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

<Reference data>

June 28, 2023

Create and Bring to Life "New Happiness."



J. FRONT RETAILING

<Q1 Financial Summary>

- ◆ Revenue and profits increased as Japan reclassified COVID-19 as a Class 5 disease similar to seasonal influenza, and a recovery in foot traffic and consumption is occurring including an increase in the number of foreign tourists visiting Japan.
- ◆ Q1 progress against the 1H forecast was largely as expected, both in terms of revenue and profits.
- ◆ No change in 1H an FY forecasts from those announce in April.

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.

- ▶ Revenue increased in all businesses, including the mainstay department store business.
- ▶ Despite higher energy costs and other expenses, business profit, operating profit, and quarterly profit all increased in the consolidated results.

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2023	Results	YoY	
		Amount	%
Gross sales	263,818	36,653	16.1
Revenue	93,456	11,551	14.1
Gross profit	45,831	5,285	13.0
SGA	36,000	2,499	7.5
Business profit	9,831	2,786	39.6
Other operating income	1,061	(199)	(15.8)
Other operating expenses	723	(22)	(2.9)
Operating profit	10,169	2,609	34.5
Profit attributable to owners of parent	6,397	423	7.1

Q1 (Mar - May) FY2023 Segment Information (IFRS) J. FRONT RETAILING

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2023	Revenue			Business profit			Operating profit		
	Results	YoY		Results	YoY		Results	YoY	
		Amount	%		Amount	%		Amount	%
Department Store	54,161	5,349	11.0	4,859	2,209	83.4	4,504	2,241	99.0
SC	14,137	1,089	8.3	2,484	203	8.9	3,148	196	6.6
Developer	16,753	3,276	24.3	1,384	625	82.3	1,615	653	67.8
Payment and Finance	3,236	82	2.6	732	(280)	(27.7)	686	(339)	(33.1)
Other	13,420	45	0.3	476	69	16.8	703	252	55.9
Adjustments	(8,253)	1,709	—	(105)	(39)	—	(487)	(393)	—
Total	93,456	11,551	14.1	9,831	2,786	39.6	10,169	2,609	34.5

- Both sales and customer numbers grew due to continued strong demand for high-end products as well as an increase in the number of domestic tourists and foreign visitors to Japan.
- Business profit improved steadily despite an increase in expenses such as costs proportional to sales and utility costs.

(Millions of yen, unless otherwise stated)

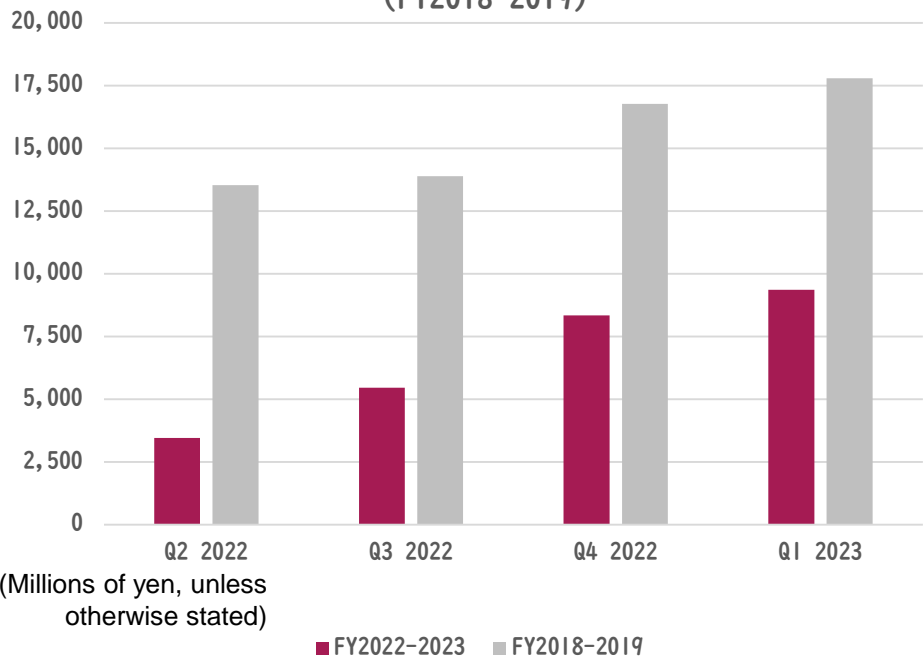
Three months ended May 31, 2023	Q1 (March - May)		
	Results	YoY	
		Amount	%
Gross sales	169,692	21,578	14.6
Revenue	54,161	5,349	11.0
Gross profit	35,206	3,940	12.6
SGA	30,346	1,730	6.0
Business profit	4,859	2,209	83.4
Other operating income	84	(98)	(53.8)
Other operating expenses	439	(131)	(22.9)
Operating profit	4,504	2,241	99.0

