

To whom it may concern

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 (Securities code: 3086, Prime Market of the Tokyo Stock
 Exchange and Premier Market of the Nagoya Stock Exchange)
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**Notice Regarding the Disposal of Treasury Shares in Connection
 with the Introduction of a Share Granting Plan for Group Employees**

J. FRONT RETAILING Co., Ltd. (the “Company”) hereby announces that it has resolved at the meeting of its Board of Directors held today to determine the details related to the introduction of a share granting plan for Group employees (the “Plan”) and to dispose of treasury shares (the “Disposal of Treasury Shares”). The details are provided below.

For details regarding the Plan, please refer to the “Notice Regarding the Introduction of a Share Granting Plan for Group Employees” on April 14, 2026.

1. Overview of disposal

(1) Disposal date	July 22, 2026
(2) Class and total number of shares to be disposed of	Common shares, 206,400 shares
(3) Disposal price	¥3,477 per share
(4) Total value of the disposal	¥717,652,800
(5) Planned disposal recipients	The Master Trust Bank of Japan, Ltd. (Share-Granting ESOP Trust Account)
(6) Other	An Extraordinary Report has been submitted for the Disposal of Treasury Shares in accordance with the Financial Instruments and Exchange Act.

2. Purposes and reasons of the disposal

The Company has resolved to introduce the Plan for senior employees (“Eligible Employees”) at the Company and its Group subsidiaries, as announced in the “Notice Regarding the Introduction of a Share Granting Plan for Group Employees” disclosed on April 14, 2026. The Disposal of Treasury Shares will be conducted for the Share-Granting ESOP Trust (the “Trust”) established for the Plan.

The Disposal of Treasury Shares will be conducted for The Master Trust Bank of Japan, Ltd. (Share-Granting ESOP Trust Account), which is a joint trustee of the share-granting ESOP trust agreement into which the Company will enter with Mitsubishi UFJ Trust and Banking Corporation.

The number of shares to be disposed of is the maximum number of shares expected to be granted to Eligible Employees during the trust period based on the share granting rules, and includes cash in the amount equivalent to the conversion value of the Company’s shares (the “Grant, etc.”). The level of dilution is 0.08% of the total 270,565,764 shares of issued shares as of February 28, 2026 (rounded to the nearest third decimal place, and 0.08% of the total 2,497,016 units of voting rights as of February 28, 2026).

The Company shares allocated through the Disposal of Treasury Shares will be used for the Grant, etc. to Eligible Employees in accordance with the share granting rules. As the shares disposed of are not expected to be released into the stock market all at once, the impact on the stock market will be minimal, and the number of shares disposed of and the level of dilution are deemed to be reasonable.

3. Basis of calculation and specific details for the disposal price

In order to eliminate arbitrariness in setting the disposal price, the Company has used ¥3,477, which is the closing price of ordinary transactions for the Company's common shares on the Prime Market of the Tokyo Stock Exchange Inc. on the business day immediately prior to the date of the resolution at the meeting of the Board of Directors concerning the Disposal of Treasury Shares (June 29, 2026). The price is the market price on the business day immediately preceding the said resolution at the meeting of the Board of Directors, and it is considered to be highly objective and reasonable as a basis for calculation, and does not fall under a particularly favorable price.

4. Procedures under the corporate code of conduct

Procedures for receipt of opinions from independent third parties or procedures for confirmation of the intent of shareholders under Article 432 of the Securities Listing Regulations set forth by the Tokyo Stock Exchange will not be necessary, since the dilution rate of shares due to the Disposal of Treasury Shares is less than 25% with no changes in the controlling shareholders.

5. Details of the trust agreement

(i) Type of trust	Monetary trust other than a specific individually operated monetary trust (third-party benefit trust)
(ii) Purpose of trust	To provide incentives to Eligible Employees
(iii) Settlor	The Company
(iv) Trustee	Mitsubishi UFJ Trust and Banking Corporation (planned) (Joint trustee: The Master Trust Bank of Japan, Ltd.)
(v) Beneficiaries	Eligible Employees who meet the beneficiary requirements
(vi) Trust administrator	Third party who has no interests with the Company (certified public accountant)
(vii) Trust agreement date	July 16, 2026 (scheduled)
(viii) Trust period	From July 16, 2026 to August 31, 2027 (scheduled)
(ix) Exercise of voting rights	Exercise the voting rights of the Company shares in accordance with the instructions of the trust administrator, reflecting the status of voting rights exercised by the beneficiary candidates
(x) Class of shares to be acquired	The Company's common shares
(xi) Amount of trust money	¥727,652,800
(xii) Method of acquisition of shares	Acquisition from the Company (disposal of treasury shares)
(xiii) Timing of acquisition of shares	July 22, 2026
(xiv) Attributable right holder	The Company
(xv) Residual assets	The residual assets that the Company, as the attributable right holder, can receive shall be limited to the trust expense reserve, after deducting the funds for acquiring shares from the trust money

(Note) The scheduled timing mentioned above may be subject to change to an appropriate time in light of applicable laws and regulations.

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