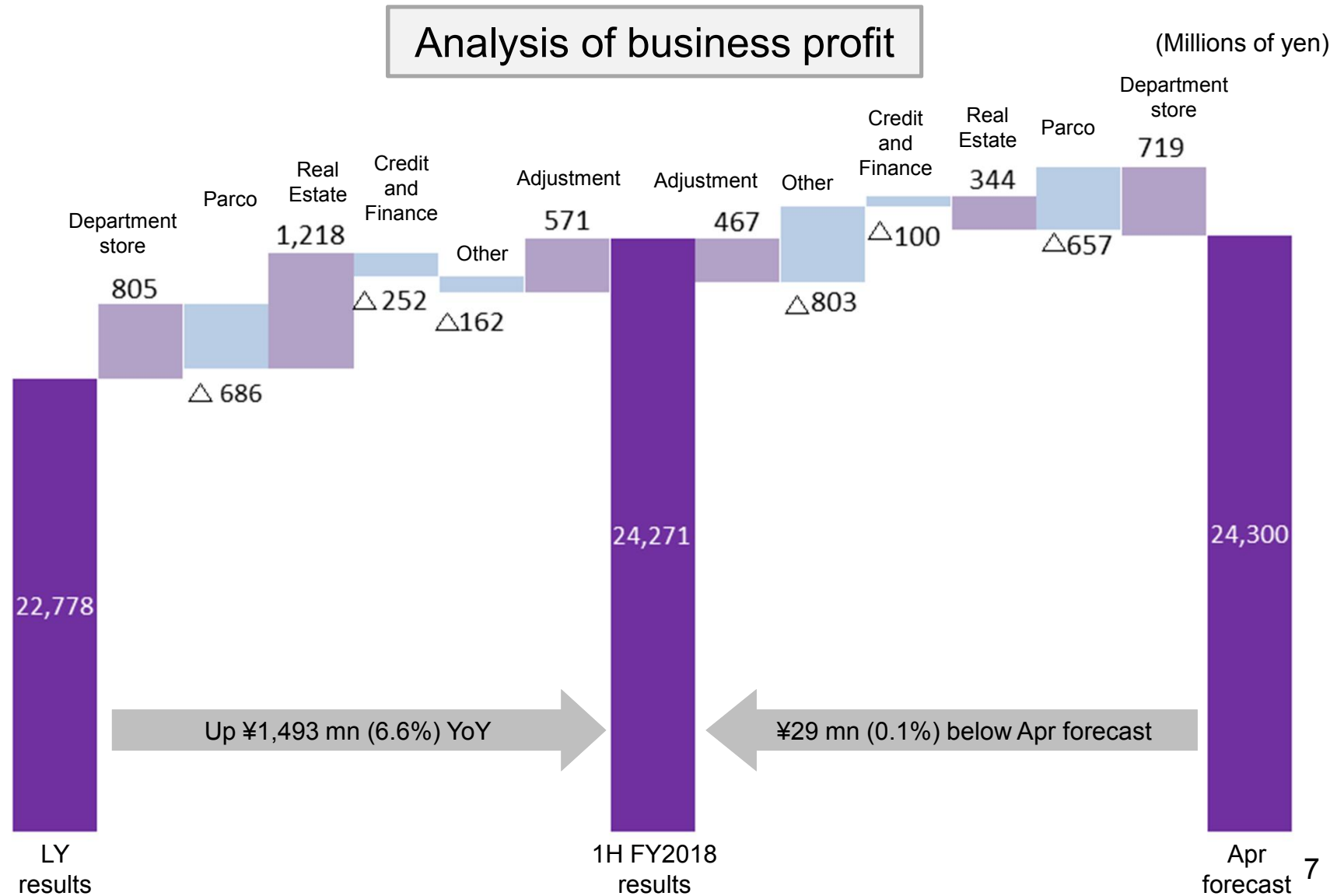
Segment Information (IFRS)

- ▶ Department Store: Generally strong sales in 1H due to brisk spending by inbound tourists and the affluent in spite of bad weather in latter half
- ▶ Parco: Sales were strong in urban stores such as Parco-ya in new format but sluggish in rural stores and reacted to strong performance of entertainment in previous year
- ▶ Real Estate: Full operation of “Ginza Six” and “Ueno FT.” Transfer of shops around Daimaru Kobe store
- ▶ Credit and Finance: Revenue increased but affected by increased cost of card renewal and strengthening security and commission rate

(Millions of yen, %)

First six months of fiscal year ending February 28, 2019	Business profit				Operating profit			
	Results	YoY		Vs Apr forecast	Results	YoY		Vs Apr forecast
		Change	% change	Change		Change	% change	Change
Department store	12,489	805	6.9	719	11,865	(1,039)	(8.0)	605
Parco	5,043	(686)	(12.0)	(657)	5,707	(970)	(14.5)	(693)
Real Estate	3,044	1,218	66.6	344	2,857	1,194	71.8	557
Credit and Finance	1,064	(252)	(19.2)	(100)	1,076	(230)	(17.6)	(82)
Other	2,107	(162)	(7.1)	(803)	2,131	(570)	(21.1)	(769)
Total	24,271	1,493	6.6	(29)	24,218	(2,462)	(9.2)	218

Segment Information <Analysis of Business Profit> (IFRS) J. FRONT RETAILING



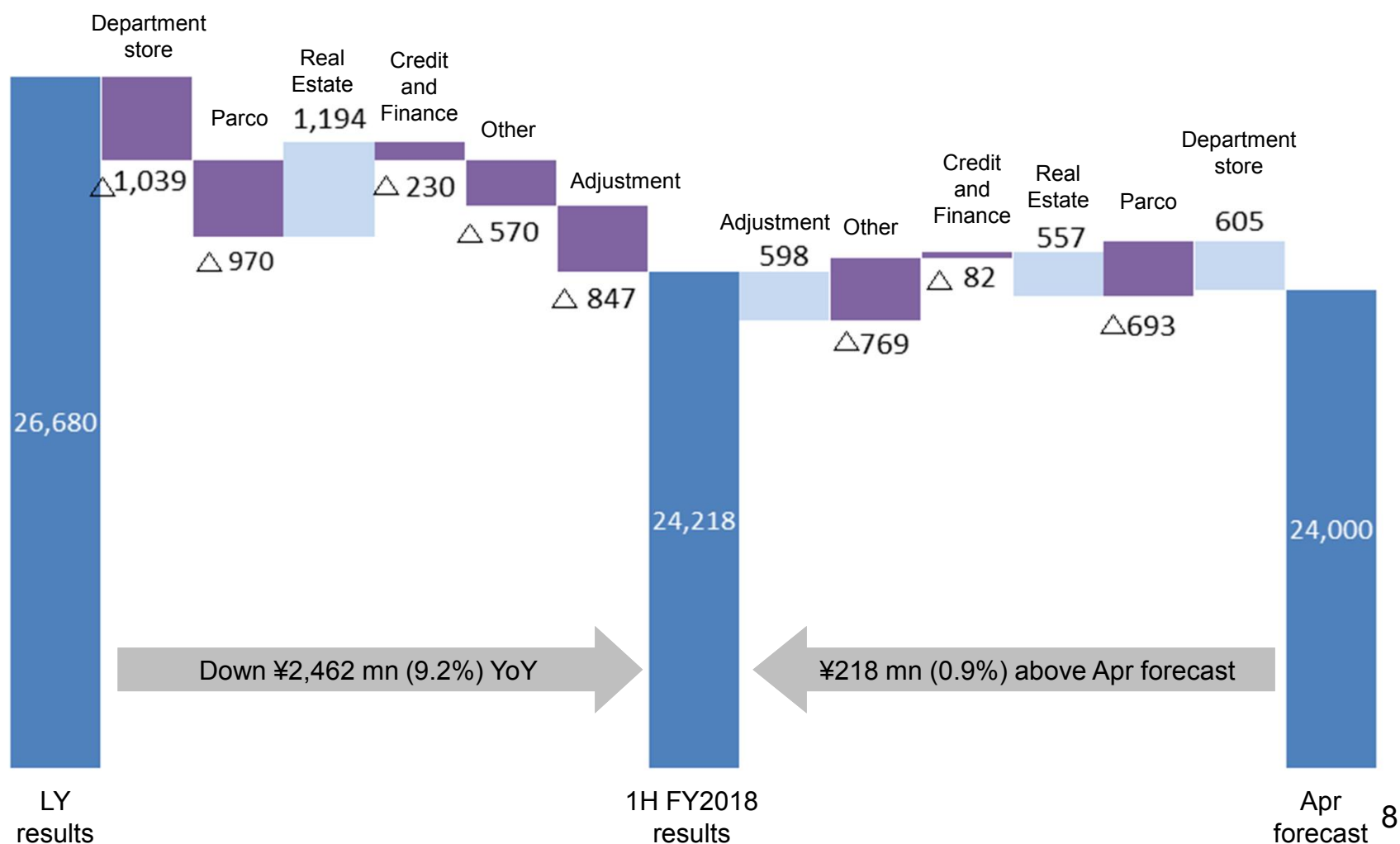
Segment Information <Analysis of Operating Profit> (IFRS)



J. FRONT RETAILING

(Millions of yen)

Analysis of operating profit



Daimaru Matsuzakaya Department Stores Initiatives for Women's Volume Zone Clothing

Response to shrinking market for women's volume zone clothing

Reducing enlarged women's clothing area

⇒ Creating newly curated zones, expanding growth categories

e.g. Newly curated zone in Sapporo store

“KiKiYOCOCHO”

Combining cosmetics, food and drink, and accessories



Compared to LY, sales were up 72.4% in the same area and up 17.1% on the whole floor

