

December 25, 2024

Consolidated Financial Results for the First Nine 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

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

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

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

1. Consolidated performance for the first nine months of the fiscal year ending February 28, 2025 (from March 1, 2024 to November 30, 2024)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Gross sales		Sales revenue		Business profit		Operating profit		Profit before tax	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2024	914,141	11.6	315,982	10.3	44,828	46.1	51,142	66.7	49,377	65.4
November 30, 2023	819,094	15.5	286,562	11.5	30,684	48.5	30,677	52.6	29,848	62.0

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Nine months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
November 30, 2024	37,041	71.4	37,842	72.5	143.04	142.82
November 30, 2023	21,604	46.3	21,932	47.3	82.38	82.28

- * 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
November 30, 2024	1,136,351	411,372	397,724	35.0	1,551.91
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 November 30, 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 November 30, 2024	14,285,532 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 nine months ended November 30, 2024	258,951,776 shares
For the nine months ended November 30, 2023	262,255,642 shares

*** Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None**

*** 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. Overview of operating results and others (3) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 6 of the material attached to this quarterly 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. Overview of operating results and others

(1) Overview of operating results for the period

(Millions of yen, %)	Nine months ended November 30, 2024 (from March to November)			(Reference) Third quarter of the fiscal year ending February 28, 2025 (from September to November)		
	Results	Year-on-year changes		Results	Year-on-year changes	
		Change in amount	Change in percentage		Change in amount	Change in percentage
Gross sales	914,141	95,047	11.6	303,672	24,711	8.9
Sales revenue	315,982	29,420	10.3	106,614	11,686	12.3
Gross profit	158,621	18,232	13.0	50,174	3,168	6.7
Selling, general and administrative expense	113,793	4,089	3.7	37,822	1,304	3.6
Business profit	44,828	14,144	46.1	12,352	1,865	17.8
Other operating income	9,035	6,179	216.3	128	(910)	(87.6)
Other operating expenses	2,721	(142)	(5.0)	702	169	31.7
Operating profit	51,142	20,465	66.7	11,778	785	7.1
Profit attributable to owners of parent	37,041	15,437	71.4	7,946	(758)	(8.7)

In the nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024), reflecting brisk sales from inbound tourists as well as firm domestic sales, consolidated sales revenue was ¥315,982 million, up 10.3% year on year, business profit was ¥44,828 million, up 46.1% year on year, and profit attributable to owners of parent was ¥37,041 million, up 71.4% year on year.

In addition, in the third quarter of the fiscal year ending February 28, 2025 (from September to November), consolidated sales revenue was ¥106,614 million, up 12.3% year on year, business profit was ¥12,352 million, up 17.8% year on year, and profit attributable to owners of parent was ¥7,946 million, down 8.7% year on year.

During the nine months ended November 30, 2024, the Japanese economy showed signs of a gradual recovery mainly due to 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 changes in the global situation and the risk of a slowdown in 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 new 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 a large-scale renovation of the Nagoya store with the aim of further improving our presence in the Nagoya Sakae area, cultivating loyalty among existing customers and attracting next-generation customers, mainly to further improve the store's competitive superiority in the Nagoya area, which is positioned as a key area. We have also decided to promote a large-scale renovation of the Umeda store, for the first time since the opening of the store, through collaboration with other companies. In the SC Business, we renovated Nagoya PARCO under the theme of bringing together the Tokai area's greatest concentration of fashion and entertainment.

As part of efforts to evolve Group synergies, in the Developer Business, 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, as part of efforts to reorganize and strengthen the interior design business and building management business, in September 2024, the building management business of J. Front One Partner Co., Ltd. (formerly JFR Service Co. Ltd.) was transferred to PARCO SPACE SYSTEMS Co., Ltd. In addition, we concluded a joint venture agreement with Komehyo Co., Ltd. in November 2024 to establish a joint venture company aimed at contributing toward realizing a sustainable society and at

increasing the number of customer touchpoints and providing new value by entering the reuse market, which is expected to grow in the future.

As part of efforts to strengthen the Group's management foundation, in addition to restructuring businesses and functions, we continued to carry out such initiatives as introducing a common accounting system for the entire Group as well as integrating groupware.

