
Financial Results for Third Quarter of Fiscal Year Ending February 29, 2024

<Reference Data>

December 26, 2023

Create and Bring to Life “New Happiness.”



J. FRONT RETAILING

<Q3 (Sep – Nov) Financial Summary>

- ◆ Sales and profits increased as social and economic activities have further normalized and duty-free sales grew.
- ◆ Progress against the annual forecast was largely in line with the plan.
- ◆ The full-year forecast remains unchanged from the announcement in October.

Following the reorganization on March 1, 2023, real estate has been transferred from PARCO CO., LTD. to J. Front City Development Co., Ltd. As a result, results have been retroactively adjusted as if the transfer took place at the beginning of the first quarter of the fiscal year ended February 28, 2023.

Q3 FY2023 Consolidated Results (IFRS)

- ▶ Both sales and profit increased due to recovery in consumption and sustained growth in duty-free sales.
- ▶ Operating profit and quarterly profit both increased in 3Q (Sep. to Nov.), mainly due to the transfer of shares in SLH, in addition to an increase in business profit.

(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	Q3 (September - November)			Cumulative Q3 (March - November)		
	Results	YoY		Results	YoY	
		Amount	%		Amount	%
Gross sales	278,961	33,624	13.7	819,094	109,626	15.5
Revenue	94,928	7,117	8.1	286,562	29,621	11.5
Gross profit	47,006	4,622	10.9	140,389	15,144	12.1
SGA	36,518	1,164	3.3	109,704	5,118	4.9
Business profit	10,487	3,458	49.2	30,684	10,025	48.5
Other operating income	1,038	600	137.0	2,856	98	3.5
Other operating expenses	533	(72)	(11.9)	2,863	(454)	(13.7)
Operating profit	10,993	4,131	60.2	30,677	10,577	52.6
Profit attributable to owners of parent	8,704	4,098	88.9	21,604	6,842	46.3

Segment Information (IFRS)

(Millions of yen, unless otherwise stated)

Three months ended November 30, 2023	Revenue			Business profit			Operating profit		
	Results	YoY		Results	YoY		Results	YoY	
		Amount	%		Amount	%		Amount	%
Department Store	56,041	5,713	11.4	6,535	3,456	112.2	6,448	3,752	139.2
SC	14,573	1,314	9.9	2,876	1,079	60.1	2,881	805	38.8
Developer	17,069	2,695	18.8	856	129	17.6	861	178	26.1
Payment and Finance	3,100	(295)	(8.7)	610	(489)	(44.5)	532	(554)	(50.9)
Other	12,648	(1,476)	(10.5)	209	(178)	(45.9)	145	(278)	(65.7)
Adjustments	(8,506)	(836)	—	(601)	(540)	—	123	226	—
Total	94,928	7,117	8.1	10,487	3,458	49.2	10,993	4,131	60.2

Nine months ended November 30, 2023	Revenue			Business profit			Operating profit		
	Results	YoY		Results	YoY		Results	YoY	
		Amount	%		Amount	%		Amount	%
Department Store	168,428	16,490	10.9	18,213	9,403	106.7	16,555	10,046	154.3
SC	42,576	2,948	7.4	7,737	1,795	30.2	8,654	1,567	22.1
Developer	50,836	10,354	25.6	2,844	704	32.9	3,089	769	33.2
Payment and Finance	9,834	125	1.3	2,175	(756)	(25.8)	2,035	(905)	(30.8)
Other	39,947	(855)	(2.1)	890	(147)	(14.2)	1,163	(30)	(2.5)
Adjustments	(25,059)	559	—	(1,176)	(974)	—	(820)	(869)	—
Total	286,562	29,621	11.5	30,684	10,025	48.5	30,677	10,577	52.6

- ▶ Sales increased, mainly due to the success of strategies and measures to respond to the strong affluent market, and growth in gaisho sales and duty-free sales, which continued from the first half of the fiscal year.
- ▶ Both business profit and operating profit improved significantly despite an increase in expenses such as costs proportional to sales and labor costs.

