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# Financial Results for First Quarter of Fiscal Year Ending February 28, 2025

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<Reference data>

June 28, 2024

Create and Bring to Life “New Happiness.”



J. FRONT RETAILING

# Q1 FY2024 Financial Results

## <Q1 Financial Summary>

- ◆ Revenues and profits increased, driven by strong inbound consumption in addition to robust domestic sales.
- ◆ 1H and full year forecasts were revised upward based on 1Q progress. Only 1Q results are factored in, leaving the initial plan announced in April unchanged from 2Q onward.

(Millions of yen, unless otherwise stated)

FY2024 ending February 28, 2025	Forecast for first six months ending Aug 31, 2024	Forecast released in Apr 2024	YoY		Forecast for full year ending Feb 28, 2025	Forecast released in Apr 2024	YoY	
			Amount	%			Amount	%
Gross sales	596,000	581,000	15,000	2.6	1,215,000	1,200,000	15,000	1.3
Revenue	207,000	204,000	3,000	1.5	424,500	421,500	3,000	0.7
Business profit	29,500	25,500	4,000	15.7	48,500	44,500	4,000	9.0
Operating profit	27,000	23,000	4,000	17.4	41,500	37,500	4,000	10.7
Profit attributable to owners of parent	18,000	15,000	3,000	20.0	26,500	23,500	3,000	12.8

# Q1 (Mar – May) FY2024 Consolidated Results (IFRS)

- ▶ Revenues increased in the mainstay department store business as well as the shopping center and developer businesses.
- ▶ Business profit, operating profit, and quarterly profit all increase despite higher costs, including personnel expenses, investment expenses, and costs proportional to sales.

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2024	Results	YoY	
		Amount	%
Gross sales	299,707	35,889	13.6
Revenue	101,469	8,013	8.6
Gross profit	53,294	7,463	16.3
SGA	36,891	891	2.5
Business profit	16,403	6,572	66.8
Other operating income	277	(784)	(73.8)
Other operating expenses	545	(178)	(24.7)
Operating profit	16,136	5,967	58.7
Profit attributable to owners of parent	11,316	4,919	76.9

# Q1 (Mar – May) FY2024 Segment Information (IFRS)

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2024	Revenue			Business profit			Operating profit		
	Results	YoY		Results	YoY		Results	YoY	
		Amount	%		Amount	%		Amount	%
Department Store	62,606	8,445	15.6	10,623	5,764	118.6	10,386	5,882	130.6
Shopping Center (SC)	15,868	1,576	11.0	4,002	1,527	61.7	3,950	807	25.7
Developer	16,726	207	1.3	1,638	241	17.2	1,632	4	0.3
Payment and Finance	3,188	(48)	(1.5)	386	(346)	(47.2)	344	(342)	(49.8)
Other	11,574	(1,846)	(13.8)	258	(218)	(45.8)	271	(432)	(61.4)
Adjustments	(8,494)	(320)	—	(505)	(395)	—	(449)	47	—
Total	101,469	8,013	8.6	16,403	6,572	66.8	16,136	5,967	58.7

(Note) Due to a review of business management classifications, PARCO Digital Marketing Inc. was transferred from the “Developer Business” to the “Shopping Center (SC) Business” on March 1, 2024, and the previous year's 4/16 results have been retroactively adjusted as if the transfer started on March 1, 2023.

- ▶ In addition to growth in duty-free sales, sales remained robust for luxury brands and watches, which were strengthened mainly at core stores, and gaisho events set record sales.
- ▶ Despite increases in personnel expenses and costs proportional to sales, business profit increased approximately 2.2-fold.

