

October 8, 2024

## Consolidated Financial Results for the First Six Months of the Fiscal Year Ending February 28, 2025 (under IFRS)

Company name: **J. FRONT RETAILING Co., Ltd.**

Listing: Tokyo Stock Exchange and Nagoya Stock Exchange

Securities code: 3086

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Scheduled date to file Semi-annual Securities Report:

October 10, 2024

Scheduled date to commence dividend payments:

November 12, 2024

Preparation of supplementary material on financial results:

Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated performance for the first six months of the fiscal year ending February 28, 2025 (from March 1, 2024 to August 31, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Gross sales		Sales revenue		Business profit		Operating profit		Profit before tax	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2024	610,469	13.0	209,368	9.3	32,476	60.8	39,364	100.0	38,263	103.5
August 31, 2023	540,132	16.4	191,634	13.3	20,197	48.2	19,684	48.7	18,804	53.8

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Six months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
August 31, 2024	29,094	125.5	29,917	102.3	111.86	111.79
August 31, 2023	12,900	27.0	14,788	43.4	49.19	49.15

- \* 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 expense from sales revenue. Operating profit is obtained by adding other operating income to and subtracting other operating expenses from business profit.

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
August 31, 2024	1,105,065	408,909	395,276	35.8	1,542.40
February 29, 2024	1,114,726	394,232	381,898	34.3	1,453.71

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 29, 2024	—	16.00	—	20.00	36.00
Fiscal year ending February 28, 2025	—	22.00			
Fiscal year ending February 28, 2025 (Forecast)			—	22.00	44.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Percentages indicate year-on-year changes.)

	Gross sales		Sales revenue		Business profit		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending February 28, 2025	1,250,000	8.5	437,000	7.4	52,000	17.3	52,000	20.8	50,000	20.9

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending February 28, 2025	36,500	22.0	140.33

Note: Revisions to the consolidated earnings forecasts most recently announced: None

\* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates

- a. Changes in accounting policies required by IFRS: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None

(3) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2024	270,565,764 shares
As of February 29, 2024	270,565,764 shares

b. Number of treasury shares at the end of the period

As of August 31, 2024	14,291,651 shares
As of February 29, 2024	7,858,962 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the six months ended August 31, 2024	260,097,571 shares
For the six months ended August 31, 2023	262,251,040 shares

**\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.**

**\* Proper use of earnings forecasts, and other special matters**

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors. Please refer to “1. Qualitative information regarding results for the first six months (3) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 7 of the material attached to this semi-annual financial results report for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(How to obtain supplementary material on financial results)

Supplementary material on financial results was disclosed on the same day on TDnet.

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# 1. Qualitative information regarding results for the first six months

## (1) Explanation of operating results

(Millions of yen, %)	Six months ended August 31, 2024 (from March to August)			
	Results	Year-on-year changes		Against June announced figures
		Change in amount	Change in percentage	Change in amount
Gross sales	610,469	70,337	13.0	14,469
Sales revenue	209,368	17,734	9.3	2,368
Gross profit	108,446	15,064	16.1	3,246
Selling, general and administrative expense	75,970	2,785	3.8	270
Business profit	32,476	12,279	60.8	2,976
Other operating income	8,906	7,089	390.1	8,406
Other operating expenses	2,018	(311)	(13.4)	(982)
Operating profit	39,364	19,680	100.0	12,364
Profit attributable to owners of parent	29,094	16,194	125.5	11,094

In the six months ended August 31, 2024 (from March 1, 2024 to August 31, 2024), reflecting brisk sales from inbound tourists as well as firm domestic sales, consolidated sales revenue was ¥209,368 million, up 9.3% year on year, business profit was ¥32,476 million, up 60.8% year on year, and profit attributable to owners of parent was ¥29,094 million, up 125.5% year on year, with each level of profit setting a new record high.