(Millions of yen, unless otherwise stated)

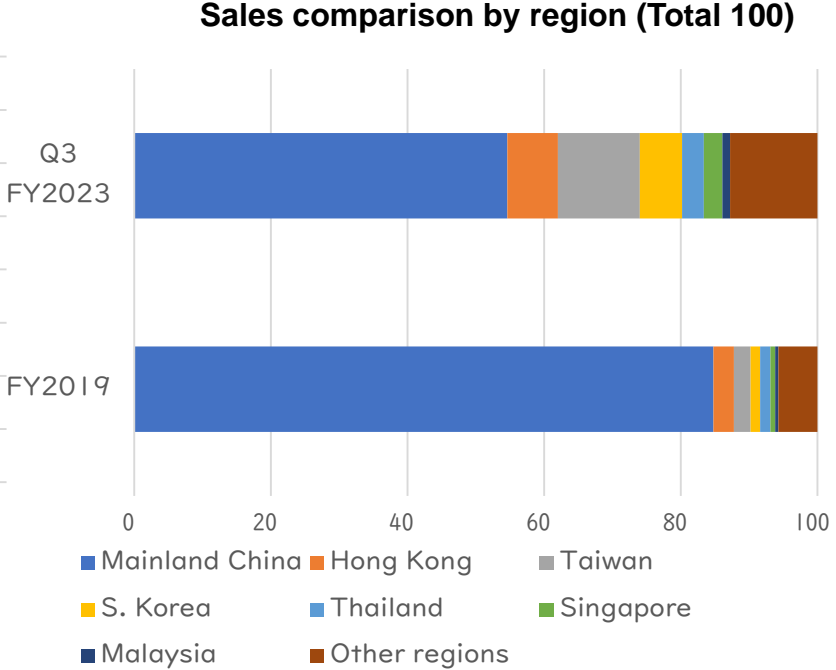
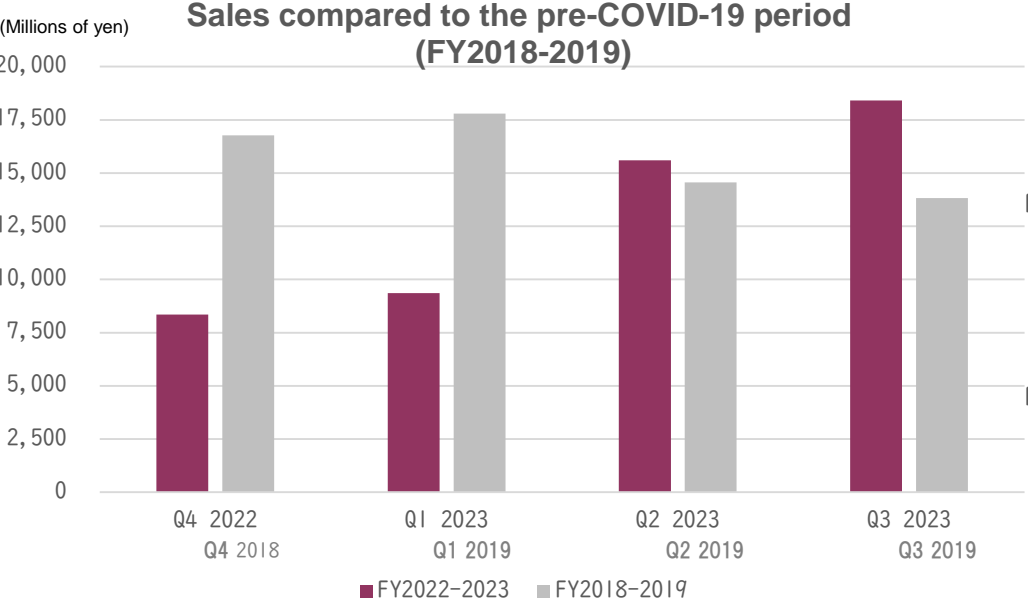
Fiscal year ending February 29, 2024	Q3 (September - November)			Cumulative Q3 (March - November)		
	Results	YoY		Results	YoY	
		Amount	%		Amount	%
Gross sales	180,988	21,995	13.8	530,275	66,042	14.2
Revenue	56,041	5,713	11.4	168,428	16,490	10.9
Gross profit	37,219	4,344	13.2	110,032	13,016	13.4
SGA	30,683	888	3.0	91,819	3,614	4.1
Business profit	6,535	3,456	112.2	18,213	9,403	106.7
Operating profit	6,448	3,752	139.2	16,555	10,046	154.3

- ▶ Q3 (Sep-Nov) comparable store sales increased 6.0% over FY2018, continuing the strong performance of the first half.
- ▶ Flagship store sales, excluding terminal stores, turned positive from Q2 onward compared to FY2018.

