History Serves as Proof of Resilience

Daimaru and Matsuzakaya that were founded as a kimono fabric store and a kimono fabric and fancy goods wholesale store, respectively.

History-Tradition (Foundation ⇒Birth of Department Store)

The long paths of their 300 and 400 years of histories were uneven.

They converted to department store operators 100 years ago

after overcoming a number of crises and expanding their stores.

By having consistent values and continuing to respond to the changing times,

they embody "sustainability."

Matsuzakaya

ITO Ranmaru Sukemichi opened a kimono fabric and fancy goods wholesale store in Honmachi, Nagoya.



SHIMOMURA Hikoemon Shokei opened a kimono fabric store "Daimonjiya" in Fushimi, Kyoto. (Foundation of Daimaru)

▶1700s

1726

Opened Osaka store Matsuya in Shinsaibashisuji, Osaka and began cash sales at fixed prices. (Present location of Shinsaibashi store)

1728

Opened Nagoya store at Honmachi 4-chome, Nagoya and used the name "Daimaruya" for the first time. (Closed in 1910)

Distributed to all stores the hanging scrolls with the store creed of "Service before Profit" on it. Completed the construction of the new Kyoto flagship store in Funaya-cho, Higashinotoin, Kyoto.

1743

Opened Edo store at Odenmacho 3-chome, Edo. (Closed in 1910)

1757

Built Kiba Villa near Hanei Bridge at Kiba 4-chome, Fukagawa, Edo and set up a shrine of Han-ei Inari in one corner of the property. (Still present on the premises of Core Building)

Edo store achieved the highest sales in Japan as a kimono fabric dealer

▶1800s

1837

The Oshio Rebellion broke out. Daimaru escaped burning at the hands of mobs due to its reputation as a philanthropic merchant.

▶1900s

1907

Established Kabushiki Goshi Kaisha Daimaru Gofukuten with a capital of ¥0.5 mn.

1908

Newly built and opened Kobe branch at Motomachi 4-chome, Kobe.

1912

Opened new three-story reinforced wooden Kyoto store on Shijodori Street (present location) as a department store.

1913

Revised and registered the trademark.

1920

Established Kabushiki Kaisha Daimaru Gofukuten with a capital of ¥12 mn.

1922

First implemented a weekly holiday system in the department store industry.

Opened the first Dyeing Laboratory & Hygienic Laboratory (present Consumer End-Use Research Institute) in the department store industry in Osaka store (present Shinsaibashi

1928

Changed the company name to Kabushiki Kaisha Daimaru.

1953

Signed an exclusive contract with Christian Dior. Japan's first partnership with a foreign designer

Launched private label men's clothing "Trojan."

Achieved the highest sales in the Japanese retail industry. (Consecutively from H2 1960 to H2 1968)

1964

Signed an exclusive contract with Givenchy.

Umeda store opened in Osaka Terminal Building "Acty Osaka." Adopted a new CI and created a new logo.

Kobe store (hit by the Great Hanshin-Awaji Earthquake in 1995) was restored and made its grand opening.

Fully launched management reform (store-based sales reform and gaisho reform).(Next year, HR reform and back-office reform were launched.)

▶2000s

2003

Sapporo store opened.

2007

Integrated management with Matsuzakaya Holdings Co., Ltd. and established a holding company J. Front Retailing Co., Ltd.

2007

▶1600s

1659

wholesale store in Chayamachi, Nagoya.

1736

Changed the trade to a silk and cotton kimono fabric retailer.

1740

Became a kimono fabric purveyor to the Owari Tokugawa clan.

Nishikikoji, Kyoto.

Acquired Matsuzakaya in Ueno, renamed it Ito Matsuzakaya, and entered into Edo.

▶1800s

1805

Opened a cotton wholesale store Kamedana in

1868

Ueno store was used as the headquarters of imperial army during the Ueno war.

1875

Acquired a kimono fabric store Ebisuya and entered into Osaka.

1881

Opened Ito Bank (predecessor of former Tokai Bank) in Chayamachi Kado, Nagoya.

▶1900s

1907

Reorganized Ueno store into Goshi Kaisha Matsuzakaya Ito Gofukuten.

Established Kabushiki Kaisha Ito Gofukuten with a capital of ¥0.5 mn. Opened a department store in Sakaemachi, Nagoya.

