

October 13, 2026

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending February 28, 2027 (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 14, 2026

Scheduled date to commence dividend payments:

November 12, 2026

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, 2027 (from March 1, 2026 to August 31, 2026)

(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, 2026	638,200	2.5	213,821	(2.8)	26,591	(5.6)	26,813	(10.5)	24,868	(10.8)
August 31, 2025	622,574	2.0	219,925	5.0	28,181	(13.2)	29,975	(23.9)	27,874	(27.1)

	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, 2026	17,379	(5.3)	17,392	(5.5)	70.62	70.53
August 31, 2025	18,354	(36.9)	18,396	(38.5)	72.80	72.74

- * 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, 2026	1,136,125	428,814	416,531	36.7	1,704.79
February 28, 2026	1,141,567	428,022	415,586	36.4	1,671.35

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 28, 2026	—	27.00	—	27.00	54.00
Fiscal year ending February 28, 2027	—	28.00			
Fiscal year ending February 28, 2027 (Forecast)			—	28.00	56.00

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

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(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, 2027	1,360,000	5.4	470,000	5.6	53,500	5.7	46,000	(6.2)	41,000	(7.9)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending February 28, 2027	29,000	2.5	118.23

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

* **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, 2026	270,565,764 shares
As of February 28, 2026	270,565,764 shares

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

As of August 31, 2026	26,236,282 shares
As of February 28, 2026	21,912,861 shares

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

For the six months ended August 31, 2026	246,096,137 shares
For the six months ended August 31, 2025	252,114,359 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. Overview of operating results (4) 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. Overview of operating results

(1) Overview of operating results for the period

(Millions of yen, %)	Six months ended August 31, 2026 (from March to August)			
	Results	Year-on-year changes		Against April announced figures
		Change in amount	Change in percentage	Change in amount
Gross sales	638,200	15,626	2.5	5,200
Sales revenue	213,821	(6,104)	(2.8)	(6,179)
Gross profit	107,276	(255)	(0.2)	2,276
Selling, general and administrative expense	80,685	1,335	1.7	(2,315)
Business profit	26,591	(1,590)	(5.6)	4,591
Other operating income	4,459	1,521	51.7	959
Other operating expenses	4,238	3,094	270.2	738
Operating profit	26,813	(3,162)	(10.5)	4,813
Profit attributable to owners of parent	17,379	(975)	(5.3)	3,379

In the six months ended August 31, 2026 (from March 1, 2026 to August 31, 2026), consolidated sales revenue decreased by 2.8% year on year to ¥213,821 million, primarily due to a decline following sales in the Department Store Business related to Expo 2025 Osaka, Kansai from the previous year, the impact of store closures due to large-scale renovations at the Daimaru Umeda store, and a decline following large orders related to interior and facility projects in the Developer Business from the previous year. While gross profit slightly decreased year on year, selling, general and administrative expenses increased, resulting in business profit of ¥26,591 million, a 5.6% decrease year on year, operating profit of ¥26,813 million, a 10.5% decrease year on year, and profit attributable to owners of parent of ¥17,379 million, a 5.3% decrease year on year.

During the six months ended August 31, 2026, the Japanese economy showed signs of a gradual recovery due to firm personal consumption on the back of an improvement in employment and income conditions, among other factors. In addition, consumption by foreign tourists visiting Japan remained steady on the back of the yen's depreciation, etc., despite being affected by Japan-China relations. On the other hand, we recognize the need to continue monitoring the downside risks to the economy, such as the persistently high energy prices due to the situation in the Middle East, the impact of rising prices on consumption, and fluctuations in the financial and foreign exchange markets.

Under these circumstances, we are focusing on further deepening the retail businesses, evolving Group synergies, and strengthening the Group's management foundation as the culmination of the Medium-term Business Plan (FY2024-FY2026), which we position as a "period of change" towards achieving the Group's vision of transforming into a "Value Co-creation Retailer."

As part of our efforts for deepening the retail businesses, in the Department Store Business and SC Business, we strengthened initiatives to expand the customer base in Japan and overseas, improve the appeal of customer contact points, and enhance content. In the Department Store Business, we promoted a large-scale renovation of the Daimaru Umeda store and carried out a complete renovation of the Daimaru Ashiya store for the first time in five years. Additionally, we worked on creating new customer touchpoints, such as opening the first physical store of the cosmetics online media "DEPACO." In the SC Business, we continued to proceed with large-scale renovations centered on unique fashion and IP content mainly at Shinsaibashi PARCO and Ikebukuro PARCO.

