

Articles of Incorporation  
of  
J. FRONT RETAILING Co., Ltd.  
(*J. Front Retailing Kabushiki Kaisha*)  
(the “Company”)

Established on September 3, 2007

Amended on May 25, 2017

**Chapter 1: General Provisions**

(Trade Name)

Article 1 The Company shall be called “J. Front Retailing Kabushiki Kaisha” and shall be indicated in English as “J. FRONT RETAILING Co., Ltd.”

(Objective)

Article 2 The objective of the Company is to perform the following businesses:

1. Control or administration of the business of companies carrying out the following businesses or foreign companies carrying out the equivalent businesses of such businesses through owning their shares or equity interests:
  - (1) Department store business;
  - (2) Retail business;
  - (3) Sale of salt, tobacco, drugs, drugs for animals, medical equipment, all kinds of liquor, rice and other grain, measurements equipment, lottery tickets, card, dice and board games, guns and swords;
  - (4) Sale of agrichemicals, industrial pharmaceuticals, low explosives, toxicants and deleterious substances;
  - (5) Photography business, beauty business, hairdressing and barber businesses, food and beverage business, dry cleaning business, antique and thrift goods sales business, travel business, tailoring business, printing and publishing businesses, publicity agency business, hotel and inn businesses, foreign currency exchange business and financing business;
  - (6) Installment sales business and installment purchase mediation business for mail order and credit card businesses for clothing, sundries, office equipment, sporting goods, jewelry and precious metals, art work, furniture, home electronics, daily convenience goods and food;
  - (7) Leasing and brokering/agent business covering clothing, sundries, office equipment, sporting goods, jewelry and precious metals, art work, furniture, home electronics, daily convenience goods, travel goods, telecommunication and office equipments, commercial vehicles, showcase fixtures, and fixtures and fittings for stores;
  - (8) Product inspection business covering clothing, sundries, office equipment, sporting goods, jewelry and precious metals, art work, furniture, home electronics, daily convenience goods and food, and related consulting businesses;

- (9) Management of game facilities, parking lots, laundromats, stone spa facilities, and sports and cultural facilities;
- (10) Management of clinics, nursery, vocational schools and sports and culture classes;
- (11) Sales and mediation businesses covering membership relating to all kinds of sports and membership to sports and lodging facilities;
- (12) Life insurance soliciting business, non-life insurance brokerage business and insurance brokerage business based upon the Automobile Liability Security Act;
- (13) Video software and film production and sales business and all kinds of box office business in film and shows;
- (14) Manufacturing and sales of furniture, cosmetics, food, snacks, beverages, ice cream and other cold/frozen dairy desserts, and dairy products;
- (15) Agent business for wholesale and import and export businesses and commercial transactions;
- (16) Contractor business and design, management and implementation of all kinds of construction work including structural engineering and interior design;
- (17) Sales, leasing and management of real estate and vessels, and their brokerage businesses;
- (18) Building cleaning business, business of maintenance and management of premises and security business based upon the Security Services Act;
- (19) Contractor business and leasing business of ceremonial functions;
- (20) Cargo transportation and handling business, general passenger vehicle transportation business, logistics business, transportation brokering business, and warehousing business;
- (21) Investigation, planning, design and management business operations relating to development of commercial facilities, urban development and community development;
- (22) Ownership and usage of marketable securities, land and constructions;
- (23) Subcontractor business and businesses relating to contracting business operations;
- (24) Credit report business, bill collections, calculations operation consignment business and information processing services business;
- (25) Consignment business under the Act on Entrustment of Services Rendered at Post Office Counters, and sales business covering stamps and duty stamps;
- (26) Workforce dispatch business;
- (27) For-fee job placement business;
- (28) Training business relating to education and skills development and enhancement of personnel;
- (29) Consignment of store management and sales business covering clothing, sundries, office equipment, sporting goods, jewelry and precious metals, art work, furniture, home electronics, daily convenience goods and food;
- (30) Consulting operations relating to over-the-counter sales and store operations;
- (31) Consulting operations relating to management; and
- (32) All operations incidental or relating to any of the items above.