Against June announced figures, business profit increased, mainly in the Department Store Business and the Shopping Center Business (SC business), due to factors such as an increase in sales revenue, mainly from inbound tourists. In addition, operating profit and profit attributable to owners of parent increased due mainly to the recording of a gain on step acquisitions associated with the acquisition of shares in Shinsaibashi Kyodo Center Building, K.K. (to make it a subsidiary).

During the six months ended August 31, 2024, the Japanese economy showed signs of a gradual recovery due to strong inbound consumption, as well as steady personal consumption on the back of an improvement in employment and income conditions, among other factors. Meanwhile, we recognize that we need to continue keeping a close eye on the risk of downward pressure on domestic spending and inbound consumption due mainly to the outlook for domestic and overseas economies, including interest rate and exchange rate fluctuations, as well as prolonged rising prices.

In this operating environment, and with a new management structure in place, we have kicked off the next Medium-term Business Plan (FY2024–FY2026) with a view to the year 2030. In this Medium-term Business Plan, we have positioned this period as a phase of change with a view to the year 2030 and are focusing on further strengthening the retail businesses, particularly the Department Store Business and the SC Business, evolving Group synergies to realize dramatic growth, and strengthening the Group's management foundation to enhance the effectiveness of these strategies.

As part of efforts to further strengthen the retail businesses, in the Department Store Business, we have promoted the renovation of the Nagoya store to cultivate loyalty among existing customers and attract next-generation customers, mainly to further improve the store's competitive superiority in the Nagoya area, which is positioned as a key area. The store is scheduled to reopen floor by floor starting in November 2024. In addition, we have decided to make Shinsaibashi Kyodo Center Building, K.K. a wholly owned subsidiary in order to promote the strengthening of our area strategies in Shinsaibashi. In the SC Business, we carried out strategic remodeling at key stores such as Nagoya PARCO, where we aim to bring together the Tokai area's greatest concentration of fashion and entertainment, and also worked to broaden anime and subculture in which PARCO excels, such as by opening restaurants that appear in a popular manga series at flagship stores. Also, aiming to strengthen our market strategies for the overseas customer base, in addition to working to encourage customers residing overseas to become app members and to strengthen partnerships with overseas companies, we entered into a comprehensive business alliance for customer referrals with a subsidiary of WealthPark Co., Ltd. Our CVC (corporate venture capital) fund invests in WealthPark Co., Ltd., which operates a global platform for alternative investments, such as real estate, art, and wine.

As part of efforts to evolve Group synergies, in the Developer Business, in conjunction with carrying out strategic remodeling in the retail businesses aimed at maximizing area synergies, we continued to develop The Landmark Nagoya Sakae and a commercial complex in Osaka's Shinsaibashi area, which are slated to open in 2026, and pressed ahead with development plans for Fukuoka's Tenjin area for a scheduled opening in 2030. Also, for the purpose of seeking solutions to the business succession challenges of local communities and contributing to regional economies and discovering appealing regional content, in March we set up a business succession fund in partnership with other companies. In addition, with the aim of strengthening and unifying the interior design business and building management business, we decided to restructure the businesses in the Group. In the Payment and Finance Business, we continue to consolidate card issuance operations within the Group, and in April we commenced the issuance of the new GINZA SIX card.

As part of efforts to strengthen the Group's management foundation, in addition to restructuring businesses and functions, we carried out such initiatives as introducing a common accounting system for the entire Group as well as integrating groupware. We also implemented some changes to our corporate governance so that in addition to the chairpersons of the existing three statutory committees, the chairperson of the Board of Directors will be an independent Outside Director. As part of our financial strategy, with the aim of improving medium- to long-term return on equity and optimizing equity capital, we purchased a total of ¥10 billion of treasury shares between May and July. In addition, in light of the upward revision of the earnings forecasts for the current fiscal year, we have raised our interim and year-end dividend forecasts from ¥20 per share to ¥22 per share, respectively.

Business results by segment are as follows.