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. In addition, due to reorganization within the Group as of September 1, 2024, a part of the management business of J. Front One Partner Co., Ltd. (formerly JFR Service Co. Ltd.) was transferred to PARCO SPACE SYSTEMS Co., Ltd. and another company. 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, %)	Nine months ended November 30, 2024 (from March to November)			(Reference) Third quarter of the fiscal year ending February 28, 2025 (from September to November)		
	Results	Year-on-year changes		Results	Year-on-year changes	
		Change in amount	Change in percentage		Change in amount	Change in percentage
Sales revenue	187,071	18,663	11.1	59,791	3,757	6.7
Business profit	26,972	8,884	49.1	6,900	408	6.3
Operating profit	25,277	8,847	53.8	5,910	(495)	(7.7)

With regard to the performance of the Department Store Business in the nine months ended November 30, 2024, sales revenue was ¥187,071 million, up 11.1% year on year, business profit was ¥26,972 million, up 49.1% year on year, and operating profit was ¥25,277 million, up 53.8% year on year.

As for the performance in the third quarter of the fiscal year ending February 28, 2025 (from September to November), sales revenue was ¥59,791 million, up 6.7% year on year, business profit was ¥6,900 million, up 6.3% year on year, and operating profit was ¥5,910 million, down 7.7% 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, and the Tokyo store, which is located at a terminal site. These factors drove the overall performance.

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 have been promoting a large-scale renovation of the Nagoya store, with some floors having opened by the end of November. The rest of the store will open in stages starting in December, with the full opening scheduled for the fall of 2025. This renovation aims to enhance experiential value unique to a physical store while also reaching out to next-generation customers. In addition to expanding luxury brand offerings, we will introduce content that captures next-generation market needs, such as fashion, art, alcoholic beverages, beauty, and wellness, to offer new lifestyle proposals. In addition, the Umeda store announced a large-scale renovation plan for the SOUTH GATE BUILDING, which houses the store, in collaboration with JR West Station City Co., Ltd. and JR West Japan Shopping Center Development Company. Aiming for a grand opening in FY2029 (scheduled), we will promote our plans for enhancing the charm of the area around Osaka Station and generating area synergies.

Moreover, in addition to increasing the attractiveness of these stores, in September, we revamped the Daimaru Matsuzakaya App to enhance its media functions, in order to build a strong relationship with customers.

<SC Business>

(Millions of yen, %)	Nine months ended November 30, 2024 (from March to November)			(Reference) Third quarter of the fiscal year ending February 28, 2025 (from September to November)		
	Results	Year-on-year changes		Results	Year-on-year changes	
		Change in amount	Change in percentage		Change in amount	Change in percentage
Sales revenue	48,284	5,134	11.9	16,472	1,695	11.5
Business profit	11,919	4,153	53.5	4,082	1,183	40.8
Operating profit	11,189	2,502	28.8	4,071	1,166	40.1

With regard to the performance of the SC Business in the nine months ended November 30, 2024, sales revenue was ¥48,284 million, up 11.9% year on year, business profit was ¥11,919 million, up 53.5% year on year, and operating profit was ¥11,189 million, up 28.8% year on year.

As for the performance in the third quarter of the fiscal year ending February 28, 2025 (from September to November), sales revenue was ¥16,472 million, up 11.5% year on year, business profit was ¥4,082 million, up 40.8% year on year, and operating profit was ¥4,071 million, up 40.1% year on year.

Revenue and profit increased mainly due to the promotional effects of strategic renovations centered on flagship stores promoted to date, anniversary events, and other promotional activities, as well as growth in inbound transaction volume.

To enhance charm of customer touchpoints, which is one of the key strategies of the Medium-term Business Plan, we promoted store renovations under the key themes of expanding international and Japan modes, as well as pop culture shops. We renovated Nagoya PARCO based on the themes of the Tokai area's most sophisticated fashion and diverse entertainment. Alongside introducing leading fashion brands, we expanded pop culture shops with the aim of making the facility the largest entertainment center in the Tokai area.

In addition, to expand the contents business, we have developed a variety of initiatives in the entertainment field. This quarter, as part of our new initiatives, we held VR live concerts in movie theaters and developed and started selling a game title which is the Company's intellectual property (IP). We also held a live performance combining live music and visual content at strategic partner Hyundai, a major department store chain in South Korea. Building on these achievements, in the future, we aim to disseminate Japanese fashion and culture on a global scale.