1917

Completed the new main building of Ueno

Reopened Osaka store (Nipponbashisuji). (Relocated to Tenmahashi in 1966 and closed in 2004

1924

Ginza store opened.

1957

Designated cattleya as a symbol flower.

1972

Nagoya store built a north wing.

Nagoya store built a south wing and opened "Matsuzakaya Museum."

▶2000s

2003

Nagoya store built a new south wing and became one of the largest department stores in

2006

Established a holding company Matsuzakaya Holdings Co., Ltd.

Integrated management with The Daimaru, Inc. and established a holding company J. Front Retailing Co., Ltd.

1611



Opened a kimono fabric and fancy goods

▶1700s

Opened a purchasing office in Muromachi

Odenmacho, Edo.

History – Innovation (Reorganization ⇒ Portfolio Transformation) Create New Value through Fusion Changes in the times are more and more accelerated.

The landscape rapidly changed when the bubble economy burst in the 1900s

and there was an urgent need for industry reorganization.

In such a situation, Daimaru and Matsuzakaya Holdings integrated management

to expand each other's strength and achieve regrowth.

Furthermore, we converted Parco into a consolidated subsidiary in 2012 and converted it into a wholly owned subsidiary in 2020

to expand our retail wing.

The full-scale fusion of disparate cultures is just beginning.

2007

The Daimaru, Inc. and Matsuzakaya Holdings Co., Ltd. integrated management and established J. Front Retailing Co., Ltd.



Phase of business integration and reorganization

2007

Daimaru Tokyo store completed phase 1 of relocation and expansion.

2008

Daimaru Credit Service, Inc. was renamed JFR Card Co., Ltd. Daimaru Design & Engineering Co., Ltd., Daimaru Mokko Co., Ltd., Matsuzakava Seiko Co., Ltd., and Refex Japan, Inc. merged into J. Front Design & Construction Co., Ltd. Dimples' Co., Ltd. absorbed Daimaru Sales Associates Co., Ltd.

Integrated the information systems of The Daimaru, Inc. and Matsuzakaya Co., I td.

2009

Restaurant Peacock Co., Ltd. absorbed Shoei Foods Co., Ltd. to form J. Front Foods Co., Ltd

Matsuzaka Service Co., Ltd. was renamed JFR Service Co. Ltd. The north wing of Daimaru Shinsaibashi store opened.

JFR Service Co. Ltd. absorbed Daimaru Lease & Service Co., Ltd.

The Daimaru, Inc. and Matsuzakava Co., Ltd. merged into Daimaru Matsuzakaya Department Stores Co. Ltd.

J. Front Design & Construction Co., Ltd. absorbed DHJ Co., Ltd.

The Daimaru Tomonokai, Inc. absorbed Matsuzakaya Tomonokai Co., Ltd. to form Daimaru Matsuzakaya Tomonokai Co., Ltd.

2011

Keicho Kosode from the Matsuzakaya Collection was designated as a national important cultural property.

Daimaru Umeda store reopened with increased floor space

Acquired a 33.2% stake in Parco Co., Ltd. and converted it into an equity method associate

Reached a basic agreement with Shanghai Xin Nan Dong Project Management Co., Ltd. and Shanghai New World Co., Ltd. to provide technical support and cooperation in opening and operating a new department store in Huangpu District, China

Established JFR PLAZA Inc. through joint investment with StylingLife

Increased a stake in Parco Co., Ltd. to 65% through TOB and converted it

Dimples' Co., Ltd. spun off Daimaru Matsuzakaya Sales Associates Co. Ltd. Daimaru Tokyo store completed phase 2 of expansion.

2013

Sold all shares of Peacock Store Ltd., which operated a supermarket

Acquired a 70.52% stake in Forest Co., Ltd. and converted it into a consolidated subsidiary.

2021 > 2023

Transferred all shares of a

Business Plan started

FY2021-FY2023 Medium-term

consolidated subsidiary J. Front Foods

Transferred all shares of Neuve A Co.,

Daimaru Matsuzakaya Department

Stores Co. Ltd. absorbed Daimaru

Matsuzakava Sales Associates Co.

Partially transferred shares of

Established a CVC fund JFR MIRAI

Point Venture Partners Inc. (Oct)

CREATORS Fund jointly with Ignition

Acquired a 50.8% stake in XENOZ Co.,

Ltd. and converted it into a subsidiary.

