

J. Front Retailing Supplementary Information to Financial Results

I. J. Front Retailing Consolidated Statements 【IFRS】

1. Consolidated business performance

(Millions of yen, %)

Item	Nine months ended November 30, 2020	YoY		Nine months ended November 30, 2019
		Amount	%	
1. Gross sales	532,350	(308,050)	(36.7)	840,400
2. Revenue	230,699	(131,068)	(36.2)	361,767
3. Gross profit	96,849	(58,264)	(37.6)	155,113
4. Gross margin	41.98%	Difference (0.90)%		42.88%
5. Selling, general and administrative expenses (SGA)	94,959	(22,544)	(19.2)	117,503
6. Business profit	1,890	(35,720)	(95.0)	37,610
7. Operating profit	(18,483)	(55,525)	—	37,042
8. Profit before tax	(21,593)	(56,490)	—	34,897
9. Profit attributable to owners of parent	(15,632)	(36,629)	—	20,997
10. Total assets	1,299,272	58,964		1,240,308
[Of which: right-of-use assets]	[185,975]	[(16,541)]		[202,516]
11. Equity attributable to owners of parent	364,560	(22,628)		387,188
12. Ratio of equity attributable to owners of parent to total assets	28.1%	Difference (3.1)%		31.2%
13. Interest-bearing liabilities	570,612	91,839		478,773
[Of which: lease liabilities]	[206,744]	[(13,753)]		[220,497]

Notes: 1. Gross sales are calculated by converting sales from purchase recorded at the time of sale (*shoka shire*) of the "Department Store Business" and "Other (Daimaru Kogyo)," which are recognized as revenue under IFRS, into gross amount and converting the net amount of sales of the "Parco Business" into tenant transaction volume (gross amount basis).
2. Business profit is calculated by subtracting cost of sales and SGA from revenue.
3. Results for the previous year in Items 10, 11, 12 and 13 are figures at the end of the previous consolidated fiscal year (February 29, 2020).

2. Segment information

Nine months ended November 30, 2020

(Millions of yen, %)

	Reportable segments					Other	Total	Adjustments	Consolidated
	Department Store Business	Parco Business	Real Estate Business	Credit and Finance Business	Total				
Gross sales	319,627	143,410	11,048	8,273	482,360	79,820	562,181	(29,830)	532,350
YoY %	(39.2)	(38.6)	(17.0)	(8.9)	(38.3)	(21.1)	(36.3)	—	(36.7)
(1) Revenue to external customers	111,965	48,843	10,256	4,769	175,834	54,865	230,699	—	230,699
(2) Intersegment revenue	259	547	792	2,162	3,761	21,725	25,487	(25,487)	—
Total revenue	112,224	49,391	11,048	6,931	179,596	76,590	256,186	(25,487)	230,699
YoY %	(42.0)	(43.9)	(16.7)	(13.6)	(40.7)	(20.4)	(35.8)	—	(36.2)
Business profit	(5,359)	2,435	3,046	428	551	2,462	3,014	(1,123)	1,890
YoY %	—	(67.4)	(38.4)	(77.1)	(98.4)	(36.1)	(92.1)	—	(95.0)
Segment profit	(22,087)	(1,579)	2,597	453	(20,615)	2,154	(18,460)	(22)	(18,483)
YoY %	—	—	(63.9)	(76.2)	—	(48.9)	—	—	—

3. Performance by consolidated company

(Millions of yen, %)

