

[Translation]

April 10, 2017

To whom it may concern

Company name: J.FRONT RETAILING Co., Ltd.  
Representative: Ryoichi Yamamoto, President  
(Securities code: 3086, First Section of the Tokyo  
Stock Exchange and Nagoya Stock Exchange)  
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### Notice Regarding Partial Revision of the Articles of Incorporation

J.FRONT RETAILING Co., Ltd. (the “Company”) resolved at a meeting of its Board of Directors held today to submit a proposal for a partial revision of the Articles of Incorporation to the Company’s 10th Annual Shareholders Meeting to be held on May 25, 2017, as described below.

#### 1. Purpose of revision of the Articles of Incorporation

- (1) As disclosed in the news release “Transition to a ‘Company with Three Committees (Nomination, Audit and Remuneration Committees)’ ” dated October 4, 2016, the Company shall transition to a company with three committees (nomination, audit and remuneration committees) in order to strengthen the management oversight function by separating oversight from execution, realize greater clarity of authority and responsibility in business execution while promoting agile management, and improve transparency and objectivity of management. In accordance with this change, the Company wishes to make changes to the Articles of Incorporation such as adding provisions for each committee and Executive Officers, deleting provisions relating to Audit & Supervisory Board Members and the Audit & Supervisory Board, and changing the number of Directors. Among the proposed changes to the Articles of Incorporation, the provision to exempt the liability of Executive Officers to the extent permitted by laws and regulations (Article 37 of the draft revised Articles of Incorporation) has received the consent of each Audit & Supervisory Board Member.
- (2) In the Company’s Corporate Governance Guidelines, it is stated that when a beneficial shareholder has filed to exercise rights as a shareholder beforehand, we take steps to ensure that such rights may be exercised upon consulting with relevant parties including the trust bank acting as nominal shareholder and the Company’s share transfer agent. In accordance with these guidelines, the Company wishes to add a new clause to Article 18 of the current Articles

of Incorporation to allow an institutional investor that owns shares in the name of a trust bank, etc. and does not own shares in their own name to attend a shareholders meeting and exercise voting rights as a proxy.

- (3) In addition, the Company wishes to delete provisions relating to Advisor, and also revise the Article numbering and make other changes where necessary in conjunction with the above revisions.

2. Details of revision of the Articles of Incorporation

The details of the revision are described as attached.

3. Schedule

Shareholders Meeting for revision of the Articles of Incorporation (scheduled)	May 25, 2017
Effective date of revision of the Articles of Incorporation (scheduled)	May 25, 2017

END

[Attachment]

(Revised portions are underlined.)

Current Articles of Incorporation	Draft revised Articles of Incorporation
<p style="text-align: center;"><b>Chapter 1: General Provisions</b></p> <p>Article 1 to 3 (Omitted)</p> <p>(Organizational Elements)</p> <p>Article 4</p> <p>The Company shall have the following organizational elements, in addition to Shareholders Meetings and Directors:</p> <ol style="list-style-type: none"> <li>(1) Board of Directors;</li> <li>(2) <u>Audit &amp; Supervisory Board Members;</u></li> <li>(3) <u>Audit &amp; Supervisory Board;</u> and</li> <li>(4) Accounting Auditor</li> </ol> <p>Article 5 (Omitted)</p>	<p style="text-align: center;"><b>(Same as the present)</b></p> <p>Article 1 to 3 (Same as the present)</p> <p>(Organizational Elements)</p> <p>Article 4</p> <p>The Company shall have the following organizational elements, in addition to Shareholders Meetings and Directors:</p> <ol style="list-style-type: none"> <li>(1) Board of Directors;</li> <li>(2) <u>Nomination Committee, Audit Committee and Remuneration Committee;</u></li> <li>(3) <u>Executive Officers;</u> and</li> <li>(4) Accounting Auditor</li> </ol> <p>Article 5 (Same as the present)</p>
<p style="text-align: center;"><b>Chapter 2: Shares</b></p>	<p style="text-align: center;"><b>(Same as the present)</b></p>
<p>Article 6 to 11 (Omitted)</p>	<p>Article 6 to 11 (Same as the present)</p>