Adopting optimal format based on market analysis of each store

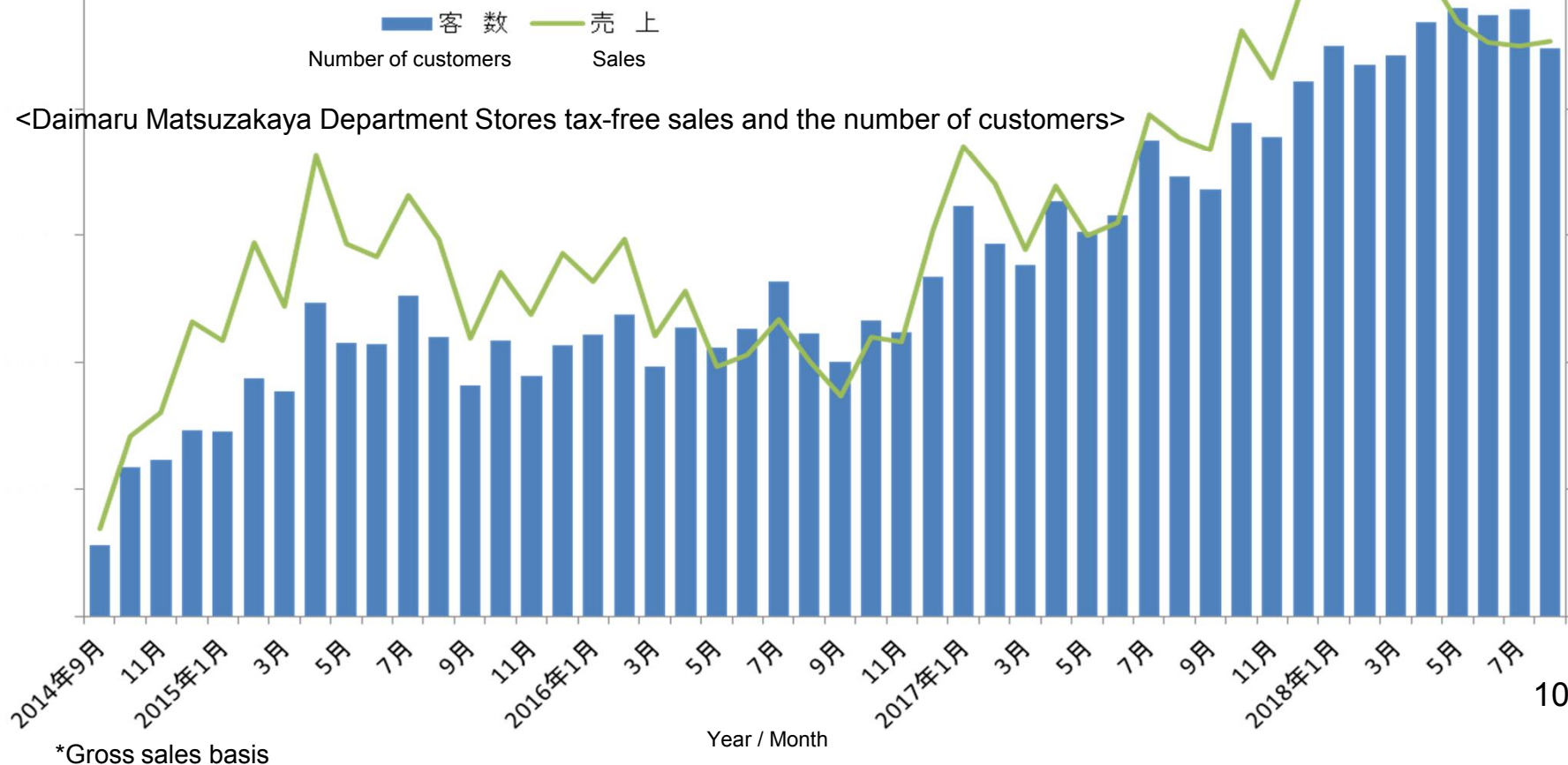
Daimaru Matsuzakaya Department Stores

Trend of Sales to Inbound Tourists

Response to inbound tourism market

Acceptance of mobile payments in all stores, expansion of cosmetics area, etc. were a success

In 1H, tax-free sales were ¥28.2 bn, up 40.4% YoY,
sales of “consumables” increased 61.3% YoY



Daimaru Matsuzakaya Department Stores Spending by the Affluent

Response to affluent market

Held events with “experience values” and strengthened lineup of products with high asset values



Newly acquired 7,895 *gaisho* card accounts

Credit sales of all stores increased 2.3% YoY,
new accounts boosted sales ¥5.6 bn in 1H FY2018

“Gold Card”
for *gaisho* customers



Daimaru Matsuzakaya Department Stores

Trend by Store



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- ▶ Shinsaibashi store with brisk sales to inbound tourists and Sapporo store whose newly curated area enhanced efficiency performed well
- ▶ Kobe store increased sales 1.0% YoY in 1H excluding effect of transfer of shops around it to Real Estate Business
- ▶ Reduced total cost from original plan in spite of cost increase factors such as extra depreciation and updating of POS systems

<Daimaru Matsuzakaya Department Stores major stores gross sales % change YoY>

FY ending Feb 28, 2019	1Q	2Q	1H
Daimaru Shinsaibashi	14.2	4.9	9.3
Daimaru Umeda	4.2	0.2	2.1
Daimaru Tokyo	3.3	3.0	3.1
Daimaru Kyoto	3.1	(1.7)	0.6
Daimaru Kobe*1	(1.9)	(6.9)	(4.4)
Daimaru Sapporo	5.2	3.5	4.4
Matsuzakaya Nagoya	2.1	0.8	1.4
Matsuzakaya Ueno	6.1	1.1	3.6
Matsuzakaya Shizuoka	(3.2)	(1.5)	(2.4)
Total existing stores*2	3.5	0.3	1.9
Real Estate Business	62.9	23.2	40.1

*1 Sales of the Daimaru Kobe store were up 3.1% in 1Q, down 1.0% in 2Q and up 1.0% in 1H excluding effect of transfer of some shops around it to the Real Estate Business.

*2 Existing stores exclude the Daimaru Urawa Parco store, which closed on July 31, 2017.

Daimaru Matsuzakaya Department Stores

P/L (IFRS)



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- 7 existing stores increased gross sales due to strong spending by inbound tourists and the affluent
- Business profit increased YoY in spite of reaction to gain on sales of real estate recorded in previous year
- Operating profit, business profit and profit were above April forecast

(Millions yen, %)

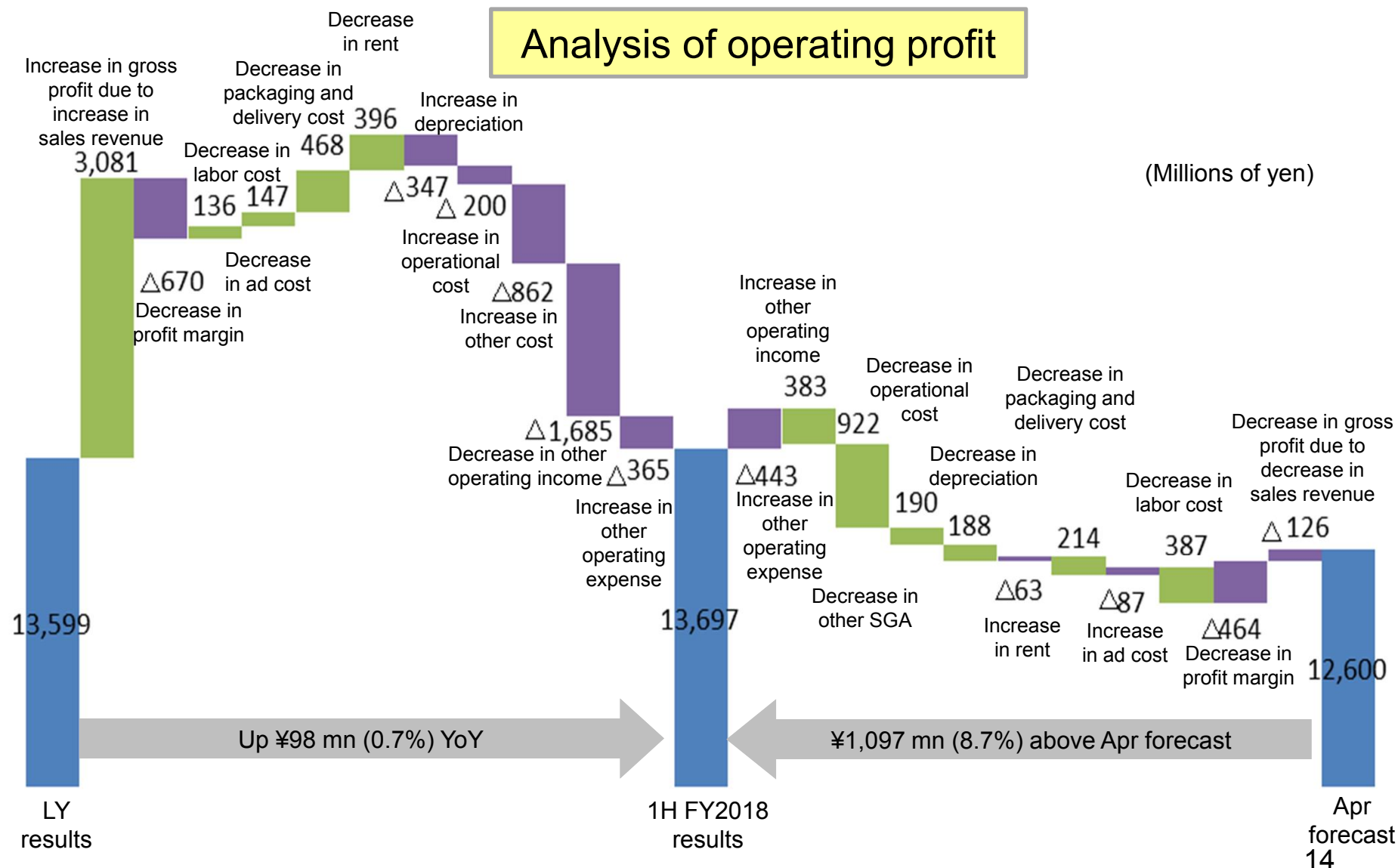
First six months of fiscal year ending Feb 28, 2019	Results	YoY		Vs April forecast	
		Change	% change	Change	% change
Gross sales	328,487	6,890	2.1	(2,813)	(0.8)
Sales revenue	128,769	5,305	4.3	(231)	(0.2)
Gross profit	74,110	2,411	3.4	(590)	(0.8)
SGA	59,452	262	0.4	(1,748)	(2.9)
Business profit	14,657	2,148	17.2	1,157	8.6
Other operating income	383	(1,685)	(81.5)	383	—
Other operating expense	1,343	365	37.3	443	49.2
Operating profit	13,697	98	0.7	1,097	8.7
Profit	9,808	149	1.5	1,008	11.5

Daimaru Matsuzakaya Department Stores

Analysis of Operating Profit (IFRS)



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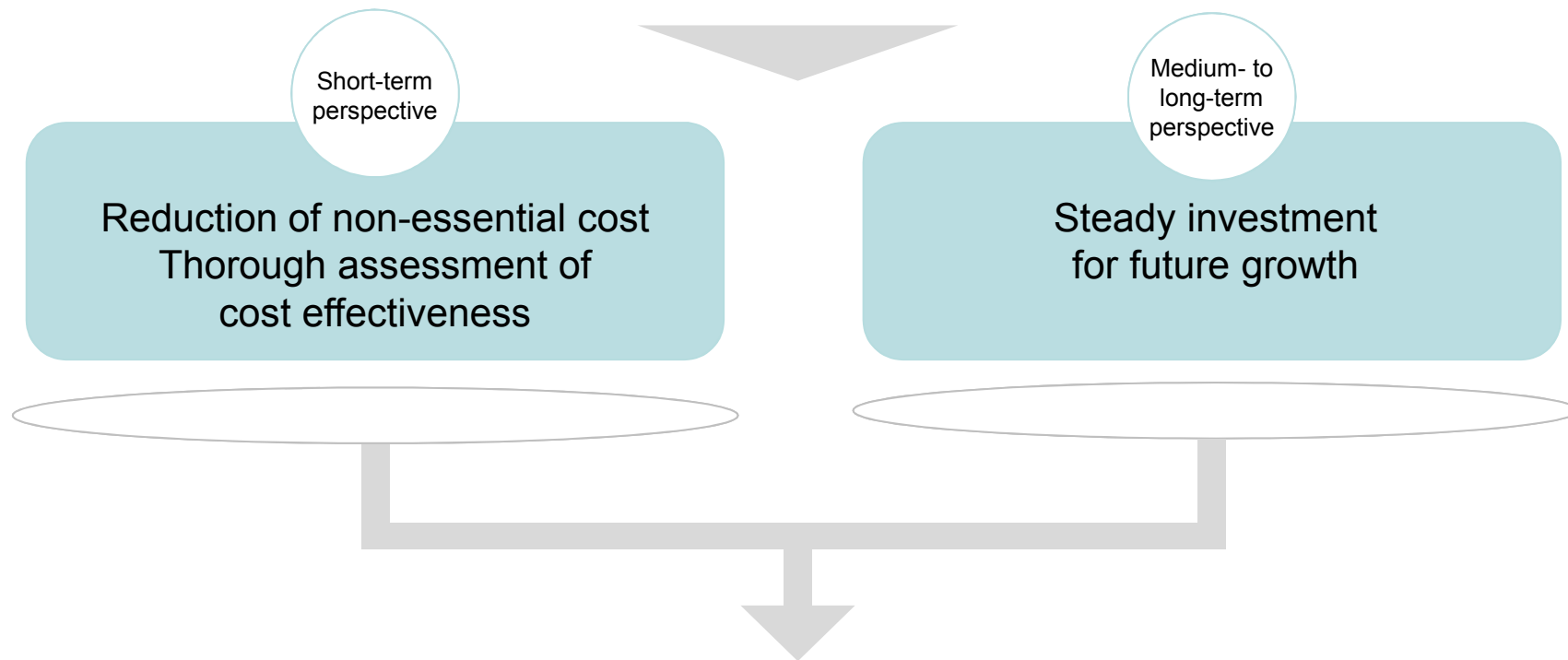
2H/Full FY2018 Forecast (IFRS)

