Translation

June 30, 2025

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending February 28, 2026 (under IFRS)

Company name: **J. FRONT RETAILING Co., Ltd.**
Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
Securities code: 3086
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first three months of the fiscal year ending February 28, 2026 (from March 1, 2025 to May 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Gross sales		Sales revenue		Business profit		Operating profit		Profit before tax	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2025	307,403	2.6	110,802	9.2	13,874	(15.4)	15,990	(0.9)	15,097	(3.4)
May 31, 2024	299,707	13.6	101,469	8.6	16,403	66.8	16,136	58.7	15,631	57.5

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
May 31, 2025	10,483	(7.4)	10,494	(15.7)	41.25	41.21
May 31, 2024	11,316	76.9	12,451	61.9	43.11	43.10

* 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 expense from sales revenue. Operating profit is obtained by adding other operating income to and subtracting other operating expenses from business profit.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
May 31, 2025	1,160,805	417,630	403,853	34.8	1,606.22
February 28, 2025	1,164,147	423,235	409,646	35.2	1,597.24

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	–	22.00	–	30.00	52.00
Fiscal year ending February 28, 2026	–				
Fiscal year ending February 28, 2026 (Forecast)		27.00	–	27.00	54.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Gross sales		Sales revenue		Business profit		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months ending August 31, 2025	645,000	5.7	224,400	7.2	30,000	(7.6)	30,000	(23.8)	28,000	(26.8)
Fiscal year ending February 28, 2026	1,316,000	3.8	459,000	3.9	54,000	1.0	50,000	(14.1)	45,500	(18.4)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
First six months ending August 31, 2025	18,500	(36.4)	73.79
Fiscal year ending February 28, 2026	30,000	(27.6)	120.93

Note: Revisions to the consolidated earnings forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates

a. Changes in accounting policies required by IFRS: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

(3) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2025	270,565,764 shares
As of February 28, 2025	270,565,764 shares

b. Number of treasury shares at the end of the period

As of May 31, 2025	19,134,194 shares
As of February 28, 2025	14,093,649 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the three months ended May 31, 2025	254,177,715 shares
For the three months ended May 31, 2024	262,513,081 shares

*** Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None**

*** Proper use of earnings forecasts, and other special matters**

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors. Please refer to “1. Overview of operating results (4) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 6 of the material attached to this quarterly financial results report for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(How to obtain supplementary material on financial results)

Supplementary material on financial results was disclosed on the same day on TDnet.

[Attached Material]

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1. Overview of operating results

(1) Overview of operating results for the period

(Millions of yen, %)	Three months ended May 31, 2025 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Gross sales	307,403	7,696	2.6
Sales revenue	110,802	9,333	9.2
Gross profit	52,682	(612)	(1.1)
Selling, general and administrative expense	38,808	1,917	5.2
Business profit	13,874	(2,529)	(15.4)
Other operating income	2,728	2,451	881.7
Other operating expenses	613	68	12.5
Operating profit	15,990	(146)	(0.9)
Profit attributable to owners of parent	10,483	(833)	(7.4)

In the three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025), consolidated sales revenue was primarily driven by strong performance in the SC (Shopping Center) Business and the Developer Business, although duty free sales in the Department Store Business significantly decreased compared to the previous year. As a result, consolidated sales revenue was ¥110,802 million, up 9.2% year on year, business profit was ¥13,874 million, down 15.4% year on year, operating profit was ¥15,990 million, down 0.9% year on year, and profit attributable to owners of parent was ¥10,483 million, down 7.4% year on year.

During the three months ended May 31, 2025, the Japanese economy showed signs of a gradual recovery on the back of an improvement in employment and income conditions, among other factors. Meanwhile, we recognize that we need to keep a close eye on the downward pressure on consumer sentiment due mainly to the outlook for domestic and overseas economies and rising prices amid mounting uncertainties due to U.S. trade policies and increasing geopolitical risks, etc.