Due to the review of the business management classification, PARCO Digital Marketing Co., Ltd. was removed from the Developer Business and included in the SC Business on March 1, 2024. As a result, results have been retroactively adjusted as if the transfer took place at the beginning of the fiscal year ended February 29, 2024 (as of March 1, 2023).

#### <Department Store Business>

(Millions of yen, %)	Six months ended August 31, 2024 (from March to August)			
	Results	Year-on-year changes		Against June announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	127,293	14,907	13.3	293
Business profit	20,154	8,477	72.6	1,654
Operating profit	19,449	9,343	92.4	1,749

With regard to the performance of the Department Store Business in the six months ended August 31, 2024, sales revenue was ¥127,293 million, up 13.3% year on year, business profit was ¥20,154 million, up 72.6% year on year, and operating profit was ¥19,449 million, up 92.4% year on year.

By store, sales to inbound tourists were brisk at the Shinsaibashi and Kyoto stores, while the performance of major stores was strong, including the Kobe and Sapporo stores, which strategically renovated their sales floors under the previous Medium-term Business Plan, and the Tokyo and Umeda stores, which are located at a terminal site. These factors drove the overall performance.

Against June announced figures, sales revenue and each item of profit increased due to the effect of strategies and measures, such as the response to a strong affluent market, in addition to sales from inbound tourists growing significantly.

As part of efforts to implement key strategies based on our Medium-term Business Plan, we worked to enhance content for the premium and aspirational consumer group by strengthening and revamping luxury brands and other core categories, primarily at flagship stores. Specifically, we introduced new brands at the Kyoto store and renewed our core brands at the Kobe store, among other efforts. Additionally, we have been promoting the renovation of the Nagoya store with the aim of enhancing content that is unique to the Company. In addition to our existing customers, we aim to attract new customer groups, such as young affluent consumers. To this end, we plan to expand our focus categories

such as luxury brands and art while reducing our women's fashion offerings. The first phase of the renewed store is scheduled to open in November of this year. Moreover, in addition to increasing the attractiveness of these stores, we promoted initiatives for the digitization of touchpoints for domestic customers and customers residing overseas through the Daimaru Matsuzakaya App in order to build a strong relationship with customers.

In July of this year, we made a decision to convert Shinsaibashi Kyodo Center Building, K.K. an equity-method associate, into a wholly owned subsidiary of Daimaru Matsuzakaya Department Stores Co. Ltd. The Shinsaibashi area is expected to further develop and become more attractive due to the increase in the number of local customers and inbound visitors, as well as Osaka's initiative to convert a portion of the sidewalks along Midosuji Avenue into a pedestrian space, etc. By making the company a wholly owned subsidiary, we will work to formulate a business plan with a high degree of freedom for our area strategies in Shinsaibashi.

#### <SC Business>

(Millions of yen, %)	Six months ended August 31, 2024 (from March to August)			
	Results	Year-on-year changes		Against June announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	31,811	3,438	12.1	711
Business profit	7,836	2,970	61.0	1,136
Operating profit	7,118	1,337	23.1	2,318

With regard to the performance of the SC Business in the six months ended August 31, 2024, sales revenue was ¥31,811 million, up 12.1% year on year, business profit was ¥7,836 million, up 61.0% year on year, and operating profit was ¥7,118 million, up 23.1% year on year.

In addition to the growth in inbound transaction volume, domestic transaction volume also increased due mainly to the renovation of flagship stores and stronger promotions at each store, resulting in increased sales revenue and profit.

Against June announced figures, sales revenue increased due to higher tenant transaction volume and strong performance of the entertainment business. Combined with a reduction in selling, general, and administrative expenses, this resulted in an increase in both business profit and operating profit.

To enhance charm of customer touchpoints, which is one of the key strategies of the Medium-term Business Plan, we promoted renovations under the key themes of expanding international and Japan modes, as well as pop culture shops. We also introduced cutting-edge fashion brands, and created pop culture zones in our flagship stores. In the second half of the fiscal year, we plan to renovate Nagoya PARCO based on the themes of the Tokai area's most sophisticated "fashion" and diverse "entertainment."