Dimples' Co., Ltd. (Feb)

Established J. Front City

Development Co., Ltd. (Mar)

Invested in Financie, Inc. (Apr)

Daimaru Matsuzakaya Department

partnership agreement with Central

Pattana Public Company Limited of

Central Group in Thailand. (Nov)

Stores Co. Ltd. signed business

Medium-term Business Plan

hase of promoting the portfolio transformat

2021

Co., Ltd. (Feb)

Ltd. (Sep)

2022

2023

2017 > 2020 Medium-term Business Plan

Phase of changing the business structure

FY2017-FY2021 Medium-term

Voluntarily adopted the International

Transferred the business of

Transitioned to a Company with Three Committees (Nomination, Audit, and Remuneration Committees).

Ueno PARCO_ya opened.

Fukuoka PARCO opened a new

Invested in Cool Japan Fund.

2015

building.

2014

Increased floor space of the main building of Fukuoka PARCO.

2014 > 2016

Medium-term Business Plan

Phase of building foundations

FY2014-FY2016 Medium-term

Became affiliated with Rakuten

Business Plan started.

R-Point Card service.

Acquired a 22.6% stake in Senshukai Co., Ltd. and converted it into an equity method associate.

Shanghai New World Daimaru Department Store opened.

Decided to rebuild the main building of Daimaru Shinsaibashi

Decided to rebuild Shibuya PARCO. Invested in Scrum Ventures.

2016

GENTA was created in the north wing of Matsuzakaya Nagoya

Daimaru Kyoto Store Gion Machiva opened, (Nov)

2017

Business Plan started

Financial Reporting Standards (IFRS).

JFR Online Co. Ltd.

GINZA SIX opened.

Transferred shares of Forest Co. Ltd.

Ueno Frontier Tower opened. JFR PLAZA Inc. was dissolved and liquidated.

2018

Accepted purchase of own shares by Senshukai Co., Ltd.

Kinshicho PARCO opened. (Mar)

SAN-A Urasoe West Coast PARCO CITY

The new main building of Daimaru Shinsaibashi store opened. (Sep)

New Shibuya PARCO opened. (Nov)

Commenced TOB to convert Parco Co., Ltd. into a wholly owned subsidiary. (Dec)

Converted Parco Co., Ltd. into a wholly owned subsidiary. (Mar)

Medium-term Business Plan.

Transferred the Real Estate Business of Co. Ltd. to Parco Co., Ltd. (Sep)

2024 > 2026

New Medium-term Business Plan

Phase of change

2024

FY2024-FY2026 Medium-term Business Plan started.

Established Pride Fund, a business succession fund, with Development Bank of Japan Inc. and Ignition Point Venture Partners Inc. (Apr)

The Company and WealthPark Co., Ltd. entered into a comprehensive business partnership. (Apr)

Daimaru Matsuzakava Department Stores Co., Ltd. acquired 42.6% of the issued common shares of Shinsaibashi Kyodo Center Building K.K., which owns the south wing of Daimaru Shinsaibashi store. converting it into a consolidated subsidiary. (Jul)

Decided the major renovation of Daimaru Umeda store. (Oct)

J. Front City Development Co., Ltd. invested in the special purpose company to acquire Shinsaibashi Building. (Jan)

Established JFR & Komehyo Partners Co. Ltd. with Komehvo Co. Ltd. to. enter the reuse business. (Mar)

Daimaru Matsuzakaya Department Stores Co. Ltd. absorbed The Shimonoseki Daimaru, Inc. and converted it into a directly managed store. (Mar)

Cancelled the Medium-term Business Plan and began to formulate FY2021-FY2023

Daimaru Matsuzakaya Department Stores Shinsaibashi PARCO opened in the north

wing of Shinsaibashi store. (Nov)

Direction to Pursue

Create and
Bring to Life
"New Happiness."

Creating Shared Value Sustainability Management

The Group has faced numerous crises over its 300- to 400-year history. Whenever we have faced such a situation, we have returned to our Corporate Credo, "Service before Profit" and "Abjure All Evil and Practice All Good," and have acted honestly in our business activities while quickly grasping changes in our customers and society. I believe this has led to the management we have today. A company cannot grow without co-existence with society. It is now essential for management to take an even longer-term perspective and envision the ideal future for a company that has a meaningful

presence in society. It is clear that we cannot conduct business activities while ignoring issues such as the environment, society, and human rights. By incorporating the concept of sustainability, which aims to resolve these issues, into our corporate and business strategies, we believe we can establish a sustainable management framework for future growth. Based on our Corporate Credo, we place sustainability at the core of our management, and by working to resolve social issues through our business activities, we aim to achieve both social and economic value.