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2024	Q1 (March - May)		
	Results	YoY	
		Amount	%
Gross sales	197,240	27,548	16.2
Revenue	62,606	8,445	15.6
Gross profit	41,284	6,078	17.3
SGA	30,660	314	1.0
Business profit	10,623	5,764	118.6
Other operating income	75	(9)	(10.7)
Other operating expenses	312	(127)	(29.0)
Operating profit	10,386	5,882	130.6

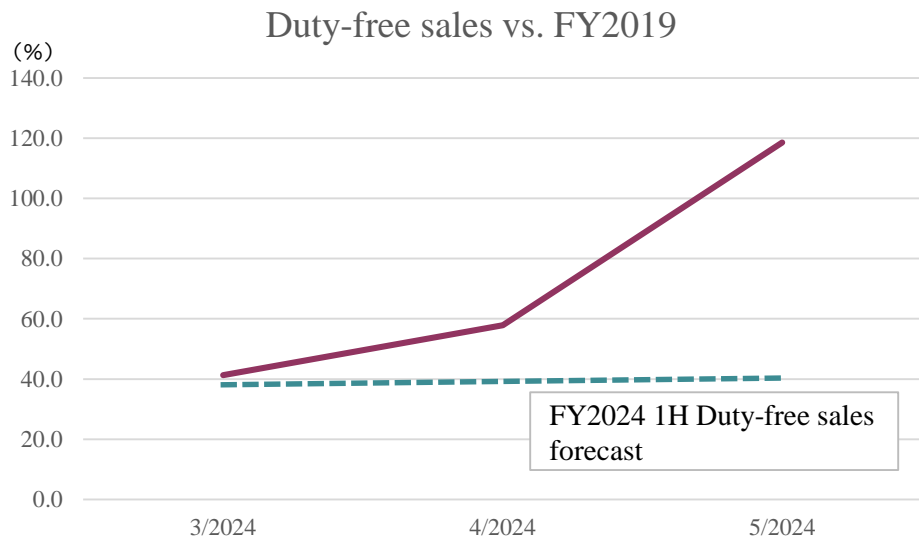
- ▶ Comparable store sales recorded a double-digit increase compared to FY2019. Duty-free sales grew at Shinsaibashi and other stores, and sales excluding duty-free sales increased +3.6%.
- ▶ Nagoya store maintained its revenue growth despite the impact of closures on the women's apparel floors in the main building due to remodeling work.

(%)

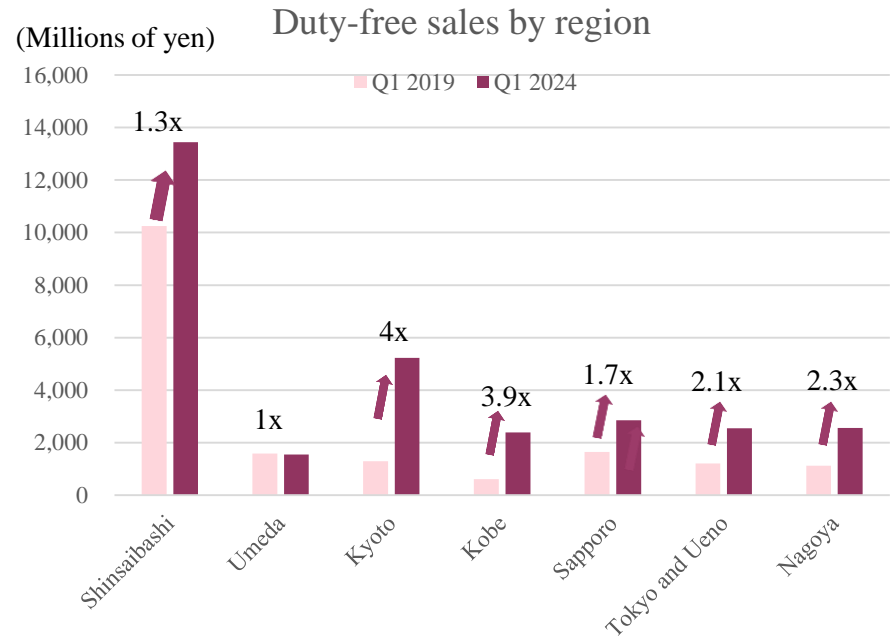
Three months ended May 31, 2024	YoY		vs. FY2019	
	Total	Excl. duty-free sales	Total	Excl. duty-free sales
Shinsaibashi	44.7	0.1	27.2	23.9
Umeda	8.1	0.9	(11.4)	(12.4)
Tokyo	10.3	4.3	4.9	(2.4)
Kyoto	27.5	0.7	23.6	(1.0)
Kobe	10.5	1.7	26.5	17.5
Sapporo	17.8	5.6	22.0	16.1
Nagoya	7.5	(0.0)	11.3	6.4
Total directly managed stores (comparable stores)*	15.9	1.8	11.5	3.6
Duty-free sales	227.0	—	72.1	—