To expand the contents business, we opened restaurants that appear in a popular manga series at Nagoya PARCO and Shibuya PARCO.

Moreover, in April, PARCO CO., LTD. signed a basic agreement on a strategic alliance with Hyundai, a major department store chain in South Korea. Following this, a pop-up event was held at Shibuya PARCO to attract a new customer base, particularly the MZ generations. The collaboration will do more than facilitate the sale of Korean fashion brands and entertainment in Japan; we also aim to disseminate Japanese fashion and culture globally, particularly to Asia through Seoul.

### <Developer Business>

(Millions of yen, %)	Six months ended August 31, 2024 (from March to August)			
	Results	Year-on-year changes		Against June announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	37,013	3,774	11.4	3,613
Business profit	4,210	2,218	111.3	210
Operating profit	4,176	1,944	87.1	276

With regard to the performance of the Developer Business in the six months ended August 31, 2024, sales revenue was ¥37,013 million, up 11.4% year on year, business profit was ¥4,210 million, up 111.3% year on year, and operating profit was ¥4,176 million, up 87.1% year on year.

Recording a gain on the sale of properties held by J. Front City Development Co., Ltd., and an increase in orders for the hotel interior finishing and construction at Front Design & Construction Co., Ltd. led to higher sales revenue and profit.

Against June announced figures, both business profit and operating profit increased due to an increase in gross profit and the curbing of selling, general, and administrative expenses.

As part of efforts to implement key strategies, in the development of the Company's seven key areas, we have steadily promoted the "Nishiki 3-25 District Project (tentative name) (Nagoya)" and the "Shinsaibashi project (tentative name) (Shinsaibashi, Osaka)," both of which are scheduled for completion and opening in FY2026. The building name for the "Nishiki 3-25 District Project (tentative name)" has been decided as "The Landmark Nagoya Sakae." In addition, for the "Tenjin 2-chome South Block Station-front East West Street Area Project (tentative name)," which is slated for opening in or after 2030, we have established the Fukuoka Tenjin Area Development Promotion Division within the holding company, in addition to J. Front City Development Co., Ltd., and we will advance the project across the entire Group.

### <Payment and Finance Business>

(Millions of yen, %)	Six months ended August 31, 2024 (from March to August)			
	Results	Year-on-year changes		Against June announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	6,489	(244)	(3.6)	(11)
Business profit	1,062	(502)	(32.1)	162
Operating profit	900	(602)	(40.1)	100

With regard to the performance of the Payment and Finance Business in the six months ended August 31, 2024, sales revenue was ¥6,489 million, down 3.6% year on year, business profit was ¥1,062 million, down 32.1% year on year, and operating profit was ¥900 million, down 40.1% year on year.

Sales revenue decreased partly due to an increase in point cost associated with an increase in points awarded, etc., despite higher revenue from affiliated store fees due to a growth in transaction volume. In selling, general, and administrative expenses, investment for the consolidation of Group cards and personnel expenses related to the hiring of human resources increased. As a result, business profit and operating profit both decreased.

Against June announced figures, both business profit and operating profit increased due to efforts to curb selling, general, and administrative expenses despite a decrease in sales revenue.

As part of efforts to implement key strategies, we worked to expand the number of card members and promote usage through collaboration with the Department Store Business. In addition, with the aim of expanding our base of new customers, we started issuing the new GINZA SIX card as the first step in our efforts to consolidate the Group's cards, and are working to expand the number of members. In the Affiliated Store Business, we worked to promote the referral of customers especially in Nagoya's Sakae area by increasing the number of affiliates among third-party-operated facilities that have newly opened,



and took other measures to expand external affiliates in key areas. In July, we conducted our first area campaign in the Nagoya area. Also, to combat the unauthorized use of credit cards plaguing the industry, we introduced such measures as multi-factor authentication and one-time passwords for our online services.

