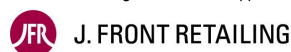


## Financial Results for First Quarter of Fiscal Year Ending February 29, 2020

<Reference data>

June 28, 2019

Create and Bring to Life "New Happiness."



### 1Q FY2019 Consolidated Results (IFRS)



- ▶ Revenue increased in all business segments including Department Store, Parco, Real Estate and Credit and Finance
- ▶ Business profit increased due to growth of gross profit caused by revenue growth but operating profit decreased due to increase in other expense
- ▶ Consolidated performance is generally as planned and Apr forecast is kept unchanged

(Millions of yen, %)

Fiscal year ending February 29, 2020	1Q			1H		
	Results	YoY		Apr forecast	YoY	
		Change	% change		Change	% change
Gross sales	274,002	4,123	1.5	557,000	9,891	1.8
Revenue	112,482	1,409	1.3	229,000	1,794	0.8
Gross profit	52,167	422	0.8	106,300	1,350	1.3
SGA	39,691	242	0.6	82,300	1,622	2.0
Business profit	12,476	181	1.5	24,000	(271)	(1.1)
Other operating income	827	(156)	(15.9)	1,100	(554)	(33.5)
Other operating expense	509	229	81.8	1,500	(207)	(12.2)
Operating profit	12,822	(204)	(1.6)	23,600	(618)	(2.6)
Profit attributable to owners of parent	7,447	(895)	(10.7)	13,800	(2,110)	(13.3)

# 1Q FY2019 Segment Information (IFRS)

- ▶ Department Store: Revenue increased but profit decreased due to lower margin and increased system cost
- ▶ Parco: Revenue and profit increased due to opening of Kinshicho Parco and renovation of existing stores
- ▶ Real Estate: Revenue and profit increased due to strong performance of Ginza Six and transfer of tenants around Kobe store to this segment
- ▶ Other: Driven by J. Front Design & Construction (design & construction business) that performed well with renovation of department stores, etc.

(Millions of yen, %)

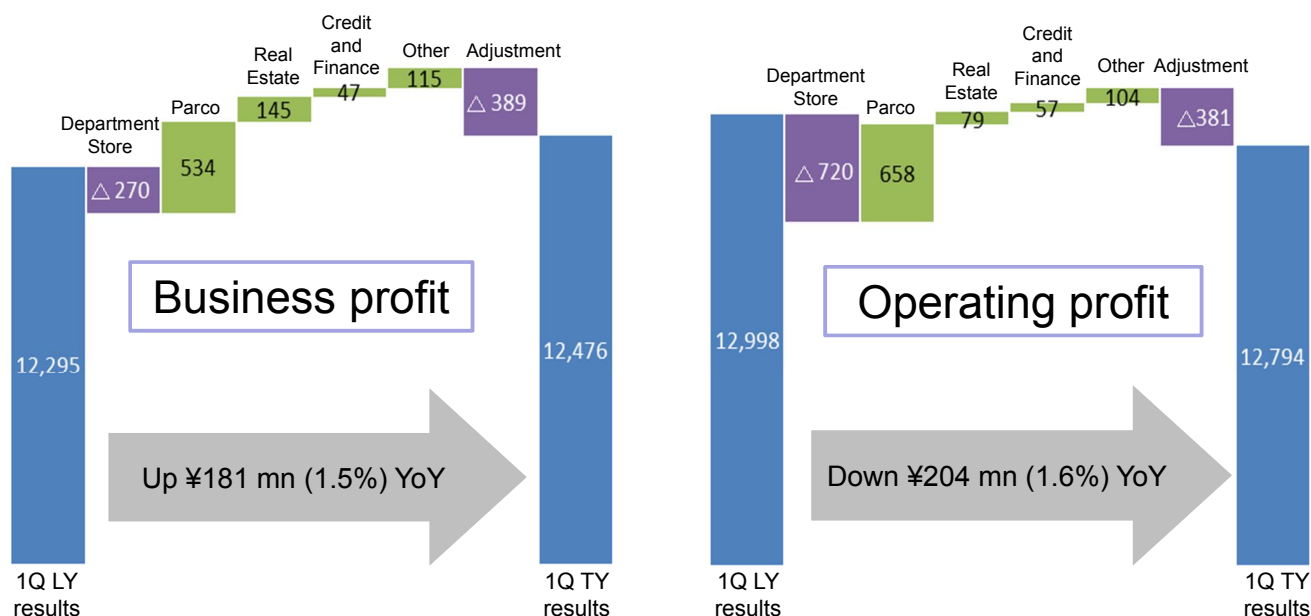
First quarter of fiscal year ending February 29, 2020	Business profit			Operating profit		
	Results	YoY		Results	YoY	
		Change	% change		Change	% change
Department Store	6,404	(270)	(4.0)	6,130	(720)	(10.5)
Parco	2,817	534	23.4	3,408	658	23.9
Real Estate	1,710	145	9.2	1,686	79	4.9
Credit and Finance	781	47	6.4	795	57	7.7
Other	848	115	15.7	829	104	14.3
<b>Total</b>	<b>12,476</b>	<b>181</b>	<b>1.5</b>	<b>12,794</b>	<b>(204)</b>	<b>(1.6)</b>