<Developer Business>

(Millions of yen, %)	Nine months ended November 30, 2024 (from March to November)			(Reference) Third quarter of the fiscal year ending February 28, 2025 (from September to November)		
	Results	Year-on-year changes		Results	Year-on-year changes	
		Change in amount	Change in percentage		Change in amount	Change in percentage
Sales revenue	65,014	11,960	22.5	25,956	8,117	45.5
Business profit	6,382	3,361	111.2	2,032	1,129	124.9
Operating profit	6,356	3,090	94.6	2,041	1,132	124.5

With regard to the performance of the Developer Business in the nine months ended November 30, 2024, sales revenue was ¥65,014 million, up 22.5% year on year, business profit was ¥6,382 million, up 111.2% year on year, and operating profit was ¥6,356 million, up 94.6% year on year.

As for the performance in the third quarter of the fiscal year ending February 28, 2025 (from September to November), sales revenue was ¥25,956 million, up 45.5% year on year, business profit was ¥2,032 million, up 124.9% year on year, and operating profit was ¥2,041 million, up 124.5% year on year.

Factors such as 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.

As part of efforts to implement key strategies, in the development of the Company's seven key areas, we have steadily promoted "The Landmark Nagoya Sakae" and the "Shinsaibashi project (tentative name) (Shinsaibashi, Osaka)," both of which are scheduled for completion and opening in FY2026. In addition, for the "Tenjin 2-chome South Block Station-front East West Street Area Project (tentative name),"

which is slated for opening in 2030 (scheduled), 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 have been advancing the project across the entire Group.

Also, to reorganize and strengthen the building management business of the Group, in September 2024, the building management business of J. Front One Partner Co., Ltd. (formerly JFR Service Co. Ltd.) was transferred to PARCO SPACE SYSTEMS Co., Ltd.

<Payment and Finance Business>

(Millions of yen, %)	Nine months ended November 30, 2024 (from March to November)			(Reference) Third quarter of the fiscal year ending February 28, 2025 (from September to November)		
	Results	Year-on-year changes		Results	Year-on-year changes	
		Change in amount	Change in percentage		Change in amount	Change in percentage
Sales revenue	9,790	(44)	(0.4)	3,301	201	6.5
Business profit	1,716	(459)	(21.1)	653	43	7.1
Operating profit	1,557	(478)	(23.5)	657	125	23.3

With regard to the performance of the Payment and Finance Business in the nine months ended November 30, 2024, sales revenue was ¥9,790 million, down 0.4% year on year, business profit was ¥1,716 million, down 21.1% year on year, and operating profit was ¥1,557 million, down 23.5% year on year.

As for the performance in the third quarter of the fiscal year ending February 28, 2025 (from September to November), sales revenue was ¥3,301 million, up 6.5% year on year, business profit was ¥653 million, up 7.1% year on year, and operating profit was ¥657 million, up 23.3% year on year.

Sales revenue decreased in the nine months ended November 30, 2024, partly due to an increase in point cost, but increased in the third quarter of the fiscal year ending February 28, 2025 (from September to November) due to higher revenue from affiliated store fees as a result of a growth in transaction volume. In selling, general, and administrative expenses, investment for the consolidation of Group's cards and personnel expenses increased. As a result, although business profit and operating profit decreased in the nine months ended November 30, 2024, they turned to an increase in the third quarter of the fiscal year ending February 28, 2025 (from September to November).

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. We are also preparing for the launch of PARCO Card and Hakata Daimaru Card in the spring of 2025. In the Affiliated Store Business, we increased the number of external affiliates centered on the key areas, and worked on the expansion of acquiring operations at the Group's commercial facilities.

Also, to reinforce the effort 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) Overview of financial position for the period
(Position of assets, liabilities, and equity)**

(Millions of yen, %)	As of February 29, 2024	As of November 30, 2024	Change in amount
Current assets	246,501	266,080	19,579
Non-current assets	868,225	870,271	2,046
Total assets	1,114,726	1,136,351	21,625
Current liabilities	331,261	375,193	43,932
Non-current liabilities	389,232	349,785	(39,447)
Total liabilities	720,494	724,978	4,484
Equity attributable to owners of parent	381,898	397,724	15,826
Ratio of equity attributable to owners of parent to total assets	34.3	35.0	0.7
Total equity	394,232	411,372	17,140

Total assets as of November 30, 2024 was ¥1,136,351 million, an increase of ¥21,625 million compared with February 29, 2024. Total liabilities was ¥724,978 million, an increase of ¥4,484 million compared with February 29, 2024. Total equity was ¥411,372 million, an increase of ¥17,140 million compared with February 29, 2024.