**(2) Explanation of financial position**  
**(Position of assets, liabilities, and equity)**

(Millions of yen, %)	As of February 29, 2024	As of August 31, 2024	Change in amount
Current assets	246,501	231,609	(14,892)
Non-current assets	868,225	873,455	5,230
Total assets	1,114,726	1,105,065	(9,661)
Current liabilities	331,261	334,585	3,324
Non-current liabilities	389,232	361,570	(27,662)
Total liabilities	720,494	696,156	(24,338)
Equity attributable to owners of parent	381,898	395,276	13,378
Ratio of equity attributable to owners of parent to total assets	34.3	35.8	1.5
Total equity	394,232	408,909	14,677

Total assets as of August 31, 2024 was ¥1,105,065 million, a decrease of ¥9,661 million compared with February 29, 2024. Total liabilities was ¥696,156 million, a decrease of ¥24,338 million compared with February 29, 2024. Total equity was ¥408,909 million, an increase of ¥14,677 million compared with February 29, 2024.

**(Cash flow position)**

(Millions of yen)	Six months ended August 31, 2023	Six months ended August 31, 2024	Change in amount
Net cash flows from (used in) operating activities	37,065	48,982	11,917
Net cash flows from (used in) investing activities	(671)	(9,970)	(9,299)
Free cash flows	36,393	39,011	2,618
Net cash flows from (used in) financing activities	(28,544)	(51,071)	(22,527)
Net increase (decrease) in cash and cash equivalents	7,849	(12,059)	(19,908)
Cash and cash equivalents at end of period	47,824	59,411	11,587

The balance of cash and cash equivalents (hereinafter “cash”) as of August 31, 2024 amounted to ¥59,411 million, down ¥11,931 million compared with February 29, 2024 (¥71,342 million).

Cash flow positions in the six months ended August 31, 2024 and the factors for these were as follows.

**a. Net cash flows from (used in) operating activities**

Net cash provided by operating activities was ¥48,982 million. In comparison with the six months ended August 31, 2023, cash provided increased by ¥11,917 million, mainly due to an increase in profit before tax.

**b. Net cash flows from (used in) investing activities**

Net cash used in investing activities was ¥9,970 million. In comparison with the six months ended August 31, 2023, cash used increased by ¥9,299 million, largely reflecting purchase of shares of subsidiaries resulting in change in scope of consolidation.

**c. Net cash flows from (used in) financing activities**

Net cash used in financing activities was ¥51,071 million. In comparison with the six months ended August 31, 2023, cash used increased by ¥22,527 million mainly due to redemption of bonds and purchase of treasury shares.

**(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

The consolidated earnings forecasts are unchanged from the forecasts for the fiscal year ending February 28, 2025 announced on September 24, 2024.

## 2. Condensed semi-annual consolidated financial statements and significant notes thereto

### (1) Condensed semi-annual consolidated statement of financial position

	As of February 29, 2024	As of August 31, 2024
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	71,342	59,411
Trade and other receivables	143,321	144,729
Other financial assets	11,439	9,564
Inventories	15,193	12,748
Other current assets	5,203	5,156
Total current assets	246,501	231,609
Non-current assets		
Property, plant and equipment	458,623	471,020
Right-of-use assets	107,623	98,583
Goodwill	560	6,799
Investment property	181,985	179,157
Intangible assets	7,886	8,166
Investments accounted for using equity method	23,531	22,118
Other financial assets	72,034	72,043
Deferred tax assets	3,636	3,615
Other non-current assets	12,343	11,950
Total non-current assets	868,225	873,455
Total assets	1,114,726	1,105,065

