

[Translation]

July 25, 2014

To whom it may concern

Company name: J. FRONT RETAILING Co., Ltd.  
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(Securities code: 3086, First Section of the Tokyo  
Stock Exchange and Nagoya Stock Exchange)  
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### Notice Regarding Change in the Shareholder Benefit Program

J. FRONT RETAILING Co., Ltd. (the “Company”) will change its shareholder benefit program as described below, in line with a change in the number of shares per unit and a consolidation of shares.

#### 1. Reason for change

Following the passage of a resolution at the Company’s 7th general shareholders meeting held on May 22, 2014, the Company will change the number of shares per unit from 1,000 to 100 and conduct a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. This change was previously announced in “Notice Regarding Change in the Number of Shares Per Unit, Consolidation of Shares, and Change in the Number of Shares Authorized” dated March 27, 2014.

Therefore, the Company intends to change the shareholder benefit program to enable shareholders owning at least 100 shares of the Company, which will be the new share unit, to use the program.

#### 2. Schedule of change

The program after the change will apply to shareholders owning at least one unit of shares (100 shares) of the Company entered or recorded in the shareholders’ register as of February 28, 2015.

#### 3. Details of change

The credit limit for “Daimaru and Matsuzakaya shopping courtesy cards,” which can be used at Daimaru or Matsuzakaya, will be changed as shown in the following table.

Before change		After change	
Number of shares owned as of the end of February	Credit limit	Number of shares owned as of the end of February	Credit limit
Less than 1,000 shares	(Not eligible)	<b>Less than 100 shares</b>	(Not eligible)
		<b>100 to 499 shares</b>	¥0.5 million
1,000 to 2,999 shares	¥1.0 million	<b>500 to 999 shares</b>	¥1.0 million
		<b>1,000 to 1,999 shares</b>	¥2.0 million
3,000 to 3,999 shares	¥1.5 million	<b>2,000 to 2,999 shares</b>	¥3.0 million
4,000 to 4,999 shares	¥2.0 million		
5,000 to 5,999 shares	¥2.5 million		
6,000 to 6,999 shares	¥3.0 million	<b>3,000 to 3,999 shares</b>	¥4.0 million
7,000 to 7,999 shares	¥3.5 million		
8,000 to 8,999 shares	¥4.0 million	<b>4,000 shares or more</b>	¥5.0 million
9,000 to 9,999 shares	¥4.5 million		
10,000 shares or more	¥5.0 million		

Note 1: The courtesy cards are issued in May every year and can be used from the issue date until May 31 of the following year.

Note 2: New shareholders as of August 31 will be granted half of the above full amounts and the relevant cards will be issued during November.

Note 3: For shareholders who have continuously owned at least one unit of shares for at least three years as of the end of February, ¥1.0 million will be added to each of the above credit limits.

Other than the credit limits, no changes have been made to aspects of the “Daimaru and Matsuzakaya shopping courtesy cards” such as the following: the discount shopping rate (10%) through use of the cards, non-eligible products, the settlement method (limited to cash or gift certificate, Tomonokai members’ card, etc.) or free entry to cultural events for which there is an entry fee (limited to two persons).

Furthermore, “PARCO shopping coupons” will be issued uniformly to all shareholders owning at least 100 shares of the Company, which will be the new share unit (coupons providing a ¥100 discount for every ¥2,000 spent will be issued in a pad of 40 to shareholders as of the end of February and in a pad of 20 to new shareholders as of August 31).

#### 4. Others

For new shareholders owning at least one unit of shares of the Company (1,000 shares) as of August 31, 2014, “Daimaru and Matsuzakaya shopping courtesy cards” and “PARCO shopping coupons” that may be used until May 31, 2015, will be issued during November 2014 based on the program before the change.

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