In evolving Group synergies, we opened "HAERA" on June 11, a new commercial facility that combines a department store and PARCO to enhance the appeal of the Nagoya Sakae area. Furthermore, to create vibrancy in the area, we worked with other companies in the area to hold an event that promotes foot traffic centered on entertainment content called "POP IS YOU SAKAE26," in collaboration with Matsuzakaya, PARCO, and HAERA.

In the ownership and development of in-house content, we decided to acquire shares of Pieroth Japan K.K. to provide experiential value for high-quality, high-excitement consumer segments, thereby expanding our business foundation in the food sector. The game label PARCO GAMES, which began its

publishing business in 2025, launched “Finding Polka” as its fourth title and announced the publishing of its fifth title “DEPERSON.”

As part of efforts to strengthen the Group’s management foundation, with the aim of improving medium-to long-term return on equity and enhancing shareholder returns, we conducted the purchase of treasury shares for ¥10.0 billion in total. Additionally, to enhance corporate value in the medium to long term, we decided to introduce a share granting plan for senior employees, aimed at enhancing their work engagement.

Business results by segment are as follows.

<Department Store Business>

(Millions of yen, %)	Six months ended August 31, 2026 (from March to August)			
	Results	Year-on-year changes		Against April announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	128,351	(1,261)	(1.0)	(2,149)
Business profit	15,586	(415)	(2.6)	2,986
Operating profit	16,360	(289)	(1.7)	2,660

With regard to the performance of the Department Store Business in the six months ended August 31, 2026, sales revenue was ¥128,351 million, down 1.0% year on year, business profit was ¥15,586 million, down 2.6% year on year, and operating profit was ¥16,360 million, down 1.7% year on year. Sales revenue decreased mainly due to floor closures following the renovation of the Daimaru Umeda store and a decline from the previous year’s sales related to Expo 2025 Osaka, Kansai, despite the expansion of sales to affluent customers, particularly in out-of-store sales, and duty-free sales. Additionally, both business profit and operating profit decreased due to the increase in advertising expenses associated with sales promotion, as well as the increase in personnel expenses primarily from base pay raises. Against the April announced figures, sales revenue decreased, but each profit line increased.

As part of the key strategies based on the Medium-term Business Plan, we carried out a complete renovation of the Daimaru Ashiya store for the first time in five years to enhance the store’s appeal. Within the store, we worked on creating new customer touchpoints in ways such as enhancing the selection of high-quality foods and opening the first physical store of the cosmetics information media and online store “DEPACO.” Additionally, with the opening of “HAERA” on June 11, we promoted collaborative measures with companies both inside and outside the Group to further enhance the appeal of the Nagoya Sakae area.

To further strengthen our affluent business, we worked on enhancing the experiential value at out-of-store sales events. Additionally, the App Gold Membership service, which started in the current fiscal year, has seen a steady increase in registered users.

In addition, to ensure steady growth in duty-free sales, we are working on implementing campaigns in collaboration with overseas payment processors and enhancing CRM for inbound tourism, both of which are progressing smoothly.

Focusing our efforts on enhancing area value, we will continue to strengthen our affluent business and strengthen and promote the capture of inbound demand, working towards expanding our customer base and creating new demand.

<SC Business>

(Millions of yen, %)	Six months ended August 31, 2026 (from March to August)			
	Results	Year-on-year changes		Against April announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	35,515	2,401	7.3	315
Business profit	8,434	109	1.3	(266)
Operating profit	7,648	(1,890)	(19.8)	(152)

With regard to the performance of the SC Business in the six months ended August 31, 2026, sales revenue was ¥35,515 million, up 7.3% year on year, business profit was ¥8,434 million, up 1.3% year on year, and operating profit was ¥7,648 million, down 19.8% year on year. Sales revenue increased mainly due to strong performance at Shibuya PARCO, which underwent large-scale renovations last year, and HAERA, which opened in June. Although selling, general and administrative expenses exceeded those of the previous year, business profit increased. Operating profit decreased due to the absence of gains recorded last year from lease cancellations associated with the sale of the former Matsumoto PARCO's real estate and the recording of a loss on business liquidation. Against the April announced figures, sales revenue increased, but each profit line decreased.