2H FY2018 Business Environment Recognition

Sales to inbound tourists decreased because of temporary closure of KIX due to typhoon but show signs of recovery day by day

Economy of Hokkaido area is somewhat uncertain due to effect of earthquake

Increasing upward pressure on cost against backdrop of increase in resource price and labor shortage



Promoting initiatives to achieve goals while balancing management

2H Consolidated P/L Forecast (IFRS)

- ▶ Gross sales, sales revenue, business profit and operating profit will increase
- ▶ Other operating income will decrease mainly in reaction to gain on sales of real estate (¥1.6 bn) recorded in previous year
- ▶ Profit will increase by double digits partly due to improving performance at equity method associates. Year-end dividend is planned to be ¥18 per share.

(Millions of yen, %)

Second six months of fiscal year ending February 28, 2019	Forecast	YoY		Vs April forecast	
		Change	% change	Change	% change
Gross sales	602,890	22,213	3.8	(5,110)	(0.8)
Sales revenue	247,793	12,389	5.3	(3,207)	(1.3)
Gross profit	111,649	3,703	3.4	49	0.0
SGA	86,421	1,944	2.3	21	0.0
Business profit	25,228	1,759	7.5	28	0.1
Other operating income	1,045	(2,235)	(68.1)	(155)	(12.9)
Other operating expense	1,992	(1,891)	(48.7)	92	4.8
Operating profit	24,281	1,415	6.2	(219)	(0.9)
Profit attributable to owners of parent	14,589	2,418	19.9	(611)	(4.0)

2H Segment Information Forecast (IFRS) J. FRONT RETAILING

- ▶ Department Store: Revenue will increase but profit will decrease due to new POS-related cost and extra depreciation of “north wing”
- ▶ Parco: Both revenue and profit will increase due to effect of renovation of urban stores, full operation of Parco_ya and opening of Zero Gate
- ▶ Real Estate: Business profit will increase partly due to full operation of Ueno FT but operating profit will react to gain on sales of real estate recorded in previous year
- ▶ Credit and Finance: Revenue will increase but profit will decrease due to increase in cost of strengthening human resources for the future

(Millions of yen, %)

Second six months of fiscal year ending February 28, 2019	Business profit				Operating profit			
	Forecast	YoY		Vs Apr forecast	Forecast	YoY		Vs Apr forecast
		Change	% change	Change		Change	% change	Change
Department Store	14,360	(244)	(1.7)	250	13,584	(171)	(1.2)	(56)
Parco	4,956	401	8.8	(94)	5,092	18	0.3	(258)
Real Estate	1,555	562	56.6	155	1,302	(1,166)	(47.2)	302
Credit and Finance	1,265	(221)	(14.9)	(331)	1,273	(162)	(11.3)	(319)
Other	3,122	902	40.6	202	3,108	1,066	52.2	208
Total	25,228	1,759	7.5	28	24,281	1,415	6.2	(219)

2H Daimaru Matsuzakaya Department Stores P/L (IFRS) J. FRONT RETAILING

- ▶ “Department Store”: Revenue will increase boosted by spending by the affluent and inbound tourists but profit will decrease due to system cost, etc.
- ▶ “Real Estate”: Full operation of Ueno FT and transfer of shops around Daimaru Kobe store will help increase revenue and profit
- ▶ Total Daimaru Matsuzakaya Department Stores: SGA will increase but below Apr forecast and business profit will increase

(Millions of yen, %)

Second six months of fiscal year ending February 28, 2019	Daimaru Matsuzakaya Department Stores								
	Department Store			Real Estate			Total		
	Forecast	YoY (%)	Vs Apr Forecast (%)	Forecast	YoY (%)	Vs Apr Forecast (%)	Forecast	YoY (%)	Vs Apr Forecast (%)
Gross sales	353,955	2.9	0.7	8,636	12.5	(3.0)	362,512	3.1	0.6
Sales revenue	130,497	3.1	(0.9)	8,612	13.7	(2.1)	139,030	3.8	(1.0)
Gross profit	76,413	2.2	0.0	2,656	26.1	2.2	78,889	2.7	(0.0)
SGA	63,626	3.1	(0.4)	1,100	(1.1)	(8.3)	64,547	2.9	(0.7)
Business profit	12,786	(2.1)	2.3	1,555	56.6	11.1	14,342	2.1	3.2
Operating profit	12,101	(1.0)	0.0	1,301	(47.3)	30.1	13,402	(8.8)	2.3
Profit	8,459	6.3	(1.6)	532	(67.4)	166.1	8,991	(6.2)	2.2

2H Daimaru Matsuzakaya Department Stores Forecast by Store



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- Increased forecast of many urban stores that will strengthen events such as Nagoya store with strong sales to the affluent
- Decreased forecast of Sapporo store considering effect of Hokkaido Earthquake, carefully reviewed forecast of rural/suburban stores
- Extra depreciation of “north wing” of Shinsaibashi store, system improvement cost, packaging/delivery cost, etc. will be added

<Daimaru Matsuzakaya Department Stores major stores gross sales % change YoY>

Fiscal year ending February 28, 2019	1H	2H	Full year
Daimaru Shinsaibashi	9.3	3.7	6.3
Daimaru Umeda	2.1	3.6	2.9
Daimaru Tokyo	3.1	5.8	4.5
Daimaru Kyoto	0.6	2.5	1.6
Daimaru Kobe*	(4.4)	(5.0)	(4.7)
Daimaru Sapporo	4.4	3.6	4.0
Matsuzakaya Nagoya	1.4	4.6	3.1
Matsuzakaya Ueno	3.6	7.8	5.7
Matsuzakaya Shizuoka	(2.4)	4.3	1.0
Total all stores	1.4	2.9	2.2

*The Kobe store excluding effect of transfer of shops around it: Up 1.0% in 1H, up 1.8% in 2H, and up 1.4% in full year

Full Year Consolidated P/L Forecast (IFRS)



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- ▶ Planning to increase gross sales and sales revenue but downward revised from Apr forecast
- ▶ Downward revised forecast of SGA to offset decrease in gross profit due to sales decrease mentioned above
- ▶ Apr forecast of business profit, operating profit and profit attributable to owners of parent remains unchanged

(Millions of yen, %)

Full fiscal year ending Feb 28, 2019	Forecast	YoY		Vs April forecast	
		Change	% change	Change	% change
Gross sales	1,150,000	11,019	1.0	(15,000)	(1.3)
Sales revenue	475,000	5,085	1.1	(10,000)	(2.1)
Gross profit	216,600	3,665	1.7	(1,300)	(0.6)
SGA	167,100	412	0.2	(1,300)	(0.8)
Business profit	49,500	3,253	7.0	—	—
Other operating income	2,700	(6,267)	(69.9)	400	17.4
Other operating expense	3,700	(1,968)	(34.7)	400	12.1
Operating profit	48,500	(1,046)	(2.1)	—	—
Profit attributable to owners of parent	30,500	2,014	7.1	—	—
Dividend per share (Yen)	(Annual) 35	* —	—	—	—

*Since annual dividend included commemorative dividend of ¥2 for the 10th anniversary of the founding of J. Front Retailing in the previous year, annual dividend will increase ¥2 in the current fiscal year compared to ordinary dividend in the previous year.

Full Year B/S and CF Forecast (IFRS)

- ▶ Equity attributable to owners of parent will increase ¥21.4 bn to ¥417 bn, ratio of equity attributable to owners of parent will be 39.7%
- ▶ Interest-bearing debt will increase ¥6.7 bn to ¥191 bn, D/E ratio will be 0.46
- ▶ OCF will decrease ¥2.2 bn YoY, free cash flows will be negative at ¥1.5 bn

<Consolidated statements of financial position>
(Millions of yen, %)

Fiscal year ending February 28, 2019	Forecast	YoY change
Total assets	1,050,000	27,652
Interest-bearing debt	191,000	6,798
Equity attributable to owners of parent	417,000	21,481
Ratio of equity attributable to owners of parent (Equity ratio)	39.7	(RD) 1.0

<Cash flows>
(Millions of yen)

Fiscal year ending February 28, 2019	Forecast	YoY change
Operating cash flows (OCF)	35,000	(22,079)
Investing cash flows (ICF)	(36,500)	(17,470)
Financial cash flows (FCF)	(5,000)	26,048
Free cash flows	(1,500)	(39,548)

Full Year Segment Information Forecast (IFRS) J. FRONT RETAILING

- ▶ Upward revised forecast of operating profit of Department Store Business and Real Estate Business ¥0.5 bn and ¥0.8 bn, respectively
Downward revised forecast of operating profit of Parco Business and Credit and Finance Business ¥0.9 bn and ¥0.4 bn, respectively
- ▶ Apr forecast of consolidated total business profit and operating profit remains unchanged

(Millions of yen, %)

Full fiscal year ending February 28, 2019	Business profit				Operating profit			
	Forecast	YoY		Vs Apr forecast	Forecast	YoY		Vs Apr forecast
		Change	% change	Change		Change	% change	Change
Department Store	26,850	561	2.1	970	25,450	(1,209)	(4.5)	550
Parco	10,000	(284)	(2.8)	(750)	10,800	(952)	(8.1)	(950)
Real Estate	4,600	1,780	63.1	500	4,160	29	0.7	860
Credit and Finance	2,330	(473)	(16.9)	(430)	2,350	(392)	(14.3)	(400)
Other	5,230	740	16.5	(600)	5,240	496	10.4	(560)
Total	49,500	3,253	7.0	—	48,500	(1,046)	(2.1)	—

Special Factors for FY2019 and Initiatives for Medium-term Growth

Assumptions to Formulate Current Medium-term Business Plan

Medium-term Business Plan started in FY2017



Applied IFRS (International Financial Reporting Standards) which is different from JGAAP in concept of operating profit



Operating profit greatly changes depending on other operating income / other operating expense