<b>Chapter 3: Shareholders Meeting</b>	<b>(Same as the present)</b>
<p>Article 12 to 13 (Omitted)</p> <p>(Person with Convocation Right and Chairperson)</p> <p>Article 14</p> <p>A Shareholders Meeting shall be convened by <u>the President, who shall act as chairperson at the meeting.</u></p> <p>In case of the inability of <u>the President</u> to so act, any one of other Directors shall act in his/her place in accordance with an order previously determined by a resolution of the Board of Directors.</p>	<p>Article 12 to 13 (Omitted)</p> <p>(Person with Convocation Right and Chairperson)</p> <p>Article 14</p> <p>A Shareholders Meeting shall be convened by a <u>Director determined beforehand by the Board of Directors.</u></p> <p>In case of the inability of <u>that Director</u> to so act, <u>or in case that this Director position is vacant,</u> any one of other Directors shall act in his/her place in accordance with an order previously determined by a resolution of the Board of Directors.</p> <p><u>The chairperson of the Shareholders Meeting shall be the President and Executive Officer.</u></p> <p><u>In case of the inability of the President and Executive Officer to so act, or in case that the position of President and Executive Officer is vacant, any one of other Directors or Executive Officers shall act in his/her place in accordance with an order previously determined by a resolution of the Board of Directors.</u></p>
<p>Article 15 to 17 (Omitted)</p>	<p>Article 15 to 17 (Same as the present)</p>