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# 1Q FY2019 Segment Information (IFRS)

1Q (Mar - May) FY201 analysis of changes in consolidated business profit / operating profit by segment

(Millions of yen)



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- ▶ Department Store sales increased in Mar, Apr and May, driven by continued robust spending by inbound tourists
- ▶ Real Estate revenue increased due to strong performance of Ginza Six and Ueno Frontier Tower and transfer of tenants around Kobe store
- ▶ Business profit decreased due to lower margin and increased system cost of Department Store but Real Estate Business increased profit

(Millions of yen, %)

First quarter of fiscal year ending February 29, 2020	Department Store Business			Real Estate Business			Total Daimaru Matsuzakaya Department Stores		
	Results	YoY		Results	YoY		Results	YoY	
		Change	% change		Change	% change		Change	% change
Gross sales	158,479	321	0.2	4,456	265	6.3	162,875	585	0.4
Revenue	59,205	239	0.4	4,421	278	6.7	63,566	516	0.8
Gross profit	34,433	(275)	(0.8)	2,354	156	7.1	36,727	(15)	(0.0)
SGA	28,594	(1)	(0.0)	644	12	1.8	29,179	116	0.4
Business profit	5,838	(275)	(4.5)	1,710	145	9.2	7,548	(130)	(1.7)
Other operating income	92	(197)	(68.2)	1	(57)	(96.6)	94	(253)	(73.0)
Other operating expense	323	200	162.6	26	9	50.4	349	209	148.6
Operating profit	5,606	(672)	(10.7)	1,686	79	4.9	7,292	(593)	(7.5)