Five-year plan instead of past three-year plan



Path to goal is uncertain because it has no milestone



Problem with sharing image with investors
in process to growth we aim for

Special Factors to Be Considered in FY2019

Contribution of opening of main building of Shinsaibashi store and Shibuya Parco to profit will be small in first year

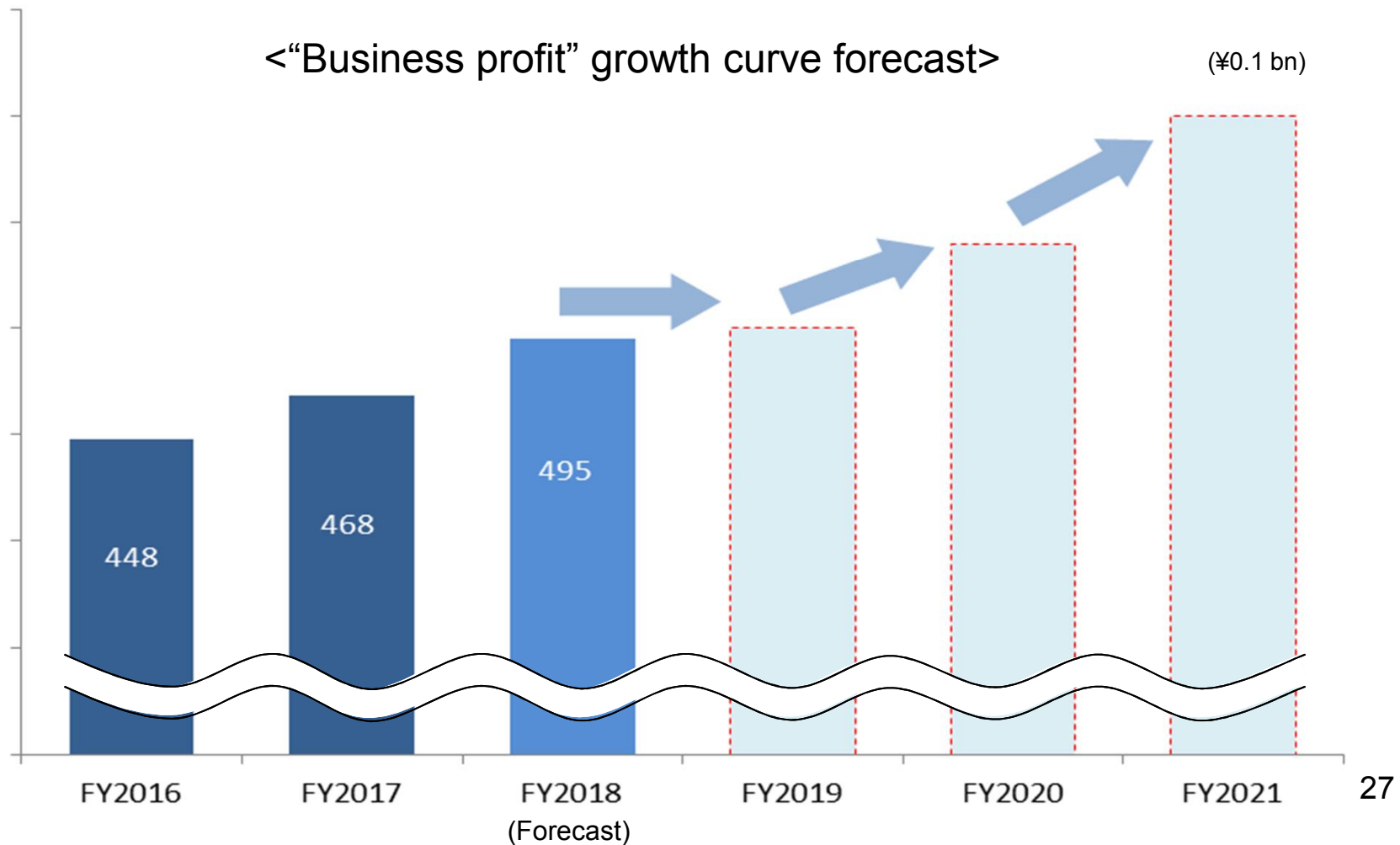
North wing of Daimaru Shinsaibashi Store will be temporarily closed for renovation when main building opens

Consumption tax hike in Oct 2019 will negatively affect sales of Department Store and Parco for some months

Upfront expenditure/investment for full-scale growth of Credit and Finance Business

Future Progress of Medium-term Business Plan

- ▶ Aiming to increase “business profit” in FY2019 but slowly
- ▶ Growth will be accelerated in 2020 when main building of Shinsaibashi store and Shibuya Parco will be fully operated and 2021 when north wing will be fully operated



I. Urban Dominant Strategy

II. ICT Strategy

III. Credit and Finance Business Strategy

Urban Dominant Strategy

- ▶ “Ginza Six” and “Ueno Frontier Tower” opened in 2017 and perform well
- ▶ “Main building of Daimaru Shinsaibashi store” and “New Shibuya Parco” will open in fall 2019
- ▶ “Real estate rental area” will be expanded mainly in urban areas e.g. around flagship stores



*The photos are for illustrative purpose only.

Rebuilding of Main Building of Daimaru Shinsaibashi Store

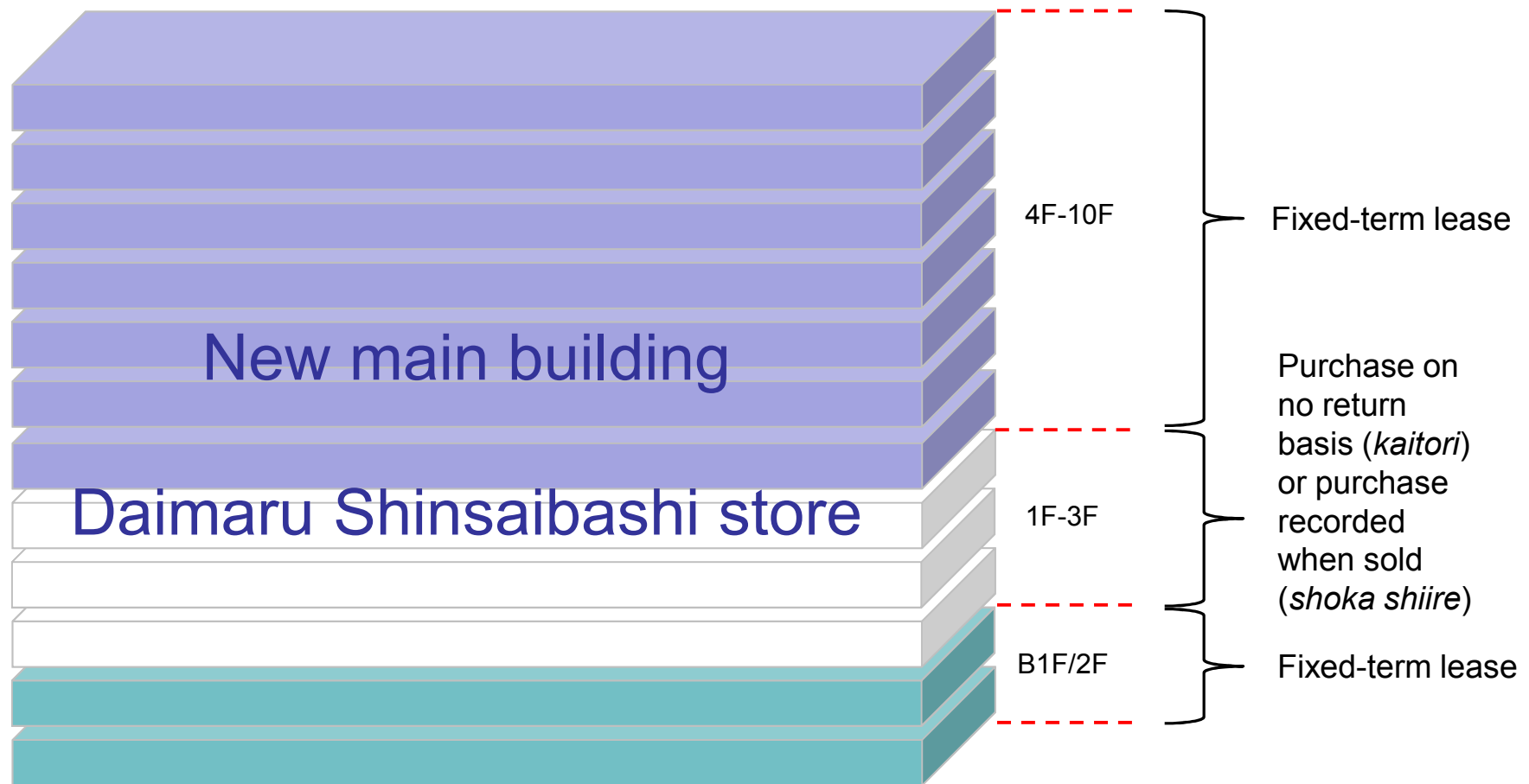
- ▶ Planned to open in fall 2019 as model most representing innovation of “new department store model”
- ▶ Adjacent north wing will be transformed to business model with real estate rental as its main business after opening of main building
- ▶ Main building will be connected to north wing in 2021 to create more than 80,000 m² hybrid commercial facility



*The photo is for illustrative purpose only.

Layer Structure of New Main Building of Shinsaibashi Store

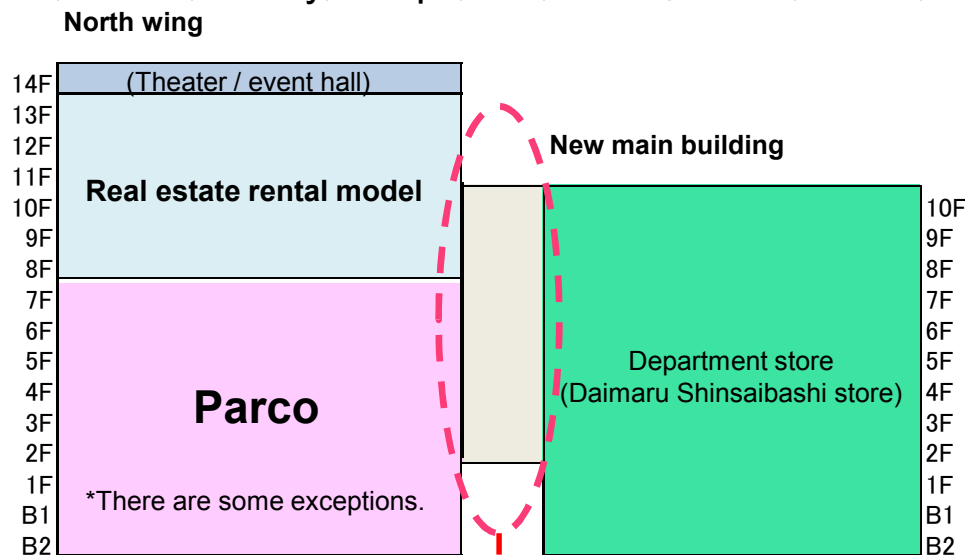
Sales floor layers are “hybrid structure” not seen in traditional department stores



Realizing innovative and highly profitable new department store model

Change of Business Model of “North Wing” of Shinsaibashi Store

- ▶ Business model of north wing of Shinsaibashi store will be changed to “real estate rental” after completion of new main building
- ▶ Core tenant “Parco” will occupy B2F to 7F. Real Estate Division will operate higher floors
- ▶ Greater synergy will be created in the Group through joint development of Daimaru Matsuzakaya Department Stores and Parco