As a key strategy of the Medium-term Business Plan, we are promoting renovations of mainly flagship stores as part of the building frame restructuring initiative that will structurally evolve store operations. We advanced large-scale renovations at Shinsaibashi PARCO to create new experiential value, marking the first major renovation since its opening in 2020. Additionally, at Ikebukuro PARCO, we promoted the largest renovation since its opening, centered on fashion and popular culture. Additionally, Nagoya PARCO and Sendai PARCO are promoting renovations from this autumn through winter.

As part of efforts to enhance content, we are also developing initiatives overseas, such as selling collaboration T-shirts with popular anime in Taipei, Hong Kong, and Seoul through a partnership with GEEKS RULE. Additionally, the game label PARCO GAMES, which began its publishing business in 2025, is expanding its operations by launching "Finding Polka" as its fourth title and announcing the publishing of its fifth title "DEPERSON."

In addition, taking the opportunity of opening of the new "HAERA" commercial facility, we are focusing on deepening collaboration with companies both inside and outside the Group and further enhancing the appeal of the Nagoya Sakae area.

<Developer Business>

(Millions of yen, %)	Six months ended August 31, 2026 (from March to August)			
	Results	Year-on-year changes		Against April announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	39,040	(4,253)	(9.8)	(460)
Business profit	3,628	(819)	(18.4)	628
Operating profit	3,515	(944)	(21.2)	815

With regard to the performance of the Developer Business in the six months ended August 31, 2026, sales revenue was ¥39,040 million, down 9.8% year on year, business profit was ¥3,628 million, down 18.4% year on year, and operating profit was ¥3,515 million, down 21.2% year on year, mainly due to a reactionary decline following the large-scale construction orders at J.FRONT PRIME SPACE Co., Ltd. in the previous fiscal year. Against the April announced figures, sales revenue decreased, but each profit line increased.

Based on a key area strategy, we have opened "HAERA," a new commercial facility, in collaboration with the Department Store and SC Business in the Nagoya Sakae area. In the Shinsaibashi area, the "QUARTZ SHINSAIBASHI" complex opened in April with partial investment from the Company. Additionally, we invested in a special purpose company to acquire HULIC Minatomirai and were entrusted with commercial advisory services for the same large-scale complex located in a prime location.

In addition, the newly integrated company, J. FRONT PRIME SPACE Co., Ltd., officially commenced operations in March following the restructuring of J. Front Design & Construction Co., Ltd. and PARCO SPACE SYSTEMS Co., Ltd., which are responsible for the Group's architectural interior design and building management business. Building on the strengths each company has developed over time, we worked on optimizing contracted operations and reviewing the management system in the facility management business, as well as expanding the scope of orders through strengthening the collaboration between the interior construction business and the facility management business.

We will continue to work together as a Group to further enhance our presence and improve the attractiveness of key areas with the retail business at the core.

<Payment and Finance Business>

(Millions of yen, %)	Six months ended August 31, 2026 (from March to August)			
	Results	Year-on-year changes		Against April announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	7,230	610	9.2	(67)
Business profit	789	340	75.7	(76)
Operating profit	756	327	76.1	(97)

With regard to the performance of the Payment and Finance Business in the six months ended August 31, 2026, sales revenue was ¥7,230 million, up 9.2% year on year, business profit was ¥789 million, up 75.7% year on year, and operating profit was ¥756 million, up 76.1% year on year. Sales revenue increased because of higher affiliated store fee revenue and higher finance fees due to an expansion in transaction volume, despite an increase in point costs and a decrease in revenue from annual membership fees. As a result, both business profit and operating profit increased significantly.

Against the April announced figures, sales revenue and each profit line decreased.

Taking the completion of the consolidation of the Group's cards in the previous fiscal year as an opportunity, we promoted measures for the acquisition of each card's members, and the number of cards issued in the six months ended August 31, 2026 increased year on year.

Card transaction volume increased compared to the same period last year, primarily driven by strong usage by department stores' out-of-store sales customers and the effects of expanding and optimizing credit limits in the finance sector, which has been strengthened in recent years.

In the Affiliated Store Business, the acquisition of affiliates is progressing smoothly, particularly in the key areas, and the transaction volume from affiliates is also on an increasing trend.