Company name	Nine months ended November 30, 2020				Capital	Ownership percentage	Business
	Revenue	Business profit	Operating profit	Profit			
1. J. Front Retailing Co., Ltd.	12,847	9,486	9,320	8,981	31,974		
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	111,769	(1,577)	(17,596)	(13,331)	10,000	100.0	Department store Real estate
3. The Hakata Daimaru, Inc.	7,659	(839)	(1,532)	(1,173)	3,037	69.9	Department store
4. Kochi Daimaru Co., Ltd.	2,319	(194)	(271)	(190)	300	100.0	Department store
5. Parco Co., Ltd.	33,933	2,916	(420)	(1,395)	34,367	100.0	Shopping complex Real estate
6. Parco (Singapore) Pte Ltd.	57	(3)	(3)	(4)	SGD 4M	100.0	Shopping complex
7. Neuve A Co., Ltd.	8,292	(517)	(1,279)	(1,286)	490	100.0	Specialty store
8. Parco Space Systems Co., Ltd.	13,267	380	246	190	490	100.0	Space engineering & management
9. Parco Digital Marketing Co., Ltd.	747	71	94	64	10	100.0	Internet-related business
10. Japan Retail Advisors Co., Ltd.	—	(0)	(0)	(0)	10	100.0	Real estate management Consulting
11. JFR Card Co., Ltd.	6,931	428	453	216	100	100.0	Credit and finance
12. Daimaru Kogyo, Ltd.	24,858	665	639	450	1,800	100.0	Wholesale
13. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	3,994	105	91	70	USD 2M	100.0	Wholesale
14. Daimaru Kogyo (Thailand) Co., Ltd.	214	0	0	3	THB 202M	99.9	Wholesale
15. Taiwan Daimaru Kogyo, Ltd.	113	(3)	(5)	(5)	NTD 60M	100.0	Wholesale
16. J. Front Design & Construction Co., Ltd.	20,222	922	924	596	100	100.0	Design & construction contracting
17. Dimples' Co., Ltd.	6,856	(189)	134	90	90	100.0	Staffing service
18. J. Front Foods Co., Ltd.	747	(253)	(428)	(429)	100	100.0	Restaurant
19. Consumer Product End-Use Research Institute Co., Ltd.	753	127	125	81	100	100.0	Merchandise test Quality control
20. Angel Park Co., Ltd.	656	281	285	210	400	50.2	Parking
21. JFR Service Co. Ltd.	6,564	257	285	204	100	100.0	Commissioned back-office service Leasing Parking management
22. JFR Information Center Co., Ltd.	5,320	273	276	191	10	100.0	Information service
23. Daimaru Matsuzakaya Sales Associates Co. Ltd.	4,415	506	66	46	90	100.0	Commissioned sales & store operations
24. Daimaru Matsuzakaya Tomonokai Co., Ltd.	130	(221)	(264)	172	100	100.0	Specified prepaid transaction service

Note: The Shimonoseki Daimaru, Inc. was merged into Daimaru Matsuzakaya Department Stores Co. Ltd. and renamed the "Daimaru Shimonoseki store" on March 1, 2020.

4. Components of SGA

(Millions of yen, %)

Component	Nine months ended November 30, 2020	YoY		Nine months ended November 30, 2019
		Amount	%	
Personnel expenses	36,451	(5,088)	(12.2)	41,539
Advertising expenses	5,847	(3,321)	(36.2)	9,168
Packing and transportation costs	1,772	(597)	(25.2)	2,369
Rental expenses	1,049	(705)	(40.2)	1,754
Depreciation	18,365	(4,870)	(21.0)	23,235
Operational costs	4,478	(2,331)	(34.2)	6,809
Other	26,995	(5,631)	(17.3)	32,626
Total	94,959	(22,544)	(19.2)	117,503

Note: Depreciation is included in cost of sales and other operating expenses as well as SGA.

Cost of sales: Nine months ended November 30, 2020: 14,629 million yen / Nine months ended November 30, 2019: 14,716 million yen

Other operating expenses: Nine months ended November 30, 2020: 5,394 million yen

5. Components of other operating income and other operating expenses

(Millions of yen)

Component	Nine months ended November 30, 2020	Nine months ended November 30, 2019	Remarks
Other operating income	4,871	7,692	
Gain on sale of fixed assets	0	2,719	PY: Mainly Daimaru Matsuzakaya Department Stores (underperforming rental real estate)
Compensation income	—	3,323	PY: Mainly redevelopment of Shibuya PARCO
Subsidies for employment adjustment	2,518	—	Mainly Daimaru Matsuzakaya Department Stores [1,148], Dimples' Co., Ltd. [356], Neuve A Co., Ltd. [193] and Parco Co., Ltd. [120]
Other	2,353	1,649	
Other operating expenses	25,246	8,259	
Loss on disposal of fixed assets	1,012	3,101	
Impairment losses	11,589	577	Mainly Daimaru Matsuzakaya Department Stores [9,742] and Parco Co., Ltd. [1,280]
Costs associated with temporary closure	11,456	—	Mainly Daimaru Matsuzakaya Department Stores [7,597] and Parco Co., Ltd. [2,496]
Other	1,187	4,580	