<p>(Exercise of Voting Right by Proxy)  Article 18  A Shareholder may designate another Shareholder with voting rights to exercise the designating Shareholder’s voting right.  <u>(Newly established)</u></p> <p><u>However, each</u> such Shareholder or proxy shall submit a document evidencing their proxy power to the Company at each Shareholders Meeting.</p> <p style="text-align: center;"><b>Chapter 4: Directors and Board of Directors</b></p> <p>(Number of Directors)  Article 19  The Company shall have <u>twelve (12)</u> or fewer Directors.</p> <p>Article 20 to 21 (Omitted)</p> <p><u>(Representative Director)</u>  <u>Article 22</u>  <u>The Board of Directors shall appoint a Representative Directors by its resolution.</u></p> <p><u>(Directors with Specific Titles)</u>  <u>Article 23</u>  <u>The Board of Directors may appoint one (1) Chairperson and one (1) President by its resolution.</u></p>	<p>(Exercise of Voting Right by Proxy)  Article 18  A Shareholder may designate another Shareholder with voting rights to exercise the designating Shareholder’s voting right.  <u>Notwithstanding the first paragraph of this article, an institutional investor that owns shares in the name of a trust bank, etc. and does not own shares in their own name may attend a shareholders meeting and exercise voting rights as a proxy.</u></p> <p><u>Each</u> such Shareholder or proxy shall submit a document evidencing their proxy power to the Company at each Shareholders Meeting.</p> <p style="text-align: center;"><b>(Same as the present)</b></p> <p>(Number of Directors)  Article 19  The Company shall have <u>fifteen (15)</u> or fewer Directors.</p> <p>Article 20 to 21 (Same as the present)</p> <p style="text-align: center;"><u>(Deleted)</u></p> <p style="text-align: center;"><u>(Deleted)</u></p>
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<p style="text-align: center;"><u>(Newly established)</u></p> <p>(Convocation of a Meeting of the Board of Directors)</p> <p>Article <u>24</u></p> <p>The convocation notice of a meeting of the Board of Directors shall be dispatched to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least three (3) days prior to the scheduled date of such meeting. However, in case of emergency, this notice period may be shortened.</p> <p>(Omission of a Resolution of the Board of Directors)</p> <p>Article <u>25</u></p> <p>A resolution of the Board of Directors shall be deemed to have been adopted upon the fulfillment of the requirements of Article 370 of the Companies Act.</p>	<p><u>(Chairperson of the Board of Directors and Person with Convocation Right)</u></p> <p>Article <u>22</u></p> <p><u>The Board of Directors shall appoint one (1) Chairperson of the Board of Directors by its resolution.</u></p> <p><u>Unless otherwise provided for by laws and regulations, the Chairperson of the Board of Directors shall convene the meeting of the Board of Directors.</u></p> <p><u>In case of the inability of the Chairperson of the Board of Directors to so act or in case that the position of the Chairperson of the Board of Directors is vacant, any one of other Directors shall convene the meeting of the Board of Directors and act as chairperson in accordance with an order previously determined by a resolution of the Board of Directors.</u></p> <p>(Convocation of a Meeting of the Board of Directors)</p> <p>Article <u>23</u></p> <p>The convocation notice of a meeting of the Board of Directors shall be dispatched to each Director at least three (3) days prior to the scheduled date of such meeting. However, in case of emergency, this notice period may be shortened.</p> <p>Article <u>24</u> (Same as the present)</p>
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<p>(Rules of the Board of Directors)</p> <p>Article <u>26</u></p> <p>Unless otherwise prescribed by laws and regulations or these Articles of Incorporation, matters relating to the Board of Directors shall be prescribed by the rules of the Board of Directors established by the Board of Directors.</p> <p>(Advisor)</p> <p>Article <u>27</u></p> <p><u>An advisor may be appointed by a resolution of the Board of Directors.</u></p> <p>(Exemption of Liability of Directors)</p> <p>Article <u>28</u></p> <p>The Company may exempt Directors (including those who were previously Directors) from liability for damages for the negligence of their duties to the extent permitted by laws and regulations pursuant to the provisions of paragraph 1 of Article 426 of the Companies Act by a resolution of the Board of Directors.</p>	<p>Article <u>25</u> (Same as the present)</p> <p>(Deleted)</p> <p>Article <u>26</u> (Same as the present)</p>
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<p>(Limited Liability Agreement with Directors)  <u>Article 29</u>  The Company and each Director (excluding a person who is executive Director, or employee, including manager) may execute an agreement limiting the liability for damages for negligence of his/her duties pursuant to the provisions of paragraph 1 of Article 427 of the Companies Act. However, the maximum amount of liability under such agreement shall be the higher of the previously stipulated amount of not less than twelve million (12,000,000) yen or the amount fixed by laws and regulations.</p> <p><b><u>Chapter 5: Audit &amp; Supervisory Board and Audit &amp; Supervisory Board Members</u></b></p> <p><u>(Number of Audit &amp; Supervisory Board Members)</u>  <u>Article 30</u>  <u>The Company shall have five (5) or fewer Audit &amp; Supervisory Board Members.</u></p> <p><u>(Method of Election of Audit &amp; Supervisory Board Members)</u>  <u>Article 31</u>  <u>The Audit &amp; Supervisory Board Members shall be elected at a Shareholders Meeting. A resolution for the election of Audit &amp; Supervisory Board Members shall be adopted when Shareholders holding at least one-third (1/3) of the voting rights of the Voting Shareholders are present at a Shareholders Meeting and by a majority of such voting rights.</u></p>	<p>(Limited Liability Agreement with Directors)  <u>Article 27</u>  The Company and each Director (excluding a person who is executive Director, <u>Executive Officers,</u> or employee, including manager) may execute an agreement limiting the liability for damages for negligence of his/her duties pursuant to the provisions of paragraph 1 of Article 427 of the Companies Act. However, the maximum amount of liability under such agreement shall be the higher of the previously stipulated amount of not less than twelve million (12,000,000) yen or the amount fixed by laws and regulations.</p> <p><b><u>(Deleted)</u></b></p> <p><u>(Deleted)</u></p> <p><u>(Deleted)</u></p>
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<p><u>(Term of Office of Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 32</u></p> <p><u>The term of office of an Audit &amp; Supervisory Board Member shall expire at the end of the Annual Shareholders Meeting that relates to the latest business year ending within four (4) years after his/her election to office.</u></p> <p><u>The term of office of an Audit &amp; Supervisory Board Member who has been elected to fill a vacancy caused by an Audit &amp; Supervisory Board Member resigning before the expiry of his/her office shall expire at the time when the remaining term of office of his/her predecessor would have expired.</u></p>	<p><u>(Deleted)</u></p>
<p><u>(Full-time Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 33</u></p> <p><u>The Audit &amp; Supervisory Board shall appoint full-time Audit &amp; Supervisory Board Members by its resolution.</u></p>	<p><u>(Deleted)</u></p>
<p><u>(Convocation Notice of a Meeting of the Audit &amp; Supervisory Board)</u></p> <p><u>Article 34</u></p> <p><u>The convocation notice of a meeting of the Audit &amp; Supervisory Board shall be dispatched to each Audit &amp; Supervisory Board Member at least three (3) days prior to the scheduled date of such meeting. However, in case of emergency, such notice period may be shortened.</u></p>	<p><u>(Deleted)</u></p>

