[Translation]

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To whom it may concern

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Notice Regarding Revision to Earnings Forecasts and Dividend Forecasts

J. FRONT RETAILING Co., Ltd. (the "Company") hereby announces that it has revised its consolidated earnings forecasts and dividend forecasts for the first six months ended August 31, 2024 and for the fiscal year ending February 28, 2025 from those announced on June 28, 2024. The details are provided below.

Revision to earnings forecasts

Revision to the consolidated earnings forecasts for the six months ended August 31, 2024 (from March 1, 2024 to August 31, 2024)

	Gross sales	Sales revenue	Business profit	Operating profit
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Previous forecasts (A)	596,000	207,000	29,500	27,000
Revised forecasts (B)	610,400	209,300	32,400	39,300
Change (B–A)	14,400	2,300	2,900	12,300
Percentage of change (%)	2.4	1.1	9.8	45.6
(Reference) Actual earnings results of the second quarter of the previous fiscal year (The six months ended August 31, 2023)	540,132	191,634	20,197	19,684

	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	26,000	18,000	69.65
Revised forecasts (B)	38,200	29,000	111.50
Change (B–A)	12,200	11,000	
Percentage of change (%)	46.9	61.1	
(Reference) Actual earnings results of the second quarter of the previous fiscal year (The six months ended August 31, 2023)	18,804	12,900	49.19

Revision to the consolidated earnings forecasts for the fiscal year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

	Gross sales	Sales revenue	Business profit	Operating profit
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Previous forecasts (A)	1,215,000	424,500	48,500	41,500
Revised forecasts (B)	1,250,000	437,000	52,000	52,000
Change (B-A)	35,000	12,500	3,500	10,500
Percentage of change (%)	2.9	2.9	7.2	25.3
(Reference) Actual earnings results of the previous fiscal year (The fiscal year ended February 29, 2024)	1,151,972	407,006	44,330	43,048

	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	39,000	26,500	103.42
Revised forecasts (B)	50,000	36,500	140.33
Change (B-A)	11,000	10,000	
Percentage of change (%)	28.2	37.7	
(Reference) Actual earnings results of the previous fiscal year (The fiscal year ended February 29, 2024)	41,343	29,913	114.06

*1. Of sales revenue, sales from purchase recorded at the time of sale (shoka shiire) of the "Department Store Business" have been converted into gross amount and the net amount of sales of the "SC Business" into tenant transaction volume (gross amount basis) to calculate gross sales.
2. Business profit is obtained by subtracting cost of sales and selling, general and administrative expenses from sales revenue. Operating profit is obtained by adding other operating income to and subtracting other operating expense from business profit.

Reasons for the revision

In the second quarter of the current fiscal year, consolidated earnings were driven by strong domestic sales mainly in the core department store and shopping center businesses, while duty-free sales grew based on an increase in foreign tourists visiting Japan and other factors. As a result, sales revenue for the six months ended August 31, 2024 increased by 1.1% and business profit increased by 9.8% compared to the previous forecasts (announced on June 28, 2024).
In addition, due to the acquisition of shares of Shinsaibashi Kyodo Center Building, K.K. (SCB) to make SCB a consolidated subsidiary, a gain of approximately ¥8,500 million on the step acquisition is recorded in other operating income. As a result of the gain and the increase in business profit, operating profit increased by 45.6% compared to the previous forecasts.
Regarding the consolidated earnings forecasts for the full fiscal year, we revised upward the outlook for sales revenue and profits at each level from the previous forecasts, incorporating the sales forecast for the second half of the fiscal year, forward-looking investments, additional structural reform expenses as a risk buffer, and other factors in addition to the first six months results mentioned above.

Revision to dividend forecasts

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Previous forecasts (announced on June 28, 2024)	-	¥20.00	-	¥20.00	¥40.00
Revised forecasts	-	¥22.00	-	¥22.00	¥44.00
Actual results of the current fiscal year	-				
Actual results of the previous fiscal year (The fiscal year ended February 29, 2024)	-	¥16.00	-	¥20.00	¥36.00

Reasons for the revision

The Company's basic policy is to appropriately return profits to shareholders through the provision of stable dividends and an agile approach to purchasing own shares, taking profit levels, future capital investments, free cash flow trends, and other such factors into consideration, while maintaining and enhancing its sound financial standing.

Based on this policy, the Company will work to optimize equity in the current Medium-term Business Plan period (FY2024-FY2026) through a consolidated dividend payout ratio of no less than 40% and the purchase of own shares.

Based on the upward revision of the consolidated earnings forecasts for the current fiscal year mentioned before as well as our shareholder return policy, we revised our dividend forecasts for the second quarter-end and fiscal year-end to ¥22.00 per share respectively from the previous forecasts of ¥20.00 per share. Accordingly, the forecast for annual dividends is ¥44.00 per share (previous forecasts: ¥40.00, actual results for previous fiscal year: ¥36.00).

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company as of the date of this release and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may differ due to various factors.

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