Under these circumstances, in the Medium-term Business Plan (FY2024-FY2026) which began in the previous fiscal year, the Company is focusing on further strengthening the retail businesses, particularly the Department Store Business and the SC Business, evolving Group synergies to realize dramatic growth, and strengthening the Group's management foundation to enhance the effectiveness of these strategies.

As part of efforts to further strengthen the retail businesses, in the mainstay Department Store Business and SC Business, we strengthened initiatives to expand the customer base in Japan and overseas, improve the appeal of customer contact points, and enhance content. As an expansion of content for the premium and aspirational consumer group, in the Department Store Business, we implemented a large-scale renovation of the Matsuzakaya Nagoya store in the previous year to prepare for deeper cultivation of existing customers and the winning of next-generation customers, and conducted a gradual reopening, floor by floor. Additionally, the official store opened at the Expo 2025 Osaka, Kansai venue has been well received by customers due to factors such as the original spatial design where visitors can experience a Japanese sense of aesthetics, as well as, wide range of products including varieties of original products. In the SC Business, we promoted a large-scale renovation of flagship stores such as Shibuya PARCO, Hiroshima PARCO, Sendai PARCO. At Shinsaibashi PARCO, the Daimaru Umeda store, and the Daimaru Shinsaibashi store, we ran a South Korean fashion brand event in collaboration with South Korean Hyundai Department Store, a strategic partner of PARCO.

To evolve Group synergies, following the launch of the GINZA SIX Card and PARCO Card last fiscal year, we launched the Hakata Daimaru Card in March. Additionally, as part of our efforts to realize our goal of becoming a "Value Co-creation Retailer," we established a new joint venture company with Komehyo Co., Ltd. and entered the reuse business.

As part of efforts to strengthen the Group's management foundation, under our financial strategy, with the aim of improving medium- to long-term return on equity and optimizing equity capital, we decided to purchase up to 11.5 million of treasury shares for a maximum amount of 15 billion yen. This purchase commenced on April 15. In order to promote sustainability management aimed at tackling social issues

and finding solutions for them through business, we issued the second round of "Sustainability Bonds" following May 2021.

Business results by segment are as follows.

Due to reorganization within the Group as of September 1, 2024, a part of the management business of J. Front One Partner Co., Ltd., which had been included in "Other," was transferred to PARCO SPACE SYSTEMS Co., Ltd. that is included in the "Developer Business" and another company. As a result, results have been retroactively adjusted as if the transfer took place at the beginning of the fiscal year ended February 28, 2025 (as of March 1, 2024).

<Department Store Business>

(Millions of yen, %)	Three months ended May 31, 2025 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Sales revenue	63,598	999	1.6
Business profit	8,277	(2,303)	(21.8)
Operating profit	9,052	(1,291)	(12.5)

With regard to the performance of the Department Store Business in the three months ended May 31, 2025, sales revenue was ¥63,598 million, up 1.6% year on year, business profit was ¥8,277 million, down 21.8% year on year, and operating profit was ¥9,052 million, down 12.5% year on year.

While duty-free sales declined primarily for luxury items including luxury brands in conjunction with exchange rate fluctuations, etc., sales to domestic customers were firm. By store, the Daimaru Umeda store recorded a sharp increase in sales owning to significantly increased customer traffic following the start of Expo 2025 Osaka, Kansai. On the other hand, the Daimaru Shinsaibashi store and the Daimaru Kyoto store experienced a decline in sales mainly due to the decrease in duty-free sales. Business profit decreased due to an increase in fees, as well as higher utilities and business consignment expenses.

As duty-free sales, which grew beyond initial expectations in the last fiscal year, declined, we focused on out-of-store operating activities to strengthen our response to the robust domestic affluent market. We recorded record-high sales and attendance at the event held for out-of-store sales customers in May. Additionally, as part of our initiatives to enhance the attractiveness of stores, for the Matsuzakaya Nagoya store renovation which started a few years ago, we expanded content for young, affluent customers who will become next-generation customers, and strengthened new lifestyle proposals that capture next-generation market needs, including luxury brands, fashion, art, and alcoholic beverages.