<p><u>(Rules of the Audit &amp; Supervisory Board)</u>  <u>Article 35</u>  <u>Unless otherwise prescribed by laws and regulations or these Articles of Incorporation, matters relating to the Audit &amp; Supervisory Board shall be prescribed by the rules of the Audit &amp; Supervisory Board established by the Audit &amp; Supervisory Board.</u></p>	<p><u>(Deleted)</u></p>
<p><u>(Exemption of Liability of Audit &amp; Supervisory Board Members)</u>  <u>Article 36</u>  <u>The Company may exempt Audit &amp; Supervisory Board Members (including those who were previously Audit &amp; Supervisory Board Members) from the liability for damages for negligence of their duties to the extent permitted by laws and regulations pursuant to the provisions of paragraph 1 of Article 426 of the Companies Act by a resolution of the Board of Directors.</u></p>	<p><u>(Deleted)</u></p>
<p><u>(Limited Liability Agreement with Audit &amp; Supervisory Board Members)</u>  <u>Article 37</u>  <u>The Company and each Audit &amp; Supervisory Board Member may execute an agreement limiting the liability for damages for negligence of his/her duties pursuant to the provisions of paragraph 1 of Article 427 of the Companies Act. However, the maximum amount of liability under such agreement shall be the higher of the previously stipulated amount of not less than twelve million (12,000,000) yen or the amount fixed by laws and regulations.</u></p>	<p><u>(Deleted)</u></p>

<u>(Newly established)</u>	<b><u>Chapter 5: Committee</u></b>
<u>(Newly established)</u>	<p><u>(Number of Committee Members)</u>  <u>Article 28</u>  <u>Each committee shall be comprised of three (3) or more Directors, and the majority of those members shall be Outside Directors.</u></p>
<u>(Newly established)</u>	<p><u>(Method of Election of Committee Members)</u>  <u>Article 29</u>  <u>The members of each committee shall be elected from among the Directors by a resolution of the Board of Directors; provided, however, that the members of the Audit Committee shall not be comprised of Directors who concurrently serve as Executive Officers, executive Directors, accounting advisors, or managers of the Company or any of its subsidiaries.</u>  <u>The chairperson of each committee shall be elected by resolution of the Board of Directors.</u></p>
<u>(Newly established)</u>	<p><u>(Rules of Committees)</u>  <u>Article 30</u>  <u>Matters concerning the authorities of each committee and other matters relating to each committee not set forth by laws and regulations or by these Articles of Incorporation shall be provided for by the rules of each committee as determined by each committee.</u></p>