	As of February 29, 2024	As of August 31, 2024
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	57,330	56,830
Trade and other payables	151,230	150,666
Lease liabilities	27,222	27,433
Other financial liabilities	28,362	28,393
Income tax payables	7,183	9,978
Provisions	2,487	3,733
Other current liabilities	57,445	57,551
Total current liabilities	331,261	334,585
Non-current liabilities		
Bonds and borrowings	156,618	136,674
Lease liabilities	123,228	111,221
Other financial liabilities	34,798	34,071
Retirement benefit liabilities	15,980	16,199
Provisions	6,746	5,966
Deferred tax liabilities	51,439	56,992
Other non-current liabilities	419	443
Total non-current liabilities	389,232	361,570
Total liabilities	720,494	696,156
Equity		
Capital	31,974	31,974
Share premium	189,172	187,771
Treasury shares	(14,231)	(23,977)
Other components of equity	7,383	7,988
Retained earnings	167,600	191,519
Total equity attributable to owners of parent	381,898	395,276
Non-controlling interests	12,333	13,632
Total equity	394,232	408,909
Total liabilities and equity	1,114,726	1,105,065

**(2) Condensed semi-annual consolidated statement of profit or loss**

	Six months ended August 31, 2023	Six months ended August 31, 2024
	Millions of yen	Millions of yen
Sales revenue	191,634	209,368
Cost of sales	(98,251)	(100,921)
Gross profit	93,382	108,446
Selling, general and administrative expense	(73,185)	(75,970)
Other operating income	1,817	8,906
Other operating expenses	(2,329)	(2,018)
Operating profit	19,684	39,364
Finance income	505	424
Finance costs	(2,358)	(2,146)
Share of profit (loss) of investments accounted for using equity method	973	621
Profit before tax	18,804	38,263
Income tax expense	(5,792)	(9,017)
Profit	13,012	29,245
Profit attributable to:		
Owners of parent	12,900	29,094
Non-controlling interests	111	150
Profit	13,012	29,245
Earnings per share		
Basic earnings per share (Yen)	49.19	111.86
Diluted earnings per share (Yen)	49.15	111.79

**(3) Condensed semi-annual consolidated statement of comprehensive income**

	Six months ended August 31, 2023	Six months ended August 31, 2024
	Millions of yen	Millions of yen
Profit	13,012	29,245
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,690	546
Share of other comprehensive income of entities accounted for using equity method	(75)	0
Total items that will not be reclassified to profit or loss	1,615	546
Items that may be reclassified to profit or loss		
Cash flow hedges	20	(53)
Exchange differences on translation of foreign operations	139	181
Share of other comprehensive income of entities accounted for using equity method	1	(2)
Total items that may be reclassified to profit or loss	161	125
Other comprehensive income, net of tax	1,776	671
Comprehensive income	14,788	29,917
Comprehensive income attributable to:		
Owners of parent	14,670	29,767
Non-controlling interests	118	150
Comprehensive income	14,788	29,917

#### (4) Condensed semi-annual consolidated statement of changes in equity

Six months ended August 31, 2023

	Equity attributable to owners of parent					
	Other components of equity					Financial assets measured at fair value through other comprehensive income
	Capital	Share premium	Treasury shares	Exchange differences on translation of foreign operations	Cash flow hedges	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2023	31,974	189,068	(14,466)	209	(2)	10,448
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	140	20	1,684
Total comprehensive income	—	—	—	140	20	1,684
Purchase of treasury shares	—	—	(3)	—	—	—
Disposal of treasury shares	—	(1)	1	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(50)	240	—	—	—
Change due to capital increase of consolidated subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	(61)
Total transactions with owners	—	(52)	238	—	—	(61)
Balance at August 31, 2023	31,974	189,016	(14,227)	350	17	12,071

	Equity attributable to owners of parent					
	Other components of equity			Non-controlling interests	Total	
	Remeasurements of defined benefit plans	Total	Retained earnings			
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance at March 1, 2023	—	10,654	142,153	359,385	12,025	371,410
Profit	—	—	12,900	12,900	111	13,012
Other comprehensive income	(75)	1,770	—	1,770	6	1,776
Total comprehensive income	(75)	1,770	12,900	14,670	118	14,788
Purchase of treasury shares	—	—	—	(3)	—	(3)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(4,192)	(4,192)	(64)	(4,256)
Share-based payment transactions	—	—	—	189	—	189
Change due to capital increase of consolidated subsidiaries	—	—	—	—	4	4
Transfer from other components of equity to retained earnings	75	14	(14)	—	—	—
Total transactions with owners	75	14	(4,206)	(4,006)	(59)	(4,065)
Balance at August 31, 2023	—	12,439	150,847	370,049	12,084	382,133