Connecting to north wing after rebuilding new main building (planned for spring 2021)

Hybrid commercial complex with more than 80,000 m² floor area

<Map around Shinsaibashi store>



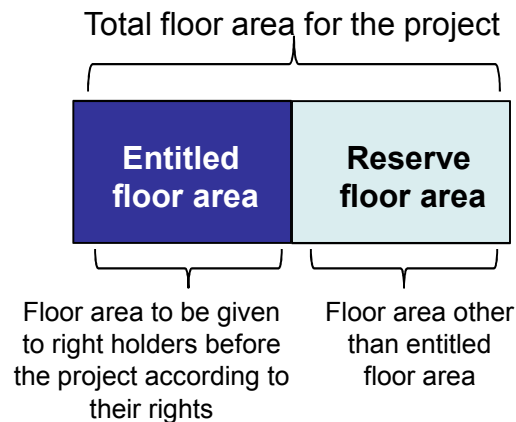
Rebuilding of Shibuya Parco

Scheme of “Udagawa-cho District 14/15 Category 1 Urban Redevelopment Project”

December 2015

Tokyo Metropolitan Government approved urban planning project of special urban renaissance district

→ Floor-area ratio increased
(Allowable total floor area increased)



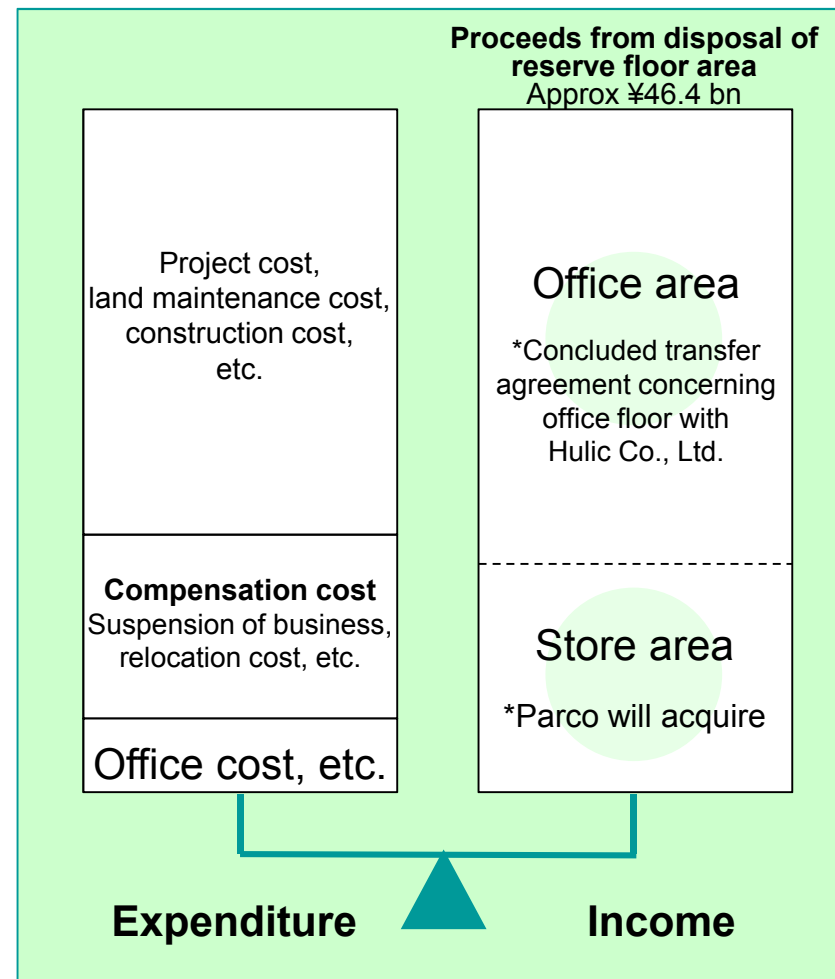
August 2016

Execution of urban development project was approved

May 2017

Started construction and concluded transfer agreement concerning office floor

Income and expenditure of Udagawa-cho District 14/15 Category 1 Urban Redevelopment Project



“Next-generation Commercial Space”

New Shibuya Parco

- ▶ Re-proposal of fashion and sales floors of the future combining luxury mode and street culture
- ▶ Expanding experience-based contents by expanding “Parco Theater” and at other multiple entertainment locations of the company
- ▶ Evolving “Parco brand” by providing information globally



«Creation of new Shibuya Parco»

- Creating next-generation commercial space by rebuilding Shibuya Parco
- Bringing together new initiatives that have never been applied to conventional shopping complexes to provide evolved values such as “growth space for business owners” and “new inspiration for urban consumers”

- Increasing opportunities to newly connect with companies through multi-use complex building
- Creating advanced tenant services in anticipation of developments in e-commerce
- Partnership on creation of Shibuya Entertainment City, expansion of soft content
- Increasing Parco brand’s global presence

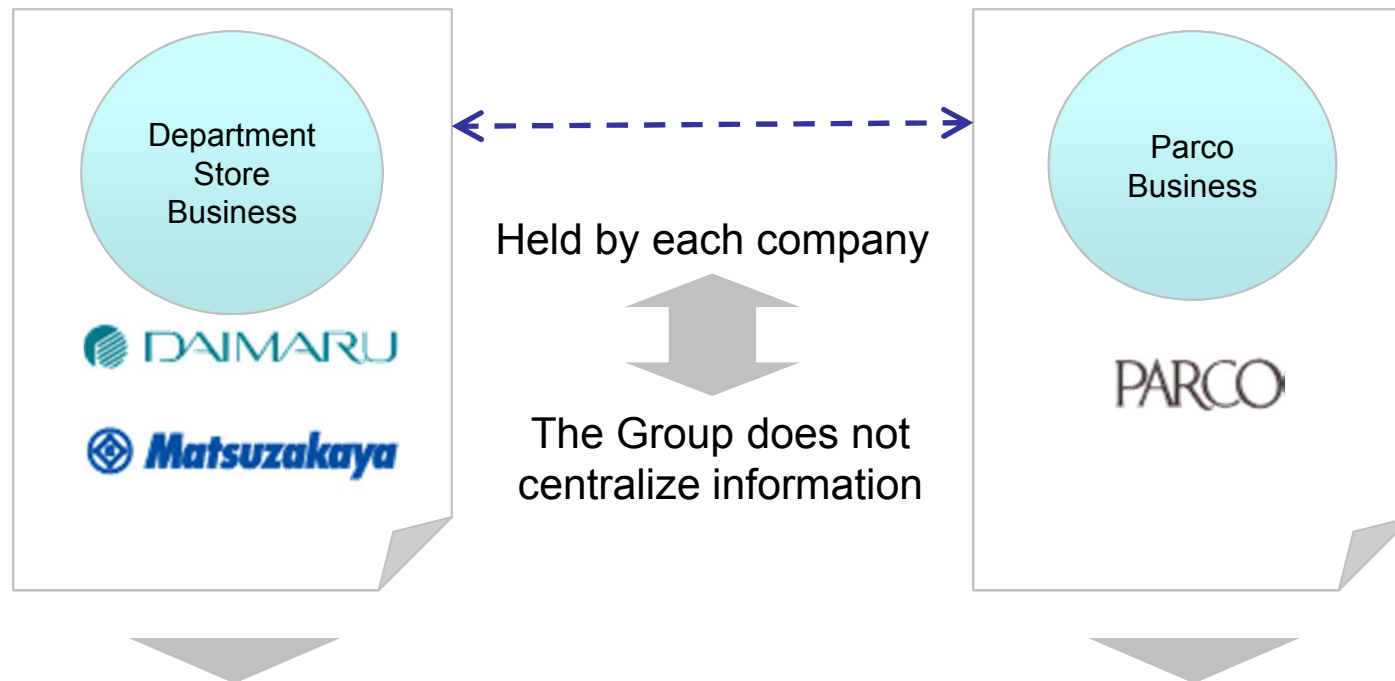
“Lifetime Service Hub” (LTS-HUB) is —————

To create system to strengthen lifetime
engagement with customers

Customer Assets Held by the Group

<Strength of the Group>

Good customer assets of more than 6 million people



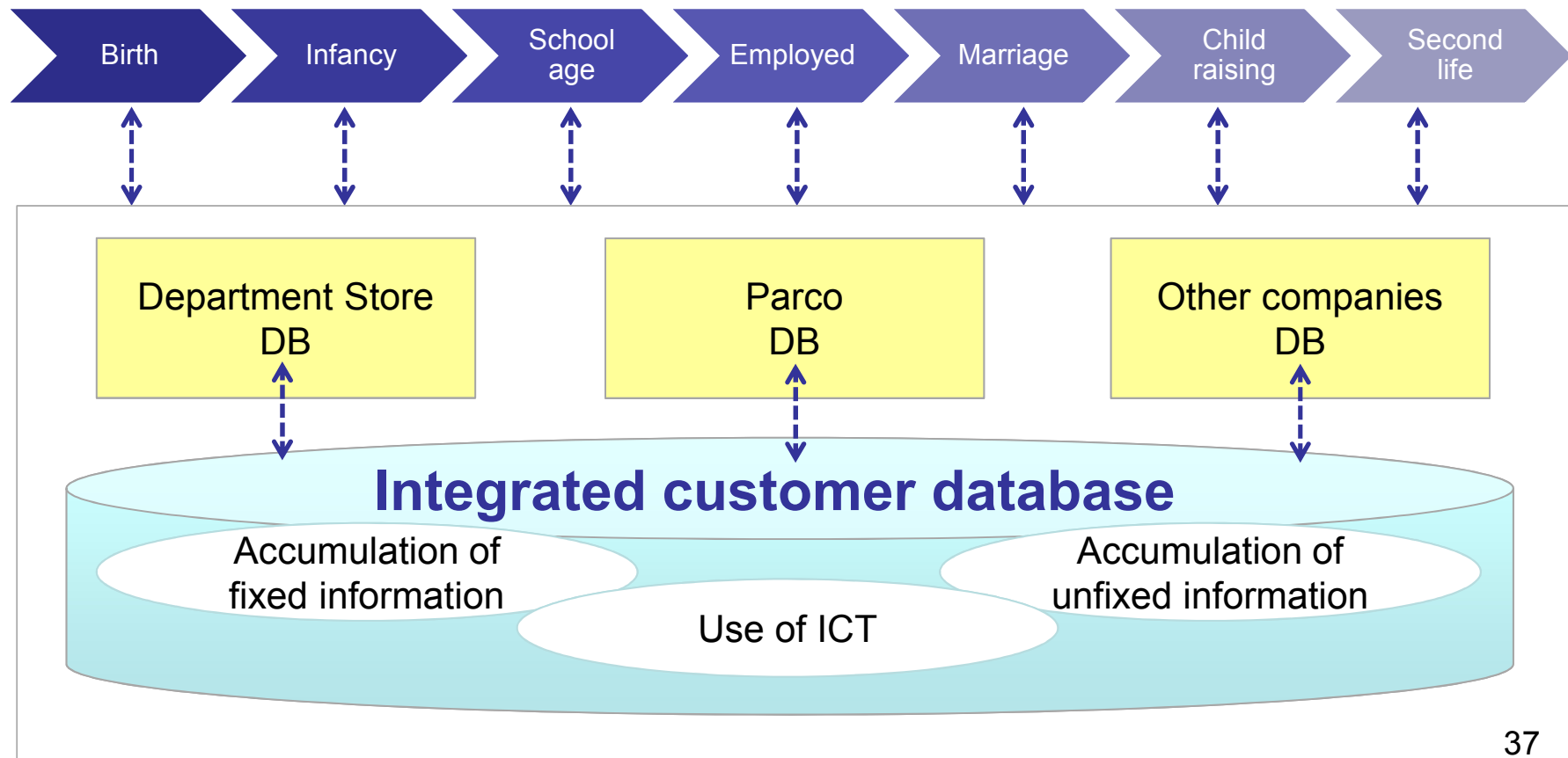
Foundation to bring out true value of “information” has not been developed

