

To whom it may concern

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Notice Regarding Revision to Earnings Forecasts

J. FRONT RETAILING Co., Ltd. (the “Company”) hereby announces that it has revised its consolidated earnings forecasts for the fiscal year ended February 28, 2022 from those announced on December 28, 2021. The details are provided below. The Company does not plan to change the forecast for the annual dividend of ¥29 per share (year-end dividend of ¥15 per share) as a result of the aforementioned revision to earnings forecasts.

Revision to earnings forecasts

Revision to the consolidated earnings forecasts for the fiscal year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

	Gross sales	Sales revenue	Business profit	Operating profit
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Previous forecasts (A)	922,000	357,500	12,000	5,500
Revised forecasts (B)	875,000	331,000	11,500	9,200
Change (B–A)	(47,000)	(26,500)	(500)	3,700
Percentage of change (%)	(5.1)	(7.4)	(4.2)	67.3
(Reference) Actual earnings results of the previous fiscal year (The fiscal year ended February 28, 2021)	769,453	319,079	2,366	(24,265)

	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	2,000	1,000	3.82
Revised forecasts (B)	6,000	4,000	15.28
Change (B–A)	4,000	3,000	11.46
Percentage of change (%)	200.0	300.0	300.0
(Reference) Actual earnings results of the previous fiscal year (The fiscal year ended February 28, 2021)	(28,672)	(26,193)	(100.03)

- *1. Of IFRS-based sales revenue, sales from purchase recorded at the time of sale (shoka shiire) of the “Department Store Business” and “Other (Daimaru Kogyo)” have been converted into gross amount and the net amount of sales of the “SC Business (PARCO SC)” 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

Compared with the previous consolidated earnings forecasts for the fiscal year ended February 28, 2022 (announced on December 28, 2021), gross sales, sales revenue and business profit are expected to decrease and operating profit, profit before tax and profit are expected to increase.

The main reasons are as follows.

1) Decreases in gross sales and sales revenue

- The number of customers visiting stores, sales and lease revenue from shops have been significantly below expectations from January onward due to the priority measures to prevent the spread of disease and for other matters that were implemented in the locations of major department stores and PARCO stores because of the resurgence of COVID-19 infections from the beginning of 2022.
- As a result, gross sales is expected to decrease by approximately ¥47,000 million and sales revenue is expected to decrease by approximately ¥26,500 million, compared with the previously announced forecast.

2) Decrease in business profit

- In light of the lower than expected sales revenue, the Company has worked to constrain selling, general and administrative expenses, but business profit is expected to be ¥11,500 million, a decrease of approximately ¥500 million from the previously announced forecast.

3) Increase in operating profit

- Other operating income is expected to increase by approximately ¥4,000 million from the previously announced forecast due to the sale of fixed assets and increase in gain from the transfer of part of the shares of Dimples’ Co., Ltd. announced on January 6, 2022.
- As a result, operating profit is expected to be ¥9,200 million, an increase of approximately ¥3,700 million from the previously announced forecast.

Based on the above, profit attributable to owners of parent is expected to be ¥4,000 million, an increase of approximately ¥3,000 million from the previously announced forecast.

(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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