

[Translation]

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To whom it may concern

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Notice Regarding Rebuilding of Main Building of Daimaru Shinsaibashi Store of Daimaru Matsuzakaya Department Stores Co. Ltd. and Associated Recording of Extraordinary Losses

J. FRONT RETAILING Co., Ltd. (the “Company”) and its consolidated subsidiary Daimaru Matsuzakaya Department Stores Co. Ltd. resolved at meetings of their respective Boards of Directors held today to rebuild the main building of Daimaru Shinsaibashi store.

In order to maintain the original historic dignity of the streetscape of the Midosuji side, the rebuilding plans will proceed in a way that will preserve the building facade on the Midosuji side, which holds historical value.

1. Reason for rebuilding

The Company is promoting a business model in which, aiming to grow together with the regions in which it operates, it actively engages in efforts to enhance the appeal of overall areas with its stores at the core (strategy of urban market dominance). Amid intensifying competition across the trading area of the Shinsaibashi district, the Company has been proceeding with plans to redevelop the Shinsaibashi district. This redevelopment is centered on the Daimaru Shinsaibashi store (the main building and north and south wings) and also involves utilization of the surrounding real estate and commercial facilities in the district.

The Company made this decision to rebuild the main building of the Daimaru Shinsaibashi store based on the judgment that rebuilding this building, which is in a core position in the aforementioned redevelopment, will not only radically strengthen competitiveness but also generate a new bustling area in the Shinsaibashi district, providing further revitalization to the area.

The north wing and south wing of the Daimaru Shinsaibashi store will undergo renovation, which will include the relocation of the retail spaces currently operating in the main building to there, and business trading will continue.

2. Date of closure of business trading at the main building

December 30, 2015 (plan)

3. Future outlook

For the consolidated financial results for the first six months of the fiscal year ending February 29, 2016, the Company plans to record about ¥7.8 billion in extraordinary losses related to the rebuilding of the main building. Net income is expected to decrease by about ¥5.0 billion.

At present, the consolidated earnings forecasts have remained unchanged.

END

(Reference)

Outline of Daimaru Shinsaibashi store

Location	7-1, Shinsaibashisuji 1-chome, Chuo-ku, Osaka
Store general manager	Taro Sawada
Net sales	¥84,511 million (Fiscal year ended February 28, 2015)
Retail floor area	77,490 m ² (Retail floor area of main building: 31,000 m ²)
Number of employees	521 (As of February 28, 2015)