Fiscal year ending February 29, 2024	YoY			vs. FY2018		
	Q1	Q2	Q3	1Q	2Q	3Q
Shinsaibashi	34.4	35.3	39.7	(3.4)	14.4	24.2
Umeda	20.5	21.9	10.3	(17.7)	(15.3)	(16.5)
Tokyo	35.7	28.9	18.7	(2.6)	(5.5)	(1.9)
Kyoto	15.6	15.1	16.2	(4.2)	1.9	8.2
Kobe	8.9	9.6	8.5	10.1	19.5	17.9
Sapporo	16.4	16.9	18.7	4.3	6.8	18.6
Nagoya	10.7	8.7	7.3	4.7	4.7	8.8
Total directly managed stores (comparable stores)*	16.8	16.4	14.7	(3.1)	1.1	6.0

*FY2018 comparisons exclude Shimonoseki store.

- ▶ Sales have recovered rapidly since the 2Q (Jun-Aug), and in the 3Q (Sep to Nov) sales reached a record high, increasing approximately 33% over FY2019.
- ▶ Sales composition by region shows growth in Hong Kong, Taiwan, South Korea, and other countries compared to FY2019. A further increase of visitors to Japan is expected, especially from mainland China and Southeast Asia.



*FY2018 ratios exclude Shimonoseki store result.

Daimaru Matsuzakaya Department Stores SGA

- ▶ The year-on-year increase was mainly due to personnel expenses and an increase in overhead expenses resulting from higher sales.
- ▶ Excluding special factors (retirement benefit expenses of -4.1 billion yen), the actual increase/decrease compared to FY2019 is approximately -1.8 billion yen.

(Millions of yen, unless otherwise stated)

Item	Three months ended May 31, 2023	YoY	vs. FY2019	Major reasons for YoY changes
Personnel expenses	7,517	356	5,383	【Personnel expenses】 ・ Living allowance + 140 ・ Bonus + 100
Advertising expenses	2,565	64	(395)	【Advertising expenses】 ・ Advertising and sales promotion + 60
Packing and transportation costs	288	(87)	(199)	
Depreciation	5,190	(236)	(553)	【Other】 ・ Costs proportional to sale + 330 ・ Utility expenses (170) ・ Computer expenses + 140 ・ Outsourcing expenses + 130
Operational costs	2,953	130	29	
Other	9,256	653	(1,979)	
Total SGA	27,772	880	2,287	※Real increase/decrease (1,800)

- ▶ Increase in sales based on strategic remodeling at core stores, promotion effects such as integrated plans for all stores, and an increase in visits by tourists from overseas, etc.
- ▶ Both business profit and operating profit increased due to the effect of higher sales and curbing the cost of sales, including strong promotional events and lower utilities costs.

(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	Q3 (September - November)			Cumulative Q3 (March – November)		
	Results	YoY		Results	YoY	
		Amount	%		Amount	%
Gross sales	74,246	11,177	17.7	215,162	31,939	17.4
Revenue	14,573	1,314	9.9	42,576	2,948	7.4
Gross profit	5,194	1,340	34.7	14,498	2,569	21.5
SGA	2,317	260	12.6	6,760	774	12.9
Business profit	2,876	1,079	60.1	7,737	1,795	30.2
Operating profit	2,881	805	38.8	8,654	1,567	22.1