Six months ended August 31, 2024

	Equity attributable to owners of parent					
	Capital	Share premium	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2024	31,974	189,172	(14,231)	314	17	7,050
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	179	(53)	546
Total comprehensive income	—	—	—	179	(53)	546
Purchase of treasury shares	—	(117)	(11,454)	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(1,284)	1,708	—	—	—
Change due to capital increase of consolidated subsidiaries	—	—	—	—	—	—
Obtaining of control of subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	(67)
Total transactions with owners	—	(1,401)	(9,745)	—	—	(67)
Balance at August 31, 2024	31,974	187,771	(23,977)	493	(35)	7,530

  

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2024	—	7,383	167,600	381,898	12,333	394,232
Profit	—	—	29,094	29,094	150	29,245
Other comprehensive income	—	672	—	672	(0)	671
Total comprehensive income	—	672	29,094	29,767	150	29,917
Purchase of treasury shares	—	—	—	(11,571)	—	(11,571)
Dividends	—	—	(5,242)	(5,242)	(64)	(5,306)
Share-based payment transactions	—	—	—	424	—	424
Change due to capital increase of consolidated subsidiaries	—	—	—	—	2	2
Obtaining of control of subsidiaries	—	—	—	—	1,210	1,210
Transfer from other components of equity to retained earnings	—	(67)	67	—	—	—
Total transactions with owners	—	(67)	(5,175)	(16,389)	1,148	(15,240)
Balance at August 31, 2024	—	7,988	191,519	395,276	13,632	408,909



**(5) Condensed semi-annual consolidated statement of cash flows**

	Six months ended August 31, 2023	Six months ended August 31, 2024
	Millions of yen	Millions of yen
Cash flows from (used in) operating activities		
Profit before tax	18,804	38,263
Depreciation and amortization expense	23,232	22,844
Impairment loss	993	87
Finance income	(505)	(424)
Finance costs	2,358	2,146
Share of loss (profit) of investments accounted for using equity method	(973)	(621)
Loss (gain) on sales of non-current assets	(733)	—
Loss on disposals of non-current assets	882	925
Gain on step acquisitions	—	(8,525)
Decrease (increase) in inventories	(1,132)	2,445
Decrease (increase) in trade and other receivables	(10,751)	(5,209)
Increase (decrease) in trade and other payables	8,588	(104)
Increase (decrease) in retirement benefit liabilities	174	213
Decrease (increase) in retirement benefit assets	(58)	(25)
Other, net	(1,321)	1,522
Subtotal	39,559	53,537
Interest received	69	71
Dividends received	143	103
Interest paid	(2,357)	(2,255)
Income taxes paid	(2,232)	(6,169)
Income taxes refund	1,882	3,695
Net cash flows from (used in) operating activities	37,065	48,982
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	(3,443)	(4,269)
Proceeds from sales of property, plant and equipment	212	0
Purchase of investment property	(326)	(66)
Proceeds from sales of investment property	4,014	—
Purchase of intangible assets	(1,910)	(1,540)
Purchase of investment securities	(1,333)	(225)
Proceeds from sales of investment securities	1,365	947
Proceeds from refund of guarantee deposits	2,129	2,208
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(6,220)
Other, net	(1,379)	(803)
Net cash flows from (used in) investing activities	(671)	(9,970)
Cash flows from (used in) financing activities		
Proceeds from non-current borrowings	3,400	—
Repayments of non-current borrowings	(13,265)	(465)
Redemption of bonds	—	(20,000)
Repayments of lease liabilities	(14,438)	(13,748)
Purchase of treasury shares	(3)	(11,571)
Dividends paid	(4,177)	(5,224)
Dividends paid to non-controlling interests	(64)	(64)
Other, net	4	2
Net cash flows from (used in) financing activities	(28,544)	(51,071)
Net increase (decrease) in cash and cash equivalents	7,849	(12,059)
Cash and cash equivalents at beginning of period	39,874	71,342
Effect of exchange rate changes on cash and cash equivalents	100	128
Cash and cash equivalents at end of period	47,824	59,411