(Cash flow position)

(Millions of yen)	Nine months ended November 30, 2023	Nine months ended November 30, 2024	Change in amount
Net cash flows from (used in) operating activities	61,431	71,012	9,581
Net cash flows from (used in) investing activities	15,341	(17,287)	(32,628)
Free cash flows	76,773	53,724	(23,049)
Net cash flows from (used in) financing activities	(40,688)	(63,796)	(23,108)
Net increase (decrease) in cash and cash equivalents	36,084	(10,071)	(46,155)
Cash and cash equivalents at end of period	76,076	61,307	(14,769)

The balance of cash and cash equivalents (hereinafter “cash”) as of November 30, 2024 amounted to ¥61,307 million, down ¥10,035 million compared with February 29, 2024 (¥71,342 million).

Cash flow positions in the nine months ended November 30, 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 ¥71,012 million. In comparison with the nine months ended November 30, 2023, cash provided increased by ¥9,581 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 ¥17,287 million. In comparison with the nine months ended November 30, 2023, cash used increased by ¥32,628 million, largely reflecting purchase of shares of subsidiaries resulting in change in scope of consolidation and purchase of property, plant and equipment.

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

Net cash used in financing activities was ¥63,796 million. In comparison with the nine months ended November 30, 2023, cash used increased by ¥23,108 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 quarterly consolidated financial statements and significant notes thereto

(1) Condensed quarterly consolidated statement of financial position

	As of February 29, 2024	As of November 30, 2024
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	71,342	61,307
Trade and other receivables	143,321	173,885
Other financial assets	11,439	9,391
Inventories	15,193	14,361
Other current assets	5,203	7,134
Total current assets	246,501	266,080
Non-current assets		
Property, plant and equipment	458,623	471,583
Right-of-use assets	107,623	94,035
Goodwill	560	6,799
Investment property	181,985	179,248
Intangible assets	7,886	8,028
Investments accounted for using equity method	23,531	22,521
Other financial assets	72,034	72,680
Deferred tax assets	3,636	3,641
Other non-current assets	12,343	11,732
Total non-current assets	868,225	870,271
Total assets	1,114,726	1,136,351

	As of February 29, 2024	As of November 30, 2024
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	57,330	62,830
Trade and other payables	151,230	181,115
Lease liabilities	27,222	27,231
Other financial liabilities	28,362	28,082
Income tax payables	7,183	9,508
Provisions	2,487	3,762
Other current liabilities	57,445	62,662
Total current liabilities	331,261	375,193
Non-current liabilities		
Bonds and borrowings	156,618	130,434
Lease liabilities	123,228	105,645
Other financial liabilities	34,798	33,985
Retirement benefit liabilities	15,980	16,311
Provisions	6,746	5,950
Deferred tax liabilities	51,439	57,010
Other non-current liabilities	419	449
Total non-current liabilities	389,232	349,785
Total liabilities	720,494	724,978
Equity		
Capital	31,974	31,974
Share premium	189,172	187,946
Treasury shares	(14,231)	(23,978)
Other components of equity	7,383	7,946
Retained earnings	167,600	193,835
Total equity attributable to owners of parent	381,898	397,724
Non-controlling interests	12,333	13,648
Total equity	394,232	411,372
Total liabilities and equity	1,114,726	1,136,351

(2) Condensed quarterly consolidated statement of profit or loss

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
	Millions of yen	Millions of yen
Sales revenue	286,562	315,982
Cost of sales	(146,173)	(157,361)
Gross profit	140,389	158,621
Selling, general and administrative expense	(109,704)	(113,793)
Other operating income	2,856	9,035
Other operating expenses	(2,863)	(2,721)
Operating profit	30,677	51,142
Finance income	1,394	606
Finance costs	(3,478)	(3,210)
Share of profit (loss) of investments accounted for using equity method	1,254	839
Profit before tax	29,848	49,377
Income tax expense	(8,166)	(12,172)
Profit	21,681	37,205
Profit attributable to:		
Owners of parent	21,604	37,041
Non-controlling interests	76	164
Profit	21,681	37,205
Earnings per share		
Basic earnings per share (Yen)	82.38	143.04
Diluted earnings per share (Yen)	82.28	142.82