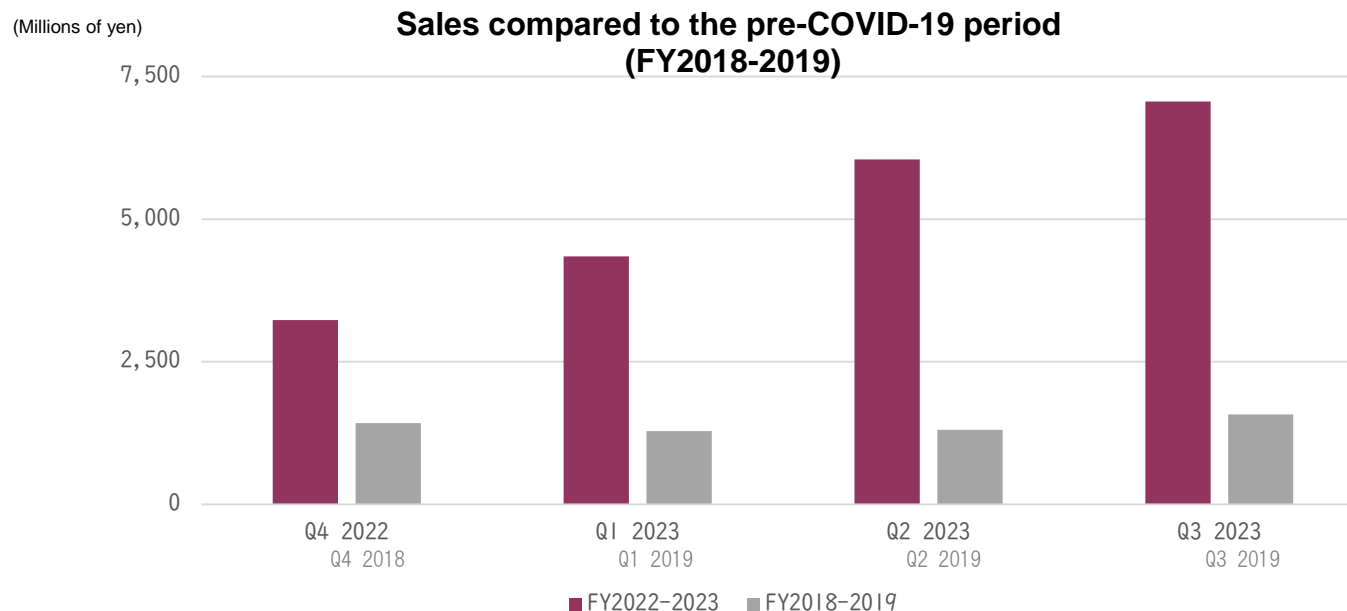
PARCO Major Store Tenant Transaction Volume

- ▶ Tenant transaction volume improved for both total store volume and comparable store volume. Shibuya PARCO and Shinsaibashi PARCO continued to perform well.
- ▶ Total comparable store transaction volume for the Q3 (Sep-Nov) recovered to -4.0% vs. FY2018.

Fiscal year ending February 29, 2024	YoY			vs. FY2018		
	Q1	Q2	Q3	Q1	Q2	Q3
Sapporo PARCO	34.8	51.1	27.9	(11.3)	0.3	3.8
Urawa PARCO	9.2	12.4	9.1	4.6	10.8	6.6
Ikebukuro PARCO	18.0	31.3	13.3	(15.1)	(6.7)	(12.5)
Shibuya PARCO	62.6	65.0	66.2	—	—	—
Chofu PARCO	9.1	9.8	9.6	1.7	6.0	4.0
Nagoya PARCO	8.5	13.9	23.5	(18.5)	(11.7)	(2.3)
Shinsaibashi PARCO	52.7	61.0	46.9	—	—	—
Fukuoka PARCO	26.1	33.0	23.8	4.0	7.3	11.2
Total stores	15.6	20.7	17.8	9.1	17.1	18.9
Total comparable stores*	20.4	25.5	22.2	(9.1)	(3.4)	(4.0)

*Comparable stores: Excludes Tsudanuma PARCO for year-on-year comparisons and Shibuya PARCO, Shinsaibashi PARCO, Kinshicho PARCO, Utsunomiya PARCO, Kumamoto PARCO and Tsudanuma PARCO for FY2018 comparisons.

- ▶ Inbound transaction volume (Mar-Nov), mainly at Shibuya PARCO and Shinsaibashi PARCO, increased to 17.4 billion yen, and inbound's share of total transaction volume increased to approx. 8%. Q3 (Sep-Nov) inbound transaction volume was approx. 4.5 times than Q3 FY2019.
- ▶ Information dissemination and sales promotion measures were strengthened in East Asia and other countries.



Note: Inbound transaction volume is calculated based on the sum of purchases made with overseas-issued credit cards and Chinese mobile payment methods.

- ▶ Despite the impact of higher costs in the building and interior work business, sales and profit increased due to an increase in orders for construction work both within and outside the Group.
- ▶ In Q4 (Dec-Feb), real estate interests will be sold as planned.