Regarding our initiative to combat the unauthorized use of credit cards, a challenge for the industry, the effect of various measures has led to a significant reduction in unauthorized use.

**(2) Overview of financial position for the period
(Position of assets, liabilities, and equity)**

(Millions of yen, %)	As of February 28, 2026	As of August 31, 2026	Change in amount
Current assets	227,519	223,176	(4,343)
Non-current assets	914,047	912,948	(1,099)
Total assets	1,141,567	1,136,125	(5,442)
Current liabilities	324,502	356,765	32,263
Non-current liabilities	389,042	350,545	(38,497)
Total liabilities	713,544	707,310	(6,234)
Equity attributable to owners of parent	415,586	416,531	945
Ratio of equity attributable to owners of parent to total assets	36.4	36.7	0.3
Total equity	428,022	428,814	792

Total assets as of August 31, 2026 were ¥1,136,125 million, a decrease of ¥5,442 million compared with February 28, 2026, mainly due to a decrease in investment property. Total liabilities were ¥707,310 million, a decrease of ¥6,234 million compared with February 28, 2026, mainly due to a decrease in lease liabilities. Interest-bearing debt (including lease liabilities) was ¥334,409 million, down ¥2,266 million compared with February 28, 2026.

Total equity was ¥428,814 million, an increase of ¥792 million compared with February 28, 2026. This was mainly due to the recording of profit despite purchase of treasury shares and payment of dividends.

(3) Overview of cash flow position for the period

(Millions of yen)	Six months ended August 31, 2025	Six months ended August 31, 2026	Change in amount
Net cash flows from (used in) operating activities	33,548	38,017	4,469
Net cash flows from (used in) investing activities	(4,605)	(26,796)	(22,191)
Free cash flows	28,943	11,221	(17,722)
Net cash flows from (used in) financing activities	(42,851)	(21,222)	21,629
Net increase (decrease) in cash and cash equivalents	(13,908)	(10,001)	3,907

(Millions of yen)	As of February 28, 2026	As of August 31, 2026	Change in amount
Cash and cash equivalents at end of period	36,099	26,212	(9,887)

The balance of cash and cash equivalents (hereinafter “cash”) as of August 31, 2026 amounted to ¥26,212 million, down ¥9,887 million compared with February 28, 2026.

Cash flow positions in the six months ended August 31, 2026 and the factors for these were as follows.

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

Net cash provided by operating activities was ¥38,017 million. In comparison with the six months ended August 31, 2025, cash provided increased by ¥4,469 million, mainly due to a decrease in income taxes paid.

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

Net cash used in investing activities was ¥26,796 million. In comparison with the six months ended August 31, 2025, cash used increased by ¥22,191 million mainly due to purchase of investments accounted for using equity method.

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

Net cash used in financing activities was ¥21,222 million. In comparison with the six months ended August 31, 2025, cash used decreased by ¥21,629 million mainly due to funding through borrowings and the issuance of commercial paper, while there was a counter-reaction to the proceeds from the issuance of bonds in the previous year.

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

We hereby announce that the forecasts for the fiscal year ending February 28, 2027 announced in the consolidated financial results released on April 14, 2026 have been revised as described below.

- 1) Revisions to the consolidated earnings forecasts for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

	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
Previous forecasts (A)	1,347,000	469,000	52,000	47,000	42,000
Revised forecasts (B)	1,360,000	470,000	53,500	46,000	41,000
Change in amount (B) – (A)	13,000	1,000	1,500	(1,000)	(1,000)
Change (%)	1.0	0.2	2.9	(2.1)	(2.4)
[Reference] Previous fiscal year's results (fiscal year ended February 28, 2026)	1,290,489	445,094	50,597	49,015	44,515

	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Yen
Previous forecasts (A)	29,000	118.16
Revised forecasts (B)	29,000	118.23
Change in amount (B) – (A)	–	
Change (%)	–	
[Reference] Previous fiscal year's results (fiscal year ended February 28, 2026)	28,282	112.93

- 2) Reasons for the revisions to the consolidated earnings forecasts

In the six months ended August 31, 2026, consolidated business profit exceeded the earnings forecast announced in April, driven by the strong performance in out-of-store sales and duty-free sales in the Department Store Business. In addition to the results for the six months ended August 31, 2026, after reviewing the earnings assumptions for the third quarter and beyond, we are revising the business profit forecasts upward to ¥53.5 billion in the full-year consolidated earnings forecasts.