2. All operations incidental or relating to the preceding paragraph.

(Location)

Article 3 The Company shall have its head office in Chuo-ku, Tokyo.

(Organizational Elements)

Article 4 The Company shall have the following organizational elements, in addition to Shareholders Meetings and Directors:

- (1) Board of Directors;
- (2) Nomination Committee, Audit Committee and Remuneration Committee;
- (3) Executive Officers; and
- (4) Outside Accounting Auditor

(Method of Giving Public Notice)

Article 5 The method of giving public notice of the Company shall be electronic announcement. However, in the event public notice cannot be made by electronic announcement due to accidents or other unavoidable causes, public notice shall be made in The Nihon Keizai Shimbun.

## **Chapter 2: Shares**

(Total Number of Issuable Shares)

Article 6 The total number of shares authorized to be issued by the Company shall be one billion (1,000,000,000) shares.

(Number of Shares Constituting One Voting Unit)

Article 7 The number of shares constituting one (1) voting unit of the Company shall be one hundred (100) shares.

(Rights to Fractional Unit Shares)

Article 8 Any shareholder of the Company holding Fractional Unit Shares may not exercise any rights other than the following rights with respect to such Fractional Unit Shares:

- (1) the rights listed in the items of paragraph 2 of Article 189 of the Companies Act;
- (2) the right to make a demand pursuant to the provisions of paragraph 1 of Article 166 of the Companies Act;
- (3) the right to receive allotments of offered shares and allotments of offered share acquisition rights in accordance with the number of shares held by such Shareholder; and
- (4) the right to make a demand as mentioned in the following article.

(Additional Purchase of Fractional Unit Shares)

Article 9 Any Shareholder holding Fractional Unit Shares may, pursuant to the Company's share handling rules, demand that the Company sell such number of shares as may, together with the number of such Fractional Unit Shares, constitute the number of shares totaling one (1) voting unit (such demand being hereinafter referred to as a "Demand for Additional Purchase"). However, the preceding sentence shall not apply to a Demand for Additional Purchase where the Company owns no transferable treasury shares.

The timing and the way to make a Demand for Additional Purchase shall be governed by the rules established by the Board of Directors.

(Shareholder Register Manager)

Article 10 The Company shall have a shareholder register manager.

The shareholder register manager and its place of business shall be designated by a resolution of the Board of Directors, and public notice thereof shall be given.

The preparation and storage of the shareholders register and register of share acquisition rights of the Company and other administrative affairs relating to such registers shall be commissioned to the shareholder register manager, and the Company shall not handle such affairs.

(Share Handling Rules)

Article 11 The handling of shares and share acquisition rights of the Company, procedures for exercising rights of shareholders, and fees and charges thereof shall be governed by laws and regulations, these Articles of Incorporation and the rules established by the Board of Directors.

### **Chapter 3: Shareholders Meeting**

(Timing of Convening Shareholders Meeting)

Article 12 An annual Shareholders Meeting of the Company shall be convened in May of each year, and an extraordinary Shareholders Meeting shall be convened whenever necessary.

(Record Date for Annual Shareholders Meeting)

Article 13 The record date for the voting rights of the annual Shareholders Meeting of the Company shall be the last day of February of each year.

(Person with Convocation Right and Chairperson)

Article 14 A Shareholders Meeting shall be convened by a Director determined beforehand by the Board of Directors.

In case of the inability of that Director to so act, or in case that this Director position is vacant, 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.

The chairperson of the Shareholders Meeting shall be the President and Executive Officer.

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.

(Place of Convocation)

Article 15 Shareholders Meetings of the Company shall be convened within the wards of Tokyo.

(Internet Disclosure of Reference Materials for Shareholders Meetings and Deemed Provision)

Article 16 Upon convocation of a Shareholders Meeting, the Company may be deemed to have provided the information relating to the matters to be described or indicated in the reference materials for the shareholders meetings, business report, non-consolidated financial statements or consolidated financial statements, to the Shareholders by disclosure through the Internet in accordance with the applicable Ministry of Justice Order.