Integrating/centralizing good customer database of the Group

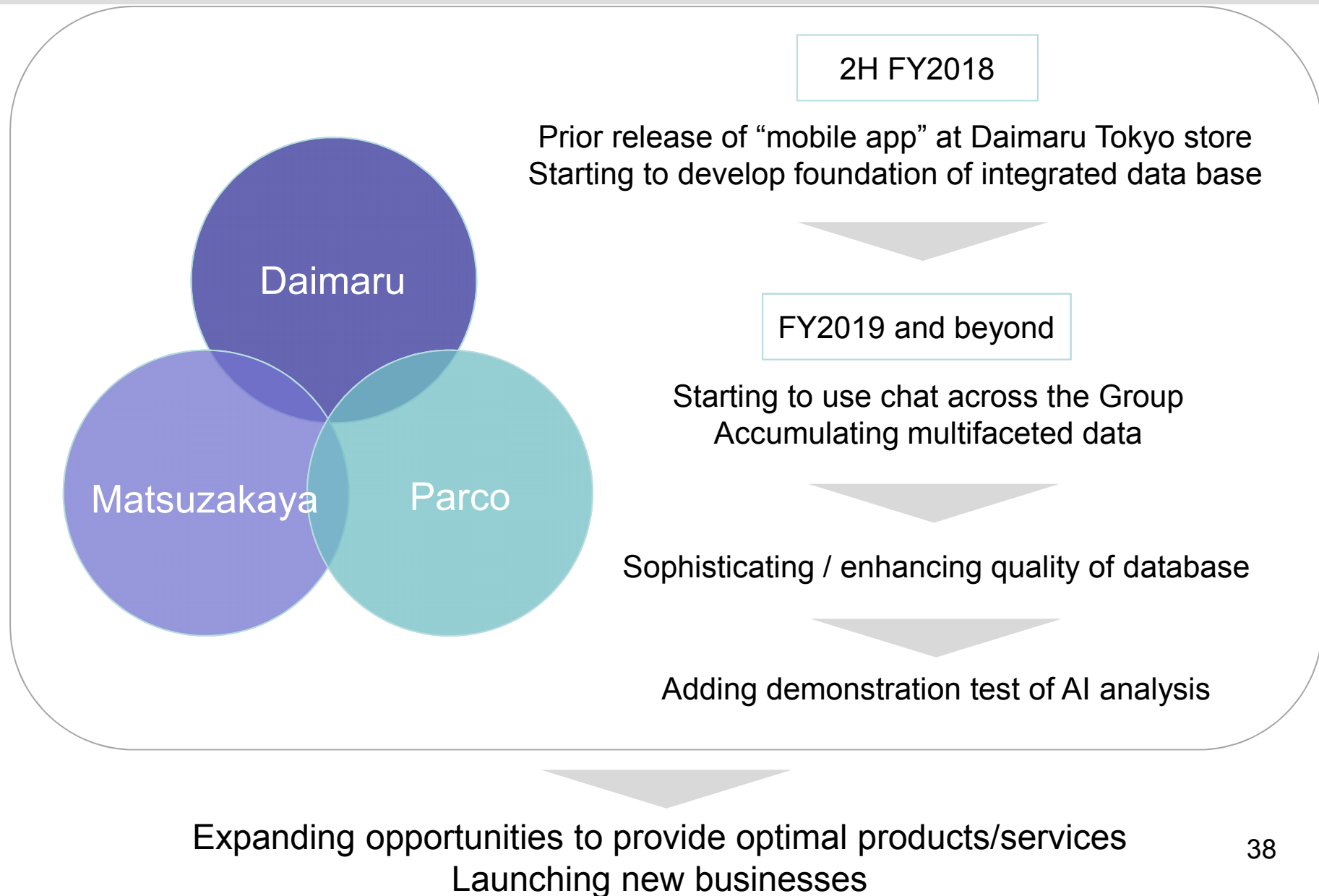
Concept of “Lifetime Service Hub”

~ “Era of 100-year life expectancy” ~

Providing new products and services to relieve customers’ “frustrations” and “concerns” on various occasions and milestones for their entire lives beginning from birth



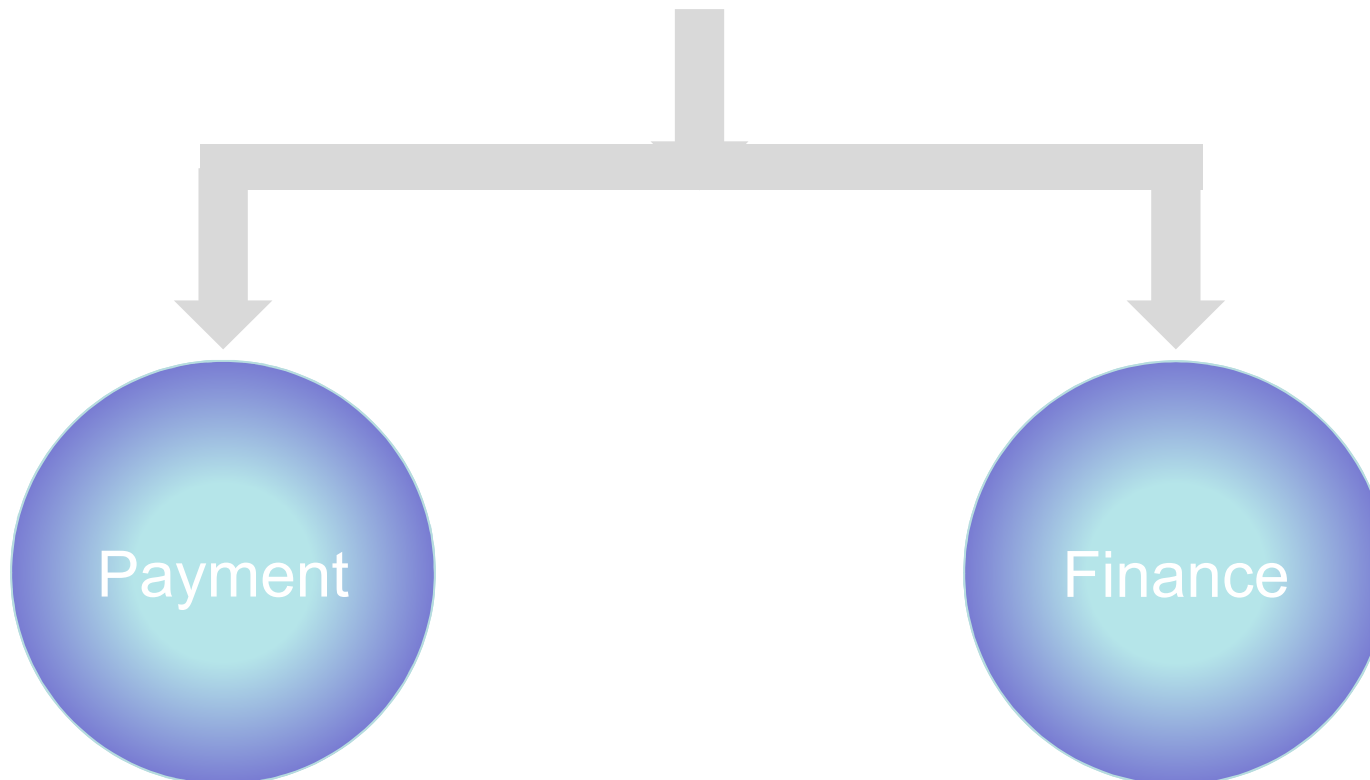
Future Steps toward LTS-HUB Concept



Developed “100-day plan” after appointing new President of JFR Card in March 2018

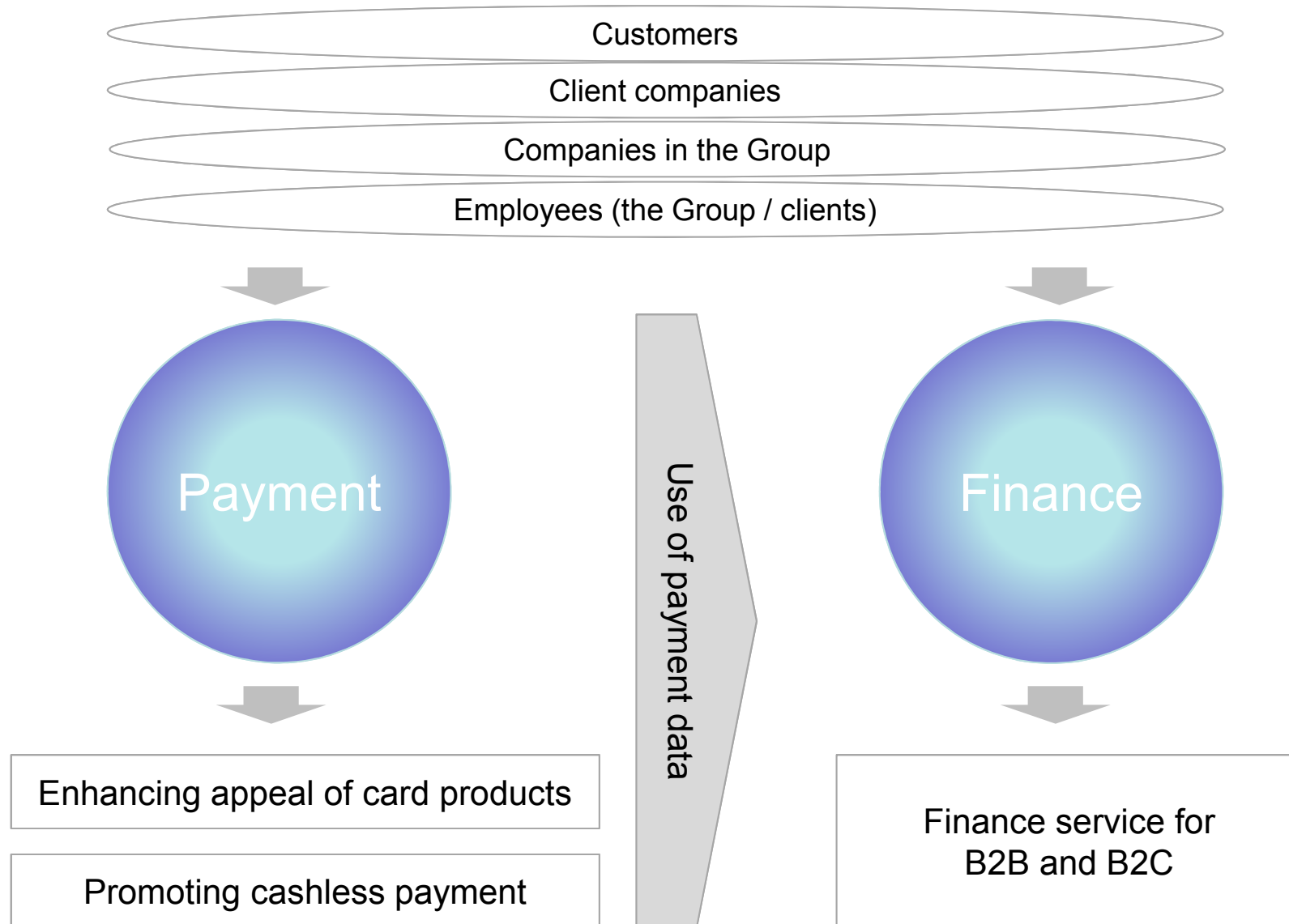


Clarified directions of business strategy in two aspects



Credit and Finance Business Strategy

Strength of the Group's transaction volume of more than ¥1 trillion and good customer assets