Integration of corporate and business strategies

(Creating Shared Value)

with sustainability

Practice of CSV

using the Group's

strengths

Corporate Credo

「Service before Profit」
「Abjure All Evil and Practice All Good」

Basic Mission Statement

We aim at providing high quality products and services that meet the changing times and satisfying customers

beyond their expectations.

We aim at developing the Group by contributing to

We aim at developing the Group by contributing to society at large as a fair and reliable corporation.

Group Vision

Create and Bring to Life "New Happiness."

Sustainability Policy

With People, with Local Communities, with Environment

Sustainability Policy

Corporate Governance Guidelines

Basic Mission Statement

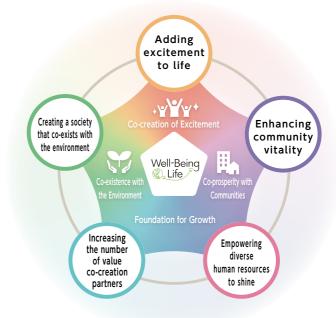
Group Vision

5 Materialities

We believe that solving social issues is a common theme shared by many people and companies, and that it is through "co-creation," rather than "competition," that we can have an impact on society. Up until now, our efforts to address materialities have focused on what we can do within our own business activities, but going forward, we will integrate them with our business strategy and,

together with our employees, will involve more stakeholders than ever before, including customers and business partners, to broaden the scope of our efforts. By doing so, we believe we will not only contribute to the sustainability of society, but also create business opportunities for the Group and achieve sustainable growth as a company.

to play an active role and maximize their intention, motivation, and ability.



Materiality	Commitment						
Adding excitement to life 3 GOOD MAINTH AND PRINCEING AND	Amidst diversifying values, we will provide places and spaces for new encounters with goods and things that stir people's hearts, and propose Well-Being and future lifestyles that are fulfilling and exciting for every consumer.						
Enhancing community vitality 11 STORMAGE STATE 12 PROTECTION 13 PROTECTION 13 PROTECTION 14 PROTECTION 15 PROTECTION 16 PROTECTION 17 PROTECTION 18 PROTECTION 18 PROTECTION 18 PROTECTION 19 PROTECTION 19 PROTECTION 10 PROTECTION 10 PROTECTION 11 PROTECTION 11 PROTECTION 12 PROTECTION 13 PROTECTION 15 PROTECTION 16 PROTECTION 17 PROTECTION 18	We will strengthen ties with local areas, including our seven key areas, and work with local communities, governments, NPOs, and others to enhance local vitality and conduct sustainable urban development. In addition, by discovering and communicating the appeal of the community, we will offer new and exciting experiences for people who gather there.						
Creating a society that co-exists with the environment	To achieve the 2050 net zero target, we will work toward both decarbonizing the entire supply chain and promoting a circular economy. At the same time, we will provide opportunities for everyone to contribute to the creation of a sustainable society, not only through our independent efforts, but also by working with our value co-creation partners.						
Increasing the number of value co-creation partners	We will share our thoughts and ideas on sustainability with others and establish a partner foundation to create the values of "Co-creation of Excitement," "Co-prosperity with Communities," and "Co-existence with the Environment" along with fulfilling our social responsibilities, such as human rights due diligence, toward the realization of a sustainable society.						
Empowering diverse human resources to shine 3 ***********************************	We will realize the sustainable growth of our human resources and the company by creating an environment and structure, including diversity, equity, and inclusion, and work-life integration, that enables each employee						

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Revision of materialities

We identify themes contributing to the realization of "sustainable growth for both business and society" and "a sustainable society" as materialities (important issues) while clarifying the relevance between environmental and social issues and the Group's business activities, and revise them each time we formulate the Medium-term Business Plan, starting in 2018.