\*FY2019 comparisons exclude Yamashina, Shimonoseki, and Toyota stores.

- ▶ Duty-free sales performed well, exceeding the initial plan.
- ▶ In addition to the Kansai region, Nagoya, Tokyo, and Sapporo also showed significant growth compared to FY2019.



— Monthly data for duty-free sales compared to 2019  
 - - - FY2024 1H Duty-free sales forecast (growth rate vs. FY2019)



- ▶ YoY increase mainly due to higher personnel costs and costs proportional to sales.
- ▶ The decrease from the previous year was mainly due to lower taxes, dues and advertising expenses.

(Millions of yen, unless otherwise stated)

Item	Three months ended May 31, 2024	YoY	vs. FY2019
Personnel expenses	7,613	394	
Advertising expenses	2,357	(143)	<b>【Personnel expenses】</b> · Increase in base salary, increase in bonuses + 310
Packing and transportation costs	276	11	<b>【Advertising expenses】</b> · Change in timing of planned events (130)
Depreciation	5,150	(46)	<b>【Other】</b> · Costs proportional to sales + 540
Operational costs	2,580	(261)	· Renovations, miscellaneous expenses + 240 · Outsourcing expenses + 100
Other	9,791	311	· Taxes and dues (decrease due to previous year's special factors) (580)
<b>Total SGA</b>	<b>27,769</b>	<b>266</b>	



- ▶ Revenue increased due to higher rental income associated with the expansion of tenant transaction volume. Business profit increased by controlling costs and expenses, in addition to the effect of increased revenue.
- ▶ Operating profit also increased, absorbing the impact of the gain on sales of assets in the previous year.

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2024	Q1 (March - May)		
	Results	YoY	
		Amount	%
Gross sales	80,003	10,381	14.9
Revenue	15,868	1,576	11.0
Gross profit	6,461	1,611	33.2
SGA	2,459	85	3.6
Business profit	4,002	1,527	61.7
Other operating income	101	(717)	(87.6)
Other operating expenses	153	3	1.7
Operating profit	3,950	807	25.7