6. Components of finance income and finance costs and share of profit (loss) of investments accounted for using equity method

(Millions of yen)

Component	Nine months ended November 30, 2020	YoY	Nine months ended November 30, 2019
Finance income	773	(67)	840
Interest and dividend income	773	(67)	840
Finance costs	4,601	339	4,262
Interest expenses on borrowings and bonds	4,250	33	4,217
Other	350	305	45
Share of profit (loss) of investments accounted for using equity method	717	(560)	1,277

II. Daimaru Matsuzakaya Department Stores Non-consolidated Statements 【IFRS】

1. Business performance

(Millions of yen, %)

Item	Nine months ended November 30, 2020	YoY		Nine months ended November 30, 2019
		Amount	%	
1. Gross sales [Of which: real estate rental income]	299,515 [14,846]	(183,389) [(2,577)]	(38.0) [(14.8)]	482,904 [17,423]
2. Revenue	111,769	(74,524)	(40.0)	186,293
3. Gross profit	65,634	(43,497)	(39.9)	109,131
4. Gross margin	58.72%	Difference 0.14%		58.58%
5. SGA	67,211	(17,832)	(21.0)	85,043
6. Business profit	(1,577)	(25,665)	—	24,088
7. Operating profit	(17,596)	(38,969)	—	21,373
8. Profit before tax	(19,275)	(39,151)	—	19,876
9. Profit	(13,331)	(27,124)	—	13,793
10. Total assets [Of which: right-of-use assets]	493,837 [97,782]	(123,504) [(7,331)]		617,341 [105,113]
11. Equity	145,417	(47,744)		193,161
12. Equity ratio	29.4%	Difference (1.9)%		31.3%

Notes: 1. Gross sales are calculated by converting sales from *shoka shiire*, which are recognized as revenue under IFRS, into gross amount.
2. Business profit is calculated by subtracting cost of sales and SGA from revenue.
3. Results for the previous year in Items 10, 11 and 12 are figures at the end of the previous business year (February 29, 2020).
4. The Real Estate Business was transferred to Parco Co., Ltd. on September 1, 2020.

Reference

(Millions of yen, %)

Item	Nine months ended November 30, 2020				Nine months ended November 30, 2019	
	Department Store Business	YoY %	Real Estate Business	YoY %	Department Store Business	Real Estate Business
1. Gross sales [Of which: real estate rental income]	290,129 [5,494]	(38.2) [24.1]	9,539 [9,506]	(28.4) [(27.9)]	469,776 [4,426]	13,315 [13,185]
2. Revenue	102,363	(40.9)	9,539	(28.1)	173,212	13,266
3. Gross profit	61,240	(40.2)	4,528	(33.7)	102,492	6,825
4. Gross margin	59.83%	Difference 0.66	47.47%	Difference (3.98)	59.17%	51.45%
5. SGA	65,563	(21.3)	1,797	(4.4)	83,347	1,881
6. Business profit	(4,323)	—	2,730	(44.8)	19,145	4,944
7. Operating profit	(20,041)	—	2,446	(66.0)	14,184	7,189
8. Profit before tax	(21,395)	—	2,120	(65.6)	13,712	6,164

Notes: 1. Gross sales are calculated by converting sales from *shoka shiire*, which are recognized as revenue under IFRS, into gross amount.
2. Business profit is calculated by subtracting cost of sales and SGA from revenue.
3. The total of the Department Store Business and the Real Estate Business differs from the total of Daimaru Matsuzakaya Department Stores due to intersegment eliminations.
4. The Real Estate Business was transferred to Parco Co., Ltd. on September 1, 2020.