- ▶ Total sales for directly managed stores declined -4.0% compare to FY2019, but were higher if duty-free sales are excluded.
- ▶ Shinsaibashi, Kobe, and Nagoya stores continued to perform well. Terminal stores also improved significantly. (%)

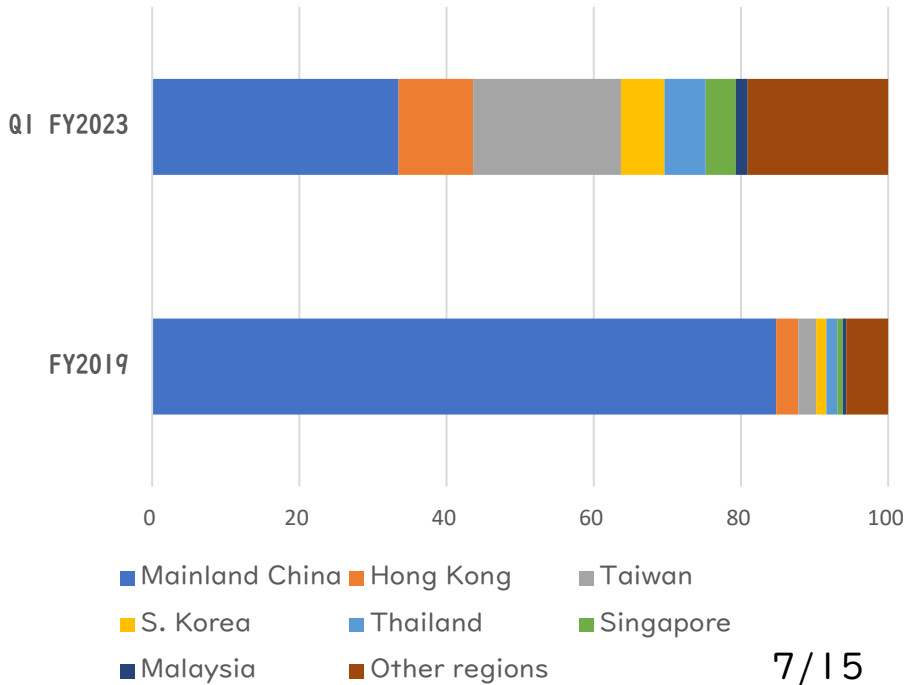
Three months ended May 31, 2023d	YoY		vs. FY2019	
	Total	Excl. duty-free sales	Total	Excl. duty-free sales
Shinsaibashi	34.4	11.2	(12.1)	23.8
Umeda	20.5	15.0	(18.0)	(13.2)
Tokyo	35.7	28.1	(4.9)	(6.4)
Kyoto	15.6	8.7	(3.1)	(1.6)
Kobe	8.9	8.3	14.5	15.5
Sapporo	16.4	10.8	3.6	10.0
Nagoya	10.7	9.8	3.6	6.5
Total directly managed stores (comparable stores)*	16.8	11.1	(4.0)	1.7
Duty-free sales	399.5	—	(47.4)	—

- Q1 results recovered to approx. 50% of the FY2019 level, and May results recovered to approx. 60% on a single-month basis.
Progress exceeded the Q1 forecast.
- Two-thirds of the Sales by region came from visitors not from mainland China. Going forward, visitors to Japan, including from mainland China, are expected to increase as the number of flights and other factors recover.

Sales compared to the pre-COVID-19 period (FY2018-2019)



Sales comparison by region (Total 100)



*FY2019 ratios exclude Yamashina, Shimonoseki, and Toyota store results.

- ▶ The year-on-year increase in SGA was mainly due to higher expenses resulting from increased sales and higher utility costs.
- ▶ SGA was held down to approx. 1.4 billion yen compared to FY2019 due in part to the effects of structural reforms.

(Millions of yen, unless otherwise stated)

Item	Three months ended May 31, 2023	YoY	vs. FY2019	Major reasons for YoY changes
Personnel expenses	7,219	0	1,044	
Advertising expenses	2,500	217	8	【Personnel expenses】 ・ Living allowance + 140
Packing and transportation costs	265	(43)	(154)	【Advertising expenses】 ・ Advertising and sales promotion + 80 ・ Event planning and decorations + 100
Depreciation	5,196	(142)	(304)	
Operational costs	2,841	18	(255)	【Other】 ・ Costs proportional to sale + 330 ・ Utility expenses + 260 ・ Outsourcing expenses + 110
Other	9,480	1,604	(1,829)	
Total SGA	27,503	1,654	(1,491)	

Segment Performance (2) SC Business (IFRS)

- ▶ Sales continued to improve due to a recovery in foot traffic and an increase in store visits by foreign visitors to Japan.
- ▶ In addition to the effect of increased revenues, there was also a rise in business and operating profits due to a gain on sales of assets and other factors.