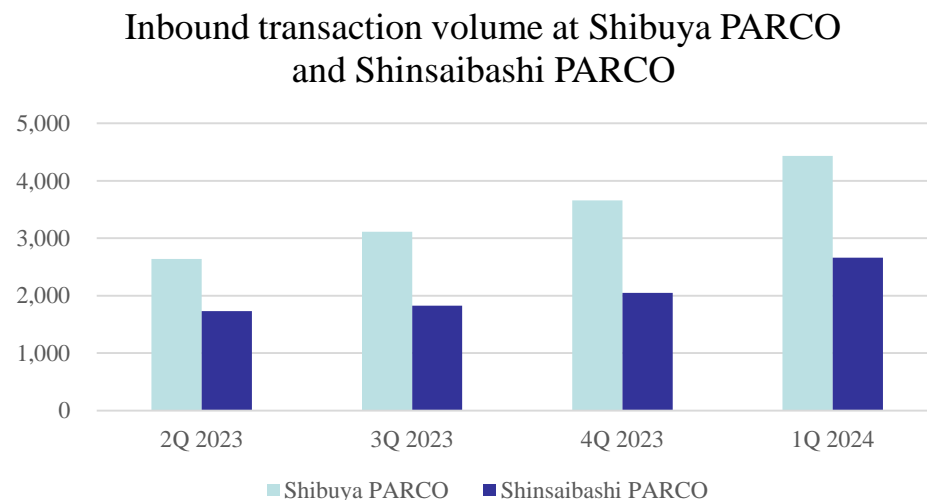
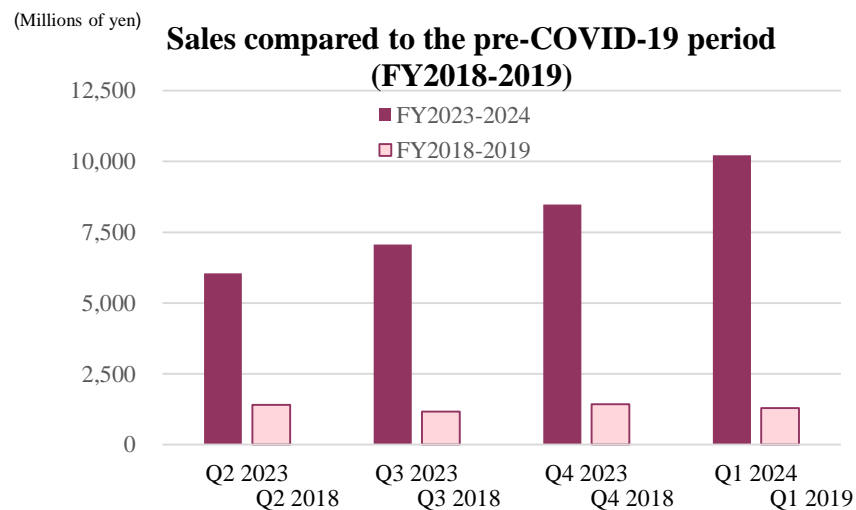
- ▶ Shibuya and Shinsaibashi PARCO grew significantly due to the effect of increased inbound demand.
- ▶ Total store transaction volume increased 17.9% compared to FY2019, and total comparable stores improved 0.4% from -10.7% in 1Q 2023.

(%)

Three months ended May 31, 2024	YoY	vs. FY2019
	Results	Results
Sapporo PARCO	25.7	8.2
Ikebukuro PARCO	19.4	0.8
Shibuya PARCO	41.7	—
Nagoya PARCO	20.3	(4.1)
Shinsaibashi PARCO	47.6	—
Fukuoka PARCO	12.2	11.5
Total stores	14.8	17.9
Total comparable stores*	17.9	0.4

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

- ▶ Inbound transaction volume (March-May), centered on Shibuya PARCO and Shinsaibashi PARCO, increased significantly by approx. 8-fold from 1Q FY2019.
- ▶ Continuing efforts to strengthen information dissemination and sales promotion measures in East Asia and other countries.



Note: Inbound transaction volume is calculated based on the sum of purchases made with overseas-issued credit cards and Chinese mobile payment methods.

- ▶ Sales increased mainly due to continued strong performance of the hotel interior construction business of J. Front Design & Construction.
- ▶ Operating profit increased, offsetting the impact from real estate sales the previous year.

(Millions of yen, unless otherwise stated)

Three months ended May 31, 2024	Q1 (March - May)		
	Results	YoY	
		Amount	%
Gross sales	16,726	207	1.3
Revenue	16,726	207	1.3
Gross profit	3,272	204	6.6
SGA	1,633	(37)	(2.2)
Business profit	1,638	241	17.2
Other operating income	9	(222)	(95.7)
Other operating expenses	15	15	-
Operating profit	1,632	4	0.3

- ▶ Revenue was down slightly despite an increase in transaction volume, as the cost of the point system increased.
- ▶ Decrease due to investment costs for consolidation of group cards, etc.