(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	Q3 (September - November)			Cumulative Q3 (March – November)		
	Results	YoY		Results	YoY	
		Amount	%		Amount	%
Gross sales	17,069	2,999	21.3	50,836	11,256	28.4
Revenue	17,069	2,695	18.8	50,836	10,354	25.6
Gross profit	2,523	136	5.7	7,955	1,039	15.0
SGA	1,667	8	0.5	5,110	334	7.0
Business profit	856	129	17.6	2,844	704	32.9
Operating profit	861	178	26.1	3,089	769	33.2

- ▶ Despite the increase in transaction volume at department stores and external merchants, sales declined in Q3 (Sep to Nov) due to a decrease in annual fees and higher expenses associated with an increase in point redemption.
- ▶ Business profit declined due to increased investment costs and personnel expenses to expand the business base, while operating profit was also affected by an increase in credit card fraud.

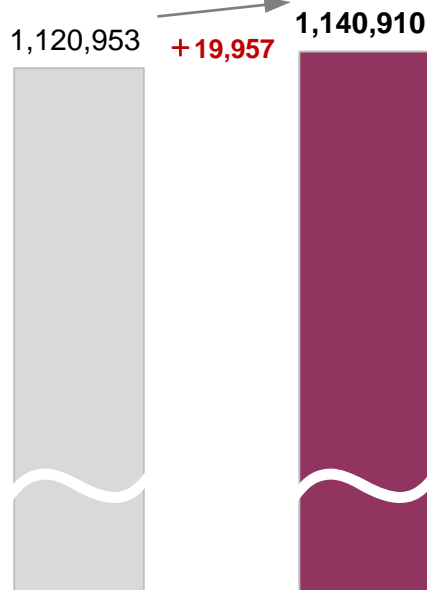
(Millions of yen, unless otherwise stated)

Fiscal year ending February 29, 2024	Q3 (September - November)			Cumulative Q3 (March - November)		
	Results	YoY		Results	YoY	
		Amount	%		Amount	%
Gross sales	3,100	(295)	(8.7)	9,834	125	1.3
Revenue	3,100	(295)	(8.7)	9,834	125	1.3
Gross profit	3,100	(295)	(8.7)	9,834	125	1.3
SGA	2,490	195	8.5	7,658	880	13.0
Business profit	610	(489)	(44.5)	2,175	(756)	(25.8)
Operating profit	532	(554)	(50.9)	2,035	(905)	(30.8)

- ▶ Total assets were 1,140.9 billion yen, an increase of 19.9 billion yen from the end of the previous period.
- ▶ Interest-bearing debt (excluding lease liabilities) was 238.5 billion yen, a decrease of 10.5 billion yen from the end of the previous period.
- ▶ Profit attributable to owners of parent was 373.1 billion yen, an increase of 13.7 billion yen from the end of the previous year.

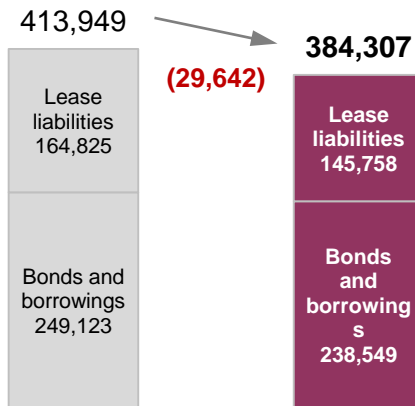
(Millions of yen, unless otherwise stated)