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2023	Q1 (March - May)		
	Results	YoY	
		Amount	%
Gross sales	69,467	9,296	15.4
Revenue	14,137	1,089	8.3
Gross profit	4,736	608	14.7
SGA	2,252	405	21.9
Business profit	2,484	203	8.9
Other operating income	814	56	7.4
Other operating expenses	150	63	72.5
Operating profit	3,148	196	6.6

PARCO Major Store Tenant Transaction Volume

- ▶ Strong performance of Shibuya/Shinsaibashi PARCO was driven by the effect from increased foreign visitors to Japan.
- ▶ Total store transaction volume increased by 2.8% compared to FY2019. Total comparable stores improved to -10.7% from -15.0% in the prior fiscal year.

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2023	YoY	vs. FY2019
	Results	Results
Sendai PARCO	18.2	(5.0)
Urawa PARCO	9.2	(1.3)
Ikebukuro PARCO	18.0	(15.5)
Shibuya PARCO	62.6	—
Chofu PARCO	9.1	(3.5)
Nagoya PARCO	8.5	(20.3)
Shinsaibashi PARCO	52.7	—
Hiroshima PARCO	7.5	(20.6)
Fukuoka PARCO	26.1	(0.5)
Total stores	15.6	2.8
Total comparable stores*	20.4	(10.7)

*Comparable stores: Excludes Tsudanuma PARCO for year-on-year comparisons and Shibuya PARCO, Shinsaibashi PARCO, Utsunomiya PARCO, Kumamoto PARCO and Tsudanuma PARCO for FY2019 comparisons.

- ▶ Revenue increased at J. Front Design & Construction due to orders for large-scale construction work.
- ▶ Operating profit also increased due to a gain on sales of interest in real estate, etc.

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2023	Q1 (March - May)		
	Results	YoY	
		Amount	%
Gross sales	16,753	3,562	27.0
Revenue	16,753	3,276	24.3
Gross profit	3,182	890	38.8
SGA	1,797	264	17.3
Business profit	1,384	625	82.3
Other operating income	231	0	(0.2)
Other operating expenses	0	(28)	(97.1)
Operating profit	1,615	653	67.8

- ▶ Revenue increased due to growth in transaction volume at department stores and external member stores.
- ▶ Profits decreased due to a rise in bad debt write-offs, higher investment expenses for expanding the business base, and an increase in personnel costs, etc.

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2023	Q1 (March - May)		
	Results	YoY	
		Amount	%
Gross sales	3,236	82	2.6
Revenue	3,236	82	2.6
Gross profit	3,236	82	2.6
SGA	2,504	363	16.9
Business profit	732	(280)	(27.7)
Other operating income	12	(2)	(13.6)
Other operating expenses	58	57	—
Operating profit	686	(339)	(33.1)

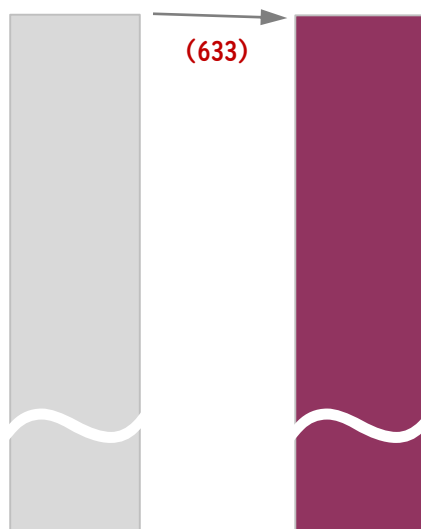
Consolidated Balance Sheet (IFRS)

- ▶ Despite investment promotion mainly in the Developer business, total assets decrease by 0.6 billion yen from the end of the previous fiscal year.
- ▶ Financial health was strengthened by repaying interest bearing debt as planned.

