

Creating a New Synergy for Next Growth

Acquired a 49.0% stake in StylingLife Holdings Inc.

J. Front Retailing (JFR) is aiming to establish status as a leading retail company in Japan in terms of both quality and quantity with the department store business as its core.

On March 30, 2011, we acquired a 48.5% (49.0% as of April 28, 2011) stake in StylingLife Holdings Inc. (SLH) and made it an equity method affiliate. SLH operates four main businesses including general merchandise retailing under the "PLAZA" brand, which is popular among young women, the manufacture and sales of cosmetics, direct marketing and the manufacture and sales of food, beverage and confectionery products under the mission statement of "offering a lifestyle to customers" and "working on and trying something new." Some of their shops operate in the stores of JFR Group.

We believe that our core department store business will become more competitive through a deeper alliance with a company that has an advantage not shared by us, which will improve our ability to edit sales floors and expand the number of young customers, and that we will be able to increase the growth potential of the Group as a whole by adding a strong new business.

Shareholder composition of StylingLife Holdings Inc.

(As of April 28, 2011)

| | Number of shares held | Shareholding percentage |
|--|-----------------------|-------------------------|
| Tokyo Broadcasting System Holdings, Inc. | 76,500 shares | 51.0% |
| J. Front Retailing Co., Ltd. | 73,500 shares | 49.0% |
| Total | 150,000 shares | 100.0% |

Using synergy to enhance the appeal of sales floors

We think JFR and SLH will be able to easily produce a synergy because the two companies have a lot in common in core business (retailing and direct marketing), customer base (income class and lifestyle) and corporate direction (high quality oriented and high value added oriented).

Favorable effects on JFR include: ① the appeal of women's accessories of department stores increased by introducing SLH's core business "PLAZA" shops; ② the enhancement of Daimaru and Matsuzakaya stores' own selection of merchandise and the joint development of new sales floors by adopting SLH's strengths such as the buying of variety goods and floor editing in its "PLAZA" business; ③ the mutual use of customers and merchandise in direct marketing business after putting in place the conditions concerning personal information and so on; ④ the expansion of business opportunities for the companies

Four businesses of StylingLife Holdings Inc.

Operation of about 120 shops nationwide including PLAZA and MINIPLA

PLAZASTYLE COMPANY

[Founded] February 11, 1966

[Line of business] Retailing of imported household goods, operation of MINIPLA shops, licensing business and planning and development of original products

[Number of shops] PLAZA: 73 shops / PLAZA BEAUTILICIOUS: 2 shops
MINIPLA: 10 directly operated shops and 36 affiliated shops
QUOMIST: 3 shops / Cuddlesome: 2 shops
Online shop: 2 sites / TED'S Bakery: 3 shops

Catalogue mail-order service, advertisement and online shopping service of clothing and general merchandise

LightUp Shopping Club Inc.

[Founded] March 1971

[Line of business] Direct marketing and in-store retailing of clothing, sporting and leisure goods, electric appliances, household goods, jewelry, books, optical instruments and watches

Brand: LightUP/Zekoo/SHOKUSAI Club/BEYES
[Number of shops] 8 shops
(Ginza Sony Building, Omotesando Hills, Umeda Herbis Ent and other locations)

Manufacture and sales of cosmetics

BCL COMPANY

[Founded] February 1996

[Line of business] Development, manufacture and sales of cosmetics and quasi-drugs and manufacture and sales of makeup tools, hairdressing and beauty equipment and laboratory equipment

[Number of shops] Cosmetics for general retail stores: about 10,000 locations
Cosmetics for department stores (VECUA): 24 locations

CP Cosmetics Inc.

[Founded] January 2006

[Line of business] Development, manufacture and sales of cosmetics and quasi-drugs and manufacture and sales of makeup tools, hairdressing and beauty equipment and laboratory equipment

[Number of shops] CP Salon: about 1,260 locations

Management of French restaurants and cake shops

Maxim's de Paris Ltd.

[Founded] November 1966

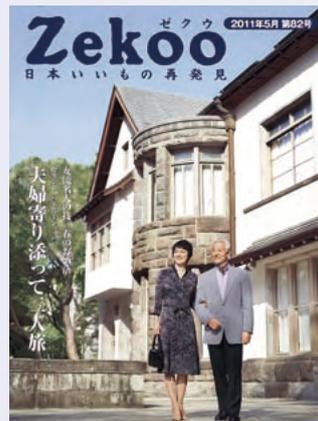
[Line of business] Management of French restaurants, bakery shops, cafes, teashops and snack shops and manufacture and sales of confectionery

[Number of shops] Restaurant: 2 locations / Cafe: 3 locations / Bakery: 13 locations
Teashop and snack shop: 5 locations / Cake shop: 9 locations

General merchandise retailing



Direct marketing



Food



Beauty & wellness