Total assets



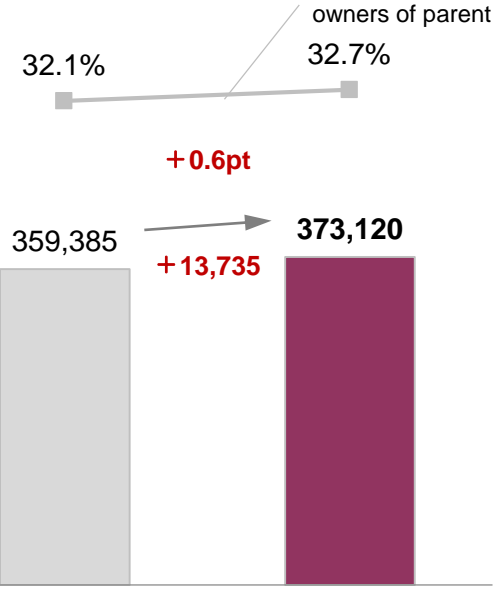
End of Feb 2023 End of Nov 2023

Interest-bearing debt



End of Feb 2023 End of Nov 2023

Equity attributable to owners of parent



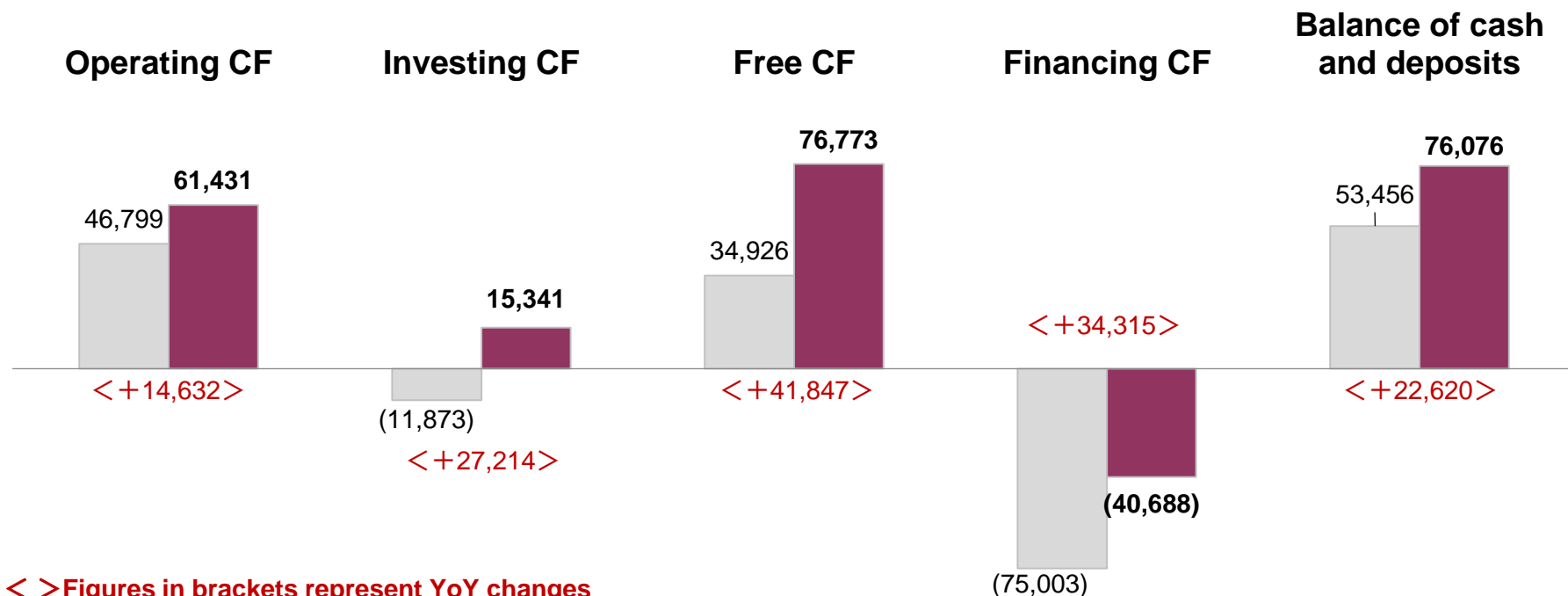
End of Feb 2023 End of Nov 2023

Consolidated Statement of Cash Flow (IFRS)



- ▶ Operating cash flow was up by 14.6 billion yen YoY, mainly due to an increase in profits.
- ▶ Even with strategic investments, investing cash flow was 15.3 billion yen, mainly due to proceeds from the sale of shares in SLH.
- ▶ Free cash flow was 76.7 billion yen, an increase of 41.8 billion yen from the previous year.

(Millions of yen, unless otherwise stated)



< > Figures in brackets represent YoY changes

■ Q3 Results for FY ending Feb 2023
 ■ Q3 Results for FY ending Feb 2024

Website

<https://www.j-front-retailing.com>

Create and
Bring to Life
“New Happiness.”



J. FRONT RETAILING

Forward-looking statements in this document represent our assumptions based on information currently available to us and inherently involve potential risks, uncertainties, and other factors. Therefore, actual results may differ materially from the results anticipated herein due to changes in various factors.