No changes have been made to the dividend forecast.

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

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

	As of February 28, 2026	As of August 31, 2026
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	36,099	26,212
Trade and other receivables	155,096	161,842
Other financial assets	14,266	14,735
Inventories	14,129	12,867
Other current assets	6,503	7,518
Subtotal	226,095	223,176
Assets held for sale	1,423	–
Total current assets	227,519	223,176
Non-current assets		
Property, plant and equipment	468,476	495,637
Right-of-use assets	123,174	117,795
Goodwill	6,799	6,799
Investment property	177,187	154,453
Intangible assets	9,955	9,541
Investments accounted for using equity method	28,129	37,379
Other financial assets	82,238	78,390
Deferred tax assets	2,700	2,845
Other non-current assets	15,385	10,105
Total non-current assets	914,047	912,948
Total assets	1,141,567	1,136,125

	As of February 28, 2026	As of August 31, 2026
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	45,220	82,209
Trade and other payables	161,326	156,551
Lease liabilities	24,060	22,443
Other financial liabilities	27,655	26,321
Income tax payables	6,186	9,498
Provisions	624	1,081
Other current liabilities	59,430	58,659
Total current liabilities	324,502	356,765
Non-current liabilities		
Bonds and borrowings	131,316	102,129
Lease liabilities	136,079	127,626
Other financial liabilities	33,474	33,813
Retirement benefit liabilities	14,486	14,374
Provisions	6,308	5,872
Deferred tax liabilities	66,901	65,885
Other non-current liabilities	476	843
Total non-current liabilities	389,042	350,545
Total liabilities	713,544	707,310
Equity		
Capital	31,974	31,974
Share premium	187,549	187,377
Treasury shares	(38,620)	(48,261)
Other components of equity	19,545	19,809
Retained earnings	215,138	225,631
Total equity attributable to owners of parent	415,586	416,531
Non-controlling interests	12,436	12,282
Total equity	428,022	428,814
Total liabilities and equity	1,141,567	1,136,125

(2) Condensed semi-annual consolidated statement of income

	Six months ended August 31, 2025	Six months ended August 31, 2026
	Millions of yen	Millions of yen
Sales revenue	219,925	213,821
Cost of sales	(112,394)	(106,544)
Gross profit	107,531	107,276
Selling, general and administrative expense	(79,350)	(80,685)
Other operating income	2,938	4,459
Other operating expenses	(1,144)	(4,238)
Operating profit	29,975	26,813
Finance income	419	579
Finance costs	(3,078)	(3,355)
Share of profit (loss) of investments accounted for using equity method	558	831
Profit before tax	27,874	24,868
Income tax expense	(9,554)	(7,564)
Profit	18,320	17,303
Profit attributable to:		
Owners of parent	18,354	17,379
Non-controlling interests	(34)	(75)
Profit	18,320	17,303
Earnings per share		
Basic earnings per share (Yen)	72.80	70.62
Diluted earnings per share (Yen)	72.74	70.53

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

	Six months ended August 31, 2025	Six months ended August 31, 2026
	Millions of yen	Millions of yen
Profit	18,320	17,303
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	196	173
Remeasurements of defined benefit plans	–	(179)
Share of other comprehensive income of entities accounted for using equity method	0	0
Total items that will not be reclassified to profit or loss	196	(5)
Items that may be reclassified to profit or loss		
Cash flow hedges	34	(8)
Exchange differences on translation of foreign operations	(154)	102
Total items that may be reclassified to profit or loss	(120)	93
Other comprehensive income, net of tax	76	88
Comprehensive income	18,396	17,392
Comprehensive income attributable to:		
Owners of parent	18,432	17,464
Non-controlling interests	(35)	(72)
Comprehensive income	18,396	17,392

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

Six months ended August 31, 2025

	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, 2025	31,974	188,081	(23,940)	525	(29)	13,722
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(154)	34	197
Total comprehensive income	—	—	—	(154)	34	197
Purchase of treasury shares	—	(63)	(15,004)	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(13)	329	—	—	—
Obtaining of control of subsidiaries	—	—	—	—	—	—
Change due to capital increase of consolidated subsidiaries	—	—	—	—	—	—
Changes in ownership interests in subsidiaries	—	(756)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	13
Total transactions with owners	—	(833)	(14,674)	—	—	13
Balance at August 31, 2025	31,974	187,248	(38,615)	371	5	13,933

