

To whom it may concern

Company name: J. FRONT RETAILING Co., Ltd.  
 Representative: YOSHIMOTO Tatsuya  
 President and Representative Executive  
 Officer  
 (Securities code: 3086, Prime Market of the Tokyo Stock  
 Exchange and Premier Market of Nagoya Stock Exchange)  
 Inquiries: INAGAMI Hajime  
 Senior General Manager of Investor Relations  
 Promotion Division, Financial Strategy Unit  
 [TEL: +81-3-6865-7621 (from overseas)]

### 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 first six months ended August 31, 2022 and for the fiscal year ending February 28, 2023 from those announced on April 12, 2022. The details are provided below. The Company does not plan to change the forecast for the annual dividend of ¥31 per share as a result of the aforementioned revision to earnings forecasts.

#### Revision to earnings forecasts

Revision to the consolidated earnings forecasts for the six months ended August 31, 2022 (from March 1, 2022 to August 31, 2022)

	Gross sales	Sales revenue	Business profit	Operating profit
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Previous forecasts (A)	492,000	179,000	11,500	10,500
Revised forecasts (B)	463,000	168,000	13,500	13,000
Change (B–A)	(29,000)	(11,000)	2,000	2,500
Percentage of change (%)	(5.9)	(6.1)	17.4	23.8
(Reference) Actual earnings results of the second quarter of the previous fiscal year (The six months ended August 31, 2021)	397,345	157,333	3,654	(1,388)

	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	9,000	6,000	22.91
Revised forecasts (B)	12,000	10,000	38.16
Change (B–A)	3,000	4,000	
Percentage of change (%)	33.3	66.7	
(Reference) Actual earnings results of the second quarter of the previous fiscal year (The six months ended August 31, 2021)	(2,871)	(1,995)	(7.62)

Revision to the consolidated earnings forecasts for the fiscal year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

	Gross sales	Sales revenue	Business profit	Operating profit
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Previous forecasts (A)	1,020,000	370,000	22,000	21,000
Revised forecasts (B)	975,000	346,000	24,000	23,500
Change (B-A)	(45,000)	(24,000)	2,000	2,500
Percentage of change (%)	(4.4)	(6.5)	9.1	11.9
(Reference) Actual earnings results of the previous fiscal year (The fiscal year ended February 28, 2022)	865,919	331,484	11,718	9,380

	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	17,500	11,500	43.92
Revised forecasts (B)	20,500	16,000	61.05
Change (B-A)	3,000	4,500	
Percentage of change (%)	17.1	39.1	
(Reference) Actual earnings results of the previous fiscal year (The fiscal year ended February 28, 2022)	6,190	4,321	16.50

- \*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

The Company has revised the earnings forecasts from the previous forecasts (announced on April 12, 2022) mainly because profit attributable to owners of parent for the first six months ended August 31, 2022, and for the fiscal year ending February 28, 2023, are expected to exceed the previous forecasts.

##### 1) Expected consolidated earnings for the first six months ended August 31, 2022

With respect to consolidated earnings for the first six months ended August 31, 2022, although sales revenue changed to a path of recovery after the priority measures to prevent the spread of disease were lifted at the end of March, the pace of recovery in the number of customers and sales has slowed in the Department Store and SC businesses mainly due to the impact of the resurgence of COVID-19 from July (seventh wave). As a result, sales revenue is expected to decrease approximately 6% from the previous forecast.

However, as a result of implementing cost savings and other efforts during the period, the Company was able to offset the decrease in sales revenue and business profit is expected to

increase. Furthermore, operating profit and profit before tax are both expected to increase mainly due to the receipt of subsidies in the SC business and an increase in share of profit of investments accounted for using equity method. As a result, profit attributable to owners of parent, together with the decrease in tax expenses, is expected to increase approximately 66% from the previous forecast.

## 2) Consolidated business outlook for the second half and the fiscal year

In the business environment surrounding the Company, consumption in Japan continues to recover based on government policies that aim to enable both infection prevention measures and socioeconomic activities, and expectations are rising for economic benefits from foreign tourists visiting Japan as limits on entering the country and other restrictions are eased. On the other hand, the conditions are highly uncertain mainly due to concerns over an economic slowdown in Japan and overseas caused by sudden changes in exchange rates and rising inflation.

Against this backdrop, although the gradual recovery in sales revenue is expected to continue as the impact of the resurgence of COVID-19 (seventh wave) diminishes, in consideration of progress made in the first six months ended August 31, 2022, the Company has lowered the outlook for sales revenue in the business outlook for the second half of the fiscal year (third quarter onward) from the initial outlook.

However, by promoting the key strategies and management structure reforms in the Medium-term Business Plan while also thoroughly implementing cost controls, we expect to achieve the amount for each profit item in the previous forecasts.

Based on the above, although sales revenue in the consolidated business outlook for the fiscal year is expected to decrease from the previous forecast, business profit, operating profit and profit before tax are each expected to increase, and profit attributable to owners of parent is expected to increase approximately 39%.

(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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