(Method of Resolution)

Article 17 Unless otherwise prescribed by laws and regulations or these Articles of Incorporation, a resolution of a Shareholders Meeting shall be adopted by a majority of the voting rights of Shareholders who are entitled to exercise voting rights (each a "Voting Shareholder") and are present at such meeting.

A special resolution as mentioned in paragraph 2 of Article 309 of the Companies Act shall be adopted when Shareholders holding at least one-third (1/3) of the voting rights of the Voting Shareholders are present at such meeting and by at least two-thirds (2/3) of the voting rights of such Shareholders present.

(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.

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.

Each such Shareholder or proxy shall submit a document evidencing their proxy power to the Company at each Shareholders Meeting.

## **Chapter 4: Directors and Board of Directors**

(Number of Directors)

Article 19 The Company shall have fifteen (15) or fewer Directors.

(Method of Election of Directors)

Article 20 Directors shall be elected at a Shareholders Meeting.

A resolution for the election of Directors 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 of such Shareholders present.

No cumulative voting may be used for a resolution to elect Directors.

(Term of Office of Directors)

Article 21 The term of office of a Director shall expire at the end of the annual Shareholders Meeting that relates to the latest business year ending within one (1) year after his/her election to office.

(Chairperson of the Board of Directors and Person with Convocation Right)

Article 22 The Board of Directors shall appoint one (1) Chairperson of the Board of Directors by its resolution.

Unless otherwise provided for by laws and regulations, the Chairperson of the Board of Directors shall convene the meeting of the Board of Directors.

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.

(Convocation of a Meeting of the Board of Directors)

Article 23 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.

(Omission of a Resolution of the Board of Directors)

Article 24 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.

(Rules of the Board of Directors)

Article 25 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.

(Exemption of Liability of Directors)

Article 26 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.

(Limited Liability Agreement with Directors)

Article 27 The Company and each Director (excluding a person who is executive Director, Executive Officer, 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.

## **Chapter 5: Committee**

(Number of Committee Members)

Article 28 Each committee shall be comprised of three (3) or more Directors, and the majority of those members shall be Outside Directors.

(Method of Election of Committee Members)

Article 29 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.

The chairperson of each committee shall be elected by resolution of the Board of Directors.

(Rules of Committees)

Article 30 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.

## **Chapter 6: Executive Officers**

(Number of Executive Officers)

Article 31 The Company shall have twenty (20) or fewer Executive Officers.

(Method of Election of Executive Officers)

Article 32 The Executive Officers shall be elected by a resolution of the Board of Directors.

(Term of Office of Executive Officers)

Article 33 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.

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.

(Representative Executive Officer)

Article 34 The Board of Directors shall appoint a Representative Executive Officer by its resolution.

(Executive Officers with Specific Titles)

Article 35 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).

(Rules of Executive Officers)

Article 36 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.

(Exemption of Liability of Executive Officers)

Article 37 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.

## **Chapter 7: Accounting**

(Business Year)

Article 38 The business year of the Company shall be one (1) year from March 1 of each year to the last day of February of the following year.

(Decision-making Body for Dividends of Surplus)

Article 39 The Company shall determine, unless otherwise prescribed by laws and regulations, the matters prescribed in the items of paragraph 1 of Article 459 of the Companies Act (such as

dividends of surplus) not by a resolution of a Shareholders Meeting but by a resolution of the Board of Directors.

(Record Date for Dividends of Surplus)

Article 40 The record date for year-end dividends of the Company shall be the last day of February of each year.

The record date for interim dividends of the Company shall be August 31 of each year.

In addition to dividends set forth in the preceding two paragraphs, dividends of surplus may be paid by prescribing the record date.

(Exclusion Period of Dividends)

Article 41 In case of dividends in cash, the Company shall be released from the obligation to pay dividends which have remained unclaimed for more than five (5) years after the day on which such dividends first became payable.

### **Supplementary Provisions**

(Transitional Measure Relating to Exemption from Liability of Audit & Supervisory Board Members)

Article 1 The Company may exempt Audit & Supervisory Board Members (including previous Audit & 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.

(Transitional Measure Relating to Advisor)

Article 2 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.