(3) Condensed quarterly consolidated statement of comprehensive income

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
	Millions of yen	Millions of yen
Profit	21,681	37,205
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	189	588
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	114	588
Items that may be reclassified to profit or loss		
Cash flow hedges	3	(38)
Exchange differences on translation of foreign operations	130	88
Share of other comprehensive income of entities accounted for using equity method	1	(2)
Total items that may be reclassified to profit or loss	136	47
Other comprehensive income, net of tax	250	636
Comprehensive income	21,932	37,842
Comprehensive income attributable to:		
Owners of parent	21,849	37,677
Non-controlling interests	83	164
Comprehensive income	21,932	37,842

(4) Condensed quarterly consolidated statement of changes in equity

Nine months ended November 30, 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	—	—	—	132	3	183
Total comprehensive income	—	—	—	132	3	183
Purchase of treasury shares	—	—	(4)	—	—	—
Disposal of treasury shares	—	(1)	1	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	39	238	—	—	—
Change due to capital increase of consolidated subsidiaries	—	—	—	—	—	—
Changes in ownership interests in subsidiaries	—	0	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	(2,032)
Total transactions with owners	—	38	234	—	—	(2,032)
Balance at November 30, 2023	31,974	189,106	(14,231)	342	0	8,599

	Equity attributable to owners of parent					Non-controlling interests	Total
	Other components of equity		Retained earnings	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, 2023	—	10,654	142,153	359,385	12,025	371,410	
Profit	—	—	21,604	21,604	76	21,681	
Other comprehensive income	(75)	244	—	244	6	250	
Total comprehensive income	(75)	244	21,604	21,849	83	21,932	
Purchase of treasury shares	—	—	—	(4)	—	(4)	
Disposal of treasury shares	—	—	—	0	—	0	
Dividends	—	—	(8,386)	(8,386)	(64)	(8,450)	
Share-based payment transactions	—	—	—	277	—	277	
Change due to capital increase of consolidated subsidiaries	—	—	—	—	5	5	
Changes in ownership interests in subsidiaries	—	—	—	0	(7)	(6)	
Transfer from other components of equity to retained earnings	75	(1,956)	1,956	—	—	—	
Total transactions with owners	75	(1,956)	(6,429)	(8,113)	(65)	(8,178)	
Balance at November 30, 2023	—	8,942	157,328	373,120	12,042	385,163	

Nine months ended November 30, 2024

	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, 2024	31,974	189,172	(14,231)	314	17	7,050
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	86	(38)	588
Total comprehensive income	—	—	—	86	(38)	588
Purchase of treasury shares	—	(117)	(11,455)	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(1,108)	1,708	—	—	—
Change due to capital increase of consolidated subsidiaries	—	—	—	—	—	—
Obtaining of control of subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	(73)
Total transactions with owners	—	(1,225)	(9,746)	—	—	(73)
Balance at November 30, 2024	31,974	187,946	(23,978)	401	(20)	7,566

	Equity attributable to owners of parent					Non-controlling interests	Total
	Other components of equity		Retained earnings	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	—	—	37,041	37,041	164	37,205	
Other comprehensive income	—	636	—	636	0	636	
Total comprehensive income	—	636	37,041	37,677	164	37,842	
Purchase of treasury shares	—	—	—	(11,572)	—	(11,572)	
Dividends	—	—	(10,879)	(10,879)	(64)	(10,943)	
Share-based payment transactions	—	—	—	600	—	600	
Change due to capital increase of consolidated subsidiaries	—	—	—	—	3	3	
Obtaining of control of subsidiaries	—	—	—	—	1,210	1,210	
Transfer from other components of equity to retained earnings	—	(73)	73	—	—	—	
Total transactions with owners	—	(73)	(10,806)	(21,851)	1,149	(20,701)	
Balance at November 30, 2024	—	7,946	193,835	397,724	13,648	411,372	