## (6) Notes to condensed semi-annual consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Segment information)

### (1) Overview of reportable segments

The reportable segments of the Group are constituent units of the Group for which separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating business results.

The Group is comprised, under a holding company structure, of the reportable segments “Department Store Business,” “SC Business,” “Developer Business” and “Payment and Finance Business,” with the Department Store Business at its core.

The Department Store Business carries out the sale of clothing, general goods, household goods, food products and others. The SC Business undertakes development, management, supervision and operation, etc. of shopping centers. The Developer Business carries out development, sales, supervision, operation, interior decorating work, etc. of real estate. The Payment and Finance Business undertakes issuance and administration, etc. of credit cards.

Due to the review of the business management classification, PARCO Digital Marketing Co., Ltd. was removed from the Developer Business and included in the SC Business on March 1, 2024. As a result, results have been retroactively adjusted as if the transfer took place at the beginning of the fiscal year ended February 29, 2024 (as of March 1, 2023).

### (2) Segment revenue and business results

Revenue and business results by reportable segments of the Group are as follows. Inter-segment transactions are generally based on prevailing market prices.

Six months ended August 31, 2023

	Reportable segments					Other	Total	Adjustments	Consolidated
	Department Store Business	SC Business	Developer Business	Payment and Finance Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
External revenue	112,148	27,785	27,262	3,494	170,690	20,943	191,634	–	191,634
Inter-segment revenue	238	587	5,977	3,238	10,041	6,356	16,398	(16,398)	–
Total	112,386	28,373	33,239	6,733	180,732	27,299	208,032	(16,398)	191,634
Segment profit	10,106	5,781	2,232	1,502	19,623	1,018	20,642	(957)	19,684
Finance income									505
Finance costs									(2,358)
Share of profit (loss) of investments accounted for using equity method									973
Profit before tax									18,804

- Notes:
1. The “Other” category is a business segment not included in reportable segments. It includes wholesaling, parking, leasing, etc.
  2. The adjustments for segment profit include inter-segment eliminations and corporate income and expenses not attributable to any business segment. Corporate income and expenses are mainly income and expenses of the company submitting condensed semi-annual consolidated financial statements that are not attributable to any business segment.
  3. Segment profit is adjusted to operating profit in the condensed semi-annual consolidated financial statements.

# Six months ended August 31, 2024

	Reportable segments					Other	Total	Adjustments	Consolidated
	Department Store Business	SC Business	Developer Business	Payment and Finance Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
External revenue	127,028	31,290	30,005	2,894	191,218	18,144	209,363	4	209,368
Inter-segment revenue	265	521	7,007	3,595	11,389	6,541	17,931	(17,931)	–
Total	127,293	31,811	37,013	6,489	202,608	24,686	227,294	(17,926)	209,368
Segment profit	19,449	7,118	4,176	900	31,644	422	32,066	7,297	39,364
Finance income									424
Finance costs									(2,146)
Share of profit (loss) of investments accounted for using equity method									621
Profit before tax									38,263

- Notes:
1. The “Other” category is a business segment not included in reportable segments. It includes wholesaling, parking, leasing, etc.
  2. The adjustments for segment profit include inter-segment eliminations and corporate income and expenses not attributable to any business segment. Corporate income and expenses are mainly income and expenses of the company submitting condensed semi-annual consolidated financial statements that are not attributable to any business segment.
  3. Segment profit is adjusted to operating profit in the condensed semi-annual consolidated financial statements.