(Millions of yen, unless otherwise stated)

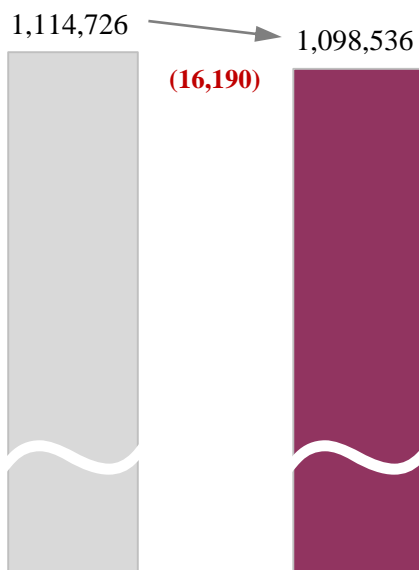
Three months ended May 31, 2024	Q1 (March - May)		
	Results	YoY	
		Amount	%
Gross sales	3,188	(48)	(1.5)
Revenue	3,188	(48)	(1.5)
Gross profit	3,188	(48)	(1.5)
SGA	2,801	297	11.8
Business profit	386	(346)	(47.2)
Other operating income	12	(0)	(3.5)
Other operating expenses	54	(4)	(7.3)
Operating profit	344	(342)	(49.8)

# Consolidated Balance Sheet (IFRS)

- ▶ Total assets decreased by 16.1 billion yen from the end of the previous fiscal year, mainly due to a decrease in cash and deposits on hand.
- ▶ Interest bearing debt was reduced by 24.9 billion yen from the end of the previous fiscal year, mainly due to redemption of bonds.

(Millions of yen, unless otherwise stated)