In formulating the Medium-term Business Plan launched in fiscal 2024, we reviewed the important risks for the JFR Group and changes in society surrounding the business environment. This

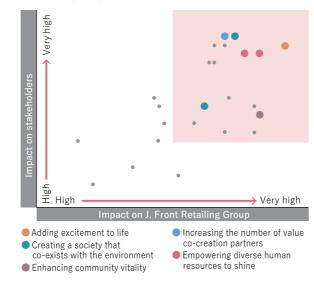
Changes in the environment surrounding the Group

Consumption	Generational shift in the customer base, advance of globalization (inbound tourist demand, etc.) Growing desire for "connections through empathy, support, and trust" that revive the soul Further raise in awareness of "circulation" from the cycle of production and consumption
Market	Declining population and growing income inequality in Japan Renewal of urban functions and the progression of consolidation and urban development Decline in number of key players in regional economies, increased interest in unique regional traditions and cultures
Society	Progress of climate change and other environmental issues, emergence of geopolitical risks People and communities becoming less connected, growing digital communities Deepening labor shortage, greater emphasis on self-realization and social contribution in choosing a job

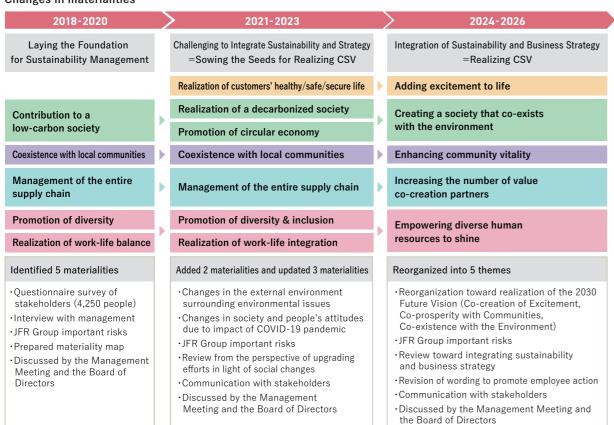
review was conducted with the premise of integrating our materiality initiatives into our business strategy not merely as problem-solving efforts but as drivers of corporate growth and promoting them accordingly. Based on this, we identified five themes.

Through our materiality initiatives, we aim to transform into a Value Co-Creation Retailer Group that continuously provides three values, primarily in our retail business: Co-creation of Excitement, Co-prosperity with Communities, and Co-existence with the

Materiality map



Changes in materialities



Materialities and targets

Materiality	Output	Ma	atrice	Results	Та	rget
	Output	Metrics		2024	2026	2030
Adding excitement to life High quality products and services Exciting content	High quality products and services	Number of the Group customer members		Growth rate 15.7% (vs. FY2023)	Growth rate 25% (vs. FY2023)	*1
	•Exciting content	Customer survey (Excitement/impression level)		Baseline survey conducted	_	75%
Enhancing community vitality •Vibrant city life •Revitalization of local communities	Customer traffic		5.4% increase (vs. FY2023)	10% increase (vs. FY2023)	*1	
		Customer survey (Contribution to the community)		Baseline survey conducted	_	80%
Creating a society that coexists with the environment • Reduction of GHG emissions • Circular business		Reduction of GHG emissions	Scope 1 and 2	65.4% decrease (vs. FY2017)	70% decrease (vs. FY2017)	73% decrease (vs. FY 2017)
			Scope 3	23.2% decrease (vs. FY2017)	_	40% decrease (vs. FY2017)
	Percent of energy used in business activities from renewable electricity		67.2%	72%	75%	
		Food recycling rate		88.1%	80%	85%
		Percent of newly developed properties with environmental certification		None	_	100%
	Customer survey (Customer commitment to the environment)		Baseline survey conducted	_	55%	
		Number of stakeholder co-creations		351	over 400	over 500
Increasing the number of value co-creation partners	of value onumber of value on		Dialogue based on FY2023 results (112 companies) Web seminar held	35% (B rating or higher)	45% (B rating or higher	
Empowering		Employee engagement	Employee satisfaction	68.9%	70%	Set based on achievement status in FY2026
			Work recommendation	59.9%	60%	
		Ratio of women in management positions		26.2%	31%	40%
diverse human resources to	Workplace comfort and job satisfaction	Gender wage gap	All employees	66.5%		Set based on achievement status in FY202
shine			Regular employees	75.0%	Narrowing of difference*2	
			Non-regular employees	75.5%		
		Paternity leave usage rate		132.5%	95%	95%

^{*1} We will identify metrics and targets closely linked to our business strategy to achieve materialities in the Medium-term Business Plan.
*2 The gender pay gap for FY2023 is as follows: 65.3% for all employees, 74.4% for regular employees, and 72.7% for non-regular employees

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