Additionally, the official store opened at the Expo 2025 Osaka, Kansai venue handles Company original merchandise and other items that embody a Japanese sense of aesthetics, culture, and traditions, and attracts many customers from both Japan and abroad.

<SC Business>

(Millions of yen, %)	Three months ended May 31, 2025 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Sales revenue	16,636	768	4.8
Business profit	4,180	178	4.4
Operating profit	5,490	1,540	39.0

With regard to the performance of the SC Business in the three months ended May 31, 2025, sales revenue was ¥16,636 million, up 4.8% year on year, business profit was ¥4,180 million, up 4.4% year on year, and operating profit was ¥5,490 million, up 39.0% year on year.

Sales revenue increased due to increased store leasing revenue owing to the benefits of store renovations carried out and continued brisk performance of sales to inbound tourists, as well as the growth of common service fees, payment fee income, etc.

Under such circumstances, as one of the key strategies of the Medium-term Business Plan, we are working towards reforming store operations. Specifically, we set about implementing a large-scale renovation to Shibuya PARCO, which celebrated its 5th anniversary since its reconstruction renewal in 2019, and also opened an entertainment floor at Hiroshima PARCO. We also implemented a large-scale renovation of Sendai PARCO, the largest of its kind since the building was opened, that focuses on fashion and entertainment. Expansion of the contents business is going smoothly as we introduced a restaurant at Ikebukuro PARCO and Hiroshima PARCO that appears in a popular manga series.

Furthermore, we ran a South Korean fashion brand pop-up event over the span of approximately three months at Shinsaibashi PARCO, the Daimaru Umeda store, and the Daimaru Shinsaibashi store, jointly in the Kita and Minami areas of Osaka in collaboration with our strategic partner South Korean Hyundai Department Store.

<Developer Business>

(Millions of yen, %)	Three months ended May 31, 2025 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Sales revenue	24,534	6,762	38.0
Business profit	2,284	583	34.2
Operating profit	2,289	593	35.0

With regard to the performance of the Developer Business in the three months ended May 31, 2025, sales revenue was ¥24,534 million, up 38.0% year on year, business profit was ¥2,284 million, up 34.2% year on year, and operating profit was ¥2,289 million, up 35.0% year on year.

Sales revenue increased significantly, mainly reflecting the continued brisk performance of the hotel interior finishing and construction of J. Front Design & Construction Co., Ltd., as well as an increase in orders at PARCO SPACE SYSTEMS Co., Ltd., with business profit increasing as well.

As a key area strategy for the Company, the development plans for “The Landmark Nagoya Sakae” and the “Shinsaibashi project (tentative name) (Shinsaibashi, Osaka),” both scheduled for completion and opening in FY2026, are progressing steadily. We will continue to focus on enhancing our presence and generating synergies in each area with retail businesses at the core.

For the “Tenjin 2-chome South Block Station-front East West Street Area Project (tentative name)” each company of the Group has been working together with the local community to advance the project.

<Payment and Finance Business>

(Millions of yen, %)	Three months ended May 31, 2025 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Sales revenue	3,140	(48)	(1.5)
Business profit	91	(295)	(76.3)
Operating profit	89	(255)	(74.1)

With regard to the performance of the Payment and Finance Business in the three months ended May 31, 2025, sales revenue was ¥3,140 million, down 1.5% year on year, business profit was ¥91 million, down 76.3% year on year, and operating profit was ¥89 million, down 74.1% year on year.

Sales revenue decreased partly due to an increase in point cost, despite higher affiliated store fee revenue due to an expansion in card transaction volume, affiliate business transaction volume, etc. Selling, general, and administrative expenses increased due to actual costs for the issuance of new cards and advertising expenses, and as a result, business profit decreased.

Under the Medium-term Business Plan, we began issuing the PARCO Card in February 2025 and the Hakata Daimaru Card in March 2025, completing the consolidation of cards within the Group. Along with the expansion of the membership base triggered by this card consolidation, we are working on expanding transaction volume through use promotion initiatives and credit limit optimization, as well as acquiring affiliates, particularly in key areas of the Affiliated Store Business. Also, regarding our initiative to combat the unauthorized use of credit cards, a challenge for the industry, the introduction of

multi-factor authentication and one-time passwords for our online services has led to a reduction in unauthorized use.