(5) Condensed quarterly consolidated statement of cash flows

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
	Millions of yen	Millions of yen
Cash flows from (used in) operating activities		
Profit before tax	29,848	49,377
Depreciation and amortization expense	34,872	34,226
Impairment loss	993	94
Finance income	(1,394)	(606)
Finance costs	3,478	3,210
Share of loss (profit) of investments accounted for using equity method	(1,254)	(839)
Loss (gain) on sales of non-current assets	(733)	(0)
Loss on disposals of non-current assets	1,163	1,559
Gain on step acquisitions	—	(8,525)
Decrease (increase) in inventories	(3,057)	831
Decrease (increase) in trade and other receivables	(27,880)	(34,431)
Increase (decrease) in trade and other payables	27,408	30,588
Increase (decrease) in retirement benefit liabilities	292	325
Decrease (increase) in retirement benefit assets	(86)	(34)
Other, net	2,874	5,020
Subtotal	66,525	80,797
Interest received	103	114
Dividends received	860	117
Interest paid	(3,487)	(3,322)
Income taxes paid	(4,450)	(10,390)
Income taxes refund	1,880	3,695
Net cash flows from (used in) operating activities	61,431	71,012
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	(5,759)	(9,232)
Proceeds from sales of property, plant and equipment, and intangible assets	212	10
Purchase of investment property	(1,363)	(1,142)
Proceeds from sales of investment property	4,014	—
Purchase of intangible assets	(2,523)	(2,033)
Purchase of investment securities	(1,434)	(1,055)
Proceeds from sales of investment securities	21,609	1,486
Proceeds from refund of guarantee deposits	2,332	2,289
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(6,220)
Other, net	(1,746)	(1,388)
Net cash flows from (used in) investing activities	15,341	(17,287)
Cash flows from (used in) financing activities		
Proceeds from non-current borrowings	3,400	—
Repayments of non-current borrowings	(14,015)	(715)
Redemption of bonds	—	(20,000)
Repayments of lease liabilities	(21,630)	(20,579)
Purchase of treasury shares	(6)	(11,572)
Dividends paid	(8,378)	(10,868)
Dividends paid to non-controlling interests	(64)	(64)
Other, net	5	3
Net cash flows from (used in) financing activities	(40,688)	(63,796)
Net increase (decrease) in cash and cash equivalents	36,084	(10,071)
Cash and cash equivalents at beginning of period	39,874	71,342
Effect of exchange rate changes on cash and cash equivalents	117	35
Cash and cash equivalents at end of period	76,076	61,307

(6) Notes to condensed quarterly 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. In addition, due to reorganization within the Group as of September 1, 2024, a part of the management business of J. Front One Partner Co., Ltd. (formerly JFR Service Co. Ltd.), which had been included in “Other,” was transferred to PARCO SPACE SYSTEMS Co., Ltd. that is included in the “Developer Business” and another company. 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.

Nine months ended November 30, 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	168,157	42,266	42,204	4,806	257,435	29,127	286,562	–	286,562
Inter-segment revenue	251	884	10,850	5,027	17,012	7,359	24,372	(24,372)	–
Total	168,408	43,150	53,054	9,834	274,448	36,487	310,935	(24,372)	286,562
Segment profit	16,430	8,687	3,266	2,035	30,420	1,084	31,505	(827)	30,677
Finance income									1,394
Finance costs									(3,478)
Share of profit (loss) of investments accounted for using equity method									1,254
Profit before tax									29,848

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 quarterly consolidated financial statements that are not attributable to any business segment.

3. Segment profit is adjusted to operating profit in the condensed quarterly consolidated financial statements.

Nine months ended November 30, 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	186,787	47,359	49,704	4,252	288,104	27,871	315,975	7	315,982
Inter-segment revenue	283	925	15,310	5,537	22,056	7,487	29,543	(29,543)	–
Total	187,071	48,284	65,014	9,790	310,160	35,358	345,519	(29,536)	315,982
Segment profit	25,277	11,189	6,356	1,557	44,380	417	44,798	6,343	51,142
Finance income									606
Finance costs									(3,210)
Share of profit (loss) of investments accounted for using equity method									839
Profit before tax									49,377

- 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 quarterly consolidated financial statements that are not attributable to any business segment.
 3. Segment profit is adjusted to operating profit in the condensed quarterly consolidated financial statements.