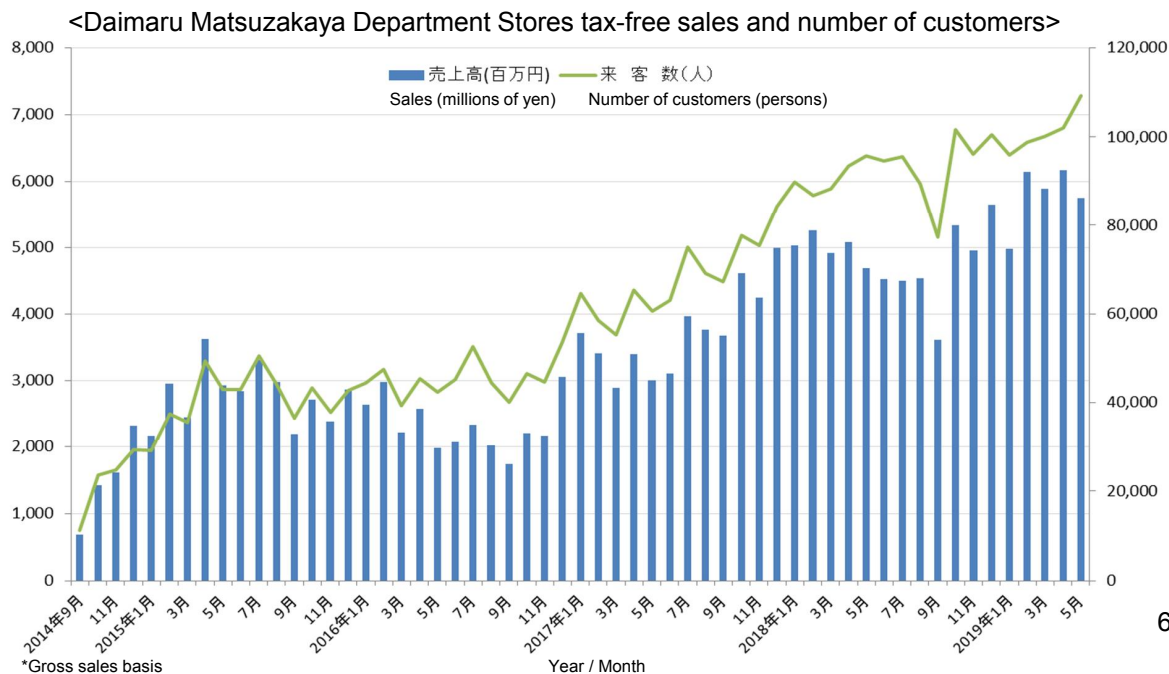
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 1Q FY2019 Daimaru Matsuzakaya Department Stores SGA  J. FRONT RETAILING

- ▶ In spite of reduction of personnel cost and significant decrease in rent due to application of IFRS 16, cost increased due to increased system cost for payment processing in front of customers and increased promotion cost for strengthening CRM

1Q (Mar - May) of fiscal year ending February 29, 2020	Results (Millions of yen)	Change (Millions of yen)	Change (%)	Main causes of changes
Personnel	6,220	(137)	(2.1)	Attrition, etc.
Advertising	2,495	226	9.9	Strengthening of new customer strategy tool, strengthening of cultural events, etc.
Packing and delivery	419	61	17.1	Rise in logistics cost
Rent	119	(4,045)	(97.1)	Mainly effect of IFRS 16
Depreciation	5,508	3,393	160.4	Mainly effect of IFRS 16
Operation	3,168	798	33.7	Increased system cost for payment processing in front of customers
Other	11,246	(182)	(1.6)	
Total	29,179	116	0.4	

- ▶ Tax-free sales in 1Q (Mar - May): ¥17.7 bn, up 21.2% YoY, keeping a high level
- ▶ Sales share 11.2%, Q's first double digit. Number of customers up 12.1%.  
Average spend per customer up 8.1%
- ▶ Sales of consumables, mainly cosmetics, up 30%, share 56.9% (up 4.9 points YoY)



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## <Reference> Application of new accounting standards (IFRS 16)

The Group recognized right-of-use assets and lease liabilities at the date of initial application for leases that it previously classified as operating leases under IAS 17. The lease liabilities are measured at the present value of outstanding lease payments discounted using the lessee's incremental borrowing rate at the date of initial application. The right-of-use assets are measured retrospectively as if IFRS 16 had been applied since the commencement date of the lease contract.

As a result, in the consolidated statement of financial position on the initial application date, assets and liabilities increased by 210,600 million yen and 225,200 million yen, respectively, and equity decreased by 14,500 million yen. In the consolidated statement of profit or loss for fiscal year 2019, operating profit increased by approximately 4,600 million yen compared to former standards before application of IFRS 16, but its impact on profit is expected to be immaterial. Compared to former standards, cash flows from operating activities are expected to increase by approximately 28,000 million yen and cash flows from financing activities are expected to decrease by the same amount in fiscal year 2019.

Website

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

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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.