(2) Overview of financial position for the period (Position of assets, liabilities, and equity)

(Millions of yen, %)	As of February 28, 2025	As of May 31, 2025	Change in amount
Current assets	241,045	239,897	(1,148)
Non-current assets	923,101	920,908	(2,193)
Total assets	1,164,147	1,160,805	(3,342)
Current liabilities	341,341	337,297	(4,044)
Non-current liabilities	399,570	405,878	6,308
Total liabilities	740,911	743,175	2,264
Equity attributable to owners of parent	409,646	403,853	(5,793)
Ratio of equity attributable to owners of parent to total assets	35.2	34.8	(0.4)
Total equity	423,235	417,630	(5,605)

Total assets as of May 31, 2025 was ¥1,160,805 million, a decrease of ¥3,342 million compared with February 28, 2025. Total liabilities was ¥743,175 million, an increase of ¥2,264 million compared with February 28, 2025. Total equity was ¥417,630 million, a decrease of ¥5,605 million compared with February 28, 2025.

(3) Overview of cash flow position for the period

(Millions of yen)	Three months ended May 31, 2024	Three months ended May 31, 2025	Change in amount
Net cash flows from (used in) operating activities	11,049	(4,195)	(15,244)
Net cash flows from (used in) investing activities	(2,417)	(657)	1,760
Free cash flows	8,632	(4,853)	(13,485)
Net cash flows from (used in) financing activities	(36,408)	(12,782)	23,626
Net increase (decrease) in cash and cash equivalents	(27,775)	(17,636)	10,139
Cash and cash equivalents at end of period	43,640	37,252	(6,388)

The balance of cash and cash equivalents (hereinafter "cash") as of May 31, 2025 amounted to ¥37,252 million, down ¥17,723 million compared with February 28, 2025 (¥54,975 million).

Cash flow positions in the three months ended May 31, 2025 and the factors for these were as follows.

a. Net cash flows from (used in) operating activities

Net cash used in operating activities was ¥4,195 million. In comparison with the three months ended May 31, 2024, cash provided decreased by ¥15,244 million, mainly due to an increase in income taxes paid.

b. Net cash flows from (used in) investing activities

Net cash used in investing activities was ¥657 million. In comparison with the three months ended May 31, 2024, cash used decreased by ¥1,760 million, largely reflecting proceeds from sales of property, plant and equipment, and intangible assets.

c. Net cash flows from (used in) financing activities

Net cash used in financing activities was ¥12,782 million. In comparison with the three months ended May 31, 2024, cash used decreased by ¥23,626 million mainly due to proceeds from issuance of bonds, despite an increase in purchase of treasury shares.

(4) Explanation of consolidated earnings forecasts and other forward-looking statements

The consolidated earnings forecasts are unchanged from the forecasts for the first six months ending August 31, 2025 and the fiscal year ending February 28, 2026 announced in the consolidated financial results released on April 14, 2025.

2. Condensed quarterly consolidated financial statements and significant notes thereto

(1) Condensed quarterly consolidated statement of financial position

	As of February 28, 2025	As of May 31, 2025
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	54,975	37,252
Trade and other receivables	156,663	167,214
Other financial assets	8,690	8,365
Inventories	12,662	13,264
Other current assets	6,421	13,800
Subtotal	239,414	239,897
Assets held for sale	1,631	–
Total current assets	241,045	239,897
Non-current assets		
Property, plant and equipment	469,417	468,840
Right-of-use assets	136,389	132,054
Goodwill	6,799	6,799
Investment property	177,176	180,786
Intangible assets	8,350	8,436
Investments accounted for using equity method	27,840	28,339
Other financial assets	81,535	79,973
Deferred tax assets	3,190	3,236
Other non-current assets	12,402	12,441
Total non-current assets	923,101	920,908
Total assets	1,164,147	1,160,805