(Millions of yen, unless otherwise stated)

Total assets

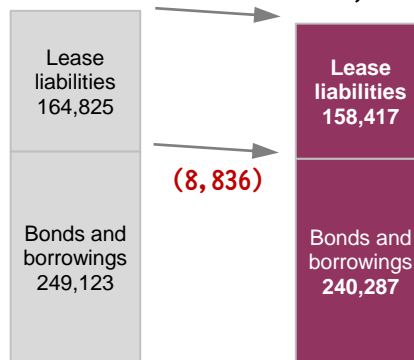
1,120,953 1,120,320



End of Feb 2023 End of May 2023

Interest-bearing debt

413,949 (15,244) 398,705



End of Feb 2023 End of May 2023

Equity attributable to owners

of parent

Ratio of equity attributable to owners of parent

32.1% 32.4%

+0.3pt

359,385 +3,626 363,011

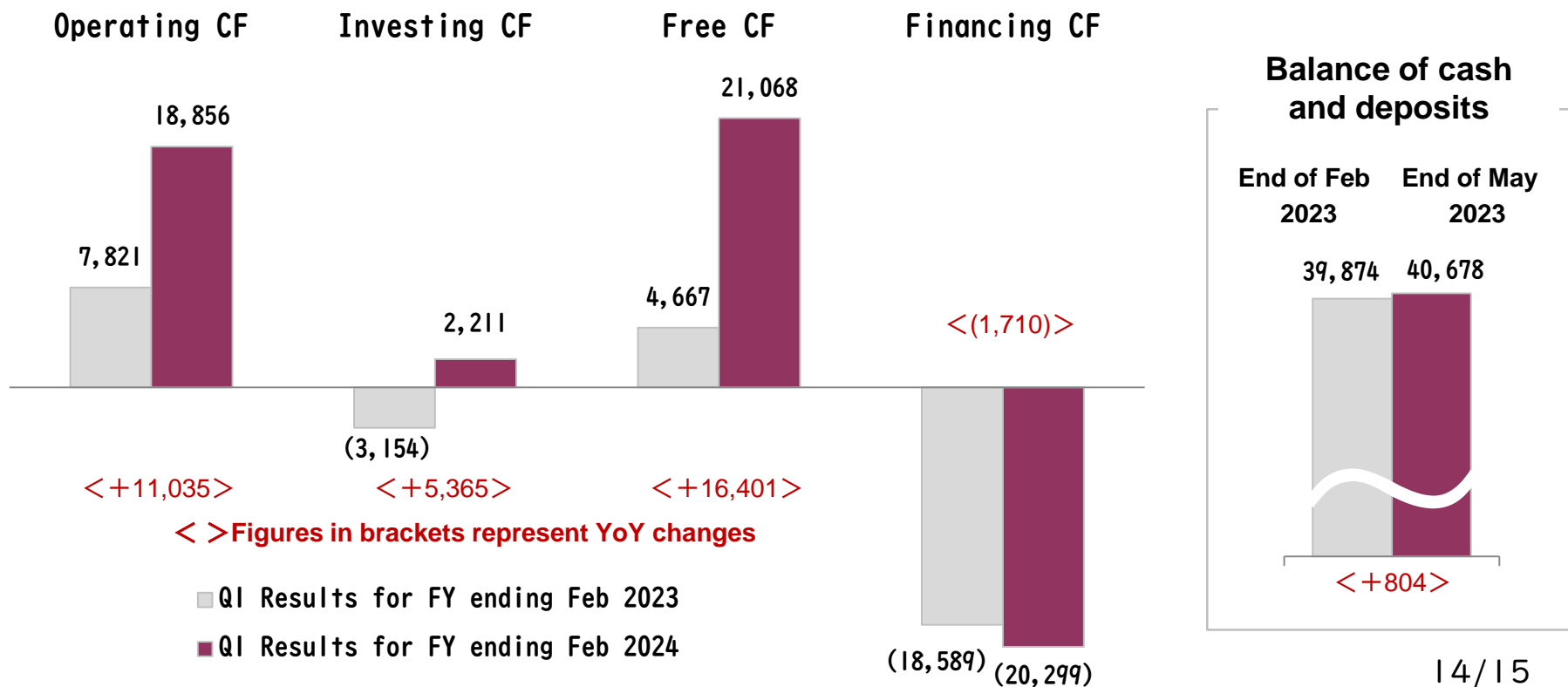


End of Feb 2023 End of May 2023

Consolidated Statement of Cash Flow (IFRS) J. FRONT RETAILING

- ▶ Operating cash flow was up by 11 billion yen YoY, mainly due to increased profits.
- ▶ Even with investments mainly in the Developer business, Investing cash flow was 2.2 billion yen due to proceeds from asset sales.
- ▶ Free cash flow was 21 billion yen, an increase of 16.4 billion yen from the previous year.

(Millions of yen, unless otherwise stated)



Website

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

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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.