	Equity attributable to owners of parent					
	Other components of equity				Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2025	—	14,219	199,311	409,646	13,588	423,235
Profit	—	—	18,354	18,354	(34)	18,320
Other comprehensive income	—	77	—	77	(1)	76
Total comprehensive income	—	77	18,354	18,432	(35)	18,396
Purchase of treasury shares	—	—	—	(15,068)	—	(15,068)
Dividends	—	—	(7,685)	(7,685)	(94)	(7,780)
Share-based payment transactions	—	—	—	316	—	316
Obtaining of control of subsidiaries	—	—	—	—	324	324
Change due to capital increase of consolidated subsidiaries	—	—	—	—	1	1
Changes in ownership interests in subsidiaries	—	—	—	(756)	(1,218)	(1,974)
Transfer from other components of equity to retained earnings	—	13	(13)	—	—	—
Total transactions with owners	—	13	(7,698)	(23,194)	(987)	(24,181)
Balance at August 31, 2025	—	14,310	209,967	404,885	12,565	417,450

Six months ended August 31, 2026

	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, 2026	31,974	187,549	(38,620)	622	11	18,910
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	102	(8)	170
Total comprehensive income	—	—	—	102	(8)	170
Purchase of treasury shares	—	(69)	(10,004)	—	—	—
Disposal of treasury shares	—	0	0	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(38)	363	—	—	—
Change due to capital increase of consolidated subsidiaries	—	—	—	—	—	—
Changes in ownership interests in subsidiaries	—	(63)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Total transactions with owners	—	(171)	(9,641)	—	—	—
Balance at August 31, 2026	31,974	187,377	(48,261)	725	3	19,081

	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				
Balance at March 1, 2026	—	19,545	215,138	415,586	12,436	428,022
Profit	—	—	17,379	17,379	(75)	17,303
Other comprehensive income	(179)	85	—	85	3	88
Total comprehensive income	(179)	85	17,379	17,464	(72)	17,392
Purchase of treasury shares	—	—	—	(10,074)	—	(10,074)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(6,707)	(6,707)	(74)	(6,781)
Share-based payment transactions	—	—	—	325	—	325
Change due to capital increase of consolidated subsidiaries	—	—	—	—	4	4
Changes in ownership interests in subsidiaries	—	—	—	(63)	(11)	(74)
Transfer from other components of equity to retained earnings	179	179	(179)	—	—	—
Total transactions with owners	179	179	(6,886)	(16,519)	(80)	(16,600)
Balance at August 31, 2026	—	19,809	225,631	416,531	12,282	428,814

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

	Six months ended August 31, 2025	Six months ended August 31, 2026
	Millions of yen	Millions of yen
Cash flows from (used in) operating activities		
Profit before tax	27,874	24,868
Depreciation and amortization expense	22,828	22,285
Finance income	(419)	(579)
Finance costs	3,078	3,355
Share of loss (profit) of investments accounted for using equity method	(558)	(831)
Loss (gain) on sales of non-current assets	(1,817)	(435)
Loss on disposals of non-current assets	671	2,633
Decrease (increase) in inventories	417	1,261
Decrease (increase) in trade and other receivables	(888)	(6,809)
Increase (decrease) in trade and other payables	(3,222)	(4,814)
Increase (decrease) in retirement benefit liabilities	56	(111)
Decrease (increase) in retirement benefit assets	2	5,517
Other, net	(1,662)	(938)
Subtotal	46,360	45,401
Interest received	77	153
Dividends received	120	183
Interest paid	(2,942)	(3,226)
Income taxes paid	(10,604)	(4,984)
Income taxes refund	536	489
Net cash flows from (used in) operating activities	33,548	38,017
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	(7,420)	(12,099)
Proceeds from sales of property, plant and equipment, and intangible assets	3,398	1,862
Purchase of investment property	(308)	(4,488)
Proceeds from sales of investment property	679	2
Purchase of intangible assets	(1,770)	(1,118)
Purchase of investment securities	(368)	(1,591)
Proceeds from sales of investment securities	295	1,100
Purchase of investments accounted for using equity method	—	(9,618)
Proceeds from refund of guarantee deposits	2,121	2,244
Other, net	(1,232)	(3,089)
Net cash flows from (used in) investing activities	(4,605)	(26,796)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(15,000)	7,000
Net increase (decrease) in commercial papers	—	15,940
Proceeds from non-current borrowings	—	12,700
Repayments of non-current borrowings	(19,965)	(12,865)
Proceeds from issuance of bonds	29,849	—
Redemption of bonds	—	(15,000)
Repayments of lease liabilities	(13,270)	(12,093)
Purchase of treasury shares	(15,068)	(10,074)
Dividends paid	(7,654)	(6,707)
Dividends paid to non-controlling interests	(94)	(74)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,970)	(74)
Other, net	320	26
Net cash flows from (used in) financing activities	(42,851)	(21,222)
Net increase (decrease) in cash and cash equivalents	(13,908)	(10,001)
Cash and cash equivalents at beginning of period	54,975	36,099
Effect of exchange rate changes on cash and cash equivalents	(108)	114
Cash and cash equivalents at end of period	40,958	26,212