2. Summary of gross sales (Department Store)

(1) Sales by store

(Millions of yen, %)

<div> <div>Period</div> <div>Store</div> </div>		<div> <div>Nine months ended</div> <div>November 30, 2020</div> </div>	Share	YoY		<div> <div>Nine months ended</div> <div>November 30, 2019</div> </div>	Share
				Amount	%		
Daimaru	Osaka Shinsaibashi	27,756	9.6	(38,098)	(57.9)	65,854	14.0
	Osaka Umeda	26,047	9.0	(20,588)	(44.1)	46,635	10.0
	Tokyo	26,614	9.2	(32,118)	(54.7)	58,732	12.5
	Kyoto	32,272	11.1	(16,703)	(34.1)	48,975	10.4
	Kobe	39,293	13.5	(15,131)	(27.8)	54,424	11.6
	Suma	4,831	1.7	(929)	(16.1)	5,760	1.2
	Ashiya	2,251	0.8	(1,027)	(31.3)	3,278	0.7
	Sapporo	28,452	9.8	(18,497)	(39.4)	46,949	10.0
	Shimonoseki	5,686	1.9	5,686	—	—	—
	Yamashina	—	—	(413)	—	413	0.1
Matsuzakaya	Nagoya	59,268	20.4	(26,421)	(30.8)	85,689	18.2
	Ueno	19,854	6.9	(8,097)	(29.0)	27,951	6.0
	Shizuoka	10,246	3.5	(4,178)	(29.0)	14,424	3.1
	Takatsuki	4,071	1.4	(1,744)	(30.0)	5,815	1.2
	Toyota	3,483	1.2	(1,389)	(28.5)	4,872	1.0
Total		290,129	100.0	(179,647)	(38.2)	469,776	100.0
Excluding Shimonoseki and Yamashina		284,442	—	(184,921)	(39.4)	469,363	—
Excluding Shinsaibashi, Shimonoseki and Yamashina		256,686	—	(146,822)	(36.4)	403,508	—

- Notes: 1. The Daimaru Yamashina store closed on March 31, 2019.
2. The Shimonoseki Daimaru, Inc. was merged into Daimaru Matsuzakaya Department Stores Co. Ltd. and renamed the "Daimaru Shimonoseki store" on March 1, 2020.
3. The new main building of the Daimaru Shinsaibashi store opened on September 20, 2019. For this reason, the rental space of the Daimaru Shinsaibashi store increased compared to before.

(Reference) Total of product sales and tenant transaction volume of Shinsaibashi store

(Millions of yen, %)

Period Store		Nine months ended November 30, 2020	YoY		Nine months ended November 30, 2019
			Amount	%	
Daimaru	Osaka Shinsaibashi	35,201	(38,071)	(52.0)	73,272

Note: The total of product sales from *kaitori* (purchase on a no-return policy) and *shoka shiire* and transaction volume (sales) of tenants on a fixed-term lease is shown above.

(2) YoY change in monthly sales

(%)

Month	March	April	May	June	July	August
Total all stores	(43.4)	(78.0)	(72.8)	(28.1)	(24.8)	(28.1)
After adjustment	(40.9)	(76.3)	(71.8)	(25.8)	(22.2)	(25.6)

Month	September	October	November	Nine months ended November 30, 2020
Total all stores	(40.1)	(3.7)	(20.1)	(38.2)
After adjustment	(38.9)	(1.1)	(20.6)	(36.4)

Note: "After adjustment" is YoY percentage change after deducting this year's and previous year's actual sales of the Daimaru Shinsaibashi, Daimaru Shimonoseki and Daimaru Yamashina stores.