Upfront investment is essential to speed up initiatives for growth



Acquiring highly professional HRs well versed in payment/finance businesses

Actively investing in platform using latest technologies



Profit will decrease in the short term due to upfront expenditure

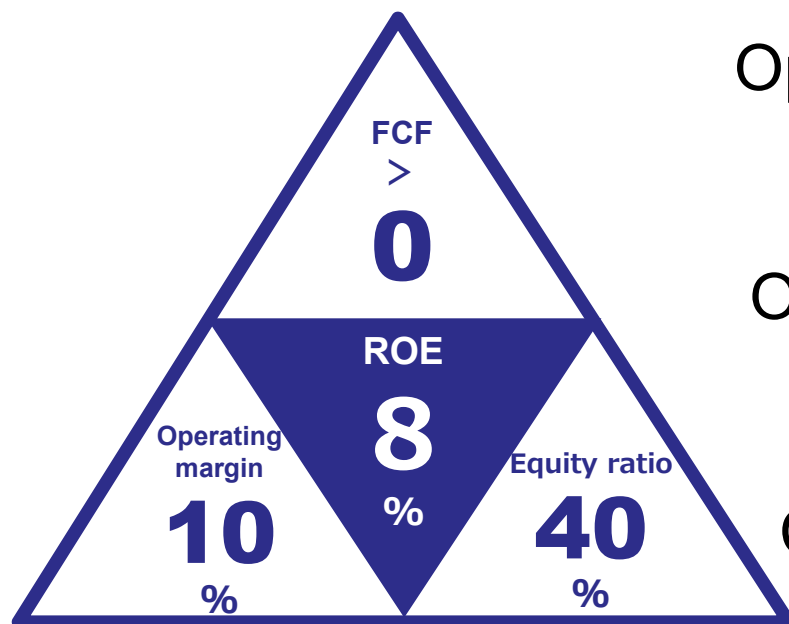


Profit will turn upward in FY2020



Changing business so that we can aim for dramatic profit growth
as “core business of the Group” in the medium term

<Finance strategy structure diagram>



Operating profit

¥5.6 bn

(Up ¥14.2 bn from FY2016)

Operating margin

10%

Consolidated ROE

8.0%
or more

Reason behind ROE target of 8%

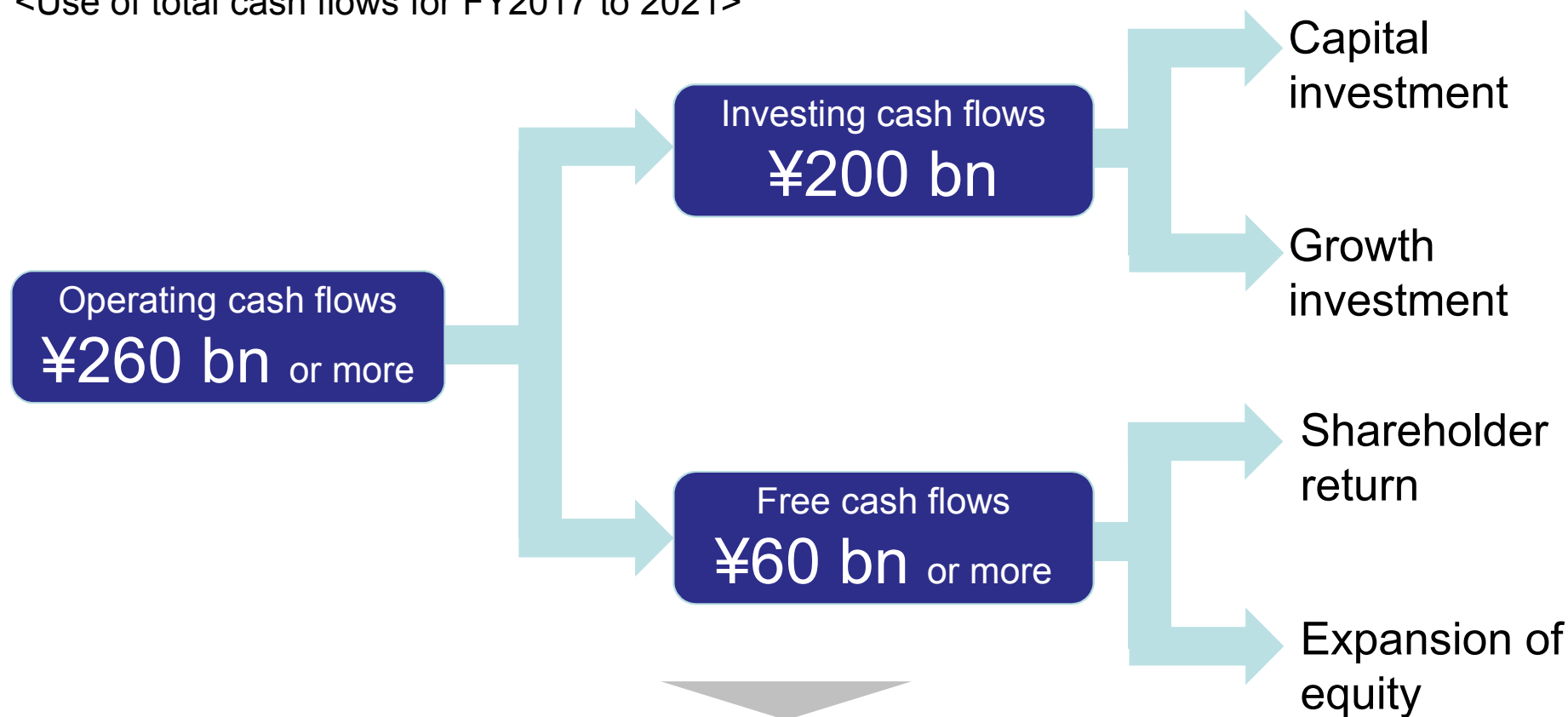
FY2021
ROE target

8.0%
or more

Shareholders' equity
cost recognized by
the Company

> 6 - 7%

<Use of total cash flows for FY2017 to 2021>



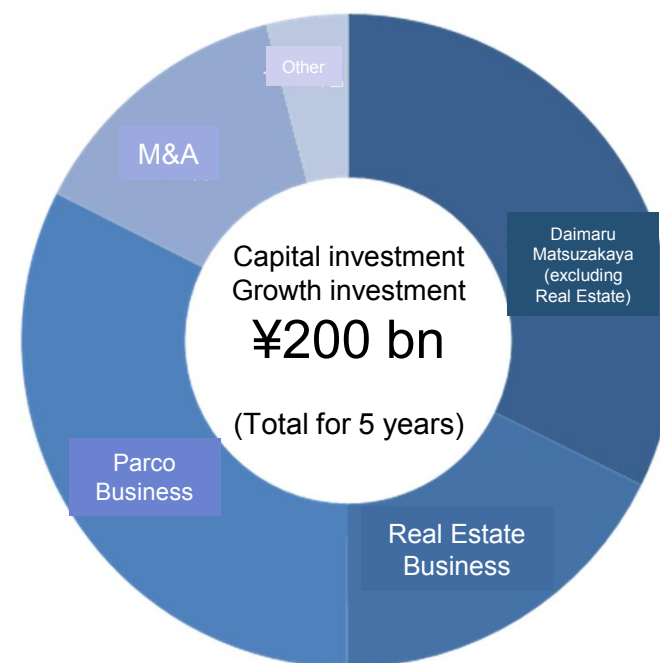
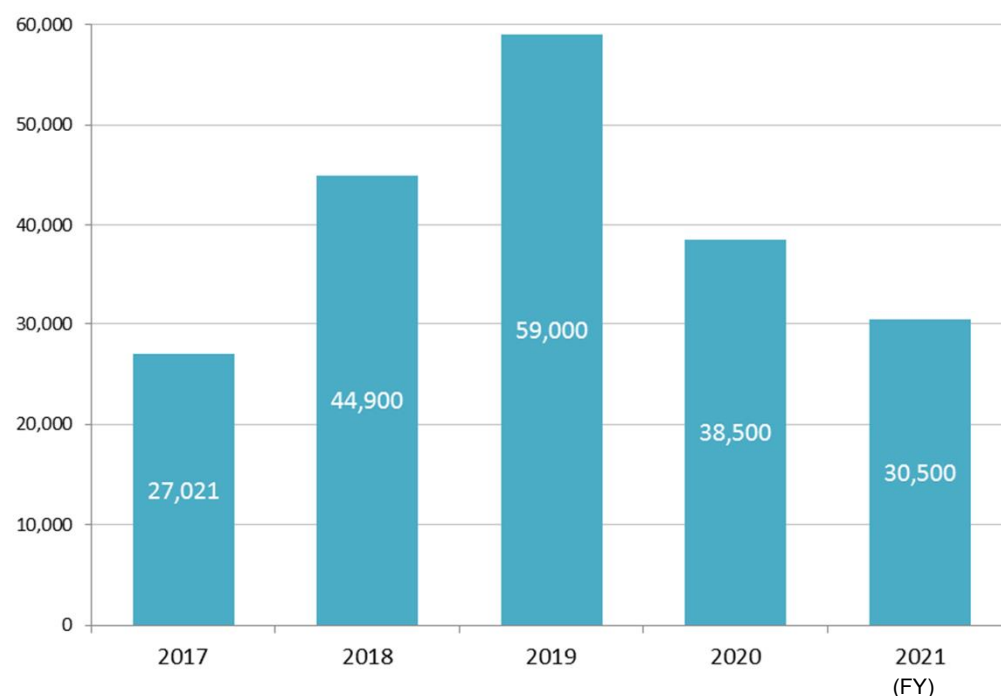
Implementing capital policy well balanced among strategic investment, improvement of shareholder return and expansion of equity

Realizing management structure that can achieve 8% ROE continuously

- ▶ Investing ¥2.7 bn in M&A for growth out of aggregate investment of ¥200 bn for 5 years
- ▶ Investment is expected to peak in FY2019, and after that, free cash flows will turn significantly positive
- ▶ Properly judging investments based on WACC of each business as quantitative criteria