	As of February 28, 2025	As of May 31, 2025
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	53,330	56,730
Trade and other payables	162,810	166,646
Lease liabilities	25,294	25,265
Other financial liabilities	28,262	26,704
Income tax payables	11,576	5,400
Provisions	785	192
Other current liabilities	59,280	56,356
Total current liabilities	341,341	337,297
Non-current liabilities		
Bonds and borrowings	136,728	143,439
Lease liabilities	148,225	146,855
Other financial liabilities	33,368	33,816
Retirement benefit liabilities	15,369	15,373
Provisions	5,905	5,967
Deferred tax liabilities	59,519	59,954
Other non-current liabilities	453	472
Total non-current liabilities	399,570	405,878
Total liabilities	740,911	743,175
Equity		
Capital	31,974	31,974
Share premium	188,081	188,242
Treasury shares	(23,940)	(32,716)
Other components of equity	14,219	14,140
Retained earnings	199,311	202,212
Total equity attributable to owners of parent	409,646	403,853
Non-controlling interests	13,588	13,776
Total equity	423,235	417,630
Total liabilities and equity	1,164,147	1,160,805

(2) Condensed quarterly consolidated statement of profit or loss

	Three months ended May 31, 2024	Three months ended May 31, 2025
	Millions of yen	Millions of yen
Sales revenue	101,469	110,802
Cost of sales	(48,174)	(58,120)
Gross profit	53,294	52,682
Selling, general and administrative expense	(36,891)	(38,808)
Other operating income	277	2,728
Other operating expenses	(545)	(613)
Operating profit	16,136	15,990
Finance income	205	195
Finance costs	(1,069)	(1,479)
Share of profit (loss) of investments accounted for using equity method	359	391
Profit before tax	15,631	15,097
Income tax expense	(4,243)	(4,628)
Profit	11,387	10,469
Profit attributable to:		
Owners of parent	11,316	10,483
Non-controlling interests	70	(14)
Profit	11,387	10,469
Earnings per share		
Basic earnings per share (Yen)	43.11	41.25
Diluted earnings per share (Yen)	43.10	41.21

(3) Condensed quarterly consolidated statement of comprehensive income

	Three months ended May 31, 2024	Three months ended May 31, 2025
	Millions of yen	Millions of yen
Profit	11,387	10,469
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,006	129
Share of other comprehensive income of entities accounted for using equity method	0	0
Total items that will not be reclassified to profit or loss	1,006	129
Items that may be reclassified to profit or loss		
Cash flow hedges	(4)	17
Exchange differences on translation of foreign operations	63	(120)
Share of other comprehensive income of entities accounted for using equity method	(2)	–
Total items that may be reclassified to profit or loss	57	(103)
Other comprehensive income, net of tax	1,063	25
Comprehensive income	12,451	10,494
Comprehensive income attributable to:		
Owners of parent	12,378	10,507
Non-controlling interests	73	(13)
Comprehensive income	12,451	10,494

(4) Condensed quarterly consolidated statement of changes in equity

Three months ended May 31, 2024

	Equity attributable to owners of parent					
				Other components of equity		
	Capital	Share premium	Treasury shares	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2024	31,974	189,172	(14,231)	314	17	7,050
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	61	(4)	1,004
Total comprehensive income	–	–	–	61	(4)	1,004
Purchase of treasury shares	–	–	(4,488)	–	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	(190)	858	–	–	–
Change due to capital increase of consolidated subsidiaries	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	(18)
Total transactions with owners	–	(190)	(3,629)	–	–	(18)
Balance at May 31, 2024	31,974	188,981	(17,861)	375	13	8,036