(3) Sales and gross margin ratio by merchandise category

(Millions of yen, %)

Merchandise category	Sales	YoY %	Share	Share PY	Gross margin ratio	YoY (Ratio)
Clothing	119,903	(37.4)	41.3	40.8	23.43	(1.39)
Accessories	16,394	(47.4)	5.7	6.6	27.53	(0.68)
General goods	52,812	(48.2)	18.2	21.7	24.08	(1.39)
Household goods	11,077	(38.2)	3.8	3.8	24.63	(0.02)
Foods	67,237	(29.9)	23.2	20.4	15.78	0.27
Other	22,702	(27.3)	7.8	6.7	25.00	4.70
Total	290,129	(38.2)	100.0	100.0	22.17	(0.81)

Sales by merchandise category (excluding Shinsaibashi, Shimonoseki and Yamashina stores)

(Millions of yen, %)

Merchandise category	Sales	YoY %	Share
Clothing	102,326	(37.3)	39.9
Accessories	15,447	(47.4)	6.0
General goods	44,355	(40.8)	17.3
Household goods	10,491	(34.3)	4.1
Foods	64,223	(29.9)	25.0
Other	19,841	(30.6)	7.7
Total	256,686	(36.4)	100.0

(4) Duty-free sales

(Millions of yen, %)

	Amount	YoY %	Sales share
Daimaru Osaka Shinsaibashi	606	(97.7)	2.2
Osaka Umeda	89	(97.8)	0.3
Tokyo	65	(97.3)	0.2
Kyoto	41	(98.7)	0.1
Kobe	147	(89.7)	0.4
Sapporo	49	(98.9)	0.2
Shimonoseki	0	—	0.0
Matsuzakaya Nagoya	151	(94.7)	0.3
Ueno	18	(97.7)	0.1
Shizuoka	3	(97.2)	0.0
Total	1,174	(97.5)	0.4

Note: Sales share is the duty-free sales percentage of total sales of each store.

(Reference) Duty-free transaction percentage of the total of product sales and tenant transaction volume at Shinsaibashi store

(Millions of yen, %)

	Amount	YoY %	Share of transaction volume
Daimaru Osaka Shinsaibashi	671	(97.5)	1.9

3. Components of SGA

(Millions of yen, %)

Component	Nine months ended November 30, 2020	YoY		Nine months ended November 30, 2019
		Amount	%	
Personnel expenses	15,711	1,178	8.1	14,533
Advertising expenses	4,690	(2,835)	(37.7)	7,525
Packing and transportation costs	1,379	(422)	(23.4)	1,801
Rental expenses	113	(239)	(67.8)	352
Depreciation	13,838	(4,075)	(22.7)	17,913
Operational costs	7,076	(1,717)	(19.5)	8,793
Other	24,401	(9,722)	(28.5)	34,123
Total	67,211	(17,832)	(21.0)	85,043

Notes: 1. Depreciation is included in cost of sales and other operating expenses as well as SGA.

Cost of sales: Nine months ended November 30, 2020: 4,239 million yen / Nine months ended November 30, 2019: 4,735million yen

Other operating expenses: Nine months ended November 30, 2020: 3,327 million yen / Nine months ended November 30, 2019: 155million yen.

2. The Real Estate Business was transferred to Parco Co., Ltd. on September 1, 2020.

4. Components of other operating income and other operating expenses

(Millions of yen)

Component	Nine months ended November 30, 2020	Nine months ended November 30, 2019	Remarks
Other operating income	2,721	3,739	
Gain on sale of fixed assets	—	2,391	PY:Underperforming rental real estate
Subsidies for employment adjustment	1,148	—	
Other	1,572	1,348	Gain on extinguishment of tie-in shares of Shimonoseki Daimaru, etc.
Other operating expenses	18,739	6,454	
Loss on disposal of fixed assets	744	2,665	Sales floor renovation, etc.
Impairment losses	9,742	—	Daimaru Umeda store and Matsuzakaya Toyota store
Costs associated with temporary closure	7,597	—	
Other	654	3,788	

5. Components of finance income and finance costs

(Millions of yen)

Component	Nine months ended November 30, 2020	YoY	Nine months ended November 30, 2019
Finance income	779	(267)	1,046
Interest and dividend income	779	(267)	1,046
Finance costs	2,458	(84)	2,542
Interest expenses	2,458	(84)	2,542

III. Parco Non-consolidated Statements 【IFRS】

1. Business performance

(Millions of yen, %)