(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.

(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, 2025

	Reportable segments				Total	Other	Total	Adjustments	Consolidated
	Department Store Business	SC Business	Developer Business	Payment and Finance Business					
	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	129,410	32,505	32,111	2,484	196,512	23,409	219,921	3	219,925
Inter-segment revenue	202	608	11,181	4,136	16,128	5,564	21,692	(21,692)	–
Total	129,612	33,114	43,293	6,620	212,640	28,973	241,614	(21,689)	219,925
Segment profit	16,649	9,538	4,459	429	31,077	316	31,393	(1,417)	29,975
Finance income									419
Finance costs									(3,078)
Share of profit (loss) of investments accounted for using equity method									558
Profit before tax									27,874

- 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, 2026

	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	128,026	34,877	26,308	1,844	191,058	22,759	213,818	3	213,821
Inter-segment revenue	324	637	12,731	5,385	19,079	5,131	24,210	(24,210)	–
Total	128,351	35,515	39,040	7,230	210,137	27,891	238,028	(24,207)	213,821
Segment profit	16,360	7,648	3,515	756	28,279	191	28,471	(1,658)	26,813
Finance income									579
Finance costs									(3,355)
Share of profit (loss) of investments accounted for using equity method									831
Profit before tax									24,868

- 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.

(Subsequent events)

Business combination by acquisition

On September 1, 2026, we acquired all shares of Claret Holdings Co., Ltd. which owns Pieroth Japan K.K., a company engaged in the sale of imported wines, and made it a subsidiary.

As a result of this share acquisition, PJ Holdings Co., Ltd., a subsidiary of Claret Holdings Co., Ltd., became our sub-subsidiary, and Pieroth Japan K.K., a sub-subsidiary of Claret Holdings Co., Ltd., became our sub-sub-subsidiary.

1. Outline of business combination

(1) Names of acquired companies and descriptions of their businesses

Name of acquired company	Claret Holdings Co., Ltd.
Business description	Management of subsidiaries, etc.
Name of acquired company	PJ Holdings Co., Ltd.
Business description	Management of subsidiaries, etc.
Name of acquired company	Pieroth Japan K.K.
Business description	Sale of imported wine, etc.

(2) Main reason for business combination

Pieroth Japan is an imported wine sales company that handles high-quality wines from around the world and conducts direct sales to customers through nationwide sales offices, tasting events, wine bar operations, and more.

We determined that Pieroth Japan's long-standing ability to build direct relationships with customers and provide experiential value has a high affinity with the Group's emphasis on building long-term relationships with customers, including in the out-of-store sales business, leading to this share acquisition.

By combining Pieroth Japan's product strength, sales capabilities, and planning skills with the Group's customer base, stores, events, out-of-store sales, gifts, and digital touchpoints, we will work on creating new experiential value centered around wine.

(3) Date of business combination

September 1, 2026

(4) Legal form of business combination

Acquisition of shares for cash as consideration

(5) Ratio of voting rights after acquisition

100%

2. Acquisition consideration for the acquired company

Consideration for the acquisition	Cash	¥5,437 million
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As the initial accounting treatment for the business combination was not completed by the approval date of the condensed semi-annual consolidated financial statements, detailed information regarding the fair value of the assets acquired and liabilities assumed, their main breakdown, goodwill, acquisition-related expenses, and the impact on the Group has not been disclosed.