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Remeasure-ments of defined benefit plans	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2024	–	7,383	167,600	381,898	12,333	394,232
Profit	–	–	11,316	11,316	70	11,387
Other comprehensive income	–	1,061	–	1,061	2	1,063
Total comprehensive income	–	1,061	11,316	12,378	73	12,451
Purchase of treasury shares	–	–	–	(4,488)	–	(4,488)
Dividends	–	–	(5,242)	(5,242)	(64)	(5,306)
Share-based payment transactions	–	–	–	668	–	668
Change due to capital increase of consolidated subsidiaries	–	–	–	–	2	2
Transfer from other components of equity to retained earnings	–	(18)	18	–	–	–
Total transactions with owners	–	(18)	(5,224)	(9,063)	(61)	(9,125)
Balance at May 31, 2024	–	8,426	173,692	385,213	12,345	397,558

Three months ended May 31, 2025

	Equity attributable to owners of parent					
				Other components of equity		
	Capital	Share premium	Treasury shares	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2025	31,974	188,081	(23,940)	525	(29)	13,722
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	(120)	17	127
Total comprehensive income	–	–	–	(120)	17	127
Purchase of treasury shares	–	(5)	(8,943)	–	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	165	167	–	–	–
Obtaining of control of subsidiaries	–	–	–	–	–	–
Change due to capital increase of consolidated subsidiaries	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	(103)
Total transactions with owners	–	160	(8,775)	–	–	(103)
Balance at May 31, 2025	31,974	188,242	(32,716)	405	(11)	13,746

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Remeasure-ments of defined benefit plans	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2025	–	14,219	199,311	409,646	13,588	423,235
Profit	–	–	10,483	10,483	(14)	10,469
Other comprehensive income	–	24	–	24	1	25
Total comprehensive income	–	24	10,483	10,507	(13)	10,494
Purchase of treasury shares	–	–	–	(8,948)	–	(8,948)
Dividends	–	–	(7,685)	(7,685)	(94)	(7,780)
Share-based payment transactions	–	–	–	333	–	333
Obtaining of control of subsidiaries	–	–	–	–	294	294
Change due to capital increase of consolidated subsidiaries	–	–	–	–	1	1
Transfer from other components of equity to retained earnings	–	(103)	103	–	–	–
Total transactions with owners	–	(103)	(7,582)	(16,300)	200	(16,100)
Balance at May 31, 2025	–	14,140	202,212	403,853	13,776	417,630

(5) Condensed quarterly consolidated statement of cash flows

	Three months ended May 31, 2024	Three months ended May 31, 2025
	Millions of yen	Millions of yen
Cash flows from (used in) operating activities		
Profit before tax	15,631	15,097
Depreciation and amortization expense	11,326	11,296
Finance income	(205)	(195)
Finance costs	1,069	1,479
Share of loss (profit) of investments accounted for using equity method	(359)	(391)
Loss (gain) on sales of non-current assets	–	(1,817)
Loss on disposals of non-current assets	333	399
Decrease (increase) in inventories	475	(601)
Decrease (increase) in trade and other receivables	(11,187)	(11,231)
Increase (decrease) in trade and other payables	10,926	5,645
Increase (decrease) in retirement benefit liabilities	86	3
Decrease (increase) in retirement benefit assets	(16)	(0)
Other, net	(9,824)	(11,895)
Subtotal	18,257	7,787
Interest received	31	34
Dividends received	42	46
Interest paid	(1,116)	(1,513)
Income taxes paid	(6,165)	(10,548)
Net cash flows from (used in) operating activities	11,049	(4,195)
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	(2,606)	(4,615)
Proceeds from sales of property, plant and equipment, and intangible assets	–	3,397
Purchase of investment property	(15)	(182)
Proceeds from sales of investment property	–	62
Purchase of intangible assets	(982)	(1,236)
Purchase of investment securities	(192)	(267)
Proceeds from sales of investment securities	256	132
Proceeds from refund of guarantee deposits	2,060	1,938
Other, net	(937)	111
Net cash flows from (used in) investing activities	(2,417)	(657)
Cash flows from (used in) financing activities		
Repayments of non-current borrowings	(250)	(19,750)
Proceeds from issuance of bonds	–	29,849
Redemption of bonds	(20,000)	–
Repayments of lease liabilities	(6,357)	(6,441)
Purchase of treasury shares	(4,488)	(8,948)
Dividends paid	(5,250)	(7,693)
Dividends paid to non-controlling interests	(64)	(94)
Other, net	2	295
Net cash flows from (used in) financing activities	(36,408)	(12,782)
Net increase (decrease) in cash and cash equivalents	(27,775)	(17,636)
Cash and cash equivalents at beginning of period	71,342	54,975
Effect of exchange rate changes on cash and cash equivalents	73	(86)
Cash and cash equivalents at end of period	43,640	37,252