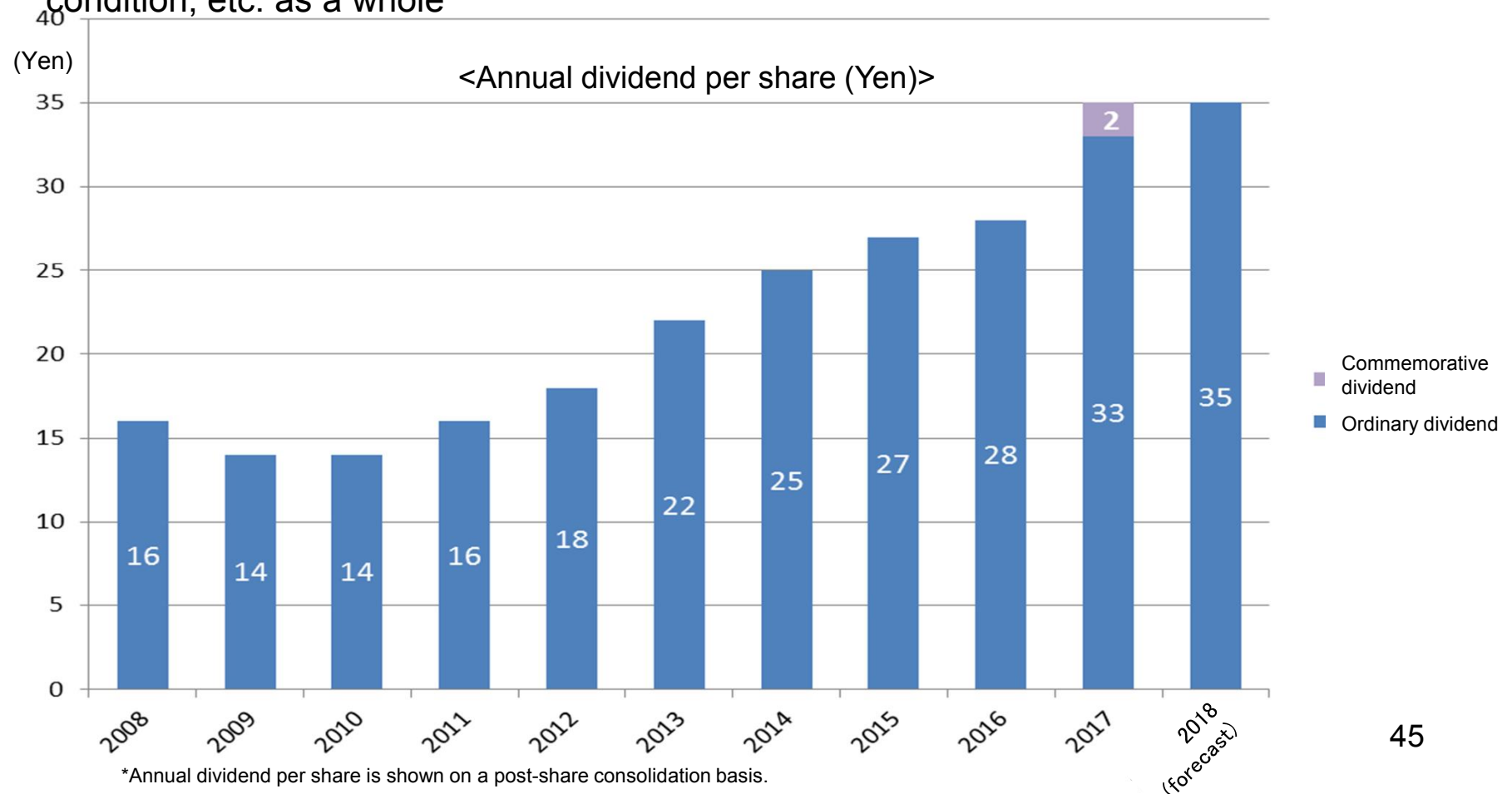
<Forecast of capital investment and share by business segment>

(Millions of yen)



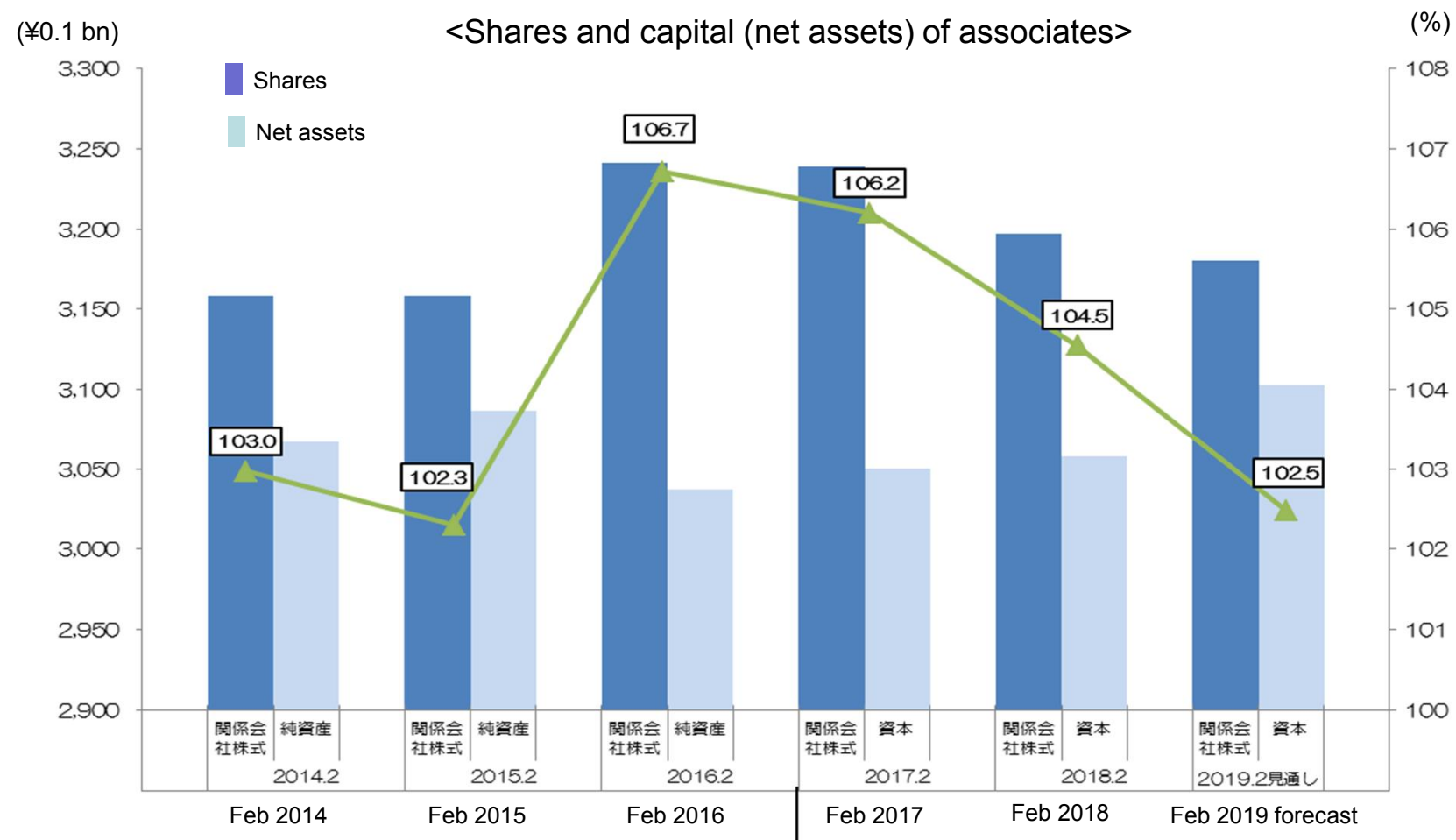
Finance Strategy – Shareholder Return Policy

- ▶ Continuing shareholder return based on profit allocation according to performance and targeting dividend payout ratio of at least 30%
- ▶ Increasing ordinary dividend ¥2 YoY in FY ending February 28, 2019, marking 8th consecutive dividend increase
- ▶ Purchasing own shares as appropriate in consideration of strategic investment, financial condition, etc. as a whole



Finance Strategy – Progress of B/S-focused Management

- ▶ Optimizing capital of each business company based on its optimal capital structure
- ▶ Controlling “double leverage” as important rating indicator to enhance capital efficiency





Started full-scale initiatives
to create sustainable society
under long-term quantitative goals

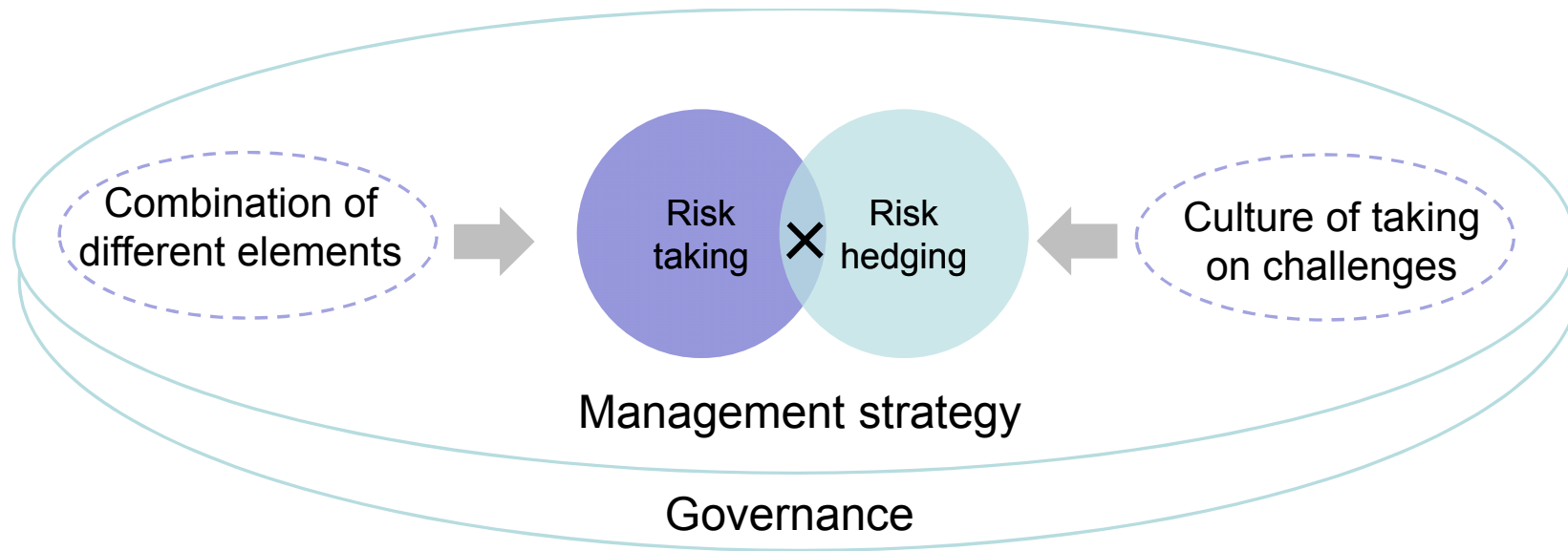


Specific actions
with clear timeline



“ESG briefing” on details
on Nov 30 (Fri)

Uncertainty is “opportunity” and “threat”



Building strong business foundation with tenacity to create results

Developing into “Multi Service Retailer” beyond framework of retailing

Website

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

facebook

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

Create and Bring to Life
“New Happiness.”



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.