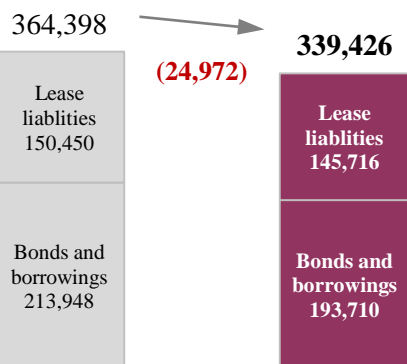
### Total assets



End of Feb 2024

End of May 2024

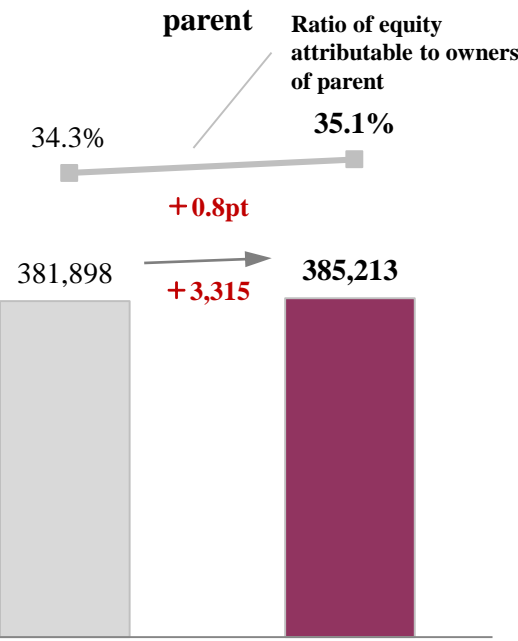
### Interest-bearing debt



End of Feb 2024

End of May 2024

### Equity attributable to owners of parent



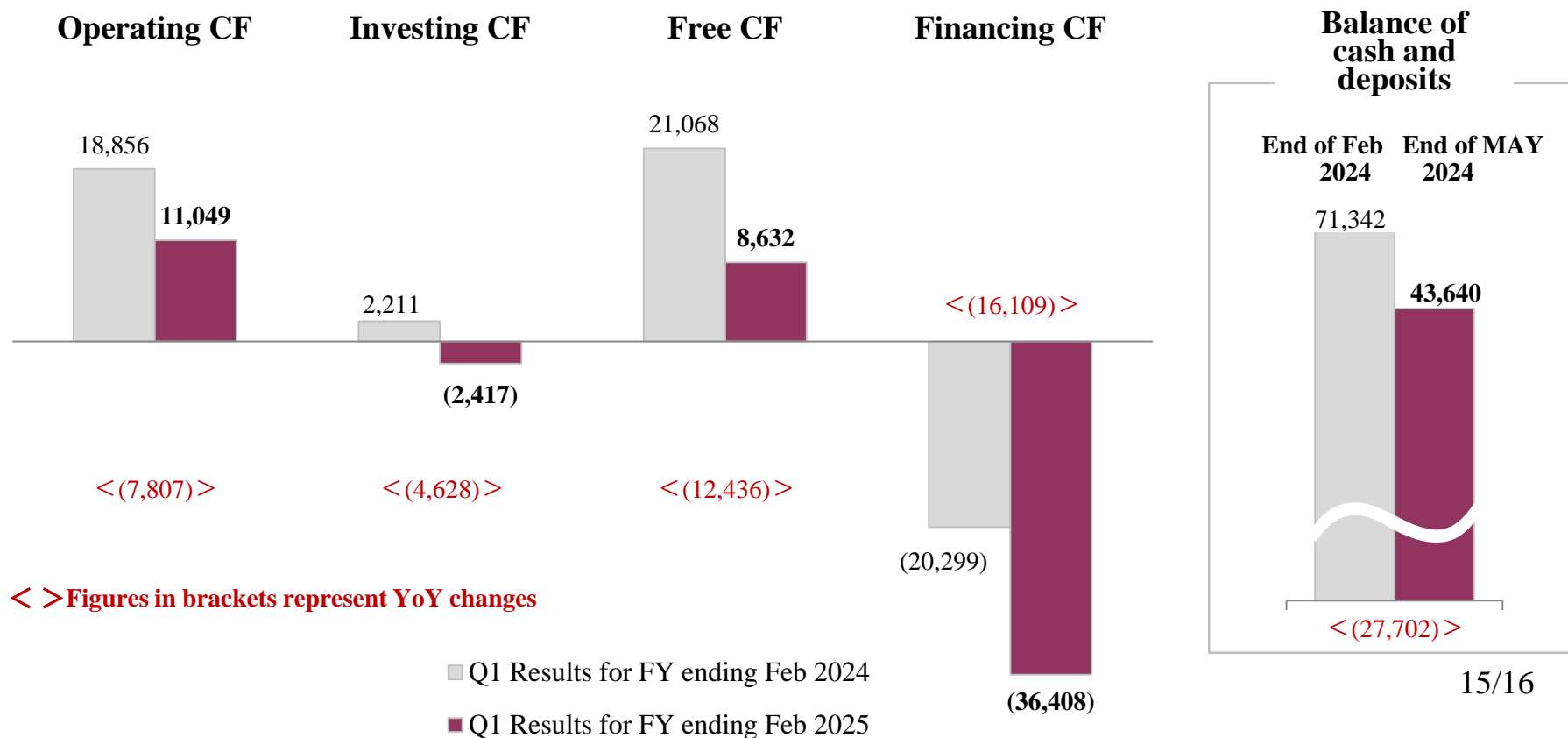
End of Feb 2024

End of May 2024

# Consolidated Statement of Cash Flow (IFRS)

- ▶ Operating cash flow decreased by 7.8 billion yen from the previous year, mainly due to an increase in working capital despite an increase in income.
- ▶ Investing cash flow outflow increased 4.6 billion yen year on year in reaction to the absence of real estate sales in the previous year.
- ▶ Net cash used in financing activities increased by 16.1 billion yen from the previous year due to redemption of bonds and repurchase of treasury stock.

(Millions of yen, unless otherwise stated)



Website

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

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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.