(6) Notes to condensed quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Segment information)

(1) Overview of reportable segments

The reportable segments of the Group are constituent units of the Group for which separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating business results.

The Group is comprised, under a holding company structure, of the reportable segments "Department Store Business," "SC Business," "Developer Business" and "Payment and Finance Business," with the Department Store Business at its core.

The Department Store Business carries out the sale of clothing, general goods, household goods, food products and others. The SC Business undertakes development, management, supervision and operation, etc. of shopping centers. The Developer Business carries out development, sales, supervision, operation, interior decorating work, etc. of real estate. The Payment and Finance Business undertakes issuance and administration, etc. of credit cards.

Due to reorganization within the Group as of September 1, 2024, a part of the management business of J. Front One Partner Co., Ltd., which had been included in "Other," was transferred to PARCO SPACE SYSTEMS Co., Ltd. that is included in the "Developer Business" and another company. As a result, results have been retroactively adjusted as if the transfer took place at the beginning of the fiscal year ended February 28, 2025 (as of March 1, 2024).

(2) Segment revenue and business results

Revenue and business results by reportable segments of the Group are as follows. Inter-segment transactions are generally based on prevailing market prices.

Three months ended May 31, 2024

	Reportable segments					Other	Total	Adjustments	Consolidated
	Department Store Business	SC Business	Developer Business	Payment and Finance Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
External revenue	62,514	15,580	14,115	1,398	93,608	7,858	101,466	2	101,469
Inter-segment revenue	84	287	3,657	1,789	5,818	2,537	8,356	(8,356)	–
Total	62,599	15,868	17,772	3,188	99,427	10,395	109,823	(8,354)	101,469
Segment profit	10,343	3,950	1,696	344	16,334	247	16,582	(446)	16,136
Finance income									205
Finance costs									(1,069)
Share of profit (loss) of investments accounted for using equity method									359
Profit before tax									15,631

Notes:
1. The "Other" category is a business segment not included in reportable segments. It includes wholesaling, parking, leasing, etc.
2. The adjustments for segment profit include inter-segment eliminations and corporate income and expenses not attributable to any business segment. Corporate income and expenses are mainly income and expenses of the company submitting condensed quarterly consolidated financial statements that are not attributable to any business segment.
3. Segment profit is adjusted to operating profit in the condensed quarterly consolidated financial statements.

Three months ended May 31, 2025

	Reportable segments					Other	Total	Adjustments	Consolidated
	Department Store Business	SC Business	Developer Business	Payment and Finance Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
External revenue	63,502	16,357	18,568	1,156	99,584	11,215	110,800	2	110,802
Inter-segment revenue	95	279	5,965	1,983	8,325	2,901	11,226	(11,226)	–
Total	63,598	16,636	24,534	3,140	107,910	14,117	122,027	(11,224)	110,802
Segment profit (loss)	9,052	5,490	2,289	89	16,921	(204)	16,717	(726)	15,990
Finance income									195
Finance costs									(1,479)
Share of profit (loss) of investments accounted for using equity method									391
Profit before tax									15,097

Notes: 1. The “Other” category is a business segment not included in reportable segments. It includes wholesaling, parking, leasing, etc.

2. The adjustments for segment profit (loss) include inter-segment eliminations and corporate income and expenses not attributable to any business segment. Corporate income and expenses are mainly income and expenses of the company submitting condensed quarterly consolidated financial statements that are not attributable to any business segment.

3. Segment profit (loss) is adjusted to operating profit in the condensed quarterly consolidated financial statements.