<u>(Newly established)</u>	<b><u>Chapter 6: Executive Officers</u></b>
<u>(Newly established)</u>	<u>(Number of Executive Officers)</u> <u>Article 31</u> <u>The Company shall have twenty (20) or fewer Executive Officers.</u>
<u>(Newly established)</u>	<u>(Method of Election of Executive Officers)</u> <u>Article 32</u> <u>The Executive Officers shall be elected by a resolution of the Board of Directors.</u>
<u>(Newly established)</u>	<u>(Term of Office of Executive Officers)</u> <u>Article 33</u> <u>The term of office of an Executive Officer shall expire at the end of the first meeting of the Board of Directors convened after the end of the Annual Shareholders Meeting that relates to the latest business year that ending within one (1) year after his/her election to office.</u> <u>The term of office of an Executive Officer who is elected to increase the number of Executive Officers or to fill a vacancy shall expire when the term of office of incumbent Executive Officers expires.</u>
<u>(Newly established)</u>	<u>(Representative Executive Officer)</u> <u>Article 34</u> <u>The Board of Directors shall appoint a Representative Executive Officers by its resolution.</u>

<p><u>(Newly established)</u></p>	<p><u>(Executive Officers with Specific Titles)</u>  <u>Article 35</u>  <u>The Board of Directors may appoint one (1) President and Executive Officer, and one (1) or a small number of each of the following: Executive Vice President(s) and Executive Officer(s), Senior Managing Executive Officer(s), and Managing Executive Officer(s).</u></p>
<p><u>(Newly established)</u></p>	<p><u>(Rules of Executive Officers)</u>  <u>Article 36</u>  <u>Unless otherwise prescribed by laws and regulations or these Articles of Incorporation, matters relating to Executive Officers shall be prescribed by the rules of Executive Officers established by the Board of Directors.</u></p>
<p><u>(Newly established)</u></p>	<p><u>(Exemption of Liability of Executive Officers)</u>  <u>Article 37</u>  <u>The Company may exempt Executive Officers (including those who were previously Executive Officers) from the liability for damages for negligence of their duties to the extent permitted by laws and regulations pursuant to the provisions of paragraph 1 of Article 426 of the Companies Act by a resolution of the Board of Directors.</u></p>
<p><b>Chapter 6: Accounting</b></p> <p>Article 38 to 41 (Omitted)</p>	<p><b>Chapter 7 (Same as the present)</b></p> <p>Article 38 to 41 (Same as the present)</p>

<u>(Newly established)</u>	<u>Supplementary Provisions</u>
<u>(Newly established)</u>	<p data-bbox="810 365 1326 488"><u>(Transitional Measure Relating to Exemption from Liability of Audit &amp; Supervisory Board Members)</u></p> <p data-bbox="810 504 911 533"><u>Article 1</u></p> <p data-bbox="810 551 1321 1003"><u>The Company may exempt Audit &amp; Supervisory Board Members (including previous Audit &amp; Supervisory Board Members) from the liability for damages due to negligence of their duties prior to the conclusion of the 10th Annual Shareholders Meeting to the extent permitted by laws and regulations pursuant to the provisions of paragraph 1 of Article 426 of the Companies Act by resolution of the Board of Directors.</u></p>
<u>(Newly established)</u>	<p data-bbox="810 1068 1299 1097"><u>(Transitional Measure Relating to Advisor)</u></p> <p data-bbox="810 1115 911 1144"><u>Article 2</u></p> <p data-bbox="810 1162 1326 1417"><u>The provisions of Article 27 (Advisor) of the current Articles of Incorporation in accordance with the resolution of the 10th Annual Shareholders Meeting shall remain in effect until the termination of the term of office of the current Advisors.</u></p>

Note: Some underlining does not coincide with the Japanese version because of translation adjustments. In addition, the English wording in some parts of the current Articles of Incorporation is different from the original translation. Specifically, “Corporate Auditor,” which was the translation of *kansayaku* in the original translation of the current Articles of Incorporation is retranslated here as “Audit & Supervisory Board Member.”

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