Item	Nine months ended November 30, 2020	YoY		Nine months ended November 30, 2019
		Amount	%	
1. Gross sales	130,192	(84,407)	(39.3)	214,599
2. Revenue	33,933	(29,800)	(46.8)	63,733
3. Gross profit	10,023	(4,005)	(28.6)	14,028
4. SGA	7,107	136	1.9	6,971
5. Business profit	2,916	(4,141)	(58.7)	7,057
6. Operating profit	(420)	(10,364)	—	9,944
7. Profit before tax	(1,993)	(10,374)	—	8,381
8. Profit	(1,395)	(7,256)	—	5,861
9. Total assets	439,016	96,454		342,562
[Of which: right-of-use assets]	[82,012]	[(5,954)]		[87,966]
10. Equity	151,503	26,758		124,745
11. Equity ratio	34.5%	Difference (1.9)%		36.4%

- Notes: 1. Gross Sales is calculated by tenant transaction volume and real estate rental income.
2. Business profit is calculated by subtracting operating costs and SGA from revenue.
3. Results for the previous year in Items 9, 10, and 11 are figures at the end of the previous business year (February 29, 2020).
4. The Real Estate Business was transferred from Daimaru Matsuzakaya Department Stores Co. Ltd. on September 1, 2020.

2. Summary of tenant transaction volume

(1) Tenant transaction volume by store

			(Millions of yen, %)		
Store	Nine months ended November 30, 2020		Store	Nine months ended November 30, 2019	
	Amount	YoY %		Amount	YoY %
Sapporo PARCO	5,069	(45.3)	Shintokorozawa PARCO	5,749	(25.0)
Sendai PARCO	9,682	(34.5)	Tsudanuma PARCO	6,267	(30.8)
Urawa PARCO	15,330	(25.0)	Hibarigaoka PARCO	4,251	(27.1)
Ikebukuro PARCO	10,388	(48.3)	Matsumoto PARCO	2,628	(32.2)
PARCO_ya Ueno	2,364	(45.4)	Utsunomiya PARCO	—	—
Kichijoji PARCO	3,786	(48.4)	Kumamoto PARCO	—	—
Shibuya PARCO	8,202	191.4	Total community store group	18,896	(36.1)
Kinshicho PARCO	4,474	(33.4)	Total urban/community stores	126,742	(33.0)
Chofu PARCO	10,224	(25.5)	Total existing stores	118,270	(35.8)
Shizuoka PARCO	4,909	(32.6)	Notes: 1. Tenant transaction volume is the total amount of transactions conducted by tenants at Parco stores. 2. The main building of Shibuya PARCO opened on November 22, 2019. Utsunomiya PARCO and Kumamoto PARCO closed on May 31, 2019 and February 29, 2020, respectively. 3. Shinsaibashi PARCO opened on November 20, 2020. 4. Total existing stores does not include the main building of Shibuya PARCO, Shinsaibashi PARCO, Utsunomiya PARCO and Kumamoto PARCO.		
Nagoya PARCO	14,762	(41.4)			
Shinsaibashi PARCO	829	—			
Hiroshima PARCO	7,450	(33.0)			
Fukuoka PARCO	10,370	(37.0)			
Total urban store group	107,846	(32.4)			

(2) YoY change in monthly tenant transaction volume

										(%)
Month	March	April	May	June	July	August	September	October	November	Nine months ended Nov 30, 2020
Total all stores	(29.1)	(82.2)	(82.3)	(14.9)	(22.1)	(23.7)	(25.4)	0.3	(13.5)	(33.0)
Total existing stores	(31.8)	(82.2)	(81.8)	(18.2)	(25.2)	(27.8)	(29.5)	(5.1)	(16.4)	(35.8)

(3) Tenant transaction volume by merchandise category (existing stores)

Merchandise category	YoY %
Womenswear	(38.9)
Menswear	(41.2)
General clothing	(34.3)
Total clothing	(37.2)
Shoes	(39.0)
Bags	(49.6)
Jewelry	(38.4)
Cosmetics	(29.3)
Total accessories	(35.3)
General goods	(22.8)
Foods	(6.4)
Restaurants	(43.6)
Other	(58.6)
Total	(35.8)

