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 stores 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)

<table>
<thead>
<tr>
<th>Number of shares held</th>
<th>Shareholding percentage</th>
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<tr>
<td>Tokyo Broadcasting System Holdings, Inc.</td>
<td>76,500 shares</td>
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<tr>
<td>J. Front Retailing Co., Ltd.</td>
<td>73,500 shares</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>150,000 shares</strong></td>
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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 various 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 of JFR Group such as Dimples’ (staffing service), Consumer Product End-Use Research Institute (merchandise test) and JFR Information Center; and ⑤ the absorption of SLH’s excellent corporate culture through personnel exchanges.

At the same time, we will use our long years experience and expertise in retailing and our infrastructure to improve SLH’s corporate value.

**Stepping stone for becoming a multichannel retailer**

We also think this stock acquisition is an important stepping stone for evolving from the former Group with an excessive focus on department store business into a multichannel retailer that owns strong businesses.

We will continue to proactively work on alliance and M&A with businesses and companies that can be expected to generate a synergy.

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**Operation of about 120 shops nationwide including PLAZA and MINPLA**

**PLAZASTYLE COMPANY**

- Founded: February 11, 1996
- [Retailing of imported household goods, operation of MINPLA shops, licensing business and planning and development of original products]
- [Number of stores] PLAZA: 73 shops / PLAZA BEAUTIFULICIDUS: 2 shops
- [MINPLA] 10 directly operated shops and 36 affiliated shops
- [Online shop] 3 shops / C Буддисме: 2 shops
- [Online shop] 2 sites / TED 5 Bakery: 3 shops

**Manufacture and sales of cosmetics**

**BCL COMPANY**

- Founded: February 1996
- [Development, manufacture and sales of cosmetics and skin-care products and manufacture and sales of make-up tools, beauty and skin care equipment and hygiene equipment]
- [Number of stores] Cosmetics for general retail stores: about 15,000 locations
- [CP Cosmetics Inc.]: Cosmetics for department stores (VECUA): 24 locations

**CP Cosmetics Inc.**

- Founded: January 2006
- [Development, manufacture and sales of cosmetics and skin-care products and manufacture and sales of make-up tools, beauty and skin care equipment and hygiene equipment]
- [Number of stores] CP: Skailor: about 1,260 locations

**LightUp Shopping Club Inc.**

- Founded: March 1971
- [Direct marketing and in-store retailing of clothing, sporting and leisure goods, electric appliances, household goods, jewelry, books, and optical instruments and watches]
- [Brand] LightUp/Zipao/Shokkusai Club/Beyes
- [Number of stores] 67 shops
- [Ginza Sony Building, Omotesando Hills, Umeda Herbis Ent and other locations]

**Management of French restaurants and cake shops**

**Maxim’s de Paris Ltd.**

- Founded: November 1966
- [Management of French restaurants, bakery shops, cafes, tearooms and snack shops and manufacture and sales of confectionery]
- [Number of stores] Restaurants: 2 locations / Cafe: 3 locations / Bakery: 1.3 locations
- [Tea shop and snack shop]: 5 locations / Cake shop: 9 locations