(4) Number of paying customers and average spend per customer (existing stores)

Category	YoY %
Number of paying customers	(30.8)
Average spend per customer	(7.2)

(5) Credit card (existing stores)

(Millions of yen, %)			
Category	Transaction volume	YoY %	Share of transaction volume
Credit card	57,689	(31.1)	48.8
Parco card	18,991	(44.2)	16.1

(6) Renovation

Number of sections	168
Renovated area (m ²)	22,000
YoY change in zone transaction volume (%)	0.3

(7) Duty-free tenant transaction percentage of main stores

(%)

	YoY	Share	YoY change in share
Sapporo PARCO	(97.3)	0.6	(11.9)
Ikebukuro PARCO	(76.8)	1.8	(2.2)
Nagoya PARCO	(90.4)	0.4	(1.8)
Fukuoka PARCO	(90.8)	0.6	(3.2)
Total existing stores	(88.2)	0.4	(1.7)

Notes: 1. Duty-free tenant transaction volume is calculated by totaling purchases via foreign-issued credit cards and Chinese mobile payments.

2. Total existing stores does not include the main building of Shibuya PARCO, Shinsaibashi PARCO, Utsunomiya PARCO and Kumamoto PARCO.

3. Components of operating costs

(Millions of yen, %)

Component	Nine months ended November 30, 2020	YoY		Nine months ended November 30, 2019
		Amount	%	
Personnel expenses	1,014	(308)	(23.3)	1,322
Rent expenses on land and buildings	808	(89)	(9.9)	897
Advertising expenses	2,071	(1,805)	(46.6)	3,876
Outsourcing expenses	3,308	(107)	(3.1)	3,415
Depreciation	9,393	(204)	(2.1)	9,597
Utilities expenses	2,412	(439)	(15.4)	2,851
Repair expenses	1,413	185	15.1	1,228
Other	3,486	(23,029)	(86.9)	26,515
Total	23,910	(25,794)	(51.9)	49,704

Notes: 1. The Real Estate Business was transferred from Daimaru Matsuzakaya Department Stores Co. Ltd. on September 1, 2020.

2. Depreciation is included in SGA and other operating expenses as well as operating costs.

Other operating expenses: Nine months ended November 30, 2020: 1,580 million yen

4. Components of SGA

(Millions of yen, %)

Component	Nine months ended November 30, 2020	YoY		Nine months ended November 30, 2019
		Amount	%	
Personnel expenses	2,936	(35)	(1.2)	2,971
Rent expenses on land and buildings	46	(41)	(46.6)	87
Advertising expenses	108	(60)	(35.3)	168
Outsourcing expenses	1,157	273	30.8	884
Depreciation	916	(21)	(2.2)	937
Taxes and dues	480	94	24.5	386
Other	1,459	(76)	(5.0)	1,535
Total	7,107	136	1.9	6,971

Note: The Real Estate Business was transferred from Daimaru Matsuzakaya Department Stores Co. Ltd. on September 1, 2020.

5. Components of other operating income and other operating expenses

(Millions of yen)

Component	Nine months ended November 30, 2020	Nine months ended November 30, 2019	Remarks
Other operating income	992	3,655	
Gain on sale of fixed assets	0	297	
Subsidies for employment adjustment	120	—	
Other	872	3,357	PY: Redevelopment of Shibuya PARCO compensation income
Other operating expenses	4,329	768	
Loss on disposal of fixed assets	335	386	Partial removal/disposal of assets due to in-store renovation and facility replacement at stores
Impairment losses	1,280	327	Matsumoto PARCO, etc.
Costs associated with temporary closure	2,496	—	
Other	217	54	

6. Components of finance income and finance costs

(Millions of yen)

Component	Nine months ended November 30, 2020		Nine months ended November 30, 2019
		YoY	
Finance income	446	52	394
Interest and dividend income	446	52	394
Finance costs	2,019	62	1,957
Interest expenses	2,019	62	1,957